
APPENDIX ITEM 9.1



STORMWATER 2012 CONGRESS REPORT

The Stormwater 2012 Congress was held in Melbourne on 16-18 October 2012 and attended by the Cr Willox and the CEO. Consistent with TPRC practice a brief report has been provided to Council on the Congress.

The Congress was the lead event of the National Stormwater Industry of Australia and brought together leading industry professionals, including, state and local government officers, engineers, planners, researchers and developers. The Conference was well attended with over 300 delegates representing all Australian states and a high number of overseas delegates. The Congress focused on various aspects of stormwater management.

Congress presentations included the following topics:

- Stormwater harvesting and reuse technologies;
- Water Sensitive Urban Design techniques;
- Sustainable irrigation techniques; and
- Case studies - improved stormwater outcomes.

Key Statements and Outcomes;

- There was a strong focus on stormwater harvesting and reuse technologies aimed at implementation of Water Sensitive Urban Design. Also a high degree of innovation and technology in harvesting and reuse systems.
- The Conference had a strong east coast flavour with techniques discussed having more relevance to the east coast.
- Apparent trend to mechanical systems for water quality outcomes, particularly in high groundwater areas. Seemed to be general acceptance by most stakeholders at the implications and cost of mechanical systems.
- Increasing application of underground storage for use in stormwater management and landscape irrigation.
- Strong focus on achieving water quality objectives and discharge/recharge of quality stormwater into natural waterways for reuse and environmental outcomes.
- High incidence of use of biofiltration systems (rain gardens) to remove pollutants and control stormwater.
- There were numerous examples of Water Agencies, open to innovation, partnering and sharing of risk in achieving water quality objectives. Waste water was considered and treated as a valuable commodity. However, there is still much State Government/Local Government resistance to innovation, based on risks focussed on costs and maintenance.



- Recognition of the broad value of “greenscape” to urban environment, peoples well being, the environment, social interaction and place making – which justified costs to maintain.
- Push for a much more integrated approach to water planning and stronger focus to urban planning, not as a secondary consideration.
- A number of successful examples of new stormwater harvesting and reuse systems retro fitted into existing urban areas resulting in removal of heavy metals and stormwater suitable for irrigation of open space.
- Presentations from WA delegates that stormwater harvesting and reuse technologies generally not practical in the Perth metropolitans area. Water quality management and infiltration/recharge into groundwater were key objectives in WA.
- There seemed to be consensus view about the on economic value of water, including drainage/stormwater.
- Outlined a number of case studies where improved stormwater/groundwater management is being achieved by employment of biofiltration systems;
 - Centennial Park, Sydney – major eutrophication problems, improvement.
 - Melbourne Park – Stormwater harvest and reuse systems
 - Town of Cambridge - proposal to utilise stormwater to infiltrate for long term irrigation use.
- The principles of Water Sensitive Urban Design techniques would appear to be well entrenched in planning and design practice.
- The techniques being applied to achieve stormwater quality outcomes seem to consistently apply across Australia, however mechanical systems much more prevalent in the east coast to manage water quality outcomes.
- Move away from pipe and concrete structures for management of stormwater to more naturally designed infrastructure, with multiple use drainage, environment and recreation. Acknowledgment of additional costs of installation and maintenance was justified by the benefits.

The topics covered at the Congress were interesting to the TPRC project and considered beneficial.

Tony Arias
Chief Executive Officer

Cr Rod Willox, AM JP

6 December 2012

APPENDIX ITEM 9.2

TAMALA PARK REGIONAL COUNCIL
MONTHLY STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2011 TO 30 JUNE 2012

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**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2011 TO 30 JUNE 2012**

	NOTE	30 June 2012 Actual \$	30 June 2012 Y-T-D Budget \$	2011/2012 Annual Budget \$	Variances Budget to Actual Y-T-D %
<u>Operating</u>					
Revenues					
Interest Earnings	1,2	730,315	619,000	619,000	17.98%
Other Revenue		2,275	1,949,943	1,949,943	100.00%
		<u>732,589</u>	<u>2,568,943</u>	<u>2,568,943</u>	(71.48%)
Expenses					
Employee Costs	1,2	(492,046)	(569,370)	(569,370)	(13.58%)
Materials and Contracts					
- Professional Consulting Fees		(102,059)	(445,000)	(445,000)	(77.07%)
- Materials and Contracts Other		(57,615)	(1,491,274)	(1,491,274)	(96.14%)
Loss on Disposal of Assets		(269)	0	0	0.00%
Depreciation		(8,685)	(4,501)	(4,501)	92.96%
Insurance		(8,433)	(7,400)	(7,400)	13.96%
Other Expenditure		(110,476)	(118,500)	(118,500)	(6.77%)
		<u>(779,583)</u>	<u>(2,636,045)</u>	<u>(2,636,045)</u>	(70.43%)
<u>Adjustments for Non-Cash (Revenue) and Expenditure</u>					
Depreciation on Assets		8,685	4,501	4,501	92.96%
Movement in Non-current Employee Entitlements		(3,184)	0	0	
Profit(Loss) on Sale of Assets	4	269	0	0	0.00%
<u>Capital Revenue and (Expenditure)</u>					
Contributed Equity		(1,584,048)	(75,000)	(75,000)	0.00%
Land Held for Resale	3	0	(13,249,209)	(13,249,209)	(100.00%)
Land and Buildings	3	(112,676)	(80,000)	(80,000)	40.85%
Furniture and Equipment	3	(1,655)	(40,000)	(40,000)	(95.86%)
Proceeds from Disposal of Assets	4	545	0	0	100.00%
ADD Net Current Assets July 1 B/Fwd	7	14,751,169	14,800,401	14,800,401	(0.33%)
Net Current Assets Year to Date	7	<u>13,012,111</u>	<u>1,293,591</u>	<u>1,293,591</u>	

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2011 TO 30 JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) The Local Government Reporting Entity

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

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

The Council does not hold any monies in trust.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

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

(e) Goods and Services Tax

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

(f) Cash and Cash Equivalents

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

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2011 TO 30 JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Trade and Other Receivables

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

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

(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

(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.

(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

Please refer to Compilation Report

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2011 TO 30 JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

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

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

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

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

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

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

(l) Trade and Other Payables

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

(m) Employee Benefits

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

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

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

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

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2011 TO 30 JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2011 TO 30 JUNE 2012**

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 2012 Actual \$	Annual 2011/12 Budget \$
<u>By Program</u>		
Other Property and Services		
General Office Fit Out	LB 31,822	80,000
Refurbishment Works New Office	LB 79,420	0
Sony Bravia Conference Room TV	LB 1,434	0
Computer Equipment	FE 0	10,000
Furniture	FE 1,655	30,000
Subdivision Development Costs	LH 0	13,249,209
	114,331	13,369,209
	114,331	13,369,209
<u>By Class</u>		
Land & Buildings	112,676	80,000
Land Held for Resale	0	13,249,209
Furniture and Equipment	1,655	40,000
	114,331	13,369,209
	114,331	13,369,209

**TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
 FOR THE PERIOD 1 JULY 2011 TO 30 JUNE 2012**

4. DISPOSALS OF ASSETS

The following assets have been disposed of during the period under review:

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	30 June 2012 Actual \$	30 June 2012 Actual \$	30 June 2012 Actual \$
Administration Conference Table	814	545	(269)
	814	545	(269)

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	30 June 2012 Actual \$	30 June 2012 Actual \$	30 June 2012 Actual \$
Furniture & Equipment	814	545	(269)
	814	545	(269)

Summary

	30 June 2012 Actual \$
Profit on Asset Disposals	0
Loss on Asset Disposals	(269)
	<u>(269)</u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2011 TO 30 JUNE 2012**

5. INFORMATION ON BORROWINGS

No borrowings have been made in the period under review. No borrowings are budgeted for during the 2011-12 financial year.

6. CONTRIBUTED EQUITY

The amount of Contributed Equity is \$15,120,646 as at 30 June 2012.

	30 June 2012 Actual \$	30 June 2011 Actual \$
Town of Victoria Park	1,260,054	1,395,974
City of Perth	1,260,054	1,395,974
Town of Cambridge	1,260,054	1,395,974
City of Joondalup	2,520,108	2,791,948
City of Wanneroo	2,520,108	2,791,948
Town of Vincent	1,260,054	1,395,974
City of Stirling	5,040,215	5,583,896
TOTAL	<u>15,120,646</u>	<u>16,751,688</u>
Difference	<u>(1,631,042)</u>	

Change in Contributed Equity Represented by:

	Development Expenses	Development Revenue	Rates Equivalent
Town of Victoria Park	(517,022)	392,226	(7,209)
City of Perth	(517,022)	392,227	(7,209)
Town of Cambridge	(517,022)	392,227	(7,209)
City of Joondalup	(1,034,043)	784,453	(14,418)
City of Wanneroo	(1,034,043)	784,453	(14,418)
Town of Vincent	(517,022)	392,227	(7,209)
City of Stirling	(2,068,086)	1,568,906	(28,836)
	<u>(6,204,258)</u>	<u>4,706,718</u>	<u>(86,508)</u>
Total	<u>(1,584,048)</u>		
TPRC Nett Result	<u>(46,994)</u>		
	<u>(1,631,042)</u>		

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
SIGNIFICANT ACCOUNTING POLICIES**

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position	30 June 2012 Actual \$	Brought Forward 1-Jul \$
CURRENT ASSETS		
Cash - Unrestricted	13,454,179	14,832,197
Receivables	<u>46,272</u>	<u>64,145</u>
	13,500,451	14,896,342
LESS: CURRENT LIABILITIES		
Payables and Provisions	<u>(488,340)</u>	<u>(145,173)</u>
NET CURRENT ASSET POSITION	13,012,111	14,751,169
NET CURRENT ASSET POSITION	<u><u>13,012,111</u></u>	<u><u>14,751,169</u></u>

8. RATING INFORMATION

No rates are budgeted to be raised during the year ending 30 June 2012.

9. TRUST FUNDS

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

Tamala Park Regional Council Balance Sheet

	<u>Jun 30, 12</u>	<u>Jun 30, 11</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Chequing/Savings			
A01100 - Cash at Bank			
A01101 - Unrestricted Municipal Bank	4,399.67	356,022.91	-351,623.24
A01102 - Unrestricted Short Term Investm	598.86	594.32	4.54
A01106 - Fixed Term Deposit_BankWest	4,930,049.20	7,393,062.63	-2,463,013.43
A01107 - Fixed Term Deposit Suncorp Metw	1,500,000.00	5,105,851.60	-3,605,851.60
A01108 - ANZ Bank Investment AC	2,321,371.62	1,976,635.91	344,735.71
A01109 - ANZ Online Saver Account	9,139.12	0.00	9,139.12
A01112 - Westpac Settlement Proceeds Acc	4,688,590.30	0.00	4,688,590.30
Total A01100 - Cash at Bank	<u>13,454,148.77</u>	<u>14,832,167.37</u>	<u>-1,378,018.60</u>
Total Chequing/Savings	13,454,148.77	14,832,167.37	-1,378,018.60
Accounts Receivable			
A01120 - ACCOUNTS RECEIVABLE			
A011201 - Accrued Interest	45,272.29	18,518.59	26,753.70
Total A01120 - ACCOUNTS RECEIVABLE	<u>45,272.29</u>	<u>18,518.59</u>	<u>26,753.70</u>
Total Accounts Receivable	45,272.29	18,518.59	26,753.70
Other Current Assets			
A01105 - Petty Cash and Cash on Hand	30.00	30.00	0.00
A01180 - Accommodation Bond - CoS	1,000.00	1,000.00	0.00
Total Other Current Assets	<u>1,030.00</u>	<u>1,030.00</u>	<u>0.00</u>
Total Current Assets	13,500,451.06	14,851,715.96	-1,351,264.90
Fixed Assets			
A0151 - Land			
A01512 - At Cost			
E168010 - Land Acquisition 2009-10			
E168011 - Acquisition lot 807 Neerabup Rd	2,000,000.00	2,000,000.00	0.00
Total E168010 - Land Acquisition 2009-10	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>0.00</u>
Total A01512 - At Cost	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>0.00</u>
Total A0151 - Land	2,000,000.00	2,000,000.00	0.00
A0152 - Buildings			
A01522 - At Cost			

Tamala Park Regional Council Balance Sheet

	<u>Jun 30, 12</u>	<u>Jun 30, 11</u>	<u>\$ Change</u>
E168520 - Additions 11-12			
E168513 - General Office Fitout	31,822.41	0.00	31,822.41
E168521 - Refurbishment works new office	79,420.00	0.00	79,420.00
E168524 - Sony Bravia Conference Room TV	1,433.64	0.00	1,433.64
Total E168520 - Additions 11-12	<u>112,676.05</u>	<u>0.00</u>	<u>112,676.05</u>
Total A01522 - At Cost	<u>112,676.05</u>	<u>0.00</u>	<u>112,676.05</u>
Total A0152 - Buildings	112,676.05	0.00	112,676.05
A0154 - Furniture & Equipment			
A01541 - Accumulated Depn - F&E	-26,793.00	-20,119.00	-6,674.00
A01542 - At Cost			
E168530 - F&OEquip Additions 2010-11			
E168516 - Office Furniture CEO 2010/11	0.00	3,480.00	-3,480.00
E168517 - Computer Equipment 2010/11	0.00	2,600.00	-2,600.00
E168518 - Microwave Oven 2010/11	0.00	45.00	-45.00
Total E168530 - F&OEquip Additions 2010-11	<u>0.00</u>	<u>6,125.00</u>	<u>-6,125.00</u>
E168540 - F&OEquip Additions 2011-12			
E168519 - Phones 2011/12	780.00	0.00	780.00
E168523 - Elect_Comp Equipment 2011_12	875.41	0.00	875.41
Total E168540 - F&OEquip Additions 2011-12	<u>1,655.41</u>	<u>0.00</u>	<u>1,655.41</u>
A01542 - At Cost - Other	<u>30,858.88</u>	<u>27,558.88</u>	<u>3,300.00</u>
Total A01542 - At Cost	<u>32,514.29</u>	<u>33,683.88</u>	<u>-1,169.59</u>
Total A0154 - Furniture & Equipment	<u>5,721.29</u>	<u>13,564.88</u>	<u>-7,843.59</u>
Total Fixed Assets	<u>2,118,397.34</u>	<u>2,013,564.88</u>	<u>104,832.46</u>
TOTAL ASSETS	<u>15,618,848.40</u>	<u>16,865,280.84</u>	<u>-1,246,432.44</u>
LIABILITIES			
Current Liabilities			
Accounts Payable			
L01215 - SUNDRY CREDITORS	383,084.22	85,890.21	297,194.01
Total Accounts Payable	<u>383,084.22</u>	<u>85,890.21</u>	<u>297,194.01</u>
Credit Cards			
A01110 - Westpac Visa Corp Credit Card	2,669.38	0.00	2,669.38
Total Credit Cards	<u>2,669.38</u>	<u>0.00</u>	<u>2,669.38</u>

Tamala Park Regional Council Balance Sheet

	<u>Jun 30, 12</u>	<u>Jun 30, 11</u>	<u>\$ Change</u>
Other Current Liabilities			
2100 · Payroll Liabilities			
L2001 · PAYG Deductions	13,212.00	10,102.00	3,110.00
L2002 · Superannuation Contributions	0.00	-50.94	50.94
Total 2100 · Payroll Liabilities	<u>13,212.00</u>	<u>10,051.06</u>	<u>3,160.94</u>
2200 · Tax Payable	1,050.78	-44,626.48	45,677.26
L0122 · Employee Entitlements			
L01225 · Annual Leave	74,898.07	39,882.19	35,015.88
L01227 · Accrued Wages	3,525.67	0.00	3,525.67
Total L0122 · Employee Entitlements	<u>78,423.74</u>	<u>39,882.19</u>	<u>38,541.55</u>
L01229 · Prov for Audit Fees	9,900.00	9,350.00	550.00
Total Other Current Liabilities	<u>102,586.52</u>	<u>14,656.77</u>	<u>87,929.75</u>
Total Current Liabilities	488,340.12	100,546.98	387,793.14
Long Term Liabilities			
L01230 · Provision - Employee LSL	9,862.66	13,046.69	-3,184.03
Total Long Term Liabilities	<u>9,862.66</u>	<u>13,046.69</u>	<u>-3,184.03</u>
TOTAL LIABILITIES	<u>498,202.78</u>	<u>113,593.67</u>	<u>384,609.11</u>
NET ASSETS	<u><u>15,120,645.62</u></u>	<u><u>16,751,687.17</u></u>	<u><u>-1,631,041.55</u></u>
EQUITY			
3000 · Opening Bal Equity			
L019051 · TVP Dist Rates Equiv 07-12	-33,606.50	-26,397.49	-7,209.01
L019052 · CP Dist Rates Equiv 07-12	-33,606.50	-26,397.49	-7,209.01
L019053 · TC Dist Rates Equiv 07-12	-33,606.50	-26,397.49	-7,209.01
L019054 · CJ Dist Rates Equiv 07-12	-67,212.98	-52,794.96	-14,418.02
L019055 · CW Dist Rates Equiv 07-12	-67,212.98	-52,794.96	-14,418.02
L019056 · TV Dist Rates Equiv 07-12	-33,606.50	-26,397.49	-7,209.01
L019057 · CS Dist Rates Equiv 07-12	-134,425.97	-105,589.93	-28,836.04
Total 3000 · Opening Bal Equity	<u>-403,277.93</u>	<u>-316,769.81</u>	<u>-86,508.12</u>
3900 · *Retained Earnings	847,017.81	1,128,009.20	-280,991.39
L019001 · Town of Victoria Park			
101.1 · ToVP revenue from Development	392,226.51	0.00	392,226.51
101.2 · ToVP Development Expenses	-266,106.32	0.00	-266,106.32
L019101 · TVP Contributed Equity	<u>1,354,610.60</u>	<u>1,354,610.60</u>	<u>0.00</u>

Tamala Park Regional Council Balance Sheet

	<u>Jun 30, 12</u>	<u>Jun 30, 11</u>	<u>\$ Change</u>
Total L019001 - Town of Victoria Park	1,480,730.79	1,354,610.60	126,120.19
L019002 - City of Perth			
102.1 - CoP Revenue from Development	392,226.51	0.00	392,226.51
102.2 - CoP Development Costs	-266,106.32	0.00	-266,106.32
L019102 - CP Contributed Equity	<u>1,354,610.60</u>	<u>1,354,610.60</u>	<u>0.00</u>
Total L019002 - City of Perth	1,480,730.79	1,354,610.60	126,120.19
L019003 - Town of Cambridge			
103.1 - ToC Revenue from Development	392,226.51	0.00	392,226.51
103.2 - ToC Development Costs	-266,106.32	0.00	-266,106.32
L019103 - TC Contributed Equity	<u>1,354,610.60</u>	<u>1,354,610.60</u>	<u>0.00</u>
Total L019003 - Town of Cambridge	1,480,730.79	1,354,610.60	126,120.19
L019004 - City of Joondalup			
104.1 - CoJ Revenue from Development	784,453.02	0.00	784,453.02
104.2 - CoJ Development Costs	-532,212.65	0.00	-532,212.65
L019104 - CJ Contributed Equity	<u>2,709,219.19</u>	<u>2,709,219.19</u>	<u>0.00</u>
Total L019004 - City of Joondalup	2,961,459.56	2,709,219.19	252,240.37
L019005 - City of Wanneroo			
105.1 - CoW Revenue from Development	784,453.02	0.00	784,453.02
105.2 - CoW Development Costs	-532,212.65	0.00	-532,212.65
L019105 - CW Contributed Equity	<u>2,709,219.19</u>	<u>2,709,219.19</u>	<u>0.00</u>
Total L019005 - City of Wanneroo	2,961,459.56	2,709,219.19	252,240.37
L019006 - Town of Vincent			
106.1 - ToV revenue from Development	392,226.51	0.00	392,226.51
106.2 - ToV Development Costs	-266,106.32	0.00	-266,106.32
L019106 - TV Contributed Equity	<u>1,354,610.60</u>	<u>1,354,610.60</u>	<u>0.00</u>
Total L019006 - Town of Vincent	1,480,730.79	1,354,610.60	126,120.19
L019007 - City of Stirling			
107.1 - CoS Revenue from Development	1,568,906.05	0.00	1,568,906.05
107.2 - CoS Development Costs	-1,064,425.29	0.00	-1,064,425.29
L019107 - CS Contributed Equity	<u>5,384,558.39</u>	<u>5,384,558.39</u>	<u>0.00</u>
Total L019007 - City of Stirling	5,889,039.15	5,384,558.39	504,480.76
Net Income	<u>-3,057,975.69</u>	<u>-280,991.39</u>	<u>-2,776,984.30</u>
TOTAL EQUITY	<u><u>15,120,645.62</u></u>	<u><u>16,751,687.17</u></u>	<u><u>-1,631,041.55</u></u>

Tamala Park Regional Council
Profit & Loss Budget Performance
 July 2011 through June 2012 (Detailed)

	<u>Jul '11 - Jun 12</u>	<u>Annual Budget</u>
Income		
I03 - GENERAL PURPOSE FUNDING		
I032 - Other GPF		
I032030 - Interest on Investment	730,314.51	619,000.00
Total I032 - Other GPF	<u>730,314.51</u>	<u>619,000.00</u>
Total I03 - GENERAL PURPOSE FUNDING	730,314.51	619,000.00
I14 - OTHER PROPERTY & SERVICES		
I145 - Administration		
I145010 - Reimbursements	1,889.82	
I145011 - Income Sale on Lots	0.00	1,949,943.00
I145012 - Income Other	385.10	
Total I145 - Administration	<u>2,274.92</u>	<u>1,949,943.00</u>
Total I14 - OTHER PROPERTY & SERVICES	<u>2,274.92</u>	<u>1,949,943.00</u>
Total Income	<u>732,589.43</u>	<u>2,568,943.00</u>
Gross Profit	732,589.43	2,568,943.00
Expense		
E04 - GOVERNANCE.		
E041 - Membership		
E041005 - Chairman Allowance	9,000.00	6,000.00
E041010 - Deputy Chair Allowance	2,250.00	1,500.00
E041018 - Composite Allowance	91,000.00	91,000.00
E041020 - Conference Expenses	0.00	10,000.00
E041030 - Other Costs	0.00	10,000.00
E145020 - Conference Expenses CEO	5,414.81	12,000.00
Total E041 - Membership	<u>107,664.81</u>	<u>130,500.00</u>
Total E04 - GOVERNANCE.	107,664.81	130,500.00
E14 - ADMINISTRATION		
E145 - Administration		
E145005 - Salaries - Basic Costs	428,146.96	480,000.00
E145007 - Salaries Occ. Superannuation	35,353.71	43,200.00
E145009 - Salaries WALGS Superannuation	0.00	3,144.00
E145011 - Advertising Staff Vacancies	2,435.80	10,000.00
E145015 - Insurance W/comp.	9,930.00	13,325.00
E145017 - Medical Exam. Costs	0.00	200.00
E145019 - Staff Training & Dev.	1,425.00	2,000.00
E145021 - Telephone - Staff Reimbursement	0.00	501.00

Tamala Park Regional Council
Profit & Loss Budget Performance
 July 2011 through June 2012 (Detailed)

	Jul '11 - Jun 12	Annual Budget
E145024 · Travel Expenses CEO	1,710.73	5,000.00
E145025 · Other Accom & Property Costs	28,125.71	15,000.00
E145027 · Advertising General	0.00	10,000.00
E145029 · Advertising Public/Statutory	2,691.22	6,000.00
E145031 · Graphics Consumables	2,070.20	5,000.00
E145033 · Photocopying	1,779.17	1,501.00
E145035 · Photography	0.00	0.00
E145037 · Postage, Courier & Freight	808.06	501.00
E145039 · Printing	801.44	5,000.00
E145043 · Stationery	1,523.20	1,000.00
E145045 · Other Admin Expenses	10,961.29	5,000.00
E145047 · Office Telephones & Faxes	2,027.20	3,000.00
E145049 · Mobil Phones, Pages, Radios	66.89	2,000.00
E145053 · Bank Charges	462.00	501.00
E145055 · Credit Charges	0.00	101.00
E145057 · Audit Fees	9,050.00	15,000.00
E145059 · Membership Fees	5,565.45	7,550.00
E145061 · Legal Expenses (General)	37,319.40	50,000.00
E145069 · Valuation Fees	0.00	30,000.00
E145075 · Promotions	0.00	10,000.00
E145077 · Business Hospitality Expenses	2,652.48	10,000.00
E145082 · Lawyers	0.00	30,000.00
E145083 · Research	0.00	30,000.00
E145086 · Probity Auditor	3,222.00	20,000.00
E145087 · Computer Software Mtce	1,233.62	5,000.00
E145088 · Accounting Management	18,560.00	25,000.00
E145089 · Computer Software Purchase	4.99	10,000.00
E145091 · Computer Sundries	0.00	5,000.00
E145092 · Data Communication Links	0.00	2,000.00
E145093 · Internet Provider Costs	7,013.51	5,000.00
E145094 · Plant & Equipment Purchase Non-	0.00	1,000.00
E145095 · Furniture & Equipment Purchase	995.00	5,000.00
E145097 · Hire of Equipment	142.05	2,000.00
E145099 · Vehicle Operating Expense	20.96	0.00
E145100 · Safety Clothes and Equipment	95.45	2,000.00
E145101 · Consumable Stores	397.84	501.00
E145102 · Motor Vehicle - CEO	0.00	0.00
E145103 · Newspapers & Periodicals	0.00	200.00
E145105 · Publications & Brochures	0.00	800.00
E145107 · Subscriptions	0.00	501.00
E145109 · Parking Expenses	90.42	501.00
E145111 · Plans	0.00	1,501.00
E145113 · Emergency Services	1,341.82	1,000.00
E145117 · Electricity	0.00	1,800.00

Tamala Park Regional Council
Profit & Loss Budget Performance
 July 2011 through June 2012 (Detailed)

	<u>Jul '11 - Jun 12</u>	<u>Annual Budget</u>
E145119 · Professional Indemnity	1,525.43	1,600.00
E145121 · Insurance - Public Liability	2,048.00	2,300.00
E145123 · Insurance - Property (ISR)	899.70	2,500.00
E145126 · Insurance - Personal Accident	3,885.00	1,000.00
E145127 · Insurance - Other	75.00	
E145222 · Depreciation Furniture_office E	8,685.00	4,501.00
E145320 · (Profit)Loss Asset Sale/Disp	268.55	
Total E145 · Administration	<u>635,410.25</u>	<u>895,229.00</u>
Total E14 · ADMINISTRATION	635,410.25	895,229.00
E24 · CONSULTANT EXPENSE		
E145079 · Consultancy		
E145400 · Structure Planning		
E145401 · Direct Component	16,205.74	40,000.00
E145402 · Variation SP Options	0.00	0.00
E145403 · Aerial Perspective Diagrams	0.00	0.00
E145405 · TPG Syrinx Component	0.00	10,000.00
E145409 · Traffic consultant	9,550.00	10,000.00
E145410 · Economic Component	0.00	5,000.00
E145413 · Structure Plan Modification	0.00	10,000.00
Total E145400 · Structure Planning	<u>25,755.74</u>	<u>75,000.00</u>
E145430 · Other Struct_PI Consultancies		
E145435 · Local Water Mgmt Strategy	0.00	0.00
E145437 · Landscaping & Env Detail Plan	0.00	0.00
Total E145430 · Other Struct_PI Consultancies	<u>0.00</u>	<u>0.00</u>
E145440 · Env Innovation Consultancies		
E145441 · Sustainability Assessment Syst	0.00	40,000.00
E145443 · Hydrology Mgmt & Reuse	0.00	0.00
E145444 · Energy Generation-Application	0.00	20,000.00
E145445 · Communication Systems	0.00	0.00
E145446 · MRC landfill Future Use/Integra	0.00	0.00
E145447 · Graceful Sun Moth Survey	2,470.04	10,000.00
E145448 · EPBC Act Management	28,645.60	50,000.00
Total E145440 · Env Innovation Consultancies	<u>31,115.64</u>	<u>120,000.00</u>
E145450 · Admin-Operational Consultancies		
E145451 · GST management	0.00	20,000.00
E145452 · Recruitment_Human Resources	0.00	10,000.00
E145453 · GST Margin Scheme Consultancy	33,048.75	100,000.00
Total E145450 · Admin-Operational Consultancies	<u>33,048.75</u>	<u>130,000.00</u>

Tamala Park Regional Council
Profit & Loss Budget Performance
 July 2011 through June 2012 (Detailed)

	<u>Jul '11 - Jun 12</u>	<u>Annual Budget</u>
E145079 · Consultancy - Other	2,000.00	0.00
Total E145079 · Consultancy	91,920.13	325,000.00
Total E24 · CONSULTANT EXPENSE	91,920.13	325,000.00
E34 · PROPERTY DEVELOPMENT- SERVICES		
E345 · Property Admin & Approvals		
E145041 · Signage/Decals	1,120.00	5,000.00
E145042 · Branding/Marketing	1,455.97	20,000.00
E145063 · Conveyancing Expenses	0.00	0.00
E145065 · Surveyors Fees	0.00	0.00
E145067 · Title Searches	0.00	0.00
E145070 · Preliminary Engineering Design	0.00	0.00
E145072 · Subdivision Design - Stage 1	0.00	0.00
E145074 · Environmental Management Plans	98.75	0.00
Total E345 · Property Admin & Approvals	2,674.72	25,000.00
E346 · Mtce Services - Land		
E145204 · Fences/Walls	0.00	5,000.00
E145206 · Mtce Services - Land - Other	0.00	5,000.00
E145216 · Direct Selling Expenses	0.00	250,316.00
E145218 · Sales and Marketing	100,836.09	1,000,000.00
Total E346 · Mtce Services - Land	100,836.09	1,260,316.00
Total E34 · PROPERTY DEVELOPMENT- SERVICES	103,510.81	1,285,316.00
E347 · Land Development Costs		
E145208 · Consultants	107,124.31	
E145209 · Landscape	108,555.60	
E145210 · Infrastructure	149,013.36	
E145211 · Lot Production	95,981.73	
E145212 · Administration (Land Developmen	4,500.00	
E145215 · Precinct 1 Bulk Earthworks	2,386,884.12	
Total E347 · Land Development Costs	2,852,059.12	
Total Expense	3,790,565.12	2,636,045.00
Net Income	-3,057,975.69	-67,102.00

APPENDIX ITEM 9.2

TAMALA PARK REGIONAL COUNCIL
MONTHLY STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 JULY 2012

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**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 JULY 2012**

	NOTE	31July 2012 Actual \$	31July 2012 Y-T-D Budget \$	2012/2013 Annual Budget \$	Variances Budget to Actual Y-T-D %
<u>Operating</u>					
Revenues					
Interest Earnings	1,2	59,840	17,960	449,000	233.18%
Other Revenue		0	5,362,343	42,793,252	100.00%
		<u>59,840</u>	<u>5,380,303</u>	<u>43,242,252</u>	(98.89%)
Expenses					
Employee Costs	1,2	(36,498)	(52,546)	(620,651)	(30.54%)
Materials and Contracts					
- Professional Consulting Fees		(750)	(3,724,645)	(7,262,419)	(99.98%)
- Materials and Contracts Other		(5,896)	(15,795)	(293,703)	(62.67%)
Loss on Disposal of Assets		0	0	0	0.00%
Depreciation		0	(1,739)	(19,320)	(100.00%)
Utilities		0	(918)	(11,800)	(100.00%)
Insurance		(13,177)	0	(11,300)	100.00%
Other Expenditure		0	(2,340)	(213,750)	(100.00%)
		<u>(56,321)</u>	<u>(3,797,983)</u>	<u>(8,432,943)</u>	(98.52%)
<u>Adjustments for Non-Cash (Revenue) and Expenditure</u>					
Depreciation on Assets		0	1,739	19,320	(100.00%)
Movement in Non-current Employee Entitlements		0	0	0	
Profit(Loss) on Sale of Assets	4	0	0	0	0.00%
<u>Capital Revenue and (Expenditure)</u>					
Change in Contributed Equity	6	(564,302)	(7,500)	(90,000)	0.00%
Infrastructure Assets Other	3	0	(3,059,702)	(36,716,427)	(100.00%)
Land and Buildings	3	0	0	0	
Plant and Equipment	3	0	(6,667)	(80,000)	(100.00%)
Furniture and Equipment	3	0	0	0	0.00%
Proceeds from Disposal of Assets	4	0	0	0	100.00%
ADD Net Current Assets July 1 B/Fwd	7	13,012,597	13,465,258	13,465,258	(3.36%)
Net Current Assets Year to Date	7	<u>12,451,814</u>	<u>11,975,448</u>	<u>11,407,460</u>	

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 JULY 2012

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) The Local Government Reporting Entity

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

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

The Council does not hold any monies in trust.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

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

(e) Goods and Services Tax

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

(f) Cash and Cash Equivalents

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

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 JULY 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Trade and Other Receivables

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

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

(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

(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.

(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

Please refer to Compilation Report

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 JULY 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

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

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

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

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

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

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

(l) Trade and Other Payables

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

(m) Employee Benefits

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

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

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

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

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 JULY 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 JULY 2012**

2. STATEMENT OF OBJECTIVE

The Regional Council has a specific regional purpose which is:

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

The objectives of the Regional Council are:

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

3. ACQUISITION OF ASSETS

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

By Program

Other Property and Services

	31 July 2012 Actual \$	Annual 2012/13 Budget \$
Vehicle - CEO	0	80,000
New Land Development	0	36,716,427
	0	36,796,427
	0	36,796,427

By Class

Plant & Equipment	0	80,000
Infrastructure Other	0	36,716,427
	0	36,796,427
	0	36,796,427

**TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
 FOR THE PERIOD 1 JULY 2012 TO 31 JULY 2012**

4. DISPOSALS OF ASSETS

The following assets have been disposed of during the period under review:

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	31 July 2012 Actual \$	31 July 2012 Actual \$	31 July 2012 Actual \$
	0	0	0

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	31 July 2012 Actual \$	31 July 2012 Actual \$	31 July 2012 Actual \$
	0	0	0

<u>Summary</u>	31 July 2012 Actual \$
Profit on Asset Disposals	0
Loss on Asset Disposals	0
	0
	0

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 JULY 2012

5. INFORMATION ON BORROWINGS

No borrowings have been made in the period under review. No borrowings are budgeted for during the 2012-13 financial year.

6. CONTRIBUTED EQUITY

	31 July 2012 Actual \$	30 June 2012 Actual \$
Town of Victoria Park	1,212,435	1,259,167
City of Perth	1,212,435	1,259,167
Town of Cambridge	1,212,435	1,259,167
City of Joondalup	2,424,870	2,518,334
City of Wanneroo	2,424,870	2,518,334
Town of Vincent	1,212,435	1,259,167
City of Stirling	4,849,743	5,036,671
TOTAL	<u>14,549,222</u>	<u>15,110,007</u>
Difference	<u>(560,785)</u>	

Change in Contributed Equity Represented by:

	Development Expenses 31 July 2012 \$	Land Sales 31 July 2012 \$	Rates Equivalent 31 July 2012 \$
Town of Victoria Park	(79,932)	40,116	(7,209)
City of Perth	(79,932)	40,116	(7,209)
Town of Cambridge	(79,932)	40,116	(7,209)
City of Joondalup	(159,864)	80,231	(14,418)
City of Wanneroo	(159,864)	80,231	(14,418)
Town of Vincent	(79,932)	40,116	(7,209)
City of Stirling	(319,728)	160,462	(28,836)
	<u>(959,184)</u>	<u>481,388</u>	<u>(86,508)</u>
Total	<u>(564,304)</u>		
TPRC Nett Result	<u>3,519</u>		
	<u>(560,785)</u>		

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 JULY 2012**

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position	31 July 2012 Actual \$	Brought Forward 1-Jul \$
CURRENT ASSETS		
Cash - Unrestricted	12,756,802	13,454,179
Receivables	<u>46,275</u>	<u>46,272</u>
	12,803,077	13,500,451
LESS: CURRENT LIABILITIES		
Payables and Provisions	<u>(351,263)</u>	<u>(487,854)</u>
NET CURRENT ASSET POSITION	12,451,814	13,012,597
NET CURRENT ASSET POSITION	<u><u>12,451,814</u></u>	<u><u>13,012,597</u></u>

8. RATING INFORMATION

No rates are budgeted to be raised during the year ending 30 June 2013.

9. TRUST FUNDS

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

Tamala Park Regional Council
Balance Sheet
As of July 31 , 2012

	Jul 31, 12	Jun 30, 12	\$ Change
ASSETS			
Current Assets			
Chequing/Savings			
A01100 - Cash at Bank			
A01101 - Unrestricted Municipal Bank	6,827.59	4,399.67	2,427.92
A01102 - Unrestricted Short Term Investm	600.56	598.86	1.70
A01106 - Fixed Term Deposit_BankWest	4,976,632.46	4,930,049.20	46,583.26
A01107 - Fixed Term Deposit Suncorp Metw	1,500,000.00	1,500,000.00	0.00
A01108 - ANZ Bank Investment AC	2,325,468.91	2,321,371.62	4,097.29
A01109 - ANZ Online Saver Account	9,341.06	9,139.12	201.94
A01112 - Westpac Settlement Proceeds Acc	1,937,901.68	4,688,590.30	-2,750,688.62
A01113 - ANZ Term Deposit	2,000,000.00	0.00	2,000,000.00
Total A01100 - Cash at Bank	12,756,772.26	13,454,148.77	-697,376.51
Total Chequing/Savings	12,756,772.26	13,454,148.77	-697,376.51
Accounts Receivable			
A01120 - ACCOUNTS RECEIVABLE			
A011201 - Accrued Interest	45,272.29	45,272.29	0.00
A01120 - ACCOUNTS RECEIVABLE - Other	164,461.67	105,947.00	58,514.67
Total A01120 - ACCOUNTS RECEIVABLE	209,733.96	151,219.29	58,514.67
Total Accounts Receivable	209,733.96	151,219.29	58,514.67
Other Current Assets			
A01105 - Petty Cash and Cash on Hand	30.00	30.00	0.00
A01180 - Accommodation Bond - CoS	1,000.00	1,000.00	0.00
Total Other Current Assets	1,030.00	1,030.00	0.00
Total Current Assets	12,967,536.22	13,606,398.06	-638,861.84
Fixed Assets			
A0151 - Land			
A01512 - At Cost			
E168010 - Land Acquisition 2009-10			
E168011 - Acquisition lot 807 Neerabup Rd	2,000,000.00	2,000,000.00	0.00
Total E168010 - Land Acquisition 2009-10	2,000,000.00	2,000,000.00	0.00
Total A01512 - At Cost	2,000,000.00	2,000,000.00	0.00
Total A0151 - Land	2,000,000.00	2,000,000.00	0.00
A0154 - Furniture & Equipment			
A01541 - Accumulated Depn - F&E	-26,793.00	-26,793.00	0.00
A01542 - At Cost			
E168540 - F&OEquip Additions 2011-12			
E168519 - Phones 2011/12	780.00	780.00	0.00

Tamala Park Regional Council
Balance Sheet
As of July 31 , 2012

	Jul 31, 12	Jun 30, 12	\$ Change
E168523 · Elect_Comp Equipment 2011_12	875.41	875.41	0.00
E168525 · Wall Mounted TV	1,433.64	1,433.64	0.00
Total E168540 · F&OEquip Additions 2011-12	3,089.05	3,089.05	0.00
A01542 · At Cost - Other	30,858.88	30,858.88	0.00
Total A01542 · At Cost	33,947.93	33,947.93	0.00
Total A0154 · Furniture & Equipment	7,154.93	7,154.93	0.00
A0157 · Improvements to Leasehold Prope			
A01572 · Accum Depreciation Leasehold Im	-11,124.00	-11,124.00	0.00
A01573 · Improve, to Leasehold Prop Cost			
E168700 · 2011-12 Improvements	111,242.41	111,242.41	0.00
Total A01573 · Improve, to Leasehold Prop Cost	111,242.41	111,242.41	0.00
Total A0157 · Improvements to Leasehold Prope	100,118.41	100,118.41	0.00
Total Fixed Assets	2,107,273.34	2,107,273.34	0.00
TOTAL ASSETS	15,074,809.56	15,713,671.40	-638,861.84
LIABILITIES			
Current Liabilities			
Accounts Payable			
L01215 · SUNDRY CREDITORS	400,903.84	487,411.96	-86,508.12
Total Accounts Payable	400,903.84	487,411.96	-86,508.12
Credit Cards			
A01110 · Westpac Visa Corp Credit Card	706.07	2,669.38	-1,963.31
Total Credit Cards	706.07	2,669.38	-1,963.31
Other Current Liabilities			
2100 · Payroll Liabilities			
L2001 · PAYG Deductions	25,620.00	13,212.00	12,408.00
Total 2100 · Payroll Liabilities	25,620.00	13,212.00	12,408.00
2200 · Tax Payable	165.66	2,178.15	-2,012.49
2202 · GST Suspense Account			
2203 · GST Receivable - Members	164,461.67	105,947.00	58,514.67
2202 · GST Suspense Account - Other	-164,455.80	-105,941.11	-58,514.69
Total 2202 · GST Suspense Account	5.87	5.89	-0.02
L0122 · Employee Entitlements			
L01225 · Annual Leave	74,898.07	74,898.07	0.00
L01227 · Accrued Wages	3,525.67	3,525.67	0.00
Total L0122 · Employee Entitlements	78,423.74	78,423.74	0.00

Tamala Park Regional Council
Balance Sheet
As of July 31 , 2012

	Jul 31, 12	Jun 30, 12	\$ Change
L01229 - Prov for Audit Fees	9,900.00	9,900.00	0.00
Total Other Current Liabilities	114,115.27	103,719.78	10,395.49
Total Current Liabilities	515,725.18	593,801.12	-78,075.94
Long Term Liabilities			
L01230 - Provision - Employee LSL	9,862.66	9,862.66	0.00
Total Long Term Liabilities	9,862.66	9,862.66	0.00
TOTAL LIABILITIES	525,587.84	603,663.78	-78,075.94
NET ASSETS	14,549,221.72	15,110,007.62	-560,785.90
EQUITY			
3000 - Opening Bal Equity			
L019051 - TVP Dist Rates Equiv 07-12	-33,606.50	-33,606.50	0.00
L019052 - CP Dist Rates Equiv 07-12	-33,606.50	-33,606.50	0.00
L019053 - TC Dist Rates Equiv 07-12	-33,606.50	-33,606.50	0.00
L019054 - CJ Dist Rates Equiv 07-12	-67,212.98	-67,212.98	0.00
L019055 - CW Dist Rates Equiv 07-12	-67,212.98	-67,212.98	0.00
L019056 - TV Dist Rates Equiv 07-12	-33,606.50	-33,606.50	0.00
L019057 - CS Dist Rates Equiv 07-12	-134,425.97	-134,425.97	0.00
Total 3000 - Opening Bal Equity	-403,277.93	-403,277.93	0.00
3900 - *Retained Earnings	798,696.43	847,017.81	-48,321.38
L019001 - Town of Victoria Park			
101.1 - ToVP revenue from Development	432,342.09	392,226.51	40,115.58
101.2 - ToVP Development Expenses	-604,938.54	-517,797.51	-87,141.03
L019101 - TVP Contributed Equity	1,354,610.60	1,354,610.60	0.00
Total L019001 - Town of Victoria Park	1,182,014.15	1,229,039.60	-47,025.45
L019002 - City of Perth			
102.1 - CoP Revenue from Development	432,342.08	392,226.51	40,115.57
102.2 - CoP Development Costs	-604,938.54	-517,797.51	-87,141.03
L019102 - CP Contributed Equity	1,354,610.60	1,354,610.60	0.00
Total L019002 - City of Perth	1,182,014.14	1,229,039.60	-47,025.46
L019003 - Town of Cambridge			
103.1 - ToC Revenue from Development	432,342.08	392,226.51	40,115.57
103.2 - ToC Development Costs	-604,938.54	-517,797.51	-87,141.03
L019103 - TC Contributed Equity	1,354,610.60	1,354,610.60	0.00
Total L019003 - Town of Cambridge	1,182,014.14	1,229,039.60	-47,025.46
L019004 - City of Joondalup			
104.1 - CoJ Revenue from Development	864,684.18	784,453.02	80,231.16
104.2 - CoJ Development Costs	-1,209,877.10	-1,035,595.04	-174,282.06

Tamala Park Regional Council
Balance Sheet
As of July 31 , 2012

	Jul 31, 12	Jun 30, 12	\$ Change
L019104 - CJ Contributed Equity	2,709,219.19	2,709,219.19	0.00
Total L019004 - City of Joondalup	2,364,026.27	2,458,077.17	-94,050.90
L019005 - City of Wanneroo			
105.1 - CoW Revenue from Development	864,684.18	784,453.02	80,231.16
105.2 - CoW Development Costs	-1,209,877.10	-1,035,595.04	-174,282.06
L019105 - CW Contributed Equity	2,709,219.19	2,709,219.19	0.00
Total L019005 - City of Wanneroo	2,364,026.27	2,458,077.17	-94,050.90
L019006 - Town of Vincent			
106.1 - ToV revenue from Development	432,342.09	392,226.51	40,115.58
106.2 - ToV Development Costs	-604,938.54	-517,797.51	-87,141.03
L019106 - TV Contributed Equity	1,354,610.60	1,354,610.60	0.00
Total L019006 - Town of Vincent	1,182,014.15	1,229,039.60	-47,025.45
L019007 - City of Stirling			
107.1 - CoS Revenue from Development	1,729,368.37	1,568,906.05	160,462.32
107.2 - CoS Development Costs	-2,419,752.17	-2,071,188.06	-348,564.11
L019107 - CS Contributed Equity	5,384,558.39	5,384,558.39	0.00
Total L019007 - City of Stirling	4,694,174.59	4,882,276.38	-188,101.79
Net Income	3,519.51	-48,321.38	51,840.89
TOTAL EQUITY	14,549,221.72	15,110,007.62	-560,785.90

Tamala Park Regional Council
Profit & Loss Budget Performance
July 1, 2012 through July 31, 2012

