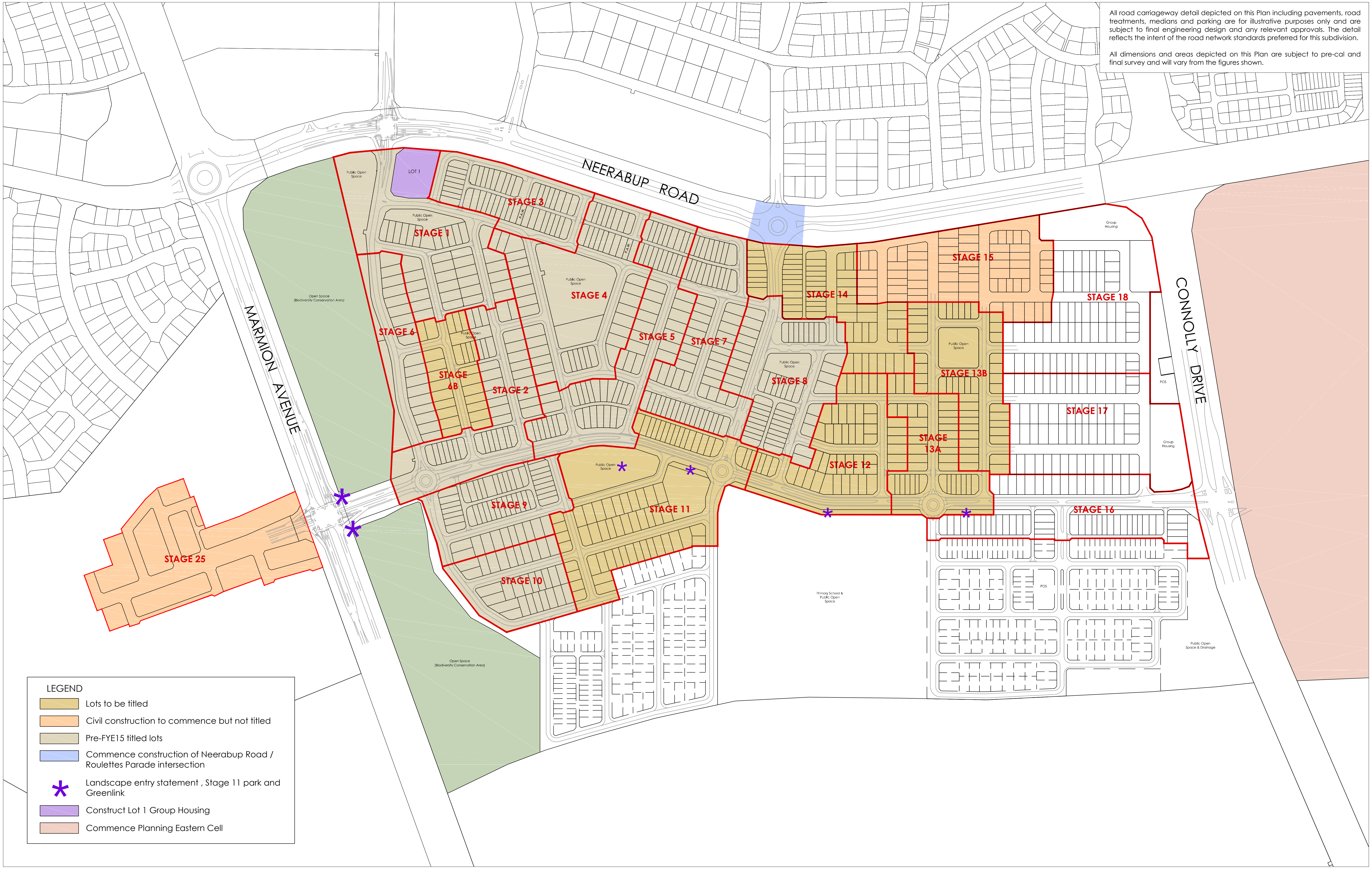
Appendix 9.1



CLE TOWN PLANNING + DESIGN

CATALINA FYE 2015 OPERATIONS

Catalina Estate, Tamala Park

City of Wanneroo

TAMALA PARK Regional Council

Satterley

plan no: 2228-278B-01

scale: 1:5,000 @ A3

date: 12.06.2014

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Appendix 9.3

Tamala Park Regional Council
Cheque Detail
June 2014

Type	Num	Date	Name	Description	Paid Amount
Bill Pmt -Cheque	CH-200392	18/06/2014	City of Wanneroo - Supplier	Application for Approval to Commence Development (UXO search)	-264.96
Bill Pmt -Cheque	CH-200393	24/06/2014	City of Wanneroo - Supplier	Development Approval for entry wall & signage	-147.00
Bill Pmt -Cheque	CH-200394	26/06/2014	City of Wanneroo - Supplier	Fee for Amendment to Structure Plan No. 79	-6,502.34
					-6,914.30

Tamala Park Regional Council
Summary Payment List
June 2014

Date	Num	Name	Description	Amount
02/06/2014	ET-2895	Westpac Bank	Bank charges Cheque AC - June 2014	-80.80
02/06/2014	ET-2896	Aaron & Nicole Grant	Lot 171 (5th instalment over a 3 year period)	-2,887.50
05/06/2014	ET-	Westpac Bank	Bank charges Settlement AC - June 2014	-30.00
09/06/2014	ET-2897	Jason Borgomastro	Lot 174 (5th instalment over a 3 year period)	-3,850.00
12/06/2014	ET-2870	Employee Costs - Wages	Wages for period 29/05/14 - 11/06/14	-11,743.07
12/06/2014	ET-2874	Employee Costs - Super	Superannuation for period 29/05/14-11/06/14	-928.00
12/06/2014	ET-2875	Australian Taxation Office	PAYG for May 2014	-20,836.00
12/06/2014	ET-2876	Town of Victoria Park - Supplier	GST for Dec '13 - Mar '14	-18,615.00
12/06/2014	ET-2877	Action Couriers	Courier charges for 21/05/14-31/05/14	-56.69
12/06/2014	ET-2878	Cabcharge	Service fee for May 2014	-6.00
12/06/2014	ET-2879	Chappell Lambert Everett	Invoices 5019 & 5020	-16,655.36
12/06/2014	ET-2880	Haines Norton	Inv 20126	-3,509.00
12/06/2014	ET-2881	Homebuyers Centre	Inv 48330 & 48331	-1,980.00
12/06/2014	ET-2882	Kyocera Mita	Photocopies for period 29/04/14 - 22/05/14	-96.86
12/06/2014	ET-2883	LD Total	Inv 60440, 60468, 60469 & 61526	-23,945.55
12/06/2014	ET-2884	Marketforce	Inv 12000-1, 12084-5, 12235-40	-5,640.82
12/06/2014	ET-2885	New Great Cleaning Service	Cleaning of TPRC offices (May 2014)	-143.00
12/06/2014	ET-2886	Optimum Media Decisions	Inv 1049, 1729-31, 21195-7, 21731-4 & 22736	-26,494.88
12/06/2014	ET-2887	Pemberton, Malcolm & Lisa	Solar Panel Rebate (Lot 58)	-2,000.00
12/06/2014	ET-2888	R J Vincent & Co	Inv 3249, 3254 & 3268	-1,378,083.91
12/06/2014	ET-2889	Smith, Nigel & Sharon	Solar Panel Rebate (Lot 259)	-2,000.00
12/06/2014	ET-2890	Stantons International	Inv 52657 & 52658	-4,145.27
12/06/2014	ET-2891	Transcore	Mitchell Fwy/ Neerabup Rd extension - traffic eng. services (May 2014)	-2,475.00
12/06/2014	ET-2892	Treacy Fencing	Inv 639103, 639214-5 & 639271-2	-12,722.49
12/06/2014	ET-2893	WALGA	Inv I3040341	-165.00
12/06/2014	ET-2894	Water Corporation	Water charges for temp sales office (March - May 2014)	-80.59
12/06/2014	ET-2898	Westpac Bank	Payment of credit card charges (CEO & EA) - June 2014	-375.67
12/06/2014	Stage 8 Refund	City of Wanneroo - Supplier	Stage 8 Bond Refund	589,786.00
18/06/2014	CH-200392	City of Wanneroo - Supplier	Application for Approval to Commence Development (UXO search)	-264.96
23/06/2014	ET-2899	Australian Taxation Office	FBT Return payment for period 1/4/13 to 31/3/14	-2,250.67
23/06/2014	ET-2900	McLeods Barristers & Solicitors	Removal of Vodafone Caveat	-2,577.97
24/06/2014	CH-200393	City of Wanneroo - Supplier	Development Approval for entry wall & signage	-147.00
26/06/2014	ET-2901	Employee Costs - Wages	Wages for period 12/06/14 - 25/06/14	-11,743.07
26/06/2014	ET-2905	Employee Costs - Super	Superannuation for June 2014	-1,973.94
26/06/2014	Debit	Action Couriers	Courier charges for 05/06/14 - 14/06/14	-43.16
26/06/2014	Debit	Bad Backs WA	Office Chair (CEO)	-659.00

Tamala Park Regional Council
Summary Payment List
June 2014

26/06/2014	Debit	Burgess Rawson	Valuation fee (6 x valuations)	-330.00
26/06/2014	Debit	Cabcharge	Service fee (June 2014)	-6.00
26/06/2014	Debit	City of Joondalup - Supplier	Rates equivalent payment for 2013/14 financial year	-55,707.80
26/06/2014	Debit	City of Stirling	GST owing May 2014	-64,511.91
26/06/2014	Debit	Content Living	Waste Management Rebate (Lot 270)	-990.00
26/06/2014	Debit	Cossill & Webley	Inv 15175-15184 & 15192-15193	-94,896.82
26/06/2014	Debit	Coterra Environment	Environmental consulting services (19 April - 31 May 2014)	-4,870.25
26/06/2014	Debit	Docushred	Security bin for TPRC office	-51.70
26/06/2014	Debit	DomainRegister	Domain renewal for catalinaestate.com (April 2014 - April 2016)	-249.00
26/06/2014	Debit	Driving Force Cleaning Services	Sales office cleaning (May 2014)	-431.50
26/06/2014	Debit	Emerge Associates	Inv 11737-11740	-5,637.50
26/06/2014	Debit	Homebuyers Centre	Inv 46810, 46148, 48968-75	-9,900.00
26/06/2014	Debit	LD Total	Inv 58302, 58498, 58970, 60028, 60199, 60467, 60611, 57953 & 60811	-129,148.54
26/06/2014	Debit	Le, Doanh Kinh	Solar Panel Rebate (Lot 10)	-2,000.00
26/06/2014	Debit	Marketforce	Stage 7 release press	-451.50
26/06/2014	Debit	McGregor, Norman & Starina	Solar Panel Rebate (Lot 242)	-2,000.00
26/06/2014	Debit	McMullen Nolan Surveyors	Inv 72691, 72693 & 72694	-19,904.50
26/06/2014	Debit	Milsearch Pty Ltd	Marmion Ave Green Link UXO	-14,465.00
26/06/2014	Debit	Neverfail	Bottled water x 4	-52.05
26/06/2014	Debit	Officeworks	Computer monitor & general office supplies	-314.55
26/06/2014	Debit	R J Vincent & Co	Inv 3250-1, 3253, 3267, 3336, 3342-4	-2,640,935.49
26/06/2014	Debit	Satterley Property Group	Lot 1 Participation Fee	-57,420.00
26/06/2014	Debit	Signs & Lines	Temp sales office roof sign removal	-1,915.32
26/06/2014	Debit	T Arias	Parking & train tickets	-10.80
26/06/2014	Debit	Telstra	Mobile phones (CEO & PC)	-136.04
26/06/2014	GST May	Town of Victoria Park - Supplier	GST owing May 2014	-16,128.00
26/06/2014	Debit	Treacy Fencing	Inv 639374, 639466, 637690, 638070-1, 638925, 638986, 639439, 639517-9	-36,367.98
26/06/2014	Debit	City of Joondalup - Supplier	3rd Dividend Payment - TPRC Project	-333,333.00
26/06/2014	Debit	City of Perth - Supplier	3rd Dividend Payment - TPRC Project	-166,666.00
26/06/2014	Debit	City of Stirling	3rd Dividend Payment - TPRC Project	-666,666.00
26/06/2014	Debit	City of Vincent - Supplier	3rd Dividend Payment - TPRC Project	-166,666.00
26/06/2014	Debit	City of Wanneroo - Supplier	3rd Dividend Payment - TPRC Project	-333,333.00
26/06/2014	Debit	Town of Victoria Park - Supplier	3rd Dividend Payment - TPRC Project	-166,666.00
26/06/2014	CH-200394	City of Wanneroo - Supplier	Fee for Amendment to Structure Plan No. 79	-6,502.34
30/06/2014	Debit	Town of Cambridge - supplier	3rd Dividend Payment - TPRC Project	-166,666.00
30/06/2014	CON-05	City of Joondalup - Supplier	GST owing May 2014	-32,255.93
30/06/2014	CON-06	City of Wanneroo - Supplier	GST owing May 2014	-32,255.93
				-6,199,262.68

Appendix 9.4

Satterley

21 July 2014

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

Dear Tony

Catalina Financial Report for June 2014

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

Residential settlement revenue for the financial year to 30 June 2014 is $52.4m which is $6.7m ahead of the approved 'June 2013' budget with 18 more residential settlements for the year. Project to date residential settlement revenue is $95.6m, which is $11.0m ahead of budget due to 36 more settlements than the approved 'June 2013' budget along with slightly higher selling prices on the 419 project to date actual settlements.

Selling costs for FYE2014 are $3.0m below the approved 'June 2013' budget, due to the non-application of Item 4 of the GST Margin scheme in the budget.

Sales for FYE2014 are $10.9m favourable to budget due to 29 more residential lot sales during the year and higher selling prices than budget.

Overall FYE2014 expenditure is $10.2m under budget per the approved 'June 2013' Budget, with $25.2m spent compared to a budget of $35.3m. The main areas of variance are summarised below:

- Landscaping $2.6m under budget
    - Stage 4 Park $0.3m under budget due to deferred payments
    - Biodiversity Conservation Area $0.2m under budget due to deferred payments
    - Deferred landscape of new entry and Sales Office $0.9m
- Lot Production $4.9m under budget
    - Stage 8 Earthworks - $0.4m under budget as full provisional sums were not used
    - Stage 7 - $0.7m under budget as full provisional sums were not used
    - Stage 8 - $0.6m under budget as full provisional sums were not used
    - Stage 9 - $1.0m under budget due to contract price being below budget and full provisional sums not being used
    - Stage 10 - $1.1m under budget due to contract price being below budget and full provisional sums not being used
- P&L expenditure - $1.8m under budget due to Marketing & Maintenance budgets not fully utilised.

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

Yours faithfully

Brenton Downing
Project Director

Satterley Property Group Pty Ltd. 18 Bowman Street, South Perth, WA 6151. PO Box 410, South Perth, WA 6951. P: (08) 9368 9000 F: (08) 9368 9003 W: www.satterley.com.au ABN 38 009 054 979
Licensee: Satterley Property Group Pty Ltd. (Inc in WA). Trading as Satterley Real Estate.

CATALINA - FINANCE REPORT

1.0 Management Accounts - June 2014

1.1 *KEY STATISTICS*

1.1.1 RESIDENTIAL LOTS & DISTRIBUTIONS

	Lots Produced (titles)		Sales		Settlements		Distributions	
	Actual	*Budget* June 2013	*Actual*	*Budget* June 2013	*Actual*	*Budget* June 2013	*Actual*	*Budget* June 2013
Prior Years	220	232	270	285	195	177	-	-
Jul-2013	-	-	24	5	6	30		-
Aug-2013	14	-	(1)	3	3	13		-
Sep-2013	-	63	29	19	16	4		-
Sep-12 Qtr	**14**	**63**	**52**	**27**	**25**	**47**	**-**	**-**
Oct-2013	63	-	22	22	6	6		4,000,000
Nov-2013	-	-	4	16	58	54		-
Dec-2013	-	-	(2)	20	5	5	4,000,000	-
Dec-12 Qtr	**63**	**-**	**24**	**58**	**69**	**65**	**4,000,000**	**4,000,000**
Jan-2014	53	-	37	9	2	2		-
Feb-2014	-	53	8	23	48	2		-
Mar-2014	-	-	26	19	7	20		-
Mar-13 Qtr	**53**	**53**	**71**	**51**	**57**	**24**	**-**	**-**
Apr-2014	10	10	28	20	-	21	4,000,000	4,000,000
May-2014	81	70	32	17	45	13		-
Jun-2014	-	-	10	15	28	36	2,000,000	-
Jun-13 Qtr	**91**	**80**	**70**	**52**	**73**	**70**	**6,000,000**	**4,000,000**
Full 2013/14 Year	**221**	**196**	**217**	**188**	**224**	**206**	**10,000,000**	**8,000,000**
PTD	**441**	**428**	**487**	**473**	**419**	**383**	**10,000,000**	**8,000,000**
2014/15		**193**		**222**		**234**		**14,000,000**
2015/16		**253**		**200**		**168**		**18,000,000**

- 28 residential lots settled in June. The total settlements comprise of 4 lots from stage 6C, 16 lots from stage 9, and 8 lots from stage 10.

