



Budget

for the year ending 30 June 2017

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City of Gosnells
Statement of Comprehensive Income
By Nature or Type
for the year ending 30 June 2017

	Note	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Revenue				
Rates	9	63,223,000	60,277,373	60,010,039
Operating Grants, Subsidies and Contributions	2(a)	6,286,569	4,990,823	6,542,020
Fees and Charges	2(a)	23,528,736	21,618,276	21,548,656
Interest Earnings	2(a)	3,803,000	3,481,480	4,066,000
Other Revenue	2(a)	111,000	300,959	105,950
		<u>96,952,305</u>	<u>90,668,911</u>	<u>92,272,665</u>
Expenditure				
Employee Costs		(42,871,004)	(40,282,423)	(40,407,465)
Materials and Contracts		(33,464,067)	(25,694,334)	(31,948,064)
Utility Charges		(5,237,568)	(4,635,850)	(4,807,660)
Amortisation and Depreciation	2(a)	(23,710,527)	(19,380,921)	(19,106,802)
Interest Expenses	2(a)	0	0	(70,000)
Insurance Expenses		(1,955,822)	(1,721,308)	(2,037,838)
Other Expenses		(1,358,187)	(5,896,991)	(1,356,857)
		<u>(108,597,175)</u>	<u>(97,611,827)</u>	<u>(99,734,686)</u>
Non Operating Grants, Subsidies and Contributions		10,200,267	16,338,862	15,819,421
Fair Value Adjustment to Financial Assets at Fair Value through Profit or Loss	2(a)	100,000	0	150,000
Profit on Asset Disposals	6	16,888,008	10,983,861	13,098,379
Loss on Asset Disposal	6	(1,612,736)	(533,405)	(780,646)
		<u>25,575,539</u>	<u>26,789,318</u>	<u>28,287,154</u>
Net Result		<u>13,930,669</u>	<u>19,846,402</u>	<u>20,825,133</u>
Other Comprehensive Income				
Changes on revaluation of non-current assets		0	0	0
Total comprehensive income		<u>13,930,669</u>	<u>19,846,402</u>	<u>20,825,133</u>

Notes:

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

City of Gosnells
Statement of Comprehensive Income
By Program
for the year ending 30 June 2017

	Note	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Revenue				
Refer to Notes 1, 2, 9 and 12				
General Purpose Funding		72,078,000	66,775,731	69,094,264
Governance		5,150	7,410	5,150
Law, Order and Public Safety		886,579	1,050,799	864,308
Health		313,136	322,244	306,958
Education and Welfare		783,523	663,214	756,481
Community Amenities		15,543,542	14,436,634	14,524,953
Recreation and Culture		3,899,397	3,794,983	3,527,974
Transport		384,267	381,217	303,217
Economic Services		2,440,690	2,418,344	2,300,163
Other Property and Services		618,021	818,335	589,197
		<u>96,952,305</u>	<u>90,668,911</u>	<u>92,272,665</u>
Expenses Excluding Finance Costs				
Refer to Notes 1 and 2				
General Purpose Funding		(2,005,160)	(1,410,601)	(1,381,686)
Governance		(5,146,743)	(5,085,875)	(7,101,675)
Law, Order and Public Safety		(4,024,394)	(3,942,068)	(3,876,499)
Health		(1,428,676)	(1,318,136)	(1,461,732)
Education and Welfare		(4,392,048)	(3,985,610)	(4,109,476)
Community Amenities		(21,583,025)	(22,191,428)	(19,821,596)
Recreation and Culture		(35,187,277)	(31,374,755)	(31,768,177)
Transport		(28,028,386)	(22,761,548)	(23,316,884)
Economic Services		(3,315,701)	(3,051,448)	(3,557,128)
Other Property and Services		(3,485,765)	(2,490,358)	(3,269,833)
		<u>(108,597,175)</u>	<u>(97,611,827)</u>	<u>(99,664,686)</u>
Finance Costs				
Refer to Note 2(a)				
Law, Order and Public Safety		0	0	(70,000)
		<u>0</u>	<u>0</u>	<u>(70,000)</u>
Fair Value Adjustments to Financial Assets at Fair Value through Profit or Loss				
General Purpose Funding		100,000	0	150,000
		<u>100,000</u>	<u>0</u>	<u>150,000</u>
Non Operating Grants, Subsidies and Contributions				
Law, Order and Public Safety		725,000	625,000	1,350,000
Community Amenities		3,760,000	3,906,000	3,930,000
Recreation and Culture		1,246,000	5,872,650	6,298,360
Transport		4,469,267	5,752,339	4,241,061
Other Property and Services		0	182,873	0
		<u>10,200,267</u>	<u>16,338,862</u>	<u>15,819,421</u>

City of Gosnells
Statement of Comprehensive Income
By Program
for the year ending 30 June 2017

Note	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Profit/Loss on Disposal of Assets			
Refer to Note 6			
Recreation and Culture	(701,191)	(135,981)	(92,670)
Transport	(801,041)	(375,765)	(578,547)
Other Property and Services	16,777,504	10,962,202	12,988,950
	<u>15,275,272</u>	<u>10,450,456</u>	<u>12,317,733</u>
NET RESULT	<u>13,930,669</u>	<u>19,846,402</u>	<u>20,825,133</u>
Other Comprehensive Income			
Changes on revaluation of non-current assets	0	0	0
TOTAL COMPREHENSIVE INCOME	<u>13,930,669</u>	<u>19,846,402</u>	<u>20,825,133</u>

Notes:

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

City of Gosnells
Statement of Cash Flows
for the year ending 30 June 2017

	Note	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Cashflows from Operating Activities				
Receipts				
Rates		63,723,000	62,777,373	62,210,039
Operating Grants, Subsidies and Contributions		5,507,719	5,355,549	6,242,020
Fees and Charges		23,528,736	21,618,276	21,548,656
Interest Earnings		3,503,000	2,581,480	3,766,000
Goods and Services tax		6,119,797	8,580,827	4,119,797
Other Revenue		111,000	300,957	105,950
		<u>102,493,252</u>	<u>101,214,462</u>	<u>97,992,462</u>
Payments				
Employee Costs		(42,007,145)	(39,632,423)	(39,543,606)
Materials and Contracts		(31,422,417)	(23,662,240)	(29,906,403)
Utility Charges		(5,237,568)	(4,635,850)	(4,807,660)
Interest Expenses		0	0	(70,000)
Insurance Expenses		(1,955,822)	(1,721,308)	(2,037,838)
Goods and Services tax		(6,035,049)	(8,507,827)	(4,035,049)
Other Expenses		(1,358,187)	(5,896,989)	(1,356,857)
		<u>(88,016,188)</u>	<u>(84,056,637)</u>	<u>(81,757,413)</u>
Net cash provided by (used in) operating activities	3	<u>14,477,064</u>	<u>17,157,825</u>	<u>16,235,049</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	5	(7,591,936)	(107,119)	(4,703,650)
Payments for Purchase of Property, Plant & Equipment	5	(25,168,884)	(40,895,439)	(50,011,091)
Payments for Construction of Infrastructure	5	(25,925,245)	(14,503,476)	(29,293,465)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		10,200,267	16,338,862	15,819,421
Proceeds from Sale of Property, Plant & Equipment	6	20,965,458	13,738,492	17,086,000
Net Cash Used in Investing Activities		<u>(27,520,340)</u>	<u>(25,428,680)</u>	<u>(51,102,785)</u>

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

**City of Gosnells
Statement of Cash Flows
for the year ending 30 June 2017**

	Note	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Cash Flows from Financing Activities				
Repayment of Loan Facilities	7	(13,838,624)	0	(250,000)
Proceeds from New Loan Facilities	7	<u>26,847,500</u>	<u>17,200,000</u>	<u>38,587,410</u>
Net Cash Provided By (Used In) Financing Activities		<u>13,008,876</u>	<u>17,200,000</u>	<u>38,337,410</u>
Net Increase (Decrease) in Cash Held				
Cash at Beginning of Year		109,938,698	101,009,553	92,753,032
Cash and Cash Equivalents at the End of the Year	3	<u>109,904,298</u>	<u>109,938,698</u>	<u>96,222,706</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 2017**

	Note	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Revenue from operating activities excluding rates				
General Purpose Funding		8,855,000	6,498,358	9,084,225
Governance		5,150	7,410	5,150
Law, Order and Public Safety		886,579	1,050,799	864,308
Health		313,136	322,244	306,958
Education and Welfare		783,523	663,214	756,481
Community Amenities		15,543,542	14,436,634	14,524,953
Recreation and Culture		3,899,397	3,794,983	3,527,974
Transport		494,771	402,377	412,646
Economic Services		2,440,690	2,418,344	2,300,163
Other Property and Services		17,395,525	11,781,036	13,578,147
		<u>50,617,313</u>	<u>41,375,399</u>	<u>45,361,005</u>
Expenditure from operating activities				
General Purpose Funding		(2,005,160)	(1,410,601)	(1,381,686)
Governance		(5,146,743)	(5,085,875)	(7,101,675)
Law, Order and Public Safety		(4,024,394)	(3,942,068)	(3,946,499)
Health		(1,428,676)	(1,318,136)	(1,461,732)
Education and Welfare		(4,392,048)	(3,985,610)	(4,109,476)
Community Amenities		(21,583,025)	(22,191,428)	(19,821,596)
Recreation and Culture		(35,888,468)	(31,510,736)	(31,860,847)
Transport		(28,939,931)	(23,158,473)	(24,004,860)
Economic Services		(3,315,701)	(3,051,448)	(3,557,128)
Other Property and Services		(3,485,765)	(2,490,857)	(3,269,833)
		<u>(110,209,911)</u>	<u>(98,145,232)</u>	<u>(100,515,332)</u>
Adjustments for Cash Budget Requirements:				
Non-Cash Revenue and Expenses				
(Profit)/Loss on Asset Disposals	6	(15,275,272)	(10,450,456)	(12,317,733)
Depreciation and Amortisation	2(a)	23,839,755	19,476,701	19,202,582
Fair Value Adjustment to Financial Assets at Fair Value through Profit or Loss	2(a)	100,000	0	150,000
Change in Other Non-Current Assets		(100,000)	59,117	(150,000)
		<u>8,564,483</u>	<u>9,085,362</u>	<u>6,884,849</u>
Amount attributable to operating activities		<u>(51,028,115)</u>	<u>(47,684,471)</u>	<u>(48,269,478)</u>

City of Gosnells
Rate Setting Statement
for the year ending 30 June 2017

	Note	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Investing Activities				
Contributions/Grants for the Construction of Assets		10,200,267	16,338,862	15,819,421
Proceeds from Disposal of Assets	6	20,965,458	13,738,492	17,086,000
Purchase Land Held for Resale	5	(7,591,936)	(107,119)	(4,703,650)
Purchase Property, Plant & Equipment	5	(25,168,884)	(42,727,579)	(50,011,091)
Purchase Infrastructure Assets	5	(25,925,245)	(15,362,145)	(29,293,465)
Amount attributable to investing activities		<u>(27,520,340)</u>	<u>(28,119,489)</u>	<u>(51,102,785)</u>
Financing Activities				
Proceeds from New Loan Facilities	7	26,847,500	17,200,000	38,587,410
Repayment of Loan Facilities	7	(13,838,624)	0	(250,000)
Transfers to Reserves (Restricted Cash)	8	(24,533,756)	(13,932,666)	(13,756,706)
Transfers from Reserves (Restricted Cash)	8	15,420,861	9,855,463	8,380,289
Amount attributable to financing activities		<u>3,895,981</u>	<u>13,122,797</u>	<u>32,960,993</u>
Net current assets - surplus/(deficit) at:				
The start of the financial year	4	12,229,474	14,633,264	7,201,231
The end of the financial year	4	(800,000)	(12,229,474)	(800,000)
Estimated amount to be raised from general rates				
	9	<u>(63,223,000)</u>	<u>(60,277,373)</u>	<u>(60,010,039)</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 2017

1. Significant Accounting Policies

(a) Basis of Preparation

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and 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.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 16 to this budget document.

