



# **Budget**

## **Statutory Statements and Notes for the year ending 30 June 2022**



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**City of Gosnells**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**By Nature or Type**  
**for the year ending 30 June 2022**

	Note	2021/22 Budget \$	2020/21 Actual \$	2020/21 Budget \$
<b>Revenue</b>				
Rates	1(a)	71,912,528	70,372,984	69,401,187
Operating Grants, Subsidies and Contributions	10	5,919,565	3,960,176	5,986,493
Fees and Charges	9	24,641,913	24,915,376	25,618,958
Interest Earnings	11(a)	2,908,650	2,538,950	4,141,728
Other Revenue	11(b)	0	111,664	200
		<u>105,382,656</u>	<u>101,899,150</u>	<u>105,148,566</u>
<b>Expenditure</b>				
Employee Costs		(51,483,433)	(49,478,787)	(50,008,675)
Materials and Contracts		(30,941,005)	(30,264,578)	(32,876,252)
Utility Charges		(4,753,122)	(4,535,125)	(4,736,542)
Depreciation and Amortisation	6	(26,146,346)	(26,644,886)	(25,732,697)
Interest Expenses	11(d)	(321,359)	(386,560)	(351,021)
Insurance Expenses		(1,000,598)	(755,939)	(992,854)
Other Expenses		(1,281,345)	(12,944,359)	(2,526,582)
		<u>(115,927,208)</u>	<u>(125,010,234)</u>	<u>(117,224,623)</u>
<b>Subtotal</b>		<u>(10,544,552)</u>	<u>(23,111,083)</u>	<u>(12,076,057)</u>
Non-Operating Grants, Subsidies and Contributions	10	17,115,996	24,039,921	13,890,951
Profit on Asset Disposals	5(b)	4,158,577	4,093,310	4,139,558
Loss on Asset Disposals	5(b)	(220,615)	(663,143)	(865,674)
		<u>21,053,958</u>	<u>27,470,088</u>	<u>17,164,835</u>
<b>Total Comprehensive Income</b>		<u><b>10,509,406</b></u>	<u><b>4,359,004</b></u>	<u><b>5,088,778</b></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 2022**

## **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 where they are inconsistent.

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

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

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

### **2020/2021 Actual Balances**

Balances shown in this budget as 2020/2021 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

### **Changes in Accounting Policies**

On 1 July 2021 no new accounting policies are to be adopted and no new policies are expected to impact the annual budget.

## **KEY TERMS AND DEFINITIONS – NATURE OR TYPE**

### **REVENUE**

#### **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.

#### **Operating Grants, Subsidies and Contributions**

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

#### **Fees and Charges**

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

#### **Interest Earnings**

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

#### **Other Revenue**

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

#### **Non-Operating Grants, Subsidies and Contributions**

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

#### **Profit on Asset Disposals**

Profit on the disposal of assets includes gains on the disposal of land under development and developed land and the City's fixed assets.

#### **Loss on Asset Disposals**

Loss on the disposal of assets includes loss on disposal of land under development and developed land and the City's fixed assets.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**BASIS OF PREPARATION (CONTINUED)**

**KEY TERMS AND DEFINITIONS – NATURE OR TYPE (CONTINUED)**

**EXPENSE**

**Employee Costs**

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

**Materials and Contracts**

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

**Utility Charges**

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

**Depreciation and Amortisation**

Depreciation and amortisation expense raised on all classes of assets.

**Interest Expenses**

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

**Insurance Expenses**

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

**Other Expenses**

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

**City of Gosnells**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**By Program**  
**for the year ending 30 June 2022**

	Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>Revenue</b>				
	1,9,10,11(a)(b)			
General Purpose Funding		79,713,378	75,502,151	78,929,501
Governance		7,030	3,222	6,271
Law, Order and Public Safety		604,138	889,986	592,602
Health		364,981	328,171	359,545
Education and Welfare		372,665	385,629	369,007
Community Amenities		17,721,015	18,243,540	18,067,772
Recreation and Culture		4,123,792	3,841,162	4,182,340
Transport		279,965	339,509	291,821
Economic Services		1,986,841	1,903,225	1,968,326
Other Property and Services		208,851	462,555	381,381
		<u>105,382,656</u>	<u>101,899,150</u>	<u>105,148,566</u>
<b>Expenditure</b>				
	6,11(c)(e)			
General Purpose Funding		(1,551,073)	(2,934,194)	(3,138,045)
Governance		(3,298,851)	(2,563,651)	(2,850,626)
Law, Order and Public Safety		(3,386,382)	(3,558,915)	(3,325,134)
Health		(1,331,270)	(1,137,599)	(1,354,734)
Education and Welfare		(4,520,772)	(4,366,374)	(4,489,650)
Community Amenities		(20,711,801)	(31,374,439)	(21,104,180)
Recreation and Culture		(40,619,268)	(38,517,876)	(40,057,084)
Transport		(27,168,433)	(25,743,782)	(26,229,549)
Economic Services		(2,293,630)	(2,411,102)	(2,691,538)
Other Property and Services		(10,724,369)	(12,015,742)	(11,633,062)
		<u>(115,605,849)</u>	<u>(124,629,335)</u>	<u>(116,873,602)</u>
<b>Finance Costs</b>				
	11(d)			
General Purpose Funding		0	0	(60)
Governance		0	0	(1,020)
Education and Welfare		0	0	(180)
Community Amenities		(193,919)	(213,684)	(213,874)
Recreation and Culture		(94,627)	(161,554)	(134,087)
Transport		0	0	(110)
Economic Services		0	0	(120)
Other Property and Services		(32,813)	(5,661)	(1,570)
		<u>(321,359)</u>	<u>(380,899)</u>	<u>(351,021)</u>
Non-Operating Grants, Subsidies and Contributions	10	17,115,996	24,039,921	13,890,951
Profit on Asset Disposals	5(b)	4,158,577	4,093,310	4,139,558
Loss on Asset Disposals	5(b)	(220,615)	(663,143)	(865,674)
		<u>21,053,958</u>	<u>27,470,088</u>	<u>17,164,835</u>
<b>Total Comprehensive Income</b>		<b><u>10,509,406</u></b>	<b><u>4,359,004</u></b>	<b><u>5,088,778</u></b>

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 2022**

**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**

**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.

**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.

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

**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 Wilkinson Homestead Museum. Provision of heritage and community programs and events, Arts and Culture programs, Sponsorship and Funding programs.

**Transport**

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

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



**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**KEY TERMS AND DEFINITIONS – REPORTING PROGRAMS (CONTINUED)**

**OBJECTIVE**

**ACTIVITIES**

**Economic Services**

To promote the City and improve its economic base.

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

**Other Property and Services**

To provide services required by the community.

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

**City of Gosnells**  
**STATEMENT OF CASH FLOWS**  
for the year ending 30 June 2022

	Note	2021/22 Budget \$	2020/21 Actual \$	2020/21 Budget \$
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Rates		71,755,888	72,347,617	68,851,832
Operating Grants, Subsidies and Contributions		5,919,565	3,960,176	5,986,493
Fees and Charges		26,396,295	23,335,316	26,170,077
Interest Earnings		2,495,310	2,773,758	3,946,604
Goods and Services Tax		5,000,000	5,000,000	4,500,000
Other Revenue		165,610	277,274	200
		<u>111,732,668</u>	<u>107,694,141</u>	<u>109,455,206</u>
<b>Payments</b>				
Employee Costs		(50,710,489)	(48,665,586)	(49,547,993)
Materials and Contracts		(29,311,768)	(31,747,041)	(30,949,438)
Utility Charges		(4,753,122)	(4,535,125)	(4,736,542)
Interest Expenses		(334,463)	(355,560)	(351,021)
Insurance Expenses		(1,000,598)	(755,939)	(992,854)
Goods and Services Tax		(5,112,131)	(4,937,660)	(4,600,000)
Other Expenditure		(1,281,347)	(12,950,021)	(2,526,582)
		<u>(92,503,918)</u>	<u>(103,946,932)</u>	<u>(93,704,430)</u>
<b>Net Cash provided by Operating Activities</b>	4(b)	<u>19,228,750</u>	<u>3,747,209</u>	<u>15,750,776</u>
<b>Cash Flows from Investing Activities</b>				
Payments for:				
Land Under Development and Developed Land		(41,447)	(1,451,459)	(168,747)
Purchase of Property, Plant & Equipment		(14,268,224)	(10,848,952)	(10,556,479)
Construction of Infrastructure Assets		(30,360,360)	(21,249,471)	(24,378,949)
Investments in Term Deposits		(71,118,868)	(70,689,612)	(118,000,000)
Proceeds from:				
Asset Disposals		5,514,500	4,831,606	4,769,000
Matured Term Deposits		76,100,000	76,100,000	120,000,000
Non-Operating Grants, Subsidies and Contributions		15,839,439	26,023,359	14,282,167
<b>Net Cash (used in)/provided by Investing Activities</b>		<u>(18,334,960)</u>	<u>2,715,471</u>	<u>(14,053,008)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Loan Facilities	7(b)	(2,457,922)	(2,400,971)	(2,400,971)
Proceeds from New Loan Facilities	7(c)	665,510	3,566,900	690,000
<b>Net Cash (used in)/provided by Financing Activities</b>		<u>(1,792,412)</u>	<u>1,165,929</u>	<u>(1,710,971)</u>
<b>Net (Decrease)/Increase in Cash Held</b>		(898,622)	7,628,609	(13,203)
Cash at Beginning of the Year		82,879,513	65,614,379	90,011,505
Public Open Space - Cash-in-Lieu from Trust		0	9,636,525	0
<b>Cash and Cash Equivalents at the End of the Year</b>	4(a)	<u>81,980,891</u>	<u>82,879,513</u>	<u>90,098,302</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 2022

Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
<b>Revenue from Operating Activities excluding Rates</b>			
11(a)(b)			
General Purpose Funding	8,354,830	5,714,331	9,528,314
Governance	7,030	3,222	6,271
Law, Order and Public Safety	604,138	889,986	592,602
Health	364,981	328,171	359,545
Education and Welfare	372,665	385,629	369,007
Community Amenities	17,721,015	18,243,540	18,067,772
Recreation and Culture	4,123,792	3,841,162	4,182,340
Transport	738,495	648,269	646,829
Economic Services	1,986,841	1,903,225	1,968,326
Other Property and Services	3,908,898	4,247,107	4,165,931
	<u>38,182,685</u>	<u>36,204,642</u>	<u>39,886,937</u>
<b>Expenditure from Operating Activities</b>			
6,11(c)(d)(e)			
General Purpose Funding	(1,551,073)	(2,934,194)	(3,138,105)
Governance	(3,298,851)	(2,563,651)	(2,851,646)
Law, Order and Public Safety	(3,386,382)	(3,558,915)	(3,325,134)
Health	(1,331,270)	(1,137,599)	(1,354,734)
Education and Welfare	(4,520,772)	(4,366,671)	(4,489,830)
Community Amenities	(20,905,720)	(31,588,123)	(21,318,054)
Recreation and Culture	(40,713,895)	(38,714,883)	(40,389,387)
Transport	(27,389,048)	(26,372,055)	(26,897,117)
Economic Services	(2,293,630)	(2,411,102)	(2,691,658)
Other Property and Services	(10,757,181)	(12,026,186)	(11,634,632)
	<u>(116,147,822)</u>	<u>(125,673,379)</u>	<u>(118,090,297)</u>
<b>Adjustments for Cash Budget Requirements</b>			
<b>Non-Cash Revenue and Expenses</b>			
4(b)	(3,937,962)	(3,430,167)	(3,273,884)
6	26,349,855	26,857,651	25,732,697
	<u>22,411,893</u>	<u>23,427,484</u>	<u>22,458,813</u>
<b>Amount attributable to Operating Activities</b>			
	<u>(55,553,244)</u>	<u>(66,041,253)</u>	<u>(55,744,547)</u>
<b>Investing Activities</b>			
5,10			
Contributions/Grants for the Construction of Assets	17,115,996	24,039,921	13,890,951
Proceeds from Asset Disposals	5,514,500	4,831,606	4,769,000
Purchase of Land Under Development and Developed Land	(41,447)	(1,451,459)	(168,747)
Purchase of Property, Plant & Equipment	(14,236,897)	(10,848,952)	(10,556,479)
Purchase of Infrastructure Assets	(30,391,688)	(21,249,471)	(24,378,949)
<b>Amount attributable to Investing Activities</b>	<u>(22,039,536)</u>	<u>(4,678,355)</u>	<u>(16,444,224)</u>
<b>Financing Activities</b>			
7,8			
Proceeds from Loan Facilities	665,510	3,566,900	690,000
Repayment of Loan Facilities	(2,457,922)	(2,400,971)	(2,400,971)
Transfers to Reserves (Restricted Cash)	(11,816,806)	(36,085,478)	(12,145,416)
Transfers from Reserves (Restricted Cash)	18,891,848	28,571,554	15,027,775
<b>Amount attributable to Financing Activities</b>	<u>5,282,630</u>	<u>(6,347,995)</u>	<u>1,171,388</u>
<b>Net Current Assets - Surplus at:</b>			
3			
The start of the financial year	951,602	8,231,385	1,616,196
The end of the financial year	<u>0</u>	<u>951,602</u>	<u>0</u>
<b>Estimated amount to be raised from Rates</b>	<u>(71,358,548)</u>	<u>(69,787,820)</u>	<u>(69,401,187)</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 2022**

**1. RATES**

**(a) Rating Information**

Rate Type	2021/22 Budget					2020/21		
	Rate in cents	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Actual Revenue \$	Budget Revenue \$
<b>Differential Rates</b>								
<b>Gross Rental Value (GRV)</b>								
Extractive Industry	14.237	3	384,000	54,669	0	54,669	54,129	54,129
General GRV	7.493	33,262	716,469,007	53,685,023	707,000	54,392,023	53,112,182	52,636,929
Rural GRV	8.992	831	18,757,137	1,686,567	0	1,686,567	1,659,962	1,764,012
Tenancy Agreements	7.993	54	2,156,788	172,392	0	172,392	202,177	175,717
Town Centre	8.617	65	7,586,061	653,687	0	653,687	649,170	660,200
<b>Unimproved Value (UV)</b>								
Rural UV	0.2922	23	29,025,000	84,811	0	84,811	81,583	81,583
Rural UV Agricultural Concession	0.2338	6	66,910,000	156,409	0	156,409	143,977	143,977
		<b>34,244</b>	<b>841,287,993</b>	<b>56,493,558</b>	<b>707,000</b>	<b>57,200,558</b>	<b>55,903,180</b>	<b>55,516,547</b>
<b>Minimum Payment</b>								
<b>Minimum \$</b>								
<b>Gross Rental Value (GRV)</b>								
General GRV	990	14,255	161,408,968	14,112,450	0	14,112,450	13,838,580	13,838,580
Rural GRV	990	29	271,806	28,710	0	28,710	29,400	29,400
Tenancy Agreements	990	9	59,148	8,910	0	8,910	8,820	8,820
Town Centre	990	6	43,628	5,940	0	5,940	5,880	5,880
<b>Unimproved Value (UV)</b>								
Rural UV	990	2	351,000	1,980	0	1,980	1,960	1,960
		<b>14,301</b>	<b>162,134,550</b>	<b>14,157,990</b>	<b>0</b>	<b>14,157,990</b>	<b>13,884,640</b>	<b>13,884,640</b>
		<b>48,545</b>	<b>1,003,422,543</b>	<b>70,651,548</b>	<b>707,000</b>	<b>71,358,548</b>	<b>69,787,820</b>	<b>69,401,187</b>
<b>Total Amount Raised from Rates</b>						<b>71,358,548</b>	<b>69,787,820</b>	<b>69,401,187</b>
Specified Area Rate (Note 1(d))						495,480	523,838	519,065
Ex-gratia Rates						58,500	61,326	0
<b>Total Rates</b>						<b>71,912,528</b>	<b>70,372,984</b>	<b>69,920,252</b>

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

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**1. RATES (CONTINUED)**

**(a) Rating Information (continued)**

All land except exempt land in the City 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 rates for the 2021/2022 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

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

**Objective**

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

<b>Rate Type</b>	<b>Characteristics</b>	<b>Reasons</b>
<b>Extractive Industry</b>	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.
<b>General GRV</b>	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 2021/2022 financial year.
<b>Rural GRV</b>	Any land zoned rural but used predominantly for non-rural purpose and being vacant or having improvements erected on it.	A higher rate in the dollar at 120% of the rate imposed on improved land has been applied to Rural GRV because Gross Rental Values do not adequately take into consideration the value of large land holdings.
<b>Tenancy Agreements</b>	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.
<b>Town Centre</b>	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.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**1. RATES (CONTINUED)**

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

<b>Rate Type</b>	<b>Characteristics</b>	<b>Reasons</b>
<b>Rural UV</b>	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 2021/2022 financial year.
<b>Rural UV Agricultural Concession</b>	Minimum lot area of 20,200 square meters and the resident owner derives his/her livelihood from Agricultural activities. For example grazing, dairying, tree farming and animal husbandry.	A concession of 20% off the Rural UV rate is offered to owners who have had continuous ownership since 1 July 1986 of the rural property and who meet the adjacent characteristics and criteria.

