



Budget

Statutory Statements and Notes for the year ending 30 June 2020

Table of Contents

STATEMENT OF COMPREHENSIVE INCOME.....	1
By Nature or Type	1
By Program	4
STATEMENT OF CASH FLOWS	7
RATE SETTING STATEMENT	8
Notes to and forming part of the Budget	10
1. RATES AND SERVICE CHARGES	10
2. NET CURRENT ASSETS	15
3. RECONCILIATION OF CASH	18
4. FIXED ASSETS	19
5. ASSET DEPRECIATION	22
6. BORROWINGS	24
7. CASH-BACKED RESERVES	27
8. FEES AND CHARGES	40
9. GRANT REVENUE	40
10. INCENTIVES, DISCOUNTS, CONCESSIONS OR WAIVERS	41
11. OTHER INFORMATION	44
12. MAJOR LAND TRANSACTIONS	45
13. TRADING UNDERTAKINGS	49
14. SIGNIFICANT ACCOUNTING POLICIES – OTHER INFORMATION	49

City of Gosnells
STATEMENT OF COMPREHENSIVE INCOME
By Nature or Type
for the year ending 30 June 2020

	Note	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
Revenue				
Rates	1(a)	69,224,277	63,509,563	67,354,639
Operating Grants, Subsidies and Contributions	9	6,270,970	4,680,062	6,771,983
Fees and Charges	8	25,858,715	24,584,638	25,570,448
Interest Earnings	11(a)	4,832,000	4,717,112	4,704,000
Other Revenue	11(b)	200	50,945	67,150
		106,186,162	97,542,320	104,468,220
Expenditure				
Employee Costs		(48,143,035)	(44,414,346)	(46,909,692)
Materials and Contracts		(34,899,170)	(28,584,037)	(36,336,841)
Utility Charges		(4,759,996)	(4,075,200)	(4,975,724)
Amortisation and Depreciation	5	(24,549,495)	(23,962,771)	(24,059,974)
Interest Expenses	11(d)	(340,700)	(316,320)	(377,151)
Insurance Expenses		(715,606)	(684,507)	(1,112,005)
Other Expenses		(1,321,987)	(2,417,071)	(1,338,978)
		(114,729,989)	(104,454,252)	(115,110,365)
Subtotal		(8,543,827)	(6,911,932)	(10,642,145)
Non-Operating Grants, Subsidies and Contributions	9	11,695,826	11,619,454	13,515,474
Fair Value Adjustment to Financial Assets at Fair Value through Profit or Loss		0	20,503	0
Profit on Asset Disposals	4(b)	8,956,206	32,017	11,682,396
Loss on Asset Disposals	4(b)	(34,874)	(10,340)	(209,320)
		20,617,158	11,661,634	24,988,550
Net Result		12,073,331	4,749,702	14,346,405
Other Comprehensive Income				
Changes on revaluation of Non-Current Assets		0	0	0
		0	0	0
Total Comprehensive Income		12,073,331	4,749,702	14,346,405

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 2020

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.

The Local Government Reporting Entity

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

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

2018/19 Actual Balances

Balances shown in this budget as 2018/19 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

Changes in Accounting Policies

On the 1 July 2019 the following new accounting policies are to be adopted and have impacted on the preparation of the budget:

- AASB 15 – Revenue from Contracts with Customers;
- AASB 16 – Leases; and
- AASB 1058 – Income of Not-for-Profit Entities.

KEY TERMS AND DEFINITIONS – NATURE OR TYPE

REVENUES

Rates

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

Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

Operating Grants, Subsidies and Contributions

Refers to all amounts received as grants, subsidies and contributions that are not non-operating grants.

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.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

REVENUES (CONTINUED)

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.

EXPENSES

Employee Costs

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicles and housing, 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, memberships, 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. Excludes expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

Insurance Expenses

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

Loss On Asset Disposals

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

Amortisation and Depreciation Expenses

Amortisation and depreciation expense raised on all classes of assets.

Interest Expenses

Interest and other costs of finance paid, including costs of finance for loan debentures and refinancing expenses.

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 2020

	Note	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
Revenue				
Refer to Notes 1, 8, 9 and 11 (a), (b)				
General Purpose Funding		79,444,400	71,409,173	77,215,569
Governance		6,768	23,457	7,367
Law, Order and Public Safety		602,587	639,288	706,607
Health		323,879	335,570	314,317
Education and Welfare		720,925	765,643	642,161
Community Amenities		18,254,103	17,904,414	17,944,324
Recreation and Culture		3,886,933	3,843,382	4,248,106
Transport		202,500	262,701	376,000
Economic Services		2,202,074	1,807,678	2,364,401
Other Property and Services		541,993	551,014	649,370
		<u>106,186,162</u>	<u>97,542,320</u>	<u>104,468,222</u>
Expenses excluding Finance Costs				
Refer to Notes 5 and 11 (c), (e)				
General Purpose Funding		(2,037,307)	(1,505,232)	(1,724,866)
Governance		(6,635,919)	(5,745,791)	(6,148,947)
Law, Order and Public Safety		(3,818,329)	(3,417,423)	(3,616,922)
Health		(1,360,162)	(1,268,420)	(1,338,464)
Education and Welfare		(4,616,639)	(4,293,549)	(4,712,513)
Community Amenities		(22,733,132)	(22,571,014)	(25,418,353)
Recreation and Culture		(41,487,329)	(36,042,443)	(37,872,684)
Transport		(26,641,437)	(24,769,024)	(28,353,310)
Economic Services		(3,274,126)	(3,044,444)	(3,338,180)
Other Property and Services		(1,784,909)	(1,480,592)	(2,208,977)
		<u>(114,389,289)</u>	<u>(104,137,932)</u>	<u>(114,733,216)</u>
Finance Costs				
Refer to Notes 6 and 11(d)				
Community Amenities		(167,300)	(148,320)	(112,008)
Recreation and Culture		(173,400)	(168,000)	(265,143)
		<u>(340,700)</u>	<u>(316,320)</u>	<u>(377,151)</u>
Non Operating Grants, Subsidies and Contributions	9	11,695,826	11,619,454	13,515,474
Fair Value Adjustments to Financial Assets at Fair Value through Profit or Loss		0	20,503	0
Profit on Disposal of Assets	4(b)	8,956,206	32,017	11,682,396
(Loss) on Disposal of Assets	4(b)	(34,874)	(10,340)	(209,320)
Net Result		<u>12,073,331</u>	<u>4,749,702</u>	<u>14,346,405</u>
Other Comprehensive Income				
Changes on revaluation of Non-Current Assets		0	0	0
Total Comprehensive Income		<u>12,073,331</u>	<u>4,749,702</u>	<u>14,346,405</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 2020

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

Governance

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

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

General Purpose Funding

To collect revenue to finance Council activities.

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

Law, Order and Public Safety

To provide services to ensure a safer community.

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

Health

To provide an operational framework for good community health.

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

Education and Welfare

To assist in meeting the education needs of the community.

Administration, support and operation of services for children, youth, 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.

Community Amenities

To provide services required by the community.

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

Recreation and Culture

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

Administration and operation of the Civic Centre, community halls, recreation centres, parks, sporting facilities, Leisure World, Don Russell Performing Arts Centre, Libraries and the Gosnells Museum. Provision of heritage and community programs and events such as Illuminate Festival, Outdoor Cinema, Arts and Culture programs, Sponsorship and Funding programs.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

KEY TERMS AND DEFINITIONS – REPORTING PROGRAMS (CONTINUED)

OBJECTIVE

Transport

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

ACTIVITIES

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

Economic Services

To promote the City and improve its economic base.

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

Other Property and Services

To provide services required by the community.

