

Ordinary Meeting of Council

Thursday 9 December 2021

AGENDA

Notice of Meeting

Councillors of the Tamala Park Regional Council are advised that a meeting will be held at the City of Vincent, 244 Vincent Street, Leederville on Thursday 9 December 2021 at 6:00pm.



JON MORELLINI
Chief Executive Officer

Constituent Members:
Cities of Perth, Joondalup, Stirling, Vincent and Wanneroo
Towns of Cambridge and Victoria Park

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MEMBERSHIP

OWNER COUNCIL	MEMBER	ALTERNATE MEMBER
Town of Cambridge	Cr Andres Timmermanis	Cr Jane Cutler
City of Joondalup	Cr John Chester Cr Nige Jones	Cr Russ Fishwick Cr John Raftis
City of Perth	Cr Brent Fleeton	Cr Clyde Bevan
City of Stirling	Cr Tony Krsticevic Cr Suzanne Migdale (DEPUTY CHAIR) Cr Bianca Sandri (CHAIR) Cr Karlo Perkov	Cr David Lagan
Town of Victoria Park	Cr Bronwyn Ife	Cr Claire Anderson
City of Vincent	Cr Ashley Wallace	Cr Jonathan Hallett
City of Wanneroo	Cr Brett Treby Cr Glynis Parker	Cr Linda Aitken Cr Vinh Nguyen

Representatives from the Satterley Property Group will be in attendance at the meeting.

PRELIMINARIES

1. OFFICIAL OPENING

DISCLOSURE OF INTERESTS

2. PUBLIC STATEMENT/QUESTION TIME

3. APOLOGIES AND LEAVE OF ABSENCE

4. PETITIONS

5. CONFIRMATION OF MINUTES

That the minutes of the Ordinary Meeting of Council of 14 October 2021 be CONFIRMED as a true and accurate record of proceedings.

That the minutes of the Special Meeting of Council of 4 November 2021 be CONFIRMED as a true and accurate record of proceedings.

5A BUSINESS ARISING FROM MINUTES

6. ANNOUNCEMENTS BY CHAIR (WITHOUT DISCUSSION)

7. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 7.1 – 7.13)

7.1 BUSINESS REPORT – PERIOD ENDING 2 DECEMBER 2021

Responsible Officer: Manager Project Coordination

Attachments: Nil

Voting Requirements: Simple Majority

RECOMMENDATION

That the Council RECEIVES the Business Report to 2 December 2021.

PURPOSE

The report provides information to the Council on key activities, programs and milestones.

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

N/A

PREVIOUS MINUTES

N/A

FINANCIAL/BUDGET IMPLICATIONS

N/A

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 2	Risk Rating:
Strategic - Stable and effective governance environment.	Moderate
Action:	
SPG and TPRC provide reports/information to Council Meetings.	

The report provides information to ensure the Council is well informed on the progress of key components of the Catalina Project.

BACKGROUND

The business of the Council requires adherence to many legislative provisions, policies and procedures that aim at best practice. There are also many activities that do not need to be reported formally to the Council but will be of general interest to Council members and will also be of interest to the public who may, from time to time, refer to Council minutes.

In the context of the above, a Business Report provides the opportunity to advise on activities that have taken place between meetings. The report will sometimes anticipate questions that may arise out of good governance concerns by Council members.

COMMENT

1. Civil Construction - Status

Connolly Drive/Aviator Boulevard Roundabout

Civil works for the Connolly Drive/Aviator Boulevard roundabout are due to be completed on 7 December 2021, at which time the intersection will be completely open to traffic including the connection of Aviator Boulevard to Connolly Drive. This will provide significant accessibility improvement to the eastern part of Catalina Central.

On 11 November 2021, the civil contractor ruptured a high-pressure sewer main while excavating footings for light poles adjacent to the roundabout, causing the release of effluent at the site. No personal injuries occurred, and the effluent spill was quickly contained. Remediation works have been undertaken by the civil contractor and the Water Corporation. The incident has been logged with the Satterley Work Health and Safety team and the civil contractor is conducting an investigation into the circumstances. An incident report will be provided in the next Business Report.



Connolly Drive/Aviator Boulevard Roundabout in the final stages of construction

Catalina Beach Foreshore Access Road / Carpark

Civil works for the Beach Foreshore Access Road are well advanced. Road and carpark asphalt is laid and kerbing and the footpath is partially complete. Availability of finishing trades is impacting on the practical completion timeframe, which will extend into 2022. Completion is currently anticipated occur in the third week of January 2022.

Portofino Promenade

Civil works for the Portofino Promenade extension are well advanced and will be completed in conjunction with the Foreshore Access Road and Carpark works in mid-January 2022.

Longbeach Promenade

Earthworks for the Longbeach Promenade extension are largely complete, however civil works are on hold due to constraints on the civil contractor's capacity resulting from the substantial construction program underway across the Estate. It was deemed necessary

to prioritise subdivision works in Stages 18C, 27B, 30 and 36 ahead of the completion of the Longbeach Promenade extension, in order to try and achieve titles this financial year. This will delay completion of the extension until mid-2022.



Foreshore Access Road, Portofino Promenade and Longbeach Promenade in progress



Foreshore Access Road and Carpark in progress, looking north towards Mindarie Marina

Stage 27B – Catalina Beach

Construction of Stage 27B (23 lots) is progressing and is anticipated to be completed in late February 2022.

Stage 30 – Catalina Beach

Construction of Stage 30 (37 lots) has commenced and is anticipated to be completed in April 2022.



Catalina Beach Stages 27B & 30 - construction in progress

Catalina Green

Earthworks for the first phase of Catalina Green (Stages 36 and 37) are complete. Civil works on Stage 36 (73 lots) are due to commence early January 2021 and are anticipated to be completed in late June 2022.



Catalina Green Earthworks in progress – note retention of significant existing trees

Stage 18C – Catalina Central

Construction of Stage 18c (28 lots) is forecast to commence mid-January 2022.

2. Landscape Works – Status

Foreshore Access Road and Carpark

Landscaping works for the Foreshore Access Road and Carpark are due to commence in December 2021, including installation of conservation fencing, coir matting and installation of furniture.

A second stage of revegetation works of road and carpark verges will be undertaken in winter 2022.

The Clearing Permit for the Foreshore Access Road and Carpark requires the TPRC to revegetate an area of approximately 1.5ha to offset the vegetation clearing associated with the road works. The TPRC has completed the first stage of offset planting of approximately 1,000m² in the coastal conservation reserve, approximately 200m to the north of the Foreshore Access Road. A second stage of offset planting will be undertaken in winter 2022.

Portofino Promenade and Longbeach Promenade

Landscape works will follow the completion of civil works for these road extensions. Portofino Promenade landscaping will be completed between February and April 2022 and Longbeach Promenade landscaping will be completed in July/August 2022.

Stage 28 Display Village/Marmion Avenue West

Landscaping of the verges opposite the Stage 28 Display Village and adjacent to Marmion Avenue is programmed to commence early 2022.

Catalina Beach Park – Phase 2

Landscape works are programmed to commence April 2022.

Foreshore Park

Landscape works are programmed to commence April 2022.

Aviator Boulevard Greenlink

Landscape works for the Aviator Boulevard Greenlink extension from Roulettes Parade to Connolly Drive in Catalina Central are programmed to commence mid-January 2022, pending City of Wanneroo approval being issued.

Connolly Drive/Aviator Boulevard Roundabout and Entry Statement

Landscape works for the Connolly/Aviator Roundabout and adjoining entry statements for Catalina Central are programmed to commence mid-January 2022, pending City of Wanneroo approval being issued.

Catalina Green

Landscape design for streetscape works and entry statements on Connolly Drive and Neerabup Road and parkland adjacent to Neerabup Road in the first phase of the Catalina Green development area is well advanced. Landscape works are programmed to commence in June 2022.

3. Housing Construction

The following table provides an overview of the current progress of housing construction to 4 November 2021:

Stage	Total Lots	Homes Completed	Homes Under Construction	Lots Vacant
Stages 1 – 15, 17A, 18A, 18B, Stage 25 (Display Village), 25B	885	882	1	2
Stage 16A	17	0	14	2
Stage 17B	36	27	5	4
Stage 25	38	33	2	3
Stage 25 (Builders Release)	7	6	0	1
Stage 26	38	18	17	3
Stage 27A	20	0	7	13
Stage 28	34	0	3	31
Total	1,075	966	48	61

4. Community Events

The Weekend Connector Community Development event series has run during the first half of FYE 2022 to provide regular connection opportunities for residents and engagement of local community groups and businesses. Weekend Connector events have been held on the first Sunday morning each month at Drimmie Park in Catalina Central.

The November event featured entertainment provider, Pyjama Drama, which conducted a song, dance and play activity for young children. A mobile coffee van was available for the purchase of hot drinks and muffins.

The next event will be held on 5 December 2022 and will be a Christmas themed event for Catalina residents.

Preparations are being made to hold a community event in February 2022 to celebrate the opening of the Foreshore Access Road.

5. Commercial Centres

Aviator Boulevard, Catalina Central

The childcare centre at the corner of Aviator Boulevard and Roulettes Parade is due to open for business in early 2022. Stage 2 of the development will include several shop tenancies (300m² net lettable area) and a 170m² café and is due to be completed by May 2023.

The Council, at its meeting of 14 October 2021, resolved to support a subdivision application to excise the childcare centre and Stage 2 commercial development onto separate lots. The landowner has applied to the Western Australian Planning Commission for subdivision approval and confirmed that reciprocal rights of access and shared maintenance responsibility arrangements for the upkeep of common parking and accessways will be established on the titles of the subdivided lots in the event of an approval being granted.

A deed of agreement has been executed to transfer existing legal obligations on the owner for the timing of completion of the local centre to the Stage 2 development lot, as well as binding its commitment to the formalisation of the shared access rights and management arrangements.

Connolly Drive, Catalina Green

The first stage of civil works within Catalina Green will include the neighbourhood centre site located at the intersection of Connolly Drive and Aviator Boulevard. An expression of interest (EOI) campaign to offer the site to market on the basis of either an outright sale or a long-term ground lease was released on 1 December 2021 and will close on 21 January 2022. A report on the outcomes of this process will be presented to the Council's February 2022 meeting for consideration.

6. Catalina Green Display Village

A tender for the allocation of lots in the proposed Display Village in Catalina Green closed on 17 November 2021 and submissions are currently under evaluation. An update will be provided to the Council's February 2022 meeting.

An application for planning approval of the Display Village is currently being assessed by the City of Wanneroo and approval is anticipated prior to the end of 2021.

7.2 STATEMENT OF FINANCIAL ACTIVITY FOR OCTOBER 2021

Responsible Officer:	Chief Executive Officer
Attachments:	Statement of Financial Activity for 31 October 2021
Voting Requirements:	Simple Majority

RECOMMENDATION

That the Council **RECEIVES** and **NOTES** the Statement of Financial Activity for the month ending 31 October 2021.

PURPOSE

Submission of the Statement(s) of Financial Activity required under the *Local Government Act 1995*.

LOCAL GOVERNMENT ACT/REGULATION

- *Local Government Act 1995*: Sect 6.4(1): Financial Report Required
- *Local Government (Financial Management) Regulations 1996*: Regulation 34 Composition of Report
- *Local Government (Financial Management) Regulations 1996*: Regulation 34 (5) Material Variance Reports [10%]
- *Local Government (Audit) Regulations 1996*: Regulation 14 Compliance Audit Item

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 8	Risk Rating:
TPRC Operations - Financial Management of TPRC	Low
Action:	
Preparation and reporting on monthly accounts for Council approval.	

The submission of the Statement(s) of Financial Activity is required under the *Local Government Act 1995* and necessary to ensure transparency and governance of financial activity.

BACKGROUND

It is a mandatory requirement that the Council receives, reviews and records in the Regional Council's public minutes a statement of financial activity showing annual budget estimates and the figures for budget estimates, income and expenditure and variances at the end of each month. The report is also to show the composition of assets and other relevant information.

COMMENT

The detailed Statements contained in the Appendices reflect the budget proposals and direction adopted by the Council.

Variations at 31 October 2021 exceeding 10% were experienced in relation to the following:

Interest Earnings	The positive variation is a result of additional funds invested.
Other Revenue	The negative variation relates to less funds invested in institutions paying commission rebates.
Insurance	The positive variation is a result of refund for Central Sales Office premium.
Interest	The positive variation is a result of less interest than anticipated for the lease liability (TPRC office).
Materials and Contracts	The positive variation relates to consultancy fees and timing of payments.
Other	The positive variation relates to timing of payments.
Utilities	The positive variation relates to timing of payments.
Income Sale of Lots - Subdivision	The positive variance is a result of additional settlements for the year to date.
Land Production Costs	The positive variance relates to timing of payments.
Profit Distribution / Contributions Returned	The negative variation relates to timing of payments.

The information in the appendices is summarised in the tables following.

Financial Snapshot as at 31 October 2021

	2021-22 Adopted Budget	2021-22 Budget YTD	2021-22 Actual YTD	Variance		Variance %
				Favourable	Unfavourable	
REVENUE	\$	\$	\$	\$	\$	
Interest Earnings	337,115	112,371	253,388	141,017		125.49%
Other Revenue	22,380	7,460	4,172		(3,288)	-44.08%
	\$359,495	\$119,831	\$257,560	\$141,017	(\$3,288)	
LESS EXPENDITURE						
Depreciation	(56,207)	(18,735)	0	18,735		100.00%
Employee Costs	(648,534)	(221,630)	(219,814)	1,816		0.82%
Insurance	(16,874)	(16,874)	(10,773)	6,101		36.16%
Interest	(1,000)	(336)	(72)	264		78.57%
Materials and Contracts	(338,762)	(156,231)	(55,612)	100,619		64.40%
Other	(171,005)	(43,588)	(36,606)	6,982		16.02%
Utilities	(6,663)	(2,223)	0	2,223		100.00%
OTHER						
Profit/(loss) on Disposal of Asset	60,500	60,500	55,000		(5,500)	-9.09%
Members Equity						
Income Sale of Lots - Subdivisions	34,575,138	5,247,529	10,632,300	5,384,771		102.62%
Land Production Costs	(45,814,343)	(10,004,106)	(3,168,491)	6,835,615		68.33%
GST Withheld Member Councils	(2,524,805)	(551,321)	(584,115)		(32,794)	-5.95%
Profit distribution/Contributions Returned	(10,280,000)	0	(19,411)		(19,411)	-100.00%
	(\$25,222,555)	(\$5,707,015)	\$6,592,406	\$12,357,126	(\$57,705)	
Total Change in Equity	(\$24,863,060)	(\$5,587,184)	\$6,849,966	\$12,498,143	(\$60,993)	

Balance Sheet Summary as at 31 October 2021

	Actual 2020-21 \$	Actual 2021-22 \$	Variance \$	Variance %
Current assets				
Cash and cash equivalents	53,313,471	59,917,266	6,603,795	12.39%
Trade and other receivables	354,701	492,352	137,651	38.81%
Total current assets	53,668,172	60,409,618	6,741,446	12.6%
Non-current assets				
Inventories	1,600,000	1,600,000	0	0.00%
Right of use assets	20,114	20,114	0	0.00%
Property, plant and equipment	102,610	102,610	0	0.00%
Total non-current assets	1,722,723	1,722,723	0	0.00%
Total assets	55,390,896	62,132,342	6,741,446	12.17%
Current liabilities				
Trade and other payables	116,281	230,132	(113,851)	-97.91%
Lease Liabilities	20,878	8,967	11,911	57.05%
Provisions	283,214	72,753	210,460	74.31%
Total current liabilities	420,373	311,853	108,520	25.8%
Non-current liabilities				
Lease Liabilities	0	0	0	0.00%
Provisions	1,231	1,231	0	0.00%
Total non-current liabilities	1,231	1,231	0	0.00%
Total liabilities	421,604	313,083	108,520	25.74%
Net assets	54,969,292	61,819,258	6,849,966	12.46%

Investment Summary as at 31 October 2021

Cash Accounts										
	Face Value (\$)	Current Yield	Institution	Credit Rating		Current Value (\$)	Deal No.			
	2,007,703.36	0.4000%	Macquarie Bank	A+		2,007,703.36	541301			
	2,007,703.36	0.4000%				2,007,703.36				
Term Deposits										
Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency
Nov-21	1,000,000.00	0.5000%	Macquarie Bank	A+	1,000,000.00	Mar-21	1,003,041.10	541218	3,041.10	At Maturity
Dec-21	3,000,000.00	0.4800%	Westpac Group	AA-	3,000,000.00	Dec-20	3,005,681.10	540690	5,681.10	Semi
Dec-21	2,000,000.00	0.4800%	Westpac Group	AA-	2,000,000.00	Dec-20	2,003,655.89	540700	3,655.89	Semi
Jan-22	1,000,000.00	0.5000%	Macquarie Bank	A+	1,000,000.00	Mar-21	1,003,041.10	541219	3,041.10	At Maturity
Jan-22	1,000,000.00	0.4500%	Macquarie Bank	A+	1,000,000.00	Apr-21	1,002,280.82	541292	2,280.82	At Maturity
Feb-22	2,000,000.00	0.5500%	AMP Bank	BBB	2,000,000.00	May-21	2,005,273.97	541321	5,273.97	At Maturity
Feb-22	3,000,000.00	0.5500%	AMP Bank	BBB	3,000,000.00	May-21	3,007,910.96	541322	7,910.96	At Maturity
Feb-22	1,000,000.00	0.4500%	Macquarie Bank	A+	1,000,000.00	May-21	1,002,132.88	541325	2,132.88	At Maturity
Feb-22	1,000,000.00	0.5000%	Macquarie Bank	A+	1,000,000.00	Mar-21	1,003,041.10	541220	3,041.10	At Maturity
Mar-22	1,000,000.00	0.4500%	Macquarie Bank	A+	1,000,000.00	Aug-21	1,001,072.60	541706	1,072.60	At Maturity
Mar-22	3,000,000.00	0.5000%	ME Bank	BBB+	3,000,000.00	Mar-21	3,009,780.82	541011	9,780.82	At Maturity
Mar-22	2,000,000.00	0.5000%	ME Bank	BBB+	2,000,000.00	Mar-21	2,006,493.15	541097	6,493.15	At Maturity
Mar-22	3,009,692.06	0.3700%	National Australia Bank	AA-	3,009,692.06	Mar-21	3,016,892.23	541102	7,200.17	At Maturity
Mar-22	1,000,000.00	0.4500%	Macquarie Bank	A+	1,000,000.00	May-21	1,002,132.88	541326	2,132.88	At Maturity
Apr-22	1,000,000.00	0.4500%	Macquarie Bank	A+	1,000,000.00	Aug-21	1,001,072.60	541707	1,072.60	At Maturity
Apr-22	1,000,000.00	0.4500%	Macquarie Bank	A+	1,000,000.00	Aug-21	1,001,035.62	541727	1,035.62	At Maturity
May-22	1,000,000.00	0.4500%	Macquarie Bank	A+	1,000,000.00	Aug-21	1,001,072.60	541708	1,072.60	At Maturity
May-22	1,000,000.00	0.5000%	ME Bank	BBB+	1,000,000.00	May-21	1,002,369.86	541323	2,369.86	At Maturity
Jun-22	1,500,000.00	0.4000%	Bank of Queensland	BBB+	1,500,000.00	Sep-21	1,500,558.90	541928	558.90	At Maturity
Jul-22	2,047,728.09	0.7500%	AMP Bank	BBB	2,047,728.09	Aug-21	2,051,262.52	541726	3,534.43	At Maturity
Aug-22	1,000,000.00	0.4500%	Macquarie Bank	A+	1,000,000.00	Sep-21	1,000,604.11	541894	604.11	At Maturity
Sep-22	3,000,000.00	0.4400%	Westpac Group	AA-	3,000,000.00	Oct-21	3,000,216.99	542013	216.99	At Maturity
Oct-22	3,021,000.00	0.4000%	Westpac Group	AA-	3,021,000.00	Oct-21	3,021,595.92	541997	595.92	At Maturity
Oct-22	3,000,000.00	0.4100%	National Australia Bank	AA-	3,000,000.00	Oct-21	3,000,572.88	541995	572.88	At Maturity
Feb-23	2,000,000.00	0.5200%	National Australia Bank	AA-	2,000,000.00	Aug-21	2,002,279.45	541745	2,279.45	Annually
	44,578,420.15	0.4778%			44,578,420.15		44,655,072.05		76,651.90	

Agenda TPRC Meeting of Council – 9 December 2021

Fixed Rate Bonds											
Maturity Date	Face Value (\$)	Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Purchase Yield	
Jun-22	3,000,000.00	0.6000%	NT T-Corp Bond (Jun22) 0.60%	Aa3	3,000,000.00	Feb-21	3,006,854.79	540948	6,854.79	0.6000%	
Jun-23	3,000,000.00	0.7000%	NT T-Corp Bond (Jun23) 0.70%	Aa3	3,000,000.00	Apr-21	3,007,997.26	541265	7,997.26	0.7000%	
	6,000,000.00				6,000,000.00		6,014,852.05		14,852.05	0.6500%	

7.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR OCTOBER 2021

Responsible Officer:	Chief Executive Officer
Attachments:	Summary Payment List for October 2021
Voting Requirements:	Simple Majority

RECOMMENDATION

That the Council:

- RECEIVES and NOTES the list of accounts paid under Delegated Authority to the CEO for October 2021:**
Total Paid - \$990,097.88
- APPROVES the CEO Credit Card Statement for October 2021.**

PURPOSE

Submission of payments made under the CEO's Delegated Authority for the month ending 31 October 2021.

LOCAL GOVERNMENT ACT/REGULATION

- Local Government Act 1995: Sect 5.42 - Delegation given for Payments*
- Local Government (Financial Management) Regulations 1996: Regulation 13(1) - Monthly Payment list required*
- Local Government (Audit) Regulations 1996: Regulation 13 - Compliance Audit Item*

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 8	Risk Rating:
TPRC Operations - Financial Management of TPRC	Low
Action:	
Preparation and reporting on monthly accounts for Council approval.	

The report provides information to Council on expenditure for October 2021 to ensure transparency and governance of financial activity.

BACKGROUND

A list of accounts paid under delegation or submitted for authorisation for payment is to be submitted to the Council at each meeting. It is a specific requirement of the Regulations that the list state the month (not the period) for which the account payments or authorisation relates.

COMMENT

Payments made are in accordance with authorisations from Council, approved budget, TPRC procurement and other relevant policies.

Payments are reviewed by TPRC Accountants Moore Australia following completion of each month's accounts.

7.4 PROJECT FINANCIAL REPORT – OCTOBER 2021

Responsible Officer:	Chief Executive Officer
Attachments:	Letter from Satterley Property Group dated 25 November 2021 with Financial Report
Voting Requirements:	Simple Majority

RECOMMENDATION

That the Council RECEIVES the Project Financial Report (October 2021) submitted by the Satterley Property Group.

PURPOSE

To consider the Project Financial Report for October 2021 submitted by the Satterley Property Group.

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

N/A

PREVIOUS MINUTES

N/A

FINANCIAL/BUDGET IMPLICATIONS

Review of Project Financial Report for October 2020.

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 2	Risk Rating:
Strategic - Stable and effective governance environment.	Moderate
Action:	
SPG and TPRC provide reports/information to Council Meetings.	

The report provides information to the Management Committee on Catalina Project financial outcomes in particular, revenue, expenditure and variances to ensure transparency and governance of financial activity.

BACKGROUND

At its meeting of 18 June 2020, the Council approved the Project Budget FYE 2022, submitted by the Satterley Property Group, as the basis of financial planning for the TPRC Budget FYE 2022.

The Development Manager's Key Performance Indicators 2020 - Governance, requires the preparation of monthly progress reports.

COMMENT

The Satterley Property Group has prepared a Financial Report for October 2021 for the Project. The report has been prepared on a cash basis and compares actual expenditure to approved budget expenditure for the period up to 31 October 2021 and is attached at Appendix 7.4.

The Financial Report identifies the following main areas of variance:

1. Settlement revenue was \$10.80M which is \$5.58M favorable to budget with fifteen more residential settlements for the year to date.
2. Expenditure was \$6.50M under budget, in the following areas:
 - Lot Production (excl. Bonds) is \$2.91M under budget;
 - P&L expenditure is \$729K under budget;
 - Infrastructure is \$2.43M under budget;
 - Clearance Bonds is \$296K adverse to budget;
 - Indirect consultants is \$53K under budget;
 - Landscaping is \$114K under budget.
3. Year to date sales for FYE 2022 are \$4.92M ahead of budget due to higher average price \$40k/lot and 10 more sales than budget.

The Satterley Property Group Financial Report provides greater details on the variations.

Satterley Property Group representatives will be in attendance to present the report.

7.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 2 DECEMBER 2021

Responsible Officer: Manager Project Coordination

Attachments: Staging Plan

Voting Requirements: Simple Majority

RECOMMENDATION

That the Council RECEIVES the Sales and Settlement Report to 2 December 2021.

PURPOSE

To advise the Council of the status of sales, settlements and sales releases.

Policy Reference

N/A

Local Government Act/Regulation

Local Government Act 1995: Sect 3.58 – Disposal of Property.

Previous Minutes

N/A

Financial/Budget Implications

Income under this matter will be posted under item I145011 (Income on Lot Sales):

Budget Amount:	\$ 29,575,138
Received to Date:	\$ 10,629,386
Balance:	\$ 18,945,752

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 2	Risk Rating:
Strategic - Stable and effective governance environment.	Moderate
Action:	
SPG and TPRC provide reports/information to Council Meetings.	

The report provides information on Catalina Project sales/settlements and variances to ensure the Council is well informed on sales and market trends.

BACKGROUND

The Sales and Settlement Report provides the Council with a status update of sales and settlements for the Project.

The Staging Plan provided under Appendix 7.5 identifies the extent of the stage boundaries referenced within the report.

COMMENT

Table 1 provides a summary of the Catalina Estate Sales and Settlement position for lots released up to 2 December 2021.

Table 1: Summary of Sales and Settlement of Lots – Catalina Estate

Stage	Release Date	Lots Released	Lot Sizes (m ²)	Sold*	Stock	Settled
Completed Stages	-	1008	174 - 658	1008	0	1008
Stage 16A	Aug-20	17	375 - 450	17	0	16
Stage 18C (1)	Sep-21	21	183 - 558	21	0	0
Stage 18C (2)	Nov-21	4	150 – 155	0	4	0
Stage 27A (1)	Aug-20	12	225 - 450	12	0	11
Stage 27B (1)	Jun-21	11	300 - 617	11	0	0
Stage 27B (2)	Jul-21	12	375 - 539	11	1	0
Stage 28 (1)	Nov-20	10	357 - 450	10	0	8
Stage 28 (2)	Feb-21	10	370 - 450	10	0	9
Stage 28 (DV)	Mar-21	12	375 - 474	10	2	8
Stage 28 (3)	Apr-21	6	375 - 449	6	0	6
Stage 30 (1)	Oct-21	18	176 - 639	9	9	0
Stage 36 (1)	Oct-21	21	177 - 591	16	5	0
Total		1,162	150 - 658	1,141	21	1,066

Table 2: Summary of Net Sales for FYE 2022 against Budget – Catalina Estate

	Jul	Aug	Sep	Oct	Nov	YTD	Dec	Jan	Feb	Mar	Apr	May	Jun	FYE 22
Budget	8	8	8	10	9	43	10	9	10	9	10	9	10	110
Actual	9	13	12	10	36*	80*								
Variance	+1	+5	+4	-	+27	+37								

* includes sales subject to advertising and acceptance

The Project currently holds 76 contracts; 9 unconditional, 61 conditional and six pending advertising and acceptance.

19 released lots are currently available, comprised of the stock listed in Table 3:

Table 3: Summary of Available Stock Position – Catalina Estate

Stage	Available Lots	Title Status	Anticipated Title Date
Stage 27B (Beach Precinct) – 23 Lots	1	Untitled	February 2022
Stage 30 (Beach Precinct) – 37 Lots	9	Untitled	May 2022
Stage 18C (Central Precinct) – 28 Lots	4	Untitled	June 2022
Stage 36 (Green Precinct) – 74 Lots	5	Untitled	May 2022

NB – Table 3 does not include two lots listed in Table 1 as available stock (Stage 28 (DV)), as these lots have been allocated to builders through the tender for the Catalina Beach Display Village and are currently pending execution of sales contracts.

Given strong sales and reduced stock levels, preparations are currently being made for a second release in Stage 30 (Beach) of eight lots and a second release in Stage 36 (Green) of 14 lots on 8 December 2021.

Table 4: Summary of Settlements for FYE 2022 against Budget – Catalina Estate

	Jul	Aug	Sep	Oct	Nov	YTD	Dec	Jan	Feb	Mar	Apr	May	Jun	FYE 22
Budget	3	5	2	5	2	17	7	4	6	17	8	20	19	98
Actual	1	3	16	10	4	34								
Variance	-2	-2	+14	+5	+2	+17								

Northern Corridor Estates Analysis

Table 5 provides a summary of sales at developments in the northern corridor.

Table 5: Summary of Sales in Northern Corridor (November 2020 to October 2021)

ESTATE	Nov	Dec	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	12 Month Total Sales
NORTH-WEST METRO													
Alkimos Beach (Alkimos)	5	7	5	12	7	5	5	6	10	13	12	15	102
Alkimos Vista (Alkimos)	7	7	3	-1	11	10	3	4	3	5	5	8	65
Allara (Eglington)	3	-3	3	3	7	8	2	2	11	8	7	4	55
Amberton (Eglington)	10	10	5	7	13	13	15	12	13	10	15	20	143
Beaumaris (Iluka)	1	3	1	0	0	0	0	0	0	6	11	2	24
Catalina (Clarkson-Mindarie)	6	3	-2	9	6	10	3	2	9	13	12	10	81
East of the Beach (Eglington)	3	3	8	7	12	12	5	12	9	10	9	14	104
Eden Beach (Jindalee)	7	13	12	5	15	5	4	10	9	4	7	17	108
Elevale											5	7	12
Jindowie Estate											3	13	16
Shorehaven (Alkimos)	7	8	10	9	15	15	7	9	8	14	12	4	118
Trinity (Alkimos)	11	1	12	7	15	15	8	5	16	20	15	24	149
TOTAL	60	52	57	58	101	93	52	62	88	103	113	138	977
CATALINA SHARE (%)	10.0 %	5.8 %	0 %	15.5 %	5.9 %	10.7 %	5.7 %	3.2 %	10.2 %	13 %	11 %	9 %	8%

Note 1: Satterley reporting is based on 'mid-month' sales period.

Note 2: Satterley has expressed caution that these sales results are indicative only based on information obtained in the marketplace and supplied on a voluntary basis.

Table 6 provides a summary of available stock in the northern corridor.

Table 6: Summary of Price of Available Lots in Northern Corridor Estates

Estate	225sqm Price (\$)	300sqm Price (\$)	375sqm Price (\$)	450sqm Price (\$)	500sqm + Price (\$)	Total Dwellings	Stock
Allara	n/a	n/a	190,000	220,000	220,000-255,000	3,405	19
Alkimos Beach	n/a	n/a	262,000-275,000	315,000	385,000	2,413	18
Amberton	n/a	n/a	221,000-235,500	276,000	383,000	2,500	12
Burns Beach	n/a	n/a	445,000	550,000	n/a	1,580	7
Catalina Central	n/a	n/a	n/a	n/a	n/a	2,480	4
Catalina Beach	n/a	n/a	370,000	445,000-450,000	500,000		10
Catalina Green	n/a	n/a	270,000	n/a	n/a		5
Eden Beach	n/a	n/a	307,000-312,000	355,000-359,000	330,000-390,000	1,100	25
Shorehaven	289,000	n/a	263,000	295,000	325,000	2,800	26
Trinity	n/a	n/a	216,000-253,000	248,000-288,000	n/a	2,500	20

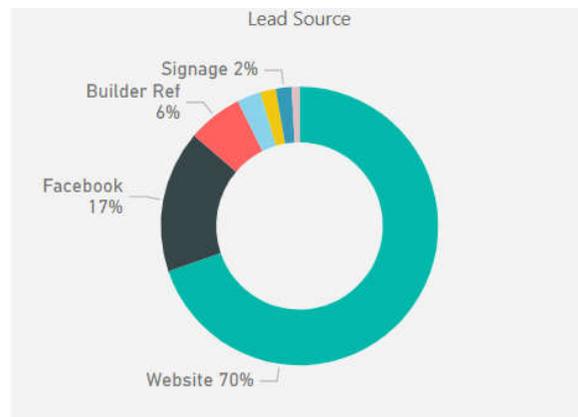
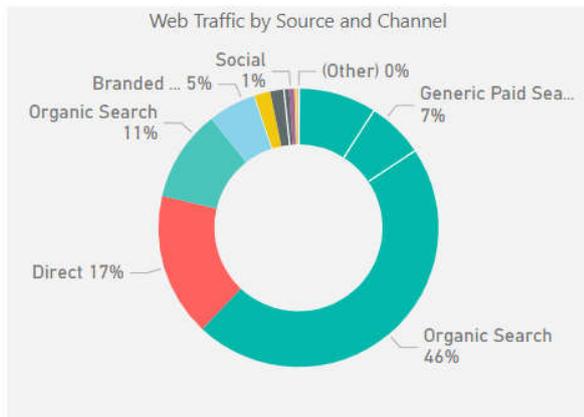
Marketing

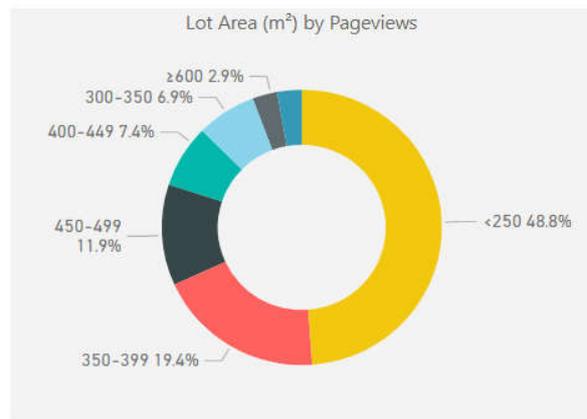
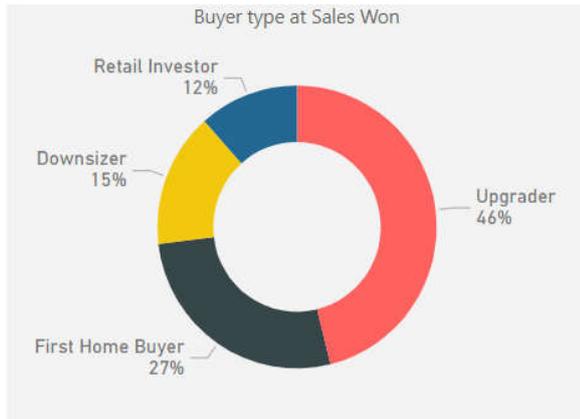
Catalina website traffic and leads continued very strongly into November, encouraged by healthy stock levels.



Satterley CRM Data 01/10/21 – 14/11/21

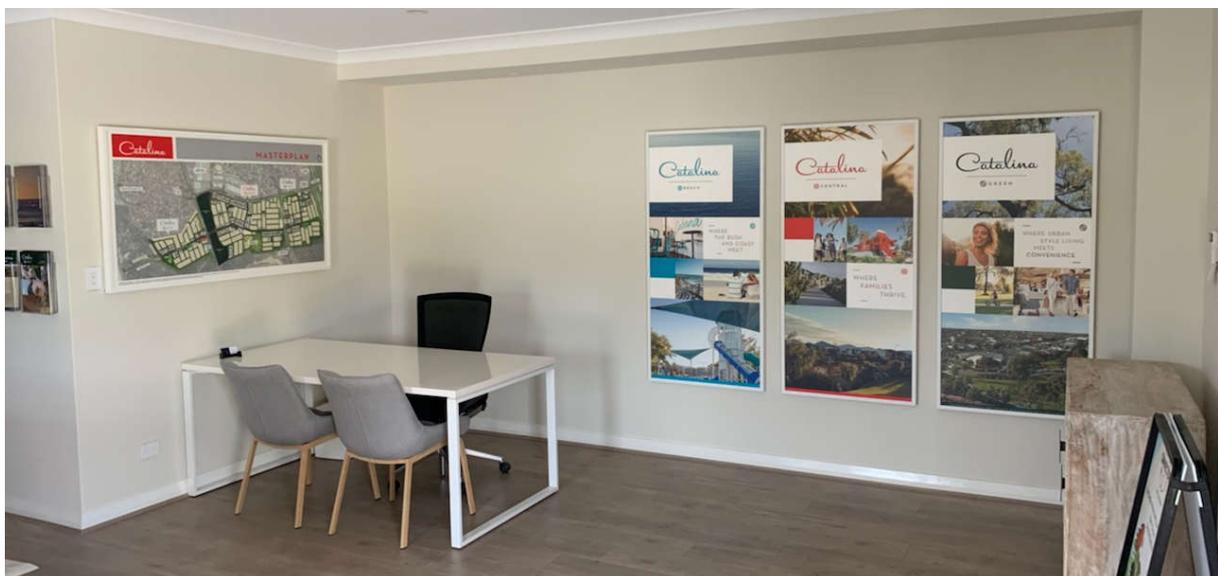
This month has seen a noticeable increase in leads and sales from the downsizer and upgrader market, with most enquiry received via the website and Facebook. The majority of website traffic was driven by organic Google search (due to strong SEO), as well as an increase in Direct traffic, which could be attributed to the high level of development activity onsite and improved brand/estate awareness.





Satterley CRM Data 15/10/21 – 14/11/21

Signage updates have been completed in the Catalina Beach Sales Office to showcase the brand positioning of the three precincts, with additional signage to the exterior to improve visibility of the Sales Office.



7.6 PROJECT BUDGET FYE 2022 – MID-YEAR REVIEW

Responsible Officer: Chief Executive Officer

Attachments: Satterley Property Group correspondence: Catalina FYE 2022 Mid-Year Budget Review (dated 30 November 2021)

Voting Requirements: Simple Majority

RECOMMENDATION

That the Council RECEIVES the FYE 2022 Mid-Year Budget Review, submitted by the Satterley Property Group (November 2021), and that it be used as the basis for financial planning for the TPRC Mid-Year Budget FYE 2022.

PURPOSE

To consider a report on the FYE 2022 Mid-Year Budget Review prepared by the Satterley Property Group.

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

N/A

PREVIOUS MINUTES

Council Meeting – 17 June 2020 (Item 8.1 - Project Budget FYE 2022)

FINANCIAL/BUDGET IMPLICATIONS

Mid-Year Review of approved Project Budget FYE 2022 (November 2021).

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 7 & 8	Risk Rating:
TPRC Operations – Internal Controls and Financial Management of the TPRC	Low
Action:	
Annual Mid-Year Budget Reviews independently prepared and approved by the Council.	

The mid-year review of the Project Budget will assist to ensure an appropriate financial control and management environment.

BACKGROUND

At its meeting of 17 June 2021, the Council approved the Project Budget FYE 2022, submitted by the Satterley Property Group (Satterley), as the basis of financial planning for the TPRC Budget FYE 2022.

COMMENT

Satterley has undertaken a Mid-Year Review of the approved Project Budget FYE 2022, which is set out in its correspondence dated 30 November 2021 and contained in Appendix 7.6. The Satterley FYE 2022 Mid-Year Budget Review provides an updated forecast of the Project Budget FYE 2022 in relation to the main budget assumptions such as income, sales rates and development costs and escalation. The Review considers current property market conditions, the latest sales/settlement information, approvals status, construction program and expenditure estimates.

The FYE 2022 Mid-Year Budget Review addresses the following:

- Market Commentary;
- Budget Comparisons;
- Operations for FYE 2022;
- Review of FYE 2022 and 2023;
- Key Risks for achieving FYE 2022 Budget;
- Cash Requirement, Capital Return and Profit Distribution Capacity.

Market Commentary

Satterley report the following current market conditions:

- The surge in demand for new lots has resulted in time delays for construction and cost pressures;
- Established house and vacant lot prices have seen significant growth over the past 12 months;
- Unemployment and underemployment continue to fall since peaking soon after the onset of COVID-19 in Q2 of FYE 202;
- Population growth has been impacted by hard border measures;
- Reduced established stock levels are currently prevailing.

Budget Comparisons – FYE 2022

Satterley's review forecasts the following key variations in FYE 2022:

- Lot sales forecast at 159 lots, an increase of 49 lots due to continued sales momentum;
- Settlements forecast at 80 lots, a reduction of 18 lots, reflecting anticipated titles timeframes for Stages 18C, 30 and 36 late in FYE 2022;
- Net Lot Income forecast at \$28.76M, a reduction of (\$0.81M). A high proportion of settlements of the higher priced Catalina Beach stock will assist to reduce the impact of the reduced total number of settlements;
- Infrastructure and lot production costs are largely unchanged, though deferral of the WAPC land acquisition (cost \$5.1M) from December 2021 to December 2022 and realised savings for completed stages 16A, 18B and 27A reduce total development costs by \$6.20M;
- Landscaping works forecast at \$5.88M, a reduction of \$1.3M due to timing of completion of infrastructure works (Connolly Drive/Aviator Boulevard intersection, Portofino

Promenade and Longbeach Promenade extensions and the Foreshore Access Road) and approvals;

- Annual Project Cashflow forecast at (\$5.02M), a reduction of \$6.09M.

The review forecasts a minimum cash balance for the Project of \$38.1M in FYE 2022, with the distribution to member local governments remaining unchanged at \$10.0M.

The following table outlines Satterley’s forecast for FYE 2022 in terms of Income, Development Costs, Distributions, Cash Position and Variances between the approved Project Budget FYE 2022 and the FYE 2022 Mid-Year Budget Review.

	Mid-Year Review FYE 2022	Project Budget FYE 2022	Variance
Gross Income	\$30,214,942	\$30,330,506	(\$115,564)
Development Costs	\$35,234,836	\$41,439,712	\$6,204,876
Distributions	\$10,000,000	\$10,000,000	\$0
Cashflow	(\$5,019,894)	(\$11,109,206)	\$6,089,313

CONCLUSION

The Satterley FYE 2022 Mid-Year Budget Review is based on current property market conditions and the latest sales/settlement information, construction program and expenditure estimates.

The FYE 2022 Mid-Year Review indicates that assumptions and predictions in the Project Budget FYE 2022 are generally still valid, however Satterley considers that the current economic conditions, property market and availability of lots in Catalina will result in an increase in lot sales, but with a small reduction in settlements.

The assumptions in FYE 2022 Mid-Year Budget Review are considered to represent the current expectations for the property market outlook and revisions to the sales and settlement targets and forecast expenditure are considered appropriate. It predicts that the TPRC can meet all cashflow obligations without the need for any call upon member local government funds to meet any operating or capital expenditure and is considered to provide an appropriate basis for financial planning for the TPRC Mid-Year Budget FYE 2022.

Satterley representatives will be in attendance to provide further information of the FYE 2022 Mid-Year Budget Review.

7.7 PROJECT FORECAST (2021)

Responsible Officer:	Manager Project Coordination
Attachments:	1. Project Forecast (December 2021) 2. Satterley Correspondence Project Forecast (December 2021)
Voting Requirements:	Simple Majority

RECOMMENDATION

That the Council:

1. **RECEIVES** the Project Forecast (December 2021), submitted by the Satterley Property Group.
 2. **APPROVES** the Project Forecast (December 2021), prepared by the Satterley Property Group, for the purposes of project and financial planning.
 3. **NOTES** that the Satterley Property Group will provide an annual updated Project Forecast for the Council's consideration as part of the annual Project Budget cycle, being the Budget adoption and mid-year review, typically presented to the June and December Council meetings respectively.
-

PURPOSE

To consider the Project Forecast (December 2021) prepared by the Satterley Property Group (Satterley).

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

N/A

PREVIOUS MINUTES

- Council Meeting – 14 October 2021 (Item 7.8 – Project Forecast 2021)
- Council Meeting – 19 August 2021 (Item 8.5 – Project Forecast 2021)
- Council Meeting – 15 April 2021 (Item 8.1 – Project Forecast Review)
- Council Meeting – 18 June 2020 (Item 9.5 – Project Forecast 2020)

FINANCIAL/BUDGET IMPLICATIONS

Input into TPRC project and financial planning.

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 1	Risk Rating:
Strategic – Common vision	Moderate
Action:	
Council to determine Project Forecast 2020 (Scenarios) which will provide a guide to the long term cashflow direction of the Project and to provide the basis of Project and financial planning and project profit.	

An updated Project Forecast will assist to guide project and financial planning.

BACKGROUND

The Project Forecast is intended as a general guide to the long term cashflow direction of the Project and to provide the basis of project and financial planning and the forecasted profit and distributions for the TPRC and member local governments.

At its meeting of 20 June 2018, the Council approved the Project Forecast (2018), as prepared by Satterley

In May 2020, Satterley provided an updated Project Forecast (2020), and the following series of events have since ensued:

- 18 June 2020 - Council resolved to defer consideration of the Project Forecast (2020) and request Satterley to update its supporting scenarios, analysis and lot pricing. The Council also authorised engagement of an independent consultant to review the Project Forecast (2020), undertake a benchmarking exercise on key project elements and provide advice and recommendations to the Council. A key consideration for the review was the substantial reduction in project profit and distributions between the Project Forecast (2018) and the Project Forecast (2020), noting a \$84.2M cashflow reduction between the two forecasts.
- October 2020 - CBRE (Valuers) was engaged to undertake an independent review of the Project Forecast (2020), undertake a benchmarking exercise on key project elements and provide advice and recommendations to the Council.
- 15 April 2021 - Council received the CBRE report (December 2020) on the review of Project Forecast (2020), which concluded that it was an appropriate general guide for Project and financial planning, providing only a very slight bias to conservatism with lot prices and escalations and noting prospects for continued buoyant market conditions in the short to medium term. The Council requested Satterley provide an updated Project Forecast that accounts for changing market conditions experienced in the later part of 2020 and early 2021.
- 19 August 2021 - Council received an updated Project Forecast (2021), as prepared by Satterley. The Project Forecast (2021) indicated a significant reduction in project profit of \$100.3M since the Project Forecast (2018), with income reduced by \$54.3M and development costs increased by \$46.0M. The Council requested that Satterley identify opportunities to increase lot income and reduce development costs in order to maximise financial returns to the member Councils while delivering environmental, social and economic objectives.
- 14 October 2021 - Council considered correspondence prepared by Satterley in relation to opportunities to increase lot income and reduce development costs. Satterley advised that the progression of urban, civil and landscape design plans for Catalina Green has influenced evolving financial projections provided between the approved Project Forecast (2018) and the Project Forecast (2021), impacting negatively on lot yield and development

costs, though it considered there were opportunities for lot price growth having identified potential for an increase in income of \$32.5M. The Council resolved to request that Satterley prepare an updated Project Forecast as part of its mid-year review of the Project Budget FYE 2022 for consideration by the Council at its November 2021 workshop, incorporating updated pricing.

- 25 November 2021 – Satterley presented an updated Project Forecast at a Councillor Workshop.

Satterley has subsequently provided the updated Project Forecast (December 2021), which is contained in Appendix 7.7 for the Council's consideration.

COMMENT

The following table details a comparison between the approved Project Forecast (2018), Project Forecast (June 2021) as was considered by the Council at its 19 August 2021 meeting and updated Project Forecast (December 2021) as presented to the Councillors workshop held on 25 November 2021.

CATALINA Project Forecast Outcome			
CATEGORY	CURRENT DEC-21	2021 PROJECT FORECAST (JUN-21)	2018 PROJECT FORECAST
Total Lots	2,480	2,395	2,489
Residential area	830,426m ²	805,115m ²	786,761m ²
Special sites area	72,306m ²	72,357m ²	110,832m ²
GROSS INCOME			
Income - Lots	730,470,810	680,162,140	724,700,240
Income - Special Sites	25,679,021	25,119,915	40,589,540
Income - Other	268,138	263,843	147,570
Direct Selling Expenses	80,975,197	78,122,661	83,661,510
GROSS INCOME	675,442,772	627,423,237	681,775,840
DEVELOPMENT COSTS			
Land	10,206,000	10,206,000	10,206,000
Consultants	10,565,698	10,574,132	9,106,160
Infrastructure	24,016,047	24,114,062	15,821,974
Special Sites/Other Development	4,827,954	4,410,106	4,853,544
Lot Production	226,856,147	221,984,848	213,183,896
Landscape	63,641,941	63,769,895	52,971,398
Marketing	12,636,849	11,580,222	8,664,422
Community Development	2,501,069	2,613,609	2,224,981
Administration	25,280,188	25,403,772	12,722,435
Finance/Bonds	-	-	-
Contingency	12,726,975	12,648,759	11,526,301
DEVELOPMENT COSTS	393,258,869	387,305,405	341,281,111
PROJECT PROFIT	282,183,903	240,117,832	340,494,729
Capital IRR	10.2%	9.2%	16.4%
Project IRR	15.3%	14.2%	18.4%
Profit on Cost	71.8%	62.0%	99.8%
Profit /Lot	113,784	100,258	136,800

While Project Profit under the latest Project Forecast (December 2021) is \$58.3M less than was forecast in 2018, it represents an increase of \$42.1M to the figure forecast in June 2021.

Assumptions underlying the latest forecast and key variances from the previous forecasts are detailed below.

Design and Yield

Design changes since the Project Forecast (201) have reduced overall residential lot yield by nine lots, however, there has been an increase in the residential saleable area of 43,660m² but a reduction in special sites saleable area of 38,526m².

CHANGES TO PROJECT FORECAST	RESIDENTIAL YIELD			RESIDENTIAL SALEABLE AREA		
	2021	2018	VARIANCE	2021	2018	VARIANCE
Central	1,254	1,226	28	419,993m ²	411,598m ²	8,395m ²
Beach	496	492	4	178,766m ²	171,405m ²	7,361m ²
Green	730	771	(41)	231,662m ²	203,758m ²	27,904m ²
TOTAL	2,480	2,489	(9)	830,421m²	786,761m²	43,660m²

CHANGES TO PROJECT FORECAST	SPECIAL SITES AREA		
	2021	2018	VARIANCE
Central	27,292m ²	37,755m ²	(10,463m ²)
Beach	10,558m ²	12,564m ²	(2,006m ²)
Green	34,456m ²	60,513m ²	(26,057m ²)
TOTAL	72,306m²	110,832m²	(38,526m²)

Pricing

The Project Forecast (December 2021) is based on the standard base lot pricing shown in the following table:

PRECINCT PRICES - CURRENT (DEC-21)	225m ²	375m ²	450m ²
Central	175,000	280,000	315,000
Beach	256,000	388,000	460,000
Green	165,000	270,000	300,000

This compares to the following base pricing in the Project Forecast (2018):

PRECINCT PRICES - 2018 PROJECT FORECAST	225m ²	375m ²	450m ²
Central	214,000	298,000	335,000
Beach	245,000	360,000	422,000
Green	n/a	269,000	n/a

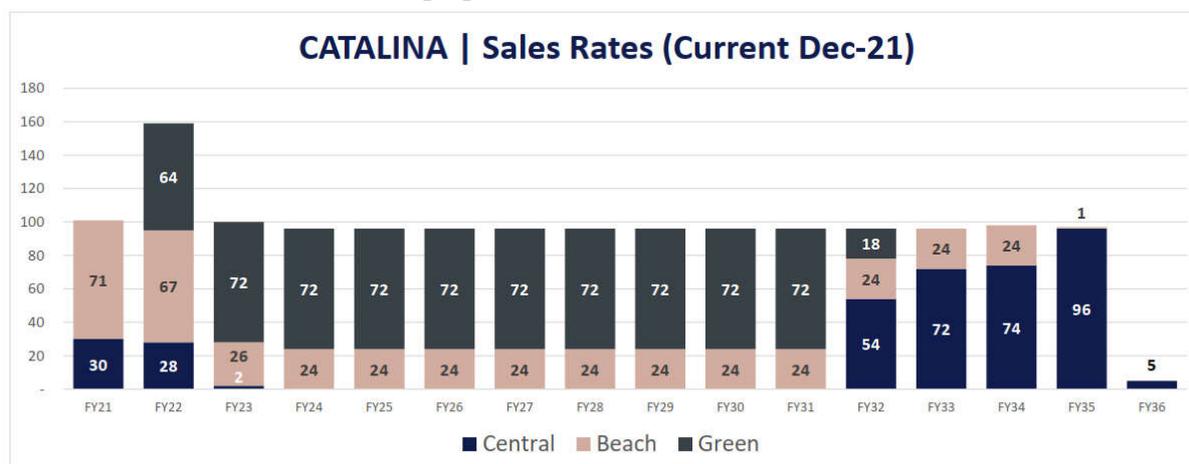
Income & Cost Escalation

The Project Forecast (December 2021) uses 3% income escalation from October 2021. Cost escalation is set at 7% for the remainder of FYE 2022, reducing to 2% from FYE 2023 to the end of the Project. Escalation changes between the approved and latest forecasts are detailed in the following table:

CATALINA Escalation Rates						
INCOME						
From	Start	Jul-19	Oct-21	Jul-22	Jul-23	
To	Jun-19	Sep-21	Jun-22	Jun-23	End	
Current	0.0%	0.0%	3.0%	3.0%	3.0%	
2018 Project Forecast	0.0%	4.0%	4.0%	4.0%	4.0%	
COST						
From	Start	Jul-19	Oct-21	Jul-22	Jul-23	
To	Jun-19	Sep-21	Jun-22	Jun-23	End	
Current - Jun-20	0.0%	0.0%	7.0%	2.0%	2.0%	
2018 Project Forecast	0.0%	2.5%	2.5%	2.5%	2.5%	

Sales Rates

The Project Forecast (December 2021) sets the long term sales rate at 8/month, compared to the 16/month sales rate assumed in the Project Forecast (2018). The breakdown of sales by Precinct in shown in the following figure:



- CURRENT DEC-21 update incorporates 2.2% pricing increase for future Beach stock (stages 29, 31-35) to slow sales rate to 2 per month from FY23 to preserve premium stock

Key variances

The main drivers of variances between the approved and proposed forecasts are as follows:

Revenue

- The increase in lot income is partially the result of an increase in residential saleable area of 43,665m², though this is offset in part by reduced base pricing for a net \$3.1M unescalated increase. Despite the income escalation rate decreasing from 4% to 3%, an extended project duration has provided a \$2.7M escalation benefit for an overall lot income increase of \$5.8M.
- Special site income has reduced by \$14.9M, driven by a reduction of 38,526m² in saleable area and the reduction of m² revenue rates for Catalina Green group housing sites (from \$380/m² to \$300 /m²) and the Catalina Green Commercial site (from \$350 /m² to \$250 /m²), with an immaterial escalation impact.

Direct Selling Costs

- The reduction in total direct selling costs of \$2.7M is driven by lower GST and fees on the reduced net revenue described above, plus a \$2.8M reduction for lapsed rebates and packages. With a more competitive sales environment, the implementation of campaign incentives has partially offset these reductions by \$1.5M.

Development Costs

- Consultants cost increases (\$1.5m) are due to the extended project duration.
- Infrastructure costs have increased (\$8.2m), which includes escalation variance (\$0.6m). The main movements are increased costs for the Catalina Green Aviator Extension (\$5.6m) and Portofino Promenade extensions.
- Lot production costs have increased (\$13.7m), including escalation variance (\$9.0M) due to the deferral of works and extended duration from the 2018 Project Forecast. The unescalated increase to lot production is \$4.7m, however allowing for the \$5.6m transfer of Aviator Extension costs to infrastructure, there is an overall (\$10.3m) underlying adverse variance of lot production, which is largely driven by cost increases for Catalina Green tree retention as advised in the FY2022 Approved Budget (June 2021).
- Landscape costs have increased (\$10.7m) from the 2018 Project Forecast, due to escalation due to deferred works (\$3.2M) and underlying increase (\$7.5m) to unescalated landscape costs due to an increased scope of works for Catalina Green under the latest design.
- Marketing and community development costs have increased (\$4.2m) due to the extended project duration.
- Administration costs have increased (\$12.6m), as the extended project duration results in higher holding and administration costs such as rates and taxes, audit and maintenance. Annual maintenance costs have also been increased to improve estate presentation and achieve sales.

Internal Rate of Return (IRR)

- The reduced project profit and extended project duration has resulted in a reduction of capital IRR from 16.4% to 10.2% and the project IRR from 18.4% to 15.3%. All IRR calculations assume a notional land payment based on historical valuation estimate of \$77.4M at commencement of the Project, consistent with IRR methodology for other residential development projects.

