



## **Special Meeting of Council**

# **AGENDA**

**Monday 11 May 2020, 5:00pm  
to be held electronically**

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

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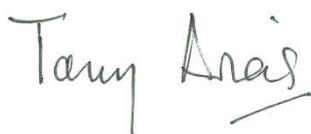
### TAMALA PARK REGIONAL COUNCIL

Councillors of the Tamala Park Regional Council are advised that a Special Meeting of Council will be held electronically on Monday 11 May 2020 at 5:00pm.

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	Cr Gary Mack
City of Joondalup	Cr John Chester Cr Phillipa Taylor	Cr Cristopher May Cr Suzanne Thompson
City of Perth	Cmr Andrew Hammond	Cmr Gaye McMath
City of Stirling	Cr Karren Caddy 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 joining the e-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 – 16 April 2020

**5A BUSINESS ARISING FROM MINUTES**

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

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

Nil

**8. COUNCIL REPORTS**

**8.1 SALES - MARKETING CAMPAIGN – ‘HOMESURE’ MORTGAGE ASSISTANCE  
SALES INCENTIVE – 12 MAY 2020 TO 30 JUNE 2020**

**Report Information**

Reporting Officer: Manager Planning Coordination

**Recommendation**

**That the Council:**

- 1. RECEIVES the Satterley Property Group correspondence (dated 7 May 2020) regarding the opportunity for Catalina Estate to participate in a Sales and Marketing Campaign in May/June 2020.**
- 2. APPROVES participation in the Sales and Marketing Campaign at Catalina Estate, as detailed in the Satterley Property Group correspondence (dated 7 May 2020), involving the provision of mortgage assistance to eligible purchasers of lots purchased in Catalina Estate between 12 May 2020 and 30 June 2020 to a maximum of \$4,000/lot.**

**Voting Requirements**

Simple Majority

**Report Purpose**

To consider a Satterley Property Group (Satterley) recommendation to participate in a Sales and Marketing Campaign involving a mortgage assistance incentive for lots sold at Catalina Estate from 12 May 2020 to 30 June 2020.

**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:	\$ 8,388,739
Received to Date:	\$ 6,369,868
Balance:	\$ 2,018,871

**Relevant Documents**

Appendix: Correspondence from Satterley dated 7 May 2020

## Background

As a response to the impact of COVID-19, Satterley and the ABN Group, have launched an initiative that aims to provide financial assistance for clients who may lose employment while constructing their new home.

The 'HomeSure' initiative will involve the payment of a financial contribution to purchasers to assist to pay their mortgage in the event that the primary income earner becomes unemployed in a 12-month period following the settlement of their lot.

The initiative is to be exclusive to Satterley projects and clients of the ABN Group, which includes builder brands such as Dale Alcock Homes, Homebuyers Centre, Celebration Homes and Webb & Brown-Neaves.

Satterley has offered the opportunity for Catalina Estate to participate in the initiative, which, if supported, would be made available to lots sold from 12 May 2020 to 30 June 2020 and involve the ABN Group and the TPRC providing an assistance payment towards the purchaser's mortgage in the event of unemployment to a maximum of \$8,000 (that is \$4,000 from each party).

Satterley advises that advertising of the campaign will involve marketing through television, radio and digital channels and be largely funded by the ABN Group, with contributions also to be made by the participating projects. The maximum amount to be attributed to the TPRC would be \$3,000, but likely to be less than \$2,000.

## Comment

Satterley advises that:

- The 'HomeSure' initiative is intended to provide confidence to home buyers considering the purchase of a house and land package at a time when there is much publicity around rising unemployment, falling residential property values and the likelihood of economic recession as a result of COVID-19.
- Last month, the ABN Group outsold every other Perth builder and it has a strong sales team and database of prospective purchasers upon which to leverage sales.
- Funds provided through the initiative would be over and above any discounts, incentives, referrals or rebates that may be applicable to a particular lot.
- It is not anticipated that more than 10 new sales will be secured at Catalina over the campaign period. Assuming 20% of sales qualify for mortgage assistance, the expected outlay for the Project would be a maximum of \$8,000 (excluding marketing costs).
- At the time of writing, six of the 10 invited Satterley estates had confirmed their participation in the campaign, with the remainder expected to finalise their position in coming days.

It should be noted that the 'HomeSure' campaign is proposed to run in parallel with the current 'Viva La Catalina' campaign, which was approved by the Management Committee at its meeting held on 12 March 2020 and offers rebates at settlement on available lots of between \$10,000 and \$17,000. The 'Viva La Catalina' campaign has been running since 1 April 2020 and is to conclude on 30 June 2020. It is being supported by substantial digital media and other marketing, consistent with the approved budget of approximately \$40,000.

To date, offers on seven lots have been received during the campaign and it is considered that the 'HomeSure' initiative may incentivise further sales by providing some financial security to purchasers.

Given the strength of the ABN brands and the proposed marketing to support the 'HomeSure' campaign being at a relatively low cost, it is considered that there is merit in Catalina Estate participating in the initiative.

There is sufficient provision in the FYE 2020 budget to contribute towards the costs of marketing the campaign and in the draft FYE 2021 budget to meet the costs of any mortgage assistance payments that may be required.

