



Budget

Statutory Statements and Notes for the year ending 30 June 2021

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City of Gosnells
STATEMENT OF COMPREHENSIVE INCOME
By Nature or Type
for the year ending 30 June 2021

	Note	2020/21 Budget \$	2019/20 Actual \$	2019/20 Budget \$
Revenue				
Rates	1(a)	69,401,187	65,441,809	69,224,277
Operating Grants, Subsidies and Contributions	9	5,986,493	4,271,845	6,270,970
Fees and Charges	8	25,618,958	22,720,941	25,858,715
Interest Earnings	11(a)	4,141,728	3,867,567	4,832,000
Other Revenue	11(b)	200	66,243	200
		<u>105,148,566</u>	<u>96,368,405</u>	<u>106,186,162</u>
Expense				
Employee Costs		(50,008,675)	(47,921,663)	(48,143,035)
Materials and Contracts		(32,876,252)	(25,984,791)	(34,899,170)
Utility Charges		(4,736,542)	(4,507,790)	(4,759,996)
Depreciation on Non-Current Assets	5	(25,732,697)	(25,256,194)	(24,549,495)
Interest Expenses	11(d)	(351,021)	(242,223)	(340,700)
Insurance Expenses		(992,854)	(829,416)	(715,606)
Other Expenses		(2,526,582)	(1,659,591)	(1,321,987)
		<u>(117,224,623)</u>	<u>(106,401,668)</u>	<u>(114,729,989)</u>
Subtotal		<u>(12,076,057)</u>	<u>(10,033,263)</u>	<u>(8,543,627)</u>
Non-Operating Grants, Subsidies and Contributions	9	13,890,951	8,036,809	11,695,826
Profit on Asset Disposals	4(b)	4,139,558	32,380	8,956,206
Loss on Asset Disposals	4(b)	(865,674)	(147,544)	(34,874)
		<u>17,164,835</u>	<u>7,921,645</u>	<u>20,617,158</u>
Total Comprehensive Income / (Loss)		<u><u>5,088,778</u></u>	<u><u>(2,111,618)</u></u>	<u><u>12,073,331</u></u>

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

BASIS OF PREPARATION

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local government and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations. The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of *AASB 1051 Land Under Roads* paragraph 15 and *AASB 116 Property, Plant and Equipment* paragraph 7.

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 15 to the budget.

2019/2020 Actual Balances

Balances shown in this budget as 2019/2020 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

Changes in Accounting Policies

On 1 July 2020 the following new accounting policies are to be adopted and may impact the budget:

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

AASB 1059 is not expected to impact the Annual Budget. Specific impacts of AASB 2018-7 have not been identified.

KEY TERMS AND DEFINITIONS – NATURE OR TYPE

REVENUE

Rates

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Excludes administration fees, interest on instalments and interest on arrears.

Operating Grants, Subsidies and Contributions

Amounts received as grants, subsidies and contributions that are not classified as non-operating grants.

Fees and Charges

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

Interest Earnings

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

Other Revenue

Other revenue, which cannot be classified under the above headings, includes discounts, and rebates.

Non-Operating Grants, Subsidies and Contributions

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

Profit on Asset Disposals

Profit on the disposal of assets includes gains on the disposal of Land Held for Resale and the City's Fixed Assets.

Loss on Asset Disposals

Loss on the disposal of assets includes loss on disposal of Land Held for Resale and the City's Fixed Assets.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

BASIS OF PREPARATION (CONTINUED)

KEY TERMS AND DEFINITIONS – NATURE OR TYPE (CONTINUED)

EXPENSE

Employee Costs

All costs associated with the employment of people such as salaries, wages, allowances, benefits such as vehicle, superannuation, employment expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

Utility Charges

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

Depreciation on Non-Current Assets

Amortisation and depreciation expense raised on all classes of assets.

Interest Expenses

Interest and associated costs of finance for borrowings and refinancing expenses.

Insurance Expenses

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

Other Expenses

Statutory fees, taxes, provision for bad debts, member's fees and State taxes. Donations and subsidies made to community groups.

City of Gosnells
STATEMENT OF COMPREHENSIVE INCOME
By Program
for the year ending 30 June 2021

	Note	2020/21 Budget \$	2019/20 Actual \$	2019/20 Budget \$
Revenue				
	1,8,9,11(a),11(b)			
General Purpose Funding		78,929,501	72,561,680	79,444,400
Governance		6,271	6,936	6,768
Law, Order and Public Safety		592,602	730,039	602,587
Health		359,545	117,461	323,879
Education and Welfare		369,007	717,951	720,925
Community Amenities		18,067,772	18,005,830	18,254,103
Recreation and Culture		4,182,340	1,723,622	3,886,933
Transport		291,821	137,481	202,500
Economic Services		1,968,326	1,782,726	2,202,074
Other Property and Services		381,381	584,679	541,993
		<u>105,148,566</u>	<u>96,368,405</u>	<u>106,186,162</u>
Expense				
	5,11(c),11(e)			
General Purpose Funding		(3,138,045)	(1,644,497)	(2,037,307)
Governance		(2,850,626)	(5,868,505)	(6,635,919)
Law, Order and Public Safety		(3,325,134)	(3,435,591)	(3,818,329)
Health		(1,354,734)	(1,349,622)	(1,360,162)
Education and Welfare		(4,489,650)	(4,738,584)	(4,616,639)
Community Amenities		(21,104,180)	(20,463,481)	(22,733,132)
Recreation and Culture		(40,057,084)	(38,558,724)	(41,487,329)
Transport		(26,229,549)	(26,022,093)	(26,641,437)
Economic Services		(2,691,538)	(2,933,897)	(3,274,126)
Other Property and Services		(11,633,062)	(1,144,451)	(1,784,909)
		<u>(116,873,602)</u>	<u>(106,159,445)</u>	<u>(114,389,289)</u>
Finance Costs				
	6(a),11(d)			
General Purpose Funding		(60)	0	0
Governance		(1,020)	0	0
Education and Welfare		(180)	0	0
Community Amenities		(213,874)	(68,823)	(167,300)
Recreation and Culture		(134,087)	(173,400)	(173,400)
Transport		(110)	0	0
Economic Services		(120)	0	0
Other Property and Services		(1,570)	0	0
		<u>(351,021)</u>	<u>(242,223)</u>	<u>(340,700)</u>
Non-Operating Grants, Subsidies and Contributions	9	13,890,951	8,036,809	11,695,826
Profit on Asset Disposals	4(b)	4,139,558	32,380	8,956,206
Loss on Asset Disposals	4(b)	(865,674)	(147,544)	(34,874)
		<u>17,164,835</u>	<u>7,921,645</u>	<u>20,617,158</u>
Total Comprehensive Income / (Loss)		<u>5,088,778</u>	<u>(2,111,618)</u>	<u>12,073,331</u>

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

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	ACTIVITIES
<p>General Purpose Funding To collect revenue to finance Council activities.</p>	<p>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.</p>
<p>Governance To provide a decision-making process for the efficient allocation of scarce resources.</p>	<p>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.</p>
<p>Law, Order and Public Safety To provide services to ensure a safer community.</p>	<p>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.</p>
<p>Health To provide an operational framework for good community health.</p>	<p>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.</p>
<p>Education and Welfare To assist in meeting the education needs of the community.</p>	<p>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 Wheel services. Provision of Community Development programs and events such as NAIDOC Week and Harmony Week.</p>
<p>Community Amenities To provide services required by the community.</p>	<p>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.</p>
<p>Recreation and Culture To establish and manage facilities for the well-being of the community.</p>	<p>Administration and operation of the Civic Centre, community halls, recreation centres, parks, sporting facilities, Leisure World, Don Russell Performing Arts Centre, Libraries and Wilkinson Homestead Museum. Provision of heritage and community programs and events such as Illuminate Festival, Arts and Culture programs, Sponsorship and Funding programs.</p>
<p>Transport To provide effective infrastructure to the community in the most efficient way.</p>	<p>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.</p>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

KEY TERMS AND DEFINITIONS – REPORTING PROGRAMS (CONTINUED)

OBJECTIVE

ACTIVITIES

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.

City of Gosnells
STATEMENT OF CASH FLOWS
for the year ending 30 June 2021

	Note	2020/21 Budget \$	2019/20 Actual \$	2019/20 Budget \$
Cash Flows from Operating Activities				
Receipts				
Rates		68,851,832	70,769,699	69,224,277
Operating Grants, Subsidies and Contributions		5,986,493	4,271,845	6,270,970
Fees and Charges		26,170,077	20,507,087	25,761,090
Interest Earnings		3,946,604	4,107,327	4,772,000
Goods and Services Tax		4,500,000	4,000,000	3,200,000
Other Revenue		200	66,243	200
		<u>109,455,206</u>	<u>103,722,201</u>	<u>109,228,537</u>
Payments				
Employee Costs		(49,547,993)	(47,509,842)	(46,143,035)
Materials and Contracts		(30,949,438)	(26,963,803)	(34,569,170)
Utility Charges		(4,736,542)	(4,507,790)	(4,759,996)
Interest Expenses		(351,021)	(317,848)	(340,700)
Insurance Expenses		(992,854)	(829,416)	(715,606)
Goods and Services Tax		(4,600,000)	(3,871,983)	(3,250,000)
Other Expenses		(2,526,582)	(1,659,591)	(1,321,987)
		<u>(93,704,430)</u>	<u>(85,660,273)</u>	<u>(91,100,494)</u>
Net Cash provided by Operating Activities	3(b)	<u>15,750,776</u>	<u>18,061,928</u>	<u>18,128,043</u>
Cash Flows from Investing Activities				
Payments for:				
Development of Land Held for Resale		(168,747)	(3,982,032)	(6,727,074)
Purchase of Property, Plant & Equipment		(10,556,479)	(8,629,005)	(3,755,723)
Construction of Infrastructure		(24,378,949)	(15,862,797)	(22,134,012)
Non-Operating Grants, Subsidies and Contributions		14,282,167	8,645,593	11,695,826
Proceeds from Sale of Property, Plant & Equipment		4,769,000	270,670	10,364,400
Proceeds from Matured Term Deposits		120,000,000	150,000,000	0
Investments in Term Deposits		(118,000,000)	(158,998,243)	0
Net Cash used in Investing Activities		<u>(14,053,008)</u>	<u>(28,555,814)</u>	<u>(10,556,583)</u>
Cash Flows from Financing Activities				
Repayment of Loan Facilities	6(a)	(2,400,971)	(6,266,223)	(7,026,223)
Proceeds from New Loan Facilities	6(a)	690,000	14,910,000	13,703,074
Net Cash (used in) / provided by Financing Activities		<u>(1,710,971)</u>	<u>8,643,777</u>	<u>6,676,851</u>
Net (Decrease) / Increase in Cash Held		(13,203)	(1,850,109)	14,248,311
Cash at Beginning of the Year		<u>90,111,505</u>	<u>91,961,614</u>	<u>130,843,000</u>
Cash and Cash Equivalents at the End of the Year	3(a)	<u><u>90,098,302</u></u>	<u><u>90,111,505</u></u>	<u><u>145,091,311</u></u>

