



**TAMALA PARK**  
Regional Council

## **Meeting of Council**

# **AGENDA**

**Thursday 12 October 2017, 6:00pm**  
**City of Perth**  
**27 St Georges Terrace, Perth**

TAMALA PARK  
REGIONAL COUNCIL  
(TPRC)  
COMPRISES THE  
FOLLOWING  
COUNCILS:

Town of Cambridge  
City of Joondalup  
City of Perth  
City of Stirling  
Town of Victoria Park  
City of Vincent  
City of Wanneroo

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### TAMALA PARK REGIONAL COUNCIL

Councillors of the Tamala Park Regional Council are advised that the ordinary meeting of Council will be held in the Council Chambers at the City of Perth, 27 St Georges Terrace, Perth on Thursday 12 October 2017 at 6:00pm.

The business papers pertaining to the meeting follow.

Your attendance is requested.

Yours faithfully



**TONY ARIAS**  
Chief Executive Officer

### MEMBERSHIP

OWNER COUNCIL	MEMBER	ALTERNATE MEMBER
Town of Cambridge	Cr Louis Carr	
City of Joondalup	Cr John Chester Cr Kerry Hollywood	
City of Perth	Cr Janet Davidson OAM JP	Cr Jim Adamos
City of Stirling	Cr Karen Caddy Mayor Giovanni Italiano JP (Chairman) Cr Keith Sargent Cr Rod Willox AM JP	Cr Terry Tyzack
Town of Victoria Park	Cr Keith Hayes	
City of Vincent	Mayor Emma Cole	Cr Jimmy Murphy
City of Wanneroo	Cr Dianne Guise (Deputy Chair) Cr Brett Treby	Cr Domenic Zappa Cr Hugh Nguyen

**PRELIMINARIES**

**1. OFFICIAL OPENING**

**DISCLOSURE OF INTERESTS**

**2. PUBLIC STATEMENT/QUESTION TIME**

**3. APOLOGIES AND LEAVE OF ABSENCE**

**4. PETITIONS**

**5. CONFIRMATION OF MINUTES**

Council Meeting –17 August 2017

**5A. BUSINESS ARISING FROM THE MINUTES**

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

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

**8. REPORTS OF COMMITTEES**

- Audit Committee Meeting – 21 September 2017
- CEO Performance Review Committee Meeting - 21 September 2017
- Management Committee Meeting – 21 September 2017

**9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.17)**

## **9.1 BUSINESS REPORT – PERIOD ENDING 5 OCTOBER 2017**

### **Report Information**

Reporting Officer: Project Coordinator

### **Recommendation**

**That the Council RECEIVES the Business Report to 5 October 2017.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

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

### **Relevant Documents**

Appendix:

- Landscape Schedule and Program FYE 2018
- Foreshore Access Plans

### **Background**

The business of the Council requires adherence to many legislative provisions, policies and procedures that aim at best practice. There are also many activities that do not need to be reported formally to the Council but will be of general interest to Council members and will also be of interest to the public who may, from time to time, refer to Council minutes.

In the context of the above, a Business Report provides the opportunity to advise on activities that have taken place between meetings. The report will sometimes anticipate questions that may arise out of good governance concerns by Council members.

### **Comment**

#### **1. Civil Construction - Status**

There are currently no bulk earthworks or civil stages under construction. The next stages of civil works (Stages 17B and 26 respectively) are programmed to commence in October and November 2017, subject to TPRC approval to proceed.

#### **2. Landscape works – Status**

A status report on Landscape Works proposed for the balance of FYE 2018 is attached at Appendix 9.1. The report details budget, detailed design and approval status and commencement and completion timeframes.

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

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

Stage	Total Lots	Under Construction	Completed	Vacant
Stages 1 - 11	528	3	508	17
Stage 12	49	1	45	3
Stage 13	82	4	74	4
Stage 14	73	1	64	8
Stage 15	55	1	47	7
Stage 17A	25	14	0	11
Stage 18	60	6	17	37
Stage 25	57	0	0	57
<b>Total</b>	<b>929</b>	<b>18</b>	<b>755</b>	<b>156</b>

#### 4. Builders Display Village 3 (Catalina Beach)

The allocation of the 15 Display Village lots to builders was undertaken in June 2017. One of the builders, which was allocated two lots, has withdrawn from the Display Village, citing current market conditions and return on investment as the primary considerations for the decision. The two lots were released to builders in September 2017, with both lots being taken up by JWH Group. All settlements for the 15 Display Village lots are anticipated to be complete by the end of October 2017.

The Catalina Beach Builders Display Village and Sales Office is due to open in October 2018, at the conclusion of the Builders Display Village 2 (Central Precinct).

#### 5. Local Centre Site - Update

The Heads of Agreement was executed in August and the Contract of Sale is currently being prepared. Settlement is anticipated to occur in late November 2017. The purchaser is currently progressing with the design of the Local Centre in order to lodge a Development Application to obtain a Planning Approval.

#### 6. Foreshore Access Proposal

The TPRC lodged a draft Foreshore Management Plan (FMP), supporting a beach access proposal, with the City of Wanneroo in April 2017 to support a coastal access road from the western edge of Catalina to provide local access to a safe beach for the local community.

The TPRC has received further advice from the City of Wanneroo. The City has noted some 46 items, of which 21 items are simple amendments to the FMP. The remaining items raised require additional information and consultation with the City. Following a meeting with the City of Wanneroo the FMP will be updated for lodgement with the Western Australian Planning Commission for consideration.

A plan showing the location of the proposed access road and beach location is attached at Appendix 9.1.

#### 7. Catalina Beach Pump Station

The design and tender of the Catalina Beach Sewer Pump Station has been finalised and approved by the Water Corporation.

The Water Corporation has finalised the Developer Constructed Works Agreement (DCWA) which sets out the terms/timing of reimbursement by the Water Corporation for the construction of the Sewer Pump Station to the TPRC.

The Catalina Beach Pump Station works have been awarded to Buckby Contracting. Works are anticipated to commence October 2017 with completion of the Pump Station in February 2018.



