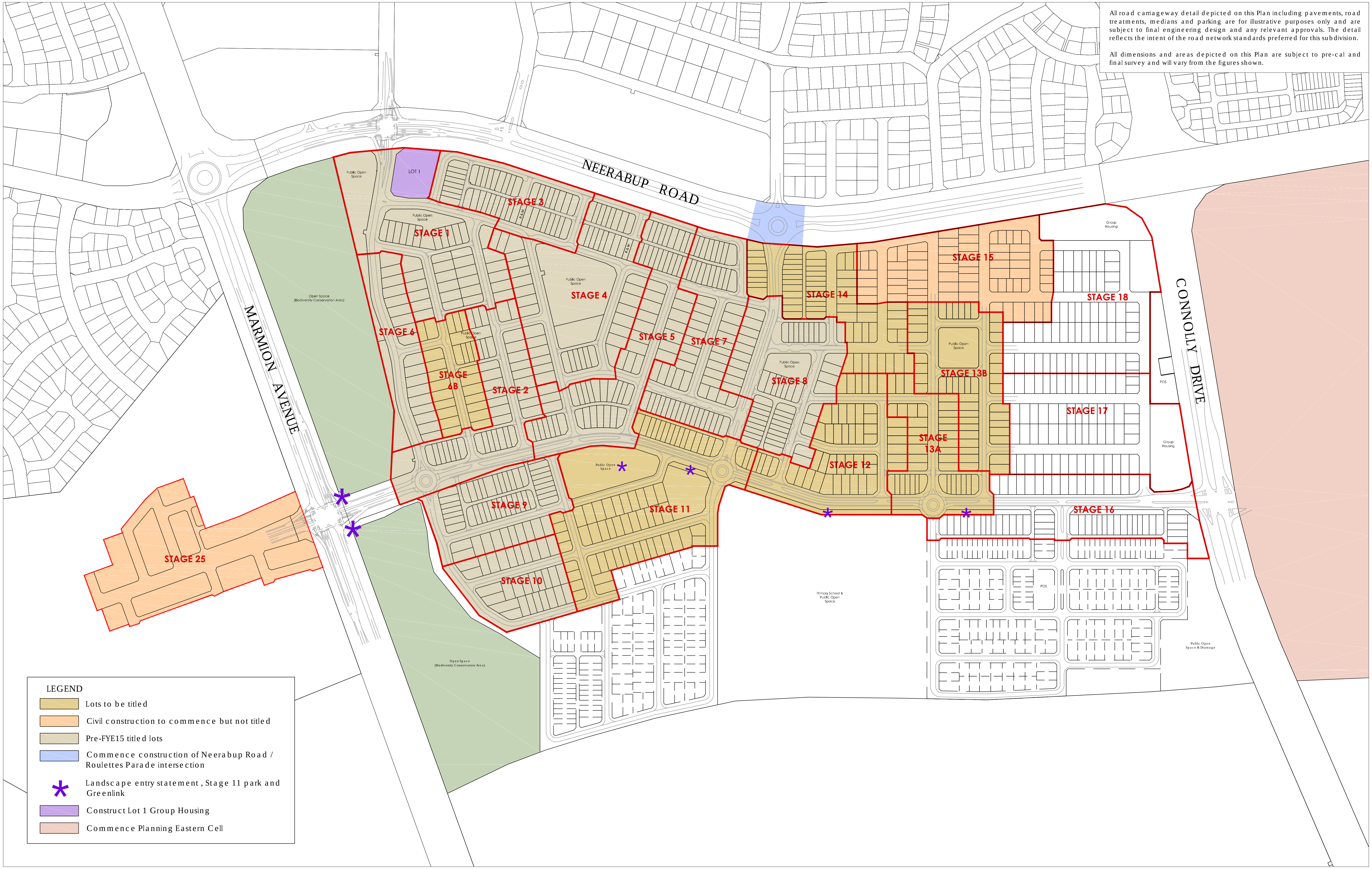
Appendix 9.1

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

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



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 9.2

TAMALA PARK REGIONAL COUNCIL

MONTHLY STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2014 TO 31 MAY 2015

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TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2014 TO 31 MAY 2015

		NOTE	31 May 2015	31 May 2015	2014/2015 Adopted	Variances Budget to Actual
	Operating		**Actual**	**Y-T-D Budget**	**Budget**	**Y-T-D**
			$	**$**	**$**	**%**
	Revenues	1,2				
	Interest Earnings		1,337,904	900,332	951,446	48.60%
	Other Revenue		12,927	8,590	17,349	50.49%
			1,350,831	908,922	968,795	48.62%
	Expenses	1,2				
	Employee Costs		(501,825)	(656,449)	(713,586)	(23.55%)
	Materials and Contracts					
	- Materials and Contracts Other		(123,419)	(404,478)	(439,950)	(69.49%)
	- Professional/Consultant Fees		(39,868)	0	0	
	Depreciation		0	(16,478)	(17,983)	(100.00%)
	Utilities		(457)	(5,520)	(6,000)	(91.72%)
	Insurance		(12,967)	(15,548)	(16,900)	(16.60%)
	Other Expenditure		(161,533)	(133,553)	(175,438)	20.95%
			(840,069)	(1,232,026)	(1,369,857)	(31.81%)
	Adjustments for Non-Cash (Revenue) and Expenditure					
	Depreciation on Assets		0	16,478	17,983	(100.00%)
	Profit/(loss) on Disposal of Assets		1	6,869	6,869	(99.99%)
	Capital Revenue and (Expenditure)					
	Plant and Equipment	3	(65,303)	(69,000)	(69,000)	(5.36%)
	Proceeds on Disposal of Assets	4	38,182	34,131	34,131	11.87%
	LESS MEMBERS EQUITY					
	Payment for Rates Equivalent		0	0	0	0.00%
	Development of Land for Resale					
	Income Sale of Lots - Subdivision		48,602,135	50,553,500	61,890,849	(3.86%)
	Income Other Subdivisions		0	0	0	100.00%
	Development Costs		(21,779,936)	(43,667,197)	(48,455,839)	(50.12%)
	Contribution Refund		0	0	(422,562)	0.00%
	Profit Distributions		0	(12,700,000)	(27,700,000)	0.00%
	Contribution Returned		(14,000,000)	(3,300,000)	(3,300,000)	0.00%
	Change in Contributed Equity	6	12,822,199	(9,113,697)	(17,987,552)	(240.69%)
ADD	Net Current Assets July 1 B/Fwd	7	40,484,543	40,484,543	40,484,543	0.00%
	Net Current Assets Year to Date	7	53,790,383	43,695,220	22,085,912	

This statement is to be read in conjunction with the accompanying notes.
No budget has been adopted at the time of compiling these statements, so no budget comparatives have been shown.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2014 TO 31 MAY 2015

1. SIGNIFICANT ACCOUNTING POLICIES

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

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

(b) The Local Government Reporting Entity
All Funds through which the Council controls resources to carry on its functions have been included in this statement.

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

The Council does not hold any monies in trust.

(c) Rounding Off Figures
All figures shown in this statement, other than a rate in the dollar, are rounded to the nearest dollar.

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

(e) Goods and Services Tax
In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Trade and Other Receivables

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

Collectibilty of trade receiveables is viewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is object evidence that they will not be collectible.

(h) Inventories

General

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

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

Land Held for Resale

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

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

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

(i) Fixed Assets

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Municipality includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

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

The regulations allow for the phasing in of fair value in relation to fixed assets over three years as follows:
Plant and Equipment by June 30 2013
Plant and Equipment, Land and Buildings and Infrastructure by 30 June 2014, and
All Assets by 30 June 2015.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Depreciation of Non-Current Assets

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

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

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

(k) Impairment

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

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

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

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

At the time of preparing this report, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2014.

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

(l) Trade and Other Payables

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee Benefits

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

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

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

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

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

(n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

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

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(o) Provisions

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

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

(p) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

2. STATEMENT OF OBJECTIVE

The Regional Council has a specific regional purpose which is:

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

The objectives of the Regional Council are:

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

3. ACQUISITION OF ASSETS

The following assets are budgeted to be acquired during the year:	31 May 2015 Actual $	Adopted 2014/15 Budget $
By Program		
Other Property and Services		
General Office Equipment	0	3,000
Motor Vehicle	65,303	66,000
	65,303	**69,000**
By Class		
Furniture and Equipment	0	3,000
Plant and Equipment	65,303	66,000
	65,303	**69,000**

4. DISPOSALS OF ASSETS

The following asset is budgeted to be disposed during the year:	31 May 2015 Actual $	Adopted 2014/15 Budget $
Plant and Equipment		
Cost	44,714	44,714
Accumulated depreciation	(6,533)	(17,452)
Proceeds	(38,182)	(34,131)
(Profit)/Loss	**(1)**	**(6,869)**

5. INFORMATION ON BORROWINGS

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2014-15 financial year.

6. CONTRIBUTED EQUITY

	31 May 2015 Actual $	30 June 2014 Actual $
Town of Victoria Park	4,662,732	3,551,652
City of Perth	4,662,732	3,551,652
Town of Cambridge	4,662,732	3,551,652
City of Joondalup	9,325,463	7,103,303
City of Wanneroo	9,325,463	7,103,303
Town of Vincent	4,662,732	3,551,652
City of Stirling	18,653,740	14,209,420
TOTAL	55,955,595	42,622,634
Total Movement in equity	13,332,961	

Movement in Contributed Equity Represented by:

	Development Expenses 31 May 2015 $	Land Sales 31 May 2015 $	Return of Contribution 31 May 2015 $	Rates Equivalent 31 May 2015 $
Town of Victoria Park	(1,814,995)	4,050,178	(1,166,667)	0
City of Perth	(1,814,995)	4,050,178	(1,166,667)	0
Town of Cambridge	(1,814,995)	4,050,178	(1,166,667)	0
City of Joondalup	(3,629,989)	8,100,356	(2,333,333)	0
City of Wanneroo	(3,629,989)	8,100,356	(2,333,333)	0
Town of Vincent	(1,814,995)	4,050,178	(1,166,667)	0
City of Stirling	(7,259,978)	16,200,711	(4,666,666)	0
	(21,779,936)	48,602,135	(14,000,000)	0

Members Contributed Equity Movements	12,822,199
TPRC Net Result	510,762
Total Movement in equity	13,332,961

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2014 TO 31 MAY 2015

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position	31 May 2015 Actual $	Brought Forward 1-Jul $
CURRENT ASSETS		
Cash - Unrestricted	53,348,703	40,413,398
Receivables	747,304	697,068
Settlement Bonds	18,300	38,000
	54,114,307	41,148,466
LESS: CURRENT LIABILITIES		
Payables and Provisions	(323,924)	(663,923)
NET CURRENT ASSET POSITION	53,790,383	40,484,543
NET CURRENT ASSET POSITION	53,790,383	40,484,543

8. RATING INFORMATION

The Regional Council does not levy rates on property.

9. TRUST FUNDS

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

TAMALA PARK REGIONAL COUNCIL

MONTHLY STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2014 TO 30 JUNE 2015

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TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2014 TO 30 JUNE 2015

		NOTE	30 June 2015 Actual $	30 June 2015 Y-T-D Budget $	2014/2015 Adopted Budget $	Variances Budget to Actual Y-T-D %
	Operating					
	Revenues	1,2				
	Interest Earnings		1,459,506	951,446	951,446	53.40%
	Other Revenue		12,927	17,349	17,349	(25.49%)
			1,472,433	968,795	968,795	51.99%
	Expenses	1,2				
	Employee Costs		(545,177)	(713,586)	(713,586)	(23.60%)
	Materials and Contracts					
	- Materials and Contracts Other		(135,990)	(439,950)	(439,950)	(69.09%)
	- Professional/Consultant Fees		(38,168)	0	0	
	Depreciation		0	(17,983)	(17,983)	(100.00%)
	Utilities		0	(6,000)	(6,000)	(100.00%)
	Insurance		(12,967)	(16,900)	(16,900)	(23.27%)
	Other Expenditure		(164,506)	(175,438)	(175,438)	(6.23%)
			(896,808)	(1,369,857)	(1,369,857)	(34.53%)
	Adjustments for Non-Cash (Revenue) and Expenditure					
	Depreciation on Assets		0	17,983	17,983	(100.00%)
	Profit/(loss) on Disposal of Assets		1	6,869	6,869	(99.99%)
	Capital Revenue and (Expenditure)					
	Plant and Equipment	3	(65,303)	(69,000)	(69,000)	(5.36%)
	Proceeds on Disposal of Assets	4	38,182	34,131	34,131	11.87%
	LESS MEMBERS EQUITY					
	Payment for Rates Equivalent		0	0	0	0.00%
	Development of Land for Resale					
	Income Sale of Lots - Subdivision		60,077,067	61,890,849	61,890,849	(2.93%)
	Income Other Subdivisions		0	0	0	100.00%
	Development Costs		(23,492,496)	(48,455,839)	(48,455,839)	(51.52%)
	Contribution Refund		(422,564)	(422,562)	(422,562)	0.00%
	Profit Distributions		0	(27,700,000)	(27,700,000)	0.00%
	Contribution Returned		(31,000,000)	(3,300,000)	(3,300,000)	0.00%
	Change in Contributed Equity	6	5,162,007	(17,987,552)	(17,987,552)	(128.70%)
ADD	Net Current Assets July 1 B/Fwd	7	40,484,543	40,484,543	40,484,543	0.00%
	Net Current Assets Year to Date	7	46,195,054	49,779,043	49,779,043	

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2014 TO 30 JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement.

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

The Council does not hold any monies in trust.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

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

(e) Goods and Services Tax

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

(f) Cash and Cash Equivalents

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Trade and Other Receivables

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

Collectibilty of trade receiveables is viewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is object evidence that they will not be collectible.

(h) Inventories

General

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

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

Land Held for Resale

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

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

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

(i) Fixed Assets

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Municipality includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

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

The regulations allow for the phasing in of fair value in relation to fixed assets over three years as follows:
Plant and Equipment by June 30 2013
Plant and Equipment, Land and Buildings and Infrastructure by 30 June 2014, and
All Assets by 30 June 2015.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Depreciation of Non-Current Assets

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

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

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

(k) Impairment

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

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

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

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

At the time of preparing this report, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2014.

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

(l) Trade and Other Payables

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee Benefits

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

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

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

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

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

(n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

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

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(o) Provisions

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

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

(p) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

2. STATEMENT OF OBJECTIVE

The Regional Council has a specific regional purpose which is:

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

The objectives of the Regional Council are:

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

3. ACQUISITION OF ASSETS

The following assets are budgeted to be acquired during the year:	**30 June 2015 Actual $**	**Adopted 2014/15 Budget $**
By Program		
Other Property and Services		
General Office Equipment	0	3,000
Motor Vehicle	65,303	66,000
	65,303	**69,000**
By Class		
Furniture and Equipment	0	3,000
Plant and Equipment	65,303	66,000
	65,303	**69,000**

4. DISPOSALS OF ASSETS

The following asset is budgeted to be disposed during the year:	**30 June 2015 Actual $**	**Adopted 2014/15 Budget $**
Plant and Equipment		
Cost	44,714	44,714
Accumulated depreciation	(6,533)	(17,452)
Proceeds	(38,182)	(34,131)
(Profit)/Loss	**(1)**	**(6,869)**

5. INFORMATION ON BORROWINGS

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2014-15 financial year.

6. CONTRIBUTED EQUITY

	30 June 2015 Actual $	30 June 2014 Actual $
Town of Victoria Park	4,029,788	3,551,652
City of Perth	4,029,788	3,551,652
Town of Cambridge	4,029,788	3,551,652
City of Joondalup	8,059,575	7,103,303
City of Wanneroo	8,059,575	7,103,303
Town of Vincent	4,029,788	3,551,652
City of Stirling	16,121,964	14,209,420
TOTAL	48,360,266	42,622,634
Total Movement in equity	5,737,632	

Movement in Contributed Equity Represented by:

	Development Expenses 30 June 2015 $	Land Sales 30 June 2015 $	Return of Contribution 30 June 2015 $	Rates Equivalent 30 June 2015 $
Town of Victoria Park	(1,957,708)	5,006,422	(2,583,334)	(35,214)
City of Perth	(1,957,708)	5,006,422	(2,583,334)	(35,214)
Town of Cambridge	(1,957,708)	5,006,422	(2,583,334)	(35,214)
City of Joondalup	(3,915,416)	10,012,845	(5,166,666)	(70,427)
City of Wanneroo	(3,915,416)	10,012,845	(5,166,666)	(70,427)
Town of Vincent	(1,957,708)	5,006,422	(2,583,334)	(35,214)
City of Stirling	(7,830,832)	20,025,689	(10,333,332)	(140,854)
	(23,492,496)	60,077,067	(31,000,000)	(422,564)

Members Contributed Equity Movements	5,162,007
TPRC Net Result	575,625
Total Movement in equity	5,737,632

TAMALA PARK REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2014 TO 30 JUNE 2015

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position	30 June 2015 Actual $	Brought Forward 1-Jul $
CURRENT ASSETS		
Cash - Unrestricted	46,060,620	40,413,398
Receivables	359,729	697,068
Settlement Bonds	29,400	38,000
	46,449,749	41,148,466
LESS: CURRENT LIABILITIES		
Payables and Provisions	(254,695)	(663,923)
NET CURRENT ASSET POSITION	46,195,054	40,484,543
NET CURRENT ASSET POSITION	46,195,054	40,484,543

8. RATING INFORMATION

The Regional Council does not levy rates on property.

9. TRUST FUNDS

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

Appendix 9.3

Tamala Park Regional Council
Summary Payment List
May through June 2015

Date	Num	Name	Description	Amount
01/05/2015	ET-3441	Westpac Bank	Bank charges Cheque AC - May 2015	-45.25
04/05/2015	CH-200457	City of Wanneroo - Supplier	School Site - Application for Development Approval	-1,725.70
04/05/2015	ET-3470	B Bhabra Investment Trust	Lot 173 (9th instalment over a 3 year period)	-2,887.50
04/05/2015	ET-3471	Paxman, James & Melissa Wieloch	Lot 168 (9th instalment over a 3 year period)	-3,281.25
04/05/2015	ET-3472	Steel Test Pty Ltd	Lot 169 (9th instalment over a 3 year period)	-2,887.50
11/05/2015	ET-3440	Westpac Bank	Payment of credit card charges (CEO & EA) - May 2015	-866.06
14/05/2015	ET-3442	Employee Costs	Wages for period 30/04/15 - 13/05/15	-10,523.12
14/05/2015	ET-3445	National Australia Bank	Superannuation for period 30/04/15 - 13/05/15	-1,208.91
14/05/2015	ET-3446	City of Stirling	GST owing March 2015	-3,227.18
14/05/2015	ET-3447	Town of Victoria Park - Supplier	GST March 2015	-807.00
14/05/2015	ET-3448	Action Couriers	Courier charges for period 28/04/15 - 02/05/15	-19.38
14/05/2015	ET-3449	Burgess Rawson	Inv 39644, 40171 & 40225	-3,190.00
14/05/2015	ET-3450	Carat Australia Media Services	Stage 14B suburban press	-2,876.24
14/05/2015	ET-3451	Chappell Lambert Everett	Inv 6322 & 6323	-16,634.90
14/05/2015	ET-3452	City of Stirling	Inv 1892, 1893 & 2094	-8,526.86
14/05/2015	ET-3453	Cossill & Webley	Inv 16197 - 16202	-54,242.47
14/05/2015	ET-3454	Dominic Carbone & Associates	Inv 25 & 26	-5,478.00
14/05/2015	ET-3455	Haines Norton	Inv 31169	-2,453.00
14/05/2015	ET-3456	Homebuyers Centre	Display rebate (Lot 217)	-11,500.00
14/05/2015	ET-3457	Kyocera Mita	Printing for period 31/03/15 - 16/04/15	-71.46
14/05/2015	ET-3458	LD Total	Inv 66860 - 63 & 66196	-48,070.00
14/05/2015	ET-3459	Lillo, Luigi & Nathalia Narciso	Solar Panel Rebate (Lot 606)	-2,000.00
14/05/2015	ET-3460	Loaded Communications	Website retainer (May 2015)	-195.67
14/05/2015	ET-3461	Macrides, Kashi Jai & Angela	Solar Panel Rebate (Lot 440)	-2,000.00
14/05/2015	ET-3462	Marketforce	Inv 16559 & 15790	-2,279.89
14/05/2015	ET-3463	McLeods Barristers & Solicitors	Legal advice for period 02/02/15 - 28/04/15	-3,632.45
14/05/2015	ET-3464	McMullen Nolan Group	Stage 13A Basic & additional items (Feb 2015)	-4,387.90
14/05/2015	ET-3465	New Great Cleaning Service	Cleaning of TPRC offices (April 2015)	-143.00
14/05/2015	ET-3466	Realestate.com.au	Display advertising (February 2015)	-4,402.03
14/05/2015	ET-3467	Stantons International	Probity services for period 03/03/15 - 01/04/15	-807.95
14/05/2015	ET-3468	Treacy Fencing	Inv 643831 - 33	-6,870.38
14/05/2015	ET-3469	Australian Taxation Office	IAS April 2015	-20,574.00
21/05/2015	CON-25	Town of Cambridge - supplier	GST April 2015	-9,386.30
25/05/2015	CH-200458	Western Power	Stage 15 Subdivision Energisation	-41,298.00
25/05/2015	CH-200459	City of Wanneroo - Supplier	Stages 15 - 18 DAP 6 (Detailed Area Plan) Amendment Fee	-400.00
28/05/2015	ET-3473	Employee Costs	Wages for period 14/05/15 - 27/05/15	-10,523.12
28/05/2015	ET-3476	Australian Super	Superannuation for May 2015	-1,074.22
28/05/2015	ET-3477	National Australia Bank	Superannuation for period 14/05/15 - 27/05/15	-1,208.91
28/05/2015	ET-3478	Action Couriers	Courier charges for period 04/05/15 - 17/05/15	-33.40
28/05/2015	ET-3479	celebration homes	Display home rebate (Lot 164)	-11,500.00
28/05/2015	ET-3480	City of Vincent - Supplier	GST March 2015	-807.00
28/05/2015	ET-3481	Emerge Associates	Inv 13303 - 13305	-9,581.00
28/05/2015	ET-3482	Finnie, Daniel & Seonaid	Solar Panel Rebate (Lot 493)	-2,000.00

Tamala Park Regional Council
Summary Payment List
May through June 2015

28/05/2015	ET-3483	McMullen Nolan Group	Inv 77382, 77673, 77675 & 77676	-37,405.50
28/05/2015	ET-3484	Neverfail	Bottled water x 3	-39.65
28/05/2015	ET-3485	R J Vincent & Co	Inv 4354 & 4360	-517,685.88
28/05/2015	ET-3486	Telstra	Mobile phones (CEO & PC) - charges to 13 May	-217.94
28/05/2015	ET-3487	Treacy Fencing	Inv 644080 & 644082	-5,466.56
28/05/2015	ET-3488	Urbis Pty Ltd	Inv 100653 & 100442	-10,020.00
28/05/2015	ET-3489	Ventura Home Group	Display home rebate (Lot 163)	-13,000.00
28/05/2015	ET-3490	WALGA	Inv I3052286 - I3052292	-2,101.86
28/05/2015	ET-3491	Carey, John	Elected member allowance 1 February 2015 - 19 April 2015	-2,240.25
28/05/2015	ET-3492	Carr, Louis	Elected member allowance 20 January 2015 - 19 April 2015	-2,575.00
28/05/2015	ET-3493	Chester, John	Elected member allowance 20 January 2015 - 19 April 2015	-2,575.00
28/05/2015	ET-3494	Guise, Dianne	Elected member allowance 20 January 2015 - 19 April 2015	-2,575.00
28/05/2015	ET-3495	Italiano, Giovanni	Chairman allowance 20 January 2015 - 19 April 2015	-8,755.00
28/05/2015	ET-3496	McLean, Tom	Elected member allowance 20 January 2015 - 19 April 2015	-2,575.00
28/05/2015	ET-3497	Michael, David	Elected member allowance 20 January 2015 - 19 April 2015	-2,575.00
28/05/2015	ET-3498	Treby, Brett	Elected member allowance 20 January 2015 - 19 April 2015	-2,575.00
28/05/2015	ET-3499	Tyzack, Terry	Elected member allowance 20 January 2015 - 19 April 2015	-2,575.00
28/05/2015	ET-3500	Vaughan, Trevor	Deputy Chairman allowance 20 January 2015 - 19 April 2015	-3,798.00
28/05/2015	ET-3501	Willox, Rod	Elected member allowance 20 January 2015 - 19 April 2015	-2,575.00
28/05/2015	CH-200460	Davidson, Janet	Elected member allowance 20 January 2015 - 19 April 2015	-2,575.00
28/05/2015	Stage 13A Bond R	City of Wanneroo - Supplier	Stage 13A Bond Refund	448,055.99
28/05/2015	ET-3503	Yang, Shan-Hao & Xiuying Chen	Lot 172 (9th instalment over a 3 year period)	-2,887.50
29/05/2015	CON-26	City of Wanneroo - Supplier	GST owing April 2015	-18,771.05
01/06/2015	ET-3580	Westpac Bank	Bank charges Cheque AC - June 2015	-5.50
01/06/2015	ET-3581	Grant, Aaron & Nicole	Lot 171 (9th instalment over a 3 year period)	-2,887.50
03/06/2015	ET-3504	Urban Development Institute of Australia	UDIA Sustainability Forum 2015 (L Aitken)	-230.00
04/06/2015	ET-3544	City of Perth - Supplier	Rates Reimbursement 2014/15	-18,938.07
08/06/2015	ET-3582	Borgomastro, Jason	Lot 174 (9th instalment over a 3 year period)	-3,850.00
11/06/2015	ET-3505	Employee Costs	Wages for period 28/05/15 - 10/06/15	-10,523.12
11/06/2015	ET-3508	National Australia Bank	Superannuation for period 28/05/15 - 10/06/15	-1,208.91
11/06/2015	ET-3509	Action Couriers	Courier charges for period 19/05/15 - 31/05/15	-64.77
11/06/2015	ET-3510	Beale, Danny & Maria	Solar Panel Rebate (Lot 408)	-2,000.00
11/06/2015	ET-3511	Burgess Rawson	GST Valuations (May 2015) - 8 lots	-440.00
11/06/2015	ET-3512	Burrows, Suzanne	Solar Panel Rebate (Lot 453)	-2,000.00
11/06/2015	ET-3513	Butler Settineri	Interim audit fee for FYE15	-3,405.60
11/06/2015	ET-3514	City of Stirling	GST owing April 2015	-37,542.09
11/06/2015	ET-3515	City of Wanneroo - Supplier	Rates (Lots 295, 296, 305, 521, 537 & 538)	-2,276.44
11/06/2015	ET-3516	Coterra Environment	Environmental consulting services (March 2015)	-3,847.25
11/06/2015	ET-3517	Creating Communities	Community Development Plan (April 2015)	-4,814.70
11/06/2015	ET-3518	Docushred	Security bin (May 2015)	-51.70
11/06/2015	ET-3519	Haines Norton	Inv 32199 & 32268	-2,799.50

Tamala Park Regional Council
Summary Payment List
May through June 2015

11/06/2015	ET-3520	Homebuyers Centre	Display Home Rebate (Lot 156)	-9,000.00
11/06/2015	ET-3521	Kyocera Mita	Copying for period 30/04/15 - 11/05/15	-40.24
11/06/2015	ET-3522	LD Total	Inv 67571, 67603, 67604	-10,960.27
11/06/2015	ET-3523	Marketforce	Inv 17050 & 17053	-2,598.47
11/06/2015	ET-3524	McLeods Barristers & Solicitors	Inv 86382 & 86558	-5,609.89
11/06/2015	ET-3525	McMullen Nolan Group	Stage 14 web plot plans	-709.50
11/06/2015	ET-3526	R J Vincent & Co	Stage 13B Civil Works (Cert 6)	-443,162.40
11/06/2015	ET-3527	Scott Park Group	Inv 111994/13 & RES20/13	-22,600.00
11/06/2015	ET-3528	Treacy Fencing	Inv 611079, 644245 - 47	-15,939.44
11/06/2015	ET-3529	Urban Development Institute of Australia	UDIAWA Membership Subscription 2015/16	-4,067.00
11/06/2015	ET-3530	Water Corporation	Sales Office Water Charges for period 19/03/15 - 18/05/15	-417.68
11/06/2015	ET-3531	Wilson, Tui Lureese	Solar Panel Rebate (Lot 583)	-2,000.00
11/06/2015	ET-3532	Town of Victoria Park - Supplier	GST April 2015	-9,386.00
11/06/2015	ET-3533	Australian Taxation Office	IAS May 2015	-13,716.00
11/06/2015	ET-3534	Australian Taxation Office	FBT Return payment for period 01/04/14 to 31/03/15	-1,140.52
15/06/2015	ET-3535	Westpac Bank	Payment of credit card charges (CEO & EA) - June 2015	-299.85
16/06/2015	ET-3542	City of Joondalup - Supplier	5th Dividend Payment - TPRC Project	-2,833,333.00
16/06/2015	ET-3536	City of Perth - Supplier	5th Dividend Payment - TPRC Project	-1,416,667.00
16/06/2015	ET-3537	City of Stirling	5th Dividend Payment - TPRC Project	-5,666,666.00
16/06/2015	ET-3538	City of Vincent - Supplier	5th Dividend Payment - TPRC Project	-1,416,667.00
16/06/2015	ET-3539	City of Wanneroo - Supplier	5th Dividend Payment - TPRC Project	-2,833,333.00
16/06/2015	ET-3540	Town of Cambridge - supplier	5th Dividend Payment - TPRC Project	-1,416,667.00
16/06/2015	ET-3541	Town of Victoria Park - Supplier	5th Dividend Payment - TPRC Project	-1,416,667.00
24/06/2015	CON-27	Town of Cambridge - supplier	GST owing May 2015	-2,332.57
25/06/2015	ET-3545	Employee Costs	Wages for period 11/06/15 - 24/06/15	-12,314.95
25/06/2015	ET-3548	Australian Super	Superannuation for June	-1,180.16
25/06/2015	ET-3549	National Australia Bank	Superannuation for period 11/06/15 - 24/06/15	-837.05
25/06/2015	ET-3550	Action Couriers	Courier charges for period 04/06/15 - 14/06/15	-33.40
25/06/2015	ET-3551	Chappell Lambert Everett	Disbursements (April 2015)	-88.22
25/06/2015	ET-3552	Cossill & Webley	Inv 16293, 16295 - 16298	-49,994.18
25/06/2015	ET-3553	Coterra Environment	Inv 10001698 & 10001718	-13,496.14
25/06/2015	ET-3554	Driving Force Cleaning Services	Inv 178 & 181	-1,363.50
25/06/2015	ET-3555	Eco Logical Australia	Project management & updating CRMP	-2,784.84
25/06/2015	ET-3556	Emerge Associates	Inv 13448, 13450 & 13039	-10,917.50
25/06/2015	ET-3557	Homebuyers Centre	Inv 55866 - 55868	-6,000.00
25/06/2015	ET-3558	LD Total	Inv 67602, 66988, 67432, 67433 & 67256	-700,943.85
25/06/2015	ET-3559	McMullen Nolan Group	Stage 14A Basic & Additional Items (May 2015)	-13,223.10
25/06/2015	ET-3560	Mueller Marricks t/as Pamphleteers	Earthworks letter distribution	-390.00
25/06/2015	ET-3561	Neverfail	Bottled water x 3	-52.45
25/06/2015	ET-3562	New Great Cleaning Service	Cleaning of TPRC offices (May 2015)	-143.00
25/06/2015	ET-3563	Treacy Fencing	Inv 644427 & 644428	-6,468.66
25/06/2015	ET-3564	WALGA	Inv I3053099 - I3053104	-2,021.28
25/06/2015	ET-3567	City of Joondalup - Supplier	Rates equivalent payment for 2014/15 financial year	-70,427.07
25/06/2015	ET-3568	City of Perth - Supplier	Rates equivalent payment for 2014/15 financial year	-35,213.54
25/06/2015	ET-3570	City of Vincent - Supplier	Rates Reimbursement 2013/14 & 2014/15	-63,067.44
25/06/2015	ET-3571	City of Wanneroo - Supplier	Rates Reimbursement 2013/14 & 2014/15	-126,134.88
25/06/2015	ET-3572	Town of Cambridge - supplier	Rates Reimbursement 2013/14 & 2014/15	-63,067.44
25/06/2015	ET-3573	City of Stirling	Rates Reimbursement 2014/15	-140,854.16