The Department of Local Government and Communities has expressed the view that a local government has no control over the performance bonds they hold and subsequently these are to be placed in the Trust Fund. However, the City has determined that there is no fiduciary relationship as it is not acting in the interest of, or on behalf of, the developer but in the discharge of its statutory role as a municipal authority. Therefore the Funds can legitimately be held in the municipal fund.

(b) 2015/16 Actual Balances

Balances shown in this budget as 2015/16 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

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

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(e) 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.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

1. Significant Accounting Policies (Continued)

(f) 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.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, 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 and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in Note 4 - Net Current Assets.

(h) 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. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(i) Inventories

General

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

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

(j) Assets Held for Sale

Land Held for Sale

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

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

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

(k) Fixed Assets

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

Mandatory Requirements to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

1. Significant Accounting Policies (Continued)

(k) Fixed Assets (Continued)

The amendment allowed for a phasing in of Fair Value in relation to fixed assets over three years.

In 2013, the Council commenced the process of adopting Fair Value in accordance with the regulations. For the financial year ended on 30 June 2015, all the assets of the local government were reflected at Fair Value.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every three years. To achieve compliance with the regulations, each asset class has to be revalued as per the dates set by the regulations.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation of the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land Under Roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the City.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

1. Significant Accounting Policies (Continued)

(k) Fixed Assets (Continued)

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 asset 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.

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

Bridges

- Footbridges, Boardwalks and Lookouts 10 to 100 years
- Road bridges 80 to 100 years

Buildings

- Structure 75 years
- Non-structural components 15 to 50 years

Bus Shelters 30 to 40 years

Drains 100 years

Footpaths 60 to 80 years

Furniture and Fixtures 2 to 60 years

Intangible Assets 3 to 15 years

Kerbing 60 years

Other Infrastructure 10 to 75 years

Park Developments 5 to 40 years

Plant and Equipment 5 to 10 years

Street Lights 20 to 50 years

Surfaced roads and streets

Formation not depreciated

Pavement

- Local Access Roads not depreciated
- Industrial and Distributor Roads 54 to 75 years

Surface

- Bituminous seals 20 years
- Asphalt surfaces 18 to 30 years
- Brick paving 30 years

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

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

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

1. Significant Accounting Policies (Continued)

(k) Fixed Assets (Continued)

Capitalisation Threshold

The threshold determines the cut-off point at which expenditure provides future economic benefits greater than 12 months (non-current) and is capitalised as an asset. The threshold below details the amount expensed and is referred to as operational expenditure.

Where characteristics of fixed assets are like for like, the City in accordance with AASB116 Property Plant and Equipment, group the individual assets and capitalises them as a group.

Below details the minimum threshold amounts for the recognition of any non-current asset in the statement of financial position.

Land	Nil
Land Held for Resale	Nil
Buildings	\$2,000
Furniture and Fixtures	\$2,000
Plant and Equipment	\$2,000
Other Infrastructure	\$5,000
Bridges	\$5,000
Drains	\$5,000
Roads	\$5,000
Park Developments	\$5,000
Intangible Assets	\$2,000

Revaluation Threshold

Where appropriate the Council establishes revaluation thresholds that provides for assets of value greater than a certain level to require revaluation. While only a portion of the total asset class is comprehensively inspected and revalued, the entire asset class is deemed to be valued at fair value because the final result is not materially incorrect.

(l) Fair Value of Assets and Liabilities

When performing a revaluation, the City uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that the City would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs)).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

1. Significant Accounting Policies (Continued)

(I) Fair Value of Assets and Liabilities (Continued)

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The City selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured.

The valuation techniques selected by the City are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the City gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

1. Significant Accounting Policies (Continued)

(l) Fair Value of Assets and Liabilities (Continued)

The mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets to be revalued at least every 3 years. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards have been made in the budget as necessary.

(m) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the City becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the City commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

- (i) **Financial assets at fair value through profit and loss**
Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.
- (ii) **Loans and receivables**
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

1. Significant Accounting Policies (Continued)

(m) Financial Instruments (Continued)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the City management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

1. Significant Accounting Policies (Continued)

(m) Financial Instruments (Continued)

Derecognition

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the City no longer has any significant continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(n) Impairment of Assets

In accordance with Australian Accounting Standards the City assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116) whereby any impairment loss of a revaluation decrease in accordance with that other standard.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2017.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

(o) 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 30 days of recognition.

(p) Employee Benefits

Short-Term Employee Benefits

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

The City's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The City's obligations for employees' annual leave and long service 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 2017

1. Significant Accounting Policies (Continued)

(p) Employee Benefits (Continued)

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(q) 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.

(r) 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.

(s) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the City, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

1. Significant Accounting Policies (Continued)

(t) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The City's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

(u) 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.

(v) Comparative Figures

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

(w) Budget Comparative Figures

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
2. Revenues and Expenses			
(a) Net Result			
The Net Result from ordinary activities includes:			
(i) Crediting as Revenues:			
Operating Grants, Subsidiaries and Contributions by Program			
General Purpose Funding	4,270,000	2,146,995	4,293,000
Governance	5,000	5,500	5,000
Law, Order and Public Safety	290,479	423,399	284,648
Health	12,136	14,583	12,583
Education and Welfare	523,713	478,914	515,016
Community Amenities	326,980	761,168	736,747
Recreation and Culture	486,371	653,260	324,162
Transport	119,267	102,217	113,217
Economic Services	6,802	6,650	6,650
Other Property and Services	245,821	398,137	250,997
	<u>6,286,569</u>	<u>4,990,823</u>	<u>6,542,020</u>
Fees & Charges Revenue by Program			
General Purpose Funding	782,000	708,883	725,225
Governance	150	150	150
Law, Order and Public Safety	596,100	627,400	579,660
Health	301,000	307,661	294,375
Education and Welfare	259,810	184,300	241,465
Community Amenities	15,216,562	13,675,466	13,788,206
Recreation and Culture	3,413,026	3,141,722	3,203,812
Transport	265,000	279,000	190,000
Economic Services	2,433,888	2,411,694	2,293,513
Other Property and Services	261,200	282,000	232,250
	<u>23,528,736</u>	<u>21,618,276</u>	<u>21,548,656</u>
Interest Earnings			
Investments - Reserve Funds	1,930,000	1,321,350	1,485,000
Investments - Other Funds	1,276,000	1,430,130	1,996,000
Other Interest Revenue (refer to Note 12)	597,000	730,000	585,000
	<u>3,803,000</u>	<u>3,481,480</u>	<u>4,066,000</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
2. Revenues and Expenses (Continued)			
(a) Net Result (Continued)			
The Net Result from ordinary activities includes:			
(i) Crediting as Revenues (Continued):			
Other Revenue			
Advertising Rebate	0	16,020	15,000
Discount Received	100,000	115,000	90,000
Other	11,000	169,939	950
	<u>111,000</u>	<u>300,959</u>	<u>105,950</u>
Fair Value Adjustment to Financial Asset at Fair Value through Profit/Loss			
Financial Assets - Investments	100,000	0	150,000
	<u>100,000</u>	<u>0</u>	<u>150,000</u>
(ii) Charging as Expenses:			
Auditors Remuneration			
Audit of Annual Financial Report and Grant Acquittals	42,000	41,200	42,000
Other Audit Services	0	0	0
	<u>42,000</u>	<u>41,200</u>	<u>42,000</u>
Interest Expense (Finance Costs) (refer to Note 7)			
Loan Facilities - Operating Interest	0	0	70,000
Loan Facilities - Capital Interest	585,000	155,279	1,040,780
	<u>585,000</u>	<u>155,279</u>	<u>1,110,780</u>
Elected Members' Remuneration			
Meeting Fees	392,100	376,683	397,850
Mayor's Allowance	88,900	87,070	90,200
Deputy Mayor's Allowance	22,300	21,768	22,550
Travelling Expenses	18,000	12,000	18,000
Telecommunications Allowance	25,600	24,556	26,000
	<u>546,900</u>	<u>522,077</u>	<u>554,600</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
2. Revenues and Expenses (Continued)			
(a) Net Result (Continued)			
The Net Result from ordinary activities includes:			
(ii) Charging as Expenses (Continued):			
Depreciation and Amortisation			
<u>By Program</u>			
Amortisation and Depreciation Expense			
Governance	0	4,610	0
Law, Order and Public Safety	283,218	220,388	17,988
Health	109,722	104,370	88,824
Education and Welfare	143,665	144,124	110,076
Community Amenities	968,793	859,777	0
Recreation and Culture	5,606,026	4,985,748	4,350,240
Transport	15,144,659	11,737,830	11,304,232
Economic Services	22,034	27,210	0
Other Property and Services	1,432,410	1,296,864	3,235,442
	<u>23,710,527</u>	<u>19,380,921</u>	<u>19,106,802</u>
Depreciation Capitalised			
Other Property and Services	129,228	95,780	95,780
	<u>129,228</u>	<u>95,780</u>	<u>95,780</u>
<u>By Class</u>			
Amortisation and Depreciation Expense			
Bridges	1,222,958	1,223,736	953,736
Buildings	2,921,969	2,622,805	2,622,804
Drains	4,273,324	3,162,516	3,162,516
Furniture and Equipment	553,572	445,616	441,648
Intangible Assets	319,751	210,012	210,012
Other Infrastructure	660,377	489,840	489,840
Other Plant and Equipment	1,250	150	0
Park Development	2,511,368	2,318,976	2,318,976
Plant and Equipment	2,371,344	2,127,678	2,127,678
Roads and Paths	8,874,614	6,779,592	6,779,592
	<u>23,710,527</u>	<u>19,380,921</u>	<u>19,106,802</u>
Depreciation Capitalised			
Plant and Equipment	129,228	95,780	95,780
	<u>129,228</u>	<u>95,780</u>	<u>95,780</u>
Total Depreciation & Amortisation	<u>23,839,755</u>	<u>19,476,701</u>	<u>19,202,582</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

2. Revenues and Expenses (Continued)

(b) Statement of Objective

Our Vision for 2021 - as outlined in the City's 10 Year Community Plan

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

Council operations as disclosed in this budget encompass the following service orientated programs:

General Purpose Funding

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 investment is allocated to this program.