	Jul 12	Budget	\$ Over Budget	Annual Budget
Income				
I03 - GENERAL PURPOSE FUNDING				
I032 - Other GPF				
I032030 - Interest on Investment	59,839.97	17,960.00	41,879.97	449,000.00
Total I032 - Other GPF	59,839.97	17,960.00	41,879.97	449,000.00
Total I03 - GENERAL PURPOSE FUNDING	59,839.97	17,960.00	41,879.97	449,000.00
I14 - OTHER PROPERTY & SERVICES				
I145 - Administration				
I145010 - Reimbursements	0.00			1,890.00
I145011 - Income Sale on Lots	0.00	5,362,343.00	-5,362,343.00	41,618,154.00
I145012 - Income Other	0.00			1,173,208.00
Total I145 - Administration	0.00	5,362,343.00	-5,362,343.00	42,793,252.00
Total I14 - OTHER PROPERTY & SERVICES	0.00	5,362,343.00	-5,362,343.00	42,793,252.00
Total Income	59,839.97	5,380,303.00	-5,320,463.03	43,242,252.00
Gross Profit	59,839.97	5,380,303.00	-5,320,463.03	43,242,252.00
Expense				
E04 - GOVERNANCE.				
E041 - Membership				
E041005 - Chairman Allowance	0.00	0.00	0.00	12,000.00
E041010 - Deputy Chair Allowance	0.00	0.00	0.00	3,000.00
E041018 - Composite Allowance	0.00	0.00	0.00	91,000.00
E041030 - Other Costs	0.00	0.00	0.00	10,000.00
E145020 - Conference Expenses CEO	0.00	1,080.00	-1,080.00	12,000.00
Total E041 - Membership	0.00	1,080.00	-1,080.00	128,000.00
Total E04 - GOVERNANCE.	0.00	1,080.00	-1,080.00	128,000.00
E14 - ADMINISTRATION				
E145 - Administration				
E145005 - Salaries - Basic Costs	32,651.20	45,000.00	-12,348.80	500,000.00
E145007 - Salaries Occ. Superannuation	2,938.60	3,888.00	-949.40	43,200.00
E145009 - Salaries WALGS Superannuation	0.00	283.00	-283.00	3,144.00
E145011 - Advertising Staff Vacancies	0.00	0.00	0.00	10,000.00
E145015 - Insurance W/comp.	5,782.40	0.00	5,782.40	13,325.00
E145017 - Medical Exam. Costs	0.00	0.00	0.00	200.00
E145019 - Staff Training & Dev.	0.00	450.00	-450.00	5,000.00
E145021 - Telephone - Staff Reimbursement	37.81	45.00	-7.19	500.00
E145024 - Travel Expenses CEO	440.91	450.00	-9.09	5,000.00
E145025 - Other Accom & Property Costs	4,696.66	2,250.00	2,446.66	25,000.00
E145027 - Advertising General	0.00	900.00	-900.00	10,000.00
E145029 - Advertising Public/Statutory	0.00	900.00	-900.00	10,000.00

Tamala Park Regional Council
Profit & Loss Budget Performance
July 1, 2012 through July 31, 2012

	Jul 12	Budget	\$ Over Budget	Annual Budget
E145031 · Graphics Consumables	0.00	450.00	-450.00	5,000.00
E145033 · Photocopying	0.00	180.00	-180.00	2,000.00
E145035 · Photography	0.00	180.00	-180.00	2,000.00
E145037 · Postage, Courier & Freight	0.00	90.00	-90.00	1,000.00
E145039 · Printing	0.00	450.00	-450.00	5,000.00
E145043 · Stationery	112.75	180.00	-67.25	2,000.00
E145045 · Other Admin Expenses	500.75	900.00	-399.25	10,000.00
E145047 · Office Telephones & Faxes	57.32	270.00	-212.68	3,000.00
E145049 · Mobil Phones, Pages, Radios	0.00	180.00	-180.00	2,000.00
E145053 · Bank Charges	90.75	90.00	0.75	1,000.00
E145055 · Credit Charges	0.00	18.00	-18.00	200.00
E145057 · Audit Fees	0.00	0.00	0.00	15,000.00
E145059 · Membership Fees	0.00	0.00	0.00	7,550.00
E145061 · Legal Expenses (General)	0.00	4,500.00	-4,500.00	50,000.00
E145069 · Valuation Fees	0.00	4,500.00	-4,500.00	50,000.00
E145075 · Promotions	0.00	900.00	-900.00	10,000.00
E145077 · Business Hospitality Expenses	0.00	900.00	-900.00	10,000.00
E145082 · Lawyers	0.00	2,700.00	-2,700.00	30,000.00
E145083 · Research	0.00	2,700.00	-2,700.00	30,000.00
E145086 · Probity Auditor	0.00	0.00	0.00	20,000.00
E145087 · Computer Software Mtce	769.15	450.00	319.15	5,000.00
E145088 · Accounting Management	750.00	3,600.00	-2,850.00	40,000.00
E145089 · Computer Software Purchase	0.00	0.00	0.00	10,000.00
E145091 · Computer Sundries	0.00	0.00	0.00	5,000.00
E145092 · Data Communication Links	0.00	450.00	-450.00	5,000.00
E145093 · Internet Provider Costs	50.00	0.00	50.00	5,000.00
E145094 · Plant & Equipment Purchase Non-	0.00	0.00	0.00	1,000.00
E145095 · Furniture & Equipment Purchase	0.00	450.00	-450.00	5,000.00
E145097 · Hire of Equipment	0.00	180.00	-180.00	2,000.00
E145098 · Fringe Benefit Tax MotorVehicle	0.00			13,282.00
E145099 · Vehicle Operating Expense	0.00	1,350.00	-1,350.00	15,000.00
E145100 · Safety Clothes and Equipment	0.00	90.00	-90.00	1,000.00
E145101 · Consumable Stores	47.60	45.00	2.60	501.00
E145102 · Motor Vehicle - CEO	0.00	0.00	0.00	80,000.00
E145103 · Newspapers & Periodicals	0.00	18.00	-18.00	200.00
E145105 · Publications & Brochures	0.00	45.00	-45.00	501.00
E145107 · Subscriptions	0.00	45.00	-45.00	501.00
E145109 · Parking Expenses	0.00	45.00	-45.00	501.00
E145111 · Plans	0.00	135.00	-135.00	1,501.00
E145113 · Emergency Services	0.00	900.00	-900.00	10,000.00
E145117 · Electricity	0.00	162.00	-162.00	1,800.00
E145119 · Professional Indemnity	0.00	0.00	0.00	2,000.00
E145121 · Insurance - Public Liability	2,625.43	0.00	2,625.43	2,500.00
E145123 · Insurance - Property (ISR)	809.13	0.00	809.13	1,800.00
E145126 · Insurance - Personal Accident	3,960.00	0.00	3,960.00	5,000.00
E145222 · Depreciation Furniture_office E	0.00	1,739.00	-1,739.00	19,320.00
Total E145 · Administration	56,320.46	83,058.00	-26,737.54	1,114,526.00

Tamala Park Regional Council
Profit & Loss Budget Performance
July 1, 2012 through July 31, 2012

	Jul 12	Budget	\$ Over Budget	Annual Budget
Total E14 · ADMINISTRATION	56,320.46	83,058.00	-26,737.54	1,114,526.00
E24 · CONSULTANT EXPENSE				
E145079 · Consultancy				
E145400 · Structure Planning				
E145401 · Direct Component	0.00	0.00	0.00	0.00
E145405 · TPG Syrinx Component	0.00	0.00	0.00	0.00
E145409 · Traffic consultant	0.00	0.00	0.00	0.00
E145410 · Economic Component	0.00	0.00	0.00	0.00
E145413 · Structure Plan Modification	0.00	0.00	0.00	10,000.00
Total E145400 · Structure Planning	0.00	0.00	0.00	10,000.00
E145440 · Env Innovation Consultancies				
E145441 · Sustainability Assessment Syst	0.00	0.00	0.00	20,000.00
E145444 · Energy Generation-Application	0.00	0.00	0.00	20,000.00
E145447 · Graceful Sun Moth Survey	0.00	0.00	0.00	10,000.00
E145448 · EPBC Act Management	0.00	0.00	0.00	20,000.00
Total E145440 · Env Innovation Consultancies	0.00	0.00	0.00	70,000.00
E145450 · Admin-Operational Consultancies				
E145451 · GST management	0.00	0.00	0.00	20,000.00
E145452 · Recruitment_Human Resources	0.00	0.00	0.00	5,000.00
E145453 · GST Margin Scheme Consultancy	0.00	0.00	0.00	100,000.00
Total E145450 · Admin-Operational Consultancies	0.00	0.00	0.00	125,000.00
Total E145079 · Consultancy	0.00	0.00	0.00	205,000.00
Total E24 · CONSULTANT EXPENSE	0.00	0.00	0.00	205,000.00
E34 · PROPERTY DEVELOPMENT- SERVICES				
E345 · Property Admin & Approvals				
E145041 · Signage/Decals	0.00	0.00	0.00	5,000.00
E145042 · Branding/Marketing	0.00	0.00	0.00	10,000.00
Total E345 · Property Admin & Approvals	0.00	0.00	0.00	15,000.00
E346 · Mtce Services - Land				
E145204 · Fences/Walls	0.00	0.00	0.00	30,000.00
E145206 · Mtce Services - Land - Other	0.00	0.00	0.00	5,000.00
E145216 · Direct Selling Expenses	0.00	709,000.00	-709,000.00	6,095,519.00
E145218 · Sales and Marketing	0.00	97,242.00	-97,242.00	1,166,900.00
Total E346 · Mtce Services - Land	0.00	806,242.00	-806,242.00	7,297,419.00
Total E34 · PROPERTY DEVELOPMENT- SERVICES	0.00	806,242.00	-806,242.00	7,312,419.00
E347 · Land Development Costs				
E145207 · Land & Special Sites Developmen	0.00	0.00	0.00	708,152.00

Tamala Park Regional Council
Profit & Loss Budget Performance
 July1, 2012 through July 31, 2012

	Jul 12	Budget	\$ Over Budget	Annual Budget
E145208 - Consultants	0.00	46,141.00	-46,141.00	558,535.00
E145209 - Landscape	0.00	162,920.00	-162,920.00	4,511,491.00
E145210 - Infrastructure	0.00	410,221.00	-410,221.00	4,101,561.00
E145211 - Lot Production	0.00	2,043,028.00	-2,043,028.00	18,701,849.00
E145212 - Administration (Land Developmen	0.00	32,916.00	-32,916.00	551,713.00
E145213 - Community Development	0.00	7,071.00	-7,071.00	84,917.00
E145214 - Contingency	0.00	143,088.00	-143,088.00	1,789,444.00
E145215 - Precinct 1 Bulk Earthworks	0.00	62,218.00	-62,218.00	5,703,765.00
E145219 - Land Develop - Finance	0.00	0.00	0.00	50,000.00
Total E347 - Land Development Costs	0.00	2,907,603.00	-2,907,603.00	36,761,427.00
Total Expense	56,320.46	3,797,983.00	-3,741,662.54	45,521,372.00
Net Income	3,519.51	1,582,320.00	-1,578,800.49	-2,279,120.00

APPENDIX ITEM 9.2

TAMALA PARK REGIONAL COUNCIL
MONTHLY STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 AUGUST 2012

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**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 AUGUST 2012**

	NOTE	31 August 2012 Actual \$	31 August 2012 Y-T-D Budget \$	2012/2013 Annual Budget \$	Variances Budget to Actual Y-T-D %
<u>Operating</u>					
Revenues					
Interest Earnings	1,2	83,631	89,800	449,000	(6.87%)
Other Revenue		0	6,581,057	42,793,252	100.00%
		<u>83,631</u>	<u>6,670,857</u>	<u>43,242,252</u>	(98.75%)
Expenses					
Employee Costs	1,2	(138,377)	(105,092)	(620,651)	31.67%
Materials and Contracts					
- Professional Consulting Fees		(5,600)	(6,101,339)	(7,262,419)	(99.91%)
- Materials and Contracts Other		(17,912)	(34,190)	(293,703)	(47.61%)
Loss on Disposal of Assets		0	0	0	0.00%
Depreciation		0	(3,478)	(19,320)	(100.00%)
Utilities		0	(1,836)	(11,800)	(100.00%)
Insurance		(13,177)	0	(11,300)	100.00%
Other Expenditure		(26,500)	(27,430)	(213,750)	(3.39%)
		<u>(201,566)</u>	<u>(6,273,365)</u>	<u>(8,432,943)</u>	(96.79%)
<u>Adjustments for Non-Cash (Revenue) and Expenditure</u>					
Depreciation on Assets		0	3,478	19,320	(100.00%)
Movement in Non-current Employee Entitlements		0	0	0	
Profit(Loss) on Sale of Assets	4	0	0	0	0.00%
<u>Capital Revenue and (Expenditure)</u>					
Change in Contributed Equity	6	(1,546,784)	(15,000)	(90,000)	0.00%
Infrastructure Assets Other	3	0	(6,119,405)	(36,716,427)	(100.00%)
Land and Buildings	3	0	0	0	
Plant and Equipment	3	0	(13,333)	(80,000)	(100.00%)
Furniture and Equipment	3	0	0	0	0.00%
Proceeds from Disposal of Assets	4	0	0	0	100.00%
ADD Net Current Assets July 1 B/Fwd	7	13,012,597	13,465,258	13,465,258	(3.36%)
Net Current Assets Year to Date	7	<u>11,347,878</u>	<u>7,718,490</u>	<u>11,407,460</u>	

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 AUGUST 2012

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) The Local Government Reporting Entity

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

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

The Council does not hold any monies in trust.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

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

(e) Goods and Services Tax

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

(f) Cash and Cash Equivalents

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

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 AUGUST 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Trade and Other Receivables

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

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

(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

(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.

(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

Please refer to Compilation Report

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 AUGUST 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

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

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

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

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

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

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

(l) Trade and Other Payables

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

(m) Employee Benefits

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

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

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

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

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 AUGUST 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 AUGUST 2012**

2. STATEMENT OF OBJECTIVE

The Regional Council has a specific regional purpose which is:

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

The objectives of the Regional Council are:

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

3. ACQUISITION OF ASSETS

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

By Program

Other Property and Services

	31 August 2012 Actual \$	Annual 2012/13 Budget \$
Vehicle - CEO	0	80,000
New Land Development	0	36,716,427
	0	36,796,427
	0	36,796,427

By Class

Plant & Equipment	0	80,000
Infrastructure Other	0	36,716,427
	0	36,796,427
	0	36,796,427

**TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
 FOR THE PERIOD 1 JULY 2012 TO 31 AUGUST 2012**

4. DISPOSALS OF ASSETS

The following assets have been disposed of during the period under review:

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	31 August 2012 Actual \$	31 August 2012 Actual \$	31 August 2012 Actual \$
	0	0	0

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	31 August 2012 Actual \$	31 August 2012 Actual \$	31 August 2012 Actual \$
	0	0	0

<u>Summary</u>	31 August 2012 Actual \$
Profit on Asset Disposals	0
Loss on Asset Disposals	0
	0
	0

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 AUGUST 2012**

5. INFORMATION ON BORROWINGS

No borrowings have been made in the period under review. No borrowings are budgeted for during the 2012-13 financial year.

6. CONTRIBUTED EQUITY

	31 August 2012 Actual \$	30 June 2012 Actual \$
Town of Victoria Park	1,120,440	1,259,167
City of Perth	1,120,440	1,259,167
Town of Cambridge	1,120,440	1,259,167
City of Joondalup	2,240,881	2,518,334
City of Wanneroo	2,240,881	2,518,334
Town of Vincent	1,120,440	1,259,167
City of Stirling	4,481,764	5,036,671
TOTAL	<u>13,445,287</u>	<u>15,110,007</u>
Difference	<u><u>(1,664,720)</u></u>	

Change in Contributed Equity Represented by:

	Development Expenses 31 August 2012 \$	Land Sales 31 August 2012 \$	Rates Equivalent 31 August 2012 \$
Town of Victoria Park	(161,797)	40,116	(7,209)
City of Perth	(161,797)	40,116	(7,209)
Town of Cambridge	(161,797)	40,116	(7,209)
City of Joondalup	(323,594)	80,231	(14,418)
City of Wanneroo	(323,594)	80,231	(14,418)
Town of Vincent	(161,797)	40,116	(7,209)
City of Stirling	(647,288)	160,462	(28,836)
	<u>(1,941,664)</u>	<u>481,388</u>	<u>(86,508)</u>
Total	<u>(1,546,784)</u>		
TPRC Nett Result	<u>(117,936)</u>		
	<u><u>(1,664,720)</u></u>		

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 AUGUST 2012**

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position	31 August 2012 Actual \$	Brought Forward 1-Jul \$
CURRENT ASSETS		
Cash - Unrestricted	11,380,810	13,454,179
Receivables	<u>46,274</u>	<u>46,272</u>
	11,427,084	13,500,451
LESS: CURRENT LIABILITIES		
Payables and Provisions	<u>(79,206)</u>	<u>(487,854)</u>
NET CURRENT ASSET POSITION	11,347,878	13,012,597
NET CURRENT ASSET POSITION	<u><u>11,347,878</u></u>	<u><u>13,012,597</u></u>

8. RATING INFORMATION

No rates are budgeted to be raised during the year ending 30 June 2013.

9. TRUST FUNDS

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

Tamala Park Regional Council
Balance Sheet
As of August 31 , 2012

	Aug 31, 12	Jun 30, 12	\$ Change
ASSETS			
Current Assets			
Chequing/Savings			
A01100 - Cash at Bank			
A01101 - Unrestricted Municipal Bank	12,045.40	4,399.67	7,645.73
A01102 - Unrestricted Short Term Investm	600.61	598.86	1.75
A01106 - Fixed Term Deposit_BankWest	4,976,632.46	4,930,049.20	46,583.26
A01107 - Fixed Term Deposit Suncorp Metw	1,520,155.34	1,500,000.00	20,155.34
A01108 - ANZ Bank Investment AC	2,325,468.91	2,321,371.62	4,097.29
A01109 - ANZ Online Saver Account	9,366.77	9,139.12	227.65
A01112 - Westpac Settlement Proceeds Acc	536,510.98	4,688,590.30	-4,152,079.32
A01113 - ANZ Term Deposit	2,000,000.00	0.00	2,000,000.00
Total A01100 - Cash at Bank	11,380,780.47	13,454,148.77	-2,073,368.30
Total Chequing/Savings	11,380,780.47	13,454,148.77	-2,073,368.30
Accounts Receivable			
A01120 - ACCOUNTS RECEIVABLE			
A011201 - Accrued Interest	45,272.29	45,272.29	0.00
A01120 - ACCOUNTS RECEIVABLE - Other	262,709.59	105,947.00	156,762.59
Total A01120 - ACCOUNTS RECEIVABLE	307,981.88	151,219.29	156,762.59
Total Accounts Receivable	307,981.88	151,219.29	156,762.59
Other Current Assets			
A01105 - Petty Cash and Cash on Hand	30.00	30.00	0.00
A01180 - Accommodation Bond - CoS	1,000.00	1,000.00	0.00
Total Other Current Assets	1,030.00	1,030.00	0.00
Total Current Assets	11,689,792.35	13,606,398.06	-1,916,605.71
Fixed Assets			
A0151 - Land			
A01512 - At Cost			
E168010 - Land Acquisition 2009-10			
E168011 - Acquisition lot 807 Neerabup Rd	2,000,000.00	2,000,000.00	0.00
Total E168010 - Land Acquisition 2009-10	2,000,000.00	2,000,000.00	0.00
Total A01512 - At Cost	2,000,000.00	2,000,000.00	0.00
Total A0151 - Land	2,000,000.00	2,000,000.00	0.00
A0154 - Furniture & Equipment			
A01541 - Accumulated Depn - F&E	-26,793.00	-26,793.00	0.00
A01542 - At Cost			
E168540 - F&OEquip Additions 2011-12			
E168519 - Phones 2011/12	780.00	780.00	0.00

Tamala Park Regional Council
Balance Sheet
As of August 31 , 2012

	Aug 31, 12	Jun 30, 12	\$ Change
E168523 · Elect_Comp Equipment 2011_12	875.41	875.41	0.00
E168525 · Wall Mounted TV	1,433.64	1,433.64	0.00
Total E168540 · F&OEquip Additions 2011-12	3,089.05	3,089.05	0.00
A01542 · At Cost - Other	30,858.88	30,858.88	0.00
Total A01542 · At Cost	33,947.93	33,947.93	0.00
Total A0154 · Furniture & Equipment	7,154.93	7,154.93	0.00
A0157 · Improvements to Leasehold Prope			
A01572 · Accum Depreciation Leasehold Im	-11,124.00	-11,124.00	0.00
A01573 · Improve, to Leasehold Prop Cost			
E168700 · 2011-12 Improvements	111,242.41	111,242.41	0.00
Total A01573 · Improve, to Leasehold Prop Cost	111,242.41	111,242.41	0.00
Total A0157 · Improvements to Leasehold Prope	100,118.41	100,118.41	0.00
Total Fixed Assets	2,107,273.34	2,107,273.34	0.00
TOTAL ASSETS	13,797,065.69	15,713,671.40	-1,916,605.71
LIABILITIES			
Current Liabilities			
Accounts Payable			
L01215 · SUNDRY CREDITORS	235,327.00	487,411.96	-252,084.96
Total Accounts Payable	235,327.00	487,411.96	-252,084.96
Credit Cards			
A01110 · Westpac Visa Corp Credit Card	0.00	2,669.38	-2,669.38
Total Credit Cards	0.00	2,669.38	-2,669.38
Other Current Liabilities			
2100 · Payroll Liabilities			
L2001 · PAYG Deductions	26,078.00	13,212.00	12,866.00
Total 2100 · Payroll Liabilities	26,078.00	13,212.00	12,866.00
2200 · Tax Payable	-7,818.96	2,178.15	-9,997.11
2202 · GST Suspense Account			
2203 · GST Receivable - Members	262,709.59	105,947.00	156,762.59
2202 · GST Suspense Account - Other	-262,703.71	-105,941.11	-156,762.60
Total 2202 · GST Suspense Account	5.88	5.89	-0.01
L0122 · Employee Entitlements			
L01225 · Annual Leave	74,898.07	74,898.07	0.00
L01227 · Accrued Wages	3,525.67	3,525.67	0.00
Total L0122 · Employee Entitlements	78,423.74	78,423.74	0.00

Tamala Park Regional Council
Balance Sheet
As of August 31 , 2012

	Aug 31, 12	Jun 30, 12	\$ Change
L01229 - Prov for Audit Fees	9,900.00	9,900.00	0.00
Total Other Current Liabilities	106,588.66	103,719.78	2,868.88
Total Current Liabilities	341,915.66	593,801.12	-251,885.46
Long Term Liabilities			
L01230 - Provision - Employee LSL	9,862.66	9,862.66	0.00
Total Long Term Liabilities	9,862.66	9,862.66	0.00
TOTAL LIABILITIES	351,778.32	603,663.78	-251,885.46
NET ASSETS	13,445,287.37	15,110,007.62	-1,664,720.25
EQUITY			
3000 - Opening Bal Equity			
L019051 - TVP Dist Rates Equiv 07-12	-33,606.50	-33,606.50	0.00
L019052 - CP Dist Rates Equiv 07-12	-33,606.50	-33,606.50	0.00
L019053 - TC Dist Rates Equiv 07-12	-33,606.50	-33,606.50	0.00
L019054 - CJ Dist Rates Equiv 07-12	-67,212.98	-67,212.98	0.00
L019055 - CW Dist Rates Equiv 07-12	-67,212.98	-67,212.98	0.00
L019056 - TV Dist Rates Equiv 07-12	-33,606.50	-33,606.50	0.00
L019057 - CS Dist Rates Equiv 07-12	-134,425.97	-134,425.97	0.00
Total 3000 - Opening Bal Equity	-403,277.93	-403,277.93	0.00
3900 - *Retained Earnings	798,696.43	847,017.81	-48,321.38
L019001 - Town of Victoria Park			
101.1 - ToVP revenue from Development	432,342.09	392,226.51	40,115.58
101.2 - ToVP Development Expenses	-686,803.45	-517,797.51	-169,005.94
L019101 - TVP Contributed Equity	1,354,610.60	1,354,610.60	0.00
Total L019001 - Town of Victoria Park	1,100,149.24	1,229,039.60	-128,890.36
L019002 - City of Perth			
102.1 - CoP Revenue from Development	432,342.08	392,226.51	40,115.57
102.2 - CoP Development Costs	-686,803.45	-517,797.51	-169,005.94
L019102 - CP Contributed Equity	1,354,610.60	1,354,610.60	0.00
Total L019002 - City of Perth	1,100,149.23	1,229,039.60	-128,890.37
L019003 - Town of Cambridge			
103.1 - ToC Revenue from Development	432,342.08	392,226.51	40,115.57
103.2 - ToC Development Costs	-686,803.45	-517,797.51	-169,005.94
L019103 - TC Contributed Equity	1,354,610.60	1,354,610.60	0.00
Total L019003 - Town of Cambridge	1,100,149.23	1,229,039.60	-128,890.37
L019004 - City of Joondalup			
104.1 - CoJ Revenue from Development	864,684.18	784,453.02	80,231.16
104.2 - CoJ Development Costs	-1,373,606.94	-1,035,595.04	-338,011.90

Tamala Park Regional Council
Balance Sheet
As of August 31 , 2012

	Aug 31, 12	Jun 30, 12	\$ Change
L019104 - CJ Contributed Equity	2,709,219.19	2,709,219.19	0.00
Total L019004 - City of Joondalup	2,200,296.43	2,458,077.17	-257,780.74
L019005 - City of Wanneroo			
105.1 - CoW Revenue from Development	864,684.18	784,453.02	80,231.16
105.2 - CoW Development Costs	-1,373,606.94	-1,035,595.04	-338,011.90
L019105 - CW Contributed Equity	2,709,219.19	2,709,219.19	0.00
Total L019005 - City of Wanneroo	2,200,296.43	2,458,077.17	-257,780.74
L019006 - Town of Vincent			
106.1 - ToV revenue from Development	432,342.09	392,226.51	40,115.58
106.2 - ToV Development Costs	-686,803.45	-517,797.51	-169,005.94
L019106 - TV Contributed Equity	1,354,610.60	1,354,610.60	0.00
Total L019006 - Town of Vincent	1,100,149.24	1,229,039.60	-128,890.36
L019007 - City of Stirling			
107.1 - CoS Revenue from Development	1,729,368.37	1,568,906.05	160,462.32
107.2 - CoS Development Costs	-2,747,311.85	-2,071,188.06	-676,123.79
L019107 - CS Contributed Equity	5,384,558.39	5,384,558.39	0.00
Total L019007 - City of Stirling	4,366,614.91	4,882,276.38	-515,661.47
Net Income	-117,935.84	-48,321.38	-69,614.46
TOTAL EQUITY	13,445,287.37	15,110,007.62	-1,664,720.25

Tamala Park Regional Council
Profit & Loss Budget Performance
July1, 2012 through August 31, 2012

	Jul - Aug 12	Budget	\$ Over Budget	Annual Budget
Income				
I03 - GENERAL PURPOSE FUNDING				
I032 - Other GPF				
I032030 - Interest on Investment	83,630.54	89,800.00	-6,169.46	449,000.00
Total I032 - Other GPF	83,630.54	89,800.00	-6,169.46	449,000.00
Total I03 - GENERAL PURPOSE FUNDING	83,630.54	89,800.00	-6,169.46	449,000.00
I14 - OTHER PROPERTY & SERVICES				
I145 - Administration				
I145010 - Reimbursements	0.00			1,890.00
I145011 - Income Sale on Lots	0.00	6,581,057.00	-6,581,057.00	41,618,154.00
I145012 - Income Other	0.00			1,173,208.00
Total I145 - Administration	0.00	6,581,057.00	-6,581,057.00	42,793,252.00
Total I14 - OTHER PROPERTY & SERVICES	0.00	6,581,057.00	-6,581,057.00	42,793,252.00
Total Income	83,630.54	6,670,857.00	-6,587,226.46	43,242,252.00
Gross Profit	83,630.54	6,670,857.00	-6,587,226.46	43,242,252.00
Expense				
E04 - GOVERNANCE.				
E041 - Membership				
E041005 - Chairman Allowance	4,750.00	0.00	4,750.00	12,000.00
E041010 - Deputy Chair Allowance	750.00	0.00	750.00	3,000.00
E041018 - Composite Allowance	21,000.00	22,750.00	-1,750.00	91,000.00
E041030 - Other Costs	0.00	0.00	0.00	10,000.00
E145020 - Conference Expenses CEO	1,000.00	2,160.00	-1,160.00	12,000.00
Total E041 - Membership	27,500.00	24,910.00	2,590.00	128,000.00
Total E04 - GOVERNANCE.	27,500.00	24,910.00	2,590.00	128,000.00
E14 - ADMINISTRATION				
E145 - Administration				
E145005 - Salaries - Basic Costs	65,368.76	90,000.00	-24,631.24	500,000.00
E145007 - Salaries Occ. Superannuation	5,740.84	7,776.00	-2,035.16	43,200.00
E145009 - Salaries WALGS Superannuation	0.00	566.00	-566.00	3,144.00
E145011 - Advertising Staff Vacancies	0.00	0.00	0.00	10,000.00
E145015 - Insurance W/comp.	5,782.40	0.00	5,782.40	13,325.00
E145017 - Medical Exam. Costs	0.00	0.00	0.00	200.00
E145019 - Staff Training & Dev.	0.00	900.00	-900.00	5,000.00
E145021 - Telephone - Staff Reimbursement	68.80	90.00	-21.20	500.00
E145024 - Travel Expenses CEO	984.55	900.00	84.55	5,000.00
E145025 - Other Accom & Property Costs	7,868.62	4,500.00	3,368.62	25,000.00
E145027 - Advertising General	0.00	1,800.00	-1,800.00	10,000.00
E145029 - Advertising Public/Statutory	263.52	1,800.00	-1,536.48	10,000.00

Tamala Park Regional Council
Profit & Loss Budget Performance
July1, 2012 through August 31, 2012

	Jul - Aug 12	Budget	\$ Over Budget	Annual Budget
E145031 · Graphics Consumables	0.00	900.00	-900.00	5,000.00
E145033 · Photocopying	333.97	360.00	-26.03	2,000.00
E145035 · Photography	0.00	360.00	-360.00	2,000.00
E145037 · Postage, Courier & Freight	0.00	180.00	-180.00	1,000.00
E145039 · Printing	0.00	900.00	-900.00	5,000.00
E145043 · Stationery	174.30	360.00	-185.70	2,000.00
E145045 · Other Admin Expenses	3,903.66	1,800.00	2,103.66	10,000.00
E145047 · Office Telephones & Faxes	98.04	540.00	-441.96	3,000.00
E145049 · Mobil Phones, Pages, Radios	0.00	360.00	-360.00	2,000.00
E145053 · Bank Charges	123.75	180.00	-56.25	1,000.00
E145055 · Credit Charges	0.00	36.00	-36.00	200.00
E145057 · Audit Fees	0.00	0.00	0.00	15,000.00
E145059 · Membership Fees	2,340.00	0.00	2,340.00	7,550.00
E145061 · Legal Expenses (General)	0.00	9,000.00	-9,000.00	50,000.00
E145069 · Valuation Fees	0.00	9,000.00	-9,000.00	50,000.00
E145075 · Promotions	0.00	1,800.00	-1,800.00	10,000.00
E145077 · Business Hospitality Expenses	25.45	1,800.00	-1,774.55	10,000.00
E145082 · Lawyers	0.00	5,400.00	-5,400.00	30,000.00
E145083 · Research	0.00	5,400.00	-5,400.00	30,000.00
E145086 · Probity Auditor	0.00	0.00	0.00	20,000.00
E145087 · Computer Software Mtce	769.15	900.00	-130.85	5,000.00
E145088 · Accounting Management	5,600.00	7,200.00	-1,600.00	40,000.00
E145089 · Computer Software Purchase	0.00	0.00	0.00	10,000.00
E145091 · Computer Sundries	0.00	0.00	0.00	5,000.00
E145092 · Data Communication Links	2,700.00	900.00	1,800.00	5,000.00
E145093 · Internet Provider Costs	1,400.00	0.00	1,400.00	5,000.00
E145094 · Plant & Equipment Purchase Non-	0.00	0.00	0.00	1,000.00
E145095 · Furniture & Equipment Purchase	0.00	900.00	-900.00	5,000.00
E145097 · Hire of Equipment	0.00	360.00	-360.00	2,000.00
E145098 · Fringe Benefit Tax MotorVehicle	0.00			13,282.00
E145099 · Vehicle Operating Expense	0.00	2,700.00	-2,700.00	15,000.00
E145100 · Safety Clothes and Equipment	0.00	180.00	-180.00	1,000.00
E145101 · Consumable Stores	113.64	90.00	23.64	501.00
E145102 · Motor Vehicle - CEO	63,012.37	0.00	63,012.37	80,000.00
E145103 · Newspapers & Periodicals	0.00	36.00	-36.00	200.00
E145105 · Publications & Brochures	0.00	90.00	-90.00	501.00
E145107 · Subscriptions	0.00	90.00	-90.00	501.00
E145109 · Parking Expenses	0.00	90.00	-90.00	501.00
E145111 · Plans	0.00	270.00	-270.00	1,501.00
E145113 · Emergency Services	0.00	1,800.00	-1,800.00	10,000.00
E145117 · Electricity	0.00	324.00	-324.00	1,800.00
E145119 · Professional Indemnity	0.00	0.00	0.00	2,000.00
E145121 · Insurance - Public Liability	2,625.43	0.00	2,625.43	2,500.00
E145123 · Insurance - Property (ISR)	809.13	0.00	809.13	1,800.00
E145126 · Insurance - Personal Accident	3,960.00	0.00	3,960.00	5,000.00
E145222 · Depreciation Furniture_office E	0.00	3,478.00	-3,478.00	19,320.00
Total E145 · Administration	174,066.38	166,116.00	7,950.38	1,114,526.00

Tamala Park Regional Council
Profit & Loss Budget Performance
July1, 2012 through August 31, 2012

	Jul - Aug 12	Budget	\$ Over Budget	Annual Budget
Total E14 - ADMINISTRATION	174,066.38	166,116.00	7,950.38	1,114,526.00
E24 - CONSULTANT EXPENSE				
E145079 - Consultancy				
E145400 - Structure Planning				
E145401 - Direct Component	0.00	0.00	0.00	0.00
E145405 - TPG Syrinx Component	0.00	0.00	0.00	0.00
E145409 - Traffic consultant	0.00	0.00	0.00	0.00
E145410 - Economic Component	0.00	0.00	0.00	0.00
E145413 - Structure Plan Modification	0.00	200.00	-200.00	10,000.00
Total E145400 - Structure Planning	0.00	200.00	-200.00	10,000.00
E145440 - Env Innovation Consultancies				
E145441 - Sustainability Assessment Syst	0.00	400.00	-400.00	20,000.00
E145444 - Energy Generation-Application	0.00	400.00	-400.00	20,000.00
E145447 - Graceful Sun Moth Survey	0.00	200.00	-200.00	10,000.00
E145448 - EPBC Act Management	0.00	400.00	-400.00	20,000.00
Total E145440 - Env Innovation Consultancies	0.00	1,400.00	-1,400.00	70,000.00
E145450 - Admin-Operational Consultancies				
E145451 - GST management	0.00	400.00	-400.00	20,000.00
E145452 - Recruitment_Human Resources	0.00	100.00	-100.00	5,000.00
E145453 - GST Margin Scheme Consultancy	0.00	2,000.00	-2,000.00	100,000.00
Total E145450 - Admin-Operational Consultancies	0.00	2,500.00	-2,500.00	125,000.00
Total E145079 - Consultancy	0.00	4,100.00	-4,100.00	205,000.00
Total E24 - CONSULTANT EXPENSE	0.00	4,100.00	-4,100.00	205,000.00
E34 - PROPERTY DEVELOPMENT- SERVICES				
E345 - Property Admin & Approvals				
E145041 - Signage/Decals	0.00	100.00	-100.00	5,000.00
E145042 - Branding/Marketing	0.00	200.00	-200.00	10,000.00
Total E345 - Property Admin & Approvals	0.00	300.00	-300.00	15,000.00
E346 - Mtce Services - Land				
E145204 - Fences/Walls	0.00	600.00	-600.00	30,000.00
E145206 - Mtce Services - Land - Other	0.00	100.00	-100.00	5,000.00
E145216 - Direct Selling Expenses	0.00	870,136.00	-870,136.00	6,095,519.00
E145218 - Sales and Marketing	0.00	194,484.00	-194,484.00	1,166,900.00
Total E346 - Mtce Services - Land	0.00	1,065,320.00	-1,065,320.00	7,297,419.00
Total E34 - PROPERTY DEVELOPMENT- SERVICES	0.00	1,065,620.00	-1,065,620.00	7,312,419.00
E347 - Land Development Costs				
E145207 - Land & Special Sites Developmen	0.00	0.00	0.00	708,152.00

Tamala Park Regional Council
Profit & Loss Budget Performance
 July1, 2012 through August 31, 2012

	Jul - Aug 12	Budget	\$ Over Budget	Annual Budget
E145208 · Consultants	0.00	66,011.00	-66,011.00	558,535.00
E145209 · Landscape	0.00	457,621.00	-457,621.00	4,511,491.00
E145210 · Infrastructure	0.00	820,955.00	-820,955.00	4,101,561.00
E145211 · Lot Production	0.00	3,215,562.00	-3,215,562.00	18,701,849.00
E145212 · Administration (Land Developmen	0.00	65,857.00	-65,857.00	551,713.00
E145213 · Community Development	0.00	14,143.00	-14,143.00	84,917.00
E145214 · Contingency	0.00	247,957.00	-247,957.00	1,789,444.00
E145215 · Precinct 1 Bulk Earthworks	0.00	124,513.00	-124,513.00	5,703,765.00
E145219 · Land Develop - Finance	0.00	0.00	0.00	50,000.00
Total E347 · Land Development Costs	0.00	5,012,619.00	-5,012,619.00	36,761,427.00
Total Expense	201,566.38	6,273,365.00	-6,071,798.62	45,521,372.00
Net Income	-117,935.84	397,492.00	-515,427.84	-2,279,120.00

APPENDIX ITEM 9.2

TAMALA PARK REGIONAL COUNCIL
MONTHLY STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 30 SEPTEMBER 2012

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**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 30 SEPTEMBER 2012**

	NOTE	30 September 2012 Actual \$	30 September 2012 Y-T-D Budget \$	2012/2013 Annual Budget \$	Variences Budget to Actual Y-T-D %
<u>Operating</u>					
Revenues					
	1,2				
Interest Earnings		139,120	112,250	449,000	23.94%
Other Revenue		0	10,909,478	42,793,252	100.00%
		<u>139,120</u>	<u>11,021,728</u>	<u>43,242,252</u>	(98.74%)
Expenses					
	1,2				
Employee Costs		(173,551)	(250,963)	(620,651)	(30.85%)
Materials and Contracts					
- Professional Consulting Fees		(9,380)	(10,608,575)	(7,262,419)	(99.91%)
- Materials and Contracts Other		(27,833)	(82,235)	(293,703)	(66.15%)
Loss on Disposal of Assets		0	0	0	0.00%
Depreciation		0	(5,217)	(19,320)	(100.00%)
Utilities		0	(2,754)	(11,800)	(100.00%)
Insurance		(13,177)	0	(11,300)	100.00%
Other Expenditure		(26,494)	(43,520)	(213,750)	(39.12%)
		<u>(250,435)</u>	<u>(10,993,264)</u>	<u>(8,432,943)</u>	(97.72%)
<u>Adjustments for Non-Cash (Revenue) and Expenditure</u>					
Depreciation on Assets		0	5,217	19,320	(100.00%)
Movement in Non-current Employee Entitlements		0	0	0	
Profit(Loss) on Sale of Assets	4	0	0	0	0.00%
<u>Capital Revenue and (Expenditure)</u>					
Change in Contributed Equity	6	(2,386,764)	(22,500)	(90,000)	0.00%
Infrastructure Assets Other	3	0	(9,179,107)	(36,716,427)	(100.00%)
Land and Buildings	3	0	0	0	
Plant and Equipment	3	0	(20,000)	(80,000)	(100.00%)
Furniture and Equipment	3	0	0	0	0.00%
Proceeds from Disposal of Assets	4	0	0	0	100.00%
ADD Net Current Assets July 1 B/Fwd	7	13,012,597	13,465,258	13,465,258	(3.36%)
Net Current Assets Year to Date	7	<u>10,514,518</u>	<u>4,277,332</u>	<u>11,407,460</u>	

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 30 SEPTEMBER 2012

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) The Local Government Reporting Entity

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

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

The Council does not hold any monies in trust.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

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

(e) Goods and Services Tax

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

(f) Cash and Cash Equivalents

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

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 30 SEPTEMBER 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Trade and Other Receivables

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

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

(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

(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.

(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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 30 SEPTEMBER 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

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

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

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

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

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

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

(l) Trade and Other Payables

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

(m) Employee Benefits

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

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

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

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

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 30 SEPTEMBER 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 30 SEPTEMBER 2012**

2. STATEMENT OF OBJECTIVE

The Regional Council has a specific regional purpose which is:

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

The objectives of the Regional Council are:

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

3. ACQUISITION OF ASSETS

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

By Program

Other Property and Services

	30 September 2012 Actual \$	Annual 2012/13 Budget \$
Vehicle - CEO	0	80,000
New Land Development	0	36,716,427
	0	36,796,427
	0	36,796,427

By Class

Plant & Equipment	0	80,000
Infrastructure Other	0	36,716,427
	0	36,796,427
	0	36,796,427

**TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
 FOR THE PERIOD 1 JULY 2012 TO 30 SEPTEMBER 2012**

4. DISPOSALS OF ASSETS

The following assets have been disposed of during the period under review:

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	30 September 2012 Actual \$	30 September 2012 Actual \$	30 September 2012 Actual \$
	0	0	0

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	30 September 2012 Actual \$	30 September 2012 Actual \$	30 September 2012 Actual \$
	0	0	0

<u>Summary</u>	30 September 2012 Actual \$
Profit on Asset Disposals	0
Loss on Asset Disposals	0
	0
	0

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 30 SEPTEMBER 2012

5. INFORMATION ON BORROWINGS

No borrowings have been made in the period under review. No borrowings are budgeted for during the 2012-13 financial year.

6. CONTRIBUTED EQUITY

	30 September 2012 Actual \$	30 June 2012 Actual \$
Town of Victoria Park	1,050,994	1,259,167
City of Perth	1,050,994	1,259,167
Town of Cambridge	1,050,994	1,259,167
City of Joondalup	2,101,988	2,518,334
City of Wanneroo	2,101,988	2,518,334
Town of Vincent	1,050,994	1,259,167
City of Stirling	4,203,978	5,036,671
TOTAL	<u><u>12,611,928</u></u>	<u><u>15,110,007</u></u>
Difference	<u><u>(2,498,079)</u></u>	

Change in Contributed Equity Represented by:

	Development Expenses 30 September 2012 \$	Land Sales 30 September 2012 \$	Rates Equivalent 30 September 2012 \$
Town of Victoria Park	(273,995)	82,316	(7,209)
City of Perth	(273,995)	82,316	(7,209)
Town of Cambridge	(273,995)	82,316	(7,209)
City of Joondalup	(547,991)	164,631	(14,418)
City of Wanneroo	(547,991)	164,631	(14,418)
Town of Vincent	(273,995)	82,316	(7,209)
City of Stirling	(1,096,082)	329,262	(28,836)
	<u><u>(3,288,044)</u></u>	<u><u>987,788</u></u>	<u><u>(86,508)</u></u>
Total	<u><u>(2,386,764)</u></u>		
TPRC Nett Result	<u><u>(111,315)</u></u>		
	<u><u>(2,498,079)</u></u>		

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 30 SEPTEMBER 2012**

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position	30 September 2012 Actual \$	Brought Forward 1-Jul \$
CURRENT ASSETS		
Cash - Unrestricted	10,477,282	13,454,179
Receivables	<u>46,275</u>	<u>46,272</u>
	<u>10,523,557</u>	<u>13,500,451</u>
 LESS: CURRENT LIABILITIES		
Payables and Provisions	<u>(9,039)</u>	<u>(487,854)</u>
 NET CURRENT ASSET POSITION	 10,514,518	 13,012,597
 NET CURRENT ASSET POSITION	 <u><u>10,514,518</u></u>	 <u><u>13,012,597</u></u>

8. RATING INFORMATION

No rates are budgeted to be raised during the year ending 30 June 2013.

