



# **Budget**

## **Statutory Statements and Notes for the year ending 30 June 2019**



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**City of Gosnells**  
**Statement of Comprehensive Income**  
**By Nature or Type**  
**for the year ending 30 June 2019**

	Note	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>Revenue</b>				
Rates	9	67,354,639	65,199,377	65,337,000
Operating Grants, Subsidies and Contributions	2(a)	6,771,983	4,411,023	6,574,972
Fees and Charges	2(a)	25,570,448	23,131,635	23,708,624
Interest Earnings	2(a)	4,704,000	4,842,000	4,522,000
Other Revenue	2(a)	67,150	231,630	108,000
		<u>104,468,220</u>	<u>97,815,665</u>	<u>100,250,596</u>
<b>Expenditure</b>				
Employee Costs		(46,909,692)	(44,804,408 )	(45,110,726)
Materials and Contracts		(36,336,841)	(27,502,072 )	(33,422,389)
Utility Charges		(4,975,724)	(4,715,506)	(5,085,898)
Amortisation and Depreciation	2(a)	(24,059,974)	(24,145,222 )	(24,145,219)
Interest Expenses	2(a)	(377,151)	(492,457)	(524,525)
Insurance Expenses		(1,112,005)	(1,011,520)	(1,953,171)
Other Expenses		(1,338,978)	(4,306,563)	(1,703,505)
		<u>(115,110,365)</u>	<u>(106,977,748)</u>	<u>(111,945,433)</u>
		<u>(10,642,145)</u>	<u>(9,162,083)</u>	<u>(11,694,837)</u>
Non-Operating Grants, Subsidies and Contributions	2(a)	13,515,474	13,159,777	16,217,319
Fair Value Adjustment to Financial Assets at Fair Value through Profit or Loss	2(a)	0	38,600	103,000
Profit on Asset Disposals	6	11,682,396	2,328,582	15,833,842
Loss on Asset Disposals	6	(209,320)	(1,190,297)	(917,805)
		<u>24,988,550</u>	<u>14,336,662</u>	<u>31,236,356</u>
<b>Net Result</b>		<u>14,346,405</u>	<u>5,174,579</u>	<u>19,541,519</u>
<b>Other Comprehensive Income</b>				
Changes on revaluation of Non-Current Assets		0	0	0
<b>Total Comprehensive Income</b>		<u>14,346,405</u>	<u>5,174,579</u>	<u>19,541,519</u>

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

**City of Gosnells**  
**Statement of Comprehensive Income**  
**By Program**  
**for the year ending 30 June 2019**

	Note	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>Revenue</b>				
<b>Refer to Notes 1, 2, 9 and 12</b>				
General Purpose Funding		77,215,569	73,149,287	74,973,000
Governance		7,367	6,317	7,417
Law, Order and Public Safety		706,607	524,372	753,159
Health		314,317	290,069	307,799
Education and Welfare		642,161	763,686	802,892
Community Amenities		17,944,324	15,837,337	15,939,283
Recreation and Culture		4,248,106	4,073,688	4,053,942
Transport		376,000	373,678	358,000
Economic Services		2,364,401	2,156,906	2,403,467
Other Property and Services		649,370	640,325	651,637
		104,468,222	97,815,665	100,250,596
<b>Expenses excluding Finance Costs</b>				
<b>Refer to Notes 1 and 2</b>				
General Purpose Funding		(1,724,866)	(1,602,418)	(1,730,747)
Governance		(6,148,947)	(6,156,604)	(6,622,223)
Law, Order and Public Safety		(3,616,922)	(4,080,038)	(4,267,204)
Health		(1,338,464)	(1,288,305)	(1,338,936)
Education and Welfare		(4,712,513)	(4,122,570)	(4,430,611)
Community Amenities		(25,418,353)	(23,415,778)	(21,995,216)
Recreation and Culture		(37,872,684)	(35,259,595)	(36,742,150)
Transport		(28,353,308)	(26,541,427)	(28,333,453)
Economic Services		(3,338,180)	(2,936,574)	(3,105,698)
Other Property and Services		(2,208,977)	(1,081,983)	(2,854,670)
		(114,733,214)	(106,485,292)	(111,420,908)
Finance Costs	2(a)	(377,151)	(492,457)	(524,525)
Non-Operating Grants, Subsidies and Contributions	2(a)	13,515,474	13,159,777	16,217,319
Fair Value Adjustments to Financial Assets at Fair Value through Profit or Loss	2(a)	0	38,600	103,000
Profit on Disposal of Assets	6	11,682,396	2,328,582	15,833,842
(Loss) on Disposal of Assets	6	(209,320)	(1,190,297)	(917,805)
<b>Net Result</b>		14,346,407	5,174,578	19,541,519
<b>Other Comprehensive Income</b>				
Changes on revaluation of Non-Current Assets		0	0	0
<b>Total Comprehensive Income</b>		14,346,407	5,174,578	19,541,519

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 2019**

	Note	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Rates		67,354,639	65,799,377	66,637,000
Operating Grants, Subsidies and Contributions		6,421,983	4,457,023	6,474,972
Fees and Charges		26,032,448	22,915,189	23,858,624
Interest Earnings		4,552,774	5,003,359	4,121,909
Goods and Services Tax		3,800,000	3,430,000	5,900,000
Other Revenue		67,150	231,630	108,000
		<u>108,228,994</u>	<u>101,836,578</u>	<u>107,100,505</u>
<b>Payments</b>				
Employee Costs		(46,902,827)	(44,311,273)	(45,360,726)
Materials and Contracts		(37,481,560)	(22,438,993)	(31,459,984)
Utility Charges		(5,075,724)	(4,615,506)	(5,085,898)
Interest Expenses		(377,151)	(492,457)	(540,677)
Insurance Expenses		(1,112,005)	(1,011,520)	(1,953,171)
Goods and Services Tax		(3,850,000)	(3,280,000)	(5,850,000)
Other Expenses		(1,338,978)	(4,306,563)	(1,703,505)
		<u>(96,138,245)</u>	<u>(80,456,312)</u>	<u>(91,953,961)</u>
<b>Net Cash provided by (used in) Operating Activities</b>	3(b)	<u>12,090,749</u>	<u>21,380,266</u>	<u>15,146,544</u>
<b>Cash Flows from Investing Activities</b>				
Payments for:				
Development of Land Held for Resale		(14,260,667)	(64,187)	(11,034,228)
Purchase of Property, Plant & Equipment		(11,882,634)	(5,988,877)	(14,336,539)
Construction of Infrastructure		(26,336,667)	(21,610,115)	(30,559,975)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		13,515,474	13,159,777	16,217,319
Proceeds from Sale of Property, Plant & Equipment		13,654,310	4,959,461	19,906,200
<b>Net Cash provided by (used in) Investing Activities</b>	3(c)	<u>(25,310,184)</u>	<u>(9,543,941)</u>	<u>(19,807,223)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Loan Facilities	7	(6,985,894)	(8,746,705)	(13,873,000)
Proceeds from New Loan Facilities	7	22,400,000	0	19,417,500
<b>Net Cash provided by (used in) Financing Activities</b>		<u>15,414,106</u>	<u>(8,746,705)</u>	<u>5,544,500</u>
<b>Net Increase (Decrease) in Cash Held</b>		2,194,670	3,089,619	883,821
Cash at Beginning of the Year		120,940,555	117,850,936	110,740,672
<b>Cash and Cash Equivalents at the End of the Year</b>	3	<u>123,135,227</u>	<u>120,940,556</u>	<u>111,624,493</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 2019**

	Note	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>Revenue from Operating Activities excluding Rates</b>				
General Purpose Funding		9,860,930	7,949,910	9,636,000
Governance		7,367	6,317	7,417
Law, Order and Public Safety		706,607	524,372	753,159
Health		314,317	290,069	307,799
Education and Welfare		642,161	763,686	802,892
Community Amenities		17,944,324	15,837,337	15,939,283
Recreation and Culture		4,248,106	4,073,688	4,053,942
Transport		423,771	336,979	403,411
Economic Services		2,364,401	2,156,906	2,403,467
Other Property and Services		12,283,995	3,005,606	16,440,068
		<u>48,795,979</u>	<u>34,944,870</u>	<u>50,747,438</u>
<b>Expenditure from Operating Activities</b>				
General Purpose Funding		(1,724,866)	(1,602,418)	(1,730,747)
Governance		(6,148,947)	(6,156,604)	(6,622,223)
Law, Order and Public Safety		(3,616,922)	(4,080,038)	(4,267,204)
Health		(1,338,464)	(1,288,305)	(1,338,936)
Education and Welfare		(4,712,513)	(4,122,570)	(4,430,611)
Community Amenities		(25,530,361)	(23,515,100)	(22,145,216)
Recreation and Culture		(38,137,827)	(35,652,730)	(37,116,675)
Transport		(28,562,628)	(27,456,872)	(29,251,258)
Economic Services		(3,338,180)	(2,936,574)	(3,105,698)
Other Property and Services		(2,208,977)	(1,356,835)	(2,854,670)
		<u>(115,319,685)</u>	<u>(108,168,046)</u>	<u>(112,863,238)</u>
<b>Adjustments for Cash Budget Requirements</b>				
<b>Non-Cash Revenue and Expenses</b>				
(Profit)/Loss on Asset Disposals	6	(11,473,076)	(1,138,285)	(14,916,037)
Amortisation and Depreciation	2(a)	24,290,938	24,319,838	24,319,837
Fair Value Adjustment to Financial Assets at Fair Value through Profit or Loss	2(a)	0	38,600	103,000
Changes in Other Non-Current Assets		0	(38,600)	(103,000)
		<u>12,817,862</u>	<u>23,181,553</u>	<u>9,403,800</u>
<b>Amount attributable to Operating Activities</b>		<u>(53,705,844)</u>	<u>(50,041,623)</u>	<u>(52,712,000)</u>



