

# Appendix 8.2

**TAMALA PARK REGIONAL COUNCIL  
MONTHLY STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2019 TO 30 APRIL 2020**

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**TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2019 TO 30 APRIL 2020**

	NOTE	30 April 2020 Actual \$	30 April 2020 Y-T-D Budget \$	2019/20 Amended Budget \$	Variances Budget to Actual Y-T-D %
<b>Operating</b>					
<b>Revenues</b>					
Interest Earnings		678,860	689,410	750,000	(2%)
Other Revenue		2,894	0	0	100%
		681,754	689,410	750,000	(1%)
<b>Expenses</b>					
Employee Costs		(497,872)	(619,668)	(742,041)	(20%)
Materials and Contracts Other		(104,806)	(260,807)	(312,967)	(60%)
Depreciation		(21,315)	(21,315)	(25,578)	0%
Insurance		(18,373)	(18,373)	(18,373)	0%
Utilities		0	(5,509)	(6,611)	(100%)
Other Expenditure		(119,459)	(142,650)	(189,000)	(16%)
		(761,825)	(1,068,322)	(1,294,570)	(29%)
<b>Adjustments for Non-Cash (Revenue) and Expenditure</b>					
Depreciation on Assets		21,315	21,315	25,578	0%
Profit/(loss) on Disposal of Assets	4	0	0	0	0%
<b>Capital Revenue and (Expenditure)</b>					
Plant and Equipment	3	0	0	(15,000)	0%
Proceeds on disposal	4	0	0	0	0%
<b>LESS MEMBERS EQUITY</b>					
<b>Payment for Rates Equivalent</b>					
<b>Development of Land for Resale</b>					
Income Sale of Lots - Subdivision		7,373,894	6,722,939	8,388,739	10%
Income other - Subdivision		0	150,000	450,000	(100%)
Development Costs - Subdivision		(2,847,628)	(13,047,321)	(16,671,523)	(78%)
Contribution Refund		(159,852)	(154,491)	(154,491)	3%
Profit Distributions		0	0	(3,000,000)	(100%)
Rates equivalent		(25,426)	0	0	
Members equity - GST withheld		(524,510)	0	0	
<b>Change in Contributed Equity</b>	6	3,816,478	(6,328,873)	(10,987,275)	(160%)
Net Current Assets July 1 B/Fwd	7	43,994,530	36,662,108	43,994,530	20%
Net Current Assets Year to Date	7	47,752,252	29,975,638	32,473,263	

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

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2019 TO 30 APRIL 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities and to the extent they are not in-consistent with the *Local Government Act 1995* and accompanying regulations), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**(b) The Local Government Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in this statement. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 1.

**(c) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**(d) Critical Accounting Estimates**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**(e) Rounding Off Figures**

All figures shown in this statement are rounded to the nearest dollar.

**(f) Commissions**

The Regional Council develops and sells residential properties on behalf of other local governments. Revenue is recognised when legal title of the property has been transferred to the customer. The revenue is measured at the transaction price agreed under the contract.

**(g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of net current assets.

The local government classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other assets.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2019 TO 30 APRIL 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Trade and Other Receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**(h) Inventories**

**General**

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

**Land Held for Resale**

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

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

**Contract Assets**

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

**Other financial assets at amortised cost**

The Council classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held with a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

**(i) Fixed Assets**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2019 TO 30 APRIL 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Depreciation of Non-Current Assets**

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

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

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

**(k) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Shire that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**(l) Employee Benefits**

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

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

Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2019 TO 30 APRIL 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Interest-bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

**(n) Provisions**

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; for which it is probable that an outflow of economic benefits will result and that can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(o) Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2019 TO 30 APRIL 2020**

**2. STATEMENT OF OBJECTIVE**

The Regional Council has a specific regional purpose which is:

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

The objectives of the Regional Council are:

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

**3. ACQUISITION OF ASSETS**

The following assets are budgeted to be acquired during the year:

	<b>30 April 2020 Actual \$</b>	<b>Amended 2019/20 Budget \$</b>
<b><u>By Program</u></b>		
<b>Other Property and Services</b>		
Furniture and equipment	0	(15,000)
Motor Vehicle	0	0
	<b>0</b>	<b>(15,000)</b>
<b><u>By Class</u></b>		
Plant and Equipment	0	(15,000)
	<b>0</b>	<b>(15,000)</b>

**4. DISPOSALS OF ASSETS**

There following asset is budgeted to be disposed during the financial year ended.

<b><u>Plant and Equipment</u></b>		
Cost	0	0
Accumulated Depreciation	0	0
Profit/(Loss)	0	0
<b>Proceeds</b>	<b>0</b>	<b>0</b>

**TAMALA PARK REGIONAL COUNCIL**  
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**5. INFORMATION ON BORROWINGS**

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2019-20 financial year.

**6. CONTRIBUTED EQUITY**

	<b>30 April 2020 Actual \$</b>	<b>30 June 2019 Actual \$</b>
Town of Victoria Park	3,969,049	3,657,682
City of Perth	3,999,049	3,687,682
Town of Cambridge	3,969,049	3,657,682
City of Joondalup	7,938,095	7,315,360
City of Wanneroo	7,938,095	7,315,360
Town of Vincent	3,969,049	3,657,682
City of Stirling	15,879,003	14,633,534
<b>TOTAL</b>	<b>47,661,389</b>	<b>43,924,982</b>
<b>Total Movement in equity</b>	<b>3,736,407</b>	

Movement in Contributed Equity Represented by:

	<b>GST Withheld 30 April 2020 \$</b>	<b>Development Expenses 30 April 2020 \$</b>	<b>Land Sales 30 April 2020 \$</b>	<b>Return of Contribution 30 April 2020 \$</b>	<b>Contributed Equity 30 April 2020 \$</b>	<b>Rates Equivalent 30 April 2020 \$</b>
Town of Victoria Park	(43,709)	(237,302)	614,491	0	(13,321)	0
City of Perth	(43,709)	(237,302)	614,491	0	(13,321)	0
Town of Cambridge	(43,709)	(237,302)	614,491	0	(13,321)	(25,426)
City of Joondalup	(87,418)	(474,605)	1,228,983	0	(26,642)	0
City of Wanneroo	(87,418)	(474,605)	1,228,983	0	(26,642)	0
Town of Vincent	(43,709)	(237,302)	614,491	0	(13,321)	0
City of Stirling	(174,837)	(949,210)	2,457,964	0	(53,284)	0
	(524,510)	(2,847,628)	7,373,894	0	(159,852)	(25,426)
Members Contributed Equity Movements			3,816,478			
TPRC Net Result			(80,071)			
<b>Total Movement in equity</b>			<b>3,736,407</b>			

**TAMALA PARK REGIONAL COUNCIL  
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**7. NET CURRENT ASSETS**

<b>Composition of Estimated Net Current Asset Position</b>	<b>30 April 2020 Actual \$</b>	<b>Brought Forward 1 July \$</b>
<b>CURRENT ASSETS</b>		
Cash - Unrestricted	47,828,690	43,975,870
Receivables	252,626	344,946
Settlement Bonds	0	0
	<b>48,081,316</b>	<b>44,320,816</b>
<b>LESS: CURRENT LIABILITIES</b>		
Payables and Provisions	(329,064)	(326,286)
<b>NET CURRENT ASSET POSITION</b>	<b>47,752,252</b>	<b>43,994,530</b>

**8. RATING INFORMATION**

The Regional Council does not levy rates on property.

**9. TRUST FUNDS**

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

**TAMALA PARK REGIONAL COUNCIL  
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	NOTE	31 March 2020 Actual \$	31 March 2020 Y-T-D Budget \$	2019/20 Amended Budget \$	Variances Budget to Actual Y-T-D %
<b>Operating</b>					
<b>Revenues</b>					
Interest Earnings		684,353	634,961	750,000	8%
Other Revenue		1,195	0	0	100%
		685,548	634,961	750,000	8%
<b>Expenses</b>					
Employee Costs		(456,413)	(558,494)	(742,041)	(18%)
Materials and Contracts Other		(100,869)	(234,739)	(312,967)	(57%)
Depreciation		(19,183)	(19,183)	(25,578)	0%
Insurance		(18,373)	(18,373)	(18,373)	0%
Utilities		0	(4,958)	(6,611)	(100%)
Other Expenditure		(122,756)	(141,753)	(189,000)	(13%)
		(717,594)	(977,500)	(1,294,570)	(27%)
<b>Adjustments for Non-Cash (Revenue) and Expenditure</b>					
Depreciation on Assets		19,183	19,183	25,578	0%
Profit/(loss) on Disposal of Assets	4	0	0	0	0%
<b>Capital Revenue and (Expenditure)</b>					
Plant and Equipment	3	0	0	(15,000)	0%
Proceeds on disposal	4	0	0	0	0%
<b>LESS MEMBERS EQUITY</b>					
<b>Payment for Rates Equivalent</b>					
<b>Development of Land for Resale</b>					
Income Sale of Lots - Subdivision		6,370,503	6,722,939	8,388,739	(5%)
Income other - Subdivision		0	150,000	450,000	(100%)
Development Costs - Subdivision		(2,466,987)	(13,047,321)	(16,671,523)	(81%)
Contribution Refund		(159,852)	(154,491)	(154,491)	3%
Profit Distributions		0	0	(3,000,000)	(100%)
Rates equivalent		(25,426)	0	0	
Members equity - GST withheld		(453,460)	0	0	
<b>Change in Contributed Equity</b>	6	3,264,778	(6,328,873)	(10,987,275)	(152%)
Net Current Assets July 1 B/Fwd	7	43,994,530	25,663,476	43,994,530	71%
Net Current Assets Year to Date	7	47,246,445	19,011,247	32,473,263	

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**(e) Rounding Off Figures**

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NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY  
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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Trade and Other Receivables**

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**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2019 TO 31 MARCH 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2019 TO 31 MARCH 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Interest-bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

**(n) Provisions**

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; for which it is probable that an outflow of economic benefits will result and that can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(o) Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2019 TO 31 MARCH 2020**

**2. STATEMENT OF OBJECTIVE**

The Regional Council has a specific regional purpose which is:

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

The objectives of the Regional Council are:

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

**3. ACQUISITION OF ASSETS**

The following assets are budgeted to be acquired during the year:

	<b>31 March 2020 Actual \$</b>	<b>Amended 2019/20 Budget \$</b>
<b><u>By Program</u></b>		
<b>Other Property and Services</b>		
Furniture and equipment	0	(15,000)
Motor Vehicle	0	0
	<b>0</b>	<b>(15,000)</b>
<b><u>By Class</u></b>		
Plant and Equipment	0	(15,000)
	<b>0</b>	<b>(15,000)</b>

**4. DISPOSALS OF ASSETS**

There following asset is budgeted to be disposed during the financial year ended.

<b><u>Plant and Equipment</u></b>		
Cost	0	0
Accumulated Depreciation	0	0
Profit/(Loss)	0	0
<b>Proceeds</b>	<b>0</b>	<b>0</b>

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2019 TO 31 MARCH 2020**

**5. INFORMATION ON BORROWINGS**

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2019-20 financial year.

**6. CONTRIBUTED EQUITY**

	<b>31 March 2020 Actual \$</b>	<b>30 June 2019 Actual \$</b>
Town of Victoria Park	3,927,076	3,657,682
City of Perth	3,957,076	3,687,682
Town of Cambridge	3,927,076	3,657,682
City of Joondalup	7,854,149	7,315,360
City of Wanneroo	7,854,149	7,315,360
Town of Vincent	3,927,076	3,657,682
City of Stirling	15,711,111	14,633,534
<b>TOTAL</b>	<b>47,157,714</b>	<b>43,924,982</b>
<b>Total Movement in equity</b>	<b>3,232,732</b>	

Movement in Contributed Equity Represented by:

	<b>GST Withheld 31 March 2020 \$</b>	<b>Development Expenses 31 March 2020 \$</b>	<b>Land Sales 31 March 2020 \$</b>	<b>Return of Contribution 31 March 2020 \$</b>	<b>Contributed Equity 31 March 2020 \$</b>	<b>Rates Equivalent 31 March 2020 \$</b>
Town of Victoria Park	(37,788)	(205,582)	530,875	0	(13,321)	0
City of Perth	(37,788)	(205,582)	530,875	0	(13,321)	0
Town of Cambridge	(37,788)	(205,582)	530,875	0	(13,321)	(25,426)
City of Joondalup	(75,577)	(411,165)	1,061,751	0	(26,642)	0
City of Wanneroo	(75,577)	(411,165)	1,061,751	0	(26,642)	0
Town of Vincent	(37,788)	(205,582)	530,875	0	(13,321)	0
City of Stirling	(151,153)	(822,329)	2,123,501	0	(53,284)	0
	<b>(453,460)</b>	<b>(2,466,987)</b>	<b>6,370,503</b>	<b>0</b>	<b>(159,852)</b>	<b>(25,426)</b>
Members Contributed Equity Movements			3,264,778			
TPRC Net Result			(32,046)			
<b>Total Movement in equity</b>			<b>3,232,732</b>			

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2019 TO 31 MARCH 2020**

**7. NET CURRENT ASSETS**

<b>Composition of Estimated Net Current Asset Position</b>	<b>31 March 2020 Actual \$</b>	<b>Brought Forward 1 July \$</b>
<b>CURRENT ASSETS</b>		
Cash - Unrestricted	47,311,991	43,975,870
Receivables	254,574	344,946
Settlement Bonds	1,000	0
	<b>47,567,565</b>	<b>44,320,816</b>
<b>LESS: CURRENT LIABILITIES</b>		
Payables and Provisions	(321,120)	(326,286)
<b>NET CURRENT ASSET POSITION</b>	<b>47,246,445</b>	<b>43,994,530</b>

**8. RATING INFORMATION**

The Regional Council does not levy rates on property.

**9. TRUST FUNDS**

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

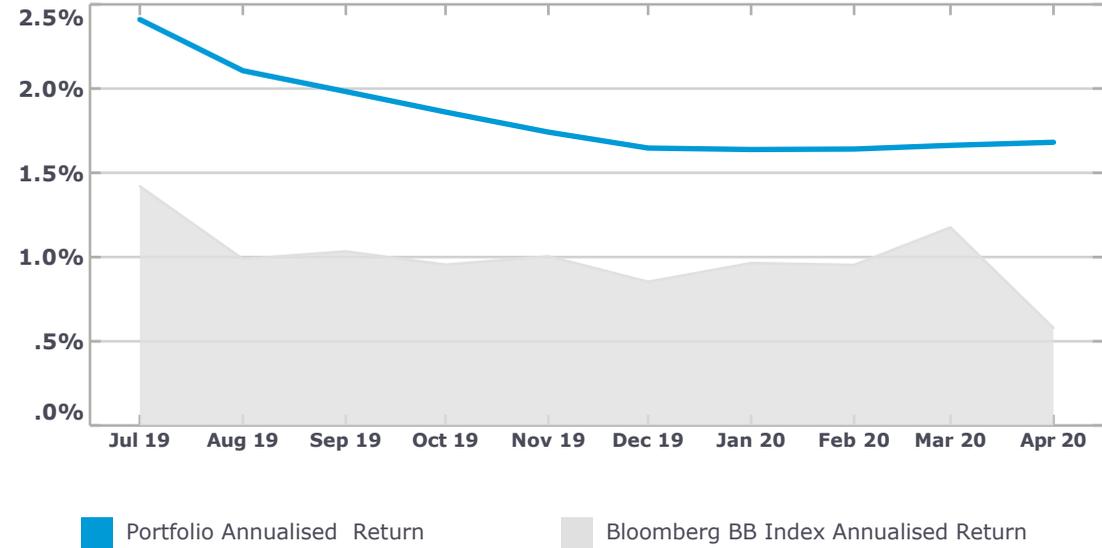


**Investment Summary Report**  
**April 2020**

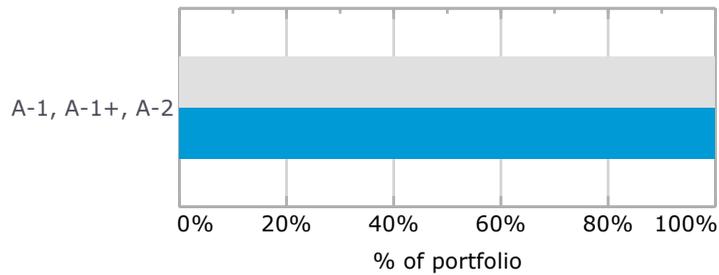
**Investment Holdings**

By Product	Face Value (\$)	Current Value (\$)	Current Yield (%)
Term Deposit	46,733,232.87	46,887,967.85	1.6669
	<b>46,733,232.87</b>	<b>46,887,967.85</b>	<b>1.6669</b>

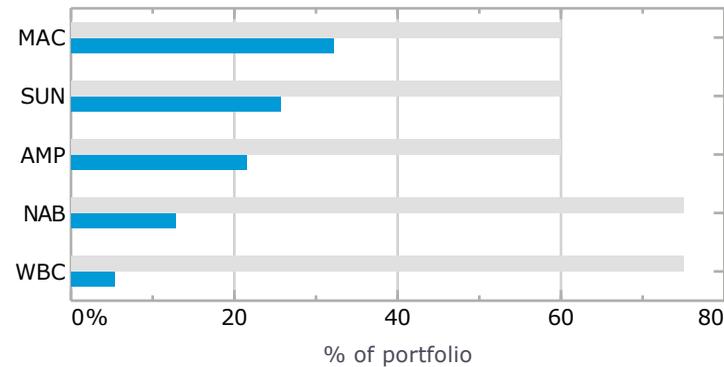
**Investment Performance**



**Total Credit Exposure**



**Highest Individual Exposures vs Policy**



**Term to Maturities**

Maturity Profile	Face Value (\$)	Policy Max
Less than 1yr	46,733,233	100%
	<b>46,733,233</b>	

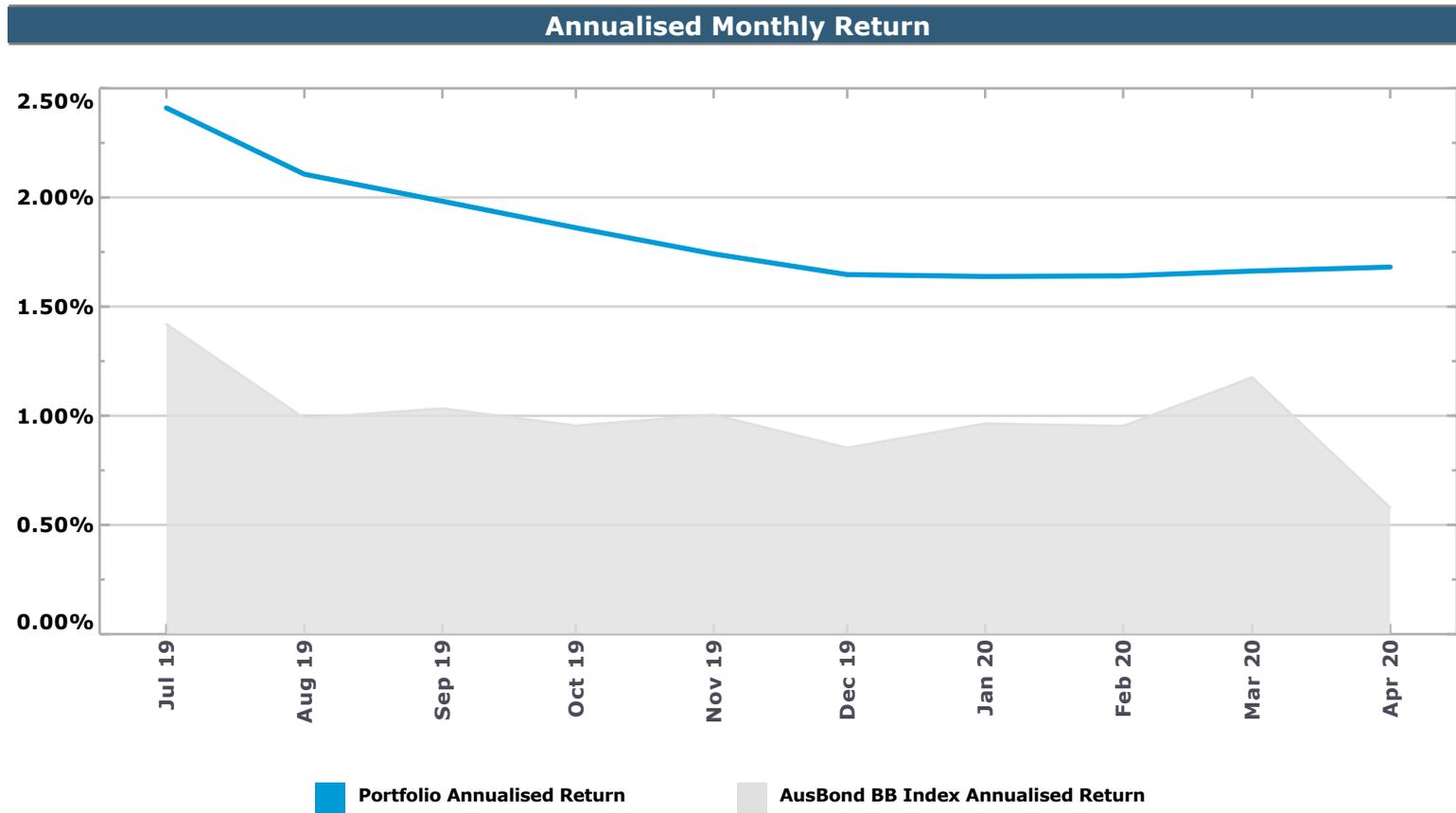
### Term Deposits

Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Reference
11-May-20	3,000,000.00	1.8000%	AMP Bank	A-2	3,000,000.00	11-Nov-19	3,025,446.58	539187	25,446.58	At Maturity	586
11-May-20	2,000,000.00	1.8000%	AMP Bank	A-2	2,000,000.00	12-Nov-19	2,016,865.75	539188	16,865.75	At Maturity	587
19-May-20	3,000,000.00	1.6000%	Macquarie Bank	A-1	3,000,000.00	19-Nov-19	3,021,567.12	539191	21,567.12	At Maturity	590
4-Jun-20	4,000,000.00	1.6500%	Macquarie Bank	A-1	4,000,000.00	4-Feb-20	4,015,731.51	539423	15,731.51	At Maturity	598
13-Jul-20	2,000,000.00	1.6000%	Macquarie Bank	A-1	2,000,000.00	11-Mar-20	2,004,471.23	539564	4,471.23	At Maturity	603
6-Aug-20	3,000,000.00	1.5800%	National Australia Bank	A-1+	3,000,000.00	6-Feb-20	3,011,038.36	539435	11,038.36	At Maturity	599
10-Aug-20	3,000,000.00	1.5600%	National Australia Bank	A-1+	3,000,000.00	10-Feb-20	3,010,385.75	539448	10,385.75	At Maturity	600
11-Aug-20	3,000,000.00	1.8000%	AMP Bank	A-2	3,000,000.00	13-Feb-20	3,011,539.73	539457	11,539.73	At Maturity	601
15-Sep-20	3,000,000.00	1.7000%	Suncorp Bank	A-1	3,000,000.00	17-Mar-20	3,006,287.67	539579	6,287.67	At Maturity	604
15-Sep-20	2,000,000.00	1.7000%	Suncorp Bank	A-1	2,000,000.00	17-Mar-20	2,004,191.78	539580	4,191.78	At Maturity	605
15-Sep-20	4,000,000.00	1.7400%	Suncorp Bank	A-1	4,000,000.00	18-Mar-20	4,008,390.14	539587	8,390.14	At Maturity	606
21-Sep-20	2,017,452.05	1.8000%	AMP Bank	A-2	2,017,452.05	23-Mar-20	2,021,332.19	539591	3,880.14	At Maturity	607
14-Oct-20	3,000,000.00	1.5000%	Suncorp Bank	A-1	3,000,000.00	15-Apr-20	3,001,972.60	539623	1,972.60	At Maturity	609
26-Oct-20	3,015,780.82	1.7500%	Macquarie Bank	A-1	3,015,780.82	25-Mar-20	3,021,130.73	539609	5,349.91	At Maturity	608
27-Oct-20	1,200,000.00	1.5500%	Bank of Queensland	A-2	1,200,000.00	30-Apr-20	1,200,050.96	539722	50.96	At Maturity	612
30-Nov-20	2,000,000.00	1.4000%	Westpac Group	A-1+	2,000,000.00	28-Apr-20	2,000,230.14	539644	230.14	At Maturity	610
9-Dec-20	3,000,000.00	1.7000%	Macquarie Bank	A-1	3,000,000.00	10-Mar-20	3,007,265.75	539557	7,265.75	At Maturity	602
28-Apr-21	500,000.00	1.7000%	Westpac Group	A-1+	500,000.00	28-Apr-20	500,069.86	539645	69.86	At Maturity	611
<b>46,733,232.87</b>		<b>1.6669%</b>			<b>46,733,232.87</b>		<b>46,887,967.85</b>		<b>154,734.98</b>		

## Accrued Interest Report

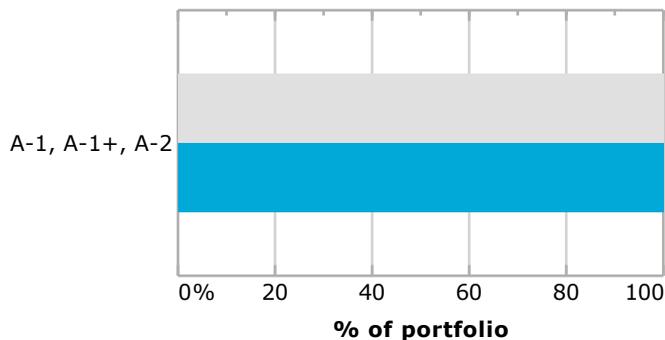
Investment	Deal No.	Ref	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days	Interest Accrued (\$)	Percentage Return
<b>Term Deposits</b>									
National Australia Bank	539199	596	3,012,756.16	13-Jan-20	14-Apr-20	12,150.07	13	1,716.85	1.60%
National Australia Bank	539380	597	2,009,731.51	28-Jan-20	28-Apr-20	8,067.01	27	2,393.51	1.61%
AMP Bank	539187	586	3,000,000.00	11-Nov-19	11-May-20		30	4,438.36	1.80%
AMP Bank	539188	587	2,000,000.00	12-Nov-19	11-May-20		30	2,958.90	1.80%
Macquarie Bank	539191	590	3,000,000.00	19-Nov-19	19-May-20		30	3,945.20	1.60%
Macquarie Bank	539423	598	4,000,000.00	04-Feb-20	04-Jun-20		30	5,424.66	1.65%
Macquarie Bank	539564	603	2,000,000.00	11-Mar-20	13-Jul-20		30	2,630.13	1.60%
National Australia Bank	539435	599	3,000,000.00	06-Feb-20	06-Aug-20		30	3,895.89	1.58%
National Australia Bank	539448	600	3,000,000.00	10-Feb-20	10-Aug-20		30	3,846.57	1.56%
AMP Bank	539457	601	3,000,000.00	13-Feb-20	11-Aug-20		30	4,438.36	1.80%
Suncorp Bank	539579	604	3,000,000.00	17-Mar-20	15-Sep-20		30	4,191.78	1.70%
Suncorp Bank	539580	605	2,000,000.00	17-Mar-20	15-Sep-20		30	2,794.52	1.70%
Suncorp Bank	539587	606	4,000,000.00	18-Mar-20	15-Sep-20		30	5,720.55	1.74%
AMP Bank	539591	607	2,017,452.05	23-Mar-20	21-Sep-20		30	2,984.72	1.80%
Suncorp Bank	539623	609	3,000,000.00	15-Apr-20	14-Oct-20		16	1,972.60	1.50%
Macquarie Bank	539609	608	3,015,780.82	25-Mar-20	26-Oct-20		30	4,337.76	1.75%
Bank of Queensland	539722	612	1,200,000.00	30-Apr-20	27-Oct-20		1	50.96	1.55%
Westpac Group	539644	610	2,000,000.00	28-Apr-20	30-Nov-20		3	230.14	1.40%
Macquarie Bank	539557	602	3,000,000.00	10-Mar-20	09-Dec-20		30	4,191.78	1.70%
Westpac Group	539645	611	500,000.00	28-Apr-20	28-Apr-21		3	69.86	1.70%

<b>Accrued Interest Report</b>									
<b>Investment</b>	<b>Deal No.</b>	<b>Ref</b>	<b>Face Value (\$)</b>	<b>Settlement Date</b>	<b>Maturity Date</b>	<b>Interest Received (\$)</b>	<b>Days</b>	<b>Interest Accrued (\$)</b>	<b>Percentage Return</b>
<b>Term Deposits Total</b>						<b>20,217.08</b>		<b>62,233.10</b>	<b>1.68%</b>
						<b>20,217.08</b>		<b>62,233.10</b>	<b><u>1.68%</u></b>



Historical Performance Summary			
	Portfolio	AusBond BB Index	Outperformance
Apr 2020	1.68%	0.58%	1.10%
Last 3 Months	1.66%	0.90%	0.76%
Last 6 Months	1.67%	0.92%	0.75%
Financial Year to Date	1.84%	0.99%	0.84%
Last 12 months		1.12%	

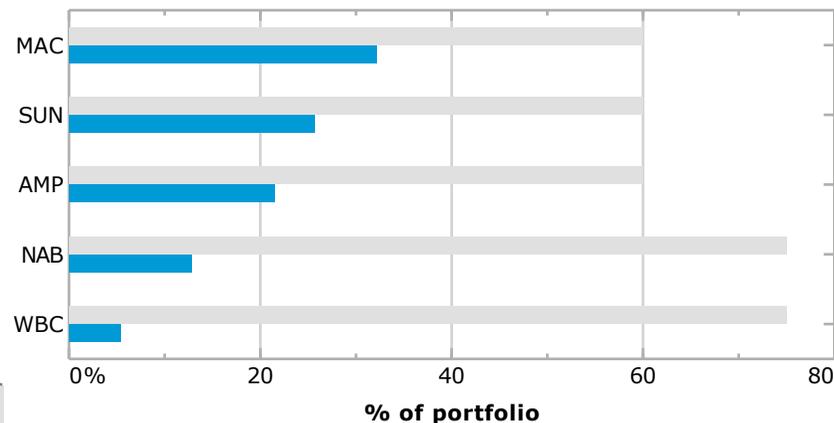
**Total Credit Exposure**



	Credit Rating	Face Value (\$)	Policy Max
Short Term	A-1	27,015,781	
Short Term	A-1+	8,500,000	
Short Term	A-2	11,217,452	
		<b>46,733,233 100%</b>	<b>100% ✓</b>
		<b>46,733,233 100%</b>	

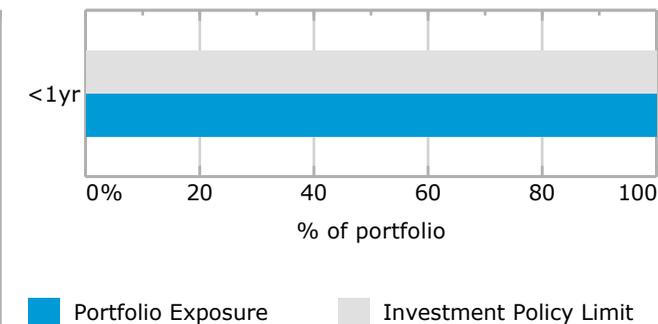
✓ = compliant  
✗ = non-compliant

**Individual Institutional Exposures**



	Portfolio Exposure	Investment Policy Limit	
Macquarie Bank (A-1, A+)	32%	60%	✓
Suncorp Bank (A-1, A+)	26%	60%	✓
AMP Bank (A-2, BBB+)	21%	60%	✓
National Australia Bank (A-1+, AA-)	13%	75%	✓
Westpac Group (A-1+, AA-)	5%	75%	✓
Bank of Queensland (A-2, BBB+)	3%	60%	✓

**Term to Maturities**



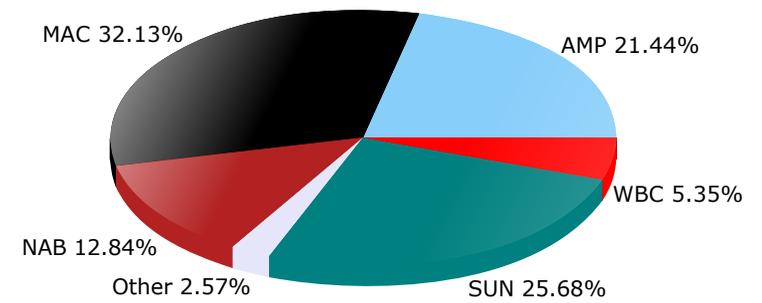
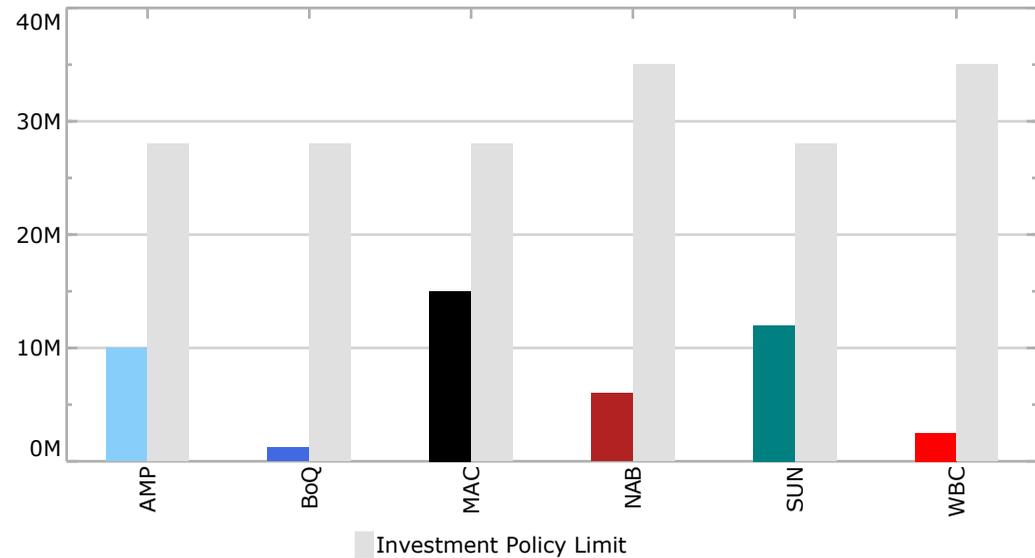
Maturity Profile	Face Value (\$)	Policy Max
Less than 1yr	46,733,233 100%	100% ✓
	<b>46,733,233</b>	

Detailed Maturity Profile	Face Value (\$)	
01. Less Than 30 Days	8,000,000 17%	
02. Between 30 Days and 60 Days	4,000,000 9%	
03. Between 60 Days and 90 Days	2,000,000 4%	
04. Between 90 Days and 180 Days	27,233,233 58%	
05. Between 180 Days and 365 Days	5,500,000 12%	
	<b>46,733,233</b>	

**Individual Institutional Exposures**

Parent Group	Credit Rating	Exposure (\$M)	Exposure (%)	Policy Limit	Capacity
AMP Bank	A-2, BBB+	10.02M	21%	60%	18.02M
Bank of Queensland	A-2, BBB+	1.20M	3%	60%	26.84M
Macquarie Bank	A-1, A+	15.02M	32%	60%	13.02M
National Australia Bank	A-1+, AA-	6.00M	13%	75%	29.05M
Suncorp Bank	A-1, A+	12.00M	26%	60%	16.04M
Westpac Group	A-1+, AA-	2.50M	5%	75%	32.55M
		<b>46.73M</b>			

**Individual Institutional Exposure Charts**



**Tamala Park Regional Council**  
Cash Flows Report - April 2020

**Current Month Cashflows**

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Received</u>
<b>14-Apr-20</b>	539199	National Australia Bank	Term Deposits	Maturity Face Value - Received	3,012,756.16
		National Australia Bank	Term Deposits	Interest - Received	12,150.07
				<u>Deal Total</u>	<u>3,024,906.23</u>
				<b>Day Total</b>	<b>3,024,906.23</b>
<b>15-Apr-20</b>	539623	Suncorp Bank	Term Deposits	Settlement Face Value - Paid	-3,000,000.00
				<u>Deal Total</u>	<u>-3,000,000.00</u>
				<b>Day Total</b>	<b>-3,000,000.00</b>
<b>28-Apr-20</b>	539380	National Australia Bank	Term Deposits	Maturity Face Value - Received	2,009,731.51
		National Australia Bank	Term Deposits	Interest - Received	8,067.01
				<u>Deal Total</u>	<u>2,017,798.52</u>
	539644	Westpac Group	Term Deposits	Settlement Face Value - Paid	-2,000,000.00
				<u>Deal Total</u>	<u>-2,000,000.00</u>
	539645	Westpac Group	Term Deposits	Settlement Face Value - Paid	-500,000.00
				<u>Deal Total</u>	<u>-500,000.00</u>
				<b>Day Total</b>	<b>-482,201.48</b>
<b>30-Apr-20</b>	539722	Bank of Queensland	Term Deposits	Settlement Face Value - Paid	-1,200,000.00
				<u>Deal Total</u>	<u>-1,200,000.00</u>
				<b>Day Total</b>	<b>-1,200,000.00</b>
				<b>Net Cash Movement for Period</b>	<b>-1,657,295.25</b>

**Next Month Cashflows**

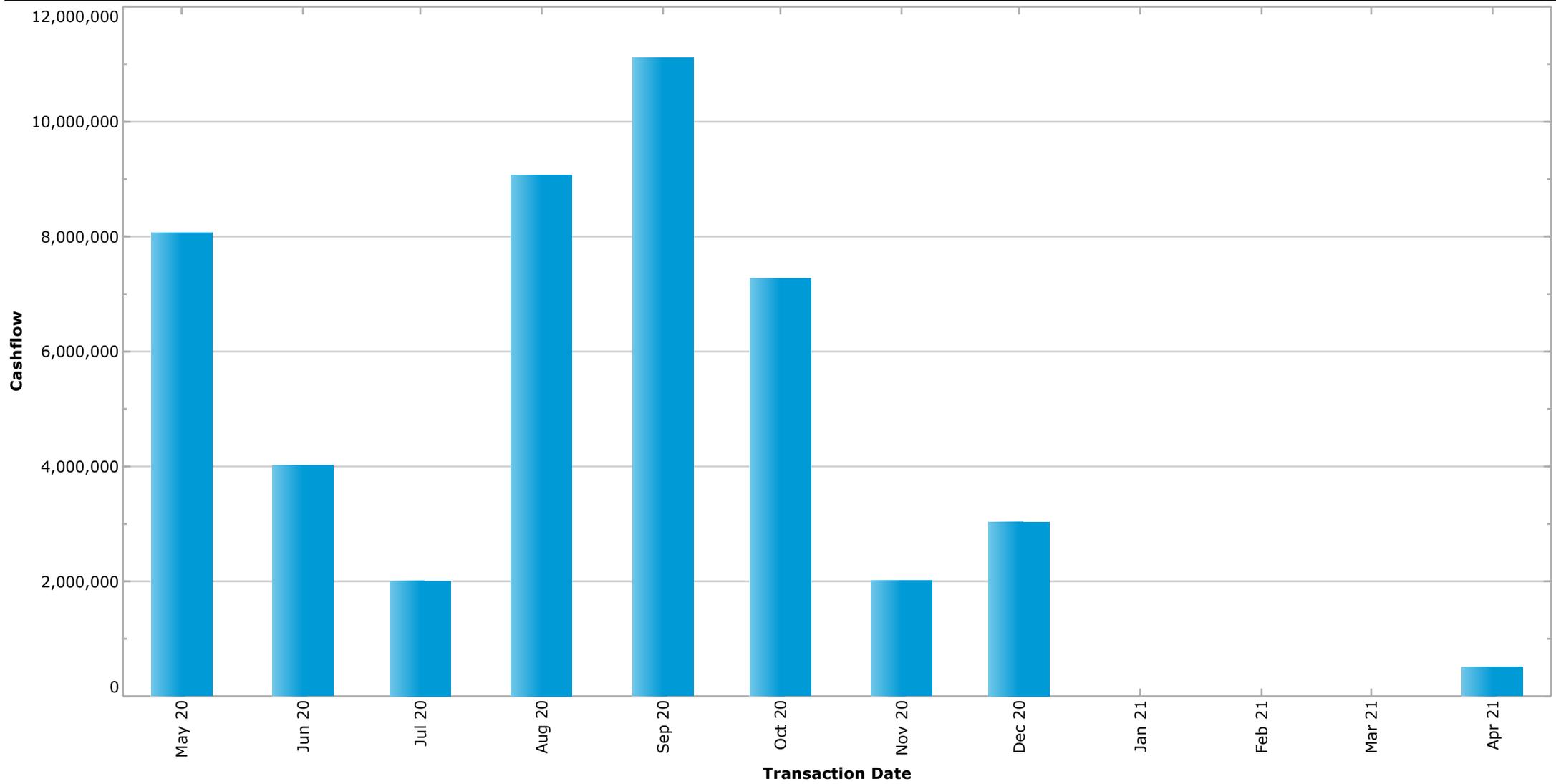
<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Due</u>
<b>11-May-20</b>	539187	AMP Bank	Term Deposit	Maturity Face Value - Received	3,000,000.00
		AMP Bank	Term Deposit	Interest - Received	26,926.03
				<u>Deal Total</u>	<u>3,026,926.03</u>
	539188	AMP Bank	Term Deposit	Maturity Face Value - Received	2,000,000.00

**Next Month Cashflows**

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Due</u>
		AMP Bank	Term Deposit	Interest - Received	17,852.05
				<u>Deal Total</u>	<u>2,017,852.05</u>
				<b>Day Total</b>	<b>5,044,778.08</b>
<b>19-May-20</b>	539191	Macquarie Bank	Term Deposit	Maturity Face Value - Received	3,000,000.00
		Macquarie Bank	Term Deposit	Interest - Received	23,934.25
				<u>Deal Total</u>	<u>3,023,934.25</u>
				<b>Day Total</b>	<b>3,023,934.25</b>
				<b>Net Cash Movement for Period</b>	<b>8,068,712.33</b>

