



Budget

Statutory Statements and Notes for the year ending 30 June 2023

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City of Gosnells
STATEMENT OF COMPREHENSIVE INCOME
for the year ending 30 June 2023

	Note	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	74,166,837	72,020,996	71,912,528
Operating grants, subsidies and contributions	9	6,289,555	7,645,485	5,919,565
Fees and charges	16	25,445,190	24,567,938	24,641,913
Interest earnings	10(a)	1,865,680	1,572,303	2,908,650
Other revenue	10(b)	500	67,760	0
		107,767,762	105,874,482	105,382,656
Expenses				
Employee costs		(54,005,358)	(51,118,410)	(51,483,433)
Materials and contracts		(32,375,158)	(27,369,354)	(30,941,005)
Utility charges		(4,979,272)	(4,304,712)	(4,753,122)
Depreciation and amortisation	6	(25,236,632)	(26,543,207)	(26,146,346)
Interest expenses	10(d)	(267,550)	(315,908)	(321,359)
Insurance expenses		(1,032,347)	(963,985)	(1,000,598)
Other expenses		(1,099,644)	(6,627,910)	(1,281,345)
		(118,995,961)	(117,243,486)	(115,927,208)
Net result		(11,228,199)	(11,369,004)	(10,544,552)
Non-operating grants, subsidies and contributions	9	15,665,013	19,678,449	17,115,996
Public Open Space - Cash in Lieu contributions	9	1,925,372	1,169,831	0
Profit on asset disposals	5(b)	1,000,964	3,469,796	4,158,577
Loss on asset disposals	5(b)	(156,208)	(839,865)	(220,615)
		18,435,141	23,478,211	21,053,958
Total comprehensive income		7,206,942	12,109,207	10,509,406

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

BASIS OF PREPARATION

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local government and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations. The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards where they are inconsistent.

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

Accounting policies which have been adopted in the preparation of this budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget has 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.

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

2021/2022 Actual Balances

Balances shown in this budget as 2021/2022 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

CHANGES IN ACCOUNTING POLICIES

On 1 July 2022 no new accounting policies are to be adopted and no new policies are expected to impact the annual budget.

KEY TERMS AND DEFINITIONS

REVENUE

Rates

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

Operating Grants, Subsidies and Contributions

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

Fees and Charges

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

Interest Earnings

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

Other Revenue

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

Non-Operating Grants, Subsidies and Contributions

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

Profit on Asset Disposals

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

Loss on Asset Disposals

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

BASIS OF PREPARATION (CONTINUED)

KEY TERMS AND DEFINITIONS (CONTINUED)

EXPENSES

Employee Costs

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

Materials and Contracts

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

Utility Charges

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

Depreciation and Amortisation

Depreciation and amortisation expenses raised on all classes of assets.

Interest Expenses

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

Insurance Expenses

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

Other Expenses

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

City of Gosnells
STATEMENT OF CASH FLOWS
for the year ending 30 June 2023

	Note	2022/23 Budget \$	2021/22 Actual \$	2021/22 Budget \$
Cash Flows from Operating Activities				
Receipts				
Rates		74,680,080	72,408,802	71,755,888
Operating grants, subsidies and contributions		6,289,555	7,645,485	5,919,565
Fees and charges		25,670,180	25,137,556	26,396,295
Interest earnings		1,674,786	1,382,746	2,495,310
Goods and services tax		5,500,000	5,000,000	5,000,000
Other revenue		190,500	248,572	165,610
		<u>114,005,101</u>	<u>111,823,161</u>	<u>111,732,668</u>
Payments				
Employee costs		(53,605,358)	(50,603,570)	(50,710,489)
Materials and contracts		(32,089,122)	(26,960,163)	(29,311,768)
Utility charges		(4,979,272)	(4,304,712)	(4,753,122)
Interest expenses		(287,550)	(295,721)	(334,463)
Insurance expenses		(1,032,347)	(963,985)	(1,000,598)
Goods and services tax		(5,550,000)	(5,014,771)	(5,112,131)
Other expenses		(1,099,644)	(6,627,910)	(1,281,347)
		<u>(98,643,292)</u>	<u>(94,770,832)</u>	<u>(92,503,918)</u>
Net Cash provided by Operating Activities	4(b)	<u>15,361,808</u>	<u>17,052,329</u>	<u>19,228,750</u>
Cash Flows from Investing Activities				
Payments for:				
Land under development and developed land		0	(99,359)	(41,447)
Purchase of property, plant & equipment		(14,755,596)	(9,750,530)	(14,268,224)
Construction of infrastructure assets		(25,327,625)	(24,305,714)	(30,360,360)
Non-operating grants, subsidies and contributions		18,431,256	18,584,426	15,839,439
Proceeds from sale of property, plant & equipment		1,588,800	3,997,651	5,514,500
Proceeds from matured term deposits		85,000,000	85,000,000	76,100,000
Investments in term deposits		(79,000,000)	(94,492,993)	(71,118,868)
Net Cash used in Investing Activities		<u>(14,063,165)</u>	<u>(21,066,519)</u>	<u>(18,334,960)</u>
Cash Flows from Financing Activities				
Repayment of loan facilities	7(a)	(8,116,332)	(2,457,923)	(2,457,922)
Proceeds from new loan facilities	7(a)	2,349,312	0	665,510
Repayment of lease liability		(3,098)	(26,409)	0
Net Cash used in Financing Activities		<u>(5,770,118)</u>	<u>(2,484,332)</u>	<u>(1,792,412)</u>
Net Decrease in Cash Held		<u>(4,471,475)</u>	<u>(6,498,522)</u>	<u>(898,622)</u>
Cash at beginning of the year		65,314,266	71,812,788	82,879,513
Cash and Cash Equivalents at the End of the Year	4(a)	<u>60,842,790</u>	<u>65,314,266</u>	<u>81,980,891</u>

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

City of Gosnells
RATE SETTING STATEMENT
for the year ending 30 June 2023

	Note	2022/23 Budget \$	2021/22 Actual \$	2021/22 Budget \$
Revenue from operating activities excluding general rates				
Rates	1(a)(d)	367,186	569,746	553,980
Operating grants, subsidies and contributions	9	6,289,555	7,645,485	5,919,565
Profit on asset disposals	5(b)	1,000,964	3,469,796	4,158,577
Fees and charges	16	25,445,190	24,567,938	24,641,913
Interest earnings	10(a)	1,865,680	1,572,303	2,908,650
Other revenue	10(b)	500	67,760	0
		<u>34,969,075</u>	<u>37,893,028</u>	<u>38,182,685</u>
Expenditure from operating activities				
Employee costs		(54,005,358)	(51,118,410)	(51,483,433)
Materials and contracts		(32,375,158)	(27,369,354)	(30,941,005)
Utility charges		(4,979,272)	(4,304,712)	(4,753,122)
Depreciation and amortisation	6	(25,236,632)	(26,543,207)	(26,146,346)
Loss on asset disposal	5(b)	(156,208)	(839,865)	(220,615)
Interest expenses	10(b)	(267,550)	(315,908)	(321,359)
Insurance expenses		(1,032,347)	(963,985)	(1,000,598)
Other expenses		(1,099,644)	(6,627,909)	(1,281,345)
		<u>(119,152,169)</u>	<u>(118,083,350)</u>	<u>(116,147,823)</u>
Adjustments for cash budget requirements:				
Non-cash revenue and expenses				
Profit on asset disposals	5(b)	(844,756)	(2,629,931)	(3,937,962)
Depreciation and amortisation	6	25,433,858	26,753,244	26,349,855
		<u>24,589,102</u>	<u>24,123,313</u>	<u>22,411,893</u>
Amount attributable to operating activities		<u>(59,593,992)</u>	<u>(56,067,009)</u>	<u>(55,553,245)</u>
Investing activities				
	5,9			
Contributions/grants for the construction of assets		15,665,013	19,678,449	17,115,996
Public Open Space - Cash in Lieu contributions		1,925,372	1,169,831	0
Proceeds from disposal of assets		1,588,800	3,997,651	5,514,500
Purchase of land under development and developed land		0	(99,359)	(41,447)
Purchase of property, plant & equipment		(14,755,596)	(9,750,530)	(14,236,897)
Purchase of infrastructure assets		(25,327,625)	(24,305,714)	(30,391,688)
Amount attributable to investing activities		<u>(20,904,036)</u>	<u>(9,309,672)</u>	<u>(22,039,536)</u>
Financing activities				
	7,8			
Proceeds from loan facilities		2,349,312	0	665,510
Repayment of loan facilities		(8,116,332)	(2,457,923)	(2,457,922)
Transfers to reserves (restricted cash)		(7,643,419)	(28,648,840)	(11,816,806)
Transfers from reserves (restricted cash)		19,513,668	17,018,729	18,891,848
Amount attributable to financing activities		<u>6,103,229</u>	<u>(14,088,034)</u>	<u>5,282,630</u>
Net current assets - surplus/(deficit) at:				
	3			
The start of the financial year		595,148	8,608,613	951,602
The end of the financial year		0	595,148	0
Estimated amount to be raised from rates	1(a)	<u>(73,799,651)</u>	<u>(71,451,250)</u>	<u>(71,358,548)</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