**City of Gosnells  
Rate Setting Statement  
for the year ending 30 June 2019**

	Note	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>Investing Activities</b>				
Contributions/Grants for the Construction of Assets	2(a)	13,515,474	13,159,777	16,217,319
Proceeds from Disposal of Assets	6	13,654,310	4,959,461	19,906,200
Purchase of Land Held for Resale	5	(14,260,667)	(64,187)	(11,034,228)
Purchase of Property, Plant & Equipment	5	(11,882,634)	(5,988,877)	(14,177,874)
Purchase of Infrastructure Assets	5	(26,567,631)	(21,784,731)	(30,734,593)
Purchase of Investment Properties		0	0	0
<b>Amount attributable to Investing Activities</b>		<u>(25,541,148)</u>	<u>(9,718,557)</u>	<u>(19,823,176)</u>
<b>Financing Activities</b>				
Proceeds from Loan Facilities	7	22,400,000	0	19,417,500
Repayment of Loan Facilities	7	(6,985,894)	(8,746,705)	(13,873,000)
Transfers to Reserves (Restricted Cash)	8	(26,540,604)	(16,376,000)	(25,104,232)
Transfers from Reserves (Restricted Cash)	8	11,249,495	16,478,164	16,384,568
<b>Amount attributable to Financing Activities</b>		<u>122,997</u>	<u>(8,644,541)</u>	<u>(3,175,164)</u>
<b>Net Current Assets - Surplus/(Deficit) at:</b>				
The start of the financial year	4	12,569,356	15,774,700	11,173,340
The end of the financial year	4	<u>(800,000)</u>	<u>(12,569,356)</u>	<u>(800,000)</u>
<b>Estimated amount to be raised from</b>				
<b>General Rates</b>	9	<u>(67,354,639)</u>	<u>(65,199,377)</u>	<u>(65,337,000)</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 2019**

**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.

**Critical Accounting Estimates**

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

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

**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 14 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) 2017/18 Actual Balances**

Balances shown in this budget as 2017/18 Actual are 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) Comparative Figures**

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

**(e) Budget Comparative Figures**

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

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**1. Significant Accounting Policies (Continued)**

**(f) Forecast Fair Value Adjustment**

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, that any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

**(g) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenue 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.

**(h) 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.

**(i) Superannuation**

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

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

**(j) 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.

**(k) 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.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**1. Significant Accounting Policies (Continued)**

**(l) 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.

**Land Held for Resale**

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

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

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

**(m) 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.

In 2013, the Council commenced the process of adopting Fair Value in accordance with the regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at fair value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the City revalues its asset classes in accordance with this mandatory timetable.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

**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 at 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.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**1. Significant Accounting Policies (Continued)**

**(m) Fixed Assets (Continued)**

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 on 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 the revaluation surplus directly in equity. All other decreases are recognised as 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 that the *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.

**Depreciation**

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

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a. Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b. Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**1. Significant Accounting Policies (Continued)**

**(m) Fixed Assets (Continued)**

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

**Infrastructure**

Bridges

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

Drainage 100 years

Roads

- Formation Not Depreciated
- Pavement
  - o Local Access Roads Not Depreciated
  - o Industrial and Distributer Roads 54 to 75 years
- Surface
  - o Bituminous Seals 20 years
  - o Asphalt Surfaces 18 to 30 years
  - o Brick Paving 30 years
- Kerbing 60 years

Footpaths 60 to 80 years

Park Developments 1 to 100 years

Bus Shelters 30 to 40 years

Street Lights 10 to 30 years

Other Infrastructure 10 to 75 years

**Property, Plant and Equipment**

Buildings

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

Furniture and Fixtures 2 to 60 years

Plant and Equipment 5 to 30 years

**Intangibles**

Intangible Assets 3 to 20 years

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**1. Significant Accounting Policies (Continued)**

**(m) Fixed Assets (Continued)**

The asset's 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 in which they arise.

***Capitalisation Threshold***

Where appropriate, the City will establish a revaluation threshold that provides for only assets of value greater than a certain level to require revaluation. Consideration is given to the number and value of existing assets and their stratification within the total portfolio. Often small value items with fairly short lives would have no material impact on the total valuation. 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.

***Revaluation Threshold***

Where appropriate the Council establishes revaluation thresholds that provide 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.

**(n) 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 value 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 2019**

**1. Significant Accounting Policies (Continued)**

**(n) Fair Value of Assets and Liabilities (Continued)**

***Fair Value Hierarchy***

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level in the fair value hierarchy, which categorises the fair value measurements 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 are considered observable. 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 2019**

**1. Significant Accounting Policies (Continued)**

**(n) 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 three years. Relevant disclosures in accordance with the requirements of Australian Accounting Standards have been made in the budget as necessary.

**(o) 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 2019**

**1. Significant Accounting Policies (Continued)**

**(o) 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's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised as 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 designated as such by management. They comprise investments in 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 as 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 as 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 debtor 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 2019**

**1. Significant Accounting Policies (Continued)**

**(o) 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 as profit or loss.

**(p) Impairment of Assets**

In accordance with Australian Accounting Standards, the City's 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 as profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116 Property, Plant and Equipment) 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 2019.

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

**(q) 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.

**(r) 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) amount 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 2019**

**1. Significant Accounting Policies (Continued)**

**(r) 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 as 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.

**(s) 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.

**(t) 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.

**(u) 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 2019**

**1. Significant Accounting Policies (Continued)**

**(v) Investment in Associates**

An associate is an entity over which the City has significant influence.

Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the City's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the City and the associate are eliminated to the extent of the City interest in the associate.

When the City's share of losses in an associate equals or exceeds its interest in the associate, the City discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the City will resume recognising its share of these profits once its share of the profits equals the share of the losses not recognised.

**(w) Interest 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.

**(x) 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.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>2. Revenue and Expenses</b>			
<b>(a) Net Result</b>			
The Net Result from ordinary activities includes:			
(i) Crediting as Revenue:			
<b>Operating Grants, Subsidies and Contributions by Program</b>			
General Purpose Funding	4,361,000	2,151,780	4,316,000
Governance	7,267	6,267	7,267
Law, Order and Public Safety	242,207	168,272	244,259
Health	10,102	11,069	12,369
Education and Welfare	461,111	589,686	573,463
Community Amenities	610,499	482,436	374,618
Recreation and Culture	630,709	461,708	638,057
Transport	118,000	148,678	118,000
Economic Services	9,569	7,302	7,302
Other Property and Services	321,520	383,825	283,637
	<u>6,771,984</u>	<u>4,411,023</u>	<u>6,574,972</u>
<b>Fees &amp; Charges Revenue by Program</b>			
General Purpose Funding	795,930	803,000	798,000
Governance	100	50	150
Law, Order and Public Safety	464,400	356,100	508,900
Health	304,215	279,000	295,430
Education and Welfare	181,049	174,000	229,428
Community Amenities	17,333,825	15,354,901	15,564,666
Recreation and Culture	3,617,297	3,611,980	3,415,885
Transport	258,000	225,000	240,000
Economic Services	2,354,832	2,149,604	2,396,165
Other Property and Services	260,800	177,999	260,000
	<u>25,570,448</u>	<u>23,131,634</u>	<u>23,708,624</u>
<b>Interest Earnings</b>			
Investments - Reserve Funds	2,563,000	2,645,000	2,488,000
Investments - Other Funds	1,459,000	1,182,000	1,314,000
Other Interest Revenue (refer to Note 12)	682,000	1,015,000	720,000
	<u>4,704,000</u>	<u>4,842,000</u>	<u>4,522,000</u>
<b>Other Revenue</b>			
Discount Received	60,000	75,000	100,000
Other	7,150	156,630	8,000
	<u>67,150</u>	<u>231,630</u>	<u>108,000</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>2. Revenue and Expenses (Continued)</b>			
<b>(a) Net Result (Continued)</b>			
The Net Result from ordinary activities includes:			
(i) Crediting as Revenue (Continued):			
<b>Non-Operating Grants, Subsidies and Contributions by Program</b>			
Law, Order and Public Safety	0	35,978	0
Community Amenities	4,290,000	5,505,000	6,340,000
Recreation and Culture	1,835,921	1,112,308	2,745,839
Transport	7,389,553	6,490,491	7,131,480
Other Property and Services	0	16,000	0
	13,515,474	13,159,777	16,217,319
<b>Fair Value Adjustment to Financial Assets at Fair Value through Profit/Loss</b>			
Financial Assets - Investments	0	38,600	103,000
	0	38,600	103,000
(ii) Charging as Expenses:			
<b>Auditor Remuneration</b>			
Audit of Annual Financial Report and Grant Acquittals	82,000	61,219	41,000
Other Audit Services	2,200	1,132	2,200
	84,200	62,351	43,200
<b>In</b>			
Loan Facilities - Operating Interest	377,151	415,592	524,525
Loan Facilities - Capital Interest	384,000	0	384,000
	761,151	415,592	908,525
<b>Elected Members' Remuneration</b>			
Meeting Fees	360,686	366,228	384,000
Mayor's Allowance	88,864	88,134	90,700
Deputy Mayor's Allowance	22,216	22,033	26,700
Travelling Expenses	15,000	18,000	18,000
Telecommunications Allowance	25,200	23,480	26,112
	511,966	517,875	545,512

