

CITY OF GOSNELLS
BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

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CITY OF GOSNELLS
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Revenue				
Rates	8	60,010,039	55,027,356	57,166,058
Operating Grants, Subsidies and Contributions		6,542,020	6,478,919	6,325,511
Fees and Charges	11	21,548,656	20,924,110	19,527,683
Interest Earnings	2(a)	4,066,000	3,856,962	3,727,000
Other Revenue	2(a)	105,950	470,537	106,000
		<u>92,272,665</u>	<u>86,757,884</u>	<u>86,852,252</u>
Expenses				
Employee Costs		(40,407,465)	(37,334,717)	(37,185,391)
Materials and Contracts		(31,948,064)	(26,005,047)	(27,134,482)
Utility Charges		(4,807,660)	(4,443,972)	(4,791,373)
Amortisation	2(a)	(210,012)	(260,389)	(312,456)
Depreciation on Non-Current Assets	2(a)	(18,896,790)	(15,703,533)	(15,077,419)
Interest Expenses	2(a)	(70,000)	(5,000)	(95,000)
Insurance Expenses		(2,037,838)	(1,877,194)	(2,012,374)
Other Expenditure		(1,356,857)	(2,524,588)	(1,132,514)
		<u>(99,734,686)</u>	<u>(88,154,440)</u>	<u>(87,741,009)</u>
		(7,462,021)	(1,396,556)	(888,757)
Non-Operating Grants, Subsidies and Contributions		15,819,421	13,610,565	18,200,340
Fair Value adjustment to financial assets at fair value through profit or loss	2(a)	150,000	220,000	0
Profit on Asset Disposals	3	13,098,379	728,548	7,429,161
Loss on Asset Disposals	3	(780,646)	(128,364)	(488,369)
NET RESULT		20,825,133	13,034,193	24,252,375
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>20,825,133</u>	<u>13,034,193</u>	<u>24,252,375</u>

Notes:

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

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

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

CITY OF GOSNELLS
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Revenue (Refer Notes 1,2,8 to 13)				
Governance		5,150	6,490	0
General Purpose Funding		69,094,264	64,217,358	65,584,034
Law, Order, Public Safety		864,308	986,008	646,185
Health		306,958	328,139	239,891
Education and Welfare		756,481	755,728	745,011
Community Amenities		14,524,953	13,749,937	13,975,847
Recreation and Culture		3,527,974	3,128,050	3,196,837
Transport		303,217	440,000	245,000
Economic Services		2,300,163	2,402,672	1,622,211
Other Property and Services		589,197	743,502	597,236
		<u>92,272,665</u>	<u>86,757,884</u>	<u>86,852,252</u>
Expenses Excluding Finance Costs (Refer Notes 1,2 & 14)				
Governance		(7,101,675)	(5,535,546)	(4,993,055)
General Purpose Funding		(1,381,686)	(1,358,111)	(1,373,673)
Law, Order, Public Safety		(3,876,499)	(3,606,297)	(3,317,354)
Health		(1,461,732)	(1,264,486)	(1,335,988)
Education and Welfare		(4,109,476)	(3,956,916)	(3,946,465)
Community Amenities		(19,821,596)	(19,052,140)	(19,091,381)
Recreation and Culture		(31,768,177)	(30,065,602)	(30,113,021)
Transport		(23,316,884)	(18,701,944)	(18,930,367)
Economic Services		(3,557,128)	(2,909,442)	(2,845,313)
Other Property and Services		(3,269,833)	(1,698,956)	(1,699,392)
		<u>(99,664,686)</u>	<u>(88,149,440)</u>	<u>(87,646,009)</u>
Finance Costs (Refer Notes 2 & 5)				
Law, Order, Public Safety		(70,000)	(5,000)	(75,000)
Other Property and Services		0	0	(20,000)
		<u>(70,000)</u>	<u>(5,000)</u>	<u>(95,000)</u>
Fair Value Adjustment to Financial Assets at Fair Value through Profit or Loss				
General Purpose Funding		150,000	220,000	0
		<u>150,000</u>	<u>220,000</u>	<u>0</u>
Non-operating Grants, Subsidies and Contributions				
Law, Order, Public Safety		1,350,000	0	1,350,000
Community Amenities		3,930,000	7,135,000	3,900,000
Recreation and Culture		6,298,360	1,039,941	7,281,943
Transport		4,241,061	5,360,969	5,668,397
Other Property and Services		0	74,655	0
		<u>15,819,421</u>	<u>13,610,565</u>	<u>18,200,340</u>
Profit/(Loss) On				
Disposal Of Assets (Refer Note 3)				
Recreation and Culture		(92,670)	0	0
Transport		(578,547)	(31,121)	(416,436)
Other Property and Services		12,988,950	631,305	7,357,228
		<u>12,317,733</u>	<u>600,184</u>	<u>6,940,792</u>
NET RESULT		20,825,133	13,034,193	24,252,375
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>20,825,133</u>	<u>13,034,193</u>	<u>24,252,375</u>

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and are not able to be reliably estimated at the time of budget adoption.

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

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

**CITY OF GOSNELLS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		62,210,039	56,527,356	57,366,058
Operating Grants, Subsidies and Contributions		6,242,020	6,143,646	6,525,511
Fees and Charges		21,548,656	20,924,110	19,527,683
Interest Earnings		3,766,000	3,556,962	4,427,000
Goods and Services Tax		4,119,797	3,710,472	4,619,797
Other Revenue		105,950	470,537	106,000
		<u>97,992,462</u>	<u>91,333,083</u>	<u>92,572,049</u>
Payments				
Employee Costs		(39,543,606)	(36,393,057)	(36,021,532)
Materials and Contracts		(29,906,403)	(24,091,746)	(26,355,272)
Utility Charges		(4,807,660)	(4,443,972)	(4,791,373)
Interest Expenses		(70,000)	0	(96,255)
Insurance Expenses		(2,037,838)	(1,877,194)	(2,012,374)
Goods and Services Tax		(4,035,049)	(3,611,410)	(4,535,049)
Other Expenditure		(1,356,857)	(2,524,588)	(1,132,514)
		<u>(81,757,413)</u>	<u>(72,941,967)</u>	<u>(74,944,369)</u>
Net Cash Provided By Operating Activities	15(b)	<u>16,235,049</u>	<u>18,391,116</u>	<u>17,627,680</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	4	(4,703,650)	(3,209,530)	(5,167,888)
Payments for Purchase of Property, Plant & Equipment	4	(49,428,418)	(16,145,367)	(34,793,018)
Payment for Purchase of Intangible Assets	4	(582,673)	(97,538)	(318,528)
Payments for Construction of Infrastructure	4	(29,293,465)	(12,781,679)	(23,901,296)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		15,819,421	13,610,565	18,200,340
Proceeds from Sale of Property, Plant & Equipment	3	<u>17,086,000</u>	<u>2,293,582</u>	<u>13,545,697</u>
Net Cash Used in Investing Activities		<u>(51,102,785)</u>	<u>(16,329,967)</u>	<u>(32,434,693)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	5	(250,000)	(5,300,000)	(6,250,000)
Proceeds from New Debentures	5	<u>38,587,410</u>	<u>1,888,590</u>	<u>7,371,412</u>
Net Cash Provided By (Used In) Financing Activities		<u>38,337,410</u>	<u>(3,411,410)</u>	<u>1,121,412</u>
Net Increase (Decrease) in Cash Held		3,469,674	(1,350,261)	(13,685,601)
Cash at Beginning of Year		<u>92,753,032</u>	<u>94,103,293</u>	<u>97,668,622</u>
Cash and Cash Equivalents at the End of the Year	15(a)	<u>96,222,706</u>	<u>92,753,032</u>	<u>83,983,021</u>

