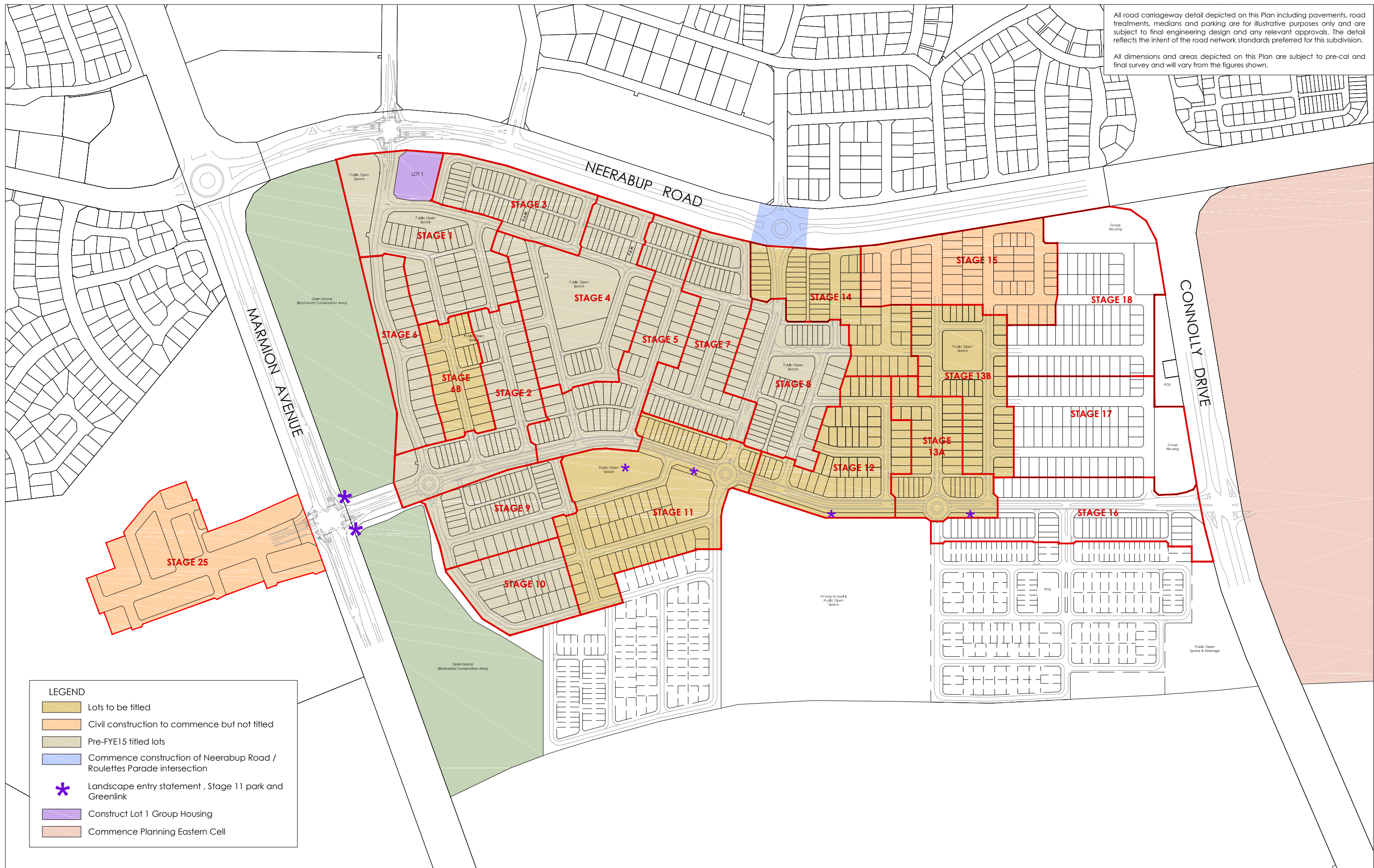


# **Appendix 9.1**

All road carriageway detail depicted on this Plan including pavements, road treatments, medians and parking are for illustrative purposes only and are subject to final engineering design and any relevant approvals. The detail reflects the intent of the road network standards preferred for this subdivision.

All dimensions and areas depicted on this Plan are subject to pre-cal and final survey and will vary from the figures shown.



#### LEGEND

- Lots to be titled
- Civil construction to commence but not titled
- Pre-FYE15 titled lots
- Commence construction of Neerabup Road / Roulettes Parade intersection
- ✱ Landscape entry statement , Stage 11 park and Greenlink
- Construct Lot 1 Group Housing
- Commence Planning Eastern Cell

# **Appendix 9.2**

**TAMALA PARK REGIONAL COUNCIL**  
**MONTHLY STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2013 TO 31 MARCH 2014**

**TABLE OF CONTENTS**

Statement of Financial Activity	2
Notes to and Forming Part of the Statement	3 to 9



**TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2013 TO 31 MARCH 2014**

	NOTE	31 Mar 2014 Actual \$	31 Mar 2014 Y-T-D Budget \$	2013/2014 Adopted Budget \$	Variances Budget to Actual Y-T-D %
<b><u>Operating</u></b>					
<b>Revenues</b>	1,2				
Interest Earnings		721,611	483,544	711,090	49.23%
Other Revenue		4,635	0	1,890	0.00%
		<u>726,246</u>	<u>483,544</u>	<u>712,980</u>	50.19%
<b>Expenses</b>	1,2				
Employee Costs		(393,322)	(490,009)	(679,975)	(19.73%)
Materials and Contracts					
- Materials and Contracts Other		(84,438)	(155,582)	(348,450)	(45.73%)
- Professional/Consultant Fees		(43,838)	(93,600)	0	(53.16%)
Depreciation		0	(14,751)	(20,489)	(100.00%)
Utilities		0	0	(10,000)	0.00%
Insurance		(23,848)	(11,900)	(11,900)	100.40%
Other Expenditure		(86,621)	(132,612)	(161,050)	(34.68%)
		<u>(632,067)</u>	<u>(898,454)</u>	<u>(1,231,864)</u>	(29.65%)
<b><u>Adjustments for Non-Cash (Revenue) and Expenditure</u></b>					
Depreciation on Assets		0	14,751	20,489	(100.00%)
<b><u>Capital Revenue and (Expenditure)</u></b>					
Furniture and Equipment	3	(6,968)	(6,000)	(6,000)	16.13%
<b>LESS MEMBERS EQUITY</b>					
<b>Development of Land for Resale</b>					
Income Sale of Lots - Subdivision		32,558,700	28,655,312	45,640,484	13.62%
Income Other Subdivisions		14,029	475,762	634,349	(97.05%)
Development Costs		(20,465,358)	(34,350,239)	(45,800,319)	(40.42%)
Contribution Refund		(220,404)	(300,000)	(400,000)	(26.53%)
Contribution Returned		(3,999,996)	(7,500,000)	(10,000,000)	(46.67%)
<b>Change in Contributed Equity</b>	6	<u>7,886,971</u>	<u>(13,019,165)</u>	<u>(9,925,486)</u>	(160.58%)
ADD Net Current Assets July 1 B/Fwd	7	26,068,417	26,069,508	26,069,508	(0.00%)
Net Current Assets Year to Date	7	<u>34,042,599</u>	<u>12,644,184</u>	<u>15,639,627</u>	

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 2013 TO 31 MARCH 2014**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Accounting**

This statement is a special purpose financial report, prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

**(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.

The Council does not hold any monies in trust.

**(c) Rounding Off Figures**

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

**(d) 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.

**(e) 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.

**(f) 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 STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2013 TO 31 MARCH 2014**

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

**(g) 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 viewed 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 object evidence that they will not be collectible.

**(h) 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.

**(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 Municipality 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.

Effective from 1 July 2012, the Local Government (Financial Management) regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The regulations allow for the phasing in of fair value in relation to fixed assets over three years as follows:

Plant and Equipment by June 30 2013

Plant and Equipment, Land and Buildings and Infrastructure by 30 June 2014, and

All Assets by 30 June 2015.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2013 TO 31 MARCH 2014**

**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) 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 preparing this report, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2013.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on the Monthly Statement of Financial Position from a budgetary perspective.

**(l) 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.

**(m) 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.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2013 TO 31 MARCH 2014**

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

**(m) Employee Benefits (Continued)**

**(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.

**(n) 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.

**(o) 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.

**(p) 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 realised in the next 12 months except for land held for resale where it is held as non-current based on

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2013 TO 31 MARCH 2014**

**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:

**By Program**

**Other Property and Services**

Photocopier	4,970	4,970
Other Office Equipment	1,998	1,030
	<u>6,968</u>	<u>6,000</u>

**By Class**

Furniture and Equipment	6,968	6,000
	<u>6,968</u>	<u>6,000</u>

**4. DISPOSALS OF ASSETS**

No assets have been disposed of during the period under review.



**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2013 TO 31 MARCH 2014**

**5. INFORMATION ON BORROWINGS**

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2013-14 financial year.

**6. CONTRIBUTED EQUITY**

	<b>31 Mar 2014 Actual \$</b>	<b>30 June 2013 Actual \$</b>
Town of Victoria Park	2,999,558	2,334,462
City of Perth	2,999,558	2,334,462
Town of Cambridge	2,999,558	2,334,462
City of Joondalup	5,999,118	4,668,926
City of Wanneroo	5,999,118	4,668,926
Town of Vincent	2,999,558	2,334,462
City of Stirling	11,998,231	9,337,848
<b>TOTAL</b>	<b>35,994,698</b>	<b>28,013,548</b>
<b>Total Movement in equity</b>	<b>7,981,150</b>	

Movement in Contributed Equity Represented by:

	<b>Development Expenses 31 Mar 2014 \$</b>	<b>Land Sales 31 Mar 2014 \$</b>	<b>Return of Contribution 31 Mar 2014 \$</b>	<b>Rates Equivalent 31 Mar 2014 \$</b>
Town of Victoria Park	(1,705,798)	2,714,511	(333,333)	(18,367)
City of Perth	(1,705,798)	2,714,511	(333,333)	(18,367)
Town of Cambridge	(1,705,798)	2,714,511	(333,333)	(18,367)
City of Joondalup	(3,411,595)	5,429,022	(666,666)	(36,734)
City of Wanneroo	(3,411,595)	5,429,022	(666,666)	(36,734)
Town of Vincent	(1,705,798)	2,714,511	(333,333)	(18,367)
City of Stirling	(6,818,976)	10,856,641	(1,333,332)	(73,468)
	<b>(20,465,358)</b>	<b>32,572,729</b>	<b>(3,999,996)</b>	<b>(220,404)</b>
Members Contributed Equity Movements	7,886,971			
TPRC Net Result	94,179			
<b>Total Movement in equity</b>	<b>7,981,150</b>			

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2013 TO 31 MARCH 2014**

**7. NET CURRENT ASSETS**

<b>Composition of Estimated Net Current Asset Position</b>	<b>31 Mar 2014 Actual \$</b>	<b>Brought Forward 1-Jul \$</b>
<b>CURRENT ASSETS</b>		
Cash - Unrestricted	33,599,106	25,985,602
Receivables	761,393	515,699
Settlement Bonds	16,126	0
	<u>34,376,625</u>	<u>26,501,301</u>
<b>LESS: CURRENT LIABILITIES</b>		
Payables and Provisions	<u>(334,026)</u>	<u>(432,884)</u>
<b>NET CURRENT ASSET POSITION</b>	34,042,599	26,068,417
<b>NET CURRENT ASSET POSITION</b>	<u><u>34,042,599</u></u>	<u><u>26,068,417</u></u>

**8. RATING INFORMATION**

No rates are budgeted to be raised during the year ending 30 June 2014.

**9. TRUST FUNDS**

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

**TAMALA PARK REGIONAL COUNCIL**  
**MONTHLY STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2013 TO 30 APRIL 2014**

**TABLE OF CONTENTS**

Statement of Financial Activity	2
Notes to and Forming Part of the Statement	3 to 9

**TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2013 TO 30 APRIL 2014**

	NOTE	30 April 2014 Actual \$	30 April 2014 Y-T-D Budget \$	2013/2014 Adopted Budget \$	Variances Budget to Actual Y-T-D %
<b><u>Operating</u></b>					
<b>Revenues</b>	1,2				
Interest Earnings		809,332	575,986	711,090	40.51%
Other Revenue		4,635	0	1,890	0.00%
		<u>813,967</u>	<u>575,986</u>	<u>712,980</u>	41.32%
<b>Expenses</b>	1,2				
Employee Costs		(449,236)	(569,823)	(679,975)	(21.16%)
Materials and Contracts					
- Materials and Contracts Other		(105,102)	(197,220)	(348,450)	(46.71%)
- Professional/Consultant Fees		(43,788)	(93,600)	0	(53.22%)
Depreciation		0	(17,210)	(20,489)	(100.00%)
Utilities		(1,959)	0	(10,000)	0.00%
Insurance		(9,717)	(11,900)	(11,900)	(18.34%)
Other Expenditure		(89,793)	(135,353)	(161,050)	(33.66%)
		<u>(699,595)</u>	<u>(1,025,106)</u>	<u>(1,231,864)</u>	(31.75%)
<b><u>Adjustments for Non-Cash (Revenue) and Expenditure</u></b>					
Depreciation on Assets		0	17,210	20,489	(100.00%)
<b><u>Capital Revenue and (Expenditure)</u></b>					
Furniture and Equipment	3	(6,968)	(6,000)	(6,000)	16.13%
<b>LESS MEMBERS EQUITY</b>					
<b>Development of Land for Resale</b>					
Income Sale of Lots - Subdivision		32,558,700	33,248,205	45,640,484	(2.07%)
Income Other Subdivisions		14,029	528,624	634,349	(97.35%)
Development Costs		(22,707,502)	(38,166,933)	(45,800,319)	(40.50%)
Contribution Refund		(220,404)	(333,333)	(400,000)	(33.88%)
Contribution Returned		(7,999,992)	(8,333,333)	(10,000,000)	(4.00%)
<b>Change in Contributed Equity</b>	6	<u>1,644,831</u>	<u>(13,056,770)</u>	<u>(9,925,486)</u>	(112.60%)
ADD Net Current Assets July 1 B/Fwd	7	26,068,417	26,069,508	26,069,508	(0.00%)
Net Current Assets Year to Date	7	<u>27,820,652</u>	<u>12,574,828</u>	<u>15,639,627</u>	

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 2013 TO 30 APRIL 2014**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Accounting**

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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.

The Council does not hold any monies in trust.

**(c) Rounding Off Figures**

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

**(d) 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.

**(e) 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.

**(f) 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 STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2013 TO 30 APRIL 2014**

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

**(g) 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 viewed 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 object evidence that they will not be collectible.

**(h) 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.

**(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 Municipality 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.

Effective from 1 July 2012, the Local Government (Financial Management) regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The regulations allow for the phasing in of fair value in relation to fixed assets over three years as follows:

Plant and Equipment by June 30 2013

Plant and Equipment, Land and Buildings and Infrastructure by 30 June 2014, and

All Assets by 30 June 2015.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2013 TO 30 APRIL 2014**

**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) 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 preparing this report, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2013.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on the Monthly Statement of Financial Position from a budgetary perspective.

**(l) 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.

**(m) 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.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2013 TO 30 APRIL 2014**

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

**(m) Employee Benefits (Continued)**

**(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.

**(n) 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.

**(o) 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.

**(p) 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, **Appendix page 20**

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 realised 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 STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2013 TO 30 APRIL 2014**

**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:

**By Program**

**Other Property and Services**

Photocopier	4,970	4,970
Other Office Equipment	1,998	1,030
	<u>6,968</u>	<u>6,000</u>

**By Class**

Furniture and Equipment	6,968	6,000
	<u>6,968</u>	<u>6,000</u>

**4. DISPOSALS OF ASSETS**

No assets have been disposed of during the period under review.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2013 TO 30 APRIL 2014**

**5. INFORMATION ON BORROWINGS**

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2013-14 financial year.

**6. CONTRIBUTED EQUITY**

	<b>30 April 2014 Actual \$</b>	<b>30 June 2013 Actual \$</b>
Town of Victoria Park	2,481,062	2,334,462
City of Perth	2,481,062	2,334,462
Town of Cambridge	2,481,062	2,334,462
City of Joondalup	4,962,127	4,668,926
City of Wanneroo	4,962,127	4,668,926
Town of Vincent	2,481,062	2,334,462
City of Stirling	9,924,249	9,337,848
<b>TOTAL</b>	<b>29,772,751</b>	<b>28,013,548</b>
<b>Total Movement in equity</b>	<b>1,759,203</b>	

Movement in Contributed Equity Represented by:

	<b>Development Expenses 30 April 2014 \$</b>	<b>Land Sales 30 April 2014 \$</b>	<b>Return of Contribution 30 April 2014 \$</b>	<b>Rates Equivalent 30 April 2014 \$</b>
Town of Victoria Park	(1,892,643)	2,714,511	(666,666)	(18,367)
City of Perth	(1,892,643)	2,714,511	(666,666)	(18,367)
Town of Cambridge	(1,892,643)	2,714,511	(666,666)	(18,367)
City of Joondalup	(3,785,286)	5,429,022	(1,333,332)	(36,734)
City of Wanneroo	(3,785,286)	5,429,022	(1,333,332)	(36,734)
Town of Vincent	(1,892,643)	2,714,511	(666,666)	(18,367)
City of Stirling	(7,566,358)	10,856,641	(2,666,664)	(73,468)
	<b>(22,707,502)</b>	<b>32,572,729</b>	<b>(7,999,992)</b>	<b>(220,404)</b>
Members Contributed Equity Movements	1,644,831			
TPRC Net Result	114,372			
<b>Total Movement in equity</b>	<b>1,759,203</b>			

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2013 TO 30 APRIL 2014**

**7. NET CURRENT ASSETS**

<b>Composition of Estimated Net Current Asset Position</b>	<b>30 April 2014 Actual \$</b>	<b>Brought Forward 1-Jul \$</b>
<b>CURRENT ASSETS</b>		
Cash - Unrestricted	27,510,201	25,985,602
Receivables	659,105	515,699
Settlement Bonds	16,126	0
	<u>28,185,432</u>	<u>26,501,301</u>
<b>LESS: CURRENT LIABILITIES</b>		
Payables and Provisions	<u>(364,780)</u>	<u>(432,884)</u>
<b>NET CURRENT ASSET POSITION</b>	27,820,652	26,068,417
<b>NET CURRENT ASSET POSITION</b>	<u><u>27,820,652</u></u>	<u><u>26,068,417</u></u>

**8. RATING INFORMATION**

No rates are budgeted to be raised during the year ending 30 June 2014.

**9. TRUST FUNDS**

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

## **Appendix 9.3**



**Tamala Park Regional Council**  
**Summary Payment List**  
**May 2014**

Date	Num	Name	Description	Amount
01/05/2014	ET-2759	Employee Costs - Wages	Wages for period 17/04/14 - 30/04/15	-12,309.88
01/05/2014	ET-2760	Action Couriers	Courier charges for period 07/04/14 - 19/04/14	-104.61
01/05/2014	ET-2761	Bwalya, Catherine & Christopher Chikuz	Solar Panel Rebate	-2,000.00
01/05/2014	ET-2762	Chappell Lambert Everett	Inv 4981-4983	-17,483.18
01/05/2014	ET-2763	Cossill & Webley	Inv 14486, 14954-58, 14989-91 & 14993-94	-75,872.91
01/05/2014	ET-2764	Darren Long Consulting	Preparation of Draft Asset Management Plan	-1,534.50
01/05/2014	ET-2765	LD Total	Areas 1-3 & Stage 2 PAW - March 2014	-2,814.15
01/05/2014	ET-2766	Marketforce	Inv 12542 & 12541	-8,229.69
01/05/2014	ET-2767	McCabe, Peter & Pauline	Solar Panel Rebate	-2,000.00
01/05/2014	ET-2768	McMullen Nolan Surveyors	Inv 71799, 71796, 71794, 71802 & 71968	-15,075.50
01/05/2014	ET-2769	Neverfail	3 x bottled water	-39.35
01/05/2014	ET-2770	New Great Cleaning Service	Cleaning of TPRC offices - March 2014	-143.00
01/05/2014	ET-2771	Officeworks	Ink cartridge	-12.99
01/05/2014	ET-2772	Optimum Media Decisions	Inv 1789, 22370 & 22371	-5,664.20
01/05/2014	ET-2773	Satterley Property Group	Balance of commission on Lot 17	-119.63
01/05/2014	ET-2774	Telstra	Mobile phone (CEO) - March 2014	-62.05
01/05/2014	ET-2775	Treacy Fencing	Inv 638386 & 638192	-11,294.47
01/05/2014	ET-2776	WALGA	Inv I3039328 - I303939	-4,935.43
01/05/2014	ET-2777	Employee Costs - Super	Superannuation for PE 300414	-2,288.15
01/05/2014	ET-2868	Westpac Bank	Bank charges Cheque AC - May 2014	-54.05
05/05/2014	ET-2816	B Bhabra Investment Trust	Lot 173 (5th instalment over 3 year period)	-2,887.50
05/05/2014	ET-2817	James Paxman & Melissa Wieloch	Lot 168 (5th instalment over 3 year period)	-3,281.25
05/05/2014	ET-2818	Steel Test Pty Ltd	Lot 41 (5th instalment over 3 year period)	-2,887.50
13/05/2014	CON-04	Town of Cambridge - supplier	GST for Nov '13 - April '14	-31,606.91
13/05/2014	ET-2819	Westpac Bank	Payment of credit card charges (CEO & EA) - April 2014	-868.43
15/05/2014	ET-2780	Employee Costs - Wages	Wages for period 01/05/14 - 14/05/14	-12,309.88
15/05/2014	ET-2784	Australian Taxation Office	PAYG for April 2014	-12,820.00
15/05/2014	ET-2785	Action Couriers	Courier charges for period 22/04/14 - 03/05/14	-171.00
15/05/2014	ET-2786	Bridge, Wendy	Solar Panel Rebate	-2,000.00
15/05/2014	ET-2787	Burgess Rawson	Valuations Stage 12	-990.00
15/05/2014	ET-2788	Cabcharge	Monthly service fee (April 2014)	-6.00
15/05/2014	ET-2789	Carreira, Bernadette	Solar Panel Rebate	-2,000.00
15/05/2014	ET-2790	Chappell Lambert Everett	Inv 4995 & 4996	-16,540.08
15/05/2014	ET-2791	Content Living	Waste management rebate (Lot 189)	-990.00
15/05/2014	ET-2792	Cossill & Webley	Inv 14953 & 15061-69	-66,096.50
15/05/2014	ET-2793	Driving Force Cleaning Services	Inv 152 & 153	-360.00
15/05/2014	ET-2794	Emerge Associates	Inv 11520-24 & 11351	-13,805.93
15/05/2014	ET-2795	Frame, George	Solar Panel Rebate	-2,000.00
15/05/2014	ET-2796	Grasstrees Australia	Stage 12 Grasstrees	-13,447.50
15/05/2014	ET-2797	Griffiths, Elizabeth	Solar Panel Rebate	-2,000.00
15/05/2014	ET-2798	Haines Norton	Inv 2014-019225	-2,392.50
15/05/2014	ET-2799	Homebuyers Centre	Inv 47593-47600	-7,920.00
15/05/2014	ET-2800	hyd20 Hydrology	Stage 12 - 19 UWMP (March 2014)	-2,168.10
15/05/2014	ET-2801	LD Total	Inv 60029-30, 59579, 59593, 59463, 59474, 59677, 59110, 58682 & 60198	-542,735.60
15/05/2014	ET-2802	Leigh, Christopher & Lauren	Solar Panel Rebate	-2,000.00
15/05/2014	ET-2803	Loaded	Website retainer (April 2014)	-195.67

**Tamala Park Regional Council  
Summary Payment List  
May 2014**

15/05/2014	ET-2804	McMullen Nolan Surveyors	Inv 72271-73	-11,290.40
15/05/2014	ET-2805	Optimum Media Decisions	Stage 9 media planning (Oct 2013)	-88.00
15/05/2014	ET-2806	Parsons, JN & M	Solar Panel Rebate	-2,000.00
15/05/2014	ET-2807	R J Vincent & Co	Inv 3140-42, 3168 & 3069	-606,490.76
15/05/2014	ET-2808	Residential Building (Invogue)	Display home rebate (Lot 216)	-12,750.00
15/05/2014	ET-2809	Sheridan's for Badges	Name badges for Luke Aitken & Vickie von Stieglitz	-75.57
15/05/2014	ET-2810	Synergy	Electricity charge (Feb - April 2014)	-2,100.45
15/05/2014	ET-2812	Treacy Fencing	Inv 638521-22, 638552-53, 638674-78 & 638700	-25,878.05
15/05/2014	ET-2813	Valentic, Darko & Emina	Solar Panel Rebate	-2,000.00
15/05/2014	ET-2814	Whareaitu, DL & CL	Solar Panel Rebate	-2,000.00
15/05/2014	ET-2815	City of Stirling	TPRC office rent (June 2014)	-3,010.69
15/05/2014	ET-2821	Employee Costs - Super	Super for period 01/05/14 - 14/05/14	-1,091.04
22/05/2014	ET-2811	Transcore	Traffic advice (March 2014)	-2,200.00
22/05/2014	ET-2820	Treacy Fencing	Inv 638675, 638677 & 638700	-12,340.46
27/05/2014	CH-200391	Davidson, Janet	Elected member allowance Feb 2014 - April 2014	-2,500.00
28/05/2014	ET-2869	Shan-Hao Yang & Xiuying Chen	Lot 172 (5th instalment over 3 year period)	-2,887.50
29/05/2014	ET-2823	Employee Costs - Wages	Wages for period 15/05/14 - 28/05/14	-12,263.39
29/05/2014	ET-2827	Action Couriers	Courier charges for 05/05/14 - 17/05/14	-84.72
29/05/2014	ET-2828	Amphlett, Geoff	Elected member allowance Feb 2014 - April 2014	-2,500.00
29/05/2014	ET-2829	Burgess Rawson	Valuation fees for Stages 9 & 12A	-1,485.00
29/05/2014	ET-2830	Carr, Louis	Elected member allowance Feb 2014 - April 2014	-2,500.00
29/05/2014	ET-2831	Cedar Homes	Inv 1992 & 2025	-2,200.00
29/05/2014	ET-2832	Chappell Lambert Everett	UDIA Luncheon x 2 (CEO & PC)	-250.00
29/05/2014	ET-2833	City of Stirling	GST owing March 2014	-8,745.54
29/05/2014	ET-2834	Coterra Environment	Environmental consulting services for period 28/03/14 - 18/04/14	-5,945.50
29/05/2014	ET-2835	Eco Logical Australia	EPBC Variation (Central & Eastern POS Amendments)	-1,286.89
29/05/2014	ET-2836	Emerge Associates	Inv 11652-6	-10,010.00
29/05/2014	ET-2837	Guisse, Dianne	Elected member allowance Feb 2014 - April 2014	-2,500.00
29/05/2014	ET-2838	hyd20 Hydrology	Stage 12-19 UWMP Progress Claim 2	-3,793.90
29/05/2014	ET-2839	Italiano, Giovanni	Chairman allowance Feb 2014 to April 2014	-8,500.00
29/05/2014	ET-2840	LD Total	Inv 60270 & 59950	-34,093.71
29/05/2014	ET-2841	Loaded	Website retainer (May 2014)	-195.67
29/05/2014	ET-2842	Marketforce	Amendment to Estate Tender ad (March 2014)	-546.66
29/05/2014	ET-2843	Martin, Lesley	Solar Panel Rebate	-2,000.00
29/05/2014	ET-2844	McLean, Tom	Elected member allowance Feb 2014 - April 2014	-2,500.00
29/05/2014	ET-2845	Michael, David	Elected member allowance Feb 2014 - April 2014	-2,500.00
29/05/2014	ET-2846	National Homes	Sales Office Progress Payment (Lock Up)	-46,596.00
29/05/2014	ET-2847	Neverfail	Bottled water x 2	-26.65
29/05/2014	ET-2848	New Great Cleaning Service	Cleaning of TPRC offices (April 2014)	-143.00
29/05/2014	ET-2849	Officeworks	Office supplies	-441.98
29/05/2014	ET-2850	R J Vincent & Co	Stage 8 civil works Cert No 10	-38,307.65
29/05/2014	ET-2851	Replants	Inv 1465 & 1480	-1,320.00
29/05/2014	ET-2852	Signs & Lines	Signage Production (March 2014)	-29,962.65
29/05/2014	ET-2853	Stantons International	Satterley KPI Review - Part 2 (April 2014)	-2,352.90
29/05/2014	ET-2854	Telstra	Mobile phones (CEO & PC)	-151.35
29/05/2014	ET-2855	Topelberg Joshua	Elected member allowance Feb 2014 - April 2014	-2,500.00

**Tamala Park Regional Council**  
**Summary Payment List**  
**May 2014**

29/05/2014	ET-2856	Transcore	Traffic engineering services (April 2014)	-825.00
29/05/2014	ET-2857	Treacy Fencing	Fencing (Lot 242)	-5,714.06
29/05/2014	ET-2858	Treby, Brett	Elected member allowance Feb 2014 - April 2014	-2,500.00
29/05/2014	ET-2859	Tyzack, Terry	Elected member allowance Feb 2014 - April 2014	-2,500.00
29/05/2014	ET-2860	Urban Development Institute of Australia	2014/15 Membership Subscription	-3,910.00
29/05/2014	ET-2861	Vaughan, Trevor	Deputy Chairman allowance Feb 2014 - April 2014	-3,687.50
29/05/2014	ET-2862	WALGA	TAM01	-3,782.97
29/05/2014	ET-2863	Water Corporation	Water charges for 39 Aviator Bvd	-23.48
29/05/2014	ET-2864	Wilcox Rod	Elected member allowance Feb 2014 - April 2014	-2,500.00
29/05/2014	ET-2867	Employee Costs - Super	Superannuation for period ending 28/05/14	-2,136.98
				<b><u>-1,848,504.16</u></b>

**Tamala Park Regional Council**  
**Summary Payment List**  
**March 2014**

Date	Num	Name	Description	Amount
03/03/2014	ET-2657	Westpac Bank	Bank charges	-52.55
03/03/2014	ET-2658	Aaron & Nicole Grant	Lot 171 (4th instalment over a 3 year period)	-2,887.50
06/03/2014	ET-2583	Employee Costs - Wages	Wages for period 20/02/14-05/03/14	-14,767.07
06/03/2014	ET-2580	Michael, David	Elected member allowance Nov 2013 - Jan 2014	-2,500.00
06/03/2014	ET-2581	Willox Rod	Elected member allowance Nov 2013 - Jan 2014	-2,500.00
06/03/2014	ET-2582	Amphlett, Geoff	Elected member allowance Nov 2103 - Jan 2014	-2,500.00
06/03/2014	ET-2659	Employee Costs - Super	Superannuation Period 20/02/14 - 05/03/14	-1,793.33
06/03/2014	ET-2662	Wayne Burns	Reimbursement for hospitality & parking expenses	-42.95
06/03/2014	Stage 7 Bond Refund	City of Wanneroo - Supplier	Stage 7 Bond Refund	416,245.00
06/03/2014	Lot 47 Rate Refund	City of Wanneroo - Supplier	Lot 47 Rate Refund	3,546.22
07/03/2014	ET-2663	Action Couriers	Charges for billing period 22/02/14	-30.27
07/03/2014	ET-2664	celebration homes	Invoices 35763 & 35764	-1,980.00
07/03/2014	ET-2665	Emerge Associates	Invoices 11154, 11157 & 11156	-3,300.00
07/03/2014	ET-2666	Ertech	Marmion Ave Intersection Works Cert. No. 6	-107,319.27
07/03/2014	ET-2667	Homebuyers Centre	Invoices 46147 & 46149	-1,980.00
07/03/2014	ET-2668	LD Total	POS 4 - Progress Claim Jan 2014	-84,415.26
07/03/2014	ET-2669	McMullen Nolan Surveyors	Invoices 70937, 70935, 70934 & 70932	-14,549.70
07/03/2014	ET-2670	R J Vincent & Co	Invoices 2960-2964 & 2985	-886,336.56
07/03/2014	ET-2671	Replants	Stage 9-11 replant of grass trees	-1,650.00
07/03/2014	ET-2672	Telstra	Mobile phone charges (CEO)	-71.82
07/03/2014	ET-2673	Treacy Fencing	Invoices 63791, 637036, 637119 & 637330	-13,826.67
07/03/2014	ET-2674	WALGA	Invoices I3037440 & I3037441	-1,670.73
07/03/2014	ET-2675	Jason Borgomastro	Lot 174 Aviator Bvd - 4th lease payment	-3,850.00
11/03/2014	CH-200364	City of Wanneroo - Supplier	Stage 9 Early Clearance Bond Proposal WAPC 147969	-463,907.00
11/03/2014	CH-200365	City of Wanneroo - Supplier	Stage 10 Early Clearance Bond Proposal WAPC 147969	-236,580.00
12/03/2014	ET-2676	Westpac	Payment of CEO credit card - March 2014	-3,226.71
12/03/2014	ET-2677	Westpac	Payment of EA credit card - March 2014	-162.40
13/03/2014	ET-2678	City of Perth - Supplier	GST Nov 2013 - Jan 2014	-14,829.06
17/03/2014	CH-200370	Water Corporation	Stage 9 Standard infrastucture contributions	-288,681.20
17/03/2014	CH-200371	Water Corporation	Stage 10 Standard infrastucture contributions	-168,708.20
17/03/2014	CH-200366	City of Wanneroo - Supplier	Stage 9 Council Supervision Fee	-12,506.41
17/03/2014	CH-200367	City of Wanneroo - Supplier	Stage 10 Council Supervision Fee	-6,665.43
17/03/2014	CH-200368	City of Wanneroo - Supplier	Stage 9 Street Lighting Tariff	-4,395.62
17/03/2014	CH-200369	City of Wanneroo - Supplier	Stage 10 Street Lighting Tariff	-2,068.53
20/03/2014	ET-2679	Employee Costs - Wages	Wages for period 06/03/14-19/03/14	-9,601.80
20/03/2014	ET-2682	Employee Costs- Super	Superannuation for period 06/03/14-19/03/14	-1,460.98
20/03/2014	ET-2685	Action Couriers	Charges for period 24/02/14-08/03/14	-81.36
20/03/2014	ET-2686	Eco Logical Australia	Conservation Management Plan - Final CAMP	-704.00
20/03/2014	ET-2687	Haines Norton	Invoice 2014-017193	-3,360.50
20/03/2014	ET-2688	McLeods Barristers & Solicitors	Subdivisional documentation (Matter No. 30890)	-1,180.87
20/03/2014	ET-2689	New Great Cleaning Service	Cleaning of TPRC offices - Feb 2014	-143.00

