



Ordinary Meeting of Council

AGENDA

**Thursday 20 August 2020, 6:00pm
City of Stirling
25 Cedric Street, Stirling**

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 8.1 – 8.6	5
8.1 BUSINESS REPORT – PERIOD ENDING 13 AUGUST 2020.....	6
8.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF MAY & JUNE 2020	10
8.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF MAY & JUNE 2020.....	13
8.4 PROJECT FINANCIAL REPORT – JUNE 2020	14
8.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 13 AUGUST 2020	16
8.6 ELECTED MEMBER TRAINING REPORT 2020.....	21
9. COMMITTEE REPORTS 9.1 - 9.14.....	23
AUDIT COMMITTEE (6 AUGUST 2020)	23
9.1 TPRC DRAFT BUDGET FOR FYE 2021.....	23
9.2 PAYMENT OF ACCOUNTS & SECURITY OF PAYMENT INSTRUMENTS POLICY REVIEW.....	29
9.3 CREDIT CARD POLICY REVIEW	31
9.4 PETTY CASH POLICY REVIEW	33
9.5 WORKFORCE PLAN 2020	35
MANAGEMENT COMMITTEE (23 JULY 2020).....	38
9.6 CATALINA GROVE DEVELOPMENT STRATEGY	38
9.7 PROJECT BUDGET FYE 2021 - UPDATED	45
9.8 ANNUAL MARKETING PLAN FYE 2021.....	48
9.9 BUILT FORM PARTNERSHIP – STAGE 18 – CONFIDENTIAL.....	52
9.10 KEY PERSONNEL – CATALINA SALES REPRESENTATIVE – CONFIDENTIAL	60
9.11 PROJECT RESOURCING – DEVELOPMENT MANAGER – CONFIDENTIAL	62
9.12 DEVELOPMENT MANAGER APPOINTMENT TO STAGE 3 - CONFIDENTIAL	67
CEO ANNUAL PERFORMANCE REVIEW COMMITTEE MEETING (11 MAY 2020).....	72

9.13	CEO ANNUAL PERMFORMANCE REVIEW 2019/2020 - APPOINTMENT OF CONSULTANT - CONFIDENTIAL.....	72
9.14	APPOINTMENT OF ACTING CHIEF EXECUTIVE OFFICER – CONFIDENTIAL	75
10.	ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN	78
11.	QUESTIONS BY ELECTED MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN	78
12.	URGENT BUSINESS APPROVED BY THE CHAIR.....	78
13.	MATTERS BEHIND CLOSED DOORS	78
14.	GENERAL BUSINESS	78
15.	FORMAL CLOSURE OF MEETING	78

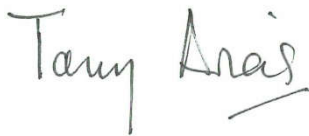
TAMALA PARK REGIONAL COUNCIL

Councillors of the Tamala Park Regional Council are advised that the ordinary meeting of Council will be held at the City of Stirling, 25 Cedric Street, Stirling on Thursday 20 August 2020 at 6:00pm.

The business papers pertaining to the meeting follow.

Your attendance at the meeting 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 – 18 June 2020

5A BUSINESS ARISING FROM MINUTES

6. ANNOUNCEMENTS BY CHAIR (WITHOUT DISCUSSION)

7. MATTERS FOR WHICH MEETING MAY BE CLOSED

- 9.9 Built Form Partnership – Confidential
- 9.10 Key Personnel – Catalina Sales Representative – Confidential
- 9.11 Project Resourcing – Development Manager – Confidential
- 9.12 Development Manager Appointment to Stage 3 – Confidential
- 9.13 CEO Annual Performance Review – Appointment of Consultant - Confidential
- 9.14 Appointment of Acting Chief Executive Officer - Confidential

8. COUNCIL REPORTS 8.1 – 8.6

8.1 BUSINESS REPORT – PERIOD ENDING 13 AUGUST 2020

Report Information

Reporting Officer: Manager Project Coordination

Recommendation

That the Council RECEIVES the Business Report to 13 August 2020.

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix: Catalina Central Local Centre Development Plans

Background

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

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

Comment

1. Civil Construction - Status

The approved Project Budget FYE 2021 makes provision for the construction of new lots in Stage 16C in Catalina Central and Stages 27 and 28 in Catalina Beach to capitalise on increased sales activity experienced following the announcement of Federal and State Government initiatives to stimulate housing construction and employment.

At present to be eligible for the Government incentive payments (which have a combined value of \$45,000), purchasers are required to enter into a building contract by 31 December 2020 and commence construction within six months of contract signing.

The Government incentives have had an immediate impact on the level of construction activity set to occur in FYE 2021, to such an extent that capacity constraints have emerged among the civil contractors active in the Perth land construction industry.

RJ Vincent, the Project's appointed civil contractors, has confirmed capacity to deliver Stage 16 (17 lots) and Stage 27 (20 lots) prior to December 2020, which assists purchasers' eligibility for the Government incentives. Stage 16 commenced on 10 August 2020, with Stage 27 scheduled to commence on 7 September 2020. It has also advised

that due to increased demand on its services and subcontractors it does not have capacity to meet program requirements for Stage 28 at the present time.

The construction of infrastructure such as the extension of Portofino Promenade, the Beach Access road and the Connolly Drive/Aviator Boulevard roundabout is to be deferred to the later part of FYE 2021.

This position is being closely monitored with RJ Vincent and should additional capacity become available these items could be brought forward for construction.

2. Landscape Works – Status

Rehabilitation planting in the Biodiversity Conservation Areas is currently being undertaken and expected to be completed in August 2020. Planting has included plants that have been propagated from seeds sourced from the Project.

Landscape design for the extension of the ‘green-link’ along Aviator Boulevard in Catalina Central is currently underway. Landscape installation is forecast to commence in January 2021 following the completion of civil construction of Stage 16.

3. Housing Construction

The following table provides an overview of the current progress of housing construction to 23 July 2020:

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	23	2
Stage 17B	36	3	10	23
Stage 18A	29	1	28	0
Stage 18B	31	0	23	8
Stage 25 (Display Village)	15	0	15	0
Stage 25	34	8	17	9
Stage 25B	7	0	7	0
Stage 25 (Builders Release)	7	5	1	1
Stage 26	38	0	0	38
Total	1010	18	900	92

4. Catalina Beach Builders Display Village and Sales Office

The Builder’s Display Village and Sales Office experienced high levels of visitation during June 2020 as a result of substantial interest generated by the announcement of the

Governments' building stimulus incentives, which translated into strong sales achieved at Catalina.

It is noted that purchaser enquiry and sales activity has significantly reduced in July and August 2020.

5. Community Events

A Community Development Plan has been prepared for FYE 2021, with the focus on activating new community amenities, such as the foreshore access improvements in Catalina Beach and the Stage 11 Park in Catalina Central. Planned activities include:

- Low-key social and recreational activities;
- Resident engagement, including an exclusive welcome resident event;
- Support to the Catalina Resident Working Group;
- Contribution and monitoring of the Catalina Community Group Facebook page; and
- Bi-annual publication of the Catalyst community newsletter.

6. Local Structure Plan Amendment - Catalina Grove

On 29 June 2020, the Western Australian Planning Commission (WAPC) granted approval to Amendment No. 5 of the Tamala Park Local Structure Plan No. 79.

Satterley has prepared a Development Strategy for Catalina Grove for the Council's consideration, which is the subject of Item 9.6.

7. Catalina Beach Access Road / Carpark

Applications for Development Approval and a Clearing Permit for the foreshore access road and carpark were submitted in December 2019 and January 2020 respectively. The WAPC issued the Development Approval in April 2020.

The Department of Water and Environmental Regulation (DWER) recently advised that its preliminary assessment of the Clearing Permit application required the revegetation of approximately 16ha of denuded coastal dune within the conservation reserve to the south-west of Catalina to offset the 3ha of clearing required to construct the access road.

Following further discussions, DWER is prepared to modify its requirement for the offset revegetation area to 1.34ha. It is anticipated that a Clearing Permit will be issued in September 2020. The TPRC will have the ability to appeal against any condition of the Permit to the Minister for Environment, via the Office of the Appeals Convenor.

The construction of the access road and carpark is now planned to commence in late February 2021, subject to reasonable conditions being imposed on the Clearing Permit.

8. Catalina Local Centre Site

On 6 July 2020, the Joint Development Assessment Panel approved the amended design for the Local Centre Site in Catalina Central.

The approved plans (Appendix 8.1) propose the construction of several shop tenancies (300m² net lettable area), 170m² café and a child care centre with capacity for up to 81 children.

The owner has advised that it is now entering a leasing campaign to secure tenants prior to construction. It is understood that an operator for the child care centre has been secured.

9. Coastal Dual Use Path, Burns Beach – Mindarie

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 Burns Beach-Mindarie Dual Use Path (DUP).

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

Construction of the section of DUP to the west of Catalina commenced on 2 June 2020 and is well-progressed. Completion is anticipated in mid-August 2020.

The timing for completion of the southern portion of the DUP at Peet's Burns Beach Estate is still to be determined.



Foreshore DUP (under construction), looking south from the end of Long Beach Promenade.

8.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF MAY & JUNE 2020

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

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

- 31 May 2020; and
- 30 June 2020.

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 31 May 2020
- Statement of Financial Activity for 30 June 2020

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.

