



## **Ordinary Meeting of Council**

# **AGENDA**

**Thursday 20 February 2020, 6:00pm  
Town of Cambridge  
1 Bold Park Drive, Floreat**

Constituent Members: Cities of Perth, Joondalup, Stirling, Vincent and Wanneroo  
Towns of Cambridge and Victoria Park

**TABLE OF CONTENTS**

MEMBERSHIP .....	4
PRELIMINARIES.....	5
1. OFFICIAL OPENING.....	5
DISCLOSURE OF INTERESTS .....	5
2. PUBLIC STATEMENT/QUESTION TIME .....	5
3. APOLOGIES AND LEAVE OF ABSENCE.....	5
4. PETITIONS .....	5
5. CONFIRMATION OF MINUTES.....	5
5A BUSINESS ARISING FROM MINUTES .....	5
6. ANNOUNCEMENTS BY CHAIR (WITHOUT DISCUSSION).....	5
7. MATTERS FOR WHICH MEETING MAY BE CLOSED.....	5
8. COUNCIL REPORTS.....	5
8.1 BUSINESS REPORT – PERIOD ENDING 13 FEBRUARY 2020 .....	6
8.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF NOVEMBER & DECEMBER 2019.....	10
8.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF NOVEMBER & DECEMBER 2019.....	13
8.4 PROJECT FINANCIAL REPORT – DECEMBER 2019 .....	14
8.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 13 FEBRUARY 2020.....	16
8.6 SALES - MARKETING CAMPAIGN – APRIL TO JUNE 2020 .....	20
8.7 CATALINA BEACH PHASE 2 CONCEPT PLAN.....	23
8.8 DISABILITY ACCESS AND INCLUSION PLAN 2019.....	27
8.9 MANAGEMENT COMMITTEE – TERMS OF REFERENCE/DELEGATIONS .....	29
8.10 STRATEGIC COMMUNITY PLAN 2019 - 2029.....	32
8.11 CATALINA PROJECT BUDGET FYE 2021 DEVELOPMENT .....	35
9. COMMITTEE REPORTS – AUDIT COMMITTEE (6 FEBRUARY 2020).....	37
9.1 TPRC FYE 2020 BUDGET REVIEW .....	37
9.2 LOCAL GOVERNMENT COMPLIANCE AUDIT FOR YEAR ENDED 31 DECEMBER 2019.....	41
9.3 FINANCIAL MANAGEMENT REVIEW .....	44
9.4 CODE OF CONDUCT FOR COUNCIL MEMBERS AND STAFF .....	50
9.5 ASSET MANAGEMENT PLAN 2019.....	52
10 CONFIDENTIAL REPORTS.....	54
10.1 LANDSCAPE MAINTENANCE TENDER – CONFIDENTIAL .....	54
10.2 BUILT FORM PARTNERSHIP - CONFIDENTIAL .....	59
10.3 REVIEW OF DEVELOPMENT MANAGER’S KEY PERFORMANCE INDICATORS -	62
CONFIDENTIAL.....	62

10.4 DEVELOPMENT MANAGEMENT AGREEMENT – KEY PEOPLE – CONFIDENTIAL 66

10.5 CATALINA LOCAL JOB CREATION STRATEGY - CONFIDENTIAL.....68

10.6 MINDARIE REGIONAL COUNCIL LANDFILL BUFFER – GROUNDWATER  
MONITORING BRIEFING - CONFIDENTIAL .....71

10.7 CEO ANNUAL PERFORMANCE REVIEW FOR 2018/2019 - CONFIDENTIAL .....73

11. ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN .....75

12. QUESTIONS BY ELECTED MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN  
.....75

13. URGENT BUSINESS APPROVED BY THE CHAIR.....75

14. MATTERS BEHIND CLOSED DOORS .....75

15. GENERAL BUSINESS .....75

16. FORMAL CLOSURE OF MEETING .....75

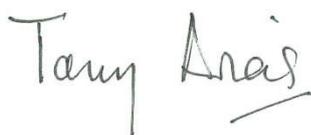
## TAMALA PARK REGIONAL COUNCIL

Councillors of the Tamala Park Regional Council are advised that the ordinary meeting of Council will be held in the Council Chambers at the Town of Cambridge, 1 Bold Park Drive, Floreat on Thursday 20 February 2020 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 Andres Timmermanis (DEPUTY CHAIR)	Cr Gary Mack
City of Joondalup	Cr John Chester Cr Phillipa Taylor	Cr Christopher May Cr Suzanne Thompson
City of Perth	Cmr Andrew Hammond	Cmr Gaye McMath
City of Stirling	Cr Karen Caddy (CHAIR) Cr David Lagan Cr Suzanne Migdale Cr Bianca Sandri	Cr Karlo Perkov
Town of Victoria Park	Cr Claire Anderson	
City of Vincent	Mayor Emma Cole	Cr Joanne Fotakis
City of Wanneroo	Cr Brett Treby Cr Domenic Zappa	Cr Natalie Sangalli Cr Vinh Nguyen

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

**PRELIMINARIES**

**1. OFFICIAL OPENING**

**DISCLOSURE OF INTERESTS**

**2. PUBLIC STATEMENT/QUESTION TIME**

**3. APOLOGIES AND LEAVE OF ABSENCE**

**4. PETITIONS**

**5. CONFIRMATION OF MINUTES**

Council Meeting – 5 December 2019

**5A BUSINESS ARISING FROM MINUTES**

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

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

**8. COUNCIL REPORTS**

## **8.1 BUSINESS REPORT – PERIOD ENDING 13 FEBRUARY 2020**

### **Report Information**

Reporting Officer: Manager Project Coordination

### **Recommendation**

**That the Council RECEIVES the Business Report to 13 February 2020.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

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

### **Relevant Documents**

Appendix: Landscape Schedule and Program FYE 2020

### **Background**

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

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

### **Comment**

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

The next stage of civil works to be undertaken is Stage 18C – Catalina Central, which is forecast in the FYE 2020 Annual Plan to commence in May 2020. This timeframe is dependent on the endorsement of a Development Agreement with the preferred builder partner. An update on progress with this Agreement is provided in Item 10.2.

#### **2. Landscape Works – Status**

A status report on landscape works proposed for FYE 2020 is attached at Appendix 8.1. The report outlines budget, detailed design, approval status and program information.

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

The following table provides an overview of the current progress of housing construction to December 2019:

Stage	Total Lots	Under Construction	Completed	Vacant
Stages 1 - 11	529	1	520	8
Stage 12	49	0	49	0
Stage 13	82	0	82	0
Stage 14	73	0	72	1
Stage 15	55	0	53	2
Stage 17A	25	0	22	3
Stage 17B (Release 1)	18	3	4	11
Stage 18A	29	0	28	1
Stage 18B	31	1	22	8
Stage 25 (Display Village)	15	0	15	0
Stage 25	25	8	5	12
Stage 25B	7	1	6	0
Stage 25 (Builders Release)	7	6	0	1
Total	945	20	878	47

**4. Catalina Beach Builders Display Village 3 and Sales Office**

The Catalina Beach Builders’ Display Village continues to experience good pedestrian traffic, showcasing modern and contemporary, energy efficient seven-star rated homes. Fifteen display homes make up the Display Village and all are completed.

It has recently been noted that Oswald Builders has closed its display home without discussion with Satterley and has sold the home to a private owner, who is using the home as their primary residence.

Satterley expressed concern to Oswald Builders about the closure. It also has investigated whether any legal action could be taken under the sales contract, but does not consider that there is any avenue to do so, however, the matter is being further investigated.

**5. Community Events**

The TPRC has supported a trial of the Street Food Circus Series at Catalina Beach park which has involved various food trucks assembling at the Land Sales Office car park every Saturday evenings between 5:00pm and 8:30pm. The first event was held on 12 October 2019 and has been held weekly since. There has been positive feedback and ongoing support from the community with approximately 4,600 visitors attending over the past 14 weeks. The event Facebook page has had a reach of 86,202 people. The TPRC has supported the continuation of the event until the end of March 2020.

A Resident Welcome Event is scheduled to occur in March 2020. Plans for the format of the event are currently in preparation, but are likely to involve the hosting of a gathering at the Catalina Beach Sales Office with some hospitality and the opportunity for interaction among guests. Participation will be exclusively offered to recent purchasers at Catalina.

## **6. Local Structure Plan Amendment - Catalina Grove**

The Western Australian Planning Commission (WAPC) has confirmed receipt of the Structure Plan amendment and recommendation from the City of Wanneroo.

The statutory timeframe within which a decision by the WAPC is required to be made (30 January 2020) has passed. Satterley is liaising with the Department of Planning, Lands and Heritage to encourage the timely assessment of the proposal and approval.

## **7. Catalina Beach Access Road / Carpark**

The Foreshore Management Plan (FMP) for the Catalina Beach Access Road/Carpark was endorsed by the City of Wanneroo on 9 April 2019.

Applications for Planning Approval and a Clearing Permit for the Access Road/Carpark were submitted in December 2019 and January 2020 respectively. It is anticipated that these approvals will be obtained by April 2020 to enable construction to commence.

## **8. Catalina Local Centre Site**

In August 2018 the TPRC sold Lot 646 (Local Centre site – Central Precinct) to OTB Developments. The owner has lodged a development application with the City of Wanneroo for a child care centre, café, retail tenancies, office space and residential uses on the site.

The City of Wanneroo's Design Review Panel considered the application and provided a series of comments, to which the proponent has responded with the submission of a revised set of development plans. Changes made to the plans included:

- Updated treatment to the eastern façade;
- Additional mature trees and landscaping in the green-link corridor;
- Additional trees in the carpark;
- Entry statement to the childcare centre;
- Updated signage and wayfinding internally;
- Internal apartment floorplan revisions;
- Changes to setbacks on the southern boundary for the childcare centre.

The Metro North West Joint Development Assessment Panel considered the application at its meeting on 6 February 2020 and resolved to refuse the proposal for the following reasons:

- Deficiency in car parking provision;
- Failure to adequately address the recommendations of the Design Review Panel;
- Inadequate setbacks to Roulettes Parade and adjoining residential development;
- The proposed nett lettable areas exceed the 400m<sup>2</sup> approved in the Local Structure Plan;
- Lack of opportunities for the planting of trees with canopy cover;
- The impact of the proposed bin store adjacent to Roulettes Parade.

