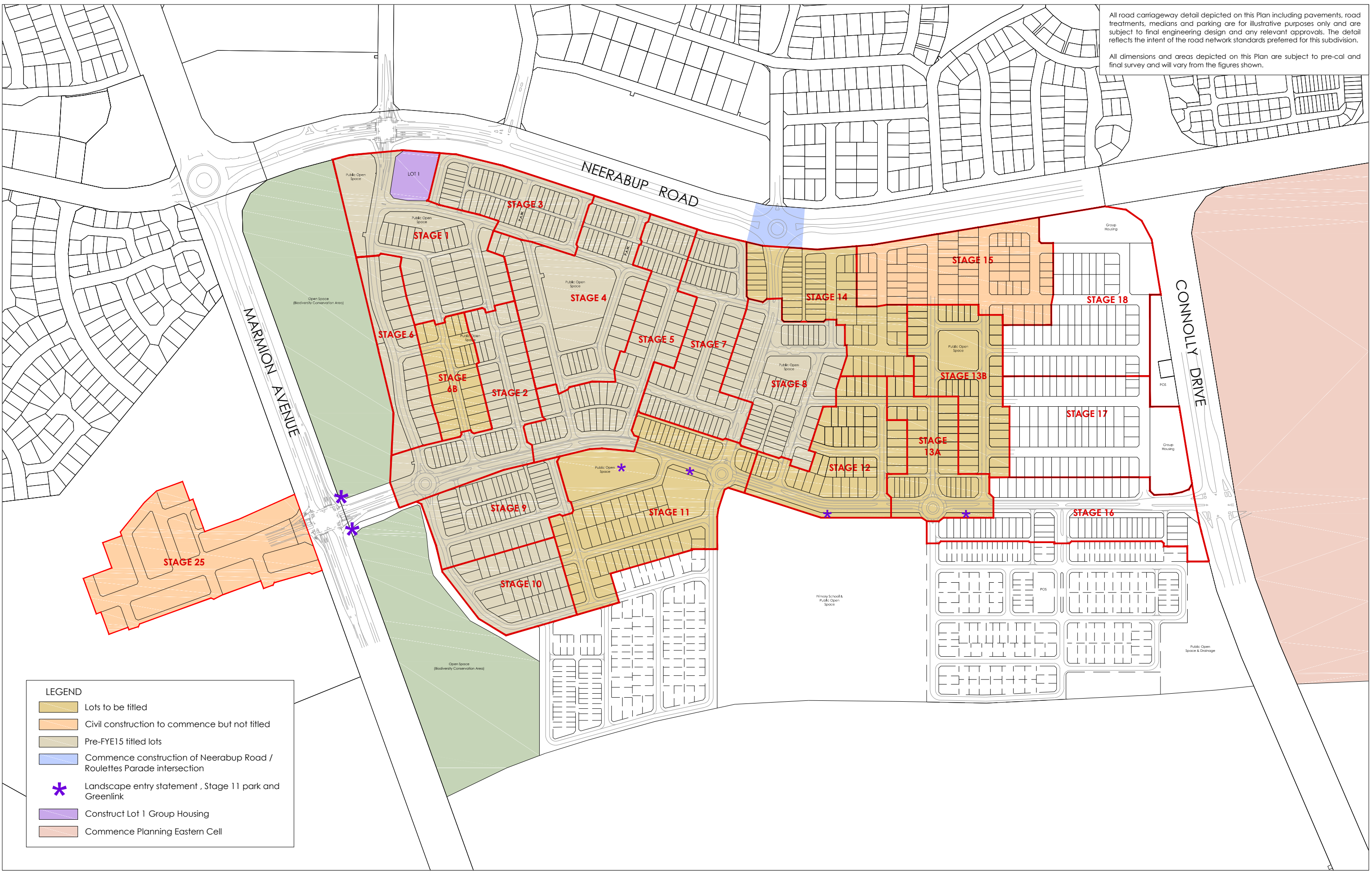


Appendix 9.1

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

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



LEGEND

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



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



plan no: 2228-278B-01
 scale: 1:5,000 @ A3
 date: 12.06.2014

T: (+618) 9382 1233 F: (+618) 9382 1127
 E: admin@cleplan.com.au
 www.cleplan.com.au
 L2-36 ROWLAND STREET SUBIACO WA 6008
 PO BOX 798 SUBIACO WA 6904

This plan is current at the revised date & subject to approval, survey & engineering detail. This plan remains the property of CLE ©

Appendix 9.2

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

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

	NOTE	31 July 2014 Actual \$	31 July 2014 Y-T-D Budget \$	2014/2015 Adopted Budget \$	Variences Budget to Actual Y-T-D %
<u>Operating</u>					
Revenues					
	1,2				
Interest Earnings		117,003	0	0	0.00%
Other Revenue		2,564	0	0	0.00%
		<u>119,567</u>	<u>0</u>	<u>0</u>	0.00%
Expenses					
	1,2				
Employee Costs		(34,510)		0	0.00%
Materials and Contracts					
- Materials and Contracts Other		(29,641)	0	0	0.00%
- Professional/Consultant Fees		0	0	0	0.00%
Depreciation		0	0	0	0.00%
Utilities		0	0	0	0.00%
Insurance		0	0	0	0.00%
Other Expenditure		0	0	0	0.00%
		<u>(64,151)</u>	<u>0</u>	<u>0</u>	0.00%
<u>Adjustments for Non-Cash (Revenue) and Expenditure</u>					
Depreciation on Assets		0	0	0	0.00%
<u>Capital Revenue and (Expenditure)</u>					
Furniture and Equipment	3	(1,818)	0	0	0.00%
LESS MEMBERS EQUITY					
Payment for Rates Equivalent		0	0	0	0.00%
Development of Land for Resale					0.00%
Income Sale of Lots - Subdivision		892,488	0	0	0.00%
Income Other Subdivisions		0	0	0	0.00%
Development Costs		(1,467,104)	0	0	0.00%
Contribution Refund		0	0	0	0.00%
Contribution Returned		0	0	0	0.00%
Change in Contributed Equity	6	<u>(574,616)</u>	<u>0</u>	<u>0</u>	0.00%
ADD Net Current Assets July 1 B/Fwd	7	40,484,543	0		0.00%
Net Current Assets Year to Date	7	<u><u>39,963,525</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	

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

No budget has been adopted at the time of compiling these statements, so no budget comparatives have been shown.

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) The Local Government Reporting Entity

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

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

The Council does not hold any monies in trust.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

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

(e) Goods and Services Tax

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

(f) Cash and Cash Equivalents

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Trade and Other Receivables

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

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

(h) Inventories

General

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

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

Land Held for Resale

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

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

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

(i) Fixed Assets

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

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

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

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

Plant and Equipment by June 30 2013

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

All Assets by 30 June 2015.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Depreciation of Non-Current Assets

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

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

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

(k) Impairment

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

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

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

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

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

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

(l) Trade and Other Payables

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee Benefits

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

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

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

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

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

(n) Interest-bearing Loans and Borrowings

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

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

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

Borrowing Costs

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

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

(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 2014 TO 31 JULY 2014

2. STATEMENT OF OBJECTIVE

The Regional Council has a specific regional purpose which is:

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

The objectives of the Regional Council are:

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

3. ACQUISITION OF ASSETS

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

	31 July 2014 Actual \$	Adopted 2014/15 Budget \$
<u>By Program</u>		
Other Property and Services		
Motor Vehicles	1,818	0
Other Office Equipment	0	0
	1,818	0
	1,818	0
<u>By Class</u>		
Plant and Equipment	1,818	0
	1,818	0
	1,818	0

4. DISPOSALS OF ASSETS

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

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

5. INFORMATION ON BORROWINGS

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

6. CONTRIBUTED EQUITY

	31 July 2014 Actual \$	30 June 2014 Actual \$
Town of Victoria Park	3,492,281	3,535,548
City of Perth	3,492,281	3,535,548
Town of Cambridge	3,492,281	3,535,548
City of Joondalup	6,984,564	7,071,097
City of Wanneroo	6,984,564	7,071,097
Town of Vincent	3,492,281	3,535,548
City of Stirling	13,969,127	14,142,194
TOTAL	41,907,380	42,426,580
Total Movement in equity	(519,200)	

Movement in Contributed Equity Represented by:

	Development Expenses 31 July 2014 \$	Land Sales 31 July 2014 \$	Return of Contribution 31 July 2014 \$	Rates Equivalent 31 July 2014 \$
Town of Victoria Park	(122,259)	74,374	0	0
City of Perth	(122,259)	74,374	0	0
Town of Cambridge	(122,259)	74,374	0	0
City of Joondalup	(244,517)	148,748	0	0
City of Wanneroo	(244,517)	148,748	0	0
Town of Vincent	(122,259)	74,374	0	0
City of Stirling	(489,034)	297,496	0	0
	(1,467,104)	892,488	0	0
Members Contributed Equity Movements	(574,616)			
TPRC Net Result	55,416			
Total Movement in equity	(519,200)			

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

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position	31 July 2014 Actual \$	Brought Forward 1-Jul \$
CURRENT ASSETS		
Cash - Unrestricted	39,925,873	40,413,398
Receivables	526,335	697,068
Settlement Bonds	39,200	38,000
	<u>40,491,408</u>	<u>41,148,466</u>
LESS: CURRENT LIABILITIES		
Payables and Provisions	<u>(527,883)</u>	<u>(663,923)</u>
NET CURRENT ASSET POSITION	39,963,525	40,484,543
NET CURRENT ASSET POSITION	<u><u>39,963,525</u></u>	<u><u>40,484,543</u></u>

8. RATING INFORMATION

The Regional Council does not levy rates on property.

9. TRUST FUNDS

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

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

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

	NOTE	31 August 2014 Actual \$	31 August 2014 Y-T-D Budget \$	2014/2015 Adopted Budget \$	Variences Budget to Actual Y-T-D %
<u>Operating</u>					
Revenues					
	1,2				
Interest Earnings		230,858	201,901	951,446	0.00%
Other Revenue		6,411	4,000	10,480	0.00%
		<u>237,269</u>	<u>205,901</u>	<u>961,926</u>	0.00%
Expenses					
	1,2				
Employee Costs		(85,628)	(119,850)	(713,586)	0.00%
Materials and Contracts					
- Materials and Contracts Other		(18,630)	(78,282)	(439,950)	0.00%
- Professional/Consultant Fees		(6,930)	0	0	0.00%
Depreciation		0	(2,997)	(17,983)	0.00%
Utilities		(596)	0	(6,000)	0.00%
Insurance		(9,381)	0	(16,900)	0.00%
Other Expenditure		(37,328)	(29,290)	(175,438)	0.00%
		<u>(158,493)</u>	<u>(230,419)</u>	<u>(1,369,857)</u>	0.00%
<u>Adjustments for Non-Cash (Revenue) and Expenditure</u>					
Depreciation on Assets		0	2,997	17,983	0.00%
Profit/(loss) on Disposal of Assets		0	0	6,869	0.00%
<u>Capital Revenue and (Expenditure)</u>					
Furniture and Equipment	3	(1,818)	0	(69,000)	0.00%
Proceeds on Disposal of Assets		0	0	34,131	0.00%
LESS MEMBERS EQUITY					
Payment for Rates Equivalent		0	0	0	0.00%
Development of Land for Resale					0.00%
Income Sale of Lots - Subdivision		1,994,968	0	61,890,849	0.00%
Income Other Subdivisions		1,253	0	0	0.00%
Development Costs		(2,485,328)	0	(48,455,839)	0.00%
Contribution Refund		0	0	(422,562)	0.00%
Profit Distributions				(27,700,000)	0.00%
Contribution Returned		0	0	(3,300,000)	0.00%
Change in Contributed Equity	6	<u>(489,107)</u>	<u>0</u>	<u>(17,987,552)</u>	0.00%
ADD Net Current Assets July 1 B/Fwd	7	40,484,543	40,484,543	40,484,543	0.00%
Net Current Assets Year to Date	7	<u>40,072,394</u>	<u>40,463,022</u>	<u>22,079,043</u>	

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

No budget has been adopted at the time of compiling these statements, so no budget comparatives have been shown.

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

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

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

The Council does not hold any monies in trust.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

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

(e) Goods and Services Tax

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

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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 2014 TO 31 AUGUST 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Trade and Other Receivables

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

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

(h) Inventories

General

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

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

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

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

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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.

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

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

Plant and Equipment by June 30 2013

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

All Assets by 30 June 2015.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Depreciation of Non-Current Assets

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

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

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

(k) Impairment

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

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

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

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

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

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

(l) Trade and Other Payables

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee Benefits

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

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

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

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

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

(n) Interest-bearing Loans and Borrowings

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

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

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

Borrowing Costs

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

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

(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 2014 TO 31 AUGUST 2014

2. STATEMENT OF OBJECTIVE

The Regional Council has a specific regional purpose which is:

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

The objectives of the Regional Council are:

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

3. ACQUISITION OF ASSETS

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

	31 August 2014 Actual \$	Adopted 2014/15 Budget \$
<u>By Program</u>		
Other Property and Services		
General Office Equipment	0	3,000
Motor Vehicle	1,818	66,000
	1,818	69,000
	1,818	69,000
<u>By Class</u>		
Furniture and Equipment		
Plant and Equipment	1,818	0
	1,818	0
	1,818	0

4. DISPOSALS OF ASSETS

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

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

5. INFORMATION ON BORROWINGS

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

6. CONTRIBUTED EQUITY

	31 August 2014 Actual \$	30 June 2014 Actual \$
Town of Victoria Park	3,517,458	3,551,652
City of Perth	3,517,458	3,551,652
Town of Cambridge	3,517,458	3,551,652
City of Joondalup	7,034,915	7,103,303
City of Wanneroo	7,034,915	7,103,303
Town of Vincent	3,517,458	3,551,652
City of Stirling	14,072,643	14,209,420
TOTAL	42,212,303	42,622,634
Total Movement in equity	(410,331)	

Movement in Contributed Equity Represented by:

	Development Expenses 31 August 2014 \$	Land Sales 31 August 2014 \$	Return of Contribution 31 August 2014 \$	Rates Equivalent 31 August 2014 \$
Town of Victoria Park	(207,111)	166,352	0	0
City of Perth	(207,111)	166,352	0	0
Town of Cambridge	(207,111)	166,352	0	0
City of Joondalup	(414,221)	332,703	0	0
City of Wanneroo	(414,221)	332,703	0	0
Town of Vincent	(207,111)	166,352	0	0
City of Stirling	(828,442)	665,407	0	0
	(2,485,328)	1,996,221	0	0
Members Contributed Equity Movements	(489,107)			
TPRC Net Result	78,776			
Total Movement in equity	(410,331)			

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

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position	31 August 2014 Actual \$	Brought Forward 1-Jul \$
CURRENT ASSETS		
Cash - Unrestricted	40,085,402	40,413,398
Receivables	420,573	697,068
Settlement Bonds	32,973	38,000
	<u>40,538,948</u>	<u>41,148,466</u>
LESS: CURRENT LIABILITIES		
Payables and Provisions	<u>(466,554)</u>	<u>(663,923)</u>
NET CURRENT ASSET POSITION	40,072,394	40,484,543
NET CURRENT ASSET POSITION	<u><u>40,072,394</u></u>	<u><u>40,484,543</u></u>

8. RATING INFORMATION

The Regional Council does not levy rates on property.