Variations at 30 June 2020 exceeding 10% were experienced in relation to the following:

Interest Earnings	The favourable variation is a result of higher investment funds during the financial year.
Other Revenue	The favourable variation relates to receipt of commission from Term Deposit investments.
Employee Costs	The favourable variation is due to deferral of additional resources.
Materials and Contracts	The favourable variation relates to consultancy fees.
Other	The favourable variation is a result of reduced expenditure relating to governance/Council members.
Utilities	The favourable variation is in accordance with lease conditions.
Income Other - Subdivisions	The unfavourable variation relates to deferral of revenue from the development/sale of Stage 18.
Land Production Costs	The favourable variance relates to timing of payments, deferral of works and deferral of the part payment for the WAPC land.

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

Financial Snapshot as at 30 June 2020

**TAMALA PARK REGIONAL COUNCIL
FINANCIAL SNAPSHOT
FOR THE PERIOD ENDING 30 JUNE 2020**

	2019-20	2019-20	2019-20	2019-20	VARIANCE		VARIANCE
	ADOPTED BUDGET	AMENDED BUDGET	BUDGET YTD	ACTUAL YTD	FAVOURABLE	UNFAVOURABLE	
REVENUE	\$	\$	\$	\$	\$	\$	%
Interest Earnings	966,153	750,000	750,000	800,969	50,969		6.80%
Other Revenue	2,050	0	0	6,243	6,243		100.00%
	\$968,203	\$750,000	\$750,000	\$807,212	\$57,212	\$0	
LESSEXPENDITURE							
Depreciation	(25,578)	(25,578)	(25,578)	(25,578)	-		0.00%
Employee Costs	(742,371)	(742,041)	(742,041)	(586,997)	155,044		20.89%
Insurance	(21,090)	(18,373)	(18,373)	(18,373)	-		0.00%
Materials and Contracts	(312,762)	(312,967)	(312,967)	(140,209)	172,758		55.20%
Other	(191,256)	(189,000)	(189,000)	(158,736)	30,264		16.01%
Utilities	(6,611)	(6,611)	(6,611)	0	6,611		100.00%
Profit/(loss) on Disposal Of Asset							
Members Equity							
-Income Sale of Lots - Subdivisions	9,073,874	8,388,739	8,388,739	9,037,778	649,039		7.74%
-Income Other - Subdivisions	0	450,000	450,000			(450,000)	-100.00%
-Land Production Costs	(16,343,068)	(16,671,523)	(16,671,523)	(3,681,267)	12,990,256		77.92%
-Profit distribution/Contributions Returned	(3,154,491)	(3,154,491)	(3,154,491)	(3,464,972)		(310,481)	-9.84%
-Members Equity - GST Withheld	0	0	0	(543,340)		(543,340)	-100.00%
	(\$11,723,353)	(\$12,281,845)	(\$12,281,845)	\$418,306	\$14,003,972	(\$1,303,821)	
Total Change in Equity	(\$10,755,150)	(\$11,531,845)	(\$11,531,845)	\$1,225,518	\$14,061,184	(\$1,303,821)	

Balance Sheet Summary as at 30 June 2020

TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Actual 2018-19 \$	Actual 2019-20 \$	Variance \$	Variance %
Current assets				
Cash and cash equivalents	43,975,870	45,290,954	1,315,084	2.99%
Trade and other receivables	340,001	241,515	(98,486)	-28.97%
Total current assets	44,315,871	45,532,469	1,216,598	2.7%
Non-current assets				
Inventories	1,600,000	1,600,000	0	0.00%
Property, plant and equipment	123,283	97,705	-25,578	-20.75%
Total non-current assets	1,723,283	1,697,705	-25,578	-1.48%
Total assets	46,039,154	47,230,174	1,191,020	2.59%
Current liabilities				
Trade and other payables	64,771	39,792	24,979	38.56%
Provisions	256,570	248,192	8,378	3.27%
Total current liabilities	321,341	287,984	33,356	10.4%
Non-current liabilities				
Provisions	5,719	4,577	1,142	19.97%
Total non-current liabilities	5,719	4,577	1,142	19.97%
Total liabilities	327,060	292,561	34,499	10.55%
Net assets	45,712,094	46,937,613	1,225,519	2.68%

Term Deposits as at 30 June 2020

Term Deposits							
Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)
13-Jul-20	2,000,000.00	1.6000%	Macquarie Bank	A-1	2,000,000.00	11-Mar-20	2,009,819.18
6-Aug-20	3,000,000.00	1.5800%	National Australia Bank	A-1+	3,000,000.00	6-Feb-20	3,018,960.00
10-Aug-20	3,000,000.00	1.5600%	National Australia Bank	A-1+	3,000,000.00	10-Feb-20	3,018,207.12
11-Aug-20	3,000,000.00	1.8000%	AMP Bank	A-2	3,000,000.00	13-Feb-20	3,020,564.38
15-Sep-20	3,000,000.00	1.7000%	Suncorp Bank	A-1	3,000,000.00	17-Mar-20	3,014,810.96
15-Sep-20	2,000,000.00	1.7000%	Suncorp Bank	A-1	2,000,000.00	17-Mar-20	2,009,873.97
15-Sep-20	4,000,000.00	1.7400%	Suncorp Bank	A-1	4,000,000.00	18-Mar-20	4,020,021.92
21-Sep-20	2,017,452.05	1.8000%	AMP Bank	A-2	2,017,452.05	23-Mar-20	2,027,401.13
14-Oct-20	3,000,000.00	1.5000%	Suncorp Bank	A-1	3,000,000.00	15-Apr-20	3,009,493.15
26-Oct-20	3,015,780.82	1.7500%	Macquarie Bank	A-1	3,015,780.82	25-Mar-20	3,029,950.86
27-Oct-20	1,200,000.00	1.5500%	Bank of Queensland	A-2	1,200,000.00	30-Apr-20	1,203,159.45
9-Nov-20	3,000,000.00	1.6500%	AMP Bank	A-2	3,000,000.00	11-May-20	3,006,916.44
9-Nov-20	2,000,000.00	1.6500%	AMP Bank	A-2	2,000,000.00	11-May-20	2,004,610.96
30-Nov-20	2,000,000.00	1.4000%	Westpac Group	A-1+	2,000,000.00	28-Apr-20	2,004,909.59
9-Dec-20	3,000,000.00	1.7000%	Macquarie Bank	A-1	3,000,000.00	10-Mar-20	3,015,789.04
16-Feb-21	3,000,000.00	1.3000%	Bank of Queensland	A-2	3,000,000.00	20-May-20	3,004,487.67
28-Apr-21	500,000.00	1.7000%	Westpac Group	A-1+	500,000.00	28-Apr-20	501,490.41
	42,733,232.87	1.6299%			42,733,232.87		42,920,466.23

8.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF MAY & JUNE 2020

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

That the Council RECEIVES and NOTES the list of accounts paid under Delegated Authority by the CEO for the months of May and June 2020:

- **Month ending 31 May 2020 (Total \$633,404.18)**
- **Month ending 30 June 2020 (Total \$3,748,814.05)**
- **Total Paid - \$4,382,218.23**

Voting Requirements

Simple Majority

Report Purpose

Submission of payments made under the CEO's Delegated Authority for the months ending 31 May 2020 and 30 June 2020.

Relevant Documents

Appendices:

- Summary Payment List for May 2020
- Summary Payment List for June 2020

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.

It is noted that a distribution of \$3,000,000 was made to local government members in June in accordance with the TPRC Budget FYE 2020.

8.4 PROJECT FINANCIAL REPORT – JUNE 2020

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

That the Council RECEIVES the Project Financial Report (June 2020) submitted by the Satterley Property Group.

Voting Requirements

Simple Majority

Report Purpose

To consider the Project Financial Report for June 2020 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 June 2020.

Relevant Documents

Appendix: Letter from Satterley Property Group dated 22 July 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.

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

Comment

The Satterley Property Group has prepared a Financial Report for June 2020 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 30 June 2020 and is attached at Appendix 8.4.

The Financial Report identifies the following main areas of variance:

1. Settlement revenue was \$7.28M which is \$1.31M behind budget due to 4 less residential settlement for the year to date.
2. Expenditure was \$12.7M under budget, in the following areas:
 - Lot Production \$1.21M;
 - Landscape \$1.65M;
 - Infrastructure \$2.77M;
 - P&L expenditure \$1.57M.
 - Indirect consultants \$0.38M
 - Land Acquisition - \$5.10M deferral of the WAPC land acquisition initial payment from December 2019 to FYE 2021 and 2022.

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

3. Lot Sales Value was \$10.13M which is \$0.87M favourable to budget due to one more lot sale year to date, noting a higher average selling price per lot due to lot mix.

Satterley Property Group representatives will be in attendance to answer questions on the report.

8.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 13 AUGUST 2020

Report Information

Reporting Officer: Manager Project Coordination

Recommendation

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

Voting Requirements

Simple Majority

Report Purpose

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

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

N/A

Financial/Budget Implications

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

Budget Amount:	\$34,688,724
Received to Date:	\$ 944,237
Balance:	\$33,744,487

Note refers to Budget FYE 2021, not yet adopted.

Relevant Documents

Appendices:

- Staging Plan
- Sales and Marketing Campaign Report – Satterley Property Group (Satterley)
- Satterley correspondence dated 20 July 2020 – Advice on Catalina Website

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.

Comment

Table 1 provides a summary of the Catalina Estate Sales and Settlement position for lots released up to 13 August 2020.