Governance

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

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 dog and cat registrations, infringements and prosecutions.

Health

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

Education And Welfare

Administration, support and operation of services for children, youth, seniors and persons with disability. Operation of Addie Mills Centre including the Meals on Wheel services. Provision of Community Development programs and events such as the Multicultural Food Fair and NAIDOC Week.

Community Amenities

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 Activity. The administration of town planning schemes, planning applications and associated land issues. This program also includes administration and operations relating to Bus Shelters, Kenwick Cemetery and graffiti management.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

2. Revenues and Expenses (Continued)

(b) Statement of Objective (Continued)

Recreation and Culture

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 Homegrown Festival, Summer Event Series, Outdoor Cinema, Arts and Culture programs, Sponsorship and Funding programs.

Transport

Administration, maintenance and construction of roads, drainage, footpaths and 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

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

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
Notes to and forming part of the Budget
for the year ending 30 June 2017

	Note	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
3. Notes to the Statement of Cash Flows				
(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		22,438,702	29,162,436	19,585,057
Cash - Restricted		87,465,596	80,776,262	76,637,649
		<u>109,904,298</u>	<u>109,938,698</u>	<u>96,222,706</u>
The following restrictions have been imposed by regulation or other externally imposed requirements:				
Reserves	8	87,465,596	78,352,701	76,637,649
Unspent Grant Funds		0	2,423,561	0
		<u>87,465,596</u>	<u>80,776,262</u>	<u>76,637,649</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result				
Net Result		13,930,669	19,846,402	20,825,133
Depreciation		23,710,527	19,380,921	19,106,802
Investment Fair Value Movement		(100,000)	0	(150,000)
(Profit)/Loss on Sale of Asset		(15,275,272)	(10,450,456)	(12,317,733)
(Increase)/Decrease in Receivables		(459,053)	1,962,726	1,719,797
(Increase)/Decrease in Inventories		12,373	32,094	12,384
Increase/(Decrease) in Payables		1,994,228	2,075,000	1,994,228
Increase/(Decrease) in Employee Provisions		863,859	650,000	863,859
Grants/Contributions for the Development of Assets		(10,200,267)	(16,338,862)	(15,819,421)
Net Cash from Operating Activities		<u>14,477,064</u>	<u>17,157,825</u>	<u>16,235,049</u>
(c) Credit Standby Arrangements				
Credit Card Limit		105,000	105,000	105,000
Credit Card Balance at Balance Date		0	0	0
Total Amount of Credit Unused		<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
(d) Undrawn Loan Facilities				
Loan Facilities in use at Balance Date		<u>30,208,876</u>	<u>17,200,000</u>	<u>40,226,000</u>
Unused Loan Facilities at Balance Date		<u>40,537,624</u>	<u>14,826,000</u>	<u>250,000</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

	Note	2016/17 Budget \$	2015/16 Actual \$
4. Net Current Assets			
Composition of estimated net current assets			
Current Assets			
Cash - unrestricted	3(a)	22,438,702	29,162,436
Cash - restricted reserves	3(a)	87,465,596	78,352,701
Cash - restricted unspent grants	3(a)	0	2,423,561
Receivables		3,000,000	4,000,000
Inventories		300,000	294,900
		<u>113,204,298</u>	<u>114,233,598</u>
Less: Current Liabilities			
Trade and other payables		(16,638,702)	(15,501,423)
Short term loan facilities	7	(1,175,000)	(8,238,624)
Provisions		(8,300,000)	(8,150,000)
		<u>(26,113,702)</u>	<u>(31,890,047)</u>
Unadjusted net current assets		<u>87,090,596</u>	<u>82,343,551</u>
Adjustments			
Add: Current short term loan facilities	7	1,175,000	8,238,624
Less: Cash - restricted reserves	8	<u>(87,465,596)</u>	<u>(78,352,701)</u>
Adjusted net current assets - surplus/(deficit)		<u>800,000</u>	<u>12,229,474</u>

The difference between the net current assets at the end of each financial year in the rate setting statement and net current assets detailed above arise from amounts which have been excluded when calculating the budget deficiency in accordance with Regulation 32 of the Local Government (Financial Management) Regulations as movements for these items have been funded within the budget estimates. These differences are disclosed as adjustments above.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

5. Acquisition of Assets

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

	Reporting Program							
	Law, Order and Public Safety \$	Health \$	Education and Welfare \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Other Property and Services \$	Total \$
By Class								
Property, Plant and Equipment								
Land and Buildings	959,550	122,500	75,000	3,123,622	9,164,105	0	2,690,000	16,134,777
Furniture and Equipment	20,000	0	10,705	0	193,521	0	925,135	1,149,361
Plant and Equipment	0	0	0	0	0	0	7,360,321	7,360,321
Intangible Assets	0	0	0	0	0	0	524,425	524,425
Total Property, Plant and Equipment	979,550	122,500	85,705	3,123,622	9,357,626	0	11,499,881	25,168,884
Infrastructure								
Roads and Paths	0	0	0	0	0	17,832,806	0	17,832,806
Bridges	0	0	0	0	0	939,713	0	939,713
Drainage	0	0	0	0	58,000	1,070,913	0	1,128,913
Park Development	0	0	0	0	5,103,758	0	0	5,103,758
Other Infrastructure	0	0	0	0	0	920,055	0	920,055
Total Infrastructure	0	0	0	0	5,161,758	20,763,487	0	25,925,245
Land Held for Resale	0	0	0	0	0	0	7,591,936	7,591,936
	979,550	122,500	85,705	3,123,622	14,519,384	20,763,487	19,091,817	58,686,065

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

- Capital and Non Recurrent Program Supporting schedules
- Capital and Carry Forward Program Supporting schedules

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

6. Disposals of Assets

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

	Net Book Value	Sale Proceeds	Profit/(Loss)
	\$	\$	\$
By Program			
Recreation and Culture	701,191	0	(701,191)
Transport	2,475,151	1,674,110	(801,041)
Other Property and Services	2,513,844	19,291,348	16,777,504
	<u>5,690,186</u>	<u>20,965,458</u>	<u>15,275,272</u>
By Asset Class			
Land Held for Resale	2,513,844	19,291,348	16,777,504
Property, Plant and Equipment			
Buildings	701,191	0	(701,191)
Plant	2,443,280	1,674,110	(769,170)
	<u>3,144,471</u>	<u>1,674,110</u>	<u>(1,470,361)</u>
Infrastructure Assets			
Other Infrastructure	31,871	0	(31,871)
	<u>31,871</u>	<u>0</u>	<u>(31,871)</u>
	<u>5,690,186</u>	<u>20,965,458</u>	<u>15,275,272</u>
Summary			
Profit on Asset Disposals			16,888,008
Loss on Asset Disposal			(1,612,736)
			<u>15,275,272</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

7. Information on Borrowings

(a) Loan Repayments

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

Particulars/Purpose	Principal 1-Jul-16	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$
Recreation & Culture								
Mills Park Redevelopment - Short Term Facility	5,000,000	9,330,000	6,930,000	0	7,400,000	5,000,000	50,000	0
Mills Park Redevelopment - Long Term Facility	10,000,000	0	1,308,624	0	8,691,376	10,000,000	311,000	155,279
Community Amenities								
Central Maddington ODP Infrastructure	2,200,000	7,800,000	0	0	10,000,000	2,200,000	0	0
Other Property & Services								
Robinson Park Subdivision and Park Development	0	5,600,000	5,600,000	0	0	0	224,000	0
Operations Centre	0	1,500,000	0	0	1,500,000	0	0	0
Southern River Business Park	0	600,000	0	0	600,000	0	0	0
Attfield Street Maddington	0	1,100,000	0	0	1,100,000	0	0	0
Phillip Street Maddington	0	917,500	0	0	917,500	0	0	0
	17,200,000	26,847,500	13,838,624	0	30,208,876	17,200,000	585,000	155,279

Mills Park short term and fixed rate loan facilities repayment will be financed by general purpose revenue.

Robinson Park subdivision and park development, Operations Centre, Southern River Business Park 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.

Attfield Street Maddington and Phillip Street Maddington loan facilities repayments will be funded from a reimbursement from the Central Maddington ODP and sale of land proceeds.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

7. Information on Borrowings (Continued)

(b) New Loan Facilities

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	7,800,000	Short Term	3	0	4%	10,000,000	0
Other Property and Services Robinson Park Subdivision and Park Development	5,600,000	5,600,000	Short Term	3	224,000	4%	5,600,000	0
Operations Centre*	16,500,000	1,500,000	Short Term	3	0	4%	1,500,000	0
Southern River Business Park*	9,600,000	600,000	Short Term	3	0	4%	600,000	0
Attfield Street Maddington	1,100,000	1,100,000	Short Term	3	0	4%	1,100,000	0
Phillip Street Maddington	917,500	917,500	Short Term	3	0	4%	917,500	0
	43,717,500	17,517,500			224,000		19,717,500	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 2017

7. Information on Borrowings (Continued)

(c) Refinanced Loan Facilities

Central Maddington ODP Infrastructure

Loan Facility		Loan Facility Expiry		Institution
Original	New	Original	New	
5,000,000	10,000,000	1/11/2018	1/11/2019	WA Treasury Corporation

A \$5,000,000 loan facility was established in 2015/16 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, development, 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 the 2016/17 financial year. Therefore the City intends to refinance the existing facility to increase the facility limit to \$10,000,000 and extend the expiry date to 1 November 2019.

(Refer to Supplementary information for a plan of the ODP area).

(d) Unspent Loan Facilities

All loan funds drawn are expected to be fully expended as at 30 June 2016

Council is not expected to have any unspent loan funds as at 30 June 2017.

(e) Overdraft

The City is not expected to utilise an overdraft during the 2015/16 financial year.