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>2. Revenue and Expenses (Continued)</b>			
<b>(a) Net Result (Continued)</b>			
The Net Result from ordinary activities includes:			
(ii) Charging as Expenses (Continued):			
<b>Amortisation and Depreciation</b>			
<b><u>By Program</u></b>			
<b>Amortisation and Depreciation Expense</b>			
Governance	9,071	7,965	7,965
Law, Order and Public Safety	331,953	295,196	295,196
Health	123,965	116,078	116,078
Education and Welfare	162,477	140,184	140,184
Community Amenities	861,782	963,586	963,586
Recreation and Culture	6,243,391	5,700,208	5,700,208
Transport	14,767,284	15,139,345	15,139,345
Economic Services	32,837	26,991	26,991
Other Property and Services	1,527,214	1,755,670	1,755,666
	24,059,974	24,145,222	24,145,219
<b>Depreciation Capitalised</b>			
Other Property and Services	230,964	174,616	174,618
	230,964	174,616	174,618
<b><u>By Class</u></b>			
<b>Amortisation and Depreciation Expense</b>			
Bridges	1,281,046	1,253,733	1,253,733
Buildings	3,248,817	2,972,558	2,972,555
Drains	4,393,691	4,350,778	4,350,778
Furniture and Equipment	594,454	724,015	724,015
Intangible Assets	396,250	401,321	401,321
Other Infrastructure	911,478	611,776	611,776
Park Development	2,780,113	2,546,319	2,546,319
Plant and Equipment	2,393,267	2,449,694	2,449,694
Roads and Paths	8,060,858	8,835,028	8,835,028
	24,059,974	24,145,222	24,145,219
<b>Depreciation Capitalised</b>			
Plant and Equipment	230,964	174,616	174,618
	230,964	174,616	174,618
<b>Total Amortisation and Depreciation</b>	24,290,938	24,319,838	24,319,837



**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**2. Revenue and Expenses (Continued)**

**(b) Statement of Objective**

**Our Vision for 2025** - 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 cat and dog registrations, infringements and prosecutions.

**Health**

Administration, inspection and operation of programs concerned with the general health of the community. Revenue and expenses 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 disabilities. 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 program. The administration of town planning schemes, planning applications and associated land issues. This program also includes administration and operations relating to Bus Shelters, the Kenwick Cemetery and graffiti management.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**2. Revenue 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 the Homegrown Festival, Summer Events Series, Outdoor Cinema, Arts and Culture programs, Sponsorship and Funding programs.

**Transport**

Administration, maintenance and construction of roads, drainage, footpaths, bridges, including road verges, streetscapes, crossovers, road signs, street trees, street signage and street lighting.

This program also includes the City's car parking facilities and road plant purchases.

**Economic Services**

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**

Note	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>3. Notes to the Statement of Cash Flows</b>			
<b>(a) Reconciliation of Cash</b>			
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	19,880,994	32,977,433	18,727,094
Cash - Restricted	103,254,231	87,963,122	92,897,399
	123,135,225	120,940,555	111,624,493

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

Reserves	8	103,254,231	87,963,122	92,897,399
Unspent Grant Funds		0	0	0
		103,254,231	87,963,122	92,897,399

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

Net Result	14,346,405	5,174,579	19,541,519
Depreciation	24,059,974	24,145,222	24,145,219
Investment Fair Value Movement	0	(38,600)	(103,000)
(Profit)/Loss on Sale of Asset	(11,473,076)	(1,138,285)	(14,916,037)
(Increase)/Decrease in Receivables	(139,226)	520,913	849,909
(Increase)/Decrease in Inventories	(15,000)	(26,168)	(15,000)
Increase/(Decrease) in Payables	(1,179,719)	5,409,247	2,111,253
Increase/(Decrease) in Employee Provisions	6,865	493,135	(250,000)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets	(13,515,474)	(13,159,777)	(16,217,319)
<b>Net Cash from Operating Activities</b>	<b>12,090,749</b>	<b>21,380,266</b>	<b>15,146,544</b>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

	Note	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>3. Notes to the Statement of Cash Flows (Continued)</b>				
<b>(c) Reconciliation of Net Cash Provided By Investing Activities</b>				
<b>Payments for:</b>				
Development of Land Held for Resale	5	(14,260,667)	(64,187)	(11,034,228)
Purchase of Property, Plant & Equipment	5	(11,882,634)	(5,988,877)	(14,177,874)
Interest Capitalised		0	0	(158,665)
		<u>(11,882,634)</u>	<u>(5,988,877)</u>	<u>(14,336,539)</u>
Construction of Infrastructure	5	(26,567,631)	(21,784,731)	(30,734,593)
Depreciation Capitalised	2(a)	230,964	174,616	174,618
		<u>(26,336,667)</u>	<u>(21,610,115)</u>	<u>(30,559,975)</u>
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets	2(a)	13,515,474	13,159,777	16,217,319
Proceeds from Sale of Property, Plant & Equipment	6	13,654,310	4,959,461	19,906,200
<b>Net Cash from Investing Activities</b>		<u>(25,310,184)</u>	<u>(9,543,941)</u>	<u>(19,807,223)</u>
<b>(d) Credit Standby Arrangements</b>				
Credit Card Limit		105,000	105,000	105,000
Credit Card Balance at Balance Date		0	0	0
<b>Total Amount of Credit Unused</b>		<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
<b>(e) Undrawn Loan Facilities</b>				
Loan Facilities in use at Balance Date		<u>21,935,876</u>	<u>20,891,376</u>	<u>21,935,876</u>
Unused Loan Facilities at Balance Date		<u>15,090,124</u>	<u>16,134,624</u>	<u>15,090,124</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

	Note	2018/19 Budget \$	2017/18 Actual \$
<b>4. Net Current Assets</b>			
<b>Composition of estimated net current assets</b>			
<b>Current Assets</b>			
Cash - Unrestricted	3(a)	19,880,994	32,977,433
Cash - Restricted Reserves	3(a)	103,254,231	87,963,122
Receivables		3,500,000	4,500,000
Inventories		355,000	340,000
		<u>126,990,225</u>	<u>125,780,555</u>
<b>Less: Current Liabilities</b>			
Trade and other payables		(12,435,996)	(14,754,943)
Short term loan facilities	7	(21,600,000)	(4,800,000)
Provisions		(10,500,000)	(10,493,135)
		<u>(44,535,996)</u>	<u>(30,048,078)</u>
<b>Unadjusted Net Current Assets</b>		<u>82,454,231</u>	<u>95,732,478</u>
<b>Adjustments</b>			
Add: Current short term loan facilities	7	21,600,000	4,800,000
Less: Cash - Restricted Reserves	8	(103,254,231)	(87,963,122)
<b>Adjusted Net Current Assets - Surplus/(Deficit)</b>		<u>800,000</u>	<u>12,569,356</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**5. Acquisition of Assets**

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

	<b>Law, Order and Public Safety</b>	<b>Community Amenities</b>	<b>Recreation and Culture</b>	<b>Transport</b>	<b>Other Property and Services</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
<b>By Class</b>						
<b>Land Held for Resale</b>	0	0	0	0	14,260,667	14,260,667
<b>Property, Plant and Equipment</b>						
Land and Buildings	0	3,193,800	1,452,184	0	2,170,047	6,816,031
Furniture and Equipment	25,688	0	301,230	0	548,114	875,032
Plant and Equipment	0	0	4,895	0	4,073,285	4,078,180
Intangible Assets	0	0	0	0	113,391	113,391
<b>Total Property, Plant and Equipment</b>	25,688	3,193,800	1,758,309	0	6,904,837	11,882,634
<b>Infrastructure</b>						
Roads and Paths	0	0	40,000	15,539,962	0	15,579,962
Bridges	0	0	0	1,620,500	0	1,620,500
Drainage	0	0	0	697,000	0	697,000
Park Development	0	0	8,498,169	0	0	8,498,169
Other Infrastructure	0	0	0	172,000	0	172,000
<b>Total Infrastructure</b>	0	0	8,538,169	18,029,462	0	26,567,631
	25,688	3,193,800	10,296,478	18,029,462	21,165,504	52,710,932

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document 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 2019**

**6. Disposal of Assets**

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

	2018/19 Budget				2017/18 Actual		2017/18 Budget	
	Net Book Value \$	Sale Proceeds \$	Profit \$	(Loss) \$	Profit \$	(Loss) \$	Profit \$	(Loss) \$
<b>By Program</b>								
Transport	1,095,859	934,310	47,771	(209,320)	0	(952,144)	45,411	(917,805)
Other Property and Services	1,085,375	12,720,000	11,634,625	0	2,365,281	(274,852)	15,788,431	0
<b>Total Disposals by Program</b>	<b>2,181,234</b>	<b>13,654,310</b>	<b>11,682,396</b>	<b>(209,320)</b>	<b>2,365,281</b>	<b>(1,226,996)</b>	<b>15,833,842</b>	<b>(917,805)</b>

	2018/19 Budget				2017/18 Actual		2017/18 Budget	
	Net Book Value \$	Sale Proceeds \$	Profit \$	(Loss) \$	Profit \$	(Loss) \$	Profit \$	(Loss) \$
<b>By Asset Class</b>								
Land Held for Sale	1,085,375	12,720,000	11,634,625	0	2,365,281	(274,852)	15,788,431	0
Property, Plant and Equipment	1,095,859	934,310	47,771	(209,320)	0	(952,144)	45,411	(917,805)
	1,095,859	934,310	47,771	(209,320)	0	(952,144)	45,411	(917,805)
<b>Total Disposals by Asset Class</b>	<b>2,181,234</b>	<b>13,654,310</b>	<b>11,682,396</b>	<b>(209,320)</b>	<b>2,365,281</b>	<b>(1,226,996)</b>	<b>15,833,842</b>	<b>(917,805)</b>
<b>Net Profit/(Loss) on Disposals</b>				<u>11,473,076</u>		<u>1,138,285</u>		<u>14,916,037</u>

A detailed breakdown of disposals 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 2019**

**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-18	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2018/19 Budget	2017/18 Actual	2018/19 Budget	2017/18 Actual	2018/19 Budget	2017/18 Actual
			\$	\$	\$	\$	\$	\$
<b>Community Amenities</b>								
Central Maddington ODP Infrastructure	4,800,000	5,200,000	0	0	10,000,000	4,800,000	112,008	99,322
<b>Recreation and Culture</b>								
Mills Park Redevelopment - Short Term Facility	0	0	0	7,400,000	0	0	0	140,215
Mills Park Redevelopment - Fixed Term Loan	7,344,671	0	1,385,894	1,346,705	5,958,777	7,344,671	265,143	252,920
<b>Other Property and Services</b>								
Robinson Park Subdivision and Park Development	0	5,600,000	5,600,000	0	0	0	324,000	0
Operations Centre	0	1,500,000	0	0	1,500,000	0	60,000	0
Southern River Business Park	0	5,100,000	0	0	5,100,000	0	0	0
Lot 800 Albany Highway	0	5,000,000	0	0	5,000,000	0	0	0
	12,144,671	22,400,000	6,985,894	8,746,705	27,558,777	12,144,671	761,151	492,457

Mills Park short term and fixed rate (long term) loan facility repayments will be financed by General Purpose Revenue. Interest repayment includes Western Australian Treasury Commission guarantee fee.

