



# ANNUAL BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022



Our City  Our House

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## CITY OF WANNEROO

## STATEMENT OF COMPREHENSIVE INCOME

## BY NATURE OR TYPE

## FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>Revenues</b>				
Rates	9	135,971,516	136,793,379	141,191,680
Operating Grants, Subsidies & Contributions		11,426,636	20,936,362	8,015,370
Fees & Charges	12	44,156,022	48,477,509	50,296,054
Interest Revenue	2(a)(ii)	4,416,017	4,135,724	2,283,458
Other Revenue		1,015,816	750,842	725,295
		<b>196,986,007</b>	<b>211,093,816</b>	<b>202,511,857</b>
<b>Expenses</b>				
Employee Costs		(75,073,152)	(75,233,832)	(77,092,475)
Materials & Contracts		(71,049,101)	(70,435,144)	(73,738,173)
Utility Charges		(9,976,703)	(9,534,360)	(9,755,555)
Depreciation	2(a)(i)	(42,863,029)	(42,863,029)	(44,411,424)
Insurance		(1,327,151)	(880,151)	(1,285,633)
Interest Expense	2(a)(i)	(4,114,716)	(4,114,828)	(4,115,430)
		<b>(204,403,852)</b>	<b>(203,061,344)</b>	<b>(210,398,690)</b>
<b>OPERATING RESULT FROM CONTINUING OPERATIONS</b>		<b>(7,417,845)</b>	<b>8,032,472</b>	<b>(7,886,833)</b>
<b>Other Revenues &amp; Expenses (excludes Contributions of Physical Assets)</b>				
Non-Operating Grants, Subsidies & Contributions		11,049,674	15,124,331	19,076,024
Non-Operating Contracts Expenses#		-	-	(15,000,000)
Profit on Asset Disposals	4	248,176	1,698,176	4,918,000
Loss on Asset Disposals	4	(14,821,299)	(14,821,299)	(986,238)
Town Planning Scheme (TPS) & Developer Contribution Plan (DCP) Revenue		10,667,481	8,502,910	25,630,638
TPS & DCP Expense		(6,759,073)	(4,993,957)	(19,907,771)
		<b>384,959</b>	<b>5,510,161</b>	<b>13,730,653</b>
<b>Net Result (excludes Contributions of Physical Assets)</b>		<b>(7,032,886)</b>	<b>13,542,633</b>	<b>5,843,820</b>
Contributions of Physical Assets		9,092,000	9,092,000	12,180,000
<b>Net Result</b>		<b>2,059,114</b>	<b>22,634,633</b>	<b>18,023,820</b>
Other Comprehensive Income*		-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>2,059,114</b>	<b>22,634,633</b>	<b>18,023,820</b>

**Notes:**

- i)\* Other Comprehensive Income (if any) is impacted upon by external forces and is not able to be reliably estimated.
- ii) It is anticipated in all instances, any Other Comprehensive Income will relate to non-cash transactions and as such, have no impact on this budget document.
- iii) Due to the reclassification of some accounts there may be differences when comparing figures adopted for the previous financial year.
- iv) This statement is to be read in conjunction with the accompanying Notes.
- v) #Non-Operating Contract Expenses relate to the delivering of waste strategies.

## CITY OF WANNEROO

## STATEMENT OF COMPREHENSIVE INCOME

## BY PROGRAM

## FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
	2(b)			
<b>Revenues</b>				
Community Amenities		32,511,573	37,723,853	34,293,225
Economic Services		1,942,493	2,687,629	2,506,895
Education & Welfare		259,950	262,052	301,369
General Purpose Funding		149,424,957	153,327,003	148,535,532
Governance		480,345	842,289	653,296
Health		377,154	381,576	496,294
Law, Order & Public Safety		1,621,374	1,597,729	1,424,975
Other Property & Services		10,962,615	8,888,565	25,984,867
Recreation & Culture		9,328,447	11,714,792	12,659,156
Transport		1,182,959	1,892,775	1,286,886
		<b>208,091,867</b>	<b>219,318,263</b>	<b>228,142,495</b>
<b>Expenses (excludes Finance Costs)</b>				
Community Amenities		(41,556,228)	(41,957,087)	(61,113,221)
Economic Services		(5,224,873)	(5,202,854)	(5,265,196)
Education & Welfare		(6,147,645)	(6,213,691)	(5,995,536)
General Purpose Funding		(6,046,018)	(5,618,642)	(2,811,922)
Governance		(10,819,919)	(10,898,790)	(12,278,496)
Health		(2,754,781)	(2,485,470)	(2,760,647)
Law, Order & Public Safety		(9,691,367)	(9,501,554)	(9,425,792)
Other Property & Services		(8,103,959)	(6,280,704)	(20,744,611)
Recreation & Culture		(62,804,430)	(62,541,379)	(64,652,799)
Transport		(54,337,368)	(53,833,081)	(56,142,811)
		<b>(207,486,588)</b>	<b>(204,533,252)</b>	<b>(241,191,031)</b>
<b>Finance Costs</b>				
General Purpose Funding		(411,000)	(411,000)	(395,399)
Governance		(3,530)	(3,530)	(2,009)
Other Property & Services		(144,393)	(144,393)	(145,390)
Recreation & Culture		(3,401,760)	(3,401,872)	(3,413,525)
Transport		(154,033)	(154,033)	(159,107)
		<b>(4,114,716)</b>	<b>(4,114,828)</b>	<b>(4,115,430)</b>
<b>Non-Operating Grants, Subsidies &amp; Contributions</b>				
Community Amenities		1,400,463	1,501,463	332,542
Education & Welfare		-	110,000	969,500
Governance		-	50,000	194,830
Law, Order & Public Safety		-	106,051	461,562
Other Property & Services		-	25,000	50,000
Recreation & Culture		4,559,502	8,801,454	14,668,582
Transport		14,181,709	14,493,604	14,579,008
		<b>20,141,674</b>	<b>25,087,572</b>	<b>31,256,024</b>
<b>Profit/(Loss) on Disposal of Assets</b>	4			
Other Property & Services		(874,058)	575,942	3,931,762
Transport		(13,699,065)	(13,699,065)	-
		<b>(14,573,123)</b>	<b>(13,123,123)</b>	<b>3,931,762</b>
<b>Net Result</b>		<b>2,059,114</b>	<b>22,634,632</b>	<b>18,023,820</b>
Other Comprehensive Income		-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>2,059,114</b>	<b>22,634,632</b>	<b>18,023,820</b>

**Notes:**

- i) Other Comprehensive Income (if any) is impacted upon by external forces and is not able to be reliably estimated.
- ii) It is anticipated in all instances, any Other Comprehensive Income will relate to non-cash transactions and as such, have no impact on this budget document.
- iii) Due to the reclassification of some accounts there may be differences when comparing figures adopted for the previous financial year.
- iv) This statement is to be read in conjunction with the accompanying Notes.

## CITY OF WANNEROO

## STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		129,832,322	139,305,726	140,867,380
Operating Grants, Subsidies & Contributions		16,277,691	20,936,362	8,206,051
Fees & Charges	12	44,156,022	48,477,509	50,296,054
Interest Revenue	2(a)(ii)	4,416,017	4,135,724	2,283,458
Other Revenue		1,015,816	750,842	725,295
Goods & Services Tax (GST) Revenue		10,263,692	11,961,628	12,180,860
		<b>205,961,560</b>	<b>225,567,791</b>	<b>214,559,098</b>
<b>Payments</b>				
Employee Costs		(70,073,152)	(74,194,053)	(76,667,235)
Materials & Contracts		(73,567,324)	(74,669,993)	(94,030,328)
Utility Charges		(9,976,703)	(9,534,360)	(9,755,555)
Insurance		(1,327,151)	(880,151)	(1,285,633)
Interest Expense	2(a)(i)	(4,114,716)	(4,114,828)	(4,115,430)
GST Expense		(10,557,388)	(11,640,512)	(11,873,323)
		<b>(169,616,434)</b>	<b>(175,033,897)</b>	<b>(197,727,504)</b>
	16(b)	<b>36,345,126</b>	<b>50,533,894</b>	<b>16,831,594</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Non-Operating Grants, Subsidies & Contributions		11,049,674	15,124,331	19,076,024
TPS & DCP Revenue		10,667,481	8,502,910	16,399,283
Proceeds from Disposal of Assets	4	1,076,850	1,076,850	8,640,000
		<b>22,794,005</b>	<b>24,704,091</b>	<b>44,115,307</b>
<b>Payments</b>				
TPS & DCP Expense		(6,759,073)	(4,993,957)	(19,907,771)
Payments for Construction of Infrastructure		(29,845,179)	(34,485,169)	(45,495,359)
Payments for Purchase of Property, Plant & Equipment		(38,127,434)	(30,329,158)	(43,920,131)
		<b>(74,731,686)</b>	<b>(69,808,284)</b>	<b>(109,323,261)</b>
		<b>(51,937,681)</b>	<b>(45,104,193)</b>	<b>(65,207,954)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Principal Elements of Lease Payments	6	(73,393)	(126,568)	(125,268)
Transfer from Trust Fund - Cash Paid in Lieu of Public Open Space	17	-	-	2,469,079
Proceeds from New Loans	5	2,000,000	-	15,000,000
		<b>1,926,607</b>	<b>(126,568)</b>	<b>17,343,811</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>				
		<b>(13,665,948)</b>	<b>5,303,133</b>	<b>(31,032,549)</b>
Cash at Beginning of Year		381,195,925	375,027,525	380,330,658
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	16(a)	<b>367,529,977</b>	<b>380,330,658</b>	<b>349,298,109</b>

**Notes:**

- i) Due to the reclassification of some accounts there may be differences when comparing figures adopted for the previous financial year.  
ii) This statement is to be read in conjunction with the accompanying Notes.

**CITY OF WANNEROO**  
**RATE SETTING STATEMENT**

**FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022**

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>OPENING SURPLUS/(DEFICIT)</b>	8	-	14,978,791	1,373,000
<b>OPERATING ACTIVITIES*</b>				
<b>Revenues (excludes Rates)</b>				
Fees & Charges	12	44,156,022	48,477,509	50,296,054
Operating Grants, Subsidies & Contributions		11,426,636	20,936,362	8,015,370
Interest Revenue	2(a)(ii)	4,416,017	4,135,724	2,283,458
Other Revenue		1,015,816	750,842	725,295
Profit on Asset Disposal	4	248,176	1,698,176	4,918,000
Non-Operating Grants, Subsidies & Contributions		11,049,674	15,124,331	19,076,024
Contributions of Physical Assets		9,092,000	9,092,000	12,180,000
TPS & DCP Revenue		10,667,481	8,502,910	25,630,638
		<b>92,071,822</b>	<b>108,717,854</b>	<b>123,124,839</b>
<b>Expenses</b>				
Employee Costs		(75,073,152)	(75,233,832)	(77,092,475)
Materials & Contracts		(71,049,101)	(70,435,144)	(88,738,173)
Utility Charges		(9,976,703)	(9,534,360)	(9,755,555)
Depreciation	2(a)(i)	(42,863,029)	(42,863,029)	(44,411,424)
Insurance		(1,327,151)	(880,151)	(1,285,633)
Interest Expense	2(a)(i)	(4,114,716)	(4,114,828)	(4,115,430)
Loss on Asset Disposal	4	(14,821,299)	(14,821,299)	(986,238)
TPS & DCP Expense		(6,759,073)	(4,993,957)	(19,907,771)
		<b>(225,984,224)</b>	<b>(222,876,600)</b>	<b>(246,292,699)</b>
<b>Non-Cash Amounts Excluded</b>				
Contributions of Physical Assets		(9,092,000)	(9,092,000)	(12,180,000)
Profit on Asset Disposal	4	(248,176)	(1,698,176)	(4,918,000)
Loss on Asset Disposal	4	14,821,299	14,821,299	986,238
Depreciation	2(a)(i)	42,863,029	42,863,029	44,411,424
		<b>48,344,152</b>	<b>46,894,152</b>	<b>28,299,662</b>
		<b>(85,568,250)</b>	<b>(67,264,594)</b>	<b>(94,868,198)</b>
<b>INVESTING ACTIVITIES</b>				
<b>Revenues</b>				
Proceeds from Disposal of Assets	4	1,076,850	1,076,850	8,640,000
		<b>1,076,850</b>	<b>1,076,850</b>	<b>8,640,000</b>
<b>Expenses</b>				
Capital Expenditure		(67,013,329)	(55,722,327)	(82,213,708)
Contributions of Physical Assets		(9,092,000)	(9,092,000)	(12,180,000)
		<b>(76,105,329)</b>	<b>(64,814,327)</b>	<b>(94,393,708)</b>
<b>Non-Cash Amounts Excluded</b>				
Contributions of Physical Assets		9,092,000	9,092,000	12,180,000
		<b>(65,936,479)</b>	<b>(54,645,477)</b>	<b>(73,573,708)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Revenues</b>				
Contributions from New Loans	5	2,000,000	-	15,000,000
Transfers from Restricted Grants, Contributions & Loans		681,000	145,988	1,709,434
Transfers from Reserves	7	36,685,179	70,993,436	43,417,469
Transfer from Trust Fund - Cash paid in Lieu of Public Open Space		-	-	2,469,079
Transfers from TPS's	18	6,764,815	5,118,682	21,911,423
		<b>46,130,994</b>	<b>76,258,106</b>	<b>84,507,405</b>
<b>Expenses</b>				
Transfers to Restricted Grants, Contributions & Loans		-	-	-
Transfers to Reserves	7	(24,953,148)	(99,628,523)	(39,099,312)
Transfers to TPS's	18	(8,483,333)	(5,118,682)	(21,911,423)
		<b>(33,436,481)</b>	<b>(104,747,205)</b>	<b>(61,010,735)</b>
		<b>12,694,513</b>	<b>(28,489,099)</b>	<b>23,496,670</b>
<b>BUDGET DEFICIENCY</b>		<b>(138,810,216)</b>	<b>(135,420,379)</b>	<b>(143,572,236)</b>
<b>Amount to be Raised from Rates</b>	9	<b>135,971,516</b>	<b>136,793,379</b>	<b>141,191,680</b>
<b>CLOSING SURPLUS/(DEFICIT)</b>	8	<b>(2,838,700)</b>	<b>1,373,000</b>	<b>(2,380,556)</b>

**Note:**

- i) Due to the reclassification of some accounts there may be differences when comparing figures adopted for the previous financial year.
- ii) This statement is to be read in conjunction with the accompanying notes.
- iii) \*Operating Activities includes Non Operating Revenue and Expenditure as presented in Statement of Comprehensive Income.