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

City of Gosnells
RATE SETTING STATEMENT
for the year ending 30 June 2021

Note	2020/21 Budget \$	2019/20 Actual \$	2019/20 Budget \$
Revenue from Operating Activities excluding Rates			
General Purpose Funding	9,528,314	7,119,870	10,220,123
Governance	6,271	6,936	6,768
Law, Order and Public Safety	592,602	730,039	602,587
Health	359,545	117,461	323,879
Education and Welfare	369,007	717,951	720,925
Community Amenities	18,067,772	17,195,830	18,254,103
Recreation and Culture	4,182,340	1,723,622	3,886,933
Transport	646,829	169,861	320,681
Economic Services	1,968,326	1,782,726	2,202,074
Other Property and Services	4,165,931	584,679	9,380,019
	<u>39,886,937</u>	<u>30,148,975</u>	<u>45,918,092</u>
Expense from Operating Activities			
General Purpose Funding	(3,138,105)	(1,644,497)	(2,037,307)
Governance	(2,851,646)	(5,868,505)	(6,635,919)
Law, Order and Public Safety	(3,325,134)	(3,435,591)	(3,818,329)
Health	(1,354,734)	(1,349,622)	(1,360,162)
Education and Welfare	(4,489,830)	(4,738,584)	(4,616,639)
Community Amenities	(21,318,054)	(19,722,304)	(22,900,432)
Recreation and Culture	(40,389,387)	(38,763,029)	(41,660,729)
Transport	(26,897,117)	(26,138,731)	(26,676,312)
Economic Services	(2,691,658)	(2,933,897)	(3,274,126)
Other Property and Services	(11,634,632)	(1,144,451)	(1,784,909)
	<u>(118,090,297)</u>	<u>(105,739,211)</u>	<u>(114,764,864)</u>
Adjustments for Cash Budget Requirements			
Non-Cash Revenue and Expenses			
(Profit)/Loss on Asset Disposals	4(b) (3,273,884)	115,164	(8,921,332)
Depreciation on Non-Current Assets	5 <u>25,732,697</u>	<u>25,256,194</u>	<u>24,702,620</u>
	22,458,813	25,371,358	15,781,288
Amount attributable to Operating Activities	<u>(55,744,547)</u>	<u>(50,218,878)</u>	<u>(53,065,484)</u>

City of Gosnells
RATE SETTING STATEMENT
for the year ending 30 June 2021

	Note	2020/21 Budget \$	2019/20 Actual \$	2019/20 Budget \$
Investing Activities				
Contributions/Grants for the Construction of Assets	9	13,890,951	8,036,809	11,695,826
Proceeds from Asset Disposals	4(b)	4,769,000	270,670	10,364,400
Purchase of Land Held for Resale	4(a)	(168,747)	(3,982,032)	(6,727,074)
Purchase of Property, Plant & Equipment	4(a)	(10,556,479)	(8,629,005)	(3,755,723)
Purchase of Infrastructure Assets	4(a)	(24,378,949)	(15,862,797)	(22,134,012)
Amount attributable to Investing Activities		<u>(16,444,224)</u>	<u>(20,166,355)</u>	<u>(10,556,583)</u>
Financing Activities				
Transfers of Public Open Space - Cash in Lieu to Outline Development Plan Reserves	7	0	22,891,193	0
Proceeds from Loan Facilities	6(a)	690,000	14,910,000	13,703,074
Repayment of Loan Facilities	6(b)	(2,400,971)	(6,226,223)	(7,026,223)
Transfers to Reserves (Restricted Cash)	7	(12,145,416)	(28,825,784)	(24,666,354)
Transfers between Reserves (Restricted Cash) - Equity*	7	0	(22,891,193)	0
Transfers from Reserves (Restricted Cash)	7	15,027,775	10,262,281	8,301,503
Amount attributable to Financing Activities		<u>1,171,388</u>	<u>(9,879,726)</u>	<u>(9,688,000)</u>
Net Current Assets - Surplus/(Deficit)				
The start of the financial year	2	1,616,196	16,439,346	4,085,790
The end of the financial year	2	0	(1,616,196)	0
Estimated amount to be raised from Rates		<u>(69,401,187)</u>	<u>(65,441,809)</u>	<u>(69,224,277)</u>

*From 30 June 2019, the City has recognised actual funds held in cash-in-lieu of Public Open Space in Trust (refer to note 15) to meet the requirement of Section 154 of the *Planning and Development Act 2005*. In the 2019/20 financial year, funds relating to Public Open Space under the City's Developer Contribution Arrangement have been moved to the respective Outline Development Plan reserves. Refer to note 7.

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

1. RATES

(a) Rating Information

Rate Type	2020/21 Budget					2019/20 Actual		
	Rate in \$ Cents	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Actual Revenue \$	Budget Revenue \$
Differential Rate								
Gross Rental Value (GRV)								
Extractive Industry	14.096	3	384,000	54,129	0	54,129	48,626	48,626
General GRV	7.419	32,853	702,020,881	52,082,929	554,000	52,636,929	54,790,780	59,625,157
Rural GRV	8.903	847	19,813,683	1,764,012	0	1,764,012	1,657,095	1,735,962
Tenancy Agreements	7.919	52	2,218,935	175,717	0	175,717	164,803	164,803
Town Centre	8.532	69	7,737,923	660,200	0	660,200	649,407	658,167
Unimproved Value (UV)								
Rural UV	0.2893	23	28,200,000	81,583	0	81,583	73,301	73,301
Rural UV Agricultural Concession	0.2314	6	62,220,000	143,977	0	143,977	133,721	133,721
		33,853	822,595,422	54,962,547	554,000	55,516,547	57,517,733	62,439,737
Minimum Payment	\$							
Gross Rental Value (GRV)								
General GRV	980	14,121	160,504,034	13,838,580	0	13,838,580	7,882,127	6,739,460
Rural GRV	980	30	281,634	29,400	0	29,400	28,420	28,420
Tenancy Agreements	980	9	59,148	8,820	0	8,820	5,689	8,820
Town Centre	980	6	43,628	5,880	0	5,880	4,900	4,900
Unimproved Value (UV)								
Rural UV	980	2	351,000	1,960	0	1,960	2,940	2,940
		14,168	161,239,444	13,884,640	0	13,884,640	7,924,076	6,784,540
		48,021	983,834,866	68,847,187	554,000	69,401,187	65,441,809	69,224,277
Discount (Note 10)						0	0	0
Total Amount Raised from Rates						69,401,187	65,441,809	69,224,277
Specified Area Rates (Note 1(d))						519,065	523,560	519,123
Total Rates						69,920,252	65,965,369	69,743,400

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

1. RATES (CONTINUED)

(a) Rating Information (continued)

All land except exempt land in the City of Gosnells is rated according to its Gross Rental Value (GRV) if its use is predominantly non-rural or, Unimproved Value (UV) if its use is predominantly rural.

The differential general rates for the 2020/21 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rate has been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the local government services/facilities.

(b) Objectives and Reasons for Differential Rating

Objective

The objective of imposing a differential rate is to achieve fairness and equity in generating income from properties within the City. To meet the above objective, the following rate categories have been determined:

Rate Type	Characteristics	Reasons
Extractive Industry	Any land zoned or held or used solely for mining and/or having improvements erected on it.	A higher rate in the dollar at 190% of the rate imposed on improved land has been applied to Extractive Industries as Council considers it appropriate given the impact this activity has on the road infrastructure and the environment.
General GRV	Any land held or predominantly used for residential, commercial or industrial purposes and being vacant or having improvements erected on it.	The rate in the dollar is calculated to provide the shortfall in income required to enable Council to provide necessary works and services in the 2020/21 financial year.
Rural GRV	Any land zoned rural but used predominantly for non-rural purpose and being vacant or having improvements erected on it.	A higher rate in the dollar at 120% of the rate imposed on improved land has been applied to Rural GRV because Gross Rental Values do not adequately take into consideration the value of large land holdings.
Tenancy Agreements	Council properties leased to organisations incorporated under the Associations Incorporation Act 1987.	A higher rate at 0.5 cents in the dollar over and above the rate imposed on General GRV is applicable to all organisations incorporated under the Associations Incorporation Act 1987 that tenant City property in order to recover the administration expenses associated with managing these tenancies.
Town Centre	Properties within the Gosnells Town Centre Special Control Area as identified on the City's Town Planning Scheme No. 6 Scheme Map.	A higher rate in the dollar at 115% of the rate imposed on improved land is applicable to all commercial properties in the Gosnells Town Centre to recognise both the investment by the City in the Town Centre Revitalisation project and the additional operational expenses associated with the ongoing level of service provided.
Rural UV	Any land held or predominantly used for rural purposes and being vacant or having relevant buildings erected on it.	The rate in the dollar is calculated to provide the shortfall in income required to enable Council to provide necessary works and services in the 2020/21 financial year.
Rural UV Agricultural Concession	Minimum lot area of 20,200 square meters and the resident owner derives his/her livelihood from Agricultural activities. For example grazing, dairying, tree farming and animal husbandry.	A concession of 20% off the Rural UV rate is offered to owners who have had continuous ownership since 1 July 1986 of the rural property and who meet the adjacent characteristics and criteria.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

1. RATES (CONTINUED)

(b) Objectives and Reasons for Differential Rating (continued)

Differential Minimum Payment

A uniform minimum rate is applied to all rate categories. The imposition of a minimum rate is in recognition that every property receives some minimum level of benefit from services provided and as such Council has adopted an appropriate minimum rate to take this into consideration.