9. TRUST FUNDS

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

Appendix 9.3

Tamala Park Regional Council
Cheque Detail
 July 2014

<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Description</u>	<u>Paid Amount</u>
Bill Pmt -Cheque	CH-200395	02/07/2014	Imagesource	4 x canvas prints	-330.00
Bill Pmt -Cheque	CH-200398	10/07/2014	City of Wanneroo - Supplier	Stages 14 -18 Bulk Earthworks - Application for Development Approval	-3,242.00
Bill Pmt -Cheque	CH-200397	10/07/2014	City of Wanneroo - Supplier	Stage 11 Council Supervision Fee	-14,156.99
Bill Pmt -Cheque	CH-200396	10/07/2014	City of Wanneroo - Supplier	Subdivision Clearance Fee - Stage 11	-610,400.00
Bill Pmt -Cheque	CH-200399	14/07/2014	Water Corporation	Infrastructure Contribution - Stage 11 (1)	-102,828.00
Bill Pmt -Cheque	CH-200400	14/07/2014	Water Corporation	Infrastructure Contribution - Stage 11 (2)	-274,938.80
Bill Pmt -Cheque	CH-200401	21/07/2014	City of Wanneroo - Supplier	Subdivision Clearance Fee (Stage 11A)	-1,835.00
Bill Pmt -Cheque	CH-200402	21/07/2014	McMullen Nolan Surveyors	Landgate Plan Lodgement Fee (Stage 11A)	-3,690.00
Bill Pmt -Cheque	CH-200403	21/07/2014	McMullen Nolan Surveyors	WAPC Endorsement of Deposited Plan (Stage 11A)	-901.00
Bill Pmt -Cheque	CH-200404	21/07/2014	City of Wanneroo - Supplier	Subdivision Clearance Fee (Stage 11B)	-820.00
Bill Pmt -Cheque	CH-200405	21/07/2014	McMullen Nolan Surveyors	Landgate Plan Lodgement Fee (Stage 11B)	-1,520.00
Bill Pmt -Cheque	CH-200406	21/07/2014	McMullen Nolan Surveyors	WAPC Endorsement of Deposited Plan (Stage 11B)	-684.00
					-1,015,345.79

Tamala Park Regional Council
Cheque Detail
 August 2014

<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Description</u>	<u>Paid Amount</u>
Bill Pmt -Cheque	CH-200407	12/08/2014	Australian Competition & Consumer Commiss	Lodgement fee for notification of exclusive dealing (Stage 6B)	-100.00
Bill Pmt -Cheque	CH-200408	28/08/2014	Davidson, Janet	Elected member allowance May 2014 - July 2014	-2,500.00
					<u>-2,600.00</u>

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

Date	Name	Description	Amount
01/07/2014	Westpac Bank	Bank charges Settlement AC (July 2014)	-5.00
01/07/2014	Westpac Bank	Bank charges Cheque AC (July 2014)	-58.95
02/07/2014	Imagesource	4 x canvas prints	-330.00
08/07/2014	Planning Institute Australia	WA Conference (PC)	-580.00
10/07/2014	Employee costs	Wages for period 26/06/14 - 09/07/14	-11,433.04
10/07/2014	City of Wanneroo - Supplier	Stages 14 -18 Bulk Earthworks - Application for Development Approval	-3,242.00
10/07/2014	City of Wanneroo - Supplier	Stage 11 Council Supervision Fee	-14,156.99
10/07/2014	City of Wanneroo - Supplier	Subdivision Clearance Fee - Stage 11	-610,400.00
10/07/2014	Cossill & Webley	Invoices 14992, 15250, 15251, 15258 & 15259	-70,435.78
10/07/2014	Dominic Carbone & Associates	Consultancy services for April - June 2014	-6,402.00
10/07/2014	Douglas Partners	Assessment of stockpiled topsoil	-3,850.00
10/07/2014	Emerge Associates	Invoices 11125 & 11126	-3,740.00
10/07/2014	Haines Norton	Invoices 21122 & 21242	-3,531.00
10/07/2014	Hull, Darcy & Aleecia	Solar Panel Rebate (Lot 252)	-2,000.00
10/07/2014	hyd20 Hydrology	Stages 12 - 19 UWMP - Claim No. 3	-613.80
10/07/2014	LD Total	Inv 57679, 60417, 60610, 61155, 61156 & 61141	-23,125.73
10/07/2014	Optimum Media Decisions	Stage 12A Planning fee & digital optimisation	-341.00
10/07/2014	Sally Brothers Interior Design	Project manage fitout of new Sales Office	-2,145.00
10/07/2014	Signs & Lines	Banner mesh to fence by Sales Office	-1,170.39
10/07/2014	Stantons International	Invoices 52721 & 52722	-975.15
10/07/2014	Synergy	Electricity for 1 McAllister Bvd	-244.60
10/07/2014	Treacy Fencing	Fencing (Lot 168)	-7,478.02
10/07/2014	WALGA	Invoices 3041030 - 3041034	-1,622.78
10/07/2014	National Australia Bank	Superannuation for period 26/06/14 - 09/07/14	-1,346.15
10/07/2014	City of Vincent - Supplier	GST for Dec 2013 - May 2014	-34,743.00
14/07/2014	Water Corporation	Infrastructure Contribution - Stage 11 (1)	-102,828.00
14/07/2014	Water Corporation	Infrastructure Contribution - Stage 11 (2)	-274,938.80
14/07/2014	Westpac Bank	Payment of credit card charges (CEO & EA)	-3,112.33
16/07/2014	Synergy	Electricity charges - Stage 4 POS	-3,588.75
16/07/2014	Western Power	Products & Services Charge - Stage 8 POS	-450.00
21/07/2014	City of Wanneroo - Supplier	Subdivision Clearance Fee (Stage 11A)	-1,835.00
21/07/2014	McMullen Nolan Surveyors	Landgate Plan Lodgement Fee (Stage 11A)	-3,690.00
21/07/2014	McMullen Nolan Surveyors	WAPC Endorsement of Deposited Plan (Stage 11A)	-901.00
21/07/2014	City of Wanneroo - Supplier	Subdivision Clearance Fee (Stage 11B)	-820.00
21/07/2014	McMullen Nolan Surveyors	Landgate Plan Lodgement Fee (Stage 11B)	-1,520.00
21/07/2014	McMullen Nolan Surveyors	WAPC Endorsement of Deposited Plan (Stage 11B)	-684.00
21/07/2014	Westpac Bank	Audit Certificate fee	-50.00
23/07/2014	Australian Taxation Office	BAS for quarter April - June 2014	-9,741.00
24/07/2014	Employee costs	Wages for period 10/07/14 - 23/07/14	-11,442.41
24/07/2014	Australian Super	Superannuation for period 26/06/14 - 23/07/14	-1,074.22

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

24/07/2014	National Australia Bank	Superannuation for period 10/07/14 - 23/07/14	-1,346.15
24/07/2014	Burgess Rawson	Inv 38142 & 38188	-1,980.00
24/07/2014	celebration homes	Inv 39338-9	-1,980.00
24/07/2014	City of Stirling	GST owing June 2014	-71,909.09
24/07/2014	Cossill & Webley	Inv 15185, 15191, 15248-9, 15252-7 & 15260	-67,382.50
24/07/2014	Coterra Environment	General environmental advice (June 2014)	-948.75
24/07/2014	Driving Force Cleaning Services	Cleaning of sales office (June 2014)	-606.00
24/07/2014	Ertech	Inv 1/8 & 1/9	-74,052.40
24/07/2014	Graham, Susan	Solar Panel Rebate (Lot 4)	-2,000.00
24/07/2014	Grasstrees Australia	Installation of 31 gasstrees	-5,898.75
24/07/2014	Homebuyers Centre	Inv 48966-7, 48982, 49354-360	-13,920.00
24/07/2014	hyd20 Hydrology	Stage 9-13 UWMP (Claim No 5)	-1,028.50
24/07/2014	LD Total	Inv 60999, 61140-3 & 61346	-21,731.80
24/07/2014	LGIS Insurance Broking	Inv 062-181801-4 & 100-118194-6	-20,012.91
24/07/2014	Marketforce	Sales Office signage reskin 2014	-8,778.43
24/07/2014	McLeods Barristers & Solicitors	Inv 79676 & 80192	-5,042.57
24/07/2014	McMullen Nolan Surveyors	Inv 73336-8	-15,548.50
24/07/2014	National Homes	Lot 170 Practical Completion payment	-122,402.00
24/07/2014	Neverfail	Bottled water x 3	-39.35
24/07/2014	New Great Cleaning Service	Cleaning of TPRC offices (June 2014)	-143.00
24/07/2014	Perrin, Andrew	Solar Panel Rebate (Lot 82)	-2,000.00
24/07/2014	R J Vincent & Co	Stage 10 civil works (Cert. 7)	-72.93
24/07/2014	Signs & Lines	Sales Office fitout	-29,943.08
24/07/2014	Stantons International	Probity Advisory Services for Nov 2013	-955.35
24/07/2014	Telstra	Mobile phones (CEO & PC)	-117.34
24/07/2014	Treacy Fencing	Inv 639672-4 & 639689	-11,381.92
24/07/2014	VanDenBosch, Christopher	Solar Panel Rebate (Lot 101)	-2,000.00
24/07/2014	WALGA	Inv 3041780-86	-2,472.13
24/07/2014	City of Perth - Supplier	GST for May & June 2014	-34,105.25
24/07/2014	City of Wanneroo - Supplier	Interim rates for 1 McAllister Bvd	-933.63
28/07/2014	Audi Centre Perth	CEO motor vehicle purchase - Deposit Audi Q5 T Arias	-2,000.00
			-1,743,378.22

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

Date	Name	Description	Amount
01/08/2014	Westpac Bank	Bank charges Cheque AC - July 2014	-49.85
04/08/2014	B Bhabra Investment Trust	Lot 173 (6th instalment over 3 year period)	-2,887.50
04/08/2014	Paxman, James & Melissa Wieloch	Lot 171 (6th instalment over a 3 year period)	-3,281.25
04/08/2014	Steel Test Pty Ltd	Lot 171 (6th instalment over a 3 year period)	-2,887.50
05/08/2014	Town of Cambridge - supplier	GST May & June 14	-34,105.25
06/08/2014	City of Wanneroo - Supplier	GST owing June 2014	-35,954.58
07/08/2014	Employee costs	Wages for period 24/07/14 - 06/08/14	-11,442.41
07/08/2014	Action Couriers	Courier services for 18/07/14 - 26/07/14	-29.87
07/08/2014	Andrews Home Services	Installing LED & outside lights	-895.00
07/08/2014	Aveling Homes Pty Ltd	Inv 143074-5	-990.00
07/08/2014	Bray, Claire & Wilfort, Tony	Solar Panel Rebate (Lot 258)	-2,000.00
07/08/2014	Burgess Rawson	Valuation fee (28 lots)	-1,540.00
07/08/2014	Chappell Lambert Everett	Inv 5032-3 & 5061	-33,378.99
07/08/2014	Docushred	Security bin (July 2014)	-51.70
07/08/2014	Emerge Associates	Inv 11963-6, 11968-9 & 11972	-27,819.00
07/08/2014	Grasstrees Australia	Grasstrees installed - Stage 8 POS	-6,616.50
07/08/2014	hyd20 Hydrology	Stage 12-19 UWMP (Claim No. 4)	-511.50
07/08/2014	LD Total	Inv 60754, 60810, 61298-9, 61317, 61337, 61342, 61764-6	-406,046.08
07/08/2014	Neverfail	Annual water cooler rental	-143.00
07/08/2014	Optimum Media Decisions	Inv 23844 & 23845	-5,706.54
07/08/2014	R J Vincent & Co	Inv 3428-31 & 3433	-598,721.27
07/08/2014	T Arias	Parking expenses	-18.80
07/08/2014	Australian Taxation Office	PAYG for July 2014	-13,378.00
07/08/2014	National Australia Bank	Superannuation for period 24/07/14 - 06/08/14	-1,346.15
07/08/2014	New Great Cleaning Service	Cleaning of TPRC offices (July 2014)	-143.00
07/08/2014	City of Wanneroo - Supplier	Stage 6A Bond Refund	15,135.00
07/08/2014	City of Wanneroo - Supplier	Stage 10 Bond Refund	236,580.00
12/08/2014	Aveling Homes Pty Ltd	Waste Management Rebate (Lot 261)	-990.00
12/08/2014	Australian Competition & Consumer Commiss	Lodgement fee for notification of exclusive dealing (Stage 6B)	-100.00
12/08/2014	Westpac Bank	Payment of credit card charges (CEO & EA) - August 2014	-1,195.83
21/08/2014	Employee costs	Wages for period 07/08/14 - 20/08/14	-11,442.41
21/08/2014	Australian Super	Superannuation for period 24/07/14-20/08/14	-1,074.22
21/08/2014	National Australia Bank	Superannuation for period 07/08/14-20/08/14	-1,346.15
21/08/2014	Action Couriers	Courier charges for 29/07/14 - 09/08/14	-29.87
21/08/2014	Burgess Rawson	Inv 26797, 36780, 38354 & 38377	-3,465.00
21/08/2014	City of Stirling	GST (July 14), rent (July & August 14), electricity charges (May-July) & IT charges	-13,308.36
21/08/2014	City of Wanneroo - Supplier	Rates for 39 Aviator & 1 McAllister	-5,063.25
21/08/2014	Creating Communities	Project Management (May - June 2014)	-6,440.50
21/08/2014	Dominic Carbone & Associates	Consultancy services for July 2014	-4,488.00
21/08/2014	Driving Force Cleaning Services	Cleaning of Sales Office (July 2014)	-606.00
21/08/2014	Emerge Associates	Inv 11967, 11970-1, 12084-5, 12087-90 & 12092-3	-51,679.10
21/08/2014	Haines Norton	Inv 2015-022223	-3,038.20
21/08/2014	Homebuyers Centre	Inv 49336 & 49337	-6,000.00

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

21/08/2014	LD Total	Inv 53180R, 53181RET, 54081RET & 60963	-112,352.09
21/08/2014	Marketforce	Inv 13470, 13894, 13895 & 13942	-11,159.80
21/08/2014	Morgan, Reece	Solar Panel Rebate (Lot 132)	-2,000.00
21/08/2014	Netregistry	Renewal of domain name (tamalapark.wa.gov.au) for 2 years	-47.85
21/08/2014	Neverfail	Bottled water x 4	-52.05
21/08/2014	Officeworks	Office supplies	-123.57
21/08/2014	Replants	Inv 1493, 1494 & 1518	-7,590.00
21/08/2014	Stantons International	Probity advisory services for July 2014	-358.05
21/08/2014	Synergy	Electricity for 1 McAllister Bvd (May - June 2014)	-203.05
21/08/2014	Telstra	Mobile phone charges (July-Aug 2014)	-153.81
21/08/2014	Transcore	Mitchell Fwy & Neerabup Rd Extension - traffic engineering services	-2,200.00
21/08/2014	Treacy Fencing	Inv 640130 & 640255	-10,740.95
21/08/2014	WALGA	Inv 3043131 & 3043725-33	-7,498.69
21/08/2014	Wallace, Darryl	Solar Panel Rebate (Lot 202)	-2,000.00
21/08/2014	Water Corporation	Water usage for 39 Aviator Bvd (May - July 2014)	-489.28
28/08/2014	Davidson, Janet	Elected member allowance May 2014 - July 2014	-2,500.00
28/08/2014	Amphlett, Geoff	Elected member allowance May 2014 - July 2014	-2,500.00
28/08/2014	Carr, Louis	Elected member allowance May 2014 - July 2014	-2,500.00
28/08/2014	Cvitan, Frank	Alternate member allowance May 2014 - July 2014	-140.00
28/08/2014	Department of Transport	Registration for CEO vehicle for period August 2014 to November 2014	-87.90
28/08/2014	Guise, Dianne	Elected member allowance May 2014 - July 2014	-2,500.00
28/08/2014	Italiano, Giovanni	Chairman allowance May 2014 - July 2014	-8,500.00
28/08/2014	McLean, Tom	Elected member allowance May 2014 - July 2014	-2,500.00
28/08/2014	Michael, David	Elected member allowance May 2014 - July 2014	-2,500.00
28/08/2014	Topelberg Joshua	Elected member allowance May 2014 - July 2014	-2,500.00
28/08/2014	Treby, Brett	Elected member allowance May 2014 - July 2014	-2,500.00
28/08/2014	Tyzack, Terry	Elected member allowance May 2014 - July 2014	-2,500.00
28/08/2014	Vaughan, Trevor	Deputy Chairman allowance May 2014 - July 2014	-3,687.50
28/08/2014	Wilcox Rod	Elected member allowance May 2014 - July 2014	-2,500.00
28/08/2014	Shan-Hao Yang & Xiuying Chen	Lot 172 (6th instalment over a 3 year period)	-2,887.50
			<u>-1,245,767.72</u>

Appendix 9.4

24 September 2014

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

Dear Tony

Catalina Financial Report for August 2014

Please find attached the Catalina Financial Report for August 2014. This report has been prepared on a cash basis and compares actual income and expenditure to the August 2014 approved budget for the period 1 August 2014 to 31 August 2014.