NOTES TO & FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

1. SIGNIFICANT ACCOUNTING POLICIES

**(a) Basis of Preparation**

The City's financial information is prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the Local Government Act 1995 (the Act) and accompanying Regulations.

Except for Cash Flow and Rate Setting information, all financial information is prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**Critical Accounting Estimates**

The preparation of the City's financial information in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect 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 this experience and other factors combine to form the basis of making judgements about carrying values of Assets and Liabilities not readily apparent from other sources.

**(b) The Local Government Reporting Entity**

All Funds, through which the City controls resources to carry on its functions, are included in the relevant financial information. 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) is eliminated.

**(c) Goods and Services Tax**

Revenues, expenses and assets capitalised are stated net of any GST recoverable.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents in the Net Current Asset position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the Net Current Asset position.

**(e) Trade & Other Receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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



NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Inventories

i) Raw materials and stores, work-in-progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost or net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the established selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

ii) Land held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred. Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time when conditions of a binding contract of sale are met. Land held for resale is classified as current except where it is held as non-current based on the City's intentions to release for sale.

iii) Library Books

All library books are expensed at the point of acquisition either through purchase or inheritance.

(g) Non-Current 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.

Expenditure on items of equipment under \$5,000 are not capitalised but are placed on an "Attractive & Portable Items Register" for reference and maintenance.

**Mandatory requirement to revalue non current assets**

Each asset class are revalued in accordance with the Regulations and the Australian Accounting Standards.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, are made in the financial statement as necessary.

**Initial recognition and measurement between mandatory revaluation dates**

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

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

Individual assets that are land, buildings, infrastructure and investment properties (including vested improvements) acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.



## NOTES TO AND FORMING PART OF THE BUDGET

## FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## (g) Non-Current Assets (Continued)

**Revaluation**

The fair value of land, buildings, infrastructure and investment properties (including vested improvements) is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is in accordance with Local Government (Financial Management) Regulation 17A (2)(a) which requires land, buildings, infrastructure, investment properties and invested improvements to be shown at fair value.

Individual assets that are plant and equipment type assets and right-of-use assets are measured using the cost model in accordance with Local Government (Financial Management) Regulation 17A (2)(b) and 17A (2)(c).

Increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation reserve. Decreases in the carrying amount that offset previous increases of the same asset classes are recognised against the revaluation reserve, all other decreases are recognised in the Statement of Comprehensive Income.

**Land under Control and Land under Roads**

As a result of amendments to the Regulations, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the Statement of Financial Position.

**Vested improvements**

The measurement of vested improvements at fair value in accordance with Local Government (Financial Management) Regulations 1996 17A (2)(iv) is a departure from AASB 16 which would have required the City to measure the vested improvements as part of the related right-of-use asset at zero cost.

**Gains and losses on disposal of non current assets**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

## (h) Depreciation of Non-Current Assets

All non-current assets that have a limited useful life are separately and systematically depreciated over their useful lives in a manner that reflects the consumption of the future economic benefits embodied in those assets. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the assets is completed and held ready for use.

Depreciation for infrastructure assets is calculated from the end of the year in which the asset was completed and brought into account.

Depreciation is recognised on a straight-line basis over the useful life.

The major categories of assets and the useful lives recorded on recognition are:

Buildings	40 years
Bus Shelters*	30 - 50 years
Computer Hardware	3 years
Computer Software	2 years
Pathways*	25 - 70 years
Furniture & Equipment (excluding Artwork & Artefacts**)	10 years
Heavy Vehicles - 1,201 kg to 4,000 kg	6 years/100,000 km's (45% residual)
Heavy Vehicles - 4,001 kg to 9,000 kg	6 years/200,000 km's (40% residual)
Heavy Vehicles - 9,001 kg to 12,000 kg	8 years/500,000 km's (48% residual)
Heavy Vehicles - Refuse	5 years (20% residual)
Irrigation Piping	30 years
Land**	Not Applicable
Light Vehicles	3 years (60% residual)
Other Infrastructure*	10 - 80 Years
Other Plant & Equipment	10 years
Parks & Reserves*	12 - 85 years
Mobile Plant	10 years (50% residual)
Reserves/Playground Equipment*	10 - 15 years
Sealed Car Parks - Pavement*	40 - 80 years
Road - Kerb	40 years
Road - Seal*	15 - 40 years
Road Pavement*	40 years
Underpasses	40 years
Water Supply Piping & Drainage Systems*	40 - 80 years

## NOTES TO AND FORMING PART OF THE BUDGET

## FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(h) Depreciation of Non-Current Assets (Continued)**

\*Due to useful lives of the individual assets within each asset type varying, despite being of a similar nature, the asset types denoted have a range of depreciation periods.

\*\*Land, Artwork and Artefacts are not considered depreciable asset classes.

Certain elements of a non-current asset useful life can be shorter than the particular asset and this will be depreciated faster than the parent asset.

Residual value, useful lives and residual values of individual assets are reviewed every three years as part of the revaluation process. Subsequent depreciation is recorded based on assets fair value and residual life.

**(i) Financial Instruments****Recognition and derecognition**

Financial Instruments, financial assets and financial liabilities are recognised when the City becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Classification & initial measurement of financial assets**

Except for those trade receivables that do not contain a significant financing component and measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the City's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

**Subsequent measurement of financial assets****Financial assets at amortised cost**

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cashflows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes non-derivative financial assets like loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The City's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

**Financial assets at fair value through profit and loss (FVTPL)**

Financial assets that are held within a different business model than 'hold to collect' or 'hold to collect and sell', and financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

## NOTES TO AND FORMING PART OF THE BUDGET

## FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(i) Financial Instruments (Continued)****Financial assets at fair value through other comprehensive income (FVOCI)**

Financial assets are accounted for at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is hold to collect the associated cash flows and sell: and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in Other Comprehensive Income will be realised upon derecognition of the asset. This category includes listed securities and debentures.

**Classification and measurement of financial liabilities**

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the City designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**Impairment of Financial assets**

The City considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

**(j) Fair Value Estimation**

The fair value of financial assets and financial liabilities is estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is determined using various valuation techniques. The City uses valuation methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate fair values. The fair value of financial liabilities for disclosure purposes will be estimated by discounting future contractual cash flows at the current market interest rate that is available to the City for similar financial instruments.

**(k) Provisions**

Provisions are recognised when the City has a present 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 not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow, with respect to any one item included in the same class of obligations, may be small.

**(l) Leases**

All Leases, excluding Peppercorn Leases (concessionary leases), will be recognised in the Statement of Financial Position as a liability by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as depreciation on the 'right-of-use' asset, and interest will be charged on the lease liability.

Right-of-use assets are measured using the cost model in accordance with Local Government (Financial Management) Regulation 17A (2)(c). This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost.

**(m) Investments in Associates**

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

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(m) Investments in Associates (Continued)**

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

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

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

**(n) Impairment**

The City's assets, other than inventories, are tested annually for impairment. Where impairment exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 Impairment of Assets and appropriate adjustments made. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognised in the Statement of Comprehensive Income.

For non-cash generating assets such as roads, drains and public buildings value in use is represented by the asset's written down replacement cost.

At the time of adopting this budget it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2022.

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

**(o) Trade & Other Payables**

Trade and other payables reflect obligations to make future payments in respect of the purchase of goods and services and are carried at amortised cost. The amounts are unsecured and are usually paid within 30 days from the date of receipt of the invoice unless otherwise agreed.

**(p) Interest-bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid for the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the City has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date. 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.

**(q) Employee Benefits**

Provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

***Wages, Salaries, Annual Leave and Long Service Leave (Short-Term Benefits)***

The provision for employees' benefits wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the City has a present obligation to pay resulting from employee's services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the City expects to pay and includes related on-costs.

## CITY OF WANNEROO

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

#### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (q) Employee Benefits (Continued)

###### **Long Service Leave (Long-Term Benefits)**

The liability for long service leave is recognised as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on state government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

Where the City does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

##### (r) Superannuation

Contributions to employee defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### (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 operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The City's interests in the assets, liabilities, revenue and expenses are included in the respective line items of the financial statements.

##### (t) Rates, Grants, Donations and Other Contributions

Revenue recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract or in the case of Rates, when the relevant rateable year commences.

AASB 1058 Income of Not-for-Profit Entities is to be considered where AASB 15 does not apply to a transaction. The timing of income recognition will depend on whether a transaction gives rise to a performance obligation, liability or contribution by owners

###### **Contract Liabilities**

When an amount of consideration is received from a customer/fund provider prior to the City transferring a good or service to the customer, the City presents the funds which exceed revenue recognised as a contract liability. The contract liability remains until obligations have been met.

###### **Contract Assets**

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, the City presents this as a contract asset, unless the rights to that amounts of consideration are conditional, in which case the City recognises a receivable.

##### (u) Current & 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. An exception exists for land held for resale, where it is held as non-current based on the City's intentions to release for sale.

##### (v) Rounding of Figures

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

##### (w) Comparative Figures

Where required, comparative figures will be adjusted to conform to changes in presentation for the current financial year.

##### (x) Budget Comparative Figures

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

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(y) Investment Property**

Investment property, principally comprising freehold office buildings, is held for long-term rental yields. Investment property is carried at fair value, representing open-market value determined annually by external users.

**z) Non-Current Assets (or Disposal Groups) "Held For Sale" & Discontinued Operations**

Non-current assets (or disposal groups) that are "held for sale" are classified as held for sale and stated at the lower of either:

- (i) their carrying amount or
- (ii) fair value less costs to sell.

The exception to this is plant and motor vehicles, which are sold on a regular basis. Plant and motor vehicles are retained in Non-Current Assets under the classification of Property, Plant and Equipment unless the assets are to be traded in after balance date and the replacement assets were already purchased and accounted for as at balance date.

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss will be recognised when the assets carrying value is greater than its fair value less costs to sell.

Non-current assets "held for sale" are not depreciated or amortised while they are classified as "held for sale".

Non-current assets classified as "held for sale" will be presented separately from the other assets in the balance sheet.

A Discontinued Operation is a component of the City's operations that has been disposed of or is classified as "held for sale". A discontinued operation represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are to be shown separately on the face of the Statement of Comprehensive Income.

**aa) Intangible Assets**

The City is not expected to classify any assets as Intangible.

**ab) Money Paid in Lieu of Public Open Space**

Section 154 of the Planning and Development Act 2005 was amended on 20 July 2020. Prior to 20 July 2020 all money received by a local government under section 153 of the Planning and Development Act 2005 was to be paid into a separate account of the "trust fund" of the local established under the section 6.9 of the Act. In accordance with the amended Section 154 of the Planning and Development Act 2005, unexpended funds received in lieu of public open space prior to 10 April 2006 and after 12 September 2020 will be transferred to separate reserve account. Funds received from 10 April 2006 until 11 September 2020 will remain in the trust funds.

**ac) Provision of Financial Guarantees and Lending Money**

In certain circumstances the City may consider pre-funding selected community projects with special approval from Council. The interest is charged at the borrowing cost to the City. The City does not offer financial guarantees to external entities.