1.2 *Sales & Settlements*

	MTH Act	MTH Bgt	YTD Act	YTD Bgt	PTD Act	PTD Bgt
Residential						
- Sales #	11	15	217	188	487	473
- Sales $	2,767,000	3,669,462	55,084,500	43,592,223	113,833,500	105,472,334
- Sales $/lot	251,545	244,631	253,846	231,874	233,744	222,986
- Settlements #	28	36	224	206	419	383
- Settlements $	7,351,000	8,686,795	52,361,500	45,640,484	95,587,500	84,503,038
- Settlements $/lot	262,536	241,300	233,757	221,556	228,132	220,635
Special Sites						
- Sales #	1	-	2	1	2	1
- Sales $	1,200,000	-	1,895,000	594,349	1,895,000	594,349
- Sales $/lot	1,200,000	-	947,500	594,349	947,500	594,349
- Settlements #	1	-	2	1	2	1
- Settlements $	1,200,000	-	1,895,000	594,349	1,895,000	594,349
- Settlements $/lot	1,200,000	-	947,500	594,349	947,500	594,349
Lots Under Contract						
- Unsettled sales #	68		Unconditional	2	Titled	
- Unsettled sales $	18,246,000		Conditional	66	443 *incl. Spec sites*	
- Unsettled sales $/lot	268,324					

- 1 Special site settlement was recognised in June on ABN JV lot where $1.2m participation fee was received.

CATALINA - FINANCE REPORT

1.3 *Cashflow - MTD Actuals to budget*

	MTD Act	MTD Bgt	Variance
Revenue	7,351,000	8,686,795	(1,335,795)
Margin GST	(103,180)	(757,412)	654,232
Direct selling costs	(329,594)	(392,276)	62,682
Interest Income	6,926	-	6,926
Forfeited Deposits	-	-	-
Other Income	1,038,709	-	1,038,709
Rebate Allowance	(113,809)	(420,298)	306,489
	7,850,052	7,116,810	733,243
Development costs			
Lot production	3,175,841	1,830,810	(1,345,031)
Landscaping	90,016	236,165	146,150
Consultants	28,733	34,601	5,868
Infrastructure	54,381	20,714	(33,667)
Sales office building	4,778	138,768	133,990
Sales & marketing	31,592	56,565	24,972
Administration	17,768	53,574	35,805
Finance	725	118,560	117,835
	3,403,834	2,489,756	(914,078)
Cashflow	4,446,218	4,627,054	(180,836)

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

1.4 *Cashflow - YTD Actuals to budget*

	YTD Act	YTD Bgt	Variance
Revenue	52,361,500	45,640,484	6,721,016
Margin GST	(757,021)	(3,964,326)	3,207,305
Direct selling costs	(2,354,406)	(2,095,355)	(259,051)
Interest Income	20,966	-	20,966
Forfeited Deposits	-	-	-
Other Income	1,769,942	581,214	1,188,728
Rebate Allowance	(721,024)	(1,863,397)	1,142,373
	50,319,956	38,298,619	12,021,337
Development costs			
Lot production	16,648,741	21,585,089	4,936,348
Landscaping	1,875,121	4,520,821	2,645,700
Consultants	363,261	804,192	440,931
Infrastructure	4,404,689	4,162,603	(242,086)
Sales office building	369,279	992,353	623,074
Sales & marketing	160,050	681,379	521,329
Administration	228,499	869,035	640,535
Finance	1,131,925	1,722,926	591,001
	25,181,566	35,338,398	10,156,832
Cashflow	25,138,390	2,960,221	22,178,169

The YTD revenue variance comprises:

- $6.7m favourable to budget on 18 more residential settlements than the budget for FY2014.

1.5 *Bonds*

	Last Year	Last Month	This Month
City of Wanneroo	589,904	1,240,991	704,822
	589,904	1,240,991	704,822

Bonds relate to Stages 2, 6C & 8 landscaping & stages 9 & 10 early clearances

2.0 PROFIT & LOSS

	MTH Act	MTH Bgt	Var	YTD Act	YTD Bgt	Var	PTD Act	PTD Bgt
- Revenue $ (Stlmts)	7,351,000	8,686,795	(1,335,795)	52,361,500	45,640,484	6,721,016	95,587,500	84,503,038
- Revenue $/lot	262,536	241,300		233,757	221,556		228,132	220,635
- Selling & GST $	700,715	1,537,069	836,354	5,175,744	8,534,764	3,359,020	9,793,884	13,498,488
- Selling & GST $/lot	25,026	42,696		23,106	41,431		23,374	35,244
- Cost of sales $	(559,567)	4,432,501	4,992,068	18,755,081	21,920,871	3,165,791	41,539,427	43,022,361
- Cost of sales $/lot	(19,985)	123,125		83,728	106,412		99,139	112,330
- Gross profit $	7,209,852	2,717,225	4,492,627	28,430,676	15,184,849	13,245,827	44,254,189	27,982,190
- Gross profit $/lot	257,495	75,478		126,923	73,713		105,619	73,061
- Gross profit Mgn %	98.08%	31.28%		54.30%	33.27%		46.30%	33.11%
- Special Sites $	697,742	-	697,742	1,284,073	526,929	757,144	1,284,073	526,929
- Other income $	6,926	-	6,926	20,966	38,260	(17,294)	46,136	41,806
- Sales & Marketing $	2,437	56,681	54,244	140,201	682,749	542,548	657,759	1,362,026
- Administration $	72,494	75,253	2,759	336,905	871,813	534,908	888,823	1,265,054
- Finance $	-	-	-	8,000	50,000	42,000	(21,440)	90,000
- Contingency $	-	120,581	120,581	20,364	1,701,701	1,681,337	20,364	2,144,894
- Net profit $	**7,839,590**	**2,464,710**	**5,374,880**	**29,230,245**	**12,443,775**	**16,786,470**	**44,038,892**	**23,688,950**
- Net profit $/lot	279,985	68,464		130,492	60,407		105,105	61,851

- Cost of Sales for the month of June are in credit by $0.6m due to Lot Production provisions totalling $3.5m being written back in the June accounts. These provision write-backs relate predominantly to civil contract & scheme provisions for stages 1 to 4 & 6A, and are no longer required.
- Gross profit is $13.2m ahead of budget due to favorable YTD settlements of 18 lots and favourable margin of $53k per lot due to favourable pricing to budget and the writeback of lot production provisions not required.
- FY14 YTD net profit is favourable against budget by $16.8m, mainly due to favourable gross profit $13.2m, unused contingency $1.7m, favourable marketing costs $0.5m and favourable admin costs $0.6m.

YEAR TO DATE VERSUS FULL YEAR BUDGET

	YTD Act	FY14 Full Year Bgt	Var
- Revenue $ (Stlmts)	52,361,500	45,640,484	6,721,016
- Revenue $/lot	233,757	221,556	
- Selling & GST $	5,175,744	8,534,764	3,359,020
- Selling & GST $/lot	23,106	41,431	
- Cost of sales $	18,755,081	21,920,871	3,165,791
- Cost of sales $/lot	83,728	106,412	
- Gross profit $	28,430,676	15,184,849	13,245,827
- Gross profit $/lot	126,923	73,713	
- Gross profit Mgn %	54.30%	33.27%	
- Special Sites $	1,284,073	526,929	757,144
- Other income $	20,966	38,260	(17,294)
- Sales & Marketing $	140,201	682,749	542,548
- Administration $	336,905	871,813	534,908
- Finance $	8,000	50,000	42,000
- Contingency $	20,364	1,701,701	1,681,337
- Net profit $	**29,230,245**	**12,443,775**	**16,786,470**
- Net profit $/lot	130,492	60,407	

CATALINA - FINANCE REPORT

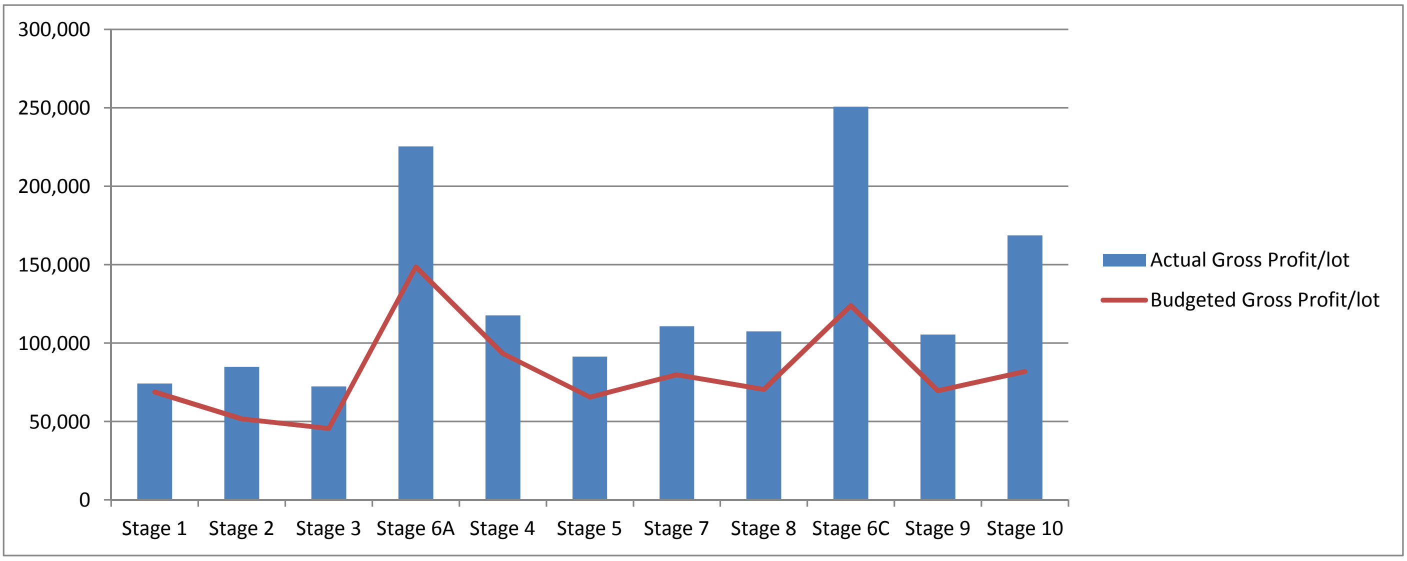
2.1 GROSS PROFIT ANALYSIS

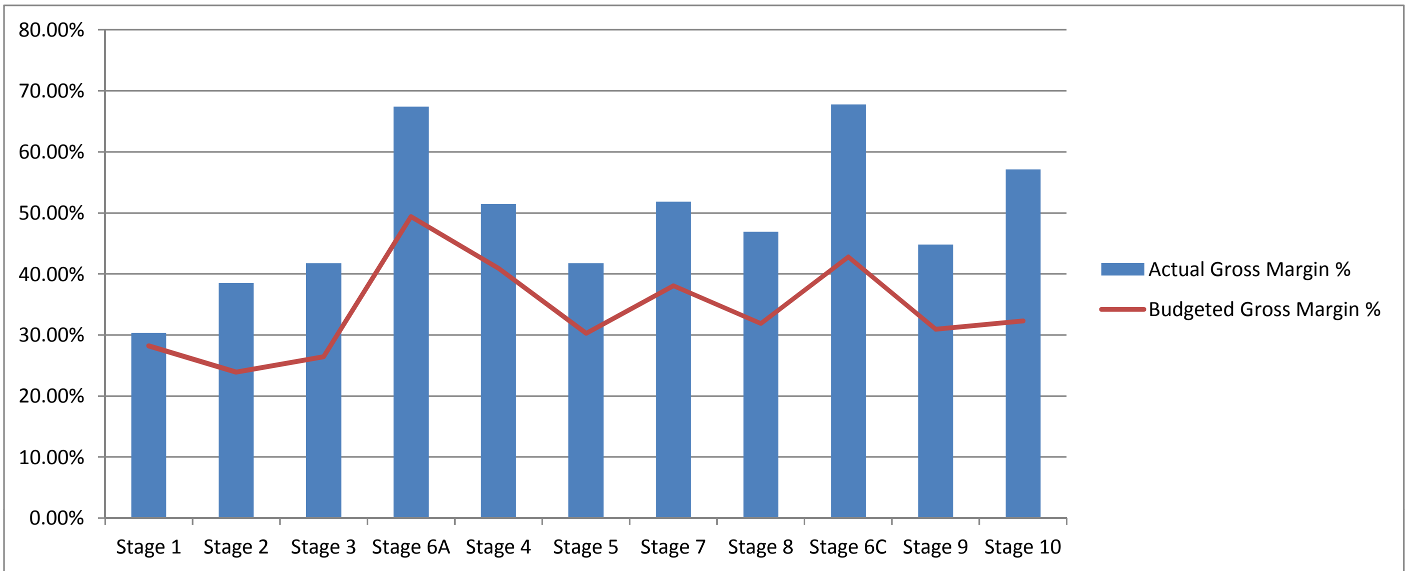
Actual

Stages	Title Issue Date	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)	Direct Costs/lot	Actual Gross Profit	Actual Gross Profit/lot	Actual Gross Margin %
Stage 1	17-Oct-12	8,558,000	244,514	5,963,144	170,376	2,594,856	74,139	30.32%
Stage 2	7-Nov-12	8,157,500	220,473	5,017,384	135,605	3,140,116	84,868	38.49%
Stage 3	14-Jan-13	7,465,000	173,605	4,348,460	101,127	3,116,540	72,478	41.75%
Stage 6A	18-Jan-13	2,675,000	334,375	871,498	108,937	1,803,502	225,438	67.42%
Stage 4	20-Mar-13	10,746,000	228,638	5,216,038	110,980	5,529,962	117,659	51.46%
Stage 5	20-May-13	13,774,000	218,635	8,021,908	127,332	5,752,092	91,303	41.76%
Stage 7	31-Oct-13	13,452,000	213,524	6,479,416	102,848	6,972,584	110,676	51.83%
Stage 8	16-Jan-14	12,146,000	229,170	6,450,298	121,704	5,695,702	107,466	46.89%
Stage 6C	3-Apr-14	2,221,000	370,167	716,002	119,334	1,504,998	250,833	67.76%
Stage 9	8-May-14	9,892,000	235,524	5,461,825	130,043	4,430,175	105,480	44.79%
Stage 10	8-May-14	6,501,000	295,500	2,787,337	126,697	3,713,663	168,803	57.12%
		95,587,500		51,333,311		44,254,189		

Budget

Stages	Budget Version	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)	Direct Costs/lot	Budgeted Gross Profit	Budgeted Gross Profit/lot	Budgeted Gross Margin %
Stage 1	May-12	8,531,000	243,743	6,124,266	174,979	2,406,734	68,764	28.21%
Stage 2	May-12	8,223,999	216,421	6,257,092	164,660	1,966,907	51,761	23.92%
Stage 3	May-12	7,417,500	172,500	5,457,524	126,919	1,959,976	45,581	26.42%
Stage 6A	May-12	2,405,291	300,661	1,217,089	152,136	1,188,202	148,525	49.40%
Stage 4	May-12	10,714,354	227,965	6,333,064	134,746	4,381,290	93,219	40.89%
Stage 5	May-12	14,066,809	216,412	9,811,639	150,948	4,255,170	65,464	30.25%
Stage 7	Jun-13	13,205,000	209,603	8,178,150	129,812	5,026,850	79,791	38.07%
Stage 8	Jun-13	11,725,000	221,226	7,988,239	150,721	3,736,761	70,505	31.87%
Stage 6C	Jun-13	2,894,098	289,410	1,655,174	165,517	1,238,924	123,892	42.81%
Stage 9	Jun-13	11,501,926	225,528	7,945,622	155,797	3,556,303	69,731	30.92%
Stage 10	Jun-13	7,605,912	253,530	5,150,237	171,675	2,455,675	81,856	32.29%
		98,290,888		66,118,096		32,172,792		





Appendix 9.6

Satterley

4 August 2014

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

Dear Tony,

Catalina FYE2015 Budget Amendments

The purpose of this memo is to address budget changes for FYE2015 as a result of the update of actual costs incurred in FYE2014 and the reforecasting of costs to be incurred in FYE2015. The high level snapshot of these changes is shown below:

Cashflow for Financial Year Ending 2015

Description	Revised FY15 Aug-14 model	Previous FY15 Jun-14 model	Variance
Gross Income	56,578,442	57,796,313	(1,217,871)
Development Costs	42,908,436	44,260,074	1,351,638
Cashflow	**13,670,005**	**13,536,239**	**133,767**
Distributions	31,000,000	31,000,000	0

- Gross income has reduced due to reduced settlements in FY15, where lots settled in FY14 earlier than forecast, coupled with some settlements deferring into FY16.
- Development costs have reduced largely as a result of the forecast refund of GST deferring from FY14 to FY15, slightly offset by landscaping works deferred from FY14 to FY15. Please also note the TPRC cash adjustment of $0.42m has been moved from FY14 to FY15.
- Distributions remain unchanged from the budget submitted to the Jun-14 Council meeting, where $31m is still forecast to be distributed in FY15.

