



Annual Report 2020/21



Creating great places

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Langford Park Sporting Complex



Our mission, vision and values

Making the City of Gosnell's a great place

We will be a vibrant City with a strong community identity; a great place to live, work, raise children, visit and invest; a place that encourages a range of lifestyles and opportunities; and where the natural environment, cultural diversity and heritage of the City are respected and protected for the enjoyment of current and future generations.

Teamwork, Communication, Innovation, Customer Focus and Integrity are the core values and behaviours that guide the way our employees interact with one another, on every level.

These values and behaviours also inspire our employees' united efforts to strive for excellence in every aspect of our service to the local community.

Message from the Mayor

Throughout 2020/21, the City found ways to strengthen and support our community while remaining safe, starting with Maddaganza under the Big Top in the July school holidays.

With more than 12,000 people gathering over five days, it was Perth's first major event since COVID-19 restrictions were eased and it helped to shake off some of the uncertainty felt by many residents and the business community.

Other events delivered for the community included Tropic Like It's Hot, which brought the beach to the City with a weekend of water-based inflatables and family activities, along with events such as Ghost Walks and Jingle All the Way.

I am particularly pleased that the City was able to deliver a number of park upgrades during 2020/21, including Robinson, Glyndebourne, Chelsfield and Ashford parks.

Progress was also made on the City's \$5 million plan to build 11 all abilities playgrounds, and a number of road projects were progressed including Stage 2 of the Spencer Road Improvement Project in Thornlie.

Further, I am delighted with the \$1 million upgrade to the Gosnells Town Square. This included better pedestrian access, a fogging feature with lights and sounds, and new seating to create a more welcoming space for visitors.

It is pleasing to note that this all occurred in a year when the City did not increase rates. I would like to acknowledge and thank the Commonwealth and State Governments for their financial support for a range of City projects over the past year.

In conclusion, my thanks go to my fellow Councillors for their support and to the City's staff and volunteers for their continued efforts.



David Goode JP

Mayor

October 2019 – October 2021



Message from the Chief Executive Officer

The City of Gosnells enjoyed another very productive year, despite the ongoing challenges of COVID-19.

To stimulate the economy and generate jobs, the City implemented a \$28 million capital works program and provided employment to young people by hiring new apprentices and trainees. To support community members, the City did not increase rates.

I am pleased that the City was able to finalise a new Local Planning Scheme, following community consultation, which will come into operation shortly and guide development across the City over the coming years.

A Sports Plan was also developed, which creates a 10-year road map for the provision of new sport and recreation facilities across the City.

I would like to thank the Mayor and Councillors for their support and formally acknowledge the work and commitment of the City's staff and volunteers.

As we move into a new financial year, I look forward to continuing our journey to make the City of Gosnells a great place.

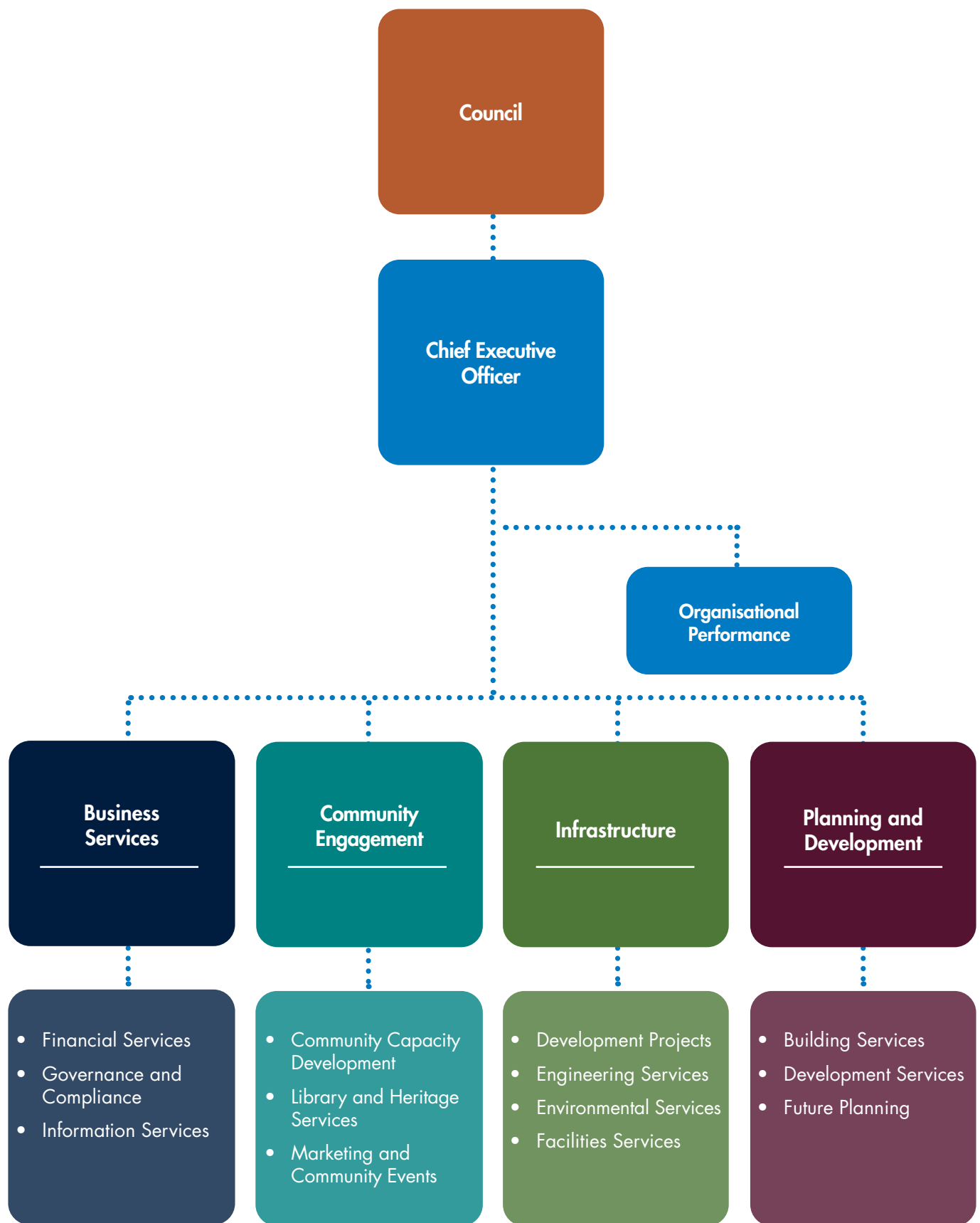


Ian Cowie PSM

Chief Executive Officer



Organisational structure



City snapshot

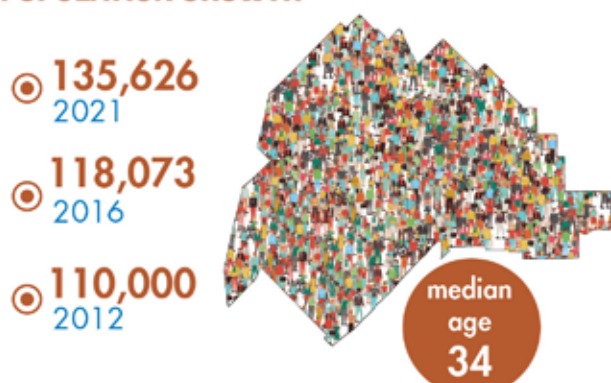
CITY PROFILE

In 1907, at a time when the region was focused on farming and timber mills, the Gosnells Road Board was formed to serve a population of 737 and manage the construction of new roads to connect with the established communities of Perth and Fremantle.

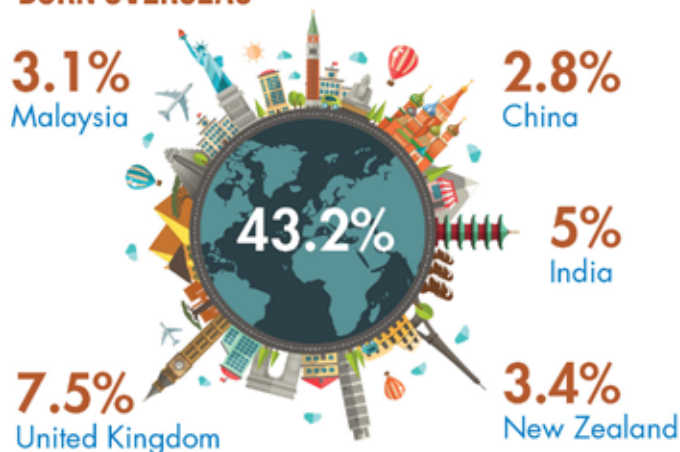
Almost 115 years later, the City has grown to cover 127km², with 135,626 people living across 11 suburbs in Beckenham, Canning

Vale, Gosnells, Huntingdale, Kenwick, Langford, Maddington, Martin, Orange Grove, Southern River and Thornlie. The City continues to develop and maintain roads, however it now provides a vast range of other services including waste management, parks, community engagement activities, programs for specific groups of people, libraries, environmental management and much more.

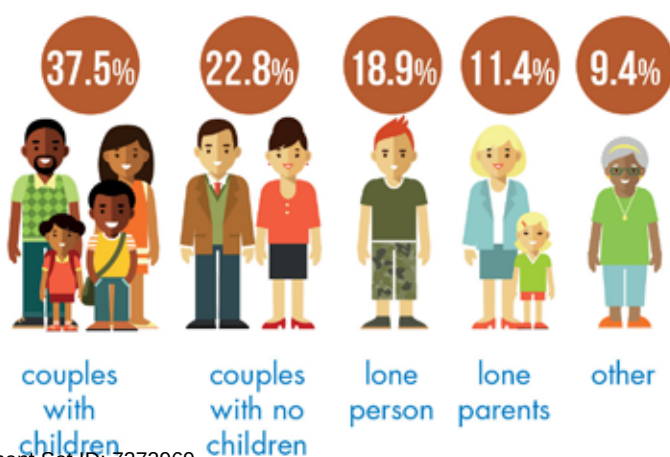
POPULATION GROWTH



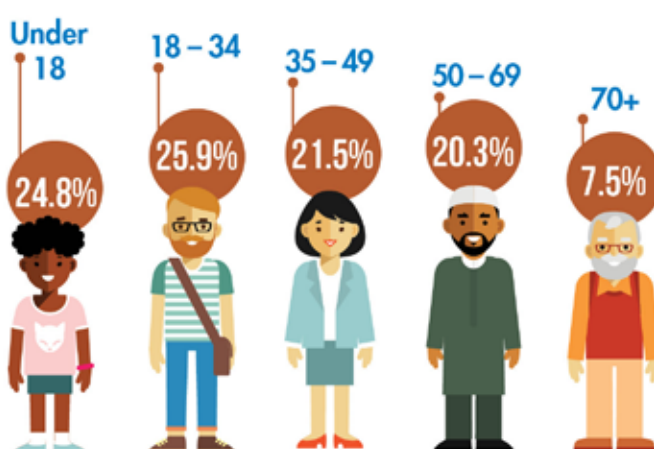
BORN OVERSEAS



FAMILY COMPOSITION

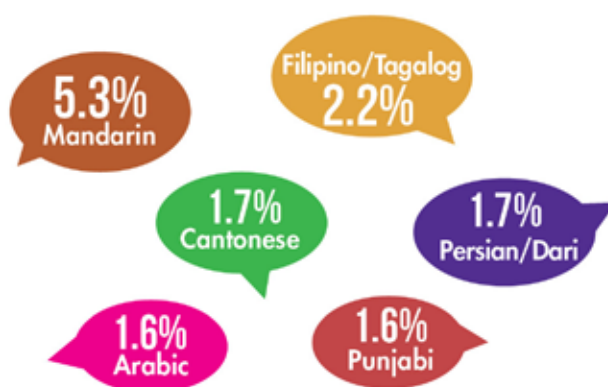


AGE DEMOGRAPHICS



TOP SIX LANGUAGES SPOKEN AT HOME

32% speaking a language other than English



RATEABLE RESIDENTIAL DWELLINGS



TOTAL NUMBER OF ELECTORS

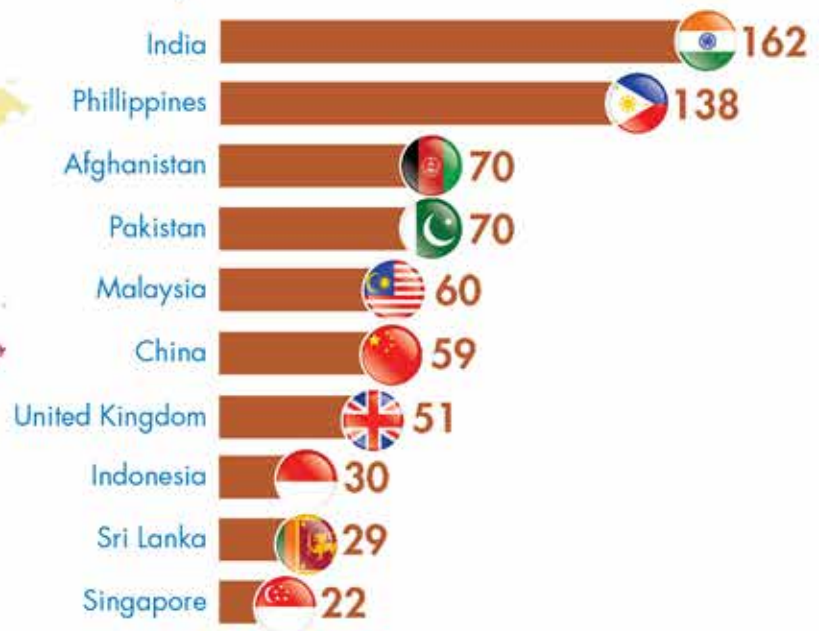


CITIZENS NATURALISED



COUNTRY OF ORIGIN

Top 10 countries



TOP THREE EMPLOYMENT AREAS BY INDUSTRY



17.4%

health care and social assistance



12.3%

retail trade



11.7%

education and training

CITY EMPLOYEES



ECONOMY



28,345 local jobs



DOGS AND CATS REGISTERED



10,739 dogs registered



2,335 cats registered



672 kennel dogs registered

Key achievements

The City of Gosnells completed many significant projects during the 2020/21 financial year and made substantial progress on a number of long-term initiatives.

Infrastructure

Gosnells Town Square revitalisation

The heart of Gosnells was transformed into a vibrant meeting place, including a new central lawn and innovative misting feature with lights and sound, creating a focal point and play space. The Gosnells Town Square now features energy-efficient lighting, brightly coloured furniture, public art and landscaping, under the shade of existing mature trees. This revitalisation has created a welcoming, safe and friendly space for residents, workers and visitors and provides social and economic benefits for the area.



Gosnells Town Square

Hester Park upgrade

A new pump track for BMX and mountain bike riding, and a basketball half-court, opened at Hester Park, Langford, in January 2021. The \$500,000 project, jointly funded by the State Government and the City of Gosnells, marks the first step towards the redevelopment of the extensive riverside parkland.

Perth Bicycle Network

The cycle network in the City continues to improve, with the extension of shared paths along the Perth to Armadale rail line in Beckenham. The project is a partnership between the City and the Department of Transport, using a WA Bicycle Networks Grant.

Thornlie Park Centre

The \$5.6 million redevelopment of the Thornlie Park Centre was close to completion at the end of the 2020/21 financial year. The project will benefit existing and future users of Thornlie Bowling Club, Thornlie Tennis Club and the wider community, with a new community centre.



Thornlie Park Centre

Robinson Park

The 2.9ha Robinson Park, which officially opened in September 2020, contains an all-abilities playground, off-leash dog exercise area, multi-sports goal, basketball half-court and sheltered barbecue and picnic areas. In October 2020, 42 residential lots overlooking the newly-redeveloped park were released for sale.



Robinson Park, Gosnells

Sports Plan 2020-2029

In August 2020, Council adopted the City's Sports Plan 2020-2029. The Plan prioritises a series of projects to improve the provision of sporting facilities across the City in the next decade, enabling more people to be more active, more often.

Local Planning Scheme 24 and Local Planning Strategy

Extensive community feedback helped the City to finalise two important planning documents – the Local Planning Scheme 24 and Local Planning Strategy. These two documents will guide the way land in the City of Gosnells is used and developed in the future. The documents have been submitted to the Western Australian Planning Commission for approval.

Community Engagement

Community Development and Safety

Community Development and Safety programs took on extra importance in 2020/21, due to COVID-19. A community hotline was implemented to provide support and referrals to services, and the City conducted welfare checks on local residents. Sporting groups were also hit hard by the pandemic, and a partnership between the City, Fair Game Australia and the Department of Local Government, Sport and Cultural Industries resulted in the Equip-Me for Sport initiative. This program saw almost 750 items of pre-loved sporting equipment distributed to local families in need, to encourage participation in organised sport. The City was also the first local government to partner with the Crime Stoppers WA Bikelinc program, to combat bicycle theft. A series of localised Your Neighbourhood events were also introduced across several suburbs to promote community safety.



Youth and Families

The City's three youth centres had a combined total of 8,424 visits from young people in 2020/21. Young people had the opportunity to participate in a wide range of art, sports, music, games and other programs and events, such as the annual Gozzy Rock music competition, and to interact with the City's Youth Workers. The City's innovative Park Play program is designed to encourage parents of

younger children to meet other local families and develop support networks while enjoying facilities in the City's parks. In 2020/21, a total of 10,285 children and their families took part. Two new programs, Baby Play and Crafty Kids, have also been developed to further support and engage local families.

Funding Programs

A total of \$169,925 was provided to individuals, community groups, religious organisations and sporting clubs for a range of projects, minor capital works, equipment purchases, training programs or events, as part of the City's Community Funding Program. This included a grant to YouthCARE to fund school chaplaincy programs to support local youth and 11 education scholarships of \$500 each, to support high school students.

Major Events

Despite the uncertainty of organising major events during a pandemic, the City was able to safely deliver another calendar of exciting activities. A five-day spectacular Maddaganza set the scene for the financial year, with more than 12,000 people enjoying COVID-safe excitement under the big top. In October, a further 12,000 people bounced, slid and climbed their way through a 400m inflatable obstacle course at the City of Gosnells' school holiday extravaganza, Jump-A-Round. Jingle All the Way, Sunset Cinemas and Ghost Walks also returned. On 20 and 21 February, the City presented summer's biggest splashdown, Tropic Like It's Hot, a free pop-up water park at Sutherlands Park, Huntingdale. The event featured over 20 giant waterslides, a dunk tank, mechanical surfboard, beach volleyball, Mega Supa Soak Arena, live DJ and food trucks.