**ad) New Accounting Standards and Interpretations for Application in Future Periods**

Australian Accounting Standards and Interpretations that have been issued or amended but are not yet mandatory, will not be early adopted by the City. The City will adopt new Accounting Standards and Interpretations for the accounting periods on or after the effective date of the respective standard.

**ae) Service Concession Arrangements: Grantors**

The City has adopted recent changes in the Australian Accounting Standards AASB 1059 effective from 1 July 2020. AASB 1059 applies to arrangements that involve a third-party operator providing public services related to a service concession asset on behalf of a public sector grantor (in this case, local government) for a specified period of time and managing those services. The City has assessed the impact of AASB 1059, and concluded that there will be no impact.

**af) AASB 2018-7 Definition of Materiality**

The City has adopted the amendment to AASB 2018-7. The change includes additional explanation to expand the definition of what information may be considered material in nature and how presentation may also be an influence. Information is material if omitting, misstating or "obscuring" it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

2. REVENUES & EXPENSES

(a) Net Result

(i) Charging as Expenses:

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>Auditors Remuneration</b>				
Audit		85,000	85,000	100,000
		<b>85,000</b>	<b>85,000</b>	<b>100,000</b>
<b>Depreciation</b>				
<b>By Class</b>				
Furniture & Equipment		1,419,129	1,419,129	3,327,936
Land & Buildings		5,852,040	5,852,040	6,552,768
Other Infrastructure Assets		32,891,588	32,891,588	32,072,568
Plant & Equipment		2,700,272	2,700,272	2,458,152
		<b>42,863,029</b>	<b>42,863,029</b>	<b>44,411,424</b>
<b>By Program</b>				
Community Amenities		424,607	424,607	1,524,240
Economic Services		13,044	13,044	13,116
Education & Welfare		187,686	187,686	193,032
Governance		2,562,203	2,562,203	4,595,520
Health		33,681	33,681	34,932
Law, Order & Public Safety		52,356	52,356	60,984
Other Property & Services		3,605,326	3,605,326	2,262,588
Recreation & Culture		14,167,110	14,167,110	13,376,844
Transport		21,817,016	21,817,016	22,350,168
		<b>42,863,029</b>	<b>42,863,029</b>	<b>44,411,424</b>
<b>Interest Expenses (Finance Costs)</b>				
- Loan Interest (DCP's)	5(a)	300,893	283,856	283,856
- Loan Interest (Municipal)	5(a)	4,111,186	4,111,186	4,111,186
- Interest Expense on Lease Liabilities		3,530	3,642	4,244
		<b>4,415,609</b>	<b>4,398,684</b>	<b>4,399,286</b>

(ii) Crediting as Revenues:

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>Interest Revenue</b>				
Investments				
- Municipal Funds		908,440	734,087	465,646
- Reserve Funds		1,642,179	2,429,637	931,291
- Other Interest Revenue	14	1,865,398	972,000	886,521
		<b>4,416,017</b>	<b>4,135,724</b>	<b>2,283,458</b>
- DCP's		132,048	166,548	74,446
- TPS's	18	811,333	937,833	391,199
		<b>5,359,398</b>	<b>5,240,105</b>	<b>2,749,103</b>



## CITY OF WANNEROO

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

#### (2) Revenue and Expenses (Continued)

##### (b) Statement of Objective

In order to discharge its responsibilities to the community the City has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs.

With reference to the City of Wanneroo's Strategic Community Plan 2021-31:-

##### **Vision**

A welcoming community, connected through local opportunities.

##### **Purpose**

To create a strong community with local opportunities to participate, be active, feel secure, contribute and belong.

##### **Strategic Goals**

Goal 1 - An inclusive and accessible City with places and spaces that embrace all.

Goal 2 - A City that celebrates rich cultural histories, where people can visit and enjoy unique experiences.

Goal 3 - A vibrant, innovative City with exciting local opportunities for work, business and investment.

Goal 4 - A sustainable City that balances the relationship between urban growth and the environment.

Goal 5 - A well planned, safe and resilient City that is easy to travel around and provides a connection between people and places.

Goal 6 - A future focused City that advocates, engages and partners to progress the priorities of the community.

Goal 7 - A well governed and managed City that makes informed decisions, provides strong community leadership and valued customer focused services.

The City's operations, as disclosed in this budget, encompass the following service orientated activities/programs:

##### **Community Amenities**

Objectives: To provide services required by the Community.

Activities: Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment, administration of town planning schemes and public conveniences.

##### **Economic Services**

Objectives: To help promote the City and its economic wellbeing.

Activities: Tourism and provision of rural services including weed control, vermin control and standpipes and building control services.

##### **Education & Welfare**

Objectives: To provide services to children, youth, the elderly and disadvantaged persons.

Activities: Pre-school and other education services, child minding facilities, playgroups and senior citizens centres.

##### **General Purpose Funding**

Objectives: To collect revenue to allow for the provision of services.

Activities: Collection of rates, general purpose government grants and interest revenue.

##### **Governance**

Objectives: To provide a decision making process for the efficient allocation of scarce resources.

Activities: Includes the activities of members of Council and the administrative support available to the Council for the provision of governance to the district. Other costs relate to the task of assisting elected members and ratepayers on matters that do not concern specific City services.

##### **Health**

Objectives: To provide services to achieve community and environmental health.

Activities: Maternal and infant health facilities, immunisation, meat inspection services, inspection of food outlets, noise control and pest control services.

##### **Law, Order & Public Safety**

Objectives: To provide services to help ensure a safer and environmentally conscious Community.

Activities: Supervision and enforcement of various local laws relating to fire prevention, animal control and protection of the environment and other aspects of public safety including emergency services.

##### **Other Property & Services**

Objectives: To monitor and control City's overhead operating accounts.

Activities: Plant repair, operational costs and engineering costs.

##### **Recreation & Culture**

Objectives: To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

Activities: Maintenance of public halls, civic centre, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

##### **Transport**

Objectives: To provide safe, effective and efficient transport services to the Community.

Activities: Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Water transport facilities, cleaning of streets, maintenance of street trees and street lighting.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

3. ACQUISITION OF ASSETS

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

Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>By Class</b>			
Furniture & Equipment	7,995,851	4,996,588	11,511,254
Infrastructure Drainage	4,035,768	4,799,281	5,045,930
Infrastructure - Pathways	1,777,500	2,847,249	4,416,956
Infrastructure - Car Parks	10,029,022	10,834,043	16,489,248
Infrastructure - Other	2,197,000	8,760,632	2,929,417
Infrastructure - Reserves	15,726,447	7,162,540	15,102,729
Infrastructure - Roads	145,800	81,424	1,511,079
Land & Buildings	19,736,987	16,585,860	21,991,469
Plant & Equipment	14,460,954	8,746,710	15,395,626
	<b>76,105,329</b>	<b>64,814,327</b>	<b>94,393,708</b>
<b>By Program</b>			
<b>Community Amenities</b>			
Furniture & Equipment	35,000	35,000	36,000
Land & Buildings	118,600	111,600	149,000
Plant & Equipment	6,439,316	5,393,954	1,727,904
Infrastructure - Other	-	-	50,000
Infrastructure - Reserves	447,000	468,540	419,000
	<b>7,039,916</b>	<b>6,009,094</b>	<b>2,381,904</b>
<b>Economic Services</b>			
Land & Buildings	120,000	28,077	111,923
	<b>120,000</b>	<b>28,077</b>	<b>111,923</b>
<b>Education &amp; Welfare</b>			
Furniture & Equipment	203,000	200,482	1,290,163
	<b>203,000</b>	<b>200,482</b>	<b>1,290,163</b>
<b>Governance</b>			
Furniture & Equipment	7,575,851	4,502,106	9,852,091
Land & Buildings	225,000	215,415	1,027,200
Plant & Equipment	35,000	25,464	434,536
Infrastructure - Car Parks	-	-	194,830
Infrastructure - Other	50,000	15,170	-
	<b>7,885,851</b>	<b>4,758,155</b>	<b>11,508,657</b>
<b>Law, Order and Public Safety</b>			
Infrastructure - Other	-	75,000	-
	<b>-</b>	<b>75,000</b>	<b>-</b>
<b>Other Property &amp; Services</b>			
Land & Buildings	1,445,079	672,630	2,370,765
Plant & Equipment	7,986,638	3,327,292	13,233,186
Infrastructure - Other	75,000	-	145,000
	<b>9,506,717</b>	<b>3,999,922</b>	<b>15,748,951</b>
<b>Recreation &amp; Culture</b>			
Furniture & Equipment	182,000	259,000	333,000
Land & Buildings	17,573,308	15,046,848	18,237,581
Infrastructure - Other	2,072,000	3,095,092	2,734,417
Infrastructure - Pathways	95,000	261,000	759,556
Infrastructure - Car Parks	145,800	116,254	1,316,249
Infrastructure - Reserves	9,582,022	9,064,043	16,070,248
	<b>29,650,130</b>	<b>27,842,237</b>	<b>39,451,051</b>
<b>Transport</b>			
Land & Buildings	255,000	511,288	95,000
Infrastructure - Drainage	4,035,768	3,249,281	5,045,930
Infrastructure - Other	-	4,750,000	-
Infrastructure - Pathways	1,682,500	1,986,249	3,657,400
Infrastructure - Roads	15,726,447	11,404,542	15,102,729
	<b>21,699,715</b>	<b>21,901,360</b>	<b>23,901,059</b>
	<b>76,105,329</b>	<b>64,814,327</b>	<b>94,393,708</b>

**Note:**

i) A detailed breakdown of the Capital Program can be found in Attachment 4.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

4. DISPOSAL OF ASSETS

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

	Note	Net Book Value	Sale Proceeds	Profit/(Loss)
		2021/22 Budget \$	2021/22 Budget \$	2021/22 Budget \$
<b>By Class</b>				
Land & Buildings		2,650,000	7,568,000	4,918,000
Plant & Equipment		2,058,238	1,072,000	(986,238)
		<b>4,708,238</b>	<b>8,640,000</b>	<b>3,931,762</b>
<b>By Program</b>				
Other Property & Services		4,708,238	8,640,000	3,931,762
		<b>4,708,238</b>	<b>8,640,000</b>	<b>3,931,762</b>
<b>Summary</b>				
Profit on Asset Disposals		2,650,000	7,568,000	4,918,000
Loss on Asset Disposals		2,058,238	1,072,000	(986,238)
		<b>4,708,238</b>	<b>8,640,000</b>	<b>3,931,762</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

5. BORROWINGS

(a) Borrowings Repayments

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

Institution	Loan Type	Fixed or Variable	Interest Rate %	01-Jul-20	2020/21	2020/21	30-Jun-21	2020/21	01-Jul-20	2020/21	2020/21	30-Jun-21	2020/21	01-Jul-21	2021/22	2021/22	30-Jun-22	2021/22
				Budget Principal Outstanding \$	Budget New Loans \$	Budget Principal Repayments \$	Budget Principal Outstanding \$	Budget Interest Repayments \$	Actual Principal Outstanding \$	Estimate New Loans \$	Estimate Principal Repayments \$	Actual Principal Outstanding \$	Estimate Interest Repayments \$	Budget Principal Outstanding \$	Budget New Loans \$	Budget Principal Repayments \$	Budget Principal Outstanding \$	Budget Interest Repayments \$
WATC#	Interest only	Fixed	6.77	60,778,188	0	0	60,778,188	4,111,186	60,778,188	0	0	60,778,188	4,111,186	60,778,188	0	0	60,778,188	4,111,186
CBA*	Interest only	Variable	2.21	3,100,000	0	0	3,100,000	72,650	3,100,000	0	0	3,100,000	72,650	3,100,000	0	0	3,100,000	72,650
CBA*	Interest only	Variable	2.21	2,500,000	0	0	2,500,000	58,589	2,500,000	0	0	2,500,000	58,589	2,500,000	0	0	2,500,000	58,589
CBA*	Interest only	Variable	1.78	2,700,000	0	0	2,700,000	50,964	2,700,000	0	0	2,700,000	50,964	2,700,000	0	0	2,700,000	50,964
CBA*	Interest only	Variable	2.23	700,000	0	0	700,000	16,553	700,000	0	0	700,000	16,553	700,000	0	0	700,000	16,553
n/a*	n/a	n/a	n/a	0	2,000,000	n/a	2,000,000	47,295	0	0	0	0	0	0	0	0	0	0
WATC#*	Interest only	Variable	1.59	4,556,009	0	0	4,556,009	85,100	4,556,009	0	0	4,556,009	85,100	4,556,009	0	0	4,556,009	85,100
TBD	TBD	TBD	TBD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	15,000,000	0	15,000,000	0
				<b>74,334,197</b>	<b>2,000,000</b>	<b>0</b>	<b>76,334,197</b>	<b>4,442,337</b>	<b>74,334,197</b>	<b>0</b>	<b>0</b>	<b>74,334,197</b>	<b>4,395,042</b>	<b>74,334,197</b>	<b>15,000,000</b>	<b>0</b>	<b>89,334,197</b>	<b>4,395,042</b>

Notes:

WATC = Western Australia Treasury Corporation.