Distributions

Distributions to the member Councils are forecast in the following table and maintain a \$15M minimum cash reserve.

CATALINA Profit Distributions				
FINANCIAL YEAR	CURRENT DEC-21	2018 PROJECT FORECAST	VARIANCE	CUMULATIVE VARIANCE
PTD FY20	64,700,000	77,700,000	(13,000,000)	(13,000,000)
FY21	9,000,000	21,000,000	(12,000,000)	(25,000,000)
FY22	10,000,000	24,000,000	(14,000,000)	(39,000,000)
FY23	15,000,000	23,000,000	(8,000,000)	(47,000,000)
FY24	10,000,000	28,000,000	(18,000,000)	(65,000,000)
FY25	14,000,000	34,000,000	(20,000,000)	(85,000,000)
FY26	11,000,000	31,000,000	(20,000,000)	(105,000,000)
FY27	11,000,000	46,000,000	(35,000,000)	(140,000,000)
FY28	6,000,000	39,000,000	(33,000,000)	(173,000,000)
FY29	15,000,000	16,000,000	(1,000,000)	(174,000,000)
FY30	11,000,000	794,729	10,205,271	(163,794,729)
FY31	7,000,000	-	7,000,000	(156,794,729)
FY32	15,000,000	-	15,000,000	(141,794,729)
FY33	8,000,000	-	8,000,000	(133,794,729)
FY34	23,000,000	-	23,000,000	(110,794,729)
FY35	18,000,000	-	18,000,000	(92,794,729)
FY36	22,000,000	-	22,000,000	(70,794,729)
FY37	12,569,123	-	12,569,123	(58,225,606)
TOTAL	282,269,123	340,494,729	(58,225,606)	(58,225,606)

CONCLUSION

The Project Forecast is a general guide to the long term cashflow direction. The latest iteration prepared by Satterley follows a period during which there has been considerable review and revision of key Project assumptions in a time when the market and construction environment has been dynamic.

The key objective of the Economic pillar of the Strategic Community Plan (2020), adopted by the Council at its February 2020 meeting, is to maximise returns for member Councils while delivering environmental, social and economic objectives.

Despite the inherent uncertainties associated with forecasting over the lengthy timeframe of the Project's lifecycle, it is considered that the Project Forecast (December 2021) is a reasonable basis for Project and financial planning and that the forecasted Project profit and distributions can be relied upon by the member local governments.

It is recommended that the Council receives and approves the Project Forecast (December 2021). It is also recommended that the Council note that Satterley will provide an annual updated Project Forecast for the Council's consideration as part of the annual Project Budget cycle, being the Budget adoption and mid-year review, typically presented to the June and December Council meetings respectively.

7.8 ANNUAL REPORT FOR THE YEAR ENDING 30 JUNE 2021

Responsible Officer:	Chief Executive Officer
Attachments:	TPRC Annual Report 2020/2021
Voting Requirements:	Absolute Majority

RECOMMENDATION

That the Council ADOPTS the Annual Report of the Tamala Park Regional Council for the FYE 2021.

PURPOSE

To review the Annual Report for the TPRC for the FYE 2021.

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

- *Local Government Act 1995: S5.3* Requires Local Government to prepare an annual report, with prescribed inclusions, for each financial year.
- *Local Government Act 1995: S5.4* Requires Local Government to accept the Annual Report by 31 December.
- *Local Government Act 1995: S5.5* requires availability of report to be advertised following report adoption by Local Government.
- *Local Government (Audit) Regs 1996: Reg 14* Compliance Audit Item.

PREVIOUS MINUTES

- Council Meeting - 10 December 2020 (Item 8.6 - Annual Report)
- Council Meeting - 5 December 2019 (Item 9.9 - Annual Report)
- Council Meeting - 6 December 2018 (Item 9.8 - Annual Report)

Risk Ref: 7	Risk Rating:
TPRC Operations – Internal Controls	Low
Action / Strategy to Manage:	
Management Policies and Procedures reviewed and approved by Council.	

BACKGROUND

The Council has a statutory obligation to provide an Annual Report of its operations including the following:

- Report by the Chair of the Council;
- Report by the CEO;
- Detail of completion of statutory requirements;
- The Audit Report and completed Financial Report of the Council for the year under review.

The Annual Report is to be made available for public inspection.

COMMENT

The TPRC Annual Report for the FYE 2021 will be the fifteenth Annual Report produced by the Council. The Annual Report contains information on the Council formation and operation, the Tamala Park Project and major activities of the TPRC. The Annual Report is attached at Appendix 7.8.

The Annual Report is required to be adopted by the Council by 31 December in each year and a copy of the adopted report must be provided to the Executive Director of the Department of Local Government, Sport and Cultural Industries.

The Annual Report is an opportunity to provide information on the work of the TPRC and the Tamala Park Project.

The Annual Report contains the Audit Report and the Annual Financial Report, for the year ending 30 June 2021, both of which have been completed. The Audit Report and the Annual Financial Report are to be considered by Council under Items 8.2 and 8.4 of this Agenda respectively.

7.9 ELECTED MEMBER ALLOWANCES

Responsible Officer:	Chief Executive Officer
Attachments:	Salaries & Allowances Tribunal Determination (April 2021)
Voting Requirements:	Absolute Majority

RECOMMENDATION

That the Council APPROVES:

1. An Annual Allowance for the Chair of the Council to be \$20,063 per annum.
2. An Annual Attendance fee for the Chair of the Council to be \$15,839 per annum.
3. An Annual Allowance for the Deputy Chair of the Council to be 25% of the amount paid to the Chair per annum.
4. An Attendance fee for Council members to be an amount of \$10,560 per annum.
5. Council members not being entitled to claim separate telecommunications, IT allowances or travelling allowance to meetings.
6. Elected member allowances being made quarterly in arrears.

PURPOSE

To consider elected member fees and allowances.

LOCAL GOVERNMENT ACT/REGULATION

- *Local Government Act 1995*: Section 5.98 Elected Member Allowances
- Regulation 33
- Regulation 34
- *Local Government Administration Regulations*

PREVIOUS MINUTES

- Council Meeting – 10 December 2020 (Item 8.9 - Elected Member Allowances)
- Council Meeting – 5 December 2019 (Item 9.12 - Elected Member Allowances)

Risk Ref: 7	Risk Rating:
TPRC Operations – Internal Controls	Low
Action / Strategy to Manage:	
Management Policies and Procedures reviewed and approved by Council.	

BACKGROUND

The Salaries and Allowances Tribunal is required by Section 7B(2) of the *Salaries and Allowances Act 1975* to inquire into and determine the amount of fees for attendance at

meetings, the amount of expenses and the amount of allowances to be paid under the *Local Government Act* to Elected Council Members.

At its meeting of 10 December 2020, the Council considered a report on the Salaries and Allowances Tribunal review of fees, allowances and expenses for Elected Council Member of Local Governments and resolved as follows:

1. *An Annual Allowance for the Chair of the Council to be \$20,063 per annum.*
2. *An Annual Attendance fee for the Chair of the Council to be \$15,839 per annum.*
3. *An Annual Allowance for the Deputy Chair of the Council to be 25% of the amount paid to the Chair per annum.*
4. *An Attendance fee for Council members to be an amount of \$10,560 per annum.*
5. *Council members not being entitled to claim separate telecommunications, IT allowances or travelling allowance to meetings.*
6. *Elected member allowances being made quarterly in arrears.*

The Council decision of December 2020 was consistent with the Salaries and Allowances Tribunal April 2020 review of fees, allowances and expenses for Elected Council Member of Local Governments.

COMMENT

The Salaries and Allowances Tribunal (SAT) undertook a review in April 2021 of fees for attendance at meetings, the amount of expenses and the amount of allowances to be paid under the *Local Government Act* to Elected Council Members, as required by Section 7B(2) of the *Salaries and Allowances Act 1975*. There have been no changes to the salaries and allowances approved by the SAT from 2020.

The SAT determination (April 2021) on Meeting Attendance Fees and Annual Attendance Fees is as follows:

Meeting Attendance Fees

The range of fees in the table below applies where a regional local government decides to pay a Council member a fee for attendance at meetings.

Council meeting fees per meeting:

	Council Member other than the Chair		Council Member who holds the Office of Chair	
	Minimum	Maximum	Minimum	Maximum
All Regional Councils	\$91	\$238	\$91	\$490

Committee meeting and prescribed meeting fees per meeting:

Council Member including Chair		
	Minimum	Maximum
All Regional Councils	\$46	\$119

Annual Attendance Fees

The Council can resolve to pay Council members an Annual Attendance Fee (section 5.98(1) LGA) for Council members who attend council or committee meetings, in lieu of paying Meeting Attendance Fees.

Annual attendance fees:

	Council Member other than the Chair		Council Member who holds the Office of Chair	
	Minimum	Maximum	Minimum	Maximum
All Regional Councils	\$1,795	\$10,560	\$1,795	\$15,839

Annual Allowance for the Chair of a Regional Council:

Annual Allowance for Chair		
	Minimum	Maximum
All Regional Councils	\$513	\$20,063

The Annual Allowance for a Deputy Chair is 25% of the Chair Allowance.

The Council can either determine to pay elected members Meeting Attendance Fees (a fee paid for attendance at meetings) or Annual Attendance Fees. Should Council elect to pay elected members Annual Attendance Fees, then it is unable to pay a deputy member (alternate member) for attending a Council meeting in place of a Council member.

The Council has previously approved the payment of Annual Attendance Fees to Councillors instead of Meeting Attendance Fees. It has also adopted a practice of setting the member fees at a level that covers the alternative allowances that might be paid for travel, telephone and communication and agreed that the permitted maximum fee prescribed by Local Government legislation be paid to Council Members.

CONCLUSION

As reported, the Council can either determine to pay elected members Meeting Attendance Fees (a fee paid for attendance at meetings) or Annual Attendance Fees.

Should Council wish to pay a deputy member (alternate member) for attending a Council meeting in place of a Council member then it would be required to resolve to pay elected members Meeting Attendance Fees in accordance with the Salaries and Allowances Tribunal determination (April 2021) as detailed in the report.

7.10 APPOINTMENT OF ACTING AND TEMPORARY CHIEF EXECUTIVE OFFICER POLICY

Responsible Officer:	Chief Executive Officer
Attachments:	Draft Appointment of Acting or Temporary Chief Executive Officer Policy 2021
Voting Requirements:	Absolute Majority

RECOMMENDATION

That the Council **APPROVES** the Appointment of Acting or Temporary Chief Executive Officer Policy 2021.

PURPOSE

For Council to consider and adopt the Appointment of Acting or Temporary Chief Executive Officer Policy 2021

LEGAL/POLICY REFERENCE

Under Section 5.39C of the *Local Government Amendment Act 2019*, Tamala Park Regional Council (TPRC) must adopt an Appointment of Acting or Temporary Chief Executive Officer (CEO) Policy.

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 7	Risk Rating:
TPRC Operations – Internal Controls	Low
Action / Strategy to Manage:	
Management Policies and Procedures reviewed and approved by Council	

FINANCIAL AND RESOURCE IMPLICATIONS

Nil

BACKGROUND

Following recent changes to the *Local Government Act 1995 (The Act)*, TPRC must adopt a policy on the appointment of an Acting CEO and Temporary CEO.

The Policy is to ensure appropriate practice is embedded in local government for these processes.

COMMENT

Recruitment of the CEO are some of the most important decisions of Council. The TPRC has a strong history of completing these processes in a robust and transparent manner. The standards relating to recruitment reflect an appropriate process for any future recruitment activities that may arise. These standards provide Council with guidance on the considerations for the process at that time.

The draft Appointment of Acting and Temporary Chief Executive Officer Policy has been developed in relation to the appointment of an Acting CEO. Council will appoint an Acting CEO for a period of up to 12 consecutive weeks. Anything beyond this period and up to one year, would require Council to appoint a Temporary CEO.

The draft Acting and Temporary Chief Executive Officer Policy also sets out arrangements for the unlikely event of a vacancy in the role of CEO. This would require the appointment of a Temporary CEO and the policy sets out guidance for this process.

The Act states the policy must set out the following processes:

- The employment of a person in the position of CEO for a term not exceeding 1 year; and
- The appointment of an employee to act in the position of CEO for a term not exceeding 1 year.

7.11 AUDIT COMMITTEE AND REVISED COUNCIL MEETING SCHEDULE 2022

Responsible Officer: Chief Executive Officer

Attachments: Nil

Voting Requirements: Simple Majority

RECOMMENDATION

1. That the first two Audit Committee dates be **APPROVED** for 2022 as follows:
 - 17 February 2022 (City of Perth)
 - 14 April 2022 (City of Wanneroo)
 2. That the following Management Committee date be amended as it falls during Council recess (11-25 July 2022) for 2022 as follows:
 - Previous date 21 July 2022 (City of Stirling)
 - New date 28 July 2022 (City of Stirling)
 3. That the following Ordinary Council Meeting date be amended as it falls on a Friday as opposed to the standard Thursday for 2022 as follows:
 - Previous date 9 December 2022
 - New date 8 December 2022
 4. That Council **NOTES** the remaining Audit Committee dates will be advised and scheduled as required during 2022.
 5. That Council **APPROVES** the change of name from Audit Committee to Audit and Risk Committee.
 6. That the schedule of meeting dates be advertised as required by the *Local Government Act 1995*.
-

PURPOSE

To set the first two Audit Committee meeting dates for 2022, and to amend a previously approved Ordinary Council Meeting and Management Committee Meeting to facilitate advertising by the LGA.

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

Local Government Act Section 5.25(g)

Local Government (Administration) Regulations 1996 Part 12 - Publication of meetings open to public

PREVIOUS MINUTES

Ordinary meeting of Council – 14 October 2021 (Item 7.6 – Council Meeting Schedule 2022)
 Ordinary meeting of Council - 8 October 2020 (Item 8.6 - Meeting Schedule 2021)
 Ordinary meeting of Council - 17 October 2019 (Item 9.11 - Meeting Schedule 2020)

FINANCIAL/BUDGET IMPLICATIONS

N/A

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 2	Risk Rating:
Strategic - Stable and effective governance environment.	Moderate
Action:	
TPRC provide reports/information to Council Meetings.	

BACKGROUND

Councils are required to advertise dates of all Council and some other classes of meetings where delegated authority of the Council may be exercised. Advertising is required to provide the opportunity for members of the public to attend meetings and be informed about governance of the local authority. Where an advertised meeting date is changed re-advertising is required.

In the case of a Regional Council advertising occurs by publication in a newspaper circulating in the Regional Council area, by exhibition on a notice board at each of the participant local governments and exhibition on a notice board at each of the libraries of the participant Councils.

At the 14 October 2021 Ordinary Council Meeting, two meeting dates were approved which require amendment. In addition, Council requested to have the Audit Committee Meeting schedule approved by Council for 2022.

COMMENT

Audit Committee Meetings 2022

The nature of Audit Committee is such that the meeting dates are often unknown at the commencement of the calendar year. The Audit Committee is required to meet in relation to certain financial information which is not known a year in advance. The TPRC will advise of the further Audit Committee meetings as required, and seeks to schedule the first two Audit Committee meetings from a potential five as follows:

- 17 February 2022 (City of Perth)
- 14 April 2022 (City of Wanneroo)

Management Committee Meeting date change 2022

Since the 14 October 2021 meeting one Management Committee Meeting was found not to be achievable due to Council recess being from 11-25 July 2022. The TPRC proposes to change this date as follows:

- Previously approved date 21 July 2022 (City of Stirling)
- New date 28 July 2021 (City of Stirling)

Timing of this meeting will be as previously approved being 6:00pm.

Ordinary Council Meeting date change 2022

Since the 14 October 2021 one Ordinary Council meeting date was found to be incorrectly scheduled to occur on a Friday as opposed to the usual Thursday. We propose to change this date as follows:

- Previously approved date 9 December 2022
- New date 8 December 2022

The Council has previously not approved the year in advance for Audit Committee meeting dates. However, Council have requested if this can be undertaken for the 2022 calendar year. As Audit Committee meetings are often booked once TPRC has finalised certain financial audit requirements it is not known in advance exactly when those meetings will be required. We can however pre-determine and book the first two Audit Committee meetings for 2022 and will then subsequently advise and advertise the remaining potential three Audit Committee meetings as they are required.

The Council has previously set the time for commencement of Ordinary Council meetings at 6:00pm as this seems to suit the convenience of most Council members. Meetings have previously been held at participant Council premises on a rotational basis. This provides an equal opportunity for each of the Councils to host the Regional Council.

Management Committee meetings are mainly held on a Thursday, in between Council meetings. The Committee has previously set the time for commencement of meetings at 6:00pm as this seems to suit the convenience of most Council members. The Management Committee has previously determined that the meetings will be held at the City of Stirling.

The opportunity to change the name of the Audit Committee to the Audit and Risk Committee for the commencement of 2022 is to better reflect the existing Audit Charter (Terms of Reference) scope of activities including the review of statutory documents, processes, guidelines, policies and the consideration of the Regulation 17 review and monitoring of implementation of actions.

There is also an opportunity to then review the Audit Charter to further include objectives for the Audit Committee to recognise and manage risk to then report to Council providing appropriate advice and recommendations.

7.12 APPOINTMENT OF ADDITIONAL MEMBER TO MANAGEMENT COMMITTEE

Responsible Officer: Chief Executive Officer

Attachments: Nil

Voting Requirements: Absolute Majority

RECOMMENDATION

That in accordance with the provisions of the *Local Government Act 1995*, Cr Perkov be APPOINTED BY ABSOLUTE MAJORITY to the Management Committee.

PURPOSE

To appoint a person to be a member of a Committee.

LOCAL GOVERNMENT ACT/REGULATION

Section 5.10 of the *Local Government Act*

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 2	Risk Rating:
Strategic - Stable and effective governance environment.	Moderate
Action:	
TPRC provide reports/information to Council Meetings.	

BACKGROUND

At its meeting of 19 August 2010, the Council approved the establishment of a Management Committee, comprising a minimum of six members.

At its meeting of 4 November 2021, the Council resolved that the following Council members be appointed to the Management Committee:

1. Cr John Chester
2. Cr Nige Jones
3. Cr Tony Krsticevic
4. Cr Suzanne Migdale
5. Cr Bianca Sandri
6. Cr Andre Timmermanis

Management Committee meetings are held bi-monthly, between Council meetings.

At the Management Committee meeting of 11 November 2021 Cr Perkov attended the meeting as an observing Councillor. Cr Perkov expressed his interest in being appointed as a member of the Management Committee. Councillors present at the Management Committee informally resolved to put a recommendation to the next Ordinary Council Meeting that Cr Perkov be appointed to the Management Committee.

COMMENT

It is proposed to appoint Cr Perkov to be an additional member of the Management Committee. Appointing Cr Perkov to the Committee would increase the number of Committee members, which would have the effect of better ensuring the Committee's meetings achieve quorum.

7.13 ACKNOWLEDGEMENT OF COUNTRY AT COUNCIL MEETINGS

Responsible Officer: Chief Executive Officer

Attachments: Nil

Voting Requirements: Simple Majority

RECOMMENDATION

1. That the Council **ADOPTS** the practice of giving an Acknowledgement of Country during the preliminaries of each Council meeting.
 2. That the Acknowledgement of Country take the following form:
“On behalf of Councillors, we would like to acknowledge the traditional custodians of this land, the Wadjak people of the Nyoongar nation, on which this meeting is taking place and show our respect for Elders past, present and emerging.”
-

PURPOSE

To propose that Council adopt the practice of giving an Acknowledgement of Country prior to the commencement of Council meetings.

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

N/A

PREVIOUS MINUTES

Nil

FINANCIAL/BUDGET IMPLICATIONS

N/A

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 2	Risk Rating:
Strategic - Stable and effective governance environment.	Moderate
Action:	
TPRC provide reports/information to Council Meetings.	

BACKGROUND

At a Councillor Workshop held on 25 November 2021 Councillors indicated support for Tamala Park Regional Council including an Acknowledgement of Country in its meeting preliminaries.

The simplest and most effective means to give effect to this is for Council to pass a resolution which states that Council will adopt this practice.

COMMENT

The practice of giving an Acknowledgement of Country prior to the commencement of a meeting is already well established at many Councils, and in State and Federal Parliaments. The Western Australian Legislative Assembly amended its Standing Orders to include an Acknowledgement of Country in 2018, and the House of Representatives introduced the practice in 2010.

An Acknowledgment of Country is a way of showing awareness of, and respect for, the traditional owners of the land on which a meeting or event is being held. The land that Tamala Park Regional Council holds is in a region that has been home to Wadjak people for over 40,000 years. Wadjak is one of 14 language groups that are part of the Noongar nation which covers the south west of Western Australia. Introducing an Acknowledgement of Country would recognise the Wadjak people of the Noongar Nation as the original custodians of the land.

The Minister for Local Government, as part of the proposed reforms to the *Local Government Act 1995*, has indicated that meeting procedures will be standardised for all Council meetings. An Acknowledgement of Country will be part of these standardised meeting procedures. Introducing this practice will simply establish a procedure which will be compulsory once the Minister's proposed reforms take effect.

The form of the Acknowledgement is taken from the words used prior to City of Stirling Council Meetings. It is for Council to decide if they support this wording. An alternative approach would be to delete the form of words from the recommendation and leave this up to the Councillor giving the Acknowledgement.

CONCLUSION

Including an Acknowledgement of Country in its meeting preliminaries would bring TPRC in line with modern meeting practices in place at a number of different levels of government in Australia.

8. COMMITTEE REPORTS 8.1 - 8.6

MANAGEMENT COMMITTEE (11 NOVEMBER 2021)

8.1 PURCHASER TERMS AND CONDITIONS – CATALINA BEACH AND CATALINA CENTRAL

Responsible Officer: Manager Project Coordination

Attachments: Nil

Voting Requirements: Simple Majority

MANAGEMENT COMMITTEE RECOMMENDATION

Moved Cr Chester, Seconded Cr Jones

That Council:

- 1. APPROVES the following Purchaser Terms/Conditions and Incentives for all public and builder release lots in Catalina Beach and Catalina Central for the period December 2021 to August 2022:**
 - 1.1 Use of the REIWA Offer and Acceptance Contract with Special Conditions and Annexure.**
 - 1.2 A \$2,000 deposit to be used in the Sales Contracts for lots in Catalina Central and a \$5,000 deposit to be used in the Sales Contracts for lots in Catalina Beach.**
 - 1.3 A finance approval period, where finance is required, of 60 days for lots in Catalina Central and 45 days for lots in Catalina Beach.**
 - 1.4 A 21-day settlement period from finance approval or the issue of titles, whichever is the later.**
 - 1.5 A waterwise landscaping package to the front garden.**
 - 1.6 A \$2,000 rebate for all homes constructed with a minimum 3.0kw capacity photovoltaic solar power system, with an additional \$1,000 rebate paid where the system includes integrated battery storage.**
 - 1.7 Side and rear boundary fencing (behind the building line).**
 - 1.8 A \$1,000 rebate for all homes that include appropriate WELS rated fittings and fixtures.**
 - 1.9 Sales incentives (Items 1.5 – 1.8) subject to homes being constructed in accordance with the approved applicable Design Guidelines within 24 months of settlement for single storey homes and 30 months of settlement for two storey homes.**
- 2. REQUESTS the Satterley Property Group to review the Purchaser Terms/Conditions and Incentives for Catalina Beach and Catalina Central lots and provide a report to the Council for consideration in August 2022.**

The Motion was put and declared CARRIED (4/0).

PURPOSE

To consider purchaser terms, conditions and incentives for the sale of Catalina Beach and Catalina Central lots for the period between December 2021 and August 2022.

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

Local Government Act 1995: Sect 3.58 – Disposal of Property.

PREVIOUS MINUTES

- Council Meeting – 19 August 2021 (Item 8.3 Purchaser Terms and Conditions – Catalina Green)
- Council Meeting – 10 December 2020 (Item 8.10 Review of Purchaser Terms and Conditions)

FINANCIAL/BUDGET IMPLICATIONS

Expenditure under this matter will be incurred under the following budget items:

Item E145216 (Direct Selling Expenses):

Budget Amount:	\$ 4,224,632
Spent to Date:	\$ 620,707
Balance:	\$ 3,623,925

Expenditure to date figure current to 31 October 2021.

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 3	Risk Rating:
Development Project – Development Manager Ability to deliver	Moderate
Action:	
Development Manager to prepare for approval strategies and plans.	

Approval of the purchaser terms, conditions and incentives for the sale of lots in Catalina Beach and Catalina Central will establish sales contract requirements.

BACKGROUND

At its meeting of 10 December 2020, the Council approved purchaser terms, conditions and incentives to apply to the sale of lots in Catalina Beach and Catalina Central between December 2020 and December 2021. The Council also resolved to request that the Satterley Property Group (Satterley) provide a report on the recommended purchaser terms, conditions and incentives for the sale of lots in Catalina Green lots prior to the launch of sales in the Precinct.

At its meeting of 19 August 2021, the Council approved purchaser terms, conditions and incentives for the sale of lots in Catalina Green for the period to August 2022.

COMMENT

Satterley has reviewed the current purchaser terms, conditions and incentives for the sale lots in Catalina Beach and Catalina Central and considers that they have operated well during the past twelve months. It recommends that they be maintained, with the following proposed changes:

- Revisions to the rebate for installation of solar energy systems are recommended. The minimum size of the system to be eligible for a \$2,000 rebate is proposed to increase from 1.5kW to 3.0kW, as contemporary solar installations typically incorporate power generation capabilities of at least 3.0kW. An additional \$1,000 rebate is also proposed where battery storage is included. This approach is intended to increase the sustainability credentials of the Estate.
- The period of eligibility for redemption of sales incentives, fencing and landscaping packages and solar and water efficient fittings/appliances rebates, is recommended to be increased due to extended building construction timeframes resulting from high levels of activity in the building industry, as follows:
 - Single-storey homes completion period to be extended from 18 months to 24 months;
 - Double-storey homes completion period extended from 24 months to 30 months.

In respect to the proposed changes to the solar package incentive, the Council should note the following:

- Purchasers of 14 of 26 dwellings completed in the past 12 months in Catalina redeemed the rebate for installation of solar panel systems, a take-up rate of 54%. This represents an increase from 40% in the previous year. 508 of the 935 homes completed as at 14 August 2021 appeared from aerial photography to have had rooftop solar panels installed, representing 54% of completed homes.
- To achieve a system capable of generating 3kW of energy, 10 to 12 solar panels are required, covering a roof area of approximately 25m² - 30m². Most homes built in Catalina would be capable of accommodating a 3.0kW system. The most common size of solar panel systems installed over the past 12 months has been 5.5kW to 6.6kW (18-20 panels).

In respect to the proposed extended eligibility period to redeem sales incentives, Satterley advises that this is necessary as a result of increased building construction timeframes due to a high volume of sales and skilled labour and materials shortages. It considers the ability for purchasers to redeem sales incentives is important for the environmental credentials and the overall street appeal of Catalina Estate. Satterley is concerned that if purchasers are unable to claim the uniform fencing and landscaping packages due to building delays, there is a chance that homes will appear unfinished which will impact on Estate presentation and potentially affect sales. It is also concerned that if there is not sufficient take-up of sustainability initiatives like solar panels and WELS incentives, the Estate's accreditation as a 6-element UDIA EnviroDevelopment project could be affected.

The proposed changes to the purchaser terms, conditions and incentives for the sale of lots in Catalina Beach and Catalina Central accord with those approved by the Council in August 2021 for Catalina Green.

The following table outlines the purchaser terms, conditions and incentives for all three Catalina Precincts:

	Catalina Beach	Catalina Central	Catalina Green
Deposit	\$5,000	\$2,000	\$2,000
Period for finance approval	45 days	60 days	60 days
Period for finance extension	28 days	28 days	28 days
Settlement	21 days	21 days	21 days
Fencing	Side and Rear	Side and Rear	Side and Rear
Landscaping	Front	Front	Front
Solar (PV)	\$2,000 (min 3.0kW); or \$3,000 (min 3.0kW with battery)	\$2,000 (min 3.0kW); or \$3,000 (min 3.0kW with battery)	\$2,000 (min 3.0kW); or \$3,000 (min 3.0kW with battery)
Water (WELs)	\$1,000	\$1,000	\$1,000

The only items of variation between the Precincts are a higher deposit requirement and shorter finance approval period in Catalina Beach (\$5,000 and 45 days respectively), compared to Catalina Central and Catalina Green (\$2,000 and 60 days).

Satterley recommends this approach as house and land packages in Catalina Beach are typically of a higher value than in Catalina Central and Catalina Green. The \$5,000 deposit in Catalina Beach ensures that committed and qualified purchasers register for lots and helps to mitigate the risk of prospective purchasers with insufficient borrowing capacity registering and subsequently being unable to obtain finance approval, while the \$2,000 deposit in Catalina Central and Catalina Green has been well-received by prospective purchasers where the majority of sales are being sourced through builder contracts, which usually involves the purchaser obtaining finance for a house and land package. Reduced deposit requirements and a longer period provided to prepare house plans and complete finance applications assists to finalise sales.

CONCLUSION

Satterley considers that the sales incentives offered previously in Catalina Beach and Catalina Central have been well received by purchasers, incentivise the early construction of homes, encourage sustainability and promote quality streetscapes.

Satterley has recommended that they be maintained, with minor changes proposed to the solar energy rebate to reflect contemporary consumer requirements and enhance Catalina's sustainability credentials and an extended period of eligibility for redemption of sales incentives as a result of increased building construction timeframes in Perth.

The utilisation of the sales incentives, in particular the fencing and landscaping packages, is important to maintain a high project presentation. It is also noted that the sales incentives are integral to retaining Catalina's 6-element UDIA EnviroDevelopment accreditation.

The costs associated with the purchaser terms, conditions and incentives are accommodated in the approved TPRC Budget FYE 2022.

It is recommended that the current purchaser terms, conditions and incentives be maintained for Catalina Beach and Catalina Central for the period from December 2021 to August 2022, with minor changes to the solar energy rebate and period of eligibility for redemption of sales incentives, as recommended by Satterley.

It is also recommended that Satterley be requested to review the purchaser terms, conditions and incentives for the sale of lots in Catalina Beach and Catalina Central for the Council's consideration in August 2022, to coincide with the review also required at that time of the purchaser terms, conditions and incentives for the sale of lots in Catalina Green.

AUDIT COMMITTEE (11 OCTOBER 2021)

8.2 REVIEW OF THE AUDITOR'S REPORT FOR THE FINANCIAL YEAR ENDED JUNE 2021

Responsible Officer:	Chief Executive Officer
Attachments:	1. Tamala Park Audit Report 2021 2. Management Representation Letter 2021
Voting Requirements:	Simple Majority

AUDIT COMMITTEE RECOMMENDATION

That the Council:

1. **RECEIVES** the Auditor's Report for the financial year ended 30 June 2021.
2. In relation to Item 2 - Presentation of Financial Activity Statement to Council **APPROVES** the Audit Committee meeting on a bi-monthly basis, on alternative months to Council meetings, to consider Statements of Financial Activity; and that the monthly Statements of Financial Activity be circulated to Council members on a monthly basis.
3. **NOTES** that the Council's Auditor (Office of the Auditor General) met with the Audit Committee at its meeting of 11 October 2021 to discharge the statutory obligation to meet with the Audit Committee at least once per annum.

The Chair put Recommendations 1, 2 and 3 separately.

That the Council:

Moved Cr Taylor, Seconded Cr Timmermanis

1. **RECEIVES** the Auditor's Report for the financial year ended 30 June 2021.

The Motion was put and declared CARRIED (5/0).

Moved Cr Sandri, Seconded Cr Lagan

2. In relation to Item 2 - Presentation of Financial Activity Statement to Council **APPROVES** the Audit Committee meeting on a bi-monthly basis, on alternative months to Council meetings, to consider Statements of Financial Activity; and that the monthly Statements of Financial Activity be circulated to Council members on a monthly basis.

The Motion was put and declared CARRIED (5/0).

Moved Cr Taylor, Seconded: Cr Sandri

3. **NOTES that the Council’s Auditor (Office of the Auditor General) met with the Audit Committee at its meeting of 11 October 2021 to discharge the statutory obligation to meet with the Audit Committee at least once per annum.**

The Motion was put and declared CARRIED (5/0).

PURPOSE

To facilitate review of the Auditor’s Report as required by Regulation.

LEGISLATION REFERENCE

- *Local Government Act Section 7.9(3)*
- *Local Government Act Section 7.12(3)*
- *Local Government (Audit) Regulations 10.4*

Audit PREVIOUS MINUTES

- Council Meeting – 8 October 2020 (Item 9.10 Review of the Auditor’s Report for the Financial Year Ended 30 June 2020)
- Council Meeting – 17 October 2019 (Item 9.10: Review of the Auditor’s Report for the Financial Year Ended 30 June 2019)

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 7	Risk Rating:
TPRC Operations – Internal Controls	Low
Action / Strategy to Manage:	
Management Policies and Procedures reviewed and approved by Council.	

FINANCIAL AND RESOURCE IMPLICATIONS

Nil

BACKGROUND

The *Local Government (Audit) Regulations* require the Council’s appointed Auditor to prepare an Auditor’s Report.

Following proclamation of the *Local Government Amendment (Auditing) Act 2017*, the Auditor General is responsible for the annual financial report audit of Tamala Park Regional Council for the financial year ended 30 June 2021.

Butler Settineri has been contracted by the Auditor General to perform Tamala Park Regional Council’s financial report audit on the Auditor General’s behalf for the year ending 30 June 2021.

The report is to give the Auditor’s opinion of:

- (a) The financial position of the local government;
- (b) The results of the operations of the local government.

DETAILS / DISCUSSION

The Office of the Auditor General's appointed Auditor (Butler Settineri) has completed its assessment for the financial year ending 30 June 2021.

However, the Auditor has raised an item to be noted by Council.

Presentation of Financial Activity Statement to Council

Finding:

We note that the Statement of Financial Activity and the accompanying documents for May 2020, July 2020 and November 2020 was not presented at an ordinary meeting of Council within two months after the end of the month to which the statement relates as required by *Local Government (Financial Management) Regulations 1996 Regulation 34(4)*.

The Statement of Financial Activity and the accompanying documents were presented to the at the ordinary meeting of Council three months after the end of the month to which the statement relates due to the Council meetings only held every two months.

Rating: Moderate

Implication:

Non-compliance with Regulation 34(4) of *Local Government (Financial Management) Regulations 1996*.

Recommendation:

Recommendation noted.

We recommend that the monthly Statements of Financial Activity be submitted at the ordinary meetings of the Council in accordance with the requirements under Regulation 34(4) of the *Local Government (Financial Management) Regulations 1996*.

Management's Comments:

The non-compliance with the requirements of Regulation 34(4) of *Local Government (Financial Management) Regulations 1996* is a direct result of the Tamala Park Regional Council meeting on a bi-monthly basis, which does not allow sufficient time for the monthly statement of financial activity to be prepared and presented to Council within the 2-month period specified. This results in 6 of the 12 monthly Statements of Financial Activity not meeting the required timeframe.

It is noted that the monthly Statements of Financial Activity are prepared by the TPRC and by Moore Australia (TPRC accountants) and available for Council's consideration within the prescribed timeframe.

In order to mitigate this Council approved the Audit Committee meeting on a bi-monthly basis, on alternative months to Council meetings, to consider Statements of Financial Activity. This has occurred at the Audit Committee meetings throughout the year. Whilst implementation of these recommendations did not result in strict compliance with the requirements under Regulation 34 (4), from an oversight and a risk management perspective it has minimised the risks arising from the delay in Council's consideration of the monthly Statements of Financial Activity.

Responsible Person: Chief Executive Officer

Completion Date: Ongoing

CONCLUSION

That the Council

1. RECEIVES the Auditor's Report for the financial year ended 30 June 2021.
2. In relation to Item 2 - Presentation of Financial Activity Statement to Council APPROVES the Audit Committee meeting on a bi-monthly basis, on alternative months to Council meetings, to consider Statements of Financial Activity; and that the monthly Statements of Financial Activity be circulated to Council members on a monthly basis.
3. NOTES that the Council's Auditor (Office of the Auditor General) met with the Audit Committee at its meeting of 11 October 2021 to discharge the statutory obligation to meet with the Audit Committee at least once per annum.

AUDIT COMMITTEE (1 DECEMBER 2021)

8.3 AUDITOR'S REPORT FYE 2021 – SIGNIFICANT ADVERSE TREND, ASSET SUSTAINABILITY and OPERATING SURPLUS RATIOS

Responsible Officer: Chief Executive Officer

Attachments: 1. Council Report on Significant Adverse Trend
2. Auditor's Report FYE 2021 (attached at Appendix 8.2)

Voting Requirements: Simple Majority

AUDIT COMMITTEE RECOMMENDATION

Moved Cr Treby, Seconded Cr Krsticevic.

That the Council:

1. **NOTES** the Council Report on Significant Adverse Trend addressing matters identified as significant by the TPRC auditor in the Audit Report FYE 2021, attached at Appendix 8.3.
2. **AUTHORISES** a copy of the Council Report on Significant Adverse Trend to be forwarded to the Minister for Local Government, Sport and Cultural Industries and be published on the TPRC official website.

The Motion was put and declared CARRIED (5/0).

PURPOSE

To endorse the Council Report on Significant Adverse Trend to the Minister for Local Government, Sport and Cultural Industries in relation to the Audit Report FYE 2021 and the Asset Sustainability and Operating Surplus Ratios.

LEGISLATION REFERENCE

- *Local Government Act Section 7.12AD* – Auditor is to provide a copy of the Audit Report within 30 days of completion to the Chair, the CEO and the Minister.
- *Local Government Act Section 7.12A(3)* – Local Government required to take action on matters raised in Audit Report.
- *Local Government (Audit) Regulations 10(4)* – Auditor may prepare a Management Report in addition to the Audit Report and copy to Chair, the CEO and the Minister.

FINANCIAL AND RESOURCE IMPLICATIONS

Nil

PREVIOUS MINUTES

Council Meeting – 15 August 2019 (Item 9.9 - Auditor’s Report FYE 2018 - Significant Adverse Trend, Asset Sustainability Ratio)

POLICY REFERENCE

TPRC Audit Charter 6(f) and (h)

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 7 and 8	Risk Rating:
TPRC Operations - Internal controls TPRC Operations – Financial Management of TPRC	Low
Actions:	
Independent oversight by external financial management practices; Annual Internal and External audits;	

The consideration of any significant adverse trends noted in the Audit Report FYE 2021 is required under the *Local Government Act 1995*.

BACKGROUND

Under the *Local Government Act 1995* (the Act), local governments are required to prepare an audited Annual Financial Report each financial year.

The TPRC’s 2020/2021 Audit Report, attached at Appendix 8.2, was received from the Office of the Auditor General on 14 October 2021.

Section 7.12(A)(4) of the Act requires that a local government must:

- (a) *prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and*
- (b) *give a copy of that report to the Minister within 3 months after the audit report is received by the local government.*

Section 7.12(A)(5) further requires that:

Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government’s official website.

DETAILS / DISCUSSION

A key audit requirement is for the auditor to identify any financial trends which it considers adverse and of concern. For the 30 June 2021 year, the auditor has raised the following significant matter:

The Asset Sustainability and Operating Surplus Ratios are below the Department of Local Government, Sport and Cultural Industries standard for the Financial Years 2020-21 and 2019-20. The financial ratios are reported at Note 26 to the financial report.

It is acknowledged that the Asset Sustainability and Operating Surplus Ratios are below the DLGSCI’s standard.

The asset sustainability ratio within the 2020-21 Annual Financial Report was as follows:

- 2021 – 0.34
- 2020 – 0.00
- 2019 – 2.10

The departmental guide states the basic minimum for this ratio is 0.90.

The operating surplus ratio within the 2020-21 Annual Financial Report was as follows:

- 2021 – (1.20)
- 2020 – (0.21)
- 2019 – 0.02

The departmental guide states the basic minimum for this ratio is 0.00.

The Asset Sustainability Ratio is an indication of whether the local government is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.

The improvements to the leasehold property represent the largest portion of the asset base. These improvements given the nature of a very small office would not be expected to be renewed at any stage.

This ratio can only realistically be improved by decreasing rates of depreciation (by increasing the useful life of assets) and increasing the amount of capital expenditure on renewal projects. This ratio is worsened in years where there is less than normal expenditure on 'renewal' items.

The Operating Surplus Ratio is a measure of the local government's ability to cover its operational cost and have revenues available for capital funding or other purposes.

It is typical of regional Councils to have an operating surplus ratio that does not meet the minimum requirements. This is due to the often very small asset base of a regional Council which can result in significant fluctuations with some assets very rarely renewed such as Furniture and Equipment.

The financial ratios need to be considered within the overall context of the financial report.

The management of the TPRC operational assets is regularly considered by Moore Australia, TPRC accountants, and considered to be appropriate.

It is noted that the expenditure and management of TPRC assets is consistent with the Council approved Asset Management Plan 2019, approved by Council in February 2020.

CONCLUSION

Council is very aware of its ratio performance in relation to benchmarks set by the Department. The requirement to produce this report as an outcome of an identified adverse trend is likely to occur again for the TPRC. However, TPRC will need to make prudent financial considerations with regards to asset renewal given the very small asset base which generally does not need annual replacement.

8.4 TPRC ANNUAL FINANCIAL REPORT FOR THE YEAR 1 JULY 2020 TO 30 JUNE 2021

Responsible Officer:	Chief Executive Officer
Attachments:	Audited Annual Financial Report FYE 2021
Voting Requirements:	Simple Majority

AUDIT COMMITTEE RECOMMENDATION

Moved Cr Krsticevic, Seconded Cr Treby.

That the Council RECEIVES the Annual Financial Report for the year ended 30 June 2021 and that it be INCLUDED in the Annual Report.

The Motion was put and declared CARRIED (5/0).

PURPOSE

To consider the Annual Financial Report of the TPRC for the year ended 30 June 2021.

LEGISLATION REFERENCE

- *Local Government Act 1995: S6.4* - Requires Local Government to prepare annual Financial Report in prescribed form; balanced accounts and financial report for preceding year to be submitted to Auditor by 30 September.
- *Local Government Act 1995: S7.2* - Requires accounts and financial report to be audited by an auditor appointed [according to prescribed procedures] by the Local Government.
- *Local Government Act 1995: S7.9* - Requires Auditor to provide report on accounts and financial report to Chairman, CEO and Minister by 31 December.
- Regs - *Local Government (Audit) 1996 R 9* Sets out Criteria for Conduct of Audit.
- Guideline 18 - Financial Ratios - Describes Financial Ratios required in financial reports.
- Regs - *Local Government (Financial Management) 1996: R36-49* prescribes report inclusions.
- Regs - *Local Government (Financial Management) 1996: R50* - CEO to forward copy of Financial Report to Executive Director within 30 Days of Audit.
- *Local Government (Audit) Regs 1996: Reg 14* Compliance Audit Item.

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 7	Risk Rating:
TPRC Operations – Internal Controls	Low
Action / Strategy to Manage:	
Annual Financial Review and Mid-Year Reviews independently prepared and approved by Council.	

The preparation of the TPRC Annual Financial Report is required to comply with Section 6.4 of the *Local Government Act 1995*.

FINANCIAL AND RESOURCE IMPLICATIONS

Nil

BACKGROUND

An Annual Financial Report is required to provide a comprehensive outline of financial activities of the TPRC for the public record and public inspection.

A series of legislative requirements must be observed in preparing the Annual Financial Report.

The Annual Financial Report must be submitted for audit and included in the Council Annual Report for adoption no later than 31 December.

DETAILS / DISCUSSION

The TPRC accounts for the financial year have been balanced, the financial report has been prepared by Moore Australia – Accountants and reviewed by Dom Carbone & Associates. The accounts and report have been submitted to the Office of the Auditor General appointed Auditor (Butler Settineri) for review.

The Auditor has completed audit of the documents and has provided the required management report which is required to be presented to the Chair of the Council, the CEO and the Minister for Local Government. The Auditor's Report was considered by the Audit Committee at its meeting of 6 October 2021.

The accounts are in balance. The adverse trend noted by the auditor is addressed in Item 8.3 of this Agenda.

CONCLUSION

That the Council RECEIVES the Annual Financial Report for the year ended 30 June 2021 and that it be INCLUDED in the Annual Report.

8.5 PAYMENT OF ACCOUNTS & SECURITY OF PAYMENT INSTRUMENTS POLICY REVIEW

Responsible Officer:	Chief Executive Officer
Attachments:	Payment of Accounts & Security of Payment Instruments Policy (November 2021)
Voting Requirements:	Simple Majority

AUDIT COMMITTEE RECOMMENDATION

Moved Cr Wallace, Seconded Cr Fleeton.

That the Council APPROVES the Payment of Accounts & Security of Payment Instruments Policy (November 2021).

The Motion was put and declared CARRIED (5/0).

PURPOSE

To review the Payment of Accounts & Security of Payment Instruments Policy.

LEGISLATION REFERENCE

Local Government (Functions & General) Regs1996, Part 4, Division 1 (Purchasing Policies)

PREVIOUS MINUTES

- Council Meeting – 20 August 2020 (Item 9.2 - Payment of Accounts & Security of Payment Instruments Policy Review)
- Council Meeting – 17 October 2019 (Item 9.12 - Payment of Accounts & Security of Payment Instruments Policy Review)

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 7	Risk Rating:
TPRC Operations – Internal Controls	Low
Action / Strategy to Manage:	
Management Policies and Procedures reviewed and approved by Council.	

The review and endorsement of the Payment of Accounts & Security of Payment Instruments Policy is necessary to comply with *Local Government (Functions & General) Regulations* and to achieve good governance oversight.

FINANCIAL AND RESOURCE IMPLICATIONS

Nil

BACKGROUND

At its meeting of 20 August 2020, the Council approved the Payment of Accounts & Security of Payment Instruments Policy (August 2020) consistent with the *Local Government Regulations*.

DETAILS / DISCUSSION

The Payment of Accounts & Security of Payment Instruments Policy has operated satisfactorily, and the Council's Auditors have raised no issues in relation to the Policy.

CONCLUSION

No changes are proposed and the Payment of Accounts & Security of Payment Instruments Policy (November 2021) is recommended for adoption.

8.6 PETTY CASH POLICY REVIEW

Responsible Officer:	Chief Executive Officer
Attachments:	Petty Cash Policy (November 2021)
Voting Requirements:	Simple Majority

AUDIT COMMITTEE RECOMMENDATION

Moved Cr Krsticevic, Seconded Cr Wallace.

That the Council APPROVES the Petty Cash Policy (November 2021).

The Motion was put and declared CARRIED (5/0).

PURPOSE

To review the Petty Cash Policy consistent with Local Government Regulations.

LOCAL GOVERNMENT ACT/REGULATION

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

PREVIOUS MINUTES

- Council Meeting – 20 August 2020 (Item 9.4 – Petty Cash Policy Review)
- Council Meeting – 17 October 2019 (Item 9.14 – Petty Cash Policy Review)

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 7	Risk Rating:
TPRC Operations - Internal Controls	Low
Action:	
Management Policies and Procedures reviewed and approved by Council.	

The review and endorsement of the Petty Cash Policy is necessary to comply with *Local Government (Financial Management) Regulations* and to achieve good governance oversight.

FINANCIAL AND RESOURCE IMPLICATIONS

Nil

BACKGROUND

The Council approved the Petty Cash Policy (August 2020) at its meeting of 20 August 2020.

DETAILS / DISCUSSION

No changes are proposed to the Petty Cash Policy. The Petty Cash Policy (November 2021) is recommended for adoption.

9. ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN
10. QUESTIONS BY ELECTED MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN
11. URGENT BUSINESS APPROVED BY THE CHAIR
12. GENERAL BUSINESS
13. DECISION TO MOVE TO CONFIDENTIAL SESSION

That the Council:

Move into Closed Session and exclude members of the press and public from the meeting of the Closed Session and access to the correspondence and reports relating to the items considered during the course of the Closed Session be withheld. This action is taken in accordance with Section 5.23 of the *Local Government Act 1995*, as item 13.1 - MRC Landfill Buffer - Groundwater Monitoring Results Update comes within the following provision:

- d) *legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting;*

14. FORMAL CLOSURE OF MEETING

APPENDICES

Appendix 7.2

TAMALA PARK REGIONAL COUNCIL
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the period ending 31 October 2021

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

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**KEY TERMS AND DESCRIPTIONS
FOR THE PERIOD ENDED 31 OCTOBER 2021**

STATUTORY REPORTING PROGRAMS

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

PROGRAM NAME AND OBJECTIVES

ACTIVITIES

GOVERNANCE

To provide good governance to the Regional Council

Member of Council allowances and reimbursements and administration expenses

GENERAL PURPOSE FUNDING

To collect interest on investments

Interest revenue

OTHER PROPERTY AND SERVICES

To monitor and control Council's overheads on operating accounts

Other unclassified activities

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2021**

STATUTORY REPORTING PROGRAMS

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	2(c)	53,551,892	53,551,892	53,268,678	(283,214)	(0.53%)	
Revenue from operating activities							
General purpose funding - other		337,115	112,371	257,315	144,944	128.99%	▲
Other property and services		22,380	7,460	55,245	47,785	640.55%	▲
		359,495	119,831	312,560	192,729		
Expenditure from operating activities							
Governance		(171,005)	(43,588)	(39,269)	4,319	9.91%	
Other property and services		(1,068,040)	(416,029)	(283,610)	132,419	31.83%	▲
		(1,239,045)	(459,617)	(322,879)	136,738		
Non-cash amounts excluded from operating activities	2(a)	56,207	18,735	(5,055,000)	(5,073,735)	(27081.59%)	▼
Amount attributable to operating activities		(823,343)	(321,051)	(5,065,319)	(4,744,268)		
Investing Activities							
Proceeds from disposal of assets	7	60,500	60,500	55,000	(5,500)	(9.09%)	
Payments for property, plant and equipment and infrastructure	8	(5,000)	0	0	0	0.00%	
Amount attributable to investing activities		55,500	60,500	55,000	(5,500)		
Financing Activities							
Payments of member contributions	1	(45,814,343)	(10,004,106)	(3,168,491)	6,835,615	68.33%	▲
Proceeds from member contributions	1	34,575,138	5,247,529	10,632,300	5,384,771	102.62%	▲
Payments of GST Withheld	1	(2,524,805)	(551,321)	(584,115)	(32,794)	(5.95%)	
Payments for principal portion of lease liabilities	1	(36,000)	(11,571)	(11,911)	(340)	(2.94%)	
Payments of profit distribution	1	(10,000,000)	0	0	0	0.00%	
Payments of contribution refund	1	(280,000)	0	0	0	0.00%	
Proceeds from rates equivalent	1	0	0	(19,411)	(19,411)	0.00%	▼
Amount attributable to financing activities		(24,080,010)	(5,319,469)	6,848,372	12,167,841		
Closing funding surplus / (deficit)	2(c)	28,704,039	47,971,872	55,106,731			

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold. Refer to Note 2 threshold. Refer to Note 11 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2021-22 year is \$5,000 or 10.00% whichever is the greater.

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

**KEY TERMS AND DESCRIPTIONS
FOR THE PERIOD ENDED 31 OCTOBER 2021**

NATURE OR TYPE DESCRIPTIONS

REVENUE

INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

PROFIT ON ASSET DISPOSAL

Excess of assets received over the net book value for assets on their disposal.

EXPENSES

EMPLOYEE COSTS

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Shortfall between the value of assets received over the net book value for assets on their disposal.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets.

OTHER EXPENDITURE

Statutory fees, taxes, allowance for impairment of assets, member's fees or State taxes. Donations and subsidies made to community groups.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2021**

BY NATURE OR TYPE

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	2(c)	53,551,892	53,551,892	53,268,678	(283,214)	(0.53%)	
Revenue from operating activities							
Interest earnings		337,115	112,371	253,388	141,017	125.49%	▲
Other revenue		22,380	7,460	4,172	(3,288)	(44.08%)	
Profit on disposal of assets	7	0	0	55,000	55,000	0.00%	▲
		359,495	119,831	312,560	192,729		
Expenditure from operating activities							
Employee costs		(648,534)	(221,630)	(219,814)	1,816	0.82%	
Materials and contracts		(338,762)	(156,231)	(55,612)	100,619	64.40%	▲
Utility charges		(6,663)	(2,223)	0	2,223	100.00%	
Depreciation on non-current assets		(56,207)	(18,735)	0	18,735	100.00%	▲
Interest expenses		(1,000)	(336)	(72)	264	78.57%	
Insurance expenses		(16,874)	(16,874)	(10,773)	6,101	36.16%	▲
Other expenditure		(171,005)	(43,588)	(36,608)	6,980	16.01%	▲
		(1,239,045)	(459,617)	(322,879)	136,738		
Non-cash amounts excluded from operating activities	2(a)	56,207	18,735	(5,055,000)	(5,073,735)	(27081.59%)	▼
Amount attributable to operating activities		(823,343)	(321,051)	(5,065,319)	(4,744,268)		
Investing activities							
Proceeds from disposal of assets	7	60,500	60,500	55,000	(5,500)	(9.09%)	
Payments for property, plant and equipment and infrastructure	8	(5,000)	0	0	0	0.00%	
Amount attributable to investing activities		55,500	60,500	55,000	(5,500)		
Financing Activities							
Payments of member contributions	1	(45,814,343)	(10,004,106)	(3,168,491)	6,835,615	68.33%	▲
Proceeds from member contributions	1	34,575,138	5,247,529	10,632,300	5,384,771	102.62%	▲
Payments of GST Withheld	1	(2,524,805)	(551,321)	(584,115)	(32,794)	(5.95%)	
Payments for principal portion of lease liabilities	1	(36,000)	(11,571)	(11,911)	(340)	(2.94%)	
Payments of profit distribution	1	(10,000,000)	0	0	0	0.00%	
Payments of contribution refund	1	(280,000)	0	0	0	0.00%	
Proceeds from rates equivalent	1	0	0	(19,411)	(19,411)	0.00%	▼
Amount attributable to financing activities		(24,080,010)	(5,319,469)	6,848,372	12,167,841		
Closing funding surplus / (deficit)	2(c)	28,704,039	47,971,872	55,106,731	7,134,859		

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold.

Refer to Note 11 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

BASIS OF PREPARATION

REPORT PURPOSE

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996, Regulation 34*. Note: The statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of preparation.

BASIS OF ACCOUNTING

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

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.

PREPARATION TIMING

Date prepared: All known transactions up to 11 November 2021

SIGNIFICANT ACCOUNTING POLICES

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements.

GOODS AND SERVICES TAX

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.

ROUNDING OFF FIGURES

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

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2021

NOTE 1
CONTRIBUTED EQUITY

Movement in Financing Activities as Represented by:

	Land Sales Year to Date 31 October 2021	Development Expenses Year to Date 31 October 2021	Contributed Equity Year to Date 2021	Return of Contribution Year to Date 2021	Rates Equivalent Year to Date 2021	Payments of Lease Liabilities Year to Date 2021	GST Withheld Year to Date 2021	Total Movement Year to Date 2021
Town of Victoria Park	\$ 886,025	\$ (264,041)	\$ 0	\$ 0	\$ (19,411)	(993)	(48,676)	552,904
City of Perth	886,025	(264,041)	0	0	0	(993)	(48,676)	572,315
Town of Cambridge	886,025	(264,041)	0	0	0	(993)	(48,676)	572,315
City of Joondalup	1,772,050	(528,082)	0	0	0	(1,985)	(97,353)	1,144,630
City of Wanneroo	1,772,050	(528,082)	0	0	0	(1,985)	(97,353)	1,144,630
Town of Vincent	886,025	(264,041)	0	0	0	(993)	(48,676)	572,315
City of Stirling	3,544,100	(1,056,163)	0	0	0	(3,970)	(194,705)	2,289,262
Total	10,632,300	(3,168,491)	0	0	(19,411)	(11,911)	(584,115)	6,848,372

	Land Sales Adopted Budget	Development Expenses Adopted Budget	Contributed Equity Adopted Budget	Return of Contribution Adopted Budget	Rates Equivalent Adopted Budget	Payments of Lease Liabilities Adopted Budget	GST Withheld Adopted Budget	Total Movement Adopted Budget
	\$ 2,881,262	\$ (3,817,862)	\$ (833,333)	\$ (23,333)	\$ 0	\$ (3,000)	\$ (210,400)	(2,006,668)
	2,881,262	(3,817,862)	(833,333)	(23,333)	0	(3,000)	(210,400)	(2,006,668)
	2,881,262	(3,817,862)	(833,333)	(23,333)	0	(3,000)	(210,400)	(2,006,668)
	5,762,523	(7,635,724)	(1,666,667)	(46,667)	0	(6,000)	(420,801)	(4,013,335)
	5,762,523	(7,635,724)	(1,666,667)	(46,667)	0	(6,000)	(420,801)	(4,013,335)
	2,881,262	(3,817,862)	(833,333)	(23,333)	0	(3,000)	(210,400)	(2,006,668)
	11,525,046	(15,271,448)	(3,333,333)	(93,333)	0	(12,000)	(841,602)	(8,026,670)
	34,575,138	(45,814,343)	(10,000,000)	(280,000)	0	(36,000)	(2,524,805)	(24,080,010)

Movement in Total Equity Represented by:

	Closing Balance 30 June 2021	Movement in Contributed Equity		Year to Date 2021
		Equity	Net Result	
	\$ 4,490,196	552,904	(860)	\$ 5,042,240
	4,490,196	572,315	(860)	5,061,651
	4,490,196	572,315	(860)	5,061,651
	8,980,387	1,144,630	(1,720)	10,123,298
	8,980,387	1,144,630	(1,720)	10,123,298
	4,490,196	572,315	(860)	5,061,651
	17,963,589	2,289,262	(3,440)	20,249,411
Total	53,885,147	6,848,372	(10,319)	60,723,200
Total Movement in Equity				6,838,053

(a) Non-cash items excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with Financial Management Regulation 32.