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

Stage/ Release Date	Release Date	Lots Released	Lot Sizes (m ²)	Sold*	Stock	Settled
Stages 1 – 15, 18A, 25B	-	849	174 - 658	849	0	849
Stage 16A	Aug -20	9	375 - 450	2	7	0
Stage 17A	Oct-16	25	300 - 510	25	0	23
Stage 17B (Release 1)	Nov-17	18	300 - 450	18	0	14
Stage 17B (Release 2)	Sep-19	8	245 - 450	8	0	2
Stage 17B (Release 3)	Apr-20	10	300 - 450	9	1	1
Stage 18B	Mar-17	31	200 - 474	31	0	27
Stage 25A	May-17	21	300 - 450	21	0	20
Stage 25C	Sep-18	5	277 - 450	5	0	4
Stage 26 (Release 1)	Apr-19	9	300 - 486	9	0	5
Stage 26 (Release 2)	Dec-19	7	367 - 481	7	0	2
Stage 26 (Release 3)	Apr-20	7	315 - 539	7	0	0
Stage 26 (Release 4)	Jun-20	13	300 - 539	10	3	1
Stage 26 (Release 5)	Jun-20	2	450 - 450	2	0	0
Stage 27A (Release 1)	Aug-20	12	225-450	0	12	0
Total		1026	174 - 658	1003	23	947

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

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYE20
Budget	2	2	2	2	2	2	2	3	2	3	5	4	31
Actual	3	2	3	3	2	1	1	3	3	1	4	6	32
Variance	1	0	1	1	0	-1	-1	0	1	-2	-1	2	1

31 sales were forecast for FYE 2020, with 32 sales achieved.

Table 3: Summary of Net Sales for FYE 2021 against Budget – Catalina Estate

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYE21
Budget	35	15	9	7	6	5	7	7	7	7	7	7	119
Actual	34	4*											37
Variance	-1	-12											-13

* Includes two offers made in July/August 2020 pending acceptance, less one cancellation.

The Project Budget FYE 2021 forecasts 119 sales. 34 sales were accepted in the month of July 2020, primarily as a result of the Federal and State Governments' building stimulus incentives. Five contracts are pending acceptance, subject to completion of advertising.

The Project has a current stock position of 23 lots, comprised of the following:

- Stage 26 (Beach Precinct) – 3 lots (titled)
- Stage 27 (Beach Precinct) – 12 lots (under construction)
- Stage 17B (Central Precinct) – 1 lot (titled)
- Stage 16A (Central Precinct) – 7 lots (under construction)

Table 4: Summary of Settlements for FYE 2020 against Budget – Catalina Estate

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FYE20
Budget	2	4	1	2	2	3	2	2	1	3	1	3	26
Actual	1	1	0	3	5	1	2	2	3	3	0	1	22
Variance	-1	-3	-1	1	3	-2	0	0	2	0	-1	-2	-4

26 settlements were forecast for FYE 2020 and 22 settlements were achieved.

The Project Budget FYE 2021 forecasts 117 settlements. The Project currently holds 52 contracts on hand, 47 conditional, five unconditional plus two pending advertising and acceptance. The number of contracts on hand carrying into FYE 2021 puts the Project in a strong position.

Table 5: Summary of Settlements for FYE 2021 against Budget – Catalina Estate

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FYE21
Budget	7	5	10	11	22	9	14	12	11	4	5	7	117
Actual	3	5											8
Variance	-4	0											-4

Northern Corridor Estates Analysis

Table 6 provides a summary of sales at developments in the northern corridor.

Table 6: Summary of Sales in Northern Corridor (July 2019 to June 2020)

ESTATE	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	12 Month Total Sales
NORTH-WEST METRO													
Alkimos Beach (Alkimos)	1	7	6	2	7	2	5	1	3	2	8	43	87
Alkimos Vista (Alkimos)	3	1	2	1	1	3	1	1	4	0	1	28	46
Allara (Eglinton)	7	5	2	3	1	-3	1	1	4	1	2	29	53
Amberton (Eglinton)	1	7	7	13	0	5	3	8	1	3	13	41	102
Beaumaris (Iluka)	1	0	1	1	0	0	1	12	0	0	0	5	21
Burns Beach (Burns Beach)	1	1	2	1	1	0	1	3	0	1	1	86	98
Catalina (Clarkson-Mindarie)	3	2	3	3	2	1	1	3	3	1	4	6	32
East of the Beach (Eglinton)	1	6	2	4	-1	1	0	5	2	0	2	32	54
Eden Beach (Jindalee)	1	9	9	10	8	3	6	21	6	0	11	32	116
Kinross (Kinross)	1	1	1	0	1	1	1	2	1	0	3	0	12

Shorehaven (Alkimos)	3	2	4	4	2	2	4	14	10	8	12	62	127
Trinity (Alkimos)	6	6	3	5	18	8	3	6	5	5	5	43	113
TOTAL	29	47	42	47	40	23	27	77	39	21	62	407	861
CATALINA SHARE (%)	10.3 %	4.26 %	7.14 %	6.38 %	5.00 %	4.35 %	3.70 %	3.90 %	7.69 %	4.76 %	6.45 %	1.47 %	3.72 %

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.

Note 3: Table 4's figures for June does not include 34 sales made at Catalina in the month that were accepted following statutory advertising in July 2020.

Table 7 provides a summary of available stock in the northern corridor. The three lots available in Catalina Beach range in area from 503m² to 539m², with prices ranging from \$427,000 to \$445,000. Lots in Catalina Central are priced at \$258,000 for 375m² lots and \$293,000 for 450m² lots.

Table 7: 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	32
Alkimos Beach	150,000	230,000	225,000-262,000	285,000-305,000	n/a	2,413	23
Amberton	N/A	190,000	211,000-228,000	264,000-283,000	289,000-325,000	2,500	11
Burns Beach	N/A	N/A	N/A	N/A	460,000 – 755,000	1,580	6
Catalina Central	N/A	N/A	\$258,000	\$293,000	N/A	2,480	8
Catalina Beach	\$250,000	N/A	\$350,000	410,000	445,000		15
Eden Beach	172,000	240,000	265,000	N/A	305,000-350,000	1,100	20
Kinross	N/A	N/A	295,000	332,500	347,500-355,000	67	1
Shorehaven	169,000-280,000	205,000	249,000	285,000	N/A	2,800	20
Trinity	138,000	185,000	182,000 - 215,000	248,000	269,000	2,500	2

Lot Releases

Nine lots were released for sale on 1 August 2020 in Stage 16A in Catalina Central, ranging in area from 375m² to 450m². Two of these lots have sold.

Stage 27A - Catalina Beach, 12 lots were approved for release on 12 August 2020. The lots range in area from 225m² to 450m².

The rationale for the location, size and timing of the releases in Stage 16A and 27A is to:

- Replenish stock levels, given recent sales activity had reduced the number of available lots to three, with lots to be made available in both the Beach and Central precincts of a range of sizes and at various price-points.
- Capitalise on continued market interest generated by the Government building stimulus incentives, while limiting the size of releases to ensure available stock does not reach an excessive level.
- Bring forward the construction and sale of lots that will be located adjacent to existing stages to ensure efficient servicing and provision of good amenity.

Stage 16A and 27A lots are expected to be titled in December 2020.

Marketing

Current project marketing is focussed on lead generation and brand awareness campaigns through social media advertising (primarily Google and Facebook). These campaigns are running from August to November 2020, supported by an ongoing website search engine optimisation (SEO) program.

Project profiles are currently being hosted on real.estate.com.au, which ensures Catalina advertisements and available lots rank highly on suburb searches of Mindarie and Clarkson.

In response to queries raised at the Management Committee meeting of 16 July 2020, Satterley was requested to provide an analysis on the advantages/disadvantages of the Catalina website being hosted on Satterley's web domain compared to a Catalina stand-alone site. Satterley's advice is contained in Appendix 8.5 and recommends that the Project is better served by the Catalina website remaining on the Satterley domain. The Satterley advice is provided for information only, the matter is to be further considered by the Management Committee at its September meeting.

8.6 ELECTED MEMBER TRAINING REPORT 2020

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

That Council APPROVES the Elected Member Continuing Professional Development Policy and NOTES the Elected Member Training Report, required by Section 5.127 of the *Local Government Act (2019)* and that the TPRC's website provide a link to each member local government's website where the policy, training and reporting requirements in respect of each of the TPRC's Councillors is provided.

Voting Requirements

Absolute Majority

Report Purpose

To provide a report on the Elected Member Training Report, as required by the *Local Government Act 2019*.

Policy Reference

N/A

Local Government Act/Regulation

Local Government Act 2019 - Section 5.127

Previous Minutes

Nil

Financial/Budget Implications

N/A

Relevant Documents

Appendix: Elected Member Continuing Professional Development Policy (August 2020)

Available for viewing at the meeting: *Local Government Act 2019*

Background

The Local Government Act 2019 (the Act) has been amended to include - Section 5.127 which includes new provisions requiring local governments to prepare a report for each financial year on the training completed by Elected Members in that financial year.

Section 5.127 of the Act states the following:

“5.127 Report on training

(1) A local government must prepare a report for each financial year on the training completed by Council Members in the financial year.

(1) The CEO must publish the report on the local government’s official website within one month after the end of the financial year to which the report relates.”

Comment

Section 5.126 of the Act requires that each council member complete Council Member Essentials training within 12 months of being elected to Council (*Note: does not apply to members elected prior to the ordinary election in October 2019*).

Member local governments have been undertaking the required reports since the new provisions came into effect.

The Act is not specific about the reporting requirements, however advice from the Department of Local Government, Sport and Cultural Industries is as follows:

1. The intent is for local governments to report to the community on what training Elected Members have undertaken.
2. Local governments are encouraged to include all training rather than just the Elected Member Essentials course.

The Act is not prescriptive on the level of detail required. Each local government is to determine the appropriate level of information required for the public.