Tamala Park Regional Council
Summary Payment List
May through June 2015

29/06/2015	ET-3565	Synergy	Power charges for Sales Office & Stages 4 & 8 POS	-4,048.80
29/06/2015	ET-3566	Telstra	Mobile phones (CEO & PC) - charges to 13 June	-158.61
29/06/2015	CON-28	City of Wanneroo - Supplier	GST owing May 2015	-4,665.13
30/06/2015	ET-3574	Employee Costs	Back pay for period 09/12/2014 - 24/06/2015	-1,563.62
30/06/2015	ET-3575	Australian Super	Superannuation on back pay	-220.07
30/06/2015	ET-3576	Cabtree, Joanne & Tattersall, Scott	Solar Panel Rebate (Lot 255)	-2,000.00
30/06/2015	ET-3577	Colfar, DW & CP	Solar Panel Rebate (Lot 474)	-2,000.00
30/06/2015	ET-3578	Town of Victoria Park - Supplier	Rates equivalent payment for 2014/15 financial year	-35,213.54
30/06/2015	ET-3579	Watson, Lee & Claire	Solar Panel Rebate (Lot 628)	-2,000.00
30/06/2015	CON-29	City of Joondalup - Supplier	Rates Reimbursement 2014/15	-23,436.18
30/06/2015	ET-3589	City of Joondalup - Supplier	Adjustment to member's monthly GST (historic)	-0.45
30/06/2015	ET-3590	City of Vincent - Supplier	Adjustment to member's monthly GST (historic)	-0.20
				-19,550,323.59

Tamala Park Regional Council
Cheque Detail
May - June 2015

Type	Num	Date	Name	Description	Amount
Bill Pmt -Cheque	CH-200457	04/05/2015	City of Wanneroo	School Site - Application for Development Approval	-1,725.70
Bill Pmt -Cheque	CH-200458	25/05/2015	Western Power	Stage 15 Subdivision Energisation	-41,298.00
Bill Pmt -Cheque	CH-200459	25/05/2015	City of Wanneroo	Stages 15 - 18 DAP 6 (Detailed Area Plan) Amendment Fee	-400.00
Bill Pmt -Cheque	CH-200460	28/05/2015	Davidson, Janet	Elected member allowance 20 January 2015 - 19 April 2015	-2,575.00

Appendix 9.4

Satterley

22 July 2015

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

Dear Tony

Catalina Financial Report for June 2015

Please find attached the Catalina Financial Report for June 2015. This report has been prepared on a cash basis and compares actual income and expenditure to the August 2014 approved budget for the period 1 June 2015 to 30 June 2015.

Residential settlement revenue for the financial year to 30 June 2015 is $60.8m which is $2.1m behind the approved 'August 2014' budget with 11 less residential settlements for the year.

Selling costs for FYE2015 are $2.0m favourable to the approved 'August 2014' budget, due to rebates yet to be claimed and settlement volumes.

Sales for FYE2015 are $16.2m unfavourable to budget due to 64 less residential lot sales for the year.

Overall FYE2015 expenditure is $26.0m under budget per the approved 'August 2014' budget, with $19.8m spent compared to a budget of $45.8m. The main areas of variance are summarised below:

- Landscaping $4.0m under budget
  - Stage 11 Landscaping $1.1m under budget due to deferred payments
  - Stage 12 Landscaping $0.8m under budget due to deferred works
  - Stage 10 BCA $0.4m under budget due to deferred works
  - Public Art $0.3m under budget due to deferred payments
  - Aviator Blvd Entry & Greenlink $0.3m under budget due to deferred payments
- Lot Production $14.8m under budget
  - Stage 12-13 Earthworks - $0.5m under budget due to full provisional sums not being used
  - Stage 14-18 Earthworks - $0.8m under budget due to full provisional sums not being used
  - Stage 25-27 Earthworks - $3.5m under budget due to deferred works
  - Stage 6B - $0.5m under budget due to full provisional sums not being used
  - Stage 9 - $0.6m under budget due to full provisional sums not being used
  - Stage 10 - $0.5m under budget due to full provisional sums not being used
  - Stage 11 - $0.5m under budget due to full provisional sums not being used
  - Stage 12 - $0.8m under budget due to full provisional sums not being used
  - Stage 13A - $0.9m under budget due to full provisional sums not being used
  - Stage 13B - $0.9m under budget due to deferred payments and full provisional sums not being used
  - Stage 14 - $1.9m under budget due to deferred payments and full provisional sums not being used
  - Stage 15 - $0.7m under budget due to deferred payments
  - Stage 25 - $1.7m under budget due to deferred works

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
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Satterley

- Consultants - $0.8m under budget due to deferment of planning works and some consulting work no longer required to be undertaken
- Infrastructure - $2.4m under budget
    - Neerabup Rd / Maroochydore Way Intersection - $1.4m under budget due to deferred works
    - Asbestos & rubbish removal allowance - $0.3m under budget due to deferred western cell works
    - Waste Water Pump Station (West) - $0.3m under budget due to deferred works
- P&L expenditure - $3.7m under budget
    - Rates & Taxes - $0.7m yet to be utilized
    - Sales & Marketing - $0.6m under budget due to budget not fully utilised
        - Brand Development - $0.1m under budget
        - Advertising - $0.1m under budget
        - Signage - $0.1m under budget
        - Community Development - $0.1m under budget
    - Contingency $2.1m not required to date.

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

Tony Aleksovski
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). Licensed Real Estate Agent trading as Satterley Real Estate.

CATALINA
FINANCE REPORT
JUNE 2015

1.0 Management Accounts

1.1 *KEY STATISTICS*

1.1.1 RESIDENTIAL LOTS & DISTRIBUTIONS

	Lots Produced (titles)		Sales		Settlements		Distributions	
	Actual	*Budget*	*Actual*	*Budget*	*Actual*	*Budget*	*Actual*	*Budget*
		Aug 2014		Aug 2014		Aug 2014		Aug 2014
Prior Years	441	441	487	487	419	419	10,000,000	10,000,000
Jul-2014	-	-	15	34	4	7	-	-
Aug-2014	-	-	12	14	4	3	-	-
Sep-2014	-	-	22	21	3	5	-	-
Sep-12 Qtr	**-**	**-**	**49**	**69**	**11**	**15**	**-**	**-**
Oct-2014	64	64	21	36	51	3	-	-
Nov-2014	-	-	14	25	6	14	-	-
Dec-2014	49	49	25	25	34	30	14,000,000	16,000,000
Dec-12 Qtr	**113**	**113**	**60**	**86**	**91**	**47**	**14,000,000**	**16,000,000**
Jan-2015	25	24	21	12	8	15	-	-
Feb-2015	-	-	17	25	23	32	-	-
Mar-2015	37	37	8	25	3	26	-	-
Mar-13 Qtr	**62**	**61**	**46**	**62**	**34**	**73**	**-**	**-**
Apr-2015	-	-	16	15	31	35	-	-
May-2015	45	45	18	13	8	13	-	-
Jun-2015	63	60	2	10	40	43	17,000,000	15,000,000
Jun-13 Qtr	**108**	**105**	**36**	**38**	**79**	**91**	**17,000,000**	**15,000,000**
Full 2014/15 Year	**283**	**279**	**191**	**255**	**215**	**226**	**31,000,000**	**31,000,000**
PTD	**724**	**720**	**678**	**742**	**634**	**645**	**41,000,000**	**41,000,000**
2015/16		**187**		**210**		**205**		**23,000,000**
2016/17		**183**		**205**		**182**		**30,000,000**

- 40 residential lots settled in June comprising:

	Lots
Stage 12	2
Stage 13A	3
Stage 13B	22
Stage 14A	13

1.2 *Sales & Settlements*

	MTH Act	MTH Bgt	YTD Act	YTD Bgt	PTD Act	PTD Bgt
Residential						
- Sales #	2	10	191	255	678	742
- Sales $	522,000	2,903,912	54,473,000	70,697,305	168,306,500	184,530,805
- Sales $/lot	261,000	290,391	285,199	277,244	248,240	248,694
- Settlements #	40	43	215	226	634	645
- Settlements $	11,604,000	11,727,710	60,827,000	62,962,077	156,414,500	158,549,577
- Settlements $/lot	290,100	272,737	282,916	278,593	246,711	245,813
Special Sites						
- Sales #	-	-	-	-	2	2
- Sales $	-	-	-	-	1,895,000	1,895,000
- Sales $/lot	-	-	-	-	947,500	947,500
- Settlements #	-	-	-	-	2	2
- Settlements $	-	-	-	-	1,895,000	1,895,000
- Settlements $/lot	-	-	-	-	947,500	947,500
Lots Under Contract						
- Unsettled sales #	44		Unconditional	11	Titled	
- Unsettled sales $	11,892,000		Conditional	33	727 *incl. Spec sites*	
- Unsettled sales $/lot	270,273					

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1.3 *Cashflow - MTD Actuals to budget*

	MTD Act	MTD Bgt	Variance
Revenue	11,604,000	11,727,710	(123,710)
Margin GST	(134,530)	(207,510)	72,979
Direct selling costs	(518,810)	(519,401)	591
Interest Income	2,723	-	2,723
Forfeited Deposits	-	-	-
Other Income	-	-	-
Rebate Allowance	(71,153)	(358,620)	287,468
	10,882,229	10,642,179	240,050
Development costs			
Lot production	402,285	3,368,552	2,966,267
Landscaping	627,403	76,951	(550,452)
Consultants	18,379	87,129	68,750
Infrastructure	8,993	260,624	251,631
Sales office building	-	-	-
Sales & marketing	9,222	68,317	59,095
Administration	45,557	51,607	6,049
Finance	9,922	230,501	220,578
	1,121,762	4,143,681	3,021,919
Cashflow	9,760,467	6,498,498	3,261,969

- Actual & Budget 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	60,827,000	62,962,077	(2,135,077)
Margin GST	(774,761)	(1,071,228)	296,467
Direct selling costs	(2,721,420)	(2,829,250)	107,830
Interest Income	20,575	-	20,575
Forfeited Deposits	-	-	-
Other Income	-	-	-
Rebate Allowance	(917,019)	(2,483,157)	1,566,138
	56,434,375	56,578,442	(144,067)
Development costs			
Lot production	15,387,623	30,169,178	14,781,555
Landscaping	2,619,789	6,610,083	3,990,294
Consultants	620,955	1,399,346	778,391
Infrastructure	151,093	2,588,306	2,437,213
Sales office building	342,411	623,999	281,589
Sales & marketing	191,761	817,214	625,453
Administration	352,755	1,330,395	977,640
Finance	181,804	2,289,452	2,107,649
	19,848,190	45,827,974	25,979,785
Cashflow	36,586,185	10,750,467	25,835,718

The YTD revenue variance comprises:

- Settlement revenue is $2.1m unfavourable to budget on 11 less residential settlement than the budget for FY2015.

1.5 *Bonds*

	Last Year	Last Month	This Month
City of Wanneroo	704,822	817,950	817,950
	704,822	817,950	817,950

Bonds relate to early clearances for stages 13B & 14A and a Landscaping bond for stage 13.

2.0 PROFIT & LOSS

	MTH Act	MTH Bgt	Var	YTD Act	YTD Bgt	Var	PTD Act	PTD Bgt
- Revenue $ (Stlmts)	11,604,000	11,727,711	(123,711)	60,827,000	62,962,079	(2,135,079)	156,414,500	158,549,579
- Revenue $/lot	290,100	272,737		282,916	278,593		246,711	245,813
- Selling & GST $	1,098,243	1,278,942	180,699	6,696,650	6,304,819	(391,830)	16,490,534	16,098,703
- Selling & GST $/lot	27,456	29,743		31,147	27,897		26,010	24,959
- Cost of sales $	3,369,582	4,778,465	1,408,883	20,037,676	24,750,351	4,712,675	61,577,103	66,289,778
- Cost of sales $/lot	84,240	111,127		93,198	109,515		97,125	102,775
- Gross profit $	7,136,175	5,670,304	1,465,871	34,092,675	31,906,909	2,185,766	78,346,864	76,161,098
- Gross profit $/lot	178,404	131,868		158,571	141,181		123,575	118,079
- Gross profit Mgn %	61.50%	48.35%		56.05%	50.68%		50.09%	48.04%
- Special Sites $	-	-	-	-	-	-	1,284,073	1,284,073
- Other income $	2,723	-	2,723	20,575	-	20,575	66,710	46,136
- Sales & Marketing $	41,120	68,452	27,332	237,852	818,818	580,966	895,611	1,476,577
- Administration $	85,791	112,727	26,935	469,563	1,332,819	863,256	1,319,946	2,183,202
- Finance $	-	-	-	-	15,000	15,000	17,000	32,000
- Contingency $	-	230,501	230,501	-	2,274,479	2,274,479	20,364	2,294,843
- Net profit $	**7,011,986**	**5,258,624**	**1,753,362**	**33,405,834**	**27,465,793**	**5,940,041**	**77,444,726**	**71,504,684**
- Net profit $/lot	175,300	122,294		155,376	121,530		122,153	110,860

- FY15 YTD Gross profit is $2.2m ahead of budget due to unfavourable YTD settlements of 11 lots offset by favourable lot production costs of $16k/lot.
- FY15 YTD net profit is favourable against budget by $5.9m, due to the favourable gross profit variance $2.2m plus unused contingency $2.3m, and favourable marketing and admin costs of $1.4m.

YEAR TO DATE VERSUS FULL YEAR BUDGET

	YTD Act	FY15 Full Year Bgt	Var
- Revenue $ (Stlmts)	60,827,000	62,962,079	(2,135,079)
- Revenue $/lot	282,916	278,593	
- Selling & GST $	6,696,650	6,304,819	(391,830)
- Selling & GST $/lot	31,147	27,897	
- Cost of sales $	20,037,676	24,750,351	4,712,675
- Cost of sales $/lot	93,198	109,515	
- Gross profit $	34,092,675	31,906,909	2,185,766
- Gross profit $/lot	158,571	141,181	
- Gross profit Mgn %	56.05%	50.68%	
- Special Sites $	-	-	-
- Other income $	20,575	-	20,575
- Sales & Marketing $	237,852	818,818	580,966
- Administration $	469,563	1,332,819	863,256
- Finance $	-	15,000	15,000
- Contingency $	-	2,274,479	2,274,479
- Net profit $	**33,405,834**	**27,465,793**	**5,940,041**
- Net profit $/lot	155,376	121,530	

2.1 GROSS PROFIT ANALYSIS

Actual

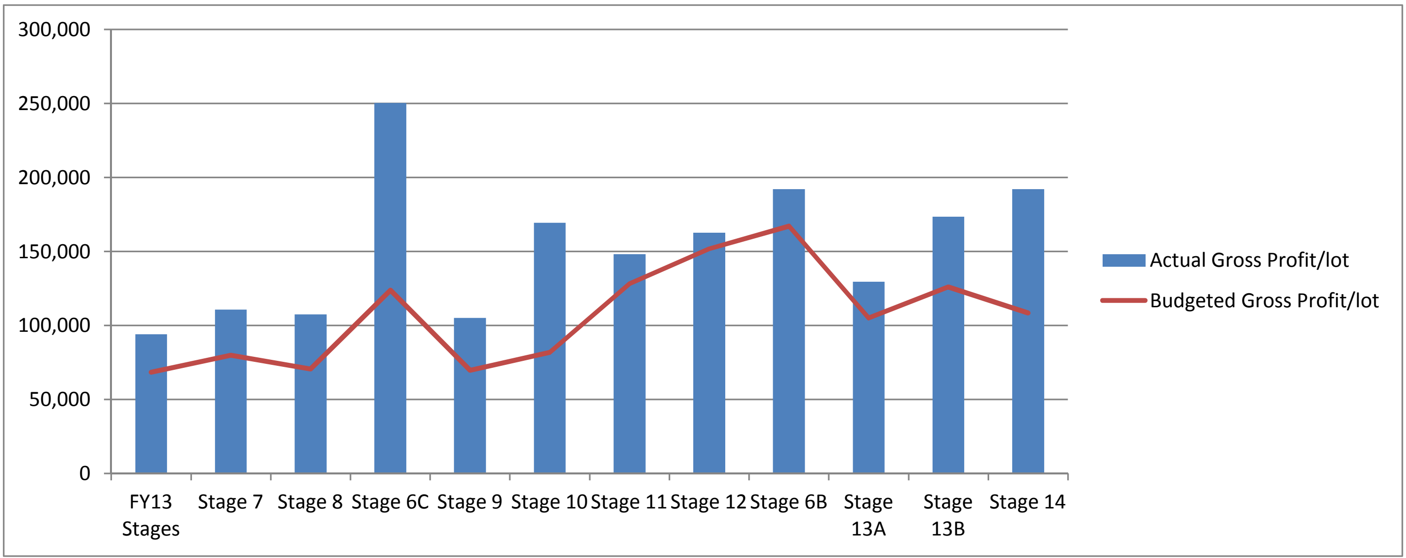
Stages	Title Issue Date	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)	Direct Costs/lot	Actual Gross Profit	Actual Gross Profit/lot	Actual Gross Margin %
FY13 Stages	2012 / 2013	51,375,500	220,496	29,448,888	126,390	21,926,612	94,106	42.68%
Stage 7	31-Oct-13	13,452,000	213,524	6,479,416	102,848	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	3,708,000	370,800	1,203,534	120,353	2,504,466	250,447	67.54%
Stage 9	8-May-14	11,999,000	235,275	6,643,461	130,264	5,355,539	105,011	44.63%
Stage 10	8-May-14	8,335,000	297,679	3,589,957	128,213	4,745,043	169,466	56.93%
Stage 11	1-Oct-14	16,790,000	275,246	7,756,061	127,149	9,033,939	148,097	53.81%
Stage 12	3-Dec-14	12,296,000	285,953	5,302,565	123,315	6,993,435	162,638	56.88%
Stage 6B	19-Jan-15	6,906,000	313,909	2,678,605	121,755	4,227,395	192,154	61.21%
Stage 13A	30-Mar-15	8,967,000	263,735	4,565,581	134,282	4,401,419	129,454	49.08%
Stage 13B	11-May-15	6,559,000	285,174	2,566,377	111,582	3,992,623	173,592	60.87%
Stage 14	4-Jun-15	3,881,000	298,538	1,382,893	106,376	2,498,107	192,162	64.37%
		156,414,500		78,067,636		78,346,864		

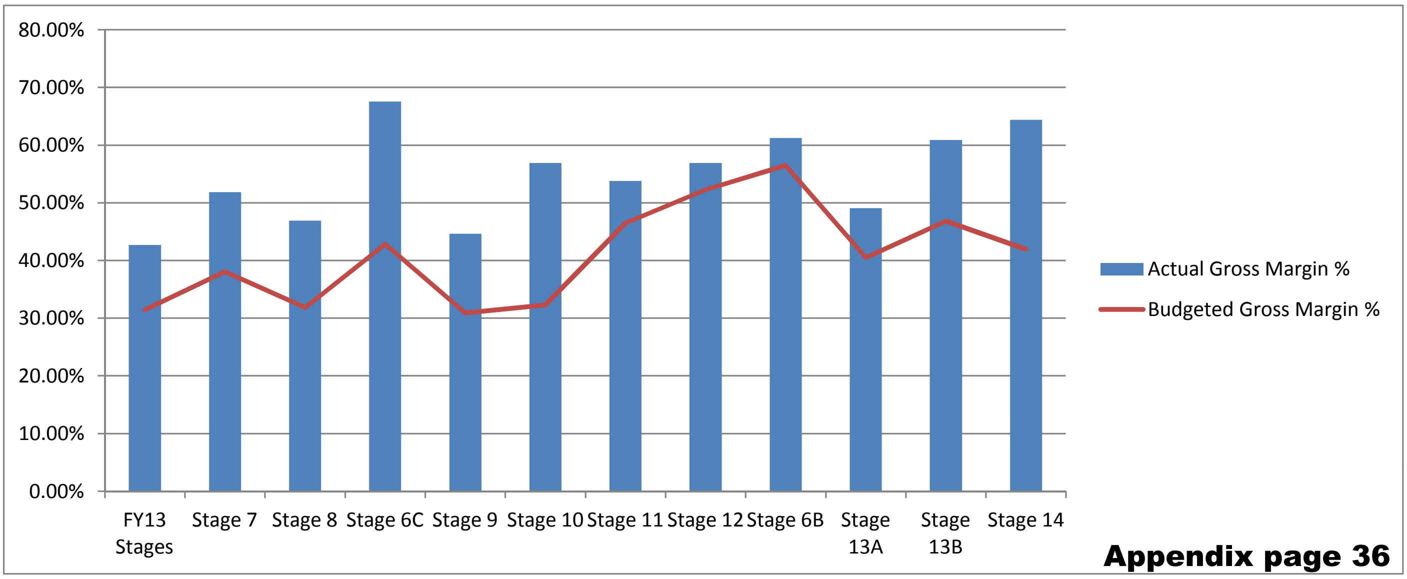
- Values for actuals are based on **'settled lots only'** for the relevant stages.

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 %
FY13 Stages	May-12	51,358,953	217,623	35,200,675	149,155	16,158,278	68,467	31.46%
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%
Stage 11	Aug-14	17,645,281	275,708	9,444,658	147,573	8,200,623	128,135	46.47%
Stage 12	Aug-14	14,221,581	290,236	6,787,551	138,521	7,434,030	151,715	52.27%
Stage 6B	Aug-14	7,098,672	295,778	3,089,032	128,710	4,009,640	167,068	56.48%
Stage 13A	Aug-14	9,585,882	259,078	5,703,355	154,145	3,882,527	104,933	40.50%
Stage 13B	Aug-14	12,111,408	269,142	6,443,000	143,178	5,668,408	125,965	46.80%
Stage 14	Aug-14	15,504,265	258,404	9,001,574	150,026	6,502,690	108,378	41.94%
		174,457,977		106,587,266		67,870,711		

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





Appendix 9.6

Satterley

22 July 2015

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

Dear Tony,

CATALINA SUSTAINABILITY INITIATIVE PLAN ANNUAL REVIEW

The Catalina Sustainability Initiatives Plan (SIP) was prepared by Active Sustainability in September 2011. The SIP provided a detailed analysis of sustainability initiatives which may be considered for implementation at Catalina to set the project's sustainability objectives. The full Council of the TPRC received the SIP in December 2011 and approved implementation of specific elements of the SIP at the same meeting. The SIP was reviewed at the TPRC April 2014 Council meeting where it was decided the following initiatives were to be implemented:

- Completion of Shared Bore Trial for stages 4, 5 & 7;
- Waterwise Landscape Package with additional allowance for grass tree relocation to residential lots;
- Solar Panel Rebate;
- Fibre Optic Service;
- Community Development;
- Waste Recycling;
- Sustainable Housing through Design Guidelines;
- Dwelling Densities;
- Civil and Landscape Construction initiatives.

Each of these initiatives is currently in various stages of implementation, as summarised below:

Shared Bore Trial

The TPRC resolved at the June 2012 Council meeting to undertake a trial shared bore program. The shared bore trial is being implemented on 72 front loaded lots in stages 4, 5 & 7 as well as on the Lot 248 group housing site in stage 4. The trial consists of installing a bore within an easement on a residential lot. Up to three additional homes also have access to this bore for the reticulation of their garden areas. The owner of the bore is responsible for maintenance of the bore, however can recover shared costs from the other users of the bore.

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 9002 W: www.satterley.com.au ABN 38 009 054 979
Licensee: Satterley Property Group Pty Ltd. (Inc in WA). Licensed Real Estate Agent trading as Satterley Real Estate.

21 bores servicing the 72 lots have been installed. Of these, 16 of the bores are now servicing residential properties. Of the 5 bores not connected, 2 are due to land owners not wishing to connect and 3 are due to landowners still constructing their homes.

45 out of the 72 homes have now been landscaped. Of these 45 homes, 2 homes did not want to connect to the bore and there are a further 6 homes currently connected to scheme water as the lot with the bore on it has not completed construction of their home and connected power to the bore. These homes will be connected to shared bores at a later date.

The additional cost to implement the shared bore trial was $250,000 for the three stages. We are not aware of any competitors implementing this initiative.

As landscaping of some homes has not yet been completed a final evaluation of the shared bore scheme has not been undertaken. Generally the shared bores have received positive feedback from residents who benefit from reduced watering costs and an additional day of permitted watering during summer months.

A report on the trial was to be presented to Council in December 2014, however the report has been deferred due to the trial being incomplete. It is recommended a report on the Scheme is presented to Council in October 2015 to allow further time for homes to connect to the bore, for residents to operate the bore following completion of landscaping and for formal feedback to be obtained from the Department of Water.

Waterwise Landscape Packages

Purchasers of lots sold within public releases of the Catalina development are eligible for installation of the front waterwise landscape package provided they have completed construction of their home within 18 months for a single storey home or 24 months for a double storey home.

The waterwise landscape package included a number of waterwise initiatives within the front landscape package which are listed below:

- fully automated water wise irrigation system (to turf areas and garden beds), including a rain sensor and 'drip circle' to trees;

- Soil preparation, fertiliser application and additives to enhance moisture retention abilities;

- Subsurface irrigation of garden beds to reduce water loss and minimise potential bore water staining.

The cost to implement the Waterwise Landscape packages is approximately $4,750 + GST per lot for lots contained within the public releases, of which approximately $1,000 per lot relates to waterwise initiatives. The above waterwise initiatives also ensure a reduction in the water usage for each purchaser saving them ongoing watering costs.

The waterwise landscaping packages are being progressively installed with landscaping in stages 1 – 8 substantially completed.

The average front landscape package in Catalina has a turf to native shrubs ratio of 40:60 equating to 30-40m2 native shrub planted areas per front garden. On average 25 native shrubs are installed per household resulting in the planting of approximately 7,500 native plants to date in front gardens. Landscaping sustainability benefits enjoyed by Catalina residents include:

- Increased habitat and foraging flora for West Australian endemic fauna;
- Decreased water consumption due to advanced SolarSync ET sensors fitted to every controller which yield up to a 30% water saving;
- The use of sub-mulch in-line drip irrigation to shrub areas in front landscape packages allows increased watering efficiency by reducing run-off, evaporation and vandalism;

All street trees planted within Catalina are primary feeding plants for Carnaby's Cockatoos.

Water sensitive native plants have also been selected for verges in medium density areas. In lieu of planting grass trees into residential lots, the grass tress have been planted into medium density verges in high profile locations.

It is recommended that the Waterwise Landscape Package is continued for future stages.

Solar Panel Rebates

The provision of the solar panel rebate allows purchasers of all lots within Catalina to claim a $2,000 rebate on the basis they complete their home, install solar panels with a minimum 1.5 kw convertor and claim the rebate within 18 months of settlement for a single storey home or 24 months for a two storey home.

To date 98 purchasers have claimed the rebate out of the 330 homes that have been completed indicating a take up rate of 30%. Some recently completed homes are still eligible to obtain the rebate, which could increase this take up rate.

A sample of the rebates claimed showed the size of the solar systems installed ranged from 1.5 kw to 5.0 kw with the average size being 3.0 kw. A 3.0 kw system will generally provide sufficient power for a small home compared to a 4.5kw to 6kw system for a larger home.

The cost of installation for the systems sampled ranged from $1,742 to $7,980 and averaged $3,298 per home.

The size and cost of systems currently being installed is very similar in size and cost to systems being installed 12 months ago.

Based on a 1.5 kw system being installed, the estimated savings to purchasers is in the order of $540 per annum which feeds back an estimated 341 kWh per annum into the grid. This is a significant saving providing an affordable living option for owners which also reduces greenhouse gas emissions by approximately 1.4 tonnes per annum per home. Applying this across the 98 homes with solar panels installed to date results in a total reduction in greenhouse gas emissions of 137 tonnes per annum.

Based on the take up rate of 30%, the ongoing power savings for purchasers, the cost of installation and the reduction in greenhouse gas emissions it is recommended that the solar rebate of $2,000 per lot is maintained for future stage releases.

