

# **Appendix 9.1**

**LANDSCAPING WORKS STATUS**

Landscape Works	FYE 2018 Budget	Detailed Design	City of Wanneroo Approval	Proposed Construction Commencement	Proposed Completion	Comments
Catalina Beach Landscaping Works (C) Entry Statements	\$1,000,000	Under review	Issued (Subject to Review)	August 2018	October 2018	The design of the Entry Statement is being finalised. Works anticipated to commence in August 2018.
Catalina Beach Landscaping Works (E) Sales Office Car Park		Under review	Issued (Subject to review)	September 2018	October 2018	Landscape works for the Sales Office car park are required to be coordinated with the construction of the Sales Office and car parking facilities. Works are anticipated to commence in September 2018.
Neerabup Road Verges (Phase 2)	\$1,350,000	Complete	Issued	July 2018	September 2018	Works commenced 2 July and are on program for completion 7 September.
Biodiversity Conservation Area (South)	\$331,325	Complete	Issued	July 2018	September 2018	Path construction was completed in July 2018. Minor revegetation, pest control works and installation of interpretive signage anticipated to commence August 2018.
Biodiversity Conservation Area (North)	\$128,000	Complete	Issued	July 2018	September 2018	Minor revegetation, pest control works and installation of interpretive signage anticipated to commence August 2018.
Stage 11 POS (Phase 2)	\$750,000	Under Review	Issued (Subject to review)	May 2019	August 2019	Phase 2 design review to be completed by October 2018.

Catalina Beach Landscape Works – POS 25





## Aviator Boulevard Entrance Upgrades



## Neerabup Phase 1





understanding  
**RESEARCH**<sup>4</sup>  
the way we live

Colin Keane

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Connect via LinkedIn for further market insights

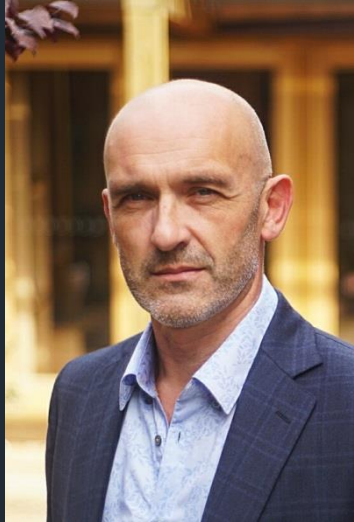
MAY 2018

Research4 undertake detailed research covering the  
National New Land Markets.

[www.researchfour.com](http://www.researchfour.com)

Public document





**Colin Keane** is Director of Research4

[[www.researchfour.com](http://www.researchfour.com)]

Research4 conduct detailed market research pertaining to Australia's Greenfield Land Markets.

Established in 2005, Research4's national survey is Australia's longest running and most detailed audit of the nation's Greenfield land estates.

Colin's main focus is to better understand every aspect of the Greenfield market.

The survey to date has monitored in excess of 2,000 land estates delivered by 850 land developers across 44 new land markets. The research program monitors 50% of Australia's new housing sector on a full time basis.

Research4 is founded upon a proprietary database created through extensive, ongoing field and remote surveying of active residential land projects [R4 CoreDatabase].

Research4's survey outputs are used by industry, government and financial sectors.

Colin Keane – Director of Research4

[colin.keane@researchfour.com](mailto:colin.keane@researchfour.com)

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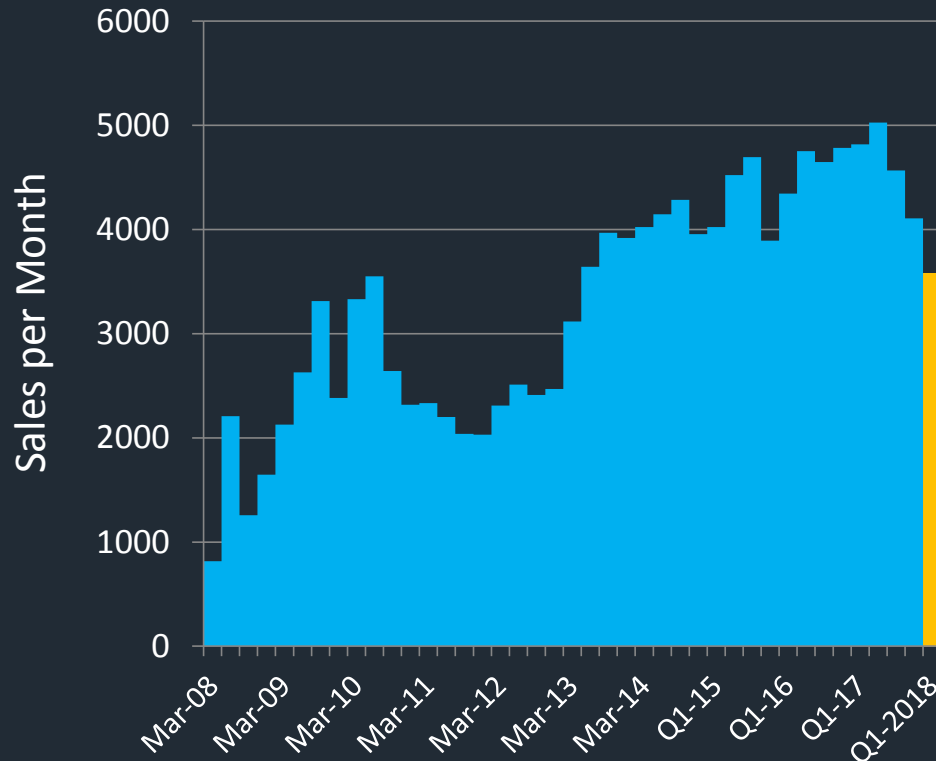
- National Market Update
- Returning to Normal Conditions
- Perth Aggregate Market Update
- Perth Local Market Update



# Section 1 of 4 National Land Market – Q1 2018

# National New Land Market - Sales

## National New Land Sales



Current Sale  
Volumes

**3,581** per  
month

Annual Sale  
Volumes

**51,846**  
past year

Quarterly  
Change

**-13%**

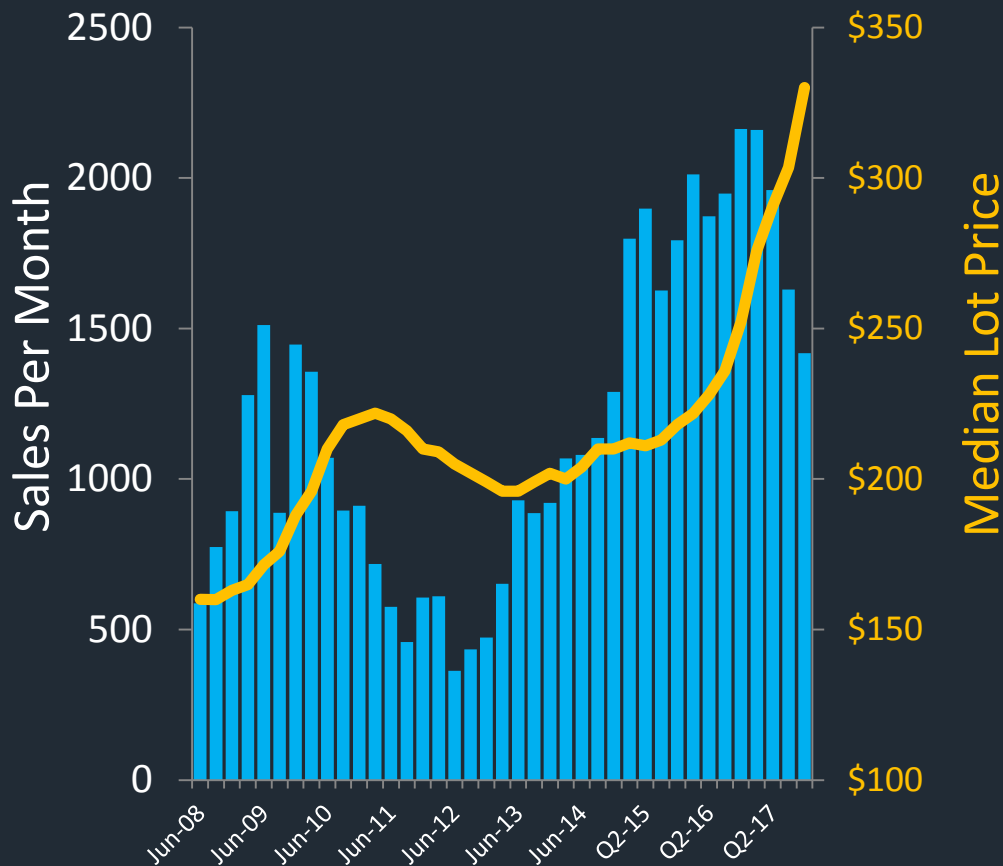
No. of Negative  
Growth Quarters

**3**  
over past 12  
months



# Net Lot Sales pcm & Median Lot Price

## Melbourne

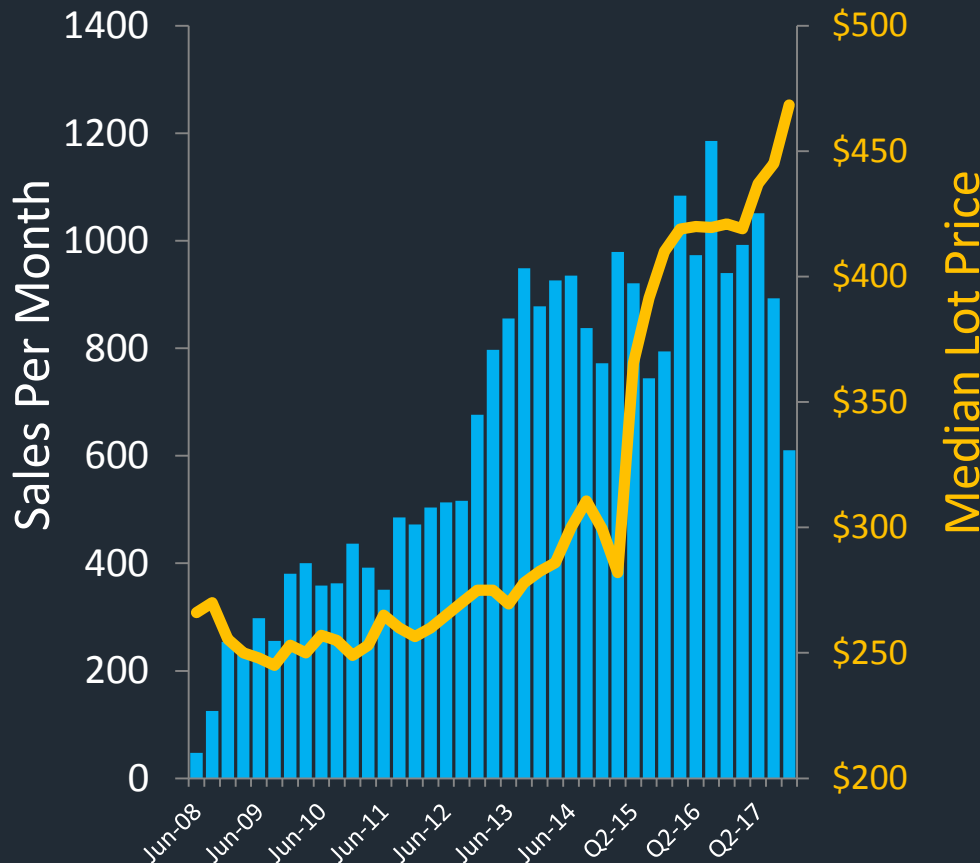


Latest  
Sales  
**1,450** per month

Median Lot  
Price  
**\$330k**

# Net Lot Sales pcm & Median Lot Price

# Sydney



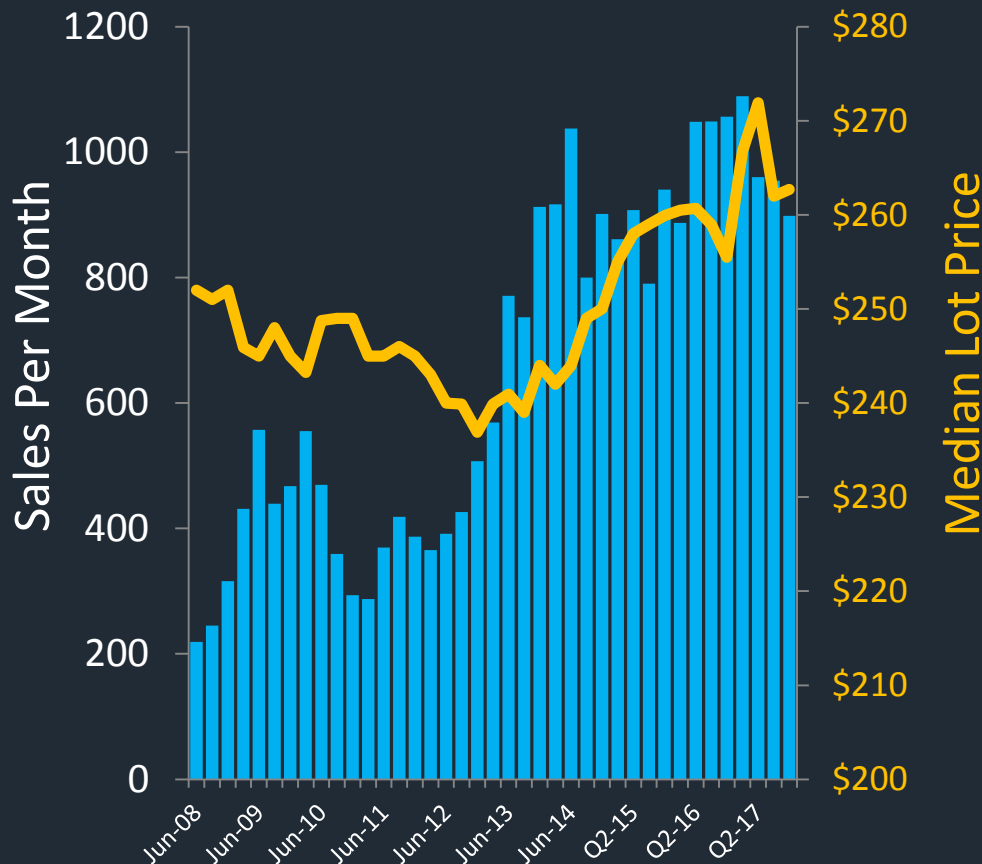
Latest  
Sales  
**610** per month

Median Lot  
Price  
**\$468k**



# Net Lot Sales pcm & Median Lot Price

SEQ

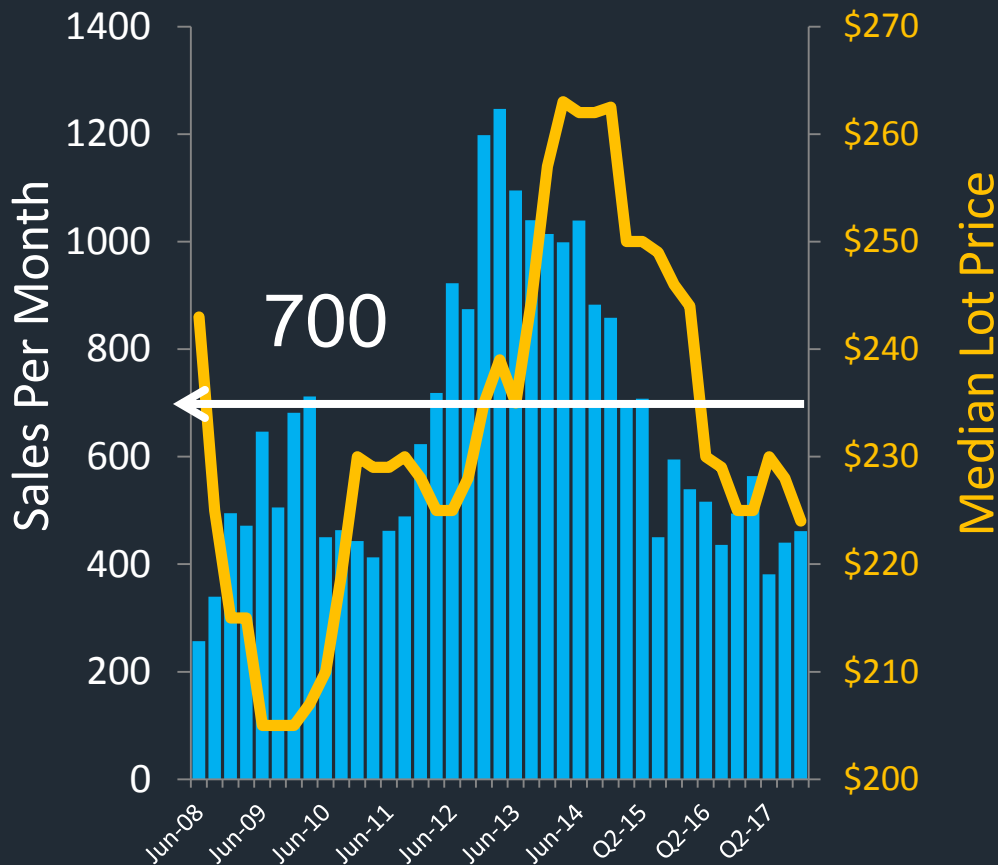


Latest  
Sales  
898 per month

Median Lot  
Price  
\$263k

# Net Lot Sales pcm & Median Lot Price

# Perth



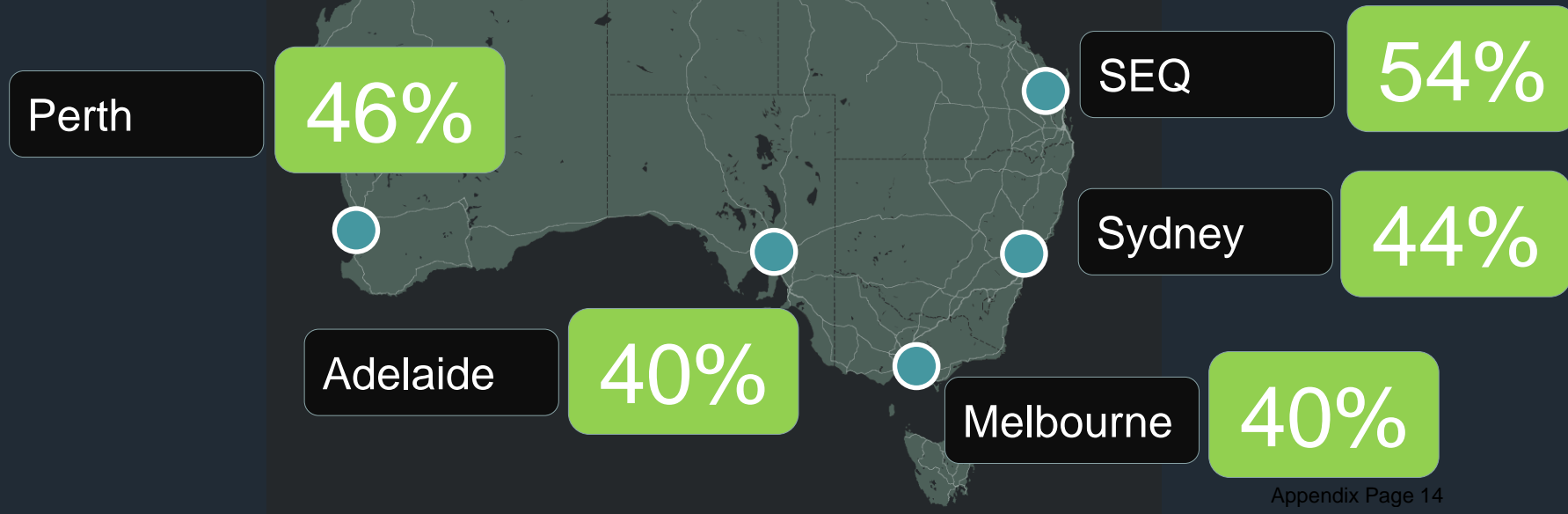
Latest  
Sales  
**462** per month

Median Lot  
Price  
**\$224k**

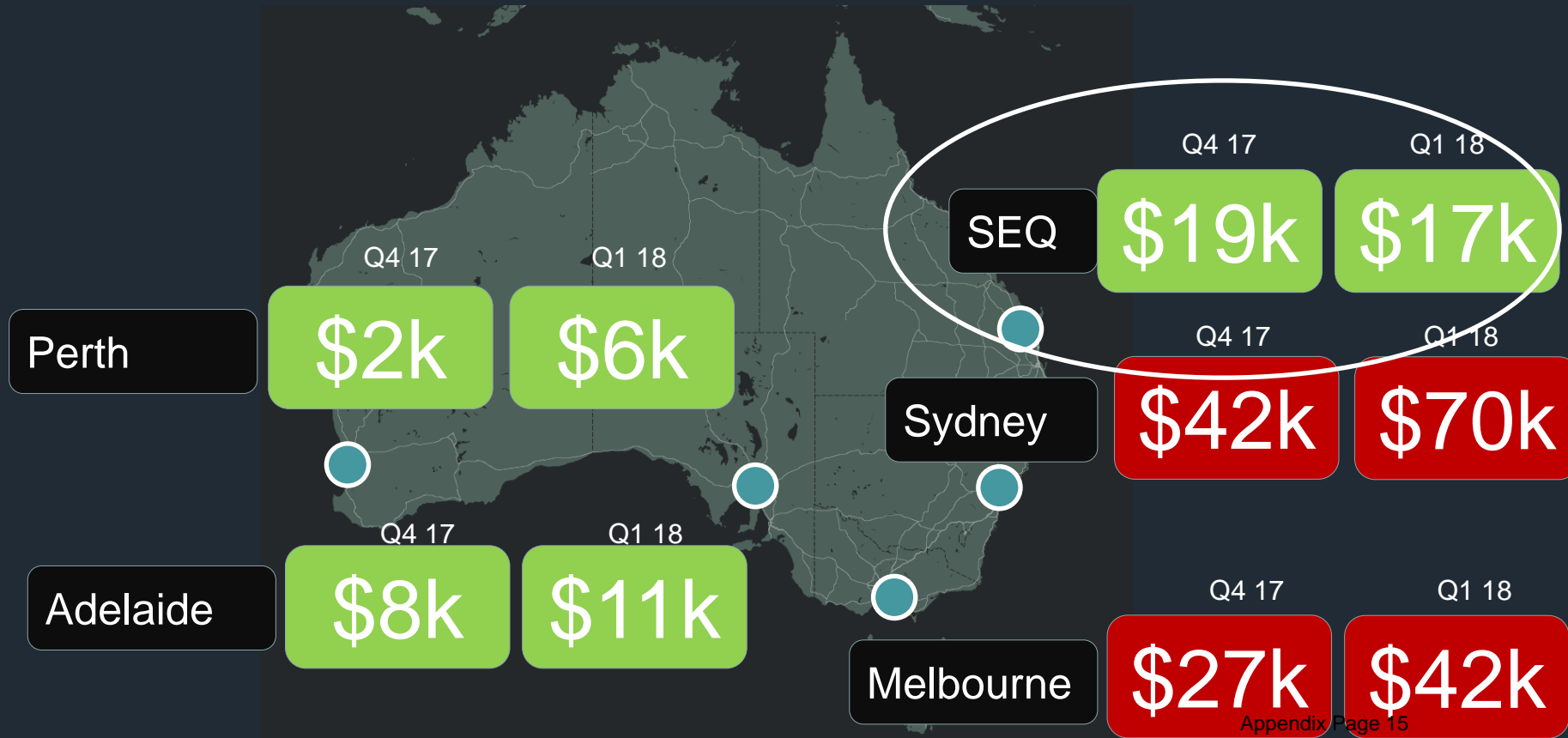


# Land as a % of Median House Price

Long running average  
ratio [ 2008-2018]



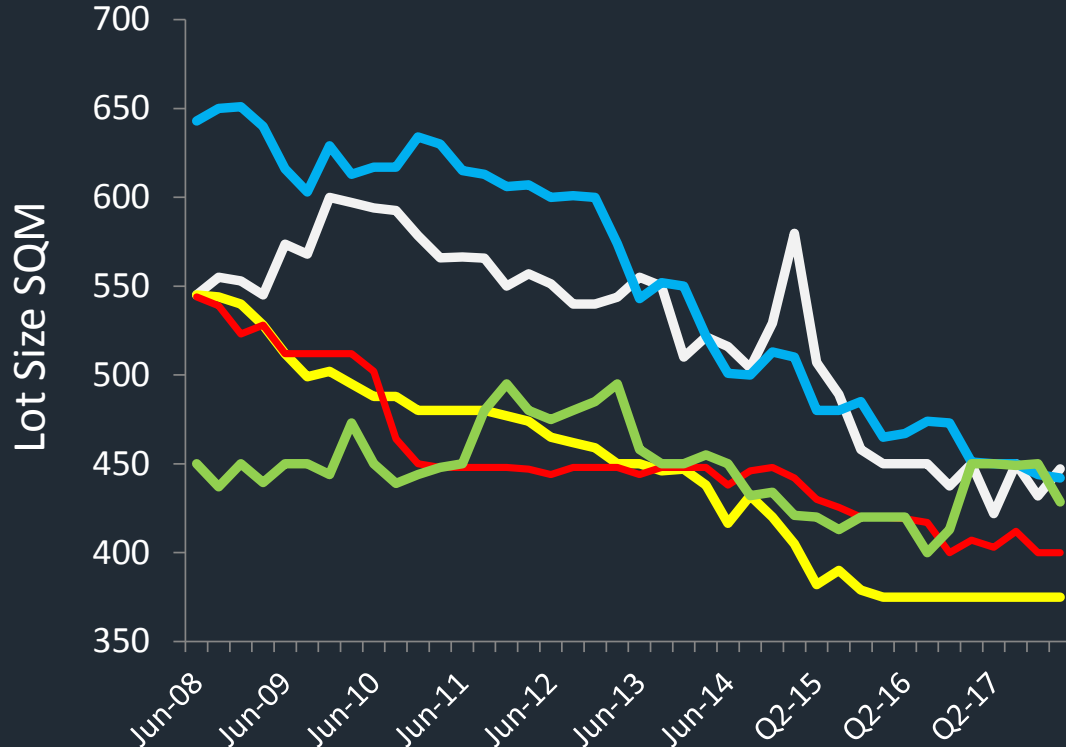
# Over / Under Fair Value – Q4 17 – Q1 18





# National– Metro New Land Sizes

## Metro Median Lot Size



SEQ

436 sqm

ADL

429 sqm

SYD

447 sqm

MLB

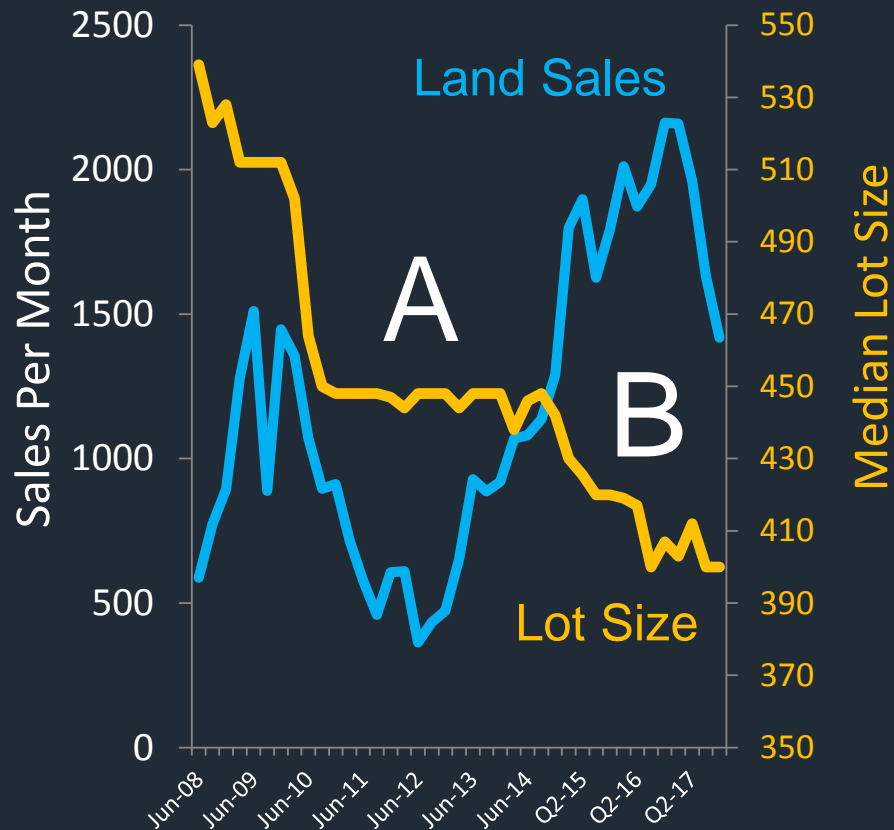
400 sqm

PTH

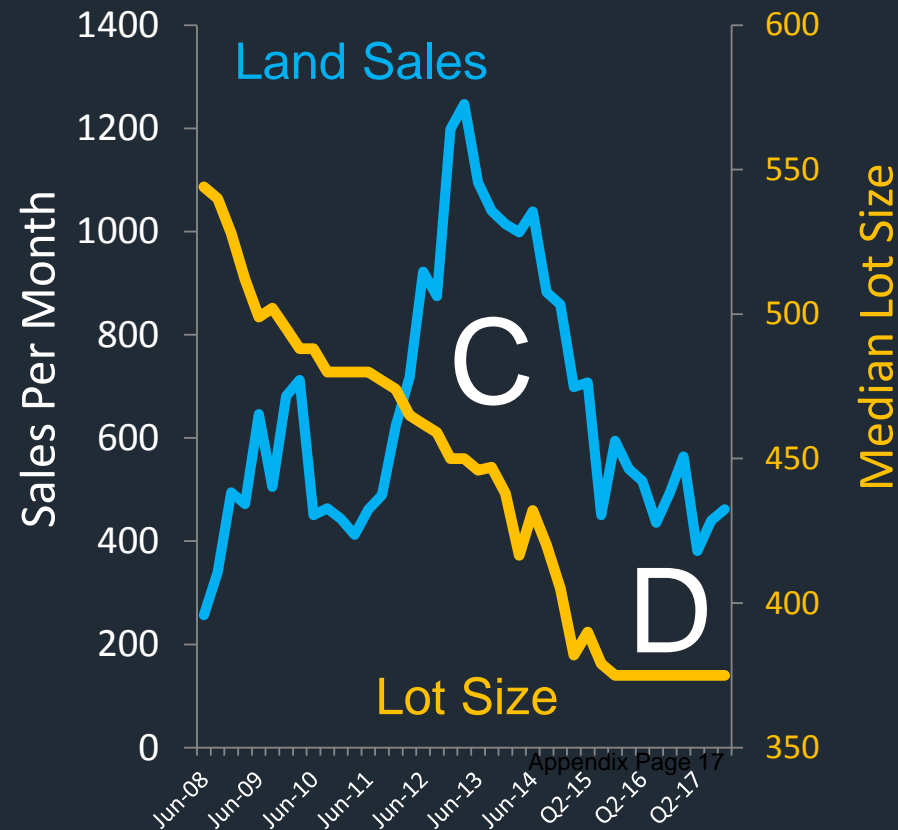
375 sqm

# Lot Sizes & Market Cycle

## Melbourne



## Perth



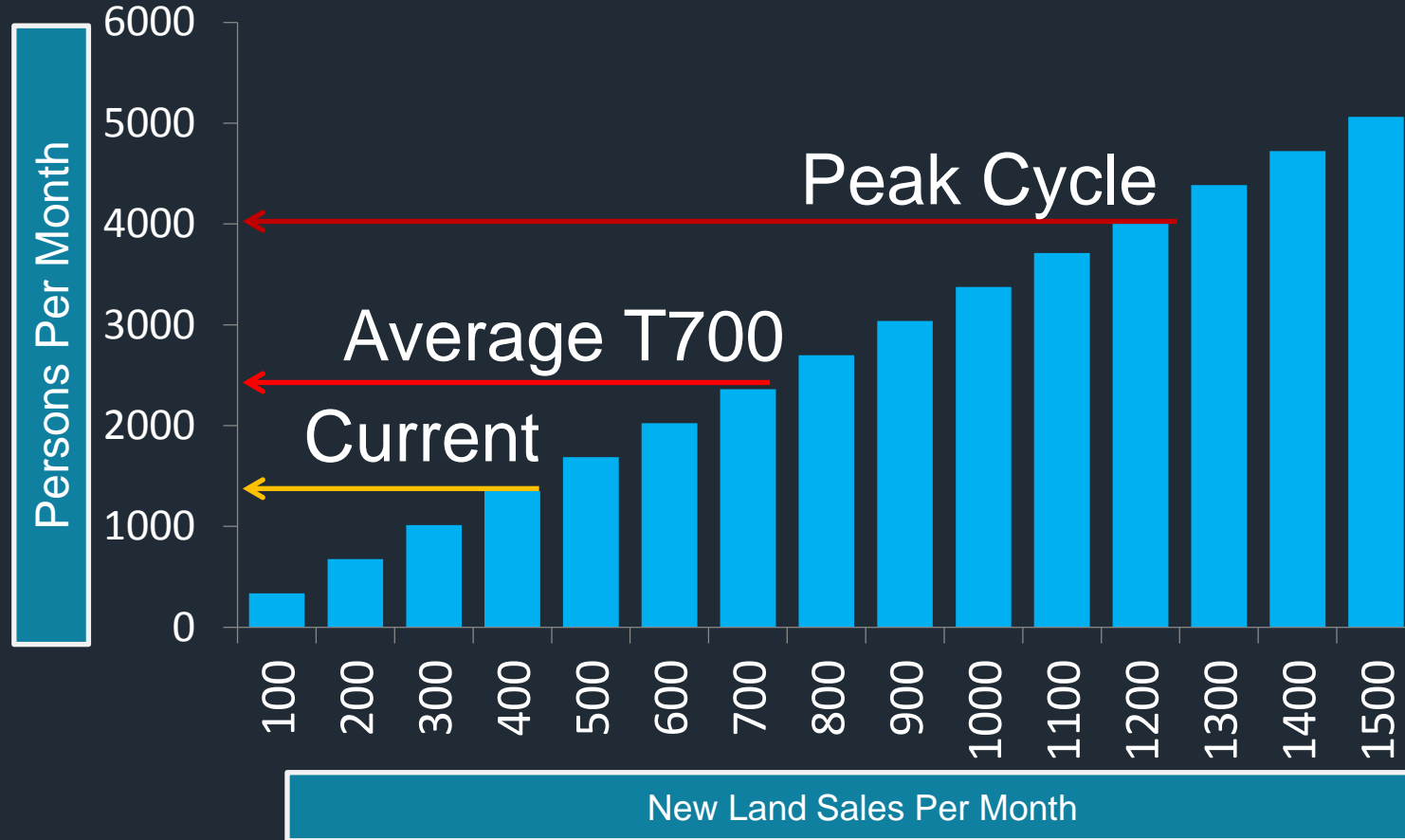
## Section 2 of 4

### How to lift sales to 700 [Normal]





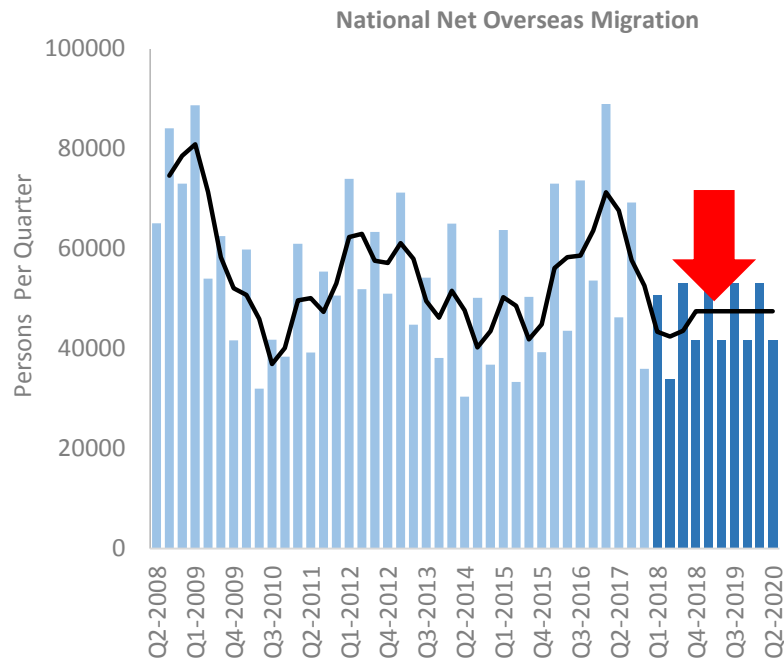
# How many people are needed?



Need to lift population net gain by **1,000** person per month to sell 700pcm

# Macro 1: Population NOM

# Population Drivers – Net Overseas Migration



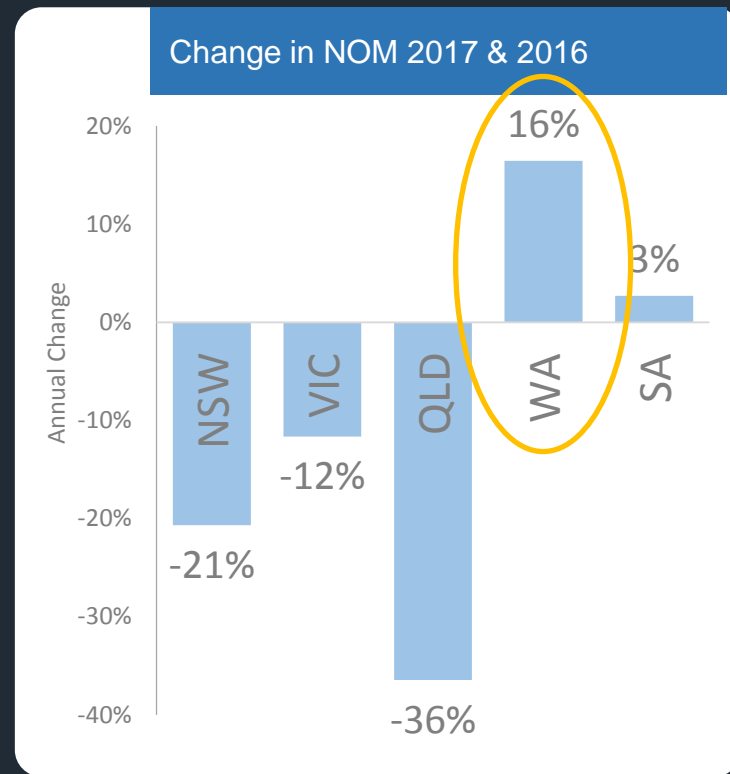
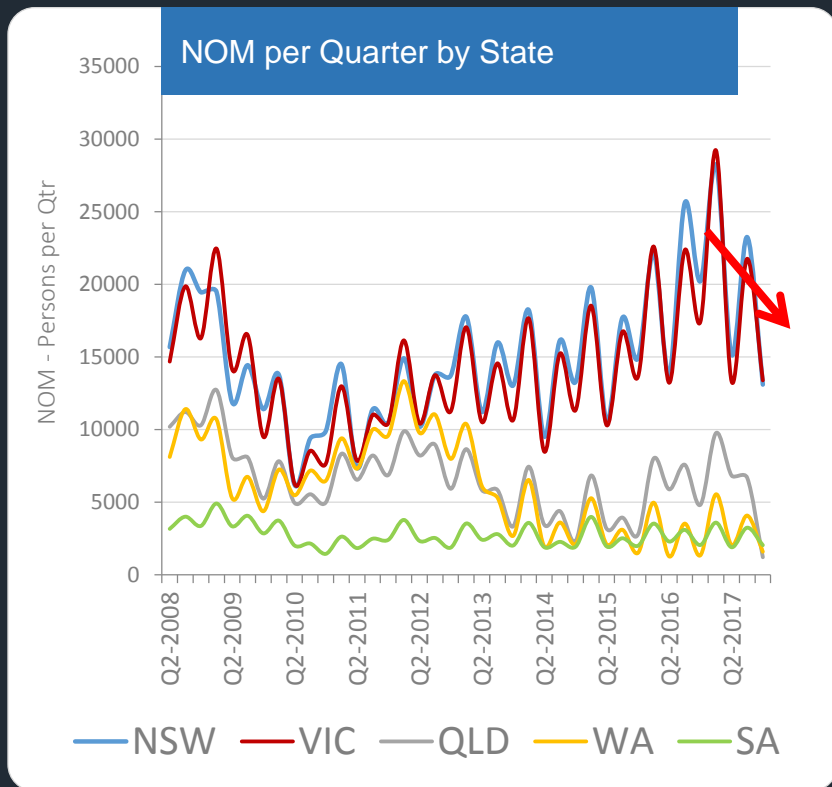
**NOM 60,000** per quarter,  
historic rate based on past years activity

**17% down on 2016** levels

**Forecast to Drop** Federal  
government is signalling a pull back and a re-focus on NZ



# Population Drivers – Net Overseas Migration



# NOM Components - National

## TEMPORARY NOM

Holiday/Visitors

Students

Location

Variable

Variable

Market

rental

rental

Share

25%

15%

## PERMANENT NOM

Family / Ex Pats/ NZ

Employment

Location

Fixed

Fixed

Market

Immediate

Immediate

Share

30%

30%



**40%** of  
visitors stay with  
friends and family.

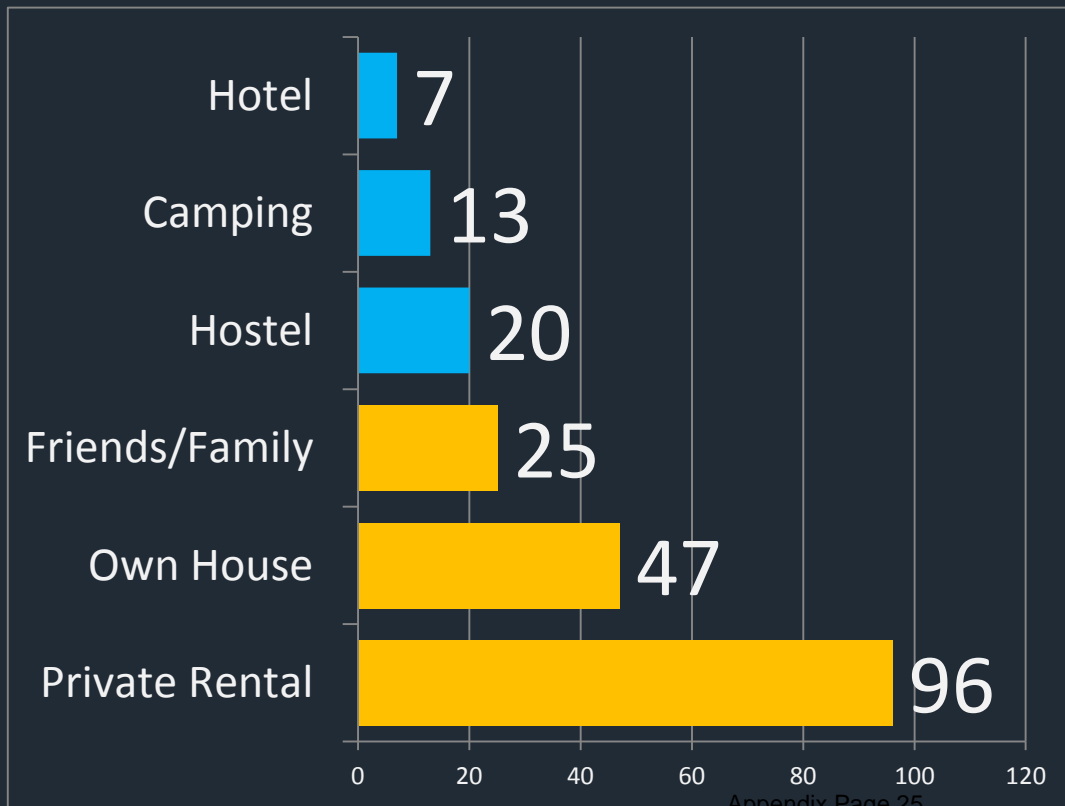
Stays less than 12  
months [outside NOM  
calculations]

**1.2%** of short term  
visitors own property.

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# Visitors stay longer in the community.