1. RATES

(a) Rating Information

Rate Type	2022/23 Budget						2021/22	
	Rate in cents	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Actual Revenue \$	Budget Revenue \$
Differential General Rate								
Gross Rental Value (GRV)								
Extractive Industry	14.514	3	384,000	55,734	0	55,734	54,670	54,669
General GRV	7.639	33,653	730,244,723	55,783,395	731,000	56,514,395	54,490,095	54,392,023
Rural GRV	9.167	820	18,314,577	1,678,897	0	1,678,897	1,680,948	1,686,567
Tenancy Agreements	8.149	52	2,197,788	179,098	0	179,098	172,220	172,392
Town Centre	8.785	64	7,565,561	664,635	0	664,635	653,090	653,687
Unimproved Value (UV)								
Rural UV	0.2979	23	29,305,000	87,300	0	87,300	84,811	84,811
Rural UV Agricultural Concession	0.2383	6	66,980,000	159,613	0	159,613	156,436	156,409
		34,621	854,991,649	58,608,672	731,000	59,339,672	57,292,270	57,200,558
Minimum Payment	\$							
Gross Rental Value (GRV)								
General GRV	1,009	14,283	161,331,344	14,411,547	0	14,411,547	14,113,440	14,112,450
Rural GRV	1,009	30	271,807	30,270	0	30,270	28,710	28,710
Tenancy Agreements	1,009	10	59,648	10,090	0	10,090	8,910	8,910
Town Centre	1,009	6	43,628	6,054	0	6,054	5,940	5,940
Unimproved Value (UV)								
Rural UV	1,009	2	326,000	2,018	0	2,018	1,980	1,980
		14,331	162,032,427	14,459,979	0	14,459,979	14,158,980	14,157,990
		48,952	1,017,024,076	73,068,651	731,000	73,799,651	71,451,250	71,358,548
Total Amount Raised from General Rates						73,799,651	71,451,250	71,358,548
Specified Area Rates (Note 1(d))						308,686	497,458	495,480
Ex Gratia Rates						58,500	72,288	58,500
Total Rates						74,166,837	72,020,996	71,912,528

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

1. RATES (CONTINUED)

(a) Rating Information (continued)

All land except exempt land in the City of Gosnells are rated according to its Gross Rental Value (GRV) if its use is predominantly non-rural or Unimproved Value (UV) in the rural area.

The differential general rates for the 2022/23 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.

SIGNIFICANT ACCOUNTING POLICIES

Rates Revenue

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

(b) Objectives and Reasons for Differential Rating

Objective

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

Rate Type	Characteristics	Reasons
Extractive Industry	Any land zoned or held or used solely for mining and/or having improvements erected on it.	A higher rate in the dollar at 190% of the rate imposed on improved land has been applied to Extractive Industries as Council considers it appropriate given the impact this activity has on the road infrastructure and the environment.
General GRV	Any land held or predominantly used for residential, commercial or industrial purposes and being vacant or having improvements erected on it.	The rate in the dollar is calculated to provide the shortfall in income required to enable Council to provide necessary works and services in the 2022/23 financial year.
Rural GRV	Any land zoned rural but used predominantly for non-rural purpose and being vacant or having improvements erected on it.	A higher rate in the dollar at 120% of the rate imposed on improved land has been applied to Rural GRV because Gross Rental Values do not adequately take into consideration the value of large land holdings.
Tenancy Agreements	Council properties leased to organisations incorporated under the Associations Incorporation Act 1987.	A rate in the dollar higher than the General GRV has been applied to recover the administration expenses associated with managing tenancies applicable to all organisations incorporated under the <i>Associations Incorporation Act 1987</i> that tenant City property.
Town Centre	Properties within the Gosnells Town Centre Special Control Area as identified on the City's Town Planning Scheme No. 6 Scheme Map.	A higher rate in the dollar at 115% of the rate imposed on improved land is applicable to all commercial properties in the Gosnells Town Centre to recognise both the investment by the City in the Town Centre Revitalisation project and the additional operational expenses associated with the ongoing level of service provided.
Rural UV	Any land held or predominantly used for rural purposes and being vacant or having relevant buildings erected on it.	The rate in the dollar is calculated to provide the shortfall in income required to enable Council to provide necessary works and services in the 2022/23 financial year.
Rural UV Agricultural Concession	Minimum lot area of 20,200 square meters and the resident owner derives his/her livelihood from uses including, but limited to grazing, dairying, tree farming and animal husbandry.	A concession of 20% off the Rural UV rate is offered to owners who have had continuous ownership since 1 July 1986 of the rural property and who meet the adjacent characteristics and criteria.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

1. RATES (CONTINUED)

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

Differential Minimum Payment

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

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

Interest Charges and Admin Fees

	Interest Rate %	Admin Charge \$	2022/23 Budget \$	2021/22 Actual \$
Interest				
Four instalment payment plan	3.0%	N/A	196,000	273,343
Late payment	7.0%	N/A	308,000	402,177
Administration Fees				
Four instalment payment plan	N/A	15.00	230,000	298,619
Direct Debit payment arrangement	N/A	15.50	80,000	87,001

Rates Payment Options

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

	Due Date
Payment in full	2 September 2022
Payment by four instalments	
First instalment	2 September 2022
Second instalment	11 November 2022
Third instalment	13 January 2023
Fourth instalment	17 March 2023
Direct Debit payment arrangement	By individual arrangement (bank account only)

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

1. RATES (CONTINUED)

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

Description of Interest Charges and Payment Arrangement Plans:

Four Instalment Payment Plan

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

Late Payment Interest

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

Direct Debit Payment Plan

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

1. RATES (CONTINUED)

(d) Specified Area Rates

Gross Rental Value (GRV)	2022/23				2021/22	
	Rate in cents	Number of Properties	Rateable Value \$	Budgeted Revenue \$	Actual Revenue \$	Budget Revenue \$
Bletchley Park	0.4306	1,633	31,899,005	137,357	215,498	213,008
Brookland Greens	0.2892	562	13,886,882	40,161	71,065	70,761
Sanctuary Waters	0.3409	691	14,918,672	50,858	78,655	78,646
The Avenues	0.3435	498	9,662,460	33,191	55,634	55,626
The Boardwalk	0.2109	627	16,559,175	34,923	55,002	55,983
The Reserve	0.1464	359	8,330,672	12,196	21,604	21,456
				308,686	497,458	495,480

Purpose

To recover in each Specified Area up to 20% of the park and environmental maintenance costs incurred by the City as they are maintained to a higher standard.

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

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

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

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

Summary	Type	Discount	2022/23 Budget \$	2021/22 Actual \$
Rates				
Rates incentives	Incentive	N/A	5,000	5,000
Rates waivers	Waiver	N/A	81,081	80,046
Fees and Charges				
Don Russell Performing Arts Centre	Discount	Various	16,000	6,997
Facility Hire Charges	Discount	100%	3,671	3,585
Facility Hire Charges	Discount	75%	27,078	26,522
Facility Hire Charges	Discount	Various	614	2,448
Health Services	Discount	Various	16,360	14,540
Leisure Programs	Discount	Various	500	300
Leisure World	Discount	Various	68,000	47,156
Ranger Services	Discount	Various	30,000	28,866
Sundry Debtors Write-off	Write-Off	N/A	0	2,400

Incentives

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

Westpac Banking Corporation will provide one \$2,000 and one \$1,500 savings account.

The City of Gosnells will fund five cash prizes of \$1,000 each. The prizes will be drawn on a random basis as an incentive for ratepayers to pay their rates in full by the due date.

Inclusion in the draw will be automatic for all ratepayers who have paid their rates in full by the advertised due date of the first instalment (refer to Note 1(c)). Winners will be notified.

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

Waivers

Council has granted specific waivers of rates to the following community based organisations.

	2022/23 Budget \$	2021/22 Actual \$	2021/22 Budget \$
Gosnells Junior Football Club Inc.	2,363	2,318	2,318
Grand Lodge of WA Freemasons Homes for The Aged Inc.	75,600	74,669	74,143
Foothills Estate Syndicate Pty Ltd	2,018	1,980	1,980
Forest Lakes Family Centre	1,100	1,079	1,079
	81,081	80,046	79,520

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

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

Discounts

Don Russell Performing Art Centre

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

- 10% venue hire discount (2 or more shows in the same booking)
- 15% venue hire discount (general offer; more than 20 hours per week)
- 30% venue hire discount (3 or more bookings in a calendar year)
- 50% ticket discount (rush tickets)
- Group Bookings - 1 free ticket with every 10 purchased
- Adult ticket at child price - Children's events only
- City of Gosnells Councillors, Staff and Volunteers - Up to 25% ticket discount

Facility Hire Charges & Road Closure Fees

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

Leisure World

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

- 5% Discount (second and subsequent children enrolled into term programs)
- 10% Discount (general offer)
- 15% Discount (general offer)
- 25% Discount (special offer)
- 33% Discount (special offer)
- 50% Discount (2 for 1 offer)
- City of Gosnells Councillors, Staff & Volunteers - up to 25% discount. Staff employed under the Operations Centre Agreement - up to 40% discount.

Programs and Events

The following discounts are offered to enhance the financial viability of the program or event:

- Small Vendors, e.g. vendors who provide low-cost products (such as coffee and ice cream) - up to 50% discount at events with over 5,000 people expected.
- City of Gosnells Councillors, Staff and Volunteers - up to 25% discount.