There is no exemption for regional local governments in relation to the Section 5.126 obligation to prepare a report and develop a policy and therefore the TPRC is required to prepare a report and develop a policy. However, advice from the Department of Local Government, Sport and Cultural Industries has acknowledged that to avoid the potential for the duplication of work, a regional council may prepare a report / policy that points to those already completed by individual local governments.

In order to avoid unnecessary duplication of reporting and to comply with the requirements of the Section 5.128 of the Act it is recommended the TPRC’s website provide a link to each member local government’s website where the policy, training and reporting requirements in respect of each of the TPRC’s councillors would be provided.

The Tamala Park Regional Council Elected Member Continuing Professional Development Policy (August 2020) outlines this approach and is recommended for Council’s endorsement.

9. COMMITTEE REPORTS 9.1 - 9.14

AUDIT COMMITTEE (6 AUGUST 2020)

9.1 TPRC DRAFT BUDGET FYE 2021

Report Information

Reporting Officer: Chief Executive Officer

COMMITTEE RECOMMENDATION

Moved Cr Lagan, Seconded Cr Taylor.

That the Audit Committee recommends that Council:

- 1. ADOPTS the Budget for the Tamala Park Regional Council for the year ending 30 June 2021, incorporating the following statements:**
 - a. Statement of Comprehensive Income, indicating an operating deficit of \$558,647.**
 - b. Statement of Financial Activity, showing surplus at end of year position of \$44,994,942.**
 - c. Rate Setting Statement, indicating no rates levied.**
- 2. ADOPTS a percentage of 10% or \$5,000 whichever is the greater for the purposes of the reporting of material variances by Nature and Type monthly for the 2019/2020 financial year, in accordance with Regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*.**

The Motion was put and declared CARRIED (4/0).

TPRC Recommendation to the Audit Committee

That the Audit Committee recommends that Council:

- 1. ADOPTS the Budget for the Tamala Park Regional Council for the year ending 30 June 2021, incorporating the following statements:**
 - a. Statement of Comprehensive Income, indicating an operating deficit of \$558,902.**
 - b. Statement of Financial Activity, showing surplus at end of year position of \$44,994,942.**
 - c. Rate Setting Statement, indicating no rates levied.**
- 2. ADOPTS a percentage of 10% or \$5,000 whichever is the greater for the purposes of the reporting of material variances by Nature and Type monthly for the 2019/2020 financial year, in accordance with Regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*.**

Voting Requirements

Absolute Majority

Report Purpose

Consideration of the budget estimates for the financial year 1 July 2020 - 30 June 2021.

Relevant Documents

Appendix: Draft Annual Budget Estimates for 2020/2021 including -

- Comprehensive Income Statement;
- Statement of Financial Activity;
- Rate Setting Statement.

Previous Minutes

- Council Meeting – 15 August 2019 (Item 9.6 - TPRC Draft Budget for the FYE 2020)
- Council Meeting – 16 August 2018 (Item 9.7 - TPRC Draft Budget for the FYE 2019)

Policy Reference

N/A

Local Government Act/Regulation

- *Local Govt Act 1995: Sect 6.2 Council Required*, between 1 June and 31 August to adopt budget for financial year
- *Local Govt (Financial Management) Regs 1996: Part 3 - Annual Budget form and content*
- *Guideline 8 - Opening Closing Funds - Annual Budget*
- *Local Government (Financial Mgt) Regs 1996: Reg 34 (5) Material Variance Reports [10%]*
- *Local Government (Audit) Regs 1996: Reg 13 Compliance Audit Item*

Background

The Local Authority Budget sets out the programs, projects and allocation of resources required to perform the Municipal obligations and functions required by the *Local Government Act* and associated legislation.

The Budget is used as the base document for monthly financial reporting, for the formal Budget Review and for the Annual Financial Report, including financial performance ratios.

PROJECT BUDGET FYE 2021

At its meeting of 18 June 2020, the Council considered the Project Budget FYE 2021, prepared by the Satterley Property Group (Satterley), and resolved to approve the Project Budget FYE 2021 as the basis of financial planning for the TPRC Budget FYE 2021 subject to a number of modifications.

Satterley has updated the Project Budget FYE 2021 (July 2020) to incorporate the modifications required by the Council at its 18 June 2020 meeting, which included project revenue adjustment and civil and infrastructure construction brought forward. The revised Project Budget recognises the significant impact on the land sales market in Perth in the past two months as a result of the Federal and State Governments' building stimulus incentives. The revised Project Budget FYE 2021 (July 2020) indicates an improved cashflow position for the Project.

The Management Committee considered the Project Budget FYE 2021 (July 2020), submitted by the Satterley Property Group, at its meeting of 23 July 2020 and resolved to recommend

that Council approves the Project Budget FYE 2021 (July 2020) as the basis of financial planning for the TPRC Budget FYE 2021. This is listed for consideration under Item 9.7 of this Agenda.

The Project Budget FYE 2021 (July 2020) includes the following key elements;

Sales/Settlements

- 119 sales;
- Titles – 107 lots, Stages 16A, 27 and 28;
- 117 settlements.

Civil Construction and Bulk Earthworks - \$11.70M

- Civil construction - Stages 16A and 18C (Central Precinct) and Stages 27 and 28 (Beach Precinct);
- Bulk Earthworks - Stages 29-31 (Beach Precinct) and Stages 36-40 (Grove Precinct).

Infrastructure - \$5.77M

- Portofino Boulevard extension;
- Beach Access Road/services;
- Burns Beach – Mindarie DUP;
- Connolly Drive Intersection;
- Long Beach Promenade Connection.

Landscape Construction - \$1.67M

- Portofino Promenade median/verge extension;
- Foreshore area landscape;
- Stage 16 verges/ streetscapes;
- Stage 17 verges/ streetscapes;
- BCA North and South rehabilitation works.

Marketing - \$0.40M

- Continued Catalina branding;
- Advertising for estate campaigns;
- Market research.

Planning

- Catalina Beach - refining concepts, addressing the foreshore interface and potential development of a commercial/community node, optimal lot mix and typologies and opportunities for retention of native vegetation.
- Catalina Grove – development strategy and first phase of subdivision approval.

The Project Budget FYE 2021 (July 2020) assumes the acquisition of the Western Australian Planning Commission (WAPC) land - \$10.2M, with equal payments being made in FYE 2021 and FYE 2022. The land is located within the Catalina Grove Precinct, adjacent the Mitchell Freeway, and which forms part of the approved Tamala Park Local Structure Plan. The agreement to purchase is consistent with the Negotiated Planning Solution (2004) approved by the WAPC and the member local governments.

The proposed Distribution to member local governments is \$3.0M.

Comments

- The TPRC Budget 2020/2021 is based on the Project Budget FYE 2021 (July 2020), prepared by Satterley. It proposes a positive sales and settlement outcome as a result of improved sales activity in June/July for Catalina and the general land sales market across Western Australia motivated by the Government building stimulus measures.
- The comparison of projected income and expenditure for 2020/2021 with the previous year is shown in the table below.

Net Result	Budget 2020/21 \$	Budget 2019/20 \$
Income		
Investments	645,000	966,153
Proceeds Sale of Lots	34,688,724	9,073,874
Profit Disposal of Assets	785	0
Other income	23,935	2,050
Total Income	35,358,444	10,042,077
Expenditure		
Interest Expenses	511	0
Depreciation	55,287	25,578
Employee Costs	749,760	742,371
Insurance	16,462	21,089
Utilities	6,500	6,611
Administration Expenses	222,769	312,966
Governance	177,078	191,050
Total Expenditure	1,228,367	1,299,665
Net Result	34,130,077	8,742,412
Less Development of Land for Resale		
Development Costs, Subdivisions	31,190,377	16,343,068
Equity Distribution	3,150,000	3,154,491
	34,340,377	19,497,559
Net Change in Members Equity	(210,300)	(10,755,147)
Plus Accumulated Surplus as at 30th June	46,917,288	45,712,094
Less Changes on Revaluation of Non- Current Assets	0	0
	46,917,288	45,712,094
Total Members Equity	46,706,988	34,956,947

** It is noted that any distribution would be based on the member local government shares as set out in the TPRC Establishment Agreement 2006.*

- The Budget has been assembled in local government format and is shown in Appendix 9.1, which indicates items of revenue and expenditure and cash flow through the 12 months of the financial year. The emphasis of the budget is focused on initiatives in the following areas:
 - Administration;
 - Sales and Marketing;

- Land Development Costs;
- Revenue (sales revenue and investment income).

3.1 Administration

This category provides for the operation of the TPRC administration.

3.2. Sales and Marketing

Provision is made for the Sales and Marketing of the Project consistent with the Annual Plan FYE 2021 and Annual Marketing Strategy FYE 2021. The expenditure covered in this category is under item E145216 (Direct Selling Expenses). This category allows for expenditure associated with the following:

- Brand development;
- Lead generation to achieve sales targets;
- Promotion of Catalina Beach Builders Display Village;
- Upgrading of estate signage;
- Advertising for estate campaigns;
- Project website improvements and sales collateral refinement.

3.3. Land Development Costs

As a result of improved lot sales as a result of the Federal and State Governments' building stimulus incentives Satterley has recommended a significant civil and infrastructure construction program for 2020/2021.

The expenditure projected is shown in the following table:

Land & Special Sites Development	5,113,000
Consultants	415,819
Landscape	1,669,700
Infrastructure	5,772,557
Bulk Earthworks	2,317,896
Lot Production	9,378,726
Admin Land Development	1,283,020
Community Development	178,500
Contingency	1,326,461
Finance	350,000
	27,805,679

These are shown as Capital Costs in the Budget.

