



TAMALA PARK
REGIONAL COUNCIL

Ordinary Meeting of Council

MINUTES

Thursday 13 August 2009
City of Stirling, 5.30pm

TAMALA PARK
REGIONAL COUNCIL
(TPRC)
COMPRISES THE
FOLLOWING
COUNCILS:

Town of Cambridge
City of Joondalup
City of Perth
City of Stirling
Town of Victoria Park
Town of Vincent
City of Wanneroo

MEMBERSHIP

OWNER COUNCIL	MEMBER	ALTERNATE MEMBER
Town of Cambridge	Mayor Simon Withers	
City of Joondalup	Cr Michele Rosano Mayor Troy Pickard	
City of Perth	Cr Eleni Evangel	
City of Stirling	Cr Paul Collins Cr John Italiano Cr David Michael Cr Bill Stewart	Cr Kathryn Thomas Cr Terry Tyzack
Town of Victoria Park	Mayor Trevor Vaughan	
Town of Vincent	Mayor Nick Catania	Cr Steed Farrell
City of Wanneroo	Cr Tracey Roberts Cr Bob Smithson	Cr Alan Blencowe Cr Frank Cvitan

NB: Although some Councils have nominated alternate members, it is a precursor to any alternate member acting that a Council carries a specific resolution for each occasion that the alternate member is to act, referencing Section 51 of the Interpretation Act. The current Local Government Act does not provide for the appointment of deputy or alternate members of Regional Councils. The DLGRD is preparing an amendment to rectify this situation.

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PRESENT

Chairman Cr Troy Pickard

Councillors

Cr Paul Collins
Cr David Michael
Cr Tracey Roberts
Cr Michele Rosano (from 6.10pm)
Cr Bob Smithson
Cr Simon Withers

Alternate Members Nil

Staff Rod Constantine (Chief Executive Officer)
Kylie Jeffs (Minute Clerk)

Apologies Councillors Cr Nick Catania
Cr John Italiano
Cr Trevor Vaughan
Cr Bill Stewart

Leave of Absence Nil

Absent Cr Eleni Evangel

Consultants Ms Erica Urquiaga (Gerard Daniels) (departed 6.12pm)
Mr Tony Taylor (Gerard Daniels) (departed 6.12pm)
Mr Murray Casselton (TPG Town Planning & Urban Design)
(from 6.12pm)
Mr Jeff Malcolm (TPG Town Planning & Urban Design)
(from 6.12pm)
Mr Brett Wood Gush (TPG Town Planning & Urban Design)
(from 6.12pm)

**Apologies Represented
Councils' Advisers** Mr John Bonker (Town of Victoria Park)

In Attendance Mr Lewis Bond (City of Perth)
Mr Jason Buckley (Town of Cambridge)
Mr Garry Hunt (City of Joondalup)
Mr Len Kosova (City of Wanneroo)
Mr Jason Lyon (Town of Cambridge)
Mr Ross Povey (City of Stirling)

Members of the Public 1

Press Nil

PRELIMINARIES

1. OFFICIAL OPENING

The meeting was declared open at 5.35pm.

DISCLOSURE OF INTERESTS

Nil

2. PUBLIC STATEMENT/QUESTION TIME

Nil

3. APOLOGIES AND LEAVE OF ABSENCE

Apologies were received from Cr Nick Catania, Cr John Italiano, Cr Bill Stewart and Cr Trevor Vaughan.

4. PETITIONS

Nil

5. CONFIRMATION OF MINUTES

Ordinary Meeting of Council – 18 June 2009

Moved Cr D Michael, Seconded Cr P Collins

That the minutes of the Ordinary Meeting of Council of 18 June 2009 be confirmed, and signed by the Chairman, as a true and correct record of proceedings.