CBA = Commonwealth Bank of Australia.

TBD = To be determined.

# A 0.7% government guarantee levy is included for WATC loans.

\* These loans will be repaid from the Yanchep/Two Rocks District Community Facilities Reserve.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

5. BORROWINGS (CONTINUED)

(b) New Borrowings - 2021/22

Particulars/ Purpose	Institution	Loan type	Fixed or Variable	Term (years)	Interest rate %	Amount borrowed budget \$	Total interest & charges \$	Amount used budget \$	Balance Unspent \$
Delivering Waste Strategies	TBD	TBD	TBD	TBD	TBD	15,000,000	-	15,000,000	-
						<b>15,000,000</b>	<b>-</b>	<b>15,000,000</b>	<b>-</b>

**Note:**

i) No interest budgeted as funds not expected to be drawn until June 2022.

(c) Unspent borrowings

Loan Details	Purpose of the loan	Year loan Taken	Amount b/fwd. \$	Amount used 2021/22 Budget \$	New loans unspent at 30 June 2022 \$	Amount as at 30 June 2022 \$
WATC	Capital Projects	2005/06	5,644,000	1,709,434	-	3,934,566
			<b>5,644,000</b>	<b>1,709,434</b>	<b>-</b>	<b>3,934,566</b>

(d) Credit Facilities

	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>Undrawn borrowing facilities</b>			
<b>Credit standby arrangements</b>			
Credit card limit	550,000	550,000	550,000
Credit card balance at balance date	(50,000)	(50,000)	(50,000)
<b>Total amount of credit unused</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	76,334,197	74,334,197	89,334,197

## CITY OF WANNEROO

## NOTES TO AND FORMING PART OF THE BUDGET

## FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

## 6. LEASE LIABILITIES

Details	Principal	New Drawdown	Principal Repayments		Principal Outstanding		Interest Repayments	
	1 July 2021 Estimate \$	2021/22 Budget \$	2020/21 Estimate \$	2021/22 Budget \$	2020/21 Estimate \$	2021/22 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>Community Amenities</b>								
Yanchep Hub - Building Lease	128,957	-	73,109	73,109	128,957	55,848	3,446	2,007
<b>Recreation and Culture</b>								
Cardio Equipment - Aquamotion Lease	159,011	-	52,159	52,159	159,011	106,852	-	2,232
Ricoh - Photocopier Lease	1,300	-	1,300	-	1,300	1,300	196	5
<b>Total</b>	<b>289,268</b>	<b>-</b>	<b>126,568</b>	<b>125,268</b>	<b>289,268</b>	<b>164,000</b>	<b>3,642</b>	<b>4,244</b>

**Yanchep Hub - Building Lease**

- i) The commencement date of the lease is 01 April 2018 .
- ii) Interest rate applied is WATC incremental borrowing rate 2.1%
- iii) The term of the lease is 60 months

**Cardio Equipment - Aquamotion Lease**

- i) The commencement date of the lease is 01 July 2021 .
- ii) Interest rate applied is WATC incremental borrowing rate 1.2%
- iii) The term of the lease is 36 months

**Ricoh - Photocopier Lease**

- i) The commencement date of the lease is 01 August 2017.
- ii) Interest rate applied is WATC incremental borrowing rate 2%
- iii) The term of the lease is 48 months (extensions included)

## CITY OF WANNEROO

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

## 7. RESERVES

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
	16(a)			
<b>(a) Alkimos/Eglinton District Community Facilities Reserve</b>				
Opening Balance		14,827,861	14,906,801	17,180,292
Transfer to Reserve		743,302	2,358,882	3,021,574
Transfer from Reserve		(54,191)	(85,391)	(1,551,418)
Closing Balance		<b>15,516,972</b>	<b>17,180,292</b>	<b>18,650,448</b>
<b>(b) Asset Replacement/Enhancement Reserve</b>				
Opening Balance		16,504,627	17,182,923	59,830,019
Transfer to Reserve		5,617,073	47,617,073	12,021,714
Transfer from Reserve		(4,094,413)	(4,969,977)	(6,979,165)
Closing Balance		<b>18,027,287</b>	<b>59,830,019</b>	<b>64,872,568</b>
<b>(c) Carry Forward Capital Projects Reserve</b>				
Opening Balance		3,953,277	3,953,277	3,728,681
Transfer to Reserve		-	3,728,681	-
Transfer from Reserve		(3,953,277)	(3,953,277)	(3,728,681)
Closing Balance		-	<b>3,728,681</b>	-
<b>(d) Coastal Infrastructure Management Reserve</b>				
Opening Balance		15,836,652	15,960,896	15,708,579
Transfer to Reserve		116,534	116,534	61,186
Transfer from Reserve		(660,000)	(368,851)	(228,300)
Closing Balance		<b>15,293,186</b>	<b>15,708,579</b>	<b>15,541,465</b>
<b>(e) Domestic Refuse Reserve</b>				
Opening Balance		12,119,709	10,115,190	10,769,391
Transfer to Reserve		908,653	4,719,692	41,947
Transfer from Reserve		(5,160,853)	(4,065,491)	(3,672,659)
Closing Balance		<b>7,867,509</b>	<b>10,769,391</b>	<b>7,138,679</b>
<b>(f) Golf Courses Reserve</b>				
Opening Balance		966,816	948,084	1,150,162
Transfer to Reserve		207,114	357,259	557,881
Transfer from Reserve		(145,000)	(155,181)	(420,000)
Closing Balance		<b>1,028,930</b>	<b>1,150,162</b>	<b>1,288,043</b>
<b>(g) Leave Liability Reserve</b>				
Opening Balance		11,883,620	14,767,108	15,806,887
Transfer to Reserve		1,039,779	1,039,779	61,569
Transfer from Reserve		-	-	-
Closing Balance		<b>12,923,399</b>	<b>15,806,887</b>	<b>15,868,456</b>
<b>(h) Loan Repayment Reserve</b>				
Opening Balance		54,404,297	54,411,047	56,461,381
Transfer to Reserve		600,334	2,050,334	1,889,920
Transfer from Reserve		-	-	-
Closing Balance		<b>55,004,631</b>	<b>56,461,381</b>	<b>58,351,301</b>



## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

## 7. RESERVES (CONTINUED)

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>(i) Neerabup Development Reserve</b>	16(a)			
Opening Balance		4,140,865	4,711,173	3,882,211
Transfer to Reserve		29,374	29,374	1,015,121
Transfer from Reserve		(1,300,489)	(858,336)	(2,312,059)
Closing Balance		<b>2,869,750</b>	<b>3,882,211</b>	<b>2,585,273</b>
<b>(j) Plant Replacement Reserve</b>				
Opening Balance		15,985,945	15,178,128	17,858,008
Transfer to Reserve		5,973,734	5,973,734	3,760,857
Transfer from Reserve		(7,936,638)	(3,293,854)	(12,621,624)
Closing Balance		<b>14,023,041</b>	<b>17,858,008</b>	<b>8,997,241</b>
<b>(k) Cash Paid in Lieu of Public Open Space Prior to 10 April 2006 Reserve</b>	ii)			
Opening Balance		-	-	-
Transfer to Reserve		-	-	2,469,079
Transfer from Reserve		-	-	-
Closing Balance		-	-	<b>2,469,079</b>
<b>(l) Regional Open Space Reserve</b>				
Opening Balance		14,216,337	14,252,148	18,356,759
Transfer to Reserve		4,104,611	4,104,611	6,071,501
Transfer from Reserve		-	-	-
Closing Balance		<b>18,320,948</b>	<b>18,356,759</b>	<b>24,428,260</b>
<b>(m) Section 152 Reserve (formerly Section 20A Land Reserve)</b>				
Opening Balance		765,345	779,660	784,255
Transfer to Reserve		5,595	5,595	3,055
Transfer from Reserve		(5,000)	(1,000)	-
Closing Balance		<b>765,940</b>	<b>784,255</b>	<b>787,310</b>
<b>(n) Strategic Land Reserve</b>				
Opening Balance		4,373,106	4,493,301	6,025,480
Transfer to Reserve		1,532,179	1,532,179	5,921,470
Transfer from Reserve		-	-	(20,000)
Closing Balance		<b>5,905,285</b>	<b>6,025,480</b>	<b>11,926,950</b>
<b>(o) Strategic Projects/Initiatives Reserve</b>				
Opening Balance		72,311,285	54,067,731	24,996,872
Transfer to Reserve		2,574,661	23,788,556	1,470,718
Transfer from Reserve		(12,996,875)	(52,859,415)	(10,098,268)
Closing Balance		<b>61,889,071</b>	<b>24,996,872</b>	<b>16,369,322</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

7. RESERVES (CONTINUED)

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
	16(a)			
<b>(p) TPS 20 - District Distributor Headworks Reserve</b>				
Opening Balance		7,270,122	7,292,332	7,345,829
Transfer to Reserve		53,497	53,497	28,612
Transfer from Reserve		-	-	-
Closing Balance		<b>7,323,619</b>	<b>7,345,829</b>	<b>7,374,441</b>
<b>(q) Yanchep Bus Reserve</b>				
Opening Balance		117,145	113,932	119,794
Transfer to Reserve		5,862	5,862	5,467
Transfer from Reserve		-	-	-
Closing Balance		<b>123,007</b>	<b>119,794</b>	<b>125,261</b>
<b>(r) Yanchep/Two Rocks District Community Facilities Reserve</b>				
Opening Balance		(83,657)	-	1,764,218
Transfer to Reserve		1,440,846	2,146,881	697,641
Transfer from Reserve		(378,443)	(382,663)	(1,785,295)
Closing Balance		<b>978,746</b>	<b>1,764,218</b>	<b>676,564</b>
		<b>237,861,321</b>	<b>261,768,818</b>	<b>257,450,661</b>

**Note:**

i) All of the above reserve accounts are supported by money held in financial institutions. Each reserve receives interest on funds held in investments.

ii) Detailed breakdown of Cash Paid in Lieu of Public Open Space Prior to 10 April 2006 Reserve:

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
Alexander Heights		-	-	256,176
Lot 1 & 2 Berkley Road, Marangaroo		-	-	560,238
182, Badgerup Road, Wanneroo		-	-	63,185
Lot 962, Anchorage Drive, Mindarie		-	-	614,297
Lot 29 Badgerup Road, Wanneroo		-	-	252,483
Neaves Road, Mariginiup		-	-	66,688
Burbridge Avenue Koondoola		-	-	203,946
Quinns Beach Estate		-	-	246,502
Lot 23, Badgerup Road, Gnangara		-	-	91,362
Lot 100, St Andrews Drive, Yanchep		-	-	114,202
		-	-	<b>2,469,079</b>

## CITY OF WANNEROO

## NOTES TO AND FORMING PART OF THE BUDGET

## FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

## 7. RESERVES (CONTINUED)

## Summary of Reserve Transfers

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>Transfers to Reserves</b>				
Alkimos/Eglinton District Community Facilities Reserve		743,302	2,358,882	3,021,574
Asset Replacement/Enhancement Reserve		5,617,073	47,617,073	12,021,714
Carry Forward Capital Projects Reserve		-	3,728,681	-
Coastal Infrastructure Management Reserve		116,534	116,534	61,186
Domestic Refuse Reserve		908,653	4,719,692	41,947
Golf Courses Reserve		207,114	357,259	557,881
Leave Liability Reserve		1,039,779	1,039,779	61,569
Loan Repayment Reserve		600,334	2,050,334	1,889,920
Neerabup Development Reserve		29,374	29,374	1,015,121
Plant Replacement Reserve		5,973,734	5,973,734	3,760,857
Cash Paid in Lieu of Public Open Space Prior to 10 April 2006 Reserve		-	-	2,469,079
Regional Open Space Reserve		4,104,611	4,104,611	6,071,501
Section 152 Reserve (formerly Section 20A Land Reserve)		5,595	5,595	3,055
Strategic Land Reserve		1,532,179	1,532,179	5,921,470
Strategic Projects/Initiatives Reserve		2,574,661	23,788,556	1,470,718
TPS 20 - District Distributor Headworks Reserve		53,497	53,497	28,612
Yanchep Bus Reserve		5,862	5,862	5,467
Yanchep/Two Rocks District Community Facilities Reserve		1,440,846	2,146,881	697,641
		<b>24,953,148</b>	<b>99,628,523</b>	<b>39,099,312</b>
<b>Transfers from Reserves</b>				
Alkimos/Eglinton District Community Facilities Reserve		(54,191)	(85,391)	(1,551,418)
Asset Replacement/Enhancement Reserve		(4,094,413)	(4,969,977)	(6,979,165)
Carry Forward Capital Projects Reserve		(3,953,277)	(3,953,277)	(3,728,681)
Coastal Infrastructure Management Reserve		(660,000)	(368,851)	(228,300)
Domestic Refuse Reserve		(5,160,853)	(4,065,491)	(3,672,659)
Golf Courses Reserve		(145,000)	(155,181)	(420,000)
Leave Liability Reserve		-	-	-
Loan Repayment Reserve		-	-	-
Neerabup Development Reserve		(1,300,489)	(858,336)	(2,312,059)
Plant Replacement Reserve		(7,936,638)	(3,293,854)	(12,621,624)
Regional Open Space Reserve		-	-	-
Cash Paid in Lieu of Public Open Space Prior to 10 April 2006 Reserve		-	-	-
Section 152 Reserve (formerly Section 20A Land Reserve)		(5,000)	(1,000)	-
Strategic Land Reserve		-	-	(20,000)
Strategic Projects/Initiatives Reserve		(12,996,875)	(52,859,415)	(10,098,268)
TPS 20 - District Distributor Headworks Reserve		-	-	-
Yanchep Bus Reserve		-	-	-
Yanchep/Two Rocks District Community Facilities Reserve		(378,443)	(382,663)	(1,785,295)
		<b>(36,685,179)</b>	<b>(70,993,436)</b>	<b>(43,417,469)</b>
<b>Net Transfer to/(from) Reserves</b>		<b>(11,732,031)</b>	<b>28,635,087</b>	<b>(4,318,157)</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