Our key service delivery outcomes for 2020/21

EVENTS AND RECREATION

49,815

people attended the City's four major events – Maddaganza, Jump-A-Round, Jingle All the Way and Tropic Like It's Hot



52,628

participated in youth and family programs



13,106

participated in programs for seniors



FACILITIES



456,021

library items loaned



62,510

registered library members

includes
3,519
eMembers



332,481

attendances at Leisure World

355,464

visits to other City venues

20,272

visits to Don Russell Performing Arts Centre



CUSTOMER SERVICES

15,897

jobs logged by customer service

69,944

Customer Contact Centre enquiries answered



2,057

webchat enquiries answered

16,313

over the counter enquiries assisted



COMMUNITY SAFETY

1,112

food premises inspected



10,119m²
of graffiti removed



3,756

swimming pool inspections

1,536

Ranger warnings and infringements issued



Top 3
- dogs
- parking
- fire

ENERGY EFFICIENCY

366,761kWh

power generated
from solar
panels on City
buildings



\$80,687

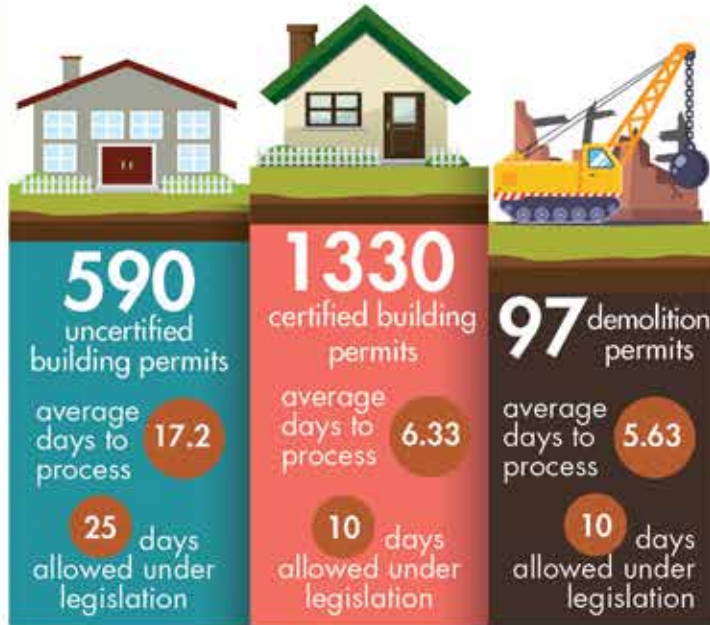
power
generation
savings

249,397kg

reduced CO₂
emissions



BUILDING APPLICATIONS PROCESSED



BUILDING

428

footing
inspections



89

remedial works
required to
footings

CITY MAINTENANCE



WASTE SERVICES



PARKS AND RESERVES



CITY GROWTH



Councillors

Councillors at 30 June 2021



Cr David Goode JP
Mayor

Term expires: 15 October 2021
Phone: 0421 415 558
9397 3281
Email: mayor@gosnells.wa.gov.au



Cr Peter Abetz
Deputy Mayor

Term expires: 15 October 2021
Phone: 0409 076 155
Email: pabetz@gosnells.com.au



Cr Aaron Adams

Term expires: 20 October 2023
Phone: 0417 872 257
Email: aadams@gosnells.com.au



Cr Julie Brown

Term expires: 15 October 2021
Phone: 0416 367 762
9398 2191
Email: jbrown@gosnells.com.au



Cr Glenn Dewhurst

Term expires: 20 October 2023
Phone: 0407 153 787
Email: gdewhurst@gosnells.com.au



Cr Dave Griffiths

Term expires: 20 October 2023
Phone: 0438 595 795
Business phone: 9398 2242
Email: dgriffiths@gosnells.com.au



Cr Carey-Ann Harper

Term expires: 15 October 2021
Phone: 0430 089 797
Email: cbrett@gosnells.com.au



Cr Adam Hort

Term expires: 20 October 2023
Phone: 0430 198 955
Email: ahort@gosnells.com.au



Cr Julie Jones

Term expires: 15 October 2021
Phone: 0414 255 947
Email: jjones@gosnells.com.au



Cr Sarah Patterson

Term expires: 20 October 2023
Phone: 0499 989 936
Email: spatterson@gosnells.com.au



Cr Olwen Searle JP

Term expires: 15 October 2021
Phone: 9455 1951
Email: osearle@gosnells.com.au



Cr Emma (Ye) Zhang

Term expires: 20 October 2023
Phone: 0432 710 350
Email: ezhang@gosnells.com.au



Councillor attendance – 1 July 2020 to 30 June 2021

Councillors	Ordinary Council Meetings (21)	Special Council Meetings (1)	Electors' Meeting (1)	Total (23)
Cr David Goode (Mayor)	20	1	1	22
Cr Peter Abetz (Deputy Mayor)	21	1	1	23
Cr Aaron Adams	21	1	1	23
Cr Julie Brown	21	1	1	23
Cr Glenn Dewhurst	18	0	0	18
Cr David Griffiths	15	1	0	16
Cr Carey-Ann Harper (nee Brett)	19	1	1	21
Cr Adam Hort	20	1	1	22
Cr Julie Jones	17	1	1	19
Cr Sarah Patterson	17	1	1	19
Cr Olwen Searle	17	1	0	18
Cr Emma (Ye) Zhang	19	1	1	21

Future plans

The City has a range of significant projects planned for the coming 12 months.

Sutherlands Park

Sports fans will be excited to hear the City is planning for the future of one of our largest sports reserves, Sutherlands Park, Huntingdale. In the coming year, the City will consult the community about a draft Master Plan, which will drive the largest financial investment in sport and recreation in the City's history. The 30-hectare site is already home to a synthetic hockey ground, indoor cricket training facility, seven sports reserves, five pavilions, a clubhouse, a community centre, two playgrounds and a Bush Forever site.

Gosnells Oval

To meet the community's current and future needs, the City plans to upgrade Gosnells Oval and the facilities surrounding it, including a new all-abilities playground, clubrooms, parking and fencing, as well as work to ensure the RS Simpson Grandstand remains structurally sound. The upgrades will take place in stages over coming years, which will reduce the impact on oval users and nearby residents, as outlined in the Gosnells Oval Master Plan.

Waste to Energy

The City of Gosnells is one of eight local governments that have agreed to supply more than 300,000 tonnes of waste each year to Australia's first waste-to-energy plant in Kwinana. Household waste that would have otherwise been sent to landfill will be sent to the plant, which will be operated by Avertas Energy. When commissioned next year, the plant will provide a practical solution to two big community challenges – disposing of significant quantities of household rubbish, and providing additional secure and uninterrupted renewable energy. Avertas Energy will use world-class technologies to process the household waste, significantly reducing CO₂ emissions and delivering 36MW of baseload electricity to the grid. These outcomes are the equivalent of taking 85,000 cars off Perth's roads or powering 50,000 Perth households every year.

Town Centre Redevelopment

Upcoming projects as part of the City's long-term focus to revitalise the Gosnells Town Centre include traffic management improvements in Main Street and Federation Parade, as well as improved lighting on Albany Highway.

New Library at Mills Park

This year, the City will build new library facilities at the Mills Park Centre in Beckenham, next to the café and overlooking the playground. The new library will have a welcoming, modern feel, with separate areas for children's and adults' activities.

Mary Carroll Park

Upgrades this year include a new pedestrian bridge to complete a walk trail and create a circular loop into the wetlands. This will offer visitors a different perspective of the renowned bird sanctuary. A new all-abilities playground and Changing Places toilets near Eudoria Street will also be installed to improve community access and recreation opportunities, with funding contributed by Lotterywest as well as the City.



Design concept – Mary Carroll Park

New Operations Centre

A new state-of-the-art City of Gosnells Operations Centre will be constructed in Orange Grove, located at the old tip site on Kelvin Road. This new Centre will include facilities for the City's depot operations, an animal pound and rapid waste transfer station to expedite the transfer of waste to the waste-to-energy plant in Kwinana. The site of the existing Operations Centre will then be redeveloped for Transit-Oriented Development, including residential areas and public open space.

All-Abilities Playgrounds

In addition to four new all-abilities playgrounds recently built at Tom Bateman, Harmony Fields, Langford and Thornlie Park, construction will commence on two new all-abilities playgrounds at Mary Carroll Park, Gosnells, and Bracadale Park, Canning Vale. An upgrade to the all-abilities playground at Mills Park, Beckenham, will also occur.



Langford All-Abilities Playground

For updates on all these projects, visit gosnells.wa.gov.au.

Two Year Review of the Strategic Community Plan

As required under the Local Government Act, at its Ordinary Council Meeting on 22 June 2021, the City endorsed minor updates to its Strategic Community Plan (2018 – 2028). The updated plan can be viewed on the City's website.



Gosnells Town Square

Employee salaries

The City of Gosnells employs 709 people in a diverse range of roles to serve the community. The number of City employees earning an annual salary of \$100,000 or more is set out below, in bands of \$10,000.

Salary range \$	2020/21	Salary range \$	2020/21
100,000 – 109,999	31	220,000 – 229,999	0
110,000 – 119,999	31	230,000 – 239,999	4
120,000 – 129,999	9	240,000 – 249,999	0
130,000 – 139,999	4	250,000 – 259,999	0
140,000 – 149,999	5	260,000 – 269,999	0
150,000 – 159,999	3	270,000 – 279,999	0
160,000 – 169,999	2	280,000 – 289,999	0
170,000 – 179,999	0	290,000 – 299,999	0
180,000 – 189,999	1	300,000 – 309,999	0
190,000 – 199,999	0	310,000 – 319,999	0
200,000 – 209,999	0	320,000 – 329,999	1
210,000 – 219,999	0		

Official conduct report

In accordance with Section 5.53(2)(hb) of the Local Government Act 1995, the City is required to include in its Annual Report details of complaints alleging minor breaches by Council

Members during the financial year including:

1. The number of complaints recorded in the register of complaints
2. How the complaints were dealt with

The City received no complaints alleging minor breaches by Council Members during the financial year.



Disability Services program participant

Access and inclusion

The City has demonstrated a strong commitment to the guiding principles of inclusion and equitable access.

In 2020/21 the City continued to implement the strategies and actions across all seven outcome areas of its Disability Access and Inclusion Plan 2019 – 2023. Of particular note, the City demonstrated its commitment to providing inclusive play spaces for people of all abilities, with the following projects planned, delivered or currently underway:

- Tom Bateman all-abilities play space (completed)
- All-abilities components at Robinson Park play space (completed)
- Harmony, Langford and Thornlie all-abilities play spaces (under construction)
- Homestead Park all-abilities play space (due to commence construction soon)
- Designs for Bracadale, Walter Padbury and Sutherlands Park all-abilities play spaces (available for public consultation within the next 12 – 24 months)

In addition, the City delivered the following projects to ensure that its buildings and facilities remain accessible and inclusive:

- Construction of new sections of Brabourne Street, Maddington, from Weston Street through to The Crescent. This project included the installation of approximately 500 linear metres of new concrete footpath and new ramps at the crossing points of Weston Street and The Crescent.
- Access upgrades to Gosnells shopping centre, Albany Highway. Prior to the upgrade there was insufficient verge width in the access

road to accommodate a path link towards the shopping complex. The intersection layout was reconfigured to enable construction of a more suitable crossing, as well as a new path section connecting to the shopping area's internal path network.

- Upgrades to the toilet facilities at Thornlie Community Centre to include universal access toilets.

The City also delivered the following community initiatives, to ensure that people with disability have the same opportunities as other people to access community events and activities:

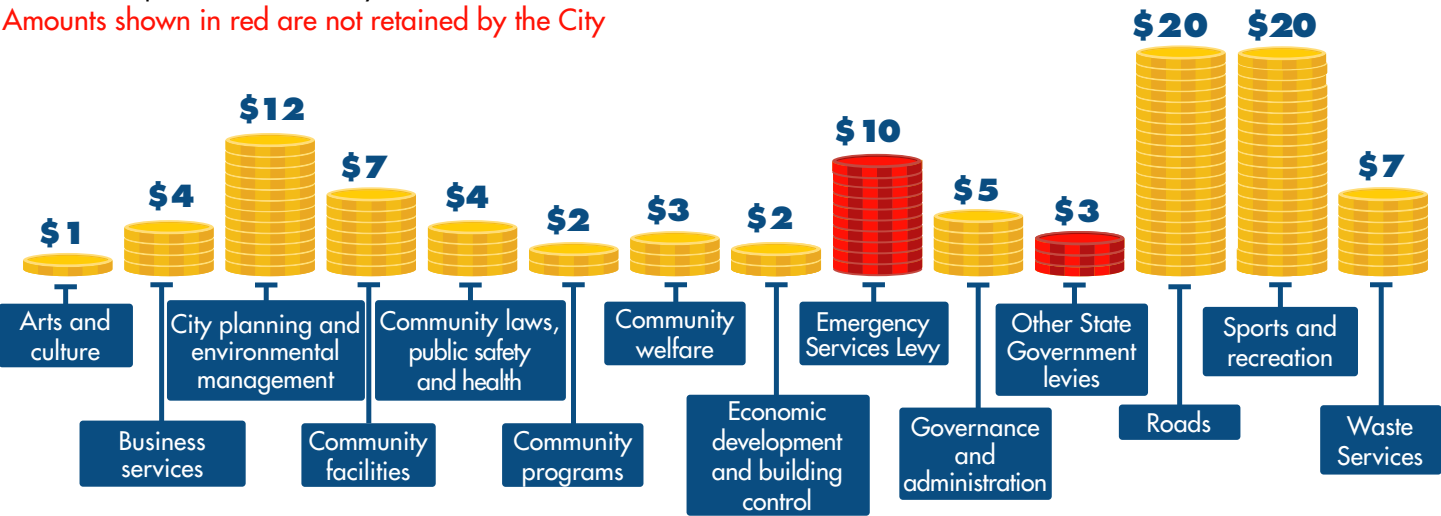
- A number of large-scale events each year – all of which adhere to the Department of Communities Disability Services guidelines for creating accessible events.
- A Club Chat Networking Session in October, for local sporting clubs and community groups in the City of Gosnells. This event included guest speaker Priya Cooper, nine-time Paralympic swimming gold medallist. Priya shared her journey and encouraged clubs and groups to continue to value access and inclusion.
- Provision of 10 free tickets for a series of Social Inclusion Forums run by Inclusion Solutions. The tickets were made available to professionals and volunteers in the City of Gosnells who worked in the sport, recreation and community sectors. The forums were held in August and December 2020.

Revenue and expenditure

Outgoings

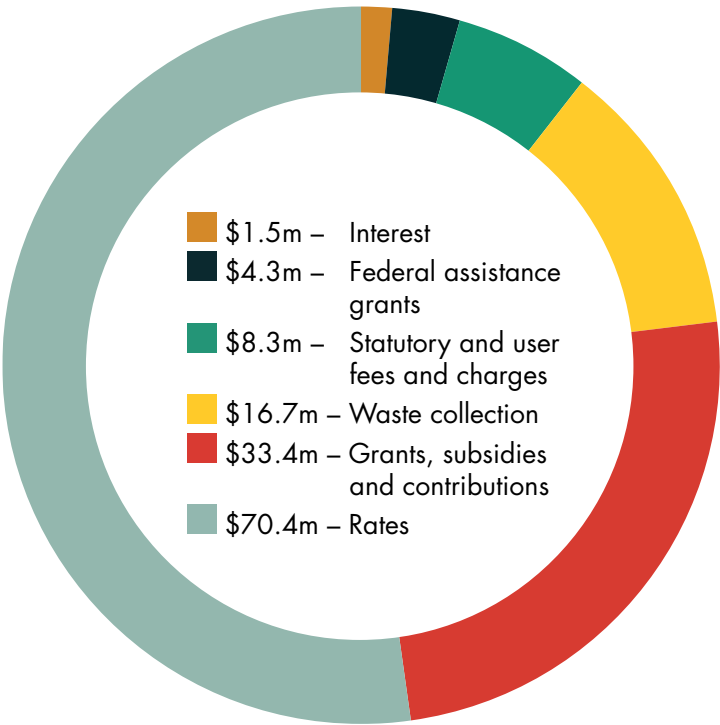
Areas of expenditure for every \$100 Council receives:

Amounts shown in red are not retained by the City



Revenue

Operating revenue sources



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**CITY OF GOSNELLS
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 City for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the City 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 as authorisation of issue on the 10th day of December 2021.