## **9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF JULY & AUGUST 2017**

### **Report Information**

Reporting Officer: Chief Executive Officer

### **Recommendation**

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

- **31 July 2017; and**
- **31 August 2017.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

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

### **Relevant Documents**

Appendix:

- Statement of Financial Activity for 31 July 2017
- Statement of Financial Activity for 31 August 2017

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

- Local Government Act 1995: Sect 6.4(1): Financial Report Required
- Local Government (Financial Management) Regulations 1996: Regulation 34 Composition of Report
- Local Government (Financial Management) Regulations 1996: Regulation 34 (5) Material Variance Reports [10%]
- Local Government (Audit) Regulations 1996: Regulation 14 Compliance Audit Item

### **Background**

It is a mandatory requirement that the Council receives, reviews and records in the Regional Council's public minutes a statement of financial activity showing annual budget estimates and the figures for budget estimates, income and expenditure and variances at the end of each month. The report is also to show the composition of assets and other relevant information.

### **Comment**

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

**Variances at 31 August 2017 exceeding 10% were experienced in relation to the following:**

<b>Employee Costs</b>	The positive variation is a result of timing and will adjust during the year.
<b>Materials and Contracts</b>	The positive variation is a result of timing and will adjust during the year.
<b>Other</b>	The positive variation is a result of timing and will adjust during the year.
<b>Utilities</b>	The positive variance is a result of timing and will adjust during the year.
<b>Income Sale of Lots - Subdivisions</b>	The negative variance relates to the delay in settlement of the Display Village Builders lots which are now forecast to settle in October 2017.
<b>Land Production Costs</b>	The positive variance relates to deferred works and savings.

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

**Financial Snapshot as at 31 August 2017**

**TAMALA PARK REGIONAL COUNCIL  
FINANCIAL SNAPSHOT  
FOR THE PERIOD ENDING 31 AUGUST 2017**

	2017-18	2017-18	2017-18	Variance		Variance
	Adopted Budget	Budget YTD	Actual YTD	Favourable	Unfavourable	
	\$	\$	\$	\$	\$	%
<b>REVENUE</b>						
Interest Earnings	793,512	158,704	153,360		(5,344)	-3.37%
Other Revenue	2,035	0	941	941		100.00%
	<b>\$795,547</b>	<b>\$158,704</b>	<b>\$154,301</b>	<b>\$941</b>	<b>(\$5,344)</b>	
<b>LESS EXPENDITURE</b>						
Depreciation	(21,212)	0	0			
Employee Costs	(751,838)	(121,939)	(93,835)	28,104		23.05%
Insurance	(10,469)	(6,906)	(7,189)		(283)	4.10%
Materials and Contracts	(482,916)	(72,435)	(32,951)	39,484		54.51%
Other	(181,955)	(44,357)	(38,913)	5,444		12.27%
Utilities	(6,450)	(1,075)	0	1,075		100.00%
Members Equity						
-Income Sale of Lots - Subdivisions	40,372,252	8,942,246	3,076,633		(5,865,613)	-65.59%
-Income Other - Subdivisions	1,761,500	0	0			
-Land Production Costs	(55,659,496)	(10,886,807)	(3,451,270)	7,435,537		68.30%
-Profit distribution/Contributions Returned	(4,268,725)	0	0			
	<b>(\$19,249,309)</b>	<b>(\$2,191,273)</b>	<b>(\$547,525)</b>	<b>\$7,509,644</b>	<b>(\$5,865,896)</b>	
Total Change in Equity	<b>(\$18,453,762)</b>	<b>(\$2,032,569)</b>	<b>(\$393,224)</b>	<b>\$7,510,585</b>	<b>(\$5,871,240)</b>	

**Balance Sheet Summary as at 31 August**

**TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2017**

	Actual 2016-17 \$	Actual 2017-18 \$	Variance \$	Variance %
<b>Current assets</b>				
Cash and cash equivalents	39,213,368	38,667,140	(546,228)	-1.39%
Trade and other receivables	308,308	460,058	151,750	49.22%
<b>Total current assets</b>	<b>39,521,676</b>	<b>39,127,198</b>	<b>(394,478)</b>	<b>-1.0%</b>
<b>Non-current assets</b>				
Inventories	1,800,000	1,800,000	0	0.00%
Property, plant and equipment	149,880	149,880	0	0.00%
<b>Total non-current assets</b>	<b>1,949,880</b>	<b>1,949,880</b>	<b>0</b>	<b>0.00%</b>
<b>Total assets</b>	<b>41,471,556</b>	<b>41,077,078</b>	<b>(394,478)</b>	<b>-0.95%</b>
<b>Current liabilities</b>				
Trade and other payables	51,753	50,499	1,254	2.42%
Provisions	223,746	223,746	0	0.00%
<b>Total current liabilities</b>	<b>275,499</b>	<b>274,245</b>	<b>1,254</b>	<b>0.5%</b>
<b>Non-current liabilities</b>				
Provisions	2,597	2,597	0	0.00%
<b>Total non-current liabilities</b>	<b>2,597</b>	<b>2,597</b>	<b>0</b>	<b>0.00%</b>
<b>Total liabilities</b>	<b>278,096</b>	<b>276,842</b>	<b>1,254</b>	<b>0.45%</b>
<b>Net assets</b>	<b>41,193,460</b>	<b>40,800,236</b>	<b>(393,224)</b>	<b>-0.95%</b>

### **9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF JULY & AUGUST 2017**

#### **Report Information**

Reporting Officer: Chief Executive Officer

#### **Recommendation**

**That the Council RECEIVES and NOTES the list of accounts paid under Delegated Authority to the CEO for the months of July and August 2017:**

- **Month ending 31 July 2017 (Total \$1,452,586.86)**
- **Month ending 31 August 2017 (Total \$2,375,782.67)**
- **Total Paid - \$3,828,369.53**

#### **Voting Requirements**

Simple Majority

#### **Report Purpose**

Submission of payments made under the CEO's Delegated Authority for the months ending 31 July 2017 and 31 August 2017.

#### **Relevant Documents**

Appendix:

- Cheque Detail for July & August 2017
- Summary Payment List for July 2017
- Summary Payment List for August 2017

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

- Local Government Act 1995: Sect 5.42 - Delegation given for Payments
- Local Government (Financial Management) Regulations 1996: Regulation 13(1) - Monthly Payment list required
- Local Government (Audit) Regulations 1996: Regulation 13 - Compliance Audit Item

#### **Background**

A list of accounts paid under delegation or submitted for authorisation for payment is to be submitted to the Council at each meeting. It is a specific requirement of Regulations that list state the month (not the period) for which the account payments or authorisation relates.