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

City of Gosnells
STATEMENT OF CASH FLOWS
for the year ending 30 June 2020

	2019/20	2018/19	2018/19
Note	Budget	Actual	Budget
	\$	\$	\$
Cash Flows from Operating Activities			
Receipts			
Rates	69,224,277	63,509,563	67,354,639
Operating Grants, Subsidies and Contributions	6,270,970	4,680,062	6,421,983
Fees and Charges	25,761,090	24,502,391	26,032,448
Interest Earnings	4,772,000	4,768,909	4,552,774
Goods and Services Tax	3,200,000	3,840,594	3,800,000
Other Revenue	200	50,945	67,150
	<u>109,228,537</u>	<u>101,352,464</u>	<u>108,228,994</u>
Payments			
Employee Costs	(46,143,035)	(42,510,628)	(46,902,827)
Materials and Contracts	(34,569,170)	(27,976,906)	(37,481,560)
Utility Charges	(4,759,996)	(4,075,200)	(5,075,724)
Interest Expenses	(340,700)	(316,320)	(377,151)
Insurance Expenses	(715,606)	(684,507)	(1,112,005)
Goods and Services Tax	(3,250,000)	(2,122,005)	(3,850,000)
Other Expenses	(1,321,987)	(2,417,071)	(1,338,978)
	<u>(91,100,494)</u>	<u>(80,102,637)</u>	<u>(96,138,245)</u>
Net Cash provided by (used in) Operating Activities	3(b) <u>18,128,043</u>	<u>21,249,827</u>	<u>12,090,749</u>
Cash Flows from Investing Activities			
Payments for:			
Development of Land Held for Resale	(6,727,074)	(296,191)	(14,260,667)
Purchase of Property, Plant & Equipment	(3,755,723)	(4,634,519)	(11,882,634)
Construction of Infrastructure	(22,134,012)	(20,489,901)	(26,336,667)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets	11,695,826	11,619,454	16,217,319
Proceeds from Sale of Property, Plant & Equipment	10,364,400	197,493	19,906,200
Net Cash provided by (used in) Investing Activities	<u>(10,364,400)</u>	<u>(13,603,664)</u>	<u>(25,310,184)</u>
Cash Flows from Financing Activities			
Repayment of Loan Facilities	6(a) (7,026,223)	(1,385,894)	(6,985,894)
Proceeds from New Loan Facilities	6(a) 13,703,074	0	22,400,000
Net Cash provided by (used in) Financing Activities	<u>6,676,851</u>	<u>(1,385,894)</u>	<u>15,544,500</u>
Net Increase (Decrease) in Cash Held	14,248,311	6,260,269	2,194,670
Cash at Beginning of the Year	130,843,000	124,582,731	120,940,555
Cash and Cash Equivalents at the End of the Year	3 <u>145,091,311</u>	<u>130,843,000</u>	<u>123,135,225</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 2020

	2019/20	2018/19	2018/19
Note	Budget	Actual	Budget
	\$	\$	\$
Revenue from Operating Activities excluding Rates			
General Purpose Funding	10,220,123	7,920,113	9,860,930
Governance	6,768	23,457	7,367
Law, Order and Public Safety	602,587	639,288	706,607
Health	323,879	335,570	314,317
Education and Welfare	720,925	765,643	642,161
Community Amenities	18,254,103	17,904,414	17,944,324
Recreation and Culture	3,886,933	3,843,382	4,248,106
Transport	320,681	294,717	423,771
Economic Services	2,202,074	1,807,678	2,364,401
Other Property and Services	9,380,019	551,014	12,283,995
	<u>45,918,092</u>	<u>34,085,276</u>	<u>48,795,979</u>
Expenditure from Operating Activities			
General Purpose Funding	(2,037,307)	(1,505,232)	(1,724,866)
Governance	(6,635,919)	(5,745,791)	(6,148,947)
Law, Order and Public Safety	(3,818,329)	(3,417,423)	(3,616,922)
Health	(1,360,162)	(1,268,420)	(1,338,464)
Education and Welfare	(4,616,639)	(4,293,549)	(4,712,513)
Community Amenities	(22,900,432)	(22,719,333)	(25,530,361)
Recreation and Culture	(41,660,729)	(36,210,443)	(38,137,827)
Transport	(26,676,312)	(24,779,364)	(28,562,628)
Economic Services	(3,274,126)	(3,044,444)	(3,338,180)
Other Property and Services	(1,784,909)	(1,480,592)	(2,208,977)
	<u>(114,764,864)</u>	<u>(104,464,591)</u>	<u>(115,319,685)</u>
Adjustments for Cash Budget Requirements			
Non-Cash Revenue and Expenses			
(Profit)/Loss on Asset Disposals	4 (8,921,332)	(21,677)	(11,473,076)
Amortisation and Depreciation	5 24,702,620	24,204,756	24,290,938
Fair Value Adjustment to Financial Assets at Fair Value through Profit or Loss	9 0	20,503	0
Changes in Other Non-Current Assets	0	0	0
	<u>15,781,288</u>	<u>24,203,582</u>	<u>12,817,862</u>
Amount attributable to Operating Activities	<u>(53,065,484)</u>	<u>(46,175,733)</u>	<u>(53,705,844)</u>

City of Gosnells
RATE SETTING STATEMENT
for the year ending 30 June 2020

	2019/20	2018/19	2018/19
Note	Budget	Actual	Budget
	\$	\$	\$
Investing Activities			
Contributions/Grants for the Construction of Assets	9	11,695,826	11,619,454
Proceeds from Disposal of Assets	4(b)	10,364,400	197,493
Development of Land Held for Resale	4(a)	(6,727,074)	(296,191)
Purchase of Property, Plant & Equipment	4(a)	(3,755,723)	(4,634,519)
Purchase of Infrastructure Assets	4(a)	(22,134,012)	(20,489,901)
Amount attributable to Investing Activities		<u>(10,556,583)</u>	<u>(13,603,664)</u>
Financing Activities			
Proceeds from Loan Facilities	6	13,703,074	0
Repayment of Loan Facilities	6	(7,026,223)	(1,385,894)
Transfers to Reserves (Restricted Cash)	7	(24,666,354)	(24,508,494)
Transfers from Reserves (Restricted Cash)	7	8,301,503	5,484,104
Amount attributable to Financing Activities		<u>(9,688,000)</u>	<u>(20,410,284)</u>
Net Current Assets - Surplus/(Deficit) at:			
The start of the financial year	2	4,085,790	20,765,908
The end of the financial year	2	<u>0</u>	<u>(4,085,790)</u>
Estimated amount to be raised from			
General Rates	1(a)	<u>(69,224,277)</u>	<u>(63,509,563)</u>
		<u>(67,354,639)</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 2020

1. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Type	2019/20 Budget					2018/19		
	Rate in \$ cents	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Actual Revenue \$	Budget Revenue \$
Differential General Rate								
Gross Rental Value (GRV)								
Extractive Industry	12.373	3	393,000	48,626	0	48,626	47,722	47,722
General GRV	6.512	39,691	903,242,577	58,819,157	806,000	59,625,157	53,616,071	57,905,235
Rural GRV	7.814	867	22,216,053	1,735,962	0	1,735,962	1,699,688	1,812,994
Tenancy Agreements	7.012	51	2,350,301	164,803	0	164,803	164,991	164,991
Town Centre	7.489	73	8,788,445	658,167	0	658,167	653,117	633,215
Unimproved Value (UV)								
Rural UV	0.2539	21	28,870,000	73,301	0	73,301	72,343	72,343
Rural UV Agricultural Concession	0.2031	7	65,840,000	133,721	0	133,721	131,325	131,325
		40,713	1,031,700,376	61,633,737	806,000	62,439,737	56,385,257	60,767,825
Minimum Payment	\$							
Gross Rental Value (GRV)								
General GRV	980	6,877	86,648,421	6,739,460	0	6,739,460	7,082,127	6,541,600
Rural GRV	980	29	302,372	28,420	0	28,420	28,860	28,860
Tenancy Agreements	980	9	62,685	8,820	0	8,820	5,623	8,658
Town Centre	980	5	42,205	4,900	0	4,900	4,810	4,810
Unimproved Value (UV)								
Rural UV	980	3	691,000	2,940	0	2,940	2,886	2,886
		6,923	87,746,683	6,784,540	0	6,784,540	7,124,306	6,586,814
		47,636	1,119,447,059	68,418,277	806,000	69,224,277	63,509,563	67,354,639
Discounts (Note 10)						0	0	0
Total Amount Raised from General Rates						69,224,277	63,509,563	67,354,639
Specified Area Rates (Note 1(d))						519,123	472,859	465,930
Total Rates						69,743,400	63,982,422	67,820,569

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

1. RATES AND SERVICE CHARGES (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 2019/20 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

Objectives

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

Description	Characteristics	Reasons
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 2019/20 financial year.
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.
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 2019/20 financial year.
Rural UV Agricultural Concession	Minimum lot area of 20,200 square meters and the resident owner derives his/her livelihood from uses including, but limited to 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 2020

1. RATES AND SERVICE CHARGES (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 and Instalments – Rates and Service Charges

	Interest Rate %	Admin. Charge \$	2019/20 Budget \$	2018/19 Actual \$
Interest				
Four Instalment Payment Plan	5.5%	N/A	475,000	464,112
Late Payment	11%	N/A	214,000	390,000
			689,000	854,112
Administration Fees				
Four Instalment Payment Plan	N/A	15.00	270,000	260,000
Special Payment Arrangement Plan (Direct Debit)	N/A	29.00	155,000	132,000
			425,000	392,000
			1,114,000	1,246,112

Rates Instalment Options

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

Payment in Full by	23 August 2019
Payment by Four Instalments	
1st Instalment Due by	23 August 2019
2nd Instalment Due by	25 October 2019
3rd Instalment Due by	10 January 2020
4th Instalment Due by	13 March 2020

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Interest Charges and Instalments – Rates and Service Charges (continued)

Special Payment Arrangement Plan by Direct Debit (Bank Account only)

Description of Instalment Arrangement Plans and Interest Charges:

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 Arrangement Plan

The four instalment arrangement plan incurs an administration fee (excluding registered Pensioners/Seniors with 100% equity) to recover the additional cost to the City to administer this plan. The four instalment plan attracts interest calculated on all rates and service charges 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.