It is not anticipated that an overdraft facility will be required during 2016/17 financial year.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
8. Cash Backed Reserves			
Ordinary Reserves			
(a) Asset Management			
Opening Balance	1,726,691	1,567,570	1,534,588
Amount Used / Transfer From Reserve	(45,000)	0	0
Amount Set Aside / Transfer To Reserve	134,000	130,000	130,000
Amount Set Aside / Interest	53,833	29,121	32,891
	1,869,524	1,726,691	1,697,479
(b) Developer Contributions Infrastructure			
Opening Balance	452,838	422,198	368,661
Amount Set Aside / Transfer To Reserve	10,000	23,000	10,000
Amount Set Aside / Interest	13,723	7,640	7,483
	476,561	452,838	386,144
(c) Don Russell Performing Arts Centre			
Opening Balance	287,896	273,975	283,527
Amount Used / Transfer From Reserve	0	(7,700)	0
Amount Set Aside / Transfer To Reserve	22,278	16,765	21,630
Amount Set Aside / Interest	9,197	4,856	6,029
	319,371	287,896	311,186
(d) Emergency Services			
Opening Balance	85,920	82,970	81,338
Amount Set Aside / Transfer To Reserve	1,500	1,500	1,500
Amount Set Aside / Interest	2,591	1,450	1,636
	90,011	85,920	84,474
(e) Floodlighting Levy			
Opening Balance	33,359	72,296	61,724
Amount Used / Transfer From Reserve	0	(48,000)	0
Amount Set Aside / Transfer To Reserve	10,500	8,500	10,500
Amount Set Aside / Interest	1,300	563	1,427
	45,159	33,359	73,651
(f) Gosnells Oval Redevelopment			
Opening Balance	701,869	587,032	565,675
Amount Set Aside / Transfer To Reserve	87,716	103,000	85,162
Amount Set Aside / Interest	23,410	11,837	12,860
	812,995	701,869	663,697
Total Ordinary Reserves C/Fwd	3,613,621	3,288,573	3,216,631

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
8. Cash Backed Reserves (Continued)			
Ordinary Reserves (Continued)			
Total Ordinary Reserves B/Fwd	3,613,621	3,288,573	3,216,631
(g) Gosnells Town Centre Revitalisation			
Opening Balance	834,157	764,278	746,828
Amount Used / Transfer From Reserve	(18,695)	(27,189)	(27,189)
Amount Set Aside / Transfer To Reserve	85,000	83,000	83,000
Amount Set Aside / Interest	26,699	14,068	15,860
	927,161	834,157	818,499
(h) Harmony Fields			
Opening Balance	221,775	192,809	213,658
Amount Set Aside / Transfer To Reserve	26,265	25,225	25,500
Amount Set Aside / Interest	7,355	3,741	4,725
	255,395	221,775	243,883
(i) Heritage Condition Reward Scheme			
Opening Balance	38,827	35,672	31,163
Amount Used / Transfer From Reserve	(10,000)	(10,000)	(10,000)
Amount Set Aside / Transfer To Reserve	12,500	12,500	12,500
Amount Set Aside / Interest	1,225	655	665
	42,552	38,827	34,328
(j) Insurance			
Opening Balance	1,044,924	1,027,301	1,005,686
Amount Set Aside / Interest	30,980	17,623	19,872
	1,075,904	1,044,924	1,025,558
(k) Langford Oval Redevelopment			
Opening Balance	190,334	162,124	185,486
Amount Used / Transfer From Reserve	0	0	(28,000)
Amount Set Aside / Transfer To Reserve	23,339	25,000	22,660
Amount Set Aside / Interest	6,335	3,210	3,560
	220,008	190,334	183,706
(l) Leisure World Asset Management			
Opening Balance	393,566	366,929	359,172
Amount Used / Transfer From Reserve	(209,200)	0	0
Amount Set Aside / Transfer To Reserve	0	20,000	20,000
Amount Set Aside / Interest	5,467	6,637	7,492
	189,833	393,566	386,664
Total Ordinary Reserves C/Fwd	6,324,474	6,012,156	5,909,269

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
8. Cash Backed Reserves (Continued)			
Ordinary Reserves (Continued)			
Total Ordinary Reserves B/Fwd	6,324,474	6,012,156	5,909,269
(m) Local Government Elections			
Opening Balance	85,453	196,114	192,131
Amount Used / Transfer From Reserve	0	(180,103)	(215,000)
Amount Set Aside / Transfer To Reserve	115,000	68,000	68,000
Amount Set Aside / Interest	5,943	1,442	892
	<u>206,396</u>	<u>85,453</u>	<u>46,023</u>
(n) Local Open Space Strategy			
Opening Balance	212,064	203,241	299,079
Amount Used / Transfer From Reserve	0	(19,754)	(120,000)
Amount Set Aside / Transfer To Reserve	3,961,533	25,000	24,790
Amount Set Aside / Interest	123,742	3,577	4,029
	<u>4,297,339</u>	<u>212,064</u>	<u>207,898</u>
(o) Maddington/Kenwick Revitalisation			
Opening Balance	2,320,412	2,281,278	2,233,278
Amount Used / Transfer From Reserve	(86,758)	0	(236,758)
Amount Set Aside / Interest	66,225	39,134	39,451
	<u>2,299,879</u>	<u>2,320,412</u>	<u>2,035,971</u>
(p) MGB Plant and Equipment			
Opening Balance	4,856,833	4,127,020	2,788,321
Amount Used / Transfer From Reserve	(2,236,550)	(780,000)	(1,809,050)
Amount Set Aside / Transfer To Reserve	997,000	1,428,000	978,000
Amount Set Aside / Interest	107,259	81,813	38,675
	<u>3,724,542</u>	<u>4,856,833</u>	<u>1,995,946</u>
(q) Mills Park			
Opening Balance	5,803,838	2,979,170	2,926,208
Amount Used / Transfer From Reserve	(5,086,011)	0	(1,590,000)
Amount Set Aside / Transfer To Reserve	444,626	2,726,784	2,143,677
Amount Set Aside / Interest	28,392	97,884	68,761
	<u>1,190,845</u>	<u>5,803,838</u>	<u>3,548,646</u>
(r) Netball Courts Resurfacing			
Opening Balance	10,474	10,297	10,080
Amount Set Aside / Interest	311	177	199
	<u>10,785</u>	<u>10,474</u>	<u>10,279</u>
Total Ordinary Reserves C/Fwd	18,054,260	19,301,230	13,754,032

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
8. Cash Backed Reserves (Continued)			
Ordinary Reserves (Continued)			
Total Ordinary Reserves B/Fwd	18,054,260	19,301,230	13,754,032
 (s) Operations Centre			
Opening Balance	454,095	446,436	437,043
Amount Used / Transfer From Reserve	(50,000)	0	(50,000)
Amount Set Aside / Interest	11,982	7,659	7,648
	<u>416,077</u>	<u>454,095</u>	<u>394,691</u>
 (t) Plant and Equipment			
Opening Balance	4,458,569	3,851,305	3,770,021
Amount Used / Transfer From Reserve	(3,351,160)	(963,774)	(2,285,325)
Amount Set Aside / Transfer To Reserve	1,769,000	1,495,843	1,463,950
Amount Set Aside / Interest	85,284	75,195	58,264
	<u>2,961,693</u>	<u>4,458,569</u>	<u>3,006,910</u>
 (u) Rate Revaluation			
Opening Balance	446,357	308,829	302,619
Amount Used / Transfer From Reserve	(390,000)	0	0
Amount Set Aside / Transfer To Reserve	134,000	130,000	130,000
Amount Set Aside / Interest	5,644	7,528	8,549
	<u>196,001</u>	<u>446,357</u>	<u>441,168</u>
 (v) Recreation and Culture Infrastructure			
Opening Balance	1,103,729	1,095,183	1,070,193
Amount Used / Transfer From Reserve	(44,595)	(10,069)	(45,000)
Amount Set Aside / Transfer To Reserve	100,000	0	0
Amount Set Aside / Interest	34,368	18,615	20,257
	<u>1,193,502</u>	<u>1,103,729</u>	<u>1,045,450</u>
 (w) Refuse Disposal Site Rehabilitation			
Opening Balance	760,665	709,636	693,636
Amount Set Aside / Transfer To Reserve	26,830	38,200	24,623
Amount Set Aside / Interest	23,349	12,829	14,192
	<u>810,844</u>	<u>760,665</u>	<u>732,451</u>
 (x) Southern River Contaminated Site Rehabilitation			
Opening Balance	431,842	444,559	435,091
Amount Used / Transfer From Reserve	0	(20,000)	(100,000)
Amount Set Aside / Interest	12,804	7,283	6,622
	<u>444,646</u>	<u>431,842</u>	<u>341,713</u>
 Total Ordinary Reserves C/Fwd	<u>24,077,023</u>	<u>26,956,487</u>	<u>19,716,415</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
8. Cash Backed Reserves (Continued)			
Ordinary Reserves (Continued)			
Total Ordinary Reserves B/Fwd	24,077,023	26,956,487	19,716,415
 (y) Sutherlands Park			
Opening Balance	707,853	605,915	568,990
Amount Used / Transfer From Reserve	(300,000)	0	(298,950)
Amount Set Aside / Transfer To Reserve	85,419	90,000	82,932
Amount Set Aside / Interest	14,626	11,938	6,975
	<u>507,898</u>	<u>707,853</u>	<u>359,947</u>
 (z) Walter Padbury Park			
Opening Balance	378,879	317,489	301,711
Amount Set Aside / Transfer To Reserve	42,500	55,000	63,532
Amount Set Aside / Interest	12,493	6,390	7,217
	<u>433,872</u>	<u>378,879</u>	<u>372,460</u>
 Total Ordinary Reserves	<u>25,018,793</u>	<u>28,043,219</u>	<u>20,448,822</u>
 Planning Reserves			
 (aa) ODP - Canning Vale			
Opening Balance	845,392	878,785	873,545
Amount Used / Transfer From Reserve	(30,000)	(47,652)	(30,000)
Amount Set Aside / Transfer To Reserve	20,000	0	20,000
Amount Set Aside / Interest	16,583	14,259	17,064
	<u>851,975</u>	<u>845,392</u>	<u>880,609</u>
 (ab) ODP - Central Maddington Precinct 1			
Opening Balance	61,286	438,045	372,386
Amount Used / Transfer From Reserve	(1,055,798)	(3,383,590)	(158,644)
Amount Set Aside / Transfer To Reserve	8,061,200	3,000,000	178,500
Amount Set Aside / Interest	140,277	6,831	7,750
	<u>7,206,965</u>	<u>61,286</u>	<u>399,992</u>
 (ac) ODP - Central Maddington Precinct 2			
Opening Balance	343,850	321	0
Amount Used / Transfer From Reserve	(25,729)	(42,471)	(27,163)
Amount Set Aside / Transfer To Reserve	110,800	386,000	78,500
Amount Set Aside / Interest	8,514	0	1,014
	<u>437,435</u>	<u>343,850</u>	<u>52,351</u>
 Total Planning Reserves C/Fwd	<u>8,496,375</u>	<u>1,250,528</u>	<u>1,332,952</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
8. Cash Backed Reserves (Continued)			
Planning Reserves			
Total Planning Reserves B/Fwd	8,496,375	1,250,528	1,332,952
(ad) ODP - Homestead Road			
Opening Balance	418,651	301,590	292,669
Amount Used / Transfer From Reserve	(15,000)	(15,000)	(15,000)
Amount Set Aside / Transfer To Reserve	20,000	125,000	20,000
Amount Set Aside / Interest	8,410	7,061	5,882
	432,061	418,651	303,551
(ae) ODP - Maddington Road A and B			
Opening Balance	336,160	296,345	292,365
Amount Used / Transfer From Reserve	(17,000)	(333,855)	(17,000)
Amount Set Aside / Transfer To Reserve	20,000	368,000	100,000
Amount Set Aside / Interest	6,732	5,670	7,418
	345,892	336,160	382,783
(af) ODP - Southern River Precinct 1			
Opening Balance	3,531,840	3,497,274	3,520,327
Amount Used / Transfer From Reserve	(25,000)	(25,000)	(25,000)
Amount Set Aside / Transfer To Reserve	20,000	0	50,000
Amount Set Aside / Interest	70,009	59,566	70,055
	3,596,849	3,531,840	3,615,382
(ag) ODP - Southern River Precinct 2			
Opening Balance	6,190,901	6,106,489	5,977,962
Amount Used / Transfer From Reserve	(20,000)	(20,000)	(20,000)
Amount Set Aside / Transfer To Reserve	100,000	0	100,000
Amount Set Aside / Interest	124,479	104,412	119,704
	6,395,380	6,190,901	6,177,666
(ah) ODP - Southern River Precinct 3			
Opening Balance	3,373,800	3,135,900	3,140,333
Amount Used / Transfer From Reserve	(67,000)	(67,000)	(67,000)
Amount Set Aside / Transfer To Reserve	200,000	248,000	300,000
Amount Set Aside / Interest	69,611	56,900	66,656
	3,576,411	3,373,800	3,439,989
(ai) ODP - Southern River Precinct 3A			
Opening Balance	135,573	133,287	131,716
Amount Set Aside / Transfer To Reserve	20,000	0	20,000
Amount Set Aside / Interest	3,088	2,286	2,998
	158,661	135,573	154,714
Total Planning Reserves C/Fwd	23,001,629	15,237,453	15,407,037