**Tamala Park Regional Council**  
**Summary Payment List**  
**March 2014**

20/03/2014	ET-2690	Stantons International	Probity advisory services - Feb 2014	-1,537.25
20/03/2014	ET-2691	Telstra	CEO mobile phone Feb/Mar 2014 charges	-46.08
20/03/2014	ET-2692	Cabcharge	Service fee - Feb 2014	-6.00
20/03/2014	ET-2693	Neverfail	Bottled water x 4	-39.35
20/03/2014	ET-2694	City of Stirling	GST owing January 2014	-3,057.27
20/03/2014	ET-2655	Australian Taxation Office	PAYG February 2014	-13,286.00
27/03/2014	ET-2695	Westpac	Payment of CEO credit card - March 2014	-2,000.00
28/03/2014	ET-2696	City of Wanneroo - Supplier	GST Feb 2014	-29,182.92
				<b>-1,995,650.40</b>

**Tamala Park Regional Council**  
**Summary Payment List**  
**April 2014**

Date	Num	Name	Description	Amount
01/04/2014	ET-2749	Worldwide Online Printing	Business cards (EA & PC)	-273.00
01/04/2014	CH-200378	Western Power	Stage 11 Subdivision Energisation	-68,371.00
01/04/2014	CH-200374	McMullen Nolan Surveyors	WAPC - Application for approval of freehold or survey strata subdivision - Stage 9	-922.00
01/04/2014	CH-200377	McMullen Nolan Surveyors	WAPC - Application for approval of freehold or survey strata subdivision - Stage 10	-775.00
01/04/2014	CH-200373	Landgate	Plan Lodgement Fees - Stage 9	-3,900.00
01/04/2014	CH-200376	Landgate	Plan Lodgement Fees - Stage 10	-2,430.00
01/04/2014	CH-200372	City of Wanneroo - Supplier	Subdivision Clearance Fee - Stage 9	-1,975.00
01/04/2014	CH-200375	City of Wanneroo - Supplier	Subdivision Clearance Fee - Stage 10	-1,240.00
01/04/2014	ET-2751	Westpac Bank	Bank charges Cheque AC - April 2014	-39.90
03/04/2014	ET-2650	Employee Costs - Wages	Wages for period 20/03/14-02/04/14	-9,601.80
03/04/2014	ET-2653	Employee Costs - Super	Super period 20/03/14 - 02/04/14	-1,091.04
04/04/2014	ET-2700	Action Couriers	Courier Charges 10/03/14 - 22/03/14	-229.49
04/04/2014	ET-2701	Burgess Rawson	Invoices 37099, 37184, 37244 & 37012	-3,718.00
04/04/2014	ET-2702	Cedar Homes	Lease Lot 1 McAllister Bvd (March 14)	-1,100.00
04/04/2014	ET-2703	Chappell Lambert Everett	Invoices 4945 & 4944	-16,622.94
04/04/2014	ET-2704	Cossill & Webley	Invoices 14850-14851, 14853-14858	-101,918.60
04/04/2014	ET-2705	Dominic Carbone & Associates	Consultancy services for Jan 2014 - March 2014	-9,306.00
04/04/2014	ET-2706	Driving Force Cleaning Services	Sales office cleaning (Feb 2014)	-180.00
04/04/2014	ET-2707	Eco Logical Australia	Invoices 18854 & 17888	-2,453.11
04/04/2014	ET-2708	Emerge Associates	Invoices 11352, 11394, 11347, 11348, 11350, 11398, 11400, 11399, 11396, 11397 & 11395	-25,283.46
04/04/2014	ET-2709	hyd20 Hydrology	Stage 9-13 UWMP Progress Claim 4	-1,023.00
04/04/2014	ET-2710	LD Total	Invoices 58593, 59071, 59111, 59366, 59352, 59350, 59351, 59364 & 59365	-277,484.89
04/04/2014	ET-2711	Loaded	Website retainer - March 2014	-195.67
04/04/2014	ET-2712	McLeods Barristers & Solicitors	Restrictive Covenant Lot 248 Group Housing	-1,000.00
04/04/2014	ET-2713	McMullen Nolan Surveyors	Invoices 71410, 71408, 71449 & 71448	-8,965.00
04/04/2014	ET-2714	Neverfail	4 x water bottles	-52.05
04/04/2014	ET-2715	R J Vincent & Co	Stage 9 Civil Works - Certificate 3	-228,751.15
04/04/2014	ET-2716	Sally Brothers Interior Design	Invoices 401 & 402	-24,422.00
04/04/2014	ET-2717	Signs & Lines	Stage 6C Stage Plan Sign	-1,539.51
04/04/2014	ET-2718	Synergy	Stage 4 power for bore	-4,501.75
04/04/2014	ET-2719	Treacy Fencing	Invoices 637637, 638072 & 638075	-13,437.38
04/04/2014	ET-2720	WALGA	Invoices 38424-38428	-2,645.92
04/04/2014	ET-2721	City of Stirling	GST Feb 2014	-58,365.84
14/04/2014	CH-200380	West Australian Planning Commission	Application for approval of freehold or survey strata subdivision - Stages 14-15 & 17-18 (73 lots)	-7,764.31
14/04/2014	CH-200381	West Australian Planning Commission	Application for approval of freehold or survey strata subdivision - Stages 14-15 & 17-18 (176 lots)	-11,247.72
14/04/2014	CH-200379	City of Wanneroo - Supplier	Development Application for Display Village 2	-295.00
14/04/2014	ET-2750	Westpac Bank	Payment CEO & EA credit cards March 2014	-2,005.83
16/04/2014	CH-200382	Western Power	Stage 3 Subdivision energisation	-7,212.00

**Tamala Park Regional Council**  
**Summary Payment List**  
**April 2014**

16/04/2014	ET-2722	City of Stirling	TPRC Office Rent (Feb - May 2014)	-12,552.32
16/04/2014	ET-2723	Action Couriers	Courier charges - Period 26/03/14-05/04/14	-64.30
16/04/2014	ET-2724	Cabcharge	Taxi fare & monthly service fee	-68.97
16/04/2014	ET-2725	City of Stirling	TPRC office electricity	-836.55
16/04/2014	ET-2726	Cossill & Webley	Invoices 14606, 14764, 14852 & 14859	-50,620.25
16/04/2014	ET-2727	Docushred	Security bin	-51.70
16/04/2014	ET-2728	Emerge Associates	Stage 4 PAW & Neerabup Drive	-2,641.69
16/04/2014	ET-2729	Ertech	Marmion Ave intersection civil works	-127,707.61
16/04/2014	ET-2730	Haines Norton	Invoice 2014-018240	-1,914.00
16/04/2014	ET-2731	Homebuyers Centre	Invoices 46808-09 & 46811-15	-6,930.00
16/04/2014	ET-2732	JB Hi Fi Group Pty Ltd	Mobile phone (Project Coordinator)	-981.00
16/04/2014	ET-2733	Kinsella, Peter & Hargreaves, Kelly	Solar Panel Rebate	-2,000.00
16/04/2014	ET-2734	Kyocera Mita	Copier fees to March 2014	-1,167.41
16/04/2014	ET-2735	L Aitken	Reimbursement of refreshments for site inspection	-44.29
16/04/2014	ET-2736	LD Total	Invoices 59412, 59517, 59539 & 59589	-42,671.53
16/04/2014	ET-2737	McMullen Nolan Surveyors	Stage 6C Sales plans	-605.00
16/04/2014	ET-2738	National Homes	Sales office roof cover	-90,880.00
16/04/2014	ET-2739	Officeworks	General office supplies	-171.03
16/04/2014	ET-2740	R J Vincent & Co	Invoices 3050-52 & 3055-56	-1,091,742.29
16/04/2014	ET-2741	Satterley Property Group	Invoices 0396, 0404, 0405, 0412 & 2927736	-52,719.15
16/04/2014	ET-2742	Stantons International	Probity advisory services for March 2014	-68.20
16/04/2014	ET-2743	Synergy	Sales office electricity	-245.00
16/04/2014	ET-2744	T Arias	Reimbursement of parking & taxi fees	-61.70
16/04/2014	ET-2745	Treacy Fencing	Invoices 363034, 638054-55 & 638193	-16,593.17
16/04/2014	ET-2746	Urban Development Institute of Australia	Sustainability Forum (CEO & PC)	-370.00
16/04/2014	ET-2747	WALGA	Inv I3038711	-2,200.00
16/04/2014	ET-2748	Water Corporation	Sales office water bill	-516.71
16/04/2014	ET-2754	Employee Costs - Super	Super for period 03/04/14 - 16/04/14	-1,091.04
17/04/2014	ET-2697	Employee Costs - Wages	Wages for period 03/04/14-16/04/14	-12,086.47
23/04/2014	ET-2752	City of Stirling	TPRC Office Rent (Feb - May 2014)	-1,255.24
23/04/2014	ET-2753	Australian Taxation Office	BAS for Jan 2014 - March 2014	-12,078.00
28/04/2014	CH-200383	Szijarto, Paul	Reimbursement for coffees for Councillors' site visit	-51.40
29/04/2014	CH-200388	City of Joondalup - Supplier	2nd Dividend Payment - TPRC Project	-666,666.00
29/04/2014	CH-200385	City of Perth - Supplier	2nd Dividend Payment - TPRC Project	-333,333.00
29/04/2014	CH-200386	Town of Victoria Park	2nd Dividend Payment - TPRC Project	-333,333.00
29/04/2014	CH-200387	City of Vincent - Supplier	2nd Dividend Payment - TPRC Project	-333,333.00
29/04/2014	CH-200389	City of Wanneroo - Supplier	2nd Dividend Payment - TPRC Project	-666,666.00
29/04/2014	CH-200390	City of Stirling	2nd Dividend Payment - TPRC Project	-1,333,332.00
29/04/2014	CH-200384	Town of Cambridge - supplier	2nd Dividend Payment - TPRC Project	-333,333.00
29/04/2014	CON-01	City of Wanneroo - Supplier	GST owing March 2014	-4,372.77
30/04/2014	CON-02	City of Perth - Supplier	GST for Feb & Mar 2014	-16,777.85
30/04/2014	CON-03	City of Joondalup - Supplier	GST for Jan-Mar 2014	-35,084.31
				<b><u>-6,491,556.31</u></b>



**Tamala Park Regional Council**  
**Cheque Detail**  
May 2014

Type	Num	Date	Name	Description	Original Amount
Cheque	CH-200391	27/05/2014	Davidson, Janet	Elected member allowance Feb 2014 - April 2014	<u>-2,500.00</u>
				TOTAL	<u><u>-2,500.00</u></u>

**Tamala Park Regional Council**  
**Cheque Detail**  
 March 2014

Type	Num	Date	Name	Description	Original Amount
Cheque	CH-200364	11/03/2014	City of Wanneroo - Supplier	Stage 9 Early Clearance Bond Proposal WAPC 147969	-463,907.00
Cheque	CH-200365	11/03/2014	City of Wanneroo - Supplier	Stage 10 Early Clearance Bond Proposal WAPC 147969	-236,580.00
Cheque	CH-200370	17/03/2014	Water Corporation	Stage 9 Standard infrastucture contributions	-288,681.20
Cheque	CH-200371	17/03/2014	Water Corporation	Stage 10 Standard infrastucture contributions	-168,708.20
Cheque	CH-200366	17/03/2014	City of Wanneroo - Supplier	Stage 9 Council Supervision Fee	-12,506.41
Cheque	CH-200367	17/03/2014	City of Wanneroo - Supplier	Stage 10 Council Supervision Fee	-6,665.43
Cheque	CH-200368	17/03/2014	City of Wanneroo - Supplier	Stage 9 Street Lighting Tariff	-4,395.62
Cheque	CH-200369	17/03/2014	City of Wanneroo - Supplier	Stage 10 Street Lighting Tariff	-2,068.53
TOTAL					-1,183,512.39

**Tamala Park Regional Council**  
**Cheque Detail**  
April 2014

Type	Num	Date	Name	Description	Original Amount
Cheque	CH-200378	01/04/2014	Western Power	Stage 11 Subdivision Energisation	-68,371.00
Cheque	CH-200374	01/04/2014	McMullen Nolan Surveyors	WAPC - Application for approval of freehold or survey strata subdivision - Stage 9	-922.00
Cheque	CH-200377	01/04/2014	McMullen Nolan Surveyors	WAPC - Application for approval of freehold or survey strata subdivision - Stage 10	-775.00
Cheque	CH-200373	01/04/2014	Landgate	Plan Lodgement Fees - Stage 9	-3,900.00
Cheque	CH-200376	01/04/2014	Landgate	Plan Lodgement Fees - Stage 10	-2,430.00
Cheque	CH-200372	01/04/2014	City of Wanneroo	Subdivision Clearance Fee - Stage 9	-1,975.00
Cheque	CH-200375	01/04/2014	City of Wanneroo	Subdivision Clearance Fee - Stage 10	-1,240.00
Cheque	CH-200380	14/04/2014	WA Planning Commission	Application for approval of freehold or survey strata subdivision - Stages 14-15 & 17-18 (73 lots)	-7,764.31
Cheque	CH-200381	14/04/2014	WA Planning Commission	Application for approval of freehold or survey strata subdivision - Stages 14-15 & 17-18 (176 lots)	-11,247.72
Cheque	CH-200379	14/04/2014	City of Wanneroo	Development Application for Display Village 2	-295.00
Cheque	CH-200382	16/04/2014	Western Power	Stage 3 Subdivision energisation	-7,212.00
Cheque	CH-200383	28/04/2014	Szijarto, Paul	Reimbursement for coffees for Councillors' site visit	-51.40

**Tamala Park Regional Council**  
**Cheque Detail**  
April 2014

Cheque	CH-200388	29/04/2014	City of Joondalup	2nd Dividend Payment - TPRC Project	-666,666.00
Cheque	CH-200385	29/04/2014	City of Perth	2nd Dividend Payment - TPRC Project	-333,333.00
Cheque	CH-200386	29/04/2014	Town of Victoria Park	2nd Dividend Payment - TPRC Project	-333,333.00
Cheque	CH-200387	29/04/2014	City of Vincent	2nd Dividend Payment - TPRC Project	-333,333.00
Cheque	CH-200389	29/04/2014	City of Wanneroo	2nd Dividend Payment - TPRC Project	-666,666.00
Cheque	CH-200390	29/04/2014	City of Stirling	2nd Dividend Payment - TPRC Project	-1,333,332.00
Cheque	CH-200384	29/04/2014	Town of Cambridge	2nd Dividend Payment - TPRC Project	-333,333.00
TOTAL					-4,106,179.43

## **Appendix 9.4**

26 May 2014

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

Dear Tony

**Catalina Financial Report for April 2014**

Please find attached the Catalina Financial Report for April 2014. This report has been prepared on a cash basis and compares actual income and expenditure to the June 2013 approved budget for the period 1 April 2014 to 30 April 2014.

Settlement revenue for the financial year to 30 April 2014 is \$33.0m which is \$0.7m below the approved 'June 2013' budget with 6 less residential settlements for the year to date. Project to date settlement revenue is \$76.3m, which is \$3.7m ahead of budget due to 12 more settlements than the approved 'June 2013' budget along with slightly higher selling prices on the 346 project to date actual settlements.

Selling costs for FYE2014 are \$3.3m below the approved 'June 2013' budget, with \$2.5m of this relating to the non-application of Item 4 of the GST Margin scheme in the budget.

Sales for FYE2014 are \$8.8m favourable to budget due to 20 more residential lot sales during the year to date.

Overall FYE2014 expenditure is \$9.9m under budget per the approved 'June 2013' Budget, with \$20.4m spent compared to a budget of \$30.4m. The main areas of variance are summarised below:

- Landscaping \$3.0m under budget
  - Stage 4 Park \$0.7m under budget due to deferred payments
  - Biodiversity Conservation Area \$0.3m under budget due to deferred payments
  - Deferred landscape of new entry and Sales Office \$0.9m
- Lot Production \$5.0m under budget
  - Stage 8 Earthworks \$0.4m under budget as full provisional sums were not used
  - Stage 12-13 Earthworks \$0.7m under budget due to deferred works and payments
  - Stage 7 \$0.7m under budget as full provisional sums were not used
  - Stage 8 \$0.7m under budget as full provisional sums were not used
  - Stage 9 \$1.3m under budget due to deferred works and payments
  - Stage 10 \$1.0m under budget due to deferred works and payments
- P&L expenditure \$1.4m under budget due to Marketing & Maintenance budgets not fully utilized.

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



**Brenton Downing**  
Project Director

## CATALINA - FINANCE REPORT

### 1.0 Management Accounts - April 2014

#### 1.1 KEY STATISTICS

	<u>Lots Produced (titles)</u>		<u>Sales</u>		<u>Settlements</u>		<u>Distributions</u>	
	<u>Actual</u>	<u>Budget</u> June 2013	<u>Actual</u>	<u>Budget</u> June 2013	<u>Actual</u>	<u>Budget</u> June 2013	<u>Actual</u>	<u>Budget</u> June 2013
Prior Years	220	232	270	285	195	177	-	-
Jul-2013	-	-	24	5	6	30	-	-
Aug-2013	14	-	(1 )	3	3	13	-	-
Sep-2013	-	63	29	19	16	4	-	-
<b>Sep-12 Qtr</b>	<b>14</b>	<b>63</b>	<b>52</b>	<b>27</b>	<b>25</b>	<b>47</b>	<b>-</b>	<b>-</b>
Oct-2013	63	-	22	22	6	6	-	4,000,000
Nov-2013	-	-	4	16	58	54	-	-
Dec-2013	1	-	(2 )	20	5	5	4,000,000	-
<b>Dec-12 Qtr</b>	<b>64</b>	<b>-</b>	<b>24</b>	<b>58</b>	<b>69</b>	<b>65</b>	<b>4,000,000</b>	<b>4,000,000</b>
Jan-2014	53	-	37	9	2	2	-	-
Feb-2014	-	53	8	23	48	2	-	-
Mar-2014	-	-	27	19	7	20	-	-
<b>Mar-13 Qtr</b>	<b>53</b>	<b>53</b>	<b>72</b>	<b>51</b>	<b>57</b>	<b>24</b>	<b>-</b>	<b>-</b>
Apr-2014	10	10	28	20	-	21	4,000,000	4,000,000
May-2014	-	70	-	17	-	13	-	-
Jun-2014	-	-	-	15	-	36	-	-
<b>Jun-13 Qtr</b>	<b>10</b>	<b>80</b>	<b>28</b>	<b>52</b>	<b>-</b>	<b>70</b>	<b>4,000,000</b>	<b>4,000,000</b>
<b>Full 2013/14 Year</b>	<b>141</b>	<b>196</b>	<b>176</b>	<b>188</b>	<b>151</b>	<b>206</b>	<b>8,000,000</b>	<b>8,000,000</b>
<b>PTD</b>	<b>361</b>	<b>358</b>	<b>446</b>	<b>441</b>	<b>346</b>	<b>334</b>	<b>8,000,000</b>	<b>8,000,000</b>
<b>2014/15</b>		<b>193</b>		<b>222</b>		<b>234</b>		<b>14,000,000</b>
<b>2015/16</b>		<b>253</b>		<b>200</b>		<b>168</b>		<b>18,000,000</b>

- No lots settled in April. (50 lots are forecast to settle in May)

#### 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>
- Sales #	28	20	176	156	446	441
- Sales \$	8,274,000	4,716,220	44,695,500	35,911,588	103,444,500	97,791,699
- Sales \$/lot	295,500	235,811	253,952	230,202	231,938	221,750
- Settlements #	-	21	151	157	346	334
- Settlements \$	-	4,645,755	33,037,500	33,736,829	76,263,500	72,599,383
- Settlements \$/lot	-	221,226	218,791	214,884	220,415	217,363
- Spec. Site Sales #	-	-	-	-	-	-
- Spec. Site Sales \$	-	0	-	(0 )	-	(0 )
- Spec Site Sales \$/lot	-	-	-	-	-	-
- Spec. Site Stlmts #	-	-	-	-	-	-
- Spec. Site Stlmts \$	-	0	-	(0 )	-	(0 )
- Spec Site Stlmts \$/lot	-	-	-	-	-	-
- Unsettled sales #	100		<div> <div>Unconditional</div> <div>Conditional</div> </div>		<div> <div>3</div> <div>97</div> </div>	
- Unsettled sales \$	27,181,000					
- Unsettled sales \$/lot	271,810					
					Titled	361

## CATALINA - FINANCE REPORT

### 1.3 Cashflow - MTD Actuals to budget

	<u>MTD Act</u>	<u>MTD Bgt</u>	<u>Variance</u>
Revenue	-	4,645,755	(4,645,755 )
Margin GST	-	(403,502 )	403,502
Direct selling costs	-	(210,490 )	210,490
Interest Income	-	-	-
Forfeited Deposits	-	-	-
Other Income	-	-	-
Rebate Allowance	(92,232 )	(341,129 )	248,897
	<u>(92,232 )</u>	<u>3,690,634</u>	<u>(3,782,866 )</u>
<i>Development costs</i>			
Lot production	1,159,338	2,693,824	1,534,485
Landscaping	270,021	84,778	(185,243 )
Consultants	52,378	87,254	34,876
Infrastructure	173,022	20,611	(152,411 )
Sales office building	101,670	-	(101,670 )
Sales & marketing	31,420	56,339	24,919
Administration	15,042	53,342	38,300
Finance	298,989	156,338	(142,651 )
	<u>2,101,879</u>	<u>3,152,484</u>	<u>1,050,605</u>
Cashflow	<u>(2,194,110 )</u>	<u>538,150</u>	<u>(2,732,260 )</u>

- Actual margin scheme GST has been calculated under the concessional Item 4 basis for settlements.

### 1.4 Cashflow - YTD Actuals to budget

	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>Variance</u>
Revenue	33,037,500	33,736,829	(699,329 )
Margin GST	(472,816 )	(2,926,135 )	2,453,319
Direct selling costs	(1,488,195 )	(1,532,092 )	43,897
Interest Income	13,270	-	13,270
Forfeited Deposits	-	-	-
Other Income	-	40,000	(40,000 )
Rebate Allowance	(519,336 )	(1,325,112 )	805,777
	<u>30,570,424</u>	<u>27,993,489</u>	<u>2,576,935</u>
<i>Development costs</i>			
Lot production	12,825,526	17,807,241	4,981,715
Landscaping	1,246,427	4,206,174	2,959,747
Consultants	304,747	735,182	430,435
Infrastructure	4,343,506	4,121,227	(222,279 )
Sales office building	322,142	715,164	393,022
Sales & marketing	96,847	568,363	471,515
Administration	184,062	740,004	555,941
Finance	1,124,344	1,464,029	339,685
	<u>20,447,601</u>	<u>30,357,382</u>	<u>9,909,781</u>
Cashflow	<u>10,122,823</u>	<u>(2,363,893 )</u>	<u>12,486,716</u>

The YTD revenue variance comprises:

- \$0.7m unfavourable to budget on 6 less residential settlements than YTD budget for FY2014.

### 1.5 Bonds

	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
City of Wanneroo	589,904	1,240,991	1,240,991
	<u>589,904</u>	<u>1,240,991</u>	<u>1,240,991</u>

Bonds relate to Stage 2, 6C, 8, 9 & 10 early clearances



## CATALINA - FINANCE REPORT

### 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 \$ (Stlmts)	-	4,645,755	(4,645,755)	33,037,500	33,736,829	(699,329)	76,263,500	72,599,383
- Revenue \$/lot	-	221,226		218,791	214,884		220,415	217,363
- Selling & GST \$	-	837,721	837,721	3,510,946	6,379,457	2,868,511	8,129,086	11,343,181
- Selling & GST \$/lot	-	39,891		23,251	40,633		23,494	33,962
- Cost of sales \$	-	2,336,837	2,336,837	14,555,048	15,992,579	1,437,531	37,339,394	37,094,069
- Cost of sales \$/lot	-	111,278		96,391	101,864		107,917	111,060
- Gross profit \$	-	1,471,197	(1,471,197)	14,971,506	11,364,793	3,606,713	30,795,020	24,162,134
- Gross profit \$/lot	-	70,057		99,149	72,387		89,003	72,342
- Gross profit Mgn %	0.00%	31.67%		45.32%	33.69%		40.38%	33.28%
- Special Sites \$	-	(38,260)	38,260	-	-	-	-	-
- Other income \$	-	38,260	(38,260)	13,270	38,260	(24,990)	38,440	41,806
- Sales & Marketing \$	25,543	56,454	30,911	83,711	569,501	485,790	601,270	1,248,778
- Administration \$	4,976	75,024	70,048	232,050	721,422	489,373	754,528	1,114,664
- Finance \$	-	-	-	-	25,000	25,000	-	65,000
- Contingency \$	-	159,003	159,003	20,364	1,463,816	1,443,452	20,364	1,907,009
- <b>Net profit \$</b>	<b>(30,519)</b>	<b>1,180,716</b>	<b>(1,211,235)</b>	<b>14,648,652</b>	<b>8,623,313</b>	<b>6,025,338</b>	<b>29,457,299</b>	<b>19,868,489</b>
- Net profit \$/lot	-	56,225		97,011	54,926		85,137	59,486

Gross profit is \$3.6m ahead of budget due to unfavorable YTD settlements (\$0.7m or 6 lots behind budget) offset by favourable selling costs \$2.9M (mostly GST) and favourable cost of sales \$1.4m.

FY14 YTD net profit is favourable against budget by \$6.0m, mainly due to favourable gross profit \$3.6m, unused contingency \$1.4m, favourable marketing costs \$0.5m and favourable admin costs \$0.5m.

#### YEAR TO DATE VERSUS FULL YEAR BUDGET

	<u>YTD Act</u>	<u>FY14 Full Year Bgt</u>	<u>Var</u>
- Revenue \$ (Stlmts)	33,037,500	45,640,484	(12,602,984)
- Revenue \$/lot	218,791	221,556	
- Selling & GST \$	3,510,946	8,534,764	5,023,818
- Selling & GST \$/lot	23,251	41,431	
- Cost of sales \$	14,555,048	21,920,871	7,365,823
- Cost of sales \$/lot	96,391	106,412	
- Gross profit \$	14,971,506	15,184,849	(213,343)
- Gross profit \$/lot	99,149	73,713	
- Gross profit Mgn %	45.32%	33.27%	
- Special Sites \$	-	526,929	(526,929)
- Other income \$	13,270	38,260	(24,990)
- Sales & Marketing \$	83,711	682,749	599,038
- Administration \$	232,050	871,813	639,763
- Finance \$	-	50,000	50,000
- Contingency \$	20,364	1,701,701	1,681,337
- <b>Net profit \$</b>	<b>14,648,652</b>	<b>12,443,775</b>	<b>2,204,877</b>
- Net profit \$/lot	97,011	60,407	

## CATALINA - FINANCE REPORT

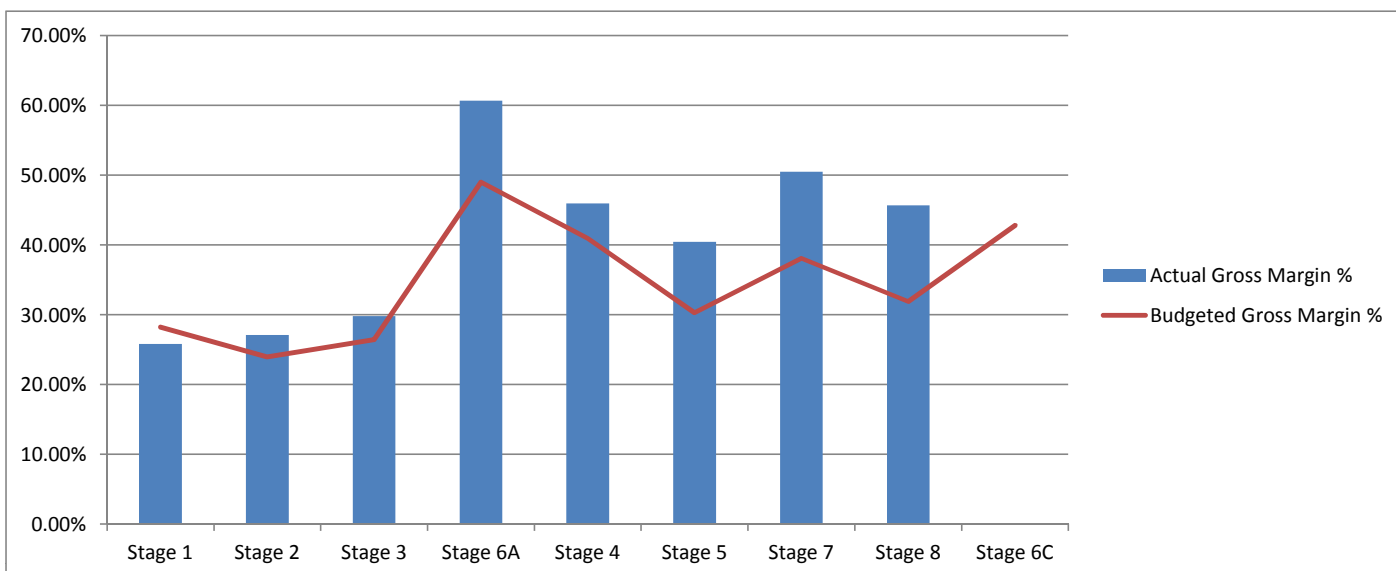
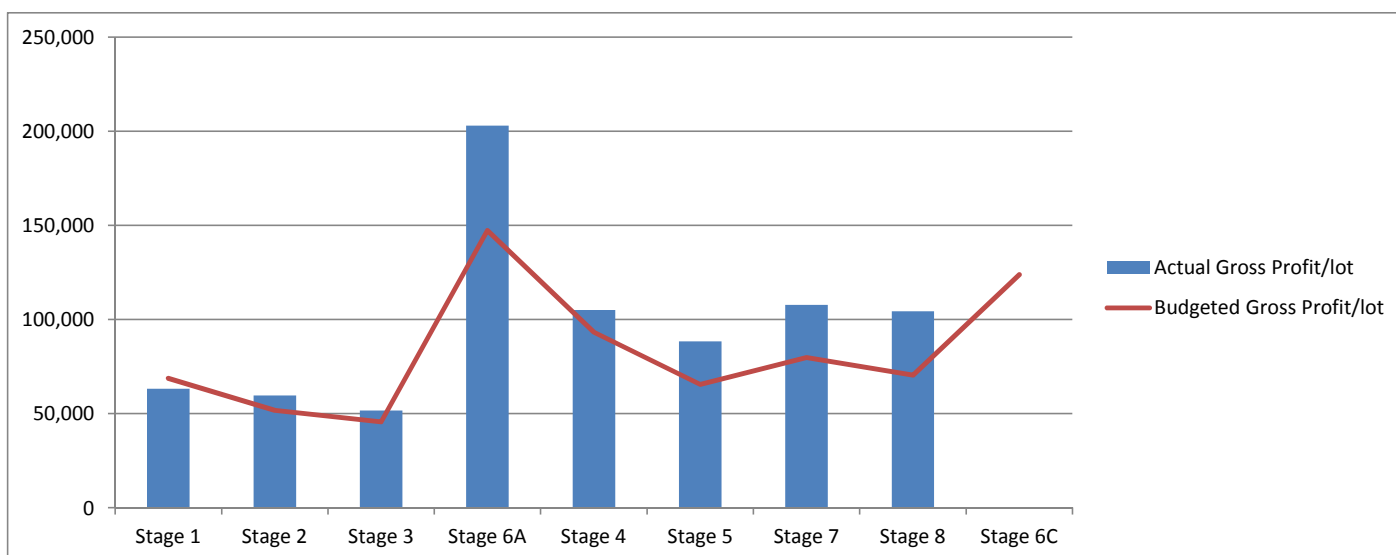
### 2.1 GROSS PROFIT ANALYSIS

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 %
Stage 1	17-Oct-12	8,558,000	244,514	6,347,237	181,350	2,210,763	63,165	25.83%
Stage 2	7-Nov-12	8,157,500	220,473	5,948,705	160,776	2,208,795	59,697	27.08%
Stage 3	14-Jan-13	7,465,000	173,605	5,240,653	121,876	2,224,347	51,729	29.80%
Stage 6A	18-Jan-13	2,675,000	334,375	1,051,254	131,407	1,623,746	202,968	60.70%
Stage 4	20-Mar-13	10,746,000	228,638	5,808,279	123,580	4,937,721	105,058	45.95%
Stage 5	20-May-13	13,774,000	218,635	8,200,280	130,163	5,573,720	88,472	40.47%
Stage 7	31-Oct-13	13,452,000	213,524	6,657,142	105,669	6,794,858	107,855	50.51%
Stage 8	16-Jan-14	11,436,000	228,720	6,214,930	124,299	5,221,070	104,421	45.65%
Stage 6C	3-Apr-14	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	#DIV/0!
		<u>76,263,500</u>		<u>45,468,480</u>		<u>30,795,020</u>		

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 %
Stage 1	May-12	8,531,000	243,743	6,122,735	174,935	2,408,265	68,808	28.23%
Stage 2	May-12	8,223,999	216,421	6,255,430	164,617	1,968,569	51,804	23.94%
Stage 3	May-12	7,417,500	172,500	5,455,644	126,875	1,961,856	45,625	26.45%
Stage 6A	May-12	2,405,291	300,661	1,226,975	153,372	1,178,316	147,290	48.99%
Stage 4	May-12	10,714,354	227,965	6,331,008	134,702	4,383,346	93,263	40.91%
Stage 5	May-12	14,066,809	216,412	9,808,883	150,906	4,257,926	65,507	30.27%
Stage 7	Jun-13	13,205,000	209,603	8,178,150	129,812	5,026,850	79,791	38.07%
Stage 8	Jun-13	11,725,000	221,226	7,988,239	150,721	3,736,761	70,505	31.87%
Stage 6C	Jun-13	2,894,098	289,410	1,655,174	165,517	1,238,924	123,892	42.81%
		<u>98,290,888</u>		<u>66,118,096</u>		<u>32,172,792</u>		



## **Appendix 9.6**

31 March 2014

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

Dear Tony,

### **Catalina Budget Update**

Please find attached a review of the Catalina Budget as follows:

1. Operations for Financial Year Ending 2015 (FYE2015).
2. Review of FYE2015.
3. Key Risks for achieving FYE2015 Budget
4. Review of Financial Year Ending 2016 (FYE2016)
5. Overall Project Position
6. Assumptions
7. Triggers for Civil Construction
8. Cash Requirement, Capital Return and Profit Distributions

## **Operations for Financial Year Ending 2015**

The key operations for the Financial Year ending 2015 are:

1. Distributions forecast at \$31m.
2. Forecast sales of 250 lots.
3. Forecast settlements of 230 lots.
4. Forecast gross income of \$64m.
5. Forecasted titles to be issued for stages 6B, 11, 12, 13A, 13B & 14, totaling 280 lots.
6. Subdivision approvals for stages 12 -18 (451 lots) in the central cell and stages 25 – 27 (159 lots) in the western cell.
7. Civil construction contracts to be let for stages 6B, 13, 14, 15 & 25. Totaling 299 lots.
8. Earthworks construction contracts to be let for Central Cell Stages 14 – 18 & Western Cell stages 25 - 27.
9. Total earthworks and civil construction costs for the year of \$31.1m.
10. Infrastructure works for Neerabup Rd/Maroochydore Way intersection and engineering fees for the West pump station and the Connolly Drive green link intersection. Total of \$2.4m.
11. Landscaping, including stages 11, 12 & 13 Public Open Space, Aviator Blvd Entry Statement and the Biodiversity Conservation Area (South). Total of \$5.8m.