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

5A. BUSINESS ARISING FROM THE MINUTES

Nil

6. ANNOUNCEMENTS BY CHAIRMAN (WITHOUT DISCUSSION)

- The Chairman advised that he, Mr Rod Constantine (CEO) and TPG representatives met with the DPI.
- The Chairman advised that he and consultants from TPG, Tabec and Uloth met with senior executives from MRWA to seek support for greenlink underpass through Neerabup Road and traffic lights at Connolly Drive and Marmion Avenue were critical to the success of the development. MRWA have agreed to work with the consultants on the design principles with a positive outcome is expected.
- The Chairman advised that a letter had been written to the new WAPC Chairman recommending the newly formed Infrastructure Coordination Committee (ICC) lend its expertise and facilitation to the Tamala Park development.
- The Chairman advised that the CEO selection panel had recommended a preferred candidate (as per Item 9.7 on this agenda).

- The CEO selection panel members consisted of the following councillors:

- Chairman Pickard
- Cr Collins
- Cr Withers
- Cr Roberts

These members were acknowledged and thanked for their diligent and consistent effort through the time consuming task of identifying a preferred candidate for the TPRC CEO position.

7. MATTERS FOR WHICH MEETING MAY BE CLOSED

- Item 8 – Reports of Committees - CEO Performance Review Committee Meeting – 10 August 2009
- Item 9.7 – TPRC CEO Selection Panel Report & Recommendations

Moved Cr T Roberts, Seconded Cr B Smithson

That the Council proceed to consider Item 8 and Item 9.7 and that the meeting be closed for discussion on these items.

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

Council representatives and the member of the public departed the meeting at 5.41pm.

8. REPORTS OF COMMITTEES

Cr Michele Rosano arrived during discussion on this item.

NB: Tony Taylor & Ms Erica Urquiaga (Gerard Daniels) were present during discussion on this item.

NB: This item was considered in closed session, see motion moved after agenda item 7.

Minutes of the CEO Performance Review Meeting – 10 August 2009

Moved Cr P Collins, Seconded Cr B Smithson:

The Committee recommends to Council:

8.1 Progress with Appointment of CEO Relative to Agreed Timetable

The Committee recommends to Council:

That the progress with appointment of the TPRC CEO be NOTED.

8.2 CEO Draft Contract of Employment

The Committee recommends to Council:

That the contract document (attached as an appendix to this item 8.2) as amended be APPROVED and used as the contract for engagement of the preferred candidate as CEO of the TPRC.

8.3 Selection Panel progress – Consultant's Report on Activity and Panel Recommendations

That the Committee notes the Panel's report and the recommendations of the Panel and endorses the recommendations of the Panel to the Council viz:

1. That John Anthony Arias be the preferred candidate for appointment to the position of CEO TPRC and be offered appointment to the position of CEO of TPRC.
2. That the remuneration package be \$295,000 per annum for the preferred candidate.
3. That a suitable induction program for the CEO elect covering local government and TPRC issues of relevance be arranged in conjunction with the TPRC Chairman, TPRC CEO and CEO elect.

8.4 Completion of Formalities and Contract Commencement Date

1. That the target completion date for completion of contract formalities with the nominated CEO candidate be 21 August 2009.
2. That the date for commencement of duties for inclusion in the contract of employment be 12 October 2009.

The motion was put and declared by ABSOLUTE MAJORITY (7/0).

The meeting resumed in open session by resolution carried in conjunction with Item 9.7. Upon the meeting returning to open session at 6.12pm the Chairman read out the motions carried by the Council in closed session as noted above.

9. ADMINISTRATION REPORTS

Moved Cr T Roberts, Seconded Cr B Smithson

That Item 9.7 – TPRC CEO Selection Panel Report & Recommendations be discussed before item 9.1 – Business Report Period Ending 31 May 2009 on the agenda.

The motion was put and declared CARRIED (7/0).

9.1 BUSINESS REPORT – PERIOD ENDING 31 JULY 2009

Moved Cr B Smithson, Seconded Cr M Rosano

[The recommendation in the agenda]

That the Business Report to 31 July 2009 be RECEIVED.

The Motion was put and declared CARRIED (7/0).