3.4. Revenue

Last financial year investment income amounted to \$800,969. Indications are that interest rates will remain low and stable through 2020/2021. The estimated investment revenue is \$645,000. This assumes an investment rate of 1.5% per annum for 2020/2021.

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 2020/2021.

4. Financial Activity Statement

The Financial Activity Statement 2020/2021 (Appendix 9.1) shows the TPRC cashflow position for 2020/2021. This assumes income from the sale of lots of \$34,688,724. The Draft Annual Budget for 2020/2021 predicts that the TPRC can meet all cashflow obligations without the need for a finance or overdraft facility.

5. Material Variance

Regulation 34(5) of the *Local Government (Functions and General) Regulations 1996* specifically requires Local Government in each financial year, to adopt a percentage or value to be used in the Statements of Financial Activity. In previous years the TPRC used 10% for reporting material variances. This is considered an appropriate measure of variance that has resulted in reporting of minor variations in total cost terms.

It is recommended that the Council adopt a percentage of 10% or \$5,000 whichever is the greater for the purpose of reporting material variances by Nature and Type monthly for 2020/2021.

6. Distributions

The Draft TPRC Budget for 2020/2021 predicts Distributions to the seven participant members totalling \$3.0 million. It is anticipated that the Distributions are to be made in June 2021.

Conclusion

The Draft TPRC Budget for 2020/2021 is based on the Project Budget FYE 2021 (July 2020) recommended by the Management Committee to Council for approval as the basis of financial planning for the TPRC Budget FYE 2021, at its meeting of 23 July 2020.

It is also consistent with the Annual Plan FYE 2021 approved by Council at its meeting of 18 June 2020. It forecasts a positive sales and settlement outcome as a result of improved sales activity in June/July for Catalina and the general land market across Western Australia motivated by the Government building stimulus measures.

It predicts that the TPRC can meet all cashflow obligations without the need for any call upon member local government funds to meet any operating or capital expenditure.

It should be noted that there is a minor change to the TPRC budget FYE 2021 considered by the Audit Committee and recommended to Council at its meeting of 6 August 2020. The Statement of Comprehensive Income, operating deficit has been modified from \$558,902 to \$558,647 to reflect a lease Right of Use (ROU) interest expense. No other changes have been made.

9.2 PAYMENT OF ACCOUNTS & SECURITY OF PAYMENT INSTRUMENTS POLICY REVIEW

Report Information

Reporting Officer: Chief Executive Officer

COMMITTEE RECOMMENDATION

Moved Cr Taylor, Seconded Cr Lagan.

That the Audit Committee recommends that Council APPROVES the Payment of Accounts & Security of Payment Instruments Policy (August 2020).

The Motion was put and declared CARRIED (4/0).

TPRC Recommendation to the Audit Committee

That the Audit Committee recommends that Council APPROVES the Payment of Accounts & Security of Payment Instruments Policy (August 2020).

Voting Requirements

Simple Majority

Report Purpose

To review the Payment of Accounts & Security of Payment Instruments Policy.

Relevant Documents

Appendix: Payment of Accounts & Security of Payment Instruments Policy (August 2020)

Policy Reference

Payment of Accounts & Security of Payment Instruments Policy (July 2019) adopted October 2019.

Local Government Act/Regulation

Local Government (Functions & General) Regs1996, Part 4, Division 1 (Purchasing Policies)

Previous Minutes

- Council Meeting – 17 October 2019 (Item 9.12 – Payment of Accounts & Security of Payment Instruments Policy Review)
- Council Meeting – 16 August 2018 (Item 9.10 – Payment of Accounts & Security of Payment Instruments Policy Review)

Background

At its meeting of 17 October 2019, the Council approved the Payment of Accounts & Security of Payment Instruments Policy (July 2019) consistent with the *Local Government Regulations*.

Comment

The Payment of Accounts & Security of Payment Instruments Policy has operated satisfactorily and the Council's Auditors have raised no issues in relation to the Policy.

No changes are proposed and the Payment of Accounts & Security of Payment Instruments Policy (August 2020) is recommended for adoption.

9.3 CREDIT CARD POLICY REVIEW

Report Information

Reporting Officer: Chief Executive Officer

COMMITTEE RECOMMENDATION

Moved Cr Lagan, Seconded Cr Taylor.

That the Audit Committee recommends that the Council APPROVES the Credit Card Policy (August 2020).

The Motion was put and declared CARRIED (4/0).

TPRC Recommendation to the Audit Committee

That the Audit Committee recommends that the Council APPROVES the Credit Card Policy (August 2020).

Voting Requirements

Simple Majority

Report Purpose

To review the Credit Card Policy consistent with Local Government Regulations.

Relevant Documents

Appendix: Credit Card Policy (August 2020)

Policy Reference

Existing Credit Card Policy (July 2019).

Local Government Act/Regulation

Local Government (Financial Management) Regulations 1996, Part 2 (General Financial Management)

Previous Minutes

- Council Meeting – 17 October 2019 (Item 9.13 – Credit Card Policy Review)
- Council Meeting – 16 August 2018 (Item 9.12 – Credit Card Policy Review)

Financial/Budget Implications

N/A

Background

The Council approved the Credit Card Policy (July 2019) at its meeting of 17 October 2019.

Comment

The Credit Card Policy continues to operate satisfactorily and provides internal control and operational guidelines for protection of the TPRC. It is noted that the Auditors have raised no issues in relation to the Credit Card Policy. Changes are proposed to the monthly limits, in line with the recently approved Procurement Policy and to reflect operational requirements.

The Credit Card Policy (August 2020) is recommended for adoption.

9.4 PETTY CASH POLICY REVIEW

Report Information

Reporting Officer: Manager Project Coordination

COMMITTEE RECOMMENDATION

Moved Cr Timmermanis, Seconded Cr Lagan.

That the Audit Committee recommends that Council APPROVES the Petty Cash Policy (August 2020).

The Motion was put and declared CARRIED (4/0).

TPRC Recommendation to the Audit Committee

That the Audit Committee recommends that Council APPROVES the Petty Cash Policy (August 2020).

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix: Petty Cash Policy (August 2020)

Policy Reference

Existing Credit Card Policy (July 2019)

Local Government Act/Regulation

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

Previous Minutes

Council Meeting – 17 October 2019 (Item 9.14 – Petty Cash Policy Review)
Council Meeting – 16 August 2018 (Item 9.13 – Petty Cash Policy Review)

Financial/Budget Implications

N/A

Background

The Council approved the Petty Cash Policy (July 2019) at its meeting of 17 October 2019.

Comment

No changes are proposed to the Petty Cash Policy. The Petty Cash Policy (August 2020) is recommended for adoption.

9.5 WORKFORCE PLAN 2021-2024

Report Information

Reporting Officer: Chief Executive Officer

COMMITTEE RECOMMENDATION

Moved Cr Taylor, Seconded Cr Zappa.

That the Audit Committee recommends that Council APPROVES the Workforce Plan 2021-2024.

The Motion was put and declared CARRIED (3/2).

For: Cr Taylor and Cr Zappa, Chair cast additional vote

Against: Cr Lagan and Cr Timmermanis

Casting Vote For: Cr Zappa (in accordance with Section 5.21(3) of the *Local Government Act*)

TPRC Recommendation to the Audit Committee

That the Audit Committee recommends that Council APPROVES the Workforce Plan 2021-2024.

Voting Requirements

Simple Majority

Report Purpose

To consider the Workforce Plan 2021-2024.

Relevant Documents

Appendix: TPRC Workforce Plan 2021-2024.

Policy Reference

N/A

Local Government Act/Regulation

Local Government (Financial Management) Regulations 1996, Regulation 19C

Previous Minutes

N/A

Financial/Budget Implications

In accordance with TPRC Long Term Financial Plan, approved 6 December 2018

Background

The Department of Local Government's Integrated Planning and Reporting Framework, *Local Government (Financial Management) Regulations 1996, Regulation 19C*, requires all local governments to develop and integrate matters relating to resources including asset management, workforce planning, and long-term financial planning.

The Workforce Plan 2013-2018 was approved in 2013.

Comment

The Workforce Plan 2021-2024 has been prepared to comply with the Department of Local Government's Integrated Planning and Reporting Framework, in relation to workforce planning, and the associated guidelines.

It recognises the TPRC regional purpose, the size of the TPRC office and associated workforce and that it does not provide the services normally associated with local governments.

The Workforce Plan 2021-2024 has been aligned with the approved TPRC Long Term Financial Plan and consistent with the Draft TPRC Budget FYE 2021.

The objectives of the Workforce Plan are:

- TPRC is a preferred place of work with a healthy culture and secure work environment;
- Its work is a valuable contribution to its member local governments;
- It has appropriately skilled and trained employees in order to undertake work;
- It aligns with the Strategic Community Plan, Corporate Business Plan and Long Term Financial Plan.

The Workforce Plan helps to understand and manage risks associated with the organisation, including:

- Succession planning;
- Coverage for employees who are absent on leave / training;
- Coverage for employees who are absent due to workplace injury;
- Minimal employees to cover a range of professional skills needed to achieve objectives;
- Consequences as a result of employee turnover, such as loss of corporate knowledge.

The Workforce Plan provides the framework so that the TPRC can respond quickly and strategically to change; facilitate strategic staffing and planning for future workforce requirements and ensure it has the capacity to achieve the outcomes of the Strategic Community Plan. It also assists with identifying and managing people with the knowledge critical for efficient and effective business operations, and managing corporate memory and monitor costs and directly link workforce expenditure in accordance with the Long Term Financial Plan.