#### **Comment**

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

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

## **9.4 PROJECT FINANCIAL REPORT – AUGUST 2017**

### **Report Information**

Reporting Officer: Chief Executive Officer

### **Recommendation**

**That the Council RECEIVES the Project Financial Report (August 2017) submitted by the Satterley Property Group.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To consider the Project Financial Report for August 2017 submitted by the Satterley Property Group.

### **Policy Reference**

N/A

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

N/A

### **Previous Minutes**

N/A

### **Financial/Budget Implications**

Review of Project Financial Report for August 2017.

### **Relevant Documents**

Appendix: Letter from Satterley Property Group dated 26 September 2017 with Financial Report

### **Background**

At its meeting of 17 August 2017, the Council approved the Project Budget FYE 2018, submitted by the Satterley Property Group, as the basis of financial planning for the 2017/2018 TPRC Budget.

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

### **Comment**

The Satterley Property Group has prepared a Financial Report for August 2017 for the Project. The report has been prepared on a cash basis and compares actual expenditure to approved budget expenditure for the period up to 31 August 2017 and is attached at Appendix 9.4.

The Financial Report identifies the following main areas of variance:

1. Settlement revenue was \$3.1M which is \$4.2M unfavourable to budget with 12 less residential settlements for the year to date.
2. Expenditure was \$2.5M under budget, in the following areas:
  - Lot Production \$1.4M;
  - Landscape \$0.66M;
  - P&L expenditure \$0.37M.

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

3. Lot Sales Value was \$8.6M unfavourable to budget due to 27 less lot sales year to date.

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

**9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 5 OCTOBER 2017**

**Report Information**

Reporting Officer: Project Coordinator

**Recommendation**

**That the Council RECEIVES the Sales and Settlement Report to 5 October 2017.**

**Voting Requirements**

Simple Majority

**Report Purpose**

To advise the Council of the status of sales, settlements and sales releases.

**Policy Reference**

N/A

**Local Government Act/Regulation**

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

**Previous Minutes**

N/A

**Financial/Budget Implications**

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

Budget Amount:	\$ 40,372,252
Received to Date:	\$ 7,542,502
Balance:	\$ 32,829,750

**Relevant Documents**

Appendix: Staging Plan

**Background**

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

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

**Comment**

The following table provides a summary of the Sales and Settlement position for lots released to 1 October 2017:

Stage	Release Date	Lots Released	Lot Sizes	Sold	Stock	Settled
<b>Stages 1 – 11, 12B, 13A, 13B, 14A, 14B, 14C, 14D, 15A 15B and 15C</b>	-	751	-	751	0	751
<b>Stage 12A</b>	May 2014	25	295-463	25	0	24
<b>Stage 14B (Release 2)</b>	July 2016	10	262-329	9	1	8
<b>Stage 15D</b>	Sep 2016	2	375-376	1	1	1
<b>Stage 17A</b>	Oct 2016	25	300-510	21	4	16
<b>Stage 18A</b>	March 2016	29	300-510	29	0	26
<b>Stage 18B</b>	March 2017	31	200-474	19	12	4
<b>Stage 25 (Display Village)</b>	May 2017	15	375-552	15	0	4
<b>Stage 25 (Public Release)</b>	May 2017	21	300-450	8	13	3
<b>Total</b>		<b>909</b>		<b>878</b>	<b>31</b>	<b>836</b>

The following table provides a summary of lot sizing and commentary of current “Aged Stock” on hand. Aged Stock refers to lots that have been on the market for longer than 6 months.

Stage	Lot Number	Release Date	Price	M <sup>2</sup>	Comment
14B*	775	July 2016	\$252,000	290	Cottage lot – rear loaded, 10.1m frontage, quiet house requirements
15D*	835	Aug 2016	\$288,000	376	Regular lot abutting Neerabup Road, Quiet house requirements
17A	948	October 2016	\$335,000	450	Regular Lot, 15m frontage
17A	951	October 2016	\$335,000	450	Regular Lot, 15m frontage
17A	953	October 2016	\$335,000	450	Regular Lot, 15m frontage
17A*	979	October 2016	\$335,000	450	Regular Lot, 15m frontage
18B	869	March 2017	\$348,000	474	Regular lot, 15m frontage
18B	870	March 2017	\$308,000	395	Regular Lot, 12.5m frontage
18B	873	March 2017	\$308,000	395	Regular Lot, 12.5m frontage
18B	895	March 2017	\$298,000	375	Regular Lot, 12.5m frontage
18B	897	March 2017	\$308,000	395	Regular Lot, 12.5m frontage
18B	898	March 2017	\$335,000	447	Regular Lot, 14.9m frontage



18B	979	March 2017	\$335,000	450	Regular Lot, 15m frontage
18B*	899	March 2017	\$260,000	291	Corner Lot, Quiet house requirements
18B*	902	March 2017	\$260,000	295	Corner Lot, Quiet house requirements
18B	903	March 2017	\$335,000	447	Regular Lot, 14.9m frontage
18B*	930	March 2017	\$335,000	447	Regular Lot, 14.9m frontage
18B*	931	March 2017	\$245,000	245	Corner Lot, Quiet house requirements

\* Subject to \$8,000 Early Construction Rebate.

The aged stock is actively being sold down by the SPG. Lots within Stage 18B are now considered aged stock and four lots within this stage have been allocated the \$8,000 Early Construction Rebate.

The SPG has submitted a recommendation for the re-pricing of Lots 775 and 835 for consideration under Item 9.12 of this Agenda.

**Competition Analysis**

The following table provides a summary of gross sales at competing developments in the northern corridor.

The SPG has expressed caution that competitor’s sales results are indicative only based on information that the SPG is able to obtain in the marketplace.