Fibre Optic Services

At it's December 2011 Council Meeting the TPRC resolved to proceed with entering into an agreement with NBN Co. for the supply of fibre optic services through stages 1-6 of the Catalina development. In April 2014 the TPRC resolved to continue using NBN Co for the provision of fibre optic services for stages 7-18 of the Catalina development, covering all Urban zoned land in the Catalina Central precinct. An agreement with NBN Co. was subsequently entered into.

The NBN network provides many benefits for Purchasers including:

- work-life balance with the opportunity to work from home rather than from the office saving travel time and providing flexibility;
- small business opportunities where businesses can be established from home without the expense of renting an office;
- connecting with friends and family through high quality video conferencing;
- entertainment options such as video streaming and tv / movies on demand;
- a superior service for busy households where everyone can be online at the same time on multiple devices while still enjoying a high speed service;
- opportunity to sign up with all major Internet Service Providers, which isn't the case for the fibre optic service provided in some competing developments.

NBN Co. has provided a high standard of service to residents at Catalina. Residents have been able to connect to the internet immediately and are receiving a superior service to areas still serviced by copper.

The cost to install pit and pipes for NBN Co. is approximately $950 per lot. As of 1 July 2015 NBN Co. increased their fees for any lots that are not subject to an existing agreement with NBN Co. These new additional fees consist of:

- an infrastructure deployment charge of $600 per lot payable by the developer;
- where NBN Co does not have backhaul available to connect a new development, an additional charge will be payable by the developer with the amount dependent on the amount of backhaul required;
- a one-time connection charge of $300 per home, which will be payable by homeowners when they initially connect to the internet.

It is recommended that the fibre optic service is continued with NBN Co. for stages 1-18 in the Catalina Central precinct in accordance with the existing agreement with NBN Co. The additional cost highlighted above do not apply to Stages 1-18 due to an existing agreement between the TPRC and NBN Co. Consideration will need to be given to the new additional costs when choosing a supplier of fibre optic service provider for the Catalina Beach and Catalina Grove precincts.

Community Development

Community development activities over the past 12 months included welcome events, a tree planting event, a coastal environmental walk with the Quinns Environmental Group, sports activities in the park, creation of a newsletter, creation of an online community noticeboard and the formation of a group to create a community garden.

The cost to complete community development work for the period 1 July 2014 to 31 April 2015 was $78,324. It is expected that community development expenditure will continue at approximately $10,000 per month for the coming year with many new residents moving into Catalina.

The community development work undertaken is beginning to show benefits for the Catalina community including:

- creating a forum for residents to interact with each other and obtain up to date information regarding community events through the Catalina online Noticeboard;

- creating a community where residents get the opportunity to meet their neighbours through the street party and welcome day initiatives;

- creating an active community through the community sports days held over the summer months;

- creating a community that is aware of its environment through an annual tree planting day and environmental walks with the Quinns Environmental Group.

It is recommended that over the next 12 months existing initiatives such as the newsletter, planting days and environmental walks are continued with a greater focus on more regular Welcome events for new residents, the installation of a Community Garden and the creation of a resident's association.

Waste Recycling (Housing Construction)

The Catalina Waste Management Program was approved at the February 2013 TPRC Committee meeting for a term of 2 years, before being launched to builders in April 2013. The program was retendered in December 2014 and Instant Waste Management was appointed to continue the Program in February 2015.

The Program consists of Instant Waste Management providing recycling bins to participating builders. The builders place all of their waste in the bins before they are returned to Instant Waste Management's recycling plant in Bayswater where the waste is sorted into 5 different categories for recycling being timber, metal, concrete, sand and plasterboard.

The recycled material is being used for recycled bricks, concrete and asphalt with sand being tested and certified for use as clean fill in earthworks and civil works.

To date 2,200 tonnes of waste have been diverted from landfill and recycled at a rate of 95% of all materials. In order to offset the additional costs to builders the TPRC provides a rebate of $900 (exc GST) per home to participating builders in stages 1-13 and $750 (exc GST) for stage 14 onwards. Feedback from participating builders is that the rebate is covering costs.

The Program is voluntary in public stages, however it has been mandated for builder releases from stage 9 onwards and the 2nd display home village to increase the participation rate. It is receiving good feedback from builders who have participated to date and is achieving excellent recycling results.

A total of 105 homes are participating in the Program to date out of a total of 390 homes that have the opportunity to participate, indicating a participation rate of 27%.

The Program is unique and provides excellent recycling rates, easy participation for builders and has received industry recognition for its achievements from the Housing Industry Association and the Master Builders Association. Additionally the Program ensures that builders contain their rubbish in a bin to reduce the amount of wind-blown rubbish on site.

It is recommended the Catalina Waste Management Program is continued and that it is reassessed in late 2016 prior to the contract with Instant Waste Management ending in February 2017.

Sustainable Housing through Design Guidelines

The Catalina Design Guidelines were approved by the TPRC at the December 2011 Council meeting and modified at the February 2013 Council meeting. They include a number of recommendations for purchasers to reduce the consumption and cost of household energy and water. These recommendations include:

- installing high star rated electrical and water using appliances;
- installing a solar hot water system;
- installing an array of photovoltaic cells;
- incorporating shade devices that allow northern winter sun to living areas and prevent summer sun access;
- passive solar design by locating the dwelling's daytime living areas and their associated openings to a north facing aspect where practical;
- locating windows and doors in habitable rooms opposite each other to allow for ventilation through the dwelling from cooling summer breezes from the south-west.

The benefits of implementing these recommendations include a reduction in greenhouse gas production, lower power costs, cleaner air and a cooler home.

As the guidelines are only recommendations they are being incorporated into designs with mixed success. Design elements such as living and outdoor areas facing north and cross ventilation by placing windows and doors opposite each other, are being incorporated into the majority of designs. It is likely that this is due to there being little to no cost implications for these elements. Solar hot water systems and shade devices are generally not being included in building designs due to the higher cost involved with their installation. Consideration could be given to a rebate (similar to the solar rebate) to incentivise the installation of these sustainability initiatives. It is recommended this is further investigated as part of the EnviroDevelopment accreditation.

To assist in the demonstration of the above initiatives, it is mandatory for builders in the 2nd Catalina display home village to proceed with at least three of these initiatives in each home. In some cases builders are proceeding with all of the initiatives.

As the Design Guidelines were approved in December 2011, it is recommended the Design Guidelines are reviewed by an Architect to incorporate new design trends and sustainability initiatives. Separate guidelines should also be created for the Catalina Beach precinct to ensure a higher standard of housing.

Dwelling Densities

The Catalina development has included a diversity of lot sizes, including a high proportion of small lots with an area of 180 sqm to 250 sqm, compared to competing developments. Areas for small lot and higher density housing are detailed in the Catalina Built Form and Housing Strategy (September 2013). In FYE2015 a total of 50 small lots were created, representing 18% of the lots created. Additionally the Lot 248 Group Housing site was sold which is expected to achieve a density of 13 dwellings on a 2,295 square metre site.

One bedroom and two bedroom apartments are under construction in Catalina stage 1 as part of a development agreement between the TPRC and the ABN Group. These apartments were well accepted by the market, providing a new affordable product for Catalina which could be used on future group housing sites. New front loaded small lots with areas ranging from 200 square metres to 250 square metres are being trialled in Catalina Central Stages 13B and 15 which will provide a new affordable product to the market that can be delivered at a lower cost than rear loaded 225 square metre lots as there are no additional rear laneway costs.

Small lots and medium density housing provide a number of benefits including:

- Low maintenance for residents;
- Affordable living for residents;
- Affordable homes creating a greater diversity of residents.
- Improves the viability of local and neighbourhood shops, resulting in shorter journeys to facilities and services;
- Greater opportunities for social interaction and support such as use of local parks due to smaller back yards;
- Greater opportunities for provision of social infrastructure due to a higher density of residents.

It is recommended that TPRC continue to provide small lot and Medium Density Housing opportunities in accordance with the Catalina Built Form and Housing Strategy (September 2013) and continue to investigate new product types and builder partnerships.

Retention of Native Vegetation and Protection of Fauna

Fauna Relocation

Prior to the commencement of each earthworks stage at Catalina the TPRC undertakes best practice fauna relocation.

This involves trapping for Bandicoots and small marsupials, reptiles and subterranean fauna at regular intervals to maximise their performance. Trapping is augmented by significant site inspections looking for species which don't trap well and hand capturing for relocation. All native fauna is relocated to an appropriate Crown Reserve or National Park. There is strict recording of each specimen and photos taken at time of capture and release.

The program also includes the trapping / capture any introduced and non endemic species such as rabbits, foxes, feral cat, european rat and house mouse.

Trees are checked for Carnaby Black-Cockatoo nesting activity. Should nesting birds be observed, the zoologist is to provide advice on the expected duration of nesting and appropriate management responses and any active nests will be discussed with the Department of Environmental Regulation.

Flora Relocation

Prior to the commencement of each earthworks stage grass trees are relocated from areas of the land that are to be cleared. The grass trees are removed for reuse in landscape contracts in public open space and in road verges. The TPRC is also to relocate five populations of Fabronia hampeana (Priority 2 moss species) from the Western Precinct as part of the proposed earthworks in July 2015.

Flora Revegetation Programs

The majority of the landscape species are native, low water use plants. In addition over 50% of plantings of trees and shrubs in street-scaping and other public areas comprise plant species which are primary feeding plants for Carnaby's Black Cockatoo.

The TPRC has also commenced the rehabilitation program for the Biodiversity Conservation Area (BCA), which is an important conservation area adjacent Marmion Avenue. The rehabilitation has included conservation fencing and control of unauthorised tracks..

The TPRC has collected seeds from uncleared areas on site and has undertaken a propagation program. These plants have then been used fortubestock planting in conservation and open space areas.

Civil Design and Construction

The project team is investigating two new construction initiatives in FYE2016 being:

a. Use of Sewer Infrastructure in Catalina Beach Precinct

   The Catalina Beach precinct has a permanent waste water pumping station indicated on the Water Corporation's waste water scheme plan as the key method to transfer waste water flow from Catalina to the major conveyance system and to the regional waste water treatment plant.

There is an existing gravity sewer in the Anchorage Drive road reserve at sufficient depth and with capacity to manage the design flow from Catalina Beach without the need for a waste water pumping station. However, to make the connection with conventional gravity sewer construction along Long Beach Promenade to the sewer at Anchorage Drive (some 560m along existing road with existing fronting homes) there will be significant disturbance to existing infrastructure and resident vehicle access.

The Catalina project team will investigate innovative construction techniques including trenchless technology for as much of the length as possible to minimise the reinstatement costs and disturbance to existing residents, making the gravity connection both viable and a realistic option for the Water Corporation in comparison to constructing another waste water pump station. The cost to install the gravity sewer is less than installing a pump station, however agreement will need to be obtained from the Water Corporation in regard to reimbursement of the TPRC's costs.

Reducing the number of pump stations in the community results in reduced energy consumption, ongoing operating costs and infrastructure risk of a stand alone pump station. Success of this innovation will rely on the design outcome, the ability to convince the Water Corporation of the benefits and ensuring the Water Corporation continues to view the works as a capital expenditure item funded through headworks to avoid additional costs being directed to the TPRC.

b. Drainage

The existing strategy for management of stormwater runoff from public road reserves includes collection through kerbed roads and formal drainage entry pits with conveyance via a network of pipes to low point swales in areas of public open space. At the swale the stormwater is discharged through a gross pollutant trap structure into a vegetated swale which takes all runoff from a 1 in 1 year recurrence interval storm. The 1 in 1 year area is planted with more tolerant plant species for frequent inundation and no POS credit is provided for this land. All runoff from site is infiltrated through the 1 in 1 year swale and adjoining public open space which together are designed to manage up to the 1 in 100 year recurrence storms.

An innovation the Catalina project team will investigate, is to replace the 1 in 1 year storm component of the swale in POS with alternative below ground storage structures, likely to be culverts with permeable bases to be located in road verges or under areas of public open space. This will reduce the land in POS areas given up as drainage swales for which no POS credit is given. This strategy will assist infiltration of stormwater runoff being provided higher in the catchment closer to the source. It will likely require less formal gross pollutant trap structures and reduce the area of land given up in POS which has limited public access and can be detrimental in appearance. The proposed strategy is more closely aligned to WSUD principles and best management practice. It is estimated that underground storage for a 8 hectare catchment would cost in the order of $260,000 for a 1 in 1 year storm event, however would result in an additional 750 square metres of creditable Public Open Space which could be used for residential purposes.

It is recommended that the above civil design initiatives are further investigated.

Landscape Design and Construction

Landscape contracts have included some of the following sustainability initiatives:

- Reuse of limestone boulders and logs from on site;
- Propagation of native seeds taken from site for planting in conservation and open space areas;
- Use of site mulch from trees cleared during earthworks;
- Installation of solar lights in parks;
- Rehabilitation of Biodiversity Conservation Areas through weed management, fencing and planting of native species while minimising disturbance;
- Planting of native trees along streets and in parks that are a feeding habitat for Carnabys Cockatoo;
- Reuse of pots after trees and shrubs are planted;
- Recycling of material through Instant Waste Management.

It is recommended that the existing landscape design and construction initiatives are continued.

EnviroDevelopment Certification

EnviroDevelopment is an environmental branding system designed to make it easier for purchasers and developers to recognise the environmental credential of certified developments.

EnviroDevelopment consists of six different sustainability categories being water efficiency, energy efficiency, ecosystem protection and enhancement, vibrant cohesive sustainable communities, responsible material usage and waste management procedures to reduce the amount of waste to landfill.

The SIP benchmarks the initiatives proposed for implementation in Catalina and recognises the ability to achieve certification in 4 to 5 elements.

The Council has agreed to proceed with UDIA EnviroDevelopment certification for the Catalina project and engage a consultant to prepare and lodge the necessary reports to seek accreditation for all 6 elements, which is the maximum certification available. A brief for Envirodevelopment certification has been finalised with an environmental consultant expected to be appointed in August 2015.

Competitor Review

Catalina is implementing a high standard of environmental initiatives. The initiatives being implemented exceed those at the majority of competing developments in Beaumaris, Burns Beach and Jindalee. Generally sustainability initiatives at these developments consist of community development, retention of vegetation, environmentally friendly front landscaping and a fibre optic service. The Projects have Envirodevelopment certification ratings ranging from 1 leaf to 6 leaves and average 2.8 leaves. Four of Catalina's competitors in the northern corridor have Envirodevelement ratings. A summary of these ratings is shown in the table below.

Project	Developer	Leaves	Ecosystems	Waste	Energy	Materials Water	Water	Community
Alkimos Beach	LendLease / Landcorp	6	Yes	Yes	Yes	Yes	Yes	Yes
Trinity	LWP	2	Yes	No	No	No	No	Yes
Carpricorn Village	Carricorn Village JV	2	Yes	No	No	No	No	Yes
Shorehaven	Peet	1	No	No	No	No	Yes	No
Average / Total		2.8	3	1	1	1	2	3

Alkimos Beach, a joint venture between Landcorp and Lendlease, has received a 6 leaf EnviroDevelopment rating, being the market leader in both Perth and the north-west corridor. The Alkimos Beach development includes an Energy Smart Home Package which includes the following:

- A cash rebate of $2,500 upon installation of a 1kW or greater solar panel system;
- A cash rebate of $1,500 towards a solar hot water system (gas boosted);
- In home energy display valued at approximately $200;
- Efficient airconditioning rebate valued at approximately $300;
- Front landscaping package to the value of $2,500.

Allara, a joint venture between Landcorp and Satterley in Eglinton, commenced in November 2014 and also includes a sustainability package summarised as follows:

- Smart thermostat to provide energy efficient air conditioning value valued at $300;
- Energy monitors and smart meters valued at $366;
- LED lights valued at $500;
- Photo voltaic cells to the value of $2,600;
- Waterwise front landscaping to the value of $3,500.

Allara has not yet obtained Envirodevelopment certification. There are also many other developments in the northern coastal corridor that do not have Enviro Development ratings.

Summary of Implementation Review

All sustainability initiatives approved in April 2014 have been implemented and are receiving a sound take-up rate. As the number of residents at Catalina increases the take up rate of many of the sustainability initiatives is expected to increase. In summary SPG recommend the following:

- That the Shared Bore Trial is evaluated in October 2015 following completion of landscaping and a short period of the bores operating;

- That the Waterwise Landscape Packages are continued;

- That the Solar Panel Rebate is maintained at $2,000 per lot;

- That NBN Co. continue to provide a fibre optic service Catalina Central Stages 1-18 with further consideration to be given to the fibre optic service provider for Catalina Beach and Catalina Grove;

- That Community Development is continued for future stages;

- That the Catalina Waste Management Program is continued in accordance with the recent appointment of Instant Waste Management;

- That the Catalina Design Guidelines are reviewed by an Architect to incorporate new design trends and sustainability initiatives;

- That medium density housing options are continued into future stages including medium density housing on front loaded small lots and partnering with builders to deliver medium density dwellings on group housing sites;

- That proposed sewer and drainage initiatives are further investigated as part of the civil design for Catalina Beach;

- That transplantation of grass trees and relocation of fauna prior to earthworks is continued.

Please contact me should you have any queries.

Yours sincerely

BRENTON DOWNING
PROJECT DIRECTOR

Appendix 9.7

Satterley

CATALINA RISK REGISTER
JULY 2015

SALES AND MARKETING

	RISK	LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
1.1	Low interest from builders leads to lack of medium density lot sales in builder releases.	3	3	9	Medium	Reduce number of lots to be sold in FYE2016 builder release put option tenders. Release more medium density lots in public releases. Work with wide range of builders to create value for money house and land packages on medium density lots. Introduce new builder arrangement that is more acceptable to the market than Put Option agreements.	*The recommended mitigation strategy has been implemented in an ongoing manner through marketing and development actions and is considered an appropriate response to the risk.*
1.2	Cashflow impacted by slower sales or delayed settlements.	3	3	9	Medium	Ensure an appropriate minimum bank balance is included in the budget. Implement stock level trigger before commencing construction of future civil works. Monitor expenditure on future works, including the size of earthwork stages. Review distributions to participating Councils.	*The recommended mitigation actions have been adopted within the project budget including the application of sales triggers.* *The TPRC monitors bank balances to ensure minimum cashflow is maintained.* *Regular sales and financial reporting is occurring to monitor the progress of sales and settlements.*
1.3	Negative change in market sentiment reduces sales and / or pricing.	3	3	9	Medium	Careful positioning of Catalina brand to soften impact of any fall in house and land prices across the Perth market. Ensure pricing is not too aggressive so lots are affordable when interest rates rise. Ensure lot mix includes affordable housing options. Apply sales triggers before awarding civil works contracts to ensure there is not an oversupply of land. If market deteriorates then defer non-essential spending.	*The recommended mitigation actions have been implemented through the approved Catalina Marketing Plan which has guided the Project's marketing activities.* *All pricing is subject to formal valuation by the TPRC appointed valuer and recommendation by the Development Manager.* *Continued implementation of the recommended mitigation action is supported.*

BUDGET

	RISK	LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
2.1	Expenditure exceeds budget projections due to increased development costs.	2	3	6	Low	Regular monitoring of works contracts and strong budget control work practices. Use of fixed price contracts and maximise provisional sums for rock to limit variation costs and uncertainty. Undertake advanced planning to facilitate accurate OPC estimates for incorporation within annual budget review and six monthly budget reviews. Contingency included in budget for any unforeseen items.	*The recommended mitigation actions have been implemented in accordance with the project program and all budget review processes.* *All major construction contracts have been issued as lump sum contracts and all project expenditure is closely monitored to budget.* *The continued implementation of the recommended mitigation actions and the above project processes is supported.*

Ranking:
*High Risk = 15 – over
*Medium Risk = 7 – 14
*Low Risk = 0 – 6

2.2	Cashflow delays provision of early infrastructure items and release on new sales fronts.	2	3	6	Low	Ensure TPRC is fully briefed on development and distribution options so they can consider the costs and benefits. Continue to manage the project to achieve budget sales triggers. Ensure planning and engineering risks are managed so settlement program is met.	*The recommended mitigation actions are being implemented via project planning and development processes.* *Monthly financial reporting and bi-annual budget reviews are undertaken to monitor and manage this risk.*
2.3	Reduced cashflow results in lower distributions than budgeted.	2	3	6	Low	Defer non-essential expenditure to reduce impact on distributions. Release Catalina Beach precinct to provide more diverse product mix to assist sales rates and reduce the risk of reduced cashflow over the medium to long term.	*The recommended mitigation actions are being implemented via project planning and budget control processes.* *Monthly financial reporting and bi-annual budget reviews are undertaken to monitor and manage this risk.*

PLANNING AND ENVIRONMENTAL APPROVALS

RISK		LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
3.1	Lifting of urban deferred zoning does not meet cashflow expectations.	3	5	15	High	Close liaison with Mindarie Regional Council on shifting of landfill buffer. Apply for urban deferred lifting when buffer is removed and environmental risks are acceptable. Adopt conservative timing of development of the urban deferred land in the Project Forecast cashflow. Controlled releases of Catalina Beach precinct to ensure land is available when Catalina Grove and Catalina Central Urban zoned land are sold out.	*Implementation of the recommended mitigation actions are occurring via liaison with the MRC and planning processes, including a projection of the movement of the landfill buffer movement sought from the MRC.* *The project staging strategy accounts for the landfill buffer with development of the southern portion of the Central Precinct.* *The continued implementation of the recommended mitigation actions is supported.*
3.2	Non-compliance with EPBC environmental approval conditions.	2	3	6	Low	Undertake ongoing monitoring and review of EPBC conditions. Prepare matrix making it clear who is responsible for monitoring condition requirements. Annual audit completed by environmental consultant. Complete fencing and vest southern biodiversity conservation area as soon as possible.	*Annual audits of actions/conditions relating to EPBC conditions is undertaken and provided to SEWPAC. To date there have been no issues with compliance.* *Ongoing monitoring of SEWPAC conditions is being undertaken.*
3.3	Non-compliance with Environmental Management Plan requirements.	2	3	6	Low	Environmental consultant appointed to advise on EMP issues. Prepare matrix making it clear who is responsible for monitoring condition requirements.	*The TPRC has prepared an audit of all actions required under the EMP confirming all actions are on schedule.* *Implementation of the recommended mitigation actions is ongoing.*
3.4	Delays achieving environmental, planning and development Approvals which impact cashflow.	3	3	9	Medium	Develop and maintain the project program to ensure sufficient approval periods are allowed. Close liaison with approval authorities including the City of Wanneroo and Water Corporation officers to maintain strong knowledge of approval requirements and build relationships.	*The recommended mitigation action is being implemented in accordance with the project program.* *In addition to the lodgement of subdivision applications ongoing liaison with the WAPC and referral authorities is being undertaken.* *This action is considered to represent good project management practice and continued implementation is supported.*
3.5	Delays in commencing and undertaking. Tamala Park LSP Amendment process for Catalina Grove precinct may impact sales releases.	2	4	8	Medium	Carry out Integrated Urban Design process to prepare a strong vision and basis for Local Structure Plan amendment. Allow sufficient times for Local Structure Plan amendment, in particular for the Catalina Grove precinct. Construct Connolly Drive intersection prior to LSP approval.	*The recommended mitigation action has been implemented with discussions with the City of Wanneroo and WAPC.*

<u>Ranking</u>:
*High Risk = 15 – over
*Medium Risk = 7 – 14
*Low Risk = 0 – 6

3.6	City of Wanneroo scheme contributions higher than forecast.	2	3	6	Low	Continue to adequately budget for scheme contributions. Continue discussions with City of Wanneroo on key infrastructure items and administration of scheme contributions. Enter into agreement with MRWA for the construction of Neerabup Road bus underpass to save future costs.	*The recommended mitigation action has been implemented with discussions with the City of Wanneroo.* *The project budget accounts for scheme contributions requirement.* *Agreement reached with MRWA on Neerabup Road Underpass.*
3.7	Beach access road from Catalina Beach is not agreed to by Statutory Authorities	3	3	9	Medium	Submit environmental and planning applications to relevant authorities. Continue to engage with Mindarie Quinns Rock Surf Lifesaving Club and City of Wanneroo regarding access.	*Discussions initiated with the City of Wanneroo and WAPC.*
3.8	Delay in obtaining Subdivision Approval for the first stage of in Catalina Beach. A delay in obtaining subdivision approval will impact on the commencement of sales in the Catalina Beach precinct which will impact the Project's cashflow.	2	3	6	Low	A subdivision application has been lodged for the initial stages of the Catalina Beach precinct. Meetings with the City of Wanneroo and the Department of Planning have reduced the risk of the subdivision approval being delayed or any unreasonable conditions being imposed on the TPRC.	*The recommended mitigation action has been implemented with discussions with the City of Wanneroo and WAPC.* *Subdivision approval expected shortly.*

ENGINEERING AND CONSTRUCTION							
RISK		LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
4.1	Landscaping of open space adjacent to Telethon Home not complete at time of home opening.	3	2	6	Low	Appoint landscape architect to update the landscape design for the public open space. Ensure Landscape Contractor is aware of upcoming work and will process quickly.	*Landscape works have been designed and lodged for approval and are scheduled for completion in September 2015.*
4.2	Non-compliance with Work Health and Safety Requirements leads to serious injury and / or death. Potential for Worksafe investigation or claim for damages due to incident. WHS acts or omissions which result in, or have the potential to result in, serious personal injury and/or death that could be dealt with as: • An indictable offence; or • A breach of law that has a civil (not criminal) penalty.	2	4	12	Medium	SPG to provide TPRC: • Evidence that SPG's WHS Management System satisfies the best intentions of the *Occupational Safety and Health Act (WA) 1984* ("Act") and *Occupational Safety and Health Regulations (WA) 1996* ("Regulations"); • Evidence of implementation of the SPG WHS Contractor Management Procedure, which includes: ▪ WHS prequalification process; ▪ Copies of any 2nd Party (Principal Contractor) audit reports conducted on the project site (at the request of TPRC); ▪ Evidence that a project specific risk identification workshop has been undertaken in conjunction with the Principal Contractor (at the request of TPRC), including a summary of session outcomes; and • Regular reporting of WHS leading and lagging indicators (including contractor WHS non-conformances and areas for improvement, and incidents and hazards).	*The TPRC's contractors are qualified in managing safe working practices.* *There are regular site meetings where site safety is discussed and safe working practices confirmed and site inspections undertaken to monitor the site and site works.* *The SPG's mitigation actions are supported and being monitored by the TPRC.*
4.3	Delays and increased cost of key infrastructure items including pump stations, underpasses and overpasses presents a future cashflow risk.	2	3	6	Low	Engage with the City of Wanneroo, Main Roads WA and Service Authorities early to ensure infrastructure requirements are known and adequately budgeted for. Enter into agreement with Main Roads WA for construction of Neerabup Road bus underpass as part of Mitchell Freeway extension works.	*Allowances for infrastructure items have been provided for within the TPRC budget in accordance with advice from relevant servicing authorities.* *Liaison with servicing authorities has been undertaken to ensure infrastructure items are included within capital works programming of relevant authorities.* *Continued implementation of the above actions is supported.*

Ranking:
*High Risk = 15 – over
*Medium Risk = 7 – 14
*Low Risk = 0 – 6

4.4	Delays to clearances leads to delay in settlements.	2	3	6	Low	Preparation of clearance request documentation and submission to statutory authorities in accordance with the project program. Close liaison with relevant officers of clearance authorities to ensure consensus agreement exists in regards to condition requirements. Deposited plans, covenant and noise & fire notifications to be created and lodged early in the process.	*The recommended mitigation action has been implemented via the preparation of clearance packages and liaison with clearance authorities.* *The clearances process is closely monitored by the SPG and the TPRC.*

STAKEHOLDERS							
RISK		LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
5.1	The potential impacts from the landfill operations include contamination of the TPRC's landholding from contaminated groundwater or a gas leak which could provide a significant safety risk to the public.	2	5	10	Medium	SPG is not aware of any management issues with the MRC landfill and have sited a letter dated April 2014 advising that the groundwater sampled within Catalina had normal levels of contaminants. The MRC's website states their Environmental Management System is certified by NCS International as being compliant with ISO14001 Environmental Management. Mitigation measures consist of providing purchasers with adequate information on landfill timing and impacts on request, ensuring an adequate buffer is maintained between the landfill operations and residential development, monitoring any odour complaints from residents and liaising with the Mindarie Regional Council to ensure Risk Management Plans and Environmental Management Plans are in place and complied with.	*Staging has been devised to maintain separation from the landfill site during initial phases of development.* *There is ongoing liaison with MRC regarding landfill operations and potential impacts.* *Continued implementation of the recommended mitigation actions is supported.*
5.2	Delay in provision of services within Catalina including shopping and schools.	3	2	6	Low	Undertake Expression of Interest campaign for the Local Centre site including obtaining information regarding the tenderers proposed development uses. Engage with local schools in Clarkson and Mindarie and provide information to residents regarding existing local services. Engage with the Department of Education regarding the timing of the Catalina Primary School site. Provide budget for the landscaping of the local oval to commence in FYE2017.	*Proposed mitigation measures are included in the TPRC Annual Plan 2015/2016 approved by Council.* *There is on-going liaison with service agencies to ensure timely provision of necessary services.*
5.3	Adverse community reaction to ongoing development due to nuisance from construction activities.	2	4	8	Medium	Undertake pro-active community engagement through support of community groups in order to garner support from community groups which can then be enlisted to support development should adverse publicity arise. Ensure offsite impacts such as dust are being managed by the civil contractor, and where possible complete bulk earthworks during winter months.	*Implementation of recommended mitigation actions has commenced with appointment of the Community Development Manager, and the necessary community consultation strategies are being progressed.* *Review of scheduling earthworks adjacent to residential areas to occur in winter months to reduce dust and objections from residents. Consultation to be undertaken prior to commencement of works.*

Ranking:
*High Risk = 15 – over
*Medium Risk = 7 – 14
*Low Risk = 0 – 6

MANAGEMENT

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

Ranking:
*High Risk = 15 – over
*Medium Risk = 7 – 14
*Low Risk = 0 – 6

RISK MANAGEMENT PLAN

DATE: 21 JULY 2015

Table of Contents

1. Introduction

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

2. Organisational Context

The Tamala Park Regional Council (TPRC) was established in 2006 for the specific purpose of creating an urban development of 170 hectares of land in Clarkson and Mindarie, known as the Catalina Estate. The objectives of the TPRC are:

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

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

3. Risk Strategy

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

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

4. Risk Register

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

5. Qualitative Assessment of High Risks

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

The approved project budget is based on a development schedule that assumes the Tamala Park Landfill buffer will progressivelyrecede to allow urban deferred zonings to be lifted and development to continue to the site's southern boundary by 2024.

