



Annual Budget

Financial year ending 30 June 2023

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CITY OF WANNEROO

STATEMENT OF COMPREHENSIVE INCOME

BY NATURE OR TYPE

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

	Note	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
Revenues				
Rates	9	141,167,680	139,575,602	147,290,515
Operating Grants, Subsidies & Contributions	21	8,015,370	14,063,664	5,596,390
Fees & Charges	12	50,296,054	50,661,715	51,292,833
Interest Revenue	2(a)(ii)	2,283,458	2,635,558	7,024,598
Other Revenue		725,295	713,234	650,319
Ex Gratia Rates	9	24,000	24,000	24,000
		202,511,857	207,673,773	211,878,655
Expenses				
Employee Costs		(77,092,475)	(77,057,519)	(83,660,259)
Materials & Contracts		(73,738,173)	(72,467,150)	(79,704,653)
Utility Charges		(9,755,555)	(9,729,033)	(10,380,146)
Depreciation	2(a)(i)	(44,411,424)	(44,411,424)	(41,218,774)
Insurance		(1,285,633)	(1,272,633)	(1,439,911)
Interest Expense	2(a)(i)	(4,115,430)	(4,277,177)	(4,264,103)
		(210,398,690)	(209,214,936)	(220,667,846)
OPERATING RESULT FROM CONTINUING OPERATIONS		(7,886,833)	(1,541,163)	(8,789,191)
Other Revenues & Expenses (excl. Contrib. of Physical Assets)				
Non-Operating Grants, Subsidies & Contributions	21	19,076,024	15,143,955	21,965,725
Non-Operating Contract Expenses#		(15,000,000)	(14,168,717)	(128,582)
Profit on Asset Disposals	4	4,918,000	4,945,035	2,555,831
Loss on Asset Disposals	4	(986,238)	(1,013,273)	(861,296)
TPS & DCP Revenue		25,630,638	22,430,638	29,069,490
TPS & DCP Expense		(19,907,771)	(7,081,646)	(24,348,082)
		13,730,653	20,255,992	28,253,086
Net Result (excludes Contributions of Physical Assets)		5,843,820	18,714,829	19,463,895
Contributions of Physical Assets	21	12,180,000	12,180,000	24,848,400
Net Result		18,023,820	30,894,829	44,312,295
Other Comprehensive Income*		-	-	-
TOTAL COMPREHENSIVE INCOME		18,023,820	30,894,829	44,312,295

Notes:

- i) Due to the reclassification of some accounts there may be differences when comparing figures adopted for the previous financial year.
- ii) #Non-Operating Contract Expenses relate to the delivering of waste strategies (2021/22) and return of Yanchep Community Bus
- iii) Town Planning Scheme (TPS); Developer Contribution Plan (DCP).
- iv) *Other Comprehensive Income (if any) is impacted upon by external forces and is not able to be reliably estimated.
- v) 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.
- vi) This statement is to be read in conjunction with the accompanying Notes.

CITY OF WANNEROO

STATEMENT OF COMPREHENSIVE INCOME

BY PROGRAM

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

	Note	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
	2(b)			
Revenues (excludes Non Operating Grants & Profit)				
Community Amenities		34,293,225	34,588,130	36,218,105
Economic Services		2,506,895	2,528,453	2,647,607
Education & Welfare		301,369	303,961	318,285
General Purpose Funding		148,535,532	149,812,866	156,872,839
Governance		653,296	658,914	689,966
Health		496,294	500,562	524,151
Law, Order & Public Safety		1,424,975	1,437,229	1,504,959
Other Property & Services		25,984,867	26,208,324	27,443,399
Recreation & Culture		12,659,156	12,768,019	13,369,715
Transport		1,286,886	1,297,953	1,359,119
		228,142,495	230,104,411	240,948,145
Expenses (excludes Finance Costs & Loss)				
Community Amenities		(61,113,221)	(57,311,769)	(61,034,515)
Economic Services		(5,265,196)	(4,937,683)	(5,258,415)
Education & Welfare		(5,995,536)	(5,622,593)	(5,987,814)
General Purpose Funding		(2,811,922)	(2,637,011)	(2,808,301)
Governance		(12,278,496)	(11,514,731)	(12,262,683)
Health		(2,760,647)	(2,588,925)	(2,757,092)
Law, Order & Public Safety		(9,425,792)	(8,839,475)	(9,413,653)
Other Property & Services		(20,744,611)	(19,454,225)	(20,717,895)
Recreation & Culture		(64,652,799)	(60,631,173)	(64,569,534)
Transport		(56,142,811)	(52,650,536)	(56,070,506)
		(241,191,031)	(226,188,122)	(240,880,407)
Finance Costs	2(a)(i)			
General Purpose Funding		(395,399)	(410,939)	(409,683)
Governance		(2,009)	(2,088)	(2,082)
Other Property & Services		(145,390)	(151,104)	(150,642)
Recreation & Culture		(3,413,525)	(3,547,685)	(3,536,841)
Transport		(159,107)	(165,360)	(164,855)
		(4,115,430)	(4,277,177)	(4,264,103)
Non-Operating Grants, Subsidies & Contributions*	21			
Community Amenities		332,542	290,708	498,069
Education & Welfare		969,500	847,535	1,452,081
Governance		194,830	170,320	291,809
Law, Order & Public Safety		461,562	403,497	691,311
Other Property & Services		50,000	43,710	74,888
Recreation & Culture		14,668,582	12,823,246	21,970,063
Transport		14,579,008	12,744,940	21,835,903
		31,256,024	27,323,955	46,814,125
Profit/(Loss) on Disposal of Assets	4			
Other Property & Services		3,931,762	3,931,762	1,694,535
		3,931,762	3,931,762	1,694,535
Net Result		18,023,820	30,894,829	44,312,295
Other Comprehensive Income		-	-	-
TOTAL COMPREHENSIVE INCOME		18,023,820	30,894,829	44,312,295

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) * Includes value of Contributions of Physical Assets.

v) 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 2023

	Note	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		140,867,380	139,251,302	143,912,150
Operating Grants, Subsidies & Contributions		8,206,051	14,063,664	5,596,390
Fees & Charges		50,296,054	48,661,715	51,292,833
Interest Revenue		2,283,458	2,635,558	7,024,598
Other Revenue		725,295	713,234	650,319
GST* Revenue		12,180,860	4,261,993	15,130,839
		214,559,098	209,587,466	223,607,130
Payments				
Employee Costs		(76,667,235)	(76,995,950)	(83,226,514)
Materials & Contracts		(94,030,328)	(87,597,985)	(90,892,306)
Utility Charges		(9,755,555)	(9,729,033)	(10,484,728)
Insurance		(1,285,633)	(1,272,633)	(1,439,911)
Interest Expense		(4,115,430)	(4,277,177)	(4,264,103)
GST* Expense		(11,873,323)	(4,048,894)	(14,374,297)
		(197,727,504)	(183,921,672)	(204,681,860)
	16(c)	16,831,594	25,665,795	18,925,270
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Non-Operating Grants, Subsidies & Contributions		19,076,024	15,143,955	22,808,865
TPS & DCP Revenue		16,399,283	22,430,638	29,069,490
Movement in Term Deposits#		(330,047,809)	(67,033,273)	38,162,547
Proceeds from Disposal of Assets		8,640,000	8,640,000	3,727,950
		(285,932,502)	(20,818,680)	93,768,852
Payments				
TPS & DCP Expense		(19,907,771)	(7,081,646)	(24,348,082)
Payments for Construction of Infrastructure		(45,495,359)	(27,207,848)	(58,780,102)
Payments for Purchase of Property, Plant & Equipment		(43,920,131)	(29,242,959)	(49,482,937)
		(109,323,261)	(63,532,453)	(132,611,121)
		(395,255,763)	(84,351,133)	(38,842,269)
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal Elements of Lease Payments		(125,268)	(15,680)	(119,939)
Transfer from Trust Fund - Cash Paid in Lieu of Public Open Space		2,469,079	2,469,079	36,788
Proceeds from New Loans		15,000,000	14,167,000	-
		17,343,811	16,620,399	(83,151)
NET INCREASE/(DECREASE) IN CASH HELD		(361,080,358)	(42,064,939)	(20,000,149)
Cash at Beginning of Year#		380,330,658	84,565,289	42,500,350
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	16(a)	19,250,300	42,500,350	22,500,200

Notes:

i) *Goods & Services Tax (GST).

ii) #The Movement in Term Deposits reflects an adjustment required per AASB 107 (definition of cash and cash equivalents).