# Tamala Park Regional Council

## Cash Flows Report - April 2020



# Appendix 8.3

**Tamala Park Regional Council**  
**Summary Payment List**  
**April 2020**

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Amount</b>
9/04/2020	Arias, Tony	TA wages for period 26/03/20 - 08/04/20	-6,321.08
9/04/2020	O'Sullivan, Simon C	SOS wages for period 26/03/20 - 08/04/20	-3,435.82
9/04/2020	Wesolowski, Vickie	VW wages for period 26/03/20 - 08/04/20	-2,184.82
9/04/2020	Australian Super	SOS & VW superannuation for period 26/03/20 - 08/04/20	-703.88
9/04/2020	National Australia Bank	TA superannuation for period 26/03/20 - 08/04/20	-1,141.77
9/04/2020	Auscorp IT	Webcams x 2	-170.50
9/04/2020	Barnes, C. & Burgess, J.	WELS Rebate - Lot 2088	-1,000.00
9/04/2020	Capital Transport Services (WA)	Courier charges (19 & 31 March 2020)	-28.76
9/04/2020	City of Stirling	GST owing February 2020	-2,155.73
9/04/2020	Cossill and Webley	Engineering services	-12,615.49
9/04/2020	Dominic Carbone and Associates	GST management (March 2020)	-594.00
9/04/2020	Imagesource	Resident welcome event invitations	-126.50
9/04/2020	Kevin Smith Cleaning Services	Cleaning of TPRC offices (March 2020)	-132.00
9/04/2020	LD Total	Stage 11 Phase 2 (February 2020)	-147,844.88
9/04/2020	Marketforce	Statutory advertising	-498.94
9/04/2020	Moore Stephens	Accounting services (February 2020)	-1,848.00
9/04/2020	Mousli, Abdul	Builder Referral - Lot 2063	-2,000.00
9/04/2020	Neverfail	Bottled water x 2 + annual cooler rental	-182.25
9/04/2020	New Living Cleaning	Sales Office cleaning x 3	-422.31
9/04/2020	O'Sullivan, Simon	Mobile phone recharge & parking fee (March 2020)	-55.16
9/04/2020	Plan E	Monthly retainer (February 2020)	-7,315.00
9/04/2020	Prudential Investment Services C	Investment services (March 2020)	-1,650.00
9/04/2020	R J Vincent and Co	School site earthworks (March 2020)	-62,723.22
9/04/2020	Social Garden	Solar Saver campaign extension (March 2020)	-5,500.00
9/04/2020	Spectur Ltd	Security cameras	-352.00
9/04/2020	Walker, Nicole	WELS Rebate - Lot 2121	-1,000.00
15/04/2020	Westpac Bank	Payment of credit card charges (CEO & EA) - March 2020	-937.13
23/04/2020	Arias, Tony	TA wages for period 09/04/20 - 22/04/20	-6,321.08
23/04/2020	O'Sullivan, Simon C	SOS wages for period 09/04/20 - 22/04/20	-3,264.46
23/04/2020	Wesolowski, Vickie	VW wages for period 09/04/20 - 22/04/20	-2,184.82
23/04/2020	Australian Super	SOS & VW superannuation for period 09/04/20 - 22/04/20	-703.88
23/04/2020	National Australia Bank	TA superannuation for period 09/04/20 - 22/04/20	-1,022.83
23/04/2020	Australian Taxation Office	BAS (January - March 2020)	-14,128.00
23/04/2020	Burgess Rawson	GST Valuations (March 2020)	-165.00
23/04/2020	City of Vincent	GST March 2020	-1,117.00
23/04/2020	Cossill and Webley	Civil engineering services	-14,218.44
23/04/2020	Docushred	Security bin	-51.70
23/04/2020	LD Total	Landscape rebate - Lot 2106	-3,872.61
23/04/2020	Neverfail	Bottled water x 1	-14.75
23/04/2020	Plan E	Landscape architects	-11,913.00
23/04/2020	R J Vincent and Co	Stage 26 Civil Works (Cert 13)	-55,733.74
23/04/2020	Sass, Shaki	Builder Referral Fee - Lot 934	-2,000.00
23/04/2020	The Brand Agency	Viva Catalina campaign development	-4,345.00
23/04/2020	Treacy Fencing	Fencing - Lot 2113	-1,615.90
23/04/2020	Synergy	Power bills x 5	-2,322.83
29/04/2020	National Australia Bank	Bank charges NAB At-Call AC	-0.40
<b>TOTAL</b>			<b>-387,934.68</b>

**Tamala Park Regional Council**  
**Summary Payment List**  
**March 2020**

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Amount</b>
12/03/2020	Employee costs	Wages for period 27/02/20 - 11/03/20	-11,923.88
12/03/2020	Australian Super	Superannuation for period 27/02/20 - 11/03/20	-699.95
12/03/2020	National Australia Bank	Superannuation for period 27/02/20 - 11/03/20	-1,141.77
12/03/2020	Burgess Rawson	GST Valuations (February 2020)	-110.00
12/03/2020	Capital Transport Services (WA) P/L	Courier (17 & 27 February 2020)	-27.50
12/03/2020	City of Stirling	Mobile phone recharges	-70.00
12/03/2020	City of Vincent	GST December 2019 & January 2020	-4,351.00
12/03/2020	Clean City Group	Graffiti removal	-440.00
12/03/2020	Cossill and Webley	Design of Dimmie Road car bays	-433.13
12/03/2020	Docushred	Security bin	-51.70
12/03/2020	EventPro Perth	Resident Welcome Event equipment hire	-913.00
12/03/2020	Kevin Smith Cleaning Services	Cleaning of TPRC office (February 2020)	-198.00
12/03/2020	LD Total	Landscaping	-30,224.10
12/03/2020	Marketforce	Statutory Advertising	-1,096.77
12/03/2020	Moore Stephens	SOFA (January 2020)	-1,848.00
12/03/2020	Nature Calls	Portable toilet hire	-2,430.00
12/03/2020	New Living Cleaning	Cleaning of Sales Office (21/02/20 & 28/02/20)	-281.54
12/03/2020	O'Sullivan, Simon	Reimbursement of mobile phone & parking (February 2020)	-61.29
12/03/2020	Paella on the Move	Resident Welcome Event catering	-2,970.00
12/03/2020	Prudential Investment Services Corp	Investment Advisory Services (February 2020)	-1,650.00
12/03/2020	Satterley Property Group	Community Development (December 2019)	-1,188.00
12/03/2020	Stantons International	Landscaping Maintenance Tender Probity	-153.45
12/03/2020	Town of Victoria Park	GST (December 2019 & January 2020)	-4,351.00
12/03/2020	Tranen Revegetation Systems	BCA revegetation (Cert 2)	-1,022.45
12/03/2020	Treacy Fencing	Fencing	-6,848.60
12/03/2020	UDIA (WA)	UDIA Planning Matters Breakfast (SOS)	-99.00
12/03/2020	Westpac Bank	Payment of credit card charges (CEO & EA) - March 2020	-959.17
18/03/2020	Australian Taxation Office	IAS (February 2020) + \$2 outstanding	-15,650.00
26/03/2020	Employee costs	Wages for period 12/03/20 - 25/03/20	-11,553.80
26/03/2020	Australian Super	Superannuation for period 12/03/20 - 25/03/20	-672.47
26/03/2020	National Australia Bank	Superannuation for period 12/03/20 - 25/03/20	-1,141.77
26/03/2020	Capital Transport Services (WA) P/L	Courier charges (03/03/20)	-14.92
26/03/2020	City of Stirling	GST (Jan 20) + office rent	-5,745.35
26/03/2020	City of Vincent	GST (February 2020)	-539.00
26/03/2020	Coterra Environment	Environmental consulting services (February 2020)	-323.13
26/03/2020	Creative Design and Planning	Monthly retainer (February 2020)	-14,520.00
26/03/2020	Dominic Carbone and Associates	GST management services (February 2020)	-594.00
26/03/2020	Fast Flyers	Residents' welcome flyer delivery	-150.15
26/03/2020	Gunathilaka, Supun	Builder Referral Fee - Lot 2012	-2,000.00
26/03/2020	hyd20 Hydrology	Ground water licence review	-523.60
26/03/2020	Imagesource	Signage	-1,293.60
26/03/2020	Kombi Keg	Residents' welcome drinks catering	-1,100.00
26/03/2020	Lagan, David	Elected member attendance fee 20 October 2019 - 19 Janu	-2,640.00
26/03/2020	LD Total	Irrigation repairs (January 2020)	-10,679.75
26/03/2020	Murphy, David	Solar Panel Rebate - Lot 2105	-2,000.00
26/03/2020	Nature Calls	Portable toilet hire x 3	-1,215.00
26/03/2020	Neverfail	Bottled water x 2	-28.25
26/03/2020	Plan E	Stage 11 Phase 2 POS (February 2020)	-2,508.00
26/03/2020	R J Vincent and Co	Stage 26 Civil Works (Cert 12)	-24,725.91
26/03/2020	Satterley Property Group	Community development services	-2,534.40
26/03/2020	Social Garden	Solar Saver digital media (February 2020)	-5,500.00
26/03/2020	Social Grace Marketing	Content delivery (3 x articles)	-924.00
26/03/2020	Steve Silk Magician	Residents' welcome entertainment	-650.00
26/03/2020	Canon Australia Pty Ltd	Printing charges (21/02/20 - 20/03/20)	-20.49
26/03/2020	Water Corporation	Beach Sales Office water charges (17/01/20 - 16/03/20)	-217.36
31/03/2020	City of Wanneroo	GST owing February 2020	-1,077.88
<b>TOTAL</b>			<b><u><u>-186,086.13</u></u></b>

# Appendix 8.4

26 May 2020

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

Dear Tony

### **Catalina Financial Report for April 2020**

Please find attached the Catalina Financial Report for April 2020. This report has been prepared on a cash basis and compares actual income and expenditure to the June 2019 approved budget for the period 1 April 2020 to 30 April 2020.

Residential settlement revenue for the financial year to 30 April 2020 is \$7.0m which is \$0.3m behind the approved 'June 2019' budget due to 1 less settlement to date.

Sales for FYE2020 are \$328k unfavourable to a lower average selling price per lot due to lot mix.

Overall FYE2020 expenditure is \$10.0m under budget per the approved 'June 2019' budget, with \$2.3m spent against a budget of \$12.3m. The main areas of variances are summarised below:

- Land Acquisitions is \$5.1m under budget due to the WAPC not yet requiring payment for the land acquisition.
- Lot Production is \$934k under budget, noting the following variances:
  - Stage 26 \$731k under budget due to timing of invoice payments and savings on construction;
  - Stage 18C \$143k under budget as construction yet to commence;
  - \$60k combined minor variances.
- Landscaping is \$1.7m under budget, noting the following variances:
  - Stage 10 BCA \$122k under budget due to re-classification of works to Landscape maintenance in the latest approved budget;
  - Foreshore Reserve Interface \$150k under budget due to works now forecast to commence in July 2020;
  - Stage 25 Greenlink \$164k under budget due to savings and timing of retention release;
  - Preliminary Landscape Consultancy \$133k under budget due to timing of payments;
  - Northern BCA \$100k under budget due to timing of works and invoice payments;
  - Stage 11 phase 2 \$352k under budget due to delayed commencement date;

- Stage 12/13 Greenlink Bore \$111k under budget due to iron filtration system recommendation yet to be presented to the TPRC (this is currently being priced). Drilling works have been approved and are about to commence;
- Marmion Ave Shrub Planting \$103k under budget as planting season is about to commence;
- Neerabup Rd Median \$118k under budget due to delayed commencement date;
- \$366k combined minor variances.
  
- Infrastructure Spend is \$1.6m under budget, noting the following variances:
  - West Beach Access \$0.3m under budget due to timing of invoice payments;
  - Catalina Beach Dual Use Path \$1.1m under budget as works yet to commence;
  - \$0.2m combined minor variances.
  
- Infrastructure Refunds \$1.3m under budget as we are yet to receive the refund for the Waste Water Pump Station. This has been received in May 2020.
  
- Indirect Consultants \$337k under budget due to timing of invoice payments.
  
- Special Sites & Fixed Assets \$45k under budget due to timing of invoice payments.
  
- P&L expenditure is \$1.5m under budget, noting the following variances:
  - Marketing \$215k under budget due to timing of invoice payments and commencement of new initiatives;
  - Community Development \$109k under budget due to some events being cancelled or modified;
  - Central Cell Sales Office Carpark Makegood \$57k under budget due to timing of invoice payments;
  - Rates & Taxes \$208k under budget as full allowance not yet required;
  - Maintenance \$227k under budget due to timing of invoice payments;
  - Contingency \$516k not required;
  - \$186k Combined minor variances for other Overheads.

Please refer to the attached Cashflow Analysis for a more detailed analysis of actual to budget variances. Should you have any queries on this report, please do not hesitate to contact me.

Yours faithfully



**Ross Carmichael**  
General Manager - Finance

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2020		Actual MTD Vs Budget Apr 2020			Year to date Vs Budget to Apr 2020			Full Year		Project to date Vs Budget to Apr 2020			Bud Comparison: Jun 19 Approved
Job Description	Account Description	Actual 1 month to Apr 2020	Budget 1 month to Apr 2020	Variance	YTD to Apr 2020	YTD budget	Variance	Budget 2020	YTD Act vs Full Year Budget Variance	PTD to Apr 2020	PTD budget	Variance	Comments regarding variance
<b>REVENUE</b>													
Settlements	Settlement revenue	1,015,000	930,990	84,010	7,016,000	7,288,120	(272,120)	8,593,874	(1,577,874)	244,114,500	243,976,977	137,523	21 settlements YTD ex GST Margin scheme. GST Margin as detailed in Burgess Rawson valuations
Margin GST	Margin GST	(9,246)	(13,636)	4,390	(71,069)	(100,000)	28,931	(118,182)	47,113	(3,582,633)	(3,621,162)	38,529	
Direct Selling Costs		(49,566)	(42,898)	(6,668)	(356,090)	(356,313)	223	(416,314)	60,223	(11,144,517)	(11,117,277)	(27,240)	Includes Commission and Management Fees
Interest Income		0	0	0	0	0	0	0	0	85,114	85,001	113	
Forfeited Deposits		0	0	0	0	0	0	0	0	22,727	22,727	0	Penalty interest income on settlements
Other Income	Special sites revenue	0	0	0	437,873	436,364	1,509	436,364	1,509	3,728,594	3,727,085	1,509	
Rebate Allowance		(10,990)	(33,020)	22,030	(184,063)	(1,139,747)	955,684	(1,216,887)	1,032,824	(5,912,355)	(7,499,037)	1,586,683	Construction Recycling, Fencing, Landscape, Shared Bore, Solar, and Display Builder Rebates
		<b>945,198</b>	<b>841,436</b>	<b>103,762</b>	<b>6,842,651</b>	<b>6,128,424</b>	<b>714,228</b>	<b>7,278,856</b>	<b>(436,205)</b>	<b>227,311,430</b>	<b>225,574,314</b>	<b>1,737,116</b>	
<b>LOT PRODUCTION</b>													
Earthworks Stages 1-4, 6	Siteworks / Earthworks	0	0	0	0	0	0	0	0	2,122,407	2,122,407	0	
	Direct Consultants	0	0	0	0	0	0	0	0	157,827	157,827	0	
<b>Total Earthworks Stages 1-4, 6</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,280,234</b>	<b>2,280,234</b>	<b>(0)</b>	
Earthworks Stages 5 & 7	Siteworks / Earthworks	0	0	0	0	0	0	0	0	2,368,798	2,368,798	0	
	Direct Consultants	0	0	0	0	0	0	0	0	121,827	121,827	0	
<b>Total Earthworks Stages 5 &amp; 7</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,490,625</b>	<b>2,490,625</b>	<b>0</b>	
Earthworks Stage 8	Siteworks / Earthworks	0	0	0	0	0	0	0	0	1,265,418	1,265,418	0	
	Direct Consultants	0	0	0	0	0	0	0	0	63,366	63,366	0	
<b>Total Earthworks Stage 8</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,328,784</b>	<b>1,328,784</b>	<b>0</b>	
Earthworks Stages 9-11	Siteworks / Earthworks	0	0	0	0	0	0	0	0	4,066,094	4,066,094	0	
	Direct Consultants	0	0	0	0	0	0	0	0	99,325	99,325	0	
<b>Total Earthworks Stages 9-11</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,165,419</b>	<b>4,165,419</b>	<b>0</b>	
Earthworks Stages 12-13	Siteworks / Earthworks	0	0	0	0	0	0	0	0	1,139,937	1,139,937	0	
	Direct Consultants	0	0	0	0	0	0	0	0	108,025	108,025	0	
<b>Total Earthworks Stage 12-13</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,247,962</b>	<b>1,247,962</b>	<b>0</b>	
Earthworks Stages 14-18	Siteworks / Earthworks	0	0	0	0	0	0	0	0	1,738,744	1,738,744	0	
	Direct Consultants	0	0	0	0	0	0	0	0	250,660	250,660	0	
<b>Total Earthworks Stage 14-18</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,989,404</b>	<b>1,989,404</b>	<b>0</b>	
Earthworks Stage 20-24	Direct Consultants	0	0	0	0	0	0	0	0	27,113	27,113	0	
<b>Total Earthworks Stage 20-24</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,113</b>	<b>27,113</b>	<b>0</b>	
Earthworks Stages 25-27	Siteworks / Earthworks	0	0	0	0	0	0	0	0	3,603,087	3,603,087	(0)	
	Direct Consultants	0	0	0	0	0	0	0	0	186,216	192,859	6,643	
<b>Total Earthworks Stage 25-27</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,789,303</b>	<b>3,795,945</b>	<b>6,643</b>	
Stage 1	Siteworks / Earthworks	0	0	0	0	0	0	0	0	3,208,532	3,208,532	0	
	Authorities Fees	0	0	0	0	0	0	0	0	158,201	158,201	(0)	
	Direct Consultants	0	0	0	0	0	0	0	0	214,916	214,916	0	
<b>Total Stage 1</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,581,649</b>	<b>3,581,649</b>	<b>(0)</b>	
Stage 2	Siteworks / Earthworks	0	0	0	0	0	0	0	0	2,691,287	2,691,287	0	
	Authorities Fees	0	0	0	0	0	0	0	0	210,292	210,292	0	
	Direct Consultants	0	0	0	0	0	0	0	0	164,171	166,571	2,400	
<b>Total Stage 2</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,065,749</b>	<b>3,068,150</b>	<b>2,400</b>	
Stage3	Siteworks / Earthworks	0	0	0	0	0	0	0	0	2,010,933	2,010,933	0	
	Authorities Fees	0	0	0	0	0	0	0	0	284,155	284,155	(0)	
	Direct Consultants	0	0	0	0	0	0	0	0	187,648	187,648	0	
<b>Total Stage 3</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,482,736</b>	<b>2,482,736</b>	<b>(0)</b>	
Stage 4	Siteworks / Earthworks	0	0	0	0	0	0	0	0	2,298,741	2,298,741	0	
	Authorities Fees	0	0	0	0	0	0	0	0	284,471	284,471	0	
	Direct Consultants	0	0	0	0	0	0	0	0	219,983	219,983	0	
<b>Total Stage 4</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,803,195</b>	<b>2,803,195</b>	<b>0</b>	
Stage 5	Siteworks / Earthworks	0	0	0	0	0	0	0	0	2,796,102	2,796,102	(0)	
	Authorities Fees	0	0	0	0	0	0	0	0	392,082	392,082	0	
	Direct Consultants	0	0	0	0	0	0	0	0	388,371	388,371	0	
<b>Total Stage 5</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,576,555</b>	<b>3,576,555</b>	<b>(0)</b>	
Stage 6A	Siteworks / Earthworks	0	0	0	0	0	0	0	0	297,465	297,465	0	
	Authorities Fees	0	0	0	0	0	0	0	0	50,207	50,207	0	
	Direct Consultants	0	0	0	0	0	0	0	0	39,033	39,033	0	
<b>Total Stage 6A</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>386,705</b>	<b>386,705</b>	<b>0</b>	
Stage 6B	Siteworks / Earthworks	0	0	0	0	0	0	0	0	708,104	708,104	0	
	Authorities Fees	0	0	0	0	0	0	0	0	202,417	202,417	0	
	Direct Consultants	0	0	0	0	0	0	0	0	121,160	121,650	490	
<b>Total Stage 6B</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,031,681</b>	<b>1,032,171</b>	<b>490</b>	
Stage 6C	Siteworks / Earthworks	0	0	0	0	0	0	0	0	484,386	484,386	0	
	Authorities Fees	0	0	0	0	0	0	0	0	90,611	90,611	0	

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2020		Actual MTD Vs Budget Apr 2020			Year to date Vs Budget to Apr 2020			Full Year		Project to date Vs Budget to Apr 2020			Bud Comparison: Jun 19 Approved
Job Description	Account Description	Actual 1 month to Apr 2020	Budget 1 month to Apr 2020	Variance	YTD to Apr 2020	YTD budget	Variance	Budget 2020	YTD Act vs Full Year Budget Variance	PTD to Apr 2020	PTD budget	Variance	Comments regarding variance
	Direct Consultants	0	0	0	0	0	0	0	0	52,015	52,015	0	
<b>Total Stage 6C</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>627,012</b>	<b>627,012</b>	<b>0</b>	
Stage 7	Siteworks / Earthworks	0	0	0	0	0	0	0	0	2,257,683	2,257,684	1	
	Authorities Fees	0	0	0	0	0	0	0	0	425,907	425,907	0	
	Direct Consultants	0	0	0	0	0	0	0	0	290,878	290,878	(0)	
<b>Total Stage 7</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,974,468</b>	<b>2,974,469</b>	<b>1</b>	
Stage 8	Siteworks / Earthworks	0	0	0	0	0	0	0	0	2,494,187	2,494,187	0	
	Authorities Fees	0	0	0	0	0	0	0	0	314,992	314,992	0	
	Direct Consultants	0	0	0	0	0	0	0	0	251,105	251,105	0	
<b>Total Stage 8</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,060,284</b>	<b>3,060,284</b>	<b>0</b>	
Stage 9	Siteworks / Earthworks	0	0	0	0	0	0	0	0	2,418,198	2,418,198	0	
	Authorities Fees	0	0	0	0	0	0	0	0	406,804	406,804	0	
	Direct Consultants	0	0	0	0	0	0	0	0	236,848	236,848	0	
<b>Total Stage 9</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,061,850</b>	<b>3,061,850</b>	<b>0</b>	
Stage 10	Siteworks / Earthworks	0	0	0	0	0	0	0	0	1,229,760	1,229,760	0	
	Authorities Fees	0	0	0	0	0	0	0	0	160,060	160,060	0	
	Direct Consultants	0	0	0	0	0	0	0	0	141,355	141,355	0	
<b>Total Stage 10</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,531,175</b>	<b>1,531,175</b>	<b>0</b>	
Stage 11	Siteworks / Earthworks	0	0	0	0	0	0	0	0	2,778,422	2,778,422	(0)	
	Authorities Fees	0	0	0	0	0	0	0	0	463,449	463,449	0	
	Direct Consultants	0	0	0	0	0	0	0	0	336,976	336,976	0	
<b>Total Stage 11</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,578,848</b>	<b>3,578,848</b>	<b>(0)</b>	
Stage 12	Siteworks / Earthworks	0	0	0	0	0	0	0	0	2,077,002	2,077,002	0	
	Authorities Fees	0	0	0	0	0	0	0	0	258,204	258,204	0	
	Direct Consultants	0	0	0	0	0	0	0	0	247,233	247,768	535	
<b>Total Stage 12</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,582,440</b>	<b>2,582,975</b>	<b>535</b>	
Stage 13A	Siteworks / Earthworks	0	0	0	0	0	0	0	0	1,932,316	1,932,316	0	
	Authorities Fees	0	0	0	0	0	0	0	0	264,752	264,752	0	
	Direct Consultants	0	0	0	0	0	0	0	0	172,787	174,267	1,480	
<b>Total Stage 13A</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,369,855</b>	<b>2,371,336</b>	<b>1,480</b>	
Stage 13B	Siteworks / Earthworks	0	0	0	0	0	0	0	0	2,115,792	2,115,792	0	
	Authorities Fees	0	0	0	0	0	0	0	0	195,434	195,434	0	
	Direct Consultants	0	0	0	0	0	0	0	0	241,636	242,101	465	
<b>Total Stage 13B</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,552,862</b>	<b>2,553,327</b>	<b>465</b>	
Stage 14A	Siteworks / Earthworks	0	0	0	0	0	0	0	0	2,221,820	2,221,820	0	
	Authorities Fees	0	0	0	0	0	0	0	0	467,540	467,540	0	
	Direct Consultants	0	0	0	0	0	0	0	0	301,549	344,079	42,530	
<b>Total Stage 14A</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,990,908</b>	<b>3,033,438</b>	<b>42,530</b>	
Stage 14B	Siteworks / Earthworks	0	0	0	0	0	0	0	0	482,855	500,850	17,995	
	Authorities Fees	0	0	0	0	0	0	0	0	110,991	110,991	0	
	Direct Consultants	0	0	0	0	0	0	0	0	17,639	17,739	100	
<b>Total Stage 14B</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>611,485</b>	<b>629,580</b>	<b>18,095</b>	
Stage 15	Siteworks / Earthworks	0	0	0	0	0	0	0	0	1,999,681	1,999,681	0	
	Authorities Fees	0	0	0	0	0	0	0	0	357,841	357,841	0	
	Direct Consultants	0	0	0	0	0	0	0	0	263,241	267,061	3,820	
<b>Total Stage 15</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,620,763</b>	<b>2,624,583</b>	<b>3,820</b>	
Stage 16A	Authorities Fees	0	0	0	0	0	0	0	0	9,844	9,844	0	
	Direct Consultants	0	0	0	0	0	0	0	0	17,605	17,605	0	
<b>Total Stage 16A</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,449</b>	<b>27,449</b>	<b>0</b>	
Stage 16B	Direct Consultants	0	0	0	0	0	0	0	0	26,000	26,000	0	
<b>Total Stage 16B</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,000</b>	<b>26,000</b>	<b>0</b>	
Stage 17A	Siteworks / Earthworks	0	0	0	0	0	0	0	0	732,033	732,033	0	
	Authorities Fees	0	0	0	0	0	0	0	0	161,279	161,279	0	
	Direct Consultants	0	0	0	0	0	0	0	0	110,250	115,250	5,000	
<b>Total Stage 17A</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,003,563</b>	<b>1,008,563</b>	<b>5,000</b>	
Stage 17B	Siteworks / Earthworks	0	0	0	0	0	0	0	0	1,273,015	1,642,087	369,072	
	Authorities Fees	0	0	0	0	0	0	0	0	194,411	195,384	973	
	Direct Consultants	0	0	0	0	5,969	5,969	5,969	5,969	180,869	192,600	11,731	
<b>Total Stage 17B</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,969</b>	<b>5,969</b>	<b>5,969</b>	<b>5,969</b>	<b>1,648,295</b>	<b>2,030,071</b>	<b>381,776</b>	
Stage 18A	Siteworks / Earthworks	0	0	0	0	0	0	0	0	871,358	871,358	0	
	Authorities Fees	0	0	0	0	0	0	0	0	216,537	216,537	0	
	Direct Consultants	0	0	0	0	0	0	0	0	125,664	131,200	5,536	
<b>Total Stage 18A</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,213,559</b>	<b>1,219,095</b>	<b>5,536</b>	
Stage 18B	Siteworks / Earthworks	0	0	0	0	0	0	0	0	1,486,381	2,411,579	925,198	Stage 18C costs doubled up in budget
	Authorities Fees	0	0	0	0	0	0	0	0	267,438	270,948	3,510	
	Direct Consultants	0	0	0	0	0	0	0	0	191,390	364,990	173,600	

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2020		Actual MTD Vs Budget Apr 2020			Year to date Vs Budget to Apr 2020			Full Year		Project to date Vs Budget to Apr 2020			Bud Comparison: Jun 19 Approved
Job Description	Account Description	Actual 1 month to Apr 2020	Budget 1 month to Apr 2020	Variance	YTD to Apr 2020	YTD budget	Variance	Budget 2020	YTD Act vs Full Year Budget Variance	PTD to Apr 2020	PTD budget	Variance	Comments regarding variance
<b>Total Stage 18B</b>		0	0	0	0	0	0	0	0	1,945,209	3,047,517	1,102,308	
Stage 18C	Siteworks / Earthworks	0	0	0	0	0	0	305,300	305,300	0	0	0	
	Direct Consultants	0	15,933	15,933	0	143,400	143,400	143,400	143,400	0	143,400	143,400	
<b>Total Stage 18C</b>		0	15,933	15,933	0	143,400	143,400	448,700	448,700	0	143,400	143,400	
Stage 25	Siteworks / Earthworks	0	0	0	0	0	0	0	0	5,523,981	5,579,231	55,250	
	Authorities Fees	0	0	0	0	0	0	0	0	212,929	212,929	0	
	Direct Consultants	0	0	0	0	0	0	0	0	280,279	297,991	17,713	
<b>Total Stage 25</b>		0	0	0	0	0	0	0	0	6,017,188	6,090,151	72,963	
Stage 26	Siteworks / Earthworks	50,667	0	(50,667)	702,848	1,401,273	698,425	1,401,273	698,425	1,248,844	1,199,122	(49,722)	
	Authorities Fees	0	0	0	3,235	38,454	35,219	38,454	35,219	239,777	490,560	250,783	
	Direct Consultants	4,735	0	(4,735)	38,962	36,054	(2,908)	36,054	(2,908)	143,331	162,500	19,169	
<b>Total Stage 26</b>		55,402	0	(55,402)	745,045	1,475,780	730,735	1,475,780	730,735	1,631,952	1,852,182	220,230	
Various Stages	Clearance Bonds	0	50,000	50,000	(4,377)	50,000	54,377	50,000	54,377	242,868	492,625	249,757	
<b>TOTAL LOT PRODUCTION</b>		55,402	65,933	10,532	740,668	1,675,149	934,481	1,980,449	1,239,781	76,565,146	78,822,574	2,257,428	Within budget
<b>LANDSCAPING</b>													
Stage 7 Landscaping	Landscape Construction	0	0	0	0	0	0	0	0	169,816	169,816	0	Within total FY20 Landscaping budget
Stage 7 Landscaping	Landscape Consulting	0	0	0	0	0	0	0	0	7,193	7,193	0	
Stage 8 Landscaping	Landscape Construction	0	0	0	0	0	0	0	0	412,952	412,952	0	
Stage 8 Landscaping	Landscape Consulting	0	0	0	0	0	0	0	0	30,857	30,857	0	
Stage 9 Landscaping Aviator Blvd Greenlink	Landscape Construction	0	0	0	0	0	0	0	0	104,134	104,134	0	
Stage 9 Landscaping Aviator Blvd Greenlink	Landscape Consulting	0	0	0	0	0	0	0	0	11,489	11,489	0	
Stage 10 POS (10.1)	Landscape Construction	0	0	0	0	0	0	0	0	198,747	198,747	0	
Stage 10 POS (10.1)	Landscape Consulting	0	0	0	0	0	0	0	0	14,417	14,417	0	
Stage 11 Landscape Consultancy	Landscape Construction	0	0	0	759	0	(759)	0	(759)	1,332,634	1,331,874	(760)	
Stage 11 Landscape Consultancy	Landscape Consulting	1,710	0	(1,710)	13,680	0	(13,680)	0	(13,680)	161,219	163,675	2,456	
Stage 12 Landscaping	Landscape Construction	0	0	0	0	0	0	0	0	236,650	242,601	5,950	
Stage 12 Landscaping	Landscape Consulting	0	0	0	0	0	0	0	0	27,377	27,377	0	
Stage 13 Landscaping	Landscape Construction	0	0	0	0	5,607	5,607	5,607	5,607	789,993	800,085	10,092	
Stage 13 Landscaping	Landscape Consulting	0	0	0	0	0	0	0	0	61,433	61,433	0	
Stage 14A Landscaping	Landscape Construction	0	0	0	9,014	0	(9,014)	0	(9,014)	551,718	663,360	111,642	
Stage 14A Landscaping	Landscape Consulting	0	0	0	0	0	0	0	0	12,013	8,430	(3,583)	
Stage 14B Landscaping	Landscape Construction	0	0	0	0	0	0	0	0	213,926	216,701	2,775	
Stage 14B Landscaping	Landscape Consulting	0	0	0	0	0	0	0	0	15,457	15,457	0	
Stage 15 Landscaping	Landscape Construction	0	0	0	0	0	0	0	0	114,948	115,933	985	
Stage 15 Landscaping	Landscape Consulting	0	0	0	0	0	0	0	0	18,838	18,838	0	
Stage 16A Landscaping	Landscape Consulting	0	0	0	0	0	0	0	0	11,303	11,303	0	
Stage 17 Landscaping	Landscape Construction	0	0	0	199,956	252,885	52,929	252,885	52,929	199,956	505,769	305,813	
Stage 17 Landscaping	Landscape Consulting	0	0	0	0	0	0	0	0	2,720	2,932	212	
Stage 18 Landscaping	Landscape Construction	0	0	0	0	0	0	0	0	265,611	267,780	2,169	
Stage 18 Landscaping	Landscape Consulting	0	0	0	0	0	0	0	0	46,251	46,001	(250)	
Stage 8 Landscaping Verge Landscaping Lot 475	Landscape Construction	0	0	0	0	0	0	0	0	1,001	1,001	0	
Stage 8 Landscaping Street Trees / Streetscapes	Landscape Construction	0	0	0	0	0	0	0	0	63,552	63,552	0	
Stage 8 Landscaping Street Trees / Streetscapes	Landscape Consulting	0	0	0	0	0	0	0	0	2,587	2,587	0	
Stage 10 Biodiversity Conservation Area	Landscape Construction	0	0	0	2,829	125,311	122,482	125,311	122,482	228,092	375,636	147,544	
Stage 10 Biodiversity Conservation Area	Landscape Consulting	0	0	0	0	0	0	0	0	28,012	28,012	0	
Stage 9 Biodiversity Conservation Area	Landscape Construction	0	0	0	0	0	0	0	0	40,000	40,000	0	
Stage 9 Biodiversity Conservation Area	Landscape Consulting	0	0	0	0	0	0	0	0	3,120	3,120	0	
Stage 10 Biodiversity Conservation Area	Landscape Construction	0	0	0	0	0	0	0	0	116,647	116,647	0	
Stage 10 Biodiversity Conservation Area	Landscape Consulting	0	0	0	0	0	0	0	0	7,918	7,918	0	
Seed Collection	Landscape Construction	0	0	0	0	27,750	27,750	27,750	27,750	7,250	35,000	27,750	
Stage 8 Medium Density Lot Verges	Landscape Construction	0	0	0	0	0	0	0	0	19,598	19,598	0	
Stage 8 Medium Density Lot Verges	Landscape Consulting	0	0	0	0	0	0	0	0	1,346	1,346	0	
Stage 9 Medium Density Lot Verges	Landscape Construction	0	0	0	0	0	0	0	0	95,700	95,700	0	
Stage 9 Medium Density Lot Verges	Landscape Consulting	0	0	0	0	0	0	0	0	5,500	5,500	0	
School Oval	Landscape Construction	0	0	0	0	0	0	0	0	44,219	44,219	0	
Marmion Ave Eastern Verge Upgrade	Landscape Construction	0	0	0	0	0	0	0	0	269,451	292,707	23,256	
Marmion Ave Eastern Verge Upgrade	Landscape Consulting	0	0	0	0	0	0	0	0	19,688	19,688	(0)	
Western Cell Long Beach Prom Entry Statement	Landscape Consulting	0	0	0	0	0	0	0	0	19,164	19,164	0	
Western Cell Long Beach Prom Greenlink	Landscape Consulting	0	0	0	0	0	0	0	0	11,880	11,880	(0)	
Western Cell Marmion Ave Verge	Landscape Consulting	0	0	0	0	0	0	0	0	19,196	19,196	0	
Western Cell POS	Landscape Consulting	0	0	0	0	0	0	0	0	83,145	83,145	0	
Western Cell POS2	Landscape Consulting	0	0	0	0	0	0	0	0	64,091	87,253	23,162	
West Cell Bore, Pump, Electrics & Iron Filtration	Landscape Construction	0	0	0	5,916	0	(5,916)	0	(5,916)	118,324	150,000	31,676	
West Cell Bore, Pump, Electrics & Iron Filtration	Landscape Consulting	0	0	0	0	0	0	0	0	9,466	9,466	0	
Western Cell Long Beach Prom Medians	Landscape Consulting	0	0	0	0	0	0	0	0	19,357	19,357	(0)	
Catalina Beach Foreshore Reserve Interface	Landscape Construction	0	75,000	75,000	0	150,000	150,000	300,000	300,000	0	150,000	150,000	

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2020		Actual MTD Vs Budget Apr 2020			Year to date Vs Budget to Apr 2020			Full Year		Project to date Vs Budget to Apr 2020			Bud Comparison: Jun 19 Approved
Job Description	Account Description	Actual 1 month to Apr 2020	Budget 1 month to Apr 2020	Variance	YTD to Apr 2020	YTD budget	Variance	Budget 2020	YTD Act vs Full Year Budget Variance	PTD to Apr 2020	PTD budget	Variance	Comments regarding variance
Catalina Beach Greenlink Stage 25	Landscape Construction	0	0	0	112,124	276,419	164,295	276,419	164,295	3,924,780	4,295,473	370,693	
Catalina Beach Greenlink Stage 25	Landscape Consulting	0	0	0	0	0	0	0	0	118,249	163,658	45,409	
Preliminary Landscaping Consultancy	Landscape Consulting	15,770	16,675	905	90,285	223,156	132,871	254,156	163,871	256,093	411,586	155,493	
Northern Biodiversity Conservation Area	Landscape Construction	0	0	0	17,898	118,080	100,182	118,080	100,182	348,377	448,559	100,182	
Northern Biodiversity Conservation Area	Landscape Consulting	0	0	0	0	0	0	0	0	19,093	29,843	10,750	
Neerabup Road Verge Treatment - West	Landscape Construction	0	0	0	0	0	0	0	0	795,713	795,713	0	
Neerabup Road Verge Treatment - West	Landscape Consulting	0	0	0	0	0	0	0	0	47,056	47,056	0	
Neerabup Road Verge Treatment - East	Landscape Construction	0	0	0	0	0	0	0	0	180,487	180,487	0	
Neerabup Road Verge Treatment - East	Landscape Consulting	0	0	0	0	0	0	0	0	23,134	23,134	0	
Neerabup Entry Statement	Landscape Construction	0	0	0	0	0	0	0	0	87,605	87,605	0	
Neerabup Entry Statement	Landscape Consulting	0	0	0	0	0	0	0	0	1,927	1,927	0	
Public Open Space 1	Landscape Construction	0	0	0	0	0	0	0	0	369,509	369,509	0	
Public Open Space 1	Landscape Consulting	0	0	0	0	0	0	0	0	46,158	46,158	0	
Public Open Space - Lot 8009	Landscape Construction	0	0	0	0	0	0	0	0	166,728	170,896	4,168	
Public Open Space - Lot 8009	Landscape Consulting	0	0	0	0	0	0	0	0	11,504	11,504	0	
Sales Centre Landscaping	Landscape Construction	0	0	0	0	0	0	0	0	1,700	1,700	0	
Streetscape To Stage 1	Landscape Construction	0	0	0	0	0	0	0	0	251,365	275,067	23,702	
Public Open Space - Lot 8007	Landscape Construction	0	0	0	0	0	0	0	0	1,083,262	1,083,262	0	
Public Open Space - Lot 8007	Landscape Consulting	0	0	0	0	0	0	0	0	76,262	76,262	0	
Irrigation System	Landscape Construction	0	0	0	0	0	0	0	0	76,010	76,010	0	
Irrigation System	Landscape Consulting	0	0	0	0	0	0	0	0	4,801	4,801	0	
Public Art	Landscape Construction	0	8,333	8,333	963	83,333	82,371	100,000	99,037	156,764	270,846	114,083	
Public Art	Landscape Consulting	0	0	0	0	0	0	0	0	13,105	18,350	5,245	
Streescapes Stg 2 Consultancy	Landscape Construction	0	0	0	0	0	0	0	0	164,882	164,882	0	
Streescapes Stg 2 Consultancy	Landscape Consulting	0	0	0	0	0	0	0	0	11,980	11,980	0	
Streetscape To Stage 3	Landscape Construction	0	0	0	0	0	0	0	0	40,537	40,537	0	
Aviator Blvd Greenlink (5.2)	Landscape Consulting	0	0	0	0	0	0	0	0	6,072	6,072	0	
Neerabup Road Verge Treatment Stg4	Landscape Construction	0	0	0	0	0	0	0	0	206,713	206,713	0	
Neerabup Road Verge Treatment Stg4	Landscape Consulting	0	0	0	0	0	0	0	0	12,759	12,759	0	
Neerabup Road Verge Treatment Stg5	Landscape Construction	0	0	0	0	0	0	0	0	157,346	157,346	0	
Neerabup Road Verge Treatment Stg5	Landscape Consulting	0	0	0	0	0	0	0	0	14,093	14,093	0	
Public Open Space Stage 6	Landscape Construction	0	0	0	0	0	0	0	0	145,252	157,412	12,160	
Public Open Space Stage 6	Landscape Consulting	0	0	0	0	0	0	0	0	6,768	6,768	0	
Sales Centre Landscaping Stg 2	Landscape Construction	0	0	0	0	0	0	0	0	6,798	6,798	(0)	
Sales Centre Landscaping Stg 2	Landscape Consulting	0	0	0	0	0	0	0	0	7,527	7,527	0	
Public Access Way 2.1	Landscape Construction	0	0	0	0	0	0	0	0	150,700	150,700	0	
Public Access Way 2.1	Landscape Consulting	0	0	0	0	0	0	0	0	11,232	11,232	0	
Aviator Blvd Entry Stmt	Landscape Construction	0	0	0	0	0	0	0	0	511,858	512,449	591	
Aviator Blvd Entry Stmt	Landscape Consulting	0	0	0	0	0	0	0	0	27,897	38,637	10,740	
Roundabout	Landscape Construction	0	0	0	0	0	0	0	0	7,162	7,162	0	
Roundabout	Landscape Consulting	0	0	0	0	0	0	0	0	1,035	1,035	0	
Fauna Relocation	Landscape Construction	0	0	0	0	5,556	5,556	5,556	5,556	37,080	47,080	10,000	
Western Cell Entry Statement & Greenlink	Landscape Construction	0	0	0	0	0	0	0	0	59,051	59,051	0	
Stage 11 Landscape Phase 2	Landscape Construction	134,404	66,667	(67,738)	314,264	666,667	352,403	800,000	485,736	314,264	666,667	352,403	
Catalina Grove Initial Scoping Works	Landscape Consulting	0	0	0	0	1,066	1,066	1,066	1,066	16,803	20,000	3,197	
Catalina Central Landscape Upgrade	Landscape Construction	0	0	0	263	80,558	80,294	80,558	80,294	821,012	954,764	133,752	
Catalina Central Landscape Upgrade	Landscape Consulting	0	0	0	0	0	0	0	0	63,128	61,465	(1,663)	
Stage 12/13 Greenlink New Bore	Landscape Construction	0	0	0	0	111,111	111,111	111,111	111,111	70,354	200,000	129,646	
Marmion Ave Shrub Planting	Landscape Construction	0	0	0	17,282	120,000	102,718	120,000	102,718	17,282	120,000	102,718	
Catalina Beach Display Village Verge Landscaping	Landscape Construction	0	0	0	4,158	10,372	6,214	10,372	6,214	53,415	70,000	16,585	
Bore 6	Landscape Construction	0	0	0	0	0	0	0	0	30,906	0	(30,906)	
Catalina Beach Stage 26 Landscaping	Landscape Construction	0	0	0	40,000	40,000	0	40,000	0	40,000	40,000	0	
Aviator Blvd Roundabouts Upgrade	Landscape Construction	0	5,000	5,000	0	50,000	50,000	60,000	60,000	0	50,000	50,000	
Neerabup Rd Median - Roulettes to Marmion	Landscape Construction	0	11,750	11,750	0	117,500	117,500	117,500	117,500	0	141,000	141,000	
Early Stock Procurement	Landscape Consulting	0	8,333	8,333	0	83,333	83,333	100,000	100,000	0	83,333	83,333	
<b>TOTAL LANDSCAPING</b>		<b>151,884</b>	<b>191,758</b>	<b>39,874</b>	<b>829,390</b>	<b>2,548,701</b>	<b>1,719,311</b>	<b>2,906,368</b>	<b>2,076,978</b>	<b>17,383,542</b>	<b>20,067,713</b>	<b>2,684,171</b>	Within budget
<b>INDIRECT CONSULTANTS</b>													
Planning - indirect	Planning	0	18,729	18,729	106,013	187,292	81,279	224,750	118,737	2,366,085	2,457,159	91,074	Within total FY20 Consultants budget
	Architect	0	1,240	1,240	0	12,398	12,398	14,878	14,878	15,100	33,457	18,357	
	Environmental	0	4,040	4,040	13,604	40,405	26,801	48,486	34,882	335,278	374,556	39,278	
	Geotechnical	0	215	215	0	1,548	1,548	1,607	1,607	12,300	14,793	2,493	
	Title - Survey & Legal fees	0	2,500	2,500	0	25,000	25,000	30,000	30,000	153,160	188,160	35,000	
	Engineering fees	10,497	8,574	(1,922)	20,611	85,741	65,130	102,889	82,278	214,985	298,377	83,392	
	Traffic planning	0	107	107	0	774	774	804	804	84,181	85,427	1,246	
	Landscaping consultancy	0	0	0	0	0	0	0	0	1,000	0	(1,000)	
	Miscellaneous Consultants	0	4,167	4,167	1,430	41,667	40,237	50,000	48,570	5,512	62,253	56,742	