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

In order for development to proceed towards the site's southern boundary it will be necessary for the landfill buffer to be removed progressively from the Catalina site by approximately 2022. If the buffer is not removed beyond 2022 it is likely that delays to the project schedule will be incurred, which will affect the Project Forecast cashflow.

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

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

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

Risk 3.5 Delays in commencing and undertaking Tamala Park LSP Amendment process for Catalina Grove may impact sales releases

The approved Project Forecast cashflow assumes the first sales release in Catalina Grove in April 2017. In order to release the plan detailed planning and an amendment to the Tamala Park Local Structure Plan are required, which can take a considerable amount of time. A delay in this process would result in a period of reduced sales after the Catalina Central precinct is completed.

The integrated urban design for the Catalina Grove precinct has now commenced and following this a Tamala Park LSP amendment will be lodged. The Program will be closely managed to ensure sufficient time is available to lodge and approve the LSP amendment.

Risk 4.2 – Non Compliance with Work Health and Safety Requirements Leads to Death or Serious Injury

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

In order to manage safety the SPG use their best intentions of checking that civil and landscape contractors satisfy WH&S legislation. This consists of:

- a WHS prequalification process;

- obtaining copies of any 2nd party audits conducted on the project site that have been completed;

- evidence that a project specific risk identification workshop has been undertaken including a summary of outcomes,;

- regular reporting of WHS leading and lagging indicators including contractor WHS non-conformance and areas of improvement;

- WHS issues are on the agenda for discussion at all site meetings.

Risk 5.1 – The potential impacts from the landfill operations include contamination of the TPRC's landholding from contaminated groundwater or a gas leak which could provide a significant safety risk to the public.

The adjacent Tamala Park Waste Management Facility is a putrescible landfill operated by the Mindarie Regional Council. There is a risk that the landfill operations could contaminate the TPRC's landholding from contaminated groundwater or a gas leak which could provide a significant safety risk to the public. The SPG is not aware of any management issues with the landfill that affect the Catalina development and has received a copy of a letter from the Mindarie Regional Council dated April 2014 advising that the groundwater sampled within Catalina had normal levels of contaminants indicating the landfill is having no adverse affect on the water sampled. Additionally the letter notes that no landfill gas has been recorded on the northern boundary in monitoring wells at Tamala Park.

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

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

7. Review of Catalina Risk Management Plan

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

Appendix 1 – Catalina Risk Register

CATALINA RISK REGISTER
JULY 2015

SALES AND MARKETING

	RISK	LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION
1.1	Low interest from builders leads to lack of medium density lot sales in builder releases.	3	3	9	Medium	Reduce number of lots to be sold in FYE2016 builder release put option tenders. Release more medium density lots in public releases. Work with wide range of builders to create value for money house and land packages on medium density lots. Introduce new builder arrangement that is more acceptable to the market than Put Option agreements.
1.2	Cashflow impacted by slower sales or delayed settlements.	3	3	9	Medium	Ensure an appropriate minimum bank balance is included in the budget. Implement stock level trigger before commencing construction of future civil works. Monitor expenditure on future works, including the size of earthwork stages. Review distributions to participating Councils.
1.3	Negative change in market sentiment reduces sales and / or pricing.	3	3	9	Medium	Careful positioning of Catalina brand to soften impact of any fall in house and land prices across the Perth market. Ensure pricing is not too aggressive so lots are affordable when interest rates rise. Ensure lot mix includes affordable housing options. Apply sales triggers before awarding civil works contracts to ensure there is not an oversupply of land. If market deteriorates then defer non-essential spending.

BUDGET

	RISK	LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION
2.1	Expenditure exceeds budget projections due to increased development costs.	2	3	6	Low	Regular monitoring of works contracts and strong budget control work practices. Use of fixed price contracts and maximise provisional sums for rock to limit variation costs and uncertainty. Undertake advanced planning to facilitate accurate OPC estimates for incorporation within annual budget review and six monthly budget reviews. Contingency included in budget for any unforeseen items.
2.2	Cashflow delays provision of early infrastructure items and release on new sales fronts.	2	3	6	Low	Ensure TPRC is fully briefed on development and distribution options so they can consider the costs and benefits. Continue to manage the project to achieve budget sales triggers. Ensure planning and engineering risks are managed so settlement program is met.
2.3	Reduced cashflow results in lower distributions than budgeted.	2	3	6	Low	Defer non-essential expenditure to reduce impact on distributions. Release Catalina Beach precinct to provide more diverse product mix to assist sales rates and reduce the risk of reduced cashflow over the medium to long term.

Ranking:
*High Risk = 15 – over
*Medium Risk = 7 – 14
*Low Risk = 0 – 6

PLANNING AND ENVIRONMENTAL APPROVALS

	RISK	LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION
3.1	Lifting of urban deferred zoning does not meet cashflow expectations.	3	5	15	High	Close liaison with Mindarie Regional Council on shifting of landfill buffer. Apply for urban deferred lifting when buffer is removed and environmental risks are acceptable. Adopt conservative timing of development of the urban deferred land in the Project Forecast cashflow. Controlled releases of Catalina Beach precinct to ensure land is available when Catalina Grove and Catalina Central Urban zoned land are sold out.
3.2	Non-compliance with EPBC environmental approval conditions.	2	3	6	Low	Undertake ongoing monitoring and review of EPBC conditions. Prepare matrix making it clear who is responsible for monitoring condition requirements. Annual audit completed by environmental consultant. Complete fencing and vest southern biodiversity conservation area as soon as possible.
3.3	Non-compliance with Environmental Management Plan requirements.	2	3	6	Low	Environmental consultant appointed to advise on EMP issues. Prepare matrix making it clear who is responsible for monitoring condition requirements.
3.4	Delays achieving environmental, planning and development Approvals which impact cashflow.	3	3	9	Medium	Develop and maintain the project program to ensure sufficient approval periods are allowed. Close liaison with approval authorities including the City of Wanneroo and Water Corporation officers to maintain strong knowledge of approval requirements and build relationships.
3.5	Delays in commencing and undertaking. Tamala Park LSP Amendment process for Catalina Grove precinct may impact sales releases.	2	4	8	Medium	Carry out Integrated Urban Design process to prepare a strong vision and basis for Local Structure Plan amendment. Allow sufficient times for Local Structure Plan amendment, in particular for the Catalina Grove precinct. Construct Connolly Drive intersection prior to LSP approval.
3.6	City of Wanneroo scheme contributions higher than forecast.	2	3	6	Low	Continue to adequately budget for scheme contributions. Continue discussions with City of Wanneroo on key infrastructure items and administration of scheme contributions. Enter into agreement with MRWA for the construction of Neerabup Road bus underpass to save future costs.
3.7	Beach access road from Catalina Beach is not agreed to by Statutory Authorities	3	3	9	Medium	Submit environmental and planning applications to relevant authorities. Continue to engage with Mindarie Quinns Rock Surf Lifesaving Club and City of Wanneroo regarding access.
3.8	Delay in obtaining Subdivision Approval for the first stage of in Catalina Beach. A delay in obtaining subdivision approval will impact on the commencement of sales in the Catalina Beach precinct which will impact the Project's cashflow.	2	3	6	Low	A subdivision application has been lodged for the initial stages of the Catalina Beach precinct. Meetings with the City of Wanneroo and the Department of Planning have reduced the risk of the subdivision approval being delayed or any unreasonable conditions being imposed on the TPRC.

ENGINEERING AND CONSTRUCTION

	RISK	LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION
4.1	Landscaping of open space adjacent to Telethon Home not complete at time of home opening.	3	2	6	Low	Appoint landscape architect to update the landscape design for the public open space. Ensure Landscape Contractor is aware of upcoming work and will process quickly.
4.2	Non-compliance with Work Health and Safety Requirements leads to serious injury and / or death. Potential for Worksafe investigation or claim for damages due to incident.	2	4	12	Medium	SPG to provide TPRC: • Evidence that SPG's WHS Management System satisfies the best intentions of the *Occupational Safety and Health Act (WA) 1984* ("Act") and *Occupational Safety and Health Regulations (WA) 1996* ("Regulations"); • Evidence of implementation of the SPG WHS Contractor Management Procedure, which includes:

<u>Ranking</u>:
*High Risk = 15 – over
*Medium Risk = 7 – 14
*Low Risk = 0 – 6

	WHS acts or omissions which result in, or have the potential to result in, serious personal injury and/or death that could be dealt with as: • An indictable offence; or • A breach of law that has a civil (not criminal) penalty.					▪ WHS prequalification process; ▪ Copies of any 2nd Party (Principal Contractor) audit reports conducted on the project site (at the request of TPRC); ▪ Evidence that a project specific risk identification workshop has been undertaken in conjunction with the Principal Contractor (at the request of TPRC), including a summary of session outcomes; and • Regular reporting of WHS leading and lagging indicators (including contractor WHS non-conformances and areas for improvement, and incidents and hazards).
4.3	Delays and increased cost of key infrastructure items including pump stations, underpasses and overpasses presents a future cashflow risk.	2	3	6	Low	Engage with the City of Wanneroo, Main Roads WA and Service Authorities early to ensure infrastructure requirements are known and adequately budgeted for. Enter into agreement with Main Roads WA for construction of Neerabup Road bus underpass as part of Mitchell Freeway extension works.
4.4	Delays to clearances leads to delay in settlements.	2	3	6	Low	Preparation of clearance request documentation and submission to statutory authorities in accordance with the project program. Close liaison with relevant officers of clearance authorities to ensure consensus agreement exists in regards to condition requirements. Deposited plans, covenant and noise & fire notifications to be created and lodged early in the process.

STAKEHOLDERS

	RISK	LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION
5.1	The potential impacts from the landfill operations include contamination of the TPRC's landholding from contaminated groundwater or a gas leak which could provide a significant safety risk to the public.	2	5	10	Medium	SPG is not aware of any management issues with the MRC landfill and have sited a letter dated April 2014 advising that the groundwater sampled within Catalina had normal levels of contaminants. The MRC's website states their Environmental Management System is certified by NCS International as being compliant with ISO14001 Environmental Management. Mitigation measures consist of providing purchasers with adequate information on landfill timing and impacts on request, ensuring an adequate buffer is maintained between the landfill operations and residential development, monitoring any odour complaints from residents and liaising with the Mindarie Regional Council to ensure Risk Management Plans and Environmental Management Plans are in place and complied with.
5.2	Delay in provision of services within Catalina including shopping and schools.	3	2	6	Low	Undertake Expression of Interest campaign for the Local Centre site including obtaining information regarding the tenderers proposed development uses. Engage with local schools in Clarkson and Mindarie and provide information to residents regarding existing local services. Engage with the Department of Education regarding the timing of the Catalina Primary School site. Provide budget for the landscaping of the local oval to commence in FYE2017.
5.3	Adverse community reaction to ongoing development due to nuisance from construction activities.	2	4	8	Medium	Undertake pro-active community engagement through support of community groups in order to garner support from community groups which can then be enlisted to support development should adverse publicity arise. Ensure offsite impacts such as dust are being managed by the civil contractor, and where possible complete bulk earthworks during winter months.

MANAGEMENT

	RISK	LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION
6.1	TPRC project objectives not being met.	2	3	6	Low	Ensure TPRC approvals received for actions undertaken by project team and implementation of project are in accordance with TPRC approvals. Regularly review objectives of TPRC strategy documents and ensure implementation by project team.

Ranking:
*High Risk = 15 – over
*Medium Risk = 7 – 14
*Low Risk = 0 – 6

RISK REFERENCES TABLES

TABLE 1

QUALITATIVE MEASURES OF LIKELIHOOD

LEVEL	DESCRIPTOR
1	Rare
2	Unlikely
3	Moderate
4	Likely
5	Almost Certain

TABLE 2

QUALITATIVE MEASURES OF CONSEQUENCE OR IMPACT

LEVEL	RANK	INJURIES TO STAFF & GENERAL PUBLIC	FINANCIAL LOSS	INTERRUPTION TO LAND SALES OR CONSULTANCY SERVICE	REPUTATION & IMAGE	PERFORMANCE
1	Insignificant	No injuries	Less than $100,00	Less than 1 day	Unsubstantiated , low impact, low profile or no news item.	Up to 5% Variation in KPI or objective.
2	Minor	First aid treatment	Between $100,000 to $1m	1 day to 1 week	Substantiated, low impact, low news profile.	5% to 10% Variation in KPI or objective.
3	Moderate	Medical treatment required	Between $1m of $5m	1 week to 2 months	Substantiated, public embarrassment, moderate impact, moderate news profile.	10% to 25% Variation in KPI or objective.
4	Major	Death or Extensive injuries	Between $5m to $10m	2 months to 1 year	Substantiated, public embarrassment, high impact, high news profile, Third Party actions.	25% to 50% Variation in KPI or objective.
5	Catastrophic	Multiple deaths or severe permanent disablements	Over $10m	More than 1 year	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, Third Party actions.	More than 50% Variation in KPI or objective.

Appendix 2 – High Risk Treatment Plans

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

Appendix 9.8

Satterley

22 July 2015

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

Dear Tony,

Re: Catalina – Local Employment Hub at Catalina

I refer to your letter dated 17 February 2015 requesting the Satterley Property Group investigate the possibility of establishing a local employment hub within the Catalina estate. Based on discussions at the February 2015 TPRC Council meeting we have assumed the local employment hub to be a centre that encourages the creation and support of new small businesses.

The purpose of an incubation centre is to provide affordable and adaptable commercial space on a short term lease basis to assist the establishment of small businesses. Each business has access to business advice and support during this time. Following the establishment of a business over a 2 to 3 year period, businesses are encouraged to move to permanent premises to ensure space is available for new businesses that will benefit from the support and advice being provided by the Centre. We have completed a preliminary investigation and advise as follows.

Existing Centres

As a case study, discussions were held with Business Station, who manage incubation centres in Joondalup and Gosnells. The Joondalup centre consists of 47 individual offices as well as a training room and kitchen facilities for use by tenants. The offices start at $156 per week with office sizes ranging from 10 square metres to 33 square metres. Tenants are given the opportunity to attend training seminars in relation to small business management. Tenants are also required to be self-sufficient in organising services to their offices such as phone and internet, ensuring they do not become reliant on staff at the centre.

The City of Joondalup and the West Coast Institute have created a partnership to create Sixty27 in Joondalup which is a shared workplace for small business owners to assist in collaboration with other small businesses. This is a different concept to the traditional proposal of individual offices. Membership pricing starts at a casual rate of $25 per day with options including $100 per month for 1 day per week access and $400 per month for full access. Business support is provided through monthly breakfasts with topics relevant to small businesses and new businesses. It is open from 8.30am to 5.00pm during the week with a manager attending the centre from 11am to 3pm each

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weekday with 20 workstations available for use. Funding for this management is provided by the City of Joondalup. The Centre has only recently opened with the initial take-up slower than expected.

The Small Business Centre – Stirling is another example of a non-profit community based incubator. The Centre provides office space for rent and support to assist the establishment of new businesses. This support is generally provided on a fee for service basis with staff noting that recent funding cuts had increased these service fees. The Centre provides offices on a monthly basis for new businesses with tenants able to remain in the office for up to 3 years. The centre is currently 75% occupied and has been operated successfully. Three office sizes are available for the following gross rents:

- 20 sqm for $830 per month
- 15 sqm for $672 per month
- 11 sqm for $494 per month

There is also a new Business Incubator in Wangara which commenced operations in early 2015 and is funded by business owners who had excess office space available. They are currently in the process of leasing 10 small offices.

The City of Wanneroo has been exploring an industrial incubator with Landcorp in Neerabup for a number of years however has not yet been successful in obtaining funding.

Ongoing Costs

Discussions with Business Station indicate that both of their centres break even on the basis they don't have to pay any interest or rental costs on the land and buildings. Their costs generally include 2 full time staff to manage the centre as well as the usual maintenance, refurbishment and leasing costs for office space of this type. While centres can be run with less staff they don't provide the same level of support to new businesses, which is an essential element of an incubation centre.

Establishment Costs

Business Station has only managed incubation centres where the land and buildings were donated or are rented at no cost. It is expected the land for such a centre would be valued in the vicinity of $500,000 for a 1,000 square metre site. Building costs of a small office centre could be in the order of $500,000 dependent on size and proposed uses.

Funding Options

Previous centres have been heavily reliant on funding from sources such as federal government, local government and universities. The federal government has been the main source of funding in the past, however this funding is no longer available. A discussion with another operator indicated that the development of incubation centres could be profitable, however it is noted that this operator ran multiple centres with no other staff, indicating a lower level of service for business development. A recent reduction in government funding was a common theme from incubator operators we spoke to. It is likely that funding would be required from the Tamala Park Regional Council or the City of Wanneroo for the centre to be viable.

Recommendation

The preliminary investigation suggests there may be demand for a business incubation centre in Catalina Grove which would service the wider Clarkson and Kinross community, however the development and ongoing management of the centre will require ongoing funding. It is not usually the role of a developer to provide significant funding for such a centre and we do not believe the creation of the centre would provide significant benefits for the TPRC. On this basis we do not recommend the inclusion of a business incubation centre at Catalina.

Contrary to this advice, if the TPRC do wish to pursue this further it is proposed this be undertaken in the form of providing a site at a discounted price with the funding and management of the centre to be undertaken by a party, such as Business Station or the West Coast Institute, who have superior expertise in the management of such a centre. This could be undertaken through an expression of interest campaign.

The SPG expresses caution in the review of this advice and in the TPRC proceeding with operating an incubation centre as the SPG is not an expert in the development or operation of such a centre.

Should you have any queries please contact the undersigned on 9368 9037.

Yours sincerely

BRENTON DOWNING
PROJECT DIRECTOR

Appendix 9.9

Catalina Housing and Built Form Strategy

May 2015

Table of Contents

Catalina Strategy

Background

Satterley Property Group (SPG) is development manager and exclusive selling agent for the Catalina estate in the City of Wanneroo.

The land is owned by the Tamala Park Regional Council (TPRC) which is a corporate entity representing the interests of seven local governments which have a shared ownership in the land.

The vision for Catalina is to … "create an urban centre for choice, sustainability, community and opportunity from the land".

When completed, Catalina will be a predominantly residential area with commercial, retail, business, education and community facilities, and good access to public transport and regional facilities. It is anticipated the development will facilitate in excess of 2,600 dwellings over the 170ha project area comprising a mix of separate housing, group housing, and apartment units.

The first stage of construction commenced in 2011 and, to date, 594 lots have been sold and settled and a further 63 lots are under construction. The project has a 16 year lifecycle and is expected to be completed in 2027.

The project is subject to the Tamala Park Local Structure Plan No. 79 (LSP79) which was adopted by the WAPC in February 2013. LSP79 identifies land for residential development and other purposes, allocates residential densities and sets a minimum target of 2,600 dwellings **(Attachment 1)**.

Purpose of the Housing & Built Form Strategy

The purpose of the Housing and Built Form Strategy is to guide the planning, provision and delivery of housing in Catalina over the project period. The Strategy looks at the preferred location and type of residential development to meet the project vision whilst delivering a commercial return to the constituent local governments.

The strategy was approved by the Tamala Park Regional Council for Phase 1 in June 2011 with the strategy revised for the overall Catalina development in September 2013 and approved in October 2013.

Review of Implementation of the Housing and Built Form Strategy (2013)

Implementation of the Housing and Built Form Strategy (2013) has been successful to date in providing for a variety of housing, including affordable housing opportunities, with the introduction of demonstration projects showcasing built form and sustainability initiatives. Progress to date is summarised below:

- **Strategy Area 1 Medium Density Group Housing Site (Builder Partnership)** – Lot 1 Neerabup Road/McAllister Boulevard was created as a 4,380m2 R60 lot. Lot 1 has views westward across conservation areas to the ocean and is in close proximity to the Ocean Keys shopping centre, ideally suited to the development of medium density housing. The TPRC entered into a Development Agreement with a builder to create 25 medium density dwellings consisting of 10 one bedroom dwellings and 15 two bedroom dwellings. Dwellings were priced from $285,000 to $355,000. The dwellings were well received by the market and are currently under construction with completion due in July 2015.

- **Strategy Area 2 (Sale Design Guidelines)** – Lot 248 is the only Strategy Area 2 site that has been sold to date. The site was sold with design guidelines in place to ensure a high quality 2 storey outcome which overlooks the adjoining Public Open Space. The purchaser of the site is proposing the construction of 13 two storey dwellings on the site. Construction of the dwellings has not yet commenced.

- **Strategy Area 3 (Builder Partnerships – Put Options)** – To date there have been 267 lots sold in Strategy Area 3 through Put Options with builders. Dwellings on these lots have primarily consisted of 3 bedroom 2 bathrooms homes on 225 square metre lots. Demand for Put Options has been strong over the last two years. Demand has reduced significantly in the most recent builder releases with only one building group tendering for the most recent lots in Strategy Area 3.

- **Strategy Area 4 (Medium / High Density – Builder Partnership)** – Preliminary concepts have been carried out on Strategy Area 4, however further urban design and architectural advice is required to progress the development of this strategy area. Development of Strategy Area 4 is expected to occur around 2019 / 2020.

- **Strategy Area 5 (Display Villages 1, 2 & 3)** – Display Village 1 is currently open to the public and is due to close in February 2016. Display Village 2 is currently under construction and due to open to the public in February 2016 and remain open until October 2018. Each display home in Display Village 2 will feature sustainability initiatives. Additionally there are 10 mandatory 2 storey homes being built to set a high standard of housing. Both villages include 7.5 metre wide rear loaded affordable homes. The sales office and information centre is located adjacent to Village 1 and Village 2 and incorporates sustainability initiatives and alternative construction techniques.

To date, 966 lots have subdivision approval and will provide a range of lot sizes suitable for a variety of housing types, including terrace, cottage, contemporary family, as well as the medium density and mixed use housing discussed above. This includes a substantial offering of market-based affordable housing.

The Housing and Built Form Strategy has provided a sound basis for the implementation and delivery of the objectives set out in the strategy. The purpose and objective of this review is to ensure the Strategy remains in accordance with the current status of development, updated planning and housing trends and current market trends and expectations.

Scope and Purpose of the Housing and Built Form Strategy

The scope and purpose of the 2013 strategy is reaffirmed as follows:

- encourage a range of housing types that meets the existing and future housing needs of the project, having regard to the demand for housing, as well as improving housing mix, affordability and availability of housing for those with special needs, together with measures to implement these objectives;
- provide a clear framework to help guide the TPRC decision-making and planning, clearly communicate the TPRC's housing-related strategies and objectives, and provide clarity about future housing within Catalina;
- identify potential sites for innovation, demonstration projects and partnering which should be subject to feasibility assessments, negotiation with builders, community housing providers and other levels of Government;
- identify circumstances and criteria where the TPRC may consider contributions towards affordable housing projects, as well as the nature of such contributions;
- consider the potential for, and impacts of, housing projects being undertaken or managed by not-for-profit housing providers, social housing or community housing providers, and options for the delivery of such projects;
- consideration of potential aged persons developments.

Form of Strategy

The form of the Housing Strategy is as follows:

- the over-arching objectives of the strategy;
- a series of objective-based strategies on how each of the objectives will be achieved;
- precinct concept plans identifying sites requiring special treatment in terms of housing type and delivery models.

Housing and Built Form Objectives

The housing objectives have been derived from LSP79 and the SPG Tamala Park development project submission and set out in the 2013 Strategy are reaffirmed. These were:

- Providing housing choice.
  To provide for a mixture of lot types for single traditional homes, cottage homes, semi-detached housing, terraced housing, flats, maisonettes and apartments, combining to create a community that is vibrant, self-sustaining and varied.
- Creating affordable housing opportunities.
  To encourage the provision of various forms of affordable housing in the Catalina housing market, including consideration of both low cost market housing and various forms of subsidised housing.
- Providing for mixed use development.
  To provide opportunities for mixed use development, combining residential, commercial and community uses, in strategic locations particularly future activity centres.
- Promoting sustainability in the planning, design and delivery of housing.
  To facilitate urban design and housing development consistent with the sustainability initiatives and commitments set out in LSP79 and the Catalina Sustainability Initiatives Plan (September 2011).
- Achieving a quality, contemporary, place-responsive built form.
  To encourage a high quality and distinct urban vernacular which promotes a distinctive sense of place and terrain responsive housing where appropriate to integrate with the natural landscape.

Balancing Housing Objectives and Commercial Returns

The housing and built form objectives form the cornerstone of planning for the future of Catalina. The project however must be commercially viable, delivering commercial returns to the constituent local governments consistent with a greenfield residential development of this nature. This inevitably imposes some constraints on the available options but a combination of careful planning, contemporary urban design, and best practice project management and marketing, will ensure an optimal response to the objectives in a commercially sustainable way.

Local Structure Plan No. 79

LSP79 (**Attachment 1**) provides the planning policy framework to guide the future development of the Catalina project.

The key elements of LSP79 are:

- An overall dwelling target of approximately 2,600 dwellings at a gross density of around 14.5du/ha and accommodating approximately 6,500 people based on a projected occupancy rate of 2.5 persons per dwelling.
- Indicative targets of 67% separate housing, 21% semi-detached/townhouses and 12% flats and apartment units.

- Higher residential densities in strategic locations to activate future activity centres with lower densities for predominantly single residential housing and where necessary to retain landform and natural features.
- R-code densities of R30-R60 and R80-R100 with specific densities to be assigned by way of Residential Density Code Plans to be submitted to the WAPC at the same time as applications for subdivision.
- The designation of three activity centres – the Tamala Park Neighbourhood Centre in the eastern precinct drawing on the activation potential of Clarkson station; the Central Tamala Park Local Centre in the central western precinct; and the West Tamala Park Local Centre in the western precinct, together with the identification of a business and mixed use development along Neerabup Road.
- Provision of a central green link as a significant public transport, cycle, pedestrian and recreational corridor.
- The protection of bushland conservation areas through the structure plan mechanisms and environmental management plans.

LSP79 proposes four precincts:

- The western (Coastal) precinct providing medium/low density housing with medium density housing located to take advantage of proximity to the coastal reserve, higher land with ocean views, and the future local centre.
- The central western precinct (east of Marmion Avenue) providing a mix of low and medium density housing, with the medium density housing close to a major conservation reserve on the eastern side of Marmion Avenue, and around the future local centre and business precinct.
- The central eastern precinct, west of Connolly Drive, which is intended for predominantly low density residential with higher density mixed use development along Neerabup Road.
- The eastern precinct, east of Connolly Drive, with medium and higher density residential development adjacent to the proposed neighbourhood centre and mixed use area in the catchment of the nearby Clarkson train station, and lower density residential development in the south-east quadrant.

The boundaries of these precincts adjusted to reflect the current planned staging of subdivision is shown in **Attachment 2**.

Population Growth and Housing Demand

In the 2013 Strategy, the demographic analysis supporting LSP79 provided a profile of the future population and housing demand for Catalina based on residents living in the surrounding locality. This was supplemented by the WA Tomorrow Report No. 7 (WAPC 2012) which provided population and household forecasts for the State, the metropolitan region and the City of Wanneroo and further assisted in understanding likely future housing demands and requirements. WA Tomorrow Report No. 8 was subsequently published in 2015 however this did not provide the same detail of reporting by suburb as Report No. 7. The key characteristics of housing demand remain as in 2013:

- the vast majority of households living in the surrounding area are families, ranging from 83% in Clarkson to 90% in Kinross compared to 75% for the City of Wanneroo as a whole;
- there is a relatively low proportion of single person households ranging from 15% in Clarkson to 9% in Mindarie, and 10% in Kinross, compared to 20% for the City of Wanneroo as a whole;
- the majority of all dwellings in the surrounding area are separate houses comprising 100% in Clarkson, 97% in Kinross and 91% in Mindarie;
- the high proportion of family households is indicative of demand for traditional subdivision and development, however, the proportion of couples without children is marginally higher in the City of Wanneroo compared to the Perth metropolitan average, indicating a demand for smaller dwelling types and associated lifestyle amenities.

The likely future demographic and household type characteristics include:

- a high proportion of family households with children of all ages, and some without children;
- a relatively small but increasing proportion of single person households consistent with wider metropolitan and city-wide trends;
- the vast majority of demand for new dwellings is likely to be for separate houses with a high proportion of owner-occupiers who are purchasing their own home;
- an increase in the proportion of over 60s, reflecting trends in the City of Wanneroo (expected to increase from the current 14.2% of the City's population to 19.4% by 2026), but lower than the metropolitan average (forecast 23.2% in 2026).

The "The Housing We Choose" report (May 2013), a joint initiative of the Departments of Planning and Housing, Housing Industry Association, Planning Institute of Australia and Property Council of Australia, reaffirms the overwhelming preference for a separate house by residents of Perth and Peel, although people are prepared to make trade-offs in location, house type and size to realise their dream of owning a home. The surveys indicated that 79% of respondents preferred a separate house, 13% a semi-detached house, and 7% a flat, unit or apartment. When constrained by income, the percentage preferring to live in a semi-detached house in order to secure a preferred location, increased to 35%, pointing to the need for more medium density semi-detached housing in Perth, particularly as compared to flats or apartments. In the study, "semi-detached", means dwellings on their own private grounds with no dwellings above or below and either attached or separated from neighbouring dwellings by less than 0.5m. This would include terraced, group, villa, duplex and townhouses.

Overall, the study concluded that Perth's current housing stock closely matches people's preferred housing type when not constrained by location and affordability factors.

Housing Diversity and Choice

The analysis of housing demand and consumer preferences continues to point to a predominant need for single housing in Catalina, but with some more diverse options including semi-detached, terraced, group and multiple living, particularly for small households, couples, single people and retirees. Offering a diversity of housing types, sizes and tenures can also cater for the evolving needs of residents in the area over time and provide accommodation for key workers and others close to services, facilities and public transport. A diversity of housing types is also inextricably linked to affordability and a more sustainable housing mix.