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
RATE SETTING STATEMENT
FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

	Note	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
OPENING SURPLUS/(DEFICIT)	8	1,373,000	32,998,793	15,570,986
OPERATING ACTIVITIES				
Revenues (excludes Rates)				
Fees & Charges	12	50,296,054	50,661,715	51,292,833
Operating Grants, Subsidies & Contributions	21	8,015,370	14,063,664	5,596,390
Interest Revenue	2(a)(ii)	2,283,458	2,635,558	7,024,598
Other Revenue		725,295	713,234	650,319
Ex Gratia Rates	9	24,000	24,000	24,000
		61,344,177	68,098,171	64,588,140
Expenses				
Employee Costs		(77,092,475)	(77,057,519)	(83,660,259)
Materials & Contracts		(73,738,173)	(72,467,150)	(79,704,653)
Utility Charges		(9,755,555)	(9,729,033)	(10,380,146)
Depreciation	2(a)(i)	(44,411,424)	(44,411,424)	(41,218,774)
Insurance		(1,285,633)	(1,272,633)	(1,439,911)
Interest Expense	2(a)(i)	(4,115,430)	(4,277,177)	(4,264,103)
		(210,398,690)	(209,214,936)	(220,667,846)
Non-Cash Amounts Excluded				
Depreciation	2(a)(i)	44,411,424	44,411,424	41,218,774
		44,411,424	44,411,424	41,218,774
		(104,643,089)	(96,705,341)	(114,860,932)
INVESTING ACTIVITIES				
Revenues				
Non-Operating Grants, Subsidies & Contributions	21	19,076,024	15,143,955	21,965,725
Contributions of Physical Assets - Revenue	21	12,180,000	12,180,000	24,848,400
TPS & DCP Revenue		25,630,638	22,430,638	29,069,490
Profit on Asset Disposal	4	4,918,000	4,945,035	2,555,831
Proceeds from Disposal of Assets	4	8,640,000	8,640,000	3,727,950
		70,444,662	63,339,628	82,167,396
Expenses				
Non-Operating Contract Expenses		(15,000,000)	(14,168,717)	(128,582)
Loss on Asset Disposal	4	(986,238)	(1,013,273)	(861,296)
TPS & DCP Expense		(19,907,771)	(7,081,646)	(24,348,082)
Capital Expenditure	3	(82,213,708)	(44,270,807)	(83,414,639)
Contributions of Physical Assets - Expense	3	(12,180,000)	(12,180,000)	(24,848,400)
		(130,287,717)	(78,714,443)	(133,600,999)
Non-Cash Amounts Excluded				
Contributions of Physical Assets - Revenue		(12,180,000)	(12,180,000)	(24,848,400)
Profit on Asset Disposal	4	(4,918,000)	(4,945,035)	(2,555,831)
Loss on Asset Disposal	4	986,238	1,013,273	861,296
Contributions of Physical Assets - Expense		12,180,000	12,180,000	24,848,400
Movement in Equity Accounted Investments		-	(1,269,803)	-
Movement in Non-Current Deferred Pensioner Rates		-	209,228	-
Movement in Non-Current Leave Liability Provision		-	(25,805)	-
		(3,931,762)	(5,018,142)	(1,694,535)
		(63,774,817)	(20,392,957)	(53,128,138)
FINANCING ACTIVITIES				
Revenues				
Contributions from New Loans	5	15,000,000	14,167,000	-
Transfers from Restricted Grants, Contributions & Loans		1,709,434	201,265	311,839
Transfers from Reserves	7	43,417,469	57,893,353	47,100,810
Transfers from TPS's	18	21,911,423	20,471,842	26,611,195
Transfers from Trust Fund - Cash Paid in Lieu of Public Open Space		2,469,079	2,469,079	-
Net Transfers to/from Cash Backed Employee Provisions		-	70,881	-
Non-cash movement in DCP		-	(1,439,581)	1,902,388
		84,507,405	93,833,839	75,926,232
Expenses				
Transfers to Restricted Grants, Contributions & Loans		-	-	-
Transfers to Reserves	7	(39,099,312)	(113,267,108)	(44,187,468)
Transfers to TPS's	18	(21,911,423)	(20,471,842)	(26,611,195)
		(61,010,735)	(133,738,950)	(70,798,663)
		23,496,670	(39,905,111)	5,127,569
		(143,548,236)	(124,004,616)	(147,290,515)
BUDGET DEFICIENCY				
Amount to be Raised from General Rates	9	141,167,680	139,575,602	147,290,515
CLOSING SURPLUS/(DEFICIT)	8	(2,380,556)	15,570,986	0

Note: i) This statement is to be read in conjunction with the accompanying notes.

CITY OF WANNEROO

NOTES TO & FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

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.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

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.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

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 five 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 furniture & equipment, plant & equipment, 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 2023

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.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

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:

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 2023

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 2023

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.

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

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 2023

2. REVENUES & EXPENSES

(a) Net Result

(i) Charging as Expenses:

	Note	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
Auditors Remuneration				
Audit		100,000	100,000	100,000
		100,000	100,000	100,000
Depreciation				
<u>By Class</u>				
Furniture & Equipment		3,327,936	3,327,936	3,111,461
Land & Buildings		6,552,768	6,552,768	4,173,265
Other Infrastructure Assets		32,072,568	32,072,568	31,746,199
Plant & Equipment		2,458,152	2,458,152	2,187,848
		44,411,424	44,411,424	41,218,774
<u>By Program</u>				
Community Amenities		1,524,240	1,524,240	1,414,665
Economic Services		13,116	13,116	12,174
Education & Welfare		193,032	193,032	179,155
Governance		4,595,520	4,595,520	4,265,157
Health		34,932	34,932	32,421
Law, Order & Public Safety		60,984	60,984	56,600
Other Property & Services		2,262,588	2,262,588	2,099,935
Recreation & Culture		13,376,844	13,376,844	12,415,209
Transport		22,350,168	22,350,168	20,743,458
		44,411,424	44,411,424	41,218,774
Interest Expenses (Finance Costs)				
<u>Municipal</u>				
- Loan Interest	5(a)	4,111,186	4,272,010	4,258,936
- Interest Expense on Lease Liabilities	6	4,244	5,167	5,167
		4,115,430	4,277,177	4,264,103
<u>DCP</u>				
- Loan Interest	5(a)	283,856	283,856	311,795
		4,399,286	4,561,033	4,575,898

(ii) Crediting as Revenues:

	Note	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
Interest Revenue				
<u>Investments</u>				
- Municipal Funds		465,646	656,922	4,122,526
- Reserve Funds (excluding DCP's)		931,291	1,092,115	2,027,932
- Other Interest Revenue	14	886,521	886,521	874,140
		2,283,458	2,635,558	7,024,598
- DCP's		74,446	74,446	183,939
- TPS's	18	391,199	390,799	2,028,371
		2,749,103	3,100,803	9,236,908

(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.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

(2) Revenue and Expenses (Continued)

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 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 2023