(c) Interest Charges, Administration Fees and Rate Payment Options

Interest Charges and Administration Fees

	Interest Rate %	Admin Charge \$	2020/21 Budget \$	2019/20 Actual \$
Interest				
Four instalment payment plan	3.0%	N/A	400,000	468,346
Late payment*	8.0%	N/A	200,000	305,403
Administration fees				
Four instalment payment plan	N/A	15.00	260,000	253,786
Direct Debit payment plan	N/A	29.00	150,000	150,000

*Council will not be charging late payment interest until 1 January 2021. Interest will not be applied to an "excluded person" as defined in the Local Government (COVID-19 Response) Ministerial Order 2020.

Rates Payment Options

The following payment options are offered for the payment of Rate Notices.

	Due Date
Payment in full	4 September 2020
Payment by four instalment	
First instalment	4 September 2020
Second instalment	6 November 2020
Third instalment	15 January 2021
Fourth instalment	19 March 2021
Direct Debit payment arrangement	By individual arrangement

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

1. RATES (CONTINUED)

(c) Interest Charges, Administration Fees and Rate Payment Options (continued)

Description of Interest Charges and Payment Arrangement Plans:

Late Payment Interest

Late payment interest is imposed 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 (excluding registered Pensioners/Seniors with 100% equity). Interest will be charged on a daily basis on all arrears and current amounts that remain unpaid 35 days from the date of issue of the original rate notice.

Four Instalment Payment Plan

The four instalment payment plan incurs an administration fee (excluding registered Pensioners/Seniors with 100% equity) to recover the additional cost to the City to administer these plans. The four instalment plan attracts interest calculated on a daily basis. Arrears from previous years are included and payable in the first instalment and continue to attract late payment interest until paid.

Direct Debit Payment Plan

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

1. RATES (CONTINUED)

(d) Specified Area Rates

	Basis of Valuation	Rate in \$ Cents	Number of Properties	Rateable Value \$	2020/21 Budget		2019/20 Actual	
					Budgeted Revenue \$	Total Revenue \$	Actual Revenue \$	Budget Revenue \$
Bletchley Park	GRV	0.7333	562	29,802,935	218,538	218,538	222,599	218,553
Brookland Greens	GRV	0.5373	1500	13,820,292	74,254	74,254	74,468	74,264
Sanctuary Waters	GRV	0.5477	691	14,904,802	81,630	81,630	81,626	81,636
The Avenues	GRV	0.5602	498	9,660,640	54,116	54,116	54,130	54,124
The Boardwalk	GRV	0.3975	627	16,435,175	65,327	65,327	65,357	65,338
The Reserve	GRV	0.3056	347	8,246,662	25,200	25,200	25,380	25,208
					519,065	519,065	523,560	519,123

Purpose

Purpose for the rate and proposed application of proceeds is to recover in each Specified Area, up to 25% of the park maintenance cost incurred by the City as they are maintained to a higher standard.

Description of the areas in which rates are to be applied:

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

Plans of the Specified Area Rate (SAR) areas are shown in the Supplementary Information.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

2. NET CURRENT ASSETS

	Note	2020/21 Budget \$	2019/20 Actual \$	2019/20 Budget \$
Composition of Estimated Net Current Assets				
Current Assets				
Cash - Unrestricted	3(a)	15,150,000	14,652,523	17,667,772
Cash - Restricted Reserves	3(a)	116,948,302	119,830,661	127,423,539
Cash - Restricted Unspent Grants, Subsidies and Contributions	3(a)	1,000,000	628,321	0
Trade and Other Receivables		8,000,000	7,044,931	6,500,000
Contract Assets		0	19,537	0
Inventories		350,000	322,452	350,000
		<u>141,448,302</u>	<u>142,498,425</u>	<u>151,941,311</u>
Less: Current Liabilities				
Prepaid Rates		(3,500,000)	(4,177,676)	0
Contract Liabilities		(1,000,000)	0	(1,500,000)
Short Term Borrowings	6	(17,731,583)	(19,442,554)	(12,903,074)
Trade and Other Payables		(10,000,000)	(7,500,150)	(12,017,772)
Provisions		(10,000,000)	(9,373,742)	(11,000,000)
		<u>(42,231,583)</u>	<u>(40,494,122)</u>	<u>(37,420,846)</u>
Unadjusted Net Current Assets		<u>99,216,719</u>	<u>102,004,303</u>	<u>114,520,465</u>
Adjustments				
Add: Short Term Borrowings	6	17,731,583	19,442,554	12,903,074
Less: Cash - Restricted Reserves	3(a)	<u>(116,948,302)</u>	<u>(119,830,661)</u>	<u>(127,423,539)</u>
Adjusted Net Current Assets - Surplus		<u>0</u>	<u>1,616,196</u>	<u>0</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

2. NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the City's intentions to release for sale.

Trade and Other Receivables

Trade and Other 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.

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

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off when identified. A provision for impairment is raised when there is objective evidence that they will not be collectable.

Inventories

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

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

Land Held for Resale

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

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

Land held for resale is classified as a current asset except where it is Council's intention not to sell the Land within the current financial year, in which case it is held as a non-current asset.

Contract Liabilities

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or contract recognisable non-financial assets to be controlled by the City are recognised as a liability until such time as the City satisfies its obligations under the agreement.

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 liability and are normally paid within 14 days of recognition.

Provisions

Provisions are recognised when the City has a 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.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

2. NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee Benefits

Short term employee benefits

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

Superannuation

The City of Gosnells contributes to a number of superannuation funds on behalf of employees.

All funds to which the City of Gosnells contributes are defined contribution plans.

The City of Gosnells' obligations for short term employee benefits such as wages and salaries and superannuation are recognised as a part of Trade and Other Payables in the statement of financial position. The City of Gosnells' obligations for employees' annual leave and long serve leave entitlements are recognised as Provisions in the statement of financial position.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

3. RECONCILIATION OF CASH

Note	2020/21 Budget \$	2019/20 Actual \$	2019/20 Budget \$
(a) Reconciliation of Cash			
For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:			
Cash at Bank and on Hand	90,098,302	90,111,505	145,091,311
Term Deposits	<u>43,000,000</u>	<u>45,000,000</u>	<u>0</u>
	<u>133,098,302</u>	<u>135,111,505</u>	<u>145,091,311</u>
Cash - Unrestricted	15,150,000	14,652,523	17,667,772
Cash - Restricted	<u>117,948,302</u>	<u>120,458,982</u>	<u>127,423,539</u>
	<u>133,098,302</u>	<u>135,111,505</u>	<u>145,091,311</u>

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

Cash - Restricted			
Unspent Grants, Subsidies and Contributions	1,000,000	628,321	0
Reserves	7 <u>116,948,302</u>	<u>119,830,661</u>	<u>127,423,539</u>
	<u>117,948,302</u>	<u>120,458,982</u>	<u>127,423,539</u>

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

Net Result	5,088,778	(2,111,618)	14,325,331
Depreciation	25,732,697	25,256,194	24,549,495
(Profit)/Loss on Asset Disposals	(3,273,884)	115,164	(8,921,332)
(Increase)/Decrease in Receivables	(955,069)	2,395,075	400,000
(Increase)/Decrease in Inventories	(27,548)	(41,660)	(30,000)
Increase/(Decrease) in Payables	2,616,071	320,006	(698,500)
Increase/(Decrease) in Employee Provisions	460,682	165,576	198,875
Non-Operating Grants, Subsidies and Contributions	<u>(13,890,951)</u>	<u>(8,036,809)</u>	<u>(11,695,826)</u>
Net Cash from Operating Activities	<u>15,750,776</u>	<u>18,061,928</u>	<u>18,128,043</u>

SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents include cash at bank, cash on hand, 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.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

4. FIXED ASSETS

(a) Asset Acquisitions

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

Reporting Program	Education and Welfare \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Other Property and Services \$	Total \$
By Asset Class						
Land Held for Resale	0	0	0	0	168,747	168,747
Property, Plant and Equipment						
Land and Buildings	20,205	80,000	6,701,865	0	73,083	6,875,153
Furniture and Fixtures	0	0	155,916	0	51,540	207,456
Plant and Equipment	0	0	0	0	3,261,370	3,261,370
Intangible Assets	0	0	0	0	212,500	212,500
Total Property, Plant and Equipment	20,205	80,000	6,857,781	0	3,598,493	10,556,479
Infrastructure						
Roads, Kerbing and Paths	0	0	30,764	18,165,812	0	18,196,576
Bridges - Roads	0	0	0	143,146	0	143,146
Drains	0	0	15,210	839,694	0	854,904
Park Developments	0	0	4,845,824	0	0	4,845,824
Other Infrastructure	0	0	60,442	278,057	0	338,499
Total Infrastructure	0	0	4,952,240	19,426,709	0	24,378,949
	20,205	80,000	11,810,021	19,426,709	3,767,240	35,104,175

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document.

SIGNIFICANT ACCOUNTING POLICIES

Recognition of Assets

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

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

4. FIXED ASSETS (CONTINUED)

(b) Asset Disposals

The following assets are budgeted to be disposed of during the year.