## Review of Financial Year Ending 2015

This review forecasts a net cashflow of \$13.5m for the year to 30 June 2015, which is \$3.3m more than the June 2013 budget. The main areas of variance are summarised below:

- Annual sales for FYE2015 are budgeted at 250 lots, an increase of 28 lots when compared to the June 2013 budget.
- Residential Lot Income has increased by \$6.016m largely due to:
  - Settlement of 15 additional lots in stage 13 as a result of increased lot yield and increased sales rates. \$4.5m
  - Settlement of 3 additional lots in stages 11 & 12 and increased sales prices. \$4.2m
  - Settlement of 9 lots in stage 6C forecast to be received in FY15, deferred from FY14: \$3.3m
  - Settlement of 8 less lots in stage 10 as settlements are forecast to occur in FY14. (\$1.7m)
  - Settlement of 18 less lots in stage 9 as settlements are forecast to occur in FY14 (\$3.6m)
- Direct selling costs have decreased by \$4.292m largely due to GST now being assessed on an Item 4 basis.
- Indirect Consultants costs have increased by (\$0.517m) due to increased consulting requirements for Western Cell planning, Eastern Cell urban design and environmental consulting required for the Western Cell foreshore reserve.
- Landscaping works have increased by (\$1.704m) as a result of Aviator Boulevard entry statement and greenlink works deferred from FYE2014 (0.647m), Stage 11 park costs have increased by (\$0.627m) largely as a result of the size of the park increasing due to drainage requirements and additional costs for the installation of an iron filter, Public Art works have deferred from FYE2014 to FYE2015 (0.286m) and Stage 7 landscaping costs have deferred from FYE2014 to FYE2015 (\$0.182m).
- Infrastructure costs have reduced by \$1.215m largely due to the deferral of the West pump station costs to FY16 – reduction of \$1.853m, reduced expenditure for the Connolly Drive Greenlink intersection, where \$1.371m of works have been deferred to FYE2016. These reductions are partially offset by increased Neerabup Rd Maroochydore Way Intersection works of \$1.431m as costs have been brought forward from FYE2016, increased allowances for unexploded ordnance search in the western cell and asbestos and rubbish removal costs of (\$0.502m).

- Lot production costs have increased by (\$3.387m) largely as a result of increased Stage 13 lot production costs resultant of increased lot yield (\$2.167m), increased Western Cell earthworks costs (\$1.175m), where developable area has increased combined with a requirement for additional fill, costs brought forward from FYE2016 to FYE2015 for stage 15 (\$1.504m) and stage 14 (\$1.019m) construction as a result of increased sales rates. These cost increases are partially offset by reduced costs for stage 17 – 19 earthworks – cost reduction of \$2.3m.
- Administration costs have increased by (\$0.156m) in FYE2015 due to increased rates and taxes of \$0.255m, partially offset by revision of landscape maintenance requirements – a \$0.071m reduction in costs.
- Reduction in debtor/creditor cash movement of \$0.466m as GST and creditor balances are forecast to decrease in FYE2015.
- Increased contingency costs of (\$0.396m) largely as a result of increased contingency of 7.5% for the Western Cell earthworks.

## Key Risks for achieving Financial Year Ending 2015 Budget

The following are key risks for TPRC receiving budgeted revenue in the FYE2015 budget:

- Obtaining engineering and other statutory approvals for stages 12 & 13 to ensure lots are constructed and settlements achieved in FYE2015;
- Successful sale and settlement of lots within the Catalina Display Village #2 (Stage 6B);
- Achieving sales rates in accordance with the FYE2015 budget;
- Settlements forecast for FYE2015 being achieved in FYE2014, resulting in lower revenue being achieved in FYE2015;
- Construction delays result in delays in titles issuing;
- Achieving price escalation at a rate of 6% per annum;
- Higher than expected fallover rates for sales resulting in delayed settlements.

The following are key risks for TPRC in regard to budgeted costs:

- Retendering of some consultants in FYE2015 may result in higher consulting fees;
- Intersection costs for Neerabup Road may increase, dependent on final intersection type and existing services;
- Western Cell Earthworks costs exceeding budget.



## Review of Financial Year Ending 2016

The budget review forecasts net cashflow of \$21.5m for the year to 30 June 2016, which is \$4.9m more than the June 2013 budget. The high level areas of variance are summarised below:

- Lot income has increased by \$10.7m as the increase in annual sales for FYE2015 has increased settlement income for FYE2016. This increase has brought forward settlements for stage 15, a \$5.6m increase in income & stage 16, a \$3.7m increase in income. Income has also increased as a result of strong price growth for stages 13, 14, 15 & 16. The increase in income is partially offset by reduced settlement income of \$1.3m for stage 25, where settlements have been deferred to FYE2017.
- Other income has reduced by \$0.9m due to the deferment of the stage 11 local centre settlement to FYE2017.
- Direct selling expenses have decreased by \$2.9m largely due to GST now being assessed on item 4, partially offset by increased selling commission & project management fees where costs have increased in line with increased revenue.
- Landscape costs have increased by (\$3.1m) due to costs brought forward to FYE2016 for Western Cell stage 25 landscaping costs (\$1.1m) and Western Cell entry statement costs (\$0.7m). Other increases include Stage 13 landscaping works (\$0.6m) as a result of works being brought forward from stage 17 to stage 13 combined with additional costs for iron filters, Stage 14 landscaping costs (\$0.4m) deferred from FYE2015 and Stages 15 & 16 landscaping works (\$0.3m) brought forward from FYE2017.
- Infrastructure costs have increased by (\$6.7m) due to costs deferred from FYE2015 for the Connolly Drive Greenlink intersection (\$2.1m) and the West Pump Station (\$1.9m), East pump station engineering costs have been brought forward from FYE2020 (\$0.3m) and the West Pump station refund has been deferred from FYE2016 to FYE2017 due to deferred construction (\$2.1m).
- Lot Production costs in FYE2016 have decreased by \$3.6m. Stage 20 – 24 earthwork costs of \$3.3m have been deferred to FYE2022 as these stages are within the landfill buffer and will be constructed at the end of the project. Stage 26 construction costs of \$2.3m have been partially deferred to FYE2017 due to slower Western Cell sales rates. Increased sales rates for FYE2015 for the Central cell has brought forward stage 15 construction costs from FYE2016 to FYE2015, reducing construction costs in FYE2016 by \$0.6m. These reductions are partially offset by increased construction costs for Stage 25 (\$1.1m) as construction has deferred from FYE2015 to FYE2016 and increased Stage 17 construction costs, where higher sales rates have brought forward construction (\$0.9m)
- Administration costs have increased by (\$0.2m) largely due to increased rates and taxes.

- Finance/bonds costs have increased by (\$0.4m) due to the requirement of a tankering bond for the Western Cell.
- Contingency costs have increased by (\$0.5m) as a result of increased production costs and increased Western Cell contingency.

## Overall Project Position

Strong price growth has underpinned the residential property market in FYE2014. The project continues to build on the sales momentum of FYE2013 by maintaining steady sales volumes and strong price growth in FYE2014. Budgeted income escalation has been maintained at 6% through until Dec-17, with escalation reducing to 5.5% from Jan-18 for the duration of the project to reflect a slight softening in market conditions.

Detailed urban design across all the Central, Western & Eastern Cells has resulted in an increase in the lot yield of 55 lots.

Development costs for the project have been reviewed in line with latest estimates from engineers and landscape architects, combined with revisions on rebates payable, marketing and administration costs. This review has resulted in an increase in development costs of \$4.3m when compared to the June 2013 budget.

The budget review forecasts an overall net cash profit of \$402.7 million for the life of the project. This is \$77.5m more than the June 2013 budget. The main areas of variance are summarised below:

- Lot yield has increased by 55 lots largely as a result of increased lot yield in the Western Cell of 57 lots as a result of more detailed design resulting in increased developable area combined with smaller high density product, partially offset by reduced lot yield in the Central and Eastern Cells of 2 lots.
- Lot income has increased by \$19.4m. Income has increased by \$62.8m in the Central Cell due to increased lot yield, higher selling prices and increased escalation on deferred buffer stages. Western Cell income has increased by \$23.3m due to increased lot yield. Eastern Cell income decreased by (\$53.7m) due to reduced lot yield combined with reduced escalation as a result of bringing forward Eastern Cell stages before Central Cell buffer stages. WAPC income has reduced by (\$13.1m) due to reduced lot yield and reduced escalation on bringing sales of these stages ahead of the Central Cell buffer stages.
- Special Site income has increased by \$4.6m largely due to the inclusion of income for the Eastern Cell retail site of \$3m and the redesign of a Group Housing Site into stage 18 – increasing income by \$1.3m.



- Direct Selling Costs have decreased by \$57.9m largely due to GST now being assessed as Item 4 – reduction of \$56.8m, fencing rebates have been reduced from \$4,500 per lot to \$3,500 per lot, reducing costs by \$2.9m, shared bore rebates have been removed for FYE2014 during the trial period (except for stages 4,5 & 7) - reducing costs by \$1.1m. These reductions are partially offset by increased display builder rebates due to the inclusion of stage 6B and Western Cell display builder rebates - increased costs of (\$1.8m) and increased selling commission and admin fees in line with increased income (\$0.6m).
- Increased consultancy costs of (\$1.3m) largely due to the Earth Potential Rise studies to be undertaken for future stages and increased planning and environmental requirements in the Western and Eastern Cells.
- Landscaping costs have increased by (\$1.1m) largely due to new costs included for the Western Cell foreshore (\$1.8m), increased escalation on stage 20 – 24 buffer stages landscaping (1.2m) and increased stage 11 costs due to increased park size (\$0.7m). These cost increases are partially offset by reduced Eastern Cell and WAPC landscaping costs of \$2.6m due to works brought forward reducing cost escalation.
- Special Sites development costs have increased by (\$0.8m) largely due to the inclusion of construction costs for the Eastern Cell retail site.
- Lot production costs have decreased by \$0.1m. Eastern Cell and WAPC lot production has decreased by \$9.6m due to reduced lot yield and a reduction in cost escalation as staging has been brought forward. Further savings have been made in completed/commenced Central Cell stages (stages 1 – 8), total saving of \$2.7m. These reductions are partially offset by increased costs for Central Cell stages 9 – 24 due to increased lot yield and increased cost escalation on deferred buffer stages (\$7.9m). Western Cell earthwork costs are higher as developable area and fill requirements have increased (\$1.6m). Western Cell lot production has increased due to increased lot yield and increased cost escalation.
- Administration costs have increased by (\$1.6m) as carpark rent costs have been updated to include higher rent for the lease of the Western Cell carpark lots combined with increases in rates and taxes expenditure.
- Provision has been made for cash bonds of \$1.4m for the remainder of the project to ensure stages can be bonded to allow for faster turnaround times for titles and settlements. Please note, no provision has been made for bank guarantee fees as it is assumed that bonding will be funded from cash, not bank guarantees.

## Assumptions

Achieving title dates, and therefore the revenue streams, as described in the budget model are dependent on obtaining planning and engineering approvals. Any deferment of the commencement of works will result in titles being deferred, impacting the current distribution profile for FYE2015.

Additionally, the timeframes provided by the engineers are dependent on the civil contractor being able to achieve these timeframes.

Shared bore rebates of \$2,500 per lot are assumed to recommence from FYE2016 onwards following completion of the trial period, with the rebates applied to 70% of total lots (assuming that 70% of lots are non-cottage lots).

Stage	Titles
Stage 6C	Apr-14
Stage 07	Oct-13
Stage 08	Jan-14
Stage 09	May-14
Stage 10	May-14
Stage 11	Oct-14
Stage 12	Dec-14
Stage 6B	Jan-15
Stage 13A	Mar-15
Stage 13B	May-15
Stage 14	Jun-15

Escalation rates applied are as follows;

Income Escalation				
Rate	0.0%	6.0%	6.0%	5.5%
From	Jan-11	Jul-14	Jan-16	Jan-18
To	Jun-14	Dec-15	Dec-17	End

Cost Escalation				
Rate	0.0%	3.0%	3.0%	3.0%
From	Jan-11	Jul-14	Jan-16	Jan-18
To	Jun-14	Dec-15	Dec-17	End

- Income escalation rates in this budget review remain unchanged at 6% for the next three and a half years. A more conservative escalation position of 5.5% has been adopted at the mid-point of the project from Jan-18 through until the end of the project. Sales prices will not be escalated until July 2014.



- Cost escalation rates remain unchanged at 3% when compared to the June 2013 approved budget.

## Triggers for Civil Construction

Civil construction triggers have been set to ensure the project does not overcommit stock levels to protect against an unexpected turn 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.

The recommended trigger closing stock level for this budget review is 35 lots. The table below shows that closing stock levels are below 35 lots before construction commences on each stage over the course of FYE2015. A lot is no longer considered stock once an offer is received from a purchaser at the list price.

Sales Stage	Lots	Presell Period	Sales Release Date	Titles	Construction Start (Actual not payment)	Stock Level Trigger for Civil construction	Closing Stock Month Prior to Construction Start	Committed Construction Closing Stock including new construction stage
<b>Central Cell</b>								
Stage 9	40	5	Dec-13	May-14	Feb-14	35	16	86
Stage 10	30	3	Feb-14	May-14	Feb-14	35	16	86
Stage 11	64	7	Mar-14	Oct-14	Jun-14	35	26	90
Stage 6B	24	6	Aug-14	Jan-15	Aug-14	35	19	43
Stage 12	49	7	May-14	Dec-14	Jul-14	35	9	58
Stage 13A	37	6	Sep-14	Mar-15	Nov-14	35	26	63
Stage 13B	45	7	Oct-14	May-15	Jan-15	35	28	73
Stage 14	60	6	Dec-14	Jun-15	Jan-15	35	13	73
Stage 15	69	6	Mar-15	Sep-15	Apr-15	35	0	69
<b>Western Cell</b>								
Stage 25	62	5	Jun-15	Nov-15	Apr-15	35	7	69

## Cash Requirement, Capital Return and Profit Distributions

The forecast shows minimum cash balance at \$15.7m for the project in FYE2015, and then \$15.4m in FYE2016. The minimum cash balance before distributions has increased from \$2m to \$15m to allow for any delays in settlement income and cost increases on stages under construction.

Distributions are forecast at \$31m for FYE2015, with the first distribution of \$10m forecast to be paid in December 2014. The distribution profile for FYE2015 has increased from \$14m to \$31m when compared to the June 2013 approved budget.

FYE2016 distributions have increased by \$4m to \$22m when compared to the June 2013 approved budget. This is largely due to increased FYE2015 sales rates bringing settlements forward combined with the reduction in GST due to the take up of Item 4.

Profit Distributions/ (Capital Calls)	Current Budget Mar-14	Previous Approved Budget Jun-13	Budget Total Variance	Cumulative Variance
FYE2012	(13,300,000)	(13,300,000)	0	0
FYE2013	0	0	0	0
FYE2014	10,000,000	8,000,000	2,000,000	2,000,000
FYE2015	31,000,000	14,000,000	17,000,000	19,000,000
FYE2016	22,000,000	18,000,000	4,000,000	23,000,000
FYE2017	32,000,000	29,000,000	3,000,000	26,000,000
FYE2018	23,000,000	17,000,000	6,000,000	32,000,000
FYE2019	27,000,000	31,000,000	(4,000,000)	28,000,000
FYE2020	33,000,000	48,000,000	(15,000,000)	13,000,000
FYE2021	45,000,000	43,000,000	2,000,000	15,000,000
FYE2022	42,000,000	25,000,000	17,000,000	32,000,000
FYE2023	10,000,000	23,000,000	(13,000,000)	19,000,000
FYE2024	80,000,000	31,000,000	49,000,000	68,000,000
FYE2025	46,000,000	47,000,000	(1,000,000)	67,000,000
FYE2026	14,900,000	4,468,873	10,431,127	77,431,127
FYE2027	92,046	0	92,046	77,523,173
<b>Total</b>	<b>402,692,046</b>	<b>325,168,873</b>	<b>77,523,173</b>	

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

Yours sincerely



**Brenton Downing**  
Project Director



<b>CATALINA SUMMARY</b>	Current Budget Mar-14	Previous Approved Budget Jun-13	Budget Total Variance
Settled Lots	2,487	2,432	55

GROSS INCOME			
Income - Lots	841,000,653	821,606,757	19,393,896
Income - Special Sites	8,674,719	4,077,848	4,596,872
Direct Selling Expense	86,253,206	144,103,601	57,850,395
GROSS INCOME	763,422,166	681,581,004	81,841,162

DEVELOPMENT COSTS			
Land	11,778,138	11,797,691	19,553
Indirect Consultants	7,580,927	6,232,728	(1,348,199)
Landscape	35,457,103	34,330,985	(1,126,119)
Infrastructure Costs	24,467,048	24,284,888	(182,160)
Infrastructure Refund	(5,690,193)	(6,020,334)	(330,141)
Special Sites Development	2,589,123	1,767,792	(821,331)
Lot Production	243,788,897	243,839,634	50,737
Administration	13,102,048	11,493,386	(1,608,662)
Sales and Marketing	8,723,592	9,485,305	761,713
Community Development	2,445,072	2,850,325	405,252
Finance/Bonds	15,000	190,000	175,000
Contingency	16,473,366	16,159,733	(313,633)
DEVELOPMENT COSTS	360,730,121	356,412,132	(4,317,989)

<b>PROJECT PROFIT</b>	<b>402,692,046</b>	<b>325,168,873</b>	<b>77,523,173</b>
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Current Budget Mar-14 Per Lot	Previous Approved Budget Jun-13 Per Lot	Budget Per Lot Variance
		0

338,159	337,832	327
3,488	1,677	1,811
34,682	59,253	24,571
306,965	280,255	26,710

4,736	4,851	115
3,048	2,563	(485)
14,257	14,116	(141)
9,838	9,986	148
(2,288)	(2,475)	(187)
1,041	727	(314)
98,025	100,263	2,238
5,268	4,726	(542)
3,508	3,900	393
983	1,172	189
6	78	72
6,624	6,645	21
145,046	146,551	1,505

<b>161,919</b>	<b>130,747</b>	<b>31,171</b>
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#### Equity/distribution profile;

Profit Distributions/ (Capital Calls)	Current Budget Mar-14	Previous Approved Budget Jun-13	Budget Total Variance	Cumulative Variance
FYE2012	(13,300,000)	(13,300,000)	0	0
FYE2013	0	0	0	0
FYE2014	10,000,000	8,000,000	2,000,000	2,000,000
FYE2015	31,000,000	14,000,000	17,000,000	19,000,000
FYE2016	22,000,000	18,000,000	4,000,000	23,000,000
FYE2017	32,000,000	29,000,000	3,000,000	26,000,000
FYE2018	23,000,000	17,000,000	6,000,000	32,000,000
FYE2019	27,000,000	31,000,000	(4,000,000)	28,000,000
FYE2020	33,000,000	48,000,000	(15,000,000)	13,000,000
FYE2021	45,000,000	43,000,000	2,000,000	15,000,000
FYE2022	42,000,000	25,000,000	17,000,000	32,000,000
FYE2023	10,000,000	23,000,000	(13,000,000)	19,000,000
FYE2024	80,000,000	31,000,000	49,000,000	68,000,000
FYE2025	46,000,000	47,000,000	(1,000,000)	67,000,000
FYE2026	14,900,000	4,468,873	10,431,127	77,431,127
FYE2027	92,046	0	92,046	77,523,173
<b>Total</b>	<b>402,692,046</b>	<b>325,168,873</b>	<b>77,523,173</b>	

Final Sale	Jun-24	Dec-24	<b>-6 Mths</b>
Final Settlement	Jan-25	Jul-25	<b>-6 Mths</b>

Income Escalation - Current Budget;				
Rate	0.0%	6.0%	6.0%	5.5%
From	Jan-11	Jul-14	Jan-16	Jan-18
To	Jun-14	Dec-15	Dec-17	End

Cost Escalation - Current Budget;				
Rate	0.0%	3.0%	3.0%	3.0%
From	Jan-11	Jul-14	Jan-16	Jan-18
To	Jun-14	Dec-15	Dec-17	End

Income Escalation - Jun-13 Budget;				
Rate	0.0%	5.0%	6.0%	6.0%
From	Jan-11	Mar-13	Jan-14	Jan-15
To	Feb-13	Dec-13	Dec-14	End

Cost Escalation - Jun-13 Budget;				
Rate	0.0%	3.0%	3.0%	3.0%
From	Jan-11	Mar-13	Jan-14	Jan-15
To	Feb-13	Dec-13	Dec-14	End

Catalina Monthly Cashflow	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Total	Previous FY15 Jun-13 model	Variance		PTD	Previous PTD Jun-13 Model	Variance
Sales Release	0	24	37	45	0	60	0	0	69	0	0	62	297	240	57		850	789	61
Sales - Stage 6B	0	0	15	9	0	0	0	0	0	0	0	0	24	25	(1)		24	25	(1)
Sales - Stage 9	1	0	0	0	0	0	0	0	0	0	0	0	1	0		51	40	11	
Sales - Stage 11	4	0	0	0	0	0	0	0	0	0	0	0	4	7	(3)		64	45	19
Sales - Stage 12	20	10	6	2	0	1	0	0	0	0	0	0	39	58	(19)		49	65	(16)
Sales - Stage 13A	0	0	0	20	17	0	0	0	0	0	0	0	37	58	(21)		37	58	(21)
Sales - Stage 13B	0	0	0	0	8	24	13	0	0	0	0	0	45	0	45		45	0	45
Sales - Stage 14	0	0	0	0	0	0	12	25	23	0	0	0	60	47	13		60	47	13
Sales - Stage 15	0	0	0	0	0	0	0	0	0	13	13	10	36	0	36		36	47	(11)
Sales - Stage 25	0	0	0	0	0	0	0	0	0	0	0	0	0	27	(27)		0	27	(27)
Total Sales	29	10	21	31	25	25	25	25	23	13	13	10	250	222	28		755	695	60
Titles	0	0	0	64	0	49	24	0	37	0	45	60	279	193	86		719	621	98
Settlements	10	4	5	4	19	15	37	29	20	35	19	33	230	234	(4)		646	617	29
Closing Stock	19	33	49	63	38	73	48	23	69	56	43	95	95	94	1		95	94	1
Contracts on hand	108	114	130	157	163	173	161	157	160	138	132	109	109	78	31		109	78	31
Average Settlement Price	295,955	321,421	305,261	321,421	272,532	274,304	276,557	283,756	289,209	272,554	261,558	269,290	278,223	247,758	30,465		245,113	230,921	14,192
GROSS INCOME																			
Income - Stage 6C	1,109,214	737,651	737,651	737,651	0	0	0	0	0	0	0	0	3,322,167	0	3,322,167		3,693,000	2,894,098	798,902
Income - Stage 6B	0	0	0	0	0	0	0	1,478,890	2,957,780	2,662,002	0	0	7,098,672	6,885,720	212,952		7,098,672	6,885,720	212,952
Income - Stage 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		13,452,000	13,205,000	247,000
Income - Stage 8	228,167	0	0	0	0	0	0	0	0	0	0	0	228,167	1,106,132	(877,965)		12,146,000	11,725,000	421,000
Income - Stage 9	714,571	240,619	481,238	240,619	240,619	0	0	0	0	0	0	0	1,917,666	5,500,920	(3,583,254)		11,950,998	8,462,953	3,488,045
Income - Stage 10	907,595	307,415	307,415	307,415	0	0	0	0	0	0	0	0	1,829,841	3,549,425	(1,719,585)		9,031,999	7,605,912	1,426,087
Income - Stage 11	0	0	0	0	4,937,480	4,114,567	7,406,220	1,097,218	0	0	0	0	17,555,484	10,750,241	6,805,243		17,555,484	10,750,241	6,805,243
Income - Stage 12	0	0	0	0	0	0	2,826,407	5,652,813	2,826,407	1,695,844	565,281	282,641	13,849,393	16,468,842	(2,619,450)		13,849,393	16,468,842	(2,619,450)
Income - Stage 13A	0	0	0	0	0	0	0	0	0	5,181,558	4,404,324	0	9,585,882	13,713,986	(4,128,104)		9,585,882	13,713,986	(4,128,104)
Income - Stage 13B	0	0	0	0	0	0	0	0	0	0	0	8,603,934	8,603,934	0	8,603,934		8,603,934	0	8,603,934
Income - Stage 14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0
Income - Lots Total	2,959,547	1,285,685	1,526,304	1,285,685	5,178,099	4,114,567	10,232,627	8,228,921	5,784,187	9,539,404	4,969,606	8,886,575	63,991,205	57,975,267	6,015,938		158,342,862	142,478,304	15,864,558
Income - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	1,844,308	(1,844,308)		1,930,851	2,482,202	(551,351)
Direct Selling Expenses	419,740	107,338	285,794	132,213	818,499	346,747	658,357	823,124	404,210	672,733	334,700	1,191,434	6,194,892	10,486,989	4,292,097		14,243,603	22,831,483	8,587,879
GROSS INCOME	2,539,808	1,178,347	1,240,509	1,153,472	4,359,600	3,767,819	9,574,269	7,405,797	5,379,976	8,866,670	4,634,905	7,695,140	57,796,313	49,332,586	8,463,727		146,030,110	122,129,024	23,901,086
DEVELOPMENT COSTS																			
Special Sites Development	201,897	64,123	50,000	0	0	0	0	0	0	0	0	0	316,021	(277,190)	(593,210)		1,013,970	869,796	(144,174)
Consultants	96,957	86,109	86,289	79,736	149,767	80,064	137,471	80,395	76,470	76,626	76,782	76,939	1,103,603	586,835	(516,768)		2,426,223	2,220,216	(206,007)
Landscape	731,656	369,670	480,790	181,124	158,527	215,781	451,375	753,883	731,760	454,750	1,041,557	238,291	5,809,163	4,104,708	(1,704,455)		10,387,423	10,677,944	290,521
Infrastructure	39,600	87,939	88,159	109,552	163,271	350,334	286,902	287,619	288,339	233,694	259,974	239,024	2,434,409	3,649,894	1,215,485		8,651,260	10,827,177	2,175,917
Main 01 Bulk Earthworks stgs 1-4,6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		2,280,234	2,370,757	90,523
Main 01 Bulk Earthworks Stgs 5 & 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		2,490,625	2,501,031	10,406
Main 01 Bulk Earthworks Stg 8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		1,343,784	1,508,886	165,102
Main 01 Bulk Earthworks Stgs 9-11 Cell B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		4,193,159	3,046,245	(1,146,914)
Main 01 Bulk Earthworks Stgs 12 & 13 Cell B	406,943	407,961	0	0	0	0	0	0	0	0	0	0	814,904	0	(814,904)		1,691,728	1,250,825	(440,902)
Main 01 Bulk Earthworks Stgs 14-18 Cell B	38,811	34,888	34,975	537,657	503,851	505,111	506,374	507,640	0	0	0	0	2,669,307	2,770,546	101,239		2,789,450	2,854,239	64,789
Main 01 Bulk Earthworks Stgs 17-19 Cell B	0	0	0	0	0	0	0	0	0	0	0	0	0	2,300,281	2,300,281		0	2,300,281	2,300,281
Main 01 Bulk Earthworks Stg 20-24 Cell B	20,000	0	0	0	0	0	0	0	0	0	0	0	20,000	833,540	813,540		20,000	833,540	813,540
Western Cell Bulk Earthworks Stgs 25-27	21,106	21,159	121,212	121,265	117,943	117,988	18,033	589,662	591,136	592,614	594,095	595,580	3,501,794	2,326,538	(1,175,256)		3,575,417	2,382,988	(1,192,429)
Western Cell Bulk Earthworks Stgs 28-31	4,541	4,553	4,564	4,575	4,587	4,598	4,610	4,621	4,633	4,645	4,656	4,668	55,251	0	(55,251)		55,251	0	(55,251)
Lot Production - Stage 6B	13,701	13,735	387,055	241,062	241,665	381,337	242,875	229,540	0	0	0	0	1,750,970	1,609,279	(141,691)		1,783,303	1,646,887	(136,416)
Lot Production - Stage 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		2,968,572	3,663,772	695,200
Lot Production - Stage 8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		3,000,723	3,568,861	568,138
Lot Production - Stage 9	365,632	365,663	0	0	0	0	0	0	0	0	0	0	731,295	0	(731,295)		3,581,770	3,939,813	358,043
Lot Production - Stage 10	229,942	0	0	0	0	0	0	0	0	0	0	0	229,942	0	(229,942)		2,027,385	2,658,757	631,371
Lot Production - Stage 11	559,887	1,123,978	532,514	533,846	535,180	536,518	0	0	0	0	0	0	3,821,923	2,842,774	(979,150)		4,082,640	4,111,136	28,496
Lot Production - Stage 12	13,029	431,657	432,717	433,780	1,098,377	435,913	423,873	0	0	0	0	0	3,269,346	4,853,274	1,583,928		3,427,681	4,993,728	1,566,047
Lot Production - Stage 13A	0	18,495	18,505	18,515	18,526	544,355	545,680	977,420	548,340	549,675	0	0	3,239,509	4,502,827	1,263,318		3,252,243	4,534,185	1,281,941
Lot Production - Stage 13B	0	0	0	24,272	24,285	24,298	24,310	558,895	560,244	1,081,928	562,953	564,312	3,425,499	0	(3,425,499)		2,686,259	0	(2,686,259)
Lot Production - Stage 14	0	0	0	32,289	32,306	32,323	32,340	681,869	683,509	685,154	1,380,600	688,456	4,248,846	3,230,079	(1,018,767)		4,248,846	3,230,079	(1,018,767)
Lot Production - Stage 15	0	0	0	0	0	0	35,206	35,225	35,245	35,264	727,367	729,117	1,597,425	93,000	(1,504,425)		1,614,789	93,000	(1,521,789)
Lot Production - Stage 25	0	0	0	0	0	0	29,974	30,049	30,124	30,199	784,457	786,418	1,691,221	2,029,985	338,764		1,691,221	2,029,985	338,764
Administration	36,671	35,259	441,156	50,586	50,713	50,839	50,966	51,094	51,222	51,350	51,478	51,607	972,939	817,308	(155,632)		2,209,772	2,119,356	(90,416)
Sales and Marketing	48,265	48,265	48,265	48,265	48,265	48,265	48,265	48,265	48,265	48,265	48,265	48,265	579,180	739,963	160,783		1,586,817	1,962,074	375,258
Community Development	15,455	15,494	15,533	15,571	15,610	15,649	15,688	15,728	15,767	15,806	15,846	15,886	188,034	190,527	2,493		196,176	354,527	158,352
Finance/Bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	50,000	50,000		2,455,886	1,360,061	(1,095,825)
Debtor/Creditor Movement	(233,105)	(233,105)	0	0	0	0	0	0	0	0	0	0	(466,211)	0	466,211		0	(20,021)	(20,021)
Contingency	142,846	157,090	140,231	124,751	161,207	170,233	144,111	258,377	199,074	208,859	312,156	236,770	2,255,704	1,860,208	(395,496)		2,333,037	4,240,050	1,907,012
DEVELOPMENT COSTS	2,753,833	3,052,931	2,881,965	2,556,848	3,324,080	3,513,608	2,998,054	5,110,281	3,864,126	4,068,829	5,860,187	4,275,333	44,260,074	39,114,376	(5,145,698)		101,512,196	107,248,810	5,736,614
CASHFLOW	(214,026)	(1,874,584)	(1,641,456)	(1,403,377)	1,035,520	254,211	6,57												

## **Appendix 9.7**



## RISK MANAGEMENT PLAN

*DATE: 5 JUNE 2014*



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## Table of Contents

<b>1. INTRODUCTION .....</b>	<b>3</b>
<b>2. ORGANISATIONAL CONTEXT .....</b>	<b>3</b>
<b>3. RISK STRATEGY .....</b>	<b>3</b>
<b>4. RISK REGISTER .....</b>	<b>3</b>
<b>5. QUALITATIVE ASSESSMENT OF HIGH RISKS .....</b>	<b>4</b>
<b>6. QUALITATIVE ASSESSMENT OF MEDIUM RISKS WITH MAJOR-CATASTROPHIC CONSEQUENCES.</b>	<b>4</b>
<b>7. REVIEW OF CATALINA RISK MANAGEMENT PLAN.....</b>	<b>5</b>

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## **1. Introduction**

The purpose of the Risk Management Plan is for the Catalina development team to identify, assess and record potential risks. The plan also allows mitigation strategies to be developed, implemented and tracked to ensure risk associated with the Catalina development is well managed.

## **2. Organisational context**

The Tamala Park Regional Council (TPRC) was established in 2006 for the specific purpose of creating an urban development of 165 hectares of land in Clarkson and Mindarie, known as the Catalina Estate. The objectives of the TPRC are:

- 1) to develop and improve the value of the Land;
- 2) to maximise, within prudent risk parameters, the financial return to the participating Councils;
- 3) to balance economic, social and environmental issues; and
- 4) to produce a quality development demonstrating the best urban design and development practices.

The TPRC participant Councils hold the ultimate financial risk and control over the Catalina project. The TPRC has appointed the Satterley Property Group (SPG) as Development Manager of Catalina. Under the development management agreement SPG is responsible for the co-ordination of all matters pertaining to the project including supervision of all project consultants and contractors, procurement of approvals, maintenance of records, sales and marketing activities, management of accounts, and contractual and legal compliance.

## **3. Risk strategy**

Risks have been considered, ranked and recorded on the Catalina Risk Register. Mitigation strategies are to be monitored and reviewed on an ongoing basis by the Project Director. If new risks are identified these shall be recorded and an updated Risk Management Plan will be presented to the Council for approval annually.

At appropriate times during the course of the project, particularly when the Project may be moving into a new phase, it may be appropriate for SPG staff, TPRC staff and the project consultants to review the Risk Management Plan.

## **4. Risk Register**

A risk register identifying the major risk items considered relevant to the Catalina project is included in Appendix 1. Each risk item has been ranked in regard to its likelihood of occurrence (1: Rare, 5: Almost Certain) and risk consequence (1: Insignificant, 5: Catastrophic). The level of risk of each item has been determined by multiplying these two assessments, to prioritise risks and identify those that have the greatest potential to negatively impact the project. Risks with a score of 15 or above have been assessed as High Risk.

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## **5. Qualitative Assessment of High Risks**

### **Risk 3.1 Lifting of urban deferred buffer does not meet cashflow expectations**

The approved project budget is based on a development schedule that assumes the Tamala Park Landfill buffer will continually recede to allow urban deferred zonings to be lifted and development to continue to the site's southern boundary by 2023.