3. ACQUISITION OF ASSETS (Includes value of Contributions of Physical Assets)

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

	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
By Class			
Furniture & Equipment	11,511,254	6,884,141	7,411,508
Infrastructure - Car Parks	15,102,729	9,031,971	11,437,687
Infrastructure - Drainage	5,045,930	3,017,646	570,000
Infrastructure - Other	2,929,417	1,751,896	4,997,619
Infrastructure - Pathways	4,416,956	2,641,497	4,433,200
Infrastructure - Reserves	1,511,079	903,679	37,281,596
Infrastructure - Roads	16,489,248	9,861,159	60,000
Land & Buildings	21,991,469	13,151,684	22,427,473
Plant & Equipment	15,395,626	9,207,134	19,643,956
	94,393,708	56,450,807	108,263,039
By Program			
Community Amenities			
Furniture & Equipment	36,000	21,529	-
Infrastructure - Drainage	-	-	190,000
Infrastructure - Other	50,000	29,902	3,572,301
Infrastructure - Pathways	-	-	406,500
Infrastructure - Reserves	419,000	250,577	1,933,387
Land & Buildings	149,000	89,107	76,839
Plant & Equipment	1,727,904	1,033,348	5,678,298
	2,381,904	1,424,463	11,857,325
Economic Services			
Land & Buildings	111,923	66,934	1,139,214
Plant & Equipment	-	-	256,000
	111,923	66,934	1,395,214
Education & Welfare			
Furniture & Equipment	1,290,163	771,564	-
	1,290,163	771,564	-
Governance			
Furniture & Equipment	9,852,091	5,891,902	-
Infrastructure - Car Parks	194,830	116,515	-
Land & Buildings	1,027,200	614,302	-
Plant & Equipment	434,536	259,868	-
	11,508,657	6,882,587	-
Law, Order and Public Safety			
Land & Buildings	-	-	125,000
Plant & Equipment	-	-	2,443,498
	-	-	2,568,498
Other Property & Services			
Furniture & Equipment	-	-	6,832,896
Infrastructure - Other	145,000	86,715	-
Land & Buildings	2,370,765	1,417,802	725,000
Plant & Equipment	13,233,186	7,913,918	4,810,418
	15,748,951	9,418,435	12,368,314
Recreation & Culture			
Furniture & Equipment	333,000	199,146	578,612
Infrastructure - Car Parks	1,316,249	787,164	60,000
Infrastructure - Other	2,734,417	1,635,279	1,075,318
Infrastructure - Pathways	759,556	454,242	170,000
Infrastructure - Reserves	16,070,248	9,610,582	13,134,452
Land & Buildings	18,237,581	10,906,724	20,150,372
Plant & Equipment	-	-	6,455,742
	39,451,051	23,593,137	41,624,496
Transport			
Infrastructure - Drainage	5,045,930	3,017,646	5,076,348
Infrastructure - Other	-	-	350,000
Infrastructure - Pathways	3,657,400	2,187,256	4,701,545
Infrastructure - Reserves	-	-	146,805
Infrastructure - Roads	15,102,729	9,031,971	27,963,446
Land & Buildings	95,000	56,813	211,048
	23,901,059	14,293,686	38,449,192
	94,393,708	56,450,806	108,263,039

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 2023

4. DISPOSAL OF ASSETS

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

Details	2021/22 Budget			2021/22 Estimate			2022/23 Budget		
	Net Book Value \$	Sale Proceeds \$	Profit/(Loss) \$	Net Book Value \$	Sale Proceeds \$	Profit/(Loss) \$	Net Book Value \$	Sale Proceeds \$	Profit/(Loss) \$
<u>By Class</u>									
Land & Buildings	2,650,000	7,568,000	4,918,000	2,650,000	7,568,000	4,918,000	-	2,500,000	2,500,000
Plant & Equipment	2,058,238	1,072,000	(986,238)	2,058,238	1,072,000	(986,238)	2,033,415	1,227,950	(805,465)
	4,708,238	8,640,000	3,931,762	4,708,238	8,640,000	3,931,762	2,033,415	3,727,950	1,694,535
<u>By Program</u>									
Other Property & Services	4,708,238	8,640,000	3,931,762	4,708,238	8,640,000	3,931,762	2,033,415	3,727,950	1,694,535
	4,708,238	8,640,000	3,931,762	4,708,238	8,640,000	3,931,762	2,033,415	3,727,950	1,694,535
<u>Summary</u>									
Profit on Asset Disposals	2,650,000	7,568,000	4,918,000	2,650,000	7,568,000	4,918,000	78,619	2,634,450	2,555,831
Loss on Asset Disposals	2,058,238	1,072,000	(986,238)	2,058,238	1,072,000	(986,238)	1,954,796	1,093,500	(861,296)
	4,708,238	8,640,000	3,931,762	4,708,238	8,640,000	3,931,762	2,033,415	3,727,950	1,694,535

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

5. BORROWINGS

(a) Borrowings Repayments

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

				01-Jul-21	2021/22	2021/22	30-Jun-22	2021/22	01-Jul-21	2021/22	2021/22	30-Jun-22	2021/22	01-Jul-22	2022/23	2022/23	30-Jun-23	2022/23
Institution	Loan Type	Fixed or Variable	Interest Rate %	Budget Principal	Budget New	Budget Principal	Budget Principal	Budget Interest	Actual Principal	Estimate New	Estimate Principal	Estimate Principal	Estimate Interest	Estimate Principal	Budget New	Budget Principal	Budget Principal	Budget Interest
				Outstanding	Loans	Repayments	Outstanding	Repayments	Outstanding	Loans	Repayments	Outstanding	Repayments	Outstanding	Loans	Repayments	Outstanding	Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Municipal Funded																		
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	4,101,420
Loan Repayment Reserve^	Principal & Interest	Fixed	1.46	0	15,000,000	0	15,000,000	0	0	14,167,000	2,189,176	11,977,824	160,824	11,977,824	0	2,662,484	9,315,340	157,516
				60,778,188	15,000,000	0	75,778,188	4,111,186	60,778,188	14,167,000	2,189,176	72,756,012	4,272,010	72,756,012	0	2,662,484	70,093,528	4,258,936
DCP Funded																		
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	66,400
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	54,000
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	58,000
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	15,200
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	118,195
				13,556,009	0	0	13,556,009	283,856	13,556,009	0	0	13,556,009	283,856	13,556,009	0	0	13,556,009	311,795
Total				74,334,197	15,000,000	0	89,334,197	4,395,042	74,334,197	14,167,000	2,189,176	86,312,021	4,555,866	86,312,021	0	2,662,484	83,649,537	4,570,731

Notes:

WATC = Western Australia Treasury Corporation.

CBA = Commonwealth Bank of Australia.

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

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

^ This loan will be repaid from the Domestic Refuse Reserve.

CITY OF WANNEROO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

5. BORROWINGS (CONTINUED)

(b) New Borrowings - 2022/23

Particulars/Purpose	Institution	Loan Type	Fixed or Variable	Term Years	Interest Rate %	Amount borrowed budget \$	Total interest & charges \$	Amount used budget \$	30-Jun-23 Balance Unspent \$
NIL	N/A	N/A	N/A	N/A	N/A	-	-	-	-
						-	-	-	-

(c) Unspent Borrowings

Loan Details	Loan Purpose	Year Loan Taken	Amount as at 1 July 2022 \$	Amount used 2022/23 Budget \$	New loans unspent at 30 June 2023 \$	Amount as at 30 June 2023 \$
WATC	Capital Projects	2005/06	5,679,728	311,839	-	5,367,889
			5,679,728	311,839	-	5,367,889

(d) Credit Facilities

Undrawn Borrowing Facilities:

Credit Standby Arrangements

Bank overdraft limit
Bank overdraft at balance date
Credit card limit
Credit card balance at balance date
Total Amount of Credit Unused

2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
-	-	-
-	-	-
550,000	418,000	550,000
50,000	50,000	50,000
500,000	368,000	500,000

Loan Facilities

Used loan facilities at balance date
Unused loan facilities at balance date
Total Amount of Loan Facilities at balance date

85,399,631	80,632,293	78,281,648
3,934,566	5,679,728	5,367,889
89,334,197	86,312,021	83,649,537

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

6. LEASE LIABILITIES

Details	Principal	New	Principal Repayments			Principal Outstanding			Interest Repayments		
	1 July 2022 Estimate \$	2022/23 Budget \$	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
Community Amenities											
Yanchep Hub Building	56,389	-	-	-	56,389	-	56,389	-	-	495	495
Recreation & Culture											
Aquamotion Cardio Equipment	177,707	-	15,680	15,680	63,550	15,680	177,707	114,157	15,680	4,672	4,672
Total	234,096	-	15,680	15,680	119,939	15,680	234,096	114,157	15,680	5,167	5,167

Yanchep Hub Building

- i) The commencement date of the lease is 1 April 2018 .
- ii) Interest rate applied is WATC incremental borrowing rate as at commencement of lease (2.1%).
- iii) The term of the lease is 60 months.