	2020/21 Budget						2019/20 Actual		2019/20 Budget	
	Net Book Value \$	Sale Proceeds \$	Profit \$	(Loss) \$	Net Book Value \$	Sale Proceeds \$	Profit \$	(Loss) \$	Profit \$	(Loss) \$
By Program										
Transport	791,450	479,000	355,008	(667,458)	354,929	270,670	32,380	(116,639)	118,181	(34,874)
Recreation and Culture	198,216	0	0	(198,216)	30,905	0	0	(30,905)	0	0
Other Property and Services	505,450	4,290,000	3,784,550	0	0	0	0	0	8,838,025	0
Total Disposals by Program	1,495,116	4,769,000	4,139,558	(865,674)	385,834	270,670	32,380	(147,544)	8,956,206	(34,874)
Net Profit / (Loss) on Asset Disposals				<u>3,273,884</u>				<u>(115,164)</u>		<u>8,921,332</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

4. FIXED ASSETS (CONTINUED)

(b) Asset Disposals (continued)

The following assets are budgeted to be disposed of during the year.

	2020/21 Budget				2019/20 Actual				2019/20 Budget	
	Net Book Value \$	Sale Proceeds \$	Profit \$	(Loss) \$	Net Book Value \$	Sale Proceeds \$	Profit \$	(Loss) \$	Profit \$	(Loss) \$
By Asset Class										
Asset Held for Sale	505,450	4,290,000	3,784,550	0	0	0	0	0	8,838,025	0
Property, Plant and Equipment										
Plant and Equipment	791,450	479,000	355,008	(667,458)	385,834	270,670	32,380	(147,544)	118,181	(34,874)
Buildings	198,216	0	0	(198,216)	0	0	0	0	0	0
Total Disposals by Asset Class	1,495,116	4,769,000	4,139,558	(865,674)	385,834	270,670	32,380	(147,544)	8,956,206	(34,874)
Net Profit / (Loss) on Asset Disposals				<u>3,273,884</u>				<u>(115,164)</u>		<u>8,921,332</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

5. ASSET DEPRECIATION

	2020/21 Budget \$	2019/20 Actual \$	2019/20 Budget \$
The net result from ordinary activities includes:			
By Program			
Depreciation on Non-Current Assets			
General Purpose Funding	323	0	0
Governance	15,720	18,103	10,093
Law, Order and Public Safety	296,344	416,570	363,895
Health	121,235	126,241	121,013
Education and Welfare	177,315	174,234	153,145
Community Amenities	995,602	1,080,199	862,255
Recreation and Culture	8,117,598	7,961,819	7,650,783
Transport	14,104,688	13,726,700	13,782,775
Economic Services	36,102	44,214	33,781
Other Property and Services	1,867,770	1,708,114	1,571,755
	<u>25,732,697</u>	<u>25,256,194</u>	<u>24,549,495</u>
Depreciation Capitalised			
Other Property and Services	184,296	160,209	153,125
	<u>184,296</u>	<u>160,209</u>	<u>153,125</u>
By Asset Class			
Depreciation on Non-Current Assets			
Bridges - Roads	1,128,504	1,123,391	1,112,581
Buildings	3,363,193	3,299,122	3,247,407
Drains	3,704,411	3,720,020	3,832,018
Furniture and Fixtures	1,121,430	996,263	656,024
Intangible Assets	487,663	415,251	387,438
Other Infrastructure	391,383	287,880	414,571
Park Developments	4,338,496	4,221,685	4,216,004
Plant and Equipment	2,400,782	2,629,915	2,302,736
Roads, Kerbing and Paths	8,770,740	8,562,667	8,380,716
Right of use asset - Plant and Equipment	26,095	0	0
	<u>25,732,697</u>	<u>25,256,194</u>	<u>24,549,495</u>
Depreciation Capitalised			
Plant and Equipment	184,296	160,209	153,125
	<u>184,296</u>	<u>160,209</u>	<u>153,125</u>
Total Depreciation on Non-Current Assets	<u>25,916,993</u>	<u>25,416,403</u>	<u>24,702,620</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

5. ASSET DEPRECIATION (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's components' 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.

The residual values and useful lives of assets 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.

Profits and losses on asset disposals are determined by comparing proceeds with the carrying amount. These profits and losses are included in profit or loss in the period in which they arise.

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

Asset Class	Years
Bridges - Roads.....	60 to 100
Buildings.....	20 to 100
Drains.....	50 to 100
Furniture and Fixtures.....	3 to 15
Intangible Assets.....	1 to 10
Other Infrastructure.....	12 to 80
Park Developments.....	15 to 63
Plant and Equipment.....	6 to 10
Roads, Kerbing and Paths	
Subgrade.....	Infinite
Access Roads - Pavement.....	Infinite
Distributor Roads - Pavement.....	54 to 75
Surface.....	18 to 30
Kerbing.....	36 to 60
Pathways.....	60 to 80
Land.....	Infinite
Right of use asset - Plant and Equipment.....	Based on the remaining lease

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

6. BORROWINGS

(a) Borrowing Repayments

Movement in borrowings and interest between the beginning and the end of the current financial year.

Particulars/Purpose	Principal 1 July 2020	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2020/21 Budget	2019/20 Actual	2020/21 Budget	2019/20 Actual	2020/21 Budget	2019/20 Actual
			\$	\$	\$	\$	\$	\$
Community Amenities								
Central Maddington ODP Infrastructure (Short Term)	0	0	0	4,800,000	0	0	0	68,823
Central Maddington ODP Infrastructure (Long Term)	10,000,000	0	933,245	0	9,066,755	10,000,000	213,574	0
Recreation and Culture								
Mills Park Redevelopment	4,532,554	0	1,467,726	1,426,223	3,064,828	4,532,554	131,897	173,400
Other Property and Services								
Robinson Park Subdivision and Park Development	4,910,000	690,000	0	0	5,600,000	4,910,000	86,917	203,283
	19,442,554	690,000	2,400,971	6,226,223	17,731,583	19,442,554	432,388	445,506

Central Maddington ODP Infrastructure (Long Term) loan facility repayments 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.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

6. BORROWINGS (CONTINUED)

(b) New Borrowings

Council is not expected to have any new loan funds for the year ending 30 June 2021.

(c) Unspent Borrowings

All loan funds drawn are expected to be fully expended as at 30 June 2020.

Council is not expected to have any unspent loan funds as at 30 June 2021.

SIGNIFICANT ACCOUNTING POLICIES

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.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

7. CASH-BACKED RESERVES

(a) Cash Backed Reserves - Movement

Ordinary Reserves

	2020/21	2019/20	2019/20
	Budget	Actual	Budget
	\$	\$	\$
(a) Asset Management			
Opening Balance	909,242	2,148,979	2,146,108
Amount Used / Transfer From Reserve	0	(103,277)	(136,000)
Amount Set Aside / Transfer To Reserve	0	146,000	146,000
Amount Set Aside / Interest	20,268	17,540	18,056
Transfer between Reserves - Equity	0	(1,300,000)	(1,300,000)
	<u>929,510</u>	<u>909,242</u>	<u>874,164</u>
(b) Central Maddington City Funded Common Infrastructure Works			
Opening Balance	5,197,657	0	0
Amount Used / Transfer From Reserve	(3,705,886)	(2,343)	0
Amount Set Aside / Transfer To Reserve	0	5,200,000	0
Amount Set Aside / Interest	33,253	0	0
	<u>1,525,024</u>	<u>5,197,657</u>	<u>0</u>
(c) Community Infrastructure Reserve			
Opening Balance	14,437,050	0	0
Amount Used / Transfer From Reserve	(2,841,506)	(1,954,451)	(1,031,628)
Amount Set Aside / Transfer To Reserve	384,129	8,537,370	1,890,791
Amount Set Aside / Interest	166,963	193,740	200,313
Transfer between Reserves - Equity	0	7,660,391	7,298,830
	<u>12,146,636</u>	<u>14,437,050</u>	<u>8,358,306</u>
(d) Covid-19 Recovery Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer To Reserve	1,175,515	0	0
Amount Set Aside / Interest	35,360	0	0
	<u>1,210,875</u>	<u>0</u>	<u>0</u>
(e) Developer Contributions Infrastructure			
Opening Balance	746,585	711,074	743,429
Amount Set Aside / Transfer To Reserve	60,000	22,000	60,000
Amount Set Aside / Interest	17,979	13,511	16,945
	<u>824,564</u>	<u>746,585</u>	<u>820,374</u>
Total Ordinary Reserves C/Fwd	<u>16,636,609</u>	<u>21,290,534</u>	<u>10,052,844</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

7. CASH-BACKED RESERVES (continued)

(a) Cash Backed Reserves – Movement (continued)

Ordinary Reserves (continued)

	2020/21	2019/20	2019/20
	Budget	Actual	Budget
	\$	\$	\$
Total Ordinary Reserves B/Fwd	<u>16,636,609</u>	<u>21,290,534</u>	<u>10,052,844</u>
(f) Don Russell Performing Arts Centre			
Opening Balance	0	371,180	380,193
Transfer between Reserves - Equity	<u>0</u>	<u>(371,180)</u>	<u>(380,193)</u>
	0	0	0
(g) Emergency Services			
Opening Balance	0	96,612	114,305
Amount Set Aside / Transfer To Reserve	0	24,923	0
Transfer between Reserves - Equity	<u>0</u>	<u>(121,535)</u>	<u>(114,305)</u>
	0	0	0
(h) Floodlighting Levy			
Opening Balance	0	58,160	58,841
Transfer between Reserves - Equity	<u>0</u>	<u>(58,160)</u>	<u>(58,841)</u>
	0	0	0
(i) Gosnells Oval Redevelopment			
Opening Balance	1,085,151	1,004,509	1,001,573
Amount Used / Transfer From Reserve	(230,574)	0	0
Amount Set Aside / Transfer To Reserve	51,170	61,406	49,680
Amount Set Aside / Interest	<u>20,190</u>	<u>19,236</u>	<u>22,171</u>
	925,937	1,085,151	1,073,424
(j) Gosnells Town Centre Revitalisation			
Opening Balance	7,726,252	5,320,839	5,297,067
Amount Used / Transfer From Reserve	(1,636,225)	(1,629,768)	(139,512)
Amount Set Aside / Transfer To Reserve	94,000	1,886,534	1,817,583
Amount Set Aside / Interest	137,846	148,647	189,289
Transfer between Reserves - Equity	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
	6,321,873	7,726,252	9,164,427
(k) Harmony Fields			
Opening Balance	253,654	203,326	164,908
Amount Set Aside / Transfer To Reserve	50,470	46,355	49,000
Amount Set Aside / Interest	<u>6,779</u>	<u>3,973</u>	<u>4,511</u>
	310,903	253,654	218,419
Total Ordinary Reserves C/Fwd	<u>24,195,322</u>	<u>30,355,591</u>	<u>20,509,114</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