Days stayed in accommodation for short term visits



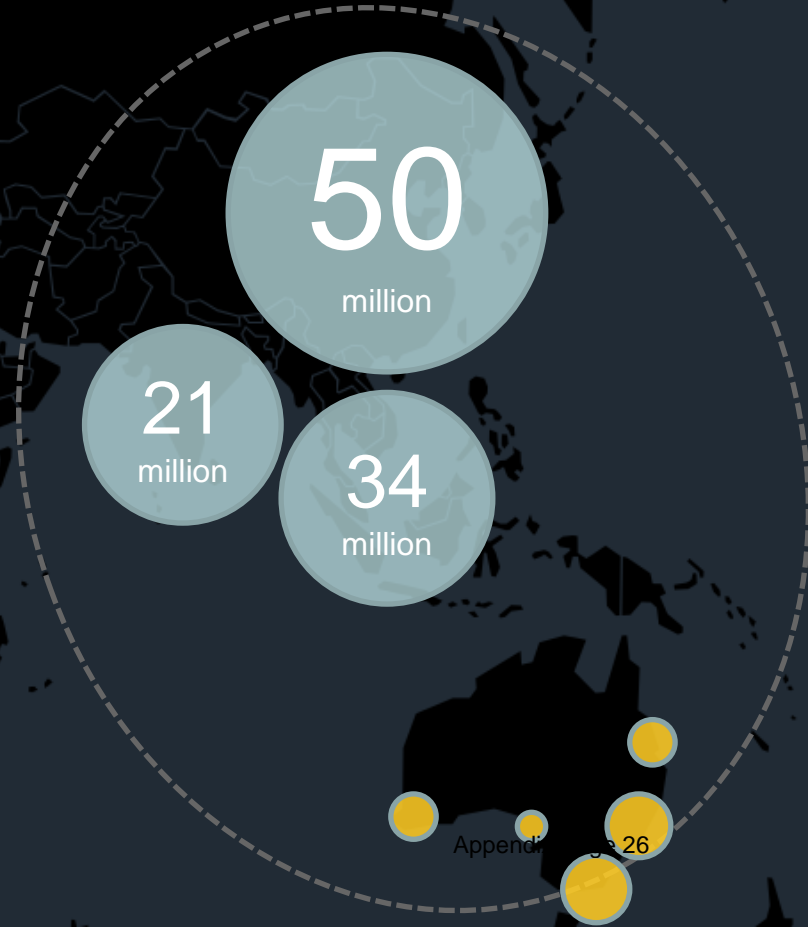


## Students Connecting

Up to **160 Million**  
**Non Locals get**  
**Facebook**  
**Updates**

from students living in  
Australia.

Average network, 300 persons  
65% of Facebook users update daily.  
534,000 students



## Students – Inner Living

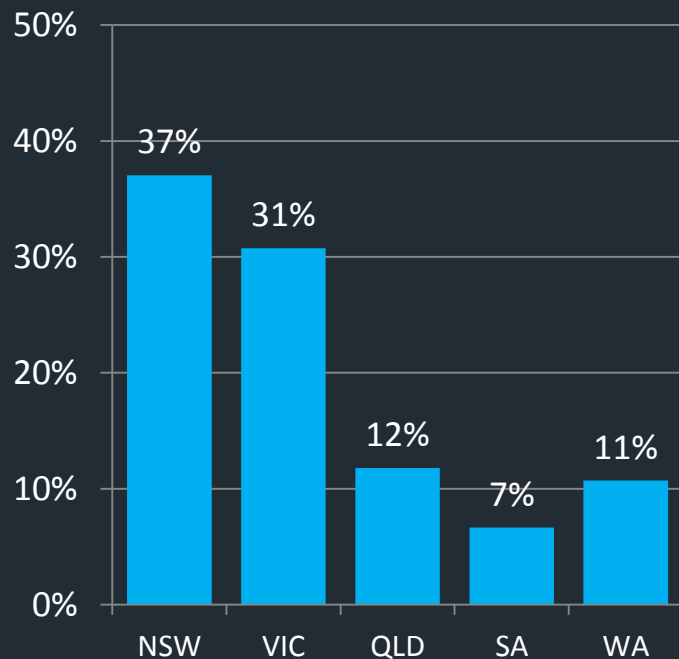
50,000  
annual growth  
national.

534,189 international students as at March 2018, 12% annual growth

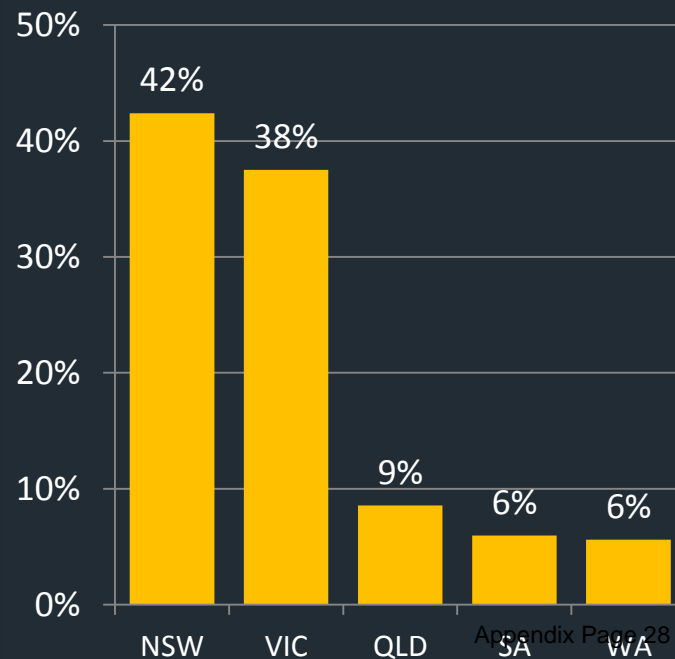
5% share

1,000 apartments per year  
Inner City Revitalisation

## Percent of Family NOM Visa Migrating into State



## Distribution of Local Chinese/Indian Population



# Family / Ex Pats/ NZ- People go where they know people

## Sales Volume by Country of Birth

1. Australia

45.7%

↑12.6% from previous quarter

2. India

34.8%

↓8.5% from previous quarter

3. Phillipines

5.6%

↑2.3% from previous quarter

4. Sri Lanka

4.2%

↓0.8% from previous quarter

5. China

3.2%

↓0.2% from previous quarter

6. Pakistan

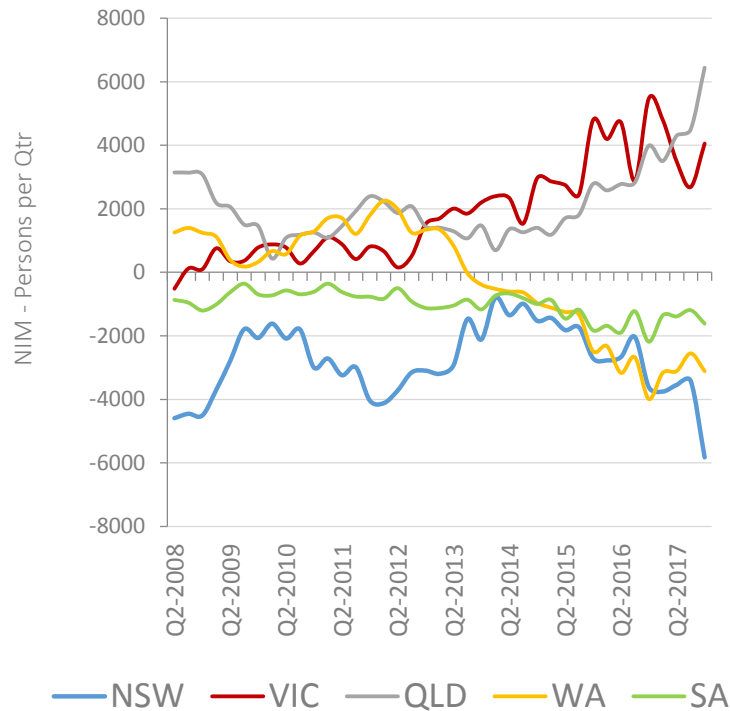
2.0%

↑0.7% from previous quarter



# Macro 1 : Population NIM

# Net Interstate Migration



## SEQ & Melbourne

attracting interstate, but Melbourne beginning to weaken

## Perth now holding

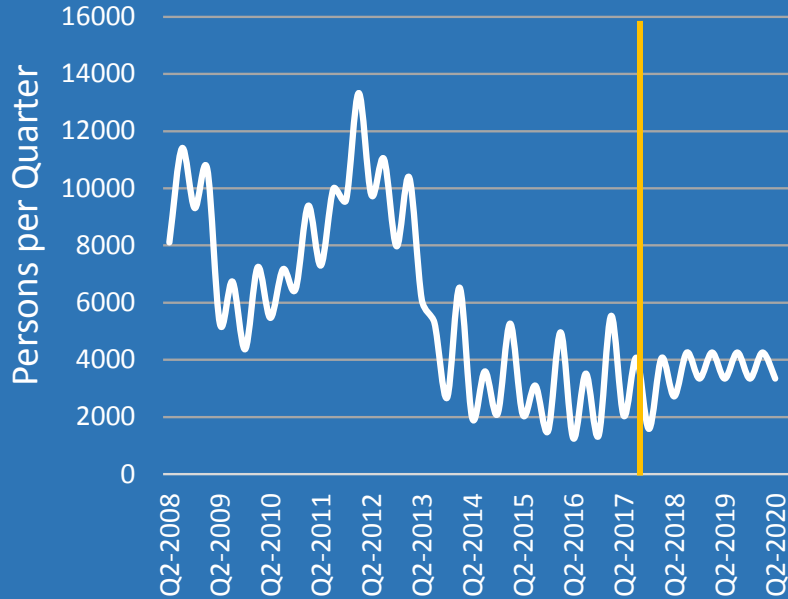
slight improvement in numbers.

## Sydney to SEQ

migration off the back of recent price increases

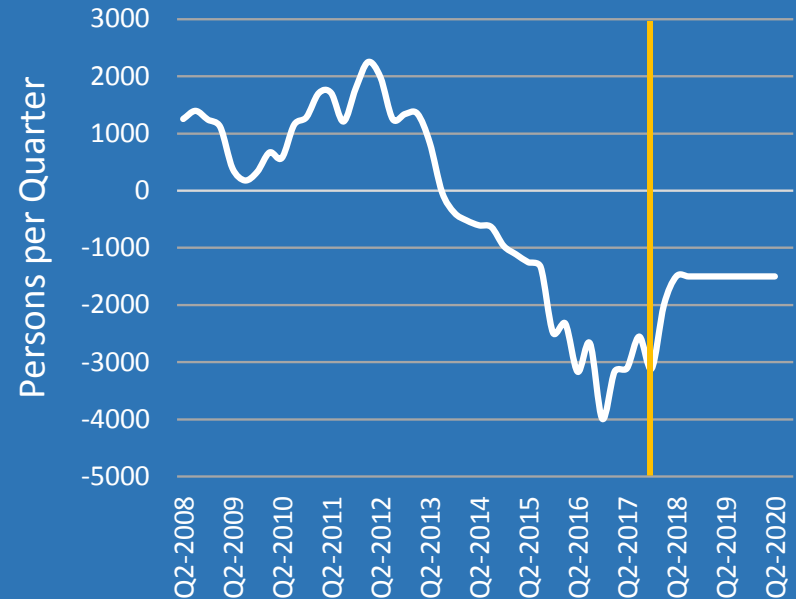
# What is needed to get T700 sales pcm

## NOM Population Growth - Actual & Forecast



**8%** of the reduced National NOM

## NIM Population Growth - Actual & Forecast



Cut the current NIM by **50%**

## Macro 2 : Employment

**NSW**      **14 : 100**

**VIC**      **24 : 100**

**QLD**      **26 : 100**

**SA**      **35 : 100**

**WA**      **45 : 100**

## Average New Land Sales pcm to Jobs Growth

Based on past 10 years of actual job growth in persons and actual new land sales from R4.

Greater yield from employment growth

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# National – Actual v Forecast Jobs Growth

**QLD + 110% above**

**NSW + 103% above**

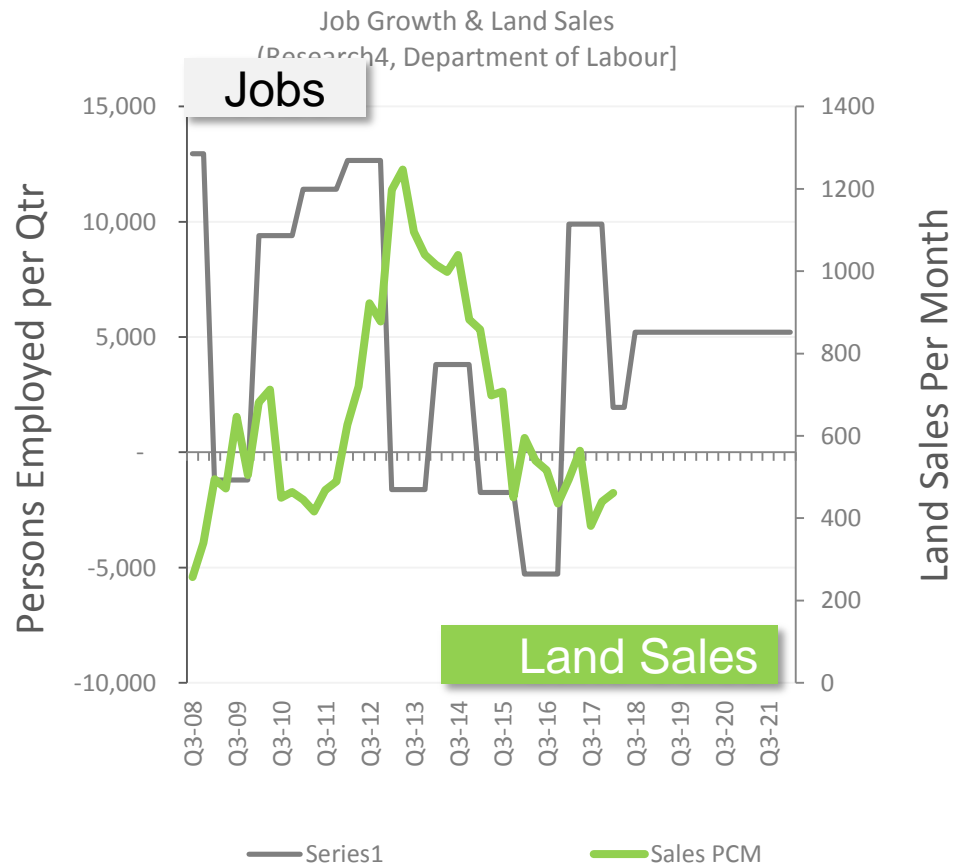
**WA + 30% above**

**VIC + 28% above**

**SA + 23% above**

## Actual / Recent Job Growth compared to Forecast Job Growth

Actual / recent job growth is based on actual activity compared to forecast persons employed for the 2017 to 2022 period.

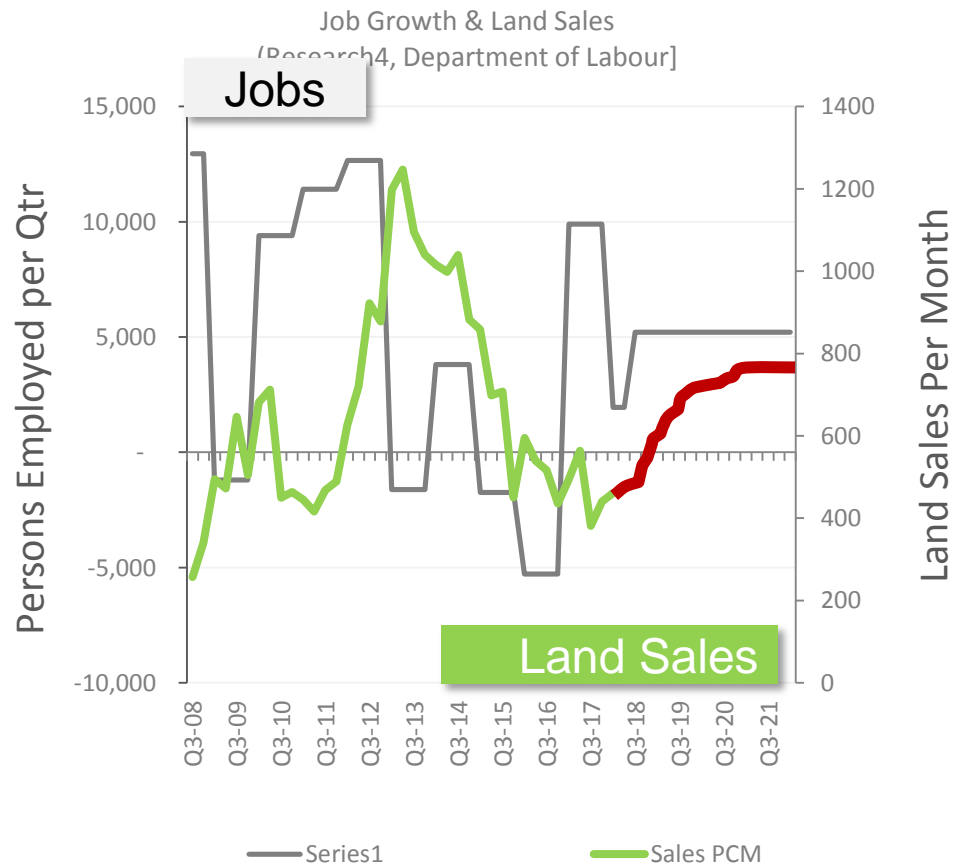


## Perth

Forecast is for 4,850 new persons employed per quarter [2017-2022]

*First year actual average has been 6,290 per quarter.*

There is some upside showing for land sales.



## Perth

Based on 45:100 and a forecast rate of between 4,850 – 5,210 persons per qtr.

Modelled land sales of  
**710-770pcm**

## Macro 2 : Lifestyle Attractors over Economic

# Demand – Functional & Fixed Workforce

## Old Blue Collar



## Old White Collar



Job for life, local networks, industry, collective mind set, hierarchical, safe, single funding



# Demand – Creative & Mobile Workforce

## New Blue Collar

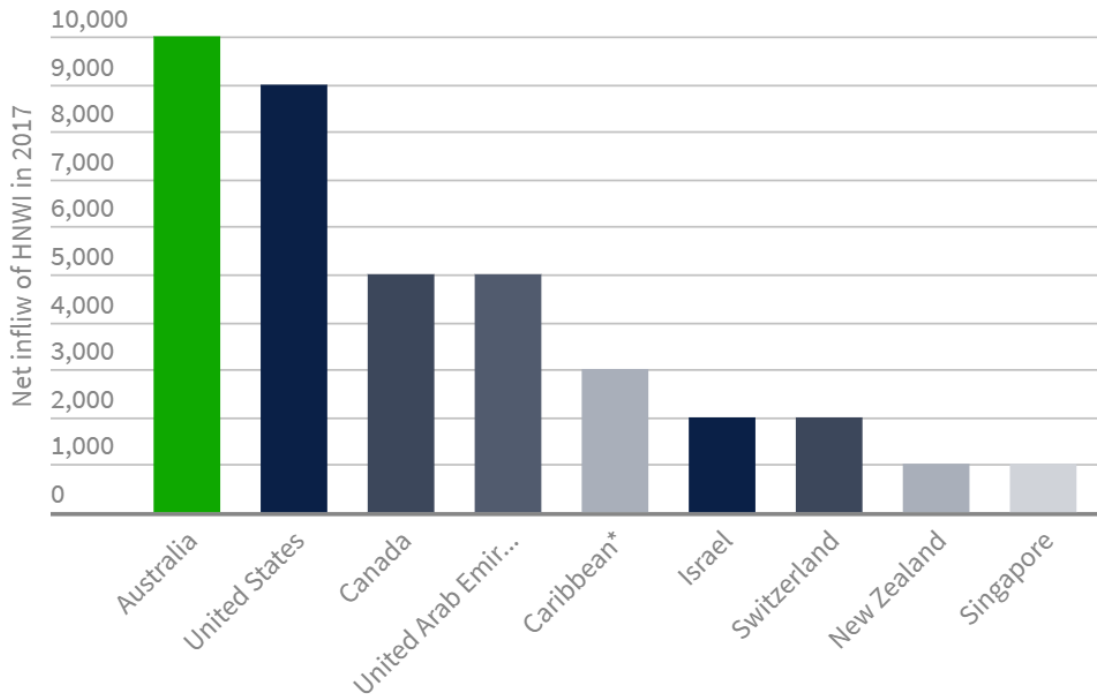


## New White Collar



Transient, flexible, creative, personal brand, experience, knowledge, Tech, multi funding

## Countries with the biggest wealthy migrant inflows in 2017



1. Sydney
2. Melbourne
3. Gold Coast

..attracted high net worth non locals.

### Attractors

- Quality of family life
- Climate
- Stability
- 31% relationship

# Greater Geelong

## Success through Lifestyle attracting wealth

- Average land sales per month, 320
- 2<sup>nd</sup> biggest land market in nation
- 30% price advantage on Melbourne
- Unemployment rate 18% above the state average [6% v 5.1%] May 18





# Hobart / Tasmania

Importing wealth via affordability & Lifestyle

**'Hobart's booming' say young business people as they move to the island state for its affordability**

“The state is still lagging when it comes to economic growth..”

the latest employment figures reveal we've lost 600 full-time jobs in the last month." ..”



# Half Time Huddle





# 700 Summary

Greenfield Demand Target, 700

460

Current  
new land  
sales per  
month

240

additional  
new land  
sales is the  
target

65%

Greenfield  
Capture Rate

1,000

new  
Persons per  
month

Main Drivers

Stored Wealth

People who live off savings

Mobile Wealth

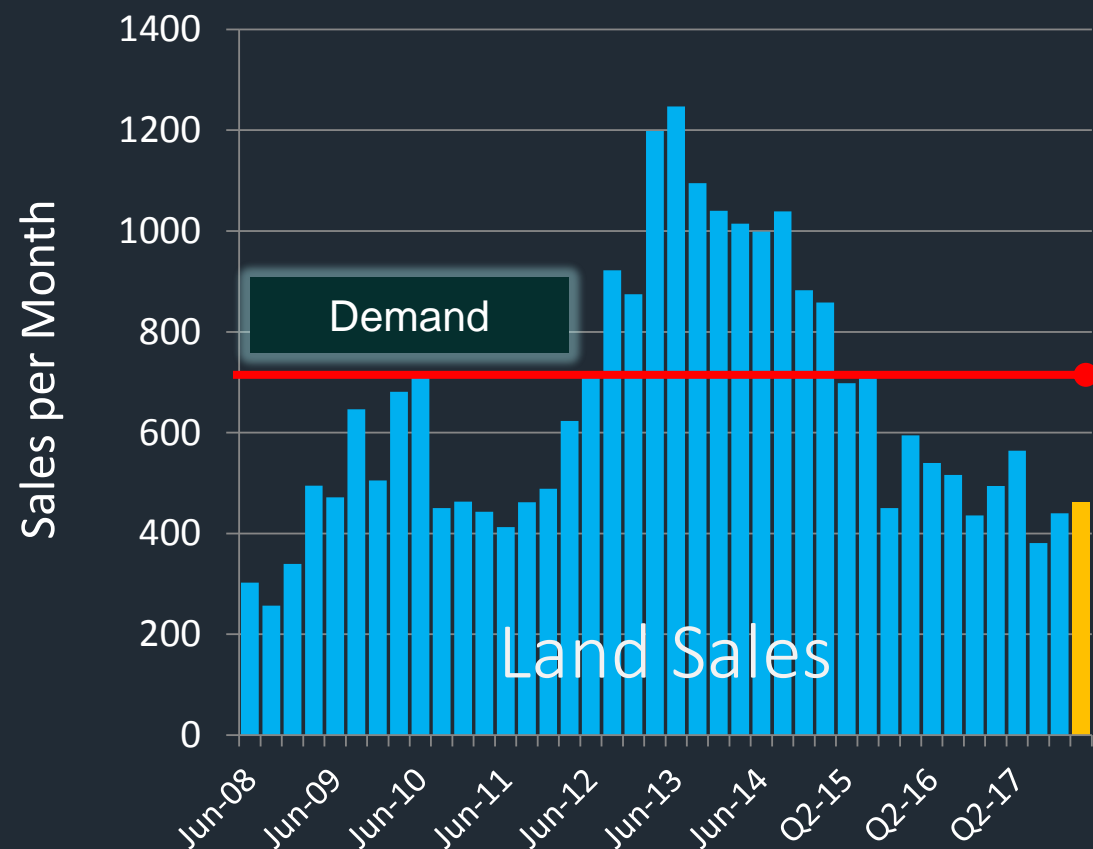
People who import earnings

Direct Wealth

People who need local jobs

## Section 3 of 4 Perth Greenfield Market

# Perth New Land Market – Sales per month



Current Sale  
Volumes

**462** per  
month

Annual Sale  
Volumes

**5,500** past  
year

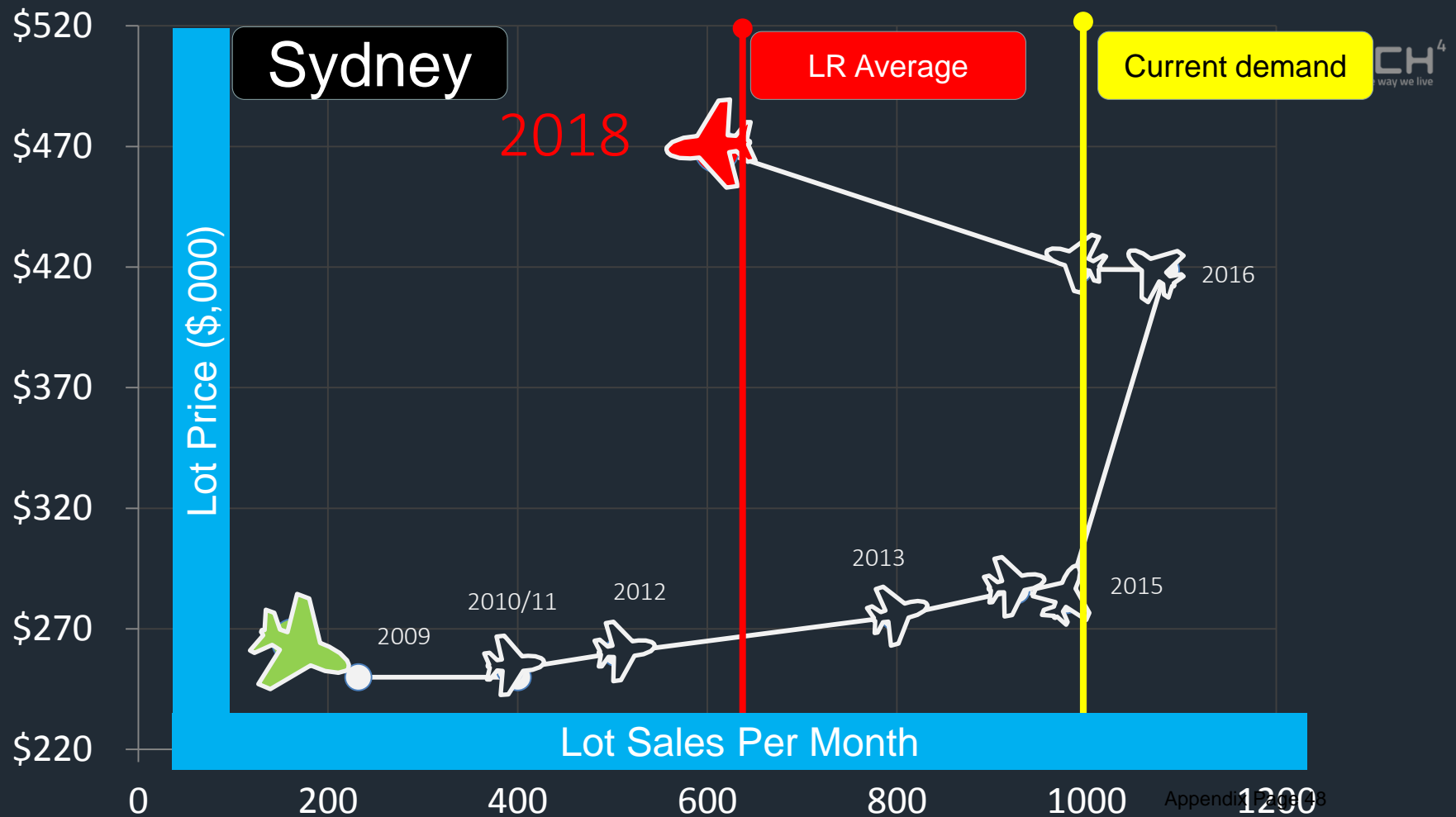
Peak Sale  
Volumes

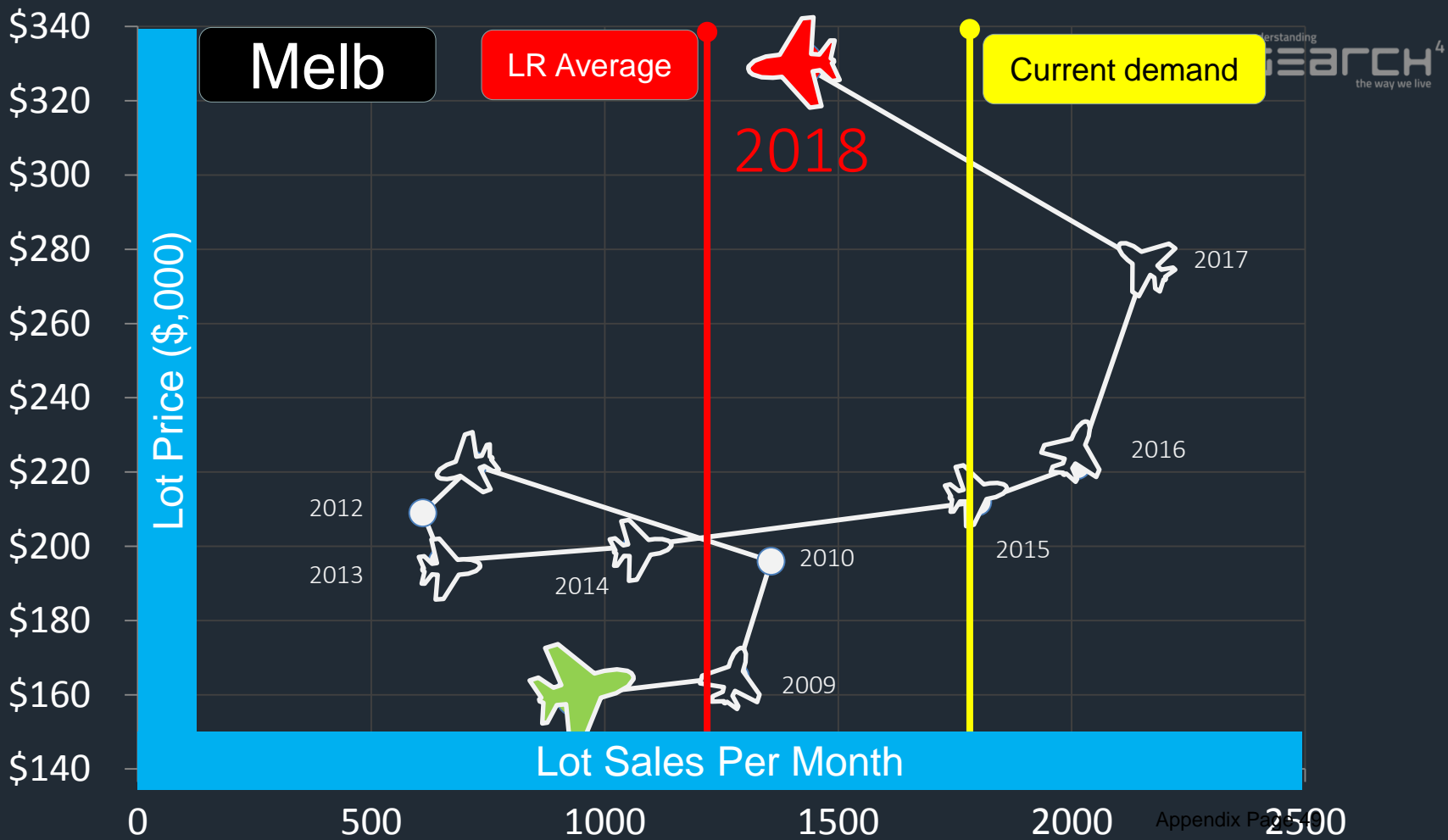
**1,247**

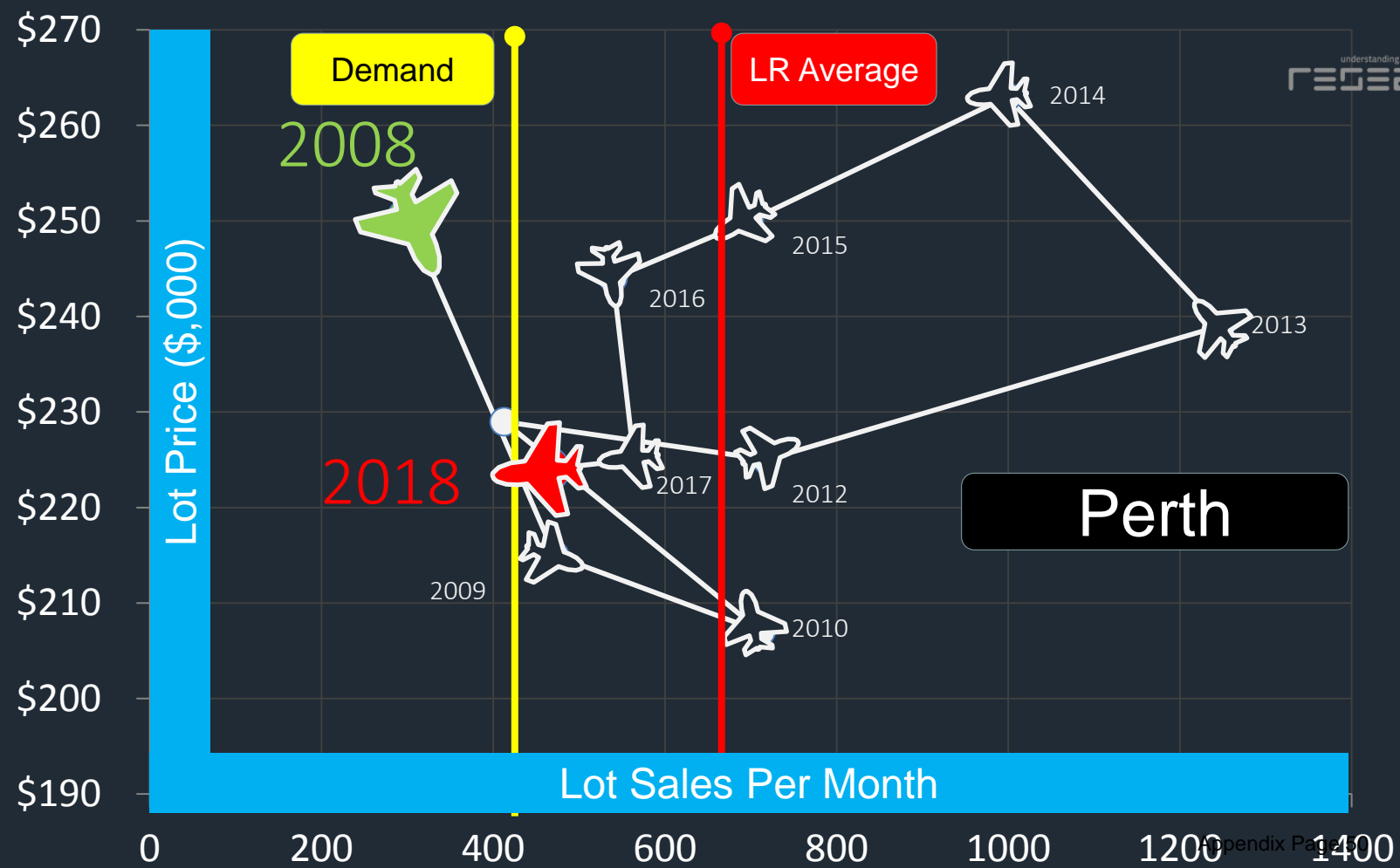
No. of Positive  
Growth  
Quarters

**3**

over past 12 months

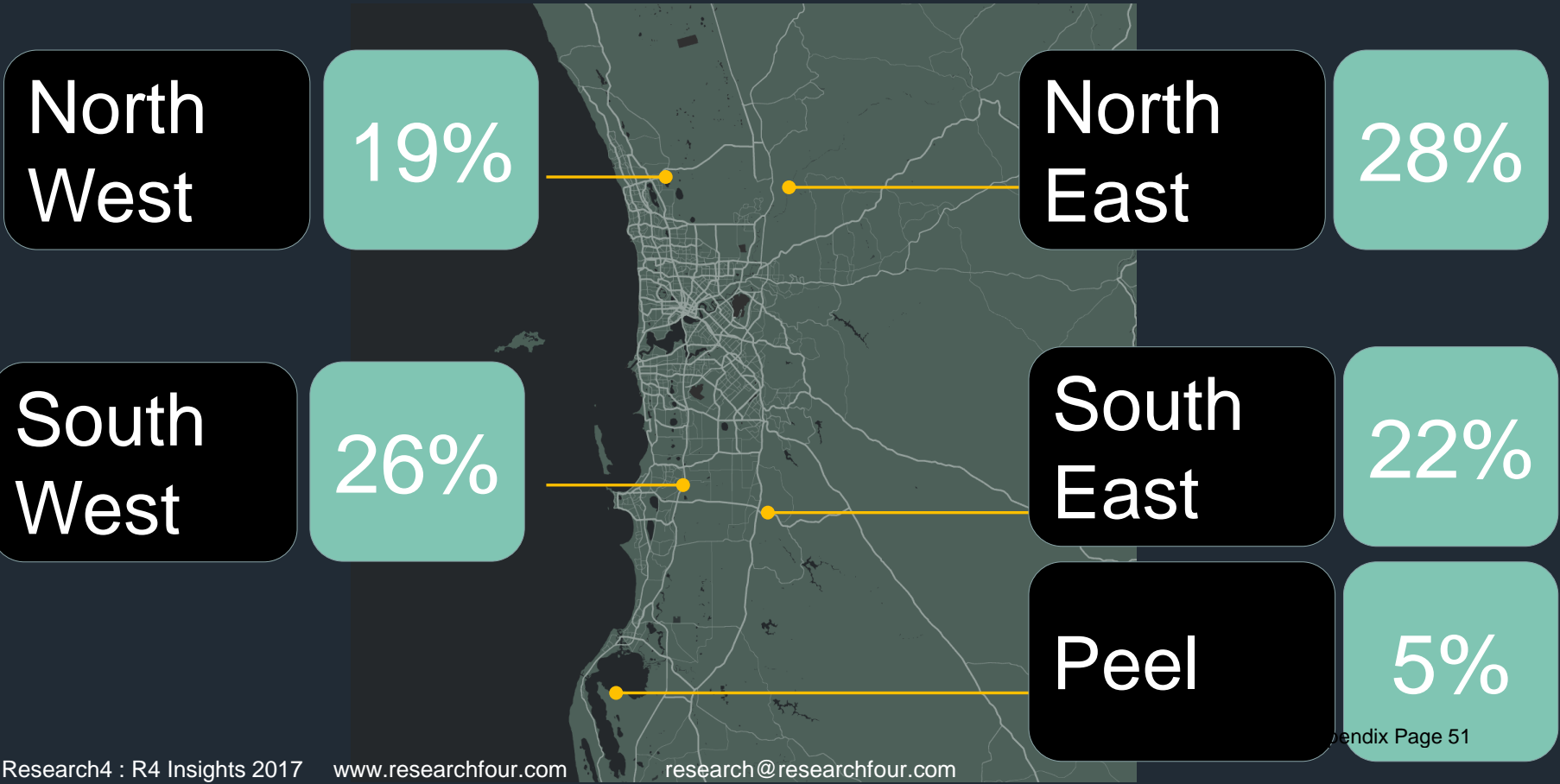








# PERTH— Market Share (2018)

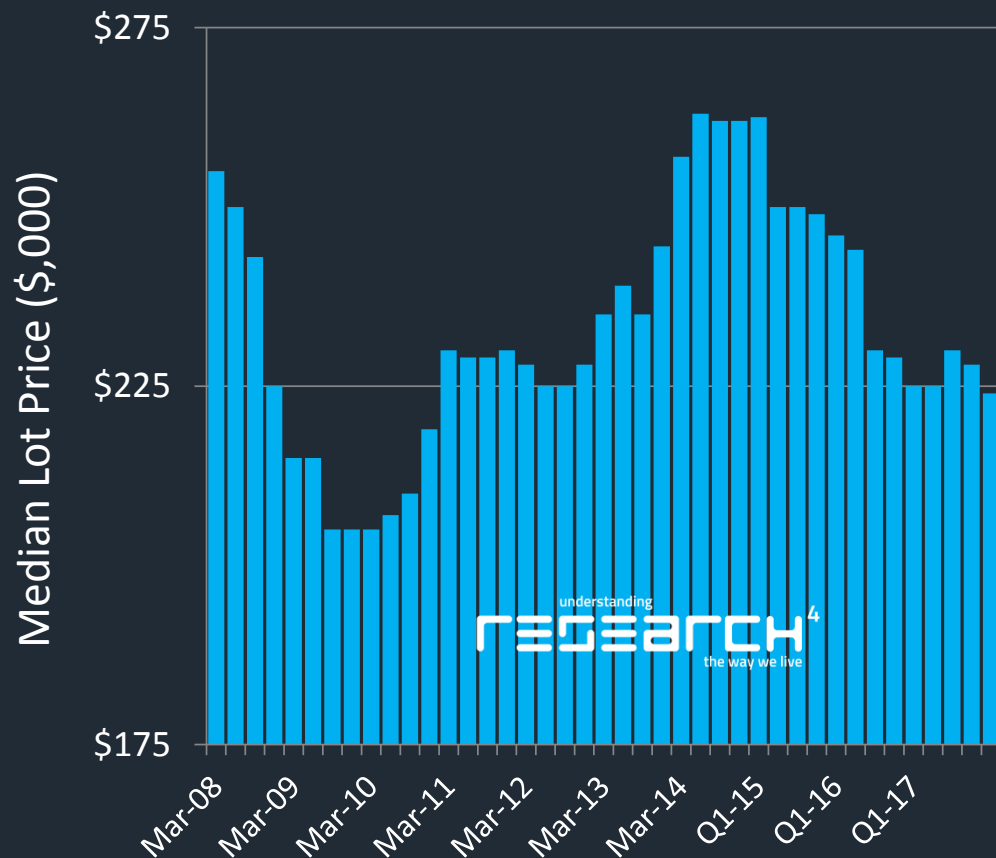


# New Land Prices

Headline median lot price for the new land market and price growth.