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

**CITY OF GOSNELLS
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Revenue	1,2			
Governance		5,150	6,490	0
General Purpose Funding		9,084,225	9,190,002	8,417,976
Law, Order, Public Safety		864,308	986,008	646,185
Health		306,958	328,139	239,891
Education and Welfare		756,481	755,728	745,011
Community Amenities		14,524,953	13,749,937	13,975,847
Recreation and Culture		3,527,974	3,128,050	3,196,837
Transport		412,646	537,243	316,933
Economic Services		2,300,163	2,402,672	1,622,211
Other Property and Services		13,578,147	1,374,807	7,954,464
		<u>45,361,005</u>	<u>32,459,076</u>	<u>37,115,355</u>
Expenses	1,2			
Governance		(7,101,675)	(5,535,546)	(4,993,055)
General Purpose Funding		(1,381,686)	(1,358,111)	(1,373,673)
Law, Order, Public Safety		(3,946,499)	(3,611,297)	(3,392,354)
Health		(1,461,732)	(1,264,486)	(1,335,988)
Education and Welfare		(4,109,476)	(3,956,916)	(3,946,465)
Community Amenities		(19,821,596)	(19,052,140)	(19,091,381)
Recreation and Culture		(31,860,847)	(30,065,602)	(30,113,021)
Transport		(24,004,860)	(18,830,308)	(19,418,736)
Economic Services		(3,557,128)	(2,909,442)	(2,845,313)
Other Property and Services		(3,269,833)	(1,698,956)	(1,719,392)
		<u>(100,515,332)</u>	<u>(88,282,804)</u>	<u>(88,229,378)</u>
Net Result Excluding General Rates		(55,154,327)	(55,823,728)	(51,114,023)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	3	(12,317,733)	(600,184)	(6,940,792)
Fair Value Adjustment to Financial Assets	2(a)	150,000	220,000	0
Amortisation	2(a)	210,012	260,389	312,456
Depreciation on Assets	2(a)	18,992,570	15,807,288	15,181,174
Change in Non Current Assets		(150,000)	(258,615)	0
Capital Expenditure and Revenue				
Purchase Land Held for Resale	4	(4,703,650)	(3,209,530)	(5,167,888)
Purchase Property, Plant and Equipment	4	(49,428,418)	(16,145,367)	(34,793,018)
Purchase Intangible Assets	4	(582,673)	(97,538)	(318,528)
Purchase Infrastructure	4	(29,293,465)	(12,781,679)	(23,901,296)
Proceeds from Disposal of Assets	3	17,086,000	2,293,582	13,545,697
Contributions/Grants for the construction of assets		15,819,421	13,610,565	18,200,340
Repayment of Loan Facilities	5	(250,000)	(5,300,000)	(6,250,000)
Proceeds from New Loan Facilities	5	38,587,410	1,888,590	7,371,412
Transfers to Reserves (Restricted Assets)	6	(13,756,706)	(13,044,383)	(8,706,659)
Transfers from Reserves (Restricted Assets)	6	8,380,289	4,633,837	6,393,407
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	7,201,231	20,720,648	19,821,660
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	800,000	7,201,231	800,000
Amount Required to be Raised from General Rate	8	<u>(60,010,039)</u>	<u>(55,027,356)</u>	<u>(57,166,058)</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 ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

Except for cash flow and rate setting information, the budget has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The Local Government Reporting Entity

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

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

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

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

(b) 2014/15 Actual Balances

Balances shown in this budget as 2014/15 Actual are as forecast at the time of budget preparation and are subject to final adjustment.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

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

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

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a Gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

(f) Superannuation

The Council contributes to a number of Superannuation Funds on behalf of employees.

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

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Cash and Cash Equivalents

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 7 - Net Current Assets.

(h) Trade and Other Receivables

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

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

Collectibility of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(i) Inventories

General

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

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

Land Held for Resale

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

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

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

(j) 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 Requirement 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.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or
 - (II) infrastructure; and

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

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

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

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of state or regional significance.

An assessment has been completed of Crown land operated by the council and it determined no Crown land is eligible to be recognised as an asset in the Council's Financial Statements. The Council is not expecting to have any Crown Land meet the Regulation during the financial year.

Initial Recognition and Measurement between Mandatory Revaluation Dates

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

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

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

Revaluation

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

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation Methodology*** section as detailed above.

Land Under Roads

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

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

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

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

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

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

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 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 estimated useful life of the improvements.

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

Bridges	60 to 100 years
Buildings	15 to 75 years
Drains	90 to 100 years
Footpaths	40 to 75 years
Furniture and Equipment	2 to 60 years
Intangible Assets	2 to 20 years
Other Infrastructure	10 to 75 years
Bus Shelters	40 years
Street Lights	25 to 50 years
Park Developments	5 to 40 years
Plant and Equipment	5 to 10 years
Sealed roads and streets Formation	not depreciated
Pavement	
- Access Roads	not depreciated
- Distributor Roads	65 to 85 years
Seal	
- bituminous seal	18 to 20 years
- asphalt surfaces	18 to 30 years
Kerbs	60 years

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

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

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

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.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

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

Land	Nil
Buildings	2,000
Furniture & Equipment	2,000
Infrastructure Asset	5,000
Intangible Asset	2,000
Park Development Asset	2,000
Plant & Equipment	2,000

(k) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair Value Hierarchy

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

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 Council 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 Council 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 Council 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, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions and are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(l) Financial Instruments

Initial Recognition and Measurement

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

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

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.

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

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

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

(v) Financial liabilities

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

Impairment

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

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

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

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

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 Council no longer has any significant continual involvement in the risks and benefits associated with the asset.

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

(m) Impairment of Assets

In accordance with Australian Accounting Standards the Council'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 in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116) whereby any impairment loss of a revaluation decreases in accordance with that other standard.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of Assets (Continued)

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 2016.

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

(n) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council 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 from end of month of recognition.

(o) Employee Benefits

Short-Term Employee Benefits

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

The Council'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 Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

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 or 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 remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council 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.

(p) Borrowing Costs

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

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Provisions

Provisions are recognised when the Council 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.

(r) 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 Council, 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.

(s) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interest in each asset and exposure to each liability of the arrangement. The Council'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 17.

(t) 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 Council's operational cycle. In the case of liabilities where the Council 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 Council's intentions to release for sale.

(u) Comparative Figures

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

(v) Budget Comparative Figures

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

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result			
The Net Result includes:			
(i) Charging as Expenses:			
Auditors Remuneration			
Audit Services	42,000	39,500	40,000
Other Services	0	0	0
Amortisation			
<u>By Program</u>			
Other Property and Services	210,012	260,389	312,456
	<u>210,012</u>	<u>260,389</u>	<u>312,456</u>
<u>By Class</u>			
Intangible Assets	210,012	260,389	312,456
	<u>210,012</u>	<u>260,389</u>	<u>312,456</u>
Total Amortisation	<u>210,012</u>	<u>260,389</u>	<u>312,456</u>
Depreciation			
<u>By Program</u>			
Depreciation Expense			
Law, Order, Public Safety	17,988	10,200	7,500
Health	88,824	71,900	53,364
Education and Welfare	110,076	126,500	92,520
Recreation and Culture	4,350,240	4,399,345	4,311,540
Transport	11,304,232	8,357,766	8,084,901
Other Property and Services	3,025,430	2,737,822	2,527,594
	<u>18,896,790</u>	<u>15,703,533</u>	<u>15,077,419</u>
Depreciation Capitalised			
Other Property and Services	95,780	103,755	103,755
	<u>95,780</u>	<u>103,755</u>	<u>103,755</u>
<u>By Class</u>			
Depreciation Expense			
Buildings	2,622,804	2,788,700	2,074,392
Furniture and Equipment	441,648	397,100	256,980
Plant and Equipment	2,127,678	1,871,767	1,871,767
Roads & Footpaths	6,779,592	6,639,996	6,639,996
Bridges	953,736	275,640	251,364
Drainage	3,162,516	1,023,509	996,792
Car Parks	0	0	105,000
Park Development	2,318,976	2,199,345	2,695,260
Other Infrastructure	489,840	507,476	185,868
	<u>18,896,790</u>	<u>15,703,533</u>	<u>15,077,419</u>
Depreciation Capitalised			
Plant and Equipment	95,780	103,755	103,755
	<u>95,780</u>	<u>103,755</u>	<u>103,755</u>
Total Depreciation	<u>18,992,570</u>	<u>15,807,288</u>	<u>15,181,174</u>

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

	2015/16 Budget	2014/15 Actual	2014/15 Budget
2. REVENUES AND EXPENSES (Continued)	\$	\$	\$
(a) Net Result (Continued)			
The Net Result includes:			
Interest Expenses (Finance Costs) (refer note 5(a))			
- Operating Interest Loan Facilities	70,000	5,000	95,000
- Capital Interest Loan Facilities	1,040,780	157,410	450,000
	<u>1,110,780</u>	<u>162,410</u>	<u>545,000</u>
(ii) Crediting as Revenues:			
Interest Earnings			
Investments			
- Reserve Funds	1,485,000	1,222,000	1,442,000
- Other Funds	1,996,000	2,059,962	1,722,000
Other Interest Revenue (refer note 13)	585,000	575,000	563,000
	<u>4,066,000</u>	<u>3,856,962</u>	<u>3,727,000</u>
(iii) Other Revenue			
Advertising Rebate	15,000	14,360	16,000
Discount Received	90,000	98,000	90,000
Reimbursement from prior years	0	357,000	0
Other	950	1,177	0
	<u>105,950</u>	<u>470,537</u>	<u>106,000</u>
(iii) Fair Value Adjustment to Financial Assets			
Revaluation on Investments to Statement of Comprehensive Income	150,000	220,000	0
	<u>150,000</u>	<u>220,000</u>	<u>0</u>

(b) Statement of Objective

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

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

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

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.