Aquamotion Cardio Equipment

- i) The commencement date of the lease is 1 April 2022 .
- ii) Interest rate applied is WATC incremental borrowing rate as at commencement of lease (1.2%)
- iii) The term of the lease is 36 months.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

7. RESERVES

	Note	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
	16(a)			
(a) Alkimos/Eglinton Coastal Corridor Community Facilities Reserve				
Opening Balance		17,180,292	17,399,405	20,371,961
Transfer to Reserve		3,021,574	3,021,574	3,304,538
Transfer from Reserve		(1,551,418)	(49,018)	(1,601,900)
Closing Balance		18,650,448	20,371,961	22,074,599
(b) Asset Replacement/Enhancement Reserve				
Opening Balance		59,830,019	63,907,204	70,343,264
Transfer to Reserve		12,021,714	12,021,714	9,499,433
Transfer from Reserve		(6,979,165)	(5,585,654)	(7,167,466)
Closing Balance		64,872,568	70,343,264	72,675,231
(c) Carried Forward Capital Projects Reserve				
Opening Balance		3,728,681	3,728,681	8,420,328
Transfer to Reserve		-	8,420,328	-
Transfer from Reserve		(3,728,681)	(3,728,681)	(8,420,328)
Closing Balance		-	8,420,328	-
(d) Cash Paid in Lieu of POS* Prior to 10 April 2006 Reserve				
Opening Balance		-	2,554,736	5,023,815
Transfer to Reserve		2,469,079	2,469,079	36,788
Transfer from Reserve		-	-	-
Closing Balance		2,469,079	5,023,815	5,060,603
<i>*Public Open Space (POS)</i>				
(e) Coastal Infrastructure Management Reserve				
Opening Balance		15,708,579	15,872,524	15,825,319
Transfer to Reserve		61,186	61,186	114,848
Transfer from Reserve		(228,300)	(108,391)	(3,376,648)
Closing Balance		15,541,465	15,825,319	12,563,519
(f) Domestic Refuse Reserve				
Opening Balance		10,769,391	13,156,108	7,618,994
Transfer to Reserve		41,947	14,208,947	630,428
Transfer from Reserve		(3,672,659)	(19,746,061)	(3,176,000)
Closing Balance		7,138,679	7,618,994	5,073,422
(g) Golf Course Reserve				
Opening Balance		1,150,162	1,311,425	1,489,305
Transfer to Reserve		557,881	557,881	1,510,613
Transfer from Reserve		(420,000)	(380,001)	(259,999)
Closing Balance		1,288,043	1,489,305	2,739,919
(h) Information, Communication & Technology Reserve				
Opening Balance		-	-	-
Transfer to Reserve		-	-	8,939,960
Transfer from Reserve		-	-	(3,939,960)
Closing Balance		-	-	5,000,000
(i) Leave Liability Reserve				
Opening Balance		15,806,887	15,006,085	15,067,654
Transfer to Reserve		61,569	61,569	210,337
Transfer from Reserve		-	-	-
Closing Balance		15,868,456	15,067,654	15,277,991
(j) Loan Repayment Reserve				
Opening Balance		56,461,381	56,450,457	46,362,553
Transfer to Reserve		1,889,920	4,079,096	5,660,681
Transfer from Reserve		-	(14,167,000)	-
Closing Balance		58,351,301	46,362,553	52,023,234

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

7. RESERVES (CONTINUED)

	Note	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
	16(a)			
(k) Neerabup Development Reserve				
Opening Balance		3,882,211	4,387,201	4,469,419
Transfer to Reserve		1,015,121	1,015,121	2,025,482
Transfer from Reserve		(2,312,059)	(932,903)	(1,449,628)
Closing Balance		2,585,273	4,469,419	5,045,273
(l) Plant Replacement Reserve				
Opening Balance		17,858,008	16,802,775	15,551,057
Transfer to Reserve		3,760,857	3,760,857	5,824,117
Transfer from Reserve		(12,621,624)	(5,012,575)	(11,047,708)
Closing Balance		8,997,241	15,551,057	10,327,466
(m) Regional Recreational Reserve				
Opening Balance		18,356,759	18,415,711	24,487,212
Transfer to Reserve		6,071,501	6,071,501	2,179,315
Transfer from Reserve		-	-	-
Closing Balance		24,428,260	24,487,212	26,666,527
(n) Section 152 Reserve (formerly Section 20A Land Reserve)				
Opening Balance		784,255	740,388	743,443
Transfer to Reserve		3,055	3,055	5,444
Transfer from Reserve		-	-	-
Closing Balance		787,310	743,443	748,887
(o) Strategic Land Reserve				
Opening Balance		6,025,480	6,029,093	11,940,965
Transfer to Reserve		5,921,470	5,921,470	2,087,365
Transfer from Reserve		(20,000)	(9,598)	(30,402)
Closing Balance		11,926,950	11,940,965	13,997,928
(p) Strategic Projects/Initiatives Reserve				
Opening Balance		24,996,872	167,516	43,216,868
Transfer to Reserve		1,470,718	50,862,010	1,041,937
Transfer from Reserve		(10,098,268)	(7,812,658)	(5,645,824)
Closing Balance		16,369,322	43,216,868	38,612,981
(q) TPS 20 - District Distributor Headworks Reserve				
Opening Balance		7,345,829	7,364,620	7,393,232
Transfer to Reserve		28,612	28,612	54,139
Transfer from Reserve		-	-	-
Closing Balance		7,374,441	7,393,232	7,447,371
(r) Yanchep Community Bus Reserve				
Opening Balance		119,794	117,187	122,654
Transfer to Reserve		5,467	5,467	5,898
Transfer from Reserve		-	-	(128,552)
Closing Balance		125,261	122,654	-
(s) Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve				
Opening Balance		1,764,218	1,519,196	1,856,024
Transfer to Reserve		697,641	697,641	1,056,145
Transfer from Reserve		(1,785,295)	(360,813)	(856,395)
Closing Balance		676,564	1,856,024	2,055,774
Summary				
Opening Balance		261,768,818	244,930,312	300,304,067
Transfer to Reserve		39,099,312	113,267,108	44,187,468
Transfer from Reserve		(43,417,469)	(57,893,353)	(47,100,810)
Closing Balance		257,450,661	300,304,067	297,390,725

Note:

i) All of the above reserve accounts are supported by money held in financial institutions.

ii) Each reserve receives interest on funds held in investments.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

7. RESERVES (CONTINUED)

Summary of Reserve Transfers

	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
Transfers to Reserves			
Alkimos/Eglinton Coastal Corridor Community Facilities Reserve	3,021,574	3,021,574	3,304,538
Asset Replacement/Enhancement Reserve	12,021,714	12,021,714	9,499,433
Carried Forward Capital Projects Reserve	-	8,420,328	-
Cash Paid in Lieu of POS* Prior to 10 April 2006 Reserve	2,469,079	2,469,079	36,788
Coastal Infrastructure Management Reserve	61,186	61,186	114,848
Domestic Refuse Reserve	41,947	14,208,947	630,428
Golf Course Reserve	557,881	557,881	1,510,613
Information, Communication & Technology Reserve	-	-	8,939,960
Leave Liability Reserve	61,569	61,569	210,337
Loan Repayment Reserve	1,889,920	4,079,096	5,660,681
Neerabup Development Reserve	1,015,121	1,015,121	2,025,482
Plant Replacement Reserve	3,760,857	3,760,857	5,824,117
Regional Recreational Reserve	6,071,501	6,071,501	2,179,315
Section 152 Reserve (formerly Section 20A Land Reserve)	3,055	3,055	5,444
Strategic Land Reserve	5,921,470	5,921,470	2,087,365
Strategic Projects/Initiatives Reserve	1,470,718	50,862,010	1,041,937
TPS 20 - District Distributor Headworks Reserve	28,612	28,612	54,139
Yanchep Community Bus Reserve	5,467	5,467	5,898
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve	697,641	697,641	1,056,145
	39,099,312	113,267,108	44,187,468
Transfers from Reserves			
Alkimos/Eglinton Coastal Corridor Community Facilities Reserve	(1,551,418)	(49,018)	(1,601,900)
Asset Replacement/Enhancement Reserve	(6,979,165)	(5,585,654)	(7,167,466)
Carried Forward Capital Projects Reserve	(3,728,681)	(3,728,681)	(8,420,328)
Cash Paid in Lieu of POS* Prior to 10 April 2006 Reserve	-	-	-
Coastal Infrastructure Management Reserve	(228,300)	(108,391)	(3,376,648)
Domestic Refuse Reserve	(3,672,659)	(19,746,061)	(3,176,000)
Golf Course Reserve	(420,000)	(380,001)	(259,999)
Information, Communication & Technology Reserve	-	-	(3,939,960)
Leave Liability Reserve	-	-	-
Loan Repayment Reserve	-	(14,167,000)	-
Neerabup Development Reserve	(2,312,059)	(932,903)	(1,449,628)
Plant Replacement Reserve	(12,621,624)	(5,012,575)	(11,047,708)
Regional Recreational Reserve	-	-	-
Section 152 Reserve (formerly Section 20A Land Reserve)	-	-	-
Strategic Land Reserve	(20,000)	(9,598)	(30,402)
Strategic Projects/Initiatives Reserve	(10,098,268)	(7,812,658)	(5,645,824)
TPS 20 - District Distributor Headworks Reserve	-	-	-
Yanchep Community Bus Reserve	-	-	(128,552)
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve	(1,785,295)	(360,813)	(856,395)
	(43,417,469)	(57,893,353)	(47,100,810)
Net Transfer to/(from) Reserves	(4,318,157)	55,373,755	(2,913,342)