Cash Balance Assumptions for this review

The following assumptions have been applied to the cash balance in this review:

- The opening cash balance on 1 July-14 is $36.2m.
- GST purchases exceed GST sales by $3.54m at 30/06/2014. It is assumed that this GST balance held as at 30/06/2014 will be fully recouped over the 12 months of FYE15.

The attached FYE2015 cashflow shows a more detailed analysis on variances between the budgets.

It is recommended this updated budget is adopted by TPRC for FY15.

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

Yours sincerely

Brenton Downing
Project Director

Satterley Property Group Pty Ltd 18 Bowman Street South Perth WA 6151 Phone: (08) 9368 9000 Finance Dept. Fax: (08) 9368 9003
Web: www.satterley.com.au Postal Address: P. O. Box 410 South Perth WA 6951
Licensee: Satterley Property Group Pty Ltd (Inc in Western Australia) ACN 009 054 979 ABN 38

Catalina Monthly Cashflow	Revised FY15 Aug-14 model	Previous FY15 Jun-14 model	Variance	Comment
Sales Release	321	297	24	
Sales - Stage 1	0	0	0	
Sales - Stage 2	0	0	0	
Sales - Stage 3	0	0	0	
Sales - Stage 4	0	0	0	
Sales - Stage 5	0	0	0	
Sales - Stage 6A	0	0	0	
Sales - Stage 6C	3	2	1	Sale deferred from FY14 to FY15
Sales - Stage 6B	24	24	0	
Sales - Stage 7	0	0	0	
Sales - Stage 8	0	0	0	
Sales - Stage 9	2	1	1	Sale deferred from FY14 to FY15
Sales - Stage 10	7	2	5	Sales deferred from FY14 to FY15
Sales - Stage 11	11	4	7	Sales deferred from FY14 to FY15
Sales - Stage 12	43	39	4	Sales deferred from FY14 to FY15
Sales - Stage 13A	37	37	0	
Sales - Stage 13B	45	45	0	
Sales - Stage 14	60	60	0	
Sales - Stage 15	23	36	(13)	Sales deferred from FY15 to FY16.
Sales - Stage 25	0	0	0	
Total Sales	255	250	5	
Titles	279	279	0	
Settlements	**226**	**230**	**(4)**	See detail below:
Stage 6C & 8 settlements	4	10	(6)	6 settlements for Stages 6C & 8 brought forward to FY14 from FY15.
Stage 9 & 10 settlements	17	14	3	3 settlements for stages 9 & 10 deferred from FY14 to FY15.
Stage 11 & 12 settlements	110	113	(3)	3 settlements for stages 11 & 12 deferred from FY15 to FY16.
Stage 13B settlements	34	32	2	2 settlements for stage 13B brought forward from FY16 to FY15.
Closing Stock	108	95	13	
Contracts on hand	97	109	(12)	
Average Settlement Price	278,593	278,223	371	
GROSS INCOME	0	0	0	
Income - Lots Stage 1	0	0	0	
Income - Stage 2	0	0	0	
Income - Stage 3	0	0	0	
Income - Stage 4	0	0	0	
Income - Stage 5	0	0	0	
Income - Stage 6A	0	0	0	
Income - Stage 6C	1,472,001	3,322,167	(1,850,166)	5 settlements brought forward to FY14 to FY15.
Income - Stage 6B	7,098,672	7,098,672	0	
Income - Stage 7	0	0	0	
Income - Stage 8	0	228,167	(228,167)	1 settlement brought forward to FY14 from FY15.
Income - Stage 9	2,082,000	1,917,666	164,334	1 settlement deferred from FY14 to FY15.
Income - Stage 10	2,561,998	1,829,841	732,157	2 settlements deferred from FY14 to FY15.
Income - Stage 11	17,369,574	17,555,484	(185,911)	1 settlement deferred from FY15 to FY16.
Income - Stage 12	13,641,109	13,849,393	(208,284)	2 settlements deferred from FY15 to FY16 - slightly offset by higher than budgeted selling prices.
Income - Stage 13A	9,585,882	9,585,882	0	
Income - Stage 13B	9,150,842	8,603,934	546,908	2 settlements brought forward from FY16 to FY17.
Income - Stage 14	0	0	0	
Income - Lots Total	62,962,077	63,991,205	(1,029,128)	
Income - Other	0	0	0	
Direct Selling Expenses	6,383,635	6,194,892	(188,743)	Shared Bore and Display builder rebates deferred from FY14 to FY15.
GROSS INCOME	56,578,442	57,796,313	(1,217,871)	
DEVELOPMENT COSTS	0	0	0	
Special Sites Development	623,999	316,021	(307,979)	Lot 1 cost and sales office costs deferred from FY14 to FY15.
Consultants	1,399,346	1,103,603	(295,743)	Planning costs deferred from FY14 to FY15 and Sustainability costs increased for FY15.
Landscape	**6,610,083**	**5,809,163**	**(800,921)**	**See details below:**
Biodiversity Conservation Area (North)	150,610	0	(150,610)	Biodiversity Conservation Area (North) costs deferred from FY14 to FY15
Stage 8 Landscaping POS Lot 8020	402,595	142,876	(259,719)	Stage 8 Landscaping POS Lot 8020 costs deferred from FY14 to FY15.
PAW Stages 3 & 4 landscaping	99,419	0	(99,419)	PAW stages 3 and 4 landscaping works deferred from FY14 to FY15.
Aviator Blvd Greenlink (5.2)	82,055	0	(82,055)	Aviator Blvd Greenlink (5.2) works deferred from FY14 to FY15.
Neerabup Road Verge Treatment stages 3 - 5	127,937	0	(127,937)	Neerabup Road Verge Treatment stages 3 - 5 deferred from FY14 to FY15.
Stage 13 Landscaping	0	404,366	404,366	Stage 13 Landscaping costs deferred from FY15 to FY16.
Remainder of landscaping jobs	5,747,467	5,261,920	(485,546)	Deferrment of costs from FY14 to FY15.
Infrastructure	**2,588,306**	**2,434,409**	**(153,897)**	**See details below:**
Marmion Avenue Green Link Intersection Balance	151,803	0	(151,803)	$75k increase in costs, with remaining $76k deferment of costs from FY14 to FY15.
Remainder of Infrastructure jobs	2,436,503	2,434,409	(2,094)	Deferrment of costs from FY14 to FY15.
Main 01 Bulk Earthworks stgs 1-4,6	0	0	0	
Main 01 Bulk Earthworks Stgs 5 & 7	0	0	0	
Main 01 Bulk Earthworks Stg 8	15,075	0	(15,075)	Deferrment of costs from FY14 to FY15.
Main 01 Bulk Earthworks Stgs 9-11 Cell B	135,175	0	(135,175)	Deferrment of costs from FY14 to FY15.
Main 01 Bulk Earthworks Stgs 12 & 13 Cell B	492,119	814,904	322,785	Costs brought forward from FY15 to FY14.
Main 01 Bulk Earthworks Stgs 14-18 Cell B	2,760,406	2,669,307	(91,099)	Deferrment of costs from FY14 to FY15.
Main 01 Bulk Earthworks Stgs 17-19 Cell B	0	0	0	
Main 01 Bulk Earthworks Stg 20-24 Cell B	20,000	20,000	0	
Western Cell Bulk Earthworks Stgs 25-27	3,506,187	3,501,794	(4,393)	Deferrment of costs from FY14 to FY15.
Western Cell Bulk Earthworks Stgs 28-31	55,251	55,251	0	
Lot Production - Stage 1	0	0	0	
Lot Production - Stage 2	10,050	0	(10,050)	Deferrment of costs from FY14 to FY15.
Lot Production - Stage 3	50,250	0	(50,250)	Deferrment of costs from FY14 to FY15.
Lot Production - Stage 4	50,250	0	(50,250)	Increase in allowance for rail fencing in stage 4 by $20k. $30k deferred from FY14 to FY15.
Lot Production - Stage 5	20,000	0	(20,000)	Increase in allowance for rail fencing in stage 5 by $20k.
Lot Production - Stage 6A	20,100	0	(20,100)	Deferrment of costs from FY14 to FY15.
Lot Production - Stage 6C	184,694	0	(184,694)	Deferrment of costs from FY14 to FY15.
Lot Production - Stage 6B	1,510,609	1,750,970	240,361	Savings from contract tender.
Lot Production - Stage 7	30,150	0	(30,150)	Increase in allowance for rail fencing in stage 7 by $30k.
Lot Production - Stage 8	0	0	(0)	
Lot Production - Stage 9	712,804	731,295	18,491	Costs brought forward from FY15 to FY14.
Lot Production - Stage 10	494,217	229,942	(264,275)	Deferrment of costs from FY14 to FY15.
Lot Production - Stage 11	2,739,378	3,821,923	1,082,546	Costs brought forward from FY15 to FY14.
Lot Production - Stage 12	3,240,585	3,269,346	28,760	Costs brought forward from FY15 to FY14.
Lot Production - Stage 13A	3,190,995	3,239,509	48,514	Costs brought forward from FY15 to FY14.
Lot Production - Stage 13B	3,425,499	3,425,499	0	
Lot Production - Stage 14	4,248,846	4,248,846	0	
Lot Production - Stage 15	870,136	1,597,425	727,289	Costs deferred from FY15 to FY16.
Lot Production - Stage 25	1,691,221	1,691,221	0	
Administration	1,330,395	972,939	(357,456)	Rates and taxes deferred from FY14 to FY15.
Sales and Marketing	629,180	579,180	(50,000)	Signage costs deferred from FY14 to FY15.
Community Development	188,034	188,034	0	
Finance/Bonds	1,130,239	0	(1,130,239)	TPRC cash adjustment pushing out to FY15 and bond payments deferring from FY14 to FY15.
Debtor/Creditor Movement	(3,339,599)	(466,211)	2,873,388	Deferal of GST return cash refunds from FY14 to FY15
Contingency	2,274,452	2,255,704	(18,748)	
DEVELOPMENT COSTS	42,908,436	44,260,074	1,351,638	
0	0	0	0	
CASHFLOW	**13,670,005**	**13,536,239**	**133,767**	
0	0	0	0	
Capital Calls	0	0	0	
Capital Returns	3,300,000	3,300,000	0	Unchanged from previous budget
Profit Distributions	27,700,000	27,700,000	0	Unchanged from previous budget
0	0	0	0	
Cumulative Cash Balance	18,885,133	16,078,674	2,806,459	
Jun 14 Approved Budget Cumulative Cash Balance	16,078,674	0	0	
Cumulative Cash Balance Variance	2,806,459			