Robinson Park Subdivision and Park Development, Operations Centre and 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.



**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**7. Information on Borrowings (Continued)**

**(b) New Loan Facilities**

<b>Particulars/Purpose</b>	<b>Facility Limit</b>	<b>Drawdown Amount</b>	<b>Facility/Loan Type</b>	<b>Term (Years)</b>	<b>Total Interest and Charges</b>	<b>Interest Rate %</b>	<b>Amount Used Budget</b>	<b>Balance Unspent \$</b>
<b>Community Amenities</b>								
Central Maddington ODP Infrastructure	10,000,000	5,200,000	Short Term	3	112,008	4%	5,200,000	0
<b>Other Property and Services</b>								
Robinson Park Subdivision and Park Development	5,600,000	5,600,000	Short Term	3	324,000	4%	5,600,000	0
Operations Centre*	16,500,000	1,500,000	Short Term	3	60,000	4%	1,500,000	0
Southern River Business Park*	9,600,000	5,100,000	Short Term	3	0	4%	5,100,000	0
Lot 800 Albany Highway	15,000,000	5,000,000	Long Term	10	0	3%	5,000,000	0
	<b>56,700,000</b>	<b>22,400,000</b>			<b>496,008</b>		<b>22,400,000</b>	<b>0</b>

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

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

**(c) Unspent Loan Facilities**

All loan funds drawn are expected to be fully expended as at 30 June 2018.

Council is not expected to have any unspent loan funds as at 30 June 2019.

**(d) Overdraft**

The City is not expected to utilise an overdraft during the 2017/18 financial year.

It is not anticipated that an overdraft facility will be required during 2018/19 financial year.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

	<b>2018/19</b>	<b>2017/18</b>	<b>2017/18</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>8. Cash Backed Reserves</b>			
<b>Ordinary Reserves</b>			
<b>(a) Asset Management</b>			
Opening Balance	2,111,253	1,948,033	1,895,820
Amount Used / Transfer From Reserve	(500,000)	(38,265)	(30,000)
Amount Set Aside / Transfer To Reserve	0	138,000	138,000
Amount Set Aside / Interest	41,013	63,485	55,099
	<u>1,652,266</u>	<u>2,111,253</u>	<u>2,058,919</u>
<b>(b) Developer Contributions Infrastructure</b>			
Opening Balance	580,372	557,920	553,403
Amount Set Aside / Transfer To Reserve	100,000	5,000	10,000
Amount Set Aside / Interest	17,318	17,452	15,493
	<u>697,690</u>	<u>580,372</u>	<u>578,896</u>
<b>(c) Don Russell Performing Arts Centre</b>			
Opening Balance	366,616	331,722	328,070
Amount Set Aside / Transfer To Reserve	22,950	23,870	22,279
Amount Set Aside / Interest	9,916	11,024	9,658
	<u>399,482</u>	<u>366,616</u>	<u>360,007</u>
<b>(d) Emergency Services</b>			
Opening Balance	136,030	126,441	124,287
Amount Set Aside / Transfer To Reserve	1,500	5,500	1,500
Amount Set Aside / Interest	3,501	4,089	3,458
	<u>141,031</u>	<u>136,030</u>	<u>129,245</u>
<b>(e) Floodlighting Levy</b>			
Opening Balance	31,846	55,048	56,140
Amount Used / Transfer From Reserve	0	(45,159)	(45,159)
Amount Set Aside / Transfer To Reserve	18,620	21,000	18,620
Amount Set Aside / Interest	1,284	957	771
	<u>51,750</u>	<u>31,846</u>	<u>30,372</u>
<b>(f) Gosnells Oval Redevelopment</b>			
Opening Balance	955,284	823,795	818,282
Amount Set Aside / Transfer To Reserve	44,500	102,764	84,342
Amount Set Aside / Interest	25,448	28,725	24,977
	<u>1,025,232</u>	<u>955,284</u>	<u>927,601</u>
<b>Total Ordinary Reserves C/Fwd</b>	<u>3,967,451</u>	<u>4,181,401</u>	<u>4,085,040</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

	<b>2018/19</b>	<b>2017/18</b>	<b>2017/18</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>8. Cash Backed Reserves (Continued)</b>			
<b>Ordinary Reserves (Continued)</b>			
<b>Total Ordinary Reserves B/Fwd</b>	<u>3,967,451</u>	<u>4,181,401</u>	<u>4,085,040</u>
<b>(g) Gosnells Town Centre Revitalisation</b>			
Opening Balance	3,481,109	974,037	965,672
Amount Used / Transfer From Reserve	(157,586)	(125,000)	(121,854)
Amount Set Aside / Transfer To Reserve	91,000	2,527,396	88,000
Amount Set Aside / Interest	86,873	104,676	25,616
	<u>3,501,396</u>	<u>3,481,109</u>	<u>957,434</u>
<b>(h) Harmony Fields</b>			
Opening Balance	45,218	308,258	284,625
Amount Used / Transfer From Reserve	(25,000)	(285,000)	0
Amount Set Aside / Transfer To Reserve	34,000	20,600	20,600
Amount Set Aside / Interest	1,384	1,360	8,220
	<u>55,602</u>	<u>45,218</u>	<u>313,445</u>
<b>(i) Heritage Condition Reward Scheme</b>			
Opening Balance	43,657	50,795	46,913
Amount Used / Transfer From Reserve	(7,100)	(20,950)	(20,950)
Amount Set Aside / Transfer To Reserve	0	12,500	12,500
Amount Set Aside / Interest	930	1,312	1,057
	<u>37,487</u>	<u>43,657</u>	<u>39,520</u>
<b>(j) Insurance</b>			
Opening Balance	614,187	1,095,720	1,086,240
Amount Used / Transfer From Reserve	0	(500,000)	(500,000)
Amount Set Aside / Interest	15,645	18,467	16,120
	<u>629,832</u>	<u>614,187</u>	<u>602,360</u>
<b>(k) Langford Oval Redevelopment</b>			
Opening Balance	256,933	223,707	220,563
Amount Used / Transfer From Reserve	(160,000)	0	0
Amount Set Aside / Transfer To Reserve	24,000	25,500	23,340
Amount Set Aside / Interest	3,078	7,726	6,745
	<u>124,011</u>	<u>256,933</u>	<u>250,648</u>
<b>(l) Leisure World Asset Management</b>			
Opening Balance	360,200	260,333	180,109
Amount Used / Transfer From Reserve	(85,000)	(164,964)	0
Amount Set Aside / Transfer To Reserve	0	254,000	254,000
Amount Set Aside / Interest	7,002	10,831	11,937
	<u>282,202</u>	<u>360,200</u>	<u>446,046</u>
<b>Total Ordinary Reserves C/Fwd</b>	<u>8,597,981</u>	<u>8,982,705</u>	<u>6,694,493</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

	<b>2018/19</b>	<b>2017/18</b>	<b>2017/18</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>8. Cash Backed Reserves (Continued)</b>			
<b>Ordinary Reserves (Continued)</b>			
<b>Total Ordinary Reserves B/Fwd</b>	<u>8,597,981</u>	<u>8,982,705</u>	<u>6,694,493</u>
<b>(m) Local Government Elections</b>			
Opening Balance	71,034	192,497	191,162
Amount Used / Transfer From Reserve	0	(241,600)	(250,000)
Amount Set Aside / Transfer To Reserve	122,000	118,000	118,000
Amount Set Aside / Interest	4,916	2,137	1,627
	<u>197,950</u>	<u>71,034</u>	<u>60,789</u>
<b>(n) Local Open Space Strategy</b>			
Opening Balance	364,266	328,501	267,192
Amount Used / Transfer From Reserve	(350,000)	(2,518)	(219,754)
Amount Set Aside / Transfer To Reserve	4,036,858	27,330	4,162,009
Amount Set Aside / Interest	103,122	10,953	115,764
	<u>4,154,246</u>	<u>364,266</u>	<u>4,325,211</u>
<b>(o) Maddington/Kenwick Revitalisation</b>			
Opening Balance	2,486,213	2,433,213	2,412,160
Amount Used / Transfer From Reserve	(65,000)	(21,758)	(86,758)
Amount Set Aside / Interest	61,635	74,758	63,944
	<u>2,482,848</u>	<u>2,486,213</u>	<u>2,389,346</u>
<b>(p) MGB Plant and Equipment</b>			
Opening Balance	5,083,744	5,991,379	4,721,683
Amount Used / Transfer From Reserve	(1,010,000)	(1,860,500)	(2,060,500)
Amount Set Aside / Transfer To Reserve	1,200,000	800,000	750,000
Amount Set Aside / Interest	134,245	152,865	95,173
	<u>5,407,989</u>	<u>5,083,744</u>	<u>3,506,356</u>
<b>(q) Mills Park</b>			
Opening Balance	243,376	4,891,247	4,820,867
Amount Used / Transfer From Reserve	0	(4,707,000)	(4,707,000)
Amount Set Aside / Transfer To Reserve	46,000	51,810	44,727
Amount Set Aside / Interest	7,458	7,319	4,513
	<u>296,834</u>	<u>243,376</u>	<u>163,107</u>
<b>(r) Operations Centre</b>			
Opening Balance	1,438,759	476,168	472,048
Amount Set Aside / Transfer To Reserve	3,805,151	919,329	0
Amount Set Aside / Interest	133,471	43,262	12,980
	<u>5,377,381</u>	<u>1,438,759</u>	<u>485,028</u>
<b>Total Ordinary Reserves C/Fwd</b>	<u>26,515,229</u>	<u>18,670,097</u>	<u>17,624,330</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