**7. RESERVES (CONTINUED)**

The purpose for which the reserves are set aside are as follows:

**(a) Alkimos/Eglinton District Community Facilities Reserve**

To be used for the purpose of accumulating Developer Contributions for the capital funding of community facilities and associated costs related to the administration and implementation of the Developer Contribution Plan in the Alkimos/Eglinton Development Contribution Area.

**(b) Asset Replacement/Enhancement Reserve**

To be used for the funding of renewal, upgrade and acquisition of new or replacement assets for the City.

**(c) Carry Forward Capital Projects Reserve**

For the accumulation of funds to support the municipally funded carried forward capital projects.

**(d) Coastal Infrastructure Management Reserve**

For the accumulation of funds to support coastal infrastructure capital projects.

**(e) Domestic Refuse Reserve**

To be used for additional requirements specifically needed for the provision of the domestic collection service.

**(f) Golf Courses Reserve**

To be used for the capital improvement of the Carramar and Marangaroo Golf Courses.

**(g) Leave Liability Reserve**

The purpose of this reserve is to cash back the liability of the City for long service leave and annual leave.

**(h) Loan Repayment Reserve**

To set aside adequate funds over time to repay loan commitments per the City's Long Term Financial Plan.

**(i) Neerabup Development Reserve**

For the purpose of meeting the associated cost of developing the City's investment land in Neerabup.

**(j) Plant Replacement Reserve**

To be used to replace Council's fleet, plant and equipment.

**(k) Cash Paid in Lieu of Public Open Space Prior to 10 April 2006 Reserve**

For the purpose of holding any remaining unexpended funds received in lieu of Public Open Space prior to 10 April 2006 under the Town Planning and Development Act 1928. Separate sub-reserve accounts are maintained for each sub-division.

**(l) Regional Open Space Reserve**

For the accumulation of funds to support regional open space capital works.

**(m) Section 152 Reserve (formerly Section 20A Land Reserve)**

To be used for capital improvements on recreation reserves in the general locality of source of funds.

**(n) Strategic Land Reserve**

For the purpose of receiving the proceeds of the sale of significant property assets, acquisition, leasing, development and/or disposal of land under the City of Wanneroo Strategic Land Policy

**(o) Strategic Projects/Initiatives Reserve**

For the purpose of accumulating funds to be used for the introduction of new or upgrade of existing services, maintenance, renewal, upgrade of existing assets and purchase of new assets or project works, per the City's Long Term Financial Plan. The annual funds transfer is derived from the rate setting surplus less municipal funding of capital works carried forward.

**(p) TPS 20 - District Distributor Headworks Reserve**

To be used for the construction of District Distribution Roads associated with Town Planning Scheme 20.

**(q) Yanchep Bus Reserve**

For the accumulation of funds from the Yanchep community for the costs associated with the replacement of the community bus.

**(r) Yanchep/Two Rocks District Community Facilities Reserve**

To be used for the purpose of accumulating Developer Contributions for the capital funding of community facilities and associated costs related to the administration and implementation of the Developer Contribution Plan in the Yanchep/Two Rocks Development Contribution Area.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

8. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position:

	Note	2020/21 Budget 30 June 2021 \$	2020/21 Estimate 30 June 2021 \$	2021/22 Budget 30 June 2022 \$
<b>Current Assets</b>				
Cash - Unrestricted	16(a)	27,315,620	13,922,683	5,098,612
Cash - Restricted	16(a)	340,214,357	366,407,975	344,199,497
Receivables		20,023,000	16,215,000	16,539,300
Inventories		316,000	320,000	326,400
		<b>387,868,977</b>	<b>396,865,658</b>	<b>366,163,809</b>
<b>Less: Current Liabilities</b>				
Trade and Other Payables		(28,349,890)	(20,103,396)	(15,125,178)
Contract Liabilities		(1,487,643)	(15,188,046)	(14,435,412)
Lease Liabilities		(73,393)	(289,268)	(164,000)
Provisions		(20,582,394)	(21,262,019)	(21,687,259)
		<b>(50,493,320)</b>	<b>(56,842,729)</b>	<b>(51,411,849)</b>
<b>Net Current Asset Position</b>		<b>337,375,657</b>	<b>340,022,929</b>	<b>314,751,960</b>
<b>Adjustments for Restrictions</b>				
Cash - Restricted	16(a)	(340,214,357)	(366,407,975)	(344,199,497)
Provision for Leave Liability (Cash Backed)		-	12,570,000	12,631,569
Contract Liability		-	15,188,046	14,435,412
<b>Estimated Surplus/(Deficit) Carried Forward</b>		<b>(2,838,700)</b>	<b>1,373,000</b>	<b>(2,380,556)</b>

**Note:**

i) The estimated surplus/(deficit), if any, carried forward in the 2020/21 Estimate column represents the surplus/(deficit) brought forward as at 1 July 2021.

ii) The estimated surplus/(deficit), if any, carried forward in the 2021/22 Budget column represents the surplus/(deficit) carried forward as at 30 June 2022.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

9. RATES

General Rate Category	2020/21		2021/22					
	Budgeted Total Revenue \$	Estimate Total Revenue \$	Rate-in-Dollar Cents	Number of Properties	Rateable Value \$	Budgeted Rate Revenue \$	Budgeted Interim Rates \$	Budgeted Total Revenue \$
<b>Gross Rental Value - Improved</b>								
Residential	83,714,663	83,905,549	7.7723	62,324	1,090,347,987	84,745,117	2,500,000	87,245,117
Commercial/Industrial	24,282,333	24,599,960	7.7851	2,807	319,043,194	24,837,832	500,000	25,337,832
<b>Gross Rental Value - Vacant</b>								
Residential	5,704,973	5,251,436	13.9215	2,436	41,854,350	5,826,753	-	5,826,753
Commercial/Industrial	889,880	848,886	7.2579	169	11,813,050	857,379	-	857,379
<b>Unimproved Value - Improved</b>								
Residential	562,697	572,322	0.4035	185	143,215,000	577,873	-	577,873
Commercial/Industrial	205,167	184,486	0.2927	36	63,670,348	186,363	-	186,363
Rural & Mining	2,034,320	2,014,927	0.3816	380	533,330,000	2,035,187	-	2,035,187
<b>Unimproved Value - Vacant</b>								
Residential	3,702,115	3,660,467	0.5715	105	646,779,000	3,696,342	-	3,696,342
Commercial/Industrial	106,402	103,677	0.3300	11	31,730,000	104,709	-	104,709
Rural & Mining	407,880	400,075	0.5120	85	78,929,278	404,118	-	404,118
<b>Sub-Totals</b>	<b>121,610,430</b>	<b>121,541,785</b>	<b>n/a</b>	<b>68,538</b>	<b>2,960,712,207</b>	<b>123,271,673</b>	<b>3,000,000</b>	<b>126,271,673</b>
<b>Minimum Rate Category</b>			<b>General Minimum \$</b>					
<b>Gross Rental Value - Improved</b>								
Residential	11,211,824	11,240,476	998	11,377	130,569,986	11,354,246	-	11,354,246
Lesser Minimum Strata Titled Caravan Parks	-	-	145	-	-	-	-	-
Commercial/Industrial	1,048,320	1,108,800	1,357	825	11,006,504	1,119,525	-	1,119,525
Lesser Minimum Strata Titled Storage Units	71,232	71,232	900	117	746,100	105,300	-	105,300
<b>Gross Rental Value - Vacant</b>								
Residential	1,925,450	2,704,360	923	2,395	11,812,130	2,210,585	-	2,210,585
Commercial/Industrial	43,008	40,320	1,357	30	350,370	40,710	-	40,710
<b>Unimproved Value - Improved</b>								
Residential	988	1,976	998	2	400,652	1,996	-	1,996
Commercial/Industrial	6,720	6,720	1,357	5	1,248,000	6,785	-	6,785
Rural & Mining	980	980	990	1	248,000	990	-	990
<b>Unimproved Value - Vacant</b>								
Residential	1,940	24,250	923	25	3,061,500	23,075	-	23,075
Commercial/Industrial	-	-	1,357	-	-	-	-	-
Rural & Mining	30,624	32,480	937	35	229,015	32,795	-	32,795
<b>Sub-Totals</b>	<b>14,341,086</b>	<b>15,231,594</b>	<b>n/a</b>	<b>14,812</b>	<b>159,672,257</b>	<b>14,896,007</b>	<b>-</b>	<b>14,896,007</b>
<b>Totals</b>	<b>135,951,516</b>	<b>136,773,379</b>	<b>n/a</b>	<b>83,350</b>	<b>3,120,384,464</b>	<b>138,167,680</b>	<b>3,000,000</b>	<b>141,167,680</b>
Ex Gratia Rates (Rates in Lieu)	20,000	20,000						24,000
<b>Grand Totals</b>	<b>135,971,516</b>	<b>136,793,379</b>						<b>141,191,680</b>

Note:

i) Refer to the Objects and Reasons for Rates within this Note in determining how the City raises its Rates.

**CITY OF WANNEROO**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022**

**9. RATES (CONTINUED)**

The General Rates detailed above have been determined 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. This also considers the extent of any increase in rating over the level adopted in the previous year.

In accordance with Section 6.36 of the Local Government Act 1995 the Differential General Rates and Minimum Rates intended to be levied were advertised as follows:

Rating Category	Final 26 June 2020		Advertised 20 May 2021		Final 29 June 2021	
	Rate- in-the- Dollar (Cents)	General Minimum Rate \$	Rate- in-the- Dollar (Cents)	General Minimum Rate \$	Rate- in-the- Dollar (Cents)	General Minimum Rate \$
<b>Gross Rental Value - Improved</b>						
Residential	7.6953	988	7.7723	998	<b>7.7723</b>	<b>998</b>
Lesser Minimum Strata Titled Caravan Parks	7.6953	144	7.7723	145	<b>7.7723</b>	<b>145</b>
Commercial/Industrial	7.7080	1,344	7.7851	1,357	<b>7.7851</b>	<b>1,357</b>
Lesser Minimum Strata Titled Storage Units	7.7080	672	7.7851	900	<b>7.7851</b>	<b>900</b>
<b>Gross Rental Value - Vacant</b>						
Residential	13.4160	970	13.5502	903	<b>13.9215</b>	<b>923</b>
Commercial/Industrial	7.1860	1,344	7.2579	1,357	<b>7.2579</b>	<b>1,357</b>
<b>Unimproved Value - Improved</b>						
Residential	0.3850	988	0.4035	998	<b>0.4035</b>	<b>998</b>
Commercial/Industrial	0.2833	1,344	0.2927	1,357	<b>0.2927</b>	<b>1,357</b>
Rural & Mining	0.3762	980	0.3826	990	<b>0.3816</b>	<b>990</b>
<b>Unimproved Value - Vacant</b>						
Residential	0.5622	970	0.5715	903	<b>0.5715</b>	<b>923</b>
Commercial/Industrial	0.3283	1,344	0.3300	1,357	<b>0.3300</b>	<b>1,357</b>
Rural & Mining	0.4991	928	0.5120	937	<b>0.5120</b>	<b>937</b>

**Note:**

i) The Minimum Rates have been determined by the City on the basis that all ratepayers must make a reasonable contribution to the cost of the local government services/facilities.