Residential settlement revenue for the financial year to 31 August 2014 is \$2.0m which is \$0.4m behind the approved 'August 2014' budget with 2 less residential settlements for the year. Project to date residential settlement revenue is \$97.6m, which is \$0.4m behind budget.

Selling costs for FYE2015 are \$0.2m below the approved 'August 2014' budget, due to rebates yet to be claimed.

Sales for FYE2015 are \$6.6m unfavourable to budget due to 21 less residential lot sales during the year to date.

Overall FYE2015 expenditure is \$5.0m under budget per the approved 'August 2014' budget, with \$2.3m spent compared to a budget of \$7.3m. The main areas of variance are summarised below:

- Landscaping \$1.1m under budget
 - Stage 2 Streetscapes \$0.1m under budget due to deferred payments
 - Aviator Blvd Entry Stmt \$0.3m under budget due to deferred payments
- Lot Production \$2.4m under budget
 - Stage 12-13 Earthworks - \$0.2m under budget due to full provisional sums not being used
 - Stage 9 - \$0.3m under budget due to full provisional sums not being used
 - Stage 10 - \$0.3m under budget due to full provisional sums not being used
 - Stage 11 - \$0.4m under budget due to deferred payments
 - Stage 12 - \$0.4m under budget due to deferred payments
- P&L expenditure - \$0.8m under budget due to Rates & Taxes budget yet to be utilized and Contingency not required to date.

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

Yours faithfully



Brenton Downing
Project Director

CATALINA - FINANCE REPORT

1.0 Management Accounts - August 2014

1.1 KEY STATISTICS

1.1.1 RESIDENTIAL LOTS & DISTRIBUTIONS

	<u>Lots Produced (titles)</u>		<u>Sales</u>		<u>Settlements</u>		<u>Distributions</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
		Aug 2014		Aug 2014		Aug 2014		Aug 2014
Prior Years	441	441	487	487	419	419	10,000,000	10,000,000
Jul-2014	-	-	15	34	4	7	-	-
Aug-2014	-	-	12	14	4	3	-	-
Sep-2014	-	-	-	21	-	5	-	-
Sep-12 Qtr	-	-	27	69	8	15	-	-
Oct-2014	-	64	-	36	-	3	-	-
Nov-2014	-	-	-	25	-	14	-	-
Dec-2014	-	49	-	25	-	30	-	16,000,000
Dec-12 Qtr	-	113	-	86	-	47	-	16,000,000
Jan-2015	-	24	-	12	-	15	-	-
Feb-2015	-	-	-	25	-	32	-	-
Mar-2015	-	37	-	25	-	26	-	-
Mar-13 Qtr	-	61	-	62	-	73	-	-
Apr-2015	-	-	-	15	-	35	-	-
May-2015	-	45	-	13	-	13	-	-
Jun-2015	-	60	-	10	-	43	-	15,000,000
Jun-13 Qtr	-	105	-	38	-	91	-	15,000,000
Full 2014/15 Year	-	279	27	255	8	226	-	31,000,000
PTD	441	441	514	535	427	429	10,000,000	10,000,000
2015/16		187		210		205		23,000,000
2016/17		183		205		182		30,000,000

- 4 residential lots settled in August. The total settlements comprise of 2 lots each from stage 9 and 10.

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>
Residential						
- Sales #	12	14	27	48	514	535
- Sales \$	3,244,000	4,113,082	7,640,000	14,265,539	121,473,500	128,099,039
- Sales \$/lot	270,333	293,792	282,963	297,199	236,330	239,437
- Settlements #	4	3	8	10	427	429
- Settlements \$	1,120,000	603,310	2,024,000	2,387,453	97,611,500	97,974,953
- Settlements \$/lot	280,000	201,103	253,000	238,745	228,598	228,380
Special Sites						
- Sales #	-	-	-	-	2	2
- Sales \$	-	-	-	-	1,895,000	1,895,000
- Sales \$/lot	-	-	-	-	947,500	947,500
- Settlements #	-	-	-	-	2	2
- Settlements \$	-	-	-	-	1,895,000	1,895,000
- Settlements \$/lot	-	-	-	-	947,500	947,500
Lots Under Contract						
- Unsettled sales #	87					
- Unsettled sales \$	23,862,000					
- Unsettled sales \$/lot	274,276					
			Unconditional	2	Titled	
			Conditional	85	443 incl. Spec sites	

CATALINA - FINANCE REPORT

1.3 Cashflow - MTD Actuals to budget

	<u>MTD Act</u>	<u>MTD Bgt</u>	<u>Variance</u>
Revenue	1,120,000	603,310	516,690
Margin GST	(16,267)	(13,773)	(2,494)
Direct selling costs	(50,124)	(27,444)	(22,680)
Interest Income	-	-	-
Forfeited Deposits	-	-	-
Other Income	-	-	-
Rebate Allowance	(23,019)	(42,947)	19,928
	<u>1,030,590</u>	<u>519,146</u>	<u>511,444</u>
<i>Development costs</i>			
Lot production	313,312	1,811,275	1,497,964
Landscaping	528,765	839,599	310,833
Consultants	56,532	143,627	87,095
Infrastructure	-	155,874	155,874
Sales office building	-	222,440	222,440
Sales & marketing	25,319	67,926	42,607
Administration	18,892	35,259	16,367
Finance	2,249	164,336	162,088
	<u>945,068</u>	<u>3,440,335</u>	<u>2,495,268</u>
Cashflow	<u>85,522</u>	<u>(2,921,189)</u>	<u>3,006,711</u>

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

1.4 Cashflow - YTD Actuals to budget

	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>Variance</u>
Revenue	2,024,000	2,387,453	(363,453)
Margin GST	(29,032)	(45,750)	16,718
Direct selling costs	(90,851)	(107,854)	17,003
Interest Income	1,253	-	1,253
Forfeited Deposits	-	-	-
Other Income	-	-	-
Rebate Allowance	(91,427)	(295,764)	204,337
	<u>1,813,943</u>	<u>1,938,084</u>	<u>(124,142)</u>
<i>Development costs</i>			
Lot production	1,386,168	3,803,995	2,417,828
Landscaping	544,326	1,600,372	1,056,046
Consultants	65,649	309,997	244,348
Infrastructure	69,119	265,951	196,833
Sales office building	138,905	386,407	247,502
Sales & marketing	40,721	135,812	95,092
Administration	37,336	429,930	392,594
Finance	20,799	327,936	307,137
	<u>2,303,022</u>	<u>7,260,401</u>	<u>4,957,379</u>
Cashflow	<u>(489,080)</u>	<u>(5,322,317)</u>	<u>4,833,238</u>

The YTD revenue variance comprises:

- Settlement revenue is \$0.4m unfavourable to budget on 2 less residential settlements than the budget for FY2015.

1.5 Bonds

	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
City of Wanneroo	<u>704,822</u>	<u>1,259,731</u>	<u>1,030,899</u>
	<u>704,822</u>	<u>1,259,731</u>	<u>1,030,899</u>

Bonds relate to landscaping for Stages 6C & 8, & early clearances for stages 9 & 11

CATALINA - FINANCE REPORT

2.0 PROFIT & LOSS

	MTH Act	MTH Bgt	Var	YTD Act	YTD Bgt	Var	PTD Act	PTD Bgt
- Revenue \$ (Stlmnts)	1,120,000	603,310	516,690	2,024,000	2,387,453	(363,453)	97,611,500	97,974,953
- Revenue \$/lot	280,000	201,103		253,000	238,745		228,598	228,380
- Selling & GST \$	106,009	69,552	(36,457)	194,428	247,725	53,297	9,988,312	10,041,609
- Selling & GST \$/lot	26,502	23,184		24,303	24,772		23,392	23,407
- Cost of sales \$	426,800	300,900	(125,900)	864,022	1,024,907	160,885	42,403,449	42,564,334
- Cost of sales \$/lot	106,700	100,300		108,003	102,491		99,306	99,218
- Gross profit \$	<u>587,192</u>	<u>232,858</u>	<u>354,334</u>	<u>965,551</u>	<u>1,114,821</u>	<u>(149,270)</u>	<u>45,219,740</u>	<u>45,369,010</u>
- Gross profit \$/lot	146,798	77,619		120,694	111,482		105,901	105,755
- Gross profit Mgn %	52.43%	38.60%		47.71%	46.70%		46.33%	46.31%
- Special Sites \$	-	-	-	-	-	-	1,284,073	1,284,073
- Other income \$	-	-	-	1,253	-	1,253	47,389	46,136
- Sales & Marketing \$	14,626	68,059	53,433	41,884	136,079	94,195	699,644	793,838
- Administration \$	24,827	96,381	71,554	51,993	196,198	144,206	902,375	1,046,581
- Finance \$	-	-	-	-	15,000	15,000	17,000	32,000
- Contingency \$	-	164,336	164,336	-	312,962	312,962	20,364	333,326
- Net profit \$	<u>547,739</u>	<u>(95,917)</u>	<u>643,657</u>	<u>872,927</u>	<u>454,582</u>	<u>418,345</u>	<u>44,911,819</u>	<u>44,493,474</u>
- Net profit \$/lot	136,935	(31,972)		109,116	45,458		105,180	103,714

- FY15 YTD Gross profit is \$0.15m behind budget due to unfavorable YTD settlements of 2 lots, partly offset by a favourable margin of \$9k per lot.
- FY15 YTD net profit is favourable against budget by \$0.4m, due to the unfavourable gross profit variance \$0.15m, offset by unused contingency \$0.3m, and favourable Sales & Marketing and admin costs \$0.1m each.

YEAR TO DATE VERSUS FULL YEAR BUDGET

	YTD Act	FY15 Full Year Bgt	Var
- Revenue \$ (Stlmnts)	2,024,000	62,962,079	(60,938,079)
- Revenue \$/lot	253,000	278,593	
- Selling & GST \$	194,428	6,304,819	6,110,392
- Selling & GST \$/lot	24,303	27,897	
- Cost of sales \$	864,022	24,750,351	23,886,329
- Cost of sales \$/lot	108,003	109,515	
- Gross profit \$	<u>965,551</u>	<u>31,906,909</u>	<u>(30,941,358)</u>
- Gross profit \$/lot	120,694	141,181	
- Gross profit Mgn %	47.71%	50.68%	
- Special Sites \$	-	-	-
- Other income \$	1,253	-	1,253
- Sales & Marketing \$	41,884	818,818	776,934
- Administration \$	51,993	1,332,819	1,280,826
- Finance \$	-	15,000	15,000
- Contingency \$	-	2,274,479	2,274,479
- Net profit \$	<u>872,927</u>	<u>27,465,793</u>	<u>(26,592,866)</u>
- Net profit \$/lot	109,116	121,530	

CATALINA - FINANCE REPORT

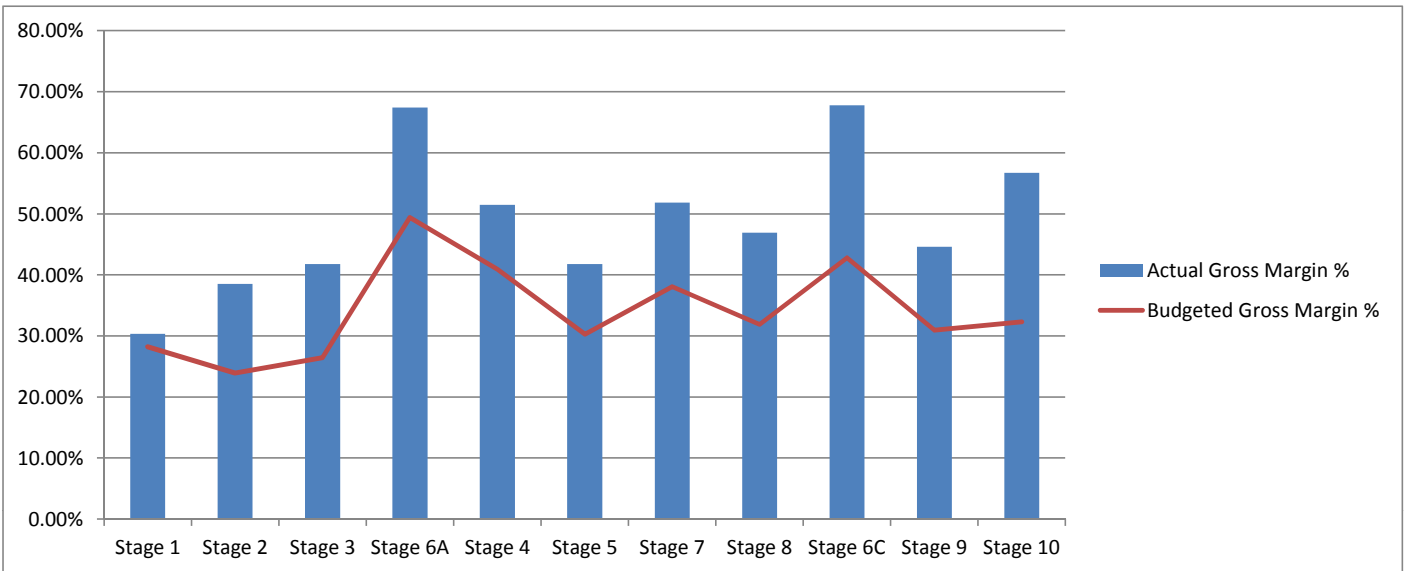
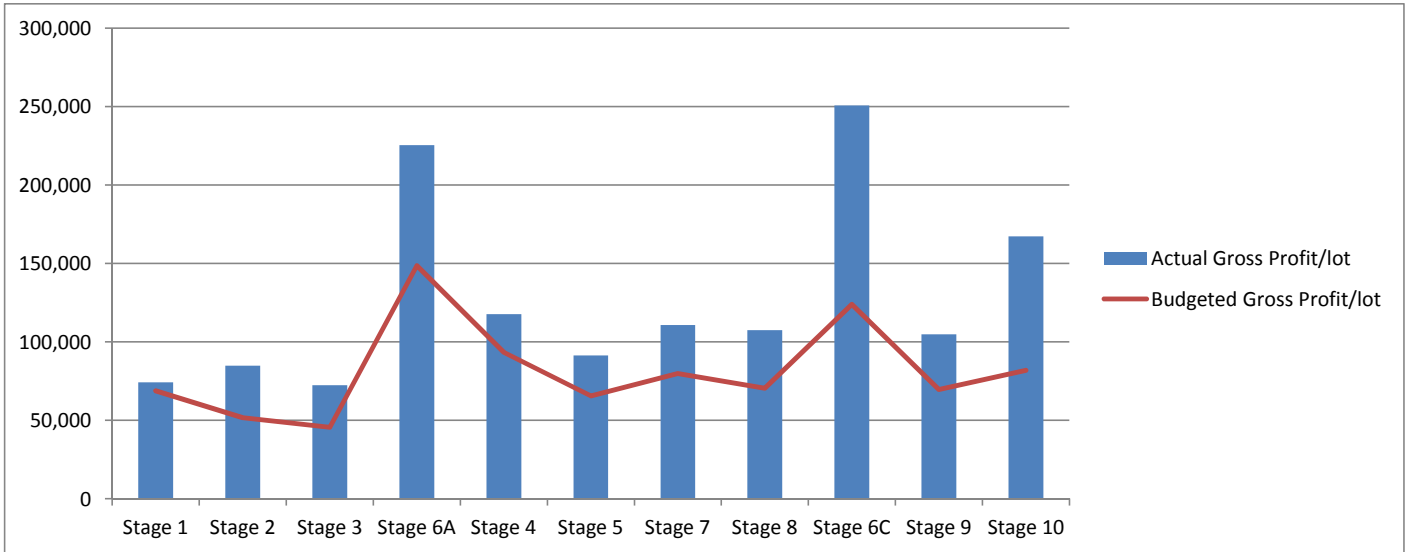
2.1 GROSS PROFIT ANALYSIS