	Notes	Adopted Budget	YTD Budget (a)	YTD Actual (b)
Non-cash items excluded from operating activities				
		\$	\$	\$
Adjustments to operating activities				
Less: Profit on asset disposals	7	0	0	(55,000)
Movement in financial assets at amortised cost (non current)	3	0	0	(5,000,000)
Add: Depreciation on assets		56,207	18,735	0
Total non-cash items excluded from operating activities		56,207	18,735	(5,055,000)

(b) Adjustments to net current assets in the Statement of Financial Activity

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation* 32 to agree to the surplus/(deficit) after imposition of general rates.

		Last Year Closing 30 June 2021	This Time Last Year 31 October 2020	Year to Date 31 October 2021
Adjustments to net current assets				
Add: Lease liabilities	9	20,878	44,550	8,967
Total adjustments to net current assets		20,878	44,550	8,967

(c) Net current assets used in the Statement of Financial Activity

Current assets				
Cash and cash equivalents	3	1,008,998	6,085,298	9,338,846
Financial assets at amortised cost	3	52,304,473	47,782,775	45,578,420
Receivables	4	341,214	322,061	475,573
Other current assets	5	3,996	2,996	14,000
Less: Current liabilities				
Payables	6	(106,789)	(127,208)	(227,355)
Lease liabilities	9	(20,878)	(44,550)	(8,967)
Provisions	10	(283,214)	(267,082)	(72,753)
Less: Total adjustments to net current assets	2(b)	20,878	44,550	8,967
Closing funding surplus / (deficit)		53,268,678	53,798,840	55,106,731

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. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

Description	Classification	Unrestricted	Restricted	Total Cash and Financial Assets	Trust	Institution	Interest Rate	Maturity Date
				\$				
Current cash and financial assets								
Municipal bank	Cash and cash equivalents	1,658,247	0	1,658,247	0	Westpac	0.10%	Nil
Settlement proceeds	Cash and cash equivalents	5,281,182	0	5,281,182	0	Westpac	0.05%	Nil
At call account	Cash and cash equivalents	391,612	0	391,612	0	NAB	Variable	Nil
Cash management	Cash and cash equivalents	102	0	102	0	Macquarie	Variable	Nil
Accelerator	Cash and cash equivalents	2,007,703	0	2,007,703	0	Macquarie	Variable	Nil
Term Deposit 4415	Financial assets at amortised cost	1,000,000	0	1,000,000	0	Macquarie	0.50%	Nov-21
Term Deposit 1526	Financial assets at amortised cost	3,000,000	0	3,000,000	0	Westpac	0.48%	Dec-21
Term Deposit 8662	Financial assets at amortised cost	2,000,000	0	2,000,000	0	Westpac	0.48%	Dec-21
Term Deposit 1466	Financial assets at amortised cost	1,000,000	0	1,000,000	0	Macquarie	0.50%	Jan-22
Term Deposit 1214	Financial assets at amortised cost	1,000,000	0	1,000,000	0	Macquarie	0.45%	Jan-22
Term Deposit 7868	Financial assets at amortised cost	1,000,000	0	1,000,000	0	Macquarie	0.50%	Feb-22
Term Deposit 645	Financial assets at amortised cost	3,000,000	0	3,000,000	0	AMP	0.55%	Feb-22
Term Deposit 646	Financial assets at amortised cost	2,000,000	0	2,000,000	0	AMP	0.55%	Feb-22
Term Deposit 3491	Financial assets at amortised cost	1,000,000	0	1,000,000	0	Macquarie	0.45%	Feb-22
Term Deposit 3064	Financial assets at amortised cost	3,000,000	0	3,000,000	0	ME Bank	0.50%	Mar-22
Term Deposit 3127	Financial assets at amortised cost	2,000,000	0	2,000,000	0	ME Bank	0.50%	Mar-22
Term Deposit 0755	Financial assets at amortised cost	3,009,692	0	3,009,692	0	ME Bank	0.37%	Mar-22
Term Deposit 9832	Financial assets at amortised cost	1,000,000	0	1,000,000	0	Macquarie	0.45%	Mar-22
Term Deposit 6355	Financial assets at amortised cost	1,000,000	0	1,000,000	0	Macquarie	0.45%	Mar-22
Term Deposit 8568	Financial assets at amortised cost	1,000,000	0	1,000,000	0	Macquarie	0.45%	Apr-22
Term Deposit 5721	Financial assets at amortised cost	1,000,000	0	1,000,000	0	Macquarie	0.45%	Apr-22
Term Deposit 0002	Financial assets at amortised cost	1,000,000	0	1,000,000	0	Macquarie	0.45%	May-22
Term Deposit 1959	Financial assets at amortised cost	1,000,000	0	1,000,000	0	ME Bank	0.50%	May-22
Term Deposit 7275	Financial assets at amortised cost	1,500,000	0	1,500,000	0	BOQ	0.40%	Jun-22
Term Deposit AA1101A	Financial assets at amortised cost	3,000,000	0	3,000,000	0	NT Bonds	0.60%	Jun-22
Term Deposit 9279	Financial assets at amortised cost	2,047,728	0	2,047,728	0	AMP	0.75%	Jul-22
Term Deposit 9747	Financial assets at amortised cost	1,000,000	0	1,000,000	0	Macquarie	0.45%	Aug-22
Term Deposits	Financial assets at amortised cost	3,000,000	0	3,000,000	0	Westpac	0.44%	Sep-22
Term Deposit 0647	Financial assets at amortised cost	3,021,000	0	3,021,000	0	Westpac	0.40%	Oct-22
Term Deposit	Financial assets at amortised cost	3,000,000	0	3,000,000	0	NAB	0.41%	Oct-22
		54,917,266	0	54,917,266				
Non current cash and financial assets								
Term Deposit 3473	Financial assets at amortised cost	2,000,000	0	2,000,000	0	NAB	0.52%	Feb-23
Term Deposit AA1102A	Financial assets at amortised cost	3,000,000	0	3,000,000	0	NT Bonds	0.70%	Jun-23
		5,000,000	0	5,000,000				
Total		59,917,266	0	59,917,266	0			
Comprising								
Cash and cash equivalents		9,338,846	0	9,338,846	0			
Financial assets at amortised cost - current		45,578,420	0	45,578,420	0			
Financial assets at amortised cost - non current		5,000,000	0	5,000,000	0			
		59,917,266	0	59,917,266	0			

KEY INFORMATION

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

The local government classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other assets.

Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	0	119,596	45,664	4,755	24,309	194,324
Percentage	0%	62%	24%	2%	13%	
Balance per trial balance						
Sundry receivable						194,324
Accrued interest						281,249
Total receivables general outstanding						475,573

Amounts shown above include GST (where applicable)

KEY INFORMATION

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 impairment of receivables is raised when there is objective evidence that they will not be collectible.

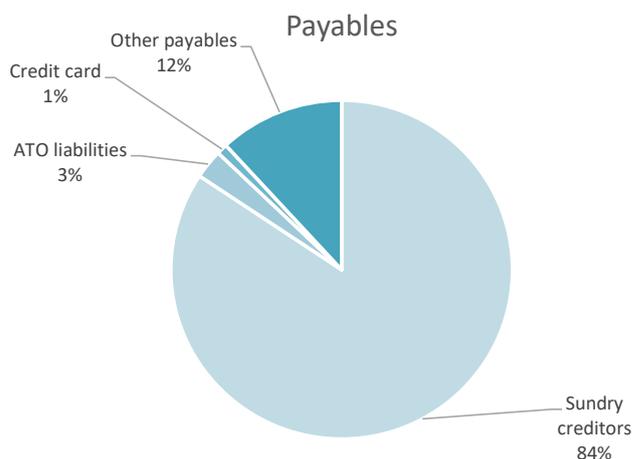
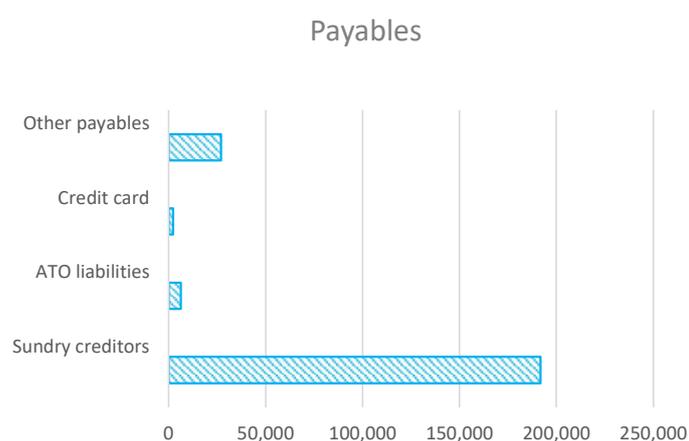
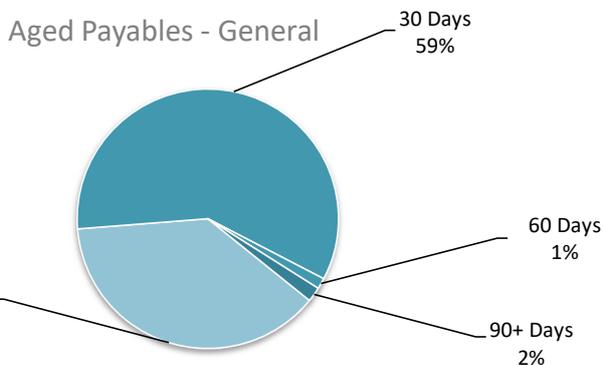
Other current assets	Opening Balance 1 July 2021	Asset Increase	Asset Reduction	Closing Balance 31 October 2021
	\$	\$	\$	\$
Other current assets				
Settlement bonds	1,000	13,000	0	14,000
Prepayments	2,996	0	(2,996)	0
Total other current assets	3,996	13,000	(2,996)	14,000
Amounts shown above include GST (where applicable)				

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	72,716	112,886	2,587	3,532	191,721
Percentage	0%	37.9%	58.90%	1.3%	1.8%	
Balance per trial balance						
Sundry creditors						191,721
ATO liabilities						6,348
Credit card						2,286
Other payables						27,000
Total payables general outstanding						227,355

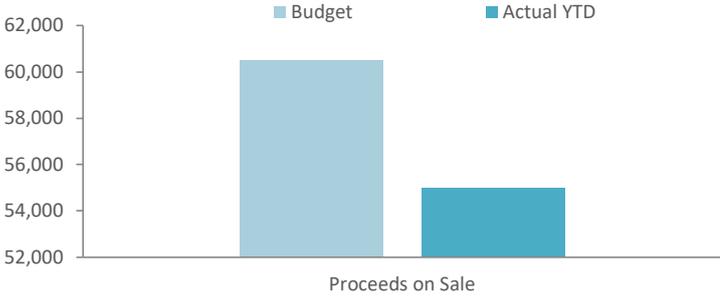
Amounts shown above include GST (where applicable)

KEY INFORMATION

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



Asset Ref.	Asset description	Adopted Budget				YTD Actual			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$
	Plant and equipment								
	Other property and services								
	Motor Vehicle - CEO	60,500	60,500	0	0	0	55,000	55,000	0
		60,500	60,500	0	0	0	55,000	55,000	0



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2021**

**INVESTING ACTIVITIES
NOTE 8
CAPITAL ACQUISITIONS**

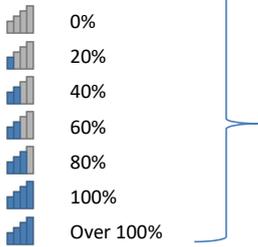
Capital acquisitions	Adopted		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Furniture and equipment	5,000	0	0	0
Payments for Capital Acquisitions	5,000	0	0	0
Total Capital Acquisitions	5,000	0	0	0
Capital Acquisitions Funded By:				
	\$	\$	\$	\$
Other (disposals & C/Fwd)	60,500	60,500	55,000	(5,500)
Contribution - operations	(55,500)	(60,500)	(55,000)	5,500
Capital funding total	5,000	0	0	0

SIGNIFICANT ACCOUNTING POLICIES

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

Capital expenditure total

Level of completion indicators



Percentage Year to Date Actual to Annual Budget expenditure where the expenditure over budget highlighted in red.

Level of completion indicator, please see table at the end of this note for further detail.

		Adopted			
Account Description		Budget	YTD Budget	YTD Actual	Variance (Under)/Over
	E168513 General office equipment	5,000	0	0	0
		5,000	0	0	0

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2021**

**FINANCING ACTIVITIES
NOTE 9
LEASE LIABILITIES**

Movement in carrying amounts

Information on leases Particulars	Lease No.	1 July 2021	New Leases		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	
Other property and services										
Unit 2, 369 Scarborough Beach Road, Innaloo	STIRLI/170672	20,878	0	0	11,911	36,000	8,967	(15,122)	72	1,000
Total		<u>20,878</u>	<u>0</u>	<u>0</u>	<u>11,911</u>	<u>36,000</u>	<u>8,967</u>	<u>(15,122)</u>	<u>72</u>	<u>1,000</u>
Current lease liabilities		<u>20,878</u>					<u>8,967</u>			
		20,878					8,967			

All lease repayments were financed by general purpose revenue.

KEY INFORMATION

At inception of a contract, the Regional Council assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date, a right of use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Regional Council uses its incremental borrowing rate.

All contracts classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Other current liabilities	Note	Opening Balance 1 July 2021	Liability Increase	Liability Reduction	Closing Balance 31 October 2021
		\$	\$	\$	\$
Provisions					
Annual leave		160,651	0	(122,774)	37,877
Long service leave		122,563	0	(87,687)	34,876
Total Provisions		283,214	0	(210,461)	72,753
Total other current liabilities		283,214	0	(210,461)	72,753
Amounts shown above include GST (where applicable)					

KEY INFORMATION

Provisions

Provisions are recognised when the Regional 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.

Employee benefits

Short-term employee benefits

Provision is made for the Regional 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 Regional 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 calculation of net current assets.

Other long-term employee benefits

The Regional Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur. The Regional Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Regional 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.

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date Actual materially.

The material variance adopted by Council for the 2021-22 year is \$5,000 or 10.00% whichever is the greater.

Reporting Program	Var. \$	Var. %	Timing/ Permanent	Explanation of Variance
	\$	%		
Revenue from operating activities				
General purpose funding - other	144,944	128.99%	▲	
Other property and services	47,785	640.55%	▲	
Expenditure from operating activities				
Other property and services	132,419	31.83%	▲	
Financing activities				
Payments of member contributions	6,835,615	68.33%	▲	
Proceeds from member contributions	5,384,771	102.62%	▲	
Proceeds from rates equivalent	(19,411)	0.00%	▼	

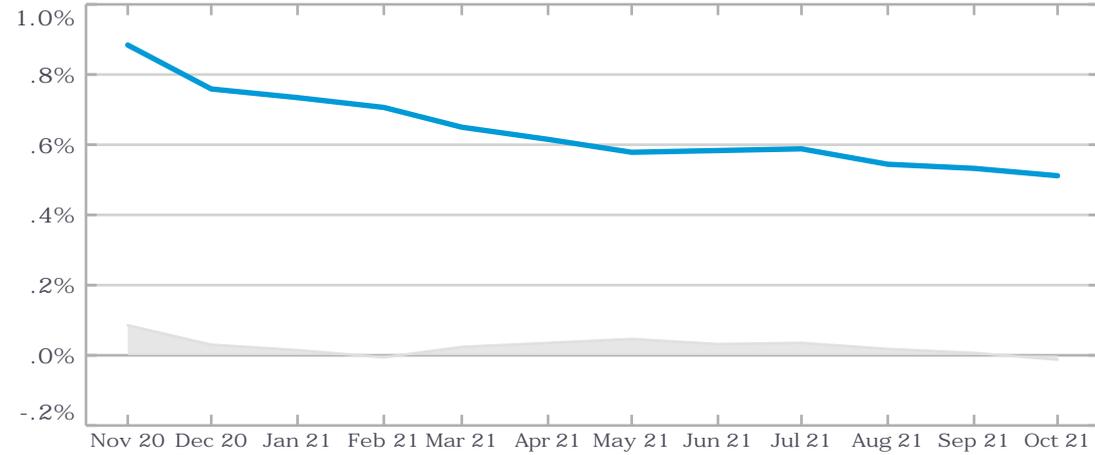


Investment Summary Report
October 2021

Investment Holdings

By Product	Face Value (\$)	Current Value (\$)	Current Yield (%)
Bonds	6,000,000.00	6,014,852.05	0.6500
Cash	2,007,703.36	2,007,703.36	0.4000
Term Deposit	44,578,420.15	44,655,072.05	0.4778
	52,586,123.51	52,677,627.46	0.4944

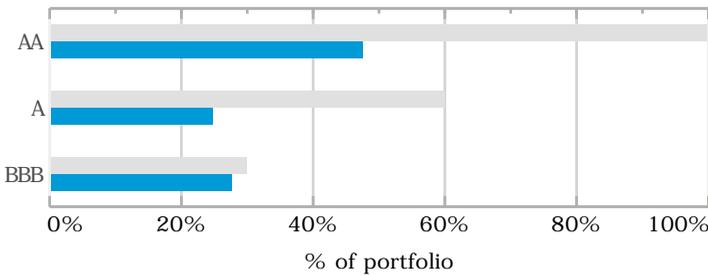
Investment Performance



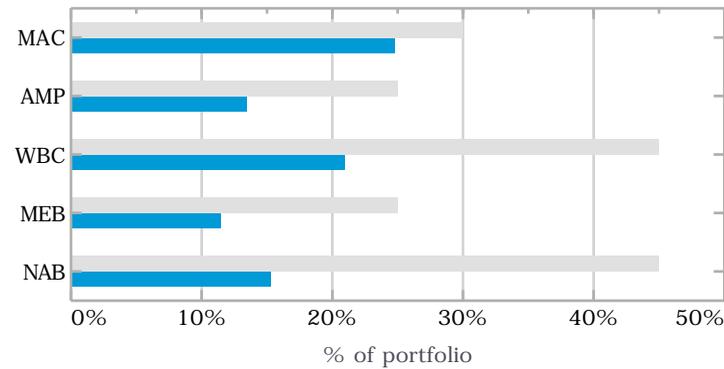
■ Portfolio Annualised Return ■ AusBond BB Index Annualised Return

Investment Policy Compliance

Total Credit Exposure



Highest Individual Exposures vs Policy



Term to Maturities

Maturity Profile	Face Value (\$)	Policy Max
Between 0 and 1 Year	47,586,124	90%
Between 1 and 3 Years	5,000,000	10%
	52,586,124	20%

■ Portfolio Exposure ■ Investment Policy Limit

Cash Accounts

Face Value (\$)	Current Yield	Institution	Credit Rating	Current Value (\$)	Deal No.	Reference
2,007,703.36	0.4000%	Macquarie Bank	A+	2,007,703.36	541301	
2,007,703.36	0.4000%			2,007,703.36		

Term Deposits

Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Reference
Nov-21	1,000,000.00	0.5000%	Macquarie Bank	A+	1,000,000.00	Mar-21	1,003,041.10	541218	3,041.10	At Maturity	639
Dec-21	3,000,000.00	0.4800%	Westpac Group	AA-	3,000,000.00	Dec-20	3,005,681.10	540690	5,681.10	Semi	631 Green
Dec-21	2,000,000.00	0.4800%	Westpac Group	AA-	2,000,000.00	Dec-20	2,003,655.89	540700	3,655.89	Semi	632 Green
Jan-22	1,000,000.00	0.5000%	Macquarie Bank	A+	1,000,000.00	Mar-21	1,003,041.10	541219	3,041.10	At Maturity	640
Jan-22	1,000,000.00	0.4500%	Macquarie Bank	A+	1,000,000.00	Apr-21	1,002,280.82	541292	2,280.82	At Maturity	643
Feb-22	2,000,000.00	0.5500%	AMP Bank	BBB	2,000,000.00	May-21	2,005,273.97	541321	5,273.97	At Maturity	644
Feb-22	3,000,000.00	0.5500%	AMP Bank	BBB	3,000,000.00	May-21	3,007,910.96	541322	7,910.96	At Maturity	645
Feb-22	1,000,000.00	0.4500%	Macquarie Bank	A+	1,000,000.00	May-21	1,002,132.88	541325	2,132.88	At Maturity	647
Feb-22	1,000,000.00	0.5000%	Macquarie Bank	A+	1,000,000.00	Mar-21	1,003,041.10	541220	3,041.10	At Maturity	641
Mar-22	1,000,000.00	0.4500%	Macquarie Bank	A+	1,000,000.00	Aug-21	1,001,072.60	541706	1,072.60	At Maturity	650
Mar-22	3,000,000.00	0.5000%	ME Bank	BBB+	3,000,000.00	Mar-21	3,009,780.82	541011	9,780.82	At Maturity	636
Mar-22	2,000,000.00	0.5000%	ME Bank	BBB+	2,000,000.00	Mar-21	2,006,493.15	541097	6,493.15	At Maturity	637
Mar-22	3,009,692.06	0.3700%	National Australia Bank	AA-	3,009,692.06	Mar-21	3,016,892.23	541102	7,200.17	At Maturity	638
Mar-22	1,000,000.00	0.4500%	Macquarie Bank	A+	1,000,000.00	May-21	1,002,132.88	541326	2,132.88	At Maturity	648
Apr-22	1,000,000.00	0.4500%	Macquarie Bank	A+	1,000,000.00	Aug-21	1,001,072.60	541707	1,072.60	At Maturity	651
Apr-22	1,000,000.00	0.4500%	Macquarie Bank	A+	1,000,000.00	Aug-21	1,001,035.62	541727	1,035.62	At Maturity	654
May-22	1,000,000.00	0.4500%	Macquarie Bank	A+	1,000,000.00	Aug-21	1,001,072.60	541708	1,072.60	At Maturity	652
May-22	1,000,000.00	0.5000%	ME Bank	BBB+	1,000,000.00	May-21	1,002,369.86	541323	2,369.86	At Maturity	646
Jun-22	1,500,000.00	0.4000%	Bank of Queensland	BBB+	1,500,000.00	Sep-21	1,500,558.90	541928	558.90	At Maturity	657
Jul-22	2,047,728.09	0.7500%	AMP Bank	BBB	2,047,728.09	Aug-21	2,051,262.52	541726	3,534.43	At Maturity	653

Term Deposits											
Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Reference
Aug-22	1,000,000.00	0.4500%	Macquarie Bank	A+	1,000,000.00	Sep-21	1,000,604.11	541894	604.11	At Maturity	656
Sep-22	3,000,000.00	0.4400%	Westpac Group	AA-	3,000,000.00	Oct-21	3,000,216.99	542013	216.99	At Maturity	660
Oct-22	3,021,000.00	0.4000%	Westpac Group	AA-	3,021,000.00	Oct-21	3,021,595.92	541997	595.92	At Maturity	658
Oct-22	3,000,000.00	0.4100%	National Australia Bank	AA-	3,000,000.00	Oct-21	3,000,572.88	541995	572.88	At Maturity	659
Feb-23	2,000,000.00	0.5200%	National Australia Bank	AA-	2,000,000.00	Aug-21	2,002,279.45	541745	2,279.45	Annually	655
	44,578,420.15	0.4778%			44,578,420.15		44,655,072.05		76,651.90		

Fixed Rate Bonds											
Maturity Date	Face Value (\$)	Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Purchase Yield	Reference
Jun-22	3,000,000.00	0.6000%	NT T-Corp Bond (Jun22) 0.60%	Aa3	3,000,000.00	Feb-21	3,006,854.79	540948	6,854.79	0.6000%	
Jun-23	3,000,000.00	0.7000%	NT T-Corp Bond (Jun23) 0.70%	Aa3	3,000,000.00	Apr-21	3,007,997.26	541265	7,997.26	0.7000%	
	6,000,000.00				6,000,000.00		6,014,852.05		14,852.05	0.6500%	

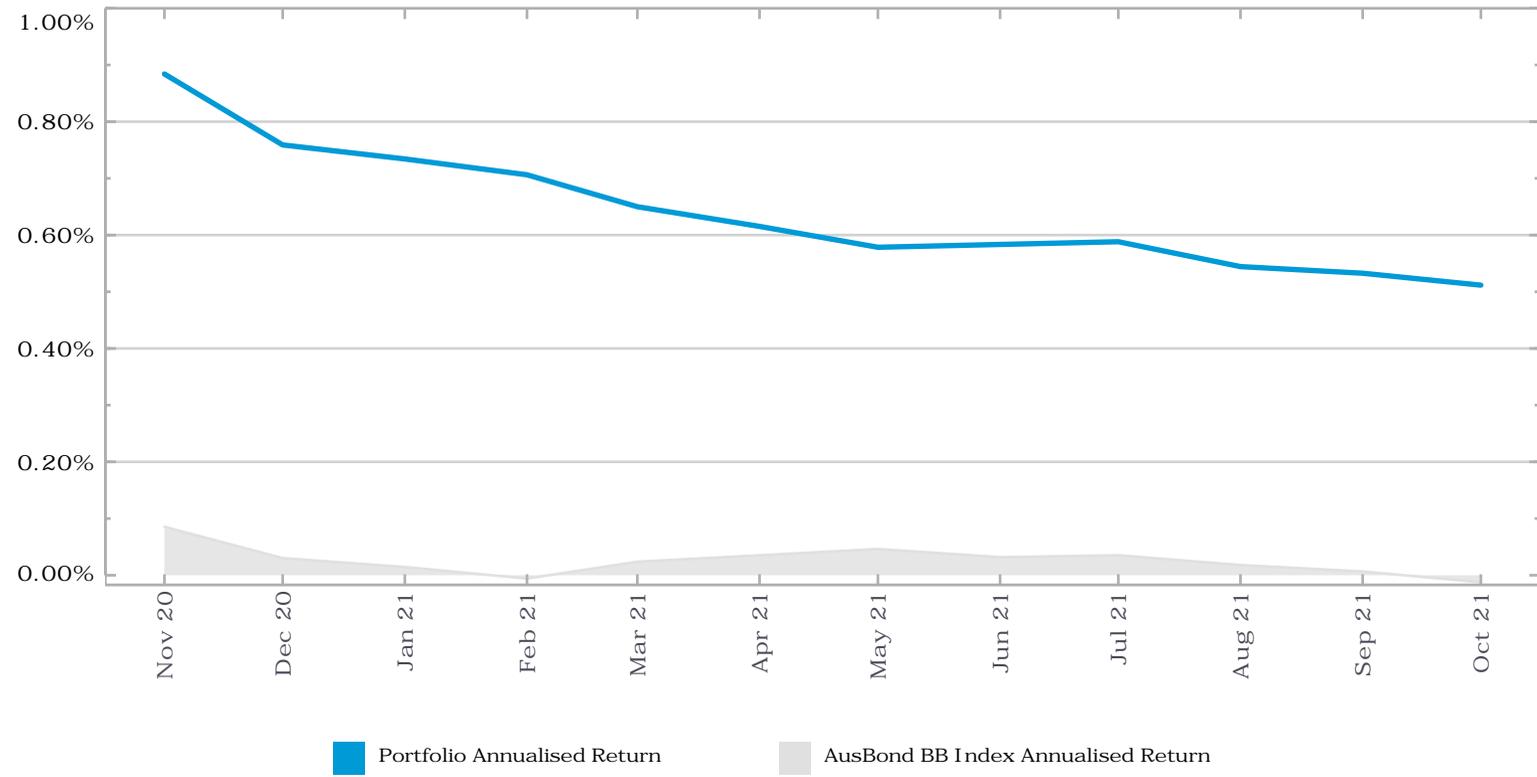
Tamala Park Regional Council
Accrued Interest Report - October 2021

Accrued Interest Report									
Investment	Deal No.	Ref	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days	Interest Accrued (\$)	Percentage Return
Bonds									
NT T-Corp Bond (Jun22) 0.60%	540948	635	3,000,000.00	Feb-21	Jun-22	0.00	31	1,528.76	.60%
NT T-Corp Bond (Jun23) 0.70%	541265	642	3,000,000.00	Apr-21	Jun-23	0.00	31	1,783.56	.70%
Bonds Total						0.00		3,312.32	.65%
Cash									
Macquarie Bank	541301	Accelerator	2,007,703.36			681.74	31	681.74	.40%
Cash Total						681.74		681.74	.40%
Term Deposit									
Westpac Group	540399	625	3,000,000.00	Oct-20	Oct-21	21,000.00	13	747.95	.70%
Westpac Group	540471	626	3,000,000.00	Oct-20	Oct-21	18,000.00	25	1,232.88	.60%
Macquarie Bank	541218	639	1,000,000.00	Mar-21	Nov-21	0.00	31	424.66	.50%
Westpac Group	540690	631 Green	3,000,000.00	Dec-20	Dec-21	0.00	31	1,223.02	.48%
Westpac Group	540700	632 Green	2,000,000.00	Dec-20	Dec-21	0.00	31	815.34	.48%
Macquarie Bank	541219	640	1,000,000.00	Mar-21	Jan-22	0.00	31	424.66	.50%
Macquarie Bank	541292	643	1,000,000.00	Apr-21	Jan-22	0.00	31	382.19	.45%
AMP Bank	541321	644	2,000,000.00	May-21	Feb-22	0.00	31	934.24	.55%
AMP Bank	541322	645	3,000,000.00	May-21	Feb-22	0.00	31	1,401.37	.55%
Macquarie Bank	541325	647	1,000,000.00	May-21	Feb-22	0.00	31	382.20	.45%
Macquarie Bank	541220	641	1,000,000.00	Mar-21	Feb-22	0.00	31	424.66	.50%
Macquarie Bank	541706	650	1,000,000.00	Aug-21	Mar-22	0.00	31	382.19	.45%
ME Bank	541011	636	3,000,000.00	Mar-21	Mar-22	0.00	31	1,273.97	.50%
ME Bank	541097	637	2,000,000.00	Mar-21	Mar-22	0.00	31	849.31	.50%
National Australia Bank	541102	638	3,009,692.06	Mar-21	Mar-22	0.00	31	945.78	.37%
Macquarie Bank	541326	648	1,000,000.00	May-21	Mar-22	0.00	31	382.20	.45%
Macquarie Bank	541707	651	1,000,000.00	Aug-21	Apr-22	0.00	31	382.19	.45%
Macquarie Bank	541727	654	1,000,000.00	Aug-21	Apr-22	0.00	31	382.20	.45%
Macquarie Bank	541708	652	1,000,000.00	Aug-21	May-22	0.00	31	382.19	.45%
ME Bank	541323	646	1,000,000.00	May-21	May-22	0.00	31	424.65	.50%
Bank of Queensland	541928	657	1,500,000.00	Sep-21	Jun-22	0.00	31	509.58	.40%
AMP Bank	541726	653	2,047,728.09	Aug-21	Jul-22	0.00	31	1,304.37	.75%
Macquarie Bank	541894	656	1,000,000.00	Sep-21	Aug-22	0.00	31	382.19	.45%
Westpac Group	542013	660	3,000,000.00	Oct-21	Sep-22	0.00	6	216.99	.44%
National Australia Bank	541995	659	3,000,000.00	Oct-21	Oct-22	0.00	17	572.88	.41%
Westpac Group	541997	658	3,021,000.00	Oct-21	Oct-22	0.00	18	595.92	.40%
National Australia Bank	541745	655	2,000,000.00	Aug-21	Feb-23	0.00	31	883.29	.52%
Term Deposit Total						39,000.00		18,263.07	.50%

Accrued Interest Report

Investment	Deal No.	Ref	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days	Interest Accrued (\$)	Percentage Return
						39,681.74		22,257.13	<u>.51%</u>

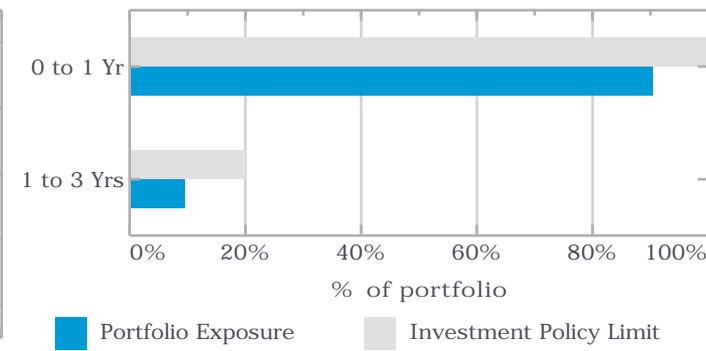
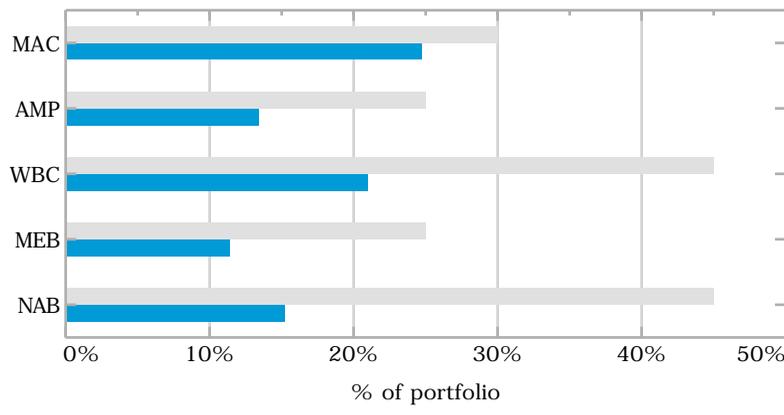
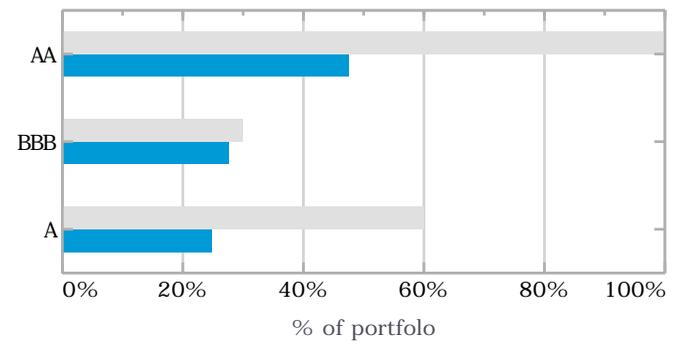
Annualised Monthly Return



Historical Performance Summary

	Portfolio	AusBond BB Index	Outperformance
Oct 2021	0.51%	-0.01%	0.52%
Last 3 Months	0.53%	0.00%	0.53%
Last 6 Months	0.56%	0.02%	0.54%
Financial Year to Date	0.54%	0.01%	0.53%
Last 12 months	0.64%	0.03%	0.61%

Total Credit Exposure **Individual Institutional Exposures** **Term to Maturities**



Credit Rating Group	Face Value (\$)	Policy Max
AA	25,030,692	100%
A	13,007,703	60%
BBB	14,547,728	30%
Total	52,586,124	

a = compliant
r = non-compliant

Institution	Portfolio Exposure	Investment Policy Limit	Compliance
Macquarie Bank (A+)	25%	30%	a
AMP Bank (BBB)	13%	25%	a
Westpac Group (AA-)	21%	45%	a
Members Equity Bank (BBB+)	11%	25%	a
National Australia Bank (AA-)	15%	45%	a
NT T-Corp (Aa3)	11%	45%	a
Bank of Queensland (BBB+)	3%	25%	a

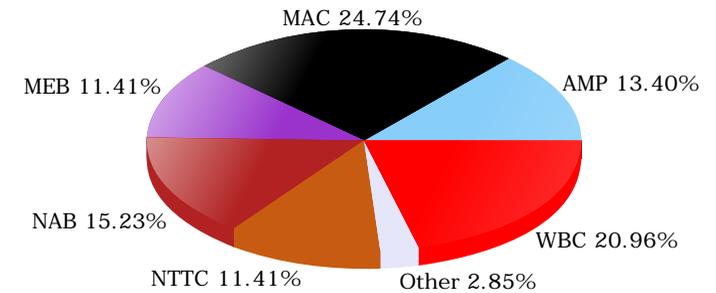
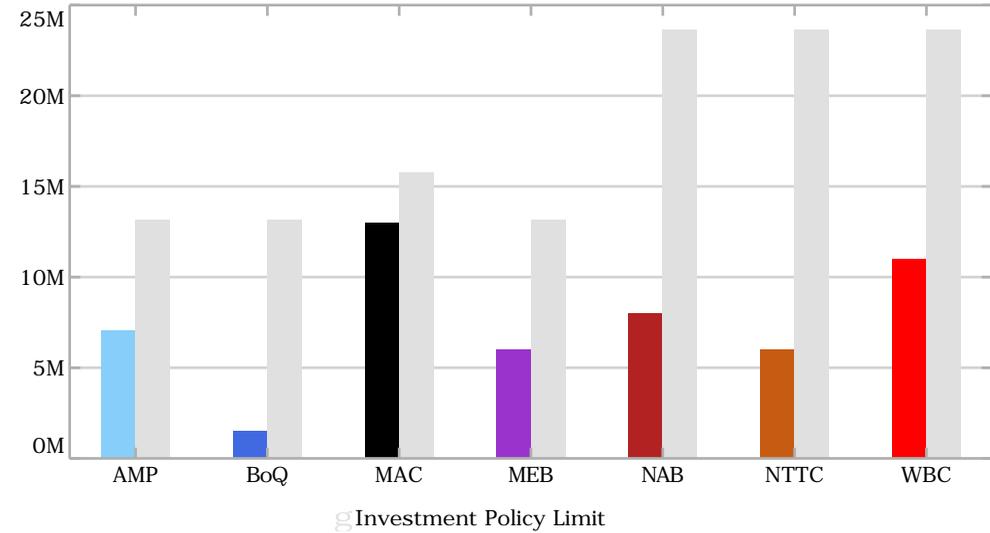
Term to Maturity	Face Value (\$)	Policy Max	Compliance
Between 0 and 1 Year	47,586,124	90%	a
Between 1 and 3 Years	5,000,000	10%	a
Total	52,586,124		

Detailed Maturity Profile	Face Value (\$)	Compliance
00. Cash + Managed Funds	2,007,703	4%
01. Less Than 30 Days	1,000,000	2%
02. Between 30 Days and 60 Days	5,000,000	10%
03. Between 60 Days and 90 Days	2,000,000	4%
04. Between 90 Days and 180 Days	19,009,692	36%
05. Between 180 Days and 365 Days	18,568,728	35%
06. Between 365 Days and 3 Years	5,000,000	10%
Total	52,586,124	

Individual Institutional Exposures

	Current Exposures		Policy Limit		Capacity
AMP Bank (BBB)	7,047,728	13%	13,146,531	25%	6,098,803
Bank of Queensland (BBB+)	1,500,000	3%	13,146,531	25%	11,646,531
Macquarie Bank (A+)	13,007,703	25%	15,775,837	30%	2,768,134
Members Equity Bank (BBB+)	6,000,000	11%	13,146,531	25%	7,146,531
National Australia Bank (AA-)	8,009,692	15%	23,663,756	45%	15,654,064
NT T-Corp (Aa3)	6,000,000	11%	23,663,756	45%	17,663,756
Westpac Group (AA-)	11,021,000	21%	23,663,756	45%	12,642,756
	52,586,124				

Individual Institutional Exposure Charts



Tamala Park Regional Council
Cash Flows Report - October 2021

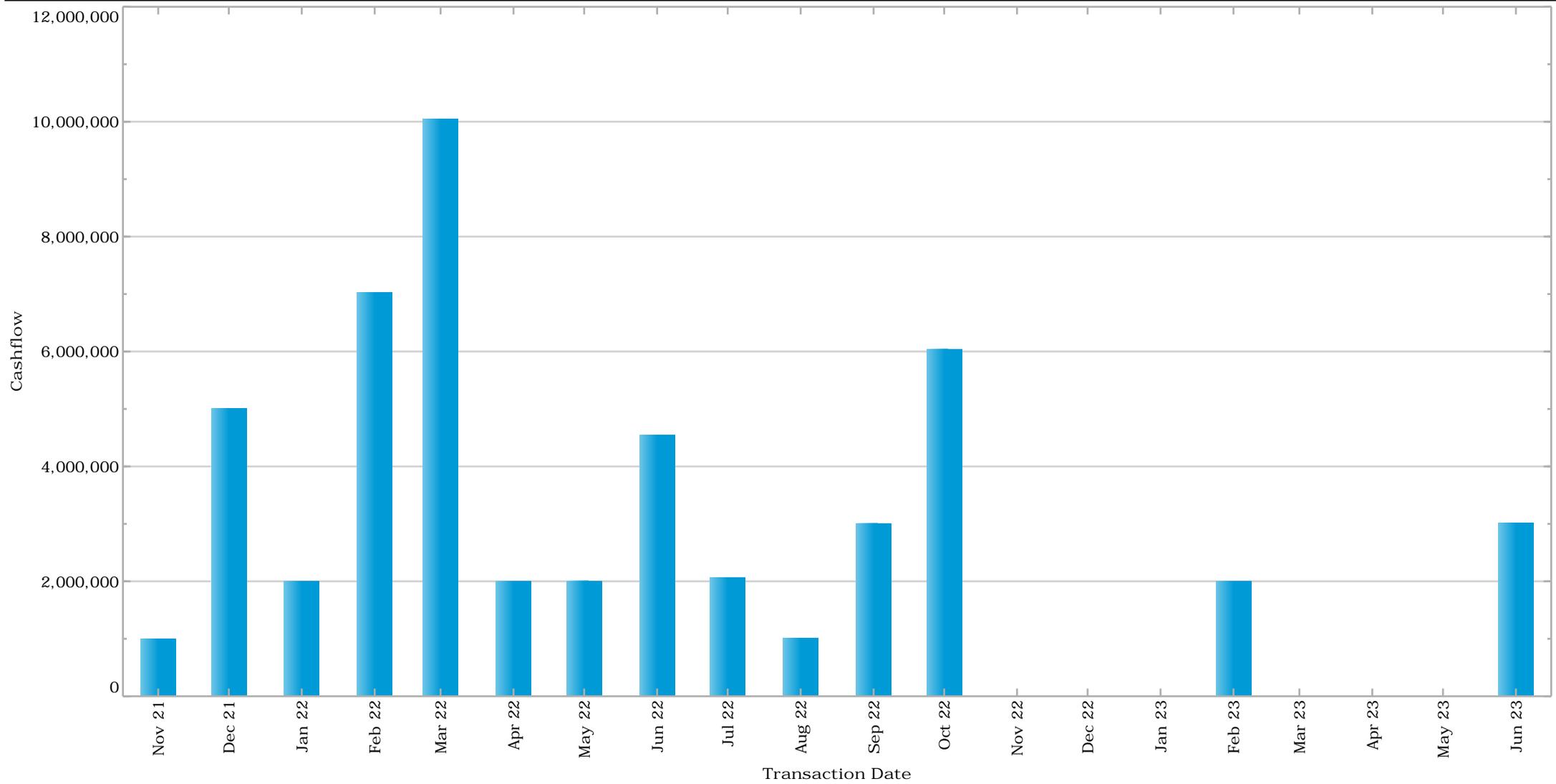
Current Month Cashflows

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Received</u>
Oct-21	540399	Westpac Group	Term Deposits	Maturity Face Value - Received	3,000,000.00
		Westpac Group	Term Deposits	Interest - Received	21,000.00
				<u>Deal Total</u>	<u>3,021,000.00</u>
	541997	Westpac Group	Term Deposits	Settlement Face Value - Paid	-3,021,000.00
				<u>Deal Total</u>	<u>-3,021,000.00</u>
				Day Total	0.00
Oct-21	541995	National Australia Bank	Term Deposits	Settlement Face Value - Paid	-3,000,000.00
				<u>Deal Total</u>	<u>-3,000,000.00</u>
				Day Total	-3,000,000.00
Oct-21	540471	Westpac Group	Term Deposits	Maturity Face Value - Received	3,000,000.00
		Westpac Group	Term Deposits	Interest - Received	18,000.00
				<u>Deal Total</u>	<u>3,018,000.00</u>
	542013	Westpac Group	Term Deposits	Settlement Face Value - Paid	-3,000,000.00
				<u>Deal Total</u>	<u>-3,000,000.00</u>
				Day Total	18,000.00
				<u>Net Cash Movement for Period</u>	<u>-2,982,000.00</u>

Next Month Cashflows

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Due</u>
Nov-21	541218	Macquarie Bank	Term Deposit	Maturity Face Value - Received	1,000,000.00
		Macquarie Bank	Term Deposit	Interest - Received	3,342.47
				<u>Deal Total</u>	<u>1,003,342.47</u>
				Day Total	1,003,342.47
				<u>Net Cash Movement for Period</u>	<u>1,003,342.47</u>

Tamala Park Regional Council Cash Flows Report - October 2021



Appendix 7.3

Tamala Park Regional Council
Summary Payment List
October 2021

Date	Name	Description	Amount
07/10/2021	Employee costs	Wages for period 23/09/2021 - 06/10/2021	-11,189.84
07/10/2021	Australian Taxation Office	IAS (August 2021)	-20,703.00
07/10/2021	Chaicharoenmaitri, Siriat	Lot 869 Wels Rebate	-1,000.00
07/10/2021	City of Wanneroo	Portofino - Engineering assessment fee	-393.28
07/10/2021	Cossill and Webley	Consulting engineering services - September 2021	-123,302.55
07/10/2021	Ingram, Scott and Amy	Lot 2110 Solar Panel rebate	-2,000.00
07/10/2021	LD Total	Stage 17B Lot Packages and Offset planting September 2021	-15,986.18
07/10/2021	New Living Cleaning	Sales Office - Cleaning 3 & 10 September 2021	-420.00
07/10/2021	Of Note Design	Grove brochure design	-1,947.00
07/10/2021	R J Vincent and Co	Civil engineering	-446,942.89
07/10/2021	Rafferty, Kieran Paul Murphy	Lot 2076 Solar Panel rebate	-2,000.00
07/10/2021	Terpkos Engineering	Connolly Verge & Entry - Structural inspection and report	-1,100.00
07/10/2021	Tim Davies Landscaping P/L	Landscape architecture services	-45,140.74
07/10/2021	Treacy Fencing	Stage 17B Fencing - September 2021	-3,620.76
07/10/2021	Western Power	Portofino Extension - Energisation	-27,253.42
07/10/2021	Water Corporation	Beach Sales Office - Water 15/7-16/9 and Service 1/9-31/10	-218.72
07/10/2021	Capital Transport Services	Freight 27/08/2021	-21.79
07/10/2021	Marketforce	Statutory advertising	-1,200.70
07/10/2021	McLeods Barristers and Solicitors	Meeting Procedures Local Law	-4,011.15
07/10/2021	Moore Australia (WA) Pty Ltd	Accounting services	-8,668.00
07/10/2021	O'Sullivan, Simon	Reimbursements - Mobile & Parking (September 2021)	-63.38
07/10/2021	Prudential Investment Serv	Investment portfolio services	-3,329.70
07/10/2021	Vocus Pty Ltd	Internet provider	-325.60
07/10/2021	City of Perth	GST owing August 2021	-862.17
07/10/2021	Australian Super	Superannuation 23/09/2021 - 06/10/2021	-1,267.49
13/10/2021	Westpac Bank	Payment of credit card charges - October 2021	-263.73
21/10/2021	Australian Taxation Office	BAS (July - September 2021)	-103,875.00
21/10/2021	Employee costs	Wages for 08/10/2021 - 20/10/2021	-11,297.84
21/10/2021	Australian Super	Superannuation 07/10/2021 - 20/10/2021	-1,267.49
21/10/2021	Burgess Rawson	Stage 30 - Valuation services (37 Lots)	-2,035.00
21/10/2021	City of Stirling	Rent & IT services	-7,733.90
21/10/2021	City of Vincent	GST owing August 2021	-862.00
21/10/2021	City of Wanneroo	Longbeach & Portofino - Engineering assessment fee	-318.39
21/10/2021	Collins, Carrie and Jason	Lot 2002 - Solar panel rebate	-2,000.00
21/10/2021	Dominic Carbone and Assoc	Consultancy Services - September 2021	-1,650.00
21/10/2021	Environmental Industries	Landscaping services	-50,829.35
21/10/2021	Kevin Smith Cleaning Services	Office Cleaning - (3/9, 17/9 & 1/10)	-207.64
21/10/2021	LD Total	Stage 1 Green Bore - Earthworks (September 2021)	-23,968.62
21/10/2021	McMullen Nolan Group	Surveying services	-11,946.00
21/10/2021	New Living Cleaning	Sales Office - Cleaning 17 & 24 Sept 2021	-420.00
21/10/2021	Satterley Property Group	Professional Fees - September 2021	-4,100.25
21/10/2021	Stantons International	Civil Engineering Services (Aug-Sept 2021)	-528.00
21/10/2021	Town of Victoria Park	Rates reimbursement	-20,273.22
21/10/2021	Visform	Green - Render works	-3,850.00
21/10/2021	WALGA	Subscription fees (2021-2022)	-8,849.50
21/10/2021	Webb and Brown-Neaves	Stage 25 Lot 2123 - Display home operation	-9,375.00
21/10/2021	Synergy	Electricity 04.08.2021 - 30.09.2021	-1,478.59
			-990,097.88

Tamala Park Regional Council
Account FastReport
As of October 31, 2021

Type	Date	Name	Description	Amount
A01110 - Westpac Visa Corp Credit Card				
Credit Card Charge	3/09/2021	St Bridges Bar	Refreshments - Farewell funct...	64.00
Credit Card Charge	3/09/2021	St Bridges Bar	Refreshments - Farewell funct...	45.50
Credit Card Charge	3/09/2021	Karrinyup Shopping...	Leaving gift for V Wesolowski	258.49
Credit Card Charge	12/09/2021	Westpac Bank	Credit card fee (9134)	3.75
Credit Card Charge	12/09/2021	Westpac Bank	Credit card fee (0870)	3.75
Credit Card Charge	12/09/2021	Westpac Bank	Credit card fee (4367)	3.75
Credit Card Charge	15/09/2021	Neverfail	Springwater	68.00
Cheque	15/09/2021	Westpac Bank	Credit card charges (CEO 436...	-324.98
Cheque	15/09/2021	Westpac Bank	Credit card charges (VW 9134...	-1,801.75
Cheque	15/09/2021	Westpac Bank	Credit card charges (SOS 087...	-113.25
Cheque	15/09/2021	Westpac Bank	Credit card charges (CEO 841...	-96.01
Credit Card Charge	17/09/2021	Australia Post	Postage	2.50
Credit Card Charge	29/09/2021	Zoom Video Comm...	Zoom subscription	43.23
Credit Card Charge	7/10/2021	Lot Six Zero	Refreshments	28.38
Credit Card Charge	8/10/2021	Officeworks	Tablet pen (CEO)	110.37
Credit Card Charge	8/10/2021	Officeworks	HP Envy Laptop (MPC)	1,697.00
Credit Card Charge	8/10/2021	JB Hi Fi Group Pty ...	JB HIFI	139.95
Credit Card Charge	10/10/2021	Westpac Bank	Credit card fee	3.75
Credit Card Charge	10/10/2021	Westpac Bank	Credit card 4367 fee	3.75
Credit Card Charge	10/10/2021	Westpac Bank	Credit card 9134 fee	3.75
Credit Card Charge	11/10/2021	Lot Six Zero	Refreshments	8.79
Credit Card Charge	11/10/2021	City of perth Parking	Parking fee	4.14
Credit Card Charge	12/10/2021	Lot Six Zero	Refreshments	4.55
Cheque	13/10/2021	Westpac Bank	Credit card charges (VW 9134...	-46.98
Cheque	13/10/2021	Westpac Bank	Credit card charges (CEO 436...	-102.63
Cheque	13/10/2021	Westpac Bank	Credit card charges (SOS 087...	-114.12
Credit Card Charge	18/10/2021	Cup and Co Innaloo	Refreshments	19.00
Credit Card Charge	22/10/2021	Foxit Software	PDF Editing Software	344.00
Credit Card Charge	22/10/2021	Australia Post	Document certification	2.50
Credit Card Charge	25/10/2021	Lot Six Zero	Refreshments	10.00
Credit Card Charge	26/10/2021	Lot Six Zero	Refreshments	13.33
Credit Card Charge	29/10/2021	Zoom Video Comm...	Zoom	43.23
Total A01110 - Westpac Visa Corp Credit Card				329.74
TOTAL				329.74

Appendix 7.4

25 November 2021

Mr Jon Morellini
Chief Executive Officer
Tamala Park Regional Council
PO Box 655
INNALOO WA 6918

Dear Jon

Catalina Financial Report for October 2021

Please find attached the Catalina Financial Report for October 2021. This report has been prepared on a cash basis and compares actual income and expenditure to the June 2021 approved budget for the period 1 October 2021 to 31 October 2021.

Residential settlement revenue for the year to date to 31 October 2021 is \$10.8m which is \$5.58m favourable to the approved 'October 2021' budget due to 15 more settlements.

YTD Sales for FYE2022 are \$4.92m ahead of budget due to higher average price \$40k/lot and 10 more sales than budget.

Overall year to date expenditure for FYE2022 is \$6.5m under budget per the approved 'June 2021' budget, with \$2.54m spent against a budget of \$9.08m. The main areas of variances are summarised below:

- Lot Production (excl. Bonds) is \$2.91 under budget, noting the following variances:
 - Stages 36-40 Earthworks \$1.63m under budget as earthworks now undertaken a stage at a time;
 - Stage 27B \$684k under budget due to timing of invoice payments;
 - Stage 28 \$416k over budget due to timing of invoice payments;
 - Stage 29 \$58k under budget due to timing of invoice payments;
 - Stage 36 \$943k under budget due to timing of invoice payments;
 - \$11k combined minor variances.

- Landscaping is \$114k under budget, noting the following variances:
 - Preliminary landscaping consultancy \$119k over budget;
 - Environmental landscaping \$37k under budget;
 - Public art \$15 over budget;
 - Stage 11 landscape \$17k over budget;
 - Beach foreshore access area \$220k under budget;
 - Beach South Buffer \$8k under budget

- Infrastructure Spend is \$2.43 under budget, noting the following variances:
 - Connolly Drv Aviator Blvd Intersection \$809k under budget;
 - Foreshore Access Rd \$774k under budget;
 - Portofino Extension \$541k under budget;

- Longreach Prom Extension \$288k under budget;
- CAT Foreshore POS \$23k under budget;

- Clearance bonds \$296k adverse to budget – delayed return (timing).

- Indirect Consultants are \$53k under budget due to timing of invoice payments.

- P&L expenditure is \$729k under budget, noting the following variances:
 - Sales & Marketing is \$73k under budget due to timing of spend;
 - Community and Development \$17k under budget due timing of invoice payments;
 - Audit and Tax \$15k under budget due to timing of invoice payments;
 - Maintenance \$86k under budget due to timing of invoice payments;
 - Legal Fees \$16k under budget due to timing of invoice payments;
 - Contingency \$397k not required;
 - Rates & Taxes \$80k under budget due to timing of invoice payments;
 - \$45k under budget - combined minor variances for other Overheads.