Write-Offs

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

3. NET CURRENT ASSETS

	Note	2022/23 Budget \$	2021/22 Actual \$	2021/22 Budget \$
Composition of Estimated Net Current Assets				
Current Assets	4(a)			
Cash - unrestricted		19,450,000	18,150,252	17,300,000
Cash - restricted reserve		119,392,790	131,263,039	123,680,891
Cash - restricted unspent grants, subsidies and contributions		2,000,000	1,900,974	1,000,000
Trade and other receivables		9,700,000	9,662,348	7,100,000
Inventories		350,000	351,362	300,000
		<u>150,892,790</u>	<u>161,327,975</u>	<u>149,380,891</u>
Less: Current Liabilities				
Trade and other payables		(17,000,000)	(16,110,336)	(13,200,000)
Contract, grant and contribution liabilities		(2,000,000)	(1,900,974)	(1,500,000)
Lease liabilities		0	(3,098)	(16,403)
Current portion of borrowings	7	(2,891,218)	(8,116,332)	(8,116,332)
Provisions		<u>(12,500,000)</u>	<u>(12,000,000)</u>	<u>(11,000,000)</u>
		<u>(34,391,218)</u>	<u>(38,130,740)</u>	<u>(33,832,735)</u>
Unadjusted Net Current Assets		<u>116,501,572</u>	<u>123,197,245</u>	<u>115,548,156</u>
Adjustments				
Add: developer contribution plan liabilities		0	541,522	0
Add: current portion of lease liabilities		0	3,098	16,403
Add: current portion of borrowings	7	2,891,218	8,116,332	8,116,332
Less: cash - restricted reserve	4(a)	(119,392,790)	(131,263,039)	(123,680,891)
Adjusted Net Current Assets		<u>0</u>	<u>595,148</u>	<u>0</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

3. NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

Current and Non-Current Classification

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

Trade and Other Receivables

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

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

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

Inventories

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

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

Land Under Development and Developed Land

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

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

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

Contract Liabilities

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

Capital Grant Liabilities

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

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

Developer Contribution Plan Liability

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

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

3. NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trade and Other Payables

Trade and Other Payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 14 days of recognition.

Trade and other payables include income in advance.

Income in Advance

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

Provisions

Provisions are recognised when the City has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Employee Benefits

Short term employee benefits

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

Superannuation

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

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

The City of Gosnells' obligations for short term employee benefits such as wages and salaries and superannuation are recognised as a part of Trade and Other Payables in the statement of financial position. The City of Gosnells' obligations for employees' annual leave and long serve leave entitlements are recognised as Provisions in the statement of financial position.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

4. RECONCILIATION OF CASH

(a) Reconciliation of Cash

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

	Note	2022/23 Budget \$	2021/22 Actual \$	2021/22 Budget \$
Cash at Bank and at Hand		60,842,790	65,314,265	81,980,891
Term Deposits		80,000,000	86,000,000	60,000,000
		<u>140,842,790</u>	<u>151,314,265</u>	<u>141,980,891</u>
Cash - Unrestricted		19,450,000	18,150,252	17,300,000
Cash - Restricted		121,392,790	133,164,013	124,680,891
		<u>140,842,790</u>	<u>151,314,265</u>	<u>141,980,891</u>

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

Cash - Restricted				
Unspent Grants, Subsidies and Contributions		2,000,000	1,900,974	1,000,000
Reserves	8	119,392,790	131,263,039	123,680,891
		<u>121,392,790</u>	<u>133,164,013</u>	<u>124,680,891</u>

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

	Note	2022/23 Budget \$	2021/22 Actual \$	2021/22 Budget \$
Net Result		7,206,942	12,109,207	10,509,406
Depreciation and amortisation		25,236,632	26,543,207	26,146,346
Profit on sale of asset		(844,756)	(2,629,931)	(3,937,962)
(Increase)/Decrease in receivables		(37,651)	260,363	1,474,405
Decrease/(Increase) in inventories		1,362	(9,546)	38,346
Increase in payables		889,664	883,935	1,354,365
Increase in employee provisions		500,000	743,374	772,944
Decrease in contract liabilities		0	0	(13,104)
Non-operating grants, subsidies and contributions		(15,665,013)	(19,678,449)	(17,115,996)
Public Open Space - Cash in Lieu contributions		(1,925,372)	(1,169,831)	0
Net Cash from Operating Activities		<u>15,361,808</u>	<u>17,052,329</u>	<u>19,228,750</u>

SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

5. FIXED ASSETS

(a) Asset Acquisitions

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

By Class	2022/23						2021/22	
	Education and welfare \$	Community amenities \$	Recreation and culture \$	Transport \$	Other property and services \$	Budget \$	Actual \$	Budget \$
Land under development and developed land	0	0	0	0	0	0	99,359	41,447
Property, Plant and Equipment								
Land and Buildings	55,266	252,233	5,903,995	0	2,913,029	9,124,523	4,291,828	7,010,172
Furniture and Equipment	0	13,500	188,447	0	676,275	878,222	885,888	785,980
Plant and Equipment	0	0	0	0	4,034,437	4,034,437	4,330,914	6,081,670
Intangible Assets	0	0	5,139	0	713,275	718,414	241,900	359,075
Total Property, Plant and Equipment	55,266	265,733	6,097,581	0	8,337,016	14,755,596	9,750,530	14,236,897
Infrastructure								
Roads and Paths	0	0	0	13,217,198	0	13,217,198	14,680,558	18,915,119
Bridges	0	0	0	210,418	0	210,418	126,898	136,898
Drainage	0	0	30,000	686,011	0	716,011	1,101,863	1,100,409
Park Development	0	0	9,056,465	0	0	9,056,465	6,779,080	9,026,931
Other Infrastructure	0	0	0	2,127,533	0	2,127,533	1,617,315	1,212,331
Total Infrastructure	0	0	9,086,465	16,241,160	0	25,327,625	24,305,714	30,391,688
	55,266	265,733	15,184,046	16,241,160	8,337,016	40,083,221	34,155,603	44,670,032

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

SIGNIFICANT ACCOUNTING POLICIES

Recognition of Assets

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

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

5. FIXED ASSETS (CONTINUED)

(b) Asset Disposals

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

	2022/23 Budget				2021/22 Actual		2021/22 Budget	
	Net Book Value	Sale Proceeds	Profit	(Loss)	Profit	(Loss)	Profit	(Loss)
	\$	\$	\$	\$	\$	\$	\$	\$
By Program								
Health	0	0	0	0	0	(1,017)	0	0
Community amenities	0	0	0	0	2,159	0	0	0
Recreation and culture	0	0	0	0	0	(776,010)	0	0
Transport	744,044	1,588,800	1,000,964	(156,208)	544,486	(62,839)	458,530	(220,615)
Other property and services	0	0	0	0	2,923,151	0	3,700,047	0
Total Disposals by Program	744,044	1,588,800	1,000,964	(156,208)	3,469,796	(839,865)	4,158,577	(220,615)
By Asset Class								
Land under development and developed land	0	0	0	0	2,925,310	0	3,700,047	0
Property, plant and equipment								
Building	0	0	0	0	0	(289,655)	0	0
Plant and equipment	744,044	1,588,800	1,000,964	(156,208)	544,486	(55,000)	458,530	(220,615)
Infrastructure Assets								
Park development	0	0	0	0	0	(495,210)	0	0
Total Disposals by Asset Class	744,044	1,588,800	1,000,964	(156,208)	3,469,796	(839,865)	4,158,577	(220,615)
Net Profit on Disposals				<u>844,756</u>		<u>2,629,931</u>		<u>3,937,962</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

6. ASSET DEPRECIATION AND AMORTISATION

The Net Result from ordinary activities includes:

	2022/23	2021/22	2021/22
	Budget	Actual	Budget
	\$	\$	\$
By Program			
Depreciation and Amortisation			
Governance	0	0	14,406
Law, order and public safety	98,644	99,461	284,663
Health	103,636	105,432	118,986
Education and welfare	142,489	144,755	170,754
Community amenities	0	0	1,042,006
Recreation and culture	7,744,473	8,146,454	8,362,296
Transport	13,984,372	14,110,215	14,231,606
Economic Services	0	0	30,779
Other property and services	3,163,018	3,936,890	1,890,850
	<u>25,236,632</u>	<u>26,543,207</u>	<u>26,146,346</u>
Depreciation Capitalised			
Other property and services	<u>197,226</u>	<u>210,037</u>	<u>203,509</u>
By Asset Class			
Depreciation and Amortisation			
Bridges - roads	1,121,408	1,130,745	1,124,224
Buildings	3,224,122	3,358,763	3,342,372
Drains	3,734,553	3,765,248	3,771,043
Furniture and equipment	1,164,689	1,575,166	1,408,527
Intangible assets	422,082	470,475	461,310
Other infrastructure	427,672	441,971	436,567
Park developments	4,361,330	4,442,002	4,329,545
Plant and equipment	1,844,649	2,336,183	2,235,904
Right of use asset - plant and equipment	14,256	27,455	27,231
Roads, kerbing and paths	8,921,871	8,995,199	9,009,623
	<u>25,236,632</u>	<u>26,543,207</u>	<u>26,146,346</u>
Depreciation Capitalised			
Plant and equipment	<u>197,226</u>	<u>210,037</u>	<u>203,509</u>
Total Depreciation and Amortisation	<u><u>25,433,858</u></u>	<u><u>26,753,244</u></u>	<u><u>26,349,855</u></u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

6. ASSET DEPRECIATION AND AMORTISATION (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation and Amortisation

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

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

The useful lives of 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.