Satterley will monitor OTB Developments' response to the refusal of the application and provide further advice.

## **9. Burns Beach - Mindarie Dual Use Path**

At its meeting in June 2019, the Council resolved to make a contribution of up to \$730,000 to the Cities of Joondalup and Wanneroo towards the construction of the planned Burns Beach-Mindarie Dual Use Path (DUP).

The section of DUP to be built through the coastal conservation reserve to the south of Catalina was completed by the Cities in December 2019.

The timing for completion of the DUP along the western border of Catalina is dependent on the Cities obtaining a clearing permit and awarding a contract for construction.

It is anticipated that the clearing permit should be approved and the construction specification finalised by the end of February 2020, with quotations to be sought during March 2020 and construction to commence in April 2020.

The timing for completion of the southern portion of the DUP at Peet's Burns Beach Estate is still to be determined. Peet is currently seeking to resolve the DUP alignment with the State Government.

## 8.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF NOVEMBER & DECEMBER 2019

### Report Information

Reporting Officer: Chief Executive Officer

### Recommendation

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

- 30 November 2019; and
- 31 December 2019.

### Voting Requirements

Simple Majority

### Report Purpose

Submission of the Statement(s) of Financial Activity required under the *Local Government Act 1995*.

### Relevant Documents

Appendices:

- Statement of Financial Activity for 30 November 2019
- Statement of Financial Activity for 31 December 2019

### 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 December 2019 exceeding 10% were experienced in relation to the following:**

<b>Interest Earnings</b>	The unfavourable variation is a result of lower interest rates.
<b>Other Revenue</b>	The unfavourable variation relates to timing of revenue.
<b>Employee Costs</b>	The favourable variation relates to timing of payments.
<b>Insurance</b>	The unfavourable variation relates to an accounting error, which has been corrected.
<b>Materials and Contracts</b>	The favourable variation relates to consultancy fees and timing of payments.
<b>Other</b>	The favourable variation relates to timing of payments.
<b>Utilities</b>	The favourable variation relates to timing of payments.
<b>Income Sale of Lots - Subdivision</b>	The unfavourable variance relates to delays in settlements, due to finance extensions/sales cancellations.
<b>Land Production Costs</b>	The favourable variance relates to timing of payments, deferral of works and deferral of the part payment for the WAPC land.
<b>Profit Distribution / Contributions Returned</b>	The unfavourable variation relates to timing of payments.

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

**Financial Snapshot as at 31 December 2019**

**TAMALA PARK REGIONAL COUNCIL  
FINANCIAL SNAPSHOT  
FOR THE PERIOD ENDING 31 DECEMBER 2019**

	2019-20 Adopted Budget	2019-20 Budget YTD	2019-20 Actual YTD	Variance		Variance %
				Favourable	Unfavourable	
	\$	\$	\$	\$	\$	
<b>REVENUE</b>						
Interest Earnings	966,153	579,691	415,535		(164,156)	-28.32%
Other Revenue	2,050	2,000	0		(2,000)	-100.00%
	<b>\$968,203</b>	<b>\$581,691</b>	<b>\$415,535</b>	<b>\$0</b>	<b>(\$166,156)</b>	
<b>LESS EXPENDITURE</b>						
Depreciation	(25,578)	(12,790)	(12,786)	4		0.03%
Employee Costs	(742,371)	(375,299)	(300,610)	74,689		19.90%
Insurance	(21,090)	(21,089)	(22,168)		(1,079)	-5.12%
Materials and Contracts	(312,762)	(156,497)	(70,398)	86,099		55.02%
Other	(191,256)	(95,527)	(81,251)	14,276		14.94%
Utilities	(6,611)	(3,305)	0	3,305		100.00%
Profit/(loss) on Disposal of Asset Members Equity						
-Income Sale of Lots - Subdivisions	9,073,874	5,167,391	4,017,026		(1,150,365)	-22.26%
-Land Production Costs	(16,343,068)	(11,564,927)	(1,722,264)	9,842,663		85.11%
-Profit distribution/Contributions Returned	(3,154,491)	0	(185,278)		(185,278)	-100.00%
	<b>(\$11,723,353)</b>	<b>(\$7,062,043)</b>	<b>\$1,622,271</b>	<b>\$10,021,036</b>	<b>(\$1,336,722)</b>	
<b>Total Change in Equity</b>	<b>(\$10,755,150)</b>	<b>(\$6,480,352)</b>	<b>\$2,037,806</b>	<b>\$10,021,036</b>	<b>(\$1,502,878)</b>	

**Balance Sheet Summary as at 31 December 2019**

	Actual 2018-19 \$	Actual 2019-20 \$	Variance \$	Variance %
<b>Current assets</b>				
Cash and cash equivalents	43,975,870	45,943,605	1,967,735	4.47%
Trade and other receivables	340,001	163,954	(176,046)	-51.78%
<b>Total current assets</b>	<b>44,315,871</b>	<b>46,107,560</b>	<b>1,791,689</b>	<b>4.0%</b>
<b>Non-current assets</b>				
Inventories	1,600,000	1,600,000	0	0.00%
Property, plant and equipment	123,283	110,497	(12,786)	-10.37%
<b>Total non-current assets</b>	<b>1,723,283</b>	<b>1,710,497</b>	<b>(12,786)</b>	<b>-0.74%</b>
<b>Total assets</b>	<b>46,039,154</b>	<b>47,818,057</b>	<b>1,778,903</b>	<b>3.86%</b>
<b>Current liabilities</b>				
Trade and other payables	64,771	92,728	(27,957)	-43.16%
Provisions	256,570	256,570	0	0.00%
<b>Total current liabilities</b>	<b>321,341</b>	<b>349,298</b>	<b>(27,957)</b>	<b>-8.7%</b>
<b>Non-current liabilities</b>				
Provisions	5,719	5,719	0	0.00%
<b>Total non-current liabilities</b>	<b>5,719</b>	<b>5,719</b>	<b>0</b>	<b>0.00%</b>
<b>Total liabilities</b>	<b>327,060</b>	<b>355,017</b>	<b>(27,957)</b>	<b>-8.55%</b>
<b>Net assets</b>	<b>45,712,094</b>	<b>47,463,040</b>	<b>1,750,946</b>	<b>3.83%</b>

**Term Deposits as at 31 December 2019**

ID	Bank	Rating	Invest. Date	Maturity	Term	Interest	Principal
580	AMP	A2	23/09/2019	23/03/2020	182	1.75%	2,000,000.00
581	Westpac	A1-	03/10/2019	03/02/2020	123	1.63%	4,020,466.85
582	NAB	A1+	08/10/2019	13/01/2020	97	1.60%	3,000,000.00
583	NAB	A1+	09/10/2019	28/01/2020	111	1.60%	2,000,000.00
584	NAB	A1+	09/10/2019	10/02/2020	124	1.60%	3,000,000.00
585	Westpac	A1+	06/11/2019	06/02/2020	92	1.64%	3,061,159.87
586	AMP	A2	11/11/2019	11/05/2020	182	1.80%	3,000,000.00
587	AMP	A2	12/11/2019	12/05/2020	181	1.80%	2,000,000.00
588	AMP	A2	13/11/2019	13/05/2020	92	1.65%	3,000,000.00
589	Westpac	A1+	18/11/2019	18/03/2020	121	1.59%	2,040,537.42
590	Macquarie	A1	19/11/2019	19/03/2020	121	1.60%	3,000,000.00
591	Westpac	A1+	18/11/2019	18/03/2020	121	1.59%	2,040,537.42
592	Macquarie	A1	26/11/2019	25/03/2020	90	1.60%	3,000,000.00
593	NAB	A1+	10/12/2019	09/03/2020	90	1.60%	2,051,438.36
594	NAB	A1+	10/12/2019	09/03/2020	90	1.60%	3,077,157.52
595	NAB	A1+	18/12/2019	17/03/2020	90	1.60%	3,000,000.00
<b>Total Invested Funds</b>							<b>43,291,297.44</b>
Total AMP						23.10%	10,000,000.00
Total Macquarie						13.86%	6,000,000.00
Total NAB						37.26%	16,128,595.88
Total Westpac						25.79%	11,162,701.56
<b>Total 2019_12_31</b>							<b>43,291,297.44</b>

### **8.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF NOVEMBER & DECEMBER 2019**

#### **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 November and December 2019:**

- **Month ending 30 November 2019 (Total \$397,207.73)**
- **Month ending 31 December 2019 (Total \$437,385.98)**
- **Total Paid - \$834,593.71**

#### **Voting Requirements**

Simple Majority

#### **Report Purpose**

Submission of payments made under the CEO's Delegated Authority for the months ending 30 November 2019 and 31 December 2019.

#### **Relevant Documents**

Appendices:

- Summary Payment List for November 2019
- Summary Payment List for December 2019

#### **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 the Regulations that the 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.

## **8.4 PROJECT FINANCIAL REPORT – DECEMBER 2019**

### **Report Information**

Reporting Officer: Chief Executive Officer

### **Recommendation**

**That the Council RECEIVES the Project Financial Report (December 2019) submitted by the Satterley Property Group.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To consider the Project Financial Report for December 2019 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 December 2019.

### **Relevant Documents**

Appendix: Letter from Satterley Property Group dated 29 January 2020 with Financial Report

### **Background**

At its meeting of 20 June 2019, the Council approved the Project Budget FYE 2020, submitted by the Satterley Property Group, as the basis of financial planning for the TPRC Budget FYE 2020.

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

## Comment

The Satterley Property Group has prepared a Financial Report for December 2019 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 December 2019 and is attached at Appendix 8.4.

The Financial Report identifies the following main areas of variance:

1. Settlement revenue was \$3.62M which is \$1.07M behind budget with three less residential settlements for the year to date.
2. Expenditure was \$8.9M under budget, in the following areas:
  - Lot Production \$0.93M;
  - Landscape \$1.46M;
  - Infrastructure \$1.18M;
  - P&L expenditure \$1.20M.
  - Land Acquisition - \$5.10M deferral of the WAPC land acquisition initial payment from December 2019 to June 2020.

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

3. Lot Sales Value was \$4.42M which is \$0.44M favourable to budget due to two more lot sales year to date, partially offset by a lower average selling price per lot due to lot mix.