Ian Cowie PSM
Chief Executive Officer

CITY OF GOSNELLS
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	2(a)	70,376,373	69,401,187	70,049,632
Operating grants, subsidies and contributions	3(a)	6,467,571	5,986,493	6,730,348
Fees and charges	3(a)	25,021,930	25,618,958	22,584,510
Interest earnings	3(a)	1,442,925	4,141,728	3,101,572
Other revenue	3(a)	155,949	200	403,039
		<u>103,464,748</u>	<u>105,148,566</u>	<u>102,869,101</u>
Expenses				
Employee costs		(49,755,128)	(50,008,675)	(44,998,220)
Materials and contracts		(29,800,225)	(32,876,252)	(28,607,065)
Utility charges		(4,593,694)	(4,736,542)	(4,388,589)
Amortisation and depreciation	11(c)	(26,542,423)	(25,732,697)	(25,494,408)
Interest expenses	3(b)	(357,923)	(351,021)	(352,760)
Insurance expenses		(755,940)	(992,854)	(692,135)
Other expenses	3(b)	(12,990,758)	(2,526,582)	(1,428,167)
		<u>(124,796,091)</u>	<u>(117,224,623)</u>	<u>(105,961,344)</u>
Non-operating grants, subsidies and contributions	3(a)	29,732,804	13,890,951	24,296,075
Public Open Space - Cash-in-Lieu contributions		1,591,393	0	2,023,924
Fair value adjustments to financial assets at fair value through profit or loss		(105,986)	0	30,802
Profit on asset disposals	11(b)	2,887,654	4,139,558	44,702
Loss on asset disposals	11(b)	(3,375,671)	(865,674)	(1,255,353)
Impairment of an asset		<u>0</u>	<u>0</u>	<u>(70,400)</u>
Net result		9,398,851	5,088,778	21,977,507
Other comprehensive losses				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	0	0	(12,081,312)
Total comprehensive income		<u>9,398,851</u>	<u>5,088,778</u>	<u>9,896,195</u>

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

CITY OF GOSNELLS
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
General purpose funding		76,740,416	78,929,501	78,113,372
Governance		5,473	6,271	7,567
Law, order and public safety		832,354	592,602	764,538
Health		336,938	359,545	150,026
Education and welfare		380,772	369,007	841,692
Community amenities		18,380,051	18,067,772	18,375,087
Recreation and culture		3,807,620	4,182,340	1,721,418
Transport		422,980	291,821	229,061
Economic services		2,124,077	1,968,326	2,003,393
Other property and services		<u>434,067</u>	<u>381,381</u>	<u>662,947</u>
		103,464,748	105,148,566	102,869,101
Expenses				
General purpose funding		(2,970,341)	(3,138,045)	(2,013,664)
Governance		(2,516,079)	(2,850,626)	(6,249,559)
Law, order and public safety		(3,542,773)	(3,325,134)	(3,613,283)
Health		(1,118,140)	(1,354,734)	(1,334,585)
Education and welfare		(4,441,254)	(4,489,650)	(4,655,601)
Community amenities		(29,886,876)	(21,104,180)	(19,225,496)
Recreation and culture		(40,185,074)	(40,057,084)	(38,488,229)
Transport		(26,887,998)	(26,229,549)	(26,072,204)
Economic services		(2,351,734)	(2,691,538)	(2,849,938)
Other property and services		<u>(10,537,899)</u>	<u>(11,633,062)</u>	<u>(1,176,425)</u>
		(124,438,168)	(116,873,602)	(105,678,984)
Finance costs				
	3(b)			
General purpose funding		0	(60)	0
Governance		0	(1,020)	0
Education and welfare		0	(180)	0
Community amenities		(177,174)	(213,874)	(132,253)
Recreation and culture		(175,088)	(134,087)	(210,984)
Transport		0	(110)	0
Economic Services		0	(120)	0
Other property and services		<u>(5,661)</u>	<u>(1,570)</u>	<u>(9,523)</u>
		(357,923)	(351,021)	(352,760)
Fair value adjustments to financial assets at fair value through profit or loss				
	7			
General purpose funding		(105,986)	0	30,802

CITY OF GOSNELLS
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Non-operating grants, subsidies and contributions				
	3(a)			
Education and welfare		7,895	0	0
Community amenities		15,616,783	770,000	5,585,941
Recreation and culture		3,011,991	4,197,172	1,296,426
Transport		11,095,680	8,923,779	17,358,177
Other property and services		455	0	55,531
		<u>29,732,804</u>	<u>13,890,951</u>	<u>24,296,075</u>
Public Open Space - Cash-in-Lieu contributions				
Community amenities		0	0	1,452,000
Recreation and culture		1,180,393	0	571,924
Other property and services		411,000	0	0
		<u>1,591,393</u>	<u>0</u>	<u>2,023,924</u>
Profit/(Loss) on asset disposals	11(b)			
Law, order, public safety		0	0	(39,084)
Education and welfare		(147)	0	0
Community amenities		52,778	0	(34,940)
Recreation and culture		(345,948)	(198,216)	(300,567)
Transport		109,860	(312,450)	(48,591)
Other property and services		(304,558)	3,784,550	(787,469)
		<u>(488,017)</u>	<u>3,273,884</u>	<u>(1,210,651)</u>
Net result		9,398,851	5,088,778	21,977,507
Other comprehensive losses				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	0	0	(12,081,312)
Total comprehensive income		9,398,851	5,088,778	9,896,195

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

CITY OF GOSNELLS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 Actual \$	2020 Actual \$
Current Assets			
Cash and cash equivalents	4	71,812,788	65,614,379
Trade and other receivables	5	9,938,455	9,173,373
Inventories	6	1,196,339	3,830,400
Other financial assets	7	76,507,007	70,100,000
Other current assets		0	893,151
Total Current Assets		159,454,589	149,611,303
Non-Current Assets			
Trade and other receivables	5	1,595,265	1,487,045
Inventories	6	1,206,977	1,292,856
Other financial assets	7	285,313	391,299
Property, plant and equipment	8	254,582,275	253,217,715
Infrastructure	9	1,010,862,336	1,007,457,091
Intangible assets	10	1,956,107	2,392,198
Right of use assets	13(a)	42,681	70,060
Total Non-Current Assets		1,270,530,954	1,266,308,264
Total Assets		1,429,985,543	1,415,919,567
Current Liabilities			
Trade and other payables	14	15,226,399	13,059,592
Contract, grant and contribution liabilities	15	9,770,903	10,669,753
Lease liabilities	13(b)	29,507	26,944
Current portion of long term borrowings	16(a)	2,457,922	2,400,972
Employee related provisions	17	11,256,626	9,723,294
Total Current Liabilities		38,741,357	35,880,555
Non-Current Liabilities			
Lease liabilities	13(b)	17,607	47,114
Contract, grant and contribution liabilities	15	21,150,815	20,369,630
Long term borrowings	16(a)	15,273,661	14,164,683
Employee related provisions	17	623,326	677,659
Total Non-Current Liabilities		37,065,409	35,259,086
Total Liabilities		75,806,766	71,139,641
Net Assets		1,354,178,777	1,344,779,926
Equity			
Retained surplus		385,782,121	381,334,384
Cash-backed reserves	18	119,632,928	113,605,484
Revaluation surplus	12	848,763,728	849,840,058
Total Equity		1,354,178,777	1,344,779,926

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

CITY OF GOSNELLS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Retained Surplus \$	Reserves Cash Backed \$	Revaluation Surplus \$	Total Equity \$
Balance as at 1 July 2019		372,958,850	78,375,965	862,738,507	1,314,073,322
Comprehensive income					
Net result		21,977,507	0	0	21,977,507
Changes on revaluation of Non-Current Assets	12	0	0	(12,081,312)	(12,081,312)
Total comprehensive income		21,977,507	0	(12,081,312)	9,896,195
Revaluation write back on disposals	12	817,137	0	(817,137)	0
Transfers (from)/to reserves	18	(14,419,110)	14,419,110	0	0
Transfers from Public Open Space - Cash in Lieu to Planning Reserves		0	20,810,409	0	20,810,409
Balance as at 30 June 2020		381,334,384	113,605,484	849,840,058	1,344,779,926
Comprehensive income					
Net result		9,398,851	0	0	9,398,851
Total comprehensive income		9,398,851	0	0	9,398,851
Revaluation write back on disposals	12	1,076,330	0	(1,076,330)	0
Transfers (from)/to reserves	18	(6,027,444)	6,027,444	0	0
Balance as at 30 June 2021		385,782,121	119,632,928	848,763,728	1,354,178,777

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

CITY OF GOSNELLS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash Flows from Operating Activities				
Receipts				
Rates		70,635,097	68,851,832	69,408,858
Operating grants, subsidies and contributions		6,394,208	5,986,493	6,763,742
Fees and charges		25,286,263	26,170,077	21,032,788
Interest earnings		1,620,452	3,946,604	4,024,236
Goods and services tax		5,452,661	4,500,000	5,200,620
Other revenue		155,950	200	217,713
		109,554,631	109,455,206	106,647,957
Payments				
Employee costs		(48,369,793)	(49,547,993)	(44,696,464)
Materials and contracts		(29,869,025)	(30,949,438)	(28,043,286)
Utility charges		(4,593,694)	(4,736,542)	(4,388,589)
Interest expenses		(207,736)	(351,021)	(213,154)
Insurance expenses		(755,939)	(992,854)	(692,135)
Goods and services tax		(5,537,681)	(4,600,000)	(5,209,728)
Other expenditure		(12,990,760)	(2,526,582)	(1,428,171)
		(102,324,628)	(93,704,430)	(84,671,527)
Net cash provided by operating activities	19	7,220,003	15,750,776	21,976,430
Cash Flows from Investing Activities				
Payments for:				
Land under development and developed land		(1,422,911)	(168,747)	(2,186,447)
Purchase of property, plant and equipment		(8,094,854)	(10,556,479)	(9,560,038)
Construction of infrastructure assets		(16,409,555)	(24,378,949)	(15,451,236)
Investments in term deposits		(62,507,007)	(118,000,000)	(119,500,000)
Proceeds from:				
Assets disposals		3,553,458	4,769,000	293,478
Matured term deposits		56,100,000	120,000,000	95,935,282
Non-operating grants, subsidies and contributions		26,620,291	14,282,167	9,160,973
Net cash used in investing activities		(2,160,578)	(14,053,008)	(41,307,988)
Cash Flows from Financing Activities				
Repayment of loan facilities		(4,434,072)	(2,400,971)	(6,226,223)
Proceeds from loan facilities		5,600,000	690,000	12,033,100
Repayment of lease liabilities		(26,944)	0	(23,790)
Net cash provided by financing activities		1,138,984	1,710,971	5,783,087
Net increase (decrease) in cash held		6,198,409	(13,203)	(13,548,471)
Cash at beginning of year		65,614,379	90,111,505	58,352,441
Public Open Space - Cash in Lieu		0	0	20,810,409
Cash and cash equivalents at the end of the year	19	71,812,788	90,098,302	65,614,379

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

CITY OF GOSNELLS
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue from Operating Activities excluding Rates				
General purpose funding		6,949,212	9,528,314	8,673,992
Governance		5,473	6,271	7,567
Law, order, public safety		832,354	592,602	768,017
Health		336,938	359,545	150,026
Education and welfare		380,922	369,007	841,692
Community amenities		18,432,830	18,067,772	18,375,087
Recreation and culture		3,807,675	4,182,340	1,722,866
Transport		559,220	646,829	234,355
Economic services		2,124,077	1,968,326	2,003,393
Other property and services		3,132,497	4,165,931	697,428
		<u>36,561,198</u>	<u>39,886,937</u>	<u>33,474,423</u>
Expense from Operating Activities				
General purpose funding		(3,076,327)	(3,138,105)	(2,013,664)
Governance		(2,516,079)	(2,851,646)	(6,249,559)
Law, order, public safety		(3,542,773)	(3,325,134)	(3,655,846)
Health		(1,118,140)	(1,354,734)	(1,334,585)
Education and welfare		(4,441,551)	(4,489,830)	(4,655,601)
Community amenities		(30,064,050)	(21,318,054)	(19,392,689)
Recreation and culture		(40,706,165)	(40,389,387)	(39,001,229)
Transport		(26,914,380)	(26,897,117)	(26,126,089)
Economic services		(2,351,734)	(2,691,658)	(2,849,938)
Other property and services		(13,546,549)	(11,634,632)	(2,007,897)
		<u>(128,277,748)</u>	<u>(118,090,297)</u>	<u>(107,287,097)</u>
Net operating result excluding rates				
		<u>(91,716,550)</u>	<u>(78,203,360)</u>	<u>(73,812,674)</u>
Adjustments for cash budget requirements:				
Non-cash revenue and expenses				
Loss/(Profit) on asset disposals	11(b)	488,017	(3,273,884)	1,210,651
Depreciation and amortisation on assets	11(c)	26,798,563	25,732,697	25,703,409
Impairment of an asset		0	0	70,400
Fair value adjustment to financial assets		105,986	0	(30,802)
Movement in non-current assets		(108,220)	0	(122,945)
Movement in current developer contribution plan liability		(3,345,025)	0	0
Movement in non-current liabilities		726,853	0	(4,794,193)
		<u>24,666,174</u>	<u>22,458,813</u>	<u>22,036,520</u>
Amount attributable to Operating Activities				
		<u>(67,050,376)</u>	<u>(55,744,547)</u>	<u>(51,776,154)</u>

CITY OF GOSNELLS
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Investing Activities				
Contributions/Grants for construction of assets		29,732,804	13,890,951	24,296,075
Public Open Space Cash-in-Lieu contributions		1,591,393	0	2,023,924
Proceeds from asset disposals	11(b)	3,557,525	4,769,000	293,478
Purchase of land under development and developed land	6	(1,422,911)	(168,747)	(2,191,587)
Purchase of intangible assets	10	(58,675)	(212,500)	(83,290)
Recognition of investment in Rivers Regional Council	7	0	0	(185,326)
Purchase of property, plant and equipment	8	(9,194,273)	(10,343,979)	(8,792,596)
Construction/Purchase of infrastructure assets	9	<u>(21,681,003)</u>	<u>(24,378,949)</u>	<u>(27,146,243)</u>
Amount attributable to investing activities		<u>2,524,860</u>	<u>(16,444,224)</u>	<u>(11,785,565)</u>
Financing Activities				
Proceeds from loan facilities	16(b)	5,600,000	690,000	12,033,100
Repayment of loan facilities	16(b)	(4,434,072)	(2,400,971)	(6,226,223)
Interest on lease liability		0	0	9,523
Amortisation of lease liability	13	(26,944)	0	(31,341)
Transfers to reserves (restricted cash)	18	(31,827,789)	(12,145,416)	(23,177,470)
Transfers from reserves (restricted cash)	18	<u>25,800,345</u>	<u>15,027,775</u>	<u>8,758,360</u>
Amount attributable to financing activities		<u>(4,888,460)</u>	<u>1,171,388</u>	<u>(8,634,051)</u>
Net Current Assets - surplus/(deficit) at:				
The start of the financial year		8,231,385	1,616,196	16,439,346
Impact of new accounting standards		0	0	(5,482,373)
The end of the financial year	27	<u>(8,608,613)</u>	<u>0</u>	<u>(8,231,385)</u>
		377,228	1,616,196	2,725,588
Total amount raised from rates	2(a)	<u>(69,791,204)</u>	<u>(69,401,187)</u>	<u>(69,470,182)</u>

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

CITY OF GOSNELLS
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 (the "Act")* and accompanying regulations.

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards where there are inconsistencies with the Act.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use (ROU) asset to be measured at cost. All ROU assets (other than vested improvements) under zero cost concessionary leases ("peppercorn 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 *Leases* which would have required the City 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 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.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

On 1 July 2020, the following new accounting standards were adopted:

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 24 to these financial statements.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. RATES

(a) Rating Information

Rate Type	Rate in cents	Number of Properties	2021 Actual				2021 Budget				2020 Actual	
			Rateable Value	Rate Revenue	Interim Rates	Total Revenue	Rate Revenue	Interim Rates	Total Revenue	Revenue	Total Revenue	
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Differential Rates												
Gross Rental Value (GRV)												
Extractive Industry	14.096	3	384,000	54,129	0	54,129	54,129	0	54,129	48,626		
General GRV	7.419	32,853	702,020,881	52,082,942	1,037,619	53,120,561	52,082,929	554,000	52,636,929	59,961,820		
Rural GRV	8.903	847	19,813,683	1,764,012	(109,045)	1,654,967	1,764,012	0	1,764,012	1,657,095		
Tenancy Agreements	7.919	52	2,218,935	175,718	26,459	202,177	175,717	0	175,717	161,672		
Town Centre	8.532	69	7,737,923	660,200	(11,030)	649,170	660,200	0	660,200	649,407		
Unimproved Value (UV)												
Rural UV	0.2893	23	28,200,000	81,583	0	81,583	81,583	0	81,583	73,301		
Rural UV Agricultural Concession	0.2314	6	62,220,000	143,977	0	143,977	143,977	0	143,977	133,721		
Minimum		33,853	822,595,422	54,962,561	944,003	55,906,564	54,962,547	554,000	55,516,547	62,685,642		
Minimum Payment	\$											
Gross Rental Value (GRV)												
General GRV	980	14,121	160,504,034	13,838,580	0	13,838,580	13,838,580	0	13,838,580	6,739,460		
Rural GRV	980	30	281,634	29,400	0	29,400	29,400	0	29,400	28,420		
Tenancy Agreements	980	9	59,148	8,820	0	8,820	8,820	0	8,820	8,820		
Town Centre	980	6	43,628	5,880	0	5,880	5,880	0	5,880	4,900		
Unimproved Value (UV)												
Rural UV	980	2	351,000	1,960	0	1,960	1,960	0	1,960	2,940		
		14,168	161,239,444	13,884,640	0	13,884,640	13,884,640	0	13,884,640	6,784,540		
		48,021	983,834,866	68,847,201	944,003	69,791,204	68,847,187	554,000	69,401,187	69,470,182		
Total amount raised from rates												
Specified Area Rate (refer to 2 (b))						69,791,204			69,401,187	69,470,182		
Ex-gratia Rates						523,843			519,065	523,592		
Total Rates						61,326			0	55,858		
						<u>70,376,373</u>			<u>69,920,252</u>	<u>70,049,632</u>		

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. RATES (continued)

Ex-gratia rates are payments received as contributions towards the City's operational costs from property owners which are otherwise exempt from paying rates.

SIGNIFICANT ACCOUNTING POLICIES

Rates Revenue

Rates revenue is recognised on commencement of the rating period. Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore, rates received in advance are recognised as Income in advance at Note 14.

(b) Specified Area Rates

Gross Rental Value (GRV)	Rate in cents	Number of Properties	2021 Actual			2021 Budget			2020 Actual	
			Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Rate Revenue \$	Interim Rate \$	Total Revenue \$	Total Revenue \$
Bletchley Park	0.7333	1,500	29,802,935	218,538	4,600	223,138	218,538	0	218,538	222,630
Brookland Greens	0.5373	562	13,820,292	74,254	77	74,331	74,254	0	74,254	74,468
Sanctuary Waters	0.5477	691	14,904,802	81,630	36	81,666	81,630	0	81,630	81,627
The Avenues	0.5602	498	9,660,640	54,116	0	54,116	54,116	0	54,116	54,130
The Boardwalk	0.3975	627	16,435,175	65,327	492	65,819	65,327	0	65,327	65,357
The Reserve	0.3056	347	8,246,662	25,200	(427)	24,773	25,200	0	25,200	25,380
				519,065	4,778	523,843	519,065	0	519,065	523,592

Purpose for the rate and proposed application of proceeds:

To recover in each Specified Area up to 25% of the park and environmental maintenance cost incurred by the City as they are maintained to a higher standard.