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

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

Asset Class	Years
Bridges - roads.....	60 to 100
Buildings.....	20 to 100
Drains.....	50 to 100
Furniture and Fixtures.....	3 to 15
Intangible Assets.....	1 to 10
Other Infrastructure.....	12 to 80
Park Developments.....	15 to 63
Plant and Equipment.....	6 to 10
Right of use asset - Plant and Equipment.....	Based on the remaining lease term
Roads, Kerbing and Paths	
Subgrade.....	Infinite
Access Roads - Pavement.....	Infinite
Distributor Roads - Pavement.....	54 to 75
Surface.....	18 to 30
Kerbing.....	36 to 60
Pathways.....	60 to 80
Land.....	Infinite

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

7. INFORMATION ON BORROWINGS

(a) Borrowings

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Current	2,891,218	8,116,332	8,116,332
Non-Current	6,615,423	7,157,329	7,822,839
	<u>9,506,641</u>	<u>15,273,661</u>	<u>15,939,171</u>

(b) Borrowing Repayments

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

Particulars/Purpose	Principal 1-Jul-22	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2022/23 Budget	2021/22 Actual	2022/23 Budget	2021/22 Actual	2022/23 Budget	2021/22 Actual
			\$	\$	\$	\$	\$	\$
Community Amenities								
Central Maddington ODP Infrastructure (Long Term)	8,119,270	0	961,941	947,485	7,157,329	8,119,270	150,971	165,381
Recreation and Culture								
Mills Park Redevelopment	1,554,391	0	1,554,391	1,510,438	0	1,554,391	56,033	100,002
Other Property and Services								
Robinson Park Subdivision and Park Development	5,600,000	0	5,600,000	0	0	5,600,000	61,039	203,283
Southern River Business Park Development	0	2,349,312	0	0	2,349,312	0	0	0
	<u>15,273,661</u>	<u>2,349,312</u>	<u>8,116,332</u>	<u>2,457,923</u>	<u>9,506,641</u>	<u>15,273,661</u>	<u>268,043</u>	<u>468,665</u>

- Central Maddington ODP Infrastructure (Long Term) and Mills Park Redevelopment loan facility repayments will be financed by general purpose revenue.
- All other loan facility repayments will be financed by sale of land proceeds.
- All borrowings are obtained from the WA Treasury Corporation.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

7. BORROWINGS (CONTINUED)

(c) New Borrowings

Particulars/Purpose	Facility Limit	Drawdown Amount	Facility/Loan Type	Term (Years)	Total Interest and Charges	Interest Rate %	Amount Used Budget	Balance Unspent \$
Southern River Business Park Development*	3,000,000	2,349,312	Short-term	3	75,178	2.50%	2,349,312	0
	3,000,000	2,349,312			75,178		2,349,312	0

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

(d) Unspent Borrowings

All loan funds drawn are expected to be fully expended as at 30 June 2023.

Council is not expected to have any unspent loan funds as at 30 June 2023.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing Costs

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

8. CASH-BACKED RESERVES

(a) Cash Backed Reserves - Movement

Ordinary Reserve

	2022/23	2021/22	2021/22
	Budget	Actual	Budget
	\$	\$	\$
(a) Asset Management			
Opening Balance	957,702	954,801	959,423
Amount Used / Transfer From Reserve	(360,075)	0	(10,000)
Amount Set Aside / Interest	7,521	2,901	12,419
Transfer between Reserves - Equity	(305,148)	0	0
	<u>300,000</u>	<u>957,702</u>	<u>961,842</u>
(b) Central Maddington City Funded Common Infrastructure Works			
Opening Balance	1,366,067	3,110,720	3,556,868
Amount Used / Transfer From Reserve	0	(1,752,979)	(2,624,930)
Amount Set Aside / Interest	10,727	8,326	12,190
	<u>1,376,794</u>	<u>1,366,067</u>	<u>944,128</u>
(c) Community Infrastructure			
Opening Balance	32,037,971	14,485,001	17,369,396
Amount Used / Transfer From Reserve	(2,978,810)	(983,483)	(1,682,898)
Amount Set Aside / Transfer To Reserve	3,256,033	18,476,297	3,666,239
Amount Set Aside / Interest	171,995	60,156	264,059
Transfer between Reserves - Equity	(8,925,830)	0	12,026
	<u>23,561,359</u>	<u>32,037,971</u>	<u>19,628,822</u>
(d) Covid-19 Recovery			
Opening Balance	609,672	1,260,240	1,192,697
Amount Used / Transfer From Reserve	(401,408)	(654,398)	(1,180,826)
Amount Set Aside / Interest	1,635	3,829	155
Transfer between Reserves - Equity	(209,899)	0	(12,026)
	<u>0</u>	<u>609,672</u>	<u>0</u>
(e) Developer Contributions Infrastructure			
Opening Balance	803,219	800,786	805,540
Amount Used / Transfer From Reserve	(98,006)	0	0
Amount Set Aside / Transfer To Reserve	60,000	0	60,000
Amount Set Aside / Interest	6,009	2,433	11,321
	<u>771,222</u>	<u>803,219</u>	<u>876,861</u>
(f) Gosnells Oval Redevelopment			
Opening Balance	1,164,759	1,172,016	1,077,015
Amount Used / Transfer From Reserve	(979,840)	(10,807)	(517,608)
Amount Set Aside / Transfer To Reserve	52,000	0	51,445
Amount Set Aside / Interest	1,860	3,551	7,990
	<u>238,779</u>	<u>1,164,759</u>	<u>618,842</u>
Total Ordinary Reserves C/Fwd	<u>26,248,153</u>	<u>36,939,390</u>	<u>23,030,495</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

8. CASH-BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves – Movement (continued)

Ordinary Reserve (continued)

	2022/23	2021/22	2021/22
	Budget	Actual	Budget
	\$	\$	\$
Total Ordinary Reserves B/Fwd	26,248,153	36,939,390	23,030,495
(g) Gosnells Town Centre Revitalisation			
Opening Balance	5,643,493	6,113,252	5,903,172
Amount Used / Transfer From Reserve	(312,155)	(575,974)	(404,452)
Amount Set Aside / Transfer To Reserve	89,000	87,932	87,932
Amount Set Aside / Interest	43,554	18,283	73,074
	5,463,892	5,643,493	5,659,726
(h) Harmony Fields			
Opening Balance	107,955	307,733	301,606
Amount Used / Transfer From Reserve	(43,031)	(223,246)	(223,246)
Amount Set Aside / Transfer To Reserve	53,800	22,510	53,300
Amount Set Aside / Interest	932	958	1,722
Transfer between Reserves - Equity	(119,656)	0	0
	0	107,955	133,382
(i) Heritage Condition Reward Scheme			
Opening Balance	38,078	41,959	38,776
Amount Used / Transfer From Reserve	(7,260)	(4,000)	(7,260)
Amount Set Aside / Interest	242	119	412
	31,060	38,078	31,928
(j) Insurance			
Opening Balance	647,654	645,692	649,526
Amount Set Aside / Interest	5,086	1,962	8,496
	652,740	647,654	658,022
(k) Langford Oval Redevelopment			
Opening Balance	123,608	136,505	119,830
Amount Used / Transfer From Reserve	(46,733)	(41,175)	(80,725)
Amount Set Aside / Transfer To Reserve	29,000	27,869	28,700
Amount Set Aside / Interest	831	409	887
Transfer between Reserves - Equity	(106,706)	0	0
	0	123,608	68,692
(l) Local Government Elections			
Opening Balance	73,399	202,683	203,887
Amount Used / Transfer From Reserve	0	(280,000)	(280,000)
Amount Set Aside / Transfer To Reserve	165,000	150,000	150,000
Amount Set Aside / Interest	1,872	717	966
	240,271	73,399	74,853
Total Ordinary Reserves C/Fwd	32,636,116	43,573,578	29,657,098

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

8. CASH-BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves – Movement (continued)

Ordinary Reserve (continued)

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Total Ordinary Reserves B/Fwd	32,636,116	43,573,578	29,657,098
(m) Local Open Space Strategy			
Opening Balance	6,858,192	3,591,644	4,325,242
Amount Used / Transfer From Reserve	(6,839,143)	(255,740)	(886,795)
Amount Set Aside / Transfer To Reserve	33,500	3,510,133	4,323,220
Amount Set Aside / Interest	44,388	12,156	101,524
	96,937	6,858,192	7,863,191
(n) Maddington/Kenwick Revitalisation			
Opening Balance	2,626,761	2,618,802	2,634,350
Amount Set Aside / Interest	20,627	7,958	34,458
	2,647,388	2,626,761	2,668,808
(o) Mills Park			
Opening Balance	346,911	364,442	346,331
Amount Used / Transfer From Reserve	(76,743)	(75,976)	(113,594)
Amount Set Aside / Transfer To Reserve	60,000	57,378	59,040
Amount Set Aside / Interest	2,593	1,067	3,816
Transfer between Reserves - Equity	(332,761)	0	0
	0	346,911	295,593
(p) Operations Centre and Waste Transfer Facility			
Opening Balance	23,175,763	19,551,942	19,137,970
Amount Used / Transfer From Reserve	(1,475,235)	(289,030)	(526,593)
Amount Set Aside / Interest	170,410	70,912	294,040
Transfer between Reserves - Equity	0	3,841,939	3,841,939
	21,870,938	23,175,763	22,747,356
(q) Plant and Equipment			
Opening Balance	2,803,281	2,990,920	2,439,348
Amount Used / Transfer From Reserve	(3,119,192)	(1,911,902)	(3,135,170)
Amount Set Aside / Transfer To Reserve	1,433,400	1,712,000	720,000
Amount Set Aside / Interest	8,838	12,263	316
	1,126,327	2,803,281	24,494
(r) Public Art Contribution			
Opening Balance	42,079	0	0
Amount Set Aside / Transfer To Reserve	0	42,000	0
Amount Set Aside / Interest	330	79	0
	42,409	42,079	0
Total Ordinary Reserves C/Fwd	58,420,116	79,426,567	63,256,540