Uncertainty as to the rate of filling of the landfill site means there is a risk that delays to the movement of the landfill buffer will prevent rezonings and subdivision approvals being obtained in a timely manner. Additionally environmental risks from the landfill following completion of filling may delay removal of the buffer beyond this date.

In order for development to proceed to the site's southern boundary it will be necessary for the landfill buffer to be removed from the Catalina site by approximately 2021. The Mindarie Regional Council (MRC) has advised it expects the landfill buffer to remain in its current position until approximately 2019. If the buffer is not removed beyond 2021 it is likely that delays to the project schedule will be incurred.

Close liaison with the MRC is recommended on the filling of the landfill site, environmental issues and projected movement of the buffer line and expedient lodgement of applications for Urban rezoning once the buffer line recedes.

## **6. Qualitative Assessment of Medium Risks with Major – Catastrophic Consequences**

A number of Medium rated risks have major – catastrophic consequences. While the lower likelihood of these events occurring has resulted in a Medium risk rating we have provided a qualitative assessment of these risks due to the seriousness of the consequences.

### **Risk 1.3 Cashflow impacted by slower sales or delayed settlements**

The approved project budget makes assumptions regarding sales rates and sales prices. The real estate market is subject to peaks and troughs which are difficult to predict and may result in sales rates or prices not being achieved which will affect the project's cashflow. Should this occur mitigation measures include deferring construction of future stages and reviewing the budget to defer non-essential expenditure. Budgeted distributions to the participating Councils will also be reviewed where cashflow is affected.

Additionally a minimum bank balance of \$15,000,000 has been budgeted for to ensure the TPRC will be able to meet its contractual obligations if cashflow is impacted.

### **Risk 4.3 – Lack of Site Safety Leads to Death or Serious Injury**

The Catalina project includes significant earthworks, civil works and landscape works which involve high risk activities including working in trenches deeper than 1.5 metres, powered mobile plant, work near electrical services, work on busy roads and works adjacent to pressurised gas mains.

Consulting engineers and landscape architects have been appointed to administer these contracts. As part of the procurement process details of OHS Management Policies and Plans are provided by the tenderers to ensure appropriate practices are in place. Site

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meetings also cover OHS with incidents and near misses reported to the TPRC Chief Executive Officer.

Prior to appointing new contractors the SPG will ensure that they have the appropriate OH&S management systems in place.

### **Risk 5.1 – Adjacent Mindarie Resident Objections Impact Preferred Urban Planning Outcomes or Delay Works**

The Catalina project includes the development of 540 residential lots in the suburb of Mindarie, adjacent to existing residents. Due to the proximity of housing and prevailing winds residents are likely to be impacted during earthworks and civil construction. This risk to be mitigated in the following manner:

- engagement with the local community prior to the commencement of earthworks;
- completing earthworks predominantly during winter months to reduce the number of dust complaints;
- implementing best practice dust mitigation and environmental management to reduce the number of construction complaints.

### **Risk 5.2 – Landfill operations have negative affect on project reputation and image, sales and residents**

The adjacent Tamala Park Waste Management Facility is a putrescible landfill operated by the Mindarie Regional Council. The SPG is not aware of any management issues with the landfill that affect the Catalina development and has received a copy of a letter from the Mindarie Regional Council dated April 2014 advising that the groundwater sampled within Catalina had normal levels of contaminants indicating the landfill is having no adverse affect on the water sampled. Additionally the letter notes that no landfill gas has been recorded on the northern boundary in monitoring wells at Tamala Park.

SPG does not have copies of any recent Risk Management Plans or Environmental Management Plans prepared by the Mindarie Regional Council however notes the Council's website states their Environmental Management System is certified by NCS International as compliant with ISO14001 Environmental Management.

Mitigation measures include providing purchasers with adequate information on landfill timing and impacts on request, monitoring any odour complaints from residents and the TPRC liaising with Mindarie Regional Council to ensure Risk Management Plans and Environmental Management Plans are in place and complied with.

## **7. Review of Catalina Risk Management Plan**

The Catalina Risk Management Plan will be monitored, reviewed and updated on an ongoing basis by the SPG and an updated version will be presented to the TPRC Council for endorsement annually.

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**Appendix 1 – Catalina Risk Register**

## CATALINA RISK REGISTER

### JUNE 2014

#### SALES AND MARKETING

RISK		LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
1.1	Negative change in market sentiment reduces sales rate and/or pricing.	3	3	9	Medium	<p>Careful market positioning of Catalina brand to soften impact of any fall in house and land prices across the Perth market.</p> <p>Ensure Pricing is not too aggressive so lots are affordable when interest rates rise.</p> <p>Ensure lot mix includes affordable housing options. Increase marketing expenditure to meet quieter market.</p>	<p><i>The recommended mitigation actions have been implemented through the approved Catalina Marketing Plan which has guided the projects marketing activities.</i></p> <p><i>Continued implementation of the recommended mitigation action is supported.</i></p>
1.2	Low interest from builders leads to lack of sales of medium density product.	2	3	6	Medium	<p>Continue to engage alternative builders to increase demand for medium density product.</p> <p>Monitor acceptance of Put Option terms and, if required review allocation process and disposal of medium density product.</p> <p>Continue to monitor lot mix.</p>	<p><i>The recommended mitigation strategy has been implemented in an ongoing manner through marketing and development actions and is considered an appropriate response to the risk.</i></p>
1.3	Cashflow impacted by slower sales or delayed settlements.	2	4	8	Medium	<p>Ensure an appropriate minimum bank balance is included in the budget.</p> <p>Maintain a debt facility to cover cashflow if settlements are delayed.</p> <p>Implement stock level trigger before commencing construction of future civil works. Review distributions to participating Council's and advise them accordingly.</p>	<p><i>The recommended mitigation actions have been adopted within the project budget including the application of sales triggers.</i></p> <p><i>TPRC monitors bank balances to ensure minimum cashflow is maintained.</i></p> <p><i>Regular sales and financial reporting is occurring to monitor the progress of sales and settlements.</i></p>

#### BUDGET

RISK		LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
2.1	Expenditure exceeds budget projections.	2	3	6	Medium	<p>Regular monitoring of works contracts and strong budget control work practices.</p> <p>Use of fixed price contracts and provisional sums for rock to limit variation costs and uncertainty.</p> <p>Undertake advanced planning to facilitate accurate OPC estimates for incorporation within annual budget review and six monthly budget reviews.</p>	<p><i>The recommended mitigation actions represent have been implemented in accordance with the project program and all budget review processes.</i></p> <p><i>All major construction contracts have been issued as lump sum contracts and all project expenditure is monitored to budget.</i></p> <p><i>The continued implementation of the recommended mitigation actions and the above project processes is supported.</i></p>
2.2	Cashflow delays provision of early infrastructure items and release on new sales fronts.	2	3	6	Medium	<p>Ensure TPRC is fully briefed on development and distribution options so they can consider the costs and benefits.</p> <p>Continue to manage the project to achieve budget sales triggers.</p> <p>Ensure planning and engineering risks are managed so settlement program is met.</p>	<p><i>The recommended mitigation actions are being implemented via project planning and development processes.</i></p> <p><i>Monthly financial reporting and bi-annual budget reviews are undertaken to monitor and manage this risk.</i></p>

Ranking:

\*High Risk = 15 – over

\*Medium Risk = 6 – 14

\*Low Risk = 0 – 5

PLANNING AND ENVIRONMENTAL APPROVALS							
RISK		LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
3.1	Lifting of urban deferred buffer does not meet cash flow expectations.	3	5	15	High	<p>Close liaison with Mindarie Regional Council on shifting of environmental buffer.</p> <p>Apply for urban deferred lifting when buffer is removed and environmental risks are acceptable.</p> <p>Review timing of development within the landfill buffer in Whole of Life cashflow review.</p>	<p><i>Implementation of the recommended mitigation actions are occurring via liaison with the MRC and planning processes, including a projection of the movement of the landfill buffer movement sought from the MRC.</i></p> <p><i>The project staging strategy accounts for the landfill buffer with development of the southern portion of the Central Cell.</i></p> <p><i>The continued implementation of the recommended mitigation actions is supported.</i></p>
3.2	Non-compliance with EPBC environmental approval conditions.	2	3	6	Medium	Undertake ongoing monitoring, review and audit of EPBC conditions.	<i>An audit of actions relating to EPBC conditions has prepared, lodged and approved by SEWPAC. Ongoing monitoring of SEWPAC conditions is being undertaken.</i>
3.3	Non-compliance with Environmental Management Plan requirements.	2	3	6	Medium	<p>Environmental consultant appointed to advise on EMP issues.</p> <p>Ongoing monitoring, review of EMP to ensure adherence to EMP conditions.</p>	<p><i>The TPRC has prepared an audit of all actions required under the EMP confirming all actions are on schedule.</i></p> <p><i>Implementation of the recommended mitigation actions is ongoing.</i></p>
3.4	Delays achieving statutory Development Approvals.	2	3	6	Medium	<p>Develop and maintain the project program to ensure sufficient approval periods are allowed and ensure all project actions including the lodgement of subdivision and development applications are undertaken in accordance with the program.</p> <p>Close liaison with approval authorities including the City of Wanneroo and Water Corporation officers to maintain strong knowledge of approval requirements and build relationships with approval authorities.</p>	<p><i>The recommended mitigation action is being implemented in accordance with the project program.</i></p> <p><i>In addition to the lodgement of subdivision applications ongoing liaison with the WAPC and referral authorities is being undertaken.</i></p> <p><i>This action is considered to represent good project management practice and continue implementation is supported.</i></p>
3.5	City of Wanneroo scheme contributions required leading to an increase in budget costs.	2	3	6	Medium	<p>Continue to adequately budget for scheme contributions. Continue discussions with City of Wanneroo on key infrastructure items and administration of scheme contributions.</p> <p>Determine TPRC obligations for the vehicular underpass to the Clarkson Train Station prior to the Freeway extension being tendered by MRWA.</p>	<p><i>The recommended mitigation action has been implemented with discussions with the City of Wanneroo commenced.</i></p> <p><i>The project budget accounts for scheme contributions requirement.</i></p>

Ranking:

\*High Risk = 15 – over

\*Medium Risk = 6 – 14

\*Low Risk = 0 – 5

ENGINEERING AND CONSTRUCTION							
RISK		LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
4.1	Timing of sales precinct infrastructure consisting of entry landscaping.	2	3	6	Medium	<p>Landscaping of entry is the final component of the sales precinct.</p> <p>Landscape approval for the entry has now been received, a contract will soon be let.</p> <p>Sales office and Marmion Avenue intersection are complete.</p>	<i>Landscape works have now commenced and are scheduled for completion in September 2014.</i>
4.2	Development costs exceed budget.	2	3	6	Medium	<p>Use of fixed price contracts and provision for rock to limit variation costs and review all contracts to ensure appropriate management of scope and costs.</p> <p>Continued administration of the project through SPG financial control systems to monitor, manage and report development costs.</p> <p>Undertake forward planning to provide sufficient detail into OPC's annual re-budgeting exercise.</p> <p>Advance consideration of contingency allowances.</p> <p>Ensure all items are covered in detail for the upcoming year's budget.</p>	<p><i>The recommended mitigation actions represent good project management practice and have been implemented in accordance with the project program.</i></p> <p><i>All major construction contracts have been issued as lump sum contracts and all development related expenditure is monitored against budget.</i></p> <p><i>The continued implementation of the recommended mitigation actions and the above project processes is supported.</i></p>
4.3	Lack of site safety leads to death or serious injury.	2	4	8	Medium	<p>Ensure contractors have relevant OHS plans and works methods in place.</p> <p>Monitor site security to minimise risk of death or injury to any parties entering the project area.</p> <p>Ensure all known incidents and near misses are appropriately reported including strategies to prevent the incident from recurring.</p>	<p><i>The TPRC's contractors are qualified in managing safe working practices.</i></p> <p><i>There are regular site meetings where site safety is discussed and safe working practices confirmed and site inspections undertaken to monitor the site and site works.</i></p> <p><i>Continued implementation of the recommended mitigation actions is supported.</i></p>
4.4	Delays and increased cost of key infrastructure items including pump stations, underpasses and overpasses presents a future cashflow risk.	2	3	6	Medium	<p>Engage with the City of Wanneroo, Main Roads WA and Service Authorities early to ensure infrastructure requirements are known and adequately budgeted for.</p> <p>Adjust the project program to allow sufficient time for the planning, design and construction of key infrastructure items.</p>	<p><i>Allowances for infrastructure items have been provided for within the TPRC budget in accordance with advice from relevant servicing authorities.</i></p> <p><i>Liaison with servicing authorities has been undertaken to ensure infrastructure items are included within capital works programming of relevant authorities.</i></p> <p><i>Continued implementation of the above actions is supported.</i></p>
4.5	Delays to clearances leads to delay in settlements.	2	3	6	Medium	<p>Preparation of clearance request documentation and submission to statutory authorities in accordance with the project program.</p> <p>Close liaison with relevant officers of clearance authorities to ensure consensus agreement exists in regards to condition requirements.</p> <p>Shared bore and noise/fire notifications to be lodged early in the process.</p>	<p><i>The recommended mitigation action has been implemented via the preparation of clearance packages and liaison with clearance authorities.</i></p> <p><i>The clearances process is closely monitored by SPG and TPRC.</i></p>

Ranking:

\*High Risk = 15 – over

\*Medium Risk = 6 – 14

\*Low Risk = 0 – 5



STAKEHOLDERS							
RISK		LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
5.1	Adjacent Mindarie resident objections impacts on preferred urban planning outcomes.	2	4	8	Medium	<p>Engage community pro-actively through community development actions to build strong relationships with the existing community and support for the project.</p> <p>Undertake all project actions in accordance with all legal advertising and public consultation requirements.</p> <p>Earthworks to be predominantly undertaken during winter months with best practice dust management to reduce construction related complaints.</p>	<p><i>The project program has future earthworks of areas adjacent to Mindarie residents scheduled in winter to reduce dust nuisance and objections from residents.</i></p> <p><i>Mindarie residents are to be advised of works program and mitigation measures prior to works.</i></p>
5.2	Land fill operations have negative effect on sales and residents.	2	5	10	Medium	<p>SPG is not aware of any management issues with the MRC landfill and have sited a letter dated April 2014 advising that the groundwater sampled within Catalina had normal levels of contaminants. The MRC's website states their Environmental Management System is certified by NCS International as being compliant with ISO14001 Environmental Management.</p> <p>Mitigation measures consist of providing purchasers with adequate information on landfill timing and impacts on request, monitoring any odour complaints from residents and TPRC liaising with Mindarie Regional Council to ensure Risk Management Plans and Environmental Management Plans are in place and complied with.</p>	<p><i>The recommended mitigation actions have been implemented via sales contract advice to purchasers.</i></p> <p><i>Staging has been devised to maintain separation from the landfill site during initial phases of development.</i></p> <p><i>Continued implementation of the recommended mitigation actions is supported.</i></p>
5.3	Delay in provision of services within Catalina including shopping and schools.	3	2	6	Medium	<p>Undertake analysis of demand for the neighbourhood and local centre sites through discussions with retailers and commissioning of retail demand analysis.</p> <p>If no demand exists seek structure plan amendment to relocate site/s or rezone to residential.</p> <p>Engage with local schools in Clarkson and Mindarie and provide information to residents regarding existing local services.</p>	<p><i>This risk is not considered to be significant due to the proximity of existing services and amenities to the Estate.</i></p> <p><i>There is on-going liaison with service agencies to ensure timely provision of necessary services.</i></p>
5.4	Adverse community reaction to ongoing development.	2	3	6	Medium	<p>Undertake pro-active community engagement through support of community groups, newsletters to surrounding residents in order to garner support from community groups which can then be enlisted to support development should adverse publicity arise.</p> <p>Ensure offsite impacts such as dust are being managed by the civil contractor, and where possible complete bulk earthworks during winter months.</p>	<p><i>Implementation of recommended mitigation actions has commenced with appointment of the Community Development Manager, and the necessary community consultation strategies are being progressed.</i></p> <p><i>Review of scheduling earthworks adjacent to residential areas to occur in winter months to reduce dust and objections from residents. Consultation to be undertaken prior to commencement of works.</i></p>

MANAGEMENT							
RISK		LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
6.1	TPRC project objectives not being met.	2	3	6	Medium	<p>Ensure TPRC approvals received for actions undertaken by project team and implementation of project are in accordance with TPRC approvals.</p> <p>Regularly review objectives of TPRC strategy documents and ensure implementation by project team.</p>	<p><i>Implementation of the recommended mitigation action is occurring via all project planning, development and reporting processes.</i></p> <p><i>All project documentation and planning is reviewed by the SPG and TPRC to ensure adherence to the TPRC objectives.</i></p> <p><i>The recommended mitigation action represents good project management practice and its continued implementation is supported.</i></p>

Ranking:

\*High Risk = 15 – over

\*Medium Risk = 6 – 14

\*Low Risk = 0 – 5

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## **Appendix 2 – High Risk Treatment Plans**

<b>Reference: 3.1</b>
<b>Risk identified and likely impact</b>  Lifting of urban deferred buffer does not meet cashflow expectations.
<b>Summary of recommended response</b>  Continue to liaise with Mindarie Regional Council in relation to landfill activities and the expected date for buffer removal and the management of environmental risks.  Request Buffer Removal Plan from Mindarie Regional Council once filling has progressed and environmental risks have been appropriately managed.
<b>Key Resource requirement</b>  TPRC Chief Executive Officer TPRC Project Co-ordinator
<b>Timing</b>  Ongoing
<b>Reporting and monitoring required</b>  As required through the updated risk register.
<b>Compiled by:</b> Brenton Downing <b>Date:</b> 5 June 2014

# Appendix 9.8



## **Request for Tenders**

### **EXTERNAL AUDITING SERVICES**

**Tender No: 4/2014**

#### **LODGEMENT OF TENDER**

**Mark with Tender:** 4/2014

**Closing Date:** 10 April 2014 (at 3:00 pm)

**Tenders may be hand delivered or posted to:**

Tamala Park Regional Council  
Unit 2, 369 Scarborough Beach Road  
INNALOO WA 6018

**Tenders received after the time specified for closing will not be accepted.**

## **1. TAMALA PARK REGIONAL COUNCIL**

The Tamala Park Regional Council (TPRC) is a Local Government established pursuant to the provisions of the Local Government Act 1995. The Council was established by agreement between 7 Local Governments with approval of the Minister for Local Government. The Councils are the Cities of Joondalup, Perth, Stirling, Vincent and Wanneroo and the Towns of Cambridge and Victoria Park (the Participant Councils).

The TPRC is the legal entity that manages a land asset jointly owned by the Participant Councils being Part of Lot 9504 Mindarie, comprising approximately 180 hectares. The land is situated in the Municipal district of the City of Wanneroo.

The land is being marketed as the Catalina Estate which will comprise around 2,300 lots, and is anticipated to be developed at a rate of 200 lots per annum. Since the initial release of lots in March 2012, over 400 lots have been sold to date.

Further information about the TPRC is available from the Council website: [www.tamalapark.wa.gov.au](http://www.tamalapark.wa.gov.au).

## **2. TENDER INVITATION**

The TPRC invites Tenders for the provision of External Auditing Services.

The successful Tenderer will be required to provide Audit Services in accordance with Australian Auditing Standards, the Local Government Act 1995 and Regulations under the Act.

Auditors are required to address all of the matters outlined in the Scope of Works (Annexure 1).

It is the responsibility of each Tenderer to:

- Assess the nature of the work required for the provision of External Auditing Services.
- Allocate adequate time for each service to be achieved and fulfil the objectives of the Brief.
- Schedule each service to be completed within nominated times.
- Appoint suitable personnel to satisfactorily provide each service.
- Provide suitable equipment to satisfactorily provide the services.

## **3. COMMUNICATION**

All requests for further information should be communicated in writing either by mail or email to the TPRC.

## **4. COSTS OF TENDERING**

Any costs incurred in preparing and submitting a Tender or otherwise is the sole responsibility of Tenderers.

## **5. TENDERERS TO INFORM THEMSELVES**

- Tenderers are deemed to have inquired, examined and understood Tender documentation, processes, risks associated with the Tender; and
- Examined and understood all Tender documentation and information made available for the purpose of Tendering.

- Should there be any matter of principle or remaining doubt which the Tenderer considers not adequately covered or described in the Tender documents then these matters should be addressed, signed and submitted as an alternative Tender and attached to the Tender Form (Annexure 2).
- The TPRC accepts no responsibility for any error made by a Tenderer.

## 6. SUBMISSION REQUIREMENTS

- Submissions are to address the full requirements of the Scope of Works (Annexure 1) and each item of the selection criteria.
- Tenders shall only be accepted for evaluation if submitted on the Tender Form (Annexure 2) which has been fully completed and signed.
- Fees are to be inclusive of ALL disbursements, including all travel time, attendance at meetings, community programs and events. Tenderers should therefore make appropriate allowances for these and other disbursements in the proposal.

## 7. LATE TENDERS

Tenders submitted after the advertised time and date for the closing of this Tender will be **rejected**.

## 8. EVALUATION PROCESS AND SELECTION CRITERIA

A weighted selection criteria will be used in the Tender assessment. The TPRC reserves the right to make a selection that;

- Clearly demonstrates an understanding of the Council's requirements; and
- Represents the best value for money.

## 9. SELECTION CRITERIA

The TPRC has adopted a best value/convenience for money approach to this Tender.

The Tendered prices will be assessed with the following qualitative criteria to determine the most advantageous outcome to the Council.

### Qualitative Criteria

In determining the most advantageous Tender, the Evaluation panel will score each Tenderer against the qualitative criteria.

The qualitative criteria for the request are as follows:

Description of Evaluation Criteria	Points	Weighting
a) Price (using cost range scoring)	10	50%
b) Demonstrated experience in completing similar assignments	10	10%
c) Methodology for audit and communication	10	10%
d) Conformity with Tender documents and specifications	10	10%
e) Skills and experience of key personnel	10	10%
f) Technical expertise	10	10%

## 10. TENDER PRICE

The proposed fee for the services shall be submitted in two parts;

**Fixed lump sum fee per annum** for auditing services which can be regarded as “standard” (minimum of two visits per year), including a schedule of rates outlining the proposed charges per hour for each person involved in the audits and the number of hours estimated upon which their lump sum fee is based.

**Hourly rates** applicable to additional professional work required by the TPRC.

All fees and rates submitted must include all overhead expenses incurred in the performance of the services, such as travelling expenses, postage, phone/fax expenses, computer time, overtime and such like.

Tendered sums are deemed to cover the cost of complying with all parts of the Tender documents and all matters relevant for the proper performance and completion of the contract.

## 11. ASSIGNMENT OF TENDER

- The auditor shall not sub contract to a third party.
- The auditor shall not, and has no right to, assign the audit contract to third parties.

## 12. INSURANCES

The successful Tenderer will be required to effect and maintain the insurance policies referred to hereunder:

- Public liability insurance in the sum of at least \$10,000,000 (ten million dollars) in respect of any one occurrence and for an unlimited number of claims; and
- Professional indemnity insurance in the sum of at least \$5,000,000 (five million dollars) in respect of any one occurrence and for an unlimited number of claims.

## 13. ACCEPTANCE OF TENDER

The TPRC is not bound to accept the lowest submitted Tendered sum or any Tender. The Council reserves the right not to accept any of the submitted Tenders.



## ANNEXURE 1 - Scope of Works

## ANNEXURE 1 - SCOPE OF WORKS

### 1. General

The successful Tenderer will be required to provide Audit Services in accordance with Australian Auditing Standards, the Local Government Act 1995 and Regulations under the Act.

Auditors are required to address all of the matters outlined below;

### 2. Objectives of the Audit

To provide an independent audit opinion of the accounts and annual financial reports of the local government for each financial year covered by the term of the audit appointment.

### 3. Scope of the Audit

The auditor is to:

- a. Carry out such work as is necessary to form an opinion as to whether:
  - The accounts are properly kept; and
  - The annual financial report:
    - Is prepared in accordance with the financial records; and
    - Represents fairly the results of the operations of the local government and the financial position of the local government at 30 June in accordance with the Australian Accounting Standards, the *Local Government Act 1995* (as amended), the *Local Government (Financial Management) Regulations 1996* (as amended) and other mandatory professional reporting requirements.
- b. Give an opinion in the audit report on:
  - The financial position of the local government; and
  - The results of the operation of the local government.
- c. Include in his or her audit report:
  - Any material matters that indicate significant adverse trends in the financial position or the financial management practices of the local government.
  - Any matters indicating non-compliance with financial management requirements of the Act, Regulations and any other written law.

### 4. Audit Methodology and Approach

The auditor is required to comply with the requirements of Section 7.9 of the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*.

An audit is to be carried out in accordance with 'Auditing Standards' and 'Auditing Guidance Statements' adopted from time to time by the Australian Society of Certified Practicing Accountants and the Institute of Chartered Accountants in Australia.

The auditor is to provide the local government with a general outline of his/her methodology.

The auditor is to provide the local government with a plan for the audit including:

Timing of interim audit visits;

- Final audit visit (within 30 days of being advised that the accounts and annual financial report are available for audit);
- Timing of the legislative requirement to meet with the local government and whether that meeting will be in person or by some other means; and
- The method to be used to communicate with, and provide advice and information to, the local government.

The auditor is required to produce an audit report as required by Section 7.9 of the *Local Government Act 1995* and, if considered appropriate by the auditor, a management report.

## **5. Critical Matters to be audited**

The auditor is to include in her or her application the extent to which the critical matters outlined below will be audited so as to form an opinion on the manner in which they have been maintained.

- a. Revenue
  - Rates revenue (if any)
  - Government grants
  - User pays revenue
  - Profit on sale of non-current assets
  - Other income
- b. Expenditure
  - Salary and wage costs
  - Depreciation
  - Materials and contract expenditure
  - Loss on sale of non-current assets
  - Insurances
  - Bad debts
  - Other expenditure
- c. Current Assets
  - Bank and short term investments
  - Receivables and prepayments
  - Inventory
- d. Non-Current Assets
  - Property, plant, furniture and equipment
  - Infrastructure and depreciation
  - Other receivables
- e. Liabilities (current and non-current)
  - Creditors and accruals
  - Loan borrowings including new loans raised
  - Provision for annual and long service leave entitlements
- f. Reserve funds
- g. Contingent liabilities
- h. Capital commitments
- i. Accounting policies and notes to the financial statements
- j. Cash flow statement
- k. The financial ratios required by the *Local Government (Financial Management) Regulations 1996*

## **6. Hours, Fees and Expenditure**

The auditor is to provide:

- Estimate of the time to be spent on the audit.
- Fees for completing the audit in accordance with this specification.

- Nominated auditor(s) and registered company audit number(s).
- Experience of the nominated auditors in completing local government audits.

**7. Term of Audit Appointment**

For the financial years commencing 1 July 2014 through to 30 June 2017.

# ANNEXURE 2 - Tender Form

## ANNEXURE 2 – TENDER FORM

**This form must be completed and submitted with the Tender.**

Tenderers should ensure relevant information is disclosed fully and completely in this form. Terms used in this form have the same meaning as given in the Tender document, unless the context otherwise requires:

Should there be insufficient space please attach required information and number all pages to this Schedule.

Name of Tendering Company: \_\_\_\_\_

Print Contact Name: \_\_\_\_\_

Phone No: \_\_\_\_\_ Mobile Phone No: \_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2014

ACN: \_\_\_\_\_

ABN: \_\_\_\_\_

Audit partner nominated as Auditor to be appointed by Tamala Park Regional Council in accordance with the Local Government Act & Regulations.

Is the audit partner nominated a registered company auditor? **YES / NO**

Is the audit partner nominated an approved auditor under Section 7.3 of the Local Government Act? **YES / NO**

### Previous Experience

Provide details of previous experience on similar contracts undertaken in the last three (3) years.

Contract	Client	Referee	Contact Number

## Nominated Employees Experience

Indicate levels of experience of the nominated employees

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I/We acknowledge that the Tenderer is to supply, and deliver **all** materials, machinery, equipment, and labour as necessary for the Contract to provide **EXTERNAL AUDITING SERVICES** to the **TAMALA PARK REGIONAL COUNCIL** and at rates/values listed below:

### Tendered Fee and Schedule of Rates

Requirement External Auditing Services	Year 1	Year 2	Year 3
Fixed Lump Sum fee Per Annum (Including GST)	\$	\$	\$
Estimated Number of Hours			

Hourly rate for additional professional work (including GST). Please nominate position/title of incumbent.	Year 1	Year 2	Year 3
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Authorised Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Position Held: \_\_\_\_\_

By completing and signing this form the Tenderer agrees to be bound by the terms and conditions set out in this Tender Document.

# ANNEXURE 3 - General Conditions of Tendering



## ANNEXURE 3 - GENERAL CONDITIONS OF TENDERING

### 1 DEFINITIONS AND INTERPRETATIONS

The interpretations contained in the General Conditions of Contract are applicable to the Tender Document.

In addition the following definitions of terms used in this document will apply unless the context otherwise dictates so.

“TPRC”	means the Tamala Park Regional Council.
“Sub Contractor”	means a sub contractor contracted to the Tenderer to provide goods or services to contribute to the Project.
“Tender”	means a valid written offer submitted by a Tenderer following the invitation of the TPRC.
“Tenderer”	means any party submitting a Tender.

### 2 TENDER DOCUMENT

This Tender Document shall comprise:

TPRC Tender document 4/2014, including Annexures 1-3.

**The above listed items shall not be altered in any way including the Council’s format or wording. Tender submissions with alterations may not be considered for evaluation.**

### 3 DOCUMENTS TO BE SUBMITTED WITH TENDER

Tenderers should be aware that Tender Submission may be publicly available.

In accordance with these General Conditions of Tendering the following documents shall be completed, signed and submitted with the Tender:

- (a) Completed Tender Form (Annexure 2);
- (b) One hard copy of documentation.

### 4 CLARIFICATION OF THE TENDER DOCUMENT

All Tender enquiries should be referred to the following:

Technical enquiries	Mr Tony Arias, Tamala Park Regional Council
Telephone	9205 7500

### 5 TENDER ASSESSMENT

Tenders will be assessed on their ability to address and satisfy the selection criteria contained in the Tender document.

### 6 LODGEMENT OF TENDER

The Tender must be placed in a sealed envelope, clearly endorsed with the Tender number and title as shown on the front cover of the Tender Document and addressed to:

The Chief Executive Officer  
Tamala Park Regional Council

The Tender shall be lodged in the Tender Box, located at:

Tamala Park Regional Council  
Unit 2 / 369 Scarborough Beach Road  
INNALOO WA 6018

A Tender may be rejected without consideration of its merits in the event that:

- (a) The Tenderer does not submit a Tender Form which has been completed and signed; and any supporting documentation; or
- (b) The Tenderer fails to comply with any other requirement of the Tender Document.

The Tender may be submitted by prepaid post in time for the Tender to be placed in the Tender Box by the date and time for closing. Tenders close 3:00pm WST on the date nominated on the front cover of the Tender Document.

No responsibility whatsoever will be accepted by the TPRC for Tenders submitted by post.

Production of a receipt for a document having been sent by courier or by post shall not of itself constitute a ground for accepting a Tender.

Facsimile, electronic mail (email) and oral Tenders shall not be admitted for consideration.

A Tender not in the Tender Box at the time and date of Tender opening will be considered a late Tender.

A late Tender shall not be considered for evaluation.

The TPRC accepts no responsibility whatsoever for submitted Tenders failing to be in the Tender Box at the time and date of closing.

## **7 ACCEPTANCE OF TENDERS**

The TPRC has the right to accept or reject any Tender. The lowest or any Tender will not necessarily be accepted.

Tenders will be judged by the TPRC as best suited to the interests of the TPRC.

No Tender shall be deemed to have been accepted until the Tenderer has been notified of such acceptance in writing by or on behalf of the TPRC.

## **8 DISCLOSURE OF CONTRACT INFORMATION**

Tenderers should be aware that Tender submissions may be publicly available.

Documents and other information relevant to the outcome of this Tender process may be disclosed when required by law under the Freedom of Information Act (WA) 1992 or under a court order.

The TPRC shall not provide content or comment for use by suppliers to promote their work, products or services by using association with the Council's projects or image.

## **9 ALTERNATIVE TENDERS**

All alternative Tenders shall be accompanied by a conforming Tender.

Tenders submitted as alternative Tenders or made subject to conditions other than the General Conditions of Contract shall be clearly marked as "Alternative Tender". The TPRC may decline to accept any alternative Tender.

## **10 EXPIRY OR WITHDRAWAL OF TENDERS**

A Tender shall constitute an offer and shall remain open for acceptance for sixty (60) days from the date of closing of Tenders. The TPRC and Tenderers may agree to extend this period by agreement in writing.

Tenders shall not be withdrawn after the date and time for the closing of Tenders without the consent of the TPRC.

## **11 TENDERERS TO INFORM THEMSELVES**

By submitting a Tender, a Tenderer shall be deemed to have:

- (a) Examined carefully and to have acquired actual knowledge of the contents of this Tender Document;
- (b) Examined all information relevant to the risks, contingencies and other circumstances having an effect on its proposal and which is obtainable by the making of reasonable enquiries;
- (c) Satisfied itself as to the correctness and sufficiency of its proposal and the arrangements stipulated by it;
- (d) Made itself aware of any statutory or legal requirements necessary under the Scope of Works.

## **12 ALTERATIONS**

The Tenderer shall not alter or add to the Tender Form or other required documents unless required by these General Conditions of Tendering.

It is the responsibility of Tenderers to refer to the TPRC website ([www.tamalapark.wa.gov.au](http://www.tamalapark.wa.gov.au)) in order to access any addenda which the TPRC may make to the Tender Document, where matters of significance make it necessary.

## **13 CANVASSING OF COUNCILLORS AND COUNCIL STAFF**

If a Tenderer, whether personally or by any agent, canvasses any of the TPRC's Councillors or staff with a view to influencing the acceptance of any Tender made by it or any other Tenderer, then regardless of such canvassing having any influence on the acceptance of such Tender, the TPRC may at its discretion omit the Tender from consideration.

## **14 TENDER OPENING**

All Tenders will be opened in the TPRC's offices, following the advertised closing time. No discussions, including disclosure of submitted Tender pricing, will be entered into between Tenderers and the TPRC's officers present or otherwise concerning the Tenders submitted.

The TPRC will maintain a list of Tenderers responding to this Tender which will be made available to Tenderers on request.

## **15 CLARIFICATION OF TENDERS**

A Tenderer may be requested to clarify a Tender in any respect before final consideration provided that no variation to the Tender sum is offered.