# Perth – Median Lot Price



Current  
Median  
Lot Price  
**\$224k**

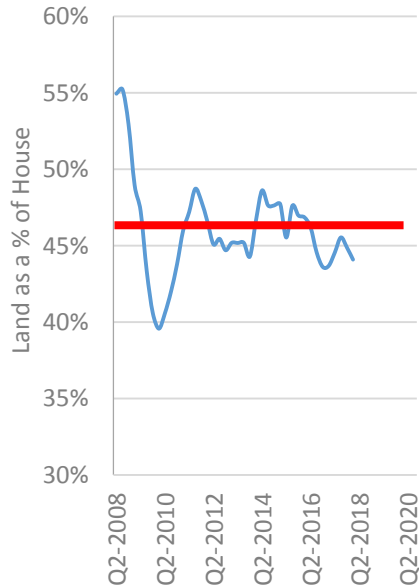
Annual  
Price Growth  
**0%**  
past year

Quarterly  
Change  
**-2%**

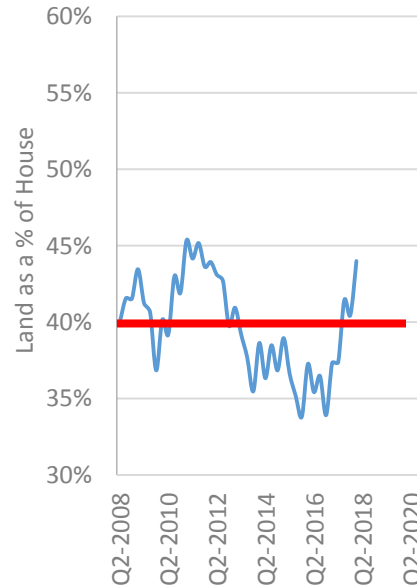
No. of Positive  
Growth Quarters  
**1**  
over past 12  
months

# Perth – New Land to House Price Trend

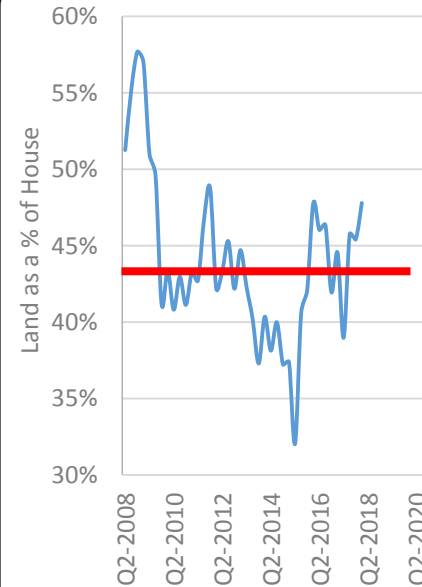
## Perth



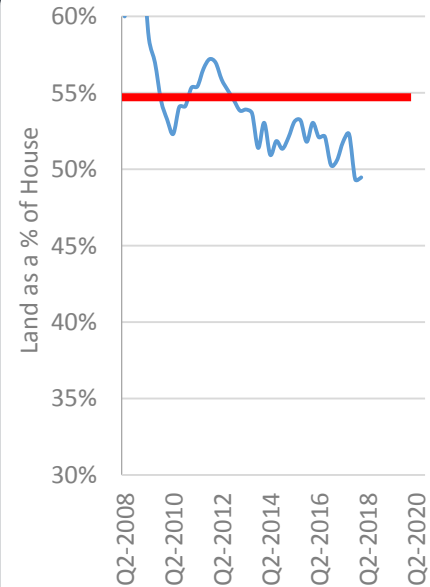
## Melbourne



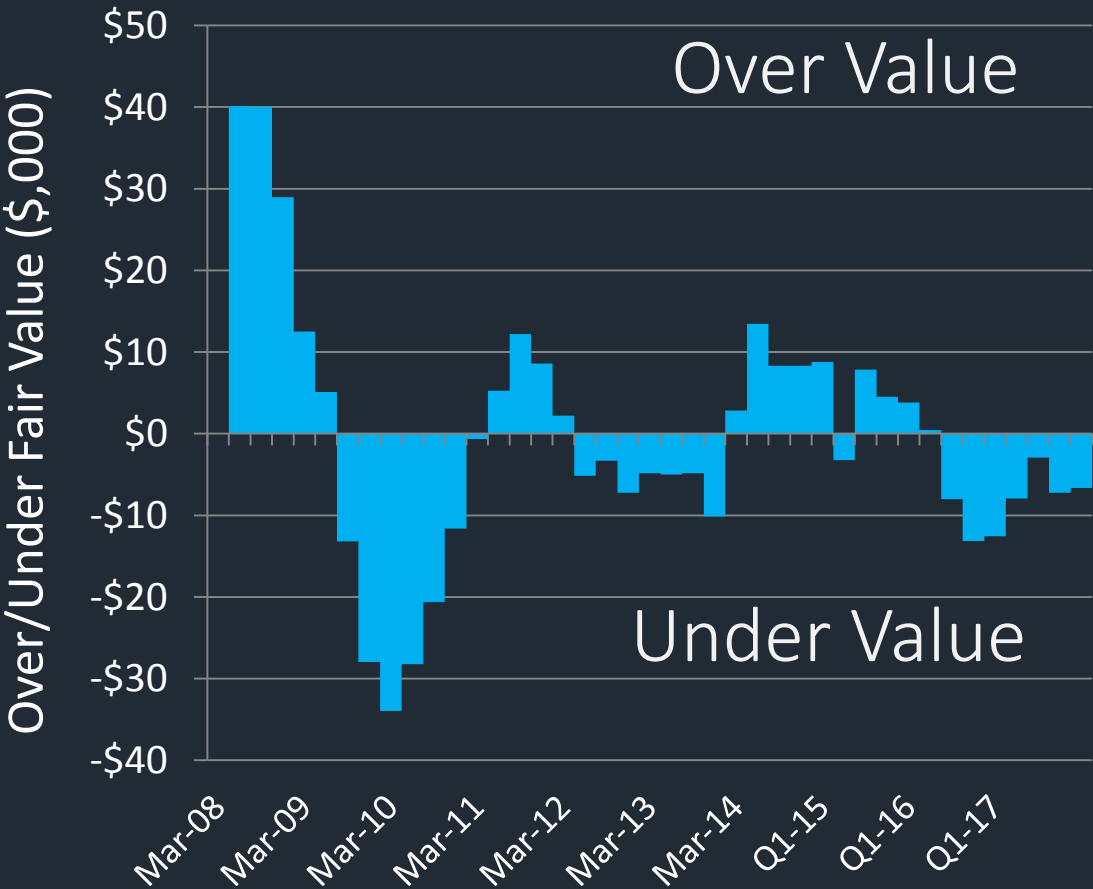
## Sydney



## SEQ



# All of Perth— Fair Value



Long Running  
Average  
Ratio

46%

Current Land  
to House  
Ratio

45%

Under  
Valued

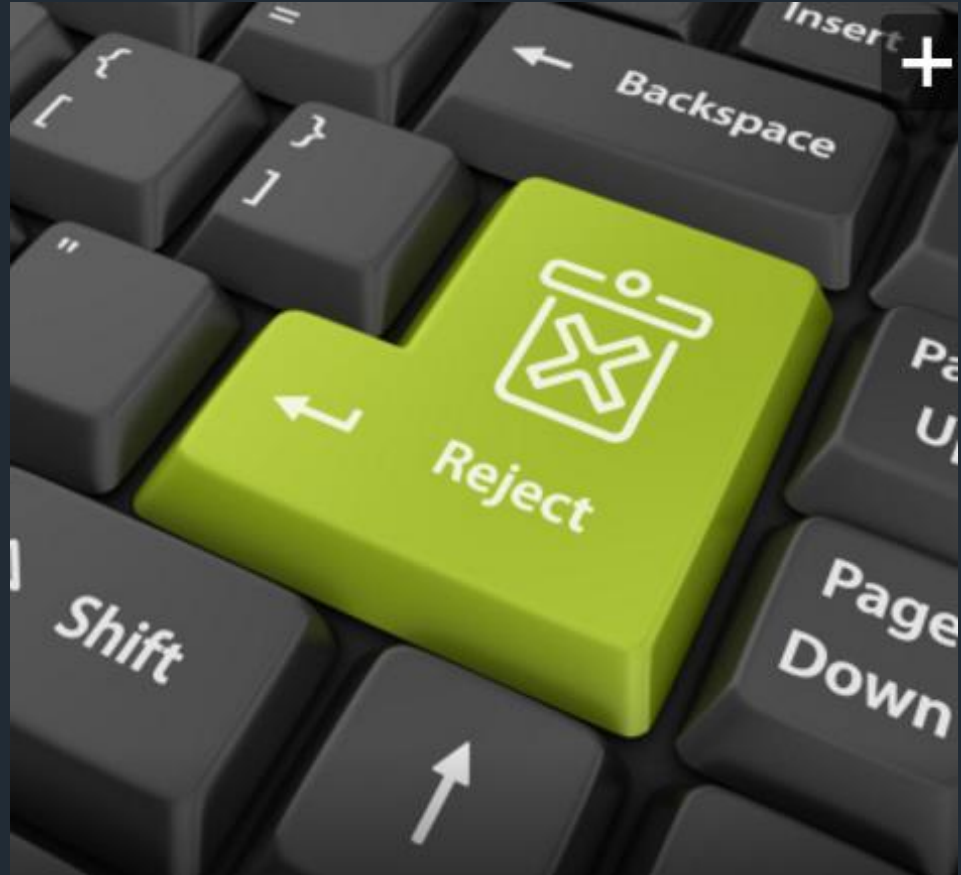
\$6,000

Modelled  
Median Land  
Price

\$231k

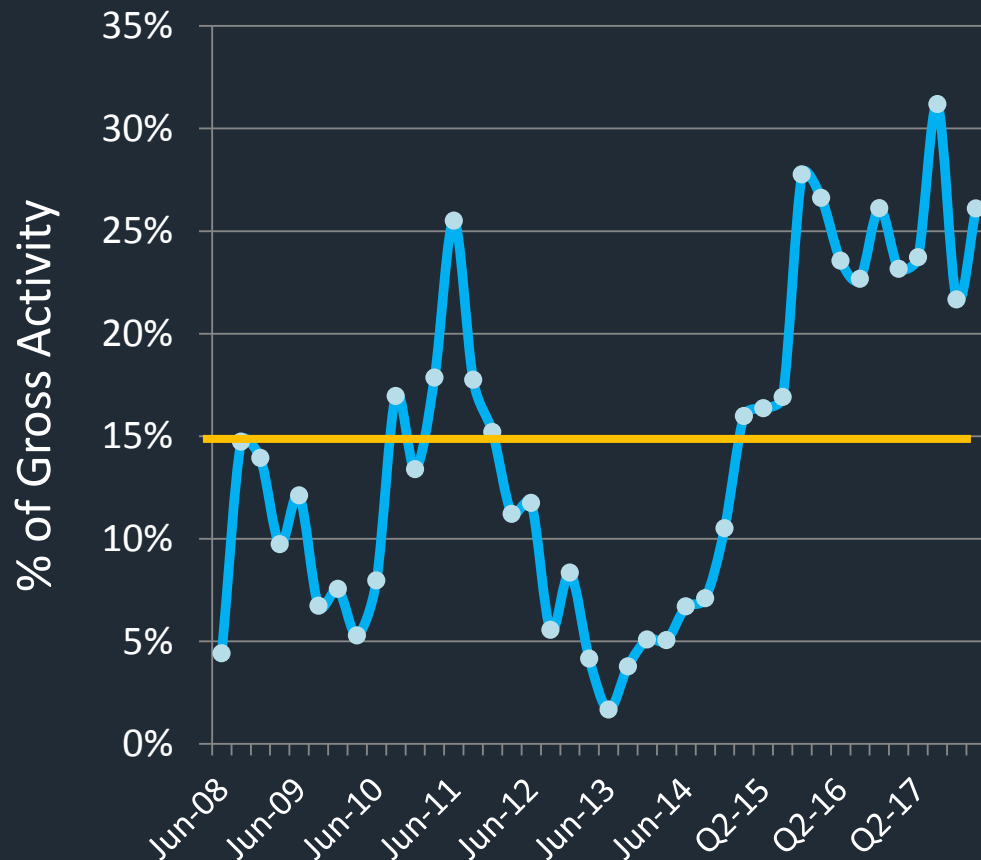
# Cancellation Rate

The percentage of gross activity that were returned or cancelled sales.





# Perth – Cancellation rate



All of Perth  
Current

26%

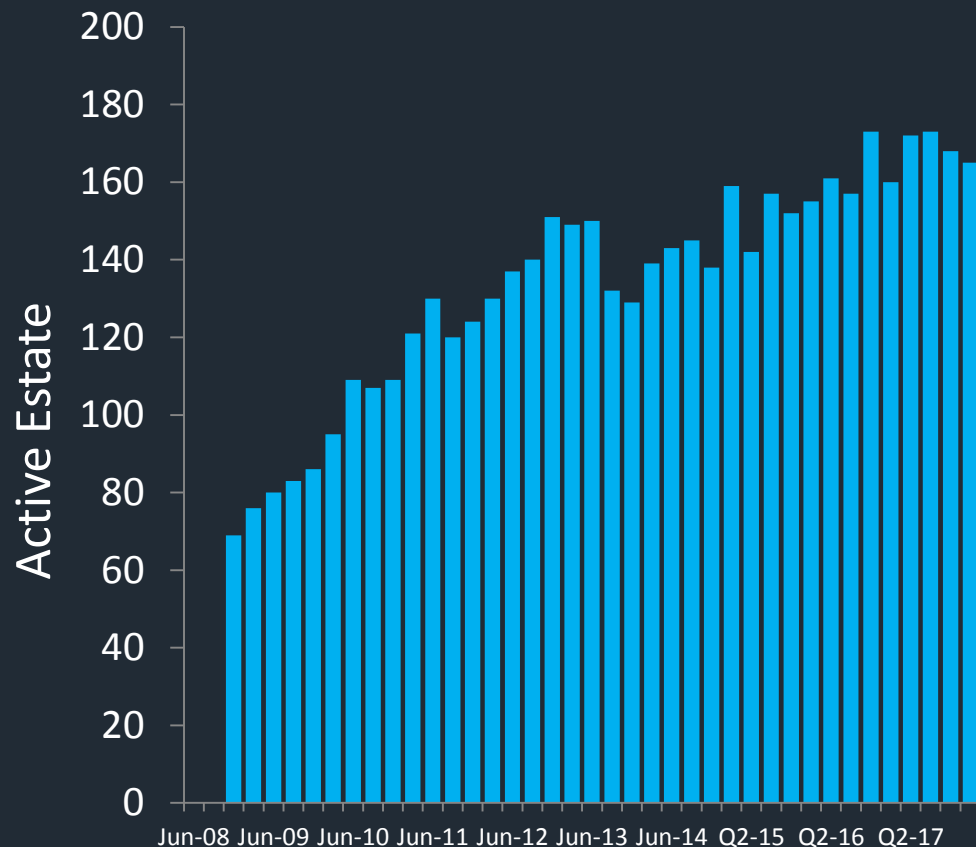
163 lot sales per  
month being returned to price  
list.

# Production Capacity

The number of trading estates and capacity to produce new lots.



# Perth— Active Trading Estates



Long Running  
Average  
Count

**134**

Current  
Number of  
Active Estates

**165**

Current Estate  
Sale Rate

**3 lots**  
pcm

Peak Estate  
Sale Rate

**8 lots**  
Pcm [2013

# Perth— Estates by Scale & Sale rate pcm

## ESTATES by SCALE

Group 1 [ 3,000+ lots]

Group 2 [ 1,500-3,000 lots]

Group 3 [ 750 -1,500 lots]

Group 4 [ 250 - 750lots]

Group 5 [ 5 -250 lots]

Perth

13

8

5

4

2

Mel

35

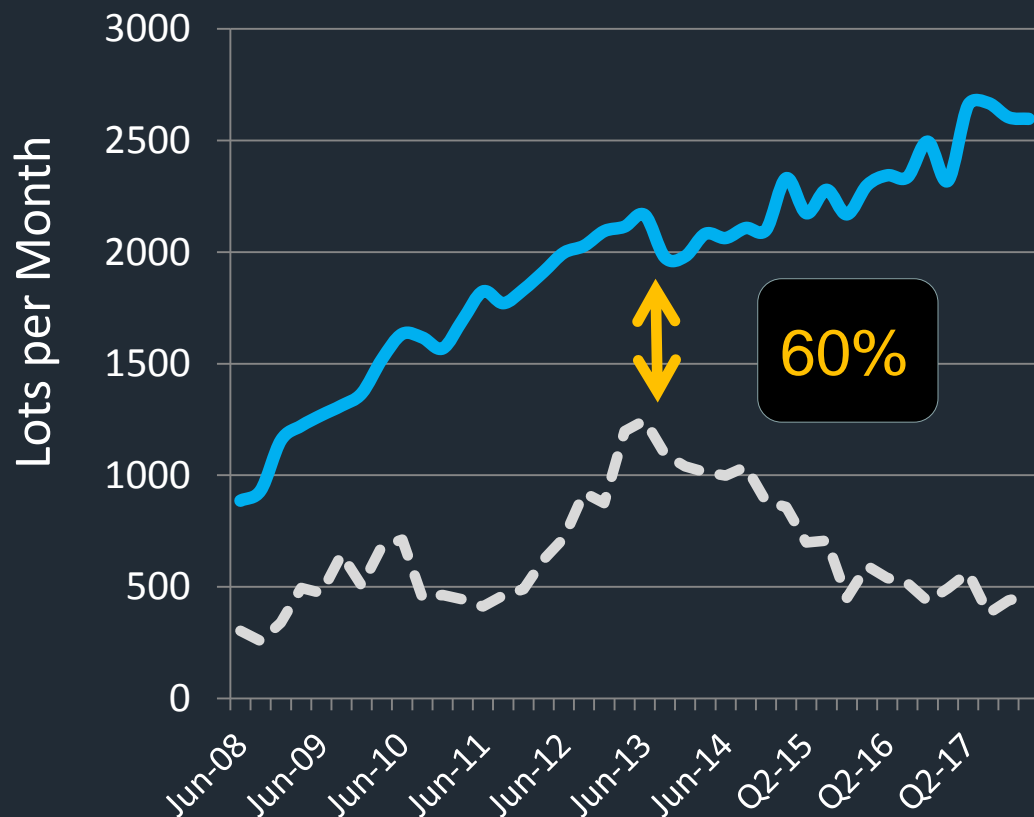
20

15

10

8

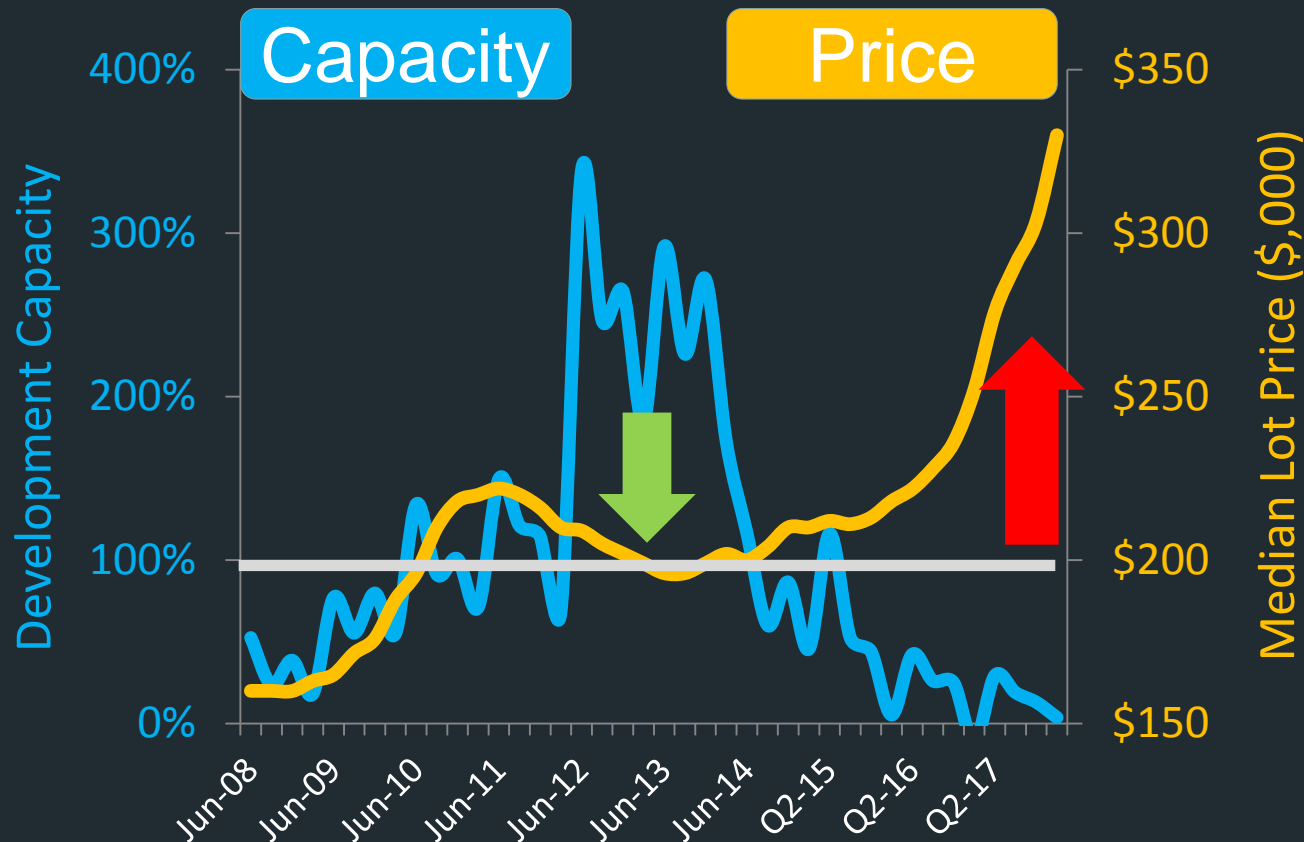
# Perth– Development Capacity & Sales



Perth Greenfield  
Capacity; 2,600 lots

Perth New Land  
Sales, 462 lots 17%  
capacity used

# Melbourne— Development Capacity & Sales



**Upward**  
pressure once  
Capacity falls  
below 100%.

Market  
capacity needs  
to be double  
that of demand



# Perth— Development Capacity & Sales

Perth Greenfield  
Capacity; 2,600 lots

Can respond to 1,300 lot  
sales per month [ 2:1]

Target 700 lots per month.

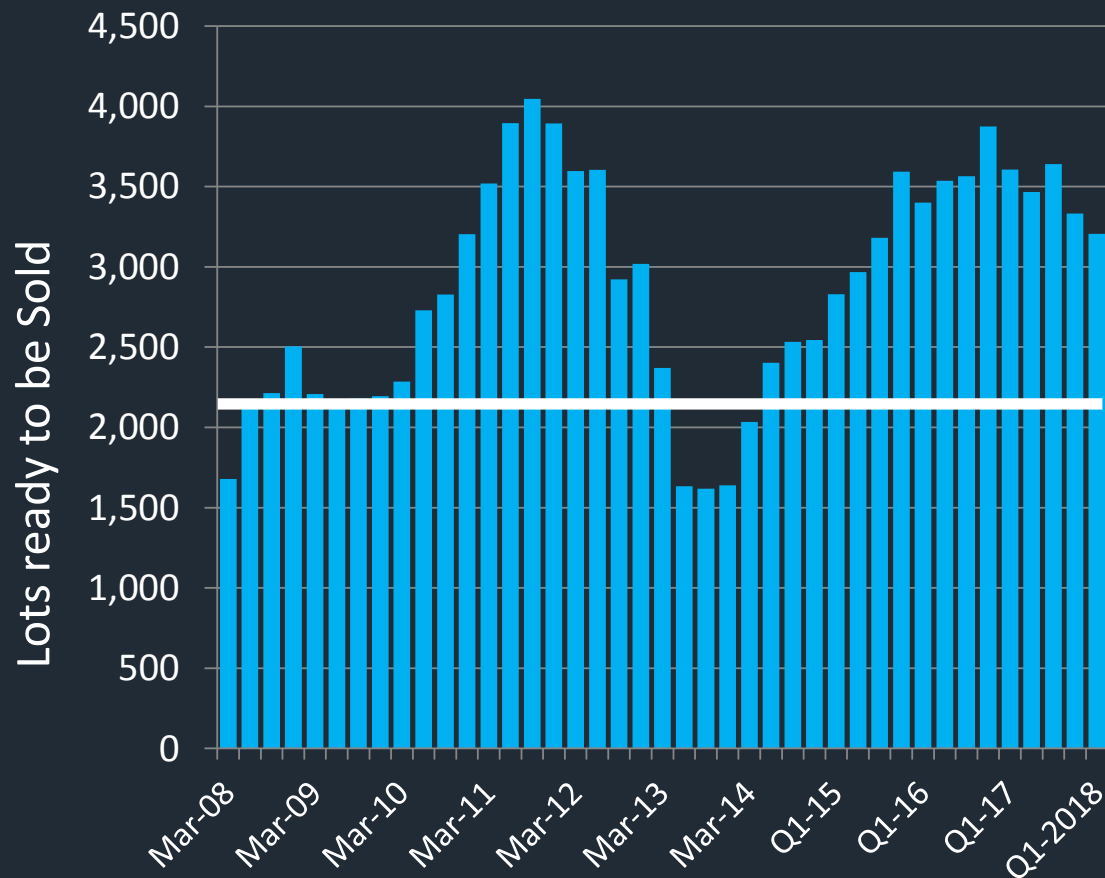
Required Perth Greenfield Capacity; 1,400 lots

# Stock Ready

The number of lots at the end of a survey period ready for sale



# Perth – Stock Ready for sale



Current Stock  
**3,205** lots

**2,100** Healthy  
Stock level for a  
demand figure of  
**700pcm**

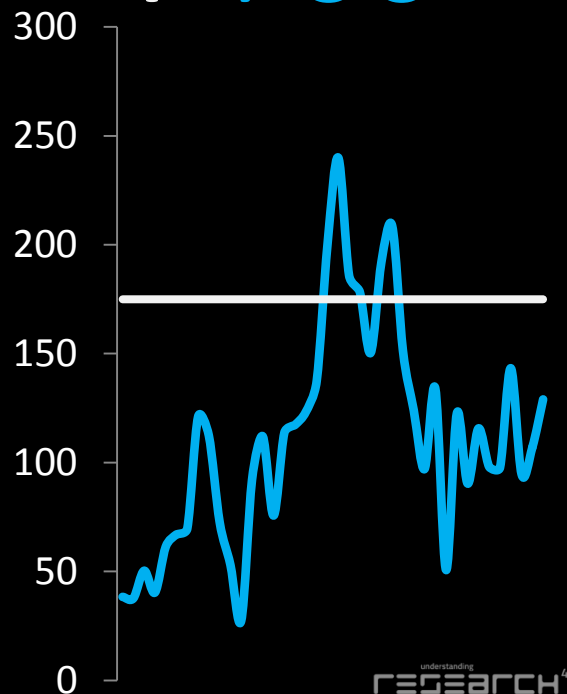
[3 months of trading stock is  
balanced, currently there is 4.5  
months of demand!]

## Section 3 of 4

### Local Market Wrap Up

## NORTH EAST PERTH

# T 700



— Actual Lot Sales  
— Target 700

understanding  
**RESEARCH**<sup>4</sup>  
the way we live

Market Share

25%

Monthly Target pcm

175

Current Sales pcm

129

26%  
below target

Development Capacity

370

Dev. Capacity to Target

89%

Target Estate Sale Rate

7pcm

Capacity in  
line with  
Target

Land : House Ratio

50%

Actual Median Lot Price

\$245

EVEN

Stock Level for T700

588

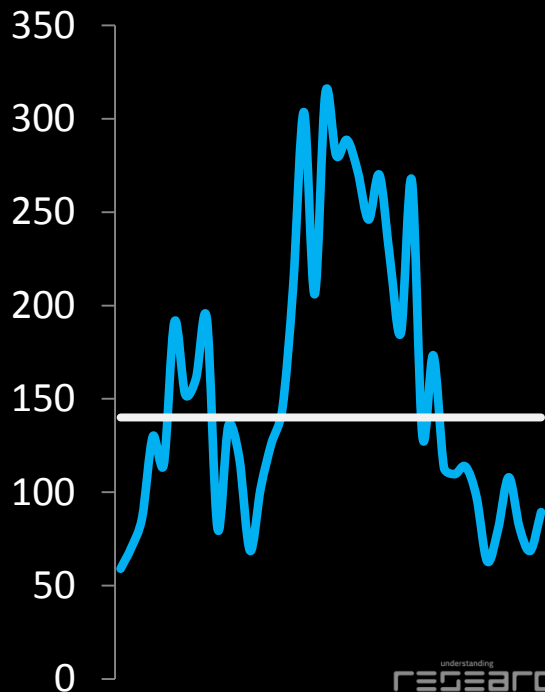
Actual Stock

448

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# NORTH WEST PERTH

## T 700



— Actual Lot Sales  
— Target 700

understanding  
**RESEARCH**<sup>4</sup>  
the way we live

Market Share

20%

Monthly Target pcm

140

Current Sales pcm

89

**36%**  
below target

Development Capacity

507

Dev. Capacity to Target

159%

Target Estate Sale Rate

7pcm

**Excess  
Capacity**

Land : House Ratio

50%

Actual Median Lot Price

\$235

**\$13,000  
UNDER**

Stock Level for T700

420

Actual Stock

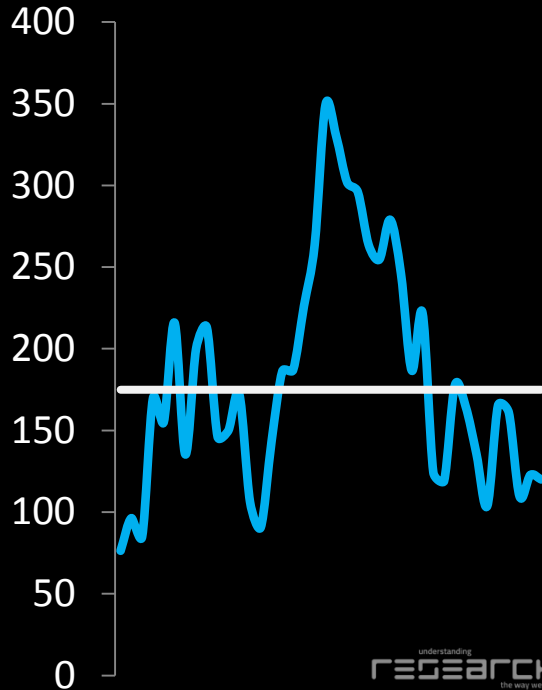
503

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## SOUTH WEST PERTH

# T 700



— Actual Lot Sales  
— Target 700

understanding  
**RESEARCH**<sup>4</sup>  
the way we live

Market Share

25%

Monthly Target pcm

175

Current Sales pcm

120

31%  
below target

Development Capacity

704

Dev. Capacity to Target

302%

Target Estate Sale Rate

3pcm

Excess  
Capacity

Land : House Ratio

44%

Actual Median Lot Price

\$216

Even

Stock Level for T700

525

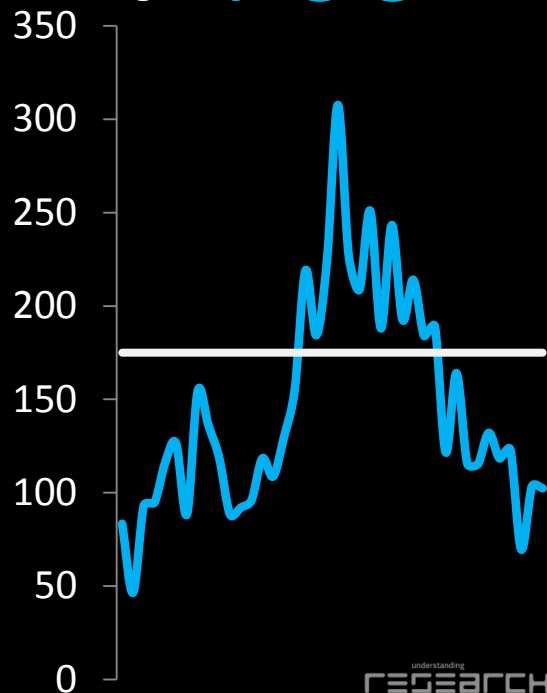
Actual Stock

1,257

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## SOUTH EAST PERTH

# T 700



— Actual Lot Sales  
— Target 700

understanding  
**RESEARCH**  
the way we live

Market Share

25%

Monthly Target pcm

175

Current Sales pcm

102

**42%**  
below target

Development Capacity

599

Dev. Capacity to Target

242%

Target Estate Sale Rate

4pcm

**Excess  
Capacity**

Land : House Ratio

42%

Actual Median Lot Price

\$218

**\$7,000  
OVER**

Stock Level for T700

420

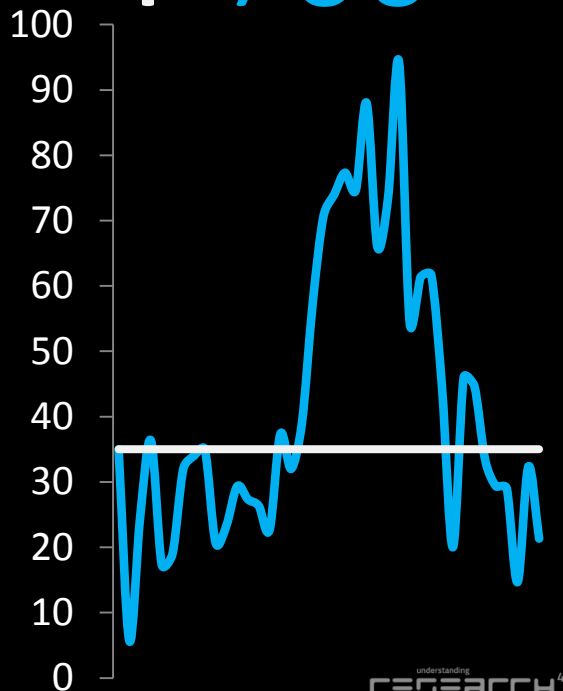
Actual Stock

625

Appendix Page 70

PEEL

T 700



— Actual Lot Sales

— Target 700

understanding  
RESEARCH<sup>4</sup>  
the way we live

Market Share

5%

Monthly Target pcm

35

Current Sales pcm

21

40%  
below target

Development Capacity

197

Dev. Capacity to Target

463%

Target Estate Sale Rate

3pcm

Excess  
Capacity

Land : House Ratio

42%

Actual Median Lot Price

\$174

\$20,000  
OVER

Stock Level for T700

105

Actual Stock

324

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Where was I?

These slides are not for commercial use or redistribution. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. RESEARCH 4 PTY LTD have indicated within this presentation the sources of the information provided. RESEARCH 4 PTY LTD has not sought to independently verify those sources unless otherwise noted within the presentation. No reliance should be placed on additional oral remarks provided during the presentation, unless these are confirmed in writing by RESEARCH 4 PTY LTD. RESEARCH 4 PTY LTD is under no obligation in any circumstance to update this presentation, in either oral or written form, for events occurring after the presentation has been issued in final form. The findings in this presentation have been formed on the above basis.