The Workforce Plan recognises that due to the nature of the TPRC operations and increasing requirements on governance and probity a full time Governance/Administration Officer will be required for governance duties and responsibilities and to assist in corporate governance, project co-ordination, research and office management. It is expected that recruitment for this position will be undertaken in the next 12 month period.

One of the risks to the TPRC is the size of the TPRC office and associated workforce, particularly in covering for employees who are absent on leave / training and the minimal

employees to cover a range of professional skills needed to deliver local government and regional purpose requirements.

The lack of resourcing has the potential to affect the health and well-being of the TPRC workforce and will impact on the capacity to retain experienced, well trained and committed professionals.

It is recommended that Council approve the Work Force Plan 2020 and it be forwarded to the Director General of the Department of Local Government, Sport and Cultural Industries for endorsement.

MANAGEMENT COMMITTEE (23 JULY 2020)

9.6 CATALINA GROVE DEVELOPMENT STRATEGY

Report Information

Reporting Officer: Manager Project Coordination

COMMITTEE RECOMMENDATION

Moved Cr Lagan, Seconded Cr Migdale.

That the Management Committee recommends that Council:

- 1. APPROVES the Catalina Grove Development Strategy (July 2020) prepared by the Satterley Property Group, to guide the development, marketing and sale of land in the Catalina Grove Precinct.**
- 2. REQUESTS the Satterley Property Group to provide additional advice on the following matters prior to the development of Phase 1:**
 - (a) Commencement of Sales – rationale for sales commencing prior to Phase 1 civil works and the Connolly Drive and Neerabup Road landscaping being completed;**
 - (b) Local Centre site – recommendations on the timing for the marketing, sale and development of the site;**
 - (c) Builders' Display Village – seeking commitment from builders for the potential display village and interest in building demonstration housing, particularly the proposed micro-lots and terrace housing;**
 - (d) Lot sizes and configuration – further information, including market research, confirming market acceptance to the proposed lot sizes, particularly the proposed micro lots and terrace housing lots;**
 - (e) Marketing strategy - advice on the timing for the preparation of the Grove Marketing Strategy, in particular detail on how the marketing approach will emphasise the Grove Precinct point of difference with the other Catalina Precincts;**
 - (f) Preparation of Design Guidelines – advice on the timing for the preparation of the design guidelines;**
 - (g) Innovation/sustainability - advice on the timing for the preparation of information outlining the innovation/sustainability principles/approaches to be incorporated in the Grove Precinct.**

The Motion was put and declared CARRIED (6/0).

TPRC Recommendation to the Management Committee

That the Management Committee recommends that Council APPROVES the Catalina Grove Development Strategy (July 2020) prepared by the Satterley Property Group, to guide the development, marketing and sale of land in the Catalina Grove Precinct, subject to the Satterley Property Group incorporating additional advice on the following matters:

1. Commencement of Sales – rationale for sales commencing prior to Phase 1 civil works and the Connolly Drive and Neerabup Road landscaping being completed;
2. Local Centre site – recommendations on the timing for the marketing, sale and development of the site;
3. Builders' Display Village – seeking commitment from builders for the potential display village and interest in building demonstration housing, particularly the proposed micro-lots and terrace housing;
4. Lot sizes and configuration – further information, including market research, confirming market acceptance to the proposed lot sizes, particularly the proposed micro lots and terrace housing lots;
5. Marketing strategy - advice on the timing for the preparation of the Grove Marketing Strategy, in particular detail on how the marketing approach will emphasise the Grove Precinct point of difference with the other Catalina Precincts;
6. Preparation of Design Guidelines – advice on the timing for the preparation of the design guidelines;
7. Innovation/sustainability - advice on the timing for the preparation of information outlining the innovation/sustainability principles/approaches to be incorporated in the Grove Precinct.

Voting Requirements

Simple Majority

Report Purpose

To consider the Catalina Grove Development Strategy (July 2020) prepared by the Satterley Property Group (Satterley) to assist guiding the development, marketing and sale of land in the Catalina Grove Precinct.

Policy Reference

N/A

Local Government Act/Regulation

Nil

Previous Minutes

Council Meeting: 18 June 2020 (Item 9.7 – Annual Plan FYE 2021)

Relevant Documents

Appendices:

- Catalina Grove Development Strategy (July 2020)
- Catalina Grove Concept Plan (July 2020)
- Catalina Grove Approved Concept Plan (August 2017)

Background

At its meeting of 18 June 2020, the Council approved the Annual Plan FYE 2021, which identifies the preparation of a Development Strategy for Catalina Grove to guide the delivery of development that is forecast to commence in the latter part of FYE 2021.

Satterley has submitted the Catalina Grove Development Strategy (July 2020) for the Council's consideration, which is attached in Appendix 9.6.

Comment

Development of the Catalina Central Precinct has progressed to a stage that warrants the potential launch of Catalina Grove in FYE 2022.

The Project Budget FYE 2021 and Annual Plan FYE 2021 provide for the lodgement of an application for subdivision approval for the first phase of development and the commencement of bulk earthworks in Catalina Grove. The Project Forecast FYE 2022 provides for the civil construction, infrastructure and landscape works and the commencement of sales and marketing for Phase 1 in FYE 2022.

The Catalina Grove Development Strategy (July 2020) outlines guiding principles to inform the development of the precinct and the approach to marketing and sales in order to meet the forecast program.

Design Considerations

The Council approved a Concept Plan for the development of Catalina Grove at its meeting on 17 August 2017 (included in Appendix 9.6) to inform an amendment to the Tamala Park Local Structure Plan (LSP) and the submission of an application to the Federal Government to revise the location of an area to be set aside for conservation under the EPBC Act. The Development Strategy recognises the key design considerations that underpin the Concept Plan, including:

- Achieving housing density and diversity supported by amenity provided by the Clarkson train station, the local centre to be developed adjacent to Connolly Drive and landscaped parks and streetscapes, consistent with density targets set through State Government and City of Wanneroo strategic documents.
- Retention and creation of tree canopy, achieving a 20% coverage target. Tree retention will be informed by a detailed tree survey that has been completed across the entire Precinct that influences the location of parkland and road alignments and landscape design.
- Strong connections to the Clarkson train station and other facilities and attractions in the surrounding area.

Detailed design is being informed by the Concept Plan, which has undergone revision since its endorsement in August 2017. The current working Concept Plan, which has been progressed by Satterley, is included in Appendix 9.6. Revisions made include:

- Realignment of the primary road (bus route) to a north-south and east-west alignment (instead of the south-west/north-east alignment) to create a more efficient subdivision pattern with improved solar orientation and more regularly shaped lots.
- Creating a more compact and legible 'Mixed Use' main street.
- Improving site responsive design outcomes to address existing topography and future (finished) levels to assist minimising imported fill.
- Provide for greater tree retention in reconfigured public open space and streets.
- Provide built form (place making) opportunities, notably around the local centre and area closest to the train station.
- Reconfiguring road structure to provide for lots to back onto the Mitchell Freeway road reserve to address acoustic considerations and bushfire risk, while minimising the inefficiency and design outcomes of one-sided streets.
- Providing a shorter 'bus only' road in the north-east corner of the site to the station to minimise the extent of the priority lane and legibility of the road network in this portion of the precinct.

Satterley representatives will be able to outline the basis of these changes.

Development Phases

Development is proposed to be staged over four main phases, as shown on the plans on pages 17-20 of the Development Strategy:

- Phase 1 is proposed in the north-western corner of Catalina Grove and will yield approximately 140 lots. Development has been identified to commence in this part of the site to provide for efficient servicing, high exposure and opportunity for high amenity. A display village is proposed to capitalise on exposure to passing traffic on Connolly Drive. The initial development will also provide new road connections with Neerabup Road and Connolly Drive, parkland adjacent to Neerabup Road that will feature a grove of existing trees and other landscaped entry statements and the opportunity to market and sell the local centre site. Additional details in respect to Phase 1 are provided below.
- Phase 2 is proposed to the east of the first phase area and will provide a connection to the Clarkson train station (via the existing Neerabup Road underpass), including provision for buses and the completion of the green link pedestrian and cyclist path. It will also provide the opportunity to create sites for high density residential development near the train station and a centralised park to act as a major attractor and focus for recreation.
- Phase 3 is proposed to the south of the first phase of development to provide opportunities for a second builders' display village and uses that could complement and support the viability of development of the local centre, including aged and health care and higher density residential. This area will have an outlook towards the Bush Forever conservation reserve located to the south.
- Phase 4 is proposed in the eastern part of Catalina Grove. Satterley indicates that development of this area will be reviewed in light of market demands and how preceding development has occurred, recognising that it will provide further opportunity for density development, strong connections to the train station, green link and freeway dual use path and tree retention in parks and streetscapes.

Catalina Grove - Phase 1

As indicated above, the first phase of development is proposed in the north-western corner of Catalina Grove. It has been selected as the first development area as a result of efficient servicing, high exposure and opportunity for high amenity with parkland adjacent to Neerabup Road and other landscaped entry statements. It will have excellent access with new road connections with Neerabup Road and Connolly Drive. A display village is proposed to capitalise on exposure to passing traffic on Connolly Drive.

Key elements of Phase One proposed in the Grove Development Strategy include:

- Creation of the Local Centre site – The approved LSP provides for the development of up to 3,300m² retail floorspace in this centre, which should be sufficient to attract a major supermarket retailer as an anchor tenant. Creating the site in the first phase of development will provide the opportunity to commence marketing for expressions of interest from developers to purchase the site and develop the centre.