## Tender 4/2014 External Auditing Services

### Evaluation

#### A) Price (50%)

##### Butler Setineri

REQUIREMENT EXTERNAL AUDITING SERVICES	YEAR 1	YEAR 2	YEAR 3
Fixed Lump Sum Fee Per Annum (Including GST)	\$7,700	\$8,250	\$8,800
Estimated Number of Hours	54	54	54
HOURLY RATE FOR ADDITIONAL PROFESSIONAL WORK	YEAR 1	YEAR 2	YEAR 3
Director	\$410	\$440	\$468
Manager	\$165	\$176	\$187
Auditor	\$105	\$110	\$116

Comments: 50%

Butler Settineri provides the lowest priced tender out of the four with a significant reduction in price compared to the other tenders. This fee is based on hours of work per year (consistent hours with the Haines Norton tender) with management taking a 30% working load and the remainder being carried out by auditing staff within the company.

##### Haines Norton

REQUIREMENT EXTERNAL AUDITING SERVICES	YEAR 1	YEAR 2	YEAR 3
Fixed Lump Sum Fee Per Annum (Including GST)	\$11,000	\$12,100	\$13,200
Estimated Number of Hours	50	50	50
HOURLY RATE FOR ADDITIONAL PROFESSIONAL WORK	YEAR 1	YEAR 2	YEAR 3
Partner	\$550	\$572	\$605
Manager	\$330	\$360	\$390
Senior	\$220	\$240	\$260
Graduate/Assistant	\$140	\$150	\$160

Comments: 34%

Haines Norton's fee proposal has the highest hourly rate which is reflected through a significant fee per year when calculated against the estimated number of hours. The audit will be predominantly handled by the Manager/Supervisor/Senior/Intermediate and Graduate positions within the company which is an unclear description of who will be looking after the audit.

Macri Partners

<b>REQUIREMENT EXTERNAL AUDITING SERVICES</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>
Fixed Lump Sum Fee Per Annum (Including GST)	\$14,300	\$15,400	\$16,500
Estimated Number of Hours	90	90	90
<b>HOURLY RATE FOR ADDITIONAL PROFESSIONAL WORK</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>
Partner	\$308	\$308	\$308
Manager	\$242	\$242	\$242
Senior	\$176	\$176	\$176
Graduate/Assistant	\$132	\$132	\$132

Comments: 27%

Macri Partners tender has the highest fees of all tenders, however proposes additional hours compared with the prior two tenders to complete the audit per year. At an hourly rate the proposal is comparable with the other tenders. The bulk of the hours will be shared between the manager and senior auditing staff offering a high level of service.

William Buck

<b>REQUIREMENT EXTERNAL AUDITING SERVICES</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>
Fixed Lump Sum Fee Per Annum (Including GST)	\$13,200	\$13,860	\$14,553
Estimated Number of Hours	130	110	110
<b>HOURLY RATE FOR ADDITIONAL PROFESSIONAL WORK</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>
Partner	\$275	\$289	\$303
Manager	\$198	\$208	\$218
Senior	\$132	\$139	\$146
Accountant	\$275	\$289	\$303

Comments: 30%

William Buck's proposal has the second highest costs but the largest number of hours per year. Majority of the work will be undertaken by senior staff and management ensuring a high level of assessment. The number of hours proposed is significantly higher than the other tenders and is considered over and above what is required.

## **B) Demonstrated experience in completing similar assignments (10%)**

Butler Settineri (6%)

The proposal demonstrates previous auditing experience including four current Local Government Authorities. References have been provided for two of the current Local Government Authorities.

Haines Norton (8%)

Haines Norton's proposal demonstrates significant experience with numerous councils in the auditing process with individual demonstrations highlighting the company's experience. The company is also noted as a WALGA preferred supplier.

Macri Partners (8%)

Macri Partners have demonstrated a high level of experience with the firm providing similar services to a number of other government authorities currently and in the past. Macri Partners as the current auditors have cited the TPRC as demonstration of experience along with other referees.

William Buck (7%)

The tenderer has listed a number of councils and state departments with accompanying referees to demonstrate their experience in completing similar assignments.

## **C) Methodology for audit and communication (10%)**

Butler Settineri (7%)

Butler Settineri acknowledges that the audit will be carried out in accordance with the requirements of the Local Government Act and relevant Regulation 1996. The process will include a pre engagement activities meeting along with a planning and risk assessment profile, allowing audit procedures to capture evidence to base an opinion and finally reporting and communicating that evidence.

Haines Norton (7%)

Haines Norton proposes to carry out an assessment in accordance with Australian Auditing Standards including the Local Government Act and accompanying Regulations. The process of the methodology includes the tenderer taking detailed steps in assessing the TPRC's current accounts process. This will allow the tenderer to form an opinion on the financial statements of the TPRC and make comments in regard to the systems and procedures in place. Although a plan has been provided for the audit, the plan does not address all the requirements in the scope of works set out in the tender document.

Macri Partners (8%)

Macri partners tender proposes to assess TPRC accounts in compliance with the Local Government Act and the Local Government Regulations 1996. The methodology provided includes an initial planning phase, a systems review, risk and control evaluation and reporting. The plan identified is clear and exceeds the requirements of the TPRC.

William Buck (7%)

The William Buck tender recognises the requirements for the process to comply with the Local Government Regulations 1996. The methodology and planning of the audit process provides a clear and concise process to be carried out.

**D) Conformity with Tender documents and specifications**

All (7%)

All four tender documents provided the required information and completed the required tender form; no tender documents exceeded the expectations of the TPRC.

**E) Skills and experience of key personnel**

Butler Settineri (8%)

Butler Settineri has designated a Director of the company to oversee the audit with 20% of the time allocated. The Director has significant experience in the auditing process and is currently involved in a number of auditing programs for other Local Government Authorities. The Audit Manager within the company and has been allocated 25% of the hours involved to the audit. The Manager currently manages a large auditing program which other Local Government Authorities.

Haines Norton (8%)

It is evident from the tender that Haines Norton has a number of key personnel that have extensive experience (30 years plus) within the industry and that possess the skills to deliver a timely and comprehensive audit. No specific staff member has been allocated to the audit.

Macri Partners (8%)

Anthony Macri is the Audit Partner and holds 40 years experience in all facets of auditing and taxation and will be the partner responsible for the overall conduct and supervision of all staff on the audit. Macri Partners lists a number of key personnel with a range of experience that includes work with local government and previous experience of staff as local government accountants. No specific staff member has been allocated to the audit.

William Buck (7%)

William Buck provides a clear allocation of key personnel including the director and manger who between them hold over 23 years experience in the industry which includes other Local Government Authority accounts. The Audit Senior will be the key staff member dealing with the account and comes with 3 years experience from BDO after moving from Ireland and has specialised in providing services to local and metropolitan authorities.

#### **F) Technical Expertise**

Butler Settineri (6%)

Butler Settineri provides a suit of technical expertise from auditing and assurance services to taxation planning, financial planning, and investment advice. They ensure access to a qualified team of professionals at all times, acknowledging the partner as the principle point of contact that will coordinate the delivery of services on time and on budget.

Haines Norton (7%)

Haines Horton identify the partners and senior staff as having extensive experience in auditing, gained by employment and exposure to large international auditing firms, both in Australia and overseas.

Macri Partners (8%)

Macri Partners identify their senior staff as well qualified and having been extensively involved in Local Government audits. The tender identifies that these technical expertise will be provided for any committee meetings.

William Buck (6%)

Without specifically addressing the 'Technical Expertise' criteria within the tender document, the staff profiles indicate that the company possesses relevant expertise. Assurance of quality is also provided through the Quality Assurance Reviews by the CPA Australia which all registered auditors must pass within the past 5 years.



# **Appendix 9.9**

3 June 2014

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

Dear Tony,

**Re: Catalina – Additional Staffing and New Sales Office Opening Hours**

I refer to our recent discussions regarding the opening hours for the new Catalina sales office.

Currently the temporary sales office is open four days a week being, Monday and Wednesday (2pm – 5pm) and Saturday – Sunday (1pm – 5pm) reflecting the temporary nature of the office.

The Development Management Agreement between the Tamala Park Regional Council and the Satterley Property Group makes reference to a high tech sales office facility being opened 10am – 5pm Monday to Thursday, Saturday and Sunday targeting a sales rate of 300 lots per annum.

The northern corridor is a competitive area with a number of competing estates all with different opening hours as follows:

Development	Weekday Opening Hours	Weekend Opening Hours	Estimated Sales per annum
Beaumaris Beach	Monday & Wednesday 2pm – 5pm	Saturday – Sunday 1pm – 5pm	50 per annum
Burns Beach	Monday – Wednesday 1pm – 5pm	Saturday – Sunday 1pm – 5pm	150 per annum
Eden Beach / Brighton	Monday – Friday 10am – 5pm	Saturday – Sunday 10am – 5pm	400 per annum
Trinity	Monday 2pm – 5pm Tuesday – Friday 9am – 5pm	Saturday – Sunday 1pm – 5pm	250 per annum
Alkimos Beach	Monday – Friday 10am – 5pm	Saturday – Sunday 10am – 5pm	300 per annum
Amberton	Monday 1pm - 5pm Tuesday – Friday 11am – 5pm	Saturday – Sunday 10am - 5pm	200 per annum
Shorehaven	Monday – Wednesday 1pm – 5pm	Saturday – Sunday 1pm – 5pm	150 per annum

Following a review of our competitors, a review of display home opening hours, our experience at other Satterley Property Group developments and a review of staffing arrangements it is proposed the sales office should be open six days a week with the following opening hours proposed:

Weekday Opening Hours		Weekend Opening Hours	
Monday – Wednesday & Friday	12pm – 5pm	Saturday – Sunday	12pm – 5pm

The revised opening hours for the sales office allow for Satterley to provide 2 sales representatives to work actively on Catalina during busy periods, being Saturdays, Sundays, public holidays and Mondays as well as provide additional resources for servicing display builders, who are also open from 12pm – 5pm, and working with building companies to provide attractive house and land packages. While the opening times are slightly less than in the agreement, the equivalent staffing hours and customer experience is superior to the original agreement.

It is recommended the proposed opening hours are trialed for a 6 month period from July 2014 to December 2014. Following the trial Satterley will review the opening hours and staffing arrangements based on sales against budget and feedback from the public and display builders.

The Satterley Property Group believes that the revised opening hours and additional staffing during busy periods will provide excellent service for customers and builders as well as optimal sales results for the project.

Can you please advise if the TPRC is agreeable to the revised staffing arrangement and hours proposed?

Yours sincerely



**BRENTON DOWNING**  
PROJECT DIRECTOR

# **Appendix 9.10**



# **Catalina FY 2014/15 Annual Plan**

**March 2014**

Table of Contents

1. INTRODUCTION..... - 3 -

2. SUMMARY OF KEY ACTIVITIES ..... - 3 -

3. TRADING CONDITIONS ..... - 4 -

4. LOT PRODUCTION AND BULK EARTHWORKS ..... - 6 -

5. LOT TYPE AND MIX..... - 7 -

6. LOT PRICING ..... - 8 -

7. SALES AND MARKETING ..... - 8 -

8. LANDSCAPE WORKS ..... - 9 -

9. COMMUNITY DEVELOPMENT / PUBLIC ARTWORK ..... - 10 -

10. IMPLEMENTATION OF SUSTAINABILITY INITIATIVES..... - 10 -

11. BUILDER PARTNERSHIPS..... - 11 -

12. PLANNING INITIATIVES..... - 11 -

13. KEY FINANCIAL OUTCOMES ..... - 12 -

## 1. Introduction

The purpose of Annual Plan is to articulate the key objectives and goals for the upcoming financial year.

The Annual Plan outlines the scope of works proposed for the financial year and is used to monitor performance of delivery and achievement of the goals set.

The TPRC vision is to create a development that will:

- Incorporate environmental responsibility;
- Enhance transport (including public transport) opportunities;
- Facilitate efficient energy use and production;
- Minimise waste and water consumption;
- Provide healthy profits for its landowners, and
- Produce a quality development demonstrating the best urban design and development practice.

## 2. Summary of Key Activities

The following works, activities and strategies are to be undertaken in FY 2014/15.

### Bulk Earthworks / Civil Construction

- Civil construction Stages 6B, 13, 14, 15 & 25 - 299 lots,
- Bulk Earthworks for Central Cell Stages 14 – 18 & Western Cell stages 25 – 27.

### Infrastructure

- Neerabup Rd/Maroochydore Way intersection.

### Landscape Construction

- Stages 11 -13 Public Open Space,
- Aviator Blvd Entry Statement,
- Biodiversity Conservation Area (South).

### Marketing

- Completion of Builders Display village and Land Sales office,
- Continued Catalina branding.
- Complete market research for Catalina Beach and Catalina Grove.
- Commence construction in Display Village 2

Sales/Settlements

- 250 sales,
- Titles Stages 6B, 11, 12, 13 & 14 - 280 lots,
- 230 settlements.

Planning

- Subdivision application for Stages 12-18 (451 lots) central precinct,
  - Subdivision application for Stages 25 - 27 (159 lots) in the Western Cell,
  - Detailed planning for the eastern precinct.
- 
- Implement Public Art Strategy.
  - Implement Sustainability Initiatives Plan.
  - Community Development Initiatives

### **3. Trading Conditions**

*WA Market Overview*

Following strong sales results and price growth in 2013, the most recent release has shown the market has softened in recent months. For example the stage 11 release in March 2014 received 13 registrations compared to 37 registrations received for the stage 10 release in February 2014. Notwithstanding the most recent sales result is still sound and would appear to indicate a return to normal market conditions, following a shortage of supply in the northern corridor in the preceding 12 month period, as indicated by the number of unconditional and conditional sales of residential lots shown in the graphs below.





The trading conditions are conducive to meeting budget realisations including the assumed escalation rates within the approved cashflow.

## 4. Lot Production and Bulk Earthworks

### *Lot Production*

Stage	No. Lots	Commence Construction (Forecast)	Forecast Title Date
6B	25	Aug 2014	Jan 2015
11	64	May 2014	Oct 2014
12	49	Jul 2014	Dec 2014
13	82	Oct 2014	Mar 2015
14	60	Jan 2015	Jun 2015
<b>TOTAL</b>	<b>280</b>		

The staging of works proposed for FY14/15 is based on earthworks strategies to minimise cut to fill across the project and ensuring access for residents to major arterial infrastructure. The continuation of Roulettes Parade in Stage 14 and the construction of the roundabout abutting Neerabup Road will provide a strong connection to the retail precinct across the road and future primary school / local centre to the South.

The Western Precinct will provide a product differentiation from 1<sup>st</sup> and 2<sup>nd</sup> homebuyers to 3<sup>rd</sup> homebuyers seeking an exclusive location, with potential ocean views / beach connection and walkability to existing infrastructure, notably Mindarie Wharf.

#### Stage 6B

This stage consists of 25 lots with 24 released to builders for the second display village. One lot is being set aside for a charity home. This stage is forecast to generate revenue in February 2015, based upon bonding this stage on works with construction anticipated to be completed in December 2014.

#### Stage 11

This stage consists of 64 lots with 18 medium density lots released to the builders in three packages. This stage is forecast to generate revenue in November 2014, based upon construction commencing in April 2014.

#### Stage 12

This stage consists of 49 lots and will be released to the public in May 2014. Based upon engineering detailed drawings and the Urban Water Management Plan being adopted by the City of Wanneroo, construction is programmed to commence in July 2014, titles are forecast for December 2014.

### Stage 13

This stage consists of 82 lots to be released to the public and builders. Earthworks are complete with the civil works to be constructed in two stages to meet the sales trigger requirements. Titles are anticipated for stage 13A in March 2015 and stage 13B in May 2015.

### Stage 14

This stage consists of 60 lots and is proposed to release to the public in December 2014. Stage 14 will commence construction in January 2015, subject to engineering drawings approval, with completion expected June 2015. Titles are anticipated June 2015.

### Earthworks

Several stages of earthworks will be undertaken over the FY14/15 period including Stages 14-18 in the Central Cell commencing works in September 2014 and in the Western Cell Stage 25 earthworks. The western cell earthworks will be carried out predominately during the winter months to reduce the impact of dust on the Mindarie residents.

## 5. Lot Type and Mix

The proposed product mix for Catalina Central in FY14/15 is as follows.

Type	Product	Lots Size	Width	% total Stock
Front Loads (60%)	Traditional (R30)	510m <sup>2</sup>	17m wide	2%
	Lifestyle (R30)	450m <sup>2</sup>	15m wide	14%
	Compacts (R30/60)	375m <sup>2</sup>	12.5m wide	32%
	Cottage (R30/60)	300m <sup>2</sup>	10m wide	12%
	Squat (R40/R60)	250m <sup>2</sup> / 300m <sup>2</sup>	12.5m / 15m wide	11%
Rear Loads (40%)	Cottage Corners (R30)	360m <sup>2</sup>	12m wide	3%
	Cottage (R30/60)	300m <sup>2</sup>	10m wide	8%
	Terraces (R60)	225m <sup>2</sup>	7.5m wide	18%
	TOTAL			<b>100%</b>

Product types and mix is a direct result from monitoring sales results over previous stages within the Catalina development and reviewing competitors sales history and current stock levels within the catchment area to determine demand. Market trends and ongoing discussions with builders have resulted in the introduction of squat lots which are favourable with both purchasers and builders.

## 6. Lot Pricing

The pricing for Catalina has been assessed as part of the process for preparation of the Annual Budget for the TPRC. This was completed in March 2014.

Type	Product	Lots Size	Width	Price Guide
Front Loads (60%)	Traditional (R30)	510m <sup>2</sup>	17m wide	\$346K
	Lifestyle (R30)	450m <sup>2</sup>	15m wide	\$326K
	Compacts (R30/60)	375m <sup>2</sup>	12.5m wide	\$286K
	Squat (R40/R60)	300m <sup>2</sup>	15m wide	\$251K
Rear Loads (40%)	Cottage Corners (R30)	360m <sup>2</sup>	12m wide	\$271K
	Cottage (R30/60)	300m <sup>2</sup>	10m wide	\$244K
	Terraces (R60)	225m <sup>2</sup>	7.5m wide	\$200K

The escalation proposed for the FY14/15 period is 6% in line with previous years with the sales target set for 250 sales.

## 7. Sales and Marketing

It is proposed that 250 residential lots are sold and 230 settled during FYE 2015.

Planned stage releases within the 12 month period April 2014 to March 2015:

Stage	Date	Number of Lots
12A	May 14	23
12B	July 14	23
6B	Aug 14	Display Village
13 Builders	Sept 14	26
13A	Sept 14	29
13B	Oct 14	28
14 Builders	Dec 14	24
14	Dec 14	36
15A	March 15	35
15B	April 15	34

Key objectives in accordance with the approved Annual Marketing Plan:

- Increase the profile of the Catalina brand and build brand awareness
- Build a strong database of prospective purchasers
- Complete and roll out the releases
- Generate qualified leads to the Estate Manager

Promote the new Sales Office and Builders Display Village. Leverage site assets:

- a. Coastal proximity
- b. Proximity to readily accessible infrastructure and amenities
- c. Wide choice of lots
- d. Sustainability
- e. Established and future public open space

### **Market Research**

Further market research is proposed in order to establish the following:

- a. Review the catchment area to ensure the current areas for advertising are still applicable and whether there are any additional suburbs we should be targeting; and
- b. Identify key demographics of Catalina's purchasers and prospective purchasers and their reasons for purchasing.

## **8. Landscape Works**

The landscape program for the FY14/15 period will set the standard for the estate as the project matures. The works proposed will complement the recently completed sales office and stage 4 park.

Marmion Ave landscaping, including the entrance statement and streetscapes are programmed to commence in July 2014.

The Green Link corridor in the middle of Catalina Central will provide a "sense of arrival" for the estate. A workshop was previously held between TPRC, SPG and consultants to demonstrate innovative approaches to landscape design, place making and stormwater management.

Stage 11 POS requires further detailed design input to create the feature family activity node to compliment the local centre adjacent. Construction is programmed to commence in January 2015 and be completed in May 2015.

Stage 13 POS requires further detailed design input to create a pocket park. Construction is programmed to commence in May 2015 and be completed in August 2015.

## **9. Community Development / Public Artwork**

Creating Communities have been recently appointed on a two year term.

The community program will begin to be rolled out during FY15 including community info sessions, community events (e.g. tree planting days), newsletters along with community sponsorship.

These activities /events will commence the first half of FY15 creating a self-sustaining community.

Artists will be commissioned to undertake design and installation of three key pieces of public artwork within the first phase of Catalina.

## **10. Implementation of Sustainability Initiatives**

The Sustainability Initiatives Plan outlines the strategy for current and future items to be implemented over the FY 14/15 which include the following items:

A Waste Management Plan has been implemented into the estate through a source separation approach in collaboration with Instant Waste Management and leading WA builders to deliver recycling in the order of 95 % of all waste by weight on participating building sites.

Elements to be re-used / recycled include, but not limited to:

Sand, Bricks, Cement, Tiles, Timber, Metal, Plastic and Cardboard

The collective approach is to monitor the volume of items reused / recycled and minimise the amount of product leaving the site for land fill.

The program is being well received with several leading builders participating. In FY15 we will seek to expand the program into the civil construction and landscaping programs.

A shared bore water scheme within Catalina has been delivered on a trial basis for Stages 4, 5 and 7. At the end of December 2014 a report exploring water saving options will be provided to TPRC for consideration for the balance of the estate.

A range of sustainable landscaping initiatives are being introduced in the project including re-use of topsoil / limestone and grasstrees, seed propagation and solar / wind turbine lights within public open spaces.

Accreditation will be sought for the project through either EnviroDevelopment and / or Green Star to recognise the environmental initiatives being implemented.

## 11. Builder Partnerships

It is proposed that the second display village at Catalina be released for expressions of interest. It is to be located directly west of the first display village utilising the existing sales office. The village will provide an opportunity for a traditional method of land marketing to be used as a vehicle to promote the TPRC objectives for housing diversity and innovation. The display village will enable the project to:

- Demonstrate the various housing products that can be built on lots in Catalina.
- Utilise the advertising spend of the building industry to support the projects own marketing
- Draw potential clients to visit the Catalina development and Sales Centre.
- Establish a high quality built form in a prominent position at the main entry point into Catalina.
- Create a high quality and maintained streetscape at the main entry point into Catalina.
- Promote housing diversity and innovation
- Promote best practice in building design
- Promote housing affordability

Partnerships with builders have been established for the group housing sites with ABN Group currently in a development agreement with TPRC to construct 25 apartments on Lot 1 and the recent sale of Lot 248 to Seacrest Homes to build 13 double storey townhouses.

## 12. Planning Initiatives

The planning activities being undertaken in FY14/15 are outlined below:

- **Subdivision approvals** - Applications for stages 14, 15, 17 and 18 in the central cell and stages 25-27 in the western cell are expected to be obtained in FY14/15.
- **LSP Amendments** – Amendments will be proposed in FY14/15 to revise the primary school and oval, rationalise mixed use sites and allow non-sensitive uses within the landfill buffer.
- **Eastern Precinct** – A strategy will be prepared to outline the approach in line with town centre principles of higher densification, mixed use and connectivity to local transport (Clarkson Train Station). Urban design will commence to determine Local Structure Plan amendments which may be required.
- **Western Precinct** – Connection to the foreshore through a Foreshore Management plan is vital to seek access through the foreshore to the beach and to determine storm water catchment areas and topography of urban cells. The urban design will be finalised in FY14/15.

### 13. Key Financial Outcomes

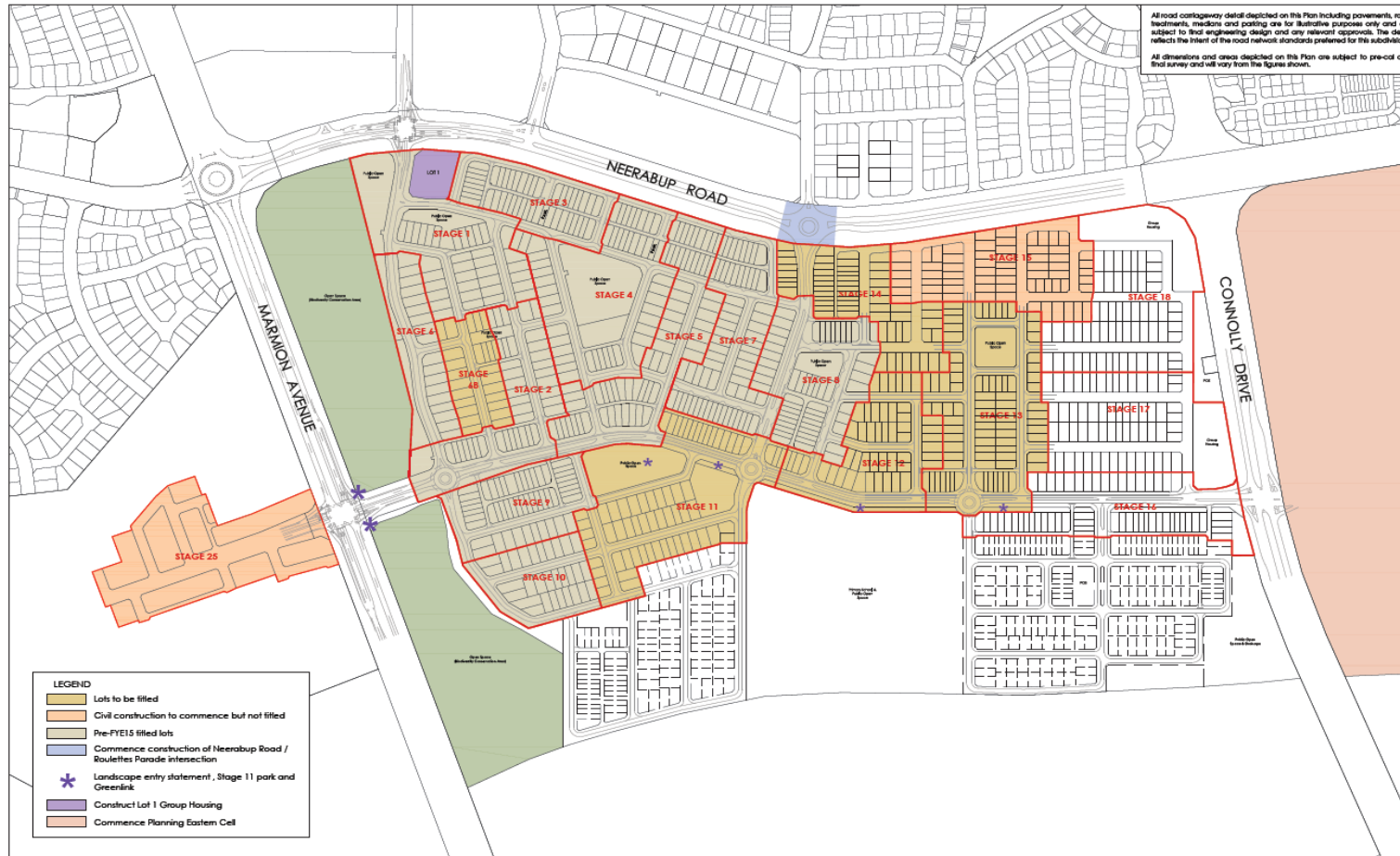
The Project Budget for FY14/15 forecasts a net cashflow of \$13.4m for the year to 30 June 2015. The key components for FY14/15 consist of:

- Annual sales of 250 lots;
- Annual settlements of 230 lots;
- Titles for 280 lots;
- Total civil and earthworks costs of \$31.4m;
- Total infrastructure costs of \$2.3m;
- Total landscape costs of \$5.8m.
- Distributions to Local Governments of \$31.0m

Key Outcomes	Project Budget FY 2014/15
Gross Income	\$57.80m
Development Costs	\$44.26m
Cashflow	\$13.54m



## Annexure 1. Catalina FY15 Development Plan



**CATALINA FYE 2015 OPERATIONS**  
Catalina Estate, Tamala Park  
City of Wanneroo



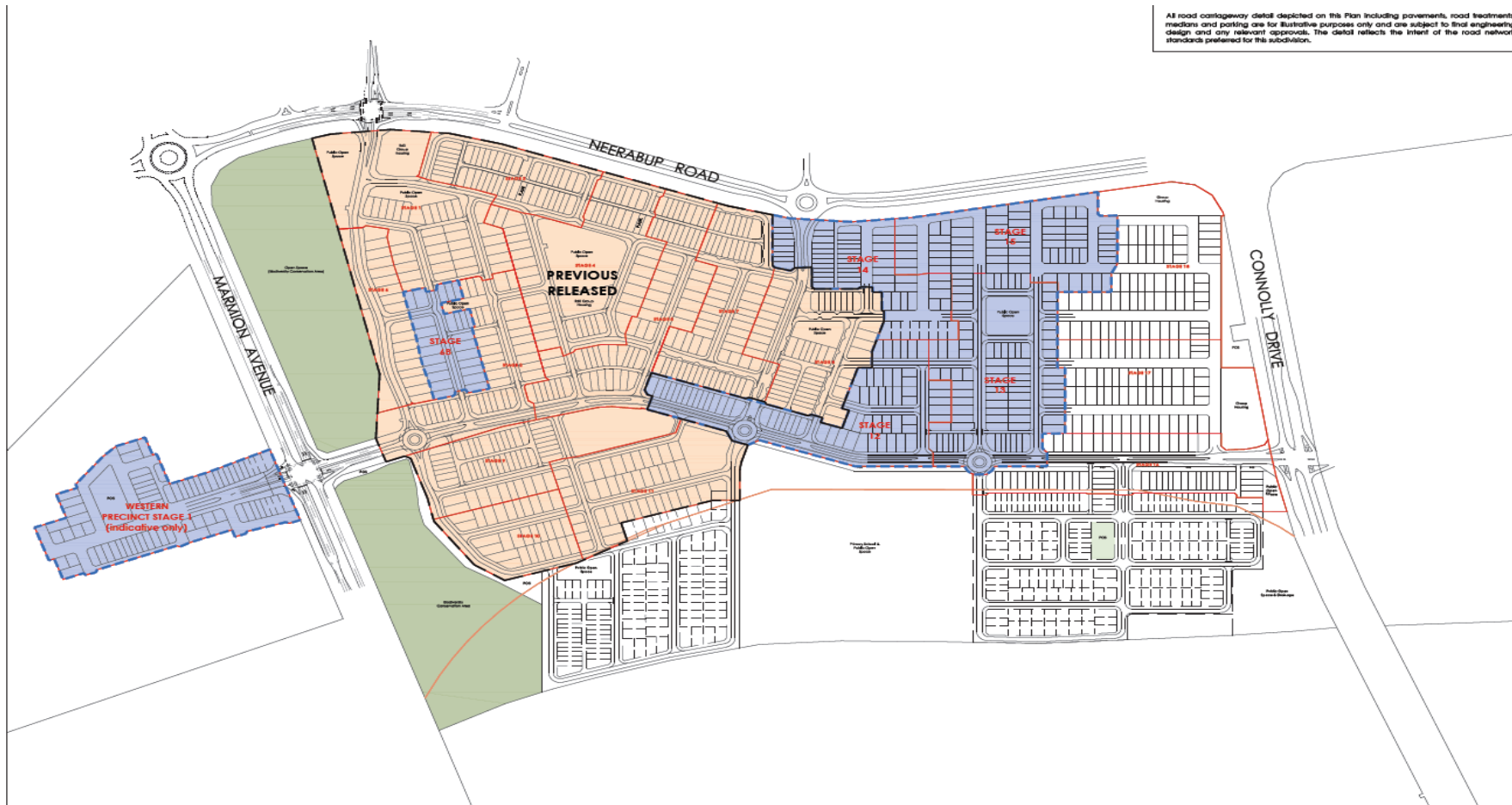
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scale: 1:5,000 @ A3  
date: 11.04.2014