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

## **8.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 13 FEBRUARY 2020**

### **Report Information**

Reporting Officer: Manager Project Coordination

### **Recommendation**

**That the Council RECEIVES the Sales and Settlement Report to 13 February 2020.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To consider a report on 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:	\$ 9,073,874
Received to Date:	\$ 4,727,675
Balance:	\$ 4,346,199

### **Relevant Documents**

Appendices:

- Staging Plan
- Satterley Market Overview (January 2020)
- Satterley Marketing Report (January 2020)

### **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 8.5 identifies the extent of the stage boundaries referenced within the report.

The following table provides a summary of the Sales and Settlement position for lots released up to 13 February 2020:

**Table 1: Summary of Sales and Settlement of Lots – Catalina Estate (to 13 February 2020)**

Stage/ Release Date	Release Date	Lots Released	Lot Sizes (m <sup>2</sup> )	Sold	Stock	Settled
Stages 1 – 13, 14A, 15,18A	-	807	174 - 658	807	0	807
Stage 14B	Jul-16	10	262 - 329	10	0	10
Stage 17A	Oct-16	25	300 - 510	23	2	23
Stage 17B (Release 1)	Nov-17	18	300 - 450	16	2	13
Stage 17B (Release 2)	Sep-19	8	245 - 450	4	4	0
Stage 18B	Mar-17	31	200 - 474	25	6	24
Stage 25 (Release 1)	May-17	21	300 - 450	19	2	19
Stage 25 (Display Village)	May-17	15	375 - 497	15	0	15
Stage 25 (Release 2)	Oct-17	7	233 - 299	7	0	7
Stage 25 (Release 3)	Apr-18	6	254 - 255	6	0	6
Stage 25 (Release 4)	Sep-18	5	277 - 450	5	0	2
Stage 26 (Release 1)	Apr-19	8	300 - 486	6	2	3
Stage 26 (Release 2)	Dec-19	8	367 - 481	2	6	0
<b>Total</b>		<b>969</b>	<b>174 - 658</b>	<b>945</b>	<b>24</b>	<b>929</b>

**Table 2: Summary of Net Sales for FYE 2020 against Budget – Catalina Estate**

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD
<b>Budget</b>	2	2	2	2	2	2	2	3	2	3	5	4	31
<b>Actual</b>	3	2	3	3	2	1	1	2					17*
<b>Variance</b>	1	0	1	1	0	-1	-1	-1					

\* Note: Includes three contracts that are currently being held pending advertising and acceptance by the TPRC.

31 sales are forecast for FYE 2020, with 17 sales achieved to date. The Project has a stock position of 24 lots, 10 in Catalina Beach and 14 in Catalina Central.

### Sales Marketing Incentives

At its meeting on 5 December 2019, the Council approved the extension of the sales and marketing campaign involving the offer of a \$10,000 rebate to purchasers who install solar panels with a battery storage system until 31 March 2020. The Council also approved a \$2,000 builder referral fee.

The Satterley Property Group has prepared a report that details current marketing initiatives, including outcomes of the current campaign. It has also provided an overview of the state of the Perth market and commentary on pricing of lots in local competing estates. These reports are included in Appendix 8.5.

A report on a proposed 'End of Financial Year' campaign is provided in Item 8.6 of this Agenda.

## Northern Corridor Estates Analysis

Table 3 provides a summary of sales at projects in the northern corridor.

**Table 3: Summary of Sales in Northern Corridor (January 2019 to December 2019)**

ESTATE	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	12 Month Total Sales
<b>NORTH-WEST METRO</b>													
Alkimos Beach (Alkimos)	-4	-10	2	5	8	4	1	7	6	2	7	2	30
Alkimos Vista (Alkimos)	3	3	1	0	3	1	3	1	2	1	1	3	22
Allara (Eglinton)	3	2	-6	8	9	4	7	5	2	3	1	-3	35
Amberton (Eglinton)	3	2	15	-4	4	4	1	7	7	13	0	5	57
Beaumaris (Iluka)	0	1	3	1	0	-1	1	0	1	1	0	0	7
Burns Beach (Burns Beach)	0	2	3	1	8	0	1	1	2	1	1	0	20
<b>Catalina (Clarkson-Mindarie)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>7</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>30</b>
East of the Beach (Eglinton)	-1	2	3	2	2	4	1	6	2	4	-1	1	25
Eden Beach (Jindalee)	6	9	3	9	5	12	1	9	9	10	8	3	84
Kinross (Kinross)	4	2	2	0	2	1	1	1	1	0	1	1	16
Shorehaven (Alkimos)	3	3	4	8	3	5	3	2	4	4	2	2	43
Trinity (Alkimos)	7	3	-1	7	9	4	6	6	3	5	18	8	75
<b>TOTAL</b>	<b>25</b>	<b>20</b>	<b>30</b>	<b>41</b>	<b>60</b>	<b>40</b>	<b>29</b>	<b>47</b>	<b>42</b>	<b>47</b>	<b>40</b>	<b>23</b>	<b>444</b>
<b>CATALINA SHARE (%)</b>	<b>4.00 %</b>	<b>5.00 %</b>	<b>3.33 %</b>	<b>9.76 %</b>	<b>11.6 %</b>	<b>5.00 %</b>	<b>10.3 %</b>	<b>4.26 %</b>	<b>7.14 %</b>	<b>6.38 %</b>	<b>5.00 %</b>	<b>4.35 %</b>	<b>6.76%</b>

Note 1: Satterley reporting is based on 'mid-month' sales period.

Note 2: Satterley has expressed caution that these sales results are indicative only based on information obtained in the marketplace and supplied on a voluntary basis.

Table 4 provides a summary of available stock in the northern corridor. Catalina Central is higher in price to competing estates for 450m<sup>2</sup> lots and also for 375m<sup>2</sup> lots apart from Kinross, where it has cheaper 375m<sup>2</sup> lots.

**Table 4: Summary of Price of Available Lots in Northern Corridor Estates**

Estate	225sqm Price (\$)	300sqm Price (\$)	375sqm Price (\$)	450sqm Price (\$)	500sqm + Price (\$)	Total Dwellings	Stock
Allara	133,000	155,000	179,000-190,000	216,000	n/a	3,405	24
Alkimos Beach	150,000	230,000	225,000-262,000	285,000-305,000	n/a	2,413	36
Amberton	N/A	190,000	211,000-228,000	264,000-283,000	289,000-325,000	2,500	22
Burns Beach	N/A	N/A	N/A	N/A	460,000 – 755,000	1,580	11
Catalina Central	N/A	N/A	279,000	335,000	N/A	2,480	14
Catalina Beach	N/A	310,000	358,000-378,000	402,000	N/A		10
Eden Beach	172,000	240,000	265,000	N/A	305,000-350,000	1,100	31
Kinross	N/A	N/A	295,000	332,500	347,500-355,000	67	13

Shorehaven	169,000-280,000	205,000	249,000	285,000	N/A	2,800	25
Trinity	138,000	185,000	182,000 - 215,000	248,000	269,000	2,500	38

**Lot Releases**

Eight lots in Stage 26 (Catalina Beach) were released in December 2019, in accordance with the Lot Sales and Release Strategy FYE 2020 (May 2019). The lots range in area from 367m<sup>2</sup> to 481m<sup>2</sup> and two lots have sold.

The Lot Sales and Release Strategy identifies the release of an additional eight lots in Stage 26 in January 2020. There are 10 lots currently available for sale in Catalina Beach. Satterley is deferring its recommendation to release these lots until further sales have been achieved in this Precinct. This is anticipated to occur in the coming months.

**Sales Contracts – CEO Delegation**

Satterley has not provided any request for variation of lot pricing in Sales Contracts during December 2019 - January 2020 in accordance with Council’s delegation of 18 April 2019.

**8.6 SALES - MARKETING CAMPAIGN – APRIL TO JUNE 2020**

**Report Information**

Reporting Officer: Chief Executive Officer

**Recommendation**

**That the Council:**

- 1. RECEIVES the Satterley Property Group correspondence (dated 28 January 2020) regarding a Sales and Marketing Campaign at Catalina Estate for April to June 2020;**
- 2. APPROVES participation in a Sales and Marketing Campaign at Catalina Estate, as detailed in the Satterley Property Group correspondence (dated 28 January 2020), commencing 1 April 2020 to 30 June 2020, for a discount of \$10,000 to apply at settlement for all currently released lots in Catalina;**
- 3. APPROVES the use of a \$2,000 referral fee to the Builder’s Sales Representative for providing a qualified sales lead that results in the settlement of a lot at Catalina and that this fee be paid directly by the TPRC for the period 1 April 2020 to 30 June 2020.**

**Voting Requirements**

Simple Majority

**Report Purpose**

To consider the Satterley Property Group (Satterley) recommendation for a Sales and Marketing Campaign involving a \$10,000 discount on all currently released lots.

**Policy Reference**

N/A

**Previous Minutes**

N/A

**Financial/Budget Implications**

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

Budget Amount:	\$ 9,073,874
Received to Date:	\$ 4,727,675
Balance:	\$ 4,346,199

**Relevant Documents**

Appendix: Correspondence from Satterley dated 28 January 2020

## Background

Throughout FYE 2019 and 2020, the Council has supported marketing campaigns to promote the sale of lots at Catalina Estate. Details of campaigns approved during this period are summarised in the following table:

Campaign	Council Approval	Offer	Duration	Applicable Lots
Spring	16/8/2018	\$10,000 discount on all lots. \$20,000 discount on selected house and land packages.	5/9/2018 – 30/11/2018	All released lots and selected house and land packages.
Summer	6/12/2018	As for the Spring campaign.	7/12/2018-22/4/2019	All released lots (except Stage 26 – Beach)
End of Financial Year	18/4/2019	\$10,000 discount to apply at settlement.	22/4/2019 – 30/6/2019	All released lots (except Stage 26 – Beach)
Best Lots for Less	20/6/2019	\$9,000 discount to apply at settlement.	12/7/2019 – 30/9/2019	All released lots (except Stage 26 – Beach)
Solar Saver	17/10/2019	Rebate up to \$10,000 for installation of an eligible solar panels/battery system (or \$8,000 cash rebate at settlement)	18/10/2019 – 31/1/2020	All released lots.
Solar Saver (extended)	5/12/2019	As for initial Solar Saver campaign.	1/2/2020 – 31/3/2020	All released lots.