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.

LAW, ORDER, PUBLIC SAFETY

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

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

HEALTH

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

EDUCATION AND WELFARE

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

COMMUNITY AMENITIES

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

RECREATION AND CULTURE

Administration and operation of the civic centre, community halls, recreation centre, parks, sporting facilities, Leisure World, Don Russell Performing Arts Centre, Libraries and the Gosnells Museum. Provision of heritage and community programs and events such as Homegrown Festival, Summer Event Series, Outdoor Cinema, Arts and Culture programs, Sponsorship and Funding programs.

TRANSPORT

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

ECONOMIC SERVICES

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

OTHER PROPERTY & 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 which allocated to the above programs. This program also includes any unclassified activities such as sale of land for the City's land subdivision projects and miscellaneous reserve transfers.

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

3. DISPOSAL OF NON CURRENT ASSETS AND LAND HELD FOR RESALE INVENTORY

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

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2015/16 BUDGET \$	2015/16 BUDGET \$	2015/16 BUDGET \$
Recreation and Culture	92,670	0	(92,670)
Transport	1,722,547	1,144,000	(578,547)
Other Properties and Services	2,953,050	15,942,000	12,988,950
	4,768,267	17,086,000	12,317,733

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2015/16 BUDGET \$	2015/16 BUDGET \$	2015/16 BUDGET \$
Buildings	92,670	0	(92,670)
Plant and Equipment	1,722,547	1,144,000	(578,547)
Land held for resale	2,953,050	15,942,000	12,988,950
	4,768,267	17,086,000	12,317,733

<u>Summary</u>	2015/16 BUDGET \$
Profit on Asset Disposals	13,098,379
Loss on Asset Disposals	(780,646)
	<u><u>12,317,733</u></u>

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

4. ACQUISITION OF NON CURRENT ASSETS AND LAND HELD FOR RESALE INVENTORIES

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

Asset Class	Reporting Program							Total \$
	Law, Order, Public Safety \$	Health \$	Education and Welfare \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Other Property and Services \$	
Property, Plant and Equipment								
Land and Buildings	3,338,251	53,000	35,000	1,690,000	37,791,627	0	208,771	43,116,649
Furniture and Equipment	0	0	5,000	0	138,358	10,500	496,884	650,742
Plant and Equipment	0	0	0	0	0	0	5,661,027	5,661,027
Total Property, Plant and Equipment	3,338,251	53,000	40,000	1,690,000	37,929,985	10,500	6,366,682	49,428,418
Infrastructure								
Roads & Footpaths	0	0	0	0	0	18,617,350	0	18,617,350
Bridges	0	0	0	0	0	1,539,423	0	1,539,423
Drainage	0	0	0	0	126,937	2,347,880	0	2,474,817
Park Development	0	0	0	0	6,189,009	0	0	6,189,009
Other Infrastructure	0	0	0	0	43,647	429,219	0	472,866
Total Infrastructure	0	0	0	0	6,359,593	22,933,872	0	29,293,465
Land Held for Resale	0	0	0	0	0	0	4,703,650	4,703,650
Intangible Assets								
Software	0	0	0	0	0	0	582,673	582,673
	3,338,251	53,000	40,000	1,690,000	44,289,578	22,944,372	11,653,005	84,008,206

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 schedule
- Capital and Carry forward Program Supporting Schedule

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

5. INFORMATION ON BORROWINGS

(a) Loan Repayments

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

Particulars	Forecast Principal 1-Jul-15 \$	Facility Limit \$	New Loan Drawdown \$	Principal		Principal		Interest	
				Repayments		Outstanding		Repayments	
				2015/16 Budget \$	2014/15 Actual \$	2015/16 Budget \$	2014/15 Actual \$	2015/16 Budget \$	2014/15 Actual \$
Law, Order, Public Safety									
Emergency Operations Centre*	696,650	2,850,000	2,153,350	250,000	0	2,600,000	696,650	70,000	5,000
Community Amenities									
Central Maddington ODP Infrastructure	0	5,000,000	5,000,000	0	0	5,000,000	0	0	0
Recreation and Culture									
Mills Park - Short Term Facility*	1,191,940	17,026,000	15,834,060	0	0	17,026,000	1,191,940	600,000	0
Mills Park - Short Term/Fixed Rate Loan	0	10,000,000	10,000,000	0	0	10,000,000	0	340,780	0
Other Property and Services									
Streatham Street Subdivision**	0	5,300,000	0	0	5,300,000	0	0	0	157,410
Robinson Park Redevelopment & Subdivision	0	5,600,000	5,600,000	0	0	5,600,000	0	100,000	0
	1,888,590	45,776,000	38,587,410	250,000	5,300,000	40,226,000	1,888,590	1,110,780	162,410

*Mills Park and the Emergency Operations Centre short term loan facilities were established in 2014/15.

**Repayment of loan funded from sale of land proceeds.

All other loan repayments will be financed by general purpose revenue.

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

5. INFORMATION ON BORROWINGS (Continued)

(b) New Loan Facilities - 2015/16

Particulars/Purpose	Facility Limit \$	Drawdown Amount \$	Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used Budget \$	Balance Unspent \$
Community Amenities Central Maddington ODP Infrastructure	5,000,000	5,000,000	WA Treasury Corporation	Short Term Facility	3	0	4%	5,000,000	0
Recreation and Culture Mills Park Redevelopment	10,000,000	10,000,000	WA Treasury Corporation	Short Term Facility/ Fixed Rate Loan	3 / 20	340,780	4%	10,000,000	0
Other Property and Services Robinson Park Subdivision and Park Development	5,600,000	5,600,000	WA Treasury Corporation	Short Term Facility	3	100,000	4%	5,600,000	0
						440,780		0	0

The City intends to establish an additional loan facility of \$10,000,000 for Mills Park Redevelopment and anticipates this facility to be fully drawn in 2015/16. The City intends to have loan facilities totaling \$27,026,000 for Mills Park Redevelopment and to be fully drawn in 2015/16.

(c) Unspent Loan Facilities

Particulars	Date Borrowed	Balance 1/07/2014 \$	Borrowed During Year \$	Expended During Year \$	Balance 30/06/2015 \$
Law, Order, Public Safety Emergency Operations Centre	30/06/2015	0	696,650	696,650	0
Recreation and Culture Mills Park Redevelopment	30/06/2015	0	1,191,940	1,191,940	0
Other Property and Services Streatham Street	1/12/2011	951,715	0	951,715	0
		951,715	1,888,590	2,840,305	0

All other drawn loan funds are expected to be fully expended as at 30 June 2015.

Council is not expected to have any other unspent loan funds as at 30 June 2016.

(d) Overdraft

Council has not utilised an overdraft facility during the financial year.