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PO BOX 756 SUBIACO WA 6004

## Annexure 2. Landscape MasterPlan



# Annexure 3. FY2014/2015 Sales Plan



**LOT SALE AND RELEASE STRATEGY TO JUNE 2015**  
Catalina Estate  
City of Wanneroo

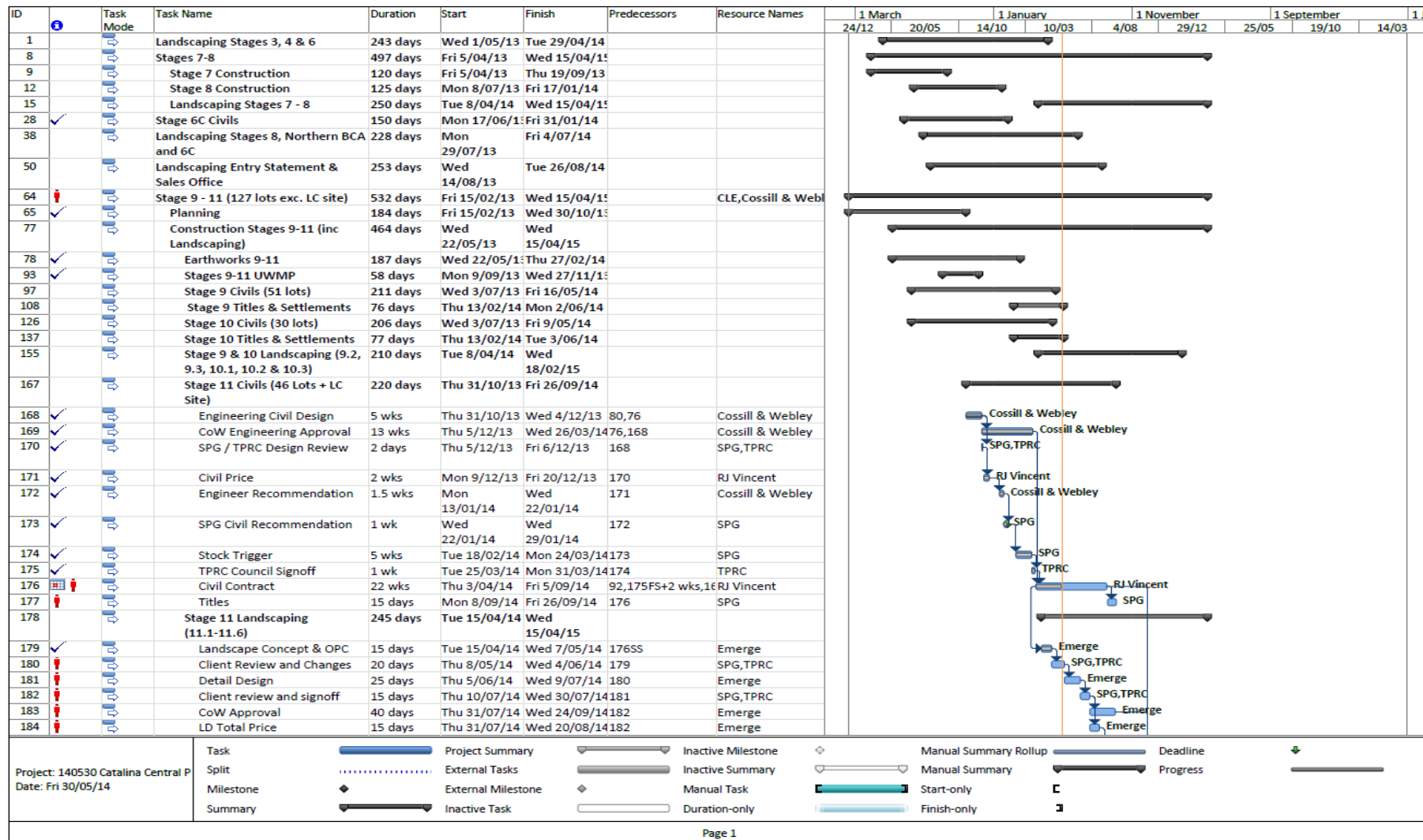


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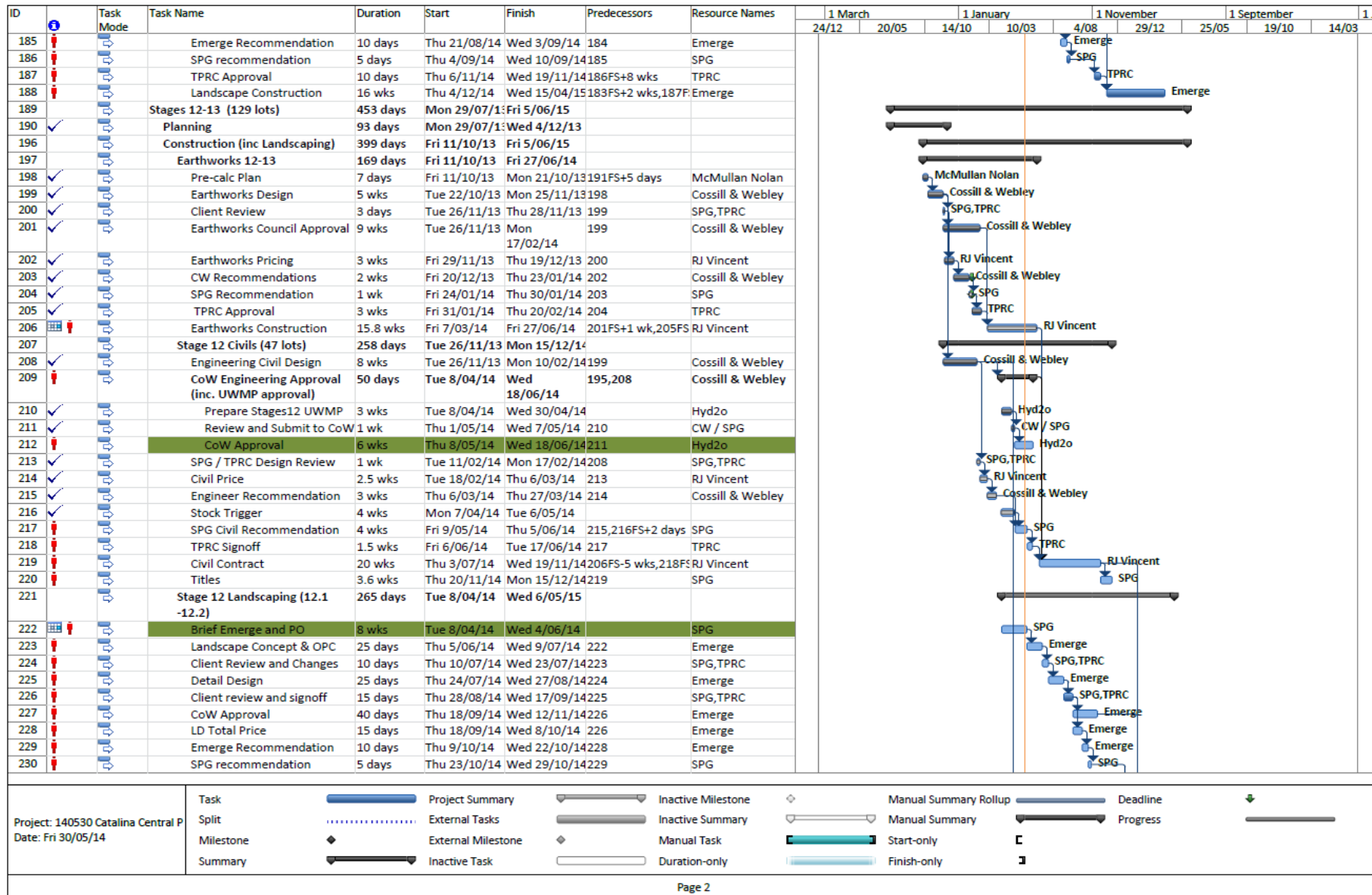
T: (08) 9502 1200 F: (08) 9502 1127  
E: [info@satterley.com.au](mailto:info@satterley.com.au)  
W: [www.satterley.com.au](http://www.satterley.com.au)  
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PO BOX 799, SUBURBO WA 6004

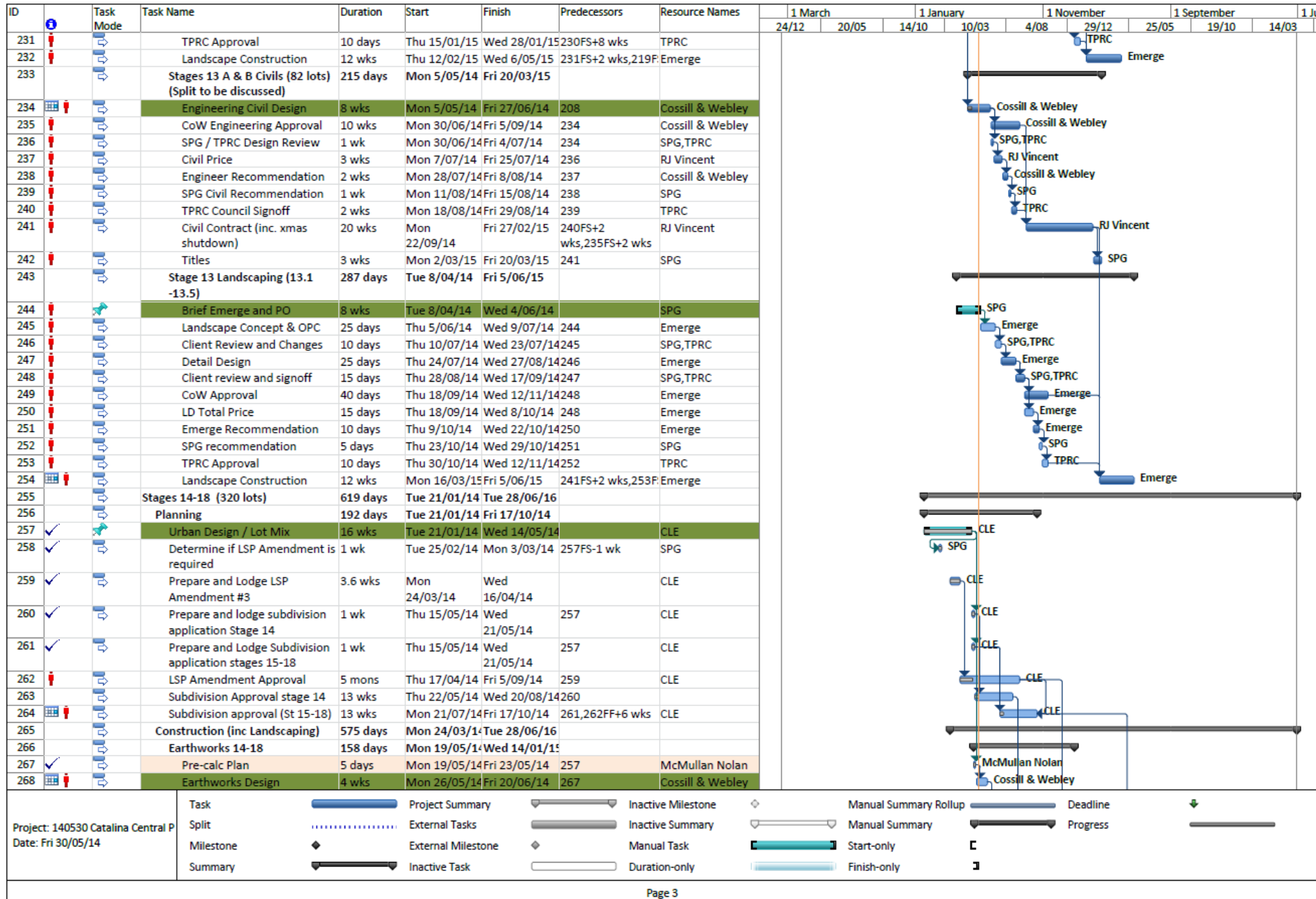
This plan is control of the revised title & subject to approval, survey & engineering detail. This plan remains the property of CLE ©

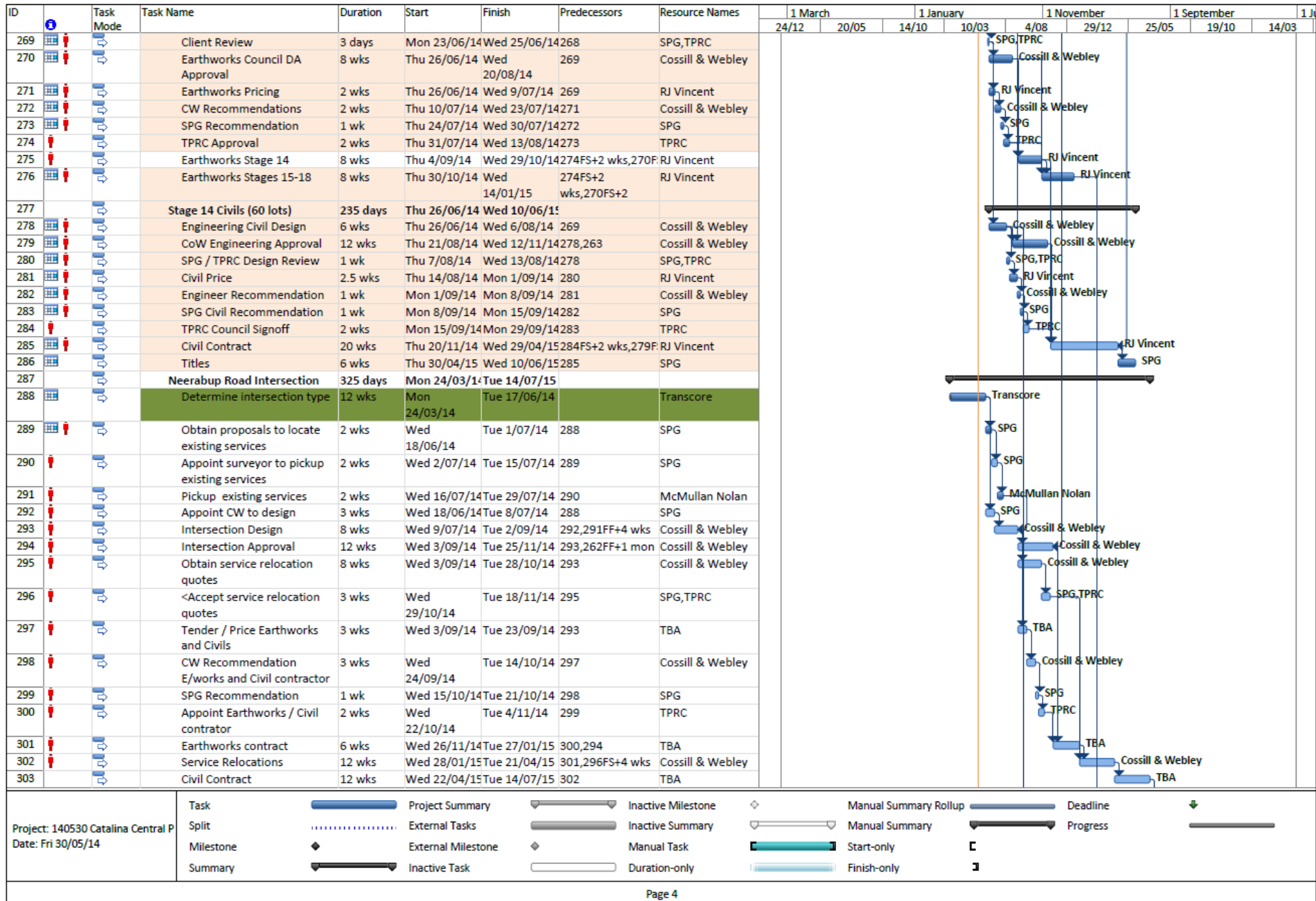
## Annexure 4. Project Gantt Chart

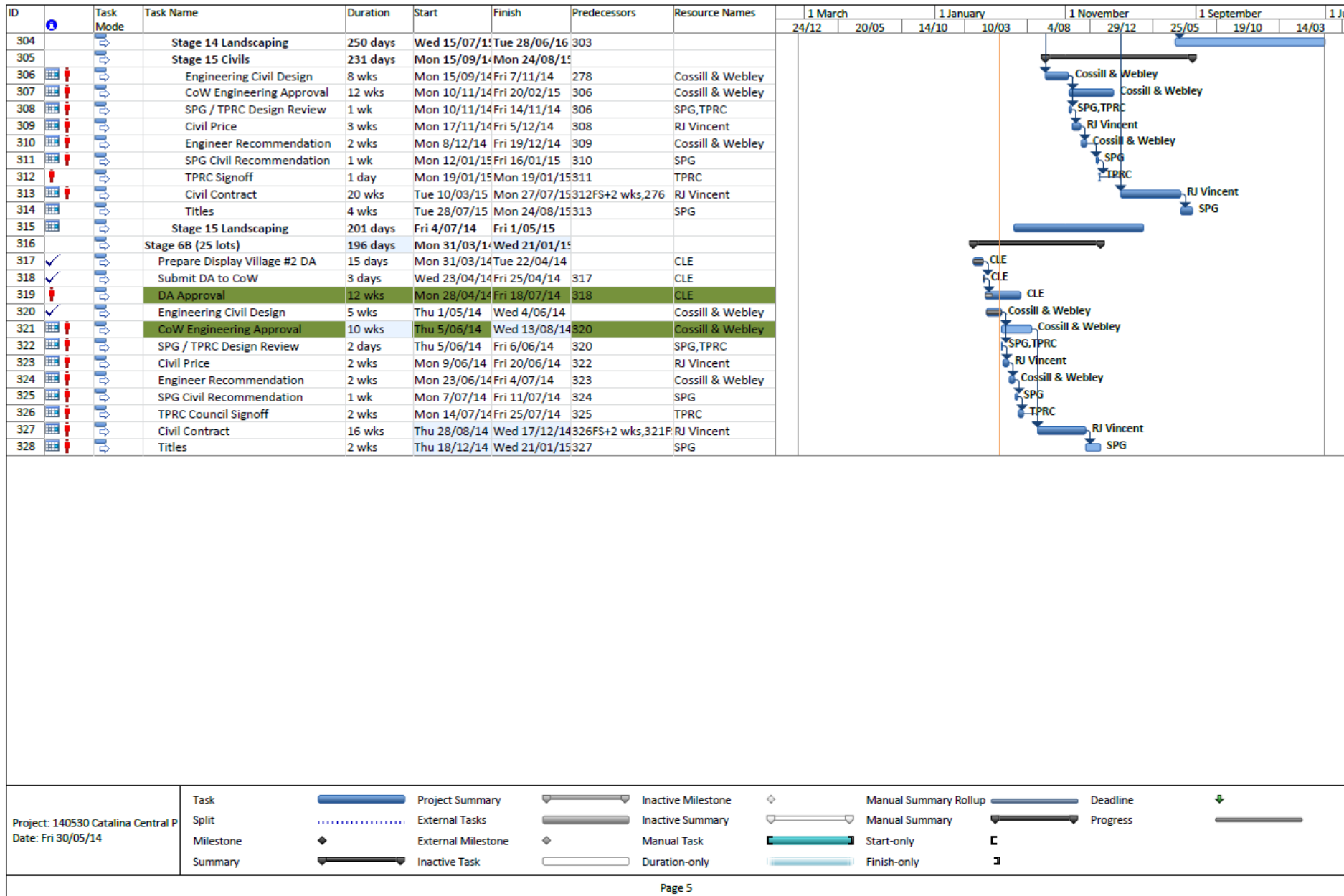














## Annexure 5. FY 2014/2015 Cashflow Report

Catalina Monthly Cashflow	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Total	Previous FY15 Jun-13 model	Variance	PTD	Previous PTD Jun-13 Model	Variance
Sales Release	0	24	37	45	0	60	0	0	69	0	0	62	297	240	57	850	789	61
Sales - Stage 6B	0	0	15	9	0	0	0	0	0	0	0	0	24	25	(1)	24	25	(1)
Sales - Stage 9	1	0	0	0	0	0	0	0	0	0	0	0	1	0	1	51	40	11
Sales - Stage 11	4	0	0	0	0	0	0	0	0	0	0	0	4	7	(3)	64	45	19
Sales - Stage 12	20	10	6	2	0	1	0	0	0	0	0	0	39	58	(19)	49	65	(16)
Sales - Stage 13A	0	0	0	20	17	0	0	0	0	0	0	0	37	58	(21)	37	58	(21)
Sales - Stage 13B	0	0	0	0	8	24	13	0	0	0	0	0	45	45	0	45	58	(13)
Sales - Stage 14	0	0	0	0	0	0	12	25	23	0	0	0	60	47	13	60	47	13
Sales - Stage 15	0	0	0	0	0	0	0	0	0	13	13	10	36	36	0	36	47	(11)
Sales - Stage 25	0	0	0	0	0	0	0	0	0	0	0	0	0	27	(27)	0	27	(27)
Total Sales	29	10	21	31	25	25	25	23	13	13	10	0	250	222	28	755	695	60
Titles	0	0	0	64	0	49	24	0	37	0	45	60	279	193	86	719	621	98
Settlements	10	4	5	4	19	15	37	29	20	35	19	33	230	234	(4)	646	617	29
Closing Stock	19	33	49	63	38	73	48	23	69	56	43	95	95	94	1	95	94	1
Contracts on hand	108	114	130	157	163	173	161	157	160	138	132	109	109	78	31	109	78	31
Average Settlement Price	295,955	321,421	305,261	321,421	272,532	274,304	276,557	283,756	289,209	272,554	261,558	269,290	278,223	247,758	30,465	245,113	230,921	14,192
GROSS INCOME																		
Income - Stage 6C	1,109,214	737,651	737,651	737,651	0	0	0	0	0	0	0	0	3,322,167	0	3,322,167	3,693,000	2,894,098	798,902
Income - Stage 6B	0	0	0	0	0	0	0	1,478,890	2,957,780	2,662,002	0	0	7,098,672	6,885,720	212,952	7,098,672	6,885,720	212,952
Income - Stage 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13,452,000	13,205,000	247,000
Income - Stage 8	228,167	0	0	0	0	0	0	0	0	0	0	0	228,167	1,106,132	(877,965)	12,146,000	11,725,000	421,000
Income - Stage 9	714,571	240,619	481,238	240,619	240,619	0	0	0	0	0	0	0	1,917,666	5,500,920	(3,583,254)	11,950,998	8,462,953	3,488,045
Income - Stage 10	907,595	307,415	307,415	307,415	0	0	0	0	0	0	0	0	1,829,841	3,549,425	(1,719,585)	9,031,999	7,605,912	1,426,087
Income - Stage 11	0	0	0	0	4,937,480	4,114,567	7,406,220	1,097,218	0	0	0	0	17,555,484	10,750,241	6,805,243	17,555,484	10,750,241	6,805,243
Income - Stage 12	0	0	0	0	0	0	2,826,407	5,652,813	2,826,407	1,695,844	565,281	282,641	13,849,393	16,468,842	(2,619,450)	13,849,393	16,468,842	(2,619,450)
Income - Stage 13A	0	0	0	0	0	0	0	0	0	5,181,558	4,404,324	0	9,585,882	13,713,986	(4,128,104)	9,585,882	13,713,986	(4,128,104)
Income - Stage 13B	0	0	0	0	0	0	0	0	0	0	0	8,603,934	8,603,934	0	0	8,603,934	13,713,986	(5,110,053)
Income - Stage 14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Income - Lots Total	2,959,547	1,285,685	1,526,304	1,285,685	5,178,099	4,114,567	10,232,627	8,228,921	5,784,187	9,539,404	4,969,606	8,886,575	63,991,205	57,975,267	6,015,938	158,342,862	142,478,304	15,864,558
Income - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	1,844,308	(1,844,308)	1,930,851	2,482,202	(551,351)
Direct Selling Expenses	419,740	107,338	285,794	132,213	818,499	346,747	658,357	823,124	404,210	672,733	334,700	1,191,434	6,194,892	10,486,989	4,292,097	14,243,603	22,831,483	8,587,879
GROSS INCOME	2,539,808	1,178,347	1,240,509	1,153,472	4,359,600	3,767,819	9,574,269	7,405,797	5,379,976	8,866,670	4,634,905	7,695,140	57,796,313	49,332,586	8,463,727	146,030,110	122,129,024	23,901,086
DEVELOPMENT COSTS																		
Special Sites Development	201,897	64,123	50,000	0	0	0	0	0	0	0	0	0	316,021	(277,190)	(593,210)	1,013,970	869,796	(144,174)
Consultants	96,957	86,109	86,289	79,736	149,767	80,064	137,471	80,395	76,470	76,626	76,782	76,939	1,103,603	586,835	(516,768)	2,426,223	2,220,216	(206,007)
Landscape	731,656	369,670	480,790	181,124	158,527	215,781	375,783	753,883	731,760	454,750	1,041,557	238,291	5,809,163	4,104,708	(1,704,455)	10,387,423	10,677,944	290,521
Infrastructure	39,600	87,939	88,159	109,552	163,271	350,334	286,902	287,619	288,339	233,694	259,974	239,024	2,434,409	3,649,894	1,215,485	8,651,260	10,827,177	2,175,917
Main 01 Bulk Earthworks Stgs 1-4,6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,280,234	2,370,757	90,523
Main 01 Bulk Earthworks Stgs 5 & 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,490,625	2,501,031	10,406
Main 01 Bulk Earthworks Stg 8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,343,784	1,508,886	165,102
Main 01 Bulk Earthworks Stgs 9-11 Cell B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,193,159	3,046,245	(1,146,914)
Main 01 Bulk Earthworks Stgs 12 & 13 Cell B	406,943	407,961	0	0	0	0	0	0	0	0	0	0	814,904	0	(814,904)	1,691,728	1,250,825	(440,902)
Main 01 Bulk Earthworks Stgs 14-18 Cell B	38,811	34,888	34,975	537,657	503,851	505,111	506,374	507,640	0	0	0	0	2,770,546	2,669,307	101,239	2,789,450	2,854,239	64,789
Main 01 Bulk Earthworks Stgs 17-19 Cell B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,300,281	2,300,281	0
Main 01 Bulk Earthworks Stg 20-24 Cell B	20,000	0	0	0	0	0	0	0	0	0	0	0	20,000	833,540	813,540	20,000	833,540	813,540
Western Cell Bulk Earthworks Stgs 25-27	21,106	21,159	121,212	121,265	117,943	117,988	18,033	589,662	591,136	592,614	594,095	595,580	3,501,794	2,326,538	(1,175,256)	3,575,417	2,382,988	(1,192,429)
Western Cell Bulk Earthworks Stgs 28-31	4,541	4,553	4,564	4,575	4,587	4,598	4,610	4,621	4,633	4,645	4,656	4,668	55,251	0	(55,251)	55,251	0	(55,251)
Lot Production - Stage 6B	13,701	13,735	387,055	241,062	241,665	381,337	242,875	229,540	0	0	0	0	1,750,970	1,609,279	(141,691)	1,783,303	1,646,887	(136,416)
Lot Production - Stage 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,968,572	3,663,772	695,200
Lot Production - Stage 8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,000,723	3,568,861	568,138
Lot Production - Stage 9	365,632	365,663	0	0	0	0	0	0	0	0	0	0	731,295	0	(731,295)	3,581,770	3,939,813	358,043
Lot Production - Stage 10	229,942	0	0	0	0	0	0	0	0	0	0	0	229,942	0	(229,942)	2,027,385	2,658,757	631,371
Lot Production - Stage 11	559,887	1,123,978	532,514	533,846	535,180	536,518	0	0	0	0	0	0	3,821,923	2,842,774	(979,150)	4,082,640	4,111,136	28,496
Lot Production - Stage 12	13,029	431,657	432,717	433,780	1,098,377	435,913	423,873	0	0	0	0	0	3,269,346	4,853,274	1,583,928	3,427,681	4,993,728	1,566,047
Lot Production - Stage 13A	0	19,909	19,920	19,930	19,941	545,770	547,095	978,835	549,755	551,089	562,953	564,312	3,252,243	4,502,827	1,250,584	3,252,243	4,534,185	1,281,941
Lot Production - Stage 13B	0	0	0	24,272	24,285	24,298	24,310	558,895	560,244	1,081,928	562,953	564,312	3,425,499	0	(3,425,499)	2,686,259	4,534,185	1,847,926
Lot Production - Stage 14	0	0	0	32,289	32,306	32,323	32,340	681,869	683,509	685,154	1,380,600	688,456	4,248,846	3,230,079	(1,018,767)	4,248,846	3,230,079	(1,018,767)
Lot Production - Stage 15	0	0	0	0	0	0	35,206	35,225	35,245	35,264	727,367	729,117	1,597,425	93,000	(1,504,425)	1,614,789	93,000	(1,521,789)
Lot Production - Stage 25	0	0	0	0	0	0	29,974	30,049	30,124	30,199	784,457	786,418	1,691,221	2,029,985	(338,764)	1,691,221	2,029,985	338,764
Administration	36,671	35,259	441,156	50,586	50,713	50,839	50,966	51,094	51,222	51,350	51,478	51,607	972,939	817,308	(155,631)	2,209,772	2,119,356	(90,416)
Sales and Marketing	48,265	48,265	48,265	48,265	48,265	48,265	48,265	48,265	48,265	48,265	48,265	48,265	739,180	160,783	(578,397)	1,586,817	1,962,074	375,258
Community Development	15,455	15,494	15,533	15,571	15,610	15,649	15,688	15,728	15,767	15,806	15,846	15,886	188,034	190,527	2,493	196,176	354,527	158,352
Finance/Bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	50,000	50,000	2,455,886	1,360,061	(1,095,825)
Debtor/Creditor Movement	(233,105)	(233,105)	0	0	0	0	0	0	0	0	0	0	(466,211)	0	(466,211)	0	(20,021)	(20,021)
Contingency	142,846	157,161	140,302	124,822	161,278	170,304	144,182	258,447	199,144	208,930	312,156	236,770	2,256,341	1,860,208	(396,133)	2,333,674	4,240,050	1,906,375
DEVELOPMENT COSTS	2,753,833	3,054,416	2,883,451	2,558,334	3,325,565	3,515,093	2,999,539	5,111,767	3,865,612	4,070,315	5,860,187	4,275,333	44,273,445	39,114,376	(5,159,069)	101,512,833	107,248,810	5,735,977
CASHFLOW	(214,026)	(1,876,070)	(1,642,941)	(1,404,862)	1,034,034	252,726	6,574,730	2,294,0										

# **Appendix 9.11**

# TAMALA PARK REGIONAL COUNCIL





## Asset Management Plan

Version 1.1

June 2014



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**Asset Management for Small, Rural or Remote Communities Practice Note**

The Institute of Public Works Engineering Australia.

[www.ipwea.org.au/AM4SRRC](http://www.ipwea.org.au/AM4SRRC)

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## TABLE OF CONTENTS

1. EXECUTIVE SUMMARY .....	iii
2. INTRODUCTION .....	1
2.1 Background .....	1
2.2 Goals and Objectives of Asset Management .....	1
2.3 Plan Framework .....	2
2.4 Core and Advanced Asset Management .....	2
2.5 Community Consultation .....	2
3. LEVELS OF SERVICE .....	4
3.1 Customer Research and Expectations .....	4
3.2 Legislative Requirements .....	4
3.3 Current Levels of Service .....	5
3.4 Desired Levels of Service .....	8
4. FUTURE DEMAND .....	9
4.1 Demand Forecast .....	9
4.2 Changes in Technology .....	9
4.3 Demand Management Plan .....	9
5. LIFECYCLE MANAGEMENT PLAN .....	10
5.1 Background Data .....	10
5.2 Risk Management Plan .....	14
5.3 Routine Maintenance Plan .....	14
5.4 Renewal/Replacement Plan .....	15
5.5 Creation/Acquisition/Upgrade Plan .....	16
5.6 Disposal Plan .....	17
6. FINANCIAL SUMMARY .....	18
6.1 Financial Statements and Projections .....	18
6.2 Funding Strategy .....	21
6.3 Valuation Forecasts .....	21
6.4 Key Assumptions made in Financial Forecasts .....	23
7. ASSET MANAGEMENT PRACTICES .....	24
7.1 Accounting/Financial Systems .....	24
7.2 Asset Management Systems .....	24
7.3 Information Flow Requirements and Processes .....	25
7.4 Standards and Guidelines .....	25
8. PLAN IMPROVEMENT AND MONITORING .....	26
8.1 Performance Measures .....	26
8.2 Improvement Plan .....	26
8.3 Monitoring and Review Procedures .....	26
REFERENCES .....	27
APPENDICES .....	28
Appendix A Projected 10 Year Capital Renewal Works Program .....	29
Appendix B Planned 10 Year Upgrade/Expansion/New Capital Works Program .....	30
Appendix C Abbreviations .....	31
Appendix D Glossary .....	32

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## 1. EXECUTIVE SUMMARY

### Context

In 1981 the Towns of Cambridge, Victoria Park and Vincent, and the Cities of Perth, Joondalup, Stirling and Wanneroo acquired a 432 hectare site (Lot 9504) at Tamala Park for landfill and future urban development.

The Tamala Park Regional Council was gazetted in February 2006 to represent the interests of the seven local government owners in the development of the 170 hectare portion of developable land of Lot 9504.

The Tamala Park Regional Council has been established for the specific purpose of creating an urban development of 170 hectares of land immediately south of Neerabup Road and the area leased to the Mindarie Regional Council. When the land is fully developed the TPRC will have completed its Charter and will cease to exist.

The ownership of the land by the participating local governments is as follows:

LOCAL GOVERNMENT	TPRC SHAREHOLDING
Town of Cambridge	One twelfth share
City of Perth	One twelfth share
Town of Victoria Park	One twelfth share
Town of Vincent	One twelfth share
City of Joondalup	Two twelfths share
City of Wanneroo	Two twelfths share
City of Stirling	Four twelfths share

This plan acts as a tool to support the ability of Council to deliver well targeted, responsive and value for money maintenance and operational services for its customers.

### The Asset Service

The Asset network comprises:

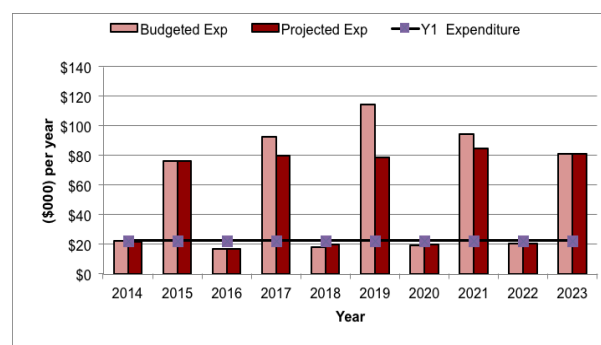
- 1 Motor Vehicle.
- 4 Items Computer Equipment.
- 1 Copier/Printer.
- 1 item of Electrical Goods.
- 29 items of office furniture and equipment.
- 1 Building Leasehold Refurbishment.

These infrastructure assets have a replacement value of \$189,867.

### What does it Cost?

The projected cost to provide the services covered by this Asset Management Plan includes operations, maintenance, renewal and upgrade of existing assets over the 10-year planning period is \$500,000 or \$50,000 per year.

Council's estimated available funding for this period is \$560,000 or \$56,000 per year, which is 105% of the cost to provide the service. This is a funding surplus of \$6,000 per year. Projected and budgeted expenditure are shown in the graph below.



Councils' present funding levels are sufficient to continue to provide existing services at current levels in the medium term.

### What we will do

This first cut core Asset Management Plan has been compiled based on the projects identified in the 2012/13 – 2022/23 Long Term Financial Plan. Based on the contents of the Long Term Financial Plan, the Council plans to provide asset services for the following:

- Operation and maintenance of Administration Office to meet service levels set by Council in annual budgets.
- Operation and maintenance of computer equipment and network infrastructure to permit the capturing, organising, sharing and using of information to enable us to meet our strategic objectives.
- Maintenance of furniture and equipment to enable staff to meet the service levels set by Council in annual budgets.
- Asset renewals include replacement of computer equipment, office furniture and equipment, office carpet, and replacement of Administration vehicle.

## Managing the Risks

There are risks associated with providing the service and not being able to complete all identified activities and projects. We have identified major risks as:

- Fire
- Accident
- Fire and/or death
- Lack of maintaining inspection and maintenance systems.

We will manage these risks within available funding by:

- Maintaining adequate fire systems.
- Installation of warning signage and ensuring facilities are adequately staffed, where appropriate.
- Installation of hard wired smoke detectors.
- Establishing criteria to determine renewal and new/upgrade priorities.
- Ensure appropriate resources are allocated to maintain systems.

## The Next Steps

The actions resulting from this asset management plan are:

- Assess costs against actual.
- Prepare ranking system for renewals.
- Review maintenance practices and align with service level requirements.

## Questions you may have

### What is this plan about?

This asset management plan covers the infrastructure assets that serve the Tamala Park Regional Council needs. These assets include freehold land, motor vehicles, computer equipment, electronic equipment, office furniture and equipment, and telephonic equipment that allow the Regional Council to meet the needs of its customers.

### What is an Asset Management Plan?

Asset management planning is a comprehensive process to ensure delivery of services from infrastructure is provided in a financially sustainable manner.

An asset management plan details information about infrastructure assets including actions required to provide an agreed level of service in the most cost effective manner. The Plan defines the services to be provided, how the services are provided and what funds are required to provide the services.

### Is there a funding shortfall?

The Regional Councils' present funding levels are sufficient to continue to provide existing services at current levels in the medium term (10 years).

The Council will need to continue to monitor and review its future renewal requirements and ensure that funding levels are sufficient to continue to provide the services at current levels.

### What options do we have?

Managing any potential funding shortfall involves several steps:

1. Improving asset knowledge so that data accurately records the asset inventory, how assets are performing and when assets are not able to provide the required service levels,
2. Improving our efficiency in operating, maintaining, replacing existing and constructing new assets to optimise life cycle costs,
3. Identifying and managing risks associated with providing services from infrastructure,
4. Identifying assets surplus to needs for disposal to make saving in future operations and maintenance costs



## 2. INTRODUCTION

### 2.1 Background

This Asset Management Plan has been developed to demonstrate responsive management of the Council's assets (and services provided from these assets), compliance with regulatory requirements, and to communicate funding required to provide the required levels of service.

This asset management plan is to be read with Council's Asset Management Policy, Asset Management Strategy and the following associated planning documents:

- Plan for the Future
- Long Term Financial Plan
- Annual Budget
- Risk Management Plan
- Department of Local Government Asset Management Framework and Guidelines.