9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF JUNE 2009 AND JULY 2009

Moved Cr P Collins, Seconded Cr B Smithson

[The recommendation in the agenda]

That the Council RECEIVE and NOTE the Statement of Financial Activity for the months ending 30 June 2009 and 31 July 2009.

The Motion was put and declared CARRIED (7/0).

9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF JUNE 2009 AND JULY 2009

Moved Cr D Michael, Seconded Cr S Withers

[The recommendation in the agenda]

That the Council RECEIVE and NOTE the list of accounts paid under Delegated Authority to the CEO for the month of June 2009 and July 2009:

Month ending 30 June 2009 (Total \$198,384.30)

Month ending 31 July 2009 (Total \$164,384.30)

Total Paid \$363,331.55

The Motion was put and declared CARRIED (7/0).

9.4 STRUCTURE PLAN – CONSULTANTS REPORT FOR THE PERIOD ENDING 7 AUGUST 2009

Moved Cr P Collins, Seconded B Smithson

[The recommendation in the agenda]

1. **That the report from TPG on consultant activity relative to structure planning for the period ending 7 August 2009 be RECEIVED.**
2. **That the Council NOTE that work to end of July 2009 is in accordance with the time program and project phases listed for the TPD structure planning project except that the formal submission of the Structure Plan was deferred from the 18 June 2009 meeting to facilitate participant local authorities reviewing and providing comments on the Structure Plan.**

The Motion was put and declared CARRIED (7/0).

9.5 DELEGATION OF AUTHORITY

[The recommendation in the agenda]

1. **That the Delegation Register and delegations set out therein be APPROVED.**
2. **That delegations be further REVIEWED in August 2010.**

Moved Cr D Michael, Seconded Cr M Rosano:

1. That the Delegation Register and delegations set out therein be **APPROVED** subject to the modification of the Delegation Register under Item 8 with the insertion of the words '*and less than \$100,000*' after the words '*if the value exceeds \$50,000*'.
2. That delegations be further **REVIEWED** in August 2010.

The Motion was put and declared CARRIED BY ABSOLUTE MAJORITY (7/0).

9.6 TRANSPORT ISSUES – MAIN ROADS WA

Moved Cr M Rosano, Seconded Cr D Michael

[The recommendation in the agenda]

That the report be RECEIVED.

The Motion was put and declared CARRIED (7/0).

9.7 TPRC CEO SELECTION PANEL REPORT & RECOMMENDATIONS

This item was discussed before Item 9.1.

NB: This item was discussed behind closed doors (see resolution Item 7).

NB: Tony Taylor & Ms Erica Urquiaga (Gerard Daniels) were present during discussion on this item.

Moved Cr T Roberts, Seconded Cr P Collins

[The recommendation in the agenda]

1. That **John Anthony Arias** be the preferred candidate for appointment to the position of CEO TPRC and be offered appointment to the position of CEO of TPRC.
2. That the remuneration package be \$295,000 per annum for the preferred candidate.
3. That appointment be by contract for a period of 5 years as recommended by the CEO Performance Review Committee.
4. That a suitable induction program for the CEO elect covering local government and TPRC issues of relevance be arranged in conjunction with the TPRC Chairman, TPRC CEO and CEO elect.

The Motion was put and declared CARRIED BY ABSOLUTE MAJORITY (7/0).

Moved Cr B Smithson, Seconded Cr P Collins

That the meeting continue in open session.

NB: This resolution has effect with respect to Item 8 also.

The Motion was put and declared CARRIED (7/0).

Council representatives and the member of the public were invited to join the meeting at 6.12pm.

The meeting resumed in open session by resolution carried in conjunction with Item 8. Upon the meeting returning to open session at 6.12pm the Chairman read out the motions carried by the Council in closed session as noted above.

Item 9.1 was discussed next on the agenda.

9.8 ACQUISITION OF PART CLASS A RESERVE 27575 UNDER MANAGEMENT ORDER WITH WAPC

Moved Cr M Rosano, Seconded Cr D Michael

[The recommendation in the agenda]

That the report be RECEIVED and action taken be ENDORSED.