9. TRUST FUNDS

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

Tamala Park Regional Council
Balance Sheet
As of September 30 , 2012

	Sep 30, 12	Jun 30, 12	\$ Change
ASSETS			
Current Assets			
Chequing/Savings			
A01100 - Cash at Bank			
A01101 - Unrestricted Municipal Bank	419,205.97	4,399.67	414,806.30
A01102 - Unrestricted Short Term Investm	192,524.49	598.86	191,925.63
A01106 - Fixed Term Deposit_BankWest	4,244,493.13	4,930,049.20	-685,556.07
A01107 - Fixed Term Deposit Suncorp Metw	1,520,155.34	1,500,000.00	20,155.34
A01108 - ANZ Bank Investment AC	2,344,697.03	2,321,371.62	23,325.41
A01109 - ANZ Online Saver Account	9,392.55	9,139.12	253.43
A01112 - Westpac Settlement Proceeds Acc	746,782.13	4,688,590.30	-3,941,808.17
A01113 - ANZ Term Deposit	1,000,000.00	0.00	1,000,000.00
Total A01100 - Cash at Bank	10,477,250.64	13,454,148.77	-2,976,898.13
Total Chequing/Savings	10,477,250.64	13,454,148.77	-2,976,898.13
Accounts Receivable			
A01120 - ACCOUNTS RECEIVABLE			
A011201 - Accrued Interest	45,272.29	45,272.29	0.00
A01120 - ACCOUNTS RECEIVABLE - Other	314,732.59	105,947.00	208,785.59
Total A01120 - ACCOUNTS RECEIVABLE	360,004.88	151,219.29	208,785.59
Total Accounts Receivable	360,004.88	151,219.29	208,785.59
Other Current Assets			
A01105 - Petty Cash and Cash on Hand	30.00	30.00	0.00
A01180 - Accommodation Bond - CoS	1,000.00	1,000.00	0.00
Total Other Current Assets	1,030.00	1,030.00	0.00
Total Current Assets	10,838,285.52	13,606,398.06	-2,768,112.54
Fixed Assets			
A0151 - Land			
A01512 - At Cost			
E168010 - Land Acquisition 2009-10			
E168011 - Acquisition lot 807 Neerabup Rd	2,000,000.00	2,000,000.00	0.00
Total E168010 - Land Acquisition 2009-10	2,000,000.00	2,000,000.00	0.00
Total A01512 - At Cost	2,000,000.00	2,000,000.00	0.00
Total A0151 - Land	2,000,000.00	2,000,000.00	0.00
A0154 - Furniture & Equipment			
A01541 - Accumulated Depn - F&E	-26,793.00	-26,793.00	0.00
A01542 - At Cost			
E168540 - F&OEquip Additions 2011-12			
E168519 - Phones 2011/12	780.00	780.00	0.00

Tamala Park Regional Council
Balance Sheet
As of September 30 , 2012

	Sep 30, 12	Jun 30, 12	\$ Change
E168523 - Elect_Comp Equipment 2011_12	875.41	875.41	0.00
E168525 - Wall Mounted TV	1,433.64	1,433.64	0.00
Total E168540 - F&OEquip Additions 2011-12	3,089.05	3,089.05	0.00
A01542 - At Cost - Other	30,858.88	30,858.88	0.00
Total A01542 - At Cost	33,947.93	33,947.93	0.00
Total A0154 - Furniture & Equipment	7,154.93	7,154.93	0.00
A0157 - Improvements to Leasehold Prope			
A01572 - Accum Depreciation Leasehold Im	-11,124.00	-11,124.00	0.00
A01573 - Improve, to Leasehold Prop Cost			
E168700 - 2011-12 Improvements	111,242.41	111,242.41	0.00
Total A01573 - Improve, to Leasehold Prop Cost	111,242.41	111,242.41	0.00
Total A0157 - Improvements to Leasehold Prope	100,118.41	100,118.41	0.00
Total Fixed Assets	2,107,273.34	2,107,273.34	0.00
TOTAL ASSETS	12,945,558.86	15,713,671.40	-2,768,112.54
LIABILITIES			
Current Liabilities			
Accounts Payable			
L01215 - SUNDRY CREDITORS	235,327.00	487,411.96	-252,084.96
Total Accounts Payable	235,327.00	487,411.96	-252,084.96
Credit Cards			
A01110 - Westpac Visa Corp Credit Card	0.00	2,669.38	-2,669.38
Total Credit Cards	0.00	2,669.38	-2,669.38
Other Current Liabilities			
2100 - Payroll Liabilities			
L2001 - PAYG Deductions	11,968.00	13,212.00	-1,244.00
Total 2100 - Payroll Liabilities	11,968.00	13,212.00	-1,244.00
2200 - Tax Payable	-11,848.51	2,178.15	-14,026.66
2202 - GST Suspense Account			
2203 - GST Receivable - Members	314,732.59	105,947.00	208,785.59
2202 - GST Suspense Account - Other	-314,732.59	-105,941.11	-208,791.48
Total 2202 - GST Suspense Account	0.00	5.89	-5.89
L0122 - Employee Entitlements			
L01225 - Annual Leave	74,898.07	74,898.07	0.00
L01227 - Accrued Wages	3,525.67	3,525.67	0.00
Total L0122 - Employee Entitlements	78,423.74	78,423.74	0.00

Tamala Park Regional Council
Balance Sheet
As of September 30 , 2012

	Sep 30, 12	Jun 30, 12	\$ Change
L01229 - Prov for Audit Fees	9,900.00	9,900.00	0.00
Total Other Current Liabilities	88,443.23	103,719.78	-15,276.55
Total Current Liabilities	323,770.23	593,801.12	-270,030.89
Long Term Liabilities			
L01230 - Provision - Employee LSL	9,862.66	9,862.66	0.00
Total Long Term Liabilities	9,862.66	9,862.66	0.00
TOTAL LIABILITIES	333,632.89	603,663.78	-270,030.89
NET ASSETS	12,611,925.97	15,110,007.62	-2,498,081.65
EQUITY			
3000 - Opening Bal Equity			
L019051 - TVP Dist Rates Equiv 07-12	-33,606.50	-33,606.50	0.00
L019052 - CP Dist Rates Equiv 07-12	-33,606.50	-33,606.50	0.00
L019053 - TC Dist Rates Equiv 07-12	-33,606.50	-33,606.50	0.00
L019054 - CJ Dist Rates Equiv 07-12	-67,212.98	-67,212.98	0.00
L019055 - CW Dist Rates Equiv 07-12	-67,212.98	-67,212.98	0.00
L019056 - TV Dist Rates Equiv 07-12	-33,606.50	-33,606.50	0.00
L019057 - CS Dist Rates Equiv 07-12	-134,425.97	-134,425.97	0.00
Total 3000 - Opening Bal Equity	-403,277.93	-403,277.93	0.00
3900 - *Retained Earnings	798,696.43	847,017.81	-48,321.38
L019001 - Town of Victoria Park			
101.1 - ToVP revenue from Development	474,542.01	392,226.51	82,315.50
101.2 - ToVP Development Expenses	-799,001.96	-517,797.51	-281,204.45
L019101 - TVP Contributed Equity	1,354,610.60	1,354,610.60	0.00
Total L019001 - Town of Victoria Park	1,030,150.65	1,229,039.60	-198,888.95
L019002 - City of Perth			
102.1 - CoP Revenue from Development	474,542.00	392,226.51	82,315.49
102.2 - CoP Development Costs	-799,001.96	-517,797.51	-281,204.45
L019102 - CP Contributed Equity	1,354,610.60	1,354,610.60	0.00
Total L019002 - City of Perth	1,030,150.64	1,229,039.60	-198,888.96
L019003 - Town of Cambridge			
103.1 - ToC Revenue from Development	474,542.00	392,226.51	82,315.49
103.2 - ToC Development Costs	-799,001.96	-517,797.51	-281,204.45
L019103 - TC Contributed Equity	1,354,610.60	1,354,610.60	0.00
Total L019003 - Town of Cambridge	1,030,150.64	1,229,039.60	-198,888.96
L019004 - City of Joondalup			
104.1 - CoJ Revenue from Development	949,084.03	784,453.02	164,631.01
104.2 - CoJ Development Costs	-1,598,003.95	-1,035,595.04	-562,408.91

Tamala Park Regional Council
Balance Sheet
 As of September 30 , 2012

	Sep 30, 12	Jun 30, 12	\$ Change
L019104 - CJ Contributed Equity	2,709,219.19	2,709,219.19	0.00
Total L019004 - City of Joondalup	2,060,299.27	2,458,077.17	-397,777.90
L019005 - City of Wanneroo			
105.1 - CoW Revenue from Development	949,084.03	784,453.02	164,631.01
105.2 - CoW Development Costs	-1,598,003.95	-1,035,595.04	-562,408.91
L019105 - CW Contributed Equity	2,709,219.19	2,709,219.19	0.00
Total L019005 - City of Wanneroo	2,060,299.27	2,458,077.17	-397,777.90
L019006 - Town of Vincent			
106.1 - ToV revenue from Development	474,542.01	392,226.51	82,315.50
106.2 - ToV Development Costs	-799,001.96	-517,797.51	-281,204.45
L019106 - TV Contributed Equity	1,354,610.60	1,354,610.60	0.00
Total L019006 - Town of Vincent	1,030,150.65	1,229,039.60	-198,888.95
L019007 - City of Stirling			
107.1 - CoS Revenue from Development	1,898,168.07	1,568,906.05	329,262.02
107.2 - CoS Development Costs	-3,196,105.86	-2,071,188.06	-1,124,917.80
L019107 - CS Contributed Equity	5,384,558.39	5,384,558.39	0.00
Total L019007 - City of Stirling	4,086,620.60	4,882,276.38	-795,655.78
Net Income	-111,314.25	-48,321.38	-62,992.87
TOTAL EQUITY	12,611,925.97	15,110,007.62	-2,498,081.65

APPENDIX ITEM 9.2

TAMALA PARK REGIONAL COUNCIL
MONTHLY STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 OCTOBER 2012

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**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 OCTOBER 2012**

	NOTE	31 October 2012 Actual \$	31 October 2012 Y-T-D Budget \$	2012/2013 Annual Budget \$	Variences Budget to Actual Y-T-D %
<u>Operating</u>					
Revenues					
	1,2				
Interest Earnings		196,324	161,640	449,000	21.46%
Other Revenue		1,287	12,640,846	42,793,252	100.00%
		<u>197,611</u>	<u>12,802,486</u>	<u>43,242,252</u>	(98.46%)
Expenses					
	1,2				
Employee Costs		(145,975)	(304,189)	(620,651)	(52.01%)
Materials and Contracts					
- Professional Consulting Fees		0	(14,823,093)	(7,262,419)	(100.00%)
- Materials and Contracts Other		0	(151,358)	(293,703)	(100.00%)
Loss on Disposal of Assets		0	0	0	0.00%
Depreciation		0	(6,956)	(19,320)	(100.00%)
Utilities		0	(3,672)	(11,800)	(100.00%)
Insurance		(21,579)	(11,300)	(11,300)	100.00%
Other Expenditure		(66,992)	(45,860)	(213,750)	46.08%
		<u>(234,546)</u>	<u>(15,346,428)</u>	<u>(8,432,943)</u>	(98.47%)
<u>Adjustments for Non-Cash (Revenue) and Expenditure</u>					
Depreciation on Assets		0	6,956	19,320	(100.00%)
Movement in Non-current Employee Entitlements		0	0	0	
Profit(Loss) on Sale of Assets	4	0	0	0	0.00%
<u>Capital Revenue and (Expenditure)</u>					
Change in Contributed Equity	6	(2,599,799)	(30,000)	(90,000)	0.00%
Infrastructure Assets Other	3	0	(12,238,809)	(36,716,427)	(100.00%)
Land and Buildings	3	0	0	0	
Plant and Equipment	3	(63,012)	(26,667)	(80,000)	136.30%
Furniture and Equipment	3	0	0	0	0.00%
Proceeds from Disposal of Assets	4	0	0	0	100.00%
ADD Net Current Assets July 1 B/Fwd	7	13,012,597	13,465,258	13,465,258	(3.36%)
Net Current Assets Year to Date	7	<u>10,312,851</u>	<u>(1,367,204)</u>	<u>11,407,460</u>	

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 OCTOBER 2012

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) The Local Government Reporting Entity

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

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

The Council does not hold any monies in trust.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

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

(e) Goods and Services Tax

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

(f) Cash and Cash Equivalents

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

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 OCTOBER 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Trade and Other Receivables

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

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

(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

(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.

(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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 OCTOBER 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

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

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

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

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

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

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

(l) Trade and Other Payables

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

(m) Employee Benefits

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

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

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

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

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 OCTOBER 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 OCTOBER 2012**

2. STATEMENT OF OBJECTIVE

The Regional Council has a specific regional purpose which is:

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

The objectives of the Regional Council are:

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

3. ACQUISITION OF ASSETS

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

By Program

Other Property and Services

	31 October 2012 Actual \$	Annual 2012/13 Budget \$
Vehicle - CEO	63,012	80,000
New Land Development	0	36,716,427
	63,012	36,796,427
	63,012	36,796,427

By Class

Plant & Equipment	63,012	80,000
Infrastructure Other	0	36,716,427
	63,012	36,796,427
	63,012	36,796,427

**TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
 FOR THE PERIOD 1 JULY 2012 TO 31 OCTOBER 2012**

4. DISPOSALS OF ASSETS

The following assets have been disposed of during the period under review:

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	31 October 2012 Actual \$	31 October 2012 Actual \$	31 October 2012 Actual \$
	0	0	0

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	31 October 2012 Actual \$	31 October 2012 Actual \$	31 October 2012 Actual \$
	0	0	0

<u>Summary</u>	31 October 2012 Actual \$
Profit on Asset Disposals	0
Loss on Asset Disposals	0
	0
	0

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 OCTOBER 2012

5. INFORMATION ON BORROWINGS

No borrowings have been made in the period under review. No borrowings are budgeted for during the 2012-13 financial year.

6. CONTRIBUTED EQUITY

	31 October 2012 Actual \$	30 June 2012 Actual \$
Town of Victoria Park	1,039,439	1,259,167
City of Perth	1,039,439	1,259,167
Town of Cambridge	1,039,439	1,259,167
City of Joondalup	2,078,878	2,518,334
City of Wanneroo	2,078,878	2,518,334
Town of Vincent	1,039,439	1,259,167
City of Stirling	4,157,760	5,036,671
TOTAL	<u>12,473,273</u>	<u>15,110,007</u>
 Movement	 <u>(2,636,734)</u>	

Movement in Contributed Equity Represented by:

	Development Expenses 31 October 2012 \$	Land Sales 31 October 2012 \$	Rates Equivalent 31 October 2012 \$
Town of Victoria Park	(440,523)	231,082	(7,209)
City of Perth	(440,523)	231,082	(7,209)
Town of Cambridge	(440,523)	231,082	(7,209)
City of Joondalup	(881,047)	462,165	(14,418)
City of Wanneroo	(881,047)	462,165	(14,418)
Town of Vincent	(440,523)	231,082	(7,209)
City of Stirling	(1,762,094)	924,331	(28,836)
	<u>(5,286,280)</u>	<u>2,772,989</u>	<u>(86,508)</u>
 Total	 <u>(2,599,799)</u>		
TPRC Nett Result	<u>(36,935)</u>		
	<u>(2,636,734)</u>		

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2012 TO 31 OCTOBER 2012**

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position	31 October 2012 Actual \$	Brought Forward 1-Jul \$
CURRENT ASSETS		
Cash - Unrestricted	11,586,309	13,454,179
Receivables	<u>543,380</u>	<u>46,272</u>
	12,129,689	13,500,451
LESS: CURRENT LIABILITIES		
Payables and Provisions	<u>(1,816,838)</u>	<u>(487,854)</u>
NET CURRENT ASSET POSITION	10,312,851	13,012,597
NET CURRENT ASSET POSITION	<u><u>10,312,851</u></u>	<u><u>13,012,597</u></u>

8. RATING INFORMATION

No rates are budgeted to be raised during the year ending 30 June 2013.

9. TRUST FUNDS

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

Tamala Park Regional Council
Balance Sheet
As of October 2012

	<u>Oct 31, 12</u>	<u>Jun 30, 12</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Chequing/Savings			
A01100 - Cash at Bank			
A01101 - Unrestricted Municipal Bank	348,097.31	4,399.67	343,697.64
A01102 - Unrestricted Short Term Investm	238,375.12	598.86	237,776.26
A01103 - Fixed Term Deposit _ Westpac	2,000,000.00	0.00	2,000,000.00
A01106 - Fixed Term Deposit_BankWest	3,987,988.29	4,930,049.20	-942,060.91
A01107 - Fixed Term Deposit Suncorp Metw	1,520,155.34	1,500,000.00	20,155.34
A01108 - ANZ Bank Investment AC	0.00	2,321,371.62	-2,321,371.62
A01109 - ANZ Online Saver Account	9,415.84	9,139.12	276.72
A01112 - Westpac Settlement Proceeds Acc	2,482,246.97	4,688,590.30	-2,206,343.33
A01113 - ANZ Term Deposit	1,000,000.00	0.00	1,000,000.00
Total A01100 - Cash at Bank	<u>11,586,278.87</u>	<u>13,454,148.77</u>	<u>-1,867,869.90</u>
Total Chequing/Savings	11,586,278.87	13,454,148.77	-1,867,869.90
Accounts Receivable			
A01120 - ACCOUNTS RECEIVABLE			
A011201 - Accrued Interest	45,272.29	45,272.29	0.00
A01120 - ACCOUNTS RECEIVABLE - Other	495,578.60	105,947.00	389,631.60
Total A01120 - ACCOUNTS RECEIVABLE	<u>540,850.89</u>	<u>151,219.29</u>	<u>389,631.60</u>
Total Accounts Receivable	540,850.89	151,219.29	389,631.60
Other Current Assets			
A01105 - Petty Cash and Cash on Hand	30.00	30.00	0.00
A01180 - Accommodation Bond - CoS	1,000.00	1,000.00	0.00
Total Other Current Assets	<u>1,030.00</u>	<u>1,030.00</u>	<u>0.00</u>
Total Current Assets	12,128,159.76	13,606,398.06	-1,478,238.30
Fixed Assets			
A0151 - Land			
A01512 - At Cost			
E168010 - Land Acquisition 2009-10			
E168011 - Acquisition lot 807 Neerabup Rd	2,000,000.00	2,000,000.00	0.00
Total E168010 - Land Acquisition 2009-10	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>0.00</u>
Total A01512 - At Cost	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>0.00</u>
Total A0151 - Land	2,000,000.00	2,000,000.00	0.00
A0154 - Furniture & Equipment			

Tamala Park Regional Council
Balance Sheet
As of October 2012

	<u>Oct 31, 12</u>	<u>Jun 30, 12</u>	<u>\$ Change</u>
A01541 - Accumulated Depn - F&E	-26,793.00	-26,793.00	0.00
A01542 - At Cost			
E168540 - F&OEquip Additions 2011-12			
E168519 - Phones 2011/12	780.00	780.00	0.00
E168523 - Elect_Comp Equipment 2011_12	875.41	875.41	0.00
E168525 - Wall Mounted TV	1,433.64	1,433.64	0.00
Total E168540 - F&OEquip Additions 2011-12	<u>3,089.05</u>	<u>3,089.05</u>	<u>0.00</u>
A01542 - At Cost - Other	30,858.88	30,858.88	0.00
Total A01542 - At Cost	<u>33,947.93</u>	<u>33,947.93</u>	<u>0.00</u>
Total A0154 - Furniture & Equipment	7,154.93	7,154.93	0.00
A0156 - Plant & Equipment			
A01562 - At Cost			
P121301 - CEO Vehicle	63,012.37	0.00	63,012.37
Total A01562 - At Cost	<u>63,012.37</u>	<u>0.00</u>	<u>63,012.37</u>
Total A0156 - Plant & Equipment	63,012.37	0.00	63,012.37
A0157 - Improvements to Leasehold Prope			
A01572 - Accum Depreciation Leasehold Im	-11,124.00	-11,124.00	0.00
A01573 - Improve, to Leasehold Prop Cost			
E168700 - 2011-12 Improvements	111,242.41	111,242.41	0.00
Total A01573 - Improve, to Leasehold Prop Cost	<u>111,242.41</u>	<u>111,242.41</u>	<u>0.00</u>
Total A0157 - Improvements to Leasehold Prope	<u>100,118.41</u>	<u>100,118.41</u>	<u>0.00</u>
Total Fixed Assets	<u>2,170,285.71</u>	<u>2,107,273.34</u>	<u>63,012.37</u>
TOTAL ASSETS	<u>14,298,445.47</u>	<u>15,713,671.40</u>	<u>-1,415,225.93</u>
LIABILITIES			
Current Liabilities			
Accounts Payable			
L01215 - SUNDRY CREDITORS	1,671,641.97	487,411.71	1,184,230.26
Total Accounts Payable	<u>1,671,641.97</u>	<u>487,411.71</u>	<u>1,184,230.26</u>
Credit Cards			
A01110 - Westpac Visa Corp Credit Card	0.00	2,669.38	-2,669.38
Total Credit Cards	<u>0.00</u>	<u>2,669.38</u>	<u>-2,669.38</u>
Other Current Liabilities			
2100 - Payroll Liabilities			

Tamala Park Regional Council
Balance Sheet
As of October 2012

	<u>Oct 31, 12</u>	<u>Jun 30, 12</u>	<u>\$ Change</u>
L2001 · PAYG Deductions	12,076.62	13,212.00	-1,135.38
Total 2100 · Payroll Liabilities	12,076.62	13,212.00	-1,135.38
2200 · Tax Payable	-1,529.10	2,178.15	-3,707.25
2202 · GST Suspense Account			
2203 · GST Receivable - Members	314,732.59	105,947.00	208,785.59
2202 · GST Suspense Account - Other	-269,936.54	-105,940.86	-163,995.68
Total 2202 · GST Suspense Account	44,796.05	6.14	44,789.91
L0122 · Employee Entitlements			
L01225 · Annual Leave	74,898.07	74,898.07	0.00
L01227 · Accrued Wages	3,525.67	3,525.67	0.00
Total L0122 · Employee Entitlements	78,423.74	78,423.74	0.00
L01229 · Prov for Audit Fees	9,900.00	9,900.00	0.00
Total Other Current Liabilities	143,667.31	103,720.03	39,947.28
Total Current Liabilities	1,815,309.28	593,801.12	1,221,508.16
Long Term Liabilities			
L01230 · Provision - Employee LSL	9,862.66	9,862.66	0.00
Total Long Term Liabilities	9,862.66	9,862.66	0.00
TOTAL LIABILITIES	1,825,171.94	603,663.78	1,221,508.16
NET ASSETS	12,473,273.53	15,110,007.62	-2,636,734.09
EQUITY			
3000 · Opening Bal Equity			
L019051 · TVP Dist Rates Equiv 07-12	-33,606.50	-33,606.50	0.00
L019052 · CP Dist Rates Equiv 07-12	-33,606.50	-33,606.50	0.00
L019053 · TC Dist Rates Equiv 07-12	-33,606.50	-33,606.50	0.00
L019054 · CJ Dist Rates Equiv 07-12	-67,212.98	-67,212.98	0.00
L019055 · CW Dist Rates Equiv 07-12	-67,212.98	-67,212.98	0.00
L019056 · TV Dist Rates Equiv 07-12	-33,606.50	-33,606.50	0.00
L019057 · CS Dist Rates Equiv 07-12	-134,425.97	-134,425.97	0.00
Total 3000 · Opening Bal Equity	-403,277.93	-403,277.93	0.00
3900 · *Retained Earnings	798,696.43	847,017.81	-48,321.38
L019001 · Town of Victoria Park			
101.1 · ToVP revenue from Development	623,309.03	392,226.51	231,082.52
101.2 · ToVP Development Expenses	-965,529.83	-517,797.51	-447,732.32
L019101 · TVP Contributed Equity	1,354,610.60	1,354,610.60	0.00
Total L019001 · Town of Victoria Park	1,012,389.80	1,229,039.60	-216,649.80

Tamala Park Regional Council
Balance Sheet
As of October 2012

	<u>Oct 31, 12</u>	<u>Jun 30, 12</u>	<u>\$ Change</u>
L019002 - City of Perth			
102.1 - CoP Revenue from Development	623,309.02	392,226.51	231,082.51
102.2 - CoP Development Costs	-965,529.83	-517,797.51	-447,732.32
L019102 - CP Contributed Equity	<u>1,354,610.60</u>	<u>1,354,610.60</u>	<u>0.00</u>
Total L019002 - City of Perth	<u>1,012,389.79</u>	<u>1,229,039.60</u>	<u>-216,649.81</u>
L019003 - Town of Cambridge			
103.1 - ToC Revenue from Development	623,309.02	392,226.51	231,082.51
103.2 - ToC Development Costs	-965,529.83	-517,797.51	-447,732.32
L019103 - TC Contributed Equity	<u>1,354,610.60</u>	<u>1,354,610.60</u>	<u>0.00</u>
Total L019003 - Town of Cambridge	<u>1,012,389.79</u>	<u>1,229,039.60</u>	<u>-216,649.81</u>
L019004 - City of Joondalup			
104.1 - CoJ Revenue from Development	1,246,618.06	784,453.02	462,165.04
104.2 - CoJ Development Costs	-1,931,059.69	-1,035,595.04	-895,464.65
L019104 - CJ Contributed Equity	<u>2,709,219.19</u>	<u>2,709,219.19</u>	<u>0.00</u>
Total L019004 - City of Joondalup	<u>2,024,777.56</u>	<u>2,458,077.17</u>	<u>-433,299.61</u>
L019005 - City of Wanneroo			
105.1 - CoW Revenue from Development	1,246,618.06	784,453.02	462,165.04
105.2 - CoW Development Costs	-1,931,059.69	-1,035,595.04	-895,464.65
L019105 - CW Contributed Equity	<u>2,709,219.19</u>	<u>2,709,219.19</u>	<u>0.00</u>
Total L019005 - City of Wanneroo	<u>2,024,777.56</u>	<u>2,458,077.17</u>	<u>-433,299.61</u>
L019006 - Town of Vincent			
106.1 - ToV revenue from Development	623,309.03	392,226.51	231,082.52
106.2 - ToV Development Costs	-965,529.83	-517,797.51	-447,732.32
L019106 - TV Contributed Equity	<u>1,354,610.60</u>	<u>1,354,610.60</u>	<u>0.00</u>
Total L019006 - Town of Vincent	<u>1,012,389.80</u>	<u>1,229,039.60</u>	<u>-216,649.80</u>
L019007 - City of Stirling			
107.1 - CoS Revenue from Development	2,493,236.13	1,568,906.05	924,330.08
107.2 - CoS Development Costs	-3,862,118.32	-2,071,188.06	-1,790,930.26
L019107 - CS Contributed Equity	<u>5,384,558.39</u>	<u>5,384,558.39</u>	<u>0.00</u>
Total L019007 - City of Stirling	<u>4,015,676.20</u>	<u>4,882,276.38</u>	<u>-866,600.18</u>
Net Income	<u>-36,935.47</u>	<u>-48,321.38</u>	<u>11,385.91</u>
TOTAL EQUITY	<u><u>12,473,273.53</u></u>	<u><u>15,110,007.62</u></u>	<u><u>-2,636,734.09</u></u>

APPENDIX ITEM 9.3

Tamala Park Regional Council

Cheque Detail

October 2012

Type	Num	Date	Name	Description	Paid Amount	Original Amount
Bill Pmt -Cheque	CH-200262	29/10/2012	City of Wanneroo - Supplier	Clearance request Stage 3 Deposited Plan 74302		-1,675.00
Bill	Awaiting invoice	29/10/2012		Clearance request Stage 3 Deposited Plan 74302	-1,675.00	1,675.00
TOTAL					-1,675.00	1,675.00
Bill Pmt -Cheque	CH-200265	29/10/2012	City of Wanneroo - Supplier	Clearance request Stage 6A Deposited Plan 73499		-450.00
Bill	Awaiting invoice	29/10/2012		Clearance request Stage 6A Deposited Plan 73499	-450.00	450.00
TOTAL					-450.00	450.00
Bill Pmt -Cheque	CH-200263	29/10/2012	Landgate	Lodgement fee for deposited plan 74302		-3,146.00
Bill	Awaiting invoice	29/10/2012		Lodgement fee for deposited plan 74302	-3,146.00	3,146.00
TOTAL					-3,146.00	3,146.00
Bill Pmt -Cheque	CH-200266	29/10/2012	Landgate	Lodgement fee for deposited plan 73499		-836.00
Bill	Awaiting invoice	29/10/2012		Lodgement fee for deposited plan 73499	-836.00	836.00
TOTAL					-836.00	836.00
Bill Pmt -Cheque	CH-200264	29/10/2012	McMullen Nolan Surveyors	WAPC endorsement of Deposited Plan 74302		-866.00
Bill	Awaiting invoice	29/10/2012		WAPC endorsement of Deposited Plan 74302	-866.00	866.00
TOTAL					-866.00	866.00
Bill Pmt -Cheque	CH-200267	29/10/2012	McMullen Nolan Surveyors	WAPC endorsement of Deposited Plan 73499		-621.00
Bill	Awaiting invoice	29/10/2012		WAPC endorsement of Deposited Plan 73499	-621.00	621.00
TOTAL					-621.00	621.00
					TOTAL	-7,594.00

Tamala Park Regional Council
Cheque Detail
November 2012

Type	Num	Date	Name	Description	Paid Amount	Original Amount
Bill Pmt -Cheque	CH-200271	01/11/2012	City of Wanneroo - Supplier	Council Supervision Fee Stage 6A		-1,946.47
Bill	Inv 3639982:0001	01/11/2012		Lot Production Items - Council Supervision Fee Stage 6A	-1,769.52	1,769.52
			ATO Members	GST on Members Non-Capital Expenditure	-176.95	176.95
TOTAL					-1,946.47	1,946.47
Bill Pmt -Cheque	CH-200270	01/11/2012	City of Wanneroo - Supplier	Council supervision fee Stage 3		-12,537.72
Bill	Inv 3639984:0001	01/11/2012		Lot Production Items - Council supervision fee Stage 3	-11,397.93	11,397.93
			ATO Members	GST on Members Non-Capital Expenditure	-1,139.79	1,139.79
TOTAL					-12,537.72	12,537.72
Bill Pmt -Cheque	CH-200268	01/11/2012	City of Wanneroo - Supplier	Early Clearance Bond Proposal (Stage 3) WAPC 143766		-292,911.48
Bill	Inv 3689985:0001	01/11/2012		Lot Production Items - Early Clearance Bond Proposal (Stage 3) WAPC 143766	-266,283.16	266,283.16
			ATO Members	GST on Members Non-Capital Expenditure	-26,628.32	26,628.32
TOTAL					-292,911.48	292,911.48
Bill Pmt -Cheque	CH-200272	01/11/2012	Water Corporation	Agreement Payments Schedule 2 - Subdivision of Lot 9504 Marmion Avenue, Stage 6A		-48,082.50
Bill	1296649	01/11/2012		Agreement Payments Schedule 2 - Subdivision of Lot 9504 Marmion Avenue, §	-43,711.36	43,711.36
			ATO Members	GST on Members Non-Capital Expenditure	-4,371.14	4,371.14
TOTAL					-48,082.50	48,082.50
Bill Pmt -Cheque	CH-200273	05/11/2012	Cedar Homes	Temporary sales office		-34,791.00
Bill	Awaiting invoice	08/11/2012		Temporary sales office	-31,628.18	31,628.18
			ATO Members	GST on Members Non-Capital Expenditure	-3,162.82	3,162.82
TOTAL					-34,791.00	34,791.00

Tamala Park Regional Council
Cheque Detail
November 2012

Bill Pmt -Cheque	CH-200274	05/11/2012	Cedar Homes	Lease Congingency sum for temporary sales office		-1,100.00
Bill	Awaiting invoice	08/11/2012		Administration (Land Development) - Lease Congingency sum for temporary s	-1,000.00	1,000.00
			ATO Members	GST on Members Non-Capital Expenditure	-100.00	100.00
TOTAL					<u>-1,100.00</u>	<u>1,100.00</u>
Bill Pmt -Cheque	CH-200275	15/11/2012	Water Corporation	Stage 3 Agreement Payments Schedule 2 Water Non Deferred Headworks Contributions/S		-238,424.40
Bill	Inbv 1294765	15/11/2012		Stage 3 Agreement Payments Schedule 2 Water Non Deferred Headworks Cor	-216,749.45	216,749.45
			ATO Members	GST on Members Non-Capital Expenditure	-21,674.95	21,674.95
TOTAL					<u>-238,424.40</u>	<u>238,424.40</u>
Bill Pmt -Cheque	CH-200276	15/11/2012	Cvitan, Frank	Composite allowance Aug/Sept/Oct 2012		-1,750.00
Bill	Aug/Sept/Oct2012	15/11/2012		Composite allowance Aug/Sept/Oct 2012	-1,750.00	1,750.00
TOTAL					<u>-1,750.00</u>	<u>1,750.00</u>
Bill Pmt -Cheque	CH-200277	29/11/2012	Water Corporation	Stage 4 infrastructure contributions		-271,186.00
Bill	Invoice TBA	29/11/2012		Stage 4 infrastructure contributions	-246,532.73	246,532.73
			ATO Members	GST on Members Non-Capital Expenditure	-24,653.27	24,653.27
TOTAL					<u>-271,186.00</u>	<u>271,186.00</u>
					TOTAL	-902,729.57

Tamala Park Regional Council
Summary Payment List
October 2012

	Type	Date	Num	Name	Description	Amount
Oct 12	Cheque	01/10/2012	CH-200275	Westpac Bank	Bank fees Cheque Account October 2012	-37.55
	Paycheque	03/10/2012	ET-1565	Employee Costs	Wages for period 10/7/12 to 3/10/12	-10,353.02
	Liability Cheque	04/10/2012	ET-1536	WALGSP	KJ superannuation for period 20/9/12 to 3/10/12	-142.34
	Liability Cheque	04/10/2012	ET-1537	Amp	WB superannuation for period 20/9/12 to 3/10/12	-317.58
	Liability Cheque	04/10/2012	ET-1538	National Australia Bank	TA superannuation for period 20/9/12 to 3/10/12	-957.46
	Bill Pmt -Cheque	04/10/2012	ET-1533	Cabcharge	Cabcharge service fee September 2012	-6.00
	Bill Pmt -Cheque	04/10/2012	ET-1535	Ernst & Young	Professional services for period ended 10 August 2012 - advice & assistance with taxation matters	-39,050.00
	Bill Pmt -Cheque	04/10/2012	ET-1534	LGIS Insurance Broking	Motor Vehicle insurance CEO vehicle period 30/8/12 to 30/6/13	-781.30
	Bill Pmt -Cheque	04/10/2012	Debit	Neverfail	Account balance for bottled water	-2.50
	Bill Pmt -Cheque	11/10/2012	E-1542	EPCAD	Professional services undertaken June 2012, providing landscape architectural advice	-935.00
	Bill Pmt -Cheque	11/10/2012	ET-1543	Marketforce	Invoices 6715; 6470; 5833; 6469 & 6468	-675.32
	Bill Pmt -Cheque	11/10/2012	ET-1544	Optimum Media Decisions	Invoices 6873 & 796	-8,504.64
	Cheque	15/10/2012	CH-200276	Westpac Bank	Payment CEO & EA credit cards October 2012	-924.70
	Paycheque	18/10/2012	ET-1562	Employee Costs	Wages for period 4/10/12 to 17/10/12	-9,938.20
	Liability Cheque	18/10/2012	ET-1559	WALGSP	KJ 9% superannuation for period 4/10/12 to 17/10/12 (includes \$67.40 backpay)	-220.67
	Liability Cheque	18/10/2012	ET-1560	Amp	WB 9% superannuation for period 4/10/12 to 17/10/12	-317.58
	Liability Cheque	18/10/2012	ET-1561	National Australia Bank	TA 9% superannuation for period 4/10/12 to 17/10/12	-957.46
	Bill Pmt -Cheque	18/10/2012	ET-1545	City of Stirling	TPRC office lease November 2012	-2,511.66
	Bill Pmt -Cheque	18/10/2012	ET-1546	Cossill & Webley	Invoices 13478; 13480; 13477; 13476; 13482	-157,577.32
	Bill Pmt -Cheque	18/10/2012	ET-1547	Docushred	Confidential document destruction bin September 2012	-49.50
	Bill Pmt -Cheque	18/10/2012	ET-1548	Eco Logical Australia	Invoices 13623; 14204	-2,829.20
	Bill Pmt -Cheque	18/10/2012	ET-1549	EPCAD	Invoices 12/5437 & 11/5145	-20,781.08
	Bill Pmt -Cheque	18/10/2012	ET-1550	Larrys Fire Hazard Control	Firebreak and slashing North of Marmion Ave, south of Mamion Ave and South of Connolly Dve	-2,030.00
	Bill Pmt -Cheque	18/10/2012	ET-1551	LGIS Liability	Second instalment LGIS liability for period 30/6/12 to 30/6/13	-1,210.00
	Bill Pmt -Cheque	18/10/2012	ET-1552	LGIS Property	LGIS Property second instalment for period 30/6/12 to 30/6/13	-890.04
	Bill Pmt -Cheque	18/10/2012	ET-1553	LGIS Workcare	Second instalment Workcare policy 30/6/12 to 30/6/13	-6,360.64
	Bill Pmt -Cheque	18/10/2012	ET-1554	Neverfail	Bottled water	-37.50
	Bill Pmt -Cheque	18/10/2012	ET-1555	New Great Cleaning Service	Cleaning TPRC office September 2012	-143.00
	Bill Pmt -Cheque	18/10/2012	ET-1556	R J Vincent & Co	Invoices 1610; 1605; 1607	-420,566.70
	Bill Pmt -Cheque	18/10/2012	ET-1557	Telstra	TA mobile usage to 13/10/12 and service charges 14/10/12 to 13/11/12	-61.87
	Bill Pmt -Cheque	18/10/2012	ET-1558	Titan Recruitment	Consulting services Stage 4	-3,053.60
	Bill Pmt -Cheque	29/10/2012	CH-200262	City of Wanneroo - Supplier	Clearance request Stage 3 Deposited Plan 74302	-1,675.00

Tamala Park Regional Council
Summary Payment List
 October 2012

Type	Date	Num	Name	Description	Amount
Bill Pmt -Cheque	29/10/2012	CH-200265	City of Wanneroo - Supplier	Clearance request Stage 6A Deposited Plan 73499	-450.00
Bill Pmt -Cheque	29/10/2012	CH-200263	Landgate	Lodgement fee for deposited plan 74302	-3,146.00
Bill Pmt -Cheque	29/10/2012	CH-200266	Landgate	Lodgement fee for deposited plan 73499	-836.00
Bill Pmt -Cheque	29/10/2012	CH-200264	McMullen Nolan Surveyors	WAPC endorsement of Deposited Plan 74302	-866.00
Bill Pmt -Cheque	29/10/2012	CH-200267	McMullen Nolan Surveyors	WAPC endorsement of Deposited Plan 73499	-621.00
					-699,817.43

Oct 12

Tamala Park Regional Council Summary Payment List

Type	Date	Num	Name	November 2012	Description	Amount
Nov 12						
Paycheque	01/11/2012	ET-1592	Employee Costs		Wages for period 18/10/12 to 31/10/12	-10,272.70
Liability Cheque	01/11/2012	ET-1588	Amp		WB 9% superannuation for period 18/10/12 to 31/10/12	-317.58
Liability Cheque	01/11/2012	ET-1589	WALGSP		KJ 9% superannuation for period 18/10/12 to 31/10/12	-153.27
Liability Cheque	01/11/2012	ET-1590	National Australia Bank		TA 9% superannuation for period 18/10/12 to 31/10/12	-957.46
Liability Cheque	01/11/2012	ET-1591	Australian Taxation Office		IAS payment to ATO for October 2012	-12,076.62
Bill Pmt -Cheque	01/11/2012	ET-1566	Action Couriers		Invoices CIACT110486 & 111979	-123.01
Bill Pmt -Cheque	01/11/2012	ET-1587	Cabcharge		CEO conference expenses - Cabcharge service fee October 2012	-6.00
Bill Pmt -Cheque	01/11/2012	ET-1567	Chappell Lambert Everett		Invoices 2228: 4467 & 4457	-86,199.21
Bill Pmt -Cheque	01/11/2012	ET-1586	Cossill & Webley		Invoices 13481, 13561, 13566	-58,268.57
Bill Pmt -Cheque	01/11/2012	ET-1568	Dominic Carbone & Associates		Consultancy services September 2012	-4,356.00
Bill Pmt -Cheque	01/11/2012	ET-1585	DTZ WA Pty Ltd		Stage 4 valuations (47 lots @ \$50/lot inc GST plus 12 lot grouped housing site @ \$50/lot inc GS	-2,950.00
Bill Pmt -Cheque	01/11/2012	ET-1569	EPCAD		EPCAD Invoices 12/5672 & 5562	-11,988.98
Bill Pmt -Cheque	01/11/2012	ET-1584	Ernst & Young		Professional services for period ended 20 July 2012	-11,000.00
Bill Pmt -Cheque	01/11/2012	ET-1570	Kyocera Mita		Photocopying - Mono & colour copying charges to 11/10/12	-430.88
Bill Pmt -Cheque	01/11/2012	ET-1583	Marketforce		Invoices 6714 & 5169	-915.75
Bill Pmt -Cheque	01/11/2012	ET-1571	McLeods Barristers & Solicitors		Review of contract documentation	-7,269.00
Bill Pmt -Cheque	01/11/2012	ET-1582	Neverfail		Bottled water	-25.00
Bill Pmt -Cheque	01/11/2012	ET-1572	Officeworks		Stationery - Marbig lever arch files; tubeclips; cash box; file dividers & suspension frame	-159.34
Bill Pmt -Cheque	01/11/2012	ET-1581	Open2View WA		Elevated photography of Catalina Estate	-275.00
Bill Pmt -Cheque	01/11/2012	ET-1573	Prestige Alarms		Camera pola - part payment of the relocation of CCTV camera located on Neerabup Drive, Clark	-8,206.00
Bill Pmt -Cheque	01/11/2012	ET-1580	R J Vincent & Co		Invoices 1604 & 1673	-782,689.43
Bill Pmt -Cheque	01/11/2012	ET-1574	Satterley Property Group		Administration (Land Development) - Recharges December 2010 to April 2012	-14,914.37
Bill Pmt -Cheque	01/11/2012	ET-1579	Stantons International		Provision of probity advisory services for September 2012	-542.30
Bill Pmt -Cheque	01/11/2012	ET-1575	Titan Recruitment		Invoices 41152, 41157, 41032, 41033 & 41034	-2,072.40
Bill Pmt -Cheque	01/11/2012	ET-1578	WALGA		Invoices I3022322; 3022325; 3022323; 3022321; 3022319; 3022320; 3022326; 3022324	-3,070.38
Bill Pmt -Cheque	01/11/2012	ET-1576	Water Corporation		Invoices 0001; 9019103385	-3,431.30
Bill Pmt -Cheque	01/11/2012	CH-200271	City of Wanneroo - Supplier		Council Supervision Fee Stage 6A	-1,946.47
Bill Pmt -Cheque	01/11/2012	CH-200270	City of Wanneroo - Supplier		Council supervision fee Stage 3	-12,537.72
Bill Pmt -Cheque	01/11/2012	CH-200268	City of Wanneroo - Supplier		Early Clearance Bond Proposal (Stage 3) WAPC 143766	-292,911.48
Bill Pmt -Cheque	01/11/2012	ET-1577	T Arias Reimbursement		Coffee, train fare, taxi fare & lunch expense	-95.10
Bill Pmt -Cheque	01/11/2012	CH-200272	Water Corporation		Agreement Payments Schedule 2 - Subdivision of Lot 9504 Marmion Avenue, Stage 6A	-48,082.50
Bill Pmt -Cheque	01/11/2012	CH-200269	Water Corporation		Developer Contribution Agreement - Headworks contribution Lot 9510 Elsbury Approach, Clarks	-460.00

Tamala Park Regional Council Summary Payment List

Type	Date	Num	Name	November 2012	Description	Amount
Bill Pmt -Cheque	05/11/2012	ET-1595	R J Vincent & Co	Invoices 1679 & 1631		-1,436,315.22
Bill Pmt -Cheque	05/11/2012	CH-200273	Cedar Homes	Temporary sales office		-34,791.00
Bill Pmt -Cheque	05/11/2012	CH-200274	Cedar Homes	Lease Congingency sum for temporary sales office		-1,100.00
Bill Pmt -Cheque	08/11/2012	ET-1596	R J Vincent & Co	Invoices 1671 & 1683		-491,185.78
Paycheque	15/11/2012	ET-1636	Employee Costs	Wages for period 1/11/12 to 14/11/12		-9,938.20
Liability Cheque	15/11/2012	ET-1633	WALGSP	KJ 9% superannuation for period 1/11/12 to 14/11/12		-153.27
Liability Cheque	15/11/2012	ET-1634	National Australia Bank	TA 9% superannuation for period 1/11/12 to 14/11/12		-957.46
Liability Cheque	15/11/2012	ET-1635	Amp	WB 9% superannuation for period 1/11/12 to 14/11/12		-317.58
Bill Pmt -Cheque	15/11/2012	ET-1597	Action Couriers	Courier service 24/10/12 to 3/11/12		-95.95
Bill Pmt -Cheque	15/11/2012	ET-1610	Amphlett, Geoff	Composite allowance Aug/Sept/Oct 2012		-1,750.00
Bill Pmt -Cheque	15/11/2012	ET-1598	Chappell Lambert Everett	Consultants - Preparation & lodgement of permanent sales office & display village Development		-5,500.00
Bill Pmt -Cheque	15/11/2012	ET-1623	City of Stirling	Invoices 35385; 35403 & 34997		-7,536.21
Bill Pmt -Cheque	15/11/2012	ET-1599	City of Wanneroo - Supplier	GST payments May & June 2012		-39,287.75
Bill Pmt -Cheque	15/11/2012	ET-1611	DTZ WA Pty Ltd	Revaluations undertaken on 9 lots Stage 3 Catalina Estate		-225.00
Bill Pmt -Cheque	15/11/2012	ET-1600	EPCAD	Professional services undertaken in September 2012		-4,232.99
Bill Pmt -Cheque	15/11/2012	ET-1628	Evangel, Eleni	Composite allowance Aug/Sept/Oct 2012		-1,750.00
Bill Pmt -Cheque	15/11/2012	ET-1601	Guise, Dianne	Composite allowance Aug/Sept/Oct 2012		-1,750.00
Bill Pmt -Cheque	15/11/2012	ET-1612	Haines Norton	Invoice 2013-048183		-6,380.00
Bill Pmt -Cheque	15/11/2012	ET-1602	Italiano, Giovanni	Composite allowance Aug/Sept/Oct 2012 (inc Chair allowance)		-6,500.00
Bill Pmt -Cheque	15/11/2012	ET-1624	K Jeffs	Reimbursement Coffee purchase for meeting 4/11/12 Coffee Hot Shots		-13.50
Bill Pmt -Cheque	15/11/2012	ET-1603	Macrae Corinne	Composite allowance Aug/Sept/Oct 2012		-1,750.00
Bill Pmt -Cheque	15/11/2012	ET-1613	MacTiernan Alannah	Composite allowance Aug/Sept/Oct 2012		-1,750.00
Bill Pmt -Cheque	15/11/2012	ET-1604	Marketforce	Invoices 7273 & 7272		-336.18
Bill Pmt -Cheque	15/11/2012	ET-1629	McLean, Tom	Composite allowance Aug/Sept/Oct 2012		-1,750.00
Bill Pmt -Cheque	15/11/2012	ET-1605	McLeods Barristers & Solicitors	Review of contract documentation		-2,395.00
Bill Pmt -Cheque	15/11/2012	ET-1614	McMullen Nolan Surveyors	Stage 3 - Set out for construction inc roads, sewers & services; As-constructed water		-3,553.00
Bill Pmt -Cheque	15/11/2012	ET-1606	Michael, David	Composite allowance Aug/Sept/Oct 2012		-1,750.00
Bill Pmt -Cheque	15/11/2012	ET-1625	Neverfail	Bottled water		-26.25
Bill Pmt -Cheque	15/11/2012	ET-1607	New Great Cleaning Service	Cleaning TPRC office October 2012		-143.00
Bill Pmt -Cheque	15/11/2012	ET-1609	Optimum Media Decisions	Invoices 11996 & 11997		-6,905.31
Bill Pmt -Cheque	15/11/2012	ET-1608	R J Vincent & Co	Bulk Earthworks Stage 5 Certificate number 1		-163,321.15
Bill Pmt -Cheque	15/11/2012	ET-1615	Replants	Consultants - Remove & store for later replanting 130 grass trees		-21,450.00
Bill Pmt -Cheque	15/11/2012	ET-1631	Sally Brothers Interior Design	Part payment for the temporary sales office at Catalina fitout		-4,000.00

Tamala Park Regional Council Summary Payment List

Type	Date	Num	Name	November 2012	Description	Amount
Bill Pmt -Cheque	15/11/2012	ET-1616	Stantons International	Provision of probity advisory services	October 2012	-430.65
Bill Pmt -Cheque	15/11/2012	ET-1626	Sumo Group Pty Ltd	Invoices 6594 & 6771		-1,980.00
Bill Pmt -Cheque	15/11/2012	ET-1617	Town of Vincent - supplier	GST payments	May & June 2012	-19,643.00
Bill Pmt -Cheque	15/11/2012	ET-1630	Tree Watering Services	Watering grass trees as directed	March 2012	-2,925.00
Bill Pmt -Cheque	15/11/2012	ET-1618	Tyzack, Terry	Composite allowance	Aug/Sept/Oct 2012	-1,750.00
Bill Pmt -Cheque	15/11/2012	ET-1627	Vaughan, Trevor	Composite allowance	Aug/Sept/Oct 2012 (Inc Deputy Chair allowance)	-2,500.00
Bill Pmt -Cheque	15/11/2012	ET-1619	Wayne Burns	Reimbursement 1/2 optus phone bill	29 October 2012	-70.68
Bill Pmt -Cheque	15/11/2012	ET-1632	Willox Rod	reimbursements	Stormwater conference 2012 & Aug/Sept/Oct composite allowance	-3,009.58
Bill Pmt -Cheque	15/11/2012	ET-1620	K Jeffs	K Jeffs reimbursement (coffees for meeting)		-13.50
Bill Pmt -Cheque	15/11/2012	ET-1622	Wayne Burns	Half cost of Optus phone bill reimbursement	Sept - Oct 2012	-70.68
Bill Pmt -Cheque	15/11/2012	ET-1621	Willox Rod	Reimbursement Hotel Expenses for Stormwater Conference	Oct 2012	-1,259.58
Bill Pmt -Cheque	15/11/2012	CH-200275	Water Corporation	Stage 3 Agreement Payments Schedule 2 Water Non Deferred Headworks Contributions/Sewer:		-238,424.40
Bill Pmt -Cheque	15/11/2012	CH-200276	Cvitan, Frank	Composite allowance	Aug/Sept/Oct 2012	-1,750.00
Paycheque	29/11/2012	ET-1655	Employee Costs	Wages for period	15/11/12 to 28/11/12	-9,938.20
Liability Cheque	29/11/2012	ET-1652	WALGSP	KJ 9% superannuation for period	15/11/12 to 28/11/12	-153.27
Liability Cheque	29/11/2012	ET-1653	National Australia Bank	TA 9% superannuation for period	15/11/12 to 28/11/12	-957.46
Liability Cheque	29/11/2012	ET-1654	Amp	WB 9% superannuation for period	15/11/12 to 28/11/12	-317.58
Bill Pmt -Cheque	29/11/2012	ET-1639	Action Couriers	Courier services for period	5/11/12 to 17/11/12	-108.79
Bill Pmt -Cheque	29/11/2012	ET-1642	Burgess Rawson	Administration (Land Development) - Valuation Fee (8 lots)	October 2012	-440.00
Bill Pmt -Cheque	29/11/2012	ET-1640	Cabcharge	Cabcharge expenses	Stormwater Conference Melbourne Oct 2012 (Cr Willox & T Arias)	-236.50
Bill Pmt -Cheque	29/11/2012	ET-1641	Cossill & Webley	Invoices 13560, 13559, 13479, 13563		-11,940.69
Bill Pmt -Cheque	29/11/2012	ET-1643	EPCAD	Invoices 12_5564; 5612; 5565		-15,042.50
Bill Pmt -Cheque	29/11/2012	ET-1647	LD Total	Invoices 51213; 51212; 51211		-186,565.80
Bill Pmt -Cheque	29/11/2012	ET-1644	Marketforce	Media fee OMD invoice	11398	-50.74
Bill Pmt -Cheque	29/11/2012	ET-1645	Neverfail	Bottled water		-26.25
Bill Pmt -Cheque	29/11/2012	ET-1646	Officeworks	A4 copying paper & documents boxes		-74.80
Bill Pmt -Cheque	29/11/2012	ET-1648	Optimum Media Decisions	Wanneroo Weekend Times; WEst Australian newspaper	October 2012 advertising	-4,276.32
Bill Pmt -Cheque	29/11/2012	ET-1651	R J Vincent & Co	Civil Works Stage 2 Certificate number 7		-315,351.49
Bill Pmt -Cheque	29/11/2012	ET-1649	Telstra	TA mobile usage to 13/11/12 & service charges to 13/12/12		-91.42
Bill Pmt -Cheque	29/11/2012	ET-1650	WALGA	Invoices I3023275, 81, 76, 77, 78, 79, 83, 82 & 80		-3,314.90
Bill Pmt -Cheque	29/11/2012	CH-200277	Water Corporation	Stage 4 infrastructure contributions		-271,186.00
						-4,731,513.40

APPENDIX ITEM 9.4

8 November 2012

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

Dear Tony

Catalina Financial Report for October 2012

Please find attached the Catalina Financial Report for October 2012. This report has been prepared on a cash basis and compares actual income and expenditure to the approved budget for the period 1 October 2012 to 31 October 2012. It also compares year to date actual income and expenditure to approved budget from 1 July 2012.