The Council also approved the use of a \$2,000 referral fee to Builder's Sales Representatives for providing a qualified sales lead that results in the settlement of a lot at Catalina.

The 'Solar Saver' campaign approved by the Council on 5 December 2019 is due to conclude on 31 March 2020 and Satterley has proposed a new campaign for the final quarter of FYE 2020.

## Comment

Satterley considers that current market conditions and the highly competitive land sales market in Perth's northern coastal corridor warrant instituting a new sales campaign to run from 1 April to 30 June 2020.

The proposed campaign involves the offer of a \$10,000 rebate at settlement on all currently released lots, marketed as an '*End of Financial Year*' promotion. Satterley has also recommended that the \$2,000 builder's referral be extended for the same period.

Satterley has indicated that the campaign will require marketing support in the form of digital advertising, updates to signage and the Catalina website, electronic mail and printed material for the Sales Office. A budget of \$19,377 (excluding GST) for marketing has been identified, for which the Annual Budget FYE 2020 makes provision.

Satterley's Marketing Report, which is included in Appendix 8.5, details the number of sales leads generated during the current 'Solar Saver' campaign, in addition to those generated through previous campaigns. In its first 60 days of operation, 129 leads were generated during the Solar Saver campaign. This compares to a similar rate of lead-generation achieved in previous campaigns. Satterley advise that leads decrease when there is no active campaign, but increase significantly after a new campaign commences, which supports maintaining digital marketing on an ongoing basis.

The Project's market share and lot sales have not increased as a result of the campaigns, however the incentives offered are likely to have helped support the sales that have been achieved.

Satterley propose that the new campaign would be subject to the following KPIs:

- KPI #1: number of leads – 90 leads
- KPI #2: cost per lead – under \$140 per lead

Satterley advises that these KPIs are consistent with the previous campaigns and those that apply to comparable estates that it develops and markets.

It is noted that a number of competing estates offer campaign incentives and as a result it is considered necessary that Catalina maintain a competitive incentive offer. It is recommended that the Council approves the recommended campaign.

## 8.7 CATALINA BEACH PHASE 2 CONCEPT PLAN

### Report Information

Reporting Officer: Manager Project Coordination

### Recommendation

#### That the Council

1. **APPROVES** the use of the Workshop Outcomes (Appendix 8.7, dated 1 February 2020) to guide the planning and delivery of a revised Concept Plan for Catalina Beach Phase 2.
2. **ADVISES** the Satterley Property Group that the revised Concept Plan for Catalina Beach Phase 2, incorporating the Workshop Outcomes, is required to be resubmitted to Council for approval. This is to include a detailed economic assessment, particularly in respect to development costs, market analysis of the proposed lot sizes and configurations and selling costs (including purchaser incentives/rebates).

### Voting Requirements

Simple Majority

### Report Purpose

To consider outcomes from the Catalina Beach Workshop on the Catalina Beach Phase 2 area.

### Relevant Documents

Appendices:

- Catalina Beach Phase 2 Workshop Outcomes
- Catalina Beach Phase 2 Concept Plan & Report (November 2019)

### Local Government Act/Regulation

N/A

### Financial/Budget Implications

Expenditure will be incurred under the following item:

Item E145208 (Consultants):

Budget Amount:	\$ 575,247
Spent to Date:	\$ 89,233
Balance:	\$ 486,014

Note: Cost and revenue accounted for in Catalina Project Forecast.

## Background

The Catalina Estate is subject to the Tamala Park Local Structure Plan (LSP), which was approved by the Western Australian Planning Commission on 13 April 2011. The LSP guides development of the Project Area, including Catalina Beach.

Catalina Beach Precinct, by virtue of its proximity to the beachfront, location in Mindarie and proximity to Mindarie Marina facilities, provides the Estate's premium development product.

The first stages of subdivision in Catalina Beach (Stages 25 and 26) comprising 97 lots have been completed, including the development of the new Home Builders Display Village, Sales Office and Catalina Beach Park adjacent to the main entry road (Portofino Promenade) from Marmion Avenue.

A review of planning for the future development area to the west of Stages 25 and 26 (Catalina Beach Phase 2) has been undertaken given the time that has passed and changes that have occurred in market demand since the initial approval of the LSP.

In November 2019 Satterley prepared a report and recommendation in support of the Concept Plan. At its meeting of 5 December 2019, the Council considered the Catalina Beach Phase 2 Concept Plan (November 2019) and resolved to:

1. *DEFER consideration of the Catalina Beach Phase 2 Concept Plan (November 2019) to the Council Meeting of 20 February 2020 and the matter be further considered as part of a Catalina Project inspection and workshop planned in early February 2020.*
2. *SUPPORT the alignment of the proposed extension of Portofino Promenade and its connection with the planned foreshore access road as shown in the Catalina Beach Phase 2 Concept Plan (November 2019).*
3. *REQUEST that the Satterley Property Group undertake a comprehensive feasibility assessment following further input by the Project and other specialist consultants, including:*
  - (i) *Market analysis of the proposed lot sizes and configuration, particularly those within the higher density coded areas;*
  - (ii) *Review of development costs.*

## Comment

The Catalina Beach Workshop was held on Saturday 1 February 2020 at Mindarie Marina, attended by Councillors, TPRC officers, Satterley representatives and Catalina Project Team urban designers.

The aim of the Catalina Beach Workshop was for Councillors to gain an appreciation of the Catalina Beach Precinct and to utilise the workshop to determine the vision and design concepts, including key design principles, medium density concepts/designs, landscape approach and potential financial outcomes for Catalina Beach Phase 2.

The Workshop included discussion of issues associated with the following:

- Current concepts for Catalina Beach;
- Vision and objectives for Catalina Beach Phase 2;
- Key design principles;

- Mixed Use Apartments/High Density Development - market considerations;
- Landscape approach and philosophy;
- Financial outcomes and comparisons.

The following Discussion Points/Outcomes were agreed at the Workshop by Councillors to help the formulation of a revised Catalina Beach Concept Plan and development at Catalina Beach (Appendix 8.7):

### **Catalina Beach Workshop Outcomes**

#### **Density & Diversity**

- *No appetite for micro lots/apartments;*
- *R30-R60 density throughout precinct, deal with lot types/configuration/controls at subdivision stage.*

#### **Landscape Areas**

- *Design for wider landscape areas along dual use path and corridors to improve amenity and facilitate tree planting;*
- *Design to accommodate opportunities for pop-ups.*

#### **Road Network**

- *Endorsement of road network as proposed in Concept Plan.*

#### **Commercial Area**

- *Support for smaller local café facility to support cyclists/path users/locals;*
- *Provide flexibility in Structure Plan for potential change to residential use;*
- *Incorporate public toilets into design of local café facility;*
- *Café to be integrated into park, with associated play equipment;*
- *Design to support pop-ups;*
- *Ensure sufficient car parking area and design to support commercial node;*
- *Area adjacent to local café facility appropriate for terrace housing product.*

#### **Housing Adjoining Portofino Boulevard**

- *Support rear-loaded double storey housing on lots along Portofino Boulevard;*
- *Boulevard designed to accommodate tree verge planting and encourage pedestrian/resident street interaction (being mindful of levels and disability access);*
- *Mandate/incentivise double storey housing in the area to the rear of Portofino Boulevard.*

#### **Beach Access Path**

- *Provide safe cycle access and bike storage/security facilities;*
- *Concern about potential lack of parking at beach but recognise constraints. Provide areas for increased parking in the future.*

It is proposed that the Workshop Outcomes be used to guide the planning and delivery of a revised Concept Plan for Catalina Beach Phase 2.

### **Conclusion**

It is recommended that Council approve the use of the Workshop Outcomes to guide the planning and delivery of a revised Concept Plan for Catalina Beach Phase 2.

As reported to Council in December 2019, the financial analysis provided by Satterley was not a detailed economic or feasibility assessment. A more thorough assessment should be undertaken, particularly in respect to development costs, market analysis of the proposed lot sizes and configurations and selling costs (including purchaser incentives/rebates) to support the revised Concept Plan for Catalina Beach Phase 2.

It is further recommended that Satterley be advised that the revised Concept Plan for Catalina Beach Phase 2, incorporating the Workshop Outcomes, is required to be resubmitted to Council for approval, including a detailed economic assessment.

## 8.8 DISABILITY ACCESS AND INCLUSION PLAN 2019

### Report Information

Reporting Officer: Chief Executive Officer

### Recommendation

**That the Council APPROVES the Disability Access and Inclusion Plan 2019 – 2024 and that it be forwarded to the Department of Communities for endorsement.**

### Voting Requirements

Simple Majority

### Report Purpose

To consider the TPRC Disability Access and Inclusion Plan 2019 - 2024

### Relevant Documents

Appendices:

- Disability Access and Inclusion Plan 2019 – 2024
- DAIP Implementation Plan

### Policy Reference

N/A

### Local Government Act/Regulation

*Disability Services Act 1993 (amended 2004) Part 5, Schedule 1*

### Previous Minutes

N/A

### Financial/Budget Implications

The requirements are to be accommodated within existing Community Development, Lot Production and Landscape budgets.

### Background

The *Disability Services Act 1993* (amended 2004) Part 5, Schedule 1 requires that all local government or regional local government councils have a current Disability Access and Inclusion Plan.

The Department of Communities has responsibility for managing the requirement for the preparation of Disability Access and Inclusion Plans under the *Disability Services Act 1993*.

The Disability Access and Inclusion Plan 2019 - 2024 (DAIP) was advertised for public comment as required by the Department of Communities from 10 October 2019 to 8 November

2019, which included a notice of consultation on the TPRC website and in the West Australian newspaper. No comments were received during the public review period.

### **Comment**

The DAIP attached at Appendix 8.8 has been prepared in accordance with the Department of Communities guidelines for Disability Access and Inclusion Plans.

The Department of Communities has also been consulted in the preparation and advertising of the TPRC DAIP 2019. It has indicated compliance with the Department of Communities guidelines for Disability Access and Inclusion Plans.

The DAIP has been prepared based on the principle of delivering facilities, services and events that are open, available and accessible to the whole community, regardless of physical or intellectual ability, ethnicity, gender, age or any other perceived difference.