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

# **Appendix 8.1**



07 May 2020

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

Via email: [tony.arias@tamalapark.wa.gov.au](mailto:tony.arias@tamalapark.wa.gov.au)

Dear Tony

**CATALINA: HOMESURE MORTGAGE ASSISTANCE CAMPAIGN**

Following your discussions with Nigel Satterley please find below details and a formal recommendation regarding the Homesure mortgage assistance campaign proposed to run at Catalina.

As a response to the impact of COVID-19, Satterley and the ABN Group intend to launch an initiative by 8 May 2020 that protects valued clients that have lost their employment during the construction of their new homes.

The ABN Group is comprised of well-established builder brands including Dale Alcock Homes, Homebuyer Centre, Celebration Homes and Webb Brown-Neaves.

The proposed HomeSure strategy is essentially a financial contribution made available to the purchaser/s for mortgage assistance in the event the primary income earner becomes unemployed following settlement. Catalina is proposed to be included as part of this initiative.

The key points of the HomeSure strategy include the following:

- It will be facilitated by the individual builder brands, with Catalina being invoiced for \$4,000 per customer that qualifies;
- It is exclusive to Satterley projects and is available for lots sold during the months of May and June 2020 only (closing 30 June 2020) for a period of 12 months post settlement;
- Funds provided will be over and above any discounts, incentives, referrals or rebates applicable for the specific lot;
- HomeSure will cover a customer's interest cost during construction to a maximum of \$8,000;
- Payment is made only in the event a client produces proof of unemployment (assumed 20% of deals);
- The sum is paid 50/50 ABN Group and Catalina; and
- The sum is paid to the purchaser by ABN Group and invoiced to Catalina for reimbursement.

The draft contract annexure outlining the HomeSure guarantee can be found in Annexure A.

Based on current sales forecasts for May and June 2020 it is not anticipated more than 10 new deals will be secured at Catalina over this period. Assuming 20% or 2 deals may qualify for the HomeSure initiative, the expected outlay for the project is a maximum \$8,000.

Satterley Property Group Pty Ltd  
Level 3, 27-31 Troode Street, West Perth WA 6005  
PO Box 1346, West Perth WA 6872

T 08 9368 9000  
F 08 9368 9001

ABN 38 009 054 979

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

**SATTERLEY.COM.AU**

The advertising costs for this short campaign will be largely funded by ABN with a small percentage to be attributed to the participating projects. The maximum amount this will be is \$3,000 but more likely to be under \$2,000.

The advertising budget for FY20 has adequate funds to cover the total amount (including rebates) required for this campaign of \$11,000.

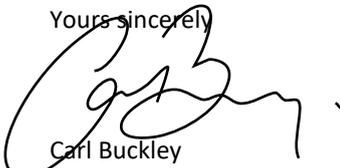
If the proposal is considered acceptable, Catalina would be joining all WA based Satterley projects that have agreed to take part in this initiative.

**SATTERLEY RECOMMENDATION**

The anticipated outlay of this campaign is minimal for the potential audience reach. Satterley recommends that Catalina enters this joint campaign to leverage the strong database and sales team within the ABN group.

Should you require any further clarification please contact the undersigned.

Yours sincerely



Carl Buckley  
**Project Director**

ANNEXURE A

**DRAFT annexure to contract – HomeSure guarantee**

**1. Contribution towards mortgage payments in event of unemployment post land settlement**

1.1. In this special condition:

- 1.1.1. **Builder** means Dale Alcock Homes
- 1.1.2. **Developer** means Satterley Property Group
- 1.1.3. **Guarantee Period** means the period commencing on the Settlement Date for the purchase of land and concluding after 12 months
- 1.1.4. **Mortgage Interest Amount** means a lump sum amount of \$8,000 in total
- 1.1.5. **Primary Income Earner** means the party to the finance contract who contributes the higher sum to the household income used in the assessment of mortgage eligibility
- 1.1.6. **Principal Employer** means the employer the Purchaser is employed by and from whom the Purchaser derives most of their total gross income in exchange for the performance of work
- 1.1.7. **Settlement Date** means the due date for settlement of the contract, as set out in the Particulars of Sale to the Contract
- 1.1.8. **Unemployed** means the termination of the Purchaser's employment resulting in the Purchaser not performing any work under an existing employment relationship and not receiving any remuneration from the Principal Employer. For the avoidance of doubt, the Purchaser is not Unemployed if they have been stood down under the Fair Work Act 2009 (Cth), a contract of employment or any industrial instrument or if the Purchaser has ended the employment relationship

1.2. If the Purchaser:

- 1.2.1. Obtains a loan to settle the Property and grants a mortgage to the financier over title to the Property as security for the repayment of this loan (Mortgage); and
- 1.2.2. Is made Unemployed by its Principal Employer at any time during the Guarantee Period and gives written notice to the Builder with evidence satisfactory to the Builder and Developer that the Purchaser is Unemployed at the date of notice (Unemployment Notice),

The Builder and Developer agree that in it will pay the Mortgage Interest Amount to the Purchaser within 28 days of receipt of the Unemployment Notice. For the avoidance of doubt the total sum to be paid to the Purchaser is \$8,000 made up of a contribution of \$4,000 from both the Builder and Developer

1.3. The Purchaser acknowledges and agrees that:

- 1.3.1. This Additional Special Condition 1 is personal to the Purchaser and may not be assigned (to a nominee under this Contract or otherwise) unless with prior written consent of the Builder and Developer; and
- 1.3.2. For the avoidance of doubt, where there is more than one Purchaser this Additional Special Condition 1 only applies if the Primary Income Earner is made Unemployed by their Principal Employer.