**Differential Minimum Payment**

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

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

**Interest charges and Administration Fees**

	<b>Interest Rate %</b>	<b>Admin Charge \$</b>	<b>2021/22 Budget \$</b>	<b>2020/21 Actual \$</b>
<b>Interest</b>				
Four instalment payment plan	3.0%	N/A	200,000	200,000
Late payment	7.0%	N/A	308,460	0
<b>Administration Fees</b>				
Four instalment payment plan	N/A	15.00	245,000	235,000
Direct Debit payment arrangement	N/A	15.00	65,000	122,000

**Rates Payment options**

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

	<b>Due Date</b>
<b>Payment in full</b>	27 August 2021
<b>Payment by four instalment</b>	
First instalment	27 August 2021
Second instalment	5 November 2021
Third instalment	14 January 2022
Fourth instalment	18 March 2022
<b>Direct Debit payment plan</b>	By individual arrangement (Bank account only)

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**1. RATES (CONTINUED)**

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

**Description of Payment Plans and Interest Charges:**

**Four Instalment Payment Plan**

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

**Direct Debit Payment Plan**

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

**Late Payment Interest**

Late payment interest is imposed on all rates related fees and charges (current and arrears) including but not limited to 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.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**1. RATES (CONTINUED)**

**(d) Specified Area Rate**

Gross Rental Value (GRV)	2021/22 Budget				2020/21	
	Rate in cents	Number of Properties	Rateable Value \$	Rate Revenue \$	Actual Rate Revenue \$	Budget Rate Revenue \$
Bletchley Park	0.6791	1,609	31,366,205	213,008	223,138	218,538
Brookland Greens	0.5115	562	13,834,082	70,761	74,329	74,254
Sanctuary Waters	0.5273	691	14,914,772	78,646	81,666	81,630
The Avenues	0.5758	498	9,660,640	55,626	54,116	54,116
The Boardwalk	0.3382	627	16,553,195	55,983	65,816	65,327
The Reserve	0.2600	359	8,252,362	21,456	24,773	25,200
				495,480	523,838	519,065

**Purpose for the rate and proposed application of proceeds:**

To recover in each Specified Area up to 22.5% of the park and environmental maintenance cost incurred by the City as they are maintained to a higher standard.

**Description of the areas in which rates are applied:**

Bletchley Park and surrounds	Housing development 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 areas are shown in the Supplementary Information.

**(e) Significant Accounting Policies**

**Rates Revenue**

Rates revenue is recognised on commencement of the rating period. Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore, rates received in advance are recognised as income in advance as part of trade and other payables at Note 3.



**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**2. PAYMENT INCENTIVES, WAIVERS, DISCOUNTS, CONCESSIONS AND WRITE-OFFS**

	Type	Discount %	2021/22 Budget \$	2020/21 Actual \$
<b>Rates</b>				
Rates Incentive	Incentive	N/A	5,000	5,000
Rates Waivers	Waiver	N/A	79,520	1,529,483
<b>Fees and Charges</b>				
Don Russell Performing Arts Centre	Discount	Various	16,000	12,795
Facility Hire Charges	Discount	100%	475	464
Facility Hire Charges	Discount	75%	29,118	28,981
Facility Hire Charges	Discount	Various	2,403	2,338
Health Services	Discount	Various	30,000	10,906
Programs and Events	Discount	Various	300	300
Leisure World	Discount	Various	50,000	16,166
Ranger Services	Discount	Various	31,000	29,772
Commercial Lease - Covid-19 Lockdown	Waiver	N/A	0	1,274
Sundry Debtors Write-Off	Write-Off	N/A	0	29,999

**Incentives**

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

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

**Waivers**

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

	<b>2021/22 Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>
	\$	\$	\$
Gosnells Junior Football Club Inc.	2,318	2,297	2,137
Grand Lodge of WA Freemasons Homes for The Aged Inc.	74,143	72,285	72,303
Foothills Estate Syndicate Pty Ltd	1,980	1,960	1,960
Forest Lakes Family Centre Inc.	1,079	1,069	2,355
Covid-19 Concessions	0	1,451,872	1,451,795
	<u>79,520</u>	<u>1,529,483</u>	<u>1,530,550</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

## **2. PAYMENT INCENTIVES, WAIVERS, DISCOUNTS, CONCESSIONS AND WRITE-OFFS (CONTINUED)**

### **Write-Offs**

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

### **Discounts and Concessions**

#### **Don Russell Performing Art Centre**

The following discounts on theatre hire and ticket prices are provided to enhance the financial viability of the program or show:

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

#### **Facility Hire Charges & Road Closure Fees**

- The Returned Soldiers League (RSL) is not charged fees/bond for the RSL Hall hire or road closure applications for ANZAC Day.
- 100% discount – Park Run

#### **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)
- 25% Discount (special offer)
- 33% Discount (special offer)
- 50% Discount (2 for 1 offer)
- City of Gosnells Councillors, Staff & Volunteers - up to 25% discount. Except Staff employed under the Operations Centre Agreement - up to 40% discount.

#### **Library & Heritage Services**

Wilkinson Homestead Museum offers the City of Gosnells Councillors, Staff and Volunteers a discount of up to 25% to encourage visitors and enhance the Museum's financial viability.

#### **Programs and Events**

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

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**3. NET CURRENT ASSETS**

	Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>Composition of Estimated Net Current Assets</b>				
<b>Current Assets</b>				
Cash - Unrestricted	4(a)	17,300,000	14,347,023	15,150,000
Cash - Restricted Reserve	4(a),8	123,680,891	130,755,933	116,948,302
Cash - Restricted Unspent Grants, Subsidies and Contributions	4(a)	1,000,000	2,776,557	1,000,000
Trade and Other Receivables		7,100,000	8,950,754	8,000,000
Inventories		300,000	928,298	350,000
		<u>149,380,891</u>	<u>157,758,565</u>	<u>135,648,490</u>
<b>Less: Current Liabilities</b>				
Trade and Other Payables		(13,200,000)	(12,221,982)	(13,500,000)
Contract, Grant and Contribution Liabilities		(1,500,000)	(3,366,510)	(1,000,000)
Lease Liabilities		(16,403)	(29,507)	0
Current Portion of Borrowings	7	(8,116,332)	(2,457,922)	(17,731,583)
Provisions		(11,000,000)	(10,227,056)	(10,000,000)
		<u>(33,832,735)</u>	<u>(28,302,977)</u>	<u>(42,231,583)</u>
<b>Unadjusted Net Current Assets</b>		<u>115,548,156</u>	<u>129,455,588</u>	<u>99,216,719</u>
<b>Adjustments</b>				
Add: Developer Contribution Plan Liabilities		0	354,471	0
Add: Current Position of Lease Liabilities		16,403	29,507	0
Add: Current Portion of Borrowings	7	8,116,332	2,457,922	17,731,583
Less: Land Under Development And Developed Land		0	(589,953)	0
Less: Cash - Restricted Reserve	4(a),8	(123,680,891)	(130,755,933)	(116,948,302)
<b>Adjusted Net Current Assets</b>		<u>0</u>	<u>951,602</u>	<u>0</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**3. NET CURRENT ASSETS (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Current and Non-Current Classification**

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

**Trade and Other Receivables**

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

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

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

**Inventories**

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

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

**Land Under Development and Developed Land**

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

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

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

**Contract Liabilities**

Contract liabilities represent the City's obligation to transfer goods or services to customers for which the entity has received consideration from the customers. Contract liabilities are recognised as revenue when the performance obligations in the contracts are satisfied.

**Capital Grant Liabilities**

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

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

**Developer Contribution Plan Liability**

The City receives contributions from landowners as required under developer contribution arrangements. In accordance with State Planning Policy 3.6 "Infrastructure Contributions", the contributions are recognised in the City's cash-backed reserves (refer to Note 8). Developer contribution plan liabilities represent the unspent contributions from the developer contribution plan relating to construction and/or acquisition of assets that will be controlled by the City.

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

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**3. NET CURRENT ASSETS (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

Trade and other payables include income in advance.

**Income in Advance**

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

**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.

**Employee Benefits**

**Short-Term Employee Benefits**

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

**Superannuation**

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

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

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

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**4. RECONCILIATION OF CASH**

**(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:

	Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Cash at Bank and on Hand		81,980,891	82,879,513	90,098,302
Term Deposits		60,000,000	65,000,000	43,000,000
		<u>141,980,891</u>	<u>147,879,513</u>	<u>133,098,302</u>
Cash - Unrestricted		17,300,000	14,347,023	15,150,000
Cash - Restricted		<u>124,680,891</u>	<u>133,532,490</u>	<u>117,948,302</u>
		<u>141,980,891</u>	<u>147,879,513</u>	<u>133,098,302</u>

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

Cash - Restricted				
Unspent Grants, Subsidies and Contributions		1,000,000	2,776,557	1,000,000
Reserves	8	<u>123,680,891</u>	<u>130,755,933</u>	<u>116,948,302</u>
		<u>124,680,891</u>	<u>133,532,490</u>	<u>117,948,302</u>

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

	Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Net Result		10,509,406	4,359,004	5,088,778
Depreciation and Amortisation	6	26,146,346	26,644,886	25,732,697
Profit on Asset Disposals		(3,937,962)	(3,430,167)	(3,273,884)
Decrease/(Increase) in Receivables		1,474,405	(37,240)	(955,069)
Decrease in Prepaid Expenditure		0	893,151	0
Decrease /(Increase) in Inventories		38,346	(70,166)	(27,548)
Increase/(Decrease) in Payables		1,354,365	(1,163,957)	2,616,071
Increase in Employee Provisions		772,944	503,762	460,682
(Decrease)/Increase in Contract Liabilities		(13,104)	87,858	0
Non-Operating Grants, Subsidies and Contributions		<u>(17,115,996)</u>	<u>(24,039,921)</u>	<u>(13,890,951)</u>
<b>Net Cash from Operating Activities</b>		<u>19,228,750</u>	<u>3,747,210</u>	<u>15,750,776</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and Cash Equivalents**