Estate	Sales												total	Size Range (m <sup>2</sup> )	Price Range
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug			
Allara	11	11	4	7	8	12	10	6	0	9	1	8	87	225-520	\$129,950-\$223,000
Eden Beach	7	17	9	4	6	12	11	7	11	12	4	7	103	225-625	\$200,000-\$430,000
Catalina	9	5	9	1	7	11	8	8	8	11	4	7	88	225-448	\$210,000-\$315,000
Alkimos Beach	9	5	6	5	7	10	9	12	14	11	11	8	107	150-535	\$128,000-\$335,000
Amberton	11	15	4	6	6	7	12	4	5	8	3	10	91	188-526	\$160,000-\$275,000
Shorehaven	8	0	1	1	1	6	3	5	2	1	4	1	33	217-385	\$179,000-\$315,000
Trinity	5	10	7	8	3	8	7	5	8	13	7	6	87	298-542	\$198,000-\$280,000
<b>Total</b>	<b>60</b>	<b>63</b>	<b>40</b>	<b>32</b>	<b>39</b>	<b>62</b>	<b>60</b>	<b>47</b>	<b>48</b>	<b>65</b>	<b>34</b>	<b>47</b>	<b>596</b>		
<b>CATALINA MARKET SHARE (%)</b>	15.0	7.9	22.5	3.1	17.9	17.8	13.3	17	16.6	16.9	11.7	14.9	14.6		

A summary of available stock in the corridor is provided in the table below. The table indicates that generally Burns Beach is the most expensive estate. Catalina is one of the most expensive for 300m<sup>2</sup> lots and Burns Beach has the most expensive 375m<sup>2</sup> and 450m<sup>2</sup> lots.

<b>Estate</b>	<b>300sqm Price (\$)</b>	<b>375sqm Price (\$)</b>	<b>450sqm Price (\$)</b>	<b>500sqm Price (\$)</b>	<b>Stock</b>
Allara	169,000	193,000	223,000	249,950	<b>42</b>
Burns Beach	N/A	N/A	440,000	520,000	<b>18</b>
Eden Beach	245,000	289,000	339,000	410,000	<b>23</b>
Catalina Central	255,000	298,000	335,000	N/A	<b>18</b>
Catalina Beach	320,000	380,000	425,000	N/A	<b>13</b>
Alkimos Beach	199,000	251,000	275,000	320,000	<b>59</b>
Amberton	199,000	233,000	270,000	295,000	<b>18</b>
Shorehaven	265,000	287,000	N/A	N/A	<b>48</b>
Trinity	202,000	225,000	253,000	286,000	<b>15</b>
<b>TOTAL</b>					<b>254</b>

For September, 16 lots have been sold, 13 in Catalina Beach and 3 in Catalina Central. The Project currently has a stock position of 31 lots.

The SPG has advised that despite indications that the Western Australian property market is changing, with indications of a turn around this has yet to translate to an increase in lot sales. Consumer confidence still remains relatively low, with prospective buyers continuing to remain cautious and taking considerable time to research their available options prior to committing to purchasing. The established homes market continues to be significant competition to lot sales and is providing valuation issues for house and land packages.

### **Stage 18 Group Housing Site**

The TPRC recently retendered the Stage 18B Grouped Housing Site (Lot 995). No tenders for the site were received. The SPG will provide an update with proposed recommendations to the December 2017 Council Meeting.

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

**9.6 CATALINA CENTRAL STAGES 16A AND 16B - NARROW LOT HOUSING PROPOSAL**

**Report Information**

Reporting Officer: Project Coordinator

**Recommendation**

**That the Council:**

- 1. RECEIVES the Catalina Central Narrow Lot Housing report (dated September 2017), prepared by Satterley Property Group.**
- 2. APPROVES Phase 1 of the “Narrow Lot” housing proposal for Stages 16A and 16B for tender to builders via “Hold Allocations” subject to:**
  - a) Design Guidelines that address the following:**
    - **Orientation to public streets;**
    - **Passive surveillance of public open space;**
    - **Vehicle access from streets other than Aviator Boulevard;**
    - **Location of parking;**
    - **A variety of contemporary façade treatments available with no two similar facades being located adjacent to each other;**
    - **The building design to address the Greenlink and Public Open Space;**
    - **The building design to address the laneway treatment through the inclusion of landscaping and minimising the negative impact of garages taking up the frontage);**
    - **The building design to consider bin storage and servicing;**
    - **The building design to include adequate storage;**
    - **Minimum 6 Star energy efficiency rating;**
    - **Passive solar design;**
    - **Installation of photovoltaic panels;**
    - **Minimum of 32c ceilings to the ground floor and 30c to the upper floor; and**
    - **Waterwise gardens.**
  - b) The following commercial terms forming part of the Tender and sale conditions:**
    - **Exclusive Allocation Term: 16 weeks from date of allocation**
    - **Extension Term: 4 weeks (at the discretion of the TPRC)**
    - **Participation in the Catalina Waste Management Recycling program.**
    - **A co-branded marketing campaign to be undertaken with the TPRC providing:**
      - **A web page on the Estate website to promote the house and land packages (approximate cost of \$10,000);**
      - **Co-branded banner mesh and collateral (approximate cost of \$30,000).**

3. **NOT APPROVE** the Satterley Property Group recommendation for an Early Construction Rebate of \$5,000 for purchasers.
4. **ADVISES** the Satterley Property Group that the Council will consider Phase 2 of the “Narrow Lot” housing proposal for Stages 16A and 16B following the response by builders to the Tender and market interest.

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To consider a report on a “Narrow Lot” housing proposal in Stages 16A and 16B of Catalina Central.

### **Policy Reference**

N/A

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

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

### **Previous Minutes**

- Council Meeting – 23 February 2017 (Item 9.8 – Lot Sales and Release Strategy)
- Council Meeting – 15 June 2017 (Item 9.17 – Annual Plan 2018)

### **Financial/Budget Implications**

Income and expenditure under this matter will be posted under –

Item I145011 (Income on Lot Sales):

Budget Amount:	\$ 40,372,252
Received to Date:	\$ 7,542,502
Balance:	\$ 32,829,750

Item E145209 (Landscaping):

Budget Amount:	\$ 11,872,836
Spent to Date:	\$ 1,549,940
Balance:	\$ 10,322,896

Item E145211(Lot Production):

Budget Amount:	\$ 10,835,010
Spent to Date:	\$ 1,872,663
Balance:	\$ 8,962,347

Item E145218 (Sales & Marketing):

Budget Amount:	\$ 795,000
Spent to Date:	\$ 33,031
Balance:	\$ 761,969

### Relevant Documents

Appendix: SPG – Catalina Central Narrow Lot Product Paper (September 2017)

### Background

At its meeting held 23 February 2017, the Council received the Catalina Housing and Built Form Strategy FYE 2017 prepared by the Satterley Property Group. The Catalina Housing and Built Form Strategy FYE 2017 identified a number of outcomes including the development of a concept over Stages 16A and 16B to create innovative narrow lot housing targeting an emerging market, the details included:

- 4.5m to 6m frontage;
- Affordable housing;
- Lightweight construction.