The DAIP commits to the following outcomes as required by the Department of Communities guidelines for Disability Access and Inclusion Plans;

- 1. People with disability have the same opportunities as other people to access the services of, and any events organised by, the TPRC.*
- 2. People with disability have the same opportunities as other people to access the buildings and other facilities of the TPRC.*
- 3. People with disability receive information from the TPRC in a format that will enable them to access the information as readily as other people are able to access it.*
- 4. People with disability receive the same level and quality of service from the staff and contractors of the TPRC as other people receive from the TPRC.*
- 5. People with disability have the same opportunities as other people to make complaints to the TPRC.*
- 6. People with disability have the same opportunities as other people to participate in any public consultations by the TPRC.*
- 7. People with disability have the same opportunities as other people to obtain and maintain employment with the TPRC.*

The DAIP includes strategies designed to achieve the seven outcomes listed above.

The Council will need to continue to monitor, review and report on the progress of the DAIP. Any potential costs can be accommodated within the FYE 2020 Budget.

It is recommended that Council approve the TPRC Disability Access and Inclusion Plan 2019 - 2024 and it be forwarded to the Department of Communities for endorsement.

## 8.9 MANAGEMENT COMMITTEE – TERMS OF REFERENCE/DELEGATIONS

### Report Information

Reporting Officer: Chief Executive Officer

### Recommendation

**That the Council APPROVES the Terms of Reference and Delegations to the Management Committee (February 2020).**

### Voting Requirements

Absolute Majority

### Report Purpose

To review the Delegations to the Management Committee.

### Relevant Documents

Appendix: Management Committee – Terms of Reference/Delegations (February 2020)

### Policy Reference

N/A

### Local Government Act/Regulation

*Local Government Act 1995: Sect 5.16 and 5.17 – Delegation to Committee.*

### Previous Minutes

- Council Meeting - 6 December 2018 (Item 9.7 - Management Committee - Terms of Reference/Delegations)
- Council Meeting - 7 December 2017 (Item 9.7 - Management Committee - Terms of Reference/Delegations)

### Financial/Budget Implications

N/A

### Background

At its meeting of 19 August 2010, the Council approved the establishment of a Management Committee and the Terms of Reference and Delegations.

At its meeting of 6 December 2018, the Council considered and approved the Management Committee's Terms of Reference and Delegations (November 2018).

At its meeting of 5 December 2019, the Council considered the Management Committee's Terms of Reference and Delegations (November 2019) and resolved:

1. *NOTES the annual review of the Terms of Reference and Delegations to the Management Committee.*

2. *REQUESTS a redrafting of the Terms of Reference and Delegations for consideration at the February Council meeting to clarify the following:*
  - (a) *Objectives, roles and responsibilities of the Management Committee;*
  - (b) *Membership, appointment of Chair and quorum;*
  - (c) *List of delegations and any conditions;*
  - (d) *Regular reporting of Management Committee Minutes to Council, including a list of any items dealt with under delegated authority.*

### **Comment**

The Management Committee Terms of Reference and Delegations have been reviewed and redrafted in a format consistent with other Council Committees' Terms of Reference and to address the matters requested by the Council in December 2019 relating to the following:

- (a) Objectives, roles and responsibilities of the Management Committee;
- (b) Membership, appointment of Chair and quorum;
- (c) List of delegations and any conditions;
- (d) Regular reporting of Management Committee Minutes to the Council, including a list of any items dealt with under delegated authority.

The Management Committee Terms of Reference and Delegations (February 2020) reflect that in order for the Catalina Project to run in a timely manner and compete with surrounding residential estates the Management Committee should have authority to manage and have delegated authority to make decisions. The Management Committee Terms of Reference and Delegations will assist Council with the management of the Catalina Project to achieve budget and program requirements.

The Terms of Reference and Delegations proposed are consistent with those previously approved by the Council in December 2017 and 2018. The delegations proposed now include conditions to guide the Management Committee when exercising delegation powers.

1. Recommending to the Council the Project Annual Plan, Project Budget and Project Milestones.
2. Monitoring the approved Project Budget (including any proposed variations to the approved Project Budget).
3. Monitoring the Project's strategy, plans or concepts.
4. Monitoring the marketing and sales program for the Project.
5. Monitoring the approved Project Program (including any proposed variations to the approved Project Program).
6. Monitoring the implementation of TPRC objectives:
  - 6.1 Generally monitoring the performance of the Development Manager.
  - 6.2 Generally progressing the Project.
7. Providing regular confidential updates on progress to the Council.
8. Providing guidance and assistance to the Council in the implementation of the Catalina Project.

9. Reviewing the progress of the Catalina Project and as appropriate providing recommendations on implementation of works.
10. Monitoring and reviewing the Development Manager KPIs and reporting to Council.
11. Recommending to the Council the Mid-Year Review of the Project Annual Plan, Project Budget and Project Milestones.

The approved Terms of Reference and Delegations have operated well since the formation of the Management Committee. The Terms of Reference and Delegations have removed the need for potential additional Council meetings and delays to program which could adversely affect the Catalina Project.

The Management Committee Terms of Reference and Delegations (February 2020) are submitted for the Council's approval.

## 8.10 STRATEGIC COMMUNITY PLAN 2019 - 2029

### Report Information

Reporting Officer: Chief Executive Officer

### Recommendation

**That the Council APPROVES the Strategic Community Plan 2019 - 2029**

### Voting Requirements

Simple Majority

### Report Purpose

To consider approval of the Strategic Community Plan 2019- 2029

### Relevant Documents

Appendix: Strategic Community Plan 2019 - 2029

### Policy Reference

N/A

### Local Government Act/Regulation

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

### Previous Minutes

Council Meeting - 18 April 2019 (Item 9.6 - Strategic Community Plan)

### Financial/Budget Implications

Expenditure for report preparation, advertising and printing will be incurred under the following items:

Item E145208 (Consultants):

Budget Amount:	\$ 575,247
Spent to Date:	\$ 89,233
Balance:	\$ 486,014

Item E145218 (Sales and Marketing):

Budget Amount:	\$ 350,000
Spent to Date:	\$ 50,436
Balance:	\$ 299,564

## Background

At its meeting of June 2013, the Council approved the Strategic Community Plan 2013-2023 (June 2013).

The approved TPRC Strategic Community Plan 2013-2023 sets the strategic direction for the TPRC for the period 2013-2023. The Strategic Community Plan is the overarching TPRC document that sets out the vision, aspirations and objectives of the community in the district. The Vision and Objectives contained in the Strategic Community Plan 2013-2023 were developed through comprehensive consultation with member Councils, officers and broader community stakeholders. The Vision and Objectives reflected aspirational values and intentions of the member Councils and the broader community.

The Strategic Community Plan (2013) was developed in accordance with the Department of Local Government's Integrated Planning and Reporting Framework.

At its meeting of June 2018, the Council agreed to a Workshop to review the Catalina Vision and Objectives to inform the review of the Strategic Community Plan. The Catalina Vision Workshop was held on 18 August 2018 and was attended by Council members, Satterley Property Group representatives, TPRC officers and facilitated by an independent consultant. An outcome of the Workshop was the Strategic Community Plan - Summary (2018) outlining Catalina Vision, Objectives, Strategies and Measurements which was to inform the review of the Strategic Community Plan 2013-2023.

The draft Strategic Community Plan - Summary (2018) Vision, Objectives, Strategies and Measurements was circulated to Councillors during September to November 2018.

At its meeting of 18 April 2019, the Council approved the Strategic Community Plan - Summary (2019) outlining Catalina Vision, Objectives, Strategies and Measurements (March 2019) to inform the review of the Strategic Community Plan 2013-2023.

## Comment

Learning Horizons (Helen Hardcastle) was commissioned to review the Strategic Community Plan 2013-2023 in the light of Council approved Strategic Community Plan - Summary (2018) Vision, Objectives, Strategies and Measurements. The review of the Strategic Community Plan was to be undertaken in accordance with the Department of Local Government's Integrated Planning and Reporting Framework.

Learning Horizons has prepared the Strategic Community Plan 2019 – 2029, consistent with the Council approved Strategic Community Plan - Summary (2019) Vision, Objectives, Strategies and Measurements (March 2019). The Strategic Community Plan 2019 – 2029 outlines the Catalina Vision and identifies five themes in order to achieve the TPRC objectives, these are:

1. Built Environment
2. Environment
3. Social
4. Economic
5. Governance & Corporate Accountability

The Strategic Community Plan 2019 – 2029 includes Objectives, Strategies and Measurements for each of the five themes noted above in order to achieve the TPRC Vision. The Objectives, Strategies and Measurements are consistent with the Strategic Community Plan - Summary (2019) approved by the Council in April 2019.

The Strategic Community Plan 2019 – 2029 and the associated Objectives, Strategies and Measurements have been informed by the following documents:

- Strategic Community Plan Summary (2019) Vision, Objectives, Strategies & Measurements;
- Establishment Agreement;
- Tamala Park Local Structure Plan;
- Other strategies endorsed by the TPRC.

Subject to the Council's approval of the Strategic Community Plan 2019 – 2029, it will be used as input to the review of the Corporate Business Plan which is to be undertaken and reported to the Council in mid-2020.

The Strategic Community Plan 2019 – 2029 is consistent with the Strategic Community Plan - Summary (2019) outlining Catalina Vision, Objectives, Strategies and Measurements (March 2019) approved by the Council in April 2019. It is also consistent with the requirements of the Department of Local Government's Integrated Planning and Reporting Framework and Advisory Standards.

The Strategic Community Plan 2019 – 2029 is recommended for approval to the Council.

## 8.11 CATALINA PROJECT BUDGET FYE 2021 DEVELOPMENT

### Report Information

Reporting Officer: Chief Executive Officer

### Recommendation

#### That the Council:

1. **AGREES to a Workshop for the Catalina Project Budget FYE 2021 for Councillors to provide input in the formation of objectives and key financial items/activities.**
2. **AGREES to the following program for the development of the Catalina Project Budget FYE 2021, and Satterley Property Group Budget formulation and recommendations and reporting to the Management Committee and Council:**
  - **Mid to late March (date to be confirmed) – Workshop Catalina Project Budget FYE 2021.**
  - **21 May 2020 – Management Committee determine Catalina Budget FYE 2021;**
  - **18 June Council determines Catalina Budget FYE 2021.**

### Voting Requirements

Simple Majority

### Report Purpose

To consider process and program for the development of the Catalina Project Budget FYE 2021.