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

Yours faithfully



Ross Carmichael
General Manager Finance

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2022		Actual MTD Vs Budget Oct 2021			Year to date Vs Budget to Oct 2021			Project to date Vs Budget to Oct 2021			Bud Comparison: Jun 21 Approved	
Job Description	Account Description	Actual 1 month to Oct 2021	Budget 1 month to Oct 2021	Variance	YTD to Oct 2021	YTD budget	Variance	PTD to Oct 2021	PTD budget	Variance	Comments regarding variance	
REVENUE												
Settlements	Settlement revenue	3,620,000	1,863,162	1,756,838	10,829,500	5,247,530	5,581,970	285,492,500	280,298,991	5,193,509	30 settlements YTD ex GST Margin scheme. GST Margin as detailed in Burgess Rawson valuations	
Margin GST	Margin GST	(72,716)	(22,955)	(49,761)	(200,113)	(68,626)	(131,488)	(4,115,716)	(4,017,669)	(98,048)		
Direct Selling Costs		(162,222)	(85,048)	(77,174)	(485,337)	(240,268)	(245,069)	(13,021,669)	(12,757,471)	(264,198)		
Interest Income		533	0	533	2,915	0	2,915	93,828	89,000	4,827		Includes Commission and Management Fees
Forfeited Deposits		0	0	0	0	0	0	27,273	27,273	0		Penalty interest income on settlements
Other Income	Special sites revenue	0	0	0	0	0	0	3,728,594	3,728,594	0		
Rebate Allowance		(27,114)	(222,583)	195,468	(137,983)	(553,243)	415,259	(6,287,518)	(8,047,999)	1,760,481		Construction Recycling, Fencing, Landscape, Shared Bore, Solar, and Display Builder Rebates
		3,358,480	1,532,576	1,825,904	10,008,981	4,385,394	5,623,587	265,917,291	259,320,720	6,596,571		
LOT PRODUCTION												
Completed Earthworks												
Earthworks Stages 1-4, 6	Siteworks / Earthworks	0	0	0	0	0	0	13,529,541	13,502,429	(27,113)		
	Direct Consultants	0	0	0	0	0	0	2,122,407	2,122,407	0		
Total Earthworks Stages 1-4, 6		0	0	0	0	0	0	157,827	157,827	0		
Earthworks Stages 5 & 7	Siteworks / Earthworks	0	0	0	0	0	0	2,280,234	2,280,234	(0)		
	Direct Consultants	0	0	0	0	0	0	2,368,798	2,368,798	0		
Total Earthworks Stages 5 & 7		0	0	0	0	0	0	121,827	121,827	0		
Earthworks Stage 8	Siteworks / Earthworks	0	0	0	0	0	0	2,490,625	2,490,625	0		
	Direct Consultants	0	0	0	0	0	0	1,265,418	1,265,418	0		
Total Earthworks Stage 8		0	0	0	0	0	0	63,366	63,366	0		
Earthworks Stages 9-11	Siteworks / Earthworks	0	0	0	0	0	0	1,328,784	1,328,784	0		
	Direct Consultants	0	0	0	0	0	0	4,066,094	4,066,094	0		
Total Earthworks Stages 9-11		0	0	0	0	0	0	99,325	99,325	0		
Earthworks Stages 12-13	Siteworks / Earthworks	0	0	0	0	0	0	4,165,419	4,165,419	0		
	Direct Consultants	0	0	0	0	0	0	1,139,937	1,139,937	0		
Total Earthworks Stage 12-13		0	0	0	0	0	0	108,025	108,025	0		
Earthworks Stages 14-18	Siteworks / Earthworks	0	0	0	0	0	0	1,247,962	1,247,962	0		
	Direct Consultants	0	0	0	0	0	0	1,738,744	1,738,744	0		
Total Earthworks Stage 14-18		0	0	0	0	0	0	250,660	250,660	0		
Earthworks Stage 20-24	Direct Consultants	0	0	0	0	0	0	1,989,404	1,989,404	0		
Total Earthworks Stage 20-24		0	0	0	0	0	0	27,113	0	(27,113)		
Earthworks Stages 25-27	Siteworks / Earthworks	0	0	0	0	0	0	27,113	0	(27,113)		
	Direct Consultants	0	0	0	0	0	0	3,603,087	3,603,087	(0)		
Total Earthworks Stage 25-27		0	0	0	0	0	0	186,216	189,523	3,307		
Earthworks Stages 36-40	Siteworks / Earthworks	135,206	599,768	464,562	135,206	1,788,889	1,653,683	3,789,303	3,792,610	3,307		
Total Earthworks Stage 36-40		135,206	599,768	464,562	135,206	1,788,889	1,653,683	149,926	1,788,889	1,638,963		
Earthworks Stages 41-44	Direct Consultants	0	0	0	0	0	0	0	0	0		
Total Earthworks Stage 41-44		0	0	0	0	0	0	0	0	0		
Completed Stages												
Stage 1	Siteworks / Earthworks	0	0	0	0	0	0	46,092,294	46,092,295	1		
	Authorities Fees	0	0	0	0	0	0	3,208,532	3,208,532	0		
	Direct Consultants	0	0	0	0	0	0	158,201	158,201	(0)		
Total Stage 1		0	0	0	0	0	0	214,916	214,916	0		
Stage 2	Siteworks / Earthworks	0	0	0	0	0	0	3,581,649	3,581,649	(0)		
	Authorities Fees	0	0	0	0	0	0	2,691,287	2,691,287	0		
	Direct Consultants	0	0	0	0	0	0	210,292	210,292	0		
Total Stage 2		0	0	0	0	0	0	164,171	164,171	0		
Stage 3	Siteworks / Earthworks	0	0	0	0	0	0	3,065,749	3,065,750	0		
	Authorities Fees	0	0	0	0	0	0	2,010,933	2,010,933	0		
	Direct Consultants	0	0	0	0	0	0	284,155	284,155	(0)		
Total Stage 3		0	0	0	0	0	0	187,648	187,648	0		
Stage 4	Siteworks / Earthworks	0	0	0	0	0	0	2,482,736	2,482,736	(0)		
	Authorities Fees	0	0	0	0	0	0	2,298,741	2,298,741	0		
	Direct Consultants	0	0	0	0	0	0	284,471	284,471	0		
Total Stage 4		0	0	0	0	0	0	219,983	219,983	0		
Stage 5	Siteworks / Earthworks	0	0	0	0	0	0	2,803,195	2,803,195	0		
	Authorities Fees	0	0	0	0	0	0	2,796,102	2,796,102	(0)		
	Direct Consultants	0	0	0	0	0	0	392,082	392,082	0		
Total Stage 5		0	0	0	0	0	0	388,371	388,371	0		
		0	0	0	0	0	0	3,576,555	3,576,555	(0)		

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2022		Actual MTD Vs Budget Oct 2021			Year to date Vs Budget to Oct 2021			Project to date Vs Budget to Oct 2021			Bid Comparison: Jun 21 Approved
Job Description	Account Description	Actual 1 month to Oct 2021	Budget 1 month to Oct 2021	Variance	YTD to Oct 2021	YTD budget	Variance	PTD to Oct 2021	PTD budget	Variance	Comments regarding variance
Stage 6A	Siteworks / Earthworks	0	0	0	0	0	0	297,465	297,465	0	
	Authorities Fees	0	0	0	0	0	0	50,207	50,207	0	
	Direct Consultants	0	0	0	0	0	0	39,033	39,033	0	
Total Stage 6A		0	0	0	0	0	0	386,705	386,705	0	
Stage 6B	Siteworks / Earthworks	0	0	0	0	0	0	708,104	708,104	0	
	Authorities Fees	0	0	0	0	0	0	202,417	202,417	0	
	Direct Consultants	0	0	0	0	0	0	121,160	121,160	0	
Total Stage 6B		0	0	0	0	0	0	1,031,681	1,031,681	0	
Stage 6C	Siteworks / Earthworks	0	0	0	0	0	0	484,386	484,386	0	
	Authorities Fees	0	0	0	0	0	0	90,611	90,611	0	
	Direct Consultants	0	0	0	0	0	0	52,015	52,015	0	
Total Stage 6C		0	0	0	0	0	0	627,012	627,012	0	
Stage 7	Siteworks / Earthworks	0	0	0	0	0	0	2,257,683	2,257,684	1	
	Authorities Fees	0	0	0	0	0	0	425,907	425,907	0	
	Direct Consultants	0	0	0	0	0	0	290,878	290,878	0	
Total Stage 7		0	0	0	0	0	0	2,974,468	2,974,469	1	
Stage 8	Siteworks / Earthworks	0	0	0	0	0	0	2,494,187	2,494,187	0	
	Authorities Fees	0	0	0	0	0	0	314,992	314,992	0	
	Direct Consultants	0	0	0	0	0	0	251,105	251,105	0	
Total Stage 8		0	0	0	0	0	0	3,060,284	3,060,284	0	
Stage 9	Siteworks / Earthworks	0	0	0	0	0	0	2,418,198	2,418,198	0	
	Authorities Fees	0	0	0	0	0	0	406,804	406,804	0	
	Direct Consultants	0	0	0	0	0	0	236,848	236,848	0	
Total Stage 9		0	0	0	0	0	0	3,061,850	3,061,850	0	
Stage 10	Siteworks / Earthworks	0	0	0	0	0	0	1,229,760	1,229,760	0	
	Authorities Fees	0	0	0	0	0	0	160,060	160,060	0	
	Direct Consultants	0	0	0	0	0	0	141,355	141,355	0	
Total Stage 10		0	0	0	0	0	0	1,531,175	1,531,175	0	
Stage 11	Siteworks / Earthworks	0	0	0	0	0	0	2,778,422	2,778,422	(0)	
	Authorities Fees	0	0	0	0	0	0	463,449	463,449	0	
	Direct Consultants	0	0	0	0	0	0	336,976	336,976	0	
Total Stage 11		0	0	0	0	0	0	3,578,848	3,578,848	(0)	
Stage 12	Siteworks / Earthworks	0	0	0	0	0	0	2,077,002	2,077,002	0	
	Authorities Fees	0	0	0	0	0	0	258,204	258,204	0	
	Direct Consultants	0	0	0	0	0	0	247,233	247,233	0	
Total Stage 12		0	0	0	0	0	0	2,582,440	2,582,440	0	
Stage 13A	Siteworks / Earthworks	0	0	0	0	0	0	1,932,316	1,932,316	0	
	Authorities Fees	0	0	0	0	0	0	264,752	264,752	0	
	Direct Consultants	0	0	0	0	0	0	172,787	172,787	(0)	
Total Stage 13A		0	0	0	0	0	0	2,369,855	2,369,855	(0)	
Stage 13B	Siteworks / Earthworks	0	0	0	0	0	0	2,115,792	2,115,792	0	
	Authorities Fees	0	0	0	0	0	0	195,434	195,434	0	
	Direct Consultants	0	0	0	0	0	0	241,636	241,637	0	
Total Stage 13B		0	0	0	0	0	0	2,552,862	2,552,863	0	
Stage 14A	Siteworks / Earthworks	0	0	0	0	0	0	2,221,820	2,221,820	0	
	Authorities Fees	0	0	0	0	0	0	467,540	467,540	0	
	Direct Consultants	0	0	0	0	0	0	301,549	301,549	0	
Total Stage 14A		0	0	0	0	0	0	2,990,908	2,990,909	0	
Stage 14B	Siteworks / Earthworks	0	0	0	0	0	0	482,855	500,850	17,995	
	Authorities Fees	0	0	0	0	0	0	110,991	110,991	0	
	Direct Consultants	0	0	0	0	0	0	17,639	17,639	0	
Total Stage 14B		0	0	0	0	0	0	611,485	629,480	17,995	
Stage 15	Siteworks / Earthworks	0	0	0	0	0	0	1,999,681	1,999,681	0	
	Authorities Fees	0	0	0	0	0	0	357,841	357,841	0	
	Direct Consultants	0	0	0	0	0	0	263,241	263,241	0	
Total Stage 15		0	0	0	0	0	0	2,620,763	2,620,763	0	
Stage 16A	Siteworks / Earthworks	0	0	0	0	0	0	1,352,625	2,652,323	1,299,698	
	Authorities Fees	0	0	0	0	0	0	131,304	362,023	230,719	
	Direct Consultants	0	0	0	0	0	0	95,136	144,400	49,264	
Total Stage 16A		0	0	0	0	0	0	1,579,066	3,158,746	1,579,681	
Stage 16B	Direct Consultants	0	0	0	0	0	0	26,000	26,000	0	
Total Stage 16B		0	0	0	0	0	0	26,000	26,000	0	

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2022		Actual MTD Vs Budget Oct 2021			Year to date Vs Budget to Oct 2021			Project to date Vs Budget to Oct 2021			Bud Comparison: Jun 21 Approved
Job Description	Account Description	Actual 1 month to Oct 2021	Budget 1 month to Oct 2021	Variance	YTD to Oct 2021	YTD budget	Variance	PTD to Oct 2021	PTD budget	Variance	Comments regarding variance
Stage 17A	Siteworks / Earthworks	0	0	0	0	0	0	732,033	732,033	0	
	Authorities Fees	0	0	0	0	0	0	161,279	161,279	0	
	Direct Consultants	0	0	0	0	0	0	110,250	110,250	0	
Total Stage 17A		0	0	0	0	0	0	1,003,563	1,003,563	0	
Stage 17B	Siteworks / Earthworks	0	0	0	0	0	0	1,273,015	1,273,015	0	
	Authorities Fees	0	0	0	3,547	0	(3,547)	197,958	194,411	(3,547)	
	Direct Consultants	0	0	0	0	0	0	180,869	180,869	0	
Total Stage 17B		0	0	0	3,547	0	(3,547)	1,651,842	1,648,295	(3,547)	
Stage 18A	Siteworks / Earthworks	0	0	0	0	0	0	871,358	871,358	0	
	Authorities Fees	0	0	0	0	0	0	216,537	216,537	0	
	Direct Consultants	0	0	0	0	0	0	125,664	125,664	0	
Total Stage 18A		0	0	0	0	0	0	1,213,559	1,213,559	0	
Stage 18B	Siteworks / Earthworks	0	0	0	0	0	0	1,486,381	1,968,290	481,909	
	Authorities Fees	0	0	0	0	0	0	267,438	270,948	3,510	
	Direct Consultants	0	0	0	0	0	0	191,390	191,390	0	
Total Stage 18B		0	0	0	0	0	0	1,945,209	2,430,628	485,419	
Stage 18C	Siteworks / Earthworks	0	0	0	0	0	0	0	0	0	
	Authorities Fees	0	0	0	0	0	0	5,539	0	(5,539)	
	Direct Consultants	18,748	13,096	(5,653)	39,462	51,928	12,466	44,832	94,562	49,730	
Total Stage 18C		18,748	13,096	(5,653)	39,462	51,928	12,466	50,371	94,562	44,191	
Stage 25	Siteworks / Earthworks	0	0	0	0	0	0	5,523,981	5,523,981	0	
	Authorities Fees	0	0	0	0	0	0	212,929	212,929	0	
	Direct Consultants	0	0	0	0	0	0	280,279	276,971	(3,307)	
Total Stage 25		0	0	0	0	0	0	6,017,188	6,013,881	(3,307)	
Stage 26	Siteworks / Earthworks	0	0	0	0	0	0	1,273,228	1,199,122	(74,106)	
	Authorities Fees	0	0	0	0	0	0	239,777	465,655	225,878	
	Direct Consultants	0	0	0	0	0	0	144,968	162,500	17,532	
Total Stage 26		0	0	0	0	0	0	1,657,973	1,827,277	169,304	
Stage 27A	Siteworks / Earthworks	0	0	0	17,029	0	(17,029)	719,840	1,758,744	1,038,904	
	Authorities Fees	0	0	0	931	0	(931)	132,310	214,474	82,164	
	Direct Consultants	0	0	0	2,000	0	(2,000)	80,248	104,750	24,502	
Total Stage 27A		0	0	0	19,960	0	(19,960)	932,399	2,077,968	1,145,569	
Stage 27B	Siteworks / Earthworks	0	337,961	337,961	5,450	673,962	668,512	5,450	673,962	668,512	
	Authorities Fees	0	0	0	336	0	(336)	1,410	0	(1,410)	
	Direct Consultants	14,933	13,587	(1,345)	37,331	53,879	16,548	61,088	102,254	41,166	
Total Stage 27B		14,933	351,548	336,616	43,117	727,841	684,724	67,947	776,216	708,269	
Stage 28	Siteworks / Earthworks	0	0	0	404,131	0	(404,131)	2,196,566	2,354,238	157,672	
	Authorities Fees	0	0	0	0	0	0	269,413	286,100	16,687	
	Direct Consultants	0	0	0	23,107	10,461	(12,645)	148,382	152,961	4,579	
Total Stage 28		0	0	0	427,238	10,461	(416,776)	2,614,361	2,793,299	178,937	
Stage 29	Siteworks / Earthworks	0	0	0	0	0	0	0	0	0	
	Authorities Fees	0	0	0	0	0	0	3,221	0	(3,221)	
	Direct Consultants	7,650	18,606	10,956	15,300	73,778	58,478	15,300	146,489	131,189	
Total Stage 29		7,650	18,606	10,956	15,300	73,778	58,478	18,521	146,489	127,968	
Total Stage 30	Authorities Fees	0	0	0	0	0	0	2,928	0	(2,928)	
	Authorities Fees	0	0	0	0	0	0	2,928	0	(2,928)	
Total Stage 31		0	0	0	0	0	0	4,197	0	(4,197)	
Stage 36	Siteworks / Earthworks	0	870,251	870,251	0	870,251	870,251	0	870,251	870,251	
	Authorities Fees	0	0	0	0	0	0	0	0	0	
	Direct Consultants	61,013	48,243	(12,770)	118,225	191,299	73,074	118,225	332,699	214,474	
Total Stage 36		61,013	918,493	857,481	118,225	1,061,550	943,325	118,225	1,202,949	1,084,724	
Total Stage 37	Direct Consultants	0	0	0	0	0	0	0	(0)	(0)	
Various Stages	Clearance Bonds	0	350,000	350,000	0	296,470	296,470	896,155	1,542,625	646,470	
TOTAL LOT PRODUCTION		237,549	2,251,511	2,013,962	802,055	4,010,916	3,208,861	82,758,495	90,548,199	7,789,705	Within budget

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2022		Actual MTD Vs Budget Oct 2021			Year to date Vs Budget to Oct 2021			Project to date Vs Budget to Oct 2021			Bud Comparison: Jun 21 Approved
Job Description	Account Description	Actual 1 month to Oct 2021	Budget 1 month to Oct 2021	Variance	YTD to Oct 2021	YTD budget	Variance	PTD to Oct 2021	PTD budget	Variance	Comments regarding variance
LANDSCAPING											
Completed Landscaping		0	0	0	0	0	0	7,149,264	7,149,264	0	
Stage 7 Landscaping	Landscape Construction	0	0	0	0	0	0	169,816	169,816	0	Within total FY22 Landscaping budget
Stage 7 Landscaping	Landscape Consulting	0	0	0	0	0	0	7,193	7,193	0	
Stage 8 Landscaping	Landscape Construction	0	0	0	0	0	0	412,952	412,952	0	
Stage 8 Landscaping	Landscape Consulting	0	0	0	0	0	0	30,857	30,857	0	
Stage 9 Landscaping Aviator Blvd Greenlink	Landscape Construction	0	0	0	0	0	0	104,134	104,134	0	
Stage 9 Landscaping Aviator Blvd Greenlink	Landscape Consulting	0	0	0	0	0	0	11,489	11,489	0	
Stage 10 POS (10.1)	Landscape Construction	0	0	0	0	0	0	198,747	198,747	0	
Stage 10 POS (10.1)	Landscape Consulting	0	0	0	0	0	0	14,417	14,417	0	
Stage 11 Landscape Consultancy	Landscape Construction	0	0	0	0	0	0	1,332,634	1,328,968	(3,666)	
Stage 11 Landscape Consultancy	Landscape Consulting	0	0	0	0	0	0	162,929	162,929	0	
Stage 12 Landscaping	Landscape Construction	0	0	0	0	0	0	236,650	236,650	0	
Stage 12 Landscaping	Landscape Consulting	0	0	0	0	0	0	27,377	27,377	0	
Stage 13 Landscaping	Landscape Construction	0	0	0	0	0	0	789,993	789,993	0	
Stage 13 Landscaping	Landscape Consulting	0	0	0	0	0	0	61,433	61,433	0	
Stage 14A Landscaping	Landscape Construction	0	0	0	0	0	0	553,652	553,652	0	
Stage 14A Landscaping	Landscape Consulting	0	0	0	0	0	0	12,013	8,430	(3,583)	
Stage 14B Landscaping	Landscape Construction	0	0	0	0	0	0	216,700	216,700	0	
Stage 14B Landscaping	Landscape Consulting	0	0	0	0	0	0	15,457	15,457	0	
Stage 15 Landscaping	Landscape Construction	0	0	0	0	0	0	115,933	115,933	0	
Stage 15 Landscaping	Landscape Consulting	0	0	0	0	0	0	18,838	18,838	0	
Stage 16A Landscaping	Landscape Construction	0	0	0	0	0	0	47,600	0	(47,600)	
Stage 16A Landscaping	Landscape Consulting	0	0	0	0	0	0	11,303	11,303	0	
Stage 17 Landscaping	Landscape Construction	0	0	0	0	0	0	213,992	213,992	0	
Stage 17 Landscaping	Landscape Consulting	0	0	0	0	0	0	2,720	2,720	0	
Stage 18 Landscaping	Landscape Construction	0	0	0	0	0	0	267,780	267,780	0	
Stage 18 Landscaping	Landscape Consulting	0	0	0	0	0	0	46,251	46,251	0	
Stage 8 Landscaping Verge Landscaping Lot 475	Landscape Construction	0	0	0	0	0	0	1,001	1,001	0	
Stage 8 Landscaping Street Trees / Streetscapes	Landscape Construction	0	0	0	0	0	0	63,552	63,552	0	
Stage 8 Landscaping Street Trees / Streetscapes	Landscape Consulting	0	0	0	0	0	0	2,587	2,587	0	
Stage 10 Biodiversity Conservation Area	Landscape Construction	0	0	0	0	0	0	228,092	228,092	0	
Stage 10 Biodiversity Conservation Area	Landscape Consulting	0	0	0	0	0	0	28,012	28,012	0	
Stage 9 Biodiversity Conservation Area	Landscape Construction	0	0	0	0	0	0	40,000	40,000	0	
Stage 9 Biodiversity Conservation Area	Landscape Consulting	0	0	0	0	0	0	3,120	3,120	0	
Stage 10 Biodiversity Conservation Area	Landscape Construction	0	0	0	0	0	0	116,647	116,647	0	
Stage 10 Biodiversity Conservation Area	Landscape Consulting	0	0	0	0	0	0	7,918	7,918	0	
Seed Collection	Landscape Construction	0	0	0	0	0	0	22,797	0	(22,797)	
Stage 8 Medium Density Lot Verges	Landscape Construction	0	0	0	0	0	0	19,598	19,598	0	
Stage 8 Medium Density Lot Verges	Landscape Consulting	0	0	0	0	0	0	1,346	1,346	0	
Stage 9 Medium Density Lot Verges	Landscape Construction	0	0	0	0	0	0	95,700	95,700	0	
Stage 9 Medium Density Lot Verges	Landscape Consulting	0	0	0	0	0	0	5,500	5,500	0	
School Oval	Landscape Construction	0	0	0	0	0	0	44,219	44,219	0	
Marmion Ave Eastern Verge Upgrade	Landscape Construction	0	0	0	0	0	0	269,451	269,451	0	
Marmion Ave Eastern Verge Upgrade	Landscape Consulting	0	0	0	0	0	0	19,688	19,688	0	
Western Cell Long Beach Prom Entry Statement	Landscape Consulting	0	0	0	0	0	0	19,164	19,164	0	
Western Cell Long Beach Prom Greenlink	Landscape Consulting	0	0	0	0	0	0	11,880	11,880	0	
Western Cell Marmion Ave Verge	Landscape Consulting	0	0	0	0	0	0	19,196	19,196	0	
Western Cell POS	Landscape Consulting	0	0	0	0	0	0	83,145	83,145	0	
Western Cell POS2	Landscape Consulting	0	0	0	0	0	0	64,091	64,091	0	
West Cell Bore, Pump, Electrics & Iron Filtration	Landscape Construction	0	0	0	0	0	0	118,324	118,324	0	
West Cell Bore, Pump, Electrics & Iron Filtration	Landscape Consulting	0	0	0	0	0	0	9,466	9,466	0	
Western Cell Long Beach Prom Medians	Landscape Consulting	0	0	0	0	0	0	19,357	19,357	0	
Catalina Beach Foreshore Node / Beach Connect	Landscape Construction	0	0	0	0	0	0	889	0	(889)	
Catalina Beach Portofino Medians	Landscape Construction	0	0	0	0	0	0	506	0	(506)	
Catalina Beach Greenlink Stage 25	Landscape Construction	0	0	0	0	0	0	3,941,470	3,941,448	(22)	
Catalina Beach Greenlink Stage 25	Landscape Consulting	0	0	0	0	0	0	120,249	118,508	(1,741)	
Preliminary Landscaping Consultancy	Landscape Consulting	36,863	7,169	(29,695)	148,128	28,426	(119,701)	526,202	340,859	(185,342)	
Northern Biodiversity Conservation Area	Landscape Construction	0	0	0	0	0	0	354,111	354,111	0	
Northern Biodiversity Conservation Area	Landscape Consulting	0	0	0	0	0	0	19,093	19,093	0	
Neerabup Road Verge Treatment - West	Landscape Construction	0	0	0	0	0	0	795,713	795,713	0	
Neerabup Road Verge Treatment - West	Landscape Consulting	0	0	0	0	0	0	47,056	47,056	0	

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2022		Actual MTD Vs Budget Oct 2021			Year to date Vs Budget to Oct 2021			Project to date Vs Budget to Oct 2021			Bud Comparison: Jun 21 Approved
Job Description	Account Description	Actual 1 month to Oct 2021	Budget 1 month to Oct 2021	Variance	YTD to Oct 2021	YTD budget	Variance	PTD to Oct 2021	PTD budget	Variance	Comments regarding variance
Neerabup Road Verge Treatment - East	Landscape Construction	0	0	0	0	0	0	180,487	180,487	0	
Neerabup Road Verge Treatment - East	Landscape Consulting	0	0	0	0	0	0	23,134	23,134	0	
Neerabup Entry Statement	Landscape Construction	0	0	0	0	0	0	87,605	87,605	0	
Neerabup Entry Statement	Landscape Consulting	0	0	0	0	0	0	1,927	1,927	0	
Public Open Space 1	Landscape Construction	0	0	0	0	0	0	369,509	369,509	0	
Public Open Space 1	Landscape Consulting	0	0	0	0	0	0	46,158	46,158	0	
Public Open Space - Lot 8009	Landscape Construction	0	0	0	0	0	0	166,728	166,728	0	
Public Open Space - Lot 8009	Landscape Consulting	0	0	0	0	0	0	11,504	11,504	0	
Sales Centre Landscaping	Landscape Construction	0	0	0	0	0	0	1,700	1,700	0	
Environmental Landscaping	Landscape Construction	7,233	14,071	6,838	17,997	55,797	37,801	301,519	371,940	70,421	
Public Open Space - Lot 8007	Landscape Construction	0	0	0	0	0	0	1,083,262	1,083,262	0	
Public Open Space - Lot 8007	Landscape Consulting	0	0	0	0	0	0	76,262	76,262	0	
Irrigation System	Landscape Construction	0	0	0	0	0	0	76,010	76,010	0	
Irrigation System	Landscape Consulting	0	0	0	0	0	0	4,801	4,801	0	
Public Art	Landscape Construction	0	0	0	15,000	0	(15,000)	186,764	171,764	(15,000)	
Public Art	Landscape Consulting	0	0	0	0	0	0	13,105	13,105	0	
Streescapes Stg 2 Consultancy	Landscape Construction	0	0	0	0	0	0	164,882	164,882	0	
Streescapes Stg 2 Consultancy	Landscape Consulting	0	0	0	0	0	0	11,980	11,980	0	
Streetscape To Stage 3	Landscape Construction	0	0	0	0	0	0	40,537	40,537	0	
Aviator Blvd Greenlink (5.2)	Landscape Consulting	0	0	0	0	0	0	6,072	6,072	0	
Neerabup Road Verge Treatment Stg4	Landscape Construction	0	0	0	0	0	0	206,713	206,713	0	
Neerabup Road Verge Treatment Stg4	Landscape Consulting	0	0	0	0	0	0	12,759	12,759	0	
Neerabup Road Verge Treatment Stg5	Landscape Construction	0	0	0	0	0	0	157,346	157,346	0	
Neerabup Road Verge Treatment Stg5	Landscape Consulting	0	0	0	0	0	0	14,093	14,093	0	
Public Open Space Stage 6	Landscape Construction	0	0	0	0	0	0	145,252	145,252	0	
Public Open Space Stage 6	Landscape Consulting	0	0	0	0	0	0	6,768	6,768	0	
Sales Centre Landscaping Stg 2	Landscape Construction	0	0	0	0	0	0	6,798	6,798	(0)	
Sales Centre Landscaping Stg 2	Landscape Consulting	0	0	0	0	0	0	7,527	7,527	0	
Public Access Way 2.1	Landscape Construction	0	0	0	0	0	0	150,700	150,700	0	
Public Access Way 2.1	Landscape Consulting	0	0	0	0	0	0	11,232	11,232	0	
Aviator Blvd Entry Stmt	Landscape Construction	0	0	0	0	0	0	511,858	511,858	0	
Aviator Blvd Entry Stmt	Landscape Consulting	0	0	0	0	0	0	27,897	27,897	0	
Roundabout	Landscape Construction	0	0	0	0	0	0	7,162	7,162	0	
Roundabout	Landscape Consulting	0	0	0	0	0	0	1,035	1,035	0	
Fauna Relocation	Landscape Construction	0	0	0	0	0	0	37,080	(0)	(37,080)	
Western Cell Entry Statement & Greenlink	Landscape Construction	0	0	0	0	0	0	59,051	59,051	0	
Stage 11 Landscape Phase 2	Landscape Construction	0	0	0	17,278	0	(17,278)	760,968	743,691	(17,278)	
Catalina Grove Initial Scoping Works	Landscape Consulting	0	0	0	0	0	0	16,803	16,803	0	
Catalina Central Landscape Upgrade	Landscape Construction	0	0	0	0	0	0	821,012	821,012	0	
Catalina Central Landscape Upgrade	Landscape Consulting	0	0	0	0	0	0	63,128	63,128	0	
Stage 12/13 Greenlink New Bore	Landscape Construction	0	0	0	0	0	0	70,354	70,354	0	
Marmion Ave Shrub Planting	Landscape Construction	0	0	0	0	0	0	18,751	17,282	(1,469)	
Catalina Beach Display Village Verge Landscaping	Landscape Construction	0	0	0	0	0	0	53,415	53,415	0	
Bore 6	Landscape Construction	0	0	0	0	0	0	30,906	30,906	0	
Catalina Beach Stage 26 Landscaping	Landscape Construction	0	0	0	0	0	0	40,000	40,000	0	
Central Connolly Drive	Landscape Construction	0	0	0	0	0	0	0	0	0	
Central Green Link	Landscape Construction	0	0	0	0	0	0	0	0	0	
Central Streetscape - High Density	Landscape Construction	0	0	0	0	0	0	0	0	0	
Central Stage 18C Subdivision	Landscape Construction	0	0	0	0	0	0	0	0	0	
Beach Portofino Verge - South	Landscape Construction	0	0	0	0	0	0	0	0	0	
Beach Park 2	Landscape Construction	0	0	0	0	0	0	0	0	0	
Beach Foreshore POS Area 1	Landscape Construction	0	0	0	0	0	0	0	0	0	
Beach Foreshore Access Area 1	Landscape Construction	0	55,502	55,502	0	220,084	220,084	0	220,084	220,084	
Beach Long Beach Promenade Verge	Landscape Construction	0	0	0	0	0	0	0	0	0	
Beach Bore, Pump & Filtration Unit	Landscape Construction	0	0	0	0	0	0	0	0	0	
Green Neerabup Road Phase 1	Landscape Construction	0	0	0	0	0	0	0	0	0	
Green Connolly Drive Phase 1	Landscape Construction	0	0	0	0	0	0	0	0	0	
Green POS 1 Phase 1	Landscape Construction	0	0	0	0	0	0	0	0	0	
Green Central Bore, Pump & Filtration Unit	Landscape Construction	0	0	0	0	8,380	8,380	0	8,380	8,380	
Beach South Buffer	Landscape Construction	0	2,113	2,113	0	0	0	0	0	0	
TOTAL LANDSCAPING		44,096	78,855	34,759	198,402	312,687	114,285	18,294,552	18,256,462	(38,089)	Within budget
INDIRECT CONSULTANTS											

Catalina Actual vs Budget Analysis

Tamarla Park Cashflow FY2022		Actual MTD Vs Budget Oct 2021			Year to date Vs Budget to Oct 2021			Project to date Vs Budget to Oct 2021			Bud Comparison: Jun 21 Approved	
Job Description	Account Description	Actual 1 month to Oct 2021	Budget 1 month to Oct 2021	Variance	YTD to Oct 2021	YTD budget	Variance	PTD to Oct 2021	PTD budget	Variance	Comments regarding variance	
Planning - indirect	Planning	0	21,174	21,174	52,923	83,964	31,041	2,685,684	2,731,023	45,340		
	Architect	0	680	680	0	2,696	2,696	15,100	26,235	11,135		
	Environmental	0	1,699	1,699	10,613	6,737	(3,875)	380,232	363,554	(16,678)		
	Geotechnical	0	519	519	0	2,058	2,058	12,300	20,779	8,479		
	Title - Survey & Legal fees	1,750	1,360	(390)	10,533	5,393	(5,139)	179,988	175,314	(4,674)		
	Engineering fees	717	4,349	3,632	7,910	17,243	9,334	300,596	306,946	6,350		
	Traffic planning	0	77	77	0	306	306	84,181	85,393	1,212		
	Landscaping consultancy	0	0	0	0	0	0	9,936	0	(9,936)		
	Miscellaneous Consultants	0	2,275	2,275	1,072	9,022	7,950	7,762	39,523	31,762		
	Planning - fire & safety	0	213	213	2,200	846	(1,354)	16,280	5,471	(10,809)		
	Planning - Hydrology	0	2,025	2,025	2,317	8,031	5,714	134,590	149,550	14,960		
	Planning - Sustainability	0	962	962	0	3,814	3,814	26,805	39,995	13,189		
	Acoustic & Noise Consult	0	122	122	0	483	483	8,265	483	(7,782)		
	Tree Mapping	0	171	171	0	675	675	4,406	4,291	(115)		
TOTAL INDIRECT CONSULTANTS		2,467	35,626	33,159	87,566	141,269	53,703	3,866,125	3,948,556	82,432	Within budget	
INFRASTRUCTURE												
Completed Infrastructure		0	0	0	0	0	0	11,110,854	11,110,854	0		
Marmion relocation services		0	0	0	0	0	0	450,680	450,680	0	Within total FY22 Infrastructure budget	
Marmion relocation services		0	0	0	0	0	0	48,750	48,750	0		
Neerabup Road Key Largo Intersection		0	0	0	0	0	0	974,127	974,127	0		
Neerabup Road Key Largo Intersection Eng		0	0	0	0	0	0	54,024	54,024	0		
Neerabup Rd Maroochydore Way Intersection		0	0	0	0	0	0	1,498,274	1,480,279	(17,995)		
Neerabup Rd Maroochydore Way Intersection Eng		0	0	0	0	0	0	97,321	97,321	0		
Connolly Drive Aviator Blvd Intersection		166,035	306,498	140,463	415,372	1,215,369	799,997	517,891	1,317,888	799,997		
Connolly Drive Aviator Blvd Intersection		0	3,715	3,715	4,981	14,733	9,752	113,123	119,554	6,431		
Neerabup Road Green Link Underpass		0	0	0	0	0	0	2,296,934	2,296,934	0		
EPBC Offset - foraging		0	0	0	0	0	0	490,000	490,000	0		
Gravity Sewer		0	0	0	0	0	0	1,518,761	1,518,761	0		
Gravity Sewer Engineering		0	0	0	0	0	0	100,778	100,778	0		
Marmion Avenue Green Link Intersection		0	0	0	0	0	0	3,041,955	3,041,955	0		
Marmion Avenue Green Link Intersection Eng		0	0	0	0	0	0	151,585	151,585	0		
Asbestos and rubbish removal - Gen Allowance		0	0	0	0	0	0	25,801	47,412	21,611		
Foreshore Access Road		28,303	260,525	232,222	289,168	1,033,068	743,900	291,768	1,035,668	743,900		
Foreshore Access Road		3,341	10,551	7,211	11,025	41,840	30,816	50,112	79,424	29,312		
UXO - Search Western Cell Phase 2		0	0	0	0	0	0	14,500	14,500	0		
UXO - Search Western Cell Phase 2		0	0	0	0	0	0	1,625	1,625	0		
Portofino Extension		125,811	381,414	255,603	252,557	760,616	508,060	254,057	762,116	508,060		
Portofino Extension		708	18,622	17,914	3,386	37,137	33,751	45,678	79,429	33,751		
Housing Auth Dist Plan Scheme 2		0	0	0	0	0	0	162,919	162,919	0		
Catalina Beach North/South Dual Use Path		0	0	0	0	0	0	680,742	730,000	49,258		
Catalina Beach North/South Dual Use Path		0	0	0	0	0	0	0	35,000	35,000		
Longreach Prom Extension		0	303,786	303,786	0	303,786	303,786	0	303,786	303,786		
Longreach Prom Extension		5,696	19,746	14,050	35,209	19,746	(15,463)	35,209	19,746	(15,463)		
CAT Foreshore POS		0	10,966	10,966	0	21,869	21,869	0	21,869	21,869		
CAT Foreshore POS		0	713	713	0	1,422	1,422	0	1,422	1,422		
Catalina Green Aviator Extension Engineering		0	0	0	0	0	0	0	0	0		
Waste Water Pump Station (West)		0	0	0	0	0	0	1,804,215	1,804,215	(0)		
Rubbish removal - General Allowance		0	0	0	0	0	0	17,314	17,314	0		
INFRASTRUCTURE		329,894	1,316,538	986,644	1,011,697	3,449,586	2,437,889	14,795,164	17,259,081	2,463,917	Within budget	
INFRASTRUCTURE REFUNDS												
Neerabup Road Reimbursement		0	0	0	0	0	0	(432,548)	(432,548)	0		
Waste Water Pump Station (West)		0	0	0	0	0	0	(1,397,613)	(1,397,613)	0		
INFRASTRUCTURE REFUNDS		0	0	0	0	0	0	(1,830,161)	(1,830,161)	0		
TOTAL INFRASTRUCTURE		329,894	1,316,538	986,644	1,011,697	3,449,586	2,437,889	12,965,003	15,428,920	2,463,917	Within budget	

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2022		Actual MTD Vs Budget Oct 2021			Year to date Vs Budget to Oct 2021			Project to date Vs Budget to Oct 2021			Bud Comparison: Jun 21 Approved
Job Description	Account Description	Actual 1 month to Oct 2021	Budget 1 month to Oct 2021	Variance	YTD to Oct 2021	YTD budget	Variance	PTD to Oct 2021	PTD budget	Variance	Comments regarding variance
SPECIAL SITES & FIXED ASSETS											
Lot 1 Group Housing Site Construction		0	0	0	0	0	0	172,782	172,782	0	
Removal of temp sales office		0	0	0	0	0	0	8,636	8,636	0	
Sales Office Building		0	0	0	0	0	0	573,050	573,981	932	
Sales Office Retrofit		0	0	0	0	0	0	11,186	3,440	(7,746)	
Sales Office Carparks		0	0	0	0	0	0	98,087	98,087	0	
Temp Sales office services		0	0	0	0	0	0	3,812	3,812	0	
Sales Office Construction Western		0	0	0	0	0	0	624,762	625,505	744	
Sales office carparks Western		0	0	0	0	0	0	240,000	240,000	0	
Security Cameras		0	0	0	0	0	0	19,560	19,560	0	
TOTAL SPECIAL SITES & FIXED ASSETS		0	0	0	0	0	0	1,751,875	1,745,804	(6,070)	Within budget
TOTAL CONSTRUCTION		614,006	3,682,530	3,068,524	2,099,720	7,914,458	5,814,738	119,636,048	129,927,942	10,291,894	Within budget
LAND											
		0	0	0	0	0	0	0	0	0	
PROFIT & LOSS EXPENDITURE											
Sales & Marketing											
	Brand Development	3,500	6,667	3,167	5,950	(18,333)	(24,283)	266,889	262,165	(4,724)	
	Sales Office & Builder Rel.	0	1,667	1,667	0	16,667	16,667	111,667	135,974	24,307	
	Brochures	10,880	1,667	(9,213)	17,237	21,667	4,430	164,850	176,560	11,710	
	Advertising	1,092	16,667	15,575	21,770	66,667	44,897	965,612	1,055,981	90,369	
	Signage	0	5,000	5,000	12,215	40,000	27,785	464,759	528,183	63,425	
	Website	0	1,667	1,667	2,340	6,667	4,327	12,531	19,861	7,330	
	Promotions	0	0	0	0	0	0	19,550	28,903	9,353	
	Public Relations	0	0	0	0	0	0	7,424	13,198	5,775	
Total Sales and Marketing		15,472	33,333	17,862	59,512	133,333	73,822	2,013,281	2,220,825	207,544	Within budget
Total Community Development	Comm Dev - Resident Dev	3,728	7,875	4,148	13,711	31,498	17,787	510,780	548,073	37,293	Within budget
Administration											
	Audit and Tax	1,980	0	(1,980)	5,260	20,352	15,092	277,603	263,569	(14,034)	
	Cleaning	840	1,024	184	3,150	4,059	909	49,309	51,869	2,560	
	Computer Costs	0	512	512	0	2,029	2,029	0	7,211	7,211	
	Couriers	0	307	307	0	1,218	1,218	1,338	13,017	11,679	
	Electricity & Gas	1,344	1,024	(321)	3,236	4,059	823	130,655	126,748	(3,907)	
	Insurance	0	512	512	0	2,029	2,029	3,184	7,713	4,529	
	Legal fees	0	4,265	4,265	0	16,911	16,911	199,392	241,312	41,920	
	Licenses & Fees	0	512	512	323	2,029	1,707	1,186	5,812	4,626	
	Postage, Print & Stationery	0	512	512	0	2,029	2,029	2,244	33,521	31,277	
	Rent - Sales Office & Cprk	0	0	0	0	0	0	467,350	467,350	0	
	Sundry Office Expenses	0	1,535	1,535	0	6,088	6,088	1,076	29,865	28,788	
	Training	0	2,132	2,132	0	8,456	8,456	0	20,956	20,956	
	Valuations	1,850	3,412	1,562	8,750	13,529	4,779	195,963	206,542	10,579	
	Rates & Taxes	219	0	(219)	168,906	249,475	80,570	874,538	1,171,425	296,887	
	Maintenance	50,382	62,164	11,782	159,987	246,005	86,017	2,601,380	2,832,607	231,228	
	Maint- Carpark Makegood	0	0	0	0	0	0	53,798	53,798	0	
	Security	0	3,071	3,071	0	12,176	12,176	28,877	59,473	30,597	
Total Administration		56,615	80,980	24,365	349,611	590,444	240,833	4,887,892	5,592,788	704,896	Within budget
Finance											
	Contingency	0	172,858	172,858	22,058	419,151	397,093	2,210,222	791,176	(1,419,046)	Actual Contingency spend applied to cost types above.
	Contingency Offset Transfer	0	0	0	0	0	0	(2,188,164)	0	2,188,164	
Total Finance		0	172,858	172,858	22,058	419,151	397,093	22,058	791,176	769,118	
Total P&L Expenditure		75,814	295,046	219,232	444,891	1,174,426	729,535	7,434,011	9,152,861	1,718,850	
Grand Expense Total		689,820	3,977,576	3,287,756	2,544,611	9,088,884	6,544,273	127,070,059	139,080,803	12,010,744	Within budget

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2022		Actual MTD Vs Budget Oct 2021			Year to date Vs Budget to Oct 2021			Project to date Vs Budget to Oct 2021			Bud Comparison: Jun 21 Approved
Job Description	Account Description	Actual 1 month to Oct 2021	Budget 1 month to Oct 2021	Variance	YTD to Oct 2021	YTD budget	Variance	PTD to Oct 2021	PTD budget	Variance	Comments regarding variance

Contingency Summary		
YTD Budget		419,151
Contingency Transferred (Actual & Budget)		<u>0</u>
Contingency not yet used		<u>419,151</u>
List of Contingency items transferred year to date		
<u>Period</u>	<u>Job Description</u>	<u>Amount</u>
		<u>0</u>
Budget Transfers		
List of Budget items transferred year to date		
<u>Period</u>	<u>Job Description</u>	<u>Amount</u>
		<u>0</u>
Note: Actual Contingency spend in prior years is reported against the job that the spend relates to.		

1.0 Management Accounts

1.1 KEY STATISTICS

1.1.1 RESIDENTIAL LOTS & DISTRIBUTIONS								
	<u>Lots Produced (titles)</u>		<u>Sales</u>		<u>Settlements</u>		<u>Distributions</u>	
	<i>Actual</i>	<i>Budget (Jun-21)</i>	<i>Actual</i>	<i>Budget (Jun-21)</i>	<i>Actual</i>	<i>Budget (Jun-21)</i>	<i>Actual</i>	<i>Budget (Jun-21)</i>
Prior Years	1,046	1,041	1,061	1,067	1,032	1,033	78,000,000	78,000,000
Jul-2021	-	34	9	8	1	3	-	-
Aug-2021	-	-	13	8	3	5	-	-
Sep-2021	34	-	12	8	16	2	-	-
Sep Qtr	34	34	34	24	20	10	-	-
Oct-2021	-	-	10	10	10	5	-	-
Nov-2021	-	-	-	9	-	2	-	-
Dec-2021	-	-	-	10	-	7	-	-
Dec Qtr	-	-	10	29	10	14	-	-
Jan-2022	-	-	-	9	-	4	-	-
Feb-2022	-	62	-	10	-	6	-	-
Mar-2022	-	-	-	9	-	17	-	-
Mar Qtr	-	62	-	28	-	27	-	-
Apr-2022	-	79	-	10	-	8	-	-
May-2022	-	-	-	9	-	20	-	-
Jun-2022	-	-	-	10	-	19	-	10,000,000
Jun Qtr	-	79	-	29	-	47	-	10,000,000
PTD	1,080	1,075	1,105	1,101	1,062	1,048	78,000,000	78,000,000
Full 2021/22 Year	34	175	44	110	30	98	-	10,000,000
2022/23		81		110		108		6,000,000
2023/24		103		96		104		8,000,000

- There were 10 sales and 10 residential settlements for October.

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>
		<i>(Jun-21)</i>		<i>(Jun-21)</i>		<i>(Jun-21)</i>
Residential						
- Sales #	10	10	44	34	1,105	1,101
- Sales \$	2,395,000	2,259,505	15,532,000	10,611,893	300,863,500	297,876,118
- Sales \$/lot	239,500	225,951	353,000	312,115	272,275	270,551
- Settlements #	10	5	30	15	1,062	1,048
- Settlements \$	3,620,000	1,863,162	10,829,500	5,247,533	285,492,500	280,298,994
- Settlements \$/lot	362,000	372,632	360,983	349,836	268,825	267,461
Special Sites						
- Sales #	-	-	-	-	4	4
- Sales \$	-	-	-	-	3,772,000	3,772,000
- Sales \$/lot	-	-	-	-	943,000	943,000
- Settlements #	-	-	-	-	4	4
- Settlements \$	-	-	-	-	3,772,000	3,772,000
- Settlements \$/lot	-	-	-	-	943,000	943,000
Lots Under Contract						
- Unsettled sales #	43			4	Titled	
- Unsettled sales \$	15,371,000			39	1,080 <i>incl. Spec sites</i>	
- Unsettled sales \$/lot	357,465					

1.3 Cashflow - MTD Actuals to budget

	<u>MTD Act</u>	<u>MTD Bgt</u> <i>(Jun-21)</i>	<u>Variance</u>
<u>Income</u>			
Settlement Revenue	3,620,000	1,863,162	1,756,838
Margin GST	(72,716)	(22,955)	(49,761)
Direct selling costs	(162,222)	(85,048)	(77,174)
Interest Income	533	-	533
Forfeited Deposits	-	-	-
Other Income	-	-	-
Rebate Allowance	(27,114)	(222,583)	195,468
	<u>3,358,480</u>	<u>1,532,576</u>	<u>1,825,904</u>
<u>Development costs</u>			
WAPC Land Acq.	-	-	-
Lot production	237,549	1,901,511	1,663,962
Clearance Bonds	-	350,000	350,000
Landscaping	44,096	78,855	34,759
Consultants	2,467	35,626	33,159
Infrastructure	329,894	1,316,538	986,644
Sales office building	-	-	-
	<u>614,006</u>	<u>3,682,530</u>	<u>3,068,524</u>
<u>Overheads</u>			
Sales & marketing	15,472	33,333	17,862
Community Develop.	3,728	7,875	4,148
Administration	56,615	80,980	24,365
Finance/Contingency	-	172,858	172,858
	<u>75,814</u>	<u>295,046</u>	<u>219,232</u>
Net Cashflow	<u>2,668,660</u>	<u>(2,445,000)</u>	<u>5,113,660</u>

1.4 Cashflow - YTD Actuals to budget

	<u>YTD Act</u>	<u>YTD Bgt</u> <i>(Jun-21)</i>	<u>Variance</u>
<u>Income</u>			
Settlement Revenue	10,829,500	5,247,530	5,581,970
Margin GST	(200,113)	(68,626)	(131,488)
Direct selling costs	(485,337)	(240,268)	(245,069)
Interest Income	2,915	-	2,915
Forfeited Deposits	-	-	-
Other Income	-	-	-
Rebate Allowance	(137,983)	(553,243)	415,259
	<u>10,008,981</u>	<u>4,385,394</u>	<u>5,623,587</u>
<u>Development costs</u>			
WAPC Land Acq.	-	-	-
Lot production	802,055	3,714,446	2,912,391
Clearance Bonds	-	296,470	296,470
Landscaping	198,402	312,687	114,285
Consultants	87,566	141,269	53,703
Infrastructure	1,011,697	3,449,586	2,437,889
Sales office building	-	-	-
	<u>2,099,720</u>	<u>7,914,458</u>	<u>5,814,738</u>
<u>Overheads</u>			
Sales & marketing	59,512	133,333	73,822
Community Develop.	13,711	31,498	17,787
Administration	349,611	590,444	240,833
Finance/Contingency	22,058	419,151	397,093
	<u>444,891</u>	<u>1,174,426</u>	<u>729,535</u>
Net Cashflow	<u>7,464,370</u>	<u>(4,703,491)</u>	<u>12,167,860</u>

1.5 Bonds

	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
City of Wanneroo	242,868	896,155	896,155
	<u>242,868</u>	<u>896,155</u>	<u>896,155</u>

Bonds relate to stages 25, 16A & 27A early clearances.

CATALINA
FINANCE REPORT
OCTOBER 2021

2.0 PROFIT & LOSS

	<u>MTH Act</u>	<u>MTH Bgt</u>	<u>Var</u>	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>Var</u>	<u>PTD Act</u>	<u>PTD Bgt</u>
	<i>(Jun-21)</i>			<i>(Jun-21)</i>			<i>(Jun-21)</i>	
- Revenue \$ (Stlmts)	3,620,000	1,863,162	1,756,838	10,829,500	5,247,533	5,581,967	285,492,500	280,298,994
- Revenue \$/lot	362,000	372,632		360,983	349,836		268,825	267,461
- Selling & GST \$	352,938	176,079	(176,858)	1,043,201	512,412	(530,788)	25,449,998	25,576,472
- Selling & GST \$/lot	35,294	35,216		34,773	34,161		23,964	24,405
- Cost of sales \$	1,291,486	858,790	(432,696)	3,793,151	2,303,766	(1,489,385)	100,640,964	101,054,808
- Cost of sales \$/lot	129,149	171,758		126,438	153,584		94,766	96,426
- Gross profit \$	<u>1,975,576</u>	<u>828,293</u>	<u>1,147,283</u>	<u>5,993,148</u>	<u>2,431,355</u>	<u>3,561,793</u>	<u>159,401,538</u>	<u>153,667,714</u>
- Gross profit \$/lot	197,558	165,659		199,772	162,090		150,096	146,629
- Gross profit Mgn %	54.57%	44.46%		55.34%	46.33%		55.83%	54.82%
- Special Sites \$	-	-	-	-	-	-	2,091,959	2,091,959
- Other income \$	533	-	533	2,915	-	2,915	268,670	263,843
- Sales & Marketing \$	21,031	44,101	23,070	78,824	176,403	97,579	2,511,782	2,821,598
- Administration \$	79,403	98,292	18,889	259,961	410,155	150,194	5,407,157	5,587,327
- Finance/Other \$	-	-	-	-	-	-	198,181	198,181
- Contingency \$	-	172,858	172,858	22,058	419,151	397,093	22,058	536,027
- Net profit \$	1,875,675	513,042	1,362,633	5,635,221	1,425,646	4,209,575	153,622,989	146,880,382
- Net profit \$/lot	187,567	102,608		187,841	95,043		144,654	140,153

- Year to date Gross profit is \$3.56M favourable to budget due to 15 more settlements.
- Year to date Overheads are \$644k below budget due to:
 - Marketing \$97k favourable due - timing;
 - Admin \$150k favourable - timing (mainly R&M);
 - Unused Contingency \$397k.