The Motion was put and declared CARRIED (7/0).

9.9 LOCAL AUTHORITY COMMENTS ON DRAFT STRUCTURE PLAN

Moved Cr B Smithson, Seconded Cr D Michael

[The recommendation in the agenda]

That the report be RECEIVED and referred to the lead and sub-consultants for structure planning for feedback and review of the existing provisions of the draft Structure Plan.

Moved Cr P Collins, Seconded Cr T Roberts

That the recommendation be amended as follows:

That the report be RECEIVED and referred to the lead and sub-consultants for structure planning for feedback and review of the existing provisions of the draft Structure Plan and a further report be presented to Council.

The Motion for amendment was put and declared CARRIED (7/0).

The Motion as then amended was put and declared CARRIED (7/0).

9.10 PURCHASE OF LOT 807 NEERABUP ROAD – MAIN ROADS WA (MRWA)

Moved Cr P Collins, Seconded Cr S Withers

[The recommendation in the agenda]

That the report be RECEIVED.

The Motion was put and declared CARRIED (7/0).

9.11 TAMALA PARK DEVELOPMENT – FORMAL SUBMISSION LOCAL STRUCTURE PLAN

Moved Cr T Roberts, Seconded Cr D Michael

[The recommendation in the agenda]

1. That the report and Structure Plan document for Lot 9504 and associated Government land be **RECEIVED**.
2. That the Structure Plan be **APPROVED** and formally submitted for assessment by City of Wanneroo.
3. That a **REFERRAL** be made to the Federal Department of Environment for approval to proceed without further environmental assessment.
4. That the Environmental Management Plan prepared in conjunction with the Structure Plan be **SUBMITTED** for clearance by the Department of Environment (WA) and the WAPC for clearance in respect of conditions attaching to MRS 992/33 to facilitate rezoning of the local area structure plan land from the Deferred Urban to the Urban zone.

The Motion was put and declared **CARRIED (7/0)**.

9.12 MINDARIE REGIONAL COUNCIL BUFFER

Moved Cr M Rosano, Seconded Cr P Collins

[The recommendation in the agenda]

1. That the **MRC** request for retention of buffers to facilitate ongoing use of the **MRC** lease area to optimise landfill operations be **ACKNOWLEDGED**.
2. That the conditions that would attend the continuation of the **MRC** landfill licence buffer be **DEVELOPED** with joint input from **MRC** and **TPRC** and be subject of a further report to the next meeting **TPRC** Council.

The Motion was put and declared **CARRIED (7/0)**.

9.13 TPRC BUDGET FOR THE FINANCIAL YEAR 2009/2010

Moved Cr B Smithson, Seconded Cr M Rosano

[The recommendation in the agenda]

That the TPRC draft budget proposals for the financial year 1 July 2009 - 30 June 2010 be ADOPTED.

The Motion was put and declared **CARRIED BY ABSOLUTE MAJORITY (7/0)**.

10. ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN

Nil

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

Nil

12. URGENT BUSINESS APPROVED BY THE CHAIRMAN

Nil

13. MATTERS BEHIND CLOSED DOORS

Nil

14. GENERAL BUSINESS

Nil

15. FORMAL CLOSURE OF MEETING

The Chairman declared the meeting closed at 7.16pm.

These minutes were confirmed at a meeting on

SIGNED this day of 2009

as a true record of proceedings.

CHAIRMAN

TAMALA PARK REGIONAL COUNCIL
BUDGET
FOR THE YEAR ENDED 30TH JUNE 2010

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TAMALA PARK REGIONAL COUNCIL