Cash and cash equivalents include cash at bank, cash on hand, deposits available on demand with bank 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 2022**

**5. FIXED ASSETS**

**(a) Asset Acquisitions**

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

Reporting Program	Education and Welfare \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Other Property and Services \$	Total \$
<b>By Class</b>						
<b>Land Under Development and Developed Land</b>	0	0	0	0	41,447	41,447
<b>Property, Plant and Equipment</b>						
Land and Buildings	43,390	0	6,966,782	0	0	7,010,172
Furniture and Equipment	5,000	16,125	394,105	0	370,750	785,980
Plant and Equipment	0	0	0	0	6,081,670	6,081,670
Intangible Assets	0	0	0	0	359,075	359,075
<b>Total Property, Plant and Equipment</b>	<b>48,390</b>	<b>16,125</b>	<b>7,360,887</b>	<b>0</b>	<b>6,811,495</b>	<b>14,236,897</b>
<b>Infrastructure</b>						
Roads, Kerbs and Paths	0	0	0	18,915,119	0	18,915,119
Bridges	0	0	42,409	94,489	0	136,898
Drainage	0	0	196,147	904,262	0	1,100,409
Park Developments	0	0	9,026,931	0	0	9,026,931
Other Infrastructure	0	0	128,447	950,121	133,763	1,212,331
<b>Total Infrastructure</b>	<b>0</b>	<b>0</b>	<b>9,393,934</b>	<b>20,863,991</b>	<b>133,763</b>	<b>30,391,688</b>
	<b>48,390</b>	<b>16,125</b>	<b>16,754,821</b>	<b>20,863,991</b>	<b>6,986,705</b>	<b>44,670,032</b>

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Recognition of Fixed Assets**

Fixed assets are recognised at cost where the fair value of the asset at date of acquisition equal to or above \$5,000.

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

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**5. FIXED ASSETS (CONTINUED)**

**(b) Asset Disposals**

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

	2020/22 Budget				2020/21 Actual		2020/21 Budget	
	Net Book Value	Sale Proceeds	Profit	(Loss)	Profit	(Loss)	Profit	(Loss)
	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>								
Education and Welfare	0	0	0	0	0	(297)	0	0
Other Property and Services	589,953	4,290,000	3,700,047	0	3,784,550	(4,781)	3,784,550	0
Recreation and Culture	0	0	0	0	0	(29,792)	355,008	(667,458)
Transport	986,585	1,224,500	458,530	(220,615)	308,760	(628,273)	0	(198,216)
<b>Total Disposals by Program</b>	<b>1,576,538</b>	<b>5,514,500</b>	<b>4,158,577</b>	<b>(220,615)</b>	<b>4,093,310</b>	<b>(663,143)</b>	<b>4,139,558</b>	<b>(865,674)</b>
<b>By Asset Class</b>								
<b>Land Under Development and Developed Land</b>	<b>589,953</b>	<b>4,290,000</b>	<b>3,700,047</b>	<b>0</b>	<b>3,784,550</b>	<b>0</b>	<b>3,784,550</b>	<b>0</b>
<b>Property, Plant and Equipment</b>								
Buildings	0	0	0	0	0	0	0	(198,216)
Furniture and Equipment	0	0	0	0	0	(5,078)	0	0
Infrastructure Assets	0	0	0	0	0	(29,792)	0	0
Other Infrastructure	0	0	0	0	0	0	0	0
Plant and Equipment	986,585	1,224,500	458,530	(220,615)	308,760	(628,273)	355,008	(667,458)
<b>Total Disposals by Asset Class</b>	<b>1,576,538</b>	<b>5,514,500</b>	<b>4,158,577</b>	<b>(220,615)</b>	<b>4,093,310</b>	<b>(663,143)</b>	<b>4,139,558</b>	<b>(865,674)</b>
<b>Net Profit on Asset Disposals</b>				<u>3,937,962</u>		<u>3,430,167</u>		<u>3,273,884</u>



**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**6. ASSET DEPRECIATION AND AMORTISATION**

The Net Result from ordinary activities includes:

	<b>2021/22</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	\$	\$	\$
<b>By Program</b>			
<b>Depreciation and Amortisation</b>			
General Purpose Funding	0	0	323
Governance	14,406	14,771	15,720
Law, Order and Public Safety	284,663	337,357	296,344
Health	118,986	124,736	121,235
Education and Welfare	170,754	197,439	177,315
Community Amenities	1,042,006	862,223	995,602
Recreation and Culture	8,362,296	8,741,187	8,117,598
Transport	14,231,606	14,353,857	14,104,688
Economic Services	30,779	40,756	36,102
Other Property and Services	1,890,850	1,972,560	1,867,770
	<u>26,146,346</u>	<u>26,644,886</u>	<u>25,732,697</u>
<b>Depreciation Capitalised</b>			
Other Property and Services	203,509	212,765	184,296
	<u>203,509</u>	<u>212,765</u>	<u>184,296</u>
<b>By Asset Class</b>			
<b>Depreciation and Amortisation</b>			
Bridges - roads	1,124,224	1,141,521	1,128,504
Buildings	3,342,372	3,369,569	3,363,193
Drainage	3,771,043	3,754,632	3,704,411
Furniture and equipment	1,408,527	1,617,080	1,121,430
Intangible assets	461,310	507,628	487,663
Other infrastructure	436,567	442,640	391,383
Park developments	4,329,545	4,690,493	4,338,496
Plant and equipment	2,235,904	2,141,098	2,400,782
Right of use assets	27,231	27,653	26,095
Roads, kerbs and paths	9,009,623	8,952,572	8,770,740
	<u>26,146,346</u>	<u>26,644,886</u>	<u>25,732,697</u>
<b>Depreciation Capitalised</b>			
Plant and equipment	203,509	212,765	184,296
	<u>203,509</u>	<u>212,765</u>	<u>184,296</u>
<b>Total Depreciation and Amortisation</b>	<u>26,349,855</u>	<u>26,857,651</u>	<u>25,916,993</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**6. ASSET DEPRECIATION AND AMORTISATION (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation and Amortisation**

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

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

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

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

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

**Depreciation and Amortisation Rates**

Major depreciation and amortisation periods used for each asset class are:

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

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**7. INFORMATION ON BORROWINGS**

**(a) Borrowings**

	<b>2021/22 Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>
	\$	\$	\$
Current	8,116,332	2,457,922	17,731,583
Non-Current	7,822,839	15,273,662	0
	15,939,171	17,731,584	17,731,583

**(b) Borrowing Repayments**

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

Particulars/Purpose	Principal 1-Jul-21	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2021/22 Budget	2020/21 Actual	2021/22 Budget	2020/21 Actual	2021/22 Budget	2020/21 Actual
			\$	\$	\$	\$	\$	\$
<b>Community Amenities</b>								
Central Maddington ODP Infrastructure (Long Term)	9,066,755	0	947,485	933,245	8,119,270	9,066,755	134,228	148,467
<b>Recreation and Culture</b>								
Mills Park Redevelopment	3,064,828	0	1,510,437	1,467,726	1,554,391	3,064,829	89,187	131,897
<b>Other Property and Services</b>								
Robinson Park Subdivision and Park Development	5,600,000	0	0	0	5,600,000	5,600,000	32,894	203,283
Southern River Business Park Development	0	665,510	0	0	665,510	0	305	0
	17,731,583	665,510	2,457,922	2,400,971	15,939,171	17,731,584	256,614	483,647

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**7. INFORMATION ON BORROWINGS (CONTINUED)**

**(b) Borrowing Repayments (continued)**

Central Maddington ODP Infrastructure (Long Term) loan facility repayment will be financed by general purpose revenue.

Mills Park Redevelopment loan facility repayments will be financed by general purpose revenue.

All other loan facility repayments will be financed by sale of land proceeds.

All borrowings are obtained from the WA Treasury Corporation.

**(c) New Borrowings**

<b>Particulars/Purpose</b>	<b>Facility Limit</b>	<b>Drawdown Amount</b>	<b>Facility/Loan Type</b>	<b>Term (Years)</b>	<b>Total Interest and Charges</b>	<b>Interest Rate %</b>	<b>Amount Used Budget</b>	<b>Balance Unspent \$</b>
Southern River Business Park Development*	2,750,000	665,510	Short-term	3	1,192	1.45%	665,510	0
	<u>2,750,000</u>	<u>665,510</u>			<u>1,192</u>		<u>665,510</u>	<u>0</u>

\* Additional funds will be drawn if project is ahead of schedule.

**(d) Unspent Borrowings**

All loan funds drawn down are expected to be fully expended as at 30 June 2022.

Council is not expected to have any unspent loan funds as at 30 June 2022.