It is not anticipated that this facility will be required to be utilised during 2015/16.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
6. RESERVES			
Ordinary Reserves			
(a) Asset Management Reserve			
Opening Balance	1,534,588	1,508,273	1,466,881
Amount Set Aside / Transfer to Reserve	162,891	26,315	30,551
Amount Used / Transfer from Reserve	0	0	0
	<u>1,697,479</u>	<u>1,534,588</u>	<u>1,497,432</u>
(b) Developer Contribution to Infrastructure			
Opening Balance	368,661	362,340	337,451
Amount Set Aside / Transfer to Reserve	17,483	6,321	7,028
Amount Used / Transfer from Reserve	0	0	0
	<u>386,144</u>	<u>368,661</u>	<u>344,479</u>
(c) Performing Arts Centre			
Opening Balance	283,527	257,665	248,867
Amount Set Aside / Transfer to Reserve	27,659	25,862	26,620
Amount Used / Transfer from Reserve	0	0	0
	<u>311,186</u>	<u>283,527</u>	<u>275,487</u>
(d) Emergency Services			
Opening Balance	81,338	77,944	65,215
Amount Set Aside / Transfer to Reserve	3,136	3,394	2,889
Amount Used / Transfer from Reserve	0	0	0
	<u>84,474</u>	<u>81,338</u>	<u>68,104</u>
(e) Floodlighting Levy			
Opening Balance	61,724	79,991	66,090
Amount Set Aside / Transfer to Reserve	11,927	11,558	12,095
Amount Used / Transfer from Reserve	0	(29,825)	0
	<u>73,651</u>	<u>61,724</u>	<u>78,185</u>
(f) Gosnells Oval Redevelopment			
Opening Balance	565,675	464,898	465,000
Amount Set Aside / Transfer to Reserve	98,022	100,777	102,658
Amount Used / Transfer from Reserve	0	0	0
	<u>663,697</u>	<u>565,675</u>	<u>567,658</u>
(g) Gosnells Town Centre Revitalisation			
Opening Balance	746,828	657,021	610,460
Amount Set Aside / Transfer to Reserve	98,860	92,807	94,380
Amount Used / Transfer from Reserve	(27,189)	(3,000)	(29,135)
	<u>818,499</u>	<u>746,828</u>	<u>675,705</u>
(h) Harmony Fields			
Opening Balance	213,658	185,246	176,571
Amount Set Aside / Transfer to Reserve	30,225	28,412	28,941
Amount Used / Transfer from Reserve	0	0	0
	<u>243,883</u>	<u>213,658</u>	<u>205,512</u>
(i) Heritage Condition Reward Scheme			
Opening Balance	31,163	28,129	23,069
Amount Set Aside / Transfer to Reserve	13,165	13,034	13,241
Amount Used / Transfer from Reserve	(10,000)	(10,000)	(10,000)
	<u>34,328</u>	<u>31,163</u>	<u>26,310</u>
Total Ordinary Reserves C/Fwd	<u>4,313,341</u>	<u>3,887,162</u>	<u>3,738,872</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
6. RESERVES (Continued)			
Total ordinary Reserves B/Fwd	<u>4,313,341</u>	<u>3,887,162</u>	<u>3,738,872</u>
(j) Insurance			
Opening Balance	1,005,686	988,441	961,919
Amount Set Aside / Transfer to Reserve	19,872	17,245	20,034
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>1,025,558</u>	<u>1,005,686</u>	<u>981,953</u>
(k) Langford Oval Redevelopment			
Opening Balance	185,486	248,305	238,666
Amount Set Aside / Transfer to Reserve	26,220	25,181	27,429
Amount Used / Transfer from Reserve	<u>(28,000)</u>	<u>(88,000)</u>	<u>0</u>
	<u>183,706</u>	<u>185,486</u>	<u>266,095</u>
(l) Leisure World - Asset Management			
Opening Balance	359,172	361,213	351,365
Amount Set Aside / Transfer to Reserve	27,492	6,159	7,318
Amount Used / Transfer from Reserve	<u>0</u>	<u>(8,200)</u>	<u>0</u>
	<u>386,664</u>	<u>359,172</u>	<u>358,683</u>
(m) Local Government Elections			
Opening Balance	192,131	122,836	118,177
Amount Set Aside / Transfer to Reserve	68,892	69,295	69,836
Amount Used / Transfer from Reserve	<u>(215,000)</u>	<u>0</u>	<u>0</u>
	<u>46,023</u>	<u>192,131</u>	<u>188,013</u>
(n) Local Open Space Strategy			
Opening Balance	299,079	282,144	275,336
Amount Set Aside / Transfer to Reserve	28,819	16,935	5,734
Amount Used / Transfer from Reserve	<u>(120,000)</u>	<u>0</u>	<u>0</u>
	<u>207,898</u>	<u>299,079</u>	<u>281,070</u>
(o) Maddington/Kenwick Revitalisation			
Opening Balance	2,233,278	2,194,983	2,126,478
Amount Set Aside / Transfer to Reserve	39,451	38,295	44,288
Amount Used / Transfer from Reserve	<u>(236,758)</u>	<u>0</u>	<u>(107,993)</u>
	<u>2,035,971</u>	<u>2,233,278</u>	<u>2,062,773</u>
(p) MGB Plant and Equipment			
Opening Balance	2,788,321	2,933,609	2,828,754
Amount Set Aside / Transfer to Reserve	1,016,675	669,712	183,455
Amount Used / Transfer from Reserve	<u>(1,809,050)</u>	<u>(815,000)</u>	<u>(1,435,000)</u>
	<u>1,995,946</u>	<u>2,788,321</u>	<u>1,577,209</u>
(q) Mills Park			
Opening Balance	2,926,208	2,078,461	1,500,654
Amount Set Aside / Transfer to Reserve	2,212,438	847,747	89,346
Amount Used / Transfer from Reserve	<u>(1,590,000)</u>	<u>0</u>	<u>(1,590,000)</u>
	<u>3,548,646</u>	<u>2,926,208</u>	<u>0</u>
Total Ordinary Reserves C/Fwd	<u>13,743,753</u>	<u>13,876,523</u>	<u>9,454,668</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
6. RESERVES (Continued)			
Total Ordinary Reserves B/Fwd	<u>13,743,753</u>	<u>13,876,523</u>	<u>9,454,668</u>
(r) Netball Courts Resurfacing			
Opening Balance	10,080	9,908	9,636
Amount Set Aside / Transfer to Reserve	199	172	201
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>10,279</u>	<u>10,080</u>	<u>9,837</u>
(s) Operations Centre			
Opening Balance	437,043	429,548	366,714
Amount Set Aside / Transfer to Reserve	7,648	7,495	7,638
Amount Used / Transfer from Reserve	<u>(50,000)</u>	<u>0</u>	<u>(50,000)</u>
	<u>394,691</u>	<u>437,043</u>	<u>324,352</u>
(t) Plant and Equipment			
Opening Balance	3,770,021	2,987,592	3,750,468
Amount Set Aside / Transfer to Reserve	1,522,214	2,328,805	2,175,139
Amount Used / Transfer from Reserve	<u>(2,285,325)</u>	<u>(1,546,376)</u>	<u>(2,259,762)</u>
	<u>3,006,910</u>	<u>3,770,021</u>	<u>3,665,845</u>
(u) Rate Revaluation			
Opening Balance	302,619	164,430	144,319
Amount Set Aside / Transfer to Reserve	138,549	138,189	138,776
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>441,168</u>	<u>302,619</u>	<u>283,095</u>
(v) Recreation and Culture Reserve			
Opening Balance	1,070,193	987,420	1,002,973
Amount Set Aside / Transfer to Reserve	20,257	118,351	122,972
Amount Used / Transfer from Reserve	<u>(45,000)</u>	<u>(35,578)</u>	<u>(7,992)</u>
	<u>1,045,450</u>	<u>1,070,193</u>	<u>1,117,953</u>
(w) Refuse Disposal Site Rehabilitation			
Opening Balance	693,636	658,292	637,900
Amount Set Aside / Transfer to Reserve	38,815	35,344	37,224
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>732,451</u>	<u>693,636</u>	<u>675,124</u>
(x) Southern River Contaminated Site Rehabilitation			
Opening Balance	435,091	429,631	430,059
Amount Set Aside / Transfer to Reserve	6,622	7,460	8,957
Amount Used / Transfer from Reserve	<u>(100,000)</u>	<u>(2,000)</u>	<u>(100,000)</u>
	<u>341,713</u>	<u>435,091</u>	<u>339,016</u>
(y) Sutherlands Park			
Opening Balance	568,990	479,794	444,738
Amount Set Aside / Transfer to Reserve	89,907	90,246	91,429
Amount Used / Transfer from Reserve	<u>(298,950)</u>	<u>(1,050)</u>	<u>(300,000)</u>
	<u>359,947</u>	<u>568,990</u>	<u>236,167</u>
(z) Walter Padbury Park			
Opening Balance	301,711	239,144	216,032
Amount Set Aside / Transfer to Reserve	70,749	62,567	63,088
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>372,460</u>	<u>301,711</u>	<u>279,120</u>
Total Ordinary Reserves	<u>20,448,822</u>	<u>21,465,907</u>	<u>16,385,177</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
6. RESERVES (Continued)			
Planning Reserves			
(aa) Public Open Space			
Opening Balance	25,611,398	22,234,221	21,458,483
Amount Set Aside / Transfer to Reserve	6,484,736	4,708,651	3,941,290
Amount Used / Transfer from Reserve	<u>(1,027,273)</u>	<u>(1,331,474)</u>	<u>(8,283)</u>
	<u>31,068,861</u>	<u>25,611,398</u>	<u>25,391,490</u>
(ab) TPS9A			
Opening Balance	1,002,761	1,391,066	1,295,811
Amount Set Aside / Transfer to Reserve	29,914	17,195	47,404
Amount Used / Transfer from Reserve	<u>(5,000)</u>	<u>(405,500)</u>	<u>(5,000)</u>
	<u>1,027,675</u>	<u>1,002,761</u>	<u>1,338,215</u>
(ac) TPS15			
Opening Balance	423,353	421,093	409,508
Amount Set Aside / Transfer to Reserve	18,465	7,260	28,945
Amount Used / Transfer from Reserve	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>
	<u>436,818</u>	<u>423,353</u>	<u>433,453</u>
(ad) TPS17			
Opening Balance	555,313	548,288	370,930
Amount Set Aside / Transfer to Reserve	31,270	27,525	28,142
Amount Used / Transfer from Reserve	<u>(5,000)</u>	<u>(20,500)</u>	<u>(5,000)</u>
	<u>581,583</u>	<u>555,313</u>	<u>394,072</u>
(ae) TPS20			
Opening Balance	1,971,697	1,825,887	1,733,457
Amount Set Aside / Transfer to Reserve	59,256	150,810	87,144
Amount Used / Transfer from Reserve	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>
	<u>2,025,953</u>	<u>1,971,697</u>	<u>1,815,601</u>
(af) ODP Canning Vale			
Opening Balance	873,545	822,835	868,471
Amount Set Aside / Transfer to Reserve	37,064	104,988	69,129
Amount Used / Transfer from Reserve	<u>(30,000)</u>	<u>(54,278)</u>	<u>(60,600)</u>
	<u>880,609</u>	<u>873,545</u>	<u>877,000</u>
(ag) ODP West Canning Vale (Campbell Estate)			
Opening Balance	5,502,596	5,355,796	5,311,696
Amount Set Aside / Transfer to Reserve	159,106	239,356	161,668
Amount Used / Transfer from Reserve	<u>(31,000)</u>	<u>(92,556)</u>	<u>(41,088)</u>
	<u>5,630,702</u>	<u>5,502,596</u>	<u>5,432,276</u>
(ah) ODP Southern River Precinct 1			
Opening Balance	3,520,327	2,284,963	2,229,037
Amount Set Aside / Transfer to Reserve	120,055	1,260,364	66,841
Amount Used / Transfer from Reserve	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>
	<u>3,615,382</u>	<u>3,520,327</u>	<u>2,270,878</u>
(ai) ODP Southern River Precinct 2			
Opening Balance	5,977,962	5,895,455	5,733,521
Amount Set Aside / Transfer to Reserve	219,704	102,507	272,536
Amount Used / Transfer from Reserve	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>
	<u>6,177,666</u>	<u>5,977,962</u>	<u>5,986,057</u>
Total Planning Reserves C/Fwd	<u>51,445,249</u>	<u>45,438,952</u>	<u>43,939,042</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
6. RESERVES (Continued)			
Total Planning Reserves B/Fwd	<u>51,445,249</u>	<u>45,438,952</u>	<u>43,939,042</u>
(aj) ODP Southern River Precinct 3			
Opening Balance	3,140,333	2,153,484	2,143,453
Amount Set Aside / Transfer to Reserve	366,656	1,053,849	197,766
Amount Used / Transfer from Reserve	<u>(67,000)</u>	<u>(67,000)</u>	<u>(67,000)</u>
	<u>3,439,989</u>	<u>3,140,333</u>	<u>2,274,219</u>
(ak) ODP Southern River Precinct 3A			
Opening Balance	131,716	89,458	87,388
Amount Set Aside / Transfer to Reserve	22,998	42,258	52,861
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>154,714</u>	<u>131,716</u>	<u>140,249</u>
(al) ODP Southern River Precinct 3E			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	10,198	0	20,417
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>10,198</u>	<u>0</u>	<u>20,417</u>
(am) ODP Southern River Precinct 5			
Opening Balance	126,904	126,381	55,971
Amount Set Aside / Transfer to Reserve	33	523	1,166
Amount Used / Transfer from Reserve	<u>(126,937)</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>126,904</u>	<u>57,137</u>
(an) ODP Homestead Road			
Opening Balance	292,669	305,150	487,296
Amount Set Aside / Transfer to Reserve	25,882	5,019	30,565
Amount Used / Transfer from Reserve	<u>(15,000)</u>	<u>(17,500)</u>	<u>(15,000)</u>
	<u>303,551</u>	<u>292,669</u>	<u>502,861</u>
(ao) ODP Maddington Road (A&B)			
Opening Balance	292,365	179,351	176,974
Amount Set Aside / Transfer to Reserve	107,418	130,014	34,311
Amount Used / Transfer from Reserve	<u>(17,000)</u>	<u>(17,000)</u>	<u>(17,000)</u>
	<u>382,783</u>	<u>292,365</u>	<u>194,285</u>
(ap) ODP Central Maddington Precinct 1			
Opening Balance	372,386	0	0
Amount Set Aside / Transfer to Reserve	186,250	406,386	255,207
Amount Used / Transfer from Reserve	<u>(158,644)</u>	<u>(34,000)</u>	<u>(229,554)</u>
	<u>399,992</u>	<u>372,386</u>	<u>25,653</u>
(aq) ODP Central Maddington Precinct 2			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	79,514	0	0
Amount Used / Transfer from Reserve	<u>(27,163)</u>	<u>0</u>	<u>0</u>
	<u>52,351</u>	<u>0</u>	<u>0</u>
Total Planning Reserves	<u>56,188,827</u>	<u>49,795,325</u>	<u>47,153,863</u>
Total Reserves	<u>76,637,649</u>	<u>71,261,232</u>	<u>63,539,040</u>