Settlement revenue year to date to 31 October 2012 is \$9.7m below the approved May 2012 Budget with 43 less settlements for the year. Note that this variance is forecast to be reduced to \$2m and 13 less settlements by 30 November 2012 project to date. With 35 stage 1 and 2 lots titling in October, there is significant settlements catch up to budget occurring in November; 18 settlements have taken place in the first week of November, with another 6 settlements due to occur within the month.

The end of October revenue variance arises from 2 components:

- \$3.2 million revenue received ahead of budget in FY2012 with 20 settlements achieved to 30 June 2012 against a budget of 8; and
- \$6.5 million overall project to date revenue shortfall on the overall shortfall of 31 lots. As mentioned above, there is significant settlement catch up to budget in November.

Sales for the year to 31 October 2012 are 54 lots less than budget, the main variance being in stage 4 due to later release in mid October versus budgeted timing of early September.

Overall year to date expenditure to 31 October 2012 is \$8.9m under budget per the approved May 2012 Budget, with \$4.1m spent compared to a budget of \$13.0m. The main areas of variance are summarised below:

- Lot production expenditure to 31 October 2012 is \$4,952,000 under budget, with \$3,374,000 spent to date.
- Landscape expenditure to 31 October 2012 is \$1,628,000 under budget, with \$102,000 spent to date.

- Infrastructure expenditure to 31 October 2012 is \$1,268,000 under budget, with \$61,000 spent to date.
- Sales and marketing expenditure to 31 October 2012 is \$319,000 under budget, with only \$97,000 spent to date.

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

A handwritten signature in black ink, appearing to read 'Justin Crooks'.

Justin Crooks
Project Director

CATALINA

FINANCIAL REPORT FOR THE MONTH ENDED October 31, 2012

- 1 FINANCE REPORT**
- 2 CASHFLOW ANALYSIS - October 12**
- 3 BUDGET - Approved May 2012**

CATALINA

FINANCE REPORT

October 31, 2012

CATALINA - FINANCE REPORT

1.0 Management Accounts - October 2012

1.1 KEY STATISTICS

	<u>Lots Produced (titles)</u>		<u>Sales</u>		<u>Settlements</u>		<u>Distributions</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
	May 2012		May 2012		May 2012		May 2012	
Prior Years	24	35	48	58	20	8	-	-
Jul-2012	-	-	-	14	2	22	-	-
Aug-2012	-	38	30	24	-	5	-	-
Sep-2012	-	-	8	32	2	20	-	-
Sep-12 Qtr	-	38	38	70	4	47	-	-
Oct-2012	35	-	5	27	8	8	-	-
Nov-2012	-	43	-	15	-	6	-	-
Dec-2012	-	8	-	20	-	27	-	-
Dec-12 Qtr	35	51	5	62	8	41	-	-
Jan-2013	-	-	-	20	-	18	-	-
Feb-2013	-	47	-	13	-	9	-	-
Mar-2013	-	-	-	15	-	36	-	-
Mar-13 Qtr	-	47	-	48	-	63	-	-
Apr-2013	-	-	-	15	-	10	-	-
May-2013	-	65	-	15	-	1	-	-
Jun-2013	-	-	-	15	-	30	-	-
Jun-13 Qtr	-	65	-	45	-	41	-	-
Full 2012/13 Year	35	201	43	225	12	192	-	-
2013/14		320		180		218		8,000,000
2014/15		600		180		180		5,300,000

- 24 lots from Stage 2 and the remaining 11 lots from Stage 1 titled in October.
- 7 lots from Stage 2 and 1 from Stage 1 settled in October.
- *There is significant settlement catch up in November. 18 lots have settled in the 1st week of Nov-12 for revenue of \$4.74m @ \$248,550. Total project settlements by 30-Nov are forecast to reach 56 lots (6 more in Nov) versus end of Nov-12 project to date budget of 69.*

1.2 Sales & Settlements

	<u>MTH Act</u>	<u>MTH Bgt</u>	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>PTD Act</u>	<u>PTD Bgt</u>
- Sales #	5	27	43	97	91	155
- Sales \$	1,530,000	6,203,031	8,067,500	20,293,078	20,056,500	33,501,222
- Sales \$/lot	306,000	229,742	187,616	209,207	220,401	216,137
- Settlements #	8	8	12	55	32	63
- Settlements \$	1,830,000	1,731,368	2,911,000	12,640,846	8,068,000	14,590,789
- Settlements \$/lot	228,750	216,421	242,583	229,834	252,125	231,600
- Unsettled sales #	59			18	Titled	
- Unsettled sales \$	11,988,500			41	25	
- Unsettled sales \$/lot	203,195					

1.3 Cashflow - MTD Actuals to budget

	<u>MTD Act</u>	<u>MTD Bgt</u>	<u>Variance</u>
Revenue	1,830,000	1,731,368	98,632
Margin GST	(29,231)	(149,925)	120,694
Direct selling costs	(82,245)	(78,515)	(3,730)
Interest Income	-	-	-
Rebate Allowance	-	(17,588)	17,588
	<u>1,718,524</u>	<u>1,485,341</u>	<u>233,183</u>
<i>Development costs</i>			
Lot production	535,955	2,611,589	2,075,633
Landscaping	19,742	731,493	711,751
Consultants	2,572	158,725	156,153
Infrastructure	-	94,220	94,220
Sales office building	-	40,200	-
Sales & marketing	8,345	104,316	95,971
Administration	37,345	37,991	646
Finance	-	189,527	189,527
	<u>603,960</u>	<u>3,968,062</u>	<u>3,323,901</u>
Cashflow	<u>1,114,564</u>	<u>(2,482,721)</u>	<u>3,557,084</u>

- Margin scheme GST has been calculated under the concessional Item 4 basis for October settlements, achieving a GST saving of \$129,700.

CATALINA - FINANCE REPORT

1.4 Cashflow - YTD Actuals to budget

	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>Variance</u>
Revenue	2,911,000	12,640,847	(9,729,847)
Margin GST	(123,796)	(1,097,798)	974,002
Direct selling costs	(130,479)	(571,877)	441,398
Interest Income	1,352	-	1,352
Rebate Allowance	-	(52,697)	52,697
	<u>2,658,077</u>	<u>10,918,475</u>	<u>(8,260,398)</u>
<i>Development costs</i>			
Lot production	3,374,530	8,326,613	4,952,083
Landscaping	102,346	1,730,567	1,628,221
Consultants	63,711	242,145	178,434
Infrastructure	61,063	1,329,807	1,268,744
Sales office building	-	80,351	-
Sales & marketing	97,712	417,259	319,547
Administration	134,112	292,341	158,230
Finance	265,973	622,541	356,567
	<u>4,099,448</u>	<u>13,041,624</u>	<u>8,861,825</u>
Cashflow	<u>(1,441,371)</u>	<u>(2,123,149)</u>	<u>601,427</u>

The YTD revenue variance comprises:

- \$3.21m received ahead of budget on 12 more settlements than budget in FY 2012
- \$6.52m overall settlement shortfall on 31 less settlements project to date.
- **The overall project to date revenue shortfall to budget is forecast to be reduced to \$2m on 13 lots by the end of Nov-12.**

CATALINA

CASHFLOW ANALYSIS

October 31, 2012

Catalina Actual vs Budget Analysis

Job Description	Actual MTD Vs Budget Oct 2012			Year to date Vs Budget to Oct 2012			Comments regarding variance
	Actual 1 month to Oct 2012	Budget 1 month to Oct 2012	Variance	YTD to Oct 2012	YTD budget	Variance	
Tamala Park feasibility cashflow FY 2012							
REVENUE							
Settlements	1,830,000	1,731,368	(98,632)	2,911,000	12,640,847	9,729,847	12 settlements YTD ex GST Margin scheme.
Margin GST	29,231	149,925	120,694	123,796	1,097,798	974,002	GST Margin as detailed in valuations from Burgess Rawson
Direct Selling Costs	82,245	78,515	(3,730)	130,479	571,877	441,398	Includes Commission and Management Fees
Interest Income	0	0	0	1,352	0	(1,352)	Penalty interest income on settlements
Rebate Allowance	0	17,588	17,588	0	52,697	52,697	Construction Recycling Rebate
	1,718,524	1,485,341	-94,901	2,658,077	10,918,475	9,288,448	
CONSTRUCTION							
Earthworks	0	524,280	524,280	202,092	1,047,905	845,813	
Siteworks / Earthworks	0	0	0	0	0	0	
Authorities Fees	0	65,801	65,801	51,346	256,034	204,688	
Direct Consultants	0	590,081	590,081	253,438	1,303,939	1,050,501	
Siteworks / Earthworks	0	0	0	818,746	718,239	(100,507)	
Authorities Fees	0	0	0	0	10,953	10,953	
Direct Consultants	0	0	0	37,763	46,010	8,246	
Siteworks / Earthworks	0	0	0	856,509	775,201	(81,308)	
Authorities Fees	0	481,791	481,791	699,391	1,923,557	1,224,166	
Direct Consultants	0	38,492	38,492	232,107	354,493	122,386	
Siteworks / Earthworks	4,605	17,406	12,801	22,394	69,493	47,099	
Authorities Fees	4,605	537,688	533,083	953,892	2,347,544	1,393,651	
Direct Consultants	301,613	449,005	147,391	733,839	1,792,658	1,058,820	
Siteworks / Earthworks	4,821	258,383	253,562	4,821	349,034	344,213	
Authorities Fees	17,737	12,987	(4,749)	35,306	51,852	16,546	
Direct Consultants	324,171	720,375	396,204	773,966	2,193,545	1,419,579	
Siteworks / Earthworks	51,487	477,283	425,796	184,777	953,970	769,193	
Authorities Fees	0	33,229	33,229	0	66,416	66,416	
Direct Consultants	0	22,627	22,627	75,500	90,340	14,840	
Siteworks / Earthworks	51,487	533,139	481,652	260,277	1,110,725	850,448	
Authorities Fees	0	0	0	0	0	0	
Direct Consultants	0	0	0	5,455	0	(5,455)	
Siteworks / Earthworks	119,423	45,827	(73,597)	119,423	182,964	63,541	
Authorities Fees	119,423	45,827	(73,597)	124,878	182,964	58,086	
Direct Consultants	32,459	129,948	97,489	48,693	259,733	211,040	
Siteworks / Earthworks	836	10,452	9,616	836	20,891	20,055	
Authorities Fees	2,974	3,399	425	31,207	10,183	(21,024)	
Direct Consultants	36,269	143,798	107,530	80,736	290,807	210,071	
Siteworks / Earthworks	0	0	0	0	0	0	
Direct Consultants	0	40,680	40,680	70,832	121,888	51,055	
Siteworks / Earthworks	0	40,680	40,680	70,832	121,888	51,055	
Direct Consultants	0	0	0	0	0	0	
Total Stage 7	535,955	2,611,589	2,075,633	3,374,530	8,326,613	4,952,083	within budget
Total Lot Production	7,490	9,615	2,125	8,470	38,390	29,920	
Preliminary Landscaping Consultancy	0	130,651	130,651	49,695	391,465	341,769	
Northern Biodiversity Conservation Area	0	6,097	6,097	0	24,343	24,343	
Neerabup Road Verge Treatment - West	1,848	173,814	173,814	1,848	347,411	347,411	
Streetscapes Stg 2 Consultancy	0	128,507	128,507	0	20,783	18,935	
Neerabup Road Verge Treatment - East	0	0	0	0	128,507	128,507	
Neerabup Road Verge Treatment - East	0	0	0	0	0	0	
Neerabup Entry Statement	0	7,457	7,457	0	14,905	14,905	
Marmion Avenue Verge Treatment	0	64,259	64,259	0	256,556	256,556	
	0	2,999	2,999	0	11,973	11,973	
	0	0	0	0	0	0	

Catalina Actual vs Budget Analysis

Job Description	Actual MTD Vs Budget Oct 2012			Year to date Vs Budget to Oct 2012			Comments regarding variance
	Actual 1 month to Oct 2012	Budget 1 month to Oct 2012	Variance	YTD to Oct 2012	YTD budget	Variance	
Tamala Park feasibility cashflow FY 2012							
Account Description							
Landscape Consulting	0	0	0	0	0	0	
Landscape Construction	0	0	0	0	0	0	
Landscape Consulting	0	0	0	0	0	0	
Landscape Construction	9,554	62,967	62,967	26,403	251,396	251,396	
Landscape Consulting	850	0	(850)	1,700	0	(26,403)	
Landscape Construction	0	0	0	0	0	(1,700)	
Landscape Consulting	0	1,570	1,570	0	6,270	6,270	
Landscape Construction	0	0	0	0	0	0	
Landscape Consulting	0	0	0	0	0	0	
Landscape Construction	0	25,619	25,619	8,380	51,207	42,827	
Landscape Consulting	0	31,646	31,646	5,850	63,253	57,403	
Landscape Construction	0	0	0	0	0	0	
Landscape Consulting	0	16,750	16,750	0	33,479	33,479	
Landscape Construction	0	0	0	0	3,759	3,759	
Landscape Consulting	0	1,829	1,829	0	3,656	3,656	
Landscape Consulting	0	1,255	1,255	0	3,759	3,759	
Landscape Consulting	0	4,397	4,397	0	4,397	4,397	
Total Landscaping	19,742	731,493	711,751	102,346	1,730,567	1,628,221	Within budget
CONSTRUCTION continued							
Planning - Indirect							
Planning Architect	0	145,144	145,144	49,826	163,144	113,318	
Environmental	2,572	8,936	6,364	13,180	35,477	22,297	
Geotechnical	0	986	986	0	3,884	3,884	
Traffic planning	0	1,993	1,993	705	7,942	7,237	
Planning - Hydrology	0	0	0	0	25,031	25,031	
Planning - Sustainability	0	0	0	0	0	0	
Total Indirect Consultants	2,572	158,725	156,153	63,711	242,145	178,434	Within budget
Cell C3 West Roads Contribution	0	0	0	0	0	0	
Cell C3 West Pedestrian Underpasses	0	0	0	0	0	0	
Cell C3 West Homeswest Reimbursement	0	0	0	0	0	0	
Marrion Avenue Green Link Intersection	0	94,220	94,220	0	376,173	376,173	
Marrion Avenue Green Link Intersection Engineering	0	0	0	0	0	0	
Neerabup Road Key Largo Intersection	0	0	0	55,355	930,902	875,547	
Neerabup Road Key Largo Intersection Engineering	0	0	0	5,709	22,732	17,024	
EPBC Offset - foraging	0	0	0	0	0	0	
Gravity Sewer	0	0	0	0	0	0	
Gravity Sewer Engineering	0	0	0	0	0	0	
Total Infrastructure	0	94,220	94,220	61,063	1,329,807	1,268,744	Within budget
Sales Office Building	0	40,200	40,200	0	80,351	80,351	
Temp Sales office services	0	0	0	0	0	0	
Total Fixed Assets	0	40,200	40,200	0	80,351	80,351	Within budget
Total Construction	558,269	3,636,227	3,077,958	3,601,651	11,709,483	8,107,832	Within budget
PROFIT & LOSS EXPENDITURE							
Sales & Marketing	0	4,500	4,500	43,088	18,000	(25,088)	
Brand Development	0	13,333	13,333	0	53,333	53,333	
Sales Office & Builder Rel.	0	0	0	0	0	0	

Catalina Actual vs Budget Analysis

Tamala Park feasibility_cashflow FY 2012

Job Description	Actual MTD Vs Budget Oct 2012			Year to date Vs Budget to Oct 2012			Comments regarding variance
	Actual 1 month to Oct 2012	Budget 1 month to Oct 2012	Variance	YTD to Oct 2012	YTD budget	Variance	
Total Sales and Marketing	8,345	104,316	95,971	97,742	417,259	319,547	Within budget
Administration							
Audit and Tax	35,500	0	(35,500)	38,704	0	(38,704)	Relates to EV fees
Cleaning	0	503	503	0	2,006	2,006	
Computer Costs	0	503	503	0	2,006	2,006	
Couriers	0	503	503	0	2,006	2,006	
Electricity & Gas	0	503	503	0	2,006	2,006	
Insurance	0	503	503	0	2,006	2,006	
Legal fees	0	5,837	5,837	5,748	23,342	17,594	
Licenses & Fees	0	503	503	0	2,006	2,006	
Postage, Print & Stationery	0	503	503	692	2,006	1,314	
Rent - Temp Sales Office	0	1,508	1,508	0	6,019	6,019	
Rent - Carpark lots	0	12,892	12,892	0	51,567	51,567	
Sundry Office Expenses	0	2,010	2,010	0	8,025	8,025	
Telephone	0	503	503	0	2,006	2,006	
Travel & Accommodation	0	0	0	0	0	0	
Valuations	0	0	0	614	20,075	19,461	
Rates & Taxes	0	0	0	86,508	120,451	33,942	
Maintenance	1,845	6,700	4,855	1,845	26,750	24,905	
Security	0	5,025	5,025	0	20,063	20,063	
Total Administration	37,345	37,991	646	134,112	292,341	158,230	Within budget
Finance							
Bank Charges - Comm Bills	0	0	0	0	0	0	
Bank Charges - G'tees	0	0	0	0	0	0	
Bank Charges - General	0	0	0	0	0	0	
Interest - Comm Bills	0	0	0	0	0	0	
Interest - General	0	0	0	0	0	0	
GST Paid	0	0	0	0	0	0	
Sttmt Clearing	0	0	0	0	0	0	
Creditors	0	0	0	0	0	0	
Contingency	0	189,527	189,527	265,973	622,541	356,567	
Total Finance	0	189,527	189,527	265,973	622,541	356,567	Within budget
Total P&L Expenditure	45,691	331,835	286,144	497,797	1,332,141	834,344	Within budget
Grand Expense Total	603,960	3,968,062	3,364,102	4,099,448	13,041,624	8,942,176	Within budget

CATALINA

**CURRENT BUDGET
APPROVED MAY 2012**

Catalina Annual Cashflow	FYE2013	FYE2014	FYE2015	3 YR TOTAL FYE13-FYE15	PREVIOUS FYE13-FYE15 (Jul-11)	Variance
Sales Release	219	224	155	598	495	103
Sales	225	180	180	585	504	81
Titles	201	224	211	636	563	73
Settlements	192	218	180	590	559	31
Closing Stock	9	53	28	90	113	(23)
Contracts on Hand	83	45	45	173	138	35
Average Settlement Price	216,761	231,358	271,208	238,765	237,829	936
GROSS INCOME						
Income - Lots	41,618,154	50,436,107	48,817,366	140,871,627	132,946,423	7,925,205
Income - Other	1,173,208	716,792	346,966	2,236,966	2,325,425	(88,460)
Direct Selling Expenses	6,363,941	9,605,769	9,259,722	25,229,432	22,124,770	(3,104,662)
GROSS INCOME	36,427,421	41,547,130	39,904,610	117,879,161	113,147,078	4,732,083
DEVELOPMENT COSTS						
Land & Special Sites Development	708,152	0	50,000	758,152	562,604	(195,549)
Consultants	558,535	683,917	359,302	1,601,753	938,883	(662,871)
Landscape	4,511,491	3,292,571	2,746,740	10,550,802	9,999,433	(551,369)
Infrastructure	4,101,561	1,627,033	3,968,786	9,697,381	7,401,470	(2,295,911)
Lot Production	23,837,192	25,469,176	14,918,101	64,224,469	48,768,753	(15,455,716)
Administration	551,713	859,117	860,325	2,271,156	2,215,060	(56,096)
Sales and Marketing	1,166,900	680,808	722,853	2,570,562	1,920,414	(650,147)
Community Development	84,917	110,000	167,690	362,607	360,457	(2,151)
Finance	50,000	50,000	50,000	150,000	0	(150,000)
Contingency	1,789,298	1,660,326	1,210,295	4,659,920	3,608,354	(1,051,566)
DEVELOPMENT COSTS	37,359,759	34,432,949	25,054,094	96,846,802	75,775,427	(21,071,375)
CASHFLOW	(932,338)	7,114,181	14,850,517	21,032,359	37,371,651	(16,339,292)
Capital Calls	0	0	0	0	0	0
Capital Returns	0	8,000,000	5,300,000	13,300,000	13,300,000	0
Profit Distributions	0	0	9,700,000	9,700,000	20,700,000	(11,000,000)
Cumulative Cash Balance	5,380,705	4,494,886	4,345,403	4,345,403	4,066,887	278,516

Catalina Monthly Cashflow	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Total	Jul 2011 Bgt	Variance
Sales Release	0	0	0	0	0	0	0	0	73	0	0	0	73	163	(90)
Sales - Stage 1	0	0	0	0	0	0	0	0	0	24	0	0	24	35	(11)
Sales - Stage 2	0	0	0	0	0	0	0	0	0	24	6	4	34	38	(4)
Sales - Stage 3	0	0	0	0	0	0	0	0	0	0	0	0	0	35	(35)
Sales - Stage 4	0	0	0	0	0	0	0	0	0	0	35	0	35	0	0
Sales - Stage 5	0	0	0	0	0	0	0	0	0	0	0	8	8	0	0
Sales - Stage 6	0	0	0	0	0	0	0	0	0	25	19	15	59	55	(4)
Sales - Stage 7	0	0	0	0	0	0	0	0	0	48	54	50	152	100	(52)
Sales - Stage 8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales - Stage 9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales - Stage 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales - Stage 11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Income - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Direct Selling Expenses	0	0	0	0	0	0	0	0	0	0	0	257,818	257,818	250,316	(7,502)
GROSS INCOME	0	0	0	0	0	0	0	0	0	0	0	1,692,125	1,692,125	1,644,437	47,688
DEVELOPMENT COSTS															
Special Sites Development	0	0	0	0	0	0	0	0	0	0	0	0	0	172,517	122,517
Consultants	0	0	0	149,184	(5,695)	43,445	18,201	4,022	3,893	20,000	20,000	20,000	273,049	600,294	327,245
Landscaping	0	0	0	12,000	25,095	70,628	5,950	1,474	5,850	25,418	31,484	37,394	215,293	144,436	(70,857)
Infrastructure	0	0	0	24,625	31,000	12,800	0	0	2,675	0	0	0	71,100	1,943,148	1,872,048
Precinct 1 Bulk Earthworks	0	0	0	103,595	297,882	791,706	768,199	60,147	(184,525)	641,203	12,583	40,690	2,531,480	2,283,125	(248,355)
Lot Production - Stage 1	0	0	0	20,240	104,040	820	66,983	422,897	60,864	1,022,809	743,580	743,580	3,185,811	3,729,864	544,053
Lot Production - Stage 2	0	0	0	55,000	19,938	1,580	6,190	0	10,325	535,008	535,008	535,008	1,697,957	2,454,782	756,824
Lot Production - Stage 3	0	0	0	0	29,181	0	25,400	25,000	8,900	12,923	12,923	12,923	127,249	737,108	609,859
Lot Production - Stage 4	0	0	0	5,000	10,000	0	7,200	0	3,716	0	0	22,514	48,431	131,783	83,352
Lot Production - Stage 5	0	0	0	5,000	0	0	0	0	0	0	0	0	5,000	0	(5,000)
Lot Production - Stage 6	0	0	0	5,000	14,013	0	0	0	0	0	0	3,382	22,394	0	(22,394)
Administration	(51)	59	167	(112)	410	93	8,696	15,731	(57)	30,042	30,042	150,042	235,061	333,611	98,550
Sales and Marketing	0	0	285	3,729	30,511	70,591	21,198	51,913	20,074	67,045	67,045	67,045	399,437	1,000,000	600,563
Community Development	0	0	0	0	0	0	0	0	0	6,667	6,667	6,667	20,000	40,000	20,000
Finance	9,232	(59)	4,269	(382,997)	(58,759)	407,108	(896,849)	(555,916)	1,230,790	0	40,000	0	(203,181)	0	203,181
Contingency	0	0	0	0	0	0	0	0	0	0	0	0	0	678,533	678,533
DEVELOPMENT COSTS	9,181	(0)	4,721	264	497,515	1,385,971	43,969	25,268	1,162,504	2,361,113	1,549,331	1,639,244	8,679,082	14,249,201	5,570,119
CASHFLOW	(9,181)	0	(4,721)	(264)	(497,515)	(1,385,971)	(43,969)	(25,268)	(1,162,504)	(2,361,113)	(1,549,331)	52,880	(6,986,957)	(12,604,764)	5,617,807
Capital Calls	(13,300,000)	0	0	0	0	0	0	0	0	0	0	0	(13,300,000)	0	0
Capital Returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit Distributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Cash Balance	13,290,819	13,290,819	13,286,098	13,285,834	12,788,319	11,402,348	11,358,380	11,333,112	10,170,608	7,809,494	6,260,163	6,313,043	6,313,043	695,236	5,617,807
	0	0	0	(0)	0	0	(0)	0	0	0	0	(0)	0	0	0

APPENDIX ITEM 9.6



Annual Report 2011/12

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What is Tamala Park Regional Council?

Tamala Park Regional Council (TPRC) is a body formed specifically to manage the urban development of 180 hectares of land situated in City of Wanneroo. The land is jointly owned by 7 local governments.

Tamala Park Regional Council comprises 7 local authority members:

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

The purpose of the Council is to undertake the rezoning, subdivision, development, marketing and sale of the Tamala Park land.

When the land is fully developed the TPRC will have completed its Charter and will cease to exist.

The life of the Council is currently projected to extend to 2025..

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Message from the Chairman

This is the sixth annual report of the Tamala Park Regional Council (TPRC).

The Council comprises 12 members nominated by the 7 owner local governments according to ownership shares. The Regional Council operates under the Local Government Act in the same manner as other local authorities. An Establishment Agreement between the Council participants deals with equity issues and Council decision-making.

The focus over the last 12 months was commencing the first phase of construction for the project, including the marketing of land for sale.

The Tamala Park Local Structure Plan was finalized during the year and now provides the framework for the Tamala Park project. The Local Structure Plan will also provide for the management of natural elements and features, such as the protection of significant tracts of native flora and associated fauna within quality urban landscaping.

For the sixth year the Council has reached its goal of covering all operating expenses through investment activity and has also made a partial distribution of income to participate local authorities.

There has been considerable activity at Catalina with completion of the first phase of bulk earthworks and completion of Stages 1 and 2 civil construction works. Additional bulk earthworks, stages of civil construction and Neerabup Road works underway.

The first landscape works also commenced this year and will bring a transformation to the site and demonstrate the quality of the Catalina Project.

The Sales and Marketing process also commenced during the year and I believe was well received in the market place. As of October 2012, 119 lots were sold and 51 settled and sales revenue of \$12,256,939, which I consider an excellent result and consistent with the Council's program.

The next 12 months expect to see continued construction activity and additional landscape works. It will also see the positioning of Catalina as a major new community in the northern beaches area of Perth.



Cr Giovanni Italiano JP
CHAIRMAN

Message from the Chief Executive Officer

This year saw a change in the focus of the TPRC from planning and approval to construction, marketing and sales for Catalina.

The Phase 1 Bulk Earthworks were completed which enabled commencement of Stages 1 and 2 civil construction works. Stages 1 and 2 are now complete with Stages 3, 4 and 6A under construction. Stage 5 and 7 Bulk Earthworks are well advanced with completion planned in January 2013. Extensive works are also underway on Neerabup Road with completion expected shortly.

The Stage 1 landscape construction works also commenced this year and are expected to be complete in December 2012. The landscape will have a dramatic impact on the presentation of the Catalina estate.

The Sales and Marketing program commenced during the year with Estate signage, advertising in the various media and more recently installation of the temporary sales office off Neerabup Road. To date 119 lots have been sold and 51 settled resulting in revenue to the TPRC of \$12,256,939.

During the year undertook the following environmental programs;

- Fauna relocation Stage 5 and 7 Bulk Earthworks areas;
- Grass tree and Zamia Palms relocation - Stage 5 and 7 Bulk Earthworks;
- Biodiversity Conservation Area fencing complete (Stage 1); and
- Seed collections from significant flora areas.

The next 12 months will consolidate the Catalina estate as a major new urban project with the City of Wanneroo. There will continue to be significant lot production and infrastructure construction, additional landscape works, an extensive marketing program and major sales campaign.

Mr Tony Arias
CHIEF EXECUTIVE OFFICER

STATUTORY COMPLIANCE REPORTS

Local Government Compliance Audit Report

The Compliance Audit Report required of Local Governments by the Minister for Local Government under pursuant to Section 7.13. of the Local Government Act has been completed and submitted in the required form.

There has been no adverse comment in respect of the report.

Competition Policy

The TPRC has met its obligations with regard to competition policy. The Council has no local laws or policies that reflect anti-competitive practice.

No complaints have been received by the TPRC in 2011/12 in relation to anti-competitive practices.

Recordkeeping Plan Required under the State Records Act

A Recordkeeping Plan meeting the requirements of the State Records Office was completed by the Council in August 2006. The Plan was comprehensive and addressed all requirements and was formally approved by the State Records Commission in October 2006 for a period of 3 years.

An amended Recordkeeping Plan was submitted to the State Records Office in April 2011. At its meeting on 8 April 2011, the State Records commission approved the amended Plan. The TPRC will next review the Plan before April 2016.

The Plan has worked efficiently and effectively with minimum modification and provides a comprehensive record for the TPRC.

Disability Services Plan

Local governments are required to prepare a Disability Services Plan in accordance with prescribed standards for public access and infrastructure. The Plan is required to be submitted to the Disability Services Commission with project timetables that must be approved by the Commission.

The Tamala Park Regional Council does not currently have responsibilities that require reporting under the Disability Services Act. In consequence, there has been no Plan prepared or required.

Disability access matters will be incorporated in the design of the TPRC urban development and will become the responsibility for the City of Wanneroo as the local authority responsible for the area covering the Catalina development.

Financial Budget Review

A formal review of the TPRC budget is required in the manner prescribed under the Local Government Act 1995 between 1 January and 31 March each year. The review was undertaken in 16 February 2012 and no adverse findings or matters of consequence were found during the review. The Council considered the review and determined to adopt the review at its meeting on 16 February 2012.

Committee Membership

	Audit	CEO Performance Review	Management
Cr Geoff Amphlett			✓
Cr Frank Cvitan	✓	✓	
Cr Eleni Evangel			✓
Cr Dianne Guise			✓
Cr Giovanni Italiano	✓	✓	✓
Cr Corinne Macrae			✓
Cr Alannah Mactiernan			✓
Cr Tom Mclean	✓		
Cr David Michael	✓		
Cr Terry Tyzack	✓	✓	
Cr Trevor Vaughan		✓	
Cr Rod Willox			✓



Chairman
Cr Giovanni Italiano
(City of Stirling)



Deputy Chairman
Cr Trevor Vaughan
(Town of Victoria Park)



Cr Geoff Amphlett
(City of Joondalup)



Cr Frank Cvitan
(City of Wanneroo)



Cr Eleni Evangel
(City of Perth)



Cr Dianne Guise
(City of Wanneroo)



Cr Corinne MacRae
(Town of Cambridge)



Cr Alannah MacTiernan
(City of Vincent)



Cr Tom McLean
(City of Joondalup)



Cr David Michael
(City of Stirling)



Cr Terry Tyzack
(City of Stirling)



Cr Rod Willox
(City of Stirling)

Attendance at Meetings by Council Members

Meeting attendances for the 12 month period under review.

Meeting attendances by Council members shown in the table below:

COUNCILLOR	COUNCIL (6)	SPECIAL COUNCIL (2)	AUDIT (3)	CEO PERFORMANCE REVIEW (4)	MANAGEMENT (6)
Cr Geoff Amphlett	5	2			6
Cr Nick Catania (retired Oct 2011)	2		1		1
Cr Frank Cvitan	4	2	1	4	1 (observer)
Cr Eleni Evangel	4	2			4
Cr Leonie Getty (retired Oct 2011)	2				
Cr Dianne Guise	6	2	2		5
Cr Giovanni Italiano	6	2	3	4	6
Cr Corinne Macrae	3	2			5
Cr Alannah Mactiernan	3	1			5
Cr Tom McLean	6	1	3		1 (observer)
Cr David Michael	6	1	3		1 (observer)
Cr Glynis Monks (retired Oct 2011)	2				
Cr Stephanie Proud (retired Oct 2011) (alternate member)	3	1			
Cr Bill Stewart (alternate member)		1			
Cr Josh Topelberg (alternate member)		1			
Cr Terry Tyzack	3	1	1	4	
Cr Trevor Vaughan	6	1		3	
Cr Rod Willox	3	2			4
Cr Simon Withers (retired Oct 2011) (alternate member)	3				1

Notes

- Local government elections were held on 15 October 2011.
- Cr Giovanni Italiano was elected Chairman at a Special meeting of Council held on 10 November 2011.

Year 2011/12 Under Review

COUNCIL ACTIVITY

The current Council comprises 12 members. Members are elected by constituent local authorities following the ordinary bi-annual Council elections. There has been no changes in Council membership during the year.

The next nomination of all 12 Council positions by participant local authorities will occur following the 19 October 2013 ordinary Council elections.

During the year the Council has held 6 ordinary bi-monthly Council meetings and 2 Special Council meetings and the following Committee meetings:

Audit Committee — 4 meetings
 CEO Performance Committee — 4 meetings
 Management Committee — 6 meetings

LEGISLATIVE MATTERS

Changes have been made to the financial management regulations that have required a response by the TPRC. These changes relate to the presentation of annual accounts and are reflected in the accounts for the year ended 30 June 2012.

The following reflects the member local governments' equity in the Tamala Park project.

	2009/2010	2010/2011	2011/2012
TVP Contributed Equity	1,338,975	1,395,974	1,743,785
COP Contributed Equity	1,338,975	1,395,974	1,743,785
TOC Contributed Equity	1,338,975	1,395,974	1,743,785
COJ Contributed Equity	2,677,951	2,791,948	3,487,570
COW Contributed Equity	2,677,951	2,791,948	3,487,570
COV Contributed Equity	1,338,975	1,395,974	1,743,785
COS Contributed Equity	5,355,901	5,583,896	6,975,140
TOTAL EQUITY	16,067,703	16,751,688	20,925,419

EMPLOYEE REMUNERATION

The number of employees whose annual salary exceeded \$100,000 during the financial year is shown below within each band of \$10,000.

Income Range	2011	2012	Income Range	2011	2012
\$100,000—\$110,000	-	1	\$190,000-\$200,000	-	-
\$110,000—\$120,000	-	-	\$200,000-\$210,000	-	-
\$120,000-\$130,000	-	-	\$210,000-\$220,000	-	-
\$130,000-\$140,000	-	-	\$220,000-\$230,000	-	-
\$140,000-\$150,000	-	-	\$230,000-\$240,000	-	-
\$150,000-\$160,000	-	-	\$240,000-\$250,000	-	-
\$160,000-\$170,000	-	-	\$250,000-\$260,000	-	-
\$170,000-\$180,000	-	-	\$260,000-\$270,000	-	-
\$180,000-\$190,000	-	-	\$270,000-\$280,000	1	1

DISTRIBUTION TO PARTICIPATING COUNCILS

TPRC has not exercised its option under the Establishment Agreement to require Councils to transfer their shares in the landholding jointly held by Councils at Tamala Park. Council is determining GST payment implications prior to implementing any transfer. Individual Councils continue to pay municipal rate levies to City of Wanneroo and the TPRC has decided to reimburse the Councils for an amount equivalent to rates paid from retained earnings. Distributions for 2011/12 are shown in the 4 year schedule of distributions.

	2008/09	2009/10	2010/11	2011/12
	Rate Equiv Pmt	Rate Equiv Pmt	Rate Equiv Pmt	Rate Equiv Pmt
Participant Council	Equity Return			
Town of Cambridge	6,104	6,707	7,157	7,209.01
City of Perth	6,104	6,707	7,157	7,209.01
Town of Victoria Park	6,104	6,707	7,157	7,209.01
City of Vincent	6,104	6,707	7,157	7,209.01
City of Joondalup	12,208	13,414	14,315	14,418.02
City of Wanneroo	12,208	13,414	14,315	14,418.02
City of Stirling	24,418	26,828	28,630	28,836.04
TOTAL	73,250	80,484	85,888	86,508.12

INFRASTRUCTURE & LAND USE CHANGES IN 2012/13 IMPACTING TAMALA PARK PLANNING & DEVELOPMENT

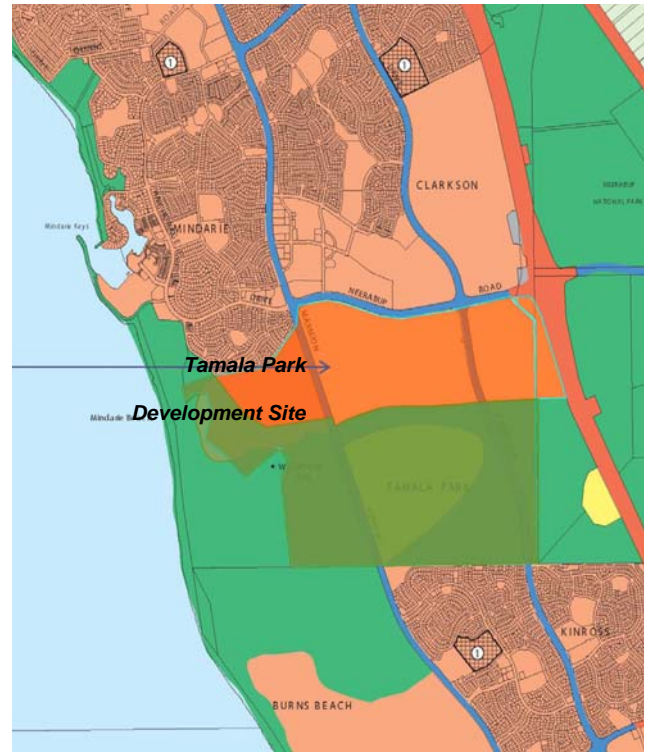
The land is surrounded by the residential areas of Burns Beach, Kinross, Clarkson and Mindarie and is within one of the fastest growing regions in Australia.

Whilst the property market has been 'soft' over the last 12 months significant development is occurring further north at Butler, Jindalee, Eglinton and Yanchep Two Rocks. Residential lot sales are continuing within this area. The infrastructure from within Clarkson to the rail and bus stations is now well defined and there is a consolidation of commercial and business activity within the rail station precinct.

Within the Clarkson commercial centre and development of light industry and commercial businesses has continued, consolidating the area as an area for local employment.

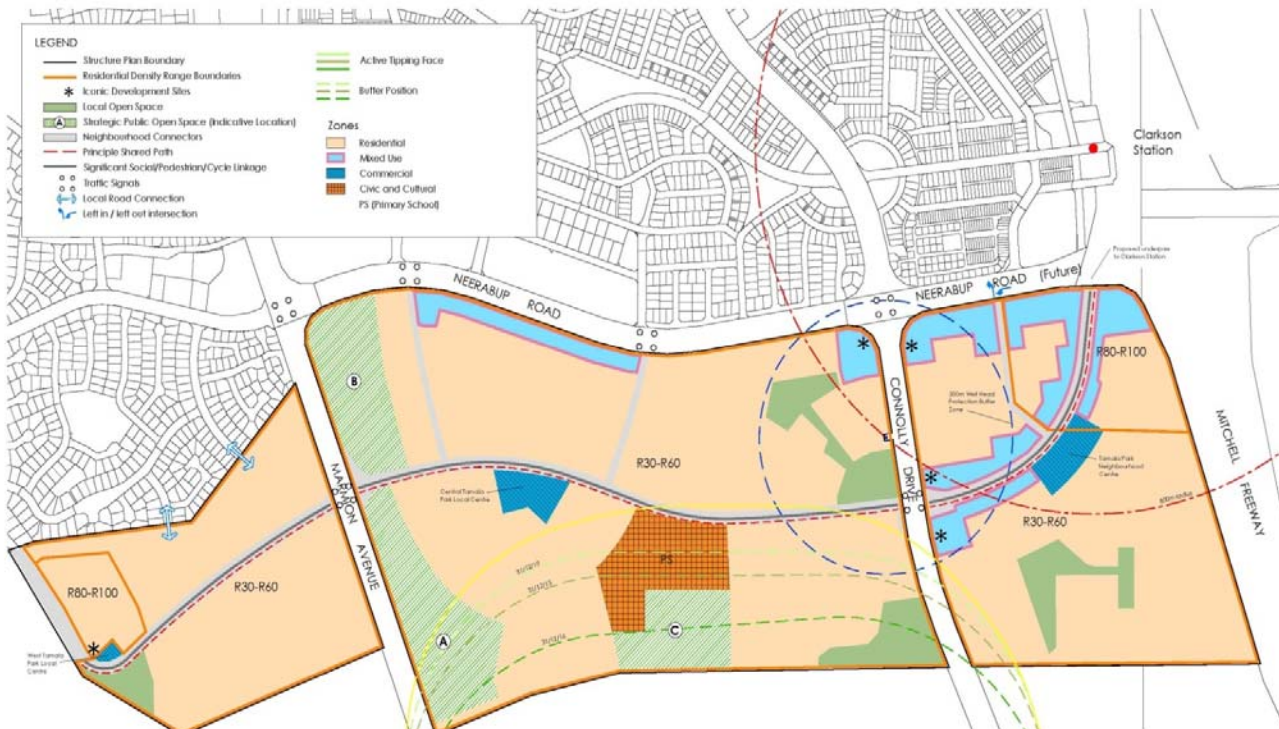
The owners of the Ocean Keys Shopping commercial centre are proposing an expansion of the centre which will improve services for existing residents of the area and provide significant services to the future residents of Tamala Park.

Lot sales have continued within the Peet & Co Burns Beach subdivision to the south-west with substantial new housing under construction. The Mindarie Keys development has only a handful of residential lots available for sale.



TPRC LOCAL STRUCTURE PLAN

During the year the Tamala Park Local Structure Plan was formally approved. The land subject of the Structure Plan is shown in the diagram below.



Key aspects of the Local Structure Plan include:

- Providing for the orderly distribution of residential density and a range of housing types that address changing demographics and the needs of future populations within the north-west sector of the Perth Metropolitan Region.
- Providing for sustainable environmental outcomes with respect to such matters as water use, energy efficiency, conservation and transport, while taking advantage of natural features and views.
- Providing active commercial centres and community hubs that meet the daily and weekly needs of residents and provide employment opportunities that are co-located with local recreation and community facilities.
- Providing an appropriate urban design response in recognition of adjoining public transport infrastructure.
- A high level of linkage both within and beyond the boundaries of the Tamala Park landholding to commercial centres, coastal reserves and transport nodes via cycle and pedestrian access, public transport and private vehicle.
- Addressing the forecast demand for a variety of community services and social infrastructure.

