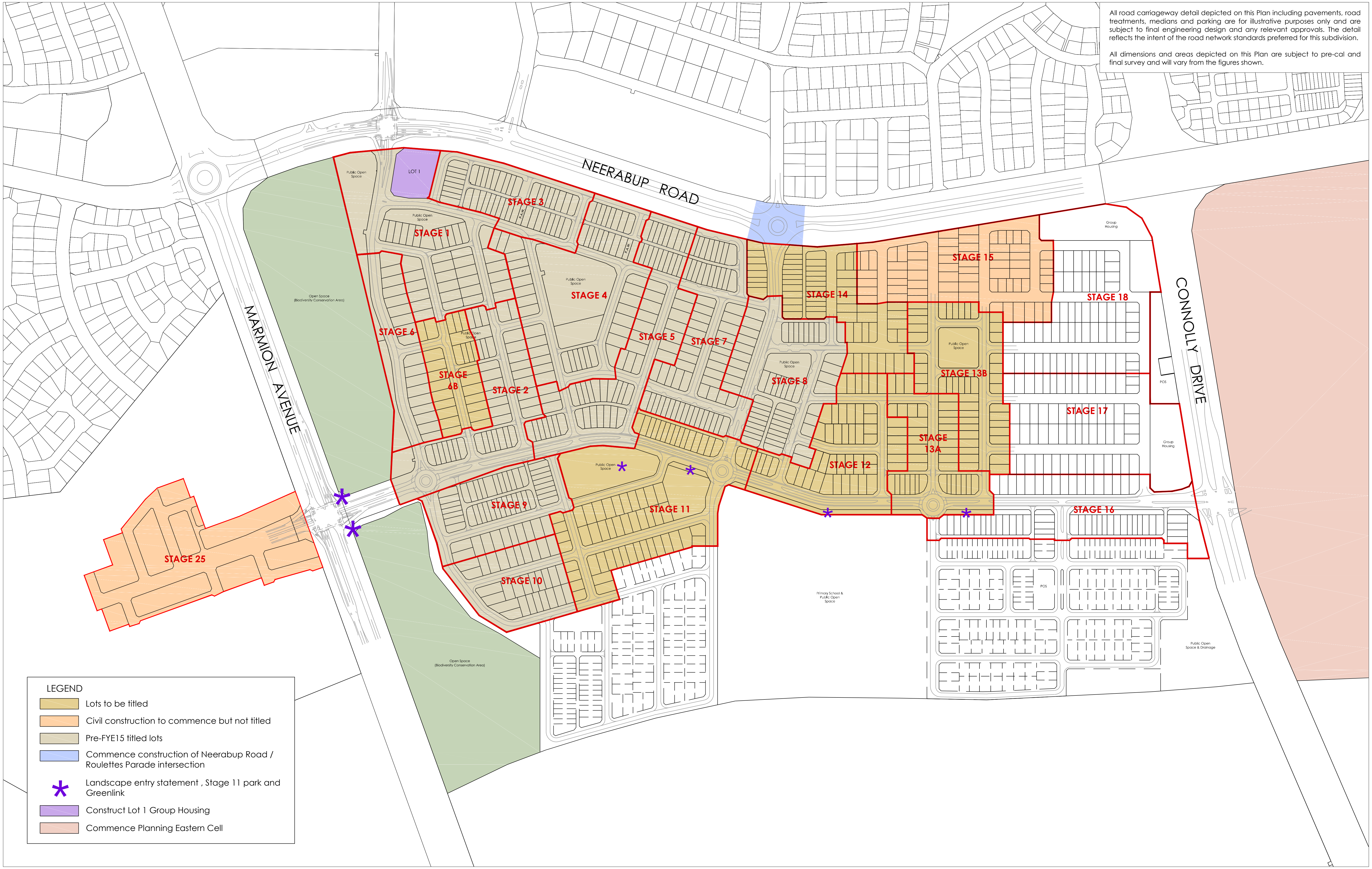
Appendix 9.1



CLE TOWN PLANNING + DESIGN

CATALINA FYE 2015 OPERATIONS

Catalina Estate, Tamala Park
City of Wanneroo

TAMALA PARK Regional Council

Satterley

plan no: 2228-278B-01
scale: 1:5,000 @ A3
date: 12.06.2014

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Appendix 9.2

TAMALA PARK REGIONAL COUNCIL

MONTHLY STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 APRIL 2016

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TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 30 APRIL 2016

	Operating	NOTE	30 April 2016 Actual $	30 April 2016 Y-T-D Budget $	2015/16 Amended Budget $	Variances Budget to Actual Y-T-D %
	Revenues	1,2				
	Interest Earnings		1,194,683	933,444	1,100,000	27.99%
	Other Revenue		5,700	5,700	5,700	0.00%
			1,200,383	939,144	1,105,700	27.82%
	Expenses	1,2				
	Employee Costs		(459,789)	(610,712)	(726,650)	(24.71%)
	Materials and Contracts Other		(115,727)	(373,616)	(445,634)	(69.03%)
	Depreciation		0	(14,949)	(17,797)	(100.00%)
	Utilities		(457)	(5,166)	(6,150)	(91.15%)
	Insurance		(10,152)	(10,152)	(10,152)	0.00%
	Other Expenditure		(119,973)	(132,927)	(175,970)	(9.75%)
			(706,098)	(1,147,522)	(1,382,353)	(38.47%)
	Adjustments for Non-Cash (Revenue) and Expenditure					
	Depreciation on Assets		0	12,813	17,797	(100.00%)
	Capital Revenue and (Expenditure)					
	Plant and Equipment	3	(1,317)	0	(25,000)	0.00%
	LESS MEMBERS EQUITY					
	Payment for Rates Equivalent		0	0	0	0.00%
	Development of Land for Resale					
	Income Sale of Lots - Subdivision		34,484,056	34,691,577	34,691,577	(0.60%)
	Income Sale of Apartments		0	0	6,096,997	0.00%
	Income Other Subdivisions		0	1,142,116	1,142,116	100.00%
	Development Costs		(19,539,416)	(29,667,690)	(29,667,690)	(34.14%)
	Development Costs of Apartments		0	0	(5,952,363)	0.00%
	Contribution Refund		(25,839)	0	(350,650)	0.00%
	Profit Distributions		(10,000,000)	(10,000,000)	(18,000,000)	0.00%
	Contribution Returned		0	0	0	0.00%
	Change in Contributed Equity	6	4,918,801	(3,833,997)	(12,040,013)	(228.29%)
ADD	Net Current Assets July 1 B/Fwd	7	46,155,070	46,155,070	46,155,070	0.00%
	Net Current Assets Year to Date	7	51,566,839	42,125,508	33,831,201	

This statement is to be read in conjunction with the accompanying notes.

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this statement of financial activity are:

(a) Basis of Accounting

This statement is a special purpose financial report, prepared in accordance with applicable Australian Australian Accounting Standards, other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

The Council does not hold any monies in trust.

(c) Rounding Off Figures

All figures shown in this statement, other than a rate in the dollar, are rounded to the nearest dollar.

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(e) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Trade and Other Receivables

Trade Receiveables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectibilty of trade receiveables is viewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is object evidence that they will not be collectible.

(h) Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

Land held for resale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

(i) Fixed Assets

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Municipality includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

Effective from 1 July 2012, the Local Government (Financial Management) regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The regulations allow for the phasing in of fair value in relation to fixed assets over three years as follows:
Plant and Equipment by June 30 2013
Plant and Equipment, Land and Buildings and Infrastructure by 30 June 2014, and
All Assets by 30 June 2015.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Computer Equipment	4 years
Printers, Photocopiers and Scanners	5 years
Furniture and Equipment	4 to 10 years
Floor coverings	8 years
Phones and Faxes	6 to 7 years
Plant and Equipment	5 to 15 years
Infrastructure	30 to 50 years

(k) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of preparing this report, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2014.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on the Monthly Statement of Financial Position from a budgetary perspective.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(o) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(p) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

2. STATEMENT OF OBJECTIVE

The Regional Council has a specific regional purpose which is:

a) To undertake, in accordance with the objectives, the rezoning, subdivision, development marketing and sale of land comprising the developable portion of Lot 118 Mindarie (now Lot 9504); and
b) To carry out and do all other acts and things which are reasonably necessary for the bringing into effect of the matters referred to in paragraph a).

The objectives of the Regional Council are:

1. To develop and improve the value of the land;
2. To maximise, and with prudent risk parameters, the financial return to the Participants;
3. To balance economic, social and environmental issues; and
4. To produce a quality development demonstrating the best urban design and development practice.

3. ACQUISITION OF ASSETS

The following assets are budgeted to be acquired during the year:	30 April 2016 Actual $	Adopted 2015/16 Budget $
<u>**By Program**</u>		
Other Property and Services		
Computer Equipment	1,317	0
Motor Vehicle	0	25,000
	1,317	**25,000**
<u>**By Class**</u>		
Furniture and Equipment	1317	0
Plant and Equipment	0	25,000
	1,317	**25,000**

4. DISPOSALS OF ASSETS

There are no assets budgeted to be disposed of during the 2015/16 year.

5. INFORMATION ON BORROWINGS

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2015-16 financial year.

6. CONTRIBUTED EQUITY

	30 April 2016 Actual $	30 June 2015 Actual $
Town of Victoria Park	4,458,946	4,007,855
City of Perth	4,458,946	4,007,855
Town of Cambridge	4,458,946	4,007,855
City of Joondalup	8,917,892	8,015,711
City of Wanneroo	8,917,892	8,015,711
Town of Vincent	4,458,946	4,007,855
City of Stirling	17,835,784	16,031,422
TOTAL	53,507,350	48,094,264
Total Movement in equity	5,413,086	

Movement in Contributed Equity Represented by:

	Development Expenses 30 April 2016 $	Land Sales 30 April 2016 $	Return of Contribution 30 April 2016 $	Rates Equivalent 30 April 2016 $
Town of Victoria Park	(1,628,284)	2,873,671	(833,333)	0
City of Perth	(1,628,284)	2,873,671	(833,333)	(25,839)
Town of Cambridge	(1,628,284)	2,873,671	(833,333)	0
City of Joondalup	(3,256,570)	5,747,343	(1,666,667)	0
City of Wanneroo	(3,256,570)	5,747,343	(1,666,667)	0
Town of Vincent	(1,628,284)	2,873,671	(833,333)	0
City of Stirling	(6,513,140)	11,494,686	(3,333,334)	0
	(19,539,416)	34,484,056	(10,000,000)	(25,839)

Members Contributed Equity Movements	4,918,801
TPRC Net Result	494,285
Total Movement in equity	5,413,086

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position	30 April 2016 Actual $	Brought Forward 1-Jul $
CURRENT ASSETS		
Cash - Unrestricted	51,464,945	46,060,590
Receivables	362,116	359,724
Settlement Bonds	10,968	29,400
	51,838,029	46,449,714
LESS: CURRENT LIABILITIES		
Payables and Provisions	(271,190)	(294,644)
NET CURRENT ASSET POSITION	51,566,839	46,155,070
NET CURRENT ASSET POSITION	51,566,839	46,155,070

8. RATING INFORMATION

The Regional Council does not levy rates on property.

9. TRUST FUNDS

The Regional Council does not hold any funds in trust on behalf of third parties.

TAMALA PARK REGIONAL COUNCIL

MONTHLY STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 31 MARCH 2016

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TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 31 MARCH 2016

		NOTE	31 March 2016 Actual $	31 March 2016 Y-T-D Budget $	2015/16 Amended Budget $	Variances Budget to Actual Y-T-D %
	Operating					
	Revenues	1,2				
	Interest Earnings		1,077,542	826,200	1,100,000	30.42%
	Other Revenue		5,700	0	5,699	0.00%
			1,083,242	826,200	1,105,699	31.11%
	Expenses	1,2				
	Employee Costs		(417,227)	(523,639)	(726,650)	(20.32%)
	Materials and Contracts Other		(107,543)	(319,862)	(445,633)	(66.38%)
	Depreciation		0	(12,813)	(17,797)	(100.00%)
	Utilities		(457)	(4,428)	(6,150)	(89.68%)
	Insurance		(10,152)	(10,151)	(10,151)	0.01%
	Other Expenditure		(119,960)	(131,660)	(175,971)	(8.89%)
			(655,339)	(1,002,553)	(1,382,352)	(34.63%)
	Adjustments for Non-Cash (Revenue) and Expenditure					
	Depreciation on Assets		0	12,813	17,797	(100.00%)
	Capital Revenue and (Expenditure)					
	Plant and Equipment	3	(1,317)	0	(25,000)	0.00%
	LESS MEMBERS EQUITY					
	Payment for Rates Equivalent		0	0	0	0.00%
	Development of Land for Resale					
	Income Sale of Lots - Subdivision		31,167,776	32,481,806	34,691,577	(4.05%)
	Income Sale of Apartments		0	0	6,096,997	0.00%
	Income Other Subdivisions		0	647,236	1,142,116	100.00%
	Development Costs		(18,157,672)	(34,835,064)	(29,667,690)	(47.88%)
	Development Costs of Apartments		0	0	(5,952,363)	0.00%
	Contribution Refund		(25,839)	0	(350,650)	0.00%
	Profit Distributions		(10,000,000)	(8,000,000)	(18,000,000)	25.00%
	Contribution Returned		0	0		0.00%
	Change in Contributed Equity	6	2,984,265	(9,706,022)	(12,040,013)	(130.75%)
ADD	Net Current Assets July 1 B/Fwd	7	46,155,070	46,155,070	46,155,070	0.00%
	Net Current Assets Year to Date	7	49,565,921	36,285,508	33,831,201	

This statement is to be read in conjunction with the accompanying notes.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 31 MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this statement of financial activity are:

(a) Basis of Accounting

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The Council does not hold any monies in trust.

(c) Rounding Off Figures

All figures shown in this statement, other than a rate in the dollar, are rounded to the nearest dollar.

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(e) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Trade and Other Receivables

Trade Receiveables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectibilty of trade receiveables is viewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is object evidence that they will not be collectible.

(h) Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

Land held for resale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

(i) Fixed Assets

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Municipality includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

Effective from 1 July 2012, the Local Government (Financial Management) regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The regulations allow for the phasing in of fair value in relation to fixed assets over three years as follows:
Plant and Equipment by June 30 2013
Plant and Equipment, Land and Buildings and Infrastructure by 30 June 2014, and
All Assets by 30 June 2015.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Computer Equipment	4 years
Printers, Photocopiers and Scanners	5 years
Furniture and Equipment	4 to 10 years
Floor coverings	8 years
Phones and Faxes	6 to 7 years
Plant and Equipment	5 to 15 years
Infrastructure	30 to 50 years

(k) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of preparing this report, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2014.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on the Monthly Statement of Financial Position from a budgetary perspective.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(o) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(p) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 31 MARCH 2016

2. STATEMENT OF OBJECTIVE

The Regional Council has a specific regional purpose which is:

a) To undertake, in accordance with the objectives, the rezoning, subdivision, development marketing and sale of land comprising the developable portion of Lot 118 Mindarie (now Lot 9504); and
b) To carry out and do all other acts and things which are reasonably necessary for the bringing into effect of the matters referred to in paragraph a).

The objectives of the Regional Council are:

1. To develop and improve the value of the land;
2. To maximise, and with prudent risk parameters, the financial return to the Participants;
3. To balance economic, social and environmental issues; and
4. To produce a quality development demonstrating the best urban design and development practice.

3. ACQUISITION OF ASSETS

The following assets are budgeted to be acquired during the year:	**31 March 2016 Actual $**	**Adopted 2015/16 Budget $**
<u>**By Program**</u>		
Other Property and Services		
Computer Equipment	1,317	0
Motor Vehicle	0	25,000
	1,317	**25,000**
<u>**By Class**</u>		
Furniture and Equipment	1317	0
Plant and Equipment	0	25,000
	1,317	**25,000**

4. DISPOSALS OF ASSETS

There are no assets budgeted to be disposed of during the 2015/16 year.

5. INFORMATION ON BORROWINGS

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2015-16 financial year.

6. CONTRIBUTED EQUITY

	31 March 2016 Actual $	30 June 2015 Actual $
Town of Victoria Park	4,292,202	4,007,855
City of Perth	4,292,202	4,007,855
Town of Cambridge	4,292,202	4,007,855
City of Joondalup	8,584,406	8,015,711
City of Wanneroo	8,584,406	8,015,711
Town of Vincent	4,292,202	4,007,855
City of Stirling	17,168,811	16,031,422
TOTAL	51,506,432	48,094,264
Total Movement in equity	3,412,168	

Movement in Contributed Equity Represented by:

	Development Expenses 31 March 2016 $	Land Sales 31 March 2016 $	Return of Contribution 31 March 2016 $	Rates Equivalent 31 March 2016 $
Town of Victoria Park	(1,513,139)	2,597,315	(833,333)	0
City of Perth	(1,513,139)	2,597,315	(833,333)	(25,839)
Town of Cambridge	(1,513,139)	2,597,315	(833,333)	0
City of Joondalup	(3,026,279)	5,194,629	(1,666,667)	0
City of Wanneroo	(3,026,279)	5,194,629	(1,666,667)	0
Town of Vincent	(1,513,139)	2,597,315	(833,333)	0
City of Stirling	(6,052,558)	10,389,258	(3,333,334)	0
	(18,157,672)	31,167,776	(10,000,000)	(25,839)

Members Contributed Equity Movements	2,984,265
TPRC Net Result	427,903
Total Movement in equity	3,412,168

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position	31 March 2016 Actual $	Brought Forward 1-Jul $
CURRENT ASSETS		
Cash - Unrestricted	49,375,915	46,060,590
Receivables	485,999	359,724
Settlement Bonds	16,668	29,400
	49,878,582	46,449,714
LESS: CURRENT LIABILITIES		
Payables and Provisions	(312,661)	(294,644)
NET CURRENT ASSET POSITION	49,565,921	46,155,070
NET CURRENT ASSET POSITION	49,565,921	46,155,070

8. RATING INFORMATION

The Regional Council does not levy rates on property.

9. TRUST FUNDS

The Regional Council does not hold any funds in trust on behalf of third parties.

Appendix 9.3

Tamala Park Regional Council
Summary Payment List
March 2016

Date	Num	Name	Description	Amount
01/03/2016	ET-4067	Intercontinental Adelaide	2016 UDIA National Congress - Accommodation Charges	-1,680.00
01/03/2016	ET-4093	Grant, Aaron & Nicole	Lot 171 (12th instalment over a 3 year period)	-2,887.50
03/03/2016		Employee Costs	Wages for period 18/02/16 - 02/03/16	-10,841.66
03/03/2016	ET-4069	National Australia Bank	Superannuation for period 18/02/16 - 02/03/16	-1,208.91
03/03/2016		City of Wanneroo - Supplier	Misc rates payments	-187,180.64
03/03/2016	ET-4070	Synergy	Stage 4 POS - electricity charges for 26/11/15 - 28/01/16	-472.65
03/03/2016		Baines Drilling	Catalina Beach Bore No. 5	-48,640.90
03/03/2016		Cossill & Webley	Stage 18 Civil Works (January 2016)	-43,560.00
03/03/2016		Creating Communities	Inv 1509, 1510 & 1512	-32,513.12
03/03/2016		Delron Cleaning	Inv 111463586 & 111464804	-990.00
03/03/2016		Emerge Associates	Inv 13724, 14538, 14539 & 14541	-4,679.40
03/03/2016		Eyles, Nicole & Dale	Solar Panel Rebate (Lot 275)	-2,000.00
03/03/2016		LD Total	Inv 70416, 70416B, 72488A, 72817 & 72956	-16,866.39
03/03/2016		Metcalfe, Loraine & Ian	Solar Panel Rebate (Lot 656)	-2,000.00
03/03/2016		R J Vincent & Co	Stage 25 Bulk Earthworks - Cert 7	-4,598.00
03/03/2016		Treacy Fencing	Inv 647679, 647681 & 647911	-6,534.00
03/03/2016		Williams, Kirstie	Solar Panel Rebate (Lot 566)	-2,000.00
03/03/2016	ET-4071	Action Couriers	Courier charges for period 15/02/16 - 21/02/16	-38.69
03/03/2016	ET-4072	Bray, Leanne	Inv 15042101 & 15091101	-37,500.00
03/03/2016	ET-4073	Dominic Carbone & Assoc	Consultancy services (January 2016)	-1,452.00
03/03/2016	ET-4074	Kyocera Mita	Printing costs for period 29/01/16 - 10/02/16	-39.91
03/03/2016	ET-4075	Moore Stephens	Accounting service fee (January 2016)	-2,035.00
03/03/2016	ET-4076	Officeworks	Office supplies	-161.23
03/03/2016	ET-4077	Synergy	Sales Office & Stage 13 POS	-992.55
03/03/2016	ET-4078	Water Corporation	Unit 4, 1 McAllister Bvd water service charges for period 01/01/16 - 29/02/16	-130.60
07/03/2016	ET-4079	Borgomastro, Jason	Lot 174 (12th instalment over a 3 year period)	-3,850.00
10/03/2016	CH-200479	Western Power	Stage 18A Subdivision Energisation	-51,132.00
15/03/2016	CH-200480	City of Wanneroo - Supplier	Street Lighting Tariff - Stages 11, 12, 13A, 13B, 14A, 14B, 15, 18A & 6B	-27,865.11
15/03/2016	CH-200481	City of Wanneroo - Supplier	Stage 18A Council Supervision Fee	-2,866.53
15/03/2016	CH-200482	City of Wanneroo - Supplier	Stage 18A Early Clearance Bond (WAPC No. 150071)	-129,716.38
15/03/2016	CH-200483	City of Wanneroo - Supplier	Stage 18A Subdivision Clearance fee	-1,205.00
15/03/2016	CH-200484	McMullen Nolan Group	Stage 18A Landgate Lodgement Fee	-2,396.00
15/03/2016	CH-200485	McMullen Nolan Group	Stage 18A WAPC Lodgement Fee	-768.00
15/03/2016	CON-48	City of Joondalup - Supplier		-72,701.56
15/03/2016	ET-4080	Westpac Bank	Payment of credit card charges (CEO & EA) - March 2016	-691.11
17/03/2016		Employee Costs	Wages for period 03/03/16 - 16/03/16	-12,873.86
17/03/2016	ET-4081	Australian Taxation Office	IAS February 2016	-14,080.00
17/03/2016		Action Couriers	Courier charges for period 23/02/16 - 06/03/16	-33.40
17/03/2016		Carat Australia Media Services	Stage 15A online ads	-4,703.68
17/03/2016		Chappell Lambert Everett	Agreed fee (January 2016)	-19,250.00
17/03/2016		City of Stirling	Inv 602 & GST Jan 2016	-22,087.47
17/03/2016		City of Vincent - Supplier	GST Dec 2015 & Jan 2016	-6,128.00
17/03/2016		Clean City Group	Graffiti removal (February 2016)	-907.50

Tamala Park Regional Council

Summary Payment List

March 2016

17/03/2016		Cossill & Webley	Inv 16681 & 16983	-6,562.33
17/03/2016		Creating Communities	Community Development Plan for period 01/11/15 - 31/11/15	-6,258.19
17/03/2016		Delron Cleaning	Inv 111463584 & 111463585	-990.00
17/03/2016		Houseandland.com.au	10 month subscription	-110.00
17/03/2016		hyd20 Hydrology	Catalina Beach UWMP - Claim 4	-541.20
17/03/2016		LD Total	Invoices x 13	-46,444.35
17/03/2016		Marketforce	Inv 5192 - 5195	-1,135.97
17/03/2016		Neverfail	Bottled water x 2	-26.40
17/03/2016		New Great Cleaning Service	Cleaning of TPRC offices (February 2016)	-143.00
17/03/2016		Rare Pty Ltd	Stage 18A Release Display Ads	-1,721.72
17/03/2016		Stantons International	Probity advisory services (February 2016)	-460.35
17/03/2016		Treacy Fencing	Invoices x 8	-20,610.92
17/03/2016		Carat Australia Media Services	Inv 418166 & 418167	-880.00
17/03/2016	ET-4082	Synergy	Electricity charges for period 23/05/15 - 19/01/16	-155.05
17/03/2016	ET-4083	Water Corporation	Sales Office & Lot 1/1 Elsbury	-1,769.77
17/03/2016	ET-4084	Telstra	Mobile phones (CEO & PC) - charges to 13 January 2016	-137.25
17/03/2016	CON-49	City of Wanneroo - Supplier	GST Jan 2016	-9,256.87
17/03/2016		National Australia Bank	Superannuation for period 03/03/16 - 16/03/16 + short paid	-419.08
17/03/2016		National Australia Bank	Superannuation for period 03/03/16 - 16/03/16	-1,552.04
24/03/2016	ET-4085	National Australia Bank	Supernnuation on 2014/15 bonus	-404.23
24/03/2016	ET-4086	ABN Projects Pty Ltd	Inv 37 & 46	-707,118.60
24/03/2016	ET-4087	Main Roads WA	Inv 8005586, 8005614 & 8005689	-285,819.70
31/03/2016	ET-4088	National Australia Bank	Superannuation for period 17/03/16 - 30/03/16	-1,552.04
31/03/2016	ET-4089	Australian Super	Superannuation (March 2016)	-1,753.98
31/03/2016		Employee Costs	Wages for period 17/03/16 - 30/03/16	-10,703.81
31/03/2016		Action Couriers	Courier charges for period 08/03/16 - 17/03/16	-62.94
31/03/2016		Burgess Rawson	Revaluation various lots x 5	-275.00
31/03/2016		Chappell Lambert Everett	Agreed fee (February 2016)	-19,250.00
31/03/2016		Cossill & Webley	Inv 16984, 16986 ^ 16987	-31,137.98
31/03/2016		Emerge Associates	Marmion Ave verge (February 2016)	-2,420.00
31/03/2016		LD Total	Inv 72488, 73351, 73399, 73602 & 73402	-16,380.26
31/03/2016		McMullen Nolan Group	Inv 80713, 80715 & 80718	-12,936.00
31/03/2016		Moore Stephens	Accounting service fee (February 2016)	-2,035.00
31/03/2016		Neverfail	Bottled water x 6	-79.20
31/03/2016		R J Vincent & Co	Inv 5221 & 5235	-232,404.85
31/03/2016		Realestate.com.au	6 month project profile	-4,387.50
31/03/2016		Scott Printers Pty Ltd	Presentation folders	-2,684.00
31/03/2016		Ventura Home Group	Display home rebate (Lot 194)	-14,600.00
31/03/2016	ET-4090	Alinta Energy	Sales Office gas charges for period 09/12/15 - 11/03/16	-25.35
31/03/2016	ET-4091	Telstra	Mobile phones (CEO & PC) - charges to 13 March 2016	-200.58
31/03/2016	ET-4092	Western Power	Stages 14B & 16A DIP	-3,690.50
				-2,233,354.76

Tamala Park Regional Council
Summary Payment List
April 2016

Date	Num	Name	Description	Amount
05/04/2016	CON-50	City of Wanneroo - Supplier	GST owing February 2016	-20,621.27
11/04/2016	CH-200486	Water Corporation	Stage 18A Infrastructure Contribution (WAPC 150071)	-161,728.00
11/04/2016	CH-200487	Western Power	Stage 14B Subdivision Energisation	-20,901.00
11/04/2016	CH-200488	City of Wanneroo - Supplier	Stage 14B Subdivision Clearance Fee	-540.00
11/04/2016	CH-200489	McMullen Nolan Group	Stage 14B Landgate Lodgement Fee	-1,047.00
11/04/2016	CH-200490	McMullen Nolan Group	Stage 14B WAPC Lodgement Fee	-635.00
11/04/2016	CH-200491	City of Wanneroo - Supplier	Stage 14B Early Clearance Bond (WAPC No. 150071)	-159,002.27
11/04/2016	CH-200492	City of Wanneroo - Supplier	Stage 14B Council Supervision Fee	-1,150.93
12/04/2016	ET-4094	Channel 7 Telethon Trust	Telethon 2015 - Marketing & Promotion Expenses	-706,006.40
12/04/2016	ET-4095	Westpac Bank	Payment of credit card charges (CEO & EA) - March 2015	-777.68
13/04/2016	CON-52	Town of Cambridge - supplier		-14,939.07
14/04/2016		Employee Costs	Wages for period 31/03/16 - 13/04/16	-10,703.80
14/04/2016	ET-4096	National Australia Bank	Superannuation for period 31/03/16 - 13/04/16	-1,552.04
14/04/2016		Action Couriers	Courier charges for period 30/03/16 - 03/04/16	-33.40
14/04/2016		Adshead, D & Pieterse, M	Solar Panel Rebate (Lot 522)	-2,000.00
14/04/2016		Barron, Alex & Rachel	Solar Panel Rebate (Lot 631)	-2,000.00
14/04/2016		Bloomfield, B & O'Grady, P	Solar Panel Rebate (Lot 707)	-2,000.00
14/04/2016		Blowers, Jessica & Hill, Patrick	Solar Panel Rebate (Lot 294)	-2,000.00
14/04/2016		Burgess Rawson	GST valuations for Lot 1 McAllister (2 units)	-220.00
14/04/2016		Content Living	Waste management rebate (Lot 180)	-990.00
14/04/2016		Cossill & Webley	Misc. Invoices	-27,361.13
14/04/2016		Docushred	Security bin (March 2016)	-51.70
14/04/2016		Dominic Carbone & Assoc	Consultancy services (February & March 2016)	-1,782.00
14/04/2016		Eco Logical Australia	2015 EPBC Annual Compliance Report	-2,750.00
14/04/2016		Grenda, Ryszard	Solar Panel Rebate (Lot 641)	-2,000.00
14/04/2016		Homebuyers Centre	Misc. Invoices	-3,960.00
14/04/2016		Kyocera Mita	Printing costs for period 29/02/16 - 10/03/16	-58.04
14/04/2016		Marcus, Leonard & Emily	Solar Panel Rebate (Lot 539)	-2,000.00
14/04/2016		Marketforce	Misc. Invoices	-1,398.50
14/04/2016		Marshall, John & Charmaine	Solar Panel Rebate (Lot 742)	-2,000.00
14/04/2016		Mason, Neal & Quinn, Anna	Solar Panel Rebate (Lot 509)	-2,000.00
14/04/2016		Momu	Waste management rebate (Lot 178)	-990.00
14/04/2016		New Great Cleaning Service	Cleaning of TPRC offices (March 2016)	-143.00
14/04/2016		Officeworks	Office supplies	-164.62
14/04/2016		Plunkett Homes	Display home rebate (Lot 224)	-14,600.00
14/04/2016		R J Vincent & Co	Misc. Invoices	-36,054.70
14/04/2016		Roggio, Katharine	Solar Panel Rebate (Lot 662)	-2,000.00
14/04/2016		Sawicki, Hayden	Solar Panel Rebate (Lot 307)	-2,000.00
14/04/2016	ET-4101	Australian Taxation Office	BAS for quarter January - March 2016	-21,787.00
15/04/2016	CON-51	City of Joondalup	GST owing February 2016	-20,621.27
27/04/2016	CON-53	Town of Cambridge	GST owing March 2016	-3,820.87
28/04/2016		Employee Costs	Wages for period 14/04/16 - 27/04/16	-10,703.81
28/04/2016	ET-4097	Australian Super	Superannuation (April 2016)	-1,169.32