7. CASH-BACKED RESERVES (continued)

(a) Cash Backed Reserves – Movement (continued)

Ordinary Reserves (continued)

	2020/21	2019/20	2019/20
	Budget	Actual	Budget
	\$	\$	\$
Total Ordinary Reserves B/Fwd	<u>24,195,322</u>	<u>30,355,591</u>	<u>20,509,114</u>
(l) Heritage Condition Reward Scheme			
Opening Balance	47,218	53,308	52,577
Amount Used / Transfer From Reserve	(7,260)	(7,100)	(7,100)
Amount Set Aside / Interest	891	1,010	959
	<u>40,849</u>	<u>47,218</u>	<u>46,436</u>
(m) Insurance			
Opening Balance	640,499	628,583	627,743
Amount Set Aside / Interest	14,277	11,916	13,239
	<u>654,776</u>	<u>640,499</u>	<u>640,982</u>
(n) Langford Oval Redevelopment			
Opening Balance	114,934	241,105	233,100
Amount Used / Transfer From Reserve	(49,499)	(157,468)	(206,967)
Amount Set Aside / Transfer To Reserve	27,872	27,057	27,060
Amount Set Aside / Interest	2,080	4,240	1,122
	<u>95,387</u>	<u>114,934</u>	<u>54,315</u>
(o) Leisure World Asset Management			
Opening Balance	0	320,014	319,496
Transfer between Reserves - Equity	0	(320,014)	(319,496)
	<u>0</u>	<u>0</u>	<u>0</u>
(p) Local Government Elections			
Opening Balance	75,812	199,280	199,014
Amount Used / Transfer From Reserve	0	(253,482)	(290,000)
Amount Set Aside / Transfer To Reserve	126,000	126,000	126,000
Amount Set Aside / Interest	4,499	4,014	738
	<u>206,311</u>	<u>75,812</u>	<u>35,752</u>
(q) Local Open Space Strategy			
Opening Balance	501,090	673,396	688,549
Amount Used / Transfer From Reserve	(752,381)	(215,548)	0
Amount Set Aside / Transfer To Reserve	4,321,636	30,135	1,564,130
Amount Set Aside / Interest	90,731	13,107	95,006
	<u>4,161,076</u>	<u>501,090</u>	<u>2,347,685</u>
Total Ordinary Reserves C/Fwd	<u>29,353,721</u>	<u>31,735,144</u>	<u>23,634,284</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

7. CASH-BACKED RESERVES (continued)

(a) Cash Backed Reserves – Movement (continued)

Ordinary Reserves (continued)

	2020/21	2019/20	2019/20
	Budget	Actual	Budget
	\$	\$	\$
Total Ordinary Reserves B/Fwd	<u>29,353,721</u>	<u>31,735,144</u>	<u>23,634,284</u>
(r) Maddington/Kenwick Revitalisation			
Opening Balance	2,597,737	2,549,409	2,546,003
Amount Set Aside / Interest	57,905	48,328	53,696
	<u>2,655,642</u>	<u>2,597,737</u>	<u>2,599,699</u>
(s) Mills Park			
Opening Balance	408,210	411,825	410,490
Amount Used / Transfer From Reserve	(165,353)	(67,000)	0
Amount Set Aside / Transfer To Reserve	53,025	55,331	51,380
Amount Set Aside / Interest	8,824	8,054	9,741
	<u>304,706</u>	<u>408,210</u>	<u>471,611</u>
(t) Operations Centre			
Opening Balance	15,845,285	5,329,890	7,182,947
Amount Used / Transfer From Reserve	(700,000)	0	0
Amount Set Aside / Transfer To Reserve	1,300,000	6,593,692	1,339,823
Amount Set Aside / Interest	420,413	221,703	190,294
Transfer between Reserves - Equity	3,134,302	3,700,000	3,700,000
	<u>20,000,000</u>	<u>15,845,285</u>	<u>12,413,064</u>
(u) Plant and Equipment			
Opening Balance	5,575,624	6,818,897	6,610,458
Amount Used / Transfer From Reserve	(2,034,500)	(1,369,807)	(1,031,250)
Amount Set Aside / Transfer To Reserve	1,000,000	2,016,323	1,425,000
Amount Set Aside / Interest	18,178	110,211	105,541
Transfer between Reserves - Equity	(3,134,302)	(2,000,000)	(2,000,000)
	<u>1,425,000</u>	<u>5,575,624</u>	<u>5,109,749</u>
(v) Rate Revaluation			
Opening Balance	681,113	523,136	522,836
Amount Used / Transfer From Reserve	0	0	(370,000)
Amount Set Aside / Transfer To Reserve	146,000	146,000	146,000
Amount Set Aside / Interest	18,437	11,977	6,303
	<u>845,550</u>	<u>681,113</u>	<u>305,139</u>
Total Ordinary Reserves C/Fwd	<u>54,584,619</u>	<u>56,843,113</u>	<u>44,533,546</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

7. CASH-BACKED RESERVES (continued)

(a) Cash Backed Reserves – Movement (continued)

Ordinary Reserves (continued)

	2020/21	2019/20	2019/20
	Budget	Actual	Budget
	\$	\$	\$
Total Ordinary Reserves B/Fwd	<u>54,584,619</u>	<u>56,843,113</u>	<u>44,533,546</u>
(w) Recreation and Culture Infrastructure			
Opening Balance	0	5,489,503	5,125,995
Transfer between Reserves - Equity	0	(5,489,503)	(5,125,995)
	<u>0</u>	<u>0</u>	<u>0</u>
(x) Refuse Disposal Site Rehabilitation			
Opening Balance	665,784	686,613	651,520
Amount Used / Transfer From Reserve	(80,000)	(54,863)	(150,000)
Amount Set Aside / Transfer To Reserve	26,250	23,157	25,000
Amount Set Aside / Interest	13,643	10,877	11,105
	<u>625,677</u>	<u>665,784</u>	<u>537,625</u>
(y) Strategic Capital Acquisition			
Opening Balance	1,366,695	1,231,494	1,276,664
Amount Used / Transfer From Reserve	(15,000)	(417,031)	(15,000)
Amount Set Aside / Transfer To Reserve	0	528,699	750,000
Amount Set Aside / Interest	30,130	23,533	42,427
	<u>1,381,825</u>	<u>1,366,695</u>	<u>2,054,091</u>
(z) Sutherlands Park			
Opening Balance	1,038,954	1,019,977	988,002
Amount Used / Transfer From Reserve	(170,186)	(47,060)	(25,000)
Amount Set Aside / Transfer To Reserve	75,845	47,080	73,280
Amount Set Aside / Interest	21,056	18,957	21,856
	<u>965,669</u>	<u>1,038,954</u>	<u>1,058,138</u>
(aa) Synthetic Surfaces Renewal			
Opening Balance	415,214	234,096	227,102
Amount Used / Transfer From Reserve	0	(9,298)	0
Amount Set Aside / Transfer To Reserve	0	183,420	183,420
Amount Set Aside / Interest	9,255	6,996	8,658
	<u>424,469</u>	<u>415,214</u>	<u>419,180</u>
Total Ordinary Reserves C/Fwd	<u>57,982,259</u>	<u>60,329,760</u>	<u>48,602,580</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

7. CASH-BACKED RESERVES (continued)

(a) Cash Backed Reserves – Movement (continued)

Ordinary Reserves (continued)

	2020/21	2019/20	2019/20
	Budget	Actual	Budget
	\$	\$	\$
Total Ordinary Reserves B/Fwd	<u>57,982,259</u>	<u>60,329,760</u>	<u>48,602,580</u>
(ab) Walter Padbury Park			
Opening Balance	240,609	187,793	187,146
Amount Used / Transfer From Reserve	(60,774)	0	0
Amount Set Aside / Transfer To Reserve	48,816	48,936	47,280
Amount Set Aside / Interest	5,097	3,880	4,944
	<u>233,748</u>	<u>240,609</u>	<u>239,370</u>
(ac) Waste Reserve			
Opening Balance	6,276,942	9,679,568	7,989,900
Amount Used / Transfer From Reserve	(950,000)	(488,665)	(845,000)
Amount Set Aside / Transfer To Reserve	0	665,000	888,742
Amount Set Aside / Interest	118,741	121,039	91,398
Transfer between Reserves - Equity	0	(3,700,000)	(3,700,000)
	<u>5,445,683</u>	<u>6,276,942</u>	<u>4,425,040</u>
Total Ordinary Reserves	<u>63,661,690</u>	<u>66,847,311</u>	<u>53,266,990</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

7. CASH-BACKED RESERVES (continued)

(a) Cash Backed Reserves – Movement (continued)