INCOME STATEMENT

BY NATURE OR TYPE

FOR THE YEAR ENDED 30TH JUNE 2010

	NOTE	2009/10 Budget \$	2008/09 Actual \$	2008/09 Budget \$
REVENUES FROM ORDINARY ACTIVITIES				
Interest Earnings	2(a)	627,688	1,054,193	1,053,095
Other Revenue		<u>0</u>	<u>680</u>	<u>0</u>
		627,688	1,054,873	1,053,095
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(445,452)	(263,453)	(328,410)
Materials and Contracts				
Professional Consulting Fees		(565,800)	(642,045)	(1,047,200)
Other		(270,559)	(29,925)	(96,052)
Depreciation	2(a)	(4,502)	(4,847)	(4,502)
Loss on Disposal of Assets		0	(140)	0
Insurance Expenses		(4,250)	(3,649)	(4,250)
Other Expenditure		<u>(114,000)</u>	<u>(98,500)</u>	<u>(114,000)</u>
		<u>(1,404,563)</u>	<u>(1,042,559)</u>	<u>(1,594,414)</u>
		(776,875)	12,314	(541,319)
NET RESULT		<u><u>(776,875)</u></u>	<u><u>12,314</u></u>	<u><u>(541,319)</u></u>

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

TAMALA PARK REGIONAL COUNCIL

INCOME STATEMENT

BY PROGRAM

FOR THE YEAR ENDED 30TH JUNE 2010

	NOTE	2009/10 Budget \$	2008/09 Actual \$	2008/09 Budget \$
OPERATING REVENUES (Refer Notes 1,2)				
General Purpose Funding		627,688	1,054,193	1,053,095
Other Property and Services		<u>0</u>	<u>680</u>	<u>0</u>
		627,688	1,054,873	1,053,095
OPERATING EXPENSES (Refer Notes 1,2)				
Governance		(114,000)	(98,500)	(114,000)
Other Property and Services		<u>(1,290,563)</u>	<u>(943,919)</u>	<u>(1,480,414)</u>
		(1,404,563)	(1,042,419)	(1,594,414)
PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)				
Other Property and Services		<u>0</u>	<u>(140)</u>	<u>0</u>
		0	(140)	0
NET RESULT		<u>(776,875)</u>	<u>12,314</u>	<u>(541,319)</u>

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

TAMALA PARK REGIONAL COUNCIL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2010

	NOTE	2009/10 Budget \$	2008/09 Actual \$	2008/09 Budget \$
Cash Flows From Operating Activities				
Receipts				
Interest Earnings		627,688	1,064,259	1,134,592
Goods and Services Tax		140,000	30,406	160,000
Other		<u>0</u>	<u>24,186</u>	<u>0</u>
		767,688	1,118,851	1,294,592
Payments				
Employee Costs		(445,452)	(235,233)	(349,969)
Materials and Contracts				
Professional Consulting Fees		(565,800)	(642,045)	(1,047,200)
Other		(270,559)	(29,925)	(117,567)
Insurance Expenses		(4,250)	(3,649)	(4,250)
Goods and Services Tax		(140,000)	(53,912)	(160,000)
Other		<u>(114,000)</u>	<u>(36,660)</u>	<u>(156,926)</u>
		(1,540,061)	(1,001,424)	(1,835,912)
Net Cash Provided By Operating Activities	7(b)	<u>(772,373)</u>	<u>117,427</u>	<u>(541,320)</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment	3	<u>(2,739,100)</u>	<u>(2,491)</u>	<u>(4,006,950)</u>
Net Cash Used in Investing Activities		(2,739,100)	(2,491)	(4,006,950)
Cash Flows from Financing Activities				
Contribution to be Returned		<u>(94,539)</u>	<u>(73,250)</u>	<u>(80,992)</u>
Net Cash Provided By (Used In) Financing Activities		(94,539)	(73,250)	(80,992)
Net Increase (Decrease) in Cash Held		(3,606,012)	41,686	(4,629,262)
Cash at Beginning of Year		17,342,514	17,300,828	17,300,828
Cash and Cash Equivalents at the End of the Year	7(a)	<u><u>13,736,502</u></u>	<u><u>17,342,514</u></u>	<u><u>12,671,566</u></u>

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

**TAMALA PARK REGIONAL COUNCIL
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2010**

Being a Regional Council with funding from equity contributed by members, no rates will be raised for the year ended 30 June 2010.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2010**

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) Basis of Accounting

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), other mandatory professional reporting requirements, the Local Government Act 1995 (as amended) and accompanying regulations (as amended). The budget has also been prepared on the accrual basis under the convention of historical cost accounting.

