

TAMALA PARK REGIONAL COUNCIL

BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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Tamala Park Regional Council Vision

To create an urban centre of choice, sustainability, community and opportunity.

TAMALA PARK REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Revenue				
Interest earnings	9(a)	337,115	475,651	645,000
Other revenue	9(b)	22,380	21,331	23,935
		359,495	496,982	668,935
Expenses				
Employee costs		(648,534)	(647,060)	(749,760)
Materials and contracts		(338,763)	(198,520)	(222,769)
Utility charges		(6,662)	0	(6,500)
Depreciation on non-current assets	4	(31,227)	(54,672)	(55,287)
Interest expenses	9(d)	(90)	(519)	(511)
Insurance expenses		(16,874)	(12,914)	(16,462)
Other expenditure		(171,005)	(157,092)	(177,078)
		(1,213,155)	(1,070,777)	(1,228,367)
Subtotal		(853,660)	(573,795)	(559,432)
Profit on asset disposals	3(b)	5,312	1,224	785
		5,312	1,224	785
Net result		(848,348)	(572,571)	(558,647)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(848,348)	(572,571)	(558,647)

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

TAMALA PARK REGIONAL COUNCIL FOR THE YEAR ENDED 30 JUNE 2022

BASIS OF PREPARATION

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Tama to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget 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.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Tamala Park Regional Council controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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 financial statements. A separate statement of those monies appears at Note 11 to the budget.

2020/21 ACTUAL BALANCES

Balances shown in this budget as 2020/21 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

CHANGE IN ACCOUNTING POLICIES

On the 1 July 2021 no new accounting policies are to be adopted and no new policies are expected to impact the annual budget.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

SERVICE CHARGES

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

Excludes rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences safety expenses, medical examinations, fringe benefit tax, etc.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

TAMALA PARK REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue	1,7,7(a),9(a),9(b)	\$	\$	\$
General purpose funding		337,115	475,651	645,000
Other property and services		22,380	21,331	23,935
		359,495	496,982	668,935
Expenses excluding finance costs	3(a),4,9(c)(e)(e)			
Governance		(171,005)	(157,077)	(177,078)
Other property and services		(1,042,060)	(913,181)	(1,050,778)
		(1,213,065)	(1,070,258)	(1,227,856)
Finance costs	6,5(a),9(d)			
Other property and services		(90)	(519)	(511)
		(90)	(519)	(511)
Subtotal		(853,660)	(573,795)	(559,432)
Profit on disposal of assets	3(b)	5,312	1,224	785
		5,312	1,224	785
Net result		(848,348)	(572,571)	(558,647)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(848,348)	(572,571)	(558,647)

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

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Tamala Park Regional Council's Community Vision, and for each of its broad activities/programs.

OBJECTIVE

ACTIVITIES

GOVERNANCE

To provide good governance to the Regional Council

Member of Council Allowances and Reimbursements, and Administration Expenses.

GENERAL PURPOSE FUNDING

To collect interest on investmentss

Interest revenue

OTHER PROPERTY AND SERVICES

To monitor and control Councils overheads on operating accounts

Other Unclassified Activities.

**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Interest received		481,959	475,651	657,030
Goods and services tax received		9,492	33,963	0
Other revenue		22,380	21,331	23,935
		513,831	530,945	680,965
Payments				
Employee costs		(904,747)	(636,386)	(749,760)
Materials and contracts		(400,563)	(166,931)	(235,843)
Utility charges		(6,662)	0	(6,500)
Interest expenses		(90)	(519)	(511)
Insurance paid		(16,874)	(12,915)	(16,462)
Goods and services tax paid		0	(6,365)	0
Other expenditure		(171,005)	(157,092)	(177,078)
		(1,499,941)	(980,208)	(1,186,154)
Net cash provided by (used in) operating activities	2	(986,110)	(449,263)	(505,189)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	3(a)	(5,000)	(62,191)	(86,300)
Proceeds from sale of plant and equipment	3(b)	60,500	43,636	47,400
Net cash provided by (used in) investing activities		55,500	(18,555)	(38,900)
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal elements of lease payments	6	(20,878)	(34,542)	(34,870)
Proceeds on disposal of financial assets at amortised cost - term deposits		20,009,692	(19,260,215)	0
Payments for member contributions		(58,619,148)	(21,271,427)	(34,340,377)
Proceeds from member contributions		34,575,138	29,780,376	34,688,724
Net cash provided by (used in) financing activities		(4,055,196)	(10,785,808)	313,477
Net increase (decrease) in cash held		(4,985,806)	(11,253,626)	(230,612)
Cash at beginning of year		16,472,144	27,725,770	45,290,954
Cash and cash equivalents at the end of the year	2	11,486,338	16,472,144	45,060,342