Satterley advise that feedback obtained from commercial centre developers indicates that there would be demand to establish a centre in this location, provided that it is accessible and highly visible from Connolly Drive.

- Provision for a Builders' Display Village – Given the success of previous Catalina display villages a similar approach is proposed adjacent to Connolly Drive in the first phase of Catalina Grove. A display village in this location will assist to activate and frame the entry to the development, act as a design benchmark, provide early sales and generate enquiry and traffic for the Project.
- Development of Public Open Space adjacent to Neerabup Road – This will facilitate retention of a significant stand of mature tuarts, which will create an attractive northern edge to Catalina Grove and contribute towards achieving the Council's tree canopy target. The use of widened road reserves and blister islands will also cater for tree retention.
- The first phase of development will yield approximately 140 lots. Lots are to range from 80m² to 520m² in area, with the following lot mix proposed:

Lot Type	Area	Dimension	Percentage
Micro	80m ² – 145m ²	8m x 10m 10m x 15m 7m x 20m	5%
Squat	250m ² – 300m ²	12.5m x 20m 15m x 20m	10%
Cottage	190m ² – 380m ²	7.5m x 25m 10.5m x 25m 12.5m x 25m 15m x 25m	20%
Terrace	180m ² – 230m ²	6m x 30m 7.5m x 30m	30%
Conventional	325m ² – 520m ²	10.5m x 30m 12.5m x 30m 15m x 30m 17m x 30m	35%

Satterley has indicated that this lot mix will satisfy housing requirements of a broad demographic and that development cells will be structured to ensure flexibility to optimise lot variety to meet market demand. It is anticipated that the Western Australian Planning Commission (WAPC) and the City of Wanneroo will have an expectation that the lot mix

achieve objectives of the LSP for density development given the proximity to the Clarkson train station.

- Preparation of Design Guidelines – Satterley proposes the preparation of new design guidelines to achieve built form that provides for passive surveillance of the street and other public areas, opportunities for neighbourly interaction, design palette for desired materials, colours and treatments and climate responsive principles.

Marketing and Sales

Satterley proposes the use of direct retail marketing and builder engagement as the two main channels to achieve sales at Catalina Grove.

Retail marketing will have a focus on brand development and lead generation, primarily through digital advertising and direct communication and also more traditional channels of print media. This approach is intended to drive enquiry to register interest in the launch of Catalina Grove and then to generate sales as new stages are released. Marketing will emphasise the precinct's point of difference, particularly around themes of nature, connections, health and convenience.

Satterley proposes to leverage its strong relationships with home builders to ensure their presence in the display village and a stream of referrals to Catalina. The launch of Catalina Grove is proposed through weekly electronic direct mail communications, hard copy sales collateral, a builders' event and social media strategy. Beyond the launch phase, Satterley proposes an ongoing program of builder engagement through regular communications and by preparing house and land packages.

Sales interest will be registered through an on-line process to ensure fairness and transparency. The sales team will continue to operate from the Catalina Beach Sales Office for the foreseeable future, as it is in a highly visible location on Marmion Avenue within a display village that attracts a high level of visitation.

Development and Marketing/Sales Program – Phase 1

Satterley proposes a program for the development and marketing of Phase 1, which has the following key milestones:

August 2020:	Council approval of Development Strategy
January 2021:	Complete Brand Asset Development
March 2021:	Subdivision/Earthworks Approvals
April 2021:	Launch Brand/Lead Generation Campaign
May 2021:	Signage Installed; Display Village EOI to Builders
June 2021:	Connolly Drive/Aviator Boulevard Roundabout completed Launch Sales
August 2021:	Complete Earthworks; commence Civil Works (Stage 1)
September 2021:	Complete Connolly Drive Landscaping
December 2021:	Complete Civil Works (Stage 1)
January 2022:	Titles (Stage 1); commence Civil Works (Stage 2)
March 2022:	Complete Neerabup Road and streetscapes landscaping
May 2022:	Complete Civil Works (Stage 2)
June 2022:	Titles (Stage 2)
January 2023:	Display Village Opening

It is noted that Satterley proposes that sales would commence prior to civil works for Phase 1 being initiated and the landscape works associated with Connolly Drive and Neerabup Road being completed.

Grove Precinct – Forecast Cashflow

Satterley has provided an indicative cashflow for the proposed development of Catalina Grove, which indicates an anticipated cost of development of approximately \$82.1M to yield 743 lots and a gross income of \$143.4M, contributing \$61.3M to Project profit.

This is consistent with the draft Project Forecast 2020 considered by the Council at its meeting of 18 June 2020.

Conclusion

The Catalina Grove Development Strategy (July 2020) provides guiding principles to inform the development of the final precinct of the Project. It reflects the Council's agreed principles and objectives, particularly in respect to tree canopy, housing density and diversity and strong connections to the surrounding area, and is consistent with the approved LSP.

Development timeframes and financial outcomes are consistent with the draft Project Forecast 2020.

While it provides a good basis upon which to launch the intended commencement of development in the latter part of FYE 2021, there are a number of matters that require further detail and/or need to be progressed further in order to be properly considered by the Council, including:

- Commencement of Sales – rationale for sales commencing prior to Phase 1 civil works and the Connolly Drive and Neerabup Road landscaping being completed;
- Local Centre site – provide recommendations on the timing for the marketing, sale and development of the site;
- Builders' Display Village – seek commitment from builders for the potential display village and interest in building demonstration housing, particularly the proposed micro-lots and terrace housing;
- Lot sizes and configuration – provide further information, including market research, confirming market acceptance to the proposed lot sizes, particularly the proposed micro lots and terrace housing lots;
- Marketing strategy - provide advice on the timing for the preparation of the Grove Marketing strategy, in particular detail on how the marketing approach will emphasise the Grove Precinct point of difference with the other Catalina Precincts;
- Preparation of Design Guidelines – provide advice on the timing for the preparation of the design guidelines;
- Innovation/sustainability - provide advice on the timing for the preparation of information outlining the innovation/sustainability principles/approaches to be incorporated in the Grove Precinct.

9.7 PROJECT BUDGET FYE 2021 - UPDATED

Report Information

Reporting Officer: Manager Planning Coordination

COMMITTEE RECOMMENDATION

Moved Cr Caddy, Seconded Cr Migdale.

That the Management Committee recommends that Council APPROVES the Project Budget FYE 2021 (July 2020), submitted by the Satterley Property Group, as the basis of financial planning for the TPRC Budget FYE 2021.

The Motion was put and declared CARRIED (6/0).

TPRC Recommendation to the Management Committee

That the Management Committee recommends that Council APPROVES the Project Budget FYE 2021 (July 2020), submitted by the Satterley Property Group, as the basis of financial planning for the TPRC Budget FYE 2021.

Voting Requirements

Simple Majority

Report Purpose

To review the updated Project Budget FYE 2021 (July 2020) prepared by the Satterley Property Group (Satterley).

Policy Reference

N/A

Previous Minutes

Council Meeting – 18 June 2020 (Item 9.6 - Project Budget FYE 2021)

Financial/Budget Implications

Input to TPRC Budget FYE 2021.

Relevant Documents

Appendix: Updated Satterley Project Budget FYE 2021 (July 2020)

Background

At its meeting of 18 June 2020, the Council approved the Project Budget FYE 2021 (May 2020), submitted by Satterley for use as the basis of financial planning for the TPRC Budget FYE 2021, subject to the following modifications:

- i) Project revenue being adjusted to reflect the following revised approach to lot pricing, with no sales incentive rebate (July 2020 – December 2020):
 - a. Central – 375m²: \$258,000
 - b. Central – 450m²: \$293,000
 - c. Beach – 375m²: \$345,000
 - d. Beach – 450m²: \$385,000
- ii) Bring forward construction of Stages 16, 27 and 28 to achieve titles by December 2020;
- iii) The WAPC Land acquisition (\$10.2M) being made in two payments in May 2021 and December 2022;
- iv) Long Beach Promenade Connection – Catalina Beach (\$0.81M) being included for construction in FYE 2021.

Comment

Satterley has updated the Project Budget FYE 2021 (May 2020) to incorporate the modifications required by the Council at its 18 June 2020 meeting. The modifications include:

- Project revenue adjusted to reflect the Council’s approved lot pricing.
- Bringing forward construction of Stages 16, 27 and 28.
- The first of two payments for the WAPC land acquisition being made in May 2021 (the second payment has been deferred to December 2022).
- Bringing forward the construction of the Long Beach Promenade connection.

It should be noted that the Federal and State Governments’ building stimulus incentives have had a significant impact on the land sales market in Perth in May / June and many developers have sought to bring forward their construction programs to create additional stock. This has escalated demand on the construction industry, including the Project’s Civil Contractors, RJ Vincent. As a result, infrastructure works, including the Portofino Promenade extension, Beach Access road, Long Beach Promenade connection and Connolly Drive roundabout are now programmed for the second half of FYE 2021. This in turn impacts on the program for landscaping associated with these works. Satterley has updated the Project Budget FYE 2021 (May 2020) to reflect these program changes.

The updated Project Budget FYE 2021 (July 2020) is contained in Appendix 9.7.

The following table summarises the modifications made by Satterley in respect to the impact on forecast Project sales, titles, settlements, expenditure, income and cashflow for FYE 2021:

Item	Project Budget FYE 2021 (May 2020)	Project Budget FYE 2021 (July 2020)
Sales	78	119
Titles	52	107
Settlements	60	117
Development Costs	\$28,635,124	\$28,205,679
Gross Income	\$13,661,838	\$31,797,026
Cashflow	(\$14,973,286)	\$3,591,347

Conclusion

The revisions made by Satterley to the Project Budget FYE 2021 (July 2020) incorporate the modifications approved by the Council at its meeting of 18 June 2020 and reflect a revised construction program following discussions with the Project's civil contractor in respect to its capacity to undertake various works at Catalina in FYE 2021 and the associated impact on the program/budget for landscaping works.