Actual

Stages	Title Issue Date	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)		Direct Costs/lot	Actual Gross	Actual Gross	Actual Gross
				GST	Profit		Profit/lot	Margin %	
Stage 1	17-Oct-12	8,558,000	244,514	5,963,144	170,376	2,594,856	74,139	30.32%	
Stage 2	7-Nov-12	8,157,500	220,473	5,017,384	135,605	3,140,116	84,868	38.49%	
Stage 3	14-Jan-13	7,465,000	173,605	4,348,460	101,127	3,116,540	72,478	41.75%	
Stage 6A	18-Jan-13	2,675,000	334,375	871,498	108,937	1,803,502	225,438	67.42%	
Stage 4	20-Mar-13	10,746,000	228,638	5,216,038	110,980	5,529,962	117,659	51.46%	
Stage 5	20-May-13	13,774,000	218,635	8,021,908	127,332	5,752,092	91,303	41.76%	
Stage 7	31-Oct-13	13,452,000	213,524	6,479,416	102,848	6,972,584	110,676	51.83%	
Stage 8	16-Jan-14	12,146,000	229,170	6,450,298	121,704	5,695,702	107,466	46.89%	
Stage 6C	3-Apr-14	2,221,000	370,167	716,002	119,334	1,504,998	250,833	67.76%	
Stage 9	8-May-14	11,042,000	234,936	6,116,814	130,145	4,925,186	104,791	44.60%	
Stage 10	8-May-14	7,375,000	295,000	3,190,797	127,632	4,184,203	167,368	56.73%	
		<u>97,611,500</u>		<u>52,391,760</u>		<u>45,219,740</u>			

Budget

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



Catalina

Finished Lots & Cost of Lots Sold calculations to 31 August 14

Title date:	17-Oct-12	7-Nov-12	14-Jan-13	18-Jan-13	20-Mar-13	20-May-13	31-Oct-13	12-Dec-13	16-Jan-14	3-Apr-14	8-May-14	8-May-14	17-Oct-12	TOTAL
	Stage 1	Stage 2	Stage 3	Stage 6A	Stage 4	Stage 5	Stage 7	Stage 4 GHS	Stage 8	Stage 6C	Stage 9	Stage 10	Stage 1 GHS	
Direct costs														
Civil Construction	3,360,854	3,402,538	2,762,121	402,383	2,729,832	3,471,220	2,250,460	-	2,480,440	494,386	2,552,224	1,215,692	212,624	
Siteworks	2,707,191	2,790,163	2,229,195	366,514	2,527,426	3,130,749	2,115,492	-	2,427,440	484,386	2,494,012	1,185,692	212,624	
URD Power	446,598	402,401	301,315	-	-	-	70,334	-	-	-	7,212	-	-	
Third Pipe	147,046	159,885	181,392	33,789	198,886	277,471	1,634	-	-	-	-	-	-	
General						63,000	63,000	-	53,000	10,000	51,000	30,000	-	
MATV	60,019	50,089	50,219	2,080	3,520	-	-	-	-	-	-	-	-	
Sewer headwks	201,112	215,092	228,091	47,151	258,492	337,806	348,434	-	295,827	60,796	287,395	168,052	-	
Local authority fees	46,680	165,796	65,034	20,047	72,017	113,908	77,473	-	19,165	29,815	112,197	13,874	-	
Local authority scheme costs	94,499	102,782	116,608	22,771	127,854	178,372	177,726	-	151,582	-	-	-	-	
Survey & legal fees	57,728	38,096	44,076	8,039	67,161	61,761	61,349	-	56,870	11,652	49,933	29,605	-	
Engineering fees	214,866	211,164	161,999	66,069	165,461	332,802	234,419	-	194,775	41,250	187,425	110,250	-	
Finished Goods Adjustments	- 384,092	- 968,396	- 892,194	- 179,755	- 592,241	- 178,372	- 177,726	-	- 138,376	-	-	13,768	-	
	3,591,647	3,167,072	2,485,735	386,705	2,828,577	4,317,497	2,972,135	-	3,060,283	637,899	3,189,174	1,551,241	212,624	
Earthworks Allocation	423,192	459,466	519,922	96,730	568,287	1,315,851	1,174,774	20,322	1,328,784	44,274	1,579,056	928,856	40,732	
Indirect Costs														
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	
Infrastructure	282,435	272,271	245,570	79,632	354,719	401,840	389,562	16,938	357,345	85,626	330,027	241,170	35,504	
Landscape	355,008	342,232	308,671	100,093	445,866	566,228	548,927	24,860	524,460	125,670	484,367	353,956	52,107	
TOTAL COST	4,652,282	4,241,041	3,559,899	663,160	4,197,449	6,601,416	5,085,397	62,120	5,270,873	893,469	5,582,624	3,075,223	340,967	
Lots	35	38	43	8	47	63	63	1	53	10	51	30	1	
COST PER LOT	132,922	111,606	82,788	82,895	89,307	104,784	80,721	62,120	99,450	89,347	109,463	102,507	340,967	
Lots settled	35	37	43	8	47	63	63	1	53	6	47	25	1	429
COST OF LOTS SETTLED	4,652,282	4,129,435	3,559,899	663,160	4,197,449	6,601,416	5,085,397	62,120	5,270,873	536,081	5,144,771	2,562,686	340,967	42,806,534
Stage Area (m2)	14,753	13,481	11,481	4,151	17,531	21,385	19,069	2,295	16,509	4,789	14,576	11,840	4,600	
Cost per m2	315	315	310	160	239	309	267	27	319	187	383	260	74	
Avg lot size	422	355	267	519	373	339	303	2,295	311	479	286	395	4,600	

Other cash expenditure

Direct Selling & Proj Mgt Costs	10,196,153
Marketing costs	699,644
Administration	902,375
Finance	17,000
Contingency	20,364
TOTAL COSTS	54,642,070

PERIODIC ANALYSIS

	Month	YTD	PTD	PY Jun-14
Lots settled	4	8	429	421
Cost of lots settled	426,800	864,022	42,806,535	41,942,513
Direct selling costs	106,009	194,428	10,196,153	10,001,725
Marketing costs	14,626	41,884	699,644	657,759
Administration	24,827	51,993	902,375	850,383
Finance	0	0	17,000	17,000
Contingency	0	0	20,364	20,364
TOTAL COSTS	572,261	1,152,326	54,642,070	53,489,744

Catalina COGS Calc
31-Aug-14

Job	Titled Date	Direct Cost	Indirect Cost	COGS Total	Lot #	Titled	Untitled	COGS/Lot	Settled Lots	PTD COGS	Finished Goods	FG/Lot
140-01-001	17/10/2012	4,014,839	637,443	4,652,282	35	35	-	132,922	35	4,652,282	-	-
140-01-002	7/11/2012	3,626,538	614,504	4,241,041	38	38	-	111,606	37	4,129,435	111,606	111,606
140-01-003	14/01/2013	3,005,658	554,241	3,559,899	43	43	-	82,788	43	3,559,899	0	-
140-01-004	20/03/2013	3,396,864	800,585	4,197,448	47	47	-	89,307	47	4,197,448	-	-
140-01-005	20/05/2013	5,633,348	968,068	6,601,416	63	63	-	104,784	63	6,601,416	-	-
140-01-06A	18/01/2013	483,435	179,725	663,160	8	8	-	82,895	8	663,160	-	-
140-01-06C	3/04/2014	682,173	211,296	893,468	10	10	-	89,347	6	536,081	357,387	89,347
140-01-007	31/10/2013	4,146,909	938,488	5,085,397	63	63	-	80,721	63	5,085,397	-	-
140-01-008	16/01/2014	4,389,068	881,805	5,270,874	53	53	-	99,450	53	5,270,874	-	-
140-01-009	8/05/2014	4,768,229	814,395	5,582,624	51	51	-	109,463	47	5,144,771	437,853	109,463
140-01-010	8/05/2014	2,480,097	595,126	3,075,223	30	30	-	102,507	25	2,562,686	512,537	102,507
140-70-004	12/12/2013	20,322	41,798	62,119	1	1	-	62,119	1	62,119	-	-
140-70-007	17/10/2012	253,356	87,611	340,967	1	1	-	340,967	1	340,967	-	-
		36,900,834	7,325,084	44,225,918	443	443	-	103,091	429	42,806,535	1,419,384	101,385

Appendix 9.6

TAMALA PARK REGIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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Principal place of business:
Tamala Park Regional Council
PO Box 655
INNALOO
WA 6918

**TAMALA PARK REGIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Tamala Park Regional Council being the annual financial report and other information for the financial year ended 30 June 2014 are in my opinion properly drawn up to present fairly the financial position of the Tamala Park Regional Council at 30th June 2014 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 as authorisation of issue on the 9th day of September 2014



Tony Arias
Chief Executive Officer

**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2014 \$	2014 Budget \$	2013 \$
Revenue				
Interest Earnings	2(a)	1,004,865	711,090	517,078
Other Revenue		8,395	1,890	1,287
		<u>1,013,260</u>	<u>712,980</u>	<u>518,365</u>
Expenses				
Employee Costs		(520,305)	(679,975)	(567,081)
Materials and Contracts		(48,827)	(348,450)	(193,651)
Utility Charges		(2,806)	(10,000)	0
Depreciation on Non-Current Assets	2(a)	(13,626)	(20,489)	(15,127)
Insurance Expenses		(10,592)	(11,900)	(10,119)
Other Expenditure		(249,282)	(161,050)	(301,869)
		<u>(845,438)</u>	<u>(1,231,864)</u>	<u>(1,087,847)</u>
		167,822	(518,884)	(569,482)
Decrement on Revaluation of Assets	6	<u>0</u>	<u>0</u>	<u>(17,136)</u>
NET RESULT		167,822	(518,884)	(586,618)
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets	11	1,164	0	6,353
Total Other Comprehensive Income		<u>1,164</u>	<u>0</u>	<u>6,353</u>
Total Comprehensive Income		<u><u>168,986</u></u>	<u><u>(518,884)</u></u>	<u><u>(580,265)</u></u>

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

**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2014 \$	2014 Budget \$	2013 \$
Revenue				
General Purpose Funding		1,004,865	711,090	517,078
Other Property and Services		8,395	1,890	1,287
	2(a)	<u>1,013,260</u>	<u>712,980</u>	<u>518,365</u>
Expenses				
Governance		(140,987)	(160,750)	(117,941)
Other Property and Services		(704,451)	(1,071,114)	(969,906)
	2(a)	<u>(845,438)</u>	<u>(1,231,864)</u>	<u>(1,087,847)</u>
Decrement on Revaluation of Assets				
Other Property and Services	6	<u>0</u>	<u>0</u>	<u>(17,136)</u>
		0	0	0
Net Result		<u>167,822</u>	<u>(518,884)</u>	<u>(586,618)</u>
Other Comprehensive Income				
Changes on revaluation of non-current assets	11	1,164	0	6,353
Total Other Comprehensive Income		<u>1,164</u>	<u>0</u>	<u>6,353</u>
Total Comprehensive Income		<u><u>168,986</u></u>	<u><u>(518,884)</u></u>	<u><u>(580,265)</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 2014**

	NOTE	2014 \$	2013 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	40,413,398	25,985,602
Trade and Other Receivables	4	<u>735,068</u>	<u>515,699</u>
TOTAL CURRENT ASSETS		<u>41,148,466</u>	<u>26,501,301</u>
NON-CURRENT ASSETS			
Inventories	5	1,818,182	1,818,182
Property, Plant and Equipment	6	<u>140,116</u>	<u>145,610</u>
TOTAL NON-CURRENT ASSETS		<u>1,958,298</u>	<u>1,963,792</u>
TOTAL ASSETS		<u>43,106,764</u>	<u>28,465,093</u>
CURRENT LIABILITIES			
Trade and Other Payables	7	587,695	323,468
Provisions	10	<u>76,228</u>	<u>109,418</u>
TOTAL CURRENT LIABILITIES		<u>663,923</u>	<u>432,886</u>
NON-CURRENT LIABILITIES			
Provisions	10	<u>16,261</u>	<u>18,659</u>
TOTAL NON-CURRENT LIABILITIES		<u>16,261</u>	<u>18,659</u>
TOTAL LIABILITIES		<u>680,184</u>	<u>451,545</u>
		<u>42,426,580</u>	<u>28,013,548</u>
EQUITY			
Retained Surplus		351,079	183,257
Members Contributions		42,067,984	27,823,938
Revaluation Surplus	11	<u>7,517</u>	<u>6,353</u>
TOTAL EQUITY	12	<u>42,426,580</u>	<u>28,013,548</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 2014**

	NOTE	2014 \$	2014 Budget \$	2013 \$
Cash Flows From Operating Activities				
Receipts				
Interest Earnings		926,748	711,090	39,098
Goods and Services Tax		3,508	50,000	61,934
Other Revenue		8,395	109,664	183,265
		<u>938,651</u>	<u>870,754</u>	<u>284,297</u>
Payments				
Employee Costs		(553,618)	(639,975)	(523,765)
Materials and Contracts		189,200	(462,900)	(482,093)
Utility Charges		(2,806)	(10,000)	0
Insurance Expenses		(10,592)	(11,900)	(10,119)
Goods and Services Tax		(119,572)	(50,000)	(61,934)
Other Expenditure		(250,545)	(161,050)	(94,522)
		<u>(747,933)</u>	<u>(1,335,825)</u>	<u>(1,172,433)</u>
Net Cash Provided By (Used In)				
Operating Activities	13(b)	<u>190,718</u>	<u>(465,071)</u>	<u>(888,136)</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		<u>(6,968)</u>	<u>(6,000)</u>	<u>(64,247)</u>
Net Cash Provided by (Used in)				
Investment Activities		(6,968)	(6,000)	(64,247)
Cash Flows from Financing Activities				
Proceeds from Members Contributions		24,798,685	474,514	13,483,806
Payment of Members Contributions		(10,554,639)	(10,400,000)	0
Net Cash Provided By (Used In)				
Financing Activities		14,244,046	(9,925,486)	13,483,806
Net Increase (Decrease) in Cash Held		14,427,796	(10,396,557)	12,531,423
Cash at Beginning of Year		25,985,602	25,985,602	13,454,179
Cash and Cash Equivalents				
at the End of the Year	13(a)	<u><u>40,413,398</u></u>	<u><u>15,589,045</u></u>	<u><u>25,985,602</u></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 2014**

	NOTE	RETAINED SURPLUS \$	CONTRIBUTED EQUITY \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2012		769,875	14,340,132	0	15,110,007
Comprehensive Income					
Net Result		(586,618)	580,265	0	(6,353)
Changes on Revaluation of Non-Current Assets	11	<u>0</u>	<u>0</u>	<u>6,353</u>	<u>6,353</u>
Total Comprehensive Income		(586,618)	580,265	6,353	0
Members Contributions		0	12,903,541	0	12,903,541
		<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2013		183,257	27,823,938	6,353	28,013,548
Comprehensive Income					
Net Result		167,822	(168,986)	0	(1,164)
Changes on Revaluation of Non-Current Assets	11	<u>0</u>	<u>0</u>	<u>1,164</u>	<u>1,164</u>
Total Comprehensive Income		167,822	(168,986)	1,164	0
Members Contributions	12	0	24,413,020	0	24,413,020
Return of Capital	12		(9,999,988)		(9,999,988)
		<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2014		<u>351,079</u>	<u>42,067,984</u>	<u>7,517</u>	<u>42,426,580</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 2014**

	NOTE	2014 Actual \$	2014 Budget \$	2013 Actual \$
Revenue				
General Purpose Funding		1,004,865	711,090	517,078
Other Property and Services		8,395	1,890	1,287
		<u>1,013,260</u>	<u>712,980</u>	<u>518,365</u>
Expenses				
Governance		(140,987)	(160,750)	(117,941)
Other Property and Services		(704,451)	(1,071,114)	(987,042)
		<u>(845,438)</u>	<u>(1,231,864)</u>	<u>(1,104,983)</u>
Net Result Excluding Rates		167,822	(518,884)	(586,618)
Adjustments for Cash Budget Requirements:				
Decrement for Valuation of Inventory		0	0	181,818
Decrement for Valuation of Non-Current Assets		0	0	17,136
Movement in Employee Benefit Provisions (Non-current)		(2,398)	0	8,796
Depreciation and Amortisation on Assets	2(a)	13,626	20,489	15,127
Capital Expenditure and Revenue				
Purchase Furniture and Equipment	6(a)	(6,968)	(6,000)	(1,515)
Purchase Plant and Equipment	6(a)	0	0	(62,732)
Repayment of Members Contributions	12	14,244,046	0	13,483,806
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	26,068,415	26,069,507	13,012,597
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	40,484,543	25,565,112	26,068,415
Total Amount Raised from General Rate	22(a)	<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 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report comprises general purpose financial statements which have 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. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

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 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.