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

TAMALA PARK REGIONAL COUNCIL
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	1(a)	53,268,677	45,207,121	45,224,510
		53,268,677	45,207,121	45,224,510
Revenue from operating activities (excluding rates)				
General purpose funding		337,115	475,651	645,000
Other property and services		27,692	22,555	24,720
		364,807	498,206	669,720
Expenditure from operating activities				
Governance		(171,005)	(157,078)	(177,078)
Other property and services		(1,042,150)	(913,700)	(1,051,289)
		(1,213,155)	(1,070,778)	(1,228,367)
Non-cash amounts excluded from operating activities	1(b)	25,915	45,261	54,502
Amount attributable to operating activities		52,446,244	44,679,810	44,720,365
INVESTING ACTIVITIES				
Payments for property, plant and equipment	3(a)	(5,000)	(62,191)	(86,300)
Proceeds from disposal of assets	3(b)	60,500	43,636	47,400
		55,500	(18,555)	(38,900)
Amount attributable to investing activities		55,500	(18,555)	(38,900)
FINANCING ACTIVITIES				
Principal elements of finance lease payments	6	(20,878)	(34,542)	(34,870)
Payments for member contributions		(58,619,148)	(21,271,427)	(34,340,376)
Proceeds from member contributions		34,575,138	29,913,391	34,688,724
Amount attributable to financing activities		(24,064,888)	8,607,422	313,478
Budgeted deficiency before imposition of general rates		28,436,856	53,268,677	44,994,943
Estimated amount to be raised from general rates	1	0	0	0
Net current assets at end of financial year - surplus/(deficit)	1(a)	28,436,856	53,268,677	44,994,943

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

TAMALA PARK REGIONAL COUNCIL
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FOR THE YEAR ENDED 30 JUNE 2022

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**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
1. NET CURRENT ASSETS**

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents- unrestricted
Cash and cash equivalents - restricted
Receivables

Less: current liabilities

Trade and other payables
Lease liabilities
Employee provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
2	11,486,338	53,481,836	44,858,663
2	17,000,000	0	0
	32,000	186,336	231,681
	28,518,338	53,668,172	45,090,344
	(37,000)	(116,281)	(30,000)
6	0	(20,878)	(34,870)
	(44,482)	(283,214)	(267,082)
	(81,482)	(420,373)	(331,952)
	28,436,856	53,247,799	44,758,392
1.(c)	0	20,878	34,870
	28,436,856	53,268,677	44,793,262

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

An asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Regional Council's operational cycle. In the case of liabilities where the Regional Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Tama's intentions to release for sale.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Regional Council prior to the end of the financial year that are unpaid and arise when the Tamala Park Regional Council 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.

PREPAID RATES

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Regional Council recognises revenue for the prepaid rates that have not been refunded.

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.

Superannuation

The Tamala Park Regional Council contributes to a number of superannuation funds on behalf of employees.

All funds to which the Tamala Park Regional Council contributes are defined contribution plans.

LAND HELD FOR RESALE

Land held for development and sale 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. Finance 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 on to the buyer at this point.

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.

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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

The Regional Council applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

PROVISIONS

Provisions are recognised when the Regional 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 outflow 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.

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Regional Council's obligations for short-term employee 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.

The Regional Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Tama's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

2. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

Note	2021/22 Budget	2020/21 Actual	2020/21 Budget	
	\$	\$	\$	
Cash at bank and on hand	3,486,338	1,177,362	45,060,342	
Term deposits	8,000,000	15,294,782	0	
Total cash and cash equivalents	11,486,338	16,472,144	45,060,342	
Held as				
- Unrestricted cash and cash equivalents	28,486,338	53,481,836	45,060,342	
- Restricted cash and cash equivalents	(17,000,000)	(37,009,692)	0	
	11,486,338	16,472,144	45,060,342	
Restrictions				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	(17,000,000)	(37,009,692)	0	
- Restricted financial assets at amortised cost - term deposits	17,000,000	37,009,692	0	
Reconciliation of net cash provided by operating activities to net result				
Net result	(848,348)	(572,571)	(558,647)	
Depreciation	4	31,227	54,672	55,287
(Profit)/loss on sale of asset	3(b)	(5,312)	(1,224)	(785)
(Increase)/decrease in receivables		154,336	(11,292)	12,030
Increase/(decrease) in payables		(79,281)	73,207	(13,074)
Increase/(decrease) in employee provisions		(238,732)	7,945	
Net cash from operating activities	(986,110)	(449,263)	(505,189)	

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments 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 shown as short term borrowings in current liabilities in Note 1 - Net Current Assets.