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

(a) Alkimos/Eglinton Coastal Corridor 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) Carried Forward Capital Projects Reserve

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

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

7. RESERVES (CONTINUED)

(d) Cash Paid in Lieu of POS Prior to 10 April 2006 Reserve

For 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.

(e) Coastal Infrastructure Management Reserve

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

(f) Domestic Refuse Reserve

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

(g) Golf Course Reserve

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

(h) Information, Communication & Technology Reserve

To be used for the purpose of Information and Communication Technology capital and operating projects.

(i) Leave Liability Reserve

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

(j) Loan Repayment Reserve

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

(k) Neerabup Development Reserve

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

(l) Plant Replacement Reserve

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

(m) Regional Recreational Reserve

For the accumulation of funds to support regional recreational capital projects.

(n) 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.

(o) 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.

(p) 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.

(q) TPS 20 - District Distributor Headworks Reserve

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

(r) Yanchep Community Bus Reserve

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

(s) Yanchep/Two Rocks Coastal Corridor 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 2023

8. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position:

	Note	2021/22 Budget 30 June 2022 \$	2021/22 Estimate 30 June 2022 \$	2022/23 Budget 30 June 2023 \$
Current Assets				
Cash - Unrestricted	16(a)	5,098,612	40,635,682	6,500,450
Cash - Restricted	16(a)	14,151,688	1,864,668	15,999,750
Term Deposits	16(b)	330,047,809	397,081,082	358,918,536
Receivables		16,539,300	14,552,478	17,930,842
Inventories		326,400	326,400	332,928
		366,163,809	454,460,310	399,682,506
Less: Current Liabilities				
Trade and Other Payables		(15,125,178)	(33,089,873)	(17,807,050)
Contract Liabilities		(14,435,412)	(14,435,412)	(12,223,204)
Lease Liabilities	6	(164,000)	(234,096)	(114,157)
Provisions		(21,687,259)	(21,687,259)	(22,121,004)
		(51,411,849)	(69,446,640)	(52,265,415)
Net Current Asset Position		314,751,960	385,013,670	347,417,091
Adjustments for Restrictions				
Cash - Restricted	16(a)	(14,151,688)	(1,864,668)	(15,999,750)
Term Deposits - Restricted	16(b)	(330,047,809)	(397,081,082)	(358,918,536)
Provision for Leave Liability (Cash Backed)		12,631,569	15,067,654	15,277,991
Contract Liabilities		14,435,412	14,435,412	12,223,204
Estimated Surplus/(Deficit) Carried Forward		(2,380,556)	15,570,986	0

Note:

i) The estimated surplus/(deficit), if any, carried forward in the 2021/22 Estimate column represents the surplus/(deficit) brought forward as at 1 July 2022.

ii) The estimated surplus/(deficit), if any, carried forward in the 2022/23 Budget column represents the surplus/(deficit) carried forward as at 30 June 2023.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

9. RATES

General Rate Category	2021/22		2022/23					
	Budgeted Total Revenue \$	Estimate Total Revenue \$	Rate-in-Dollar Cents	Number of Properties	Rateable Value \$	Budgeted Rate Revenue \$	Budgeted Interim Rates \$	Budgeted Total Revenue \$
Gross Rental Value - Improved								
Residential	87,245,117	86,293,508	8.0638	63,507	1,110,269,911	89,529,945	2,000,000	91,529,945
Commercial/Industrial	25,337,832	25,226,875	8.0770	2,850	323,966,492	26,166,774	500,000	26,666,774
Gross Rental Value - Vacant								
Residential	5,826,753	5,383,727	14.4784	2,441	39,427,690	5,708,499	-	5,708,499
Commercial/Industrial	857,379	843,783	7.5301	167	11,625,725	875,429	-	875,429
Unimproved Value - Improved								
Residential	577,873	560,199	0.4036	183	144,000,000	581,184	-	581,184
Commercial/Industrial	186,363	193,681	0.2996	37	67,080,348	200,973	-	200,973
Rural & Mining	2,035,187	2,030,875	0.3887	380	542,060,000	2,106,987	-	2,106,987
Unimproved Value - Vacant								
Residential	3,696,342	3,369,718	0.5869	129	595,686,000	3,496,081	-	3,496,081
Commercial/Industrial	104,709	102,597	0.3380	12	31,490,000	106,436	-	106,436
Rural & Mining	404,118	398,654	0.5195	85	79,617,200	413,611	-	413,611
Sub-Totals	126,271,673	124,403,617	n/a	69,791	2,945,223,366	129,185,919	2,500,000	131,685,919
Minimum Rate Category			General Minimum \$					
Gross Rental Value - Improved								
Residential	11,354,246	11,388,178	1.035	11,411	130,965,082	11,810,385	-	11,810,385
Lesser Minimum Strata Titled Caravan Parks	-	-	150	-	-	-	-	-
Commercial/Industrial	1,119,525	1,173,805	1.408	865	11,508,434	1,217,920	-	1,217,920
Lesser Minimum Strata Titled Storage Units	105,300	117,900	1.170	137	920,583	160,290	-	160,290
Gross Rental Value - Vacant								
Residential	2,210,585	2,329,652	941	2,409	11,815,585	2,266,869	-	2,266,869
Commercial/Industrial	40,710	33,925	1,408	25	284,750	35,200	-	35,200
Unimproved Value - Improved								
Residential	1,996	1,996	1.035	2	405,652	2,070	-	2,070
Commercial/Industrial	6,785	6,785	1.408	5	1,278,000	7,040	-	7,040
Rural & Mining	990	2,970	1.027	3	408,000	3,081	-	3,081
Unimproved Value - Vacant								
Residential	23,075	84,916	941	73	10,031,500	68,693	-	68,693
Commercial/Industrial	-	-	1,408	-	-	-	-	-
Rural & Mining	32,795	31,858	972	34	231,211	33,048	-	33,048
Sub-Totals	14,896,007	15,171,985	n/a	14,964	167,848,797	15,604,596	-	15,604,596
Amount to be raised from General Rates	141,167,680	139,575,602	n/a	84,755	3,113,072,163	144,790,515	2,500,000	147,290,515
Ex Gratia Rates (Rates in Lieu)	24,000	24,000						24,000
Total Rates	141,191,680	139,599,602						147,314,515

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 2023

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 29 June 2021		Advertised 12 May 2022		Final 28 June 2022	
	Rate- in-the- Dollar (Cents)	General Minimum Rate \$	Rate- in-the- Dollar (Cents)	General Minimum Rate \$	Rate- in-the- Dollar (Cents)	General Minimum Rate \$
Gross Rental Value - Improved						
Residential	7.7723	998	8.0832	1,038	8.0638	1,035
Lesser Minimum Strata Titled Caravan Parks	7.7723	145	8.0832	151	8.0638	150
Commercial/Industrial	7.7851	1,357	8.0965	1,411	8.0770	1,408
Lesser Minimum Strata Titled Storage Units	7.7851	900	8.0965	1,166	8.0770	1,170
Gross Rental Value - Vacant						
Residential	13.9215	923	14.4784	951	14.4784	941
Commercial/Industrial	7.2579	1,357	7.5482	1,411	7.5301	1,408
Unimproved Value - Improved						
Residential	0.4035	998	0.4196	1,038	0.4036	1,035
Commercial/Industrial	0.2927	1,357	0.3044	1,411	0.2996	1,408
Rural & Mining	0.3816	990	0.3969	1,030	0.3887	1,027
Unimproved Value - Vacant						
Residential	0.5715	923	0.5944	951	0.5869	941
Commercial/Industrial	0.3300	1,357	0.3432	1,411	0.3380	1,408
Rural & Mining	0.5120	937	0.5325	974	0.5195	972

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 2022/23 (advertised through a local public notice published on 12 May 2022) due to Council applying a lower increase (overall average of 3.75%) and the City receiving amended valuations from Landgate. Furthermore, 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.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

9. RATES (CONTINUED)

Objects and Reason for Rates

The overall objective of the Rates in the 2022/23 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 that are not available to 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 used for the storage of household goods (excluding boats, trailers, caravans and tools of trade) 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 the minimum rate have been set with an intention to foster and encourage farming and horticultural activities in the City of Wanneroo thereby stimulating growth and development in the community.