Planning Reserves

	2020/21	2019/20	2019/20
	Budget	Actual	Budget
	\$	\$	\$
(ad) ODP - Canning Vale			
Opening Balance	5,804,095	1,047,707	1,047,079
Amount Used / Transfer From Reserve	(7,754)	(30,000)	(30,000)
Amount Set Aside / Transfer To Reserve	10,000	2,500	10,000
Amount Set Aside / Interest	129,427	18,008	21,662
Transfer between Reserves - Equity	0	4,765,880	0
	<u>5,935,768</u>	<u>5,804,095</u>	<u>1,048,741</u>
(ae) ODP - Central Maddington Precinct 1			
Opening Balance	928,943	397,038	282,384
Amount Used / Transfer From Reserve	(221,328)	(85,289)	(262,852)
Amount Set Aside / Transfer To Reserve	300,000	257,677	5,672,800
Amount Set Aside / Interest	22,460	19,399	120,054
Transfer between Reserves - Equity	0	340,118	0
	<u>1,030,075</u>	<u>928,943</u>	<u>5,812,386</u>
(af) ODP - Central Maddington Precinct 2			
Opening Balance	594,090	581,590	598,070
Amount Used / Transfer From Reserve	(7,754)	0	0
Amount Set Aside / Transfer To Reserve	50,000	12,500	93,200
Amount Set Aside / Interest	14,184	0	14,579
	<u>650,520</u>	<u>594,090</u>	<u>705,849</u>
(ag) ODP - Homestead Road			
Opening Balance	936,825	405,199	404,342
Amount Used / Transfer From Reserve	(7,754)	(81,600)	(15,000)
Amount Set Aside / Transfer To Reserve	10,000	2,500	10,000
Amount Set Aside / Interest	20,933	6,921	8,422
Transfer between Reserves - Equity	0	603,805	0
	<u>960,004</u>	<u>936,825</u>	<u>407,764</u>
Total Planning Reserves C/Fwd	<u>8,576,367</u>	<u>8,263,953</u>	<u>7,974,740</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

7. CASH-BACKED RESERVES (continued)

(a) Cash Backed Reserves – Movement (continued)

Planning Reserves (continued)

	2020/21	2019/20	2019/20
	Budget	Actual	Budget
	\$	\$	\$
Total Planning Reserves B/Fwd	<u>8,576,367</u>	<u>8,263,953</u>	<u>7,974,740</u>
(ah) ODP - Maddington Road A and B			
Opening Balance	1,914,533	910,738	910,370
Amount Used / Transfer From Reserve	(7,754)	(17,000)	(17,000)
Amount Set Aside / Transfer To Reserve	10,000	2,500	10,000
Amount Set Aside / Interest	42,726	15,773	19,050
Transfer between Reserves - Equity	0	1,002,522	0
	<u>1,959,505</u>	<u>1,914,533</u>	<u>922,420</u>
(ai) ODP - Southern River Precinct 1			
Opening Balance	2,553,780	4,385,340	4,383,314
Amount Used / Transfer From Reserve	(18,804)	(2,851,872)	(387,800)
Amount Set Aside / Interest	56,506	39,261	84,267
Transfer between Reserves - Equity	0	981,051	0
	<u>2,591,482</u>	<u>2,553,780</u>	<u>4,079,781</u>
(aj) ODP - Southern River Precinct 2			
Opening Balance	12,645,059	6,817,339	6,810,545
Amount Used / Transfer From Reserve	(619,323)	(20,000)	(631,569)
Amount Set Aside / Transfer To Reserve	50,000	382,440	50,000
Amount Set Aside / Interest	269,176	124,474	131,372
Transfer between Reserves - Equity	0	5,340,806	0
	<u>12,344,912</u>	<u>12,645,059</u>	<u>6,360,348</u>
(ak) ODP - Southern River Precinct 3			
Opening Balance	10,495,533	5,791,253	5,475,697
Amount Used / Transfer From Reserve	(663,523)	(353,359)	(1,577,825)
Amount Set Aside / Transfer To Reserve	300,000	211,504	300,000
Amount Set Aside / Interest	225,849	101,271	88,535
Transfer between Reserves - Equity	0	4,744,864	0
	<u>10,357,859</u>	<u>10,495,533</u>	<u>4,286,407</u>
Total Planning Reserves C/Fwd	<u>35,830,125</u>	<u>35,872,858</u>	<u>23,623,696</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

7. CASH-BACKED RESERVES (continued)

(a) Cash Backed Reserves – Movement (continued)

Planning Reserves (continued)

	2020/21	2019/20	2019/20
	Budget	Actual	Budget
	\$	\$	\$
Total Planning Reserves B/Fwd	<u>35,830,125</u>	<u>35,872,858</u>	<u>23,623,696</u>
(al) ODP - Southern River Precinct 3A			
Opening Balance	3,156,626	234,803	237,076
Amount Set Aside / Transfer To Reserve	20,000	10,689	20,000
Amount Set Aside / Interest	70,809	4,142	5,422
Transfer between Reserves - Equity	0	2,906,992	0
	<u>3,247,435</u>	<u>3,156,626</u>	<u>262,498</u>
(am) ODP - Southern River Precinct 3E			
Opening Balance	17,988	17,678	0
Amount Set Aside / Interest	401	310	0
	<u>18,389</u>	<u>17,988</u>	<u>0</u>
(an) ODP - Southern River Precinct 3F			
Opening Balance	2,972	2,921	0
Amount Set Aside / Interest	66	51	0
	<u>3,038</u>	<u>2,972</u>	<u>0</u>
(ao) ODP - Southern River Precinct 5			
Opening Balance	69,572	68,371	68,340
Amount Set Aside / Interest	1,551	1,201	1,441
	<u>71,123</u>	<u>69,572</u>	<u>69,781</u>
(ap) ODP - West Canning Vale			
Opening Balance	5,974,618	7,792,262	7,785,184
Amount Used / Transfer From Reserve	(43,624)	(31,000)	(31,000)
Amount Set Aside / Interest	132,206	103,259	163,539
Transfer between Reserves - Equity	0	(1,889,903)	0
	<u>6,063,200</u>	<u>5,974,618</u>	<u>7,917,723</u>
Total Planning Reserves C/Fwd	<u>45,233,310</u>	<u>45,094,634</u>	<u>31,873,698</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

7. CASH-BACKED RESERVES (continued)

(a) Cash Backed Reserves – Movement (continued)

Planning Reserves (continued)

	2020/21	2019/20	2019/20
	Budget	Actual	Budget
	\$	\$	\$
Total Planning Reserves B/Fwd	<u>45,233,310</u>	<u>45,094,634</u>	<u>31,873,698</u>
(aq) Public Open Space - Cash in Lieu*			
Opening Balance	0	0	33,572,868
Amount Used / Transfer From Reserve	0	0	(1,086,000)
Amount Set Aside / Transfer To Reserve	0	0	5,180,185
Amount Set Aside / Interest	0	0	794,414
Transfer between Reserves - Equity	0	0	0
	<u>0</u>	<u>0</u>	<u>38,461,467</u>
(ar) TPS - 15			
Opening Balance	1,258,540	507,658	508,122
Amount Used / Transfer From Reserve	(7,754)	(5,000)	(5,000)
Amount Set Aside / Transfer To Reserve	10,000	9,583	10,000
Amount Set Aside / Interest	28,104	8,930	10,822
Transfer between Reserves - Equity	0	737,369	0
	<u>1,288,890</u>	<u>1,258,540</u>	<u>523,944</u>
(as) TPS - 17			
Opening Balance	2,808,232	861,656	861,257
Amount Used / Transfer From Reserve	(7,752)	(5,000)	(5,000)
Amount Set Aside / Transfer To Reserve	10,000	2,500	10,000
Amount Set Aside / Interest	62,647	15,068	18,270
Transfer between Reserves - Equity	0	1,934,008	0
	<u>2,873,127</u>	<u>2,808,232</u>	<u>884,527</u>
(at) TPS - 20			
Opening Balance	1,069,064	416,949	416,757
Amount Used / Transfer From Reserve	(7,753)	0	0
Amount Set Aside / Interest	23,657	7,323	8,790
Transfer between Reserves - Equity	0	644,792	0
	<u>1,084,968</u>	<u>1,069,064</u>	<u>425,547</u>
Total Planning Reserves C/Fwd	<u>50,480,295</u>	<u>50,230,470</u>	<u>72,169,183</u>

*From 30 June 2019, the City has recognised actual funds held in cash-in-lieu of Public Open Space in Trust to meet the requirement of Section 154 of the *Planning and Development Act 2005*. Refer to Note 15.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

7. CASH-BACKED RESERVES (continued)

(a) Cash Backed Reserves – Movement (continued)

Planning Reserves (continued)

	2020/21	2019/20	2019/20
	Budget	Actual	Budget
	\$	\$	\$
Total Planning Reserves B/Fwd	<u>50,480,295</u>	<u>50,230,470</u>	<u>72,169,183</u>
(au) TPS - 9A			
Opening Balance	2,752,880	1,944,897	1,951,317
Amount Used / Transfer From Reserve	(7,754)	(5,000)	(5,000)
Amount Set Aside / Interest	61,191	34,093	41,049
Transfer between Reserves - Equity	0	778,890	0
	<u>2,806,317</u>	<u>2,752,880</u>	<u>1,987,366</u>
Total Planning Reserves	<u>53,286,612</u>	<u>52,983,350</u>	<u>74,156,549</u>
Total Reserves	<u>116,948,302</u>	<u>119,830,661</u>	<u>127,423,539</u>
Summary of Reserves			
Opening Balance	119,830,661	78,375,965	111,058,688
Amount Used / Transfer From Reserve	(15,027,775)	(10,262,281)	(8,301,503)
Amount Set Aside			
Transfer To Reserve	9,710,728	27,309,811	22,026,354
Interest	2,434,688	1,515,973	2,640,000
Transfers between Reserves - Equity	0	22,891,193	0
	<u>12,145,416</u>	<u>51,716,977</u>	<u>24,666,354</u>
Total Reserves	<u>116,948,302</u>	<u>119,830,661</u>	<u>127,423,539</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

7. CASH-BACKED RESERVES (CONTINUED)

(b) Cash Backed Reserves – Purposes

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	Ongoing	To fund recovery and stimulus activities following the COVID-19 crisis.
Developer Contributions Infrastructure	Ongoing	Developer contributions paid to the City for road and drainage infrastructure works for non TPS or ODP Projects.
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 the Local Open Space 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.
Public Art Reserve	Ongoing	To hold funds received under Local Planning Policy 6.0 – Public Art for the provision of public art.
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 Budget
for the year ending 30 June 2021

7. CASH-BACKED RESERVES (CONTINUED)

(b) Cash Backed Reserves – Purposes (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 - Planning and Development of Public Open Space and Streetscapes for the planting of trees in development areas.
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		
TPS - 15	Ongoing	To fund expenditure on infrastructure and administrative items within the TPS area with contributions from developers.
TPS - 17		
TPS - 20		
TPS - 9A		

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

7. CASH-BACKED RESERVES (CONTINUED)

(c) Cash Backed Reserves – Change in Use

The City has resolved to make changes to the use of part of the money in the below reserve account. This money is to be used for a purpose other than the purpose for which the account was established.