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

8. CASH-BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves – Movement (continued)

Ordinary Reserve (continued)

	2022/23	2021/22	2021/22
	Budget	Actual	Budget
	\$	\$	\$
Total Ordinary Reserves B/Fwd	58,420,116	79,426,567	63,256,540
(s) Rate Revaluation			
Opening Balance	590,304	441,517	444,139
Amount Used / Transfer From Reserve	(420,000)	0	0
Amount Set Aside / Transfer To Reserve	150,000	147,000	147,000
Amount Set Aside / Interest	2,515	1,788	7,732
	322,819	590,304	598,871
(t) Refuse Disposal Site Rehabilitation			
Opening Balance	631,662	643,002	693,490
Amount Used / Transfer From Reserve	(404,458)	(50,931)	(60,000)
Amount Set Aside / Transfer To Reserve	45,000	37,691	46,450
Amount Set Aside / Interest	9,598	1,901	8,894
	281,802	631,662	688,834
(u) Strategic Capital Development (previously Strategic Capital Acquisition)			
Opening Balance	1,846,870	1,517,823	1,526,834
Amount Used / Transfer From Reserve	(156,000)	(11,950)	(15,000)
Amount Set Aside / Transfer To Reserve	686,800	336,058	680,000
Amount Set Aside / Interest	18,671	4,939	28,669
	2,396,341	1,846,870	2,220,503
(v) Streetscape Levy			
Opening Balance	84,936	34,160	18,858
Amount Set Aside / Transfer To Reserve	0	50,600	0
Amount Set Aside / Interest	667	176	247
	85,603	84,936	19,105
(w) Sutherlands Park			
Opening Balance	1,035,808	1,040,020	970,621
Amount Used / Transfer From Reserve	(473,372)	(7,365)	(105,000)
Amount Set Aside / Transfer To Reserve	70,000	0	69,900
Amount Set Aside / Interest	4,966	3,153	12,237
	637,402	1,035,808	947,758
(x) Sutherlands Park Leisure Aquatic Sports Hub (SPLASH)			
Transfer between Reserves - Equity	10,000,000	0	0
	10,000,000	0	0
Total Ordinary Reserves C/Fwd	72,144,084	83,616,147	67,731,611

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

8. CASH-BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves – Movement (continued)

Ordinary Reserve (continued)

	2022/23	2021/22	2021/22
	Budget	Actual	Budget
	\$	\$	\$
Total Ordinary Reserves B/Fwd	72,144,084	83,616,147	67,731,611
(y) Synthetic Surfaces Renewal			
Opening Balance	420,480	419,205	421,693
Amount Used / Transfer From Reserve	(373,056)	0	(22,265)
Amount Set Aside / Interest	372	1,274	5,225
	47,796	420,480	404,653
(z) Walter Padbury Park			
Opening Balance	120,782	188,857	133,137
Amount Used / Transfer From Reserve	(171,784)	(120,817)	(137,439)
Amount Set Aside / Transfer To Reserve	51,000	52,170	50,500
Amount Set Aside / Interest	2	573	604
	0	120,782	46,802
(aa) Waste Reserve			
Opening Balance	2,437,220	8,130,786	7,931,510
Amount Used / Transfer From Reserve	(235,845)	(1,864,525)	(2,037,000)
Amount Set Aside / Interest	25,381	12,899	26,848
Transfer between Reserves - Equity	0	(3,841,939)	(3,841,939)
	2,226,756	2,437,220	2,079,419
(ab) Community Waste Transfer and Recycle Facility			
Opening Balance	0	0	0
Amount Set Aside / Transfer To Reserve	500,742	0	0
	500,742	0	0
Total Ordinary Reserves	74,919,378	86,594,629	70,262,484

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

8. CASH-BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves – Movement (continued)

Planning Reserve

	2022/23	2021/22	2021/22
	Budget	Actual	Budget
	\$	\$	\$
(ab) ODP - Canning Vale			
Opening Balance	3,651,527	3,879,365	3,905,819
Amount Used / Transfer From Reserve	(12,389)	(261,968)	(264,373)
Amount Set Aside / Transfer To Reserve	0	22,297	0
Amount Set Aside / Interest	28,577	11,834	47,631
	<u>3,667,715</u>	<u>3,651,527</u>	<u>3,689,077</u>
(ac) ODP - Central Maddington Precinct 1			
Opening Balance	(351,074)	(243,638)	(268,657)
Amount Used / Transfer From Reserve	(10,892)	(484,540)	(173,642)
Amount Set Aside / Transfer To Reserve	0	375,235	0
Amount Set Aside / Interest	0	1,868	0
	<u>(361,966)</u>	<u>(351,074)</u>	<u>(442,299)</u>
(ad) ODP - Central Maddington Precinct 2			
Opening Balance	1,684,918	1,685,741	1,722,037
Amount Used / Transfer From Reserve	(2,431)	(3,335)	(36,458)
Amount Set Aside / Interest	13,212	2,512	16,261
	<u>1,695,699</u>	<u>1,684,918</u>	<u>1,701,840</u>
(ae) ODP - Homestead Road			
Opening Balance	614,970	625,898	632,945
Amount Used / Transfer From Reserve	(12,419)	(12,807)	(14,373)
Amount Set Aside / Interest	4,732	1,879	8,091
	<u>607,283</u>	<u>614,970</u>	<u>626,663</u>
(af) ODP - Maddington Road A and B			
Opening Balance	1,910,095	1,920,655	1,935,389
Amount Used / Transfer From Reserve	(12,295)	(16,368)	(14,373)
Amount Set Aside / Interest	12,061	5,808	25,127
	<u>1,909,861</u>	<u>1,910,095</u>	<u>1,946,143</u>
(ag) ODP - Southern River Precinct 1			
Opening Balance	1,542,481	1,291,549	1,798,505
Amount Used / Transfer From Reserve	(16,828)	(7,568)	(11,373)
Amount Set Aside / Transfer To Reserve	0	254,000	0
Amount Set Aside / Interest	11,981	4,501	23,376
	<u>1,537,634</u>	<u>1,542,481</u>	<u>1,810,508</u>
Total Planning Reserves C/Fwd	<u>9,056,226</u>	<u>9,052,917</u>	<u>9,331,930</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

8. CASH-BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves – Movement (continued)

Planning Reserve (continued)

	2022/23	2021/22	2021/22
	Budget	Actual	Budget
	\$	\$	\$
Total Planning Reserves B/Fwd	9,056,226	9,052,917	9,331,930
(ah) ODP - Southern River Precinct 2			
Opening Balance	5,908,639	10,322,482	10,582,660
Amount Used / Transfer From Reserve	(12,999)	(5,483,012)	(14,373)
Amount Set Aside / Transfer To Reserve	0	1,048,496	0
Amount Set Aside / Interest	46,297	20,673	138,235
	5,941,937	5,908,639	10,706,522
(ai) ODP - Southern River Precinct 3			
Opening Balance	13,184,585	12,043,960	11,814,221
Amount Used / Transfer From Reserve	(11,917)	(6,811)	(14,373)
Amount Set Aside / Transfer To Reserve	0	1,108,216	0
Amount Set Aside / Interest	103,442	39,220	154,344
	13,276,110	13,184,585	11,954,192
(aj) ODP - Southern River Precinct 3A			
Opening Balance	3,371,376	3,361,161	3,381,116
Amount Set Aside / Interest	26,471	10,214	44,225
	3,397,847	3,371,376	3,425,341
(ak) ODP - Southern River Precinct 3D			
Opening Balance	(151)	0	0
Amount Used / Transfer From Reserve	(923)	(151)	0
	(1,074)	(151)	0
(al) ODP - Southern River Precinct 3E			
Opening Balance	63,751	51,059	40,055
Amount Used / Transfer From Reserve	(810)	(76)	0
Amount Set Aside / Transfer To Reserve	0	12,600	0
Amount Set Aside / Interest	494	169	524
	63,435	63,751	40,579
(am) ODP - Southern River Precinct 3F			
Opening Balance	1,297	1,292	1,300
Amount Set Aside / Interest	10	5	17
	1,307	1,297	1,317
Total Planning Reserves C/Fwd	31,735,788	31,582,414	35,459,880

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

8. CASH-BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves – Movement (continued)

Planning Reserve (continued)