YEAR TO DATE VERSUS FULL YEAR BUDGET

	<u>YTD Act</u>	<u>Full Year Bgt</u>	<u>Var</u>
- Revenue \$ (Stlmts)	10,829,500	29,575,140	(18,745,640)
- Revenue \$/lot	360,983	301,787	
- Selling & GST \$	1,043,201	3,170,867	2,127,667
- Selling & GST \$/lot	34,773	32,356	
- Cost of sales \$	3,793,151	15,715,690	11,922,539
- Cost of sales \$/lot	126,438	160,364	
- Gross profit \$	<u>5,993,148</u>	<u>10,688,583</u>	<u>(4,695,435)</u>
- Gross profit \$/lot	199,772	109,067	
- Gross profit Mgn %	55.34%	36.14%	
- Special Sites \$	-	3,059,650	(3,059,650)
- Other income \$	2,915	-	2,915
- Sales & Marketing \$	78,824	570,645	491,821
- Administration \$	259,961	1,215,869	955,908
- Finance \$	-	-	-
- Contingency \$	22,058	1,999,327	1,977,269
- Net profit \$	5,635,221	9,962,392	(4,327,172)
- Net profit \$/lot	187,841	101,657	

2.1 GROSS PROFIT ANALYSIS

Actual

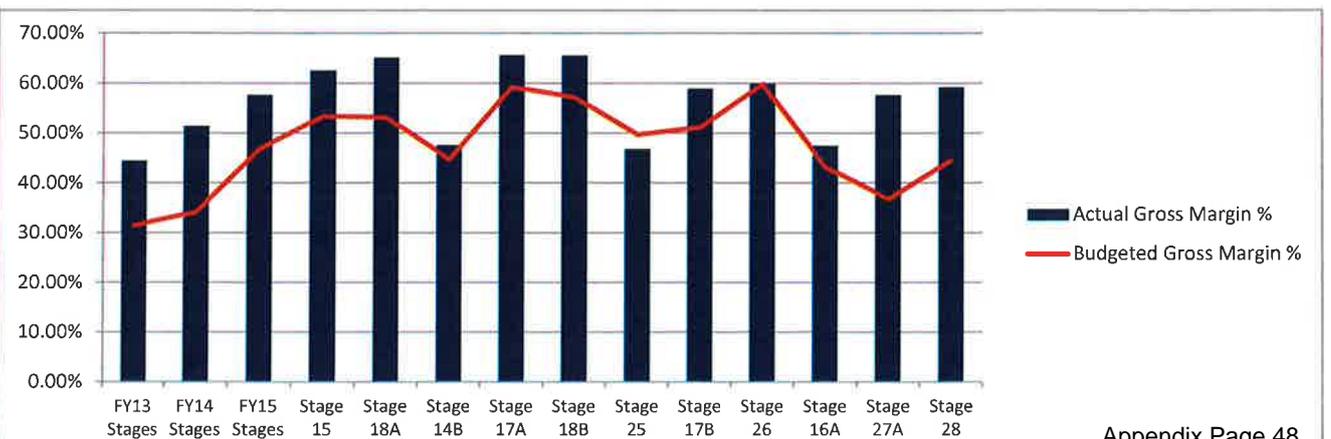
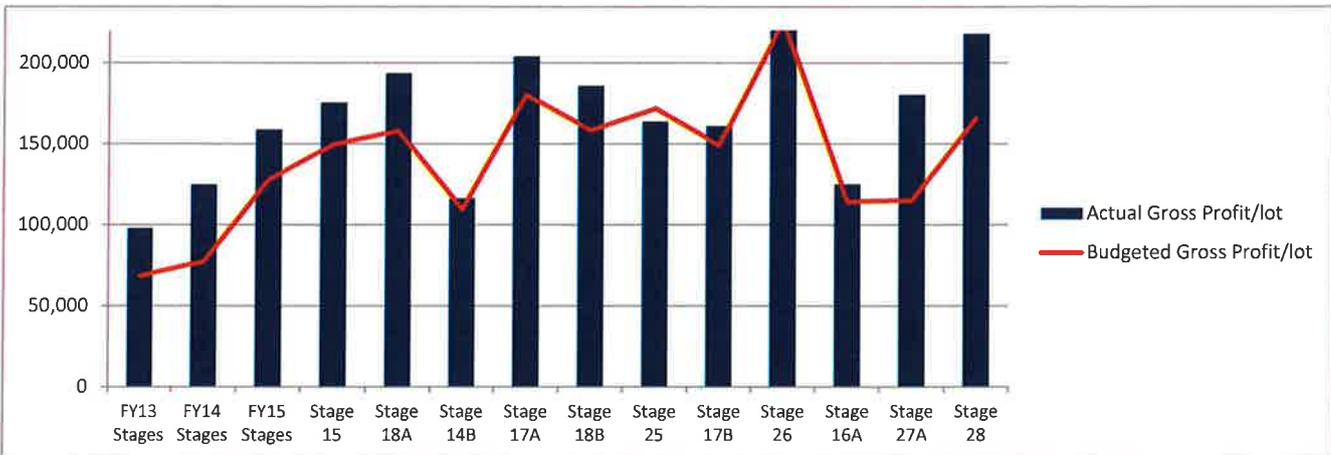
Stages	Title Issue Date	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)	Direct Costs/lot	Actual Gross Profit	Actual Gross Profit/lot	Actual Gross Margin %
Incentives Writeback				-4,253,385		4,253,385		
FY13 Stages	2012 / 2013	51,375,500	220,496	28,570,159	122,619	22,805,341	97,877	44.39%
FY14 Stages	2013 / 2014	50,325,000	243,116	24,477,309	118,248	25,847,691	124,868	51.36%
FY15 Stages	2014 / 2015	77,688,000	275,489	32,963,408	116,892	44,724,592	158,598	57.57%
Stage 15	15-Dec-15	15,444,000	280,800	5,791,567	105,301	9,652,433	175,499	62.50%
Stage 18A	27-May-16	8,626,000	297,448	3,015,429	103,980	5,610,571	193,468	65.04%
Stage 14B	28-Oct-16	2,444,000	244,400	1,281,011	128,101	1,162,989	116,299	47.59%
Stage 17A	20-Feb-17	7,774,000	310,960	2,674,295	106,972	5,099,705	203,988	65.60%
Stage 18B	13-Jun-17	8,792,000	283,613	3,035,185	97,909	5,756,815	185,704	65.48%
Stage 25	8-Aug-17	19,958,000	350,140	10,624,395	186,393	9,333,605	163,747	46.77%
Stage 17B	22-May-18	9,827,500	272,986	4,037,425	112,151	5,790,075	160,835	58.92%
Stage 26	26-Sep-19	14,125,500	371,724	5,677,256	149,401	8,448,244	222,322	59.81%
Stage 16A	25-Jan-21	3,952,000	263,467	2,078,100	138,540	1,873,900	124,927	47.42%
Stage 27A	24-Feb-21	5,946,000	312,947	2,524,185	132,852	3,421,815	180,096	57.55%
Stage 28	1-Sep-21	9,215,000	368,600	3,765,911	150,636	5,449,089	217,964	59.13%
		285,492,500		126,262,250		159,230,250		

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

Budget

Stages	Budget Version	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)	Direct Costs/lot	Budgeted Gross Profit	Budgeted Gross Profit/lot	Budgeted Gross Margin %
FY13 Stages	May-12	51,358,953	217,623	35,200,675	149,155	16,158,278	68,467	31.46%
FY 14 Stages	Jun-13	46,931,935	226,724	30,917,421	149,360	16,014,514	77,365	34.12%
FY 15 Stages	Aug-14	76,167,089	273,000	40,469,170	145,051	35,697,919	127,950	46.87%
Stage 15	Aug-15	15,433,000	280,600	7,203,599	130,975	8,229,401	149,625	53.32%
Stage 18A	Jun-16	8,626,000	297,448	4,048,854	139,616	4,577,146	157,833	53.06%
Stage 14B	Jun-16	2,448,087	244,809	1,352,232	135,223	1,095,855	109,585	44.76%
Stage 17A	Jun-16	9,427,756	304,121	3,845,430	124,046	5,582,326	180,075	59.21%
Stage 18B	Jun-16	8,584,690	276,925	3,677,414	118,626	4,907,276	158,299	57.16%
Stage 25	Aug-17	19,696,448	345,552	9,915,141	173,950	9,781,307	171,602	49.66%
Stage 17B	Dec-17	10,496,494	291,569	5,131,807	142,550	5,364,687	149,019	51.11%
Stage 26	Jun-19	14,347,000	377,553	5,766,060	151,738	8,580,940	225,814	59.81%
Stage 16A	Dec-20	4,498,002	264,588	2,555,841	150,344	1,942,161	114,245	43.18%
Stage 27A	Dec-20	6,251,840	312,592	3,951,378	197,569	2,300,462	115,023	36.80%
Stage 28	Jul-21	12,669,500	372,632	7,027,024	206,677	5,642,476	165,955	44.54%
		286,936,794		161,062,047		125,874,748		

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



- Stage 27A Gross profit / lot is \$65k above budget due to savings on construction. Stage 27A was originally budgeted as a single stage 27, but when it was split into 2, the construction budget was split 50/50. We therefore expect extra costs for stage 27B.
- Stage 28 Gross profit / lot is \$52k above budget due to lot mix of settlements to date.

Catalina

Finished Lots & Cost of Lots Sold calculations to 31 Oct 2021

Title date:	Completed	Completed	7-Nov-12	7-Nov-12	28-Oct-16	20-Feb-17	13-Jun-17	8-Aug-17	8-Aug-17	8-Aug-17	22-May-18	26-Sep-19	25-Jan-21	24-Feb-21	1-Sep-21	TOTAL
	Spec Sites	Rest Stages	Stage 2	Central Cell Sales Office	Stage 14B	Stage 17A	Stage 18B	Stage 25	Stage 25 Sales Office	Stage 25 GHS Lot 2179	Stage 17B	Stage 28	Stage 16A	Stage 27A	Stage 28	
Direct costs																
Civil Contruction			3,312,998	89,540	633,835	795,104	794,550	4,918,686	83,260	253,163	968,747	1,238,569	945,403	707,388	2,248,532	
Sewer headwks			209,432	5,660	51,015	116,369	136,672	261,837	4,514	4,514	174,117	183,682	101,201	113,955	196,552	
Local authority fees			161,433	4,363	1,911	6,839	10,835	35,653	615	615	12,684	12,947	28,623	17,424	14,962	
Local authority scheme costs			100,077	2,705	27,000	67,500	83,700	156,600	-	-	97,200	13,620	-	-	-	
Survey & legal fees			37,093	1,003	13,139	25,550	29,762	54,801	945	945	35,586	34,200	16,150	21,000	31,837	
Engineering fees			205,607	5,557	18,200	85,250	97,962	159,500	2,750	12,341	100,839	104,500	77,057	58,349	116,545	
Sales Office Build Cost				330,780												
Finished Goods Adjustments	31,206	1,282,787	1,044,810	28,238	11,250	25,549	39,478	220,060				82,824		14,282	32,920	
	420,826	43,233,645	2,981,830	411,370	733,850	1,071,063	1,114,003	5,367,017	92,084	271,578	1,389,173	1,670,342	1,168,434	932,398	2,641,348	
Earthworks Allocation	260,179	11,806,198	447,375	12,091	50,570	123,078	152,616	1,077,304	18,574	66,681	166,059	672,342	112,605	303,183	642,426	
Indirect Costs																
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Infrastructure	84,898	6,012,456	265,106	7,165	70,224	235,295	282,496	620,746	7,879	31,674	351,671	521,532	176,806	245,746	381,466	
Landscape	118,628	8,518,643	333,226	9,006	154,123	495,646	594,017	1,308,860	16,613	66,785	871,324	1,270,179	409,039	568,530	725,814	
TOTAL COST	884,530	69,570,942	4,027,536	439,633	1,008,767	1,925,082	2,143,132	8,373,927	135,150	436,718	2,778,227	4,134,395	1,866,884	2,049,857	4,391,054	
Lots	3	769	37	1	10	25	31	58	1	1	36	38	17	20	34	
COST PER LOT	294,843	90,469	108,852	439,633	100,877	77,003	69,133	144,378	135,150	436,718	77,173	108,800	109,817	102,493	129,149	
Lots settled	3	769	37	1	10	25	31	57	-	-	36	38	15	19	25	1,066
COST OF LOTS SETTLED	884,530	69,570,942	4,027,536	439,633	1,008,767	1,925,082	2,143,132	8,229,549	-	-	2,778,227	4,134,395	1,647,251	1,947,365	3,228,716	101,965,124
Stage Area (m2)	10,900	261,394	6,849	320	2,926	10,128	11,236	11,236	255	1,795	13,154	15,904	6,632	6,615	6,615	
Cost per m2	81	266	588	1,374	345	190	191	745	530	243	211	260	281	310	664	
Avg lot size	3,633	340	185	320	293	405	362	194	255	1,795	365	419	390	331	195	
Other cash expenditure																
Direct Selling & Proj Mgt Costs																25,805,877
Marketing costs																2,511,782
Administration																5,407,157
Finance																198,181
Contingency																22,058
TOTAL COSTS																135,910,179
PERIODIC ANALYSIS		Month				YTD					PTD					PY Jun-21
Lots settled			10			30					1,066					1,036
Cost of lots settled			1,291,486			3,793,151					101,965,126					98,171,975
Direct selling costs			352,938			1,043,201					25,805,877					24,762,677
Marketing costs			21,031			78,824					2,511,782					2,432,958
Administration			79,403			259,961					5,407,157					5,147,196
Finance			-			-					198,181					198,181
Contingency			-			22,058					22,058					-
TOTAL COSTS			1,744,858			5,197,194					135,910,181					130,712,987

Job	Titled Date	Direct Cost	Indirect Cost	COGS Total	Lot #	Titled	Untitled	COGS/Lot	Settled Lots	PTD COGS	Per Accounts	Variance	Finished Goods	FG/Lot
140-01-001	17-Oct-2012	4,004,839	637,443	4,642,282	35	35	-	132,637	35	4,642,282	4,642,282.13	-	-	-
140-01-002	7-Nov-2012	3,429,204	598,332	4,027,537	37	37	-	108,852	37	4,027,537	4,027,536.73	-	-	-
140-01-003	14-Jan-2013	3,002,658	554,241	3,556,899	43	43	-	82,719	43	3,556,899	3,556,898.74	-	-	-
140-01-004	20-Mar-2013	3,371,482	800,585	4,172,067	47	47	-	88,767	47	4,172,067	4,172,066.61	-	-	-
140-01-005	20-May-2013	4,894,899	968,068	5,862,967	63	63	-	93,063	63	5,862,967	5,862,967	-	-	-
140-01-06A	18-Jan-2013	483,435	179,725	663,160	8	8	-	82,895	8	663,160	663,159.73	-	-	-
140-01-06B	19-Jan-2015	1,100,352	510,130	1,610,482	24	24	-	67,103	24	1,610,482	1,610,481.72	-	-	-
140-01-06C	3-Apr-2014	671,286	211,296	882,581	10	10	-	88,258	10	882,581	882,581.41	-	-	-
140-01-007	31-Oct-2013	4,146,749	938,488	5,085,238	63	63	-	80,718	63	5,085,238	5,085,237.80	-	-	-
140-01-008	16-Jan-2014	4,389,068	881,805	5,270,874	53	53	-	99,450	53	5,270,874	5,270,873.51	-	-	-
140-01-009	8-May-2014	4,640,905	814,395	5,455,300	51	51	-	106,967	51	5,455,300	5,455,299.97	-	-	-
140-01-010	8-May-2014	2,460,031	595,126	3,055,157	30	30	-	101,839	30	3,055,157	3,055,157.18	-	-	-
140-01-011	1-Oct-2014	4,797,823	1,320,873	6,118,696	64	64	-	95,605	64	6,118,696	6,118,695.94	-	-	-
140-01-012	3-Dec-2014	3,225,081	1,064,585	4,289,666	49	49	-	87,544	49	4,289,666	4,289,666.34	-	-	-
140-01-13A	30-Mar-2015	2,965,498	717,571	3,683,069	37	37	-	99,542	37	3,683,069	3,683,068.77	-	-	-
140-01-13B	11-May-2015	2,739,324	986,155	3,725,479	45	45	-	82,788	45	3,725,479	3,725,479.06	-	-	-
140-01-014	4-Jun-2015	3,619,629	1,347,229	4,966,858	63	63	-	78,839	63	4,966,858	4,966,857.57	-	-	-
140-01-015	15-Dec-2015	3,073,171	1,243,145	4,316,316	55	55	-	78,478	55	4,316,316	4,316,315.85	-	-	-
140-01-18A	27-May-2016	1,453,614	760,239	2,213,853	29	29	-	76,340	29	2,213,853	-	-	-	-
140-01-14B	28-Oct-2016	784,420	224,347	1,008,767	10	10	-	100,877	10	1,008,767	1,008,766.81	-	-	-
140-01-017	20-Feb-2017	1,194,140	730,941	1,925,081	25	25	-	77,003	25	1,925,081	4,316,315.85	-	-	-
140-01-18B	13-Jun-2017	1,266,620	876,513	2,143,133	31	31	-	69,133	31	2,143,133	-	-	-	-
140-02-025	8-Aug-2017	6,444,321	1,929,606	8,373,927	58	58	-	144,378	57	8,229,549	1,647,250.66	0.00	144,378	144,378
140-01-17B	22-May-2018	1,555,232	1,222,995	2,778,227	36	36	-	77,173	36	2,778,227	-	-	-	-
140-02-026	26-Sep-2019	2,342,687	1,791,711	4,134,398	38	38	-	108,800	38	4,134,398	1,925,081.23	-	-	-
140-01-16A	25-Jan-2021	1,281,039	585,845	1,866,884	17	17	-	109,817	15	1,647,251	2,778,226.53	-	219,633	109,817
140-02-27A	24-Feb-2021	1,235,582	814,276	2,049,858	20	20	-	102,493	19	1,947,365	2,213,852.77	-	102,493	102,493
140-02-028	1-Sep-2021	3,283,773	1,107,280	4,391,053	-	34	-	129,149	25	3,228,715	-	-	1,162,338	129,149
140-70-001	7-Nov-2012	423,461	16,171	439,633	1	1	-	439,633	1	439,633	-	-	-	-
140-70-004	12-Dec-2013	20,322	41,798	62,119	1	1	-	62,119	1	62,119	62,119.36	-	-	-
140-70-005	8-Aug-2017	110,657	24,492	135,149	1	1	-	135,149	-	-	-	-	135,149	135,149
140-70-007	17-Oct-2012	222,150	87,611	309,761	1	1	-	309,761	1	309,761	309,761.28	-	-	-
140-70-008	1-Oct-2014	438,532	74,117	512,649	1	1	-	512,649	1	512,649	512,649.06	-	-	-
140-70-028	8-Aug-2017	338,259	98,459	436,718	1	1	-	436,718	-	-	-	-	436,718	436,718
79,410,242		24,755,593	104,165,836	1,047	1,081	-			1,066	101,965,126	85,336,239	-0	2,200,709	

Appendix 7.5

LEGEND

-  CATALINA ESTATE BOUNDARY
-  TITLED LOTS
-  LOTS TO BE TITLED
-  CIVIL CONSTRUCTION COMMENCED BUT NOT TITLED
-  CONSERVATION AREA - CONFIRMED
-  CONSERVATION AREA - SUBJECT TO FUTURE PLANNING
-  SUBJECT TO FUTURE PLANNING



CATALINA FYE 2022 OPERATIONS

Catalina Estate. TAMALA PARK

A Tamala Park Regional Council Project

NORTH



Scale: 1:7500 @ A3



0 75 150 225m

PLAN: TAMCA-1-033	REVISION: A
DATE: 09/06/2021	DRAWN: JP
PROJECTION: PCG 94	PLANNER: TV
DATUM: AHD	CHECK: JH



cdp
Town Planning & Urban Design

Unit 2, 464 Murray Street
Perth WA 6000
(08) 6333 1888
info@cdpau.com.au
www.cdpau.com.au

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Appendix 7.6

30 November 2021

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

Dear Jon,

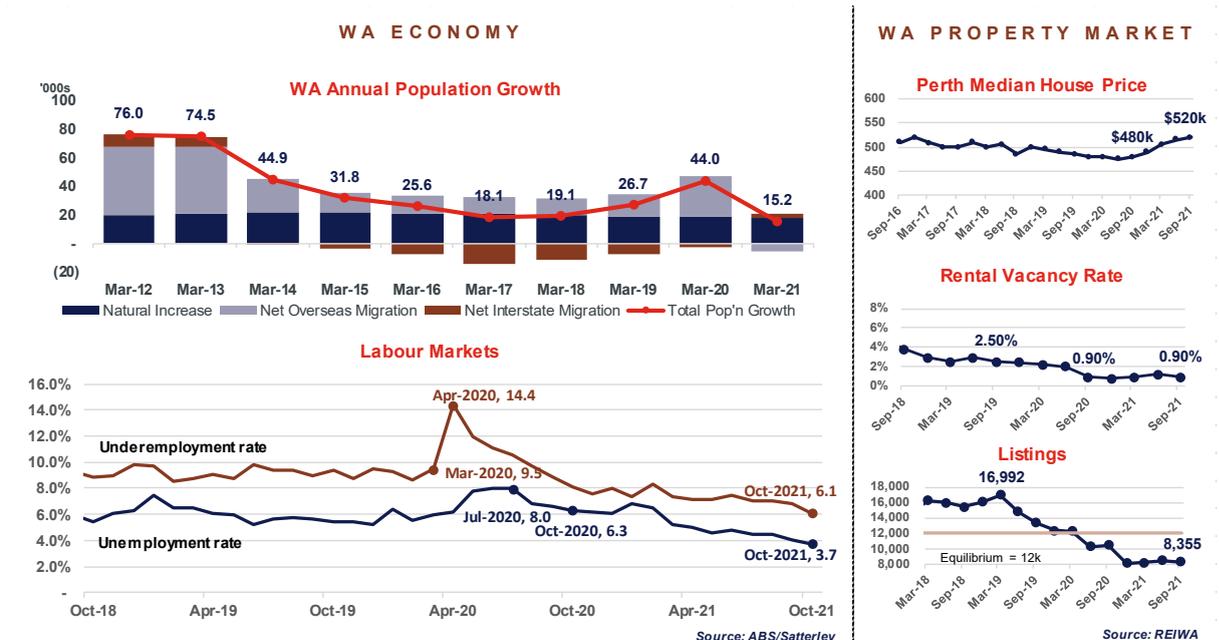
Catalina FY22 Mid-Year Budget Review

Please find attached the FY22 Mid-Year Catalina Budget. The review is discussed under the following headings:

1. Market Commentary
2. Budget Comparisons
3. Operations for Financial Year Ending 2022 (FY22)
4. Review of FY22
5. Key Risks for Achieving FY22 Budget
6. Review of Financial Year Ending 2023 (FY23)
7. Cash Requirement, Capital Return and Profit Distribution Capacity

1. Market Commentary

KEY STATISTICS

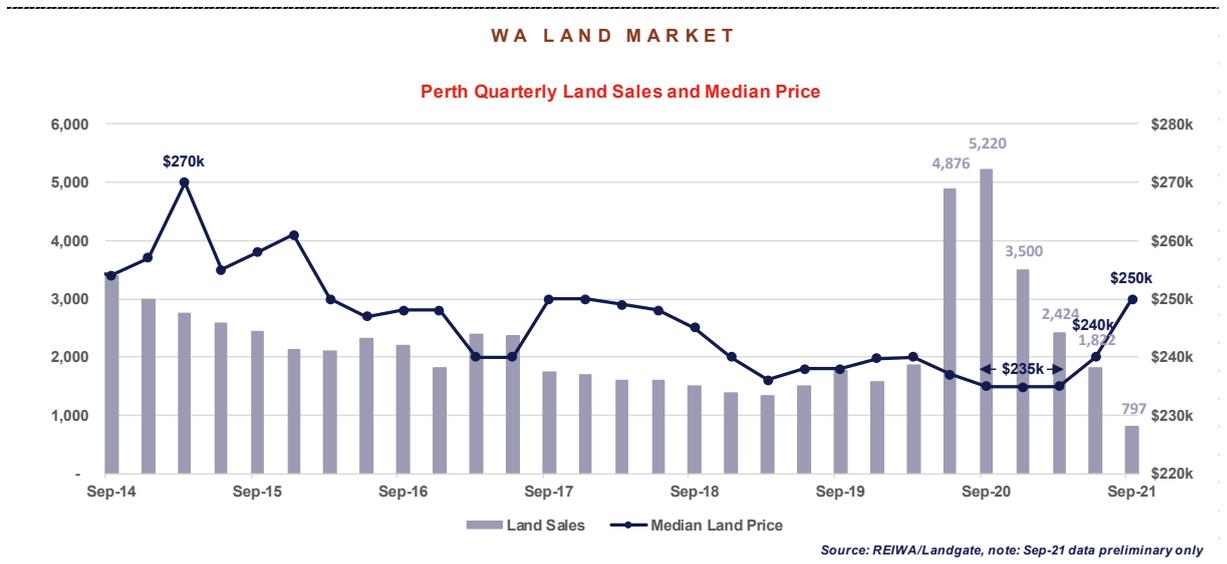


Satterley Property Group Pty Ltd
 Level 3, 27-31 Troode Street, West Perth WA 6005
 PO Box 1346, West Perth WA 6872

T 08 9368 9000
 F 08 9368 9003

ABN 38 009 054 979

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



SUMMARY

- › Government stimulus measures for housing construction significantly boosted land sales between the Jun-20 and Mar-21 quarters inclusive.
- › Surge in demand has resulted in time delays for builders/valuers/financing, cost pressures and delays on materials.
- › Median house prices have risen from \$480k in the Sep-20 quarter to \$520k in the Sep-21 quarter
- › Peak unemployment rate of 8% in Jul-20 has now reduced to 3.7% in Oct-21. Underemployment spike has reduced from 14.4% in Apr-20 to 6.1% in Oct-21.
- › Population growth had turned the corner prior to COVID-19. Hard border measures halted migration flows.
- › Reduced stock levels in WA below 8,400, less than half the peak of 16,992 and under the equilibrium of 12,000 at the end of the Sep-21 quarter.

2. Budget Comparisons

Budget review and analysis in this document for FY22 compares the FY22 Mid-Year Budget Review (this review) to the FY22 Approved Budget.

Unless otherwise stated, comparisons for FY23 and all other financial years are made to the 2018 Project Forecast.

3. Operations for Financial Year Ending 2022 (FY22)

The key operations for the 2022 financial year as forecast in this review are as follows:

1. Distributions remain unchanged at \$10m, with a \$7.9m increase in the closing cash balance to \$38.1m in June 2022.
2. Forecast sales of 159 lots (an increase of 49 lots from the approved budget).
3. Forecast settlements of 80 lots (a reduction of 18 lots from the approved budget).
4. Forecast gross income of \$30.2m.
5. 179 titles are forecast including 34 lots in stage 28 achieved in Sep-21, 23 lots in stage 27B forecast for Feb-22, 37 lots in stage 30 and 57 lots in stage 36 for May-22 and 28 lots in stage 18C forecast in Jun-22.
6. \$5m settlement of the Catalina Green commercial site forecast in Jun-22.
7. Total earthworks and civil construction costs for the year of \$17.5m.
8. Total infrastructure costs of \$7.9m.
9. Total landscaping of \$5.9m budgeted includes works across all precincts.

4. Review of FY22

This review forecasts a net cashflow before distributions of (\$5.0m) for the year to 30 June 2022, which is \$6.1m higher than the approved budget. The main areas of variance are summarised below:

- › Annual sales are 49 higher at 159 lots for FY22, with continued momentum following the end of government stimulus. The FY22 sales forecast includes 15 lots allocated for a display village in Catalina Green.
- › Despite the increase in sales forecast, expected settlements have been revised down by (18) lots to a total of 80 for FY22. The achievement of titles for stages 18C (Jun-22), 30 (May-22) and 36 (May-22) will impact the number of settlements achieved in FY22. The FY22 forecast includes 10 settlements for stage 36, 4 settlements for stage 30 and no settlements from stage 18C.
- › Despite the reduction to the settlement forecast, lot income has only reduced by (\$0.8m), with a greater proportion of settlements coming from the higher priced Catalina Beach stock than previously forecast.
- › Direct selling expenses are \$0.7m lower driven by \$0.3m of campaign incentives not currently being used and deferred to future years and a reduction of \$0.3m from rebates and packages deferred.
- › The first \$5.1m payment for the WAPC land acquisition has been deferred from Dec-21 to Dec-22.

- › FY22 infrastructure costs are largely unchanged from the approved budget with \$7.9m forecast including the following key items:
 - \$1.9m for the Connolly Drive Aviator Boulevard Intersection
 - \$2.8m for the Portofino Promenade Extension
 - \$1.3m for the Long Beach Promenade Extension
 - \$1.6m for the Foreshore Access Road.

- › Overall lot production costs are at a similar level to the approved budget with \$17.5 forecast in this review compared to \$17.6m previously. Key movements include:
 - (\$0.5m) in costs carried over from FY21 for stage 28
 - Staging change which brings forward (\$2.1m) in costs for stage 30 and defers \$2.3m of cost for stage 29 from the approved FY22 budget
 - (\$0.8m) costs for stage 37 brought forward earlier than the approved budget due to both the higher sales forecast and 21 lots in stage 36 withheld from sale to be used for the display village temporary landscaping and car parking.

This mid-year review also recognises \$3.2m in realised savings for completed stages 16A, 18B and 27A previously forecast in FY21.

- › Landscaping works have decreased by \$1.3m from the approved budget with the following key movements:
 - In Catalina Central, \$0.8m of Green Link costs have been deferred to FY23, \$0.4m of costs for stage 18C will now be offered as a customer rebate and be paid out of direct selling costs and (\$0.2m) of costs for Connolly Drive have been brought forward
 - In Catalina Beach (\$0.2m) of costs brought forward for Portofino Verge South is offset by \$0.2m of Foreshore Access Area 1 costs deferred
 - In Catalina Green \$0.2m of Bore costs are deferred, partially offset by (\$0.1m) costs brought forward for Connolly Drive Phase 1 costs.

- › The marketing budget for FY22 is unchanged at \$0.4m.

- › Movements in bonds are (\$0.8m) higher due to the changes in timings of lot production and deferred bond returns.

5. Key Risks for Achieving FY22 Budget

The following are key risks to achieving the outcomes in this review:

- › Achieving title dates and therefore settlement revenues is based on the following key assumptions:
 - Approvals are achieved within statutory timeframes or better
 - Construction contracts are awarded on engineering design prior to City of Wanneroo Approval
 - Pre-award budgets are provided to the civil contractor to commence pre-work plans (traffic, safety etc) prior to the stage being awarded

- No allowance has been made for extended construction periods caused by shortages of labour or materials
 - Assumptions have been made to allow a cross-over of earthworks and civil works within Catalina Green
 - No allowance has been made for rock or hard digging within the program
- › The impact of any delays in construction is further exacerbated by the settlement profile being skewed to the end of the financial year, with 50% (40 lots) of FY22 settlements forecast for Mar-22 to Jun-22
 - › Finding a buyer for the Catalina Green Commercial site that can settle by Jun-22 at the budgeted price of \$5m.
 - › Any adverse impacts flowing from the COVID-19 pandemic.

6. Review of Financial Year Ending 2023 (FY23)

This review forecasts cashflow before distributions of (\$1.8m) for the year to 30 June 2023, which is (\$24m) lower than the 2018 Project Forecast. The high-level areas of variance are summarised below:

- › Gross income has decreased by (\$5.1m) driven by (\$6.7m) lower lot income on (24) fewer settlements, partially offset by \$1.5m lower direct selling costs on reduced income.
- › Overall development costs are (\$18.9m) higher in FY2023 than previously forecast, key items include:
 - (\$5.1m) WAPC land acquisition payment now forecast Dec-22, previously anticipated to have transacted
 - (\$7.8m) of infrastructure and (\$9.1m) of landscaping costs deferred
 - \$4.8m reduction to lot production due to a reduced construction program.
- › Forecast distributions for FY2023 are (\$8.0m) lower than the Project Forecast at \$15.0m, with a \$6.2m higher closing cash balance of \$21.3m.

7. Cash Requirement, Capital Return and Profit Distribution Capacity

This review forecasts a minimum cash balance for the project of \$38.1m in FY22, with \$10m forecast to be distributed in Jun-22 per the approved budget.

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

Yours sincerely



Carl Buckley
Regional Manager

CATALINA | FY22 Cashflow (December 2021)

CATEGORY	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	FY22 TOTAL	APPROVED (JUN-21)	VARIANCE
Sales - Stage 16A	-	2	-	-	-	-	-	-	-	-	-	-	2	-	2
Sales - Stage 18C	-	-	-	10	5	2	1	2	1	2	1	2	26	14	12
Sales - Stage 27B	10	7	6	-	-	-	-	-	-	-	-	-	23	28	(5)
Sales - Stage 28	(1)	4	6	-	2	1	-	-	-	-	-	-	12	8	4
Sales - Stage 29	-	-	-	-	-	-	-	-	-	-	-	-	-	6	(6)
Sales - Stage 30	-	-	-	-	4	4	4	4	4	4	4	4	32	-	32
Sales - Stage 36	-	-	-	-	7	11	11	11	6	6	5	-	57	54	3
Sales - Stage 37	-	-	-	-	-	-	-	-	-	-	1	6	7	-	7
Total Sales	9	13	12	10	18	18	16	17	11	12	11	12	159	110	49
Titles	-	-	34	-	-	-	-	23	-	-	94	28	179	175	4
Settlements	1	3	16	10	3	3	3	1	11	8	7	14	80	98	(18)
Contracts on hand	37	47	43	43	58	73	86	102	102	106	110	108	108	46	62
Average Settlement Price	265,000	330,500	372,063	373,750	363,833	371,852	312,630	375,889	403,539	402,502	401,959	272,810	359,498	301,787	57,711
GROSS INCOME															
Income - Stage 16A	265,000	-	-	-	-	-	562,000	-	-	-	-	-	827,000	535,045	291,955
Income - Stage 17B	-	299,500	-	-	-	-	-	-	-	-	-	-	299,500	-	299,500
Income - Stage 18C	-	-	-	-	-	-	-	-	-	-	-	-	-	1,168,966	(1,168,966)
Income - Stage 25	-	342,000	-	-	-	365,000	-	-	-	-	-	-	707,000	1,048,385	(341,385)
Income - Stage 26	-	350,000	358,000	-	-	-	-	-	-	-	-	-	708,000	729,000	(21,000)
Income - Stage 27A	-	-	-	-	344,000	-	-	-	-	-	-	-	344,000	326,674	17,326
Income - Stage 27B	-	-	-	-	-	-	-	-	4,063,043	2,844,130	2,437,826	-	9,345,000	7,488,162	1,856,838
Income - Stage 28	-	-	5,595,000	3,737,500	747,500	750,556	375,889	375,889	375,889	375,889	375,889	-	12,710,000	12,669,500	40,500
Income - Stage 29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income - Stage 30	-	-	-	-	-	-	-	-	-	-	-	1,529,730	1,529,730	-	1,529,730
Income - Stage 31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income - Stage 36	-	-	-	-	-	-	-	-	-	-	-	2,289,615	2,289,615	5,609,405	(3,319,790)
Income - Lots Total	265,000	991,500	5,953,000	3,737,500	1,091,500	1,115,556	937,889	375,889	4,438,932	3,220,019	2,813,715	3,819,345	28,759,845	29,575,138	(815,293)
Income - Special Sites	-	-	-	-	-	-	-	-	-	-	-	5,000,000	5,000,000	5,000,000	-
Income - Other	-	2,382	-	-	-	-	-	-	-	-	-	-	2,382	-	2,382
Direct Selling Expenses	55,643	89,184	426,847	433,884	151,350	131,207	157,279	134,830	526,486	271,890	202,311	966,374	3,547,285	4,244,632	697,347
GROSS INCOME	209,357	904,698	5,526,153	3,303,616	940,150	984,349	780,610	241,059	3,912,447	2,948,129	2,611,404	7,852,971	30,214,942	30,330,506	(115,564)
DEVELOPMENT COSTS															
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	5,103,000	5,103,000
Consultants	30,162	8,984	45,953	40,762	41,000	41,239	41,479	41,721	41,965	42,209	42,456	42,703	460,634	433,863	(26,770)
Infrastructure	13,927	656,054	12,216	231,901	846,054	886,714	856,063	861,056	866,079	871,021	876,102	881,212	7,858,398	7,816,331	(42,067)
Special Sites/Other Development	-	-	-	-	-	-	-	-	-	75,513	75,953	76,396	227,862	-	(227,862)
Catalina Green Cell Bulk Earthworks Stgs 36-37	-	-	-	440,462	443,031	445,616	448,215	-	-	-	-	-	1,777,325	2,392,155	614,830
Catalina Green Cell Bulk Earthworks Stgs 38-40	-	-	-	-	-	11,979	12,049	12,119	12,190	12,261	12,333	8,892	81,824	42,056	(39,768)
Catalina Green Bulk Earthworks Stgs 41-44	-	-	-	-	-	-	-	-	-	-	23,575	23,713	47,288	-	(47,288)
Lot Production - Stage 16A	-	-	-	86	86	-	-	-	-	-	-	-	172	-	(172)
Lot Production - Stage 17B	-	-	3,547	-	-	-	-	-	-	-	-	-	3,547	-	(3,547)
Lot Production - Stage 18C	-	11,340	9,374	7,006	7,047	10,551	10,612	10,674	293,039	294,748	530,781	298,197	1,483,369	1,736,865	253,496
Lot Production - Stage 26	-	-	-	-	-	763	-	-	-	-	-	-	763	-	(763)
Lot Production - Stage 27A	931	16,679	2,350	101	101	-	-	-	-	-	-	-	20,162	-	(20,162)
Lot Production - Stage 27B	15,967	6,109	6,109	207,916	209,129	210,349	488,843	212,810	207,839	209,051	7,328	7,370	1,788,819	2,791,382	1,002,563
Lot Production - Stage 28	8,052	279,559	18,338	106,436	85,286	4,425	-	-	-	-	-	-	502,095	10,461	(491,634)
Lot Production - Stage 29	-	1,530	6,120	18,770	18,879	18,990	19,100	19,212	19,324	19,437	19,550	19,664	180,576	2,496,077	2,315,501
Lot Production - Stage 30	-	-	-	12,584	220,191	228,278	229,610	230,949	232,297	470,263	235,015	236,386	2,095,573	-	(2,095,573)
Lot Production - Stage 36	-	14,175	43,038	41,193	950,889	956,436	962,015	967,627	973,271	1,695,330	984,659	990,403	8,579,037	8,080,327	(498,709)
Lot Production - Stage 37	-	-	-	-	-	26,593	26,748	26,905	27,061	27,219	27,378	681,659	843,564	89,434	(754,130)
Lot Production - Stage 38	-	-	-	-	-	-	-	-	-	24,564	24,707	24,851	74,122	-	(74,122)
Landscape	48,376	87,803	18,127	59,914	60,263	60,615	60,969	419,802	533,523	728,747	1,896,217	1,907,278	5,881,635	7,171,015	1,289,380
Marketing	20,109	21,454	6,703	39,082	39,082	39,082	39,082	39,082	39,082	39,082	39,082	39,082	400,000	400,000	-
Community Development	2,920	6,103	2,637	9,204	9,204	9,204	9,204	9,204	9,204	9,204	9,204	9,204	94,494	165,000	70,506
Administration	155,878	83,514	60,716	88,034	88,637	89,244	89,854	90,468	91,085	91,706	92,330	92,959	1,114,427	1,258,573	144,146
Finance/Bonds	133,353	8,020	(14,137)	(0)	-	350,000	(753,530)	(142,625)	700,000	350,000	-	(350,000)	281,081	(546,155)	(827,236)
Debtor/Creditor Movement	(216,442)	213,971	(171,058)	-	-	-	-	-	-	-	-	-	(173,529)	-	173,529
Contingency	-	22,058	-	65,173	150,944	152,004	164,692	147,081	167,298	230,518	244,833	266,998	1,611,599	1,999,327	387,728
DEVELOPMENT COSTS	213,233	1,437,354	50,032	1,368,623	3,169,824	3,542,081	2,705,006	2,946,086	4,213,256	5,190,872	5,141,503	5,256,967	35,234,836	41,439,712	6,204,876
CASHFLOW	(3,876)	(532,655)	5,476,121	1,934,993	(2,229,674)	(2,557,732)	(1,924,396)	(2,705,027)	(300,809)	(2,242,743)	(2,530,099)	2,596,004	(5,019,894)	(11,109,206)	6,089,313
Capital Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Distributions	-	-	-	-	-	-	-	-	-	-	-	10,000,000	10,000,000	10,000,000	-
Cumulative Cash Balance	53,141,066	52,608,411	58,084,531	60,019,525	57,789,851	55,232,119	53,307,722	50,602,696	50,301,886	48,059,143	45,529,044	38,125,048	38,125,048	30,207,304	7,917,744

CATALINA | FY23 Cashflow (December 2021)

CATEGORY	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY23 TOTAL	2018 PROJECT FORECAST	VARIANCE
Sales - Stage 18C	1	1	-	-	-	-	-	-	-	-	-	-	2	-	2
Sales - Stage 29	-	1	2	2	2	2	2	2	2	2	2	2	21	17	4
Sales - Stage 30	4	1	-	-	-	-	-	-	-	-	-	-	5	30	(25)
Sales - Stage 31	-	-	-	-	-	-	-	-	-	-	-	-	-	3	(3)
Sales - Stage 37	6	6	6	6	6	6	5	-	-	-	-	-	41	-	41
Sales - Stage 38	-	-	-	-	-	-	1	6	6	6	6	6	31	-	31
Sales - Stage 42	-	-	-	-	-	-	-	-	-	-	-	-	-	44	(44)
Sales - Stage 43	-	-	-	-	-	-	-	-	-	-	-	-	-	48	(48)
Sales - Stage 44	-	-	-	-	-	-	-	-	-	-	-	-	-	48	(48)
Sales - Stage 45	-	-	-	-	-	-	-	-	-	-	-	-	-	13	(13)
Total Sales	11	9	8	8	8	8	8	8	8	8	8	8	100	203	(103)
Titles	-	-	48	-	-	-	-	43	-	-	43	-	134	174	(40)
Settlements	19	16	13	13	17	16	16	13	12	10	10	9	164	188	(24)
Contracts on hand	100	93	88	83	74	66	58	53	49	47	45	44	44	85	(41)
Average Settlement Price	253,635	256,026	268,907	253,720	178,698	177,528	177,528	168,083	137,254	125,115	125,240	117,371	194,027	275,448	(81,421)
GROSS INCOME															
Income - Stage 18C	999,722	1,192,924	592,298	394,865	592,298	394,865	394,865	197,433	394,865	197,433	197,433	-	5,549,000	-	5,549,000
Income - Stage 29	-	-	-	-	-	-	-	-	411,822	824,756	826,006	827,374	2,889,958	14,779,611	(11,889,652)
Income - Stage 30	1,529,730	1,529,730	1,529,730	1,529,730	1,529,730	1,529,730	1,529,730	1,529,730	382,432	-	-	-	12,620,270	4,281,587	8,338,683
Income - Stage 36	2,289,615	1,373,769	1,373,769	1,373,769	915,846	915,846	915,846	457,923	457,923	228,962	228,962	228,962	10,761,192	-	10,761,192
Income - Stage 37	-	-	-	270,733	1,626,510	1,629,019	1,631,846	1,634,504	1,634,504	1,634,504	1,634,504	1,362,086	13,058,210	-	13,058,210
Income - Stage 38	-	-	-	-	-	-	-	-	-	-	-	233,040	233,040	-	233,040
Income - Stage 41	-	-	-	-	-	-	-	-	-	-	-	-	-	11,234,004	(11,234,004)
Income - Stage 42	-	-	-	-	-	-	-	-	-	-	-	-	-	10,441,819	(10,441,819)
Income - Stage 43	-	-	-	-	-	-	-	-	-	-	-	-	-	11,047,157	(11,047,157)
Income - Lots Total	4,819,067	4,096,423	3,495,797	3,569,097	4,664,384	4,469,460	4,472,287	3,819,589	3,281,547	2,885,654	2,886,904	2,651,462	45,111,671	51,784,178	(6,672,508)
Income - Special Sites	-	-	-	-	-	-	-	-	1,850,768	-	-	-	1,850,768	1,796,325	54,444
Income - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct Selling Expenses	353,680	327,031	442,724	375,141	358,408	344,066	381,440	314,312	655,067	343,702	331,929	398,496	4,625,997	6,108,759	1,482,762
GROSS INCOME	4,465,387	3,769,392	3,053,073	3,193,955	4,305,976	4,125,394	4,090,847	3,505,277	4,477,249	2,541,952	2,554,974	2,252,966	42,336,442	47,471,744	(5,135,302)
DEVELOPMENT COSTS															
Land	-	-	-	-	-	5,103,000	-	-	-	-	-	-	5,103,000	-	(5,103,000)
Consultants	42,033	42,103	42,173	42,243	42,314	42,384	42,455	42,526	42,596	42,667	42,739	42,810	509,043	659,534	150,491
Infrastructure	977,181	978,809	980,441	982,075	983,712	985,351	986,990	988,629	990,268	991,907	993,546	995,185	7,808,932	-	(7,808,932)
Special Sites/Other Development	76,524	-	61,965	62,069	62,172	62,275	62,378	62,481	62,584	62,687	62,790	62,893	1,389,208	365,683	(1,023,526)
Bulk Earthworks 19-23/Primary School/GHS/Oval	-	-	-	-	-	-	-	-	-	-	-	-	-	523,287	523,287
Catalina Beach Bulk Earthworks Stgs 32-35	-	-	-	-	-	-	-	-	-	-	-	-	-	2,163,575	2,163,575
Catalina Green Cell Bulk Earthworks Stgs 38-40	8,907	184,263	184,570	184,878	185,186	176,513	176,807	-	-	-	-	-	1,101,125	-	(1,101,125)
Catalina Green Bulk Earthworks Stgs 41-44	23,752	23,792	27,362	27,407	3,542	3,548	3,554	3,560	-	-	237,319	237,714	591,548	-	(591,548)
WAPC Land Bulk Earthworks Stgs 48-51	-	-	-	-	-	-	-	-	-	-	-	-	-	2,927,200	2,927,200
Scheme costs - Stages 1-18	360,124	-	-	-	-	-	-	-	-	-	-	-	360,124	-	(360,124)
Lot Production - Stage 18C	302,243	3,598	-	-	-	-	-	-	-	-	-	-	305,841	-	(305,841)
Lot Production - Stage 25	22,581	-	-	-	-	-	-	-	-	-	-	-	22,581	-	(22,581)
Lot Production - Stage 26	14,794	-	-	-	-	-	-	-	-	-	-	-	14,794	-	(14,794)
Lot Production - Stage 27A	7,786	-	-	-	-	-	-	-	-	-	-	-	7,786	-	(7,786)
Lot Production - Stage 27B	16,337	-	-	-	-	-	-	-	-	-	-	-	16,337	-	(16,337)
Lot Production - Stage 28	13,237	-	-	-	-	-	-	-	-	-	-	-	13,237	-	(13,237)
Lot Production - Stage 29	461,118	461,887	462,656	463,428	464,200	464,974	750,054	466,525	-	-	-	-	3,994,841	-	(3,994,841)
Lot Production - Stage 30	14,405	-	-	-	-	-	-	-	-	-	-	-	14,405	1,933,920	1,919,515
Lot Production - Stage 31	-	-	-	-	-	-	-	-	-	-	-	-	-	432,521	432,521
Lot Production - Stage 32	-	-	-	-	-	-	-	-	-	-	-	-	-	32,571	32,571
Lot Production - Stage 36	30,367	-	-	-	-	-	-	-	-	-	-	-	30,367	-	(30,367)
Lot Production - Stage 37	682,795	1,110,853	657,397	658,492	-	-	-	-	-	-	-	-	3,109,537	-	(3,109,537)
Lot Production - Stage 38	24,892	24,934	24,976	25,017	25,059	25,101	477,631	478,428	479,225	865,974	480,824	481,625	3,413,685	-	(3,413,685)
Lot Production - Stage 39	-	-	-	-	-	25,101	25,142	25,184	25,226	25,268	25,310	25,353	176,585	-	(176,585)
Lot Production - Stage 41	-	-	-	-	-	-	-	-	-	-	-	-	-	439,650	439,650
Lot Production - Stage 42	-	-	-	-	-	-	-	-	-	-	-	-	-	2,924,961	2,924,961
Lot Production - Stage 43	-	-	-	-	-	-	-	-	-	-	-	-	-	3,022,681	3,022,681
Lot Production - Stage 44	-	-	-	-	-	-	-	-	-	-	-	-	-	2,703,159	2,703,159
Lot Production - Stage 45	-	-	-	-	-	-	-	-	-	-	-	-	-	690,529	690,529
Lot Production - Stage 46	-	-	-	-	-	-	-	-	-	-	-	-	-	161,301	161,301
Lot Production - Stage 47	-	-	-	-	-	-	-	-	-	-	-	-	-	53,991	53,991
Landscape	2,146,508	2,071,119	2,182,703	1,938,250	692,939	740,285	683,195	450,374	267,333	267,740	268,149	268,557	11,977,152	2,859,959	(9,117,193)
Marketing	84,584	84,584	84,584	84,584	84,584	84,584	84,584	84,584	84,584	84,584	84,584	84,584	1,015,013	676,246	(338,767)
Community Development	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	150,000	205,304	55,304
Administration	108,488	108,668	390,803	109,031	109,213	109,395	109,577	109,760	109,943	110,126	110,309	110,493	1,595,805	932,778	(663,027)
Finance/Bonds	700,000	-	(700,000)	(350,000)	-	350,000	(350,000)	-	-	-	-	(350,000)	(700,000)	350,000	1,050,000
Debtor/Creditor Movement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	271,558	255,356	255,606	229,499	133,271	402,039	151,106	113,507	76,042	91,106	78,418	78,539	2,136,047	1,185,443	(950,604)
DEVELOPMENT COSTS	6,402,714	5,362,467	4,667,736	4,469,473	2,798,691	8,792,819	2,823,223	2,383,637	1,596,892	1,913,235	1,646,787	1,299,322	44,156,996	25,244,293	(18,912,703)
CASHFLOW	(1,937,327)	(1,593,075)	(1,614,663)	(1,275,518)	1,507,285	(4,667,426)	1,267,624	1,121,640	2,880,357	628,717	908,187	953,644	(1,820,554)	22,227,451	(24,048,005)
Capital Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Distributions	-	-	-	-	-	-	-	-	-	-	-	15,000,000	15,000,000	23,000,000	(8,000,000)
Cumulative Cash Balance	36,187,721	34,594,646	32,979,983	31,704,465	33,211,750	28,544,325	29,811,949	30,933,589	33,813,946	34,442,663	35,350,850	21,304,494	21,304,494	15,111,595	6,192,899

Appendix 7.7

30 November 2021

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

Dear Jon,

Catalina 2021 Project Forecast

Please find attached the Catalina 2021 Project Forecast. The review is discussed under the following headings:

1. Introduction
2. WA Market Conditions
3. Project Forecast Outcome
4. Project Forecast Assumptions
5. Risks to Achieving Project Forecast
6. Comparison to 2018 Project Forecast
7. Satterley Recommendation

1. Introduction

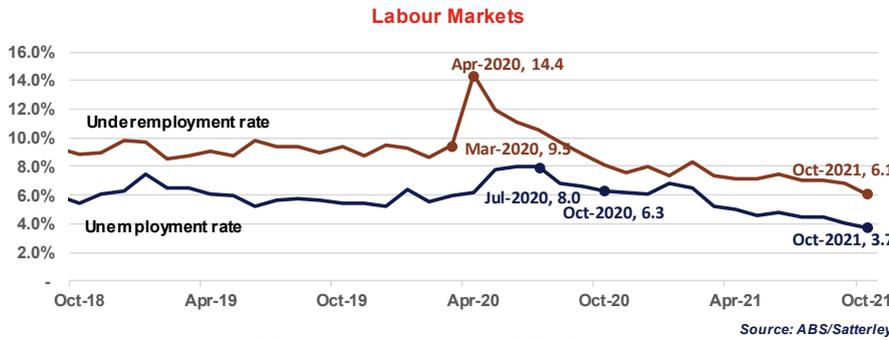
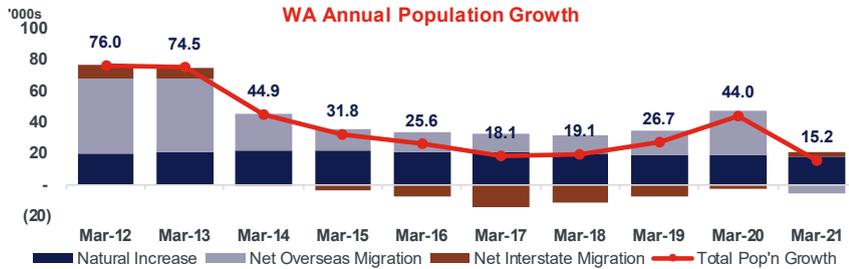
The Tamala Park Regional Council (TPRC) has requested Satterley provide an updated Project Forecast (2021 Project Forecast) and memo with comparisons to the 2018 Project Forecast.

The 2018 Project Forecast was based on assumptions set in 2017 but updated for a change in escalation rates following a third-party review by CBRE in 2018 (from 3% income / 2% cost to 4% income / 2.5% cost). Since the 2018 Project Forecast, the whole of life budget has been updated several times and the outcomes provided to TPRC.

2. WA Market Conditions

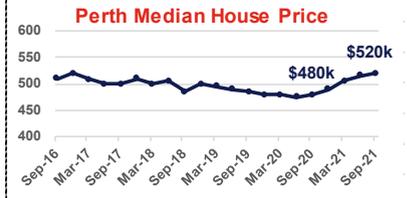
The graphic below provides a snapshot of the state of the WA property market at present and a brief history leading up to this point. It provides some context to the assumptions used in the Proposed 2021 Project Forecast.

WA ECONOMY



Source: ABS/Satterley

WA PROPERTY MARKET



Source: REIWA

WA LAND MARKET

Perth Quarterly Land Sales and Median Price



Source: REIWA/Landgate, note: Sep-21 data preliminary only

- › Government stimulus measures for housing construction significantly boosted land sales between the Jun-20 and Mar-21 quarters inclusive.
- › Surge in demand has resulted in time delays for builders/valuers/financing, cost pressures and delays on materials.
- › Median house prices have risen from \$480k in the Sep-20 quarter to \$520k in the Sep-21 quarter

- › Peak unemployment rate of 8% in Jul-20 has now reduced to 3.7% in Oct-21. Underemployment spike has reduced from 14.4% in Apr-20 to 6.1% in Oct-21.
- › Population growth had turned the corner prior to COVID-19. Hard border measures halted migration flows.
- › Reduced stock levels in WA below 8,400, less than half the peak of 16,992 and under the equilibrium of 12,000 at the end of the Sep-21 quarter.

3. Project Forecast Outcome

The summary outcome of the 2021 Project Forecast is as follows:

CATALINA Project Forecast Outcome			
CATEGORY	CURRENT DEC-21	2021 PROJECT FORECAST (JUN-21)	2018 PROJECT FORECAST
Total Lots	2,480	2,395	2,489
Residential area	830,426m ²	805,115m ²	786,761m ²
Special sites area	72,306m ²	72,357m ²	110,832m ²
GROSS INCOME			
Income - Lots	730,470,810	680,162,140	724,700,240
Income - Special Sites	25,679,021	25,119,915	40,589,540
Income - Other	268,138	263,843	147,570
Direct Selling Expenses	80,975,197	78,122,661	83,661,510
GROSS INCOME	675,442,772	627,423,237	681,775,840
DEVELOPMENT COSTS			
Land	10,206,000	10,206,000	10,206,000
Consultants	10,565,698	10,574,132	9,106,160
Infrastructure	24,016,047	24,114,062	15,821,974
Special Sites/Other Development	4,827,954	4,410,106	4,853,544
Lot Production	226,856,147	221,984,848	213,183,896
Landscape	63,641,941	63,769,895	52,971,398
Marketing	12,636,849	11,580,222	8,664,422
Community Development	2,501,069	2,613,609	2,224,981
Administration	25,280,188	25,403,772	12,722,435
Finance/Bonds	-	-	-
Contingency	12,726,975	12,648,759	11,526,301
DEVELOPMENT COSTS	393,258,869	387,305,405	341,281,111
PROJECT PROFIT	282,183,903	240,117,832	340,494,729
Capital IRR	10.2%	9.2%	16.4%
Project IRR	15.3%	14.2%	18.4%
Profit on Cost	71.8%	62.0%	99.8%
Profit/Lot	113,784	100,258	136,800

4. Project Forecast Assumptions

Design & Yield

With design changes since the 2018 Project Forecast, overall residential yield has reduced by (9) lots despite an increase in residential saleable area. The breakdown by precinct is shown below:

CHANGES TO PROJECT FORECAST	RESIDENTIAL YIELD			RESIDENTIAL SALEABLE AREA		
	2021	2018	VARIANCE	2021	2018	VARIANCE
Central	1,254	1,226	28	419,993m ²	411,598m ²	8,395m ²
Beach	496	492	4	178,766m ²	171,405m ²	7,361m ²
Green	730	771	(41)	231,662m ²	203,758m ²	27,904m ²
TOTAL	2,480	2,489	(9)	830,421m²	786,761m²	43,660m²

Offsetting the increase in residential saleable area is a reduction of (38,526m²) in special sites saleable area as shown below:

CHANGES TO PROJECT FORECAST	SPECIAL SITES AREA		
	2021	2018	VARIANCE
Central	27,292m ²	37,755m ²	(10,463m ²)
Beach	10,558m ²	12,564m ²	(2,006m ²)
Green	34,456m ²	60,513m ²	(26,057m ²)
TOTAL	72,306m²	110,832m²	(38,526m²)

Escalation

The proposed Project Forecast uses 3% income escalation commencing October 2021 for the remainder of the project, with cost escalation set at 7% over the remainder of FY22, lowering to 2% from July 2022 for the remainder of the project.

The changes to escalation rates and timing from the 2018 Project Forecast are shown below:

CATALINA Escalation Rates						
INCOME						
From	Start	Jul-19	Oct-21	Jul-22	Jul-23	
To	Jun-19	Sep-21	Jun-22	Jun-23	End	
Current	0.0%	0.0%	3.0%	3.0%	3.0%	
2018 Project Forecast	0.0%	4.0%	4.0%	4.0%	4.0%	
COST						
From	Start	Jul-19	Oct-21	Jul-22	Jul-23	
To	Jun-19	Sep-21	Jun-22	Jun-23	End	
Current	0.0%	0.0%	7.0%	2.0%	2.0%	
2018 Project Forecast	0.0%	2.5%	2.5%	2.5%	2.5%	

Pricing

Standard base prices used in the 2021 Project Forecast are as follows:

PRECINCT PRICES - CURRENT (DEC-21)	225m ²	375m ²	450m ²
Central	175,000	280,000	315,000
Beach	256,000	388,000	460,000
Green	165,000	270,000	300,000

This compares to standard base pricing in the 2018 Project Forecast shown below.