All of the above reserve accounts are to be supported by money held in financial institutions.

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
6. RESERVES (Continued)			
SUMMARY OF RESERVE TRANSFERS			
Transfers to Reserves			
Asset Management Reserve	162,891	26,315	30,551
Developer Contribution to Infrastructure	17,483	6,321	7,028
Performing Arts Centre	27,659	25,862	26,620
Emergency Services	3,136	3,394	2,889
Floodlighting Levy	11,927	11,558	12,095
Gosnells Oval Redevelopment	98,022	100,777	102,658
Gosnells Town Centre Revitalisation	98,860	92,807	94,380
Harmony Fields	30,225	28,412	28,941
Heritage Condition Reward Scheme	13,165	13,034	13,241
Insurance	19,872	17,245	20,034
Langford Oval Redevelopment	26,220	25,181	27,429
Leisure World - Asset Management	27,492	6,159	7,318
Local Government Elections	68,892	69,295	69,836
Local Open Space Strategy	28,819	16,935	5,734
Maddington/Kenwick Revitalisation	39,451	38,295	44,288
MGB Plant and Equipment	1,016,675	669,712	183,455
Mills Park	2,212,438	847,747	89,346
Netball Courts Resurfacing	199	172	201
Operations Centre	7,648	7,495	7,638
Plant and Equipment	1,522,214	2,328,805	2,175,139
Rate Revaluation	138,549	138,189	138,776
Recreation and Culture Reserve	20,257	118,351	122,972
Refuse Disposal Site Rehabilitation	38,815	35,344	37,224
Southern River Contaminated Site Rehabilitation	6,622	7,460	8,957
Sutherlands Park	89,907	90,246	91,429
Walter Padbury Park	70,749	62,567	63,088
Public Open Space	6,484,736	4,708,651	3,941,290
TPS9A	29,914	17,195	47,404
TPS15	18,465	7,260	28,945
TPS17	31,270	27,525	28,142
TPS20	59,256	150,810	87,144
ODP Canning Vale	37,064	104,988	69,129
ODP West Canning Vale (Campbell Estate)	159,106	239,356	161,668
ODP Southern River Precinct 1	120,055	1,260,364	66,841
ODP Southern River Precinct 2	219,704	102,507	272,536
ODP Southern River Precinct 3	366,656	1,053,849	197,766
ODP Southern River Precinct 3A	22,998	42,258	52,861
ODP Southern River Precinct 3E	10,198	0	20,417
ODP Southern River Precinct 5	33	523	1,166
ODP Homestead Road	25,882	5,019	30,565
ODP Maddington Road (A&B)	107,418	130,014	34,311
ODP Central Maddington Precinct 1	186,250	406,386	255,207
ODP Central Maddington Precinct 2	79,514	0	0
	<u>13,756,706</u>	<u>13,044,383</u>	<u>8,706,659</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