Plant and Equipment Reserve

The Plant and Equipment Reserve was established to set aside funds for replacement or new acquisition of plant and associated equipment. During 2019/20, the City reviewed its reserve balances and determined the reserve can be maintained at a lower balance.

\$3,134,302 will be transferred from Plant and Equipment Reserve into the Operations Centre Reserve.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

8. FEES AND CHARGES

	2020/21	2019/20	2019/20
	Budget	Actual	Budget
	\$	\$	\$
By Program			
General Purpose Funding	989,086	953,346	1,024,123
Governance	330,550	351,304	0
Law, Order and Public Safety	0	110,240	353,185
Health	350,460	147,299	318,312
Education and Welfare	207,143	147,299	161,489
Community Amenities	17,584,406	17,145,501	17,775,488
Recreation and Culture	3,871,480	1,798,510	3,664,774
Transport	231,850	122,065	146,000
Economic Services	1,961,513	1,775,030	2,193,004
Other Property and Services	92,470	170,347	222,340
	<u>25,618,958</u>	<u>22,720,941</u>	<u>25,858,715</u>

9. GRANT REVENUE

Grants, Subsidies and Contributions are included as Operating Revenues in the Statement of Comprehensive Income.

	2020/21	2019/20	2019/20
	Budget	Actual	Budget
	\$	\$	\$
By Program			
Operating Grants, Subsidies and Contributions			
General Purpose Funding	4,397,501	2,252,645	4,364,000
Governance	6,271	4,936	6,768
Law, Order and Public Safety	262,052	378,735	249,402
Health	9,084	7,221	5,567
Education and Welfare	161,863	570,675	559,435
Community Amenities	483,366	390,674	478,615
Recreation and Culture	310,861	247,130	222,159
Transport	59,971	15,415	56,500
Economic Services	6,813	7,696	9,070
Other Property and Services	288,711	396,718	319,454
	<u>5,986,493</u>	<u>4,271,845</u>	<u>6,270,970</u>
Non-Operating Grants, Subsidies and Contributions			
Community Amenities	770,000	1,054,793	4,290,000
Recreation and Culture	4,197,172	476,733	128,333
Transport	8,923,779	6,451,740	7,277,493
Other Property and Services	0	53,543	0
	<u>13,890,951</u>	<u>8,036,809</u>	<u>11,695,826</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

10. PAYMENT INCENTIVES, WAIVERS, DISCOUNTS, AND WRITE-OFFS

	Type	Discount	2020/21 Budget \$	2019/20 Actual \$
Rates				
Rate payment in full	Incentive	N/A	5,000	5,000
Gosnells Junior Football Club Inc.	Waiver	N/A	2,137	2,136
Grand Lodge of WA Freemasons Homes for The Aged Inc.	Waiver	N/A	72,303	72,285
Foothills Estate Syndicate Pty Ltd	Waiver	N/A	1,960	1,960
Forest Lakes Family Centre Inc.	Waiver	N/A	1,069	2,355
COVID-19 Concessions	Waiver	N/A	1,451,795	0
Fees and Charges				
Don Russell Performing Arts Centre	Discount	Various	16,000	6,997
Facility Hire Charges	Discount	100%	1,015	493
Facility Hire Charges	Discount	75%	31,821	20,829
Facility Hire Charges	Discount	Various	3,227	7,601
Health Services	Discount	Various	23,000	25,166
Leisure Programs	Discount	Various	500	300
Leisure World	Discount	Various	68,000	47,156
Ranger Services	Discount	Various	30,000	28,866
Sundry Debtors Write-off	Write-Off	N/A	0	2,400

Incentives

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

Incentive A

Westpac Banking Corporation will provide one \$2,000 and one \$1,500 savings account.

The City of Gosnells will fund five cash prizes of \$1,000 each. The prizes will be drawn on a random basis as an incentive for ratepayers to pay their rates in full by the due date.

Inclusion in the draw will be automatic for all ratepayers who have paid their rates in full by the advertised due date (refer to Note 1(c)). Winners will be notified.

Councillors and employees of the City of Gosnells are ineligible to enter.

Incentive B

Courtesy of Forest Lakes Forum, four ratepayers will win \$1,000 each off their rates.

If the selected ratepayers have paid their rates in full by the due date they will also receive \$750 worth of shopping vouchers to spend at Forest Lakes Forum.

One winner will be drawn each week on a Friday. Inclusion in the draw is 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.

Full terms and conditions are available from the Centre's website at: <https://forestlakessc.com.au/>

Councillors and employees of the City of Gosnells are ineligible to enter.

Waivers

Council has granted specific waivers to community based organisations and ratepayers.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

10. PAYMENT INCENTIVES, DISCOUNTS, CONCESSIONS, WAIVERS AND WRITE-OFFS (CONTINUED)

Discounts

Don Russell Performing Art Centre

Various discounts on theatre hire and ticket prices are provided to enhance the financial viability of the program or show.

- 10% Theatre hire discount – multiple events in the same booking
- 15% Theatre hire discount – more than 20 hours per week
- 30% Theatre hire discount – 3 or more bookings in a calendar year
- 50% Ticket discount - Rush tickets
- Up to 25% Ticket discount – City of Gosnells Councillors, Staff and Volunteers
- Group Bookings – 1 free ticket with every 10 purchased
- Adult ticket at Child Price – Children's events only

Facility Hire Charges & Road Closure Fees

- 100% discount – The Returned Soldiers League (RSL) is not charged fees/bond for the RSL Hall hire or road closure applications for ANZAC Day.
- 75% standard fee discount – Addie Milles Senior Citizens Club at Addie Mills Centre
- 75% standard fee discount – Beckenham Over 55s at Mills Park Centre
- 75% standard fee discount – Kenwick Seniors Club – Kenwick Community Facility
- Up to 60% standard fee discount – Gosnells Horticultural Society at Addie Mills Centre

Health Services

In relation to Food Businesses (*Food Act 2008*) a discount has been granted to School Canteens (50%), Community Associations and Not for Profit Organisations (100%), and Meals on Wheels distribution (100%) in recognition of their community benefit.

Charitable, Not for Profit Organisations and Community Associations as well as those applications for Exempted Food Premises receive 100% concession on stallholder permit and traders permit fees not exceeding 1 day.

Leisure Programs

Leisure Programs offer the City of Gosnells Councillors, Staff and Volunteers a discount of up to 25% on all programs.

Leisure World

Leisure World offers the following discounts to enhance the financial viability of the program.

- 5% discount – Second and subsequent children enrolled into term programs for Swim School
- 15% discount – Concessional discount
- 25% discount – Monthly promotion on membership and multipasses
- 33% discount – Purchase 3 months membership receive one month free
- 40% discount – Operations staff discount – EBA initiative
- 50% discount – 2 for 1 offer
- 50% Off Peak Membership (Monday - Friday: 11am - 4pm, Saturday: After 12pm, Sunday: All Day)
- Up to 25% discount – City of Gosnells Councillors, Staff and Volunteers
- Group Bookings – 1 free pass with every 10 purchased
- Group Bookings – 3 free pass with every 20 purchased

Ranger Services

In relation to the *Dog Act 1976* a discount has been granted to the following registration types:

- 100% concession – Assistance Dogs
- 50% concession – Dogs owned by Pensioners (persons eligible for exemption pursuant to *Regulation 17 (1)*)
- 50% concession – Registration after 31 May in any year for that registration year
- 50% concession – Annual Bulk Registration Pensioners (persons eligible for exemption pursuant to *Regulation 17 (1)*)
- 25% concession – Dogs used for droving or tendering stock

In relation to the *Cat Act 2011* a concessional registration rate of 50% of the fee payable applies for Pensioners.

Write-Offs

Unrecoverable Sundry Debtors are written off in accordance with Council's delegated authority.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

11. OTHER INFORMATION

	2020/21	2019/20	2019/20
	Budget	Actual	Budget
	\$	\$	\$
(a) Interest Earnings			
Investments - Reserve Funds	2,434,688	2,217,455	2,640,000
Investments - Other Funds	1,107,040	876,363	1,503,000
Other Interest Revenue (refer to Note 1(c))	600,000	773,749	689,000
	<u>4,141,728</u>	<u>3,867,567</u>	<u>4,832,000</u>
(b) Other Revenue			
Discount Received	0	5,020	0
Other	200	61,223	200
	<u>200</u>	<u>66,243</u>	<u>200</u>
(c) Auditors Remuneration			
Audit Services	64,000	53,000	65,000
Other Services	2,200	2,860	1,200
	<u>66,200</u>	<u>55,860</u>	<u>66,200</u>
(d) Interest Expense (Finance Costs)			
Lease Facilities - Operating Interest	5,550	0	0
Loan Facilities - Operating Interest	345,471	242,223	340,700
Loan Facilities - Capital Interest	86,917	203,283	324,000
	<u>437,938</u>	<u>445,506</u>	<u>664,700</u>
(e) Elected Members' Remuneration			
Meeting Fees	396,020	373,520	362,550
Mayor's Allowance	89,750	90,700	89,750
Deputy Mayor's Allowance	22,450	26,700	22,450
Travelling Expenses	23,000	18,000	28,500
Telecommunications Allowance	42,000	26,112	25,500
	<u>573,220</u>	<u>535,032</u>	<u>528,750</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

12. MAJOR LAND TRANSACTIONS

(a) Robinson Park Redevelopment and Subdivision

(i) Details

The City plans to revitalise Robinson Park (the Park). The revitalisation includes a substantial park enhancement and a 42 lot residential subdivision around the perimeter of the park to assist with funding the project and provide passive surveillance to the Park. The Park was a large neighbourhood park, predominantly used by the community as a dog exercise area. Whilst there was a small amount of community infrastructure located at the Park it was limited in its current capacity to serve any social or recreation function for the community. In the past, the site has been susceptible to anti-social behaviour. The revitalisation project aims to enhance the Park, encourage and entice positive use and overcome current challenges associated with the site.