(b) The Local Government Reporting Entity

All Funds through which the 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.

(c) 2008/09 Actual Balances

Balances shown in this budget as 2008/09 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(d) Rounding Off Figures

All figures shown in this budget, other than a rate in the dollar, are rounded to the nearest dollar.

(e) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(f) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2010**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectibility of trade 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.

(i) Inventories

General

Inventories are valued 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.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

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

(j) Fixed Assets

Initial Recognition

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 includes the cost of all materials, direct labour and variable and fixed overheads.

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, 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.

Land Under Roads

Land under roads is excluded from infrastructure in accordance with the transitional arrangements available under AASB 1045 and in accordance with legislative requirements.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2010**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

Land Under Roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

The regional council does not have control over any roads, and so no infrastructure of this nature is recorded in the accounts.

(k) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Investments and Other Financial Assets

Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Investments and Other Financial Assets (Continued)

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains and losses arising from changes in the fair value of the financial assets at fair value category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when the Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(m) Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of adopting the budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2009.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

(o) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) 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)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

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

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) 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.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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.

(r) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(s) Superannuation

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent a cash refund or a reduction in the future payments is available.

(t) 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. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where 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 even if not expected to be settled in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2010

	2009/10 Budget \$	2008/09 Actual \$	2008/09 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result from Ordinary Activities was arrived at after:			
(i) Charging as Expenses:			
Depreciation			
<u>By Program</u>			
Other Property and Services	4,502	4,847	4,502
	<u>4,502</u>	<u>4,847</u>	<u>4,502</u>
<u>By Class</u>			
Furniture and Equipment	4,502	4,847	4,502
	<u>4,502</u>	<u>4,847</u>	<u>4,502</u>
(ii) Crediting as Revenues:			
Interest Earnings			
Investments			
- Other Funds	627,688	1,054,193	1,053,095
	<u>627,688</u>	<u>1,054,193</u>	<u>1,053,095</u>

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2010

2. REVENUES AND EXPENSES (Continued)

(b) 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 the 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, 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 practise.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2010**

3. ACQUISITION OF ASSETS

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

**2009/10
Budget
\$**

By Program

Economic Services

WAPC and MRWA Land East of TPRC Site

2,250,000

Office TPRC

480,000

Other Property and Services

Desk/chair CEO

1,000

Desk/Chair -Proj Dev Mgr

1,000

Computer- Proj Dev Mgr

2,400

Office Chair Exec Asst

200

Meeting Table & Chairs

1,500

Plan Display Screen or Projector

3,000

2,739,100

By Class

Land and Buildings

2,730,000

Furniture and Equipment

9,100

2,739,100

4. DISPOSALS OF ASSETS

No assets are budgeted to be disposed of during the year.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2010

5. NET CURRENT ASSETS	2009/10 Budget	2008/09 Actual
Composition of Estimated Net Current Asset Position	\$	\$
CURRENT ASSETS		
Cash - Unrestricted	13,736,502	17,342,514
Cash - Restricted	0	0
Receivables	71,431	71,431
	<u>13,807,933</u>	<u>17,413,945</u>
LESS: CURRENT LIABILITIES		
Payables and Provisions	<u>(133,134)</u>	<u>(133,134)</u>
NET CURRENT ASSET POSITION	13,674,799	17,280,811
Less: Cash - Restricted	<u>0</u>	<u>0</u>
ESTIMATED SURPLUS C/FWD	<u>13,674,799</u>	<u>17,280,811</u>

The estimated surplus c/fwd in the 2008/09 actual column represents the surplus brought forward as at 1 July 2009.

The estimated surplus c/fwd in the 2009/10 budget column represents the surplus equity carried forward as at 30 June 2010.