6. RESERVES (Continued)	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
SUMMARY OF RESERVE TRANSFERS			
Transfers from Reserves			
Asset Management Reserve	0	0	0
Developer Contribution to Infrastructure	0	0	0
Performing Arts Centre	0	0	0
Emergency Services	0	0	0
Floodlighting Levy	0	(29,825)	0
Gosnells Oval Redevelopment	0	0	0
Gosnells Town Centre Revitalisation	(27,189)	(3,000)	(29,135)
Harmony Fields	0	0	0
Heritage Condition Reward Scheme	(10,000)	(10,000)	(10,000)
Insurance	0	0	0
Langford Oval Redevelopment	(28,000)	(88,000)	0
Leisure World - Asset Management	0	(8,200)	0
Local Government Elections	(215,000)	0	0
Local Open Space Strategy	(120,000)	0	0
Maddington/Kenwick Revitalisation	(236,758)	0	(107,993)
MGB Plant and Equipment	(1,809,050)	(815,000)	(1,435,000)
Mills Park	(1,590,000)	0	(1,590,000)
Netball Courts Resurfacing	0	0	0
Operations Centre	(50,000)	0	(50,000)
Plant and Equipment	(2,285,325)	(1,546,376)	(2,259,762)
Rate Revaluation	0	0	0
Recreation and Culture Reserve	(45,000)	(35,578)	(7,992)
Refuse Disposal Site Rehabilitation	0	0	0
Southern River Contaminated Site Rehabilitation	(100,000)	(2,000)	(100,000)
Sutherlands Park	(298,950)	(1,050)	(300,000)
Walter Padbury Park	0	0	0
Public Open Space	(1,027,273)	(1,331,474)	(8,283)
TPS9A	(5,000)	(405,500)	(5,000)
TPS15	(5,000)	(5,000)	(5,000)
TPS17	(5,000)	(20,500)	(5,000)
TPS20	(5,000)	(5,000)	(5,000)
ODP Canning Vale	(30,000)	(54,278)	(60,600)
ODP West Canning Vale (Campbell Estate)	(31,000)	(92,556)	(41,088)
ODP Southern River Precinct 1	(25,000)	(25,000)	(25,000)
ODP Southern River Precinct 2	(20,000)	(20,000)	(20,000)
ODP Southern River Precinct 3	(67,000)	(67,000)	(67,000)
ODP Southern River Precinct 3A	0	0	0
ODP Southern River Precinct 3E	0	0	0
ODP Southern River Precinct 5	(126,937)	0	0
ODP Homestead Road	(15,000)	(17,500)	(15,000)
ODP Maddington Road (A&B)	(17,000)	(17,000)	(17,000)
ODP Central Maddington Precinct 1	(158,644)	(34,000)	(229,554)
ODP Central Maddington Precinct 2	(27,163)	0	0
	<u>(8,380,289)</u>	<u>(4,633,837)</u>	<u>(6,393,407)</u>
Total Transfer to/(from) Reserves	<u>5,376,417</u>	<u>8,410,546</u>	<u>2,313,252</u>

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

6. RESERVES (Continued)

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

Asset Management Reserve

- new or refurbished assets.

Developer Contribution to Infrastructure

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

Performing Arts Centre

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

Emergency Services

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

Floodlighting Levy

- to upgrade the City's active reserve floodlighting.

Gosnells Oval Redevelopment

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

Gosnells Town Centre Revitalisation

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

Harmony Fields

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

Heritage Condition Reward Scheme

- to fund the preservation or restoration of the City's significant historic items and to fund payments to owners of properties and trees listed in the City of Gosnells Heritage Inventory through the Condition Reward Scheme.

Insurance

- to provide funds in case of calls on Council's participating 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

- acquisition of rubbish plant and associated equipment (including bins).

Mills Park

- to assist with the development of Mills Park funded from Telco Tower leases.

Netball Courts Resurfacing

- resurfacing of the Southern Districts Netball Courts in Langford as required.

Operations Centre

- to fund Council's expenditure on redeveloping Gosnells Operations Centre.

Plant and Equipment

- to fund replacement or new acquisition of plant and associated equipment.
- rehabilitation of the Kelvin Road Refuse Disposal Site following future closure funded from Telco Tower leases.

Rate Revaluation

- for expenditure associated with the revaluation of properties on which council raises rates.

Recreation and Culture Reserve

- 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.

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

6. RESERVES (Continued)

Southern River Contaminated Site Rehabilitation

- for expenditure associated with the rehabilitation of the Southern River contaminated site.

Sutherlands Park

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

Walter Padbury Park

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

Public Open Space

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

TPS9A

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

TPS15

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

TPS17

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

TPS20

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

ODP Canning Vale

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

ODP West Canning Vale (Campbell Estate)

- 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 Homestead Road

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

ODP Maddington Road (A&B)

- 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.

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 ENDED 30 JUNE 2016**

	Note	2015/16 Budget \$	2014/15 Actual \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	15(a)	19,585,057	18,935,380
Cash - Restricted	15(a)	76,637,649	73,817,652
Receivables		3,500,000	4,404,636
Inventories		<u>300,000</u>	<u>292,936</u>
		100,022,706	97,450,604
LESS: CURRENT LIABILITIES			
Payables & Provisions		<u>(22,585,057)</u>	<u>(16,431,721)</u>
		(22,585,057)	(16,431,721)
NET CURRENT ASSET POSITION		77,437,649	81,018,883
Less: Cash - Restricted Reserves	15(a)	(76,637,649)	(71,261,232)
Less: Cash - Unspent Grants	15(a)	0	(2,556,420)
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD		<u><u>800,000</u></u>	<u><u>7,201,231</u></u>

The estimated surplus/(deficiency) c/fwd in the 2014/15 actual column represents the surplus (deficit) brought forward as at 1 July 2015.

The estimated surplus/(deficiency) c/fwd in the 2015/16 budget column represents the surplus (deficit) carried forward as at 30 June 2016.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

8. RATING INFORMATION - 2015/16 FINANCIAL YEAR

RATE TYPE	Rate in \$ cents	Number of Properties	Rateable Value \$	2015/16 Budgeted Rate Revenue \$	2015/16 Budgeted Interim Rates \$	2015/16 Budgeted Back Rates \$	2015/16 Budgeted Total Revenue \$	2014/15 Actual \$
Differential General Rate								
Gross Rental Value (GRV)								
Extractive Industry	11.105	3	415,000	46,086	0	0	46,086	44,749
General GRV	5.845	33,661	809,975,884	47,343,090	918,000	0	48,261,090	43,971,704
Rural GRV	7.014	886	22,759,951	1,596,383	0	0	1,596,383	1,534,590
Tenancy Agreements	6.345	52	2,306,515	146,348	0	0	146,348	141,474
Town Centre	6.721	75	9,366,548	629,526	0	0	629,526	606,646
Unimproved Value (UV)								
Rural UV	0.2299	27	35,340,000	81,247	0	0	81,247	71,413
Rural UV Agricultural Concession	0.1839	9	74,910,000	137,759	0	0	137,759	134,280
Sub-Totals		34,713	955,073,898	49,980,439	918,000	0	50,898,439	46,504,856
Minimum Payment	Minimum \$							
Gross Rental Value (GRV)								
General GRV	900	10,031	129,620,943	9,027,900	0	0	9,027,900	8,450,750
Rural GRV	900	66	731,949	59,400	0	0	59,400	56,000
Tenancy Agreements	900	7	46,880	6,300	0	0	6,300	6,125
Town Centre	900	8	62,381	7,200	0	0	7,200	7,875
Unimproved Value (UV)					0	0		
Rural UV	900	12	4,280,000	10,800	0	0	10,800	1,750
Sub-Totals		10,124	134,742,153	9,111,600	0	0	9,111,600	8,522,500
Discounts (Note 12)							0	0
Total Amount Raised from General Rate							60,010,039	55,027,356
Specified Area Rates (Note 9)							400,225	382,239
Total Rates							60,410,264	55,409,595

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

8. RATING INFORMATION - 2015/16 FINANCIAL YEAR (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 2015/16 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.