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing Costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

City of Gosnells

Notes to and forming part of the Budget  
for the year ending 30 June 2022

8. CASH-BACKED RESERVES

(a) Summary of Movements

Ordinary Reserves

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
<b>(a) Asset Management</b>			
Opening Balance	959,423	971,723	909,242
Amount Used / Transfer From Reserve	(10,000)	(25,500)	0
Amount Set Aside / Interest	12,419	13,200	20,268
	<u>961,842</u>	<u>959,423</u>	<u>929,510</u>
<b>(b) Central Maddington City Funded Common Infrastructure Works</b>			
Opening Balance	3,556,868	5,188,230	5,197,657
Amount Used / Transfer From Reserve	(2,624,930)	(1,690,177)	(3,705,886)
Amount Set Aside / Interest	12,190	58,815	33,253
	<u>944,128</u>	<u>3,556,868</u>	<u>1,525,024</u>
<b>(c) Community Infrastructure Reserve</b>			
Opening Balance	17,369,392	9,747,815	14,437,050
Amount Used / Transfer From Reserve	(1,682,902)	(2,126,957)	(2,841,506)
Amount Set Aside / Transfer To Reserve	3,666,239	9,568,439	384,129
Amount Set Aside / Interest	264,059	180,095	166,963
Transfer between Reserves - Equity	12,026	0	0
	<u>19,628,814</u>	<u>17,369,392</u>	<u>12,146,636</u>
<b>(d) Covid-19 Recovery Reserve</b>			
Opening Balance	1,192,697	0	0
Amount Used / Transfer From Reserve	(1,180,826)	(267,565)	0
Amount Set Aside / Transfer To Reserve	0	1,445,309	1,175,515
Amount Set Aside / Interest	155	14,953	35,360
Transfer between Reserves - Equity	(12,026)	0	0
	<u>0</u>	<u>1,192,697</u>	<u>1,210,875</u>
<b>(e) Developer Contributions Infrastructure</b>			
Opening Balance	805,540	743,442	746,585
Amount Set Aside / Transfer To Reserve	60,000	51,228	60,000
Amount Set Aside / Interest	11,321	10,870	17,979
	<u>876,861</u>	<u>805,540</u>	<u>824,564</u>
<b>Total Ordinary Reserves C/Fwd</b>	<u>22,411,645</u>	<u>23,883,920</u>	<u>16,636,609</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**8. CASH-BACKED RESERVES (CONTINUED)**

**(a) Summary of Movements (continued)**

**Ordinary Reserves (continued)**

	<b>2021/22</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total Ordinary Reserves B/Fwd</b>	22,411,645	23,883,920	16,636,609
<b>(f) Gosnells Oval Redevelopment</b>			
Opening Balance	1,077,014	1,091,214	1,085,151
Amount Used / Transfer From Reserve	(517,608)	(50,000)	(230,574)
Amount Set Aside / Transfer To Reserve	51,445	20,869	51,170
Amount Set Aside / Interest	7,990	14,931	20,190
	<u>618,841</u>	<u>1,077,014</u>	<u>925,937</u>
<b>(g) Gosnells Town Centre Revitalisation</b>			
Opening Balance	5,903,171	8,675,806	7,726,252
Amount Used / Transfer From Reserve	(404,452)	(2,956,538)	(1,636,225)
Amount Set Aside / Transfer To Reserve	87,932	94,000	94,000
Amount Set Aside / Interest	73,074	89,903	137,846
	<u>5,659,725</u>	<u>5,903,171</u>	<u>6,321,873</u>
<b>(h) Harmony Fields</b>			
Opening Balance	301,606	258,863	253,654
Amount Used / Transfer From Reserve	(223,246)	(6,180)	0
Amount Set Aside / Transfer To Reserve	53,300	45,020	50,470
Amount Set Aside / Interest	1,722	3,903	6,779
	<u>133,382</u>	<u>301,606</u>	<u>310,903</u>
<b>(i) Heritage Condition Reward Scheme</b>			
Opening Balance	38,775	45,462	47,218
Amount Used / Transfer From Reserve	(7,260)	(7,260)	(7,260)
Amount Set Aside / Interest	412	573	891
	<u>31,927</u>	<u>38,775</u>	<u>40,849</u>
<b>(j) Insurance</b>			
Opening Balance	649,526	640,661	640,499
Amount Set Aside / Interest	8,496	8,865	14,277
	<u>658,022</u>	<u>649,526</u>	<u>654,776</u>
<b>Total Ordinary Reserves C/Fwd</b>	29,513,542	31,854,012	24,890,947

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**8. CASH-BACKED RESERVES (CONTINUED)**

**(a) Summary of Movements (continued)**

**Ordinary Reserves (continued)**

	<b>2021/22</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total Ordinary Reserves B/Fwd</b>	29,513,542	31,854,012	24,890,947
<b>(k) Langford Oval Redevelopment</b>			
Opening Balance	119,830	90,479	114,934
Amount Used / Transfer From Reserve	(80,725)	0	(49,499)
Amount Set Aside / Transfer To Reserve	28,700	27,869	27,872
Amount Set Aside / Interest	887	1,482	2,080
	<u>68,692</u>	<u>119,830</u>	<u>95,387</u>
<b>(l) Local Government Elections</b>			
Opening Balance	203,887	75,317	75,812
Amount Used / Transfer From Reserve	(280,000)	0	0
Amount Set Aside / Transfer To Reserve	150,000	126,000	126,000
Amount Set Aside / Interest	966	2,570	4,499
	<u>74,853</u>	<u>203,887</u>	<u>206,311</u>
<b>(m) Local Open Space Strategy</b>			
Opening Balance	4,325,241	396,643	501,090
Amount Used / Transfer From Reserve	(886,795)	(628,112)	(752,381)
Amount Set Aside / Transfer To Reserve	4,323,220	4,521,641	4,321,636
Amount Set Aside / Interest	101,524	35,069	90,731
	<u>7,863,190</u>	<u>4,325,241</u>	<u>4,161,076</u>
<b>(n) Maddington/Kenwick Revitalisation</b>			
Opening Balance	2,634,349	2,598,394	2,597,737
Amount Set Aside / Interest	34,458	35,955	57,905
	<u>2,668,807</u>	<u>2,634,349</u>	<u>2,655,642</u>
<b>(o) Mills Park</b>			
Opening Balance	346,332	412,145	408,210
Amount Used / Transfer From Reserve	(113,594)	(128,169)	(165,353)
Amount Set Aside / Transfer To Reserve	59,040	57,183	53,025
Amount Set Aside / Interest	3,816	5,173	8,824
	<u>295,594</u>	<u>346,332</u>	<u>304,706</u>
<b>Total Ordinary Reserves C/Fwd</b>	40,484,678	39,483,651	32,314,069

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**8. CASH-BACKED RESERVES (CONTINUED)**

**(a) Summary of Movements (continued)**

**Ordinary Reserves (continued)**

	<b>2021/22</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total Ordinary Reserves B/Fwd</b>	40,484,678	39,483,651	32,314,069
<b>(p) Operations Centre and Waste Transfer Facility (formerly Operations Centre)</b>			
Opening Balance	19,137,969	15,141,831	15,845,285
Amount Used / Transfer From Reserve	(526,593)	(700,000)	(700,000)
Amount Set Aside / Transfer To Reserve	0	1,300,000	1,300,000
Amount Set Aside / Interest	294,040	261,836	420,413
Transfer between Reserves - Equity	3,841,939	3,134,302	3,134,302
	<u>22,747,355</u>	<u>19,137,969</u>	<u>20,000,000</u>
<b>(q) Plant and Equipment</b>			
Opening Balance	2,439,348	5,820,157	5,575,624
Amount Used / Transfer From Reserve	(3,135,170)	(1,339,917)	(2,034,500)
Amount Set Aside / Transfer To Reserve	720,000	1,053,024	1,000,000
Amount Set Aside / Interest	316	40,386	18,178
Transfer between Reserves - Equity	0	(3,134,302)	(3,134,302)
	<u>24,494</u>	<u>2,439,348</u>	<u>1,425,000</u>
<b>(r) Rate Revaluation</b>			
Opening Balance	444,139	292,227	681,113
Amount Set Aside / Transfer To Reserve	147,000	146,000	146,000
Amount Set Aside / Interest	7,732	5,912	18,437
	<u>598,871</u>	<u>444,139</u>	<u>845,550</u>
<b>(s) Refuse Disposal Site Rehabilitation</b>			
Opening Balance	693,490	661,849	665,784
Amount Used / Transfer From Reserve	(60,000)	(18,272)	(80,000)
Amount Set Aside / Transfer To Reserve	46,450	40,551	26,250
Amount Set Aside / Interest	8,894	9,362	13,643
	<u>688,834</u>	<u>693,490</u>	<u>625,677</u>
<b>(t) Strategic Capital Acquisition</b>			
Opening Balance	1,526,834	1,517,945	1,366,695
Amount Used / Transfer From Reserve	(15,000)	(11,950)	(15,000)
Amount Set Aside / Transfer To Reserve	680,000	0	0
Amount Set Aside / Interest	28,669	20,839	30,130
	<u>2,220,503</u>	<u>1,526,834</u>	<u>1,381,825</u>
<b>Total Ordinary Reserves C/Fwd</b>	66,764,735	63,725,431	56,592,121