Catalina Monthly Cashflow	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Total	Previous FY15 Jun-14 model	Variance	PTD	Previous PTD Jun-14 Model	Variance
Sales Release	24	24	37	45	0	0	60	0	0	69	0	62	321	297	24	850	850	0
Sales - Stage 6C	3	0	0	0	0	0	0	0	0	0	0	0	3	2	1	10	10	0
Sales - Stage 6B	0	0	15	9	0	0	0	0	0	0	0	0	24	24	0	24	24	0
Sales - Stage 9	2	0	0	0	0	0	0	0	0	0	0	0	2	1	1	51	51	0
Sales - Stage 10	2	0	0	0	0	5	0	0	0	0	0	0	7	2	5	30	30	0
Sales - Stage 11	7	4	0	0	0	0	0	0	0	0	0	0	11	4	7	64	64	0
Sales - Stage 12	20	10	6	7	0	0	0	0	0	0	0	0	43	39	4	49	49	0
Sales - Stage 13A	0	0	0	20	17	0	0	0	0	0	0	0	37	37	0	37	37	0
Sales - Stage 13B	0	0	0	0	8	20	12	5	0	0	0	0	45	45	0	45	45	0
Sales - Stage 14	0	0	0	0	0	0	0	20	25	15	0	0	60	60	0	60	60	0
Sales - Stage 15	0	0	0	0	0	0	0	0	0	0	13	10	23	36	(13)	23	36	(13)
Sales - Stage 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Sales	34	14	21	36	25	25	12	25	25	15	13	10	255	250	5	742	755	(13)
Titles	0	0	0	64	0	49	24	0	37	0	45	60	279	279	0	719	719	0
Settlements	7	3	5	3	14	30	15	32	26	35	13	43	226	230	(4)	645	646	(1)
Closing Stock	32	42	58	67	42	17	65	40	15	69	56	108	108	95	13	108	95	13
Contracts on hand	95	106	122	155	166	161	158	151	150	130	130	97	97	109	(12)	97	109	(12)
Average Settlement Price	254,878	201,103	233,643	246,445	275,708	275,708	281,519	287,924	327,241	273,857	266,268	268,485	278,593	278,223	371	245,813	245,113	701
GROSS INCOME																		
Income - Stage 6C	363,000	369,667	0	739,334	0	0	0	0	0	0	0	0	1,472,001	3,322,167	(1,850,166)	3,693,001	3,693,000	1
Income - Stage 6B	0	0	0	0	0	0	0	1,478,890	2,957,780	2,662,002	0	0	7,098,672	7,098,672	0	7,098,672	7,098,672	0
Income - Stage 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13,452,000	13,452,000	0
Income - Stage 8	0	0	0	0	0	0	0	0	0	0	0	0	0	228,167	(228,167)	12,146,000	12,146,000	0
Income - Stage 9	680,143	233,643	1,168,214	0	0	0	0	0	0	0	0	0	2,082,000	1,917,666	164,334	11,974,000	11,950,998	23,002
Income - Stage 10	741,000	0	0	0	0	0	0	0	1,820,998	0	0	0	2,561,998	1,829,841	732,157	9,062,998	9,031,999	30,999
Income - Stage 11	0	0	0	0	3,859,905	8,271,226	2,481,368	1,929,953	827,123	0	0	0	17,369,574	17,555,484	(185,911)	17,369,574	17,555,484	(185,911)
Income - Stage 12	0	0	0	0	0	0	1,741,418	5,804,727	2,902,364	1,741,418	870,709	580,473	13,641,109	13,849,393	(208,284)	13,641,109	13,849,393	(208,284)
Income - Stage 13A	0	0	0	0	0	0	0	0	0	5,181,558	2,590,779	1,813,545	9,585,882	9,585,882	0	9,585,882	9,585,882	0
Income - Stage 13B	0	0	0	0	0	0	0	0	0	0	0	9,150,842	9,150,842	8,603,934	546,908	9,150,842	8,603,934	546,908
Income - Stage 14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Income - Lots Total	1,784,143	603,310	1,168,214	739,334	3,859,905	8,271,226	4,222,786	9,213,570	8,508,264	9,584,978	3,461,488	11,544,860	62,962,077	63,991,205	(1,029,128)	158,549,577	158,342,862	206,715
Income - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,941,136	1,930,851	10,284
Direct Selling Expenses	365,205	84,164	281,717	114,910	747,357	615,315	326,198	861,998	685,541	639,776	575,923	1,085,532	6,383,635	6,194,892	(188,743)	13,538,655	14,243,603	704,949
GROSS INCOME	1,418,938	519,146	886,497	624,424	3,112,549	7,655,910	3,896,588	8,351,572	7,822,723	8,945,202	2,885,565	10,459,328	56,578,442	57,796,313	(1,217,871)	146,952,058	146,030,110	921,948
DEVELOPMENT COSTS																		
Special Sites Development	163,967	222,440	112,531	62,531	62,531	0	0	0	0	0	0	0	623,999	316,021	(307,979)	1,033,980	1,013,970	(20,010)
Consultants	166,370	143,627	202,125	89,799	159,845	90,159	109,420	90,521	86,612	86,784	86,956	87,129	1,399,346	1,103,603	(295,743)	2,494,688	2,426,223	(68,465)
Landscape	760,774	839,599	863,313	281,279	236,517	240,879	451,380	753,888	742,108	489,767	873,630	76,951	6,610,083	5,809,163	(800,921)	10,116,046	10,387,423	271,377
Infrastructure	110,077	155,874	104,262	88,380	162,263	349,324	301,351	302,104	286,074	233,694	234,278	260,624	2,588,306	2,434,409	(153,897)	9,273,257	8,651,260	(621,997)
Main 01 Bulk Earthworks stgs 1-4,6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,280,234	2,280,234	0
Main 01 Bulk Earthworks Stgs 5 & 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,490,625	2,490,625	0
Main 01 Bulk Earthworks Stg 8	5,013	5,025	5,038	0	0	0	0	0	0	0	0	0	15,075	0	(15,075)	1,343,860	1,343,784	(75)
Main 01 Bulk Earthworks Stgs 9-11 Cell B	105,125	30,050	0	0	0	0	0	0	0	0	0	0	135,175	0	(135,175)	4,298,346	4,193,159	(105,187)
Main 01 Bulk Earthworks Stgs 12 & 13 Cell B	122,569	122,876	123,183	123,491	0	0	0	0	0	0	0	0	492,119	814,904	322,785	1,718,082	1,691,728	(26,355)
Main 01 Bulk Earthworks Stgs 14-18 Cell B	34,450	34,536	34,623	537,304	538,647	535,933	537,273	507,640	0	0	0	0	2,760,406	2,669,307	(91,099)	2,790,856	2,789,450	(1,407)
Main 01 Bulk Earthworks Stgs 17-19 Cell B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Main 01 Bulk Earthworks Stg 20-24 Cell B	20,000	0	0	0	0	0	0	0	0	0	0	0	20,000	20,000	0	20,000	20,000	0
Western Cell Bulk Earthworks Stgs 25-27	16,864	16,906	116,948	116,991	117,033	117,076	13,726	603,422	604,931	592,614	594,095	595,580	3,506,187	3,501,794	(4,393)	3,575,790	3,575,417	(373)
Western Cell Bulk Earthworks Stgs 28-31	4,541	4,553	4,564	4,575	4,587	4,598	4,610	4,621	4,633	4,645	4,656	4,668	55,251	55,251	0	55,251	55,251	0
Lot Production - Stage 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,581,649	3,581,649	0
Lot Production - Stage 2	3,342	3,350	3,358	0	0	0	0	0	0	0	0	0	10,050	0	(10,050)	3,122,452	3,121,402	(1,050)
Lot Production - Stage 3	16,708	16,750	16,792	0	0	0	0	0	0	0	0	0	50,250	0	(50,250)	2,532,986	2,501,423	(31,563)
Lot Production - Stage 4	16,708	16,750	16,792	0	0	0	0	0	0	0	0	0	50,250	0	(50,250)	2,817,987	2,796,152	(21,835)
Lot Production - Stage 5	10,000	10,000	0	0	0	0	0	0	0	0	0	0	20,000	0	(20,000)	3,596,555	4,228,358	631,804
Lot Production - Stage 6A	6,683	6,700	6,717	0	0	0	0	0	0	0	0	0	20,100	0	(20,100)	406,805	406,705	(100)
Lot Production - Stage 6C	80,523	53,589	50,582	0	0	0	0	0	0	0	0	0	184,694	0	(184,694)	811,706	810,861	(845)
Lot Production - Stage 6B	12,103	12,133	343,172	197,368	197,861	337,424	198,852	199,349	12,347	0	0	0	1,510,609	1,750,970	240,361	1,530,247	1,783,303	253,056
Lot Production - Stage 7	10,025	10,050	10,075	0	0	0	0	0	0	0	0	0	30,150	0	(30,150)	2,989,349	2,968,572	(20,777)
Lot Production - Stage 8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	3,060,284	3,000,723	(59,560)
Lot Production - Stage 9	233,811	95,777	95,788	95,798	95,809	95,820	0	0	0	0	0	0	712,804	731,295	18,491	3,622,089	3,581,770	(40,320)
Lot Production - Stage 10	221,633	68,133	68,141	68,150	68,159	0	0	0	0	0	0	0	494,217	229,942	(264,275)	2,032,935	2,027,385	(5,549)
Lot Production - Stage 11	371,984	866,904	373,773	374,671	375,571	376,474	0	0	0	0	0	0	2,739,378	3,821,923	1,082,546	4,073,146	4,082,640	9,494
Lot Production - Stage 12	5,458	424,086	425,146	426,209	1,090,807	428,343	429,414	5,554	5,568	0	0	0	3,240,585	3,269,346	28,760	3,428,275	3,427,681	(594)
Lot Production - Stage 13A	0	13,106	13,116	13,126	13,136	538,964	540,289	972,029	542,947	544,282	0	0	3,190,995	3,239,509	48,514	3,252,213	3,252,243	31
Lot Production - Stage 13B	0	0	0	24,272	24,285	24,298	24,310	558,895	560,244	1,081,928	562,953	564,312	3,425,499	3,425,499	0	2,686,259	2,686,259	0
Lot Production - Stage 14	0	0	0	32,289	32,306	32,323	32,340	681,869	683,509	685,154	1,380,600	688,456	4,248,846	4,248,846	0	4,248,846	4,248,846	0
Lot Production - Stage 15	0	0	0	0	0	0	0	35,225	35,245	35,264	35,284	729,117	870,136	1,597,425	727,289	887,500	1,614,789	727,289
Lot Production - Stage 25	0	0	0	0	0	0	29,974	30,049	30,124	30,199	784,457	786,418	1,691,221	1,691,221	0	1,691,221	1,691,221	0
Administration	394,671	35,259	440,611	50,586	50,713	50,839	50,966	51,094	51,222	51,350	51,478	51,607	1,330,395	972,939	(357,456)	2,160,925	2,209,772	48,847
Sales and Marketing	52,432	52,432	52,432	52,432	52,432	52,432	52,432	52,432	52,432	52,432	52,432	52,432	629,180	579,180	(50,000)	1,300,441	1,586,817	286,375
Community Development	15,455	15,494	15,533	15,571	15,610	15,649	15,688	15,728	15,767	15,806	15,846	15,886	188,034	188,034	0	196,176	196,176	0
Finance/Bonds	1,130,239	0	0	0	0	0	0	0	0	0	0	0	1,130,239	0	(1,130,239)	2,231,893	2,455,886	223,994
Debtor/Creditor Movement	(278,300)	(278,300)	(278,300)	(278,300)	(278,300)	(278,300)	(278,300)	(278,300)	(278,300)	(278,300)	(278,300)	(278,300)	(3,339,599)	(466,211)	2,873,388	(27,321)	0	27,321
Contingency	148,600	164,336	177,969	135,780	167,946	167,569	140,908	259,346	201,854	211,056	268,588	230,501	2,274,452	2,255,704	(18,748)	1,902,051	2,333,037	430,986
DEVELOPMENT COSTS	3,961,827	3,162,036	3,398,285	2,512,303	3,187,758	3,179,803	2,654,633	4,845,466	3,637,318	3,836,675	4,666,953	3,865,381	42,908,436	44,260,074	1,351,638	99,627,685	101,512,196	1,884,511
CASHFLOW	**(2,542,889)**	**(2,642,889)**	**(2,511,788)**	**(1,887,879)**	**(75,209)**	**4,476,108**	**1,241,955**	**3,506,106**	**4,185,405**	**5,108,527**	**(1,781,388)**	**6,593,947**	**13,670,005**	**13,536,239**	**133,767**	**47,324,373**	**44,517,914**	**2,806,459**
Capital Calls	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(13,300,000)	(13,300,000)	0
Capital Returns	0	0	0	0	0	3,300,000	0	0	0	0	0	0	3,300,000	3,300,000	0	13,300,000	13,300,000	0
Profit Distributions	0	0	0	0	0	12,700,000	0	0	0	0	0	15,000,000	27,700,000	27,700,000	0	27,700,000	27,700,000	0
Cumulative Cash Balance	33,672,238	31,029,349	28,517,560	26,629,682	26,554,472	15,030,580	16,272,535	19,778,641	23,964,046	29,072,574	27,291,186	18,885,133	18,885,133	16,078,674	2,806,459	18,885,133	16,078,674	2,806,459
Jun 14 Approved Budget Cumulative Cash Balance	33,328,409	31,453,825	29,812,369	28,408,993	29,444,513	15,698,724	22,274,940	24,570,456	26,086,307	30,884,148	29,658,867	16,078,674	16,078,674					
Cumulative Cash Balance Variance	343,829	(424,476)	(1,294,809)	(1,779,311)	(2,890,040)	(668,144)	(6,002,405)	(4,791,815)	(2,122,260)	(1,811,574)	(2,367,681)	2,806,459	2,806,459					

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Appendix 9.7

TAMALA PARK
Regional Council

ANNUAL BUDGET

2014-15

Contents

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Chairman's Introduction

It gives me great pleasure to present the 2014-15 TPRC Annual Budget, which will see the consolidation of works for the subdivision and sale of lots of the Tamala Park project, which is being marketed as 'Catalina'.

Highlights of the Works program include:

- Civil Construction Stages 6B, 13, 14, 15 & 25 - 299 Lots;
- Bulk Earthworks for Central Cell Stages 14-18 & Western Cell Stages 25-27;
- Neerabup Rd/Maroochydore Way Intersection;
- Stages 11-13 Public Open Space;
- Biodiversity Conservation Area (South) Rehabilitation;
- Completion of Builders Display Village and Land Sales Office;
- Continued Catalina Branding.

It is anticipated that the Local Government Participants will receive a return of capital in 2014-15 amounting to $31,000,000.

The 2014-15 Budget compiled by the Tamala Park Regional Council progresses the development, subdivision and sales of land for the Catalina project which is expected to be completed in 2026.

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 2014-15 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 2014-15 continues the civil works and marketing undertaken to date in order to consolidate the Catalina project. The TPRC 2014-15 includes a comprehensive marketing program to achieve 250 sales and 226 settlements. The proposed expenditure is detailed in the Budget and accompanying notes.

The major development costs are shown below;	$
- Land & Special Sites Development	623,999
- Consultants	1,399,346
- Landscape	6,845,083
- Precinct 1 Bulk	6,984,213
- Lot Production	22,489,784
- Administration	1,330,395
- Community Development	188,034
- Contingency	2,274,452
- Finance	1,130,239
- GST Recoupable, Debtors and Creditors Movements	(3,339,599)
- Selling Expenses	5,312,407
-Sales and Marketing	629,180
	45,867,533

The TPRC Budget 2014-15 reflects a conservative approach to sale rates and development costs and is within industry practice. It predicts that the TPRC can meet all cashflow obligations from investment income and existing cash funds.

The TPRC Budget 2014-15 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:

Budget process	Timing
1. Officers prepare operating and capital estimates for inclusion in the budget.	Jun-14
3. Proposed budget to Council for approval	Aug-14
4. Copy of adopted budget submitted to the Department	Sep-14

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 2014/15 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 .

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 2014/15 Annual Budget. These matters have arisen from events occurring in the 2013/14 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2014/15 year. These matters and their financial impact are set out below:

- Budget surplus for the 2013/14 financial year ended 30 June 2014
- 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.

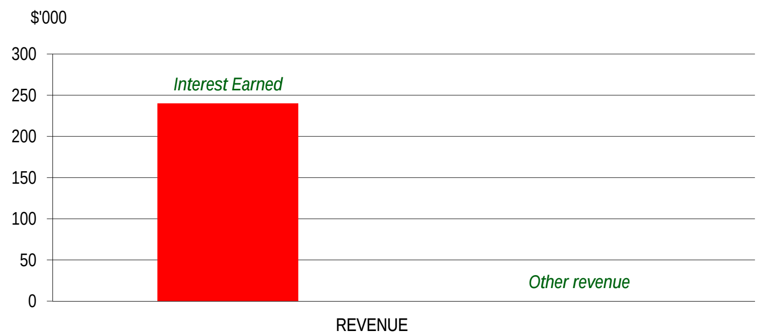
The 2014/15 Annual Budget, which is included in this report, is for the year 1 July 2014 to 30 June 2015 and is prepared in accordance with the Act and Regulations. The budget includes statutory statements being a budget comprehensive income, budget statement of financial activity, budget statement of 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 2015 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 2014/15 year.

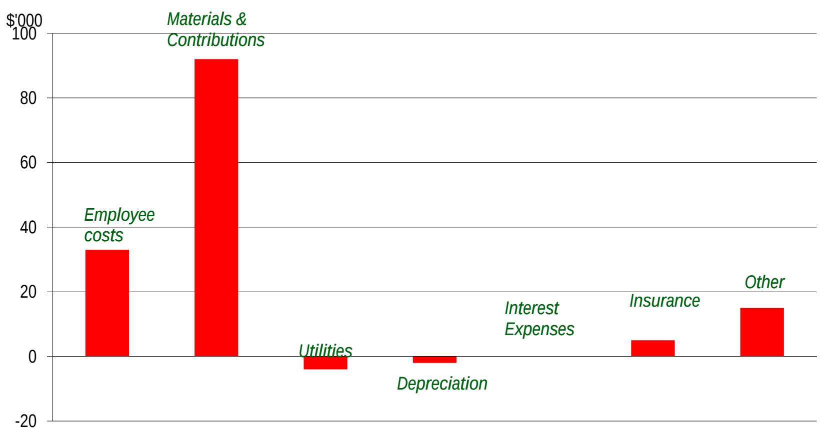
2.1 Operating revenue

Revenue Types	Budget 2013/14 $'000	Budget 2014/15 $'000	Variance $'000
Interest Earned	711	951	240
Other revenue	0	0	0
Total operating revenue	**711**	**951**	240
Net gain on sale of assets	**0**	**7**	7



2.2 Operating expenditure

Expenditure Types	Budget 2013/14 $'000	Budget 2014/15 $'000	Variance $'000
Employee Costs	680	713	33
Materials and Contracts	348	440	92
Utilities	10	6	-4
Depreciation	20	18	-2
Interest Expenses	0	0	0
Insurance	12	17	5
Other expenses	161	176	15
Total operating expenditure	**1,231**	**1,370**	139



3. Analysis of Budgeted Cash Position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2012/13 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 2013/14 $'000	Budget 2014/15 $'000	Variance $'000
Cash flows from operating activities			
Receipts			
Contributions and Reimbursements	2	10	8
Interest Earned	711	987	276
Goods and Services Tax	50	20	-30
Other revenue	108	0	-108
	871	**1,017**	146
Payments			
Employee Costs	-640	-714	-74
Materials and Contracts	-463	-529	-66
Utilities	-10	-6	4
Insurance	-12	-17	-5
Goods and Services Tax	-50	-20	30
Other expenses	-161	-175	-14
	-1,336	**-1,461**	-125
Net cash provided by operating activities	**-465**	**-444**	21
Cash flows from investing activities			
Receipts from disposal of assets	0	41	41
Receipts from sale of land	46,274	61,891	15,617
Payments for development of land, plant and equipment	-45,806	-48,525	-2,719
Net cash provided by investing activities	**468**	**13,407**	**12,939**
Cash flows from financing activities			
Contributions to be returned	-10,400	-31,422	-21,022
Net cash used in financing activities	**-10,400**	**-31,422**	-21,022
Net decrease in cash and cash equivalents	**-10,397**	**-18,459**	-8,062
Cash and cash equivalents at the beg of the year	25,986	40,413	14,427
Cash and cash equivalents at end of the year	**15,589**	**21,954**	6,365

Statutory Annual Budget

The information in regard to the 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 2015