Description of the areas in which rates are applied:

Bletchley Park and surrounds	Housing development generally known as "Bletchley Park"
Brookland Greens and surrounds	Housing development generally known as "Brookland Greens"
Sanctuary Waters and surrounds	Housing development generally known as "Sanctuary Waters"
The Avenues and surrounds	Housing development generally known as "The Avenues"
The Boardwalk and surrounds	Housing development generally known as "The Boardwalk"
The Reserve and surrounds	Housing development generally known as "The Reserve"

(c) Service Charges

The City did not impose any service charges in 2020/21.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
General purpose funding	4,447,348	4,397,501	4,515,049
Governance	4,081	6,271	5,567
Law, order and public safety	444,330	262,052	376,061
Health	7,287	9,084	7,802
Education and welfare	186,364	161,863	671,540
Community amenities	595,991	483,366	439,927
Recreation and culture	341,628	310,861	203,247
Transport	138,516	59,971	89,589
Economic services	6,584	6,813	7,574
Other property and services	295,442	288,711	413,992
	<u>6,467,571</u>	<u>5,986,493</u>	<u>6,730,348</u>
Non-operating grants, subsidies and contributions			
Education and welfare	7,895	0	0
Community amenities	15,616,783	770,000	5,585,941
Recreation and culture	3,011,991	4,197,172	1,296,426
Transport	11,095,680	8,923,779	17,358,177
Other property and services	455	0	55,531
	<u>29,732,804</u>	<u>13,890,951</u>	<u>24,296,075</u>
	<u><u>36,200,375</u></u>	<u><u>19,877,444</u></u>	<u><u>31,026,423</u></u>
Fees and charges			
General purpose funding	458,913	989,086	428,727
Law, order and public safety	388,024	330,550	388,477
Health	329,651	350,460	142,224
Education and welfare	194,387	207,143	170,175
Community amenities	17,784,023	17,584,406	17,612,915
Recreation and culture	3,465,750	3,871,480	1,517,833
Transport	284,464	231,850	139,472
Economic services	2,116,718	1,961,513	1,995,819
Other property and services	0	92,470	188,868
	<u>25,021,930</u>	<u>25,618,958</u>	<u>22,584,510</u>

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3. REVENUE AND EXPENSES (continued)

(a) Revenue (continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest earnings			
Reserve funds	920,255	2,434,688	1,601,037
Other funds	328,773	1,107,040	726,786
Rates instalment and penalty interest (Note 26)	193,897	600,000	773,749
	<u>1,442,925</u>	<u>4,141,728</u>	<u>3,101,572</u>
Other revenue			
Discount received	2,830	0	8,043
Impairment gain on receivables	0	0	27,635
Others	153,119	200	367,361
	<u>155,949</u>	<u>200</u>	<u>403,039</u>

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

The City receives:

- Financial assistance grants;
- Operating grants, subsidies and contributions to deliver various programs and events within the City; and
- Non-operating grants, subsidies and contributions to acquire or construct recognisable non-financial assets to be controlled by the City.

Financial Assistance Grants are recognised when monies are received as the City does not have an obligation to refund the monies.

The City has an obligation to refund monies for operating and non-operating grants, subsidies and contributions. Revenue is recognised over time when the City satisfies its performance obligation under the grant and contribution contract.

Fees and charges

Fees and charges revenue relates to fees from the use of facilities and charges made for local government services, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

Revenue is recognised when the services or goods are provided.

Interest earnings

Interest earnings are recognised on an accruals basis taking into account interest rates applicable to the financial assets.

Other revenue

Other revenue relates to sale of minor equipment, discounts and rebates received. Revenue is recognised when the sale of minor equipment occurs or when discount and rebate is received.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3. REVENUE AND EXPENSES (continued)

(b) Expenses

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration			
Audit of the annual financial report	83,120	64,000	55,860
Audit of grant acquittals	1,800	2,200	0
	<u>84,920</u>	<u>66,200</u>	<u>55,860</u>
 Interest expenses (Finance costs)			
Operating:			
- Interest on loan facilities	352,262	345,471	343,237
- Interest on lease liabilities	5,661	5,550	9,523
Capital interest on loan facilities	58,330	86,917	5,142
	<u>416,253</u>	<u>437,938</u>	<u>357,902</u>
 Other expenses			
Elected Members remuneration (Note 28 (a))	546,518	573,220	552,833
Election expenditure	0	0	253,482
Community sponsorship and donations	183,529	263,909	328,356
Rate waivers (Note 25)	1,535,484	1,529,264	114,361
Refund of fees and charges	14,975	11,645	17,986
ESL council properties	78,870	83,383	78,996
Developer contribution reimbursements	10,544,744	0	15,491
Others	86,638	65,161	66,662
	<u>12,990,758</u>	<u>2,526,582</u>	<u>1,428,167</u>

4. CASH AND CASH EQUIVALENTS

	Note	2021 \$	2020 \$
Cash on hand		8,785	8,935
Cash at bank		14,766,982	5,605,444
Term deposits		<u>57,037,021</u>	<u>60,000,000</u>
		<u>71,812,788</u>	<u>65,614,379</u>
 Cash and cash equivalents		71,812,788	65,614,379
Term deposits classified as Financial assets at amortised cost	7	<u>76,507,007</u>	<u>70,100,000</u>
		<u>148,319,795</u>	<u>135,714,379</u>
 Comprises:			
- Unrestricted		24,811,366	20,679,568
- Restricted		<u>123,508,429</u>	<u>115,034,811</u>
		<u>148,319,795</u>	<u>135,714,379</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. CASH AND CASH EQUIVALENTS (continued)

The following restrictions have been imposed by regulations or other externally imposed requirements:

	Note	2021 \$	2020 \$
Restricted Cash and Financial assets at amortised cost			
Reserves - cash backed	18	119,632,928	113,605,484
Contract liabilities from transfers for recognisable non-financial assets	15	3,730,425	1,210,708
Contract liabilities from contracts with customers	15	145,076	218,619
		<u>123,508,429</u>	<u>115,034,811</u>

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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

5. TRADE AND OTHER RECEIVABLES

	2021 \$	2020 \$
Current		
Rates receivables	7,472,834	7,040,434
Sundry receivables	1,262,100	300,422
Allowance for impairment of receivables	(9,814)	(6,586)
GST receivables	707,229	550,209
Accrued revenue	490,361	652,686
Capital grant receivables	15,745	636,208
	<u>9,938,455</u>	<u>9,173,373</u>
Non-current		
Pensioner's rates and ESL deferred	<u>1,595,265</u>	<u>1,487,045</u>

SIGNIFICANT ACCOUNTING POLICIES

Rates and sundry receivables

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

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

Accrued revenue

Accrued revenue is recognised when the City has yet to receive payment for goods or services provided. It includes accrued interest income and royalties.

Capital grant receivables

Capital grant receivables are recognised when money has been spent by the City to acquire or construct non-financial assets that are controlled by the City and the City is entitled to, but has not yet received those capital funds from the grantor.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

5. TRADE AND OTHER RECEIVABLES (continued)

SIGNIFICANT ACCOUNTING POLICIES

Impairment and risk exposure

Information about the impairment of sundry receivables and their exposure to credit risk and interest rate risk can be found in Note 31.

Classification and subsequent measurement

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.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

6. INVENTORIES

	2021	2020
	\$	\$
Current		
Fuel and materials	341,816	268,179
Land under development and developed land - cost		
- Acquisition cost	845,373	1,101,300
- Work in progress	9,150	2,460,921
	<u>1,196,339</u>	<u>3,830,400</u>
Non-current		
Land under development and developed land - cost		
- Acquisition cost	1,206,977	1,292,856
	<u>1,206,977</u>	<u>1,292,856</u>

The following movements in inventories occurred during the year:

	Note	2021	2020
		\$	\$
Carrying amount at 1 July		5,123,256	3,037,254
Inventories expensed during the year		(1,274,691)	(1,388,538)
Additions to fuel and materials		1,348,327	1,375,925
Write down to net realisable value		0	(70,400)
Additions to land under development and developed land		1,422,911	2,191,587
Sale/disposals of inventory	11(b)	(3,515,585)	0
Transfers between asset classes		(700,902)	(22,572)
Carrying amount at 30 June		<u>2,403,316</u>	<u>5,123,256</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

6. INVENTORIES (continued)

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 under development and developed land

Land under development and developed land 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. 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 on to the buyer at this point.

Land under development and developed land is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

7. OTHER FINANCIAL ASSETS

	2021	2020
	\$	\$
Current		
Financial assets at amortised cost		
- Term deposits	<u>76,507,007</u>	<u>70,100,000</u>
Non-current		
Financial assets at fair value through profit and loss		
- Units in Local Government House Trust	184,517	178,053
- Share in Rivers Regional Council	<u>100,796</u>	<u>213,246</u>
	<u>285,313</u>	<u>391,299</u>

The following movement in Financial assets at fair value through profit and loss occurred during the year:

	2021	2020
	\$	\$
Carrying amount at 1 July	391,299	175,171
Initial recognition of Investment in Rivers Regional Council	0	185,326
Unrealised gain - Investment in Local Government House Trust	6,464	2,882
Unrealised (loss) / gain - Investment in Rivers Regional Council	<u>(112,450)</u>	<u>27,920</u>
Carrying amount at 30 June	<u>285,313</u>	<u>391,299</u>

The equity the City has in the Local Government House Trust ("the Trust") is as a consequence of a contribution towards the cost of purchasing 10 units in the Trust. The total contribution by all Councils towards the cost of the WALGA building was \$582,000. There are 620 units in the Trust.

Changes in fair value of units in the Trust have been recognised based on the audited financial statements of the Trust as at 30 June 2020 as the audited financial statements as at 30 June 2021 were not available at the time of the preparation of the financial report. Changes in the fair value of units in the Trust as at 30 June 2021 are unlikely to be material.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

7. OTHER FINANCIAL ASSETS (continued)

The City's investment in Rivers Regional Council (the "Council") represents a 31.53% share in Net Assets of \$319,709. Changes in fair value of the share in Rivers Regional Council have been recognised based on the audited financial statements of the Council as at 30 June 2020 as the audited financial statements as at 30 June 2021 were not available at the time of the preparation of the financial report. Changes in the fair value of units in the Council as at 30 June 2021 are unlikely to be material.

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at amortised cost

The City classifies financial assets at amortised cost if the following criteria are met:

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

Financial assets at fair value through profit and loss

The City classifies the following financial assets at fair value through profit and loss:

- Equity investments which the City has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk exposure

Information regarding impairment and exposure to risk can be found at Note 31.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

8. PROPERTY, PLANT AND EQUIPMENT

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

Year ended 30 June 2021	Land	Buildings	Furniture and Equipment	Plant and Equipment	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	136,502,596	100,968,588	5,657,470	10,089,061	253,217,715
Additions					
- Completed Works	1,912,874	955,080	697,768	1,086,355	4,652,077
- Works in Progress	0	4,542,196	0	0	4,542,196
	1,912,874	5,497,276	697,768	1,086,355	9,194,273
Reclassification	0	(71,377)	(2,726)	2,726	(71,377)
Disposals	(13,347)	0	(9,266)	(164,300)	(186,913)
Depreciation	0	(3,347,500)	(1,601,555)	(2,622,368)	(7,571,423)
Carrying amount at 30 June 2021	138,402,123	103,046,987	4,741,691	8,391,474	254,582,275
Comprises					
Gross carrying amount at 30 June 2021	138,402,123	193,050,794	15,796,973	21,425,301	368,675,191
Less: Accumulated depreciation at 30 June 2021	0	(90,003,807)	(11,055,282)	(13,033,827)	(114,092,916)
Carrying amount at 30 June 2021	138,402,123	103,046,987	4,741,691	8,391,474	254,582,275

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

8. PROPERTY, PLANT AND EQUIPMENT (continued)

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

Year ended 30 June 2020	Land \$	Buildings \$	Furniture and Equipment \$	Plant and Equipment \$	Total \$
Balance at 1 July 2019	145,798,031	102,026,891	5,188,900	11,959,915	264,973,737
Additions					
- Completed Works	3,561,136	1,759,460	922,697	1,187,581	7,430,874
- Developer Contributed Assets	0	0	777,000	0	777,000
- Works in Progress	12,700	572,022	0	0	584,722
	3,573,836	2,331,482	1,699,697	1,187,581	8,792,596
Reclassification	26,172	(92,737)	0	0	(66,565)
Disposals	(814,131)	(31,395)	0	(372,691)	(1,218,217)
Depreciation	0	(3,265,653)	(1,231,127)	(2,685,744)	(7,182,524)
Revaluation decrements transferred to revaluation surplus	(12,081,312)	0	0	0	(12,081,312)
Carrying amount at 30 June 2020	<u>136,502,596</u>	<u>100,968,588</u>	<u>5,657,470</u>	<u>10,089,061</u>	<u>253,217,715</u>
Comprises					
Gross carrying amount at 30 June 2020	136,502,596	187,624,896	15,111,197	21,051,820	360,290,509
Less: Accumulated depreciation at 30 June 2020	0	(86,656,308)	(9,453,727)	(10,962,759)	(107,072,794)
Carrying amount at 30 June 2020	<u>136,502,596</u>	<u>100,968,588</u>	<u>5,657,470</u>	<u>10,089,061</u>	<u>253,217,715</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

9. INFRASTRUCTURE

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year

Year ended 30 June 2021	Roads, Footpaths and Kerbs	Bridges (Road)	Drainage	Park Development	Others	Total
	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2020	605,671,758	46,003,248	262,212,841	75,577,034	17,992,210	1,007,457,091
Additions						
- Completed Works	3,159,935	125,334	777,161	2,783,477	213,301	7,059,208
- Developer Contributed Assets	2,714,305	91,146	1,964,039	492,722	18,036	5,280,248
- Works in Progress	8,577,905	0	0	702,150	61,492	9,341,547
	14,452,145	216,480	2,741,200	3,978,349	292,829	21,681,003
Reclassification	671,316	(8,581,330)	139,314	8,138,611	404,368	772,279
Disposals	0	0	0	(341,814)	(1,228)	(343,042)
Depreciation	(8,864,706)	(862,593)	(3,717,593)	(4,821,916)	(438,187)	(18,704,995)
Carrying amount at 30 June 2021	<u>611,930,513</u>	<u>36,775,805</u>	<u>261,375,762</u>	<u>82,530,264</u>	<u>18,249,992</u>	<u>1,010,862,336</u>
Comprises:						
Gross carrying amount at 30 June 2021	719,681,211	75,045,127	371,971,309	113,261,539	24,662,443	1,304,621,629
Accumulated depreciation at 30 June 2021	(107,750,698)	(38,269,322)	(110,595,547)	(30,731,275)	(6,412,451)	(293,759,293)
Carrying amount at 30 June 2021	<u>611,930,513</u>	<u>36,775,805</u>	<u>261,375,762</u>	<u>82,530,264</u>	<u>18,249,992</u>	<u>1,010,862,336</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

9. INFRASTRUCTURE (continued)

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

Year ended 30 June 2020	Roads, Footpaths and Kerbs	Bridges	Drainage	Park Development	Others	Total
	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2019	600,038,984	45,381,356	258,880,889	76,423,883	17,733,744	998,458,856
Additions						
- Completed Works	9,838,977	1,732,689	1,032,557	1,129,471	677,305	14,410,999
- Developer Contributed Assets	3,506,046	0	5,873,365	113,399	12,296	9,505,106
- Works in Progress	789,400	0	56,883	2,383,269	586	3,230,138
	14,134,423	1,732,689	6,962,805	3,626,139	690,187	27,146,243
Reclassification	0	0	0	92,737	0	92,737
Disposals	0	0	0	(271,111)	(14,801)	(285,912)
Depreciation	(8,501,649)	(1,110,797)	(3,630,853)	(4,294,614)	(416,920)	(17,954,833)
Carrying amount at 30 June 2020	<u>605,671,758</u>	<u>46,003,248</u>	<u>262,212,841</u>	<u>75,577,034</u>	<u>17,992,210</u>	<u>1,007,457,091</u>
Comprises:						
Gross carrying amount at 30 June 2020	704,557,750	87,276,593	369,090,796	97,965,007	23,989,846	1,282,879,992
Accumulated depreciation at 30 June 2020	(98,885,992)	(41,273,345)	(106,877,955)	(22,387,973)	(5,997,636)	(275,422,901)
Carrying amount at 30 June 2020	<u>605,671,758</u>	<u>46,003,248</u>	<u>262,212,841</u>	<u>75,577,034</u>	<u>17,992,210</u>	<u>1,007,457,091</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. INTANGIBLE ASSETS

Movement in the carrying amount of Intangible assets between the beginning and the end of the year.

	Note	2021 \$	2020 \$
Computer Software:			
Balance at 1 July		2,392,198	2,849,144
Additions			
Capitalised		37,500	43,090
Work in progress		21,175	40,200
Amortisation expense	11(c)	(494,766)	(540,236)
Carrying amount at 30 June		<u>1,956,107</u>	<u>2,392,198</u>
 Comprises:			
Gross carrying amount at 30 June		4,819,965	4,761,290
Accumulated amortisation at 30 June		(2,863,858)	(2,369,092)
Carrying amount at 30 June		<u>1,956,107</u>	<u>2,392,198</u>

11. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE AND INTANGIBLE ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Intangible assets are carried at cost or fair value as indicated less, where applicable, any accumulated amortisation and impairment losses.

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

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 that are acquired at no 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 City 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 and infrastructure 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.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE AND INTANGIBLE ASSETS (continued)

SIGNIFICANT ACCOUNTING POLICIES (continued)

Revaluation

In accordance with the regulatory framework the fair value of land, buildings and infrastructure is determined within a period of five years. This includes buildings and infrastructure items where pre-existing improvements exist on vested land acquired by the City. 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, 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

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 City to measure the vested improvements as part of the related right of use (ROU) assets at zero cost.

Refer to Note 13 that details the significant accounting policies applying to leases (including ROU assets).

Land under roads prior to 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 ROU 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.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE AND INTANGIBLE ASSETS (continued)

(a) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last Valuation	Inputs used
Property Plant and Equipment					
Land	Level 2	Market Approach	Management	30 June 2020	Price per square metre
	Level 3	Income Approach	Management	30 June 2020	
	Level 3	Market Approach	Management	30 June 2020	
	Level 3	Cost Approach	Independent	30 June 2017	
Buildings					Estimates of useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
Infrastructure					
Roads, Footpaths and Kerbs	Level 3	Cost Approach	Management	30 June 2018	Determination of gross replacement cost for each component, after adjusting for the differences in service potential between the existing asset and a modern equivalent. Estimates of useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
Bridges (Road)	Level 3	Cost Approach	Independent	30 June 2018	
Drainage	Level 3	Cost Approach	Management	30 June 2018	
Park Development	Level 3	Cost Approach	Management	30 June 2018	
Other Infrastructure	Level 3	Cost Approach	Management	30 June 2018	

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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11. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE AND INTANGIBLE ASSETS (continued)

(a) Fair Value Measurements (continued)

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last Valuation	Inputs used
Intangibles					
Intangibles	Level 2	Market Approach	Management	30 June 2019	Estimates of remaining useful life, pattern of consumption and asset obsolescence to assess level of remaining service potential of the depreciable amount.
	Level 3	Cost Approach	Management	30 June 2019	

The timing of valuation(s) complies with the statutory requirement of regulation 17A (4) of the *Local Government (Financial Management) Regulations 1996*; which requires specific asset classes to be revalued by a specific date.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the City to determine the fair value of the above asset classes using either level 2 or level 3 inputs.