### Policy Reference

N/A

### Previous Minutes

- Council Meeting – 16 August 2018 (Item 9.6 - Project Budget FYE 2019)
- Council Meeting – 15 June 2017 (Item 9.8 - Project Budget FYE 2018)

### Financial/Budget Implications

Input to TPRC FYE 2020 Budget.

### Relevant Documents

NA

### Background

At its meeting of 20 June 2019, the Council approved the Project Budget FYE 2020, submitted by the Satterley Property Group (Satterley), and that it be used as the basis of financial planning and reporting for the TPRC Budget FYE 2020.

The approved Development Manager's KPI 4.4 requires Satterley to prepare a Project Budget on an annual basis by March each year.

## Comment

Satterley has commenced planning and forecasting for the Catalina Project Budget FYE 2021. In previous years Satterley has prepared and recommended a Catalina Project Budget which is then considered and determined by the Council.

It has been proposed that the program for the development of the Catalina Project Budget FYE 2021 should be a more iterative and consultative process between the Council and Satterley to enable Councillors to provide input in the delivery of objectives and key financial items/activities. It is also proposed that Satterley would prepare high, medium and low sales financial scenarios for consideration.

It is proposed that a Workshop be arranged in March 2020 to progress the Catalina Project Budget FYE 2021.

The objectives of the Workshop would be to:

- Determine objectives, parameters and key financial items/activities for FYE 2021;
- Understand forecasts for the property market for FYE 2021;
- Consider influences and risks likely to impact on the Budget;
- Evaluate the Satterley's recommendations on the Catalina Project Budget FYE 2021;
- Consider high, medium and low sales financial scenarios;
- Implications of key financial items/activities for FYE 2021;
- Determine key milestones and objectives, financial outcomes, key financial items/activities, and lot pricing and sales volumes.

The Workshop would assist in providing clear direction and set parameters for Satterley for the Catalina Project Budget FYE 2021. It is proposed that following the Workshop, Satterley would provide a detailed and comprehensive Project Budget for consideration of the Management Committee and subsequently of the Council.

It is considered that the Workshop provide a greater opportunity to align the Project Budget with Council's strategic objectives, as outlined in the Strategic Community Plan.

The following represents an indicative program for the development of the Catalina Project Budget FYE 2021, and Satterley Budget formulation and recommendations and reporting to the Management Committee and Council:

- Mid to late March (date to be confirmed) – Workshop Catalina Project Budget FYE 2021;
- 21 May 2020 – Management Committee determine Catalina Budget FYE 2021;
- 18 June 2020 - Council determines Catalina Budget FYE 2021.

Satterley supports the proposed process and program for the development of the Catalina Project Budget FYE 2021, including the proposed Workshop.

**9. COMMITTEE REPORTS – AUDIT COMMITTEE (6 FEBRUARY 2020)**

**9.1 TPRC FYE 2020 BUDGET REVIEW**

**Report Information**

Reporting Officer: Chief Executive Officer

**Moved Cr Sandri, seconded Cr Timmermanis**

**COMMITTEE RECOMMENDATION**

**That the Council ADOPTS the Budget Review with the variations for the period 1 July 2019 to 30 June 2020 as detailed in the Budget Analysis Worksheet attached to Appendix 9.1.**

**The motion was put and declared CARRIED (5/0).**

**TPRC Recommendation**

That the Council ADOPTS the Budget Review with the variations for the period 1 July 2019 to 30 June 2020 as detailed in the Budget Analysis Worksheet attached to Appendix 9.1.

**Voting Requirements**

Absolute Majority

**Report Purpose**

To consider the review of the TPRC Budget for the FYE 2020 financial year in accordance with the *Local Government (Financial Management) Regulations 1996*, Regulation 33A.

**Policy Reference**

N/A

**Local Government Act/Regulation**

- *Local Government Act 1995*
- *Local Government (Financial Management) Regulations 1996: Reg 33A*

**Previous Minutes**

- Council Meeting – 21 February 2019 (Item 9.6 – TPRC Budget 2018/2019 Review)
- Council Meeting – 15 February 2018 (Item 9.6 – TPRC Budget 2017/2018 Review)

**Financial/Budget Implications**

Review of variances of TPRC Budget FYE 2020.

**Relevant Documents**

Appendices:

- Statement of Financial Activity;

- Statement of Surplus/Deficit;
- Statement of Closing Funds; and
- Budget Analysis Worksheet.

## **Background**

A budget review is conducted annually by comparing actual revenue and expenditure as at 31 December to budget estimates and forecasting predicted revenue and expenditure to 30 June.

The *Local Government (Financial Management) Regulations 1996*, Regulation 33A, requires that a Regional Local Government conduct a budget review between 1 January and 31 March in each financial year. A copy of the review and determination is to be provided to the Department of Local Government, Sport and Cultural Industries within 30 days of the adoption of the review.

At its meeting of 15 August 2019, the Council resolved to adopt the Budget for the Tamala Park Regional Council for the year ending 30 June 2020, and adopted a 10% or \$5,000 variance whichever is the greater for the reporting of material variances identified in the annual budget review.

At its meeting of 5 December 2019, the Council considered the Mid-Year Review of the Catalina Project Budget FYE 2020 undertaken by the Satterley Property Group. The Mid-Year Review of the Catalina Project Budget FYE 2020 indicated that assumptions and predictions in the Project Budget FYE 2020 (May 2019) were generally still valid. However, it was noted that income was predicted to be lower due to expected lower lot sales prices due to property market conditions.

The SPG FYE 2020 Mid-Year Budget Review provided an updated forecast of the Project Budget and it was recommended that it be used for the balance of the FYE 2020 and as the basis of the Mid-Year Review of the TPRC Budget FYE 2020.

## **Comment**

A review of the approved TPRC Budget FYE 2020 has been undertaken in accordance with the Financial Management Regulations. The TPRC budget review has been based on the Mid-Year Review of the Catalina Project Budget FYE 2020.

The review of the approved TPRC Budget FYE 2020 reflects a conservative position on lot sales and revenue given property market conditions and the advice of Satterley. It also is based on the latest sales/settlement information, construction program, and expenditure estimates.

The worksheets attached at Appendix 9.1 detail the actual expenditure, year to date, projected actual and expected variances. These are presented in a summary form below based on main groupings.

	Annual Budget 2019/20	Projected Estimates to 30/06/2020	Variance Projected Estimates to Budget \$	Variance Projected Estimates as % of Budget
<b>Total Income - Operating</b>	968,203	750,000	-218,203	-22.54%
<b>Total Expenses - Operating</b>	-1,299,666	-1,294,570	5,096	0.39%
<b>Net operating Deficit</b>	-331,463	-544,570	-213,107	-64.29%

**Agenda TPRC Meeting of Council – 20 February 2020**

<b>Income - Members Equity</b>				
Proceed Sale of Lots	9,073,874	8,388,739	-685,135	-7.55%
Proceed Sale of Lots – Special Sites	0	450,000	450,000	100.00%
<b>Total Income - Members Equity</b>	<b>9,073,874</b>	<b>8,838,739</b>	<b>-235,135</b>	<b>-2.59%</b>
<b>Expense - Members Equity</b>				
Consultancy	-25,000	-25,000	0	0.00%
Property Admin & Approvals	-15,000	-15,000	0	0.00%
Property Services – Land (incl. Selling & Marketing Expenses)	-2,145,018	-2,535,283	-390,265	-18.19%
Land Development Costs	-14,158,050	-14,096,240	61,810	0.44%
<b>Total Expense - Members Equity</b>	<b>-16,343,068</b>	<b>-16,671,523</b>	<b>-328,455</b>	<b>-2.01%</b>
<b>Subtotal</b>	<b>-7,269,194</b>	<b>-7,832,784</b>	<b>-563,590</b>	<b>-7.75%</b>
<b>Other Items</b>				
Contribution Refund	-154,491	-154,491	0	0.00%
Book Value of Assets Written Back	0	0	0	0.00%
Depreciation Written Back	25,578	25,578	0	0.00%
Capital Expenditure	-15,000	-15,000	0	0.00%
Profit Distributions	-3,000,000	-3,000,000	0	0.00%
Opening Surplus	43,994,530	43,994,530	0	0.00%
<b>Closing Net Surplus/ Deficit</b>	<b>33,249,960</b>	<b>32,473,263</b>	<b>-776,697</b>	<b>-2.34%</b>

The material variances (5% or \$5,000 whichever is greater) to the TPRC Budget FYE 2020 are summarised as follows:

**1. Total Income - Operating**

Investment Income

Interest from investment was predicted to be \$0.97M for FYE 2020, however, interest earnings are now expected to be \$0.75M as a result of the lower interest rates.

**2. Income - Members Equity**

Proceed Sale of Lots

Lot Sales Income was budgeted at \$9.07M, however, based on the Mid-Year Review of the Catalina Project Budget FYE 2020 and in light of the latest sales/settlement information sales income is now forecast at \$8.84M. The variance is due to expected lower lot sales prices due to property market conditions.

It should be noted that part of the variation is offset under Proceed Sale of Lots – Special Sites - \$450,000, which relates to the sale of the former Sales Office (Catalina Central).

The variation in Total Income - Members Equity in the Review is -\$0.24M.

**3. Expense - Members Equity**

Property Development Services

Property Development Services - Direct Selling expenses are to increase by \$0.39M due to unused purchaser rebates in FYE 2019 carried forward to FYE 2020.

### Land Development Costs

Land Development expenses are forecast to decrease by \$0.06M.

It is noted that the WAPC land acquisition initial payment has been deferred from December 2019 to June 2020.

#### **4. Closing Surplus 2020**

The TPRC Budget for FYE 2020 forecast a closing net surplus of \$33.25M, the Mid-Year Review now forecasts a closing net surplus of \$32.47M which represents a \$0.78M negative variance.

#### **5. Distributions to Participant Local Governments**

The TPRC Budget FYE 2020 forecast a Distribution to the participant members totalling \$3M.

The Mid-Year Review of the Catalina Project Budget FYE 2020 forecast that the Distribution to member local governments remain unchanged at \$3M. The review of the TPRC Budget FYE 2020 forecasts the \$3M Distribution to member local governments.