2013/14 ADOPTED BUDGET		NOTES	2013/14 ACTUAL	2014/15 ADOPTED BUDGET
$	**EXPENDITURE**	1,2,3,4,12,13	**$**	**$**
(160,750)	Governance		(140,987)	(175,438)
(1,071,114)	Other Property and Services		(704,451)	(1,194,419)
(1,231,864)			(845,438)	(1,369,857)
	REVENUE	1,2,3,4,11,13		
711,090	General Purpose Funding		1,004,865	951,446
1,890	Other Property & Services		8,395	10,480
712,980			1,013,260	961,926
(518,884)	***Increase(Decrease)***		**167,822**	**(407,931)**
	DISPOSAL OF ASSETS	2,6		
0	Land		0	0
0	Plant and Equipment		0	6,869
0	Furniture and Equipment		0	0
0	***Gain (Loss) on Disposal***		0	6,869
(518,884)	*NET RESULT*		**167,822**	**(401,062)**
	OTHER COMPREHENSIVE INCOME			
0	Changes on revaluation of non current assets		1,164	0
0	*TOTAL OTHER COMPREHENSIVE INCOME*		1,164	0
($518,884)	*TOTAL COMPREHENSIVE INCOME*		**$168,986**	**($401,062)**

TAMALA PARK REGIONAL COUNCIL
BUDGET FINANCIAL ACTIVITY STATEMENT FOR THE YEAR ENDING 30 JUNE 2015

2013/14 ADOPTED BUDGET		2013/14 ACTUAL	2014/15 ADOPTED BUDGET	2014/15 JULY	2014/15 AUGUST	2014/15 SEPTEMBER	2014/15 OCTOBER	2014/15 NOVEMBER	2014/15 DECEMBER	2014/15 JANUARY	2014/15 FEBRUARY	2014/15 MARCH	2014/15 APRIL	2014/15 MAY	2014/15 JUNE
$	**OPERATING REVENUE**	$	$	$	$	$	$	$	$	$	$	$	$	$	$
711,090	General Purpose Funding	1,004,865	951,446	103,674	201,901	295,222	384,336	476,108	534,038	609,595	691,152	776,366	840,269	900,332	951,446
1,890	Other Property and Services	8,395	10,480	4,000	4,000	8,590	8,590	8,590	8,590	8,590	8,590	8,590	8,590	8,590	10,480
$712,980		**$1,013,260**	**$961,926**	**$107,674**	**$205,901**	**$303,812**	**$392,926**	**$484,698**	**$542,628**	**$618,185**	**$699,742**	**$784,956**	**$848,859**	**$908,922**	**$961,927**
	LESS OPERATING EXPENDITURE														
(160,750)	Governance	(140,987)	(175,438)	(700)	(1,500)	(43,660)	(44,660)	(45,560)	(87,619)	(88,419)	(89,219)	(131,279)	(132,479)	(133,279)	(175,438)
(1,071,114)	Other Property & Services	(704,451)	(1,194,419)	(83,609)	(179,163)	(274,716)	(394,158)	(501,656)	(585,265)	(680,819)	(776,372)	(859,982)	(1,003,312)	(1,098,865)	(1,194,419)
(1,231,864)		**(845,438)**	**(1,369,857)**	**(84,309)**	**(180,663)**	**(318,376)**	**(438,818)**	**(547,215)**	**(672,884)**	**(769,238)**	**(865,591)**	**(991,260)**	**(1,135,790)**	**(1,232,144)**	**(1,369,857)**
($518,884)	*Increase(Decrease)*	**$167,822**	**($407,931)**	**$23,364**	**$25,238**	**($14,564)**	**($45,891)**	**($62,517)**	**($130,257)**	**($151,053)**	**($165,849)**	**($206,304)**	**($286,931)**	**($323,222)**	**($407,931)**
	ADD														
0	Provision for Employee Entitlements	(2,398)	0	0	0	0	0	0	0	0	0	0	0	0	0
0	Profit/Loss on the Disposal of Assets	0	6,869	0	0	6,869	6,869	6,869	6,869	6,869	6,869	6,869	6,869	6,869	6,869
20,489	Depreciation Written Back	13,626	17,983	1,498	2,996	4,494	5,992	7,490	8,988	10,486	11,984	13,482	14,980	16,478	17,983
0	Book Value of Assets Sold Written Back	0	34,131	0	0	34,131	34,131	34,131	34,131	34,131	34,131	34,131	34,131	34,131	34,131
$20,489		**$11,228**	**$58,983**	**$1,498**	**$2,996**	**$45,494**	**$46,992**	**$48,490**	**$49,988**	**$51,486**	**$52,984**	**$54,482**	**$55,980**	**$57,478**	**$58,983**
($498,395)	*Sub Total*	**$179,050**	**($348,948)**	**$24,862**	**$28,234**	**$30,930**	**$1,100**	**($14,027)**	**($80,269)**	**($99,567)**	**($112,866)**	**($151,822)**	**($230,951)**	**($265,744)**	**($348,948)**
	LESS CAPITAL PROGRAMME														
0	Purchase Plant and Equipment	0	(66,000)	0	0	(66,000)	(66,000)	(66,000)	(66,000)	(66,000)	(66,000)	(66,000)	(66,000)	(66,000)	(66,000)
(6,000)	Purchase Furniture and Equipment	(6,968)	(3,000)	0	0	0	0	0	0	0	0	0	0	0	(3,000)
($6,000)		(6,968)	**($69,000)**	**$0**	**$0**	**($66,000)**	**($66,000)**	**($66,000)**	**($66,000)**	**($66,000)**	**($66,000)**	**($66,000)**	**($66,000)**	**($66,000)**	**($69,000)**
	LESS MEMBERS EQUITY														
	Development of Land for Resale														
45,640,484	Income Sale of Lots -Subdivision	52,278,081	61,890,849	1,752,166	2,341,703	3,486,847	4,212,270	8,006,932	16,137,652	20,289,834	29,352,028	37,736,684	47,154,435	50,553,500	61,890,849
634,349	Income Other -Subdivision	1,112,081	0	0	0	0	0	0	0	0	0	0	0	0	0
(45,800,319)	Development Costs	(28,591,479)	(48,455,839)	(4,310,963)	(7,547,453)	(11,215,218)	(13,833,524)	(17,734,439)	(21,402,212)	(24,337,419)	(29,924,739)	(34,139,311)	(38,474,054)	(43,667,197)	(48,455,839)
0	Change in Contributed Equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(400,000)	Contribution Refund	(554,651)	(422,562)	0	0	0	0	0	0	0	0	0	0	0	(422,562)
0	Profit Distributions	0	(27,700,000)	0	0	0	0	0	(12,700,000)	(12,700,000)	(12,700,000)	(12,700,000)	(12,700,000)	(12,700,000)	(27,700,000)
(10,000,000)	Contribution Returned	(9,999,988)	(3,300,000)	0	0	0	0	0	(3,300,000)	(3,300,000)	(3,300,000)	(3,300,000)	(3,300,000)	(3,300,000)	(3,300,000)
($9,925,486)		**$14,244,044**	**($17,987,552)**	**($2,558,797)**	**($5,205,750)**	**($7,728,371)**	**($9,621,254)**	**($9,727,507)**	**($21,264,560)**	**($20,047,585)**	**($16,572,711)**	**($12,402,627)**	**($7,319,619)**	**($9,113,697)**	**($17,987,552)**
0	Plus Rounding	2	0	0	0	0	0	0	0	0	0	0	0	0	0
($9,931,486)		**$14,237,078**	**($18,056,552)**	**($2,558,797)**	**($5,205,750)**	**($7,794,371)**	**($9,687,254)**	**($9,793,507)**	**($21,330,560)**	**($20,113,585)**	**($16,638,711)**	**($12,468,627)**	**($7,385,619)**	**($9,179,697)**	**($18,056,552)**
($10,429,881)	*Sub Total*	**$14,416,128**	**($18,405,500)**	**($2,533,934)**	**($5,177,516)**	**($7,763,441)**	**($9,686,154)**	**($9,807,534)**	**($21,410,828)**	**($20,213,152)**	**($16,751,576)**	**($12,620,448)**	**($7,616,570)**	**($9,445,440)**	**($18,405,500)**
	LESS FUNDING FROM														
26,069,508	Opening Funds	26,068,415	40,484,543	40,484,543	40,484,543	40,484,543	40,484,543	40,484,543	40,484,543	40,484,543	40,484,543	40,484,543	40,484,543	40,484,543	40,484,543
(15,639,627)	Closing Funds	(40,484,543)	(22,079,043)	0	0	0	0	0	0	0	0	0	0	0	(22,079,043)
$10,429,881		**($14,416,128)**	**$18,405,500**	**40,484,543**	**40,484,543**	**40,484,543**	**40,484,543**	**40,484,543**	**40,484,543**	**40,484,543**	**40,484,543**	**40,484,543**	**40,484,543**	**40,484,543**	**18,405,500**
$0	**NET (SURPLUS)DEFICIT**	**$0**	**$0**	**$37,950,609**	**$35,307,027**	**$32,721,102**	**$30,798,389**	**$30,677,009**	**$19,073,715**	**$20,271,391**	**$23,732,967**	**$27,864,095**	**$32,867,973**	**$31,039,103**	**($0)**

TAMALA PARK REGIONAL COUNCIL
BUDGET RATE SETTING STATEMENT FOR THE YEAR ENDING 30 JUNE 2015

2013/14 ADOPTED BUDGET		NOTES	2013/14 ACTUAL	2014/15 ADOPTED BUDGET
$	**REVENUE**	1,2,3,4,11,13	$	$
711,090	General Purpose Funding		1,004,865	951,446
1,890	Other Property and Services		8,395	10,480
$712,980			**$1,013,260**	**$961,926**
	LESS EXPENDITURE	1,2,3,4,12,13		
(160,750)	Governance		(140,987)	(175,438)
(1,071,114)	Other Property & Services		(704,451)	(1,194,419)
($1,231,864)			**($845,438)**	**($1,369,857)**
($518,884)	*Increase(Decrease)*		**$167,822**	**($407,931)**
	ADD			
0	Book Value of Assets Sold Written Back		0	34,131
0	Profit/Loss on the Disposal of Assets		0	6,869
0	Provision for Employee Entitlements		(2,398)	0
20,489	Depreciation Written Back		13,626	17,983
0	Provision for Audit Fees		0	0
$20,489			**$11,228**	**$58,983**
($498,395)	*Sub Total*		**$179,050**	**($348,948)**
	LESS CAPITAL PROGRAMME	1,14		
0	Purchase Land & Buildings		0	0
0	Purchase Plant and Equipment		0	(66,000)
(6,000)	Purchase Furniture and Equipment		(6,968)	(3,000)
($6,000)			**($6,968)**	**($69,000)**
	LESS MEMBERS EQUITY			
	Development of Land for Resale			
45,640,484	Income Sale of Lots -Subdivision		52,278,081	61,890,849
634,349	Income Other -Subdivision		1,112,081	0
(45,800,319)	Development Costs		(28,591,479)	(48,455,839)
0	Change in Contributed Equity		0	0
(400,000)	Contribution Refund		(554,651)	(422,562)
0	Profit Distributions		0	(27,700,000)
(10,000,000)	Contribution Returned	27	(9,999,988)	(3,300,000)
($9,925,486)			**$14,244,044**	**($17,987,552)**
0	Rounding		2	0
$0			$2	$0
($10,429,881)	*Sub Total*		**$14,416,128**	**($18,405,500)**
	LESS FUNDING FROM			
26,069,508	Opening Funds	26	26,068,415	40,484,543
(15,639,627)	Closing Funds	26	(40,484,543)	(22,079,043)
$10,429,881			**($14,416,128)**	**$18,405,500**
$0	**TO BE MADE UP FROM RATES**		**$0**	**$0**

TAMALA PARK REGIONAL COUNCIL
BUDGET STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2015

2013/14 ADOPTED BUDGET		NOTES	2013/14 ACTUAL	2114/15 ADOPTED BUDGET
$	***Cash Flows from operating activities***		$	$
	PAYMENTS			
(639,975)	Employee Costs		(32,543)	(713,586)
	Materials & Contracts			
0	- Professional Consulting Fees		0	0
(467,900)	- Other		140,373	(529,075)
(5,000)	Utilities		-	(6,000)
(11,900)	Insurance		-	(16,900)
0	Interest Expenses		0	0
(50,000)	Goods and Services Tax		(119,572)	(20,000)
(161,050)	Other		(3,763)	(175,738)
($1,335,825)			**($15,505)**	**($1,461,299)**
	RECEIPTS			
0	Rates		0	0
1,890	Contributions and Donations Reimbursements		0	10,480
711,090	Interest Received		-78,118	986,514
50,000	Goods and Services Tax		3,508	20,000
107,774	Other		0	0
$870,754			**($74,610)**	**$1,016,994**
($465,071)	***Net Cash flows from Operating Activities***	**9**	**($90,115)**	**($444,305)**
	Cash flows from investing activities			
	Payments			
0	Purchase Plant and Equipment		0	(66,000)
(6,000)	Purchase Furniture and Equipment		(6,968)	(3,000)
	Receipts			
0	Disposal of Plant and Equipment		0	41,000
($6,000)			**(6,968)**	**(28,000)**
	Members Equity			
	Payments			
(45,800,319)	- Development of Land for Resale		(28,591,479)	(48,455,839)
(400,000)	-Contribution to be Returned		(554,651)	(422,562)
0	-Change in Contributed Equity		0	(27,700,000)
(10,000,000)	-Capital Returned		(9,999,988)	(3,300,000)
($56,200,319)			**($39,146,118)**	**($79,878,401)**
	Receipts			
45,640,484	-Income Sale of Lots -Subdivision		52,278,081	61,890,849
634,349	-Income Other -Subdivision		1,112,081	0
$46,274,833			**$53,390,162**	**$61,890,849**
($9,931,486)	***Net cash flows from investing activities***		**$14,237,076**	**($18,015,552)**
	Cash flows from financing activities			
$0	***Net cash flows from financing activities***		**$0**	**$0**
($10,396,557)	***Net (decrease)/increase in cash held***		**$14,146,961**	**($18,459,857)**
25,985,602	**Cash at the Beginning of Reporting Period**		**25,985,602**	**40,413,398**
0	**Rounding**		3	0
$15,589,045	***Cash at the End of Reporting Period***	**5**	**$40,132,566**	**$21,953,541**

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 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.

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.

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.

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.

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.

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 mesured 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 constracual 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 at “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.

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.

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 or 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.

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.

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.

2 OPERATING, REVENUES AND EXPENSES

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

Adopted Budget 2013/2014 $		Actual 2013/14 $	Adopted Budget 2014/15 $
	Charging as Expense		
20,489	Depreciation on Non-Current Assets	13,626	17,983
	Crediting as Revenue		
0	Profit/(Loss) on Sale of Non-Current Assets	0	6,869
711,090	Interest Earnings	1,004,865	951,446
711,090		**1,004,865**	**958,315**

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 Act or other written law.

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.

4 OPERATING REVENUES AND EXPENSES

Operating expenses and revenues classified according to nature and type.