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
8. Cash Backed Reserves (Continued)			
Planning Reserves (Continued)			
Total Planning Reserves B/Fwd	23,001,629	15,237,453	15,407,037
(aj) ODP - Southern River Precinct 3E			
Amount Set Aside / Transfer To Reserve	10,000	0	10,000
Amount Set Aside / Interest	198	0	198
	<u>10,198</u>	<u>0</u>	<u>10,198</u>
(ak) ODP - Southern River Precinct 5			
Opening Balance	63,483	131,350	126,904
Amount Used / Transfer From Reserve	(58,000)	(68,937)	(126,937)
Amount Set Aside / Interest	109	1,070	33
	<u>5,592</u>	<u>63,483</u>	<u>0</u>
(al) ODP - West Canning Vale			
Opening Balance	5,708,257	5,575,383	5,502,596
Amount Used / Transfer From Reserve	(31,000)	(31,000)	(31,000)
Amount Set Aside / Transfer To Reserve	20,000	90,000	50,000
Amount Set Aside / Interest	113,093	73,874	109,106
	<u>5,810,350</u>	<u>5,708,257</u>	<u>5,630,702</u>
(am) Public Open Space - Cash in Lieu			
Opening Balance	25,988,259	26,548,164	25,611,398
Amount Used / Transfer From Reserve	(1,374,132)	(2,842,602)	(1,027,273)
Amount Set Aside / Transfer To Reserve	5,882,750	1,822,000	5,882,750
Amount Set Aside / Interest	605,373	460,697	601,986
	<u>31,102,250</u>	<u>25,988,259</u>	<u>31,068,861</u>
(an) TPS - 15			
Opening Balance	434,796	432,463	423,353
Amount Used / Transfer From Reserve	(5,000)	(5,000)	(5,000)
Amount Set Aside / Transfer To Reserve	10,000	0	10,000
Amount Set Aside / Interest	8,731	7,333	8,465
	<u>448,527</u>	<u>434,796</u>	<u>436,818</u>
(ao) TPS - 17			
Opening Balance	605,195	561,988	555,313
Amount Used / Transfer From Reserve	(5,000)	(5,000)	(5,000)
Amount Set Aside / Transfer To Reserve	10,000	38,000	20,000
Amount Set Aside / Interest	12,112	10,207	11,270
	<u>622,307</u>	<u>605,195</u>	<u>581,583</u>
Total Planning Reserves C/Fwd	61,000,853	48,037,443	53,135,199

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

	2016/17	2015/16	2015/16
	Budget	Actual	Budget
	\$	\$	\$
8. Cash Backed Reserves (Continued)			
Planning Reserves (Continued)			
Total Planning Reserves B/Fwd	<u>61,000,853</u>	<u>48,037,443</u>	<u>53,135,199</u>
(ap) TPS - 20			
Opening Balance	1,206,877	2,077,290	1,971,697
Amount Used / Transfer From Reserve	(859,233)	(896,767)	(5,000)
Amount Set Aside / Transfer To Reserve	0	6,000	20,000
Amount Set Aside / Interest	6,901	20,354	39,256
	<u>354,545</u>	<u>1,206,877</u>	<u>2,025,953</u>
(aq) TPS - 9A			
Opening Balance	1,065,162	1,029,198	1,002,761
Amount Used / Transfer From Reserve	(5,000)	(5,000)	(5,000)
Amount Set Aside / Transfer To Reserve	10,000	23,000	10,000
Amount Set Aside / Interest	21,243	17,964	19,914
	<u>1,091,405</u>	<u>1,065,162</u>	<u>1,027,675</u>
Total Planning Reserves	<u>62,446,803</u>	<u>50,309,482</u>	<u>56,188,827</u>
Total Reserves	<u>87,465,596</u>	<u>78,352,701</u>	<u>76,637,649</u>
Summary of Reserves			
Opening Balance	78,352,701	74,275,498	71,261,232
Amount Used / Transfer From Reserve	(15,420,861)	(9,855,463)	(8,380,289)
Amount Set Aside			
Transfer To Reserve	22,603,756	12,611,317	12,271,706
Interest	1,930,000	1,321,349	1,485,000
	<u>24,533,756</u>	<u>13,932,666</u>	<u>13,756,706</u>
Total Reserves	<u>87,465,596</u>	<u>78,352,701</u>	<u>76,637,649</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

8. Cash Backed Reserves (Continued)

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

Asset Management

New or refurbished assets and asset data collection.

Developer Contributions to Infrastructure

To fund future expenditure on developments that falls outside of a TPS or ODP.

Don Russell Performing Arts Centre

Construction, equipping and assessment of Don Russell Performing Arts Centre funded from Telco Tower leases.

Emergency Services

To fund excess Bushfire and SES expenditure from prior year over budget reimbursements.

Floodlighting Levy

To upgrade the City's active reserve floodlighting.

Gosnells Oval Redevelopment

To fund Council's expenditure on Gosnells Oval funded from Telco Tower leases.

Gosnells Town Centre Revitalisation

To fund the cost of redeveloping and additional operational expenses of Gosnells Town Centre.

Harmony Fields

To provide future expenditure at Harmony Fields funded from Telco Tower leases.

Heritage Condition Reward Scheme

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

To provide funds in case of calls on Council's participation in the self-insurance scheme.

Langford Oval Redevelopment

To assist with the development of Langford Oval funded from Telco Tower leases.

Leisure World Asset Management

Purchase and/or major repair of plant and buildings located at the Leisure World complex.

Local Government Elections

For expenditure associated with holding of local government elections.

Local Open Space Strategy

For expenditure associated with the implementation of the Local Open Space Strategy.

Maddington/Kenwick Revitalisation

To fund the cost of urban renewal in Maddington Kenwick.

MGB Plant and Equipment

To fund expenditure relating to the purchase of infrastructure and associated plant and equipment (including bins) as well as any associated debt.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

8. Cash Backed Reserves (Continued)

Mills Park

To assist with the development of Mills Park funded from Telco Tower leases. In addition to fund repayment of debt associated with the redevelopment of Mills Park.

Netball Courts Resurfacing

Resurfacing of the Southern Districts Netball Courts in Langford as required.

Operations Centre

To fund expenditure relating to the redevelopment of the Operations Centre and any associated debt.

Plant and Equipment

To fund replacement or new acquisition of plant and associated equipment.

Rehabilitation of the Kelvin Road Refuse Disposal Site following future closure funded from Telco Tower leases.

Rate Revaluation

For expenditure associated with the revaluation of properties on which Council raises rates.

Recreation and Culture Infrastructure

To fund future expenditure on Recreational and Cultural infrastructure.

Refuse Disposal Site Rehabilitation

Rehabilitation of the Kelvin Road Refuse Disposal Site following future closure funded from Telco Tower Lease.

Southern River Contaminated Site Rehabilitation

For expenditure associated with the rehabilitation of the Southern River contaminated site.

Sutherlands Park

To fund future works at Sutherlands Park funded from Telco Tower leases.

Walter Padbury Park

To provide future works at Walter Padbury Park funded from Telco Tower leases.

ODP - Canning Vale

To fund expenditure on infrastructure and administrative items within the ODP site with contributions from developers.

ODP - Central Maddington Precinct 1

To fund expenditure on infrastructure and administrative items within the ODP site with contributions from developers.

ODP - Central Maddington Precinct 2

To fund expenditure on infrastructure and administrative items within the ODP site with contributions from developers.

ODP - Homestead Road

To fund expenditure on infrastructure and administrative items within the ODP site with contributions from developers.

ODP - Maddington Road A and B

To fund expenditure on infrastructure and administrative items within the ODP site with contributions from developers.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

8. Cash Backed Reserves (Continued)

ODP - Southern River Precinct 1

To fund expenditure on infrastructure and administrative items within the ODP site with contributions from developers.

ODP - Southern River Precinct 2

To fund expenditure on infrastructure and administrative items within the ODP site with contributions from developers.

ODP - Southern River Precinct 3

To fund expenditure on infrastructure and administrative items within the ODP site with contributions from developers.

ODP - Southern River Precinct 3A

To fund expenditure on infrastructure and administrative items within the ODP site with contributions from developers.