Unimproved Value - Rural & Mining Vacant

The rate in the dollar and the 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 2023

10. SPECIFIED AREA RATES

No Specified Area Rates have been budgeted for the 2022/23 Financial Year.

11. SERVICE CHARGES

No Service Charges have been budgeted for the 2022/23 Financial Year.

12. FEES & CHARGES

Program	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
Community Amenities	34,001,351	34,248,547	34,675,198
Economic Services	2,287,811	2,304,444	2,333,151
Education & Welfare	73,789	74,325	75,251
General Purpose Funding	526,000	529,824	536,424
Governance	245,195	246,978	250,054
Health	350,644	353,193	357,593
Law, Order & Public Safety	621,900	626,421	634,225
Other Property & Services	8,892	8,957	9,068
Recreation & Culture	11,248,198	11,329,974	11,471,118
Transport	932,274	939,052	950,750
	50,296,054	50,661,715	51,292,833

13. RATE PAYMENT DISCOUNTS, WAIVERS, CONCESSIONS & INCENTIVES

No rates discounts have been budgeted for the 2022/23 Financial Year.

With regard to waivers, Council has agreed, in accordance with Section 6.47 of the Local Government Act 1995, to waive the 2022/23 Council Rates (excluding Emergency Services Levy) for land leased by the City to the following community groups (totalling \$132,869):

- 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.

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

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, however for the 2022/23 year no discounts or other incentive will be offered.

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 (1 August 2022). It is estimated this will generate income of \$874,140 for 2022/23. 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 (5 September 2022).

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 (5 September 2022). The second and final instalment will be due and payable 63 days after the due date of the first instalment (7 November 2022).

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 (5 September 2022). The second, third and fourth instalments are to be made at 63 day intervals, thereafter (7 November 2022, 9 January 2023 and 13 March 2023).

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 (5 September 2022), 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 (5 September 2022). The second, third, fourth and fifth payments are to be made in two month intervals from the 5 September 2022. 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 2022/23 financial year is estimated at \$1,254,140. This is dissected as follows:

	Note	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
Description				
Instalment Interest Charges - Rates		289,021	289,021	276,640
Late Payment Penalty Interest - Rates		597,500	597,500	597,500
	2a(ii)	886,521	886,521	874,140
Administration Charges - Rates		370,000	370,000	380,000
		1,256,521	1,256,521	1,254,140

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

15. COUNCIL MEMBERS REMUNERATION & ALLOWANCES

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

Details	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
Mayor - 01 July 2021 to 14 June 2022			
Tracey Roberts JP			
Mayor's Allowance	86,013	86,013	N/A
Meeting Fees	45,536	45,536	N/A
Information, Communication & Technology Allowance	3,354	3,354	N/A
Other Expenses Reimbursements	1,917	1,917	N/A
	136,820	136,820	
Mayor - 15 June 2022 to 30 June 2023			
TBA			
Mayor's Allowance	3,740	3,740	91,997
Meeting Fees	1,980	1,980	48,704
Information, Communication & Technology Allowance	146	146	3,500
Other Expenses Reimbursements	83	83	2,000
	5,949	5,949	146,201
Ward Councillors 1 July 2021 to 16 October 2021			
Central Ward:			
Frank Cvitan JP (Deputy Mayor)			
Deputy Mayor's Allowance	6,544	6,544	N/A
Meeting Fees	9,239	9,239	N/A
Information, Communication & Technology Allowance	1,021	1,021	N/A
Other Expenses Reimbursements	583	583	N/A
	17,387	17,387	
Dot Newton JP			
Meeting Fees	9,239	9,239	N/A
Information, Communication & Technology Allowance	1,021	1,021	N/A
Other Expenses Reimbursements	583	583	N/A
	10,843	10,843	
Jacqueline Huntley			
Meeting Fees	9,239	9,239	N/A
Information, Communication & Technology Allowance	1,021	1,021	N/A
Other Expenses Reimbursements	583	583	N/A
	10,843	10,843	
Paul Miles			
Meeting Fees	9,239	9,239	N/A
Information, Communication & Technology Allowance	1,021	1,021	N/A
Other Expenses Reimbursements	583	583	N/A
	10,843	10,843	
North Coast Ward:			
Linda Aitken JP			
Meeting Fees	9,239	9,239	N/A
Information, Communication & Technology Allowance	1,021	1,021	N/A
Other Expenses Reimbursements	583	583	N/A
	10,843	10,843	
Chris Baker			
Meeting Fees	9,239	9,239	N/A
Information, Communication & Technology Allowance	1,021	1,021	N/A
Other Expenses Reimbursements	583	583	N/A
	10,843	10,843	
Lewis Flood			
Meeting Fees	9,239	9,239	N/A
Information, Communication & Technology Allowance	1,021	1,021	N/A
Other Expenses Reimbursements	583	583	N/A
	10,843	10,843	
Natalie Sangalli			
Meeting Fees	9,239	9,239	N/A
Information, Communication & Technology Allowance	1,021	1,021	N/A
Other Expenses Reimbursements	583	583	N/A
	10,843	10,843	

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

15. COUNCIL MEMBERS REMUNERATION AND ALLOWANCES (CONTINUED)

	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
Sonet Coetzee			
Meeting Fees	9,239	9,239	N/A
Information, Communication & Technology Allowance	1,021	1,021	N/A
Other Expenses Reimbursements	583	583	N/A
	10,843	10,843	
South Ward:			
Hugh Nguyen			
Meeting Fees	9,239	9,239	N/A
Information, Communication & Technology Allowance	1,021	1,021	N/A
Other Expenses Reimbursements	583	583	N/A
	10,843	10,843	
Vinh Nguyen			
Meeting Fees	9,239	9,239	N/A
Information, Communication & Technology Allowance	1,021	1,021	N/A
Other Expenses Reimbursements	583	583	N/A
	10,843	10,843	
Glynis Parker			
Meeting Fees	9,239	9,239	N/A
Information, Communication & Technology Allowance	1,021	1,021	N/A
Other Expenses Reimbursements	583	583	N/A
	10,843	10,843	
Brett Treby			
Meeting Fees	9,239	9,239	N/A
Information, Communication & Technology Allowance	1,021	1,021	N/A
Other Expenses Reimbursements	583	583	N/A
	10,843	10,843	
Domenic Zappa			
Meeting Fees	9,239	9,239	N/A
Information, Communication & Technology Allowance	1,021	1,021	N/A
Other Expenses Reimbursements	583	583	N/A
	10,843	10,843	
Ward Councillors 17 October 2021 to 30 June 2023			
Central Ward:			
Frank Cvitan JP			
Meeting Fees	22,439	22,439	32,470
Information, Communication & Technology Allowance	2,479	2,479	3,500
Other Expenses Reimbursements	1,417	1,417	2,000
	26,335	26,335	37,970
Jordan Wright			
Meeting Fees	22,439	22,439	32,470
Information, Communication & Technology Allowance	2,479	2,479	3,500
Other Expenses Reimbursements	1,417	1,417	2,000
	26,335	26,335	37,970
Central East:			
Jacqueline Huntley			
Meeting Fees	22,439	22,439	32,470
Information, Communication & Technology Allowance	2,479	2,479	3,500
Other Expenses Reimbursements	1,417	1,417	2,000
	26,335	26,335	37,970
Paul Miles			
Meeting Fees	22,439	22,439	32,470
Information, Communication & Technology Allowance	2,479	2,479	3,500
Other Expenses Reimbursements	1,417	1,417	2,000
	26,335	26,335	37,970