Forecasts are based on a number of assumptions and estimates and are subject to contingencies and uncertainties. Forecasts should not be regarded as a representation or warranty by or on behalf of RESEARCH 4 PTY LTD or any other person that such forecasts will be met. Forecasts constitute judgment and are subject to change without notice, as are statements about market trends, which are based on current market conditions.

Neither RESEARCH 4 PTY LTD nor any member or employee of RESEARCH 4 PTY LTD is responsible for any liability arising from reliance placed by a third party on this presentation. Any reliance placed is that party's sole responsibility. The

## **Appendix 9.2**



**TAMALA PARK REGIONAL COUNCIL**  
**MONTHLY STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2017 TO 30 JUNE 2018**

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**TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2017 TO 30 JUNE 2018**

	NOTE	30 June 2018 Actual \$	30 June 2018 Y-T-D Budget \$	2017/18 Amended Budget \$	Variances Budget to Actual Y-T-D %
<b><u>Operating</u></b>					
<b>Revenues</b>	1,2				
Interest Earnings		1,059,875	900,000	900,000	17.76%
Other Revenue		9,184	2,318	2,318	0.00%
		1,069,059	902,318	902,318	18.48%
<b>Expenses</b>	1,2				
Employee Costs		(569,806)	(751,838)	(751,838)	(24.21%)
Materials and Contracts Other		(131,362)	(440,916)	(440,916)	(70.21%)
Depreciation		(20,153)	(21,212)	(21,212)	0.00%
Utilities		0	(6,450)	(6,450)	0.00%
Insurance		(10,894)	(10,894)	(10,894)	0.00%
Other Expenditure		(170,342)	(181,955)	(181,955)	(6.38%)
		(902,557)	(1,413,265)	(1,413,265)	(36.14%)
<b><u>Adjustments for Non-Cash (Revenue) and Expenditure</u></b>					
Depreciation on Assets		20,153	21,212	21,212	0.00%
Movement in employee benefit provisions (non-current)		2,553	0	0	100.00%
<b><u>Capital Revenue and (Expenditure)</u></b>					
Plant and Equipment	3	0	(26,250)	(26,250)	0.00%
Proceeds on disposal					0.00%
<b>LESS MEMBERS EQUITY</b>					
<b>Development of Land for Resale</b>					
Income Sale of Lots - Subdivision		22,035,528	25,844,383	25,844,383	(14.74%)
Income other - Subdivision		0	2,161,500	2,161,500	100.00%
Development Costs - Subdivision		(13,349,159)	(30,839,499)	(30,839,499)	(56.71%)
Contribution Refund		(314,006)	(268,725)	(268,725)	0.00%
Profit Distributions		(4,000,000)	(4,000,000)	(4,000,000)	0.00%
<b>Change in Contributed Equity</b>	6	4,372,363	(7,102,341)	(7,102,341)	(161.56%)
<b>Net Current Assets July 1 B/Fwd</b>	7	39,246,178	39,246,178	39,246,178	0.00%
<b>Net Current Assets Year to Date</b>	7	43,807,749	31,627,852	31,627,852	

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 2017 TO 30 JUNE 2018**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

This statement comprises a special purpose financial report, prepared in accordance with applicable Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this statement presented below and have been consistently applied unless stated otherwise. They been prepared on on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**Critical Accounting Estimates**

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

**(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**

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

**(f) Cash and Cash Equivalents**

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

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2017 TO 30 JUNE 2018**

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

***Land Held for Resale***

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed to the buyer at this point. Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

**(i) Fixed Assets**

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

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2017 TO 30 JUNE 2018**

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

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

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

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

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

**(k) Trade and Other Payables**

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

**(l) Employee Benefits**

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

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

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 Council has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

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

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

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2017 TO 30 JUNE 2018**

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

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

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

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.

**(n) 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.

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

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. 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 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 2017 TO 30 JUNE 2018**

**2. STATEMENT OF OBJECTIVE**

The Regional Council has a specific regional purpose which is:

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

The objectives of the Regional Council are:

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

**3. ACQUISITION OF ASSETS**

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

	<b>30 June 2018 Actual \$</b>	<b>Amended 2017/18 Budget \$</b>
<b><u>By Program</u></b>		
<b>Other Property and Services</b>		
Motor Vehicle	0	26,250
	<b>0</b>	<b>26,250</b>
<b><u>By Class</u></b>		
Plant and Equipment	0	26,250
	<b>0</b>	<b>26,250</b>

**4. DISPOSALS OF ASSETS**

There are no assets budgeted to be disposed during the financial year ended 30 June 2018.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2017 TO 30 JUNE 2018**

**5. INFORMATION ON BORROWINGS**

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2017-18 financial year.

**6. CONTRIBUTED EQUITY**

	<b>30 June 2018 Actual \$</b>	<b>30 June 2017 Actual \$</b>
Town of Victoria Park	3,811,027	3,432,788
City of Perth	3,811,027	3,432,788
Town of Cambridge	3,811,027	3,432,788
City of Joondalup	7,622,055	6,865,577
City of Wanneroo	7,622,055	6,865,577
Town of Vincent	3,811,027	3,432,788
City of Stirling	15,244,109	13,731,154
<b>TOTAL</b>	<b>45,732,325</b>	<b>41,193,460</b>
<b>Total Movement in equity</b>	<b>4,538,865</b>	

Movement in Contributed Equity Represented by:

	<b>Development Expenses 30 June 2018 \$</b>	<b>Land Sales 30 June 2018 \$</b>	<b>Return of Contribution 30 June 2018 \$</b>	<b>Rates Equivalent 30 June 2018 \$</b>
Town of Victoria Park	(1,112,430)	1,836,294	(333,333)	(26,167)
City of Perth	(1,112,430)	1,836,294	(333,333)	(26,167)
Town of Cambridge	(1,112,430)	1,836,294	(333,333)	(26,167)
City of Joondalup	(2,224,860)	3,672,588	(666,667)	(52,335)
City of Wanneroo	(2,224,860)	3,672,588	(666,667)	(52,335)
Town of Vincent	(1,112,430)	1,836,294	(333,333)	(26,167)
City of Stirling	(4,449,719)	7,345,176	(1,333,334)	(104,668)
	<b>(13,349,159)</b>	<b>22,035,528</b>	<b>(4,000,000)</b>	<b>(314,006)</b>
Members Contributed Equity Movements	4,372,363			
TPRC Net Result	166,502			
<b>Total Movement in equity</b>	<b>4,538,865</b>			

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2017 TO 30 JUNE 2018**

**7. NET CURRENT ASSETS**

Composition of Estimated Net Current Asset Position	30 June 2018 Actual \$	Brought Forward 1-Jul \$
<b>CURRENT ASSETS</b>		
Cash - Unrestricted	43,846,407	39,213,368
Receivables	251,049	306,092
Settlement Bonds	400	4,800
	44,097,856	39,524,260
<b>LESS: CURRENT LIABILITIES</b>		
Payables and Provisions	(290,107)	(278,082)
<b>NET CURRENT ASSET POSITION</b>	43,807,749	39,246,178

**8. RATING INFORMATION**

The Regional Council does not levy rates on property.

**9. TRUST FUNDS**

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

**TAMALA PARK REGIONAL COUNCIL**  
**MONTHLY STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

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**TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

	NOTE	31 May 2018 Actual \$	31 May 2018 Y-T-D Budget \$	2017/18 Amended Budget \$	Variances Budget to Actual Y-T-D %
<b><u>Operating</u></b>					
<b>Revenues</b>	1,2				
Interest Earnings		964,679	807,080	900,000	19.53%
Other Revenue		9,184	0	2,318	0.00%
		973,863	807,080	902,318	20.66%
<b>Expenses</b>	1,2				
Employee Costs		(499,228)	(690,820)	(751,838)	(27.73%)
Materials and Contracts Other		(112,445)	(411,246)	(440,916)	(72.66%)
Depreciation		0	0	(21,212)	0.00%
Utilities		0	(5,375)	(6,450)	0.00%
Insurance		(10,894)	(10,894)	(10,894)	0.00%
Other Expenditure		(166,513)	(180,930)	(181,955)	(7.97%)
		(789,080)	(1,299,265)	(1,413,265)	(39.27%)
<b><u>Adjustments for Non-Cash (Revenue) and Expenditure</u></b>					
Depreciation on Assets		0	0	21,212	0.00%
<b><u>Capital Revenue and (Expenditure)</u></b>					
Plant and Equipment	3	0	0	(26,250)	0.00%
<b>LESS MEMBERS EQUITY</b>					
<b>Development of Land for Resale</b>					
Income Sale of Lots - Subdivision		21,010,419	32,870,605	25,844,383	(36.08%)
Income other - Subdivision		0	1,841,500	2,161,500	100.00%
Development Costs - Subdivision		(12,358,155)	(51,598,162)	(30,839,499)	(76.05%)
Contribution Refund		(78,501)	0	(268,725)	0.00%
Profit Distributions		(2,000,001)	0	(4,000,000)	0.00%
<b>Change in Contributed Equity</b>	6	6,573,762	(16,886,057)	(7,102,341)	(138.93%)
<b>Net Current Assets July 1 B/Fwd</b>	7	39,246,179	39,246,178	39,246,178	0.00%
<b>Net Current Assets Year to Date</b>	7	46,004,724	21,867,936	31,627,852	

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 2017 TO 31 MAY 2018**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

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**(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**

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**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

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

***Land Held for Resale***

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed to the buyer at this point. Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

**(i) Fixed Assets**

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



**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

**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
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Furniture and Equipment	4 to 10 years
Floor coverings	8 years
Phones and Faxes	6 to 7 years
Plant and Equipment	5 to 15 years
Infrastructure	30 to 50 years

**(k) Trade and Other Payables**

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

**(l) Employee Benefits**

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

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

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 Council has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

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

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

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

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

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

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

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.

**(n) 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.

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

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. 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 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 2017 TO 31 MAY 2018**

**2. STATEMENT OF OBJECTIVE**

The Regional Council has a specific regional purpose which is:

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

The objectives of the Regional Council are:

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

**3. ACQUISITION OF ASSETS**

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

	<b>31 May 2018 Actual \$</b>	<b>Amended 2017/18 Budget \$</b>
<b><u>By Program</u></b>		
<b>Other Property and Services</b>		
Motor Vehicle	0	26,250
	<b>0</b>	<b>26,250</b>
<b><u>By Class</u></b>		
Plant and Equipment	0	26,250
	<b>0</b>	<b>26,250</b>

**4. DISPOSALS OF ASSETS**

There are no assets budgeted to be disposed during the financial year ended 30 June 2018.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

**5. INFORMATION ON BORROWINGS**

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2017-18 financial year.

**6. CONTRIBUTED EQUITY**

	<b>31 May 2018 Actual \$</b>	<b>30 June 2017 Actual \$</b>
Town of Victoria Park	3,996,000	3,432,788
City of Perth	3,996,000	3,432,788
Town of Cambridge	3,996,000	3,432,788
City of Joondalup	7,992,001	6,865,577
City of Wanneroo	7,992,001	6,865,577
Town of Vincent	3,996,000	3,432,788
City of Stirling	15,984,002	13,731,154
<b>TOTAL</b>	<b>47,952,005</b>	<b>41,193,460</b>
<b>Total Movement in equity</b>	<b>6,758,545</b>	

Movement in Contributed Equity Represented by:

	<b>Development Expenses 31 May 2018 \$</b>	<b>Land Sales 31 May 2018 \$</b>	<b>Return of Contribution 31 May 2018 \$</b>	<b>Rates Equivalent 31 May 2018 \$</b>
Town of Victoria Park	(1,029,846)	1,750,868	(166,667)	0
City of Perth	(1,029,846)	1,750,868	(166,667)	(26,167)
Town of Cambridge	(1,029,846)	1,750,868	(166,667)	0
City of Joondalup	(2,059,693)	3,501,737	(333,333)	(52,334)
City of Wanneroo	(2,059,693)	3,501,737	(333,333)	0
Town of Vincent	(1,029,846)	1,750,868	(166,667)	0
City of Stirling	(4,119,385)	7,003,473	(666,667)	0
	<b>(12,358,155)</b>	<b>21,010,419</b>	<b>(2,000,001)</b>	<b>(78,501)</b>
Members Contributed Equity Movements	6,573,762			
TPRC Net Result	184,783			
<b>Total Movement in equity</b>	<b>6,758,545</b>			

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2017 TO 31 MAY 2018**

**7. NET CURRENT ASSETS**

Composition of Estimated Net Current Asset Position	31 May 2018 Actual \$	Brought Forward 1-Jul \$
<b>CURRENT ASSETS</b>		
Cash - Unrestricted	45,901,630	39,213,368
Receivables	352,116	306,092
Settlement Bonds	0	4,800
	46,253,746	39,524,260
<b>LESS: CURRENT LIABILITIES</b>		
Payables and Provisions	(249,022)	(278,081)
<b>NET CURRENT ASSET POSITION</b>	46,004,724	39,246,179

**8. RATING INFORMATION**

The Regional Council does not levy rates on property.

**9. TRUST FUNDS**

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

## **Appendix 9.3**

**Tamala Park Regional Council**  
**Summary Payment List**  
June 2018

Date	Num	Name	Description	Amount
6/06/2018	ET-4341	National Australia Bank	Bank charges NAB At-Call AC (April 2018)	-10.00
7/06/2018	ET-4446	Employee costs	LA wages for period 24/05/2018 - 06/06/2018	-11,137.67
7/06/2018	ET-4449	Australian Super	Superannuation for period 24/05/2018 - 06/06/2018	-591.18
7/06/2018		Action Couriers	Courier charges for period 17/05/18 - 27/05/18	-25.60
7/06/2018		Burgess Rawson	Valuation fee (Lot 2062)	-55.00
7/06/2018		Butler Settineri	Interim audit for FYE 2018	-3,669.52
7/06/2018		Cossill & Webley	Engineering services	-9,145.86
7/06/2018		Coterra Environment	Environmental consulting services	-3,681.32
7/06/2018		Docushred	Security bin	-51.70
7/06/2018		Graffik	Bannermesh artwork	-275.00
7/06/2018		Kyocera Mita	Printing (May 2018)	-51.77
7/06/2018		LD Total	Landscaping services	-69,969.62
7/06/2018		Marketforce	Statutory advertising	-1,129.69
7/06/2018		Moore Stephens	Accounting services (April 2018)	-2,062.50
7/06/2018		Plan E	Landscape architect services	-22,423.50
7/06/2018		Planning Institute of Aus	Annual Membership (CEO)	-621.00
7/06/2018		R J Vincent & Co	Stage 17B Civil Works (Cert 6)	-10,039.70
7/06/2018		Suez Recycling & Recovery PT	Beach Park Opening - bin hire	-138.60
7/06/2018		Treacy Fencing	Fencing services	-12,191.52
7/06/2018	ET-4450	Water Corporation	Sales Office Water charges for period 21/03/18	-707.12
7/06/2018	ET-4466	Australian Taxation Office	IAS May 2018	-14,208.00
11/06/2018	CH-200563	Western Power	Stage 26 Subdivision Energisation MS016788 (f	-42,196.00
11/06/2018	ET-4460	Yang, Shan-Hao & Xiuying Ch	Lot 172 (21st instalment over a 5 year period)	-2,887.50
11/06/2018	ET-4461	B Bhabra Investment Trust	Lot 173 (21st instalment over a 5 year period)	-2,887.50
11/06/2018	ET-4462	Grant, Aaron & Nicole	Lot 171 (21st instalment over a 5 year period)	-2,887.50
11/06/2018	ET-4463	Steel Test Pty Ltd	Lot 169 (21st instalment over a 5 year period)	-2,887.50
11/06/2018	ET-4464	Swan, Jeremy & Courtney	Lot 174 (21st instalment over a 5 year period)	-3,850.00
13/06/2018	ET-4465	Westpac Bank	Payment of credit card charges (CEO & EA) - J	-220.44
20/06/2018	CH-200564	Water Corporation	Stage 26 Infrastructure Contributions (WAPC 15	-184,346.00
21/06/2018	ET-4451	Employee costs	Wages for period 07/06/2018 - 20/06/2018	-11,137.67
21/06/2018	ET-4454	Australian Super	Superannuation for period 07/06/2018 - 20/06/2018	-591.18
21/06/2018		Action Couriers	Courier charges for period 30/05/18 - 10/06/18	-25.60
21/06/2018		Buckby Contracting	Beach WWPS (Claim 7)	-14,646.06
21/06/2018		Burgess Rawson	Valuation fees	-165.00
21/06/2018		City of Joondalup	11th Dividend Payment - TPRC Project	-333,333.33
21/06/2018		City of Perth	11th Dividend Payment - TPRC Project	-166,666.67
21/06/2018		City of Stirling	Dividend 11, GST May '18, IT & rates reimburse	-776,496.84
21/06/2018		City of Vincent	Dividend 11 & rate reimbursement	-192,833.90
21/06/2018		City of Wanneroo	Dividend 11 & Rates Reimbursement 17/18	-385,667.77
21/06/2018		Coterra Environment	Environmental consulting services (May 2018)	-318.89
21/06/2018		Dominic Carbone & Assoc	Consultancy services (May 2018)	-462.00
21/06/2018		Eco Logical Australia	EPBC Condition Review	-2,750.00
21/06/2018		Exclusive Homes WA	Early Construction Rebate (Lot 902)	-8,000.00
21/06/2018		Homebuyers Centre	Early Settlement Rebates	-16,000.00
21/06/2018		hyd20 Hydrology	Environmental Hydrology services	-11,017.60
21/06/2018		J-Corp Pty Ltd	Sales Office 3 - Brickwork 1st Floor	-87,738.00
21/06/2018		LD Total	Landscaping services	-398,714.90
21/06/2018		Lloyd George Acoustics	DV3 Acoustic Assessment (Lots 2127 & 2128)	-1,760.00
21/06/2018		McMullen Nolan Group	Surveying services	-8,811.00
21/06/2018		Neverfail	Bottled water x 2	-28.25
21/06/2018		New Great Cleaning Service	Cleaning of TPRC offices (May 2018)	-143.00
21/06/2018		New Living Cleaning	Sales Office Cleaning (May 2018)	-495.00
21/06/2018		Plan E	Landscape architecture services	-31,841.70
21/06/2018		Satterley Property Group	Community Development (May 2018)	-3,854.40
21/06/2018		Seed West	Seed Collection (December 2017 - April 2018)	-7,975.00
21/06/2018		Stephen Heath Photography	Beach Park Opening Photography	-825.00
21/06/2018		Tan, Sin Joo & Lau, Ahlek	Solar Panel Rebate (Lot 726)	-2,000.00
21/06/2018		Town of Cambridge	Dividend 11 & Rates Reimbursement 2017/18	-192,833.90
21/06/2018		Town of Victoria Park	Dividend 11, rates reimbursement & GST Mar-A	-194,106.12
21/06/2018		Transcore	Traffic Engineering Services (November 2017)	-3,850.00
21/06/2018		UDIA (WA)	Annual Membership Subscription 2018/2019	-4,400.00



21/06/2018		Ventura Home Group	Early Construction Rebate (Lot 835)	-8,000.00
21/06/2018	ET-4456	Synergy	Power charges	-3,918.00
26/06/2018	ET-4342	National Australia Bank	Bank charges NAB At-Call AC (May 2018)	-10.00
28/06/2018	ET-4455	Employee costs	Backpay for period Dec 2017 - June 2018	-455.54
28/06/2018		City of Vincent	GST for April & May 2018	-1,260.84
28/06/2018		Learning Horizons	Strategic Community Plan Development (May &	-3,850.00
28/06/2018		Mascall, Sharyn	Solar Panel Rebate (Lot 871)	-2,000.00
28/06/2018		Satterley Property Group	Recharges for January 2017 - April 2018	-21,913.43
28/06/2018		Stantons International	Review of SPG KPIs (Part 2)	-2,963.40
28/06/2018		Town of Victoria Park	GST owing May 2018	-548.00
28/06/2018	ET-4457	Alinta Energy	Sales Office gas charges for period 12/03/18 - 1	-26.25
28/06/2018	ET-4458	Telstra	Mobile phones for period to 13 July 2018	-88.00
28/06/2018	ET-4459	Australian Super	VW superannuation for backpay	-64.11
28/06/2018	CON-126	City of Wanneroo	GST owing May 2018	-1,096.14
29/06/2018	CON-125	City of Perth		-1,260.84
<b>TOTAL</b>				<b>-3,311,291.64</b>

**Tamala Park Regional Council**  
**Summary Payment List**  
**May 2018**

Date	Num	Name	Description	Amount
10/05/2018	ET-4431	Employee costs	Wages for period 26/04/2018 - 09/05/2018	-11,137.68
10/05/2018	ET-4434	Australian Super	Superannuation for period 26/04/2018 - 09/05/2018	-591.18
10/05/2018	ET-4435	Australian Taxation Office	BAS for quarter January - March 2018	-20,317.00
10/05/2018		Action Couriers	Courier charges for period 24/04/18 - 29/04/18	-25.60
10/05/2018		Burgess Rawson	Valuation services	-1,540.00
10/05/2018		Carat Australia Media Services	Advertising	-16,738.56
10/05/2018		City of Stirling	TPRC office rent (June 2018)	-3,573.74
10/05/2018		Cossill & Webley	Engineering services	-9,256.90
10/05/2018		Draper Family Trust	Streetsweeping (09/03/18)	-693.00
10/05/2018		Edwards, Joanne & Kai	Solar Panel Rebate (Lot 906)	-2,000.00
10/05/2018		Homebuyers Centre	Waste Rebate	-1,320.00
10/05/2018		J-Corp Pty Ltd	Sales Office 3 (Brickwork progress claim)	-99,437.00
10/05/2018		Karamzov, Dejan	Weed removal (15/03/18)	-1,294.00
10/05/2018		Kyocera Mita	Printing (April 2018)	-80.54
10/05/2018		LD Total	Landscaping services	-768,728.75
10/05/2018		Marketforce	Statutory advertising	-779.29
10/05/2018		McMullen Nolan Group	Surveying services	-687.50
10/05/2018		Moore Stephens	Accounting services (March 2018)	-2,601.50
10/05/2018		NBN Co Limited	Stage 17B NBN Connections	-19,800.00
10/05/2018		New Great Cleaning Service	Cleaning of TPRC offices (April 2018)	-214.50
10/05/2018		New Living Cleaning	Sales Office Cleaning (April 2018)	-495.00
10/05/2018		Newman, D & Burley-Newman, A	Solar Panel Rebate (Lot 952)	-2,000.00
10/05/2018		Paul Robinson Painting Services	Sales Office - Touch up to walls after installation of new floori	-220.00
10/05/2018		R J Vincent & Co	Stage 17B Civil Works (Cert 5)	-34,118.70
10/05/2018		Satterley Property Group	Community Development Services (March 2018)	-10,203.60
10/05/2018		Town of Victoria Park	GST Feb 2018	-1,849.00
10/05/2018		Treacy Fencing	Fencing services	-22,433.29
10/05/2018	ET-4436	Australian Taxation Office	FBT Return payment for period 01/04/17 to 31/03/18	-7,495.91
10/05/2018	ET-4445	Australian Taxation Office	IAS April 2018	-14,208.00
14/05/2018	ET-4437	D'Rozario, Antonia	Lot 168 (21st instalment over a 5 year period)	-3,281.25
14/05/2018	ET-4438	Westpac Bank	Payment of credit card charges (CEO & EA) - May 2018	-332.52
22/05/2018	CON-122	Town of Cambridge	GST owing April 2018	-712.77
22/05/2018	ET-4340	National Australia Bank	Bank charges NAB At-Call AC	-10.00
24/05/2018	ET-4439	Employee costs	Wages for period 10/05/2018 - 23/05/2018	-11,137.67
24/05/2018	ET-4442	Australian Super	Superannuation for period 10/05/2018 - 23/05/2018	-591.18
24/05/2018		Action Couriers	Courier charges for period 08/05/18 - 13/05/18	-25.60
24/05/2018		Anderson, Claire	Elected member attendance fee 20 January 2018 - 19 April 201	-2,613.75
24/05/2018		Barry, Brendan & Jacqueline	Solar Panel Rebate (Lot 758)	-2,000.00
24/05/2018		Barton, Lexi	Elected member attendance fee 20 January 2018 - 14 March	-1,568.25
24/05/2018		Bell, Garry & Penelope	Solar Panel Rebate (Lot 755)	-2,000.00
24/05/2018		Caddy, Karen	Elected member attendance fee 20 January 2018 - 19 April 201	-2,613.75
24/05/2018		Chester, John	Elected member attendance fee 20 January 2018 - 19 April 201	-2,613.75
24/05/2018		City of Stirling	GST March & April 2018	-5,087.76
24/05/2018		City of Vincent	GST owing March 2018	-559.17
24/05/2018		Cole, Emma	Elected member attendance fee 20 January 2018 - 19 April 201	-2,613.75
24/05/2018		Daniels Printing	Printing of Vision Brochures	-4,414.30
24/05/2018		Digital Meal	POS Launch Campaign Management Fee	-909.98
24/05/2018		Dominic Carbone & Asso	GST Consultancy Services (April 2018)	-455.40
24/05/2018		Emerge Associates	Beach Greenlink (March 2018)	-29.97
24/05/2018		Fenn, Samantha	Elected member attendance fee 20 January 2018 - 19 April 201	-2,613.75
24/05/2018		Ferrante, Joe	Elected member attendance fee 20 January 2018 - 19 April 201	-2,613.75
24/05/2018		Graybrook, M & Margio, D	Solar Panel Rebate (Lot 907)	-2,000.00
24/05/2018		Hammond, Andrew	Elected member attendance fee 15 March 2018 - 19 April 201	-1,045.50
24/05/2018		Herring Storer Acoustics	Transport Noise Assessment	-4,290.00
24/05/2018		Italiano, Giovanni	Chairman allowance 20 January - 19 April 2018	-8,886.50
24/05/2018		Jones, Nige	Elected member attendance fee 20 January 2018 - 19 April 201	-2,613.75
24/05/2018		LD Total	Landscaping services	-92,010.99
24/05/2018		Marron, James	Solar Panel Rebate (Lot 769)	-2,000.00
24/05/2018		Migdale, Suzanne	Alternate member attendance fee 20 January - 19 April 2018	-236.00
24/05/2018		Miss Tartufo Pty Ltd	Vouchers for Beach POS Launch	-280.00
24/05/2018		Murphy, Jimmy	Alternate member attendance fee 20 January - 19 April 2018	-236.00
24/05/2018		Neverfail	Bottled water	-84.75
24/05/2018		Sandri, Bianca	Elected member attendance fee 20 January 2018 - 19 April 201	-2,613.75

24/05/2018		Satterley Property Group	Community development fees (April 2018)	-1,504.80
24/05/2018		Signs & Lines	Flag Rotations (Catalina Central)	-501.60
24/05/2018		Social Garden	Digital media services	-3,850.00
24/05/2018		Swann Rubbish Removal	Illegal dumping removal	-800.00
24/05/2018		Timmermanis, Andres	Elected member attendance fee 20 January 2018 - 19 April 2018	-2,613.75
24/05/2018		Treby, Brett	Deputy Chairman allowance 20 January 2018 - 19 April 2018	-3,855.25
24/05/2018	ET-4443	Telstra	Mobile phone charges for period 11/05/18 - 13/06/18	-86.24
24/05/2018	ET-4444	Water Corporation	Sales Office 3 water charges for period 15/03/18 - 15/05/18	-63.88
24/05/2018	CON-123	City of Perth	GST owing March 2018	-559.17
30/05/2018	CON-124	City of Wanneroo	GST owing April 2018	-1,425.53
<b>TOTAL</b>				<b><u>-1,234,196.02</u></b>

## **Appendix 9.4**

23 July 2018

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

Dear Tony

### **Catalina Financial Report for June 2018**

Please find attached the Catalina Financial Report for June 2018. This report has been prepared on a cash basis and compares actual income and expenditure to the August 2017 approved budget for the period 1 June 2018 to 30 June 2018.

Residential settlement revenue for the financial year to 30 June 2018 is \$22.3m which is \$18.1m behind the approved 'August 2017' budget with 56 less residential settlements for the year.

Sales for FYE2018 are \$21.4m unfavourable to budget due to 66 less residential lot sales for the year.

Overall FYE2018 expenditure is \$39.3m under budget per the approved 'August 2017' budget, with \$11.5m spent against a budget of \$50.9m. The main areas of variances are summarised below:

- WAPC Land Acquisition \$10.2m not yet required, now forecast from April 2019
- Lot Production is \$11.9m under budget, noting the following variances:
  - Stage 28-31 Earthworks \$0.3m under budget as work not yet commenced (current budget review shows works commencing Sep 2020)
  - Stage 36-40 Earthworks \$2.2m under budget as work not yet commenced (current budget review shows works commencing July 2020)
  - Stage 15 \$0.3m under budget due to savings;
  - Stage 16A \$0.4m under budget as work not yet commenced (current budget review shows works commencing July 2019)
  - Stage 16B \$0.5m behind budget as work not yet commenced (current budget review shows works commencing April 2021);
  - Stage 17B \$1.4m behind budget due to timing of receiving invoices for payment and minor works still to be completed on group housing site;
  - Stage 18A \$0.5m under budget due to savings;
  - Stage 18B \$0.7m behind budget due to minor works still to be completed;
  - Stage 25 (\$0.5m) over budget due to timing of receiving invoices for payment (works budgeted and completed last financial year, paid in current year; in line with total project to date budget);
  - Stage 26 \$2.5m behind budget as work not yet commenced (current budget review shows works commencing Nov 2018);
  - Timing of bond payments \$1.2m under budget;
  - \$2.4m Combined minor variances across multiple jobs.

- Landscaping is \$6.4m under budget, noting the following variances:
  - Stage 18 Landscaping \$1.0m under budget (phase 1 complete, phase 2 & 3 currently under review);
  - Stage 10 BCA \$0.3m behind budget due to seasonal planting requirements;
  - Stage 25 Greenlink Landscaping \$1.6m under budget (due to timing of payments and a further 2 packages yet to be awarded);
  - Stage 11 Landscaping Phase 2 \$0.8m under budget (deferred to FYE2019);
  - \$2.7m Combined minor variances across multiple jobs.
- Infrastructure is \$6.8m under budget, noting the following variances:
  - Connolly Drive Greenlink Intersection \$1.9m under budget (due to timing of payments);
  - Aviator Boulevard Extension \$1.4m under budget (Aviator/Connolly Round-a-bout not yet commenced, delayed due to Water Corporation requirement to commence works in August);
  - Stage 20-24 Primary School \$1.5m under budget due to delay in commencement of earthworks within the Primary School Site. Reimbursement for earthworks is linked with title creation (and not completion of earthworks), which is now planned for 2020;
  - Waste Water Pump Station \$0.3m under budget due to timing of receiving invoices for payments;
  - Indirect Consultants \$0.5m behind budget due to rescheduling of works;
  - \$1.2m Combined minor variances across multiple jobs.
- Special Sites \$0.4m under budget due to timing of payments for construction of Western Cell Sales Office and Carpark.
- P&L expenditure is \$3.6m under budget, noting the following variances:
  - Marketing \$574k (72%) under budget with \$221k spent against YTD budget of \$795k;
  - Rates and Taxes \$202k under budget as full provisional amount not required;
  - Contingency \$2.4m not required.
  - \$0.4m Combined minor variances for other Overheads.

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

Yours faithfully



**Ross Carmichael**  
General Manager - Finance

**CATALINA**
**FINANCE REPORT  
JUNE 2018**
**1.0 Management Accounts**
**1.1 KEY STATISTICS**
**1.1.1 RESIDENTIAL LOTS & DISTRIBUTIONS**

	<u>Lots Produced (titles)</u>		<u>Sales</u>		<u>Settlements</u>		<u>Distributions</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Prior Years	872	872	848	848	815	815	67,000,000	67,000,000
Jul-2017	-	57	8	13	7	6	-	-
Aug-2017	58	-	-	22	4	17	-	-
Sep-2017	-	-	14	13	8	9	-	-
<b>Sep-17 Qtr</b>	<b>58</b>	<b>57</b>	<b>22</b>	<b>48</b>	<b>19</b>	<b>32</b>	<b>-</b>	<b>-</b>
Oct-2017	-	-	6	6	14	9	-	-
Nov-2017	-	-	9	8	6	12	-	-
Dec-2017	-	-	2	5	2	18	2,000,000	-
<b>Dec-17 Qtr</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>19</b>	<b>22</b>	<b>39</b>	<b>2,000,000</b>	<b>-</b>
Jan-2018	-	-	2	8	12	11	-	-
Feb-2018	-	-	2	9	7	4	-	-
Mar-2018	-	38	1	8	2	7	-	-
<b>Mar-18 Qtr</b>	<b>-</b>	<b>38</b>	<b>5</b>	<b>25</b>	<b>21</b>	<b>22</b>	<b>-</b>	<b>-</b>
Apr-2018	-	36	-	9	3	10	-	-
May-2018	36	-	1	8	2	10	-	-
Jun-2018	-	-	7	9	4	14	2,000,000	4,000,000
<b>Jun-18 Qtr</b>	<b>36</b>	<b>36</b>	<b>8</b>	<b>26</b>	<b>9</b>	<b>34</b>	<b>2,000,000</b>	<b>4,000,000</b>
<b>PTD</b>	<b>966</b>	<b>1,003</b>	<b>900</b>	<b>966</b>	<b>886</b>	<b>942</b>	<b>71,000,000</b>	<b>71,000,000</b>
<b>Full 2017/18 Year</b>	<b>94</b>	<b>131</b>	<b>52</b>	<b>118</b>	<b>71</b>	<b>127</b>	<b>4,000,000</b>	<b>4,000,000</b>
<b>2018/19</b>		<b>105</b>		<b>152</b>		<b>96</b>		<b>2,000,000</b>
<b>2019/20</b>		<b>136</b>		<b>171</b>		<b>176</b>		<b>27,000,000</b>

- A \$2m distribution was paid in June, with the next distribution forecast for December 18.
- 4 residential lots settled in June comprising:

	<u>Lots</u>
Stage 17B	2
Stage 18B	1
Stage 25	1

**1.2 Sales & Settlements**

	<u>MTH Act</u>	<u>MTH Bgt</u>	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>PTD Act</u>	<u>PTD Bgt</u>
<b>Residential</b>						
- Sales #	7	9	52	118	900	966
- Sales \$	2,009,000	2,672,810	16,857,000	38,288,986	233,015,500	254,447,486
- Sales \$/lot	287,000	296,979	324,173	324,483	258,906	263,403
- Settlements #	4	14	71	127	886	942
- Settlements \$	1,035,000	4,596,072	22,270,000	40,372,249	228,547,500	246,649,749
- Settlements \$/lot	258,750	328,291	313,662	317,892	257,954	261,836
<b>Special Sites</b>						
- Sales #	-	-	1	2	3	4
- Sales \$	-	-	1,400,000	1,761,500	3,295,000	3,656,500
- Sales \$/lot	-	-	1,400,000	880,750	1,098,333	914,125
- Settlements #	-	-	-	2	2	4
- Settlements \$	-	-	-	1,761,500	1,895,000	3,656,500
- Settlements \$/lot	-	-	-	880,750	947,500	914,125
<b>Lots Under Contract</b>						
- Unsettled sales #	16		{ Unconditional		1	Titled 971 incl. Spec sites
- Unsettled sales \$	5,868,000		{ Conditional		15	
- Unsettled sales \$/lot	366,750					

- The Stage 11 Local Centre is under contract for \$1.4m.



**1.3 Cashflow - MTD Actuals to budget**

	<u>MTD Act</u>	<u>MTD Bgt</u>	<u>Variance</u>
<b><u>Income</u></b>			
Settlement Revenue	1,035,000	4,596,072	(3,561,072)
Margin GST	(9,891)	(63,636)	53,746
Direct selling costs	(46,684)	(205,529)	158,845
Interest Income	-	-	-
Forfeited Deposits	-	-	-
Other Income	-	-	-
Rebate Allowance	(81,494)	(57,150)	(24,344)
	<u>896,931</u>	<u>4,269,757</u>	<u>(3,372,826)</u>
<b><u>Development costs</u></b>			
Lot production	238,317	1,740,714	1,502,396
Landscaping	427,856	802,434	374,578
Consultants	29,283	54,406	25,124
Infrastructure	21,797	637,508	615,711
Sales office building	79,762	165,582	85,820
	<u>797,015</u>	<u>3,400,644</u>	<u>2,603,629</u>
<b><u>Overheads</u></b>			
Sales & marketing	14,150	66,250	52,100
Community Develop.	10,462	16,042	5,579
Administration	41,284	62,550	21,265
Finance/Contingency	-	184,739	184,739
	<u>65,896</u>	<u>329,581</u>	<u>263,684</u>
<b>Net Cashflow</b>	<b><u>34,020</u></b>	<b><u>539,532</u></b>	<b><u>(505,512)</u></b>

**1.4 Cashflow - YTD Actuals to budget**

	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>Variance</u>
<b><u>Income</u></b>			
Settlement Revenue	22,270,000	40,372,252	(18,102,252)
Margin GST	(248,108)	(577,273)	329,165
Direct selling costs	(995,086)	(1,884,418)	889,332
Interest Income	-	-	-
Forfeited Deposits	11,818	-	11,818
Other Income	-	1,543,318	(1,543,318)
Rebate Allowance	(781,910)	(2,050,064)	1,268,154
	<u>20,256,714</u>	<u>37,403,815</u>	<u>(17,147,101)</u>
<b><u>Development costs</u></b>			
WAPC Land Acq.	-	10,206,000	10,206,000
Lot production	2,777,959	14,681,498	11,903,539
Landscaping	5,528,859	11,906,370	6,377,511
Consultants	361,611	832,219	470,609
Infrastructure	1,770,541	8,109,796	6,339,255
Sales office building	284,229	683,547	399,318
	<u>10,723,199</u>	<u>46,419,430</u>	<u>35,696,231</u>
<b><u>Overheads</u></b>			
Sales & marketing	220,626	795,000	574,374
Community Develop.	90,639	192,500	101,861
Administration	510,936	1,075,405	564,468
Finance/Contingency	-	2,396,834	2,396,834
	<u>822,202</u>	<u>4,459,739</u>	<u>3,637,537</u>
<b>Net Cashflow</b>	<b><u>8,711,313</u></b>	<b><u>(13,475,354)</u></b>	<b><u>22,186,667</u></b>

The YTD revenue variance comprises:

- Settlement revenue is \$18.1m unfavourable to budget on 56 less residential settlements than the budget for FY2018.

**1.5 Bonds**

	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
City of Wanneroo	539,029	263,132	263,132
	<u>539,029</u>	<u>263,132</u>	<u>263,132</u>

Bonds relate to stages 18B & 25 early clearances and are all expected to be returned within 12 months.

**2.0 PROFIT & LOSS**

	<b>MTH Act</b>	<b>MTH Bgt</b>	<b>Var</b>	<b>YTD Act</b>	<b>YTD Bgt</b>	<b>Var</b>	<b>PTD Act</b>	<b>PTD Bgt</b>
- Revenue \$ (Stlmts)	1,035,000	4,596,072	(3,561,072)	22,270,000	40,372,249	(18,102,249)	228,547,500	246,649,749
- Revenue \$/lot	258,750	328,291		313,662	317,892		257,954	261,836
- Selling & GST \$	(2,750,817)	423,547	3,174,364	(457,675)	3,785,523	4,243,198	20,986,993	25,230,191
- Selling & GST \$/lot	(687,704)	30,253		(6,446)	29,807		23,687	26,784
- Cost of sales \$	(1,491,953)	1,830,776	3,322,729	5,687,528	14,887,619	9,200,091	81,913,169	91,113,260
- Cost of sales \$/lot	(372,988)	130,770		80,106	117,225		92,453	96,723
- Gross profit \$	5,277,770	2,341,749	2,936,021	17,040,147	21,699,107	(4,658,960)	125,647,339	130,306,299
- Gross profit \$/lot	1,319,442	167,268		240,002	170,859		141,814	138,329
- Gross profit Mgn %	509.93%	50.95%		76.52%	53.75%		54.98%	52.83%
- Special Sites \$	31,206	-	31,206	31,206	651,463	(620,258)	1,315,278	1,935,536
- Other income \$	-	-	-	11,818	-	11,818	242,535	230,717
- Sales & Marketing \$	18,713	86,019	67,306	190,228	1,032,228	842,000	1,715,512	2,557,512
- Administration \$	44,343	86,537	42,194	544,751	1,074,618	529,867	2,982,968	3,488,381
- Finance \$	-	-	-	-	-	-	-	-
- Contingency \$	-	184,808	184,808	-	2,461,148	2,461,148	-	2,481,512
- Net profit \$	5,245,920	1,984,385	3,261,535	16,348,192	17,782,576	(1,434,385)	122,506,671	123,945,147
- Net profit \$/lot	1,311,480	141,742		230,256	140,020		138,269	131,577

- YTD Gross profit is \$4.7m unfavourable to budget due to 56 fewer lot settlements to budget, partly offset by Selling Incentives and Inventory Cost to Complete writebacks totalling \$4.8m
- Special sites gross profit is \$620k unfavourable due to timing of stg 11 local centre and GHS lot 995 (stg 18B) - deferred with no interest at tender.
- YTD Marketing costs are \$842k below budget due to Signage \$208k below budget (\$82k of expenditure reclassified as Capital, Strategy & authority approval delays), Community Development \$138k under budget (\$70k reduction in approved FY18 work plan) and lower general marketing activity and advertising \$496k (program approval delays).
- YTD administration costs are \$530k below budget due to full provisional sums not required for rates and taxes, R&M and training.
- YTD net profit is unfavourable against budget by \$1.4m, due to the unfavourable gross profit variance \$4.7m and special sites \$0.6m, partly offset by unused contingency \$2.5m and favourable marketing and admin costs of \$1.4m.