The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of 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. A separate statement of those monies appears at Note 19 to these financial statements.

(b) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included with 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 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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

(d) Trade and Other Receivables

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

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

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

(e) 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 Sale

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

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

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Mandatory Requirement to Revalue Non-Current Assets

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

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

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or-

(II) Infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

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

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

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land Under Control

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

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, 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 Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

Revaluation

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

Transitional Arrangements

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

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

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

Early Adoption of AASB 13 - Fair Value Measurement

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

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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 AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

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

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

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

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

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

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

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

Capitalisation Threshold

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities (Continued)

Income approach

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

Cost approach

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

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

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

(h) Financial Instruments

Initial Recognition and Measurement

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

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 and any reduction for impairment; and
- (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.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial 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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

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

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

(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 until such time as the asset is substantially ready for its intended use or sale.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Provisions

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

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

(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 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) Investment in Associates

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

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

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

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Interests in Joint Arrangements

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

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

(q) 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 operations for the current reporting period.

(r) Superannuation

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

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(v) Budget Comparative Figures

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

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Council.

Management's assessment of the new and amended pronouncements that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows:

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 – Financial Instruments	December 2013	1 January 2017	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 2010 -7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	December 2013	1 January 2017	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).
[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]			

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
<p>(iii) AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities]</p> <p>[AASB 1, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 131, 132, 133, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]</p>	December 2012	1 January 2014	<p>Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128.</p> <p>It is not expected to have a significant impact on Council.</p>
<p>(iv) AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities</p> <p>[AASB 132]</p>	June 2012	1 January 2014	<p>This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>This Standard is not expected to significantly impact the Council's financial statements.</p>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(v) AASB 2013 - 3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	June 2013	1 January 2014	<p>This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets.</p> <p>It is not expected to have a significant impact on Council.</p>
(vi) AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]	October 2013	1 January 2014	<p>This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities.</p> <p>It is not expected to have a significant impact on Council.</p>
(vii) AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]	December 2013	Refer Title column	<p>Part A of this standard makes various editorial corrections to Australian Accounting Standards.</p> <p>Part B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031.</p> <p>Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.</p> <p>As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on Council.</p>

Notes:

⁽¹⁾ 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 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) 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 were compiled, became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 10	AASB 128	AASB 2012 - 2
AASB 11	AASB 2011 - 7	AASB 2012 - 3
AASB 12	AASB 2011 - 9	AASB 2012 - 5
AASB 119	AASB 2011 - 10	AASB 2012 - 10
AASB 127		

Most of the standards adopted had a minimal effect on the accounting and reporting practices of the Council as they did not have a significant impact on the accounting or reporting practices or were either not applicable, 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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

2. REVENUE AND EXPENSES	2014	2013	
	\$	\$	
(a) Net Result			
The Net Result includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
- Audit of the annual financial report	9,680	9,000	
Impairment			
Inventories - Land held for Resale	0	181,818	
Depreciation			
Furniture and Equipment	1,554	947	
Plant and Equipment	6,533	7,535	
Improvements to Leasehold Property	5,539	6,645	
	13,626	15,127	
(ii) Crediting as Revenue:			
	2014	2014	2013
	Actual	Budget	Actual
	\$	\$	\$
Interest Earnings			
- Other Funds	1,004,865	711,090	517,078
	1,004,865	711,090	517,078

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

The Tamala Park Regional Council is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

COMMUNITY VISION

The Tamala Park Regional Council will endeavour to provide high quality services to the community through the various service orientated programs which it has established.

Council operations as disclosed in these financial statements encompass the following service orientated activities/programs.

GENERAL PURPOSE FUNDING

Objective:

To collect interest on investments

Activities:

Interest revenue.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control council's overheads operating accounts.

Activities:

Other unclassified Activities.

(c) Conditions over Grants/Contributions

The Council does not hold any grants/contributions over which there are conditions.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

	Note	2014 \$	2013 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		<u>40,413,398</u>	<u>25,985,602</u>
		<u>40,413,398</u>	<u>25,985,602</u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Sundry Debtors		542,087	435,327
GST Receivable		4,417	7,925
Accrued Interest		150,564	72,447
Settlement Bonds		38,000	0
		<u>735,068</u>	<u>515,699</u>
5. INVENTORIES			
Non-Current			
Land Held for Resale -Net Realisable Value		<u>1,818,182</u>	<u>1,818,182</u>
		<u>1,818,182</u>	<u>1,818,182</u>
6. PROPERTY, PLANT AND EQUIPMENT			
Improvements to Leasehold Property at:			
- Management Valuation 2013		101,260	101,260
Less: Accumulated Depreciation		<u>(5,539)</u>	<u>0</u>
		95,721	101,260
Furniture and Equipment at:			
- Management Valuation 2013		800	800
- Additions after Valuation - Cost		6,968	0
Less Accumulated Depreciation		<u>(1,554)</u>	<u>0</u>
		6,214	800
Plant and Equipment at:			
- Management Valuation 2014		38,181	43,550
Less Accumulated Depreciation		<u>0</u>	<u>0</u>
		38,181	43,550
		<u>140,116</u>	<u>145,610</u>

Improvements to Leasehold Property

The Council's improvements to leasehold property was revalued at 30 June 2013 by management.

The valuation was made on the basis of depreciated replacement cost, (Level 3 inputs in the fair value hierarchy).

The revaluation resulted in an increase of \$6,353 in the net value of the Council's Improvements to Leasehold Property. All of this increment was credited to a revaluation surplus.

Furniture and Equipment

The Council's Furniture and Equipment was revalued at 30 June 2013 by management.

The valuation was made on the basis of observable open market values of similar assets, adjusted for condition and comparability (Level 3 inputs in the fair value hierarchy)

The revaluation resulted in a decrease of \$5,489 in the net value of the Council's furniture and equipment. All of this decrement was debited to operating expenses in the Statement of Comprehensive Income.

Motor Vehicle

The Council's motor vehicle was revalued at 30 June 2014 by management.

The valuation was made on the basis of observable market value of similar assets, adjusted for condition and comparability (Level 3 inputs in the fair value hierarchy).

The revaluation resulted in an increase of \$ 1,164 in the net value of the Council's motor vehicle. All of this increment was credited to a revaluation surplus.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements)	Impairment (Losses)/ Reversals	Depreciation (Expense)	Carrying Amount at the End of Year
	\$	\$	\$	\$	\$	\$	\$
Improvements to Leasehold Property (Level 3)	101,260	0	0	0	0	(5,539)	95,721
Total Buildings	101,260	0	0	0	0	(5,539)	95,721
Total Land and Buildings	101,260	0	0	0	0	(5,539)	95,721
Furniture and Equipment (Level 3)	800	6,968	0	0	0	(1,554)	6,214
Plant and Equipment (Level 3)	43,550	0	0	1,164	0	(6,533)	38,181
Total Property, Plant and Equipment	145,610	6,968	0	1,164	0	(13,626)	140,116

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

	2014	2013
	\$	\$
7. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	561,027	295,625
Accrued Salaries and Wages	5,510	3,372
ATO Liabilities	13,388	13,259
FBT Liabilities	770	762
Accrued Expenses	7,000	10,450
	587,695	323,468

8. LONG-TERM BORROWINGS

The Regional Council did not have any long term borrowings at the reporting date.

9. RESERVES -CASH BACKED

The Regional Council did not have any reserves at the reporting date.

10 PROVISIONS

	2014	2013
	\$	\$
Analysis of Total Provisions		
Current	76,228	109,418
Non-Current	16,261	18,659
	92,489	128,077

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening Balance at 1 July 2013	109,418	18,659	128,077
Additional Provision	3,450	5,702	9,152
Amounts Used	(44,740)	0	(44,740)
Balance at 30 June 2014	68,128	24,361	92,489

11. REVALUATION SURPLUS

	2014	2013
	\$	\$

Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:

(a) Leasehold Improvements

Opening Balance	6,353	0
Revaluation Increment	0	6,353
Revaluation Decrement	0	0
	6,353	6,353

(b) Plant & Equipment

Opening Balance	0	0
Revaluation Increment	1,164	0
Revaluation Decrement	0	0
	1,164	0

TOTAL ASSET REVALUATION SURPLUS	7,517	6,353
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**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

	2014 \$	2013 \$
12. MEMBERS EQUITY		
(a) Town of Victoria Park		
Opening Balance	2,334,462	1,259,167
Land Development Expenses	(2,382,974)	(1,996,107)
Proceeds of Sale of Member Land	4,449,297	3,119,757
Return of Contribution	(833,332)	0
Rates Equivalent	(46,221)	0
TPRC Nett Result	<u>14,316</u>	<u>(48,355)</u>
	<u>3,535,548</u>	<u>2,334,462</u>
(b) City of Perth		
Opening Balance	2,334,462	1,259,167
Land Development Expenses	(2,382,974)	(1,996,107)
Proceeds of Sale of Member Land	4,449,297	3,119,757
Return of Contribution	(833,332)	0
Rates Equivalent	(46,221)	0
TPRC Nett Result	<u>14,316</u>	<u>(48,355)</u>
	<u>3,535,548</u>	<u>2,334,462</u>
(c) Town of Cambridge		
Opening Balance	2,334,462	1,259,167
Land Development Expenses	(2,382,974)	(1,996,107)
Proceeds of Sale of Member Land	4,449,297	3,119,757
Return of Contribution	(833,332)	0
Rates Equivalent	(46,221)	0
TPRC Nett Result	<u>14,316</u>	<u>(48,355)</u>
	<u>3,535,548</u>	<u>2,334,462</u>
(d) City of Joondalup		
Opening Balance	4,668,925	2,518,334
Land Development Expenses	(4,765,948)	(3,992,213)
Proceeds of Sale of Member Land	8,898,594	6,239,515
Return of Contribution	(1,666,665)	0
Rates Equivalent	(92,442)	0
TPRC Nett Result	<u>28,633</u>	<u>(96,711)</u>
	<u>7,071,097</u>	<u>4,668,925</u>
(e) City of Wanneroo		
Opening Balance	4,668,925	2,518,334
Land Development Expenses	(4,765,948)	(3,992,213)
Proceeds of Sale of Member Land	8,898,594	6,239,515
Return of Contribution	(1,666,665)	0
Rates Equivalent	(92,442)	0
TPRC Nett Result	<u>28,633</u>	<u>(96,711)</u>
	<u>7,071,097</u>	<u>4,668,925</u>
(f) City of Vincent		
Opening Balance	2,334,462	1,259,167
Land Development Expenses	(2,382,974)	(1,996,107)
Proceeds of Sale of Member Land	4,449,297	3,119,757
Return of Contribution	(833,332)	0
Rates Equivalent	(46,221)	0
TPRC Nett Result	<u>14,316</u>	<u>(48,355)</u>
	<u>3,535,548</u>	<u>2,334,462</u>
(g) City of Stirling		
Opening Balance	9,337,849	5,036,671
Land Development Expenses	(9,527,684)	(7,984,427)
Proceeds of Sale of Member Land	17,795,785	12,479,029
Return of Contribution	(3,333,330)	0
Rates Equivalent	(184,883)	0
TPRC Nett Result	<u>54,456</u>	<u>(193,423)</u>
	<u>14,142,193</u>	<u>9,337,849</u>
TOTAL CONTRIBUTED EQUITY	<u>42,426,580</u>	<u>28,013,548</u>
Total Opening Balance	28,013,548	15,110,007
Land Development Expenses	(28,591,476)	(23,953,281)
Proceeds of Sale of Member Land	53,390,161	37,437,087
Return of Contribution	(9,999,988)	0
Rates Equivalent	(554,651)	0
TPRC Nett Result	<u>168,986</u>	<u>(580,265)</u>
TOTAL CONTRIBUTED EQUITY	<u>42,426,580</u>	<u>28,013,548</u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

13 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:

	2014 \$	2014 Budget \$	2013 \$
Cash and Cash Equivalents	<u>40,413,398</u>	<u>15,589,045</u>	<u>25,985,602</u>

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net Result	167,822	(518,884)	(586,618)
Depreciation	13,626	20,489	15,127
Decrement on Revaluation of Non -Current Assets	0	0	17,136
Decrement on Revaluation of Inventory	0	0	181,818
(Increase)/Decrease in Receivables	(219,369)	(210,856)	(469,427)
Increase/(Decrease) in Payables	264,227	244,180	(89,488)
Increase/(Decrease) in Employee Provisions	(35,588)	0	43,316
Net Cash from Operating Activities	<u>190,718</u>	<u>(465,071)</u>	<u>(888,136)</u>

**(c) Undrawn Borrowing Facilities
Credit Standby Arrangements**

The Regional Council does not have any undrawn borrowing facilities at 30 June 2014.

14 CONTINGENT LIABILITIES

There were no known contingent liabilities at 30 June 2014.

15 CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

The Regional Council did not have any future operating lease commitments at the reporting date.

(b) Capital Expenditure Commitments

The Regional Council did not have any future capital expenditure commitments at the reporting date.

16 JOINT VENTURE ARRANGEMENTS

The Regional Council is not involved in any joint venture arrangements.

17 TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2014 \$	2013 \$
Other Property and Services	140,116	145,610
Unallocated	<u>42,966,648</u>	<u>28,319,483</u>
	<u>43,106,764</u>	<u>28,465,093</u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

18 FINANCIAL RATIOS	2014	2013	2012
Current Ratio	61.98	61.22	27.67
Asset Sustainability Ratio	0.51	0.00	0.04
Debt Service Cover Ratio	0.00	0.00	0.00
Operating Surplus Ratio	0.17	(1.13)	(0.07)
Own Source Revenue Coverage Ratio	1.20	0.47	0.94

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 40 of this document.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

19 TRUST FUNDS

The Regional Council holds no funds in trust for other entities.

20 DISPOSALS OF ASSETS - 2013/14 FINANCIAL YEAR

No assets were disposed of during the year ended 30th June 2014.

21 INFORMATION ON BORROWINGS

(b) New Debentures - 2013/14

The Regional Council did not take up any new debentures during the year ended 30 June 2014.

(c) Unspent Debentures

The Regional Council did not have any unspent debentures as at 30 June 2014.