The major land use elements of the Local Structure Plan are set out as follows:

Precincts	West	Central West	Central East	Eastern Precinct	Total	
Area	HA	HA	HA	HA	HA	%
Residential	21.03	22.33	21.03	23.89	88.28	49.54%
Mixed use			2.50	5.71	8.21	4.61%
Centre	0.16	0.70		0.90	1.76	0.99%
Business		2.08			2.08	1.17%
Active/Passive POS	1.02	0.91	3.28	3.27	8.48	4.76%
School			5.0		5.00	2.81%
Green Link	1.38	1.20	0.61	0.92	4.11	2.31%
Conservation Reserves		11.57			11.57	6.49%
Roads	8.82	11.67	15.09	13.14	48.72	27.34%
Total (inc Roads)	32.41	50.46	47.51	47.83	178.21	100%

The indicative development plan envisages a central greenlink connecting the Clarkson rail and bus stations under Neerabup Road through the entire east/west extent of the development. All residential land in the development will be within 400m of the central greenlink which will connect to public amenities including a primary school.

A mixed use zone has been created close to the Clarkson rail station and the junction of Neerabup Road and Mitchell Freeway.

ENVIRONMENTAL MANAGEMENT

A Mitigation and Offset Management Plan was approved by the Department of Sustainability, Environment, Water, Population and Communities (SEWPAC) under the EPBC Act. The TPRC was required to prepare a mitigation strategy outlining measures to avoid or reduce impacts to Carnaby's Black Cockatoo and Graceful Sun Moth. The TPRC will begin the implementation of the SEWPAC conditions over the next 12 months, which includes the following;

- Purchase of an Offset site for Carnaby's Black Cockatoo foraging, habitat and breeding;
- Rehabilitation and fencing of BioDiversity Conservation Area;
- Seed collection and storage from prescribed areas; and
- Preparation of Audit and Compliance report.

An Environmental Management Plan (EMP) has been approved by the EPA which provides management and mitigation measures for impacts of the proposed Tamala Park Development on biodiversity assets and values of the area. The EMP is intended to accompany the LSP and to address the specific Ministerial Conditions set for the development. These conditions are summarized as follows:

- Management of remnant vegetation whilst strengthening links between the coast and the Neerabup National Park.
- Specially protected fauna species.
- Fire management.
- Management of public access to the areas reserved for conservation and recreation.
- Recommendations for revegetation.
- Recommendations for public education and awareness of the natural environment.

KEY ACTIVITIES 2012

Project	Timeframe
<p>Implementation of Environmental Approval Conditions - Environmental Protection & Biodiversity Conservation Act (EPBC Act) The EPBC Act approval stipulates a number of conditions. These will be progressively implemented as the project progresses.</p>	2012-2013
<p>Implementation of Stage 1 Subdivision Plan The Application for Approval of Stage 1 Subdivision Plan was approved by the WAPC in August 2011. The Council has been progressively implementing the approved Subdivision Plan and work with the designated authorities to satisfy the required conditions of subdivision.</p>	2012 -2013
<p>Approval of Subdivision Plan for Stages 7 and 8 Greenlink The Application for Approval for Stages 7 and 8 Greenlink were lodged earlier in 2012. Approvals to both these applications is expected by December 2012.</p>	2012
<p>Project Marketing and Branding The TPRC approved an Overall Marketing Plan in 2011 which is being implemented to promote the Catalina project. The marketing strategy for the project commenced in September 2011.</p>	2012
<p>Bulk Earthworks—Stages 5 and 7 The bulk earthworks for Stages 5 and 7 are underway and are anticipated to be completed in December 2012 and February 2013, respectively.</p>	2012-2013
<p>Completion of Stages 3,4 and 6A civil works Civil construction works on Stages 3, 4 and 6A commenced early in 2011 and anticipated to be completed in late 2012 and early 2013.</p>	2012
<p>Temporary Land Sales Office The Temporary Land Sales Office is to open in late November 2012 and will operational for approximately 12 months.</p>	2012
<p>Stage 1 Landscaping Works The Stage 1 Landscaping Works commenced in August 2012 and anticipated to be completed by December 2012.</p>	2012
<p>Sale of Residential Lots It is anticipated that the sale of residential lots will commence in late 2011 or early 2012. The project budget indicates 105 residential lots being sold in financial year 2011/12.</p>	2012 -2013

Annual Financial Report (including Audit Report)

TAMALA PARK REGIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

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TAMALA PARK REGIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of Tamala Park Regional Council being the annual financial report and other information for the financial year ended 30th June 2012 are in my opinion properly drawn up to present fairly the financial position of Tamala Park Regional Council at 30th June 2012 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 15th day of October 2012


Tony Arias
Chief Executive Officer

Appendix Item 8.3
TAMALA PARK REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue				
Interest Earnings	2(a)	730,315	207,700	877,022
Other Revenue		<u>2,275</u>	<u>1,894,752</u>	<u>1,251</u>
		732,590	2,102,452	878,273
Expenses				
Employee Costs		(492,046)	(564,369)	(408,146)
Materials and Contracts		(150,850)	(1,540,750)	(597,932)
Utility Charges		0	(1,800)	(1,560)
Depreciation on Non-Current Assets	2(a)	(19,809)	(4,502)	(6,323)
Insurance Expenses		(8,433)	(7,400)	(4,858)
Other Expenditure		<u>(110,478)</u>	<u>(517,216)</u>	<u>(140,445)</u>
		<u>(781,616)</u>	<u>(2,636,037)</u>	<u>(1,159,264)</u>
		(49,026)	(533,585)	(280,991)
Loss on Asset Disposal	19	<u>(269)</u>	<u>0</u>	<u>0</u>
Net Result		(49,295)	(533,585)	(280,991)
Other Comprehensive Income		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>(49,295)</u></u>	<u><u>(533,585)</u></u>	<u><u>(280,991)</u></u>

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

TAMALA PARK REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
Appendix Item 8.3
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue				
General Purpose Funding		730,315	207,700	877,072
Other Property and Services		<u>2,275</u>	<u>1,894,752</u>	<u>1,201</u>
	2(a)	732,590	2,102,452	878,273
Expenses				
Governance		(107,665)	(118,500)	(99,036)
Other Property and Services		<u>(673,951)</u>	<u>(2,517,537)</u>	<u>(1,060,228)</u>
	2(a)	(781,616)	(2,636,037)	(1,159,264)
Profit/(Loss) on Disposal of Assets				
Other Property & Services		<u>(269)</u>	<u>0</u>	<u>0</u>
		(269)	0	0
Net Result		<u>(49,295)</u>	<u>(533,585)</u>	<u>(280,991)</u>
Other Comprehensive Income		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>(49,295)</u></u>	<u><u>(533,585)</u></u>	<u><u>(280,991)</u></u>

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

**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2012**

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	13,454,179	14,832,197
Trade and Other Receivables	4	<u>46,272</u>	<u>64,196</u>
TOTAL CURRENT ASSETS		<u>13,500,451</u>	<u>14,896,393</u>
NON-CURRENT ASSETS			
Inventories	5	2,000,000	2,000,000
Property, Plant and Equipment	6	<u>107,273</u>	<u>13,565</u>
TOTAL NON-CURRENT ASSETS		<u>2,107,273</u>	<u>2,013,565</u>
TOTAL ASSETS	16	<u>15,607,724</u>	<u>16,909,958</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	412,956	105,342
Provisions	10	<u>74,898</u>	<u>39,882</u>
TOTAL CURRENT LIABILITIES		<u>487,854</u>	<u>145,224</u>
NON-CURRENT LIABILITIES			
Provisions	10	<u>9,863</u>	<u>13,046</u>
TOTAL NON-CURRENT LIABILITIES		<u>9,863</u>	<u>13,046</u>
TOTAL LIABILITIES		<u>497,717</u>	<u>158,270</u>
NET ASSETS		<u>15,110,007</u>	<u>16,751,688</u>
EQUITY			
Retained Surplus		769,875	769,875
Contributed Equity	11	<u>14,340,132</u>	<u>15,981,813</u>
TOTAL EQUITY		<u>15,110,007</u>	<u>16,751,688</u>

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

TAMALA PARK REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2012

NOTE	RETAINED SURPLUS \$	CONTRIBUTED EQUITY \$	TOTAL EQUITY \$
Balance as at 1 July 2010	1,050,866	16,067,703	17,118,569
Net Result	(280,991)	0	(280,991)
Total Other Comprehensive Income	0	0	0
Distribution to Members	0	(85,890)	(85,890)
	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2011	769,875	15,981,813	16,751,688
Net Result	(49,295)	0	(49,295)
Total Other Comprehensive Income	0	0	0
Member Contributions	49,295	(1,641,681)	(1,592,386)
	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2012	<u>769,875</u>	<u>14,340,132</u>	<u>15,110,007</u>

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

**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2012**

	NOTE	2012 \$	2012 Budget \$	2011 \$
Cash Flows From Operating Activities				
Receipts				
Interest Earnings		730,315	199,700	894,868
Goods and Services Tax		349,260	1,600,000	0
Other Revenue		2,275	1,894,952	1,251
		<u>1,081,850</u>	<u>3,694,652</u>	<u>896,119</u>
Payments				
Employee Costs		(441,985)	(555,369)	(415,811)
Materials and Contracts		(150,364)	(1,505,750)	(596,283)
Utility Charges		0	(1,800)	(1,560)
Insurance Expenses		(8,433)	(7,400)	(4,858)
Goods and Services Tax		(42,436)	(1,600,000)	(38,057)
Other Expenditure		(110,478)	(517,416)	(140,445)
		<u>(753,696)</u>	<u>(4,187,735)</u>	<u>(1,197,014)</u>
Net Cash Provided By (Used In)				
Operating Activities	12(b)	<u>328,154</u>	<u>(493,083)</u>	<u>(300,895)</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(114,351)	(13,369,209)	(6,125)
Proceeds from Sale of Plant & Equipment		565	0	0
Net Cash Provided By (Used In)				
Investing Activities		(113,786)	(13,369,209)	(6,125)
Cash Flows from Financing Activities				
Repayment of Members Contributions		(1,592,386)	(75,000)	(85,890)
Net Cash Provided By (Used In)				
Financing Activities		(1,592,386)	(75,000)	(85,890)
Net Increase (Decrease) in Cash Held		(1,378,018)	(13,937,292)	(392,910)
Cash at Beginning of Year		14,832,197	14,832,197	15,225,107
Cash and Cash Equivalents at the End of the Year	12(a)	<u>13,454,179</u>	<u>894,905</u>	<u>14,832,197</u>

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

**TAMALA PARK REGIONAL COUNCIL
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012**

	NOTE	2012 Actual \$	2012 Budget \$	2011 Actual \$
Revenue				
Governance		730,315	207,700	877,072
Other Property and Services		2,275	1,894,752	1,201
		<u>732,590</u>	<u>2,102,452</u>	<u>878,273</u>
Expenses				
Governance		(107,665)	(118,500)	(99,036)
Other Property and Services		(674,220)	(2,517,537)	(1,060,228)
		<u>(781,885)</u>	<u>(2,636,037)</u>	<u>(1,159,264)</u>
Net Result Excluding Rates		(49,295)	(533,585)	(280,991)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	19	269	0	0
Movement in Accruals		(9,350)	0	0
Movement in provisions for employee entitlements		(43,065)	0	19,117
Movement in provision for audit fees		0	0	2,349
Depreciation and Amortisation on Assets	2(a)	19,809	4,502	6,323
Capital Expenditure and Revenue				
Improvements to Leasehold Premises		(111,242)	0	0
Purchase Land and Buildings		0	(80,000)	0
Purchase Infrastructure Assets - Other		0	(13,249,209)	0
Purchase Furniture and Equipment		(3,109)	(40,000)	(6,125)
Repayment of Member Contributions		(1,592,386)	(75,000)	(85,890)
Proceeds from Disposal of Assets	19	565	0	0
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	21(b)	14,800,401	14,800,401	15,145,618
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		13,012,597	827,109	14,800,401
Amount Required to be Raised from Rates	21	<u>0</u>	<u>0</u>	<u>0</u>

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this 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.

(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 a separate statement of those monies appears at Note 18 to these financial statements.

(c) Goods and Services Tax

Revenues, expenses and assets capitalised are stated net of any GST recoverable.

Receivables and payables in the statement of financial position are stated inclusive of applicable GST. 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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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

Collectibility 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.

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

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

(g) Fixed Assets

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

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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

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.

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

Depreciation of Non-Current 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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets (Continued)

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 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 \$2,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

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

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

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(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.

Impairment

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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) Joint Venture

The Regional Council did not participate in any joint ventures with other entities.

(p) 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.

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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Superannuation

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

(r) Current and Non-Current Classification

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

(s) Rounding Off Figures

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

(t) Comparative Figures

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

(u) Budget Comparative Figures

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) New Accounting Standards and Interpretations for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2012.

Council's assessment of these new and amended standards and interpretations is set out below:

	Title and Topic	Issued	Applicable (*)	Impact
(i)	AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii)	AASB 1053 - Application of Tiers of Australian Accounting Standards	June 2010	01 July 2013	Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iii)	AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(iv) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	01 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(v) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12,19 & 127]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(vi) AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]	December 2010	01 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(vii) AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009 - 11 & 2010 - 7]	December 2010	01 January 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2011 - 2 Amendments to Australian Accounting Standards - Arising from the Trans-Tasman Consequence Project - Reduced Disclosure Requirements. [AASB 101 & 1054]	May 2011	01 July 2013	
AASB 2011 - 3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to ABS GFS manual and related Amendments. [AASB 1049]	May 2011	01 July 2012	
AASB 2011 - 6 Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127,128 & 131]	July 2011	01 July 2013	

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	01 January 2013	Nil - None of these, except for AASB 128, are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. The Regional Council did not participate in any joint ventures with other entities.

TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(ix) AASB 13 - Fair Value Measurement, AASB 2011 - 8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	September 2011	01 January 2013	AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 requires inputs to all fair value measurements to be categorised in accordance with fair value hierarchy. AASB 13 also requires enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value. AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its fixed assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards. The amendments to the legislation requires the phasing in of fair value in relation to fixed assets over the three years from 1 July 2012. It is not possible to estimate the likely amount of any revaluations.
(x) AASB 2011 - 9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Appendix Item 8.3

(v) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title and Topic	Issued	Applicable (*)	Impact
(xi)	AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(xii)	AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	September 2011	01 July 2013	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	AASB 2011 – 12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]	November 2011	01 January 2013	
	AASB 2011 – 13 Amendments to Australian Accounting Standards – Improvements to AASB 1049	December 2011	01 July 2012	

Notes:

(*) Applicable to reporting periods commencing on or after the given date.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Adoption of New and Revised Accounting Standards

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory and which were applicable to its operations.

These new and revised standards were:

- AASB 124
- AASB 1054
- AASB 2009 - 12
- AASB 2009 - 14
- AASB 2010 - 4
- AASB 2010 - 5
- AASB 2010 - 6
- AASB 2010 - 9
- AASB 2011 - 1

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

(x) Events After the Reporting Period

The Australian Government passed the Clean Energy Act 2011 on 8 November 2011 introducing a carbon pricing mechanism from 1 July 2012.

The Regional Council does not have a direct carbon price liability as it does not fall within the 'major polluters' as defined by the Australian Government. It will be impacted by the indirect flow-through of the carbon price via increased costs on its operations largely from cost increases in electricity, materials and waste disposal in landfills.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

2. REVENUE AND EXPENSES

(a) Net Result

	2012	2011
	\$	\$
The Net Result includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit	9,050	7,090
- Other Services	0	0
Depreciation		
Improvements to Leasehold Premises	11,124	0
Furniture and Equipment	8,685	6,323
	<u>19,809</u>	<u>6,323</u>
(ii) Crediting as Revenue:	2012	2012
	\$	Budget
		\$
Interest Earnings		
Investments		
- Other Funds	730,315	207,700
	<u>730,315</u>	<u>207,700</u>
	<u>730,315</u>	<u>877,022</u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

The Regional Council has a specific regional purpose which is:

- a) To undertake in accordance with the objectives, the rezoning, subdivision, development, marketing and sale of land comprising the developable portion of lot 118 Mindarrie (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.

Description of Programs

The principal activities of the Regional Council covers the provision of General Purpose Funding, Governance and Other Property and Services as permitted under the Local Government Act 1995 or other written law.

GENERAL PURPOSE FUNDING

Interest received on investments.

GOVERNANCE

Member of Council Allowances and Reimbursements and Administration expenses.

OTHER PROPERTY AND SERVICES

Other Unclassified Activities

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

The Regional Council did not have any conditions over Grants/Contributions as at 30 June 2012.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

	2012	2011
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	<u>13,454,179</u>	<u>14,832,197</u>
	<u><u>13,454,179</u></u>	<u><u>14,832,197</u></u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Interest Receivable	45,272	18,519
GST Receivable	0	44,626
Accommodation Bond - City of Stirling	1,000	1,000
Superannuation Contributions	<u>0</u>	<u>51</u>
	<u><u>46,272</u></u>	<u><u>64,196</u></u>
5. INVENTORIES		
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	<u>2,000,000</u>	<u>2,000,000</u>
	<u><u>2,000,000</u></u>	<u><u>2,000,000</u></u>

As the Regional Council has no current plans to develop Lot 807 Neerabup Road the property has been reclassified as non-current.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

	2012	2011
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Furniture and Equipment - Cost	32,514	33,684
Less Accumulated Depreciation	<u>(26,793)</u>	<u>(20,119)</u>
	5,721	13,565
Improvements to Leasehold Property - Cost	112,676	0
Less Accumulated Depreciation	<u>(11,124)</u>	<u>0</u>
	101,552	0
	<u>107,273</u>	<u>13,565</u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning of the current financial year.

	Furniture & Equipment \$	Improvements to Leasehold Property \$	Total \$
	<u> </u>	<u> </u>	<u> </u>
Balance as at the beginning of the year	13,565	0	13,565
Additions	3,109	111,242	114,351
(Disposals)	(834)	0	(834)
Revaluation - Increments	0	0	0
- (Decrements)	0	0	0
Impairment - (Losses)	0	0	0
- Reversals	0	0	0
Depreciation (Expense)	(8,685)	(11,124)	(19,809)
Carrying amount at the end of year	<u><u>7,155</u></u>	<u><u>100,118</u></u>	<u><u>107,273</u></u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

7. INFRASTRUCTURE

The Regional Council carried no infrastructure at 30 June 2012.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

	2012	2011
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	384,140	95,240
ATO Liability	15,390	10,102
Accrued Expenses	13,426	0
	<u>412,956</u>	<u>105,342</u>
9. LONG-TERM BORROWINGS		
The Regional Council had no long term borrowings at 30 June 2012.		
10. PROVISIONS		
Current		
Provision for Annual Leave	74,898	39,882
	<u>74,898</u>	<u>39,882</u>
Non-Current		
Provision for Long Service Leave	9,863	13,046
	<u>9,863</u>	<u>13,046</u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

11. MEMBERS EQUITY

The equity held by the member councils are as follows:

		2012	2011
		\$	\$
Town of Victoria Park	One Twelfth	1,259,167	1,395,974
City of Perth	One Twelfth	1,259,167	1,395,974
Town of Cambridge	One Twelfth	1,259,167	1,395,974
City of Joondalup	One Sixth	2,518,334	2,791,948
City of Wanneroo	One Sixth	2,518,334	2,791,948
Town of Vincent	One Twelfth	1,259,167	1,395,974
City of Stirling	One Third	5,036,671	5,583,896
		<u>15,110,007</u>	<u>16,751,688</u>

Change in Contributed Equity (1,641,681)

Change in Contributed Equity Represented by:

	Land Development Expenses	Proceeds of Sale of Member Land	Rates Equivalent	TPRC Nett Result
Town of Victoria Park	(517,717)	392,227	(7,209)	(4,108)
City of Perth	(517,717)	392,227	(7,209)	(4,108)
Town of Cambridge	(517,717)	392,227	(7,209)	(4,108)
City of Joondalup	(1,035,433)	784,453	(14,418)	(8,216)
City of Wanneroo	(1,035,433)	784,453	(14,418)	(8,216)
Town of Vincent	(517,717)	392,227	(7,209)	(4,108)
City of Stirling	<u>(2,070,863)</u>	<u>1,568,906</u>	<u>(28,836)</u>	<u>(16,432)</u>
	<u>(6,212,597)</u>	<u>4,706,720</u>	<u>(86,508)</u>	<u>(49,296)</u>
Change in Contributed Equity	<u>(1,641,681)</u>			

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

12. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	2012 \$	2012 Budget \$	2011 \$
Cash and Cash Equivalents	<u>13,454,179</u>	<u>894,905</u>	<u>14,832,197</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	(49,295)	(533,585)	(280,991)
Depreciation	19,809	4,502	6,323
(Profit)/Loss on Sale of Asset	269	0	0
(Increase)/Decrease in Receivables	17,924	(8,000)	(20,262)
(Increase)/Decrease in Inventories			
Increase/(Decrease) in Payables	307,614	35,000	(18,081)
Increase/(Decrease) in Employee Provisions	31,833	9,000	12,116
Net Cash from Operating Activities	<u>328,154</u>	<u>(493,083)</u>	<u>(300,895)</u>
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank Overdraft limit	0		0
Bank Overdraft at Balance Date	0		0
Credit Card limit	7,000		7,000
	(2,669)		0
Total Amount of Credit Unused	<u>4,331</u>		<u>7,000</u>
Loan Facilities			
Loan Facilities - Current	0		0
Loan Facilities - Non-Current	0		0
Total Facilities in Use at Balance Date	<u>0</u>		<u>0</u>
Unused Loan Facilities at Balance Date	<u>Nil</u>		<u>Nil</u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

13. CONTINGENT LIABILITIES

The Regional Council has no contingent liabilities at 30 June 2012.

14. CAPITAL AND LEASING COMMITMENTS**(a) Finance Lease Commitments**

The Regional Council has no Finance Lease Commitments at 30 June 2012.

(b) Operating Lease Commitments

The Regional Council has no Operating Lease Commitments at 30 June 2012.

(c) Capital Expenditure Commitments

	2012	2011
	\$	\$
Contracted for:		
- capital expenditure projects	7,916,343	1,991,402
- plant & equipment purchases	0	0
Payable:		
- not later than one year	7,916,343	1,991,402

The capital expenditure project outstanding at the end of the current reporting period represents Catalina - Earthworks and Civil Works

15. JOINT VENTURE

The Regional Council did not participate in any joint ventures with other entities.

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

General Purpose Funding	45,272	18,519
Other Property and Services	108,273	14,565
Unallocated	15,454,179	16,876,874
	<u>15,607,724</u>	<u>16,909,958</u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

	2012	2011	2010
17. FINANCIAL RATIOS			
Current Ratio	27.67	102.58	97.06
Untied Cash to Unpaid Trade Creditors Ratio	33.68	155.74	162.68
Debt Ratio	0.03	0.01	0.01
Debt Service Ratio	N/A	N/A	N/A
Gross Debt to Revenue Ratio	N/A	N/A	N/A
Gross Debt to Economically Realisable Assets Ratio	N/A	N/A	N/A
Rate Coverage Ratio	N/A	N/A	N/A
Outstanding Rates Ratio	N/A	N/A	N/A

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio	$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio	$\frac{\text{debt service cost}}{\text{available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{gross debt}}{\text{total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{gross debt}}{\text{economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{net rate revenue}}{\text{operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{rates outstanding}}{\text{rates collectable}}$

Appendix Item 8.3
TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

18. TRUST FUNDS

The Regional Council holds no funds in trust.

19. DISPOSALS OF ASSETS - 2011/12 FINANCIAL YEAR

The following assets have been disposed of during the period under review:

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	30 June 2012 Actual \$	30 June 2012 Actual \$	30 June 2012 Actual \$
Administration Conference Table	834	565	(269)
	834	565	(269)

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	30 June 2012 Actual \$	30 June 2012 Actual \$	30 June 2012 Actual \$
Furniture & Equipment	834	565	(269)
	834	565	(269)

(There were no budgeted items for disposal of assets during the financial year).

<u>Summary</u>	30 June 2012 Actual \$
Profit on Asset Disposals	0
Loss on Asset Disposals	(269)
	<u>(269)</u>

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

Appendix Item 8.3

20. INFORMATION ON BORROWINGS

The Regional Council has no borrowings

21. RATING INFORMATION - 2011/12 FINANCIAL YEAR

A Regional Council does not impose rates.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

21. RATING INFORMATION - 2011/12 FINANCIAL YEAR	2012	2011
(b) Information on Surplus/(Deficit) Brought Forward	(1 July 2011 Brought Forward)	(30 June 2011 Carried Forward)
	\$	\$
Surplus/(Deficit) 1 July 2011 Brought Forward	<u>14,800,401</u>	<u>14,800,401</u>
<u>Comprises:</u>		
Cash - Unrestricted	14,832,197	14,832,197
Cash - Restricted		
Investments - Restricted		
Rates - Current		
Sundry Debtors	64,196	64,196
GST Receivable		
Inventories		
- Fuel and Materials		
- History Books		
Less:		
Reserves - Restricted Cash		
- Leave Reserve		
- Plant Reserve		
- Building Reserve		
Reserves - Restricted Investments		
- Building Reserve		
Sundry Creditors	(95,992)	(95,992)
Accrued Interest on Debentures		
Accrued Salaries and Wages		
Current Employee Benefits Provision		
Surplus/(Deficit)	<u>14,800,401</u>	<u>14,800,401</u>

Difference:

There was no difference between the Surplus/(Deficit) 1 July 2011 Brought Forward position used in the 2012 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2011 audited financial report.

Appendix Item 8.3
TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

22. SPECIFIED AREA RATE - 2011/12 FINANCIAL YEAR

No specified area rates have been levied during the year 2011/12.

23. SERVICE CHARGES - 2011/12 FINANCIAL YEAR

No services charges were raised during the year 2011/12.

**24. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2011/12 FINANCIAL YEAR**

The Regional Council did not offer discounts, incentives, concessions or write offs.

25. INTEREST CHARGES AND INSTALMENTS - 2011/12 FINANCIAL YEAR

Pursuant to Section 6.51 of the Local Government Act 1995 and Local Government (Financial Mangement) Regulation 1996 paragraph 27(a) the Regional Council did not impose an interest charge.

26. FEES & CHARGES

The Regional Council did not receive any revenue from Fees and Charges during the year ended 30 June 2012.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

Appendix Item 8.3

27. GRANT REVENUE

The Regional Council did not receive any grants during the year ended 20 June 2012.

28. ELECTED MEMBERS REMUNERATION

The following fees, expenses and allowances were paid to council members and/or the Chairman.

	2012 \$	2012 Budget \$	2011 \$
Elected Members Remuneration	91,000	84,000	91,000
Chairman's Allowance	9,000	13,000	6,000
Deputy Chairman's Allowance	2,250	1,500	1,500
Travelling Expenses	0	0	0
Telecommunications Allowance	0	0	0
	102,250	98,500	98,500

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

	2012	2011
	2.63	2.00

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

Appendix Item 8.3

30. MAJOR LAND TRANSACTIONS

The Regional Council is did not undertake any major land transactions during the year ended 30 June 2012.

During the year ended 30 June 2012 the Regional Council acted as an agent at no charge on behalf of seven member local governments in undertaking a major land transaction.

31. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Regional Council did not participate in any trading undertakings or major trading undertakings during the year ended 30 June 2012.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

32. FINANCIAL RISK MANAGEMENT

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

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are discussed in the notes to and forming part of the Annual Financial Statements.

Investment of Council funds:

The Tamala Park Regional Council has adopted a formal investment policy. Staff have been operating under this policy with regards to the risk of Council funds and have restricted investment of funds to fixed interest term deposits with Australian banks.

	Carrying Value		Fair Value	
	2012 \$	2011 \$	2012 \$	2011 \$
Financial Assets				
Cash and cash equivalents	13,454,179	14,832,197	13,454,179	14,832,197
Receivables	46,272	64,196	46,272	64,196
	<u>13,500,451</u>	<u>14,896,393</u>	<u>13,500,451</u>	<u>14,896,393</u>
Financial Liabilities				
Payables	412,956	105,342	412,956	105,342
Borrowings	0	0	0	0
	<u>412,956</u>	<u>105,342</u>	<u>412,956</u>	<u>105,342</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

32. FINANCIAL RISK MANAGEMENT (Continued)**(a) Cash and Cash Equivalents**

The Regional Council invests funds that are not required immediately in term deposits. The Regional Council is subject to interest rate risk in that future cash flows may fluctuate because of changes in market Interest rate.

	2012	2011
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	134,542	148,322
- Statement of Comprehensive Income	134,542	148,322

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

32. FINANCIAL RISK MANAGEMENT (Continued)**(b) Receivables**

The Council's receivables are classified as Interest Receivables, Goods and Services Tax and General Debtors. Interest Receivables represents interest earned on surplus funds invested, Goods and Services Tax represents monies owed by the Australian Taxation Office to the Council.

The Council's General Debtors include bond, reimbursements and contributions. The Council has exposure to credit risk in that debtors may not be able to meet their commitment to repay debts, The Council reviews its outstanding debts regularly and commences a variety of recovery techniques.

The profile of the Council's credit risk at balance date was:

	2012	2011
Percentage of Other Receivables		
- Current	100.00%	100.00%
- Overdue	0.00%	0.00%

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

32. FINANCIAL RISK MANAGEMENT (Continued)**(c) Payables****Borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the liquidity sensitivity table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2012</u>					
Payables	412,956	0	0	412,956	412,956
Borrowings	0	0	0	0	0
	<u>412,956</u>	<u>0</u>	<u>0</u>	<u>412,956</u>	<u>412,956</u>
<u>2011</u>					
Payables	105,342	0	0	105,342	105,342
Borrowings	0	0	0	0	0
	<u>105,342</u>	<u>0</u>	<u>0</u>	<u>105,342</u>	<u>105,342</u>

INDEPENDENT AUDITOR'S REPORT

TO: MEMBERS OF TAMALA PARK REGIONAL COUNCIL

We have audited the financial report of the Tamala Park Regional Council, which comprises the Statement of Financial Position as at 30 June 2012 and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of the Tamala Park Regional Council:


- (i) gives a true and fair view of the financial position of the Tamala Park Regional Council as at 30 June 2012 and of its financial performance for the year ended on that date; and
- (ii) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards (including the Australian Accounting Interpretations).

Statutory Compliance

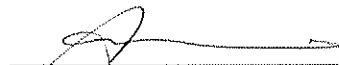
We did not during the course of our audit become aware of any instances where the Council did not comply with the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Tamala Park Regional Council for the year ended 30 June 2012 included on Tamala Park Regional Council's website. The Council is responsible for the integrity of Tamala Park Regional Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



**MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100**



**A MACRI
PARTNER**

**PERTH
DATED THIS 21st DAY OF NOVEMBER 2012.**



APPENDIX ITEM 9.7

TAMALA PARK REGIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

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TAMALA PARK REGIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of Tamala Park Regional Council being the annual financial report and other information for the financial year ended 30th June 2012 are in my opinion properly drawn up to present fairly the financial position of Tamala Park Regional Council at 30th June 2012 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 15th day of October 2012


Tony Arias
Chief Executive Officer

Appendix Item 8.3
TAMALA PARK REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue				
Interest Earnings	2(a)	730,315	207,700	877,022
Other Revenue		<u>2,275</u>	<u>1,894,752</u>	<u>1,251</u>
		732,590	2,102,452	878,273
Expenses				
Employee Costs		(492,046)	(564,369)	(408,146)
Materials and Contracts		(150,850)	(1,540,750)	(597,932)
Utility Charges		0	(1,800)	(1,560)
Depreciation on Non-Current Assets	2(a)	(19,809)	(4,502)	(6,323)
Insurance Expenses		(8,433)	(7,400)	(4,858)
Other Expenditure		<u>(110,478)</u>	<u>(517,216)</u>	<u>(140,445)</u>
		<u>(781,616)</u>	<u>(2,636,037)</u>	<u>(1,159,264)</u>
		(49,026)	(533,585)	(280,991)
Loss on Asset Disposal	19	<u>(269)</u>	<u>0</u>	<u>0</u>
Net Result		(49,295)	(533,585)	(280,991)
Other Comprehensive Income		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>(49,295)</u></u>	<u><u>(533,585)</u></u>	<u><u>(280,991)</u></u>

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

TAMALA PARK REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
Appendix Item 8.3
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue				
General Purpose Funding		730,315	207,700	877,072
Other Property and Services		<u>2,275</u>	<u>1,894,752</u>	<u>1,201</u>
	2(a)	732,590	2,102,452	878,273
Expenses				
Governance		(107,665)	(118,500)	(99,036)
Other Property and Services		<u>(673,951)</u>	<u>(2,517,537)</u>	<u>(1,060,228)</u>
	2(a)	(781,616)	(2,636,037)	(1,159,264)
Profit/(Loss) on Disposal of Assets				
Other Property & Services		<u>(269)</u>	<u>0</u>	<u>0</u>
		(269)	0	0
Net Result		<u>(49,295)</u>	<u>(533,585)</u>	<u>(280,991)</u>
Other Comprehensive Income		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>(49,295)</u></u>	<u><u>(533,585)</u></u>	<u><u>(280,991)</u></u>

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

**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2012**

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	13,454,179	14,832,197
Trade and Other Receivables	4	<u>46,272</u>	<u>64,196</u>
TOTAL CURRENT ASSETS		<u>13,500,451</u>	<u>14,896,393</u>
NON-CURRENT ASSETS			
Inventories	5	2,000,000	2,000,000
Property, Plant and Equipment	6	<u>107,273</u>	<u>13,565</u>
TOTAL NON-CURRENT ASSETS		<u>2,107,273</u>	<u>2,013,565</u>
TOTAL ASSETS	16	<u>15,607,724</u>	<u>16,909,958</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	412,956	105,342
Provisions	10	<u>74,898</u>	<u>39,882</u>
TOTAL CURRENT LIABILITIES		<u>487,854</u>	<u>145,224</u>
NON-CURRENT LIABILITIES			
Provisions	10	<u>9,863</u>	<u>13,046</u>
TOTAL NON-CURRENT LIABILITIES		<u>9,863</u>	<u>13,046</u>
TOTAL LIABILITIES		<u>497,717</u>	<u>158,270</u>
NET ASSETS		<u>15,110,007</u>	<u>16,751,688</u>
EQUITY			
Retained Surplus		769,875	769,875
Contributed Equity	11	<u>14,340,132</u>	<u>15,981,813</u>
TOTAL EQUITY		<u>15,110,007</u>	<u>16,751,688</u>

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

TAMALA PARK REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2012

NOTE	RETAINED SURPLUS \$	CONTRIBUTED EQUITY \$	TOTAL EQUITY \$
Balance as at 1 July 2010	1,050,866	16,067,703	17,118,569
Net Result	(280,991)	0	(280,991)
Total Other Comprehensive Income	0	0	0
Distribution to Members	0	(85,890)	(85,890)
	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2011	769,875	15,981,813	16,751,688
Net Result	(49,295)	0	(49,295)
Total Other Comprehensive Income	0	0	0
Member Contributions	49,295	(1,641,681)	(1,592,386)
	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2012	<u>769,875</u>	<u>14,340,132</u>	<u>15,110,007</u>

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

**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2012**

	NOTE	2012 \$	2012 Budget \$	2011 \$
Cash Flows From Operating Activities				
Receipts				
Interest Earnings		730,315	199,700	894,868
Goods and Services Tax		349,260	1,600,000	0
Other Revenue		2,275	1,894,952	1,251
		<u>1,081,850</u>	<u>3,694,652</u>	<u>896,119</u>
Payments				
Employee Costs		(441,985)	(555,369)	(415,811)
Materials and Contracts		(150,364)	(1,505,750)	(596,283)
Utility Charges		0	(1,800)	(1,560)
Insurance Expenses		(8,433)	(7,400)	(4,858)
Goods and Services Tax		(42,436)	(1,600,000)	(38,057)
Other Expenditure		(110,478)	(517,416)	(140,445)
		<u>(753,696)</u>	<u>(4,187,735)</u>	<u>(1,197,014)</u>
Net Cash Provided By (Used In)				
Operating Activities	12(b)	<u>328,154</u>	<u>(493,083)</u>	<u>(300,895)</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(114,351)	(13,369,209)	(6,125)
Proceeds from Sale of Plant & Equipment		565	0	0
Net Cash Provided By (Used In)				
Investing Activities		(113,786)	(13,369,209)	(6,125)
Cash Flows from Financing Activities				
Repayment of Members Contributions		(1,592,386)	(75,000)	(85,890)
Net Cash Provided By (Used In)				
Financing Activities		(1,592,386)	(75,000)	(85,890)
Net Increase (Decrease) in Cash Held		(1,378,018)	(13,937,292)	(392,910)
Cash at Beginning of Year		14,832,197	14,832,197	15,225,107
Cash and Cash Equivalents at the End of the Year	12(a)	<u>13,454,179</u>	<u>894,905</u>	<u>14,832,197</u>

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

**TAMALA PARK REGIONAL COUNCIL
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012**

	NOTE	2012 Actual \$	2012 Budget \$	2011 Actual \$
Revenue				
Governance		730,315	207,700	877,072
Other Property and Services		2,275	1,894,752	1,201
		<u>732,590</u>	<u>2,102,452</u>	<u>878,273</u>
Expenses				
Governance		(107,665)	(118,500)	(99,036)
Other Property and Services		(674,220)	(2,517,537)	(1,060,228)
		<u>(781,885)</u>	<u>(2,636,037)</u>	<u>(1,159,264)</u>
Net Result Excluding Rates		(49,295)	(533,585)	(280,991)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	19	269	0	0
Movement in Accruals		(9,350)	0	0
Movement in provisions for employee entitlements		(43,065)	0	19,117
Movement in provision for audit fees		0	0	2,349
Depreciation and Amortisation on Assets	2(a)	19,809	4,502	6,323
Capital Expenditure and Revenue				
Improvements to Leasehold Premises		(111,242)	0	0
Purchase Land and Buildings		0	(80,000)	0
Purchase Infrastructure Assets - Other		0	(13,249,209)	0
Purchase Furniture and Equipment		(3,109)	(40,000)	(6,125)
Repayment of Member Contributions		(1,592,386)	(75,000)	(85,890)
Proceeds from Disposal of Assets	19	565	0	0
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	21(b)	14,800,401	14,800,401	15,145,618
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		13,012,597	827,109	14,800,401
Amount Required to be Raised from Rates	21	<u>0</u>	<u>0</u>	<u>0</u>

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this 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.

(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 a separate statement of those monies appears at Note 18 to these financial statements.

(c) Goods and Services Tax

Revenues, expenses and assets capitalised are stated net of any GST recoverable.

Receivables and payables in the statement of financial position are stated inclusive of applicable GST. 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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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

Collectibility 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.

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

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

(g) Fixed Assets

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

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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

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.

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

Depreciation of Non-Current 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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets (Continued)

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 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 \$2,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

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

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

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(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.

Impairment

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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) Joint Venture

The Regional Council did not participate in any joint ventures with other entities.

(p) 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.

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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Superannuation

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

(r) Current and Non-Current Classification

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

(s) Rounding Off Figures

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

(t) Comparative Figures

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

(u) Budget Comparative Figures

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) New Accounting Standards and Interpretations for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2012.

Council's assessment of these new and amended standards and interpretations is set out below:

	Title and Topic	Issued	Applicable (*)	Impact
(i)	AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii)	AASB 1053 - Application of Tiers of Australian Accounting Standards	June 2010	01 July 2013	Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iii)	AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(iv) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	01 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(v) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12,19 & 127]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(vi) AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]	December 2010	01 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(vii) AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009 - 11 & 2010 - 7]	December 2010	01 January 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2011 - 2 Amendments to Australian Accounting Standards - Arising from the Trans-Tasman Consequence Project - Reduced Disclosure Requirements. [AASB 101 & 1054]	May 2011	01 July 2013	
AASB 2011 - 3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to ABS GFS manual and related Amendments. [AASB 1049]	May 2011	01 July 2012	
AASB 2011 - 6 Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127,128 & 131]	July 2011	01 July 2013	

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	01 January 2013	Nil - None of these, except for AASB 128, are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. The Regional Council did not participate in any joint ventures with other entities.

TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(ix) AASB 13 - Fair Value Measurement, AASB 2011 - 8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	September 2011	01 January 2013	AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 requires inputs to all fair value measurements to be categorised in accordance with fair value hierarchy. AASB 13 also requires enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value. AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its fixed assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards. The amendments to the legislation requires the phasing in of fair value in relation to fixed assets over the three years from 1 July 2012. It is not possible to estimate the likely amount of any revaluations.
(x) AASB 2011 - 9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Appendix Item 8.3

(v) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title and Topic	Issued	Applicable (*)	Impact
(xi)	AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(xii)	AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	September 2011	01 July 2013	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	AASB 2011 – 12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]	November 2011	01 January 2013	
	AASB 2011 – 13 Amendments to Australian Accounting Standards – Improvements to AASB 1049	December 2011	01 July 2012	

Notes:

(*) Applicable to reporting periods commencing on or after the given date.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Adoption of New and Revised Accounting Standards

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory and which were applicable to its operations.

These new and revised standards were:

- AASB 124
- AASB 1054
- AASB 2009 - 12
- AASB 2009 - 14
- AASB 2010 - 4
- AASB 2010 - 5
- AASB 2010 - 6
- AASB 2010 - 9
- AASB 2011 - 1

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

(x) Events After the Reporting Period

The Australian Government passed the Clean Energy Act 2011 on 8 November 2011 introducing a carbon pricing mechanism from 1 July 2012.

The Regional Council does not have a direct carbon price liability as it does not fall within the 'major polluters' as defined by the Australian Government. It will be impacted by the indirect flow-through of the carbon price via increased costs on its operations largely from cost increases in electricity, materials and waste disposal in landfills.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

2. REVENUE AND EXPENSES

(a) Net Result

	2012	2011
	\$	\$
The Net Result includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit	9,050	7,090
- Other Services	0	0
Depreciation		
Improvements to Leasehold Premises	11,124	0
Furniture and Equipment	8,685	6,323
	<u>19,809</u>	<u>6,323</u>
(ii) Crediting as Revenue:	2012	2012
	\$	Budget
		\$
Interest Earnings		
Investments		
- Other Funds	<u>730,315</u>	<u>207,700</u>
	<u>730,315</u>	<u>877,022</u>
		<u>877,022</u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

The Regional Council has a specific regional purpose which is:

- a) To undertake in accordance with the objectives, the rezoning, subdivision, development, marketing and sale of land comprising the developable portion of lot 118 Mindarrie (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.

Description of Programs

The principal activities of the Regional Council covers the provision of General Purpose Funding, Governance and Other Property and Services as permitted under the Local Government Act 1995 or other written law.

GENERAL PURPOSE FUNDING

Interest received on investments.

GOVERNANCE

Member of Council Allowances and Reimbursements and Administration expenses.

OTHER PROPERTY AND SERVICES

Other Unclassified Activities

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

The Regional Council did not have any conditions over Grants/Contributions as at 30 June 2012.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

	2012	2011
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	<u>13,454,179</u>	<u>14,832,197</u>
	<u><u>13,454,179</u></u>	<u><u>14,832,197</u></u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Interest Receivable	45,272	18,519
GST Receivable	0	44,626
Accommodation Bond - City of Stirling	1,000	1,000
Superannuation Contributions	<u>0</u>	<u>51</u>
	<u><u>46,272</u></u>	<u><u>64,196</u></u>
5. INVENTORIES		
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	<u>2,000,000</u>	<u>2,000,000</u>
	<u><u>2,000,000</u></u>	<u><u>2,000,000</u></u>

As the Regional Council has no current plans to develop Lot 807 Neerabup Road the property has been reclassified as non-current.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

	2012	2011
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Furniture and Equipment - Cost	32,514	33,684
Less Accumulated Depreciation	<u>(26,793)</u>	<u>(20,119)</u>
	5,721	13,565
Improvements to Leasehold Property - Cost	112,676	0
Less Accumulated Depreciation	<u>(11,124)</u>	<u>0</u>
	101,552	0
	<u>107,273</u>	<u>13,565</u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning of the current financial year.

	Furniture & Equipment \$	Improvements to Leasehold Property \$	Total \$
	<u> </u>	<u> </u>	<u> </u>
Balance as at the beginning of the year	13,565	0	13,565
Additions	3,109	111,242	114,351
(Disposals)	(834)	0	(834)
Revaluation - Increments	0	0	0
- (Decrements)	0	0	0
Impairment - (Losses)	0	0	0
- Reversals	0	0	0
Depreciation (Expense)	(8,685)	(11,124)	(19,809)
Carrying amount at the end of year	<u>7,155</u>	<u>100,118</u>	<u>107,273</u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

7. INFRASTRUCTURE

The Regional Council carried no infrastructure at 30 June 2012.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

	2012	2011
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	384,140	95,240
ATO Liability	15,390	10,102
Accrued Expenses	13,426	0
	<u>412,956</u>	<u>105,342</u>
9. LONG-TERM BORROWINGS		
The Regional Council had no long term borrowings at 30 June 2012.		
10. PROVISIONS		
Current		
Provision for Annual Leave	74,898	39,882
	<u>74,898</u>	<u>39,882</u>
Non-Current		
Provision for Long Service Leave	9,863	13,046
	<u>9,863</u>	<u>13,046</u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

11. MEMBERS EQUITY

The equity held by the member councils are as follows:

		2012	2011
		\$	\$
Town of Victoria Park	One Twelfth	1,259,167	1,395,974
City of Perth	One Twelfth	1,259,167	1,395,974
Town of Cambridge	One Twelfth	1,259,167	1,395,974
City of Joondalup	One Sixth	2,518,334	2,791,948
City of Wanneroo	One Sixth	2,518,334	2,791,948
Town of Vincent	One Twelfth	1,259,167	1,395,974
City of Stirling	One Third	5,036,671	5,583,896
		<u>15,110,007</u>	<u>16,751,688</u>

Change in Contributed Equity (1,641,681)

Change in Contributed Equity Represented by:

	Land Development Expenses	Proceeds of Sale of Member Land	Rates Equivalent	TPRC Nett Result
Town of Victoria Park	(517,717)	392,227	(7,209)	(4,108)
City of Perth	(517,717)	392,227	(7,209)	(4,108)
Town of Cambridge	(517,717)	392,227	(7,209)	(4,108)
City of Joondalup	(1,035,433)	784,453	(14,418)	(8,216)
City of Wanneroo	(1,035,433)	784,453	(14,418)	(8,216)
Town of Vincent	(517,717)	392,227	(7,209)	(4,108)
City of Stirling	<u>(2,070,863)</u>	<u>1,568,906</u>	<u>(28,836)</u>	<u>(16,432)</u>
	<u>(6,212,597)</u>	<u>4,706,720</u>	<u>(86,508)</u>	<u>(49,296)</u>
Change in Contributed Equity	<u>(1,641,681)</u>			

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

12. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	2012 \$	2012 Budget \$	2011 \$
Cash and Cash Equivalents	<u>13,454,179</u>	<u>894,905</u>	<u>14,832,197</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	(49,295)	(533,585)	(280,991)
Depreciation	19,809	4,502	6,323
(Profit)/Loss on Sale of Asset	269	0	0
(Increase)/Decrease in Receivables	17,924	(8,000)	(20,262)
(Increase)/Decrease in Inventories			
Increase/(Decrease) in Payables	307,614	35,000	(18,081)
Increase/(Decrease) in Employee Provisions	31,833	9,000	12,116
Net Cash from Operating Activities	<u>328,154</u>	<u>(493,083)</u>	<u>(300,895)</u>
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank Overdraft limit	0		0
Bank Overdraft at Balance Date	0		0
Credit Card limit	7,000		7,000
	(2,669)		0
Total Amount of Credit Unused	<u>4,331</u>		<u>7,000</u>
Loan Facilities			
Loan Facilities - Current	0		0
Loan Facilities - Non-Current	0		0
Total Facilities in Use at Balance Date	<u>0</u>		<u>0</u>
Unused Loan Facilities at Balance Date	<u>Nil</u>		<u>Nil</u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

13. CONTINGENT LIABILITIES

The Regional Council has no contingent liabilities at 30 June 2012.