Tamala Park Regional Council

Summary Payment List

April 2016

28/04/2016	ET-4098	National Australia Bank	Superannuation for period 14/04/16 - 27/04/16	-1,552.04
28/04/2016		Blake, Daniel	Solar Panel Rebate (Lot 741)	-2,000.00
28/04/2016		Burgess Rawson	Misc. Invoices	-1,210.00
28/04/2016		City of Stirling	Rent of TPRC offices (May 2016)	-3,573.74
28/04/2016		Cossill & Webley	Misc. Invoices	-30,012.68
28/04/2016		Delron Cleaning	Misc. Invoices	-990.00
28/04/2016		Emerge Associates	Misc. Invoices	-13,884.20
28/04/2016		Ernst & Young	Professional services to 08/04/16	-5,280.00
28/04/2016		Homebuyers Centre	Misc. Invoices	-40,500.00
28/04/2016		Houseandland.com.au	Misc. Invoices	-220.00
28/04/2016		Koya, Vincent & Esther	Solar Panel Rebate (Lot 746)	-2,000.00
28/04/2016		LD Total	Misc. Invoices	-96,973.64
28/04/2016		Lloyd George Acoustics	Western Precinct acoustic assessment	-1,320.00
28/04/2016		Main Roads WA	Bus underpass (February 2016)	-226,218.18
28/04/2016		McMullen Nolan Group	Misc. Invoices	-8,272.00
28/04/2016		Moore Stephens	Accounting service fee (March 2016)	-2,513.50
28/04/2016		Neverfail	Annual cooler rental + water bottles x 4	-206.80
28/04/2016		R J Vincent & Co	Stage 25 Bulk Earthworks (Cert 9)	-4,089.80
28/04/2016		Replants	Deliver & plant grass trees x 24	-3,960.00
28/04/2016		Rincon, Julio	Solar Panel Rebate (Lot 708) - Payment refunded by bank on 28/04/16	-2,000.00
28/04/2016		Town of Victoria Park		-21,807.00
28/04/2016		Treacy Fencing	Misc. Invoices	-75,062.90
28/04/2016		Ubale, Sagar & Yogita	Solar Panel Rebate (Lot 523)	-2,000.00
28/04/2016		Van Der Weg, G & V	Solar Panel Rebate (Lot 723)	-2,000.00
28/04/2016	ET-4099	Synergy	Misc. Invoices	-1,267.90
28/04/2016	ET-4100	Telstra	Mobile phones (CEO & PC) - charges to 13 April 2016	-240.47
				-1,817,418.67

Tamala Park Regional Council
Cheque Detail
March 2016

Type	Num	Date	Name	Description	Amount
Bill Pmt -Cheque	CH-200479	10/03/2016	Western Power	Stage 18A Subdivision Energisation	-51,132.00
Bill Pmt -Cheque	CH-200480	15/03/2016	City of Wanneroo - Supplier	Street Lighting Tariff - Stages 11, 12, 13A, 13B, 14A, 14B, 15, 18A & 6B	-27,865.11
Bill Pmt -Cheque	CH-200481	15/03/2016	City of Wanneroo - Supplier	Stage 18A Council Supervision Fee	-2,866.53
Bill Pmt -Cheque	CH-200482	15/03/2016	City of Wanneroo - Supplier	Stage 18A Early Clearance Bond (WAPC No. 150071)	-129,716.38
Bill Pmt -Cheque	CH-200483	15/03/2016	City of Wanneroo - Supplier	Stage 18A Subdivision Clearance fee	-1,205.00
Bill Pmt -Cheque	CH-200484	15/03/2016	McMullen Nolan Group	Stage 18A Landgate Lodgement Fee	-2,396.00
Bill Pmt -Cheque	CH-200485	15/03/2016	McMullen Nolan Group	Stage 18A WAPC Lodgement Fee	-768.00
					-215,949.02

Tamala Park Regional Council
Cheque Detail
April 2016

Type	Num	Date	Name	Description	Amount
Bill Pmt -Cheque	CH-200486	11/04/2016	Water Corporation	Stage 18A Infrastructure Contribution (WAPC 150071)	-161,728.00
Bill Pmt -Cheque	CH-200487	11/04/2016	Western Power	Stage 14B Subdivision Energisation	-20,901.00
Bill Pmt -Cheque	CH-200488	11/04/2016	City of Wanneroo - Supplier	Stage 14B Subdivision Clearance Fee	-540.00
Bill Pmt -Cheque	CH-200489	11/04/2016	McMullen Nolan Group	Stage 14B Landgate Lodgement Fee	-1,047.00
Bill Pmt -Cheque	CH-200490	11/04/2016	McMullen Nolan Group	Stage 14B WAPC Lodgement Fee	-635.00
Bill Pmt -Cheque	CH-200491	11/04/2016	City of Wanneroo - Supplier	Stage 14B Early Clearance Bond (WAPC No. 150071)	-159,002.27
Bill Pmt -Cheque	CH-200492	11/04/2016	City of Wanneroo - Supplier	Stage 14B Council Supervision Fee	-1,150.93
					-345,004.20

Appendix 9.4

Satterley

24 May 2016

Mr Tony Arias
Chief Executive Officer
Tamala Park Regional Council
PO Box 655
INNALOO WA 6918

Dear Tony

Catalina Financial Report for April 2016

Please find attached the Catalina Financial Report for April 2016. This report has been prepared on a cash basis and compares actual income and expenditure to the August 2015 approved budget for the period 1 April 2016 to 30 April 2016.

Residential settlement revenue for the financial year to 30 April 2016 is $26.4m which is $8.3m behind the approved 'August 2015' budget with 31 less residential settlements for the year.

Sales for FYE2016 are $17.5m unfavourable to budget due to 67 less residential lot sales for the year.

Overall FYE2016 expenditure is $23.5m under budget per the approved 'August 2015' budget, with $9.5m spent compared to a budget of $33.0m. The main areas of variance are summarised below:

- Lot Production $12.2m under budget
  - Stages 20-24 Earthworks $0.4m under budget due to deferred works
  - Stages 25-27 Earthworks $0.5m under budget due to deferred works
  - Stage 13B $0.3m under budget due to deferred payments and full provisional sums not being used
  - Stage 14B $0.8m under budget due to deferred payments
  - Stage 15 $1.0m under budget due to cost savings
  - Stage 16A $1.1m under budget due to deferred works
  - Stage 18 $3.0m under budget due to deferred works
  - Stage 25 $3.3m under budget due to deferred works
  - Movement in Clearance bonds $1.1m under budget due to timing of returns
- Infrastructure $3.5m under budget
  - Neerabup Rd Maroochydore Way Intersection $1.1m under budget due to deferred payments
  - Neerabup Rd Green Link Underpass $1.7m under budget due to deferred payments
- Landscaping $4.2m under budget
  - Stage 12 Landscaping $0.9m under budget due to deferred works
  - Stage 13 Landscaping $0.6m under budget due to deferred works
  - Minor favourable variances of $0.2m to $0.3m each for the following landscaping scope of works
    - Stage 10 POS and BCA; Stage 11; Marmion Ave Eastern Verge Upgrade; Public Art
- P&L expenditure - $2.6m under budget
  - Marketing $0.6m under budget with $269k spent against a YTD budget of $864k
  - Contingency $1.7m not required to date.

Satterley Property Group Pty Ltd. 18 Bowman Street, South Perth, WA 6151. PO Box 410, South Perth, WA 6951. P: (08) 9368 9000 F: (08) 9368 9003 W: www.satterley.com.au ABN 38 009 054 979
Licensee: Satterley Property Group Pty Ltd. (Inc in WA). Licensed Real Estate Agent trading as Satterley Real Estate.

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

Aaron Grant
Project Director

Satterley Property Group Pty Ltd. 18 Bowman Street, South Perth, WA 6151. PO Box 410, South Perth, WA 6951. P: (08) 9368 9000 F: (08) 9368 9003 W: www.satterley.com.au ABN 38 009 054 979
Licensee: Satterley Property Group Pty Ltd. (Inc in WA). Licensed Real Estate Agent trading as Satterley Real Estate.

CATALINA
FINANCE REPORT
APRIL 2016

1.0 Management Accounts

1.1 *KEY STATISTICS*

1.1.1 RESIDENTIAL LOTS & DISTRIBUTIONS

	Lots Produced (titles)		Sales		Settlements		Distributions	
	Actual	*Budget*	*Actual*	*Budget*	*Actual*	*Budget*	*Actual*	*Budget*
Prior Years	724	724	678	678	634	634	41,000,000	41,000,000
Jul-2015	-	-	6	5	14	17	-	-
Aug-2015	-	-	9	9	9	16	-	-
Sep-2015	-	-	7	15	5	13	-	-
Sep-12 Qtr	**-**	**-**	**22**	**29**	**28**	**46**	**-**	**-**
Oct-2015	-	-	6	16	12	7	-	-
Nov-2015	-	-	15	15	6	9	-	-
Dec-2015	53	55	13	18	7	5	-	8,000,000
Dec-12 Qtr	**53**	**55**	**34**	**49**	**25**	**21**	**-**	**8,000,000**
Jan-2016	-	-	5	19	14	29	-	-
Feb-2016	-	-	2	14	9	16	10,000,000	-
Mar-2016	-	-	11	17	10	8	-	-
Mar-13 Qtr	**-**	**-**	**18**	**50**	**33**	**53**	**10,000,000**	**-**
Apr-2016	-	-	2	15	11	8	-	-
May-2016		89		19		4		-
Jun-2016		-		18		19		10,000,000
Jun-13 Qtr	**-**	**89**	**2**	**52**	**11**	**31**	**-**	**10,000,000**
PTD	**777**	**779**	**754**	**821**	**731**	**762**	**51,000,000**	**49,000,000**
Full 2015/16 Year	**53**	**144**	**76**	**180**	**97**	**151**	**10,000,000**	**18,000,000**
2016/17		**156**		**200**		**193**		**31,000,000**
2017/18		**217**		**200**		**193**		**10,000,000**

- 11 residential lots settled in April comprising:

	Lots
Stage 10	1
Stage 13B	1
Stage 15	9

1.2 *Sales & Settlements*

	MTH Act	MTH Bgt	YTD Act	YTD Bgt	PTD Act	PTD Bgt
Residential						
- Sales #	2	15	76	143	754	821
- Sales $	380,000	4,244,368	21,159,000	38,628,125	189,465,500	206,934,625
- Sales $/lot	190,000	282,958	278,408	270,127	251,281	252,052
- Settlements #	11	8	97	128	731	762
- Settlements $	3,079,000	2,209,546	26,431,000	34,691,349	182,845,500	191,105,849
- Settlements $/lot	279,909	276,193	272,485	271,026	250,131	250,795
Special Sites						
- Sales #	-	-	-	-	2	2
- Sales $	-	-	-	-	1,895,000	1,895,000
- Sales $/lot	-	-	-	-	947,500	947,500
- Settlements #	-	-	-	-	2	2
- Settlements $	-	-	-	-	1,895,000	1,895,000
- Settlements $/lot	-	-	-	-	947,500	947,500
Lots Under Contract						
- Unsettled sales #	23		Unconditional	4	Titled	
- Unsettled sales $	6,620,000		Conditional	19	780 *incl. Spec sites*	
- Unsettled sales $/lot	287,826					

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1.3 *Cashflow - MTD Actuals to budget*

	MTD Act	MTD Bgt	Variance
Revenue	3,079,000	2,209,546	869,454
Margin GST	(32,520)	(128,873)	96,353
Direct selling costs	(137,797)	(143,762)	5,966
Interest Income	659	-	659
Forfeited Deposits	-	-	-
Other Income	(97)	1,012,571	(1,012,668)
Rebate Allowance	(230,680)	(568,764)	338,084
	2,678,566	2,380,717	297,849
Development costs			
Lot production	99,314	2,694,176	2,594,862
Landscaping	16,222	125,099	108,877
Consultants	8,059	62,754	54,695
Infrastructure	210,027	250,772	40,746
Sales office building	136	62,212	62,076
Sales & marketing	114	70,208	70,095
Administration	37,189	63,867	26,678
Finance	-	187,372	187,372
	371,061	3,516,461	3,145,400
Cashflow	2,307,505	(1,135,744)	3,443,249

- Actual & Budget margin scheme GST has been calculated under the concessional Item 4 basis for settlements.
- The $1.0m budgeted in April for Other Income was for the sale of the stage 11 Local Centre.
- Negative Actual Other income for the current month reflects the settlement adjustments on the Lot 1 ABN apartment settlement in April.

1.4 *Cashflow - YTD Actuals to budget*

	YTD Act	YTD Bgt	Variance
Revenue	26,431,000	34,691,349	(8,260,349)
Margin GST	(285,905)	(736,553)	450,648
Direct selling costs	(1,183,787)	(1,633,275)	449,489
Interest Income	7,947	-	7,947
Forfeited Deposits	-	-	-
Other Income	147,164	1,659,807	(1,512,642)
Rebate Allowance	(931,625)	(3,133,017)	2,201,392
	24,184,794	30,848,310	(6,663,516)
Development costs			
Lot production	5,669,671	17,834,763	12,165,092
Landscaping	1,768,061	5,934,939	4,166,878
Consultants	385,943	1,154,121	768,178
Infrastructure	802,768	4,307,863	3,505,095
Sales office building	34,421	262,144	227,724
Sales & marketing	268,800	863,944	595,144
Administration	590,693	955,992	365,298
Finance	19,415	1,699,874	1,680,459
	9,539,773	33,013,640	23,473,867
Cashflow	14,645,021	(2,165,329)	16,810,351

<u>The YTD revenue variance comprises:</u>

- Settlement revenue is $8.3m unfavourable to budget on 31 less residential settlements than the budget for FY2016.

1.5 *Bonds*

	Last Year	Last Month	This Month
City of Wanneroo	817,950	473,309	319,155
	817,950	473,309	319,155

Bonds relate to early clearances for stages 14B & 15 and a Landscaping bond for stage 13.

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2.0 PROFIT & LOSS

	MTH Act	MTH Bgt	Var	YTD Act	YTD Bgt	Var	PTD Act	PTD Bgt
- Revenue $ (Stlmts)	3,079,000	2,209,546	869,454	26,431,000	34,691,350	(8,260,350)	182,845,500	191,105,850
- Revenue $/lot	279,909	276,193		272,485	271,026		250,131	250,795
- Selling & GST $	302,339	425,952	123,612	2,611,065	4,275,851	1,664,786	19,101,598	20,766,385
- Selling & GST $/lot	27,485	53,244		26,918	33,405		26,131	27,252
- Cost of sales $	893,056	733,316	(159,740)	7,874,210	11,222,791	3,348,581	69,451,312	72,799,894
- Cost of sales $/lot	81,187	91,665		81,177	87,678		95,009	95,538
- Gross profit $	1,883,605	1,050,278	833,327	15,945,726	19,192,708	(3,246,983)	94,292,589	97,539,571
- Gross profit $/lot	171,237	131,285		164,389	149,943		128,991	128,005
- Gross profit Mgn %	61.18%	47.53%		60.33%	55.32%		51.57%	51.04%
- Special Sites $	-	886,234	(886,234)	-	573,597	(573,597)	1,284,073	1,857,670
- Other income $	562	-	562	155,111	-	155,111	221,821	66,710
- Sales & Marketing $	74,192	70,269	(3,923)	303,516	864,572	561,056	1,199,128	1,760,183
- Administration $	29,009	63,905	34,896	607,992	958,046	350,054	1,944,938	2,294,992
- Finance $	-	-	-	-	-	-	-	-
- Contingency $	-	187,418	187,418	-	1,700,313	1,700,313	20,364	1,720,677
- Net profit $	**1,780,967**	**1,614,920**	**166,046**	**15,189,329**	**16,243,374**	**(1,054,046)**	**92,634,054**	**93,688,099**
- Net profit $/lot	161,906	201,865		156,591	126,901		126,722	122,950

- FY16 YTD Gross profit is $3.2m behind budget due to unfavourable settlements of 31 lots.
- FY16 YTD net profit is unfavourable against budget by $1.1m, due to the unfavourable gross profit variance $3.2m partly offset by unused contingency $1.7m, and favourable marketing and admin costs of $0.9m.
- Budgeted special sites profit for the month relates to the stage 11 local centre. The local centre tender was released in April, but no submissions were received.

YEAR TO DATE VERSUS FULL YEAR BUDGET

	YTD Act	FY16 Full Year Bgt	Var
- Revenue $ (Stlmts)	26,431,000	40,743,130	(14,312,130)
- Revenue $/lot	272,485	269,822	
- Selling & GST $	2,611,065	5,129,272	2,518,207
- Selling & GST $/lot	26,918	33,969	
- Cost of sales $	7,874,210	13,635,063	5,760,853
- Cost of sales $/lot	81,177	90,298	
- Gross profit $	15,945,726	21,978,795	(6,033,070)
- Gross profit $/lot	164,389	145,555	
- Gross profit Mgn %	60.33%	53.94%	
- Special Sites $	-	573,597	(573,597)
- Other income $	155,111	-	155,111
- Sales & Marketing $	303,516	1,005,110	701,594
- Administration $	607,992	1,086,064	478,072
- Finance $	-	-	-
- Contingency $	-	2,054,964	2,054,964
- Net profit $	**15,189,329**	**18,406,254**	**(3,216,925)**
- Net profit $/lot	156,591	121,896	

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2.1 GROSS PROFIT ANALYSIS

Actual

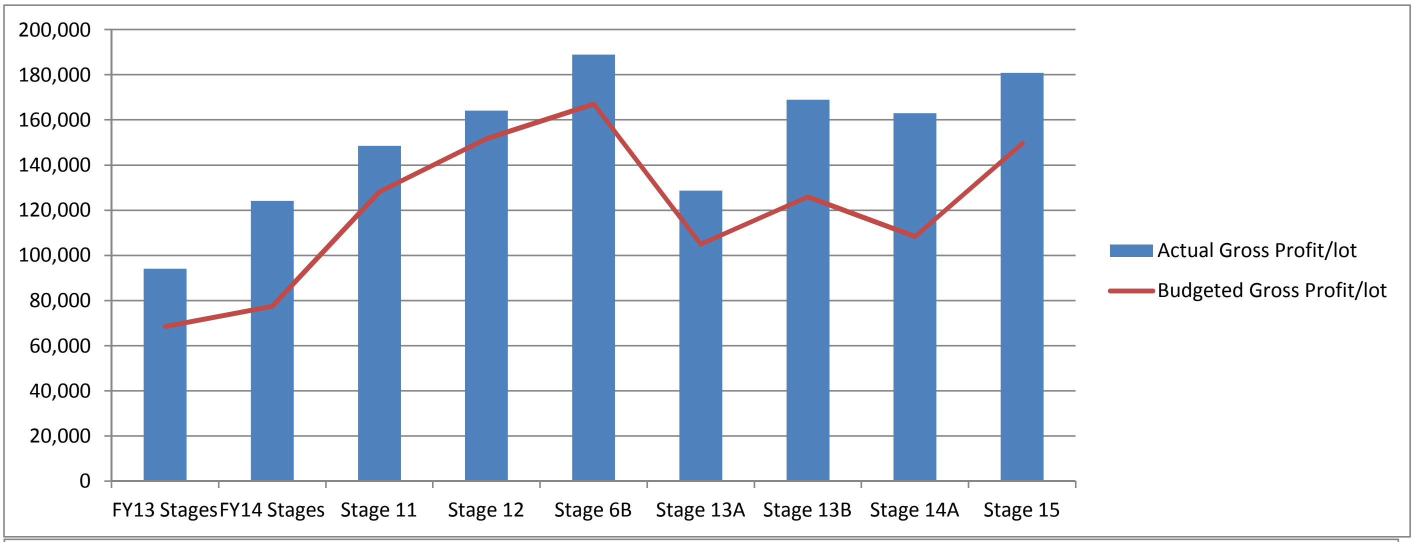
Stages	Title Issue Date	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)	Direct Costs/lot	Actual Gross Profit	Actual Gross Profit/lot	Actual Gross Margin %
FY13 Stages	2012 / 2013	51,375,500	220,496	29,448,888	126,390	21,926,612	94,106	42.68%
FY14 Stages	2013 / 2014	50,325,000	243,116	24,635,745	119,013	25,689,255	124,103	51.05%
Stage 11	1-Oct-14	17,371,000	275,730	8,012,249	127,179	9,358,751	148,552	53.88%
Stage 12	3-Dec-14	13,229,000	287,587	5,676,996	123,413	7,552,004	164,174	57.09%
Stage 6B	19-Jan-15	7,452,000	310,500	2,916,524	121,522	4,535,476	188,978	60.86%
Stage 13A	30-Mar-15	9,450,000	262,500	4,816,153	133,782	4,633,847	128,718	49.04%
Stage 13B	11-May-15	10,369,000	280,243	4,117,371	111,280	6,251,629	168,963	60.29%
Stage 14A	4-Jun-15	15,260,000	267,719	5,969,399	104,726	9,290,601	162,993	60.88%
Stage 15	15-Dec-15	8,014,000	286,214	2,952,313	105,440	5,061,687	180,775	63.16%
		182,845,500		88,545,638		94,299,862		

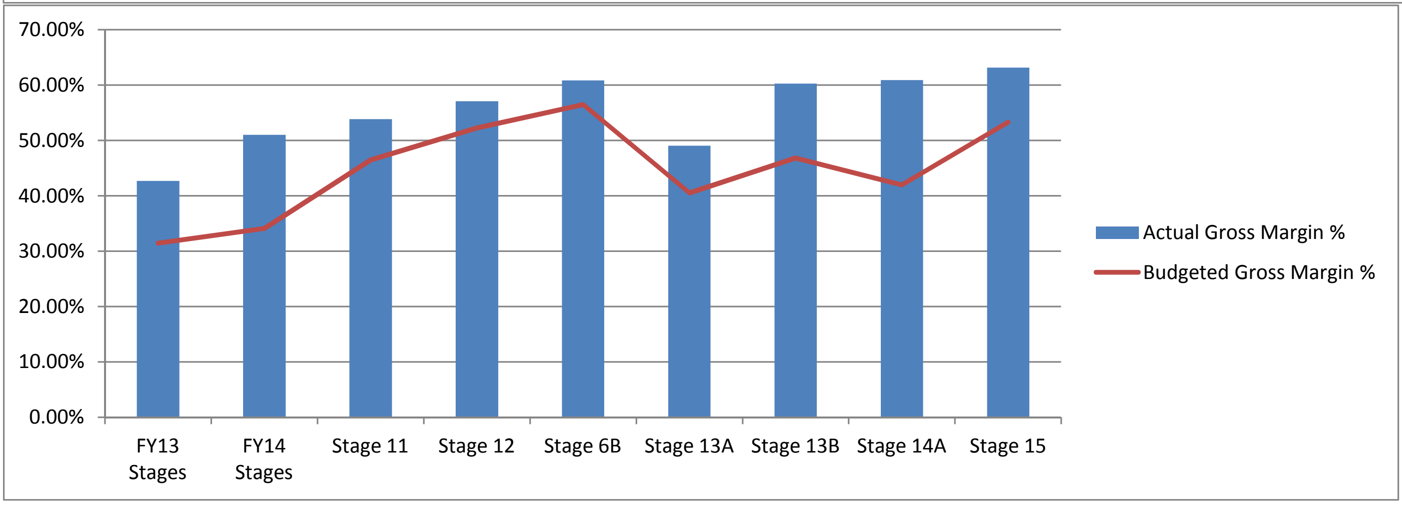
- Values for actuals are based on '**settled lots only**' for the relevant stages.

Budget

Stages	Budget Version	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)	Direct Costs/lot	Budgeted Gross Profit	Budgeted Gross Profit/lot	Budgeted Gross Margin %
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%
Stage 11	Aug-14	17,645,281	275,708	9,444,658	147,573	8,200,623	128,135	46.47%
Stage 12	Aug-14	14,221,581	290,236	6,787,551	138,521	7,434,030	151,715	52.27%
Stage 6B	Aug-14	7,098,672	295,778	3,089,032	128,710	4,009,640	167,068	56.48%
Stage 13A	Aug-14	9,585,882	259,078	5,703,355	154,145	3,882,527	104,933	40.50%
Stage 13B	Aug-14	12,111,408	269,142	6,443,000	143,178	5,668,408	125,965	46.80%
Stage 14A	Aug-14	15,504,265	258,404	9,001,574	150,026	6,502,690	108,378	41.94%
Stage 15	Aug-15	15,433,000	280,600	7,203,599	130,975	8,229,401	149,625	53.32%
		215,047,654		127,099,978		87,947,676		

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





Appendix 9.6

26 May 2016

Mr Tony Arias
Chief Executive Officer
Tamala Park Regional Council
Unit 2, 369 Scarborough Beach Road
INNALOO WA 6018

Dear Tony

CATALINA: Rebate Recommendation

The Tamala Park Regional Council meeting held on 18 February 2016, resolved to approve an early Construction rebate to the value of $8,000 per lot on selected lots until 30 June 2016.

WA Market Update

WA property market conditions remain tough and highly competitive, with shallow market confidence continuing to be a factor impacting the local real estate market. Western Australia's population growth has slowed in the wake of falling commodity prices, which has seen the price of iron ore drop 60% since last year and record its lowest level this decade in July 2015.

The state's dependency on the mining sector has drastically effected interstate migration numbers into WA, contributed by a slump in employment and as a result effecting the local residential market.

Despite interest rates remaining at historically low levels, sentiment for housing affordability declined significantly over the past year given weaker confidence in the housing market and speculation on banks raising mortgage rates. The time to buy a dwelling index fell a significant 18.1 per cent as a result and has the potential to drop further, given the recent increase in mortgage rates by all major banks.

Property listings have increased over the past year. Perth metro listings have risen from 13,678 in Apr-15 to 15,460 in Apr-16. Current listings now sit well above the equilibrium level of 12,000 for Perth Metro, indicating an oversupply in the market.

Dwelling approval rates have continued to decline over the past 12 months to Feb-16, with dwelling approvals sitting at 1,938 approvals for Feb-16, levels not recorded since August 2012. Consistent with falling population growth and lower sales volumes, the trend downward has continued for 17 consecutive months from a record high of 2,828 approvals in Sep-14.

Softening market demand for land has resulted in a slow down in sales activity, where prices are stabilising and production is easing. Currently, residential land block supply is 2,580 lots (Apr-16), an increase since Apr-15 (1,775 lots).

Rental vacancy rates have climbed to 6.0% (Dec-15), with properties listed for rent in the Perth Metro area increasing 44.3% over the 2015 calendar year and now stand at 9,918 in Apr-16. The

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Licensee: Satterley Property Group Pty Ltd. (Inc in WA). Licensed Real Estate Agent trading as Satterley Real Estate.

increase in rental vacancy rates has been a key driver in the drop in median rent, which has fallen to $400/week in Apr-16, following a 9.1% drop throughout 2015. (Source: REIWA market update)

Catalina Sales

Sales activities at Catalina Estate since July this year have yielded 82 net sales and 107 settlements.

Competition amongst developer estates operating in the northern corridor remains highly competitive. There is a lack of urgency from prospective buyers and visitations to the sales office and display villages remain consistently low.

Buyers remain sensitive to any increases in block prices and are looking for a 'sharp' price and in many cases, a retail incentive, to proceed with a purchase. The sales team continues to actively promote the estate with a significant focus on networking and partnering with key project homes builders through home and land packaging. Consistent sales service is being provided to builder sales reps through visits to local display villages and group presentations at builder sales meetings.

The introduction of sales incentives in recent months has provided an opportunity to engage the Catalina client database as well as the builder database. Catalina's second display village opened in February 2016 with 22 of the 23 display homes open and providing renewed interest and increase awareness of the project to prospective buyers and our builder partners.

The current FYE16 sales budget is 180 lots is based on achieving 15 net sales per month. Currently the project is netting 7 sales per month. The project is forecast to net 87 sales for the FYE16 period.

The builder rebate since it was approved by the TPRC council in October 2015 has enabled the sales team to move old stock that previously was receiving little interest from potential purchasers. Sixteen of the sixty-two sales made between November and May have been with the rebate in place. Without the rebate these sales would not have come to fruition.