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2020		Actual MTD Vs Budget Apr 2020			Year to date Vs Budget to Apr 2020			Full Year		Project to date Vs Budget to Apr 2020			Bud Comparison: Jun 19 Approved
Job Description	Account Description	Actual 1 month to Apr 2020	Budget 1 month to Apr 2020	Variance	YTD to Apr 2020	YTD budget	Variance	Budget 2020	YTD Act vs Full Year Budget Variance	PTD to Apr 2020	PTD budget	Variance	Comments regarding variance
	Planning - fire & safety	0	0	0	0	5,000	5,000	5,000	5,000	150	25,150	25,000	Within budget
	Planning - Hydrology	0	3,750	3,750	4,328	37,500	33,172	45,000	40,672	119,075	166,347	47,272	
	Planning - Sustainability	0	3,000	3,000	0	30,000	30,000	36,000	36,000	26,805	62,805	36,000	
	Acoustic & Noise Consult	0	833	833	0	8,333	8,333	8,333	8,333	0	20,000	20,000	
	Tree Mapping	0	0	0	0	7,500	7,500	7,500	7,500	1,616	27,806	26,190	
<b>TOTAL INDIRECT CONSULTANTS</b>		<b>10,497</b>	<b>47,156</b>	<b>36,659</b>	<b>145,985</b>	<b>483,157</b>	<b>337,171</b>	<b>575,247</b>	<b>429,261</b>	<b>3,335,247</b>	<b>3,816,291</b>	<b>481,044</b>	Within budget
<b>INFRASTRUCTURE</b>													Within total FY20 Infrastructure budget
Marmion relocation services		0	0	0	0	0	0	0	0	450,680	450,680	0	Within budget
Marmion relocation services		0	0	0	0	0	0	0	0	48,750	48,750	0	
Neerabup Road Key Largo Intersection		0	0	0	0	0	0	0	0	974,127	974,127	0	
Neerabup Road Key Largo Intersection Eng		0	0	0	0	0	0	0	0	54,024	54,024	0	
Neerabup Rd Maroochydore Way Intersection		0	0	0	0	0	0	0	0	1,498,274	1,480,279	(17,995)	
Neerabup Rd Maroochydore Way Intersection		0	0	0	0	0	0	0	0	97,321	97,321	0	
Connolly Drive Green Link Intersection		0	0	0	0	0	0	350,000	350,000	9,400	780	(8,620)	
Connolly Drive Green Link Intersection		0	0	0	0	0	0	22,750	22,750	99,619	99,619	0	
Neerabup Road Green Link Underpass		0	0	0	0	51,533	51,533	51,533	51,533	2,296,934	2,400,000	103,066	
EPBC Offset - foraging		0	0	0	0	0	0	0	0	490,000	490,000	0	
Gravity Sewer		0	0	0	0	0	0	0	0	1,518,761	1,518,761	0	
Gravity Sewer Engineering		0	0	0	0	0	0	0	0	100,778	100,778	0	
Marmion Avenue Green Link Intersection		0	0	0	0	0	0	0	0	3,041,955	3,041,955	0	
Marmion Avenue Green Link Intersection Eng		0	0	0	0	0	0	0	0	151,585	151,585	0	
Asbestos and rubbish removal - Gen Allowance		0	2,917	2,917	1,188	29,167	27,980	35,001	33,813	25,801	75,220	49,419	
West Beach Access		0	214,667	214,667	5,960	214,667	208,706	644,000	638,040	5,960	214,667	208,706	
West Beach Access		6,013	6,977	963	6,013	69,767	63,753	83,720	77,707	6,013	69,767	63,753	
UXO - Search Western Cell Phase 2		0	0	0	0	0	0	0	0	14,500	14,500	0	
UXO - Search Western Cell Phase 2		0	0	0	0	0	0	0	0	1,625	1,625	0	
Aviator Blvd Extension St 25 to Long Beach Prom incl services extensions (exc Beach Access Tr		0	129,750	129,750	0	129,750	129,750	389,250	389,250	1,500	131,250	129,750	
Aviator Blvd Extension St 25 to Long Beach Prom incl services extensions (exc Beach Access Tr		3,150	1,751	(1,399)	3,150	17,507	14,357	21,008	17,858	32,842	47,199	14,357	
Housing Auth Dist Plan Scheme 2		0	0	0	0	0	0	0	0	162,919	162,919	0	
Main 01 Bulk Earthworks Stg 20-24 Primary School & GHS		57,021	57,021	0	57,021	57,021	0	57,021	0	57,021	57,021	0	
Raise existing bore on Connolly Drive		0	0	0	0	0	0	0	0	0	2,004	2,004	
Catalina Beach North/South Dual Use Path		0	0	0	0	1,000,000	1,000,000	1,000,000	1,000,000	0	1,000,000	1,000,000	
Catalina Beach North/South Dual Use Path		0	0	0	0	65,000	65,000	65,000	65,000	0	65,000	65,000	
Waste Water Pump Station (West)		0	0	0	6,470	6,470	0	6,470	0	1,804,215	1,859,590	55,374	
Rubbish removal - General Allowance		0	0	0	0	0	0	0	0	17,314	14,717	(2,597)	
<b>INFRASTRUCTURE</b>		<b>66,185</b>	<b>413,082</b>	<b>346,897</b>	<b>79,802</b>	<b>1,640,881</b>	<b>1,561,079</b>	<b>2,725,752</b>	<b>2,645,950</b>	<b>12,961,919</b>	<b>14,624,136</b>	<b>1,662,217</b>	Within budget
<b>INFRASTRUCTURE REFUNDS</b>													
Neerabup Road Reimbursement		0	0	0	0	0	0	0	0	(432,548)	(432,548)	0	
Waste Water Pump Station (West)		0	0	0	0	(1,253,120)	(1,253,120)	(1,253,120)	(1,253,120)	0	(1,253,120)	(1,253,120)	
<b>INFRASTRUCTURE REFUNDS</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,253,120)</b>	<b>(1,253,120)</b>	<b>(1,253,120)</b>	<b>(1,253,120)</b>	<b>(432,548)</b>	<b>(1,685,668)</b>	<b>(1,253,120)</b>	
<b>TOTAL INFRASTRUCTURE</b>		<b>66,185</b>	<b>413,082</b>	<b>346,897</b>	<b>79,802</b>	<b>387,760</b>	<b>307,959</b>	<b>1,472,632</b>	<b>1,392,830</b>	<b>12,529,371</b>	<b>12,938,468</b>	<b>409,097</b>	Within budget
<b>SPECIAL SITES &amp; FIXED ASSETS</b>													
Lot 1 Group Housing Site Construction		0	0	0	0	0	0	0	0	172,782	172,782	0	
Removal of temp sales office		0	0	0	0	0	0	0	0	8,636	8,636	0	
Sales Office Building		0	0	0	0	0	0	0	0	573,050	573,981	932	
Sales Office Retrofit		0	0	0	10,886	10,000	(886)	10,000	(886)	11,186	30,000	18,814	
Sales Office Carparks		0	0	0	0	0	0	0	0	98,087	98,087	0	
Temp Sales office services		0	0	0	0	0	0	0	0	3,812	3,812	0	
Sales Office Construction Western		0	0	0	0	38,492	38,492	38,492	38,492	624,762	750,000	125,238	
Sales office carparks Western		0	0	0	5,522	0	(5,522)	0	(5,522)	240,000	234,478	(5,522)	
Security Cameras		0	1,250	1,250	0	12,500	12,500	12,500	12,500	19,560	34,560	15,000	
<b>TOTAL SPECIAL SITES &amp; FIXED ASSETS</b>		<b>0</b>	<b>1,250</b>	<b>1,250</b>	<b>16,408</b>	<b>60,992</b>	<b>44,585</b>	<b>60,992</b>	<b>44,585</b>	<b>1,751,875</b>	<b>1,906,337</b>	<b>154,462</b>	Within budget
<b>TOTAL CONSTRUCTION</b>		<b>283,967</b>	<b>719,179</b>	<b>435,212</b>	<b>1,812,253</b>	<b>5,155,760</b>	<b>3,343,507</b>	<b>6,995,688</b>	<b>5,183,435</b>	<b>111,565,180</b>	<b>117,551,383</b>	<b>5,986,203</b>	Within budget
<b>LAND</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,103,000</b>	<b>5,103,000</b>	<b>5,103,000</b>	<b>5,103,000</b>	<b>0</b>	<b>5,103,000</b>	<b>5,103,000</b>	
<b>PROFIT &amp; LOSS EXPENDITURE</b>													
<b>Sales &amp; Marketing</b>													
Brand Development		0	4,303	4,303	13,464	43,027	29,563	51,633	38,169	219,299	308,920	89,621	
Sales Office & Builder Rel.		0	4,016	4,016	0	40,159	40,159	48,190	48,190	110,761	162,863	52,102	
Brochures		0	1,801	1,801	58	18,014	17,956	21,617	21,559	139,893	188,849	48,956	
Advertising		9,404	6,770	(2,634)	55,021	67,696	12,675	81,235	26,215	822,827	895,154	72,327	
Signage		0	8,491	8,491	7,812	84,907	77,095	101,888	94,076	408,293	505,988	97,695	
Website		0	1,377	1,377	0	13,769	13,769	16,522	16,522	9,891	54,284	44,394	
Promotions		0	2,180	2,180	0	21,800	21,800	26,160	26,160	19,550	110,703	91,153	
Public Relations		0	229	229	560	2,296	1,736	2,755	2,195	7,124	19,134	12,010	
<b>Total Sales and Marketing</b>		<b>9,404</b>	<b>29,167</b>	<b>19,763</b>	<b>76,915</b>	<b>291,668</b>	<b>214,753</b>	<b>350,001</b>	<b>273,087</b>	<b>1,737,638</b>	<b>2,245,896</b>	<b>508,259</b>	Within budget
<b>Total Community Development</b>	Comm Dev - Resident Dev	<b>115</b>	<b>16,042</b>	<b>15,927</b>	<b>51,047</b>	<b>160,417</b>	<b>109,370</b>	<b>192,500</b>	<b>141,453</b>	<b>421,663</b>	<b>644,475</b>	<b>222,812</b>	Within budget

**Catalina Actual vs Budget Analysis**

Tamala Park Cashflow FY2020		Actual MTD Vs Budget Apr 2020			Year to date Vs Budget to Apr 2020			Full Year		Project to date Vs Budget to Apr 2020			Bud Comparison: Jun 19 Approved	
Job Description	Account Description	Actual 1 month to Apr 2020	Budget 1 month to Apr 2020	Variance	YTD to Apr 2020	YTD budget	Variance	Budget 2020	YTD Act vs Full Year Budget Variance	PTD to Apr 2020	PTD budget	Variance	Comments regarding variance	
<b>Administration</b>	Audit and Tax	480	0	(480)	24,694	20,000	(4,694)	20,000	(4,694)	249,660	240,177	(9,483)		
	Cleaning	422	1,000	578	5,631	10,000	4,369	12,000	6,369	37,016	43,007	5,991		
	Computer Costs	0	500	500	0	5,001	5,001	6,001	6,001	0	7,460	7,460		
	Couriers	0	300	300	0	3,001	3,001	3,601	3,601	1,338	13,336	11,998		
	Electricity & Gas	2,112	1,000	(1,112)	13,130	10,000	(3,130)	12,000	(1,130)	108,568	101,848	(6,720)		
	Insurance	0	500	500	3,184	5,001	1,817	6,001	2,817	3,184	7,001	3,817		
	Legal fees	0	4,167	4,167	16,163	41,667	25,503	50,000	33,837	198,778	240,957	42,179		
	Licenses & Fees	0	500	500	0	5,001	5,001	6,001	6,001	470	8,283	7,813		
	Postage, Print & Stationery	0	500	500	0	5,001	5,001	6,001	6,001	2,244	35,992	33,749		
	Rent - Sales Office & Cprk	0	6,667	6,667	0	66,667	66,667	66,667	66,667	467,350	557,796	90,446		
	Sundry Office Expenses	0	1,500	1,500	0	15,000	15,000	18,000	18,000	1,076	28,200	27,123		
	Training	0	2,083	2,083	0	20,833	20,833	25,000	25,000	0	29,167	29,167		
	Valuations	150	3,333	3,183	19,250	33,333	14,083	40,000	20,750	166,313	193,180	26,867		
	Rates & Taxes	0	0	0	82,290	290,160	207,870	290,160	207,870	557,308	1,034,057	476,750		
	Maintenance	0	44,167	44,167	218,820	445,412	226,592	533,745	314,926	1,735,627	1,968,208	232,581		
	Maint- Carpark Makegood	0	0	0	0	57,304	57,304	57,304	57,304	53,798	171,913	118,115		
	Security	320	3,000	2,680	2,430	30,000	27,570	36,000	33,570	28,957	66,107	37,151		
<b>Total Administration</b>		<b>3,484</b>	<b>69,217</b>	<b>65,733</b>	<b>385,591</b>	<b>1,063,380</b>	<b>677,789</b>	<b>1,188,480</b>	<b>802,889</b>	<b>3,611,685</b>	<b>4,746,688</b>	<b>1,135,002</b>		Within budget
<b>Finance</b>	Contingency	57,021	36,329	(20,692)	67,236	582,849	515,614	685,621	618,386	2,175,330	725,899	(1,449,431)		Actual Contingency spend applied to cost types above.
	Contingency Offset Transfer	(57,021)	(57,021)	0	(67,236)	(67,236)	0	(67,236)	0	(2,175,330)	0	2,175,330		
<b>Total Finance</b>		<b>0</b>	<b>(20,692)</b>	<b>(20,692)</b>	<b>0</b>	<b>515,614</b>	<b>515,614</b>	<b>618,386</b>	<b>618,386</b>	<b>0</b>	<b>725,899</b>	<b>725,899</b>		
<b>Total P&amp;L Expenditure</b>		<b>13,003</b>	<b>93,733</b>	<b>80,731</b>	<b>513,552</b>	<b>2,031,078</b>	<b>1,517,526</b>	<b>2,349,367</b>	<b>1,835,814</b>	<b>5,770,986</b>	<b>8,362,958</b>	<b>2,591,972</b>		
<b>Grand Expense Total</b>		<b>296,970</b>	<b>812,912</b>	<b>515,943</b>	<b>2,325,805</b>	<b>12,289,838</b>	<b>9,964,032</b>	<b>14,448,054</b>	<b>12,122,249</b>	<b>117,336,166</b>	<b>131,017,341</b>	<b>13,681,175</b>	Within budget	

**Contingency Summary**

YTD Budget	582,849
Contingency Transferred (Actual & Budget)	<u>(67,236)</u>
Contingency not yet used	<u>515,614</u>

List of Contingency items transferred year to date

Period	Job Description	Amount
Aug-19	Landscape Maintenance	2,523
Sep-19	Landscape Maintenance	1,223
Jan-20	Waste Water Pump Station	6,470
Apr-20	School Site Earthworks	57,021
		<u>67,236</u>

Note: Actual Contingency spend in prior years is reported against the job that the spend relates to.

**CATALINA**  
**FINANCE REPORT**  
**APRIL 2020**

**1.0 Management Accounts**

**1.1 KEY STATISTICS**

**1.1.1 RESIDENTIAL LOTS & DISTRIBUTIONS**

	<u>Lots Produced (titles)</u>		<u>Sales</u>		<u>Settlements</u>		<u>Distributions</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Prior Years	966	966	928	925	914	913	75,000,000	75,000,000
Jul-2019	-	-	3	2	1	2	-	-
Aug-2019	-	-	2	2	1	4	-	-
Sep-2019	38	38	3	2	-	1	-	-
<b>Sep Qtr</b>	<b>38</b>	<b>38</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>7</b>	-	-
Oct-2019	-	-	3	2	3	2	-	-
Nov-2019	-	-	2	2	5	2	-	-
Dec-2019	-	-	1	2	1	3	-	-
<b>Dec Qtr</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>9</b>	<b>7</b>	-	-
Jan-2020	-	-	-	2	2	2	-	-
Feb-2020	-	-	4	3	2	2	-	-
Mar-2020	-	-	3	2	3	1	-	-
<b>Mar Qtr</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>5</b>	-	-
Apr-2020	-	-	1	3	3	3	-	-
May-2020	-	-	-	5	-	1	-	-
Jun-2020	-	-	-	4	-	3	-	3,000,000
<b>Jun Qtr</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>12</b>	<b>3</b>	<b>7</b>	-	<b>3,000,000</b>
<b>PTD</b>	<b>1,004</b>	<b>1,004</b>	<b>950</b>	<b>947</b>	<b>935</b>	<b>935</b>	<b>75,000,000</b>	<b>75,000,000</b>
<b>Full 2019/20 Year</b>	<b>38</b>	<b>38</b>	<b>22</b>	<b>31</b>	<b>21</b>	<b>26</b>	-	<b>3,000,000</b>
<b>2020/21</b>		<b>35</b>		<b>47</b>		<b>37</b>		<b>3,000,000</b>
<b>2021/22</b>		<b>97</b>		<b>64</b>		<b>65</b>		<b>8,000,000</b>

- There was 1 sale and 3 residential settlements for April.

**1.2 Sales & Settlements**

	<u>MTH Act</u>	<u>MTH Bgt</u>	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>PTD Act</u>	<u>PTD Bgt</u>
<b>Residential</b>						
- Sales #	1	3	22	22	950	947
- Sales \$	205,000	931,629	6,823,000	7,150,890	248,378,500	247,778,616
- Sales \$/lot	205,000	310,543	310,136	325,040	261,451	261,646
- Settlements #	3	3	21	22	935	935
- Settlements \$	1,015,000	930,990	7,016,000	7,288,119	244,114,500	243,976,976
- Settlements \$/lot	338,333	310,330	334,095	331,278	261,085	260,938
<b>Special Sites</b>						
- Sales #	-	-	1	1	4	4
- Sales \$	-	-	477,000	480,000	3,772,000	3,775,000
- Sales \$/lot	-	-	477,000	480,000	943,000	943,750
- Settlements #	-	-	1	1	4	4
- Settlements \$	-	-	477,000	480,000	3,772,000	3,775,000
- Settlements \$/lot	-	-	477,000	480,000	943,000	943,750
<b>Lots Under Contract</b>						
- Unsettled sales #	15			1	Titled	
- Unsettled sales \$	4,264,000			14	1,010 incl. Spec sites	
- Unsettled sales \$/lot	284,267					

**1.3 Cashflow - MTD Actuals to budget**

	<u>MTD Act</u>	<u>MTD Bgt</u>	<u>Variance</u>
<b><i>Income</i></b>			
Settlement Revenue	1,015,000	930,990	84,010
Margin GST	(9,246)	(13,636)	4,390
Direct selling costs	(49,566)	(42,898)	(6,668)
Interest Income	-	-	-
Forfeited Deposits	-	-	-
Other Income	-	-	-
Rebate Allowance	(10,990)	(33,020)	22,030
	<u>945,198</u>	<u>841,436</u>	<u>103,762</u>
<b><i>Development costs</i></b>			
WAPC Land Acq.	-	-	-
Lot production	55,402	65,933	10,532
Landscaping	151,884	191,758	39,874
Consultants	10,497	47,156	36,659
Infrastructure	66,185	413,082	346,897
Sales office building	-	1,250	1,250
	<u>283,967</u>	<u>719,179</u>	<u>435,212</u>
<b><i>Overheads</i></b>			
Sales & marketing	9,404	29,167	19,763
Community Develop.	115	16,042	15,927
Administration	3,484	69,217	65,733
Finance/Contingency	-	(20,692)	(20,692)
	<u>13,003</u>	<u>93,733</u>	<u>80,731</u>
<b>Net Cashflow</b>	<b><u>648,228</u></b>	<b><u>28,523</u></b>	<b><u>619,705</u></b>

**1.4 Cashflow - YTD Actuals to budget**

	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>Variance</u>
<b><i>Income</i></b>			
Settlement Revenue	7,016,000	7,288,120	(272,120)
Margin GST	(71,069)	(100,000)	28,931
Direct selling costs	(356,090)	(356,313)	223
Interest Income	-	-	-
Forfeited Deposits	-	-	-
Other Income	437,873	436,364	1,509
Rebate Allowance	(184,063)	(1,139,747)	955,684
	<u>6,842,651</u>	<u>6,128,424</u>	<u>714,228</u>
<b><i>Development costs</i></b>			
WAPC Land Acq.	-	5,103,000	5,103,000
Lot production	740,668	1,675,149	934,481
Landscaping	829,390	2,548,701	1,719,311
Consultants	145,985	483,157	337,171
Infrastructure	79,802	387,760	307,959
Sales office building	16,408	60,992	44,585
	<u>1,812,253</u>	<u>10,258,760</u>	<u>8,446,507</u>
<b><i>Overheads</i></b>			
Sales & marketing	76,915	291,668	214,753
Community Develop.	51,047	160,417	109,370
Administration	385,591	1,063,380	677,789
Finance/Contingency	-	515,614	515,614
	<u>513,552</u>	<u>2,031,078</u>	<u>1,517,526</u>
<b>Net Cashflow</b>	<b><u>4,516,846</u></b>	<b><u>(6,161,414)</u></b>	<b><u>10,678,260</u></b>

**1.5 Bonds**

	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
City of Wanneroo	247,245	242,868	242,868
	<u>247,245</u>	<u>242,868</u>	<u>242,868</u>

Bonds relate to stage 25 early clearances.

**2.0 PROFIT & LOSS**

	<u>MTH Act</u>	<u>MTH Bgt</u>	<u>Var</u>	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>Var</u>	<u>PTD Act</u>	<u>PTD Bgt</u>
- Revenue \$ (Stimts)	1,015,000	930,990	84,010	7,016,000	7,288,119	(272,119)	244,114,500	243,976,975
- Revenue \$/lot	338,333	310,330		334,095	331,278		261,085	260,938
- Selling & GST \$	124,062	94,131	(29,932)	843,189	801,281	(41,908)	22,186,627	22,749,145
- Selling & GST \$/lot	41,354	31,377		40,152	36,422		23,729	24,331
- Cost of sales \$	343,429	405,637	62,208	2,470,571	2,830,268	359,697	87,242,821	87,799,687
- Cost of sales \$/lot	114,476	135,212		117,646	128,649		93,308	93,903
- Gross profit \$	547,508	431,222	116,286	3,702,240	3,656,570	45,670	134,685,053	133,428,143
- Gross profit \$/lot	182,503	143,741		176,297	166,208		144,048	142,704
- Gross profit Mgn %	53.94%	46.32%		52.77%	50.17%		55.17%	54.69%
- Special Sites \$	-	-	-	(22,979)	(295,280)	272,301	2,091,959	1,819,658
- Other income \$	-	-	-	-	-	-	255,411	255,298
- Sales & Marketing \$	18,365	55,658	37,293	133,792	567,310	433,518	2,149,731	3,025,882
- Administration \$	55,060	90,242	35,182	428,834	959,733	530,899	4,159,408	4,734,756
- Finance/Other \$	-	-	-	-	-	-	198,181	-
- Contingency \$	-	36,345	36,345	-	327,918	327,918	-	283,140
<b>- Net profit \$</b>	<b>474,083</b>	<b>248,977</b>	<b>225,106</b>	<b>3,116,635</b>	<b>1,506,329</b>	<b>1,610,306</b>	<b>130,525,102</b>	<b>127,459,321</b>
<b>- Net profit \$/lot</b>	<b>158,028</b>	<b>82,992</b>		<b>148,411</b>	<b>68,469</b>		<b>139,599</b>	<b>136,320</b>

- YTD Gross profit is \$46k favourable to budget due to 1 less settlement offset by savings in lot production.
- YTD Overheads are \$1.3m below budget due to:
  - Marketing costs \$0.43m favourable (timing of invoice payments and new initiatives yet to commence);
  - Admin \$0.53m favourable (full provisional amounts for Rates & Taxes and Repairs & Maintenance, including Central Cell Carpark makegood, not yet required);
  - Unused Contingency \$0.33m.

**YEAR TO DATE VERSUS FULL YEAR BUDGET**

	<u>YTD Act</u>	<u>FY20 Full Year Bgt</u>	<u>Var</u>
- Revenue \$ (Stimts)	7,016,000	8,593,874	(1,577,874)
- Revenue \$/lot	334,095	330,534	
- Selling & GST \$	843,189	929,592	86,403
- Selling & GST \$/lot	40,152	35,754	
- Cost of sales \$	2,470,571	3,352,826	882,255
- Cost of sales \$/lot	117,646	128,955	
- Gross profit \$	3,702,240	4,311,456	(609,216)
- Gross profit \$/lot	176,297	165,825	
- Gross profit Mgn %	52.77%	50.17%	
- Special Sites \$	(22,979)	(295,280)	272,301
- Other income \$	-	-	-
- Sales & Marketing \$	133,792	678,626	544,834
- Administration \$	428,834	1,127,030	698,196
- Finance \$	-	-	-
- Contingency \$	-	430,736	430,736
<b>- Net profit \$</b>	<b>3,116,635</b>	<b>1,779,784</b>	<b>1,336,851</b>
<b>- Net profit \$/lot</b>	<b>148,411</b>	<b>68,453</b>	

\* Administration budget includes \$57k Carpark remediation works budgeted as capital costs in the cashflow.

**2.1 GROSS PROFIT ANALYSIS**

**Actual**

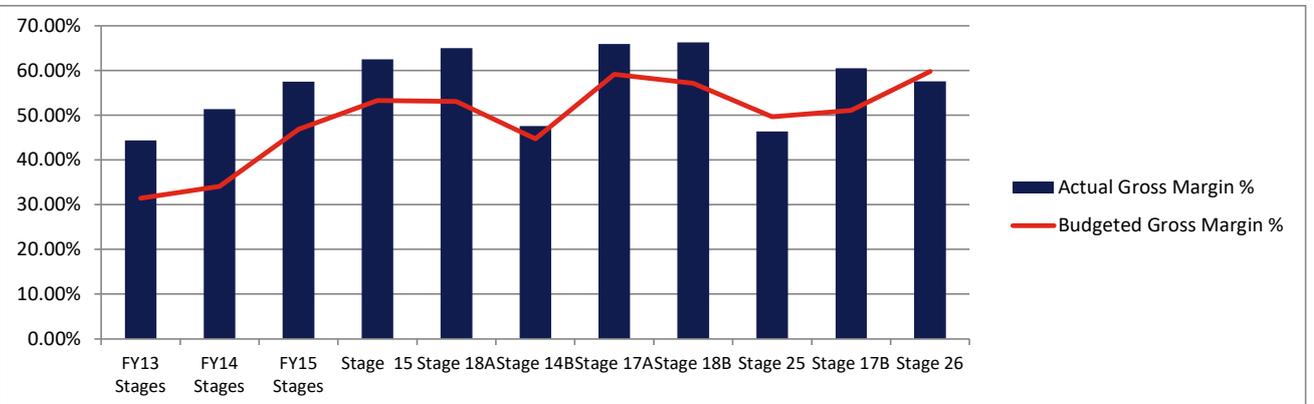
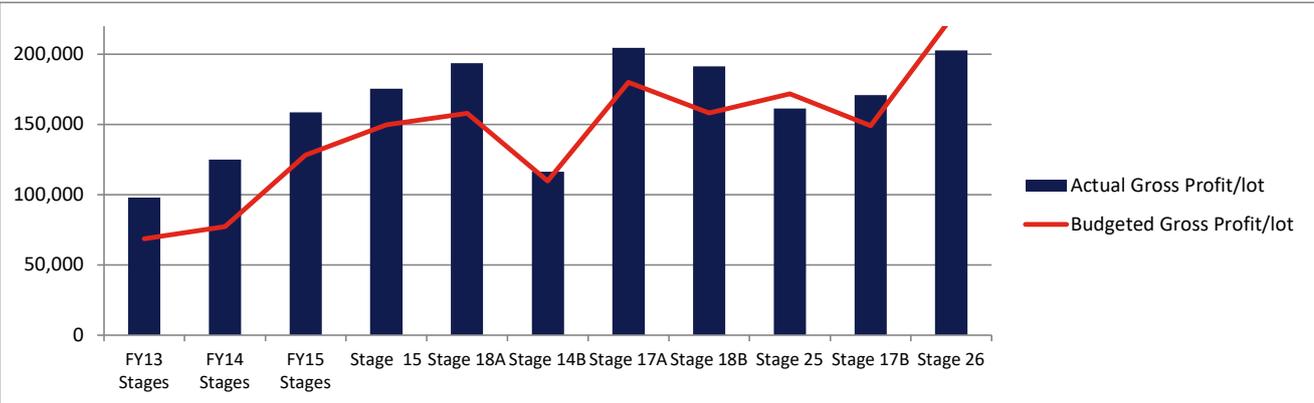
Stages	Title Issue Date	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)	Direct Costs/lot	Actual Gross Profit	Actual Gross Profit/lot	Actual Gross Margin %
Incentives Writeback				-3,542,647		3,542,647		
FY13 Stages	2012 / 2013	51,375,500	220,496	28,570,159	122,619	22,805,341	97,877	44.39%
FY14 Stages	2013 / 2014	50,325,000	243,116	24,477,309	118,248	25,847,691	124,868	51.36%
FY15 Stages	2014 / 2015	77,688,000	275,489	32,963,408	116,892	44,724,592	158,598	57.57%
Stage 15	15-Dec-15	15,444,000	280,800	5,791,567	105,301	9,652,433	175,499	62.50%
Stage 18A	27-May-16	8,626,000	297,448	3,015,429	103,980	5,610,571	193,468	65.04%
Stage 14B	28-Oct-16	2,444,000	244,400	1,281,011	128,101	1,162,989	116,299	47.59%
Stage 17A	20-Feb-17	7,135,000	310,217	2,429,862	105,646	4,705,138	204,571	65.94%
Stage 18B	13-Jun-17	6,925,000	288,542	2,334,342	97,264	4,590,658	191,277	66.29%
Stage 25	8-Aug-17	17,733,000	347,706	9,502,250	186,319	8,230,750	161,387	46.41%
Stage 17B	22-May-18	3,956,000	282,571	1,562,726	111,623	2,393,274	170,948	60.50%
Stage 26	26-Sep-19	2,463,000	351,857	1,044,032	149,147	1,418,968	202,710	57.61%
		<u>244,114,500</u>		<u>109,429,448</u>		<u>134,685,052</u>		

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

**Budget**

Stages	Budget Version	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)	Direct Costs/lot	Budgeted Gross Profit	Budgeted Gross Profit/lot	Budgeted Gross Margin %
FY13 Stages	May-12	51,358,953	217,623	35,200,675	149,155	16,158,278	68,467	31.46%
FY 14 Stages	Jun-13	46,931,935	226,724	30,917,421	149,360	16,014,514	77,365	34.12%
FY 15 Stages	Aug-14	76,167,089	273,000	40,469,170	145,051	35,697,919	127,950	46.87%
Stage 15	Aug-15	15,433,000	280,600	7,203,599	130,975	8,229,401	149,625	53.32%
Stage 18A	Jun-16	8,626,000	297,448	4,048,854	139,616	4,577,146	157,833	53.06%
Stage 14B	Jun-16	2,448,087	244,809	1,352,232	135,223	1,095,855	109,585	44.76%
Stage 17A	Jun-16	9,427,756	304,121	3,845,430	124,046	5,582,326	180,075	59.21%
Stage 18B	Jun-16	8,584,690	276,925	3,677,414	118,626	4,907,276	158,299	57.16%
Stage 25	Aug-17	19,696,448	345,552	9,915,141	173,950	9,781,307	171,602	49.66%
Stage 17B	Dec-17	10,496,494	291,569	5,131,807	142,550	5,364,687	149,019	51.11%
Stage 26	Jun-19	14,347,000	377,553	5,766,060	151,738	8,580,940	225,814	59.81%
		<u>263,517,452</u>		<u>147,527,804</u>		<u>115,989,649</u>		

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



- Stage 26 Gross profit / lot is \$23k below budget due to lot mix of settlements to date.

# Catalina

## Finished Lots & Cost of Lots Sold calculations to 30 Apr 2020

Title date:	Completed	Completed	7-Nov-12	28-Oct-16	20-Feb-17	13-Jun-17	8-Aug-17	8-Aug-17	8-Aug-17	22-May-18	26-Sep-19	7-Nov-12	TOTAL
	Spec Sites	Resi Stages	Stage 2	Stage 14B	Stage 17A	Stage 18B	Stage 25	Stage 25 Sales Office	Stage 25 GHS Lot 2179	Stage 17B	Stage 26	Central Cell Sales Office	
<b>Direct costs</b>													
Civil Contruction			3,312,998	633,835	795,104	794,550	4,918,686	83,260	253,163	968,747	1,238,569	89,540	
Sewer headwks			209,432	51,015	116,369	136,672	261,837	4,514	4,514	174,117	183,682	5,660	
Local authority fees			161,433	1,911	6,839	10,835	35,653	615	615	12,684	12,947	4,363	
Local authority scheme costs			100,077	27,000	67,500	83,700	156,600	-	-	97,200	13,620	2,705	
Survey & legal fees			37,093	13,139	25,550	29,762	54,801	945	945	35,586	34,200	1,003	
Engineering fees			205,607	18,200	85,250	97,962	159,500	2,750	12,341	100,839	104,500	5,557	
Sales Office Build Cost												330,780	
Finished Goods Adjustments	- 31,206	- 1,282,787	- 1,044,810	- 11,250	- 25,549	- 39,478	- 220,060				<b>82,824</b>	- 28,238	
	420,826	43,233,645	2,981,830	733,850	1,071,063	1,114,003	5,367,017	92,084	271,578	1,389,173	1,670,342	411,370	
Earthworks Allocation	260,179	11,806,198	447,375	50,570	123,078	152,616	1,077,304	18,574	66,681	166,059	672,342	12,091	
<b>Indirect Costs</b>													
Land	-	-	-	-	-	-	-	-	-	-	-	-	
Infrastructure	84,898	6,012,456	265,106	70,224	235,295	282,496	620,746	7,879	31,674	351,671	521,532	7,165	
Landscape	118,628	8,518,643	333,226	154,123	495,646	594,017	1,308,860	16,613	66,785	871,324	1,270,179	9,006	
<b>TOTAL COST</b>	<b>884,530</b>	<b>69,570,942</b>	<b>4,027,536</b>	<b>1,008,767</b>	<b>1,925,082</b>	<b>2,143,132</b>	<b>8,373,927</b>	<b>135,150</b>	<b>436,718</b>	<b>2,778,227</b>	<b>4,134,395</b>	<b>439,633</b>	
Lots	3	769	37	10	25	31	58	1	1	36	38	1	
<b>COST PER LOT</b>	<b>294,843</b>	<b>90,469</b>	<b>108,852</b>	<b>100,877</b>	<b>77,003</b>	<b>69,133</b>	<b>144,378</b>	<b>135,150</b>	<b>436,718</b>	<b>77,173</b>	<b>108,800</b>	<b>439,633</b>	
Lots settled	3	769	37	10	23	24	51	-	-	14	7	1	939
<b>COST OF LOTS SETTLED</b>	<b>884,530</b>	<b>69,570,942</b>	<b>4,027,536</b>	<b>1,008,767</b>	<b>1,771,075</b>	<b>1,659,199</b>	<b>7,363,281</b>	<b>-</b>	<b>-</b>	<b>1,080,422</b>	<b>761,599</b>	<b>439,633</b>	<b>88,566,984</b>
Stage Area (m2)	10,900	261,394	13,161	2,926	10,128	11,236	11,236	255	1,795	13,154	15,904	320	
<b>Cost per m2</b>	<b>81</b>	<b>266</b>	<b>306</b>	<b>345</b>	<b>190</b>	<b>191</b>	<b>745</b>	<b>530</b>	<b>243</b>	<b>211</b>	<b>260</b>	<b>1,374</b>	
Avg lot size	3,633	340	356	293	405	362	194	255	1,795	365	419	320	

### Other cash expenditure

Direct Selling & Proj Mgt Costs	22,542,506
Marketing costs	2,149,731
Administration	4,159,408
Finance	198,181
Contingency	0
<b>TOTAL COSTS</b>	<b>117,616,809</b>

### PERIODIC ANALYSIS

	Month	YTD	PTD	PY Jun-19
Lots settled	3	22	939	917
Cost of lots settled	343,429 *	2,910,203	88,566,983	85,656,780
Direct selling costs	124,062	903,536	22,542,506	21,638,969
Marketing costs	18,365	133,792	2,149,731	2,015,940
Administration	55,060	428,834	4,159,408	3,730,574
Finance	-	-	198,181	198,181
Contingency	-	-	-	-
<b>TOTAL COSTS</b>	<b>540,917</b>	<b>4,376,365</b>	<b>117,616,809</b>	

\*Stage 26 late cost increase from additional retaining walls.