	2022/23	2021/22	2021/22
	Budget	Actual	Budget
	\$	\$	\$
Total Planning Reserves B/Fwd	31,735,788	31,582,414	35,459,880
(an) ODP - Southern River Precinct 3A North			
Opening Balance	493,397	0	0
Amount Used / Transfer From Reserve	(1,396)	(454)	0
Amount Set Aside / Transfer To Reserve	0	492,358	0
Amount Set Aside / Interest	3,862	1,494	0
	495,863	493,397	0
(ao) ODP - Southern River Precinct 3A South			
Opening Balance	(76)	0	0
Amount Used / Transfer From Reserve	(118)	(76)	0
	(194)	(76)	0
(ap) ODP - Southern River Precinct 5			
Opening Balance	70,445	70,232	70,649
Amount Set Aside / Interest	553	213	924
	70,998	70,445	71,573
(aq) ODP - West Canning Vale			
Opening Balance	4,658,849	5,199,433	5,203,949
Amount Used / Transfer From Reserve	(16,035)	(556,368)	(38,996)
Amount Set Aside / Interest	36,459	15,785	67,558
	4,679,273	4,658,849	5,232,511
(ar) Public Open Space - Cash in Lieu			
Opening Balance	778,603	562,957	8,513,171
Amount Used / Transfer From Reserve	0	0	(3,131,538)
Amount Set Aside / Transfer To Reserve	0	213,765	15,080
Amount Set Aside / Interest	6,114	1,881	70,590
	784,717	778,603	5,467,303
(as) TPS - 9A			
Opening Balance	2,736,704	2,746,589	2,781,249
Amount Used / Transfer From Reserve	(89,722)	(18,218)	(125,326)
Amount Set Aside / Interest	20,786	8,332	34,740
	2,667,768	2,736,704	2,690,663
Total Planning Reserves C/Fwd	40,434,213	40,320,336	48,921,930

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

8. CASH-BACKED RESERVES (CONTINUED)

(a) Cash Backed Reserves – Movement (continued)

Planning Reserve (continued)

	2022/23	2021/22	2021/22
	Budget	Actual	Budget
	\$	\$	\$
Total Planning Reserves B/Fwd	40,434,213	40,320,336	48,921,930
(at) TPS – 10			
Opening Balance	67,009	66,806	67,203
Amount Set Aside / Interest	526	203	879
	67,535	67,009	68,082
(au) TPS – 15			
Opening Balance	1,593,606	1,560,356	1,602,092
Amount Used / Transfer From Reserve	(11,605)	(7,568)	(11,373)
Amount Set Aside / Transfer To Reserve	0	35,999	0
Amount Set Aside / Interest	12,423	4,819	20,807
	1,594,424	1,593,606	1,611,526
(av) TPS – 17			
Opening Balance	2,098,480	2,641,818	2,683,851
Amount Used / Transfer From Reserve	(188,743)	(550,098)	(155,463)
Amount Set Aside / Interest	14,997	6,760	33,072
	1,924,734	2,098,480	2,561,460
(aw) TPS – 20			
Opening Balance	588,980	1,080,708	1,087,124
Amount Used / Transfer From Reserve	(140,000)	(495,013)	(835,013)
Amount Set Aside / Interest	3,526	3,284	3,298
	452,506	588,980	255,409
Total Planning Reserves	44,473,412	44,668,410	53,418,407
Total Reserves	119,392,790	131,263,039	123,680,891

Summary

Opening Balance	131,263,039	119,632,928	130,755,933
Amount Used / Transfer From Reserve	(19,513,668)	(17,018,729)	(18,891,848)
Amount Set Aside			
Transfer To Reserve	6,735,275	28,272,604	10,208,806
Interest	908,144	376,236	1,608,000
	7,643,419	28,648,840	11,816,806
Total Reserves	119,392,790	131,263,039	123,680,891

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

8. CASH-BACKED RESERVES (CONTINUED)

(b) Purposes of Reserves

The purposes for which the reserves have been established are as follows:

Reserve Name	Anticipated date of use	Purpose of the Reserve
Ordinary Reserves		
Asset Management	Ongoing	To fund costs associated with asset data collection and management, including the acquisition and implementation of an asset management system.
Capital Works in Progress	Ongoing	To hold funds for capital works projects which have been approved and funded but which will not be completed until a future financial year.
Central Maddington City Funded Common Infrastructure Works	Ongoing	To hold the City's contribution towards the Central Maddington Outline Development Plan (CMODP) and fund the provision of strategic common infrastructure works and public open space within the CMODP area.
Community Infrastructure	Ongoing	To fund the improvement and development of recreation and community facilities.
Covid-19 Recovery	2023	To hold unspent operating monies from 2019/20 Budget and to fund the recovery and stimulus activity following the COVID-19 crisis.
Developer Contributions Infrastructure	Ongoing	Developer contributions paid to the City for road and drainage infrastructure works or non-Town Planning Scheme or Outline Development Plan Projects, including funds received under Local Planning Policy 5.7 Gosnells and Beckenham Laneways.
Gosnells Oval Redevelopment	Ongoing	To fund improvement of recreation and community facilities at Gosnells Oval funded from Telco Tower leases.
Gosnells Town Centre Revitalisation	Ongoing	To fund opportunities for the redevelopment, improvement and maintenance of the Gosnells Town Centre.
Harmony Fields	2023	To fund improvement of recreation and community facilities at Harmony Fields funded from Telco Tower leases.
Heritage Condition Reward Scheme	Ongoing	To fund the preservation or restoration of the City's significant historic items and to fund payments to owners of properties and trees listed in the City of Gosnells Heritage Inventory through the Condition Reward Scheme.
Insurance	Ongoing	To provide funds in case of calls on Council's participation in the self-insurance scheme.
Langford Oval Redevelopment	2023	To fund improvement of recreation and community facilities at Langford Oval funded from Telco Tower leases.
Local Government Elections	Ongoing	For expenditure associated with holding of local government elections.
Local Open Space Strategy	Ongoing	To fund the implementation of projects (including enhancement, strategic acquisitions and disposals) identified in the Public Open Space Strategy, whereby alternative financial sources such as Public Open Space Cash In Lieu and Development Contribution Funds are not available or identified in the Strategy.
Maddington/Kenwick Revitalisation	Ongoing	To fund the cost of urban renewal in Maddington/Kenwick.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

8. CASH-BACKED RESERVES (CONTINUED)

(b) Purposes of Reserves (continued)

Reserve Name	Anticipated date of use	Purpose of the Reserve
Ordinary Reserves (continued)		
Mills Park	2023	To fund improvement of recreation and community facilities at Mills Park funded from Telco Tower leases.
Operations Centre and Waste Transfer Facility	Ongoing	To fund expenditure relating to the development of a new Operations Centre, Waste Transfer Facility, Animal Pound and Impound Yard.
Plant and Equipment	Ongoing	To fund replacement or new acquisition of plant and associated equipment.
Public Art	Ongoing	To hold funds received under Local Planning Policy 6.0 – Public Art for the provision of public art.
Rate Revaluation	Ongoing	For expenditure associated with the revaluation of properties on which Council raises rates.
Refuse Disposal Site Rehabilitation	Ongoing	To fund site rehabilitation and POS development at the former Kelvin Road Waste Disposal site.
Strategic Capital Development	Ongoing	Royalties received from quarry set aside for investing in profit generating assets.
Streetscape Levy	Ongoing	To hold funds received under Local Planning Policy 4.7 - Planning and Development of Public Open Space and Streetscapes for the planting of trees in the development area.
Sutherlands Park	Ongoing	To fund improvement of recreation and community facilities at Sutherlands Park funded from Telco Tower leases.
Sutherlands Park Leisure Aquatic Sports Hub (SPLASH)	Ongoing	To fund the development of a recreation and aquatic centre at Sutherlands Park.
Synthetic Surface Renewal	Ongoing	To fund renewal of specialised sports surfaces and replacement of rubber softfall at playgrounds.
Walter Padbury Park	2023	To fund improvement of recreation and community facilities at Walter Padbury Reserve funded from Telco Tower leases.
Waste Reserve	Ongoing	To fund costs associated with the delivery of the City's waste services.
Community Waste Transfer and Recycle Facility	Ongoing	To fund the establishment of a Community Waste Transfer and Recycle Facility.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

8. CASH-BACKED RESERVES (CONTINUED)

(b) Purposes of Reserves (continued)

Reserve Name	Anticipated date of use	Purpose of the Reserve
Planning Reserves		
ODP - Canning Vale		
ODP - Central Maddington Precinct 1		
ODP - Central Maddington Precinct 2		
ODP - Homestead Road		
ODP - Maddington Road A and B		
ODP - Southern River Precinct 1		
ODP - Southern River Precinct 2		
ODP - Southern River Precinct 3	Ongoing	To fund expenditure on infrastructure and administrative items within the ODP areas with contributions from developers.
ODP - Southern River Precinct 3A (North)		
ODP - Southern River Precinct 3A (South)		
ODP - Southern River Precinct 3D		
ODP - Southern River Precinct 3E		
ODP - Southern River Precinct 3F		
ODP - Southern River Precinct 5		
ODP - West Canning Vale		
Public Open Space – Cash in Lieu	Ongoing	To fund Public Open Space expenditure within the locality for which the cash in lieu is provided, and where local areas are seen to benefit. Funds to be used in accordance with Section 154 of the <i>Planning and Development Act 2005</i> .
TPS - 9A		
TPS - 10		
TPS - 15	Ongoing	To fund expenditure on infrastructure and administrative items within the TPS areas with contributions from developers.
TPS - 17		
TPS - 20		

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

8. CASH-BACKED RESERVES (CONTINUED)

(c) Change in Use of Reserves

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

Asset Management Reserve

The Asset Management Reserve was established to set aside funds for costs associated with asset data collection and management.