(d) Overdraft

The Regional Council does not have an overdraft facility.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

22. RATING INFORMATION - 2013/14 FINANCIAL YEAR

Information on Surplus/(Deficit) Brought Forward

	2014 (30 June 2014 Carried Forward) \$	2014 (1 July 2013 Brought Forward) \$	2013 (30 June 2013 Carried Forward) \$
Surplus/(Deficit) 1 July 13 Brought Forward	<u>40,484,543</u>	<u>26,068,415</u>	<u>26,068,415</u>
<u>Comprises:</u>			
Cash and Cash Equivalents			
Unrestricted	40,413,398	25,985,602	25,985,602
Receivables			
Sundry Debtors	542,087	435,327	435,327
GST Receivable	4,417	7,925	7,925
Accrued Interest	150,564	72,447	72,447
Settlement Bonds	38,000	0	0
<u>Less:</u>			
Trade and other Payables			
Sundry Creditors	(561,027)	(295,625)	(295,625)
Accrued Salaries and Wages	(5,510)	(3,372)	(3,372)
ATO Liabilities	(13,388)	(13,259)	(13,259)
FBT Liabilities	(770)	(762)	(762)
Accrued Expenses	(7,000)	(10,450)	(10,450)
Provisions			
Provision for Annual Leave	(68,128)	(109,418)	(109,418)
Provision for Long Service Leave	(8,100)	0	0
<u>Net Current Assets</u>	<u>40,484,543</u>	<u>26,068,415</u>	<u>26,068,415</u>
Surplus/(Deficit)	<u>40,484,543</u>	<u>26,068,415</u>	<u>26,068,415</u>

Difference

There was no difference between the Surplus/(Deficit) 1 July 2013 Brought Forward position used in the 2014 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2013 audited financial report.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

23. SPECIFIED AREA RATE - 2013/14 FINANCIAL YEAR

The Regional Council did not impose any Specified Area Rates.

24. SERVICE CHARGES - 2013/14 FINANCIAL YEAR

The Regional Council did not impose any service charges.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2013/14 FINANCIAL YEAR**

The Regional Council did not offer any discounts, provide any concessions or allow any write offs.

26. INTEREST CHARGES AND INSTALMENTS - 2013/14 FINANCIAL YEAF

The Regional Council did not impose interest charges.

27. FEES & CHARGES

There were no fees and charges applied in the financial year.

28. GRANT REVENUE

The Regional Council did not receive any Grant Revenue in the financial year.

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

	3.43		2.63
--	------	--	------

30. ELECTED MEMBERS REMUNERATION

	2014 \$	2014 Budget \$	2013 \$
--	------------	----------------------	------------

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

Elected Members Remuneration	114,837	125,000	84,000
Chairman's Allowance	15,418	19,000	19,000
Deputy Chairman's Allowance	4,129	4,750	3,000
	134,384	148,750	106,000

31. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2013/14.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2013/14 financial year.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

33. FINANCIAL RISK MANAGEMENT

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2014	2013	2014	2013
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	40,413,398	25,985,602	40,413,398	25,985,602
Receivables	<u>735,068</u>	<u>515,699</u>	<u>735,068</u>	<u>515,699</u>
	<u>41,148,466</u>	<u>26,501,301</u>	<u>41,148,466</u>	<u>26,501,301</u>
Financial Liabilities				
Payables	<u>587,695</u>	<u>323,468</u>	<u>587,695</u>	<u>323,468</u>
	<u>587,695</u>	<u>323,468</u>	<u>587,695</u>	<u>323,468</u>

Fair value is determined as follows:

Cash and Cash Equivalents, Receivables, Payables - estimated to the carrying value which approximates net market value.

(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

Cash and investments are subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by only investing in registered commercial banks. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2014	2013
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	300,559	130,929
- Statement of Comprehensive Income	300,559	130,929

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible market movements.

(b) Receivables

Council's major 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 Taxes represent 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.

Council reviews its outstanding debts regularly and commences a variety of recovery techniques. There are no material receivables that have been subject to a re-negotiation of repayment terms.

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

	2014	2013
Percentage of Other Receivables		
- Current	90.05%	90.60%
- Overdue	9.95%	9.40%

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

33. FINANCIAL RISK MANAGEMENT (Continued)
(c) Payables

Payables are 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 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>2014</u>					
Payables	587,695			587,695	587,695
	<u>587,695</u>	<u>0</u>	<u>0</u>	<u>587,695</u>	<u>587,695</u>
<u>2013</u>					
Payables	323,468			323,468	323,468
	<u>323,468</u>	<u>0</u>	<u>0</u>	<u>323,468</u>	<u>323,468</u>

The Independent Audit Report will be Provided by your Auditor

The Independent Audit Report will be Provided by your Auditor

**TAMALA PARK REGIONAL COUNCIL
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2014**

RATIO INFORMATION

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report

	2014	2013	2012
Asset Consumption Ratio	0.81	0.78	N/A
Asset Renewal Funding Ratio	N/A	1.17	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio
$$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$$

Asset Renewal Funding Ratio
$$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$$

N/A - In keeping with amendments to Local Government (Financial Management) Regulations 50, comparatives for the 2012 year have not been reported as financial information is not available.

Appendix 9.7

INDEPENDENT AUDITOR REPORT TO THE MEMBERS OF TAMALA PARK REGIONAL COUNCIL

Report on the Financial Report

We have audited the accompanying financial report of Tamala Park Regional Council which comprises the statement of financial position as at 30 June 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by chief executive officer.

Management's Responsibility for the Financial Report

Management is responsible for the preparation of the financial report which gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with 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 Council'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 Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

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

- a) gives a true and fair view of the financial position of Tamala Park Regional Council as at 30 June 2014 and of its performance for the year ended on that date; and
- b) complies with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards.

Reporting on Other Legal and Regulatory Requirements

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

In accordance with the Local Government (audit) Regulations 1996, we also report that:

- a) There are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Council.
- b) There are no matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) The asset consumption ratio and the asset renewal funding ratio, included in the supplementary ratio information at the back of the financial report, are supported by verifiable information and reasonable assumptions.
- d) All necessary information and explanations required were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE
Director

Perth

Date: 9 September 2014

Appendix 9.8



Your Ref:
Our Ref: TP3-14; E1430074

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

Dear Mr Arias

2013/14 INTEGRATED PLANNING AND REPORTING (IPR) ASSESSMENT

I would like to take this opportunity to commend your council and administration on its progress in adopting and implementing the Integrated Planning and Reporting (IPR) Framework.

In August last year, we requested all local governments and regional local governments to submit their Strategic Community Plans and Corporate Business Plans as part of the 2013/14 IPR review process. In addition, Asset Management and Long Term Financial Plans were requested from a random sample of 15 metropolitan local governments, 54 country local governments and 4 regional local governments. A total of 465 plans were received and assessed.

Department officers have reviewed the plans submitted against the IPR assessment criteria outlined in Circular No 15-2013. These criteria (see Attachment 1), along with the overall IPR achievement rates for the sector, are available for viewing on the IPR website <http://integratedplanning.dlg.wa.gov.au/>.

I am pleased to enclose, as Attachment 2, the Department's feedback on your IPR plans. This is based on the documents received by the Department during the review process and may not reflect any recent modifications to your local government's plans.

Advice has also been provided to you on achieving elements of recommended practice. This advice does not affect the results of your assessment, but is designed to support a commitment to continuous improvement as your plans become due for their regular reviews.

I therefore invite you to note the feedback provided and make any suggested changes in the next revision of your plans. Should you have any queries about your assessment, or if you would like further advice on specific elements, please contact the following officers:

Ms Crystal Bell
Project Officer
Local Government Regulation and Support
crystal.bell@dlgc.wa.gov.au
(08) 6552 1644

Ms Ning Yan
Senior Project Officer
Local Government Regulation and Support
ning.yan@dlgc.wa.gov.au
(08) 6552 1701

Your Strategic Community Plan and Corporate Business Plan provide a strong foundation for your council and administration to meet the immediate and long-term sustainability challenges facing your community. In particular, they will continue to be valuable planning tools in addressing the community development priorities that you have set for the years ahead. Further, these plans will provide valuable guidance to the State Government, for example through the development of Regional Investment Blueprints, and as input into the service delivery plans of individual State agencies.

I hope that you will find the enclosed feedback useful in reviewing and using these plans to build partnerships with the government, business and community sectors that will meet the evolving needs of your local community.

Yours sincerely



Jennifer Mathews
DIRECTOR GENERAL

ATTACHMENT 1: IPR STANDARDS

Plan	Item	Criterion
A. Strategic Community Plan	1.	Plan exists
	2.	A 10 year timeframe
	3.	States community aspirations, vision and objectives
	4.	Is adopted by an absolute majority of council
	5.	Is developed with community input which is documented
	6.	Has consideration of current and future resources
	7.	Has regard to demographic trends
	8.	Has regard to strategic performance measures
	9.	A strategic review of the Strategic Community Plan is to be <i>scheduled</i> for 2 years from when it is adopted; and A full review of the Strategic Community Plan is to be <i>scheduled</i> for 4 years from when it was adopted.
	10.	Upon adoption of the Strategic Community Plan, local public notice is given.
B. Corporate Business Plan	1.	Plan exists
	2.	A minimum 4 year timeframe
	3.	Identifies and prioritises Council strategies and activities in response to the aspirations and objectives of the Strategic Community Plan.
	4.	States the service, operations and projects that a local government will deliver, the method for delivering these and the associated costs.
	5.	References resourcing considerations such as Asset Management Plans, Finances and Workforce Plan.
	6.	Is adopted by an absolute majority of Council
	7.	A review of the Plan is conducted every year
C. Long Term Financial Plan	1.	Long Term Financial Plan exists
	2.	Addresses Finance Ratios: <ul style="list-style-type: none"> a. Operating Surplus Ratio b. Current Ratio c. Debt Service Cover Ratio d. Own Source Revenue Coverage Ratio
D. Asset Management Plan	1.	An Asset Management Plan exists
	2.	Addresses Asset Ratios, or provides reference to them in the Long Term Financial Plan: <ul style="list-style-type: none"> a. Asset Consumption Ratio b. Asset Sustainability Ratio c. Asset Renewal Ratio

ATTACHMENT 2: IPR ASSESSMENT – TAMALA PARK REGIONAL COUNCIL

A. STRATEGIC COMMUNITY PLAN

- IPR Standards achieved as outlined in Attachment 1 except for:

Item 6. Has consideration of current and future resources.

- In order to meet this requirement, more descriptive detail/data should be provided on what the Council's relative resource position is and commentary included around what this means for progressing the aspirations in the plan (i.e. will there be any workforce implications? Will the Council need to seek revenue through alternate avenues?).

Item 7. Has regard to demographic trends.

- Plan expresses quantifiable statistics relating to the local government area (i.e. population figures) and/or changes to these statistics within the area over time. This may be articulated via graph, table, profile, or narrative.

Item 10. Upon adoption of the Strategic Community Plan, local public notice is given.

- No evidence indicating that local public notice was given for a minimum of 7 days with details on where and when the plan can be inspected (i.e. a copy of the newspaper advertisement) was provided to DLGC.

B. CORPORATE BUSINESS PLAN

- IPR Standards achieved as outlined in Attachment 1 except for:

Item 5. References resourcing considerations such as Asset Management Plans, Finances and Workforce Plan.

- DLGC notes the Council has referenced its Long Term Financial Plan. DLGC encourages the Council to also reference its Asset Management Plan and Workforce Plan.

Recommended practice improvements for your Council:

Item 4. States the service, operations and projects that a local government will deliver, the method for delivering those and the associated costs.

- DLGC encourages the Council to further breakdown the costs outlined on pages 11-12, where possible, for each of the strategies on pages 5-10.

C. LONG TERM FINANCIAL PLAN

- Your Regional Council was not required to submit this plan for IPR assessment in the 2013/14 financial year.

D. ASSET MANAGEMENT PLAN

- Your Regional Council was not required to submit this plan for IPR assessment in the 2013/14 financial year.

Appendix 9.9

TAMALA PARK REGIONAL COUNCIL





Asset Management Plan

Version 1.1

June 2014



Document Control		Asset Management for Small, Rural or Remote Communities				 
Document ID: Tamala Park Regional Council - Asset Management Plan						
Rev No	Date	Revision Details	Author	Reviewer	Approver	
1.0	24/01/2014	Initial compilation	DL			
1.1	4/06/2014	Minor review and update	DL	DL		

Asset Management for Small, Rural or Remote Communities Practice Note

The Institute of Public Works Engineering Australia.

www.ipwea.org.au/AM4SRRC

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1. EXECUTIVE SUMMARY

Context

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

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

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

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

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

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

The Asset Service

The Asset network comprises:

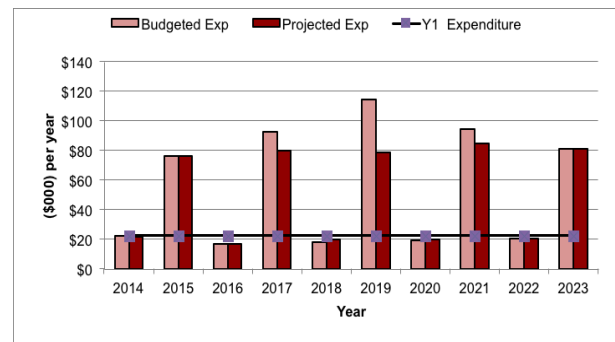
- 1 Motor Vehicle.
- 4 Items Computer Equipment.
- 1 Copier/Printer.
- 1 item of Electrical Goods.
- 29 items of office furniture and equipment.
- 1 Building Leasehold Refurbishment.

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

What does it Cost?

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

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



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

What we will do

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

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

Managing the Risks

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

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

We will manage these risks within available funding by:

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

The Next Steps

The actions resulting from this asset management plan are:

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

Questions you may have

What is this plan about?

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

What is an Asset Management Plan?

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

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

Is there a funding shortfall?

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

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

What options do we have?

Managing any potential funding shortfall involves several steps:

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

2. INTRODUCTION

2.1 Background

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

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

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

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

Table 2.1: Assets covered by this Plan

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

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

Internal stakeholders include:

Tamala Park Regional Council

Participant (member local government) representation and administration

Chief Executive

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

External stakeholders include:

Local Government Insurance Services

Minimisation of risk

Town of Cambridge

Project Shareholder

City of Perth

Project Shareholder

Town of Victoria Park

Project Shareholder

Town of Vincent

Project Shareholder

City of Joondalup

Project Shareholder

City of Wanneroo

Project Shareholder

City of Stirling

Project Shareholder

2.2 Goals and Objectives of Asset Management

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

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

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

The goal of this asset management plan is to:

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

2.3 Plan Framework

Key elements of the plan are

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

2.4 Core and Advanced Asset Management

This asset management plan is prepared as a first cut 'core' asset management plan in accordance with the International Infrastructure Management Manual² and the Asset Management Framework and Guidelines³. It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting. Core asset management is a 'top down' approach where analysis is applied at the 'system' or 'network' level.

2.5 Community Consultation

The Asset Management Framework and Guidelines³ require local governments to consult with the community on their service requirements, expectations and satisfaction levels in relation to asset management.

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

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

¹ IPWEA, 2006, *IIMM* Sec 1.1.3, p 1.3.

² IPWEA, 2006.

³ Department of Local Government (WA) 2011.

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

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

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

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

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

3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

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

3.2 Legislative Requirements

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

Table 3.2: Legislative Requirements

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

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

3.3 Current Levels of Service

Council has defined service levels in two terms.

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

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

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

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

Technical service measures are linked to annual budgets covering:

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

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

Table 3.3A: Motor Vehicle Current Service Levels

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

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

Table 3.3B: Computer Equipment Service levels

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

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

Table 3.3C: Other Office Furniture & Equipment Service Levels

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

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

3.4 Desired Levels of Service

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

4. FUTURE DEMAND

4.1 Demand Forecast

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

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

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

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

Table 4.1: Demand Factors, Projections and Impact on Services

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

4.2 Changes in Technology

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

4.3 Demand Management Plan

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

5. LIFECYCLE MANAGEMENT PLAN

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

5.1 Background Data

5.1.1 Asset condition

Condition is measured using a 1 – 5 rating system⁴ as detailed in Table 5.1.1

Table 5.1.1: Condition Rating Description

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

5.1.2 Physical parameters

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

Table 5.1.2

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

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

Motor Vehicles –

- One Audi Sedan with a condition rating of Good.