**Reason for difference in published rate-in-the-dollar (amounts shaded)**

Changes were made to the proposed differential rate-in-the-dollar and minimum rates for 2021/22 (advertised through a local public notice published on 20 May 2021) as the City received amended valuations from Landgate which affected the Gross Rental Valuation vacant land differential rating category. Under Section 6.35 (3) of the Local Government Act 1995 the City has to ensure that the general minimum for the differential rate category is imposed on not less than 50% in that category. Therefore in order to comply with this requirement of the LGA the changes were made.



CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

9. RATES (CONTINUED)

**Objects and Reason for Rates**

The overall objective of the Rates in the 2021/22 Budget is to provide for the net funding requirements of the City's various programs, services and facilities.

Under Section 6.36 (1) of the Local Government Act 1995 the City is required to give local public notice of its intention to impose Differential General Rates and Minimum Payments. As part of this process the Objects and Reasons are to be made available to the public for written comment for a period of 21 days from the date after advertising.

The Objects and Reasons that have been proposed are:

**Gross Rental Value & Unimproved Value - Residential Improved**

The Rate-in-the-Dollar and Minimum Rate have been set on the basis that ratepayers make a reasonable contribution to the cost of local government services and facilities available to residents. Residential Improved properties receive a greater level of services than those in the Commercial/Industrial and Rural & Mining categories.

The Lesser Minimum for Strata Titled Caravan Parks is set recognising the unique purpose of these properties while still ensuring a reasonable contribution to the cost of local government services and facilities available to residents.

**Gross Rental Value & Unimproved Value - Residential Vacant**

The Rate-in-the-Dollar and Minimum Rate have been set in an effort to promote development of these properties thereby stimulating growth and development in the community.

**Gross Rental Value & Unimproved Value - Commercial/Industrial Improved**

The Rate-in-the-Dollar and Minimum Rate for all Commercial/Industrial Improved property has been set to provide an acceptable standard of infrastructure and parking needs due to the greater volumes of people and vehicular traffic.

The Lesser Minimum for Strata Titled Storage Units is set recognising the unique purpose of these properties.

**Gross Rental Value & Unimproved Value - Commercial/Industrial Vacant**

The Rate-in-the-Dollar and Minimum Rate for all Commercial/Industrial Vacant land has been set in an effort to promote the development of these properties by attracting business and industry to the City thereby stimulating growth and development in the community.

**Unimproved Value - Rural & Mining Improved**

The Rate-in-the-Dollar and Minimum Rate have been set with an intention to foster and encourage farming and horticultural activities in the City, thereby stimulating growth and development in the community.

**Unimproved Value - Rural & Mining Vacant**

The Rate-in-the-Dollar and Minimum Rate have been set with an intention to encourage the development of vacant land thereby stimulating growth and development in the community.

**CITY OF WANNEROO**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022**

**10. SPECIFIED AREA RATES**

No Specified Area Rates have been budgeted for the 2021/22 Financial Year.

**11. SERVICE CHARGES**

No Service Charges have been budgeted for the 2021/22 Financial Year.

**12. FEES & CHARGES**

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
Community Amenities		32,168,023	32,926,674	34,001,351
Economic Services		1,327,420	2,427,563	2,287,811
Education & Welfare		64,340	47,294	73,789
General Purpose Funding		513,800	543,000	526,000
Governance		65,513	64,772	245,195
Health		229,244	345,426	350,644
Law, Order & Public Safety		667,750	640,000	621,900
Other Property & Services		6,394	6,394	8,892
Recreation & Culture		8,573,720	10,423,000	11,248,198
Transport		539,818	1,053,386	932,274
		<b>44,156,022</b>	<b>48,477,509</b>	<b>50,296,054</b>

**13. RATE PAYMENT DISCOUNTS, WAIVERS, CONCESSIONS & INCENTIVES**

No rates discounts have been budgeted for the 2021/22 Financial Year.

With regard to waivers, Council has agreed, in accordance with Section 6.47 of the Local Government Act 1995, to waive the 2021/22 Council Rates (excluding Emergency Services Levy) for land leased by the City to the following community groups (totalling approximately \$128,000):

- a) AJS Motorcycle Club of WA Inc.;
- b) Kingsway Football & Sporting Club Inc.;
- c) Kingsway Little Athletics Centre.;
- d) Lions Club of Girrawheen Inc.;
- e) Olympic Kingsway Sports Club Inc.;
- f) Pinjar Motorcycle Park Inc.;
- g) Quinns Mindarie Surf Lifesaving Club Inc.;
- h) Quinns Rocks Sports Club Inc.;
- i) The Badminton Association of WA Inc.;
- j) Tiger Kart Club Inc.;
- k) Vikings Softball Club Inc & The Wanneroo Giants Baseball Club Inc.;
- l) Wanneroo Agricultural Society Inc.;
- m) Wanneroo Amateur Boxing Club Inc.;
- n) Wanneroo Amateur Football Club Inc., Wanneroo Cricket Club Inc., Wanneroo Junior Cricket Club Inc. and Wanneroo Junior Football Club Inc. (Wanneroo Showgrounds Clubrooms);
- o) Wanneroo BMX Club Inc.;
- p) Wanneroo City Soccer Club Inc.;
- q) Wanneroo Districts Cricket Club Inc. (Indoor Facility);
- r) Wanneroo Districts Cricket Club Inc. & Wanneroo Districts Hockey Association Inc.;
- s) Wanneroo Districts Netball Association Inc.;
- t) Wanneroo Districts Rugby Union Football Club Inc.;
- u) Wanneroo Horse & Pony Club;
- v) Wanneroo Shooting Complex Inc.;
- w) Wanneroo Sports & Social Club Inc.;
- x) Wanneroo Tennis Club Inc.;
- y) Wanneroo Trotting Training Club Inc.;
- z) West Australian Rifle Association Inc.;
- aa) Yanchep Golf Club Inc.;
- bb) Yanchep Sports & Social Club Inc.; and
- cc) Yanchep Surf Lifesaving Club Inc.

**CITY OF WANNEROO**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022**

**13. RATE PAYMENT DISCOUNTS, WAIVERS, CONCESSIONS & INCENTIVES (CONTINUED)**

In accordance with the provisions of Section 6.46 of the Local Government Act 1995, a Local Government is empowered to offer a discount or other incentive for the early payment of rates. As such the City will provide \$200 vouchers from local businesses to 50 randomly selected Ratepayers who pay in full or the first instalment by 6 September 2021 at a cost of \$10,000.

**14. INTEREST CHARGES & INSTALMENTS**

An interest rate of 5% per annum will be charged on all Rates, both current and arrears, that remain unpaid after 35 days from the issue date of the Rate notice (2 August 2021). It is estimated this will generate income of \$886,521 for 2021/22. Three option plans will be available to Ratepayers for payment of their Rates by instalments.

**Option 1 (Full Payment)**

Full amount of Rates and Service Charges, including arrears, to be paid on or before 35 days from the issue date appearing on the Rate notice (6 September 2021).

**Option 2 (Two Instalments)**

First instalment to be received on or before 35 days after the issue date appearing on the Rate notice, including all arrears and half of the current Rates and Service Charges (6 September 2021). The second and final instalment will be due and payable 63 days after the due date of the first instalment (8 November 2021).

**Option 3 (Four Instalments)**

First instalment to be received on or before 35 days after the issue date appearing on the Rate notice, including all arrears and a quarter of the current Rates and Service Charges (6 September 2021). The second, third and fourth instalments are to be made at 63 day intervals, thereafter (8 November 2021, 10 January 2022 and 14 March 2022).

**Cost of Instalment Options**

The cost of the instalment options will comprise of simple interest of 3% per annum, calculated from the date the first instalment is due and payable (6 September 2021), together with an Administration Fee of \$5.00 for each instalment.

**Bimonthly Payment Plan (5 Payments)**

First payment to be received on or before 35 days after the issue date appearing on the Rate notice (6 September 2021). The second, third, fourth and fifth payments are to be made in two month intervals from the 6 September 2021. This plan is inclusive of arrears and the current years rates. An administration charge of \$30 per property and late payment interest of 5% per annum on Rates and Charges and 7% per annum on the Emergency Services Levy, will apply.

**Special Arrangements & Late Payment Penalty**

In addition to the Late Payment Interest of 5% per annum an Administration Fee of \$30.00 per assessment will be charged to any Ratepayers wishing to enter into special payment agreements with the City.

The total revenue from the imposition of the Interest and Administration Fee during the 2021/22 financial year is estimated at \$1,256,521. This is dissected as follows:

Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
Instalment Interest Charges - Rates	294,860	322,000	289,021
Late Payment Penalty Interest - Rates	1,570,538	650,000	597,500
2a(ii)	<b>1,865,398</b>	<b>972,000</b>	<b>886,521</b>
Administration Charges - Rates	402,000	371,000	370,000
	<b>2,267,398</b>	<b>1,343,000</b>	<b>1,256,521</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

15. COUNCIL MEMBERS REMUNERATION AND ALLOWANCES

The following fees, expenses & allowances relate to Council Members:

Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>Mayor - Tracey Roberts JP</b>			
Mayor's Allowance	89,753	89,753	89,753
Meeting Fees	47,516	47,516	47,516
Information, Communication & Technology Allowance	3,500	3,500	3,500
Other Expenses Reimbursements	2,000	2,000	2,000
	<b>142,769</b>	<b>142,769</b>	<b>142,769</b>
<b>Deputy Mayor, Central Ward Council Member - Frank Cvitan JP</b>			
Deputy Mayor's Allowance	22,438	22,438	22,438
Meeting Fees	31,678	31,678	31,678
Information, Communication & Technology Allowance	3,500	3,500	3,500
Other Expenses Reimbursements	2,000	2,000	2,000
	<b>59,616</b>	<b>59,616</b>	<b>59,616</b>
<b>Central Ward Council Member- Jacqueline Huntley</b>			
Meeting Fees	31,678	31,678	31,678
Information, Communication & Technology Allowance	3,500	3,500	3,500
Other Expenses Reimbursements	2,000	2,000	2,000
	<b>37,178</b>	<b>37,178</b>	<b>37,178</b>
<b>Central Ward Council Member - Paul Miles*</b>			
Meeting Fees	31,678	31,678	31,678
Information, Communication & Technology Allowance	3,500	3,500	3,500
Other Expenses Reimbursements	2,000	2,000	2,000
	<b>37,178</b>	<b>37,178</b>	<b>37,178</b>
<b>Central Ward Council Member - Dot Newton JP*</b>			
Meeting Fees	31,678	31,678	31,678
Information, Communication & Technology Allowance	3,500	3,500	3,500
Other Expenses Reimbursements	2,000	2,000	2,000
	<b>37,178</b>	<b>37,178</b>	<b>37,178</b>
<b>North Coast Ward Council Member - Linda Aitken JP*</b>			
Meeting Fees	31,678	31,678	31,678
Information, Communication & Technology Allowance	3,500	3,500	3,500
Other Expenses Reimbursements	2,000	2,000	2,000
	<b>37,178</b>	<b>37,178</b>	<b>37,178</b>
<b>North Coast Ward Council Member - Chris Baker</b>			
Meeting Fees	31,678	31,678	31,678
Information, Communication & Technology Allowance	3,500	3,500	3,500
Other Expenses Reimbursements	2,000	2,000	2,000
	<b>37,178</b>	<b>37,178</b>	<b>37,178</b>
<b>North Coast Ward Council Member - Sonet Coetzee*</b>			
Meeting Fees	31,678	31,678	31,678
Information, Communication & Technology Allowance	3,500	3,500	3,500
Other Expenses Reimbursements	2,000	2,000	2,000
	<b>37,178</b>	<b>37,178</b>	<b>37,178</b>
<b>North Coast Ward Council Member - Lewis Flood*</b>			
Meeting Fees	31,678	31,678	31,678
Information, Communication & Technology Allowance	3,500	3,500	3,500
Other Expenses Reimbursements	2,000	2,000	2,000
	<b>37,178</b>	<b>37,178</b>	<b>37,178</b>
<b>North Coast Ward Council Member - Natalie Sangalli</b>			
Meeting Fees	31,678	31,678	31,678
Information, Communication & Technology Allowance	3,500	3,500	3,500
Other Expenses Reimbursements	2,000	2,000	2,000
	<b>37,178</b>	<b>37,178</b>	<b>37,178</b>
<b>South Ward Council Member- Hugh Nguyen*</b>			
Meeting Fees	31,678	31,678	31,678
Information, Communication & Technology Allowance	3,500	3,500	3,500
Other Expenses Reimbursements	2,000	2,000	2,000
	<b>37,178</b>	<b>37,178</b>	<b>37,178</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