During 2021/22, the City reviewed its reserve balances and determined that the Asset Management Reserve can be maintained at a lower balance.

\$305,148 will be transferred from the Asset Management Reserve into the Community Infrastructure Reserve.

Community Infrastructure Reserve

The Community Infrastructure Reserve was established to set aside funds for the improvement and development of recreation and community facilities.

During 2021/22, the City determined that a new reserve should be established to fund the development of a recreation and aquatic centre at Sutherlands Park.

\$10,000,000 will be transferred from the Community Infrastructure Reserve into the Sutherlands Park Leisure Aquatic Sports Hub (SPLASH) Reserve.

Covid-19 Recovery Reserve

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

This reserve is expected to be closed at 30 June 2023.

\$209,899 will be transferred from the Covid-19 Recovery Reserve into the Community Infrastructure Reserve.

Harmony Fields Reserve

The Harmony Fields Reserve was established to set aside funds for the improvement of recreation and community facilities at Harmony Fields.

This reserve is expected to be closed at 30 June 2023.

\$119,656 will be transferred from the Harmony Fields Reserve into the Community Infrastructure Reserve.

Langford Oval Reserve

The Langford Oval Reserve was established to set aside funds for the improvement of recreation and community facilities at Langford Oval.

This reserve is expected to be closed at 30 June 2023.

\$106,706 will be transferred from the Langford Oval Reserve into the Community Infrastructure Reserve.

Mills Park Reserve

The Mills Park Reserve was established to set aside funds for the improvement of recreation and community facilities at Mills Park.

This reserve is expected to be closed at 30 June 2023.

\$332,761 will be transferred from the Mills Park Reserve into the Community Infrastructure Reserve.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

8. CASH-BACKED RESERVES (CONTINUED)

(c) Change in Use of Reserves (continued)

Walter Padbury Park Reserve

The Walter Padbury Park Reserve was established to set aside funds for the improvement of recreation and community facilities at Walter Padbury Park.

This reserve is expected to be closed at 30 June 2023.

Funds held in the reserve will be fully utilised during the year ended 30 June 2023.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

9. PROGRAM INFORMATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Income excluding grants, subsidies and contributions			
General purpose funding	76,592,517	74,132,176	75,201,178
Governance	0	1,760	0
Law, order and public safety	326,350	473,819	325,100
Health	350,786	161,902	358,186
Education and welfare	105,945	202,416	205,702
Community amenities	17,938,228	17,256,036	17,216,776
Recreation and culture	3,877,910	3,696,833	3,900,363
Transport	1,215,964	830,379	680,530
Economic services	2,062,991	1,948,964	1,980,046
Other property and services	8,480	2,994,508	3,753,787
	<u>102,479,171</u>	<u>101,698,793</u>	<u>103,621,668</u>
Operating grants, subsidies and contributions			
General purpose funding	4,699,500	5,473,220	4,512,200
Governance	2,000	653	7,030
Law, order and public safety	487,944	714,622	279,038
Health	9,069	6,999	6,795
Education and welfare	26,034	179,711	166,963
Community amenities	565,242	635,249	504,239
Recreation and culture	184,872	305,558	223,429
Transport	67,767	51,478	57,965
Economic services	6,802	4,890	6,795
Other property and services	240,325	273,105	155,111
	<u>6,289,555</u>	<u>7,645,485</u>	<u>5,919,565</u>
Non-operating grants, subsidies and contributions including Public Open Space - Cash in Lieu contributions			
Law, order and public safety	0	78,500	0
Education and welfare	25,000	49,105	0
Community amenities	0	4,898,565	0
Recreation and culture	7,133,440	6,414,923	6,574,719
Transport	10,431,945	8,728,002	10,541,277
Other property and services	0	679,185	0
	<u>17,590,385</u>	<u>20,848,280</u>	<u>17,115,996</u>
Total Income	<u>126,359,111</u>	<u>130,192,558</u>	<u>126,657,229</u>
Expenses			
General purpose funding	(2,038,440)	(1,526,823)	(1,551,073)
Governance	(2,365,338)	(2,822,993)	(3,306,282)
Law, order and public safety	(3,634,516)	(3,614,816)	(3,386,382)
Health	(1,285,383)	(1,304,270)	(1,331,270)
Education and welfare	(4,566,995)	(4,359,968)	(4,520,772)
Community amenities	(21,644,241)	(25,483,729)	(20,905,720)
Recreation and culture	(42,308,714)	(40,691,641)	(40,713,895)
Transport	(27,816,829)	(25,759,503)	(27,389,048)
Economic services	(2,210,400)	(2,086,941)	(2,293,630)
Other property and services	(11,281,313)	(10,432,667)	(10,749,751)
Total expenses	<u>(119,152,169)</u>	<u>(118,083,351)</u>	<u>(116,147,823)</u>
Net result	<u>7,206,942</u>	<u>12,109,207</u>	<u>10,509,406</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

9. PROGRAM INFORMATION (CONTINUED)

KEY TERMS AND DEFINITIONS – REPORTING PROGRAMS

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the City's 10 Year Community Plan, and for each of its broad activities/programs, as listed below:

OBJECTIVE

ACTIVITIES

General Purpose Funding

To collect revenue to finance Council activities.

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

Governance

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

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

Law, Order and Public Safety

To provide services to ensure a safer community.

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

Health

To provide an operational framework for good community health.

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

Education and Welfare

To assist in meeting the education needs of the community.

Administration, support and operation of services for youth and families, seniors and persons with a disability. Operation of Addie Mills Centre. Provision of Community Development programs and events such as NAIDOC Week and Harmony Week.

Community Amenities

To provide services required by the community.

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

Recreation and Culture

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

Administration and operation of the Civic Centre, community halls, recreation centres, parks, sporting facilities, Leisure World, Don Russell Performing Arts Centre, Libraries and Wilkinson Homestead Museum. Provision of heritage and community programs and events, Arts and Culture programs, Sponsorship and Funding programs.

Transport

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

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

9. PROGRAM INFORMATION (CONTINUED)

KEY TERMS AND DEFINITIONS – REPORTING PROGRAMS (CONTINUED)

OBJECTIVE

ACTIVITIES

Economic Services

To promote the City and improve its economic base.

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

Other Property and Services

To provide services required by the community.

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

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

10. OTHER INFORMATION

	2022/23	2021/22	2021/22
	Budget	Actual	Budget
	\$	\$	\$
(a) Interest Earnings			
Reserve funds	908,144	376,236	1,608,000
Other funds	453,536	520,547	792,190
Rates instalment and penalty interest (refer to Note 1(c))	504,000	675,520	508,460
	<u>1,865,680</u>	<u>1,572,303</u>	<u>2,908,650</u>

(b) Other Revenue

Discount received	0	742	0
Other	500	67,018	0
	<u>500</u>	<u>67,760</u>	<u>0</u>

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Other revenue

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

(c) Auditors Remuneration

Audit services	95,000	95,000	100,000
Other services	5,000	5,000	1,200
	<u>100,000</u>	<u>100,000</u>	<u>101,200</u>

(d) Interest Expense (Finance Costs)

Lease facilities - operating interest	590	3,100	3,100
Loan facilities - operating interest	266,960	312,808	318,259
Loan facilities - capital interest	64,738	0	0
	<u>332,288</u>	<u>315,908</u>	<u>321,359</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

11. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Mayor - Councillor T Lynes			
(Mayor since 18 October 2021)			
Mayor's allowance	91,997	62,950	0
Meeting fees	48,704	33,326	0
ICT expenses allowance	3,500	2,455	0
Travelling expenses	1,667	864	0
	<u>145,868</u>	<u>99,595</u>	<u>0</u>
Deputy Mayor - Councillor A Hort			
(Deputy Mayor since 18 October 2021)			
Deputy Mayor's allowance	22,999	15,738	0
Meeting fees	32,470	31,678	31,678
ICT expenses allowance	3,500	3,500	1,700
Travelling expenses	1,667	599	3,500
	<u>60,636</u>	<u>51,515</u>	<u>36,878</u>
Councillor P Abetz			
(Deputy Mayor until 15 October 2021)			
Deputy Mayor's allowance	0	6,578	22,438
Meeting fees	32,470	31,504	31,678
ICT expenses allowance	3,500	3,481	1,700
Travelling expenses	1,667	1,218	3,500
	<u>37,637</u>	<u>42,781</u>	<u>59,316</u>
Councillor A Adams			
Meeting fees	32,470	31,678	31,678
ICT expenses allowance	3,500	3,500	1,700
Travelling expenses	1,667	709	3,500
	<u>37,637</u>	<u>35,887</u>	<u>36,878</u>
Councillor C Baayens			
(Councillor since 18 October 2021)			
Meeting fees	32,470	22,218	0
ICT expenses allowance	3,500	2,455	0
Travelling expenses	1,667	685	0
	<u>37,637</u>	<u>25,358</u>	<u>0</u>
Councillor G Dewhurst			
Meeting fees	32,470	31,678	31,678
ICT expenses allowance	3,500	3,500	1,700
Travelling expenses	1,667	751	3,500
	<u>37,637</u>	<u>35,929</u>	<u>36,878</u>
Total Elected member's Remuneration C/Fwd	<u>357,052</u>	<u>291,065</u>	<u>169,950</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