Stage	Lot	Size (m2)	Price (without rebate)	Notes	Status	Released to the market
12A	295	300	$240,000	Mandatory two storey	Available	24th May 2014
13B	726	225	$210,000	Mandatory two storey	Available	6th June 2015
13B	727	225	$210,000	Mandatory two storey	Available	6th June 2015
13B	728	225	$210,000	Mandatory two storey	Available	6th June 2015
13B	730	295	$237,000	Mandatory two storey	Available	6th June 2015
13B	755	225	$210,000	Mandatory two storey	Available	6th June 2015
13B	757	225	$210,000	Mandatory two storey	Available	6th June 2015
13B	758	225	$210,000	Mandatory two storey	Available	6th June 2015
14B	793	300	$261,000		Available	28th February 2015
15	821	358	$275,000	Quiet Noise	Available	25th July 2015
15	841	300	$257,000		Available	17th October 2015
15	856	200	$202,000		Available	17th October 2015
15	861	375	$298,000		Available	28th November 2015
15	867	277	$254,000		Available	28th November 2015

As outlined in the table above there are currently 14 lots on the market out of the 20 total lots available that have been on the market for a period of more than six months and meet the criteria for a builders rebate to be applied.

Recommendation

Satterley Property Group provides the following recommendations to achieve the FYE17 sales target:

- Approve the extension of the Early Construction rebate of $8,000 on selected lots that are older than six months up to 380m2 from 30 June 2016 until 30 December 2016.

Should you require any further clarification please contact the undersigned.

Yours sincerely

Aaron Grant
Project Director

Appendix 9.7

Satterley

26 May 2016

Mr Tony Arias
Chief Executive Officer
Tamala Park Regional Council
Unit 2, 369 Scarborough Beach Road
INNALOO WA 6018

Dear Tony,

CATALINA – PROPOSED REPRICING

At its meeting held on 21 April 2016, the Tamala Park Regional Council requested Satterley Property Group to provide advice as to how the shortfall in revenue from the repricing on lots is to be addressed and potential impact on other elements of the TPRC budget for the June Council meeting.

The following comments are provided to address the abovementioned item.

Satterley Property Group believes the 22 lots that required a price reduction to meet the market will have no ongoing impact on the project performance to the Catalina estate. The lots outlined in the April Council report were either affected by age (up to 18 months on the market), irregular in shape, required mandatory two storey homes or being in the least desirable locations within the estate.

The shortfall in revenue of $233,000 from the reduced pricing for old stock will have a direct impact on the bottom line for the FY16 forecast budget. The sales revenue for FY16 based on the mid-year review of $29.55 million is anticipated to reduce further to $25.83 million by the end of the FY16 period, with sales expected to be 95 against a budget of 180.

If Tamala Park Regional Council had not reduced the 22 lots then around $5 million of potential revenue would have been foregone, negating opportunities for reinvestment and increasing the shortfall in FY16 revenue.

SPG will continue to review "pricing to market" ahead of every new release to continue the regular procedure to maximise project revenue for Tamala Park Regional Council.

Satterley Property Group will continue to prudently manage the expenditure of the project to improve project performance, as outlined with the recent tender of civil and earthworks which netted a 25% reduction for Stage 18 from $2.9 million to $2.2 million, which equates to a project saving of $700,000. The reduced cost of lot production will flow into every stage for the next two years and will achieve savings of 13% for civil construction and 7% for earthworks packages. These savings have been included in the FY17 Annual Budget.

The $233,000 shortfall will be offset by the project budget that continues to deliver higher returns to the Tamala Park Regional Council than were originally budgeted.

The original budget (2011) was based on a project profit of $311 million with a project IRR of 18.22%, currently the project (mid-year review) is achieving a profit of $351 million with an IRR of 21.1%.

Should you have any queries or require additional information, please do not hesitate to contact me at your convenience.

Regards,

Aaron Grant
Project Director

Appendix 9.8

TAMALA PARK – CATALINA

LOT SALE & RELEASE STRATEGY

May 2016

Introduction

This document outlines the sales and lot release strategy proposed by the Satterley Property Group for sales releases planned up to 30 June 2017. We have not provided a strategy beyond this date as it is likely the strategy would change prior to implementation.

Set out below is a recommended process for:

- Future builder releases.
- Future public releases.
- Special Site releases.
- Lot release and staging strategy up to 30 June 2017.

The strategy is contingent on timely development approvals, WAPC subdivision approval and sufficient sales being obtained. The strategy is consistent with the proposed FYE2017 budget.

Medium Density Builders Allocation - Builder Release

In February 2015 the TPRC Council approved the tender procedure for medium density lots. This process required suitably qualified building companies to tender for packages of medium density lots, with builders being ranked in accordance with the approved selection criteria with the highest ranked builder receiving the first selection. The tender procedure represents a fair and efficient methodology for the sale of medium density lots and has yielded sound results to date.

The lots proposed to be sold under the medium density tender process have been selected in order to achieve a uniform streetscape in medium density precincts, capitalise on the cost efficiencies of constructing multiple dwellings, leading to improved affordability to end users and to assist in the marketing and sale of lots at Catalina.

If lots are not sold via the medium density builder allocation process they are to be placed on the market via the public release process.

As the market has softened the number of tenders has reduced in recent stages. Due to this there were no lots tendered in FYE2016 and the next stage where medium density lots will be tendered is Stage 25 within Catalina Beach, due for release in FYE2017.

Display Village – Builder Release

In April 2016 the TPRC Council approved the tender procedure for the Catalina Beach display village lots. This process requires suitably qualified building companies to tender for the 15 display lots, with builders being ranked in accordance with the approved selection criteria with the highest ranked builder receiving the first selection. The tender procedure represents a fair and efficient methodology for the sale of display village lots and has yielded sound results to date for display villages 1 and 2 in Catalina Central.

Public Release

The sale procedure – Private Purchaser Lots, was approved by the TPRC Council in April 2014. Releases have been carried out using the online sales release process to ensure transparency of process from a probity perspective.

In recent times the online release process has received limited registrations, with only three purchasers registering for the most recent release Stage 18A. This is due to purchasers taking a longer period of time to work with builders to design a home as there is no urgency for them to secure a lot.

For the online release it is proposed that:

- Public advertising to occur a minimum of 7 days prior to a release, advising the public that a release is to occur. Public advertising may utilise a variety of mediums, including state wide press, local press, website, direct mail or signage.

- Registrants will be able to register online for a 24 hour period from the commencement of the release. Registrations will include the registrant nominating three preferred lots and state if the offer is cash unconditional or subject to finance;

- Registrants will then be allocated a lot based on the following:

  - Firstly, by the finance status of the registration with cash unconditional given preference, followed by offers being subject to finance.

  - Secondly, by the time of registration, the earlier the registration the higher the preference.

- Subject to availability registrants will be allocated a lot in accordance with their preferences;

- Following the completion of allocations, any registrants who were not allocated a lot will be offered first preference of any remaining lots, before the remaining lots are released to the market;

- Purchasers are required to sign an offer and acceptance within 7 days of being notified of their allocation.

Special Sites

Two special sites will be released to the market prior to 30 June 2017. They are covered under this procedure.

Stage 18 Group Housing Sites

There are two group housing sites in stage 18 with areas of 7,417 square metres and 3051 square metres. The sites are in prominent locations overlooking Neerabup Road and Connolly Drive. They will have a slope across them that a builder will need to address.

Due to the high profile of these sites it is proposed that a tender is prepared for the sites to allow the opportunity for the TPRC to partner with a builder or developer to create residential homes that address Neerabup Road and Connolly Drive.

Lot Sale & Release Plan

The lot release staging is represented on the attached plan (Annexure A) to provide an overview of the strategy to be employed.

A summary of this information is provided on a Stage basis as listed below. Release yields and lot typologies are subject to statutory approvals and changes to stage boundaries, which may lead to some variations in staging boundaries and yields.

Stage 14B

Date of Release	**July 2016**
Forecast Stock	10 lots
Forecast Title Date	October 2016
Method of Sale	Public Release

Stage 25 - Builder Release

Date of Release	**October 2016**
Forecast Stock	15 lots (display village)
Forecast Title Date	February 2017
Method of Sale	Display Village - Builder Release

Stage 17A - 1st Public Release

Date of Release	**February 2017**
Forecast Stock	16 lots
Forecast Title Date	August 2017
Method of Sale	Public Release

Stage 17A – 2nd Public Release

Date of Release	**April 2017**
Forecast Stock	15 lots
Forecast Title Date	August 2017
Method of Sale	Public Release

Stage 25 - 1st Public Release

Date of Release	**March 2017**
Forecast Stock	21 lots
Forecast Title Date	February 2017
Method of Sale	Public Release

Stage 25 - 2nd Builder Release

Date of Release	**May 2017**
Forecast Stock	15 lots
Forecast Title Date	February 2017
Method of Sale	Medium Density Builders Release

It is also proposed that the following special sites, within stage 18 (group housing), are to be released to the market prior to 30 June 2016.

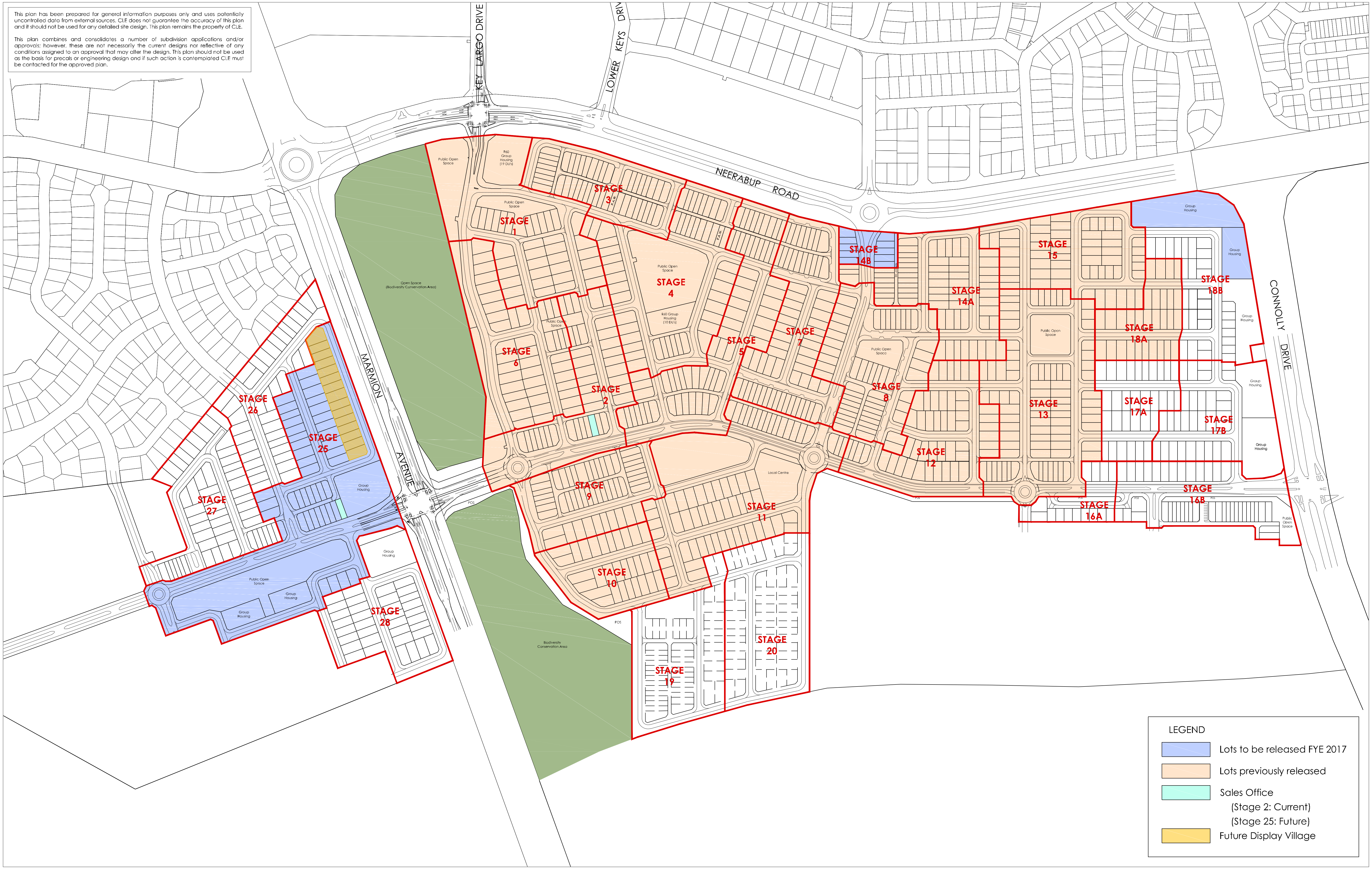
Stage 18 Group Housing Sites

Date of Release	**June 2016**
Forecast Stock	2 group housing sites
Forecast Title Date	October 2017
Method of Sale	Special Sites - Tender

Annexure A

This plan has been prepared for general information purposes only and uses potentially uncontrolled data from external sources. CLE does not guarantee the accuracy of this plan and it should not be used for any detailed site design. This plan remains the property of CLE.

This plan combines and consolidates a number of subdivision applications and/or approvals; however, these are not necessarily the current designs nor reflective of any conditions assigned to an approval that may alter the design. This plan should not be used as the basis for precals or engineering design and if such action is contemplated CLE must be contacted for the approved plan.



LEGEND

- Lots to be released FYE 2017
- Lots previously released
- Sales Office
  (Stage 2: Current)
  (Stage 25: Future)
- Future Display Village

LOT SALE AND RELEASE STRATEGY TO JUNE 2017

Catalina Estate, Tamala Park
City of Wanneroo

TAMALA PARK Regional Council

Satterley

plan no: 2228-352D-01
scale: 1:5,000 @ A3
date: 25.05.2016

CLE TOWN PLANNING + DESIGN

Appendix 9.9

Catalina Monthly Cashflow	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Current Budget FYE2016 Total	TPRC Approved FYE2016 Budget (Approved Aug-15)	Variance
Sales Release	16	0	0	20	17	0	0	0	29	2	0	0	84	174	(90)
Sales - Stage 6B	1	1	0	0	0	0	0	0	0	0	0	0	2	2	0
Sales - Stage 10	(1)	0	0	0	1	1	(1)	0	1	0	0	0	1	1	0
Sales - Stage 11	0	1	1	0	0	0	0	0	0	0	0	0	2	3	(1)
Sales - Stage 12	0	0	0	1	0	0	0	0	0	0	1	1	3	4	(1)
Sales - Stage 13A	0	0	0	0	1	1	1	0	0	0	0	0	3	3	0
Sales - Stage 13B	2	0	(1)	1	0	1	0	0	1	0	1	1	6	11	(5)
Sales - Stage 14A	4	2	3	3	3	3	1	(3)	1	0	1	1	19	20	(1)
Sales - Stage 14B	0	0	0	0	0	0	0	0	0	0	0	0	0	10	(10)
Sales - Stage 15	0	5	4	2	10	7	4	5	5	1	1	1	45	55	(10)
Sales - Stage 16A	0	0	0	0	0	0	0	0	0	0	0	0	0	19	(19)
Sales - Stage 18A	0	0	0	0	0	0	0	0	3	1	1	1	6	38	(32)
Sales - Stage 25	0	0	0	0	0	0	0	0	0	0	0	0	0	14	(14)
Total Sales	6	9	7	7	15	13	5	2	11	2	5	5	87	180	(93)
Titles	0	0	0	0	0	55	0	0	0	0	0	29	84	144	(60)
Settlements	14	9	5	12	6	7	14	9	10	6	7	5	104	151	(47)
Closing Stock	54	45	38	51	53	40	35	33	51	51	46	41	41	38	3
Contracts on hand	36	36	38	33	42	48	39	32	33	29	27	27	27	73	(46)
Average Settlement Price	271,714	290,000	304,800	259,000	267,500	245,571	274,571	267,111	273,400	285,130	284,714	298,212	274,489	269,822	4,667
GROSS INCOME															
Income - Stage 6B	216,000	0	330,000	0	0	0	0	0	0	0	0	0	546,000	546,000	0
Income - Stage 10	0	0	0	0	0	0	0	305,000	0	0	380,000	0	685,000	728,000	(43,000)
Income - Stage 11	0	0	0	0	290,000	0	0	291,000	0	0	0	0	581,000	855,999	(274,999)
Income - Stage 12	0	304,000	355,000	0	274,000	0	0	0	0	0	0	0	933,000	1,825,000	(892,000)
Income - Stage 13A	0	0	0	0	0	0	258,000	0	225,000	0	0	0	483,000	735,000	(252,000)
Income - Stage 13B	1,886,000	1,406,000	0	0	0	299,000	0	0	0	0	234,000	0	3,825,000	5,720,996	(1,895,996)
Income - Stage 14A	1,702,000	900,000	839,000	3,108,000	1,041,000	1,120,000	645,000	950,000	1,074,000	0	244,333	0	11,623,333	12,964,000	(1,340,667)
Income - Stage 14B	0	0	0	0	0	0	0	0	0	0	0	0	0	1,235,000	(1,235,000)
Income - Stage 15	0	0	0	0	0	300,000	2,941,000	858,000	1,435,000	1,710,783	1,134,664	564,012	8,943,459	13,468,800	(4,525,341)
Income - Stage 16A	0	0	0	0	0	0	0	0	0	0	0	0	0	1,465,959	(1,465,959)
Income - Stage 18A	0	0	0	0	0	0	0	0	0	0	0	927,046	927,046	1,198,375	(271,329)
Income - Lots Total	3,804,000	2,610,000	1,524,000	3,108,000	1,605,000	1,719,000	3,844,000	2,404,000	2,734,000	1,710,783	1,992,997	1,491,058	28,546,838	40,743,130	(12,196,292)
Income - Other	6,799	0	0	135,317	0	0	4,404	9,369	(1,340)	0	0	0	154,549	1,659,807	(1,505,258)
Direct Selling Expenses	279,764	291,644	159,213	220,024	112,383	155,641	318,803	384,364	233,729	975,283	949,316	913,101	4,993,264	6,843,099	1,849,835
GROSS INCOME	3,531,035	2,318,356	1,364,788	3,023,293	1,492,617	1,563,359	3,529,601	2,029,005	2,498,931	735,499	1,043,681	577,958	23,708,123	35,559,838	(11,851,714)
DEVELOPMENT COSTS															
Special Sites Development	0	0	9,780	11,358	3,367	9,780	0	0	0	0	0	0	34,285	324,357	290,072
Consultants	74,270	18,418	47,467	37,786	28,133	15,480	5,060	32,863	74,366	69,185	68,305	147,845	619,178	1,361,186	742,007
Landscape	331,932	779,036	220,236	6,445	605	10,841	0	405,564	21,539	93,018	862,792	818,133	3,550,140	6,477,500	2,927,360
Infrastructure	4,497	2,248	121,698	201,637	1,349	0	0	48,537	233,961	423,677	423,677	413,107	1,874,389	5,107,060	3,232,671
Main 01 Bulk Earthworks Stgs 14-16 Cell B	0	0	0	0	0	0	0	0	0	253,333	253,333	253,333	760,000	101,509	(658,491)
Main 01 Bulk Earthworks Stg 20-24 Cell B	0	0	0	0	0	0	0	0	10,125	0	0	746,800	756,925	930,049	173,124
Western Cell Bulk Earthworks Stgs 25-28	9,922	177,118	1,390,953	927,452	11,766	715	4,855	8,930	16,829	1,112	1,112	1,112	2,551,875	3,046,022	494,148
Lot Production - Stage 6C	0	0	0	0	0	0	0	0	0	0	0	27,000	27,000	27,408	408
Lot Production - Stage 6B	0	0	0	0	0	0	0	0	0	0	0	67,500	67,500	151,985	84,485
Lot Production - Stage 9	0	0	0	0	0	0	0	0	0	0	0	0	0	70,397	70,397
Lot Production - Stage 11	0	0	0	0	0	17,364	0	0	0	0	0	0	17,364	0	(17,364)
Lot Production - Stage 12	0	0	0	0	0	0	0	0	0	0	0	0	0	104,452	104,452
Lot Production - Stage 13A	22,360	0	0	17,486	0	0	0	0	0	2,722	2,722	0	45,290	152,857	107,567
Lot Production - Stage 13B	19,609	0	109	0	15,814	0	0	0	(65,410)	287	287	0	(29,305)	253,932	283,238
Lot Production - Stage 14A	458,731	2,690	35,162	1,650	0	0	0	0	0	35,783	0	0	534,016	677,389	143,373
Lot Production - Stage 14B	0	0	0	0	0	0	0	0	1,875	25,000	25,000	0	51,875	825,133	773,258
Lot Production - Stage 15	3,718	279,002	664,837	836,845	222,845	172,832	98,707	7,746	0	0	0	0	2,286,531	3,293,283	1,006,752
Lot Production - Stage 16A	13,082	6,541	4,361	1,308	872	0	0	0	1,480	0	0	0	27,643	1,615,761	1,588,117
Lot Production - Stage 17A	0	0	0	0	0	0	0	0	0	0	0	0	0	209,265	209,265
Lot Production - Stage 18A	0	0	0	0	12,375	49,500	22,275	90,732	223,289	215,736	380,602	294,175	1,288,685	5,009,412	3,720,727
Lot Production - Stage 25	0	0	0	0	8,663	8,663	2,599	5,198	2,599	35,754	35,754	35,754	134,983	4,977,557	4,842,574
Lot Production - Stage 26	0	0	0	0	0	0	5,569	6,683	16,706	0	0	0	28,958	181,475	152,517
Administration	9,682	56,772	54,743	20,207	23,661	25,468	10,828	143,939	211,637	60,050	60,050	107,948	784,985	1,083,928	298,943
Marketing	31,323	19,344	18,396	2,410	11,003	8,735	45,811	15,197	9,127	190,005	190,005	190,005	731,360	811,860	80,500
Community Development	17,239	7,103	(10,407)	138	15,809	0	2,988	35,247	0	16,042	16,042	16,042	116,243	192,500	76,257
Finance/Bonds	(380,795)	38,439	0	(81,770)	(26)	0	(25)	0	117,924	926,691	0	100,000	720,439	1,402,111	681,673
Debtor/Creditor Movement	(383,922)	106,538	(1,545,718)	147,070	2,469,396	(1,139,455)	2,397,556	557,215	910,051	(945,133)	(945,133)	(1,418,845)	209,622	274,628	65,006
Contingency	0	0	0	0	0	0	0	0	0	72,007	116,906	156,859	345,772	2,054,440	1,708,668
DEVELOPMENT COSTS	231,648	1,493,250	1,011,615	2,130,021	2,825,632	(820,077)	2,596,221	1,357,849	1,786,098	1,475,270	1,491,455	1,956,769	17,535,752	40,717,456	23,181,704
CASHFLOW	**3,299,387**	**825,107**	**353,172**	**893,272**	**(1,333,015)**	**2,383,435**	**933,380**	**671,156**	**712,832**	**(739,770)**	**(447,774)**	**(1,378,811)**	**6,172,371**	**(5,157,618)**	**11,329,989**
Capital Calls	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit Distribution Capacity	0	0	0	0	0	0	0	10,000,000	0	0	0	5,000,000	15,000,000	18,000,000	(3,000,000)
Cumulative Cash Balance	48,531,213	49,356,320	49,709,492	50,602,764	49,269,749	51,653,185	52,586,564	43,257,720	43,970,553	43,230,783	42,783,009	36,404,198	36,404,198	22,074,208	14,329,990
Cumulative Cash Balance Forecast TPRC Approved FYE2016 Budget (Approved Aug-15)	46,070,702	47,702,187	47,084,453	45,844,309	45,480,350	34,241,816	35,853,657	36,151,934	35,576,209	34,417,579	32,130,687	22,074,208	22,074,208		
Cumulative Cash Balance Variance	2,460,512	1,654,133	2,625,039	4,758,455	3,789,399	17,411,369	16,732,907	7,105,787	8,394,344	8,813,203	10,652,322	14,329,990	14,329,990		

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Catalina Monthly Cashflow	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Current Budget FYE2017 Total	TPRC Approved Forecast (Aug-14 3 Yearly Whole of Life Project Forecast)	Variance
Sales Release	0	0	25	0	0	0	21	0	31	22	0	0	99	192	(93)
Sales - Stage 11	1	0	0	0	0	0	0	0	0	0	0	0	1	0	1
Sales - Stage 12	1	0	0	0	0	0	0	0	0	0	0	0	1	0	1
Sales - Stage 13B	1	1	1	1	1	0	0	0	0	0	0	0	5	0	5
Sales - Stage 14A	1	0	0	0	0	0	0	0	0	0	0	0	1	0	1
Sales - Stage 14B	0	0	0	2	4	4	0	0	0	0	0	0	10	0	10
Sales - Stage 15	2	2	2	2	2	0	0	0	0	0	0	0	10	0	10
Sales - Stage 17A	0	0	0	0	0	0	0	0	0	6	6	6	18	38	(20)
Sales - Stage 18A	3	3	3	3	3	3	2	2	1	0	0	0	23	60	(37)
Sales - Stage 25	0	0	0	15	0	0	0	7	7	7	7	7	50	0	50
Sales - Stage 26	0	0	0	0	0	0	0	0	0	0	0	0	0	30	(30)
Sales - Stage 27	0	0	0	0	0	0	0	0	0	0	0	0	0	33	(33)
Sales - Stage 36	0	0	0	0	0	0	0	0	0	0	0	0	0	39	(39)
Total Sales	9	6	6	23	10	7	2	9	8	13	13	13	119	200	(81)
Titles	0	0	0	10	0	0	0	58	0	0	0	0	68	169	(101)
Settlements	14	9	6	5	7	10	10	5	20	4	2	1	93	186	(93)
Closing Stock	32	26	45	22	12	5	24	15	38	47	34	21	21	60	(39)
Contracts on hand	22	19	19	37	40	37	29	33	21	30	41	53	53	110	(57)
Average Settlement Price	263,970	270,663	260,606	274,418	265,402	260,936	260,873	283,022	336,006	279,871	295,219	295,219	282,619	331,518	(48,900)
GROSS INCOME															
Income - Stage 11	0	0	240,000	0	0	0	0	0	0	0	0	0	240,000	0	240,000
Income - Stage 12	281,000	281,000	281,000	0	0	0	0	0	0	0	0	0	843,000	0	843,000
Income - Stage 13A	225,000	0	0	0	0	0	0	0	0	0	0	0	225,000	0	225,000
Income - Stage 13B	441,143	217,214	215,536	214,696	214,277	214,067	214,067	0	0	0	0	0	1,731,000	0	1,731,000
Income - Stage 14A	762,000	258,833	258,833	0	0	0	0	0	0	0	0	0	1,279,667	0	1,279,667
Income - Stage 14B	0	0	0	0	489,617	979,235	979,235	0	0	0	0	0	2,448,087	0	2,448,087
Income - Stage 15	1,682,078	1,380,155	271,099	268,017	265,962	529,046	529,046	529,046	529,046	529,046	0	0	6,512,541	1,434,995	5,077,546
Income - Stage 16A	0	0	0	0	0	0	0	0	0	0	0	0	0	2,419,059	(2,419,059)
Income - Stage 17A	0	0	0	0	0	0	0	0	0	0	0	0	0	19,762,405	(19,762,405)
Income - Stage 18A	304,356	298,766	297,168	889,375	887,955	887,009	886,377	886,062	885,792	590,438	590,438	295,219	7,698,954	8,760,390	(1,061,436)
Income - Stage 25	0	0	0	0	0	0	0	0	5,305,281	0	0	0	5,305,281	13,716,959	(8,411,678)
Income - Stage 26	0	0	0	0	0	0	0	0	0	0	0	0	0	15,568,592	(15,568,592)
Income - Lots Total	3,695,577	2,435,968	1,563,636	1,372,088	1,857,811	2,609,356	2,608,725	1,415,108	6,720,118	1,119,484	590,438	295,219	26,283,529	61,662,401	(35,378,872)
Income - Other	1,000,000	0	2,617,000	0	0	0	0	0	1,177,250	0	0	0	4,794,250	2,068,343	2,725,907
Direct Selling Expenses	659,811	395,591	581,403	217,143	185,873	243,212	318,914	181,484	687,873	136,709	119,895	77,777	3,805,686	6,800,335	2,994,649
GROSS INCOME	4,035,767	2,040,376	3,599,234	1,154,945	1,671,938	2,366,145	2,289,811	1,233,624	7,209,496	982,774	470,543	217,441	27,272,093	56,930,409	(29,658,315)
DEVELOPMENT COSTS															
Special Sites Development	49,657	0	0	0	0	0	0	0	0	0	0	0	49,657	270,796	221,139
Consultants	51,844	50,775	50,776	93,218	43,244	120,721	44,205	43,708	44,963	44,048	43,534	44,168	675,204	668,552	(6,652)
Landscape	671,983	462,547	340,677	526,747	469,960	469,960	296,040	217,290	878,451	824,887	824,637	824,637	6,807,816	3,086,355	(3,721,461)
Infrastructure	421,673	421,673	421,673	223,340	(2,017,060)	215,871	237,340	237,340	59,824	416,962	417,698	417,698	1,474,031	3,873,215	2,399,184
Main 01 Bulk Earthworks Stg 20-24 Cell B	746,800	746,800	0	0	0	0	0	0	0	0	0	0	1,493,600	0	(1,493,600)
Western Cell Bulk Earthworks Stgs 25-28	0	608,045	608,045	608,045	0	0	0	0	0	0	0	0	1,824,136	0	(1,824,136)
Western Cell Bulk Earthworks Stgs 29-31	0	0	0	0	0	0	0	0	0	0	0	2,548	2,548	442,018	439,470
Eastern Cell Cell Bulk Earthworks Stgs 36-40	9,375	9,375	9,375	11,042	11,042	11,042	11,042	11,042	11,042	11,042	11,042	311,792	428,250	0	(428,250)
Eastern Cell Bulk Earthworks Stgs 41-44	0	0	0	0	0	0	0	0	0	0	0	21,849	21,849	0	(21,849)
Lot Production - Stage 9	0	0	0	0	0	0	0	0	0	0	0	137,700	137,700	0	(137,700)
Lot Production - Stage 10	0	0	0	0	0	0	0	0	0	0	0	81,000	81,000	0	(81,000)
Lot Production - Stage 11	0	0	0	0	0	0	0	0	0	0	0	178,200	178,200	0	(178,200)
Lot Production - Stage 12	0	0	0	0	0	0	0	0	0	0	0	132,300	132,300	0	(132,300)
Lot Production - Stage 13A	0	0	0	0	0	0	0	0	0	0	0	99,900	99,900	0	(99,900)
Lot Production - Stage 13B	0	0	0	0	0	0	0	0	0	0	0	121,500	121,500	0	(121,500)
Lot Production - Stage 14A	0	0	0	0	0	0	0	0	0	0	0	170,100	170,100	0	(170,100)
Lot Production - Stage 14B	0	172,530	291,745	172,710	0	0	0	0	0	0	0	27,000	663,986	0	(663,986)
Lot Production - Stage 15	0	0	0	0	0	0	0	0	0	0	0	148,500	148,500	0	(148,500)
Lot Production - Stage 16A	0	0	0	0	0	0	0	0	0	0	0	37,800	37,800	0	(37,800)
Lot Production - Stage 16B	0	0	0	0	0	0	0	0	0	0	0	108,000	108,000	0	(108,000)
Lot Production - Stage 17A	0	0	0	13,000	13,000	13,000	13,000	13,000	13,000	222,395	222,486	222,577	745,458	4,425,171	3,679,713
Lot Production - Stage 18A	207,333	16,917	16,987	0	0	0	0	0	0	0	0	0	241,237	5,115,303	4,874,066
Lot Production - Stage 18B	0	0	0	0	0	36,833	36,833	36,833	36,833	354,405	354,405	317,571	1,173,714	0	(1,173,714)
Lot Production - Stage 25	35,754	35,754	35,754	1,007,948	972,728	973,265	1,635,103	974,344	974,887	0	0	0	6,645,539	0	(6,645,539)
Lot Production - Stage 26	0	0	0	0	0	0	0	0	0	0	16,220	16,220	32,441	2,644,479	2,612,038
Lot Production - Stage 27	0	0	0	0	0	0	0	0	0	0	0	0	0	2,527,839	2,527,839
Lot Production - Stage 28	0	0	0	0	0	0	0	0	0	0	0	0	0	131,575	131,575
Lot Production - Stage 36	0	0	0	0	0	0	0	0	0	0	0	0	0	1,388,922	1,388,922
Lot Production - Stage 37	0	0	0	0	0	0	0	0	0	0	0	0	0	679,836	679,836
Lot Production - Stage 38	0	0	0	0	0	0	0	0	0	0	0	0	0	100,154	100,154
Administration	59,217	59,217	378,737	67,550	67,550	67,550	62,550	62,550	62,550	62,550	62,550	62,550	1,075,117	1,151,557	76,440
Marketing	55,311	55,311	55,311	55,311	55,311	55,311	55,311	55,311	55,311	55,311	55,311	55,311	663,734	752,321	88,587
Community Development	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	192,500	206,705	14,205
Finance/Bonds	0	0	0	0	0	0	0	1,600,000	0	0	0	0	1,600,000	(400,000)	(2,000,000)
Debtor/Creditor Movement	54,867	111,076	0	0	0	0	0	0	0	0	0	0	165,944	0	(165,944)
Contingency	117,143	148,844	127,351	180,147	5,909	123,311	161,251	107,732	132,017	100,382	101,602	178,217	1,483,907	1,547,347	63,440
DEVELOPMENT COSTS	2,497,000	2,914,907	2,352,474	2,975,100	(362,274)	2,102,905	2,568,717	3,375,192	2,284,920	2,108,023	2,125,526	3,733,180	28,675,669	28,612,145	(63,524)
CASHFLOW	**1,538,767**	**(874,530)**	**1,246,760**	**(1,820,155)**	**2,034,212**	**263,239**	**(278,906)**	**(2,141,568)**	**4,924,576**	**(1,125,249)**	**(1,654,983)**	**(3,515,739)**	**(1,403,575)**	**28,318,264**	**(29,721,839)**
Capital Calls	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit Distribution Capacity	0	0	0	0	0	5,000,000	0	0	0	0	0	6,000,000	11,000,000	28,000,000	(17,000,000)
Cumulative Cash Balance	37,942,964	37,068,434	38,315,194	36,495,039	38,529,252	33,792,491	33,513,585	31,372,017	36,296,593	35,171,344	33,516,361	24,000,622	24,000,622	15,823,604	8,177,018
Cumulative Cash Balance Forecast (Aug-14 3-Yearly Project Forecast)	17,095,602	17,335,560	15,934,318	16,190,577	20,157,259	15,373,326	18,427,108	21,151,617	23,018,480	23,587,609	25,356,754	15,823,604	15,823,604		
Cumulative Cash Balance Variance	20,847,362	19,732,874	22,380,876	20,304,462	18,371,992	18,419,165	15,086,477	10,220,400	13,278,113	11,583,735	8,159,607	8,177,019	8,177,019		