CITY OF GOSNELLS
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11. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE AND INTANGIBLE ASSETS (continued)

(b) Asset Disposals

Asset Class / Program	2021		2021		2021		2020		2020	
	Net Book Value		Sale Proceeds		Profit / (Loss)		Net Book Value		Sale Proceeds	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Land under Development and Developed Land										
- Other properties and services	3,515,585	505,450	3,215,807	4,290,000	(299,778)	3,784,550	0	0	0	0
Land under Development and Developed Land	3,515,585	505,450	3,215,807	4,290,000	(299,778)	3,784,550	0	0	0	0
Infrastructure Assets										
Other Infrastructure										
- Transport	1,228	0	0	0	(1,228)	0	3,781	0	0	(3,781)
- Community amenities	0	0	0	0	0	0	11,020	0	0	(11,020)
Park Development										
- Recreation and culture	341,814	0	0	0	(341,814)	0	271,111	0	0	(271,111)
Total Infrastructure Assets	343,042	0	0	0	(343,042)	0	285,912	0	0	(285,912)
Balance carried forward	3,858,627	505,450	3,215,807	4,290,000	(642,820)	3,784,550	285,912	0	0	(285,912)

CITY OF GOSNELLS
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FOR THE YEAR ENDED 30 JUNE 2021

11. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE AND INTANGIBLE ASSETS (continued)

(b) Asset Disposals (continued)

Asset Class / Program	2021		2021		2021		2020		2020	
	Net Book Value		Sale Proceeds		Profit / (Loss)		Net book value		Sale Proceeds	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance brought forward	3,858,627	505,450	3,215,807	4,290,000	(642,820)	3,784,550	285,912	0	0	(285,912)
Property, Plant and Equipment										
- Community amenities	0	0	0	0	0	0	52,207	28,287		(23,920)
- Other properties and services	0	0	0	0	0	0	154,642	180,634		25,992
- Law, order, public safety	0	0	0	0	0	0	82,962	43,878		(39,084)
- Transport	164,300	791,450	275,388	479,000	111,088	(312,450)	82,880	38,070		(44,810)
Land										
- Other Properties and Services	0	0	0	0	0	0	814,131	0		(814,131)
- Community amenities	13,347	0	66,125	0	52,778	0	0	0		0
Buildings										
- Other Properties and Services	0	0	0	0	0	0	490	0		(490)
- Recreation and culture	0	198,216	0	0	0	(198,216)	30,905	0		(30,905)
Furniture and Equipment										
- Education and welfare	297	0	150	0	(147)	0	0	0		0
- Other properties and services	4,780	0	0	0	(4,780)	0	0	1,160		1,160
- Recreation and culture	4,189	0	55	0	(4,134)	0	0	1,449		1,449
Total Property, Plant and Equipment	186,913	989,666	341,718	479,000	154,805	(510,666)	1,218,217	293,478		(924,739)
	4,045,540	1,495,116	3,557,525	4,769,000	(488,015)	3,273,884	1,504,129	293,478		(1,210,651)

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE AND INTANGIBLE ASSETS (continued)

(b) Asset Disposals (continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Profit	2,887,654	4,139,558	44,702
Loss	<u>(3,375,671)</u>	<u>(865,674)</u>	<u>(1,255,353)</u>
Net	<u><u>(488,017)</u></u>	<u><u>3,273,884</u></u>	<u><u>(1,210,651)</u></u>

(c) Depreciation and Amortisation

By Asset Class	2021 Actual \$	2021 Budget \$	2020 Actual \$
Bridges (Road)	862,593	1,128,504	1,110,797
Buildings	3,347,500	3,363,193	3,265,653
Drainage	3,717,593	3,704,411	3,630,853
Furniture and equipment	1,601,555	1,121,430	1,231,127
Intangible assets	494,766	487,663	540,236
Other infrastructure	438,187	391,383	416,920
Park development	4,821,916	4,338,496	4,294,614
Plant and equipment	2,366,228	2,400,782	2,476,743
Right of use assets	27,379	26,095	25,816
Roads, footpaths and kerbs	<u>8,864,706</u>	<u>8,770,740</u>	<u>8,501,649</u>
	26,542,423	25,732,697	25,494,408
Depreciation Capitalised			
Plant and equipment	256,140	184,296	209,001
Total Depreciation and Amortisation	<u><u>26,798,563</u></u>	<u><u>25,916,993</u></u>	<u><u>25,703,409</u></u>

SIGNIFICANT ACCOUNTING POLICIES

Depreciation and Amortisation

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 component's useful life from the time the asset is held ready for use or depreciated over its remaining useful life once revalued. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

The assets 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.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE AND INTANGIBLE ASSETS (continued)

SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Depreciation and Amortisation Rates

Major estimated useful lives for each asset class for the current and prior years are:

Asset Class	Years
Bridges - roads	60 to 100
Buildings	5 to 100
Drainage	15 to 100
Furniture and equipment	2 to 75
Intangible assets	1 to 10
Other infrastructure	10 to 100
Park development	10 to 100
Plant and equipment	2 to 20
Right of use assets	Based on the remaining lease
Roads, Kerbing and Paths	
Subgrade	Infinite
Access roads - pavement	Infinite
Distributor roads - pavement	54 to 75
Surface	18 to 30
Kerbs	36 to 60
Paths	30 to 80
Land	Infinite

CITY OF GOSNELLS
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12. REVALUATION SURPLUS

Revaluation surpluses have arisen on revaluation of the following classes of Non-Current assets:

	2021	2021	2021	2021	2020	2020	2020	2020
	Opening Balance	Reclassification	Revaluation Write back on Disposals	Closing Balance	Opening Balance	Revaluation Increment / (Decrement)	Revaluation Write back on Disposals	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$
Land and buildings	153,119,773	0	(608,442)	152,511,331	165,682,905	(12,081,312)	(481,820)	153,119,773
Plant and equipment	1,461,244	0	(90,815)	1,370,429	1,686,851	0	(225,607)	1,461,244
Furniture and equipment	2,785,860	0	0	2,785,860	2,785,860	0	0	2,785,860
Roads, footpaths and kerbs	406,197,641	0	0	406,197,641	406,197,641	0	0	406,197,641
Bridges (Road)	14,320,887	(2,055,659)	(1,354)	12,263,874	14,320,887	0	0	14,320,887
Drainage	214,703,646	0	0	214,703,646	214,703,646	0	0	214,703,646
Other infrastructure	13,264,378	0	5,706	13,270,084	13,256,791	0	7,587	13,264,378
Intangible assets	2,729,029	0	0	2,729,029	2,729,029	0	0	2,729,029
Park developments	41,257,600	2,055,659	(381,425)	42,931,834	41,374,897	0	(117,297)	41,257,600
	849,840,058	0	(1,076,330)	848,863,728	862,738,507	(12,081,312)	(817,137)	849,840,058

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as required by AASB 116 *Property, Plant and Equipment* paragraph Aus 40.1.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

13. LEASES

(a) Right of Use Assets

Movement in the carrying amount of Right of use assets between the beginning and the end of the year.

	2021 \$	2020 \$
Colour printer copier machines:		
Balance as at 1 July	70,060	0
Recognised on initial application of AASB 16	0	104,378
Additions	0	4,545
Depreciation	(27,379)	(38,863)
Carrying amount at 30 June	<u>42,681</u>	<u>70,060</u>
Cash outflow from leases		
Interest expense on lease liabilities	5,661	7,551
Lease liabilities principal repayments	26,944	23,790
Total cash outflow from leases	<u>32,605</u>	<u>31,341</u>
Other expenses relating to leases		
Short-term lease payments recognised as expense	<u>18,064</u>	<u>18,675</u>

The City has 2 leases relating to plant and equipment, specifically colour printer copier machines. The lease term for both leases is 4 years. Potential exposure to future cash flows is not reflected in the measurement of lease liabilities.

(b) Lease Liabilities

	2021 \$	2020 \$
Current	29,507	26,944
Non-Current	17,607	47,114
	<u>47,114</u>	<u>74,058</u>

Particulars/Purpose	Interest Rate	Lease Principal outstanding at 1 July \$	New Leases \$	Lease Principal repayments \$	Lease Principal outstanding at 30 June \$	Actual Interest repayments \$
Other Properties and Services						
Year ended 30 June 2021						
Colour printer copier machines	0.77% - 0.82%	74,058	0	(26,944)	47,114	(5,661)
Year ended 30 June 2020						
Colour printer copier machines	0.77% - 0.82%	93,303	4,545	(23,790)	74,058	(7,551)

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

13. LEASES (continued)

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the City 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.

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.

Right of use assets and Lease liability

At the commencement date, a right of use (ROU) 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.

ROU assets are subsequently measured under the cost model and are not revalued. All ROU assets (other than vested improvements) under zero cost concessionary leases (peppercorn leases) are measured at zero cost (i.e. not included in the balance sheet). 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 11 that details the significant accounting policies applying to vested improvements.

ROU 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 ROU asset reflects that the City anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

14. TRADE AND OTHER PAYABLES

	2021 \$	2020 \$
Current		
Trade creditors	4,583,862	3,007,530
Bonds and deposits	2,899,909	1,703,124
Accrued expenditure	1,945,140	3,460,109
Income in advance	5,797,488	4,888,829
	<u>15,226,399</u>	<u>13,059,592</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City 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 liabilities and are normally paid within 14 days of recognition.

Income in advance

Income in advance represent liabilities arising from payments received by the City prior to satisfying its obligation to provide goods or render service. Current year income in advance mainly comprises prepaid rates.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

15. CONTRACT, GRANT AND CONTRIBUTION LIABILITIES

	2021 \$	2020 \$
Current		
Contract liabilities from contracts with customers	145,076	218,619
Capital grant liabilities	3,730,425	1,210,708
Developer Contribution Plan liability	5,895,401	9,240,426
	<u>9,770,903</u>	<u>10,669,753</u>
Non-current		
Developer Contribution Plan liability	<u>21,150,815</u>	<u>20,369,630</u>

Movement in the carrying amount of Capital grant liabilities and Developer Contribution Plan liability between the beginning and the end of the year.

	Capital grant liabilities Actual \$	Developer Contribution Plan liability Actual \$
Balance as at 1 July 2020	1,210,708	29,610,055
Additions	10,589,234	12,797,606
Revenue recognised during the year	<u>(8,069,517)</u>	<u>(15,361,445)</u>
Carrying amount as at 30 June 2021	<u>3,730,425</u>	<u>27,046,216</u>

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the City's obligation to transfer goods or services to customers for which the City has received consideration from customers.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant liabilities

Capital grant liabilities are recognised for transfers received to acquire or construct non-financial assets that are to be controlled by the City where the City has yet to perform the obligations under the transfers.

Capital grant liabilities are recognised as revenue when the obligations under the transfers are performed.

Developer Contribution Plan liability

The City receives contributions from landowners as required under developer contribution arrangements. In accordance with State Planning Policy 3.6 "Infrastructure Contributions", the contributions are recognised in the City's cash-backed reserves (refer to Note 18). Developer contribution plan liabilities represent the unspent contributions from the developer contribution plan relating to construction and/or acquisition of assets that will be controlled by the City.

Developer Contributions are recognised as revenue when the performance obligations in the arrangement are satisfied, i.e. when the arrangement reimburses the City or developer for the construction and/or acquisition of assets.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

16. INFORMATION ON BORROWINGS

(a) Borrowings

	2021 \$	2020 \$
Current	2,457,922	2,400,972
Non-Current	15,273,661	14,164,683
	<u>17,731,583</u>	<u>16,565,655</u>

(b) Repayments - Borrowings

Year ended 30 June 2021	Interest Rate	2021 Actual Principal at 1 July	2021 Actual New Loans	2021 Actual Principal repayments	2021 Actual Principal outstanding at 30 June	2021 Actual Interest repayments	2021 Budget Principal at 1 July	2021 Budget New Loans	2021 Budget Principal repayments	2021 Budget Principal outstanding at 30 June	2021 Budget Interest repayments
Particulars/Purpose		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Community Amenities											
Central Maddington ODP Infrastructure	1.52%	10,000,000	0	(933,246)	9,066,754	(156,752)	10,000,000	0	(933,245)	9,066,755	(213,574)
Recreation and Culture											
Mills Park Redevelopment	2.91%	4,532,555	0	(1,467,726)	3,064,829	(216,563)	4,532,554	0	(1,467,726)	3,064,828	(131,897)
Other Property and Services											
Robinson Park Subdivision and Park Development	0.52%	2,033,100	5,600,000	(2,033,100)	5,600,000	(29,876)	4,910,000	690,000	0	5,600,000	(86,917)
		<u>16,565,655</u>	<u>5,600,000</u>	<u>(4,434,072)</u>	<u>17,731,583</u>	<u>(403,191)</u>	<u>19,442,554</u>	<u>690,000</u>	<u>(2,400,971)</u>	<u>17,731,583</u>	<u>(432,388)</u>

Central Maddington ODP Infrastructure long term loan facility repayment will be financed by general purpose revenue.
Mills Park Redevelopment loan facility repayments will be financed by general purpose revenue.
Robinson Park Subdivision and Park Development loan facility repayments will be financed by sale of land proceeds.
All borrowings are obtained from the WA Treasury Corporation (WATC).

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

16. INFORMATION ON BORROWINGS (continued)

(b) Repayments - Borrowings (continued)

Year ended 30 June 2020	Interest Rate	2020		2020		2020		2020	
		Actual	Principal at 1 July	Actual	New Loans	Actual	Principal repayments	Actual	Principal outstanding at 30 June
Particulars/Purpose		\$		\$		\$		\$	
Community Amenities									
Central Maddington ODP Infrastructure	1.52%	4,800,000	10,000,000	(4,800,000)	10,000,000	(97,566)			
Recreation and Culture									
Mills Park Redevelopment	2.91%	5,958,778	0	(1,426,223)	4,532,555	(194,428)			
Other Property and Services									
Robinson Park Subdivision and Park Development	0.69%	0	2,033,100	0	2,033,100	0			
		10,758,778	12,033,100	(6,226,223)	16,565,655	(291,994)			

(c) New Borrowings

Particulars/Purpose	Facility Limit	Amount Borrowed		Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used		Balance Unspent
		Actual	Budget					Actual	Budget	
		\$	\$			\$		\$	\$	\$
Other Properties and Services										
Robinson Park Subdivision and Park Development	5,600,000	5,600,000	0	Short Term	3	58,330	0.52%	5,600,000	0	0

All borrowings are obtained from WATC.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

16. INFORMATION ON BORROWINGS (continued)

(d) Unspent Borrowings

The City did not have any unspent loan funds as at 30 June 2021.

(e) Undrawn Borrowing Facilities

	2021	2020
	\$	\$
Credit Standby Arrangements*		
Credit card limit	300,000	300,000
Credit card balance at balance date	<u>(3,478)</u>	<u>(55,088)</u>
Total amount of credit unused	<u><u>296,522</u></u>	<u><u>244,912</u></u>
 Loan facilities		
Loan facilities - current	2,457,922	2,400,972
Loan facilities - non-current	<u>15,273,661</u>	<u>14,164,683</u>
Total facilities in use at 30 June	<u><u>17,731,583</u></u>	<u><u>16,565,655</u></u>
 Loan facilities at balance date**		
Loan facilities in use	17,731,583	16,565,655
Loan facilities not in use	7,868,417	9,034,345

* The City does not have an overdraft facility during the financial year.

** Funds only available for the purposes detailed in Note 16(b).

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are recognised at fair value when the City 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 exposure

Information regarding exposure to risk can be found at Note 31.

17. EMPLOYEE RELATED PROVISIONS

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17. EMPLOYEE RELATED PROVISIONS (continued)

Annual leave liabilities

Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2021	2020
	\$	\$
Within 12 months of the end of the reporting period	2,758,152	2,703,870
More than 12 months after the end of the reporting period	<u>1,635,264</u>	<u>1,379,741</u>
	<u><u>4,393,416</u></u>	<u><u>4,083,611</u></u>

Long service leave liabilities

Unconditional long service leave provisions are classified as current liabilities as the City does not have an unconditional right to defer settlement of the liability until the employee has completed requisite years of service. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2021	2020
	\$	\$
Within 12 months of the end of the reporting period	4,055,412	3,495,951
More than 12 months after the end of the reporting period	<u>1,545,140</u>	<u>1,727,085</u>
	<u><u>5,600,552</u></u>	<u><u>5,223,036</u></u>

The provision for long service leave is calculated at the present value as the City does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Employment On-Cost Provision

The settlement of annual leave and long service leave liabilities give rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expense when the employment to which they relate has occurred. Employment on-costs are included as part of 'Employee Costs' in the Statement of Comprehensive Income. The related liability is included in 'Employment On-Costs' provision.

	2021	2020
	\$	\$
Carrying amount at beginning of period	978,126	1,064,350
Additional (reversal of) provisions recognised	<u>371,299</u>	<u>(86,224)</u>
	<u><u>1,349,425</u></u>	<u><u>978,126</u></u>

CITY OF GOSNELLS
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17. EMPLOYEE RELATED PROVISIONS (continued)

Deferred Salaries

Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2021 \$	2020 \$
Within 12 months of the end of the reporting period	67,431	34,850
More than 12 months after the end of the reporting period	113,879	81,330
	<u>181,310</u>	<u>116,180</u>

Accrued Rostered Day Off (RDO)

Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur within 12 months of the end of the reporting period.

Time Off in Lieu (TOIL)

Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur within 12 months of the end of the reporting period.

Employee numbers

The number of full-time equivalent employees as at:

30 June 2020	449
30 June 2021	451

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

Provision is made for the City's obligations for short-term employee benefits. Short-term employee benefits (other than termination benefits) 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, sick leave, accrued RDO and TOIL. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The City'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

The City'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 remeasurement 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 City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City 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.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

17. EMPLOYEE RELATED PROVISIONS (continued)

SIGNIFICANT ACCOUNTING POLICIES

Provisions

Provisions are recognised when the City 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.