	<b>2018/19</b>	<b>2017/18</b>	<b>2017/18</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>8. Cash Backed Reserves (Continued)</b>			
<b>Ordinary Reserves (Continued)</b>			
<b>Total Ordinary Reserves B/Fwd</b>	<u>26,515,229</u>	<u>18,670,097</u>	<u>17,624,330</u>
<b>(s) Plant and Equipment</b>			
Opening Balance	4,932,965	3,999,722	3,937,177
Amount Used / Transfer From Reserve	(2,421,175)	(1,133,890)	(2,805,050)
Amount Set Aside / Transfer To Reserve	1,625,000	1,928,500	2,108,500
Amount Set Aside / Interest	105,296	138,633	89,110
	<u>4,242,086</u>	<u>4,932,965</u>	<u>3,329,737</u>
<b>(t) Rate Revaluation</b>			
Opening Balance	373,697	224,461	202,294
Amount Set Aside / Transfer To Reserve	142,000	138,000	138,000
Amount Set Aside / Interest	13,125	11,236	9,357
	<u>528,822</u>	<u>373,697</u>	<u>349,651</u>
<b>(u) Recreation and Culture Infrastructure</b>			
Opening Balance	629,747	1,084,406	1,068,597
Amount Used / Transfer From Reserve	(629,572)	(483,296)	(921,993)
Amount Set Aside / Interest	8	28,637	4,031
	<u>183</u>	<u>629,747</u>	<u>150,635</u>
<b>(v) Refuse Disposal Site Rehabilitation</b>			
Opening Balance	697,304	719,187	710,833
Amount Used / Transfer From Reserve	(50,000)	(70,000)	(50,000)
Amount Set Aside / Transfer To Reserve	25,000	27,150	23,518
Amount Set Aside / Interest	17,116	20,967	18,827
	<u>689,420</u>	<u>697,304</u>	<u>703,178</u>
<b>(w) Southern River Contaminated Site Rehabilitation</b>			
Opening Balance	0	461,591	450,000
Amount Used / Transfer From Reserve	0	(461,591)	(450,000)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(x) Strategic Capital Acquisition</b>			
Opening Balance	697,988	0	0
Amount Set Aside / Transfer To Reserve	750,000	677,000	700,000
Amount Set Aside / Interest	36,859	20,988	19,247
	<u>1,484,847</u>	<u>697,988</u>	<u>719,247</u>
<b>Total Ordinary Reserves C/Fwd</b>	<u>33,460,587</u>	<u>26,001,798</u>	<u>22,876,778</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

	<b>2018/19</b>	<b>2017/18</b>	<b>2017/18</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>8. Cash Backed Reserves (Continued)</b>			
<b>Ordinary Reserves (Continued)</b>			
<b>Total Ordinary Reserves B/Fwd</b>	<u>33,460,587</u>	<u>26,001,798</u>	<u>22,876,778</u>
<b>(y) Sutherlands Park</b>			
Opening Balance	948,660	820,804	821,516
Amount Used / Transfer From Reserve	(300,000)	0	(300,000)
Amount Set Aside / Transfer To Reserve	75,600	99,330	85,612
Amount Set Aside / Interest	18,436	28,526	16,685
	<u>742,696</u>	<u>948,660</u>	<u>623,813</u>
<b>(z) Synthetic Surfaces Renewal</b>			
Opening Balance	165,974	10,983	10,887
Amount Used / Transfer From Reserve	(12,500)	0	0
Amount Set Aside / Transfer To Reserve	180,000	150,000	150,000
Amount Set Aside / Interest	8,486	4,991	4,424
	<u>341,960</u>	<u>165,974</u>	<u>165,311</u>
<b>(aa) Walter Padbury Park</b>			
Opening Balance	70,413	456,269	437,343
Amount Used / Transfer From Reserve	0	(433,872)	(433,872)
Amount Set Aside / Transfer To Reserve	43,800	45,900	43,060
Amount Set Aside / Interest	2,914	2,116	1,699
	<u>117,127</u>	<u>70,413</u>	<u>48,230</u>
<b>Total Ordinary Reserves</b>	<u>34,662,370</u>	<u>27,186,845</u>	<u>23,714,132</u>
<b>Planning Reserves</b>			
<b>(ab) ODP - Canning Vale</b>			
Opening Balance	973,834	874,551	866,898
Amount Used / Transfer From Reserve	(30,000)	(30,000)	(30,000)
Amount Set Aside / Transfer To Reserve	10,000	100,000	100,000
Amount Set Aside / Interest	24,279	29,283	25,763
	<u>978,113</u>	<u>973,834</u>	<u>962,661</u>
<b>(ac) ODP - Central Maddington Precinct 1</b>			
Opening Balance	51,383	924,367	726,412
Amount Used / Transfer From Reserve	(435,594)	(1,512,053)	(1,222,720)
Amount Set Aside / Transfer To Reserve	5,645,000	637,521	5,835,000
Amount Set Aside / Interest	133,753	1,548	146,802
	<u>5,394,542</u>	<u>51,383</u>	<u>5,485,494</u>
<b>Total Planning Reserves C/Fwd</b>	<u>6,372,655</u>	<u>1,025,217</u>	<u>6,448,155</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>8. Cash Backed Reserves (Continued)</b>			
<b>Planning Reserves (Continued)</b>			
<b>Total Planning Reserves B/Fwd</b>	6,372,655	1,025,217	6,448,155
<b>(ad) ODP - Central Maddington Precinct 2</b>			
Opening Balance	509,539	538,617	478,457
Amount Used / Transfer From Reserve	0	(69,400)	(12,256)
Amount Set Aside / Transfer To Reserve	85,000	25,000	125,000
Amount Set Aside / Interest	15,135	15,322	16,257
	<u>609,674</u>	<u>509,539</u>	<u>607,458</u>
<b>(ae) ODP - Homestead Road</b>			
Opening Balance	403,454	422,921	419,219
Amount Used / Transfer From Reserve	(80,000)	(250,600)	(315,600)
Amount Set Aside / Transfer To Reserve	10,000	219,000	10,000
Amount Set Aside / Interest	8,489	12,133	3,125
	<u>341,943</u>	<u>403,454</u>	<u>116,744</u>
<b>(af) ODP - Maddington Road A and B</b>			
Opening Balance	644,545	737,825	541,298
Amount Used / Transfer From Reserve	(17,000)	(112,660)	(17,000)
Amount Set Aside / Transfer To Reserve	10,000	0	20,000
Amount Set Aside / Interest	16,229	19,380	14,968
	<u>653,774</u>	<u>644,545</u>	<u>559,266</u>
<b>(ag) ODP - Southern River Precinct 1</b>			
Opening Balance	3,832,043	3,741,816	3,709,643
Amount Used / Transfer From Reserve	(25,000)	(25,000)	(25,000)
Amount Set Aside / Transfer To Reserve	0	0	120,000
Amount Set Aside / Interest	96,912	115,227	104,618
	<u>3,903,955</u>	<u>3,832,043</u>	<u>3,909,261</u>
<b>(ah) ODP - Southern River Precinct 2</b>			
Opening Balance	6,291,973	6,471,345	6,415,298
Amount Used / Transfer From Reserve	(257,000)	(394,569)	(20,000)
Amount Set Aside / Transfer To Reserve	50,000	26,000	50,000
Amount Set Aside / Interest	154,905	189,197	177,230
	<u>6,239,878</u>	<u>6,291,973</u>	<u>6,622,528</u>
<b>(ai) ODP - Southern River Precinct 3</b>			
Opening Balance	4,663,164	3,943,023	3,910,512
Amount Used / Transfer From Reserve	(2,177,747)	(470,078)	(469,256)
Amount Set Aside / Transfer To Reserve	300,000	1,050,000	300,000
Amount Set Aside / Interest	70,895	140,219	102,876
	<u>2,856,312</u>	<u>4,663,164</u>	<u>3,844,132</u>
<b>Total Planning Reserves C/Fwd</b>	<u>20,978,191</u>	<u>17,369,935</u>	<u>22,107,544</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