**Catalina COGS Calc**

30-Apr-20

Job	Titled Date	Direct Cost	Indirect Cost	COGS Total	Lot #	Titled	Untitled	COGS/Lot	Settled Lots	PTD COGS	Finished Goods	FG/Lot
140-01-001	17-Oct-2012	4,004,839	637,443	4,642,282	35	35	-	132,637	35	4,642,282	-	-
140-01-002	7-Nov-2012	3,429,204	598,332	4,027,537	37	37	-	108,852	37	4,027,537	-	-
140-01-003	14-Jan-2013	3,002,658	554,241	3,556,899	43	43	-	82,719	43	3,556,899	-	-
140-01-004	20-Mar-2013	3,371,482	800,585	4,172,067	47	47	-	88,767	47	4,172,067	-	-
140-01-005	20-May-2013	4,894,899	968,068	5,862,967	63	63	-	93,063	63	5,862,967	-	-
140-01-06A	18-Jan-2013	483,435	179,725	663,160	8	8	-	82,895	8	663,160	-	-
140-01-06B	19-Jan-2015	1,100,352	510,130	1,610,482	24	24	-	67,103	24	1,610,482	-	-
140-01-06C	3-Apr-2014	671,286	211,296	882,581	10	10	-	88,258	10	882,581	-	-
140-01-007	31-Oct-2013	4,146,749	938,488	5,085,238	63	63	-	80,718	63	5,085,238	-	-
140-01-008	16-Jan-2014	4,389,068	881,805	5,270,874	53	53	-	99,450	53	5,270,874	-	-
140-01-009	8-May-2014	4,640,905	814,395	5,455,300	51	51	-	106,967	51	5,455,300	-	-
140-01-010	8-May-2014	2,460,031	595,126	3,055,157	30	30	-	101,839	30	3,055,157	-	-
140-01-011	1-Oct-2014	4,797,823	1,320,873	6,118,696	64	64	-	95,605	64	6,118,696	-	-
140-01-012	3-Dec-2014	3,225,081	1,064,585	4,289,666	49	49	-	87,544	49	4,289,666	-	-
140-01-13A	30-Mar-2015	2,965,498	717,571	3,683,069	37	37	-	99,542	37	3,683,069	-	-
140-01-13B	11-May-2015	2,739,324	986,155	3,725,479	45	45	-	82,788	45	3,725,479	-	-
140-01-014	4-Jun-2015	3,619,629	1,347,229	4,966,858	63	63	-	78,839	63	4,966,858	-	-
140-01-015	15-Dec-2015	3,073,171	1,243,145	4,316,316	55	55	-	78,478	55	4,316,316	-	-
140-01-18A	27-May-2016	1,453,614	760,239	2,213,853	29	29	-	76,340	29	2,213,853	-	-
140-01-14B	28-Oct-2016	784,420	224,347	1,008,767	10	10	-	100,877	10	1,008,767	-	-
140-01-017	20-Feb-2017	1,194,140	730,941	1,925,081	25	25	-	77,003	23	1,771,075	154,006	77,003
140-01-18B	13-Jun-2017	1,266,620	876,513	2,143,133	31	31	-	69,133	24	1,659,199	483,933	69,133
140-02-025	8-Aug-2017	6,444,321	1,929,606	8,373,927	58	58	-	144,378	51	7,363,280	1,010,646	144,378
140-01-17B	22-May-2018	1,555,232	1,222,995	2,778,227	36	36	-	77,173	14	1,080,421	1,697,805	77,173
140-02-026	26-Sep-2019	2,342,687	1,791,711	4,134,398	38	38	-	108,800	7	761,600	3,372,798	108,800
140-70-001	7-Nov-2012	423,461	16,171	439,633	1	1	-	439,633	1	439,633	-	-
140-70-004	12-Dec-2013	20,322	41,798	62,119	1	1	-	62,119	1	62,119	-	-
140-70-005	8-Aug-2017	110,657	24,492	135,149	1	1	-	135,149	-	-	135,149	135,149
140-70-007	17-Oct-2012	222,150	87,611	309,761	1	1	-	309,761	1	309,761	-	-
140-70-008	1-Oct-2014	438,532	74,117	512,649	1	1	-	512,649	1	512,649	-	-
140-70-028	8-Aug-2017	338,259	98,459	436,718	1	1	-	436,718	-	-	436,718	436,718
<b>73,609,847</b>		<b>22,248,193</b>	<b>95,858,040</b>	<b>1,010</b>	<b>1,010</b>	<b>-</b>			<b>939</b>	<b>88,566,983</b>	<b>7,291,057</b>	

# Appendix 8.5

# CATALINA DIGITAL CAMPAIGN REPORT

June 2020

Reporting period: 10 April – 31 May 2020



# VIVA LA CATALINA (up to \$17,000) PROMOTION

## 01 | CAMPAIGN SUMMARY

# 01 | SNAPSHOT

Status: Launched

Campaign: Viva La Catalina (up to \$17,000 cash incentive across selected lots)

Period: 10 April – 30 June 2020

TOTAL budget approved: \$40,000

Creative: \$7,000

Media exposure: \$33,000

Spent to date: \$33,000 (this is anticipated to be the total campaign budget)

Lead count (campaign total): 122 leads

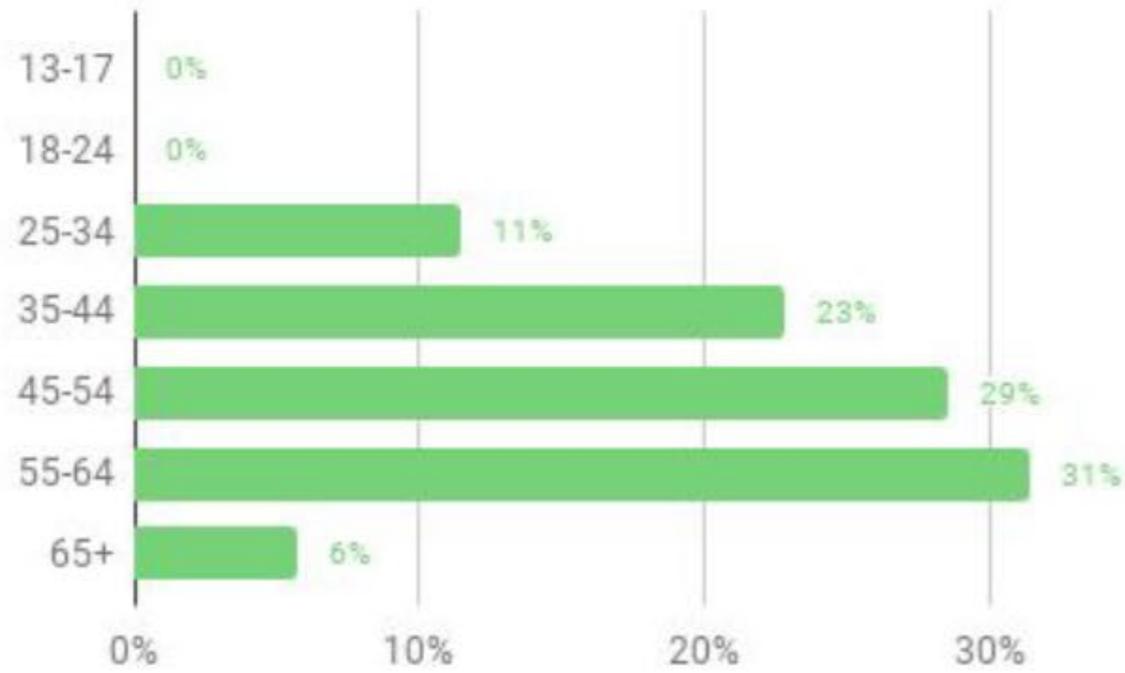
**Total FYTD: 597 leads**

# VIVA LA CATALINA (up to \$17,000) PROMOTION

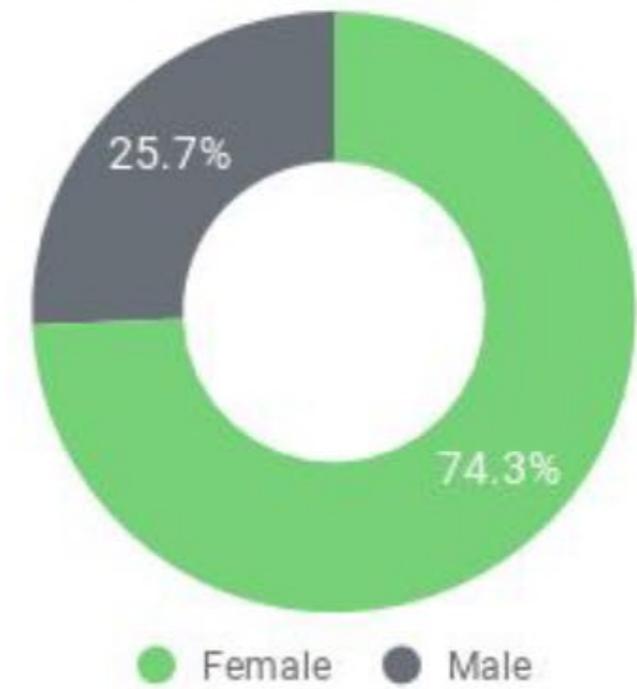
## 02 | LEAD PROFILE

# 02 | LEAD PROFILE

Catalina - Facebook Age Lead Distribution



Catalina - Facebook Gender Lead Distribution



# 02 | LEAD PROFILE

BUYER TYPE	COUNT
FIRST HOME BUYER	26
UPSIZER	18
DOWNSIZER	19
INVESTOR	4
DIDN'T SPECIFY	0
<b>TOTAL</b>	<b>67*</b>

FINANCIAL STATUS	COUNT
FINANCED APPROVED	13
HAVE DEPOSIT, NOT YET APPROVED	22
STILL SAVING	32
DIDN'T SPECIFY	0
<b>TOTAL</b>	<b>67*</b>

BUDGET	COUNT
\$150K - \$249K	0
\$250K - \$349K	11
\$350K - \$449K	9
\$450K - \$549K	24
\$550K - \$649K	11
\$650K - \$749K	9
\$750K +	3
DIDN'T SPECIFY	0
<b>TOTAL</b>	<b>67*</b>

LOT SIZE	COUNT
<250SQM	2
251-375 SQM	22
376-450 SQM	22
451-550 SQM	15
LARGER THAN 551 SQM	6
DIDN'T SPECIFY	0
<b>TOTAL</b>	<b>67*</b>

\* 67 profiled leads are part of the total 122 leads (meaning there are 55 un-profiled leads – those customers who were reluctant to provide additional information)

# VIVA LA CATALINA (up to \$17,000) PROMOTION

## 03 | CREATIVE PERFORMANCE

# 03 | HIGH-PERFORMING CREATIVE

**Satterley** Sponsored · 

"We have a great park down the road where we take the kids and the dog!"  
Discover life at Catalina.



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**Everything You Need at Home** [Learn More](#)  
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Living here you're minutes from the beach and Mindarie Marina. Affordable land from \$184,000\*.



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Build an affordable home on premium land at Catalina. Lot 2111 is sized at 450m<sup>2</sup> for \$378,000\*.



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**New Featured Lots at Catalina!** [Learn More](#)  
Register to download the Catalina brochure.

Catalina Estate in Mindarie | Discover Lots and House & Land | Build an Affordable New Home 

[Ad info.satterley.com.au/Catalina/Community](https://info.satterley.com.au/Catalina/Community)

Celebrate Catalina living with our biggest rebate up to \$17,000 across land\*. T&Cs apply. Explore the Catalina brochure with masterplan and take a virtual tour of our community.

Catalina in Mindarie | Explore our Premium Community | Register for the Brochure 

[Ad info.satterley.com.au/Catalina/Land](https://info.satterley.com.au/Catalina/Land)

Explore the Catalina brochure with masterplan and take a virtual tour of our community. Celebrate Catalina living with our biggest rebate up to \$17,000 across land\*. T&Cs apply.

# 03 | HIGH-PERFORMING CREATIVE – H&L

**Satterley** Sponsored ·

The Kennedy at Catalina features open plan living with two doors providing direct access to the huge alfresco area.

SATTERLEY.COM.AU  
**4 Bedroom House & Land Packages** [Learn More](#)  
Discover Catalina in Mindarie with our 360° virtual tour.

Christine Fan, Stacey Cowan and 5 others

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**Satterley** Sponsored ·

The perfect home for a growing family, the Kennedy on Lot 951 features a separate games or theater room!

SATTERLEY.COM.AU  
**Large 4 Bedroom Home from \$489,840\*** [Learn More](#)  
Discover Catalina in Mindarie with our 360° virtual tour.

Land Locator and Steve Finance 2 Comments

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**Satterley** Sponsored ·

Explore the Kennedy package at Catalina with luxury stone benchtops and stainless steel appliances included.

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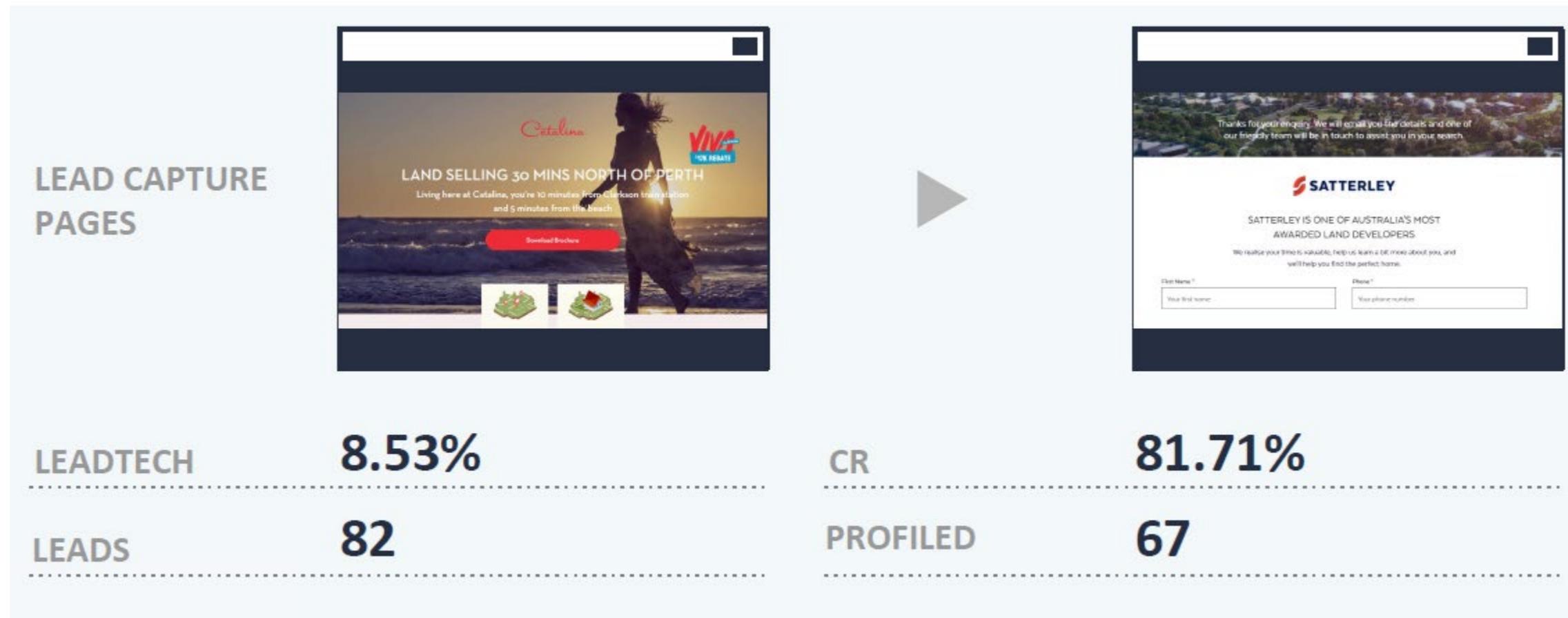
Hayley Campbell, John Craik and 5 others 2 Shares

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# 03 | CUSTOMER JOURNEY

Campaign landing page is converting at the rate of 8.5% (which is greater than 2% benchmark). This means that 8.5% of all visitors to the campaign landing page submit their details and join Catalina data base.

Further, nearly 82% of those who submitted their essential details, progress to submit further information about their purchasing journey (budget, stage, designed, block size, etc.).



# VIVA LA CATALINA (up to \$17,000) PROMOTION

## 04 | SUMMARY

## 04 | SUMMARY

Catalina *Viva La Catalina* campaign generated 122 leads since the beginning of the campaign, bringing the total lead count for FYTD to 539.

### KEY TAKEAWAYS

1. Number of campaign leads in May 2020 period of *Viva La Catalina* continued to increase however at a slightly reduced rate than what was projected. The appeal of up to \$17,000 incentive remains high.
2. Cost per lead in the new campaign is consistent with the previous campaigns, being one of the lowest among all Satterley participating estates.
3. *Lead* profile (campaign period) saw return of the First Home Buyers (FHB) as the dominant segment, followed by the downsizers and upsizers. These two groups represent second home buyer market.
4. *Buyer* profile (FYTD) comprises of first home buyers (49%), Upgraders (27%) and downsizers (19%).



DESKTOP AD

Suggested Post

**Satterley** Sponsored · Like Page

The perfect home for a growing family, the Kennedy on Lot 951 features a separate games or theater room!



**VIVA LA CATALINA**  
UP TO \$17K REBATE

**Large 4 Bedroom Home from \$489,840\***  
Discover Catalina in Mindarie with our 360° virtual tour.

[HTTPS://INFO.SATTERLEY.COM.AU/CATALINA/](https://info.satterley.com.au/catalina/) [Learn More](#)

35 Likes · 18 Comments · 6 Shares

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**VIVA LA CATALINA**  
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**Large 4 Bedroom Home from \$489,840\*** [Learn More](#)

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Close to parks and the beach, viva la Catalina! Take a 360° virtual tour of our premium community.



**VIVA LA CATALINA**  
UP TO \$17K REBATE

**Take a Virtual Community Tour!**  
Discover Catalina in Mindarie with our 360° virtual tour.

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Build an affordable home on premium land at Catalina. Lot 2111 is sized at 450m<sup>2</sup> for \$378,000\*.

**New Featured Lots at Catalina!**  
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Build an affordable home in a coastal community 30 mins by train to Perth CBD. Live well-connected at Catalina

**Amenities you desire already nearby!**  
Explore our 360° Virtual Tour of Catalina Estate

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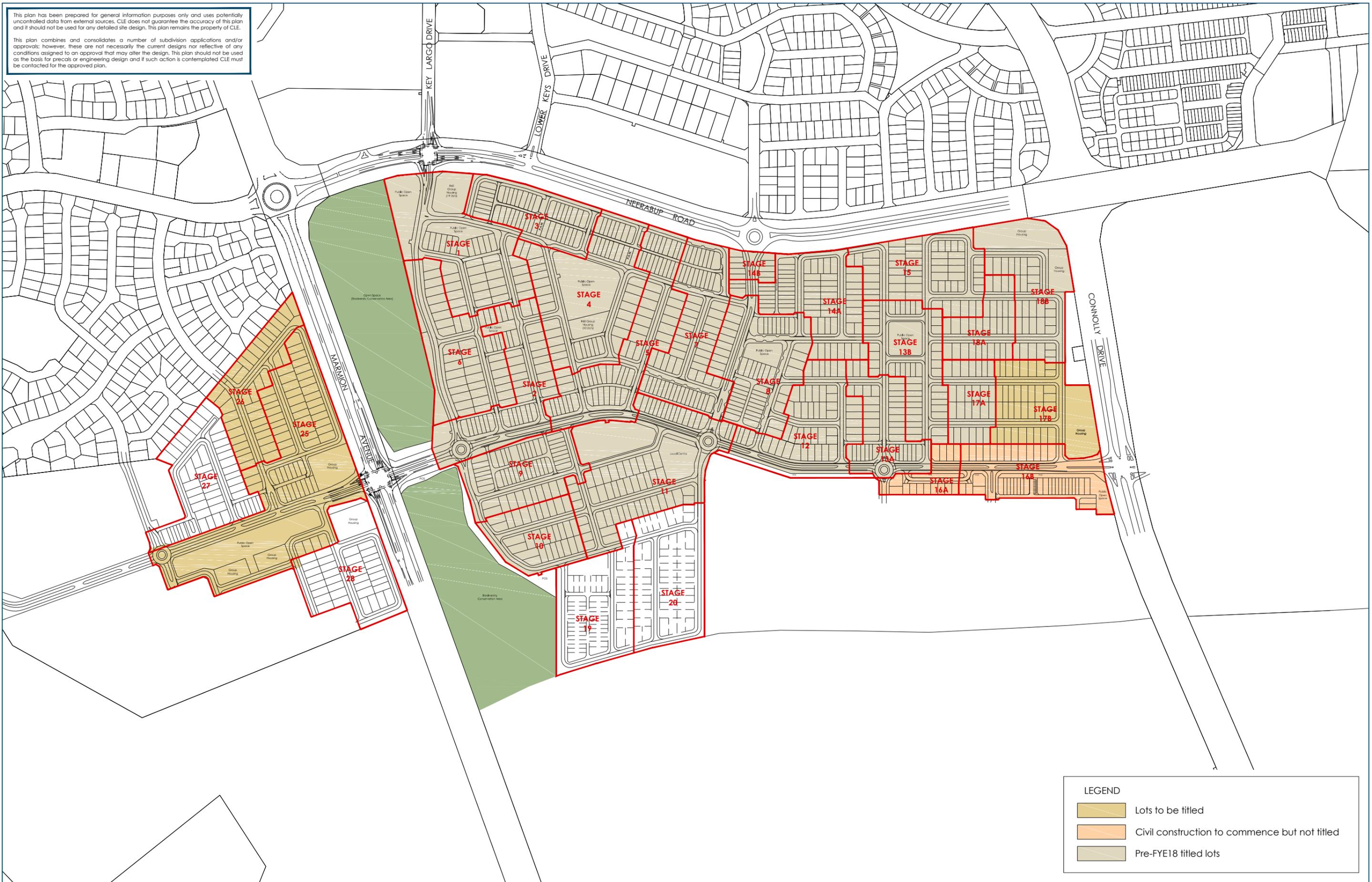
**Amenities you desire already nearby!** [Learn More](#)

[info.satterley.com.au/catalina](http://info.satterley.com.au/catalina)

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



**LEGEND**

- Lots to be filled
- Civil construction to commence but not filled
- Pre-FYE18 filled lots

# Appendix 9.1



# **Tamala Park Regional Council Risk Management Framework 2020**

## Contents

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## 1. Organisational Context

**Organisations of all types and sizes face internal and external factors and influences that make it uncertain whether and when they will achieve their objectives. The effect this uncertainty has on an organisation's objectives is RISK”.<sup>1</sup>**

Tamala Park Regional Council (TPRC) operates in a challenging risk environment. Economic uncertainties coupled with varied member Council expectations and an uncertain future demand for residential and non-residential developments drive the need for the Council to both understand and manage the risks associated with the successful delivery of the Catalina Development Project. A systematic and structured enterprise-wide approach to risk management enables us to effectively deal with both known and emerging uncertainty arising from potential threats and opportunities.

“Risk Management” is concerned with the processes and structures to understand and optimise the impact of uncertainty on objectives, whilst at the same time minimising any downside risk. The risk management process is defined as “the systematic application of management policies, procedures and practices to the activities of communicating and consulting, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk”.<sup>1</sup>

This framework describes the policy, responsibilities, approach, and processes for managing risk within TPRC. It also defines the resources and mechanisms by which the framework is monitored, reviewed and continually improved.

## 2. Risk Management Policy

### 2.1 Policy Statement

The management of risk is an integral part of effective management and an essential element of good corporate governance. Risk management processes are embedded in all aspects of our operations, planning, reporting, management and decision-making practices. Risk-based decision-making is underpinned by an understanding of the environment in which we operate and the appetite for risk as defined by the TPRC Council.

### 2.2 Objectives

The objectives of risk management are:

- To provide greater visibility of TPRC’s risk exposure across all its activities and functions.
- To ensure that all risks are assessed against the Risk Appetite as set by the Council and outlined in the Risk Appetite Statement. (to be developed end 2019)
- To ensure that all employees are aware of the need to identify and manage risk.
- To promote a culture of risk-based decision-making.
- To ensure that strategies, plans and controls are focused on maximising opportunities and minimising the negative impact of uncertainties.
- To deliver greater transparency, objectivity and accountability in decision-making.

---

<sup>1</sup> AS/NZS ISO 31000:2009 Risk Management - Principles and Guidelines.

- To facilitate the identification of critical and vulnerable areas of operations to provide focus for implementing measures to improve operational resilience and continuity.
- To provide greater visibility of Catalina project risk exposure and accountability and reporting from the Development Manager.

### 2.3 Commitment

Our ongoing commitment to continually improving the way in which we manage will be achieved by:

- Ensuring our management systems embed risk management practices and ensure they are properly and consistently implemented with this Framework,
- Ensuring everybody understands their risk management responsibilities,
- Providing transparency of processes and to ensure the best available information is used to assess, control and treat risks and,
- Continuing to provide appropriate resources, equipment, skills and training to implement the Risk Management Framework.

### 2.4 Review

The Risk Management Framework, including the Policy and Risk Appetite Statements, have been endorsed by Council and will be reviewed on an annual basis to reflect changes in our internal and external environment, objectives and strategies.

### 2.5 Responsibilities

Council Members, employees and the Development Manager (Satterley Property Group) all have an important role to play in the effective implementation of this Risk Management Framework. Accountability, responsibility and oversight is fully aligned with our management structure such that the management of risk is fully embedded.

#### TPRC Council

- Is accountable for the overall performance of TPRC, including the appropriate management of risk.
- Is responsible for identifying any emerging/strategic risks associated with the strategic direction of the Council.
- Is responsible for the management of risks associated with governance of the Council.
- Is responsible for the oversight of the **material** risks.
- Sets the risk appetite and tolerance levels for TPRC.

#### Audit Committee

- Oversees TPRC's risk management practices.
- Delegates the management of corporate risks to the CEO.

#### CEO

- Delegates the controls and actions relating to those risk to the relevant personnel.
- Monitors and reviews material risks to the organisation (i.e. those rated SIGNIFICANT or HIGH or those which have the potential for a MAJOR or CATESTROPHIC impact on TPRC) across operations and the development project.

- Is accountable for the implementation of risk management framework.
- Maintains Corporate Risk Register.
- Co-ordinates project risk reports to the Management Committee (every six months) of all project risks.
- Is responsible for the management of strategic and organisational risks as noted in the Corporate Risk Register.
- [Coordinating the risk dashboard reports \(TPRC corporate and SPG Catalina Development\) to the Audit Committee and the Council.](#)

### **Development Manager supported by the Management Committee**

- Is responsible for the management of the development project risks as noted in the SPG Catalina Development Project Risk Register.
- Maintains the Catalina Development Project Risk Register.
- Provides updates of the Catalina Development Project Risk Register to the CEO and Management Committee on a six-monthly basis.

### **2.6 Risk acceptance criteria**

TPRC has risk assessment criteria in place for the purpose of providing guidance as to how risks are to be assessed and evaluated. The criteria are based on a set of semi-quantitative measures of potential consequence and likelihood which are combined to provide an assessment of the overall level of risk. The assessment criteria also provide guidance as to the evaluation of the current control environment.

Risks arising from TPRC's functions and activities are measured across four fundamental consequence areas:

- Injuries to staff, contractors or general public
- Financial Loss
- Reputation
- Organisational Performance

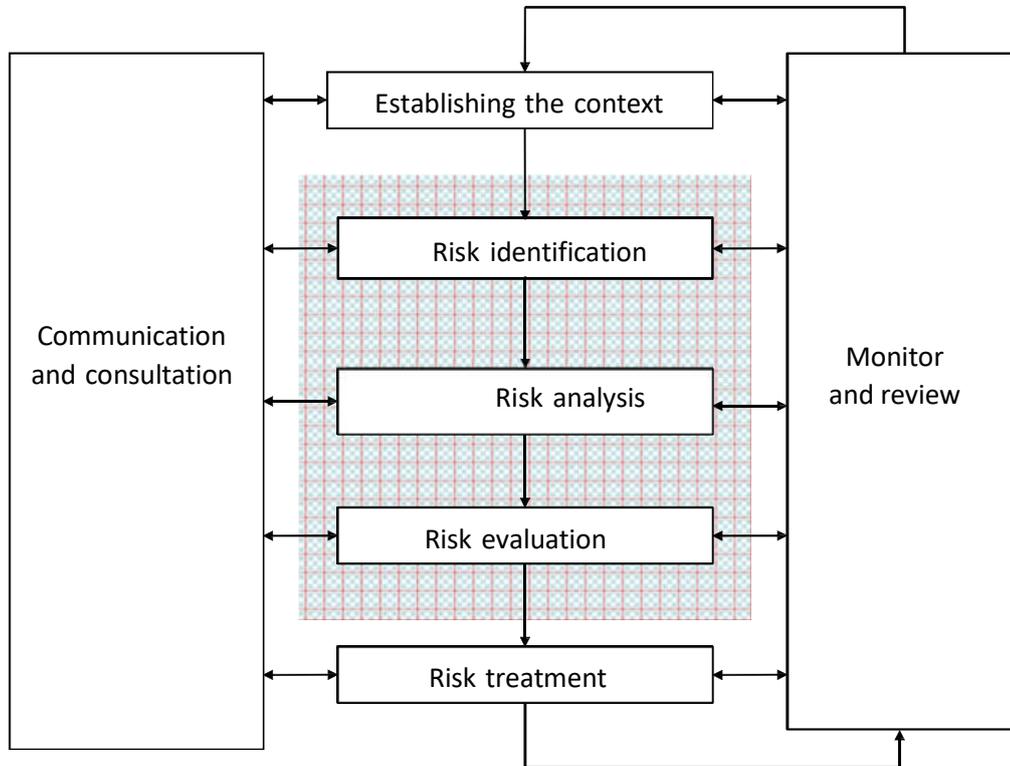
The risk assessment criteria comprise of 4 tables which are shown in Attachment 2:

- Measures of Consequence or Impact
- Measures of Likelihood
- Existing Controls Rating
- Risk Matrix and Criteria for Managing Risks

Risk assessment criteria is used in conjunction with TPRC's defined risk appetite to determine the acceptability of any risk.

### 3. Risk Management Process

The diagram below summarises the Risk Management Process as defined in AS/NZ ISO 31000:2009.



The key elements of a risk management process are as follows:

- **Establish the context** means understanding TPRC’s objectives, defining internal and external factors that could be a source of uncertainty and setting the risk criteria for the evaluation and acceptance of risks. At a specific risk assessment level, it involves defining the scope, boundaries and approach for the review, as well as the key stakeholders who need to be involved.
- **Risk identification** determines what, why and how risks could arise, and the consequences these would have on an activity, project and/or TPRC.
- **Risk analysis** considers the level of risk, as defined by the risk assessment criteria, by understanding the consequences and likelihood of those risks. Analysis takes into account the effectiveness of existing controls.
- **Risk evaluation** compares the level of risk against the risk criteria and considers the acceptability of the risk and the need for treatment.
- **Risk acceptance** is the conscious decision to accept a risk. The decision is made based on the evaluation of the risk, the opportunity that is associated with the risk and the principles defined in the TPRC Risk Appetite statements. Any risk that is not within the desired risk appetite should be “treated”.
- **Risk treatment** involves assessing and selecting one or more options for reducing the level of risk which may include changing the activity, transferring the risk, reducing the consequences or likelihood, or improving the control environment.

- **Communication and consultation** take place throughout the risk management process with all identified stakeholders to ensure those accountable for managing the risks understand the basis upon which decisions are made.
- **Monitoring and review** ensure that the risk and control environment is monitored and reported on to ensure that the organisations changing context and priorities are managed and emerging risks identified.

## 4. Integrating Risk Management

The following principles underpin our approach to integrating risk management within TPRC.

### 4.1 Management of Corporate Risks

**Corporate risks** are those relating to the successful delivery of TPRC's strategic outcomes, as well as those relating to the operations of the Council and its Executive.

The identification and management of **corporate risks** is an integral part of strategic and operational planning and review activities and is the responsibility of the CEO in conjunction with the Council Members.

### 4.2 Management of the Catalina Development Project Risks (Development Manager)

The **Catalina Development project risks** are identified, assessed, managed and reported by the Development Manager in accordance with the process documented in this framework. The development project has its own risk register which is aligned with the format of the Corporate risk register and captures the key risks associated with the delivery of project objectives and outcomes.

### 4.3 Emerging Risks

Whilst risks are identified as part of the planning and regular management activities of the organisation, as noted above, it is critical that any **emerging** corporate or project risks which may have the potential for a Major or Catastrophic consequence, as defined by the approved risk assessment criteria, should be reported to the CEO and the Council immediately.

### 4.4 Risk Monitoring and Oversight

[Scheduled risk reporting is on a six-monthly basis via consolidated dashboards containing key oversight information.](#)

The CEO is responsible for reporting the following information to the Audit Committee and Council:

- Dashboard report of all material **corporate** and **project** risks, i.e. those risk rated SIGNIFICANT or HIGH and any risk with a potential consequence of Major or Catastrophic.
- Detail reports as required.
- All dashboard reports are to contain information relating to the nature of the risk, the current risk rating, the trend/direction of the risk, an assessment of the control environment and a status flag to indicate whether the risk has been managed to an acceptable level.

The Development Manager is required to report the Catalina Development Project Risks to the Management Committee for oversight every second meeting (i.e. every 4 months)

## 5. Capability and Support

### 5.1 Resources

TPRC acknowledges the need to allocate appropriate resources for risk management. This includes consideration and planning for the following:

- Recruitment, JDF and performance management to include assessment of risk management skills, experience and competence relevant to their role;
- Training of people in risk management relevant to their role;
- Tools to be used for managing risk, including the use of electronic information management systems, templates and checklists.

### 5.2 Support

The CEO will ensure that staff have the necessary support to identify, manage and report on key risks.

## 6. Review and Continuous Improvement

This framework document is to be endorsed by the TPRC Council and is reviewed on an annual basis to reflect changes in the internal and external environment, strategic objectives and risk appetite of the organisation.

Ongoing commitment to continually improve the way in which TPRC manage risks will be achieved by:

- Ensuring risk management processes are properly implemented;
- Ensuring everybody understands their risk management responsibilities;
- Ensuring transparency of processes and full reporting of incidents to ensure best available information is used to assess and treat risks and;
- Continuing to provide appropriate resources, equipment, skills and training to implement this framework.

## Attachment 1: Glossary

Term	Definition
<b>Cause</b>	The factors, either root or contributory, that may give rise to a risk event. A risk can have multiple causes.
<b>Consequence</b>	The impact or outcome of a risk eventuating. A risk can have multiple consequences and can be expressed qualitatively or quantitatively.
<b>Control</b>	A procedure, system, activity or process that is <b>existing</b> and reduces the likelihood and/or consequences of a risk. A risk may have more than one control, and a control may address more than one risk.
<b>Level of Risk</b>	Magnitude of a risk expressed in terms of the combination of consequences and their likelihood.
<b>Likelihood</b>	Chance of something happening.
<b>Material Risk</b>	Any risk that could substantively impact TPRC's ability to create or preserve value for stakeholders over the short, medium or long term.
<b>Risk</b>	Effect of uncertainty on objectives.
<b>Risk Appetite</b>	The degree that an organisation is willing to accept risk in order to achieve its objectives.
<b>Risk Assessment</b>	A systematic use of available information to determine how often specified risks may occur and the magnitude of their consequences.
<b>Risk Management</b>	The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, assessing, treating and monitoring risk.
<b>Risk Register</b>	A document developed in accordance with this framework which records the risks that have been identified, the current control environment, the Level of Risk and the decision as to whether further risk treatment is required.
<b>Risk Tolerance</b>	The amount of risk that an organisation is able to withstand.
<b>Risk Transfer</b>	Shifting the responsibility or burden for loss to another party through legislation, contract, insurance or other means. Risk transfer can also refer to shifting a physical risk or part thereof elsewhere.
<b>Risk Treatment</b>	Selection and implementation of appropriate options for mitigating a risk.

## Attachment 2: Risk Assessment Criteria

NOTE: These tables have been specifically developed to reflect the nature of the operations of the TPRC and the risk perspective of the Council Members

### MEASURES OF CONSEQUENCE OR IMPACT

LEVEL	RANK	INJURIES TO STAFF, CONTRACTORS AND GENERAL PUBLIC (PHYSICAL AND PSYCHOLOGICAL)	FINANCIAL LOSS	REPUTATION	ORGANISATIONAL PERFORMANCE
1	Insignificant	No injuries.	< \$150,000	Isolated individual's issue-based complaint. No media coverage.	Impact managed through normal business practices.
2	Minor	First aid treatment.	\$150,000 - \$1M	Local community impacts or issue-based concerns. Low media profile.	Impact requires additional local management effort or response or redirection of resources to respond.
3	Medium	Medical treatment required.	\$1M - \$10M	Community impacts and concerns publicly expressed. Reduced confidence by community and stakeholders. Substantiated public embarrassment, short term negative media profile.	Delays in critical services or programs. Administration of project or activity subject to significant review or change. One or more critical outcomes only partially achieved. Impact requires short term significant management and organisational resources to respond.
4	Major	Serious injury/illness requiring immediate emergency response or prolonged hospitalisation.	\$10M-\$75M	Considerable and prolonged community impact and dissatisfaction publicly expressed. Criticism and loss of confidence and trust by community and stakeholders in organisations processes and capabilities. Organisation's integrity in question. Significant media attention. Sustained negative media profile. Third party actions.	Long term viability of organisation is threatened. One or more critical services or programs cannot be delivered. Majority of critical outcomes only partially achieved, or a single critical outcome not achieved. Impact requires long term significant management and organisational resources to respond.
5	Catastrophic	Single death	> \$75M	Significant adverse community impact and condemnation. Consistent ongoing community loss of confidence and trust in organisation's capabilities and intentions. High widespread negative media/ sustained negative campaigns.	Majority of critical services or programs cannot be delivered. Majority of critical outcomes not achieved. Impact cannot be managed within the organisation's existing resources and threatens survival of the organisation.

**MEASURES OF LIKELIHOOD**

LEVEL	DESCRIPTOR	DESCRIPTION #1	FREQUENCY	PROBABILITY
1	Rare	The event may occur only in exceptional circumstances.	Less than once in 15 years	<10%
2	Unlikely	The event could occur at some time.	At least once in 15 years	10-30%
3	Possible	The event should occur at some time.	At least once in 5-15 years	30-70%
4	Likely	The event will probably occur in most circumstances.	Once in 1-5 years	70-90%
5	Almost certain	The event is expected to occur in most circumstances.	More than once per year	>90%

**Note:** When estimating and rating the future Likelihood of a risk event, use the rating scale that is most appropriate to the context of the risk. For example, the probability scale is generally used for risks relating to activities with a defined timeframe (e.g. projects) and the frequency scale for risk relating to activities that are ongoing. Regardless of which scale is used, it is important that any Likelihood rating can be substantiated by solid reasoning and validated by metrics and evidence where possible.

**EXISTING CONTROLS**

LEVEL	DESCRIPTOR	DESCRIPTION
E	Effective	All controls are fully effective, and the overall control environment provides strong assurance that the risk is being managed. Control objectives are being met and no improvements to controls have been identified.
A	Adequate	A few specific control weaknesses noted however the overall control environment is adequate and appropriate and provides reasonable assurance that the risk is being managed. Certain controls may require improvement to ensure that the overall environment will continue to operate effectively.
I	Inadequate	Numerous specific controls weaknesses or gaps were noted. Overall control environment is not adequate or effective and fails to provide reasonable assurance that risks are being managed and control objectives are being met. The control environment needs improvement.

## TPRC Risk Management Framework 2020

**RISK MATRIX**

Measure of Consequence / Impact	1. Insignificant	Low	Low	Low	Low	Moderate
	2. Minor	Low	Low	Moderate	Moderate	Moderate
	3. Medium	Low	Moderate	Moderate	Significant	Significant
	4. Major	Moderate	Moderate	Significant	High	High
	5. Catastrophic	Moderate	Significant	High	High	High
		1. Rare	2. Unlikely	3. Possible	4. Likely	5. Almost Certain
		Measures of Likelihood				

### CRITERIA FOR MANAGING RISK

LEVEL OF RISK	CRITERIA FOR MANAGEMENT OF RISK	REPORTING TO	WHO IS RESPONSIBLE
Low	Acceptable with adequate controls (subject to alignment with risk tolerance and appetite)	Annual reporting to Audit Committee	Risk Owner
Moderate	Acceptable with adequate controls (subject to alignment with risk tolerance and appetite)	Annual reporting to Audit Committee	Risk Owner
Significant	Refer to CEO for acceptance decision	Monthly reporting to CEO. 4 monthly reporting to Audit Committee and Council.	CEO
High	Refer to Council/CEO for acceptance decision	Immediate and ongoing reporting to CEO & Council	Council Chair/CEO

## Attachment 3: Risk Management Process

### **1. Communication and consultation**

Communication and consultation with external and internal stakeholders is an essential and valuable part of the risk management process. A consultative team approach to identifying, assessing and treating risk is the preferred approach within TPRC as it provides the opportunity for cross-area, multiple stakeholder input and expertise. Effective and appropriate communication and consultation has shown to deliver considerable and often unforeseen benefits by:

- Fostering a common understanding of the challenges facing an organisation, project or team;
- Providing a forum to share individual perspectives on risk taking, and the opportunity to develop a shared, organisational view of what is appropriate management of risk;
- Enhancing accountability through shared agreement around actions and responsibilities.

### **2. Establishing the context**

Prior to commencing a risk management exercise, the context for the activity needs to be clearly specified. This includes defining:

- the purpose of the risk exercise and the expected outcomes;
- the scope, boundaries, assumptions and interrelationships;
- the environment, objective, strategy, activity, process, function, project, product, service or asset under consideration;
- the risk assessment methodologies or approach.

Once this is determined, the essential personnel who need to be involved in the assessment can be identified.

### **3. Risk identification**

The context defined in the previous step is used as the starting point to identifying risks. A practical and effective approach to risk identification is to consider what is critical to the successful achievement of the objectives related to that particular context, and what are the potential opportunities or “road blocks” arising from areas of uncertainty (e.g. assumptions, limitations, external factors, etc.). Included in this consideration are any internal or external events or situations which may give rise to a risk, and also any risks identified through internal or third-party audits, assessments and reviews.

For each risk, you should identify possible causes of the risk event. Each risk may have one or more causal factors which can either directly or indirectly contribute to the risk event occurring. Identifying the range of causes will assist in understanding the risk, identifying the controls, evaluating the adequacy of existing controls and designing effective risk treatments. This step should also consider the potential consequences of the risk event, including knock-on or cascading effects.

Whilst this approach works well for many organisational or project risks, there may be situations where alternative risk identification techniques are better suited. For example, bow tie analysis methodology is a technique commonly used to carry out a more detailed analysis of high consequence low likelihood events, from both a preventative and mitigative controls perspective.

#### **4. Risk analysis and evaluation**

Risk analysis and evaluation involves:

- Identifying and evaluating any existing **controls**;
- Analysing the risk in terms of **consequences** and **likelihood**, taking into account the effectiveness of the controls;
- Comparing the level of risk with the guidelines defined in the risk matrix as to the acceptability of the risk.

Risk analysis can be undertaken with varying degrees of detail, depending on the risk, the purpose of the analysis, and the information, data and resources available. Analysis can be qualitative, semi-quantitative or quantitative, or a combination of these, depending on the circumstances.

#### **Controls**

Controls are the measures that are currently in place (i.e. at the time of the risk assessment), that reduce the consequences and/or likelihood of the risk. Controls need to be tangible, auditable and documented. Examples of controls include specific policies, procedures, training programs etc.

#### **Consequence**

A risk that eventuates may impact TPRC across a number of different areas, to a greater or lesser extent. Consequences of the risk can be assessed across the relevant consequence categories, which are defined in the risk matrix.

#### **Likelihood**

This describes how likely it is that a risk will eventuate with the defined consequences. Likelihood can be assessed in terms of probability or frequency, depending on what is most appropriate for the risk under consideration. When you are rating the likelihood of a risk, ask yourself “How likely is it for this risk to occur, given the existing controls, to the level of consequence identified?”

#### **Level of Risk**

The Level of Risk, or Risk Rating, is calculated by multiplying the consequence and likelihood ratings. For any risk, there may be a number of different consequence/ likelihood scenarios. Within each category there may be multiple scenarios ranging from ‘minor but likely’ to ‘catastrophic but rare’.

It is important to rate what is the realistic worst-case scenario. In some instances, it may be appropriate to rate the same consequence category more than once. Where there are multiple ratings for a risk, the highest combination of consequence/likelihood is taken as the level of risk. The level of risk is then compared against the defined risk matrix to assist the risk owner in determining whether a risk requires further treatment.

#### **5. Risk Acceptance/Treatment Decision**

Once a risk has been analysed and evaluated, the risk owner makes an informed decision to do one of the following:

- Accept the risk – the opportunity outweighs the risk; the existing controls meet the specified Risk Assessment Criteria and the risk is within the defined appetite of TPRC;
- Avoid the risk – do not carry on with the activity that is associated with the risk, or transfer the risk to a third party;

- Treat the risk – reduce the consequence, likelihood or both and/or improve the controls rating by strengthening existing controls or developing new controls so that the risk can be accepted.

### **6. Risk treatment**

Risk treatment involves identifying a range of options to reduce the consequences and/or likelihood of a risk, or improve the control rating, evaluating those options, preparing treatment plans, and implementing them. Other than the option to avoid the risk entirely, treatment options will do one or more of the following:

- Reduce the consequences of the risk if it eventuates (particularly relevant for those risk where the source of the risk is outside the control of TPRC);
- Reduce the likelihood of the risk eventuating;
- Improve the controls rating to 'adequate' or 'comprehensive';

Selecting the most appropriate risk treatment option involves balancing the costs and efforts of implementation against the benefits derived, with due consideration of any additional risk that the treatment action may generate. Action plans should include:

- Proposed actions – what is the selected treatment?
- Resource requirements – what is required to implement the treatment?
- Responsibility – who has responsibility to implement the treatment – i.e. treatment owner?
- Timing – what are the timeframes for treatment implementation?
- Reporting and monitoring requirements – who needs to be informed during and at completion of the implementation of the treatment? How will the implementation be monitored?