15. COUNCIL MEMBERS REMUNERATION AND ALLOWANCES (CONTINUED)

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>South Ward Council Member - Vinh Nguyen</b>				
Meeting Fees		31,678	31,678	31,678
Information, Communication & Technology Allowance		3,500	3,500	3,500
Other Expenses Reimbursements		2,000	2,000	2,000
		<b>37,178</b>	<b>37,178</b>	<b>37,178</b>
<b>South Ward Council Member - Glynis Parker</b>				
Meeting Fees		31,678	31,678	31,678
Information, Communication & Technology Allowance		3,500	3,500	3,500
Other Expenses Reimbursements		2,000	2,000	2,000
		<b>37,178</b>	<b>37,178</b>	<b>37,178</b>
<b>South Ward Council Member - Brett Treby</b>				
Meeting Fees		31,678	31,678	31,678
Information, Communication & Technology Allowance		3,500	3,500	3,500
Other Expenses Reimbursements		2,000	2,000	2,000
		<b>37,178</b>	<b>37,178</b>	<b>37,178</b>
<b>South Ward Council member - Domenic Zappa*</b>				
Meeting Fees		31,678	31,678	31,678
Information, Communication & Technology Allowance		3,500	3,500	3,500
Other Expenses Reimbursements		2,000	2,000	2,000
		<b>37,178</b>	<b>37,178</b>	<b>37,178</b>
		<b>685,699</b>	<b>685,699</b>	<b>685,699</b>

Summary of Council Members Remuneration and Allowances:

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
Mayor's Allowance & Meeting Fees		137,269	137,269	137,269
Deputy Mayor's Allowance & Meeting Fees		54,116	54,116	54,116
Council Members Meeting Attendance Fees		411,814	411,814	411,814
Information, Communications & Technology Allowance		52,500	52,500	52,500
Other Expense Reimbursements		30,000	30,000	30,000
		<b>685,699</b>	<b>685,699</b>	<b>685,699</b>

**Note:**

i) Council Members identified with an asterix(\*) have their terms expiring in October 2021, with new appointments made after elections completed.

ii) Ward boundaries are anticipated to be amended for the October 2021 elections.

**CITY OF WANNEROO**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022**

**16. 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:

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>Cash</b>				
Unrestricted*	8	27,315,620	13,922,683	5,098,612
Restricted	8	340,214,357	366,407,975	344,199,497
		<b>367,529,977</b>	<b>380,330,658</b>	<b>349,298,109</b>

The following restrictions over Cash have been imposed by regulation, either externally or internally:

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
Alkimos/Eglinton District Community Facilities Reserve	7(a)	15,516,972	17,180,292	18,650,448
Asset Replacement/Enhancement Reserve	7(b)	18,027,287	59,830,019	64,872,568
Carry Forward Capital Projects Reserve	7(c)	-	3,728,681	-
Coastal Infrastructure Management Reserve	7(d)	15,293,186	15,708,579	15,541,465
Domestic Refuse Reserve	7(e)	7,867,509	10,769,391	7,138,679
Golf Courses Reserve	7(f)	1,028,930	1,150,162	1,288,043
Leave Liability Reserve	7(g)	12,923,399	15,806,887	15,868,456
Loan Repayment Reserve	7(h)	55,004,631	56,461,381	58,351,301
Neerabup Development Reserve	7(i)	2,869,750	3,882,211	2,585,273
Plant Replacement Reserve	7(j)	14,023,041	17,858,008	8,997,241
Cash Paid in Lieu of Public Open Space Prior to 10 April 2006 Reserve	7(k)	-	-	2,469,079
Regional Open Space Reserve	7(l)	18,320,948	18,356,759	24,428,260
Section 152 Reserve (formerly Section 20A Land Reserve	7(m)	765,940	784,255	787,310
Strategic Land Reserve	7(n)	5,905,285	6,025,480	11,926,950
Strategic Projects/Initiatives Reserve	7(o)	61,889,071	24,996,872	16,369,322
TPS 20 - District Distributor Headworks Reserve	7(p)	7,323,619	7,345,829	7,374,441
Yanchep Bus Reserve	7(q)	123,007	119,794	125,261
Yanchep/Two Rocks District Community Facilities Reserve	7(r)	978,746	1,764,218	676,564
Town Planning Schemes		95,442,511	86,857,841	77,610,213
Unspent Grants, Contributions & Loans*		6,910,525	17,781,316	9,138,623
		<b>340,214,357</b>	<b>366,407,975</b>	<b>344,199,497</b>

**Notes:**

i) Due to the reclassification of some accounts there may be differences when comparing figures adopted for the

CITY OF WANNEROO

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16. NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

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

	Note	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>Net Result</b>		<b>2,059,114</b>	<b>22,634,633</b>	<b>18,023,820</b>
Depreciation	2(a)(i)	42,863,029	42,863,029	44,411,424
(Profit)/Loss on Sale of Asset	4	14,573,123	13,123,123	(3,931,762)
(Increase)/Decrease in Receivables	8	(1,288,139)	2,512,347	(324,300)
(Increase)/Decrease in Inventories	8	46,637	26,115	(6,400)
Increase/(Decrease) in Payables	8	2,134,342	(2,907,171)	(4,978,218)
Increase/(Decrease) in Contract Liabilities		(1,032,677)	(1,032,677)	190,681
Increase/(Decrease) in Provisions	8	1,039,779	1,039,779	425,240
TPS & DCP Revenue		(10,667,481)	(8,502,910)	(25,630,638)
TPS & DCP Expense		6,759,073	4,993,957	19,907,771
Grants/Contributions for the Development of Assets		(20,141,674)	(24,216,331)	(31,256,024)
<b>Net Cash from Operating Activities</b>		<b>36,345,126</b>	<b>50,533,894</b>	<b>16,831,594</b>



CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

17. TRUST FUNDS

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

	01-Jul-21 Estimate \$	Budgeted In-flows \$	Budgeted Out-flows \$	30-Jun-22 Balance \$
Cash Paid in Lieu of Public Open Space	3,319,246	-	(2,469,079)	850,167
Miscellaneous/Appeals	56,185	3,000	(3,000)	56,185
	<b>3,375,431</b>	<b>3,000</b>	<b>3,000</b>	<b>906,352</b>

**Note:**  
i) In accordance with the amended Section 154 of the Planning and Development Act 2005, unexpended funds received in lieu of public open space prior to 10 April 2006 will be transferred to separate reserve account. Funds remaining in the trust funds are funds received from 10 April 2006 until 11 September 2020. City has not received any funds in lieu of public open space after 12 September 2020.

18. MAJOR LAND TRANSACTIONS

The City of Wanneroo, along with the City of Perth, City of Joondalup, City of Stirling, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Tamala Park Regional Council (TPRC). The establishment of the TPRC was pursuant to Section 3.61 of the Local Government Act. The TPRC formally came into existence on the 3 February 2006. The TPRC's activities centre around the development of Mindarie Lot 9504 on Deposit Plan 52070. Lot 9504 (subdivided from Lot 118) was initially purchased in 1981 to provide a refuse landfill site for member councils of the Mindarie Regional Council. This Lot is now being developed with a purpose of creating a new urban land development and a new urban community. The City of Wanneroo will contribute one sixth of any funding required for capital or operating costs. It is likely that income distributions will be received from the TPRC in 2021/22 which if received will be placed into the City's Loan Repayment Reserve.

Town Planning Schemes

Details

The City's major land transactions relate to its role in Town Planning and Regional Development and have the following Town Planning Schemes and "Development Areas" in operation:-

- Berkley Road Structure Plan Area
- East Wanneroo Development Area (Cells 1 - 9)
- Town Planning Scheme 5 (Landsdale)

A Summary of the budgeted transactions for each Scheme are listed below:

Current Year Transactions

	1-Jul-21 Estimate \$	Transfers To Operating \$	Transfers From Operating \$	Capital/ Adjustments \$	Transfers To/ from Deferred Revenue \$	30-Jun-22 Balance \$
<b>Operating Accounts</b>						
Berkley Road Structure Plan Area	-	13,706	-	-	(13,706)	-
Town Planning Scheme 5 (Landsdale)	-	2,567	-	-	(2,567)	-
	-	<b>16,273</b>	-	-	<b>(16,273)</b>	-
<b>Scheme Accounts</b>						
East Wanneroo Development Area (Cell 1)	-	1,103,252	(606,279)	-	(496,973)	-
East Wanneroo Development Area (Cell 2)	-	337,984	(49,018)	(205,000)	(83,966)	-
East Wanneroo Development Area (Cell 3)	-	3,541	(49,018)	(100,000)	145,477	-
East Wanneroo Development Area (Cell 4)	-	263,514	(1,033,446)	(83,483)	853,415	-
East Wanneroo Development Area (Cell 5)	-	26,847	(49,018)	-	22,171	-
East Wanneroo Development Area (Cell 6)	-	4,547,720	(12,062,695)	(150,000)	7,664,975	-
East Wanneroo Development Area (Cell 7)	-	1,231,237	(1,229,198)	(160,000)	157,961	-
East Wanneroo Development Area (Cell 8)	-	1,591,845	(355,328)	(110,000)	(1,126,517)	-
East Wanneroo Development Area (Cell 9)	-	3,557,855	(4,063,940)	(1,605,000)	2,111,085	-
	-	<b>12,663,795</b>	<b>(19,497,940)</b>	<b>(2,413,483)</b>	<b>9,247,628</b>	-
<b>Total</b>	-	<b>12,680,068</b>	<b>(19,497,940)</b>	<b>(2,413,483)</b>	<b>9,231,355</b>	-

Details of the budgeted transactions for each Scheme are listed below:

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

18. MAJOR LAND TRANSACTIONS (CONTINUED)

Town Planning Schemes (Continued)  
Current Year Transactions (Continued)

	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b><u>Berkley Road Structure Plan Area</u></b>			
<b>Income</b>			
Interest on Investments	27,939	32,439	13,706
Transfer to Deferred Revenue	-	(32,439)	(13,706)
	<b>27,939</b>	<b>-</b>	<b>-</b>
<b>Expenditure</b>			
Administration Charges	-	-	-
Audit Fee Expenses	-	-	-
Construction Costs	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Result</b>	<b>27,939</b>	<b>-</b>	<b>-</b>
<b><u>East Wanneroo Development Area (Cell 1)</u></b>			
<b>Income</b>			
Contributions	774,000	774,000	1,081,118
Interest on Investments	33,548	78,548	22,134
Transfer to Deferred Revenue	-	(669,104)	(496,973)
	<b>807,548</b>	<b>183,444</b>	<b>606,279</b>
<b>Expenditure</b>			
Administration Charges	(43,667)	(43,667)	(39,818)
Advertising	(200)	(200)	(200)
Audit Fee Expenses	(6,000)	(6,000)	(6,000)
Consulting Fees	(3,000)	(3,000)	(3,000)
Construction Costs	(143,500)	(130,577)	-
Contract Expenses	-	-	(557,261)
	<b>(196,367)</b>	<b>(183,444)</b>	<b>(606,279)</b>
<b>Net Result</b>	<b>611,181</b>	<b>-</b>	<b>-</b>
<b><u>East Wanneroo Development Area (Cell 2)</u></b>			
<b>Income</b>			
Contributions	880,000	880,000	296,296
Interest on Investments	79,564	93,564	41,688
Transfer to Deferred Revenue	-	(918,697)	(83,966)
	<b>959,564</b>	<b>54,867</b>	<b>254,018</b>
<b>Expenditure</b>			
Administration Charges	(43,667)	(43,667)	(39,818)
Advertising	(200)	(200)	(200)
Audit Fee Expenses	(6,000)	(8,000)	(6,000)
Consulting Fees	(3,000)	(3,000)	(3,000)
Construction Costs	-	-	(205,000)
	<b>(52,867)</b>	<b>(54,867)</b>	<b>(254,018)</b>
<b>Net Result</b>	<b>906,697</b>	<b>-</b>	<b>-</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

18. MAJOR LAND TRANSACTIONS (CONTINUED)

Town Planning Schemes (Continued)  
Current Year Transactions (Continued)