**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**8. CASH-BACKED RESERVES (CONTINUED)**

**(a) Summary of Movements (continued)**

**Ordinary Reserves (continued)**

	<b>2021/22</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total Ordinary Reserves B/Fwd</b>	66,764,735	63,725,431	56,592,121
<b>(u) Streetscape Levy</b>			
Opening Balance	18,858	0	0
Amount Set Aside / Transfer To Reserve	0	18,700	0
Amount Set Aside / Interest	247	158	0
	<u>19,105</u>	<u>18,858</u>	<u>0</u>
<b>(v) Sutherlands Park</b>			
Opening Balance	970,621	1,051,177	1,038,954
Amount Used / Transfer From Reserve	(105,000)	(170,186)	(170,186)
Amount Set Aside / Transfer To Reserve	69,900	75,845	75,845
Amount Set Aside / Interest	12,237	13,785	21,056
	<u>947,758</u>	<u>970,621</u>	<u>965,669</u>
<b>(w) Synthetic Surfaces Renewal</b>			
Opening Balance	421,694	415,938	415,214
Amount Used / Transfer From Reserve	(22,265)	0	0
Amount Set Aside / Interest	5,225	5,756	9,255
	<u>404,654</u>	<u>421,694</u>	<u>424,469</u>
<b>(x) Walter Padbury Park</b>			
Opening Balance	133,137	240,787	240,609
Amount Used / Transfer From Reserve	(137,439)	(160,774)	(60,774)
Amount Set Aside / Transfer To Reserve	50,500	50,527	48,816
Amount Set Aside / Interest	604	2,597	5,097
	<u>46,802</u>	<u>133,137</u>	<u>233,748</u>
<b>(y) Waste Reserve</b>			
Opening Balance	7,931,510	6,304,527	6,276,942
Amount Used / Transfer From Reserve	(2,037,000)	(467,048)	(950,000)
Amount Set Aside / Transfer To Reserve	0	1,991,567	0
Amount Set Aside / Interest	26,848	102,464	118,741
Transfer between Reserves - Equity	(3,841,939)	0	0
	<u>2,079,419</u>	<u>7,931,510</u>	<u>5,445,683</u>
<b>Total Ordinary Reserves</b>	<u>70,262,473</u>	<u>73,201,251</u>	<u>63,661,690</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**8. CASH-BACKED RESERVES (CONTINUED)**

**(a) Summary of Movements (continued)**

**Planning Reserves (continued)**

	<b>2021/22</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>(z) ODP - Canning Vale</b>			
Opening Balance	3,905,819	3,744,491	5,804,095
Amount Used / Transfer From Reserve	(264,373)	(686,052)	(7,754)
Amount Set Aside / Transfer To Reserve	0	792,792	10,000
Amount Set Aside / Interest	47,631	54,588	129,427
	<u>3,689,077</u>	<u>3,905,819</u>	<u>5,935,768</u>
<b>(aa) ODP - Central Maddington Precinct 1*</b>			
Opening Balance	(268,658)	(255,234)	928,943
Amount Used / Transfer From Reserve	(173,642)	(126,020)	(221,328)
Amount Set Aside / Transfer To Reserve	0	110,179	300,000
Amount Set Aside / Interest	0	2,417	22,460
	<u>(442,300)</u>	<u>(268,658)</u>	<u>1,030,075</u>
<b>(ab) ODP - Central Maddington Precinct 2</b>			
Opening Balance	1,722,037	1,705,441	594,090
Amount Used / Transfer From Reserve	(36,458)	(1,731)	(7,754)
Amount Set Aside / Transfer To Reserve	0	0	50,000
Amount Set Aside / Interest	16,261	18,327	14,184
	<u>1,701,840</u>	<u>1,722,037</u>	<u>650,520</u>
<b>(ac) ODP - Homestead Road</b>			
Opening Balance	632,944	702,919	936,825
Amount Used / Transfer From Reserve	(14,373)	(78,641)	(7,754)
Amount Set Aside / Transfer To Reserve	0	0	10,000
Amount Set Aside / Interest	8,091	8,666	20,933
	<u>626,662</u>	<u>632,944</u>	<u>960,004</u>
<b>(ad) ODP - Maddington Road A and B</b>			
Opening Balance	1,935,389	1,917,111	1,914,533
Amount Used / Transfer From Reserve	(14,373)	(8,165)	(7,754)
Amount Set Aside / Transfer To Reserve	0	0	10,000
Amount Set Aside / Interest	25,127	26,443	42,726
	<u>1,946,143</u>	<u>1,935,389</u>	<u>1,959,505</u>
<b>Total Planning Reserves C/Fwd</b>	<u>7,521,422</u>	<u>7,927,531</u>	<u>10,535,872</u>

\* The negative reserve balance is due to the allocation of interest associated with the City pre-funding the delivery of infrastructure in the Outline Development Plan area. Interest costs are required to be allocated in accordance with the Development Contribution Arrangement and will be recovered through future contributions.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**8. CASH-BACKED RESERVES (CONTINUED)**

**(a) Summary of Movements (continued)**

**Planning Reserves (continued)**

	<b>2021/22</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total Planning Reserves B/Fwd</b>	<u>7,521,422</u>	<u>7,927,531</u>	<u>10,535,872</u>
<b>(ae) ODP - Southern River Precinct 1</b>			
Opening Balance	1,798,505	2,920,586	2,553,780
Amount Used / Transfer From Reserve	(11,373)	(909,263)	(18,804)
Amount Set Aside / Transfer To Reserve	0	(240,548)	0
Amount Set Aside / Interest	23,376	27,730	56,506
	<u>1,810,508</u>	<u>1,798,505</u>	<u>2,591,482</u>
<b>(af) ODP - Southern River Precinct 2</b>			
Opening Balance	10,582,660	12,677,246	12,645,059
Amount Used / Transfer From Reserve	(14,373)	(11,997,350)	(619,323)
Amount Set Aside / Transfer To Reserve	0	9,754,242	50,000
Amount Set Aside / Interest	138,235	148,522	269,176
	<u>10,706,522</u>	<u>10,582,660</u>	<u>12,344,912</u>
<b>(ag) ODP - Southern River Precinct 3</b>			
Opening Balance	11,814,222	10,086,935	10,495,533
Amount Used / Transfer From Reserve	(14,373)	(366,920)	(663,523)
Amount Set Aside / Transfer To Reserve	0	1,937,002	300,000
Amount Set Aside / Interest	154,344	157,205	225,849
	<u>11,954,193</u>	<u>11,814,222</u>	<u>10,357,859</u>
<b>(ah) ODP - Southern River Precinct 3A</b>			
Opening Balance	3,381,116	3,521,235	3,156,626
Amount Used / Transfer From Reserve	0	(411,964)	0
Amount Set Aside / Transfer To Reserve	0	225,557	20,000
Amount Set Aside / Interest	44,225	46,288	70,809
	<u>3,425,341</u>	<u>3,381,116</u>	<u>3,247,435</u>
<b>(ai) ODP - Southern River Precinct 3E</b>			
Opening Balance	40,055	16,916	17,988
Amount Used / Transfer From Reserve	0	(597)	0
Amount Set Aside / Transfer To Reserve	0	23,241	0
Amount Set Aside / Interest	524	495	401
	<u>40,579</u>	<u>40,055</u>	<u>18,389</u>
<b>Total Planning Reserves C/Fwd</b>	<u>35,458,565</u>	<u>35,544,089</u>	<u>39,095,949</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**8. CASH-BACKED RESERVES (CONTINUED)**

**(a) Summary of Movements (continued)**

**Planning Reserves (continued)**

	<b>2021/22</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total Planning Reserves B/Fwd</b>	35,458,565	35,544,089	39,095,949
<b>(aj) ODP - Southern River Precinct 3F</b>			
Opening Balance	1,300	1,875	2,972
Amount Used / Transfer From Reserve	0	(597)	0
Amount Set Aside / Interest	17	22	66
	<u>1,317</u>	<u>1,300</u>	<u>3,038</u>
<b>(ak) ODP - Southern River Precinct 5</b>			
Opening Balance	70,649	69,684	69,572
Amount Set Aside / Interest	924	965	1,551
	<u>71,573</u>	<u>70,649</u>	<u>71,123</u>
<b>(al) ODP - West Canning Vale</b>			
Opening Balance	5,203,949	6,002,224	5,974,618
Amount Used / Transfer From Reserve	(38,996)	(874,128)	(43,624)
Amount Set Aside / Interest	67,558	75,853	132,206
	<u>5,232,511</u>	<u>5,203,949</u>	<u>6,063,200</u>
<b>(am) Public Open Space - Cash in Lieu*</b>			
Opening Balance	8,513,171	9,636,525	0
Amount Used / Transfer From Reserve	(3,131,538)	(2,145,279)	0
Amount Set Aside / Transfer To Reserve	15,080	944,960	0
Amount Set Aside / Interest	70,590	76,965	0
	<u>5,467,303</u>	<u>8,513,171</u>	<u>0</u>
<b>(an) TPS - 10</b>			
Opening Balance	67,208	66,290	0
Amount Set Aside / Interest	879	918	0
	<u>68,087</u>	<u>67,208</u>	<u>0</u>
<b>Total Planning Reserves C/Fwd</b>	46,299,356	49,400,366	45,233,310

\* From 12 September 2020, the City has recognised all funds collected as cash-in-lieu of Public Open Space in Reserve to meet the requirements of Section 154 of the *Planning and Development Act 2005*.