**YEAR TO DATE VERSUS FULL YEAR BUDGET**

	<b>YTD Act</b>	<b>FY18 Full Year Bgt</b>	<b>Var</b>
- Revenue \$ (Stlmts)	22,270,000	40,372,249	(18,102,249)
- Revenue \$/lot	313,662	317,892	
- Selling & GST \$	(457,675)	3,785,523	4,243,198
- Selling & GST \$/lot	(6,446)	29,807	
- Cost of sales \$	5,687,528	14,887,619	9,200,091
- Cost of sales \$/lot	80,106	117,225	
- Gross profit \$	17,040,147	21,699,107	(4,658,960)
- Gross profit \$/lot	240,002	170,859	
- Gross profit Mgn %	76.52%	53.75%	
- Special Sites \$	31,206	651,463	(620,258)
- Other income \$	11,818	-	11,818
- Sales & Marketing \$	190,228	1,032,228	842,000
- Administration \$	544,751	1,074,618	529,867
- Finance \$	-	-	-
- Contingency \$	-	2,461,148	2,461,148
- Net profit \$	16,348,192	17,782,576	(1,434,385)
- Net profit \$/lot	230,256	140,020	

**2.1 GROSS PROFIT ANALYSIS**

**Actual**

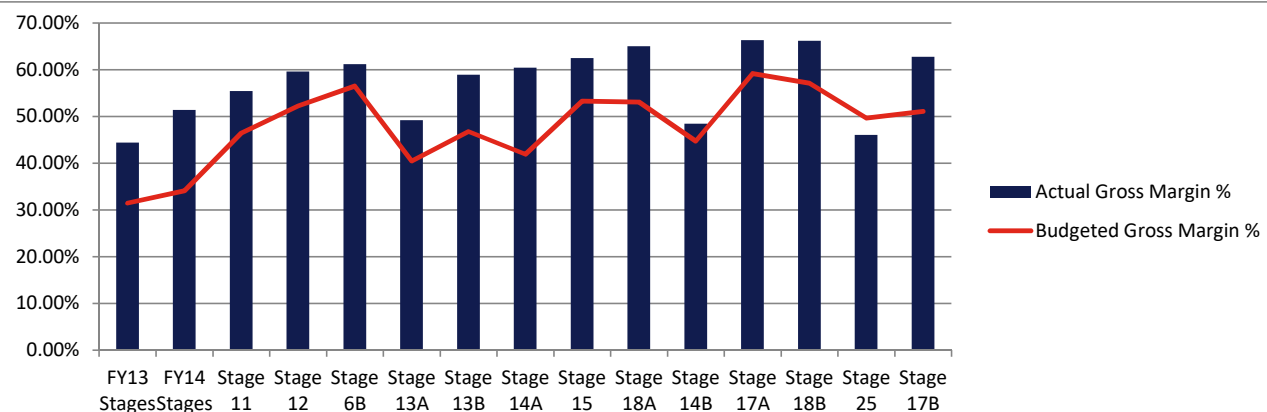
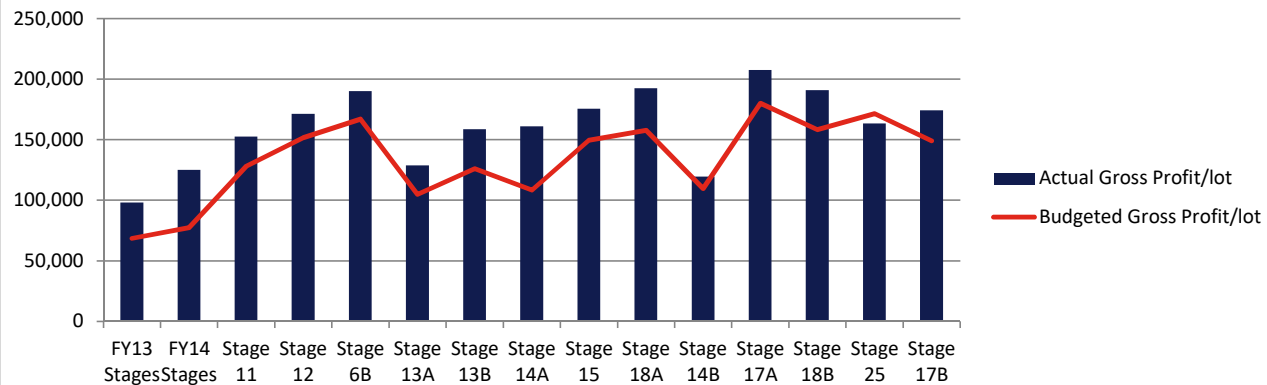
Stages	Title Issue Date	Revenue	Revenue/lot	Direct Selling & COGS (incl.	Direct Costs/lot	Actual Gross	Actual Gross	Actual Gross
				GST)		Profit	Profit/lot	Margin %
Incentives Writeback				-2,876,710		2,876,710		
FY13 Stages	2012 / 2013	51,375,500	220,496	28,570,159	122,619	22,805,341	97,877	44.39%
FY14 Stages	2013 / 2014	50,325,000	243,116	24,477,309	118,248	25,847,691	124,868	51.36%
Stage 11	1-Oct-14	17,611,000	275,172	7,850,538	122,665	9,760,462	152,507	55.42%
Stage 12	3-Dec-14	14,063,000	287,000	5,678,128	115,880	8,384,872	171,120	59.62%
Stage 6B	19-Jan-15	7,452,000	310,500	2,892,006	120,500	4,559,994	190,000	61.19%
Stage 13A	30-Mar-15	9,675,000	261,486	4,919,669	132,964	4,755,331	128,522	49.15%
Stage 13B	11-May-15	12,103,000	268,956	4,971,606	110,480	7,131,394	158,475	58.92%
Stage 14A	4-Jun-15	16,784,000	266,413	6,644,189	105,463	10,139,811	160,949	60.41%
Stage 15	15-Dec-15	15,444,000	280,800	5,791,567	105,301	9,652,433	175,499	62.50%
Stage 18A	27-May-16	8,291,000	296,107	2,902,173	103,649	5,388,827	192,458	65.00%
Stage 14B	28-Oct-16	2,219,000	246,556	1,144,525	127,169	1,074,475	119,386	48.42%
Stage 17A	20-Feb-17	6,878,000	312,636	2,316,480	105,295	4,561,520	207,342	66.32%
Stage 18B	13-Jun-17	5,479,000	288,368	1,854,527	97,607	3,624,473	190,762	66.15%
Stage 25	8-Aug-17	10,293,000	354,931	5,557,295	191,631	4,735,705	163,300	46.01%
Stage 17B	22-May-18	555,000	277,500	206,702	103,351	348,298	174,149	62.76%
		228,547,500		102,900,161		125,647,339		

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

**Budget**

Stages	Budget Version	Revenue	Revenue/lot	Direct Selling & COGS (incl.	Direct Costs/lot	Budgeted Gross	Budgeted Gross	Budgeted Gross
				GST)		Profit	Profit/lot	Margin %
FY13 Stages	May-12	51,358,953	217,623	35,200,675	149,155	16,158,278	68,467	31.46%
FY 14 Stages	Jun-13	46,931,935	226,724	30,917,421	149,360	16,014,514	77,365	34.12%
Stage 11	Aug-14	17,645,281	275,708	9,444,658	147,573	8,200,623	128,135	46.47%
Stage 12	Aug-14	14,221,581	290,236	6,787,551	138,521	7,434,030	151,715	52.27%
Stage 6B	Aug-14	7,098,672	295,778	3,089,032	128,710	4,009,640	167,068	56.48%
Stage 13A	Aug-14	9,585,882	259,078	5,703,355	154,145	3,882,527	104,933	40.50%
Stage 13B	Aug-14	12,111,408	269,142	6,443,000	143,178	5,668,408	125,965	46.80%
Stage 14A	Aug-14	15,504,265	258,404	9,001,574	150,026	6,502,690	108,378	41.94%
Stage 15	Aug-15	15,433,000	280,600	7,203,599	130,975	8,229,401	149,625	53.32%
Stage 18A	Jun-16	8,626,000	297,448	4,048,854	139,616	4,577,146	157,833	53.06%
Stage 14B	Jun-16	2,448,087	244,809	1,352,232	135,223	1,095,855	109,585	44.76%
Stage 17A	Jun-16	9,427,756	304,121	3,845,430	124,046	5,582,326	180,075	59.21%
Stage 18B	Jun-16	8,584,690	276,925	3,677,414	118,626	4,907,276	158,299	57.16%
Stage 25	Aug-17	19,696,448	345,552	9,915,141	173,950	9,781,307	171,602	49.66%
Stage 17B	Dec-17	10,496,494	291,569	5,131,807	142,550	5,364,687	149,019	51.11%
		249,170,452		141,761,744		107,408,709		

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



# **Appendix 9.5**

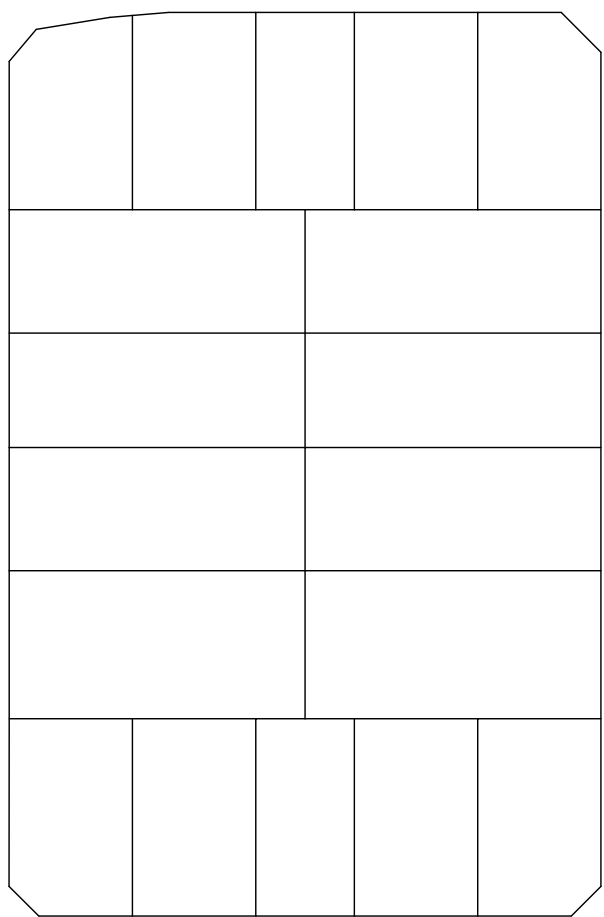

## “AGED STOCK” – PERIOD ENDING 6 AUGUST 2018

The following table provides a summary of lot sizing and commentary of current “Aged Stock” on hand. Aged Stock refers to lots that have been on the market for longer than 6 months in the Central Precinct and 12 months in the Beach Precinct.

Stage	Lot Number	Release Date	Price	M <sup>2</sup>	Comment
17A*	951	Oct-2016	335,000	450	Regular lot, 15m frontage
18B	869	Mar-2017	348,000	474	Opposite group housing site, Regular lot, 15m frontage
18B	873	Mar-2017	308,000	395	Opposite group housing site, 15m frontage
18B	876	Mar-2017	274,000	338	Opposite group housing site, 12.5m frontage
18B	895	Mar-2017	298,000	375	Regular lot, 12.5m frontage
18B	897	Mar-2017	308,000	393	Regular lot, 13.1m frontage
18B*	898	Mar-2017	335,000	447	Regular lot, 15m frontage
18B	899	Mar-2017	260,000	291	Corner rear loader lot, opposite Connolly Drive, Quiet house design
18B*	903	Mar-2017	335,000	447	Regular lot, 15m frontage
25	2098	May-2017	390,000	375	Regular lot, 12.5m frontage
25	2100	May-2017	390,000	375	Regular lot, 12.5m frontage
25	2102	May-2017	390,000	375	Regular lot, 12.5m frontage
25*	2111	May-2017	425,000	450	Regular lot, 15m frontage
25 *	2112	May-2017	425,000	450	Regular lot, 15m frontage
25	2113	May-2017	425,000	450	Regular lot, 15m frontage
25	2115	May-2017	425,000	450	Regular lot, 15m frontage
25 *	2117	May-2017	380,000	375	Regular lot, 12.5m frontage
25 *	2118	May-2017	425,000	450	Regular lot, 15m frontage
25 *	2119	May-2017	425,000	450	Regular lot, 15m frontage
25*	2120	May-2017	380,000	375	Regular lot, 12.5m frontage
17B	965	Nov-2017	279,000	338	Opposite group housing site, regular lot, 15m frontage
17B*	966	Nov-2017	278,000	333	Opposite group housing site, corner lot, 15m frontage
17B	967	Nov-2017	335,000	450	Regular lot, 15m frontage
17B	968	Nov-2017	298,000	375	Regular lot, 12.5m frontage
17B	972	Nov-2017	257,000	300	Regular lot, 10m frontage
17B	973	Nov-2017	298,000	375	Regular lot, 12.5m frontage
17B	986	Nov-2017	298,000	375	Regular lot, 12.5m frontage
17B	988	Nov-2017	298,000	375	Regular lot, 12.5m frontage
17B	989	Nov-2017	298,000	375	Regular lot, 12.5m frontage
17B	991	Nov-2017	298,000	375	Regular lot, 12.5m frontage
17B	992	Nov-2017	298,000	375	Regular lot, 12.5m frontage
17B	993	Nov-2017	298,000	375	Regular lot, 12.5m frontage
17B*	994	Nov-2017	329,000	445	Opposite group housing site, corner lot, 15m frontage

\* Lots that have the Early Construction Rebate Applied.

CATALINA ESTATE  
STAGES 17-18  
TAMALA PARK





CATALINA ESTATE  
WEST OF MARMION AVENUE - STAGE 25-26  
TAMALA PARK

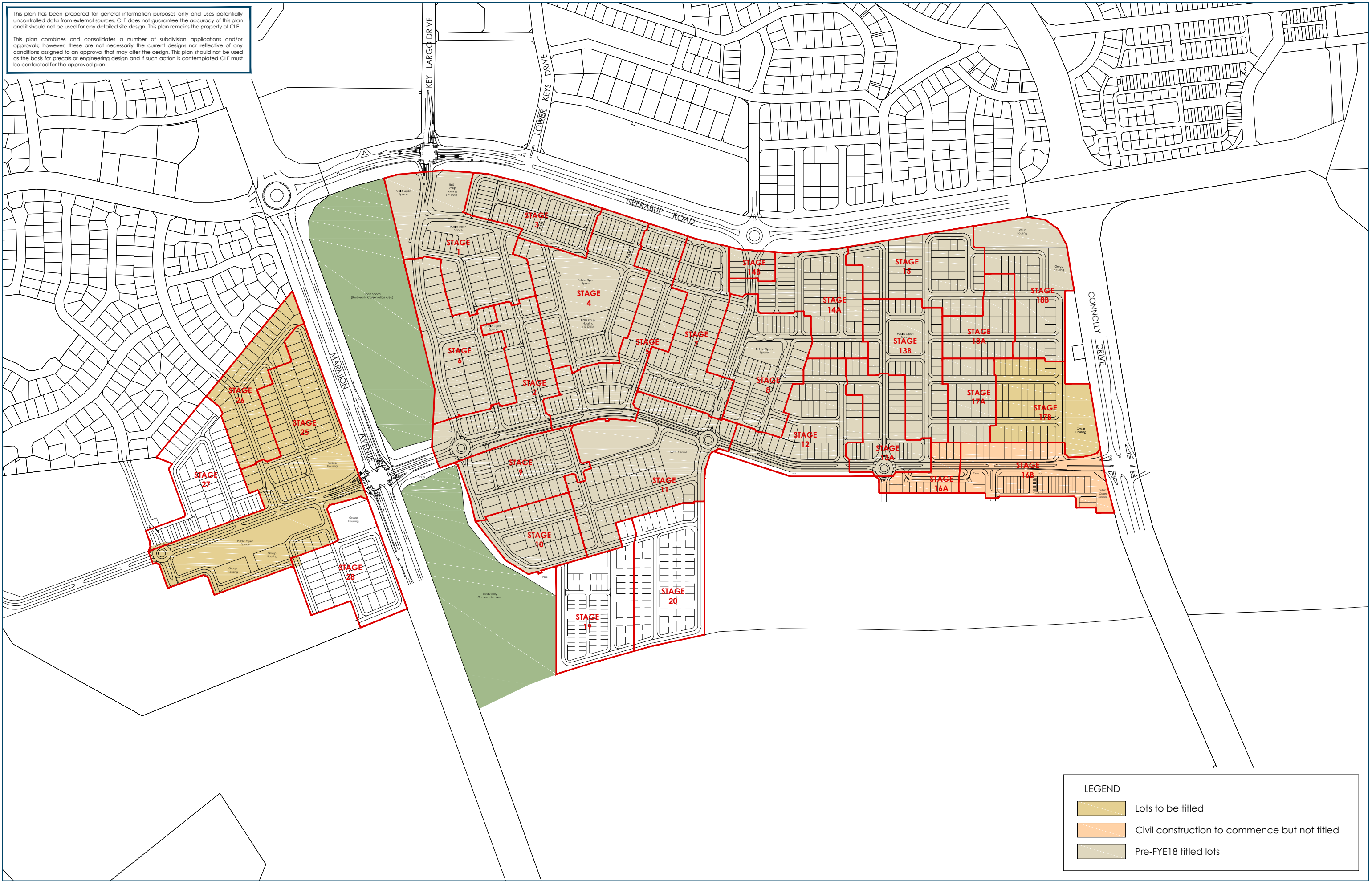
UNSOLD LOTS





This plan has been prepared for general information purposes only and uses potentially uncontrolled data from external sources. CLE does not guarantee the accuracy of this plan and it should not be used for any detailed site design. This plan remains the property of CLE.

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



# **Appendix 9.6**

9 July 2018

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

Dear Tony,

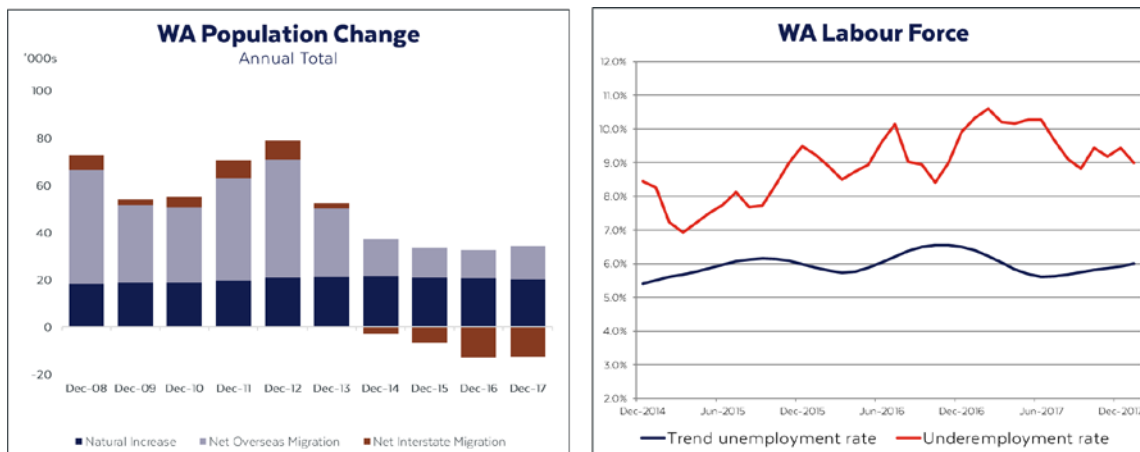
## **Proposed Catalina FY2019 Budget**

Please find attached the FY2019 Catalina Budget. The review is discussed under the following headings:

1. Market Conditions
2. Budget Comparisons
3. Changes from FY2019 Budget Submitted but not Approved
4. Financial Year Ending 2018 (FY2018)
5. Operations for Financial Year Ending 2019 (FY2019)
6. Review of FY2019
7. Key Risks for Achieving FY2019 Budget
8. Snapshot of Financial Year Ending 2020 (FY2020)
9. Project Forecast
10. Assumptions
11. Civil Construction Triggers
12. Cash Requirement, Capital Return and Profit Distribution Capacity

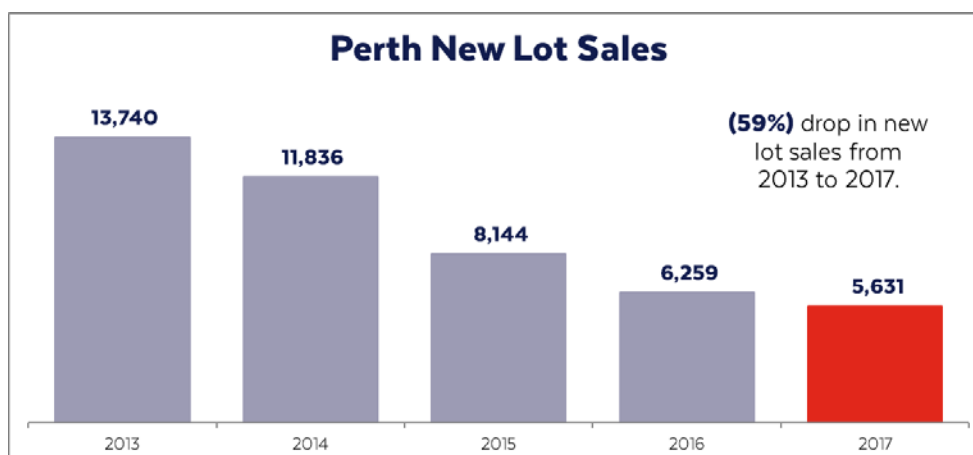
### **1. Market Conditions**

Despite interest rates remaining at historically low levels, the WA property market remains affected by concerns over job security as the transition of the economy from the mining construction boom continues. As workers relocate to find jobs, population growth in WA has slowed considerably with high negative net interstate migration. There are signs that population growth statistics have turned the corner and are trending upwards, but with the underemployment rate remaining high, albeit with an improving trend, people remain concerned about job security and are cautious about making large financial purchases including new homes.



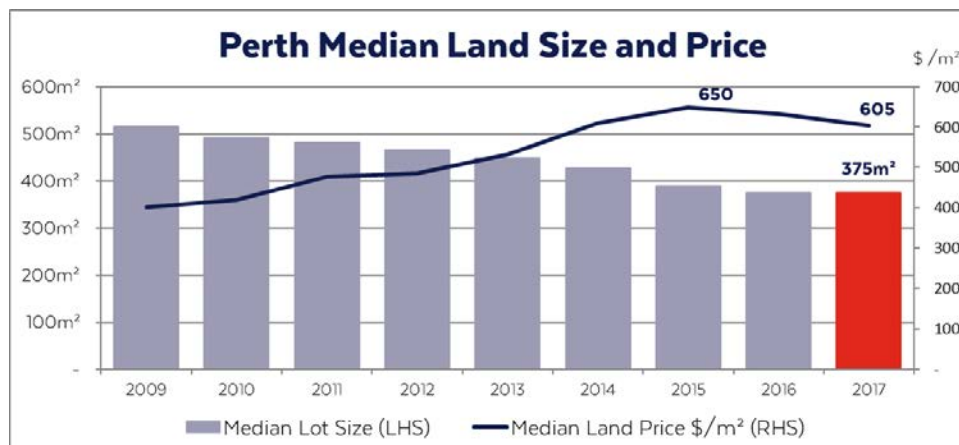
Source: ABS

The significant fall in population growth and concerns over employment has directly affected new lot sales over recent years.



Source: 2018 UDIA State of the Land Report (March 2018)

In tackling affordability, the broader market trend for smaller lot sizes continues, with the Perth median new lot size for 2017 standing at 375m<sup>2</sup>. Despite the reduction in lot sizes which ordinarily would attract higher revenue per square metre, lower sales and increased competition has led to a decrease in the median price from \$650/m<sup>2</sup> in 2015 to \$605/m<sup>2</sup> in 2017.



Source: 2018 UDIA State of the Land Report (March 2018)

## 2. Budget Comparisons

Unless otherwise stated, budget review and analysis in this document compares to the 2017 Project Forecast approved in June 2018. The approved budget was initially submitted in August 2017, but was subsequently updated to remove additional in-built contingency and use escalation assumptions advised by CBRE. All other assumptions and timing remain the same as per the forecast in August 2017.

## 3. Changes from FY2019 Budget Submitted but not Approved

The below summarises the key change to sales for FY2019 compared to the previous FY2019 budget submitted but not approved by TPRC:

SALES RATES	THIS REVIEW	PREVIOUS SUBMISSION (NOT APPROVED)	VARIANCE
FY19	50	75	(25)

Infrastructure, Lot Production and the all associated costs have been deferred or amended commensurately to reflect the change in sales.



## 4. Financial Year Ending 2018

The key operations for the 2018 financial year as forecast in this review are as follows:

This review forecasts a cashflow before distributions of \$9.0m, which is \$25.3m higher than the 2017 Project Forecast approved in June 2018. The high-level areas of variance are summarised below:

- › 52 sales were achieved in FY2018, 33 lots less than the approved 2017 Project Forecast due to weaker than expected results over December 2017 to May 2018.
- › Gross income is forecast to be \$6.5m lower, which is the result of 21 fewer lot settlements and deferral of \$2.1m in group housing settlement income from lot 995 of Stage 18B and the Stage 11 Local Centre.
- › Development costs are forecast to be \$31.8m lower than the approved 2017 Project Forecast, driven by deferral of the WAPC Land Acquisition (\$10.2m) and production costs. Lot production is \$8.0m lower driven by deferred Primary School Earthworks (\$2.5m), Stage 16A (\$1.0m), Stage 17B (\$0.8m), Stage 18B (\$0.8m) and Stage 26 (\$1.4m). Landscaping is lower by \$5.6m, driven by deferral of landscaping for Stage 11 Phase Two (\$0.8m), Stage 12 Greenlink (\$0.3m), Stage 14A (\$0.5m), Stage 17 (\$0.5m), Stage 18 (\$0.3m), BCA South (\$0.3m), Public Art (\$0.2m), Bore 5 (\$0.2m), Catalina Central Upgrades (\$0.2m), Marmion Ave Shrub Planting (\$0.2m) and Catalina Beach Greenlink savings (\$0.4m) and deferral (\$1.0m). Infrastructure costs are \$3.3m lower driven by deferrals for Connolly Drive Intersection (\$2.0m) and Neerabup Road Underpass (\$0.1m) and reduced costs for the Catalina Beach Waste Water Pump Station (\$0.5m). Note however the pump station is a refundable item with the cost saving offset by a reduction in FY2019 refunds received.
- › Distributions for FY2018 were \$1m higher than the 2017 Project Forecast at \$4m in total.

## 5. Operations for Financial Year Ending 2019 (FY2019)

The key operations for the 2019 financial year as forecast in this review are as follows:

1. Distributions are \$3m lower from the 2017 Project Forecast at \$4m.
2. Forecast sales of 50 lots (-50 from the 2017 Project Forecast).
3. Forecast settlements of 44 lots (-43 from the 2017 Project Forecast).
4. Forecast gross income of \$12.6m.
5. 38 forecast titles to be issued for stage 26.
6. Total earthworks and civil construction costs for the year of \$3.7m.
7. Landscaping in Catalina Central will include works for Stage 11 Landscaping Phase Two (\$0.4m), Stage 14A (\$0.4m), Stage 17 (\$0.5m) and Stage 18 (\$0.3m). Catalina Beach landscaping will include completion of the stage 25 Greenlink works (\$1.0m). Total landscaping of \$4.5m budgeted.
8. Net infrastructure costs of \$0.1m are forecast for FY2019 with costs including \$0.8m for the Portofino Promenade Extension and \$0.3m for initial works for the Connolly Drive Intersection, offset by a \$1.2m refund due for the waste water pump station in Catalina Beach.

## 6. Review of Financial Year Ending 2019

This review forecasts a cashflow before distributions of (\$4.8m) for the year to 30 June 2019, compared to \$3.8m positive cashflow in the 2017 Project Forecast, driven by the first payment for the WAPC land acquisition now forecast to occur in FY2019, and reduced income on lot and group housing site settlements. Despite a reduction in forecast settlement revenue, bulk earthworks have been deferred to reduce costs and offset the impact to FY2019 cashflow. The main areas of variance are summarised below:

- › Annual sales for FY2019 have reduced by 50 lots with sales out of stage 16A and 16B now deferred.
- › Forecast settlements have reduced by 43 lots to 44 lots in FY2019 following the lower sales forecast. Lot income is \$9.8m lower than the 2017 Project Forecast, with the most notable reductions from stage 16A (\$8.3m) and 17B (\$5.5m). Total lot income is forecast at \$14.4m in FY2019.
- › Other income has decreased by \$3.0m with the deferral of special site settlements including lot 996 group housing site in stage 18B (\$1.9m) and lot 341 group housing site in stage 17B (\$1.7m), in addition to one Catalina Beach lot previously set aside as a charity home now reverting back to an ordinary residential lot (\$0.8m). Partially offsetting these amounts is income from the settlement of the Stage 11 Local Centre (\$1.4m) deferred from FY2018.
- › Special site development costs are \$5.0m higher with the first \$5.1m payment of the WAPC land acquisition deferred from Apr-18 to Apr-19 since the 2017 Project Forecast.
- › Landscaping works have reduced by \$0.4m overall compared to the 2017 Project Forecast, with the Stage 12 and 13 Greenlink (\$0.9m), Stage 16 Landscaping (\$1.8m) and the School Oval and Passive POS (\$1.4m) deferred to FY2020 offsetting the works deferred from FY2018 highlighted in Section 3 above.
- › Infrastructure costs have decreased by \$1.7m, which is the net result of the following:
  - \$1.4m deferral and \$0.2m savings in costs for the Foreshore Access Road;
  - \$1.1m costs for the Catalina Grove Pump Station deferred to FY2021;
  - \$0.3m additional allowance to scheme underpass deferred to FY2022;
  - \$0.2m costs for Connolly Drive Greenlink Intersection deferred to FY2021; offset by
  - \$1.1m refund for the Primary School Earthworks deferred to FY2021; and
  - \$0.5m reduction in Catalina Beach Waste Water Pump Station refund through lower cost in FY2018.
- › Lot production costs in total for FY2019 are \$5.8m lower compared to the 2017 Project Forecast, with variances including the following notable differences:
  - \$5.9m of earthworks deferred for the Primary School (\$0.8m), Catalina Beach stages 29-31 (\$1.5m) and the initial phase of Catalina Grove (\$3.6m).
  - \$2.0m in costs for Stage 16A and \$1.6m for Stage 16B deferred through slower sales rates.



- Increases to FY2019 budget for Stage 17B (\$0.4m), Stage 18A (\$0.3m), Stage 18B (\$0.8m) and Stage 26 (\$1.5m) as a result of costs deferred from FY2018.
- › Budgeted contingency costs have followed the decrease in development costs and are \$0.2m lower than the 2017 Project Forecast.

## 7. Key Risks for Achieving Financial Year Ending 2019 Budget

The following are key risks for TPRC receiving budgeted revenue in accordance with this review:

- › Achieving forecast sales rates;
- › Settlements forecast for FY2019 being deferred to FY2020, resulting in lower revenue being achieved in FY2019;
- › Achieving anticipated sales prices;
- › Higher than expected fallover rates for sales resulting in delayed settlements.

## 8. Review of Financial Year Ending 2020

This review forecasts cashflow before distributions of (\$11.8m) for the year to 30 June 2020, which is \$24.1m lower than the 2017 Project Forecast. The high-level areas of variance are summarised below:

- › Gross income has decreased by \$12.0m with lower lot income from 65 fewer settlements.
- › Overall development costs are \$12.1m higher in FY2020 than previously forecast, driven by the second \$5.1m payment for the WAPC land acquisition now forecast FY2020, with increased landscaping costs of \$4.1m and infrastructure of \$2.3m as a result of deferred works from previous years.
- › Forecast distributions for FY2020 are \$9m lower than the 2017 Project Forecast of \$14m, however the forecast cash balance is \$3.5m higher at \$18.6m at 30 June 2020.

## 9. Project Forecast

This review forecasts an overall net cash profit of \$349.6m for the life of the project which is \$9.1m higher than the 2017 Project Forecast.

With the project duration increasing two years through slower sales rates, project IRR has reduced from 18.4% in the 2017 Project Forecast to 17.4%.

## 10. Assumptions

Achieving title dates, and therefore the revenue streams, as described in this review are dependent on obtaining planning and engineering approvals. Any deferment of the commencement of works will result in titles being deferred, which could impact the current distribution profile for FY2019 and FY2020.

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

Stage	Lots	Titles
26	38	Feb-19

Escalation is assumed from July 2019 onwards at the rates shown below.

ESCALATION	FY18	FY19	FY20 on
Income - Proposed FY2019 Budget	0%	0%	3%
Cost - Proposed FY2019 Budget	0%	0%	2%
Income - 2017 Project Forecast	0%	0%	4%
Cost - 2017 Project Forecast	0%	0%	2.5%

## 11. Civil Construction Triggers

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

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

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

## 12. Cash Requirement, Capital Return and Profit Distribution Capacity

This review forecasts a minimum cash balance for the project of \$35.4m in FY2019 and \$18.6m in FY2020. Approximately \$15m is maintained as a minimum ongoing cash throughout the duration of the project.

Life of project distributions are now forecast as follows;

Catalina   Profit Distribution Capacity				
FINANCIAL YEAR	PROPOSED BUDGET FY19 UPDATE	2017 PROJECT FORECAST	VARIANCE	CUMULATIVE VARIANCE
PTD FYE2017	53,700,000	53,700,000	-	-
FYE2018	4,000,000	3,000,000	1,000,000	1,000,000
FYE2019	4,000,000	7,000,000	(3,000,000)	(2,000,000)
FYE2020	5,000,000	14,000,000	(9,000,000)	(11,000,000)
FYE2021	13,000,000	21,000,000	(8,000,000)	(19,000,000)
FYE2022	16,000,000	24,000,000	(8,000,000)	(27,000,000)
FYE2023	11,000,000	23,000,000	(12,000,000)	(39,000,000)
FYE2024	18,000,000	28,000,000	(10,000,000)	(49,000,000)
FYE2025	34,000,000	34,000,000	-	(49,000,000)
FYE2026	29,000,000	31,000,000	(2,000,000)	(51,000,000)
FYE2027	30,000,000	46,000,000	(16,000,000)	(67,000,000)
FYE2028	30,000,000	39,000,000	(9,000,000)	(76,000,000)
FYE2029	42,000,000	16,000,000	26,000,000	(50,000,000)
FYE2030	47,000,000	794,729	46,205,271	(3,794,729)
FYE2031	10,000,000	-	10,000,000	6,205,271
FYE2032	2,900,753	-	2,900,753	9,106,024
<b>TOTAL</b>	<b>349,600,753</b>	<b>340,494,729</b>	<b>9,106,024</b>	<b>9,106,024</b>

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

Yours sincerely



**Carl Buckley**  
Project Director

Catalina Annual Cashflow (July 2018)

Catalina Annual Cashflow	PROJECT TOTAL	PTD JUN-17	FYE2018	FYE2019	FYE2020	FYE2021	FYE2022	FYE2023	FYE2024	FYE2025	FYE2026	FYE2027	FYE2028	FYE2029	FYE2030	FYE2031	FYE2032
Sales Release	2,490	908	32	28	50	149	88	126	130	156	174	198	205	186	60	-	-
Sales	2,490	849	52	50	60	75	100	122	140	176	199	191	197	166	113	-	-
Titles	2,490	872	94	38	45	52	110	96	126	156	204	174	226	149	148	-	-
Settlements	2,490	815	71	44	48	66	98	114	122	168	192	194	196	186	151	25	-
Closing Stock	-	59	39	17	7	81	69	73	63	43	18	25	33	53	-	-	-
Contracts on Hand	-	34	15	21	33	42	44	52	70	78	85	82	83	63	25	-	-
Average Settlement Price	292,431	253,101	313,662	327,405	318,729	320,429	289,847	293,806	292,548	285,340	288,041	296,387	295,241	357,676	377,629	360,182	-
GROSS INCOME																	
Income - Lots	728,152,081	206,277,500	22,270,000	14,405,835	15,298,982	21,148,333	28,405,047	33,493,859	35,690,842	47,937,191	55,303,913	57,499,055	57,867,225	66,527,734	57,022,020	9,004,543	-
Income - Other	40,850,071	2,833,217	11,818	1,950,000	3,331,895	4,777,615	1,520,304	735,588	5,084,450	10,758,554	1,881,447	416,124	889,042	1,191,003	2,370,126	3,098,888	-
Direct Selling Expenses	85,112,851	17,335,831	1,965,869	3,734,358	2,015,751	2,707,665	3,648,565	3,782,160	4,837,697	6,637,756	6,619,795	6,963,352	7,172,891	7,564,124	6,655,557	3,133,112	338,368
GROSS INCOME	683,889,301	191,774,886	20,315,949	12,621,476	16,615,126	23,218,283	26,276,787	30,447,288	35,937,595	52,057,990	50,565,565	50,951,828	51,583,376	60,154,613	52,736,589	8,970,319	(338,368)
DEVELOPMENT COSTS																	
Land & Special Sites Development	15,034,675	880,242	284,229	6,022,300	6,577,112	251,127	50,000	135,177	834,487	-	-	-	-	-	-	-	-
Consultants	9,280,766	2,483,674	359,344	627,487	594,292	603,495	635,619	644,124	640,141	654,907	687,761	644,584	362,716	174,960	167,662	-	-
Landscape	55,719,408	9,467,966	5,298,719	4,528,779	6,499,878	1,216,823	4,785,146	7,097,434	1,836,551	2,001,176	2,185,424	2,202,576	2,116,985	2,315,830	4,166,121	-	-
Infrastructure	14,478,987	10,610,685	1,805,837	141,182	3,208,276	524,600	(1,811,593)	-	-	-	-	-	-	-	-	-	-
Lot Production	205,513,085	72,838,671	1,965,146	3,678,967	8,655,131	8,245,438	4,512,919	9,218,358	11,643,614	12,873,136	15,690,315	14,818,416	17,176,516	13,863,219	10,333,238	-	-
Administration	13,299,008	2,314,892	502,365	869,990	969,956	960,203	967,158	967,856	965,052	960,142	945,259	883,358	751,849	496,454	465,384	178,160	100,929
Marketing	8,017,541	1,887,005	215,379	494,000	353,815	412,522	368,242	373,277	436,997	560,456	646,488	633,023	666,087	572,600	397,650	-	-
Community Development	2,323,459	205,959	85,297	192,500	192,500	192,500	192,500	192,500	192,500	192,500	192,500	192,500	192,500	107,203	-	-	-
Finance/Bonds	(0)	(1,827,575)	789,147	86,868	-	525,219	-	-	350,000	-	-	350,000	(700,000)	350,000	(700,000)	776,342	-
Contingency	10,623,076	0	-	827,760	1,352,548	620,335	485,000	931,436	827,467	862,116	1,017,387	968,723	1,063,333	876,513	776,503	8,908	5,046
DEVELOPMENT COSTS	334,290,005	98,861,518	11,305,463	17,469,832	28,403,509	13,552,263	10,184,991	19,560,162	17,726,810	18,104,433	21,365,135	20,693,180	21,629,986	18,756,781	15,606,557	963,410	105,975
CASHFLOW	349,599,297	92,913,368	9,010,486	(4,848,356)	(11,788,383)	9,666,020	16,091,795	10,887,126	18,210,785	33,953,557	29,200,430	30,258,647	29,953,390	41,397,832	37,130,032	8,006,910	(444,343)
Capital Calls	(13,300,000)	(13,300,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	13,300,000	13,300,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Distributions	349,599,297	53,700,000	4,000,000	4,000,000	5,000,000	13,000,000	16,000,000	11,000,000	18,000,000	34,000,000	29,000,000	30,000,000	30,000,000	42,000,000	47,000,000	10,000,000	2,899,297
Cumulative Cash Balance	-	39,213,368	44,223,854	35,375,498	18,587,115	15,253,136	15,344,931	15,232,057	15,442,842	15,396,399	15,596,829	15,855,476	15,808,866	15,206,698	5,336,730	3,343,640	-