Adopted Budget 2013/2014		Actual 2013/14	Adopted Budget 2014/15
$		$	$
	Operating Expenses		
(679,975)	Employee Costs	(520,305)	(713,586)
	Materials and Contracts		
0	Professional Consulting fees	0	0
(348,450)	Other	(48,827)	(439,650)
(10,000)	Utility Charges (Gas, Electricity, Water, etc)	(2,806)	(6,000)
(20,489)	Depreciation on Non-Current Assets	(13,626)	(17,983)
0	Loss on Asset Disposals	0	0
(11,900)	Insurance Expenses	(10,592)	(16,900)
(161,050)	Other Expenses	(249,282)	(175,738)
(1,231,864)	**Agrees with Statement of Comprehensive Income**	(845,438)	(1,369,857)
	Operating Revenues		
711,090	Interest Earnings	1,004,865	951,446
1,890	Contributions and Donations Reimbursements	0	10,480
0	Profit on Asset Disposals	0	6,869
0	Other	8,395	0
712,980	**Agrees with Statement of Comprehensive Income**	**1,013,260**	**968,795**
($518,884)	**Net Result**	**$167,822**	**($401,062)**
	Other Comprehensive Income		
0	Changes on Revaluation of Non - Current Assets	1,164	0
($518,884)	**Total Comprehensive Income**	**$168,986**	**($401,062)**

5 CASH

Adopted Budget 2013/2014		Actual 2013/14	Adopted Budget 2014/15
$		$	$
30	Cash on Hand	30	30
15,589,015	Cash at Bank	1,283,390	21,953,511
0	Investments	39,129,978	0
15,589,045	Represented by:-	**40,413,398**	**21,953,541**
0	Restricted	0	0
15,589,045	Unrestricted	40,413,398	21,953,541
15,589,045		**40,413,398**	**21,953,541**

6 DISPOSAL OF ASSETS

(A) DISPOSAL OF ASSETS BY CLASS

No assets are anticipated to be disposed off during the year:

(B) DISPOSAL OF ASSETS BY PROGRAM

No assets are anticipated to be disposed off during the year:

(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 2015

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 June 2015

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 2013/2014 $		Actual 2013/14 $	Adopted Budget 2014/15 $
	Change in net result from operations		
(518,884)	Net Result	167,822	(401,062)
20,489	Depreciation	13,626	17,983
0	(Profit) loss on sale of Fixed Assets	0	(6,869)
	Change in Assets and Liabilities		
0	(Increase)/Decrease in Inventory	0	0
40000	Increase/(Decrease) in Provisions - Employee Entitlements	(35,588)	0
107,774	(Increase)/Decrease in Debtors	(219,369)	35,068
(114,450)	Increase/(Decrease) in Creditors	264,227	(89,425)
0	Rounding		0
(465,071)	Cash flows from Operations	**190,718**	**(444,305)**
7,000	Credit Card Facility	6,000	6,000
0	Amount Utilised	(2,881)	0
7,000	Unused Facility available	**3,119**	**6,000**

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 2013/2014 $		Actual 2013/14 $	Adopted Budget 2014/15 $
711,090	General Account	1,004,865	951,446
711,090	**TOTAL**	**1,004,865**	**951,446**

12 COUNCIL MEMBERS - FEES, EXPENSES AND ALLOWANCES

The 2013/2014 Budget provides for the following:

Adopted Budget 2013/2014 $		Actual 2013/14 $	Adopted Budget 2014/15 $
	- Annual Attendance Fee		
125,000	- Elected Members Remuneration	112,337	128,750
2000	-Alternate Elected Members Remuneration	0	2000
	- Telecommunication, Travel, and Information Technology Allowance		
0	- Telecommunication	0	0
0	- Information Technology	0	0
0	- Travel Expenses	0	0
	- Annual Local Government Allowance		
19,000	- Chairman	15,418	19,750
4,750	- Deputy Chairman	4,129	4,938

13 DEPRECIATION ON NON-CURRENT ASSETS

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

BY PROGRAM

Adopted Budget 2013/2014 $		Actual 2013/14 $	Adopted Budget 2014/15 $
20,489	Other Property and Services	13,626	17,983
20,489	**TOTAL**	**13,626**	**17,983**

BY CLASS

Adopted Budget 2013/2014 $		Actual 2013/14 $	Adopted Budget 2014/15 $
10,452	Furniture and Equipment	1,554	1,919
0	Improvements to Leasehold Property	5,539	6,164
10,037	Plant and Equipment	6533	9,900
20,489	**TOTAL**	**13,626**	**17,983**

14 ACQUISITION OF ASSETS

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

BY PROGRAM

Adopted Budget 2013/2014		Actual 2013/14	Adopted Budget 2014/15
$		$	$
	Other Property and Service		
0	General Office Fit out	0	0
6,000	Office Equipment	6,968	3,000
0	Furniture	0	0
0	Motor Vehicle - CEO	0	66,000
6,000		**6,968**	**69,000**

Adopted Budget 2013/2014		Actual 2012/2013	Adopted Budget 2013/2014
$		$	$
0	Land and Buildings	0	0
0	Plant and Equipment	0	66,000
6,000	Furniture and Equipment	6,968	3,000
6,000		**6,968**	**69,000**

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 2015

16 RATING INFORMATION

A Regional Council does not impose rates

17 SPECIFIED AREA RATE

No specified area rates will be levied during the year 2014/15

18 SERVICE CHARGES

No specified area rates will be imposed during the year 2014/15

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:

Adopted Budget 2013/2014 $	Rezoning,Subdivision, Development and Sale of land	Actual 2013/2014 $	Adopted Budget 2014/2015 $
	Revenue		
(474,514)	Participants Equity	0	0
46,274,833	Sale of Lots	53,390,162	61,890,849
45,800,319		**53,390,162**	**61,890,849**
	Expenditure		
36,298,535	Land Development Costs	24,762,416	40,879,906
804,192	Consultancy Fees	309,407	1,399,346
536,379	Sales and Marketing	150,184	629,180
7,976,213	Selling Expenses	3,289,694	5,312,407
185,000	Other	79,777	235,000
0	Participants Equity	24,798,684	13,435,010
45,800,319		**53,390,162**	**61,890,849**

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.

25 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The following table details the Regional Council exposure to interest rate risks projected to 30th June 2015.

	Average Interest %	Variable Interest Rate	Fixed Interest Rate Maturity Less than 1 year	Fixed Interest Rate Maturity 1 to 5 years	Non Interest Bearing	Total
		$	$	$	$	$
Financial Assets						
Cash on Hand					30	30
Cash	3.30	21,953,511				21,953,511
Trade Receivables					700,000	700,000
		21,953,511	**0**	**0**	**700,030**	**22,653,541**
Financial Liabilities						
Creditors and Provisions					574,498	574,498
		0	**0**	**0**	**574,498**	**574,498**

(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 2013/2014		Actual 2013/2014	Adopted Budget 2014/15
$		$	$
	Current Assets		
30	Cash On Hand	30	30
15,589,015	Cash at Bank	40,413,368	21,953,511
400,000	Receivables	735,068	700,000
15,989,045		41,148,466	22,653,541
	LESS CURRENT LIABILITIES		
200,000	Payables	587,695	498,270
149,418	Provisions - Employees Entitlements	76,228	76,228
349,418		663,923	574,498
	Rounding		
15,639,627	SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES	40,484,543	22,079,043

27 MEMBER COUNCILS' EQUITY IN THE TAMALA PARK REGIONAL COUNCIL

Adopted Budget 2013/2014			Actual 2013/2014	Adopted Budget 2014/15
$			$	$
	Members Equity			
28,216,284	Accumulated surplus		28,013,548	42,426,579
(518,884)	Total Comprehensive Income		168,986	(401,062)
474,514	Change in Contributed Equity		24,798,684	13,435,010
(10,400,000)	Contribution Returned		(10,554,639)	(31,422,562)
17,771,914	**Total Equity**		42,426,579	24,037,965
	Share			
1,480,993	Town of Cambridge	One Twelfth	3,535,548	2,003,164
2,961,986	City of Joondalup	One Sixth	7,071,097	4,006,328
1,480,993	City of Perth	One Twelfth	3,535,548	2,003,164
5,923,971	City of Stirling	One Third	14,142,193	8,012,655
1,480,993	Town of Victoria Park	One Twelfth	3,535,548	2,003,164
1,480,993	Town of Vincent	One Twelfth	3,535,548	2,003,164
2,961,986	City of Wanneroo	One Sixth	7,071,097	4,006,328
17,771,914			42,426,579	24,037,965

Tamala Park Regional Council

Details By function Under The Following Programme Titles And Type Of Activities Within The Programme	ACTUAL 2013-14		ADOPTED BUDGET 2013-2014		ADOPTED BUDGET 2014-2015	
	Income	Expenditure	Income	Expenditure	Income	Expenditure
Proceeds Sale of Assets						
00000 Proceeds Sale of Assets - Motor Vehicle			$0	$0	($41,000)	$0
Written Down Value						
00000 Written Down Value - Motor Vehicle	$0	$0	$0	$0	$0	$34,131
Sub Total - GAIN/LOSS ON DISPOSAL OF ASSET	$0	$0	$0	$0	($41,000)	$34,131
Total - GAIN/LOSS ON DISPOSAL OF ASSET	$0	$0	$0	$0	($41,000)	$34,131
ABNORMAL ITEMS						
	$0	$0	$0	$0	$0	$0
Sub Total - ABNORMAL ITEMS	$0	$0	$0	$0	$0	$0
Total - ABNORMAL ITEMS	$0	$0	$0	$0	$0	$0
Total - OPERATING STATEMENT	$0	$0	$0	$0	($41,000)	$34,131
OTHER GENERAL PURPOSE FUNDING						
OPERATING EXPENDITURE						
Sub Total - OTHER GENERAL PURPOSE FUNDING OP/EXP	$0	$0	$0	$0	$0	$0
OPERATING INCOME						
I032030 · Interest on Investment	($1,004,366)	$0	($711,090)	$0	($951,446)	$0
I032020 · Contributions	($499)	$0	$0	$0	$0	$0
Sub Total - OTHER GENERAL PURPOSE FUNDING OP/INC	($1,004,865)	$0	($711,090)	$0	($951,446)	$0
Total - OTHER GENERAL PURPOSE FUNDING	($1,004,865)	$0	($711,090)	$0	($951,446)	$0
Total - GENERAL PURPOSE FUNDING	($1,004,865)	$0	($711,090)	$0	($951,446)	$0
GOVERNANCE						
MEMBERS OF COUNCIL						
OPERATING EXPENDITURE						
E041005 · Chairman Allowance	$0	$15,418	$0	$19,000	$0	$19,750
E041010 · Deputy Chair Allowance	$0	$4,129	$0	$4,750	$0	$4,938
E041018 · Composite Allowance	$0	$112,337	$0	$125,000	$0	$128,750
E041019 · Alternative Member Meeting Fee	$0	$0	$0	$2,000	$0	$2,000
E145020 · Conference Expenses	$0	$809	$0	$0	$0	$0
E041020 · Conference Expenses	$0	$8,295	$0	$0	$0	$10,000
E041025 · Training	$0	$0	$0	$0	$0	$0
E041030 · Other Costs	$0	$0	$0	$10,000	$0	$10,000
Sub Total - MEMBERS OF COUNCIL OP/EXP	$0	$140,987	$0	$160,750	$0	$175,438
OPERATING INCOME						
	$0	$0	$0	$0	$0	$0
Sub Total - MEMBERS OF COUNCIL OP/INC	$0	$0	$0	$0	$0	$0
Total - GOVERNANCE	$0	$140,987	$0	$160,750	$0	$175,438
Total - GOVERNANCE	$0	$140,987	$0	$160,750	$0	$175,438
OTHER PROPERTY AND SERVICES						
SALARIES AND WAGES						
OPERATING EXPENDITURE						
New · Gross Total Salaries and Wages	$0	$449,676	$0	$570,000	$0	$570,000
New · Gross Total Salaries and Wages Allocated	$0	($449,676)	$0	($570,000)	$0	($570,000)
Sub Total - SALARIES AND WAGES OP/EXP	$0	$0	$0	$0	$0	$0
Total - SALARIES AND WAGES	$0	$0	$0	$0	$0	$0

Tamala Park Regional Council

Details By function Under The Following Programme Titles And Type Of Activities Within The Programme	ACTUAL 2013-14 Income	ACTUAL 2013-14 Expenditure	ADOPTED BUDGET 2013-2014 Income	ADOPTED BUDGET 2013-2014 Expenditure	ADOPTED BUDGET 2014-2015 Income	ADOPTED BUDGET 2014-2015 Expenditure
UNCLASSIFIED						
OPERATING EXPENDITURE						
Administration						
E145005 · Salaries - Basic Costs	$0	$449,676	$0	$570,000	$0	$570,000
E145007 · Salaries Occ. Superannuation	$0	$40,482	$0	$40,500	$0	$54,150
E145009 · Salaries WALGS Superannuation	$0	$0	$0	$5,000	$0	$5,000
E145006 · Parental Leave	$0	$2,488	$0	$0	$0	$9,861
E145011 · Advertising Staff Vacancies	$0	$2,255	$0	$5,000	$0	$5,000
E145015 · Insurance W/comp.	$0	$13,256	$0	$13,575	$0	$13,575
E145017 · Medical Exam. Costs	$0	$0	$0	$200	$0	$300
E145019 · Staff Training & Dev.	$0	$1,594	$0	$5,000	$0	$5,000
E145020 · Conference Expenses	$0	$0	$0	$10,000	$0	$15,000
E145021 · Telephone - Staff Reimbursement	$0	$330	$0	$700	$0	$700
E145024 · Travel Expenses CEO	$0	$725	$0	$5,000	$0	$10,000
E145025 · Other Accom & Property Costs	$0	$34,455	$0	$25,000	$0	$35,000
E145027 · Advertising General	$0	$548	$0	$10,000	$0	$15,000
E145029 · Advertising Public/Statutory	$0	$0	$0	$15,000	$0	$15,000
E145031 · Graphics Consumables	$0	$0	$0	$5,000	$0	$5,000
E145033 · Photocopying	$0	$1,149	$0	$2,500	$0	$2,500
E145037 · Postage, Courier & Freight	$0	$1,106	$0	$1,200	$0	$1,200
E145039 · Printing	$0	$358	$0	$5,000	$0	$5,000
E145043 · Stationery	$0	$1,623	$0	$2,000	$0	$2,000
E145045 · Other Admin Expenses	$0	$4,580	$0	$10,000	$0	$15,000
E145047 · Office Telephones & Faxes	$0	$690	$0	$3,000	$0	$3,000
E145049 · Mobil Phones, Pages, Radios	$0	$770	$0	$2,000	$0	$2,000
E145053 · Bank Charges	$0	$911	$0	$1,500	$0	$2,000
E145055 · Credit Charges	$0	$83	$0	$200	$0	$200
E145056 · Interest on Overdraft	$0	$1,734	$0	$0	$0	$0
E145057 · Audit Fees	$0	$6,230	$0	$15,000	$0	$15,000
E145059 · Membership Fees	$0	$5,948	$0	$7,550	$0	$7,550
E145061 · Legal Expenses (General)	$0	$3,752	$0	$30,000	$0	$30,000
E145069 · Valuation Fees	$0	$0	$0	$30,000	$0	$50,000
E145075 · Promotions	$0	$0	$0	$15,000	$0	$15,000
E145077 · Business Hospitality Expenses	$0	$1,133	$0	$2,000	$0	$10,000
E145079 · Consultancy	$0	$2,525	$0	$0	$0	$20,000
E145082 · Lawyers	$0	$12,769	$0	$30,000	$0	$30,000
E145083 · Research	$0	$1,395	$0	$30,000	$0	$30,000
E145100 · Safety Clothes and Equipment	$0	$0	$0	$1,000	$0	$1,000
E145086 · Probity Auditor	$0	$309	$0	$20,000	$0	$20,000
E145087 · Computer Software Mtce	$0	$635	$0	$3,000	$0	$5,000
E145088 · Accounting Management	$0	$42,462	$0	$50,000	$0	$50,000
E145089 · Computer Software Purchase	$0	$567	$0	$5,000	$0	$10,000
E145091 · Computer Sundries	$0	$240	$0	$5,000	$0	$5,000
E145092 · Data Communication Links	$0	$0	$0	$5,000	$0	$5,000
E145093 · Internet Provider Costs	$0	$7,155	$0	$6,000	$0	$10,000
E145094 · Plant & Equipment Purchase Non-Capital	$0	$1,707	$0	$1,000	$0	$2,000
E145095 · Furniture & Equipment Purchase	$0	$0	$0	$3,000	$0	$5,000
E145097 · Hire of Equipment	$0	$0	$0	$0	$0	$2,000
E145099 · Vehicle Operating Expense	$0	$6,374	$0	$15,000	$0	$15,000
E145099 ·Fringe Benefit Tax -Motor Vehicle	$0	$5,307	$0	$10,000	$0	$10,000
E145101 · Consumable Stores	$0	$509	$0	$1,000	$0	$1,000
E145103 · Newspapers & Periodicals	$0	$0	$0	$0	$0	$200
E145100 · Safety Clothes and Equipment	$0	$140	$0	$0	$0	$0
E145105 · Publications & Brochures	$0	$0	$0	$0	$0	$500
E145107 · Subscriptions	$0	$0	$0	$0	$0	$1,000
E145109 · Parking Expenses	$0	$219	$0	$300	$0	$300
E145111 · Plans	$0	$0	$0	$1,500	$0	$1,500
E145113 · Emergency Services	$0	$0	$0	$10,000	$0	$10,000
E145117 · Electricity	$0	$1,346	$0	$5,000	$0	$6,000
E145119 · Professional Indemnity	$0	$0	$0	$0	$0	$0
E145121 · Insurance - Public Liability	$0	$4,045	$0	$5,000	$0	$5,000
E145123 · Insurance - Property (ISR)	$0	$1,712	$0	$1,900	$0	$1,900
E145126 · Insurance - Personal Accident	$0	$3,960	$0	$5,000	$0	$5,000
E145127 · Insurance - Other	$0	$0	$0	$0	$0	$5,000
E145222 · Depreciation	$0	$13,626	$0	$20,489	$0	$17,983
E145405 · TPG Syrinx Component	$0	$0	$0	$0	$0	$0
E145451 · GST management	$0	$19,572	$0	$0	$0	$0
E145452 · Recruitment_Human Resources	$0	$2,000	$0	$0	$0	$0
Sub Total - UNCLASSIFIED OP/EXP	$0	$704,451	$0	$1,071,114	$0	$1,194,419
OPERATING INCOME						
I145010 · Reimbursements	($4,636)	$0	($1,890)	$0	($1,890)	$0
I05 · Contribution- Parental Leave	($3,759)	$0	$0	$0	($8,590)	$0
Sub Total - UNCLASSIFIED OP/INC	($8,395)	$0	($1,890)	$0	($10,480)	$0
Total - UNCLASSIFIED	($8,395)	$704,451	($1,890)	$1,071,114	($10,480)	$1,194,419
Total - OTHER PROPERTY AND SERVICES	($8,395)	$704,451	($1,890)	$1,071,114	($10,480)	$1,194,419