The assets shown in Council's asset register and covered by this asset management plan are shown in Table 2.1.

**Table 2.1: Assets covered by this Plan**

Asset category	Number	Replacement Value
Motor Vehicles	1	\$60,410
Computer Equipment	4	\$4,440
Printers and Copiers	1	\$5,467
Electrical Goods	1	\$2,900
Office furniture and equipment	29	\$31,650
Building Leasehold Improvements	1	\$85,000
<b>TOTAL</b>		<b>\$189,867</b>

Key stakeholders in the preparation and implementation of this Asset Management Plan can be divided into internal and external stakeholders.

**Internal stakeholders include:**

Tamala Park Regional Council

Participant (member local government) representation and administration

Chief Executive

Council representation and administration, Identification and definition of level of service requirements

**External stakeholders include:**

Local Government Insurance Services

Minimisation of risk

Town of Cambridge

Project Shareholder

City of Perth

Project Shareholder

Town of Victoria Park

Project Shareholder

Town of Vincent

Project Shareholder

City of Joondalup

Project Shareholder

City of Wanneroo

Project Shareholder

City of Stirling

Project Shareholder

### 2.2 Goals and Objectives of Asset Management

The Tamala Park Regional Council is the corporate entity representing the interest of seven local governments in the urban development of 170 hectares of land in Clarkson and Mindarie. Council has acquired assets by 'purchase' and by contract.

Council's goal in managing assets is to meet the required level of service in the most cost effective manner for its local government members. The key elements of asset management are:

- Taking a life cycle approach,
- Developing cost-effective management strategies for the long term,
- Providing a defined level of service and monitoring performance,
- Understanding and meeting the demands of growth through demand management and infrastructure investment,
- Managing risks associated with asset failures,
- Sustainable use of physical resources,
- Continuous improvement in asset management practices.<sup>1</sup>

The goal of this asset management plan is to:

- Document the services/service levels to be provided and the costs of providing the service,
- Communicate the consequences for service levels and risk, where desired funding is not available, and
- Provide information to assist decision makers in trading off service levels, costs and risks to provide services in a financially sustainable manner.

### **2.3 Plan Framework**

Key elements of the plan are

- Levels of service – specifies the services and levels of service to be provided by Council.
- Future demand – how this will impact on future service delivery and how this is to be met.
- Life cycle management – how the organisation will manage its existing and future assets to provide the required services
- Financial summary – what funds are required to provide the required services.
- Asset management practices
- Monitoring – how the plan will be monitored to ensure it is meeting the organisation's objectives.
- Asset management improvement plan

### **2.4 Core and Advanced Asset Management**

This asset management plan is prepared as a first cut 'core' asset management plan in accordance with the International Infrastructure Management Manual<sup>2</sup> and the Asset Management Framework and Guidelines<sup>3</sup>. It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting. Core asset management is a 'top down' approach where analysis is applied at the 'system' or 'network' level.

### **2.5 Community Consultation**

The Asset Management Framework and Guidelines<sup>3</sup> require local governments to consult with the community on their service requirements, expectations and satisfaction levels in relation to asset management.

The Tamala Park Regional Council's community is the seven member local governments who have shareholder interests in the Regional Council.

The local government is required to report annually on its asset management; with its customers providing feedback on the local government's asset management performance.

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<sup>1</sup> IPWEA, 2006, *IIMM* Sec 1.1.3, p 1.3.

<sup>2</sup> IPWEA, 2006.

<sup>3</sup> Department of Local Government (WA) 2011.

The formulation of the TPRC vision and objectives involved a comprehensive consultation process with the community, key stakeholders, the seven local government participants and decision making agencies over a number of years.

In particular the development of the Local Structure Plan (LSP) was undertaken through a public workshop (Design Charette), which scoped out the vision, objectives and key elements of the LSP.

A working group, made up of senior technical council officers of the seven local governments, helped to guide and formulate the TPRC and its objectives and regional purpose. Overseeing this process was a CEO Group from seven local governments.

This 'core' asset management plan has been prepared to facilitate consultation with its customers initially through feedback on the publicly available draft asset management plan prior to adoption by Council. Future revisions of the asset management plan will incorporate customer consultation on existing and future service needs, service levels and costs of providing the service.

This will assist Council and its customers in matching the level of service needed, service risks and consequences with the customer's ability to pay for the service.

### 3. LEVELS OF SERVICE

#### 3.1 Customer Research and Expectations

Council has not carried out any research on customer expectations. This will be investigated for future updates of the asset management plan.

#### 3.2 Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. Relevant legislation is shown in Table 3.2.

**Table 3.2: Legislative Requirements**

Legislation	Requirement
Local Government Act	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Aboriginal Heritage Act 1972	Preservation of the community places and objects used by traditional owners.
Aboriginal Heritage Regulations 1974	Preservation of the community places and objects used by traditional owners.
WA Building Act 2011	Construction and building standards for all buildings in Australia.
Dangerous Goods Safety Act 2004	Relates to the safe storage, handling and transport of certain dangerous goods
Disability Services Act 1993	An Act for the establishment of the Disability Services Commission and the Ministerial Advisory Council on Disability, for the progress of principles applicable to people with disabilities, for the funding and provision of services to such people that meet certain objectives, for the resolution of complaints by such people and for related purposes.
Disability Services Regulations 2004	Current amendments to Disability Services Act (1993)
Dividing Fences Act 1961	Local government exemption from 50/50 contribution for dividing fences abutting public open space.
Environment Protection and Biodiversity Conservation Act 1999	Provides for the development of a Commonwealth Heritage List, which comprises natural, Indigenous and historic heritage places which are either entirely within a Commonwealth area, or outside the Australian jurisdiction and owned or leased by the Commonwealth or a Commonwealth Authority; and which the Minister is satisfied have one or more Commonwealth Heritage values.
Health Act 1911	Sets down the legislative requirements in relation to health standards for public buildings, including ablution facilities, and the handling and disposal of hazardous materials including asbestos.
Health (Public Buildings) Regulations 1992	The regulations are intended to address operational matters or those where the BCA is considered inadequate for the protection of public health or safety in and about a public building.
Heritage Act of WA 1990	Requires all local governments to compile and regularly review an inventory of local places, which are significant or may become significant heritage properties.
Land Administration Act 1997	An Act to consolidate and reform the law about Crown land and the compulsory acquisition of land generally, to repeal the Land Act 1933 and to provide for related matters.

Legislation	Requirement
Occupational Health and Safety Act 1984 and associated regulations	Administered in part by local governments to promote and improve standards for occupational health, safety and welfare and to coordinate administration of the laws relating to occupational safety and health for incidental and other purposes.
WA Planning and Development Act 2005	Sets specific controls over planning at a metropolitan and local level, as well as establishing more general controls over the subdivision of land.

### 3.3 Current Levels of Service

Council has defined service levels in two terms.

**Community Levels of Service** relate to the service outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance.

Community levels of service measures used in the asset management plan are:

Quality	How good is the service?
Function	Does it meet users' needs?
Safety	Is the service safe?

**Technical Levels of Service** - Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that the council undertakes to best achieve the desired community outcomes.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as opening hours, cleansing frequency, mowing frequency, etc.
- Maintenance – the activities necessary to retain an assets as near as practicable to its original condition (e.g. road patching, unsealed road grading, building and structure repairs),
- Renewal – the activities that return the service capability of an asset up to that which it had originally (e.g. frequency and cost of road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- Upgrade – the activities to provide an higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).

Council's current service levels are detailed in Table 3.3.

**Table 3.3A: Motor Vehicle Current Service Levels**

Key Performance Measure	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service
<b>COMMUNITY LEVELS OF SERVICE</b>				
Quality	<ul style="list-style-type: none"> <li>Plant is fit for purpose and maintained to assist end service.</li> </ul>	<ul style="list-style-type: none"> <li>No. of complaints from users per annum.</li> <li>No of breakdowns and incidents</li> </ul>	No incidents or complaints, with delivery on time to budget and to required standard	No incidents or complaints.
Function	<ul style="list-style-type: none"> <li>Capacity to support the required maintenance operations as needed.</li> </ul>	<ul style="list-style-type: none"> <li>Fir for purpose assessments.</li> <li>Adopt best trade practices.</li> </ul>	Plant maintained and operational.	Good performance

Key Performance Measure	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service
Safety	<ul style="list-style-type: none"> <li>Plant assets are safe and of a suitable standard to ensure trouble free use.</li> </ul>	<ul style="list-style-type: none"> <li>Regular audits and timely action taken on results.</li> </ul>	No incidents or complaints, with assets performing to required standard.	Performance at a high standard.
<b>TECHNICAL LEVELS OF SERVICE</b>				
Maintenance	<ul style="list-style-type: none"> <li>Asset fully maintained throughout the life of the asset.</li> </ul>	<ul style="list-style-type: none"> <li>Meet scheduled maintenance in accordance with manufacturers recommendations.</li> </ul>	100% compliant to manufacturers specifications and timely attention to any necessary non-scheduled repairs.	Scheduled maintenance completed in accordance with specifications. Non-scheduled repairs carried out immediately identified.
Replacement	<ul style="list-style-type: none"> <li>In accordance with fit for purpose needs and value for money considerations.</li> </ul>	<ul style="list-style-type: none"> <li>Programmed replacement within budget and time scale</li> </ul>	<ul style="list-style-type: none"> <li>Meet optimum replacement point decision making through correct data.</li> </ul>	Assessment on optimum replacement including whole of life records.
Procurement	<ul style="list-style-type: none"> <li>Fir for purpose approach within budgetary and programmed replacement.</li> </ul>	<ul style="list-style-type: none"> <li>In accordance with Council policy. Value for money with probity and accountability.</li> </ul>	<ul style="list-style-type: none"> <li>Fit for purpose with reduced emissions.</li> </ul>	Currently meets Council requirements.
Disposal	<ul style="list-style-type: none"> <li>Appropriately disposed of by tender, trade-ins in accordance with Council Policy and legislative requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Value for money and disposed in accordance with programmed disposal schedule.</li> </ul>	<ul style="list-style-type: none"> <li>Value for money consideration given to trade-ins, auctions and private sale where appropriate.</li> </ul>	Currently meets requirements.

**Table 3.3B: Computer Equipment Service levels**

Key Performance Measure	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service
<b>COMMUNITY LEVELS OF SERVICE</b>				
Quality	<ul style="list-style-type: none"> <li>Equipment is fit for purpose and maintained.</li> </ul>	<ul style="list-style-type: none"> <li>No. of complaints from staff per annum.</li> <li>No of breakdowns and incidents.</li> </ul>	No incidents or complaints. Delivery on time, to budget and to required standard.	No incidents or complaints.
Function	<ul style="list-style-type: none"> <li>Capacity to support the required operations as needed.</li> </ul>	<ul style="list-style-type: none"> <li>Fit for purpose assessments.</li> </ul>	Computer equipment maintained and operational	Good performance
Safety	<ul style="list-style-type: none"> <li>Provide safe, suitable computer equipment free of hazards.</li> </ul>	<ul style="list-style-type: none"> <li>No of incident reports logged.</li> </ul>	No incidents or complaints.	No incidents or complaints.

Key Performance Measure	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service
<b>TECHNICAL LEVELS OF SERVICE</b>				
Application Availability	<ul style="list-style-type: none"> <li>Ensure computer equipment is operating and applications are running smoothly.</li> </ul>	<ul style="list-style-type: none"> <li>Amount of up time.</li> <li>Length of time application unavailable.</li> </ul>	95% up time.	95% up time.
Problem Resolution	<ul style="list-style-type: none"> <li>Resolution of technical problems to maintain efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>Time taken to resolve problem depending on priority.</li> </ul>	90% of problems resolved within priority set time frame: 1 – 24 to 48 hrs 2 – 5 business days 3 – 10 business days 4 – 20 business days	90% of problems resolved within identified time frames.
Application Upgrades	<ul style="list-style-type: none"> <li>Upgrades performed to maintain operating efficiency with minimal disruption to service.</li> </ul>	<ul style="list-style-type: none"> <li>No of upgrades performed outside business hours.</li> <li>No of service requests logged relating to upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>100% upgrades performed outside business hours.</li> <li>Less than 5 service requests logged relating to upgrade</li> </ul>	<ul style="list-style-type: none"> <li>100% upgrades performed outside business hours.</li> <li>Less than 5 service requests logged relating to upgrade</li> </ul>

**Table 3.3C: Other Office Furniture & Equipment Service Levels**

Key Performance Measure	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service
<b>COMMUNITY LEVELS OF SERVICE</b>				
Quality	<ul style="list-style-type: none"> <li>Furniture and equipment is fit for purpose and maintained.</li> </ul>	<ul style="list-style-type: none"> <li>No. of complaints from staff per annum.</li> <li>No of breakdowns and incidents.</li> </ul>	<ul style="list-style-type: none"> <li>No incidents or complaints.</li> <li>Delivery on time, to budget and to required standard.</li> </ul>	<ul style="list-style-type: none"> <li>No incidents or complaints.</li> </ul>
Function	<ul style="list-style-type: none"> <li>Ensure that furniture and equipment meets user operational requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Fir for purpose assessments.</li> </ul>	<ul style="list-style-type: none"> <li>Office furniture and equipment maintained and operational.</li> </ul>	<ul style="list-style-type: none"> <li>Good performance</li> </ul>
<b>TECHNICAL LEVELS OF SERVICE</b>				
Maintenance	<ul style="list-style-type: none"> <li>Asset fully maintained throughout the life of the asset.</li> </ul>	<ul style="list-style-type: none"> <li>Meet scheduled maintenance in accordance with manufacturers recommendations, where required.</li> </ul>	<ul style="list-style-type: none"> <li>100% compliant to manufacturers specifications and timely attention to any necessary non-scheduled repairs.</li> </ul>	<ul style="list-style-type: none"> <li>Scheduled maintenance completed in accordance with specifications.</li> <li>Non-scheduled repairs carried out immediately once identified.</li> </ul>
Replacement	<ul style="list-style-type: none"> <li>In accordance with fit for purpose needs and value for money considerations.</li> </ul>	<ul style="list-style-type: none"> <li>Programmed replacement within budget and time scale.</li> </ul>	<ul style="list-style-type: none"> <li>Meet optimum replacement point decision making through correct data.</li> </ul>	<ul style="list-style-type: none"> <li>Assessment on optimum replacement including whole of life records.</li> </ul>

Key Performance Measure	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service
Procurement	<ul style="list-style-type: none"> <li>Fit for purpose approach within budgetary and programmed replacement.</li> </ul>	<ul style="list-style-type: none"> <li>In accordance with Council policy. Value for money with probity and accountability.</li> </ul>	<ul style="list-style-type: none"> <li>Fit for purpose with reduced emissions.</li> </ul>	Currently meets Council requirements.
Disposal	<ul style="list-style-type: none"> <li>Appropriately disposed of by tender, trade-ins in accordance with Council Policy and legislative requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Value for money and disposed in accordance with programmed disposal schedule.</li> </ul>	<ul style="list-style-type: none"> <li>Value for money consideration given to trade-ins, auctions and private sale where appropriate.</li> </ul>	Currently meets requirements.

### 3.4 Desired Levels of Service

At present, indications of desired levels of service are obtained from various sources including stakeholder and customer feedback to Councillors and staff, service requests and correspondence. The levels of service will be done as part of Councils ongoing consultation process and incorporated into future revisions of this asset management plan.



## 4. FUTURE DEMAND

### 4.1 Demand Forecast

Factors affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, environmental awareness, etc.

Demand in this plan is assumed to be mainly linked to staffing levels. Given the nature of operations of the Tamala Park Regional Council, there is no predicted increase in staffing levels, and once the Council has developed the land, its charter will have been fulfilled and it will cease to exist.

There are no State Service Delivery Plans that may affect Councils future service delivery for this Asset Class.

Demand factor trends and impacts on service delivery are summarised in Table 4.1.

**Table 4.1: Demand Factors, Projections and Impact on Services**

Demand factor	Present position	Projection	Impact on services
Fulfilment of Charter	▪ Catalina Estate capacity of 2,500 lots, currently 470 lots sold.	▪ 2027 – All 2,500 lots sold.	▪ TPRC wound up.

### 4.2 Changes in Technology

It is considered that technology changes will have little effect on the delivery of services covered by this plan. Those changes related to climate change, energy consumption, water use and reuse are subject to ongoing consideration. Significant impacts resulting from technology changes will be qualified in future revisions of this Asset Management Plan.

### 4.3 Demand Management Plan

Due to the specific purpose and objectives of the Tamala Park Regional Council (TPRC), there will be no increased demand for new services, as once the land is fully developed the TPRC will have completed its charter and will cease to exist.

## 5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while optimising life cycle costs.

### 5.1 Background Data

#### 5.1.1 Asset condition

Condition is measured using a 1 – 5 rating system<sup>4</sup> as detailed in Table 5.1.1

**Table 5.1.1: Condition Rating Description**

Condition Rating	Description
1	Good: Asset is new or has been extensively re-modelled and modernised. 85%-100% remaining of Estimated Economic Working Life.
2	Fair-Plus: Asset has been well maintained and has possibly been refurbished. 70%-84% remaining of Estimated Economic Working Life.
3	Fair: Asset has been regularly maintained throughout. 20%-69% remaining of Estimated Economic Working Life.
4	Fair-Minus: Asset in need of overall maintenance – no obvious defects. 0%-19% remaining of Estimated Economic Working life.
5	Poor: Asset in disrepair with possible structural problems – No remaining life.

#### 5.1.2 Physical parameters

The assets covered by this asset management plan are shown in Table 5.1.2

**Table 5.1.2**

Building Asset Group	Number
Motor Vehicles	1
Computer Equipment (desktop computers, laptops, external hard drives, switches)	4
Printers and Copiers	1
Electrical Goods (microwave, digital camera, lighting, vacuum cleaner, television)	1
Office furniture and equipment (Plan cabinets, desks, chairs, open shelf, mobile pedestals, buffet cabinets, coffee table, sofas)	29
Buildings & Structures (office fit-out and refurbishment)	1
<b>TOTAL</b>	<b>37</b>

A brief description of the different asset groups that make up the building and structures assets are provided below:

Motor Vehicles –

- One Audi Sedan with a condition rating of Good.

<sup>4</sup> IIMM 2006, Appendix B, p B:1-3 ('cyclic' modified to 'planned', 'average' changed to 'fair')

Computer Equipment -

- One Dell 9400 Notebook computer located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- One Dell Vostro mini tower computer located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- One Dell Inspiron desktop computer located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- One Dell Studio 17 laptop computer located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.

Printers and Copiers -

- One Kyocera Colour A3 Copier located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.

Electrical Goods-

- One lighting system located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.

Office furniture -

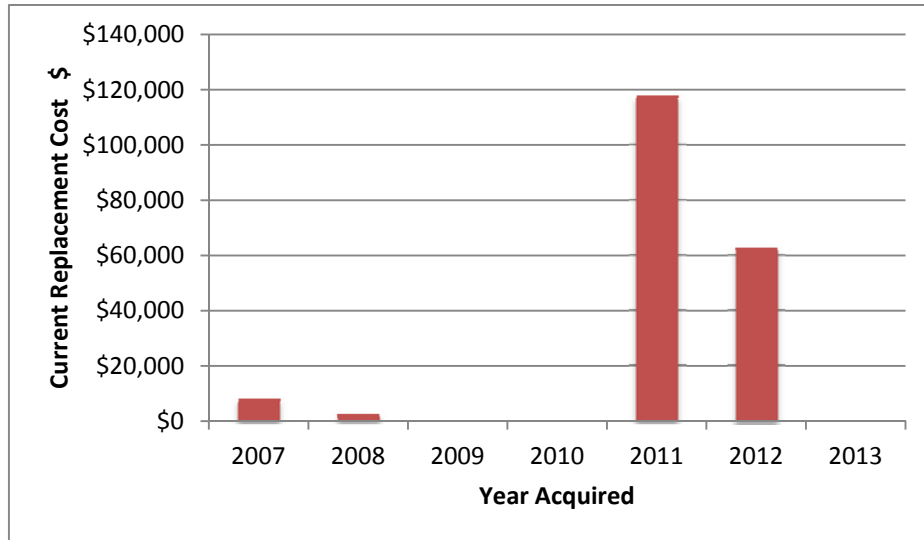
- One copy room cabinet located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- One meeting room cabinet located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- One lateral filing cabinet in office 1, located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- One open shelf cabinet located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- Two x swing door cabinet located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- Two x 2 drawer and file mobile pedestal located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- One L-shape desk located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- Two x CRV3 visitor chair located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- One stylus executive armchair located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- One meeting table located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- One Quatro 4 way small pedestal located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- Two x 3 seater sofa's in reception area located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- 12 Stylus Conference Room armchairs, located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- One Coffee table and console in reception located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- Silk potted plants located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- Carpet for office located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.

#### Office Refurbishment-

- One office fit-out for Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Good.

The age profile of the assets included in this Asset Management Plan is shown in Figure 2.

**Figure 2: Asset Age Profile**



**Note:** The asset age profile has been determined from the information contained within the TPRC Asset Register as the date of acquisition.

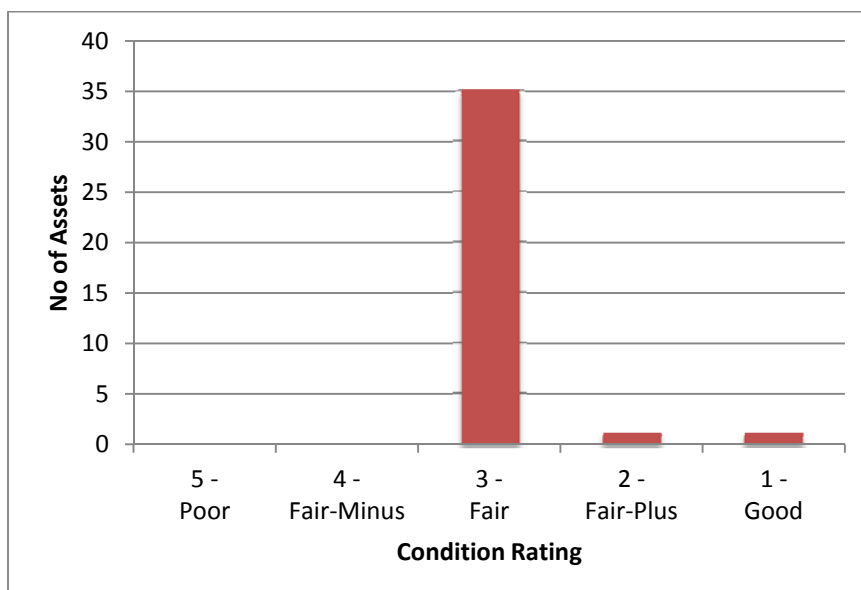
#### 5.1.3 Asset capacity and performance

Council's services are generally provided to meet design standards where these are available.

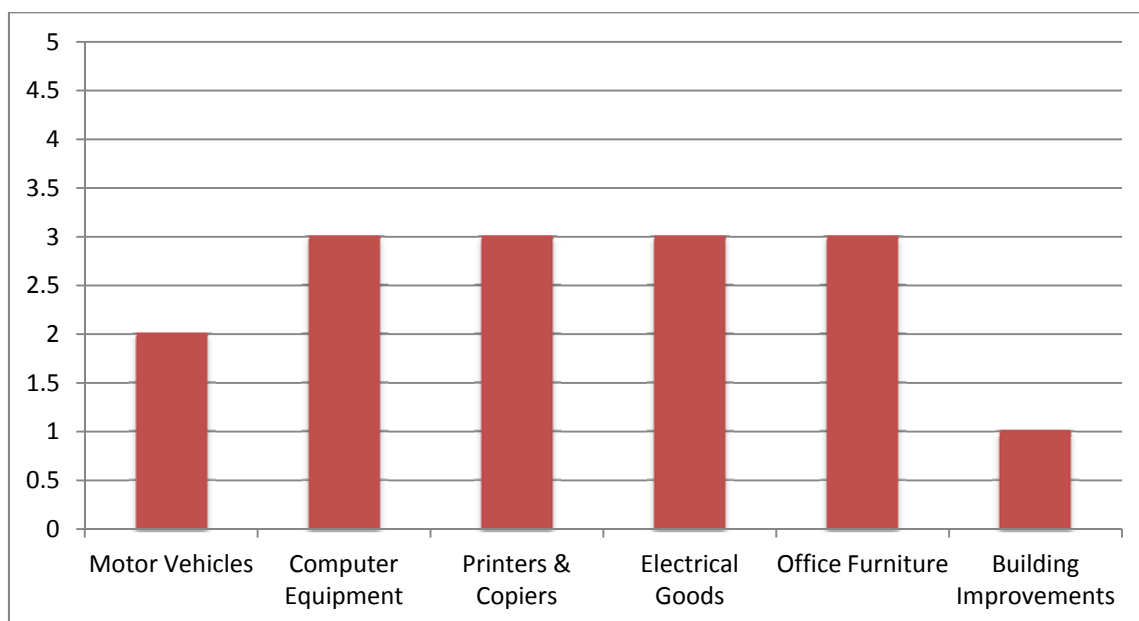
There are no known performance deficiencies with assets.

The condition profile of assets included within this AM Plan is shown in Figures 3 and 3A.

**Figure 3: Asset Condition Profile**



**Figure 3A: Assets Average Condition Profile By Asset Group**



#### 5.1.4 Asset valuations

The value of assets recorded in the asset register as at \$189,867 covered by this asset management plan is shown below. Assets were last revalued at 30 June 2013.

Current Replacement Cost	\$189,867
Depreciable Amount	\$44,350
Depreciated Replacement Cost	\$44,350
Annual Depreciation Expense	\$15,000

Council's sustainability reporting reports the rate of annual asset consumption and compares this to asset renewal and asset upgrade and expansion.

Asset Consumption (Depreciation/Depreciable Amount)	10.3%
Asset renewal (Capital renewal exp/Depreciable amount)	4.1%
Annual Upgrade/New (Capital upgrade exp/Depreciable amount)	0.0%
Annual Upgrade/New (including contributed assets)	0.0%

Council is currently renewing assets at 40.0% of the rate they are being consumed and increasing its asset stock by 0.0% each year.

To provide services in a financially sustainable manner, Council will need to ensure that it is renewing assets at the rate they are being consumed over the medium-long term and funding the life cycle costs for all new assets and services in its long term financial plan.

## 5.2 Risk Management Plan

An assessment of risks associated with service delivery from assets has identified critical risks that will result in loss or reduction in service from assets or a 'financial shock' to the organisation. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Critical risks, being those assessed as 'Very High' - requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the Infrastructure Risk Management Plan are summarised in Table 5.2.

**Table 5.2: Critical Risks and Treatment Plans**

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Associated Costs
Nil				

## 5.3 Routine Maintenance Plan

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

### 5.3.1 Maintenance plan

Maintenance includes reactive, planned and specific maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Cyclical maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle, such as repainting, building roof replacement, etc. This work generally falls below the capital/maintenance threshold but may require a specific budget allocation.

Current maintenance expenditure levels are considered to be sufficient to meet required service levels. Future revision of this asset management plan will include linking required maintenance expenditures with required service levels. Assessment and prioritisation of reactive maintenance is undertaken by operational staff using experience and judgement.

### 5.3.2 Standards and specifications

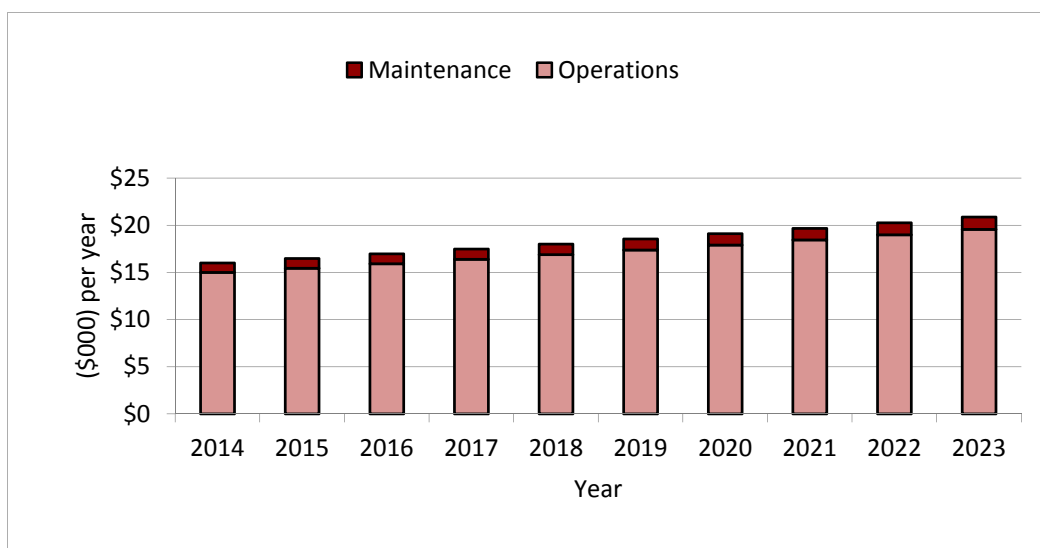
Maintenance work is carried out in accordance with the following Standards and Specifications.

- Applicable Australian Standards
- Building Code of Australia; and
- Acceptable standards of construction.

### 5.3.3 Summary of future operations and maintenance expenditures

Future operations and maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Figure 4. Note that all costs are shown in 2014 dollar values.

**Figure 4: Projected Operations and Maintenance Expenditure**



Deferred maintenance, i.e. works that are identified for maintenance and unable to be funded are to be included in the risk assessment process in the infrastructure risk management plan.

Maintenance is funded from the operating budget and grants where available. This is further discussed in Section 6.2.

## 5.4 Renewal/Replacement Plan

Renewal expenditure is major work that does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

### 5.4.1 Renewal plan

Assets requiring renewal are identified from one of three methods provided in the 'Expenditure Template'.

- Method 1 uses Asset Register data to project the renewal costs for renewal years using acquisition year and useful life, or
- Method 2 uses capital renewal expenditure projections from external condition modelling systems (such as Pavement Management Systems), or
- Method 3 uses a combination of average *network renewals* plus *defect repairs* in the *Renewal Plan* and *Defect Repair Plan* worksheets on the 'Expenditure template'.

Method 1 was used for this asset management plan.

The Tamala Park Regional Council does not have any ranking system or criteria for renewal. It is envisaged that this feature will be a key area for development in the next revision of this Plan. It is proposed that the criteria below will be considered in this development.

**Table 5.4.1: Renewal Priority Ranking Criteria**

Criteria	Weighting
Safety and Accessibility	5%
Asset Usage	25%
Current Asset Condition	50%
Operating & Maintenance Cost	20%
<b>Total</b>	<b>100%</b>

Renewal will be undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost. Examples of low cost renewal include minor repair of an asset rather than a major replacement (e.g. replace a section of roof sheeting as opposed to replacing all of the roofing material).

#### 5.4.2 Renewal standards

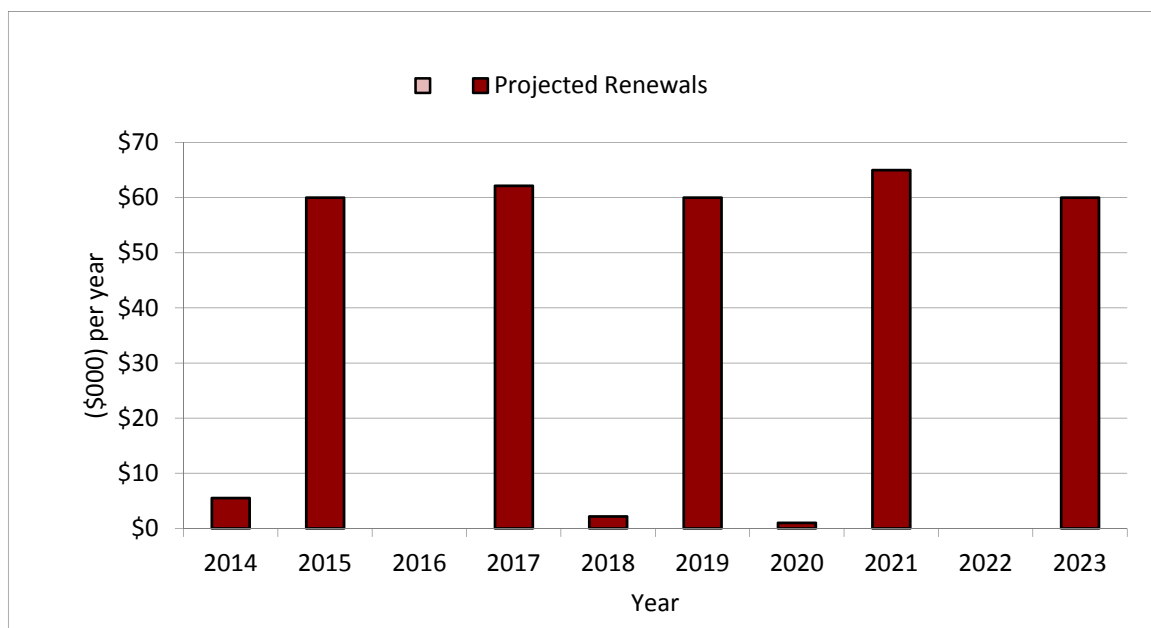
Renewal work is carried out in accordance with relevant Standards and Specifications.

#### 5.4.3 Summary of projected renewal expenditure

Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in Figure 5. Note that all costs are shown in 2014 dollar values.

The projected capital renewal program is shown in Appendix B.

**Figure 5: Projected Capital Renewal Expenditure**



Deferred renewal, i.e. those assets identified for renewal and not scheduled for renewal in capital works programs are to be included in the risk assessment process in the risk management plan. Renewals are to be funded from capital works programs and grants where available. This is further discussed in Section 6.2.

### 5.5 Creation/Acquisition/Upgrade Plan

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the Council from land development. These assets from growth are considered in Section 4.4.

#### 5.5.1 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.



**Table 5.5.1: Upgrade/New Assets Priority Ranking Criteria**

Criteria	Weighting
Commercial Rate of Return	100%
<b>Total</b>	<b>100%</b>

### 5.5.2 Standards and specifications

Standards and specifications for new assets and for upgrade/expansion of existing assets are as follows-

Building Code of Australia	Sets out the acceptable standards and are deemed to satisfy provisions for building work both residential and commercial.
Timber Framing AS1684	Sets out design and construction of timber framing
Concrete Structures AS3600	Sets out all concrete and masonry requirements for maintenance.
Plumbing and Drainage AS3500	Sets out all requirements needed for plumbing and drainage.

### 5.5.3 Summary of projected upgrade/new assets expenditure

There are no projected upgrades to assets or acquisition of new assets.

## 5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6, together with estimated annual savings from not having to fund operations and maintenance of the assets. These assets will be further reinvestigated to determine the required levels of service and see what options are available for alternate service delivery, if any.

The TPRC facilitates the development and sale of land owned by the member local governments, however it does not own the land and therefore no sale proceeds for land have been included in this section of the Asset Management Plan.