Special Payment Arrangement Plan

Special 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 special payment arrangement. For direct debit arrangement terms and conditions contact the City's Rates section.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

1. RATES AND SERVICE CHARGES (CONTINUED)

(d) Specified Area Rate

	Basis of valuation	Rate in \$ cents	Number of Properties	Rateable Value \$	2019/20				2018/19	
					Budgeted Revenue \$	Interim Revenue \$	Back Rate Revenue \$	Total Revenue \$	Actual Revenue \$	Budget Revenue \$
Bletchley Park	GRV	0.6468	1,500	33,789,850	218,553	0	0	218,553	187,872	181,056
Brookland Greens	GRV	0.4588	562	16,186,580	74,264	0	0	74,264	68,541	68,528
Sanctuary Waters	GRV	0.4601	691	17,743,120	81,636	0	0	81,636	78,190	78,200
The Avenues	GRV	0.4662	498	11,609,600	54,124	0	0	54,124	57,802	57,802
The Boardwalk	GRV	0.3515	625	18,588,388	65,338	0	0	65,338	55,360	55,251
The Reserve	GRV	0.2677	347	9,416,645	25,208	0	0	25,208	25,094	25,093
					519,123	0	0	519,123	472,859	465,930

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.

(e) Service Charges

Nil.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

2 NET CURRENT ASSETS

	Note	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
Composition of estimated net current assets				
Current Assets				
Cash - Unrestricted	3(a)	17,667,772	19,784,312	19,880,994
Cash - Restricted Reserves	3(a)	127,423,539	111,058,688	103,254,231
Receivables		6,500,000	6,900,000	3,500,000
Inventories		350,000	320,000	355,000
		<u>151,941,311</u>	<u>138,063,000</u>	<u>126,990,225</u>
Less: Current Liabilities				
Trade and other payables		(12,017,772)	(13,818,522)	(12,435,996)
Contract liabilities		(1,500,000)	0	0
Short term loan facilities	6	(12,903,074)	(4,800,000)	(21,600,000)
Provisions		(11,000,000)	(9,100,000)	(10,500,000)
		<u>(40,117,772)</u>	<u>(27,718,522)</u>	<u>(44,535,996)</u>
Unadjusted Net Current Assets		<u>111,823,539</u>	<u>110,344,478</u>	<u>82,454,231</u>
Adjustments				
Add: Current short term loan facilities	6	12,903,074	4,800,000	21,600,000
Less: Cash – Restricted Reserves	7	<u>(127,423,539)</u>	<u>(111,058,688)</u>	<u>(103,254,231)</u>
Adjusted Net Current Assets – Surplus		<u>0</u>	<u>4,085,790</u>	<u>800,000</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

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 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.

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.

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.

Trade and Other Receivables

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

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

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

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.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

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) amount expected to be paid when the obligation is settled.

The City of Gosnells' obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payable 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 position.

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 are incurred after development is completed are expensed.

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

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

3. RECONCILIATION OF CASH

	Note	2019/20 Budget \$	2018/19 Actual \$	2018/19 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 - Unrestricted		17,667,772	19,784,312	19,880,994
Cash - Restricted		127,423,539	111,058,688	103,254,231
		<u>145,091,311</u>	<u>130,843,000</u>	<u>123,135,225</u>

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

Reserves	7	<u>127,423,539</u>	<u>111,058,688</u>	<u>103,254,231</u>
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(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net Result		14,325,331	4,797,702	14,346,405
Depreciation		24,549,495	23,962,771	24,059,974
Fair value adjustment to Financial Assets at Fair value through Profit or Loss		0	20,503	0
(Profit)/Loss on Sale of Asset		(8,921,332)	(21,677)	(11,473,076)
(Increase)/Decrease in Receivables		400,000	2,332,250	(139,226)
(Increase)/Decrease in Inventories		(30,000)	(20,000)	(15,000)
Increase/(Decrease) in Payables		(698,500)	597,732	(1,179,719)
Increase/(Decrease) in Employee Provisions		198,875	1,200,000	(250,000)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		<u>(11,695,826)</u>	<u>(11,619,454)</u>	<u>(16,217,319)</u>
Net Cash from Operating Activities		<u>18,128,043</u>	<u>21,249,827</u>	<u>12,090,749</u>

Significant Accounting Policies

Cash and Cash Equivalents

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset Class	Reporting Program						2018/19	
	2019/20 Budget						Actual Total	Budget Total
	Education and Welfare	Community Amenities	Recreation and Culture	Transport	Other Property and Services	Total		
\$	\$	\$	\$	\$	\$	\$	\$	
Land Held for Resale	0	0	0	0	6,727,074	6,727,074	296,191	14,260,667
Property, Plant and Equipment								
Land and Buildings	29,000	80,000	890,305	0	52,120	1,051,425	2,469,559	6,816,031
Furniture and Equipment	0	0	91,040	0	462,500	553,540	1,068,920	875,032
Plant and Equipment	0	0	24,000	0	2,012,750	2,036,750	1,096,040	4,078,180
Intangible Assets	0	0	0	0	114,008	114,008	0	113,391
	29,000	80,000	1,005,345	0	2,641,378	3,755,723	4,634,519	11,882,634
Infrastructure								
Roads and Paths	0	0	0	15,203,948	0	15,203,948	14,836,306	15,579,962
Bridges	0	0	0	1,492,552	0	1,492,552	432,423	1,620,500
Drainage	0	0	0	899,000	0	899,000	486,385	697,000
Park Development	0	0	4,403,512	0	0	4,403,512	4,548,572	8,498,169
Other Infrastructure	0	0	45,000	90,000	0	135,000	186,215	172,000
	0	0	4,448,512	17,685,500	0	22,134,012	20,489,901	26,567,631
Total Acquisition	29,000	80,000	5,453,857	17,685,500	9,368,452	32,616,809	25,420,611	52,710,932

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

4. FIXED ASSETS

(b) Disposal of Assets

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

	2019/20 Budget				2018/19 Actual				2018/19 Budget			
	Net Book Value	Sale Proceeds	Profit	(Loss)	Net Book Value	Sale Proceeds	Profit	(Loss)	Net Book Value	Sale Proceeds	Profit	(Loss)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Transport	272,193	355,500	118,181	(34,874)	175,816	197,493	32,017	(10,340)	1,095,859	934,310	47,771	(209,320)
Other Property and Services	1,170,875	10,008,900	8,838,025	0	0	0	0	0	1,085,375	12,720,000	11,634,625	0
Total Disposals by Program	1,443,068	10,364,400	8,956,206	(34,874)	175,813	197,493	32,017	(10,340)	2,181,234	13,654,310	11,682,396	(209,320)
Net Profit/(Loss) on Disposals				<u>8,921,332</u>				<u>21,677</u>				<u>11,473,076</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

4. FIXED ASSETS

(b) Disposal of Assets

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

	2019/20 Budget				2018/19 Actual				2018/19 Budget			
	Net Book Value	Sale Proceeds	Profit	(Loss)	Net Book Value	Sale Proceeds	Profit	(Loss)	Net Book Value	Sale Proceeds	Profit	(Loss)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Asset Class												
Asset Held for Sale	1,170,875	10,008,900	8,838,025	0	0	197,493	0	0	1,085,375	12,720,000	11,634,625	0
Property, Plant and Equipment												
Plant	272,193	457,693	118,181	(34,874)	175,816	0	32,017	(10,340)	1,095,859	934,310	47,771	(209,320)
Total Disposals by Asset Class	1,443,068	10,364,008	8,956,206	(34,874)	175,816	0	32,017	(10,340)	2,181,234	13,654,310	11,682,396	(209,320)
Net Profit/(Loss) on Disposals				<u>8,921,332</u>				<u>21,677</u>				<u>11,473,076</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

5. ASSET DEPRECIATION

	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
The Net Result from ordinary activities includes:			
<u>By Program</u>			
Amortisation and Depreciation Expense			
Governance	10,093	8,990	9,071
Law, Order and Public Safety	363,895	336,039	331,953
Health	121,013	121,686	123,965
Education and Welfare	153,145	154,437	162,477
Community Amenities	862,255	853,763	861,782
Recreation and Culture	7,650,783	7,638,226	6,243,391
Transport	13,782,775	13,285,419	14,767,284
Economic Services	33,781	31,695	32,837
Other Property and Services	1,571,755	1,532,516	1,527,214
	24,549,495	23,962,771	24,059,974
Depreciation Capitalised			
Other Property and Services	153,125	241,985	230,964
	153,125	241,985	230,964
<u>By Class</u>			
Amortisation and Depreciation Expense			
Bridges	1,112,581	1,104,950	1,281,046
Buildings	3,247,407	3,248,820	3,248,817
Drains	3,832,018	3,585,048	4,393,691
Furniture and Equipment	656,024	594,453	594,454
Intangible Assets	387,438	396,250	396,250
Other Infrastructure	414,571	413,575	911,478
Park Development	4,216,004	4,161,912	2,780,113
Plant and Equipment	2,302,736	2,382,243	2,393,267
Roads and Paths	8,380,716	8,075,520	8,060,858
	24,549,495	23,962,771	24,059,974
Depreciation Capitalised			
Plant and Equipment	153,125	241,985	230,964
	153,125	241,985	263,964
Total Amortisation and Depreciation	24,702,620	24,204,756	24,290,938