An increasing proportion of over 60s highlights the need to enable ageing in place so that people can stay in the same house or locality as their needs change. This requires consideration of suitable accommodation including smaller single and two bedroom units, dwellings for over 55s using the density bonus under the Residential Design Codes, "granny flats" using the ancillary accommodation provisions of the Codes, retirement villages and residential care facilities.

One trend in providing greater variety in housing and of enabling ageing in place is to provide housing which is adaptable the needs of households as they change over time.

The Commonwealth and State Governments have initiated a Liveable Homes project designed to promote adaptable housing, including checklists on essential and desirable features. Liveable homes are designed to be easy to enter, easy to move in and around, capable of easy and cost-effective adaptation, and designed to anticipate and respond to the changing needs of residents. There is also Australian Standard 4299-1995 which sets out standards for adaptable housing.

An extension of adaptable housing is the concept of intergenerational housing which involves designing homes which can function as a large family home initially and then later be converted into separate living quarters, for the parents or adult children, or by adding separate living quarters using the ancillary accommodation and aged or dependant person's provisions of the R Codes. Many of these changes can be made under the prevailing density codings and without the need for subdivision approval or strata titling. The Town of Cambridge has published a brochure entitled "Housing Options" illustrating examples of adaptable and intergenerational housing which provides useful guidance. Adaptable and intergenerational housing provides flexibility for families as they increase or downsize, variety in housing provision, and opportunities for affordable housing and ageing in place.

LSP79 provides the framework to facilitate a variety of lot product and housing choice through flexible density codings and locational criteria for density development. The density ranges are as follows:

- R30-R60 with a base density code of R30 and medium densities of R40-R60 in areas of high amenity, including within 800m of the Clarkson train station and activity neighbourhood centres, around public open space and adjacent to major public transport or neighbourhood connector routes;
- R80-R100 densities within 400m of the Clarkson train station, adjacent to arterial roads and major public transport routes, and in high amenity locations on the coast.

The broad residential codings can be refined at the more detailed conceptual planning and subdivision stage in the light of future evolving demand.

The LSP sets a minimum dwelling target of 2,600 dwellings and provides an indication as to potential dwelling yield and various house types for each of the LSP precincts. These are indicative only and will be subject to more detailed consideration at the precinct concept planning stage.

Attachment 4 illustrates indicative lot profiles and dwelling density options for Catalina to provide variety in built form, typology, product and tenure consistent with the density provisions of LSP79. The range is extensive and includes rear (laneway) and front loaded terraced and cottage lots, family home sites, unit developments, townhouses and modest multilevel apartments.

The award-winning Junctions development at Brighton is an example of an innovative, integrated, medium density housing project which delivered a diverse mix of housing including apartments, maisonettes, townhouses and single housing within walking distance of the Butler train station and opposite a local park (**Attachment 5**).

Attachment 6 shows indicative house types and target markets.

The product range for Catalina includes:

- house and land packages;
- lots for public sale to accommodate home designs in accordance with precinct design guidelines to manage the built form design and intent whilst still providing the customer with choice;
- turnkey architecturally designed, ready-to-move-in homes particularly suitable for prominent locations, such as adjacent to public open space, conservation areas, coastal reserves and activity centres;
- medium density attached or semi-detached homes developed as a group of dwellings to optimise their efficiency and amenity;
- medium density apartments subject to design guidelines and product mix.

There is a range of delivery models which can be utilised to facilitate housing affordability, diversity and choice in Catalina. These include:

- conventional subdivision into single dwelling lots for public sale subject to precinct design guidelines and covenants;
- subdivision of medium density single dwelling lots for sale by allocation to nominated home builders subject to design guidelines and covenants;

- partnering with nominated builders on single residential medium density sites subject to design guidelines and covenants;
- partnering with nominated builders on group and/or multiple housing development sites for one, two or three bedroom dwellings, subject to design guidelines and covenants;
- partnering with State government agencies or not-for-profit housing providers in the provision of affordable housing;
- demonstration of built form types by direct funding from TPRC or partnering with a builder/developer.

The current proposed lot yield and dwelling mix **(Attachment 3)** suggest that the building target of 2,600 dwellings and dwelling mix of 67% separate houses and 21% semi-detached and townhouses is still achievable.

The market for flats and apartments is evolving and good demand was received for the Lot 1 Group Housing site. There is a growing acceptance of apartments in the market and it is expected that this trend will continue during the life of the project. There is future opportunity for the development of apartments in the Catalina Eastern precinct in close proximity to the Clarkson Train Station.

The strategy for housing diversity and choice is:

Density

- *Retain the current base density code of R30/R60 which provides an appropriate framework for the delivery of a wide range of single lot product ranging from small cottages to more traditional family homes, together with group housing, to accommodate the predominant housing demand.*
- *Review the higher density R80/R100 coding in the western precinct and evaluate opportunities for multiple dwellings in a high amenity coastal location, and review the R80/R100 coding in the north/ south-eastern precincts to and evaluate opportunities for more affordable group and multiple dwellings in close proximity to the Tamala Park neighbourhood centre and Clarkson station, accessible to shops, services and public transport. Medium and high density development should be encouraged in these areas subject to commercial viability.*
- *Continue to monitor, review, refine and evaluate the density codings under LSP79 as required to provide flexibility and facilitate the delivery of a wide range of housing types.*

Diversity

- *Provide single family housing as the predominant housing type in Catalina to meet the current and future needs of the resident population.*
- *Provide a diversity of housing options for single people, couples without dependants and retirees, including smaller one, two and three bedroom dwellings, cottage and terrace houses, group housing units and apartments to meet different residential lifestyle needs.*
- *Determine the density, lot mix, product mix and appropriate delivery models at the precinct concept planning stage having regard to the strategy objectives and market demand.*
- *Identify sites for sale to nominated home builders and builder partnerships for medium density developments at the precinct concept planning stage, having regard to the criteria set out above and in LSP79.*
- *Investigate sites for integrated affordable medium density apartment and townhouse development in the eastern precinct including mixed use and aged housing in proximity to the neighbourhood centre and Clarkson train station.*
- *Encourage integrated housing and studio apartment laneway developments using the ancillary accommodation provisions of the R Codes.*

Aged Housing

- *Provide a variety of housing options for older people to enable ageing in place, including consideration of low cost compact housing, ancillary accommodation, retirement villages and residential care homes. This accommodation would need to be affordable, easy care and maintenance, and close to shops and facilities, public open space and transport.*
- *Invite expressions of interest from aged care providers to establish retirement living services in the eastern precinct close to shops, public transport and community services.*
- *Encourage development which incorporates adaptable design practices in accordance with the relevant guidelines and standards, and to facilitate ageing in place.*
- *Provide information and guidance to future homeowners on the benefits of adaptable and intergenerational housing design in welcome packages, on the Catalina website and through other communication channels.*
- *Include an exemplar adaptable housing design in a future display village.*

Affordable Housing

In general terms, affordable housing is housing appropriate to the needs of a household and within their means to pay. The means (or capacity) of a household to pay will depend on three primary factors: the income of the household, the cost of appropriate housing, and other essential living costs to be met by the household. Generally, the benchmark is that low income households that are paying more than 30% of their income for their rent or their mortgage are considered to be in housing stress. At the time of 2013 Strategy the Department of Housing estimated an affordable house and land package price of $360,000 and an affordable land package at $190,000. The Department for Housing is currently reviewing its benchmark pricing for affordable homes for individual localities based on the average income for the locality.

The increasing cost of housing is a major challenge throughout Australia, but more so in metropolitan Perth where housing supply did not keep pace with population and economic growth, forcing up the price of housing. While land prices have stabilised since the 2013 Strategy, housing in metropolitan Perth remains relatively expensive. All spheres of Government in Australia acknowledge the need to improve the provision of affordable housing. The State Government has committed to increasing the supply of affordable housing, particularly for those on low-moderate incomes, through a range of initiatives set out in its Affordable Housing Strategy 2010-2020: Opening Doors to Affordable Housing. (Department of Housing December, 2010). The Department of Housing has recently committed to $560 million on social housing initiatives over the 2015/2016 and 2016/2017 financial years which will include the commencement of 1,000 new homes.

Housing Affordability – The Real Costs of Housing in WA (Curtin University 2014) study, researched the median income band in Clarkson at $75,001 - $100,000. The research showed that it costs the lowest quartile of income earners in Clarkson 41-45% of their household income to buy a house in the lowest quartile of median pricing. Income earners fared much better with the % of household income required to service a mortgage for the median house price in Catalina being less than 30% of household income.

There are various Commonwealth and State programs to assist delivery of affordable housing, including:

- First homeowner grant scheme
- Stamp duty concessions to first homeowners
- Key start home loans
- Department of Housing shared equity program

As the price of land has increased it has resulted in the need for higher density housing to provide affordable housing options. The need for affordable housing is not only limited to low income households, but may also include moderate income households who require some level of assistance to enable them to get established in the housing market.

The options available to the TPRC to enable the provision of affordable housing are as follows:

- Market-based affordable housing – providing a supply of owner occupied housing at affordable prices through normal market mechanisms, including opportunities for ancillary housing, and incentives to promote affordable living (eg. solar rebate, water design and landscaping, environmentally sensitive house design).
- Assisted affordable housing – providing affordable housing through a shared equity program, by sale of land at discounted prices to developers subject to provision of affordable housing or joint venture schemes with private developers.
- Social housing – sale of land to Department of Housing or not-for-profit organisations at a discounted price for the provision of sub-market rental housing for low income or special needs groups.

It is not directly the role or responsibility of the TPRC to subsidise delivery of affordable or social housing, such as by the sale of land at discounted prices, particularly where this would adversely impact on commercial returns. The TPRC can contribute most effectively to the provision of affordable housing by ensuring the efficient subdivision, servicing and delivery of land, the optimal development of key strategic sites, and by ensuring a proportion of housing is at price points at or near the affordability benchmark. The TPRC has also considered and accepted the proposition of selling land to builders for sale to eligible buyers under the Department of Housing Shared Equity Program. Overall, an emphasis on market-based affordable housing together with opportunities for assisted affordable housing using the Department of Housing Shared Equity Program is the appropriate cornerstone for the Strategy.

In terms of location and built form, affordable housing should:

- be indistinguishable in its physical appearance from other housing and finished to a similar standard, quality and level of detail;
- be integrated and dispersed throughout the development to achieve a mix of building orientation and to avoid concentrations in specific locations;
- be located close to shops, schools, services, jobs and community facilities;
- have easy access to public transport;
- be efficient to maintain particularly regarding energy and water use.

The most appropriate location for affordable housing in Catalina is close to activity centres, schools and public transport services.

The criteria for assisted affordable housing via the Department of Housing is:

- sites should have been identified at the precinct planning stage as meeting the locational and built form criteria for affordable housing;
- agreement is to be in place with the Department of Housing that the homes will be used solely for the Department of Housing's shared equity program;
- shared equity home developments are to be dispersed across the central and eastern precincts, and not overly concentrated in specific locations.

The strategy for affordable housing is:

- *Adopt a target of at least 10% of housing in precinct concept plans for the central and eastern precincts to be affordable using the benchmark pricing adopted by the Department of Housing*
- *Identify sites at the precinct concept planning stage which meet the locational and built form criteria for affordable housing.*
- *Investigate opportunities for the sale of land to builders subject to development for sale to eligible homebuyers under the Department of Housing shared equity program in the eastern precinct.*
- *Provide information to homeowners on affordable housing programs including the first homeowner's grant, stamp duty concessions, Keystart home loans and the Department of Housing*

shared equity program, in welcome packages, on the Catalina website and through other communication channels.
- *Consider placing conditions on the sale or transfer of land to developers requiring a proportion of new housing developments to be affordable.*

Since 2013, approximately 5% of housing in the Central precinct has met the affordable benchmark of $360,000 for house and land and 15% of land in the Central precinct has met the affordable benchmark of $190,000 for land only at May 2013 prices. Since then, house and land prices have increased although land prices have recently stabilised. The benchmark pricing for the 10% affordable housing target therefore requires review to reflect the benchmark pricing determined by the Department of Housing when available.

Mixed Use Development

Mixed use development means development which comprises a mixture of two or more land uses either comprised within a single building (horizontally or vertically), or multiple buildings of different uses within a development site.

Mixed uses generally refer to a mix of retail, commercial, offices, cultural, civic, recreation, entertainment or residential uses. In Catalina, it is envisaged that the mixed use development will generally incorporate a residential component.

The benefits of mixed use development are in increasing housing, employment and business choice, improving accessibility by bringing activities together in one location, and improving amenity by creating more interesting and vibrant streets with a greater diversity of activities. For the developer, mixed use developments can provide a more adaptable product with a greater flexibility of uses and increased security through passive surveillance for owners and/or tenants.

To date in metropolitan Perth, mixed use development tended to focus on central Perth and the inner suburbs, in and around activity centres, and at other "destinations" locations such as has Claremont, Subiaco and Joondalup where the relationship and proximity to key attractors is evident. Clarkson, to the north of Catalina, includes a mixed use corridor along Ocean Keys Boulevard between the Ocean Keys district centre and Clarkson station, intended for a mix of small scale commercial, home office and residential uses. So far, this location has had limited success and the predominant use is residential. 3 storey mixed use development is currently being undertaken within the Clarkson District Centre. SPG will continue to monitor the progress of this development.

The potential to attract more commercial and entertainment uses may, however, increase as the suburb matures. LSP79 proposes mixed use development in the following locations:

- central western precinct, along Neerabup Road;
- central eastern precinct, adjacent to Neerabup Road and Connolly Drive, and particularly at the corner of Neerabup Road and Connolly Drive;
- eastern precinct, particularly along the central spine leading to Clarkson station and along Neerabup Road.

In LSP79, the mixed use sites are envisaged to accommodate ground floor commercial development with upper level residential development. The mixed use development could be undertaken now or the building could be adapted in the future as the estate matures and the potential for commercial activities increases.

The following is a summary of the key locational criteria for mixed use developments:

- market considerations and the likely success of a mixed use development in respect of residential, commercial and retail accommodation;
- close proximity to high amenity areas and key attractors such as retail, employment and public transport services;

- proximity to on-street parking;
- good access and visual exposure on roads carrying higher traffic volumes;
- a sense of place and identity for residential uses.

The following is a summary of the key design characteristics for a successful mixed use development:

- an appropriate mix of uses which have positive economic and amenity synergies, eg. residential uses have a strong synergy with office, retail and education facilities, but a low synergy with entertainment uses;
- the option of adaptive building designs which allow for the easier introduction of non-residential uses as the surrounding area matures in response to market preferences and dynamics;
- easily identifiable and separate commercial and residential entrances to promote a sense of recognition and security;
- design solutions and management practices which address potential conflicts between uses;
- adaptability to cater for current and likely future market demand;
- sustainable and energy efficient design;
- the siting and orientation of buildings close to, and towards, the street with active uses such as shops and cafes at the front of the building;
- a walkable environment that is attractive, comfortable and safe for pedestrians;
- noise attenuation through the positioning of uses and building design;
- signage which is appropriate to the scale and design of the buildings;
- separate access to service areas for residential and non-residential buildings;
- adequate on-street parking to accommodate the requirements of commercial uses.

In Catalina, the location likely to be most successful for mixed use development is in the eastern precinct in the locations designated in LSP79. The mixed use zoning on Neerabup Road in the central west precinct is likely to be suitable mainly for home business and home occupation uses given the separation from activity centres.

The strategy for mixed use development is:

- *Recognise and refine opportunities for mixed use development in LSP79 at the precinct concept planning stage with the priority location being the eastern precinct, adjacent to Neerabup Road and along the central spine leading to Clarkson Station and Neerabup Road.*
- *Provide for mixed use development which accommodates shops, cafes, offices and commercial uses at the ground floor, and residential accommodation at the upper level in these locations.*
- *Include provision for mixed use development in the central western precinct along Neerabup Road, primarily for home business and home occupation uses.*
- *In considering the location of mixed use development incorporating residential accommodation, have regard to the locational criteria set out in above.*
- *In considering the design characteristics of mixed use development incorporating residential accommodation, have regard to the design criteria listed above.*
- *Prepare and release design guidelines for mixed use development sites addressing the desired mix of uses, building form, streetscape relationship, access, and lighting, safety and security prior to sale and development.*

There is currently a design review exercise being undertaken on the Eastern precinct by Urbis. The review will take into consideration the site and its context from a market perspective and will be assessing the level of density and mixed use that can be supported along with the commercial viability of such density and mixed use. The market analysis component of the design review will determine not only the depth of the market for density and mixed use but also determine the amount of density and mixed use the site can accommodate and sustain in the long term future.

Sustainability

Sustainability is a key element of the vision for Catalina and a primary objective is to promote sustainability in the planning, design and delivery of housing.

Sustainability encompasses social, environmental and economic aspects of development.

In the Catalina context, the TPRC can deliver sustainability in three key ways:

- in the planning and design of the urban form;
- at the subdivision, building and construction level;
- by sustainability demonstration projects, incentives and consumer information.

LSP79 provides a framework for delivering sustainability in the urban environment in the following ways:

- Providing housing diversity and choice through a flexible range of densities.
- Easy access to shops, community services, employment and amenities, including the Ocean Keys district centre and Clarkson transit centre immediately to the north of the site, and to the proposed Tamala Park neighbourhood centre and local centres within the development.
- Good access to current and future public transport and a convenient highly permeable pedestrian footpath and cycleway network to reduce car dependency.
- A public open space network which conserves important biodiversity and provides accessible local open space.
- A neighbourhood structure which supports walkable catchments and good community design.

The Catalina Estate Sustainability Initiatives Plan provides a suite of initiatives which address sustainability at the land subdivision, building and construction level consistent with LSP79. These are categorised into the key environmental design elements of energy, water, waste, community and eco-system.

All homes in the 2nd Display Village will feature multiple sustainability initiatives which are demonstrated to the public. The project also provides sustainability incentives to homeowners by way of a solar panel rebate and front landscaping including irrigation fittings and controller, a trial shared bore scheme and design guidelines.

There are limitations to the capacity of the project to deliver further sustainability incentives because of the costs which would adversely impact on the viability of the project.

A key issue in sustainability, is consumer behaviour. Generally, people are becoming more eco-friendly but, at the same time, many do not behave in ways which conserve energy and water, or optimise on waste recycling. A key element of the sustainability program, therefore, is to encourage a greater commitment to sustainability through consumer education and information and to seek UDIA EnviroDeveloper accreditation.

The strategy for environmental sustainability is:

- *Incorporate the recommendations of the Catalina Sustainability Initiatives Plan with respect to energy and water efficiency, waste management, community development and eco-systems, in the preparation of detailed area plans and development guide plans for future housing development in the Catalina project area.*
- *Implement incentive packages for sustainability features including water wise landscaping, solar panels and shared garden bore and reticulation schemes.*
- *Provide homeowners with information on sustainability measures, including water recycling, improved building design, block orientation, solar energy, and energy and water efficient fittings*

and appliances in welcome packs, the Catalina website, and other resident communication channels.

- *Advise the TPRC to engage consultants to evaluate and advise on the potential UDIA EnviroDevelopment certification to achieve the maximum certification of the Project under the UDIA EnviroDevelopment program.*

Built Form

The Catalina project is seeking to achieve a high quality built form and contemporary urban vernacular which is responsive to the environment and creates a distinctive sense of place.

To realise this objective it is important that new homes maintain a human scale with the street, incorporate architectural features that provide street appeal, address and provide a relationship with public open space and the public realm, provide safe and convenient public access, contribute to community safety and security, incorporate sustainable design practices, and respond appropriately to the site conditions and local context.

A place-based design approach is necessary which addresses the lack of identity seen in many suburban developments, and which promotes a sense of place and belonging in all aspects of neighbourhood planning and urban design.

The three precincts in LSP79 provide the framework for such a place-based approach so that each precinct can be designed and developed with a distinctive character to enhance community interaction and sense of place.

- The western (coastal) precinct will provide premium high quality homes in a coastal environment with opportunities for higher density living to take advantage of coastal views and access to the foreshore. Many homes in high profile locations will have a mandatory 2 storey requirement. The built form will have a coastal character reinforced by the landscaping which will reflect the coastal environment.
- The central (western and eastern) precinct will provide a mix of low and medium density housing, primarily for first, second and third homebuyers, attracted by the pleasant suburban character, existing infrastructure and proximity to conservation reserves and landscaped open space. The precinct will be characterised by the preservation and enhancement of conservation areas, retention and planting of trees to characterise the streetscape and a traditional neighbourhood character.
- The eastern precinct will be attractive to the first homebuyer market, providing more opportunities for affordable medium and higher density development, attracted by the close proximity to shopping, services and public transport. The eastern precinct will have a much more diverse urban character with a focus on the neighbourhood centre and linkages to the Clarkson station and other amenities.

In each of the precincts it will be important to:

- establish built form guidelines early in the project to ensure that new development is compatible with the desired future character of the precinct;
- provide a suite of built form typologies to demonstrate the quality, range and sustainability initiatives sought from the built form component of the precincts;
- establish a display home village to showcase appropriate, contemporary and ecologically sustainable homes designed to reflect the desired character of the precinct.

It will also be important to identify those particular sites or locations which, because of their characteristics, require special treatment. These include:

- landmark sites at major entries into the respective precincts;
- lots adjacent to public open space and conservation reserves;
- dwellings in the mixed use zone designed for working and living;

- lots with expansive views;
- lots fronting major roads, such as Neerabup Road and Marmion Avenue, which may be affected by traffic noise;
- lots in proximity to bushland reserves requiring bushfire mitigation measures;
- development sites in prominent locations and adjacent to transport nodes;

where specific guidelines will be necessary to achieve a higher level of design control.

Whereas LSP79 suggested that the western precinct may benefit from retention of topography and landform, this would require larger lots thereby reducing lot yield and commercial returns, as well as increasing costs for the homeowner because of the need for individualised architectural built form solutions. Having regard to considerations of commercial viability and housing affordability, traditional cut to fill techniques are more appropriate and essentially required for the western precinct, as with the central and eastern precincts, although the retention of topography and landform will be an important consideration in the planning and provision of public open space.

There is currently a design review exercise being undertaken on the Eastern precinct by Urbis. The review will take into consideration the site and its context from a market perspective and will be reviewing the housing typology, level of density, amenity and amount of mixed use and retail development that can be supported to deliver built form outcomes. It is envisaged that a review of the Strategy will be required in the future once the design review of the Eastern precinct is completed.

The strategy for the built form is:

- *Ensure residential development is of a high standard and responds appropriately to the desired future character of the precinct. Prepare guidelines at the precinct concept planning stage for each of the precincts, addressing the desired future character and built form elements including:*
  - *contemporary human scale home designs including appropriate building placements, setbacks, architectural features, site coverage and private open space;*
  - *inviting, engaging streetscapes which provide safety and security through surveillance over the public realm;*
  - *a palette of selected building materials and colours to create harmonious facades;*
  - *provision of safe and convenient access and parking including garage design and setbacks;*
  - *boundary fencing design with suitable materials to an appropriate scale, and providing permeable fencing fronting street fronts and public open space for public surveillance and to provide a visual link;*
  - *scope for the development of lots with studio apartments and ancillary dwellings fronting laneways to provide additional accommodation and passive surveillance of laneways;*
  - *careful integration of TV antenna, satellite dishes, hot water systems, air conditioning units and other equipment into the design of the development;*
  - *ecologically sustainable features in the design of the home and outdoor areas to help reduce consumption costs of household energy and water.*

- *Ensure visually prominent sites and other locations requiring special treatment, as outlined above, are developed to a high standard of architectural design and responsive to the local environment. Prepare detailed area plans and guidelines for these locations on the site specific provisions which apply in addition to the generic provisions of the general guidelines. The site specific guidelines may include reference to:*

  - *minimum and maximum building heights;*
  - *architectural character and design;*
  - *mandatory 2 storey sites;*
  - *orientation of buildings to address particular views or features;*
  - *design of streetscape to frame particular views or features;*
  - *design in response to sloping sites or changes in level;*

- *activation of streetscapes to promote a sense of vitality, particularly in activity centres and the mixed use zone.*

- *In the preparation of design guidelines, distinguish between mandatory provisions, which are requirements necessitating approval by SPG, and recommended provisions which are not requirements but which homeowners are recommended to incorporate in the site planning and home design. Enforce the mandatory requirements of the design guidelines by covenants on the title of the lot.*
- *Ensure new housing incorporates measures to ameliorate potential impacts of traffic noise.*
- *Prepare quiet house design guidelines on required noise insulation measures to meet acceptable noise standards.*
- *Ensure new homes in proximity to bushland reserves incorporate appropriate measures to mitigate bushfire hazards. Prepare design guidelines to minimise bushfire hazards in accordance with the Bushfire Management Plan approved by the City of Wanneroo.*
- *Ensure that the design guidelines are made widely known by publication on the Catalina website and in other communication channels.*

Precinct Concept Plans

Precinct concept plans have been prepared for the central and western precincts (**Attachment 7**). A similar precinct concept plan will be prepared for the eastern precinct following a more detailed analysis of housing demand, mixed use and retail demand, and site opportunities and constraints.

Implementation

This report identifies a range of strategies and actions towards achieving the housing objectives of the Catalina project.

The overarching objectives are housing diversity and choice, affordable housing opportunities, provision for mixed use development, sustainability and contemporary built form.

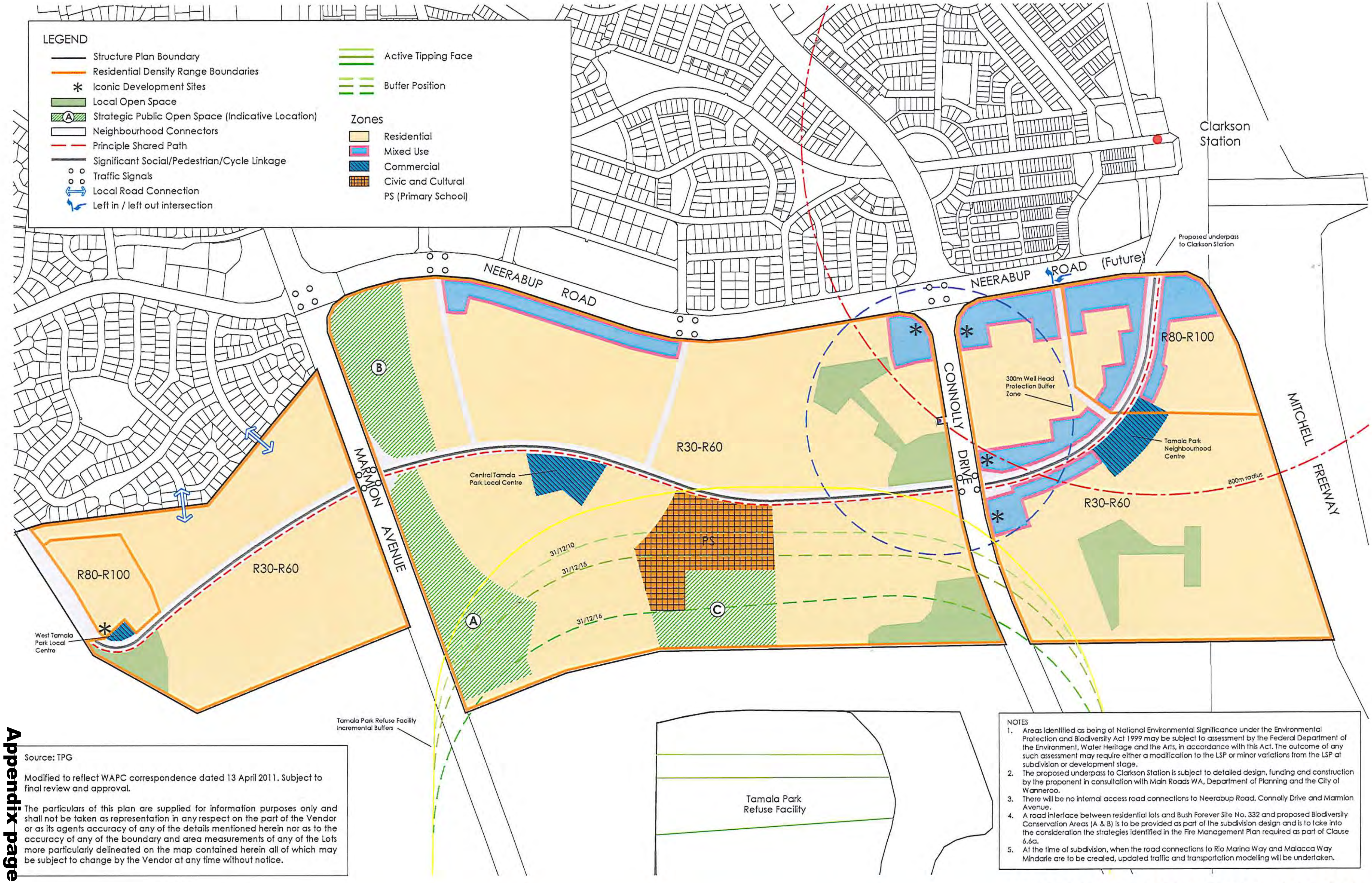
The strategies are wide ranging and include advocacy and promotion, information to future residents, display villages and demonstration projects, guidelines on built form, and the identification of signature sites for guided development projects.

It will be important to monitor and review the strategy on an ongoing basis in the light of experience, to address market changes, and to respond to new initiatives and innovation in the housing sector.

It is also envisaged that focus is required on the actual implementation of the Housing and Built Form Strategy to deliver the objectives set out in the Strategy.

Attachment 1

Tamala Park Local Structure Plan (LSP79)



Source: TPG

Modified to reflect WAPC correspondence dated 13 April 2011. Subject to final review and approval.

The particulars of this plan are supplied for information purposes only and shall not be taken as representation in any respect on the part of the Vendor or as its agents accuracy of any of the details mentioned herein nor as to the accuracy of any of the boundary and area measurements of any of the Lots more particularly delineated on the map contained herein all of which may be subject to change by the Vendor at any time without notice.