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

15. COUNCIL MEMBERS REMUNERATION AND ALLOWANCES (CONTINUED)

	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
North East:			
Linda Aitken JP			
Meeting Fees	22,439	22,439	32,470
Information, Communication & Technology Allowance	2,479	2,479	3,500
Other Expenses Reimbursements	1,417	1,417	2,000
	26,335	26,335	37,970
Glynis Parker			
Meeting Fees	22,439	22,439	32,470
Information, Communication & Technology Allowance	2,479	2,479	3,500
Other Expenses Reimbursements	1,417	1,417	2,000
	26,335	26,335	37,970
North Ward:			
Chris Baker			
Meeting Fees	22,439	22,439	32,470
Information, Communication & Technology Allowance	2,479	2,479	3,500
Other Expenses Reimbursements	1,417	1,417	2,000
	26,335	26,335	37,970
Sonet Coetzee			
Meeting Fees	22,439	22,439	32,470
Information, Communication & Technology Allowance	2,479	2,479	3,500
Other Expenses Reimbursements	1,417	1,417	2,000
	26,335	26,335	37,970
Central West:			
Natalie Sangalli			
Meeting Fees	22,439	22,439	32,470
Information, Communication & Technology Allowance	2,479	2,479	3,500
Other Expenses Reimbursements	1,417	1,417	2,000
	26,335	26,335	37,970
Helen Berry			
Meeting Fees	22,439	22,439	32,470
Information, Communication & Technology Allowance	2,479	2,479	3,500
Other Expenses Reimbursements	1,417	1,417	2,000
	26,335	26,335	37,970
South West:			
Natalie Herridge			
Meeting Fees	22,439	22,439	32,470
Information, Communication & Technology Allowance	2,479	2,479	3,500
Other Expenses Reimbursements	1,417	1,417	2,000
	26,335	26,335	37,970
Vinh Nguyen			
Meeting Fees	22,439	22,439	32,470
Information, Communication & Technology Allowance	2,479	2,479	3,500
Other Expenses Reimbursements	1,417	1,417	2,000
	26,335	26,335	37,970
South Ward:			
Brett Treby (Deputy Mayor)			
Deputy Mayor's Allowance	15,894	15,894	22,999
Meeting Fees	22,439	22,439	32,470
Information, Communication & Technology Allowance	2,479	2,479	3,500
Other Expenses Reimbursements	1,417	1,417	2,000
	42,229	42,229	60,969
James Rowe			
Meeting Fees	22,439	22,439	32,470
Information, Communication & Technology Allowance	2,479	2,479	3,500
Other Expenses Reimbursements	1,417	1,417	2,000
	26,335	26,335	37,970
Summary			
Mayor's Allowance & Meeting Fees	137,269	137,269	140,701
Deputy Mayor's Allowance	22,438	22,438	22,999
Council Members Meeting Fees	443,492	443,492	454,580
Information, Communications & Technology Allowance	52,500	52,500	52,500
Other Expense Reimbursements	30,000	30,000	30,000
	685,699	685,699	700,780

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

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	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
Cash and Cash Equivalents				
- Unrestricted	8	5,098,612	40,635,682	6,500,450
- Restricted	8	14,151,688	1,864,668	15,999,750
		19,250,300	42,500,350	22,500,200

(b) Restrictions

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

Class of Asset	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
- Cash and Cash Equivalents	14,151,688	1,864,668	15,999,750
- Financial Assets at Amortised Cost (term deposits)	330,047,809	397,081,082	358,918,536
	344,199,497	398,945,750	374,918,286

A further breakdown of the Restricted Assets is provided below:

	Note	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
Alkimos/Eglinton Coastal Corridor Community Facilities Reserve	7(a)	18,650,448	20,371,961	22,074,599
Asset Replacement/Enhancement Reserve	7(b)	64,872,568	70,343,264	72,675,231
Carried Forward Capital Projects Reserve	7(c)	-	8,420,328	-
Cash Paid in Lieu of POS Prior to 10 April 2006 Reserve	7(d)	2,469,079	5,023,815	5,060,603
Coastal Infrastructure Management Reserve	7(e)	15,541,465	15,825,319	12,563,519
Domestic Refuse Reserve	7(f)	7,138,679	7,618,994	5,073,422
Golf Course Reserve	7(g)	1,288,043	1,489,305	2,739,919
Information, Communication & Technology Reserve	7(h)	-	-	5,000,000
Leave Liability Reserve	7(i)	15,868,456	15,067,654	15,277,991
Loan Repayment Reserve	7(j)	58,351,301	46,362,553	52,023,234
Neerabup Development Reserve	7(k)	2,585,273	4,469,419	5,045,273
Plant Replacement Reserve	7(l)	8,997,241	15,551,057	10,327,466
Regional Recreational Reserve	7(m)	24,428,260	24,487,212	26,666,527
Section 152 Reserve (formerly Section 20A Land Reserve)	7(n)	787,310	743,443	748,887
Strategic Land Reserve	7(o)	11,926,950	11,940,965	13,997,928
Strategic Projects/Initiatives Reserve	7(p)	16,369,322	43,216,868	38,612,981
TPS 20 - District Distributor Headworks Reserve	7(q)	7,374,441	7,393,232	7,447,371
Yanchep Community Bus Reserve	7(r)	125,261	122,654	-
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve	7(s)	676,564	1,856,024	2,055,774
Town Planning Schemes		77,610,213	79,480,889	67,172,850
Unspent Grants, Contributions & Loans		9,138,623	19,160,794	10,354,711
		344,199,497	398,945,750	374,918,286

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

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

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

	Note	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
Net Result		18,023,820	30,894,829	44,312,295
Adjustments:				
Depreciation	2(a)(i)	44,411,424	44,411,424	41,218,774
(Profit)/Loss on Sale of Asset	4	(3,931,762)	(3,931,762)	(1,694,535)
(Increase)/Decrease in Receivables	8	(324,300)	(324,300)	(3,378,364)
(Increase)/Decrease in Inventories	8	(6,400)	(6,400)	(6,528)
Increase/(Decrease) in Payables	8	(4,978,218)	(2,944,121)	(15,282,823)
Increase/(Decrease) in Contract Liabilities		190,681	177,503	4,986,822
Increase/(Decrease) in Provisions	8	425,240	61,569	433,745
TPS & DCP Revenue		(25,630,638)	(22,430,638)	(29,069,490)
TPS & DCP Expense		19,907,771	7,081,646	24,348,082
Grants/Contributions for the Development of Assets		(31,256,024)	(27,323,955)	(46,942,707)
Net Cash from Operating Activities		16,831,594	25,665,795	18,925,270

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

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:

Description	01-Jul-22 Estimate \$	Budgeted In-flows \$	Budgeted Out-flows \$	30-Jun-23 Balance \$
Cash Paid in Lieu of Public Open Space	850,167	-	-	850,167
Miscellaneous/Appeals	56,185	3,000	(3,000)	56,185
	906,352	3,000	3,000	906,352

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 2022/23 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-22 Estimate Balance \$	Transfers To: Operating \$	Transfers From: Operating \$	Transfers From: Capital \$	Transfers (To)/From: Deferred Rev \$	30-Jun-23 Estimate Balance \$
Operating Accounts						
Berkley Road Structure Plan Area	-	72,491	-	-	(72,491)	-
Town Planning Scheme 5 (Landsdale)	-	12,344	-	-	(12,344)	-
	-	84,835	-	-	(84,835)	-
Scheme Accounts						
East Wanneroo Development Area Cell 1	-	732,045	(1,295,782)	-	563,737	-
East Wanneroo Development Area Cell 2	-	2,215,111	(2,049,240)	(79,000)	(86,871)	-
East Wanneroo Development Area Cell 3	-	17,751	(49,240)	(14,989)	46,478	-
East Wanneroo Development Area Cell 4	-	2,655,243	(3,169,366)	(44,309)	558,432	-
East Wanneroo Development Area Cell 5	-	886,196	(1,449,240)	-	563,044	-
East Wanneroo Development Area Cell 6	-	3,869,400	(12,757,199)	(24,596)	8,912,395	-
East Wanneroo Development Area Cell 7	-	623,107	(49,240)	(49,595)	(524,272)	-
East Wanneroo Development Area Cell 8	-	851,360	(709,240)	(75,000)	(67,120)	-
East Wanneroo Development Area Cell 9	-	2,452,943	(2,412,240)	(2,382,919)	2,342,216	-
	-	14,303,156	(23,940,787)	(2,670,408)	12,308,039	-
Total	-	14,387,991	(23,940,787)	(2,670,408)	12,223,204	-