18. CASH-BACKED RESERVES

(a) Summary of movements

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Ordinary Reserves			
a) Asset Management			
Opening Balance	971,723	909,242	2,148,979
Amount set aside / transfer to reserve	7,539	20,268	163,716
Amount used / transfer from reserve	(24,461)	0	(40,972)
Transfers between reserves - Equity	0	0	(1,300,000)
	<u>954,801</u>	<u>929,510</u>	<u>971,723</u>
b) Central Maddington City Funded Common Infrastructure Works			
Opening Balance	5,188,231	5,197,657	0
Amount set aside / transfer to reserve	39,701	33,253	5,212,547
Amount used / transfer from reserve	(2,117,211)	(3,705,886)	(24,316)
	<u>3,110,721</u>	<u>1,525,024</u>	<u>5,188,231</u>
c) Community Infrastructure Reserve			
Opening Balance	9,747,815	14,437,050	0
Amount set aside / transfer to reserve	7,062,039	551,092	4,246,789
Amount used / transfer from reserve	(2,324,856)	(2,841,506)	(2,159,365)
Transfers between reserves - Equity	0	0	7,660,391
	<u>14,484,998</u>	<u>12,146,636</u>	<u>9,747,815</u>
d) Covid-19 Recovery Reserve			
Amount set aside / transfer to reserve	1,495,985	1,210,875	0
Amount used / transfer from reserve	(235,745)	0	0
	<u>1,260,240</u>	<u>1,210,875</u>	<u>0</u>
e) Developer Contributions Infrastructure			
Opening Balance	743,441	746,585	711,074
Amount set aside / transfer to reserve	57,344	77,979	32,367
	<u>800,785</u>	<u>824,564</u>	<u>743,441</u>
Total ordinary reserves carried forward	20,611,545	16,636,609	16,651,210

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

18. CASH-BACKED RESERVES (continued)

(a) Summary of movements (continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Ordinary Reserves (continued)			
Total ordinary reserves brought forward	20,611,545	16,636,609	16,651,210
f) Don Russell Performing Arts Centre			
Opening Balance	0	0	371,180
Transfers between reserves - Equity	0	0	(371,180)
	<u>0</u>	<u>0</u>	<u>0</u>
g) Emergency Services			
Opening Balance	0	0	96,612
Amount set aside / transfer to reserve	0	0	24,923
Transfers between reserves - Equity	0	0	(121,535)
	<u>0</u>	<u>0</u>	<u>0</u>
h) Floodlighting Levy			
Opening Balance	0	0	58,160
Transfers between reserves - Equity	0	0	(58,160)
	<u>0</u>	<u>0</u>	<u>0</u>
i) Gosnells Oval Redevelopment			
Opening Balance	1,091,214	1,085,151	1,004,509
Amount set aside / transfer to reserve	80,971	71,360	86,705
Amount used / transfer from reserve	(169)	(230,574)	0
	<u>1,172,016</u>	<u>925,937</u>	<u>1,091,214</u>
j) Gosnells Town Centre Revitalisation			
Opening Balance	8,675,807	7,726,252	5,320,839
Amount set aside / transfer to reserve	149,566	231,846	2,039,934
Amount used / transfer from reserve	(2,712,120)	(1,636,225)	(684,966)
Transfers between reserves - Equity	0	0	2,000,000
	<u>6,113,253</u>	<u>6,321,873</u>	<u>8,675,807</u>
k) Harmony Fields			
Opening Balance	258,863	253,654	203,326
Amount set aside / transfer to reserve	55,050	57,249	55,537
Amount used / transfer from reserve	(6,180)	0	0
	<u>307,733</u>	<u>310,903</u>	<u>258,863</u>
l) Heritage Condition Reward Scheme			
Opening Balance	45,462	47,218	53,308
Amount set aside / transfer to reserve	356	891	1,014
Amount used / transfer from reserve	(3,860)	(7,260)	(8,860)
	<u>41,958</u>	<u>40,849</u>	<u>45,462</u>
Total ordinary reserves carried forward	28,246,505	24,236,171	26,722,556

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

18. CASH-BACKED RESERVES (continued)

(a) Summary of movements (continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Ordinary Reserves (continued)			
Total ordinary reserves brought forward	28,246,505	24,236,171	26,722,556
m) Insurance			
Opening Balance	640,661	640,499	628,583
Amount set aside / transfer to reserve	5,031	14,277	12,078
	<u>645,692</u>	<u>654,776</u>	<u>640,661</u>
n) Langford Oval Redevelopment			
Opening Balance	90,479	114,934	241,105
Amount set aside / transfer to reserve	46,026	29,952	31,100
Amount used / transfer from reserve	0	(49,499)	(181,726)
	<u>136,505</u>	<u>95,387</u>	<u>90,479</u>
o) Leisure World Asset Management			
Opening Balance	0	0	320,014
Transfers between reserves - Equity	0	0	(320,014)
	<u>0</u>	<u>0</u>	<u>0</u>
p) Local Government Elections			
Opening Balance	75,317	75,812	199,280
Amount set aside / transfer to reserve	127,366	130,499	129,519
Amount used / transfer from reserve	0	0	(253,482)
	<u>202,683</u>	<u>206,311</u>	<u>75,317</u>
q) Local Open Space Strategy			
Opening Balance	396,643	501,090	673,396
Amount set aside / transfer to reserve	3,451,077	4,412,367	42,545
Amount used / transfer from reserve	(256,076)	(752,381)	(218,048)
Transfers between reserves - Equity	0	0	(101,250)
	<u>3,591,644</u>	<u>4,161,076</u>	<u>396,643</u>
r) Maddington/Kenwick Revitalisation			
Opening Balance	2,598,394	2,597,737	2,549,409
Amount set aside / transfer to reserve	20,407	57,905	48,985
	<u>2,618,801</u>	<u>2,655,642</u>	<u>2,598,394</u>
s) Mills Park			
Opening Balance	412,145	408,210	411,825
Amount set aside / transfer to reserve	60,448	61,849	63,590
Amount used / transfer from reserve	(108,151)	(165,353)	(63,270)
	<u>364,442</u>	<u>304,706</u>	<u>412,145</u>
Total ordinary reserves carried forward	35,806,272	32,314,069	30,936,195

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

18. CASH-BACKED RESERVES (continued)

(a) Summary of movements (continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
7 Ordinary Reserves (continued)			
Total ordinary reserves brought forward	35,806,272	32,314,069	30,936,195
t) Operations Centre			
Opening Balance	15,141,831	15,845,285	5,329,890
Amount set aside / transfer to reserve	1,449,812	1,720,413	6,111,941
Amount used / transfer from reserve	(174,004)	(700,000)	0
Transfers between reserves - Equity	3,134,302	3,134,302	3,700,000
	<u>19,551,941</u>	<u>20,000,000</u>	<u>15,141,831</u>
u) Plant and Equipment			
Opening Balance	5,820,156	5,575,624	6,818,897
Amount set aside / transfer to reserve	1,117,421	1,018,178	1,544,472
Amount used / transfer from reserve	(812,356)	(2,034,500)	(543,213)
Transfers between reserves - Equity	(3,134,302)	(3,134,302)	(2,000,000)
	<u>2,990,919</u>	<u>1,425,000</u>	<u>5,820,156</u>
v) Rate Revaluation			
Opening Balance	292,227	681,113	523,136
Amount set aside / transfer to reserve	149,291	164,437	157,855
Amount used / transfer from reserve	0	0	(388,764)
	<u>441,518</u>	<u>845,550</u>	<u>292,227</u>
w) Recreation and Culture Infrastructure			
Opening Balance	0	0	5,489,503
Transfers between reserves - Equity	0	0	(5,489,503)
	<u>0</u>	<u>0</u>	<u>0</u>
x) Refuse Disposal Site Rehabilitation			
Opening Balance	661,849	665,784	686,612
Amount set aside / transfer to reserve	50,065	39,893	36,182
Amount used / transfer from reserve	(68,913)	(80,000)	(60,945)
	<u>643,001</u>	<u>625,677</u>	<u>661,849</u>
y) Strategic Capital Acquisition			
Opening Balance	1,517,945	1,366,695	1,231,494
Amount set aside / transfer to reserve	11,828	30,130	706,451
Amount used / transfer from reserve	(11,950)	(15,000)	(420,000)
	<u>1,517,823</u>	<u>1,381,825</u>	<u>1,517,945</u>
z) Streetscape Levy			
Amount set aside / transfer to reserve	34,160	0	0
	<u>34,160</u>	<u>0</u>	<u>0</u>
Total ordinary reserves carried forward	60,985,634	56,592,121	54,370,203

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

18. CASH-BACKED RESERVES (continued)

(a) Summary of movements (continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Ordinary Reserves (continued)			
Total ordinary reserves brought forward	60,985,634	56,592,121	54,370,203
aa) Sutherlands Park			
Opening Balance	1,051,177	1,038,954	1,019,977
Amount set aside / transfer to reserve	80,372	96,901	89,099
Amount used / transfer from reserve	(91,529)	(170,186)	(57,899)
	<u>1,040,020</u>	<u>965,669</u>	<u>1,051,177</u>
ab) Synthetic Surface Renewal			
Opening Balance	415,938	415,214	234,096
Amount set aside / transfer to reserve	3,267	9,255	190,667
Amount used / transfer from reserve	0	0	(8,825)
	<u>419,205</u>	<u>424,469</u>	<u>415,938</u>
ac) Walter Padbury Park			
Opening Balance	240,787	240,609	187,793
Amount set aside / transfer to reserve	52,549	53,913	52,994
Amount used / transfer from reserve	(104,479)	(60,774)	0
	<u>188,857</u>	<u>233,748</u>	<u>240,787</u>
ad) Waste Reserve			
Opening Balance	6,304,527	6,276,942	9,679,568
Amount set aside / transfer to reserve	2,047,651	118,741	786,985
Amount used / transfer from reserve	(221,391)	(950,000)	(462,026)
Transfers between reserves - Equity	0	0	(3,700,000)
	<u>8,130,787</u>	<u>5,445,683</u>	<u>6,304,527</u>
Total Ordinary Reserves	<u><u>70,764,503</u></u>	<u><u>63,661,690</u></u>	<u><u>62,382,632</u></u>
Planning Reserves			
ae) ODP - Canning Vale			
Opening Balance	3,744,492	5,804,095	1,047,707
Amount set aside / transfer to reserve	824,325	139,427	70,816
Amount used / transfer from reserve	(689,451)	(7,754)	(30,195)
Transfers between reserves - Equity	0	0	2,656,164
	<u>3,879,366</u>	<u>5,935,768</u>	<u>3,744,492</u>
Total planning reserves carried forward	3,879,366	5,935,768	3,744,492

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

18. CASH-BACKED RESERVES (continued)

(a) Summary of movements (continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Planning Reserves (continued)			
Total planning reserves brought forward	3,879,366	5,935,768	3,744,492
af) ODP - Central Maddington Precinct 1			
Opening Balance	(255,234)	928,943	397,038
Amount set aside / transfer to reserve	186,032	322,460	203,975
Amount used / transfer from reserve	(174,436)	(221,328)	(133,097)
Transfers between reserves - Equity	0	0	(723,150)
	<u>(243,638)</u>	<u>1,030,075</u>	<u>(255,234)</u>
ag) ODP - Central Maddington Precinct 2			
Opening Balance	1,705,441	594,090	581,590
Amount set aside / transfer to reserve	9,104	64,184	0
Amount used / transfer from reserve	(28,803)	(7,754)	(90)
Transfers between reserves - Equity	0	0	1,123,941
	<u>1,685,742</u>	<u>650,520</u>	<u>1,705,441</u>
ah) ODP - Homestead Road			
Opening Balance	702,921	936,825	405,200
Amount set aside / transfer to reserve	4,928	30,933	7,239
Amount used / transfer from reserve	(81,950)	(7,754)	(82,503)
Transfers between reserves - Equity	0	0	372,985
	<u>625,899</u>	<u>960,004</u>	<u>702,921</u>
ai) ODP - Maddington Road A and B			
Opening Balance	1,917,110	1,914,533	910,738
Amount set aside / transfer to reserve	15,018	52,726	17,239
Amount used / transfer from reserve	(11,474)	(7,754)	(17,000)
Transfers between reserves - Equity	0	0	1,006,133
	<u>1,920,654</u>	<u>1,959,505</u>	<u>1,917,110</u>
aj) ODP - Southern River Precinct 1			
Opening Balance	2,920,587	2,553,780	4,385,340
Amount set aside / transfer to reserve	0	56,506	41,617
Amount used / transfer from reserve	(1,629,037)	(18,804)	(2,491,238)
Transfers between reserves - Equity	0	0	984,868
	<u>1,291,550</u>	<u>2,591,482</u>	<u>2,920,587</u>
Total planning reserves carried forward	9,159,573	13,127,354	10,735,317

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

18. CASH-BACKED RESERVES (continued)

(a) Summary of movements (continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Planning Reserves (continued)			
Total planning reserves brought forward	9,159,573	13,127,354	10,735,317
ak) ODP - Southern River Precinct 2			
Opening Balance	12,677,245	12,645,059	6,817,339
Amount set aside / transfer to reserve	9,840,173	319,176	517,500
Amount used / transfer from reserve	(12,194,937)	(619,323)	(20,638)
Transfers between reserves - Equity	0	0	5,363,044
	<u>10,332,481</u>	<u>12,344,912</u>	<u>12,677,245</u>
al) ODP - Southern River Precinct 3			
Opening Balance	10,086,935	10,495,533	5,791,253
Amount set aside / transfer to reserve	2,377,969	525,849	247,346
Amount used / transfer from reserve	(420,944)	(663,523)	(356,166)
Transfers between reserves - Equity	0	0	4,404,502
	<u>12,043,960</u>	<u>10,357,859</u>	<u>10,086,935</u>
am) ODP - Southern River Precinct 3A			
Opening Balance	3,521,235	3,156,626	234,803
Amount set aside / transfer to reserve	251,890	90,809	10,239
Amount used / transfer from reserve	(411,964)	0	(91)
Transfers between reserves - Equity	0	0	3,276,284
	<u>3,361,161</u>	<u>3,247,435</u>	<u>3,521,235</u>
an) ODP - Southern River Precinct 3E			
Opening Balance	16,916	17,988	17,678
Amount set aside / transfer to reserve	34,740	401	338
Amount used / transfer from reserve	(597)	0	(1,100)
	<u>51,059</u>	<u>18,389</u>	<u>16,916</u>
ao) ODP - Southern River Precinct 3F			
Opening Balance	1,875	2,972	2,921
Amount set aside / transfer to reserve	14	66	54
Amount used / transfer from reserve	(597)	0	(1,100)
	<u>1,292</u>	<u>3,038</u>	<u>1,875</u>
ap) ODP - Southern River Precinct 5			
Opening Balance	69,685	69,572	68,371
Amount set aside / transfer to reserve	547	1,551	1,314
	<u>70,232</u>	<u>71,123</u>	<u>69,685</u>
Total planning reserves carried forward	35,009,758	39,170,110	37,109,208

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

18. CASH-BACKED RESERVES (continued)

(a) Summary of movements (continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Planning Reserves (continued)			
Total planning reserves brought forward	35,009,758	39,170,110	37,109,208
aq) ODP - West Canning Vale			
Opening Balance	6,002,224	5,974,618	7,792,262
Amount set aside / transfer to reserve	45,185	132,206	112,955
Amount used / transfer from reserve	(847,976)	(43,624)	(32,256)
Transfers between reserves - Equity	0	0	(1,870,737)
	<u>5,199,433</u>	<u>6,063,200</u>	<u>6,002,224</u>
ar) Public Open Space - Cash in Lieu *			
Amount set aside / transfer to reserve	562,957	0	0
	<u>562,957</u>	<u>0</u>	<u>0</u>
as) TPS - 9A			
Opening Balance	2,757,961	2,752,880	1,944,897
Amount set aside / transfer to reserve	21,578	61,191	37,292
Amount used / transfer from reserve	(32,951)	(7,754)	(6,098)
Transfers between reserves - Equity	0	0	781,870
	<u>2,746,588</u>	<u>2,806,317</u>	<u>2,757,961</u>
at) TPS - 10			
Opening Balance	66,285	0	0
Amount set aside / transfer to reserve	521	0	0
Transfers between reserves - Equity	0	0	66,285
	<u>66,806</u>	<u>0</u>	<u>66,285</u>
au) TPS - 15			
Opening Balance	1,381,438	1,258,540	507,658
Amount set aside / transfer to reserve	190,403	38,104	16,925
Amount used / transfer from reserve	(11,485)	(7,754)	(5,041)
Transfers between reserves - Equity	0	0	861,896
	<u>1,560,356</u>	<u>1,288,890</u>	<u>1,381,438</u>
av) TPS - 17			
Opening Balance	2,833,450	2,808,232	861,656
Amount set aside / transfer to reserve	22,081	72,647	16,597
Amount used / transfer from reserve	(213,712)	(7,752)	(5,070)
Transfers between reserves - Equity	0	0	1,960,267
	<u>2,641,819</u>	<u>2,873,127</u>	<u>2,833,450</u>
Total planning reserves carried forward	47,787,717	52,201,644	50,150,566

* The City has recognised actual funds collected from 12 September 2020 in Cash-in-lieu of Public Open Space in reserve to meet the requirements of Section 154 of the *Planning and Development Act 2005*.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

18. CASH-BACKED RESERVES (continued)

(a) Summary of movements (continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Planning Reserves (continued)			
Total planning reserves brought forward	47,787,717	52,201,644	50,150,566
aw) TPS - 20			
Opening Balance	1,072,286	1,069,064	416,949
Amount set aside / transfer to reserve	8,422	23,657	8,029
Amount used / transfer from reserve	0	(7,753)	0
Transfers between reserves - Equity	0	0	647,308
	<u>1,080,708</u>	<u>1,084,968</u>	<u>1,072,286</u>
Total Planning Reserves	<u>48,868,425</u>	<u>53,286,612</u>	<u>51,222,852</u>
Total Reserves	<u>119,632,928</u>	<u>116,948,302</u>	<u>113,605,484</u>

All of the above reserve accounts are to be supported by money held in financial institutions.

The total sum matches the amount shown as restricted cash in Note 4 to this financial report.

The timing of expenditure from reserves is varied depending upon the timing of projects.