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

Computer Equipment -

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

Printers and Copiers -

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

Electrical Goods-

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

Office furniture -

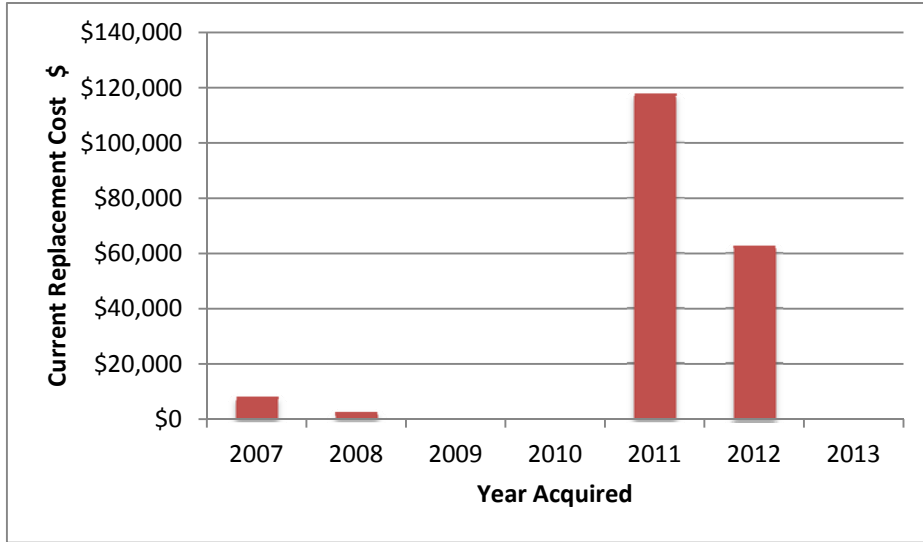
- One copy room cabinet located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- One meeting room cabinet located at Unit 2, 369 Scarborough Beach Road, Innaloo with a condition rating of Fair.
- One lateral filing cabinet in office 1, located at Unit 2, 369 Scarborough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

Office Refurbishment-

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

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

Figure 2: Asset Age Profile



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

5.1.3 Asset capacity and performance

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

There are no known performance deficiencies with assets.

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

Figure 3: Asset Condition Profile

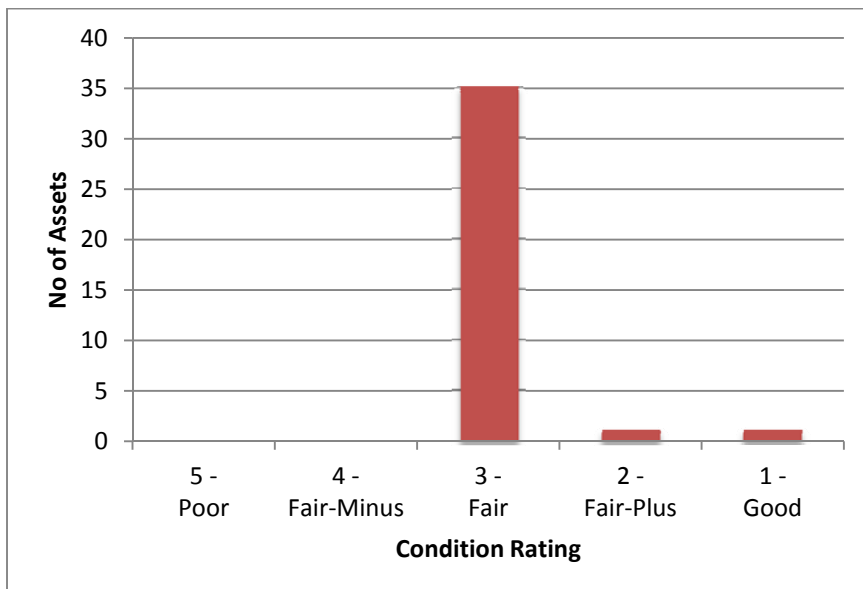
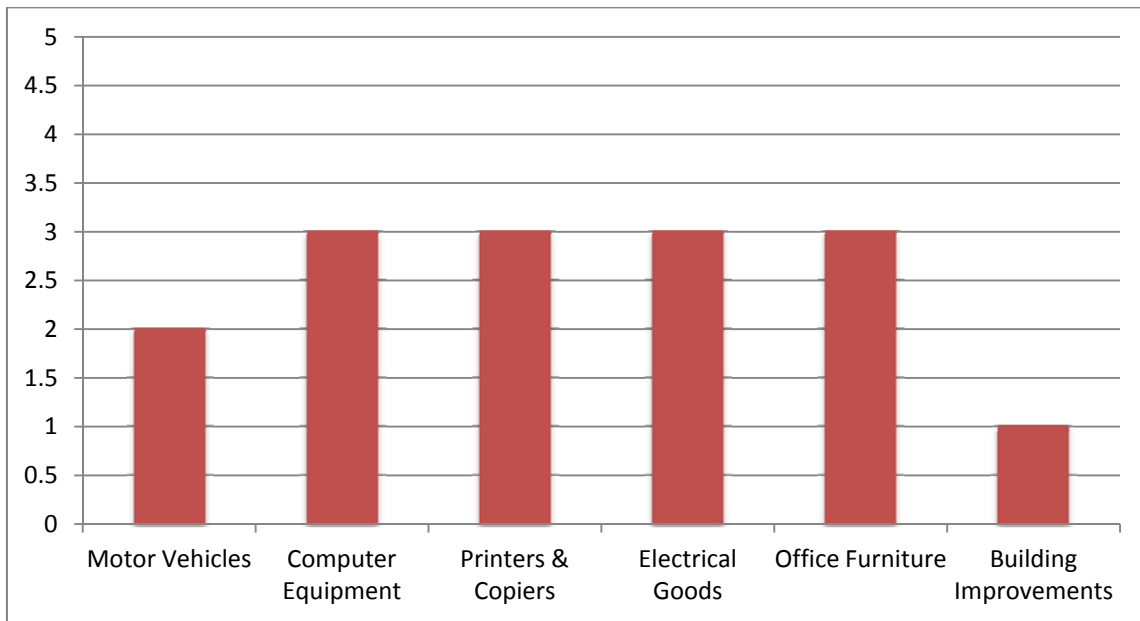


Figure 3A: Assets Average Condition Profile By Asset Group



5.1.4 Asset valuations

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

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

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

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

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

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

5.2 Risk Management Plan

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

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

Table 5.2: Critical Risks and Treatment Plans

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

5.3 Routine Maintenance Plan

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

5.3.1 Maintenance plan

Maintenance includes reactive, planned and specific maintenance work activities.

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

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

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

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

5.3.2 Standards and specifications

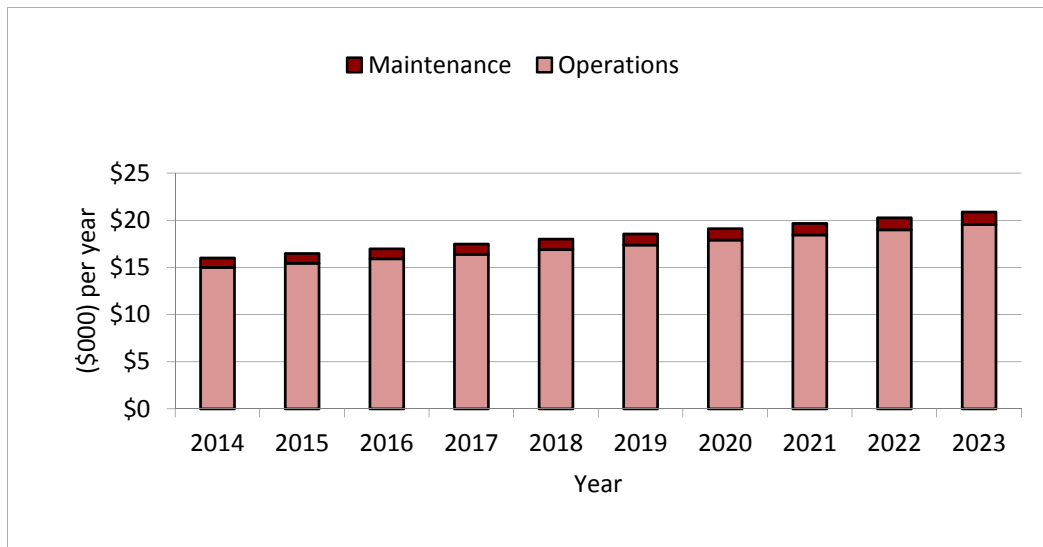
Maintenance work is carried out in accordance with the following Standards and Specifications.

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

5.3.3 Summary of future operations and maintenance expenditures

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

Figure 4: Projected Operations and Maintenance Expenditure



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

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

5.4 Renewal/Replacement Plan

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

5.4.1 Renewal plan

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

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

Method 1 was used for this asset management plan.

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

Table 5.4.1: Renewal Priority Ranking Criteria

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

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

5.4.2 Renewal standards

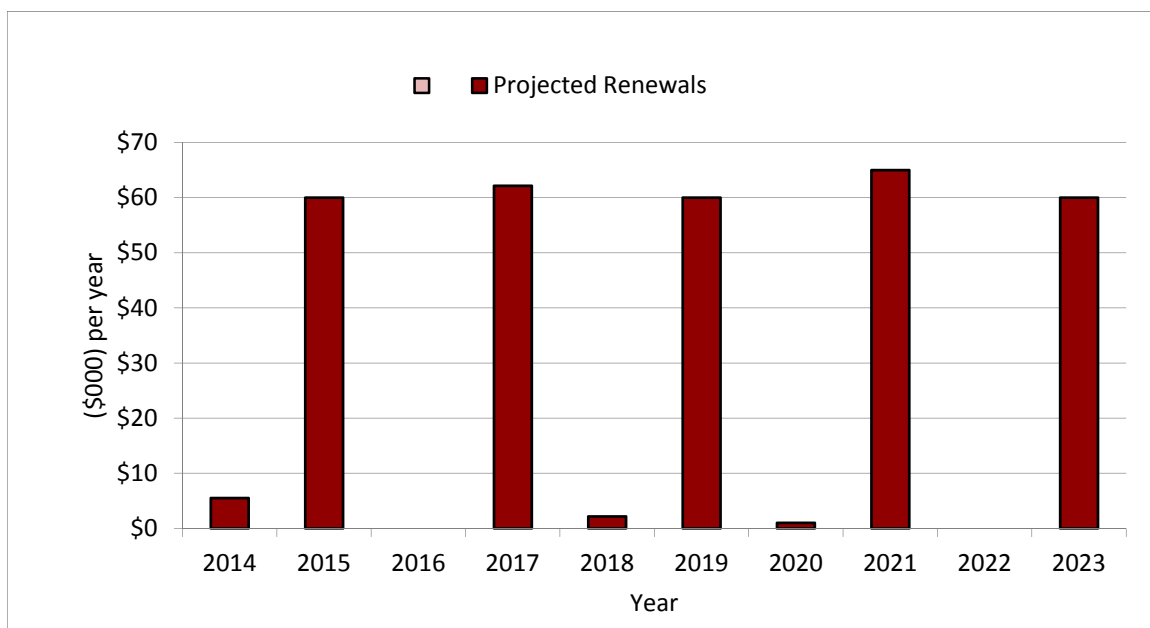
Renewal work is carried out in accordance with relevant Standards and Specifications.

5.4.3 Summary of projected renewal expenditure

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

The projected capital renewal program is shown in Appendix B.

Figure 5: Projected Capital Renewal Expenditure



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

5.5 Creation/Acquisition/Upgrade Plan

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

5.5.1 Selection criteria

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

Table 5.5.1: Upgrade/New Assets Priority Ranking Criteria

Criteria	Weighting
Commercial Rate of Return	100%
Total	100%

5.5.2 Standards and specifications

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

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

5.5.3 Summary of projected upgrade/new assets expenditure

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

5.6 Disposal Plan

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

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

Cashflow projections from asset disposals are detailed below.

Table 5.6: Assets identified for Disposal

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

6. FINANCIAL SUMMARY

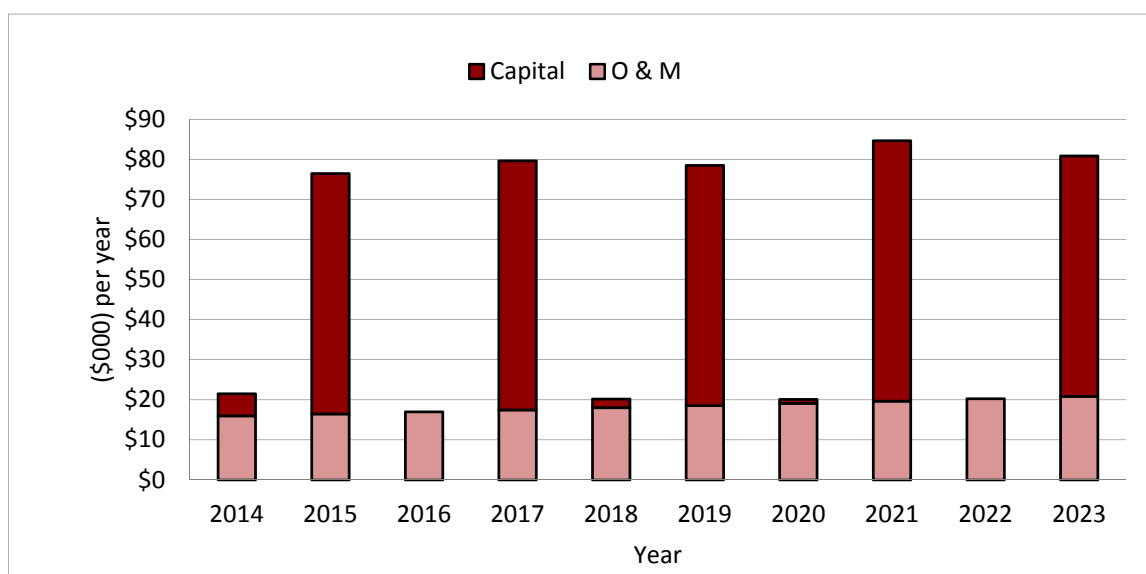
This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset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

6.1 Financial Statements and Projections

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

Note that all costs are shown in 2014 dollar values.

Figure 6: Projected Operating and Capital Expenditure



6.1.1 Financial sustainability in service delivery

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

Long term - Life Cycle Cost

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

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

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

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

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

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

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

Medium term – 10 year financial planning period

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

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

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

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

Short Term – 5 year financial planning period

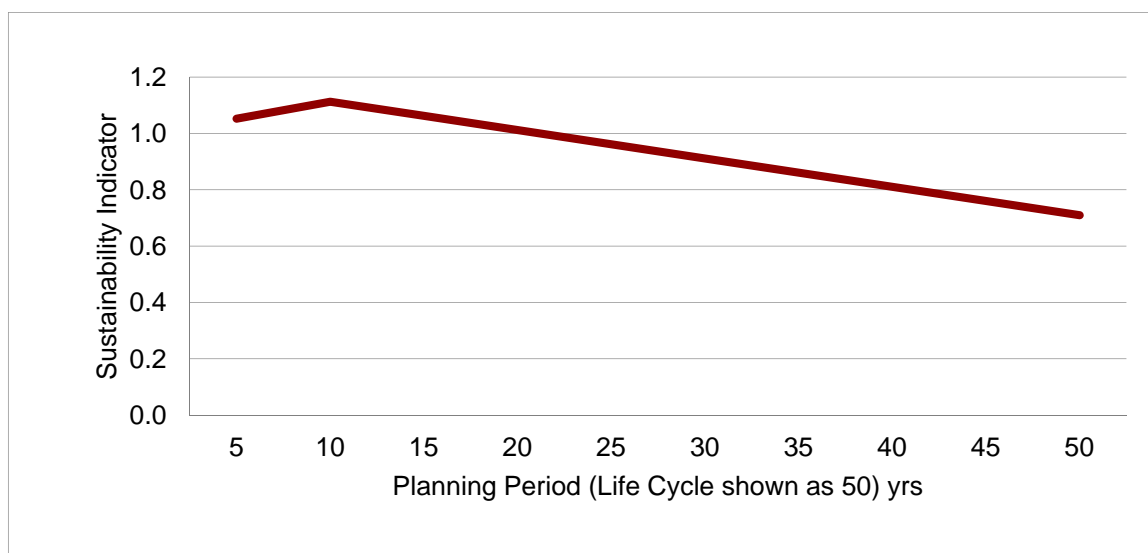
The projected operations, maintenance and capital renewal expenditure required over the first 5 years of the planning period is \$43,000 per year.