NOTES
1. Areas identified as being of National Environmental Significance under the Environmental Protection and Biodiversity Act 1999 may be subject to assessment by the Federal Department of the Environment, Water Heritage and the Arts, in accordance with this Act. The outcome of any such assessment may require either a modification to the LSP or minor variations from the LSP at subdivision or development stage.
2. The proposed underpass to Clarkson Station is subject to detailed design, funding and construction by the proponent in consultation with Main Roads WA, Department of Planning and the City of Wanneroo.
3. There will be no internal access road connections to Neerabup Road, Connolly Drive and Marmion Avenue.
4. A road interface between residential lots and Bush Forever Site No. 332 and proposed Biodiversity Conservation Areas (A & B) is to be provided as part of the subdivision design and is to take into the consideration the strategies identified in the Fire Management Plan required as part of Clause 6.6a.
5. At the time of subdivision, when the road connections to Rio Marina Way and Malacca Way Mindarie are to be created, updated traffic and transportation modelling will be undertaken.

TAMALA PARK LOCAL STRUCTURE PLAN MAP

2228-31D-01 (04.07.2011), nts

Attachment 2

Tamala Park (Catalina) precincts

This plan combines and consolidates a number of subdivision applications and/or approvals; however, these are not necessarily the current designs nor reflective of any conditions assigned to an approval that may alter the design. This plan should not be used as the basis for precals or engineering design and if such action is contemplated CLE must be contacted for the approved plan.
This plan also includes an indicative land use concept depicting one hypothetical development scenario for a portion of the land. These areas have no formal endorsement or approval status. Any lot boundaries, areas, road networks, public open space or any other land use detail depicted should be considered notional and will be subject to change as part of any subsequent formal planning approval processes. This plan remains the property of CLE.

BUILT FORM AND DEMONSTRATION HOUSING STRATEGY PLAN

Catalina Estate, Tamala Park
City of Wanneroo

plan no: 2228-152T-05
scale: 1:4000 @ A1
date: 28.05.2015

Attachment 3

Lot yield and mix

Lot Yield and Mix

Single Lot Product		Yield					
			Lots	DU's	% Lot Product	Land Price	House and Land Price*
Front		17x30m	28	28	3%	$364,000	$ 600,000**
		15x30m	178	178	18.5%	$ 340,000	$560,000**
		12.5x30m	235	235	24%	$ 300,000	$ 498,000*
		10x30m	81	81	8%	$ 261,000	$430,000*
		9x25m	13	13	1%	$220,000	$400,000**
		15x20m	75	75	8%	$268,000	$430,000*
		Sub Total	610	610	62.5%		
Rear		10x30m	137	137	14%	$ 261,000	$435,000
		7.5x30m	222	222	23%	$ 215,000	$394,000*
		5x32m	0	0	0%	NA	NA
		Sub Total	359	359	37%		
Site		Other	5	104	0.5%		
Total			974	1073	100%		

* House and Land Prices taken from realestate.com.au

** House and Land Prices Estimate only

Attachment 4

Indicative lot profiles and dwelling density options

HOUSING DENSITY OPTIONS

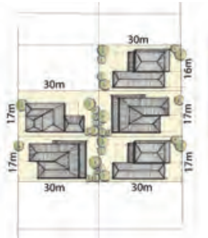
LOWER DENSITY

1. TRADITIONAL

LOT DIMENSIONS:	15m x 30m
LOT AREA:	450m^2
SINGLE DWELLING R CODES[1]:	R20, R30
APPROX. DU PER SITE HA[2]:	22
VEHICLE ACCESS:	Street
DWELLING DIVERSITY & DENSITY OPTIONS[3]:	Ancillary Accommodation Front load duplex pair (R40)
SINGLE STOREY R CODE VARIATIONS:	Boundary walls

2. FAMILY HOMESITE

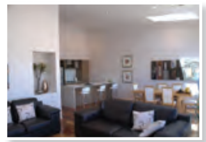
LOT DIMENSIONS:	16/17m+ x 30m
LOT AREA:	480m^2-550m^2
SINGLE DWELLING R CODES[1]:	R20, R30
APPROX. DU PER SITE HA[2]:	19
VEHICLE ACCESS:	Street
DWELLING DIVERSITY & DENSITY OPTIONS[3]:	Ancillary Accommodation Front loaded duplex pair (R40)
SINGLE STOREY R CODE VARIATIONS:	Boundary walls



MEDIUM DENSITY

3. PROMENADE

LOT DIMENSIONS:	7.5m+ x 25m
LOT AREA:	187.5m^2+
SINGLE DWELLING R CODES[1]:	R60 - R100
APPROX. DU PER SITE HA[2]:	52
VEHICLE ACCESS:	Street
DWELLING DIVERSITY & DENSITY OPTIONS[3]:	Ancillary Accommodation
SINGLE STOREY R CODE VARIATIONS:	Primary Street setback, private open space, site cover and boundary walls



Catalina

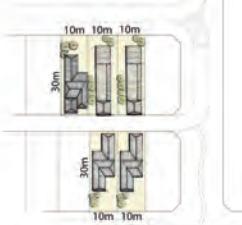
MEDIUM DENSITY

4. LIFESTYLE

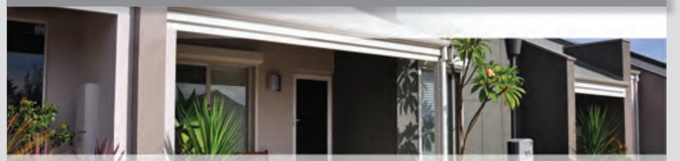
LOT DIMENSIONS[4]:	10/12.5m x 30m
LOT AREA:	300m^2 - 375m^2
SINGLE DWELLING R CODES[1]:	R30 - R60
APPROX. DU PER SITE HA[2]:	26
VEHICLE ACCESS:	Street
DWELLING DIVERSITY & DENSITY OPTIONS[3]:	Ancillary Accommodation Corner duplex (R60)
SINGLE STOREY R CODE VARIATIONS:	Front setbacks - site cover and private open space, boundary walls, garage setbacks

5. COTTAGE

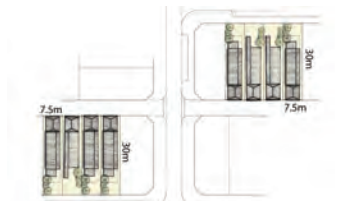
LOT DIMENSIONS:	10/11m x 28/30m
LOT AREA:	275m^2 - 330m^2
SINGLE DWELLING R CODES[1]:	R30 - R60
APPROX. DU PER SITE HA[2]:	33
VEHICLE ACCESS:	Rear/Side Lane
DWELLING DIVERSITY & DENSITY OPTIONS[3]:	Ancillary accommodation over garage
SINGLE STOREY R CODE VARIATIONS:	Primary street setback, secondary street setback, boundary walls, minimum private open space, site cover, ancillary accommodation site cover, overshadowing, privacy



6. TERRACE

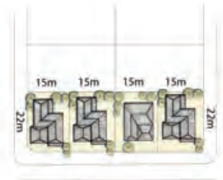


LOT DIMENSIONS:	6/7.5m x 28/30m
LOT AREA:	168m^2 - 225m^2
SINGLE DWELLING R CODES[1]:	R40 - R60
APPROX. DU PER SITE HA[2]:	44
VEHICLE ACCESS:	Rear/Side Lane
DWELLING DIVERSITY & DENSITY OPTIONS[3]:	Terrace pair: 12.7-13m x 30m rear load lots able to be subdivided into two 6.35-6.5m wide terrace lots along the long axis Ancillary accommodation over garage
SINGLE STOREY R CODE VARIATIONS:	Primary street setback, secondary street setback, boundary walls, minimum open space, private open space, site cover, overshadowing, privacy setbacks where floor level > 0.5m above NGL



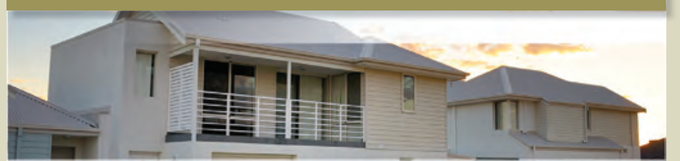
7. CONTEMPORARY

LOT DIMENSIONS:	12.5/15m x 22m
LOT AREA:	275m^2 - 330m^2
SINGLE DWELLING R CODES[1]:	R30 - R60
APPROX. DU PER SITE HA[2]:	30
VEHICLE ACCESS:	Street
DWELLING DIVERSITY & DENSITY OPTIONS[3]:	Ancillary accommodation
REQUIRED R CODE VARIATIONS:	Primary street setback, private open space, site cover



HIGHER DENSITY

8. STUDIO



LOT DIMENSIONS:	Variable
LOT AREA:	Typically greater than 600m^2 up to 2000m^2
SINGLE DWELLING R CODES[1]:	R60
APPROX. DU PER SITE HA[2]:	55
VEHICLE ACCESS:	Front load or rear load
DWELLING DIVERSITY & DENSITY OPTIONS[3]:	Allows for delivery of grouped and multiple dwellings Can include a contemporary traditional, family homesite or homestead lot coded R40 or R60 allowing further subdivision Option for density bonus for single or two bed units to encourage diversity
REQUIRED R CODE VARIATIONS:	Primary street setback, secondary street setback, boundary walls, minimum open space, private open space, overshadowing, privacy setbacks where floor level > 0.5m above NGL, car parking

9. GROUP/VILLA/DUPLEX SITE

LOT DIMENSIONS:	Variable
LOT AREA:	Typically greater than 600m^2 up to 2000m^2
SINGLE DWELLING R CODES[1]:	R60 - R100
APPROX. DU PER SITE HA[2]:	55
VEHICLE ACCESS:	Front load or rear load/public street or private
DWELLING DIVERSITY & DENSITY OPTIONS[3]:	Allows for delivery of grouped and multiple dwellings Can include a contemporary traditional, family homesite or homestead lot coded R40 or R60 allowing further subdivision Option for density bonus for single or two bed units to encourage diversity
REQUIRED R CODE VARIATIONS:	Primary street setback, secondary street setback, boundary walls, minimum open space, private open space, overshadowing, privacy setbacks where floor level > 0.5m above NGL

10. MULTIPLE/APARTMENT/MAISONETTE

LOT DIMENSIONS:	Variable
LOT AREA:	Typically greater than 1000m^2
SINGLE DWELLING R CODES[1]:	R80, R100[7], R160
APPROX. DU PER SITE HA[2]:	160
VEHICLE ACCESS:	Front load or rear load/public street or private
DWELLING DIVERSITY & DENSITY OPTIONS[3]:	Allows for delivery of grouped and multiple dwellings No limit on single or two bed units mix to encourage diversity Ancillary accommodation
REQUIRED R CODE VARIATIONS:	Possible R Code variations dependent on size of site, location and developer intentions. Subject to MUHC provisions for multiple dwellings

11. RETIREMENT

LOT DIMENSIONS:	Variable
LOT AREA:	Typically greater than 1000m^2
SINGLE DWELLING R CODES[1]:	R80, R100[7], R160
APPROX. DU PER SITE HA[2]:	160
VEHICLE ACCESS:	Front load or rear load/public street or private
DWELLING DIVERSITY & DENSITY OPTIONS[3]:	Allows for delivery of grouped and multiple dwellings No limit on single or two bed units mix to encourage diversity Ancillary accommodation
REQUIRED R CODE VARIATIONS:	Possible R Code variations dependent on size of site, location and developer intentions. Subject to MUHC provisions for multiple dwellings

Attachment 5

The Junctions, Brighton

Corner view of The Junctions from Kahana Parkway.

The Junctions.

LOCATION MAP

Project location

THE JUNCTIONS AT BRIGHTON ESTATE, BUTLER

Description	The Junctions offers smaller housing options within a larger development in a greenfield location comprising of apartments, townhouses and compact single housing. The Junctions is within walking distance of the Butler town centre and future passenger train station.
Address	42-52 Kahana Parkway, 5-9 Homoa Lane and 23 Navarre Way, Butler, Western Australia.
Developer/ designer/ builder	**Developer:** Satterley Property Group and Department of Housing. **Builder:** Jaxon Constructions. **Designer:** John McQuade Designs.
Date constructed	2010
Approximate cost of construction	$1,720/m² (excluding car parks and garages).
Total site area	3,831 m²
R-Code	R60
Achieved density	57 du/ha
Plot ratio achieved	0.7 : 1.0
Height in storeys	1 and 2 storeys.

Housing typology and number of residential units

Typology	No. of units	No. of bedrooms	Average size
Apartments	5	1	47 - 65 m²
	7	2	88 - 95 m²
Town Houses	5	3	111 - 130 m²
Compact single housing	5	3	104 - 106 m²
Total	22	-	-

Indicative selling price 2010	**1 bed apartments** - $200-$240,000; **2 bed apartments** - $280-330,000; **3 bed town houses** - $350-400,000; **3 bed compact single housing** - $340-360,000.
Open space	220,000m² across the first four villages developed at Brighton Estate.

THE JUNCTIONS AT BRIGHTON ESTATE, BUTLER — R60

Community facilities and amenity in close proximity

Proximity to activity centres: Within 1km of Butler town centre and 2km south of Brighton town centre.

Public transport: Bus services to Clarkson passenger train station and Joondalup town centre.

Public space: Neighbourhood, recreational open space is within walking distance and provides barbeque facilities and an exercise track.

Sustainable housing form: Lot orientation and construction in accordance with Building Code of Australia (BCA) standards for solar passive design.

OVERALL SITE PLAN

LEGEND

- Low density – below R30
- Medium density – R30-R60
- High density – R80 and above
- Existing development
- Open space
- Roads
- Paths
- Project area

Recreational public space in Brighton Estate.

The Junctions.

Note: Maps and diagrams are not to scale.

Department of Planning

Western Australian Planning Commission

Email: corporate@planning.wa.gov.au

Attachment 6

Indicative house types and target markets

Indicative House Types and Target Markets

TYPOLOGY		AREA(SQM)	TARGET MARKET	Land $	House/Land $
Low Density	Traditional	450	Mature families	$ 340,000	$ 560,000
	Family	510	Mature families	$ 364,000	$ 600,000
Medium Density	Promenade	187.5	1st home buyers	$ 195,000	$ 365,000
	Lifestyel 1	375	Growing families, empty nesters	$ 300,000	$ 498,000
	Lifestyle 2	300	Young families, empty nesters	$ 261,000	$ 430,000
	Cottage	300	Young families, empty nesters	$ 261,000	$ 435,000
	Terrace	225	1st home buyers, empty nesters	$ 215,000	$ 394,000
	Contemporary	300	Young families, empty nesters	$ 268,000	$ 430,000
Higher Density	Studio	NA	Singles	NA	$ 280,000
	Group/Villa/Duplex	NA	Singles, couples (no children), empty nesters	NA	$ 350,000
	Multiple/Apartment/Maisonette	NA	Singles, couples (no children), empty nesters	NA	$ 330,000
	Retirement	NA	Retirees	NA	$ 330,000

Attachment 7

Precinct Concept Plans

Central and Western Precincts

This plan combines and consolidates a number of subdivision applications and/or approvals; however, these are not necessarily the current designs nor reflective of any conditions assigned to an approval that may alter the design. This plan should not be used as the basis for precals or engineering design and if such action is contemplated CLE must be contacted for the approved plan.
This plan also includes an indicative land use concept depicting one hypothetical development scenario for a portion of the land. These areas have no formal endorsement or approval status. Any lot boundaries, areas, road networks, public open space or any other land use detail depicted should be considered notional and will be subject to change as part of any subsequent formal planning approval processes. This plan remains the property of CLE.

STRATEGY AREAS

Catalina Estate, Tamala Park
City of Wanneroo

plan no: 2228-208D-01
scale: Not to scale
date: 28.05.2015

CLE TOWN PLANNING + DESIGN

Appendix 9.10

Satterley

30 July 2015

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

Dear Tony,

Catalina FYE2016 Budget Amendments

The purpose of this memo is to address budget changes for FYE2016 as a result of the update of actual revenues and costs incurred in FYE2015 and the reforecasting of revenues and costs to be incurred in FYE2016. The high level snapshot of these changes is shown below:

Cashflow for Financial Year Ending 2016

Actual net cashflow for FYE2015 was $9.1m better than budget due to reduced gross income of ($0.8m) and reduced development costs of $9.9m. Development costs of $3.2m deferred from FYE2015 to FYE2016 are still required to undertake the deferred works. The timing of works is the principle driver of the consequential reduction in FYE2016 budgeted net cashflow of ($4.3m) compared to the Jun15 model submitted and approved by Council. The net position across both the FYE2015 and FYE2016 years budgeted at June 2016 is a project to date net cashflow increase of $4.8m.

CATALINA CASHFLOW	Revised FY16 Jul15	Previous FY16 Jun15 Approved	FY16 Variance	Revised Project to date Jul15	Previous Project to date Jun15 Approved	Project tc date Variance
GROSS INCOME	35,559,838	36,645,252	(1,085,414)	182,330,897	184,167,009	(1,836,112
DEVELOPMENT COSTS	40,717,456	37,505,837	(3,211,619)	114,556,689	121,242,285	6,685,595
CASHFLOW	**(5,157,618)**	**(860,585)**	**(4,297,033)**	67,774,208	62,924,724	4,849,483
DISTRIBUTIONS	18,000,000	18,000,000	0	45,700,000	45,700,000	0

FY16 High Level Variances

- Gross income has reduced due to the deferral of landscape, fencing, solar and display builder rebate costs from FYE2015 to FYE2016 and a slight reduction in gross income, where stages with higher average selling prices are now settling in FYE2017.
- Development costs have increased largely due to the deferral of landscape works from FYE2015 to FYE2016 and the deferral of stage 13A – 14A lot production costs from FYE2015 to FYE2016.
- Distributions remain unchanged from the budget submitted to the Jun-15 Council meeting, where $18m is still forecast to be distributed in FYE2016.

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

Satterley

Cash Balance Assumptions for this review

The following assumption has been applied to the cash balance in this review:

- The opening cash balance on 1 July-15 is $45.2m.

The attached FYE2016 cashflow shows a more detailed analysis on variances between the budgets.

It is recommended this updated budget is adopted by TPRC for FYE2016.

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

Yours sincerely

Tony Aleksovski
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	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	FY16 180 Sales
Sales Release	17	38	0	0	0	10	19	30	0	30	30	0	174
Sales - Stage 6B	1	0	1	0	0	0	0	0	0	0	0	0	2
Sales - Stage 11	0	0	0	1	1	1	0	0	0	0	0	0	3
Sales - Stage 12	0	0	1	1	1	1	0	0	0	0	0	0	4
Sales - Stage 13A	0	0	1	1	1	0	0	0	0	0	0	0	3
Sales - Stage 13B	2	2	2	2	2	1	0	0	0	0	0	0	11
Sales - Stage 14A	2	2	2	2	2	2	2	2	2	2	0	0	20
Sales - Stage 14B	0	0	0	0	0	0	5	5	0	0	0	0	10
Sales - Stage 15	0	5	8	9	7	13	12	1	0	0	0	0	55
Sales - Stage 16A	0	0	0	0	0	0	0	6	8	3	2	0	19
Sales - Stage 17	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales - Stage 18	0	0	0	0	0	0	0	0	7	10	10	11	38
Sales - Stage 25	0	0	0	0	0	0	0	0	0	0	7	7	14
Sales - Stage 26	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Sales	5	9	15	16	15	18	19	14	17	15	19	18	180
Titles	0	0	0	0	0	55	0	0	0	0	89	0	144
Settlements	17	16	13	7	9	5	29	16	8	8	4	19	151
Closing Stock	56	85	70	54	39	31	31	47	30	45	56	38	38
Contracts on hand	32	25	27	36	42	55	45	43	52	59	74	73	73
Average Settlement Price	264,581	262,382	251,308	262,023	294,267	259,587	278,401	279,124	274,836	276,193	269,056	261,871	269,822
GROSS INCOME													
Income - Stage 6B	0	0	273,000	0	273,000	0	0	0	0	0	0	0	546,000
Income - Stage 9	0	0	0	0	0	0	0	0	0	0	0	0	0
Income - Stage 10	0	0	0	0	0	0	364,000	364,000	0	0	0	0	728,000
Income - Stage 11	0	0	0	0	285,333	285,333	0	285,333	0	0	0	0	855,999
Income - Stage 12	0	0	659,000	291,500	583,000	0	0	0	0	291,500	0	0	1,825,000
Income - Stage 13A	0	0	0	0	490,000	0	245,000	0	0	0	0	0	735,000
Income - Stage 13B	1,372,273	1,336,250	517,209	506,834	500,609	496,874	495,474	495,474	0	0	0	0	5,720,996
Income - Stage 14A	3,125,600	2,861,870	1,817,792	1,035,825	516,456	515,728	515,364	515,182	515,091	515,046	515,023	515,023	12,964,000
Income - Stage 14B	0	0	0	0	0	0	0	0	0	0	0	1,235,000	1,235,000
Income - Stage 15	0	0	0	0	0	0	6,453,800	2,806,000	1,683,600	1,403,000	561,200	561,200	13,468,800
Income - Stage 16A	0	0	0	0	0	0	0	0	0	0	0	1,465,959	1,465,959
Income - Stage 18	0	0	0	0	0	0	0	0	0	0	0	1,198,375	1,198,375
Income - Stage 25	0	0	0	0	0	0	0	0	0	0	0	0	0
Income - Lots Total	4,497,873	4,198,120	3,267,001	1,834,159	2,648,399	1,297,936	8,073,638	4,465,989	2,198,691	2,209,546	1,076,223	4,975,558	40,743,130
Income - Other	0	0	0	0	0	0	0	0	647,236	1,012,571	0	0	1,659,807
Direct Selling Expenses	382,523	422,277	306,502	639,262	283,218	580,515	794,202	772,471	480,476	841,399	381,378	958,875	6,843,099
GROSS INCOME	4,115,350	3,775,842	2,960,498	1,194,898	2,365,180	717,421	7,279,436	3,693,518	2,365,451	2,380,717	694,844	4,016,683	35,559,838
DEVELOPMENT COSTS													
Special Sites Development	49,720	0	50,000	0	0	0	38,000	0	62,212	62,212	62,212	0	324,357
Consultants	166,495	149,956	135,047	93,302	206,584	93,457	83,630	83,914	78,982	62,754	63,486	143,578	1,361,186
Landscape	1,055,499	1,295,998	919,033	585,476	364,797	595,559	580,036	183,384	230,056	125,099	267,209	275,353	6,477,500
Infrastructure	60,114	50,177	253,143	107,193	107,327	1,461,582	1,463,409	303,688	250,459	250,772	497,303	301,894	5,107,060
Main 01 Bulk Earthworks Stgs 14-16 Cell B	33,794	33,836	33,879	0	0	0	0	0	0	0	0	0	101,509
Main 01 Bulk Earthworks Stg 20-24 Cell B	35,946	35,991	36,036	36,081	36,126	36,171	36,217	36,262	36,307	36,353	0	568,560	930,049
Western Cell Bulk Earthworks Stgs 25-27	3,509	3,513	606,172	606,930	607,688	606,819	607,577	1,906	1,909	0	0	0	3,046,022
Lot Production - Stage 6C	0	0	0	0	0	0	0	0	0	0	0	27,408	27,408
Lot Production - Stage 6B	83,465	0	0	0	0	0	0	0	0	0	0	68,519	151,985
Lot Production - Stage 13A	37,960	28,112	28,113	28,114	28,115	610	610	611	612	0	0	0	152,857
Lot Production - Stage 13B	136,166	27,649	27,651	27,653	27,655	1,786	1,789	1,791	1,793	0	0	0	253,932
Lot Production - Stage 14A	146,532	101,835	101,848	101,862	101,875	101,888	10,768	10,781	0	0	0	0	677,389
Lot Production - Stage 14B	6,258	6,266	6,273	6,281	6,289	142,701	142,777	142,854	136,610	228,823	0	0	825,133
Lot Production - Stage 15	11,004	11,018	478,389	478,635	864,988	479,129	479,378	479,628	11,115	0	0	0	3,293,283
Lot Production - Stage 16A	7,000	7,008	7,017	7,026	7,035	7,044	236,125	236,480	236,836	393,016	235,410	235,765	1,615,761
Lot Production - Stage 17	0	0	0	0	0	0	0	41,748	41,801	41,853	41,905	41,958	209,265
Lot Production - Stage 18	44,723	44,778	44,834	44,890	44,947	45,003	699,100	700,219	701,341	1,157,446	658,306	823,825	5,009,412
Lot Production - Stage 25	24,387	24,418	24,448	24,479	24,509	24,540	802,532	803,826	805,122	806,421	807,723	805,152	4,977,557
Lot Production - Stage 26	0	0	0	0	0	0	30,151	30,189	30,227	30,265	30,302	30,340	181,475
Administration	68,944	59,006	399,119	59,128	59,190	59,251	59,313	64,374	63,800	63,867	63,934	64,002	1,083,928
Sales and Marketing	86,027	54,167	169,167	59,167	59,167	59,167	54,167	54,167	54,167	54,167	54,167	54,167	811,860
Community Development	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	192,500
Finance/Bonds	1,002,111	0	0	0	0	0	0	0	0	0	0	400,000	1,402,111
Debtor/Creditor Movement	22,886	22,886	22,886	22,886	22,886	22,886	22,886	22,886	22,886	22,886	22,886	22,886	274,628
Contingency	107,877	101,687	184,317	129,898	143,922	202,321	303,088	180,491	158,901	187,372	160,851	193,715	2,054,440
DEVELOPMENT COSTS	3,276,474	2,144,357	3,578,232	2,435,041	2,729,140	3,955,955	5,667,594	3,395,241	2,941,176	3,539,347	2,981,736	4,073,162	40,717,456
CASHFLOW	**838,876**	**1,631,485**	**(617,734)**	**(1,240,144)**	**(363,960)**	**(3,238,534)**	**1,611,841**	**298,277**	**(575,725)**	**(1,158,630)**	**(2,286,892)**	**(56,480)**	**(5,157,618)**
Capital Calls	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Returns	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit Distributions	0	0	0	0	0	8,000,000	0	0	0	0	0	10,000,000	18,000,000
Cumulative Cash Balance	46,070,702	47,702,187	47,084,453	45,844,309	45,480,350	34,241,816	35,853,657	36,151,934	35,576,209	34,417,579	32,130,687	22,074,208	22,074,208

Catalina Monthly Profit and Loss	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	FYE 2016 Total
Settlements	17	16	13	7	9	5	29	16	8	8	4	19	**151**
Average Selling Price	264,581	262,382	251,308	262,023	294,267	259,587	278,401	279,124	274,836	276,193	269,056	261,871	**269,822**
Lot Income	4,497,873	4,198,120	3,267,001	1,834,159	2,648,399	1,297,936	8,073,638	4,465,989	2,198,691	2,209,546	1,076,223	4,975,558	**40,743,130**
Special Site Income	0	0	0	0	0	0	0	0	647,236	1,012,571	0	0	**1,659,807**
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Total Income	**4,497,873**	**4,198,120**	**3,267,001**	**1,834,159**	**2,648,399**	**1,297,936**	**8,073,638**	**4,465,989**	**2,845,927**	**3,222,116**	**1,076,223**	**4,975,558**	**42,402,936**
GST Margin Scheme	77,369	72,909	59,313	31,978	41,165	22,898	132,976	73,458	95,614	128,873	18,433	87,668	**842,654**
Selling Commission	94,455	88,161	68,607	38,517	55,616	27,257	169,546	93,786	59,765	67,664	22,601	104,487	**890,462**
Project Management	101,202	94,458	73,508	41,269	59,589	29,204	181,657	100,485	64,034	72,498	24,215	111,950	**954,069**
Settlement Fees	6,800	6,400	5,200	2,800	3,600	2,000	11,600	6,400	3,600	3,600	1,600	7,600	**61,200**
Rebates	191,017	180,005	146,437	78,949	101,633	162,990	434,760	287,816	197,250	197,364	151,967	322,900	**2,453,089**
Cost of Goods Sold	1,367,573	1,288,709	1,079,079	578,999	784,948	426,398	2,739,449	1,489,960	1,666,078	815,606	349,938	2,062,334	**14,649,071**
Total Direct and Development Costs	**1,838,416**	**1,730,642**	**1,432,144**	**772,512**	**1,046,551**	**670,747**	**3,669,988**	**2,051,905**	**2,086,341**	**1,285,605**	**568,754**	**2,696,939**	**19,850,545**
Gross Profit	**2,659,457**	**2,467,478**	**1,834,857**	**1,061,647**	**1,601,848**	**627,188**	**4,403,649**	**2,414,083**	**759,586**	**1,936,511**	**507,469**	**2,278,618**	**22,552,391**
Sales and Marketing	86,108	54,227	169,228	59,227	59,227	59,227	54,227	54,227	54,227	54,227	54,227	54,227	**812,606**
Community Development	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	**192,504**
Administration	70,884	59,049	398,892	59,174	59,232	59,295	59,354	64,419	63,842	63,905	63,973	64,045	**1,086,064**
Finance	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Contingency	107,905	101,725	184,367	129,929	143,958	202,379	303,161	180,535	158,936	187,418	160,887	193,764	**2,054,964**
Total Other Expenses	**280,939**	**231,043**	**768,529**	**264,372**	**278,459**	**336,943**	**432,784**	**315,223**	**293,047**	**321,592**	**295,129**	**328,078**	**4,146,138**
Net Profit	**2,378,518**	**2,236,435**	**1,066,328**	**797,275**	**1,323,389**	**290,245**	**3,970,865**	**2,098,860**	**466,539**	**1,614,919**	**212,340**	**1,950,540**	**18,406,253**

Appendix 9.11

TAMALA PARK
Regional Council

ANNUAL BUDGET

2015-16

Contents

Chairman's Introduction

Highlights of the Works program include:

- Achieving 180 sales,Titles for 144 lots and 151 settlements;
- Civil construction for 205 lots; including commencement of civil works for the first stages of the Western Precinct
- Bulk Earthworks for the Western Precinct;
- Completion of major landscape works;
- Promotion of Telethon Charity Home;
- Launch of Catalina Beach Precinct, along with the second Display Village launch.

It is anticipated that the Local Government Participants will receive a return of capital in 2015/2016 amounting to $18,000,000.

The 2015/2016 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 2029.