14. CAPITAL AND LEASING COMMITMENTS**(a) Finance Lease Commitments**

The Regional Council has no Finance Lease Commitments at 30 June 2012.

(b) Operating Lease Commitments

The Regional Council has no Operating Lease Commitments at 30 June 2012.

(c) Capital Expenditure Commitments

	2012	2011
	\$	\$
Contracted for:		
- capital expenditure projects	7,916,343	1,991,402
- plant & equipment purchases	0	0
Payable:		
- not later than one year	7,916,343	1,991,402

The capital expenditure project outstanding at the end of the current reporting period represents Catalina - Earthworks and Civil Works

15. JOINT VENTURE

The Regional Council did not participate in any joint ventures with other entities.

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

General Purpose Funding	45,272	18,519
Other Property and Services	108,273	14,565
Unallocated	15,454,179	16,876,874
	<u>15,607,724</u>	<u>16,909,958</u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

17. FINANCIAL RATIOS	2012	2011	2010
Current Ratio	27.67	102.58	97.06
Untied Cash to Unpaid Trade Creditors Ratio	33.68	155.74	162.68
Debt Ratio	0.03	0.01	0.01
Debt Service Ratio	N/A	N/A	N/A
Gross Debt to Revenue Ratio	N/A	N/A	N/A
Gross Debt to Economically Realisable Assets Ratio	N/A	N/A	N/A
Rate Coverage Ratio	N/A	N/A	N/A
Outstanding Rates Ratio	N/A	N/A	N/A

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio	$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio	$\frac{\text{debt service cost}}{\text{available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{gross debt}}{\text{total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{gross debt}}{\text{economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{net rate revenue}}{\text{operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{rates outstanding}}{\text{rates collectable}}$

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TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

18. TRUST FUNDS

The Regional Council holds no funds in trust.

19. DISPOSALS OF ASSETS - 2011/12 FINANCIAL YEAR

The following assets have been disposed of during the period under review:

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	30 June 2012 Actual \$	30 June 2012 Actual \$	30 June 2012 Actual \$
Administration Conference Table	834	565	(269)
	834	565	(269)

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	30 June 2012 Actual \$	30 June 2012 Actual \$	30 June 2012 Actual \$
Furniture & Equipment	834	565	(269)
	834	565	(269)

(There were no budgeted items for disposal of assets during the financial year).

<u>Summary</u>	30 June 2012 Actual \$
Profit on Asset Disposals	0
Loss on Asset Disposals	(269)
	<u>(269)</u>

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

Appendix Item 8.3

20. INFORMATION ON BORROWINGS

The Regional Council has no borrowings

21. RATING INFORMATION - 2011/12 FINANCIAL YEAR

A Regional Council does not impose rates.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

21. RATING INFORMATION - 2011/12 FINANCIAL YEAR	2012 (1 July 2011 Brought Forward) \$	2011 (30 June 2011 Carried Forward) \$
(b) Information on Surplus/(Deficit) Brought Forward		
Surplus/(Deficit) 1 July 2011 Brought Forward	<u>14,800,401</u>	<u>14,800,401</u>
<u>Comprises:</u>		
Cash - Unrestricted	14,832,197	14,832,197
Cash - Restricted		
Investments - Restricted		
Rates - Current		
Sundry Debtors	64,196	64,196
GST Receivable		
Inventories		
- Fuel and Materials		
- History Books		
Less:		
Reserves - Restricted Cash		
- Leave Reserve		
- Plant Reserve		
- Building Reserve		
Reserves - Restricted Investments		
- Building Reserve		
Sundry Creditors	(95,992)	(95,992)
Accrued Interest on Debentures		
Accrued Salaries and Wages		
Current Employee Benefits Provision		
Surplus/(Deficit)	<u>14,800,401</u>	<u>14,800,401</u>

Difference:

There was no difference between the Surplus/(Deficit) 1 July 2011 Brought Forward position used in the 2012 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2011 audited financial report.

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TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. SPECIFIED AREA RATE - 2011/12 FINANCIAL YEAR

No specified area rates have been levied during the year 2011/12.

23. SERVICE CHARGES - 2011/12 FINANCIAL YEAR

No services charges were raised during the year 2011/12.

**24. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2011/12 FINANCIAL YEAR**

The Regional Council did not offer discounts, incentives, concessions or write offs.

25. INTEREST CHARGES AND INSTALMENTS - 2011/12 FINANCIAL YEAR

Pursuant to Section 6.51 of the Local Government Act 1995 and Local Government (Financial Mangement) Regulation 1996 paragraph 27(a) the Regional Council did not impose an interest charge.

26. FEES & CHARGES

The Regional Council did not receive any revenue from Fees and Charges during the year ended 30 June 2012.

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TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

27. GRANT REVENUE

The Regional Council did not receive any grants during the year ended 20 June 2012.

28. ELECTED MEMBERS REMUNERATION	2012	2012	2011
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the Chairman.			
Elected Members Remuneration	91,000	84,000	91,000
Chairman's Allowance	9,000	13,000	6,000
Deputy Chairman's Allowance	2,250	1,500	1,500
Travelling Expenses	0	0	0
Telecommunications Allowance	0	0	0
	<u>102,250</u>	<u>98,500</u>	<u>98,500</u>

29. EMPLOYEE NUMBERS	2012	2011
The number of full-time equivalent employees at balance date	<u>2.63</u>	<u>2.00</u>

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

Appendix Item 8.3

30. MAJOR LAND TRANSACTIONS

The Regional Council is did not undertake any major land transactions during the year ended 30 June 2012.

During the year ended 30 June 2012 the Regional Council acted as an agent at no charge on behalf of seven member local governments in undertaking a major land transaction.

31. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Regional Council did not participate in any trading undertakings or major trading undertakings during the year ended 30 June 2012.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

32. FINANCIAL RISK MANAGEMENT

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

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are discussed in the notes to and forming part of the Annual Financial Statements.

Investment of Council funds:

The Tamala Park Regional Council has adopted a formal investment policy. Staff have been operating under this policy with regards to the risk of Council funds and have restricted investment of funds to fixed interest term deposits with Australian banks.

	Carrying Value		Fair Value	
	2012 \$	2011 \$	2012 \$	2011 \$
Financial Assets				
Cash and cash equivalents	13,454,179	14,832,197	13,454,179	14,832,197
Receivables	46,272	64,196	46,272	64,196
	<u>13,500,451</u>	<u>14,896,393</u>	<u>13,500,451</u>	<u>14,896,393</u>
Financial Liabilities				
Payables	412,956	105,342	412,956	105,342
Borrowings	0	0	0	0
	<u>412,956</u>	<u>105,342</u>	<u>412,956</u>	<u>105,342</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

32. FINANCIAL RISK MANAGEMENT (Continued)**(a) Cash and Cash Equivalents**

The Regional Council invests funds that are not required immediately in term deposits. The Regional Council is subject to interest rate risk in that future cash flows may fluctuate because of changes in market Interest rate.

	2012	2011
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	134,542	148,322
- Statement of Comprehensive Income	134,542	148,322

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

32. FINANCIAL RISK MANAGEMENT (Continued)**(b) Receivables**

The Council's receivables are classified as Interest Receivables, Goods and Services Tax and General Debtors. Interest Receivables represents interest earned on surplus funds invested, Goods and Services Tax represents monies owed by the Australian Taxation Office to the Council.

The Council's General Debtors include bond, reimbursements and contributions. The Council has exposure to credit risk in that debtors may not be able to meet their commitment to repay debts, The Council reviews its outstanding debts regularly and commences a variety of recovery techniques.

The profile of the Council's credit risk at balance date was:

	2012	2011
Percentage of Other Receivables		
- Current	100.00%	100.00%
- Overdue	0.00%	0.00%

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

32. FINANCIAL RISK MANAGEMENT (Continued)**(c) Payables****Borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the liquidity sensitivity table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2012</u>					
Payables	412,956	0	0	412,956	412,956
Borrowings	0	0	0	0	0
	<u>412,956</u>	<u>0</u>	<u>0</u>	<u>412,956</u>	<u>412,956</u>
<u>2011</u>					
Payables	105,342	0	0	105,342	105,342
Borrowings	0	0	0	0	0
	<u>105,342</u>	<u>0</u>	<u>0</u>	<u>105,342</u>	<u>105,342</u>

INDEPENDENT AUDITOR'S REPORT

TO: MEMBERS OF TAMALA PARK REGIONAL COUNCIL

We have audited the financial report of the Tamala Park Regional Council, which comprises the Statement of Financial Position as at 30 June 2012 and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.



Auditor's Opinion

In our opinion, the financial report of the Tamala Park Regional Council:

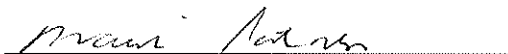
- (i) gives a true and fair view of the financial position of the Tamala Park Regional Council as at 30 June 2012 and of its financial performance for the year ended on that date; and
- (ii) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards (including the Australian Accounting Interpretations).

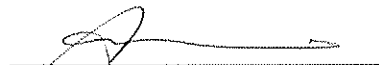
Statutory Compliance

We did not during the course of our audit become aware of any instances where the Council did not comply with the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Tamala Park Regional Council for the year ended 30 June 2012 included on Tamala Park Regional Council's website. The Council is responsible for the integrity of Tamala Park Regional Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.


MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100


A MACRI
PARTNER

PERTH
DATED THIS 21st DAY OF NOVEMBER 2012.



APPENDIX ITEM 9.8

INDEPENDENT AUDITOR'S REPORT

TO: MEMBERS OF TAMALA PARK REGIONAL COUNCIL

We have audited the financial report of the Tamala Park Regional Council, which comprises the Statement of Financial Position as at 30 June 2012 and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.



Auditor's Opinion

In our opinion, the financial report of the Tamala Park Regional Council:


- (i) gives a true and fair view of the financial position of the Tamala Park Regional Council as at 30 June 2012 and of its financial performance for the year ended on that date; and
- (ii) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards (including the Australian Accounting Interpretations).

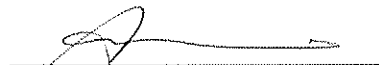
Statutory Compliance

We did not during the course of our audit become aware of any instances where the Council did not comply with the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Tamala Park Regional Council for the year ended 30 June 2012 included on Tamala Park Regional Council's website. The Council is responsible for the integrity of Tamala Park Regional Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.


MACRI PARTNERS
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SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100


A MACRI
PARTNER

PERTH
DATED THIS 21st DAY OF NOVEMBER 2012.



APPENDIX ITEM 9.9



Tamala Park Regional Council Code of Conduct for Elected Members and Staff

Reviewed and Confirmed on 11 October 2012

Based upon the WALGA Model Code of Conduct – February 2008

TAMALA PARK REGIONAL COUNCIL CODE OF CONDUCT

PREAMBLE

The Code of Conduct provides elected members and staff in Local Government with consistent guidelines for an acceptable standard of professional conduct.

The Code addresses in a concise manner the broader issue of ethical responsibility and encourages greater transparency and accountability in individual Local Governments.

The Code is complementary to the principles adopted in the Local Government Act and regulations which incorporates four fundamental aims to result in:

- a) Better decision-making by local governments;
- b) Greater community participation in the decisions and affairs of local governments;
- c) Greater accountability of local governments to their communities; and
- d) More efficient and effective local government.

The Code provides a guide and a basis of expectations for elected members and staff. It encourages a commitment to ethical and professional behaviour and outlines principles in which individual and collective Local Government responsibilities may be based.

STATUTORY ENVIRONMENT

The Code of Conduct observes statutory requirements of the Local Government Act 1995 (S5.103 – Codes of Conduct) and Local Government (Administration) Regulations 1996 (Regs 34B and 34C).

RULES OF CONDUCT

Council members acknowledge their activities, behaviour and statutory compliance obligations may be scrutinised in accordance with prescribed rules of conduct as described in the Local Government Act 1995 and Local Government (Rules of Conduct) Regulations 2007.

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ROLE OF ELECTED MEMBERS

A Councillor's primary role is to represent the community, and the effective translation of the community's needs and aspirations into a direction and future for the Local Government will be the focus of the Council Member's public life.

TAMALA PARK REGIONAL COUNCIL CODE OF CONDUCT

The role of Council Members as set out in S2.10 of the Local Government Act 1995 follows:

'A Councillor -

- a) Represents the interests of electors, ratepayers and residents of the District;
- b) Provides leadership and guidance to the community in the District;
- c) Facilitates communication between the community and the Council;
- c) Participates in the TPRC's decisionmaking processes at Council and Committee meetings; and
- d) Performs such other functions as are given to the Councillor by the Act or any other written law.

A Councillor is part of the team in which the community has placed its trust to make decisions on its behalf and the community is therefore entitled to expect high standards of conduct from its elected representatives. In fulfilling the various roles, Council members' activities will focus on:

- Achieving a balance in the diversity of community views to develop an overall strategy for the future of the community;
- Achieving sound financial management and accountability in relation to the Local Government's finances;
- Ensuring that appropriate mechanisms are in place to deal with the prompt handling of residents' concerns;
- Working with other governments and organisations to achieve benefits for the community at both a local and regional level;
- Having an awareness of the statutory obligations imposed on Councillors and on Local Governments.

ROLE OF STAFF

The role of staff is determined by the functions of the CEO as set out in S5.41 of the LGA 1995:

"The CEO's functions are to:

- (a) advise the council in relation to the functions of a local government under this Act and other written laws;*
- (b) ensure that advice and information is available to the council so that informed decisions can be made;*
- (c) cause council decisions to be implemented;*
- (d) manage the day to day operations of the local government;*

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TAMALA PARK REGIONAL COUNCIL CODE OF CONDUCT

(e) liaise with the mayor or president on the local government's affairs and the performance of the local government's functions;
(f) speak on behalf of the local government if the mayor or president agrees;
(g) be responsible for the employment, management supervision, direction and dismissal of other employees (subject to S 5.37(2) in relation to senior employees);
(h) ensure that records and documents of the local government are properly kept for the purposes of this Act and any other written law; and
(i) perform any other function specified or delegated by the local government or imposed under this Act or any other written law as a function to be performed by the CEO."

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ROLE OF COUNCIL

The Role of the Council is in accordance with S 2.7 of the Local Government Act 1995:

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"(1) The council —

(a) directs and controls the local government's affairs; and
(b) is responsible for the performance of the local government's functions.

(2) Without limiting subsection (1), the council is to —

(a) oversee the allocation of the local government's finances and resources;
and
(b) determine the local government's policies."

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RELATIONSHIPS BETWEEN COUNCIL MEMBERS AND STAFF

An effective Councillor will work as part of the Council team with the Chief Executive Officer and other members of staff. That teamwork will only occur if Council Members and staff have a mutual respect and co-operate with each other to achieve the Council's corporate goals and implement the Council's strategies. To achieve that position, Council Members need to observe their statutory obligations which include, but are not limited to, the following :

- accept that their role is a leadership, not a management or administrative one;
- acknowledge that they have no capacity to individually direct members of staff to carry out particular functions;
- refrain from publicly criticising staff in a way that casts aspersions on their professional competence and credibility

1. CONFLICT AND DISCLOSURE OF INTEREST

1.1 Conflict of Interest

- Members and staff will ensure that there is no actual (or perceived) conflict of interest between their personal interests and the impartial fulfilment of their professional duties.
- Staff will not engage in private work with or for any person or body with an interest in a proposed or current contract with the Local Government, without first making

TAMALA PARK REGIONAL COUNCIL CODE OF CONDUCT

disclosure to the Chief Executive Officer. In this respect, it does not matter whether advantage is in fact obtained, as any appearance that private dealings could conflict with performance of duties must be scrupulously avoided.

- c) Members and staff will lodge written notice with the Chief Executive Officer describing an intention to undertake a dealing in land within the municipality or which may otherwise be in conflict with the Council's functions (other than purchasing the principal place of residence).
- d) Members and staff who exercise a recruitment or other discretionary function will make disclosure before dealing with relatives or close friends and will disqualify themselves from dealing with those persons.
- e) Staff will refrain from partisan political activities which could cast doubt on their neutrality and impartiality in acting in their professional capacity. An individual's rights to maintain their own political convictions are not impinged upon by this clause. It is recognised that such convictions cannot be a basis for discrimination and this is supported by anti discriminatory legislation.

1.2 Financial Interest

Members and staff will adopt the principles of disclosure of financial interest as contained within the Local Government Act.

1.3 Disclosure of Interest

Definition :

In this clause, and in accordance with Regulation 34C of the Local Government (Administration) Regulations 1996 - "interest" means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.

- a) A person who is an employee and who has an interest in any matter to be discussed at a council or committee meeting attended by the person is required to disclose the nature of the interest -
 - (i) in a written notice given to the CEO before the meeting; or
 - (ii) at the meeting immediately before the matter is discussed.
- b) A person who is an employee and who has given, or will give, advice in respect of any matter to be discussed at a council or committee meeting not attended by the person is required to disclose the nature of any interest the person has in the matter -
 - (i) in a written notice given to the CEO before the meeting; or
 - (ii) at the time the advice is given.

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TAMALA PARK REGIONAL COUNCIL CODE OF CONDUCT

~~c) A requirement described under items (a) and (b) exclude an interest referred to in S 5.60 of the Local Government Act 1995.~~

~~d) A person is excused from a requirement made under items (a) or (b) to disclose the nature of an interest if -~~

~~(i) the person's failure to disclose occurs because the person did not know he or she had an interest in the matter; or~~

~~(ii) the person's failure to disclose occurs because the person did not know the matter in which he or she had an interest would be discussed at the meeting and the person discloses the nature of the interest as soon as possible after becoming aware of the discussion of a matter of that kind.~~

~~e) If a person who is an employee makes a disclosure in a written notice given to the CEO before a meeting to comply with requirements of items (a) or (b), then -~~

~~(i) before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting; and~~

~~(ii) immediately before a matter to which the disclosure relates is discussed at the meeting the person presiding is to bring the notice and its contents to the attention of the persons present.~~

~~f) If -~~

~~(i) to comply with a requirement made under item (a), the nature of a person's interest in a matter is disclosed at a meeting; or~~

~~(ii) a disclosure is made as described in item (d)(ii) at a meeting; or~~

~~(iii) to comply with a requirement made under item (e)(ii), a notice disclosing the nature of a person's interest in a matter is brought to the attention of the persons present at a meeting.~~

~~The nature of the interest is to be recorded in the minutes of the meeting.~~

~~a) In addition to disclosure of financial interests, members and staff, including persons under a contract for services -~~

~~• attending a council or committee meeting; or~~

~~• giving advice to a council or committee meeting;~~

~~are required to disclose any interest they have in a matter to be discussed at the meeting that would give rise to a reasonable belief that the impartiality of the person having the interest would be adversely affected.~~

~~b) Where an interest must be disclosed under (a) above, the disclosure is to be made at the meeting immediately before the matter is discussed or at the time the advice is given, and is to be recorded in the minutes of the meeting.~~

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2. PERSONAL BENEFIT

2.1 Use of Confidential Information

TAMALA PARK REGIONAL COUNCIL CODE OF CONDUCT

Members and staff will not use confidential information to gain improper advantage for themselves or for any other person or body, in ways which are inconsistent with their obligation to act impartially and in good faith, or to improperly cause harm or detriment to any person or organisation.

2.2 Intellectual Property

The title to Intellectual Property in all duties relating to contracts of employment will be assigned to the Local Government upon its creation unless otherwise agreed by separate contract.

2.3 Improper or Undue Influence

Members and staff will not take advantage of their position to improperly influence other members or staff in the performance of their duties or functions, in order to gain undue or improper (direct or indirect) advantage or gain for themselves or for any other person or body.

2.4 Gifts and Bribery

Definitions:

In this clause, and in accordance with Regulation 34B of the Local Government (Administration) Regulations 1996 -

"activity involving a local government discretion" means an activity -

(a) that cannot be undertaken without an authorisation from the local government; or

(b) by way of a commercial dealing with the local government;

"gift" has the meaning given to that term in S 5.82(4) except that it does not include -

(a) a gift from a relative as defined in S 5.74(1); or

(b) a gift that must be disclosed under Regulation 30B of the Local Government

(Elections) Regulations 1997; or

(c) a gift from a statutory authority, government instrumentality or non-profit association for professional training;

"notifiable gift", in relation to a person who is an employee, means -

(a) a gift worth between \$50 and \$300; or

(b) a gift that is one of 2 or more gifts given to the employee by the same person within a period of 6 months that are in total worth between \$50 and \$300;

"prohibited gift", in relation to a person who is an employee, means -

(a) a gift worth \$300 or more; or

(b) a gift that is one of 2 or more gifts given to the employee by the same person within a period of 6 months that are in total worth \$300 or more.

(a) A person who is an employee is to refrain from accepting a prohibited gift from a person who -

(i) is undertaking or seeking to undertake an activity involving a local government discretion; or

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TAMALA PARK REGIONAL COUNCIL CODE OF CONDUCT

(ii) it is reasonable to believe is intending to undertake an activity involving a local government discretion.

- (b) A person who is an employee and who accepts a notifiable gift from a person who -
- (i) is undertaking or seeking to undertake an activity involving a local government discretion; or
 - (ii) it is reasonable to believe is intending to undertake an activity involving a local government discretion.
 - (iii) notify the CEO, in accordance with item (c) and within 10 days of accepting the gift, of the acceptance.

- (c) The notification of the acceptance of a notifiable gift must be in writing and include -
- (i) the name of the person who gave the gift; and
 - (ii) the date on which the gift was accepted; and
 - (iii) a description, and the estimated value, of the gift; and
 - (iv) the nature of the relationship between the person who is an employee and the person who gave the gift; and
 - (v) if the gift is a notifiable gift under paragraph (b) of the definition of "notifiable gift" (whether or not it is also a notifiable gift under paragraph (a) of that definition) -
 - (1) a description; and
 - (2) the estimated value; and
 - (3) the date of acceptance.
- of each other gift accepted within the 6 month period.

(d) The CEO is to maintain a register of notifiable gifts and record in it details of notifications given to comply with a requirement made under item (c).

(e) This clause does not apply to gifts received from a relative (as defined in S 5.74(1) of the Local Government Act) or an electoral gift (to which other disclosure provisions apply).

- a) (f) This clause does not prevent the acceptance of a gift on behalf of the local government in the course of performing professional or ceremonial duties in circumstances where the gift is presented in whole to the CEO, entered into the Register of Notifiable Gifts and used or retained exclusively for the benefit of the local government.

- ~~b) Members and staff are not to accept a gift, other than a gift of or below \$200 from a person who is undertaking, or is likely to undertake, business:~~
- ~~• that requires the person to obtain any authorisation from the local government;~~
 - ~~• by way of contract between the person and the local government; or~~
 - ~~• by way of providing any service to the local government.~~

- ~~c) Members and staff who accept a gift of or below \$200 from a person referred to in (a) above are to record in a register of token gifts:~~
- ~~• the names of the persons who gave and received the gift;~~
 - ~~• the date of receipt of the gift; and~~
 - ~~• a description, and the estimated value of the gift;~~
- ~~unless the Local Government decided that -~~

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TAMALA PARK REGIONAL COUNCIL CODE OF CONDUCT

- ~~• specified gifts given by way of hospitality; or~~
- ~~• specified classes of gift given by way of hospitality;~~
- ~~need not be recorded.~~

~~d) This clause does not apply to gifts received from a relative (as defined in section 5.74(1) of the Local Government Act) or an electoral gift (to which other disclosure provisions apply).~~

3. CONDUCT OF MEMBERS AND STAFF

3.1 Personal Behaviour

- a) Members and staff will:
- i) act, and be seen to act, properly and in accordance with the requirements of the law and the terms of this Code;
 - ii) perform their duties impartially and in the best interests of the Local Government uninfluenced by fear or favour;
 - iii) act in good faith (i.e. honestly, for the proper purpose, and without exceeding their powers) in the interests of the Local Government and the community;
 - iv) make no allegations which are improper or derogatory (unless true and in public interest) and refrain from any form of conduct, in the performance of their official or professional duties, which may cause any reasonable person unwarranted offence or embarrassment; and
 - v) always act in accordance with their obligation of fidelity to the Local Government.
- b) Members will represent and promote the interests of the Local Government, while recognising their special duty to their own constituents.

3.2 Honesty and Integrity

Members and staff will:

- a) Observe the highest standards of honesty and integrity, and avoid conduct which might suggest any departure from these standards;
- b) Bring to the notice of the Chairman any dishonesty or possible dishonesty on the part of any other member, and in the case of an employee to the Chief Executive Officer.
- c) Be frank and honest in their official dealing with each other.

TAMALA PARK REGIONAL COUNCIL CODE OF CONDUCT

3.3 Performance of Duties

- a) While on duty, staff will give their whole time and attention to the Local Government's business and ensure that their work is carried out efficiently, economically and effectively, and that their standard of work reflects favourably both on them and on the Local Government.
- b) Members will at all times exercise reasonable care and diligence in the performance of their duties, being consistent in their decision making but treating all matters on individual merits. Members will be as informed as possible about the functions of the Council, and treat all members of the community honestly and fairly.

3.4 Compliance with Lawful Orders

- a) Members and staff will comply with any lawful order given by any person having authority to make or give such an order, with any doubts as to the propriety of any such order being taken up with the superior of the person who gave the order and, if resolution can not be achieved, with the Chief Executive Officer.
- b) Members and staff will give effect to the lawful policies of the Local Government, whether or not they agree with or approve of them.

3.5 Administrative and Management Practices

Members and staff will ensure compliance with proper and reasonable administrative practices and conduct, and professional and responsible management practices.

3.6 Corporate Obligations

- a) Standard of Dress

Members and sStaff are expected to comply with neat and responsible dress standard at all times. Members will dress in a manner appropriate to their position, in particular, when attending meetings or representing the TPRC in an official capacity. Management reserves the right to adopt policies relating to corporate dress and to raise the issue of dress with individual staff.

- b) Communication and Public Relations

TAMALA PARK REGIONAL COUNCIL CODE OF CONDUCT

- i) All aspects of communication by staff (including verbal, written or personal), involving Local Government's activities should reflect the status and objectives of that Local Government. Communications should be accurate, polite and professional.
- ii) As a representative of the community Members need to be not only responsive to community views, but to adequately communicate the attitudes and decisions of the Council. In doing so Members should acknowledge that:
 - as a member of the Council there is a respect for the decision making processes of the Council which are based on a decision of the majority of the Council;
 - information of a confidential nature ought not be communicated until it is no longer treated as confidential;
 - information relating to decisions of the Council on approvals, permits and so on ought only be communicated in an official capacity by a designated officer of the Council;
 - information concerning adopted policies, procedures and decisions of the Council is conveyed accurately.

iii) Committee Members accept and acknowledge it is their responsibility to observe any direction the Local Government may adopt in terms of advancing and promoting the objectives of the Committee to which they have been appointed.

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~~3.7 Relationships between Members and Staff~~

~~An effective Councillor will work as part of the Council team with the Chief Executive Officer and other members of staff. That teamwork will only occur if Members and staff have a mutual respect and co-operate with each other to achieve the Council's corporate goals and implement the Council's strategies. To achieve that position Members need to:~~

- ~~• Accept that their role is a leadership, not a management or administrative one;~~
- ~~• Acknowledge that they have no capacity to individually direct members of staff to carry out particular functions;~~
- ~~• Refrain from publicly criticising staff in a way that casts aspersions on their professional competence and credibility.~~

~~3-83.7 Appointments to Committees~~

TAMALA PARK REGIONAL COUNCIL CODE OF CONDUCT

As part of their representative role Members are often asked to represent the Council on external organisations. It is important that Members:

- Clearly understand the basis of their appointment; and
- Provide regular reports on the activities of the organisation.

4. DEALING WITH COUNCIL PROPERTY

4.1 Use of Local Government Resources

Members and staff will:

- a) Be scrupulously honest in their use of the Local Government's resources and shall not misuse them or permit their misuse (or the appearance of misuse) by any other person or body;
- b) Use the Local Government resources entrusted to them effectively and economically in the course of their duties; and
- c) Not use the Local Government's resources (including the services of Council staff) for private purposes (other than when supplied as part of a contract of employment), unless properly authorised to do so, and appropriate payments are made (as determined by the Chief Executive Officer).

4.2 Travelling and Sustenance Expenses

Members and staff will only claim or accept travelling and sustenance expenses arising out of travel related matters which have a direct bearing on the services, policies or business of the Local Government in accordance with Local Government policy and the provisions of the Local Government Act.

4.3 Access to Information

- i) Staff will ensure that members are given access to all information necessary for them to properly perform their functions and comply with their responsibilities ~~as members~~.
- ii) Members will ensure that information provided will be used properly and to assist in the process of making reasonable and informed decisions on matters before the Council.

APPENDIX ITEM 9.10

Financial Management – Significant Accounting Policies

1. POLICY

1.1 Objective

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

1.2 Local Government Reference

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

1.3 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

(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.

Receivables and payables in the statement of financial position are stated inclusive of applicable GST. 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

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.

Financial Management – Significant Accounting Policies

(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.

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

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

(g) Fixed Assets

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

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.

Financial Management – Significant Accounting Policies

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.

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.

Financial Management – Significant Accounting Policies

Depreciation of Non-Current 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 \$2,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(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

Financial Management – Significant Accounting Policies

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.

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.

Financial Management – Significant Accounting Policies

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment

Financial Management – Significant Accounting Policies

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.

Financial Management – Significant Accounting Policies

(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.

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.

Financial Management – Significant Accounting Policies

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) Joint Venture

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

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

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

(p) Rates, Grants, Donations and Other Contributions

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

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

(q) Superannuation

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

Financial Management – Significant Accounting Policies

(r) Current and Non-Current Classification

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

(s) Rounding Off Figures

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

(t) Comparative Figures

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

(u) Budget Comparative Figures

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

This Financial Management – Significant Accounting Policy is authorised by the Chief Executive Officer on 13 December 2012.

Signature

Name

Date

APPENDIX ITEM 9.11



TAMALA PARK
Regional Council

Tamala Park Regional Council

Delegation Register 2012/13

NovemberApril 2012

First adopted: August 2006
First review: August 2007
Last updated: April 2012
Date for review: April 2013



Explanatory Notes

1. General

The Local Government Act of 1995 provides that powers and duties generally vest with the 'local government' as a corporate entity.

The elected Council exercises the powers and discharges the duties of the local government through resolutions.

There are some specific powers or duties conferred by the Act upon the Chairman, and the Chief Executive Officer (CEO).

Delegations of authority to exercise the statutory powers of Council may be made to:

- Committees (as detailed in sections 5.16 and 5.17 of the Act), or
- The Chief Executive Officer (as detailed in sections 5.42 and 5.43).

The Act also allows the Chief Executive Officer to further delegate the authority to another employee. This cannot, however, be further sub-delegated.

2. Role of the Council

Section 2.7 of the Act sets out the role of the Council:-

2.7 (1) The Council -

- a) Directs and controls the local government's affairs; and
- b) Is responsible for the performance of the local government's functions.

(2) Without limiting subsection (1), the Council is to -

- a) Oversee the allocation of the local government's finances and resources;
and
- b) Determine the local government's policies.

3. Role of the Chairman, Deputy Chairman and Councillors

Sections 2.8, 2.9 and 2.10 set out the roles of Chairman, Deputy Chairman and Councillors:

The role of the Chairman

2.8 (1) the Chairman

- a) Presides at (Council) meetings in accordance with this Act;
- b) Provides leadership and guidance to the community in the district;
- c) Carries out civic and ceremonial duties on behalf of the local government;
- d) Speaks on behalf of the local government;
- e) Performs such other functions as are given to the Chairman by this Act or any other written law; and
- f) Liaises with the CEO on the local government's affairs and the performance of its functions.

(2) Section 2.10 applies to a councillor who is also the Chairman and extends to a Chairman who is not a councillor.

The role of the Deputy Chairman

2.9 The Deputy Chairman performs the functions of the Chairman when authorised to do so under section 5.34 (i.e. where the office of Chairman is vacant, or when the Chairman is unwilling, unavailable or unable to perform his or her functions).

The role of Councillors

2.10 A Councillor -

- a) Represents the interests of electors, ratepayers and residents of the district;
- b) Provides leadership and guidance to the community in the district;
- c) Facilitates communication between the community and the council;
- d) Participates in the local government's decision-making processes at council and committee meetings; and
- e) Performs such other functions as are given to a councillor by this Act or any other written law.

4. Function of the CEO

5.41 The CEO's functions are to -

- a) Advise the Council in relation to the functions of a local government under this Act and other written laws;
- b) Ensure that advice and information is available to the council so that informed decisions can be made;

- c) Cause Council decisions to be implemented;
- d) Manage the day-to-day operations of the local government;
- e) Liaise with the Chairman on the local government's affairs and the performance of the local government's functions;
- f) Speak on behalf of the local government if the Chairman agrees;
- g) Be responsible for the employment, management supervision, direction and dismissal of other employees (subject to section 5.37 (2) in relation to senior employees);
- h) Ensure that records and documents of the local government are properly kept for the purposes of this Act and any other written law; and
- i) Perform any other function specified or delegated by the local government or imposed under this Act or any other written law as a function to be performed by the CEO.

5. Delegations of Some Powers and Duties to CEO

Pursuant to Sections 5.42, 5.43, 5.44, 5.45, and 5.46 of the Local Government Act 1995, a Council may delegate authority to the Chief Executive Officer some of its functions. These sections are set out below:

Delegation of some powers and duties to CEO

5.42. (1) A local government may delegate* to the CEO the exercise of any of its powers or the discharge of any of its duties under this Act other than those referred to in section 5.43.

**Absolute majority required.*

(2) A delegation under this section is to be in writing and may be general or as otherwise provided in the instrument of delegation.

Limits on delegations to CEO's

5.43. A local government cannot delegate to a CEO any of the following powers or duties -

- a) Any power or duty that requires a decision of an absolute majority or a 75% majority of the local government;
- b) Accepting a tender which exceeds an amount determined by the local government for the purpose of this paragraph;
- c) Appointing an auditor;
- d) Acquiring or disposing of any property valued at an amount exceeding an amount determined by the local government for the purpose of this paragraph;
- e) Any of the local government's powers under section 5.98, 5.99 or 5.100; (these relate to: fees, expenses and allowances for Councillors)

- f) Borrowing money on behalf of the local government:
- g) Hearing or determining an objection of a kind referred to in section 9.5;
- h) Any power or duty that requires the approval of the Minister or the Governor; or
- i) Such other powers or duties as may be prescribed.

CEO may delegate powers and duties to other employees

- 5.44. (1) A CEO may delegate to any employee of the local government the exercise of any of the CEO's powers or the discharge of any of the CEO's duties under this Act other than this power of delegation.
- (2) A delegation under this section is to be in writing and may be general or as otherwise provided in the instrument of delegation.
- (3) This section extends to a power or duty the exercise or discharge of which has been delegated by a local government to the CEO under section 5.42, but in the case of such a power or duty –
- a) The CEO's power under this section to delegate the exercise of that power or the discharge of that duty; and
 - b) The exercise of that power or the discharge of that duty by the CEO-s delegate,
- Are subject to any conditions imposed by the local government on its delegation to the CEO.
- (4) Subsection (3)(b) does not limit the CEO's power to impose conditions or further conditions on a delegation under this section.
- (5) In subsection (3) and (4):
- 'Conditions' includes qualifications, limitations or exceptions.'

Other matters relevant to delegations under this Division

- 5.45. (1) Without limiting the application of sections 58 and 59 of the Interpretation Act 1984-
- a) A delegation made under this Division has effect for the period of time specified in the delegation or where no period has been specified, indefinitely; and
 - b) Any decision to amend or revoke a delegation by a local government under this Division is to be by an absolute majority.
- (2) Nothing in this Division is to be read as preventing -
- a) A local government from performing any of its functions by acting through a

person other than the CEO; or

- b) A CEO from performing any of his or her functions by acting through another person.

Register of, and records relevant to, delegations to CEO's and employees

5.46. (1) The CEO is to keep a register of the delegations made under this Division to the CEO and to employees.

(2) At least once every financial year, delegations made under this Division are to be reviewed by the delegator.

(3) A person to whom a power or duty is delegated under this Act is to keep records in accordance with regulations in relation to the exercise of the power or the discharge of the duty.”

With reference to section 5.46 (3), Regulation 19 from the Local Government (Admin.), Regulations 1996 states the following

‘Records to be kept by delegates –s.5.46(3)

19. Where a power or duty has been delegated under the Act to the CEO or to any other local government employee, the person to whom the power or duty has been delegated is to keep a written record of -

- a) How the person exercised the power or discharged the duty;
- b) When the person exercised the power or discharged the duty; and
- c) The persons or classes of persons, other than council or committee members or employees of the local government, directly affected by the exercise of the power or the discharge of the duty.’

The practical workings needs to be developed over time and for the time being the pragmatic approach that the CEO will need to employ is to take advice from a Committee where previously authority to make decisions was taken by a Committee of staff members.

Also, in respect of the supervision and audit activity, it will probably be the case, to ensure effectively distributed administration, that the CEO, at the time of making a delegation of a power also make a further delegation to the Divisional Supervisor to supervise the exercise and performance measures associated with the delegated power.

Section 9.38 of the Local Government Act:

“Evidence that a document has been given or written by or on behalf of the local government may be given by tendering what purports to be the document and purports to be signed by the Chairman or president, the CEO, or any other person authorised to sign it, without proof of the signature or proof that the person signing was a person who could sign then document.”

6. Numerical Listing of Delegations

NUMBER	DELEGATION	CONDITION	CEO DELEGATION
CHIEF EXECUTIVE OFFICER			
1	Press Statements and media comments: Authority to issue statements to the News Media and make comments on behalf of Council.	Subject to the prior approval of the Chairman.	
2	Press Statements on Policy: Authority to issue statements of Policy to the News Media on behalf of the Council.	Subject to the prior approval of the Chairman	
3	Contract Signing: Authority to sign formal contracts with the co-signature of the Chairman – upon affixation of the Common Seal to the contract documents.	Subject to budget provision or after authority for sealing by the Council.	
4	Voluntary Emergency Service: Authority to deploy Council equipment and manpower in an emergency.		
5	Leave: Authority to grant the following leave: 1. Leave without pay 2. Study Leave	Subject to policy provisions or if no policy with Chairman's approval.	
6	1. Authority to appoint all staff with the exception of designated officers ; 2. Authority to advertise vacancies	Subject budget provision.	
7	Authority to appoint consultants.	a) Subject to the value being less than \$100,000. b) Subject to there being a budget allocation.	
8	Authority to place and/or approve purchase orders • With formally contracted suppliers in accordance with the Purchasing Policy Local Government Act and contracts. • Non-contracted and non-accredited suppliers in accordance with Purchasing Policy and Local Government Act.	Subject to budget provision or budget allowance policy.	Executive Assistant and Senior Projects Officer.
9	Statutory Nominations: Chief Executive Officer and Chairman authorised to complete Ballot Paper.		

TPRC Delegation Register

10	Payments: Power to make payments and transfers from Tamala Park Regional Council funds including Municipal & Trust funds.	For purposes authorised by the Local Government Act.	Executive Assistant in conjunction with CEO
11	Authorising the submission of subdivision and development applications to the Western Australian Planning Commission on land owned by or under the care and control of the TPRC, or where TPRC acts in pursuit of the objectives set out in the Establishment Agreement.		
12	Contracts – <ul style="list-style-type: none"> • Authority to sign contracts for maintenance support of computer and telecommunication hardware and software and general office equipment; • Signify acceptance of contracts works as 'completed to TPRC satisfaction'. 		
13	Authority to make minor amendments to the Policy Manual due to changes in names or titles.		Executive Assistant
14	Advertise Invitations to Tender: responsibility for the placement of advertisements		Subject to Council or CEO approval.
15	Authority to invite period supply tenders and tenders for the disposal of surplus Council property (except land) only.		
16	Procurement of goods and services & disposal of Council property and associated advertisements in accordance with the TPRC Procurement Policy and Local Government Act.		
17	Authority to sign grant applications, acquittals and audited statements related to grants.		Following Council CEO approval.
18	Authority to approve applications to place advertising signs from any organisation – temporary signage.		
19	Attendance at Conference: Authority to approve where budget allocation has been made, subject to the conference being within WA.		
20	Certifying documents (section 9.31 Local Government Act).		
21	Authority to write off unrepresented stale cheques to the value of \$20,000.		
22	Authority to approve an extension to a contract.	Subject to: a) The tender specifying the provisions of the option term;	

TPRC Delegation Register

		<p>b) The contract providing for the extension; and c) The extension being on the same terms and conditions as the last year of the original term but does allow for price increases in line with the contract provisions (if any) for the price.</p>	
23	Authority to make payments to elected members subject to Council policies, the Local Government Act 1995 and its Regulations.	Funds being available in the Council's annual budget and Council policies.	
24	Authority to make payments from the municipal fund or the trust fund, subject to Regulation 12(1) of the Local Government (Financial Management) Regulations 1996.	Subject to the requirements of Regulation 13 of the Local Government (Financial Management) Regulations 1996.	
25	Authority to invest money and establish investment internal control procedures, subject to Section 6.14 of the Local Government Act 1995 and Regulation 19 of the Local Government (Financial Management) Regulation 1996.	Subject to Council's 'Investment Policy'.	
26	Authority to publicly invite tenders before the Council enters into a contract for the supply of goods or services if the consideration under the contract is, or is expected to be, worth more than \$100,000, subject to Regulation 11(1) of the Local Government (Functions and General) Regulations 1996 and Section 3.57(1) of the Local Government Act 1995.	Subject to budget provision or budget allowance policy.	
27	Authority to accept or decline any tender, subject to Regulation 18(4) and (5) of the Local Government (Functions and General) Regulations 1996.	Delegation subject to a provision in the annual budget and limited to an amount of \$100,000.	
28	Authority, with the approval of the tenderer, to make a minor variation in a contract for goods or services before the Council enters the contract with	That the variation is minor having regard to the total	

TPRC Delegation Register

	the successful tenderer, subject to Regulation 20(1) of the Local Government (Functions and General) Regulations 1996.	goods or services that tenderers were invited to supply.	
29	Authority to approve requests for donations or sponsorship from community groups, subject to Section 6.7(2) of the Local Government Act 1995.	Subject to a value not exceeding \$500 and funding being allocated in the annual budget.	
30	Authority to allocate decommissioned computers to community groups and organisations, subject to Section 3.58 of the Local Government Act 1995.	Subject to conditions contained in Council policies.	
31	Authority to attend interstate meetings associated with Council business.	Subject to being required for Council business and consistent with TPRC objectives.	
32	Authority to approve and submit development, landscaping and servicing plans for the Tamala Project.	Subject to being required for Council business and consistent with TPRC objectives and, as appropriate, approved TPRC policies and strategies.	
33	Authority to approve and negotiate conditions of approval and servicing agreements relating to subdivision, development, landscaping applications and servicing plans for the Tamala Project.	Subject to being required for Council business and consistent with TPRC objectives and, as appropriate, approved TPRC policies and strategies.	
34	Authority to approve signage, marketing and advertising brochures and sales information.	Subject to being required for Council business and consistent with the approved Marketing Plan 2011.	

TPRC Delegation Register

35	Authority to approve minor changes to the Local Structure Plan.	Subject to being required for Council business and consistent with TPRC objectives and, as appropriate, approved TPRC policies and strategies.	
36	Authority to make a minor variation in a contract for goods or services, subject to Regulation 20(1) of the Local Government (Functions and General) Regulations 1996.	Subject to being required for Council business and consistent with TPRC objectives. Subject to there being a budget allocation.	
37	Authority to enter into a contract for the supply of goods or services if the consideration under the contract is, or is expected to be worth less than \$100,000, subject to Regulation 11(1) of the Local Government (Functions and General) Regulations 1996 and Section 3.57(1) of the Local Government Act 1995.	Subject to there being a budget allocation and TPRC policies.	
38	<p>Authority to dispose of the single residential lots by private treaty under Section 3.58(3) of the Local Government Act 1995.</p> <p>For the purpose of Delegation 38, the disposal is to be considered by Council if the property value exceeds one million (\$1,000,000) dollars.</p>		
39	Authority to consider submissions under Section 3.58(3)(b) of the Local Government Act 1995.		
40	Authority to determine the sale price for each of the single residential lots based upon the valuations supplied by the Development Manager and an independent valuer being cognisant of the approved Project Cashflow. Where there is a difference between the valuations supplied by the Development Manager and the independent valuer then the higher of the		

TPRC Delegation Register

	two values will be determined as the sale price. In the event that the determined sale price is less than the valuation estimation contained within the Project Cashflow the CEO shall refer the matter back to Council before exercising this delegation.		
41	Authority to administer the provisions of the sales contract, <u>including determining extensions of time, amendments and cancellations</u> – and proceed to dispose of the lot by private treaty subject to the requirements of Section 3.58 of the Local Government Act 1995.	<u>Subject to being required for Council business and consistent with TPRC objectives and, as appropriate, approved TPRC policies and strategies.</u>	
42	Authority to grant approval to proceed with the Display Village Lots Tender and Allocation Procedure in accordance with the Display Village Lot ranking as recommended by the Development Manager.		
43	Authority to establish the sale time/date for <u>staged releases for the sale of lots the Stage 1 lots.</u>	Subject to all necessary documentation being completed, <u>and Project Cashflow.</u>	

APPENDIX ITEM 9.12

8 November 2012

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

Dear Tony,

RE: Catalina Sales Office and Display Centre – Playground Assessment of Risk

We refer to your correspondence dated 24 October 2012, requiring SPG to “undertake a risk assessment of the children’s play area on lot 169, and evidence of appropriate public indemnity insurances to protect the TPRC.”

We confirm that we understand that relevant insurances to be investigated are public liability as opposed to public indemnity.