Following the implementation of the treatment options, the level of risk needs to be re-evaluated to determine if the treatment reduces the risk to an acceptable level. If not, further treatment options may need to be selected. In many cases, risk treatments become new controls or improve the effectiveness of existing controls.

### **7. Monitoring and review**

Risk monitoring and review is an integral part of the planning, management and oversight activities of TPRC. These are specified in 'Integrating Risk Management', section 4 of this framework document.

**TAMALA PARK REGIONAL COUNCIL RISK REGISTER (May 2019/2020)**

Risk Identification & Analysis						Risk Assessment					Further Mitigations - Action Plans	Notes	Risk Owner
Risk Ref No	Context	Risk Description	Possible Causes	Consequences	Controls	Current Risk Rating							
						Control Rating	Consequence Category	Consequence Rating	Likelihood Rating	Level of Risk			
1	Strategic - Common Vision.	Lack of agreed/common Objectives/Vision by Member Councils.	Differing priorities and expectations of the Member Councils; Differing expectations on timing/quantum of distributions to Member Councils; Over-reliance on potential distributions from the Development by Member Councils; Council Members not in agreement with or conversant with Objectives/Vision.	Non-achievement / delays to objectives; Financial Loss; Reputation damage; Difficult decision making and governance.	1. Establishment Agreement sets regional purpose and TPRC objectives; 2. Strategic Community Plan (2020) provides Vision, Objectives and Strategies, (approved but under review); 3. Corporate Business Plan which aligns financial outcomes with the Vision & Objectives; 4. Long Term Financial Plan (approved) sets out long term financial projections/outcomes; 5. Information pack provided to Councillors as part of induction.	Adequate	OP FL RI	4 <del>Major</del> 3 Medium	3 Possible 2 Unlikely	<b>SIGNIFICANT MODERATE</b>	1. Strategic Community Plan (Vision, Objectives and Strategies) to be approved 2019; 2.1. Members to confirm acceptance to Strategic Community Plan. 2. Council to determine Project Forecast 2020 (Scenarios) which will provide a guide to the long term cashflow direction of the Project and to provide the basis of project and financial planning and project profit.	1. Strategic Community Plan approved by Council February 2020. 2. Project Forecast 2020 (Scenarios) has been prepared by Satterley which is to be considered by Council in June 2020.	Chair of Council
2	Strategic - Stable and effective governance environment.	Failure to establish and maintain a stable and effective governance environment.	Members are not sufficiently conversant/experienced /skilled for effective decision-making and to deal with emerging issues; Members are not sufficiently aware or not in agreement with TPRC strategic documents; Lack of Members' understanding of and/or acceptance of TPRC Vision/Objectives; Loss of key personnel/Member council representatives; Withdrawal of a Member Council.	Non-achievement / delays to objectives; Financial Loss; Reputation damage; Difficult decision making and governance.	1. Information pack provided to Councillors as part of induction; 2. One to one briefings with CEO offered; 3. Annual Council Project Inspection arranged; 4. SPG and TPRC Executive provides reports/information to Council Meetings; 5. Establishment Agreement (provides dispute resolution and arrangements for vacating Member); 6. Annual review and approval by Council of TPRC strategic documents.	Adequate	OP FL RI	3 Medium	3 Possible 2 Unlikely	<b>SIGNIFICANT MODERATE</b>	1. Consider establishing a mechanism to ensure that Members attend inductions, briefing and project inspections; 2. Formal declarations of familiarity with information provided; 3. Formal declarations of support for TPRC Vision/Objectives. 4. Council to determine Project Forecast (Scenarios) which will provide a guide to the long term cashflow direction of the Project and to	1. Strategic Community Plan approved by Council February 2020. 2. Project Forecast (Scenarios) has been prepared by Satterley which is to be considered by Council in June 2020. 3. Project Inspection undertaken February 2020.	Chair of Council



		safety (WHS/OHS) responsibilities for the site.	personnel; Lack of specific clarity with regard to safety responsibilities within the SPG contract; SPG personnel not trained or sufficiently experienced.	Damage; Financial Impact.	Management meetings; 4. Annual check of safety plans, inductions and third party audits (TRPC); 5. SPG Risk Register and Risk Management; 6. LGIS site safety assessments.							<a href="#">consistent with approved Project Risk Plan.</a>	
6	TPRC Operations - Resourcing	TPRC is not adequately resourced to manage the Local Government operational obligations.	Insufficient budget allocated to TPRC management arising from Council budgets; Differing needs and perspectives of Member Councils; Insufficient capacity and capability of the Executive Team; Loss of key personnel and associated corporate knowledge; Overdependency on key personnel.	Compliance breaches; Loss of confidence by the Council; Enforcement/remedial action (DLGSCI); Financial loss; Reputation damage.	1. Agreed budget for resources; 2. Workforce Plan; 3. Records Management System and Records Management Policy approved by State Records; 4. Long Term Financial Plan (approved) sets out appropriate budget response.	Adequate	OP FL	3 Medium	3 Possible	<b>MODERATE</b>	1. Succession Plan for key staff (late 2019); 2. Appoint additional resource (late 2019).	1. <a href="#">Draft Succession Plan for CEO position prepared.</a> 2. <a href="#">Specifications and duties for additional resource being developed (July 2020)</a>	<b>CEO</b>
7	TPRC Operations - Internal controls	Poor internal control environment (potential for Fraud).	Challenge of operating a small administration; Reliance on key staff; Limited oversight due to lack of "Executive Team".	Financial Loss; Reputation damage.	1. Independent oversight by external financial management practices; 2. External consultants for monthly reconciliation and reporting; 3. Annual Internal and External audits; 4. Management Policies and Procedures (Investment, Acc Mgmt., Procurement) reviewed annually and approved by Council; 5. Preparation and reporting on monthly accounts for Council approval; 6. Annual Financial Review and Mid-Year Reviews independently prepared and approved by Council.	Effective	FL RI	2 Minor	1 Rare	<b>LOW</b>		1. <a href="#">Financial Management Review undertaken in 2019, recommendations being implemented.</a> 2. <a href="#">The Auditor's Report for the FYE 2019 did not note or make recommendations on any matter requiring attention from the Annual Audit</a>	<b>CEO</b>
8	TPRC Operations - Financial Management of TPRC	Poor financial management of TPRC funds.	Poor investment decisions; Lack of budget oversight; Poor procurement practice; Poor records; Poor performance of	Financial loss; Impact on objectives; Reputation damage; Reduced distribution to	1. Independent oversight by external financial management practices; 2. External consultants for monthly reconciliation and reporting; 3. Annual Internal and External audits;	<a href="#">Adequate</a> <a href="#">Effective</a>	FL RI OP	<del>2 Minor</del> <del>3 Medium</del> <del>2 Minor</del> <del>3 Medium</del> <del>2</del>	2 Possible	<del><b>MODERATE</b></del> <del><b>LOW</b></del>		1. Financial Management Review undertaken in 2019, recommendations being implemented.	<b>CEO</b>

			contracted resources; Inexperienced internal staff.	Member Councils.	4. Management Policies and Procedures (Investment, Acc Mgmt.; 5. Procurement) reviewed annually and approved by Council; 6. Preparation and reporting on monthly accounts for Council approval; 7. Annual Financial review and Mid-Year Reviews independently prepared and approved by Council; 8. Use of <a href="#">QuickBooksReckon Accounts</a> ; 9. Experienced and qualified staff; 10. Records Policy and system approved by State Records.			<a href="#">Minor</a> <a href="#">Medium</a>				2. <a href="#">The Auditor's Report for the FYE 2019 did not note or make recommendations on any matter requiring attention from the Annual Audit.</a>	
9	TPRC Operations - Compliance with LG Act and Regulations	Non-compliance with LG Act and Regulations.	Lack of understanding / knowledge of requirements; Insufficient "dedicated" resource (use of resources which should be applied elsewhere).	Financial penalties; Reputation damage.	1. External Audit 2. Annual Audit Plan approved by Council; 3. Internal compliance procedures for managing legislative requirements; 4. Annual Compliance Audit Return (CAR) submitted for Council approval.	Adequate	FL RI OP	2 Minor 2 Minor 2 Minor	<a href="#">3-2 Possible Unlikely</a>	<b>MODERATE LOW</b>	<a href="#">2-Appoint additional resource (late 2019/20).</a>	The Auditor's Report for the FYE 2019 did not note or make recommendations on any matter requiring attention from the Annual Audit	<b>CEO</b>
<a href="#">10</a>	<a href="#">Development Project – Negative perception of Project.</a>	<a href="#">Negative media reports and resident reaction to potential groundwater contamination</a>	<a href="#">Adverse purchaser reaction to potential groundwater contamination;</a> <a href="#">Failure of stakeholders to communicate effectively;</a> <a href="#">Groundwater monitoring indicates high levels of contaminants</a>	<a href="#">Failure to achieve sales targets;</a> <a href="#">Non-achievement of TPRC objectives;</a> <a href="#">Financial loss;</a> <a href="#">Reputation damage.</a>	<a href="#">1. Communication strategy to minimise negative perception and inform stakeholders prepared.</a> <a href="#">2. Key stakeholders meetings to provide up to date information and align key messaging.</a> <a href="#">3. Independent Auditor appointed to manage monitoring and reporting.</a> <a href="#">4. On going monitoring of land-fill area and buffer zone being undertaken.</a> <a href="#">5. MRC managing the Land- fill site being in accordance with environmental conditions (MRC)</a>	Adequate	OP FL RI	<a href="#">4 Major</a> <a href="#">4 Major</a> <a href="#">4 Major</a>	<a href="#">3 Possible</a>	<b>SIGNIFICANT</b>	<a href="#">1. Ongoing monitoring of land-fill area and buffer zone to properly define extent of groundwater contaminants.</a> <a href="#">2. Independent Auditor to prepare further report December 2020.</a> <a href="#">3. Independent Auditor to prepare Site Management Plan, detailing possible actions/remediation 2021.</a>		<b>CEO</b>

# Appendix 9.2

## **POLICY MANUAL**

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### **Audit Charter (Terms of Reference) (May 2020)**

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#### **Background**

Section 7.1A of the *Local Government Act* requires each local government to appoint an Audit Committee comprising of at least 3 persons.

Included in the responsibilities of the Committee, as set out by the Regulations are the following:

- a. The development of a process for appointment of an external auditor.
- b. The recommendation of an appointment of an external auditor to the Council.

Additionally, the Audit Committee may recommend to the Council good management practices and guidelines relating to financial control and (generally) matters covered by part 6 (Financial Management) of the *Local Government Act*.

#### **Comment**

Although it is possible for the Council to delegate functions to the Audit Committee, it is generally considered good governance practice to have the Committee operate in a review and recommendation role to allow input of independent opinion on Council actions and policies from a risk management and probity perspective.

The scope of activity for the Audit Committee can be changed from time to time.

#### ***Scope of Activity – Audit Committee***

1. Recommending adoption of an audit charter
2. Recommending appointment of an external auditor
3. Review of statutory documents
  - Annual budget
  - Statutory budget review 1 January – 30 March (yearly)
  - Annual financial statement
  - Compliance audit
4. Review of statutory processes
  - Quarterly financial reporting format
  - Annual financial reporting format
5. Review of guidelines and policies relating to *Local Government Act* part 6
  - Purchasing Policy
  - Investment Policy
  - Procurement Policy
  - Payment of Accounts & Security of Payments Policy

## **POLICY MANUAL**

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### **Audit Charter (Terms of Reference) (May 2020)**

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- Credit Card Policy
- Records Management Policy
- Financial Management – Significant Accounting Policies

The Council has adopted the following as the Audit Charter Terms of Reference for the Audit Committee.

#### **1. Objectives of Audit Committee**

The primary objective of the Audit Committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

Reports from the Committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources. The Committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of local government's financial accounting systems and compliance with legislation.

The Committee is to facilitate:

- The credibility and objectivity of internal and external financial reporting.
- Effective management of financial and other risks and the protection of Council assets.
- Compliance with laws and regulations as well as use of best practice guidelines relative to auditing.
- The coordination of the internal audit function with the external audit.
- The provision of an effective means of communication between the external auditor, internal auditor, the CEO and the Council.

#### **2. Powers of the Audit Committee**

The Committee is a formally appointed Committee of Council and is responsible to that body. The Committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The Committee does not have any management functions and cannot involve itself in management processes or procedures.

## **POLICY MANUAL**

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### **Audit Charter (Terms of Reference) (May 2020)**

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The Audit Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

#### **3. Membership**

The Committee will consist of a minimum of five members.

The CEO and employees are not members of the Committee.

The CEO or his/her nominee is to attend all meetings to provide advice and guidance to the Committee.

The local government shall provide secretarial and administrative support to the Committee.

#### **4. Meetings**

The Committee shall meet at least three times in each calendar year.

At least one meeting per annum is required to meet with the external auditor.

Additional meetings shall be convened at the discretion of the presiding person.

#### **5. Reporting**

Reports and recommendations of each Committee shall be presented to the next ordinary meeting of the Council.

#### **6. Duties and Responsibilities**

The duties and responsibilities of the Committee will be to:

- a) Provide guidance and assistance to the Council as to the carrying out the functions of the local government in relation to audits.
- b) Develop and recommend to Council an appropriate process for the selection and appointment of a person as the local government's auditor.
- c) Develop and recommend to Council:
  - A list of those matters to be audited; and
  - The scope of the audit to be undertaken.

## **POLICY MANUAL**

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### **Audit Charter (Terms of Reference) (May 2020)**

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- d) Recommend to Council the person or persons to be appointed as auditor.
- e) Develop and recommend to Council a written agreement for the appointment of the auditor. The agreement is to include:
  - The objectives of the audit.
  - The scope of the audit.
  - A plan of the audit.
  - Details of the remuneration and expenses to be paid to the auditor.
  - The method to be used by the local government to communicate with, and supply information to, the auditor.
- f) Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions.
- g) Liaise with the CEO to ensure that the local government does everything in its power to:
  - Assist the auditor to conduct the audit and carry out his or her other duties under the *Local Government Act 1995*; and
  - Ensure that audits are conducted successfully and expeditiously.
- h) Examine the reports of the auditor after receiving a report from the CEO on the matters and:
  - Determine if any matters raised require action to be taken by the local government; and
  - Ensure that appropriate action is taken in respect of those matters.
- i) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time.
- j) Review the scope of the audit plan and program and its effectiveness.
- k) Review the appropriateness of special internal audit assignments undertaken at the request of Council or CEO.
- l) Review reports of any special internal audits by monitoring the implementation of recommendations made by the audit and reviewing the extent to which Council and management reacts to matters raised.
- m) Facilitate liaison between the internal and external auditor to promote compatibility, to the extent appropriate, between their audit programs.

## **POLICY MANUAL**

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### **Audit Charter (Terms of Reference) (May 2020)**

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- n) Review the local government's draft annual financial report, focusing on:
- Accounting policies and practices.
  - Changes to accounting policies and practices.
  - The process used in making significant accounting estimates.
  - Significant adjustments to the financial report (if any) arising from the audit process.
  - Compliance with accounting standards and other reporting requirements.
  - Significant variances from prior years.
- o) Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual financial report is signed.
- p) Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference.
- q) Seek information or obtain expert advice through the CEO on matters of concern within the scope of the Committee's terms of reference following authorisation from the Council.
- r) Review the Statutory Compliance Return and make a recommendation on its adoption to Council.

This Audit Charter (Terms of Reference) is authorised by the Chief Executive Officer on 18 June 2020.

Signature:

Name: JOHN ANTHONY ARIAS

Date: 18 June 2020

## AUDIT PLAN 2020/2021

	Statutory Date	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Compliance Return											Audit Council		
- To be completed by	31 December												
- To Audit Committee and Council before	31 March												
- To Director General DLGSC before	31 March												
Annual Financials													
- To Auditor by	30 September												
- Auditor to report to Council by	31 December				Audit		Council						
- To DLGSC within 30 days of receipt of Audit Report													
- Council to accept Annual Report by	31 December												
Budget													
- Draft Budget					Audit								
- Earliest date for adoption	1 July												
- Budget adoption by	31 August				Council								
- To DLGSC within 30 days of adoption													
Budget Review													
- Required by LG between 1 January and 31 March													
- Considered by Council within 30 days of review											Audit Council		
- To DLGSC within 30 days of Council review													
Delegations to CEO													
- Annual Review Required									Audit Council				
Investment Policy		Audit	Council										
Procurement Policy		Audit	Council										
Audit Charter / Plan		Audit	Council										
Payment of Accounts & Security of Payment					Audit Council								
Credit Card Policy					Audit Council								
Petty Cash Policy					Audit Council								
Financial Management – Significant Accounting Policies									Audit Council				
Councillor Returns and General Council Interests	31 August												
Code of Conduct					Audit		Council						
Risk Management Framework		Audit	Council										

# Appendix 9.3

## POLICY MANUAL

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### Investment Policy (~~July 2018~~ June 2020)

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#### 1. POLICY

##### 1.1 Objectives

- To undertake authorised investment of surplus funds after assessing credit risk and diversification limits.
- To maximise earnings from authorised investments and ensure the security of Tamala Park Regional Council (TPRC) funds.
- To preserve TPRC capital funds.
- To ensure provision of sufficient liquidity to meet TPRC cash flow requirements as and when they fall due without incurring significant costs due to unanticipated sales of investments.
- To target a minimum market average return based upon accepted investment indicators reflecting the Council's risk tolerance.

##### 1.2 Authority for Investment

All investments are to be made ~~generally~~ in accordance with:

- Local Government Act 1995 Section 6.14.
- Local Government (Financial Management) Regulations 1996 – r. 19-19C, 28 & 49
- Trustees Act 1962 and particularly Part 3 Investments

And in consideration of:

- ~~The Local Government Financial Management Regulations~~
- Local Government Operational Guidelines No 19 – Investment Policy
- Australian Accounting Standards

##### 1.3 Delegation of Authority

Authority to invest surplus funds within the limits of this Investment Policy is delegated by Council to the Chief Executive Officer in accordance with the *Local Government Act 1995*.

The Chief Executive Officer or delegated representative(s) have authority to invest surplus funds.

##### 1.4 Prudent Person Standard

The TPRC investment portfolio will be managed with the care, diligence and skill that a prudent person would exercise. Officers are to manage ~~the TPRC's~~ investments portfolios to safeguard the portfolios in accordance with the spirit of this investment policy, and not for speculative purposes.

## POLICY MANUAL

### Investment Policy (July 2018 ~~June~~ 2020)

#### 1.5 Authorised Investments

Investments will adhere with Local Government (Financial Management) Regulations 1996 – r. 19C, namely:

- Australian denominated deposits with:
  - Authorised Deposit Taking Institutions (ADIs: banks, building societies and credit unions regulated by the Australian Prudential Regulation Authority); and
  - the Western Australian Treasury Corporation for a maximum term of three years.
- Australian denominated bonds guaranteed by the Australian Commonwealth, State or Territory Government for a maximum term of three years.

*(i) ~~Investments in Managed Funds would include:~~*

<b>Fund Type</b>	<b>Minimum Investment Time Horizon</b>	<b>Minimum Rating (where applicable)</b>	<b>Maximum Exposure as % Total Investment Portfolio</b>
Cash Funds (at call)	0-366 days	A	0-100
Cash Plus/Cash Enhanced	3-12 months	A	0-95
Diversified Funds/or Equivalent	3-5 years	A	0-15
Fixed Interest Funds	3-5 years	A	0-15

*(ii) ~~Council Direct Investments would include, but not necessarily be limited to:~~*

- ~~Bank accepted/endorsed bank bills;~~
- ~~Bank negotiable Certificates of Deposit;~~
- ~~Bank interest bearing deposits;~~
- ~~State/Commonwealth Government Bonds;~~
- ~~Bank backed floating rate notes~~
- ~~Mortgage backed securities~~

#### 1.6 Risk ~~Profile~~ Management

When exercising the power of investment, the following are to be given consideration:

- The purpose of the investment and the needs and circumstances;
- The desirability of diversifying investments;
- The nature of and risk associated with existing investments;
- The need to maintain the real value of the capital and income;

## POLICY MANUAL

### Investment Policy (July 2018 ~~June~~ 2020)

- The risk of capital or income loss or depreciation;
- The potential for capital appreciation;
- The likely income return and the timing of income return;
- The length of the term of the proposed investment;
- The liquidity and the marketability of the proposed investment during, and on the determination of, the term of the proposed investment;
- The aggregate value of the investment;
- The effect of the proposed investment in relation to the tax liability (if any);
- The likelihood of inflation affecting the value of the proposed investment;
- The costs (including commissions, fees, charges and duties payable) of making the proposed investment; and
- The results of a review of existing investments.

#### 1.7 Risk Management Guidelines Framework

Investments will comply with the following three part risk management framework:

- (a) Portfolio Credit Limit: limit overall credit exposure of the portfolio;
- (b) Institution Investment Limit: limit exposure to individual institutions;
- (c) Term of Maturity Limit: limits based upon maturity of securities.

#### (a) Portfolio Credit Limit

To control the credit quality on the entire portfolio, the following credit framework limits the percentage exposed to any particular credit rating category.

<u>Standard &amp; Poor's Credit Rating *</u>	<u>Investment Maximum % per Credit Rating Category</u>
<u>AAA &amp; AA</u>	<u>100%</u>
<u>A</u>	<u>60%</u>
<u>BBB</u>	<u>30%</u>

\* or Moody's equivalent

#### (b) Institution Investment Limit

Exposure to an individual institution will be restricted by their credit rating so that single entity exposure is limited, as detailed in the table below.

<u>Standard &amp; Poor's Credit Rating *</u>	<u>Investment Maximum % per Institution</u>
<u>AAA &amp; AA</u>	<u>45%</u>
<u>A</u>	<u>30%</u>
<u>BBB</u>	<u>25%</u>

## POLICY MANUAL

### Investment Policy (July 2018 ~~June~~ 2020)

\* or Moody's equivalent

If any of the securities held are downgraded such that they no longer fall within Council's investment policy guidelines, they will be divested as soon as is practicable, taking into consideration break fees and market conditions.

#### (c) Term to Maturity Limit

The investment portfolio is to be invested within the following maturity constraints.

<u>Overall Portfolio Term to Maturity</u>		
<u>Portfolio % ≤ 1 year</u>	<u>Min 80%</u>	<u>Max 100%</u>
<u>Portfolio % &gt; 1 year ≤ 3 year</u>	<u>Min 0%</u>	<u>Max 20%</u>

#### (a) Council's Direct Investments

##### (i) Quotations on Investments

Not less than three (3) quotations shall be obtained from authorised institutions whenever an investment is proposed. The investment chosen will best fit the policy objectives and risk management guidelines as outlined in this document. best quote on the day will be successful after allowing for administrative and banking costs, as well as having regard to the limits set in this Policy.

##### (ii) Term to Maturity

The term to maturity of any Council's direct investment may range from At-Call to 1 year or 366 days.

#### (b) Diversification/Credit Risk

##### (i) Managed Fund Investments

The total amount invested with any one fund manager should not exceed 45% of average annual funds invested (or projected).

<u>Long Term Rating</u>	<u>Short Term Rating</u>	<u>Maximum % of funds</u>
<u>AAA to AA</u>	<u>A1+</u>	<u>45%</u>
<u>A+ to A-</u>	<u>A1</u>	<u>30%</u>
<u>BBB+BBB-</u>	<u>A2</u>	<u>nil</u>

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### Investment Policy (July 2018 ~~June 2020~~)

#### ~~(ii) Credit Ratings~~

~~If any of the funds/securities held are downgraded such that they no longer fall within Council's investment policy guidelines, they will be divested within 30 days or as soon as is practicable.~~

~~The short term rating order 0-365 days (as defined by S & P Australian Ratings) is:~~

<del>A1+</del>	<del>Extremely strong degree of safety regarding timely payout</del>
<del>A1</del>	<del>A strong degree of safety for timely payment</del>
<del>A2</del>	<del>A satisfactory capacity for timely payment</del>
<del>AAA+ to AAA</del>	<del>An extremely strong capacity to repay</del>
<del>AA+ to AA</del>	<del>A strong capacity to repay</del>
<del>A+ to A-</del>	<del>A strong capacity to repay</del>
<del>BBB+ to BBB-</del>	<del>An adequate capacity to repay</del>

#### ~~(e) Performance Benchmarks~~

<del>Investment</del>	<del>Performance Benchmark</del>
<del>Overnight Cash to 30 Days</del>	<del>Cash Rate</del>
<del>Investments Term greater than 30 days</del>	<del>Bloomberg AusBond Bank Bill Index</del>

<del>Investment</del>	<del>Performance Benchmark</del>
<del>Cash/Cash Plus/or Equivalent/Direct Investments</del>	<del>11AM and UBSWA Bank Bill Index UBSWA 0-3yr &amp;/or</del>
<del>Fixed Interest</del>	<del>Master Index</del>
<del>Capital Stable Funds</del>	<del>CPI + 2% AV. Rolling 3 yr periods</del>

## 2. OPERATIONAL PROVISIONS

### Reporting

A report will be provided to each bi-monthly ordinary Council meeting, detailing the investment portfolio in terms of performance and counterpart percentage exposure of total portfolio, maturity date and changes in market value.

## POLICY MANUAL

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### Investment Policy (~~July 2018~~ June 2020)

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#### Variation to Policy

The Chief Executive Officer is authorized to approve variations to this policy following consultation with the Chair if the investment is to Council's advantage and/or due to revised legislation.

All changes to this policy are to be reported to the meeting of the Council following the change and in the event that a meeting of the Council is not scheduled within 14 days then an interim report is to be made to both the Chair of the Council and to the Chair of the Audit Committee of the Council.

#### Investment Limits

- ~~• Maximum investment of total funds with any one institution having an A1+ short term rating or better shall be 75%.~~
- ~~• Maximum investment of total funds with any one institution having an A1 or less short term rating shall be 60%.~~
- ~~• Total funds held in shares should not exceed 5% of funds invested and no single shareholding in a public company should have a value greater than 1% of total investment funds at the time of placement.~~
- ~~• No single property value should be greater than 5% of the total investment funds at the time of purchase and total property value is not to exceed 15% of total investment of funds at any one time.~~
- ~~• Notwithstanding the investment limits shown above, the Council, **where land or capital funds are invested in property development within the TPRC area** may vary the investment limits subject to the criteria listed under the heading 'TPRC investments in TPRC development'.~~

#### Preference

Priority is to be given to institutions that are Australian institutions with business offices located in Western Australia.

Income maximisation and risk level management is to feature prominently in the determination of fund's placement with preferred institutions.

#### Guarantee

~~That in the case of term deposits, the return of principle and interest is a pre-requisite of a financial investment. Institutions that fall short of this requirement are required to provide a guarantee of return or a back-to-back arrangement with another institution for the return of investments on maturity.~~

## **POLICY MANUAL**

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### **Investment Policy** (~~July 2018~~ June 2020)

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#### **Prohibited Investments**

This Policy prohibits any investment carried out for speculative purposes including:

- Derivative based instruments;
- Principal only investments or securities that provide potentially nil or negative cash flow; and
- Stand-alone securities issued that have underlying futures, options, forward contracts and swaps of any kind.

This Policy prohibits the use of leveraging, (borrowing to invest) of an investment, however, this prohibition may be varied, subject to the criteria listed under the heading 'TPRC investments in TPRC development', except in the special circumstances where investment is made in infrastructure or capital developments within the TPRC area.

#### **Monthly Reconciliation and Advice**

It is a requirement that funds placed with approved institutions or withdrawal of such funds made are to be reconciled monthly and matched with Council records.

Details of maturity and rollover investments are to be recorded as expended on new investments (as the case requires) in the Investment Register.

#### **Register**

An Investment Register shall be maintained containing the following particulars with respect to each investment:

1. Date of investment;
2. Institution in which money is being invested;
3. The investment amount;
4. Type of investment;
5. Date of maturity;
6. Investment interest rate;
7. Interest payment terms;
8. Officer initialising the investment;
9. The particulars and location of any security held by Trustees on behalf of the TPRC;
10. The location and any security for an investment held directly by the TPRC;
11. The Investment Register is to be completed prior to the close of business on the day on which the investment is made;
12. The Investment Register and Ledger are to be reconciled at least monthly.

## POLICY MANUAL

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### Investment Policy (~~July 2018~~ June 2020)

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#### **Initiating Investment**

1. All ~~cheques EFTs~~ initiating investments are to be approved by the Chief Executive Officer.
2. Investments made with a new ~~investment house~~institution must be endorsed by the Chief Executive Officer.
3. ~~The purchase of shares or related products and/or properties for the purpose of long term investments, as endorsed by Council shall have such investments evaluated by professional experts prior to purchase.~~
4. A maturing investment payment from one investment may not be used to directly initiate one investment of another class or with another borrower.

#### **TPRC Investments in TPRC Development**

Notwithstanding anything contained in this Policy, the Council may, subject to receiving investment advice:

Invest funds in property development within the TPRC Development Project where the application of funds:

- Is consistent with the TPRC purpose and development objectives;
- Will produce economic, social and environmental outcomes consistent with the TPRC development objectives;
- Has potential for increasing (~~of~~ the unsold) value of land in the TPRC area other than the land in respect of which the direct investment is made;
- Has a defined payback period for invested principal;
- Produces an internal rate of return at least equivalent to the ~~30-day USBW AusBond Bank Bill Index cash rate~~ for the period of investment;
- Has an ongoing revenue return following repayment of principle; and
- Is independently assessed for financial viability and security by a competent investment adviser.

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### **Investment Policy** **(~~July 2018~~ June 2020)**

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This Investment Policy is authorised by the Chief Executive Officer on ~~16 August 2018~~ 18 June 2020.

Signature:

Name: JOHN ANTHONY ARIAS

Date: ~~16 August 2018~~ 18 June 2020

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**Investment Policy**  
(~~July 2018~~ June 2020)

**Appendix: Standard & Poor's Credit Rating Definitions**

<u>AAA</u>	<u>Extremely strong capacity to meet financial commitments on the long-term obligation</u>
<u>AA</u>	<u>Very strong capacity to meet financial commitments</u>
<u>A</u>	<u>Strong capacity to meet financial commitments, but somewhat susceptible to adverse circumstances and economic conditions</u>
<u>BBB</u>	<u>Adequate capacity to meet financial commitments, but susceptible to adverse circumstances and economic conditions</u>
<u>BB</u>	<u>Currently has capacity to meet financial commitments, but clearly vulnerable to adverse circumstances and economic conditions</u>
<u>B</u>	<u>Currently has capacity to meet financial commitments, but highly vulnerable to adverse circumstances and economic conditions</u>
<u>CCC</u>	<u>Currently vulnerable to non-payment, and dependent on favourable economic conditions to meet financial commitments</u>
<u>CC</u>	<u>Currently highly vulnerable to non-payment</u>
<u>C</u>	<u>Currently highly vulnerable to non-payment and ultimate recovery is expected to be lower than higher rated obligations</u>
<u>D</u>	<u>In default or in breach of an imputed promise</u>

Source: <http://www.standardandpoors.com>

# Appendix 9.4

<b>Member Local Government</b>	<b>Purchase Amount</b>	<b>Quotation Requirements</b>
Town of Cambridge	Up to \$2,999 \$3,000 - \$9,999 \$3,000 - \$14,999 \$10,000 - \$49,999 \$15,000 - \$49,999 \$50,000 - \$149,999 \$150,000+	One verbal quotation Three verbal quotations (non-panel) Three verbal quotations (panel) Three written quotations (non-panel) Three written quotations (panel) Formal quotation process (RFQ) Tender process
City of Joondalup	Up to \$5,000 \$5,001 - \$10,000 \$10,001 - \$50,000 \$50,000 - \$149,999 \$150,000+	Direct purchase Two verbal quotations Minimum three written quotations Minimum three written quotations (RFQ) Tender process
City of Perth	Up to \$5,000 \$5,001 - \$50,000 \$50,001 - \$150,000 \$150,000+	Minimum one quotation Minimum three written quotations Minimum three written quotations (RFQ) Tender process
City of Stirling	Up to \$2,000 \$2,000 - \$10,000 \$10,001 - \$50,000 \$50,001 - \$150,000 \$150,000+	One quotation Minimum one written quotation Minimum two written quotations Minimum three written quotations Tender process; or Three written quotations (panel)
Town of Victoria Park	Up to \$5,000 \$5,001 - \$50,000 \$50,001 - \$150,000 \$150,000+	Direct purchase Minimum Three written quotations Minimum Three written quotations (RFQ) Tender process
City of Vincent	Up to \$200 \$200 - \$5,000  \$5,000 - \$20,000  \$20,000 - \$50,000  \$50,000 - \$150,000  \$150,000+	Direct purchase Two quotations (non-panel); or One written quotation (panel/WALGA) Two written quotations (non-panel); or One written quotation (panel/WALGA) Three written quotations; or Two written quotations (panel/WALGA) Minimum three written quotations (RFQ); or Three written quotations (panel/WALGA) Tender process; or Minimum three written quotations (RFQ<\$250K)
City of Wanneroo*	Up to \$10,000 \$10,000 - \$50,000 \$50,00 - \$250,000 \$250,000+	Minimum one written quotation Minimum two written quotations Minimum three written quotations (RFQ) Tender process

*\* Note – The City of Wanneroo’s Policy has been amended since the May 2020 amendments to the Regulations.*

## **POLICY MANUAL**

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### **Procurement Policy**

(~~July-June 2019~~2020)

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#### **BACKGROUND**

Part 6 of the *Local Government Act* together with the *Financial Management Regulations and Functions* and *General Regulations* provide an outline of specific requirements and probity guidelines in respect of purchase of goods and tendering on behalf of local governments.

The State Supply Commission has an extensive series of policies and guidelines that are available for use by local governments.

The West Australian Local Government Association purchasing service negotiates contracts for the supply of goods and services for local government. The State Supply Commission has contracts for the supply of goods and services that are accessible by local governments.

All of the accessible supply contracts and the policies of WALGA and the State Supply Commission provide a framework for best practice procurement.

The West Australian Local Government Association has produced a purchasing and tender guide that refers specifically to good procurement practices in reference to the *Local Government Act and Regulations*.

Wherever possible and appropriate, the contracts and guidelines mentioned above will be used by the Tamala Park Regional Council following objectives for best practice and probity in all procurement activity.

#### **TPRC OBJECTIVES – PROCUREMENT**

To provide guidelines for adopting a value for money approach in procuring goods or services through quotes or public tender.

#### **PROCUREMENT POLICY AND GUIDELINES**

1. Value for money is the basis for comparing conforming bids so that the optimal offer can be selected. Achieving user requirements, quality standards and service benchmarks is considered to be more important than obtaining the lowest price.

An assessment of the best value for money outcome for any procurement should take into account:

- All relevant whole-of-life costs and benefits;
- Technical merits of the goods or services being offered in terms of compliance with specifications and contractual conditions; and
- Financial viability and capacity to supply without risk of default.

In this context, the value for money principle embraces:

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### Procurement Policy (~~July~~ ~~June~~ ~~2019~~ ~~2020~~)

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- Cost related factors; and
  - Non-cost factors.
2. Value for money assessment involves the comparison and evaluation of suitable conforming offers.

Factors to be considered in making this decision include the following:

- Value for money is not necessarily about selecting the successful bidder based on price alone, although the lowest total priced, conforming offer can be used as an initial benchmark for comparing value for money. Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced, conforming offer;
- All offers should be evaluated in a consistent manner against the evaluation criteria for the procurement. The use of weighted matrix analysis is a recommended method for analysing and comparing bids in a detailed and consistent manner, particularly for high value purchases; and
- A due diligence investigation of the preferred or shortlisted bidders should be undertaken for all high value or complex purchases to ensure that bidders have the financial stability and technical capacity to comply with the requirements of the contract.

Value for money considerations are not only relevant to the selection of a successful supplier and the purchase of goods or services. Value for money should also be applied to the ongoing contract management over the life of the procurement.

3. The exclusion provisions contained in the Functions and General Regulations relating to procurement for a value greater than ~~\$250,000~~ will also apply to procurement for values less than ~~\$250,000~~.
4. The Local Government legislation does not require local governments to tender for purchases under the value of ~~\$450250,000~~.
- Purchases under ~~\$450250,000~~ are categorised as simple purchases but nevertheless require controls and appropriate accounting and probity support practices.
5. The following should apply to purchases of value less than ~~\$450250,000~~.
- 5.1. Direct Purchasing – Less than or equal to \$2,000
- Purchases to \$2,000 may be made on a single verbal quotation, however, best practice will require that market testing be undertaken from time to time and that consideration be given to value for money purchasing.

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### Procurement Policy (~~July June 2019~~2020)

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A record of the obtained quotation must be maintained.

5.2. Non-Formalised Quotations – Over \$2,000 and less than \$~~405~~,000

At least ~~3~~one written quotations should be obtained.

A record of quotations obtained must be maintained.

All quotations are to be obtained prior to a supply order being authorised.

Where there is a waiver of the requirement for ~~3~~a quotations, the reason for the waiver must be noted and approved by the CEO.

5.3. Formalised Quotations – Over \$~~405~~,000 and less than \$~~4520~~,000

At least two formalised-written quotations must be obtained in writing, by fax or email.

Quotations must be made in reference to a specification setting out the details of supply, the pricing required, delivery requirements and other relevant matters.

5.4 Formalised Quotations – Over \$20,000 and less than \$50,000

At least three written quotations must be obtained in writing, by fax or email.

Quotations must be made in reference to a specification setting out the details of supply, the pricing required, delivery requirements and other relevant matters.

5.~~4~~5. Formalised Quotations – Over \$50,000 and less than \$250,000

At least three written quotations must be obtained in writing, fax or email.

- Formalised Request for Quotations (RFQ) must be made in reference to:
  - A written brief defining the services required;
  - The deliverables;
  - The start and end time;
  - The fee basis i.e. fixed, hourly, component completion;
  - The basis for any variation fees; and
  - Provisions for termination of services.
- Completion of a contract must be subject of a written agreement signed by the party and the TPRC.
- If it is expected that the Council will enter into 2~~two~~ or more contracts with one supplier which may exceed \$~~450~~250,000 then Council should invite tenders in accordance with Section 6 of the Policy.

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### Procurement Policy (~~July~~ ~~June~~ ~~2019~~ ~~2020~~)

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#### 6. Tendering for Goods – Value \$~~150~~250,000+

All supply of goods and services to a value greater than \$~~150~~250,000 will proceed in reference to the provisions of the *Local Government Act* and specifically the requirements of Part 4 of the *Functions and General Regulations* made pursuant to the Act.

Before tendering for the supply of goods for an amount greater than \$~~150~~250,000 an authorisation to proceed with the tender must be obtained from the Council.

Tenders must be subject of a tender brief setting out, in appropriate detail, at least the following:

- The goods or services required;
- The deliverables from the procurement;
- The start and end time for supply;
- The fee basis i.e. fixed, hourly, component completion;
- The basis for any variation fees; and
- Provisions for termination of services.

Evaluation criteria are to be stipulated in tender invitation documents.

The basis for contracts must be stipulated in tender invitations i.e. any Australian Standard contract proposed to be used.

Where a specifically designed contract is proposed, the details of the contract are to be provided with the tender invitation.

Where variations are proposed to Australian Standard contracts, a schedule of variations is to be included in the tender invitation.

An evaluation matrix is to be used in advising prospective tenderers of the evaluation criteria and the method for scoring tender responses.

Evaluation matrix's may consist of either:

- A weighted cost criteria; or
- A non-weighted cost criteria.

#### a) Weighted Cost Criteria

The use of a weighted cost criteria method is suited to acquisitions where price is considered to be crucial to the outcome of the contract. Price is assessed as a selection criteria item with a predetermined weighting, together with quality criteria.

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### Procurement Policy (~~July-June 2019~~2020)

#### b) Non-Weighted Cost Criteria

The use of a non-weighted cost criteria method is suited to acquisitions where functional considerations such as capacity or quality, are considered crucial to the outcome of the contract.

A weighted selection criteria containing items addressing the qualitative requirements of the contract are comprised and assessed prior to considerations of price within the evaluation.

Once tenders have been ranked against the qualitative items of the selection criteria, a value judgment of cost differences is able to be made, with judgment as to whether qualitative advantages of a tender justify cost differences.

The allocation of evaluation points available in conducting evaluation of tender responses must be made in accordance with criteria set prior to the issue of tender invitations. The allocation would typically be made over a range of items such as those shown in the following table:

Rate	Description
0	Inadequate or non-appropriate offer, many deficiencies, does not meet criterion
2	Marginal offer, some deficiencies, partly meets criterion
4	Fair offer, few deficiencies, almost meets criterion
6	Good offer, no deficiencies, meets criterion
8	Very good offer, exceeds criterion
10	Outstanding offer, greatly exceeds criterion

The table showing the evaluation of points is not to be published with the tender invitation or to be made otherwise available to prospective or actual tenderers.

Tenders may be lodged to a secure tender box or secure email tender box.

The use of an email tender box will be decided by the CEO in each instance having regard for the nature of the tender, the size of the likely tender response and such other factors as may relate to each tender invitation. Where an email tender is permitted, the full details of how the tender should be submitted should be included in the tender invitation.

When tenders are opened there must be at least two employees of Council, or one Council employee and one person authorised by the CEO, present.

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### **Procurement Policy** **(~~July-June 2019~~2020)**

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#### 7. Use of Probity Auditor

In all cases where tenders are valued at an amount greater than \$~~450~~250,000, consideration shall be given to the use of a probity auditor. A proposal to engage/not engage services of a probity auditor will be included in the report to the Council under section (6) above proposing the issue of an invitation for supply of goods or services.

#### 8. Environmental Procurement Policy

The TPRC will consider the environmental impact in the procurement process when undertaking the purchase of goods and services and disposal of goods.

The governing principle for goods and services procurement is the achievement of value for money. However, when determining value for money, the environmental impact issues to be considered may include:

- Use of recycled or recovered materials;
- Product reusability;
- Product recyclability;
- Durability;
- Energy efficiency and consumption;
- Water efficiency;
- Waste prevention;
- End of life disposal method; and
- Environmental health issues.

#### 9. Environmental Purchasing

Environmental purchasing generally refers to the inclusion of relevant environmental factors in any decision to procure goods and/or services in order to maintain the quality of the environment, conserve resources, minimise waste and protect human health.