From 2014, the City completed a comprehensive consultation process with the community regarding the revitalisation project. The City consulted firstly to gain ideas to inform a concept plan and then later for acquisition and amendment to land to allow the revitalisation project to commence.

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.

Further work was undertaken mid-2017 in relation to site investigations and a review of site investigations were complete late 2018. Construction began in January 2020 and the Park is expected to be open to the public by September 2020.

(ii) Revenue and Expense

	Project Budget \$	Project Actual \$	2020/21 Budget \$	2019/20 Actual \$
Funding Sources				
Capital Revenue				
Asset Disposal Proceeds	8,190,000	0	4,290,000	0
Other Funding Sources				
Loan Proceeds	5,600,000	4,910,000	690,000	4,910,000
Total Funding Sources	<u>13,790,000</u>	<u>4,910,000</u>	<u>4,980,000</u>	<u>4,910,000</u>
Disbursement of Funds				
Capital Expense				
Materials & Contracts	(5,600,000)	(5,197,517)	(690,000)	(4,910,000)
Interest Expense	(324,000)	(203,283)	(86,917)	(203,283)
	<u>(5,924,000)</u>	<u>(5,400,800)</u>	<u>(776,917)</u>	<u>(5,113,283)</u>
Operating Expense				
Materials & Contracts	(410,809)	(410,809)	0	(135,726)
Other Expense				
Loan Repayment	(5,600,000)	0	0	0
Transfer to Reserve:				
Local Open Space Strategy	(1,215,150)	0	(4,203,083)	0
Public Open Space	(640,041)	0	0	0
	<u>(7,455,191)</u>	<u>0</u>	<u>(4,203,083)</u>	<u>0</u>
Total Disbursement of Funds	<u>(13,790,000)</u>	<u>(5,811,609)</u>	<u>(4,980,000)</u>	<u>(5,249,009)</u>
Net Profit / (Loss)	<u>0</u>	<u>(901,609)</u>	<u>0</u>	<u>(339,009)</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

12. MAJOR LAND TRANSACTIONS (CONTINUED)

(a) Robinson Park Redevelopment and Subdivision (continued)

(iii) Assets and Liabilities

Assets associated with this land transaction have a written down value of \$2,610,000 as at 30 June 2020. It is anticipated assets related to the land transactions will be disposed by 30 June 2022.

The City is expected to drawdown \$4,910,000 of its \$5,600,000 short term facility as at 30 June 2020 with the remaining \$690,000 to be drawdown by 30 June 2021. The loan is anticipated to be repaid from the Robinson Park Redevelopment sale proceeds.

(iv) Expected Future Projections

	2020/21	2021/22	2022/23	Total
	\$	\$	\$	\$
Revenue				
Asset Disposal Proceeds	4,290,000	3,900,000	0	8,190,000
Loan Proceeds	690,000	0	0	690,000
Transfer from Reserve	0	0	2,816,700	2,816,700
	<u>4,980,000</u>	<u>3,900,000</u>	<u>2,816,700</u>	<u>11,696,700</u>
Expense				
Materials & Contracts	(690,000)	0	0	(690,000)
Interest Expense	(86,917)	(33,800)	0	(120,717)
Loan Repayment	0	(2,783,300)	(2,816,700)	(5,600,000)
Transfer to Reserve	(4,203,083)	(1,082,900)	0	(5,285,983)
	<u>(4,980,000)</u>	<u>(3,900,000)</u>	<u>(2,816,700)</u>	<u>(11,696,700)</u>
Net Future Projections	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

City of Gosnells
Notes to and forming part of the Budget
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12. MAJOR LAND TRANSACTIONS (CONTINUED)

(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. Work commenced in January 2017 on the preparation of a suitable subdivision layout, to enable market engagement to be undertaken, which informed a market analysis and Business Case.

The market analysis was finalised late 2018, and further work was undertaken early 2018 to refine the Business Case and review projected costs. Negotiations with Western Power regarding underground cable ratings and feasibility are now complete. Further negotiations between the City and Western Power for the acquisition of a portion of land adjoining Lot 501 is in principal agreed. Based on the current work programme the design development phase is planned for commencement in the third quarter 2020. Upon completion of the design, Stage one of the project will be tendered and construction will commence upon award of tender.

(ii) Revenue and Expense

	Project Budget \$	Project Actual \$	2020/21 Budget \$	2019/20 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				
Capital Expense				
Materials & Contracts	(19,980,000)	(48,872)	0	0
Interest Expense	(3,385,218)	0	0	0
	<u>(23,365,218)</u>	<u>(48,872)</u>	<u>0</u>	<u>0</u>
Operating Expense				
Materials & Contracts	(1,770,000)	(181,675)	(294,023)	(5,977)
Other Expense				
Loan Repayment	(21,450,000)	0	0	0
Transfer to Reserve:				
Community Infrastructure Reserve	(4,450,368)	0	0	0
	<u>(27,670,368)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Disbursement of funds	<u>(51,035,586)</u>	<u>(230,547)</u>	<u>(294,023)</u>	<u>(5,977)</u>
Net Profit / (Loss)	<u>0</u>	<u>(230,547)</u>	<u>(294,023)</u>	<u>(5,977)</u>

(iii) Assets and Liabilities

Assets associated with this land transaction have a written down value of \$23,765,300 as at 30 June 2020.

There were no liabilities that exist in relation to this land transaction as at 30 June 2020.

It is anticipated a \$21,450,000 long term loan facility be established during the 2021/22 financial year. The loan is anticipated to be repaid from the Southern River Business Park sale proceeds.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

12. MAJOR LAND TRANSACTIONS (CONTINUED)

(b) Southern River Business Park (continued)

(iv) Expected Future Projections

The City anticipates construction of Southern River Business Park to be complete by 30 June 2026. The construction is to be pre-funded by a 15 year long term loan. The table below outlines the expected future projections for the next five financial years.

	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	\$	\$	\$	\$	\$	\$
Revenue						
Asset Disposal Proceeds	0	0	4,752,252	4,752,252	2,063,063	11,567,567
Loan Proceeds	0	8,717,635	3,340,472	5,464,415	2,717,250	20,239,772
	<u>0</u>	<u>8,717,635</u>	<u>8,092,724</u>	<u>10,216,667</u>	<u>4,780,313</u>	<u>31,807,339</u>
Expense						
Materials & Contracts	(294,023)	(8,717,635)	(3,340,472)	(5,464,415)	(2,717,250)	(20,533,795)
Interest Expense	0	0	(419,870)	(393,663)	(367,117)	(1,180,650)
Loan Repayment	0	0	(1,304,349)	(1,321,306)	(1,338,483)	(3,964,138)
Transfer to Reserve	0	0	(3,028,033)	(3,037,283)	(357,463)	(6,422,779)
	<u>(294,023)</u>	<u>(8,717,635)</u>	<u>(8,092,724)</u>	<u>(10,216,667)</u>	<u>(4,780,313)</u>	<u>(32,101,362)</u>
Net Future Projections	<u><u>(294,023)</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>(294,023)</u></u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2021

13. TRADING UNDERTAKING

It is not anticipated that any trading undertakings or major trading undertakings will occur in 2020/21.

14. JOINT ARRANGEMENTS

It is not anticipated that any interests in joint arrangements will occur in 2020/21.

15. TRUST FUNDS

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

Details	Balance 1 July 2020 \$	Amounts Received \$	Amounts Paid \$	Balance 30 June 2021 \$
Unclaimed Money	36,000	10,000	(20,000)	26,000
Construction Training Fund	35,000	250,000	(250,000)	35,000
Building Commission	60,000	300,000	(320,000)	40,000
Public Open Space - Cash-in-Lieu Funds	10,369,742	3,746,392	(3,507,718)	10,608,416
	<u>10,500,742</u>	<u>4,306,392</u>	<u>(4,097,718)</u>	<u>10,709,416</u>

16. SIGNIFICANT ACCOUNTING POLICIES – OTHER INFORMATION

Budget Comparative Figures

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

Comparative Figures

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

Critical Accounting Estimates

The preparation of a budget 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.

City of Gosnells
Notes to and forming part of the Budget
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16. SIGNIFICANT ACCOUNTING POLICIES – OTHER INFORMATION (CONTINUED)

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.

Revenue Recognition

Rates, grants, donations and other contributions are recognised as revenue when the City obtains control over the assets comprising the contributions.

(i) Rates

Control over assets acquired from rates is obtained at the 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, the rates received in advance give rise to a financial liability that is within the scope of *AASB 9 Financial Instruments*.

(ii) Grants, Donations and Other Contributions

Where conditions exist on the manner Grants, Donations and Other Contributions are to be expended or used over a period, contributions are to be recognised as revenue when those conditions are met. Therefore, grants, donations and other contributions received in advance are recognised as a current liability.

Where conditions do not exist on Grants, Donations and Other Contributions, contributions are recognised upon receipt.

Rounding Off Figures

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