ODP - Southern River Precinct 3E

To fund expenditure on infrastructure and administrative items within the ODP site with contributions from developers.

ODP - Southern River Precinct 5

To fund expenditure on infrastructure and administrative items within the ODP site with contributions from developers.

ODP - West Canning Vale

To fund expenditure on infrastructure and administrative items within the ODP site with contributions from developers.

Public Open Space - Cash in Lieu

To fund expenditure arising out of the need to meet our obligations in respect of provision of Public Open Space.

TPS - 15

To fund expenditure on infrastructure and administrative items within the TPS site with contributions from developers.

TPS - 17

To fund expenditure on infrastructure and administrative items within the TPS site with contributions from developers.

TPS - 20

To fund expenditure on infrastructure and administrative items within the TPS site with contributions from developers.

TPS - 9A

To fund expenditure on infrastructure and administrative items within the TPS site with contributions from developers.

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

Refer to the Supplementary Information for plans of the Town Planning Scheme and ODP (Outline Development Plan) areas.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

9. Rating Information

Rate Type	2016/17 Budget							2015/16
	Rate in \$ cents	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Actual \$
Differential General Rate								
Gross Rental Value (GRV)								
Extractive Industry	11.432	3	415,000	47,443	0	0	47,443	46,086
General GRV	6.017	34,772	836,017,484	50,303,172	908,000	0	51,211,172	48,605,159
Rural GRV	7.220	875	21,890,091	1,580,465	0	0	1,580,465	1,539,472
Tenancy Agreements	6.517	48	2,153,815	140,364	0	0	140,364	139,723
Town Centre	6.920	74	9,349,464	646,983	0	0	646,983	626,293
Unimproved Value (UV)								
Rural UV	0.2367	26	34,200,000	80,951	0	0	80,951	71,281
Rural UV Agricultural Concession	0.1894	9	73,850,000	139,872	0	0	139,872	137,759
Minimum Payment								
Gross Rental Value (GRV)								
General GRV	926	10,046	129,463,275	9,302,596	0	0	9,302,596	9,027,900
Rural GRV	926	64	723,809	59,264	0	0	59,264	59,400
Tenancy Agreements	926	8	55,880	7,408	0	0	7,408	6,300
Town Centre	926	5	41,090	4,630	0	0	4,630	7,200
Unimproved Value (UV)								
Rural UV	926	2	660,000	1,852	0	0	1,852	10,800
		10,125	130,944,054	9,375,750	0	0	9,375,750	9,111,600
		45,932	1,108,819,908	62,315,000	908,000	0	63,223,000	60,277,373

Discounts (Note 13)

0 0

Total Amount Raised from General Rates

63,223,000 60,277,373

Specified Area Rates (Note 10)

437,000 405,044

Total Rates

63,660,000 60,682,417

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

9. 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 general rates for the 2016/17 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.

Objectives and Reasons for Differential Rating

Objectives

The objective of imposing a differential rate is to obtain a fairness and equity in generating income from properties within the City.

To meet the above objectives the following rate categories have been determined:

General GRV

Characteristics

Any land held or predominantly used for residential, commercial or industrial purposes and being vacant or having improvements erected on it.

Reasons

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 2016/17 financial year.

Extractive Industries

Characteristics

Any land zoned or held or used solely for mining and/or having improvements erected on it.

Reasons

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.

Rural GRV

Characteristics

Any land zoned rural but used predominantly for non-rural purposes and being vacant or having improvements erected on it.

Reasons

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.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

9. Rating Information (Continued)

Objectives and Reasons for Differential Rating (Continued)

Tenancy Agreements

Characteristics

Council properties leased to organisations incorporated under the Associations Incorporation Act 1987.

Reasons

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 the managing of these tenancies.

Town Centre

Characteristics

Properties within the Gosnells Town Centre Special Control Area as identified on the City's Town Planning Scheme No. 6 Scheme Map.

Reasons

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

Characteristics

Any land held or predominantly used for rural purposes and being vacant or having relevant buildings erected on it.

Reasons

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 2016/17 financial year.

Rural UV Agricultural Concession

Characteristics

Minimum lot area of 20,200 square meters;

The resident owner derives his/her livelihood from such business/industry:
uses include, but are not limited to grazing, dairying, tree farming and animal husbandry.

Reasons

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 above 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.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

10. Specified Area Rate

Gross Rental Value (GRV)	Rate in \$ cents	Number of Properties	Rateable Value \$	2016/17 Budgeted Revenue \$	Budget Applied to Costs \$	2015/16 Actual \$
Bletchley Park	0.4883	1,197	28,089,904	137,163	137,163	89,467
Brookland Greens	0.3899	562	16,435,192	64,081	64,081	67,899
Sanctuary Waters	0.4332	691	18,108,184	78,445	78,445	80,399
The Avenues	0.4804	498	11,883,530	57,088	57,088	62,776
The Boardwalk	0.3804	623	18,522,250	70,459	70,459	73,651
The Reserve	0.3076	347	9,676,261	29,764	29,764	30,852
				437,000	437,000	405,044

The Bletchley Park SAR area has been extended to include an additional 210 rateable properties. The area is now bounded by Marnbu Road, Southern River Road, Ranford Road and Balfour Street. (Refer to Supplementary information for a plan of the SAR area).

Purpose

Purpose for the rate and proposed application of proceeds:

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

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

11. Service Charges

Nil.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

12. Interest Charges and Instalments - Rates and Service Charges

	Interest Rate %	Admin. Charge \$	2016/17 Budget \$	2015/16 Actual \$
Interest				
Late Payment/Special Payment Arrangement	11%	N/A	187,000	280,000
Four Instalment Payment Plan	5.5%	N/A	410,000	450,000
			597,000	730,000
Administration Fees				
Four Instalment Payment Plan	N/A	13.50	218,000	199,838
Special Payment Arrangement Plan	N/A	13.50	27,000	15,000
			245,000	214,838
			842,000	944,838

Rates Instalment Options

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

Payment in full by 31 August 2016

Payment by Four Instalments:

1st Instalment due by 31 August 2016
 2nd Instalment due by 4 November 2016
 3rd Instalment due by 20 January 2017
 4th Instalment due by 24 March 2017

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.

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 plan and late payment interest is applied to the outstanding balance that remains unpaid 35 days from the issue of the original rate notice until the account is paid in full. For direct debit arrangement terms and conditions contact the City's Rates section.

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 are included and payable in the first instalment and continue to attract late payment interest until paid.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

13. Payment Incentives, Discounts, Waivers, Concessions and Write-offs

	Type	Disc %	2016/17 Budget \$	2015/16 Actual \$
Rates Incentive A	Incentive	N/A	5,000	5,000
Rates Incentive B	Incentive	N/A	0	0
Leisure World	Discount	Various	50,000	49,062
Leisure Programs	Discount	Various	900	883
Don Russell Performing Arts Centre	Discount	Various	2,500	2,500
Ranger Services	Discount	Various	40,000	38,856
Library & Heritage Services	Discount	Various	250	245
Health Services	Discount	Various	12,170	11,930
Facility Hire Charges	Discount	100%	389	378
Rates Waivers	Waiver	N/A	61,780	61,653
Sundry Debtors Write-off	Write-Off	N/A	0	0

Description of Incentives, Discounts, Waivers, Concessions and Write-offs

Incentives for the early payment of rates are offered as follows:

Incentive A

Five prizes of \$1,000 each, funded by the City of Gosnells, will be drawn on a random basis as an incentive for ratepayers to pay their rates in full within 35 days from the date of issue of the 2016/17 Rate Notices.

Westpac Banking Corporation will also provide a \$2,000 savings account.

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.

Winners will be notified.

Councillors and employees of the City of Gosnells 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 (4) 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 next to Ray White at Forest Lakes Forum between Saturday 23 July and noon on Friday 26 August 2016 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 2017

13. Payment Incentives, Discounts, Waivers, Concessions and Write-offs (Continued)

Leisure World

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

10% discount on all levels for second and subsequent children for Swim School Vacation Lessons

5% Discount (second and subsequent children enrolled into term programs)

10% Discount (general offer)

15% Discount (general offer)

30% 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 ticket with every 10 purchased)

Group Bookings - (3 free tickets with every 20 purchased)

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

Leisure Programs

Leisure programs offered 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 & Volunteers - up to 25% discount

Don Russell Performing Art Centre

Various discounts on ticket prices are provided to Council's staff and non-staff to enhance the financial viability of the program or show.

15% Discount (general offer; or 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 & Volunteers - up to 25% discount

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

15% discount - 20 or more hours/week

Ranger Services

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

Guide Dogs - 100% Concession

Dogs used for Droving or tendering stock - 25% 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.

Library & Heritage Services

The City offered a concession 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)

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

13. Payment Incentives, Discounts, Waivers, Concessions and Write-offs (Continued)

Health Services

In relation to Food Businesses (Food Act 2008) a discount has been granted to School Canteens (50%), Community Associations (50%), Sporting Clubs (100%), Social Club (100%) and Meals on Wheels distribution (100%) in recognition of their community benefit.

Charitable organisations received 100% concession on stallholder permit and traders permit fees not exceeding 1 day.

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.

Rate Waivers

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

	2016/17
	Budget
	\$
Gosnells Junior Football Club Inc	2,646
Grand Lodge Of Western Australia	
Freemasons Homes For The Aged Inc	59,134
	<u>61,780</u>

Sundry Debt Write-off

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

14. 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:

Detail	Balance 1-Jul-16 \$	Estimated		
		Amounts Received \$	Amounts Paid (\$)	Balance 1-Jul-17 \$
Construction Training Fund	0	600,000	(600,000)	0
Builders Registration Board Fund	43,821	537,000	(550,000)	30,821
Unclaimed Money	66,074	4,305	(30,932)	39,447
ECM User Group	4,444	0	(4,444)	0
	114,339	1,141,305	(1,185,376)	70,268

15. Trading Undertakings and Major Trading Undertakings

It is not anticipated any trading undertakings or major trading undertakings will occur in 2016/17.

16. Interests in Joint Arrangements

It is not anticipated any interests in joint arrangements will occur in 2016/17.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

17. Major Land Transactions

(a) Streatham Street Subdivision Stage 1

(i) Details

Council developed and subdivided Lot 85 Streatham Street and Lot 900 Railway Parade, Beckenham, known as Sydenham St Reserve. This subdivision created 52 residential lots and the development of a new public open space area adjacent to Beckenham Community Centre. The City sold the residential lots during 2015/16 financial year.

The development and subdivision costs for this project were funded by a loan from WA Treasury Corporation and were repaid from the proceeds of the sale of residential lots.