The aim of considering environmental factors in procurement is to:

- Managing risks to the broader environment by procuring goods and services that have a reduced impact on the natural environment and human health compared with competing products or services that serve the same purpose.
- Promote the achievement of better value for money on a whole-of-life cycle basis.
- Fostering the development of products and processes that have a positive environmental impact.
- Reducing costs for addressing the effects of environmental health impacts and pollution to the community over the long term.

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### **Procurement Policy** **(~~July-June 2019~~2020)**

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The focus of environmental purchasing may vary, depending on the nature of the good or service being procured.

#### 10. Environmental Procurement and Value for Money

Value for money is the core principle governing goods and services procurement. In this context, the lowest price is not necessarily an indicator of best value for money.

The environmental impact of a good or service is also a major consideration in the Value for Money Assessment.

Environmentally friendly products will usually involve reduced risks and more efficient use of energy, water and materials leading to lower costs, particularly on a whole of life basis. Therefore, even where an environmentally friendly product or service initially costs more than a conventional product or service, consideration of value for money requires purchasers to give due regard to the benefits obtained from good environmental performance.

It is also essential that the environmental impacts and/or value-add in all procurements are considered across the lifecycle of a product.

Value for money is assessed on a whole of life basis so that all costs and benefits across the procurement cycle can be adequately considered. For example, in the case of a good, the environmental impact should be assessed at each stage of production, use and disposal. Therefore, to ensure effective Value for Money decisions, the environmental assessment also needs to factor in the impacts and costs created when a product is used, particularly during the evaluation stage when comparing products. These costs electrical power, water, fuel and requirements for other consumables.

#### 11. Environmental Considerations in Contracting Process

The level of effort expended to minimise the environmental impact of procurement should be commensurate with the nature of the purchase and should be applied in all phases of the procurement process as follows:

##### Contract Planning (pre-tender)

- Is the proposed purchase necessary.
- Identify and address environmental impact issues in all procurement plans.
- Develop specifications that give consideration to environmental standards, codes or legislation, where appropriate.
- Consider options for quotation and tender design, including selection criteria that provide positive advantage to goods, services and/or processes that minimise environmental impact.

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### Procurement Policy (~~July-June 2019~~2020)

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- Consider options for quotation and tender design that provide positive advantage to innovative goods, services and/or processes that minimise environmental impact.
- Develop selection criteria that provide positive advantage to goods, services and/or processes that minimise environmental impact.
- Where appropriate consider quality assurance, environmental standards, codes or legislation for inclusion in specifications.
- Where appropriate, seek information from suppliers through the offer document on the environmental impact of goods, services and processes tendered (e.g. accreditation, practices, recycled content, durability and reuse options, hazardous material content, energy efficiency, waste prevention, water efficiency).
- Consider options for, and where appropriate specify methods for end of life disposal of product and/or packaging.

The Guidelines provided in:

- *The State Sustainability Strategy*; and
- *The State Supply Commission Environmental Purchasing Guide* may be accessed as appropriate to achieve the stated policy outcomes, operational and cost efficiency.

This Procurement Policy is authorised by the Chief Executive Officer on ~~17 October 2019~~.

Signature:

Name: ~~JOHN ANTHONY ARIAS~~

Date: ~~17 October 2019~~

# Appendix 9.5

07 May 2020

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

Dear Tony,

## **Catalina 2020 Project Forecast Scenarios**

Please find attached the Catalina 2020 Project Forecast Scenarios. The review is discussed under the following headings:

1. Introduction
2. Scenario Outcomes
3. Outcome Metrics Explained
4. Scenario Assumptions
5. Satterley Recommendation
6. Risks to Achieving Recommended Project Forecast
7. Comparison to 2018 Project Forecast

### **1. Introduction**

The Tamala Park Regional Council (TPRC) has requested Satterley prepare scenario analysis showing several alternatives for the whole-of-life forecast and to recommend a scenario for adoption as the Project Forecast (2020 Project Forecast). At a high-level, the scenarios considered are:

- Scenario 1 – Long-term average of 5 sales per month (pricing 1)
- Scenario 2 – Long-term average of 8 sales per month (pricing 2)
- Scenario 3 – Long-term average of 10 sales per month (pricing 3)

## 2. Scenario Outcomes

The summary outcome of the scenarios analysis is as follows:

CATALINA   Scenario Outcome Matrix				
Metric	2018 Project Forecast 10-16 sales per month	Scenario 1: 5 sales per month Pricing 1	Scenario 2: 8 sales per month Pricing 2	Scenario 3: 10 sales per month Pricing 3
Gross income:	\$681.8m	\$700.1m	\$614.5m	\$565.2m
Development costs:	\$341.3m	\$396.6m	\$358.2m	\$346.6m
Project Cashflow:	\$340.5m	\$303.4m	\$256.3m	\$218.6m
Profit per lot:	\$136,800	\$121,136	\$102,309	\$87,252
Capital IRR:	16.4%	8.3%	9.1%	8.6%
Project IRR:	18.4%	12.4%	13.6%	13.3%
Final settlement:	Aug-28	Oct-47	Aug-37	Mar-34
NPV @ 6%:	n/a	\$67.1m	\$74.3m	\$61.3m
Cashflow after TPRC administration costs:	n/a	\$277.5m	\$240.0m	\$206.1m
NPV @ 6% after TPRC administration costs:	n/a	\$55.9m	\$65.2m	\$53.5m

## 3. Outcome Metrics Explained

Below is a brief explanation of the metrics used to assess the scenarios and their pros and cons:

**Net Present Value (NPV):** This is the most appropriate measure to use for comparing the outcomes of different scenarios over a period. It measures the difference between the present value of future cash inflows and outflows. Future cashflows in this scenario analysis have been discounted at 6% as directed by TPRC. Pros: widely used finance measure across all industries, accounts for the time value of money, looks only at future cashflows and can more clearly evaluate strategic decisions going forward. Cons: certain amount of subjectivity in the discount rate used.

**Cashflow:** Project income less project costs. Pros: Simple measure that is widely understood. Cons: favours longer term projects where the income escalation rate is set higher than cost escalation, resulting in a positive compounding effect on cashflows over time.

**Profit per lot:** Cashflow divided by the number of residential lots. Pros: easily calculated and widely understood. Cons: doesn't account for the time value of money or differences in design (i.e. density, residential lots vs. special sites).

**Internal Rate of Return (IRR):** a measure of both the amount of profit and how quickly it is achieved. The higher the percentage IRR, the higher and quicker the returns. By definition the IRR is the

discount rate at which the present value of future cashflows is equal to nil. Pros: widely used measure in residential development, allowing some comparison across projects. Cons: conceptually difficult to understand for non-finance professionals.

*Capital IRR:* An IRR calculation performed on capital cashflows (call and distributions). Pros: measures IRR when distributions are physically received by Councils. Cons: concept of IRR for non-finance professionals.

*Project IRR:* An IRR calculation performed on project cashflows. Pros: widely used industry measure. Cons: doesn't account for when Councils receive funds in the form of distributions.

## 4. Scenario Assumptions

### Escalation

All scenarios use 3% income escalation and 2% cost escalation commencing July 2022, representing a twelve-month deferral of escalation onset from the FY20 Mid-Year Review approved in December 2019. The deferral is a result of anticipated stagnant prices due to COVID-19.

The changes to escalation rates and timing from the 2018 Project Forecast are shown below:

<b>CATALINA   Escalation Rates</b>					
<b>INCOME</b>					
From	Jan-11	Jul-19	Jul-20	Jul-21	Jul-22
To	Jun-19	Jun-20	Jun-21	Jun-22	End
Current - Jun-20	0.0%	0.0%	0.0%	0.0%	3.0%
2018 Project Forecast	0.0%	4.0%	4.0%	4.0%	4.0%
<b>COST</b>					
From	Jan-11	Jul-19	Jul-20	Jul-21	Jul-22
To	Jun-19	Jun-20	Jun-21	Jun-22	End
Current - Jun-20	0.0%	0.0%	0.0%	0.0%	2.0%
2018 Project Forecast	0.0%	2.5%	2.5%	2.5%	2.5%

### Pricing

Key to achieving the sales rates set out in each scenario will be the implementation of revised pricing. The standard pricing under each scenario is set as follows:

*Current Approved Pricing (per approved Dec-19 Mid-Year Review):*

Standard Price	12.5m x 30m   375m <sup>2</sup>	15m x 30m   450m <sup>2</sup>
Central	275,000	310,000
Beach	355,000	400,000

*Pricing 1 – Scenario 1 (to achieve 5 sales per month):*

Standard Price	12.5m x 30m   375m <sup>2</sup>	15m x 30m   450m <sup>2</sup>
Central	245,000	275,000
Beach	335,000	359,000

Equivalent reduction of ~11% Central/Grove, ~6% Beach from previous approved (Dec-19)

*Pricing 2 – Scenario 2 (to achieve 8 sales per month):*

Standard Price	12.5m x 30m   375m <sup>2</sup>	15m x 30m   450m <sup>2</sup>
Central	235,000	265,000
Beach	325,000	349,000

Equivalent reduction of ~14% Central/Grove, ~9% Beach from previous approved (Dec-19)

*Pricing 3 – Scenario 3 (to achieve 10 sales per month):*

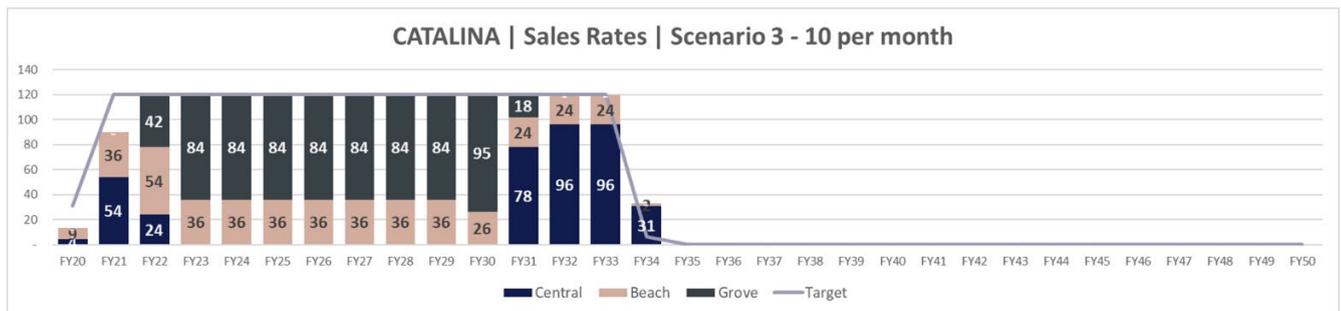
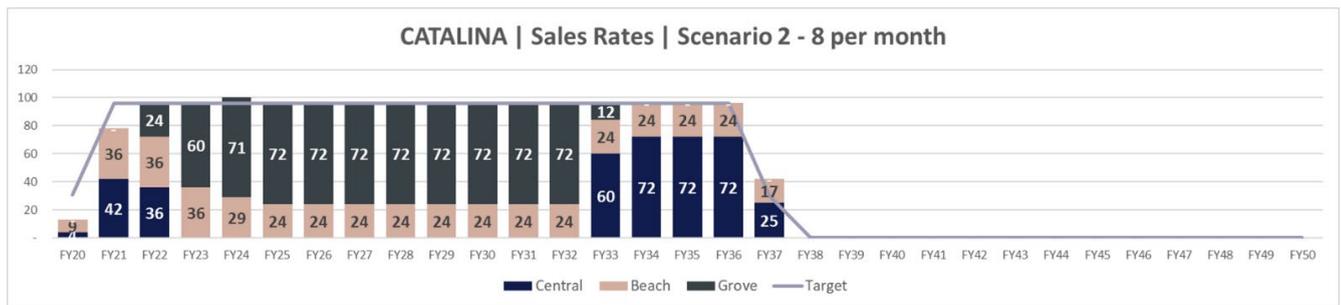
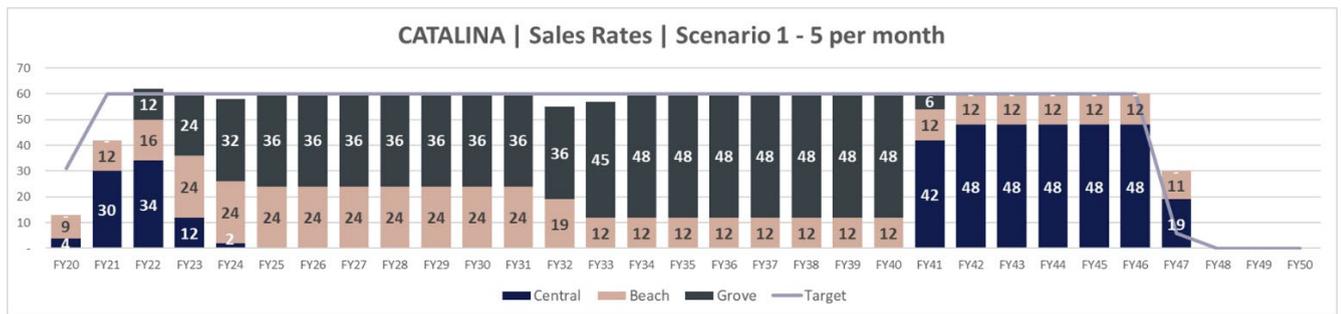
Standard Price	12.5m x 30m   375m <sup>2</sup>	15m x 30m   450m <sup>2</sup>
Central	220,000	248,000
Beach	284,000	320,000

Equivalent reduction of ~20% for all lot types from previous approved (Dec-19)

Satterley believe that any further price changes beyond Pricing 3 will have a limited effect on sales and will only reduce project returns.

### Sales Rates

The sales rates budgeted under each scenario are shown below. Note that whilst property markets are often cyclical and will vary over time, for modelling purposes long-term averages have been kept consistent, as is common industry practice.



### Common Assumptions

The following assumptions are the same in each scenario:

- WAPC land acquisition \$10.2m in May-21
- Beach sales equate to approximately a 25-30% split to finish at same time as the final Central stage 23 to extract maximum value from premium land
- Stage 18C sales in Catalina Central commence Oct-20
- Catalina Grove sales commence Jan-22

- Stage 16B and Primary School GHS deferred until the project returns to Catalina Central once Grove sales complete, assumes buffer restrictions lifted
- Marketing budget set at 2.25% of lot income for project duration, community development at \$1,500 per lot sold
- Excellent estate presentation will be key to achieving the sales rates in each scenario. As such, maintenance budgets have been set at \$55,000 per month under Scenario 1, and \$60,000 per month for Scenarios 2 and 3.
- Short term impact of COVID-19 has been considered in all scenarios:
  - › 8 cancellation of contracts on hand in May-20 (approx. 50%), settlements continue at lower rates, no further sales to Jun-20
  - › Sales recommence Jul-20 building to long term averages (5/8/10 per month) by Jul-21.
- All IRR calculations assume a notional land payment based on historical valuation estimate of \$77.4m at commencement of the project, consistent with IRR methodology for other residential development projects. A Project IRR calculation at the actual \$1.8m land purchase under Scenario 2 is 205%, and is not comparable to other development projects.

## 5. Satterley Recommendation

Evaluating the three scenarios the following conclusions are made;

- Scenario 1 takes too long, evidenced by lower IRR and NPV's, despite higher cashflow which is achieved through forecast income escalation.
- Scenario 2 has the highest IRR and NPV, but lower profit than scenario 1.
- Scenario 3 requires a large price reduction to achieve sales, and this erodes project profit and results in lower IRR and NPV.

Satterley recommends adoption of Scenario 2 - 8 sales per month with pricing 2. This scenario has the highest NPV which is achieved by striking the right balance between cashflow profitability, and speed of returns.

Achieving the outcomes set out in Scenario 2 is reliant on a commitment to the key underlying assumptions:

- Approval and adoption of pricing 2 (equivalent to reduction of 14% Central/Grove, 9% Beach)
- Marketing spend approved in line with budget at \$400,000 for FY21 and 2.25% of lot income for the remainder of the project.
- Maintenance spend in line with budget at \$60,000 per month to enable excellent estate presentation.

## 6. Risks to Achieving Recommended Project Forecast

The following are key risks to achieving the outcomes of the recommended Project Forecast:

- Prolonged downturn from the effects of COVID-19. This could impact the project in various forms;
  - Increased fallover rates of contracts on hand through job losses.
  - Reduced borrowing capacity of purchases from tightened lending criteria and lower incomes.
  - Reduced interstate and overseas migration, impacting overall market demand.
  - Higher rates of unemployment, particularly some of the target market sections such as first home buyers.
- Planning risk – Catalina Grove needed soon for stock levels, Catalina Central buffer zone (although mitigated by deferred stage 16B)

## 7. Comparison to 2018 Project Forecast

The variances of the recommended Scenario 2 from the 2018 Project Forecast are shown below:

<b>CATALINA   Summary</b>			
<b>CATEGORY</b>	<b>CURRENT JUN-20</b>	<b>2018 PROJECT FORECAST</b>	<b>VARIANCE</b>
Total Lots	2,505	2,489	16
Residential area	818,942m <sup>2</sup>	786,761m <sup>2</sup>	32,182m <sup>2</sup>
Special sites area	74,290m <sup>2</sup>	110,748m <sup>2</sup>	(36,458m <sup>2</sup> )
<b>GROSS INCOME</b>			
Income - Lots	667,140,993	724,700,240	(57,559,246)
Income - Special Sites	27,423,722	40,506,393	(13,082,671)
Income - Other	255,411	230,717	24,694
Direct Selling Expenses	80,302,482	83,661,510	3,359,028
<b>GROSS INCOME</b>	<b>614,517,644</b>	<b>681,775,840</b>	<b>(67,258,196)</b>
<b>DEVELOPMENT COSTS</b>			
Land	10,206,000	10,206,000	-
Consultants	10,618,915	9,106,160	(1,512,755)
Infrastructure	14,868,164	15,821,974	953,810
Special Sites/Other Development	4,928,178	4,853,544	(74,633)
Lot Production	211,056,132	213,183,896	2,127,763
Landscape	54,999,531	52,971,398	(2,028,133)
Marketing	12,261,072	8,664,422	(3,596,651)
Community Development	2,823,384	2,224,981	(598,403)
Administration	25,002,998	12,722,435	(12,280,563)
Finance/Bonds	-	-	-
Contingency	11,468,950	11,526,301	57,351
<b>DEVELOPMENT COSTS</b>	<b>358,233,325</b>	<b>341,281,111</b>	<b>(16,952,214)</b>
<b>PROJECT PROFIT</b>	<b>256,284,319</b>	<b>340,494,729</b>	<b>(84,210,410)</b>
Capital IRR	9.1%	16.4%	(7.3%)
Project IRR	13.6%	18.4%	(4.9%)
Profit on Cost	71.5%	99.8%	(28.2%)
Profit/Lot	102,309	136,800	(34,491)

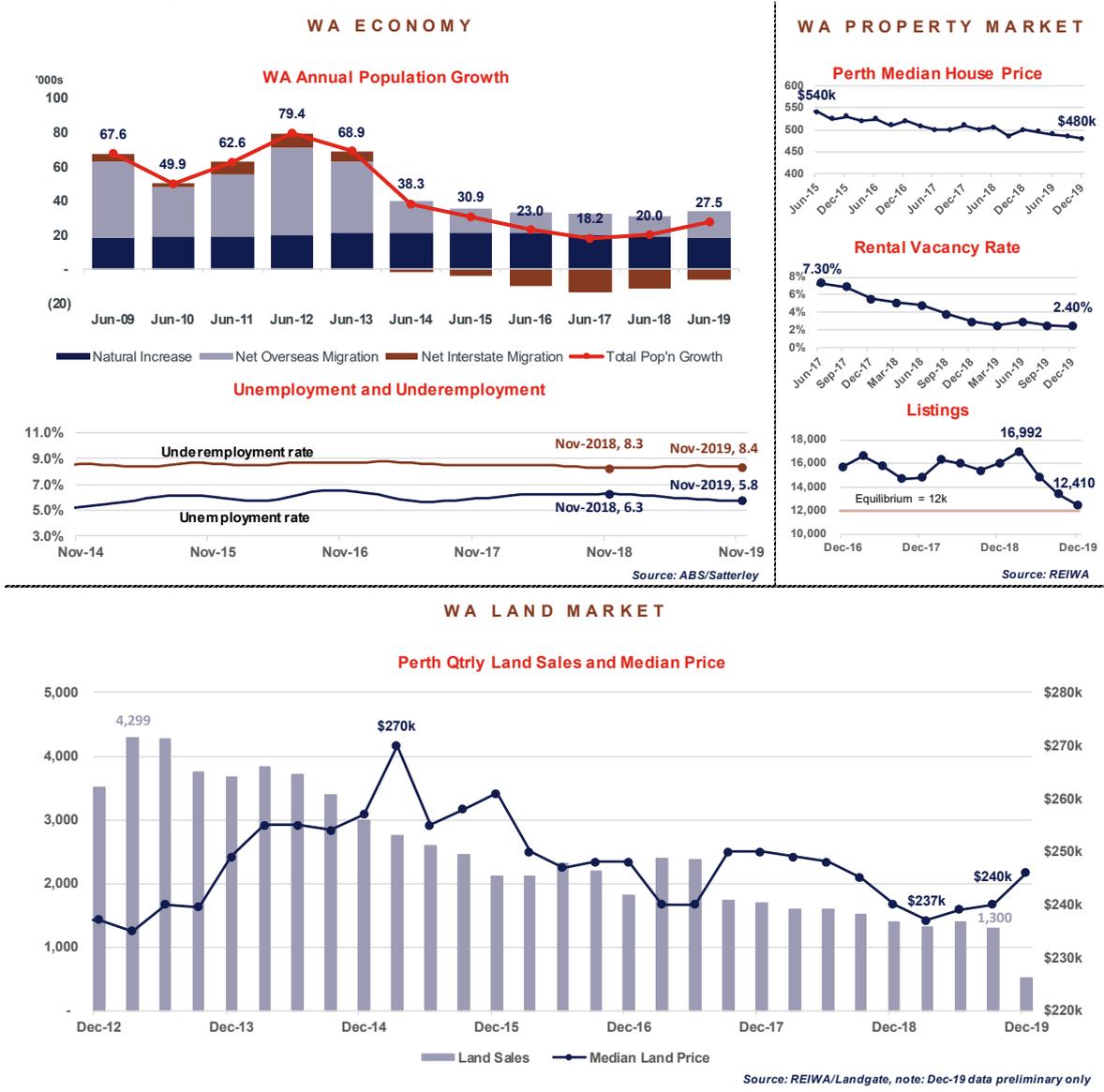
Variations from 2018 Project Forecast:

- Sales Rates – With the continued decline in economic backdrop since assumptions set in 2017, the new sales rate peaks at 8 per month, compared to 17 per month previously. In the current environment, with lower migration expected for an extended period, the project duration is increased by 9 years.
- Revenue - The reduction in revenue is attributable to the deferral and reduction of income escalation, and a 14% reduction to base selling prices. The compounding effect of 3 years escalation deferral, and rate decreasing from 4% to 3% is around \$40m. This is somewhat offset by extended project duration. The lower selling prices make up the balance.
- Costs – The deferral of cost escalation has a lower impact than income escalation because of a lower rate and lower base price. The escalation changes account for around \$4m saving in costs, which is offset by increased project duration. The project duration also results in higher holding and administration costs such as rates and taxes, audit and maintenance. The maintenance costs have also been increased per month in the new model, to improve estate presentation and achieve sales.

The variances in cashflow from the 2018 Project Forecast should be viewed in the context of the broader market outlined below.

## Market Summary as at January 2020

### KEY STATISTICS



## SUMMARY

- Population growth was improving with reduced net outflow of interstate migrants. 1.1% growth for the year to Jun-19.
- Improvement in trend unemployment over the prior 12 months, although underemployment remains high.
- Reserve Bank rate cuts have brought the official cash rate to 0.25%. With limited room to move, the RBA left the rate unchanged in May 2020. Further infrastructure spending required to help bolster the economy.
- Improving stock levels in WA, closing near the equilibrium of circa 12,000 at the end of the Dec-19 quarter, down from 16,992 in the Mar-19 quarter.
- Perth median house prices dropped 0.1% in the December 2019 quarter (Corelogic) with 18% of homes in WA and NT in negative equity (Macquarie, August 2019). This will continue to constrain second and third home buyers.
- Slight improvement in median house rents from \$360 per week to \$370 with a tightening in the vacancy rate down to 2.4%. Unit rents remained unchanged in 2019 at \$330 per week.
- The outlook for the WA land market remains unchanged; low volumes with slow improvement.

## COVID-19

The market overview above is prepared on data that has a lag of several months. The outlook indicates that WA is in a stage of slow improvement with small positive signs in population, unemployment and stock levels. However, due to the lag in data this overview does not include the impact of the recent COVID-19 pandemic.

COVID-19 has been described as a 'black swan event' impacting the world economy since the first reports of an outbreak in Wuhan China on 31 December 2019. These impacts escalated when the World Health Organisation declared this virus a 'Global Pandemic' on 11 March 2020. Volatility in financial markets and global economies has been constant since this time and is likely to continue for the time being. Factors such as the time it will take for the virus to peak and taper and a vaccine or treatment being widely disseminated are unknown at the point of preparing this scenario analysis.

The WA housing market prior to the outbreak had started to show signs of recovery. However, this trend will not continue as an adjustment will be required to account for COVID-19. Since the outbreak caution and decreased confidence has been noted in the active buyers in the market. Projects that are slow to react to the impacts of this crisis will quickly become stagnant and hard to reignite in depressed market conditions. Buyers will seek safer havens to build and those that offer value for money during this period.

It is proposed that the project takes a swift adjustment to price and leverages its locational benefits and promotes itself as a safer location to invest. To continue the momentum the project will need to invest in infrastructure to increase buyer confidence in Catalina. This approach will enable the project to continue to trade through this pandemic and the recovery period. Taking this bold move will also place the project to be in a strong position with a third precinct and beach access by FY22.



The Project Forecast and budget for FY21 cannot ignore this pandemic it must look to face it head on and position itself to take momentum into and out of this challenging period.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carl Buckley', written over a faint circular watermark or background.

**Carl Buckley**  
Project Director

# Appendix 9.6

# CATALINA | Summary

CATEGORY	CURRENT JUN-20	2018 PROJECT FORECAST	VARIANCE
Total Lots	2,505	2,489	16
Residential area	818,942m <sup>2</sup>	786,761m <sup>2</sup>	32,182m <sup>2</sup>
Special sites area	74,290m <sup>2</sup>	110,748m <sup>2</sup>	(36,458m <sup>2</sup> )
<b>GROSS INCOME</b>			
Income - Lots	667,140,993	724,700,240	(57,559,246)
Income - Special Sites	27,423,722	40,506,393	(13,082,671)
Income - Other	255,411	230,717	24,694
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<b>GROSS INCOME</b>	<b>614,517,644</b>	<b>681,775,840</b>	<b>(67,258,196)</b>
<b>DEVELOPMENT COSTS</b>			
Land	10,206,000	10,206,000	-
Consultants	10,618,915	9,106,160	(1,512,755)
Infrastructure	14,868,164	15,821,974	953,810
Special Sites/Other Development	4,928,178	4,853,544	(74,633)
Lot Production	211,056,132	213,183,896	2,127,763
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Community Development	2,823,384	2,224,981	(598,403)
Administration	25,002,998	12,722,435	(12,280,563)
Finance/Bonds	-	-	-
Contingency	11,468,950	11,526,301	57,351
<b>DEVELOPMENT COSTS</b>	<b>358,233,325</b>	<b>341,281,111</b>	<b>(16,952,214)</b>
<b>PROJECT PROFIT</b>	<b>256,284,319</b>	<b>340,494,729</b>	<b>(84,210,410)</b>
Capital IRR	9.1%	16.4%	(7.3%)
Project IRR	13.6%	18.4%	(4.9%)
Profit on Cost	71.5%	99.8%	(28.2%)
Profit /Lot	102,309	136,800	(34,491)

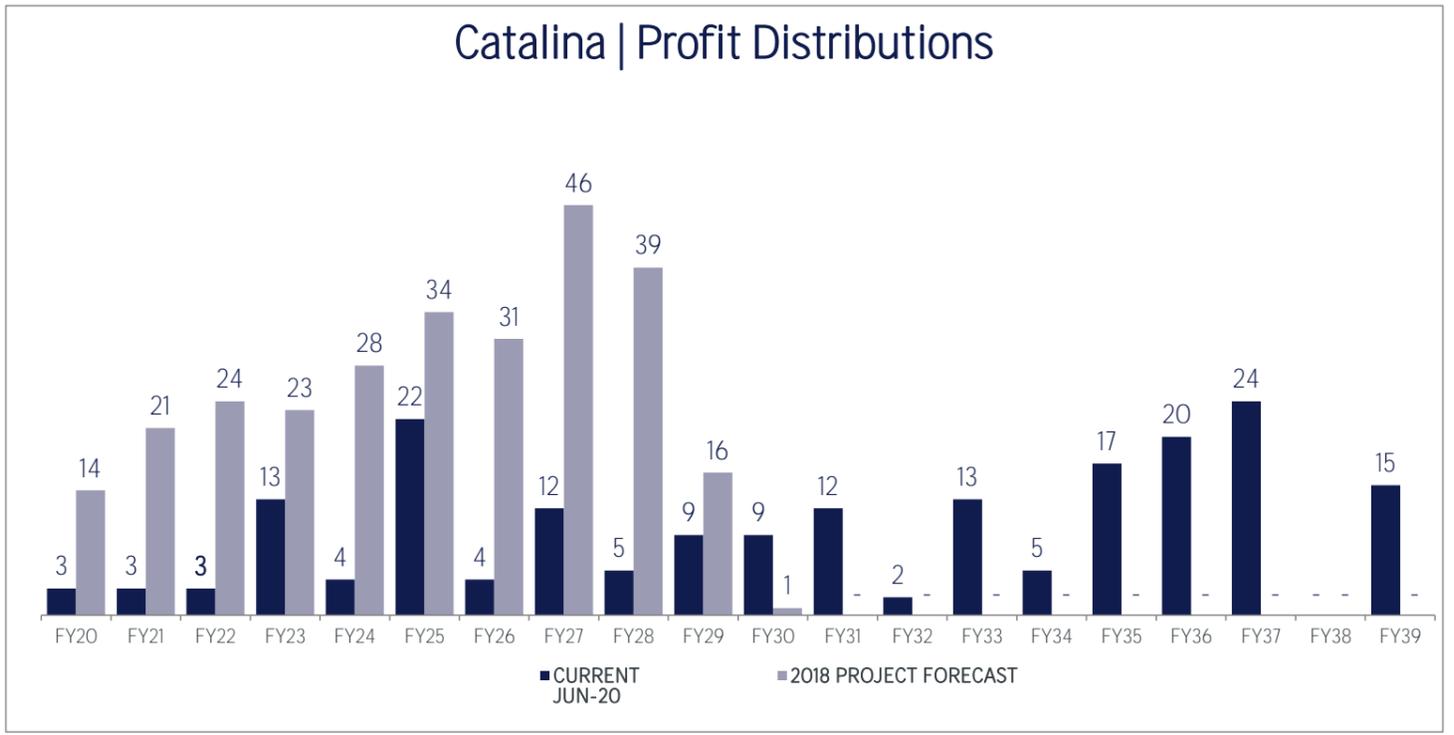
CURRENT JUN-20 PER LOT	2018 PROJECT FORECAST PER LOT	PER LOT VARIANCE
2,505	2,489	16
327m <sup>2</sup>	316m <sup>2</sup>	11m <sup>2</sup>
266,324	291,161	(24,837)
10,948	16,274	(5,327)
32,057	33,612	1,556
<b>245,316</b>	<b>273,916</b>	<b>(28,608)</b>
4,074	4,100	26
4,239	3,659	(581)
5,935	6,357	421
1,967	1,950	(17)
84,254	85,650	1,396
21,956	21,282	(674)
4,895	3,481	(1,414)
1,127	894	(233)
9,981	5,111	(4,870)
-	-	-
4,578	4,631	52
<b>143,007</b>	<b>137,116</b>	<b>(5,892)</b>
<b>102,309</b>	<b>135,926</b>	<b>(33,617)</b>

FEASIBILITY	VARIANCE
2,310	195
828,075m <sup>2</sup>	(9,133m <sup>2</sup> )
7,826m <sup>2</sup>	66,464m <sup>2</sup>
797,371,531	(130,230,538)
2,997,655	24,426,067
130,908,852	50,606,370
<b>669,460,334</b>	<b>(55,198,101)</b>
-	(10,206,000)
5,672,600	(4,946,315)
26,107,961	11,239,797
935,121	(3,993,057)
245,536,927	34,480,795
36,363,281	(18,636,250)
11,234,127	(1,026,945)
2,904,656	81,271
11,881,589	(13,121,409)
-	-
17,031,813	5,562,863
<b>357,668,075</b>	<b>(565,250)</b>
<b>311,792,259</b>	<b>(55,507,940)</b>
17.4%	(8.3%)
18.2%	(4.7%)
87.2%	(15.6%)
134,975	(32,666)

Note: All IRR calculations assume a notional land payment of \$77.4m at commencement of the project.

# CATALINA | Profit Distributions

FINANCIAL YEAR	CURRENT JUN-20	2018 PROJECT FORECAST	VARIANCE	CUMULATIVE VARIANCE
PTD FY19	61,700,000	63,700,000	(2,000,000)	(2,000,000)
FY20	3,000,000	14,000,000	(11,000,000)	(13,000,000)
FY21	3,000,000	21,000,000	(18,000,000)	(31,000,000)
FY22	3,000,000	24,000,000	(21,000,000)	(52,000,000)
FY23	13,000,000	23,000,000	(10,000,000)	(62,000,000)
FY24	4,000,000	28,000,000	(24,000,000)	(86,000,000)
FY25	22,000,000	34,000,000	(12,000,000)	(98,000,000)
FY26	4,000,000	31,000,000	(27,000,000)	(125,000,000)
FY27	12,000,000	46,000,000	(34,000,000)	(159,000,000)
FY28	5,000,000	39,000,000	(34,000,000)	(193,000,000)
FY29	9,000,000	16,000,000	(7,000,000)	(200,000,000)
FY30	9,000,000	794,729	8,205,271	(191,794,729)
FY31	12,000,000	-	12,000,000	(179,794,729)
FY32	2,000,000	-	2,000,000	(177,794,729)
FY33	13,000,000	-	13,000,000	(164,794,729)
FY34	5,000,000	-	5,000,000	(159,794,729)
FY35	17,000,000	-	17,000,000	(142,794,729)
FY36	20,000,000	-	20,000,000	(122,794,729)
FY37	24,000,000	-	24,000,000	(98,794,729)
FY38	-	-	-	(98,794,729)
FY39	14,584,319	-	14,584,319	(84,210,410)
<b>TOTAL</b>	<b>256,284,319</b>	<b>340,494,729</b>	<b>(84,210,410)</b>	<b>(84,210,410)</b>





# CATALINA | Annual Cashflow (June 2020)

CATEGORY	PROJECT TOTAL	PTD FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>STOCK</b>											
Sales Release	2,505	960	32	116	46	81	137	92	91	92	91
Sales	2,505	928	13	78	96	96	100	96	96	96	96
Titles	2,505	966	38	52	98	81	91	92	91	92	137
Settlements	2,505	914	21	60	84	92	100	96	96	96	96
Closing Stock	-	32	51	89	39	24	61	57	52	48	43
Contracts on Hand	-	14	6	24	36	40	40	40	40	40	40
<b>AVERAGE SETTLEMENT PRICE</b>	<b>266,324</b>	<b>259,408</b>	<b>335,254</b>	<b>257,003</b>	<b>223,135</b>	<b>234,990</b>	<b>242,390</b>	<b>224,920</b>	<b>231,602</b>	<b>238,877</b>	<b>245,794</b>
<b>GROSS INCOME</b>											
Income - Lots	667,140,993	237,098,500	7,040,333	15,420,204	18,743,317	21,619,072	24,239,022	21,592,325	22,233,803	22,932,232	23,596,177
Income - Special Sites	27,423,722	4,002,500	477,000	-	3,212,350	-	2,324,848	14,284,750	-	-	-
Income - Other	255,411	255,411	-	-	-	-	-	-	-	-	-
Direct Selling Expenses	80,302,482	20,458,050	1,961,609	1,758,366	3,318,582	3,556,740	3,156,825	4,761,801	2,866,370	2,946,472	3,026,553
<b>GROSS INCOME</b>	<b>614,517,644</b>	<b>220,898,361</b>	<b>5,555,724</b>	<b>13,661,838</b>	<b>18,637,085</b>	<b>18,062,333</b>	<b>23,407,046</b>	<b>31,115,273</b>	<b>19,367,433</b>	<b>19,985,760</b>	<b>20,569,624</b>
<b>DEVELOPMENT COSTS</b>											
Land	10,206,000	-	-	10,206,000	-	-	-	-	-	-	-
Consultants	10,618,915	3,199,726	625,780	385,271	399,771	397,052	415,895	414,820	431,243	431,735	440,449
Infrastructure	14,868,164	12,452,759	(1,325,437)	4,908,156	250,000	-	48,950	99,380	2,137,771	(2,303,416)	-
Special Sites/Other Development	4,928,178	1,790,211	11,631	260,000	851,072	127,311	738,839	-	-	-	-
Lot Production	211,056,132	75,653,087	1,587,133	5,578,324	10,772,857	5,766,047	10,120,711	4,518,967	8,349,928	6,290,322	10,933,274
Landscape	54,999,531	16,626,465	1,395,686	3,466,930	3,591,167	2,723,416	5,168,460	1,931,417	1,468,098	1,377,278	1,527,961
Marketing	12,261,072	2,340,479	350,000	400,000	421,725	486,429	545,378	485,827	500,261	515,975	530,914
Community Development	2,823,384	377,384	100,000	117,000	144,000	144,000	150,000	144,000	144,000	144,000	144,000
Administration	25,002,998	3,487,863	1,104,550	1,283,200	1,232,400	1,228,918	1,236,744	1,242,879	1,249,526	1,255,936	1,262,094
Finance/Bonds	-	(705,484)	102,355	700,000	(350,000)	315,410	-	-	-	(350,000)	-
Contingency	11,468,950	-	119,597	1,330,244	883,150	543,659	921,249	441,865	714,041	385,591	741,935
<b>DEVELOPMENT COSTS</b>	<b>358,233,325</b>	<b>115,222,491</b>	<b>4,071,295</b>	<b>28,635,124</b>	<b>18,196,142</b>	<b>11,732,241</b>	<b>19,346,226</b>	<b>9,279,156</b>	<b>14,994,869</b>	<b>7,747,421</b>	<b>15,580,628</b>
<b>CASHFLOW</b>											
Capital Calls	(13,300,000)	(13,300,000)	-	-	-	-	-	-	-	-	-
Capital Returns	13,300,000	13,300,000	-	-	-	-	-	-	-	-	-
<b>PROFIT DISTRIBUTIONS</b>	<b>256,284,319</b>	<b>61,700,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>13,000,000</b>	<b>4,000,000</b>	<b>22,000,000</b>	<b>4,000,000</b>	<b>12,000,000</b>	<b>5,000,000</b>
Cash Balance at Year End	-	43,975,870	42,460,300	24,487,013	21,927,957	15,258,048	15,318,867	15,154,984	15,527,547	15,765,886	15,754,882

# CATALINA | Annual

CATEGORY	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39
<b>STOCK</b>											
Sales Release	92	91	137	53	148	50	136	60	-	-	-
Sales	96	96	96	96	96	96	96	96	42	-	-
Titles	46	137	46	144	55	143	41	155	-	-	-
Settlements	96	96	96	96	102	90	96	96	79	3	-
Closing Stock	39	34	75	32	84	38	78	42	-	-	-
Contracts on Hand	40	40	40	40	34	40	40	40	3	-	-
<b>AVERAGE SETTLEMENT PRICE</b>	<b>253,723</b>	<b>261,008</b>	<b>269,320</b>	<b>277,219</b>	<b>258,553</b>	<b>297,803</b>	<b>345,924</b>	<b>354,830</b>	<b>367,128</b>	<b>431,370</b>	<b>-</b>
<b>GROSS INCOME</b>											
Income - Lots	24,357,374	25,056,753	25,854,711	26,612,984	26,372,365	26,802,241	33,208,672	34,063,648	29,003,149	1,294,110	-
Income - Special Sites	-	-	-	2,622,274	-	-	-	-	-	500,000	-
Income - Other	-	-	-	-	-	-	-	-	-	-	-
Direct Selling Expenses	3,112,392	3,197,119	3,287,762	3,732,416	3,440,808	3,378,422	3,580,682	3,769,636	3,478,284	1,464,626	48,967
<b>GROSS INCOME</b>	<b>21,244,982</b>	<b>21,859,634</b>	<b>22,566,949</b>	<b>25,502,842</b>	<b>22,931,557</b>	<b>23,423,819</b>	<b>29,627,991</b>	<b>30,294,012</b>	<b>25,524,865</b>	<b>329,485</b>	<b>(48,967)</b>
<b>DEVELOPMENT COSTS</b>											
Land	-	-	-	-	-	-	-	-	-	-	-
Consultants	449,340	458,409	467,662	477,101	489,509	493,722	318,000	162,209	161,221	-	-
Infrastructure	-	-	-	(1,400,000)	-	-	-	-	-	-	-
Special Sites/Other Development	-	-	-	1,149,114	-	-	-	-	-	-	-
Lot Production	7,734,999	8,807,635	5,705,635	14,855,736	5,963,998	11,321,618	8,358,025	8,737,838	-	-	-
Landscape	1,433,438	1,526,318	1,491,888	5,125,484	605,189	4,469,206	1,071,131	-	-	-	-
Marketing	548,041	563,777	581,731	598,792	593,378	603,050	747,195	766,432	652,571	29,117	-
Community Development	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	63,000	-	-
Administration	1,267,990	1,273,610	1,278,940	1,283,966	1,288,674	1,291,697	1,122,319	592,915	581,910	270,412	166,455
Finance/Bonds	-	-	350,000	(350,000)	350,000	(350,000)	350,000	(350,000)	(350,000)	637,718	-
Contingency	578,890	638,687	483,493	1,111,710	454,237	916,165	588,033	520,170	72,935	14,976	8,323
<b>DEVELOPMENT COSTS</b>	<b>12,156,698</b>	<b>13,412,436</b>	<b>10,503,348</b>	<b>22,995,902</b>	<b>9,888,985</b>	<b>18,889,457</b>	<b>12,698,703</b>	<b>10,573,564</b>	<b>1,181,637</b>	<b>952,223</b>	<b>174,778</b>
<b>CASHFLOW</b>	<b>9,088,284</b>	<b>8,447,198</b>	<b>12,063,602</b>	<b>2,506,940</b>	<b>13,042,572</b>	<b>4,534,362</b>	<b>16,929,288</b>	<b>19,720,448</b>	<b>24,343,228</b>	<b>(622,738)</b>	<b>(223,745)</b>
Capital Calls	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-
<b>PROFIT DISTRIBUTIONS</b>	<b>9,000,000</b>	<b>9,000,000</b>	<b>12,000,000</b>	<b>2,000,000</b>	<b>13,000,000</b>	<b>5,000,000</b>	<b>17,000,000</b>	<b>20,000,000</b>	<b>24,000,000</b>	<b>-</b>	<b>14,584,319</b>
Cash Balance at Year End	15,843,166	15,290,364	15,353,965	15,860,905	15,903,477	15,437,839	15,367,127	15,087,575	15,430,803	14,808,064	-