The Catalina Housing and Built Form Strategy FYE 2018 is listed for consideration under Item 9.13 of this Agenda. The Housing and Built Form Strategy includes Stages 16A and 16B as a potential narrow lot housing precinct as part of the strategies aimed at achieving the following objectives:

- Innovation – Deliver innovation in building form;
- Built Form – Encourage a high quality and distinct urban vernacular;
- Affordability – Encourage the provision of various forms of affordable housing.

At its meeting held 15 June 2017, the Council approved the Annual Plan for FYE 2018, which identified Stages 16A and 16B as potentially achieving the following initiatives:

- Lot diversity – Creation of a diverse range of dwellings.
- Partnerships with builders – Encourage built form and sales through builder partnerships.
- Innovation – Innovation through lot typology and construction methodologies.

The Management Committee at its meeting held 21 September 2017 considered a report (dated August 2017) proposing the tender and construction of Narrow Lot Housing, prepared by Satterley Property Group. The Management Committee considered that the narrow lot housing proposal could achieve the Council's objective of providing medium density housing, housing innovation and diversity. However, prior to the Council agreeing to proceed with a Tender to builders for the narrow lot housing proposal it required the Satterley Property Group to provide detailed information for Council's consideration on the following:

1. A feasibility on the construction and sale of the small lot housing proposal and potential impacts on the Project Budget FYE 2018;
2. The full commercial terms for inclusion in the tender/sales contracts, including any commitments by the Council;
3. The terms and conditions of the exclusive allocation arrangements recommended;
4. The building design, streetscape and sustainability requirements to be included in the Tender;

5. Clear outline of risks to Council in proceeding with the small lot housing proposal, and risk mitigation measures to be applied;
6. Advice from the City of Wanneroo on the small lot housing proposal;
7. Recommended staging of the small lot housing proposal.

The SPG has provided an amended report to address the Management Committee's concerns, a copy of the SPG correspondence is attached at Appendix 9.6.

### **Comment**

The SPG is recommending a proposal for narrow lot housing in Stages 16A and 16B. The SPG proposal is based on the objectives stated in the Annual Plan and Catalina Housing and Built Form Strategy FYE 2018 and includes the following:

- Medium density housing;
- Housing diversity and innovation;
- Narrow lot built form that addresses the streetscape;
- Partnering with builders to demonstrate innovation and sustainability.

The SPG proposal promotes the release of six allocations totalling 28 lots and includes 8 x 4.5m frontage lots (126m<sup>2</sup> in area) and 14 x 6m frontage lots (168m<sup>2</sup> in area).

### Planning Context

Stages 16A and 16B have been chosen for narrow lot housing based on the strategic location in Catalina Central along the Green Link. The Green Link provides additional amenity to the smaller lot frontages and reduced setbacks. The location has also been chosen due to high visibility along Aviator Boulevard to showcase the potential of medium density lots/housing.

The narrow lot housing is considered to meet the objectives of the Council to provide diversity, innovation and affordable housing. The potential benefits of the narrow lots/housing include:

- Two storey street front;
- Internal design options for 2 - 4 bedroom, 1 - 2 bathroom, 1 - 2 car garage home;
- Medium Density on a green title (no strata required);
- Turnkey product;
- Control over the streetscape interface; and
- Potential for lightweight construction techniques.

The SPG report includes a number of examples of similar narrow frontage built form outcomes achieved in other locations.

### Market Demand

The narrow lot housing has been successfully implemented in Lightsview, South Australia and more recently in Ellenbrook and Golden Bay. The location of the narrow lot housing in Catalina is considered to be appropriate given proximity to amenities including the Clarkson Train Station.

A number of builders have shown interest in participating in the narrow lot housing in discussions with the SPG. The builders have provided feedback on the lot design to optimise building costs and lot sizing acceptable to the market.

Lot and Housing Mix

The narrow lot proposal includes 4.5m and 6m lots, with larger frontage lots on the corners to frame out the streets and provide adequate room to accommodate designs suitable to lots with truncations. Car parks have also been incorporated into the design to address visitor and on street parking, and are to be landscaped. The car parks and landscape will break up the run of lots and provide variety in streetscape.

Earlier concepts for Stages 16A and 16B included 63 lots ranging in area from 168m<sup>2</sup> to 350m<sup>2</sup>. The current concept, proposed by the SPG with the narrow lot housing, has increased the yield to 72 lots. In total 43 lots are proposed as narrow lot housing.

Pricing and Feasibility

The SPG considers that a per square metre rate of \$1,000 and \$1,100 for the 6m and 4.5m frontage lots respectively can be achieved for the lots.

The following table indicates the narrow lot housing package pricing of the 6m and 4.5m frontage lots. The suggested pricing of approximately \$400,000 is competitive against larger lot (250m<sup>2</sup> – 375m<sup>2</sup>) single storey homes, which based on recent sales history have sold for \$415,000 - \$460,000.

Frontage	Depth	Total Area	Rate/m <sup>2</sup>	Lot Price	House Price	Total Package
6m	28m	168m <sup>2</sup>	\$1,000	\$168,000	\$235,000	\$403,000
4.5m	28m	126m <sup>2</sup>	\$1,100	\$138,600	\$235,000	\$373,600

The SPG report includes a feasibility analysis on the production and sale of the lots against the approved TPRC Budget FYE 2018. The Budget for Stages 16A and 16B forecasts a gross revenue of \$6.486M with settlements occurring in FYE 2019.

The higher per metre rate and increase in lot yield for Stages 16A and 16B has resulted in an overall increase in gross profit of \$1.2m. The SPG feasibility includes the construction of the carparking and additional sales costs, however, does not include costs for the upgrade to the landscaping of the Greenlink or the marketing of the narrow lot housing. These additional costs are likely to impact the SPG estimated increased gross profit of \$1.2M.