Appendix page 55

Catalina Monthly Cashflow	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	FYE2018 Total	TPRC Approved Forecast (Aug-14 3 Yearly Whole of Life Project Forecast)	Variance
Sales Release	38	31	0	0	0	0	30	0	0	0	52	14	165	174	(9)
Sales - Stage 17A	6	6	1	0	0	0	0	0	0	0	0	0	13	0	13
Sales - Stage 17B	0	0	0	0	0	0	0	5	6	6	6	6	29	0	29
Sales - Stage 18B	0	0	6	6	6	6	6	1	0	0	0	0	31	0	31
Sales - Stage 25	5	3	0	0	0	0	0	0	0	0	0	0	8	0	8
Sales - Stage 26	0	1	4	4	4	4	4	4	4	4	4	1	38	0	38
Sales - Stage 27	0	0	0	0	0	0	0	0	0	0	0	3	3	15	(12)
Sales - Stage 28	0	0	0	0	0	0	0	0	0	0	0	0	0	36	(36)
Sales - Stage 36	0	0	0	0	0	0	0	0	0	0	0	0	0	3	(3)
Sales - Stage 37	0	0	0	0	0	0	0	0	0	0	0	0	0	42	(42)
Sales - Stage 38	0	0	0	0	0	0	0	0	0	0	0	0	0	42	(42)
Sales - Stage 39	0	0	0	0	0	0	0	0	0	0	0	0	0	42	(42)
Sales - Stage 40	0	0	0	0	0	0	0	0	0	0	0	0	0	20	(20)
Total Sales	11	10	11	10	10	10	10	10	10	10	10	10	122	200	(78)
Titles	0	31	0	31	0	0	38	0	0	0	0	30	130	222	(92)
Settlements	7	7	13	13	19	17	15	8	10	5	4	4	122	190	(68)
Closing Stock	48	69	58	48	38	28	48	38	28	18	60	64	64	34	30
Contracts on hand	57	60	58	55	46	39	34	36	36	41	47	53	53	120	(67)
Average Settlement Price	353,685	353,685	330,791	330,814	313,564	308,966	303,165	295,760	325,590	373,681	397,727	397,727	327,724	310,104	17,620
GROSS INCOME															
Income - Stage 17A	0	0	1,824,491	1,824,784	1,824,784	1,824,784	1,824,784	304,131	0	0	0	0	9,427,756	0	9,427,756
Income - Stage 18A	0	0	0	0	0	0	0	0	0	0	0	0	0	10,707,144	(10,707,144)
Income - Stage 18B	0	0	0	0	1,657,136	1,659,208	1,661,629	1,664,225	1,664,993	277,499	0	0	8,584,690	0	8,584,690
Income - Stage 25	2,475,798	2,475,798	2,475,798	2,475,798	2,475,798	1,768,427	1,061,056	0	0	0	0	0	15,208,471	0	15,208,471
Income - Stage 26	0	0	0	0	0	0	0	397,727	1,590,908	1,590,908	1,590,908	1,590,908	6,761,358	1,812,561	4,948,797
Income - Stage 27	0	0	0	0	0	0	0	0	0	0	0	0	0	18,069,635	(18,069,635)
Income - Stage 28	0	0	0	0	0	0	0	0	0	0	0	0	0	3,131,402	(3,131,402)
Income - Stage 36	0	0	0	0	0	0	0	0	0	0	0	0	0	10,902,948	(10,902,948)
Income - Stage 37	0	0	0	0	0	0	0	0	0	0	0	0	0	11,078,903	(11,078,903)
Income - Stage 38	0	0	0	0	0	0	0	0	0	0	0	0	0	3,217,160	(3,217,160)
Income - Lots Total	2,475,798	2,475,798	4,300,289	4,300,581	5,957,717	5,252,418	4,547,468	2,366,083	3,255,901	1,868,407	1,590,908	1,590,908	39,982,275	58,919,753	(18,937,478)
Income - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	9,409,857	(9,409,857)
Direct Selling Expenses	301,641	244,081	319,208	327,413	450,649	451,367	422,265	1,195,471	442,546	182,768	133,576	127,483	4,598,467	8,365,187	3,766,720
GROSS INCOME	2,174,157	2,231,717	3,981,081	3,973,168	5,507,068	4,801,051	4,125,203	1,170,612	2,813,355	1,685,638	1,457,332	1,463,425	35,383,808	59,964,423	(24,580,615)
DEVELOPMENT COSTS															
Special Sites Development	0	0	0	0	0	0	67,057	67,112	67,168	10,444,606	67,280	67,336	10,780,560	13,061,817	2,281,257
Consultants	43,536	44,189	43,587	43,614	44,207	121,650	46,320	45,741	47,503	45,868	45,912	42,780	614,907	688,265	73,358
Landscape	57,002	57,049	293,942	321,531	338,483	357,964	112,647	84,554	465,955	466,344	466,732	467,121	3,489,325	3,259,650	(229,675)
Infrastructure	406,790	421,319	424,277	1,259,073	937,352	938,133	709,122	709,712	690,534	345,848	346,137	346,425	7,534,721	898,229	(6,636,492)
Western Cell Bulk Earthworks Stgs 29-31	2,550	2,552	2,555	5,901	5,906	5,911	5,916	5,921	5,926	2,569	2,572	301,600	349,879	1,923,483	1,573,604
Eastern Cell Cell Bulk Earthworks Stgs 36-40	302,669	302,921	303,173	301,754	302,005	302,257	302,509	302,761	303,013	303,266	303,518	0	3,329,846	0	(3,329,846)
Eastern Cell Bulk Earthworks Stgs 41-44	21,867	21,886	21,904	25,267	25,288	3,350	3,353	3,356	3,358	0	0	437,689	567,317	0	(567,317)
Eastern Cell Bulk Earthworks Stgs 45-47	0	0	0	0	0	0	0	0	0	0	0	16,254	16,254	0	(16,254)
Lot Production - Stage 16A	0	0	0	0	0	1,563	1,565	1,566	1,567	1,569	1,570	185,353	194,752	0	(194,752)
Lot Production - Stage 16B	0	0	0	0	0	13,679	13,691	13,702	13,714	13,725	13,736	474,256	556,503	0	(556,503)
Lot Production - Stage 17A	536,797	210,073	210,321	0	0	0	0	0	0	0	0	0	957,191	0	(957,191)
Lot Production - Stage 17B	0	19,366	19,382	19,398	19,414	19,430	19,446	399,578	400,028	400,478	720,511	381,854	2,418,884	0	(2,418,884)
Lot Production - Stage 18B	317,836	318,101	678,966	318,631	0	0	0	0	0	0	0	0	1,633,534	0	(1,633,534)
Lot Production - Stage 26	16,234	16,247	408,364	408,865	409,366	807,229	394,057	394,548	0	0	0	0	2,854,909	0	(2,854,909)
Lot Production - Stage 27	0	0	21,415	21,432	21,450	21,468	21,486	21,504	21,522	21,540	21,558	514,920	708,295	862,324	154,029
Lot Production - Stage 28	0	0	0	0	0	0	0	0	0	0	0	0	0	3,368,404	3,368,404
Lot Production - Stage 29	0	0	0	0	0	0	0	0	0	0	0	0	0	135,577	135,577
Lot Production - Stage 36	0	0	0	0	0	0	0	0	0	0	22,098	22,116	44,214	2,664,891	2,620,677
Lot Production - Stage 37	0	0	0	0	0	0	0	0	0	0	0	0	0	3,404,456	3,404,456
Lot Production - Stage 38	0	0	0	0	0	0	0	0	0	0	0	0	0	4,025,135	4,025,135
Lot Production - Stage 39	0	0	0	0	0	0	0	0	0	0	0	0	0	2,296,373	2,296,373
Lot Production - Stage 40	0	0	0	0	0	0	0	0	0	0	0	0	0	996,942	996,942
Lot Production - Stage 41	0	0	0	0	0	0	0	0	0	0	0	0	0	402,603	402,603
Lot Production - Stage 42	0	0	0	0	0	0	0	0	0	0	0	0	0	68,886	68,886
Administration	62,591	62,633	366,212	62,717	62,759	62,800	62,842	62,884	57,926	57,968	58,010	58,052	1,037,397	1,126,212	88,815
Marketing	54,442	54,488	54,533	54,579	54,624	54,670	54,715	54,761	54,807	54,852	54,898	54,944	656,313	774,750	118,437
Community Development	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	192,500	212,992	20,492
Finance/Bonds	0	0	0	0	0	0	0	(1,500,000)	0	0	0	0	(1,500,000)	0	1,500,000
Debtor/Creditor Movement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	92,387	77,813	154,042	153,845	122,763	157,173	102,075	119,736	108,139	609,336	107,632	189,750	1,994,692	2,201,808	207,116
DEVELOPMENT COSTS	1,930,743	1,624,679	3,018,715	3,012,647	2,359,658	2,883,319	1,932,841	803,478	2,257,203	12,784,011	2,248,206	3,576,493	38,431,993	42,372,797	3,940,804
CASHFLOW	**243,413**	**607,038**	**962,366**	**960,521**	**3,147,411**	**1,917,732**	**2,192,362**	**367,134**	**556,153**	**(11,098,372)**	**(790,874)**	**(2,113,068)**	**(3,048,185)**	**17,591,626**	**(20,639,811)**
Capital Calls	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit Distribution Capacity	0	0	0	0	0	2,000,000	0	0	0	0	0	2,000,000	4,000,000	18,000,000	(14,000,000)
Cumulative Cash Balance	24,244,035	24,851,073	25,813,439	26,773,960	29,921,371	29,839,103	32,031,464	32,398,598	32,954,751	21,856,379	21,065,505	16,952,437	16,952,437	15,823,604	1,128,833
Cumulative Cash Balance Forecast (Aug-14 3-Yearly Project Forecast)	17,095,602	17,335,560	15,934,318	16,190,577	20,157,259	15,373,326	18,427,108	21,151,617	23,018,480	23,587,609	25,356,754	15,823,604	15,823,604		
Cumulative Cash Balance Variance	7,148,433	7,515,513	9,879,121	10,583,383	9,764,112	14,465,777	13,604,356	11,246,981	9,936,272	(1,731,230)	(4,291,249)	1,128,833	1,128,833		

Catalina Annual Cashflow	Project Total	PTD Jun-15	FYE2016	FYE2017	FYE2018	FYE2019	FYE2020	FYE2021	FYE2022	FYE2023	FYE2024	FYE2025	FYE2026	FYE2027	FYE2028
Sales Release	2,402	722	84	99	165	159	132	198	183	171	159	232	98	-	-
Sales	**2,402**	**678**	**87**	**119**	**122**	**145**	**168**	**180**	**196**	**188**	**171**	**163**	**185**	**-**	**-**
Titles	2,402	722	84	68	130	148	119	174	226	192	179	154	206	-	-
Settlements	2,402	634	104	93	122	129	163	174	189	194	194	136	200	70	-
Closing Stock	0	44	41	21	64	78	42	60	47	30	18	87	-	-	-
Contracts on Hand	0	44	27	53	53	69	74	80	87	81	58	85	70	-	-
Average Settlement Price	303,001	246,711	274,489	282,619	327,724	312,489	289,345	291,147	298,386	311,960	331,898	363,765	391,662	419,127	-
GROSS INCOME															
Income - Lots	727,807,527	156,414,500	28,546,838	26,283,529	39,982,275	40,311,104	47,163,201	50,659,512	56,394,894	60,520,159	64,388,159	49,472,070	78,332,404	29,338,882	-
Income - Other	47,971,740	1,961,710	154,549	4,794,250	-	5,492,286	5,521,508	17,041,585	11,390,238	1,615,614	-	-	-	-	-
Direct Selling Expenses	83,132,291	11,605,151	4,993,264	3,805,686	4,598,467	4,721,466	5,528,621	8,118,305	7,392,335	6,801,267	6,940,766	5,884,123	7,054,893	4,762,649	925,299
GROSS INCOME	692,646,976	146,771,059	23,708,123	27,272,093	35,383,808	41,081,924	47,156,089	59,582,792	60,392,797	55,334,506	57,447,393	43,587,947	71,277,511	24,576,233	(925,299)
DEVELOPMENT COSTS															
Land & Special Sites Development	13,658,699	839,711	34,285	49,657	10,780,560	1,316,052	538,435	-	50,000	-	50,000	-	-	-	-
Consultants	7,532,926	1,765,619	619,178	675,204	614,907	589,552	559,161	552,439	562,037	520,013	562,489	288,474	223,853	-	-
Landscape	45,181,125	6,084,297	3,550,140	6,807,816	3,489,325	7,602,306	8,107,158	2,652,912	1,368,828	1,518,643	1,505,441	1,479,333	918,927	95,999	-
Infrastructure	15,335,346	6,768,723	1,874,389	1,474,031	7,534,721	446,395	(2,762,914)	-	-	-	-	-	-	-	-
Lot Production	222,634,342	55,651,131	8,549,339	14,487,759	13,631,578	14,691,050	16,002,505	17,551,386	16,867,755	15,808,816	18,394,597	14,079,321	16,294,879	624,224	-
Administration	12,420,790	1,275,594	784,985	1,075,117	1,037,397	1,038,597	1,059,097	997,660	983,232	964,863	944,359	922,650	911,885	425,355	-
Marketing	7,566,382	815,243	731,360	663,734	656,313	617,738	596,353	571,196	566,463	577,897	578,278	589,950	601,858	-	-
Community Development	2,335,607	101,865	116,243	192,500	192,500	192,500	192,500	192,500	192,500	192,500	192,500	192,500	192,500	192,500	-
Finance/Bonds	(0)	512,595	930,060	1,765,944	(1,500,000)	(200,000)	-	-	-	-	-	-	-	(1,508,599)	-
Contingency	13,224,414	24,455	345,772	1,483,907	1,994,692	1,444,903	1,339,041	1,245,365	1,127,934	1,079,573	1,203,698	910,975	957,195	66,904	-
DEVELOPMENT COSTS	339,889,631	73,839,233	17,535,752	28,675,669	38,431,993	27,739,093	25,631,336	23,763,458	21,718,749	20,662,304	23,431,361	18,463,203	20,101,097	(103,617)	-
CASHFLOW	**352,757,345**	**72,931,826**	**6,172,371**	**(1,403,575)**	**(3,048,185)**	**13,342,831**	**21,524,753**	**35,819,334**	**38,674,048**	**34,672,202**	**34,016,032**	**25,124,745**	**51,176,414**	**24,679,850**	**(925,299)**
Minimum Debt		45,231,826	0	0	-	-	-	-	-	-	-	-	-	-	-
Maximum Debt		45,231,826	0	0	-	-	-	-	-	-	-	-	-	-	-
Capital Calls	(13,300,000)	(13,300,000)	0	0	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	13,300,000	13,300,000	0	0	-	-	-	-	-	-	-	-	-	-	-
Profit Distribution Capacity	352,757,345	27,700,000	15,000,000	11,000,000	4,000,000	15,000,000	21,000,000	36,000,000	39,000,000	34,000,000	35,000,000	25,000,000	51,000,000	26,000,000	13,057,345
Cumulative Cash Balance	0	45,231,826	36,404,198	24,000,622	16,952,437	15,295,268	15,820,020	15,639,354	15,313,402	15,985,604	15,001,636	15,126,380	15,302,794	13,982,644	-

Satterley

12 May 2016

Mr Tony Arias
Chief Executive Officer
Tamala Park Regional Council
Unit 2, 369 Scarborough Beach Road
INNALOO WA 6019

Dear Tony,

Catalina Proposed FYE2017 Budget

Please find attached a review of the proposed FYE2017 Catalina Budget as follows:

1. Market Conditions
2. Financial Year Ending 2016 (FYE2016)
3. Operations for Financial Year Ending 2017 (FYE2017)
4. Review of FYE2017
5. Key Risks for achieving FYE2017 Budget
6. Snapshot of Financial Year Ending 2018 (FYE2018)
7. Project Forecast
8. Assumptions
9. Triggers for Civil Construction
10. Cash Requirement, Capital Return and Profit Distribution Capacity

Budget Comparisons

Budget review and variance analysis in this document for FYE2016 compares to the FYE2016 budget approved in August 2015, which approved cash flows relating to FYE2016 only.

Budget review and variance analysis in this document for FYE2017 and subsequent years compares to the 2014 Project Forecast, which approved cash flows for the life of project.

Market Conditions

Due to the decline of the WA resource sector and slowing population growth, the Perth property market has deteriorated and is forecast to remain soft for the next 18-24 months. Property, employment and wage growth have all slowed. Population growth for the 12 months to Sep-15 was 32,542, with net interstate migration negative for the last six consecutive quarters contributing to the lowest population statistics for over a decade. The WA unemployment rate stood at 5.7% at Mar-16 with Western Australian Treasury forecasts suggesting this figure will trend upwards and reach 6.5%.

In light of these subdued market conditions, the proposed FYE2017 budget adopts conservative modelling assumptions and incorporates lower revised sales rates from those adopted at both the 2014 Project Forecast and FYE2016 Budget (approved August 2015). As a consequence, financial returns over FYE2016, 17 and 18 period are impacted.

Financial Year Ending 2016

The proposed FYE2017 Catalina budget forecasts net cashflow of $6.2m for the year to 30 June 2016, which is $11.3m more than the FYE2016 budget approved in August 2015. The high level areas of variance are summarised below:

- Sales are forecast to reduce in FYE2016 from 180 sales to 87, which includes the deferral of sales in Catalina Beach.
- Gross Income has decreased by ($11.9m) largely due to 47 net settlements deferred to FYE2017.
- Development costs have decreased by $23.2m largely due to deferred lot production costs of $4.8m for Stage 25, $3.7m for Stage 18A and $1.6m for Stage 16A in addition to savings realised in completed stages of $1.8m. Landscaping costs for FYE2016 have reduced by $2.9m largely as a result of works deferred to FYE2017, including for stages 12 ($0.9m), 13 ($0.5m) 15 ($0.3m) and BCA Revegetation ($.2m) landscaping. Also driving the increase in net cash position is the deferral of $3.2m in infrastructure works alongside unused contingency of $1.7m.
- Distributions for FYE2016 are now forecast at $15m, down from $18m, with cash now required in FYE2017 for deferred works.

Operations for Financial Year Ending 2017

The key operations for the 2017 financial year as forecast in the proposed budget are:

1. Distributions forecast at $11m.
2. Forecast sales of 119 lots.
3. Forecast settlements of 93 lots.
4. Forecast gross income of $27.3m.
5. Forecast titles to be issued for stages 14B and 25, totaling 68 residential lots.
6. Subdivision approvals for stages 16A, 16B, 17B and 18B in Catalina Central and Stages 36 and 37 in Catalina Grove. Minor LSP Amendment for Catalina Grove.
7. Civil construction contracts to be let for stages 17A, 18B and 25 totaling 120 lots.
8. Earthworks construction contract to be let for Catalina Central Primary School of $2.2m with Dept of Education to reimburse costs in full, upon completion in Oct-16.
9. Total earthworks and civil construction costs for the year of $14.5m.

10. Infrastructure works to commence in Apr-17 for the Waste Water Pump Station in Catalina Beach (FYE2017 budget $1m and FYE2018 budget $1.25m). Water Corporation to reimburse full costs of Pump Station ($2.25m) 13 months after installation being FYE2019.
11. Landscaping for stages 10 – 15 in Catalina Central ($2.6m). Catalina Beach landscaping will include POS ($1.5m), Marmion Ave. verge and median ($0.4m) and Entry Statement ($0.3m). Total landscaping of $6.8m budgeted.

Review of Financial Year Ending 2017

This review compares the proposed FYE2017 budget to the 2014 Project Forecast and takes into account actuals to March 2016.

The proposed FYE2017 budget forecasts a net cashflow before distributions of ($1.4m) for the year to 30 June 2017, which is ($29.7m) less than the 2014 Project Forecast, the result of a ($29.7m) fall in gross income. The main areas of variance are summarised below:

- Annual sales for FYE2017 are now budgeted at 119 lots, a reduction of 81 lots.
- Residential Lot Income has decreased by ($35.4m) due to settlement of 93 lots compared to 186 previously forecast as follows:

Variance and Reason	Amount
Settlement of 1 more lot in stage 11, deferred from FYE2016.	$0.2m
Settlement of 3 more lots in stage 12, deferred from FYE2016.	$0.8m
Settlement of 1 more lot in stage 13A, deferred from FYE2016.	$0.2m
Settlement of 8 more lots in stage 13B, deferred from FYE2016.	$1.7m
Settlement of 15 more lots in stages 14A and B, deferred from FYE2016.	$3.7m
Settlement of 19 more lots in stage 15, deferred from FYE2016.	$5.1m
Settlement of 9 less lots in stage 16A, deferred to FYE2019.	($2.4m)
Settlement of 61 less lots in stages 17A and B, deferred to FYE2018/19.	($19.8m)
Settlement of 1 less lot in stages 18A and B, deferred to FYE2018.	($1.1m)
Settlement of 26 less lots in stage 25, deferred to FYE2018.	($8.4m)
Settlement of 43 less lots in stage 26, deferred to FYE2018/19.	($15.6m)
Total	**($35.4m)**

- Other income has increased by $2.7m due to brought forward settlements of Stage 18 Group Housing sites totalling $3.8m in addition to the $1m deferral of the Stage 11 Local Centre settlement from FYE2016, partially offset by the ($2.1m) deferral of Stage 17 Group Housing sites to FYE2019.
- Landscaping works have risen by ($3.7), driven by $2.6m of landscaping in Catalina Central stages 10-15 previously forecast to complete in FYE2016, now deferred to

FYE2017. In addition, Catalina Beach works in FYE2017 have increased by $0.5m, reflecting a higher standard of landscaping than previously forecast to suit the premium product to be offered.

› Infrastructure costs have reduced by $2.4m, a saving to be gained from a $2.4m reimbursement for bulk earthworks relating to the primary school site.

› Lot production costs in FYE2017 have increased by ($3.0m) overall, the net result of significant timing changes from the 2014 Project Forecast. Notable variances include the following:
  - An increase of ($3.3m) for Bulk Earthworks, due to an increase of $1.5m for the primary school site brought forward and $1.8m for Catalina Beach works deferred.
  - A net reduction of $5.5m in lot production costs for Catalina Central stages, driven by $3.7m for Stage 17A deferred, and $4.9m for Stages 18A and B which have now been split, with Stage 18A brought forward to FYE2016 and the majority of Stage 18B costs now forecast for FYE2018.
  - A net increase of ($1.4m) in lot production costs for Catalina Beach stages driven by an increase of $6.6m due to the deferral of Stage 25 into FYE2017, partially offset by reductions across Stages 26, 27 and 28 now deferred to subsequent years.
  - A reduction in Catalina Grove lot production costs of $2.2m previously forecast to commence in FYE2017.

› Bonds have increased by $2.0m with the inclusion of provision for a $1.5m bond for the Catalina Beach Waste Water Pump Station in addition to the $300k reduction in the tankering bond for Catalina Beach which is to be refunded in 2017.

Key Risks for achieving Financial Year Ending 2017 Budget

The following are key risks for TPRC receiving budgeted revenue in the proposed FYE2017 budget:

› Achieving sales rates in accordance with the FYE2017 budget;
› Settlements forecast for FYE2017 being deferred to FYE2018, resulting in lower revenue being achieved in FYE2017;
› Construction delays resulting in delays in titles issuing;
› Achieving sales prices as per the FYE2017 budget;
› Higher than expected fallover rates for sales resulting in delayed settlements.

Review of Financial Year Ending 2018

The budget review forecasts net cashflow before distributions of ($3.0m) for the year to 30 June 2018, which is ($20.6m) lower than the 2014 Project Forecast. The high level areas of variance are summarised below:

Satterley Property Group Pty Ltd 18 Bowman Street South Perth WA 6151 Phone: (08) 9368 9000 Finance Dept. Fax: (08) 9368 9003
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Licensee: Satterley Property Group Pty Ltd (Inc in Western Australia) ACN 009 054 979 ABN 38 009 054 979

- Gross Income has declined by ($24.6m) due to 122 settlements compared to 190 previously forecast as a result of the more conservative sales rate adopted.
- With a $6.6m reduction in lot production costs due to deferral of works being offset by an increase in $6.6m in net infrastructure costs for FYE2017 from timing differences, reduced development costs of $3.9m from the 2014 Project Forecast are driven by the $1.5m refund of the Catalina Beach Waste Water Pump Station not previously forecast in addition to the $2.3m reduction in development costs for special sites driven by $1m of reduced cost escalation for the WAPC land acquisition.
- Distributions for FYE2018 are expected to be ($14m) lower at $4m.

Project Forecast

The FYE2017 proposed budget forecasts an overall net cash profit of $352.8 million for the life of the project. This is ($44.1m) less than the 2014 Project Forecast which is a result of the drop in escalation and sales rate assumptions used that are necessary given the significant deterioration in market conditions over the past 12-18 months.

It is worth noting however that the life of project profit forecast has increased by $41m from the initial feasibility forecast of $311.8m, with an improvement in project IRR from 18.2% to 20.0%.