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Bridges – Pedestrian	17 to 104 years
Bridges – Road	60 to 100 years
Buildings – Structure	100 years
Buildings – Non-Structural Components	5 to 60 years
Drains	50 to 100 Years
Footpaths	79 Years
Furniture and Fixtures	3 to 20 years
Intangible Assets	1 to 10 years
Kerbing	46 to 60 Years
Other Infrastructure	6 to 71 Years
Park Development	10 to 63 Years
Plant and Equipment	5 to 20 years
Roads – Subgrade	Infinite
Roads – Pavement Layer Local Access	Infinite
Roads – Pavement Layer Industrial Roads	54 to 75 Years
Roads – Surface Local Access	30 Years
Roads – Surface Industrial Roads	18 to 26 Years

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

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

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.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

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-Jul-19	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2019/20 Budget \$	2018/19 Actual \$	2019/20 Budget \$	2018/19 Actual \$	2019/20 Budget \$	2018/19 Actual \$
Community Amenities								
Central Maddington ODP Infrastructure	4,800,000	5,200,000	0	0	10,000,000	4,800,000	167,300	148,320
Recreation and Culture								
Mills Park Redevelopment - Fixed Term Loan	5,958,777	0	1,426,223	1,385,894	4,532,554	5,958,777	173,400	168,000
Other Property and Services								
Robinson Park Subdivision and Park Development	0	5,600,000	5,600,000	0	0	0	300,000	0
Lot 2935, 1 Willow Way	0	1,730,160	0	0	1,730,160	0	0	0
Lots 2 & 3, Blanche & King Street	0	432,914	0	0	432,914	0	0	0
Lot 400, 137 Attfield Street	0	740,000	0	0	740,000	0	0	0
	10,758,777	13,703,074	7,026,223	1,385,894	17,435,628	10,758,777	640,700	316,320

Mills Park Redevelopment loan facility repayments will be financed by General Purpose Revenue. Interest repayment includes Western Australian Treasury Commission Guarantee Fee.

Robinson Park Subdivision and Park Development, Lot 2935, 1 Willow Way, Lot 2 & 3, Blanche & King Street, and Lot 400, 137 Attfield Street loan facilities repayments will be financed by sale of land proceeds.

Central Maddington ODP Infrastructure loan facility repayment will be financed by Central Maddington ODP developer contributions and General Purpose Revenue.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

6. BORROWINGS (CONTINUED)

(b) New Borrowings

Particulars/Purpose	Facility Limit	Drawdown Amount	Facility/Loan Type	Term (Years)	Total Interest and Charges	Interest Rate %	Amount Used Budget	Balance Unspent \$
Community Amenities								
Central Maddington ODP Infrastructure	10,000,000	5,200,000	Short Term	3	167,300	2.5%	10,000,000	0
Other Property and Services								
Robinson Park Subdivision and Park Development	5,600,000	5,600,000	Short Term	3	300,000	2.5%	5,600,000	0
Lot 2935, 1 Willow Way	1,730,160	1,730,160	Short Term	3	0	2.5%	1,730,160	0
Lots 2 & 3, Blanche & King Street	432,914	432,914	Short Term	3	0	2.5%	432,914	0
Lot 400, 137 Attfield Street	740,000	740,000	Short Term	3	0	2.5%	740,000	0
	18,503,074	13,703,074			467,300		18,503,074	0

Note: All borrowings are obtained from the WA Treasury Corporation.

* Additional funds will be drawn if projects are ahead of schedule.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

6. BORROWINGS (CONTINUED)

(c) Refinanced Loan Facilities

Central Maddington ODP

Loan Facility		Loan Facility Expiry		Institution
Original	New	Original	New	
10,000,000	10,000,000	1/4/2020	1/4/2023	WA Treasury Corporation

A \$10,000,000 loan facility was established in 2016/17 financial year to fund Common Infrastructure Works and Public Open Space in accordance with the Central Maddington ODP Development Contribution Plan report (DCP). The DCP provides a framework to guide land use and development and details the method by which costs will be apportioned to land owners and the City. DCP includes \$10,000,000 loan facility to assist with a progressive redevelopment and subdivision of land within the ODP area. Development has progressed and it is expected the balance of the loan facility will be required in 2019/20 financial year. Therefore the City intends to refinance the existing facility to extend the expiry date to 1 April 2023.

(d) Unspent Borrowings

All loan funds drawn are expected to be fully expended as at 30 June 2019.

Council is not expected to have any unspent loan funds as at 30 June 2020.

SIGNIFICANT ACCOUNTING POLICIES

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 2020

7. CASH-BACKED RESERVES

(a) Cash Backed Reserves - Movement

Ordinary Reserve

	2019/20	2018/19	2018/19
	Budget	Actual	Budget
	\$	\$	\$
(a) Asset Management			
Opening Balance	2,146,108	2,090,953	2,111,253
Amount Used / Transfer From Reserve	(136,000)	0	(500,000)
Amount Set Aside / Transfer To Reserve	146,000	0	0
Amount Set Aside / Interest	18,056	55,155	41,013
Transfer between Reserves - Equity	(1,300,000)	0	0
	<u>874,164</u>	<u>2,146,108</u>	<u>1,652,266</u>
(b) Community Infrastructure			
Opening Balance	0	0	0
Amount Used / Transfer From Reserve	(1,031,628)	0	0
Amount Set Aside / Transfer To Reserve	1,890,791	0	0
Amount Set Aside / Interest	200,313	0	0
Transfer between Reserves - Equity	7,298,830	0	0
	<u>8,358,306</u>	<u>0</u>	<u>0</u>
(c) Developer Contributions Infrastructure			
Opening Balance	743,429	596,993	580,372
Amount Set Aside / Transfer To Reserve	60,000	130,000	100,000
Amount Set Aside / Interest	16,945	16,436	17,318
	<u>820,374</u>	<u>743,429</u>	<u>697,690</u>
(d) Don Russell Performing Arts Centre			
Opening Balance	380,193	364,781	366,616
Amount Used / Transfer From Reserve	0	(20,500)	0
Amount Set Aside / Transfer To Reserve	0	26,000	22,950
Amount Set Aside / Interest	0	9,912	9,916
Transfer between Reserves - Equity	(380,193)	0	0
	<u>0</u>	<u>380,193</u>	<u>399,482</u>
(e) Emergency Services			
Opening Balance	114,305	136,610	136,030
Amount Used / Transfer From Reserve	0	(30,000)	0
Amount Set Aside / Transfer To Reserve	0	4,175	1,500
Amount Set Aside / Interest	0	3,520	3,501
Transfer between Reserves - Equity	(114,305)	0	0
	<u>0</u>	<u>114,305</u>	<u>141,031</u>
Total Ordinary Reserves C/Fwd	<u>10,052,844</u>	<u>3,384,035</u>	<u>2,890,469</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

7. CASH-BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves – Movement (continued)

Ordinary Reserve (continued)

	2019/20	2018/19	2018/19
	Budget	Actual	Budget
	\$	\$	\$
Total Ordinary Reserves B/Fwd	10,052,844	3,384,035	2,890,469
(f) Floodlighting Levy			
Opening Balance	58,841	37,608	31,846
Amount Set Aside / Transfer To Reserve	0	20,000	18,620
Amount Set Aside / Interest	0	1,233	1,284
Transfer between Reserves - Equity	(58,841)	0	0
	<u>0</u>	<u>58,841</u>	<u>51,750</u>
(g) Gosnells Oval Redevelopment			
Opening Balance	1,001,573	922,803	955,284
Amount Set Aside / Transfer To Reserve	49,680	54,000	44,500
Amount Set Aside / Interest	22,171	24,770	25,448
	<u>1,073,424</u>	<u>1,001,573</u>	<u>1,025,232</u>
(h) Gosnells Town Centre Revitalisation			
Opening Balance	5,297,067	3,544,375	3,481,109
Amount Used / Transfer From Reserve	(139,512)	(93,586)	(157,586)
Amount Set Aside / Transfer To Reserve	1,817,583	1,727,219	91,000
Amount Set Aside / Interest	189,289	119,059	86,873
Transfer between Reserves - Equity	2,000,000	0	0
	<u>9,164,427</u>	<u>5,297,067</u>	<u>3,501,396</u>
(i) Harmony Fields			
Opening Balance	164,908	150,646	45,218
Amount Used / Transfer From Reserve	0	(25,000)	(25,000)
Amount Set Aside / Transfer To Reserve	49,000	35,000	34,000
Amount Set Aside / Interest	4,511	4,262	1,384
	<u>218,419</u>	<u>164,908</u>	<u>55,602</u>
(j) Heritage Condition Reward Scheme			
Opening Balance	52,577	58,167	43,657
Amount Used / Transfer From Reserve	(7,100)	(7,100)	(7,100)
Amount Set Aside / Interest	959	1,510	930
	<u>46,436</u>	<u>52,577</u>	<u>37,487</u>
(k) Insurance			
Opening Balance	627,743	611,610	614,187
Amount Set Aside / Interest	13,239	16,133	15,645
	<u>640,982</u>	<u>627,743</u>	<u>629,832</u>
Total Ordinary Reserves C/Fwd	<u>21,196,532</u>	<u>10,586,744</u>	<u>8,191,768</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