FINANCIAL ASSETS AT AMORTISED COST

The Tama 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.

TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022
3. FIXED ASSETS

(a) Acquisition of Assets

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

Reporting program

Asset class	Other property and services	2021/22 Budget total	2020/21 Actual total	2020/21 Budget total
	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>				
Furniture and equipment	5,000	5,000	0	17,000
Plant and equipment	0	0	62,191	69,300
	5,000	5,000	62,191	86,300
Total acquisitions	5,000	5,000	62,191	86,300

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document as follows:

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
3. FIXED ASSETS**

(b) Disposals of Assets

The following assets are budgeted to be disposed of during the year.

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Other property and services	55,188	60,500	5,312	0	42,412	43,636	1,224	0	46,615	47,400	785	0
	55,188	60,500	5,312	0	42,412	43,636	1,224	0	46,615	47,400	785	0
By Class												
<i>Property, Plant and Equipment</i>												
Plant and equipment	55,188	60,500	5,312	0	42,412	43,636	1,224	0	46,615	47,400	785	0
	55,188	60,500	5,312	0	42,412	43,636	1,224	0	46,615	47,400	785	0

A detailed breakdown of disposals on an individual asset basis can be found in the supplementary information attached to this budget document as follows:

- Plant replacement programme

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
4. ASSET DEPRECIATION**

By Program

Other property and services

By Class

Improvements to Leasehold Property

Furniture and equipment

Plant and equipment

Right of use - buildings

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
31,227	54,672	55,287
31,227	54,672	55,287
9,557	9,557	9,554
0	573	1,643
1,556	9,650	9,475
20,114	34,892	34,615
31,227	54,672	55,287

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Major depreciation periods used for each class of depreciable asset are:

Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Right of use - buildings	Based on the remaining lease term

AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
5. INFORMATION ON BORROWINGS

(a) Borrowing repayments

The Tamala Park Regional Council has not budgeted to have any borrowings for the year ended 30th June 2022 and did not have or budget to have any borrowings for the year ended 30th June 2021

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
5. INFORMATION ON BORROWINGS

The Tamala Park Regional Council had no unspent borrowing funds as at 30th June 2021 nor is it expected to have unspent borrowing funds as at 30th June 2022.

(b) Credit Facilities

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit			
Bank overdraft at balance date			
Credit card limit	10,000	10,000	6,000
Credit card balance at balance date	0	(573)	0
Total amount of credit unused	10,000	9,427	6,000
Loan facilities			
Lease Liabilities - current	0	20,878	20,550
Loan facilities in use at balance date	0	20,878	20,550
Unused loan facilities at balance date	Nil	Nil	Nil

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
6. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease	2021/22 Budget	Budget Lease	2021/22 Budget	Actual Principal	2020/21 Actual	Actual Lease	2020/21 Actual	Budget	2020/21 Budget	Budget Lease	2020/21 Budget	Budget Lease	2020/21 Budget	
					Principal	New Leases	Principal	outstanding		Repayments	Principal	outstanding	Principal	Leases	Principal	New Leases	Principal	outstanding	Principal
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Other property and services																			
Unit 2 369 Scarborough	Stirling	City of Stirling	1.30%	36	20,878		(20,878)	0	(90)	55,420		(34,542)	20,878	(519)	55,420	0	(34,870)	20,550	(511)
					20,878	0	(20,878)	0	(90)	55,420	0	(34,542)	20,878	(519)	55,420	0	(34,870)	20,550	(511)

SIGNIFICANT ACCOUNTING POLICIES

LEASES

At the inception of a contract, the Tamala Park Regional Council assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and a lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Tama uses its incremental borrowing rate.