Assumptions

Achieving title dates, and therefore the revenue streams, as described in the budget model are dependent on obtaining planning and engineering approvals. Any deferment of the commencement of works will result in titles being deferred, impacting the current distribution profile for FYE2016, 17 and 18.

Additionally, the timeframes provided by the engineers are dependent on the civil contractor being able to achieve these timeframes.

Stage	Lots	Titles
18A	29	Jun-16
14B	10	Oct-16
25	58	Feb-17
17A	31	Aug-17
18B	31	Oct-17
26	38	Jan-18
17B	30	Jun-18

Responding to the decline in market conditions, escalation rates used in the FYE2017 proposed budget differ significantly from the 2014 Project Forecast;

BUDGET COMPARISON - ESCALATION RATES		FYE2016	FYE2017	FYE2018	FYE2019	FYE2020 on
Proposed FYE2017 Budget	Income escalation	0%	0%	2.0%	4.0%	4.0%
	Cost escalation	0%	0%	1.0%	2.0%	2.0%
2014 Project Forecast	Income escalation	4.0%	4.0% - 5.5%	5.5%	5.5%	5.5%
	Cost escalation	3.0%	3.0%	3.0%	3.0%	3.0%

Both income and cost escalation rates for the proposed budget have been removed until FYE2018 before recommencing at more moderate levels.

Due to the compounding effect of escalation, these rate changes have a material impact on the life of project budget.

Sales rate assumptions in the FYE2017 proposed budget have been adjusted as follows:

- Short-term sales rates average ~9 sales per month (2014 Project Forecast: ~17).
- Long-term sales rates average ~15 sales per month (2014 Project Forecast: ~17).

Triggers for Civil Construction

Civil construction triggers remain in place to ensure the project does not overcommit civil construction to protect against any further downturn in market conditions. The triggers ensure the risk to the project is minimised by only committing to construction if stock reduces to a certain level.

As the central and western cells appeal to different target markets and will have different sales rates, we continue to recommend separate sales triggers for each precinct.

The recommended trigger closing stock level for this budget review remains unchanged from previously advised - 35 lots for Catalina Central (55 for stages 18A and 18B) and 20 lots for Catalina Beach. A lot is no longer considered stock once an offer is received from a purchaser at the list price.

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Precinct	Stage	Lots	Titles	Construction start	Precinct stock level trigger for civil construction
Catalina Central	14B	10	Jun-16	Feb-16	35
Catalina Beach	25	59	Feb-17	Aug-16	20

Cash Requirement, Capital Return and Profit Distribution Capacity

The FYE2017 proposed budget forecasts a minimum cash balance of $36.4m for the project in FYE2016, $24.0m in FYE2017 and $16.9m in FYE2018. Approximately $15m is maintained as a minimum ongoing cash balance from FYE2018 until project completion.

As a result of a significant reduction in escalation and sales rate assumptions, life of project distributions are now forecast as follows;

Profit Distribution Capacity	Proposed Budget FYE2017	2014 Project Forecast	Budget Total Variance	Cumulative Variance
PTD FYE2015	27,700,000	27,700,000	-	-
FYE2016	15,000,000	22,000,000	(7,000,000)	(7,000,000)
FYE2017	11,000,000	28,000,000	(17,000,000)	(24,000,000)
FYE2018	4,000,000	18,000,000	(14,000,000)	(38,000,000)
FYE2019	15,000,000	37,000,000	(22,000,000)	(60,000,000)
FYE2020	21,000,000	33,000,000	(12,000,000)	(72,000,000)
FYE2021	36,000,000	37,000,000	(1,000,000)	(73,000,000)
FYE2022	39,000,000	43,000,000	(4,000,000)	(77,000,000)
FYE2023	34,000,000	12,000,000	22,000,000	(55,000,000)
FYE2024	35,000,000	15,000,000	20,000,000	(35,000,000)
FYE2025	25,000,000	14,000,000	11,000,000	(24,000,000)
FYE2026	51,000,000	38,000,000	13,000,000	(11,000,000)
FYE2027	26,000,000	38,000,000	(12,000,000)	(23,000,000)
FYE2028	13,057,345	26,000,000	(12,942,655)	(35,942,655)
FYE2029	-	8,155,373	(8,155,373)	(44,098,028)
Total	**352,757,345**	**396,855,373**	**(44,098,028)**	

Should you have any queries on this report, please do not hesitate to contact the undersigned.

Yours sincerely

Aaron Grant
Project Director

Appendix 9.11

CATALINA

ANNUAL MARKETING PLAN

(MAY 2016)

Catalina
LIFE & STYLE

Satterley Team
Aaron Grant – Project Director
Lauren Vidler – Development Manager
Matej Nvota – General Manager Marketing WA
Natalie Bonnage – Project Marketing Manager
Simon Flesher – General Manager Sales WA

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TAMALA PARK Regional Council

INTRODUCTION

This Annual Marketing Plan for Catalina Estate outlines the key marketing and communication activities for 1st of July 2016 – 30th of June 2017 period.

The purpose of the Annual Marketing Plan is to provide an overview of the market conditions and a strategic overview and timeline for all marketing activities planned for 1st of July 2016 - 30th of June 2017 period.

This Annual Marketing Plan is subject to approval by the Tamala Park Regional Council (TPRC) and the achievement of the key project milestones.

The Annual Marketing Plan for July 2016 – June 2017 includes:

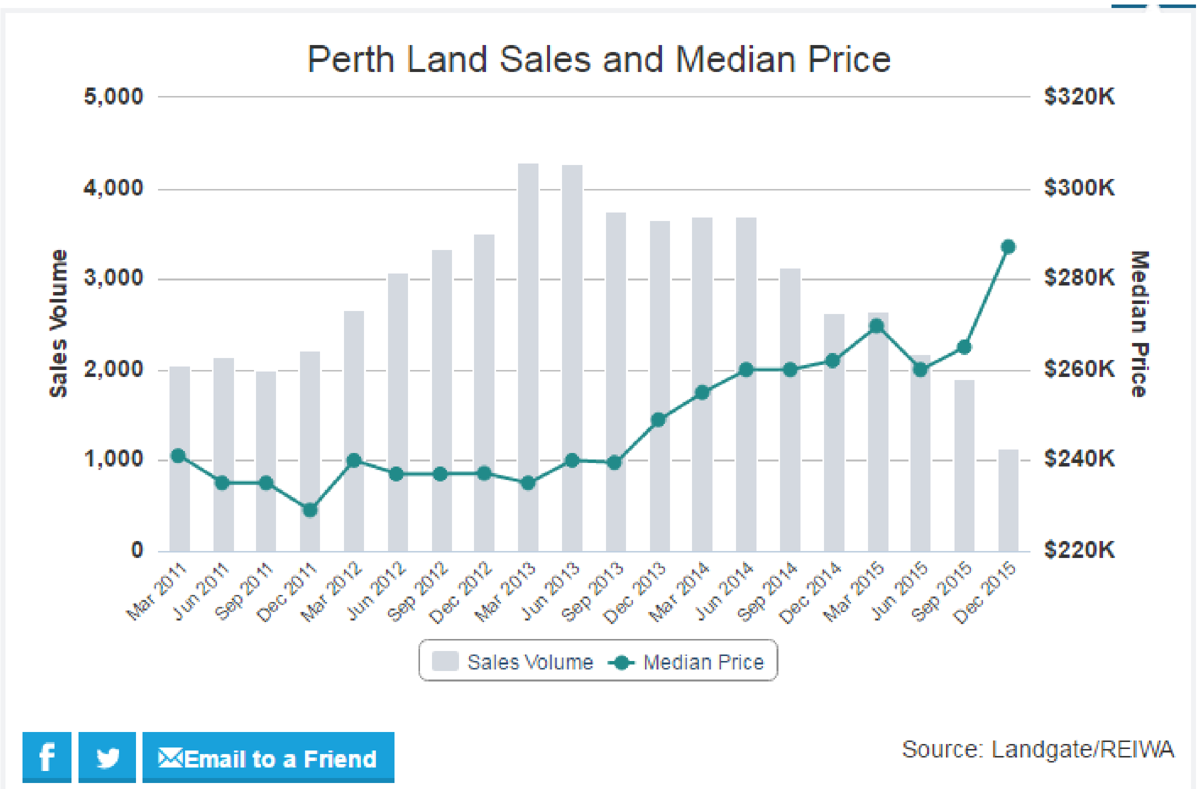
1. Market Conditions Overview
2. Sales Summary – Catchment Area
3. Sales Strategy and Monthly Targets
4. Key Marketing Objectives
5. Key Marketing Strategies
6. FY17 Marketing Budget

Appendices

1. Swot Analysis
2. Additional Market Conditions
3. Competitor Report

MARKET CONDITIONS OVERVIEW

Real Estate Institute of Western Australia (REIWA) recently released its Quarterly Median Price Data for the December 2015 Quarter. The graph below indicates the quarterly sales volume of lots and median price for lots and highlights that the quarterly sales volume of lots has dramatically declined by more than 50% since December 2014. Furthermore, it is noted that the sales volume of lots for the December 2015 quarter is at the lowest point since March 2011.



The median price for lots has risen since the December 2014 Quarter, which the biggest growth recorded from September to December 2015.

The UDIA February Urban Intelligence Report February 2016 highlights the following key market insights:

Economy

In January Western Australia's unemployment rate increased by 20 basis points to sit at 6.2%, which is 30 basis points higher than the same time last year. The number of employed persons also decreased 1.9% month-on-month, however is up 0.5% YOY (original data).

Residential Property Market

Total owner-occupier (OO) housing finance commitments increased 2.2% over the Dec-15 quarter and decreased 8.5% YOY. Making up this total, OO commitments for construction decreased 3.5% QOQ, while commitments for new and established dwellings increased 8.2% and 3.3% respectively.

Residential Construction Sector

Building approvals for dwellings (excluding houses) in WA and Greater Perth increased 95.5% and 96.0% MOM respectively in January, with both also up 49.0% and 50.5% YOY. Approvals for houses in WA and Greater Perth both decreased 33.7% and 30.1% MOM, however slowing approvals figures have been common in the past over the December to February period.

The Urban Development Index December Quarter 2015 tables released by the Urban Development Institute of Australia WA UDIA (WA) indicates that lot sales figures within the north west corridor, which predominantly consists of the City of Wanneroo and the City of Joondalup, had improved market share from September 2015 quarter to December 2015 quarter by 14%

However the North West corridor looking at year on year comparison the corridor is still experiencing a decline of some 15% of its market share from 2014.

The number of lots on the market in the corridor has also increased by 33% since December 2014, with a 16% increase from 995 lots in September quarter to 1154 lots in December 2015, reflecting the change in market sentiment. This has led to increased competition between developers with the introduction of additional rebates and incentives to maintain or increase market share.

North-West Metro					
Description	This Quarter	Last Quarter	% Change since last quarter	YoY	% Change YoY
Share of Sales	34.4%	30.3%	14%	31.4%	10%
Lots Sold (# of Lots)	571	592	-4%	669	-15%
Lots Sold (S millions)	$135.2	$147.2	-8%	$162.1	-17%
Average Size of Lots Sold (m^2)	384	398	-4%	386	-0.5%
Average Price of Lots Sold	$236,846	$248,686	-5%	$242,299	-2%
Average Price of Lots Sold per m^2	$617	$625	-1.3%	$628	-2%
Lots Sold (Estimated # of Dwellings)	571	592	-4%	669	-15%
Lots on the Market	1154	995	16%	866	33%
Stock on the Market (months)	6.1	5.0	20%	3.9	56%
Average Price of Lots on the Market	$243,293	$250,113	-3%	$270,912	-10%
Average Size of Lots on the Market (m^2)	364	368	-1%	403	-10%
Lots NOT on the Market	251	377	-33%	209	20%
Lots Under Construction Release w/in 0 - 12 months	1148	1435	-20%	2391	-52%
Average Size of Lots Under Construction Release w/in 0-12 months (m^2)	434	393	10%	392	11%

Source: UDIA Index December Quarter 2015 tables

Additional Market and trading conditions can be reviewed in Appendix 2.

Market Snapshot from REIWA, 15 March 2015

Perth Metro

View Regional WA

Perth Market Snapshot

Week ending 15 March, 2016 | **Sales data** | Rental data

Property Sales

Houses	453
Units	97
Land	55

Total:	605
4 weeks ago:	607
Same week last year:	643

Properties Listed for Sale

Houses	9,737
Units	3,382
Land	2,529

Total:	15,648
4 weeks ago:	15,190
Same week last year:	13,998

Top Selling Suburbs

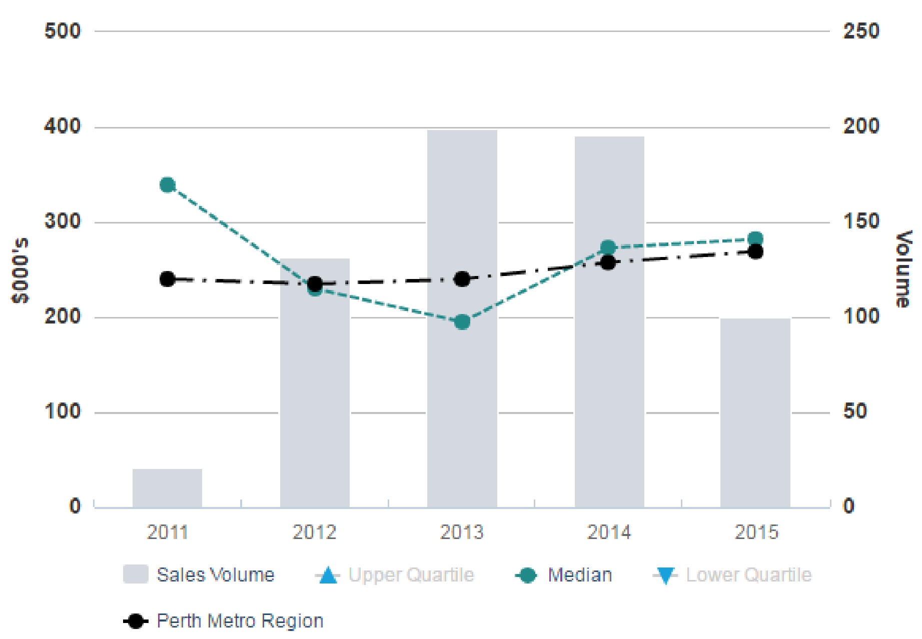
North of the River	
Yokine	10
Cottesloe	9
Morley	9
Scarborough	9

South of the River	
Baldivis	14
Rockingham	8
Applecross	7
Thornlie	7

View more data

Clarkson Price Charts

Median House Price | Median Unit Price | **Median Land Price**



Based on Settled Sales as at 15 February, 2016

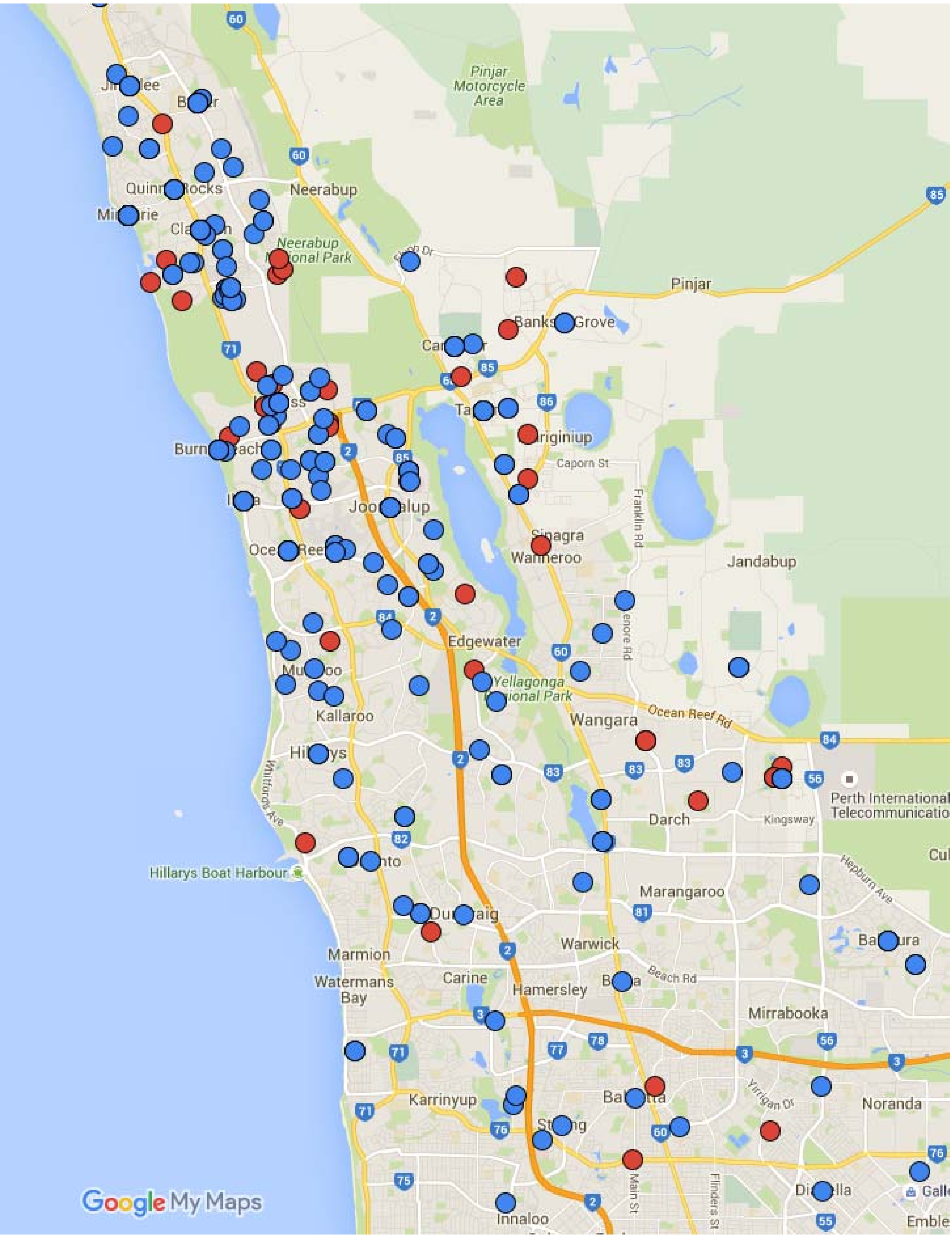
1 January 2015 - 31 December 2015

UPPER QUARTILE	MEDIAN	LOWER QUARTILE
$299,000	$282,000	$261,000

SALES SUMMARY – CATCHMENT AREA

The map below shows the geographical location of all purchasers (red dots) and sales leads (blue dots). The majority of the sales came from the area south of Catalina, within a 15km radius. Sales leads came from 10-20km radius, slightly skewed towards the suburbs located south of Catalina.

The link below gives you the access to the live map:
https://www.google.com/maps/d/edit?mid=zaJsm8xpBMZ8.k_LU9VxdVZSw&usp=sharing



FY16 Purchasers in red, ROI (Registrations of interest) in blue

SALES STRATEGY AND MONTHLY TARGETS

1st July 2016 – 30th June 2017

Objectives

- Sales Target FY17: 119 sales

Proposed Release Schedule

Stage	Date	No of Lots
Stage 25 DV release	October 2016	15
Stage 17A release 1	November 2016	16
Stage 17A release 2	February 2017	15
Stage 25 release 1	March 2017	21
Stage 25 release 2	May 2017	14

Note: These will vary dependent on sales rate and market conditions.

The information below outlines the details of the Satterley Property Group's sales strategy for the sale of lots in Catalina Estate.

Set out below is a recommended process for:

- Public Release
- Builder Engagement Strategy
- Stock Management

The strategy is subject to timely development approvals, WAPC subdivision approval and sufficient sales being obtained.

Public Release

The lot sale and release strategy– Private Purchaser Lots was approved by the TPRC Council in June 2015. Releases have been carried out using the online sales release process to provide a fair & transparent process.

Builder Engagement Strategy

The Satterley Property Group has strong relationships with key builders active in the Northern Metropolitan Corridor. SPG will continue to engage with key builders to ensure that Catalina obtains and maintains support from builders and leverages these relationships to deliver a consistent stream of referral business into the estate. Building relationships with a wide selection of builders will also go a long way towards ensuring that a diverse range of product is being delivered into the estate. The following sales activities will be undertaken by the sales team and form the basis of the builder engagement strategy:

- **Catalina Display Village**

  Satterley will work with the Catalina display village builders to ensure that all sales representatives working in the village have the latest information on the estate available in each of their display homes. SPG plans to hold builder functions at the sales office during the financial year. The timing of these will be likely coinciding with key milestones reached within the estate. Planned functions will provide an opportunity to engage our builder partners as a group, update them on the next phases of the development, provide them with the successes and learnings of the development and recognize their importance with helping to drive traffic and enquiry to the estate.

- **Display Village Visits**

Weekly display village visits across the Northern corridor will be completed.

- **Builder Management Updates**

Updates will be provided to key Building Sales Management notifying them of available stock, current offers and the land release program.

- **Sales Team Visits to Builder Offices**

The sales team will deliver multiple presentations per month to Perth's leading home builders to ensure that all companies and their sales representatives are aware of the development progress as well as the key features and benefits of the estate.

Sales Office

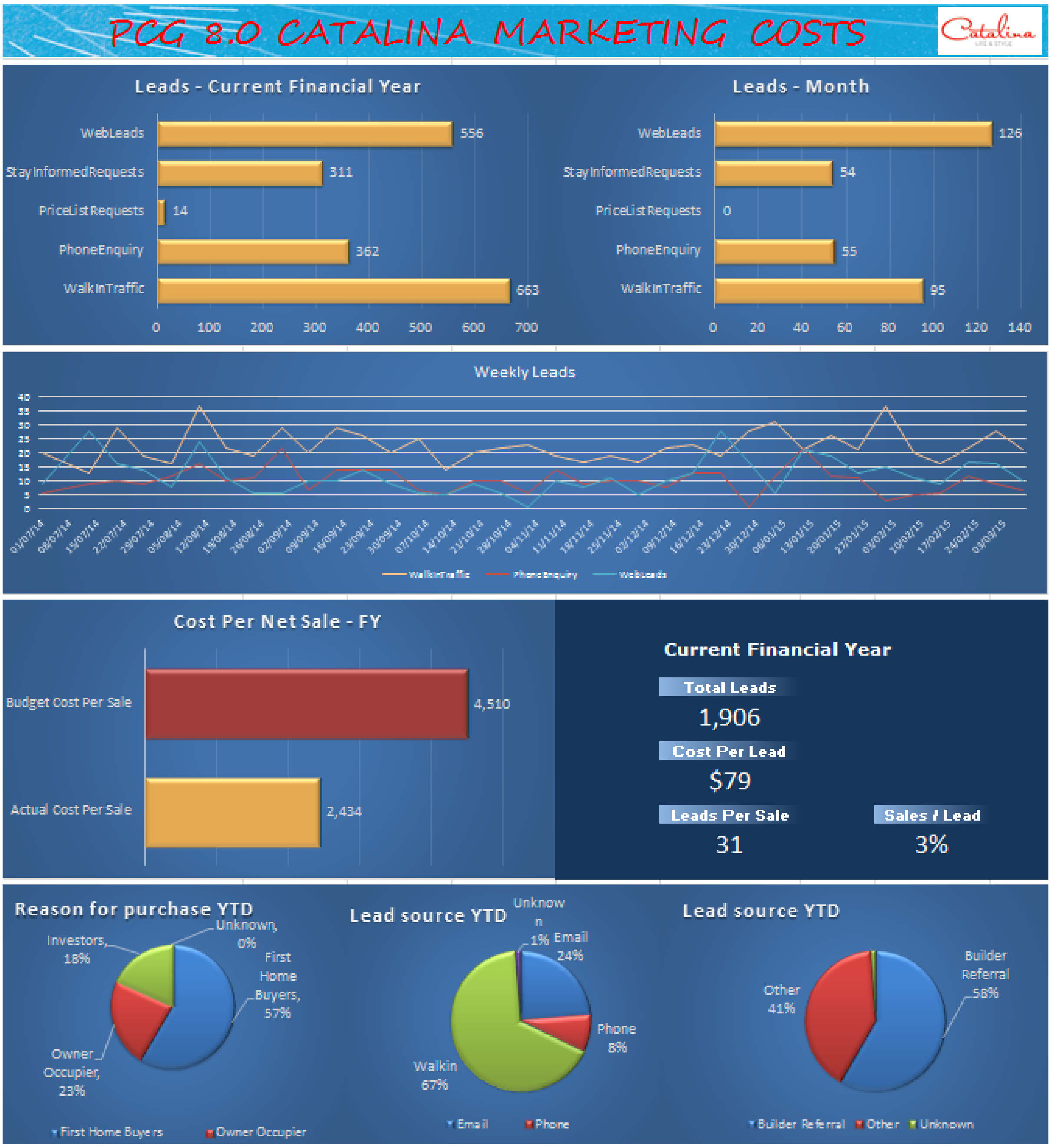
The current sales office will remain in operation for at least the life of Display Village 2. The current office is the primary sales tool for the estate and provides a space for prospective clients and key stake holders to visit and speak with the sales team.

Stock Management

Satterley Property Group will review sales and planned releases on a weekly and monthly basis to ensure appropriate levels of stock are maintained on the market at all times.

CRM Overview – Sales Leads and Budget analysis

FY16 - to March 2016



Please note: brand creative development, photography and signage are still in progress, which makes the budget vs. actual figures differs at this particular point in time.

KEY MARKETING OBJECTIVES

1 July 2016 - 30th June 2017

The primary marketing objectives for Catalina project and its precincts for the 1 July 2016 - 30th June 2017 period are outlined in detail below. When developing marketing objectives for this project the following factors were taken into consideration:

- the state of the WA property market and a highly competitive sales environment predominantly driven by the product discounting and various incentives available to purchasers and builders' representatives that are traditionally referring business to land developers; and
- the current status of our point of sale environment and project signage in comparison to our competitors in the Northern corridor;
- FY17 sales targets; and
- the current level of lead enquiries generated directly by marketing the project's marketing activities.

Marketing Objectives – Catalina Central
1. Brand Development Build on existing brand and re-inforce the key brand messages in the primary catchment areas in order to improve brand reputation. Increase brand awareness and share of voice in the secondary and tertiary catchment areas.
2. Lead Generation Generate sales leads and traffic to the estate sales office and website. Optimize campaign performance to achieve campaign goals while making effective use of the advertising funds.
3. Project Signage Deliver overall signage strategy including new signage structures, upgrades and reskins of the existing project signs. Use external signage as an outdoor media channel to communicate the key project messages to passing traffic. Improve internal estate signage to identify and mark the key project amenities, as well as improve way finding throughout the estate to the key points of the estate.
4. Point of Sale (Sales Office) Improve user journey thought the sales office.
5. Project Website and SEO Develop new project website suitable for mobile and tablet devices that clearly identifies 3 precincts of Catalina project and offers high quality content that will appeal to project's potential buyers.
7. Sales Collateral Refine project collateral selling the overall vision of the development.
8. Community Development Support Community Development provider from marketing support and brand guidance perspective in order to build brand equity and advocacy among the existing residents.

Marketing Objectives – Catalina Beach
1. Brand Development Launch and establish Catalina Beach brand as a premium beach precinct. Increase awareness of beach precinct in the catchment areas. Increase the return on investment from beach precinct by driving the value proposition for beach precinct.
2. Lead Generation Generate new sales leads and traffic to the estate sales office and website. Convert maximum number of existing database leads into sales. Optimize campaign performance to achieve campaign goals while making effective use of the advertising funds.
3. Project Signage Deliver overall signage strategy including new signage structures, upgrades and reskins of the existing project signs. Use external signage as an outdoor media channel to communicate the key project messages to passing traffic. Develop internal signage to direct traffic to the new sales office and display village.
4. Point of Sale (Sales Office) Improve user journey thought the sales office.
7. Sales Collateral Develop precinct specific print collateral to demonstrate the key aspects of beach precinct.

KEY MARKETING STRATEGIES

The following section outlines the specific marketing strategies that are designed to meet FY2016/17 sales targets and the key marketing objectives. Supporting marketing documentation is listed in Appendix section of this document.

Item	Strategy
Branding	**Brand, market research and advertising strategy** **Strategic Branding Direction** Finalise and implement Strategic Branding Model, including Brand Concepts, and roll out to all elements of the marketing and sales process. **Catalina Central** Catalina Central is an established brand that will evolve in line with the new strategic brand direction. Adjustment of the brand will include the following steps: ▪ change in the visual direction and style ▪ change in marketing communication with the general public ▪ communication with builders. CATALINA CENTRAL 1. Proud 2. Social 3. Ambitious 4. Family orientated 5. Hard working 6. Measured  Catalina Central appeals to a family that aspire to build there dream life, they did their homework and realised that the precinct is great value for money and gives them an opportunity to have a great lifestyle amongst a community of like minded people with similar values. **Catalina Beach** The primary purpose of our brand strategy for this precinct will be to establish Catalina Beach brand and its offering through the key visual and content brand elements. Once these are established, the content strategy will flow into the website, point of sale environment, marketing collateral, advertising and database communication.

CATALINA
BEACH

1. Sophisticated
2. Status
3. Vivacious
4. Outdoorsy
5. Classically coastal
6. Confident

Catalina Beach will be an aspirational development that appeals to a spirited buyer, who has worked hard, attained a level of success and is looking to make an impression. Maybe a family with older (teenager) children, who love the outdoor life, the smell of the ocean and endless Indian ocean sunsets.

Research

Market Research

We recommend that the following market research tools are put in place to better understand our buyers:

- Ongoing Customer Tracker Buyers Research
- Geomapping Update and Analysis
- Profiling of Geographical Draw Area and Analysis

Additional market research around the Catalina Beach apartment product should be considered to better understand the market demand and expectation for this type of product. Provision for this research is not included in FY17 marketing budget.