**Notes to and forming part of the Budget  
for the year ending 30 June 2022**

**8. CASH-BACKED RESERVES (CONTINUED)**

**(a) Summary of Movements (continued)**

**Planning Reserves (continued)**

	<b>2021/22</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total Planning Reserves B/Fwd</b>	<u>46,299,356</u>	<u>49,400,366</u>	<u>45,233,310</u>
<b>(ao) TPS - 15</b>			
Opening Balance	1,602,092	1,381,438	1,258,540
Amount Used / Transfer From Reserve	(11,372)	(8,176)	(7,754)
Amount Set Aside / Transfer To Reserve	0	208,134	10,000
Amount Set Aside / Interest	20,807	20,696	28,104
	<u>1,611,527</u>	<u>1,602,092</u>	<u>1,288,890</u>
<b>(ap) TPS - 17</b>			
Opening Balance	2,683,851	2,833,449	2,808,232
Amount Used / Transfer From Reserve	(155,462)	(187,355)	(7,752)
Amount Set Aside / Transfer To Reserve	0	0	10,000
Amount Set Aside / Interest	33,072	37,757	62,647
	<u>2,561,461</u>	<u>2,683,851</u>	<u>2,873,127</u>
<b>(aq) TPS - 20</b>			
Opening Balance	1,087,124	1,072,286	1,069,064
Amount Used / Transfer From Reserve	(835,012)	0	(7,753)
Amount Set Aside / Interest	3,298	14,838	23,657
	<u>255,410</u>	<u>1,087,124</u>	<u>1,084,968</u>
<b>(ar) TPS - 9A</b>			
Opening Balance	2,781,249	2,757,960	2,752,880
Amount Used / Transfer From Reserve	(125,325)	(14,711)	(7,754)
Amount Set Aside / Interest	34,740	38,000	61,191
	<u>2,690,664</u>	<u>2,781,249</u>	<u>2,806,317</u>
<b>Total Planning Reserves</b>	<u>53,418,418</u>	<u>57,554,682</u>	<u>53,286,612</u>
<b>Total Reserves</b>	<u>123,680,891</u>	<u>130,755,933</u>	<u>116,948,302</u>
<b>Summary of Reserves</b>			
Opening Balance	130,755,933	113,605,484	119,830,661
Opening Balance - Public Open Space - Cash in Lieu*	0	9,636,525	0
Amount Used / Transfer From Reserve	(18,891,848)	(28,571,554)	(15,027,775)
Amount Set Aside			
Transfer To Reserve	10,208,806	34,389,331	9,710,728
Interest	1,608,000	1,696,147	2,434,688
Transfers between reserves - Equity	0	0	0
	<u>11,816,806</u>	<u>36,085,478</u>	<u>12,145,416</u>
<b>Total Reserves</b>	<u>123,680,891</u>	<u>130,755,933</u>	<u>116,948,302</u>

\* From 12 September 2020, the City has recognised all funds collected as cash-in-lieu of Public Open Space in Reserve to meet the requirements of Section 154 of the *Planning and Development Act 2005*.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
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**8. CASH-BACKED RESERVES (CONTINUED)**

**(b) Purpose of Reserves**

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

<b>Reserve Name</b>	<b>Anticipated date of use</b>	<b>Purpose of the Reserve</b>
<b>Ordinary Reserves</b>		
Asset Management	Ongoing	To fund costs associated with asset data collection and management, including the acquisition and implementation of an asset management system.
Central Maddington City Funded Common Infrastructure Works	Ongoing	To hold the City's contribution under the Central Maddington Outline Development Plan (CMODP) and fund the provision of strategic common infrastructure works and public open space within the CMODP area.
Community Infrastructure Reserve	Ongoing	To fund the improvement and development of recreation and community facilities.
Covid-19 Recovery Reserve	30 June 2022	To fund the recovery and stimulus activity following the Covid-19 crisis.
Developer Contributions Infrastructure	Ongoing	Developer contributions paid to the City for road and drainage infrastructure works or non-Town Planning Scheme or Outline Development Plan Projects, including funds received under Local Planning Policy 5.7 Gosnells and Beckenham Laneways.
Gosnells Oval Redevelopment	Ongoing	To fund improvement of recreation and community facilities at Gosnells Oval funded from Telco Tower leases.
Gosnells Town Centre Revitalisation	Ongoing	To fund opportunities for the redevelopment and improvement of Gosnells Town Centre.
Harmony Fields	Ongoing	To fund improvement of recreation and community facilities at Harmony Fields funded from Telco Tower leases.
Heritage Condition Reward Scheme	Ongoing	To fund the preservation or restoration of the City's significant historic items and to fund payments to owners of properties and trees listed in the City of Gosnells Heritage Inventory through the Condition Reward Scheme.
Insurance	Ongoing	To provide funds in case of calls on Council's participation in the self-insurance scheme.
Langford Oval Redevelopment	Ongoing	To fund improvement of recreation and community facilities at Langford Oval funded from Telco Tower leases.
Local Government Elections	Ongoing	For expenditure associated with holding of local government elections.
Local Open Space Strategy	Ongoing	To fund the implementation of projects (including enhancement, strategic acquisitions and disposals) identified in the Public Open Space Strategy, whereby alternative financial resources such as Public Open Space Cash In Lieu and Development Contribution Funds are not available or identified in the Strategy.
Maddington/Kenwick Revitalisation	Ongoing	To fund the cost of urban renewal in Maddington/Kenwick.
Mills Park	Ongoing	To fund improvement of recreation and community facilities at Mills Park funded from Telco Tower leases.
Operations Centre and Waste Transfer Facility (formerly Operations Centre)	Ongoing	To fund expenditure relating to the development of a new Operations Centre, Waste Transfer Facility, Animal Pound and Impound Yard.
Plant and Equipment	Ongoing	To fund replacement or new acquisition of plant and associated equipment.
Public Art Reserve	Ongoing	To hold funds received under Local Planning Policy 6.0 – Public Art for the provision of public art.
Rate Revaluation	Ongoing	For expenditure associated with the revaluation of properties on which Council raises rates.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**8. CASH-BACKED RESERVES (CONTINUED)**

**(b) Purpose of Reserves (continued)**

Reserve Name	Anticipated date of use	Purpose of the Reserve	
<b>Ordinary Reserves (continued)</b>			
Refuse Disposal Site Rehabilitation	Ongoing	To fund site rehabilitation and Public Open Space development at the former Kelvin Road Waste Disposal site.	
Strategic Capital Acquisition	Ongoing	Royalties received from quarry set aside for investing in profit generating assets.	
Streetscape Levy	Ongoing	To hold funds received under Local Planning Policy 4.7 - Planning and Development of Public Open Space and Streetscapes for the planting of trees in the development area.	
Sutherlands Park	Ongoing	To fund improvement of recreation and community facilities at Sutherlands Park funded from Telco Tower leases.	
Synthetic Surface Renewal	Ongoing	To fund renewal of specialised sports surfaces.	
Walter Padbury Park	Ongoing	To fund improvement of recreation and community facilities at Walter Padbury Reserve funded from Telco Tower leases.	
Waste Reserve	Ongoing	To fund costs associated with the delivery of the City's waste services.	
<b>Planning Reserves</b>			
ODP - Canning Vale			
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	Ongoing	To fund expenditure on infrastructure and administrative items within the ODP area through contributions from developers.	
ODP - Southern River Precinct 3			
ODP - Southern River Precinct 3A			
ODP - Southern River Precinct 3E			
ODP - Southern River Precinct 3F			
ODP - Southern River Precinct 5			
ODP - West Canning Vale			
Public Open Space - Cash in Lieu	Ongoing		To fund Public Open Space expenditure within the locality for which the cash in lieu is provided, and where local areas are seen to benefit. Funds to be used in accordance with Section 154 of the <i>Planning and Development Act 2005</i> .
TPS - 10			
TPS - 15			
TPS - 17	Ongoing	To fund expenditure on infrastructure and administrative items within the TPS area through with contributions from developers.	
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 2022**

**8. CASH-BACKED RESERVES (CONTINUED)**

**(c) Change in Use of Reserves**

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

**Covid-19 Recovery Reserve**

The Covid-19 Recovery Reserve was established to set aside funds for the recovery and stimulus activity following the Covid-19 crisis.

This reserve is expected to be closed at 30 June 2022.