(ii) Revenue and Expenses

	Project Budget \$	Project Actual \$	2016/17 Budget \$	2015/16 Actual \$
Funding Sources				
Capital Revenue				
Proceeds - Asset Disposals	12,751,754	12,879,954	0	12,879,954
Other Funding Sources				
Loan Proceeds	5,300,000	5,300,000	0	0
General Purpose Revenue	608,000	418,000	190,000	18,000
	<u>5,908,000</u>	<u>5,718,000</u>	<u>190,000</u>	<u>18,000</u>
Total funding sources	<u>18,659,754</u>	<u>18,597,954</u>	<u>190,000</u>	<u>12,897,954</u>
Disbursement of Funds				
Operating Expense				
Interest Expense	(350,000)	(320,822)	0	0
Other Expenditure	(208,000)	(18,000)	(190,000)	(18,000)
	<u>(558,000)</u>	<u>(338,822)</u>	<u>(190,000)</u>	<u>(18,000)</u>
Capital Expenditure				
Materials & Contracts	(6,350,000)	(6,620,373)	0	(47,097)
Interest Expense	(520,000)	(305,189)	0	(157,410)
	<u>(6,870,000)</u>	<u>(6,925,562)</u>	<u>0</u>	<u>(204,507)</u>
Other Expenses				
Loan Repayment	(5,300,000)	(5,300,000)	0	0
Allocation of net proceeds to Mills Park	(5,931,754)	(6,033,570)	0	(6,033,570)
	<u>(11,231,754)</u>	<u>(11,333,570)</u>	<u>0</u>	<u>(6,033,570)</u>
Total disbursement of funds	<u>(18,659,754)</u>	<u>(18,597,954)</u>	<u>(190,000)</u>	<u>(6,256,077)</u>
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,641,877</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

17. Major Land Transactions (Continued)

(a) Streatham Street Subdivision Stage 1 (Continued)

(iii) Asset and Liabilities

The land sales occurred during 2015/16 financial year. Consequently, any assets associated with the subdivision are expected to be fully disposed by 30 June 2016.

It is not anticipated any liabilities will exist in relation to this land transaction as at 30 June 2016.

(iv) Expected Future Projections

	2016/17	2017/18	2018/19	Total
	\$	\$	\$	\$
Expenditure				
Other Expenditure	(190,000)	0	0	(190,000)
Net Future Projections	<u>(190,000)</u>	<u>0</u>	<u>0</u>	<u>(190,000)</u>

(b) 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 44 Lot residential subdivision around the perimeter of the park to provide much needed visual security to the area.

Robinson Park is large neighbourhood park, which is currently 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 great community, social or recreation function for the community. In the past, the site has been susceptible to anti-social behaviour including but not limited to illegal dumping of waste, vandalism of community infrastructure and the misuse of alcohol and syringes. The revitalisation project aims to drastically improve 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 2015, the City applied to the Minister for Lands to purchase 4 Crown land parcels (Lots 2787, 2852, 2776, 2538 Rosekelly Road) and to the Minister of Planning to rezone Lots 2787, 2852, 2776, 2538 Rosekelly Road and Lots 864, 865, 866, 867 Corfield Street, Gosnells to allow the 44 Lot subdivision to progress.

The City is awaiting approval on both applications. Once approval is granted the City will advertise their intentions for the Robinson Park revitalisation project through a Major Land Transaction process as defined through the Local Government Act's s3.59 – Commercial Enterprises by Local Governments.

Construction is expected to begin in late 2016 and be completed by 2017.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

17. Major Land Transactions (Continued)

(b) Robinson Park Redevelopment and Subdivision (Continued)

(ii) Revenue and Expenses

	Project Budget \$	Project Actual \$	2016/17 Budget \$	2015/16 Actual \$
Funding Sources				
Capital Revenue				
Proceeds - Asset Disposals	10,400,000	0	10,400,000	0
Other Funding Sources				
Loan Proceeds	5,600,000	0	5,600,000	0
Total funding sources	<u>16,000,000</u>	<u>0</u>	<u>16,000,000</u>	<u>0</u>
Disbursement of Funds				
Operating Expense				
Materials & Contracts	(690,000)	(260,000)	(430,000)	(31,433)
Capital Expenditure				
Materials & Contracts	(5,600,000)	0	(5,685,589)	(14,411)
Interest Expense	(324,000)	0	(224,000)	0
Other Expenses				
Loan Repayment	(5,600,000)	0	(5,600,000)	0
Transfer to Reserve				
Local Open Space Strategy	(3,786,000)	0	(3,786,000)	0
Total disbursement of funds	<u>(16,000,000)</u>	<u>(260,000)</u>	<u>(15,725,589)</u>	<u>(45,844)</u>
Total	<u>0</u>	<u>(260,000)</u>	<u>(274,411)</u>	<u>(45,844)</u>

(iii) Asset and Liabilities

It is not anticipated any liabilities will exist in relation to this land transaction as at 30 June 2016. It is anticipated assets with a written down value of \$960,000 will be held in relation to this land transaction as at 30 June 2016.

It is anticipated a \$5,600,000 short term loan facility be established during the 2016/17 financial year to be repaid from sale proceeds.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

17. Major Land Transactions (Continued)

(b) Robinson Park Redevelopment and Subdivision (Continued)

(iv) Expected Future Projections

	2016/17	2017/18	2018/19	Total
	\$	\$	\$	\$
Revenue				
Proceeds - Asset Disposals	10,400,000	0	0	10,400,000
Loan Proceeds	5,600,000	0	0	5,600,000
	<u>16,000,000</u>	<u>0</u>	<u>0</u>	<u>16,000,000</u>
Expenditure				
Materials & Contracts	(6,115,589)	0	0	(6,115,589)
Interest Expense	(224,000)	0	0	(224,000)
Loan Repayment	(5,600,000)	0	0	(5,600,000)
Transfer to Reserve	(3,786,000)	0	0	(3,786,000)
	<u>(15,725,589)</u>	<u>0</u>	<u>0</u>	<u>(15,725,589)</u>
Net Future Projections	<u>274,411</u>	<u>0</u>	<u>0</u>	<u>274,411</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

17. Major Land Transactions (Continued)

(c) Southern River Business Park

(i) Details

The proposed Southern River Business park consists of Lot 21 Furley Rd, Lots 100 and 1768 Sothern River Rd and Lot 1767 Matison St. which are owned in fee simple by the City. Work has recently commenced on the preparation of a suitable subdivision layout which will be guided by a marketing analysis. Following this and various other studies such as a geotechnical report, groundwater monitoring and the preparation of a drainage strategy, the project will move into the detailed design stage followed by tender and construction.

(ii) Revenue and Expenses

	Project Budget \$	Project Actual \$	2016/17 Budget \$	2015/16 Actual \$
Funding Sources				
Capital Revenue				
Proceeds - Asset Disposals	28,000,000	0	0	0
Other Funding Sources				
Loan Proceeds	9,600,000	0	600,000	0
Total funding sources	<u>37,600,000</u>	<u>0</u>	<u>600,000</u>	<u>0</u>
Disbursement of Funds				
Operating Expense				
Materials & Contracts	(600,000)	0	(600,000)	0
Capital Expenditure				
Materials & Contracts	(9,000,000)	0	0	0
Interest Expense	(380,000)	0	0	0
	<u>(9,380,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Expenses				
Loan Repayment	(9,600,000)	0	0	0
Transfer to Reserve				
Operations Centre	(16,500,000)	0	0	0
	<u>(26,100,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total disbursement of funds	<u>(36,080,000)</u>	<u>0</u>	<u>(600,000)</u>	<u>0</u>
Total	<u>1,520,000</u>	<u>0</u>	<u>0</u>	<u>0</u>

(iii) Asset and Liabilities

It is not anticipated any liabilities will exist in relation to this project as at 30 June 2016. It is anticipated assets with a written down value of \$26,300,000 be held as at 30 June 2016.

It is anticipated a \$9,600,000 short term loan facility will be established during 2016/17 financial year to be repaid from sale proceeds.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

17. Major Land Transactions (Continued)

(c) Southern River Business Park (Continued)

(iv) Expected Future Projections

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	\$	\$	\$	\$	\$	\$
Revenue						
Proceeds - Asset Disposals	0	7,000,000	7,000,000	7,000,000	7,000,000	28,000,000
Loan Proceeds	600,000	4,500,000	4,500,000	0	0	9,600,000
	<u>600,000</u>	<u>11,500,000</u>	<u>11,500,000</u>	<u>7,000,000</u>	<u>7,000,000</u>	<u>37,600,000</u>
Expenditure						
Materials & Contracts	(600,000)	(4,500,000)	(4,500,000)	0	0	(9,600,000)
Interest Expense	0	(200,000)	(180,000)	0	0	(380,000)
Loan Repayment	0	(5,100,000)	(4,500,000)	0	0	(9,600,000)
Transfer to Reserve	0	0	0	0	(16,500,000)	(16,500,000)
	<u>(600,000)</u>	<u>(9,800,000)</u>	<u>(9,180,000)</u>	<u>0</u>	<u>(16,500,000)</u>	<u>(36,080,000)</u>
Net Future Projections	<u>0</u>	<u>1,700,000</u>	<u>2,320,000</u>	<u>7,000,000</u>	<u>(9,500,000)</u>	<u>1,520,000</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

17. Major Land Transactions (Continued)

(d) Hester Park

(i) Details

The City is currently working with the Department of Planning to develop a Master Plan for the future of Hester Park. A community consultation process has taken place which has driven the development of the Master Plan to include amenities that the community would like to see such as playgrounds, pathways, lighting, bbq's etc. The project will be funded by subdividing a portion of the existing reserve and selling the land. The amount of amenity that can be provided will be dependent on the amount of land developed and the subsequent revenue raised from these land sales.

(ii) Revenue and Expenses

	Project Budget \$	Project Actual \$	2016/17 Budget \$	2015/16 Actual \$
Funding Sources				
Capital Revenue				
Proceeds - Asset Disposals	10,000,000	0	0	0
Other Funding Sources				
General Purpose Revenue	650,000	60,000	590,000	30,000
Total funding sources	<u>10,650,000</u>	<u>60,000</u>	<u>590,000</u>	<u>30,000</u>
Disbursement of Funds				
Operating Expense				
Materials & Contracts	(650,000)	(60,000)	(590,000)	(30,000)
Capital Expenditure				
Materials & Contracts	(10,000,000)	0	0	0
Total distribution of funds	<u>(10,650,000)</u>	<u>(60,000)</u>	<u>(590,000)</u>	<u>(30,000)</u>
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

(iii) Asset and Liabilities

It is not anticipated any assets or liabilities will exist in relation to this project as at 30 June 2016.