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 2015-16 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 2015-16 continues the civil works and marketing undertaken to date in order to consolidate the Catalina project. The TPRC 2015-16 includes a comprehensive marketing program to achieve 180 sales and 151 settlements. The proposed expenditure is detailed in the Budget and accompanying notes.

The major development costs are shown below:	$
- Land & Special Sites Development	324,357
- Consultants	1,361,186
- Landscape	6,477,500
- Infrastructure	5,107,060
- Precinct 1 Bulk	4,077,581
- Lot Production	17,550,304
- Administration	1,083,928
- Community Development	192,500
- Contingency	2,054,440
- Finance	1,402,111
- GST Recoupable, Debtors and Creditors Movements	274,628
- Other	70,000
- Selling Expenses	6,843,099
-Sales and Marketing	811,860
	47,630,554

The TPRC Budget 2015-16 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 2015-16 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-15
2. Audit Committee considers draft budget	Jul-15
3. Proposed budget to Council for approval	Aug-15
4. Copy of adopted budget submitted to the Department	Sep-15

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 2015/16 Annual Budget, a number of external influences have been taken into consideration, because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

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

1.2 Internal influences

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2015/16 Annual Budget. These matters have arisen from events occurring in the 2014/15 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2015/16 year. These matters and their financial impact are set out below:

- Budget surplus for the 2014/15 financial year ended 30 June 2015
- 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.

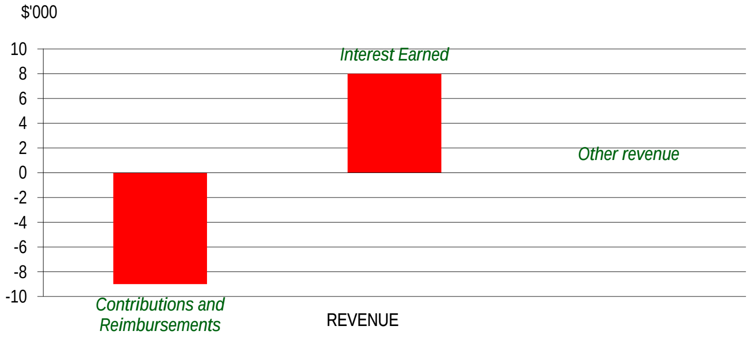
The 2015/16 Annual Budget, which is included in this report, is for the year 1 July 2015 to 30 June 2016 and is prepared in accordance with the Act and Regulations. The budget includes statutory statements being a budget comprehensive income, budget statement of financial activity, budget statement of 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 2016 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 2015/16 year.

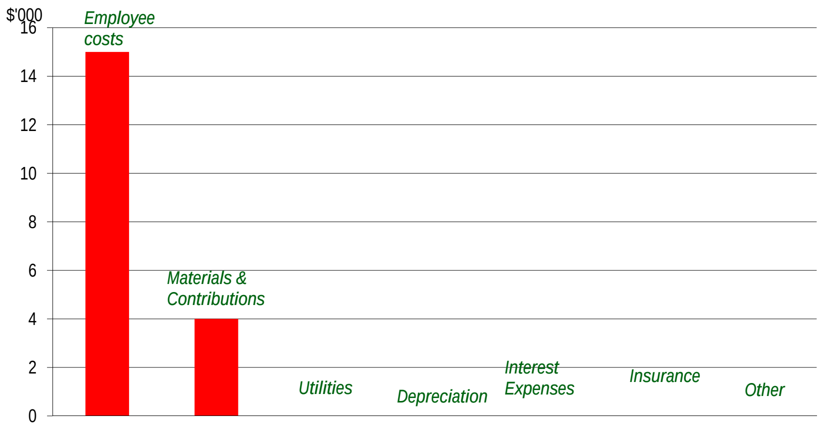
2.1 Operating revenue

Revenue Types	Budget 2014/15 $'000	Budget 2015/16 $'000	Variance $'000
Contributions and Reimbursements	11	2	-9
Interest Earned	951	959	8
Other revenue	0	0	0
Total operating revenue	**962**	**961**	-1
Net gain on sale of assets	**7**	**0**	-7



2.2 Operating expenditure

Expenditure Types	Budget 2014/15 $'000	Budget 2015/16 $'000	Variance $'000
Employee Costs	713	728	15
Materials and Contracts	440	444	4
Utilities	6	6	0
Depreciation	18	18	0
Interest Expenses	0	0	0
Insurance	17	17	0
Other expenses	176	176	0
Total operating expenditure	**1,370**	**1,389**	19



3. Analysis of Budgeted Cash Position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2015/16 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 2014/15 $'000	Budget 2015/16 $'000	Variance $'000
Cash flows from operating activities			
Receipts			
Contributions and Reimbursements	10	2	-8
Interest Earned	987	1,148	161
Goods and Services Tax	20	0	-20
Other revenue	0	0	0
	1,017	**1,150**	133
Payments			
Employee Costs	-714	-728	-14
Materials and Contracts	-529	-485	44
Utilities	-6	-6	0
Insurance	-17	-17	0
Goods and Services Tax	-20	0	20
Other expenses	-175	-176	-1
	-1,461	**-1,412**	49
Net cash provided by operating activities	**-444**	**-262**	182
Cash flows from investing activities			
Receipts from disposal of assets	41	0	-41
Receipts from sale of land	61,891	42,403	-19,488
Payments for development of land, plant and equipment	-48,525	-47,656	869
Net cash provided by investing activities	**13,407**	**-5,253**	**-18,660**
Cash flows from financing activities			
Contributions to be returned	-31,422	-18,351	13,071
Net cash used in financing activities	**-31,422**	**-18,351**	13,071
Net decrease in cash and cash equivalents	**-18,459**	**-23,866**	-5,407
Cash and cash equivalents at the beg of the year	40,413	46,060	5,647
Cash and cash equivalents at end of the year	**21,954**	**22,194**	240

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 2016

2014/15 ADOPTED BUDGET		NOTES	2014/15 ACTUAL	2015/16 ADOPTED BUDGET
$	**EXPENDITURE**	1,2,3,4,12,13	$	$
(175,438)	Governance		(161,533)	(175,663)
(1,194,419)	Other Property and Services		(806,181)	(1,212,703)
(1,369,857)			(967,714)	(1,388,366)
	REVENUE	1,2,3,4,11,13		
951,446	General Purpose Funding		1,459,506	958,606
10,480	Other Property & Services		12,926	1,937
961,926			1,472,432	960,543
(407,931)	***Increase(Decrease)***		**504,718**	**(427,823)**
	DISPOSAL OF ASSETS	2,6		
0	Land		0	0
6,869	Plant and Equipment		956	0
0	Furniture and Equipment		0	0
6,869	***Gain (Loss) on Disposal***		956	-
(401,062)	*NET RESULT*		**505,674**	**(427,823)**
	OTHER COMPREHENSIVE INCOME			
0	Changes on revaluation of non current assets		0	0
0	*TOTAL OTHER COMPREHENSIVE INCOME*		0	0
($401,062)	*TOTAL COMPREHENSIVE INCOME*		**$505,674**	**($427,823)**

TAMALA PARK REGIONAL COUNCIL
BUDGET FINANCIAL ACTIVITY STATEMENT FOR THE YEAR ENDING 30 JUNE 2016

2014/15 ADOPTED BUDGET		2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2015/16 JULY	2015/16 AUGUST	2015/16 SEPTEMBER	2015/16 OCTOBER	2015/16 NOVEMBER	2015/16 DECEMBER	2015/16 JANUARY	2015/16 FEBRUARY	2015/16 MARCH	2015/16 APRIL	2015/16 MAY	2015/16 JUNE
$	**OPERATING REVENUE**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
711,090	General Purpose Funding	1459506	958,606	95,861	191,721	287,580	383,440	479,303	575,164	647,059	718,955	790,850	862,747	910,678	958,606
1,890	Other Property and Services	12926	1,937	0	0	0	0	0	0	0	0	0	0	0	1,937
$712,980		**$1,472,432**	**$960,543**	**$95,861**	**$191,721**	**$287,580**	**$383,440**	**$479,303**	**$575,164**	**$647,059**	**$718,955**	**$790,850**	**$862,747**	**$910,678**	**$960,544**
	LESS OPERATING EXPENDITURE														
(175,438)	Governance	(161,533)	(175,663)	(718)	(1,538)	(43,711)	(44,736)	(45,658)	(87,729)	(88,549)	(89,369)	(131,440)	(132,670)	(133,490)	(175,663)
(1,194,419)	Other Property & Services	(806,181)	(1,212,703)	(84,889)	(181,905)	(278,922)	(400,192)	(509,335)	(594,224)	(691,240)	(788,257)	(873,146)	(1,018,670)	(1,115,686)	(1,212,703)
(1,369,857)		**(967,714)**	**(1,388,366)**	**(85,607)**	**(183,443)**	**(322,632)**	**(444,928)**	**(554,993)**	**(681,953)**	**(779,789)**	**(877,626)**	**(1,004,586)**	**(1,151,340)**	**(1,249,176)**	**(1,388,366)**
($407,931)	*Increase(Decrease)*	**$504,718**	**($427,822)**	**$10,254**	**$8,278**	**($35,053)**	**($61,487)**	**($75,690)**	**($106,790)**	**($132,730)**	**($158,671)**	**($213,736)**	**($288,593)**	**($338,498)**	**($427,822)**
	ADD														
0	Provision for Employee Entitlements	14,670	0	0	0	0	0	0	0	0	0	0	0	0	0
6869	Profit/Loss on the Disposal of Assets	956	0	0	0	0	0	0	0	0	0	0	0	0	0
17,983	Depreciation Written Back	16250	17,797	1,246	2670	4,093	5,873	7,475	8,720	10,144	11,568	12,814	14,949	16,373	17,797
34131	Book Value of Assets Sold Written Back	37226	0	0	0	-	-	-	-	-	-	-	-	-	-
$58,983		**$69,102**	**$17,797**	**$1,246**	**$2,670**	**$4,093**	**$5,873**	**$7,475**	**$8,720**	**$10,144**	**$11,568**	**$12,814**	**$14,949**	**$16,373**	**$17,797**
($348,948)	*Sub Total*	**$573,820**	**($410,026)**	**$11,500**	**$10,948**	**($30,959)**	**($55,614)**	**($68,216)**	**($98,069)**	**($122,586)**	**($147,103)**	**($200,922)**	**($273,643)**	**($322,125)**	**($410,026)**
	LESS CAPITAL PROGRAMME														
(66,000)	Purchase Plant and Equipment	(65,303)	(25,000)	0	0	0	0	0	0	0	0	0	(25,000)	(25,000)	(25,000)
(3,000)	Purchase Furniture and Equipment	-	0	0	0	0	0	0	0	0	0	0	0	0	-
($69,000)		(65,303)	**($25,000)**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**($25,000)**	**($25,000)**	**($25,000)**
	LESS MEMBERS EQUITY														
	Development of Land for Resale														
61,890,849	Income Sale of Lots -Subdivision	60,058,193	40,743,130	4,497,873	8,695,993	11,962,994	13,797,153	16,445,552	17,743,488	25,817,126	30,283,115	32,481,806	34,691,352	35,767,575	40,743,130
-	Income Other -Subdivision	18,875	1,659,807	0	0	0	0	0	0	0	0	647,236	1,659,807	1,659,807	1,659,807
(48,455,839)	Development Costs	(23,492,495)	(47,630,553)	(3,663,897)	(6,236,133)	(10,126,468)	(13,207,772)	(16,226,431)	(20,767,802)	(27,235,199)	(31,408,511)	(34,835,064)	(39,224,211)	(42,592,924)	(47,630,553)
0	Change in Contributed Equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(422,562)	Contribution Refund	(422,562)	(350,650)	0	0	0	0	0	0	0	0	0	0	0	(350,650)
(27,700,000)	Profit Distributions	(27,700,000)	(18,000,000)	0	0	0	0	0	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(18,000,000)
(3,300,000)	Contribution Returned	(3,300,000)	0	0	0	0	0	0	0	0	0	0	0	0	0
($17,987,552)		**$5,162,011**	**($23,578,266)**	**$833,976**	**$2,459,860**	**$1,836,526**	**$589,381**	**$219,121**	**($11,024,314)**	**($9,418,073)**	**($9,125,396)**	**($9,706,022)**	**($10,873,052)**	**($13,165,542)**	**($23,578,266)**
0	Plus Rounding	-1	0	0	0	0	0	0	0	0	0	0	0	0	0
($18,056,552)		**$5,096,707**	**($23,603,266)**	**$833,976**	**$2,459,860**	**$1,836,526**	**$589,381**	**$219,121**	**($11,024,314)**	**($9,418,073)**	**($9,125,396)**	**($9,706,022)**	**($10,898,052)**	**($13,190,542)**	**($23,603,266)**
($18,405,500)	*Sub Total*	**$5,670,527**	**($24,013,292)**	**$845,476**	**$2,470,808**	**$1,805,567**	**$533,767**	**$150,906**	**($11,122,383)**	**($9,540,659)**	**($9,272,499)**	**($9,906,944)**	**($11,171,695)**	**($13,512,667)**	**($24,013,292)**
	LESS FUNDING FROM														
40,484,543	Opening Funds	40,484,543	46,155,070	46,155,070	46,155,070	46,155,070	46,155,070	46,155,070	46,155,070	46,155,070	46,155,070	46,155,070	46,155,070	46,155,070	46,155,070
(22,079,043)	Closing Funds	(46,155,070)	(22,141,778)	(47,000,546)	(48,625,878)	(47,960,638)	(46,688,838)	(46,305,976)	(35,032,687)	(36,614,411)	(36,882,571)	(36,248,126)	(34,983,374)	(32,642,402)	(22,141,778)
$18,405,500		**($5,670,527)**	**$24,013,292**	**(845,476)**	**(2,470,808)**	**(1,805,568)**	**(533,768)**	**(150,906)**	**11,122,383**	**9,540,659**	**9,272,499**	**9,906,944**	**11,171,696**	**13,512,668**	**24,013,292**
$0	**NET (SURPLUS)DEFICIT**	**$0**	**$0**	**($0)**	**$0**	**($1)**	**($1)**	**($0)**	**$0**	**$0**	**$0**	**$0**	**$1**	**$1**	**$0**

TAMALA PARK REGIONAL COUNCIL
BUDGET RATE SETTING STATEMENT FOR THE YEAR ENDING 30 JUNE 2016

2014/15 ADOPTED BUDGET		NOTES	2014/15 ACTUAL	2015/16 ADOPTED BUDGET
$	**REVENUE**	1,2,3,4,11,13	$	$
951,446	General Purpose Funding		1,459,506	958,606
10,480	Other Property and Services		12,926	1,937
$961,926			**$1,472,432**	**$960,543**
	LESS EXPENDITURE	1,2,3,4,12,13		
(175,438)	Governance		(161,533)	(175,663)
(1,194,419)	Other Property & Services		(806,181)	(1,212,703)
($1,369,857)			**($967,714)**	**($1,388,366)**
($407,931)	*Increase(Decrease)*		**$504,718**	**($427,822)**
	ADD			
34,131	Book Value of Assets Sold Written Back		37,226	0
6,869	Profit/Loss on the Disposal of Assets		956	0
0	Provision for Employee Entitlements		14,670	0
17,983	Depreciation Written Back		16,250	17,797
0	Provision for Audit Fees		0	0
$58,983			**$69,102**	**$17,797**
($348,948)	*Sub Total*		**$573,820**	**($410,026)**
	LESS CAPITAL PROGRAMME	1,14		
0	Purchase Land & Buildings		0	0
(66,000)	Purchase Plant and Equipment		(65,303)	(25,000)
(3,000)	Purchase Furniture and Equipment		0	0
($69,000)			**($65,303)**	**($25,000)**
	LESS MEMBERS EQUITY			
	Development of Land for Resale			
61,890,849	Income Sale of Lots -Subdivision		60,058,193	40,743,130
0	Income Other -Subdivision		18,875	1,659,807
(48,455,839)	Development Costs		(23,492,495)	(47,630,553)
0	Change in Contributed Equity		0	0
(422,562)	Contribution Refund		(422,562)	(350,650)
(27,700,000)	Profit Distributions		(27,700,000)	(18,000,000)
(3,300,000)	Contribution Returned	27	(3,300,000)	0
($17,987,552)			**$5,162,011**	**($23,578,266)**
0	Rounding		($1)	$0
$0			($1)	$0
($18,405,500)	*Sub Total*		**$5,670,527**	**($24,013,292)**
	LESS FUNDING FROM			
40,484,543	Opening Funds	26	40,484,543	46,155,070
(22,079,043)	Closing Funds	26	(46,155,070)	(22,141,778)
$18,405,500			**($5,670,527)**	**$24,013,292**
$0	**TO BE MADE UP FROM RATES**		**$0**	**$0**

TAMALA PARK REGIONAL COUNCIL
BUDGET STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2016

2014/15 ADOPTED BUDGET		NOTES	2014/15 ACTUAL	2015/16 ADOPTED BUDGET
$	*Cash Flows from operating activities*		$	$
	PAYMENTS			
(713,586)	Employee Costs		(553,558)	(727,610)
	Materials & Contracts			
0	- Professional Consulting Fees		0	0
(529,075)	- Other		(530,790)	(485,254)
(6,000)	Utilities		(457)	(6,150)
(16,900)	Insurance		(12,967)	(17,323)
0	Interest Expenses		0	0
(20,000)	Goods and Services Tax		(932,067)	0
(175,738)	Other		(199,701)	(175,971)
($1,461,299)			**($2,229,540)**	**($1,412,307)**
	RECEIPTS			
0	Rates		0	0
10,480	Contributions and Donations Reimbursements		0	1,937
986,514	Interest Received		1,459,506	1,147,730
20,000	Goods and Services Tax		928,792	0
0	Other		353,544	0
$1,016,994			**$2,741,842**	**$1,149,667**
($444,305)	***Net Cash flows from Operating Activities***	**9**	**$512,302**	**($262,640)**
	Cash flows from investing activities			
	Payments			
(66,000)	Purchase Plant and Equipment		(65,303)	(25,000)
(3,000)	Purchase Furniture and Equipment		0	0
	Receipts			
41,000	Disposal of Plant and Equipment		38,182	0
($28,000)			**(27,121)**	**(25,000)**
	Members Equity			
	Payments			
(48,455,839)	- Development of Land for Resale		(23,492,495)	(47,630,553)
(422,562)	-Contribution to be Returned		(422,562)	(350,650)
(27,700,000)	-Change in Contributed Equity		(27,700,000)	(18,000,000)
(3,300,000)	-Capital Returned		(3,300,000)	-
($79,878,401)			**($54,915,057)**	**($65,981,203)**
	Receipts			
61,890,849	-Income Sale of Lots -Subdivision		60,058,193	40,743,130
0	-Income Other -Subdivision		18,875	1,659,807
$61,890,849			**$60,077,068**	**$42,402,937**
($18,015,552)	***Net cash flows from investing activities***		**$5,134,890**	**($23,603,266)**
	Cash flows from financing activities			
$0	***Net cash flows from financing activities***		**$0**	**$0**
($18,459,857)	***Net (decrease)/increase in cash held***		**$5,647,192**	**($23,865,906)**
40,413,398	**Cash at the Beginning of Reporting Period**		**40,413,398**	**46,060,590**
0	**Rounding**		-	0
$21,953,541	***Cash at the End of Reporting Period***	**5**	**$46,060,590**	**$22,194,684**

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 2014/15		Actual 2014/15	Adopted Budget 2015/16
$		$	$
	Charging as Expense		
17,983	Depreciation on Non-Current Assets	16,250	17,797
	Crediting as Revenue		
6,869	Profit/(Loss) on Sale of Non-Current Assets	956	0
951,446	Interest Earnings	1,459,506	958,606
958,315		**1,459,506**	**958,606**

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 2014/15		Actual 2014/15	Adopted Budget 2015/16
$		$	$
	Operating Expenses		
(713,586)	Employee Costs	(598,053)	(727,610)
	Materials and Contracts		
0	Professional Consulting fees		
(439,650)	Other	(140,286)	(443,516)
(6,000)	Utility Charges (Gas, Electricity, Water, etc)	(457)	(6,150)
(17,983)	Depreciation on Non-Current Assets	(16,250)	(17,797)
0	Loss on Asset Disposals	0	0
(16,900)	Insurance Expenses	(12,967)	(17,323)
(175,738)	Other Expenses	(199,701)	(175,970)
(1,369,857)	**Agrees with Statement of Comprehensive Income**	(967,714)	(1,388,366)
	Operating Revenues		
951,446	Interest Earnings	1,459,506	958,606
10,480	Contributions and Donations Reimbursements	0	1,937
6,869	Profit on Asset Disposals	956	0
0	Other	12,926	0
968,795	**Agrees with Statement of Comprehensive Income**	**1,473,388**	**960,543**
($401,062)	**Net Result**	**$505,674**	**($427,823)**
	Other Comprehensive Income		
0	Changes on Revaluation of Non - Current Assets	0	0
($401,062)	**Total Comprehensive Income**	**$505,674**	**($427,823)**

5 CASH

Adopted Budget 2014/15		Actual 2014/15	Adopted Budget 2015/16
$		$	$
30	Cash on Hand	0	0
21,953,511	Cash at Bank	46,060,590	22,194,684
0	Investments	0	
21,953,541	Represented by:-	**46,060,590**	**22,194,684**
0	Restricted	0	0
21,953,541	Unrestricted	46,060,590	22,194,684
21,953,541		**46,060,590**	**22,194,684**

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 2016

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 2016

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 2014/15 $		Actual 2014/15 $	Adopted Budget 2015/16 $
	Change in net result from operations		
(401,062)	Net Result	505,674	(427,823)
17,983	Depreciation	16,250	17,797
(6,869)	(Profit) loss on sale of Fixed Assets	(956)	0
	Change in Assets and Liabilities		
0	(Increase)/Decrease in Inventory	0	0
0	Increase/(Decrease) in Provisions - Employee Entitlements	41,348	0
35,068	(Increase)/Decrease in Receivables	345,944	189,124
(89,425)	Increase/(Decrease) in Payables	(395,957)	(41,738)
0	Rounding	0	0
(444,305)	Cash flows from Operations	**512,303**	**(262,640)**
6,000	Credit Card Facility	6,000	6,000
0	Amount Utilised	(3,227)	0
6,000	Unused Facility available	**2,773**	**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 2014/15 $		Actual 2014/15 $	Adopted Budget 2015/16 $
951,446	General Account	1,459,506	958,606
951,446	**TOTAL**	**1,459,506**	**958,606**

12 COUNCIL MEMBERS - FEES, EXPENSES AND ALLOWANCES

The 2015/2016 Budget provides for the following:

Adopted Budget 2014/15 $		Actual 2014/15 $	Adopted Budget 2015/16 $
	- Annual Attendance Fee		
128,750	- Elected Members Remuneration	127,478	128,750
2000	-Alternate Elected Members Remuneration	560	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		
19,750	- Chairman	19,428	19,570
4,938	- Deputy Chairman	4,857	4,893

13 DEPRECIATION ON NON-CURRENT ASSETS

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

BY PROGRAM

Adopted Budget 2014/15 $		Actual 2014/15 $	Adopted Budget 2015/16 $
17,983	Other Property and Services	16,250	17,797
17,983	**TOTAL**	**16,250**	**17,797**

Adopted Budget 2014/15 $		Actual 2014/15 $	Adopted Budget 2015/16 $
1,919	Furniture and Equipment	1,618	1,618
6,164	Improvements to Leasehold Property	5,539	5,539
9,900	Plant and Equipment	9093	10,640
17,983	**TOTAL**	**16,250**	**17,797**

14 ACQUISITION OF ASSETS

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

BY PROGRAM

Adopted Budget 2014/15		Actual 2014/15	Adopted Budget 2015/16
$		$	$
	Other Property and Service		
0	General Office Fit out	0	0
3,000	Office Equipment	0	0
0	Furniture	0	0
66,000	Motor Vehicle - Work Vehicle	65303	25,000
69,000		**65,303**	**25,000**

Adopted Budget 2013/2014		Actual 2014/15	Adopted Budget 2015/16
$		$	$
0	Land and Buildings	0	0
66,000	Plant and Equipment	65303	25000
3,000	Furniture and Equipment	0	0
69,000		**65,303**	**25,000**

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 2016

16 RATING INFORMATION

A Regional Council does not impose rates

17 SPECIFIED AREA RATE

No specified area rates will be levied during the year 2015/16

18 SERVICE CHARGES

No specified area rates will be imposed during the year 2015/16

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 2014/2015	Rezoning,Subdivision, Development and Sale of land	**Actual 2014/15**	**Adopted Budget 2015/16**
$		**$**	**$**
	Revenue		
0	Participants Equity	0	5,227,616
61,890,849	Sale of Lots	60,077,068	42,402,937
61,890,849		**60,077,068**	**47,630,553**
	Expenditure		
40,879,906	Land Development Costs	19,366,102	38,544,408
1,399,346	Consultancy Fees	343,786	1,361,186
629,180	Sales and Marketing	98,884	811,860
5,312,407	Selling Expenses	3,610,033	6,843,099
235,000	Other	73,689	70,000
13,435,010	Participants Equity	36,584,574	0
61,890,849		**60,077,068**	**47,630,553**

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 2016.

	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						-
Cash	2.50	22,194,684				22,194,684
Trade Receivables					200,000	200,000
		22,194,684	**0**	**0**	**200,000**	**22,394,684**
Financial Liabilities						
Creditors and Provisions					252,906	252,906
		0	**0**	**0**	**252,906**	**252,906**

(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 2014/15		Actual 2014/15	Adopted Budget 2015/16
$		$	$
	Current Assets		
30	Cash On Hand	0	0
21,953,511	Cash at Bank	46,060,590	22,194,684
700,000	Receivables	389,124	200,000
22,653,541		46,449,714	22,394,684
	LESS CURRENT LIABILITIES		
498,270	Payables	191,738	150,000
76,228	Provisions - Employees Entitlements	102,906	102,906
		0	
574,498		294,644	252,906
	Rounding		
22,079,043	SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES	46,155,070	22,141,778

27 MEMBER COUNCILS' EQUITY IN THE TAMALA PARK REGIONAL COUNCIL

Adopted Budget 2014/15			Actual 2014/15	Adopted Budget 2015/16
$			$	$
	Members Equity			
42,426,579	Accumulated surplus		42,426,580	48,094,266
(401,062)	Total Comprehensive Income		505,674	(427,823)
13,435,010	Change in Contributed Equity		36,584,574	(5,227,616)
(31,422,562)	Contribution Returned		(31,422,562)	(18,350,650)
24,037,965	**Total Equity**		48,094,266	24,088,177
	Share			
2,003,164	Town of Cambridge	One Twelfth	4,007,856	2,007,348
4,006,328	City of Joondalup	One Sixth	8,015,711	4,014,696
2,003,164	City of Perth	One Twelfth	4,007,856	2,007,348
8,012,655	City of Stirling	One Third	16,031,422	8,029,392
2,003,164	Town of Victoria Park	One Twelfth	4,007,856	2,007,348
2,003,164	Town of Vincent	One Twelfth	4,007,856	2,007,348
4,006,328	City of Wanneroo	One Sixth	8,015,711	4,014,696
24,037,965			48,094,266	24,088,177