Cashflow projections from asset disposals are detailed below.

**Table 5.6: Assets identified for Disposal**

Asset	Reason for Disposal	Timing	Net Disposal Expenditure (Expend +ve, Revenue -ve)	Operations & Maintenance Annual Savings
Audi Sedan	Trade-in on new model	2015	\$20,000	\$0
Audi Sedan	Trade-in on new model	2017	\$20,000	\$0
Audi Sedan	Trade-in on new model	2019	\$20,000	\$0
Audi Sedan	Trade-in on new model	2021	\$20,000	\$0
Audi Sedan	Trade-in on new model	2023	\$20,000	\$0
Audi Sedan	Trade-in on new model	2025	\$20,000	\$0

## 6. FINANCIAL SUMMARY

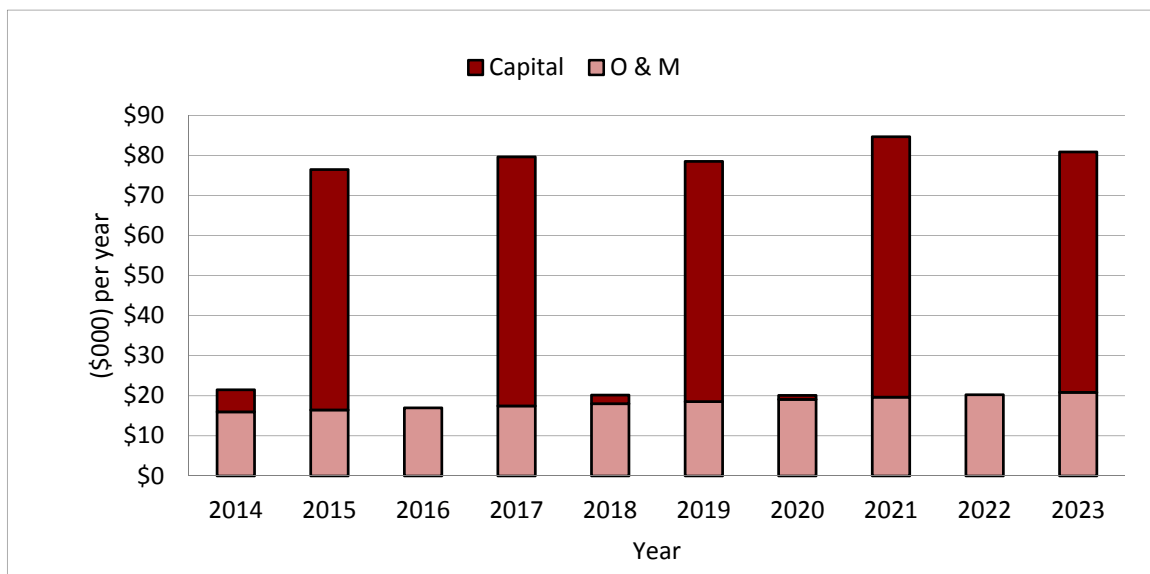
This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

### 6.1 Financial Statements and Projections

The financial projections are shown in Figure 7 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets), net disposal expenditure and estimated budget funding.

Note that all costs are shown in 2014 dollar values.

**Figure 6: Projected Operating and Capital Expenditure**



#### 6.1.1 Financial sustainability in service delivery

There are three key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

##### **Long term - Life Cycle Cost**

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this asset management plan is \$31,000 per year (operations and maintenance expenditure plus depreciation expense in year 1).

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital renewal expenditure in year 1. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan is \$22,000 (operations and maintenance expenditure plus budgeted capital renewal expenditure in year 1).

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap.

The life cycle gap for services covered by this asset management plan is (\$9,000) per year (-ve = gap, +ve = surplus).

Life cycle expenditure is 98% of life cycle costs giving a life cycle sustainability index of 0.71.

The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner. This is the purpose of the asset management plans and long term financial plan.

#### **Medium term – 10 year financial planning period**

This asset management plan identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

These projected expenditures may be compared to budgeted expenditures in the 10 year period to identify any funding shortfall. In a core asset management plan, a gap is generally due to increasing asset renewals for ageing assets.

The projected operations, maintenance and capital renewal expenditure required over the 10 year planning period is \$50,000 per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$56,000 per year giving a 10 year funding surplus of \$6,000 per year and a 10 year sustainability indicator of 1.11. This indicates that Council has 111% of the projected expenditures needed to provide the services documented in the asset management plan.

#### **Short Term – 5 year financial planning period**

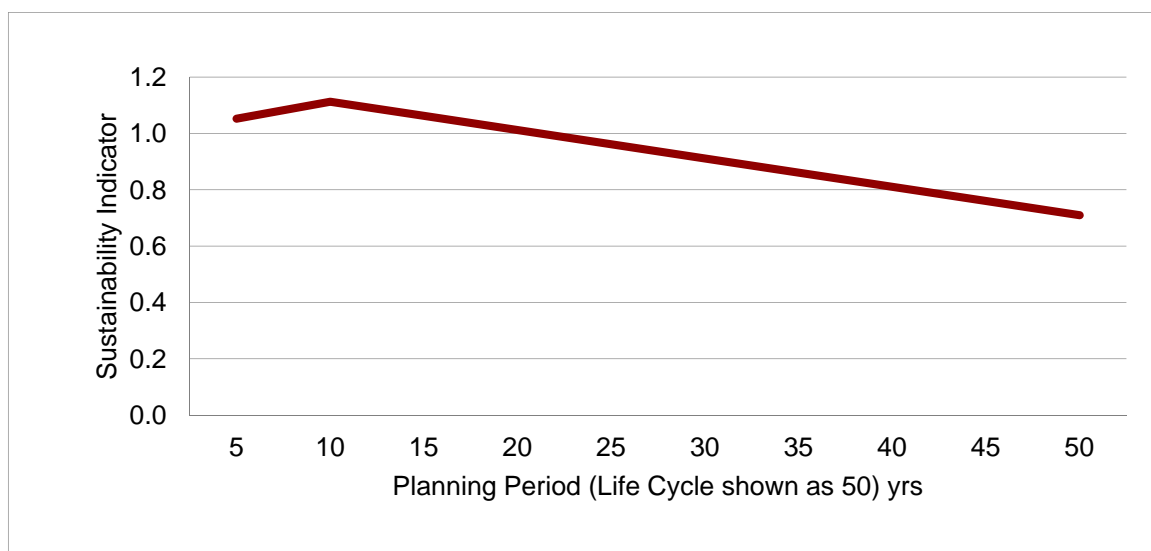
The projected operations, maintenance and capital renewal expenditure required over the first 5 years of the planning period is \$43,000 per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$45,000 per year giving a 5 year funding surplus of \$2,000. This is 105% of projected expenditures giving a 5 year sustainability indicator of 1.05.

#### **Financial Sustainability Indicators**

Figure 7 shows the financial sustainability indicators over the 10 year planning period and for the long term life cycle.

**Figure 7: Financial Sustainability Indicators**



Providing services from infrastructure in a sustainable manner requires the matching and managing of service levels, risks, projected expenditures and funding to achieve a financial sustainability indicator of 1.0 for the first years of the asset management plan and ideally over the 10 year life of the AM Plan. This first cut core Asset Management Plan has been prepared based on the long term financial planning the TPRC currently has in place.

Figure 8 shows the projected asset renewals in the 10 year planning period from Appendix B. The projected asset renewals are compared to budgeted renewal expenditure in the capital works program and capital renewal expenditure in year 1 of the planning period in Figure 8.

**Figure 8: Projected and Budgeted Renewal Expenditure**

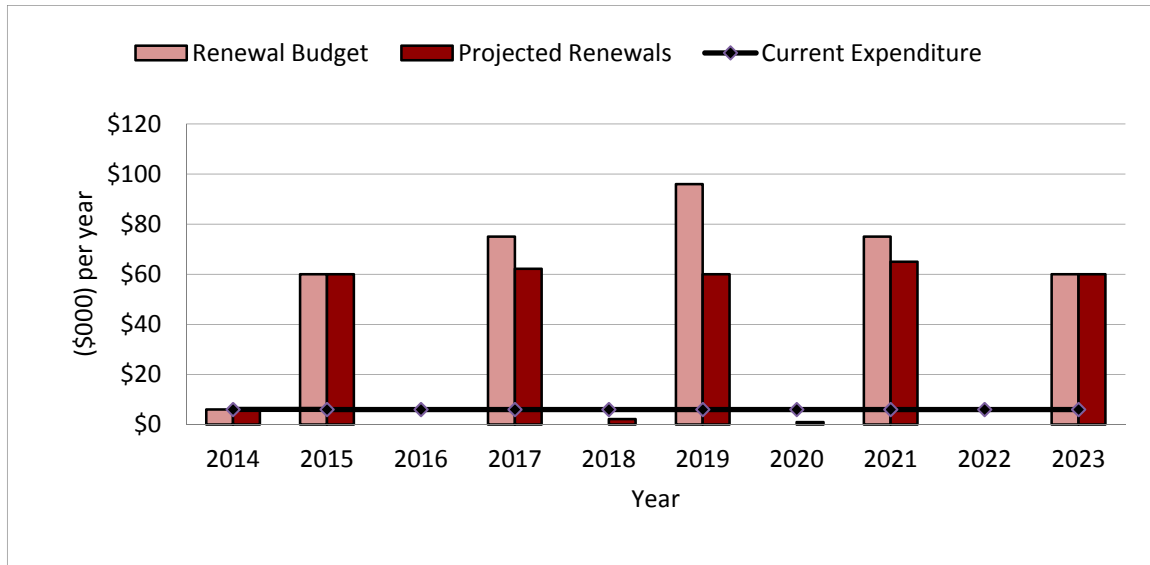


Table 6.1.1 shows the shortfall between projected and budgeted renewals

**Table 6.1.1: Projected and Budgeted Renewals and Expenditure Shortfall**

Year	Projected Renewals (\$000)	Planned Renewal (Budget) (\$000)	Renewal Funding Shortfall (\$000) (-ve Gap, +ve Surplus)	Cumulative Shortfall (\$000) (-ve Gap, +ve Surplus)
2011	\$6	\$6	\$1	\$1
2012	\$60	\$60	\$0	\$1
2013	\$0	\$0	\$0	\$1
2014	\$62	\$75	\$13	\$13
2015	\$2	\$0	-\$2	\$11
2016	\$60	\$96	\$36	\$47
2017	\$1	\$0	-\$1	\$46
2018	\$65	\$75	\$10	\$56
2019	\$0	\$0	\$0	\$56
2020	\$60	\$60	\$0	\$56

*Note: A negative shortfall indicates a funding gap, a positive shortfall indicates a surplus for that year.*

Providing services in a sustainable manner will require matching of projected asset renewals to meet agreed service levels with planned capital works programs and available revenue.

A gap between projected asset renewals, planned asset renewals and funding indicates that further work is required to manage required service levels and funding to eliminate any funding gap.

We will manage the 'gap' by developing this asset management plan to provide guidance on future service levels and resources required to provide these services, and review future services, service levels and costs with the community.

### 6.1.2 Expenditure projections for long term financial plan

Table 6.1.2 shows the projected expenditures for the 10 year long term financial plan.

Expenditure projections are in current (non-inflated) values. Disposals are shown as net expenditures (revenues are negative).

**Table 6.1.2: Expenditure Projections for Long Term Financial Plan (\$000)**

Year	Operations (\$000)	Maintenance (\$000)	Projected Capital Renewal (\$000)	Capital Upgrade/ New (\$000)	Disposals (\$000)
2011	\$15	\$1	\$6	\$0	\$0
2012	\$15	\$1	\$60	\$0	\$0
2013	\$16	\$1	\$0	\$0	\$0
2014	\$16	\$1	\$62	\$0	\$0
2015	\$17	\$1	\$2	\$0	\$0
2016	\$17	\$1	\$60	\$0	\$0
2017	\$18	\$1	\$1	\$0	\$0
2018	\$18	\$1	\$65	\$0	\$0
2019	\$19	\$1	\$0	\$0	\$0
2020	\$20	\$1	\$60	\$0	\$0

*Note: All projected expenditures are in 2014 values*

## 6.2 Funding Strategy

Projected expenditure identified in Section 6.1 is to be funded from the Council's operating and capital budgets. The funding strategy is detailed in the TPRC Long Term Financial Plan.

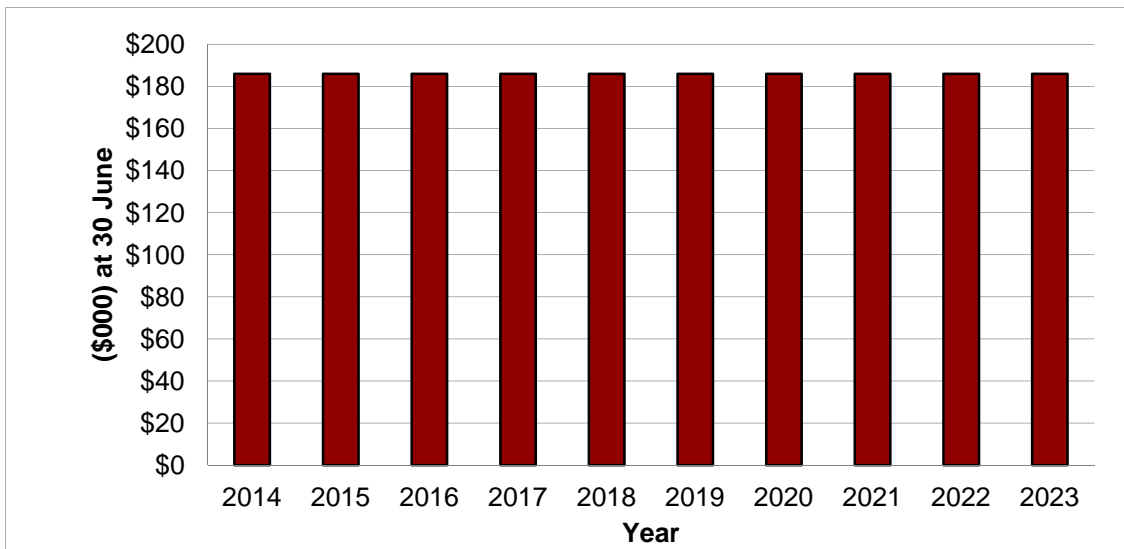
Achieving the financial strategy will require the Council to -

- Match renewals to funding streams provided to the TPRC by Member local governments through participant contributions;
- Cost reductions from review of service levels; and
- Cash backed reserves.

## 6.3 Valuation Forecasts

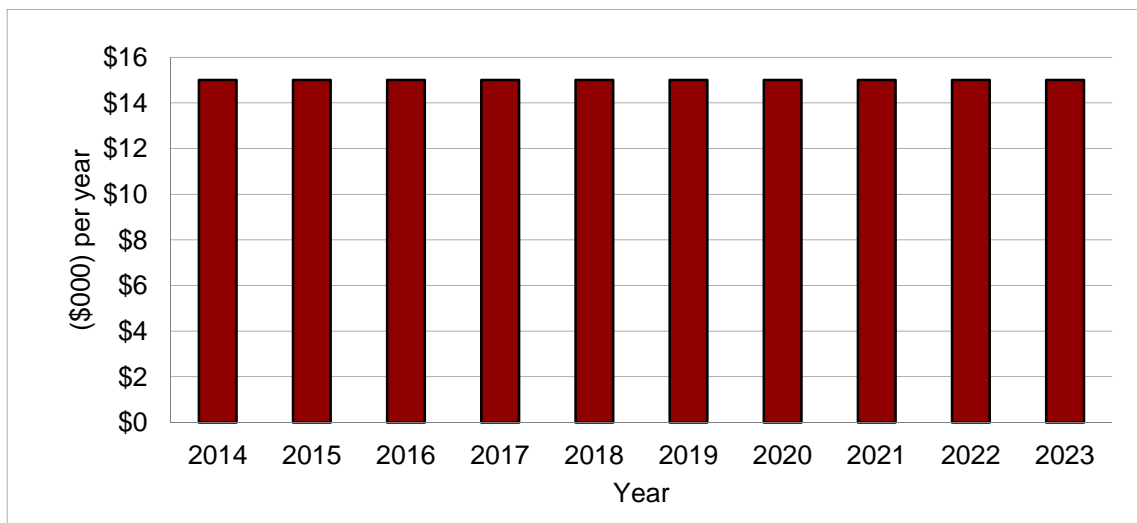
Asset values are forecast to remain relatively constant as assets are replaced with no new asset acquisitions envisaged by Council. Figure 9 shows the projected replacement cost asset values over the planning period in 2014 dollar values.

**Figure 9: Projected Asset Values**



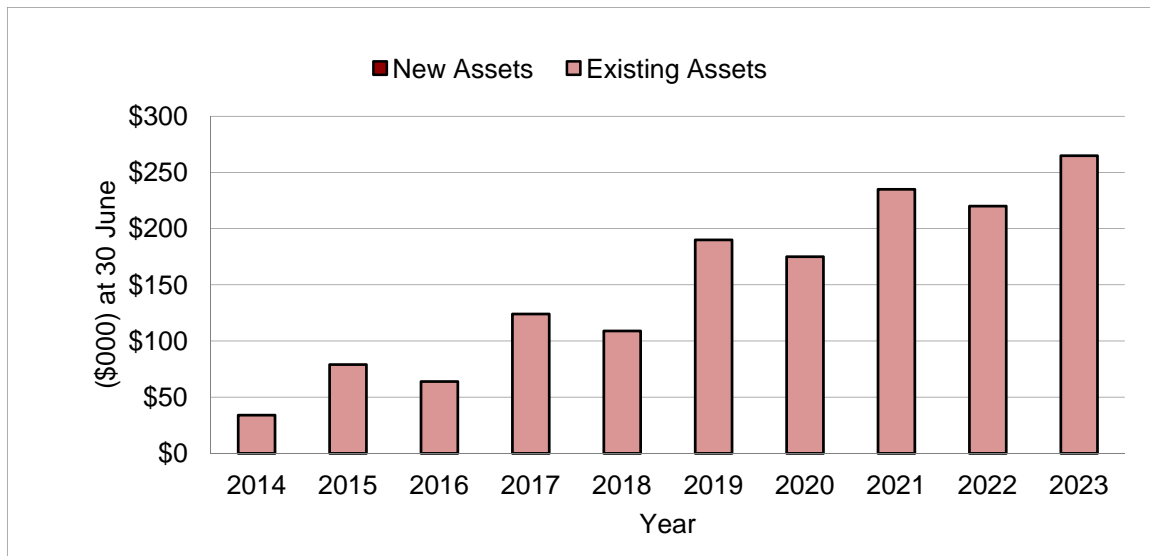
Depreciation expense values are forecast in line with asset values as shown in Figure 10.

**Figure 10: Projected Depreciation Expense**



The depreciated replacement cost (current replacement cost less accumulated depreciation) reports the remaining service potential of the assets. It will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets. Forecast of the assets' depreciated replacement cost is shown in Figure 11, which highlights consumption of existing assets at a lower rate than their renewal or upgrade. The effect of contributed and new assets on the depreciated replacement cost is shown in the light colour bar.

**Figure 11: Projected Depreciated Replacement Cost**



#### **6.4 Key Assumptions made in Financial Forecasts**

This section details the key assumptions made in presenting the information contained in this asset management plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this asset management plan are:

- All assets will remain in Council ownership throughout the planning period.
- Maintenance costs are largely based on historical expenditure and assumes no significant increases in service requirements.
- Asset replacement values were determined by DCA in December 2013.

## **7. ASSET MANAGEMENT PRACTICES**

### **7.1 Accounting/Financial Systems**

#### **7.1.1 Accounting and financial systems**

The Tamala Park Regional Council uses QuickBooks for its financial management system and uses Excel spreadsheets for asset accounting purposes.

#### **7.1.2 Accountabilities for financial systems**

Accountabilities and responsibilities are divided between the Finance Officer and the finance consultant.

#### **7.1.3 Accounting standards and regulations**

As well as complying with Australian Accounting Standards, the Tamala Park Regional Council must comply with the Western Australia Local Government Act 1995 and the Local Government (Finance) Regulations 1996. Accounting Standard AASB116 – “Property, Plant and Equipment” is the significant regulatory requirement relevant to accounting for assets.

#### **7.1.4 Capital/maintenance threshold**

The Tamala Park Regional Council Capital Threshold Policy specifies a limit of \$500 for expenditure that is expensed in the current year. Expenditure over \$500 on an asset is classed as capital expenditure and capitalised against the asset.

#### **7.1.5 Required changes to accounting financial systems arising from this AM Plan**

No changes to the accounting financial system have been identified.

### **7.2 Asset Management Systems**

#### **7.2.1 Asset management system**

The Asset Management system is a combination of the spreadsheet asset register and current operating procedures.

#### **7.2.2 Asset registers**

The Tamala Park Regional Council maintains a detailed Asset Register for all asset classes in an Excel spreadsheet.

#### **7.2.3 Linkage from asset management to financial system**

The linkage from the financial system to the asset register is manual, with officers inputting data into both the QuickBooks financial system and then into the Excel Asset Register.

#### **7.2.4 Accountabilities for asset management system and data**

Accountabilities and responsibilities are divided between the Chief Executive Officer, Finance Officer and the Project Manager. The CEO and Project Manager provide information on the relevant assets and allocates costs associated with payroll and purchasing systems. The Finance Officer create the records within the Asset Register and posts expenditure direct to the Asset Register.

#### **7.2.5 Required changes to asset management system arising from this AM Plan**

No changes have been identified to the asset management system, but subsequent revisions of this Asset Management Plan may identify further improvements to existing systems.



### **7.3 Information Flow Requirements and Processes**

The key information flows *into* this asset management plan are:

- Council strategic and operational plans,
- Network assets information,
- The unit rates for categories of work/materials,
- Current levels of service, expenditures, service deficiencies and service risks,
- Projections of various factors affecting future demand for services and new assets acquired by Council,
- Future capital works programs,
- Financial asset values.

The key information flows *from* this asset management plan are:

- The projected Works Program and trends,
- The resulting budget and long term financial plan expenditure projections.
- Financial sustainability indicators.

These will impact the Long Term Financial Plan, Strategic Longer-Term Plan, annual budget and departmental business plans and budgets.

### **7.4 Standards and Guidelines**

Standards, guidelines and policy documents referenced in this asset management plan are:

- Tamala Park Regional Council Asset Capitalisation Threshold Policy
- Tamala Park Regional Council Asset Management Policy.
- Tamala Park Regional Council Asset Management Strategy.
- Department of Local Government (WA) Asset Management Framework and Guidelines.

## 8. PLAN IMPROVEMENT AND MONITORING

### 8.1 Performance Measures

The effectiveness of the asset management plan can be measured and evaluated in the following ways:

- The degree to which the required cashflows identified in this asset management plan are incorporated into the organisation's long term financial plan and Community/Strategic Planning processes and documents,
- The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the asset management plan;

### 8.2 Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 8.2.

**Table 8.2: Improvement Plan**

Task No	Task	Responsibility	Resources Required	Timeline
1	Assess the first year of Plan against actual costs	CEO	Internal	June 2015
2	Prepare and prioritise a long term plan and ranking systems for renewal & upgrade/new expenditure.	CEO	Internal	June 2016
3	Review of maintenance practices to ensure alignment with service level requirements.	CEO	Internal	Annually
4	Develop and review detailed risk analysis and planning for critical assets.	CEO	Internal	June 2016
5	Review service levels and commence internal and Elected Member consultation on service level provision.	CEO	Internal	June 2016

### 8.3 Monitoring and Review Procedures

This asset management plan will be reviewed during annual budget preparation and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of the budget decision process.

The Plan has a life of 3 years and a major revision is to be done within six months of its expiry.

## REFERENCES

Tamala Park Regional Council Long Term Financial Plan

Tamala Park Regional Council 2013/2014 Annual Budget.

Tamala Park Regional Council 2012/2013 Asset Register.

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## **APPENDICES**

Appendix A	Projected 10 year Capital Renewal Works Program
Appendix B	Planned Upgrade/Exp/New 10 year Capital Works Program A
Appendix C	Abbreviations
Appendix D	Glossary

## Appendix A Projected 10 Year Capital Renewal Works Program

Asset ID	Planned Renewal Year	Renewal Cost \$	Useful Life (Years)
Kyocera Colour Printer	2014	\$6,000	5
<b>\$6,000</b>			

Asset ID	Planned Renewal Year	Renewal Cost \$	Useful Life (Years)
CEO Motor Vehicle Replacement	2015	\$60,000	2
<b>\$60,000</b>			

Asset ID	Planned Renewal Year	Renewal Cost \$	Useful Life (Years)
Dell 9400 Notebook Computer	2017	\$860	4
Dell Inspiron Desktop Computer	2017	\$1,360	4
CEO Motor Vehicle Replacement	2017	\$60,000	2
<b>\$62,220</b>			

Asset ID	Planned Renewal Year	Renewal Cost \$	Useful Life (Years)
Dell Vostro Mini Tower Computer	2018	\$860	4
Dell Studio 17 Laptop	2018	\$1,360	4
<b>\$2,220</b>			

Asset ID	Planned Renewal Year	Renewal Cost \$	Useful Life (Years)
CEO Motor Vehicle Replacement	2019	\$60,000	2
<b>\$60,000</b>			

Asset ID	Planned Renewal Year	Renewal Cost \$	Useful Life (Years)
Silk Potted Plants	2020	\$1,000	8
<b>\$1,000</b>			

Asset ID	Planned Renewal Year	Renewal Cost \$	Useful Life (Years)
Carpet for Office	2021	\$5,000	10
CEO Motor Vehicle Replacement	2021	\$60,000	2
<b>\$65,000</b>			

Asset ID	Planned Renewal Year	Renewal Cost \$	Useful Life (Years)
CEO Motor Vehicle Replacement	2023	\$60,000	2
<b>\$60,000</b>			

**Appendix B Planned 10 Year Upgrade/Expansion/New Capital Works Program**

Asset Name	Planned Construction Year	Construction Cost \$
		\$0
		<b>\$0</b>

## **Appendix C Abbreviations**

<b>AAAC</b>	Average annual asset consumption
<b>AMP</b>	Asset management plan
<b>ARI</b>	Average recurrence interval
<b>BOD</b>	Biochemical (biological) oxygen demand
<b>CRC</b>	Current replacement cost
<b>CWMS</b>	Community wastewater management systems
<b>DA</b>	Depreciable amount
<b>EF</b>	Earthworks/formation
<b>IRMP</b>	Infrastructure risk management plan
<b>LCC</b>	Life Cycle cost
<b>LCE</b>	Life cycle expenditure
<b>MMS</b>	Maintenance management system
<b>PCI</b>	Pavement condition index
<b>RV</b>	Residual value
<b>SS</b>	Suspended solids
<b>vph</b>	Vehicles per hour

## Appendix D Glossary

### Annual service cost (ASC)

- 1) Reporting actual cost  
The annual (accrual) cost of providing a service including operations, maintenance, depreciation, finance/opportunity and disposal costs less revenue.
- 2) For investment analysis and budgeting  
An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operations, maintenance, depreciation, finance/opportunity and disposal costs, less revenue.

### Asset

A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Infrastructure assets are a sub-class of property, plant and equipment which are non-current assets with a life greater than 12 months and enable services to be provided.

### Asset class

A group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

### Asset condition assessment

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

### Asset management (AM)

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

### Average annual asset consumption (AAAC)\*

The amount of an organisation's asset base consumed during a reporting period (generally a year). This may be calculated by dividing the depreciable amount by the useful life (or total future economic benefits/service potential) and totalled for each and every asset OR by dividing the carrying amount (depreciated replacement cost) by the remaining useful life (or remaining future economic benefits/service potential) and totalled for each and every asset in an asset category or class.

### Borrowings

A borrowing or loan is a contractual obligation of the borrowing entity to deliver cash or another financial asset to the lending entity over a specified period of time or at a specified point in time, to cover both the initial capital provided and the cost of the interest incurred for providing this capital. A borrowing or loan provides the means for the borrowing entity to finance outlays (typically physical assets) when it has insufficient funds of its own to do so, and for the lending entity to make a financial return, normally in the form of interest revenue, on the funding provided.

### Capital expenditure

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

### Capital expenditure - expansion

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users. It is discretionary expenditure, which increases future operations and maintenance costs, because it increases the organisation's asset base, but may be associated with additional revenue from the new user group, eg. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

### Capital expenditure - new

Expenditure which creates a new asset providing a new service/output that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operations and maintenance expenditure.

### Capital expenditure - renewal

Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it generally has no impact on revenue, but may reduce future operations and maintenance expenditure if completed at the optimum time, eg. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.



**Capital expenditure - upgrade**

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operations and maintenance expenditure in the future because of the increase in the organisation's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

**Capital funding**

Funding to pay for capital expenditure.

**Capital grants**

Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

**Capital investment expenditure**

See capital expenditure definition

**Capitalisation threshold**

The value of expenditure on non-current assets above which the expenditure is recognised as capital expenditure and below which the expenditure is charged as an expense in the year of acquisition.

**Carrying amount**

The amount at which an asset is recognised after deducting any accumulated depreciation / amortisation and accumulated impairment losses thereon.

**Class of assets**

See asset class definition

**Component**

Specific parts of an asset having independent physical or functional identity and having specific attributes such as different life expectancy, maintenance regimes, risk or criticality.

**Cost of an asset**

The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, including any costs necessary to place the asset into service. This includes one-off design and project management costs.

**Current replacement cost (CRC)**

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

**Depreciable amount**

The cost of an asset, or other amount substituted for its cost, less its residual value.

**Depreciated replacement cost (DRC)**

The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

**Depreciation / amortisation**

The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

**Economic life**

See useful life definition.

**Expenditure**

The spending of money on goods and services. Expenditure includes recurrent and capital.

**Fair value**

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arms length transaction.

**Funding gap**

A funding gap exists whenever an entity has insufficient capacity to fund asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of services its existing asset stock was originally designed and intended to deliver. The service capability of the existing asset stock should be determined assuming no additional operating revenue, productivity improvements, or net financial liabilities above levels currently planned or projected. A current funding gap means service levels have already or are currently falling. A projected funding gap if not addressed will result in a future diminution of existing service levels.

### **Heritage asset**

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

### **Impairment Loss**

The amount by which the carrying amount of an asset exceeds its recoverable amount.

### **Infrastructure assets**

Physical assets that contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services, eg. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no separate market value.

### **Investment property**

Property held to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business.

### **Key performance indicator**

A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.

### **Level of service**

The defined service quality for a particular service/activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.

### **Life Cycle Cost**

1. **Total LCC** The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
2. **Average LCC** The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises annual operations, maintenance and asset consumption expense, represented by depreciation expense. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

### **Life Cycle Expenditure**

The Life Cycle Expenditure (LCE) is the actual or planned annual operations, maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to average Life Cycle Cost to give an initial indicator of life cycle sustainability.

### **Loans / borrowings**

See borrowings.

### **Maintenance**

All actions necessary for retaining an asset as near as practicable to its original condition, including regular ongoing day-to-day work necessary to keep assets operating, eg road patching but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.

#### **• Planned maintenance**

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

#### **• Reactive maintenance**

Unplanned repair work that is carried out in response to service requests and management/supervisory directions.

#### **• Significant maintenance**

Maintenance work to repair components or replace sub-components that needs to be identified as a specific maintenance item in the maintenance budget.

#### **• Unplanned maintenance**

Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

**Maintenance and renewal gap**

Difference between estimated budgets and projected required expenditures for maintenance and renewal of assets to achieve/maintain specified service levels, totalled over a defined time (e.g. 5, 10 and 15 years).

**Maintenance and renewal sustainability index**

Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (eg 5, 10 and 15 years).

**Maintenance expenditure**

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.

**Materiality**

The notion of materiality guides the margin of error acceptable, the degree of precision required and the extent of the disclosure required when preparing general purpose financial reports. Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to influence the economic decisions of users taken on the basis of the financial report or affect the discharge of accountability by the management or governing body of the entity.

**Modern equivalent asset**

Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost efficient, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technology changes and, improvements and efficiencies in production and installation techniques

**Net present value (NPV)**

The value to the organisation of the cash flows associated with an asset, liability, activity or event calculated using a discount rate to reflect the time value of money. It is the net amount of discounted total cash inflows after deducting the value of the discounted total cash outflows arising from eg the continued use and subsequent disposal of the asset after deducting the value of the discounted total cash outflows.

**Non-revenue generating investments**

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, eg. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

**Operations expenditure**

Recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes, eg power, fuel, staff, plant equipment, on-costs and overheads but excludes maintenance and depreciation. Maintenance and depreciation is on the other hand included in operating expenses.

**Operating expense**

The gross outflow of economic benefits, being cash and non cash items, during the period arising in the course of ordinary activities of an entity when those outflows result in decreases in equity, other than decreases relating to distributions to equity participants.

**Pavement management system**

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

**PMS Score**

A measure of condition of a road segment determined from a Pavement Management System.

**Rate of annual asset consumption**

A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA). Depreciation may be used for AAAC.

**Rate of annual asset renewal**

A measure of the rate at which assets are being renewed per annum expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

**Rate of annual asset upgrade**

A measure of the rate at which assets are being upgraded and expanded per annum expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

**Recoverable amount**

The higher of an asset's fair value, less costs to sell and its value in use.

**Recurrent expenditure**

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operations and maintenance expenditure.

**Recurrent funding**

Funding to pay for recurrent expenditure.

**Rehabilitation**

See capital renewal expenditure definition above.

**Remaining useful life**

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining useful life is useful life.

**Renewal**

See capital renewal expenditure definition above.

**Residual value**

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

**Revenue generating investments**

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

**Risk management**

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

**Section or segment**

A self-contained part or piece of an infrastructure asset.

**Service potential**

The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset. A measure of service potential is used in the not-for-profit sector/public sector to value assets, particularly those not producing a cash flow.

**Service potential remaining**

A measure of the future economic benefits remaining in assets. It may be expressed in dollar values (Fair Value) or as a percentage of total anticipated future economic benefits. It is also a measure of the percentage of the asset's potential to provide services that is still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

**Strategic Longer-Term Plan**

A plan covering the term of office of councillors (4 years minimum) reflecting the needs of the community for the foreseeable future. It brings together the detailed requirements in the council's longer-term plans such as the asset management plan and the long-term financial plan. The plan is prepared in consultation with the community and details where the council is at that point in time, where it wants to go, how it is going to get there, mechanisms for monitoring the achievement of the outcomes and how the plan will be resourced.

**Specific Maintenance**

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, cycle, replacement of air conditioning equipment, etc. This work generally falls below the capital/maintenance threshold and needs to be identified in a specific maintenance budget allocation.

**Sub-component**

Smaller individual parts that make up a component part.

**Useful life**

Either:

- (a) the period over which an asset is expected to be available for use by an entity, or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the council.

**Value in Use**

The present value of future cash flows expected to be derived from an asset or cash generating unit. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate net cash inflows, where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Source: IPWEA, 2009, Glossary