8(a). OBJECTIVES AND REASONS FOR DIFFERENTIAL RATING

Objectives

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

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

General GRV

Characteristics

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

Reasons

The rate in the dollar is calculated to provide the shortfall in income required to enable Council to provide necessary works and services in the 2015/16 financial year.

Extractive Industries

Characteristics

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

Reasons

A higher rate in the dollar at 190% of the rate imposed on improved land has been applied to Extractive Industries as Council considers it appropriate given the impact this activity has on the road infrastructure and the environment.

Rural GRV

Characteristics

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

Reasons

A higher rate in the dollar at 120% of the rate imposed on improved land has been applied to Rural GRV because Gross Rental Values do not adequately take into consideration the value of large land holdings.

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 unimproved land 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.

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

8(a). RATING INFORMATION - 2015/16 FINANCIAL YEAR (Continued)

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 2015/16 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 ENDED 30 JUNE 2016

9. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR

Gross Rental Value (GRV)	Rate in \$ cents	Number of Properties	Rateable Value	2015/16 Budgeted Revenue \$	Budget Applied to Costs \$	2014/15 Actual \$
Bletchley Park	0.3735	988	23,473,150	87,672	87,672	78,194
Brookland Greens	0.4118	562	16,049,691	66,093	66,093	63,450
Sanctuary Waters	0.4436	688	17,931,373	79,544	79,544	77,109
The Avenues	0.5283	498	11,874,170	62,731	62,731	62,641
The Boardwalk	0.3976	624	18,474,310	73,454	73,454	70,096
The Reserve	0.3187	347	9,642,501	30,731	30,731	30,749
				400,225	400,225	382,239

Purpose for the rate and proposed application of proceeds:

To recover in each Specified Area up to 25% of the park maintenance cost incurred by Council as they are maintained to a higher standard.

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

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

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

10. SERVICE CHARGES - 2015/16 FINANCIAL YEAR

NIL

11. FEES & CHARGES REVENUE

	2015/16 Budget \$	2014/15 Actual \$
Governance	150	200
General Purpose Funding	725,225	708,240
Law, Order, Public Safety	579,660	661,891
Health	294,375	315,888
Education and Welfare	241,465	209,500
Community Amenities	13,788,206	13,204,637
Recreation and Culture	3,203,812	2,852,005
Transport	190,000	322,000
Economic Services	2,293,513	2,394,071
Other Property and Services	232,250	255,678
	<u>21,548,656</u>	<u>20,924,110</u>

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

**12. RATE PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS
- 2015/16 FINANCIAL YEAR**

	Type	Disc %	2015/16 Budget \$	2014/15 Actual \$
Rates Incentive A	Incentive	N/A	5,000	5,000
Rates Incentive B	Incentive	N/A	0	0
Leisure World	Discount	Various	42,000	42,762
Leisure Programs	Discount	Various	300	275
Don Russell Performing Arts Centre	Discount	Various	1,100	1,100
Ranger Services	Discount	Various	40,000	43,500
Library & Heritage Services	Discount	Various	266	239
Health Services	Discount	Various	6,500	13,575
Facility Hire Charges	Discount	100.00%	950	950
Rates Waivers	Waiver	N/A	4,215	21,000
Sundry Debtors Write-off	Write-Off	N/A	0	176

Description of Discounts, Incentives, Waivers and Write-Offs

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

INCENTIVE A

Five prizes of \$1,000 each, funded by the City of Gosnells, will be drawn on a random basis as an incentive for ratepayers to pay their rates in full within 35 days from the date of issue of the 2015/16 Rate Notices.

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

Inclusion in the draw will be automatic for all ratepayers who have paid their rates in full by the advertised due date of the first instalment.

Winners will be notified by mail.

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

INCENTIVE B

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

Courtesy of Forest Lakes Forum, four (4) City of Gosnells ratepayers will win up to \$1,000 each off their rates bill, plus \$750 worth of shopping vouchers to spend at Forest Lakes Forum.

One winner will be drawn each week on a Friday. Inclusion in the draw is dependant on eligible ratepayers placing an entry in the barrel located next to Aroma Cafe at Forest Lakes Forum between Monday 20 July and Noon on Friday 21 August 2015 for a chance to win one of the four prizes.

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

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

**12. RATE PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS
- 2015/16 FINANCIAL YEAR (Continued)**

Leisure World

Leisure World offered the following discounts to enhance the financial viability of the program.
10% discount on all levels for second and subsequent children for Swim School Vacation Lessons
5% Discount (second and subsequent children enrolled into term programs)
10% Discount (general offer)
15% Discount (general offer)
30% Discount (special offer)
50% Discount (2 for 1 offer)
50% Off Peak Membership (Monday - Friday: 11 am-4pm, Saturday: After 12pm, Sunday: All Day)
Group Bookings - (1 free ticket with every 10 purchased)
Group Bookings - (3 free tickets with every 20 purchased)
City of Gosnells Councillors, Staff & Volunteers - up to 25% discount

Leisure Programs

Leisure programs offered the following discounts to enhance the financial viability of the program.
15% Discount (general offer; or targeted group marketing campaign)
30% Discount (general offer)
50% Discount (2 for 1 Offer)
Group Bookings - (1 free ticket with every 10 purchased)
City of Gosnells Councillors, Staff & Volunteers - up to 25% discount

Don Russell Performing Art Centre

Various discounts on ticket prices are provided to Council's staff and non-staff to enhance the financial viability of the program or show.
15% Discount (general offer; or targeted group marketing campaign)
30% Discount (3 or more shows)
50% Discount (2 for 1 offer)
Group Bookings - (1 free ticket with every 10 purchased)
City of Gosnells Councillors, Staff & Volunteers - up to 25% discount
Class Discounts:
5% discount - 10 or more hours/week
15% discount - 20 or more hours/week

Ranger Services

In relation to the Dog Act 1976 a discount has been granted to the following registration types;
Guide Dogs - 100% Concession
Dogs used for Droving or tendering stock - 25% concession
Dogs owned by pensioners (being persons eligible for exemption pursuant to regulation 4 (2)) - 50% concession
Registration after 31 May in any year for that registration year - 50% concession
Annual Bulk Registration Pensioners (persons eligible for exempt pursuant to Regulation 4 (2)) - 50% concession
In relation to the Cat Act 2011 a concessional registration rate of 50% of the fee payable applies.

Library & Heritage Services

The City offered a concession price for entry to the Wilkinson Homestead Museum to encourage visitors and enhance the Museum's financial viability.
City of Gosnells Councillors, staff and volunteers (up to 25% discount)

Health Services

In relation to Food Businesses (Food Act 2008) a discount has been granted to School Canteens (50%), Community Associations (50%), Sporting Clubs (100%), Social Club (100%) and Meals on Wheels distribution (100%) in recognition of their community benefit.
Charitable organisations received 100% concession on stallholder permit and traders permit fees not exceeding 1 day.

Facility Hire Charges & Road Closure Fees

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

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

**12. RATE PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS
- 2015/16 FINANCIAL YEAR (Continued)**

Rate Waivers

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

	2015/16 Budget \$
Hurry Curry Pty Ltd	1,645
Gosnells Junior Football Club Inc	2,570
	4,215

Sundry Debt Write-off

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

13. INSTALMENT OPTIONS AND INTEREST CHARGES - 2015/16 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	2015/16 Budget \$	2014/15 Actual \$
Interest				
Late Payment/Special Payment Arrangement	11%	N/A	185,000	210,000
Four Instalment Payment Plan	5.5%	N/A	400,000	365,000
Administration Fees				
Four Instalment Payment Plan	N/A	13.50	200,000	189,000
Special Payment Arrangement Plan	N/A	11.00	25,000	27,000
			810,000	791,000

Rates Instalment Options

The following payment options are offered for the payment of rates notices:

Payment in full by 21 August 2015

Payment by Four Instalments:

1st Instalment due by 21 August 2015
 2nd Instalment due by 23 October 2015
 3rd Instalment due by 8 January 2016
 4th Instalment due by 11 March 2016

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

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

13. INSTALMENT OPTIONS AND INTEREST CHARGES - 2015/16 FINANCIAL YEAR (Continued)

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. Interest will be charged on a daily basis on all arrears and current amounts that remain unpaid 35 days from the date of issue of the original rate notice.