Advertising

Brand Advertising

Brand Advertising should account for approximately 25 - 35% of the advertising spend, which is will increase the brand awareness in our primary and secondary catchment areas. This percentage figure is in line with the WA real estate industry marketing expenditure matrix. Media channel strategy should be based on increasing the project's brand awareness in the secondary and tertiary catchment areas; and therefore increasing the potential for the lead conversion from these areas. This form of advertising would also be designed to build brand perception about the project in terms of its vision, positioning in the market place, product offering and pricing. We would expect that the brand value would trend upwards over the 12 month period.

Lead Generation Performance Advertising

Remaining 75 – 65% of the advertising spend should be allocated to lead performance advertising designed to drive traffic to the sales office, web/phone enquiries or referral traffic to the Catalina display village.

Media buying methodology would include profiling our target market segments from demographic and sociographic perspective and using 2nd and 3rd party media consumption behavioural data from big data platforms that we can access through our media buying partner Carat.

Search Engine Marketing (SEM) is highly recommended in the performance advertising media mix to target audience searching for our product, as well as re-marketing to this audience once they visit our website.

KPIs Catalina Central

Land Sales (estimate): 79

Lead per sales ratio: 31:1

Leads required: 2449

Walk in: 1641 (67%)

ROI Web: 588 (24%)
Email: 73 (3%)
Phone: 147 (6%)

KPIs Catalina Beach
Land Sales (estimate): 43
Lead per sales ratio: 31:1
Leads required: 1333
Walk in: 893 (67%)
ROI Web: 320 (24%)
Email: 40 (3%)
Phone: 80 (6%)

Key Milestones for Catalina Central and Beach Precincts are as follows:

- 4 Public Land Releases and 1 Display Village Builders release
- Catalina Beach ROI and Launch campaign

Broad estimate of proposed stage releases within the 12 month period July 2016 to June 2017 is as follows:

Stage	Date	No of Lots
Stage 25 DV release	October 2016	15
Stage 17A release 1	November 2016	16
Stage 17A release 2	February 2017	15
Stage 25 release 1	March 2017	21
Stage 25 release 2	May 2017	14

Note: These will vary dependent on sales rate and market conditions.

Reporting
The following reporting tools will be used to analyse performance advertising campaigns:

- Google Analytics
- Ad serving platforms reports
- Blix sales office and display village traffic data
- Microsoft Dynamics CRM report (database reporting, sales status)

Catalina Beach launch strategy

Proposed Launch Date: March 2017

Product on the ground: fully completed and titled Stage 25 (release 1) and adjoining POS

	Marketing rationale:
	Our recommendation from the marketing perspective is to deliver Stage 25/release 1 product and linear POS. We believe that delivering POS next to the Stage 25 will help with the premium positioning of Catalina Beach precinct and set the development standard in terms of amenities and landscape delivery, which will have a direct impact on perceived precinct value among the purchasers. This will in return maximize the return on investment from this precinct, by allowing adding premium component into pricing structure for lots in Stage 25.
	
	In addition to this, we strongly believe that we can achieve much better brand positioning and sales outcome, if we market product that presents well and offers great park amenity already in place at the time of the purchase.
	
	The following section outlines the key components of Catalina Beach launch strategy:
	
	<u>Phase 1 – Registration of interest and lead nurturing</u>
	
	Overall Timing: 3 to 6 months prior
	
	Strategy:
	Generate sales enquiries from the primary and secondary catchment areas via highly effective communication channels:
	• SEM/SEO (designed to target and drive brand traffic to website)
	• real estate portals (designed to drive research enquiries to website)
	• project signage/point of sale (designed to drive traffic from Marmion Ave to the sales office)
	• direct marketing (designed to nurture traffic through different cycles of lead conversion funnel)
	• PR (designed to engage with potential buyers through traditional and social media)
	• out of home – Ocean Keys Shopping Centre Shopalites (designed to drive brand awareness and lead generation)
	• local newspapers (designed to drive brand awareness and lead generation)
	
	Consequently engage with leads and drive them through the lead nurturing process as follows:
	• prequalification (interests, purchase timeframe, budget, product type)
	• useful content and project updates (keeping prospect interested)
	
	<u>Phase 2 – Release/Launch Campaign</u>
	
	Overall Timing: 3 weeks prior to release date
	
	Strategy:
	Launch Catalina Beach brand and it product offering within 20km radius from the project area and generate sales enquiries from potential purchasers that have limited or no awareness of Catalina Beach and its offering.
	
	Incorporate the following communication channels:
	• Press – Local Community papers to be targeted and special features in The West
	• Digital
	    o real estate portals
	    o social media - Facebook advertising
	    o direct response media
	• SEM – Google AdWords marketing

Signage	• eDM to all Satterley promotions with 20km post code targeting • project signage/point of sale • direct marketing • out of home – Ocean Keys Shopping Centre Shopalites (designed to drive brand awareness and lead generation) Finalize lead nurturing process to separate leads from longer term database contacts through the following process: • explain sales process • provide full product and pricing information • re-confirmation of intent to buy (conversion stage). **Signage, point of sale, website and marketing collateral strategy** Finalise, production and installation of the new and upgraded signage as outlined in the FY16 Signage Strategy document. Delivery of the new and upgraded internal and external signage will support brand awareness, communication of retail messaging and way-finding through the estate. Key initiatives as follows: External Signage To increase the opportunity to communicate brand and retail messages to traffic passing through the Marmion Ave, Connolly Drive and to certain extend Neerabup Rd, we propose to install additional signs as well as upgrade existing signs along these artilleries. Internal Signage To improve the navigation through the development, we propose to install way-finding signage directing traffic to the sales office/display village area. In order to identify the important areas of the development to potential purchasers driving through the development, we would recommend placing banner mesh around the following sites: ▪ Future school site ▪ Community Hub Facility Messages on this banner mesh should identify site's purpose and appropriate delivery timeframes. Banner Mesh We recommend placing branding banner mesh around the following external boundary areas in order to improve look and feel of the external project boundary: ▪ Neerabup Rd East (Stages 14B – 1B) ▪ Connolly Drive (Stage 1B – 16B) ▪ Connolly Drive (Catalina Grove precinct) Banner mesh will not only mark the project boundary areas and form a part of the sand/dust management strategy, but will also create an opportunity to communicate high level brand messages to passing traffic in high traffic areas. Lot signage We recommend placing lot signs on all lots for an easy identification of product in each stage and also visually communicate lots available for sale and lots sold.

Sales Office	Refresh the fit-out of the existing Sales office in order to improve the customer journey through the office and enhance the sales experience. The sales office is divided into the two zones as follows: <u>Zone one (garage)</u> • Dedicated to house and land packages and promotional information from builders. • A touchscreen or i-pad zone to assist buyers in finding their perfect package utilising the houseandland.com.au or new website platform. Display boards to include the following: • Welcome statement • Key brand messages /proposition • Key facts • Project partners <u>Zone two (main sales office building)</u> Display material in zone two should be divided into two categories: 1. Category one should be the brand communication selling the vision of the development. 2. Category two should be an active sales tools helping with explaining project size, area, structure plan, precinct information and product available for sale. These should include the following: ▪ Aerial plan ▪ ODP ▪ Digital Map Table ▪ Precinct USPs ▪ Current Release(s) boards External sales office signage The Land Sales Masterplan sign in front of the sales office should be updated regularly to show land available for sale and land sold. This will create the sense of urgency among the visitors of the sales office and also act as a 'silent agent' when the sales office is closed.
Website	SPG is currently in the process of developing new website that will significantly improve user journey through this important marketing medium. Catalina website will clearly distinguish the Central and Beach Precinct and offer quality content and imagery to the incoming traffic. Visual aspects of the website will be aligned with the new strategic brand model. Specific campaign landing pages for Catalina Central and Catalina Beach will be developed to ensure improved lead capture and campaign results monitoring.
Project Collateral	The following sales and marketing collateral needs to be developed: **Vision brochure** Purpose: Communicate project vision, structure, amenities and lifestyle offering. **Project Sales Folder** Purpose: High level branding and sales documentation holder.

	Precinct Collateral (Beach and Central Precincts) Purpose: Communicate specific aspects of the precinct, key amenities, precinct plan and key precinct's brand messages. **Sales plan and Price list** (Precinct specific) Purpose: Showcase product for sale, pricing and incentives.

FY17 Marketing Budget – July 2016 to June 2017

The following marketing budget for FY17 combines marketing expenditure required for delivery of promotional and advertising activities needed for generating sufficient sales leads in line with our sales targets of 119 lots, as well as significant upgrade of long term marketing assets such as signage and sales office. Marketing asset costs form part of the project infrastructure and do not relate specifically to the lot sales targets for FY17.
In addition to this we need to have sufficient marketing funding for a successful launch of Catalina Beach precinct that will include brand positioning, new collateral and a comprehensive go to market campaign to ensure the successful sales outcome.

Category	Budget Plan FY17	Description	Budget
Brand Development	Market Research Photography Brand	*Market Research - Overall* • Customer Tracker Buyers Research • Geomapping update and analysis • Profiling of Geomap draw areas Estate Photography & Stock Imagery Additional brand / identity requirements	$7,500 $20,000 $10,000
Sales Office	Sales Office Internal Signage	Refresh and update of Sales Office environment including in line with new branding creative and photography as well as inclusion of Catalina Beach. Includes allowance for new digital map table.	$65,000
Collateral	Sales Brochures and Folders	New Vision Brochure for Catalina. New brochures and precinct flyers for Catalina Beach and Catalina Central.	$20,000
	Display Village Guide	New guide for the Catalina Display Village #2	$3,000
	Map & Amenities Flyers	Updates and reprinting as required	$5,000
	Sales Maps	Development of sales maps.	$10,000
Advertising and Direct Marketing	Estate Advertising	Marketing campaigns and stage release campaigns for Catalina Central. Brand launch and retail promotion of Catalina Beach.	$258,734
	Advertising Production	Production of all advertising including the release periods, special features, builder release advertisements. Including launch campaign for Catalina Beach.	$40,000
Signage	Estate Signage & Banner mesh	New signage, banner mesh and reskins in line overall signage strategy and new brand creative for both Catalina Central and Beach.	$150,000

	Lot Plates	Individual lot signage per new stage.	$10,000
	Maintenance	Signage maintenance after implementation of signage strategy in FY17- includes allowance for storm damage, vandalism and general wear and tear to signs and banner mesh requiring repairs, re-skinning or reattaching to fence; flag rotation quarterly	$5,000
Website	Special Projects	Houseandland.com.au portal and advertising. Allowance for Landing page/s.	$15,000
Total			**$619,234 ex gst**

Appendices

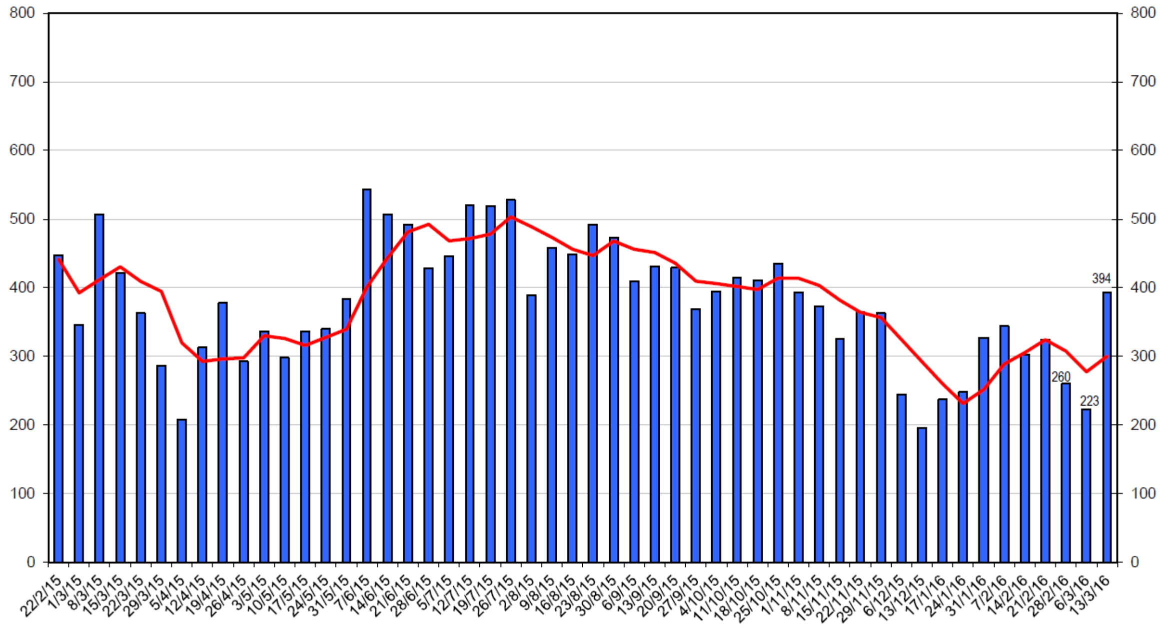
Appendix 1 - Swot Analysis

Weaknesses	Threats
• Limited amenities within the estate • No beach access • Difficulty in developing beach access • Public transport is limited • Landfill site in close proximity • Estate feels in early construction stages • Lack of signage visibility	• Buyer perception of West vs. East Marmion • Established real estate market – main competitor • City Of Wanneroo signage approval restrictions • Threat of loss in market share in Northern Corridor due to many other competing estates including rebates & price cuts that can't be matched • Negative perceptions of Clarkson area transferred to Catalina • Perception of environmental impacts from Tamala Park landfill • Historically price only proposition marketing /advertising has meant lack of brand communication & awareness of Catalina's offering in market • Catalina Grove possible joint venture with DoH may mean public housing
Strengths	**Opportunities**
• Proximity to the beach • Future Mitchell Freeway & Neerabup Road extension • Access to surrounding established amenities such as Mindarie Marina, Ocean Keys shopping centre and local schools • Great accessibility to Clarkson Train Station • Proximity to Perth CBD (compared to other northern corridor competitors) • Close proximity to key employment centres including Neerabup Business Park and Joondalup City Centre • Future planned amenities – schools, local centre • Satterley brand association with the development • Active Residents Group & Community Development activities (Creating Communities) • Different Housing options and including FHB product	• Breadth of project creates diversity – 2.4km. • Capitalise on the existing amenities in surrounding suburbs • Beach access and development of pathway • Further development of Greenlink into Beach and Grove precincts will provide a key selling point • Improve brand awareness and equity through brand communication strategy and improved signage strategy • Better diversity of housing options including opportunities for built form and medium & high density options • "Bush Forever" to the south of the development 450ha • New sales office located near Marmion Ave • Landfill site reducing in size and will eventually become 'District open space' • Baby boomers moving into retirement • Gateway location with more projects planned north of Catalina which will increase

• Sought after 'Mindarie' address for Beach precinct • Beach precinct release mid 2016 • Strong Builder relationships including display Village strong source of direct referrals • New Display Village opening Feb 2016 • Currently Private Estate - No public housing • High traffic area with main roads providing good opportunity for exposure	in both traffic and attention to area • Early establishment of neighbourhood activity centre, childcare site along with other community services • Improvement of estate presentation • Community development • Social Media

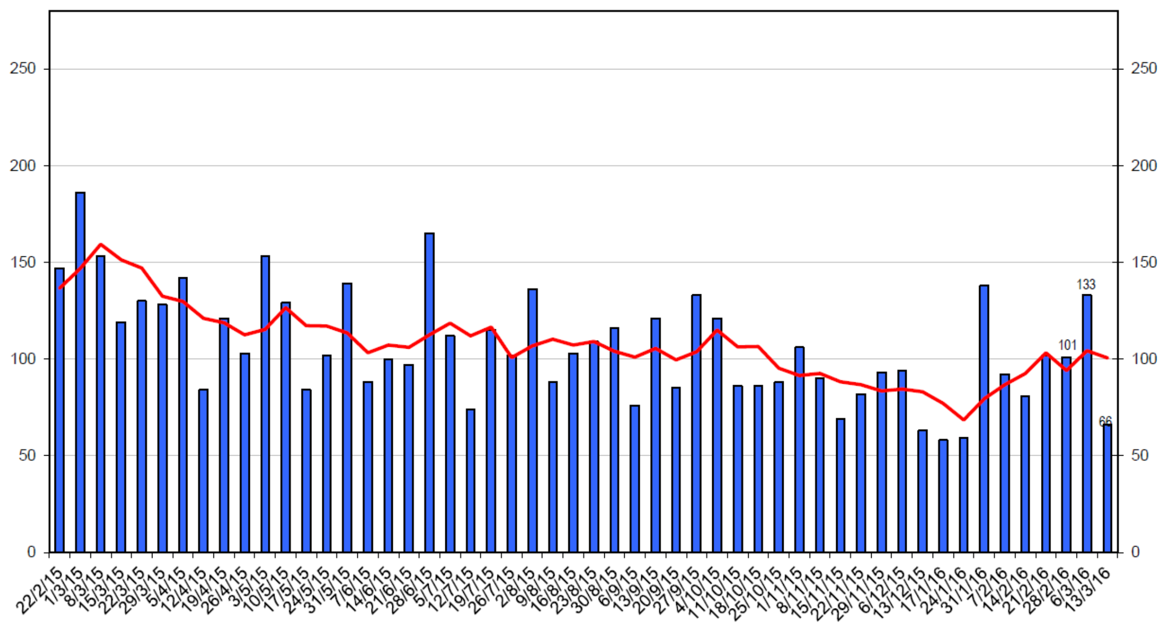
Appendix 2 – Additional Market Conditions info

HIA WA Weekly Land Developer Traffic



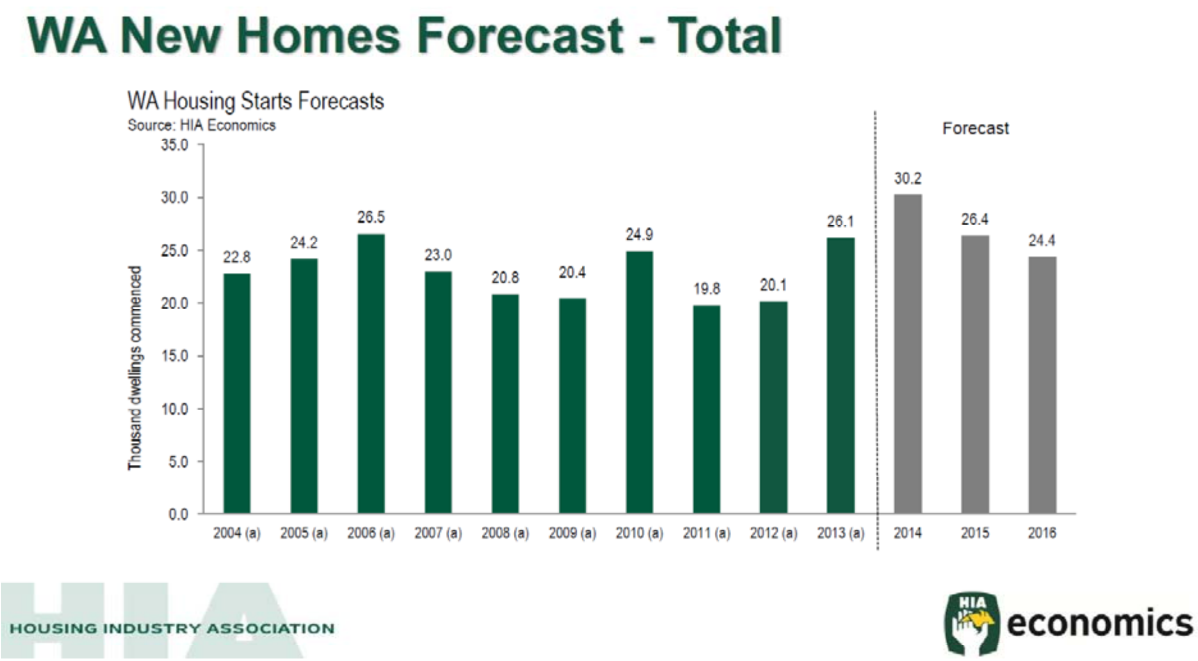
- Weekly land developer conditional sales have steadily declined over the last year from an average of around 150 sales per week to 100 in early March 2016 as shown below.

HIA WA Weekly Land Developer Conditional Sales

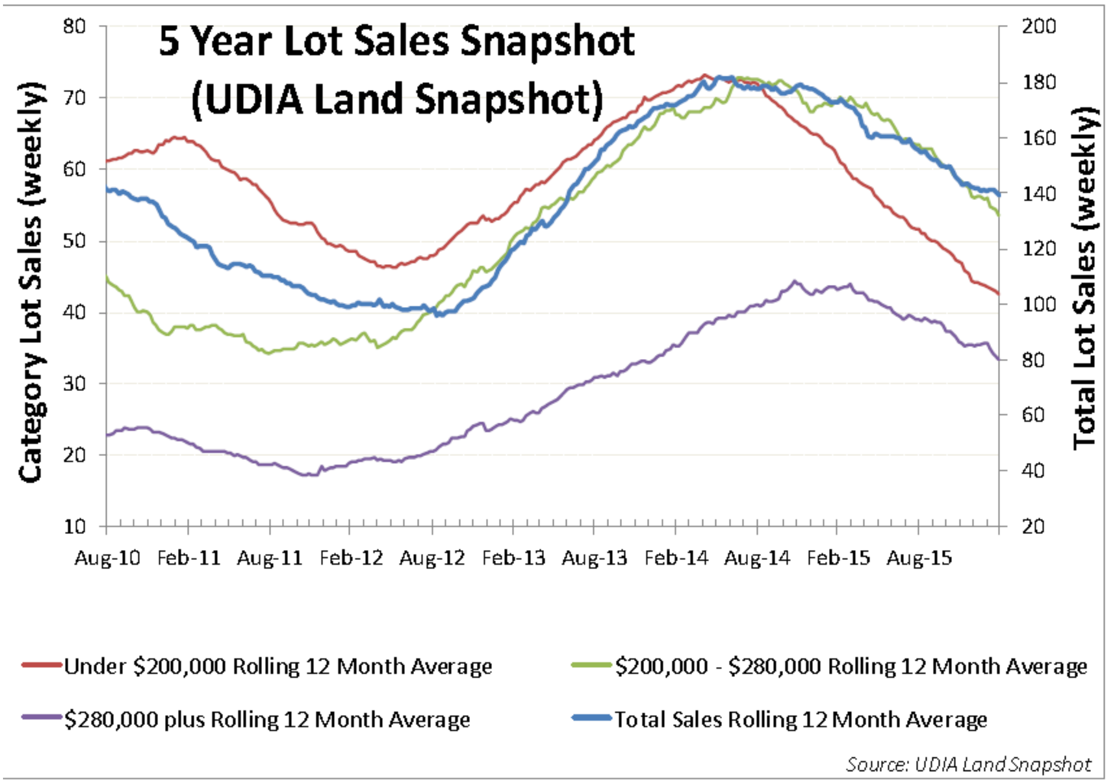


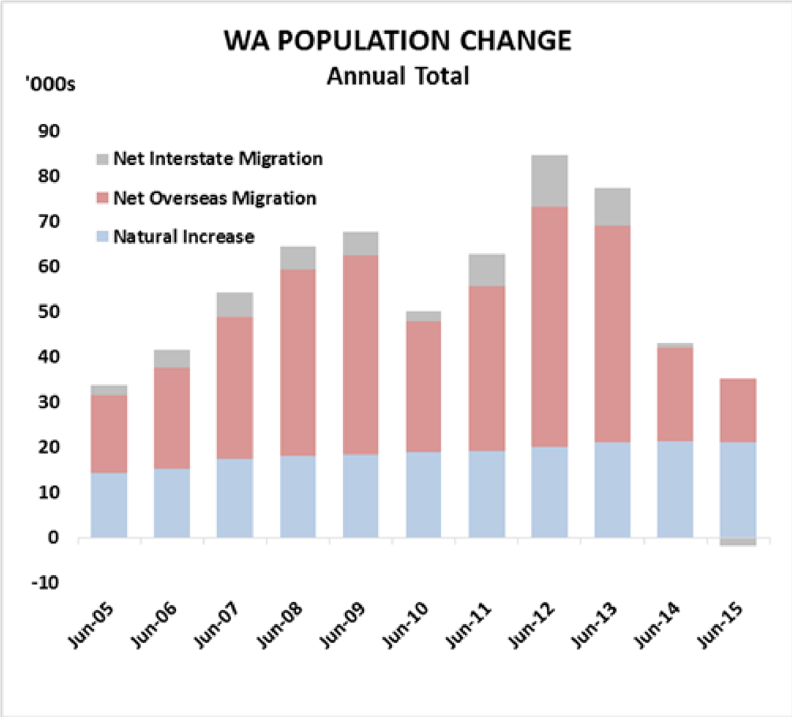
HIA New Homes Forecast

A decline in New Home starts is forecast for 2015 and 2016.



Source: HIA Industry Outlook presentation – November 2015





Source: (ABS, Jun-15)

WA Market Drivers 2016

- Population growth slowing at 33,213 for the 12 months to Jun-15, driven by falls in overseas and interstate migration. This represents a record low since June 2005.
- Net interstate migration is now negative due to the repatriation of workers from mining services industries as more projects are completed and new projects are deferred. Annual negative interstate migration last occurred in WA in 2003.
- The WA unemployment rate stood at 6.1% at Feb-16, with Western Australian Treasury forecasts suggesting this figure will trend upwards and reach 6.5%.
- Sales in 2015 for residential land in the Perth metropolitan area fell to 7,053 lots compared to 13,133 the previous year, and are expected to get softer in 2016 across all growth corridors.
- Rental vacancies have increased towards 10,000, up from ~3,000 at its tightest point, particularly in the high rise apartment market. Rental vacancy rates are now at 6% and expected to rise further as previous record levels of dwelling commencements reach completion in 2016 and 2017. Accordingly, the median weekly rent is now $400, a fall of 9.1% from the previous year.
- The market remains underpinned by ongoing investment in mining and energy, albeit this has continued to decline.
- Resource sector investment still high with ~$171 billion worth of significant resource projects either under construction or committed (as at Sep-15).
- Non-resource investment is starting to improve and WA is forecast to see the commencement of economic transition in 2016, where the drop off in the resources construction projects will be offset by a shift to agriculture, food production, cattle and other meat products, seafood, dairy products, fruit and vegetables, wine and tourism. The low Australian dollar will aide exports and make WA a more desirable tourist destination.

- WA will see growing exports from LNG as new projects come online, however lower oil and gas prices are affecting decisions on new investment.
- WA Government grant to first home buyers of $10,000 coupled with the stamp duty concessions will continue to underpin the first home buyer new build market for the next 12 months.
- Residential property and building industries are forecast to further contract throughout 2016, coming off strong building approval volumes in previous years.
- Keystart loans have been available in WA for 25 years and continue to make home ownership in WA more affordable for low income families.
- Weekly land developer traffic has dropped to a trend figure of around 300 groups per week in early 2016, down from around 400 at the same time last year despite boosted numbers in mid-2015 (see graph below). This follows previous falls in calendar 2014 where weekly traffic fell from an average of around 600 groups to 400.

Appendix 3 – Competitor Report - January 2016

Satterley

WA COMPETING ESTATES FY 15/16

Estate	Sales												YTD total	Size Range (m2)	Price Range ($)	300sqm Price ($)	375sqm Price ($)	450sqm Price ($)	Display Centre (Y/N)	Stock @ month end	Comments *(e.g. New Releases, Products, Incentives, Presentation of Estates, Marketing, etc)*
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun									
Allara	13	18	10	10	8	7	5						71	225-561	$149,950-$249,000	$ 191,000	$ 215,000	$ 240,000	Y	47	New Release stage 4B launched in January. Upto $12,000. Clever Bundle Rebate.
Brighton	2	5	2	1	2	0	2						14	225-261	$166,000-$185,000	NA	NA	NA	N	12	Front Landscaping and side and rear fencing included. 1 cancellation. All lots under 300sqm.
Jindalee Beachside	0	1	0	0	1	0	0						2	570-836	$425,000-$695,000	-	-	-	N	13	Front Landscaping and a $4,000 fencing rebate included.
Eden Beach	7	9	7	11	5	19	10						68	225-625	$200,000-$445,000	$ 278,000	$ 325,000	$ 395,000	Y	41	Side & Rear boundary fencing, front landscaping. Early construction reate $8,000 or Builder upgrade packsge $8,000. 3 cancellations.
Catalina	10	12	14	9	18	15	6						84	200-562	$205,000 -$380,000	$ 261,000	$ 298,000	$ 337,000	Y	27	1 cancellation.
Beaumaris	1	14	6	0	0	0	4						25	436-495	$450,000-$495,000	NA	$ 450,000	$ 495,000	Y	19	Limited stock, 4 cottage block on busy Burns Beach Road. Estate Presentation - very good. Quiet.
Seven Hills	0	0	0	0	0	11	2						13	436-495	$450,000-$495,000	$ 425,000	NA	$ 580,000	Y	13	Limited stock, 4 cottage block on busy Burns Beach Road. Estate Presentation - very good. Quiet.
Alkimos Beach	7	4	21	13	21	17	8						91	199-433	$172,000-$292,000	$ 234,000	$ 265,000	$ 300,000	Y	27	Hot lots. 3 cancellations. $28,000 offer rebates.
Amberton	14	12	15	18	8	3	11						81	225-450	$160,000-$293,000	$ 209,000	$ 243,000	$ 280,000	Y	18	$10,000 House & Land Promotion. 2 cancellations.
Banksia Grove	25	27	28	22	20	17							139	225-508	$181,000-$250,000	$ 218,000	$ 228,000	$ 256,000	Y	19	No figures provided.
Burns Beach	4	7	4	3	4	7							29	336 - 859	$380,000 -$975,000	$ 395,000	$ 460,000	$ 450,000	Y	34	No figures provided.
Capricorn Estate	9	10	7	4	3	0	5						38	295-1224	$190,000-$395,000	$ 190,000	$ 223,000	$ 253,000	Y	24	2 cancellations.
Ellenbrook	12	34	24	16	17	12	20						135	291-2997	$185,000-$495,000	$ 185,000	$ 231,000	$ 252,000	Y	55	8 cancellations. Unmissable land sale. Figures includes builder sales. Referrals to builders.
Yanchep Golf Estate	3	5	10	5	8	3	11						45	225-1869	$130,000-$460,000	$ 175,000	$ 190,000	$ 217,000	N	22	$130,000 is temporary Mega Land Sale Price.
Shorehaven	6	10	28	8	6	3	3						64	210-470	$185,000-$315,000	$ 265,000	$ 287,000	NA	N	46	Builder Referrals.
Trinity	37	11	24	18	12	8	13						123	300-540	$197,000-$295,000	$ 211,000	$ 237,000	$ 265,000	Y	42	Includes builder sales. Builder referrals.
Vertex Yanchep (LWP)	0	6	5	2	6	3	1						23	296-507	$164,000-$204,000	$ 169,000	$ 197,000	NA	N	30	1 cancellation.
Jindowie	9	8	4	12	5	4	3						45	290-576	$168,000-$215,000	$ 168,000	$ 180,000	$ 192,000	N	22	$13,000 value package on selected titled lots. $2,000 debit card. $7,000 referrals to builders.
The Reef	0	0	2	0	5	1	2						10	378-559	$196,000-$239,000	NA	$ 205,000	$ 215,000	N	15	Fencing and Landscaping. $4,000 Builder Referral. $10,000 Client Rebate.
NORTHERN TOTAL	**159**	**193**	**211**	**152**	**149**	**130**	**106**	**0**	**0**	**0**	**0**	**0**	**1100**							**526**	
Catalina Market Share	6%	6%	7%	6%	12%	12%	6%														

Appendix 9.12

RISK MANAGEMENT PLAN

DATE: 10 MAY 2016

Table of Contents

1. Introduction

The purpose of the Risk Management Plan is to identify, assess and record risks to the Catalina development. The Plan also allows mitigation strategies to be developed, implemented and tracked to ensure risk associated with the Catalina development is well managed.