# CATALINA | FY20 Cashflow (June 2020)

CATEGORY	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	FY20 TOTAL	APPROVED (JUN-19)	VARIANCE
Sales Release	-	-	8	-	-	6	-	-	-	18	-	-	32	45	(13)
Sales - Stage 14B	1	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Sales - Stage 17A	-	-	-	-	-	(1)	-	-	-	-	-	-	(1)	1	(2)
Sales - Stage 17B	1	1	1	-	1	-	1	2	-	-	(4)	-	3	8	(5)
Sales - Stage 18B	1	-	-	1	-	-	(1)	-	2	-	(2)	-	1	6	(5)
Sales - Stage 18C	-	-	-	-	-	-	-	-	-	-	-	-	-	4	(4)
Sales - Stage 25	(1)	1	2	1	1	1	-	-	-	-	(1)	-	4	6	(2)
Sales - Stage 26	1	-	-	1	-	1	-	2	1	-	(1)	-	5	6	(1)
<b>Total Sales</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>4</b>	<b>3</b>	<b>-</b>	<b>(8)</b>	<b>-</b>	<b>13</b>	<b>31</b>	<b>(18)</b>
Titles	-	-	38	-	-	-	-	-	-	-	-	-	38	38	-
Settlements	1	1	-	3	5	1	2	2	3	3	-	-	21	26	(5)
Closing Stock	29	27	32	29	27	32	32	28	25	43	51	51	51	79	(28)
Contracts on hand	16	17	20	20	17	17	15	17	17	14	6	6	6	17	(11)
Average Settlement Price	232,000	358,000	-	354,000	313,400	402,000	359,000	154,000	376,333	346,444	-	-	324,540	330,534	(5,994)
<b>GROSS INCOME</b>															
Income - Stage 14B	-	-	-	-	-	-	-	225,000	-	-	-	-	225,000	225,000	-
Income - Stage 17A	-	-	-	-	-	-	-	-	-	-	-	-	-	645,000	(645,000)
Income - Stage 17B	-	-	-	-	807,000	-	-	-	-	268,000	-	-	1,075,000	816,000	259,000
Income - Stage 18B	-	-	-	-	-	-	-	-	-	-	-	-	-	1,392,354	(1,392,354)
Income - Stage 25	232,000	358,000	-	402,000	760,000	402,000	358,000	-	392,000	402,000	-	-	3,306,000	3,306,657	(657)
Income - Stage 26	-	-	-	660,000	-	-	360,000	308,000	737,000	369,333	-	-	2,434,333	2,208,863	225,470
<b>Income - Lots Total</b>	<b>232,000</b>	<b>358,000</b>	<b>-</b>	<b>1,062,000</b>	<b>1,567,000</b>	<b>402,000</b>	<b>718,000</b>	<b>533,000</b>	<b>1,129,000</b>	<b>1,039,333</b>	<b>-</b>	<b>-</b>	<b>7,040,333</b>	<b>8,593,874</b>	<b>(1,553,541)</b>
Income - Special Sites	-	-	-	-	-	477,000	-	-	-	-	-	-	477,000	480,000	(3,000)
Income - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct Selling Expenses	32,544	47,428	23,081	105,112	154,003	103,984	52,139	302,211	322,683	318,782	249,822	249,822	1,961,609	1,795,018	(166,591)
<b>GROSS INCOME</b>	<b>199,456</b>	<b>310,573</b>	<b>(23,081)</b>	<b>956,888</b>	<b>1,412,997</b>	<b>775,016</b>	<b>665,861</b>	<b>230,789</b>	<b>806,317</b>	<b>720,551</b>	<b>(249,822)</b>	<b>(249,822)</b>	<b>5,555,724</b>	<b>7,278,856</b>	<b>(1,723,132)</b>
<b>DEVELOPMENT COSTS</b>															
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	5,103,000	5,103,000
Consultants	1,097	777	26,558	14,490	14,198	33,251	1,115	106,859	106,859	106,859	106,859	106,859	625,780	575,247	(50,533)
Infrastructure	-	195	-	-	2,600	3,360	10,286	10,156	10,156	10,156	(1,382,500)	10,156	(1,325,437)	1,409,141	2,734,578
Special Sites/Other Development	-	-	5,901	-	-	(0)	-	365	365	1,667	1,667	1,667	11,631	118,297	106,666
Catalina Beach Bulk Earthworks Stgs 25-28	-	-	-	-	-	-	-	1,668	1,668	-	-	-	3,335	-	(3,335)
Lot Production - Stage 16A	-	-	-	-	-	-	-	-	-	-	-	11,200	11,200	-	(11,200)
Lot Production - Stage 17A	-	-	-	-	-	-	-	-	-	2,500	2,500	-	5,000	-	(5,000)
Lot Production - Stage 17B	-	-	-	-	-	-	-	1,415	1,415	1,415	1,415	1,415	7,075	5,969	(1,106)
Lot Production - Stage 18B	-	-	-	-	-	-	-	240,954	240,954	3,510	-	-	485,419	-	(485,419)
Lot Production - Stage 18C	-	-	-	-	-	-	-	-	-	24,156	24,156	24,156	72,467	448,700	376,233
Lot Production - Stage 25	-	-	-	-	-	-	-	31,633	31,633	10,510	10,510	-	84,286	-	(84,286)
Lot Production - Stage 26	5,019	416,788	69,216	2,613	71,116	25,849	-	72,872	72,872	105,723	72,872	3,415	918,351	1,475,780	557,429
Landscape	16,654	7,423	52,331	17,202	95,704	152,438	2,673	232,181	225,696	211,677	209,274	172,435	1,395,686	2,906,368	1,510,682
Marketing	2,273	4,886	1,554	18,107	2,210	16,294	2,376	60,460	60,460	60,460	60,460	60,460	350,000	350,000	-
Community Development	7,265	2,928	792	1,008	4,934	9,570	3,269	14,047	14,047	14,047	14,047	14,047	100,000	192,500	92,500
Administration	18,959	110,901	31,741	9,734	40,813	39,887	79,051	151,198	151,198	151,198	151,198	168,672	1,104,550	1,127,427	22,877
Finance/Bonds	(77)	68,811	(6,881)	(6,881)	(6,881)	104,640	(6,881)	(0)	-	-	(104,620)	-	41,229	50,000	8,771
Debtor/Creditor Movement	56,234	50,591	(39,424)	(10,468)	(14,678)	(11,826)	30,696	-	-	-	-	-	61,126	-	(61,126)
Contingency	-	-	1,223	(1,223)	-	-	-	46,190	45,866	35,194	(36,377)	28,724	119,597	685,621	566,024
<b>DEVELOPMENT COSTS</b>	<b>107,424</b>	<b>663,300</b>	<b>143,010</b>	<b>44,583</b>	<b>210,015</b>	<b>373,462</b>	<b>122,585</b>	<b>969,996</b>	<b>963,188</b>	<b>739,070</b>	<b>(868,541)</b>	<b>603,203</b>	<b>4,071,295</b>	<b>14,448,050</b>	<b>10,376,755</b>
<b>CASHFLOW</b>	<b>92,033</b>	<b>(352,727)</b>	<b>(166,091)</b>	<b>912,306</b>	<b>1,202,982</b>	<b>401,554</b>	<b>543,276</b>	<b>(739,208)</b>	<b>(156,871)</b>	<b>(18,519)</b>	<b>618,719</b>	<b>(853,025)</b>	<b>1,484,430</b>	<b>(7,169,194)</b>	<b>8,653,623</b>
Capital Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Distributions	-	-	-	-	-	-	-	-	-	-	-	3,000,000	3,000,000	3,000,000	-
Cumulative Cash Balance	44,067,903	43,715,176	43,549,085	44,461,391	45,664,373	46,065,927	46,609,203	45,869,995	45,713,124	45,694,605	46,313,324	42,460,300	42,460,300	30,076,153	12,384,146
Cumulative Cash Balance Forecast (JUN-19 BUDGET)	39,622,458	39,988,067	38,882,813	38,481,603	38,569,997	33,897,814	34,029,866	34,188,012	34,055,414	34,083,938	33,520,212	30,076,153	30,076,153		
Cumulative Cash Balance Variance	4,445,445	3,727,108	4,666,272	5,979,788	7,094,376	12,168,113	12,579,337	11,681,983	11,657,710	11,610,668	12,793,112	12,384,146	12,384,146		

**CATALINA | FY21 Cashflow (June 2020)**

CATEGORY	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	FY21 TOTAL	2018 PROJECT FORECAST	VARIANCE
Sales Release	-	8	35	4	-	17	-	-	-	-	-	52	116	131	(15)
Sales - Stage 16A	-	-	-	-	-	-	1	1	1	1	1	1	6	-	6
Sales - Stage 17A	1	1	-	-	-	-	-	-	-	-	-	-	2	-	2
Sales - Stage 17B	1	1	2	-	1	1	1	1	1	1	1	1	12	-	12
Sales - Stage 18B	1	1	1	1	-	-	-	-	-	-	-	-	4	-	4
Sales - Stage 18C	-	-	-	2	2	2	2	2	2	2	2	2	18	-	18
Sales - Stage 25	1	1	1	1	1	1	1	-	-	-	-	-	7	-	7
Sales - Stage 26	2	2	2	2	2	2	2	3	3	3	3	3	29	-	29
Sales - Stage 27	-	-	-	-	-	-	-	-	-	-	-	-	-	34	(34)
Sales - Stage 28	-	-	-	-	-	-	-	-	-	-	-	-	-	16	(16)
Sales - Stage 37	-	-	-	-	-	-	-	-	-	-	-	-	-	21	(21)
Sales - Stage 38	-	-	-	-	-	-	-	-	-	-	-	-	-	48	(48)
Sales - Stage 39	-	-	-	-	-	-	-	-	-	-	-	-	-	31	(31)
<b>Total Sales</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>78</b>	<b>150</b>	<b>(72)</b>
Titles	-	-	-	-	-	-	-	35	-	17	-	-	52	100	(48)
Settlements	1	2	3	2	4	6	6	4	10	8	7	7	60	138	(78)
Closing Stock	45	47	76	74	68	79	72	65	58	51	44	89	89	40	49
Contracts on hand	11	15	18	22	24	24	25	28	25	24	24	24	24	69	(45)
Average Settlement Price	263,197	276,537	298,732	305,213	311,429	307,262	301,926	323,377	193,464	214,029	232,161	232,993	257,003	151,630	105,373
<b>GROSS INCOME</b>															
Income - Stage 16A	-	-	-	-	-	-	-	-	-	-	134,769	134,769	269,537	-	269,537
Income - Stage 17A	-	-	-	-	281,158	281,158	-	-	-	-	-	-	562,316	-	562,316
Income - Stage 17B	-	285,708	273,903	262,097	-	259,146	513,865	-	253,612	252,782	252,159	251,693	2,604,965	-	2,604,965
Income - Stage 18B	263,197	267,366	270,146	-	272,925	272,925	272,925	272,925	-	-	-	-	1,892,410	-	1,892,410
Income - Stage 18C	-	-	-	-	-	-	-	-	661,985	441,323	220,662	220,662	1,544,631	-	1,544,631
Income - Stage 25	-	-	-	-	345,487	340,778	337,246	334,597	334,597	334,597	334,597	-	2,361,897	-	2,361,897
Income - Stage 26	-	-	352,148	348,329	346,147	689,565	687,519	685,985	684,450	683,530	682,944	1,023,830	6,184,447	3,150,800	3,033,647
Income - Stage 27	-	-	-	-	-	-	-	-	-	-	-	-	-	16,924,031	(16,924,031)
Income - Stage 36	-	-	-	-	-	-	-	-	-	-	-	-	-	850,098	(850,098)
Income - Stage 37	-	-	-	-	-	-	-	-	-	-	-	-	-	10,435,323	(10,435,323)
Income - Stage 38	-	-	-	-	-	-	-	-	-	-	-	-	-	7,113,650	(7,113,650)
<b>Income - Lots Total</b>	<b>263,197</b>	<b>553,074</b>	<b>896,196</b>	<b>610,426</b>	<b>1,245,717</b>	<b>1,843,572</b>	<b>1,811,555</b>	<b>1,293,507</b>	<b>1,934,644</b>	<b>1,712,232</b>	<b>1,625,130</b>	<b>1,630,953</b>	<b>15,420,204</b>	<b>38,473,902</b>	<b>(23,053,698)</b>
Income - Special Sites	-	-	-	-	-	-	-	-	-	-	-	-	-	3,925,688	(3,925,688)
Income - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct Selling Expenses	34,335	49,350	59,721	72,244	131,871	128,488	194,695	143,389	274,872	234,506	217,171	217,725	1,758,366	4,773,800	3,015,434
<b>GROSS INCOME</b>	<b>228,862</b>	<b>503,725</b>	<b>836,475</b>	<b>538,182</b>	<b>1,113,847</b>	<b>1,715,084</b>	<b>1,616,860</b>	<b>1,150,118</b>	<b>1,659,772</b>	<b>1,477,726</b>	<b>1,407,959</b>	<b>1,413,228</b>	<b>13,661,838</b>	<b>37,625,790</b>	<b>(23,963,952)</b>
<b>DEVELOPMENT COSTS</b>															
Land	-	-	-	-	-	-	-	-	-	-	10,206,000	-	10,206,000	-	(10,206,000)
Consultants	32,106	32,106	32,106	32,106	32,106	32,106	32,106	32,106	32,106	32,106	32,106	32,106	385,271	633,359	248,088
Infrastructure	772,332	7,332	356,247	356,247	356,247	686,513	686,513	684,763	335,848	335,848	330,267	-	4,908,156	(2,592,158)	(7,500,314)
Special Sites/Other Development	1,667	1,667	1,667	1,667	1,667	1,667	1,667	-	83,333	83,333	83,333	83,333	260,000	-	(260,000)
Catalina Beach Bulk Earthworks Stgs 29-31	-	-	-	-	-	-	-	-	-	-	3,333	3,333	6,667	-	(6,667)
Catalina Grove Cell Bulk Earthworks Stgs 36-40	-	-	2,500	2,500	11,875	11,875	11,875	11,875	11,875	11,875	378,037	378,037	832,323	-	(832,323)
Catalina Grove Bulk Earthworks Stgs 41-44	-	-	-	-	-	-	-	-	-	-	-	-	-	2,699,971	2,699,971
Catalina Grove Bulk Earthworks Stgs 45-47	-	-	-	-	-	-	-	-	-	-	-	-	-	128,458	128,458
Scheme costs - Stages 1-18	-	-	-	-	-	-	-	-	-	-	-	-	-	351,383	351,383
Lot Production - Stage 16A	11,200	11,200	11,200	11,200	11,200	453,100	453,100	453,100	786,822	450,566	450,566	-	3,103,251	-	(3,103,251)
Lot Production - Stage 17B	1,415	1,415	1,415	-	-	-	-	-	-	-	-	-	4,245	-	(4,245)
Lot Production - Stage 18C	24,156	24,156	24,156	176,806	176,806	176,806	433,750	152,650	152,650	-	-	-	1,341,933	-	(1,341,933)
Lot Production - Stage 25	-	-	-	-	-	-	-	-	-	-	-	-	-	21,039	21,039
Lot Production - Stage 26	3,415	3,415	-	-	-	-	-	-	-	-	-	-	6,830	93,256	86,426
Lot Production - Stage 27	-	-	-	24,611	24,611	24,611	24,611	24,611	24,611	24,611	24,611	24,611	221,500	1,096,427	874,927
Lot Production - Stage 28	-	-	-	-	-	-	-	-	-	-	-	-	-	2,186,198	2,186,198
Lot Production - Stage 29	-	-	-	-	-	-	-	-	-	-	-	-	-	123,551	123,551
Lot Production - Stage 36	-	-	-	-	-	-	-	-	-	20,525	20,525	20,525	61,574	112,215	50,641
Lot Production - Stage 37	-	-	-	-	-	-	-	-	-	-	-	-	-	530,445	530,445
Lot Production - Stage 38	-	-	-	-	-	-	-	-	-	-	-	-	-	2,987,628	2,987,628
Lot Production - Stage 39	-	-	-	-	-	-	-	-	-	-	-	-	-	1,509,097	1,509,097
Lot Production - Stage 40	-	-	-	-	-	-	-	-	-	-	-	-	-	178,830	178,830
Lot Production - Stage 41	-	-	-	-	-	-	-	-	-	-	-	-	-	51,360	51,360
Landscape	224,928	218,152	647,840	611,160	471,200	471,200	41,512	41,512	41,512	128,333	128,333	441,247	3,466,930	3,933,140	466,210
Marketing	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	400,000	475,344	75,344
Community Development	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	117,000	205,304	88,304
Administration	85,050	85,050	387,650	85,050	85,050	85,050	78,383	78,383	78,383	78,383	78,383	78,383	1,283,200	943,045	(340,155)
Finance/Bonds	-	-	350,000	-	-	350,000	-	-	-	-	-	-	700,000	-	(700,000)
Debtor/Creditor Movement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	59,968	21,379	75,393	67,221	60,692	99,301	90,247	76,104	75,345	60,433	588,929	55,233	1,330,244	783,395	(546,849)
<b>DEVELOPMENT COSTS</b>	<b>1,259,319</b>	<b>448,954</b>	<b>1,933,255</b>	<b>1,411,650</b>	<b>1,274,536</b>	<b>2,435,311</b>	<b>1,895,181</b>	<b>1,598,187</b>	<b>1,582,236</b>	<b>1,269,097</b>	<b>12,367,507</b>	<b>1,159,891</b>	<b>28,635,124</b>	<b>16,451,287</b>	<b>(12,183,837)</b>
<b>CASHFLOW</b>	<b>(1,030,457)</b>	<b>54,771</b>	<b>(1,096,780)</b>	<b>(873,468)</b>	<b>(160,689)</b>	<b>(720,226)</b>	<b>(278,321)</b>	<b>(448,070)</b>	<b>77,536</b>	<b>208,628</b>	<b>(10,959,548)</b>	<b>253,337</b>	<b>(14,973,286)</b>	<b>21,174,503</b>	<b>(36,147,789)</b>
Capital Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Distributions	-	-	-	-	-	-	-	-	-	-	-	3,000,000	3,000,000	21,000,000	(18,000,000)
Cumulative Cash Balance	41,429,843	41,484,614	40,387,834	39,514,365	39,353,676	38,633,450	38,355,129	37,907,059	37,984,596	38,193,224	27,233,676	24,487,013	24,487,013	15,210,631	9,276,382
Cumulative Cash Balance Forecast (2018 Project Forecast)	16,380,432	19,176,956	19,873,648	23,787,778	24,719,605	15,510,216	16,360,465	16,671,714	17,892,225	22,916,160	24,507,986	15,210,631	15,210,631	-	-
Cumulative Cash Balance Variance	25,049,411	22,307,658	20,514,185	15,726,587	14,634,072	23,123,233	21,994,664	21,235,345	20,092,371	15,277,064	2,725,690	9,276,382	9,276,382	-	-

# CATALINA | FY22 Cashflow (June 2020)

CATEGORY	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	FY22 TOTAL	2018 PROJECT FORECAST	VARIANCE
Sales Release	-	-	-	-	-	46	-	-	-	-	-	-	46	192	(146)
Sales - Stage 16A	1	2	1	2	2	2	1	-	-	-	-	-	11	-	11
Sales - Stage 17B	2	1	2	1	1	1	-	-	-	-	-	-	8	-	8
Sales - Stage 18C	2	2	2	2	2	2	2	2	1	-	-	-	17	-	17
Sales - Stage 26	1	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Sales - Stage 27	2	3	3	3	3	3	3	3	3	3	3	3	35	-	35
Sales - Stage 28	-	-	-	-	-	-	-	-	-	-	-	-	-	19	(19)
Sales - Stage 29	-	-	-	-	-	-	-	-	-	-	-	-	-	31	(31)
Sales - Stage 36	-	-	-	-	-	-	2	3	4	5	5	5	24	-	24
Sales - Stage 39	-	-	-	-	-	-	-	-	-	-	-	-	-	17	(17)
Sales - Stage 40	-	-	-	-	-	-	-	-	-	-	-	-	-	48	(48)
Sales - Stage 41	-	-	-	-	-	-	-	-	-	-	-	-	-	48	(48)
<b>Total Sales</b>	<b>8</b>	<b>96</b>	<b>163</b>	<b>(67)</b>											
Titles	-	-	-	-	52	-	-	-	-	-	46	-	98	227	(129)
Settlements	6	6	6	6	5	6	8	8	8	8	6	11	84	162	(78)
Closing Stock	81	73	65	57	49	87	79	71	63	55	47	39	39	69	(30)
Contracts on hand	26	28	30	32	35	37	37	37	37	37	39	36	36	70	(34)
Average Settlement Price	253,305	253,213	253,192	253,164	217,466	207,844	222,674	208,211	208,211	208,211	213,408	206,615	223,135	280,057	(56,923)
<b>GROSS INCOME</b>															
Income - Stage 16A	134,769	134,769	134,769	134,769	134,769	269,537	134,769	269,537	269,537	269,537	134,769	-	2,021,531	-	2,021,531
Income - Stage 17B	251,342	250,922	250,796	250,628	501,144	250,516	500,942	250,471	250,471	250,471	-	-	3,007,704	-	3,007,704
Income - Stage 18C	110,331	110,331	110,331	110,331	110,331	110,331	220,662	220,662	220,662	220,662	220,662	220,662	1,985,954	-	1,985,954
Income - Stage 26	1,023,391	1,023,259	1,023,259	1,023,259	341,086	-	-	-	-	-	-	-	4,434,253	-	4,434,253
Income - Stage 27	-	-	-	-	-	616,679	925,018	925,018	925,018	925,018	925,018	925,018	6,166,789	2,226,129	3,940,660
Income - Stage 28	-	-	-	-	-	-	-	-	-	-	-	-	-	14,298,412	(14,298,412)
Income - Stage 29	-	-	-	-	-	-	-	-	-	-	-	-	-	3,369,709	(3,369,709)
Income - Stage 36	-	-	-	-	-	-	-	-	-	-	-	1,127,086	1,127,086	-	1,127,086
Income - Stage 38	-	-	-	-	-	-	-	-	-	-	-	-	-	3,558,605	(3,558,605)
Income - Stage 39	-	-	-	-	-	-	-	-	-	-	-	-	-	10,867,812	(10,867,812)
Income - Stage 40	-	-	-	-	-	-	-	-	-	-	-	-	-	11,048,629	(11,048,629)
<b>Income - Lots Total</b>	<b>1,519,833</b>	<b>1,519,280</b>	<b>1,519,154</b>	<b>1,518,986</b>	<b>1,087,330</b>	<b>1,247,063</b>	<b>1,781,391</b>	<b>1,665,688</b>	<b>1,665,688</b>	<b>1,665,688</b>	<b>1,280,449</b>	<b>2,272,765</b>	<b>18,743,317</b>	<b>45,369,295</b>	<b>(26,625,979)</b>
Income - Special Sites	682,100	-	-	-	-	-	-	800,000	-	-	-	1,730,250	3,212,350	10,675,187	(7,462,837)
Income - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct Selling Expenses	300,826	218,521	196,616	186,709	173,586	216,280	272,014	349,868	306,161	287,081	228,832	582,087	3,318,582	7,069,330	3,750,749
<b>GROSS INCOME</b>	<b>1,901,107</b>	<b>1,300,759</b>	<b>1,322,538</b>	<b>1,332,278</b>	<b>913,744</b>	<b>1,030,783</b>	<b>1,509,377</b>	<b>2,115,820</b>	<b>1,359,527</b>	<b>1,378,607</b>	<b>1,051,616</b>	<b>3,420,929</b>	<b>18,637,085</b>	<b>48,975,152</b>	<b>(30,338,067)</b>
<b>DEVELOPMENT COSTS</b>															
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consultants	33,314	33,314	33,314	33,314	33,314	33,314	33,314	33,314	33,314	33,314	33,314	33,314	399,771	667,858	268,087
Infrastructure	57,143	57,143	57,143	57,143	57,143	57,143	57,143	-	-	(150,000)	-	-	250,000	-	(250,000)
Special Sites/Other Development	83,333	83,333	83,333	83,333	83,333	141,845	58,512	58,512	58,512	58,512	58,512	-	851,072	50,000	(801,072)
Catalina Beach Bulk Earthworks Stgs 29-31	20,321	20,321	20,321	20,321	16,988	16,988	273,396	273,396	273,396	273,396	273,396	273,396	1,755,636	-	(1,755,636)
Catalina Beach Bulk Earthworks Stgs 32-35	-	-	-	-	-	-	-	-	-	-	-	-	-	102,436	102,436
Catalina Grove Cell Bulk Earthworks Stgs 36-40	378,037	378,037	378,037	378,037	368,662	368,662	-	-	-	-	-	-	2,249,470	-	(2,249,470)
Catalina Grove Bulk Earthworks Stgs 45-47	-	-	-	-	-	-	-	-	-	-	-	-	-	2,104,099	2,104,099
WAPC Land Bulk Earthworks Stgs 48-51	-	-	-	-	-	-	-	-	-	-	-	-	-	171,307	171,307
Scheme costs - Stages 1-18	-	-	-	-	-	-	-	-	-	-	-	-	-	10,465	10,465
Lot Production - Stage 27	596,400	596,400	596,400	1,007,300	596,400	596,400	-	-	-	-	-	-	3,989,300	-	(3,989,300)
Lot Production - Stage 28	-	-	-	-	-	-	-	-	16,989	16,989	16,989	16,989	67,956	735,692	667,737
Lot Production - Stage 29	-	-	-	-	-	-	-	-	-	-	-	-	-	3,017,952	3,017,952
Lot Production - Stage 30	-	-	-	-	-	-	-	-	-	-	-	-	-	79,172	79,172
Lot Production - Stage 36	20,525	20,525	20,525	20,525	20,525	20,525	353,453	353,453	353,453	717,460	353,453	353,453	2,607,872	-	(2,607,872)
Lot Production - Stage 37	-	-	-	-	-	-	-	20,525	20,525	20,525	20,525	20,525	102,623	-	(102,623)
Lot Production - Stage 39	-	-	-	-	-	-	-	-	-	-	-	-	-	1,553,985	1,553,985
Lot Production - Stage 40	-	-	-	-	-	-	-	-	-	-	-	-	-	2,916,291	2,916,291
Lot Production - Stage 41	-	-	-	-	-	-	-	-	-	-	-	-	-	2,636,487	2,636,487
Lot Production - Stage 42	-	-	-	-	-	-	-	-	-	-	-	-	-	235,250	235,250
Lot Production - Stage 43	-	-	-	-	-	-	-	-	-	-	-	-	-	157,323	157,323
Lot Production - Stage 44	-	-	-	-	-	-	-	-	-	-	-	-	-	52,659	52,659
Landscape	469,414	359,414	359,414	359,414	312,913	-	317,207	354,728	354,728	354,728	174,603	174,603	3,591,167	6,644,585	3,053,418
Marketing	35,144	35,144	35,144	35,144	35,144	35,144	35,144	35,144	35,144	35,144	35,144	35,144	421,725	529,602	107,877
Community Development	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	144,000	205,304	61,304
Administration	78,383	78,383	370,183	78,383	78,383	78,383	78,383	78,383	78,383	78,383	78,383	78,383	1,232,400	940,617	(291,783)
Finance/Bonds	-	(350,000)	-	-	-	350,000	-	-	(350,000)	-	-	-	(350,000)	350,000	700,000
Debtor/Creditor Movement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	89,201	83,701	98,291	104,246	80,740	68,020	60,928	60,973	61,822	80,023	45,316	49,890	883,150	1,140,554	257,405
<b>DEVELOPMENT COSTS</b>	<b>1,873,215</b>	<b>1,407,715</b>	<b>2,064,105</b>	<b>2,189,160</b>	<b>1,695,545</b>	<b>1,778,424</b>	<b>1,279,480</b>	<b>1,280,428</b>	<b>948,266</b>	<b>1,680,473</b>	<b>951,635</b>	<b>1,047,697</b>	<b>18,196,142</b>	<b>24,301,640</b>	<b>6,105,498</b>
<b>CASHFLOW</b>	<b>27,892</b>	<b>(106,956)</b>	<b>(741,566)</b>	<b>(856,882)</b>	<b>(781,801)</b>	<b>(747,640)</b>	<b>229,897</b>	<b>835,392</b>	<b>411,261</b>	<b>(301,866)</b>	<b>99,981</b>	<b>2,373,231</b>	<b>440,943</b>	<b>24,673,512</b>	<b>(24,232,569)</b>
Capital Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Distributions	-	-	-	-	-	-	-	-	-	-	-	3,000,000	3,000,000	24,000,000	(21,000,000)
Cumulative Cash Balance	24,514,905	24,407,950	23,666,383	22,809,501	22,027,700	21,280,060	21,509,956	22,345,349	22,756,610	22,454,744	22,554,725	21,927,957	21,927,957	15,884,144	6,043,812
Cumulative Cash Balance Forecast (2018 Project Forecast)	16,380,432	19,176,956	19,873,648	23,787,778	24,719,605	15,510,216	16,360,465	16,671,714	17,892,225	22,916,160	24,507,986	15,210,631	15,210,631	-	-
Cumulative Cash Balance Variance	8,134,473	5,230,993	3,792,735	(978,277)	(2,691,904)	5,769,843	5,149,491	5,673,634	4,864,385	(461,416)	(1,953,261)	6,717,325	6,717,325	-	-

7 May 2019

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

Dear Tony,

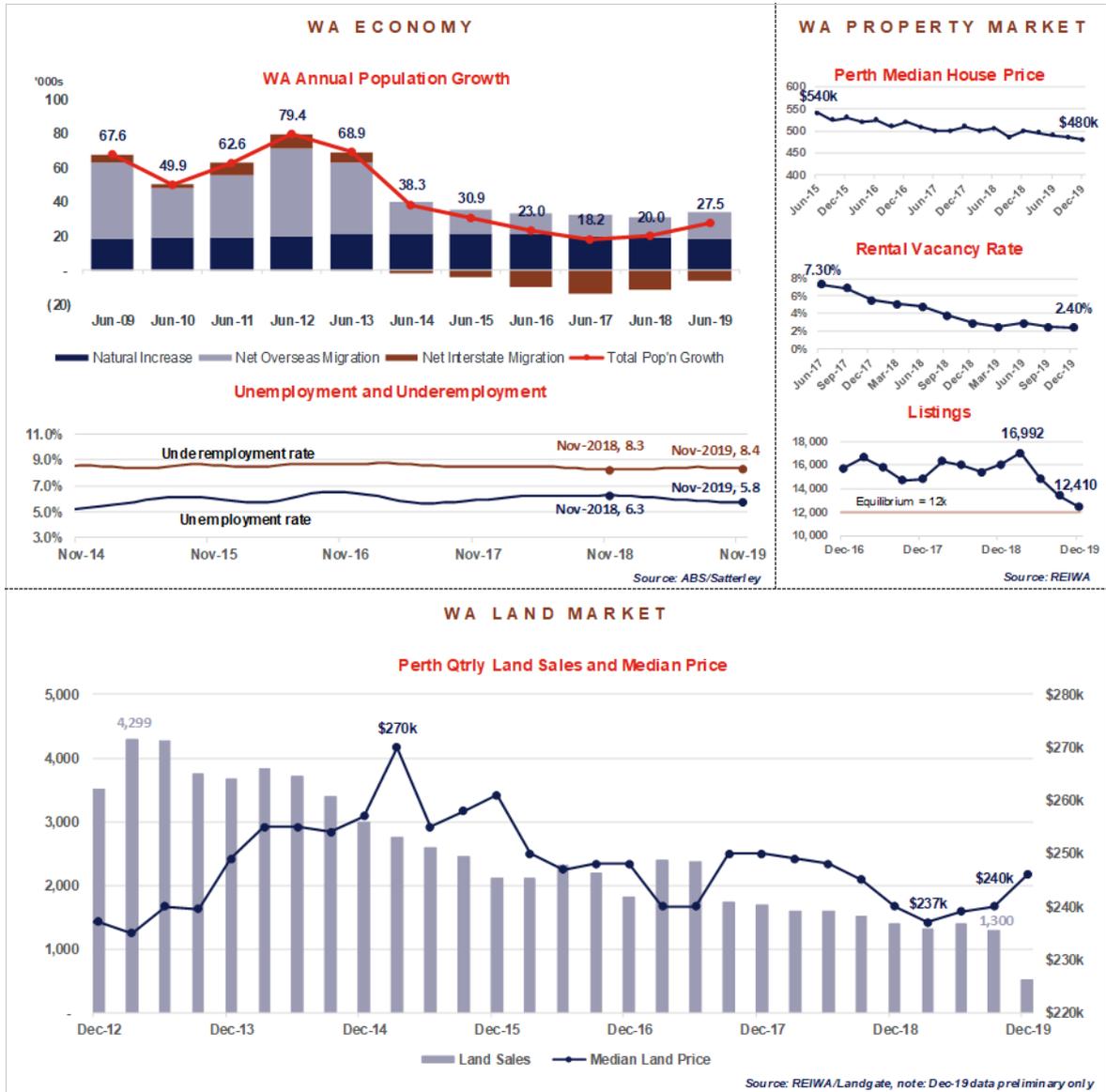
## **Proposed Catalina FY2021 Budget**

Please find attached the FY2021 Catalina Budget. The review is discussed under the following headings:

1. WA Market Overview
2. Major Infrastructure Considerations (FY2021)
3. Budget Comparisons
4. Financial Year Ending 2020 (FY2020)
5. Operations for Financial Year Ending 2021 (FY2021)
6. Review of FY2021
7. Key Risks for Achieving FY2021 Budget
8. FY2020 / FY2021 Snapshot
9. Overview of Financial Year Ending 2022 (FY2022)
10. Project Forecast
11. Assumptions
12. Civil Construction Triggers
13. Cash Requirement, Capital Return and Profit Distributions

### **1. WA Market Overview**

The graphic below provides a snapshot of the state of the WA property market at present and a brief history leading up to this point. It provides some context to the assumptions used in the Proposed Catalina FY2021 Budget.



- Population growth was improving with reduced net outflow of interstate migrants. 1.1% growth for the year to Jun-19.
- Improvement in trend unemployment over the prior 12 months, although underemployment remains high.
- Reserve Bank rate cuts have brought the official cash rate to 0.25%. With limited room to move, the RBA left the rate unchanged in May 2020. Further infrastructure spending required to help bolster the economy.
- Stock levels in WA are closing near the equilibrium of circa 12,000 at the end of the Dec-19 quarter, down from 16,992 in the Mar-19 quarter.

- Perth median house prices dropped 0.1% in the December 2019 quarter (Corelogic) with 18% of homes in WA and NT in negative equity (Macquarie, August 2019). This will continue to constrain second and third home buyers.
- Slight improvement in median house rents from \$360 per week to \$370 with a tightening in the vacancy rate down to 2.4%. Unit rents remained unchanged in 2019 at \$330 per week.
- The outlook for the WA land market remains unchanged; low volumes with slow improvement.

### COVID-19

The market overview above is prepared on data that has a lag of several months. The outlook indicates that WA is in a stage of slow improvement with small positive signs in population, unemployment and stock levels. However, due to the lag in data this overview does not include the impact of the recent COVID-19 pandemic.

COVID-19 has been described as a 'black swan event' impacting the world economy since the first reports of an outbreak in Wuhan China on 31 December 2019. These impacts escalated when the World Health Organisation declared this virus a 'Global Pandemic' on 11 March 2020. Volatility in financial markets and global economies has been constant since this time and is likely to continue for the time being. Factors such as the time it will take for the virus to peak and taper and a vaccine or treatment being widely disseminated are unknown at the point of preparing the FY2021 Budget.

The WA housing market prior to the outbreak had started to show signs of recovery. However, this trend will not continue as an adjustment will be required to account for COVID-19. Since the outbreak caution and decreased confidence has been noted in the active buyers in the market. Projects that are slow to react to the impacts of this crisis will quickly become stagnant and hard to reignite in depressed market conditions. Buyers will seek safer havens to build and those that offer value for money during this period.

It is proposed that the project takes a swift adjustment to price and leverages its locational benefits and promotes itself as a safer location to invest. To continue the momentum the project will need to invest in infrastructure to increase buyer confidence in Catalina. This approach will enable the project to continue to trade through this pandemic and the recovery period. Taking this bold move will also place the project to be in a strong position with a third precinct and beach access by FY2022.

The proposed FY2021 budget cannot ignore this pandemic - it must look to face it head on and position itself to take momentum into and out of this challenging period.

## 2. Major Infrastructure Considerations (FY2021)

The following major infrastructure items have been considered as part of the FY2021 Budget.

### Items included in the FY2021 Budget

#### Foreshore Connection, Extension of Portofino Promenade and associated Streetscapes

Overview	This item includes the extension of Portofino Promenade to the western most boundary of the development, the construction of an access road and carpark within the foreshore reserve, and the associated streetscapes. This will provide the project with direct access to the beach.
Budget Value	\$2.06m (Infrastructure) + \$1.50m (Streetscapes)
Comments	<p>Satterley believe that this is a vital connection to strengthen the aspirational position of Catalina Beach. It is included in the FY2021 Budget for the following reasons.</p> <ul style="list-style-type: none"> <li>• Allows the project to move from a coastal to a beach offering.</li> <li>• Projects to the north have completed strong beach connections and whilst this will not be of the same size and sale as some of the competing projects it will remove some of the advantages held by many of the competitors in this corridor.</li> <li>• Has the potential to be a well-used beach connection that drives traffic through the estate.</li> <li>• The expenditure of this item could be deferred for several years as it is not critical to the delivery. However, it is likely to affect sales volumes, prices, and brand perception if it is not completed.</li> </ul>

#### Connolly Drive Roundabout

Overview	This is a high traffic volume roundabout located along Connolly Drive. Upon completion it will provide the most eastern entry into Catalina Central and provide the only free movement into the future precinct of Catalina Grove.
Budget Value	\$1.98m
Comments	<p>This major connector within the project has been included within the FY2021 Budget for the following reasons.</p> <ul style="list-style-type: none"> <li>• The entry from Connolly Drive will open access to the current stages for sale in Catalina Central whilst providing the first entry into the future precinct of Catalina Grove.</li> <li>• Provides a strong connection between Catalina Central and Catalina Grove.</li> <li>• Delaying this infrastructure will inhibit sales in Catalina Central.</li> <li>• This item of infrastructure could be delayed to FY2022 however resistance would be met by the City of Wanneroo when seeking approvals for Stage 16.</li> </ul>

### Catalina Grove Earthworks Phase 1

Overview	The initial phases of work required prior to stage construction in Catalina Grove. Focused towards the north western corner of the precinct the phase 1 earthworks will prework the initial stages of Catalina Grove.
Budget Value	\$2.95m (\$0.74m FY21)
Comments	<p>Catalina Grove Earthworks Phase 1 have been included in the FY2021 Budget for the following reasons.</p> <ul style="list-style-type: none"> <li>• Catalina Central will run out of stock and Grove is required to maintain sales and momentum.</li> <li>• The area of Phase 1 has been identified as preferred start point of the precinct. The location has been identified by the consultancy team due to easy of servicing, exposure, retention of existing vegetation, adaptability, traffic flow, access and egress, entry statement opportunities and ability to create a diversity of product.</li> <li>• Phase 1 will establish the project vision though retention of existing mature trees and the ability to showcase high quality housing options in a highly exposed and visible display village.</li> <li>• A smaller area of Phase 1 could be identified but efficiencies and the ability to successfully release this new precinct will be impacted.</li> </ul>

### Catalina Central Green Link Extension

Overview	Upon project completion the Green Link will provide a safe and shaded connection for pedestrians across all three precincts of the project and stretch from Clarkson train station to the beach. FY21 will see the completion of the green link in Catalina Central. Progress towards the foreshore and the train station in the precincts of Beach and Grove will beyond FY21.
Budget Value	\$1.71m (\$0.28m FY21)
Comments	<p>Providing an entry statement and landscape buffer to the future stages will assist sales in Catalina Central. This item has been included in the FY2021 Budget for the following reasons.</p> <ul style="list-style-type: none"> <li>• Development of land south of Aviator Boulevard is to be deferred due to risk audit recommendations on recent groundwater monitoring results. To ensure the site presents well this extension of the green link will provide a aesthetically pleasing edge to the development.</li> <li>• Catalina Grove is recommended to progress in FY2021 along with the extension of Portofino Boulevard to the beach. The opportunity will exist in a few years to complete the projects aspiration of creating a green link from the train station to the beach.</li> <li>• Landscaping of this section of the Green Link will assist sales in Catalina Central and provides a landscaped entry from Conolly Drive.</li> <li>• These works could be deferred to be outside of FY2021 however this is likely to effect the sales rates that can be achieved in Catalina Central.</li> </ul>

Items considered but excluded or deferred from the FY2021 Budget

Longreach Promenade Connection

Overview	Providing the extension of Portofino Promenade to the existing Mindarie road of Longreach Promenade.
Budget Value	\$0.81m
FY2021 Budget	This connection will provide a strong connection to the existing suburb of Mindarie and the Marina. This item was not included in the FY2021 Budget and deferred to allow for greater design to be completed within Phase 2 of Catalina Beach. It is proposed that the timing of this items is reviewed again as part of the FY2022 budget.

Foreshore Park

Overview	Budget has been provided to create a significant park and landscaped foreshore interface area to the western boundary of Catalina Beach.
Budget Value	\$4.24m (including all interface works)
FY2021 Budget	This item has not been included in FY2021. The works are proposed to be deferred until a greater understanding of the Catalina Beach Phase 2 design has been achieved. It is also a significant expenditure that is not necessary in the short term. It is proposed that the timing of this item is reviewed as part of the FY2022 Budget.