The issue of public liability should only arise if an accident occurs on the playground and a claim be lodged against the TPRC. A claim would most likely only be considered if a party involved with the playground has been negligent.

We can confirm that the Satterley Property Group has insurances in place to cover its employees against any Public Liability claims which are made against it as a result of attendance on site.

In terms of the design, construction and operation of the proposed playground adjacent to the Sales Office and Information Centre, the following steps will be undertaken to mitigate against the risk of a claim for negligence being successful:


- The playground will be designed under the ‘Australian Standards for Playground Safety’, ensuring that the design of the playground is compliant with the necessary safety regulations.
- On practical completion and prior to the playground being opened for operation an independent third party audit is to be undertaken including “Asset Equipment List and Safety Audit”.
- Periodically further safety audits will be required to be undertaken as per the advice of the independent auditor and the manufactures requirements.

The process described above is consistent with the regime implemented by the City of Wanneroo on playground equipment under its control.

We recommend a review be undertaken of the TPRC's public liability insurances to confirm that satisfactory coverage related to the facilities proposed within the Sales Office and Information centre is in place.

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

Yours faithfully,



JUSTIN CROOKS
PROJECT DIRECTOR



05 December 2012

Tamala Park Regional Council
PO Box 655
INNALOO WA 6918

Attention: Mr Tony Arias

Dear Tony,

Tamala Park Children's Play Area – Insurance and Risk Issues

Further to our recent discussions regarding the Tamala Park Children's Play Area we comment as follows on the various Insurance and Risk Issues surrounding the building, management and maintenance of this facility:

As with all Council activities and any Council run events, Council coverage will only provide Liability for Council, their employees and direct volunteers. Council's Public Liability policy will cover the Council's potential liability to third parties for personal injury or property damage should Council be found to be negligent.

All other Contractors/Sub-Contractors, Service Providers, Third Party Organisations, Volunteers under the control of Third Party Organisations, Community Groups, Independent Event Organisers, Stallholders, Performers etc. must have their own insurance in order to receive cover.

It is our recommendation that as a pre-requisite any of the above entities take out the following coverage where applicable:-

Public Liability
Personal Accident/Workers Compensation
Property/Equipment/Motor Vehicle
Professional Indemnity

As the Tamala Park Regional Council has engaged the services of the Satterley Property Group to manage and maintain the playground equipment, the Satterley Property Group should also have a Public Liability cover in place to cover their potential liability to third parties for personal or property damage should the Satterley Property Group be found to be negligent. (e.g. if someone is injured on the playground and it is due to the playground not being maintained or managed properly, a potential claim could be made against the Satterley Property Group as they were responsible for the maintenance of the equipment. Proof of these insurances should be kept by the Shire/Council in the form of Certificates of Currency.

LGIS Insurance Broking
ABN 69 009 098 864

Level 1, 17 Altona Street
West Perth WA 6005
PO Box 1003
West Perth WA 6872
DX 113 Perth

Tel +61 (0)8 9483 8888
Email Sandra.Clohesy@jita.com.au
www.lgiswa.com.au



With regards to risk management issues and minimising risk/exposure, LGIS recommends the following requirements/conditions be implemented:

- The playground to be designed under the "Australian Standards for Playground Safety".
- The playground to be subject to regular/maintenance program in accordance with manufacturer requirements managed by the Satterley Property Group.
- The Satterley Property Group provides a management strategy for the use of the Children's Area for approval by the Tamala Park Regional Council.

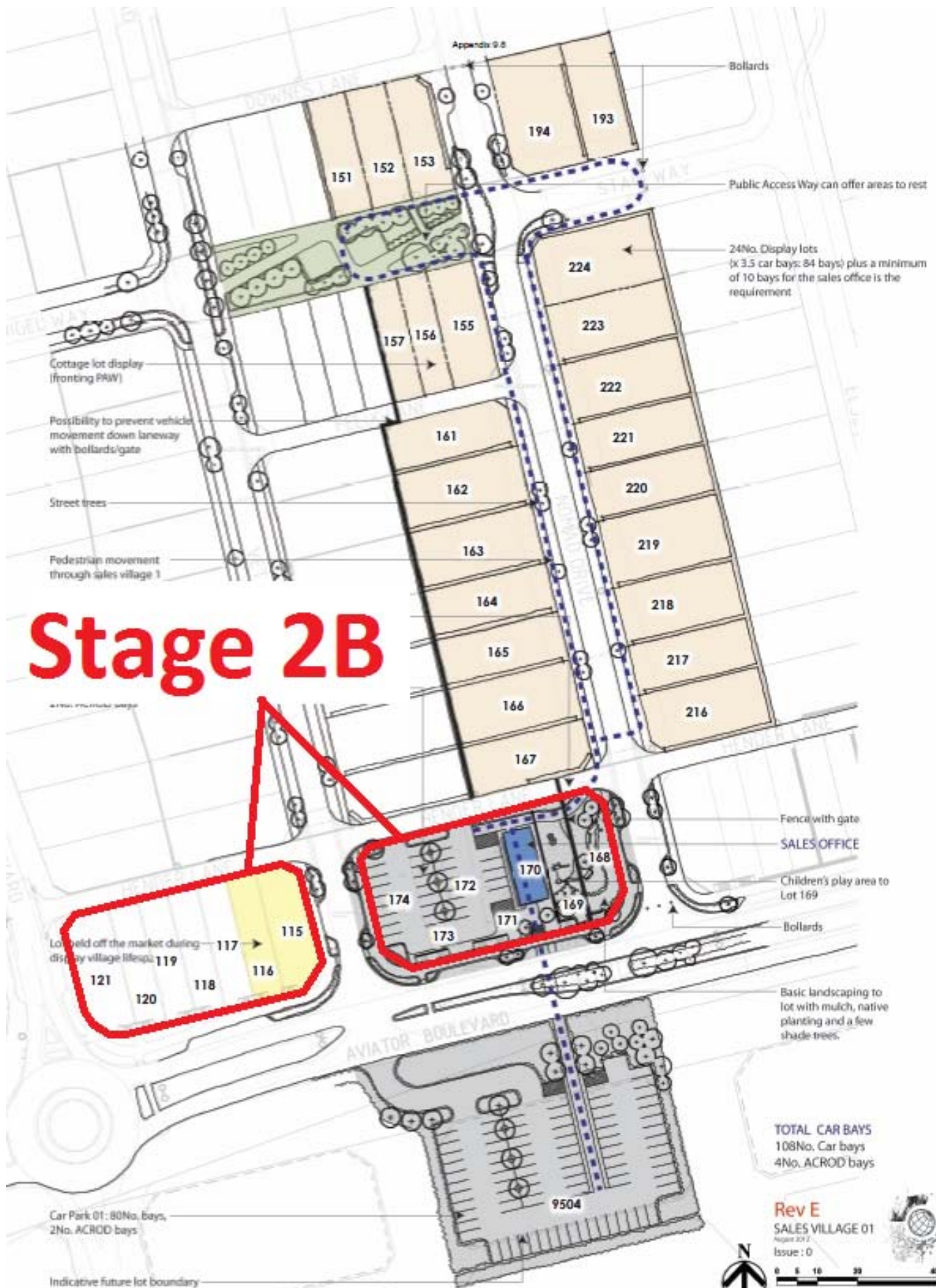
It is also recommended that LGIS conduct a full risk management audit of the facility. On completion of the facility, if the Tamala Park Regional Council would like LGIS to conduct this audit please contact John Abercrombie-LGIS Liability Manager on 9483 8852 and he will organise this for you and any other queries the Council may have.

We trust this has assisted with your query, however should you have any further questions with regards to the above matter please do not hesitate to contact either myself on 9483 8865 or John on 9483 8852 to discuss

Yours sincerely

Sandra Clohessy
Account Manager

APPENDIX ITEM 9.13



Stage 2B

TOTAL CAR BAYS
108No. Car bays
4No. ACROD bays

Rev E
SALES VILLAGE 01
Issue : 0



2 November 2012

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

Dear Tony,

RE: Catalina Sales Village Business Case

Further to your correspondence dated 24 October 2012 we are pleased to provide the amended business case for sales village 1 and 2. This reflects the deletion of lots 115 and 116 from the lease back arrangement and new plans for both sales village 1 and 2.

We have also revised our recommendation in relation to the method of disposal of lots 115 and 121 due to the requirement to build a two storey house on these lots.

In relation to the provision of sales incentives and design guidelines relating to lots 115 to 121 and lots 168 to 174 we note that lot 170 already has a pre-determined built form outcome as it will be constructed by the TPRC as a sales office. It is therefore not necessary to consider sales incentives or design requirements further for this lot. We make the following recommendations on the balance of the lots as requested:

- Design Guidelines lots 115-121, 168, 169, 171-174: adopt the existing phase 1 Design Guidelines, with the additional requirement for the front elevation to include an extra architectural feature.
- Rebates to lots 115 and 121: it is recommended these lots are sold as private purchaser sales due to the requirement to build a two storey house. The current approved rebate regime is recommended to be adopted, with the additional component of a 1.1m high open style fence between the front boundary and the house.
- Rebates to lots 116-120: it is recommended these lots are sold to a builder as a single package under a put option. It is recommended that builders are provided with a \$3,000 rebate post the completion of the houses, based on the fencing and landscaping being completed by them. This is to include the inclusion of a 1.1m high open style fence between the front boundary and the house, as well as landscaping to the minimum standard set out in the Catalina sales incentives.
- Rebates to lots 168, 169, 171-174: it is recommended the current approved rebate regime is adopted, with the additional component of a 1.1m high open style fence between the front boundary and the house. Purchasers are to remain eligible for the rebate up to 24 months post expiration of the lease with the TPRC, with subsequent purchasers of the lots to remain eligible for the rebate.

The recommendations above have been made due to the prominent location of the lots at the estate entry, and to ensure that end built form outcome is completed to a high standard, including fencing and landscaping.

We note that the Deposited Plan for lots 115 to 121 and lots 168 to 174 is currently in order for dealings. The Design Guidelines are attached to the restrictive covenant, which is registered against the title. In order to prevent a delay to the issue of titles we recommend that the Design Guidelines are amended as proposed above and attached to the contract of sale, with purchasers to acknowledge the difference between DG's registered against the title and those within the contract, and their requirement to comply with the additional requirements.

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

Yours faithfully,

A handwritten signature in black ink, appearing to be 'JC' with a stylized flourish.

JUSTIN CROOKS
PROJECT DIRECTOR

APPENDIX ITEM 9.14

22 November 2012

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

Dear Tony

CATALINA PUBLIC ART IMPLEMENTATION PLAN

Further to your correspondence dated 24 October 2012, please find enclosed the Catalina Public Art Implementation Plan as requested.

Please contact me should you have any queries.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'pp JRC', with a flourish at the end.

JUSTIN CROOKS
PROJECT DIRECTOR



**Public Art
Implementation Plan
November 2012**



INTRODUCTION

The Public Art Strategy prepared by Artsource was accepted by the TPRC in October 2012. As a result this Public Art Implementation Plan has been prepared to guide the implementation of public art in phase 1 of the Catalina estate.

The plan is a high level strategy, outlining the key elements of the site, stakeholders and possible artistic narratives and styles. The delivery of public art on a land development project assists to develop a theme or connect a community to a place.

There are numerous mechanisms for the delivery of public art within a project. The delivery mechanisms include:

1. Engaging a public art consultant to deliver the art work.
2. Work directly with an artist or a range of artists.
3. Engage the landscape architect to manage delivery of public art.
4. Engage a Not for Profit group, such as CAN WA to coordinate artists, community engagement and manage the process.

All of these options are available to the Tamala Park Regional Council. Key issues to consider before deciding upon the delivery mechanism are:

- Budget
- Skill set of the project team
- Public art deliverables

ENGAGE A PUBLIC ART CONSULTANT

Public art consultants typically charge a fee of up to 25% of the total public art budget. Considering that the phase 1 budget for Catalina is \$265,000, this would equate to a fee of \$66,250.

WORK DIRECTLY WITH ARTISTS

Engaging an artist directly can lead to the project team having a greater level of control of public art outcomes. This methodology relies on the project team having a thorough knowledge of public art delivery. The selection of the artist to deliver the work can prove challenging when attempting to intergrate the public art work with the overall landscape design.

LANDSCAPE ARCHITECT TO MANAGE PUBLIC ART DELIVERY

The most practical avenue of public art is engaging the landscape architect to deliver the artwork. This allows for integration of the art within the landscape, and a streamlined process for approval and delivery. This methodology can also lead to cost savings through the sourcing of multiple quotes for the production of the artwork.

ENGAGE COMMUNITY ARTS NETWORK WA (CAN WA)

CAN WA advocates the value of community arts and cultural development for community well being, by acting as both a service and an arts producer organisation. CAN WA recommends artists and manages the public art process. They will engage an artist that is highly skilled in public art but often requires mentoring in the business side. They will also facilitate community engagement throughout the process. Typically the fee for their service is 20% of the project cost.

DELIVERY STEPS

Satterley recommend that public art within the Catalina Estate is delivered through the landscape architect.

Under this methodology three artists will be pre-selected from a range of CV's showcasing examples of work from experienced artists, to present initial concepts in a design workshop. This approach has the benefit of providing multiple options for artwork developed in alignment with a brief, prior to committing to a specific artist.

The key steps in delivering public art on site are:

1. Agree on a budget and key locations of phase 1 public art

The budget for public art in Phase 1 is \$265,000. This will be sufficient to engage an artist to design, fabricate and install at least one large and two medium scale art pieces. The Public Art Masterplan for stages 1 – 6 is attached. The plan includes entry statements, interpretive signage and public art in the form of a seating and information piece. The budget would be allocated to each piece and generally would depend on materials, time and fabrications.

2. Identify up to three artists

The Landscape Architect will compile the CVs and images of previous work. A workshop will then be held to determine which artist will be selected, following reference checks 3 artists will then be chosen.

3. Commission artist to carry out works

Develop public art brief and send to selected artists. Once a brief is agreed the artists shall receive a consultants agreement.

4. Artists to conduct community engagement

The process of community engagement with regard to public art can vary. The benefits of this are generating awareness of the project, and instilling a sense of ownership over the art. It will also guide the artists to create art that has meaning and relevance to the site.

5. Artist to present concepts

On receipt of the initial concept drawings a second workshop will be held to make a final artist selection. This will involve the artists presenting their concepts along with additional drawings or background information that explains their concept development and inspiration for the designs.

The artists will need to provide sufficient information regarding material and structure to demonstrate that the artwork can be properly and safely built. A final selection of the successful artist will be made at the conclusion of the workshop.

6. Detailed design

The successful artist will develop detailed documentation, including:

- Clear working drawings detailing exactly how the artwork will look and how it will fit into the site.
- A model of the work to be made.
- A written description of the artwork.
- Details of all materials to be used and the construction method for the artwork, including all fixtures and fittings on site, and technology if applicable.
- Names and addresses of sub contractor/s, if applicable.
- A detailed budget breakdown for the project, including all fees for design documentation.

7. Seek approval from the City of Wanneroo

Landscape architect will seek approval from the City of Wanneroo.

8. Fabrication

Once approval is received from the City of Wanneroo the artist, or contractor as recommended by the landscape architect, will be instructed to fabricate the artwork.

9. Installation

Artwork is installed under supervision of landscape architect.

10. Celebration

Create further awareness and celebrate the completion of the art by holding an event for key stakeholders.

11. Documentation

Artist to provide as constructed documentation of artwork.

FUNDING OPTIONS

The budgeted amount for the public art is 5% of the total landscaping budget which equates to \$265,000.

Available options:

1. Pay for the Public Art from Catalina budget.
2. Seek alternative financial support through the use of community grants. A number of grants may be available to TPRC. There is detailed criteria that determine the eligibility of grant funds along with specific application dates. Generally, a not for profit group must auspice the grant, and/or an individual artist in some circumstances.

Should the TPRC choose to seek grant funding, it will be necessary to engage a Grant Writing Consultant to complete a scoping exercise on TPRC grant eligibility.

Potential options for grant applications include:

Arts and Culture Grant Directory	Agency	Closing Dates
Catalyst Community Arts Fund	CAN WA	Two periods of funding available, ending 30 March and 30 September 2012-2014
Indigenous Arts	Depart of Arts and Culture	20 March 2013, 20 September 2013
Lotterywest: Arts and Culture	Lotterywest Grants Program	Ongoing
Visual Arts and Crafts	Department of Culture and the Arts	20 September 2013
Young People and the Arts	Department of Culture and the Arts	22 February 2013, 20 September 2013
Environment and Nature	Lotterywest Grants Program	Ongoing
Coastwest	Western Australian Planning Commission	TBC 2013

PUBLIC ART MASTERPLAN

The Public Art Masterplan for Stage 1-6 is enclosed. The following elements are included:

- Neerabup Entry Statement (Landscape Architect)
Temporary marketing signage Catalina.
- Biodiversity and Conservation Area (Landscape Architect and Artist)
Interpretive signage for education purposes to be incorporated into seating, resting and shade areas.
- Community Information (Landscape Architect)
Community signage, marketing information and advertising can be incorporated into this structure.
- Stage 4 POS Main Sculpture (Artist)
Acting as the main sculpture feature in stages 1-6, this will be a large vertical piece.
- Marmion Avenue Entry Area (Landscape Architect)
This entry statement to have a large sculpture or sculpture wall that will be a permanent fixture.



Neerabup Entry Statement

Temporary signage to relate specifically to marketing the Catalina development. Signage to be removed at a later date and moved to another POS or entry area to continue marketing future stages.



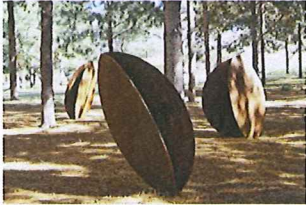
Biodiversity and Conservation Area

Interpretive signage to entry points of the Biodiversity and Conservation Area. Signage to include information about flora and fauna, as well as management of the site. Signage to be incorporated into seating, resting points or shade structures.



Community Information

Community signage, marketing information and advertising can be included on the 'Info Pod'. The Pod is a pre-cast concrete structure with associated seating and lighting.



Stage 4 POS Main Sculpture

Acting as the main feature sculpture in stages 1-6, the sculpture shall be a large vertical structure that specifically relates to the sustainable principles adopted for this development. This sculpture may also have a strong relationship to any possible play equipment or 'nature play' installed in this park.



Biodiversity and Conservation Area

Interpretive signage to entry points of the Biodiversity and Conservation Area. Signage to include information about flora and fauna, as well as management of the site. Signage to be incorporated into seating, resting points or shade structures.



Marmion Avenue Entry Area

Entry Statement to have large sculpture or sculpture wall that will be a permanent fixture. This will provide a key landmark feature along Marmion Avenue and identify the Catalina/Tamala Park site.



APPENDIX ITEM 9.15

20 November 2012

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

Dear Tony,

RE: Catalina, Local Area Transit System Investigation

In accordance with KPI 1.2.3 for Catalina, SPG submitted a Local Area Transit System Investigation dated June 2012, which was subsequently presented to Council in October 2012. The Council resolved not to proceed with a Special Transit Bus, Light Rail or Tramway systems.

The Council did however, request SPG to investigate options to promote greater use of public transport, including firm discussions with the PTA, use of Greenlink dual use paths/cycle ways, signage, community buses and other bus related infrastructure and report back to Council. The items raised by Council as requiring investigation are addressed below.

Greenlink Infrastructure

The Greenlink has been designed to form the main activity corridor of the Catalina development linking residents of the estate with the Clarkson train station, the coast and the broader region. It provides for a dedicated public transport route as well as an excellent movement environment for both pedestrians and cyclists. **Annexure 1** provides a cross section of the Greenlink design, which demonstrates how functional and efficient provision is being made to accommodate the needs of residents relating to both local and regional public transport demand, on street and off street cycle and pedestrians generally whilst also satisfying the requirements of the private motor vehicle.

The needs of cyclists are to be well catered for both on and of street. The cross section provides for dedicated on road cyclist lanes in both directions of 1.5m in width. These dedicated lanes in each direction will provide commuter and experienced cyclists with a fast and safe avenue for transiting between the coast and up to Clarkson train station. These commuter lanes will also feed into the broader cycle lane networks along Marmion Avenue, Neerabup Drive and Connolly Drive and the ultimate PSP along the Freeway providing for both district and regional movement. The on street lanes will be clearly identifiable

In addition to the on street cycle along the Greenlink the plan also caters for more a more passive cycle movement option for families and non commuters along a 2 metre wide dual use path which will meander through the fully landscaped 10 metre wide landscape corridor which adjoins the road reserve. This path

will be critical in establishing the greenlink as both a lower order movement corridor and a family and child friendly recreational space.

The pedestrian experience and encouraging pedestrian and passive recreation use of the Greenlink is integral to its ultimate success as a defining feature of the estate. The pedestrian is well catered for with footpaths on each side of the street consisting as a minimum of a 1.5 metre wide footpath on the north side of the Greenlink, and the 2 metre wide Dual Use Path (DUP) on the southern side of the Greenlink. The DUP will be located within the 10 metre wide landscape buffer mentioned above which will enhance the pedestrian experience and encourage use. It will incorporate grassed spaces, vegetation, trees, integrated public art, shade structures and play equipment and in specific locations will be developed in conjunction with of the adjacent public open space areas. The structures will also include community information, directions and way finding tools, interpretative plaques and shade seating. **Annexure 2** provides a concept plan for the location of and extent of facilities within the Greenlink in the Central Precinct.

The Greenlink infrastructure for pedestrians and cyclists is also fully integrated with the local network facilities being provided on the adjacent local streets and neighborhood connectors and linked to the internal destination points including the primary school, major open spaces and local centres.

The Greenlink also accommodates bus routes (see below). Ordinarily the locations of bus stops are selected by the PTA retrospectively once development is complete. This practice is employed in order to assess sight lines on site (as opposed to on plan), avoid conflict with driveway cross over locations, and minimize the impact of planning changes. For Catalina we have secured an agreement with the PTA to commence an early engagement programme in order to attempt to identify the location of bus stops prior to the commencement of civil works so other facilities, amenities and infrastructure can be properly co-ordinated. This may include the provision of hard infrastructure as required by the PTA for the facilitation of bus stops, and appropriate location of on-street parking to avoid conflict with bus services.

Public Transport Authority Infrastructure

SPG held a meeting at the PTA on the 7th November to confirm the route location for Catalina, frequency of service, timing of service and if necessary provision of interim route. A summary of the outcomes is provided below:

- **Bus Route location and frequency** – The PTA advised that the future preferred bus route for Catalina has been confirmed in their 5 year plan. The route ultimately runs from the Clarkson train station along the Greenlink to the coast, and then north into the Mindarie Marina (as shown as **Annexure 3**). In off peak periods the route will deviate north along McAllister Boulevard to provide a service to the Clarkson district centre. This route is viewed as an ideal outcome for the estate as it provides a very efficient and accessible level of service for all residents, is in easy walking distance, links all major attractors within the development and integrates the community with the surrounding established facilities. Stops along the route will be located at intervals of 300 metres, providing good accessibility and efficient walking distances for residents.

The PTA also advised that the frequency of the service will also be integrated with the train service timetable at Clarkson. The optimal frequency of the bus service is 10 minute intervals at peak periods and then half hourly outside peak periods. A service of this level of frequency will be subject to patronage and Government funding. If the high frequency service cannot be justified the minimum frequency will be 20 minute intervals at peak periods and up to hourly at non-peak

periods. A peak period service at intervals between 10 minutes and 20 minutes will not be considered as it will not match with the corresponding train timetable.

- **Timing of Service** – The PTA advised that at this time no funding has been allocated to the route, however, it is on their 5 year programme. A number of other more progressed developments are preceding Catalina on the waiting list for public transport provision. Timing of the service is mostly dependent on funding arrangements as PTA prefers to establish routes very early if possible to establish a public transport habit. Population thresholds are not considered by PTA to be a trigger for installing a service.

PTA are agreeable for the first stage service to run from Clarkson Station, down Connelly Drive (in advance of development of the eastern cell), along the Greenlink to a terminus at the western end of Aviator Blvd with lighting and turnaround area. Based on the current development program it is expected that the Greenlink will be fully constructed in the central cell by around July 2016.

- **Interim Service** - PTA had previously indicated that a potential interim service would be provided by re-routing service No 474 travelling along Marmion Avenue. This is no longer considered a feasible option as the service has been recently downgraded to 3 trips per day. The preference is to establish an entirely new Catalina service.

Other Public Transport Options

A number of options are available to the TPRC related to the provision of transport infrastructure for the development. These include establishing a funding agreement with the PTA to guarantee timing of services, provisions of a private bus service, reliance on existing services in surrounding areas or a community based scheme. Each of these options is investigated further below.

- **PTA Funding Agreement**- PTA has indicated that they would consider entering into a funding agreement for the early provision of a bus service. The agreement would require a minimum commitment of 5 to 10 years of joint funding by the TPRC / PTA after which PTA would commit to running the service solely at their cost. The cost of funding bus provision (2 buses) is approximately \$370,000 per annum. Under this arrangement a cost split would be negotiated between the TPRC and PTA, with the final allocation most likely dependant on the patronage of the service. While the cost is high the option provides certainty to the development in terms of a permanent bus service in both the short and long term. The costs provided are very preliminary.
- **Private Bus Service** - It is possible for the development to manage its own interim bus service through the provision of a privately funded temporary service. In order to operate such a service the TPRC would be required to obtain a license from the PTA and would not be able to charge for the service. Preliminary investigations indicate that a private subcontractor service operating 1 bus would cost around \$250,000 per annum, depending on the hours of operation. This cost could vary substantially depending on whether the service was operated over a combination of peak, off-peak and weekend times. The TPRC would need to check that the necessary insurances were in place to allow it to operate such a service.
- **Reliance on Existing Services** – The closest existing service runs along Ocean Keys Boulevard in Clarkson. The closest bus stop to a resident located at the northern extremity of the estate is around 350 meters away. This distance is considered to be at the edge of a walkable catchment,

and represents the best case scenario for a resident of Catalina in terms of distance to an existing service. PTA have advised that they will not consider re-routing any of the services which currently run along Ocean Keys Boulevard onto Connelly Drive in order to decrease the walking distance for the initial Catalina residents.

- **Community Shared Car** – Shared car services which are currently operating in Australia are privately operated and located in densely populated areas such as the Sydney and Melbourne inner city areas. They are designed to discourage, or provide an alternative to, car ownership. Residents which choose to become members of a shared car scheme are able to make bookings on an hourly basis. The operator of the scheme is responsible for the car maintenance. It is not considered that Catalina will have the required densities in its initial phases to justify a shared car scheme, however, this will remain an option available to the TPRC in the future should there be a desire to pursue it further and should an operator enter the Perth market.

Conclusion

Encouraging and providing for the efficient movement of pedestrians and cyclists through the estate, and in particular along the Greenlink, together with providing for the early provision of a very accessible public transport system remains a strong focus for the design and delivery of Catalina. The PTA has confirmed both preliminary and ultimate routes for the bus services through the estate and SPG considers this to represent an excellent outcome. Unfortunately whilst the route has been placed on the PTA 5 year program, which is expected to generally align with the Catalina development program, there is still no certainty around the timing of delivery of this service from PTA.

It is recommended that close contact be maintained with the PTA over the provision of a bus service along the Greenlink once it is connected between Marmion Avenue and Connelly Drive. Finalisation of staging of the Central Precinct is currently being undertaken. On completion SPG will write to the PTA to confirm accurate timing on the availability of the Greenlink route, and request the PTA to co-ordinate the provision of a bus service with the Greenlink connection to Connelly Drive. If the PTA service is not provided in a timely manner negotiations over a shared funding arrangement can be initiated. In the interim should the TPRC wish to provide free bus services to the residents of Catalina this will need to be funded by the development.

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

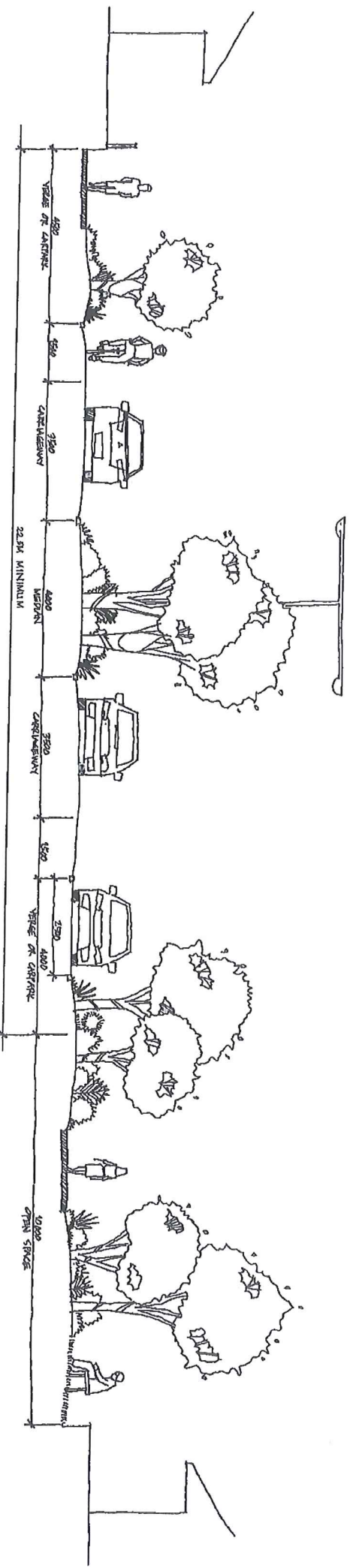
Yours faithfully,



JUSTIN CROOKS
PROJECT DIRECTOR

Annexure 1

Greenlink Design Cross Section



4m MEDIAN, 10m OPEN SPACE

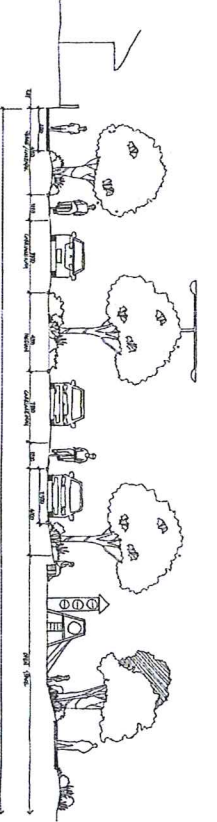


EPCAD

Greenlink Typical Sections

Annexure 2

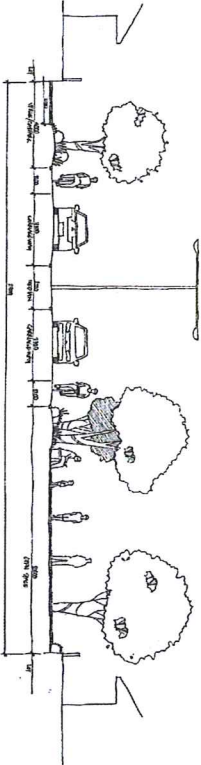
Greenlink Concept Plan



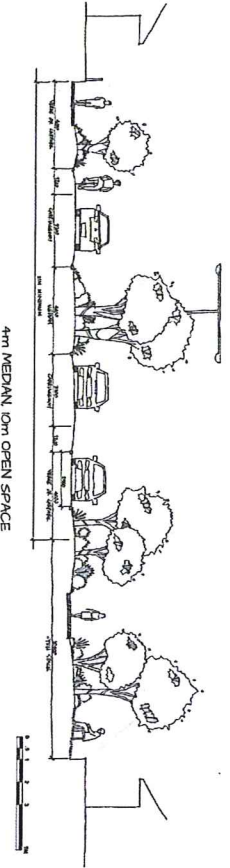
SECTION A-A



PRIMARY SCHOOL & POS



SECTION B-B



SECTION C-C

- LEGEND**
- GREENLINK
 - DUAL USE PATH
 - SHARED PAVED SPACE
 - PLAY AREA
 - PUBLIC ART INTEGRATION
 - STRUCTURES (COMMUNITY INFO / INTERPRETATION / SHADE SEATING)
 - STREET PAVING

<p>PROJECT TITLE PRELIMINARY CONCEPT PLAN: CENTRAL LAND USES TAMULA PARK GREENLINK</p> <p>CLIENT TAMULA PARK REGIONAL COUNCIL</p>	<p>DATE 15/08/2011</p> <p>BY [Signature]</p> <p>CHECKED [Signature]</p>
---	--

PROJECT NO.
B0769/TP/GL101

DATE
AUGUST 2011

SCALE
1:10000/1

STATUS
PRELIMINARY

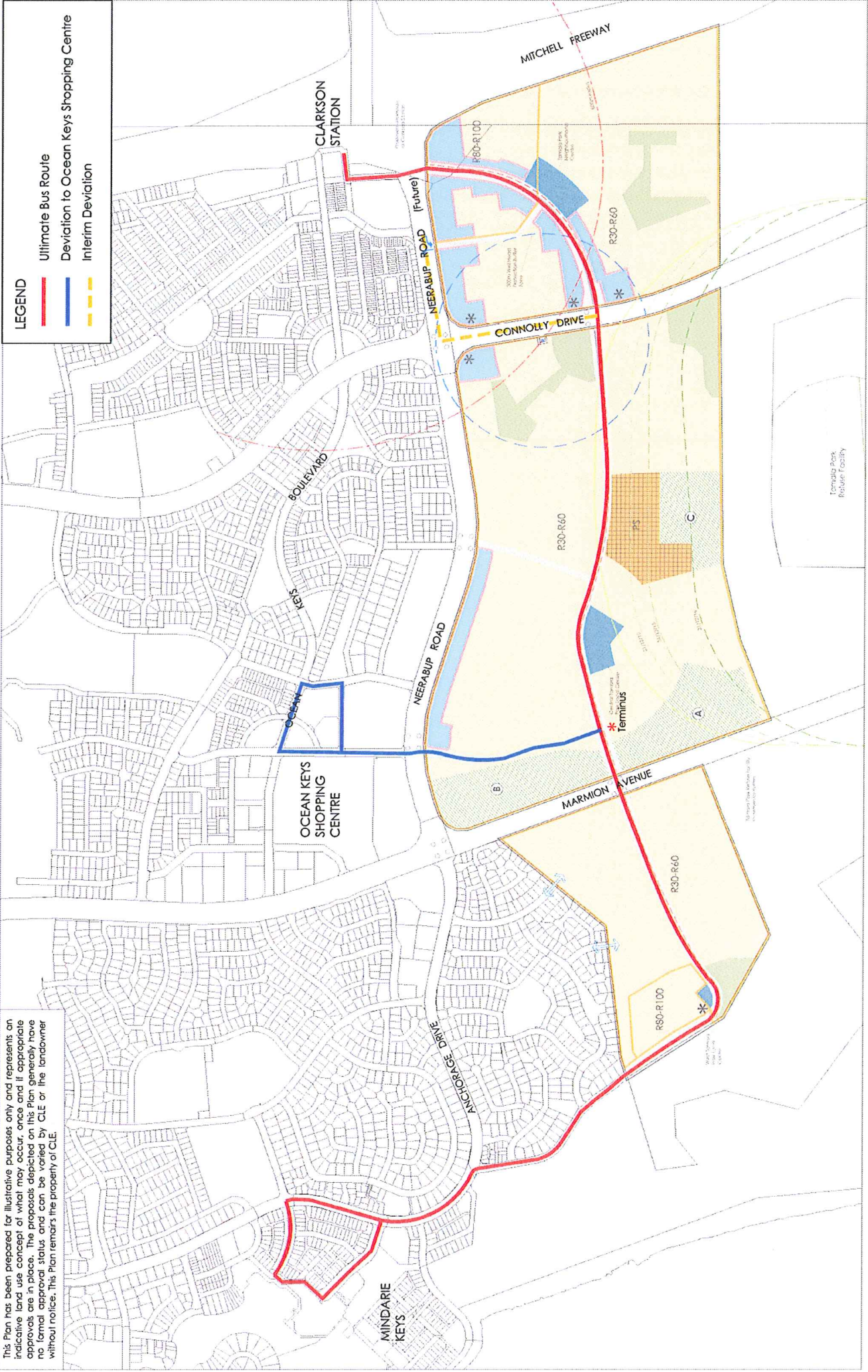
DESIGNED BY
[Name]

CHECKED BY
[Name]

Annexure 3

Bus Route

This Plan has been prepared for illustrative purposes only and represents an indicative land use concept of what may occur, once and if appropriate approvals are in place. The proposals depicted on this Plan generally have no formal approval status and can be varied by CLE or the landowner without notice. This Plan remains the property of CLE.



FUTURE BUS ROUTE PLAN
 Catalina Estate, Tamala Park
 City of Wanneroo



plan no: 2228-155A-01
 scale: nis
 date: 22.11.2012

T: (08) 9281 9233 F: (08) 9281 1217
 E: planning@cityofwanneroo.wa.gov.au
 L: 2nd FLOOR, 1500 WESTERN AVENUE, WANNEROO, WA 6008
 PO BOX 198, SUDBORO, WA 6008

The plans consist of the revised site & subject to approval, survey & engineering details. This plan remains the property of CLE.

APPENDIX ITEM 9.16

Procurement Policy

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 ~~October 2005~~ 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.

Procurement Policy

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

Procurement Policy

- 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 ~~\$5,000~~\$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.

Procurement Policy

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 ~~in the (example) form below~~ is to be used in advising prospective tenderers of the evaluation criteria and the method for scoring tender responses.

Description of Evaluation Criteria	Points Available	Weighting
a) Price (using cost range scoring)	40	50%
b) Demonstrated experience in completing similar assignments	40	40%
c) Methodology for audit and communication	40	40%
d) Conformity with tender documents and specifications	40	40%
e) Skills and experience of key personnel	40	40%
f) Technical expertise	40	40%

Evaluation matrix's may consist of either:-

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

a) Weighted Cost Criteria

Procurement Policy

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

Procurement Policy

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, ~~however,~~ 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.

Procurement Policy

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

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

10. Environmental Procurement and Value for Money

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

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

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

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

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

11. Environmental Considerations in Contracting Process

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

Contract Planning (pre-tender)

- Is the proposed purchase necessary.
- Identify and address environmental impact issues in all procurement plans.
- Develop specifications that give consideration to environmental standards, codes or legislation, where appropriate.
- Consider options for quotation and tender design, including selection criteria that provide positive advantage to goods, services and/or processes that minimise environmental impact.

Procurement Policy

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

The Guidelines provided in:

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

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

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

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

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

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

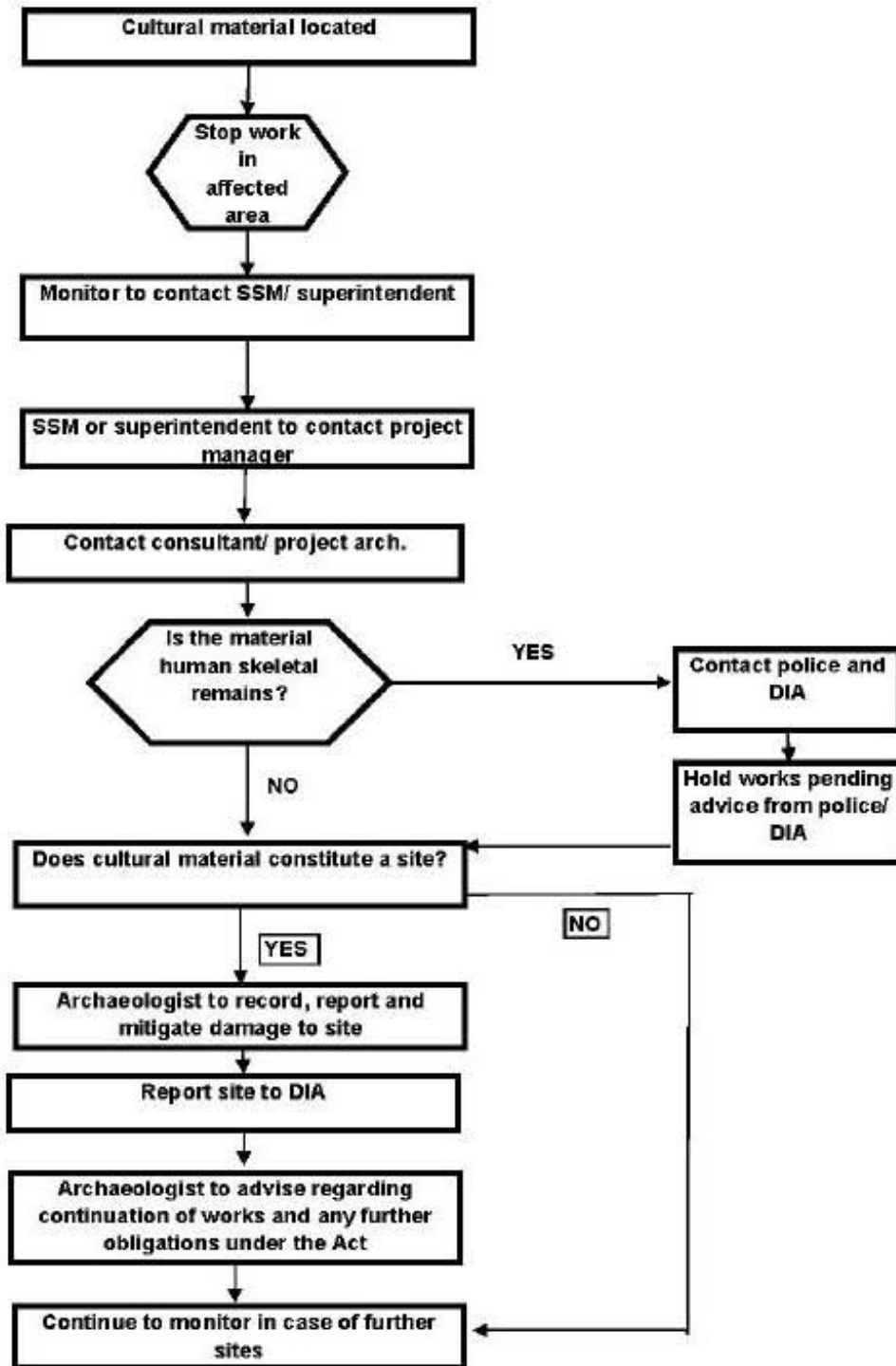
- #### 12.2
- Whenever ground clearing activities and construction work is commissioned, staff of the TPRC and consultants and contractors are to be advised of the obligations set out in the AH Act and guidelines from the Department of Indigenous Affairs in respect of ground clearing and the discovery of items of potential cultural interest.

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

Procurement Policy

Cultural Material Contingency Plan Steps

Procurement Policy



APPENDIX ITEM 9.17

19 September 2012

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

Dear Tony,

RE: Catalina Media Consultancy Services, Tender Evaluation

As of October 2012, the current two year contract with Marketforce for the provision of media consultancy at Catalina expires. As a result Tamala Park Regional Council advertised a call for tenders in The West Australian Newspaper on 18 August 2012, for the provision of Media consultancy services to the Catalina Estate.

At the conclusion of the two week tender period on Monday 3 September 2012, one tender submission had been received from OMD.

The tender was opened and recorded at the TPRC offices. One copy of the document was retained by the TPRC and the second copy and an electronic copy was sent to SPG for assessment.

The tenderer submitted the required public liability and professional indemnity insurances, however did not submit a signed tender form.

A Tender Assessment has been undertaken by Satterley Property Group against the Selection Criteria appearing in the Tender documents. The evaluation of Selection Criteria was undertaken in accordance with the direction provided by TPRC's procurement policy.

Table 1 below summarises the assessment of the Tender response to items 1, 2 and 3 of the selection criteria.

Table 1

	Criteria 1 Understanding of Project Key Issues 20%	Criteria 2 Track record of the Firm 25%	Criteria 3 Experience capability and track record of key personal
OMD	A very good understanding of the key project issues was provided, including identification of various advertising mediums and location of target market.	A very good track record was demonstrated including extensive involvement with LGA's and multiple stakeholder campaigns.	A very good level of experience and track of staff was demonstrated, along with extensive demonstration of originality in the provision of media. One potential conflict of interest was identified, along with an acceptable strategy for management of the conflict.

Financial Assessment

Tenderers were asked to complete a schedule providing fixed fees for future works over the potential term of the contract. The tenderer filled out the schedule as requested.

OMD is an approved media buying agency on behalf of the WA Government. As the TPRC is a WA LGA, it has access to the CUA contract rate of 2.70% of all media purchases. In addition to the CUA contract rate, OMD have submitted a consultancy rate of \$147.43/hour for senior staff and \$73.73/hour for junior staff. These rates are highly competitive in comparison to the non CUA market rate of 5% (including planning) on all media purchases. The commercial terms under the expiring Marketforce appointment are the same as those proposed under the OMD tender. This is reflective of the State Government Treasury Department negotiation for the CUA rate across all sectors of government.

As OMD are the only tenderer at full score of 30 has been applied to item four of the selection criteria.

Table 3 depicts the results of the SPG assessment of the OMD submission against the selection criteria.

Table 3

Selection Criteria									
	1		2		3		4		Total
	Ranking (0-10)	Weighting (20%)	Ranking (0-10)	Weighting (25%)	Ranking (0-10)	Weighting (25%)	Ranking (0-10)	Weighting (30%)	
OMD	7	14%	8	20%	8	20%	1	30%	77%

As can be demonstrated by the table, while OMD are the only tenderer, a high level of compliance against each of the criteria has been demonstrated.

Recommendation

As a result of the assessment of the Tender received for Media consultancy services to Catalina, Satterley Property Group recommends the appointment of OMD for a period of two years, with a potential for a one year extension at the discretion of the TPRC.

While OMD were the only tenderer, they were able to demonstrate a fee base which represents value for money and compliance with all elements of the selection criteria. The OMD fee schedule is within the approved Catalina budget allowance.

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

Yours faithfully,



JUSTIN CROOKS
PROJECT DIRECTOR

APPENDIX ITEM 9.19

**TAMALA PARK – CATALINA
BUILT-FORM and DEMONSTRATION HOUSING STRATEGY**

June 2012

BACKGROUND

The purpose of the following Built-Form and Demonstration Housing Strategy (BFDHS) is to:

1. Provide the TPRC with strategic direction and identify development opportunities,
2. Provide guidance to the TPRC on options available to deliver built form outcomes with recognition of prevailing market conditions, industry best practice, consumer demands, and competitor activity,
3. Review the outcomes of development to date against the principles of the approved BFDHS.

The LSP provides a detailed and comprehensive description of the strategies and methodologies required to deliver the key priorities to ensure the best social, environmental and economic outcomes and are summarised as follows:

- To provide a diverse range of lifestyle dwellings from single residential, semi-detached and terraced homes to modest multi-level apartments and include opportunities for over 55's living and aged care.
- The early establishment of a focal hub for the community through the development of a multi-purpose community facility associated with the local centre, primary school and recreation facilities.
- To provide opportunity for diverse mixed-use precincts that has potential to leverage off the employment-generating activity in the Ocean Keys District Centre, Clarkson station and the Neerabup Business Park.