7. CASH-BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves – Movement (continued)

Ordinary Reserve (continued)

	2019/20	2018/19	2018/19
	Budget	Actual	Budget
	\$	\$	\$
Total Ordinary Reserves B/Fwd	21,196,532	10,586,744	8,191,768
(l) Langford Oval Redevelopment			
Opening Balance	233,100	255,452	256,933
Amount Used / Transfer From Reserve	(206,967)	(56,000)	(160,000)
Amount Set Aside / Transfer To Reserve	27,060	27,000	24,000
Amount Set Aside / Interest	1,122	6,648	3,078
	<u>54,315</u>	<u>233,100</u>	<u>124,011</u>
(m) Leisure World Asset Management			
Opening Balance	319,496	357,077	360,200
Amount Used / Transfer From Reserve	0	(46,000)	(85,000)
Amount Set Aside / Interest	0	8,419	7,002
Transfer between Reserves - Equity	(319,496)	0	0
	<u>0</u>	<u>319,496</u>	<u>282,202</u>
(n) Local Government Elections			
Opening Balance	199,014	73,228	71,034
Amount Used / Transfer From Reserve	(290,000)	0	0
Amount Set Aside / Transfer To Reserve	126,000	122,000	122,000
Amount Set Aside / Interest	738	3,786	4,916
	<u>35,752</u>	<u>199,014</u>	<u>197,950</u>
(o) Local Open Space Strategy			
Opening Balance	688,549	365,086	364,266
Amount Used / Transfer From Reserve	0	(399,761)	(350,000)
Amount Set Aside / Transfer To Reserve	1,564,130	710,258	4,036,858
Amount Set Aside / Interest	95,006	12,966	103,122
	<u>2,347,685</u>	<u>688,549</u>	<u>4,154,246</u>
(p) Maddington/Kenwick Revitalisation			
Opening Balance	2,546,003	2,480,570	2,486,213
Amount Used / Transfer From Reserve	0	0	(65,000)
Amount Set Aside / Interest	53,696	65,433	61,635
	<u>2,599,699</u>	<u>2,546,003</u>	<u>2,482,848</u>
Total Ordinary Reserves C/Fwd	<u>26,233,983</u>	<u>14,572,906</u>	<u>15,433,025</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

7. CASH-BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves – Movement (continued)

Ordinary Reserve (continued)

	2019/20	2018/19	2018/19
	Budget	Actual	Budget
	\$	\$	\$
Total Ordinary Reserves B/Fwd	26,233,983	14,572,906	15,433,025
(q) Mills Park			
Opening Balance	410,490	368,307	243,376
Amount Used / Transfer From Reserve	0	(22,000)	0
Amount Set Aside / Transfer To Reserve	51,380	54,000	46,000
Amount Set Aside / Interest	9,741	10,183	7,458
	<u>471,611</u>	<u>410,490</u>	<u>296,834</u>
(r) Operations Centre			
Opening Balance	7,182,947	1,422,261	1,438,759
Amount Set Aside / Transfer To Reserve	1,339,823	5,665,328	3,805,151
Amount Set Aside / Interest	190,294	95,358	133,471
Transfer between Reserves - Equity	3,700,000	0	0
	<u>12,413,064</u>	<u>7,182,947</u>	<u>5,377,381</u>
(s) Plant and Equipment			
Opening Balance	6,610,458	5,707,300	4,932,965
Amount Used / Transfer From Reserve	(1,031,250)	(811,900)	(2,421,175)
Amount Set Aside / Transfer To Reserve	1,425,000	1,566,500	1,625,000
Amount Set Aside / Interest	105,541	148,558	105,296
Transfer between Reserves - Equity	(2,000,000)	0	0
	<u>5,109,749</u>	<u>6,610,458</u>	<u>4,242,086</u>
(t) Rate Revaluation			
Opening Balance	522,836	370,560	373,697
Amount Used / Transfer From Reserve	(370,000)	0	0
Amount Set Aside / Transfer To Reserve	146,000	142,000	142,000
Amount Set Aside / Interest	6,303	10,276	13,125
	<u>305,139</u>	<u>522,836</u>	<u>528,822</u>
(u) Recreation and Culture Infrastructure			
Opening Balance	5,125,995	823,300	629,747
Amount Used / Transfer From Reserve	0	(629,572)	(629,572)
Amount Set Aside / Transfer To Reserve	0	4,875,775	0
Amount Set Aside / Interest	0	56,492	8
Transfer between Reserves - Equity	(5,125,995)	0	0
	<u>0</u>	<u>5,125,995</u>	<u>183</u>
(v) Refuse Disposal Site Rehabilitation			
Opening Balance	651,520	715,300	697,304
Amount Used / Transfer From Reserve	(150,000)	(126,737)	(50,000)
Amount Set Aside / Transfer To Reserve	25,000	44,480	25,000
Amount Set Aside / Interest	11,105	18,477	17,116
	<u>537,625</u>	<u>651,520</u>	<u>689,420</u>
Total Ordinary Reserves C/Fwd	45,071,171	35,077,152	26,567,751

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

7. CASH-BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves – Movement (continued)

Ordinary Reserve (continued)

	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
Total Ordinary Reserves B/Fwd	<u>45,071,171</u>	<u>35,077,152</u>	<u>26,567,751</u>
(w) Strategic Capital Acquisition			
Opening Balance	1,276,664	688,109	697,988
Amount Used / Transfer From Reserve	(15,000)	0	0
Amount Set Aside / Transfer To Reserve	750,000	565,000	750,000
Amount Set Aside / Interest	42,427	23,555	36,859
	<u>2,054,091</u>	<u>1,276,664</u>	<u>1,484,847</u>
(x) Sutherlands Park			
Opening Balance	988,002	943,055	948,660
Amount Used / Transfer From Reserve	(25,000)	(30,000)	(300,000)
Amount Set Aside / Transfer To Reserve	73,280	50,000	75,600
Amount Set Aside / Interest	21,856	24,947	18,436
	<u>1,058,138</u>	<u>988,002</u>	<u>742,696</u>
(y) Synthetic Surfaces Renewal			
Opening Balance	227,102	163,570	165,974
Amount Used / Transfer From Reserve	0	(122,500)	(12,500)
Amount Set Aside / Transfer To Reserve	183,420	180,000	180,000
Amount Set Aside / Interest	8,658	6,032	8,486
	<u>419,180</u>	<u>227,102</u>	<u>341,960</u>
(z) Walter Padbury Park			
Opening Balance	187,146	135,844	70,413
Amount Used / Transfer From Reserve	0	0	0
Amount Set Aside / Transfer To Reserve	47,280	47,000	43,800
Amount Set Aside / Interest	4,944	4,302	2,914
	<u>239,370</u>	<u>187,146</u>	<u>117,127</u>
(aa) Waste Reserve (formerly MGB Plant and Equipment)			
Opening Balance	7,989,900	6,600,563	5,083,744
Amount Used / Transfer From Reserve	(845,000)	(140,000)	(1,010,000)
Amount Set Aside / Transfer To Reserve	888,742	1,352,759	1,200,000
Amount Set Aside / Interest	91,398	176,578	134,245
Transfer between Reserves - Equity	(3,700,000)	0	0
	<u>4,425,040</u>	<u>7,989,900</u>	<u>5,407,989</u>
Total Ordinary Reserves	<u>53,266,990</u>	<u>45,745,966</u>	<u>34,662,370</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