2. Organisational Context

The Tamala Park Regional Council (TPRC) was established in 2006 for the specific purpose of creating an urban development of 170 hectares of land in Clarkson and Mindarie, known as the Catalina Estate. The objectives of the TPRC are:

1) to develop and improve the value of the Land;
2) to maximise, within prudent risk parameters, the financial return to the participating Councils;
3) to balance economic, social and environmental issues; and
4) to produce a quality development demonstrating the best urban design and development practices.

The TPRC holds the financial risk and control over the Catalina project. The TPRC has appointed the Satterley Property Group (SPG) as Development Manager of Catalina. Under the Development Management Agreement the SPG is responsible for the co-ordination of all matters pertaining to the project including supervision of all project consultants and contractors, procurement of approvals, maintenance of records, sales and marketing activities, management of accounts, and contractual and legal compliance.

3. Risk Strategy

Risks have been considered, ranked and recorded on the Catalina Risk Register. Mitigation strategies are to be monitored and reviewed on an ongoing basis by the SPG. If new risks are identified these shall be recorded and an updated Risk Management Plan will be presented to the Council for approval annually.

At appropriate times during the course of the Catalina project, particularly when the Project may be moving into a new phase, it may be appropriate for the SPG, TPRC and the project consultants to review the Risk Management Plan.

4. Risk Register

A risk register identifying the major risk items considered relevant to the Catalina project is included in Appendix 1. Each risk item has been ranked in regard to its likelihood of occurrence (1: Rare, 5: Almost Certain) and risk consequence (1: Insignificant, 5: Catastrophic). The level of risk of each item has been determined by multiplying these two assessments, to prioritise risks and identify those that have the greatest potential to negatively impact the project. Risks with a score of 15 or above have been assessed as High Risk.

5. Qualitative Assessment of High Risks

Risk 3.1 Lifting of urban deferred buffer does not meet cashflow expectations

The approved project budget is based on a development schedule that assumes the Tamala Park Landfill buffer will progressivelyrecede to allow urban deferred zonings to be lifted and development to continue to the site's southern boundary by 2024.

Uncertainty as to the rate of filling of the landfill site means there is a risk that delays to the movement of the landfill buffer will prevent rezonings and subdivision approvals being obtained in a timely manner. Additionally environmental risks from the landfill following completion of filling may delay removal of the buffer beyond this date.

In order for development to proceed towards the site's southern boundary it will be necessary for the landfill buffer to be removed progressively from the Catalina site by approximately 2022. If the buffer is not removed beyond 2022 it is likely that delays to the project schedule will be incurred, which will affect the Project Forecast cashflow.

Close liaison with the MRC is recommended on the filling of the landfill site, environmental issues, projected movement of the buffer line and expedient lodgement of applications for the lifting of the Urban deferred zoning once the buffer line recedes.

6. Qualitative Assessment of Medium Risks with Major – Catastrophic Consequences

A number of Medium rated risks have major – catastrophic consequences. While the lower likelihood of these events occurring has resulted in a Medium risk rating we have provided a qualitative assessment of these risks due to the seriousness of the consequences.

Risk 4.1 – Non Compliance with Work Health and Safety Requirements Leads to Death or Serious Injury

The Catalina project includes significant earthworks, civil works and landscape works which involve high risk activities including working in trenches deeper than 1.5 metres, powered mobile plant, work near electrical services, work on busy roads and works adjacent to pressurised gas mains.

In order to manage safety the SPG use their best intentions of checking that civil and landscape contractors satisfy WH&S legislation. This consists of:

- a WHS prequalification process;
- obtaining copies of any 2nd party audits conducted on the project site that have been completed;
- evidence that a project specific risk identification workshop has been undertaken including a summary of outcomes,;
- regular reporting of WHS leading and lagging indicators including contractor WHS non-conformance and areas of improvement;
- WHS issues are on the agenda for discussion at all site meetings.

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

The adjacent Tamala Park Waste Management Facility is a putrescible landfill operated by the Mindarie Regional Council. There is a risk that the landfill operations could contaminate the TPRC's landholding from contaminated groundwater or a gas leak which could provide a significant safety risk to the public. The SPG is not aware of any management issues with the landfill that affect the Catalina development and has received a copy of a letter from the Mindarie Regional Council dated April 2014 advising that the groundwater sampled within Catalina had normal levels of contaminants indicating the landfill is having no adverse affect on the water sampled. Additionally the letter notes that no landfill gas has been recorded on the northern boundary in monitoring wells at Tamala Park.

SPG does not have copies of any recent Risk Management Plans or Environmental Management Plans prepared by the Mindarie Regional Council however notes the Council's website states their Environmental Management System is certified by NCS International as compliant with ISO14001 Environmental Management.

Mitigation measures include providing purchasers with adequate information on landfill timing and impacts on request, providing an adequate buffer between landfill operations and residential development, monitoring any odour complaints from residents and the TPRC liaising with Mindarie Regional Council to ensure Risk Management Plans and Environmental Management Plans are in place and complied with.

7. Review of Catalina Risk Management Plan

The Catalina Risk Management Plan will be monitored, reviewed and updated on an ongoing basis by the SPG and an updated version will be presented to the TPRC Council for endorsement annually.

Appendix 1 – Catalina Risk Register

RISK REFERENCES TABLES

TABLE 1

QUALITATIVE MEASURES OF LIKELIHOOD

LEVEL	DESCRIPTOR
1	Rare
2	Unlikely
3	Moderate
4	Likely
5	Almost Certain

TABLE 2

QUALITATIVE MEASURES OF CONSEQUENCE OR IMPACT

LEVEL	RANK	INJURIES TO STAFF & GENERAL PUBLIC	FINANCIAL LOSS	INTERRUPTION TO LAND SALES OR CONSULTANCY SERVICE	REPUTATION & IMAGE	PERFORMANCE
1	Insignificant	No injuries	Less than $100,00	Less than 1 day	Unsubstantiated, low impact, low profile or no news item.	Up to 5% Variation in KPI or objective.
2	Minor	First aid treatment	Between $100,000 to $1m	1 day to 1 week	Substantiated, low impact, low news profile.	5% to 10% Variation in KPI or objective.
3	Moderate	Medical treatment required	Between $1m of $5m	1 week to 2 months	Substantiated, public embarrassment, moderate impact, moderate news profile.	10% to 25% Variation in KPI or objective.
4	Major	Death or Extensive injuries	Between $5m to $10m	2 months to 1 year	Substantiated, public embarrassment, high impact, high news profile, Third Party actions.	25% to 50% Variation in KPI or objective.
5	Catastrophic	Multiple deaths or severe permanent disablements	Over $10m	More than 1 year	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, Third Party actions.	More than 50% Variation in KPI or objective.

Appendix 2 – High Risk Treatment Plans

Reference: 3.1
Risk identified and likely impact Lifting of urban deferred buffer does not meet cashflow expectations.
Summary of recommended response Continue to liaise with Mindarie Regional Council in relation to landfill activities and the expected date for buffer removal and the management of environmental risks. Request Buffer Removal Plan from Mindarie Regional Council once filling has progressed and environmental risks have been appropriately managed.
Key Resource requirement TPRC Chief Executive Officer TPRC Project Co-ordinator SPG Project Director
Timing Ongoing
Reporting and monitoring required As required through the updated risk register.

CATALINA RISK REGISTER
MAY 2016

SALES AND MARKETING

	RISK	LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
1.1	Low interest from builders leads to lack of medium density lot sales in builder releases.	4	3	12	Medium	Reduce number of lots to be sold in FYE 2017 builder release tenders. Work with wide range of builders to create value for money house and land packages on medium density lots. Continue to liaise with builders on lot configuration and commercial terms.	*The recommended mitigation strategy has been implemented in an ongoing manner through marketing and development actions and is considered an appropriate response to the risk.*
1.2	Cashflow impacted by slower sales or delayed settlements.	3	3	9	Medium	Budget for sales and settlements that reflect market conditions. Ensure an appropriate minimum bank balance is included in the budget. Maintain stock level trigger before commencing construction of future civil works. Monitor expenditure on future works, including the size of earthwork stages. Review distributions to participating Councils.	*The recommended mitigation actions have been adopted within the Project Budget including the application of sales triggers.* *The TPRC monitors bank balances to ensure minimum cashflow is maintained.* *Regular sales and financial reporting is occurring to monitor the progress of sales and settlements.*
1.3	Negative change in market sentiment reduces sales and / or pricing.	3	3	9	Medium	Careful positioning of Catalina brand to soften impact of any fall in house and land prices across the Perth market. Budget for sales and settlements that reflect market conditions. Ensure pricing is not too aggressive so lots are affordable when interest rates rise. Ensure lot mix includes affordable housing options. Apply sales triggers before awarding civil works contracts to ensure there is not an oversupply of land. If market deteriorates then defer non-essential spending.	*The recommended mitigation actions have been implemented through the approved Catalina Marketing Plan which has guided the Project's marketing activities.* *All pricing is subject to formal valuation by the TPRC appointed valuer and recommendation by the Development Manager.* *Continued implementation of the recommended mitigation action is supported.*

BUDGET

	RISK	LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
2.1	Expenditure exceeds budget projections due to increased development costs.	2	3	6	Low	Regular monitoring of works contracts and strong budget control work practices. Use of fixed price contracts and maximise provisional sums for rock to limit variation costs and uncertainty. Undertake advanced planning to facilitate accurate OPC estimates for incorporation within annual budget review and six monthly budget reviews. Contingency included in budget for any unforeseen items.	*The recommended mitigation actions have been implemented in accordance with the Project Program and all budget review processes.* *All major construction contracts have been issued as lump sum contracts and all project expenditure is closely monitored to budget.* *The continued implementation of the recommended mitigation actions and the above project processes is supported.*

Ranking:
*High Risk = 15 – over
*Medium Risk = 7 – 14
*Low Risk = 0 – 6

	RISK	LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
2.2	Cashflow delays provision of early infrastructure items and release on new sales fronts.	2	3	6	Low	Ensure TPRC is fully briefed on development and distribution options so they can consider the costs and benefits. Continue to manage the Project to achieve budget sales triggers. Ensure planning and engineering risks are managed so settlement program is met.	*The recommended mitigation actions are being implemented via project planning and development processes.* *Monthly financial reporting and bi-annual budget reviews are undertaken to monitor and manage this risk.*
2.3	Reduced cashflow results in lower distributions than budgeted.	3	3	9	Medium	Defer non-essential expenditure to reduce impact on distributions. Release Catalina Beach Precinct to provide more diverse product mix to assist sales rates and reduce the risk of reduced cashflow over the medium to long term. Budget for sales and settlements that reflect market conditions.	*The recommended mitigation actions are being implemented via project planning and budget control processes.* *Monthly financial reporting and bi-annual budget reviews are undertaken to monitor and manage this risk.*

PLANNING AND ENVIRONMENTAL APPROVALS

	RISK	LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
3.1	Lifting of urban deferred zoning does not meet cashflow expectations.	3	5	15	High	Close liaison with Mindarie Regional Council on shifting of landfill buffer. Apply for urban deferred lifting when buffer is removed and environmental risks are acceptable. Adopt conservative timing of development of the urban deferred land in the Project Forecast cashflow. Controlled releases of Catalina Beach Precinct to ensure land is available when Catalina Grove and Catalina Central Urban Zoned land are sold out.	*Implementation of the recommended mitigation actions are occurring via liaison with the MRC and planning processes, including a projection of the movement of the landfill buffer movement sought from the MRC.* *The Project Staging Strategy accounts for the landfill buffer with development of the southern portion of the Central Precinct.* *The continued implementation of the recommended mitigation actions is supported.*
3.2	Non-compliance with EPBC environmental approval conditions.	2	3	6	Low	Undertake ongoing monitoring and review of EPBC conditions. Annual audit completed by environmental consultant.	*Annual audits of actions/conditions relating to EPBC conditions is undertaken and provided to SEWPAC. To date there have been no issues with compliance.* *Ongoing monitoring of SEWPAC conditions is being undertaken.*
3.3	Non-compliance with Environmental Management Plan requirements.	2	3	6	Low	Environmental consultant appointed to advise on EMP issues.	*The TPRC has prepared an audit of all actions required under the EMP confirming all actions are on schedule.* *Implementation of the recommended mitigation actions is ongoing.*
3.4	Delays achieving environmental, planning and development Approvals which impact cashflow.	2	3	6	Low	Develop and maintain the Project Program to ensure sufficient approval periods are allowed. Close liaison with approval authorities including the City of Wanneroo and Water Corporation officers to maintain strong knowledge of approval requirements and build relationships.	*The recommended mitigation action is being implemented in accordance with the Project Program.* *In addition to the lodgement of subdivision applications ongoing liaison with the WAPC and referral authorities is being undertaken.* *This action is considered to represent good project management practice and continued implementation is supported.*
3.5	Delays in commencing and undertaking. Tamala Park LSP Amendment process for Catalina Grove precinct may impact sales releases.	2	3	6	Low	Develop program for approvals for first Phase 1 - the Catalina Grove Precinct consistent with Project Program. Provide advice for key items to be included for Local Structure Plan amendment for the Catalina Grove Precinct. Construct Connolly Drive intersection prior to LSP approval.	*The recommended mitigation action has been implemented with discussions with the City of Wanneroo and WAPC.*

Ranking:
*High Risk = 15 – over
*Medium Risk = 7 – 14
*Low Risk = 0 – 6

3.6	City of Wanneroo scheme contributions higher than forecast.	2	3	6	Low	Continue to adequately budget for scheme contributions. Continue discussions with City of Wanneroo on key infrastructure items and administration of scheme contributions.	*The recommended mitigation action has been implemented with discussions with the City of Wanneroo.* *The Project Budget accounts for scheme contributions requirement.* *Agreement reached with MRWA on Neerabup Road Underpass.*
3.7	Beach access road from Catalina Beach is not agreed to by Statutory Authorities	2	3	6	Low	Submit environmental and planning applications to relevant authorities. Continue to engage with WAPC and City of Wanneroo regarding access.	*Discussions initiated with the City of Wanneroo and WAPC.*
3.8	Delay in obtaining Subdivision Approval for the first stage of Catalina Beach. A delay in obtaining subdivision approval will impact on the commencement of sales in the Catalina Beach Precinct which will impact the Project's cashflow.	2	3	6	Low	A subdivision application has been lodged for the initial stages of the Catalina Beach Precinct, approval anticipated June 2016. Meetings with the City of Wanneroo and the Department of Planning have reduced the risk of the subdivision approval being delayed or any unreasonable conditions being imposed on the TPRC.	*The recommended mitigation action has been implemented with discussions with the City of Wanneroo and WAPC.* *Subdivision approval obtained, modification to approval expected in June 2016.*

ENGINEERING AND CONSTRUCTION							
RISK		LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
4.1	Non-compliance with Work Health and Safety Requirements leads to serious injury and/or death. Potential for Worksafe investigation or claim for damages due to incident. WHS acts or omissions which result in, or have the potential to result in, serious personal injury and/or death that could be dealt with as: • An indictable offence; or • A breach of law that has a civil (not criminal) penalty.	2	4	8	Medium	SPG to provide TPRC: • Evidence that SPG's WHS Management System satisfies the best intentions of the *Occupational Safety and Health Act (WA) 1984* ("Act") and *Occupational Safety and Health Regulations (WA) 1996* ("Regulations"); • Evidence of implementation of the SPG WHS Contractor Management Procedure, which includes: ▪ WHS prequalification process; ▪ Copies of any 2nd Party (Principal Contractor) audit reports conducted on the Project site (at the request of TPRC); ▪ Evidence that a project specific risk identification workshop has been undertaken in conjunction with the Principal Contractor (at the request of TPRC), including a summary of session outcomes; and • Regular reporting of WHS leading and lagging indicators (including contractor WHS non-conformances and areas for improvement, and incidents and hazards).	*The TPRC's contractors are qualified in managing safe working practices.* *There are regular site meetings where site safety is discussed and safe working practices confirmed and site inspections undertaken to monitor the site and site works.* *The SPG's mitigation actions are supported and being monitored by the TPRC.*
4.2	Delays and increased cost of key infrastructure items including pump stations, underpasses and overpasses presents a future cashflow risk.	2	3	6	Low	Engage with the City of Wanneroo, Main Roads WA and Service Authorities early to ensure infrastructure requirements are known and adequately budgeted for.	*Allowances for infrastructure items have been provided for within the TPRC budget in accordance with advice from relevant servicing authorities.* *Liaison with servicing authorities has been undertaken to ensure infrastructure items are included within capital works programming of relevant authorities.* *Continued implementation of the above actions is supported.*
4.3	Delays to clearances leads to delay in settlements.	2	3	6	Low	Preparation of clearance request documentation and submission to statutory authorities in accordance with the Project Program. Close liaison with relevant officers of clearance authorities to ensure consensus agreement exists in regards to condition requirements. Deposited plans, covenant and noise & fire notifications to be created and lodged early in the process.	*The recommended mitigation action has been implemented via the preparation of clearance packages and liaison with clearance authorities.* *The clearances process is closely monitored by the SPG and the TPRC.*

Ranking:
*High Risk = 15 – over
*Medium Risk = 7 – 14
*Low Risk = 0 – 6

STAKEHOLDERS

	RISK	LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
5.1	The potential impacts from the landfill operations include contamination of the TPRC's landholding from contaminated groundwater or a gas leak which could provide a significant safety risk to the public.	2	5	10	Medium	SPG is not aware of any management issues with the MRC landfill and have sighted a letter dated April 2014 advising that the groundwater sampled within Catalina had normal levels of contaminants. The MRC's website states their Environmental Management System is certified by NCS International as being compliant with ISO14001 Environmental Management. Mitigation measures consist of providing purchasers with adequate information on landfill timing and impacts on request, ensuring an adequate buffer is maintained between the landfill operations and residential development, monitoring any odour complaints from residents and liaising with the Mindarie Regional Council to ensure Risk Management Plans and Environmental Management Plans are in place and complied with.	*Staging has been devised to maintain separation from the landfill site during initial phases of development.* *There is ongoing liaison with MRC regarding landfill operations and potential impacts.* *Continued implementation of the recommended mitigation actions is supported.*
5.2	Delay in provision of services within Catalina including shopping and schools.	3	2	6	Low	Engage with local schools in Clarkson and Mindarie and provide information to residents regarding existing local services. Engage with the Department of Education regarding the timing of the Catalina Primary School site. Provide budget for the landscaping of the local oval to commence in FYE 2018.	*Proposed mitigation measures are included in the TPRC Annual Plan 2015/2016 approved by Council.* *There is on-going liaison with service agencies to ensure timely provision of necessary services.*
5.3	Adverse community reaction to ongoing development due to nuisance from construction activities.	2	3	6	Low	Undertake pro-active community engagement through support of community groups in order to garner support from community groups which can then be enlisted to support development should adverse publicity arise. Implement Dust Mitigation Strategy to ensure sites are being managed by the civil contractor, and where possible complete bulk earthworks during winter months.	*Implementation of recommended mitigation actions has commenced with appointment of the Community Development Manager, and the necessary community consultation strategies are being progressed.* *Review of scheduling earthworks adjacent to residential areas to occur in winter months to reduce dust and objections from residents. Consultation to be undertaken prior to commencement of works.*

MANAGEMENT

	RISK	LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
6.1	TPRC project objectives not being met.	2	3	6	Low	Ensure TPRC approvals received for actions undertaken by project team and implementation of project are in accordance with TPRC approvals. Regularly review objectives of TPRC strategy documents and ensure implementation by project team.	*Implementation of the recommended mitigation action is occurring via all project planning, development and reporting processes.* *All project documentation and planning is reviewed by the SPG and TPRC to ensure adherence to the TPRC objectives.* *The recommended mitigation action represents good project management practice and its continued implementation is supported.*

Ranking:
*High Risk = 15 – over
*Medium Risk = 7 – 14
*Low Risk = 0 – 6

Appendix 9.14

POLICY MANUAL

Conference Attendance Policy
(June 2016)

OBJECTIVE

To determine the guidelines, nature, extent and administrative arrangements for Elected Members' attendance or representation at conferences, study tours, seminars or conventions and the arrangements for:

(i) Attendance;
(ii) Approval requirements;
(iii) Travel;
(iv) Accommodation;
(v) Allowances and expenses;
(vi) Reporting requirements;
(vii) Accompanying persons' requirements.

Note: References to conferences should be taken as meaning conferences, study tours, seminars or conventions.

GUIDELINES FOR ATTENDANCE

The following guidelines are to be considered for any proposal for Elected Members to attend conferences:

1. The conference focuses on issues of importance to the TPRC.

2. The conference addresses important development industry issues, including;
   - Property and housing trends;
   - Liveable communities;
   - Innovations in property;
   - Planning and development of master planned communities;
   - Sustainability and best practice in residential development;
   - Planning for Cities of the future; and
   - Trends influencing building design and development.

3. The conference topics are integral to the TPRC objectives and related to the areas currently being contemplated in the Catalina Project.

4. The conference provides opportunities to visit significant projects interstate or internationally which are considered to have achieved excellence in urban design, best practice and innovation, sustainability and building design and development.

5. The conference is directly relevant to the TPRC activities and there would be benefits in Elected Members attending the conference.

Conference Attendance Policy
(June 2016)

6. The conference will assist Elected Members to develop and maintain skills and knowledge relevant to their role as a representative of the TPRC.

7. Funds are available for attending the conference from approved TPRC budget.

APPROVAL PROCESS

Elected Members nominating to attend a conference must address the guidelines in items 1 - 7 at a Council Meeting. Approval to attend a conference will be by the Council through a resolution passed at a Council Meeting.

ATTENDANCE

When it is considered desirable that the Council be represented at an interstate/international conference, up to a maximum of one Elected Member and one Employee may normally attend, unless otherwise approved by the Council.

Where an Elected Member, at the date of the conference, has an electoral term of less than six months to complete, such Elected Member shall be ineligible to attend, unless it is determined by the Council that attendance by the Elected Member would be of specific benefit to the Council and approval is granted by the Council.

TRAVEL

Airline travel within Australia and international airline travel of less than six hours duration (including planned stopovers) for Elected Members is to be booked at economy class. International airline travel of six hours duration or more (including planned stopovers) may be booked at business class.

Where essential, a hire car may be arranged for the conduct of Council business. Costs of bus, train, tram and taxi fares, vehicle hire and parking which are reasonable, required and incurred in attending conferences, will be reimbursed by the Council, on production of receipts.

BOOKING ARRANGEMENTS

Registration, travel and accommodation for Elected Members will be arranged through the TPRC Office. In general, all costs including airfares, registration fees and accommodation will be paid directly by the TPRC.

The TPRC will pay all normal registration costs that are charged by conference organisers for Elected Members, including those costs relating to official luncheons, dinners, tours/inspections and support activities that are relevant to the conference.

Conference Attendance Policy
(June 2016)

ACCOMMODATION

The Council will pay reasonable accommodation costs for Elected Members including the night before and/or after the conference where this is necessary because of travel and/or the conference timetable which make it unreasonable to arrive at or return home in normal working hours.

Accommodation shall normally be booked at the conference venue or, where unavailable, at a similar-rated accommodation in the vicinity of the conference.

EXPENSES TO BE REIMBURSED

An Elected Member attending a conference is entitled to be reimbursed for 'normally accepted' living costs while travelling. Such living costs would include, but are not limited to:

- meals and refreshments for the Elected Member (that are not covered by the conference registration costs);
- dry-cleaning and laundry expenses; and
- reasonable telephone, internet and facsimile charges.

CASH ADVANCES ASSOCIATED WITH INTERSTATE AND OVERSEAS TRAVEL

A daily cash allowance in accordance with the Award (WAPSA) may be made for meals and incidental expenses. The administrative arrangements for managing the cash allowance will be the most appropriate to the circumstances, as determined by the Chief Executive Officer.

The daily cash allowance shall be paid to cover all reasonable incidental expenses associated with the conference attendance, such as:

- Reasonable telephone and/or facsimile use;
- Breakfasts, lunches, dinners and other meals not included in the conference registration fee;
- Laundry and dry-cleaning costs;
- An optional activity specified in a conference program;
- Train, bus, tram and taxi fares;
- Bicycle hire costs;
- Parking and toll fees;
- Incidental expenses (e.g. newspapers, venue/exhibition entrance fees).
  (i) The daily expense allowance shall not cover:
    - Any expenses or time occupied on matters other than Council business;
    - Entertainment costs outside those provided by the conference;
    - Meal claims where meals are provided at a conference.

(ii) Documentary evidence in the form of receipts is required for the acquittal of all advances.

The administrative arrangements for managing this will be the most appropriate to the circumstances in the view of the Chief Executive Officer.

ELECTED MEMBER/DELEGATE ACCOMPANYING PERSON

Where an Elected Member is accompanied at a conference, all costs for or incurred by the accompanying person, including, but not limited to, travel, breakfast, meals, registration and/or participation in any event programs, are to be borne by the Elected Member/accompanying person and not by the TPRC. The exception to the above being the cost of attending any official conference dinner where partners would normally attend.

REPORTS

Following attendance at conferences, study tours, seminars or conventions Elected Members are to circulate a report outlining benefits to them and the Council and containing any information or material of interest or relevance to Elected Members, within a period of six weeks following the event.

This Conference Attendance Policy is authorised by the Chief Executive Officer on 16 June 2016.

____
Signature

____
Name

____
Date

Appendix 9.15

FYE2017 Annual Plan

Table of Contents

1. Introduction

The Annual Plan outlines the scope of works proposed for the FYE2017 financial year and is used to monitor performance of delivery and achievement of the project milestones. This includes setting targets in accordance with the KPI's agreed between the TPRC and the SPG.

Timeframes contained within this report are subject to the final Catalina FYE2017 budget being adopted by the TPRC and as a result timeframes may vary accordingly.

2. Summary of Project Milestones (KPI 2.10)

The following works, activities and strategies are to be undertaken in FY 2016/17, with two reviews undertaken over the twelve month period.

Bulk Earthworks / Civil Construction

- Civil construction and Bulk Earthworks to deliver 89 lots, based on the following:

STAGE	COMMENCE	COMPLETION
Stage 17A	April 2017	September 2017
Stage 25	October 2016	February 2017
Stage 25/26 Earthworks	July 2016	October 2016
Primary School Earthworks	July 2016	October 2016

Infrastructure

INFRASTRUCTURE	COMMENCE	COMPLETION
Catalina Beach Waste Water Pump Station	April 2017	October 2017

- Neerabup Rd Bus Underpass – construction being undertaken by Main Roads with works anticipated to be completed in June 2017.

Landscape Construction

STAGE	COMMENCE	COMPLETION
Marmion Avenue verge (Central Cell)	August 2016	October 2016
Neerabup Road verges (Stages 14 and 15)	August 2016	October 2016
Stages 12 and 13 Greenlink	October 2016	December 2016
Catalina Beach POS and Marmion Ave entrance	November 2016	February 2017

Marketing

- Launch Beach Precinct
- Implement Branding and Signage Strategy

Sales/Settlements

- Sale of 119 lots,
- Titles for 68 lots,
- Settlement of 93 lots.