Catalina FY18 Budget Forecast (July 2018)

CATEGORY	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	FY2018 TOTAL	2017 PROJECT FORECAST	VARIANCE
Sales Release	-	-	-	7	18	-	-	-	-	7	-	-	32	95	(63)
Sales - Stage 12	-	-	1	-	-	-	-	-	-	-	-	-	1	1	-
Sales - Stage 14B	2	-	-	-	-	-	1	-	(1)	1	-	-	3	3	-
Sales - Stage 15	-	-	-	-	1	-	-	-	-	-	-	-	1	1	-
Sales - Stage 17A	-	-	(1)	1	-	2	-	-	-	-	(1)	1	2	4	(2)
Sales - Stage 17B	-	-	-	-	1	-	-	2	1	-	1	-	5	28	(23)
Sales - Stage 18A	-	-	-	1	-	-	-	-	-	(1)	1	-	1	1	-
Sales - Stage 18B	3	-	1	2	1	(1)	-	-	-	1	-	2	9	17	(8)
Sales - Stage 25	3	-	13	2	6	1	1	-	1	(1)	-	4	30	26	4
Sales - Stage 26	-	-	-	-	-	-	-	-	-	-	-	-	-	4	(4)
Total Sales	8	-	14	6	9	2	2	2	1	-	1	7	52	85	(33)
Titles	-	58	-	-	-	-	-	-	-	-	36	-	94	131	(37)
Settlements	7	4	8	14	6	2	12	7	2	3	2	4	71	92	(21)
Closing Stock	51	51	37	38	47	45	43	41	40	47	46	39	39	69	(30)
Contracts on hand	35	31	37	29	32	32	22	17	16	13	12	15	15	27	(12)
Average Settlement Price	267,714	308,750	371,875	342,714	355,667	305,000	302,250	286,714	297,500	279,333	271,000	258,750	313,662	311,432	2,230
GROSS INCOME															
Income - Stage 12	-	-	-	-	-	-	295,000	-	-	-	-	-	295,000	295,000	-
Income - Stage 13B	210,000	-	-	-	-	-	-	210,000	-	-	-	-	420,000	420,000	-
Income - Stage 14B	240,000	255,000	252,000	-	-	-	-	-	-	-	234,000	-	981,000	1,233,000	(252,000)
Income - Stage 15	288,000	325,000	-	298,000	-	-	-	-	-	280,000	-	-	1,191,000	1,199,000	(8,000)
Income - Stage 17A	633,000	-	-	633,000	-	-	670,000	262,000	-	298,000	-	-	2,496,000	3,423,000	(927,000)
Income - Stage 17B	-	-	-	-	-	-	-	-	-	-	-	555,000	555,000	2,624,124	(2,069,124)
Income - Stage 18A	-	-	-	-	-	-	262,000	298,000	-	-	-	-	560,000	895,000	(335,000)
Income - Stage 18B	503,000	335,000	274,000	822,000	574,000	335,000	1,200,000	298,000	335,000	260,000	308,000	235,000	5,479,000	8,421,599	(2,942,599)
Income - Stage 25	-	320,000	2,449,000	3,045,000	1,560,000	275,000	1,200,000	939,000	260,000	-	-	245,000	10,293,000	10,140,989	152,011
Income - Lots Total	1,874,000	1,235,000	2,975,000	4,798,000	2,134,000	610,000	3,627,000	2,007,000	595,000	838,000	542,000	1,035,000	22,270,000	28,651,711	(6,381,711)
Income - Other	-	-	-	-	-	-	6,364	1,818	-	1,818	1,818	-	11,818	2,161,500	(2,149,682)
Direct Selling Expenses	188,060	141,605	216,246	303,500	220,125	112,229	253,250	150,682	80,313	145,329	73,037	81,494	1,965,869	3,991,171	2,025,302
GROSS INCOME	1,685,940	1,093,395	2,758,754	4,494,500	1,913,875	497,771	3,380,113	1,858,136	514,687	694,489	470,781	953,506	20,315,949	26,822,040	(6,506,091)
DEVELOPMENT COSTS															
Special Sites Development	-	-	-	-	-	-	-	-	-	114,070	90,397	79,762	284,229	10,585,167	10,300,938
Consultants	8,162	99,451	14,444	43,565	13,318	53,290	15,280	19,299	61,070	4,720	3,900	22,846	359,344	726,656	367,312
Landscape	303,595	628,219	692,704	450,243	601,959	549,177	572,684	267,773	341,457	9,848	453,232	427,828	5,298,719	10,896,316	5,597,597
Infrastructure	261,983	141,717	83,411	21,476	23,553	467,036	201,425	332,445	198,111	47,333	5,551	21,797	1,805,837	5,072,688	3,266,851
Bulk Earthworks Primary School/GHS/Oval	-	-	-	-	-	-	-	-	-	-	-	-	-	2,526,500	2,526,500
Catalina Beach Bulk Earthworks Stgs 25-28	680	-	-	-	-	-	-	-	-	-	-	-	680	49,799	49,119
Catalina Beach Bulk Earthworks Stgs 29-31	-	-	-	-	-	-	-	-	-	-	-	-	-	346,630	346,630
Catalina Grove Cell Bulk Earthworks Stgs 36-40	-	-	-	-	-	-	-	-	-	-	-	-	-	76,250	76,250
Lot Production - Stage 13A	-	-	-	-	-	-	-	-	-	-	-	-	-	5,445	5,445
Lot Production - Stage 14A	-	-	-	-	-	-	-	-	-	-	-	-	-	42,530	42,530
Lot Production - Stage 14B	-	-	-	-	-	-	-	-	-	-	-	-	-	107,996	107,996
Lot Production - Stage 15	-	-	-	-	-	-	-	-	-	-	-	-	-	123,171	123,171
Lot Production - Stage 16A	-	-	-	8,364	-	-	-	(26,000)	-	-	-	-	(17,636)	1,016,863	1,034,499
Lot Production - Stage 16B	-	-	-	-	-	-	-	26,000	-	-	-	-	26,000	23,133	(2,867)
Lot Production - Stage 17A	-	-	-	-	-	-	-	-	-	-	-	-	-	20,001	20,001
Lot Production - Stage 17B	17,591	19,789	27,399	19,789	12,594	345,400	475,575	392,147	254,007	17,484	62,009	3,312	1,647,098	2,481,206	834,108
Lot Production - Stage 18A	-	-	1,575	-	3,925	-	-	-	-	-	-	-	5,500	445,147	439,647
Lot Production - Stage 18B	185,606	66,221	5,092	-	0	-	-	-	-	-	-	-	256,919	1,023,400	766,481
Lot Production - Stage 25	39,698	7,483	14,637	2,503	41,158	42,395	-	-	-	-	(125,495)	-	22,378	232,357	209,979
Lot Production - Stage 26	-	3,919	1,568	5,486	12,884	-	350	-	-	-	-	-	24,207	1,478,415	1,454,208
Administration	12,073	69,479	32,336	25,930	18,697	26,942	81,450	66,453	103,622	24,521	19,057	21,805	502,365	1,208,680	706,315
Marketing	11,350	9,808	3,772	3,081	1,710	13,728	3,017	111,934	6,926	31,716	14,587	3,750	215,379	785,000	569,621
Community Development	17,992	(140)	(11,478)	16,824	3,415	818	20,262	4,565	15,924	1,458	10,770	4,889	85,297	192,500	107,203
Finance/Bonds	142,625	306	19,958	(438,786)	-	-	-	-	1,000	(25)	25	29	(274,868)	303,596	578,464
Debtor/Creditor Movement	238,412	1,004,381	(430,716)	292,577	(475,640)	491,094	(1,260,618)	237,853	147,984	534,066	313,784	(29,163)	1,064,015	1,323,826	259,811
Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	1,973,293	1,973,293
DEVELOPMENT COSTS	1,239,767	2,050,632	454,703	451,053	257,573	1,989,879	109,424	1,432,469	1,130,101	785,190	847,816	556,855	11,305,463	43,066,565	31,761,103
CASHFLOW	446,173	(957,238)	2,304,051	4,043,447	1,656,302	(1,492,107)	3,270,690	425,668	(615,414)	(90,700)	(377,035)	396,651	9,010,486	(16,244,525)	25,255,012
Capital Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Distributions	-	-	-	-	-	2,000,000	-	-	-	-	-	2,000,000	4,000,000	3,000,000	1,000,000
Cumulative Cash Balance	39,659,541	38,702,303	41,006,354	45,049,801	46,706,103	43,213,996	46,484,685	46,910,353	46,294,939	46,204,238	45,827,203	44,223,854	44,223,854	19,968,842	24,255,012

Catalina FY19 Budget (July 2018)

CATEGORY	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	FY2019 TOTAL	2017 PROJECT FORECAST	VARIANCE
Sales Release	4	-	8	-	8	-	-	-	8	-	-	-	28	120	(92)
Sales - Stage 16A	-	-	-	-	-	-	-	-	-	-	-	-	-	44	(44)
Sales - Stage 16B	-	-	-	-	-	-	-	-	-	-	-	-	-	23	(23)
Sales - Stage 17A	-	1	-	1	-	-	-	-	-	-	-	-	2	-	2
Sales - Stage 17B	1	1	1	1	1	1	1	1	1	2	2	2	15	8	7
Sales - Stage 18B	1	-	1	-	1	1	1	1	1	1	-	-	8	-	8
Sales - Stage 25	2	2	1	1	1	1	-	1	2	1	1	2	15	13	2
Sales - Stage 26	-	-	1	1	1	-	1	1	1	1	2	1	10	12	(2)
Total Sales	4	4	4	4	4	3	3	4	5	5	5	5	50	100	(50)
Titles	-	-	-	-	-	-	-	38	-	-	-	-	38	44	(6)
Settlements	1	3	1	9	3	4	2	3	5	5	4	4	44	87	(43)
Closing Stock	39	35	39	35	39	36	33	29	32	27	22	17	17	89	(72)
Contracts on hand	18	19	22	17	18	17	18	19	19	19	20	21	21	40	(19)
Average Settlement Price	305,000	298,800	302,314	310,328	325,162	325,001	326,717	318,001	348,328	349,298	345,914	338,615	327,405	278,672	48,733
GROSS INCOME															
Income - Stage 14B	-	-	-	245,000	-	-	-	-	-	-	-	-	245,000	-	245,000
Income - Stage 16A	-	-	-	-	-	-	-	-	-	-	-	-	-	8,313,711	(8,313,711)
Income - Stage 17A	-	-	-	315,500	-	305,750	-	305,750	-	-	-	-	927,000	-	927,000
Income - Stage 17B	-	-	302,314	299,909	-	296,701	-	294,868	294,214	293,653	292,811	292,250	2,366,720	7,872,371	(5,505,651)
Income - Stage 18A	-	335,000	-	-	-	-	-	-	-	-	-	-	335,000	-	335,000
Income - Stage 18B	-	561,400	-	574,300	287,150	-	300,050	-	303,275	304,081	304,686	304,686	2,939,628	606,401	2,333,227
Income - Stage 25	305,000	-	-	1,358,241	688,336	697,552	353,384	353,384	357,992	362,600	-	364,444	4,840,934	3,513,468	1,327,466
Income - Stage 26	-	-	-	-	-	-	-	-	786,158	786,158	786,158	393,079	2,751,553	3,938,500	(1,186,947)
Income - Lots Total	305,000	896,400	302,314	2,792,949	975,486	1,300,004	653,434	954,003	1,741,639	1,746,492	1,383,655	1,354,458	14,405,835	24,244,451	(9,838,617)
Income - Other	1,400,000	-	-	-	-	-	-	-	550,000	-	-	-	1,950,000	4,984,500	(3,034,500)
Direct Selling Expenses	421,383	238,911	262,290	482,321	408,629	235,563	315,884	276,792	334,295	265,719	231,840	260,732	3,734,358	3,468,064	(266,294)
GROSS INCOME	1,283,617	657,489	40,025	2,310,628	566,858	1,064,440	337,550	677,211	1,957,344	1,480,774	1,151,815	1,093,726	12,621,476	25,760,887	(13,139,411)
DEVELOPMENT COSTS															
Special Sites Development	46,160	164,469	164,469	46,160	113,465	113,465	113,465	46,160	46,160	5,149,160	9,583	9,583	6,022,300	1,029,363	(4,992,938)
Consultants	94,918	44,950	47,949	47,927	48,197	48,225	48,494	49,446	49,450	49,994	49,445	48,492	627,487	592,681	(34,805)
Landscape	114,215	31,460	805,727	828,297	594,699	548,679	309,792	309,792	254,158	254,158	265,158	212,644	4,528,779	4,976,689	447,910
Infrastructure	597	-	357,357	58,854	58,854	39,191	143,174	143,174	143,174	147,974	147,974	(1,099,143)	141,182	1,802,173	1,660,991
Bulk Earthworks Primary School/GHS/Oval	-	-	-	-	-	-	-	-	-	-	-	-	-	854,840	854,840
Catalina Beach Bulk Earthworks Stgs 25-28	-	-	1,328	1,328	-	-	-	-	-	-	-	-	2,655	-	(2,655)
Catalina Beach Bulk Earthworks Stgs 29-31	-	-	-	-	-	-	-	-	-	-	-	-	-	1,510,841	1,510,841
Catalina Grove Cell Bulk Earthworks Stgs 36-40	-	-	-	-	-	-	13,375	13,375	13,375	13,375	13,375	9,375	76,250	3,656,250	3,580,000
Lot Production - Completed stages (final claims)	3,425	-	133,223	22,132	-	-	-	-	-	-	-	-	158,780	-	(158,780)
Lot Production - Stage 16A	-	-	-	-	-	-	15,850	15,850	15,850	15,850	15,850	15,850	95,097	2,125,852	2,030,754
Lot Production - Stage 16B	-	-	-	-	-	-	-	-	-	-	-	-	-	1,649,467	1,649,467
Lot Production - Stage 17A	-	-	833	833	833	833	833	833	-	-	-	-	5,000	-	(5,000)
Lot Production - Stage 17B	-	-	181,201	180,228	1,507	1,507	1,507	1,507	1,507	1,507	1,507	-	371,978	-	(371,978)
Lot Production - Stage 18A	-	-	340,824	1,845	1,845	-	-	-	-	-	-	-	344,515	-	(344,515)
Lot Production - Stage 18B	-	-	-	-	-	-	-	-	-	-	383,419	379,909	763,329	-	(763,329)
Lot Production - Stage 25	-	-	43,170	43,170	-	-	-	-	-	-	-	-	86,341	-	(86,341)
Lot Production - Stage 26	-	-	12,018	12,018	246,791	246,791	504,441	246,791	246,791	234,773	-	-	1,750,411	240,303	(1,510,108)
Lot Production - Stage 27	-	-	-	-	-	-	-	-	-	-	-	24,611	24,611	22,600	(2,011)
Lot Production - Stage 36	-	-	-	-	-	-	-	-	-	-	-	-	-	220,090	220,090
Lot Production - Stage 37	-	-	-	-	-	-	-	-	-	-	-	-	-	48,909	48,909
Administration	58,383	58,383	227,773	58,383	58,383	58,383	58,383	58,383	58,383	58,383	58,383	58,383	869,990	1,085,358	215,368
Marketing	41,167	41,167	41,167	41,167	41,167	41,167	41,167	41,167	41,167	41,167	41,167	41,167	494,000	1,032,191	538,191
Community Development	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	192,500	235,304	42,804
Finance/Bonds	249,757	(162,889)	(350,000)	350,000	-	-	-	-	-	-	-	-	86,868	(142,625)	(229,493)
Debtor/Creditor Movement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	18,745	17,824	118,654	67,919	59,089	55,714	63,326	47,126	44,303	299,119	50,095	(14,154)	827,760	1,054,146	226,385
DEVELOPMENT COSTS	643,410	211,405	2,141,733	1,776,304	1,240,872	1,169,997	1,329,849	989,647	930,359	6,281,501	1,051,998	(297,242)	17,469,832	21,994,431	4,524,599
CASHFLOW	640,207	446,084	(2,101,708)	534,325	(674,014)	(105,556)	(992,299)	(312,436)	1,026,985	(4,800,728)	99,817	1,390,968	(4,848,356)	3,766,456	(8,614,812)
Capital Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Distributions	-	-	-	-	-	2,000,000	-	-	-	-	-	2,000,000	4,000,000	7,000,000	(3,000,000)
Cumulative Cash Balance	44,864,061	45,310,145	43,208,436	43,742,761	43,068,746	40,963,190	39,970,892	39,658,456	40,685,441	35,884,713	35,984,530	35,375,498	35,375,498	16,735,299	18,640,199

Catalina FY20 Forecast (July 2018)

CATEGORY	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	FY2020 TOTAL	2017 PROJECT FORECAST	VARIANCE
Sales Release	8	-	-	-	8	-	18	8	-	8	-	-	50	100	(50)
Sales - Stage 16A	2	1	1	1	2	1	1	1	2	1	1	1	15		15
Sales - Stage 16B	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)
Sales - Stage 17B	-	1	2	1	1	1	2	1	1	1	2	2	15		15
Sales - Stage 25	1	1	1	1	1	-	-	-	-	-	-	-	5	10	(5)
Sales - Stage 26	1	1	2	1	1	2	3	2	1	2	2	2	20	22	(2)
Sales - Stage 27	-	-	-	-	-	-	-	-	2	1	1	1	5	18	(13)
Sales - Stage 36	-	-	-	-	-	-	-	-	-	-	-	-	-	48	(48)
Sales - Stage 37	-	-	-	-	-	-	-	-	-	-	-	-	-	27	(27)
Total Sales	4	4	6	4	5	4	6	4	6	5	6	6	60	130	(70)
Titles	-	-	-	-	45	-	-	-	-	-	-	-	45	124	(79)
Settlements	5	4	3	4	4	5	4	3	4	5	3	4	48	113	(65)
Closing Stock	21	17	11	7	10	6	18	22	16	19	13	7	7	59	(52)
Contracts on hand	20	20	23	23	24	23	25	26	28	28	31	33	33	57	(24)
Average Settlement Price	344,070	338,839	350,263	354,253	335,541	276,946	291,733	326,064	317,340	282,700	301,201	324,248	318,729	250,859	67,870
GROSS INCOME															
Income - Stage 16A	-	-	-	-	-	435,691	218,118	218,437	218,794	438,924	219,833	220,234	1,970,032	1,312,691	657,341
Income - Stage 16B	-	-	-	-	-	-	-	-	-	-	-	-	-	4,550,538	(4,550,538)
Income - Stage 17B	291,857	291,857	291,683	291,403	582,583	582,360	582,136	-	290,807	581,499	290,692	290,601	4,367,478	-	4,367,478
Income - Stage 18B	304,686	304,686	-	-	-	-	-	-	-	-	-	-	609,372	-	609,372
Income - Stage 25	730,730	365,734	366,029	732,529	366,501	366,677	366,677	366,677	366,677	-	-	-	4,028,232	5,265,463	(1,237,230)
Income - Stage 26	393,079	393,079	393,079	393,079	393,079	-	-	393,079	393,079	393,079	393,079	786,158	4,323,868	7,876,999	(3,553,131)
Income - Stage 36	-	-	-	-	-	-	-	-	-	-	-	-	-	9,341,361	(9,341,361)
Income - Lots Total	1,720,352	1,355,356	1,050,790	1,417,011	1,342,162	1,384,728	1,166,932	978,193	1,269,358	1,413,502	903,603	1,296,993	15,298,982	28,347,052	(13,048,070)
Income - Other	762,769	-	-	-	-	1,872,870	-	-	-	-	-	696,255	3,331,895	3,638,256	(306,362)
Direct Selling Expenses	225,489	122,019	77,878	204,157	125,497	396,778	106,875	102,351	148,564	160,460	114,668	231,015	2,015,751	3,404,139	1,388,388
GROSS INCOME	2,257,632	1,233,337	972,912	1,212,854	1,216,666	2,860,820	1,060,057	875,843	1,120,794	1,253,042	788,935	1,762,233	16,615,126	28,581,169	(11,966,043)
DEVELOPMENT COSTS															
Special Sites Development	-	5,103,000	-	-	-	84,170	217,371	217,733	218,096	245,172	245,580	245,990	6,577,112	1,533,792	(5,043,321)
Consultants	51,865	46,943	48,037	48,118	48,200	49,005	57,016	49,602	49,020	49,122	49,206	48,158	594,292	613,480	19,188
Landscape	329,173	329,714	304,788	305,289	98,448	115,106	1,251,290	1,309,106	1,311,281	662,211	269,571	213,903	6,499,878	2,352,646	(4,147,232)
Infrastructure	454,350	747,278	748,523	749,771	240,537	240,938	10,039	10,056	1,692	1,695	1,697	1,700	3,208,276	928,586	(2,279,690)
Bulk Earthworks Primary School/GHS/Oval	-	522,989	523,861	524,734	525,608	-	-	-	-	-	-	-	2,097,191	-	(2,097,191)
Catalina Beach Bulk Earthworks Stgs 29-31	-	-	-	-	-	-	3,372	3,378	17,179	17,208	17,236	17,265	75,638	20,577	(55,061)
Catalina Grove Cell Bulk Earthworks Stgs 36-40	9,391	9,406	9,422	9,438	9,453	9,469	-	-	-	-	-	-	56,579	-	(56,579)
Catalina Grove Bulk Earthworks Stgs 41-44	-	-	-	-	-	-	-	-	-	-	-	-	-	172,496	172,496
Lot Production - Stage 16A	543,738	544,644	545,552	843,925	541,053	541,954	-	-	-	-	-	-	3,560,865	-	(3,560,865)
Lot Production - Stage 27	24,652	24,693	24,734	24,776	24,817	24,858	24,900	24,941	566,764	567,709	568,655	940,032	2,841,532	2,895,832	54,300
Lot Production - Stage 28	-	-	-	-	-	-	-	-	-	-	-	-	-	18,797	18,797
Lot Production - Stage 36	-	-	-	-	-	-	-	-	-	-	-	23,326	23,326	2,713,825	2,690,499
Lot Production - Stage 37	-	-	-	-	-	-	-	-	-	-	-	-	-	2,508,034	2,508,034
Lot Production - Stage 38	-	-	-	-	-	-	-	-	-	-	-	-	-	149,658	149,658
Administration	60,150	60,250	362,657	53,740	53,830	53,919	54,009	54,099	54,189	54,280	54,370	54,461	969,956	990,252	20,296
Marketing	29,215	29,264	29,313	29,362	29,411	29,460	29,509	29,558	29,607	29,656	29,706	29,755	353,815	401,803	47,988
Community Development	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	192,500	205,304	12,804
Finance/Bonds	-	-	-	-	-	-	-	350,000	(350,000)	-	-	-	-	-	-
Debtor/Creditor Movement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	75,929	371,711	130,646	130,260	79,370	58,246	83,177	85,726	113,194	82,155	62,603	79,532	1,352,548	775,254	(577,294)
DEVELOPMENT COSTS	1,594,504	7,805,935	2,743,574	2,735,453	1,666,769	1,223,168	1,746,725	2,150,241	2,027,064	1,725,248	1,314,667	1,670,163	28,403,509	16,280,338	(12,123,171)
CASHFLOW	663,129	(6,572,598)	(1,770,662)	(1,522,599)	(450,103)	1,637,653	(686,668)	(1,274,399)	(906,269)	(472,206)	(525,732)	92,071	(11,788,383)	12,300,832	(24,089,214)
Capital Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Distributions	-	-	-	-	-	2,500,000	-	-	-	-	-	2,500,000	5,000,000	14,000,000	(9,000,000)
Cumulative Cash Balance	36,038,627	29,466,029	27,695,367	26,172,768	25,722,665	24,860,318	24,173,650	22,899,251	21,992,982	21,520,776	20,995,045	18,587,115	18,587,115	15,036,130	3,550,985



## **Appendix 9.7**



# **ANNUAL BUDGET**

**2018-19**

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## **Chairman's Introduction**

It gives me great pleasure to present the 2018/2019 Tamala Park Regional Council Annual Budget.

The TPRC Budget for 2018/2019 reflects a conservative approach to construction and expenditure consistent with prevailing economic conditions in Western Australia and predicted soft conditions for new lot sales.

Highlights of the Works program include:

- Civil construction for 38 lots;
- Portofino Boulevard extension;
- Significant landscape construction, including Catalina Beach Entry Statement;
- Construction of the Catalina Beach Sales Office;
- Continued Catalina branding and marketing, in conjunction with opening and promotion of the new Catalina Beach Sales office;
- 50 lot sales and 44 lot settlements.

It is anticipated that the local government participants will receive a return of capital in 2018/2019 amounting to \$4,000,000.

The 2018/2019 Budget compiled by the Tamala Park Regional Council progresses the development, subdivision and sales of land and will see continued consolidation of the Catalina

This significant works program will ensure that each member Council will continue to receive a return of capital into the future.

**Cr Giovanni Italiano JP**  
**Chairman**

## Chief Executive Officer's Summary

The TPRC Budget 2018/2019 sets out the programs, projects and allocation of resources required to perform the Municipal obligations and functions required by the Local Government Act and associated legislation.

The TPRC Budget 2018/2019 continues the civil works, landscaping and marketing undertaken to date in order to consolidate the Catalina Project. The TPRC Budget 2018/2019 reflects a conservative approach to sales/settlement rates and lot production/infrastructure expenditure consistent with the predicted soft conditions for new lot sales in Western Australia, and proposes 50 sales and 44 settlements. The proposed expenditure is detailed in the Budget and accompanying notes.

The major development costs are shown below:

	\$
Land & Special Sites Development	\$6,022,300
Consultants	\$627,487
Landscape	\$4,528,779
Infrastructure	\$141,182
Bulk Earthworks	\$78,905
Lot Production	\$3,600,062
Admin Land Development	\$869,990
Community Development	\$192,500
Contingency	\$827,760
Finance	\$86,868
Debtors /Creditors Movement	\$0
	<u>\$16,975,833</u>

The TPRC Budget 2018/2019 predicts that the TPRC can meet all cashflow obligations from investment income and existing cash funds.

The TPRC Budget 2018/2019 has been developed so that it is financially responsible and reflects current economic conditions.

**Tony Arias**  
**Chief Executive Officer**

## Budget Processes

This section lists the budget processes undertaken in order to adopt the Annual Budget in accordance with the Local Government Act 1995 and its Regulations.

The preparation of the budget begins with the Chief Executive Officer preparing the operating and capital components of the annual budget . A draft consolidated budget is then prepared and various iterations are considered by Council. An annual budget is prepared in accordance with the Act and submitted to Council for approval.

The budget is required to be adopted by 31 August in each year. The key dates for the budget process are summarised below:

<b>Budget process</b>	<b>Timing</b>
1. Officers prepare operating and capital estimates for inclusion in the budget.	Jun-18
2. Audit Committee considers draft budget	Aug-18
3. Proposed budget to Council for approval	Aug-18
4. Copy of adopted budget submitted to the Department	Sep-18

# **1. Budget Influences**

This section sets out the key budget influences arising from the internal and external environment within which the Council operates.

## **1.1 External influences**

In preparing the 2018/19 Annual Budget, a number of external influences have been taken into consideration, because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- Consumer Price Index (CPI) increases on goods and services .
- Prevailing economic conditions .
- Demand for residential lots .

## **1.2 Internal influences**

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2018/19 Annual Budget. These matters have arisen from events occurring in the 2017/18 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2017/18 year. These matters and their financial impact are set out below:

- Budget surplus for the 2017/18 financial year ended 30 June 2018
- Internal financing of land subdivision and development.

## **1.3 Budget principles**

In response to these influences, budget principles were developed upon which the officers were to prepare their budgets. The principles included:

- CPI or market levels
- New revenue sources resulting from the sale of lots
- Salaries and wages to be increased in line with Average Weekly Earnings

## **1.4 Legislative requirements**

Under the Local Government Act 1995 ("the Act"), Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include a range of information required by the Local Government (Financial Management ) Regulations 1996 ("the Regulations") which support the Act.

The 2018/19 Annual Budget, which is included in this report, is for the year 1 July 2018 to 30 June 2019 and is prepared in accordance with the Act and Regulations. The budget includes statutory statements being a budget comprehensive income, budget statement of financial activity, budget statement of cash flows, budget rate setting statement and notes forming part of the annual budget. These statements have been prepared for the year ended 30 June 2019 in accordance with Accounting Standards and other mandatory professional reporting requirements and in accordance with the Act and Regulations. It also includes detailed information about the capital works program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

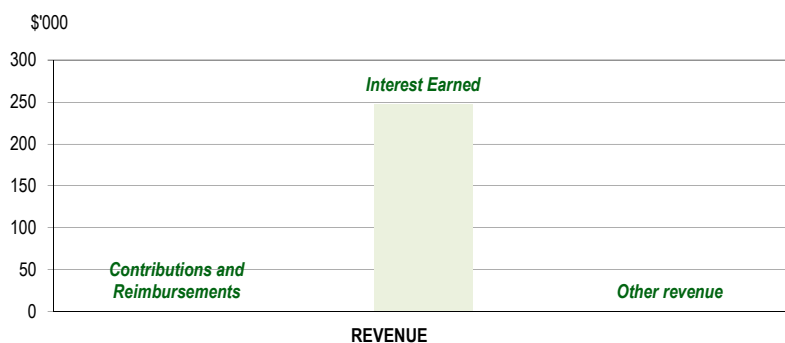


## 2. Analysis of Operating Budget

This section analyses the expected revenues and expenses of the Council for the 2018/19 year.

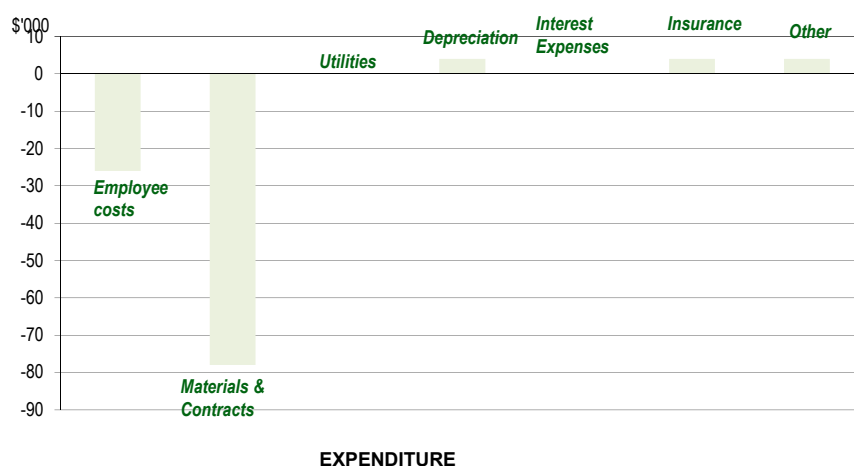
### 2.1 Operating revenue

Revenue Types	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Variance \$'000
Contributions and Reimbursements	2	2	0
Interest Earned	793	1,040	247
Other revenue	0	0	0
<b>Total operating revenue</b>	<b>795</b>	<b>1,042</b>	<b>247</b>
Net gain on sale of assets	0	0	0



### 2.2 Operating expenditure

Expenditure Types	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Variance \$'000
Employee Costs	752	726	-26
Materials and Contracts	483	405	-78
Utilities	6	6	0
Depreciation	21	25	4
Interest Expenses	0	0	0
Insurance	10	14	4
Other expenses	182	186	4
<b>Total operating expenditure</b>	<b>1,454</b>	<b>1,362</b>	<b>-92</b>
Net loss on sale of assets		2	



### 3. Analysis of Budgeted Cash Position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2017/18 year. Budgeting cash flows for Council is a key factor in providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

The analysis is based on three main categories of cash flows:

- **Operating activities** - Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt
- **Investing activities** - Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment
- **Financing activities** - Refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

#### 3.1 Budgeted cash flow statement

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Variance \$'000
<b>Cash flows from operating activities</b>			
<i>Receipts</i>			
Contributions and Reimbursements	2	2	0
Interest Earned	820	1,092	272
Other revenue	27	0	-27
	<b>849</b>	<b>1,094</b>	<b>245</b>
<i>Payments</i>			
Employee Costs	-752	-726	26
Materials and Contracts	-494	-434	60
Utilities	-6	-6	0
Insurance	-10	-14	-4
Other expenses	-182	-186	-4
	<b>-1,444</b>	<b>-1,366</b>	<b>78</b>
<b>Net cash provided by operating activities</b>	<b>-595</b>	<b>-272</b>	<b>323</b>
<b>Cash flows from investing activities</b>			
Receipts from disposal of assets	0	45	45
Receipts from sale of land	42,134	16,355	-25,779
Payments for development of land, plant and equipment	-55,686	-21,359	34,327
<b>Net cash provided by investing activities</b>	<b>-13,552</b>	<b>-4,959</b>	<b>8,593</b>
<b>Cash flows from financing activities</b>			
Contributions to be returned	-4,269	-4,209	60
<b>Net cash used in financing activities</b>	<b>-4,269</b>	<b>-4,209</b>	<b>60</b>
<b>Net decrease in cash and cash equivalents</b>	<b>-18,416</b>	<b>-9,440</b>	<b>8,976</b>
Cash and cash equivalents at the beg of the year	39,213	43,846	4,633
<b>Cash and cash equivalents at end of the year</b>	<b>20,797</b>	<b>34,406</b>	<b>13,609</b>

## **Statutory Draft Annual Budget**

The information in regard to the Draft Annual Budget Statements include:

- Budget Comprehensive Income Statement
- Budget Statement of Financial Activity
- Budget Rate Setting Statement
- Budget Statement of Cashflow
- Notes to and Forming Part of the Annual Budget
- Detailed Schedules

**TAMALA PARK REGIONAL COUNCIL  
BUDGET COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019**

2017/18 ADOPTED BUDGET		NOTES	2017/18 ACTUAL	2018/19 ADOPTED BUDGET
<b>\$</b>	<b>EXPENDITURE</b>	1,2,3,4,12,13	<b>\$</b>	<b>\$</b>
(181,955)	Governance		(166,839)	(186,390)
(1,272,884)	Other Property and Services		(735,718)	(1,176,530)
<b>(\$1,454,839)</b>			<b>(\$902,556)</b>	<b>(\$1,362,920)</b>
	<b>REVENUE</b>	1,2,3,4,11,13		
793,512	General Purpose Funding		1,059,875	1,040,633
2,035	Other Property & Services		9,184	2,000
<b>\$795,547</b>			<b>\$1,069,059</b>	<b>\$1,042,633</b>
<b>(\$659,292)</b>			<b>166,502</b>	<b>(320,287)</b>
	<b>DISPOSAL OF ASSETS</b>	2,6		
0	Land		0	0
0	Plant and Equipment		0	(1,760)
0	Furniture and Equipment		0	0
<b>\$0</b>			<b>\$0</b>	<b>(\$1,760)</b>
<b>(\$659,292)</b>	<b>NET RESULT</b>		<b>\$166,502</b>	<b>(\$322,047)</b>
	<b>OTHER COMPREHENSIVE INCOME</b>			
0	Changes on revaluation of non current assets		0	0
<b>\$0</b>	<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>\$0</b>	<b>\$0</b>
<b>(\$659,292)</b>	<b>TOTAL COMPREHENSIVE INCOME</b>		<b>\$166,502</b>	<b>(\$322,047)</b>

**TAMALA PARK REGIONAL COUNCIL**  
**BUDGET FINANCIAL ACTIVITY STATEMENT FOR THE YEAR ENDING 30 JUNE 2019**

2017/18 ADOPTED		2017/18 ACTUAL	2018/19 ADOPTED	2018/19 JULY	2018/19 AUGUST	2018/19 SEPTEMBER	2018/19 OCTOBER	2018/19 NOVEMBER	2018/19 DECEMBER	2018/19 JANUARY	2018/19 FEBRUARY	2018/19 MARCH	2018/19 APRIL	2018/19 MAY	2018/19 JUNE
<b>BUDGET</b>			<b>BUDGET</b>												
\$	<b>OPERATING REVENUE</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
793,512	General Purpose Funding	1,059,875	1,040,633	104,063	208,127	312,189	416,252	520,317	624,380	702,427	780,475	858,522	936,571	988,602	1,040,633
2,035	Other Property and Services	9,184	2,000	1000	1000	1000	2000	2000	2000	2000	2000	2000	2000	2000	2,000
<b>\$795,547</b>		<b>\$1,069,059</b>	<b>\$1,042,633</b>	<b>\$105,063</b>	<b>\$209,127</b>	<b>\$313,189</b>	<b>\$418,252</b>	<b>\$522,317</b>	<b>\$626,380</b>	<b>\$704,427</b>	<b>\$782,475</b>	<b>\$860,522</b>	<b>\$938,571</b>	<b>\$990,602</b>	<b>\$1,042,633</b>
	<b>LESS OPERATING EXPENDITURE</b>														
(181,955)	Governance	(166,839)	(186,390)	(875)	(1,750)	(46,597)	(47,472)	(48,347)	(93,195)	(94,070)	(94,945)	(139,792)	(140,667)	(141,542)	(186,390)
(1,272,884)	Other Property & Services	(735,718)	(1,176,530)	(99,796)	(193,727)	(290,709)	(391,580)	(484,436)	(582,492)	(675,349)	(769,280)	(866,261)	(960,193)	(1,053,049)	(1,176,530)
<b>(1,454,839)</b>		<b>(902,556)</b>	<b>(1,362,920)</b>	<b>(100,671)</b>	<b>(195,477)</b>	<b>(337,306)</b>	<b>(439,052)</b>	<b>(532,783)</b>	<b>(675,687)</b>	<b>(769,418)</b>	<b>(864,225)</b>	<b>(1,006,053)</b>	<b>(1,100,860)</b>	<b>(1,194,591)</b>	<b>(1,362,920)</b>
<b>(\$659,292)</b>	<i>Increase(Decrease)</i>	<b>\$166,502</b>	<b>(\$320,287)</b>	<b>\$4,392</b>	<b>\$13,649</b>	<b>(\$24,117)</b>	<b>(\$20,800)</b>	<b>(\$10,467)</b>	<b>(\$49,307)</b>	<b>(\$64,991)</b>	<b>(\$81,750)</b>	<b>(\$145,531)</b>	<b>(\$162,289)</b>	<b>(\$203,988)</b>	<b>(\$320,287)</b>
	<b>ADD</b>														
0	Provision for Employee Entitlements	2,553	0	0	0	0	0	0	0	0	0	0	0	0	0
0	Profit/Loss on the Disposal of Assets	0	(1,760)	0	0	0	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)
21,212	Depreciation Written Back	20,153	25,381	0	0	0	0	0	0	0	0	0	0	0	25,381
0	Book Value of Assets Sold Written Back	0	46,760	0	0	0	0	0	0	0	0	0	0	0	46,760
<b>\$21,212</b>		<b>\$22,706</b>	<b>\$70,381</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,760)</b>	<b>(\$1,760)</b>	<b>(\$1,760)</b>	<b>(\$1,760)</b>	<b>(\$1,760)</b>	<b>(\$1,760)</b>	<b>(\$1,760)</b>	<b>(\$1,760)</b>	<b>\$70,381</b>
<b>(\$638,080)</b>	<i>Sub Total</i>	<b>\$189,208</b>	<b>(\$249,905)</b>	<b>\$4,392</b>	<b>\$13,649</b>	<b>(\$24,117)</b>	<b>(\$22,560)</b>	<b>(\$12,227)</b>	<b>(\$51,067)</b>	<b>(\$66,751)</b>	<b>(\$83,510)</b>	<b>(\$147,291)</b>	<b>(\$164,049)</b>	<b>(\$205,748)</b>	<b>(\$249,905)</b>
	<b>LESS CAPITAL PROGRAMME</b>														
(26,250)	Purchase Plant and Equipment	0	(66,000)	0	0	0	(66,000)	(66,000)	(66,000)	(66,000)	(66,000)	(66,000)	(66,000)	(66,000)	(66,000)
0	Purchase Buildings and Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	Purchase Furniture and Equipment	0	(16,000)	0	0	0	0	0	0	0	0	0	0	0	(16,000)
<b>(\$26,250)</b>		<b>\$0</b>	<b>(\$82,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$66,000)</b>	<b>(\$66,000)</b>	<b>(\$66,000)</b>	<b>(\$66,000)</b>	<b>(\$66,000)</b>	<b>(\$66,000)</b>	<b>(\$66,000)</b>	<b>(\$66,000)</b>	<b>(\$82,000)</b>
	<b>LESS MEMBERS EQUITY</b>														
	<b>Development of Land for Resale</b>														
40,372,252	Income Sale of Lots -Subdivision	22,021,893	14,405,835	305,000	1,201,400	1,503,714	4,296,663	5,272,149	6,572,153	7,225,587	8,179,590	9,921,229	11,667,721	13,051,376	14,405,835
1,761,500	Income Other -Subdivision	13,636	1,950,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,950,000	1,950,000	1,950,000	1,950,000
0	Income Other -Proceeds Sale of Apartments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(55,659,496)	Development Costs - Subdivision	(13,349,159)	(21,277,191)	(1,070,875)	(1,527,275)	(3,937,383)	(6,202,090)	(7,857,674)	(9,269,318)	(10,921,134)	(12,193,655)	(13,464,393)	(20,017,697)	(21,307,619)	(21,277,191)
0	Development Costs - Apartments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(268,725)	Contribution Refund	(314,006)	(209,337)	0	0	0	0	0	0	0	0	0	0	0	(209,337)
(4,000,000)	Profit Distributions	(4,000,000)	(4,000,000)	0	0	0	0	0	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(4,000,000)
<b>(\$17,794,469)</b>		<b>\$4,372,365</b>	<b>(\$9,130,693)</b>	<b>\$634,125</b>	<b>\$1,074,125</b>	<b>(\$1,033,669)</b>	<b>(\$505,427)</b>	<b>(\$1,185,525)</b>	<b>(\$3,297,165)</b>	<b>(\$4,295,547)</b>	<b>(\$4,614,065)</b>	<b>(\$3,593,164)</b>	<b>(\$8,399,976)</b>	<b>(\$8,306,243)</b>	<b>(\$9,130,693)</b>
0	Plus Rounding	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>(\$17,820,719)</b>		<b>\$4,372,365</b>	<b>(\$9,212,693)</b>	<b>\$634,125</b>	<b>\$1,074,125</b>	<b>(\$1,033,669)</b>	<b>(\$571,427)</b>	<b>(\$1,251,525)</b>	<b>(\$3,363,165)</b>	<b>(\$4,361,547)</b>	<b>(\$4,680,065)</b>	<b>(\$3,659,164)</b>	<b>(\$8,465,976)</b>	<b>(\$8,372,243)</b>	<b>(\$9,212,694)</b>
<b>(\$18,458,800)</b>	<i>Sub Total</i>	<b>\$4,561,573</b>	<b>(\$9,462,598)</b>	<b>\$638,517</b>	<b>\$1,087,774</b>	<b>(\$1,057,786)</b>	<b>(\$593,987)</b>	<b>(\$1,263,752)</b>	<b>(\$3,414,232)</b>	<b>(\$4,428,298)</b>	<b>(\$4,763,575)</b>	<b>(\$3,806,455)</b>	<b>(\$8,630,025)</b>	<b>(\$8,577,991)</b>	<b>(\$9,462,599)</b>
	<b>LESS FUNDING FROM</b>														
39,260,668	Opening Funds	39,246,178	43,807,751	43,807,751	43,807,751	43,807,751	43,807,751	43,807,751	43,807,751	43,807,751	43,807,751	43,807,751	43,807,751	43,807,751	43,807,751
(20,801,868)	Closing Funds	(43,807,751)	(34,345,153)	(44,446,268)	(44,895,525)	(42,749,965)	(43,213,764)	(42,543,999)	(40,393,519)	(39,379,453)	(39,044,176)	(40,001,296)	(35,177,726)	(35,229,760)	(34,345,153)
<b>\$18,458,800</b>		<b>(\$4,561,573)</b>	<b>\$9,462,598</b>	<b>(\$638,517)</b>	<b>(\$1,087,774)</b>	<b>\$1,057,786</b>	<b>\$593,987</b>	<b>\$1,263,752</b>	<b>\$3,414,232</b>	<b>\$4,428,298</b>	<b>\$4,763,575</b>	<b>\$3,806,455</b>	<b>\$8,630,025</b>	<b>\$8,577,991</b>	<b>\$9,462,599</b>
<b>\$0</b>	<b>NET (SURPLUS)DEFICIT</b>	<b>\$0</b>	<b>(\$0)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$0)</b>	<b>(\$0)</b>	<b>(\$0)</b>	<b>(\$0)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$0)</b>	<b>(\$0)</b>