7. CASH-BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves – Movement (continued)

Planning Reserve

	2019/20	2018/19	2018/19
	Budget	Actual	Budget
	\$	\$	\$
(ab) ODP – Canning Vale			
Opening Balance	1,047,079	1,098,807	973,834
Amount Used / Transfer From Reserve	(30,000)	(80,987)	(30,000)
Amount Set Aside / Transfer To Reserve	10,000	0	10,000
Amount Set Aside / Interest	21,662	29,259	24,279
	1,048,741	1,047,079	978,113
(ac) ODP – Central Maddington Precinct 1			
Opening Balance	282,384	618,730	51,383
Amount Used / Transfer From Reserve	(262,852)	(703,870)	(435,594)
Amount Set Aside / Transfer To Reserve	5,672,800	345,000	5,645,000
Amount Set Aside / Interest	120,054	22,524	133,753
	5,812,386	282,384	5,394,542
(ad) ODP – Central Maddington Precinct 2			
Opening Balance	598,070	557,925	509,539
Amount Used / Transfer From Reserve	0	0	0
Amount Set Aside / Transfer To Reserve	93,200	35,000	85,000
Amount Set Aside / Interest	14,579	5,145	15,135
	705,849	598,070	609,674
(ae) ODP – Homestead Road			
Opening Balance	404,342	642,517	403,454
Amount Used / Transfer From Reserve	(15,000)	(254,402)	(80,000)
Amount Set Aside / Transfer To Reserve	10,000	0	10,000
Amount Set Aside / Interest	8,422	16,227	8,489
	407,764	404,342	341,943
(af) ODP – Maddington Road A and B			
Opening Balance	910,370	740,246	644,545
Amount Used / Transfer From Reserve	(17,000)	(17,058)	(17,000)
Amount Set Aside / Transfer To Reserve	10,000	165,000	10,000
Amount Set Aside / Interest	19,050	22,182	16,229
	922,420	910,370	653,774
(ag) ODP - Southern River Precinct 1			
Opening Balance	4,383,314	3,816,245	3,832,043
Amount Used / Transfer From Reserve	(387,800)	(25,086)	(25,000)
Amount Set Aside / Transfer To Reserve	0	475,500	0
Amount Set Aside / Interest	84,267	116,655	96,912
	4,079,781	4,383,314	3,903,955
Total Planning Reserves C/Fwd	12,976,941	7,625,559	11,882,001

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

7. CASH-BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves – Movement (continued)

Planning Reserve (continued)

	2019/20	2018/19	2018/19
	Budget	Actual	Budget
	\$	\$	\$
Total Planning Reserves B/Fwd	<u>12,976,941</u>	<u>7,625,559</u>	<u>11,882,001</u>
(ah) ODP – Southern River Precinct 2			
Opening Balance	6,810,545	6,649,654	6,291,973
Amount Used / Transfer From Reserve	(631,569)	(20,156)	(257,000)
Amount Set Aside / Transfer To Reserve	50,000	0	50,000
Amount Set Aside / Interest	131,372	181,047	154,905
	<u>6,360,348</u>	<u>6,810,545</u>	<u>6,239,878</u>
(ai) Southern River Precinct 3			
Opening Balance	5,475,697	5,053,555	4,663,164
Amount Used / Transfer From Reserve	(1,577,825)	(70,993)	(2,177,747)
Amount Set Aside / Transfer To Reserve	300,000	350,000	300,000
Amount Set Aside / Interest	88,535	143,135	70,895
	<u>4,286,407</u>	<u>5,475,697</u>	<u>2,856,312</u>
(aj) ODP - Southern River Precinct 3A			
Opening Balance	237,076	210,987	213,346
Amount Set Aside / Transfer To Reserve	20,000	20,000	20,000
Amount Set Aside / Interest	5,422	6,089	5,938
	<u>262,498</u>	<u>237,076</u>	<u>239,284</u>
(ak) ODP - Southern River Precinct 5			
Opening Balance	68,340	66,525	9,209
Amount Set Aside / Interest	1,441	1,815	236
	<u>69,781</u>	<u>68,340</u>	<u>9,445</u>
(al) ODP – West Canning Vale			
Opening Balance	7,785,184	7,462,333	7,510,835
Amount Used / Transfer From Reserve	(31,000)	(105,106)	(31,000)
Amount Set Aside / Transfer To Reserve	0	243,000	0
Amount Set Aside / Interest	163,539	184,957	190,392
	<u>7,917,723</u>	<u>7,785,184</u>	<u>7,670,227</u>
(am) Public Open Space – Cash in Lieu			
Opening Balance	33,572,868	31,730,393	32,375,040
Amount Used / Transfer From Reserve	(1,086,000)	(1,630,520)	(2,408,221)
Amount Set Aside / Transfer To Reserve	5,180,185	2,565,500	5,439,625
Amount Set Aside / Interest	794,414	907,495	901,271
	<u>38,461,467</u>	<u>33,572,868</u>	<u>36,307,715</u>
Total Planning Reserves C/Fwd	<u>70,335,165</u>	<u>61,575,269</u>	<u>65,204,862</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

7. CASH-BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves – Movement (continued)

Planning Reserve (continued)

	2019/20	2018/19	2018/19
	Budget	Actual	Budget
	\$	\$	\$
Total Planning Reserves B/Fwd	<u>70,335,165</u>	<u>61,575,269</u>	<u>65,204,862</u>
(an) TPS - 15			
Opening Balance			
Amount Used / Transfer From Reserve	(5,000)	(5,150)	(5,000)
Amount Set Aside / Transfer To Reserve	10,000	3,000	10,000
Amount Set Aside / Interest	10,822	13,487	13,138
	<u>523,944</u>	<u>508,122</u>	<u>529,314</u>
(ao) TPS - 17			
Opening Balance	861,257	843,352	846,848
Amount Used / Transfer From Reserve	(5,000)	(5,017)	(5,000)
Amount Set Aside / Transfer To Reserve	10,000	0	10,000
Amount Set Aside / Interest	18,270	22,922	21,683
	<u>884,527</u>	<u>861,257</u>	<u>873,531</u>
(ap) TPS - 20			
Opening Balance	416,757	405,691	251,508
Amount Set Aside / Interest	8,790	11,066	6,423
	<u>425,547</u>	<u>416,757</u>	<u>257,931</u>
(aq) TPS – 9A			
Opening Balance	1,951,317	1,656,425	1,688,380
Amount Used / Transfer From Reserve	(5,000)	(5,103)	(5,000)
Amount Set Aside / Transfer To Reserve	0	250,000	0
Amount Set Aside / Interest	41,049	49,995	42,843
	<u>1,987,366</u>	<u>1,951,317</u>	<u>1,726,223</u>
Total Planning Reserves	<u>74,156,549</u>	<u>65,312,722</u>	<u>68,591,861</u>
Total Reserves	<u>127,423,539</u>	<u>111,058,688</u>	<u>103,254,231</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

7. CASH-BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves – Movement (continued)

	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
Summary of Reserves			
Opening Balance	111,058,688	92,034,298	87,963,122
Amount Used / Transfer From Reserve	(8,301,503)	(5,484,104)	(11,249,495)
Amount Set Aside			
Transfer To Reserve	22,026,354	21,850,494	23,977,604
Interest	2,640,000	2,658,000	2,563,000
	<u>24,666,354</u>	<u>24,580,494</u>	<u>26,540,604</u>
Total Reserves	<u>127,423,539</u>	<u>111,058,688</u>	<u>103,254,231</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

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.
Community Infrastructure Reserve	Ongoing	To fund the development of recreation and community facilities.
Developer Contributions Infrastructure	Ongoing	To fund future expenditure on developments that falls outside of a TPS or ODP.
Don Russell Performing Arts Centre	2019-20	Construction, equipping and assessment of Don Russell Performing Arts Centre funded from Telco Tower Leases.
Emergency Services	2019-20	To fund excess Bushfire and SES expenditure from the prior year over budget reimbursements.
Floodlighting Levy	2019-20	To upgrade the City's active reserve floodlighting.
Gosnells Oval Redevelopment	Ongoing	To fund Council's expenditure on Gosnells Oval funded from Telco Tower leases.
Gosnells Town Centre Revitalisation	Ongoing	To fund the cost of redevelopment and additional operational expenses of Gosnells Town Centre.
Harmony Fields	Ongoing	To provide future expenditure 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 assist with the development of Langford Oval funded from Telco Tower leases.
Leisure World Asset Management	2019-20	Purchase and/or major repair of plant and buildings located at the Leisure World complex.
Local Government Elections	Ongoing	For expenditure associated with holding of local government elections.
Local Open Space Strategy	Ongoing	For expenditure associated with 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 assist with the development of Mills Park funded from Telco Tower leases.
Operations Centre	Ongoing	To fund expenditure relating to the development of a new Operations Centre.
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.
Recreation and Culture	2019-20	To fund future expenditure on Recreational and Cultural Infrastructure.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

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	Rehabilitation of the Kelvin Road Refuse Disposal Site.
Strategic Capital Acquisition	Ongoing	Royalties received from quarry set aside for investing in profit generating assets.
Sutherlands Park	Ongoing	To fund future works at Sutherlands Park funded from Telco Tower leases.
Synthetic Surface Renewal	Ongoing	Renewal of synthetic surfaces as required.
Walter Padbury Park	Ongoing	To provide for future works at Walter Padbury Park funded from Telco Tower leases
Waste Reserve (formerly MGB Plant and Equipment)	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 site 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 5		
ODP - West Canning Vale		
Public Open Space – Cash in Lieu	Ongoing	To fund expenditure arising out of the need to meet our obligations in respect of provision of Public Open Space.
TPS - 15	Ongoing	To fund expenditure on infrastructure and administrative items within the TPS site 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 2020

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 eight reserve accounts. This money is to be used for a purpose other than the purpose for which the account was established.