### Conclusion

The Mid-Year Review of the TPRC Budget FYE 2020 forecasts the following key variances:

1. Interest on investments to decrease by \$0.22M;
2. Income from sale of land and other related income will decrease by \$0.24M;
3. Distributions to member local governments remains unchanged at \$3.00M for FYE 2020.

The Mid-Year Review of the TPRC Budget FYE 2020 indicates that assumptions and predictions in the Project Budget FYE 2020 (May 2019) are generally still valid. Continuing soft property market conditions and strong competition in the Perth northern corridor are likely to place pressure on lot sales prices and volumes. Given the forecast market conditions, development expenditure will need to be managed to minimise potential impacts and exposure to the TPRC, including the use of Sales Triggers to manage Council's risk, whilst providing a reasonable stock position for market demand.

The review of the TPRC FYE 2020 Budget shows the TPRC can meet all cashflow obligations for FYE 2020. To date there has been no call upon local authority funds to meet any operating or capital expenditure. This position is expected to continue in FYE 2020.

## **9.2 LOCAL GOVERNMENT COMPLIANCE AUDIT FOR YEAR ENDED 31 DECEMBER 2019**

### **Report Information**

Reporting Officer: Chief Executive Officer

**Moved Cr Lagan, seconded Cr Timmermanis**

### **COMMITTEE RECOMMENDATION**

**That the Compliance Audit Return for the Tamala Park Regional Council for the year ended 31 December 2019 be ADOPTED, RECORDED in the minutes, CERTIFIED and SENT to the Director General of the Department of Local Government, Sport and Cultural Industries, in accordance with the Local Government Act and Regulations.**

**The motion was put and declared CARRIED (5/0).**

### **TPRC Recommendation**

That the Compliance Audit Return for the Tamala Park Regional Council for the year ended 31 December 2019 be ADOPTED, RECORDED in the minutes, CERTIFIED and SENT to the Director General of the Department of Local Government, Sport and Cultural Industries, in accordance with the Local Government Act and Regulations.

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To submit for adoption the TPRC Local Government Compliance report for the year ended 31 December 2019.

### **Relevant Documents**

Appendix: Compliance Audit Return for Tamala Park Regional Council 2019.

### **Policy Reference**

TPRC Audit Charter: Duties and Responsibilities of Audit Committee Clause 6 - To review the statutory compliance return and make a recommendation on its adoption to the Council.

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

- *Local Government Act 1995*: Section 7.13 Minister may require Compliance Audit
- *Local Government (Audit) Regulations 1996*: Regulation 13-15 Audit items and Procedure

### **Previous Minutes**

- Council Meeting – 21 February 2019 (Item 9.7 - Local Government Compliance Audit for Year Ended 31 December 2018)
- Council Meeting – 15 February 2018 (Item 9.7 - Local Government Compliance Audit for Year Ended 31 December 2017)

## Financial/Budget Implications

Nil

## Background

The Minister for Local Government has required that all Local Governments complete a Compliance Return in reference to the statutory obligations of Councils, Council Members, and the Local Government. The Compliance Return requires answers to specific questions which seek performance answers and comments relative to specific provisions of the Local Government Act and Regulations.

The Compliance Return is one of the tools to assist Local Governments and the Minister to understand how the local government is functioning and to promote a minimum standard of response to the statutory obligations set down in legislation.

The Compliance Audit is to be:

- Conducted for the period 1 January to 31 December each year;
- Presented to the Council at a meeting of the Council;
- Adopted by the Council; and
- Recorded in the minutes of the meeting at which it is adopted.

A certified copy with the relevant section of the Council minutes and any additional information explaining or qualifying the Compliance Audit is to be submitted to the Director General (DLGSCI) by 31 March.

## Comment

The Compliance Return (Appendix 9.2) comprises the following parts:

- Commercial Enterprises by Local Governments;
- Delegation of Power/Duty;
- Disclosure of Interest;
- Disposal of Property;
- Finance;
- Integrated Planning and Reporting;
- Local Government Employees;
- Official Conduct;
- Tenders for Providing Goods and Services.

Some items mentioned in the Compliance Return are not relevant to operations of the TPRC for the review period. These have been noted 'N/A'.

There were three matters not undertaken during the Compliance Audit period to 31 December 2019, which are currently being prepared and are planned for completion in 2020. These relate to:

- Financial Management Review;  
*Review completed and to be considered by Audit Committee 6 February 2020;*
- Strategic Community Plan;  
*SCP prepared and to be considered by Council at February 2020 meeting;*
- Corporate Business Plan;  
*Review was pending finalisation of SCP, review now commenced to be finalised and reported to Council mid-2020.*

The TPRC Compliance Audit Return for the year ended 31 December 2019 is recommended for Council adoption and referral to the Director General of the Department of Local Government, Sports and Cultural Industries, in accordance with the Local Government Act and Regulations.

### 9.3 FINANCIAL MANAGEMENT REVIEW

#### Report Information

Reporting Officer: Chief Executive Officer

**Moved Cr Timmermanis, seconded Cr Taylor**

#### COMMITTEE RECOMMENDATION

**That the Council:**

1. **RECEIVES** the Moore Stephens Financial Management Review (June 2019) of the TPRC financial management systems and procedures in accordance with *Local Government (Financial Management) Regulations*.
2. **NOTES** the recommended changes to the TPRC financial management systems and procedures in accordance with the Moore Stephens Financial Management Review (June 2019).

The motion was put and declared **CARRIED (5/0)**.

#### TPRC Recommendation

That the Council:

1. **RECEIVES** the Moore Stephens Financial Management Review (June 2019) of the TPRC financial management systems and procedures in accordance with *Local Government (Financial Management) Regulations*.
2. **NOTES** the recommended changes to the TPRC financial management systems and procedures in accordance with the Moore Stephens Financial Management Review (June 2019).

#### Voting Requirements

Simple Majority

#### Report Purpose

To present the Financial Management Review 2019 and report recommendations.

#### Relevant Documents

Appendix: TPRC Financial Management Review 2019

#### Policy Reference

N/A

#### Local Government Act/Regulation

*Local Government Act 1995 - Section 6.10. - Financial Management Regulations*

*Local Government (Financial Management) Regulations 1996 - Regulation 5 - Financial management duties of the CEO*

### **Financial/Budget Implications**

N/A

### **Background**

The *Local Government (Financial Management) Regulations 1996*, Regulation 5(2)(c) requires the CEO to review the appropriateness and effectiveness of the financial management systems and procedures of the local government and report findings to the Council.

Moore Stephens (WA) Pty Ltd was appointed to undertake an independent analysis of the financial management systems and procedures of the TPRC in accordance with *Local Government (Financial Management) Regulations*.

The objective of the Moore Stephens' review was to ascertain the appropriateness and effectiveness of the Council's financial management systems and procedures as required by *Local Government (Financial Management) Regulation 5(2)(c)*. The review covered the period 1 July 2018 to 30 June 2019.

### **Comment**

Moore Stephens has completed its review of the TPRC financial management systems and procedures and presented a report on its findings/recommendations, as attached in Appendix 9.3.

The Review determined that controls and procedures are effective and appropriate for the Council's current scope of operations for the following areas;

- Bank Reconciliation
- Receipts and Receivables
- Payroll
- IT Controls
- General Journals
- Minutes and Meetings
- Budget
- Storage of Documents / Record Keeping

The Review recommended matters in the following areas for attention;

- Purchases, Payments and Payables
- Financial Reports
- Plan for the Future
- Fixed Assets
- Registers

The Review noted nine matters which required consideration by the Council. The nine matters noted included six Minor Risks, two Moderate Risks and one Significant Risk. The matters noted are detailed as follows, including risk ratings, recommendations and management comments:

1. Purchases, Payments and Payables - Purchase Orders

It was noted that during testing there was one instance where a purchase order was not raised. Review Rating – Minor.

Review Recommendation:

All authorised officers should be reminded of the need to ensure purchase orders are raised prior to the time of authorising works/services or ordering goods.

*Management Comments:*

*The example quoted received the necessary approvals but a purchase order was omitted. Staff have been briefed on the requirement and internal procedures have been amended to ensure purchase order requirements are adhered to. Review recommendation supported.*

2. Purchases, Payments and Payables - Changing Supplier Banking Details

The Council's current process of changing supplier banking details is not formally documented. Review Rating – Minor.

Review Recommendation:

Process for verifying changes of supplier details should be documented.

*Management Comments:*

*Current invoice approval processes require supplier details to be included, which are verified separately by the person authorising payment and the person processing invoices for payment.*

*Review recommendation supported. The internal procedure for changing supplier details has been documented, including the requirement for a system audit trail report.*

3. Financial Reports - Monthly Statements of Financial Activity

The monthly statements of financial activity for the months of July, September, November, January, March and May were not presented to the Council within two months after the end of the month to which the statement relates as required by *Local Government (Financial Management) Regulation 34(3)(a)*. Review Rating – Moderate.

Review Recommendation:

Requirements should be correctly addressed to ensure compliance with statutory provisions.

*Management Comments:*

*The monthly Statements of Financial Activity are prepared by the TPRC and Moore Stephens (TPRC accountants) and are available for the Council's consideration within the prescribed timeframe.*

*This matter was raised in the Auditor's Report FYE 2019 and considered by Council in October 2019. The non-compliance with the requirements of Regulation 34(4) of Local Government (Financial Management) Regulations 1996 is a result of the Tamala Park Regional Council meeting on a bi-monthly basis, which does not allow sufficient time for the monthly statement of financial activity to be prepared and presented to Council within the two-month period specified. This results in six of the twelve monthly Statements of Financial Activity not meeting the required timeframe.*

*In October 2019 it was recommended to the Council that the Audit Committee meet on a bi-monthly basis, on alternative months to Council meetings, to consider Statements*

*of Financial Activity. Whilst this will not achieve strict compliance with the requirements under Regulation 34 (4), from an oversight and a risk management perspective it will minimize risks arising from the delay in Council's consideration of the monthly Statements of Financial Activity.*

*It is recommended that the Audit Committee meet on a bi-monthly basis, on alternative months to Council meetings, to consider Statements of Financial Activity.*

4. Financial Reports - Annual Financial Report 2018

The Annual Financial Report 2018 was not submitted to the Department of Local Government, Sport and Cultural Industries (DLGSCI) within 30 days of the audit report being received as required by *Local Government (Financial Management) Regulation 51(2)*. Review Rating – Minor.