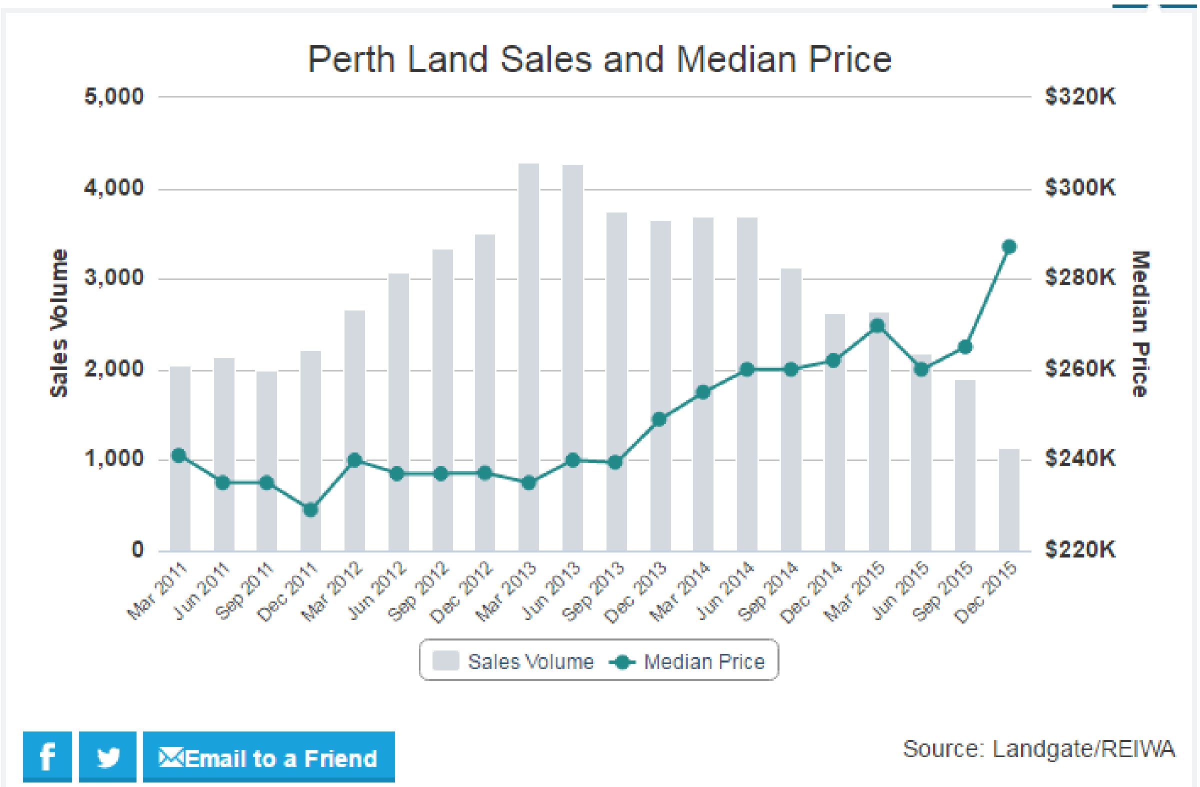
Planning

- Subdivision approval for 200 lots in Catalina Grove – lodge January 2017.
- Lodge LSP Amendment for Catalina Grove – lodge January 2017.

3. Trading Conditions

WA Market Overview

Real Estate Institute of Western Australia (REIWA) recently released its Quarterly Median Price Data for the December 2015 Quarter. The graph below indicates the quarterly sales volume of lots and median price for lots and highlights that the quarterly sales volume of lots has dramatically declined by more than 50% since December 2014. Furthermore it is noted that the sales volume of lots for the December 2015 quarter is at the lowest point since March 2011.



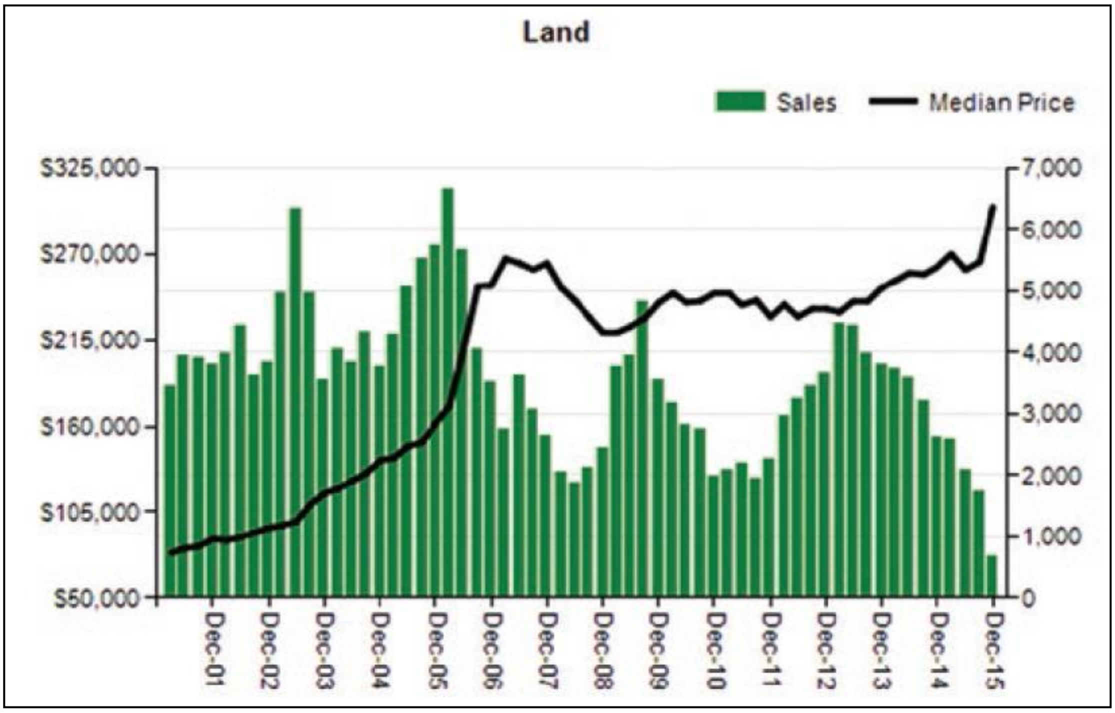
The median price for lots has risen since the December 2014 Quarter, which the biggest growth recorded from September to December 2015.

Property listings have increased over the past year. Perth metro listings have risen from 13,678 in Apr-15 to 15,460 in Apr-16. Current listings now sit well above the equilibrium level of 12,000 for Perth Metro, indicating an oversupply in the market.

Dwelling approval rates have continued to decline over the past 12 months to Feb-16, with dwelling approvals sitting at 1,938 approvals for Feb-16, levels not recorded since August 2012. Consistent with falling population growth and lower sales volumes, the trend downward has continued for 17 consecutive months from a record high of 2,828 approvals in Sep-14.

Softening market demand for land has resulted in a slow down in sales activity, where prices are stabilising and production is easing. Currently, residential land block supply is 2,580 lots (Apr-16), an increase since Apr-15 (1,775 lots).

Rental vacancy rates have climbed to 6.0% (Dec-15), with properties listed for rent in the Perth Metro area increasing 44.3% over the 2015 calendar year and now stand at 9,918 in Apr-16. The increase in rental vacancy rates has been a key driver in the drop in median rent, which has fallen to $400/week in Apr-16, following a 9.1% drop throughout 2015.



Source: REIWA

4. Lot Production and Bulk Earthworks

The staging of works proposed for FY16/17 is based on earthworks strategies to minimise cut to fill across the project. The future Catalina primary school site will be earthworked to remove excess material to be at grade with Aviator Boulevard to provide a level site.

Stage 17A
This stage consists of 31 lots. Titles are anticipated in August 2017.

Stage 25
The first stage in Catalina Beach consists of 59 lots, including 15 display home sites and the future sales office. Titles are anticipated in February 2017.

Earthworks

Two stages of earthworks will be undertaken over the FYE2017 period including the school site in the Central Cell and Catalina Beach (Stages 25-27). Both stages are expected to commence in July 2016 and be completed in October 2016.

The works are programmed predominantly in the winter months to reduce the impact of dust on the Catalina and Mindarie residents.

The Bulk Earthworks proposed to be undertaken on the Future Primary School site will be subject to TPRC and the Department of Education entering into a Deed of Agreement prior to any works commencing in July 2016.

5. Lot Pricing

The pricing for Catalina has been based on the following prices.

Product	Lots Size	Width	Central Price	Beach Price
Traditional (R30)	510m^2	17m wide	$359,000	$435,000
Lifestyle (R30)	450m^2	15m wide	$335,000	$422,000
Compacts (R30/60)	375m^2	12.5m wide	$298,000	$360,000
Squat (R40/R60)	265m2	15m wide	$225,000	$300,000
Cottage Corners (R30)	360m^2	12m wide	$268,000	$350,000
Cottage (R30/60)	300m^2	10m wide	$255,000	$310,000
Terraces (R60)	225m^2	7.5m wide	$214,000	$245,000

Budgeted pricing will be subject to zero escalation in the FYE2017 budget.

6. Sales and Marketing

It is proposed that 91 lots will be released within the 12 month period July 2016 to June 2017 are shown in the table below:

Stage	Date	No of Lots
Stage 14B release	July 2016	10
Stage 25 DV release	October 2016	15
Stage 17A release 1	February 2017	16
Stage 17A release 2	April 2017	15
Stage 25 release 1	March 2017	21
Stage 25 release 2	May 2017	14
TOTAL		**91**

Release dates will be subject to demand and meeting sales triggers.

7. Landscape Works

The landscape program for the FYE2017 will include the following items:

- Catalina Beach POS, Marmion Ave landscaping, including the entrance statement and streetscapes.
- Stages 12 and 13 of the Catalina Central Greenlink.
- Neerabup Road verge along Stages 14 and 15 will be landscaped to compliment the northern perimeter of the estate to create a point of difference.

8. Community Development

The community program will continue to be rolled out during FYE2017 including community events, community consultation, newsletters and community sponsorship.

An Annual Community Development Plan (July 2016 to June 2017) will be prepared and implemented during FYE2017.

9. Diverse range of dwelling types (KPI 1.1)

During 2017 the following diverse range of product are proposed for completion (titled).

Catalina Product Mix										
Product Type	Access	Frontage	Depth	Area	Stage / Title Date		FYE2017 Product Mix		Average Price	
					Stg. 14B	Stg. 25			Stg. 14B	Stg. 25
					Oct-16	Feb-17				
Cottage	Front	10	30	300	0	2	2	3%	N/A	310,000
Cottage	Front	12.5	30	375	0	27	27	40%	N/A	361,000
Traditional	Front	15	30	450	0	14	14	20%	N/A	430,000
Terrace	Rear	7.5	30	225	0	12	12	17%	N/A	268,000
Terrace	Rear	10	30	300	10	4	14	20%	245,000	317,000
TOTAL					**10**	**59**	**69**	**100%**	**245,000**	**354,000**

The table shows that 40% of the proposed product is 300 square metres or less, with 40% being 375 square metres and 20% being 450 square metres or above. The diverse product mix includes 5 different product types to target a wide range of purchasers.

10. Partnerships with Key Builders (KPI 1.2)

The Satterley Property Group has strong relationships with key builders active in the Clarkson / Mindarie markets. In FYE2017 the SPG will continue to engage with key builders to ensure a diverse range of product is being delivered for the Catalina estate.

Satterley partners with a large number of Perth's largest and most progressive builders as part of it key sales operations. A large portion of this partnering involves collaborating and producing house and land package options on a large proportion of lots available in Catalina. House and Land packages are produced to offer a wide range of home options and price points to prospective buyers who are looking for housing solutions.

House and Land Packages are arranged in two primary ways.

- Directly through the sales office by our sales consultant, who collects all relevant house information from individual builders and then packages this together with a specific lot. Packages are best targeted towards lots that are non-standard in their shape or have stringent building requirements and where added value is provided by demonstrating a suitable and affordable built form outcomes. Packages are produced weekly and as and when information is provided from builders as requested by the sales team. House and Land Packages are displayed in the Catalina Sales Office.

- The Catalina website has a 'match with house' functionality that pairs together land and suitable house designs from a number of builders. These are available for viewing on the project website and provide prospective buyers to consider multiple design options per lot.

  Measure: SPG will work closely with all display village builders to ensure 50 house and land packages are provided to the general public during FYE2017.

The following sales activities will also be undertaken by the sales team during FYE2017.

- **Builder Sales Meeting Presentations**

Monthly visits by the Estate Manager to selected Builder Partners sales meetings, presenting currently available stock and project features / benefits of the project.

- **Builder Bus Tours**

Bi-Annual bus tours to the Northern Corridor including a visit and tour of the Catalina project.

- **Catalina Sales Office Sales Meeting**

Quarterly builder sales meeting to be conducted at the Catalina sales office. Creates positive engagement with the builders and increases awareness and understanding of the project.

FYE2017 Tenders

In FYE2017 the Satterley Property Group will prepare a tender for the TPRC to partner with builders for the development of the two prominent group housing sites (Stage 18).
The tenders will provide the opportunity for the TPRC to partner with builders to deliver high quality built-form outcomes on these important sites.

The Satterley Property Group will partner with builders to design affordable 2 storey homes using alternative construction techniques to assist in the sale of house and land packages on mandatory 2 storey sites at Catalina, as well as promote the construction of 2 storey homes on other sites.

Additionally, Satterley Property Group will work with display builders to ensure design guidelines provide a high quality 2 storey house for the first release of the Catalina Beach precinct to ensure delivery of a high standard at entry into this precinct.

Satterley will also continue to partner with builders to provide turn-key product on medium density lots (circa 225 sqm) to provide affordable housing options to purchasers. The project team will explore the introduction of micro lots.

11. Initiatives to Utilise Existing Infrastructure (KPI 1.3)

KPI 1.3 requires the SPG to target 3 new initiatives to utilise existing infrastructure in FYE2017. The SPG proposed the following initiatives:

1. Alternative Power Systems

Alkimos Beach project, is currently working with Synergy to store surplus PV energy and redraw at a lower cost than grid energy, through a community battery storage facility.

This trial has included liaison with Synergy, who are the electricity retailer for the site, project partners Lend Lease and LandCorp.

If successful, implementation of this system on a broader scale could result in significant savings to Developers by reducing grid connection costs and electrical infrastructure in addition to the savings experienced by consumers. Synergy has obtained $3.3 million to contribute towards the trial through the Australian Renewable Energy Agency.

Catalina project Engineers Cossill and Webley are currently working on this project and this initiative has been identified to have potential to be incorporated into the Catalina project and utilise the MRC landholdings as a storage facility. The project team will explore the potential for battery storage facility to be commercially viable for TPRC during FYE2017.

Measure:
SPG to provide a report for the December Council meeting to detail if the battery storage concept would be commercially viable and has the potential to deliver best practice in line with TPRC's objectives for innovations and sustainability to be considered for introduction into the Catalina estate.

2. Use of Sewer Infrastructure in Western Precinct

To service Catalina Beach, a permanent waste water pumping station is to be constructed to transfer waste water flow from Catalina to the major conveyance system and ultimately to the regional waste water treatment plant.

The Water Corporation identified in their overall waste water planning the discharge point to be the existing gravity sewer main in the Anchorage Drive road reserve. However, following further investigation, it has been identified that the downstream infrastructure to which the Anchorage Drive main is connected, has insufficient capacity to accommodate flows from Catalina. In addition, to make the connection with conventional gravity sewer main construction along Long Beach Promenade to the sewer at Anchorage Drive (560m along existing roads with existing fronting homes) would result in significant disturbance to existing infrastructure and existing residents accessing their properties.

Subsequently, the Water Corporation has reconsidered and an alternative discharge point has been identified as the existing gravity sewer main north-east of the intersection of Marmion Avenue and Neerabup Road to utilise the existing infrastructure north of Neerabup Road. This will require a pressure main to be constructed along the extension of Aviator Boulevard through Catalina Beach and then north along Marmion Avenue. The majority of the pressure main and downstream gravity sewer main is located within either the Catalina subdivision or the Marmion Avenue road reserve thus reducing the impact on existing neighbouring properties.

The Water Corporation has indicated they will accept the construction of the waste water pumping station and pressure main as capital expenditure and refund Tamala Park Regional Council for the cost of constructing the infrastructure.

Measure:
The Catalina team will endeavour to utilise innovative construction techniques including trenchless technology to minimise the disturbance to existing road pavements at Marmion Avenue and Neerabup Road and to existing vegetation. SPG will arrange to enter into a developer constructed works agreement with Water Corporation to formalise the refund.

3. Drainage

The existing strategy for management of stormwater runoff from public road reserves includes collection through kerbed roads and formal drainage entry pits with conveyance via a network of pipes to low point swales in areas of public open space.

At the swale the stormwater is discharged through a gross pollutant trap structure into a vegetated swale which takes all runoff from a 1 in 1 year recurrence interval storm, the 1 in 1 area is planted with more tolerant plant species for frequent inundation, no POS credit is provided for this land. All runoff from site is infiltrated through the 1 in 1 year swale and adjoining public open space which together are designed to manage up to the 1 in 100 year recurrence storms.

An innovation the Catalina Team will progress in at least a trial form is to replace the 1 in 1 year storm component of the swale in POS with alternative below ground storage structures, likely to be culverts with permeable bases to be located in road verges or under areas of public open space. This will reduce the land in POS areas given up as drainage swales for which no POS credit is given.

This strategy will assist infiltration of stormwater runoff being provided higher in the catchment closer to the source, it will likely require less formal gross pollutant trap structures and reduce the area of land given up in POS which has limited public access and can be detrimental in appearance. The proposed strategy is more closely aligned to WSUD principles and best management practice. There will be additional cost in the provision of formal below ground structures however this can be offset with the land saving and increase in net residential yield.

Measure:
SPG to provide a recommendation to TPRC in February 2017 to outline the costs and benefits in relation to implementing an underground storage facility with a permeable base within the Catalina Beach precinct to facilitate the 1 in 1 year storm event.

12. Integrate with Existing Facilities and Social Infrastructure (KPI 1.4)

The Catalina development benefits from substantial existing surrounding facilities and social infrastructure compared to many of its competitors further north. The following initiatives are proposed to be progressed in FYE2017.

1. NBN WIFI Trial

SPG will negotiate with the National Broadband Carrier NBN to facilitate a three month trial of free WIFI within the Catalina estate in the Sales office and Display Village precinct. If the trial is successful SPG will explore the opportunity to expand the WIFI into the Greenlink Public Open Space, subject to capacity and cost.

2. Clarkson Train Station

The SPG will also hold further discussions with the Public Transport Authority (PTA), City of Wanneroo and Main Roads WA in FYE2017 to assist in the planning for vehicular access to the train station following the completion of the Connolly Drive / Aviator Boulevard intersection extension to provide greater access to the Clarkson Train Station.

3. Engaging Key Stakeholders

SPG will work closely with the “Clean Up Australia” campaign to facilitate a function to encourage community participation, creating a sense of pride for residents within the estate. The project will partner with Mindarie Regional Council to ensure that all rubbish collected on the day is removed from site.

13. Public Artwork in FYE2017 (KPI 1.7)

Public Art will be commissioned for design and installation of key pieces in the Catalina Beach public open space. This artwork will be installed in FYE2017.

The SPG team will provide a design brief, in consultation with the project Landscape Architect, to provide Public Art within and surrounding the Catalina Beach enhancing the theming and interaction for residents. The brief will be prepared by July 2016 and tendered in September 2016. It is proposed a recommendation will be provided to TPRC in October 2016. It is anticipated that installation will be between January to March 2017 to coincide with the completion of the Catalina Beach POS landscaping.

14. Achieve Maximum Development Opportunities in FYE2017 (KPI 2.1)

The SPG has identified the following Development Opportunities for FYE2017:

1. Integrated Urban Design for Catalina Grove

The integrated urban design for Catalina Grove will be completed in FYE2017. SPG will review and provide recommendations to TPRC on the development opportunities in Catalina Grove, in particular in relation to medium – high density housing, mixed use and neighbourhood centre uses.

The location of the Neighbourhood Activity Centre under the Tamala Park LSP will be reviewed in comparison to a higher profile location on Neerabup Road and / or Connolly Drive.

The profitability of higher density housing sites will be investigated, in particular the potential for the TPRC to subdivide smaller high density sites rather than selling larger group housing sites.

2. School and Oval Size in Tamala Park LSP

The Catalina school site and oval was set at 9 hectares in the Tamala Park LSP. A review of the school / oval site has been completed and identified potential to reduce the size of these sites to increase the area of residential developable land. An LSP amendment has been lodged with the City of Wanneroo which would result in an additional 2 hectares of developable land. The project team will submit a subdivision application to create additional Group Housing sites adjoining the primary school.

15. FYE2017 Titles to Issue (KPI 2.4)

The following titles are proposed to issue in FYE2017.

Stage	Total Lots	Issue Date
Stage 14B	**10**	**October 2016**
Stage 25	**59**	**February 2017**
Total	**69**	

16. FYE2017 Approvals Required to Meet Annual Development Plan (KPI 2.5)

The following key approvals will be required to implement the FYE2017 Annual plan.

Planning Approvals

Stage	Lodge	Approval
Catalina Beach (Stages 25 - 28)	**March 2016**	**June 2016**
Catalina Central (Stages 16 - 18)	**August 2016**	**November 2016**
Catalina Grove (Stages 36 - 37)	**January 2017**	**April 2017**
Catalina Grove LSP Amendment No.5	**January 2017**	**November 2017**

Engineering Approvals

- Stage 18B Civil Approval – January 2017
- Stage 17A Civil Approval – September 2016
- Stage 25 Civil Approval – August 2016
- Stage 19-23 and school site earthworks approval – July 2016
- Connolly Drive / Aviator Boulevard Intersection approval – March 2017

Landscaping Approvals

- Stage 14 & 15 Verges – September 2016
- Marmion Avenue Eastern Verge – September 2016
- Catalina Beach entry – October 2016
- Catalina Beach Public Open Space – October 2016

Environmental Approvals

- SEWPaC Annual Audit – Submit September 2016
- Conservation Revegetation Management Plan Update – Submit December 2016
- Commence Foreshore Management Plan - July 2016

17. Initiatives in Innovation / Best Practice to be Implemented (KPI 2.7)

The following key initiatives in innovation and best practice are proposed to be implemented in FYE2017:

Planning

- Provide a wide range of lot sizes, including new product, to be the market leader in the Perth north-west corridor for higher density lots in Catalina central.

  Perth and Peel / North-West Sub-regional Framework sets a density target of 15 dwelling units per gross urban hectare – this translates to approximately 26 dwelling units per site hectare.

  Liveable Neighbourhoods sets a base density target of 12 – 20 dwelling units per site hectare for standard lot layouts, increasing to 20-30 dwellings per site hectare for areas within 400m of neighbourhood centres and within 250m of main bus routes, and further again to 30-40 dwelling units per site hectare within 400m of town centres and metropolitan railway stations.

  Measure: *Based on the proposed planning for the Catalina project, SPG will aim to deliver a density of 30.76 dwellings per hectare with an average lot size of 337 square metres over the FY17 period, which is higher than current industry standards.*

Sustainability

- SPG will lead the application process to apply for all six elements being Water, Energy, Ecosystems, Community, Materials and Waste. SPG are seeking to achieve a minimum of four elements with both Materials and Community being recognised as requiring further work.

  Measure: *Obtain Envirodevelopment accreditation in FYE2017 for a minimum 4 leaf's.*

- Sustainability Initiatives Plan (SIP) to be reviewed for best practices to ensure leading edge approaches are being considered in all procedures in the Catalina estate.

  Measure: *Annual review of the SIP plan to be provided to TPRC in May 2017.*

Engineering / Infrastructure

- Explore the options to implement a community battery storage facility.

- Warm Asphalt to be trialled in a small stage of the Catalina estate to demonstrate the potential reduction in greenhouse gas emissions. If successful, SPG will seek to implement in future stages of the development.

- Green concrete using flyash for all kerbing works and explore using material in footpaths for civil and landscape programs to reduce greenhouse emissions.

- Explore the opportunity to install underground storage facility within the Catalina Beach POS to capture the 1 in 1 year storm event.

  Measure: *SPG to provide recommendations for each of the above-mentioned items for consideration by TPRC during the FY17 period.*

Landscaping

- Stormwater nutrient stripping in Greenlink swale to commence in FYE2017

- Use of wind / solar turbine powered lighting in public open space

- Gabian walls using recycled bricks from onsite builders to compete the recycling process from building construction waste materials to finished products. Walls to be installed in future public open spaces.

  Measure: *SPG to provide recommendations for each of the above-mentioned items for consideration by TPRC during the FY17 period.*

Community Development

- Promote Catalina online noticeboard to ensure it is actively being used as a source of information by residents.

- Handover community garden to local residents to demonstrate the benefits of growing food locally and eating healthy.

  Measure: *SPG to provide an Annual review of the Community Development plan to be provided to TPRC in August 2017.*

18. FYE2016 Project Financial Returns (KPI 4.3)

KPI 4.3 is to be measured by the revenue achieved for FYE2017 compared to the revenue predicted in the Annual Plan. It is forecast that $27.27m Gross Income will be received in FYE2017.

19. Implementation of Sustainability Initiatives

The Sustainability Initiatives Plan outlines the strategy for current and future items to be implemented over FYE2017 which include the following items:

- A Waste Management Plan has been implemented in collaboration with Instant Waste Management and leading WA builders to deliver recycling in the order of 95% of all waste by weight on participating building sites. The program is being well received with several leading builders participating. In FYE2017 we will seek to expand the program into the civil construction and landscaping programs.

- A shared bore water scheme within Catalina has been delivered on a trial basis for Stages 4, 5 and 7. In FYE2017 a further water saving options will be provided to TPRC for consideration for the balance of the estate to ensure the minimisation of scheme water dependence from Catalina residents.

- A range of sustainable landscaping initiatives are being introduced in the project including re-use of topsoil / limestone and grasstrees, seed propagation and solar / wind turbine lights within public open spaces.

- Accreditation will be sought for the project through EnviroDevelopment to recognise the environmental initiatives being implemented.

20. Key Financial Outcomes

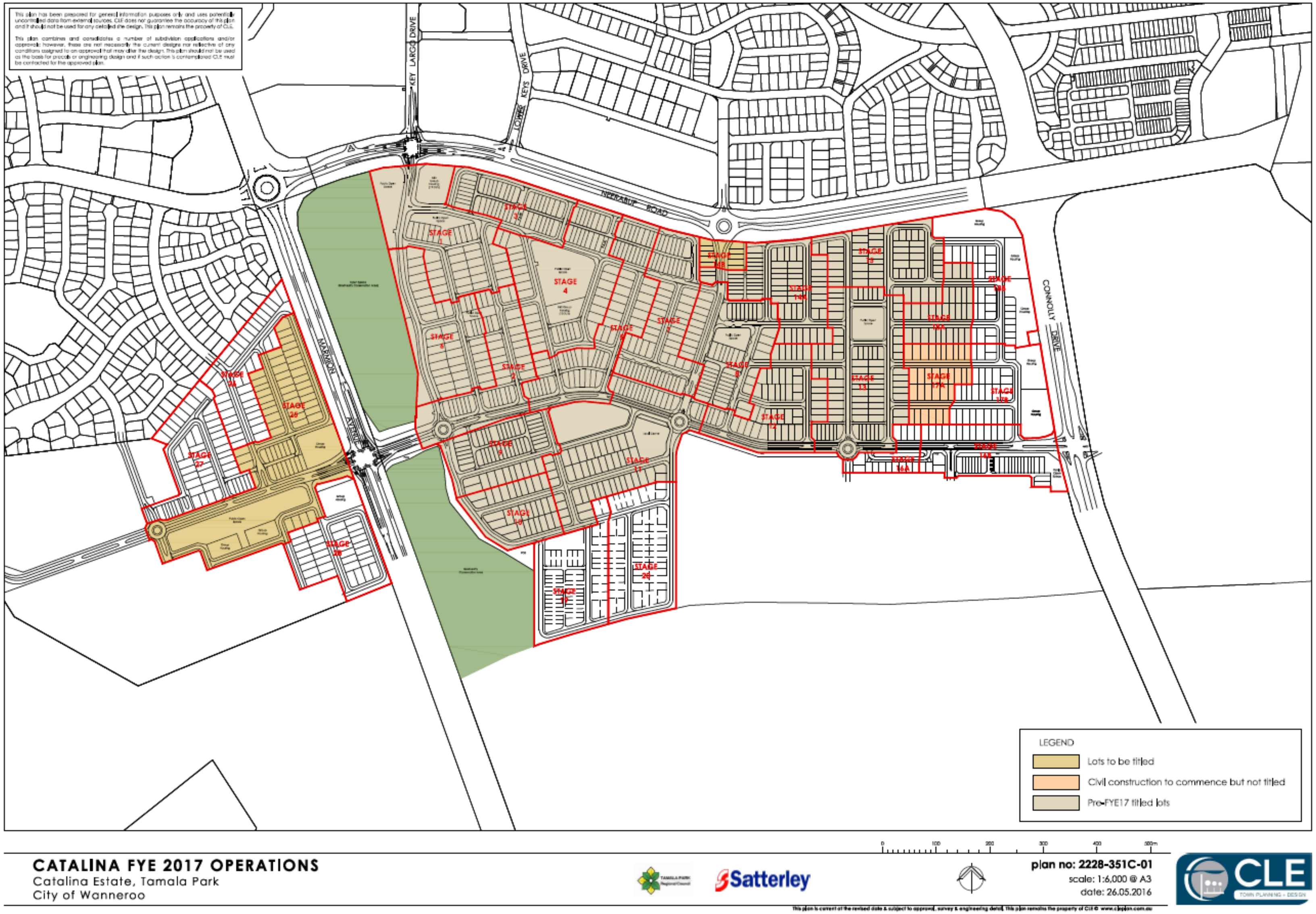
The Project Budget for FYE2017 is expected to forecast a net cashflow of ($1.4m) for the year to 30 June 2017. The key components for FYE2017 consist of:

- Annual sales of 119 lots;
- Annual settlements of 93 lots;
- Titles for 68 lots;
- Total civil and earthworks costs of $14.5m;
- Total infrastructure costs (net of refunds) of $1.5m;
- Total landscape costs of $6.8m.
- Distributions to Local Governments of $11.0m

Key Outcomes	Forecast Project Budget FYE 2017
Gross Income	$27.27m
Development Costs	$28.67m
Cashflow	($1.40m)

21. Annexures

Annexure 1. Catalina FYE17 Operations Plan



Annexure 2. Landscape MasterPlan

Annexure 3. FYE17 Sales Plan