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Summary of Reserves			
Opening balance	113,605,484	119,830,661	78,375,965
Amount set aside / transfers to reserves	31,827,789	12,145,416	23,177,470
Amount used / transfers from reserves	(25,800,345)	(15,027,775)	(8,758,360)
Transfers between reserves - equity	0	0	20,810,409
Total Reserves	<u>119,632,928</u>	<u>116,948,302</u>	<u>113,605,484</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

18. CASH-BACKED RESERVES (continued)

(b) Purpose of reserves

In accordance with Council resolutions in relation to each reserve account, the purposes for which the reserves are set aside are as follows:

Reserve Name	Anticipated date of use	Purpose of the Reserve
Ordinary Reserves		
Asset Management	Ongoing	To fund costs associated with asset data collection and management, including the acquisition and implementation of an asset management system.
Central Maddington City Funded Common Infrastructure Works	Ongoing	To hold the City's contribution under the Central Maddington Outline Development Plan (CMODP) and fund the provision of strategic common infrastructure works and public open space by the City within the CMODP area.
Community Infrastructure Reserve	Ongoing	To fund the improvement and development of recreation and community facilities.
Covid-19 Recovery Reserve	2021-22	To fund the recovery and stimulus activity following the Covid-19 crisis.
Developer Contributions Infrastructure	Ongoing	Developer contributions paid to the City for road and drainage infrastructure works for non-Town Planning Scheme or Outline Development Plan Projects, including funds received under Local Planning Policy 5.7 Gosnells and Beckenham Laneways.
Gosnells Oval Redevelopment	Ongoing	To fund improvement of recreation and community facilities at Gosnells Oval funded from Telco Tower leases.
Gosnells Town Centre Revitalisation	Ongoing	To fund opportunities for the redevelopment and improvement of Gosnells Town Centre.
Harmony Fields	Ongoing	To fund improvement of recreation and community facilities at Harmony Fields funded from Telco Tower leases.
Heritage Condition Reward Scheme	Ongoing	To fund the preservation or restoration of the City's significant historic items and to fund payments to owners of properties and trees listed in the City of Gosnells Heritage Inventory through the Condition Reward Scheme.
Insurance	Ongoing	To provide funds in case of calls on Council's participation in the self-insurance scheme.
Langford Oval Redevelopment	Ongoing	To fund improvement of recreation and community facilities at Langford Oval funded from Telco Tower leases.
Local Government Elections	Ongoing	For expenditure associated with holding of local government elections.
Local Open Space Strategy	Ongoing	To fund the implementation of projects (including enhancement, strategic acquisitions and disposals) identified in the Public Open Space Strategy, whereby alternative financial resources such as Public Open Space Cash In Lieu and Development Contribution Funds are not available or identified in the Strategy.
Maddington/Kenwick Revitalisation	Ongoing	To fund the cost of urban renewal in Maddington/Kenwick.
Mills Park	Ongoing	To fund improvement of recreation and community facilities at Mills Park funded from Telco Tower leases.
Operations Centre	Ongoing	To fund expenditure relating to the development of a new Operations Centre, Waste Transfer Facility, Animal Pound and Impound Yard.
Plant and Equipment	Ongoing	To fund replacement or new acquisition of plant and associated equipment.
Rate Revaluation	Ongoing	For expenditure associated with the revaluation of properties on which Council raises rates.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

18. CASH-BACKED RESERVES (continued)

(b) Purpose of reserves (continued)

Reserve Name	Anticipated date of use	Purpose of the Reserve
Ordinary Reserves (continued)		
Refuse Disposal Site Rehabilitation	Ongoing	To fund site rehabilitation and POS development at the former Kelvin Road Waste Disposal site.
Strategic Capital Acquisition	Ongoing	Royalties received from quarry set aside for investing in profit generating assets.
Streetscape Levy	Ongoing	To hold funds received under Local Planning Policy 4.7 – <i>Planning and Development of Public Open Space and Streetscapes</i> for the planting of trees in the development area.
Sutherlands Park	Ongoing	To fund improvement of recreation and community facilities at Sutherlands Park funded from Telco Tower leases.
Synthetic Surface Renewal	Ongoing	To fund renewal of specialised sports surfaces.
Walter Padbury Park	Ongoing	To fund improvement of recreation and community facilities at Walter Padbury Reserve funded from Telco Tower leases.
Waste Reserve	Ongoing	To fund costs associated with the delivery of the City's waste services.
Planning Reserves		
ODP - Canning Vale	Ongoing	To fund expenditure on infrastructure and administrative items within the ODP area with contributions from developers.
ODP - Central Maddington Precinct 1		
ODP - Central Maddington Precinct 2		
ODP - Homestead Road		
ODP - Maddington Road A and B		
ODP - Southern River Precinct 1		
ODP - Southern River Precinct 2		
ODP - Southern River Precinct 3		
ODP - Southern River Precinct 3A		
ODP - Southern River Precinct 3E		
ODP - Southern River Precinct 3F		
ODP - Southern River Precinct 5		
ODP - West Canning Vale		
Public Open Space – Cash in Lieu	Ongoing	To fund Public Open Space expenditure within the locality for which the cash in lieu is provided, and where local areas are seen to benefit. Funds to be used in accordance with Section 154 of the <i>Planning and Development Act 2005</i> .
TPS - 9A	Ongoing	To fund expenditure on infrastructure and administrative items within the TPS area with contributions from developers.
TPS - 10		
TPS - 15		
TPS - 17		
TPS - 20		

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

19. 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. 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	<u>71,812,788</u>	<u>90,098,302</u>	<u>65,614,379</u>

Reconciliation of Net Cash Provided by Operating Activities to Net Result

Net result	9,398,851	5,088,778	21,977,507
Non-cash flows in Net result:			
Amortisation and depreciation	26,542,423	25,732,697	25,494,408
Interest on initial recognition of lease liability	0	0	1,972
Loss/(Profit) on sale of asset	488,017	(3,273,884)	1,210,651
Fair value adjustments to investment in:			
Local Government House Trust	(6,464)	0	(2,882)
Rivers Regional Council	112,450	0	(213,246)
Impairment of assets	0	0	70,400
Change in accounting policy	0	0	(4,211,582)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(1,493,765)	(955,069)	692,984
(Increase)/Decrease in inventories	(73,637)	(27,548)	12,613
Increase/(Decrease) in payables	2,170,873	2,616,071	2,694,132
(Decrease)/Increase in contract liabilities	(73,544)	0	218,619
Increase in provisions	1,478,996	460,682	350,853
Grants contributions for			
the development of assets	(29,732,804)	(13,890,951)	(24,296,075)
Public Open Space Cash-in-Lieu contributions	<u>(1,591,393)</u>	<u>0</u>	<u>(2,023,924)</u>
Net cash from operating activities	<u>7,220,003</u>	<u>15,750,776</u>	<u>21,976,430</u>

20. CONTINGENT LIABILITIES

The City did not have any contingent liabilities at the reporting date.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

21. CAPITAL COMMITMENTS

	2021	2020
	\$	\$
Contracted for:		
- capital expenditure projects*	473,918	555,598
- plant & equipment purchases*	0	199,900
	<u>473,918</u>	<u>755,498</u>
Payable:		
- not later than one year	<u>473,918</u>	<u>755,498</u>

* Commitments greater than \$100,000

22. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	1,637,029	0
General purpose funding	142,924,002	139,116,881
Law, order, public safety	3,900,446	4,209,949
Health	535,306	507,883
Education and welfare	4,735,992	4,871,118
Community amenities	3,775,536	4,445,602
Recreation and culture	140,227,634	140,494,787
Transport	929,807,940	925,226,815
Economic services	168,717	1,054,604
Other property and services	186,576,631	189,436,044
Unallocated	15,696,310	6,555,884
	<u>1,429,985,543</u>	<u>1,415,919,567</u>

23. FINANCIAL RATIOS

	2021	2020	2019
Current ratio	1.24	1.37	1.40
Asset sustainability ratio	0.55	0.90	1.06
Debt service cover ratio	1.03	3.30	3.61
Operating surplus ratio	(0.22)	(0.05)	(0.01)
Own source revenue coverage ratio	0.78	0.90	0.93
Asset consumption ratio	0.65	0.67	0.69
Asset renewal funding ratio	0.92	0.80	1.01

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

23. FINANCIAL RATIOS (continued)

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$
Asset consumption ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

24. TRUST FUNDS

Funds held at balance date over which the City has no control and which are not included in the financial statements are as follows:

	Balance 1 July 2020 \$	Amounts Received \$	Amounts Paid \$	Balance 30 June 2021 \$
Unclaimed Monies	35,412	0	(480)	34,932
Construction Training Fund	(4,079)	274,226	(262,283)	7,864
Building Commission	31,402	509,037	(492,446)	47,993
Development Applications	9,411	125,051	(123,256)	11,206
Public Open Space - Cash In Lieu	9,636,525	447,861	(1,591,393)	8,492,993
	<u>9,708,671</u>	<u>1,356,175</u>	<u>(2,469,858)</u>	<u>8,594,988</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

25. PAYMENT INCENTIVES, DISCOUNTS, WAIVERS, CONCESSIONS AND WRITE-OFFS

	Type	Discount %	Actual Cost/ Value \$	Budget Cost/ Value \$
General Rates				
Rates Incentive A	Incentive	N/A	5,000	5,000
Rates Waivers	Waiver	N/A	1,535,484	1,529,264
Fees and Charges				
Commercial Lease – Covid-19 Lockdown	Waiver	N/A	1,784	0
Don Russell Performing Arts Centre	Discount	Various	12,795	16,000
Facility Hire Charges	Discount	100%	493	1,015
Facility Hire Charges	Discount	75%	20,829	31,821
Facility Hire Charges	Discount	Various	7,601	3,227
Health Services	Discount	Various	12,657	23,000
Leisure World	Discount	Various	16,166	68,000
Programs and Events	Discount	Various	26	500
Rangers Services	Discount	Various	31,232	30,000
Sundry Debtor Write Off	Write-Off	N/A	28,184	0

Incentives

Incentives for ratepayers to pay their rates in full by the due date were offered as follows:

Incentive A

Five prizes of \$1,000 each, funded by the City of Gosnells, was drawn on a random basis as an incentive for ratepayers to pay their rates in full by the due date.

Westpac Banking Corporation also provided two savings accounts totalling \$3,500.

Inclusion in the draw was automatic for all ratepayers who paid their rates in full by the advertised due date of the first instalment. Winners were notified.

Incentive B

A further incentive for the early payment of rates was offered for all ratepayers who paid their rates in full before each draw date.

Courtesy of Forest Lakes Forum, four City of Gosnells ratepayers won up to \$1,000 each off their rates bill, plus \$750 worth of shopping vouchers to spend at Forest Lakes Forum.

One winner was drawn each week on a Friday. Inclusion in the draw was dependent on eligible ratepayers placing their entry form in the barrel located outside the Centre Management Office at Forest Lakes Forum between Saturday 1 August and noon on Friday 4 September 2020 for a chance to win one of the four prizes.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

25. PAYMENT INCENTIVES, DISCOUNTS, WAIVERS, CONCESSIONS AND WRITE-OFFS (continued)

Waivers

Council has granted specific waivers to community based organisations and ratepayers as follows:

	2021	2020
	\$	\$
Foothills Estate Syndicate Pty Ltd.	1,960	1,960
Gosnells Junior Football Club Inc.	2,297	2,136
Grand Lodge of Western Australia Freemasons Homes for the Aged Inc.	75,472	72,285
Forest Lakes Family Centre	4,743	0
Covid-19 concession for ratepayers and relief for lessees	1,451,012	37,980
	<u>1,535,484</u>	<u>114,361</u>

Discounts

Don Russell Performing Arts Centre

The following discounts on ticket prices were provided to enhance the financial viability of the program or show:

- 15% theatre hire discount (general offer; more than 20 hours per week)
- 30% theatre hire discount (3 or more bookings in a calendar year)
- 50% ticket discount (rush tickets)
- Group Bookings - 1 free ticket with every 10 purchased
- Adult ticket at child price - Children's events only
- City of Gosnells Councillors, Staff and Volunteers - Up to 25% ticket discount

Facility Hire Charges & Road Closure Fees

The Returned Soldiers League (RSL) was not charged fees/bond for the RSL Hall or road closure applications for ANZAC Day.

Leisure World

Leisure World offered the following discounts to enhance the financial viability of the program:

- 5% Discount (second and subsequent children enrolled into term programs)
- 10% Discount (general offer)
- 15% Discount (general offer)
- 25% Discount (special offer)
- 33% Discount (special offer)
- 50% Discount (2 for 1 offer)
- City of Gosnells Councillors, Staff & Volunteers - up to 25% discount. Except Staff employed under the Operations Centre Agreement – up to 40% discount.

Programs and Events

Programs and Events offers the City of Gosnells Councillors, Staff and Volunteers a discount of up to 25% to enhance the financial viability of the program.

Write-Offs

Unrecoverable sundry debtors were written off in accordance with the Council's delegated authority.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

26. INTEREST CHARGES AND INSTALMENTS

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest				
Four Instalment Payment Plan	3.0%	N/A	194,050	400,000
Late Payment	8.0%	N/A	(153)	200,000
Administration Fees				
Four Instalment Payment Plan	N/A	15.00	235,972	260,000
Direct Debit Arrangement	N/A	29.00	121,850	150,000
			<u>551,719</u>	<u>1,010,000</u>

Rates Instalment Options

The following payment options were offered for the payment of rates notices:

Payment in full by 4 September 2020

Payment by Four Instalments:

1st Instalment due by 4 September 2020

2nd Instalment due by 6 November 2020

3rd Instalment due by 15 January 2021

4th Instalment due by 19 March 2020

Direct Debit Payment Arrangement by Individual Arrangement (Bank Account only)

Description of Payment Arrangement and Interest Charges

Four Instalment Payment Plan

The four instalment payment plan incurred an administration fee (excluding registered Pensioners/Seniors with 100% equity) to recover the additional cost to the City to administer this plan. The four instalment plan attracted interest calculated on all rates and service charges on a daily basis. Arrears were included and payable in the first instalment.

Late Payment Interest

Late payment interest was not charged on all rates related fees and charges (current and arrears) including but not limited to general rates, specified area rates, refuse charges and swimming pool inspection fees as a relief to ratepayers due to Covid-19 pandemic.

Direct Debit Plan

Weekly, fortnightly or four weekly payment arrangements were offered by way of Direct Debit (bank account only). An administration fee was charged (excluding registered Pensioners/Seniors with 100% equity) on each payment arrangement.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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27. RATE SETTING STATEMENT INFORMATION

Information on Surplus Brought Forward

	Note	2021 (1 July 2021 Carried Forward) \$	2021 (1 July 2020 Brought Forward) \$	2020 (30 June 2020 Carried Forward) \$
Surplus				
Rate Setting Statement		<u>8,608,613</u>	<u>8,231,385</u>	<u>8,231,385</u>
Comprises:				
Current Assets				
Cash and cash equivalents	4	71,812,788	65,614,379	65,614,379
Trade and other receivables	5	9,938,455	9,173,373	9,173,373
Inventories	6	1,196,339	3,830,400	3,830,400
Financial assets at amortised cost	7	76,507,007	70,100,000	70,100,000
Other current assets		0	893,151	893,151
Total Current Assets		<u>159,454,589</u>	<u>149,611,303</u>	<u>149,611,303</u>
Current Liabilities				
Trade and other payables	14	(15,226,399)	(13,059,592)	(13,059,592)
Contract, grant and contribution liabilities	15	(9,770,903)	(10,669,753)	(10,669,753)
Lease liabilities	13(b)	(29,507)	(26,944)	(26,944)
Borrowings	16(a)	(2,457,922)	(2,400,972)	(2,400,972)
Employee related provisions	17	(11,256,626)	(9,723,294)	(9,723,294)
Total Current Liabilities		<u>(38,741,357)</u>	<u>(35,880,555)</u>	<u>(35,880,555)</u>
Net Current Assets		<u>120,713,232</u>	<u>113,730,748</u>	<u>113,730,748</u>
Less:				
Reserves	18	(119,632,928)	(113,605,484)	(113,605,484)
Land under development and developed land	6	(854,521)	(3,562,221)	(3,562,221)
Developer contribution plan liabilities	15	5,895,401	9,240,426	9,240,426
Add:				
Current portion of lease liabilities	13(b)	29,507	26,944	26,944
Current portion of long term borrowings	16(a)	2,457,922	2,400,972	2,400,972
Surplus		<u>8,608,613</u>	<u>8,231,385</u>	<u>8,231,385</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

28. RELATED PARTY TRANSACTIONS

(a) Elected Members' Remuneration

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Mayor D Goode			
Mayor's Allowance	89,753	89,750	62,533
Meeting Fees	40,267	47,529	42,669
Travelling Expenses	4,122	1,924	3,683
Telecommunications Allowance	3,500	3,500	3,148
	<u>137,642</u>	<u>142,703</u>	<u>112,033</u>
Deputy Mayor P Abetz			
Deputy Mayor's Allowance	22,438	22,450	16,798
Meeting Fees	31,678	31,681	31,678
Travelling Expenses	1,686	1,916	1,317
Telecommunications Allowance	3,500	3,500	3,148
	<u>59,302</u>	<u>59,547</u>	<u>52,941</u>
Councillor A Adams			
Meeting Fees	31,678	31,681	21,281
Travelling Expenses	1,183	1,916	740
Telecommunications Allowance	3,500	3,500	2,132
	<u>36,361</u>	<u>37,097</u>	<u>25,153</u>
Councillor J Brown			
Meeting Fees	31,678	31,681	31,678
Travelling Expenses	2,356	1,916	2,707
Telecommunications Allowance	3,500	3,500	3,148
	<u>37,534</u>	<u>37,097</u>	<u>37,533</u>
Councillor G Dewhurst			
Mayor's Allowance	0	0	26,975
Meeting Fees	31,678	31,681	36,265
Travelling Expenses	1,300	1,916	6,322
Telecommunications Allowance	3,500	3,500	3,129
	<u>36,478</u>	<u>37,097</u>	<u>72,691</u>
Councillor D Griffiths			
Meeting Fees	31,678	31,681	31,802
Travelling Expenses	0	1,916	0
Telecommunications Allowance	3,500	3,500	2,832
	<u>35,178</u>	<u>37,097</u>	<u>34,634</u>
Elected members' remuneration carried forward	342,495	350,638	334,985

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

28. RELATED PARTY TRANSACTIONS (continued)

(a) Elected Members' Remuneration (continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Elected members' remuneration brought forward	342,495	350,638	334,985
Councillor C Harper			
Meeting Fees	31,678	31,681	32,261
Travelling Expenses	0	1,916	0
Telecommunications Allowance	3,500	3,500	2,565
	<u>35,178</u>	<u>37,097</u>	<u>34,826</u>
Councillor A Hort			
Meeting Fees	22,908	31,681	21,984
Travelling Expenses	688	1,916	258
Telecommunications Allowance	3,500	3,500	2,429
	<u>27,096</u>	<u>37,097</u>	<u>24,671</u>
Councillor J Jones			
Meeting Fees	31,678	31,681	31,974
Travelling Expenses	0	1,916	183
Telecommunications Allowance	3,500	3,500	2,852
	<u>35,178</u>	<u>37,097</u>	<u>35,009</u>
Councillor S Patterson			
Meeting Fees	31,678	31,681	21,984
Travelling Expenses	1,037	1,916	628
Telecommunications Allowance	3,500	3,500	2,429
	<u>36,215</u>	<u>37,097</u>	<u>25,041</u>
Councillor O Searle			
Meeting Fees	31,678	31,681	31,974
Travelling Expenses	0	1,916	698
Telecommunications Allowance	3,500	3,500	2,852
	<u>35,178</u>	<u>37,097</u>	<u>35,524</u>
Councillor E Zhang			
Meeting Fees	31,678	31,681	21,984
Travelling Expenses	0	1,916	171
Telecommunications Allowance	3,500	3,500	2,429
	<u>35,178</u>	<u>37,097</u>	<u>24,584</u>
Elected members' remuneration carried forward	546,518	573,220	514,640

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

28. RELATED PARTY TRANSACTIONS (continued)

(a) Elected Members' Remuneration (continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Elected members' remuneration brought forward	546,518	573,220	514,640
Councillor S Williamson			
Meeting Fees	0	0	9,521
Travelling Expenses	0	0	0
Telecommunications Allowance	0	0	700
	<u>0</u>	<u>0</u>	<u>10,221</u>
Councillor T Lynes			
Deputy Mayor's Allowance	0	0	5,640
Meeting Fees	0	0	9,521
Travelling Expenses	0	0	786
Telecommunications Allowance	0	0	1,804
	<u>0</u>	<u>0</u>	<u>17,751</u>
Councillor R Mitchell			
Meeting Fees	0	0	9,521
Travelling Expenses	0	0	0
Telecommunications Allowance	0	0	700
	<u>0</u>	<u>0</u>	<u>10,221</u>
Total elected members' remuneration	<u>546,518</u>	<u>573,220</u>	<u>552,833</u>
Summary of Elected member's remuneration			
Meeting fees	379,955	396,020	387,097
Mayor's allowance	89,753	89,750	89,508
Deputy Mayor's allowance	22,438	22,450	22,438
Telecommunications allowance	42,000	42,000	36,297
Travelling expenses *	12,372	23,000	17,493
	<u>546,518</u>	<u>573,220</u>	<u>552,833</u>

* Travelling expenses and allowances paid to Elected Members appointed to State Council are reimbursed by the Western Australian Local Government Association.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

28. RELATED PARTY TRANSACTIONS (continued)

(b) Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration of KMP of the City during the year are as follows:

	2021	2020
	\$	\$
Short-term employee benefits	1,276,448	1,287,250
Post-employment benefits	127,560	127,734
Other long-term benefits	132,516	132,879
	<u>1,536,524</u>	<u>1,547,863</u>

Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 28(a).