Release Method

The SPG is recommending Phase 1 comprises six allocations ranging from 3 – 6 lots, consisting of a total of 28 lots of which 22 are “narrow” lots. Phase 1 has been recommended by the SPG based on the strong intent from the builders to have lots available.

The SPG recommends that the lots are tendered to builders using the “Hold Allocation” procedure as per the approved Lot Sales and Release Strategy.

The Hold Allocation procedure involves the allocation of a parcel of lots to a builder for an agreed period of time. The allocation method provides builders confidence to prepare detailed house and land designs and actively market the house and land packages.

Lots are to be sold as a house and land package. The TPRC is responsible for the sale of the land only. The sale of the land will be subject to the “Public Purchaser” commercial terms and rebates approved by the TPRC. A buyer wishing to purchase a house and land package are required to sign the TPRC’s standard Contract of Sale (including a provision for a building contract with a specific builder) and a separate contract with the relevant builder.

Builders are incentivised to actively market the house and land packages by being offered additional allocations (if available) once all of the lots in their allocation are sold. If a builder is not successful in selling the proposed houses in their allocation then the remaining lots will be allocated to the next highest ranked builder who is eligible to receive an allocation.

The tender would be subject to selection criteria that would require the submission of elevations and design controls to ensure a quality built form product. The tender selection criteria would include the following:

1. Experience in narrow lot design and construction;
2. Building Design:
  - a. Demonstrates the ability to meet the Design Guidelines;
  - b. Provides a house and land package that represents value for money;
3. Includes a demonstration home;
4. Demonstrates Innovation and sustainability.

The tenders would be ranked in accordance with the selection criteria with the highest ranked builder receiving the first allocation. There will be a minimum score required under the selection criteria to ensure the allocation are only released to high-quality builders that meet the TPRC requirements.

In the selection criteria there will be an opportunity for builders to nominate if a 'demonstration home' will be constructed within the allocation. Builders that nominate for the construction of a 'demonstration home' will receive the allocated weighting for that component of the selection criteria.

#### Design Guidelines

The SPG proposes that Design Guidelines are prepared to ensure an appropriate scale and built form outcome is achieved and that the TPRC's sustainability objectives are met.

The Design Guidelines are to be prepared based on the following principles:

- Orientation to public streets;
- Passive surveillance of public open space;
- Vehicle access from streets other than Aviator Boulevard;
- Location of parking;
- A variety of contemporary façade treatments available with no two similar facades being located adjacent to each other;
- The building design to address the Greenlink and Public Open Space;
- The building design to address the laneway treatment through the inclusion of landscaping and minimising the negative impact of garages taking up the frontage);
- The building design to consider bin storage and servicing;
- The building design to include adequate storage;
- Minimum 6 Star energy efficiency rating;
- Passive solar design;
- Installation of photovoltaic panels;



- Minimum of 32c ceilings to the ground floor and 30c to the upper floor; and
- Waterwise gardens.

Prior to construction of the homes commencing onsite, the SPG will review all designs against the Design Guidelines for compliance.

#### Commercial Terms

The SPG has recommended the following commercial terms:

- Exclusive Allocation Term: 16 weeks from date of allocation
- Extension Term: 4 weeks (at the discretion of the TPRC)
- Builders to participate in the Catalina Waste Management Recycling program.

A co-branded marketing campaign is proposed to be undertaken with the TPRC providing:

- A web page on the Estate website to promote the house and land packages (approximate cost of \$10,000);
- Co-branded banner mesh and collateral (Approximate cost of \$30,000).

The SPG propose that the Council offer a \$5,000 Early Construction Rebate to purchasers who buy their lots within 10 weeks of the release of Stage 16A as an alternative to front landscaping where slab down is within 6 months of settlement. Given the strong interest from builders and the entry level price point (approximately \$400,000) of the narrow lot housing it is considered premature to offer an Early Construction rebate.

#### Program

The following program indicates the tasks and timeline for the delivery of the built form.

<u>Task</u>	<u>Delivery Date</u>
Lodge Subdivision Plan / LDP	October 2017
Tender of Lot Allocations	January 2018
Award Allocations	February 2018
Release of Lots to the Market	March 2018
Commence Civil Works	April 2018
Practical Completion of Civil Works	August 2018
Titles Received	September 2018
Settlements	October 2018
Commence Home Construction	October 2018

The release method and program proposed by the SPG limits the risk to the TPRC by obtaining builders participation prior to commitment to civil construction.

#### Risk

The SPG has undertaken a risk assessment of the proposed narrow lot housing. The assessment includes mitigation strategies for the identified risks.

The most significant risk is that the narrow lot housing does not sell. To mitigate this risk, the narrow lot housing will be released in a number of phases. The SPG has also indicated that the lot design has the flexibility to amalgamate lots to provide larger frontages. This would provide more traditional product in the event the 4.5m and 6m lots did not sell. It is acknowledged that there would be additional costs associated with amalgamating the lots.

The risk assessment also considers the built form outcome and provides a number of mitigation measures to ensure a quality built form outcome. These measures have been discussed in earlier sections of this report and include:

- Design Guidelines to control the built form;
- Selection criteria in the tender document to be weighted to house design;
- Landscaping along the Greenlink to be responsive to the adjacent built form.

#### City of Wanneroo

The SPG and TPRC have met with the Director of Planning and Infrastructure at the City of Wanneroo on a number of occasions to discuss the option of providing narrow lot product. At the meetings, the City of Wanneroo officers provided in principle support for the design, however, noted that the landscaping on the Greenlink would need to be of a high standard.

#### **Conclusion**

The “Narrow Lot” housing proposal could achieve the Council’s objective of providing medium density housing that demonstrates innovation and diversity. It also has the potential to provide a good streetscape outcome and provide an affordable housing option.

There is concern with the size of the initial builder’s allocation proposed by the SPG, which comprises 28 lots. It is noted that the Catalina Project has previously released builder allocations of approximately 12-16 lots when market conditions were considerably stronger. A smaller construction and allocation is considered appropriate to minimise risk and the TPRC’s exposure. It is therefore recommended that Phase 1 comprises 3 allocations, ranging from 4 – 6 lots, totalling 15 lots (11 narrow lots). In the event that builder allocations are taken up and lots sold an additional 3 allocations totalling 13 lots could be progressed.