Asset Management Reserve

The Asset Management Reserve was established to set aside funds for asset data collection. During 2018/19, the City reviewed its reserve balances and determined the reserve can be maintained at a lower balance.

\$1,300,000 will be transferred from Asset Management Reserve into the Community Infrastructure Reserve.

Don Russell Performing Arts Centre

The Don Russell Performing Arts Centre (“DRPAC”) Reserve was established to set aside funds for the construction, equipping and assessment of DRPAC. A new consolidated Community Infrastructure Reserve will be established in 2019/20 to replace a number of reserves including the DRPAC Reserve.

\$380,193 will be transferred from DRPAC Reserve into the Community Infrastructure Reserve. The DRPAC reserve account is expected to be closed by 30 June 2020.

Emergency Services

The Emergency Services Reserve was established to fund excess Bushfire and SES expenditure from the prior year over budget reimbursements. During 2018/19, the City reviewed its reserve balances and determined the reserve will no longer be required.

\$114,305 will be transferred from Emergency Services Reserve into the Community Infrastructure Reserve. The Emergency Services reserve account is expected to be closed by 30 June 2020.

Floodlighting Levy

The Floodlighting Levy Reserve was established to set aside funds to fund upgrades to the City’s active reserve floodlighting. A new consolidated Community Infrastructure Reserve will be established in 2019/20 to replace a number of reserves including the Floodlighting Levy Reserve.

\$58,841 will be transferred from Floodlighting Levy Reserve into the Community Infrastructure Reserve. The Floodlighting Levy reserve account is expected to be closed by 30 June 2020.

Leisure World Asset Management

The Leisure World Asset Management Reserve was established to set aside funds for purchase and/or major repairs of plant and buildings located at the Leisure World complex. A new consolidated Community Infrastructure Reserve will be established in 2019/20 to replace a number of reserves including the Leisure World Asset Management Reserve.

\$319,496 will be transferred from Leisure World Asset Management Reserve into the Community Infrastructure Reserve. The Leisure World Asset Management reserve account is expected to be closed by 30 June 2020.

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 2018/19, the City reviewed its reserve balances and determined the reserve can be maintained at a lower balance.

\$2,000,000 will be transferred from Plant and Equipment Reserve into the Gosnells Town Centre Revitalisation Reserve.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

7. CASH-BACKED RESERVES (CONTINUED)

(c) Cash Backed Reserves – Change in Use (continued)

Recreation and Culture Infrastructure

The Recreation and Culture Infrastructure Reserve was established to set aside funds for future expenditure on Recreational and Cultural Infrastructure. A new consolidated Community Infrastructure Reserve will be established in 2019/20 to replace a number of reserves including the Recreation and Culture Infrastructure Reserve.

\$5,125,995 will be transferred from Recreation and Culture Infrastructure Reserve into the Community Infrastructure Reserve. The Recreation and Culture Infrastructure reserve account is expected to be closed by 30 June 2020.

Waste Reserve (formerly MGB Plant and Equipment)

The MGB Plant and Equipment Reserve was established to fund expenditure relating to the purchase of Infrastructure and associated plant and equipment (including bins) as well as any associated debt. The purpose of this reserve has now been expanded to fund costs associated with the delivery of the City's waste services and has now been renamed as the Waste Reserve.

During 2018/19, the City reviewed its reserve balances and determined the reserve can be maintained at a lower balance. \$3,700,000 will be transferred from Waste Reserve into the Operations Centre Reserve.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

8. FEES AND CHARGES

	2019/20	2018/19	2018/19
	Budget	Actual	Budget
	\$	\$	\$
By Program			
General Purpose Funding	1,024,123	924,859	795,930
Governance	0	0	100
Law, Order and Public Safety	353,185	344,775	464,400
Health	318,312	331,250	304,215
Education and Welfare	161,489	155,920	181,049
Community Amenities	17,775,488	17,164,438	17,333,825
Recreation and Culture	3,664,774	3,539,630	3,617,297
Transport	146,000	143,000	258,000
Economic Services	2,193,004	1,798,678	2,354,832
Other Property and Services	222,340	182,088	260,800
	<u>25,858,715</u>	<u>24,584,638</u>	<u>25,570,448</u>

9. GRANT REVENUE

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

By Program

Operating Grants, Subsidies and Contributions

General Purpose Funding	4,364,000	2,233,729	4,361,000
Governance	6,768	23,457	7,267
Law, Order and Public Safety	249,402	294,513	242,207
Health	5,567	4,320	10,101
Education and Welfare	559,435	609,649	461,111
Community Amenities	478,615	739,676	610,499
Recreation and Culture	222,159	303,603	630,709
Transport	56,500	119,700	118,000
Economic Services	9,070	9,000	9,569
Other Property and Services	319,454	342,415	321,520
	<u>6,270,970</u>	<u>4,680,062</u>	<u>6,771,983</u>

Non-Operating Grants, Subsidies and Contributions

Law, Order and Public Safety	0	5,250	0
Community Amenities	4,290,000	4,056,477	4,290,000
Recreation and Culture	128,333	1,133,609	1,835,921
Transport	7,277,493	6,394,618	7,389,553
Other Property and Services	0	29,500	0
	<u>11,695,826</u>	<u>11,619,454</u>	<u>13,515,474</u>

Fair Value Adjustment to Financial Assets at Fair Value through Profit/Loss

Financial Assets - Investments	<u>0</u>	<u>20,503</u>	<u>0</u>
	<u>0</u>	<u>20,503</u>	<u>0</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

10. INCENTIVES, DISCOUNTS, CONCESSIONS OR WAIVERS

Rate Incentives, Discounts or Concessions

	Type	Discount %	2019/20 Budget \$	2018/19 Actual \$
General Rates				
Rates Incentive	Incentive	N/A	5,000	5,000
Rates Waivers	Waiver	N/A	75,700	75,087
Fees and Charges				
Don Russell Performing Arts Centre	Discount	Various	12,000	11,847
Facility Hire Charges	Discount	100%	39,000	38,923
Health Services	Discount	Various	22,000	21,282
Leisure Programs	Discount	Various	3,700	3,208
Leisure World	Discount	Various	35,000	33,926
Library & Heritage Services	Discount	Various	330	219
Ranger Services	Discount	Various	23,000	25166
Sundry Debtors Write-off	Write-Off	N/A	0	2,400

General rates

No discounts or concessions are being offered to ratepayers for early payment of rates however, incentives for the early payment of rates 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 of the first instalment (refer to Note 1(c)). Winners will be notified.

Councillors, employees and their immediate families of the City of Gosnells and the sponsoring organisation are ineligible to enter.

Incentive B

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

Courtesy of Forest Lakes Forum, four City of Gosnells ratepayers will win up to \$1,000 each off their rates bill, plus \$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 20 July and noon on Friday 23 August 2019 for a chance to win one of the four prizes.

Full terms and conditions are available from the Centre's website at: www.forestlakesforum.com.au

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

10. INCENTIVES, DISCOUNTS, CONCESSIONS OR WAIVERS (CONTINUED)

Rate Waivers

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

	2019/20
	Budget
	\$
Gosnells Junior Football Club Inc	2,910
Grand Lodge Of Western Australia Freemasons Homes For The Aged Inc	72,790
	<hr/> 75,700

Fees and Charges

Don Russell Performing Art Centre

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

15% Discount (general offer; targeted group marketing campaign)

30% Discount (3 or more shows)

50% Discount (2 for 1 offer)

Group Bookings - 1 free ticket with every 10 purchased

City of Gosnells Councillors, Staff and Volunteers - up to 25% discount

Class Discounts: 5% discount - 10 or more hours/week

15% discount - 20 or more hours/week

Facility Hire Charges & Road Closure Fees

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

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.

Library & Heritage Services

The City offers a concessional price for entry to the Wilkinson Homestead Museum to encourage visitors and enhance the Museum's financial viability.

City of Gosnells Councillors, Staff and volunteers - up to 25% discount

Leisure Programs

Leisure programs offer the following discounts to enhance the financial viability of the program.