Special Payment Arrangement Plan

Special weekly, fortnightly or four weekly payment arrangements can be made by way of Direct Debit (bank account only). An administration fee is charged (excluding registered Pensioners/Seniors with 100% equity) on each special payment arrangement plan and late payment interest is applied to the outstanding balance that remains unpaid 35 days from the issue of the original rate notice until the account is paid in full. For direct debit arrangement terms and conditions contact the City's Rates section.

Four Instalment Arrangement Plan

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

14. ELECTED MEMBERS REMUNERATION

The following fees, expenses and allowances were paid to Elected Members and/or the Mayor.	2015/16 Budget \$	2014/15 Actual \$
Meeting Fees	397,850	355,350
Mayor's Allowance	90,200	87,550
Deputy Mayor's Allowance	22,550	21,887
Travelling Expenses	18,000	11,705
Telecommunications Allowance	26,000	23,100
	<u>554,600</u>	<u>499,592</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Cash - Unrestricted	19,585,057	18,935,380	20,443,981
Cash - Restricted	<u>76,637,649</u>	<u>73,817,652</u>	<u>63,539,040</u>
	<u><u>96,222,706</u></u>	<u><u>92,753,032</u></u>	<u><u>83,983,021</u></u>

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

Reserves (refer to Note 6 for details)	76,637,649	71,261,232	63,539,040
Unspent Grant Funds	<u>0</u>	<u>2,556,420</u>	<u>0</u>
	<u><u>76,637,649</u></u>	<u><u>73,817,652</u></u>	<u><u>63,539,040</u></u>

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

Net Result	20,825,133	13,034,193	24,252,375
Depreciation	19,106,802	15,963,922	15,389,875
Investment Fair Value Movement	(150,000)	(220,000)	0
(Profit)/Loss on Sale of Asset	(12,317,733)	(600,184)	(6,940,792)
(Increase)/Decrease in Receivables	1,719,797	905,198	1,219,797
(Increase)/Decrease in Inventories	12,384	32,094	12,384
Increase/(Decrease) in Payables	1,994,228	1,944,797	730,522
Increase/(Decrease) in Employee Provisions	863,859	941,661	1,163,859
Grants/Contributions for the Development of Assets	<u>(15,819,421)</u>	<u>(13,610,565)</u>	<u>(18,200,340)</u>
Net Cash from Operating Activities	<u><u>16,235,049</u></u>	<u><u>18,391,116</u></u>	<u><u>17,627,680</u></u>

**(c) Undrawn Borrowing Facilities
Credit Standby Arrangements**

Credit Card Limit	105,000	105,000	105,000
Credit Card Balance at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>
Total Amount of Credit Unused	<u><u>105,000</u></u>	<u><u>105,000</u></u>	<u><u>105,000</u></u>

Loan Facilities

Loan Facilities in use at Balance Date	<u>40,226,000</u>	<u>1,888,590</u>	<u>10,850,000</u>
Unused Loan Facilities at Balance Date	<u><u>250,000</u></u>	<u><u>27,987,410</u></u>	<u><u>19,976,000</u></u>

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

16. 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-15 \$	Estimated Amounts Received \$	Estimated Amounts Paid (\$)	Estimated Balance 30-Jun-16 \$
Construction Training Fund	0	564,000	(526,000)	38,000
Builders Registration Board Fund	46,674	345,000	(320,000)	71,674
Unclaimed Money	51,881	20,225	(6,032)	66,074
ECM User Group	4,444	0	(75)	4,369
	<u>102,999</u>	<u>929,225</u>	<u>(852,107)</u>	<u>180,117</u>

17. MAJOR LAND TRANSACTIONS

Lot 85 Streatham Street and part Lot 900 Railway Parade Beckenham subdivision

(a) Details

Council intends to develop and subdivide Lot 85 Streatham Street and Lot 900 Railway Parade, Beckenham, known as Sydenham St Reserve. This subdivision will provide approximately 51 residential lots and the development of a new public open space area adjacent to Beckenham Community Centre. Council intends to sell the residential lots.

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

(b) Current year transactions	2015/16 Budget \$	2014/15 Actual \$
Operating Revenue		
- Profit on sale	9,057,000	0
Capital Revenue		
- Sale Proceeds	11,147,000	0
Capital Expenditure		
- Development Costs	80,885	2,640,465
- Interest Capitalised	0	157,410
	<u>80,885</u>	<u>2,797,875</u>

The above expenditure is included as an asset in land held for resale. The land sales of this subdivision are expected to occur during the 2015/16 financial year. Consequently, the asset is expected to be fully disposed by 30 June 2016.

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

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

17. MAJOR LAND TRANSACTIONS (Continued)

Lot 85 Streatham Street and part Lot 900 Railway Parade Beckenham subdivision

(c) Expected Future Cash Flows

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	\$	\$	\$	\$	\$	\$
Cash Outflows						
- Development Costs	80,885	0	0	0	0	80,885
- Interest Capitalised	0	0	0	0	0	0
	<u>80,885</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>80,885</u>
Cash Inflows						
- Sale Proceeds	11,147,000	0	0	0	0	11,147,000
	<u>11,147,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,147,000</u>
Net Cash Flows	<u><u>11,227,885</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>11,227,885</u></u>

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2015/16.

19. MAJOR PROJECT

Mills Park Redevelopment

(a) Details

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

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

- New multi-purpose community facility including clubrooms, function centre, changerooms, café, meeting rooms, kindy gym
- Additional satellite toilet, changeroom facilities
- Newly re-surfaced active sports grounds for a variety of sports including AFL and cricket
- Two new synthetic all weather soccer pitches
- Four new public use tennis courts
- New plaza style skate park
- Piazza style area for outdoor community events
- Regional playground incorporating nature play
- Bicycle/walking paths

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

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

The project budget is subject to budget variations after the finalisation for the sale proceeds and approved variation in accordance Australian Standard 2124.1992.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016

19. MAJOR PROJECT (Continued)

(b) Project & Current Transactions	Project Budget \$	Project Actual \$	2015/16 Budget \$	2014/15 Actual \$
Income				
Grant	6,000,000	0	6,000,000	0
Reserve				
Mills Park	1,621,600	31,600	1,590,000	0
POS Beckenham	500,000	0	500,000	0
Land Sales				
Streatham Street	6,457,000	0	4,327,000	0
Central Terrace Hall	440,000	0	440,000	0
Loan Proceeds	<u>27,026,000</u>	<u>1,191,940</u>	<u>25,834,060</u>	<u>1,191,940</u>
	<u>42,044,600</u>	<u>1,223,540</u>	<u>38,691,060</u>	<u>1,191,940</u>
Expenditure				
Consultancy & Construction	42,513,000	5,921,499	34,460,137	4,379,986
Master Plan	466,600	327,660	158,962	0
	<u>42,979,600</u>	<u>6,249,159</u>	<u>34,619,099</u>	<u>4,379,986</u>
Loan				
Interest	9,305,434	0	940,780	0
Repayment	<u>27,026,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>36,331,434</u>	<u>0</u>	<u>940,780</u>	<u>0</u>

(c) Expected Future Cash Flows

	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	Total \$
Cash Outflows						
- Consultancy & Construction Costs	(34,619,099)	(2,130,000)	0	0	0	(36,749,099)
- Interest Capitalised	(940,780)	(810,780)	0	0	0	(1,751,560)
- Interest Expense	0	0	(810,780)	(780,606)	(749,527)	(2,340,913)
- Loan Repayments	0	0	(1,005,792)	(1,035,965)	(1,067,044)	(3,108,801)
	<u>(35,559,879)</u>	<u>(2,940,780)</u>	<u>(1,816,572)</u>	<u>(1,816,571)</u>	<u>(1,816,571)</u>	<u>(43,950,373)</u>
Cash Inflows						
- Loan Proceeds	25,834,060	0	0	0	0	25,834,060
- Grant	6,000,000	0	0	0	0	6,000,000
- Reserve	2,090,000	0	0	0	0	2,090,000
- Land Sales	4,767,000	2,130,000	0	0	0	6,897,000
	<u>38,691,060</u>	<u>2,130,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,821,060</u>
Net Cash Flows	<u>3,131,181</u>	<u>(810,780)</u>	<u>(1,816,572)</u>	<u>(1,816,571)</u>	<u>(1,816,571)</u>	<u>(3,129,313)</u>