The SPG recommendation for a \$5,000 for purchasers who buy their lots within 10 weeks of the release of Stage 16A is not supported at this stage. The SPG has not adequately justified the basis of applying the \$5,000 Rebate. Further, the SPG has indicated potentially strong interest from builders and potential purchasers to the narrow lot housing proposal.

It is recommended that Phase 1 of the “Narrow Lot” housing proposal for Stages 16A and 16B for tender to builders via “Hold Allocations” is approved subject to the Design Guidelines and commercial terms.

## **9.7 TPRC ANNUAL FINANCIAL REPORT FOR THE YEAR 1 JULY 2016 TO 30 JUNE 2017**

### **Report Information**

Reporting Officer: Chief Executive Officer

### **Recommendation**

**That the Council RECEIVES the Annual Financial Report for the year ended 30 June 2017 and that it be INCLUDED in the Annual Report.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To consider the Annual Financial Report of the TPRC for the year ended 30 June 2017.

### **Relevant Documents**

Appendix: Audited Annual Financial Report for the year ended 30 June 2017

### **Previous Minutes**

- Council Meeting – 20 October 2016 (Item 9.6: TPRC Annual Financial Report for the Year 1 July 2013 to 30 June 2014)
- Council Meeting – 15 October 2015 (Item 9.6: TPRC Annual Financial Report for the Year 1 July 2014 to 30 June 2015)

### **Policy Reference**

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

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

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

## **Background**

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

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

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

## **Comment**

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

The Auditor has completed an audit of the documents and has provided the management report which is required to be presented to the Chairman of the Council, the CEO and the Minister for Local Government. The Auditor's Report is considered in Item 9.8.

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

*At its meeting of 21 September 2017, the Audit Committee considered the Annual Financial Report of the TPRC for the year ended 30 June 2017 and resolved to recommend that Council RECEIVES the Annual Financial Report for the year ended 30 June 2017 and that it be INCLUDED in the Annual Report.*

## **9.8 REVIEW OF THE AUDITOR'S REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

### **Report Information**

Reporting Officer: Chief Executive Officer

### **Recommendation**

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

- 1. RECEIVES the Auditor's Report for the financial year ended 30 June 2017.**
- 2. NOTES that the Audit Report does not note or make recommendations on any matter requiring attention from the Annual Audit for the year ended 30 June 2017.**
- 3. NOTES that the Council's Auditor (Butler Settineri) met with the Audit Committee at its meeting of 21 September 2017 to discharge the statutory obligation to meet with the Local Government at least once per annum.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

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

### **Relevant Documents**

Appendix:

- Audit Report for Financial Year ended 30 June 2017
- Auditor's Management Letter for Financial Year ended 30 June 2017

### **Previous Minutes**

- Council Meeting – 20 October 2016 (Item 9.7: Review of the Auditor's Report for the Financial Year Ended 30 June 2016)
- Council Meeting – 15 October 2015 (Item 9.7: Review of the Auditor's Report for the Financial Year Ended 30 June 2015)

### **Policy Reference**

TPRC Audit Charter 6(f) and (h)

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

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

## Background

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

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

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

## Comment

The Council's appointed Auditor (Butler Settineri) has completed its assessment for the financial year ending 30 June 2017. There are no adverse comments raised by the external Auditor in its report.

There is a statutory obligation for the Council's appointed Auditor to meet with the Local Government at least once per annum. The Auditor (Mr Marius van der Merwe) attended the Audit Committee meeting of 21 September 2017 to discharge this obligation. Mr van der Merwe presented the Auditor's Report for FYE 2017 and remained in attendance at the meeting for Agenda Item 9.7 TPRC Annual Financial Report and Item 9.9 Financial Management – Significant Accounting Policies Review.

*At its meeting of 21 September 2017, the Audit Committee considered the Auditor's Report for the financial year ended 30 June 2017 and resolved to recommend that Council:*

- 1. RECEIVES the Auditor's Report for the financial year ended 30 June 2017.*
- 2. NOTES that the Audit Report does not note or make recommendations on any matter requiring attention from the Annual Audit for the year ended 30 June 2017.*
- 3. NOTES that the Council's Auditor (Butler Settineri) met with the Audit Committee at its meeting of 21 September 2017 to discharge the statutory obligation to meet with the Local Government at least once per annum.*

## **9.9 FINANCIAL MANAGEMENT – SIGNIFICANT ACCOUNTING POLICIES REVIEW 2017**

### **Report Information**

Reporting Officer: Chief Executive Officer

### **Recommendation**

**That the Council APPROVES the Financial Management – Significant Accounting Policies (September 2017).**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To review the Financial Management – Significant Accounting Policies.

### **Relevant Documents**

Appendix: Financial Management – Significant Accounting Policies (September 2017)

### **Policy Reference**

Proposed Financial Management – Significant Accounting Policy

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

- Local Government Act 1995
- Local Government (Financial Management) Regulations 1996
- Australian Accounting Standards

### **Previous Minutes**

- Council Meeting – 20 October 2016 (Item 9.9 – Financial Management – Significant Accounting Policies Review)
- Council Meeting – 13 August 2015 (Item 9.17 – Financial Management – Significant Accounting Policies Review)

### **Financial/Budget Implications**

N/A

### **Background**

In October 2016, the Council approved the Policy Financial Management – Significant Accounting Policies consistent with the Local Government Regulations. The Policy provides guidelines for the preparation of the financial report.

**Comment**

The Financial Management – Significant Accounting Policies reflect the most recent accounting standards and local government practice, as recommended by Moore Stephens Accountants and Butler Settineri - Auditors.

The proposed changes to the Financial Management – Significant Accounting Policies (September 2017) are consistent with the Annual Financial Report for the year ended 30 June 2017 (Notes) prepared by Moore Stephens – Accountants and reviewed by the Council appointed Auditor (Butler Settineri).

The proposed changes are highlighted in the Financial Management – Significant Accounting Policies (September 2017) attached at Appendix 9.9 and are recommended for adoption.

*At its meeting of 21 September 2017, the Audit Committee considered a report on the review the Financial Management – Significant Accounting Policies and resolved to recommend that Council APPROVES the Financial Management – Significant Accounting Policies (September 2017).*



## **9.10 PETTY CASH POLICY REVIEW**

### **Report Information**

Reporting Officer: Chief Executive Officer

### **Recommendation**

**That the Council APPROVES the Petty Cash Policy (July 2017).**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

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

### **Relevant Documents**

Appendix: Petty Cash Policy (July 2017)

### **Policy Reference**

Existing Petty Cash Policy (July 2016).