	<b>2018/19</b>	<b>2017/18</b>	<b>2017/18</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>8. Cash Backed Reserves (Continued)</b>			
<b>Planning Reserves (Continued)</b>			
<b>Total Planning Reserves B/Fwd</b>	<u>20,978,191</u>	<u>17,369,935</u>	<u>22,107,544</u>
<b>(aj) ODP - Southern River Precinct 3A</b>			
Opening Balance	213,346	161,932	160,603
Amount Set Aside / Transfer To Reserve	20,000	45,000	20,000
Amount Set Aside / Interest	5,938	6,414	4,966
	<u>239,284</u>	<u>213,346</u>	<u>185,569</u>
<b>(ak) ODP - Southern River Precinct 3E</b>			
Amount Set Aside / Transfer To Reserve	0	0	50,000
Amount Set Aside / Interest	0	0	1,376
	<u>0</u>	<u>0</u>	<u>51,376</u>
<b>(al) ODP - Southern River Precinct 5</b>			
Opening Balance	9,209	64,796	64,235
Amount Used / Transfer From Reserve	0	(55,865)	(55,865)
Amount Set Aside / Interest	236	278	231
	<u>9,445</u>	<u>9,209</u>	<u>8,601</u>
<b>(am) ODP - West Canning Vale</b>			
Opening Balance	7,510,835	7,055,989	6,515,552
Amount Used / Transfer From Reserve	(31,000)	(31,000)	(31,000)
Amount Set Aside / Transfer To Reserve	0	260,000	930,000
Amount Set Aside / Interest	190,392	225,846	203,882
	<u>7,670,227</u>	<u>7,510,835</u>	<u>7,618,434</u>
<b>(an) Public Open Space - Cash in Lieu</b>			
Opening Balance	32,375,040	30,363,491	29,573,462
Amount Used / Transfer From Reserve	(2,408,221)	(2,161,949)	(133,371)
Amount Set Aside / Transfer To Reserve	5,439,625	3,200,000	5,939,625
Amount Set Aside / Interest	901,271	973,498	972,855
	<u>36,307,715</u>	<u>32,375,040</u>	<u>36,352,571</u>
<b>(ao) TPS - 15</b>			
Opening Balance	511,176	450,806	446,891
Amount Used / Transfer From Reserve	(5,000)	(5,000)	(5,000)
Amount Set Aside / Transfer To Reserve	10,000	50,000	10,000
Amount Set Aside / Interest	13,138	15,370	12,425
	<u>529,314</u>	<u>511,176</u>	<u>464,316</u>
<b>Total Planning Reserves C/Fwd</b>	<u>65,734,176</u>	<u>57,989,541</u>	<u>66,788,411</u>



**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

	<b>2018/19</b>	<b>2017/18</b>	<b>2017/18</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>8. Cash Backed Reserves (Continued)</b>			
<b>Planning Reserves (Continued)</b>			
<b>Total Planning Reserves B/Fwd</b>	<u>65,734,176</u>	<u>57,989,541</u>	<u>66,788,411</u>
<b>(ap) TPS - 17</b>			
Opening Balance	846,848	826,385	795,533
Amount Used / Transfer From Reserve	(5,000)	(5,000)	(5,000)
Amount Set Aside / Transfer To Reserve	10,000	0	50,000
Amount Set Aside / Interest	21,683	25,463	23,114
	<u>873,531</u>	<u>846,848</u>	<u>863,647</u>
<b>(aq) TPS - 20</b>			
Opening Balance	251,508	998,573	1,271,718
Amount Used / Transfer From Reserve	0	(754,627)	(1,034,610)
Amount Set Aside / Interest	6,423	7,562	6,521
	<u>257,931</u>	<u>251,508</u>	<u>243,629</u>
<b>(ar) TPS - 9A</b>			
Opening Balance	1,688,380	1,642,612	1,198,121
Amount Used / Transfer From Reserve	(5,000)	(5,000)	(5,000)
Amount Set Aside / Transfer To Reserve	0	0	60,000
Amount Set Aside / Interest	42,843	50,768	34,459
	<u>1,726,223</u>	<u>1,688,380</u>	<u>1,287,580</u>
<b>Total Planning Reserves</b>	<u>68,591,861</u>	<u>60,776,277</u>	<u>69,183,267</u>
<b>Total Reserves</b>	<u>103,254,231</u>	<u>87,963,122</u>	<u>92,897,399</u>
<b>Summary of Reserves</b>			
Opening Balance	87,963,122	88,065,286	84,177,735
Amount Used / Transfer From Reserve	(11,249,495)	(16,478,164)	(16,384,568)
Amount Set Aside			
Transfer To Reserve	23,977,604	13,731,000	22,616,232
Interest	2,563,000	2,645,000	2,488,000
	<u>26,540,604</u>	<u>16,376,000</u>	<u>25,104,232</u>
<b>Total Reserves</b>	<u>103,254,231</u>	<u>87,963,122</u>	<u>92,897,399</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**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:

**Ordinary Reserves**

**Asset Management**

Asset data collection.

**Developer Contributions to Infrastructure**

To fund future expenditure on developments that fall 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 the 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 2019**

**8. Cash Backed Reserves (Continued)**

**Ordinary Reserves (Continued)**

**Mills Park**

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

**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.

**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. The reserve account is expected to be closed by 30 June 2018.

**Strategic Capital Acquisition**

Royalties received from quarry set aside for investing in profit generating assets.

**Sutherlands Park**

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

**Synthetic Surface Renewal**

Renewal of synthetic surfaces as required.

**Walter Padbury Park**

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

**Planning Reserves**

**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.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**8. Cash Backed Reserves (Continued)**

**Planning Reserves (Continued)**

**ODP - Maddington Road A and B**

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

**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 2019**

**9. Rating Information**

Rate Type	2018/19 Budget					2017/18	
	Rate in \$ cents	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Actual \$
<b>Differential General Rate Gross Rental Value (GRV)</b>							
Extractive Industry	12.143	3	393,000	47,722	0	47,722	46,830
General GRV	6.391	39,368	893,776,162	57,121,235	784,000	57,905,235	55,750,982
Rural GRV	7.669	886	23,640,548	1,812,994	0	1,812,994	1,841,188
Tenancy Agreements	6.891	53	2,394,301	164,991	0	164,991	170,427
Town Centre	7.350	74	8,615,175	633,215	0	633,215	620,929
<b>Unimproved Value (UV)</b>							
Rural UV	0.2492	21	29,030,000	72,343	0	72,343	90,276
Rural UV Agricultural Concession	0.1994	7	65,860,000	131,325	0	131,325	143,433
<b>Minimum Payment Gross Rental Value (GRV)</b>		40,412	1,023,709,186	59,983,825	784,000	60,767,825	58,664,065
	<b>Minimum \$</b>						
General GRV	962	6,800	85,641,051	6,541,600	0	6,541,600	6,489,056
Rural GRV	962	30	314,592	28,860	0	28,860	30,208
Tenancy Agreements	962	9	60,210	8,658	0	8,658	8,496
Town Centre	962	5	42,205	4,810	0	4,810	4,720
<b>Unimproved Value (UV)</b>							
Rural UV	962	3	696,000	2,886	0	2,886	2,832
		6,847	86,754,058	6,586,814	0	6,586,814	6,535,312
		47,259	1,110,463,244	66,570,639	784,000	67,354,639	65,199,377

Discounts (Note 13)

0                      0

**Total Amount Raised from General Rates**

67,354,639      65,199,377

Specified Area Rates (Note 10)

465,930              488,000

**Total Rates**

67,820,569      65,687,377

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**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 2018/19 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 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 2018/19 financial year.

**Extractive Industry**

***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.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**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 2018/19 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 2019**

**10. Specified Area Rate**

<b>Gross Rental Value (GRV)</b>	<b>Rate in \$ cents</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>2018/19 Budgeted Revenue \$</b>	<b>Budget Applied to Costs \$</b>	<b>2017/18 Actual \$</b>
Bletchley Park	0.5583	1,432	32,431,060	181,056	181,056	183,248
Brookland Greens	0.4236	562	16,178,260	68,528	68,528	73,503
Sanctuary Waters	0.4407	691	17,745,200	78,200	78,200	85,197
The Avenues	0.4979	498	11,609,600	57,802	57,802	59,468
The Boardwalk	0.2986	623	18,504,488	55,251	55,251	57,609
The Reserve	0.2665	347	9,416,645	25,093	25,093	28,975
				465,930	465,930	488,000

**Purpose**

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

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

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

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

**11. Service Charges**

Nil.



**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**12. Interest Charges and Instalments - Rates and Service Charges**

	<b>Interest Rate %</b>	<b>Admin. Charge \$</b>	<b>2018/19 Budget \$</b>	<b>2017/18 Actual \$</b>
<b>Interest</b>				
Four Instalment Payment Plan	5.5%	N/A	470,000	460,000
Special Payment Arrangement (Direct Debit)	0%	N/A	0	90,000
Late Payment	11%	N/A	14,149	315,998
			484,149	865,998
<b>Administration Fees</b>				
Four Instalment Payment Plan	N/A	14.00	270,000	220,334
Special Payment Arrangement Plan (Direct Debit)	N/A	37.00	197,851	50,085
			467,851	270,419
			952,000	1,136,417

**Rates Instalment Options**

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

**Payment in full by**            24 August 2018

**Payment by Four Instalments:**

1st Instalment due by        24 August 2018  
2nd Instalment due by        26 October 2018  
3rd Instalment due by        11 January 2019  
4th Instalment due by        15 March 2019

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

**Description of Instalment Arrangement Plans and Interest Charges:**

**Late Payment Interest**

Late payment interest is imposed on all rates related fees and charges (current and arrears) including but not limited to general rates, specified area rates, refuse charges and swimming pool inspection fees (excluding registered Pensioners/Seniors with 100% equity). Interest will be charged on a daily basis on all arrears and current amounts that remain unpaid 35 days from the date of issue of the original rate notice.