LEASE LIABILITIES

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

**TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022
 7. REVENUE RECOGNITION**

SIGNIFICANT ACCOUNTING POLICIES

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Commissions	Commissions on investments	Over time	Payment in full in arrears	None	Set by mutual agreement with the provider of service	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

8. MEMBERS REMUNERATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Member 1			
Chairperson's allowance	20,565	20,063	20,063
Meeting attendance fees	16,235	15,839	15,839
	36,800	35,902	35,902
Member 2			
Deputy Chairperson's allowance	5,141	5,016	5,016
Meeting attendance fees	10,824	10,560	10,560
	15,965	15,576	15,576
Member 3			
Meeting attendance fees	10,824	10,560	10,560
	10,824	10,560	10,560
Member 4			
Meeting attendance fees	10,824	10,560	10,560
	10,824	10,560	10,560
Member 5			
Meeting attendance fees	10,824	4,907	4,907
	10,824	4,907	4,907
Member 6			
Meeting attendance fees	10,824	5,280	5,280
	10,824	5,280	5,280
Member 7			
Meeting attendance fees	0	5,653	5,653
	0	5,653	5,653
Member 8			
Meeting attendance fees	0	5,280	5,280
	0	5,280	5,280
Member 9			
Meeting attendance fees	10,824	10,560	10,560
	10,824	10,560	10,560
Member 10			
Meeting attendance fees	10,824	10,560	10,560
	10,824	10,560	10,560
Member 11			
Meeting attendance fees	10,824	10,560	10,560
	10,824	10,560	10,560
Member 12			
Meeting attendance fees	10,824	10,560	10,560
	10,824	10,560	10,560
Member 13			
Meeting attendance fees	10,824	10,560	10,560
	10,824	10,560	10,560
Member 14			
Meeting attendance fees	10,824	10,560	10,560
	10,824	10,560	10,560
Total Elected Member Remuneration	161,005	157,078	157,078
President's allowance	20,565	20,063	20,063
Deputy President's allowance	5,141	5,016	5,016
Meeting attendance fees	135,299	131,999	131,999
	161,005	157,078	157,078

9. OTHER INFORMATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Other funds	337,115	475,651	645,000
	337,115	475,651	645,000
(b) Other revenue			
Reimbursements and recoveries	22,380	21,331	23,935
	22,380	21,331	23,935
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	30,000	6,395	12,000
	30,000	6,395	12,000
(d) Interest expenses (finance costs)			
Interest expense on lease liabilities	90	519	511
	90	519	511

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
10. MAJOR LAND TRANSACTIONS

The project is undertaken on behalf of the TPRC's seven participating councils. The Establishment Agreement details the following:

The land owned from time to time by the participants jointly or by the TPRC:

Land being part of Lot 118 Mindarie
 Land between Lot 118 and the Mitchell Freeway Reserve
 Any land that may be acquired by the TPRC

(a) Details

The participants are the owners of the land ,in shares as set out below:

Town of Cambridge	One Twelfth
City of Joondalup	One Sixth
City of Perth	One Twelfth
City of Stirling	One Third
Town of Victoria Park	One Twelfth
Town of Vincent	One Twelfth
City of Wanneroo	One Sixth

(b) Current year transactions

Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Operating revenue			
Income Sale of Lots - Subdivision	34,575,138	29,913,391	34,688,724
Capital expenditure			
Land Development Costs	(40,605,848)	(7,344,263)	(27,389,860)
Consultancy Fees	(433,863)	(300,270)	(415,819)
Sales and Marketing	(400,000)	(121,247)	(400,000)
Selling Expenses	(4,244,632)	(2,048,727)	(2,891,698)
Other	(130,000)	(36,102)	(93,000)
	(11,239,205)	20,062,782	3,498,347

(c) Expected future cash flows

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	\$	\$	\$	\$	\$	\$
Cash outflows						
Development Costs - Subdivision	(45,814,343)	(35,954,717)	(21,643,363)	(17,344,614)	(18,029,943)	(138,786,980)
	(45,814,343)	(35,954,717)	(21,643,363)	(17,344,614)	(18,029,943)	(138,786,980)
Cash Inflows						
Income Sale of Lots - Subdivision	34,575,138	27,640,110	29,534,289	32,424,257	28,618,314	152,792,108
	34,575,138	27,640,110	29,534,289	32,424,257	28,618,314	152,792,108
Net cash flows	(11,239,205)	(8,314,607)	7,890,926	15,079,643	10,588,371	14,005,128

11. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

GOODS AND SERVICES TAX (GST)

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.

CRITICAL ACCOUNTING ESTIMATES

The preparation of a budget 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.

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

BUDGET COMPARATIVE FIGURES

Unless otherwise stated, the budget comparative figures shown in the budget relate to the original budget estimate for the relevant item of disclosure.