Post-term employee benefits

These amounts are the current year's estimated cost of providing for the KMP's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service benefits accrued during the year.

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the City, directly or indirectly, including any elected member, are considered key management personnel.

(c) Related parties

The City's main related parties are the Key Management Personnel.

(d) Transactions with related parties

There were no transactions with related parties that have occurred during the year.

29. MAJOR LAND TRANSACTIONS

(a) Robinson Park Subdivision and Park Development

i. Details

The City completed the construction works to revitalise Robinson Park (the Park). The revitalisation included a substantial park enhancement and a 42 lot residential subdivision around the perimeter of the park.

In March 2017 the City advertised the Robinson Park revitalisation project, as part of a Major Land Transaction process as defined through the Local Government Act 1995 section 3.59 – *Commercial Enterprises by Local Governments*. No submissions were received through this process.

Redevelopment of Robinson Park began in January 2020 and was completed in September 2020. The new Park was opened to the public and residential land sales commenced shortly afterwards.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

29. MAJOR LAND TRANSACTIONS (continued)

(a) Robinson Park Subdivision and Park Development (continued)

i. Revenue and Expenditure

	Project Budget \$	Project Actual \$	2021 Budget \$	2021 Actual \$
Funding Sources				
Capital Revenue				
Asset Disposal Proceeds	8,190,000	3,215,807	4,290,000	3,215,807
Other Funding Sources				
Loan Proceeds	5,600,000	5,600,000	690,000	5,600,000
Total Funding Sources	<u>13,790,000</u>	<u>8,815,807</u>	<u>4,980,000</u>	<u>8,815,807</u>
Disbursement of Funds				
Operating Expense				
Materials & Contracts	<u>(410,809)</u>	<u>(783,383)</u>	<u>0</u>	<u>(46,418)</u>
	(410,809)	(783,383)	0	(46,418)
Capital Expenditure				
Materials & Contracts	(5,600,000)	(5,625,165)	(690,000)	(1,841,086)
Interest Expense	<u>(324,000)</u>	<u>(63,472)</u>	<u>(86,917)</u>	<u>(58,330)</u>
	(5,924,000)	(5,688,637)	(776,917)	(1,899,416)
Other Expenses				
Loan Repayment	(5,600,000)	0	0	(2,033,100)
Transfer to Reserve -				
Local Open Space Strategy	(1,215,150)	(3,149,703)	(4,203,083)	(3,149,703)
Public Open Space	<u>(640,041)</u>	<u>0</u>	<u>0</u>	<u>0</u>
	(7,455,191)	0	(4,203,083)	(5,182,803)
Total Disbursement of Funds	<u>(13,790,000)</u>	<u>(9,621,723)</u>	<u>(4,980,000)</u>	<u>(7,128,637)</u>
Net Revenue / (Expenditure)	<u>0</u>	<u>(805,916)</u>	<u>0</u>	<u>1,687,170</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

29. MAJOR LAND TRANSACTIONS (continued)

(a) Robinson Park Subdivision and Park Development (continued)

ii. Expected Future Projections

	2022	2023	Total
	\$	\$	\$
Revenue			
Asset Disposal Proceeds	4,290,000	0	4,290,000
Loan Proceeds	0	0	0
Transfer from Reserve	0	6,465,773	5,689,570
	<u>4,290,000</u>	<u>6,465,773</u>	<u>10,755,773</u>
Expenditure			
Materials & Contracts	(45,000)	0	(45,000)
Interest Expense	(29,713)	(14,857)	(44,570)
Loan Repayment	0	(5,600,000)	(5,600,000)
Transfer to Reserve	(4,260,287)	0	(4,260,287)
	<u>(4,335,000)</u>	<u>(5,614,857)</u>	<u>(9,949,857)</u>
Net Future Projections	<u>(45,000)</u>	<u>850,916</u>	<u>805,916</u>

iii. Assets and Liabilities

Assets associated with this land transaction have a written down value of \$2,865,904 as at 30 June 2021. It is anticipated assets related to the land transactions will be disposed by 30 June 2022.

The City has fully drawn down its \$5,600,000 short term loan facility established during the financial year ending 30 June 2021. The loan is anticipated to be repaid from Robinson Park sale proceeds.

(b) Southern River Business Park

i. Details

The proposed Southern River Business Park consists of Lot 21 Furley Rd, Lot 100 & Lot 1768 Southern River Rd and Lot 1767 Matison St, which are owned fee simple by the City.

In June 2021, the staging plan for the subdivision was finalised, together with the nomination of a Civil and Planning Design Consultants undertaking the design, administration and WAPC application process. Subdivision construction is proposed to occur in 4 stages.

The design development and planning phases are well underway and expected to be completed in the first quarter of 2022.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

29. MAJOR LAND TRANSACTIONS (continued)

(b) Southern River Business Park (continued)

ii. Revenue and Expenditure

	Project Budget \$	Project Actual \$	2021 Budget \$	2021 Actual \$
Funding Sources				
Capital Revenue				
Asset Disposal Proceeds	29,585,586	0	0	0
Other Funding Sources				
Loan Proceeds	21,450,000	0	0	0
Total Funding Sources	<u>51,035,586</u>	<u>0</u>	<u>0</u>	<u>0</u>
Disbursement of Funds				
Operating Expense				
Materials & Contracts	(1,945,698)	(539,576)	(294,023)	(54,983)
Capital Expenditure				
Materials & Contracts	(20,028,872)	(48,872)	0	0
Interest Expense	<u>(3,385,218)</u>	<u>0</u>	<u>0</u>	<u>0</u>
	(23,414,090)	(48,872)	0	0
Other Expenses				
Loan Repayment	(21,450,000)	0	0	0
Transfer to Reserve	<u>(4,225,798)</u>	<u>0</u>	<u>0</u>	<u>0</u>
	(25,675,798)	0	0	0
Total Disbursement of funds	<u>(51,035,586)</u>	<u>(588,448)</u>	<u>(294,023)</u>	<u>(54,983)</u>
Net Expenditure	<u>0</u>	<u>(588,448)</u>	<u>(294,023)</u>	<u>(54,983)</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

29. MAJOR LAND TRANSACTIONS (continued)

(b) Southern River Business Park (continued)

iii. Expected Future Projections

The expected future projections for 2021/22 financial year includes \$1,751,083 intended for stage 1 subdivision construction which is dependent on the completion of the design and tender activities.

	2022	2023	2024	2025	2026	Total
	\$	\$	\$	\$		\$
Revenue						
Asset Disposal Proceeds	0	2,985,455	2,985,455	2,985,455	2,985,455	11,941,820
Loan Proceeds	2,416,593	9,328,107	5,464,414	2,717,250	1,210,228	21,136,592
	<u>2,416,593</u>	<u>12,313,562</u>	<u>8,449,869</u>	<u>5,702,705</u>	<u>4,195,683</u>	<u>33,078,412</u>
Expenditure						
Materials & Contracts	(2,416,593)	(9,328,107)	(5,464,414)	(2,717,250)	(1,210,228)	(21,136,592)
Interest Expense		(457,871)	(413,569)	(368,602)	(322,961)	(1,563,003)
Loan Repayment		(2,004,163)	(2,034,226)	(2,064,739)	(2,095,710)	(8,198,838)
Transfer to Reserve		(523,421)	(537,660)	(552,114)	(566,784)	(2,179,979)
	<u>(2,416,593)</u>	<u>(12,313,562)</u>	<u>(8,449,869)</u>	<u>(5,702,705)</u>	<u>(4,195,683)</u>	<u>(33,078,412)</u>
Net Future Projections	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

iv. Assets and Liabilities

Assets associated with this land transaction have a written down value of \$22,092,223 as at 30 June 2021.

There were no liabilities that exist in relation to this land transaction as at 30 June 2021.

It is anticipated that a \$2,750,000 short-term loan be established during the 2021/22 financial year. The loan is anticipated to be repaid from the Southern River Business Park sale proceeds.

30. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The City did not participate in any trading undertakings or major trading undertakings during the 2020-21 financial year.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

31. FINANCIAL RISK MANAGEMENT

This note explains the City's exposure to financial risks and how these risks could affect the City's future financial performance.

The City does not engage in transactions expressed in foreign currencies other than low value purchases on corporate credit cards and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Financial Services in accordance with policies approved by Council.

The City held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2021	2020	2021	2020
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	71,812,788	65,614,379	71,812,789	65,614,379
Financial assets at amortised cost				
- Term deposits	76,507,007	70,100,000	76,507,007	70,100,000
- Receivables	11,533,720	10,660,418	11,533,720	10,660,418
Financial assets at fair value through profit or loss	285,313	391,299	285,313	391,299
	<u>160,138,828</u>	<u>146,766,096</u>	<u>160,138,829</u>	<u>146,766,096</u>
Financial liabilities at amortised cost				
Payables	15,226,399	13,059,592	15,226,400	13,059,592
Contract liability	3,875,501	1,429,327	3,875,501	1,429,327
Borrowings	17,731,583	16,565,655	10,492,019	10,080,994
	<u>36,833,483</u>	<u>31,054,574</u>	<u>29,593,920</u>	<u>24,569,913</u>

Fair value is determined as follows:

- Cash and cash equivalents, term deposits, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

(a) Interest rate risk

The City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City to cash flow interest rate risk. The City does not have an overdraft facility.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the City to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts. Carrying amounts of cash and cash equivalents at 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.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

31. FINANCIAL RISK MANAGEMENT (continued)

(a) Interest rate risk (continued)

	Weighted Average Interest Rate	Carrying Amount \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
Year ended 30 June 2021					
Cash and cash equivalents	0.43%	71,812,788	0	71,804,004	8,785
Financial assets at amortised cost – Term deposits	0.59%	<u>76,507,007</u>	<u>76,507,007</u>	<u>0</u>	<u>0</u>
		<u>148,319,795</u>	<u>76,507,007</u>	<u>71,804,004</u>	<u>8,785</u>
Year ended 30 June 2020					
Cash and cash equivalents	1.23%	65,614,379	0	65,605,444	8,935
Financial assets at amortised cost – Term deposits	1.53%	<u>70,100,000</u>	<u>70,100,000</u>	<u>0</u>	<u>0</u>
		<u>135,714,379</u>	<u>70,100,000</u>	<u>65,605,444</u>	<u>8,935</u>

Profit or loss is sensitive to 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 cash and term deposits		
- Equity	1,672,935	1,612,553
- Statement of Comprehensive Income	1,672,935	1,612,553

* Sensitivity percentages based on management's expectation of future possible market movements.

(b) Credit risk

The City's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery processes. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the City to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. The City is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance. The City makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

The City 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.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Re-negotiation of repayment terms is expected due to the Covid-19 pandemic.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

31. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for rates receivable. No expected credit loss was forecast on 30 June 2021 or 30 June 2020 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current \$	More than 1 year past due \$	More than 2 years past due \$	More than 3 years past due \$	Total \$
Rates Receivable*					
30 June 2021					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	6,546,246	850,352	523,133	1,148,368	9,068,099
Loss allowance	0	0	0	0	0
30 June 2020					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	6,452,372	708,844	390,617	975,646	8,527,479
Loss allowance	0	0	0	0	0

*The amount of rates receivable include Pensioner's rates and ESL deferred receivables.

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for sundry receivables.

	Current \$	More than 30 days past due \$	More than 60 days past due \$	More than 90 days past due \$	Total \$
Sundry Receivables**					
30 June 2021					
Expected credit loss	0.08%	0.00%	2.31%	12.93%	
Gross carrying amount	304,283	950,559	6,363	72,895	1,334,100
Loss allowance	229	13	147	9,425	9,814
30 June 2020					
Expected credit loss	0.01%	0.03%	4.96%	3.06%	
Gross carrying amount	72,975	13,470	2,088	211,889	300,422
Loss allowance	5	4	104	6,473	6,586

**The amount of sundry receivables exclude the GST recoverable from the ATO (statutory receivable).

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

31. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

The contractual undiscounted cash flows of the City's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2021					
Payables	15,226,399	0	0	15,226,399	15,226,399
Borrowings	2,710,295	11,540,954	4,326,850	18,578,099	17,731,583
	<u>17,936,694</u>	<u>11,540,954</u>	<u>4,326,850</u>	<u>33,804,498</u>	<u>32,957,982</u>
2020					
Payables	13,059,592	0	0	13,059,592	13,059,592
Borrowings	2,695,440	9,566,250	5,408,563	17,670,253	16,565,656
	<u>15,755,032</u>	<u>9,566,250</u>	<u>5,408,563</u>	<u>30,729,845</u>	<u>29,625,248</u>

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

32. EVENTS AFTER THE REPORTING PERIOD

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the City, the results of those operations, or the state of affairs of the City in future financial years.

33. OTHER SIGNIFICANT ACCOUNTING POLICIES

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.

Other current assets

Prepayments represent payments in advance of receipt of goods or services.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

33. OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)

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 City's operational cycle. In the case of liabilities where the City 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 City's intentions to release for sale.

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.

Comparative figures

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

When the City 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.

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.

Superannuation

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

Fair value of assets and liabilities

Fair value is the price that the City 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.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

33. OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)

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 City 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 City 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 City 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.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

33. OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

In accordance with Australian Accounting Standards the City'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 regularity 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.

34. STATEMENT OF OBJECTIVE

KEY TERMS AND DEFINITIONS – REPORTING PROGRAMS

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the City's 10 Year Community Plan, and for each of its broad activities/programs, as listed below:

OBJECTIVE

Governance

To provide a decision-making process for the efficient allocation of scarce resources.

ACTIVITIES

The administration and operation of facilities and services to the Elected Members of Council. This program also includes other costs that relate to Elected Members and ratepayers which are not covered under other programs such as citizenship ceremonies, civic receptions and elections.

General Purpose Funding

To collect revenue to finance Council activities.

Revenue from rates including differential rates and interim rates, interest and fees on instalment arrangements and interest on arrears. Amounts receivable from the Western Australian Local Government Grants Commission for untied grants such as the Financial Assistance Grants. Interest revenue received on municipal and reserve investments is allocated to this program.

Law, Order and Public Safety

To provide services to ensure a safer community.

Administration and operation of funds received from the Department of Fire and Emergency Services for the Gosnells Bush Fire Brigade and State Emergency Service. Provision of community safety programs and Ranger services including registering and impounding of cats and dogs. Revenue allocated to this program includes cat and dog registrations, infringements and prosecutions.

Health

To provide an operational framework for good community health.

Administration, inspection and operation of programs concerned with the general health of the community. Revenues and expenses relating to regulation and monitoring of food premises including food sample analysis and noise complaints.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

34. STATEMENT OF OBJECTIVE (continued)

KEY TERMS AND DEFINITIONS – REPORTING PROGRAMS (CONTINUED)

OBJECTIVE

ACTIVITIES

Education and Welfare

To assist in meeting the education needs of the community.

Administration, support and operation of services for youth and families, seniors and persons with a disability. Operation of Addie Mills Centre including the Meals on Wheels services. Provision of Community Development programs and events such as NAIDOC Week and Harmony Week.

Community Amenities

To provide services required by the community.

Administration and operation of the refuse collection and disposal services. Provision of programs for the management and protection of the environment including the Switch Your Thinking program. The administration of town planning schemes, planning applications and associated land issues. This program also includes administration and operations relating to bus shelters, the Kenwick Cemetery and graffiti management.

Recreation and Culture

To establish and manage facilities for the well-being of the community.

Administration and operation of the Civic Centre, community halls, recreation centres, parks, sporting facilities, Leisure World, Don Russell Performing Arts Centre, Libraries and the Wilkinson Homestead Museum. Provision of heritage and community programs and events, Arts and Culture programs, Sponsorship and Funding programs.

Transport

To provide effective infrastructure to the community in the most efficient way.

Administration, maintenance and construction of roads, drainage, footpaths, bridges, including road verges, streetscapes, crossovers, road signs, street trees, street signage and street lighting. This program also includes the City's car parking facilities and road plant purchases.

Economic Services

To promote the City and improve its economic base.

The development, promotion, support and research of economic development issues with the community and progression of urban development projects. Provision of building control and swimming pool inspection services. Revenue allocated to this program includes royalties from the Boral quarry and telephone tower leases.

Other Property and Services

To provide services required by the community

Private works carried out on property or services not under the care, control and management of the City. Works also include reinstatement work on the City's infrastructure as a result of damage from development. Plant operations, administration and public works overheads are allocated to the above programs. This program also includes any unclassified activities such as sale of land for the City's land subdivision projects and miscellaneous reserve transfers.



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 City of Gosnells

To the Councillors of the City of Gosnells

Report on the audit of the annual financial report

Opinion

I have audited the financial report of the City of Gosnells (City) 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, Statement of Cash Flows and Rate Setting Statement 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 City of Gosnells:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the City 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 City 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.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the City 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 City'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 City.

The Council is responsible for overseeing the City'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 matter indicates a significant adverse trend in the financial position of the City:
 - a) The Operating Surplus Ratio as reported in Note 23 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the last 3 financial years.
- (ii) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - a) Security controls over networks and key systems of the City were found to have some weaknesses in restricting unauthorised access. This could lead to inappropriate use of the City's system or information, however our audit testing did not identify any inappropriate use.
- (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 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 City of Gosnells for the year ended 30 June 2021 included on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City'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.



Caroline Spencer
Auditor General for Western Australia
Perth, Western Australia
10 December 2021



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in alternative formats.