Tamala Park Regional Council

Details By function Under The Following Programme Titles And Type Of Activities Within The Programme	ACTUAL 2013-14 Income	Expenditure	ADOPTED BUDGET 2013-2014 Income	Expenditure	ADOPTED BUDGET 2014-2015 Income	Expenditure
MEMBERS EQUITY						
EXPENDITURE						
Contribution Refund	$0	$554,651	$0	$400,000	$0	$422,562
Capital Returns	$0	$0	$0	$10,000,000	$0	$3,300,000
Profit Distributions	$0	$9,999,988	$0	$0	$0	$27,700,000
Sub Total - MEMBERS EQUITY	$0	$10,554,639	$0	$10,400,000	$0	$31,422,562
INCOME						
I145011 · Income Sale on Lots	($52,278,081)		($45,640,484)	$0	($61,890,849)	$0
I145012 · Income Other	($1,112,081)		($634,349)	$0	$0	$0
Sub Total - MEMBERS EQUITY	($53,390,162)	$0	($46,274,833)	$0	($61,890,849)	$0
Total - MEMBERS EQUITY	($53,390,162)	$0	($46,274,833)	$10,400,000	($61,890,849)	$31,422,562
Total - MEMBERS EQUITY	($53,390,162)	$10,554,639	($46,274,833)	$10,400,000	($61,890,849)	$31,422,562
SURPLUS						
New (Surplus) / Deficit - Brought Forward	($26,068,415)	$0	($26,069,508)	$0	($40,484,543)	$0
New (Surplus) / Deficit - Carried Forward	$0		$0	$15,639,627	$0	$22,079,043
Sub Total - SURPLUS C/FWD	($26,068,415)	$0	($26,069,508)	$15,639,627	($40,484,543)	$22,079,043
Total - SURPLUS	($26,068,415)	$0	($26,069,508)	$15,639,627	($40,484,543)	$22,079,043
DEPRECIATION						
New · Depreciation Written Back	$0	($13,626)	$0	($20,489)	$0	($17,983)
New · Employee Provisions	$0	$2,398	$0	$0	$0	$0
New · Prov for Audit Fees	$0	$0	$0	$0	$0	$0
New · Book Value of Assets Written Back	$0	$0	$0	$0	$0	($34,131)
Sub Total - DEPRECIATION WRITTEN BACK	$0	($11,228)	$0	($20,489)	$0	($52,114)
Total - DEPRECIATION	$0	($11,228)	$0	($20,489)	$0	($52,114)
FURNITURE AND EQUIPMENT						
OTHER PROPERTY AND SERVICES						
EXPENDITURE						
E168561 · Photocopier	$0	$4,970	$0	$0	$0	$0
E168563 · Computer	$0	$1,998	$0	$0	$0	$0
E168513 · General Office Equipment	$0	$0	$0	$6,000	$0	$3,000
Sub Total - CAPITAL WORKS	$0	$6,968	$0	$6,000	$0	$3,000
Total- OTHER PROPERTY AND SERVICES	$0	$6,968	$0	$6,000	$0	$3,000
Total - FURNITURE AND EQUIPMENT	$0	$6,968	$0	$6,000	$0	$3,000
LAND AND BUILDINGS						
OTHER PROPERTY AND SERVICES						
EXPENDITURE						
Sub Total - CAPITAL WORKS	$0	$0	$0	$0	$0	$0
Total - OTHER PROPERTY AND SERVICES	$0	$0	$0	$0	$0	$0
Total - LAND AND BUILDINGS	$0	$0	$0	$0	$0	$0
PLANT AND EQUIPMENT						
OTHER PROPERTY AND SERVICES						
EXPENDITURE						
0000000 Motor Vehicle - CEO	$0	$0	$0	$0	$0	$66,000
Sub Total - CAPITAL WORKS	$0	$0	$0	$0	$0	$66,000
Total - OTHER PROPERTY AND SERVICES	$0	$0	$0	$0	$0	$66,000
Total - PLANT AND EQUIPMENT	$0	$0	$0	$0	$0	$66,000

Tamala Park Regional Council

Details By function Under The Following Programme Titles And Type Of Activities Within The Programme	ACTUAL 2013-14		ADOPTED BUDGET 2013-2014		ADOPTED BUDGET 2014-2015	
	Income	Expenditure	Income	Expenditure	Income	Expenditure
INFRASTRUCTURE ASSETS - OTHER						
Land Development Costs	$0	$28,591,479	$0	$0	$0	$0
New-Land & Special Sites Development	$0	$0	$0	$992,353	$0	$623,999
99.4 · Land Develop - Consultants	$0	$0	$0	$804,192	$0	$1,399,346
99.5 · Land Develop - Landscape	$0	$0	$0	$4,660,312	$0	$6,610,083
99.1 · Land Develop - Infrastructure	$0	$0	$0	$4,975,251	$0	$2,588,306
99.9 · Land Develop - Precinct 1 Bulk	$0	$0	$0	$0	$0	$6,984,213
99.2 · Land Develop - Lot Production	$0	$0	$0	$22,272,452	$0	$22,489,784
99.6 · Land Develop - Admin Land Dev	$0	$0	$0	$869,035	$0	$1,330,395
New-Community Development	$0	$0	$0	$140,000	$0	$188,034
New-Contingency	$0	$0	$0	$1,672,926	$0	$2,274,452
New-finance	$0	$0	$0	$716,206	$0	$1,130,239
Debtors /Creditors Movement	$0	$0				($3,339,599)
Consultancy						
-Env Innovation Consultancies	$0	$0				
E145441 · Sustainability Assessment System	$0	$0	$0	$20,000	$0	$60,000
E145448 · EPBC Act Management	$0	$0	$0	$15,000	$0	$15,000
-Admin-Operational Consultancies						
E145451 · GST management	$0	$0	$0	$20,000	$0	$30,000
E145453 · GST Margin Scheme Consultancy	$0	$0	$0	$40,000	$0	$40,000
E145452 · Recruitment_Human Resources	$0	$0	$0	$5,000	$0	$5,000
Property Development Services						
-Property Admin and Approvals						
E145041 · Signage/Decals	$0	$0	$0	$5,000	$0	$5,000
E145042 · Branding/Marketing	$0	$0	$0	$10,000	$0	$10,000
-Mtce Services-Land						
E145204 · Fences/Walls	$0	$0	$0	$60,000	$0	$60,000
E145206 · MtceServices-Land	$0	$0	$0	$10,000	$0	$10,000
-Sales Expenditure						
E145216 · Direct Selling Expenses	$0	$0	$0	$7,976,213	$0	$5,312,407
E145218 · Sales and Marketing	$0	$0	$0	$536,379	$0	$629,180
Sub Total - CAPITAL WORKS	$0	$28,591,479	$0	$45,800,319	$0	$48,455,839
Total - OTHER	$0	$28,591,479	$0	$45,800,319	$0	$48,455,839
Total - INFRASTRUCTURE ASSETS - OTHER	$0	$28,591,479	$0	$45,800,319	$0	$48,455,839
GRAND TOTALS	($80,471,838)	$39,987,296	($73,057,321)	$73,057,321	($103,378,318)	$103,378,318
		($40,484,541)		$0		$0

Appendix 9.8

Satterley

1 August 2014

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

Dear Tony

CATALINA: Sustainability Accreditation

At the April 2014 Council meeting the Tamala Park Regional Council requested Satterley Property Group to prepare a report outlining the total costs of achieving EnviroDevelopment or Green Star Communities certification for the Catalina estate, likely accreditation level and benefits to the project.

The Catalina project aims to be a market leader in sustainability with several programs in place to deliver sustainability outcomes.

ENVIRO DEVELOPMENT

EnviroDevelopment is an Urban Development Industry of Australia (UDIA) initiative that recognises projects that achieve exceptional sustainability outcomes which is well received nationally, with over 80 certified projects to date.

The EnviroDevelopment model rates a development by assessing the following six elements being *Energy, Water, Waste, Materials, Community and Ecosystem.*

The accreditation enables the TPRC to utilise the EnviroDevelopment logo for all marketing material and is used to benchmark against other projects in the northern corridor and Australia wide. A strong EnviroDevelopment rating provides a marketing point of difference for the Catalina development.

COMPETING ESTATE	DEVELOPER / PARTNERS	ENVIRO ACCREDITATON
Alkimos	Lend Lease and LandCorp	Project achieved Enviro accreditation for all six elements
Trinity	LWP Property	Project achieved Enviro accreditation for *Ecosystems* and *Community*
Shorehaven	Peet Limited	Project achieved Enviro accreditation for *Water* only
Eden Beach	Satterley	Nil
Burns Beach	Peet Limited	Nil

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Licensee: Satterley Property Group Pty Ltd. (Inc in WA). Trading as Satterley Real Estate.

The cost to apply for accreditation (licencing) is based on the number of lots within the estate. Based on Catalina's size (greater than 1,500 lots) the cost is $17,500 for accreditation and a 12 month licence. Registration fees are $1,000 and annual renewal fees are based on 20% of the initial cost to be accredited, $3,500 per annum. An allowance of $50,000 would need to be provided for a consultant to review and prepare a submission on behalf of Tamala Park Regional Council, therefore the total cost is anticipated to be $68,500 (Ex GST).

SPG have met with the UDIA EnviroDevelopment co-ordinator and received positive feedback that the Catalina estate could achieve up to four elements. With the recent appointment of Creating Communities to promote and deliver community benefits the project will be well placed to apply for five EnviroDevelopment elements. Based on discussions with UDIA the project would not be able to achieve the Materials element. A summary of the requirements is attached as Annexure A.

GREEN STAR COMMUNITIES

In 2009 the Green Building Council of Australia (GBCA) launched a vision for an independent, transparent, national scheme able to assess and certify the sustainability of community projects.

The GreenStar – Communities tool rates the potential of developments at community scale by assessing against six categories being *Livability, Economic Prosperity, Environment, Design, Governance and Innovation.*

A pilot rating tool developed by GBCA defines 38 best practice benchmarks across the six sustainability categories with a panel awarding points to each category. A score between 45-59 is 4 Star (Best Practice) a score of 60-74 is 5 Star (Australian Excellence) and a score of above 75 is 6 Star (World Leadership). GreenStar aims to recognise and reward best practice and above. A scoring sheet is attached as Annexure B.

The fee charged by the GBCA to achieve accreditation for Green Star Communities is $35,000 (ex GST) for local government projects. An allowance of $80,000 would need to be provided for a consultant to review and prepare a submission on behalf of Tamala Park Regional Council, therefore the total cost is anticipated to be $115,000 (Ex GST).

GreenStar is based on built form principles being applied to the land development industry with some items very difficult for the project to monitor and assess such as greenhouse gas emissions, peak electricity and green buildings.

While the cost of obtaining Green Star Communities accreditation is more expensive than Enviro Development, there would be value in having the Catalina project rated against the Green Star Communities guidelines, to be one of the first residential estates in Western Australia to be accredited.

The Alkimos project, a joint venture between LandCorp and Lend Lease is the only known estate in the northern corridor currently seeking Green Star accreditation.

Greenstar accreditation process promotes early engagement in the planning process to meet their criteria. A project needs to demonstrate delivering a range of facilities or demonstrate there are existing facilities within a walkable catchment area. The Catalina project is well positioned for the latter option with the Mindarie Marina, Ocean Keys shopping centre and Clarkson train station all within walkable distances of each of the projects three precincts.

The table below compares the two accreditation products after consultation with Urban Development Industry Australia and environmental consultants Norman Disney Young:

	Green Star Communities (GS-C)	**EnviroDevelopment (ED)**
Likely Accreditation	There are no GS-C projects completed yet in Australia (13 projects have been registered, but none certified). Catalina could be one of the first estates to seek GS-C accreditation.	Many projects have used this tool nationally, including several competing projects in the North West corridor of Perth Metro. Catalina would be in line to be accredited for four elements.
Benefits to the Project	GS-C seeks to change the way projects are implemented, and consequently needs to be implemented very early in the concept design phase. Catalina would be seen as an industry leader Australia wide, if accredited. The process would likely have a positive impact on the design of the eastern and western cells.	ED is more closely attuned to current project practices, calling on reports that have already been produced. Catalina would obtain recognition in the industry and be marketed as being more sustainable than the majority of competing estates.
Total Costs	Costs estimated as follows: registration \$35K, Green Star Professional Fees: \$80K+, other design team costs (dependent on gap analysis of existing documentation).	Costs estimated as follows: registration \$15K, Enviro Development Professional Fees: \$50K+, other design team costs (dependent on gap analysis of existing documentation).

RECOMMENDATION

Satterley Property Group recommends pursuing the EnviroDevelopment accreditation and applying for all six elements to the value of \$18,500 (Ex GST) for the whole of the Catalina development and annual fees of \$3,500 (Ex GST), subject to ongoing compliance. A consultant is required to be appointed to prepare an EnviroDevelopment submission on behalf of Tamala Park Regional Council up to the value of \$50,000 (Ex GST).

Satterley Property Group recommend TPRC consider appointing a consultant to complete a two hour workshop review of the Catalina project against the 38 Greenstar rating tool credits up to the value of \$10,000 (Ex GST) and provide gap analysis and indicative costs that may be required to achieve each credit.

Should you wish to discuss further please do not hesitate to contact the undersigned.

Yours sincerely

Brenton Downing
PROJECT DIRECTOR

Appendix 9.9

Appendix 9.10

TAMALA PARK
Regional Council

POLICY MANUAL

Audit Charter
(Terms of Reference)
(July 2014)

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~~Policy
   - Investment ~~policy~~Policy
   - ~~Contracting of consultants~~Procurement Policy
   - Payment of Accounts & Security of Payments Policy
   - Credit Card Policy
   - Records Management Policy
   - Financial Management – Significant Accounting Policies

Audit Charter
(Terms of Reference)
(July 2014)

The Council has now 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.

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.

Audit Charter
(Terms of Reference)
(July 2014)

3. Membership

The Committee will consist 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.
NB: At least one meeting per annum is required to meet 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:

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.

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.

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.

AUDIT PLAN 2014/15

	Statutory Date	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Appoint Auditor													
• Appoint by		Audit Council											
Compliance Return									Audit	Council			
• To be completed by	31 Dec												
• To Audit Committee and Council before	31 March												
• To Director General DLGRD before	31 March												
Annual Financials													
• To Council to refer to Audit			Audit	Council									
• To Auditor by	30 Sept												
• Auditor to report to Council by	31 Dec						Audit	Council					
• To DLGRD within 30 days of receipt of Audit Report													
• Council to accept Annual Report by	31 Dec												
Budget													
• Draft Budget			Audit										
• Earliest date for adoption	1 June												
• Budget adoption by	31 Aug			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			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					
Records Management Policy							Audit	Council					

Appendix 9.11

TAMALA PARK Regional Council

POLICY MANUAL

Payment of Accounts & Security of Payment Instruments Policy
(July 2014)

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 payment of probity practices associated with expenditure obligations 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~~terms of~~ 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~~are to be given consideration~~:

- 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 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 consisitent with~~in reference to~~ the Council's 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;

Payment of Accounts & Security of Payment Instruments Policy
(July 2014)

- 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 A~~a~~uditor 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 A~~a~~uditor will be asked to reconcile information provided by banks with information provided by elected and staff members.
- Relevant ~~E~~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 ~~E~~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 ~~E~~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.