The LSP identifies density opportunities for the following precincts:

- Beachside coastal village (Coastal Precinct);
- Adjacent to Neerabup Road, and the central village adjacent to the proposed primary school (Central Precinct); and
- To the south of the Clarkson Rail Station (Garden Precinct).

These precincts are highlighted below on the LSP in red as follows:



OBJECTIVES

The Project Manager recognises and supports the strategies and initiatives included in the LSP and the objectives of this document to follow the commitment to achieving a high quality of built-form within the project.

In its submission to the Tamala Park Regional Council (TPRC) the SPG committed support to these initiatives via a number of objectives. These objectives along with a review of the status of each objective are listed below:

Objective 1. Create Mix of Residential Lot Types

To provide a mixture of lot types that support single traditional homes, cottage homes, semi detached housing, terrace housing, villas, maisonettes and apartments, combining to create a community that is vibrant, self sustaining and varied.

Status – To date a broad mix of residential densities has been created, which is able to cater for all residential lot types listed above, with the exception of maisonettes. All lot types listed above remain relevant, however, it should be noted that the mix of product types within each of these categories will evolve as different precincts of the estate are delivered.

Objective 2. Create Affordable Housing Opportunities

To encourage affordable housing types, including potential partnering opportunities with the State Government agencies;

Status – To date affordable housing opportunities have been delivered through production of turn key product in conjunction with project builders on narrow width lots. Opportunities with State Government agencies have not been explored due to the location of current development, however, this option remains available, with the most relevant options available within the Garden Precinct.

Objective 3. Create Mix-Use Development

To encourage dwelling types that reflect where land development is adjacent to activity centres.

Status- To date no mixed use development has occurred. There may be some opportunity of achieving a mixed use outcome in the development of GHS lot 1 in stage 1, however, this is still likely to lead to a predominantly residential outcome. The primary opportunity for achieving a mixed use outcome remains within the Garden Precinct.

Objective 4. Encourage Sustainability Framework

To encourage dwelling designs that reflect the sustainability framework that has been adopted to ensure achievement of estate aspirations in energy and water conservation.

Status – For single residential dwellings this objective has been met through a number of mechanisms, including solar orientation of lots during the design planning phase, recommendations to purchasers through the Catalina design guidelines and sustainability initiatives provided as incentives in the sale of land.

Objective 5. Retention of Land-form

To provide dwelling construction that will “touch the earth lightly” by providing terrain responsive housing in the coastal precinct and integrate with the natural landscape by retaining existing vegetation and sympathetic coastal material palette.

Status – All development to date has been undertaken on the basis of optimising earthworks with the objective of reducing development costs for the TPRC and reducing site costs for end users, while taking into consideration external and internal site constraints. Further investigations will be required into the potential for landform retention in the planning of the Coastal precinct, including an analysis of the economic impact of maintaining land-form.

RESIDENTIAL DESINITIES

The LSP provides the framework within which the final built form outcomes are able to be delivered. The drivers within the LSP which have an effect on built form outcomes within the estate include the following;

- the minimum target density of 2600 dwellings being set under Clause 6.3.1,
- the density code ranges applied under Part 1;
- locational criteria for designation of the final codings;
- R Code variations;
- The ability to achieve a suitable housing mix under these scenarios.

Overall the density range of R30/60 which applies throughout most of the estate is ideally suited to the delivery of a very wide range of single lot product from the small cottages to more traditional sizes, plus group housing, and allows for the decision on best location to occur at the time of subdivision. There are two areas within the Coastal and Garden precincts which designate R80/100 in anticipation of multiple dwellings. A third potential location for density within the Central

precinct has also been identified. These should be reviewed and refined as concept planning for the relevant areas occurs, and the extent of the suitability of this housing response becomes clearer.

The density range approach in the LSP and the Locational Criteria currently provides good flexibility and multiple options for the delivery of a range built form outcomes. The ability to apply either the R60 (universally), and the R100 (in select areas) allows for built form choices to be based on the TPRC requirements, rather than planning preferences. This flexibility provides wide scope for selecting the best sites for built form using both planning and commercial drivers.

Subtle refinements to the current R Code regime in the LSP, as part of either the concept planning or the subdivision stages may be required to achieve the final desired product outcome. A more extensive review of the R Code variations in the LSP is recommended (the development standards) to ensure development standards are better matched to the particular housing preferences for Catalina, especially for the smaller lot areas where generic concessions will assist in the delivery of a wider range of affordable housing types and built form.

AFFORDABILITY / SUSTAINABILITY DELIVERY STRATEGIES

There is a range of delivery models which can be utilized to achieve the built form and demonstration housing objectives. These include:

- Subdivision design of a mix of single dwelling lot types for public sale that may mandate specific design guidelines and sustainable outcomes;
- Subdivision of medium-density single dwelling product for sale by allocation to suitably experienced home builders mandating specific design guidelines and sustainable outcomes;
- Investment in demonstration housing through investment by the TPRC;
- Partnering with the State Government agencies to assist in provision of affordable housing. Precincts ideally suited to this development model are adjacent to more affordable areas near the Clarkson train station. This model may have a negative effect on the overall financial performance of the development due to negative market sentiment associated with Department of Housing involvement, and therefore requires careful consideration, including the following factors:
 - type of social housing scheme proposed by the partner;
 - location of the development site; and
 - timing of the development in relation surrounding development.

Proposals for partnering with State Government agencies will therefore need to be considered on a case by case basis.

- Partnering with selective builders on group housing sites to create multiple strata 1 and 2 bedroom dwellings. The cash flow impacts of this model must be considered. Involvement in any built form partnership is likely to lead to short to medium term decreased dividend payments to the TPRC member Councils. This model will also increase the levels of development risk to the TPRC.
- Demonstration of built-form types such as:
 - Apartments or mixed-use development in locations of high amenity either via direct funding from TPRC or partnering with builder/developer; and/or

- Site responsive housing in coastal precinct in locations of high profile either via direct funding from TPRC or partnering with builder/developer.

Both of these initiatives will need to consider the financial and development risk implications mentioned above.

For each delivery model option Design Guidelines are being applied in order to maintain better control of built-form standards. From time to time the Design Guidelines are being modified to reflect the outcomes of specific precincts. As such the Design Guidelines are expected to continually evolve over the life of the development.

Details of each of type category are as follows:

Single Dwellings Lots

Affordability in single dwelling construction is dictated largely by product size. This is due to the fact that construction rates for single level dwellings remains generally fixed at around \$1100 per meter square (increases in finished specification is excluded). The table below demonstrates the difference in affordability as lot sizes increase for current market rates at Catalina.

Lot width Metres	Laneway yes/no	Household Type	Actual Range / Land Price \$'000	House & Land Range \$'000
7.5	yes	Young couples, retirees	152.5 – 172.5	330 – 380
10	yes	Over 55's, retirees, affluent young couples	205 – 215	395 – 420
12.5	no	Young families	225 – 230	430 – 460
15	no	Established larger families	255 – 260	465 – 500
17	no	Affluent older families	285	470 +

This range of household types covers a large spectrum of purchasers within the catchment of Catalina. This range will be expanded upon in other precincts within the project.

Single dwelling lots are currently being sold either directly to the public or via an allocation process to building companies. The allocation process is only being applied to medium-density lots 7.5m wide or 10m wide lots adjacent to 7.5m lots, where, due to construction of dwellings being boundary to boundary, consistent streetscape is desirable.

A similar process has been undertaken at SPG's projects such as Brighton (refer photo below), Evermore (Baldivis) and Dalyellup, and has created high quality built-form that enhances the streetscape of the estate.



Multiple Dwellings or Mixed-Use Lots

Multiple dwelling sites that have potential for villas, maisonettes, apartments and mixed-use sites require more careful consideration due to the greater density of dwelling types coupled with commercial viability.

SPG will categorise by development potential each multiple dwelling and mixed-use site based upon location characteristics. Sites will be labelled as either requiring “guided” development or “commercial return”. The “guided” development sites will be then be categorised as either “high profile” or “affordable” depending on proximity and aspect to prominent features such as the beach, shops, rail station and school.

Categories are as follows:

- **Guided Development – High Profile**
Sites in key high profile locations will be mandated to achieve specific design requirements with SPG to manage the preparation of design concepts and guidelines for these sites in collaboration with an architect or urban design consultant. Such requirements will stipulate details such as height, density, form, access, topography (particularly for coastal lots), sustainable initiatives, setbacks, aesthetic features, and may also include requirements for social diversity.
- **Guided Development – Affordable**
These sites are typically in busy locations and may adjoin major infrastructure or activity nodes such as the train station or district centre. As many of these sites will be highly visible, it is proposed that a guided development outcome is desirable. These sites represent prime opportunities for the delivery of affordable housing products. This can be achieved with either private developers or public sector development agencies. It is considered that this form of housing will be best located within the projects eastern precinct within the walkable catchment of the Clarkson train station.
- **Commercial Return on Land**
These are sites in less exposed locations where a guided development outcome is not required and accordingly a standard method of sale to achieve the best commercial return is proposed. These site wills still be subject to Design Guidelines

To deliver either of the aforementioned “Guided” Development outcomes, a number of models will be considered:

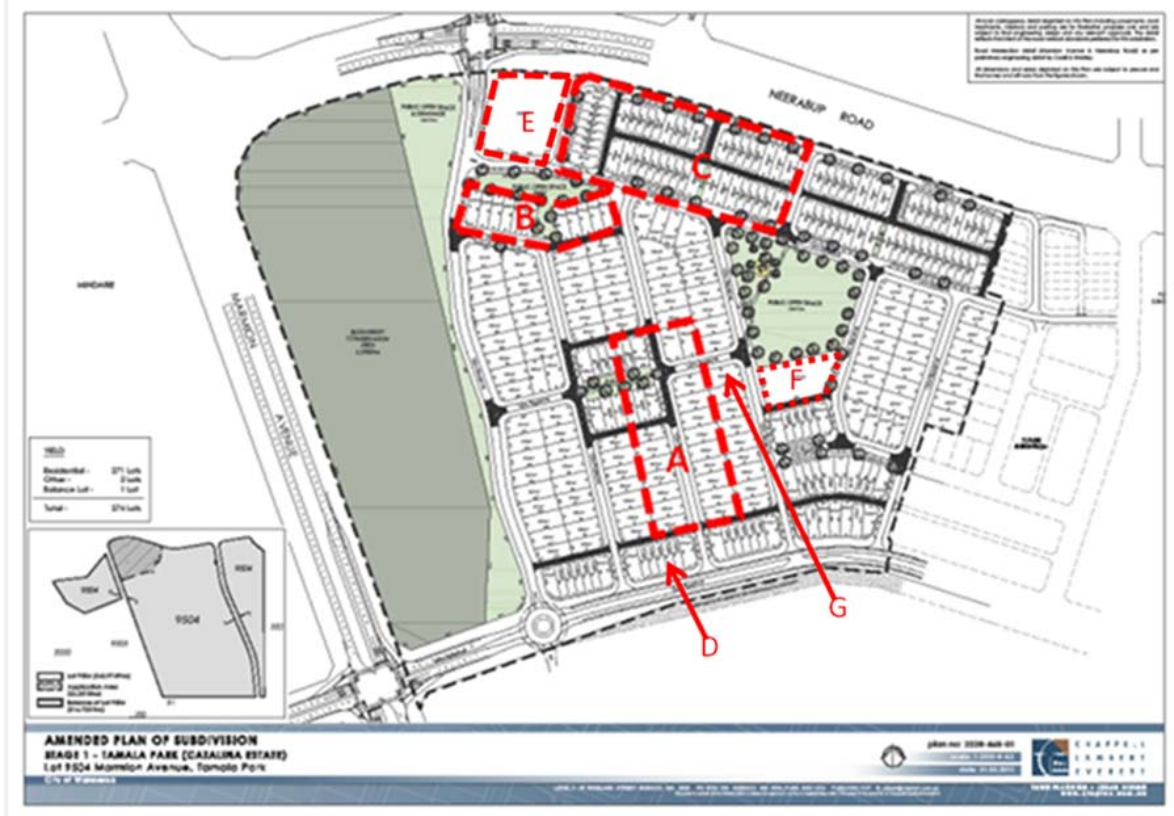
- *Sale to developer/builder*
It is considered there is an opportunity to promote Catalina as an opportunity to builders not typically operating in the estate. This opportunity can be packaged up to builders with details of the desired outcome, including a pre-approval of development application.
- *TPRC to partner with builder (partner with builder section)*
This process involves the TPRC partnering with a builder, whereby the TPRC contributes land and the builder undertakes and pays for construction. Profits from the sale of the end product would be split between TPRC and the builder at the ratio of equity participation. The cash flow impacts of deferred revenue from the sale of the site will need to be considered with this option.
- *TPRC to contract builder*
TPRC can directly contract with builders to undertake the design and construction of the desired built form outcome. The TPRC would fund the build of the development with SPG undertaking project management, sales and marketing.
- *TPRC to contract with Government Agency*
TPRC may choose to enter into an agreement with an agency such as DoH for the development of affordable dwellings. These dwellings would then be offered to private buyers under the shared equity scheme through Keystart, whereby the Department of Housing retains equity of up to 40%. This arrangement may apply to sites appropriate for development of over 55’, retirement housing and affordable housing. As mentioned previously the effect on the overall marketability of the estate needs to be considered prior to entering into a contract with the DoH.
- *Expression of Interest – (Design Competition)*
To promote innovation in building and development it is an option to conduct a design competition. This may include sites located in any part of the aforementioned categories, in particular those where a desirable outcome promoting and demonstrating new ideas will be most beneficial. Innovative ideas including new building materials, new sustainability initiatives and alternative housing design models could be considered. This methodology can also be applied to builder partnership approach.

A schedule summarising the delivery models proposed is as follows:

	Design Guidelines Control	Subdivide and sell direct to public	Allocation and sale direct to builder	GUIDED DEVELOPMENT				Commercial public sale at highest return
				Sale to developer or builder	Partner with builder	Partner with Dept of Housing	Contract Builder (demo)	
SINGLE DWELLING LOTS								
Low density	X	X						X
Medium/high density	X		X	X				X
MULTIPLE DWELLING LOTS								
High Profile	X				X		X	
Affordable	X			X	X	X	X	
Commercial Return	X			X				X
MIXED-USE LOTS								
Demonstration	X				X	X	X	
Commercial return	X	X		X	X			X

PROGRESS TO DATE AND NEXT STEPS

Overall progress for the implementation of the Built Form and Sustainability Objectives is summarised under the Objectives section on page 2 of this document. A detailed analysis of activities which have been undertaken are outlined below, with reference to the following plan.



Affordable Housing

As previously identified, affordability in single level detach dwellings is largely dictated by lot size. In order to offer a wide range of housing, including a substantial offering of affordable housing, the lot mix for all stages for which subdivision approval has either been applied for or received has been carefully monitored in order to achieve balance between medium density lots, regular lots and traditional lots.

The table below shows the product mix for all lots which have achieved subdivision approval to date.

Lot width metres	Product mix
7.5	30%
10	25%
12.5	12%
15	25%
17	8%

New subdivision applications which have been lodged include the trial of a new 15m wide x 20m wide lot design. This product will be located at the ends of cells of regular lots and will aim to provide the market with a final house and land package of below \$350,000, and also achieve the objective of increasing housing choice within the estate.

Opportunities for affordable housing exist predominantly in the Central and Garden precincts. Delivery of affordable housing within the Central precinct will continue to occur through medium density small lot product, as well as some group housing sites, where planning outcomes dictate.

Affordable housing will be a strong focus of the Garden precinct, particularly in areas of high density development within close proximity of the Clarkson train station. Detailed planning for this precinct will reference the affordability objectives of the Council.

Demonstration Housing

Two demonstration housing initiatives have been approved by the TPRC. These include the sales office and information centre (item D) and the Charity Home (item G). Construction of the sales office will commence in the fourth of 2012 and is due to be complete in mid 2013. The house will demonstrate some sustainability initiatives, however, focuses predominantly on alternative construction methodologies, with innovate material use and second storey construction.

The Charity home will be complete in 2014. This project is to showcase a range of sustainability initiatives which the TPRC is actively encouraging across the estate.

Further initiatives to be undertaken in the area of demonstration housing include:

- Investigation of lightweight housing options to increase affordability and also investigate the economics of minimizing site works.
- Seeking proposals to encourage demonstration housing either through incentives to builders or direct investment by the TPRC.
- Investigating alternative methods of construction for medium density housing with the objective of increasing affordability. This will be particularly relevant to the Garden precinct.

Built Form Partnerships

The TPRC has entered into agreements, via put options, with BGC and the ABN Group for the development of 31 medium density lots in stage 3 (area C). While the agreement was obtained via public tender, this does represent a significant partnership for the delivery of affordable built form outcomes with the two largest project home builders in WA. Construction of the homes is expected to commence in early 2014.

Lot 1 in stage 1 (item E) is zoned Mixed-Use with a medium density code of R60. Due to its proximity to the Clarkson District Centre, this site is ideally suited for residential development with the opportunity for mixed uses such as home office or a small café. The site has been identified as “Guided Development – High Profile”. The site is due to be titled in October 2012, and is budgeted to be sold in the 2012-13 financial year. A tender document is to be prepared for the sale of the site this year. Development will be required to occur in accordance with preset built form outcomes. Options to consider incentives such as deferred settlement terms will be considered in order to achieve a high quality outcome on the site.

The sale of lot 248 adjacent to the stage 4 POS (item F) will be undertaken under a similar arrangement as lot 1. The tender for this site will occur immediately post the tender of lot 1 and will require specific built form outcomes, with the objectives of encouraging innovation in built form.

Partnership models with builders for the development of medium density sites will continue to be explored. Terms will need to consider prevailing market conditions, consumer demand and trends in development.

Demonstration of Built Form Range

The stage 2 area has been designated as a display village. The product mix within the display village seeks to demonstrate each of the lot types which are currently available in the development, leading to a diverse range of housing choices. These housing choices are further expanded by the mix of builders and proposed products to be displayed in the village, ranging from single storey affordable brands to designated two storey builders. The village also includes some of the first 7.5 meter wide lots to be demonstrated in a display village in Perth, and will provide an opportunity to demonstrate affordable green title housing options.

Further initiatives to be undertaken in the area of demonstration housing include:

- Investigation of lightweight housing options to increase affordability and also investigate the economics of minimizing site works.
- Seeking proposals to encourage demonstration housing either through incentives to builders or direct investment by the TPRC.

Diversity of Product

A review of the overall estate product mix has been undertaken to inform planning design for future stages and also financial modeling. The proposed product mix for each cell is included as annexure A.

The tables demonstrate consideration has been given to anticipate consumer demands of each the Coastal, Central and Garden Precincts. Densities increase as development moves further away from the coast and closer to the Clarkson train station. The tables will be continually monitored as planning for these cells progress, and new innovations in development and housing evolve.

PRECINCT STRATEGIES

As mentioned previously the nature in which density may be allocated under the LSP (subject to ongoing refinements) does allow for considerable flexibility when selecting the preferred sites for a built form response whether as single, attached, mixed use, group or multiple dwellings. Each Cell presents a range of options for targeting both high profile locations and internalised locations where land use context may warrant such an approach. With the planning more advanced for the Central Cell and lots being developed key areas appropriate for a Guided Development scenario include;

- Key entry points and lead ins, along major local roads intersecting with Neerabup Road and Connolly Drive;
- Where landform constraints in the north east present both a commercial advantage in build out and a planning context nearer the station;
- Overlooking local open spaces areas;
- Within the Central Village Precinct where the Primary School, intersection and local centre provide a key focal point.

While the Western and Eastern Cells have yet to be concept planned beyond the level of detail within the local structure plan, both have key areas where built form can be investigated. For the Western Cell the lead in road creates a suitable context culminating in even higher density and built form options adjacent the foreshore where multi storeys will achieve ocean views. For the Eastern Cell numerous potentials exist due to:

- The more intensive urban setting provided by its proximity to the Clarkson Station and Connolly Neerabup intersection; and
- The strength of connection provided by the Greenlink here and its more urbanised context.

Those areas already identified as “mixed use” in the Structure Plan especially those to the north within the R80/100 coding present the best context for higher density built form than any other location at Catalina especially given the extent of existing supporting infrastructure north of Neerabup Road.

A recommendation on which category a site with a medium density zoning or higher falls into should occur at the same time as civil works commence on the relevant stage. For future stages in the eastern precinct when numerous group housing sites may occur within in a single stage, categorisation should occur prior to a civil works contract being let.



Annexure A

Coastal Precinct

YIELD SUMMARY (2228A-82-01) West							
Single Lot Product				Yield			
				Lots	DU's	% Lot Product	Site Area (Ha)
FRONT		17 x 30m	0.0543	20	20	5.0%	1.0873
		15 x 30m	0.0473	80	80	20.0%	3.7886
		12.5-13 x 30	0.0385	140	140	35.0%	5.3966
		10 x 30m	0.0315	133	133	15.0%	4.1873
		Sub Total		373	373	75.0%	14.4597
REAR		10 x 30m	0.0315	20	20	5.0%	0.6308
		7.5-8 x 30m	0.0238	60	60	15.0%	1.4297
		5 x 32m	0.0160	20	20	5.0%	0.3204
		Sub Total		100	100	25.0%	2.3809
		TOTAL		473	473	100.0%	16.8406
SITE		Other	-	0	0	0.0%	0.0000
		Sub Total		0	0	0.0%	0.0000
		TOTAL		473	473	100%	16.8406

Central Precinct Balance Excluding Phase 1

YIELD SUMMARY (2228-82A-01) Cen Cell B							
Single Lot Product				Yield			
				Lots	DU's	% Lot Product	Site Area (Ha)
FRONT		17 x 30m	0.0543	74	74	10.0%	4.0055
		15 x 30m	0.0473	184	184	24.9%	8.7229
		12.5-13 x 30	0.0385	184	184	24.9%	7.1000
		10 x 30m	0.0315	74	74	10.0%	2.3237
		Sub Total		516	516	69.7%	22.1521
REAR		10 x 30m	0.0315	37	37	5.0%	1.1618
		7.5-8 x 30m	0.0238	148	148	19.9%	3.5113
		5 x 32m	0.0160	37	37	5.0%	0.5913
		Sub Total		221	221	29.9%	5.2644
		TOTAL		738	738	99.6%	27.4166
SITE		Other	-	3	260	0.4%	3.0643
		Sub Total		3	260	0.4%	3.0643
		TOTAL		741	998	100%	30.4809

Garden Precinct (WAPC land)

YIELD SUMMARY (2228-82A-01) East WAPC							
Single Lot Product				Yield			
				Lots	DU's	% Lot Product	Site Area (Ha)
FRONT		17 x 30m	0.0543	9	9	5.0%	0.5146
		15 x 30m	0.0473	28	28	15.0%	1.3447
		12.5-13 x 30	0.0385	57	57	30.0%	2.1890
		10 x 30m	0.0315	28	28	15.0%	0.8955
		Sub Total		123	123	65.0%	4.9437
REAR		10 x 30m	0.0315	9	9	5.0%	0.2985
		7.5-8 x 30m	0.0238	47	47	25.0%	1.1277
		5 x 32m	0.0160	9	9	5.0%	0.1516
		Sub Total		66	66	35.0%	1.5778
		TOTAL		190	190	100.0%	6.5215
SITE		Other	-	0	0	0.0%	0.0000
		Sub Total		0	0	0.0%	0.0000
		TOTAL		190	190	100%	6.5215

Garden Precinct North

YIELD SUMMARY (2228-82A-01) East TPRC North							
Single Lot Product				Yield			
				Lots	DU's	% Lot Product	Site Area (Ha)
FRONT		17 x 30m	0.0543	13	13	5.0%	0.6927
		15 x 30m	0.0473	38	38	14.9%	1.8091
		12.5-13 x 30	0.0385	76	76	29.7%	2.9440
		10 x 30m	0.0315	38	38	14.9%	1.2048
		Sub Total		166	166	64.4%	6.6506
REAR		10 x 30m	0.0315	13	13	5.0%	0.4019
		7.5-8 x 30m	0.0238	64	64	24.8%	1.5169
		5 x 32m	0.0160	13	13	5.0%	0.2041
		Sub Total		89	89	34.7%	2.1229
		TOTAL		255	255	99.1%	8.7735
SITE		Other	-	2	321	0.8%	2.0090
		Sub Total		2	321	0.8%	2.0090
		TOTAL		257	576	100%	10.7825

Garden Precinct South

YIELD SUMMARY (2228-82A-01) East TPRC South							
Single Lot Product				Yield			
				Lots	DU's	% Lot Product	Site Area (Ha)
FRONT		17 x 30m	0.0543	17	17	5.0%	0.9110
		15 x 30m	0.0473	50	50	15.0%	2.3807
		12.5-13 x 30	0.0385	101	101	30.0%	3.8755
		10 x 30m	0.0315	50	50	15.0%	1.5854
		Sub Total		218	218	65.0%	8.7526
REAR		10 x 30m	0.0315	17	17	5.0%	0.5285
		7.5-8 x 30m	0.0238	84	84	25.0%	1.9965
		5 x 32m	0.0160	17	17	5.0%	0.2684
		Sub Total		117	117	35.0%	2.7934
		TOTAL		336	336	100.0%	11.5460
SITE		Other	-	0	0	0.0%	0.0000
		Sub Total		0	0	0.0%	0.0000
		TOTAL		336	336	100%	11.5460

APPENDIX ITEM 9.20

3 December 2012

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

Dear Tony

RE: CATALINA: STAGE 5 – Civil Construction Recommendation and Sewer Extension

We are pleased to provide the following recommendation in relation to the appointment of a civil works contractor to the stage 5 civil works of Catalina, including the extension of an external sewer main to service stage 5.

Background

In June 2011 RJ Vincent were awarded stage 1 earthworks and stage 1 civil works for Catalina. The award included provision of a fixed schedule of rates for a period of 2 years. The appointment of the contractor for any packages beyond the stage 1 works is at the discretion of the TPRC. RJ Vincent has subsequently been appointed to stages 2, 3, 4 and 6A civil works, and to date their performance on site has met expectations.

On this basis Cossill and Webley as project engineers have sought a price from RJ Vincent to undertake stage 5 civil works for Catalina, which includes the extension of an external sewer main along Connelly Drive. Stage 5 contains 63 lots as highlighted in yellow on the attached plan, plus the sewer main extension required to service the stage 5 lots.

The internal sewer component of the stage 5 works was awarded to RJ Vincent by the Management Committee of the TPRC at the November 2012 meeting. This award was made due to the critical path nature of the internal sewer works.

Pricing

RJ Vincent has submitted a price of \$4,618,168.53 (excluding GST), this price includes a contingency of \$145,000 and a telecommunications allowance of \$80,000. The budget for stage 5 civil works and sewer extension as approved by TPRC council in June 2012 is \$5,545,266 (Including 5% project contingency). The budget price includes the cost of the previously awarded internal sewer works, and an allowance for Western Power payment. The reconciliation below provides an accurate reflection of the value of works to the project budget:

Stage 5 Civil budget (including 5% contingency)	\$3,930,428
Sewer Extension budget (including 5% contingency)	\$1,614,838
<hr/>	
Total Budget	\$5,545,266
Less	
Internal sewer works (awarded)	\$538,775
Western Power allowance (TBC)	\$100,000
<hr/>	
Net Balance Budget Available	\$4,906,491
Civil work and sewer extension contract value	\$4,618,168.53

The reconciliation demonstrates that the contract value of \$4,618,168.53 is \$288,322.47 under budget. The tender price includes a maximum guaranteed amount for excavation of rock, assuming 100% of rock will be encountered during excavation. If the extent of rock is less than 100%, savings will be made against the contract sum.

The construction period for all works has been set for 25 weeks. Based on an anticipated commencement date of the sewer works of the 6 December 2012, and an allowance for the Christmas period, works will be complete by 20 June 2013.

Risk

The connection of the external sewer extension at the intersection of Connelly drive and Neerabup Road requires resolution of the sewer servicing strategy for the eastern precinct with the Water Corporation. The construction of the portion of sewer along Connelly Drive will effectively remain on hold until agreement is reached with the Corporation. Under a worst case scenario this could result in future planned expenditure being brought forward into the current financial year to the value of \$1.2 million, being additional upgrades to existing Water Corporation infrastructure along Connelly Drive north of Neerabup road.

The risk to the project, apart from the potential additional expenditure in the current financial year, is the ability to obtain a tankering agreement from the Corporation to facilitate timely clearance of stage 5, should the scope of works for external infrastructure upgrades increase beyond what is currently designed and priced. This scenario represents a moderate risk, which could potentially lead to a delay in titles. SPG are seeking mitigate this risk through ongoing urgent negotiations with the Water Corporation.

Recommendation

The May 12 budget listed 170 cumulative sales to end November 12 when the stage 5 construction would be approved. This included all lots in the preceding stages being sold. Sales to date are 134 lots, which is 36 sales less than the May 12 forecast, however of these 14 lots are subject to endorsement of the sales village business case by TPRC and 12 are builders allocations which are currently out to tender.

This leaves a balance of 10 unsold lots across stages 1B, 3 and 4, which is considered to be a low level of stock on hand. Of the 10 lots available 4 are currently on hold.

RJ Vincent has performed well in terms of timeliness, resources and quality and it is recommended to award them the Catalina stage 5 civil and sewer extension contract for the value of \$4,618,168.53 (excluding GST).

Should you require any further clarification please contact the undersigned.

Yours sincerely



Justin Crooks
Project Director

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E admin@cosweb.com.au



3rd December 2012

Tamala Park Regional Council
c/- Satterley Property Group
18 Bowman Street
SOUTH PERTH WA 6151

Attention: Mr Justin Crooks

Dear Justin

**RE: CATALINA STAGE 5 CIVIL WORKS PRICING
UPDATED REPORT**

RJ Vincent & Co. (RJV) was requested to submit a price for the civil works for Stage 5 at Catalina Estate as documented for construction consisting of 63 lots.

RJV submitted their price on 16th November 2012 for the sum of \$4,356,846.37 excluding GST. A copy of their submission is attached. This price excludes the internal sewer reticulation which was priced separately (as outlined in our separate recommendation letter). However, the price does include the external sewer construction including the extension along Connolly Drive to the existing sewer main at the north-east corner of the Neerabup Road roundabout.

A number of Provisional Sums have been allowed in the price. Not including the Maximum Guaranteed Provisional Sum items, these are:

<u>Description</u>	<u>Amount</u>
Item 1.11: Wind fencing	\$28,010.00
Item 1.12: Stabilisation of earthworked areas	\$10,250.00
Item 2.2: Additional blocks at power joint locations	\$2,151.30
Item 2.11: Retaining wall construction joints	\$5,329.50
Item 2.20: Allowance for modifications to retaining walls	\$30,000.00
Item 3.2c: Relocate service trench spoil	\$7,250.00
Item 3.13: Traffic signs and line marking	\$10,000.00
Item 3.20: Modifications to road layout	\$20,000.00
Item 4.13: Modifications to drainage design	\$10,000.00
Item 6.13 Connection to existing by Water Corporation	\$6,000.00
Item 6.18: Modifications to sewer design	\$30,000.00
Item 7.16: Modifications to water design	\$10,000.00
Item 8.7: Electrical consultant supervision and as-cons	\$3,708.00
Item 8.13: Recipient in charge for working near HV power	\$1,706.04
Item 8.14: Modifications to power design	\$25,000.00

As requested previously by Tamala Park Regional Council (TPRC), RJV has calculated guaranteed maximum quantities for rock in trenches to reduce the risk to TPRC, as was done for Stages 3, 4 and 6A. These amounts are:

DIRECTORS: JOHN BARHAM, RAY TODD, CRAIG HANSEN, ROLAND STARIFORTH.

<u>Description</u>	<u>Amount</u>
Item 4.1f: Drainage: Extra over for rock excavation	\$93,036.50
Item 4.1g: Drainage: Extra over for sand bedding	\$1,656.36
Item 4.1h: Drainage: Screen trench material	\$19,705.50
Item 4.1i: Drainage: Removal of trench rubble	\$7,250.00
Item 4.1j: Drainage: Replace trench rubble with sand	\$7,250.00
Item 6.1f: Sewer: Extra over for rock excavation	\$336,515.00
Item 6.1g: Sewer: Extra over for sand bedding	\$2,764.88
Item 6.1h: Sewer: Screen trench material	\$44,847.00
Item 6.1i: Sewer: Removal of trench rubble	\$16,500.00
Item 6.1j: Sewer: Replace trench rubble with sand	\$16,500.00
Item 7.1k: Water: Extra over for rock excavation	\$101,350.40
Item 7.1l: Water: Screen trench material	\$45,118.80
Item 7.1m: Water: Removal of trench rubble	\$16,600.00
Item 7.1n: Water: Replace trench rubble with sand	\$16,600.00

The above values are based on quantities determined by RJV to represent maximum guaranteed volumes. The actual extent of rock encountered on site can be surveyed to determine the amount of these items to be awarded.

Within their submission, RJV included a program of works. The program indicates a 24 week program, excluding the Christmas shutdown period and assumes no fast tracking of roadworks to allow early clearances. However, there is a provisional amount within the lump sum price to activate this option. The program indicates sewer construction works commencing on 6th December (assuming early approval to commence internal sewer reticulation construction), a Practical Completion date of 13th June 2013 (assuming a contract award for these works by 14th December 2012) and indicates limestone being laid by 8th May 2013. Based on recent discussions with TPRC it is our understanding the limestone needs to be laid by the end of March 2013 which will necessitate the fast tracking of the limestone. If this is required, RJV have indicated this will extend the Practical Completion date by one week. RJV have allowed in their price to fast-track the limestone construction and assuming the limestone can be re-used the cost of undertaking these works is included in Items 3.2c), d) and e) which total \$48,650.00.

RJV's price submission included qualifications, as attached. A number of these are new qualifications from those presented at the time of the original tender, particularly those relating to construction of the external sewer along Connolly Drive. Following receipt and review of the pricing, our office sought clarification and justification of a number of items from RJV.

RJV submitted their revised price on 3rd December 2012 for **\$4,393,168.53 excluding GST**. This represents an increase of \$36,322.16 from the quotation received on 16th November 2012. The reasons for the increase include modifications to some of the qualifications originally proposed and inclusion of items that were originally excluded from the original price.

With regards to the qualifications, it is noted that RJV have responded to a number of our queries. However, of the qualifications proposed in the pricing of 16th November 2012, the following points are noted:

- Qualification 11: No allowance has been made to replace verge trees or grass along Connolly Drive. RJV are seeking quotations from landscape contractors to complete these works so that this qualification can be removed. As noted later in this report, it is suggested that a contingency sum be included in the contract award with the intent to have this cost form part of the contingency sum.

- Qualification 13: Provision of traffic barriers. RJV are waiting further information from their sub-contractor regarding this qualification. At the time of quotation there were sufficient traffic barriers available for the works. This item is unlikely to have a significant impact on the contract price, if at all.
- Qualifications 17 and 18: Boring price being conditional on achieving 4m per day and reimbursement of recovery costs if the bore becomes stuck. We have requested this condition be removed. RJV are awaiting confirmation from their sub-contractor.

RJV was requested to allow in their price a Provisional Sum of \$80,000.00 for Communications Supply and Installation. However, this sum was not included within the price submitted. An allowance needs to be made for the provision of telecommunications infrastructure. This is presented below.

	<u>Amount</u>
RJV Price	\$4,393,168.53
Telecommunications	<u>\$80,000.00</u>
TOTAL	\$4,473,168.53

Based on this figure, the following breakdown is provided into those items typically represented in TPRC budgets.

	<u>Amount</u>
Civil Works	\$2,372,247.27
External Sewer Reticulation	\$1,550,435.29
Underground Power	\$470,485.97
Telecommunications	<u>\$80,000.00</u>
TOTAL	\$4,473,168.53

The OPC of October 2012 for Stage 5 civil works was calculated prior to detailed engineering drawings being prepared. The following summarises the OPC's prepared for this stage.

	<u>OPC</u>
Stage 5 Civil Works (including power and coms)	\$3,553,000.00
Less Internal Sewer Reticulation	(\$430,000.00)
External Sewer Reticulation	<u>\$1,500,000.00</u>
TOTAL	\$4,623,000.00

It is noted the price submitted by RJV is approximately \$149,800 less than the OPC. We are unaware of the budget amount for this stage but we assume the budget for these works is greater than the OPC.

We suggest it is appropriate to include a Contingency Sum in the contract award. The Contingency Sum is only expended should valid variations arise but provides flexibility should additional works be encountered. Within the Provisional Sum items, there is a total of \$125,000 relating to modifications to design drawings. We suggest a Contingency Sum of at least \$145,000 should be added to the price. Therefore, the total price would be:

	<u>Amount</u>
RJV Price	\$4,393,168.53
Telecommunications	\$80,000.00
Contingency (Minimum)	<u>\$145,000.00</u>
TOTAL	\$4,618,168.53

With regards to the overall Stage 5 price, the following points are noted:

- We have checked the rates used to ensure they are in accordance with the original tender.
- Within the scope of works, there are a number of new items not included in the original tender and therefore original rates are not available. For these items, we have checked the submitted rates against rates provided in earlier stages and on other recent projects, and we are comfortable the rates presented in the revised price are fair market rates.
- We have checked the quantities used and the values are within normal industry tolerances.

Assuming the price is within budget, it is recommended that RJ Vincent be awarded the contract for the Stage 5 civil works for the sum of **\$4,618,168.53 excluding GST**, including the Telecommunications Provisional Sum and Contingency Sum (minimum recommended amount of \$145,000).

We await your instructions with regards to awarding the Stage 5 civil works contract.

Yours faithfully
COSSILL & WEBLEY PTY LTD



NATHAN BUTSON
Associate

APPENDIX ITEM 9.23

6 December 2012

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

Dear Tony

Stage 4 Builders Allocation Tender Report

In accordance with the approval of the TPRC, 12 medium density lots within stage 4 of Catalina were advertised via public tender to suitably qualified building companies from 17 November to 3 December 2012.

A total of 7 documents were distributed over the tender period with two complying tenders being received prior to the close of tenders, these being from Homebuyers Centre and BGC.

The tenders were assessed against a pre-set selection criteria. The criteria and related weighting is summarised below:

- Experience in medium density design and construction 25%
- Capacity to meet Market Demand 20%
- Building Design 20%
- Sustainability Credentials 15%
- Innovation 10%
- Financial Capacity 10%

The table below shows the final assessment of the tenders against the selection criteria.

Tenderer	Selection Criteria						Total Score
	1	2	3	4	5	6	
Homebuyers Centre	25	20	17	10	7	10	89
BGC	22	19	17	12	6	10	86

Criteria 2 is assessed against the Reed construction data for the Perth area, with the highest ranking being applied to the building company with the highest Moving Average Total (MAT), and the second highest ranking being applied to the tenderer with the second MAT.

The tender document required tenderers to address all selection criteria and achieve a minimum score of 65%. SPG can confirm that Homebuyers Centre and BGC have submitted conforming tenders. Homebuyers Centre has been assessed as the highest ranked tenderer, with BGC being the second highest.

Tenders were received for the following packages:

Parcel A	BGC (second preference)
Parcel B	Homebuyers (second preference), BGC (third preference)
Parcel C	Homebuyers (first preference), BGC (first preference)

It should be noted that the initial Homebuyers Centre tender nominated both parcels B and C as their first preference. In a post tender clarification Homebuyers Centre confirmed that their order of preference was for parcel C followed by parcel B, with a preference to secure both parcels if possible.

BGC have confirmed that it is their intention to have their allocated lots sold to either private purchasers or the Department of Housing for participation in their shared equity scheme.

Tender Recommendation

In accordance with the requirements of the Tender Procedure – Medium Density Lots, approved by the TPRC Council in September 2011, SPG recommends the following parcel allocations for the stage 4 medium density tender:

Parcel A	BGC	\$620,000	(4 lots)
Parcel B	Homebuyers Centre	\$690,000	(4 lots)
Parcel C	Homebuyers Centre	\$660,000	(4 lots)

The recommendation for the allocation to BGC is made subject to the outcomes of the TPRC decision on whether they will permit sales to be made directly to the Department of Housing.

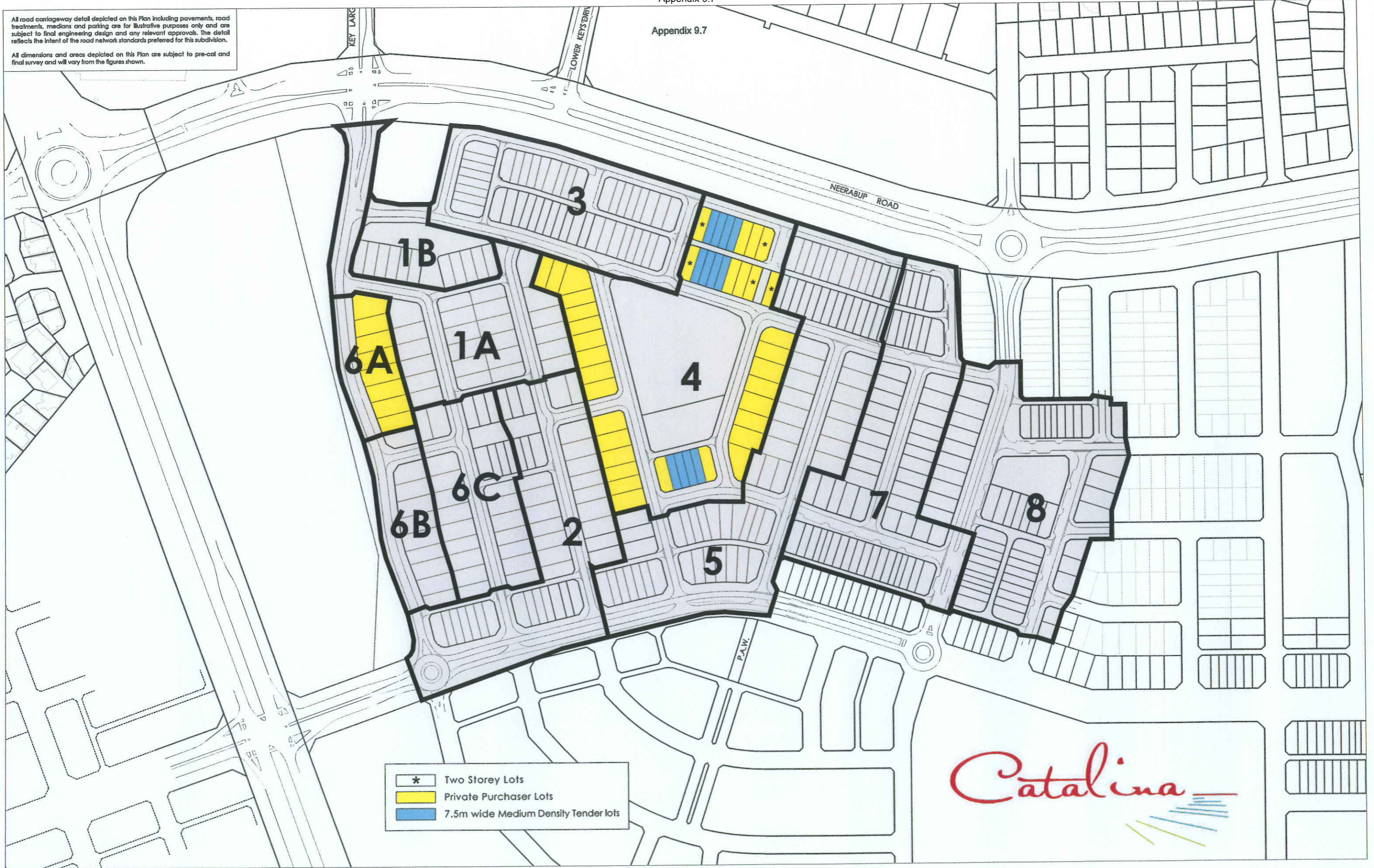
Do not hesitate to call if you require further information.

Yours sincerely,



JUSTIN CROOKS
PROJECT DIRECTOR

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-cut and final survey and will vary from the figures shown.



*	Two Storey Lots
Yellow	Private Purchaser Lots
Blue	7.5m wide Medium Density Tender lots



APPENDIX ITEM 9.24

13 December 2012

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

Dear Tony

Re: CATALINA – Marmion Avenue Intersection Earthworks Contract

We are pleased to provide the following recommendation in relation to the appointment of an earthworks contractor to the Marmion Avenue / Aviator Boulevard intersection for Catalina.

Background

In June 2011 RJ Vincent were awarded phase 1 earthworks and stage 1 civil works for Catalina. The award included provision of a fixed schedule of rates for a period of 2 years. The appointment of the contractor for any packages beyond the stage 1 works is at the discretion of the TPRC. RJ Vincent has subsequently been appointed to the stages 2, 3, 4 and 6A civil works, and earthworks to stages 5 and 7. To date their performance on site has met expectations.

On this basis Cossill and Webley as project engineers have sought a price from RJ Vincent to undertake earthworks required to for the construction of the Marmion Avenue / Aviator Boulevard intersection.

The construction of this intersection is of critical importance to the development due to the increased exposure it will provide to the estate through direct access to Marmion Avenue. The intersection will form the major entrance to the estate for both the Central and Coastal precincts of the estate, and feed traffic directly into the permanent sales office and information centre, and stage 2 display precinct. It is of vital importance that the intersection is complete for the opening of the stage 2 display village to ensure orderly traffic flow into the display centre.

There are three main components of the works in order to complete the intersection, these are earthworks, service relocations, and road works. Earthworks is the first component of the works which need to be undertaken and are on the critical path for the project. Payment of the service relocation fees is also required ASAP. The road works component of the project, including drainage and a water main relocation will be tendered in the New Year.

Pricing

RJ Vincent has submitted a price of \$515,146.41 (excluding GST) for the Marmion Avenue earthworks. This price includes a contingency of \$50,000. The budget for the Marmion Avenue intersection works as approved by the TPRC council in June 2012 is \$2,468,118 (including 5% project contingency). It should be noted that the budget includes a number of external service relocations to be undertaken by ATCO (gas line relocation), Telstra and Optus, a water main relocation and road works. The proposed contract price for earthworks and associated establishment cost is within the budget allocation for this component of works.

The quotes for the service relations are required to be paid ASAP in order to allow the water main and road works to commence in May 2013. The total cost of these relocations is \$256,770.76. The budget component of these works is \$195,000, leading to a budget overrun of \$61,770.76. This is predominantly due to Telstra increasing their price from the initial quote provided by \$56,000. These works are only able to be undertaken by Telstra and while justification has been sought from Telstra for the increase, limited explanations have been forthcoming. SPG recommends the immediate payment of the quotes from Telstra, ATCO and Optus.

Based on an anticipated commencement date of February 2013, earthworks will be complete by the end of March 2013.

Recommendation

RJ Vincent has performed well in terms of timeliness, resources and quality and it is recommended to award them the Marmion Avenue intersection works contract for the value of \$515,146.41 (excluding GST).

Should you require any further clarification please contact the undersigned.

Yours sincerely



Justin Crooks
Project Director