\$12,026 will be transferred from Covid-19 Recovery Reserve into the Community Infrastructure Reserve.

**Waste Reserve**

The Waste Reserve was established to fund costs associated with the delivery of the City's waste services. During 2020/21, the City reviewed its reserve balances and determined the Waste Reserve can be maintained at a lower balance.

\$3,841,939 will be transferred from Waste Reserve into the Operations Centre and Waste Transfer Facility (formerly Operations Centre) Reserve.

**9. FEES AND CHARGES**

	<b>2021/22 Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>
	\$	\$	\$
<b>By Program</b>			
General Purpose Funding	380,000	456,064	989,086
Governance	0	0	330,550
Law, Order and Public Safety	325,100	387,347	0
Health	358,186	320,883	350,460
Education and Welfare	205,702	199,544	207,143
Community Amenities	17,216,776	17,708,295	17,584,406
Recreation and Culture	3,900,363	3,508,870	3,871,480
Transport	222,000	307,751	231,850
Economic Services	1,980,046	2,026,622	1,961,513
Other Property and Services	53,740	0	92,470
	<u>24,641,913</u>	<u>24,915,376</u>	<u>25,618,958</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Fees and charges**

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

Revenue is recognised when the services or goods are provided.



**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**10. GRANT REVENUE**

Grants, Subsidies and Contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income.

	<b>2021/22 Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>
	\$	\$	\$
<b>By Program</b>			
<b>Operating Grants, Subsidies and Contributions</b>			
General Purpose Funding	4,512,200	2,119,194	4,397,501
Governance	7,030	3,323	6,271
Law, Order and Public Safety	279,038	502,638	262,052
Health	6,795	7,288	9,084
Education and Welfare	166,963	186,064	161,863
Community Amenities	504,239	535,208	483,366
Recreation and Culture	223,429	332,045	310,861
Transport	57,965	64,658	59,971
Economic Services	6,795	6,584	6,813
Other Property and Services	155,111	203,174	288,711
	<u>5,919,565</u>	<u>3,960,176</u>	<u>5,986,493</u>
<b>Non-Operating Grants, Subsidies and Contributions</b>			
Law, Order and Public Safety	0	53,500	0
Education and Welfare	0	33,000	0
Community Amenities	0	12,959,655	770,000
Recreation and Culture	6,574,719	3,407,151	4,197,172
Transport	10,541,277	7,586,160	8,923,779
Other Property and Services	0	455	0
	<u>17,115,996</u>	<u>24,039,921</u>	<u>13,890,951</u>

**SIGNIFICANT ACCOUNTING POLICY**

**Grants, subsidies and contributions**

The City receives:

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

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

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

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**11. OTHER INFORMATION**

	<b>2021/22 Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>
	\$	\$	\$
<b>(a) Interest Earnings</b>			
Investments - Reserve Funds	1,608,000	1,696,145	2,434,688
Investments - Other Funds	792,190	642,806	1,107,040
Rate Instalment and Penalty Interest (refer to Note 1(c))	508,460	200,000	600,000
	<u>2,908,650</u>	<u>2,538,951</u>	<u>4,141,728</u>
<b>(b) Other Revenue</b>			
Discount Received	0	2,210	0
Other	0	109,454	200
	<u>0</u>	<u>111,664</u>	<u>200</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

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

**Other revenue**

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

**(c) Auditors Remuneration**

Audit Services	100,000	80,000	64,000
Other Services	1,200	2,720	2,200
	<u>101,200</u>	<u>82,720</u>	<u>66,200</u>

**(d) Interest Expense (Finance Costs)**

Lease Facilities - Operating Interest	3,100	5,661	5,500
Loan Facilities - Operating Interest	318,259	375,238	345,471
Loan Facilities - Capital Interest	0	29,386	86,917
	<u>321,359</u>	<u>410,285</u>	<u>437,888</u>

**(e) Elected Members' Remuneration**

Mayor's Allowance	89,750	89,753	89,750
Deputy Mayor's Allowance	22,438	22,438	22,450
Meeting Fees	395,974	375,552	396,020
Travelling Expenses	20,400	9,921	23,000
Telecommunications Allowance	42,000	42,000	42,000
	<u>570,562</u>	<u>539,664</u>	<u>573,220</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**12. MAJOR LAND TRANSACTIONS**

**(a) Southern River Business Park Development**

**(i) Details**

The proposed Southern River Business Park consists of Lot 21 Furley Rd, Lot 100 & Lot 1768 Southern River Rd and Lot 1767 Matison St, which are owned 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 to refine the Business Case and review projected costs. In February 2020 a staging plan for the subdivision construction was finalised. Subdivision construction is proposed to occur in 4 stages. As this is a major land transaction the subdivision construction of stages 2, 3 and 4 are predicated upon the sale of stage 1 subdivision lots and future market conditions.

Based on the current work program the design development phase has commenced, with completion expected in the first quarter of 2022. Upon completion of the design, stage 1 subdivision construction of the project will be tendered and construction will commence upon award of tender.

**(ii) Revenue and Expense**

	<b>Project Budget</b>	<b>Project Actual</b>	<b>2021/22 Budget</b>	<b>2020/21 Actual</b>
	\$	\$	\$	\$
<b>Funding Sources</b>				
<b>Capital Revenue</b>				
Asset Disposal Proceeds	29,585,586	0	0	0
<b>Other Funding Sources</b>				
Loan Proceeds	21,450,000	0	665,510	0
<b>Total Funding Sources</b>	<u>51,035,586</u>	<u>0</u>	<u>665,510</u>	<u>0</u>
<b>Disbursement of Funds</b>				
<b>Capital Expenditure</b>				
Materials & Contracts	(19,980,000)	(48,872)	0	0
Interest Expense	(3,385,218)	0	(305)	0
	<u>(23,365,218)</u>	<u>(48,872)</u>	<u>(305)</u>	<u>0</u>
<b>Operating Expense</b>				
Materials & Contracts	(1,770,000)	(517,713)	(336,593)	(33,121)
<b>Other Expenses</b>				
Loan Repayment	(21,450,000)	0	0	0
Transfer to Reserve - Community Infrastructure Reserve	(4,450,368)	0	0	0
	<u>(25,900,368)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Disbursement of funds</b>	<u>(51,035,586)</u>	<u>(566,585)</u>	<u>(336,893)</u>	<u>(33,121)</u>
<b>Total</b>	<u>0</u>	<u>(566,585)</u>	<u>328,612</u>	<u>(33,121)</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**12. MAJOR LAND TRANSACTIONS (CONTINUED)**

**(a) Southern River Business Park Development (continued)**

**(iii) Assets and Liabilities**

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

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

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

**(iv) Expected Future Projections**

It is anticipated a short term loan facility will be established for stage 1 subdivision construction. As this is a major land transaction a long term loan for stages 2, 3 and 4 is predicated upon the sale of subdivision lots of stage 1 and future market conditions.

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

	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
Asset Disposal Proceeds	0	2,985,455	2,985,455	2,985,455	2,985,455	11,941,820
Loan Proceeds	2,416,593	9,328,107	5,464,414	2,717,250	1,210,228	21,136,592
	<u>2,416,593</u>	<u>12,313,562</u>	<u>8,449,869</u>	<u>5,702,705</u>	<u>4,195,683</u>	<u>33,078,412</u>
<b>Expenditure</b>						
Materials & Contracts	(2,416,593)	(9,328,107)	(5,464,414)	(2,717,250)	(1,210,228)	(21,136,592)
Interest Expense	0	(457,871)	(413,569)	(368,602)	(322,961)	(1,563,003)
Loan Repayment	0	(2,004,163)	(2,034,226)	(2,064,739)	(2,095,710)	(8,198,838)
Transfer to Reserve	0	(523,421)	(537,660)	(552,114)	(566,784)	(2,179,979)
	<u>(2,416,593)</u>	<u>(12,313,562)</u>	<u>(8,449,869)</u>	<u>(5,702,705)</u>	<u>(4,195,683)</u>	<u>(33,078,412)</u>
<b>Net Future Projections</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2022**

**13. TRADING UNDERTAKING AND MAJOR TRADING UNDERTAKINGS**

It is not anticipated that any trading undertaking or major trading undertakings will occur in 2021/22.

**14. JOINT ARRANGEMENTS**

It is not anticipated that any interests in joint arrangements will occur in 2021/22.

**15. TRUST FUNDS**

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

	<b>Balance 1-Jul-21 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>Balance 30-Jun-22 \$</b>
Unclaimed Money	30,000	14,000	(20,000)	24,000
Construction Training Fund	0	250,000	(250,000)	0
Building Commission	40,000	340,000	(320,000)	60,000
	<u>70,000</u>	<u>604,000</u>	<u>(590,000)</u>	<u>84,000</u>

**16. SIGNIFICANT ACCOUNTING POLICIES – OTHER INFORMATION**

**Budget Comparative Figures**

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

**Comparative Figures**

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

**Critical Accounting Estimates**

The preparation of a budget in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

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

**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.

**Rounding Off Figures**

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