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

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

### **Previous Minutes**

- Audit Committee Meeting – 28 July 2016 (Item 8.7 – Petty Cash Policy Review)
- Council Meeting – 11 August 2016 (Item 9.10 – Petty Cash Policy Review)

### **Financial/Budget Implications**

N/A

### **Background**

The Council approved the Petty Cash Policy (July 2016) at its meeting of 11 August 2016.

### **Comment**

The Petty Cash Policy continues to operate satisfactorily and no changes are proposed. The Petty Cash Policy (July 2017) is recommended for adoption.

*At its meeting of 3 August 2017, the Audit Committee considered a report on the review of the Petty Cash Policy and resolved to recommend that Council approves the Petty Cash Policy (July 2017).*

## 9.11 CHANGE TO STAGE 25 BUILDERS RELEASE

### Report Information

Reporting Officer: Project Coordinator

### Recommendation

**That the Council APPROVES the release of Lots 1021, 2095, 2096, 2084 – 2086 and 2154 by Public Release as per the Lot Sales and Release Strategy FYE 2018 (May 2017) and as per the Catalina Beach approved Purchaser Terms and Conditions (November 2016).**

### Voting Requirements

Simple Majority

### Report Purpose

To consider a report on the change of the release method of lots 1021, 2095, 2096, 2084 – 2086 and 2154 from Builders Release to Public Release.

### Policy Reference

N/A

### Local Government Act/Regulation

N/A

### Previous Minutes

Council Meeting – 15 June 2017 (Item 9.7: Sales and Lot Release Strategy (May 2017))

### Financial/Budget Implications

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

Budget Amount:	\$ 795,000
Spent to Date:	\$ 33,031
Balance:	\$ 761,969

### Relevant Documents

Appendix: Letter from Satterley Property Group dated 3 October 2017

### Background

In June 2017, the Council approved the Sales and Lot Release Strategy (May 2017), submitted by the Satterley Property Group (SPG), which outlined the timing, size, nature and method of lot sales releases for FYE 2018.

The approved Sales and Lot Release Strategy (May 2017) included 14 lots in Stage 25 to be released via the 'Builders Release' method. The Builders Release involves a tender process

and the use of 'Hold Allocations' on selected lot packages for a period of time to a builder. The 'Hold Allocation' provides the selected builder the right to market house and land packages for a specified time.

The SPG has provided a recommendation that 7 of the proposed Builders Release lots (1021, 2095, 2096, 2084 – 2086 and 2154) now be released to the public.

A copy of the SPG's correspondence is attached at Appendix 9.11.

### **Comment**

The SPG considers that there has been a lack of builder interest, with no Builders Releases being undertaken in FYE 2017. The SPG has received inquiries from potential purchasers interested in the Builders Release lots, as they are rear loaded lots and smaller in size compared to what is currently available in Catalina Beach.

The intent of the release of the 14 lots via Builders Release was to control the built form, primarily of the seven lots located at the entrance of the estate on Portofino Promenade. However, it was also considered important to control the built form of the seven lots recommended to be released via the public release method, as these lots are located in close proximity to the proposed Sales Office and Display Village.

The SPG considers that the lots identified are appropriate to be released to the market via the 'Public Release' method. The seven identified lots will be subject to the Catalina Beach Design Guidelines which will control the built form on the lots to ensure an appropriate built form outcome. The Catalina Beach Design Guidelines include the following requirements to deal with the building design:

- All dwellings must address the public street/s in a clear and attractive manner. Buildings are to be designed to promote a positive relationship to the streetscape and the front elevation is to be articulated with clearly defined architectural elements.
- Facades should respond to the local climate, explore different elevational treatments related to orientation, incorporate external shading components such as verandas and utilise high quality, durable materials and finishes suitable for coastal conditions.

The SPG is required to undertake an assessment of all housing plans to ensure that the requirements of the Design Guidelines are satisfied prior to the purchaser/builder submitting an application to the City of Wanneroo for approval.

The lot release method proposed by the SPG for the seven lots (Public Release) is to be consistent with the Sales Procedure – Private Purchaser Lots Strategy (March 2014), approved by Council in April 2014, which requires that the disposal of the residential lots would be by Private Treaty in accordance with Section 3.58(3) and (4) of the Local Government Act 1995. The release would be subject to the same terms and conditions of a 'public release', including the Catalina Beach Design Guidelines to control built form.

The Sales Procedure – Private Purchaser Lots Strategy (March 2014) requires potential purchasers to register online to nominate preselected lots, in order of receipt and compliance with pre-set terms and criteria. The method of release and sale of private residential lots has worked well to date. The online process is supported and recognised as good practice by Council's Probity Advisor and the Council Auditor.

The Stage 25 Builders Release was programmed to be released in July 2017. Subject to the Council's approval the seven lots are proposed to be released to the public in late October

2017. The remaining 7 lots in the Stage 25 Builders Release would be released via a tender process in November 2017.

There is no impact to Budget based on changing the release method.

**Conclusion**

The SPG recommendation to change the release method of lots 1021, 2095, 2096, 2084 – 2086 and 2154 from a 'Builders Release' to 'Public Release' to provide the market with additional lot mix is supported. The lots are to be subject to the same terms and conditions for public release lots in Catalina Beach as per the approved 'Purchaser Terms and Conditions'.

9.12 PROPOSED REPRICING OF LOTS (STAGES 12A, 14B AND 15D) - **CONFIDENTIAL**

CONFIDENTIAL

9.13 ANNUAL PLAN FYE 2018 - **CONFIDENTIAL**

CONFIDENTIAL

9.14 CATALINA HOUSING AND BUILT FORM STRATEGY FYE 2018 - **CONFIDENTIAL**

CONFIDENTIAL

9.15 REVIEW OF PROJECT FORECAST 2017 - **CONFIDENTIAL**

CONFIDENTIAL



9.16 APPOINTMENT OF EXTERNAL AUDITOR - **CONFIDENTIAL**

CONFIDENTIAL

9.17 CEO PERFORMANCE REVIEW 2016/2017 - **CONFIDENTIAL**

CONFIDENTIAL

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

# **APPENDICES**