**TAMALA PARK REGIONAL COUNCIL**  
**BUDGET RATE SETTING STATEMENT FOR THE YEAR ENDING 30 JUNE 2019**

2017/18 ADOPTED BUDGET		NOTES	2017/18 ACTUAL	2018/19 ADOPTED BUDGET
<b>\$</b>	<b>REVENUE</b>	1,2,3,4,11,13	<b>\$</b>	<b>\$</b>
793,512	General Purpose Funding		1,059,875	1,040,633
2,035	Other Property and Services		9,184	2,000
<b>\$795,547</b>			<b>\$1,069,059</b>	<b>\$1,042,633</b>
	<b>LESS EXPENDITURE</b>	1,2,3,4,12,13		
(181,955)	Governance		(166,839)	(186,390)
(1,272,884)	Other Property & Services		(735,718)	(1,176,530)
<b>(\$1,454,839)</b>			<b>(\$902,556)</b>	<b>(\$1,362,920)</b>
<b>(\$659,292)</b>	<i>Increase(Decrease)</i>		<b>\$166,502</b>	<b>(\$320,287)</b>
	<b>ADD</b>			
0	Book Value of Assets Sold Written Back		0	46,760
0	Profit/Loss on the Disposal of Assets		0	(1,760)
0	Provision for Employee Entitlements		2,553	0
21,212	Depreciation Written Back		20,153	25,381
<b>\$21,212</b>			<b>\$22,706</b>	<b>\$70,381</b>
<b>(\$638,080)</b>	<i>Sub Total</i>		<b>\$189,208</b>	<b>(\$249,905)</b>
	<b>LESS CAPITAL PROGRAMME</b>	1,14		
0	Purchase Land & Buildings		0	0
(26,250)	Purchase Plant and Equipment		0	(66,000)
0	Purchase Furniture and Equipment		0	(16,000)
<b>(\$26,250)</b>			<b>\$0</b>	<b>(\$82,000)</b>
	<b>LESS MEMBERS EQUITY</b>			
	<b>Development of Land for Resale</b>			
40,372,252	Income Sale of Lots -Subdivision		22,021,893	14,405,835
1,761,500	Income Other -Subdivision		13,636	1,950,000
(55,659,496)	Development Costs - Subdivision		(13,349,159)	(21,277,191)
(268,725)	Contribution Refund		(314,006)	(209,337)
(4,000,000)	Profit Distributions		(4,000,000)	(4,000,000)
<b>(\$17,794,469)</b>			<b>\$4,372,365</b>	<b>(\$9,130,693)</b>
0				0
<b>\$0</b>			<b>\$0</b>	<b>\$0</b>
<b>(\$18,458,800)</b>	<i>Sub Total</i>		<b>\$4,561,573</b>	<b>(\$9,462,598)</b>
	<b>LESS FUNDING FROM</b>			
39,260,668	Opening Funds	26	39,246,178	43,807,751
(20,801,868)	Closing Funds	26	(43,807,751)	(34,345,153)
<b>\$18,458,800</b>			<b>(\$4,561,573)</b>	<b>\$9,462,598</b>
<b>\$0</b>	<b>TO BE MADE UP FROM RATES</b>		<b>\$0</b>	<b>(\$0)</b>

**TAMALA PARK REGIONAL COUNCIL**  
**BUDGET STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2019**

2017/18 ADOPTED BUDGET		NOTES	2017/18 ACTUAL	2018/19 ADOPTED BUDGET
<b>\$</b>	<b>Cash Flows from operating activities</b>		<b>\$</b>	<b>\$</b>
	<b>PAYMENTS</b>			
(751,839)	Employee Costs		(550,056)	(725,924)
0	Materials & Contracts		0	0
(493,920)	- Professional Consulting Fees		(136,537)	(434,324)
(6,450)	- Other		0	(6,450)
(10,469)	Utilities		(10,894)	(13,880)
0	Insurance		(190)	0
(181,955)	Goods and Services Tax		(170,341)	(186,390)
	Other			
<b>(\$1,444,633)</b>			<b>(\$868,018)</b>	<b>(\$1,366,967)</b>
	<b>RECEIPTS</b>			
2,035	Contributions and Donations Reimbursements		0	2,000
819,753	Interest Received		1,103,965	1,092,082
27,267	Other		24,727	0
<b>\$849,055</b>			<b>\$1,128,692</b>	<b>\$1,094,082</b>
<b>(\$595,578)</b>	<b>Net Cash flows from Operating Activities</b>	<b>9</b>	<b>\$260,674</b>	<b>(\$272,885)</b>
	<b>Cash flows from investing activities</b>			
	<b>Payments</b>			
(26,250)	Purchase Plant and Equipment		0	(66,000)
0	Purchase Furniture and Equipment		0	(16,000)
0	Purchase Land & Buildings		0	0
	<b>Receipts</b>			
0	Disposal of Plant and Equipment		0	45,000
<b>(\$26,250)</b>			<b>\$0</b>	<b>(\$37,000)</b>
	<b>Members Equity</b>			
	<b>Payments</b>			
(55,659,496)	- Development of Land for Resale		(16,488,721)	(21,277,191)
(268,725)	-Contribution to be Returned		0	(209,337)
(4,000,000)	-Change in Contributed Equity		(1,174,443)	(4,000,000)
0	-Capital Returned		0	0
<b>(\$59,928,221)</b>			<b>(\$17,663,164)</b>	<b>(\$25,486,528)</b>
	<b>Receipts</b>			
40,372,252	-Income Sale of Lots -Subdivision		22,035,529	14,405,835
1,761,500	-Income Other -Subdivision		0	1,950,000
<b>\$42,133,752</b>			<b>\$22,035,529</b>	<b>\$16,355,835</b>
<b>(\$17,820,719)</b>	<b>Net cash flows from investing activities</b>		<b>\$4,372,365</b>	<b>(\$9,167,693)</b>
	<b>Cash flows from financing activities</b>			
<b>\$0</b>	<b>Net cash flows from financing activities</b>		<b>\$0</b>	<b>\$0</b>
<b>(\$18,416,297)</b>	<b>Net (decrease)/increase in cash held</b>		<b>\$4,633,039</b>	<b>(\$9,440,578)</b>
39,213,368	<b>Cash at the Beginning of Reporting Period</b>		39,213,368	43,846,407
<b>\$20,797,071</b>	<b>Cash at the End of Reporting Period</b>	<b>5</b>	<b>\$43,846,407</b>	<b>\$34,405,829</b>



**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2019**

**1 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted in the preparation of this annual budget are:

**(a) Basis of Preparation**

The annual budget has been prepared in accordance with the applicable Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations. The annual budget has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The accounting policies have been consistently applied, unless otherwise stated.

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

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of the annual budget.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the annual budget, but a separate budget of those appears at Note 10.

**(c) 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.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash at bank and in hand and short term deposits and which 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.

**(e) Trade and Other Receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2019**

**1 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) 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.

***Land Held for Resale***

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

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

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

**(g) Fixed Assets**

Each class of fixed assets is carried at or fair value less where applicable, any accumulated depreciation and impairment losses.

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 amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
  - (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
    - (i) that are plant and equipment; and
    - (ii) that are -
      - (I) land and buildings; or-
      - (II) Infrastructure;
- and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

***Land Under Control***

In accordance with Local Government (Financial Management) Regulation 16(a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of state or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They are then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note. Whilst they were initially recorded at cost, fair value at the date of acquisition is deemed cost as per AASB 116.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2019**

**1 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.

***Initial Recognition***

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

***Revaluation***

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

***Transitional Arrangements***

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** Methodology section as detailed above.

***Early Adoption of AASB 13 - Fair Value Measurement***

Whilst the new accounting standard in relation to Fair Value, AASB 13 – Fair Value Measurement only become applicable for the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology in the previous reporting period (year ended 30 June 2013) the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in AASB 13 - Fair Value Measurement have been applied to the previous reporting period (year ended 30 June 2013).

***Land under Roads***

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

Effective as at 1 July 2008, Council as not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16 (a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local government from recognising such land as an asset.

Whilst this treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management ) regulation 4(2) provides, in the event of such inconsistency, the Local Government (Financial Management ) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2019**

**1 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***Depreciation***

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

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

Computer Equipment	4 years
Furniture and Equipment	4 to 10 years
Printers, Photocopiers and Scanners	5 years
Floorcoverings	8 years
Phones and Faxes	6 to 7 years
Plant and Equipment	5 to 12 years
Infrastructure	30 to 50 years

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

***Capitalisation Threshold***

Expenditure on items of equipment under \$1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

**(i) Fair Value of Assets and Liabilities**

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2019**

**1 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

***Fair Value Hierarchy***

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

***Valuation techniques***

The Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Council are consistent with one or more of the following valuation approaches:

**Market approach**

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

**Income approach**

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

**Cost approach**

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2019**

**1 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

**(j) Financial Instruments**

***Initial Recognition and Measurement***

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

***Classification and Subsequent Measurement***

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principle repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and
- (d) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instruments to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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

Financial assets are classified as "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

***(ii) Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2019**

**1 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in non-current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

*(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

***Impairment***

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

***Derecognition***

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Council no longer has any significant continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.



**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2019**

**1 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Impairment of Assets**

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 impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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.

**(k) Trade and Other Payables**

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council 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.

**(l) Employee Benefits**

**Short-Term Employee Benefits**

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

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

**Other Long-Term Employee Benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**(m) Borrowing Costs**

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

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2019**

**1 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(n) Provisions**

Provisions are recognised when the Council has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(o) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

**(p) Investment in Associates**

An associate is an entity over which the Council has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate. In addition, the Council's share of the profit or loss of the associate is included in the Council's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

When the Council's share of losses in an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Council will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2019**

**1 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(q) Interests in Joint Arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 22.

**(r) 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.

**(s) Superannuation**

The Council contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

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

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the 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 sale where it is held as non-current based on the Council's intentions to release for sale.

**(u) Rounding Off Figures**

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

**(v) Comparative Figures**

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

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2019**

**2 OPERATING, REVENUES AND EXPENSES**

The Operating Revenue and Expenses as reported in the Annual Budget includes:

Adopted Budget 2017/18 \$		Actual 2017/18 \$	Adopted Budget 2018/19 \$
	<b>Charging as Expense</b>		
21,212	Depreciation on Non-Current Assets	20,153	25,381
	<b>Crediting as Revenue</b>		
0	Profit/(Loss) on Sale of Non-Current Assets	0	0
793,512	Interest Earnings	1,059,875	1,040,633
<b>793,512</b>		<b>1,059,875</b>	<b>1,040,633</b>

**3 DESCRIPTION OF FUNCTIONS/ACTIVITIES**

The principal activities of the Council covers the provisions of general purpose funding, governance and other property services as permitted under the Local Government **Description of Programs**

**General Purpose Funding**

Interest Received on Investments.

**Governance**

Member of Council Allowances and Reimbursements, and Administration Expenses.

**Other Property and Services**

Other Unclassified Activities.

**Statement of Objective**

The Regional Council has a specific regional purpose which is:

a) To undertake, in accordance with the objectives, the rezoning, subdivision, development, marketing and sale of the land, comprising the developable portion of lot 118 Mindarie (now Lot 9504); and

b) To carry out and do all other acts and things which are reasonably necessary for bringing into effect of the matters referred to in paragraph (a)

The objectives of the Regional council are:

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

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE ANNUAL BUDGET**  
**FOR THE YEAR ENDING 30TH JUNE 2019**

**4 OPERATING REVENUES AND EXPENSES**

Operating expenses and revenues classified according to nature and type.

Adopted Budget 2017/18 \$		Actual 2017/18 \$	Adopted Budget 2018/19 \$
	<b>Operating Expenses</b>		
(751,839)	Employee Costs	(569,806)	(725,924)
0	Materials and Contracts		
(482,915)	Professional Consulting fees	0	0
(6,450)	Other	(131,362)	(404,895)
(21,212)	Utility Charges (Gas, Electricity, Water, etc)	0	(6,450)
0	Depreciation on Non-Current Assets	(20,153)	(25,381)
(10,469)	Loss on Asset Disposals	0	(1,760)
(181,955)	Insurance Expenses	(10,894)	(13,879)
	Other Expenses	(170,342)	(186,391)
<b>(1,454,839)</b>	<b>Agrees with Statement of Comprehensive Income</b>	<b>(902,557)</b>	<b>(1,364,680)</b>
	<b>Operating Revenues</b>		
793,512	Interest Earnings	1,059,875	1,040,633
2,035	Contributions and Donations Reimbursements	0	2,000
0	Profit on Asset Disposals	0	0
0	Other	9,184	0
<b>795,547</b>	<b>Agrees with Statement of Comprehensive Income</b>	<b>1,069,059</b>	<b>1,042,633</b>
<b>(659,292)</b>	<b>Net Result</b>	<b>166,502</b>	<b>(322,047)</b>
	<b>Other Comprehensive Income</b>		
0	Changes on Revaluation of Non - Current Assets	-	0
<b>(659,292)</b>	<b>Total Comprehensive Income</b>	<b>166,502</b>	<b>(322,047)</b>

**5 CASH**

Adopted Budget 2017/18 \$		Actual 2017/18 \$	Adopted Budget 2018/19 \$
0	Cash on Hand	0	0
20,797,071	Cash at Bank	43,846,407	34,405,829
0	Investments	0	0
<b>20,797,071</b>	<b>Represented by:-</b>	<b>43,846,407</b>	<b>34,405,829</b>
0	Restricted	0	0
20,797,071	Unrestricted	43,846,407	34,405,829
<b>20,797,071</b>		<b>43,846,407</b>	<b>34,405,829</b>

**6 DISPOSAL OF ASSETS**

**(A) DISPOSAL OF ASSETS BY CLASS**

Asset by Class	Proceeds Sale of Assets \$	Written Down Value \$	Gain/(Loss) on Disposal \$
Furniture and Equipment	0	0	0
Land and Buildings	0	0	0
Plant and Equipment	45,000	46,760	(1,760)
<b>TOTAL BY CLASS OF ASSETS</b>	<b>45,000</b>	<b>46,760</b>	<b>(1,760)</b>

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2019**

**(B) DISPOSAL OF ASSETS BY PROGRAM**

	Proceeds Sale of Assets	Written Down Value	Gain/(Loss) on Disposal
	\$	\$	\$
Other Property and Services	45,000	46,760	(1,760)
<b>TOTAL BY PROGRAM</b>	<b>45,000</b>	<b>46,760</b>	<b>(1,760)</b>

**(C) BORROWING COSTS INCURRED AND CAPITALISED AS PART OF A QUALIFYING ASSET**

No Borrowing Costs were incorporated in the Annual Budget as Assets purchased are to be funded from General Purpose Funding.

**7 BORROWINGS INFORMATION**

**(a) Loans Raised in Financial Year**

No Loans are anticipated to be raised during the year:

**(b) Loan Repayments**

No Loans Repayments anticipated to be raised during the year:

**(a) Overdraft**

The Regional Council has no overdraft facility and it is not anticipated such a facility will be required during the year ended 30 June 2019

**8 RESERVES**

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

**9 CASH FLOW INFORMATION**

Reconciliation of cash flows with change in net result from operations.

For the purpose of the Cash Flow Statement, cash includes cash on hand and in or at call deposits with Banks or Financial Institutions.

Adopted Budget 2017/18		Actual 2017/18	Adopted Budget 2018/19
\$		\$	\$
	<b>Change in net result from operations</b>		
(659,293)	Net Result	166,502	(322,047)
21,212	Depreciation	20,153	25,381
0	(Profit) loss on sale of Fixed Assets	0	1,760
	<b>Change in Assets and Liabilities</b>		
0	Increase/(Decrease) in Provisions - Employee Entitlements	19,483	0
53,508	(Increase)/Decrease in Receivables	59,444	51,449
(11,005)	Increase/(Decrease) in Payables	(4,908)	(29,428)
<b>(595,578)</b>	Cash flows from Operations	<b>260,674</b>	<b>(272,885)</b>
6,000	Credit Card Facility	6,000	6,000
0	Amount Utilised	(299)	0
<b>6,000</b>	Unused Facility available	<b>5,701</b>	<b>6,000</b>

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2019**

**10 TRUST FUND INFORMATION**

The Regional Council has no funds held in Trust on behalf of third parties.

**11 INVESTMENTS**

Earnings from Investments is summarised as follows:

Adopted Budget 2017/18 \$		Actual 2017/18 \$	Adopted Budget 2018/19 \$
793,512	General Account	1,059,875	1,040,633
<b>793,512</b>	<b>TOTAL</b>	<b>1,059,875</b>	<b>1,040,633</b>

**12 COUNCIL MEMBERS - FEES, EXPENSES AND ALLOWANCES**

The 2018/2019 Budget provides for the following:

Adopted Budget 2017/18 \$		Actual 2017/18 \$	Adopted Budget 2018/19 \$
	<b>- Annual Attendance Fee</b>		
133,954	- Elected Members Remuneration	130,687	137,303
2050	-Alternate Elected Members Remuneration	708	2000
	<b>- Telecommunication, Travel, and Information Technology Allowance</b>		
0	- Telecommunication	0	0
0	- Information Technology	0	0
0	- Travel Expenses	0	0
	<b>- Annual Local Government Allowance</b>		
20,361	- Chairman	19,864	20,870
5,090	- Deputy Chairman	4,966	5,217

**13 DEPRECIATION ON NON-CURRENT ASSETS**

The Depreciation charge included in the Annual Budget is summarised as follows:

**BY PROGRAM**

Adopted Budget 2017/18 \$		Actual 2017/18 \$	Adopted Budget 2018/19 \$
21,212	Other Property and Services	20,153	25,381
<b>21,212</b>	<b>TOTAL</b>	<b>20,153</b>	<b>25,381</b>

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2019**

**13 DEPRECIATION ON NON-CURRENT ASSETS**

**BY CLASS**

Adopted Budget 2017/18 \$		Actual 2017/18 \$	Adopted Budget 2018/19 \$
3,910	Furniture and Equipment	4,852	6,432
5,539	Improvements to Leasehold Property	5,539	5,539
11,763	Plant and Equipment	9762	13,410
<b>21,212</b>	<b>TOTAL</b>	<b>20,153</b>	<b>25,381</b>

**14 ACQUISITION OF ASSETS**

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

**BY PROGRAM**

Adopted Budget 2017/18 \$		Actual 2017/18 \$	Adopted Budget 2018/19 \$
0	Other Property and Service		
0	General Office Fit out	0	0
0	Office Equipment	0	16,000
0	Furniture	0	0
26,250	Motor Vehicle - Work Vehicle	0	66,000
<b>26,250</b>		<b>0</b>	<b>82,000</b>

Adopted Budget 2017/18 \$		Actual 2017/18 \$	Adopted Budget 2017/18 \$
0	Land and Buildings	0	0
26250	Plant and Equipment	0	66,000
0	Furniture and Equipment	0	16,000
<b>26,250</b>		<b>0</b>	<b>82,000</b>

**15 FEES AND CHARGES INFORMATION**

In accordance with Financial Management Regulation 25, the estimates of total revenue from Fees and Charges for each program is summarised as follows:

No fees and charges are to be raised during the year ended 30 June 2019

**16 RATING INFORMATION**

A Regional Council does not impose rates

**17 SPECIFIED AREA RATE**

No specified area rates will be levied during the year 2018/19

**18 SERVICE CHARGES**

No specified area rates will be imposed during the year 2018/19



**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2019**

**19 INFORMATION ABOUT DISCOUNTS, INCENTIVES, CONCESSIONS AND WRITE OFFS**

The Regional Council does not anticipate to offer discounts, incentives, concessions or write- offs

**20 INTEREST CHARGES FOR THE LATE PAYMENT OF RATES CHARGES**

Pursuant to Section 6.51 of the Local Government Act and Financial Management Regulation 27(a) the Regional Council will not impose an interest charge .

**21 MAJOR LAND TRANSACTIONS**

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

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

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

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

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

(c) Revenue and Expenditure associated with the Project:

<b>Adopted Budget 2017/18</b>		<b>Actual 2017/18</b>	<b>Adopted Budget 2018/19</b>
\$		\$	\$
<b>Revenue</b>			
13,525,744	Participants Equity	0	4,921,356
42,133,752	Sale of Lots	22,035,529	16,355,835
<b>55,659,496</b>		<b>22,035,529</b>	<b>21,277,191</b>
<b>Expenditure</b>			
49,247,240	Land Development Costs	11,024,177	16,373,346
827,319	Consultancy Fees	314,568	627,487
795,000	Sales and Marketing	297,079	494,000
4,729,937	Selling Expenses	1,686,054	3,734,358
60,000	Other	27,281	48,000
0	Participants Equity	8,686,370	0
<b>55,659,496</b>		<b>22,035,529</b>	<b>21,277,191</b>

**22 JOINT VENTURE**

The Regional Council does not anticipate any joint venture

**23 TRADING UNDERTAKINGS**

The Regional Council does not anticipate any trading undertakings.

**24 CAPITAL AND LEASING COMMITMENTS**

Council does not have any Capital and Leasing Commitments.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE ANNUAL BUDGET**  
**FOR THE YEAR ENDING 30TH JUNE 2019**

**25 FINANCIAL INSTRUMENTS**

(a) Interest Rate Risk

The following table details the Regional Council exposure to interest rate risks projected to 30th June 2019.

	Average Interest %	Variable Interest Rate	Fixed Interest Rate Less than 1 year	Maturity 1 to 5 years	Non Interest Bearing	Total
		\$	\$	\$	\$	\$
<b>Financial Assets</b>						
Cash on Hand						0
Cash	2.50	0	34,405,829			34,405,829
Trade Receivables					200,000	200,000
		0	34,405,829	0	200,000	34,605,829
<b>Financial Liabilities</b>						
Creditors and Provisions					260,675	260,675
		0	0	0	260,675	260,675

(b) Regional Council does not have any material credit risk exposure to any single debtor under any financial instruments entered into.

(c) The aggregate net fair values and carry amounts of financial assets and financial liabilities are disclosed in the notes to and forming part of the Annual Budget.

**26 POSITION AT COMMENCEMENT OF FINANCIAL YEAR**

Determination of opening funds:

Adopted Budget 2017/18		Actual 2017/18	Adopted Budget 2018/19
\$		\$	\$
0	<b>Current Assets</b>	0	0
20,797,071	Cash On Hand	43,846,407	34,405,829
254,800	Cash at Bank	251,449	200,000
21,051,871	Receivables	44,097,856	34,605,829
	<b>LESS CURRENT LIABILITIES</b>		
39,129	Payables	49,429	20,000
210,874	Provisions - Employees Entitlements	260,675	240,676
250,003		310,104	260,676
20,801,868	<b>SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES</b>	43,787,752	34,345,153

**27 MEMBER COUNCILS' EQUITY IN THE TAMALA PARK REGIONAL COUNCIL**

Adopted Budget 2017/18			Actual 2016/17	Adopted Budget 2017/18
\$			\$	\$
41,204,150	<b>Members Equity</b>		41,193,461	45,732,329
(659,292)	Accumulated surplus		166,502	(322,047)
(13,525,744)	Total Comprehensive Income		8,686,370	(4,921,356)
(4,268,725)	Change in Contributed Equity		(4,314,004)	(4,209,337)
	Contribution Returned			
22,750,389	<b>Total Equity</b>		45,732,329	36,279,589
	<b>Share</b>			
1,895,866	Town of Cambridge	One Twelfth	3,811,027	3,023,299
3,791,732	City of Joondalup	One Sixth	7,622,055	6,046,598
1,895,866	City of Perth	One Twelfth	3,811,027	3,023,299
7,583,463	City of Stirling	One Third	15,244,110	12,093,196
1,895,866	Town of Victoria Park	One Twelfth	3,811,027	3,023,299
1,895,866	Town of Vincent	One Twelfth	3,811,027	3,023,299
3,791,732	City of Wanneroo	One Sixth	7,622,055	6,046,598
22,750,389			45,732,329	36,279,589

**Tamala Park Regional Council**  
**Annual Budget 2018-2019**

Details By function Under The Following Programme Titles  
And Type Of Activities Within The Programme

	ACTUAL 2017-2018		Adopted Budget 2017-2018		Adopted Budget 2018-2019	
	Income	Expenditure	Income	Expenditure	Income	Expenditure
<b>Proceeds Sale of Assets</b>						
00000 Proceeds Sale of Assets - Motor Vehicle CEO	\$0	\$0	\$0	\$0	(\$45,000)	\$0
<b>Written Down Value</b>						
00000 Written Down Value - Motor Vehicle CEO	\$0	\$0	\$0	\$0	\$0	\$46,760
<b>Sub Total - GAIN/LOSS ON DISPOSAL OF ASSET</b>	\$0	\$0	\$0	\$0	(\$45,000)	\$46,760
<b>Total - GAIN/LOSS ON DISPOSAL OF ASSET</b>	\$0	\$0	\$0	\$0	(\$45,000)	\$46,760
<b>ABNORMAL ITEMS</b>						
<b>Sub Total - ABNORMAL ITEMS</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total - ABNORMAL ITEMS</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total - OPERATING STATEMENT</b>	\$0	\$0	\$0	\$0	(\$45,000)	\$46,760
<b>OTHER GENERAL PURPOSE FUNDING</b>						
<b>OPERATING EXPENDITURE</b>						
<b>Sub Total - OTHER GENERAL PURPOSE FUNDING OP/EXP</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>OPERATING INCOME</b>						
I032030 - Interest on Investment	(\$1,059,875)	\$0	(\$793,512)	\$0	(\$1,040,633)	\$0
<b>Sub Total - OTHER GENERAL PURPOSE FUNDING OP/INC</b>	(\$1,059,875)	\$0	(\$793,512)	\$0	(\$1,040,633)	\$0
<b>Total - OTHER GENERAL PURPOSE FUNDING</b>	(\$1,059,875)	\$0	(\$793,512)	\$0	(\$1,040,633)	\$0
<b>Total - GENERAL PURPOSE FUNDING</b>	(\$1,059,875)	\$0	(\$793,512)	\$0	(\$1,040,633)	\$0
<b>GOVERNANCE</b>						
<b>MEMBERS OF COUNCIL</b>						
<b>OPERATING EXPENDITURE</b>						
E041005 - Chairman Allowance	\$0	\$19,864	\$0	\$20,361	\$0	\$20,870
E041010 - Deputy Chair Allowance	\$0	\$4,966	\$0	\$5,090	\$0	\$5,217
E041018 - Composite Allowance	\$0	\$130,687	\$0	\$133,954	\$0	\$137,303
E041019 - Alternative Member Meeting Fee	\$0	\$708	\$0	\$2,050	\$0	\$2,000
E041020 - Conference Expenses	\$0	\$7,792	\$0	\$10,250	\$0	\$10,500
E041030 - Other Costs	\$0	\$2,822	\$0	\$10,250	\$0	\$10,500
<b>Sub Total - MEMBERS OF COUNCIL OP/EXP</b>	\$0	\$166,839	\$0	\$181,955	\$0	\$186,390
<b>OPERATING INCOME</b>						
	\$0	\$0	\$0	\$0	\$0	\$0
<b>Sub Total - MEMBERS OF COUNCIL OP/INC</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total - GOVERNANCE</b>	\$0	\$166,839	\$0	\$181,955	\$0	\$186,390
<b>Total - GOVERNANCE</b>	\$0	\$166,839	\$0	\$181,955	\$0	\$186,390
<b>OTHER PROPERTY AND SERVICES</b>						
<b>SALARIES AND WAGES</b>						
<b>OPERATING EXPENDITURE</b>						
New - Gross Total Salaries and Wages	\$0	\$0	\$0	\$610,598	\$0	\$610,598
New - Gross Total Salaries and Wages Allocated	\$0	\$0	\$0	(\$610,598)	\$0	(\$610,598)
<b>Sub Total - SALARIES AND WAGES OP/EXP</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total - SALARIES AND WAGES</b>	\$0	\$0	\$0	\$0	\$0	\$0

**Tamala Park Regional Council**  
**Annual Budget 2018-2019**

Details By function Under The Following Programme Titles  
And Type Of Activities Within The Programme

	ACTUAL 2017-2018		Adopted Budget 2017-2018		Adopted Budget 2018-2019	
	Income	Expenditure	Income	Expenditure	Income	Expenditure
<b>UNCLASSIFIED</b>						
<b>OPERATING EXPENDITURE</b>						
<b>Administration</b>						
E145005 - Salaries - Basic Costs	\$0	\$497,360	\$0	\$610,598	\$0	\$610,598
E145007 - Salaries Occ. Superannuation	\$0	\$40,435	\$0	\$58,007	\$0	\$58,007
E145009 - Salaries WALGS Superannuation	\$0	\$0	\$0	\$5,544	\$0	\$0
E145011 - Advertising Staff Vacancies	\$0	\$0	\$0	\$5,384	\$0	\$5,519
E145015 - Insurance W/comp.	\$0	\$8,693	\$0	\$12,000	\$0	\$9,000
E145017 - Medical Exam. Costs	\$0	\$0	\$0	\$323	\$0	\$300
E145019 - Staff Training & Dev.	\$0	\$889	\$0	\$5,384	\$0	\$5,000
E145020 - Conference Expenses	\$0	\$4,451	\$0	\$16,153	\$0	\$10,000
E145021 - Telephone - Staff Reimbursement	\$0	\$0	\$0	\$754	\$0	\$0
E145024 - Travel Expenses CEO	\$0	\$464	\$0	\$10,769	\$0	\$5,000
E145025 - Other Accom & Property Costs	\$0	\$40,811	\$0	\$37,691	\$0	\$43,000
E145027 - Advertising General	\$0	\$0	\$0	\$16,153	\$0	\$16,557
E145029 - Advertising Public/Statutory	\$0	\$610	\$0	\$16,153	\$0	\$5,000
E145031 - Graphics Consumables	\$0	\$0	\$0	\$5,384	\$0	\$5,000
E145033 - Photocopying	\$0	\$642	\$0	\$2,692	\$0	\$2,000
E145037 - Postage, Courier & Freight	\$0	\$729	\$0	\$1,292	\$0	\$1,200
E145039 - Printing	\$0	\$138	\$0	\$5,384	\$0	\$5,000
E145043 - Stationery	\$0	\$764	\$0	\$2,154	\$0	\$2,000
E145045 - Other Admin Expenses	\$0	\$2,066	\$0	\$16,153	\$0	\$5,000
E145047 - Office Telephones & Faxes	\$0	\$1,152	\$0	\$3,231	\$0	\$2,000
E145049 - Mobil Phones, Pages, Radios	\$0	\$1,119	\$0	\$2,154	\$0	\$2,000
E145053 - Bank Charges	\$0	\$101	\$0	\$2,154	\$0	\$2,208
E145055 - Credit Charges	\$0	\$90	\$0	\$215	\$0	\$200
E145057 - Audit Fees	\$0	\$9,263	\$0	\$8,668	\$0	\$10,450
E145059 - Membership Fees	\$0	\$7,638	\$0	\$7,688	\$0	\$7,880
E145061 - Legal Expenses (General)	\$0	\$6,885	\$0	\$30,750	\$0	\$20,000
E145069 - Valuation Fees	\$0	\$0	\$0	\$51,250	\$0	\$30,000
E145075 - Promotions	\$0	\$7,630	\$0	\$15,375	\$0	\$10,000
E145077 - Business Hospitality Expenses	\$0	\$613	\$0	\$10,250	\$0	\$20,000
E145079 - Consultancy	\$0	\$0	\$0	\$20,500	\$0	\$20,000
E145082 - Lawyers	\$0	\$0	\$0	\$30,750	\$0	\$30,000
E145083 - Research	\$0	\$0	\$0	\$30,750	\$0	\$25,000
E145100 - Safety Clothes and Equipment	\$0	\$0	\$0	\$1,025	\$0	\$1,000
E145086 - Probity Auditor	\$0	\$0	\$0	\$20,500	\$0	\$15,000
E145087 - Computer Software Mtce	\$0	\$654	\$0	\$5,125	\$0	\$5,125
E145088 - Accounting Management	\$0	\$35,113	\$0	\$53,845	\$0	\$50,000
E145089 - Computer Software Purchase	\$0	\$2,356	\$0	\$30,000	\$0	\$20,000
E145091 - Computer Sundries	\$0	\$0	\$0	\$5,125	\$0	\$5,125
E145092 - Data Communication Links	\$0	\$0	\$0	\$5,638	\$0	\$5,000
E145093 - Internet Provider Costs	\$0	\$6,895	\$0	\$10,763	\$0	\$7,500
E145094 - Plant & Equipment Purchase Non-Capital	\$0	\$0	\$0	\$2,050	\$0	\$2,000
E145095 - Furniture & Equipment Purchase	\$0	\$1,817	\$0	\$5,125	\$0	\$5,000
E145097 - Hire of Equipment	\$0	\$0	\$0	\$2,050	\$0	\$2,000
E145099 - Vehicle Operating Expense	\$0	\$3,624	\$0	\$16,153	\$0	\$6,000
E145013 - Fringe Benefit Tax -Motor Vehicle	\$0	\$15,857	\$0	\$10,769	\$0	\$16,500
E145101 - Consumable Stores	\$0	\$781	\$0	\$1,025	\$0	\$1,000
E145103 - Newspapers & Periodicals	\$0	\$0	\$0	\$205	\$0	\$200
E145041 - Signage/Decals	\$0	\$974	\$0	\$0	\$0	\$0
E145105 - Publications & Brochures	\$0	\$0	\$0	\$513	\$0	\$500
E145107 - Subscriptions	\$0	\$0	\$0	\$1,025	\$0	\$500
E145109 - Parking Expenses	\$0	\$56	\$0	\$323	\$0	\$200
E145111 - Plans	\$0	\$0	\$0	\$1,538	\$0	\$0
E145113 - Emergency Services	\$0	\$0	\$0	\$10,250	\$0	\$10,250
E145117 - Electricity	\$0	\$0	\$0	\$6,450	\$0	\$6,450
E145121 - Insurance - Public Liability	\$0	\$2,649	\$0	\$2,649	\$0	\$2,781
E145123 - Insurance - Property (ISR)	\$0	\$4,478	\$0	\$4,478	\$0	\$7,331
E145126 - Insurance - Personal Accident	\$0	\$1,275	\$0	\$850	\$0	\$1,275
E145127 - Insurance - Other	\$0	\$2,492	\$0	\$2,492	\$0	\$2,492
E145222 - Depreciation	\$0	\$20,153	\$0	\$21,212	\$0	\$25,381
E145451 - GST management	\$0	\$0	\$0	\$0	\$0	\$0
E145452 - Recruitment_Human Resources	\$0	\$4,000	\$0	\$0	\$0	\$0
0000000- Record Management Consultancy	\$0	\$0	\$0	\$10,000	\$0	\$10,000
<b>Sub Total - UNCLASSIFIED OP/EXP</b>	\$0	\$735,718	\$0	\$1,272,884	\$0	\$1,176,530
<b>OPERATING INCOME</b>						
I145012 - Reimbursements	(\$8,901)	\$0	(\$2,035)	\$0	(\$2,000)	\$0
I145012 - Income Other	(\$283)	\$0	\$0	\$0	\$0	\$0
<b>Sub Total - UNCLASSIFIED OP/INC</b>	(\$9,184)	\$0	(\$2,035)	\$0	(\$2,000)	\$0
<b>Total - UNCLASSIFIED</b>	<b>(\$9,184)</b>	<b>\$735,718</b>	<b>(\$2,035)</b>	<b>\$1,272,884</b>	<b>(\$2,000)</b>	<b>\$1,176,530</b>
<b>Total - OTHER PROPERTY AND SERVICES</b>	<b>(\$9,184)</b>	<b>\$735,718</b>	<b>(\$2,035)</b>	<b>\$1,272,884</b>	<b>(\$2,000)</b>	<b>\$1,176,530</b>
					<b>(\$1,087,633)</b>	<b>\$1,409,680</b>

**Tamala Park Regional Council**  
**Annual Budget 2018-2019**

Details By function Under The Following Programme Titles  
And Type Of Activities Within The Programme