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

Financial Sustainability Indicators

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

Figure 7: Financial Sustainability Indicators



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

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

Figure 8: Projected and Budgeted Renewal Expenditure

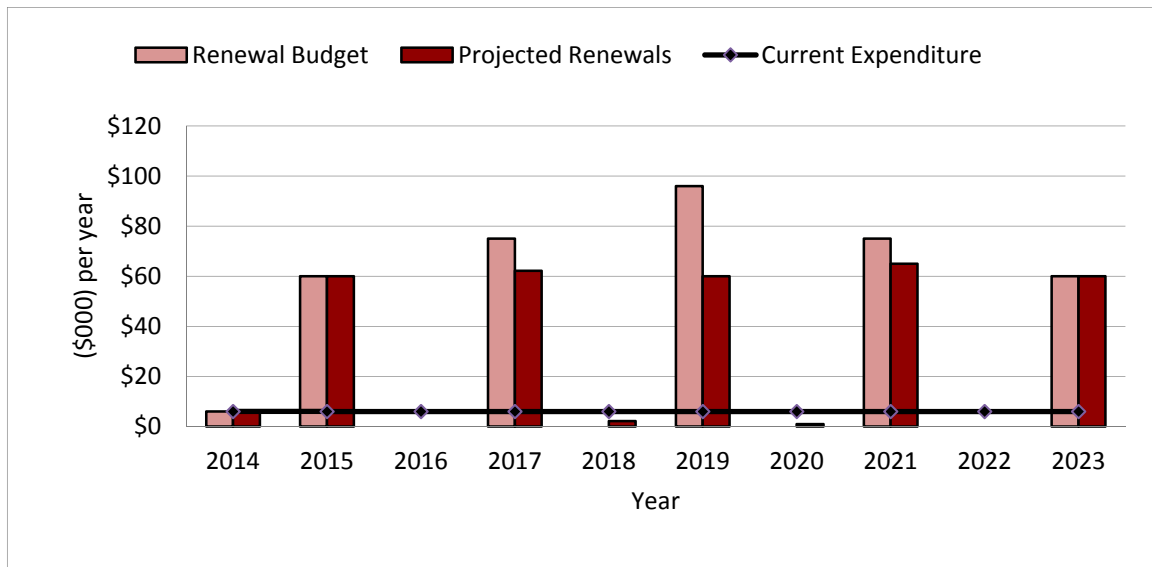


Table 6.1.1 shows the shortfall between projected and budgeted renewals

Table 6.1.1: Projected and Budgeted Renewals and Expenditure Shortfall

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

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

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

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

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

6.1.2 Expenditure projections for long term financial plan

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

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

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

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

Note: All projected expenditures are in 2014 values

6.2 Funding Strategy

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

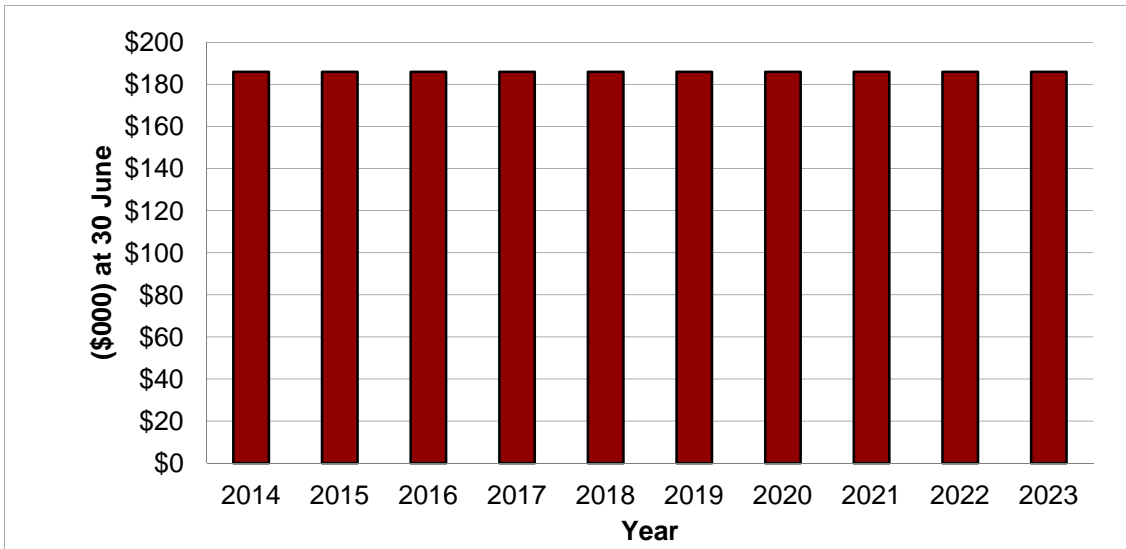
Achieving the financial strategy will require the Council to -

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

6.3 Valuation Forecasts

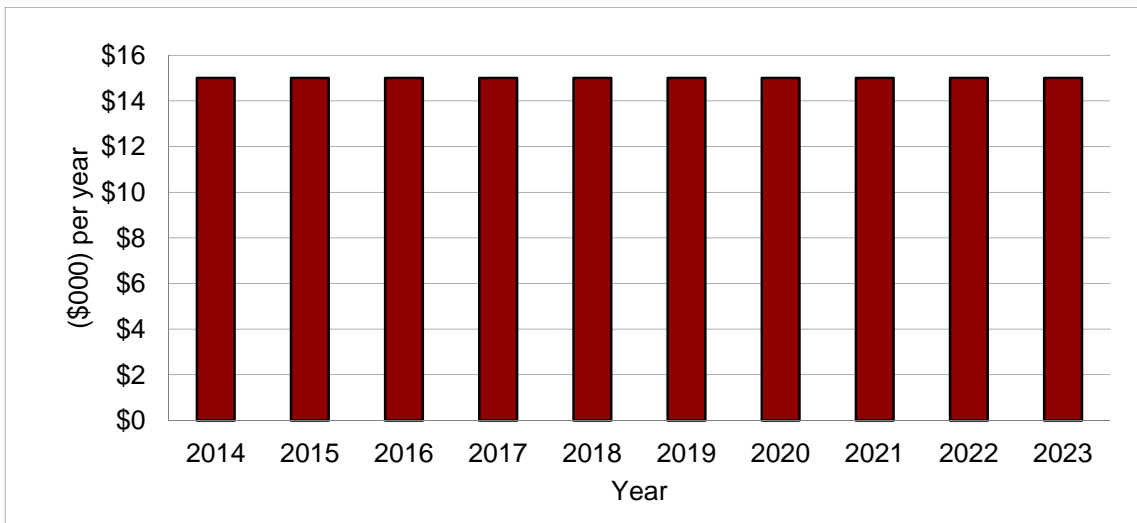
Asset values are forecast to remain relatively constant as assets are replaced with no new asset acquisitions envisaged by Council. Figure 9 shows the projected replacement cost asset values over the planning period in 2014 dollar values.

Figure 9: Projected Asset Values



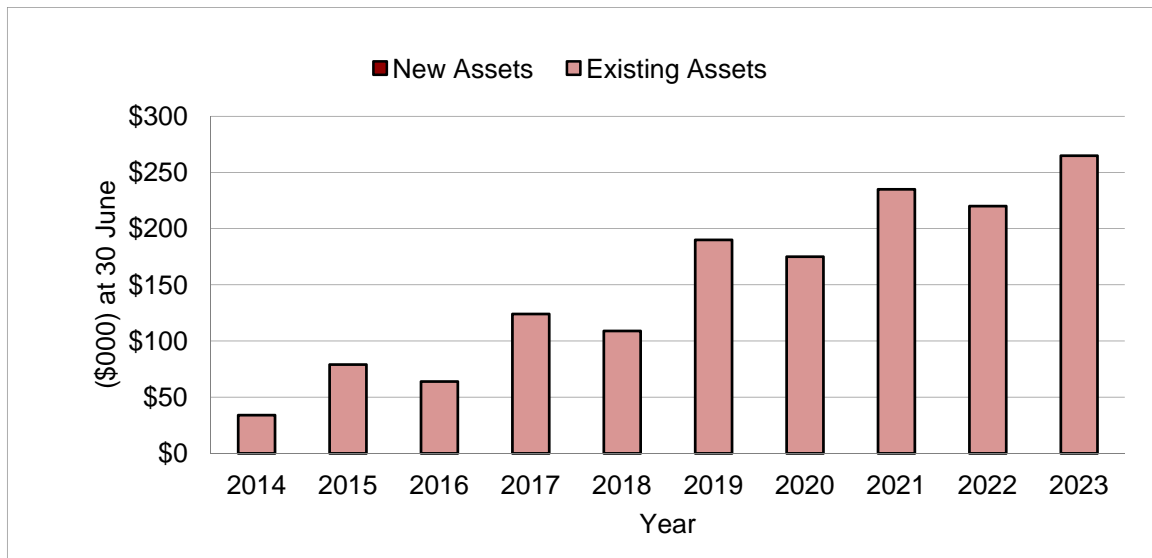
Depreciation expense values are forecast in line with asset values as shown in Figure 10.

Figure 10: Projected Depreciation Expense



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

Figure 11: Projected Depreciated Replacement Cost



6.4 Key Assumptions made in Financial Forecasts

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

Key assumptions made in this asset management plan are:

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

7. ASSET MANAGEMENT PRACTICES

7.1 Accounting/Financial Systems

7.1.1 Accounting and financial systems

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

7.1.2 Accountabilities for financial systems

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

7.1.3 Accounting standards and regulations

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

7.1.4 Capital/maintenance threshold

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

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

No changes to the accounting financial system have been identified.

7.2 Asset Management Systems

7.2.1 Asset management system

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

7.2.2 Asset registers

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

7.2.3 Linkage from asset management to financial system

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

7.2.4 Accountabilities for asset management system and data

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

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

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

7.3 Information Flow Requirements and Processes

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

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

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

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

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

7.4 Standards and Guidelines

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

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

8. PLAN IMPROVEMENT AND MONITORING

8.1 Performance Measures

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

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

8.2 Improvement Plan

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

Table 8.2: Improvement Plan

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

8.3 Monitoring and Review Procedures

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

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

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Tamala Park Regional Council 2013/2014 Annual Budget.

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APPENDICES

Appendix A Projected 10 year Capital Renewal Works Program

Appendix B Planned Upgrade/Exp/New 10 year Capital Works Program A

Appendix C Abbreviations

Appendix D Glossary

Appendix A Projected 10 Year Capital Renewal Works Program

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

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

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

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

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

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

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

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

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

Asset Name	Planned Construction Year	Construction Cost \$
		\$0
		\$0

Appendix C Abbreviations

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

Appendix D Glossary

Annual service cost (ASC)

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

Asset

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

Asset class

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

Asset condition assessment

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

Asset management (AM)

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

Average annual asset consumption (AAAC)*

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

Borrowings

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

Capital expenditure

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

Capital expenditure - expansion

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

Capital expenditure - new

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

Capital expenditure - renewal

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

Capital expenditure - upgrade

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

Capital funding

Funding to pay for capital expenditure.

Capital grants

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

Capital investment expenditure

See capital expenditure definition

Capitalisation threshold

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

Carrying amount

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

Class of assets

See asset class definition

Component

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

Cost of an asset

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

Current replacement cost (CRC)

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

Depreciable amount

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

Depreciated replacement cost (DRC)

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

Depreciation / amortisation

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

Economic life

See useful life definition.

Expenditure

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

Fair value

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

Funding gap

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

Heritage asset

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

Impairment Loss

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

Infrastructure assets

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

Investment property

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

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

Key performance indicator

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

Level of service

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

Life Cycle Cost

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

Life Cycle Expenditure

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

Loans / borrowings

See borrowings.

Maintenance

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

• **Planned maintenance**

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

• **Reactive maintenance**

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

• **Significant maintenance**

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

• **Unplanned maintenance**

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

Maintenance and renewal gap

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

Maintenance and renewal sustainability index

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

Maintenance expenditure

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

Materiality

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

Modern equivalent asset

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

Net present value (NPV)

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

Non-revenue generating investments

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

Operations expenditure

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

Operating expense

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

Pavement management system

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

PMS Score

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

Rate of annual asset consumption

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

Rate of annual asset renewal

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

Rate of annual asset upgrade

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

Recoverable amount

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

Recurrent expenditure

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

Recurrent funding

Funding to pay for recurrent expenditure.

Rehabilitation

See capital renewal expenditure definition above.

Remaining useful life

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

Renewal

See capital renewal expenditure definition above.

Residual value

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

Revenue generating investments

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

Risk management

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

Section or segment

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

Service potential

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

Service potential remaining

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

Strategic Longer-Term Plan

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

Specific Maintenance

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

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either:

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

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

Value in Use

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

Source: IPWEA, 2009, Glossary

File Ref: 120V02 (14/241773)
Your Ref:
Enquiries: David Munrowd-Harris 9405 5075

4 September 2014

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

Dear Tony

Thank you for your letter of 27 August 2014 seeking comments on the Tamala Park Regional Council's Draft 2014 Asset Management Plan.

The City has reviewed the plan and notes that it has been prepared in accordance with the International Infrastructure Management Manual and IPWEA Asset Management Framework and Guidelines.

It is recommended that reference is also made to the Integrated Planning Framework legislative requirements and the need to prepare plans as an informing strategy for the Corporate Business Plan.

Thank you for the opportunity to provide input.

Yours sincerely



Daniel Simms
CHIEF EXECUTIVE OFFICER

Appendix 9.10

CONFIDENTIAL

Appendix 9.11

CONFIDENTIAL

Appendix 9.12

CONFIDENTIAL

Appendix 9.13

CONFIDENTIAL

Appendix 9.15



August 13, 2014

Vickie von Stieglitz
Executive Assistant
Tamala Park Regional Council

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To Tamala Park Regional Council,

TAMALA PARK REGIONAL COUNCIL – COMMUNITY TENT SPONSORSHIP PROPOSAL

The Wanneroo Agricultural Society is preparing for the 2014 Wanneroo Show, to be held on the 28th and 29th November. The show is at the heart of what the Society as a not for profit organisation does. The primary aim of the Wanneroo Agricultural Show is to promote the advancement of Wanneroo, the City of Wanneroo and the surrounding districts, creating community interest in the area and providing a focal point for business owners, community groups and individuals to show case their activities.

The Society continues to be run entirely by volunteers and it is through the assistance of business and individuals that the Wanneroo Show is a yearly success and the largest regional show in the Northern Suburbs

Our Community Tent became a reality in 2011 thanks to the sponsorship of LWP Property Group Pty Ltd. The Community Tent continued to be a success in 2012 and 2013. The Society would like to continue with this highly successful initiative and give other community groups a chance to raise their profile within the community and increase membership or funds for their organisation; unfortunately, our previous sponsor is unable to continue this year.

We are seeking the support of the Tamala Park Regional Council to ensure the continuation of the Community Tent for the 2014 Wanneroo Agricultural Show and have attached a sponsorship proposal for your consideration.

The Society has endeavoured to offer a range of marketing opportunities and exposure of your business for 2014. A tax invoice will be issued prior to any payment. A post event sponsorship report will be compiled and emailed as soon as possible after the event.

Our aim is to work in partnership with businesses and to build stronger community relationships.

We look forward to working in partnership to promote the Tamala Park Regional Council – Catalina Estate and ensure the success of the 2014 Wanneroo Show.

Any queries regarding sponsor partnerships can be directed to our Sponsorship Manager on 9405 3473 or via email sponsorship@wannerooshow.com

Regards,

A handwritten signature in black ink that reads 'Peta Korb'.

Mrs Peta Korb
Sponsorship Manager
Wanneroo Agricultural Society (Inc)