15% Discount (general offer; or targeted group marketing campaign)

30% Discount (general offer)

50% Discount (2 for 1 Offer)

Group Bookings - 1 free ticket with every 10 purchased

City of Gosnells Councillors, Staff and Volunteers - up to 25% discount

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

10. INCENTIVES, DISCOUNTS, CONCESSIONS OR WAIVERS (CONTINUED)

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)

10% Discount (general offer)

15% Discount (general offer)

20% Discount (special offer)

25% Discount (special offer)

33% Discount (special offer)

50% Discount (2 for 1 offer)

50% Off Peak Membership (Monday - Friday: 11am-4pm, Saturday: After 12pm, Sunday: All Day)

Group Bookings - 1 free pass with every 10 purchased

Group Bookings - 3 free pass with every 20 purchased

City of Gosnells Councillors, Staff and Volunteers - up to 25% discount

Ranger Services

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

Assistance Dogs - 100% concession

Dogs used for Droving or tendering stock - 75% concession

Dogs owned by Pensioners (being persons eligible for exemption pursuant to Regulation 4 (2)) - 50% concession

Registration after 31 May in any year for that registration year - 50% concession

Annual Bulk Registration Pensioners (persons eligible for exempt pursuant to Regulation 4 (2)) - 50% concession

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

Sundry Debt Write-off

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 2020

11. OTHER INFORMATION

	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
(a) Interest Earnings			
Investments - Reserve Funds	2,640,000	2,658,000	2,563,000
Investments - Other Funds	1,503,000	1,205,000	1,459,000
Other Interest Revenue (refer to Note 1(c))	689,000	854,112	682,000
	<u>4,832,000</u>	<u>4,717,112</u>	<u>4,704,000</u>
(b) Other Revenue			
Discount Received	0	15,000	60,000
Other	200	35,945	1,750
	<u>200</u>	<u>50,945</u>	<u>67,150</u>
(c) Auditors Remuneration			
Audit of Annual Financial Report and Grant Acquittals	65,000	62,000	82,000
Other Audit Services	1,200	2,200	2,200
	<u>66,200</u>	<u>64,200</u>	<u>84,200</u>
(d) Interest Expenses (Finance Costs)			
Loan Facilities - Operating Interest	340,700	316,320	377,151
Loan Facilities - Capital Interest	324,000	0	384,000
	<u>664,700</u>	<u>316,320</u>	<u>761,151</u>
(e) Elected Members Remuneration			
Meeting Fees	362,550	368,568	360,686
Mayor's Allowance	89,750	88,864	88,864
Deputy Mayor's Allowance	22,450	20,329	22,216
Travelling Expenses	28,500	23,866	15,000
Telecommunications Allowance	25,500	25,521	25,200
	<u>528,750</u>	<u>527,148</u>	<u>511,966</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

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 is a large neighbourhood park, which is predominantly used by the community as a dog exercise area. Whilst there is a small amount of community infrastructure located at the Park it is 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 is expected to begin mid 2019 and completed by the first quarter 2020.

(ii) Revenue and Expenses

	Project Budget \$	Project Actual \$	2019/20 Budget \$	2018/19 Actual \$
Funding Sources				
Capital Revenue				
Asset Disposal Proceeds	8,148,000	0	8,148,000	0
Other Funding Sources				
Loan Proceeds	5,600,000	0	5,600,000	0
Total Funding Sources	<u>13,748,000</u>	<u>0</u>	<u>13,748,000</u>	<u>0</u>
Disbursement of Funds				
Operating Expense				
Materials & Contracts	(714,000)	(394,000)	(320,000)	(53,777)
Capital Expenditure				
Materials & Contracts	(5,600,000)	(447,538)	(5,152,462)	(129,230)
Interest Expense	(300,000)	0	(300,000)	0
	<u>(5,900,000)</u>	<u>(447,538)</u>	<u>(5,326,793)</u>	<u>(129,230)</u>
Other Expenses				
Loan Repayment	(5,600,000)	0	(5,600,000)	0
Transfer to Reserve				
Local Open Space Strategy	(1,534,000)	0	(1,534,000)	0
	<u>(7,134,000)</u>	<u>0</u>	<u>(7,134,000)</u>	<u>0</u>
Total Disbursement of Funds	<u>(13,748,000)</u>	<u>(841,538)</u>	<u>(12,906,462)</u>	<u>(183,008)</u>
Total	<u>0</u>	<u>(841,538)</u>	<u>841,538</u>	<u>(183,008)</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

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 \$1,375,220 as at 30 June 2019. It is anticipated assets related to the land transactions will be disposed by 30 June 2020.

There were no liabilities that exist in relation to this land transaction as at 30 June 2019.

It is anticipated a \$5,600,000 short term loan facility be established during the financial year ending 30 June 2020 to be repaid from sale proceeds.

(iv) Expected Future projections

	2019/20	2020/21	2021/22	Total
	\$	\$	\$	\$
Revenue				
Asset Disposal Proceeds	8,148,000	0	0	8,148,000
Loan Proceeds	5,600,000	0	0	5,600,000
	<u>13,748,000</u>	<u>0</u>	<u>0</u>	<u>13,748,000</u>
Expenditure				
Materials & Contracts	(5,472,462)	0	0	(5,472,462)
Interest Expense	(300,000)	0	0	(300,000)
Loan Repayment	(5,600,000)	0	0	(5,600,000)
Transfer to Reserve	(1,534,000)	0	0	(1,534,000)
	<u>(12,906,462)</u>	<u>0</u>	<u>0</u>	<u>(12,906,462)</u>
Net Future Projections	<u>841,538</u>	<u>0</u>	<u>0</u>	<u>841,538</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

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 and 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 planned for completion late 2019. Based on the current work programme the design phase is planned for completion late 2019, with detailed design planned for mid 2020. Upon completion of the design the project will be tendered and construction will commence upon award of tender.

(ii) Revenue and Expenses

	Project Budget \$	Project Actual \$	2019/20 Budget \$	2018/19 Actual \$
Funding Sources				
Capital Revenue				
Asset Disposal Proceeds	31,045,455	0	0	0
Other Funding Sources				
Loan Proceeds	21,450,000	0	0	0
Total Funding Sources	<u>52,495,455</u>	<u>0</u>	<u>0</u>	<u>0</u>
Disbursement of Funds				
Operating Expense				
Materials & Contracts	(1,800,000)	(391,224)	(300,000)	(137,115)
Interest Expense	(136,994)	0	0	0
	<u>(1,936,994)</u>	<u>(391,224)</u>	<u>(300,000)</u>	<u>(137,115)</u>
Capital Expenditure				
Materials & Contracts	(19,650,000)	(48,872)	0	0
Interest Expense	(1,495,527)	0	0	0
	<u>(21,145,527)</u>	<u>(48,872)</u>	<u>0</u>	<u>0</u>
Other Expenses				
Loan Repayment	(21,450,000)	0	0	0
Transfer to Reserve Operations Centre	(7,962,934)	0	0	0
	<u>(29,412,934)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Disbursement of funds	<u>(52,495,455)</u>	<u>(440,096)</u>	<u>(300,000)</u>	<u>(137,115)</u>
Total	<u>0</u>	<u>(440,096)</u>	<u>(300,000)</u>	<u>(137,115)</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

12. MAJOR LAND TRANSACTIONS (CONTINUED)

(b) Southern River Business Park (continued)

(iii) Assets and Liabilities

Assets associated with this land transaction have a written down value of \$23,765,300 as at 30 June 2019.

There were no liabilities that exist in relation to this land transaction as at 30 June 2019.

It is anticipated a \$21,450,000 short term loan facility be established during the 2020/21 financial year. The loan is anticipated to be repaid from the Southern River Business Park sale proceeds.

(iv) Expected Future Projections

	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	\$	\$	\$	\$	\$	\$
Revenue						
Asset Disposal Proceeds	0	5,772,727	9,545,455	9,545,455	6,181,818	31,045,455
Loan Proceeds	0	21,450,000	0	0	0	21,450,000
	<u>0</u>	<u>27,222,727</u>	<u>9,545,455</u>	<u>9,545,455</u>	<u>6,181,818</u>	<u>52,495,455</u>
Expenditure						
Materials & Contracts	(300,000)	(20,709,904)	0	0	0	(20,709,904)
Interest Expense	0	(643,500)	(489,686)	(331,258)	(168,077)	(1,632,521)
Loan Repayment	0	(5,127,130)	(5,280,944)	(5,439,372)	(5,602,554)	(21,450,000)
Transfer to Reserve	0	(2,097)	(3,774,825)	(3,774,825)	(411,187)	(7,962,934)
	<u>(300,000)</u>	<u>(26,482,631)</u>	<u>(9,545,455)</u>	<u>(9,545,455)</u>	<u>(6,181,818)</u>	<u>(52,055,359)</u>
Net Future Projections	<u>(300,000)</u>	<u>740,096</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>440,096</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2020

13. TRADING UNDERTAKINGS

It is not anticipated that any trading undertakings or major trading undertakings will occur in 2019/20.

14. SIGNIFICANT ACCOUNTING POLICIES – OTHER INFORMATION

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.

Critical Accounting Estimates

The preparation of a budget in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect 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.

Rounding Off Figures

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

Comparative Figures

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

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.

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.