	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>East Wanneroo Development Area (Cell 3)</b>			
<b>Income</b>			
Interest on Investments	7,486	7,486	3,541
Transfer from Deferred Revenue		23,683	145,477
	<b>7,486</b>	<b>31,169</b>	<b>149,018</b>
<b>Expenditure</b>			
Administration Charges	(20,969)	(20,969)	(39,818)
Advertising	(200)	(200)	(200)
Audit Fee Expenses	(6,000)	(7,000)	(6,000)
Consulting	(3,000)	(3,000)	(3,000)
Construction Costs	-	-	(100,000)
	<b>(30,169)</b>	<b>(31,169)</b>	<b>(149,018)</b>
<b>Net Result</b>	<b>(22,683)</b>	<b>-</b>	<b>-</b>
<b>East Wanneroo Development Area (Cell 4)</b>			
<b>Income</b>			
Contributions	164,000	164,000	209,952
Interest on Investments	113,993	126,993	53,562
Transfer (to)/from Deferred Revenue	-	(20,871)	853,415
	<b>277,993</b>	<b>270,122</b>	<b>1,116,929</b>
<b>Expenditure</b>			
Administration Charges	(35,672)	(35,672)	(39,818)
Advertising	(200)	(200)	(200)
Audit Fee Expenses	(6,000)	(9,000)	(6,000)
Consulting Fees	(3,000)	(28,000)	(3,000)
Legal Fees	(150,000)	(150,000)	(250,000)
Construction Costs	(47,250)	(47,250)	(83,483)
Contract Expenses	-	-	(734,428)
	<b>(242,122)</b>	<b>(270,122)</b>	<b>(1,116,929)</b>
<b>Net Result</b>	<b>35,871</b>	<b>-</b>	<b>-</b>
<b>East Wanneroo Development Area (Cell 5)</b>			
<b>Income</b>			
Contributions	747,000	747,000	-
Interest on Investments	56,565	64,565	26,847
Transfer from Deferred Revenue	-	859,328	22,171
	<b>803,565</b>	<b>1,670,893</b>	<b>49,018</b>
<b>Expenditure</b>			
Administration Charges	(30,294)	(30,294)	(39,818)
Advertising	(200)	(200)	(200)
Audit Fee Expenses	(6,000)	(9,000)	(6,000)
Consulting Fees	(3,000)	(3,000)	(3,000)
Compensation Payments	(1,731,000)	(1,429,000)	-
Legal Fees	-	(20,000)	-
Construction Costs	(27,897)	(75,399)	-
Subdivision Payment	-	(104,000)	-
	<b>(1,798,391)</b>	<b>(1,670,893)</b>	<b>(49,018)</b>
<b>Net Result</b>	<b>(994,826)</b>	<b>-</b>	<b>-</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

18. MAJOR LAND TRANSACTIONS (CONTINUED)

Town Planning Schemes (Continued)  
Current Year Transactions (Continued)

	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>East Wanneroo Development Area (Cell 6)</b>			
<b>Income</b>			
Contributions	200,000	222,111	4,442,220
Interest on Investments	228,520	253,520	105,500
Transfer (to)/from Deferred Revenue		(318,723)	7,664,975
	<b>428,520</b>	<b>156,908</b>	<b>12,212,695</b>
<b>Expenditure</b>			
Administration Charges	(49,045)	(49,045)	(39,818)
Advertising	(200)	(200)	(200)
Audit Fee Expenses	(6,000)	(11,000)	(6,000)
Consulting Fees	(3,000)	(3,000)	(3,000)
Compensation Payments	(320,000)	-	(11,168,112)
Construction Costs	(93,663)	(93,663)	(150,000)
Contract Expenses	-	-	(845,565)
	<b>(471,908)</b>	<b>(156,908)</b>	<b>(12,212,695)</b>
<b>Net Result</b>	<b>(43,388)</b>	<b>-</b>	<b>-</b>
<b>East Wanneroo Development Area (Cell 7)</b>			
<b>Income</b>			
Contributions	240,000	420,000	1,218,425
Interest on Investments	24,239	24,239	12,812
Transfer (to)/from Deferred Revenue	-	(373,367)	157,961
	<b>264,239</b>	<b>70,872</b>	<b>1,389,198</b>
<b>Expenditure</b>			
Administration Charges	(35,672)	(35,672)	(39,818)
Advertising	(200)	(200)	(200)
Audit Fee Expenses	(6,000)	(10,000)	(6,000)
Consulting	(3,000)	(3,000)	(3,000)
Construction Costs	(22,000)	(22,000)	(160,000)
Contract Expenses	-	-	(1,180,180)
	<b>(66,872)</b>	<b>(70,872)</b>	<b>(1,389,198)</b>
<b>Net Result</b>	<b>197,367</b>	<b>-</b>	<b>-</b>
<b>East Wanneroo Development Area (Cell 8)</b>			
<b>Income</b>			
Contributions	250,000	250,000	1,567,006
Interest on Investments	55,249	55,249	24,839
Transfer to Deferred Revenue	-	(120,369)	(1,126,517)
	<b>305,249</b>	<b>184,880</b>	<b>465,328</b>
<b>Expenditure</b>			
Administration Charges	(35,672)	(35,672)	(39,818)
Advertising	(200)	(200)	(200)
Audit Fee Expenses	(6,000)	(7,000)	(6,000)
Consulting Fees	(5,000)	(5,000)	(3,000)
Contract Expenses	(309,000)	-	(306,310)
Legal Fees	-	(40,000)	-
Construction Costs	(49,508)	(97,008)	(110,000)
	<b>(405,380)</b>	<b>(184,880)</b>	<b>(465,328)</b>
<b>Net Result</b>	<b>(100,131)</b>	<b>-</b>	<b>-</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

18. MAJOR LAND TRANSACTIONS (CONTINUED)

Town Planning Schemes (Continued)  
Current Year Transactions (Continued)

	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$
<b>East Wanneroo Development Area (Cell 9)</b>			
<b>Income</b>			
Contributions	4,417,000	3,337,000	3,473,852
Interest on Investments	177,442	194,442	84,003
Transfer (to)/from Deferred Revenue	-	(1,226,703)	2,111,085
	<b>4,594,442</b>	<b>2,304,739</b>	<b>5,668,940</b>
<b>Expenditure</b>			
Administration Charges	(36,981)	(36,981)	(39,820)
Advertising	(200)	(200)	(200)
Audit Fee Expenses	(6,000)	(14,000)	(6,000)
Consulting Fees	(3,000)	(3,000)	(3,000)
Contract Expenses	(1,200,000)	(150,000)	(866,130)
Compensation Payments	(2,200,000)	(2,046,000)	(3,148,790)
Construction Costs	(54,558)	(54,558)	(1,605,000)
	<b>(3,500,739)</b>	<b>(2,304,739)</b>	<b>(5,668,940)</b>
<b>Net Result</b>	<b>1,093,703</b>	<b>-</b>	<b>-</b>
<b>Surplus/(Deficit) Brought Forward</b>			
Net Result	19,889,588	-	-
Adjustments from Transactional Audit	1,093,703	-	-
<b>Surplus/(Deficit) Carried Forward</b>	<b>20,983,291</b>	<b>-</b>	<b>-</b>
<b>Town Planning Scheme 5 (Landsdale)</b>			
<b>Income</b>			
Interest on Investments	6,788	6,788	2,567
Transfer (to)/from Deferred Revenue	-	184,000	(2,567)
	<b>6,788</b>	<b>190,788</b>	<b>-</b>
<b>Expenditure</b>			
Contract Expenses	-	(18,000)	-
Construction Costs	-	(172,788)	-
	<b>-</b>	<b>(190,788)</b>	<b>-</b>
<b>Net Result</b>	<b>6,788</b>	<b>-</b>	<b>-</b>

**Note:**

i) In May 2020, the City commenced the second Cells Internal Transactional Review of the East Wanneroo Development Area Cells (1-9). The result of this review identified a number of Cell Costs adjustments. The total adjustment of \$3,818,198 were incorporated into the 2019/2020 annual financial statements which included the rebuilding, resurfacing, replacement and improvement of initial Cell Works. On 15 June 2021, the Council approved that Cell Costs do not include the rebuilding, resurfacing, replacement and improvement of initial Cell Works and the amounts estimated at \$737,623 (including interest) will be recouped to the relevant Cells accounts from the municipal account in the 2020/21 annual financial statements (not reflected above due to availability of information at time of preparation).

**Summary of adjustments:**

Cell	Adjustment	Interest	Total
1	-	-	-
2	103,791	25,907	129,698
3	-	-	-
4	3,592	1,344	4,936
5	82,345	8,417	90,762
6	306,907	1,619	308,526
7	57,848	7,577	65,425
8	118,136	10,642	128,778
9	9,285	213	9,498
	<b>681,904</b>	<b>55,719</b>	<b>737,623</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

19. MAJOR TRADING UNDERTAKINGS

(a) Details

**Neerabup Industrial Area (NIA) Resource Extraction**

The City is undertaking extraction of limestone and sand resources from Lot 9003 (85) Mather Drive, Neerabup. The resource extraction is necessary to reduce the level of the land to contours agreed in the City's Agreed Structure Plan No.17 – Neerabup Industrial Area (ASP). The land is owned in freehold by the City and is currently zoned General Industrial within the City's District Planning Scheme No. 2 (DPS2) and is incorporated in the ASP. A Business Plan has been prepared in accordance with Section 3.59 of the Local Government Act 1995.

**Statement of Comprehensive Income**

	2020/21 Budget \$	2020/21 Estimate \$	2021/22 Budget \$	2022/23 Forecast \$	2023/24 Forecast \$	2024/25 Forecast \$	2025/26 Forecast \$
<b>Revenue</b>							
Resource extraction sales	556,487	150,000	<b>100,000</b>	404,718	607,077	455,308	723,433
	556,487	150,000	<b>100,000</b>	404,718	607,077	455,308	723,433
<b>Expenditure</b>							
Resource extraction costs	(1,343,339)	(200,000)	<b>(812,000)</b>	(1,000,252)	(525,768)	(694,367)	(340,000)
	(1,343,339)	(200,000)	<b>(812,000)</b>	(1,000,252)	(525,768)	(694,367)	(340,000)
<b>Net Result</b>	<b>(786,852)</b>	<b>(50,000)</b>	<b>(712,000)</b>	<b>(595,534)</b>	<b>81,309</b>	<b>(239,059)</b>	<b>383,433</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

20. FINANCIAL RATIOS

	Note	2020/21 Budget Ratio to 1	2020/21 Estimate Ratio to 1	2021/22 Budget Ratio to 1
<b>a) Asset Consumption Ratio:</b>				
$\frac{\text{Depreciated Replacement Cost of Depreciable Assets}}{\text{Current Replacement Cost of Depreciable Assets}}$		0.72	0.74	<b>0.72</b>
*Standard is met >0.50 **Standard is advanced >0.75				
<b>b) Asset Renewal Funding Ratio:</b>				
$\frac{\text{NPV of Planned Capital Renewals over 10 years}}{\text{NPV of Required Capital Expenditure over 10 years}}$		0.62	1.12	<b>1.14</b>
*Standard is met >0.75 **Standard is advanced >1.05				
<b>c) Asset Sustainability Ratio:</b>				
$\frac{\text{Capital Renewal \& Replacement Expenditure}}{\text{Depreciation Expense}}$	ii)	0.52	0.33	<b>0.53</b>
*Standard is met >0.90 **Standard is advanced >1.10				
<b>d) Current Ratio:</b>				
$\frac{\text{Current Assets - Restricted Current Assets}}{\text{Current Liabilities - Liabilities Associated With Restricted Assets}}$	iii)	1.68	0.87	<b>0.74</b>
*Standard is met >1.00				
<b>e) Debt Service Cover Ratio:</b>				
$\frac{\text{Annual Operating Surplus Before Interest \& Depreciation}}{\text{Principal \& Interest}}$		6.61	10.38	<b>8.09</b>
*Standard is met >2.00 **Standard is advanced >5.00				
<b>f) Operating Surplus Ratio:</b>				
$\frac{\text{Operating Revenue - Operating Expense}}{\text{Own Source Operating Revenue}}$	iv)	(0.09)	(0.03)	<b>(0.02)</b>
*Standard is met >0.01 **Standard is advanced >0.15				
<b>g) Own Source Revenue Coverage Ratio:</b>				
$\frac{\text{Own Source Operating Revenue}}{\text{Operating Expense}}$		0.87	0.88	<b>0.94</b>
*Standard is met >0.40 **Standard is advanced >0.90				

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

**20. FINANCIAL RATIOS (CONTINUED)**

**Note:**

*i) Due to the reclassification of some accounts there may be differences when comparing figures adopted for the previous financial year.*

*ii) The City's Asset Sustainability Ratio is below the benchmark as the City has relatively new asset base which does not require it to incur large asset renewal and asset replacement expenditure at this point in time.*

*iii) It is noted that the 20/21 Estimated and the 21/22 Budgeted (figures shaded above) Current Ratio does not meet standard of >1.00:1 set by the Department of Local Government, Sport and Cultural Industries (DLGSCI). The main reason for this is due to Council ensuring that adequate funds are set aside in various Reserves for future required use per the adopted Long Term Financial Plan (LTFP). Furthermore, if these funds were not set aside in various Reserves the Current Ratio would well surpass minimum standard set by the DLGSCI.*

*iv) The reason for the Operating Surplus Ratio being slightly under standard for 20/21 Estimate is a result of a significant loss recognised for the disposal of land to the State Government, and for 21/22 being for an extraordinary expense relating to the delivery of waste initiatives.*