Tamala Park Regional Council

Details By function Under The Following Programme Titles And Type Of Activities Within The Programme	ACTUAL 2014-15		ADOPTED BUDGET 2014-2015		ADOPTED BUDGET 2015-2016	
	Income	Expenditure	Income	Expenditure	Income	Expenditure
Proceeds Sale of Assets						
00000 Proceeds Sale of Assets - Motor Vehicle CEO	($38,182)	$0	($41,000)	$0	$0	$0
00000 Proceeds Sale of Assets - Work Vehicle	$0	$0	$0	$0	$0	$0
Written Down Value						
00000 Written Down Value - Motor Vehicle CEO	$0	$37,226	$0	$34,131	$0	$0
00000 Written Down Value -Work Vehicle	$0	$0	$0	$0	$0	$0
Sub Total - GAIN/LOSS ON DISPOSAL OF ASSET	($38,182)	$37,226	($41,000)	$34,131	$0	$0
Total - GAIN/LOSS ON DISPOSAL OF ASSET	($38,182)	$37,226	($41,000)	$34,131	$0	$0
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	($38,182)	$37,226	($41,000)	$34,131	$0	$0
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	($1,459,506)	$0	($951,446)	$0	($958,606)	$0
I032020 · Contributions	$0	$0	$0	$0	$0	$0
Sub Total - OTHER GENERAL PURPOSE FUNDING OP/INC	($1,459,506)	$0	($951,446)	$0	($958,606)	$0
Total - OTHER GENERAL PURPOSE FUNDING	($1,459,506)	$0	($951,446)	$0	($958,606)	$0
Total - GENERAL PURPOSE FUNDING	($1,459,506)	$0	($951,446)	$0	($958,606)	$0
GOVERNANCE						
MEMBERS OF COUNCIL						
OPERATING EXPENDITURE						
E041005 · Chairman Allowance	$0	$19,427	$0	$19,750	$0	$19,570
E041010 · Deputy Chair Allowance	$0	$4,857	$0	$4,938	$0	$4,893
E041018 · Composite Allowance	$0	$127,478	$0	$128,750	$0	$128,700
E041019 · Alternative Member Meeting Fee	$0	$560	$0	$2,000	$0	$2,000
E041020 · Conference Expenses	$0	$9,211	$0	$10,000	$0	$10,250
E041025 · Training	$0	$0	$0	$0	$0	$0
E041030 · Other Costs	$0	$0	$0	$10,000	$0	$10,250
Sub Total - MEMBERS OF COUNCIL OP/EXP	$0	$161,533	$0	$175,438	$0	$175,663
OPERATING INCOME						
	$0	$0	$0	$0	$0	$0
Sub Total - MEMBERS OF COUNCIL OP/INC	$0	$0	$0	$0	$0	$0
Total - GOVERNANCE	$0	$161,533	$0	$175,438	$0	$175,663
Total - GOVERNANCE	$0	$161,533	$0	$175,438	$0	$175,663
OTHER PROPERTY AND SERVICES						
SALARIES AND WAGES						
OPERATING EXPENDITURE						
New · Gross Total Salaries and Wages	$0	$0	$0	$570,000	$0	$589,950
New · Gross Total Salaries and Wages Allocated	$0	$0	$0	($570,000)	$0	($589,950)
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 2014-15		ADOPTED BUDGET 2014-2015		ADOPTED BUDGET 2015-2016	
	Income	Expenditure	Income	Expenditure	Income	Expenditure
UNCLASSIFIED						
OPERATING EXPENDITURE						
Administration						
E145005 · Salaries - Basic Costs	$0	$513,686	$0	$570,000	$0	$589,950
E145007 · Salaries Occ. Superannuation	$0	$44,291	$0	$54,150	$0	$56,045
E145009 · Salaries WALGS Superannuation	$0	$0	$0	$5,000	$0	$5,175
E145006 · Parental Leave	$0	$8,963	$0	$9,861	$0	$0
E145011 · Advertising Staff Vacancies	$0	$0	$0	$5,000	$0	$5,125
E145015 · Insurance W/comp.	$0	$16,787	$0	$13,575	$0	$13,914
E145017 · Medical Exam. Costs	$0	$0	$0	$300	$0	$308
E145019 · Staff Training & Dev.	$0	$1,355	$0	$5,000	$0	$5,125
E145020 · Conference Expenses	$0	$7,294	$0	$15,000	$0	$15,375
E145021 · Telephone - Staff Reimbursement	$0	$0	$0	$700	$0	$718
E145024 · Travel Expenses CEO	$0	$755	$0	$10,000	$0	$10,250
E145025 · Other Accom & Property Costs	$0	$37,991	$0	$35,000	$0	$35,875
E145027 · Advertising General	$0	$0	$0	$15,000	$0	$15,375
E145029 · Advertising Public/Statutory	$0	$0	$0	$15,000	$0	$15,375
E145031 · Graphics Consumables	$0	$0	$0	$5,000	$0	$5,125
E145033 · Photocopying	$0	$560	$0	$2,500	$0	$2,563
E145037 · Postage, Courier & Freight	$0	$1,132	$0	$1,200	$0	$1,230
E145039 · Printing	$0	$0	$0	$5,000	$0	$5,125
E145043 · Stationery	$0	$936	$0	$2,000	$0	$2,050
E145045 · Other Admin Expenses	$0	$3,281	$0	$15,000	$0	$15,375
E145047 · Office Telephones & Faxes	$0	$1,801	$0	$3,000	$0	$3,075
E145049 · Mobil Phones, Pages, Radios	$0	$0	$0	$2,000	$0	$2,050
E145053 · Bank Charges	$0	$623	$0	$2,000	$0	$2,050
E145055 · Credit Charges	$0	$90	$0	$200	$0	$205
E145056 · Interest on Overdraft	$0	$8,018	$0	$0	$0	$0
E145057 · Audit Fees	$0	$0	$0	$15,000	$0	$8,250
E145059 · Membership Fees	$0	$6,377	$0	$7,550	$0	$7,739
E145061 · Legal Expenses (General)	$0	$0	$0	$30,000	$0	$30,750
E145069 · Valuation Fees	$0	$0	$0	$50,000	$0	$51,250
E145075 · Promotions	$0	$0	$0	$15,000	$0	$15,375
E145077 · Business Hospitality Expenses	$0	$1,081	$0	$10,000	$0	$10,250
E145079 · Consultancy	$0	$0	$0	$20,000	$0	$20,500
E145082 · Lawyers	$0	$5,854	$0	$30,000	$0	$30,750
E145083 · Research	$0	$0	$0	$30,000	$0	$30,750
E145100 · Safety Clothes and Equipment	$0	$0	$0	$1,000	$0	$1,025
E145086 · Probity Auditor	$0	$0	$0	$20,000	$0	$20,500
E145087 · Computer Software Mtce	$0	$713	$0	$5,000	$0	$5,125
E145088 · Accounting Management	$0	$48,899	$0	$50,000	$0	$51,250
E145089 · Computer Software Purchase	$0	$50	$0	$10,000	$0	$10,250
E145091 · Computer Sundries	$0	$0	$0	$5,000	$0	$5,125
E145092 · Data Communication Links	$0	$0	$0	$5,000	$0	$5,125
E145093 · Internet Provider Costs	$0	$11,644	$0	$10,000	$0	$10,250
E145094 · Plant & Equipment Purchase Non-Capital	$0	$2,467	$0	$2,000	$0	$2,050
E145095 · Furniture & Equipment Purchase	$0	$0	$0	$5,000	$0	$5,125
E145097 · Hire of Equipment	$0	$0	$0	$2,000	$0	$2,050
E145099 · Vehicle Operating Expense	$0	$4,536	$0	$15,000	$0	$15,375
E145099 ·Fringe Benefit Tax -Motor Vehicle	$0	$7,416	$0	$10,000	$0	$10,250
E145101 · Consumable Stores	$0	$878	$0	$1,000	$0	$1,025
E145103 · Newspapers & Periodicals	$0	$0	$0	$200	$0	$205
E145100 · Safety Clothes and Equipment	$0	$117	$0	$0	$0	$0
E145105 · Publications & Brochures	$0	$0	$0	$500	$0	$513
E145107 · Subscriptions	$0	$0	$0	$1,000	$0	$1,025
E145109 · Parking Expenses	$0	$234	$0	$300	$0	$308
E145111 · Plans	$0	$510	$0	$1,500	$0	$1,538
E145113 · Emergency Services	$0	$0	$0	$10,000	$0	$10,250
E145117 · Electricity	$0	$457	$0	$6,000	$0	$6,150
E145119 · Professional Indemnity	$0	$4,352	$0	$0	$0	$0
E145121 · Insurance - Public Liability	$0	$4,655	$0	$5,000	$0	$5,125
E145123 · Insurance - Property (ISR)	$0	$3,960	$0	$1,900	$0	$1,948
E145126 · Insurance - Personal Accident	$0	$0	$0	$5,000	$0	$5,125
E145127 · Insurance - Other	$0	$0	$0	$5,000	$0	$5,125
E145222 · Depreciation	$0	$16,250	$0	$17,983	$0	$17,797
E145405 · TPG Syrinx Component	$0	$0	$0	$0	$0	$0
E145451 · GST management	$0	$16,918	$0	$0	$0	$0
E145453 · GST Margin Scheme Consultancy	$0	$18,750	$0	$0	$0	$0
E145452 · Recruitment_Human Resources	$0	$2,500	$0	$0	$0	$0
Sub Total - UNCLASSIFIED OP/EXP	$0	$806,181	$0	$1,194,419	$0	$1,212,703
OPERATING INCOME						

Tamala Park Regional Council

Details By function Under The Following Programme Titles And Type Of Activities Within The Programme	ACTUAL 2014-15		ADOPTED BUDGET 2014-2015		ADOPTED BUDGET 2015-2016	
	Income	Expenditure	Income	Expenditure	Income	Expenditure
I145010 · Reimbursements	($5,234)	$0	($1,890)	$0	($1,937)	$0
I05 · Contribution- Parental Leave	($7,693)	$0	($8,590)	$0	$0	$0
Sub Total - UNCLASSIFIED OP/INC	($12,926)	$0	($10,480)	$0	($1,937)	$0
Total - UNCLASSIFIED	($12,926)	$806,181	($10,480)	$1,194,419	($1,937)	$1,212,703
Total - OTHER PROPERTY AND SERVICES	($12,926)	$806,181	($10,480)	$1,194,419	($1,937)	$1,212,703

Tamala Park Regional Council

Details By function Under The Following Programme Titles And Type Of Activities Within The Programme	ACTUAL 2014-15 Income	ACTUAL 2014-15 Expenditure	ADOPTED BUDGET 2014-2015 Income	ADOPTED BUDGET 2014-2015 Expenditure	ADOPTED BUDGET 2015-2016 Income	ADOPTED BUDGET 2015-2016 Expenditure
MEMBERS EQUITY						
EXPENDITURE						
Contribution Refund	$0	$422,562	$0	$422,562	$0	$350,650
Capital Returns	$0	$3,300,000	$0	$3,300,000	$0	$0
Profit Distributions	$0	$27,700,000	$0	$27,700,000	$0	$18,000,000
Sub Total - MEMBERS EQUITY	$0	$31,422,562	$0	$31,422,562	$0	$18,350,650
INCOME						
I145011 · Income Sale on Lots	($60,058,193)	$0	($61,890,849)	$0	($40,743,130)	$0
I145012 · Income Other	($18,875)		$0	$0	($1,659,807)	$0
Sub Total - MEMBERS EQUITY	($60,077,068)	$0	($61,890,849)	$0	($42,402,937)	$0
Total - MEMBERS EQUITY	($60,077,068)	$0	($61,890,849)	$31,422,562	($42,402,937)	$18,350,650
Total - MEMBERS EQUITY	($60,077,068)	$31,422,562	($61,890,849)	$31,422,562	($42,402,937)	$18,350,650
SURPLUS						
New (Surplus) / Deficit - Brought Forward	($40,484,543)	$0	($40,484,543)	$0	($46,155,070)	$0
New (Surplus) / Deficit - Carried Forward	$0	$46,155,070	$0	$22,079,043	$0	$22,141,778
Sub Total - SURPLUS C/FWD	($40,484,543)	$46,155,070	($40,484,543)	$22,079,043	($46,155,070)	$22,141,778
Total - SURPLUS	($40,484,543)	$46,155,070	($40,484,543)	$22,079,043	($46,155,070)	$22,141,778
DEPRECIATION						
New · Depreciation Written Back	$0	($16,250)	$0	($17,983)	$0	($17,797)
New · Employee Provisions	$0	($14,670)	$0	$0	$0	$0
New · Prov for Audit Fees	$0	$0	$0	$0	$0	$0
New · Book Value of Assets Written Back	$0	($37,226)	$0	($34,131)	$0	$0
Sub Total - DEPRECIATION WRITTEN BACK	$0	($68,146)	$0	($52,114)	$0	($17,797)
Total - DEPRECIATION	$0	($68,146)	$0	($52,114)	$0	($17,797)
FURNITURE AND EQUIPMENT						
OTHER PROPERTY AND SERVICES						
EXPENDITURE						
E168561 · Photocopier	$0	$0	$0	$0		
E168563 · Computer	$0	$0	$0	$0		
E168513 · General Office Equipment	$0	$0	$0	$3,000	$0	$0
E168516 · Office Furniture CEO	$0	$0	$0	$0	$0	$0
E168517 · Computer Equipment	$0	$0	$0	$0	$0	$0
E168518 · Microwave Oven	$0	$0	$0	$0	$0	$0
E168524 · Sony Bravia Conference Room TV	$0	$0	$0	$0	$0	$0
Sub Total - CAPITAL WORKS	$0	$0	$0	$3,000	$0	$0
Total- OTHER PROPERTY AND SERVICES	$0	$0	$0	$3,000	$0	$0
Total - FURNITURE AND EQUIPMENT	$0	$0	$0	$3,000	$0	$0
LAND AND BUILDINGS						
OTHER PROPERTY AND SERVICES						
EXPENDITURE						
E168521 · Refurbishment works office	$0	$0	$0	$0	$0	$0
E168519 · Phones	$0	$0	$0	$0	$0	$0
E168523 · Elect_Comp Equipmen	$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 2014-15 Income	ACTUAL 2014-15 Expenditure	ADOPTED BUDGET 2014-2015 Income	ADOPTED BUDGET 2014-2015 Expenditure	ADOPTED BUDGET 2015-2016 Income	ADOPTED BUDGET 2015-2016 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	$65,303	$0	$66,000	$0	$0
0000000 Work Vehicle	$0	$0	$0	$0	$0	$25,000
Sub Total - CAPITAL WORKS	$0	$65,303	$0	$66,000	$0	$25,000
Total - OTHER PROPERTY AND SERVICES	$0	$65,303	$0	$66,000	$0	$25,000
Total - PLANT AND EQUIPMENT	$0	$65,303	$0	$66,000	$0	$25,000

Tamala Park Regional Council

Details By function Under The Following Programme Titles And Type Of Activities Within The Programme	ACTUAL 2014-15		ADOPTED BUDGET 2014-2015		ADOPTED BUDGET 2015-2016	
	Income	Expenditure	Income	Expenditure	Income	Expenditure
INFRASTRUCTURE ASSETS - OTHER						
Land Development Costs			$0	$0		
New-Land & Special Sites Development	$0	$319,318	$0	$623,999	$0	$324,357
99.4 · Land Develop - Consultants	$0	$343,786	$0	$1,399,346	$0	$1,361,186
99.5 · Land Develop - Landscape	$0	$2,705,830	$0	$6,610,083	$0	$6,477,500
99.1 · Land Develop - Infrastructure	$0	$67,730	$0	$2,588,306	$0	$5,107,060
99.9 · Land Develop - Precinct 1 Bulk	$0	$2,093,457	$0	$6,984,213	$0	$4,077,580
99.2 · Land Develop - Lot Production	$0	$13,850,723	$0	$22,489,784	$0	$17,550,304
99.6 · Land Develop - Admin Land Dev	$0	$244,663	$0	$1,330,395	$0	$1,083,928
New-Community Development	$0	$84,381	$0	$188,034	$0	$192,500
New-Contingency	$0	$0	$0	$2,274,452	$0	$2,054,440
New-finance	$0	$0	$0	$1,130,239	$0	$1,402,111
Debtors /Creditors Movement	$0	$0		($3,339,599)	$0	$274,628
Consultancy						
-Env Innovation Consultancies	$0	$0				
E145441 · Sustainability Assessment System	$0	$0	$0	$60,000	$0	$0
E145448 · EPBC Act Management	$0	$0	$0	$15,000	$0	$0
-Admin-Operational Consultancies						
E145451 · GST management	$0	$0	$0	$30,000	$0	$20,000
E145453 · GST Margin Scheme Consultancy	$0	$0	$0	$40,000	$0	$0
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	$20,000
E145206 · MtceServices-Land	$0	$0	$0	$10,000	$0	$10,000
-Sales Expenditure						
E145216 · Direct Selling Expenses	$0	$3,610,033	$0	$5,312,407	$0	$6,843,099
E145218 · Sales and Marketing	$0	$98,884	$0	$629,180	$0	$811,860
OTHER						
E145082 · Lawyers	$0	$30,665	$0	$0	$0	$0
E145086 · Probity Auditor	$0	$6,515	$0	$0	$0	$0
E145083 · Research	$0	$4,928				
E145029 · Advertising Public/Statutory	$0	$31,582	$0	$0	$0	$0
Sub Total - CAPITAL WORKS	$0	$23,492,495	$0	$48,455,839	$0	$47,630,553
Total - OTHER	$0	$23,492,495	$0	$48,455,839	$0	$47,630,553
Total - INFRASTRUCTURE ASSETS - OTHER	$0	$23,492,495	$0	$48,455,839	$0	$47,630,553
GRAND TOTALS	($102,072,225)	$102,072,224	($103,378,318)	$103,378,318	($89,518,550)	$89,518,550
		($1)		$0		($0)

Appendix 9.12

TAMALA PARK Regional Council

AUDIT PLAN 2015/2016

	Statutory Date	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Appoint Auditor													
Note: Auditor appointed until June 2017													
Compliance Return									Audit	Council			
- To be completed by	31 December												
- To Audit Committee and Council Before	31 March												
- To Director General DLGRD Before	31 March												
Annual Financials													
- To Council to refer to Audit			Audit	Council									
- To Auditor by	30 September												
- Auditor to report to Council by	31 December						Audit	Council					
- To DLGRD within 30 days of receipt of Audit Report													
- Council to accept Annual Report by	31 December												
Budget													
- Draft Budget			Audit										
- Earliest date for adoption	1 July												
- Budget adoption by	31 August			Council									
- To DLGRD within 30 days of adoption													
Budget Review													
- Required by LG between 1 January and 31 March													
- Considered by Council within 30 days of review									Audit	Council			
- To DLGRD within 30 days of Council review													
Delegations to CEO													
- Annual Review Required							Audit	Council					
Investment Policy			Audit	Council									
Procurement Policy			Audit	Council									
Audit Charter			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							

POLICY MANUAL

Audit Charter
(Terms of Reference)
(July 20154)

Background

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

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

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

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

Comment

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

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

Scope of Activity – Audit Committee

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

Audit Charter
(Terms of Reference)
(July 20154)

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 20154)

3. Membership

The Committee will consist of a minimum of five members.

The CEO and employees are not members of the Committee.

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

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

4. Meetings

The Committee shall meet at least three times in each calendar year.
~~NB:~~ At least one meeting per annum is required to meet with the external auditor.

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

5. Reporting

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

6. Duties and Responsibilities

The duties and responsibilities of the Committee will be:

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.

Appendix 9.13

TAMALA PARK Regional Council

POLICY MANUAL

Payment of Accounts & Security of Payment Instruments Policy
(July 20154)

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 Regulation 13.1 of the financial management regulation.

3. Risk Profile

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

- That relevant delegations are current and complete;
- That bank authorisations are current and complete;
- That chequebooks, bank tokens and passwords are adequately secured;
- That procedures in relation to the use of 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 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;

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

(b) Security of Tokens and Passwords

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

(c) Purchasing and Credit Cards

Refer to the Credit Card Policy for further information.

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

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

(e) Reporting of Payment Activity

Payment of Accounts & Security of Payment Instruments Policy

(July 2015~~4~~)

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 maywill utilise petty cash inaccordance with~~. ~~Refer to the Petty Cash Ppolicy for further information~~.
Should the TPRC utilise petty cash it will be in accordance with the Petty Cash Policy.

(g) Receipt of Goods and Services

- A delivery docket and/or account must accompany all goods purchased by TPRC (except minor purchases covered by a detailed receipt).
- Goods and services will be checked to purchase orders, investment instructions, letters of commission or contracts as appropriate.
- The person checking receipt of goods will endorse the appropriate instrument with 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 13~~21~~ August 2015~~4~~.

____
Signature

____
Name

____

Payment of Accounts &
Security of Payment Instruments Policy
(July 2015~~4~~)

Date

Appendix 9.14

TAMALA PARK
Regional Council

POLICY MANUAL

Investment Policy
(July 20154)

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;

Investment Policy

(July 2015~~4~~)

- 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	11AM and UBSWA Bank Bill Index UBSWA 0-3yr &/or
Fixed Interest	Master Index
Capital Stable Funds	CPI + 2% AV. Rolling 3 yr periods.

(d) Reporting

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

(e) Variation to Policy

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

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

2. OPERATIONAL PROVISIONS

Investment Limits

- Maximum investment of total funds with any one institution having an 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.

Investment Policy
(July 2015~~4~~)

- 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 20154)

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 2015~~4~~)

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 13~~21~~ August 2015~~4~~.

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Signature

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Name

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Date

Appendix 9.15

TAMALA PARK Regional Council

POLICY MANUAL

Credit Card Policy
(July 20154)

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 2015~~4~~)

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.

Use of Cards

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

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.

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

Credit Card Policy
(July 20154)

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.
   - The account number the purchase is to be allocated to.

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

6. For FBT purposes, expenses relating to the provision of entertainment must provide details of the function, the total number of staff who attended, and the total number of attendees.

7. Sign and date the monthly corporate credit card statement at completion of the reconciliation.

8. The monthly corporate credit card statement, with all invoices attached, should then be authorised by the appropriate person as described in the Monthly Limit and Authorisation section of this policy.

9. The corporate credit card statement and all attachments are then to be provided to the Chief Executive Officer.

10. After processing, all corporate credit card statements will be kept by the Executive Assistant.

11. The CEO's corporate credit card statements are to be presented to the Audit Committee every four months.

12. Copies of all statements and supporting documents are to be filed for audit review.

13. The Council Auditor will include as part of the annual work plan, a periodic review of the supporting documentation in respect of the monthly corporate credit card statement.

Disputed Purchases

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

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

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

Terminating or Ceasing Employment

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

Reporting Lost or Stolen Cards

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

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

Replacement Cards

Credit Card Policy
(July 2015~~4~~)

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

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

This Credit Card Policy is authorised by the Chief Executive Officer on 13~~21~~ August 2015~~4~~.

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Signature

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Name

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Date

Appendix 9.16

TAMALA PARK
Regional Council

POLICY MANUAL

Petty Cash Policy
(July 201~~4~~5)

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 ~~21~~13 August 201~~4~~5.

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Signature

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Name

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Date

Appendix 9.17

POLICY MANUAL

Financial Management –
Significant Accounting Policies
(July 20154)

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 2015~~4~~)

(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.

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.

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

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.

Financial Management – Significant Accounting Policies
(July 20154)

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.

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.

Financial Management – Significant Accounting Policies
(July 2015~~4~~)

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 $1,000 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.

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

Financial Management – Significant Accounting Policies
(July 2015~~4~~)

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.

Financial Management – Significant Accounting Policies
(July 20154)

(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.

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.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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 Regional Council, are classified as finance leases.

Financial Management – Significant Accounting Policies
(July 20154)

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.

(o) 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.

(p) 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.

Financial Management – Significant Accounting Policies

(July 2015~~4~~)

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.

(q) Grants, Donations and Other Contributions

Grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

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.

(r) 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.

(s) 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 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.

Financial Management – Significant Accounting Policies
(July 2015~~4~~)

(t) Rounding Off Figures

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

(u) Comparative Figures

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

(v) 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 13~~21~~ August 2015~~4~~.

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Signature

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Name

____

Date

Appendix 9.18

POLICY MANUAL

Procurement Policy

(July ~~2014~~2015)

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.

a) Weighted Cost Criteria

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

b) Non-Weighted Cost Criteria

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

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.

Procurement Policy
(July 201~~4~~5)

- 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.

TAMALA PARK Regional Council

POLICY MANUAL

Procurement Policy
(July 201~~4~~5)

This Procurement Policy is authorised by the Chief Executive Officer on ~~21~~13 August 201~~4~~5.

Signature

Name

Date

Appendix 9.19

MAKING CITIES LIVEABLE CONFERENCE 2015
"Liveable Cities for the Future"
Report by the CEO – Tamala Park Regional Council

The conference was held in Melbourne, coincidently named the world's most liveable city for the fourth year in a row. The focus of the conference and speakers was on improving the quality of life in our urban areas, delivering healthy, sustainable and resilient urban areas.

The conference was attended by a diversity of delegates, including academics, engineers, urban designers, social planners, community and industry groups, local and state government officers, students, and sustainability practitioners.

The conference program included an extensive range of topics with keynotes, concurrent sessions, case studies and workshops.

There was a good range of presentation topics covering many contemporary issues, including planning, aged friendly communities, impact of density and growing populations, public space and sharing space, sustainable frameworks, urban agriculture, leadership in sustainability and place making. The topics were relevant to a broad cross-section of delegates from public, private and community sectors.

The conference provided opportunities for practitioners and stakeholders to share, reflect and engage on issues of the liveability of urban areas and challenges in the future.

The following represents some of the key messages from the presentations attended. It is intended to be a brief synopsis of points and messages delivered at the conference.

Place Making
- Rapidly growing movement;
- Inspires people to collectively re-imagine and re-invent public spaces as the heart of every community;
- Greater influence of place making in all traditional areas of development, including master planning, urban design, social and economic development, community engagement, retail planning, arts and culture and sustainable development;
- Place making defines a city's identity;
- Cities are judged by their public realm;
- Place making principles need to be applied to high rise communities;
- Historically, cities have been horizontally organised systems, comprised of plazas, streets, buildings, blocks, and parks;
- High rise buildings are mostly disassociated from the surrounding urban context providing little added value to the urban community;
- Need to consider the inclusion of:
    - Vertical gardens, open space;
    - Communal space, seating areas for residents and their visitors;
    - Provision of children's services;
    - Meeting space/hubs for community gatherings.

Place Making in new communities
- The creation of "places" in new communities is challenging;
- New communities offer some unique opportunities to integrate best practice and innovation;

- Less constrained than with existing communities;
- Traditionally resistance from developers to placing housing too near to retail centres, because of impacts, including increased traffic, noise, etc;
- A key part in making a place is good quality, relevant green space, community facilities and retail amenities;
- Value in bringing all these elements together to create a more interesting combination;
- Children's play is important to building a community space.

Global trends in mixed use development
- Mixed use emerging as the new development paradigm;
- Requires new ways of thinking around how the different users of mixed use space interact and how the design of public and private space is mediated;
- The role of 'precinct amenity' in creating successful urban places;
- Amenity is the new value differentiator;
- Developers are competing to win market share;
- People trading off smaller private living space provided there is good shared space and public amenities;
- Getting the fundamentals right is the key to successful mixed use projects.

Green infrastructure and liveable cities
- Green Infrastructure delivers multiple environmental, social and economic values and services to urban communities;
- The value of Green Infrastructure is becoming increasingly recognised by scientific, health, planning and design communities;
- Green Infrastructure is a critical contributor to the liveability of urban places;
- Green Infrastructure is not a luxury;
- Green Infrastructure should not be considered as an indulgence that only affluent communities can afford;
- Green Infrastructure strengthens the resilience of towns and cities to respond to the major current and future challenges;
- Compelling evidence for Green Infrastructure within an integrated approach to urban design and development.

Framework for Healthier Communities
- Fragmented approach to sustaining communities is a challenge;
- Excessive control stifles innovation, participation and perpetuates poor performance;
- Urban planning provides a platform for promoting beneficial change;
- Need to embrace more imaginative planning of established communities to achieve tangible change;
- Sustainability - No brainer;
- Potential for mandatory requirements;
- Local Government leading the way;
- Some LG's applying environmental levy incentives to ratepayers to participate in using energy, water efficiencies systems;
- Integration of and use/transport;
- Congestion Charge is an active consideration;
- Generational change required between Transport/Planning.

Enabling Local Sustainability Action

- Focus on engaging the local community in sustainability;
- Bottom up approach - What the community wants to do, rather than having predetermined actions;
- Group (community) based projects more likely to yield outcomes;
- Cheaper for local government;
- Local Government providing support in kind, not financial support, builds community capacity;
- Community driven outcomes generally different to LG outcomes;
- Individuals have the passion, just need support and direction;
- External mentors involved, adds capacity and motivation.

Urban Farming

- Spur family "urban farm" in the backyard;
- A small flat in a block of 5 units, just 5 minutes from Brisbane's CBD;
- Produces the majority of family food needs, such as, organic fruit, vegetables, seeds, grains, eggs, and honey;
- Reached goal to reduce their environmental impact;
- Home-based, family-centred and self-sufficient way of living;
- Strengthened the community and built resilience;
- It involved:
  - farming urban animals;
  - harvesting rainwater and grey water;
  - following organic gardening principles; and
  - inspiring and empowering the local community by sharing and swapping produces and expertise.

Age-friendly Cities

- Two significant trends are currently directly affecting the population of Australia; responding to an ageing population and increasing urbanisation;
- Cities need to be more age friendly;
- No measure of progression towards age-friendliness;
- Use it to inform the design and planning of physical and societal infrastructure to enable the index.

Cost of Melbourne Density

- No problem with density just needs to be done well;
- Density bonuses provide potential benefits, affordable housing;
- No density controls Melbourne CBD;
- Generally no funding of community infrastructure or open space;
- Unpredictable population growth;
- Uncertainty on density leads to speculation/escalating land values;
- Quality of living space;
- Quality of public realm/neighbourhood;
- Provision of local services.

Tony Arias
August 2015

Appendix 9.20

Satterley

5 August 2015

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

Dear Tony,

Re: Catalina – Review of $5,000 Lot Deposit for Catalina

Current market conditions experienced over the last 3 months overall across the SPG portfolio indicate a softening of the market for urban land.

FYE 2015 statistics for Catalina indicate that web leads and telephone enquiries significantly declined from January 2015. Sales office traffic levels were maintained, however it is SPG's opinion that this was more due to enquiries about the future Catalina Beach development from both existing and surrounding residents as works have now commenced and progressed onsite and not Catalina Central.

Financial Year	2015
Estate Name	Catalina

Gross Sales Lead Source	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
WalkInTraffic	218	184	110	120	111	61	80	80	118	96	98	74	1,350
PhoneEnquiry	256	143	92	71	83	48	32	40	64	49	33	45	956
PriceListRequests	5	27	21	28	20	15	6	7	2	0	1	22	154
StayInformedRequests	26	43	20	15	6	5	39	41	39	51	50	32	367
WebLeads	21	55	13	19	15	35	76	66	52	44	22	39	457
Total	**526**	**452**	**256**	**253**	**235**	**164**	**233**	**234**	**275**	**240**	**204**	**212**	**3,284**

Looking at the landscape and offering from a customer's perspective, along with the $5,000 deposit amount for a lot at Catalina, purchasers also have to account for $3,000 - $5,000 for preliminary building plans from their chosen builder prior to formally lodging a finance application. This equates to a purchaser having to have to have a minimum amount of $8,000 to $10,000 accounted for within their total house and land deposit amount (typically ranging from 5% - 20% of the total house and land package value) prior to entering into a contract at Catalina to purchase a lot as customers typically choose the type of home they want prior to choosing their preferred lot.

Whilst the lot deposit amount was originally set at $5,000 to generate more authentic purchasers, declining market conditions have now placed the Catalina project in a position where it is less enticing for a purchaser as they can effectively secure a lot in a competing estate with a lower initial outlay amount.

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.

Feedback from discussions held with builders within the Catalina display village also highlighted that the initial outlay burden to customers with the lot deposit amount for Catalina being set at $5,000 as a factor in the final decision by the customer as to where they purchase a lot and that a reduction in the lot deposit amount in line with competing estates within the corridor would be seen as enticing.

Competitors in the corridor are currently offering a lower deposit amount than Catalina and are summarised in the below table:

Estate	Deposit Amount
Jindalee	$2,000
Eden Beach	$1,000
Trinity	$2,000
Alkimos Beach	$2,000
Shorehaven	$2,000
Amberton	$2,000
Allara	$1,000
Capricorn Yanchep	$2,000

Recommendation

A reduction in the lot deposit amount from $5,000 to $2,000 is recommended by SPG and should be considered by the TPRC. This will not only reduce the initial outlay burden on customers given the current state of the market but will also allow the Catalina project to provide a comparable offering as per its competitors within the market and in particular within the corridor.

Should you have any queries please contact the undersigned on 9368 9114.

Yours sincerely

Tony Aleksovski
PROJECT DIRECTOR