PRECINCT PRICES - 2018 PROJECT FORECAST	225m ²	375m ²	450m ²
Central	214,000	298,000	335,000
Beach	245,000	360,000	422,000
Green	n/a	269,000	n/a

The combination of changes in saleable area and pricing has resulted in an overall increase in the average unescalated price per lot of \$2,188 to \$262,700. Whilst a small change in the overall average price, the average unescalated \$ rate per square metre has reduced from \$824 /m² to \$785 /m².

CATALINA Average Unescalated Price Per Lot			
PRECINCT	CURRENT DEC-21	2018 PROJECT FORECAST	VARIANCE
Central	247,691	258,266	(10,575)
Beach	354,709	346,737	7,972
Green	225,967	209,060	16,907
TOTAL CATALINA	262,700	260,512	2,188

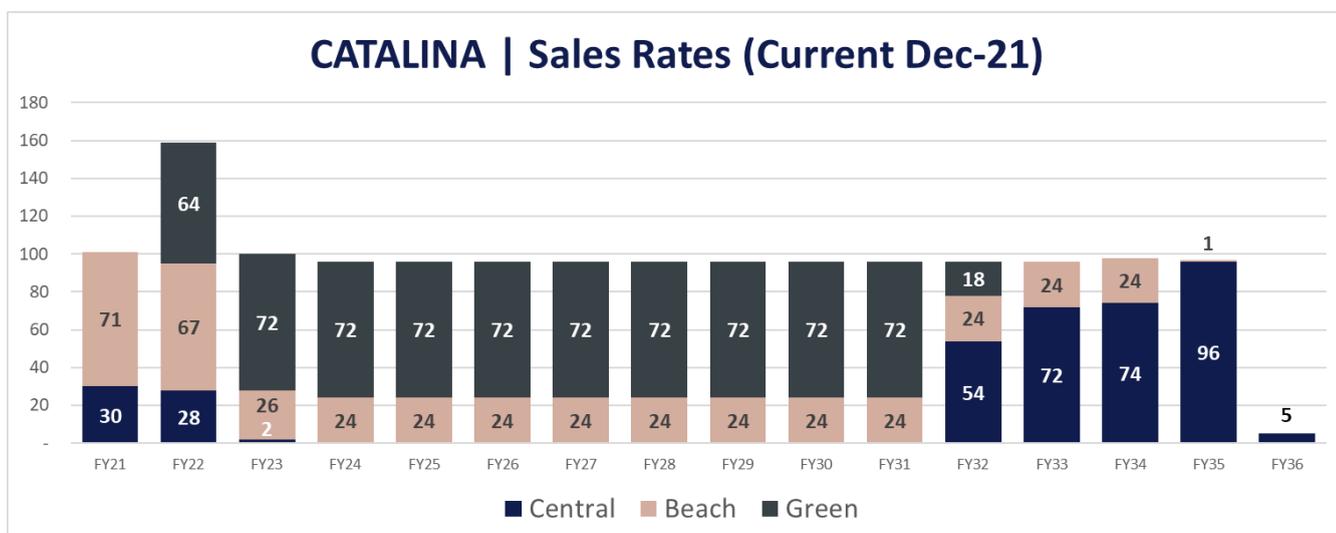
Sales Rates

Sales Rates – Following increased competition over recent years for a shrinking WA land market and the onset of COVID-19, the long-term sales rate in the 2021 Project Forecast has been set at 8 per month, compared to a long-term average of 16 per month in the 2018 Project Forecast. In the current environment, with lower migration expected for an extended period, the project duration has increased by 7 years. Overall sales rates for the remainder of project are shown below:

CATALINA | Sales Rates

SALES RATES	CURRENT DEC-21	2018 PROJECT FORECAST	VARIANCE
PTD FY2020	960	1,164	(204)
FYE2021	101	150	(49)
FYE2022	159	163	(4)
FYE2023	100	203	(103)
FYE2024	96	193	(97)
FYE2025	96	195	(99)
FYE2026	96	199	(103)
FYE2027	96	185	(89)
FYE2028	96	37	59
FYE2029	96	-	96
FYE2030	96	-	96
FYE2031	96	-	96
FYE2032	96	-	96
FYE2033	96	-	96
FYE2034	98	-	98
FYE2035	97	-	97
FYE2036	5	-	5
Total	2,480	2,489	(9)

Budgeted sales rates are slightly higher than the long-term average in FY22 and FY23 as Catalina trades across three precincts. The sales rates breakdown by precinct in the 2021 Project Forecast are shown below:



Other Assumptions

The following assumptions have been used in the 2021 Project Forecast:

- › WAPC land acquisition split in two payments, \$5.1m Dec-22, \$5.1m in Dec-23
- › Beach sales equate to approximately a 25-30% split (or 2 per month) to finish at a similar time as the final Central stage 23 to extract maximum value from premium land
- › Stage 16B and Primary School GHS deferred until the project returns to Catalina Central once Green sales complete, assumes buffer restrictions lifted
- › Marketing budget after FY2022 set at 2.25% of lot income for project duration, community development at \$1,500 per lot sold
- › High quality estate presentation will be key to achieving the sales rates in the Project Forecast. As such, unescalated maintenance budgets have been set at \$960,000 per annum.
- › All IRR calculations assume a notional land payment based on historical valuation estimate of \$77.4m at commencement of the project, consistent with IRR methodology for other residential development projects.

5. Risks to Achieving Recommended Project Forecast

The following are key risks to achieving the outcomes of the recommended Project Forecast:

- › Any adverse impacts flowing from the COVID-19 pandemic, in particular those affecting employment and borrowing capacity. Reduced migration could have an effect over the medium term.
- › The project forecast contains assumptions on sales rate and price escalation. A negative change in market sentiment due to micro or macro-economic factors could reduce sales rates and/or projected price escalation that would impact the size and timing of profit distributions.
- › The southern portion of the Catalina development is affected by a landfill buffer which has resulted in the land being zoned Urban Deferred. The rezoning of the land from Urban Deferred to Urban could be delayed for many reasons including but not limited to a slowdown of filling of the landfill, environmental risks from the landfill, a change in policy regarding landfill buffers or other factors required for the rezoning of this land.
- › Amendment to the requirements of local, state or federal government which could affect the lot yield for reasons including but not limited to the retention of additional vegetation, buffers for nearby uses, bushfire management, public open space requirements, community or school requirements and requirements for the installation of additional servicing infrastructure.
- › Amendment to the requirements of local, state or federal government agencies and other servicing authorities which may affect costs including but not limited to additional developer contributions, passing on taxes incurred by these agencies, and additional studies required for OHS.
- › Environmental risks discovered during development including but not limited to archaeological, rare flora or fauna, native vegetation and contamination could result in a reduction of the lot yield of the project, delays to the project or additional costs to overcome these risks.
- › The project forecast assumes that the Western Australian Planning Commission (WAPC) will sell its landholding in the eastern cell to the TPRC for an assumed price of \$10.2m. If the WAPC decides not to sell its landholding to the TPRC, requires a higher price or an amendment to the timing of payment, the size and timing of the forecast profit distributions will be affected.

6. Comparison to 2018 Project Forecast

A comparison of the updated Project Forecast compared to 2018 is shown below:

CATALINA Project Forecast Summary			
CATEGORY	CURRENT DEC-21	2018 PROJECT FORECAST	VARIANCE
Total Lots	2,480	2,489	(9)
Residential area	830,426m ²	786,761m ²	43,665m ²
Special sites area	72,306m ²	110,832m ²	(38,526m ²)
GROSS INCOME			
Income - Lots	730,470,810	724,700,240	5,770,570
Income - Special Sites	25,679,021	40,589,540	(14,910,519)
Income - Other	268,138	147,570	120,568
Direct Selling Expenses	80,975,197	83,661,510	2,686,313
GROSS INCOME	675,442,772	681,775,840	(6,333,068)
DEVELOPMENT COSTS			
Land	10,206,000	10,206,000	-
Consultants	10,565,698	9,106,160	(1,459,539)
Infrastructure	24,016,047	15,821,974	(8,194,073)
Special Sites/Other Development	4,827,954	4,853,544	25,590
Lot Production	226,856,147	213,183,896	(13,672,251)
Landscape	63,641,941	52,971,398	(10,670,542)
Marketing	12,636,849	8,664,422	(3,972,428)
Community Development	2,501,069	2,224,981	(276,088)
Administration	25,280,188	12,722,435	(12,557,753)
Finance/Bonds	-	-	-
Contingency	12,726,975	11,526,301	(1,200,674)
DEVELOPMENT COSTS	393,258,869	341,281,111	(51,977,758)
PROJECT PROFIT	282,183,903	340,494,729	(58,310,826)
Capital IRR	10.2%	16.4%	(6.2%)
Project IRR	15.3%	18.4%	(3.1%)
Profit on Cost	71.8%	99.8%	(28.0%)
Profit/Lot	113,784	136,800	(23,016)

The main drivers of variances in cashflow and other metrics are detailed below:

Revenue

- › The increase in lot income is driven by the increase in residential saleable area of 43,665m², although this is partly offset by reduced base pricing for a net \$3.1m unescalated increase. Despite the income escalation rate decreasing from 4% to 3%, an extended project duration has provided a \$2.7m escalation benefit for an overall lot income increase of \$5.8m.

- › Special site income has reduced by (\$14.9m), driven by a reduction of (38,526m²) in saleable area and the reduction of m² revenue rates for Catalina Green group housing sites (from \$380 /m² to \$300 /m²) and the Catalina Green Commercial site (from \$350 /m² to \$250 /m²), with an immaterial escalation impact.

Direct Selling

- › The reduction in total direct selling costs of \$2.7m is driven by lower GST and fees on the reduced net revenue described above, plus a \$2.8m reduction for lapsed rebates and packages. With a more competitive sales environment, the implementation of campaign incentives has partially offset these reductions by (\$1.5m).

Development Costs

- › The increase to consultants of (\$1.5m) is due to the extended project duration.
- › Overall infrastructure costs have increased by (\$8.2m) overall which includes a (\$0.6m) escalation variance. The main movements are (\$5.6m) in costs for the Catalina Green Aviator Extension costs transferred from lot production and a (\$2.0m) increase in the cost for the Portofino extension.
- › Overall lot production costs have increased by (\$13.7m) with a (\$9.0m) escalation variance due to the deferral of works and extended duration from the 2018 Project Forecast. The unescalated increase to lot production is \$4.7m, however allowing for the \$5.6m transfer of Aviator Extension costs to infrastructure, there is an overall (\$10.3m) underlying adverse variance of lot production which is largely driven by cost increases for Catalina Green tree retention as advised in the FY2022 Approved Budget (June 2021).
- › Landscape costs have increased by (\$10.7m) from the 2018 Project Forecast of which (\$3.2m) relates to escalation due to deferred works. The underlying (\$7.5m) increase to unescalated landscape costs is largely attributable to an increased scope of works for Catalina Green under the latest design and following the appointment of a new consultant.
- › Marketing and community development costs have increased by a combined (\$4.2m) which is due to the extended project duration.
- › Administration costs have increased by (\$12.6m). The extended project duration results in higher holding and administration costs such as rates and taxes, audit and maintenance. The per annum maintenance costs have also been increased in the 2021 Project Forecast, to improve estate presentation and achieve sales.

IRR

- › The reduced project profit and extended project duration has resulted in a reduction of capital IRR from 16.4% to 10.2% and the project IRR from 18.4% to 15.3%.

Distributions

- › In keeping with the previous Project Forecast, approximately \$15m is maintained as a minimum ongoing cash throughout the duration of the project. Life of project distributions are now forecast as shown below.

CATALINA Profit Distributions				
FINANCIAL YEAR	CURRENT DEC-21	2018 PROJECT FORECAST	VARIANCE	CUMULATIVE VARIANCE
PTD FY20	64,700,000	77,700,000	(13,000,000)	(13,000,000)
FY21	9,000,000	21,000,000	(12,000,000)	(25,000,000)
FY22	10,000,000	24,000,000	(14,000,000)	(39,000,000)
FY23	15,000,000	23,000,000	(8,000,000)	(47,000,000)
FY24	10,000,000	28,000,000	(18,000,000)	(65,000,000)
FY25	14,000,000	34,000,000	(20,000,000)	(85,000,000)
FY26	11,000,000	31,000,000	(20,000,000)	(105,000,000)
FY27	11,000,000	46,000,000	(35,000,000)	(140,000,000)
FY28	6,000,000	39,000,000	(33,000,000)	(173,000,000)
FY29	15,000,000	16,000,000	(1,000,000)	(174,000,000)
FY30	11,000,000	794,729	10,205,271	(163,794,729)
FY31	7,000,000	-	7,000,000	(156,794,729)
FY32	15,000,000	-	15,000,000	(141,794,729)
FY33	7,000,000	-	7,000,000	(134,794,729)
FY34	24,000,000	-	24,000,000	(110,794,729)
FY35	18,000,000	-	18,000,000	(92,794,729)
FY36	22,000,000	-	22,000,000	(70,794,729)
FY37	12,483,903	-	12,483,903	(58,310,826)
TOTAL	282,183,903	340,494,729	(58,310,826)	(58,310,826)

7. Satterley Recommendation

Satterley recommends that TPRC adopt the outlined 2021 Project Forecast, whilst also acknowledging the inherent risk factors associated with the Project Forecast.



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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carl Buckley'.

Carl Buckley
Project Director

Satterley Property Group Pty Ltd
Level 3, 27-31 Troode Street, West Perth WA 6005
PO Box 1346, West Perth WA 6872

T 08 9368 9000
F 08 9368 9003

ABN 38 009 054 979

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

CATALINA | Project Forecast Summary

CATEGORY	CURRENT DEC-21	2018 PROJECT FORECAST	VARIANCE
Total Lots	2,480	2,489	(9)
Residential area	830,426m ²	786,761m ²	43,665m ²
Special sites area	72,306m ²	110,832m ²	(38,526m ²)
GROSS INCOME			
Income - Lots	730,470,810	724,700,240	5,770,570
Income - Special Sites	25,679,021	40,589,540	(14,910,519)
Income - Other	268,138	147,570	120,568
Direct Selling Expenses	80,975,197	83,661,510	2,686,313
GROSS INCOME	675,442,772	681,775,840	(6,333,068)
DEVELOPMENT COSTS			
Land	10,206,000	10,206,000	-
Consultants	10,565,698	9,106,160	(1,459,539)
Infrastructure	24,016,047	15,821,974	(8,194,073)
Special Sites/Other Development	4,827,954	4,853,544	25,590
Lot Production	226,856,147	213,183,896	(13,672,251)
Landscape	63,641,941	52,971,398	(10,670,542)
Marketing	12,636,849	8,664,422	(3,972,428)
Community Development	2,501,069	2,224,981	(276,088)
Administration	25,280,188	12,722,435	(12,557,753)
Finance/Bonds	-	-	-
Contingency	12,726,975	11,526,301	(1,200,674)
DEVELOPMENT COSTS	393,258,869	341,281,111	(51,977,758)
PROJECT PROFIT	282,183,903	340,494,729	(58,310,826)
Capital IRR	10.2%	16.4%	(6.2%)
Project IRR	15.3%	18.4%	(3.1%)
Profit on Cost	71.8%	99.8%	(28.0%)
Profit /Lot	113,784	136,800	(23,016)

Note: All IRR calculations assume a notional land payment of \$77.4m at commencement of the project.

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CURRENT DEC-21 PER LOT	2018 PROJECT FORECAST PER LOT	PER LOT VARIANCE
2,480	2,489	(9)
335m ²	316m ²	19m ²
294,545	291,161	3,383
10,354	16,308	(5,953)
32,651	33,612	961
272,356	273,916	(1,608)
4,115	4,100	(15)
4,260	3,659	(602)
9,684	6,357	(3,327)
1,947	1,950	3
91,474	85,650	(5,824)
25,662	21,282	(4,380)
5,096	3,481	(1,614)
1,008	894	(115)
10,194	5,111	(5,082)
-	-	-
5,132	4,631	(501)
158,572	137,116	(21,456)
113,784	137,296	(23,512)

FEASIBILITY	VARIANCE
2,310	170
828,075m ²	2,351m ²
7,826m ²	64,480m ²
797,371,531	(66,900,721)
2,997,655	22,681,366
130,908,852	49,933,656
669,460,334	5,714,301
-	(10,206,000)
5,672,600	(4,893,098)
26,107,961	2,091,914
935,121	(3,892,833)
245,536,927	18,680,780
36,363,281	(27,278,659)
11,234,127	(1,402,723)
2,904,656	403,586
11,881,589	(13,398,598)
-	-
17,031,813	4,304,838
357,668,075	(35,590,794)
311,792,259	(29,608,356)
17.4%	(7.1%)
18.2%	(2.9%)
87.2%	(15.4%)
134,975	(21,191)

CATALINA | NPV Analysis

DISCOUNT RATE	6%	8%	10%
Prospective NPV of project cashflows	\$85.6m	\$71.8m	\$60.5m

CATALINA | Profit Distributions

FINANCIAL YEAR	CURRENT DEC-21	2018 PROJECT FORECAST	VARIANCE	CUMULATIVE VARIANCE
PTD FY20	64,700,000	77,700,000	(13,000,000)	(13,000,000)
FY21	9,000,000	21,000,000	(12,000,000)	(25,000,000)
FY22	10,000,000	24,000,000	(14,000,000)	(39,000,000)
FY23	15,000,000	23,000,000	(8,000,000)	(47,000,000)
FY24	10,000,000	28,000,000	(18,000,000)	(65,000,000)
FY25	14,000,000	34,000,000	(20,000,000)	(85,000,000)
FY26	11,000,000	31,000,000	(20,000,000)	(105,000,000)
FY27	11,000,000	46,000,000	(35,000,000)	(140,000,000)
FY28	6,000,000	39,000,000	(33,000,000)	(173,000,000)
FY29	15,000,000	16,000,000	(1,000,000)	(174,000,000)
FY30	11,000,000	794,729	10,205,271	(163,794,729)
FY31	7,000,000	-	7,000,000	(156,794,729)
FY32	15,000,000	-	15,000,000	(141,794,729)
FY33	7,000,000	-	7,000,000	(134,794,729)
FY34	24,000,000	-	24,000,000	(110,794,729)
FY35	18,000,000	-	18,000,000	(92,794,729)
FY36	22,000,000	-	22,000,000	(70,794,729)
FY37	12,483,903	-	12,483,903	(58,310,826)
TOTAL	282,183,903	340,494,729	(58,310,826)	(58,310,826)

* Included in the distributions shown above on the left hand side are GST amounts withheld from settlement proceeds and claimed directly by member Councils.

CATALINA | GST Withheld

FINANCIAL YEAR	GST WITHHELD (claimed direct by member Councils)	DISTRIBUTIONS NET OF GST CLAIMED DIRECTLY
PTD FY20	-	64,700,000
FY21	-	9,000,000
FY22	2,467,735	7,532,265
FY23	3,326,069	11,673,931
FY24	2,080,926	7,919,074
FY25	2,046,122	11,953,878
FY26	2,051,954	8,948,046
FY27	1,940,564	9,059,436
FY28	2,102,594	3,897,406
FY29	2,063,229	12,936,771
FY30	2,214,824	8,785,176
FY31	2,394,666	4,605,334
FY32	2,219,061	12,780,939
FY33	1,982,849	5,017,151
FY34	2,682,799	21,317,201
FY35	2,651,711	15,348,289
FY36	1,608,675	20,391,325
FY37	-	12,483,903
TOTAL	33,833,776	248,350,127

CATALINA | Annual Cashflow (December 2021)

CATEGORY	PROJECT TOTAL	PTD FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
STOCK											
Sales Release	2,480	1,000	74	215	86	117	86	96	86	96	86
Sales	2,480	960	101	159	100	96	96	96	96	96	96
Titles	2,480	1,004	37	179	134	43	117	117	86	139	43
Settlements	2,480	936	96	80	164	96	100	94	98	96	96
Closing Stock	-	40	13	69	55	76	66	66	56	56	46
Contracts on Hand	-	24	29	108	44	44	40	42	40	40	40
AVERAGE SETTLEMENT PRICE	294,545	261,093	315,411	359,498	275,071	281,558	292,303	289,399	282,881	297,536	307,028
GROSS INCOME											
Income - Lots	730,470,810	244,383,500	30,279,500	28,759,845	45,111,671	27,029,591	29,230,307	27,203,494	27,722,340	28,563,496	29,474,702
Income - Special Sites	25,679,021	4,479,500	-	5,000,000	1,850,768	2,077,402	-	1,624,799	-	1,134,642	-
Income - Other	268,138	255,411	10,345	2,382	-	-	-	-	-	-	-
Direct Selling Expenses	80,975,197	21,228,692	2,437,157	3,547,285	4,625,997	4,844,138	3,382,522	3,484,275	3,175,638	3,869,457	3,377,963
GROSS INCOME	675,442,772	227,889,719	27,852,688	30,214,942	42,336,442	24,262,855	25,847,785	25,344,019	24,546,703	25,828,680	26,096,738
DEVELOPMENT COSTS											
Land	10,206,000	-	-	-	5,103,000	5,103,000	-	-	-	-	-
Consultants	10,565,698	3,389,493	392,565	460,634	509,043	481,501	420,988	435,424	441,251	449,274	458,342
Infrastructure	24,016,047	11,102,701	796,774	7,858,398	7,808,932	307,658	(2,308,416)	-	-	-	-
Special Sites/Other Development	4,827,954	1,798,873	-	227,862	1,389,208	-	-	-	103,157	-	-
Lot Production	226,856,147	76,431,290	4,825,301	17,478,235	13,172,795	8,381,502	8,806,545	9,374,171	6,711,465	12,834,869	5,293,954
Landscape	63,641,941	17,801,963	290,097	5,881,635	11,977,152	2,085,098	1,957,515	2,159,505	2,632,785	3,139,737	2,364,799
Marketing	12,636,849	2,486,673	141,595	400,000	1,015,013	608,166	657,682	612,079	623,753	642,679	663,181
Community Development	2,501,069	443,109	73,466	94,494	150,000	144,000	144,000	144,000	144,000	144,000	144,000
Administration	25,280,188	4,035,692	699,095	1,114,427	1,595,805	1,596,122	1,609,292	1,621,535	1,634,855	1,647,209	1,659,826
Finance/Bonds	-	408,971	3,779,807	107,553	(700,000)	386,646	-	(350,000)	350,000	-	(350,000)
Contingency	12,726,975	-	-	1,611,599	2,136,047	935,352	564,380	717,336	614,563	942,888	529,205
DEVELOPMENT COSTS	393,258,869	117,898,765	10,998,700	35,234,836	44,156,996	20,029,045	11,851,988	14,714,049	13,255,829	19,800,657	10,763,308
CASHFLOW	282,183,903	109,990,954	16,853,988	(5,019,894)	(1,820,554)	4,233,810	13,995,797	10,629,970	11,290,873	6,028,023	15,333,430
Capital Calls	(13,300,000)	(13,300,000)	-	-	-	-	-	-	-	-	-
Capital Returns	13,300,000	13,300,000	-	-	-	-	-	-	-	-	-
PROFIT DISTRIBUTIONS	282,183,903	64,700,000	9,000,000	10,000,000	15,000,000	10,000,000	14,000,000	11,000,000	11,000,000	6,000,000	15,000,000
Cash Balance at Year End	-	45,290,954	53,144,942	38,125,048	21,304,494	15,538,303	15,534,101	15,164,071	15,454,944	15,482,967	15,816,398

CATALINA | Annual

CATEGORY	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40
STOCK											
Sales Release	139	45	156	50	88	60	-	-	-	-	-
Sales	96	96	96	96	98	97	5	-	-	-	-
Titles	139	88	55	101	91	107	-	-	-	-	-
Settlements	96	96	102	90	96	99	45	-	-	-	-
Closing Stock	89	38	98	52	42	5	-	-	-	-	-
Contracts on Hand	40	40	34	40	42	40	-	-	-	-	-
AVERAGE SETTLEMENT PRICE	315,851	325,783	293,353	314,738	399,226	382,642	370,218	-	-	-	-
GROSS INCOME											
Income - Lots	30,321,672	31,275,153	29,922,041	28,326,410	38,325,698	37,881,591	16,659,800	-	-	-	-
Income - Special Sites	1,015,381	2,259,458	1,369,697	-	-	-	4,867,374	-	-	-	-
Income - Other	-	-	-	-	-	-	-	-	-	-	-
Direct Selling Expenses	3,608,369	3,875,059	3,793,060	3,542,539	3,886,881	4,045,245	3,456,236	794,682	-	-	-
GROSS INCOME	27,728,684	29,659,552	27,498,678	24,783,871	34,438,816	33,836,346	18,070,938	(794,682)	-	-	-
DEVELOPMENT COSTS											
Land	-	-	-	-	-	-	-	-	-	-	-
Consultants	467,594	477,032	489,529	493,556	506,505	349,945	343,023	-	-	-	-
Infrastructure	-	-	(1,550,000)	-	-	-	-	-	-	-	-
Special Sites/Other Development	-	1,308,854	-	-	-	-	-	-	-	-	-
Lot Production	11,062,025	14,731,973	7,520,286	13,478,553	6,638,848	10,114,336	-	-	-	-	-
Landscape	2,281,768	2,296,191	3,870,516	878,738	704,505	3,272,650	47,285	-	-	-	-
Marketing	682,238	703,691	673,246	637,344	862,328	852,336	374,845	-	-	-	-
Community Development	144,000	144,000	144,000	144,000	147,000	145,500	7,500	-	-	-	-
Administration	1,672,281	1,684,563	946,464	872,940	869,186	863,471	677,949	479,476	-	-	-
Finance/Bonds	350,000	(350,000)	350,000	(350,000)	350,000	(350,000)	(3,632,977)	-	-	-	-
Contingency	815,495	1,067,315	604,702	825,257	486,419	779,912	72,530	23,974	-	-	-
DEVELOPMENT COSTS	17,475,401	22,063,619	13,048,743	16,980,389	10,564,790	16,028,149	(2,109,845)	503,450	-	-	-
CASHFLOW											
Capital Calls	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-
PROFIT DISTRIBUTIONS	11,000,000	7,000,000	15,000,000	7,000,000	24,000,000	18,000,000	22,000,000	12,483,903	-	-	-
Cash Balance at Year End	15,069,680	15,665,613	15,115,548	15,919,031	15,793,057	15,601,253	13,782,036	-	-	-	-

Appendix 7.8



TAMALA PARK
REGIONAL COUNCIL
Building a sustainable community



Annual Report

2020/2021

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Background

The Tamala Park Regional Council (TPRC) is a local government formed in 2006 specifically to implement the urban development of 180 hectares of land situated within the City of Wanneroo, and jointly owned by the following seven local government members:



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

The objectives of the TPRC are to:

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

The Tamala Park Project, marketed as Catalina, is an urban development being undertaken in the suburbs of Clarkson and Mindarie and will comprise around 2,500 home sites. It is anticipated to be developed at a rate of approximately 100-120 lots per annum.

The Tamala Park Project will facilitate a range of housing types and densities to meet the emerging needs of the Perth Metropolitan Region with respect to lifestyle, accessibility and changing demography. It is intended to create a community having a sense of place, which takes advantage of prevailing natural features, a well-planned built environment and existing retail, business and community services to the North.

The life of the Tamala Park Project is currently projected to extend to 2037. When the land is fully developed the TPRC will have completed its Charter and will cease to exist.

Message from the Chair

This is the fifteenth annual report of the Tamala Park Regional Council (TPRC). The TPRC is a local government with responsibility to implement the urban development in Clarkson and Mindarie, known as the Tamala Park Project. The project is marketed as Catalina Estate.

The TPRC is made up of 12 members who represent the interests of seven local governments which own the landholdings: Town of Cambridge, City of Joondalup, City of Perth, City of Stirling, Town of Victoria Park, City of Vincent, and City of Wanneroo.

In 2018 the UDIA awarded Catalina a six-leaf EnviroDevelopment Certification in recognition of the TPRC's commitment to sustainability and this has been maintained into 2020/2021. The six-leaf certification is the highest level of certification that can be achieved and confirms the Project's exceptional sustainability outcomes.



Since its inception in 2006, the Project has sold a total of 1,061 lots at 30 June 2021 with a value of over \$285M and achieved settlement revenue of \$274M. In the 2020/2021 financial year, 101 lots with a total value of \$33.6M were sold and 96 lots settled.

There has been substantial construction activity during the past year due to strong demand for new residential lots, as purchasers took advantage of grants offered by the State and Federal Governments to stimulate building construction as a measure to counter the impacts of the COVID-19 pandemic on the economy. New lots were constructed and titled in Stage 16A in Catalina Central and in Stage 27A in Catalina Beach. Construction of Stage 28 in Catalina Beach was also completed.

A significant amount of work was also completed during the year progressing engineering and landscaping designs and obtaining regulatory approvals for key infrastructure, streetscape and subdivisional works. Approvals were obtained to build a foreshore access road, beach access path and carpark, which will provide an important connection to a safe swimming beach for residents and the wider community to use. Approval was also obtained to construct a roundabout at the intersection of Connolly Drive and Aviator Boulevard, which will provide a new eastern gateway to Catalina Central. The foreshore access and roundabout construction works commenced in June 2021.

Engineering and landscape designs were also progressed for the extension of Portofino Promenade and Longbeach Promenade in Catalina Beach and the Greenlink in Catalina Central in preparation for construction to be completed in late 2021/early 2022.

In August 2020, the Council approved the Catalina Grove Development Strategy, setting out the vision, aspirations and guiding principles that inform the design and development of Catalina's newest development precinct. The Council is seeking to maximise tree canopy through retention of significant trees and ensure the precinct delivers attractive, transport-oriented, high density housing and mixed-use development options. A significant review of the brand and marketing strategy for Catalina Grove was also completed during the year, resulting in its rebranding as Catalina Green in preparation for the launch of lot sales in 2021.

In November 2020, the Council made a contribution of \$680,000 to the City of Joondalup and Wanneroo towards the construction of the Burns Beach-Mindarie Dual Use Path following the completion of the section of path adjoining Catalina in September 2020.



Subdivision applications were submitted in April 2021 for all three Catalina Precincts to ensure adequate lot supply.

The Council was able to make a \$9.0M distribution of profit from land sales to the member local governments.

The TRPC Council remains focused and committed on achieving the best possible outcomes for the Catalina Estate and the local community.

I would like to thank the Council, TPRC CEO and officers for their continued professionalism, energy and valuable contribution to this project. Lastly on behalf of Council thankyou to the outgoing CEO, Tony Arias for his 11 years of professional and dedicated contribution to the project and outgoing Chair Karen Caddy for her leadership.

Cr Bianca Sandri
CHAIR

Message from the Chief Executive Officer



The land development industry in Western Australia experienced a buoyant year in 2020/21. Strong consumer demand was evident for much of this period, particularly early in the year as the Federal and State Government grants designed to stimulate housing construction had a significant effect on land sales.

The Sales and Marketing program for 2020/21 resulted in 101 residential lot sales at an average sale price of \$333,163 and 96 lot settlements with a value of \$30.28M.

The focus over the last 12 months has been to consolidate Catalina Estate as a significant urban project in Perth's northern coast by continued construction, marketing and sale of residential lots. The works undertaken were consistent with approved risk minimisation strategies and expenditure was prudently managed to minimise financial exposure to the TPRC. Works completed in 2020/21 included the construction of 20 lots in Stage 27A and 34 lots in Stage 28 in Catalina Beach, and 17 lots in Stage 16A in Catalina Central.

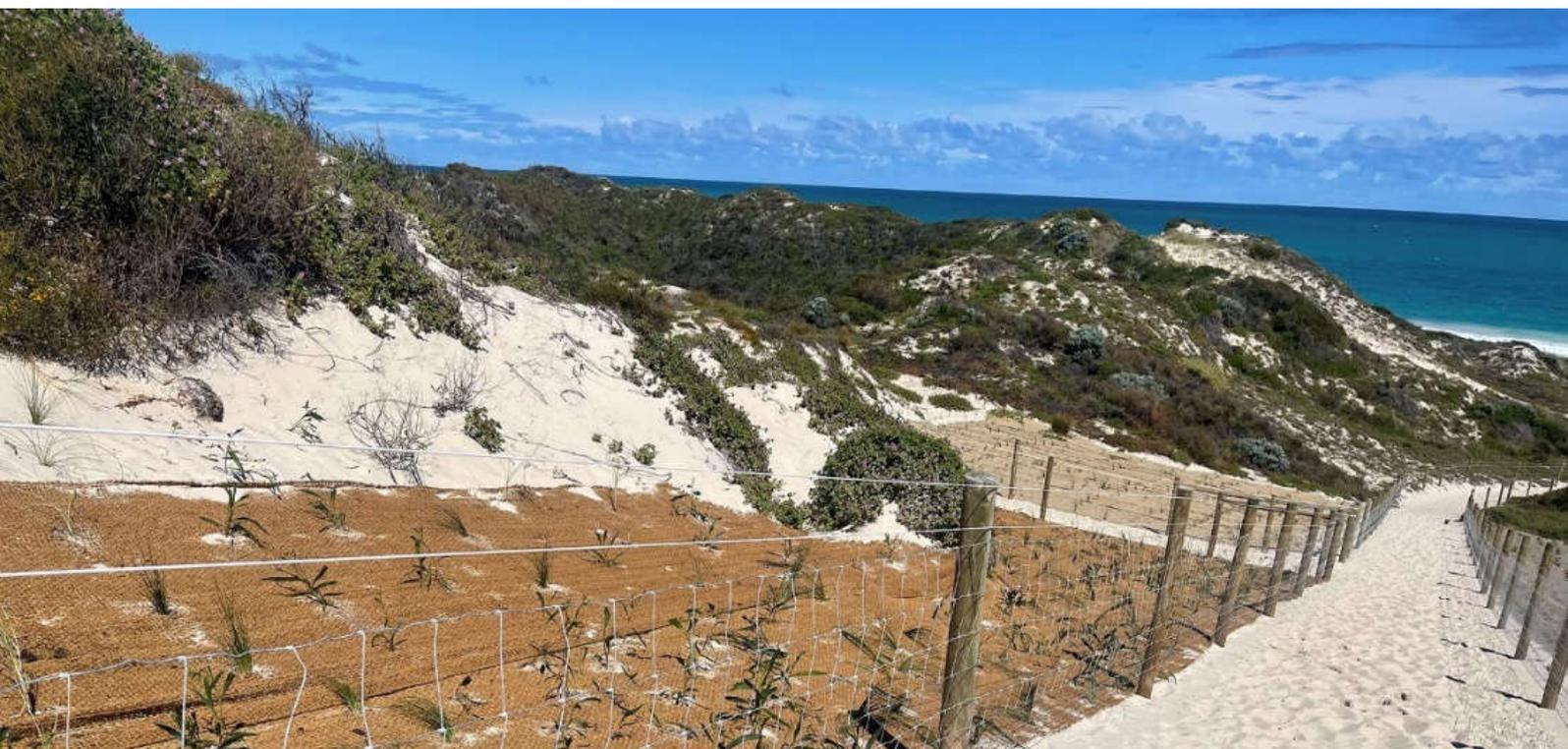
A number of community programs and events took place during the year, including:

- Residents' Welcome Sundowner;
- Clean Up Catalina;
- Sweet Treat;
- Halloween Trick or Treat Meet & Greet;
- Summer Splashdown;
- Simply Circus.



The Council also continued to implement the following important environmental programs during 2020/2021:

- Rehabilitation of Biodiversity Conservation Areas;
- Subdivision design work to allow for the retention of significant trees;
- Seed collections from significant flora areas for use in future revegetation programs planned for various parts of Catalina Estate; and
- Rebates to purchasers for the installation of solar panels and water-efficient fittings and appliances and the provision of water-wise front garden landscaping packages.



The Council has a significant civil construction and infrastructure initiatives planned over 2021/2022, which will improve amenity and facilities of the Project, including:

- Civil construction for 175 lots in Catalina Beach, Catalina Central and Catalina Green;
- Approval and construction of the Catalina Foreshore Access Road / Carpark, including environmental revegetation works;
- The extension of Portofino and Long Beach Promenades, including verge and median landscaping;
- The construction of the Connolly Drive/Aviator Boulevard roundabout;
- The extension of Aviator Boulevard to Connolly Drive, including continuation of the landscaped green link, which will provide a pedestrian and cycle path that will ultimately connect Clarkson rail station to the foreshore to the west of Catalina; and
- Streetscape works on Connolly Drive and Marmion Avenue.

A handwritten signature in black ink, appearing to read 'Jon Morellini'.

Mr Jon Morellini
CHIEF EXECUTIVE OFFICER

Governance

Audit Committee

The Audit Committee is formally appointed by the Council and assists in ensuring that there are effective and best practice accounting, auditing, internal control, business risk management, compliance and reporting systems, processes and practices. The Audit Committee did not identify any adverse findings for the financial year.

Auditor General Report

Under the *Local Government Amendment (Auditing) Act 2017*, the Auditor General is now responsible for the audit of the TPRC 2020-2021 Annual Financial Report.

Local Government Compliance Audit Report

All local governments are required to carry out an annual compliance audit for the period 1 January to 31 December as required by the Department of Local Government, Sport and Cultural Industries. The Compliance Audit Return for the year ended 31 December 2020 was approved by Council on 18 February 2021 and a certified copy of the return was submitted to the Director General of the Department of Local Government, Sport and Cultural Industries.

Competition Policy

The TPRC has met its obligations with regard to competition policy. The Council has no local laws or policies that reflect anti-competitive practice. No complaints have been received by the TPRC in 2020/2021 in relation to anti-competitive practices.

Recordkeeping Plan Required under the State Records Act

The TPRC Recordkeeping Plan was approved by the State Records Commission on 17 March 2017 and approved by Council on 17 August 2017.

The Recordkeeping Policy is required to be reviewed in 2022.

Disability Services Plan

The Disability Services Plan (2019) was advertised for consultation and comment in October 2019 and was approved by Council in February 2020. The Disability Services Plan is in accordance with prescribed standards for public access and infrastructure and has been approved by the Disability Services Commission.

Financial Budget Review

A formal review of the TPRC budget is required in the manner prescribed under the *Local Government Act 1995* between 1 January and 31 March each year. The Review was undertaken in February 2020 and no adverse findings or matters of consequence were found during the Review. The Council considered and resolved to adopt the Financial Budget Review at its meeting in February 2021.

Strategic Community Plan 2019-2029

The Department of Local Government's Integrated Planning and Reporting Framework requires all local governments to prepare a Strategic Community Plan. The TPRC approved the Strategic Community Plan 2019-2029 in February 2020.

Corporate Business Plan 2020-2024

The Department of Local Government's Integrated Planning and Reporting Framework requires all local governments to prepare a Corporate Business Plan in consultation with its community and stakeholders. The approved the Corporate Business Plan 2013-2017 has been reviewed. The Corporate Business Plan 2020 – 2024 was adopted by Council at its December 2020 meeting.

Local Government (Rules of Conduct) Regulations 2007

These regulations require reporting various offences by Council Members. Council Members must comply with their obligations under the *Local Government Act 1995*. In 2019/2020 no complaints were received concerning Council Members.

Codes of Conduct

The Council's Codes of Conduct prescribes the standard of conduct and behaviour expected of the Council Members and employees.

The Code of Conduct for Elected Members, Committee Members and Candidates was adopted by Council in April 2021.

The Employee Conduct of Conduct was approved by the CEO in November 2021.

Register of Financial Interests for Council Members and Senior Employees

The requirements of the *Local Government Act 1995* in reporting the financial interests of Council Members and Senior Staff were complied with. This register was implemented on 1 July 1997 in accordance with the requirements of the *Local Government Act 1995* and is available for viewing by the public.

Freedom of Information Act

The Council is subject to the provisions of the *Freedom of Information Act 1994*. The Act gives individuals and organisations a general right of access to information held by the Council. The Council received no requests under the Freedom of Information Act during 2020/2021.

Complaints Register

Section 5.121 of the *Local Government Act 1995* requires a local government to maintain a register of complaints that result in an action under Section 5.110(6)(b) or (c).

There were no complaints reported to the Local Government Standards Panel during 2020/2021.



Committee Membership



Chair
Cr Karen Caddy
City of Stirling

Management Committee



Deputy Chair
Cr Andres Timmermanis
Town of Cambridge

- Audit Committee
- CEO Performance Review Committee
- Management Committee



Cr Claire Anderson
Town of Victoria Park

CEO Performance Review Committee



Cr John Chester
City of Joondalup

Management Committee



Cr Brent Fleeton
City of Perth



Cr Joanne Fotakis
City of Vincent

Management Committee



Cr David Lagan
City of Stirling

- Audit Committee
- CEO Performance Review Committee
- Management Committee



Cr Suzanne Migdale
City of Stirling

Management Committee



Cr Bianca Sandri
City of Stirling

- Audit Committee
- CEO Performance Review Committee
- Management Committee



Cr Philippa Taylor
City of Joondalup

- Audit Committee
- CEO Performance Review Committee

Committee Membership (continued)



Cr Brett Treby
City of Wanneroo

- CEO Performance Review Committee
- Management Committee



Cr Domenic Zappa
City of Wanneroo

Audit Committee

Retired November 2020



Mayor Emma Cole
City of Vincent



Cmr Andrew Hammond
City of Perth



Attendance at Meetings by Council Members

Meeting attendances by Council members for 2020/2021 are shown in the table below:

Councillor	Council	Audit	CEO Performance Review	Management
Total No. of Meetings Held	7	5	3	4
Cr Claire Anderson	6 (7)		3 (3)	
Cr Karen Caddy	7 (7)			4 (4)
Cr John Chester	7 (7)			4 (4)
Mayor Emma Cole	0 (2)			
Cr Brent Fleeton	4 (5)			
Cr Joanne Fotakis	5 (5)			2 (2)
Cmr Andrew Hammond	1 (2)			
Cr David Lagan	4 (7)	3 (5)	3 (3)	4 (4)
Cr Suzanne Migdale	4 (7)			3 (4)
Cr Bianca Sandri	6 (7)	3 (5)	2 (3)	4 (4)
Cr Philippa Taylor	6 (7)	4 (5)	3 (3)	
Cr Andres Timmermanis	4 (7)	4 (5)	2 (3)	4 (4)
Cr Brett Treby	5 (7)		3 (3)	3 (4)
Cr Domenic Zappa	5 (7)	5 (5)		
Cr Clyde Bevan (as alternate member)	1			
Cr Joanne Fotakis (as alternate member)	2			
Cr Christopher May (as alternate member)	1			
Cr Natalie Sangalli (as alternate member)	1			

**The total number of meetings held during each Council member's term is shown in brackets.*

Notes

- Cr Joanne Fotakis was alternate member for Mayor Emma Cole at the ordinary meetings of Council on 20 August 2020 and 8 October 2020.
- Cr Christopher May was alternate member for Cr John Chester at the ordinary meeting of Council on 10 December 2020.
- Cr Clyde Bevan was alternate member for Cr Brent Fleeton at the ordinary meeting of Council on 15 April 2021.
- Cr Natalie Sangalli was alternate member for Cr Brett Treby at the special meeting of Council on 26 May 2021.

Year 2020/2021 Under Review

Council Activity

The current Council comprises 12 members who are elected by constituent local authorities following the ordinary bi-annual Council elections. There were 2 changes in Council membership during the year.

During the year the Council held six ordinary bi-monthly Council meetings, one special Council meeting and the following Committee meetings:

- Audit Committee — 5 meetings
- CEO Performance Committee — 3 meetings
- Management Committee — 4 meetings



Member Local Governments' Equity

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

	2018/2019	2019/2020	2020/2021
Town of Cambridge	3,657,682	3,770,032	4,490,196
City of Perth	3,657,682	3,770,032	4,490,196
Town of Victoria Park	3,657,682	3,770,032	4,490,196
City of Vincent	3,657,682	3,770,032	4,490,196
City of Joondalup	7,315,360	7,540,060	8,980,387
City of Wanneroo	7,315,360	7,540,060	8,980,387
City of Stirling	14,633,534	15,052,935	17,963,589
TOTAL EQUITY	43,894,982	45,243,183	53,885,147

Employee Remuneration

The *Local Government Act 1995* requires that the Council provides information relating to the number of employees entitled to a salary of \$130,000 or more.

This information is presented below:

Salary Range	No.
120-130K	1
320-330K	1
Total	2

Chief Executive Officer Remuneration

\$325,193

Distribution to Participating Councils

The TPRC made a \$9M distribution (Return of Contribution) from land sales income to the seven participating local governments.

The TPRC has not exercised its option under the Establishment Agreement to require Councils to transfer their shares in the landholding jointly held by Councils at Tamala Park. Individual Councils continue to pay municipal rate levies to City of Wanneroo and the TPRC has decided to reimburse the Councils for an amount equivalent to rates paid from retained earnings.

Distributions for 2019/2020 and 2020/2021 are shown below:

Participant Council	Rates Reimbursement		Return of Contribution	
	2019/2020	2020/2021	2019/2020	2020/2021
Town of Cambridge	25,426	25,104	250,000	750,000
City of Perth	25,426	25,104	250,000	750,000
Town of Victoria Park	25,426	25,104	250,000	750,000
City of Vincent	25,426	25,104	250,000	750,000
City of Joondalup	50,854	50,209	500,000	1,500,000
City of Wanneroo	50,854	50,209	500,000	1,500,000
City of Stirling	101,705	100,417	1,000,000	3,000,000
TOTAL	305,117	301,253	3,000,000	9,000,000

Market, Infrastructure & Land Use Impacts on Catalina Estate

The Catalina Estate is located within the City of Wanneroo municipality and forms part of the suburbs of Clarkson and Mindarie

The Western Australian residential land market experienced a high level of activity over the last 12 months with solid sales and buyers' interest. The North-Western (Metro) land sales market is highly competitive with a significant number of estates competing for market share.



The infrastructure from the surrounding suburbs to the Clarkson rail and bus station is now well defined and there continues to be consolidation of commercial and business activity within the Clarkson rail station precinct.

The extension of the Mitchell Freeway, from Burns Beach Road to Hector Avenue, has significantly improved access from Catalina to the Joondalup and Wanneroo City Centres, and locations along the Freeway north and south. The works included the construction of Neerabup Road between Connolly Drive and Wanneroo Road, providing direct access to employment opportunities within the Neerabup Industrial Park.

The Freeway extension works also included the construction of an underpass in the vicinity of the Freeway and Neerabup Road enabling safe and easy access for residents to the Clarkson Train Station and a direct bus connection through the Catalina Estate. The Neerabup Road Underpass was fully funded by the TPRC and is significant strategic infrastructure that will provide an important connection for the Catalina Project from the Clarkson Train Station to the coastline.

The extension of Portofino Promenade and construction of the Foreshore Access Road will connect Catalina with the beach in late 2021, providing great amenity for Catalina residents and the wider community.

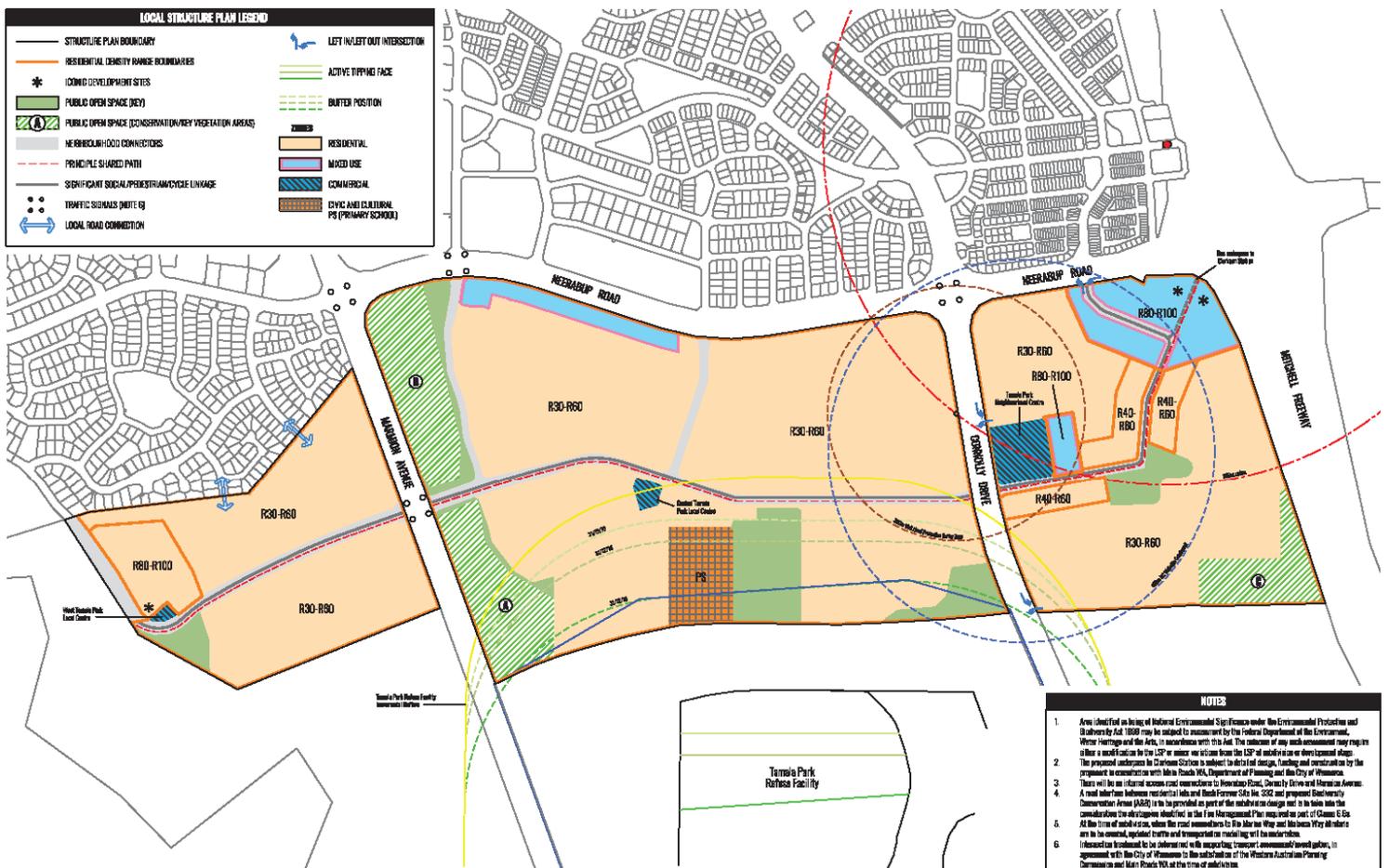
Completion of the Connolly Drive/Aviator Boulevard, also due in late 2021, will provide a new eastern gateway for Catalina Central, as well as framing the entry to Catalina's newest precinct, Catalina Green.

Tamala Park Local Structure Plan

In 2013 the Tamala Park Local Structure Plan was formally approved. Since 2013, five amendments to the Local Structure Plan have been approved providing more contemporary urban design to meet the vision of the TPRC to “create an urban centre for choice, sustainability, community and opportunity from the land”.

Key aspects of the Local Structure Plan include:

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



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

Precincts	West	Central West	Central East	Eastern Precinct	Total	
Area	HA	HA	HA	HA	HA	%
Residential	21.03	22.33	21.03	23.89	88.28	49.54%
Mixed use			2.50	5.71	8.21	4.61%
Centre	0.16	0.70		0.90	1.76	0.99%
Business		2.08			2.08	1.17%
Active/Passive POS	1.02	0.91	3.28	3.27	8.48	4.76%
School			5.0		5.00	2.81%
Greenlink	1.38	1.2	0.61	0.92	4.11	2.31%
Conservation Reserves		11.57			11.57	6.49%
Roads	8.82	11.67	15.09	13.14	48.72	27.34%
Total (inc Roads)	32.41	50.46	47.51	47.83	178.21	100%

A key aspect of the Local Structure Plan is a central link connecting the Clarkson Rail Station through the Catalina Estate to the beach. All residential land in the development will be within 400m of the central Greenlink which will connect to public amenities including a primary school.



Amendment No.5 to the Local Structure Plan was approved by the Western Australian Planning Commission on 29 June 2020. This amendment related to the Catalina Grove Precinct, bounded by Connolly Drive, Neerabup Road and the Mitchell Freeway, and incorporated various plan changes based on the following important principles:

- Enhanced pedestrian and public transport movement and connection options to the Clarkson Train Station;
- Road network and connections to enhance the connection to the Clarkson Train Station with density sites proposed in the north-eastern corner of the site;
- Mixed-Use Zone rationalised consistent with market conditions and positioned in locations with higher activity to complement the Neighbourhood Centre;

- The Neighbourhood Centre positioned at the intersection of Aviator Boulevard and Connolly Drive to frame the western entry to Catalina Grove;
- A focus on locating density in areas with amenity, allowing for pockets of higher density housing/apartments;
- Small pocket parks distributed throughout including:
 - Strategically positioned POS within a 400-metre walkable catchment of the Clarkson Train Station;
 - The retention of very high value trees that offer instant canopy;
 - Greenlink aligned to maximise retention of the high retention value trees;
 - POS in the north-west corner of the site to accommodate high retention value trees and drainage.
- Greenlink and public open space positioned to maximise the retention of canopy and significant trees;
- A tree canopy target of 20% by 2028 for Catalina Grove.



Environmental Management



A Mitigation and Offset Management Plan was approved by the Department of Agriculture, Water and the Environment (DAWE) under the EPBC Act. The TPRC was required to prepare a mitigation strategy outlining measures to avoid or reduce impacts to Carnaby's Black Cockatoo. The TPRC has been progressively implementing the DAWE conditions, which includes the following:

- Purchase of an Offset site for Carnaby's Black Cockatoo foraging, habitat and breeding (fully completed);
- Rehabilitation and fencing of Biodiversity Conservation Area (works in progress);
- Seed collection and storage from prescribed areas (undertaken in 2015, 2016, 2018 and 2019 and 2020); and
- Preparation of Audit and Compliance report (completed annually and submitted to DAWE).

An Environmental Management Plan (EMP) has been approved by the Environmental Protection Authority which provides management and mitigation measures for impacts of the proposed Tamala Park Development on biodiversity assets and values of the area.

The EMP addresses the specific Ministerial Conditions set for the development. These conditions are summarized as follows:

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

In April 2018, the UDIA awarded Catalina a six leaf EnviroDevelopment Certification in recognition and verification of the TPRC's commitment to sustainability. The six leaf certification is the highest level of certification that can be achieved and confirms the Project's exceptional sustainability outcomes.

The six leaf certification relates to the following elements; Ecosystems, Waste, Energy, Materials, Water and Community.

Key Activities 2021/2022

Project	Timeframe
<p>Implementation of Environmental Approval Conditions - Environmental Protection & Biodiversity Conservation Act (EPBC Act)</p> <p>The EPBC Act approval stipulates a number of conditions. These conditions are at an advanced stage of implementation and will continue to be implemented as the Project progresses.</p>	2021-2022 and ongoing
<p>Project Marketing and Branding</p> <p>Various initiatives are to be implemented throughout the year to promote the Catalina Project and the sales releases, including internet search optimisation intended to draw traffic to the Catalina website, advertising through electronic direct mail, social media channels and online real estate search sites to generate awareness of the Catalina brand and sales leads and the continued operation of the Catalina Beach Sales Office.</p>	2021-2022
<p>Civil Construction Works</p> <p>Civil construction of Stage 27B (37 lots) and Stage 30 (30 lots) in Catalina Beach, Stage 18C (28 lots) in Catalina Central and Stage 36 in Catalina Green (79 lots) is to be completed.</p>	2021-2022
<p>Infrastructure</p> <p>Delivery of infrastructure in 2021/22 will include:</p> <ul style="list-style-type: none"> • Construction of a roundabout at the intersection of Connolly Drive and Aviator Boulevard, including the extension of Aviator Boulevard to connect with this intersection. • Construction of the extension of Portofino and Longbeach Promenades. • Construction of the foreshore access road and carpark to the west of Catalina Beach. 	2021-2022
<p>Landscaping Works</p> <p>Landscape works to be undertaken during 2021/22 include:</p> <ul style="list-style-type: none"> • Aviator Boulevard green link extension in Catalina Central. • Marmion Avenue verge, adjacent to Stage 28. • Connolly Drive medians, verges and roundabout. 	2021-2022
<p>Sale of Residential Lots</p> <p>The forecast is 110 lot sales for 2021/2022.</p>	2021-2022

Annual Financial Report (including Audit Report)



**TAMALA PARK REGIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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COMMUNITY VISION

To create an urban centre for choice, sustainability, community and opportunity.