	ACTUAL 2017-2018		Adopted Budget 2017-2018		Adopted Budget 2018-2019	
	Income	Expenditure	Income	Expenditure	Income	Expenditure
<b>MEMBERS EQUITY</b>						
<b>EXPENDITURE</b>						
Contribution Refund	\$0	\$314,006	\$0	\$268,725	\$0	\$209,337
Profit Distributions	\$0	\$4,000,000	\$0	\$4,000,000	\$0	\$4,000,000
<b>Sub Total - MEMBERS EQUITY</b>	<b>\$0</b>	<b>\$4,314,006</b>	<b>\$0</b>	<b>\$4,268,725</b>	<b>\$0</b>	<b>\$4,209,337</b>
<b>INCOME</b>						
I145011 - Income Sale on Lots	(\$22,021,893)	\$0	(\$40,372,252)	\$0	(\$14,405,835)	\$0
I145012 - Income Other	(\$13,636)	\$0	(\$1,761,500)	\$0	(\$1,950,000)	\$0
<b>Sub Total - MEMBERS EQUITY</b>	<b>(\$22,035,529)</b>	<b>\$0</b>	<b>(\$42,133,752)</b>	<b>\$0</b>	<b>(\$16,355,835)</b>	<b>\$0</b>
<b>Total - MEMBERS EQUITY</b>	<b>(\$22,035,529)</b>	<b>\$0</b>	<b>(\$42,133,752)</b>	<b>\$4,268,725</b>	<b>(\$16,355,835)</b>	<b>\$4,209,337</b>
<b>Total - MEMBERS EQUITY</b>	<b>(\$22,035,529)</b>	<b>\$4,314,006</b>	<b>(\$42,133,752)</b>	<b>\$4,268,725</b>	<b>(\$16,355,835)</b>	<b>\$4,209,337</b>
<b>SURPLUS</b>						
New (Surplus) / Deficit - Brought Forward	(\$39,246,178)	\$0	(\$39,260,668)	\$0	(\$43,807,751)	\$0
New (Surplus) / Deficit - Carried Forward	\$0	\$43,807,751	\$0	\$20,801,868	\$0	\$34,345,153
<b>Sub Total - SURPLUS C/FWD</b>	<b>(\$39,246,178)</b>	<b>\$43,807,751</b>	<b>(\$39,260,668)</b>	<b>\$20,801,868</b>	<b>(\$43,807,751)</b>	<b>\$34,345,153</b>
<b>Total - SURPLUS</b>	<b>(\$39,246,178)</b>	<b>\$43,807,751</b>	<b>(\$39,260,668)</b>	<b>\$20,801,868</b>	<b>(\$43,807,751)</b>	<b>\$34,345,153</b>
<b>DEPRECIATION</b>						
New - Depreciation Written Back	\$0	(\$20,153)	\$0	(\$21,212)	\$0	(\$25,381)
New - Employee Provisions	\$0	(\$2,553)	\$0	\$0	\$0	\$0
New - Book Value of Assets Written Back	\$0	\$0	\$0	\$0	\$0	(\$46,760)
<b>Sub Total - DEPRECIATION WRITTEN BACK</b>	<b>\$0</b>	<b>(\$22,706)</b>	<b>\$0</b>	<b>(\$21,212)</b>	<b>\$0</b>	<b>(\$72,141)</b>
<b>Total - DEPRECIATION</b>	<b>\$0</b>	<b>(\$22,706)</b>	<b>\$0</b>	<b>(\$21,212)</b>	<b>\$0</b>	<b>(\$72,141)</b>
<b>FURNITURE AND EQUIPMENT</b>						
<b>OTHER PROPERTY AND SERVICES</b>						
<b>EXPENDITURE</b>						
E168513 - General Office Equipment	\$0	\$0	\$0	\$0	\$0	\$10,000
E168565 - Office Furniture CEO	\$0	\$0	\$0	\$0	\$0	\$5,000
E168566 - Computer Equipment	\$0	\$0	\$0	\$0	\$0	\$0
E168567 - Phones	\$0	\$0	\$0	\$0	\$0	\$0
E168524 - Sony Bravia Conference Room TV	\$0	\$0	\$0	\$0	\$0	\$1,000
<b>Sub Total - CAPITAL WORKS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,000</b>
<b>Total- OTHER PROPERTY AND SERVICES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,000</b>
<b>Total - FURNITURE AND EQUIPMENT</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,000</b>
<b>LAND AND BUILDINGS</b>						
<b>OTHER PROPERTY AND SERVICES</b>						
<b>EXPENDITURE</b>						
E168565 - Office Furniture Overhead Cupboards	\$0	\$0	\$0	\$0	\$0	\$0
<b>Sub Total - CAPITAL WORKS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total - OTHER PROPERTY AND SERVICES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total - LAND AND BUILDINGS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>PLANT AND EQUIPMENT</b>						
<b>OTHER PROPERTY AND SERVICES</b>						
<b>EXPENDITURE</b>						
0000000 Motor Vehicle - CEO	\$0	\$0	\$0	\$0	\$0	\$66,000
0000000 Work Vehicle	\$0	\$0	\$0	\$26,250	\$0	\$0
<b>Sub Total - CAPITAL WORKS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,250</b>	<b>\$0</b>	<b>\$66,000</b>
<b>Total - OTHER PROPERTY AND SERVICES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,250</b>	<b>\$0</b>	<b>\$66,000</b>
<b>Total - PLANT AND EQUIPMENT</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,250</b>	<b>\$0</b>	<b>\$66,000</b>

**Tamala Park Regional Council**  
**Annual Budget 2018-2019**

Details By function Under The Following Programme Titles  
And Type Of Activities Within The Programme

	ACTUAL 2017-2018		Adopted Budget 2017-2018		Adopted Budget 2018-2019	
	Income	Expenditure	Income	Expenditure	Income	Expenditure
<b>INFRASTRUCTURE ASSETS - OTHER</b>						
<b>Land Development Costs</b>						
New-Land & Special Sites Development	\$0	\$284,229	\$0	\$10,889,547	\$0	\$6,022,300
99.4 · Land Develop - Consultants	\$0	\$314,568	\$0	\$827,319	\$0	\$627,487
99.5 · Land Develop - Landscape	\$0	\$5,514,384	\$0	\$11,872,836	\$0	\$4,528,779
99.1 · Land Develop - Infrastructure	\$0	\$1,312,703	\$0	\$6,583,296	\$0	\$141,182
99.9 · Land Develop - Bulk Earthworks	\$0	\$29,700	\$0	\$4,388,016	\$0	\$78,905
99.2 · Land Develop - Lot Production	\$0	\$3,300,849	\$0	\$10,835,010	\$0	\$3,600,062
99.6 · Land Develop - Admin Land Dev	\$0	\$484,467	\$0	\$1,074,460	\$0	\$869,990
New-Community Development	\$0	\$97,597	\$0	\$192,500	\$0	\$192,500
New-Contingency	\$0	\$0	\$0	\$2,460,212	\$0	\$827,760
New-finance	\$0	\$0	\$0	\$960,971	\$0	\$86,868
Debtors /Creditors Movement	\$0	\$0	\$0	(\$9,608)	\$0	\$0
<b>Consultancy</b>						
-Env Innovation Consultancies	\$0	\$0				
-Admin-Operational Consultancies						
E145451 · GST management	\$0	\$6,774	\$0	\$20,000	\$0	\$20,000
E145452 · Recruitment_Human Resources	\$0	\$0	\$0	\$10,000	\$0	\$5,000
<b>Property Development Services</b>						
<b>-Property Admin and Approvals</b>						
E145041 · Signage/Decals	\$0	\$0	\$0	\$5,000	\$0	\$5,000
E145042 · Branding/Marketing	\$0	\$0	\$0	\$10,000	\$0	\$10,000
<b>-Mtce Services-Land</b>						
E145204 · Fences/Walls	\$0	\$0	\$0	\$10,000	\$0	\$3,000
E145206 · MtceServices-Land	\$0	\$0	\$0	\$5,000	\$0	\$5,000
<b>-Sales Expenditure</b>						
E145216 · Direct Selling Expenses	\$0	\$1,686,054	\$0	\$4,729,937	\$0	\$3,734,358
E145218 · Sales and Marketing	\$0	\$297,079	\$0	\$795,000	\$0	\$494,000
<b>-Other Expenditure</b>						
E145029 · Advertising Public/Statutory	\$0	\$8,852	\$0	\$0	\$0	\$10,000
E145061 · Legal Expenses (General)	\$0	\$9,578	\$0	\$0	\$0	\$10,000
E145086 · Probity Auditor	\$0	\$2,325	\$0	\$0	\$0	\$5,000
<b>Sub Total - CAPITAL WORKS</b>	\$0	\$13,349,159	\$0	\$55,659,496	\$0	\$21,277,191
<b>Total - OTHER</b>	\$0	\$13,349,159	\$0	\$55,659,496	\$0	\$21,277,191
<b>Total - INFRASTRUCTURE ASSETS - OTHER</b>	\$0	\$13,349,159	\$0	\$55,659,496	\$0	\$21,277,191
<b>GRAND TOTALS</b>	(\$62,350,766)	\$62,350,766	(\$82,189,967)	\$82,189,967	(\$61,251,219)	\$61,251,219
		(\$0)		(\$0)		\$0

# Appendix 9.8



## **TAMALA PARK – CATALINA LOT SALE & RELEASE STRATEGY July 2018**

### **Introduction**

This document outlines the lot sales and release strategy proposed by the Satterley Property Group for sales releases planned up to 30 June 2019. We have not provided a strategy beyond this date as it is likely the strategy would change prior to implementation.

Set out below is a recommended process for:

- Future builder releases;
- Future public releases;
- Special Site releases; and
- Lot release and staging strategy up to 30 June 2019.

The strategy is contingent on timely development approvals, WAPC subdivision approval and sufficient sales being obtained. The strategy is consistent with the proposed FYE2019 budget.

The number of sales anticipated for the year of 50 lots consists of 25 lots within the Catalina Central and 25 lots within Catalina Beach. This Lot Release Strategy throughout the two precincts allows for differing buyer profiles at different price points.

The market is yet to show any major signs of recovery, however in line with many industry forecasts the project has adopted an increase in standard public lot sales for the year. Whilst it is expected that 2018 is the bottom of the market a slow recovery is predicted and will be further affected by the impact of significant stock overhang that has built up within the land industry.

### **Builder Release**

In February 2015 the TPRC Council approved the tender procedure for medium density lots. This process required suitably qualified building companies to tender for packages of medium density lots, with builders being ranked in accordance with the approved selection criteria with the highest ranked builder receiving the first selection. The tender procedure represents a fair and efficient methodology for the sale of medium density lots and has yielded sound results to date.

The lots proposed to be sold under the medium density tender process have been selected to achieve a uniform streetscape in medium density precincts, capitalise on the cost efficiencies of constructing multiple dwellings, leading to improved affordability to end users and to assist in the marketing and sale of lots at Catalina.

If lots are not sold via the medium density builder allocation process they are to be placed on the market via the public release process.

Two different methods of builder allocations are to be used at Catalina as outlined below:



### Put Option Allocations

Put options are a contract between the TPRC and a Builder which can require the Builder (at the TPRC's option) to purchase contracted lots if they have not been sold to the public within an agreed period of time.

The lots are marketed by the Builder as House and Land packages and sold to the public on the condition the Purchaser enters into a building contract with the Builder. Due to soft market condition, Put Options are not well received by builders at this time.

### Hold Allocations

The Hold Allocation procedure consists of the TPRC placing a parcel of lots on hold for a builder for an agreed period of time. Placing the lots on hold for a builder provides the builder sufficient confidence to prepare detailed house and land costings and actively market the house and land packages to the public.

Builders are incentivised to actively market the house and land packages by being offered additional allocations (if available) once all of the lots in their allocation are sold. If a builder is not successful in selling the proposed houses in their allocation then the remaining lots will be allocated to the next highest ranked builder who is yet to receive an allocation.

In accordance with the Lot Sales and Release Strategy FYE2018, the recently completed builders' release of seven mandatory two storey lots in Stage 25 (Catalina Beach) occurred in February 2018, under the Hold Allocation.

Hold Allocations are to be used for lot allocations when the allocation includes any mandatory 2 storey lots, such as in Stage 25.

### **Public Release**

The sale procedure for public releases (Private Purchaser Lots), was approved by the TPRC Council in April 2014. Public Releases have been carried out via an online sales release process to ensure transparency of process from a probity perspective.

In recent times the public releases have received limited registrations, with three purchasers registering for Stage 18A lots, two purchasers registering for Stage 18B and two purchasers registering in the most recent release Stage 25B lots. This reflects the soft market conditions being experienced in Perth and the lack of urgency from purchasers to make an immediate decision to purchase.

For the Public Releases it is proposed that:

- Public advertising occur a minimum of 7 days prior to a release, advising the public that a release is to occur. Public advertising may utilise a variety of mediums, including state wide press, local press, website, direct mail or signage;
- Registrants will be able to register online for a 48 hour period from the commencement of the release. Registrations will include the registrant nominating three preferred lots and state if the offer is cash unconditional or subject to finance;
- Registrants will then be allocated a lot based on the following:
  - Firstly, by the finance status of the registration with cash unconditional given preference, followed by offers being subject to finance.

- Secondly, by the time of registration, the earlier the registration the higher the preference.
- Subject to availability registrants will be allocated a lot in accordance with their preferences;
- Following the completion of allocations, any registrants who were not allocated a lot will be offered first preference of any remaining lots, before the remaining lots are released to the market;
- Purchasers are required to sign an offer and acceptance within 7 days of being notified of their allocation.

## **Special Sites**

### *Group Housing Sites*

There are no planned Grouped Housing Site releases for FYE2019.

## **Lot Release**

Lot releases have been forecast throughout the year however will need to be fluid and driven by market demand and stock levels. Maximum stock levels triggers will be used in FYE2019 to ensure that the market is not oversupplied whilst still providing adequate variety of stock for potential purchasers. Catalina Beach and Catalina Central will have separate triggers to ensure that they can operate independently should market demand be higher for one over the other. The maximum level of unsold available lots to be held in each precinct before a new release can occur are;

Catalina Central            20 lots

Catalina Beach            20 lots

Release sizes will also be limited to 8 lots or fewer allowing regular communication to be provided to the database of potential purchasers.

Release yields and lot typologies are subject to statutory approvals, changes to stage boundaries, and authority from TPRC to commence construction. These factors may lead to some variations in staging and yields.

## **Stage 25 – Public Release D**

**Date of Release            July 2019**

Forecast Release            4 lots

Forecast Title Date            Titles Issued

Method of Sale            Public Release

*\* Refers to lots North of Portofino Promenade*

**Stage 26A – Public Release**

**Date of Release**            **September 2018**

Forecast Release            8 lots

Forecast Title Date        February 2019

Method of Sale              Public Release

**Stage 17B – Public Release 2**

**Date of Release**            **November 2018**

Forecast Stock              8 lots

Forecast Title Date        Titles Issued

Method of Sale              Public Release

**Stage 26B – Public Release**

**Date of Release**            **March 2019**

Forecast Stock              8 lots

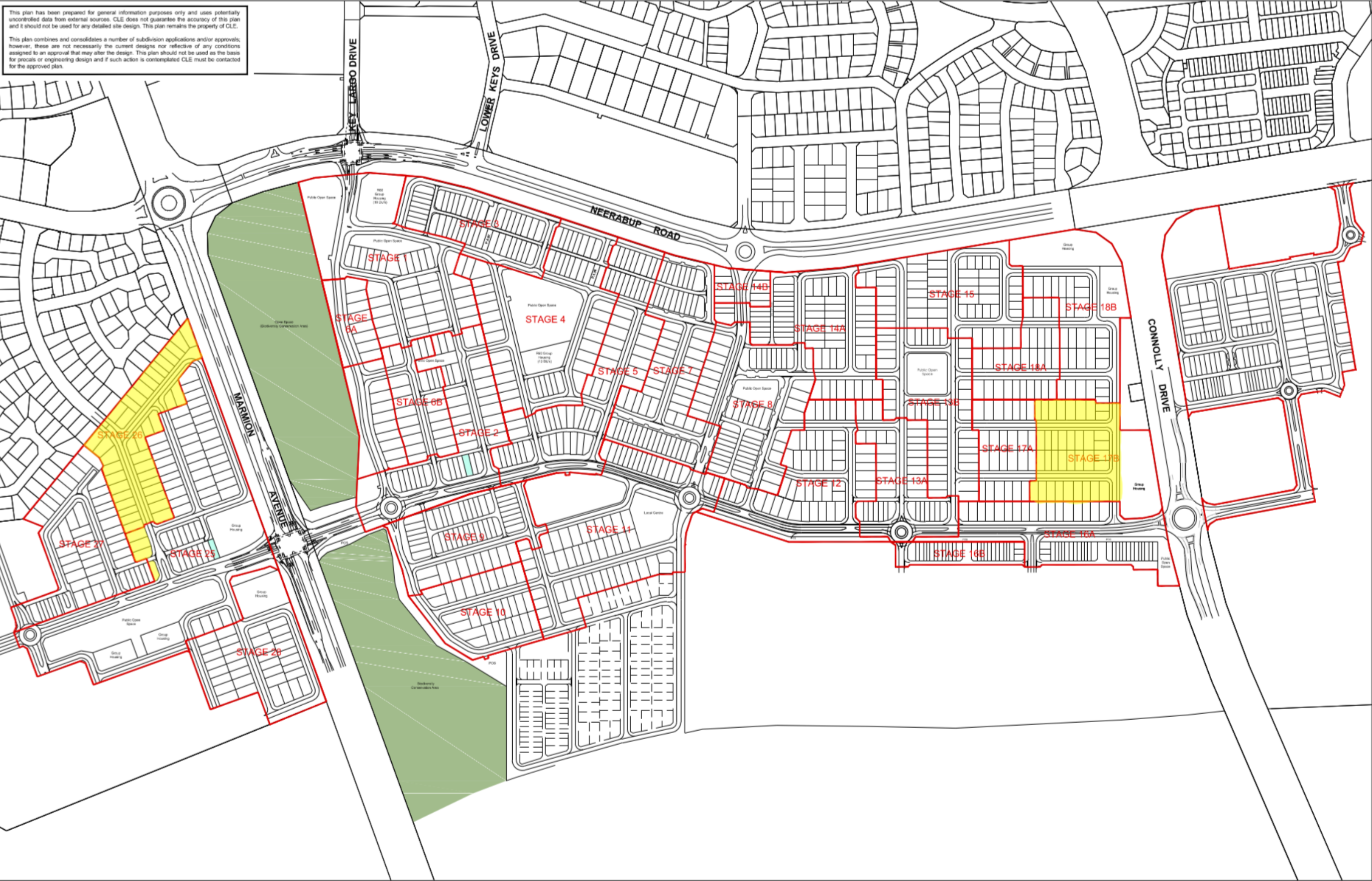
Forecast Title Date        February 2019

Method of Sale              Public Release

## Annexure A

This plan has been prepared for general information purposes only and uses potentially uncontrolled data from external sources. CLE does not guarantee the accuracy of this plan and it should not be used for any detailed site design. This plan remains the property of CLE.

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



# Appendix 9.9

## **POLICY MANUAL**

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### **Audit Charter (Terms of Reference) (July 2018)**

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#### **Background**

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

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

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

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

#### **Comment**

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

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

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

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



## **POLICY MANUAL**

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### **Audit Charter (Terms of Reference) (July 2018)**

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

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

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

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

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

The Committee is to facilitate:

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

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

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



## **POLICY MANUAL**

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### **Audit Charter (Terms of Reference) (July 2018)**

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

#### **3. Membership**

The Committee will consist of a minimum of five members.

The CEO and employees are not members of the Committee.

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

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

#### **4. Meetings**

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

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

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

#### **5. Reporting**

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

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

The duties and responsibilities of the Committee will be to:

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

## POLICY MANUAL

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### **Audit Charter (Terms of Reference) (July 2018)**

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

## **POLICY MANUAL**

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### **Audit Charter (Terms of Reference) (July 2018)**

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

This Audit Charter (Terms of Reference) is authorised by the Chief Executive Officer on 16 August 2018.

Signature:

Name: JOHN ANTHONY ARIAS

Date: 16 August 2018

## AUDIT PLAN 2018/2019

	Statutory Date	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Appoint Auditor													
Note: Auditor appointed until FYE 2019 (subject to Auditor General)													
Compliance Return										Audit Council			
- To be completed by	31 December												
- To Audit Committee and Council Before	31 March												
- To Director General DLGRD Before	31 March												
Annual Financials													
- Council to refer to Auditor			Audit	Council									
- To Auditor by	30 September												
- Auditor to report to Council by	31 December				Audit	Council							
- To DLGRD within 30 days of receipt of Audit Report													
- Council to accept Annual Report by	31 December												
Budget													
- Draft Budget				Audit									
- Earliest date for adoption	1 July												
- Budget adoption by	31 August			Council									
- To DLGRD within 30 days of adoption													
Budget Review													
- Required by LG between 1 January and 31 March													
- Considered by Council within 30 days of review									Audit	Council			
- To DLGRD within 30 days of Council review													
Delegations to CEO													
- Annual Review Required							Audit	Council					
Investment Policy				Audit Council									
Procurement Policy				Audit Council									
Audit Charter / Plan				Audit Council									
Payment of Accounts & Security of Payment				Audit Council									
Credit Card Policy				Audit Council									
Petty Cash Policy				Audit Council									
Financial Management – Significant Accounting Policies							Audit	Council					
Councillor Returns and General Council Interests									Audit	Council			
Code of Conduct					Audit	Council							

# **Appendix 9.10**

## **POLICY MANUAL**

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### **Payment of Accounts & Security of Payment Instruments Policy (July 2018)**

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#### **POLICY**

##### **1. Objectives**

- To safeguard the funds of the Council and to provide a transparent record for authorisation of expenditures which reflect good accounting practice and the requirements of local government legislation.
- To facilitate communication to representatives of TPRC and to the public about probity practices associated with the payment of accounts of the Council.

##### **2. Delegation of Authority**

The Council has delegated authority to the Chief Executive Officer to make payment of accounts in accordance with Regulation 13.1 of the financial management regulation.

##### **3. Risk Profile**

When exercising functions relating to payment of accounts, the following matters should be considered:

- That relevant delegations are current and complete;
- That bank authorisations are current and complete;
- That chequebooks, bank tokens and passwords are adequately secured;
- That procedures in relation to the use of credit cards, chequebooks, bank tokens and passwords are documented;
- That procedures for recording obligations for expenditure and for authorising payments prior to payments being made are adequate and appropriately recorded and communicated; and
- That all accounts and expenditures are made consistent with the Council's Procurement, Purchasing & Investment Policies.

##### **4. Guidelines**

###### **(a) Securing TPRC Cheque Instruments**

- Only one chequebook will be maintained at any one time;
- A secure location will be identified for retention of the chequebook;
- Only authorised staff signatories will be advised of the location of the chequebook;

## **POLICY MANUAL**

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### **Payment of Accounts & Security of Payment Instruments Policy (July 2018)**

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- A monthly reconciliation of cheque instruments recorded on bank statements and the balance of cheque instruments maintained in the chequebook will be made by the Executive Assistant and approved by the CEO;
- The External Auditor will be required to verify the retention practices and check that the balance of cheque instruments reconciles to instruments recorded in the bank statement.

#### **(b) Security of Tokens and Passwords**

- On an annual, or more frequent basis (if required), financial institutions will be requested to supply to external auditors details covering the number of passwords and number of tokens issued to TPRC elected and staff representatives. The External Auditor will be asked to reconcile information provided by banks with information provided by elected and staff members.
- Relevant elected members and staff members are to be advised of the procedures for operating bank accounts with tokens and passwords and the limits of delegation from the TPRC Council and in respect of tokens and passwords.
- Relevant elected members and staff are to be acquainted with bank requirements and TPRC requirements relating to reporting of forgotten or lost passwords and tokens.
- Relevant elected and staff representatives are to be acquainted with procedures for reporting potential breach of security in respect of passwords or tokens.
- A compliance checklist covering the points above is to be provided to and completed by elected members and staff members provided with passwords and tokens to ensure current knowledge of requirements and responsibilities.

#### **(c) Purchasing and Credit Cards**

Refer to the Credit Card Policy for further information.

#### **(d) Incurrence of Expenditure/Liability on Behalf of TPRC**

- All monetary liabilities incurred on behalf of TPRC must conform to the Council Procurement Policy or otherwise be specifically resolved by the TPRC Council.
- In brief, incurrence of expenditure is to be:
  - In accordance with allocations in the TPRC budget;
  - If not in budget, in reference to specific Council resolutions;
  - Subject of tender or quotation as required by TPRC Purchasing Policy;
  - Subject of an order issued on behalf of TPRC by a person authorised under delegation and otherwise in accordance with the Council's Purchasing Policy.

## **POLICY MANUAL**

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### **Payment of Accounts & Security of Payment Instruments Policy (July 2018)**

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#### **(e) Reporting of Payment Activity**

All expenditures incurred or payments made are to be reported to the Council in reference to budget and statutory requirements including:

- Annual budget
- Statutory budget review (by 31 March)
- Financial Management Regulations, particularly relating to lists of payments for Council information (Regulation 13)
- Monthly financial statements (Regulation 14)

#### **(f) Petty Cash**

Should the TPRC utilise petty cash it will be in accordance with the Petty Cash Policy.

#### **(g) Receipt of Goods and Services**

- A delivery docket and/or account must accompany all goods purchased by TPRC (except minor purchases covered by a detailed receipt).
- Goods and services will be checked to purchase orders, investment instructions, letters of commission or contracts as appropriate.
- The person checking receipt of goods will endorse the appropriate instrument with verification that goods or services have been received and note any variation in supply to requirements.
- Where there is no variation in supply, the receiving officer shall also authorise payment for goods and services.
- Where there is a variation in supply regulations, the variation will be noted together with an appropriate adjustment to the payment obligation of the TPRC.
- In the event that the value of the variation exceeds 10% (plus or minus) of the initial amount, a variation docket will be prepared and attached with the original order or other instrument.

This Payment of Accounts & Security of Payment Instruments Policy is authorised by the Chief Executive Officer on 16 August 2018.

Signature:

Name: JOHN ANTHONY ARIAS

Date: 16 August 2018



# **Appendix 9.11**

## **POLICY MANUAL**

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### **Investment Policy (July 2018)**

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#### **1. POLICY**

##### **1.1 Objectives**

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

##### **1.2 Authority for Investment**

All investments are to be made generally in accordance with:

- Local Government Act 1995 Section 6.14.
- Trustees Act 1962 and particularly Part 3 Investments
- The Local Government Financial Management Regulations
- Local Government Operational Guidelines No 19 – Investment Policy
- Australian Accounting Standards

##### **1.3 Delegation of Authority**

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

##### **1.4 Prudent Person Standard**

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

##### **1.5 Risk Profile**

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

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

## POLICY MANUAL

### Investment Policy (July 2018)

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

#### 1.6 Authorised Investments

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

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

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

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

#### 1.7 Guidelines

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

##### *(i) Quotations on Investments*

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

## POLICY MANUAL

### Investment Policy (July 2018)

#### *(ii) Term to Maturity*

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

#### **(b) Diversification/Credit Risk**

##### *(i) Managed Fund Investments*

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

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

#### *(ii) Credit Ratings*

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

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

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

## POLICY MANUAL

### Investment Policy (July 2018)

#### (c) Performance Benchmarks

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

#### (d) Reporting

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

#### (e) Variation to Policy

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

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

## 2. OPERATIONAL PROVISIONS

### Investment Limits

- Maximum investment of total funds with any one institution having an A1+ short term rating or better shall be 75%.
- Maximum investment of total funds with any one institution having an A1 or less short-term rating shall be 60%.
- Total funds held in shares should not exceed 5% of funds invested and no single shareholding in a public company should have a value greater than 1% of total investment funds at the time of placement.
- No single property value should be greater than 5% of the total investment funds at the time of purchase and total property value is not to exceed 15% of total investment of funds at any one time.

## POLICY MANUAL

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### Investment Policy (July 2018)

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- Notwithstanding the investment limits shown above, the Council, **where land or capital funds are invested in property development within the TPRC area** may vary the investment limits subject to the criteria listed under the heading 'TPRC investments in TPRC development'.

#### **Preference**

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

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

#### **Guarantee**

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

#### **Prohibited Investments**

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

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

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

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

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

Details of maturity and rollover investments are to be recorded as expended on new investments (as the case requires) in the Investment Register with an Investment Transaction Voucher prepared on the date of maturity or rollover for ledger entry.

## **POLICY MANUAL**

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### **Investment Policy (July 2018)**

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#### **Register**

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

1. Date of investment;
2. Fund in which money is being invested;
3. The investment amount;
4. The investment house or party with whom the investment is lodged;
5. Type of investment;
6. Security status and nature of security;
7. Date of maturity;
8. Investment interest rate;
9. Interest payment terms;
10. Penalties applicable for pre-expiry termination of investment;
11. Officer initialising the investment;
12. The particulars and location of any security held by Trustees on behalf of the TPRC;
13. The location and any security for an investment held directly by the TPRC;
14. The Investment Register is to be completed prior to the close of business on the day on which the investment is made;
15. The Investment Register and Ledger are to be reconciled at least monthly.

#### **Initiating Investment**

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

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

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

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

- Is consistent with the TPRC purpose and development objectives;
- Will produce economic, social and environmental outcomes consistent with the TPRC development objectives;

## **POLICY MANUAL**

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### **Investment Policy (July 2018)**

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- Has potential for increasing (of the unsold) value of land in the TPRC area other than the land in respect of which the direct investment is made;
- Has a defined payback period for invested principal;
- Produces an internal rate of return at least equivalent to the 30 day USBW cash rate for the period of investment;
- Has an ongoing revenue return following repayment of principle; and
- Is independently assessed for financial viability and security by a competent investment adviser.

This Investment Policy is authorised by the Chief Executive Officer on 16 August 2018.

Signature:

Name: JOHN ANTHONY ARIAS

Date: 16 August 2018



# **Appendix 9.12**

## **POLICY MANUAL**

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### **Credit Card Policy (July 2018)**

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#### **1. POLICY**

This policy is to ensure effective controls, policies and procedures are in place with respect to the use of corporate credit cards.

#### **2. PRINCIPLES**

- Ensure transparency in Council's operations concerning the use of corporate credit cards.
- Ensure Council's resources are managed with integrity and diligence.

#### **3. OBJECTIVES**

- Fulfil all statutory requirements of the Local Government Act with respect to the use of corporate credit cards.
- To adopt best practice in developing a clear and comprehensive policy on the use of corporate credit cards.

#### **4. STRATEGIES**

##### **Purpose of Corporate Credit Cards**

Corporate credit cards have been implemented to allow the Council to transact its business in an efficient manner and, at the same time, provide Council officers with a more convenient method to meet costs they incur on Council's behalf.

Corporate credit cards should be recognised as a valuable tool for the efficient and effective operation of Council's daily business and not as a benefit assigned to specific individuals. The use of corporate credit cards will create savings in staff administration time in matters such as arranging transport, accommodation and registration for attendance at conferences. It will also reduce the number of creditor creations that are required for one-off purchases.

It is intended to save time and paperwork in making purchases while still maintaining control of purchase through a monthly reconciliation process as well as reducing the need for Council staff to use their private credit card to conduct Council business.

Staff members are not to use their private credit card to conduct Council business over the amount of \$100 in any one transaction, without CEO approval.

## **POLICY MANUAL**

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### **Credit Card Policy (July 2018)**

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#### **Issuing of Cards**

The Chief Executive Officer has delegated authority to authorise the issuing of corporate credit cards to staff.

The Chief Executive Officer will be responsible for maintaining a register of the individual corporate credit cards including their associated limits and expiry dates.

The Chief Executive Officer will be responsible for obtaining approval of the Chairman for the issue of a card and this will be recorded on a 'Cardholder Approval and Acknowledgement' form. Each cardholder will be required to sign this form on receipt of the corporate credit card and acknowledge these policies and procedures.

#### **Monthly Limit and Authorisations**

Each corporate credit card will have a monthly limit on expenditure and the expenditure is to be authorised by the person as indicated in the following table.

	<i>Monthly Limit</i>	<i>Expenditure Authorisation</i>
Chief Executive Officer	5,000	Chairman
Project Co-Coordinator	2,000	Chief Executive Officer
Executive Assistant	1,000	Chief Executive Officer

#### **Restrictions**

Corporate credit cards are not to be used for personal expenses under any circumstances.

Corporate credit cards are not to be used for purchases of fuel unless authorised by the Chief Executive Officer.

Use of the corporate credit cards for purchases over the internet should be restricted to trusted secure sites.

The cardholder will be personally liable for expenditure that cannot be shown to be related to the business of TPRC.

#### **Use of Cards**

Corporate credit cards are to be used as a normal credit card, with the valid PIN required to make any purchase.

## **POLICY MANUAL**

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### **Credit Card Policy (July 2018)**

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No cash advances are available from ATM's or over the counter and BPay facilities are not available.

The card is for official Council business only and may not be used for personal items under any circumstances. The card is not linked to any form of award points and any personal award card or membership should not be used in conjunction with the use of the corporate credit card.

A tax invoice is required to be obtained for every purchase made by the credit card holder. This is required in reconciliations of the corporate credit card statement at the end of each month.

If a transaction is done by telephone or by mail order, the cardholder will need to ensure that an appropriate tax invoice is obtained from the supplier and included with the monthly reconciliation.

Tax invoices must contain the following components in order to comply with taxation law and allow Council to claim an input tax credit for the GST paid:

- Name of creditor;
- The ABN of the creditor;
- Date of issue;
- The quantity and a brief description of what is being supplied;
- The name Tamala Park Regional Council (being the recipient);
- The words 'tax invoice';
- The GST as a separate component OR the invoice total with a statement that 'Total includes GST'.

All details of the purchase, including tax invoices are required to be obtained and retained to support the appropriate allocation of purchases at the end of each month.

Use of a corporate credit card will require the user to abide by Council's Code of Conduct and purchasing policies including purchasing from Council's preferred suppliers wherever possible.

Where any expenditure is incurred relating to business hospitality or other purposes involving staff the cardholder must write on the receipt, or a receipt attached statement, the names of employees and non-employees, detail of expenditures and other sufficient information to make an assessment of fringe benefits tax payable in total and per employee.

The credit limit of the individual cards is not to be exceeded.

## **POLICY MANUAL**

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### **Credit Card Policy (July 2018)**

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#### **Payment of Monthly Account**

The outstanding balance of each corporate credit card will be automatically debited to Council's bank account around the 14<sup>th</sup> day of each month.

#### **Reconciling Monthly Statements**

1. Each cardholder will be issued with a monthly statement listing all their transactions. It is the responsibility of the cardholder to match their supporting documentation to the monthly statement.
2. Monthly statements must be reconciled and returned to the Executive Assistant within seven days of receiving the statement.
3. When the monthly statement is received, a check is required to ensure all purchases are supported by invoices.
4. Record next to each transaction:
  - The reason for the purchase;
  - The account number the purchase is to be allocated to.
5. Attach tax invoices for all the purchases with GST and normal invoices for purchases without GST.
6. For FBT purposes, expenses relating to the provision of entertainment must provide details of the function, the total number of staff who attended, and the total number of attendees.
7. Sign and date the monthly corporate credit card statement at completion of the reconciliation.
8. The monthly corporate credit card statement, with all invoices attached, should then be authorised by the appropriate person as described in the Monthly Limit and Authorisation section of this policy.
9. The corporate credit card statement and all attachments are then to be provided to the Chief Executive Officer.
10. After processing, all corporate credit card statements will be kept by the Executive Assistant.
11. The CEO's corporate credit card statements are to be presented to the Audit Committee every four months.

## **POLICY MANUAL**

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### **Credit Card Policy (July 2018)**

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12. Copies of all statements and supporting documents are to be filed for audit review.
13. The Council Auditor will include as part of the annual work plan, a periodic review of the supporting documentation in respect of the monthly corporate credit card statement.

#### **Disputed Purchases**

The Chief Executive Officer is to be notified of all disputed transactions. The cardholder must complete the 'disputed transactions' form and include it with the monthly reconciliation.

When a dispute occurs, the cardholder should attempt to correct the situation with the merchant. If unable to correct the situation, the matter is to be referred to the Chief Executive Officer. The Chief Executive Officer will attempt to resolve the matter and may have to contact the bank for assistance.

The bank can assist with resolving some disputes with merchants, particularly those involving duplicated charges, non receipt of goods ordered or credits not processed after refund vouchers have been issued.

#### **Terminating or Ceasing Employment**

Any cardholder, who is leaving the services of Council, should return any Cards, no later than 5 working days prior to the last day of employment.

#### **Reporting Lost or Stolen Cards**

If a card is lost or stolen it is the cardholder's responsibility to immediately to report the loss to the relevant bank.

The Chief Executive Officer should be contacted immediately and advised by the next business day and the cardholder should then complete a 'Lost or Stolen Cards' form and forward it to the Chief Executive Officer.

#### **Replacement Cards**

The card is valid for the period shown on the face of the card and the relevant Bank will automatically reissue replacement cards to the Chief Executive Officer one month prior to the expiry date. The Executive Assistant will then update the register details in regard to the replacement card and issue it to the cardholder.

The cardholder will need to complete a 'Replacement Cards' form and sign the form on receipt of the new card.

## **POLICY MANUAL**

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### **Credit Card Policy (July 2018)**

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This Credit Card Policy is authorised by the Chief Executive Officer on 16 August 2018.

Signature:

Name: JOHN ANTHONY ARIAS

Date: 16 August 2018

# **Appendix 9.13**



## **POLICY MANUAL**

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### **Petty Cash Policy (July 2018)**

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#### **POLICY**

##### **1. Objective**

To provide a cash advance to pay authorised expenditure of a minor nature.

##### **2. Local Government Reference**

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

##### **3. Petty Cash**

- Sum advanced shall be limited to \$100.
- Officers who have received an advance to use such funds to pay for authorised expenditure for each item shall be limited to \$100 (excluding GST).
- Expenditure for each advance shall be recouped by the Reckon accounting system software.
- Annual audit of all cash advances to be conducted.

This Petty Cash Policy is authorised by the Chief Executive Officer on 16 August 2018.

Signature:

Name: JOHN ANTHONY ARIAS

Date: 16 August 2018

# **Appendix 9.14**

## **POLICY MANUAL**

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### **Procurement Policy (July 2018)**

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#### **BACKGROUND**

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

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

The West Australian Local Government Association purchasing service negotiates contracts for the supply of goods and services for local government.

The State Supply Commission and the Commonwealth Supply agencies also have contracts for the supply of goods and services that are accessible by local governments.

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

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

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

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

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

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

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

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

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

## **POLICY MANUAL**

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### **Procurement Policy (July 2018)**

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In this context, the value for money principle embraces:

- Cost related factors; and
- Non-cost factors.

2. Value for money assessment involves the comparison and evaluation of suitable conforming offers.

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

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

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

3. The exclusion provisions contained in the functions and general regulations relating to procurement for a value greater than \$50,000 will also apply to procurement for values less than \$50,000.
4. The Local Government legislation does not require local governments to tender for purchases under the value of \$150,000.

Purchases under \$150,000 are categorised as simple purchases but nevertheless require controls and appropriate accounting and probity support practices.

5. The following should apply to purchases of value less than \$150,000.

- 5.1. Direct Purchasing – Less than or equal to \$2,000

Purchases to \$2,000 may be made on a single quotation, however, best practice will require that market testing be undertaken from time to time and that consideration be given to value for money purchasing.

## **POLICY MANUAL**

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### **Procurement Policy (July 2018)**

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#### **5.2. Non-Formalised Quotations – Over \$2,000 and less than \$10,000**

At least 3 quotations should be obtained except where impractical due to availability of suppliers.

A record of quotations obtained must be maintained.

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

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

#### **5.3. Formalised Quotations – Over \$10,000 and less than \$150,000**

A formalised quotation must be obtained in writing, by fax or email. Email submissions must contain an electronic signature or the image of a signature of a person authorised to provide the quotation.

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

#### **5.4. Special Provisions with respect to Consultancy Services - More than \$10,000 and less than \$150,000**

- Quotations must be made in reference to:
  - A written brief defining the services required;
  - The deliverables from the consultancy;
  - The start and end time;
  - The fee basis i.e. fixed, hourly, component completion;
  - The basis for any variation fees; and
  - Provisions for termination of services.
- Completion of a contract for consultancy services must be subject of a written agreement signed by the consultant and TPRC.
- If it is expected that the Council will enter into 2 or more contracts with one supplier which may exceed \$150,000 then Council should invite tenders in accordance with Section 6 of the Policy.

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

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

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

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

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

Evaluation criteria are to be stipulated in tender invitation documents.

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

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

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

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

Evaluation matrix's may consist of either:

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

a) Weighted Cost Criteria

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

b) Non-Weighted Cost Criteria

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

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

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

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

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

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

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

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

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

#### 7. Use of Probity Auditor

In all cases where tenders are valued at an amount greater than \$150,000, consideration shall be given to the use of a probity auditor.

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A proposal to engage/not engage services of a probity auditor will be included in the report to the Council under section (6) above proposing the issue of an invitation for supply of goods or services.

#### **8. Environmental Procurement Policy**

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

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

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

#### **9. Environmental Purchasing**

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

The aim of considering environmental factors in procurement is to:

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



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- Reducing costs for addressing the effects of environmental health impacts and pollution to the community over the long term.

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

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

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

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

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

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

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

#### **11. Environmental Considerations in Contracting Process**

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

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

- Is the proposed purchase necessary.
- Identify and address environmental impact issues in all procurement plans.
- Develop specifications that give consideration to environmental standards, codes or legislation, where appropriate.

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

The Guidelines provided in:

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

This Procurement Policy is authorised by the Chief Executive Officer on 16 August 2018.

Signature:

Name: JOHN ANTHONY ARIAS

Date: 16 August 2018

## **Appendix 9.15**

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## **Appendix 9.16**

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