11. ELECTED MEMBERS REMUNERATION (CONTINUED)

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Total Elected member's Remuneration B/Fwd	357,052	291,065	169,950
Councillor D Goode (Mayor until 15 October 2021)			
Mayor's allowance	0	26,311	89,750
Meeting fees	32,470	36,755	47,516
ICT expenses allowance	3,500	3,481	1,700
Travelling expenses	1,667	2,092	3,500
	<u>37,637</u>	<u>68,639</u>	<u>142,466</u>
Councillor D Griffiths			
Meeting fees	32,470	31,678	31,678
ICT expenses allowance	3,500	3,500	1,700
Travelling expenses	1,667	0	3,500
	<u>37,637</u>	<u>35,178</u>	<u>36,878</u>
Councillor K McDonald (Councillor since 18 October 2021)			
Meeting fees	32,470	22,218	0
ICT expenses allowance	3,500	2,455	0
Travelling expenses	1,666	357	0
	<u>37,636</u>	<u>25,030</u>	<u>0</u>
Councillor S Patterson			
Meeting fees	32,470	31,678	31,678
ICT expenses allowance	3,500	3,500	1,700
Travelling expenses	1,666	0	3,500
	<u>37,636</u>	<u>35,178</u>	<u>36,878</u>
Councillor S Williamson (Councillor since 18 October 2021)			
Meeting fees	32,470	22,218	0
ICT expenses allowance	3,500	2,455	0
Travelling expenses	1,666	836	0
	<u>37,636</u>	<u>25,509</u>	<u>0</u>
Councillor E Zhang			
Meeting fees	32,470	31,678	31,678
ICT expenses allowance	3,500	3,500	1,700
Travelling expenses	1,666	51	3,500
	<u>37,636</u>	<u>35,229</u>	<u>36,878</u>
Total Elected member's Remuneration C/Fwd	582,870	515,828	423,050

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

11. ELECTED MEMBERS REMUNERATION (CONTINUED)

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Total Elected member's Remuneration B/Fwd	582,870	515,828	423,050
Councillor J Brown (Retired on 15 October 2021)			
Meeting fees	0	9,286	31,678
ICT expenses allowance	0	1,026	1,700
Travelling expenses	0	938	3,500
	<u>0</u>	<u>11,250</u>	<u>36,878</u>
Councillor CA Harper (Retired on 15 October 2021)			
Meeting fees	0	9,286	31,678
ICT expenses allowance	0	1,026	1,700
Travelling expenses	0	0	3,500
	<u>0</u>	<u>10,312</u>	<u>36,878</u>
Councillor J Jones (Retired on 15 October 2021)			
Meeting fees	0	9,286	31,678
ICT expenses allowance	0	1,026	1,700
Travelling expenses	0	477	3,500
	<u>0</u>	<u>10,789</u>	<u>36,878</u>
Councillor O Searle (Retired on 15 October 2021)			
Meeting fees	0	9,286	31,678
ICT expenses allowance	0	1,026	1,700
Travelling expenses	0	0	3,500
	<u>0</u>	<u>10,312</u>	<u>36,878</u>
Total elected member's remuneration	<u>582,870</u>	<u>558,491</u>	<u>570,562</u>
Summary of Elected member's Remuneration			
Mayor's allowance	91,997	89,261	89,750
Deputy Mayor's allowance	22,999	22,316	22,438
Meeting fees	405,874	395,451	395,974
ICT expenses allowance	42,000	41,886	20,400
Travelling expenses	20,000	9,577	42,000
Total Elected member's Remuneration	<u>582,870</u>	<u>558,491</u>	<u>570,562</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

12. MAJOR LAND TRANSACTIONS

(a) Southern River Business Park

(i) Details

The proposed Southern River Business Park consists of Lot 21 Furley Rd, Lot 100 & Lot 1768 Southern River Rd and Lot 1767 Matison St, which are owned fee simple by the City.

In April 2021, the City awarded the tender to JDSI Consulting Engineers to provide a range of professional services in relation to design and construction of Southern River Business Park. The design development and planning phases are well underway and expected to be completed in the third quarter of 2022. Construction is proposed to occur in 4 stages, with construction of stage 1 expected to commence in the last quarter 2022.

As this is a major land transaction, the construction of stages 2, 3, and 4 are dependent upon sale of stage 1 lots and future market conditions.

(ii) Revenue and Expense

	Project Budget	Project Actual	2022/23 Budget	2021/22 Actual
	\$	\$	\$	\$
Funding Sources				
Capital Revenue				
Asset Disposal Proceeds	29,585,586	0	0	0
Other Funding Sources				
Loan Proceeds	21,450,000	0	2,349,312	0
Total Funding Sources	<u>51,035,586</u>	<u>0</u>	<u>2,349,312</u>	<u>0</u>
Disbursement of Funds				
Capital Expenditure				
Materials & Contracts	(19,980,000)	(48,872)	(2,023,056)	0
Interest Expense	(3,374,768)	0	(64,738)	0
	<u>(23,354,768)</u>	<u>(48,872)</u>	<u>(2,087,794)</u>	<u>0</u>
Operating Expense				
Materials & Contracts	(1,770,000)	(714,647)	(326,256)	(355,042)
Interest Expense	(10,450)	0	(10,450)	
Other Expenses				
Loan Repayment	(21,450,000)	0	0	0
Transfer to Reserve - Community Infrastructure Reserve	(4,450,368)	0	0	0
	<u>(25,900,368)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Disbursement of funds	<u>(51,035,586)</u>	<u>(763,519)</u>	<u>(2,424,500)</u>	<u>(355,042)</u>
Total	<u>0</u>	<u>(763,519)</u>	<u>(75,188)</u>	<u>(355,042)</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

12. MAJOR LAND TRANSACTIONS (CONTINUED)

(b) Southern River Business Park (continued)

(iii) Expected Future Projections

It is anticipated a short-term loan facility will be established for stage 1 subdivision condition. As this is a major land transaction, a long term loan for stages 2, 3, and 4 is dependent upon the sale of subdivision lots of stage 1 and future market conditions. The table below outlines the expected future projections for the next five financial years.

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	\$	\$	\$	\$	\$	\$
Revenue						
Asset Disposal Proceeds	0	2,985,454	2,985,454	2,985,455	2,985,454	11,941,817
Loan Proceeds	2,349,312	6,388,158	11,502,301	1,210,228	0	21,449,999
	2,349,312	9,373,612	14,487,755	4,195,683	2,985,454	33,391,816
Expenditure						
Materials & Contracts	(2,349,312)	(5,738,158)	(11,502,300)	(1,210,228)	0	(20,799,998)
Interest Expense	(75,188)	(611,396)	(825,770)	(683,532)	(417,197)	(2,613,083)
Loan Repayment	0	(1,914,600)	(1,962,465)	(2,011,527)	(2,061,811)	(7,950,403)
Transfer to Reserve	0	(384,271)	(197,220)	(290,396)	(506,446)	(1,378,333)
	(2,424,500)	(8,648,425)	(14,487,755)	(4,195,683)	(2,985,454)	(32,741,817)
Net Future Projections	<u>(75,188)</u>	<u>725,187</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>649,999</u>

(iv) Assets and Liabilities

Assets associated with this land transaction have a written down value of \$22,092,223 at 30 June 2022.

There were no liabilities that exist in relation to this land transaction as at 30 June 2022.

It is anticipated that a \$3,000,000 short-term loan facility be established during the 2022/23 financial year. The loan is anticipated to be repaid from the Southern River Business Park sale proceeds.

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

13. TRADING UNDERTAKING AND MAJOR TRADING UNDERTAKINGS

It is not anticipated that any trading under taking or major trading undertakings will occur in 2022/23.

14. JOINT ARRANGEMENTS

It is not anticipated that any interests in joint arrangements will occur in 2022/23.

15. TRUST FUNDS

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

	Balance 1-Jul-22 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-23 \$
Unclaimed money	30,000	15,000	(20,000)	25,000
Construction Training fund	15,000	250,000	(250,000)	15,000
Building Commission	70,000	425,000	(425,000)	70,000
Public Open Space - Cash In Lieu	7,323,162	41,857	(1,967,229)	5,397,790
	<u>7,438,162</u>	<u>731,857</u>	<u>(2,662,229)</u>	<u>5,507,790</u>

16. FEES AND CHARGES

	2022/23 Budget \$	2021/22 Actual \$	2021/22 Budget \$
By Program			
General purpose funding	560,000	538,997	380,000
Law, order and public safety	326,350	473,819	325,100
Health	350,786	161,902	358,186
Education and welfare	105,945	202,416	205,702
Community amenities	17,938,228	17,253,747	17,216,776
Recreation and culture	3,877,910	3,696,844	3,900,363
Transport	215,000	285,893	222,000
Economic services	2,062,991	1,948,964	1,980,046
Other property and services	7,980	5,356	53,740
	<u>25,445,190</u>	<u>24,567,938</u>	<u>24,641,913</u>

City of Gosnells
Notes to and forming part of the Budget
for the year ending 30 June 2023

17. SIGNIFICANT ACCOUNTING POLICIES

Budget Comparative Figures

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

Comparative Figures

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

Critical Accounting Estimates

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

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

Goods and Services Tax (GST)

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

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

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

Rounding Off Figures

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