**Four Instalment Arrangement Plan**

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

**Special Payment Arrangement Plan**

Special weekly, fortnightly or four weekly payment arrangements can be made by way of Direct Debit (bank account only). An administration fee is charged (excluding registered Pensioners/Seniors with 100% equity) on each special payment arrangement. For direct debit arrangement terms and conditions contact the City's Rates section.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

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

	Type	Discount %	2018/19 Budget \$	2017/18 Actual \$
<b>General Rates</b>				
Rates Incentive	Incentive	N/A	5,000	5,000
Rates Waivers	Waiver	N/A	72,186	69,600
<b>Fees and Charges</b>				
Don Russell Performing Arts Centre	Discount	Various	1,500	1,000
Facility Hire Charges	Discount	100%	800	792
Health Services	Discount	Various	22,475	21,475
Leisure Programs	Discount	Various	700	690
Leisure World	Discount	Various	65,000	63,000
Library & Heritage Services	Discount	Various	270	316
Ranger Services	Discount	Various	30,000	39,000
Sundry Debtors Write-off	Write-Off	N/A	0	11,345

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

**General Rates**

No discount is being offered to ratepayers for early payment of rates however, incentives for the early payment of rates are being 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 by the due date.

Westpac Banking Corporation will also provide a \$3,500 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 (refer to Note 12).

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

One winner will be drawn each week on a Friday. Inclusion in the draw is dependent on eligible ratepayers placing their entry form in the barrel located outside the Centre Management Office at Forest Lakes Forum between Saturday 21 July and noon on Friday 24 August 2018 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](http://www.forestlakesforum.com.au)

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

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

**Rate Waivers**

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

	<b>2018/19 Budget</b>
	<b>\$</b>
Gosnells Junior Football Club Inc	2,860
Grand Lodge Of Western Australia	
Freemasons Homes For The Aged Inc	69,326
	72,186

**Fees and Charges**

**Don Russell Performing Art Centre**

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

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

30% Discount (3 or more shows)

50% Discount (2 for 1 offer)

Group Bookings - 1 free ticket with every 10 purchased

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

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

15% discount - 20 or more hours/week

**Facility Hire Charges & Road Closure Fees**

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

**Health Services**

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

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

**Leisure Programs**

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

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

30% Discount (general offer)

50% Discount (2 for 1 Offer)

Group Bookings - 1 free ticket with every 10 purchased

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

**Library & Heritage Services**

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

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

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

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

**Leisure World**

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

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

10% Discount (general offer)

15% Discount (general offer)

20% Discount (special offer)

25% Discount (special offer)

33% Discount (special offer)

50% Discount (2 for 1 offer)

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

Group Bookings - 1 free pass with every 10 purchased

Group Bookings - 3 free pass with every 20 purchased

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

**Ranger Services**

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

Assistance Dogs - 100% concession

Dogs used for Droving or tendering stock - 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.

**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-18 \$	Estimated		Balance 1-Jul-19 \$
		Amounts Received \$	Amounts Paid (\$)	
Builders Registration Board Fund	21,361	290,000	(260,000)	51,361
Construction Training Fund	0	270,000	(270,000)	0
Unclaimed Money	30,560	20,000	1,800	52,360
	51,921	580,000	(528,200)	103,721

**15. Trading Undertakings and Major Trading Undertakings**

It is not anticipated that any trading undertakings or major trading undertakings will occur in 2018/19.

**16. Interests in Joint Arrangements**

It is not anticipated that any interests in joint arrangements will occur in 2018/19.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**17. Major Land Transactions**

**(a) Robinson Park Redevelopment and Subdivision**

**(i) Details**

The City plans to revitalise Robinson Park (the Park). The revitalisation includes a substantial park enhancement and a 44 lot residential subdivision around the perimeter of the park to assist with funding the project and provide passive surveillance to the Park.

The Park is a large neighbourhood park, which is predominantly used by the community as a dog exercise area. Whilst there is a small amount of community infrastructure located at the Park it is limited in its current capacity to serve any social or recreation function for the community. In the past, the site has been susceptible to anti-social behaviour. The revitalisation project aims to enhance the Park, encourage and entice positive use and overcome current challenges associated with the site.

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

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

Further work was undertaken mid-2017 in relation to site investigations and a review of site investigations will be completed late 2018. Construction is expected to begin in early 2019 and be completed by mid-2019.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**17. Major Land Transactions (Continued)**

**(a) Robinson Park Redevelopment and Subdivision (Continued)**

**(ii) Revenue and Expenses**

	<b>Project Budget \$</b>	<b>Project Actual \$</b>	<b>2018/19 Budget \$</b>	<b>2017/18 Actual \$</b>
<b>Funding Sources</b>				
<b>Capital Revenue</b>				
Asset Disposal Proceeds	10,400,000	0	10,400,000	0
<b>Other Funding Sources</b>				
Loan Proceeds	5,600,000	0	5,600,000	0
<b>Total Funding Sources</b>	<u>16,000,000</u>	<u>0</u>	<u>16,000,000</u>	<u>0</u>
<b>Disbursement of Funds</b>				
<b>Operating Expense</b>				
Materials & Contracts	(690,000)	(335,723)	(407,483)	(36,368)
<b>Capital Expenditure</b>				
Materials & Contracts	(5,600,000)	(273,207)	(5,002,793)	(6,973)
Interest Expense	(324,000)	0	(324,000)	0
	<u>(5,924,000)</u>	<u>(273,207)</u>	<u>(5,326,793)</u>	<u>(6,973)</u>
<b>Other Expenses</b>				
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
	<u>(9,386,000)</u>	<u>0</u>	<u>(9,386,000)</u>	<u>0</u>
<b>Total Disbursement of Funds</b>	<u>(16,000,000)</u>	<u>(608,930)</u>	<u>(15,120,276)</u>	<u>(43,341)</u>
<b>Total</b>	<u>0</u>	<u>(608,930)</u>	<u>879,724</u>	<u>(43,341)</u>

**(iii) Assets and Liabilities**

Assets associated with this land transaction have a written down value of \$1,122,832 as at 30 June 2017. It is anticipated assets related to the land transactions will be disposed by 30 June 2019.

There were no liabilities that exist in relation to this land transaction as at 30 June 2017. It is anticipated no liabilities will exist in relation to this land transaction as at 30 June 2018.

It is anticipated a \$5,600,000 short term loan facility be established during the financial year ending 30 June 2019 to be repaid from sale proceeds.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**17. Major Land Transactions (Continued)**

**(a) Robinson Park Redevelopment and Subdivision (Continued)**

**(iv) Expected Future Projections**

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Revenue</b>				
Asset Disposal Proceeds	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>
<b>Expenditure</b>				
Materials & Contracts	(5,410,276)	0	0	(5,410,276)
Interest Expense	(324,000)	0	0	(324,000)
Loan Repayment	(5,600,000)	0	0	(5,600,000)
Transfer to Reserve	(3,786,000)	0	0	(3,786,000)
	<u>(15,120,276)</u>	<u>0</u>	<u>0</u>	<u>(15,120,276)</u>
<b>Net Future Projections</b>	<u>879,724</u>	<u>0</u>	<u>0</u>	<u>879,724</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**17. Major Land Transactions (Continued)**

**(b) Southern River Business Park**

**(i) Details**

The proposed Southern River Business Park consists of Lot 21 Furley Rd, Lots 100 and Lot 1768 Southern River Rd and Lot 1767 Matison St which are owned fee simple by the City. Work commenced in January 2017 on the preparation of a suitable subdivision layout, to enable market engagement to be undertaken, which informed a market analysis and Business Case.

The market analysis was finalised late 2018, and further work was undertaken early 2018 to refine the Business Case and review projected costs. A Western Power feasibility study and the preparation of a drainage strategy are planned for completion mid to late 2018. Based on the current work programme the design phase is planned for completion late 2018, with detailed design planned for early 2019. Upon completion of the design the project will be tendered and construction will commence upon award of tender.

**(ii) Revenue and Expenses**

	<b>Project Budget \$</b>	<b>Project Actual \$</b>	<b>2018/19 Budget \$</b>	<b>2017/18 Actual \$</b>
<b>Funding Sources</b>				
<b>Capital Revenue</b>				
Asset Disposal Proceeds	28,000,000	0	0	0
<b>Other Funding Sources</b>				
Loan Proceeds	9,600,000	0	5,100,000	0
<b>Total Funding Sources</b>	<u>37,600,000</u>	<u>0</u>	<u>5,100,000</u>	<u>0</u>
<b>Disbursement of Funds</b>				
<b>Operating Expense</b>				
Materials & Contracts	(600,000)	(247,121)	(365,000)	(36,487)
<b>Capital Expenditure</b>				
Materials & Contracts	(9,000,000)	(48,872)	(5,051,128)	(21,782)
Interest Expense	(380,000)	0	0	0
	<u>(9,980,000)</u>	<u>(295,993)</u>	<u>(5,416,128)</u>	<u>(58,269)</u>
<b>Other Expenses</b>				
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>
<b>Total Disbursement of funds</b>	<u>(36,080,000)</u>	<u>(295,993)</u>	<u>(5,416,128)</u>	<u>(58,269)</u>
<b>Total</b>	<u>1,520,000</u>	<u>(295,993)</u>	<u>(316,128)</u>	<u>(58,269)</u>



**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**17. Major Land Transactions (Continued)**

**(b) Southern River Business Park (Continued)**

**(iii) Assets and Liabilities**

Assets associated with this land transaction have a written down value of \$23,765,300 as at 30 June 2017.