Clarkson Train Station Bus Connection

Overview	Perth Transit Authority has indicated their desire to start a bus service through Catalina Grove and Central upon completion of the major east west connector road (Aviator Boulevard).
Budget Value	\$3.30m
FY2021 Budget	Whilst this would be a significant service for the residents of Catalina the design and planning of Catalina Grove needs further progression, in particular the levels in north eastern corner. It is proposed that the timing of this item is reviewed as part of the FY2022 Budget, or sooner.

Forward Landscaping of Playing Fields

Overview	Creating the playing fields and open space adjoining the future primary school site in Catalina Central.
Budget Value	\$1.45m
FY2021 Budget	Development of land south of Aviator Boulevard is to be deferred due to risk audit recommendations on recent groundwater monitoring results. It is proposed that the timing for the delivery of this item is reviewed upon the associated environmental issues being appropriately issued.

### 3. Budget Comparisons

Budget review and analysis in this document for FY2020 compares to the budget approved June 2019.

Budget review and analysis in this document for FY2021 and subsequent years compares to the 2018 Project Forecast (Project Forecast).

### 4. Financial Year Ending 2020 (FY2020)

The key operations for the 2020 financial year as forecast in this review are as follows:

This review forecasts a cashflow before distributions of \$1.5m, which is \$8.6m higher than the budget approved in June 2019. The high-level areas of variance are summarised below:

- 13 net sales are forecast in FY2020, (18) lots less than the approved budget after a further deterioration in market conditions. 8 cancellations have been budgeted due to COVID-19.
- Gross income is forecast to be (\$1.7m) lower, which is driven by 5 fewer lot settlements (\$1.5m) and a (\$0.2m) increase in direct selling costs due to the timing of budgeted rebates carried over from FY2019.
- Development costs are forecast to be \$10.4m lower than the budget approved in June 2019, driven by:
  - › Deferral of what was to be the first \$5.1m WAPC Land Acquisition payment - this is now forecast as a single \$10.2m payment in FY2021.
  - › Net infrastructure costs are \$2.7m lower driven by a \$0.1m increase in the Beach Pump Station refund and costs deferred to FY2021 of \$1.1m for the North/South Dual Use Path, \$0.4m for the Connolly Drive Roundabout, \$0.4m for the Portofino Promenade Extension and \$0.7m for the Foreshore Access Road.
  - › Landscaping costs are \$1.5m lower due to deferrals to FY2021 which include \$0.4m for Stage 11 Landscaping Phase 2, \$0.3m for the Foreshore Node Interface, \$0.2m for Landscape Consultancy, \$0.2m for Stage 25 Landscaping, \$0.1m for Public Art and \$0.1m for Bore 5.
  - › Lot production is \$0.4m lower driven by costs deferred to FY2021 including \$0.4m for Stage 18C and \$0.6m for stage 26, partially offset by (\$0.5m) of costs for stage 18B and (\$0.1m) of costs for stage 25 carried over from FY19.
  - › The FY2020 forecast sees a \$0.6m reduction in contingency through deferred works.
- Distributions for FY2020 are forecast as \$3m as per the budget approved in June 2019.

FY2020 includes actuals for stock and revenue to the end of March 2020 and actual costs to the end of January 2020 the remainder of the year are forecasts. It should be noted that at the point of preparing the FY2021 Budget the project has averaged under 2 net sales per month over the preceding 6 months. Due to COVID-19 the forecast for the remaining months were downgraded and a fall over of 8 contracts have been forecast. However, since preparation of the budget sales have outperformed this assumption due to the Viva Catalina campaign. The sales position of the project in

FY20 is likely to outperform those detailed above. The final position of FY2020 will be updated and presented as part of the mid-year review.

## 5. Operations for Financial Year Ending 2021 (FY2021)

The key operations for the 2021 financial year as forecast in this review are as follows:

- Distributions are (\$18m) lower from the Project Forecast at \$3m.
- Forecast sales of 78 lots (-72 from the Project Forecast).
- Forecast settlements of 60 lots (-78 from the Project Forecast).
- Forecast gross income of \$13.7m.
- 52 forecast titles to be issued for stages 18C (35 lots, Feb-21) and 16A (17 lots, Apr-21).
- \$10.2m WAPC land acquisition in May-21.
- Total earthworks and civil construction costs for the year of \$5.6m, comprising mainly stage 16A and 18C works.
- Net infrastructure costs of \$4.9m are forecast for FY2021 with costs including \$0.8m for the North/South Dual Use Path, \$2.0m for the Connolly Drive Roundabout, \$0.8m for the Portofino Promenade Extension and \$1.3m for the Foreshore Access Road.
- Total landscaping of \$3.5m budgeted. Landscaping in Catalina Central will include \$0.4m for Stage 11 Landscaping Phase Two, \$0.1m for Bore 5, \$0.3m for stage 16 Landscaping and \$0.3m for stage 18C landscaping. Catalina Beach landscaping will include \$1.5m for the Foreshore Node / Beach Connection. \$0.3m in landscape consultancy is budgeted.

## 6. Review of FY2021

This review forecasts a cashflow before distributions of (\$15.0m) for the year to 30 June 2021, compared to \$21.2m cashflow in the Project Forecast. The main areas of variance from the Project Forecast are summarised below:

- Annual sales for FY2021 have reduced by (72) lots to 78 for the year after a continued downturn and the impacts of COVID-19 since the Project Forecast.
- Forecast settlements have reduced by (78) lots to 60 lots in FY2021 following the lower sales forecast in FY2020 and FY2021. Lot income is (\$23.1m) lower than the Project Forecast, with settlements expected from stages 16-18 in Central and 25-26 in Beach, compared to stages 27-28 in Beach and 36-39 in Grove in the Project Forecast. Total lot income is forecast at \$15.4m in FY2021.
- Special site income has decreased by (\$3.9m) with no special sites expected to settle in FY2021 and the two stage 18B group housing sites converted to residential stage 18C. The Project Forecast had budgeted for the first Grove group housing site settlement of \$3.9m in FY2021.
- The \$10.2m WAPC land acquisition is now budgeted for May 2021, compared to an FY2018 acquisition in the 2018 Project Forecast.

- Infrastructure costs of \$4.9m are budgeted for in FY2021, compared to a net refund of (\$2.6m) in the Project Forecast. The proposed FY2021 budget includes \$0.8m for the North/South Dual Use Path, \$2.0m for the Connolly Drive Roundabout, \$0.8m for the Portofino Promenade Extension and \$1.3m for the Foreshore Access Road. By contrast, the Project Forecast had completed all project infrastructure works in FY2020 and was awaiting a (\$2.6m) refund for the Catalina Grove pump station in FY2021.
- Lot production costs in total for FY2021 are \$6.5m lower than the Project Forecast due to the lower sales forecast and in-turn title volumes required. FY2021 budgeted lot production of \$5.6m includes the following:
  - › \$0.8m costs for initial Catalina Grove bulk earthworks
  - › \$3.1m lot production costs for stage 16A (17 titles Apr-21)
  - › \$1.3m lot production costs for stage 18C (35 titles Feb-21)
  - › \$0.2m initial engineering and survey costs for Stage 27 in Catalina Beach
  - › \$0.1m initial engineering and survey costs for stage 36 in Catalina Grove

By contrast the 2018 Project Forecast budgeted a total of \$12.1m in lot production costs across stage 41-44 bulk earthworks in Grove, and stages 25-29 in Beach and 36-41 in Grove.

- Landscaping works are \$0.5m lower than the Project Forecast at \$3.5m, with the proposed FY2021 budget including the following items:
  - › \$0.4m for Stage 11 Landscaping Phase Two
  - › \$0.1m for Bore 5
  - › \$0.3m for stage 16 Landscaping
  - › \$0.3m for stage 18C landscaping
  - › \$1.5m for the Foreshore Node / Beach Connection
  - › \$0.3m in landscape consultancy is budgeted

By contrast the Project Forecast budgeted a total of \$3.9m landscape works including

- As a result of increasing budgeted maintenance costs to \$60,000 per month, administration costs are \$0.3m higher than the Project Forecast (\$35,000 per month). Spending the allocated maintenance budget will be crucial to enhancing estate presentation and improving sales volumes.
- Outgoing bonds of \$0.7m are budgeted for FY2021 (\$0.35m each for stage 16A and 18C), with no allowance in the Project Forecast. Bonds are a net nil item over the life-of-project and reflect a timing difference only.
- Budgeted contingency costs are \$0.5m higher than the Project Forecast at \$1.3m due to the higher development costs, driven by the budgeted WAPC land acquisition of \$10.2m in May 2021.

## 7. Key Risks for Achieving FY2021 Budget

The following are key risks to achieving the outcomes of the proposed FY2021 budget:

- Prolonged downturn from the effects of COVID-19. This could impact the project in various forms;
  - › Increased fallover rates of contracts on hand through job losses.
  - › Reduced borrowing capacity of purchases from tightened lending criteria and lower incomes.
  - › Reduced interstate and overseas migration, impacting overall market demand.
  - › Higher rates of unemployment, particularly some of the target market sections such as first home buyers.
- Planning risk – Catalina Grove needed soon for stock levels, Catalina Central buffer zone (although mitigated by deferred stage 16B).

## 8. FY2020 / FY2021 Snapshot

The below table provides a summary of FY2020 and FY2021.

<b>CATALINA   Annual Cashflow (June 2020)</b>			
<b>CATEGORY</b>	<b>PROJECT TOTAL</b>	<b>FY20</b>	<b>FY21</b>
<b>STOCK</b>			
Sales Release	2,505	32	116
Sales	2,505	13	78
Titles	2,505	38	52
Settlements	2,505	21	60
Closing Stock	-	51	89
Contracts on Hand	-	6	24
<b>AVERAGE SETTLEMENT PRICE</b>	<b>266,324</b>	<b>335,254</b>	<b>257,003</b>
<b>GROSS INCOME</b>			
Income - Lots	667,140,993	7,040,333	15,420,204
Income - Special Sites	27,423,722	477,000	-
Income - Other	255,411	-	-
Direct Selling Expenses	80,302,482	1,961,609	1,758,366
<b>GROSS INCOME</b>	<b>614,517,644</b>	<b>5,555,724</b>	<b>13,661,838</b>
<b>DEVELOPMENT COSTS</b>			
Land	10,206,000	-	10,206,000
Consultants	10,618,915	625,780	385,271
Infrastructure	14,868,164	(1,325,437)	4,908,156
Special Sites/Other Development	4,928,178	11,631	260,000
Lot Production	211,056,132	1,587,133	5,578,324
Landscape	54,999,531	1,395,686	3,466,930
Marketing	12,261,072	350,000	400,000
Community Development	2,823,384	100,000	117,000
Administration	25,002,998	1,104,550	1,283,200
Finance/Bonds	-	102,355	700,000
Contingency	11,468,950	119,597	1,330,244
<b>DEVELOPMENT COSTS</b>	<b>358,233,325</b>	<b>4,071,295</b>	<b>28,635,124</b>
<b>CASHFLOW</b>	<b>256,284,319</b>	<b>1,484,430</b>	<b>(14,973,286)</b>
Capital Calls	(13,300,000)	-	-
Capital Returns	13,300,000	-	-
<b>PROFIT DISTRIBUTIONS</b>	<b>256,284,319</b>	<b>3,000,000</b>	<b>3,000,000</b>
Cash Balance at Year End	-	42,460,300	24,487,013

FY2020 includes actuals for stock and revenue to the end of March 2020 and actual costs to the end of January 2020 the remainder of the year are forecasts. It should be noted that at the point of preparing the FY2021 Budget the project has averaged under 2 net sales per month over the preceding 6 months. Due to COVID-19 the forecast for the remaining months were downgraded and a fall over of 8 contracts have been forecast. However, since preparation of the budget sales have outperformed this assumption due to the Viva Catalina campaign. The sales position of the project in FY20 is likely to outperform those detailed in this snapshot. The final position of FY2020 will be updated and presented as part of the mid-year review.

## 9. Overview of Financial Year Ending 2022

This review forecasts cashflow before distributions of \$0.4m for the year to 30 June 2022, which is (\$24.2m) lower than the Project Forecast. The high-level areas of variance are summarised below:

- › Gross income has decreased by (\$30.3m) due to (\$26.6m) lower lot income from (78) fewer settlements and a (\$7.5m) reduction in special sites income through deferred settlements (most notably the retail site in Catalina Grove), partially offset by \$3.8m deferred direct selling costs.
- › Overall development costs are \$6.1m lower in FY2022 than previously forecast, driven by \$3.0m of deferred lot production costs, and \$3.0m deferred landscape works.
- › Forecast distributions for FY2022 are (\$21.0m) lower than the Project Forecast at \$3m, however the forecast cash balance is \$6.0m higher at \$21.9m at 30 June 2022.

## 10. Project Forecast

This review forecasts an overall net cash profit of \$256.3m for the life of the project which is (\$84.2m) lower than the Project Forecast.

With diminished returns and the project duration increasing nine years through slower sales rates, project IRR has reduced from 18.4% in the Project Forecast to 13.6%.

## 11. Assumptions

### Escalation

The proposed FY2021 budget uses 3% income escalation and 2% cost escalation commencing July 2022, representing a twelve-month deferral of escalation onset from the FY20 Mid-Year Review approved in December 2019. The deferral is a result of anticipated stagnant prices due to COVID-19.

The changes to escalation rates and timing from the 2018 Project Forecast are shown below:

CATALINA   Escalation Rates					
<b>INCOME</b>					
From	Jan-11	Jul-19	Jul-20	Jul-21	Jul-22
To	Jun-19	Jun-20	Jun-21	Jun-22	End
Current - Jun-20	0.0%	0.0%	0.0%	0.0%	3.0%
2018 Project Forecast	0.0%	4.0%	4.0%	4.0%	4.0%
<b>COST</b>					
From	Jan-11	Jul-19	Jul-20	Jul-21	Jul-22
To	Jun-19	Jun-20	Jun-21	Jun-22	End
Current - Jun-20	0.0%	0.0%	0.0%	0.0%	2.0%
2018 Project Forecast	0.0%	2.5%	2.5%	2.5%	2.5%

### Pricing

Key to achieving the sales rates set out in the proposed FY2021 budget will be the implementation of revised market pricing. Standard prices and changes are as follows:

*Current Approved Pricing (per approved Dec-19 Mid-Year Review):*

Standard Price	12.5m x 30m   375m <sup>2</sup>	15m x 30m   450m <sup>2</sup>
Central	275,000	310,000
Beach	355,000	400,000

*Revised Market Pricing – (to achieve 8 sales per month over the long-term – in line with Scenario 2 presented as part of the 2020 Project Forecast):*

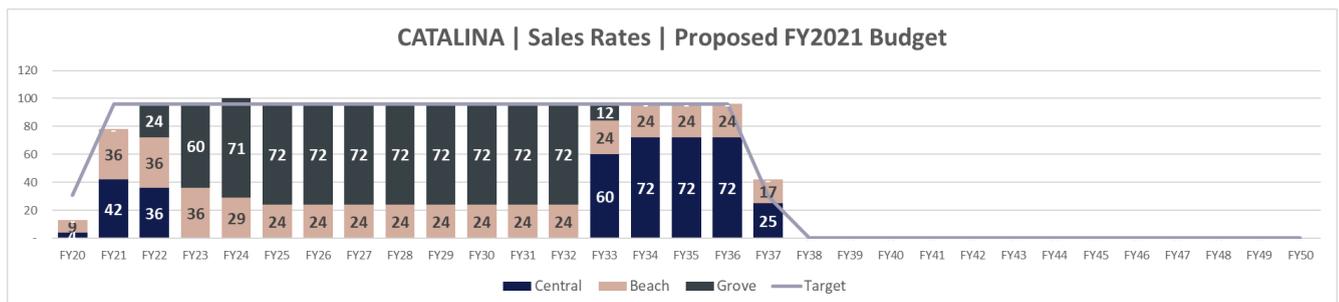
Standard Price	12.5m x 30m   375m <sup>2</sup>	15m x 30m   450m <sup>2</sup>
Central	235,000	265,000
Beach	325,000	349,000

Equivalent reduction of ~14% Central/Grove, ~9% Beach from previous approved (Dec-19)

Satterley have modelled alternative scenarios to achieve greater sales and believe that any price reductions from the above will have a limited effect on sales and will only reduce project returns.

### Sales Rates

The sales rates budgeted under the proposed FY2021 budget are shown below. Note that whilst property markets are often cyclical and will vary over time, for modelling purposes long-term averages have been kept consistent, as is common industry practice.



### Other Assumptions

- WAPC land acquisition \$10.2m in May-21
- Beach sales equate to approximately a 25-30% split to finish at same time as the final Central stage 23 to extract maximum value from premium land
- Stage 18C sales in Catalina Central commence Oct-20
- Catalina Grove sales commence Jan-22
- Stage 16B and Primary School GHS deferred until the project returns to Catalina Central once Grove sales complete, assumes buffer restrictions lifted

- Marketing budget set at 2.25% of lot income for project duration, community development at \$1,500 per lot sold
- High quality estate presentation will be key to achieving the sales rates in each scenario. As such, maintenance budgets have been set at \$60,000 per month.
- Short term impact of COVID-19 has been considered:
  - › 8 cancellation of contracts on hand in May-20 (approx. 50%), settlements continue at lower rates, no further sales to Jun-20
  - › Sales recommence Jul-20 building to long term averages (5/8/10 per month) by Jul-21.
- All IRR calculations assume a notional land payment based on historical valuation estimate of \$77.4m at commencement of the project, consistent with IRR methodology for other residential development projects. A Project IRR calculation at the actual \$1.8m land purchase for the proposed FY2021 budget is 205%, and is not comparable to other development projects.

## 12. Civil Construction Triggers

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

As the Central and Beach precincts appeal to different target markets and will have different sales rates, we continue to recommend separate sales triggers for each.

The recommended trigger closing stock level for this budget review is 32 lots for Catalina Central and 20 lots for Catalina Beach. A lot is no longer considered stock once an offer is received from a purchaser at or above the list price or a lot is withheld from release by the TPRC.

## 13. Cash Requirement, Capital Return and Profit Distributions

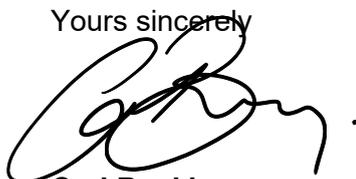
This review forecasts a minimum cash balance for the project of \$24.5m in FY2021 and \$21.3m in FY2022. Approximately \$15m is maintained as a minimum ongoing cash throughout the duration of the project.

Life of project distributions are now forecast as follows;

<b>CATALINA   Profit Distributions</b>				
<b>FINANCIAL YEAR</b>	<b>CURRENT JUN-20</b>	<b>2018 PROJECT FORECAST</b>	<b>VARIANCE</b>	<b>CUMULATIVE VARIANCE</b>
PTD FY19	61,700,000	63,700,000	(2,000,000)	(2,000,000)
FY20	3,000,000	14,000,000	(11,000,000)	(13,000,000)
FY21	3,000,000	21,000,000	(18,000,000)	(31,000,000)
FY22	3,000,000	24,000,000	(21,000,000)	(52,000,000)
FY23	13,000,000	23,000,000	(10,000,000)	(62,000,000)
FY24	4,000,000	28,000,000	(24,000,000)	(86,000,000)
FY25	22,000,000	34,000,000	(12,000,000)	(98,000,000)
FY26	4,000,000	31,000,000	(27,000,000)	(125,000,000)
FY27	12,000,000	46,000,000	(34,000,000)	(159,000,000)
FY28	5,000,000	39,000,000	(34,000,000)	(193,000,000)
FY29	9,000,000	16,000,000	(7,000,000)	(200,000,000)
FY30	9,000,000	794,729	8,205,271	(191,794,729)
FY31	12,000,000	-	12,000,000	(179,794,729)
FY32	2,000,000	-	2,000,000	(177,794,729)
FY33	13,000,000	-	13,000,000	(164,794,729)
FY34	5,000,000	-	5,000,000	(159,794,729)
FY35	17,000,000	-	17,000,000	(142,794,729)
FY36	20,000,000	-	20,000,000	(122,794,729)
FY37	24,000,000	-	24,000,000	(98,794,729)
FY38	-	-	-	(98,794,729)
FY39	14,584,319	-	14,584,319	(84,210,410)
<b>TOTAL</b>	<b>256,284,319</b>	<b>340,494,729</b>	<b>(84,210,410)</b>	<b>(84,210,410)</b>

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

Yours sincerely



**Carl Buckley**  
Project Director

11 June 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,

**RE: FY21 BUDGET AND LOT PRICING**

The Federal Government announced on 4 June the \$688m HomeBuilder program which provides a housing stimulus package, including a \$25,000 grant to build a new home or substantially renovate an existing home. This has been further supported by the State Government on 7 June with the announcement of the \$125m Building Bonus package which includes a \$20,000 grant on new houses. When combined these two stimulus packages represent the largest government incentives package in modern history to stimulate new builds in Western Australia.

The rapid and comprehensive approach taken by government to support and stimulate new building construction during the COVID-19 pandemic have led to a significantly increased level of enquiry and land sales. Catalina is no exception to this and enquiry following the announcement on 7 June has been at levels commensurate to those seen in the last housing boom of 5 to 6 years ago.

The FY21 Catalina Budget was prepared prior to these stimulus packages and the forecast impact of COVID-19 on lot pricing has now changed. Whilst Satterley are cautious in providing what may be viewed as a 'knee jerk reaction' to this event we believe that the overall impact on the proposed FY21 Catalina Budget could be significant and requires consideration.

A pricing review completed in May 2020 outlined the pricing rationale for the Budget. This review includes an adjusted market price and a further adjustment to price for COVID-19. Following these government building stimulus packages Satterley is of the belief that the COVID-19 adjustment is no longer required. Furthermore, the creation of these additional grants and stimulus packages has removed the impact of any proposed incentives included in the FY21 Catalina Budget (\$10k per lot). The approach of removing any additional cash incentives during this period of government grants has been discussed by the development and banking industries with nearly all parties (PEET are still to confirm) agreeing to this approach.

New base pricing informed by the type and level of enquiry currently being experienced at Catalina and the considerations on incentives and rebates mentioned above has been prepared. This pricing also reflects the current valuation issues experienced in Catalina Central and the Tamala Park Regional Council's desire to maximise sales price in Catalina Beach. Satterley believes that this new proposed lot pricing should be considered for the FY21 Catalina Budget.

The table below provides a summary of the pricing from current pricing through to this new proposed pricing.

Precinct / Lot Size	Current Pricing (net of Viva Catalina Campaign)	Adjusted Market Price May 2020 (net of \$10k budgeted incentive)	FY21 Budget (COVID impact and \$10k budgeted incentive)	Proposed new FY21 Budget Price
Central – 375sqm	\$258,000	\$245,000	\$225,000	<b>\$245,000</b>
Central – 450sqm	\$293,000	\$275,000	\$255,000	<b>\$280,000</b>
Beach – 375sqm	\$338,000	\$340,000	\$315,000	<b>\$345,000</b>
Beach – 450sqm	\$383,000	\$370,000	\$339,000	<b>\$385,000</b>

This advice has been prepared for consideration with the FY21 Budget, following one week of improved enquiry and sales under these new grants. Whilst best endeavours have been made to provide the most accurate and comprehensive advice it should be noted that this has been prepared from a small sample size. Satterley recommend further reviews once a greater understanding of the market has been achieved. These are proposed to be on 31 July and a further review once the government grants have ceased. Should the market change prior to this timing it is proposed that offers are prepared and presented to the Tamala Park Regional Council CEO for consideration under delegated authority.

Prior to the June Council meeting to be held 18 June an impact analysis will be prepared that models the proposed new FY21 Budget Price.

Should you have any queries or questions relating to the above please contact the undersigned.

Kind Regards



**Carl Buckley**  
Project Director

Catalina

**PRICING REVIEW**

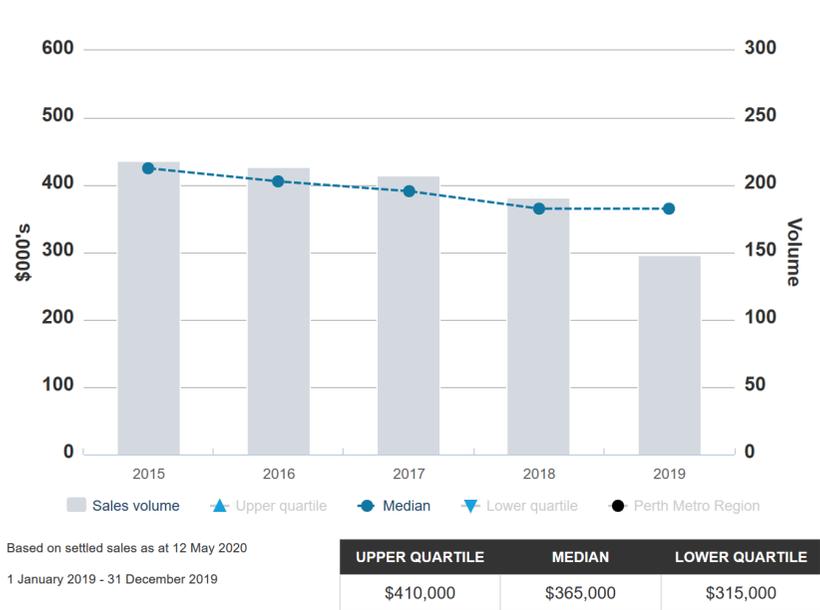
May 2020



## ESTABLISHED HOUSE PRICES

Established house prices in Clarkson continue to fall and have fallen consistently for a number of years. This decrease in house prices has put stress on purchasers that may now hold negative equity in their homes. Furthermore, Clarkson was been identified as one of the leading suburbs with mortgage stress in Western Australia. This has created low confidence with buyers and builders in the suburb. These issues have started to present the project with a number of valuation issues and in turn has caused many of the builder representatives to lose faith in the pricing and the project. Catalina Central has a high number of first homebuyers and purchasers driven by builder representatives and it is important that the pricing of the established market is reflected in the lot pricing to avoid valuation issues.

## REIWA – Clarkson Median House Price



- The median house price in 2015 of \$425,000 has been steadily declining to the 2019 median price of \$365,000
- Over 4 years the median house price in Clarkson has reduced over 14% (\$60,000)



 CENTRAL

## ESTABLISHED HOUSE EXAMPLES

### Typical House - \$450k

18 Koenig Way Clarkson WA 6030



Date	Activity	Value
27 Sep 2019	Sold	\$450,000

### Comparable House and Land - \$507k

*Catalina* | CATALINA



#### KENNEDY



Lot 951  
Aerial Way, Clarkson  
Price from: **\$506,840**  
Land size 450sqm

### Additional Sales Evidence



32 Seadler Street Clarkson WA 6030



Sale Price **\$345,000** Sale Method Normal Sale  
Sale Date 17/02/2020 Days on Market 6



3 Manila Road Clarkson WA 6030



Sale Price **\$407,000** Sale Method Private Treaty  
Sale Date 16/01/2020 Days on Market 249

- The established market is operating at a discount of over \$50k compared to the house and land package price, before turn key additions. Including these the variance is more like \$70-80k. These homes are nearly new and located within Catalina Central.
- 4 bedroom 2 bathroom homes can be purchased in Catalina Central for a little over \$400k
- 3 bedroom 2 bathroom homes can be purchased for under \$350k



## ESTABLISHED HOUSE PRICES

Established house prices in Mindarie have been strong with prices over the last five years marginally outperforming the Perth Metro area. The typical house available in Mindarie is on large lot and will often have a family home constructed in the mid 90s. The suburb of Mindarie has good local appeal and is seen as a positive to potential purchasers at Catalina Beach. The abundance of large family homes has led to good interest from downsizers and smaller families that are seeking a smaller low maintenance product in Mindarie that can be achieved though a new build at Catalina Beach.

## REIWA – Mindarie Median House Price



- The median house price in 2015 of \$700,000 has declined to the 2019 median price of \$640,000
- Over 4 years the median house price in Mindarie has reduced over 8.6% (\$60,000)

Based on settled sales as at 12 May 2020

1 January 2019 - 31 December 2019

UPPER QUARTILE	MEDIAN	LOWER QUARTILE
\$820,000	\$640,000	\$537,500



## ESTABLISHED HOUSE EXAMPLES

### Typical House - \$500k

34 Rio Marina Way Mindarie WA 6030



Date	Activity	Value
15 Oct 2019	Sold	\$500,000

### House and Land - \$547k

Catalina | CATALINA



#### LINCOLN



Lot 2007  
 Bellefontaine Grove, Mindarie  
 Price from: **\$547,340**  
 Land size 375sqm

### Additional Sales Evidence



16 Imari Retreat Mindarie WA 6030



Sale Price **\$530,000** Sale Method Normal Sale  
 Sale Date 02/04/2020 Days on Market 58



17 Whitby Close Mindarie WA 6030



Sale Price **\$500,000** Sale Method Normal Sale  
 Sale Date 07/11/2019 Days on Market 38

- The established market in Mindarie has larger lots ranging from 500sqm up to 850sqm.
- The example house and land provided above is on a much small lot than available in the established market (375sqm lot).
- An established home on a significantly larger lot (500-650sqm) compared to Catalina Beach (450sqm) can be purchased for approximately \$110k discount.

## COMPETITOR COMPARISON

The biggest land estate competitor to Catalina in recent years has been Eden Beach.

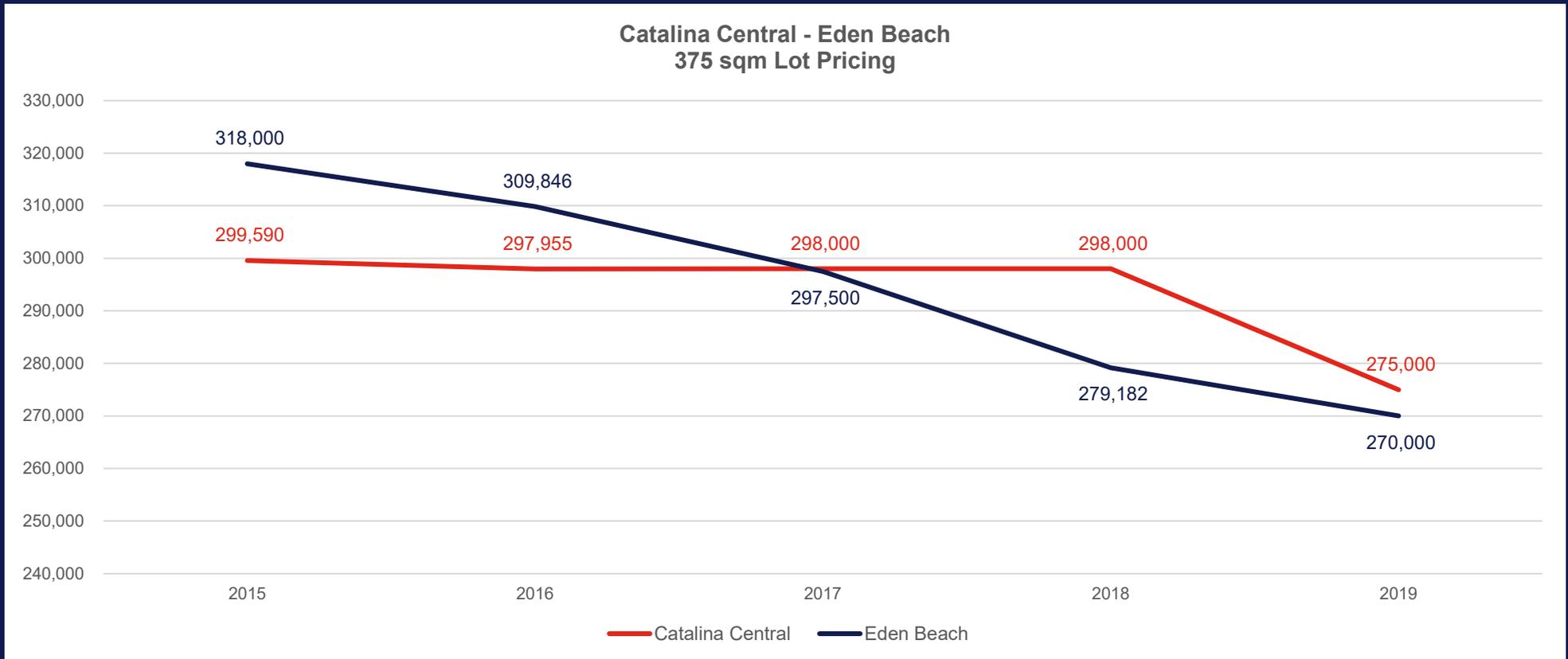
This section of the review will analyse the pricing and the price premiums held between the two projects overtime.

Over the past several years Eden Beach has invested heavily in the foreshore element and beach connection of the project. Over \$6m has been spent on beautification, beach connections and community facilities. Despite this heavy investment prices have decreased to follow the market. The approach of following the market on pricing and heavy investment in infrastructure and amenity has enable the project to maintain momentum and secure a greater share of sales in a depressed market.



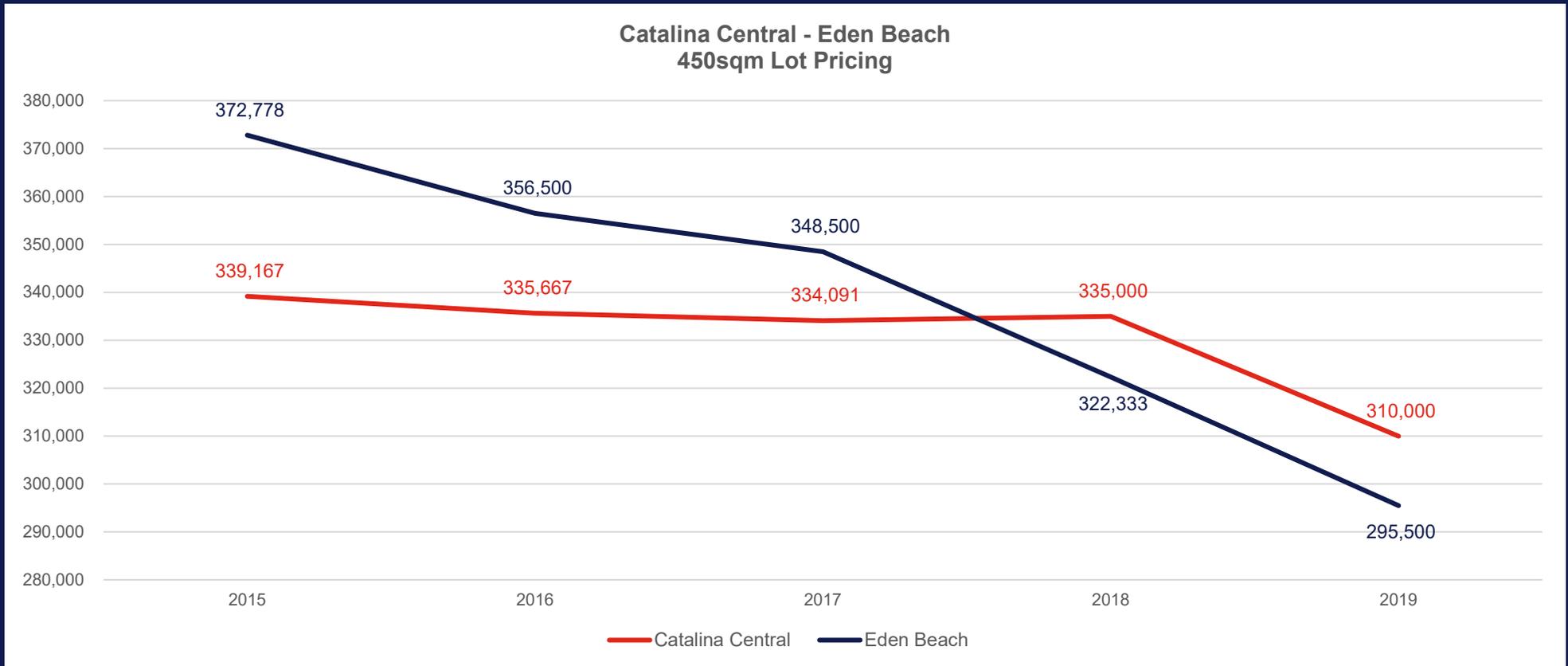
## Eden Beach – 375 sqm lot pricing

- In 2015 Eden Beach held a \$18k premium to Catalina Central. Eden Beach have consistently moved pricing with the market over the last four years and in 2019 had a \$5k discount to Catalina Central.
- Catalina Central maintained a price from 2015 to 2018 in a declining market. The first adjustment to pricing was made in 2019 however a further adjustment is required to bring the precinct back into line with projects that have been moving with the market for a number of years.
- Since 2015 Eden Beach pricing has declined from \$318k to \$270k a 15% decrease (\$48k)
- Since 2015 Catalina Central pricing has declined from \$300k to \$272k a 8% decrease (\$28k)
- Only two years of consistent settlement data is available for Catalina Beach. The current price for a 375sqm lot is \$355k. This is a premium of \$85k over Eden Beach



## Eden Beach – 450 sqm lot pricing

- In 2015 Eden Beach held a \$34k premium to Catalina Central. Eden Beach have consistently moved pricing with the market over the last four years and in 2019 had a \$14.5k discount to Catalina Central.
- Catalina Central maintained a price from 2015 to 2018 in a declining market. The first adjustment to pricing was made in 2019 however a further adjustment is required to bring the precinct back into line with projects that have been moving with the market for a number of years.
- Over the four years Eden Beach pricing has declined from \$373k to \$296k a 21% decrease (\$77k)
- Over the four years Catalina Central pricing has declined from \$339k to \$310k a 9% decrease (\$29k)
- Only two years of consistent settlement data is available for Catalina Beach. The current price for a 450sqm lot is \$400k. This is a premium of \$104k over Eden Beach



## PRICING ADJUSTMENT – CATALINA CENTRAL

From 2015 to 2019 the following market adjustments have been made to pricing;

- Established Housing (Clarkson) – 14% reduction (\$60k)
- Eden Beach (375sqm lot) – 15% reduction (\$48k)
- Eden Beach (450sqm lot) – 21% reduction (\$77k)

Assuming Catalina Central had followed market adjustments since 2015 (~15% discount) lot pricing in 2019 would be;

- 375sqm lot - \$255k
- 450sqm lot - \$288k

Current pricing at Catalina Central;

- 375sqm lot - \$275k
- 450sqm lot - \$310k

The decision to hold prices in a declining market for a number of years has led to the project being priced considerably higher than the surrounding competitors and the established housing market. Whilst steps have been taken in 2019 to adjust the pricing towards the market it has not bridged the gap created over the preceding years.

**Satterley believes that the following prices represent market price in Catalina Central.**

- **375sqm lot - \$255k**
- **450sqm lot - \$285k**

Please note that this will put the project back to market. To chase a larger market share further reductions may be required.

## PRICING ADJUSTMENT – CATALINA BEACH

From 2015 to 2019 the following market adjustments have been made to pricing;

- Established Housing (Mindarie) – 8.6% reduction (\$60k)
- Eden Beach (375sqm lot) – 15% reduction (\$48k)
- Eden Beach (450sqm lot) – 21% reduction (\$77k)

Current pricing at Eden Beach

- 375sqm lot - \$270k
- 450sqm lot - \$296k

Current pricing at Catalina Beach is

- 375sqm lot - \$355k (a premium of \$85k)
- 450sqm lot - \$400k (a premium of \$104k)

Discussions with builders and potential purchasers has indicated that the current price variance and lack of true beach access at Catalina Beach are leading many buyers to chose to buy a larger lot in Eden Beach. These buyers are using the \$60k variance to upgrade house additions or achieve a smaller mortgage.

The variance of over \$104k between a like for like lot (450sqm) is far too great for many buyers to get past and the pricing of the larger lots needs to decrease.

The other leading factor to decrease the price of the larger lots in Catalina Beach is the established homes within Mindarie. Purchasers can buy a large 4 bedroom 2 bathroom home on 550-650sqm for over \$110k less than an new build on 450sqm.

**Satterley believes that the following prices represent market price in Catalina Beach.**

- **375sqm lot - \$350k**
- **450sqm lot - \$380k**

Please note that this will put the project back to market. To chase a larger market share further reductions may be required.

## COVID-19

At the start of 2020 the WA housing industry had started to show signs of a slow improvement with small positive signs in population, unemployment and stock levels. However, the recent impacts of COVID-19 will stop this improvement as the fall outs of this pandemic are understood.

COVID-19 has been described as a 'black swan event' impacting the world economy since the first reports of an outbreak in Wuhan China on 31 December 2019. These impacts escalated when the World Health Organisation declared this virus a 'Global Pandemic' on 11 March 2020. Volatility in financial markets and global economies has been constant since this time and is likely to continue for the time being. Factors such as the time it will take for the virus to peak and taper and a vaccine or treatment being widely disseminated are unknown at the point of preparing the FY2021 Budget and this May pricing review.

Understanding the true impact of the impact COVID-19 will only be achieved over the fullness of time. However, many leading economist have put forward their forecast which have informed this pricing review for the FY21 Budget. Price decreases ranging from 5% and up to 30% have been predicted by various industry professionals. Satterley do not believe the impact will be this severe as some of these forecast and the outlook provide by NAB Chief Economist (Alan Oster) provides a balanced view. Below is a snapshots of a few key points in his recent presentation in April 2020.

- GDP comparable to late 2019 not achieved until Q4 2021
- Business confidence and forward orders have been hit significantly
- Unemployment of 12% by mid year and still above 7% by the end of 2021
- House prices to fall a further 10% and remain flat in 2021 (outlook is better for Sydney and Melbourne)
- Serious recession looms

The impact of COVID-19 is largely dependant upon the containment measures, stimulus packages and most importantly the timing of a vaccination that is widely available. Best endeavours have been taken to try and provide the most accurate forecast of the impact of COVID-19 available at the point of preparing the FY21 Budget.

**A price fall in the region of 8% has been proposed in the FY21 Budget.**

## RECOMMENDATION

Precinct	Current Price	Market Variance	Adjusted Market Price	COVID-19 8%	COVID-19 Adjusted Price	FY21 Budget Price
Central – 375sqm	275,000	20,000	255,000	20,400	234,600	<b>235,000</b>
Central – 450sqm	310,000	25,000	285,000	22,800	262,200	<b>265,000</b>
Beach – 375sqm	355,000	5,000	350,000	28,000	322,000	<b>325,000</b>
Beach – 450sqm	400,000	20,000	380,000	30,400	349,600	<b>349,000</b>

The above represents the budget prices proposed for FY21. These prices represent a base for budgeting and each individual lot will be priced prior to release. Where opportunities exist for these prices to be increased and not effect the market relativity they will be explored.

# Appendix 9.7

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# Appendix 9.8

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