Payment of Accounts & Security of Payment Instruments Policy
(July 2014)

(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

The TPRC will utilise petty cash. Refer to the Petty Cash policy for further information.

(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 a 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 ~~1 October 2012~~21 August 2014.

Signature

Name

Date

Appendix 9.12

TAMALA PARK Regional Council

POLICY MANUAL

Investment Policy
(July 2014)

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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;

- The likely income return and the timing of income return;
- The length of the term of the proposed investment;
- The probable duration of the fund;
- 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 mths	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 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 above.

(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** A+ to **A-** BBB+BBB**-**	A1+ A1 A2	45% 30% 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 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

(c) Performance Benchmarks

Investment	Performance Benchmark
Cash/Cash Plus/or Equivalent/Direct Investments Fixed Interest Capital Stable Funds	11AM and UBSWA Bank Bill Index UBSWA 0-3yr &/or Master Index 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 ~~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 A-1 short term rating or better shall be 75%.
- Maximum investment of total funds with any one institution having an A-1 or less short term rating shall be 60%.
- Total funds held in shares should not exceed 5% of funds invested and no single share holding in a public company should have a value greater than 1% of total investment funds at the time of placement.

- No single property value should be greater than 5% of the total investment funds at the time of purchase and total property value is not to exceed 15% of total investment of funds at any one time.
- Notwithstanding the investment limits shown above, the Council, **where land or capital funds are invested in infrastructure or development within the TPRC area** 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 investment 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.

Investment Policy
(July 2014)

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

Investment Register

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

1. Date of investment
2. Fund from 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. Contract arrangements with borrower in respect of the investment name, address and business status of any Trustee holding security for any investment on behalf of the TPRC.
13. The particulars and location of any security held by Trustees on behalf of the TPRC.
14. The location and any security for an investment held directly by the TPRC.
15. The Investment Register is to be completed prior to the close of business on the day on which the investment is made.
16. 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.

Investment Policy
(July 2014)

TPRC Investments in TPRC Development

Notwithstanding anything contained in the investment policy above, the Council may, subject to confirming investment advice:-

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

- Is consistent with the TPRC purpose and development objectives;
- Will produce economic, social and environmental outcomes consistent with the TPRC development objectives;
- Has potential for increasing (of the unsold) value of land in the TPRC area other than the land in respect of which the direct investment is made;
- Has a defined payback period for invested principle;
- 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 ~~1 October 2012~~21 August 2014.

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Signature

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Name

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Date

Appendix 9.13

TAMALA PARK
Regional Council

POLICY MANUAL

Credit Card Policy
(July 2014)

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 and by eliminating the need for overseas bank drafts for certain purchases. 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.

Credit Card Policy
(July 2014)

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 Chief Executive Officer 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.

	Monthly Limit	*Expenditure Authorisation*
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.

~~How Do I Use It?~~Use of Cards

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

Credit Card Policy
(July 2014)

No cash advances are available from ATM's or over the counter and BPay facilitates 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.

~~If the corporate credit card is used to purchase software, specifically if purchasing through the internet, it is necessary to liaise with Council's IT~~

~~professional consultant to ensure the software is compatible and is capable of effective support and maintenance.~~

The credit limit of the individual cards is not being exceeded.

~~The remaining credit limit can be ascertained at any time by contacting the Westpac Bank hotline on 1300 651 089.~~

Payment of Monthly Account

The outstanding balance of each corporate credit card will be automatically debited to Council's bank account around the 14th 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 that are supported by invoices are retained.

4. Record next to each transaction:

   - The reason for the purchase ~~e.g~~.
     ~~LGMS Conference – accommodation deposit – 5/1/09 – Perth~~
   - The account number the purchase is to be allocated ~~costed~~ to.

5. Attach tax invoices for all the purchases with GST and normal invoices for purchases without GST.

   ~~NB: Tax invoices are necessary to enable Council to claim back the GST each month.~~

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.

Credit Card Policy
(July 2014)

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~~sent~~ 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.

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

~~Council is responsible for paying all accounts on the monthly corporate credit card statements and the bank will debit this amount to the Council's bank account around the 14th day of each month.~~

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

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. ~~In many cases a simple telephone call can clear up a problem without any delay~~. If unable to correct the situation, ~~contact~~ 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

Credit Card Policy
(July 2014)

Any cardholder who is~~Cards should be returned as soon as no longer required and if~~ leaving the services of Council, should ~~be~~ return any Cards~~ed~~, 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 ~~phone Westpac Bank~~ to report the loss to the relevant bank~~.~~.

~~Westpac Bank can be contacted 24 hours a day, 7 days a week on 1300 651 089.~~

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.

~~A replacement card will be arranged and issued to the cardholder upon receipt from the bank.~~

Replacement Cards

The card is valid for the period shown on the face of the card and the relevant~~Westpac~~ 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.

This Credit Card Policy is authorised by the Chief Executive Officer on ~~1 October 2012~~21 August 2014.

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Signature

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Name

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Date

Appendix 9.14

TAMALA PARK Regional Council

POLICY MANUAL

Petty Cash Policy
(July 2014)

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 QuickBooks accounting system software.
- Annual audit of all cash advances to be conducted.

This Petty Cash Policy is authorised by the Chief Executive Officer on ~~4 October 2012~~21 August 2014.

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Signature

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Name

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Date

Appendix 9.15

Financial Management – Significant Accounting Policies
(July 2014)

POLICY

1. Objective

To adopt Full Accrual Accounting and all other applicable Accounting Standards.

2. Local Government Reference

- Local Government Act 1995
- Local Government (Financial Management) Regulations 1996
- Australian Accounting Standards

3. Significant Accounting Policies

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

(a) Basis of Preparation

The financial report is a general purpose financial statement which has been prepared in accordance with 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.

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

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Financial Management – Significant Accounting Policies
(July 2014)

(b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but are detailed in a separate statement.

(c) Goods and Services Tax

Revenues, expenses and assets capitalised are stated net of any GST recoverable, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables in the statement of financial position are stated inclusive of applicable GST receivable or payable. The net amount of GST recoverable from, or payable to the ATO, is included with receivables or payables in the statement of financial position.

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

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in the statement of financial position.

(e) Trade and Other Receivables

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

Financial Management – Significant Accounting Policies
(July 2014)

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.

(f) 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 Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in the statement of comprehensive income 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.

~~Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing an unconditional contract of sale.~~

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

(g) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

Financial Management – Significant Accounting Policies
(July 2014)

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) or 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.

Council has 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.

The Council has determined that it does not have any land to be recognised under the requirement.

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 by the Regional Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Financial Management – Significant Accounting Policies
(July 2014)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the Regional Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

Revaluation

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

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

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

Early Adoption of AASB 13 - Fair Value Measurement

Whilst the new accounting standard in relation to fair value, AASB 13 - Fair Value Measurement does not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, 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 this reporting period (year ended 30 June 2013).

Due to the nature and timing of the adoption (driven by legislation), the adoption of this standard has had no effect on previous reporting periods.

Land under Roads

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

Effective as at 1 July 2008, Council elected 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 AASB1051 - 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 governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an 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 Regional Council.
Depreciation of Non-Current Assets

Assets

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

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

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

Computer Equipment	4 years
Furniture and Equipment	4 to 10 Years
Printers, photocopiers and scanners	5 Years
Floor Coverings	8 Years

Phones and Faxes	6 to 7 Years
Plant and Equipment	5 to 15 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. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Capitalisation Threshold

Expenditure on items of equipment under $1~~2~~,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

Intangible Assets

Easements

Regulation 16 of the Local Government (Financial Management) Regulations 1996 requires easements to be recognised as assets. The Council does not have any easements.

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Regional Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Regional 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 Management –
Significant Accounting Policies
(July 2014)

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or at 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 principal 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 rate 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 instrument 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 at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments and fixed maturities that the Regional Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in 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.

They are subsequently measured at fair value with changes in such fair value (ie 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 the 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 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

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

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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.

In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

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 Regional Council no longer has any significant continued involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. 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.

(h) Impairment

In accordance with Australian Accounting Standards the Regional 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 (eg AASB 116). 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.

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(i) Trade and Other Payables

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

(j) Employee Benefits

Provision is made for the Regional Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for the benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

(k) 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.

(l) Provisions

Provisions are recognised when:

a) the Regional Council has a present legal or constructive obligation as a result of past events;
b) for which it is probable that an outflow of economic benefits will result; and
c) 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.

(m) Leases

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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 Regional 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.

(n) Investments in Associates

Associates are entities in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. 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 entity. In addition, Council's share of the profit or loss of the associate entity is included in the Council's profit or loss.

The carrying amount of the investment includes 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.

(o) Joint Venture

The Regional Council's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. ~~Information about the joint venture is set out in Note 16.~~

The Regional Council's interest in joint venture entities are recorded using the equity method of accounting in the financial report.

When the Regional Council contributes assets to the joint venture or if the Regional Council purchases assets from the joint venture, only the portion of gain or loss not attributable to the Regional Council's share of the joint venture shall be recognised. The Regional Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

(p) ~~Rates,~~ Grants, Donations and Other Contributions

~~Rates, g~~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.~~

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

(q) Superannuation

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

(r) 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 Regional Council's operational cycle. In the case of liabilities where the Regional Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the

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(July 2014)

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 Regional Council's intentions to release for sale.

(s) Rounding Off Figures

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

(t) Comparative Figures

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

(u) Budget Comparative Figures

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

This Financial Management – Significant Accounting Policy is authorised by the Chief Executive Officer on 21 August 2014.

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Signature

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Name

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Date

Appendix 9.16

POLICY MANUAL

Procurement Policy
(July 2014)

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 – last edition January 2007 – that refers specifically to good procurement practices in reference to the Local Government Act and Regulations.

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

TPRC OBJECTIVES – PROCUREMENT

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

PROCUREMENT POLICY AND GUIDELINES

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

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

   - All relevant whole-of-life costs and benefits;
   - Technical merits of the goods or services being offered in terms of

compliance with specifications and contractual conditions; and
- Financial viability and capacity to supply without risk of default.

In this context, the value for money principle embraces:

- 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 $100,000.

   Purchases under $100,000 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 $100,000.

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.

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 $100,000

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 $100,000

- 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.

6. Tendering for Goods – Value $100,000+

All supply of goods and services to a value greater than $100,000 will proceed in reference to the provisions of the Local Government Act and specifically the requirements of Part 4 of the Functions and General Regulations made pursuant to the Act.

Before tendering for the supply of goods for an amount greater than $100,000 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.

<u>a) Weighted Cost Criteria</u>

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.

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.

7. Use of Probity Auditor

In all cases where tenders are valued at an amount greater than $100,000, consideration shall be given to the use of a probity auditor.

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

8. Environmental Procurement Policy

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

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

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

9. Environmental Purchasing

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

The aim of considering environmental factors in procurement is/to:

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

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

10. Environmental Procurement and Value for Money

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

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

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

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

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

11. Environmental Considerations in Contracting Process

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

Contract Planning (pre-tender)

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

- Consider options for quotation and tender design, including selection criteria that provide positive advantage to goods, services and/or processes that minimise environmental impact.
- 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.

~~NB. This Environmental Procurement Policy has drawn upon references from the State Supply Commission Environmental Purchasing Guide.~~

~~12. Requirements in Relation to Aboriginal Heritage and the Indigenous Affairs Act.~~

~~12.1 Wherever the TPRC is involved in activities on land which require studies and approvals under the Aboriginal Heritage Act, a cultural material contingency plan for ground clearing activities will be adopted.~~

~~The cultural material contingency plan is to set out steps to be followed when artefacts are discovered during ground clearing activities and construction work.~~

~~The cultural material contingency plan is to include the steps shown in the diagram on the following page.~~

~~12.2 Whenever ground clearing activities and construction work is commissioned, staff of the TPRC and consultants and contractors are to be advised of the obligations set out in the AH Act and guidelines from the Department of~~

~~Indigenous Affairs in respect of ground clearing and the discovery of items of potential cultural interest.~~

~~Advices to staff, consultants and contractors are to be issued in writing prior to the commencement of any work.~~

Procurement Policy
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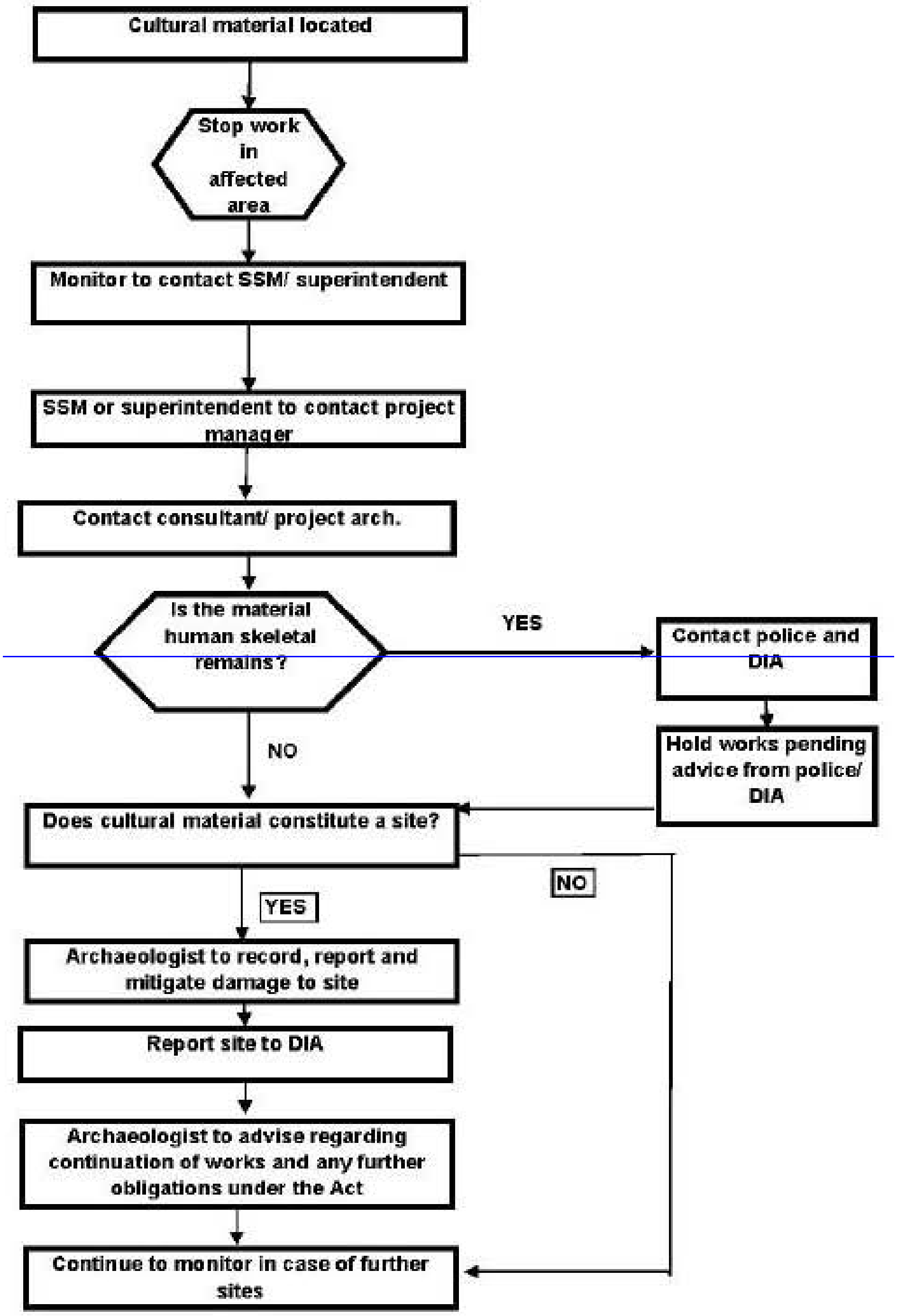
~~Cultural Material Contingency Plan Steps~~



TAMALA PARK Regional Council

POLICY MANUAL

Procurement Policy
(July 2014)

This Procurement Policy is authorised by the Chief Executive Officer on ~~13 December 2012~~21 August 2014.

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Signature

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Name

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Date

Appendix 9.18

Appendix 9.19