TAMALA PARK REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2010

	2009/10 Budget \$	2008/09 Actual \$
6. COUNCILLORS' REMUNERATION		
The following fees, expenses and allowances were paid to council members and/or the president.		
Elected Members Remuneration	91,000	91,000
Chairman Allowance	6,000	6,000
Deputy Chairman Allowance	1,500	1,500
	<u>98,500</u>	<u>98,500</u>

7. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	2009/10 Budget \$	2008/09 Actual \$	2008/09 Budget \$
Cash - Unrestricted	13,736,502	17,342,514	12,671,566
Cash - Restricted	0	0	0
	<u>13,736,502</u>	<u>17,342,514</u>	<u>12,671,566</u>

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net Result	(776,875)	12,314	(541,319)
Depreciation	4,502	4,847	4,502
(Profit)/Loss on Sale of Asset	0	140	0
(Increase)/Decrease in Receivables	0	10,066	(4,503)
Increase/(Decrease) in Payables	0	61,840	0
Increase/(Decrease) in Employee Provisions	0	28,220	0
Net Cash from Operating Activities	<u>(772,373)</u>	<u>117,427</u>	<u>(541,320)</u>

**(c) Undrawn Borrowing Facilities
Credit Standby Arrangements**

Bank Overdraft limit	0	0	0
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	0	0	0
Credit Card Balance at Balance Date	0	0	0
Total Amount of Credit Unused	<u>0</u>	<u>0</u>	<u>0</u>

Loan Facilities

Loan Facilities in use at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2010

8. INFORMATION ON BORROWINGS

The Regional Council has no borrowings and has not budgeted for any new borrowings during the year ended 30 June 2010.

Overdraft

The Regional Council has no overdraft facility and it is not anticipated such a facility will be required during the year ended June 30 2010.

9. RESERVES

The Regional Council has no Reserve Accounts set aside for specific purposes and does not intend to set aside any cash during the year ended 30 June 2010.

10. RATING INFORMATION - 2009-2010 FINANCIAL YEAR

Being a Regional Council, no rates will be raised during the year ended 30 June 2010.

11. SERVICE CHARGES - 2009-2010 FINANCIAL YEAR

No Service Charges are to be raised during the year 30 June 2010.

**12. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2009-2010 FINANCIAL YEAR**

There are no discounts, incentives, concessions or write-offs during the year ended 30 June 2010.

13. TRUST FUNDS

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

14. FEES AND CHARGES REVENUE

The Regional Council does not anticipate any income from fees and charges during the year ended 30 June 2010.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2010

15. MAJOR LAND TRANSACTIONS

Lot 807 Neerabup Road

(a) Details

It is expected that one major land transaction will be completed during the year ended 30 June 2010- this transaction will be the acquisition of lot 807 Neerabup Road from Main Roads WA and negotiations will proceed with the State Government (WAPC) for acquisition of 10.8 Hectares of urban deferred land in a future financial year.

	2009/10 Budget \$	2008/09 Actual \$
(b) Current year transactions		
Operating Income		
- Profit on sale	0	0
Capital Income		
- Sale Proceeds	0	0
Capital Expenditure		
- Purchase of Land	2,250,000	0
- Development Costs	0	0
	<u>2,250,000</u>	<u>0</u>

(c) Expected Future Cash Flows

	2009/10 \$	2010/11 \$	2011/12 \$	2012/13 \$	2013/14 \$	Total \$
Cash Outflows						
- Development Costs	0	0	120,000	200,000	100,000	420,000
- Loan Repayments		0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>120,000</u>	<u>200,000</u>	<u>100,000</u>	<u>420,000</u>
Cash Inflows						
- Loan Proceeds	0	0	0	0	0	0
- Sale Proceeds		0	0	600,000	2,600,000	3,200,000
	<u>0</u>	<u>0</u>	<u>0</u>	<u>600,000</u>	<u>2,600,000</u>	<u>3,200,000</u>
Net Cash Flows	<u>0</u>	<u>0</u>	<u>120,000</u>	<u>800,000</u>	<u>2,700,000</u>	<u>3,620,000</u>

16. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2009/10.