There were no liabilities that exist in relation to this land transaction as at 30 June 2017. It is anticipated a \$9,600,000 short term loan facility be established during the 2018/19 financial year with \$5,100,000 outstanding as at 30 June 2019. The loan is anticipated to be repaid from the Southern River Business Park sale proceeds.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**17. Major Land Transactions (Continued)**

**(b) Southern River Business Park (Continued)**

**(iv) Expected Future Projections**

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Revenue</b>					
Asset Disposal Proceeds	0	9,000,000	9,000,000	10,000,000	28,000,000
Loan Proceeds	5,100,000	4,500,000	0	0	9,600,000
	<u>5,100,000</u>	<u>13,500,000</u>	<u>9,000,000</u>	<u>10,000,000</u>	<u>37,600,000</u>
<b>Expenditure</b>					
Materials & Contracts	(5,416,128)	(4,500,000)	0	0	(9,916,128)
Interest Expense	0	(180,000)	(200,000)	0	(380,000)
Loan Repayment	0	(4,500,000)	(5,100,000)	0	(9,600,000)
Transfer to Reserve	0	(4,320,000)	(3,700,000)	(8,480,000)	(16,500,000)
	<u>(5,416,128)</u>	<u>(13,500,000)</u>	<u>(9,000,000)</u>	<u>(8,480,000)</u>	<u>(36,396,128)</u>
<b>Net Future Projections</b>	<u>(316,128)</u>	<u>0</u>	<u>0</u>	<u>1,520,000</u>	<u>1,203,872</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**17. Major Land Transactions (Continued)**

**(c) Hester Park Redevelopment and Subdivision**

**(i) Details**

In collaboration with the Department of Planning a preliminary Master Plan was developed based on feedback received through a community consultation process. The Master Plan includes amenities that the community has indicated it would like included in the development such as playgrounds, pathways, lighting, BBQ's, dog exercise areas etc. The project will be funded by subdividing a portion of the existing reserve to create residential land parcels, to be placed on the open market. The extent of the development and amenity provided will be dependent on the quantity of land developed and the subsequent revenue raised from land sales.

**(ii) Revenue and Expenses**

	<b>Project Budget \$</b>	<b>Project Actual \$</b>	<b>2018/19 Budget \$</b>	<b>2017/18 Actual \$</b>
<b>Funding Sources</b>				
<b>Capital Revenue</b>				
Asset Disposal Proceeds	46,000,000	0	0	0
<b>Other Funding Sources</b>				
Municipal Funds	650,000	67,462	582,538	0
<b>Total Funding Sources</b>	<u>46,650,000</u>	<u>67,462</u>	<u>582,538</u>	<u>0</u>
<b>Disbursement of Funds</b>				
<b>Operating Expense</b>				
Materials & Contracts	(650,000)	(67,462)	(582,538)	0
<b>Capital Expenditure</b>				
Materials & Contracts	(46,000,000)	0	0	0
<b>Total Distribution of Funds</b>	<u>(46,650,000)</u>	<u>(67,462)</u>	<u>(582,538)</u>	<u>0</u>
<b>Total</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**(iii) Assets and Liabilities**

Assets associated with this land transaction have a written down value of \$20,830 as at 30 June 2017. It is anticipated assets related to the land transactions will be disposed by 30 June 2019.

There were no liabilities that exist in relation to this land transaction as at 30 June 2017, it is anticipated no liabilities will exist in relation to this land transaction as at 30 June 2018.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**17. Major Land Transactions (Continued)**

**(c) Hester Park Redevelopment and Subdivision (Continued)**

**(iv) Expected Future Projections**

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>				
Asset Disposal Proceeds	0	46,000,000	0	46,000,000
Municipal Funds	582,538	0	0	582,538
	<u>582,538</u>	<u>46,000,000</u>	<u>0</u>	<u>46,582,538</u>
<b>Expenditure</b>				
Materials & Contracts	(582,538)	(46,000,000)	0	(46,582,538)
	<u>(582,538)</u>	<u>(46,000,000)</u>	<u>0</u>	<u>(46,582,538)</u>
<b>Net Future Projections</b>	<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 2019**

**17. Major Land Transactions (Continued)**

**(e) Lot 800 Albany Highway Redevelopment**

**(i) Details**

The City plans to revitalise the site of the former Gosnells library, adjacent to the Agonis building (Lot 800 Albany Hwy). The Project, will be the first medium rise apartment development in the Town Centre. The Site is included within the City's Lissiman Street Improvement Plan No. 39 (LSIP) and is located directly opposite a priority redevelopment area next to Gosnells train station. The vision for the site is to significantly contribute to transforming the Gosnells Town Centre into a dynamic, vibrant and liveable place, with affordable housing options close to public transport. The pre planning phase commenced early 2018 and is expected to continue through to late 2018. The pre planning phase will inform the preparation of a Business Case and design development for the site.

**(ii) Revenue and Expenses**

	<b>Project Budget \$</b>	<b>Project Actual \$</b>	<b>2018/19 Budget \$</b>	<b>2017/18 Actual \$</b>
<b>Funding Sources</b>				
<b>Other Funding Sources</b>				
Loan Proceeds	15,000,000	0	5,000,000	0
<b>Total Fnding Sources</b>	<u>15,000,000</u>	<u>0</u>	<u>5,000,000</u>	<u>0</u>
<b>Disbursement of Funds</b>				
<b>Operating Expense</b>				
Materials & Contracts	0	200,000	(200,000)	0
	0	200,000	(200,000)	0
<b>Capital Expenditure</b>				
Materials & Contracts	0	0	(5,000,000)	0
	0	0	(5,000,000)	0
<b>Other Expenses</b>				
Loan Repayment	(15,000,000)	0	(5,000,000)	0
	(15,000,000)	0	(5,000,000)	0
<b>Total Distribution of Funds</b>	<u>(15,000,000)</u>	<u>200,000</u>	<u>(10,200,000)</u>	<u>0</u>
	<u>0</u>	<u>200,000</u>	<u>(5,200,000)</u>	<u>0</u>

**(iii) Assets and Liabilities**

It is anticipated no assets or liabilities will exist in relation to this project as at 30 June 2018.

It is anticipated a \$15,000,000 long term loan facility be established during the 2018/19 financial year with \$5,000,000 outstanding as at 30 June 2019.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**17. Major Land Transactions (Continued)**

**(e) Lot 800 Albany Highway Redevelopment (Continued)**

**(iv) Expected Future Projections**

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>				
Loan Proceeds	5,000,000	10,000,000		15,000,000
	<u>5,000,000</u>	<u>10,000,000</u>	<u>0</u>	<u>15,000,000</u>
<b>Expenditure</b>				
Materials & Contracts	(200,000)			(200,000)
Interest Expense		(150,000)	(450,000)	(600,000)
	<u>(200,000)</u>	<u>(150,000)</u>	<u>(450,000)</u>	<u>(800,000)</u>
<b>Net Future Projections</b>	<u>4,800,000</u>	<u>9,850,000</u>	<u>(450,000)</u>	<u>14,200,000</u>

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**18. Major Projects**

**(a) Operations Centre Redevelopment**

**(i) Details**

The City is investigating the suitability of land at Lot 801 Corfield Street, Kelmscott for the development of a new Operations Centre to replace the existing Operations Centre in Maddington, which is nearing the end of its useful life. As of 30 June 2017, an environmental investigation had been undertaken and further investigative work has continued through to 2018, including a geotechnical investigation, ground water monitoring and preliminary site planning. In the event investigations support the development of a new Operations Centre at the site, the project will progress to the next phase, being detailed design, tender and construction.

**(ii) Revenue and Expenses**

	<b>Project Budget \$</b>	<b>Project Actual \$</b>	<b>2018/19 Budget \$</b>	<b>2017/18 Actual \$</b>
<b>Funding Sources</b>				
<b>Other Funding Sources</b>				
Transfer from Reserve				
Operations Centre	16,500,000	0	0	0
Loan Proceeds	16,500,000	0	1,500,000	0
Municipal Funds	1,060,000	0	0	0
<b>Total Funding Sources</b>	<u>34,060,000</u>	<u>0</u>	<u>1,500,000</u>	<u>0</u>
<b>Disbursement of Funds</b>				
<b>Capital Expenditure</b>				
Materials & Contracts	(16,500,000)	(21,280)	(1,478,645)	(8,528)
Interest Expense	(1,060,000)	0	(60,000)	0
	<u>(17,560,000)</u>	<u>(21,280)</u>	<u>(1,538,645)</u>	<u>(8,528)</u>
<b>Other Expenses</b>				
Loan Repayment	(16,500,000)	0	0	0
<b>Total Distribution of Funds</b>	<u>(34,060,000)</u>	<u>(21,280)</u>	<u>(1,538,645)</u>	<u>(8,528)</u>
<b>Total</b>	<u>0</u>	<u>(21,280)</u>	<u>(38,645)</u>	<u>(8,528)</u>

**(iii) Assets and Liabilities**

It is not anticipated any assets or liabilities will exist in relation to this project as at 30 June 2018.

It is anticipated a \$16,500,000 short term loan facility be established during the 2018/19 financial year with \$1,500,000 outstanding as at 30 June 2019. The loan is anticipated to be repaid from the Southern River Business Park sale proceeds.

**City of Gosnells**  
**Notes to and forming part of the Budget**  
**for the year ending 30 June 2019**

**18. Major Projects (Continued)**

**(a) Operations Centre Redevelopment (Continued)**

**(iv) Expected Future Projections**

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Revenue</b>					
Transfer from Reserve	0	0	0	16,500,000	16,500,000
Loan Proceeds	1,500,000	5,000,000	10,000,000	0	16,500,000
Municipal Funds	0	200,000	600,000	200,000	1,000,000
	<u>1,500,000</u>	<u>5,200,000</u>	<u>10,600,000</u>	<u>16,700,000</u>	<u>34,000,000</u>
<b>Expenditure</b>					
Interest Expense	(60,000)	(200,000)	(600,000)	(200,000)	(1,060,000)
Materials & Contracts	(1,478,645)	(5,000,000)	(10,000,000)	0	(16,478,645)
Loan Repayment	0	0	0	(16,500,000)	(16,500,000)
	<u>(1,538,645)</u>	<u>(5,200,000)</u>	<u>(10,600,000)</u>	<u>(16,700,000)</u>	<u>(34,038,645)</u>
<b>Net Future Projections</b>	<u>(38,645)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(38,645)</u>