Principal place of business:
Tamala Park Regional Council
2/369 Scarborough Beach Road
Innaloo WA 6018

**TAMALA PARK REGIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

*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 for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Tamala Park Regional Council at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 13 day of October 2021



Chief Executive Officer

Jon Morellini

Name of Chief Executive Officer



TAMALA PARK REGIONAL COUNCIL
 STATEMENT OF COMPREHENSIVE INCOME
 BY NATURE OR TYPE
 FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Interest earnings	2(a)	475,651	645,000	783,580
Other revenue	2(a)	21,331	23,935	6,242
		496,982	668,935	789,822
Expenses				
Employee costs		(647,060)	(749,760)	(610,729)
Materials and contracts		(198,520)	(222,769)	(104,496)
Utility charges		0	(6,500)	0
Depreciation on non-current assets	10(b)	(54,672)	(55,287)	(55,288)
Interest expenses	2(b)	(519)	(511)	(957)
Insurance expenses		(12,915)	(16,462)	(18,373)
Other expenditure	2(b)	(157,092)	(177,078)	(160,374)
		(1,070,778)	(1,228,367)	(950,217)
		(573,796)	(559,432)	(160,395)
Profit on asset disposals	10(a)	1,224	785	0
		1,224	785	0
Net result for the period		(572,572)	(558,647)	(160,395)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(572,572)	(558,647)	(160,395)

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 30 JUNE 2021

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue			
2(a)	492,939	645,000	789,822
General purpose funding	4,043	23,935	0
Other property and services	496,982	668,935	789,822
Expenses			
	(157,078)	(177,078)	(158,535)
Governance	(913,181)	(1,050,778)	(790,725)
Other property and services	(1,070,259)	(1,227,856)	(949,260)
Finance Costs			
2(b)	(519)	(511)	(957)
Other property and services	(519)	(511)	(957)
	(573,796)	(559,432)	(160,395)
Profit on disposal of assets	1,224	785	0
10(a)	1,224	785	0
Net result for the period	(572,572)	(558,647)	(160,395)
Total other comprehensive income for the period	0	0	0
Total comprehensive income for the period	(572,572)	(558,647)	(160,395)

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



TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	16,472,144	27,725,770
Trade and other receivables	6	182,340	42,030
Financial assets	5(a)	37,009,692	17,749,477
Other assets	8	3,996	0
TOTAL CURRENT ASSETS		53,668,172	45,517,277
NON-CURRENT ASSETS			
Inventories	7	1,600,000	1,600,000
Property, plant and equipment	9	102,610	102,611
Right-of-use assets	11(a)	20,114	55,006
TOTAL NON-CURRENT ASSETS		1,722,724	1,757,617
TOTAL ASSETS		55,390,896	47,274,894
CURRENT LIABILITIES			
Trade and other payables	13	116,281	43,074
Lease liabilities	14(a)	20,878	34,870
Employee related provisions	16(a)	283,214	267,082
TOTAL CURRENT LIABILITIES		420,373	345,026
NON-CURRENT LIABILITIES			
Lease liabilities	14(a)	0	20,550
Employee related provisions	16(a)	1,231	9,418
TOTAL NON-CURRENT LIABILITIES		1,231	29,968
TOTAL LIABILITIES		421,604	374,994
NET ASSETS		54,969,292	46,899,900
EQUITY			
Retained surplus		1,077,792	1,650,364
Member contributions and equity	4	53,885,147	45,243,183
Revaluation surplus	12	6,353	6,353
TOTAL EQUITY		54,969,292	46,899,900

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 30 JUNE 2021**

	NOTE	RETAINED SURPLUS \$	CONTRIBUTED EQUITY \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		1,810,759	43,894,982	6,353	45,712,094
Comprehensive income					
Net result for the period		(160,395)	0	0	(160,395)
Total comprehensive income		(160,395)	0	0	(160,395)
Movement in members contributions	4	0	1,348,201	0	1,348,201
Balance as at 30 June 2020		1,650,364	45,243,183	6,353	46,899,900
Comprehensive income					
Net result for the period		(572,572)	0	0	(572,572)
Total comprehensive income		(572,572)	0	0	(572,572)
Movement in members contributions	4	0	8,641,964	0	8,641,964
Balance as at 30 June 2021		1,077,792	53,885,147	6,353	54,969,292

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



TAMALA PARK REGIONAL COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
	Interest received	475,651	657,030	783,580
	Goods and services tax received	33,963	0	2,748
	Other revenue	21,331	23,935	62,021
		530,945	680,965	848,349
Payments				
	Employee costs	(636,386)	(749,760)	(605,644)
	Materials and contracts	(166,931)	(235,843)	(122,012)
	Utility charges	0	(6,500)	0
	Interest expenses	(519)	(511)	(957)
	Insurance paid	(12,915)	(16,462)	(18,373)
	Goods and services tax paid	(6,365)	0	0
	Other expenditure	(157,092)	(177,078)	(160,374)
		(980,208)	(1,186,154)	(907,360)
	Net cash provided by (used in) operating activities	17 (449,263)	(505,189)	(59,011)
CASH FLOWS FROM INVESTING ACTIVITIES				
	Payments for financial assets at amortised cost - term deposits	(19,260,215)	0	(14,739,219)
9(a)	Payments for purchase of property, plant & equipment	(62,191)	(86,300)	0
10(a)	Proceeds from sale of property, plant & equipment	43,636	47,400	0
	Net cash provided by (used in) investment activities	(19,278,770)	(38,900)	(14,739,219)
CASH FLOWS FROM FINANCING ACTIVITIES				
14(b)	Payments for principal portion of lease liabilities	(34,542)	(34,870)	(34,202)
	Payments for land development	(12,692,329)	0	(4,682,550)
	Payments for member contributions	(8,712,115)	(34,340,377)	(3,007,028)
	Proceeds from member contributions	29,913,393	34,688,724	9,037,779
	Net cash provided by (used in) financing activities	8,474,407	313,477	1,313,999
	Net increase (decrease) in cash held	(11,253,626)	(230,612)	(13,484,231)
	Cash at beginning of year	27,725,770	45,290,954	41,210,001
	Cash and cash equivalents at the end of the year	3 & 17 16,472,144	45,060,342	27,725,770

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



TAMALA PARK REGIONAL COUNCIL
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)				
		45,207,121	45,224,508	43,994,530
		45,207,121	45,224,508	43,994,530
Revenue from operating activities (excluding rates)				
General purpose funding		492,939	645,000	789,822
Other property and services		5,267	24,720	0
		498,206	669,720	789,822
Expenditure from operating activities				
Governance		(157,078)	(177,078)	(158,535)
Other property and services		(913,700)	(1,051,289)	(791,682)
		(1,070,778)	(1,228,367)	(950,217)
Non-cash amounts excluded from operating activities	22(a)	45,261	54,502	58,987
Amount attributable to operating activities		44,679,810	44,720,363	43,893,122
INVESTING ACTIVITIES				
Proceeds from disposal of assets	10(a)	43,636	47,400	0
Purchase of property, plant and equipment	9(a)	(62,191)	(86,300)	0
		(18,555)	(38,900)	0
Amount attributable to investing activities		(18,555)	(38,900)	0
FINANCING ACTIVITIES				
Payments for land development as member contributions	4	(12,692,329)	(31,190,376)	(4,682,550)
Payments for principal portion of lease liabilities	14(b)	(34,542)	(34,870)	(34,202)
Payments of member contributions and equity received	4	(8,579,100)	(3,150,000)	(3,007,028)
Proceeds from member contributions	4	29,913,393	34,688,724	9,037,779
Amount attributable to financing activities		8,607,422	313,478	1,313,999
Surplus/(deficit) before imposition of general rates		53,268,677	44,994,941	45,207,121
Surplus/(deficit) after imposition of general rates	22(b)	53,268,677	44,994,941	45,207,121

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



**TAMALA PARK REGIONAL COUNCIL
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FOR THE YEAR ENDED 30 JUNE 2021**

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**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

1. 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) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Regional Council to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

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

INITIAL APPLICATION OF ACCOUNTING STANDARDS

During the current year, the Regional 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 were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The adoption of these standards had no material impact on the financial report.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

It is not expected these standards will have an impact on the financial report.

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 balances, transactions and disclosures that are impacted by accounting estimates are as follows:

- Land development expenses
- Land held for resale
- Property, Plant and Equipment
- Lease liabilities
- Employee Related Provisions
- Capital Commitments

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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

2. REVENUE AND EXPENSES

(a) Revenue

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Other revenue			
Reimbursements	4,043	0	0
Commissions	17,288	23,935	6,242
	<u>21,331</u>	<u>23,935</u>	<u>6,242</u>
Interest earnings			
Interest on reserve funds	475,651	0	0
	<u>475,651</u>	<u>645,000</u>	<u>783,580</u>
	<u>496,982</u>	<u>668,935</u>	<u>789,822</u>

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest earnings (continued)

Interest income is presented as operating income where it is earned from financial assets that are held for cash management purposes.

(b) Expenses

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration			
- Audit of the Annual Financial Report	27,000	12,000	8,876
	<u>27,000</u>	<u>12,000</u>	<u>8,876</u>
Interest expenses (finance costs)			
Lease liabilities	519	511	957
14(b)	<u>519</u>	<u>511</u>	<u>957</u>
Other expenditure			
Council member remuneration	157,078	157,078	156,297
Sundry expenses	14	20,000	4,077
	<u>157,092</u>	<u>177,078</u>	<u>160,374</u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Commissions	Commissions on investments	Single point in time	Monthly in arrears	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

**TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021**

3. CASH AND CASH EQUIVALENTS

NOTE	2021	2020
	\$	\$
Cash at bank and on hand	1,177,362	2,692,537
Term deposits	15,294,782	25,033,233
Total cash and cash equivalents	16,472,144	27,725,770

Restrictions

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	16,472,144	27,493,706
- Financial assets at amortised cost	37,009,692	17,749,477
- Inventory	403,311	0
	53,885,147	45,243,183

The restricted assets are a result of the following specific purposes to which the assets may be used:

Member contributions and equity	4	53,885,147	45,243,183
Total restricted assets		53,885,147	45,243,183

SIGNIFICANT ACCOUNTING POLICIES

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 with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. MEMBER CONTRIBUTIONS AND EQUITY	Note	2021 Actual Balance \$	2021 Budget Balance \$	2020 Actual Balance \$
(a) Town of Victoria Park				
Opening balance		3,770,032	3,768,709	3,657,682
Land development expenses		(1,057,694)	(2,599,198)	(390,212)
Proceeds of sale of land		2,492,783	2,890,727	753,148
Contributed equity		35,075	(250,000)	(586)
Return of contribution		(750,000)	(12,500)	(250,000)
		<u>4,490,196</u>	<u>3,797,738</u>	<u>3,770,032</u>
(b) City of Perth				
Opening balance		3,770,032	3,768,709	3,657,682
Land development expenses		(1,057,694)	(2,599,198)	(390,212)
Proceeds of sale of land		2,492,783	2,890,727	753,148
Contributed equity		35,075	(250,000)	(586)
Return of contribution		(750,000)	(12,500)	(250,000)
		<u>4,490,196</u>	<u>3,797,738</u>	<u>3,770,032</u>
(c) Town of Cambridge				
Opening balance		3,770,032	3,768,709	3,657,682
Land development expenses		(1,057,694)	(2,599,198)	(390,212)
Proceeds of sale of land		2,492,783	2,890,727	753,148
Contributed equity		35,075	(250,000)	(586)
Return of contribution		(750,000)	(12,500)	(250,000)
		<u>4,490,196</u>	<u>3,797,738</u>	<u>3,770,032</u>
(d) City of Joondalup				
Opening balance		7,540,060	7,537,419	7,315,360
Land development expenses		(2,115,388)	(5,198,396)	(780,426)
Proceeds of sale of land		4,985,565	5,781,454	1,506,297
Contributed equity		70,150	(500,000)	(1,171)
Return of contribution		(1,500,000)	(25,000)	(500,000)
		<u>8,980,387</u>	<u>7,595,477</u>	<u>7,540,060</u>
(e) City of Wanneroo				
Opening balance		7,540,060	7,537,419	7,315,360
Land development expenses		(2,115,388)	(5,198,396)	(780,426)
Proceeds of sale of land		4,985,565	5,781,454	1,506,297
Contributed equity		70,150	(500,000)	(1,171)
Return of contribution		(1,500,000)	(25,000)	(500,000)
		<u>8,980,387</u>	<u>7,595,477</u>	<u>7,540,060</u>
(f) City of Vincent				
Opening balance		3,770,032	3,768,709	3,657,682
Land development expenses		(1,057,694)	(2,599,198)	(390,212)
Proceeds of sale of land		2,492,783	2,890,727	753,148
Contributed equity		35,075	(250,000)	(586)
Return of contribution		(750,000)	(12,500)	(250,000)
		<u>4,490,196</u>	<u>3,797,738</u>	<u>3,770,032</u>
(g) City of Stirling				
Opening balance		15,082,935	15,074,836	14,633,534
Land development expenses		(4,230,777)	(10,396,792)	(1,560,850)
Proceeds of sale of land		9,971,131	11,562,908	3,012,593
Contributed equity		140,300	(1,000,000)	(2,342)
Return of contribution		(3,000,000)	(50,000)	(1,000,000)
		<u>17,963,589</u>	<u>15,190,952</u>	<u>15,082,935</u>
Total members contribution		53,885,147	45,572,858	45,243,183
Land development expenses		(12,692,329)	(31,190,376)	(4,682,550)
Proceeds of sale of land		29,913,393	34,688,724	9,037,779
Contributed equity		420,900	(3,000,000)	(7,028)
Return of contributions		(9,000,000)	(150,000)	(3,000,000)
Movement in member contributions		8,641,964	348,348	1,348,201
Opening balance		45,243,183	45,224,510	43,894,982
Movement in member contributions		8,641,964	348,348	1,348,201

**TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021**

4. MEMBER CONTRIBUTIONS AND EQUITY

Note	2021 Actual Balance \$	2021 Budget Balance \$	2020 Actual Balance \$
3	53,885,147	45,572,858	45,243,183

5. FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Financial assets at amortised cost

Term deposits
 Treasury Bonds

	2021	2020
	\$	\$
	37,009,692	17,749,477
	37,009,692	17,749,477
	31,009,692	17,749,477
	6,000,000	0
	37,009,692	17,749,477

Financial assets balance relates to cash held in term deposits with maturity terms exceeding 3 months and therefore held as an investment rather than cash and cash equivalents.

Financial assets are restricted assets as disclosed in note 3.

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at amortised cost

The Regional Council classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

**TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021**

6. TRADE AND OTHER RECEIVABLES

Current

Trade and other receivables
 GST receivable

	2021	2020
	\$	\$
	172,848	39,833
	9,492	2,197
	182,340	42,030

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value.

7. INVENTORIES

Non-current

Land held for resale

	2021	2020
	\$	\$
	1,600,000	1,600,000
	1,600,000	1,600,000
	1,600,000	1,600,000
	1,600,000	1,600,000

The following movements in inventories occurred during the year:

Balance at beginning of year

Balance at end of year

Land held for sale Lot 807 (Englobo land), part of the Catalina Estate development in Mindarie. At 30 June 2019 a market valuation was performed by property experts and the carrying value was written down from \$1,800,000 to \$1,600,000. The Regional Council has assessed that based on the current land market the carrying value at 30 June 2021 of \$1,600,000 is valued at the lower of cost and net realisable value.

Land held for sale is restricted use asset as stated in note 3.

SIGNIFICANT ACCOUNTING POLICIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing 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 onto the buyer at this point.

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

**TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021**

8. OTHER ASSETS

Other assets - current

Prepayments
 Settlement bonds

	2021	2020
	\$	\$
	2,996	0
	1,000	0
	3,996	0

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Furniture and equipment	Plant and equipment	Improvements to leasehold property	Total property, plant and equipment
	\$	\$	\$	\$
Balance at 1 July 2019	2,217	56,090	64,976	123,283
Depreciation (expense)	(1,644)	(9,475)	(9,553)	(20,672)
Balance at 30 June 2020	573	46,615	55,423	102,611
Comprises:				
Gross balance amount at 30 June 2020	6,569	63,101	76,442	146,112
Accumulated depreciation at 30 June 2020	(5,996)	(16,486)	(21,019)	(43,501)
Balance at 30 June 2020	573	46,615	55,423	102,611
Additions	0	62,191	0	62,191
(Disposals)	0	(42,412)	0	(42,412)
Depreciation (expense)	(573)	(9,650)	(9,557)	(19,780)
Balance at 30 June 2021	0	56,744	45,866	102,610
Comprises:				
Gross balance amount at 30 June 2021	6,569	62,191	76,442	145,202
Accumulated depreciation at 30 June 2021	(6,569)	(5,447)	(30,576)	(42,592)
Balance at 30 June 2021	0	56,744	45,866	102,610

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Cost					
Furniture and equipment		N/A	At cost	June 2020	N/A
Plant and equipment		N/A	At cost	June 2020	N/A
Improvements to leasehold prop	Level 3	Management	Observable open market value	June 2020	Residual values and remaining useful life assessments

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value.

Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

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 zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Regional Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Regional Council.

Revaluation (Continued)

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

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 class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position. The Regional Council does not own road infrastructure and therefore the amendments relating to land under roads do not apply.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Regional Council to measure the vested improvements as part of the related right-of-use assets at zero cost. The Regional Council does not own assets that would be classified vested improvements.

Refer to Note 11 that details the significant accounting policies applying to leases (including right-of-use assets).

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10. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	42,412	43,636	1,224	0	46,615	47,400	785	0	0	0	0	0
	42,412	43,636	1,224	0	46,615	47,400	785	0	0	0	0	0

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2020 Actual Loss
Plant and Equipment				
Other property and services				
Motor Vehicle - CEO	42,412	43,636	1,224	0
	42,412	43,636	1,224	0

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10. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Furniture and equipment	573	1,643	1,644
Plant and equipment	9,650	9,475	9,475
Improvements to leasehold property	9,557	9,554	9,553
Right-of-use assets - buildings	34,892	34,615	34,616
	54,672	55,287	55,288

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested 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.

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.

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Intangible assets - computer software licence	5 years
Right of use (buildings)	Based on the remaining lease term

Depreciation on revaluation

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) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

	Right-of-use assets - buildings	Right-of-use assets Total
	\$	
Balance at 1 July 2019	89,622	89,622
Depreciation (expense)	(34,616)	(34,616)
Balance at 30 June 2020	55,006	55,006
Depreciation (expense)	(34,892)	(34,892)
Balance at 30 June 2021	20,114	20,114

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

	2021 Actual	2020 Actual
	\$	\$
Depreciation expense on lease liabilities	(34,892)	(34,616)
Interest expense on lease liabilities	(519)	(957)
Total amount recognised in the statement of comprehensive income	(35,411)	(35,573)
Total cash outflow from leases	(35,061)	(35,159)

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the Regional Council assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Regional Council uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for right-of-use assets are secured over the asset being leased.

Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Regional Council anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

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12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Improvements to leasehold property	6,353	0	0	0	6,353	6,353	0	0	0	6,353
	6,353	0	0	0	6,353	6,353	0	0	0	6,353

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13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Accrued salaries and wages
 ATO liabilities
 Accrued expenses

	2021	2020
	\$	\$
	51,926	2,903
	19,874	17,341
	17,481	17,285
	27,000	5,545
	116,281	43,074

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

**TAMALA PARK REGIONAL COUNCIL
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14. LEASE LIABILITIES

(a) Lease Liabilities

	2021	2020
	\$	\$
Current	20,878	34,870
Non-current	0	20,550
	20,878	55,420

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020
					Lease Principal 1 July 2020	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments	Lease Principal 1 July 2020	Budget Lease Principal Repayments	Budget Lease Principal Outstanding	Budget Lease Interest Repayments	Lease Principal 1 July 2019	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments
Other property and services																
Unit 2, 369 Scarborough Beach Road, Innaloo	STIRLI/170672	City of Stirling	1.30%	36	55,420	(34,542)	20,878	(519)	55,420	(34,870)	20,550	(511)	89,622	(34,202)	55,420	(857)
					55,420	(34,542)	20,878	(519)	55,420	(34,870)	20,550	(511)	89,622	(34,202)	55,420	(857)

**TAMALA PARK REGIONAL COUNCIL
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15. INFORMATION ON BORROWINGS

	2021	2020
	\$	\$
Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	10,000	6,000
Credit card balance at balance date	(573)	(665)
Total amount of credit unused	9,427	5,335

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are recognised at fair value when the Regional Council becomes a party to the contractual provisions to the instrument.

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

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.

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.

Risk

Information regarding exposure to risk can be found at Note 23.

16. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions
 Non-current provisions

Additional provision

Amounts used

Balance at 30 June 2021

Comprises

Current
 Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	168,378	98,704	267,082
Non-current provisions	0	9,418	9,418
	168,378	108,122	276,500
Additional provision	47,738	15,672	63,410
Amounts used	(55,465)	0	(55,465)
Balance at 30 June 2021	160,651	123,794	284,445
Comprises			
Current	160,651	122,563	283,214
Non-current	0	1,231	1,231
	160,651	123,794	284,445

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
 More than 12 months from reporting date
 Expected reimbursements from other WA local governments

	2021	2020
	\$	\$
Less than 12 months after the reporting date	238,732	0
More than 12 months from reporting date	49,299	279,307
Expected reimbursements from other WA local governments	(3,586)	(2,807)
	284,445	276,500

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Regional Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Short-term employee benefits

Provision is made for the Regional 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 Regional 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.

Other long-term employee benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

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 Regional Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Regional 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.

Provisions

Provisions are recognised when the Regional 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.

17. NOTES TO THE STATEMENT OF CASH FLOWS

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:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash and cash equivalents	16,472,144	45,060,342	27,725,770

Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	(572,572)	(558,647)	(160,395)
Non-cash flows in Net result:			
Depreciation on non-current assets	54,672	55,287	55,288
(Profit)/loss on sale of asset	(1,224)	(785)	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(7,295)	12,030	58,527
(Increase)/decrease in other assets	(3,996)	0	0
Increase/(decrease) in payables	73,207	(13,074)	(26,643)
Increase/(decrease) in employee provisions	7,945	0	14,212
Net cash from operating activities	(449,263)	(505,189)	(59,011)

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	<u>2021</u>	<u>2020</u>
	\$	\$
General purpose funding	55,288,286	47,172,283
Other property and services	102,610	102,611
	<u>55,390,896</u>	<u>47,274,894</u>

19. CAPITAL COMMITMENTS

The Regional Council has entered into capital commitments on behalf of it's members of \$9,583,254 at 30 June 2021 relating to land development.

20. COUNCIL MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
K Caddy - City of Stirling			
Chairman's allowance	20,063	20,063	10,031
Meeting attendance fees	15,839	15,839	13,145
	35,902	35,902	23,176
A Timmermanis - Town of Cambridge			
Deputy Chairman's allowance	5,016	5,016	2,508
Meeting attendance fees	10,560	10,560	10,508
	15,576	15,576	13,016
C Anderson - Town of Victoria Park			
Meeting attendance fees	10,560	10,560	10,508
	10,560	10,560	10,508
J Chester - City of Joondalup			
Meeting attendance fees	10,560	10,560	10,508
	10,560	10,560	10,508
E Cole - City of Vincent			
Meeting attendance fees	4,907	4,907	10,508
	4,907	4,907	10,508
B Fleeton - City of Perth			
Meeting attendance fees	5,280	5,280	0
	5,280	5,280	0
J Fotakis - City of Vincent			
Meeting attendance fees	5,653	5,653	0
	5,653	5,653	0
A Hammond - City of Perth			
Meeting attendance fees	5,280	5,280	10,508
	5,280	5,280	10,508
P Taylor - City of Joondalup			
Meeting attendance fees	10,560	10,560	5,280
	10,560	10,560	5,280
D Zappa - City of Wanneroo			
Meeting attendance fees	10,560	10,560	5,280
	10,560	10,560	5,280
B Sandri - City of Stirling			
Meeting attendance fees	10,560	10,560	10,508
	10,560	10,560	10,508
D Lagan - City of Stirling			
Meeting attendance fees	10,560	10,560	5,280
	10,560	10,560	5,280
B Treby - City of Wanneroo			
Meeting attendance fees	10,560	10,560	10,508
Deputy Chairman's allowance	0	0	2,483
	10,560	10,560	12,991
S Migdale - City of Stirling			
Meeting attendance fees	10,560	10,560	5,280
	10,560	10,560	5,280
S Fenn - City of Wanneroo			
Meeting attendance fees	0	0	5,227
	0	0	5,227

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20. COUNCIL MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
J Ferrante - City of Stirling			
Meeting attendance fees	0	0	5,227
	0	0	5,227
G Italiano - City of Stirling			
Chairman's allowance	0	0	9,932
Meeting attendance fees	0	0	7,840
	0	0	17,772
N Jones - City of Joondalup			
Meeting attendance fees	0	0	5,228
	0	0	5,228
	157,078	157,078	156,297
Fees, expenses and allowances to be paid or reimbursed to Council members.			
Chairman's allowance	20,063	20,063	19,963
Deputy Chairman's allowance	5,016	5,016	4,991
Meeting attendance fees	131,999	131,999	131,343
	157,078	157,078	156,297

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21. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
The total of remuneration paid to KMP of the Regional Council during the year are as follows:	\$	\$
Short-term employee benefits	336,616	326,475
Post-employment benefits	25,000	25,000
Other long-term benefits	9,205	10,092
	370,821	361,567

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to Council members which may be found above.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the Regional Council's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Transactions with related parties

Transactions between related parties and the Regional Council are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

	NOTE	2021 Actual	2020 Actual
The following transactions occurred with related parties:		\$	\$
Rent paid	ii	35,947	39,501
Land development expenses	ii	(12,692,329)	(4,682,550)
Proceeds from sale of land	ii	29,913,393	9,037,778
Return of contribution	ii	(9,000,000)	(3,000,000)
Amounts outstanding from related parties:			
Trade and other receivables	ii	172,849	39,834
Amounts payable to related parties:			
Trade and other payables	ii	51,353	2,730

Related Parties

The Regional Council's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Council member, are considered key management personnel.

ii. Entities with significant influence over the Regional Council

An entity that has the power to participate in the financial and operating policy decisions of the Regional Council, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by statute or agreement.

TAMALA PARK REGIONAL COUNCIL
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22. RATE SETTING STATEMENT INFORMATION

Note	2020/21 (30 June 2021 Carried Forward) \$	2020/21 Budget (30 June 2021 Carried Forward) \$	2019/20 (30 June 2020 Carried Forward) \$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
	Less: Profit on asset disposals		
10(a)	(1,224)	(785)	0
	Movement in employee benefit provisions (non-current)		
	(8,187)	0	3,699
10(b)	54,672	55,287	55,288
	Non cash amounts excluded from operating activities		
	45,261	54,502	58,987
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
	Add: Current liabilities not expected to be cleared at end of year		
	- Current portion of lease liabilities		
14	20,878	34,870	34,870
	Total adjustments to net current assets		
	20,878	34,870	34,870
Net current assets used in the Rate Setting Statement			
	Total current assets		
	53,668,172	45,292,023	45,517,277
	Less: Total current liabilities		
	(420,373)	(331,952)	(345,026)
	Less: Total adjustments to net current assets		
	20,878	34,870	34,870
	Net current assets used in the Rate Setting Statement		
	53,268,677	44,994,941	45,207,121

23. FINANCIAL RISK MANAGEMENT

This note explains the Regional Council's exposure to financial risks and how these risks could affect the Regional Council's future financial performance.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy. Monthly reporting to Council.
Liquidity risk	Liabilities	Rolling cash flow forecasts	Availability of cash and cash equivalents.

The Regional 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 finance area identifies, evaluates and manages financial risks.

Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Regional Council's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Regional Council to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Regional Council to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2021					
Cash and cash equivalents	0.24%	16,472,144	15,294,782	1,143,573	33,789
Financial assets at amortised cost - term deposits	0.34%	31,009,692	31,009,692	0	0
Financial assets at amortised cost - treasury bonds	0.65%	6,000,000	6,000,000	0	0
2020					
Cash and cash equivalents	0.98%	27,725,770	25,033,233	2,692,537	0
Financial assets at amortised cost - term deposits	0.60%	17,749,477	17,749,477	0	0

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2021 \$	2020 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	11,436	26,925

* Holding all other variables constant

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Regional Council applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	101,918	35,398	31,874	3,658	172,848
Loss allowance	0	0	0	0	0
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	39,833	0	0	0	39,833
Loss allowance	0	0	0	0	0

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and liabilities

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

The contractual undiscounted cash flows of the Regional Council’s liabilities are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2021					
Payables	98,800	0	0	98,800	98,800
Lease liabilities	20,878	0	0	20,878	20,878
	119,678	0	0	119,678	119,678
2020					
Payables	25,789	0	0	25,789	25,789
Lease Liabilities	35,381	20,639	0	56,020	55,420
	61,170	20,639	0	81,809	81,209

**TAMALA PARK REGIONAL COUNCIL
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24. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) 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.

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

When the Regional Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, 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.

e) 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.

f) Superannuation

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

g) Fair value of assets and liabilities

Fair value is the price that the Regional 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 or liability. 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 or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) 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.

h) 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 Regional 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 Regional Council are consistent with one or more of the following valuation approaches:

Market approach

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

Income approach

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

Cost approach

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

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 Regional 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 are 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.

i) Impairment of assets

In accordance with Australian Accounting Standards the Regional Council's cash generating non-specialised 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 specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

25. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GENERAL PURPOSE FUNDING	
To collect interest on investments	Interest revenue
OTHER PROPERTY AND SERVICES	
To monitor and control Council's overheads on operating accounts	Other unclassified activities

26. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	127.67	131.92	135.83
Asset consumption ratio	0.71	0.70	0.84
Asset renewal funding ratio	1.00	1.58	2.07
Asset sustainability ratio	0.34	0.00	2.10
Debt service cover ratio	N/A	N/A	N/A
Operating surplus ratio	(1.20)	(0.21)	0.02
Own source revenue coverage ratio	0.45	0.83	1.01

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 consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Tamala Park Regional Council

To the Councillors of the Tamala Park Regional Council

Report on the audit of the annual financial report

Opinion

I have audited the financial report of the Tamala Park Regional Council (Council) which comprises:

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Tamala Park Regional Council:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Council for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section below. I am independent of the Council in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – Basis of accounting

I draw attention to Notes 1 and 10 to the financial report, which describes the basis for accounting. The financial report has been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the Act. Regulation 17A of the Local Government (Financial Management) Regulations 1996 (FM Regulations) requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a

departure from AASB 16 *Leases* which would have required the entity to measure the vested improvements also at zero cost. My opinion is not modified in respect of this matter.

Other matter

The financial report of the Council, for the year ended 30 June 2020, was audited by another auditor who expressed an unmodified opinion on that report on 9 September 2020.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Council is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Council.

The Council is responsible for overseeing the Council's financial reporting process.

Auditor's responsibility for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.ausab.gov.au/auditors_responsibilities/ar4.pdf.

Report on other legal and regulatory requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate a significant adverse trend in the financial position of the Council:
 - a) The Asset Sustainability and Operating Surplus Ratios are below the Department of Local Government, Sport and Cultural Industries standard for the financial years 2020-21 and 2019-20. The financial ratios are reported at Note 26 to the financial report.
- (ii) There are no material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls of any other written law identified during the course of our audit.

- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other matter

The financial ratios for 2019 and 2020 in Note 26 of the financial report were audited by another auditor when performing their audit of the Council for the years ending 30 June 2019 and 30 June 2020. The auditor expressed an unmodified opinion on the financial report for those years.

Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

My opinion does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Tamala Park Regional Council for the year ended 30 June 2021 included on the Council's website. The Council's management is responsible for the integrity of the Council's website. This audit does not provide assurance on the integrity of the Council's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Sandra Labuschagne
Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
14 October 2021



T: 08 9205 7500
2/369 Scarborough Beach Road Innaloo WA 6018
PO Box 655 Innaloo WA 6918

tamalapark.wa.gov.au

This document is available in alternative formats upon request.

Appendix 7.9

WESTERN AUSTRALIA
SALARIES AND ALLOWANCES ACT 1975
DETERMINATION OF THE SALARIES AND ALLOWANCES TRIBUNAL
ON LOCAL GOVERNMENT CHIEF EXECUTIVE OFFICERS AND ELECTED MEMBERS
Pursuant to Section 7A and 7B

8 April 2021

PREAMBLE

Statutory Context

1. Section 7A of the *Salaries and Allowances Act 1975* ('the SA Act') requires the Salaries and Allowances Tribunal ('the Tribunal') to "inquire into and determine, the amount of remuneration, or the minimum and maximum amounts of remuneration, to be paid or provided to chief executive officers of local governments".
2. Under Section 7B(2) of the SA Act, the Tribunal must inquire into and determine the amount of:
 - fees, or the minimum and maximum amounts of fees, to be paid under the *Local Government Act 1995* ('the LG Act') to elected council members for attendance at meetings;
 - expenses, or the minimum and maximum amounts of expenses, to be reimbursed under the LG Act to elected council members; and
 - allowances, or the minimum and maximum amounts of allowances, to be paid under the LG Act to elected council members.
3. By issuing this Determination, the Tribunal discharges its obligations under Section 8 of the SA Act, which requires determinations under sections 7A and 7B to be issued at intervals of not more than 12 months.

Considerations

4. The Tribunal has considered sections 2.7 to 2.10 and section 5.41 of the LG Act, which outlines the roles and responsibilities of local governments, councillors, mayors, presidents and their deputies, and the functions of local government Chief Executive Officers (CEOs).
5. The Tribunal invited individual local governments, the Department of Local Government, Sport and Cultural Industries, the Western Australian Local Government Association, Local Government Professionals WA and other interested individuals to provide information or submissions regarding developments across the sector.

6. Nineteen submissions were received. All submissions received were considered within the Tribunal's deliberations.

Band allocation model

7. The Tribunal continues to apply the four Band allocation model. The model allows a number of measurable and non-measurable factors to be considered when assessing appropriate levels of remuneration. The model is adjusted annually to accommodate incremental increases experienced by all organisations.
8. While some submissions argued for a change to the classification model, the Tribunal considers this model remains the best available for local government remuneration.
9. The Tribunal notes that the remuneration ranges provide some flexibility to local governments to set remuneration within the Band to which they are allocated. The Tribunal will only adjust a Band classification when a local government or regional local government can demonstrate a substantial and sustained increase in functions, roles or scope of the organisation.

Christmas and Cocos Islands

10. In 2016, the Commonwealth and WA Governments entered an agreement under the *Christmas Island Act 1958* (Cth), the *Cocos (Keeling) Islands Act 1995* (Cth) and the *Indian Oceans Territories (Administration of Laws) Act 1992* (WA), by which the Tribunal has the power to determine the remuneration of local government CEOs and the fees, expenses and allowances for local government elected members of the Shires of Christmas Island and Cocos (Keeling) Islands.
11. This inquiry reviewed remuneration provided by the Shires of Christmas and Cocos (Keeling) Islands.

CONCLUSIONS

12. The Tribunal has determined that remuneration, fees, expenses and allowance ranges provided to CEOs and elected members will be maintained at current levels. The ranges remain appropriate within the wider framework of senior public offices and the current economic climate.
13. The Tribunal notes that each local government can set remuneration within the band to which it is allocated. Any increase, within the bands, must be determined by each local government through its own assessment of whether changes are justified.
14. In reviewing the classification framework, band allocation model and all other relevant information, the Tribunal has examined local governments with potential to change classification. However, the Tribunal considers no change is warranted at this time to the classification of any local government.

15. The Tribunal received some submissions requesting changes to the specific levels of allowances, such as the Regional Isolation Allowance or the annual allowances provided to elected members in lieu of expenses. The Tribunal has reviewed these allowances and has determined that no change is necessary.
16. The Tribunal noted a number of submissions raised a variety of issues, such as performance management, governance standards, workplace culture, qualifications and training, among others. Such issues are outside the Tribunal's powers. The Tribunal's functions are narrow and strictly defined in the SA Act (as identified in paragraphs 1 and 2). The Tribunal sets the appropriate levels of remuneration for the offices within its jurisdiction, not the specific office holders.
17. It is emphasised that fees and allowances, in lieu of reimbursement of expenses, provided to elected members are not considered payment for work performed in a manner akin to regular employment arrangements. Elected members are provided these fees and allowances to recognise the commitment of their time and to ensure they are not out of pocket for expenses properly incurred in the fulfilment of their duties. The Tribunal's original 2013 determination stated that "fees and allowances provided to elected members are not intended to be full time salaries for members". The Tribunal continues to recognise the degree of voluntary community service in the role of elected members.

The Determination will now issue

**DETERMINATION FOR LOCAL GOVERNMENT CHIEF EXECUTIVE OFFICERS
AND ELECTED MEMBERS PURSUANT TO SECTION 7A AND 7B OF THE
*SALARIES AND ALLOWANCES ACT 1975***

PART 1: INTRODUCTORY MATTERS

This Part deals with some matters that are relevant to the determination generally.

1.1 Short title

This determination may be cited as the *Local Government Chief Executive Officers and Elected Members Determination No. 1 of 2021*.

1.2 Commencement

This determination comes into operation on 1 July 2021.

1.3 Content and intent

- (1) The remuneration listed in this determination comprises all remuneration as defined under the *Salaries and Allowances Act 1975* as including salary, allowances, fees, emoluments and benefits.
- (2) The determination applies to
 - a. Chief Executive Officers (CEOs);
 - b. Acting Chief Executive Officers; and
 - c. Elected Members
- (3) The remuneration specified in this determination for CEOs is based on a person being appointed to one local government CEO position only. In the case of a person appointed to undertake the duties of more than one CEO position simultaneously, the relevant local governments must seek a determination from the Tribunal for the multiple CEO positions held by that person.
- (4) If a local government undergoes an amalgamation or a rezoning of local government boundaries, the local government is required to seek a new determination from the Tribunal.
- (5) This determination provides for the amount of fees, expenses and allowances to be paid or reimbursed to elected council members under the *Local Government Act 1995* ('the LG Act') Part 5 Division 8. The determination applies to elected council members

who are members of the council of a local government, and under section 3.66 of the LG Act.

- (6) Where the Tribunal has determined a specific amount for a fee, expense or allowance for elected council members of a local government or regional local government, the amount determined by the Tribunal will be payable to an eligible elected council member.
- (7) Where the Tribunal has determined a minimum and maximum amount for a fee, expense or allowance for elected council members of a local government or regional local government, each local government or regional local government council will set an amount within the relevant range determined and the amount set will be payable to an eligible elected council member.
- (8) The fees, expenses and allowances determined are intended to recognise the responsibilities of elected council members, mayors and presidents of local governments and chairmen of regional local governments and to remunerate them for the performance of the duties associated with their office.

1.4 Terms used

In this determination, unless the contrary intention appears -

chair means a person who is elected or appointed from among the members of a council of a regional local government as its chair;

committee meeting means a meeting of a committee of a council where the committee comprises –

- (a) council members only; or
- (b) council members and employees of the local government or regional local government;

council, in relation to:

- (a) a local government, means the council of the local government;
- (b) a regional local government, means the council of the regional local government;

council member, in relation to:

- (a) a local government –

- (i) means a person elected under the LG Act as a member of the council of the local government; and
 - (ii) includes the mayor or president of the local government;
- (b) a regional local government –
- (i) means a person elected under the LG Act as a member of the council of a local government and who is a member of the council of the regional local government; and
 - (ii) includes the chair of the regional local government;

LG Regulations means the *Local Government (Administration) Regulations 1996*;

mayor means a council member holding the office of mayor, whether elected by the council from amongst its members or elected by the electors;

president means a council member holding the office of president, whether elected by the council from amongst its members or elected by the electors.

1.5 Pro rata payments

- (1) The Total Reward Package specified in this determination for CEOs is based on a person serving in the office on a full-time basis. The relevant range shall be payable on a pro rata basis if the position is undertaken on a part time basis.
- (2) The amount of a person's entitlement to remuneration, annual attendance fee or annual allowance specified in this determination shall be apportioned on a pro rata basis according to the portion of a year that the person holds office.

1.6 Local government band allocations

Unless the contrary intention appears, this determination allocates local governments to the bands set out in Schedule 1. Regional local governments (as constituted under Part 3 Division 4 of the LG Act) are allocated to a Band only with respect to CEOs.

PART 2: TOTAL REWARD PACKAGE

This Part deals with the remuneration payable to Chief Executive Officers.

2.1 GENERAL

- (1) Offices listed in this Part have been assigned by the Tribunal to one of four classifications designated Band 1 to Band 4.
- (2) Each classification (Band 1 to Band 4) has a commensurate Total Reward Package (TRP) range.
- (3) Typical components of a TRP include:
 - (a) Base salary;
 - (b) Annual leave loading;
 - (c) Associated FBT accrued (total annual amount of fringe benefits tax paid by the local government for all fringe benefits provided to a CEO);
 - (d) Association membership fees;
 - (e) Attraction/retention allowance, not being provided under Part 3;
 - (f) Personal benefit value of the provision of a motor vehicle for private use (if applicable) as defined under Part 5 of this determination;
 - (g) Cash bonus and performance incentives;
 - (h) Cash in lieu of a motor vehicle;
 - (i) Fitness club fees;
 - (j) Grooming/clothing allowance;
 - (k) Health insurance;
 - (l) School fees and/or child's uniform;
 - (m) Superannuation (all mandatory and non-mandatory employer superannuation contributions);
 - (n) Travel or any other benefit taken in lieu of salary;
 - (o) Travel for spouse or any other member of family;
 - (p) Unrestricted entertainment allowance;
 - (q) Utilities allowance (any water, power or other utility subsidy provided to the CEO); and
 - (r) Any other form of payment, in cash or not, in consideration as a reward or benefit of the CEOs duties.
- (4) The only exclusions from the TRP are:
 - (a) items listed in Parts 3, 4 and 5 of this determination (however, any superannuation guarantee associated with the payment of a Regional/Isolation Allowance and any associated FBT accrued from the

provision of a motor vehicle or accommodation are to be included as part of the TRP);

- (b) employer obligations such as professional development (restricted to the CEO), reimbursement for genuine work expenses or the cost of recruitment and relocation expenses; and
- (c) items considered by the local government to be a tool of trade (i.e. equipment needed to undertake the duties of a CEO) and which are not a direct or indirect reward or benefit for the performance of duties as a CEO.

2.2 LOCAL GOVERNMENT CLASSIFICATION

- (1) The ranges of TRP in Table 1 apply where a local government or regional local government has been classified into the relevant band.

Table 1: Local government band classification – Total Reward Package range

Band	Total Reward Package
1	\$250,375 - \$379,532
2	\$206,500 - \$319,752
3	\$157,920 - \$259,278
4	\$128,226 - \$200,192

- (2) Local governments have been classified in Schedule 1.
- (3) Regional local governments have been classified in Table 2 below.

Table 2: Regional local government band classification

Regional Local Government	Band
Bunbury-Harvey Regional Council	4
Eastern Metropolitan Regional Council	2
Mindarie Regional Council	3
Murchison Regional Vermin Council	4
Pilbara Regional Council	4
Rivers Regional Council	3
Southern Metropolitan Regional Council	2
Tamala Park Regional Council	2
Western Metropolitan Regional Council	4

- (4) A person who holds a dual appointment of the CEO of the Shire of Murray and the CEO of the Shire of Waroona, shall be entitled to receive a TRP range from the bottom

of Band 2 (\$206,500) to a maximum of \$351,727 (which represents the top of Band 2 plus 10%).

- (5) A person who holds a dual appointment of the CEO of the Shire of East Pilbara and the CEO of the Pilbara Regional Council, shall be entitled to receive a TRP range equivalent to the Band 2 range (\$206,500 - \$319,752).

PART 3: REGIONAL/ISOLATION ALLOWANCE

This Part deals with the Regional/Isolation Allowance that may be payable to Chief Executive Officers from local governments identified in this Part.

3.1 GENERAL

- (1) Local governments listed in Table 3 in this Part may provide a Regional/Isolation Allowance to a CEO, in addition to the CEO's Total Reward Package, in recognition of the regional and isolation factors which may affect the attraction and retention of the CEOs of those local governments.
- (2) There is no requirement to provide a Regional/Isolation Allowance to a CEO. Payment of this allowance is at the discretion of the local government, within the parameters set by the Tribunal.
- (3) When a local government chooses to use any or all of this allowance, the payment of the allowance should be properly justified and applied in a transparent manner considering the issues outlined in 3.2.
- (4) When a local government chooses to pay all or any of this allowance, it is to be paid to the CEO as salary.

3.2 DETERMINING APPROPRIATENESS AND RATE OF ALLOWANCE

- (1) When assessing the appropriateness of providing a Regional/Isolation Allowance, an eligible local government must consider the impact of factors outlined in 3.2(3) on attraction and retention of a CEO. In the event these factors have little or no impact, the Local Government should not provide this Allowance.
- (2) In the event a Regional/Isolation Allowance is considered appropriate, the amount of the Allowance should be proportionate to the circumstances faced by the Local Government.
- (3) The following factors should be considered when determining whether to apply the Regional/Isolation Allowance:
 - a) *Remoteness* - Issues associated with the vast distances separating communities within a Local Government or the distance of the Local Government from Perth or a Regional Centre;
 - b) *Cost of living* - The increased cost of living highlighted specifically in the Regional Price Index.
 - c) *Social disadvantage*: Reduced specialist health services, schooling opportunities for children, employment opportunities for spouse, reduced

- lifestyle commodities when compared to Perth and regional centres, and access to professional and personal support networks;
- d) *Dominant industry*: The impact that a dominant industry such a mining or agriculture has on an area and the ability to attract and retain people in the face of a dominant industry;
 - e) *Attraction/retention*: The ability to recruit suitably qualified candidates and being able to retain them in light of the above concerns in competition with positions in Perth, regional centres and private industry;
 - f) *Community expectations*: The pressures on a CEO to meet expectations when professional or operational expertise is not readily available.

3.3 REGIONAL/ISOLATION ALLOWANCE

Local governments eligible for the Regional/Isolation Allowance are listed in Table 3.

Table 3: Regional/Isolation Allowance

Local Government	Maximum Regional/Isolation Allowance Per Annum
Ashburton Shire	\$45,000
Broome Shire	\$35,000
Carnamah Shire	\$30,000
Carnarvon Shire	\$30,000
Chapman Valley Shire	\$30,000
Christmas Island Shire	\$80,000
Cocos (Keeling) Islands Shire	\$80,000
Coolgardie Shire	\$30,000
Coorow Shire	\$30,000
Cue Shire	\$40,000
Derby-West Kimberley Shire	\$45,000
Dundas Shire	\$30,000
East Pilbara Shire	\$45,000
Esperance Shire	\$25,000
Exmouth Shire	\$35,000
Geraldton-Greenough City	\$25,000
Halls Creek Shire	\$65,000
Irwin Shire	\$30,000
Jerramungup Shire	\$25,000
Kalgoorlie-Boulder City	\$30,000
Karratha City	\$60,000

Local Government	Maximum Regional/Isolation Allowance Per Annum
Kent Shire	\$10,000
Kondinin Shire	\$10,000
Kulin Shire	\$10,000
Lake Grace Shire	\$10,000
Laverton Shire	\$40,000
Leonora Shire	\$40,000
Meekatharra Shire	\$40,000
Menzies Shire	\$30,000
Merredin Shire	\$10,000
Mingenew Shire	\$30,000
Morawa Shire	\$30,000
Mount Magnet Shire	\$30,000
Mount Marshall Shire	\$10,000
Mukinbudin Shire	\$25,000
Murchison Shire	\$30,000
Narembeen Shire	\$10,000
Ngaanyatjarraku Shire	\$40,000
Northampton Shire	\$30,000
Nungarin Shire	\$10,000
Perenjori Shire	\$30,000
Port Hedland Town	\$60,000
Ravensthorpe Shire	\$30,000
Sandstone Shire	\$30,000
Shark Bay Shire	\$35,000
Three Springs Shire	\$30,000
Upper Gascoyne Shire	\$35,000
Westonia Shire	\$25,000
Wiluna Shire	\$40,000
Wyndham-East Kimberley Shire	\$45,000
Yalgoo Shire	\$30,000
Yilgarn Shire	\$25,000

PART 4: HOUSING ALLOWANCE

This Part deals with the Housing Allowance that may be payable to Chief Executive Officers.

4.1 GENERAL

- (1) In recognition of the need for local governments to provide accommodation as a result of a lack of suitable housing or recruitment issues, on either a permanent or temporary basis, local governments are able to utilise this allowance as required.
- (2) When a local government utilises this allowance, the payment of the allowance should be properly justified and applied in a transparent manner.
- (3) Any accommodation provided under this Part must be located within or adjacent to the local government area in which the CEO is employed.
- (4) Local governments should tailor the provision of any housing allowance to suit their particular circumstances. This may include the CEO making contributions towards the cost of the accommodation.

4.2 APPLICABLE HOUSING ALLOWANCE

- (1) Where a local government owns a property and provides that property to the CEO for accommodation, the value of this accommodation will not be included in the Total Reward Package.
- (2) For reporting purposes, the value of the local government owned property shall be valued at the annual Gross Rental Value of the property as determined by the Valuer General.
- (3) Where a local government leases accommodation for the use of the CEO, the lease costs will not be included in the Total Reward Package.
- (4) For reporting purposes, the value of the local government leased property shall be the annual actual costs of the accommodation lease.

PART 5: MOTOR VEHICLE

This Part deals with the provision of motor vehicles to Chief Executive Officers.

5.1 GENERAL

- (1) For local governments generally, except those listed in Table 3 under Part 3 of this determination, the private benefit value of any motor vehicle provided to the CEO by the local government is to be included in the Total Reward Package.
- (2) For local governments listed in Table 3 under Part 3 of this determination, any motor vehicle provided to the CEO or an allowance provided to a CEO for use of a private motor vehicle for work-related purposes, is to be considered a tool of trade (i.e. a tool needed to undertake the duties of a CEO in these local governments) and any private benefit will not be considered as part of the Total Reward Package.

5.2 PRIVATE BENEFIT VALUE

- (1) The private benefit value of the motor vehicle will be dependent on the type of motor vehicle provided, method of ownership (i.e. local government owned or leased), maintenance and running costs, insurance, any applicable luxury car tax and the amount of private use of the vehicle (i.e. non-business use).
- (2) As a general rule, the private benefit value will be based upon the annual costs multiplied by the percentage of private use.
- (3) Local governments and CEOs will need to agree on the most appropriate way to record the amount of private use in order to calculate the private benefit value.

PART 6: MEETING ATTENDANCE FEES

This Part deals with fees payable to council members for attendance at council and other meetings

6.1 GENERAL

- (1) Pursuant to section 5.98(1)(b) of the LG Act, a council member who attends a council meeting is entitled to be paid the fee set by the local government or the regional local government within the range determined in section 6.2 of this Part for council meeting attendance fees.
- (2) Pursuant to section 5.98(1)(b) and (2A)(b) of the LG Act, a council member who attends a committee meeting or (at the request of the local government or regional local government) a meeting of a type prescribed in regulation 30(3A) of the LG Regulations is entitled to be paid the fee set by the local government or regional local government within the range determined in section 6.3 of this Part for attending committee meetings or, as the case requires, meetings of that type.
- (3) Each of the following meetings is a type of meeting prescribed in regulation 30(3A) of the LG Regulations -
 - (a) meeting of a WALGA Zone, where the council member is representing a local government as a delegate elected or appointed by the local government;
 - (b) meeting of a Regional Road Group established by Main Roads Western Australia, where the council member is representing a local government as a delegate elected or appointed by the local government;
 - (c) council meeting of a regional local government where the council member is the deputy of a member of the regional local government and is attending in the place of the member of the regional local government;
 - (d) meeting other than a council or committee meeting where the council member is attending at the request of a Minister of the Crown who is attending the meeting;
 - (e) meeting other than a council meeting or committee meeting where the council member is representing a local government as a delegate elected or appointed by the local government.
- (4) Pursuant to section 5.99 of the LG Act, a local government or regional local government may decide by an absolute majority that instead of paying council

members an attendance fee referred to in section 5.98(1) of the LG Act, it will pay all council members who attend council or committee meetings a fee set within the range for annual fees determined in section 6.4 of this Part.

- (5) Regulation 30(3C) of the LG Regulations prevents the payment of a fee to a council member for attending a meeting of a type prescribed in regulation 30(3A) of those regulations if –
 - (a) the person who organises the meeting pays the council member a fee for attending the meeting; or
 - (b) the council member is paid an annual fee in accordance with section 5.99 of the LG Act; or
 - (c) the council member is deputising for a council member at a meeting of a regional local government and the member of the regional local government is paid an annual fee in accordance with section 5.99 of the LG Act.
- (6) In determining the fees set out in this Part, the Tribunal has taken into account a range of factors including –
 - (a) the time required to prepare adequately for the meetings including consideration of agenda papers, site visits related to agenda items and consultation with council staff and community members;
 - (b) the role of the council member, mayor or president including, but not limited to, representation, advocacy, and oversight and determination of policy and local legislation;
 - (c) particular responsibilities associated with the types of meetings attended;
 - (d) responsibilities of a mayor, president or chair to preside over meetings; and
 - (e) the relative “size” of the local government as reflected in the Tribunal’s local government banding model.
- (7) The Tribunal has not determined a specific meeting attendance fee for the purposes of section 5.98(1)(a) or (2A)(a) of the LG Act.

6.2 COUNCIL MEETING ATTENDANCE FEES – PER MEETING

- (1) The ranges of fees in Table 4 and Table 5 apply where a local government or regional local government decides by an absolute majority to pay a council member a fee referred to in section 5.98(1)(b) of the LG Act for attendance at a council meeting.

Table 4: Council meeting fees per meeting – local governments

Band	For a council member other than the mayor or president		For a council member who holds the office of mayor or president	
	Minimum	Maximum	Minimum	Maximum
1	\$615	\$793	\$615	\$1,189
2	\$373	\$582	\$373	\$780
3	\$193	\$410	\$193	\$634
4	\$91	\$238	\$91	\$490

Table 5: Council meeting fees per meeting – regional local governments

	For a council member other than the chair		For a council member who holds the office of chair	
	Minimum	Maximum	Minimum	Maximum
All regional local governments	\$91	\$238	\$91	\$490

6.3 COMMITTEE MEETING AND PRESCRIBED MEETING ATTENDANCE FEES – PER MEETING

- (1) The ranges of fees in Table 6 and Table 7 apply where a local government or regional local government decides to pay a council member a fee referred to in –
 - (a) section 5.98(1)(b) of the LG Act for attendance at a committee meeting; or
 - (b) section 5.98(2A)(b) of the LG Act for attendance at a meeting of a type prescribed in regulation 30(3A) of the LG Regulations.

Table 6: Committee meeting and prescribed meeting fees per meeting – local governments

For a council member (including the mayor or president)		
Band	Minimum	Maximum
1	\$308	\$396
2	\$186	\$291
3	\$97	\$205
4	\$46	\$119

Table 7: Committee meeting and prescribed meeting fees per meeting – regional local governments

For a council member (including the chair)		
	Minimum	Maximum
All regional local governments	\$46	\$119

6.4 ANNUAL ATTENDANCE FEES IN LIEU OF COUNCIL MEETING, COMMITTEE MEETING AND PRESCRIBED MEETING ATTENDANCE FEES

- (1) The ranges of fees in Table 8 and Table 9 apply where a local government or regional local government decides by an absolute majority that, instead of paying council members an attendance fee referred to in section 5.98 of the LG Act, it will pay an annual fee to all council members who attend council, committee or prescribed meetings.

Table 8: Annual attendance fees in lieu of council meeting, committee meeting and prescribed meeting attendance fees – local governments

Band	For a council member other than the mayor or president		For a council member who holds the office of mayor or president	
	Minimum	Maximum	Minimum	Maximum
1	\$24,604	\$31,678	\$24,604	\$47,516
2	\$14,865	\$23,230	\$14,865	\$31,149
3	\$7,688	\$16,367	\$7,688	\$25,342
4	\$3,589	\$9,504	\$3,589	\$19,534

Table 9: Annual attendance fees in lieu of council meeting, committee meeting and prescribed meeting attendance fees – regional local governments

	For a council member other than the chair		For a council member who holds the office of chair	
	Minimum	Maximum	Minimum	Maximum
All regional local governments	\$1,795	\$10,560	\$1,795	\$15,839

PART 7: ANNUAL ALLOWANCE FOR A MAYOR, PRESIDENT, CHAIR, DEPUTY MAYOR, DEPUTY PRESIDENT AND DEPUTY CHAIR

This Part deals with annual allowances payable to mayors, presidents, chair and their deputies, in addition to any entitlement to meeting attendance fees or the reimbursement of expenses.