(iv) Expected Future Projections

	2016/17 \$	2017/18 \$	2018/19 \$	Total \$
Revenue				
Proceeds - Asset Disposals	0	10,000,000	0	10,000,000
General Purpose Revenue	590,000	0	0	590,000
	<u>590,000</u>	<u>10,000,000</u>	<u>0</u>	<u>10,590,000</u>
Expenditure				
Materials & Contracts	(590,000)	(10,000,000)	0	(10,590,000)
	<u>(590,000)</u>	<u>(10,000,000)</u>	<u>0</u>	<u>(10,590,000)</u>
Net Future Projections	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

18. Major Projects

(a) Mills Park Redevelopment

(i) Details

The Mills Park Redevelopment Project in its current form commenced on 1 July 2011, with the development of a concept plan for the site. Previous studies dating back over a number of years helped inform the concept plan. Since July 2011, the City has in consultation with the general community, the Mills Park sporting clubs and State Government agencies developed the current form of the Mills Park Master Plan which Council adopted in 2013.

The Mills Park re-development is a comprehensive re-generation of the entire Mills Park facility and includes the following elements:

- New multi-purpose two-storey community facility including clubrooms, function centre, change rooms, café, meeting rooms, kindy gym
- Additional satellite toilets, change rooms and kiosk facilities
- Newly re-surfaced active sports grounds for a variety of sports including AFL and cricket
- Fitness track incorporating outdoor exercise equipment
- Two new synthetic all weather soccer pitches
- Four new public use tennis courts
- Sports field lighting
- New plaza style skate park
- Piazza style area for outdoor community events
- Regional playground incorporating nature play
- Bicycle/walking paths incorporating path lighting
- Site wide formalised and overflow car parking

Council approved the invitation of tenders for the construction of the Mills Park Master Plan in October 2014. A pre-tender estimate for the construction works was \$44.78M. A slowdown in the construction industry in Perth saw the City receive very favourable responses to the invitation to tender. Subsequently in February 2015 the City accepted tenders to the value of \$36.76M for the works and additional expenditure of \$10.18M on professional fees, separate contracts for park furniture, change rooms, public toilets and turf, and a public art allowance, overhead recovery and design and Headworks charges. Works commenced onsite in March 2015 and are planned for completion by December 2016.

The redevelopment will be funded from a combination of grant, reserve, loan and municipal funds. In 2014/15 the City obtained a loan facility from the Western Australian Treasury Corporation for \$27,026,000 and the funds to be drawn as required.

The project budget is subject to budget variations after the finalisation of City owned land sale proceeds and approved construction contract variations in accordance Australian Standard 2124.1992.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

18. Major Projects (Continued)

(a) Mills Park Redevelopment (Continued)

(ii) Revenue and Expenses

	Project Budget \$	Project Actual \$	2016/17 Budget \$	2015/16 Actual \$
Funding Sources				
Capital Revenue				
Non Operating Grants	8,000,000	7,000,000	1,000,000	7,000,000
Proceeds - Asset Disposals				
Streatham Street	8,072,754	6,033,570	2,141,000	6,033,570
Central Terrace Hall	440,000	0	440,000	0
	<u>16,512,754</u>	<u>13,033,570</u>	<u>3,581,000</u>	<u>13,033,570</u>
Other Revenue Sources				
Transfer from Reserve				
Mills Park	1,621,600	31,600	1,590,000	0
POS Beckenham	846,859	0	846,859	0
Loan Proceeds	27,026,000	15,000,000	9,330,000	15,000,000
General Purpose Revenue	1,656,780	1,090,279	361,000	155,279
	<u>31,151,239</u>	<u>16,121,879</u>	<u>12,127,859</u>	<u>15,155,279</u>
Total funding sources	<u>47,663,993</u>	<u>29,155,449</u>	<u>15,708,859</u>	<u>28,188,849</u>
Distribution of Funds				
Operating Expense				
Materials & Contracts	(466,600)	(326,420)	(137,744)	(1,218)
Capital Expenditure				
Materials & Contracts	(46,475,613)	(39,805,171)	(7,031,222)	(30,007,326)
Interest Expense	(721,780)	(155,279)	(361,000)	(155,279)
	<u>(47,197,393)</u>	<u>(39,960,450)</u>	<u>(7,392,222)</u>	<u>(30,162,605)</u>
Total distribution of funds	<u>(47,663,993)</u>	<u>(40,286,870)</u>	<u>(7,529,966)</u>	<u>(30,163,823)</u>
Total	<u>0</u>	<u>(11,131,421)</u>	<u>8,178,893</u>	<u>(1,974,974)</u>

(iii) Asset and Liabilities

In 2014/15 a loan facility of \$27,026,000 was established. It is anticipated \$15,000,000 will be drawn against the facility as at 30 June 2016. Loan repayments are expected to be financed by general purpose revenue.

It is anticipated assets with a written down value of \$39,404,012 will be held as at 30 June 2016.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

18. Major Projects (Continued)

(a) Mills Park Redevelopment (Continued)

(iv) Expected Future Projections

	2016/17	2017/18	2018/19	Total
	\$	\$	\$	\$
Revenue				
Loan Proceeds	9,330,000	0	0	9,330,000
General Purpose Revenue	361,000			361,000
Non Operating Grants	1,000,000	0	0	1,000,000
Transfer from Reserve	2,436,859	0	0	2,436,859
Proceeds - Asset Disposals	2,581,000	0	0	2,581,000
	<u>15,708,859</u>	<u>0</u>	<u>0</u>	<u>15,708,859</u>
Expenditure				
Materials & Contracts	(7,168,966)	0	0	(7,168,966)
Interest Expense	(361,000)	(941,000)	(894,000)	(2,196,000)
	<u>(7,529,966)</u>	<u>(941,000)</u>	<u>(894,000)</u>	<u>(9,364,966)</u>
Net Future Projections	<u>8,178,893</u>	<u>(941,000)</u>	<u>(894,000)</u>	<u>6,343,893</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

18. Major Projects (Continued)

(b) Operations Centre Redevelopment

(i) Details

The City is currently seeking suitable land for the development of a new operations centre to replace the existing operations centre in Maddington which is very quickly nearing the end of its useful life. Once suitable land has been found the project will progress to detailed design and construction phase.

(ii) Revenue and Expenses

	Project Budget \$	Project Actual \$	2016/17 Budget \$	2015/16 Actual \$
Funding Sources				
Other Funding Sources				
Transfer to Reserve				
Operations Centre	16,500,000	0	0	0
Loan Proceeds	16,500,000	0	1,500,000	0
General Purpose Revenue	1,500,000	0	0	0
Total funding sources	<u>34,500,000</u>	<u>0</u>	<u>1,500,000</u>	<u>0</u>
Disbursement of Funds				
Operating Expense				
Materials & Contracts	(1,500,000)	0	(1,500,000)	0
Interest Expense	(100,000)	0	0	0
	<u>(1,600,000)</u>	<u>0</u>	<u>(1,500,000)</u>	<u>0</u>
Capital Expenditure				
Materials & Contracts	(15,000,000)	0	0	0
Interest Expense	(1,400,000)	0	0	0
	<u>(16,400,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Expenses				
Loan Repayment	(16,500,000)	0	0	0
Total distribution of funds	<u>(34,500,000)</u>	<u>0</u>	<u>(1,500,000)</u>	<u>0</u>
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

(iii) Asset and Liabilities

It is not anticipated any assets or liabilities will exist in relation to this project as at 30 June 2016.

It is anticipated a short term loan facility be established during 2016/17 financial year to be repaid from the Southern River Business Park sale proceeds.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

18. Major Projects (Continued)

(b) Operations Centre Redevelopment (Continued)

(iv) Expected Future Projections

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	\$	\$	\$	\$	\$	\$
Revenue						
Transfer to Reserve	0	0	0	0	16,500,000	16,500,000
Loan Proceeds	1,500,000	15,000,000	0	0	0	16,500,000
General Purpose Revenue	0	100,000	600,000	600,000	200,000	1,500,000
	<u>1,500,000</u>	<u>15,100,000</u>	<u>600,000</u>	<u>600,000</u>	<u>16,700,000</u>	<u>34,500,000</u>
Expenditure						
Interest Expense	0	(100,000)	(600,000)	(600,000)	(200,000)	(1,500,000)
Materials & Contracts	(1,500,000)	(15,000,000)	0	0	0	(16,500,000)
Loan Repayment	0	0	0	0	(16,500,000)	(16,500,000)
	<u>(1,500,000)</u>	<u>(15,100,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>(16,700,000)</u>	<u>(34,500,000)</u>
Net Future Projections	<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 2017

18. Major Projects (Continued)

(c) Streatham Street Subdivision Stage 2

(i) Details

Streatham Street Subdivision Stage 2 consists of the existing site of the Beckenham Community Centre located at Lot 900 Railway Parade which will now be demolished and all the users of the community centre will be re-located to the Mills Park Centre. The land will be subdivided into 14 lots and sold. The net proceeds of which will be allocated to the cost of the Mills Park Redevelopment project.

(ii) Revenue and Expenses

	Project Budget \$	Project Actual \$	2016/17 Budget \$	2015/16 Actual \$
Funding Sources				
Capital Revenue				
Proceeds - Asset Disposals	4,045,000	0	4,045,000	0
Other Funding Sources				
General Purpose Revenue	200,000	65,331	134,669	0
Total funding sources	<u>4,245,000</u>	<u>65,331</u>	<u>4,179,669</u>	<u>0</u>
Disbursement of Funds				
Operating Expense				
Materials & Contracts	(72,000)	0	(72,000)	0
Capital Expenditure				
Materials & Contracts	(2,032,000)	(65,331)	(1,966,669)	(65,331)
Other Expenses				
Allocation of net proceeds to Mills Park	(2,141,000)	0	(2,141,000)	0
Total distribution of funds	<u>(4,245,000)</u>	<u>(65,331)</u>	<u>(4,179,669)</u>	<u>(65,331)</u>
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>(65,331)</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2017

18. Major Projects (Continued)

(c) Streatham Street Subdivision Stage 2 (Continued)

(iii) Asset and Liabilities

It is anticipated a land held for resale asset with a written down value of \$741,194 will exist as at 30 June 2016.

It is not anticipated any liabilities will exist in relation to this project as at 30 June 2016.

(iv) Expected Future Projections

	2016/17	2017/18	2018/19	Total
	\$	\$	\$	\$
Revenue				
Proceeds - Asset Disposals	4,045,000	0	0	4,045,000
General Purpose Revenue	134,669	0	0	134,669
	<u>4,179,669</u>	<u>0</u>	<u>0</u>	<u>4,179,669</u>
Expenditure				
Materials & Contracts	(2,038,669)	0	0	(2,038,669)
Allocation of net proceeds to Mills Park	(2,141,000)	0	0	(2,141,000)
	<u>(4,179,669)</u>	<u>0</u>	<u>0</u>	<u>(4,179,669)</u>
Net Future Projections	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>