Review Recommendation:

Requirements should be correctly addressed to ensure compliance with statutory provisions.

*Management Comments:*

*Noted. The Financial Report for FYE 2019 was submitted to DLGSCI as required by the Regulations. Review recommendation supported.*

5. Plan for the Future - Strategic Community Plan

The Strategic Community Plan has not been reviewed as required by *Local Government (Administration) Regulation 19C(4)*. Review Rating – Minor.

Review Recommendation:

Requirements should be correctly addressed to ensure compliance with statutory provisions.

*Management Comments:*

*The Strategic Community Plan has been reviewed. The Strategic Community Plan - Summary (2019) outlining Catalina Vision, Objectives, Strategies and Measurements was approved by the Council in April 2019.*

*The Strategic Community Plan is presented for Council's endorsement in Item 8.11. Review recommendation supported.*

6. Fixed Assets - Fixed asset reconciliation

Fixed asset reconciliation is only prepared on an annual basis. Review Rating – Minor.

Review Recommendation:

Fixed asset reconciliation should be undertaken more regularly (quarterly or half yearly) to the fixed assets register.

*Management Comments:*

*Procedures/processes have been modified as recommended for asset reconciliation on a half-yearly basis. Review recommendation supported.*

7. Fixed Assets - Depreciation of the office refurbishment

Depreciation of the office refurbishment was not in line with the Council's depreciation policy. Review Rating – Moderate.

Review Recommendation:

Fixed asset reconciliation should be depreciated consistent with agreed depreciation policy.

*Management Comments:*

*Depreciation rates will be modified to reflect approved Financial Management – Significant Accounting Policies (Depreciation Rates). Review recommendation supported.*

8. Registers - Council's Financial Interest Register

Councillor returns not fully completed. Review Rating – Minor.

Review Recommendation:

Returns to be completed in accordance with Departmental Circular 18-2005.

*Management Comments:*

*Further information will be provided to Councillors in accordance with DLGSCI Circular 18-2005. Review recommendation supported.*

9. Credit Cards - Council's controls and procedures

The review of the Council's controls and procedures over credit card transactions noted the following:

- a) Instances where purpose/detail for credit card expenditure was not sufficiently documented as required by the Council's credit card policy;
- b) A reconciliation between monthly credit card statements and invoices or receipts was not performed for individual credit cards as required by the Council's credit card policy;
- c) No evidence that the CEO's credit card reconciliations or statements has been authorised by the Chairman as required by the Council's credit card policy;
- d) Cardholder Approval and Acknowledgement forms have not been signed by current credit card holders as required by the Council's credit card policy.

Review Rating - Significant

Review Recommendation:

Preparation of individual monthly credit card reconciliations, endorsed by the cardholder as confirmation and endorsed by another person consistent with Credit Card Policy.

All credit card purchases should be supported by tax invoices or receipts, which should be filed with the corresponding statement and reconciliation, with the purpose/detail of expenditure clearly documented.

*Management Comments:*

- a) *Credit card expenditure sufficiently documented. Review recommendation supported. Currently the credit card description includes payees name, amount of payment, date of payment and information to identify the transaction. Additional information is being provided relating to purchase on credit card reconciliation, as recommended.*
- b) *Credit card reconciliation undertaken for individual credit cards. Review recommendation supported. Reconciliation of the two TPRC credit card statements has been undertaken on a monthly basis, however, given the limited*

*transactions, they were reconciled jointly not individually. Procedures/processes have been modified as recommended for reconciliation of individual credit card statements.*

- c) *CEO's credit card reconciliations authorised by the Chair. Review recommendation supported. The approval of the CEO's credit card reconciliation was undertaken by the Audit Committee. Authorisation process by Chair now implemented.*
- d) *Cardholder Approval and Acknowledgement forms signed by credit card holders. Review recommendation supported. Credit card holders have signed Approval and Acknowledgement forms.*

## **Conclusion**

The review by Moore Stephens Financial Management Review (June 2019) of the TPRC financial management systems and procedures in accordance with *Local Government (Financial Management) Regulations* has identified some process improvement opportunities that will be implemented to further enhance the TPRC control environment. The Review has identified some compliance matters which have been immediately addressed.

The recommendations of the Moore Stephens Financial Management Review (June 2019) of the TPRC financial management systems and procedures are all supported with the majority already implemented.

It is recommended that the Council RECEIVES the Moore Stephens Financial Management Review (June 2019) of the TPRC financial management systems and procedures in accordance with *Local Government (Financial Management) Regulations*. It is further recommended that the Council notes the changes to the TPRC financial management systems and procedures in accordance with the Moore Stephens Financial Management Review (June 2019).

## **9.4 CODE OF CONDUCT FOR COUNCIL MEMBERS AND STAFF**

### **Report Information**

Reporting Officer: Chief Executive Officer

**Moved Cr Taylor, seconded Cr Lagan**

### **COMMITTEE RECOMMENDATION**

**That the Councils ADOPTS the Tamala Park Regional Council Code of Conduct for Council Members and Staff (February 2020).**

**The motion was put and declared CARRIED (4/1).**

**For: Cr Lagan, Cr Sandri, Cr Taylor and Cr Zappa.**

**Against: Cr Timmermanis.**

### **TPRC Recommendation**

That the Council ADOPTS Tamala Park Regional Council Code of Conduct for Council Members and Staff (February 2020).

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To review the TPRC Code of Conduct applicable for Council Members and Staff.

### **Relevant Documents**

Appendix: TPRC Code of Conduct

### **Policy Reference**

WALGA Model Code of Conduct (February 2008)

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

*Local Government Act Section 5.103*

### **Previous Minutes**

- Council Meeting – 19 April 2018 (Item 9.10 – Code of Conduct for Elected Members & Staff)
- Council Meeting – 16 February 2017 (Item 9.8 – Code of Conduct for Elected Members & Staff)

### **Financial/Budget Implications**

N/A

**Background**

Local governments are required to have a Code of Conduct for guidance of Council Members and Staff.

The Tamala Park Regional Council Code of Conduct for Council Members and Staff (February 2018) was approved by Council in April 2018.

**Comment**

The Tamala Park Regional Council Code of Conduct for Council Members and Staff (February 2018) has been modified to include an acknowledgement/commitment for Councillors/Staff to sign.

It is recommended that the Council adopts the Tamala Park Regional Council Code of Conduct for Council Members and Staff (February 2020).

## 9.5 ASSET MANAGEMENT PLAN 2019

### Report Information

Reporting Officer: Chief Executive Officer

**Moved Cr Timmermanis, seconded Cr Taylor**

### COMMITTEE RECOMMENDATION

**That the Council APPROVES the Asset Management Plan 2019 and that it be forwarded to the Director General of the Department of Local Government, Sport and Cultural Industries for endorsement.**

**The motion was put and declared CARRIED (5/0).**

### TPRC Recommendation

That the Council APPROVES the Asset Management Plan 2019 and that it be forwarded to the Director General of the Department of Local Government, Sport and Cultural Industries for endorsement.

### Voting Requirements

Simple Majority

### Report Purpose

To consider the Asset Management Plan 2019.

### Relevant Documents

Appendix: Asset Management Plan 2019

### Policy Reference

N/A

### Local Government Act/Regulation

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

### Previous Minutes

Council Meeting – 20 October 2016 (Item 9.10 – Asset Management Plan 2016)

### Financial/Budget Implications

Nil

## Background

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

At its meeting of October 2016, the Council approved the Asset Management Plan 2016 and resolved that it be forwarded to the Director General of the Department of Local Government, Sport and Cultural Industries for endorsement.

The Asset Management Plan identified the following:

- Projected operations;
- Maintenance and capital renewal expenditures to provide the level of service;
- Estimated (budget) operations.

Asset management planning is a comprehensive process to ensure delivery of services and infrastructure is provided in a financially sustainable manner.

The Asset Management Plan details information about infrastructure assets including actions required to provide an agreed level of service in the most cost-effective manner. The Asset Management Plan defines the services to be provided, how the services are provided and what funds are required to provide the services.

## Comment

The Asset Management Plan 2016 has been reviewed and updated to reflect current financial parameters and the status of the TPRC office and the Catalina Project. It has also been prepared consistent with the TPRC Long Term Financial Plan 2017 - 2028.

The Asset Management Plan 2019 is consistent with the Department of Local Government's Asset Management Framework and Guidelines. It is also in accordance with the International Infrastructure Management Manual (IPWEA, 2006). It has been prepared to meet the legislative and organisational requirements for sustainable service delivery and long-term financial planning and reporting.

It is proposed that the review of the TPRC Long Term Financial Plan will consider the projected asset renewals and funding forecasts with the objective of more closely aligning the Asset Consumption, Renewal Funding and Asset Sustainability Ratios with the Department of Local Government's Asset Management Framework and Guidelines.

The Asset Management Plan 2019 demonstrates that present funding levels are sufficient to continue to provide existing services at current levels in the medium term (10 years).

The Council will need to continue to monitor and review its future renewal requirements and ensure that funding levels are sufficient to continue to provide the services at current levels. This will be undertaken and considered as part of the regular review of the Asset Management Plan.

It is recommended that Council approves the Asset Management Plan 2019 and forwards it to the Director General of the Department of Local Government, Sport and Cultural Industries for endorsement.

**10 CONFIDENTIAL REPORTS**

**10.1 LANDSCAPE MAINTENANCE TENDER – CONFIDENTIAL**

10.2 BUILT FORM PARTNERSHIP - **CONFIDENTIAL**

CONFIDENTIAL

**10.3 REVIEW OF DEVELOPMENT MANAGER'S KEY PERFORMANCE INDICATORS -  
CONFIDENTIAL**

CONFIDENTIAL

**10.4 DEVELOPMENT MANAGEMENT AGREEMENT – KEY PEOPLE – CONFIDENTIAL**

CONFIDENTIAL

10.5 CATALINA LOCAL JOB CREATION STRATEGY - **CONFIDENTIAL**

CONFIDENTIAL

**10.6 MINDARIE REGIONAL COUNCIL LANDFILL BUFFER – GROUNDWATER MONITORING BRIEFING - CONFIDENTIAL**

CONFIDENTIAL

10.7 CEO ANNUAL PERFORMANCE REVIEW FOR 2018/2019 - **CONFIDENTIAL**

CONFIDENTIAL

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

# **APPENDICES**