7.1 GENERAL

- (1) Pursuant to section 5.98(5) of the LG Act, the mayor or president of a local government and the chair of a regional local government are entitled, in addition to any fees or reimbursement of expenses payable under section 5.98(1) or (2), to be paid the annual allowance set by the local government or regional local government within the range determined in section 7.2 of this Part.
- (2) Pursuant to section 5.98A(1) of the LG Act, a local government or regional local government may decide, by an absolute majority, to pay the deputy mayor or deputy president of the local government, or the deputy chair of the regional local government, an allowance of up to the percentage that is determined by the Tribunal of the annual allowance to which the mayor or president of the local government, or the chair of the regional local government, is entitled under section 5.98(5) of the LG Act. That percentage is determined in section 7.3 of this Part. This allowance is in addition to any fees or reimbursement of expenses payable to the deputy mayor, deputy president or deputy chair under section 5.98 of the LG Act.
- (3) In determining the allowances set out in this Part, the Tribunal has taken into account a range of factors including the following –
 - (a) the leadership role of the mayor, president or chair;
 - (b) the statutory functions for which the mayor, president or chair is accountable;
 - (c) the ceremonial and civic duties required of the mayor, president or chair, including local government business related entertainment;
 - (d) the responsibilities of the deputy mayor, deputy president or deputy chair when deputising;
 - (e) the relative “size” of the local government as reflected in the Tribunal’s local government banding model;
 - (f) the civic, ceremonial and representation duties particular to the Lord Mayor of Western Australia’s capital city.

7.2 ANNUAL ALLOWANCE FOR A MAYOR, PRESIDENT OR CHAIR

- (1) The ranges of allowances in Table 10 apply where a local government sets the amount of the annual local government allowance to which a mayor or president is entitled under section 5.98(5) of the LG Act.
- (2) The range of allowances in Table 11 apply where a regional local government sets the amount of the annual local government allowance to which a chair is entitled under section 5.98(5) of the LG Act.
- (3) Despite the provisions of subsection (1), the Perth City Council is to set the amount of the annual local government allowance to which the Lord Mayor is entitled within the range of \$61,509 to \$137,268.

Table 10: Annual allowance for a mayor or president of a local government

For a mayor or president		
Band	Minimum	Maximum
1	\$51,258	\$89,753
2	\$15,377	\$63,354
3	\$1,025	\$36,957
4	\$513	\$20,063

Table 11: Annual allowance for a chair of a regional local government

For a chair		
	Minimum	Maximum
All regional local governments	\$513	\$20,063

7.3 ANNUAL ALLOWANCE FOR A DEPUTY MAYOR, DEPUTY PRESIDENT OR DEPUTY CHAIR

- (1) The percentage determined for the purposes of section 5.98A(1) of the LG Act is 25 per cent.

PART 8: EXPENSES TO BE REIMBURSED

This Part deals with expenses for which council members are entitled to be reimbursed.

8.1 GENERAL

- (1) Pursuant to section 5.98(2)(a) and (3) of the LG Act, a council member who incurs an expense of a kind prescribed in regulation 31(1) of the LG Regulations is entitled to be reimbursed for the expense to the extent determined in section 8.2(1) to (5) of this Part.
- (2) Regulation 31(1) of the LG Regulations prescribes the following kinds of expenses that are to be reimbursed:
 - (a) rental charges incurred by a council member in relation to one telephone and one facsimile machine; and
 - (b) child care and travel costs incurred by a council member because of the member's attendance at a council meeting or a meeting of a committee of which he or she is also a member.
- (3) Pursuant to section 5.98(2)(a) and (3) of the LG Act, a council member who incurs an expense of a kind prescribed in regulation 32(1) of the LG Regulations is entitled to be reimbursed for the expense to the extent determined in section 8.2(6) to (8) of this Part.
- (4) Regulation 32(1) of the LG Regulations prescribes the following kinds of expenses that may be approved by a local government for reimbursement –
 - (a) an expense incurred by a council member in performing a function under the express authority of the local government;
 - (b) an expense incurred by a council member to whom paragraph (a) applies by reason of the council member being accompanied by not more than one other person while performing the function if, having regard to the nature of the function, the local government considers that it is appropriate for the council member to be accompanied by that other person; and
 - (c) an expense incurred by a council member in performing a function in his or her capacity as a council member.

8.2 EXTENT OF EXPENSES TO BE REIMBURSED

- (1) The extent to which a council member can be reimbursed for rental charges in relation to one telephone and one facsimile machine is the actual expense incurred by the council member.
- (2) The extent to which a council member can be reimbursed for child care costs incurred because of attendance at a meeting referred to in regulation 31(1)(b) of the LG Regulations is the actual cost per hour or \$30 per hour, whichever is the lesser amount.
- (3) The extent to which a council member of a local government can be reimbursed for reasonable travel costs referred to in regulation 31(1)(b) of the LG Regulations is:
 - (a) if the person lives or works in the local government district or an adjoining local government district, the actual cost for the person to travel from the person's place of residence or work to the meeting and back; or
 - (b) if the person does not live or work in the local government district or an adjoining local government district, the actual cost, in relation to a journey from the person's place of residence or work and back:
 - (i) for the person to travel from the person's place of residence or work to the meeting and back; or
 - (ii) if the distance travelled referred to in subparagraph (i) is more than 100 kilometres, for the person to travel from the outer boundary of an adjoining local government district to the meeting and back to that boundary.
- (4) The extent to which a council member of a regional local government can be reimbursed for reasonable travel costs referred to in regulation 31(1)(b) of the LG Regulations is the actual cost for the person to travel from the person's place of residence or work to the meeting and back.
- (5) For the purposes of subsections (3) and (4), travel costs incurred while driving a privately owned or leased vehicle (rather than a commercially hired vehicle) are to be calculated at the same rate contained in Section 30.6 of the *Local Government Officers' (Western Australia) Interim Award 2011* as at the date of this determination.
- (6) The extent to which a council member can be reimbursed for child care costs incurred in any of the circumstances referred to in regulation 32(1) of the LG Regulations is the actual cost per hour or \$30 per hour, whichever is the lesser amount.

- (7) The extent to which a council member can be reimbursed for intrastate or interstate travel and accommodation costs incurred in any of the circumstances referred to in regulation 32(1) of the LG Regulations is at the same rate applicable to the reimbursement of travel and accommodation costs in the same or similar circumstances under the *Public Service Award 1992* issued by the Western Australian Industrial Relations Commission as at the date of this determination.
- (8) The extent to which a council member can be reimbursed for any other cost incurred under regulation 32(1) of the LG Regulations is the actual cost upon presentation of sufficient evidence of the cost incurred.

PART 9: ANNUAL ALLOWANCES IN LIEU OF REIMBURSEMENT OF EXPENSES

This Part deals with annual allowances that a local government or regional local government may decide to pay.

9.1 GENERAL

- (1) Pursuant to section 5.99A of the LG Act, a local government or regional local government may decide by absolute majority that instead of reimbursing council members under the LG Act section 5.98(2) for all of a particular type of expense, it will pay all council members, for that type of expense, the annual allowance determined in section 9.2 of this Part or, as the case requires, an annual allowance within the range determined in that section.
- (2) Where a local government or regional local government has decided to pay council members an annual allowance for an expense of a particular type instead of reimbursing expenses of that type under section 5.98(2) of the LG Act, section 5.99A of the LG Act provides for reimbursement of expenses of that type in excess of the amount of the allowance.
- (3) In determining the maximum annual allowance for expenses of a particular type, the Tribunal has taken into account a range of factors including the following:
 - (a) the intent of the allowance to reflect the extent and nature of the expenses incurred and not to result in a windfall gain for council members;
 - (b) the capacity of local governments to set allowances appropriate to their varying operational needs;
 - (c) the particular practices of local governments in the use of information and communication technology (e.g. laptop computers, iPads); and
 - (d) the varying travel requirements of council members in local governments associated with geography, isolation and other factors.

9.2 ANNUAL ALLOWANCES DETERMINED INSTEAD OF REIMBURSEMENT FOR PARTICULAR TYPES OF EXPENSES

- (1) In this section:

ICT expenses means:

- (a) rental charges in relation to one telephone and one facsimile machine, as prescribed by regulation 31(1)(a) of the LG Regulations; or
- (b) any other expenses that relate to information and communications technology (for example, telephone call charges and internet service provider fees) and that are a kind of expense prescribed by regulation 32(1) of the LG Regulations;

travel and accommodation expenses means:

- (a) travel costs, as prescribed by regulation 31(1)(b) of the LG Regulations; or
 - (b) any other expenses that relate to travel or accommodation and that are a kind of expense prescribed by regulation 32(1) of the LG Regulations.
- (2) For the purposes of section 5.99A(b) of the LG Act, the minimum annual allowance for ICT expenses is \$500 and the maximum annual allowance for ICT expenses is \$3,500.
- (3) For the purposes of section 5.99A(a) of the LG Act, the annual allowance for travel and accommodation expenses is \$50.

SCHEDULE 1: LOCAL GOVERNMENT BAND ALLOCATIONS

Local Government	Band
Albany City	1
Armadale City	1
Ashburton Shire	2
Augusta-Margaret River Shire	2
Bassendean Town	3
Bayswater City	1
Belmont City	1
Beverley Shire	4
Boddington Shire	4
Boyup Brook Shire	4
Bridgetown-Greenbushes Shire	3
Brookton Shire	4
Broome Shire	2
Broomehill-Tambellup Shire	4
Bruce Rock Shire	4
Bunbury City	1
Busselton City	1
Cambridge Town	2
Canning City	1
Capel Shire	3
Carnamah Shire	4
Carnarvon Shire	2
Chapman Valley Shire	4
Chittering Shire	3
Christmas Island Shire	3
Claremont Town	3
Cocos (Keeling) Islands Shire	4
Cockburn City	1
Collie Shire	3
Coolgardie Shire	3
Coorow Shire	4
Corrigin Shire	4
Cottesloe Town	3
Cranbrook Shire	4
Cuballing Shire	4
Cue Shire	4

Local Government	Band
Cunderdin Shire	4
Dalwallinu Shire	3
Dandaragan Shire	3
Dardanup Shire	3
Denmark Shire	3
Derby-West Kimberley Shire	2
Donnybrook Balingup Shire	3
Dowerin Shire	4
Dumbleyung Shire	4
Dundas Shire	4
East Fremantle Town	3
East Pilbara Shire	2
Esperance Shire	2
Exmouth Shire	3
Fremantle City	1
Gingin Shire	3
Gnowangerup Shire	4
Goomalling Shire	4
Gosnells City	1
Greater Geraldton City	1
Halls Creek Shire	3
Harvey Shire	2
Irwin Shire	3
Jerramungup Shire	4
Joondalup City	1
Kalamunda Shire	2
Kalgoorlie-Boulder City	1
Karratha City	1
Katanning Shire	3
Kellerberrin Shire	4
Kent Shire	4
Kojonup Shire	3
Kondinin Shire	4
Koorda Shire	4
Kulin Shire	4
Kwinana City	1
Lake Grace Shire	4

Local Government	Band
Laverton Shire	3
Leonora Shire	3
Mandurah City	1
Manjimup Shire	2
Meekatharra Shire	3
Melville City	1
Menzies Shire	4
Merredin Shire	3
Mingenew Shire	4
Moora Shire	3
Morawa Shire	4
Mosman Park Town	3
Mount Magnet Shire	4
Mount Marshall Shire	4
Mukinbudin Shire	4
Mundaring Shire	2
Murchison Shire	4
Murray Shire	2
Nannup Shire	4
Narembeen Shire	4
Narrogin Shire	3
Nedlands City	2
Ngaanyatjarraku Shire	4
Northam Shire	2
Northampton Shire	3
Nungarin Shire	4
Peppermint Grove Shire	4
Perenjori Shire	4
Perth City	1
Pingelly Shire	4
Plantagenet Shire	3
Port Hedland Town	1
Quairading Shire	4
Ravensthorpe Shire	3
Rockingham City	1
Sandstone Shire	4
Serpentine-Jarrahdale Shire	2

Local Government	Band
Shark Bay Shire	4
South Perth City	2
Stirling City	1
Subiaco City	2
Swan City	1
Tammin Shire	4
Three Springs Shire	4
Toodyay Shire	3
Trayning Shire	4
Upper Gascoyne Shire	4
Victoria Park Town	2
Victoria Plains Shire	4
Vincent City	2
Wagin Shire	4
Wandering Shire	4
Wanneroo City	1
Waroona Shire	3
West Arthur Shire	4
Westonia Shire	4
Wickepin Shire	4
Williams Shire	4
Wiluna Shire	4
Wongan-Ballidu Shire	4
Woodanilling Shire	4
Wyalkatchem Shire	4
Wyndham-East Kimberley Shire	2
Yalgoo Shire	4
Yilgarn Shire	3
York Shire	3

Signed on 8 April 2021.

M Seares AO
CHAIR

B A Sargeant PSM
MEMBER

C P Murphy PSM
MEMBER

SALARIES AND ALLOWANCES TRIBUNAL

LOCAL GOVERNMENT ELECTED MEMBERS EXPLANATORY NOTES

This section does not form part of the determination

1. Entitlements

The entitlement of a council member to a fee, allowance or reimbursement of an expense established under the LG Act, the LG Regulations and this determination, cannot be proscribed, limited or waived by a local government. Any eligible claim against those entitlements is to be paid in accordance with the applicable financial procedures of the local government.

2. Local governments to set amounts within the range determined

Where the Tribunal has determined a minimum and maximum amount for a fee, expense or allowance for members of the council of a local government or a regional local government, each council is to set, by absolute majority, an amount within the relevant range determined and the amount set will be payable to elected council members.

3. Superannuation

Nothing in this determination establishes a liability for the payment of superannuation by local governments. Elected council members are eligible for superannuation payments if their council has resolved unanimously to become an Eligible Local Governing Body (ELGB) pursuant to section 221A and section 221B of the *Income Tax Assessment Act 1936* (Cwlth). Where the council is an ELGB, it is deemed to have an employer/employee relationship with its elected council members and this attracts the application of a number of statutory obligations. Alternative arrangements described in Australian Taxation Office (ATO) Interpretative Decision ATO ID 2007/205 allow for elected council members and councils to agree for whole or part of meeting attendance fees to be paid into a superannuation fund. Where the council is an ELGB, fees for attendance at council, committee and prescribed meetings (whether paid via a per meeting fee or annual allowance) are to be inclusive of any superannuation guarantee liability. This information is not published by way of legal or financial advice.

Appendix 7.10

Appointment of Acting or Temporary Chief Executive Officer Policy

Responsible Officer	Chief Executive Officer
Voting requirements	Absolute Majority
Relevant delegations	
Initial Council adoption	
Amendments	
Last Council adoption	
Review due	2023

PURPOSE/OBJECTIVE

To guide the Chief Executive Officer (CEO) and Council on the process and considerations for the appointment of an Acting or Temporary CEO of Tamala Park Regional Council (TPRC).

SCOPE

This policy applies during:

1. Periods of absence/leave of the incumbent TPRC CEO; and
2. Vacancy in the role of TPRC CEO

POLICY STATEMENT

Acting CEO

Where there is a period of annual leave, long service leave, personal leave or an extended absence expected to be up to 12 consecutive weeks of the incumbent CEO, Council will appoint an Acting CEO.

Council will request expressions of interest from the below organisations for a suitably qualified candidate to perform the role of Acting CEO:

1. Member Councils of TPRC;
2. Local Government Professionals Association; and
3. WA Local Government Association (WALGA) Network.

Where there is an unexpected period of absence and there has not been an opportunity for Council to appoint an Acting CEO, the Manager Project Co-ordination is to be the Acting CEO until a decision of the Council to appoint the Acting CEO.

Temporary CEO

Where a vacancy in the role of CEO is required to be filled on a temporary basis of up to 1 year, Council is to decide, in its absolute discretion, the appointment of a Temporary CEO in accordance with the *Local Government Act 1995*.

The following principles apply:

The appointment of a Temporary CEO where there is advance notice.

- Where there is an expected vacancy in the position of CEO that is to be filled temporarily, the CEO is to prepare a report to Council outlining:

- The process to be followed to select a Temporary CEO;
 - The potential engagement of independent consultants to assist Council;
 - The criteria for selecting a Temporary CEO; and
 - The terms and conditions of the proposed contract for the Temporary CEO.
- The Council are to consider, to the extent practicable and as suitable for the circumstances, the Council Model Standards for Recruitment of a CEO in the process, criteria and selection of a Temporary CEO.
 - Council is to appoint the Temporary CEO, including terms and conditions of the proposed contract for the Temporary CEO.

The appointment of a Temporary CEO where there is no advance notice.

- Where there is an unexpected vacancy, and there has not been an opportunity for Council to appoint a Temporary CEO, the Manager Project Co-ordination is to be the Acting CEO until a decision of the Council to appoint the Temporary CEO.
- The appointment of a Temporary CEO is to be subject of an urgent report to Council for decision
- The Acting CEO is to prepare a report recommending a suitably qualified candidate from the list of determined organisations to be appointed as Temporary CEO. That report is to outline the terms and conditions of the proposed contract for the Temporary CEO.
- Council is to appoint the Temporary CEO, including terms and conditions of the proposed contract for the Temporary CEO.

DEFINITIONS

“**Acting CEO**” means a person appointed to act in the office of CEO during periods of absence of the incumbent CEO.

“**Temporary CEO**” means a person appointed to fill the role of CEO temporarily for up to 1 year during a period of vacancy in the role.

LEGISLATION / LOCAL LAW REQUIREMENTS

This policy is required under s5.39C of the *Local Government Act 1995*.

Appendix 8.2



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Tamala Park Regional Council

To the Councillors of the Tamala Park Regional Council

Report on the audit of the annual financial report

Opinion

I have audited the financial report of the Tamala Park Regional Council (Council) which comprises:

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Tamala Park Regional Council:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Council for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section below. I am independent of the Council in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – Basis of accounting

I draw attention to Notes 1 and 10 to the financial report, which describes the basis for accounting. The financial report has been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the Act. Regulation 17A of the Local Government (Financial Management) Regulations 1996 (FM Regulations) requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a

departure from AASB 16 *Leases* which would have required the entity to measure the vested improvements also at zero cost. My opinion is not modified in respect of this matter.

Other matter

The financial report of the Council, for the year ended 30 June 2020, was audited by another auditor who expressed an unmodified opinion on that report on 9 September 2020.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Council is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Council.

The Council is responsible for overseeing the Council's financial reporting process.

Auditor's responsibility for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on other legal and regulatory requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate a significant adverse trend in the financial position of the Council:
 - a) The Asset Sustainability and Operating Surplus Ratios are below the Department of Local Government, Sport and Cultural Industries standard for the financial years 2020-21 and 2019-20. The financial ratios are reported at Note 26 to the financial report.
- (ii) There are no material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls of any other written law identified during the course of our audit.

- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other matter

The financial ratios for 2019 and 2020 in Note 26 of the financial report were audited by another auditor when performing their audit of the Council for the years ending 30 June 2019 and 30 June 2020. The auditor expressed an unmodified opinion on the financial report for those years.

Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

My opinion does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Tamala Park Regional Council for the year ended 30 June 2021 included on the Council's website. The Council's management is responsible for the integrity of the Council's website. This audit does not provide assurance on the integrity of the Council's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Sandra Labuschagne
Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
14 October 2021



Our Ref: 8376

7th Floor, Albert Facey House
469 Wellington Street, Perth

Mr Jon Morellini
Chief Executive Officer
Tamala Park Regional Council
PO Box 655
INNALOO WA 6918

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

Tel: 08 6557 7500
Email: info@audit.wa.gov.au

Dear Mr Morellini

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

The Office has completed the audit of the annual financial report for your Council. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the Chairman and the Minister for Local Government, as required by the Act. You are required to publish the annual report, including the auditor's report and the audited financial report, on your Council's official website within 14 days after the annual report has been accepted by your Council.

Adverse trends in the financial position are reported on page 3 of the auditor's report.

While the result of the audit was generally satisfactory, I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

This letter has been provided for the purposes of the Council and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Council for their cooperation with the audit team during our audit.

Feel free to contact me on 6557 7623 if you would like to discuss these matters further.

Yours faithfully

Wian Oosthuizen
Senior Director Financial Audit
14 October 2021

Attach

TAMALA PARK REGIONAL COUNCIL**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT****1. Presentation of Financial Activity Statement to Council****Finding:**

We note that the Statement of Financial Activity and the accompanying documents for May 2020, July 2020 and November 2020 was not presented at an ordinary meeting of Council within two months after the end of the month to which the statement relates as required by Local Government (Financial Management) Regulations 1996 Regulation 34(4).

The Statement of Financial Activity and the accompanying documents were presented to the at the ordinary meeting of Council three months after the end of the month to which the statement relates due to the Council meetings only held every two months.

Rating: Moderate

Implication:

Non-compliance with Regulation 34(4) of Local Government (Financial Management) Regulations 1996.

Recommendation:

Recommendation noted.

We recommend that the monthly Statements of Financial Activity be submitted at the ordinary meetings of the Council in accordance with the requirements under Regulation 34(4) of the Local Government (Financial Management) Regulations 1996.

Management's Comments:

The non-compliance with the requirements of Regulation 34(4) of Local Government (Financial Management) Regulations 1996 is a direct result of the Tamala Park Regional Council meeting on a bi-monthly basis, which does not allow sufficient time for the monthly statement of financial activity to be prepared and presented to Council within the 2-month period specified. This results in 6 of the 12 monthly Statements of Financial Activity not meeting the required timeframe.

It is noted that the monthly Statements of Financial Activity are prepared by the TPRC and by Moore Australia (TPRC accountants) and available for Council's consideration within the prescribed timeframe.

In order to mitigate this Council approved the Audit Committee meeting on a bi-monthly basis, on alternative months to Council meetings, to consider Statements of Financial Activity. This has occurred at the at the Audit Committee meetings throughout the year. Whilst implementation of these recommendations did not result in strict compliance with the requirements under Regulation 34 (4), from an oversight and a risk management perspective it has minimised the risks arising from the delay in Council's consideration of the monthly Statements of Financial Activity.

Responsible Person: Chief Executive Officer

Completion Date: Ongoing

TAMALA PARK REGIONAL COUNCIL

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
MATTER OUTSTANDING FROM PRIOR AUDITS			
1. Presentation of Financial Activity Statement to Council		✓	

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

Appendix 8.3



REPORT ON SIGNIFICANT ADVERSE TREND

Pursuant to Section 7.12A(4) of the *Local Government Act 1995*

November 2021

Tamala Park Regional Council are in receipt of the audit report dated 14 October 2021 from the Office of the Auditor General and note the following statement within the audit report:

(i) In my opinion, the following material matters indicate a significant adverse trend in the financial position of the Council:

a) The Asset Sustainability and Operating Surplus Ratios are below the Department of Local Government, Sport and Cultural Industries standard for the financial years 2020-21 and 2019-20. The financial ratios are reported at Note 26 to the financial report.

The asset sustainability ratio within the 2020-21 Annual Financial Report was as follows:

- 2021 – 0.34
- 2020 – 0.00
- 2019 – 2.10

The departmental guide states the basic minimum for this ratio is 0.90.

The operating surplus ratio within the 2020-21 Annual Financial Report was as follows:

- 2021 – (1.20)
- 2020 – (0.21)
- 2019 – 0.02

The departmental guide states the basic minimum for this ratio is 0.00.

The asset sustainability ratio is heavily impacted by the timing of asset renewals and is subject to significant variation due to assets not being required to be renewed or replaced annually given the low number of assets the TPRC owns. The small asset base results in the significant fluctuations over time with only a single vehicle being renewed every couple of years.

Tamala Park Regional Council had property, plant and equipment with a total cost of \$102,610 at 30 June 2021, \$45,866 of this amount was classified as improvements to leasehold property which would not be expected to be renewed at any stage. Furniture and Equipment is also unlikely to require renewal during the life of the TPRC.

At 30 June 2021 the TPRC had cash of \$16,472,144 and net assets of \$54,969,292 with a current ratio of 127.67. Given this financial position the TPRC had the capacity to spend \$54,672 renewing assets which was the total depreciation for the year ended 30 June 2018. TPRC does not see the need to renew assets which did not require renewal simply to meet an arbitrary short term ratio target and as such Council will take no action in regard to addressing this ratio.

The operating surplus was negative in 2020 and 2021 due to low interest rates prevalent at the time combined with relatively low sales activity. A recent turn around in the property market has resulted in an increase in sales receipts and any improvement in interest rates will also result in increases in revenue. Given the TPRC may request member local governments to contribute to the operation of the TPRC in the event of operating losses the operating surplus ratio is of limited relevance to the TPRC. Given the financial position of the TPRC highlighted in the previous paragraph no further action is planned beyond the examination of operating revenues and costs which does and will continue to occur in order to maximise the return to member local governments.

Appendix 8.4

**TAMALA PARK REGIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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COMMUNITY VISION

To create an urban centre for choice, sustainability, community and opportunity.

Principal place of business:
Tamala Park Regional Council
2/369 Scarborough Beach Road
Innaloo WA 6018

**TAMALA PARK REGIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

*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 for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Tamala Park Regional Council at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 13 day of October 2021



Chief Executive Officer

Jon Morellini

Name of Chief Executive Officer



TAMALA PARK REGIONAL COUNCIL
 STATEMENT OF COMPREHENSIVE INCOME
 BY NATURE OR TYPE
 FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Interest earnings	2(a)	475,651	645,000	783,580
Other revenue	2(a)	21,331	23,935	6,242
		496,982	668,935	789,822
Expenses				
Employee costs		(647,060)	(749,760)	(610,729)
Materials and contracts		(198,520)	(222,769)	(104,496)
Utility charges		0	(6,500)	0
Depreciation on non-current assets	10(b)	(54,672)	(55,287)	(55,288)
Interest expenses	2(b)	(519)	(511)	(957)
Insurance expenses		(12,915)	(16,462)	(18,373)
Other expenditure	2(b)	(157,092)	(177,078)	(160,374)
		(1,070,778)	(1,228,367)	(950,217)
		(573,796)	(559,432)	(160,395)
Profit on asset disposals	10(a)	1,224	785	0
		1,224	785	0
Net result for the period		(572,572)	(558,647)	(160,395)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(572,572)	(558,647)	(160,395)

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 30 JUNE 2021

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue			
2(a)	492,939	645,000	789,822
General purpose funding	4,043	23,935	0
Other property and services	496,982	668,935	789,822
Expenses			
	(157,078)	(177,078)	(158,535)
Governance	(913,181)	(1,050,778)	(790,725)
Other property and services	(1,070,259)	(1,227,856)	(949,260)
Finance Costs			
2(b)	(519)	(511)	(957)
Other property and services	(519)	(511)	(957)
	(573,796)	(559,432)	(160,395)
Profit on disposal of assets	1,224	785	0
10(a)	1,224	785	0
Net result for the period	(572,572)	(558,647)	(160,395)
Total other comprehensive income for the period	0	0	0
Total comprehensive income for the period	(572,572)	(558,647)	(160,395)

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



TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	16,472,144	27,725,770
Trade and other receivables	6	182,340	42,030
Financial assets	5(a)	37,009,692	17,749,477
Other assets	8	3,996	0
TOTAL CURRENT ASSETS		53,668,172	45,517,277
NON-CURRENT ASSETS			
Inventories	7	1,600,000	1,600,000
Property, plant and equipment	9	102,610	102,611
Right-of-use assets	11(a)	20,114	55,006
TOTAL NON-CURRENT ASSETS		1,722,724	1,757,617
TOTAL ASSETS		55,390,896	47,274,894
CURRENT LIABILITIES			
Trade and other payables	13	116,281	43,074
Lease liabilities	14(a)	20,878	34,870
Employee related provisions	16(a)	283,214	267,082
TOTAL CURRENT LIABILITIES		420,373	345,026
NON-CURRENT LIABILITIES			
Lease liabilities	14(a)	0	20,550
Employee related provisions	16(a)	1,231	9,418
TOTAL NON-CURRENT LIABILITIES		1,231	29,968
TOTAL LIABILITIES		421,604	374,994
NET ASSETS		54,969,292	46,899,900
EQUITY			
Retained surplus		1,077,792	1,650,364
Member contributions and equity	4	53,885,147	45,243,183
Revaluation surplus	12	6,353	6,353
TOTAL EQUITY		54,969,292	46,899,900

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 30 JUNE 2021**

	NOTE	RETAINED SURPLUS	CONTRIBUTED EQUITY	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2019		1,810,759	43,894,982	6,353	45,712,094
Comprehensive income					
Net result for the period		(160,395)	0	0	(160,395)
Total comprehensive income		(160,395)	0	0	(160,395)
Movement in members contributions	4	0	1,348,201	0	1,348,201
Balance as at 30 June 2020		1,650,364	45,243,183	6,353	46,899,900
Comprehensive income					
Net result for the period		(572,572)	0	0	(572,572)
Total comprehensive income		(572,572)	0	0	(572,572)
Movement in members contributions	4	0	8,641,964	0	8,641,964
Balance as at 30 June 2021		1,077,792	53,885,147	6,353	54,969,292

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



TAMALA PARK REGIONAL COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
	Interest received	475,651	657,030	783,580
	Goods and services tax received	33,963	0	2,748
	Other revenue	21,331	23,935	62,021
		530,945	680,965	848,349
Payments				
	Employee costs	(636,386)	(749,760)	(605,644)
	Materials and contracts	(166,931)	(235,843)	(122,012)
	Utility charges	0	(6,500)	0
	Interest expenses	(519)	(511)	(957)
	Insurance paid	(12,915)	(16,462)	(18,373)
	Goods and services tax paid	(6,365)	0	0
	Other expenditure	(157,092)	(177,078)	(160,374)
		(980,208)	(1,186,154)	(907,360)
	Net cash provided by (used in) operating activities	17 (449,263)	(505,189)	(59,011)
CASH FLOWS FROM INVESTING ACTIVITIES				
	Payments for financial assets at amortised cost - term deposits	(19,260,215)	0	(14,739,219)
9(a)	Payments for purchase of property, plant & equipment	(62,191)	(86,300)	0
10(a)	Proceeds from sale of property, plant & equipment	43,636	47,400	0
	Net cash provided by (used in) investment activities	(19,278,770)	(38,900)	(14,739,219)
CASH FLOWS FROM FINANCING ACTIVITIES				
14(b)	Payments for principal portion of lease liabilities	(34,542)	(34,870)	(34,202)
	Payments for land development	(12,692,329)	0	(4,682,550)
	Payments for member contributions	(8,712,115)	(34,340,377)	(3,007,028)
	Proceeds from member contributions	29,913,393	34,688,724	9,037,779
	Net cash provided by (used in) financing activities	8,474,407	313,477	1,313,999
	Net increase (decrease) in cash held	(11,253,626)	(230,612)	(13,484,231)
	Cash at beginning of year	27,725,770	45,290,954	41,210,001
	Cash and cash equivalents at the end of the year	3 & 17 16,472,144	45,060,342	27,725,770

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



TAMALA PARK REGIONAL COUNCIL
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)		45,207,121	45,224,508	43,994,530
		45,207,121	45,224,508	43,994,530
Revenue from operating activities (excluding rates)				
General purpose funding		492,939	645,000	789,822
Other property and services		5,267	24,720	0
		498,206	669,720	789,822
Expenditure from operating activities				
Governance		(157,078)	(177,078)	(158,535)
Other property and services		(913,700)	(1,051,289)	(791,682)
		(1,070,778)	(1,228,367)	(950,217)
Non-cash amounts excluded from operating activities	22(a)	45,261	54,502	58,987
Amount attributable to operating activities		44,679,810	44,720,363	43,893,122
INVESTING ACTIVITIES				
Proceeds from disposal of assets	10(a)	43,636	47,400	0
Purchase of property, plant and equipment	9(a)	(62,191)	(86,300)	0
		(18,555)	(38,900)	0
Amount attributable to investing activities		(18,555)	(38,900)	0
FINANCING ACTIVITIES				
Payments for land development as member contributions	4	(12,692,329)	(31,190,376)	(4,682,550)
Payments for principal portion of lease liabilities	14(b)	(34,542)	(34,870)	(34,202)
Payments of member contributions and equity received	4	(8,579,100)	(3,150,000)	(3,007,028)
Proceeds from member contributions	4	29,913,393	34,688,724	9,037,779
Amount attributable to financing activities		8,607,422	313,478	1,313,999
Surplus/(deficit) before imposition of general rates		53,268,677	44,994,941	45,207,121
Surplus/(deficit) after imposition of general rates	22(b)	53,268,677	44,994,941	45,207,121

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



**TAMALA PARK REGIONAL COUNCIL
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FOR THE YEAR ENDED 30 JUNE 2021**

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**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

1. 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) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Regional Council to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

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

INITIAL APPLICATION OF ACCOUNTING STANDARDS

During the current year, the Regional 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 were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The adoption of these standards had no material impact on the financial report.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

It is not expected these standards will have an impact on the financial report.

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 balances, transactions and disclosures that are impacted by accounting estimates are as follows:

- Land development expenses
- Land held for resale
- Property, Plant and Equipment
- Lease liabilities
- Employee Related Provisions
- Capital Commitments

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.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

2. REVENUE AND EXPENSES

(a) Revenue

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Other revenue			
Reimbursements	4,043	0	0
Commissions	17,288	23,935	6,242
	<u>21,331</u>	<u>23,935</u>	<u>6,242</u>
Interest earnings			
Interest on reserve funds	475,651	0	0
	<u>475,651</u>	<u>645,000</u>	<u>783,580</u>
	<u>496,982</u>	<u>668,935</u>	<u>789,822</u>

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest earnings (continued)

Interest income is presented as operating income where it is earned from financial assets that are held for cash management purposes.

(b) Expenses

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration			
- Audit of the Annual Financial Report	27,000	12,000	8,876
	<u>27,000</u>	<u>12,000</u>	<u>8,876</u>
Interest expenses (finance costs)			
Lease liabilities	519	511	957
14(b)	<u>519</u>	<u>511</u>	<u>957</u>
Other expenditure			
Council member remuneration	157,078	157,078	156,297
Sundry expenses	14	20,000	4,077
	<u>157,092</u>	<u>177,078</u>	<u>160,374</u>

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Commissions	Commissions on investments	Single point in time	Monthly in arrears	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

3. CASH AND CASH EQUIVALENTS

NOTE	2021	2020
	\$	\$
Cash at bank and on hand	1,177,362	2,692,537
Term deposits	15,294,782	25,033,233
Total cash and cash equivalents	16,472,144	27,725,770

Restrictions

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	16,472,144	27,493,706
- Financial assets at amortised cost	37,009,692	17,749,477
- Inventory	403,311	0
	53,885,147	45,243,183

The restricted assets are a result of the following specific purposes to which the assets may be used:

Member contributions and equity	4	53,885,147	45,243,183
Total restricted assets		53,885,147	45,243,183

SIGNIFICANT ACCOUNTING POLICIES

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 with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. MEMBER CONTRIBUTIONS AND EQUITY	Note	2021 Actual Balance \$	2021 Budget Balance \$	2020 Actual Balance \$
(a) Town of Victoria Park				
Opening balance		3,770,032	3,768,709	3,657,682
Land development expenses		(1,057,694)	(2,599,198)	(390,212)
Proceeds of sale of land		2,492,783	2,890,727	753,148
Contributed equity		35,075	(250,000)	(586)
Return of contribution		(750,000)	(12,500)	(250,000)
		4,490,196	3,797,738	3,770,032
(b) City of Perth				
Opening balance		3,770,032	3,768,709	3,657,682
Land development expenses		(1,057,694)	(2,599,198)	(390,212)
Proceeds of sale of land		2,492,783	2,890,727	753,148
Contributed equity		35,075	(250,000)	(586)
Return of contribution		(750,000)	(12,500)	(250,000)
		4,490,196	3,797,738	3,770,032
(c) Town of Cambridge				
Opening balance		3,770,032	3,768,709	3,657,682
Land development expenses		(1,057,694)	(2,599,198)	(390,212)
Proceeds of sale of land		2,492,783	2,890,727	753,148
Contributed equity		35,075	(250,000)	(586)
Return of contribution		(750,000)	(12,500)	(250,000)
		4,490,196	3,797,738	3,770,032
(d) City of Joondalup				
Opening balance		7,540,060	7,537,419	7,315,360
Land development expenses		(2,115,388)	(5,198,396)	(780,426)
Proceeds of sale of land		4,985,565	5,781,454	1,506,297
Contributed equity		70,150	(500,000)	(1,171)
Return of contribution		(1,500,000)	(25,000)	(500,000)
		8,980,387	7,595,477	7,540,060
(e) City of Wanneroo				
Opening balance		7,540,060	7,537,419	7,315,360
Land development expenses		(2,115,388)	(5,198,396)	(780,426)
Proceeds of sale of land		4,985,565	5,781,454	1,506,297
Contributed equity		70,150	(500,000)	(1,171)
Return of contribution		(1,500,000)	(25,000)	(500,000)
		8,980,387	7,595,477	7,540,060
(f) City of Vincent				
Opening balance		3,770,032	3,768,709	3,657,682
Land development expenses		(1,057,694)	(2,599,198)	(390,212)
Proceeds of sale of land		2,492,783	2,890,727	753,148
Contributed equity		35,075	(250,000)	(586)
Return of contribution		(750,000)	(12,500)	(250,000)
		4,490,196	3,797,738	3,770,032
(g) City of Stirling				
Opening balance		15,082,935	15,074,836	14,633,534
Land development expenses		(4,230,777)	(10,396,792)	(1,560,850)
Proceeds of sale of land		9,971,131	11,562,908	3,012,593
Contributed equity		140,300	(1,000,000)	(2,342)
Return of contribution		(3,000,000)	(50,000)	(1,000,000)
		17,963,589	15,190,952	15,082,935
Total members contribution		53,885,147	45,572,858	45,243,183
Land development expenses		(12,692,329)	(31,190,376)	(4,682,550)
Proceeds of sale of land		29,913,393	34,688,724	9,037,779
Contributed equity		420,900	(3,000,000)	(7,028)
Return of contributions		(9,000,000)	(150,000)	(3,000,000)
Movement in member contributions		8,641,964	348,348	1,348,201
Opening balance		45,243,183	45,224,510	43,894,982
Movement in member contributions		8,641,964	348,348	1,348,201

**TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021**

4. MEMBER CONTRIBUTIONS AND EQUITY

Note	2021 Actual Balance \$	2021 Budget Balance \$	2020 Actual Balance \$
3	53,885,147	45,572,858	45,243,183

5. FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Financial assets at amortised cost

Term deposits
 Treasury Bonds

	2021	2020
	\$	\$
	37,009,692	17,749,477
	37,009,692	17,749,477
	31,009,692	17,749,477
	6,000,000	0
	37,009,692	17,749,477

Financial assets balance relates to cash held in term deposits with maturity terms exceeding 3 months and therefore held as an investment rather than cash and cash equivalents.

Financial assets are restricted assets as disclosed in note 3.

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at amortised cost

The Regional Council classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

**TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021**

6. TRADE AND OTHER RECEIVABLES

Current

Trade and other receivables
 GST receivable

	2021	2020
	\$	\$
	172,848	39,833
	9,492	2,197
	182,340	42,030

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value.

7. INVENTORIES

Non-current

Land held for resale

	2021	2020
	\$	\$
	1,600,000	1,600,000
	1,600,000	1,600,000
	1,600,000	1,600,000
	1,600,000	1,600,000

The following movements in inventories occurred during the year:

Balance at beginning of year

Balance at end of year

Land held for sale Lot 807 (Englobo land), part of the Catalina Estate development in Mindarie. At 30 June 2019 a market valuation was performed by property experts and the carrying value was written down from \$1,800,000 to \$1,600,000. The Regional Council has assessed that based on the current land market the carrying value at 30 June 2021 of \$1,600,000 is valued at the lower of cost and net realisable value.

Land held for sale is restricted use asset as stated in note 3.

SIGNIFICANT ACCOUNTING POLICIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing 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 onto the buyer at this point.

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

**TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021**

8. OTHER ASSETS

Other assets - current

Prepayments
 Settlement bonds

	2021	2020
	\$	\$
	2,996	0
	1,000	0
	3,996	0

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Furniture and equipment	Plant and equipment	Improvements to leasehold property	Total property, plant and equipment
	\$	\$	\$	\$
Balance at 1 July 2019	2,217	56,090	64,976	123,283
Depreciation (expense)	(1,644)	(9,475)	(9,553)	(20,672)
Balance at 30 June 2020	573	46,615	55,423	102,611
Comprises:				
Gross balance amount at 30 June 2020	6,569	63,101	76,442	146,112
Accumulated depreciation at 30 June 2020	(5,996)	(16,486)	(21,019)	(43,501)
Balance at 30 June 2020	573	46,615	55,423	102,611
Additions	0	62,191	0	62,191
(Disposals)	0	(42,412)	0	(42,412)
Depreciation (expense)	(573)	(9,650)	(9,557)	(19,780)
Balance at 30 June 2021	0	56,744	45,866	102,610
Comprises:				
Gross balance amount at 30 June 2021	6,569	62,191	76,442	145,202
Accumulated depreciation at 30 June 2021	(6,569)	(5,447)	(30,576)	(42,592)
Balance at 30 June 2021	0	56,744	45,866	102,610

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Cost					
Furniture and equipment		N/A	At cost	June 2020	N/A
Plant and equipment		N/A	At cost	June 2020	N/A
Improvements to leasehold prop	Level 3	Management	Observable open market value	June 2020	Residual values and remaining useful life assessments

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value.

Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

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 zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Regional Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Regional Council.

Revaluation (Continued)

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

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 class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position. The Regional Council does not own road infrastructure and therefore the amendments relating to land under roads do not apply.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Regional Council to measure the vested improvements as part of the related right-of-use assets at zero cost. The Regional Council does not own assets that would be classified vested improvements.

Refer to Note 11 that details the significant accounting policies applying to leases (including right-of-use assets).

TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

10. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	42,412	43,636	1,224	0	46,615	47,400	785	0	0	0	0	0
	42,412	43,636	1,224	0	46,615	47,400	785	0	0	0	0	0

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2020 Actual Loss
Plant and Equipment				
Other property and services				
Motor Vehicle - CEO	42,412	43,636	1,224	0
	42,412	43,636	1,224	0

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

10. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Furniture and equipment	573	1,643	1,644
Plant and equipment	9,650	9,475	9,475
Improvements to leasehold property	9,557	9,554	9,553
Right-of-use assets - buildings	34,892	34,615	34,616
	54,672	55,287	55,288

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested 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.

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.

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Intangible assets - computer software licence	5 years
Right of use (buildings)	Based on the remaining lease term

Depreciation on revaluation

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) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

	Right-of-use assets - buildings	Right-of-use assets Total
	\$	
Balance at 1 July 2019	89,622	89,622
Depreciation (expense)	(34,616)	(34,616)
Balance at 30 June 2020	55,006	55,006
Depreciation (expense)	(34,892)	(34,892)
Balance at 30 June 2021	20,114	20,114

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

	2021 Actual	2020 Actual
	\$	\$
Depreciation expense on lease liabilities	(34,892)	(34,616)
Interest expense on lease liabilities	(519)	(957)
Total amount recognised in the statement of comprehensive income	(35,411)	(35,573)
Total cash outflow from leases	(35,061)	(35,159)

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the Regional Council assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Regional Council uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for right-of-use assets are secured over the asset being leased.

Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Regional Council anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

**TAMALA PARK REGIONAL COUNCIL
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12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Improvements to leasehold property	6,353	0	0	0	6,353	6,353	0	0	0	6,353
	6,353	0	0	0	6,353	6,353	0	0	0	6,353

**TAMALA PARK REGIONAL COUNCIL
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13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued salaries and wages
ATO liabilities
Accrued expenses

	2021	2020
	\$	\$
	51,926	2,903
	19,874	17,341
	17,481	17,285
	27,000	5,545
	116,281	43,074

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

**TAMALA PARK REGIONAL COUNCIL
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14. LEASE LIABILITIES

(a) Lease Liabilities

	2021	2020
	\$	\$
Current	20,878	34,870
Non-current	0	20,550
	20,878	55,420

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020
					Lease Principal 1 July 2020	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments	Lease Principal 1 July 2020	Budget Lease Principal Repayments	Budget Lease Principal Outstanding	Budget Lease Interest Repayments	Lease Principal 1 July 2019	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments
Other property and services																
Unit 2, 369 Scarborough Beach Road, Innaloo	STIRLI/170672	City of Stirling	1.30%	36	55,420	(34,542)	20,878	(519)	55,420	(34,870)	20,550	(511)	89,622	(34,202)	55,420	(857)
					55,420	(34,542)	20,878	(519)	55,420	(34,870)	20,550	(511)	89,622	(34,202)	55,420	(857)

**TAMALA PARK REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021**

15. INFORMATION ON BORROWINGS

	2021	2020
	\$	\$
Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	10,000	6,000
Credit card balance at balance date	(573)	(665)
Total amount of credit unused	9,427	5,335

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are recognised at fair value when the Regional Council becomes a party to the contractual provisions to the instrument.

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

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.

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.

Risk

Information regarding exposure to risk can be found at Note 23.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

16. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions
Non-current provisions

Additional provision

Amounts used

Balance at 30 June 2021

Comprises

Current
Non-current

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2020			
Current provisions	168,378	98,704	267,082
Non-current provisions	0	9,418	9,418
	168,378	108,122	276,500
Additional provision	47,738	15,672	63,410
Amounts used	(55,465)	0	(55,465)
Balance at 30 June 2021	160,651	123,794	284,445
Comprises			
Current	160,651	122,563	283,214
Non-current	0	1,231	1,231
	160,651	123,794	284,445

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date
Expected reimbursements from other WA local governments

	2021 \$	2020 \$
Less than 12 months after the reporting date	238,732	0
More than 12 months from reporting date	49,299	279,307
Expected reimbursements from other WA local governments	(3,586)	(2,807)
	284,445	276,500

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Regional Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Short-term employee benefits

Provision is made for the Regional 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 Regional 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.

Other long-term employee benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

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 Regional Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Regional 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.

Provisions

Provisions are recognised when the Regional 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.

17. NOTES TO THE STATEMENT OF CASH FLOWS

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:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash and cash equivalents	16,472,144	45,060,342	27,725,770

Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	(572,572)	(558,647)	(160,395)
Non-cash flows in Net result:			
Depreciation on non-current assets	54,672	55,287	55,288
(Profit)/loss on sale of asset	(1,224)	(785)	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(7,295)	12,030	58,527
(Increase)/decrease in other assets	(3,996)	0	0
Increase/(decrease) in payables	73,207	(13,074)	(26,643)
Increase/(decrease) in employee provisions	7,945	0	14,212
Net cash from operating activities	(449,263)	(505,189)	(59,011)

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	<u>2021</u>	<u>2020</u>
	\$	\$
General purpose funding	55,288,286	47,172,283
Other property and services	102,610	102,611
	<u>55,390,896</u>	<u>47,274,894</u>

19. CAPITAL COMMITMENTS

The Regional Council has entered into capital commitments on behalf of it's members of \$9,583,254 at 30 June 2021 relating to land development.

20. COUNCIL MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
K Caddy - City of Stirling			
Chairman's allowance	20,063	20,063	10,031
Meeting attendance fees	15,839	15,839	13,145
	35,902	35,902	23,176
A Timmermanis - Town of Cambridge			
Deputy Chairman's allowance	5,016	5,016	2,508
Meeting attendance fees	10,560	10,560	10,508
	15,576	15,576	13,016
C Anderson - Town of Victoria Park			
Meeting attendance fees	10,560	10,560	10,508
	10,560	10,560	10,508
J Chester - City of Joondalup			
Meeting attendance fees	10,560	10,560	10,508
	10,560	10,560	10,508
E Cole - City of Vincent			
Meeting attendance fees	4,907	4,907	10,508
	4,907	4,907	10,508
B Fleeton - City of Perth			
Meeting attendance fees	5,280	5,280	0
	5,280	5,280	0
J Fotakis - City of Vincent			
Meeting attendance fees	5,653	5,653	0
	5,653	5,653	0
A Hammond - City of Perth			
Meeting attendance fees	5,280	5,280	10,508
	5,280	5,280	10,508
P Taylor - City of Joondalup			
Meeting attendance fees	10,560	10,560	5,280
	10,560	10,560	5,280
D Zappa - City of Wanneroo			
Meeting attendance fees	10,560	10,560	5,280
	10,560	10,560	5,280
B Sandri - City of Stirling			
Meeting attendance fees	10,560	10,560	10,508
	10,560	10,560	10,508
D Lagan - City of Stirling			
Meeting attendance fees	10,560	10,560	5,280
	10,560	10,560	5,280
B Treby - City of Wanneroo			
Meeting attendance fees	10,560	10,560	10,508
Deputy Chairman's allowance	0	0	2,483
	10,560	10,560	12,991
S Migdale - City of Stirling			
Meeting attendance fees	10,560	10,560	5,280
	10,560	10,560	5,280
S Fenn - City of Wanneroo			
Meeting attendance fees	0	0	5,227
	0	0	5,227

**TAMALA PARK REGIONAL COUNCIL
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20. COUNCIL MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
J Ferrante - City of Stirling			
Meeting attendance fees	0	0	5,227
	0	0	5,227
G Italiano - City of Stirling			
Chairman's allowance	0	0	9,932
Meeting attendance fees	0	0	7,840
	0	0	17,772
N Jones - City of Joondalup			
Meeting attendance fees	0	0	5,228
	0	0	5,228
	157,078	157,078	156,297
Fees, expenses and allowances to be paid or reimbursed to Council members.			
Chairman's allowance	20,063	20,063	19,963
Deputy Chairman's allowance	5,016	5,016	4,991
Meeting attendance fees	131,999	131,999	131,343
	157,078	157,078	156,297

**TAMALA PARK REGIONAL COUNCIL
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FOR THE YEAR ENDED 30 JUNE 2021**

21. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the Regional Council during the year are as follows:

	2021 Actual \$	2020 Actual \$
Short-term employee benefits	336,616	326,475
Post-employment benefits	25,000	25,000
Other long-term benefits	9,205	10,092
	370,821	361,567

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to Council members which may be found above.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the Regional Council's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Transactions with related parties

Transactions between related parties and the Regional Council are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:	NOTE	2021 Actual \$	2020 Actual \$
Rent paid	ii	35,947	39,501
Land development expenses	ii	(12,692,329)	(4,682,550)
Proceeds from sale of land	ii	29,913,393	9,037,778
Return of contribution	ii	(9,000,000)	(3,000,000)
Amounts outstanding from related parties:			
Trade and other receivables	ii	172,849	39,834
Amounts payable to related parties:			
Trade and other payables	ii	51,353	2,730

Related Parties

The Regional Council's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Council member, are considered key management personnel.

ii. Entities with significant influence over the Regional Council

An entity that has the power to participate in the financial and operating policy decisions of the Regional Council, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by statute or agreement.

TAMALA PARK REGIONAL COUNCIL
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 FOR THE YEAR ENDED 30 JUNE 2021

22. RATE SETTING STATEMENT INFORMATION

Note	2020/21 (30 June 2021 Carried Forward) \$	2020/21 Budget (30 June 2021 Carried Forward) \$	2019/20 (30 June 2020 Carried Forward) \$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
	Less: Profit on asset disposals		
10(a)	(1,224)	(785)	0
	Movement in employee benefit provisions (non-current)		
	(8,187)	0	3,699
	Add: Depreciation on non-current assets		
10(b)	54,672	55,287	55,288
	Non cash amounts excluded from operating activities		
	45,261	54,502	58,987
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
	Add: Current liabilities not expected to be cleared at end of year		
	- Current portion of lease liabilities		
14	20,878	34,870	34,870
	Total adjustments to net current assets		
	20,878	34,870	34,870
Net current assets used in the Rate Setting Statement			
	Total current assets		
	53,668,172	45,292,023	45,517,277
	Less: Total current liabilities		
	(420,373)	(331,952)	(345,026)
	Less: Total adjustments to net current assets		
	20,878	34,870	34,870
	Net current assets used in the Rate Setting Statement		
	53,268,677	44,994,941	45,207,121

23. FINANCIAL RISK MANAGEMENT

This note explains the Regional Council's exposure to financial risks and how these risks could affect the Regional Council's future financial performance.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy. Monthly reporting to Council.
Liquidity risk	Liabilities	Rolling cash flow forecasts	Availability of cash and cash equivalents.

The Regional 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 finance area identifies, evaluates and manages financial risks.

Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Regional Council's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Regional Council to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Regional Council to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2021					
Cash and cash equivalents	0.24%	16,472,144	15,294,782	1,143,573	33,789
Financial assets at amortised cost - term deposits	0.34%	31,009,692	31,009,692	0	0
Financial assets at amortised cost - treasury bonds	0.65%	6,000,000	6,000,000	0	0
2020					
Cash and cash equivalents	0.98%	27,725,770	25,033,233	2,692,537	0
Financial assets at amortised cost - term deposits	0.60%	17,749,477	17,749,477	0	0

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2021 \$	2020 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	11,436	26,925

* Holding all other variables constant

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23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Regional Council applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	101,918	35,398	31,874	3,658	172,848
Loss allowance	0	0	0	0	0
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	39,833	0	0	0	39,833
Loss allowance	0	0	0	0	0

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and liabilities

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

The contractual undiscounted cash flows of the Regional Council’s liabilities are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2021					
Payables	98,800	0	0	98,800	98,800
Lease liabilities	20,878	0	0	20,878	20,878
	119,678	0	0	119,678	119,678
2020					
Payables	25,789	0	0	25,789	25,789
Lease Liabilities	35,381	20,639	0	56,020	55,420
	61,170	20,639	0	81,809	81,209

**TAMALA PARK REGIONAL COUNCIL
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24. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) 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.

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

When the Regional Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, 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.

e) 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.

f) Superannuation

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

g) Fair value of assets and liabilities

Fair value is the price that the Regional 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 or liability. 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 or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) 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.

h) 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 Regional 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 Regional Council are consistent with one or more of the following valuation approaches:

Market approach

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

Income approach

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

Cost approach

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

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 Regional 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 are 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.

i) Impairment of assets

In accordance with Australian Accounting Standards the Regional Council's cash generating non-specialised 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 specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

25. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GENERAL PURPOSE FUNDING	
To collect interest on investments	Interest revenue
OTHER PROPERTY AND SERVICES	
To monitor and control Council's overheads on operating accounts	Other unclassified activities

26. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	127.67	131.92	135.83
Asset consumption ratio	0.71	0.70	0.84
Asset renewal funding ratio	1.00	1.58	2.07
Asset sustainability ratio	0.34	0.00	2.10
Debt service cover ratio	N/A	N/A	N/A
Operating surplus ratio	(1.20)	(0.21)	0.02
Own source revenue coverage ratio	0.45	0.83	1.01

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 consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

Appendix 8.5

PAYMENT OF ACCOUNTS POLICY

Responsible Officer	Chief Executive Officer
Initial Council adoption	4 March 2008
Amendments	
Last Council adoption	20 August 2020
Review due	2021 <u>2022</u>

1. OBJECTIVES

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

2. DELEGATION OF AUTHORITY

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

3. RISK PROFILE

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

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

4. GUIDELINES

a) Securing TPRC Cheque Instruments

- Only one chequebook will be maintained at any one time;
- A secure location will be identified for retention of the chequebook;
- Only authorised staff signatories will be advised of the location of the chequebook;
- A monthly reconciliation of cheque instruments recorded on bank statements and the balance of cheque instruments maintained in the chequebook will be made by the Executive Assistant and approved by the CEO;
- The External Auditor will be required to verify the retention practices and check that the balance of cheque instruments reconciles to instruments recorded in the bank statement.

b) Security of Tokens and Passwords

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

c) Purchasing and Credit Cards

Refer to the Credit Card Policy for further information.

d) Incurrence of Expenditure/Liability on Behalf of TPRC

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

e) Reporting of Payment Activity

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

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

f) Petty Cash

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

g) Receipt of Goods and Services

- A delivery docket and/or account must accompany all goods purchased by TPRC (except minor purchases covered by a detailed receipt).

PAYMENT OF ACCOUNTS POLICY

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

Appendix 8.6

PETTY CASH POLICY

Responsible Officer	Chief Executive Officer
Initial Council adoption	4 October 2012
Amendments	
Last Council adoption	20 August 2020
Review due	2021 2022

1. OBJECTIVE

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

2. LOCAL GOVERNMENT REFERENCE

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

3. PETTY CASH

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