The revised Project Budget FYE 2021 (July 2020) indicates an improved cashflow position for the Project and an updated forecast that informs the preparation of the TPRC Annual Budget FYE 2021. Circumstances impacting the Project are currently dynamic and will be reviewed as part of the mid-year Budget review to be considered by the Council in December 2020.

9.8 ANNUAL MARKETING PLAN FYE 2021

Report Information

Reporting Officer: Manager Project Coordination

COMMITTEE RECOMMENDATION

Moved Cr Caddy, Seconded Cr Sandri.

That the Management Committee recommends that Council:

1. **APPROVES** the Annual Marketing Plan FYE 2021, prepared by the Satterley Property Group, subject to it being amended to indicate a revised sales target of 119 lots consistent with the revised Project Budget FYE 2021 (July 2020).
2. **ACCEPTS** that the Development Manager's Key Performance Indicator (February 2020) requiring the preparation of an Annual Marketing Plan has been achieved.
3. **ADVISES** the Satterley Property Group that marketing expenditure, in particular sales incentives campaigns, will be reviewed and monitored in line with market conditions and the requirements of the Project and the Project Budget FYE 2021, as approved. Further, the proposed experiential marketing through promotion and engagement at third-party events such as the Mindarie Marina Festival and City of Joondalup Festival will require further justification on expected marketing outcomes versus expenditure.

The Motion was put and declared CARRIED (6/0).

TPRC Recommendation to the Management Committee

That the Management Committee RECOMMENDS that Council:

1. APPROVES the Annual Marketing Plan FYE 2021, prepared by the Satterley Property Group, subject to it being amended to indicate a revised sales target of 119 lots consistent with the revised Project Budget FYE 2021 (July 2020).
2. ACCEPTS that the Development Manager's Key Performance Indicator (February 2020) requiring the preparation of an Annual Marketing Plan has been achieved.
3. ADVISES the Satterley Property Group that marketing expenditure, in particular sales incentives campaigns, will be reviewed and monitored in line with market conditions and the requirements of the Project and the Project Budget FYE 2021, as approved. Further, the proposed experiential marketing through promotion and engagement at third-party events such as the Mindarie Marina Festival and City of Joondalup Festival will require further justification in order to demonstrate satisfactory marketing outcomes when further detail is available.

Voting Requirements

Simple Majority

Report Purpose

To consider the Annual Marketing Plan FYE 2021 prepared by the Satterley Property Group (Satterley), as required by the Development Manager's Key Performance Indicators.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

- Council Meeting – 20 June 2019 (Item 9.8: Catalina Annual Marketing Plan FYE 2020).
- Council Meeting – 20 February 2020 (Item 10.3: Development Manager's Key Performance Indicators - 2020).

Relevant Documents

Appendix: Catalina Annual Marketing Plan FYE 2021.

Financial/Budget Implications

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

Budget Amount:	\$	400,000
Spent to Date:	\$	23,774
Balance:	\$	376,226

Note refers to Budget FYE 2021, not yet adopted.

Background

The approved Development Manager's Key Performance Indicators (KPIs) (February 2020), requires the preparation of an Annual Marketing Plan. Satterley has prepared and submitted the Catalina Annual Marketing Plan FYE 2021 for the Council's consideration (Appendix 9.8).

Comment

The purpose of the Annual Marketing Plan FYE 2021 is to identify the key marketing activities for the forthcoming year to assist in meeting sales targets. It contains the following components:

- Market conditions overview;
- Key marketing objectives and initiatives;
- Marketing budget.

Market conditions

Satterley has made the following observations in respect to market conditions and sales achieved at Catalina in FYE 2020:

- First home buyers continue to be the dominant purchaser type (45.5%), though their share of sales fell from 59.5% in the previous year, while the proportion of upgraders (27.3%, up from 21.4%) and downsizers/retirees (27.3%, up from 11.9%) increased.

- Sales continue to be sourced predominantly from purchasers residing in Perth's northern coastal corridor, particularly those who already reside in Clarkson and Mindarie.
- Marketing strategies implemented during FYE 2020 included sales incentives, lead generation and web search engine optimisation (SEO) and contributed to sales enquiries. While COVID-19 impacted on consumer confidence between February and April 2020, the easing of restrictions and announcement of Government construction stimulus incentives and sales had a significant positive impact on sales in May and June 2020.

Key marketing objectives and initiatives

The Annual Marketing Plan FYE 2021 indicates that a sales target of 78 lots has been set for FYE 2021, however Satterley has since revised this figure to 119 sales in the revised Project Budget FYE (July 2020), as reported in Item 9.7. Achieving this amended sales target will require a continued focus on brand awareness, lead generation and nurturing, SEO and content and advocacy activities. Marketing initiatives identified for FYE 2021 include:

- Brand awareness – for both the Catalina master brand and the individual precincts including the launch of Catalina Grove, through brand assets development, lead generation, updated signage and consistency across all advertising and marketing materials;
- Sales leads - through traditional and digital advertising and builder relationships;
- Directional signage;
- Digital visibility – by maintaining strong discoverability of the Catalina website through SEO and content and social media;
- Community development – supporting initiatives with marketing and brand ambassadors among existing and future residents;
- Market research.

The marketing approach has a strong reliance on the use of on-line platforms. The brand strategy will seek to use innovative displays of house and land packages and virtual tours / fly-throughs. SEO, in conjunction with content and brand advocacy strategies, will aim to stimulate increased website traffic and leads. Improvements to the Project's rating will be sought using Google and Facebook customer reviews.

Sales incentives are proposed in the second and third quarters of FYE 2021 and include a 'Bills On Us' promotion offering up to \$10,000 on energy rebates and 'Green Backyards' offering a similar amount for rear garden landscaping rebates. The suitability of these promotions will need to be reviewed in light of market conditions, noting that the more-effective sales incentives campaigns previously have involved the offer of a cash discount or rebate on the lot price.

Subject to COVID-19 restrictions, there is also proposed to be a focus on experiential marketing through promotion and engagement at third-party events such as the Mindarie Marina festival, City of Joondalup festival or expos that fit the Catalina brand. These proposals will require further justification in order to demonstrate satisfactory marketing outcomes.

Marketing budget

Budget recommendations for each of the marketing components are summarised in the following table:

Description	Budget FYE 2021
Brand development	\$103,000
Brochures/Sales Plans	\$15,000
Content and Public Relations	\$10,000
Signage	\$60,000
Sales Office	\$15,000
Website	\$12,000
Advertising and Direct Marketing	\$185,000
Total	\$400,000

The proposed use of the allocated marketing budget for FYE 2021 is generally considered appropriate, however specific proposals for expenditure will be considered in line with market conditions and requirements of the Project.

Conclusion

The Annual Marketing Plan FYE 2021 outlines marketing activities for the forthcoming year that support current Project objectives and initiatives, with a focus on brand development and promotion, advertising, direct marketing and signage.

While the specific proposals outlined are supported in principle, marketing expenditure will be reviewed and monitored in line with market conditions, a review of the effectiveness of the sales incentives campaigns and the requirements of the Project, particularly the proposals involving rebates, sponsorship of third-party run events, brand development and promotion of the launch of Catalina Grove. Further, the proposed experiential marketing through promotion and engagement at third-party events such as the Mindarie Marina Festival and City of Joondalup Festival will require further justification in order to demonstrate satisfactory marketing outcomes when further detail is available.

The Strategy is considered to satisfy the requirements of the Development Manager’s KPI, requiring the preparation of an Annual Marketing Plan.

9.9 BUILT FORM PARTNERSHIP – STAGE 18 – CONFIDENTIAL

CONFIDENTIAL

9.10 KEY PERSONNEL – CATALINA SALES REPRESENTATIVE – **CONFIDENTIAL**

CONFIDENTIAL

9.11 PROJECT RESOURCING – DEVELOPMENT MANAGER – **CONFIDENTIAL**

CONFIDENTIAL

9.12 DEVELOPMENT MANAGER APPOINTMENT TO STAGE 3 - **CONFIDENTIAL**

CONFIDENTIAL

CEO ANNUAL PERFORMANCE REVIEW COMMITTEE MEETING (11 MAY 2020)

- 9.13 CEO ANNUAL PERFORMANCE REVIEW 2019/2020 - APPOINTMENT OF CONSULTANT - **CONFIDENTIAL****

CONFIDENTIAL

9.14 APPOINTMENT OF ACTING CHIEF EXECUTIVE OFFICER – **CONFIDENTIAL**

CONFIDENTIAL

- 10. ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN**

- 11. QUESTIONS BY ELECTED MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

- 12. URGENT BUSINESS APPROVED BY THE CHAIR**

- 13. MATTERS BEHIND CLOSED DOORS**
 - 9.9 Built Form Partnership – Confidential
 - 9.10 Key Personnel – Catalina Sales Representative – Confidential
 - 9.11 Project Resourcing – Development Manager – Confidential
 - 9.12 Development Manager Appointment to Stage 3 – Confidential
 - 9.13 CEO Annual Performance Review – Appointment of Consultant - Confidential
 - 9.14 Appointment of Acting Chief Executive Officer - Confidential

- 14. GENERAL BUSINESS**

- 15. FORMAL CLOSURE OF MEETING**

APPENDICES