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 2023

18. MAJOR LAND TRANSACTIONS (CONTINUED)

Town Planning Schemes (Continued)

Current Year Transactions (Continued)

	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
<u>Berkley Road Structure Plan Area</u>			
Income			
Interest on Investments	13,706	13,306	72,491
Transfer (to)/from Deferred Revenue	(13,706)	(13,306)	(72,491)
	-	-	-
Expenditure			
Administration Charges	-	-	-
Construction Costs	-	-	-
	-	-	-
Net Result	-	-	-
<u>East Wanneroo Development Area Cell 1</u>			
Income			
Contributions	1,081,118	1,081,118	613,000
Interest on Investments	22,134	22,134	119,045
Transfer (to)/from Deferred Revenue	(496,973)	(496,973)	563,737
	606,279	606,279	1,295,782
Expenditure			
Administration Charges	(39,818)	(39,818)	(40,000)
Advertising	(200)	(200)	(240)
Audit Fee Expenses	(6,000)	(6,000)	(6,000)
Consulting Fees	(3,000)	(3,000)	(3,000)
Contract Expenses	(557,261)	(557,261)	(1,246,542)
Construction Costs	-	-	-
	(606,279)	(606,279)	(1,295,782)
Net Result	-	-	-
<u>East Wanneroo Development Area Cell 2</u>			
Income			
Contributions	296,296	296,296	1,990,400
Interest on Investments	41,688	41,688	224,711
Transfer (to)/from Deferred Revenue	(83,966)	(112,966)	(86,871)
	254,018	225,018	2,128,240
Expenditure			
Administration Charges	(39,818)	(39,818)	(40,000)
Advertising	(200)	(200)	(240)
Audit Fee Expenses	(6,000)	(6,000)	(6,000)
Consulting Fees	(3,000)	(3,000)	(3,000)
Contract Expenses	-	-	(2,000,000)
Construction Costs	(205,000)	(176,000)	(79,000)
	(254,018)	(225,018)	(2,128,240)
Net Result	-	-	-
<u>East Wanneroo Development Area Cell 3</u>			
Income			
Interest on Investments	3,541	3,541	17,751
Transfer (to)/from Deferred Revenue	145,477	130,488	46,478
	149,018	134,029	64,229
Expenditure			
Administration Charges	(39,818)	(39,818)	(40,000)
Advertising	(200)	(200)	(240)
Audit Fee Expenses	(6,000)	(6,000)	(6,000)
Consulting	(3,000)	(3,000)	(3,000)
Construction Costs	(100,000)	(85,011)	(14,989)
	(149,018)	(134,029)	(64,229)
Net Result	-	-	-

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

18. MAJOR LAND TRANSACTIONS (CONTINUED)

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

	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
<u>East Wanneroo Development Area Cell 4</u>			
Income			
Contributions	209,952	209,952	2,379,456
Interest on Investments	53,562	53,562	275,787
Transfer (to)/from Deferred Revenue	853,415	836,895	558,432
	1,116,929	1,100,409	3,213,675
Expenditure			
Administration Charges	(39,818)	(39,818)	(40,000)
Advertising	(200)	(200)	(240)
Audit Fee Expenses	(6,000)	(6,000)	(6,000)
Consulting Fees	(3,000)	(3,000)	(3,000)
Legal Fees	(250,000)	(250,000)	(250,000)
Contract Expenses	(734,428)	(734,428)	(2,870,126)
Construction Costs	(83,483)	(66,963)	(44,309)
	(1,116,929)	(1,100,409)	(3,213,675)
Net Result	-	-	-
<u>East Wanneroo Development Area Cell 5</u>			
Income			
Contributions	-	-	772,725
Interest on Investments	26,847	26,847	113,471
Transfer (to)/from Deferred Revenue	22,171	22,171	563,044
	49,018	49,018	1,449,240
Expenditure			
Administration Charges	(39,818)	(39,818)	(40,000)
Advertising	(200)	(200)	(240)
Audit Fee Expenses	(6,000)	(6,000)	(6,000)
Consulting Fees	(3,000)	(3,000)	(3,000)
Compensation Payments	-	-	(1,400,000)
Construction Costs	-	-	-
	(49,018)	(49,018)	(1,449,240)
Net Result	-	-	-
<u>East Wanneroo Development Area Cell 6</u>			
Income			
Contributions	4,442,220	4,442,220	3,306,852
Interest on Investments	105,500	105,500	562,548
Transfer (to)/from Deferred Revenue	7,664,975	7,640,379	8,912,395
	12,212,695	12,188,099	12,781,795
Expenditure			
Administration Charges	(39,818)	(39,818)	(40,000)
Advertising	(200)	(200)	(240)
Audit Fee Expenses	(6,000)	(6,000)	(6,000)
Consulting Fees	(3,000)	(3,000)	(3,000)
Compensation Payments	(11,168,112)	(11,168,112)	(12,707,959)
Contract Expenses	(845,565)	(845,565)	-
Construction Costs	(150,000)	(125,404)	(24,596)
	(12,212,695)	(12,188,099)	(12,781,795)
Net Result	-	-	-
<u>East Wanneroo Development Area Cell 7</u>			
Income			
Contributions	1,218,425	1,218,425	556,000
Interest on Investments	12,812	12,812	67,107
Transfer (to)/from Deferred Revenue	157,961	133,366	(524,272)
	1,389,198	1,364,603	98,835
Expenditure			
Administration Charges	(39,818)	(39,818)	(40,000)
Advertising	(200)	(200)	(240)
Audit Fee Expenses	(6,000)	(6,000)	(6,000)
Consulting	(3,000)	(3,000)	(3,000)
Contract Expenses	(1,180,180)	(1,180,180)	-
Construction Costs	(160,000)	(135,405)	(49,595)
	(1,389,198)	(1,364,603)	(98,835)
Net Result	-	-	-

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

18. MAJOR LAND TRANSACTIONS (CONTINUED)

Town Planning Schemes (Continued)

Current Year Transactions (Continued)

	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
East Wanneroo Development Area Cell 8			
Income			
Contributions	1,567,006	1,567,006	733,678
Interest on Investments	24,839	24,839	117,682
Transfer (to)/from Deferred Revenue	(1,126,517)	(1,135,657)	(67,120)
	465,328	456,188	784,240
Expenditure			
Administration Charges	(39,818)	(39,818)	(40,000)
Advertising	(200)	(200)	(240)
Audit Fee Expenses	(6,000)	(6,000)	(6,000)
Consulting Fees	(3,000)	(3,000)	(3,000)
Contract Expenses	(306,310)	(306,310)	(660,000)
Construction Costs	(110,000)	(100,860)	(75,000)
	(465,328)	(456,188)	(784,240)
Net Result	-	-	-
East Wanneroo Development Area Cell 9			
Income			
Contributions	3,473,852	3,473,852	2,007,509
Interest on Investments	84,003	84,003	445,434
Transfer (to)/from Deferred Revenue	2,111,085	790,344	2,342,216
	5,668,940	4,348,199	4,795,159
Expenditure			
Administration Charges	(39,820)	(39,820)	(40,000)
Advertising	(200)	(200)	(240)
Audit Fee Expenses	(6,000)	(6,000)	(6,000)
Consulting Fees	(3,000)	(3,000)	(3,000)
Contract Expenses	(866,130)	(866,130)	-
Compensation Payments	(3,148,790)	(3,148,790)	(2,363,000)
Construction Costs	(1,605,000)	(284,259)	(2,382,919)
	(5,668,940)	(4,348,199)	(4,795,159)
Net Result	-	-	-
Town Planning Scheme 5 (Landsdale)			
Income			
Interest on Investments	2,567	2,567	12,344
Transfer (to)/from Deferred Revenue	(2,567)	(2,567)	(12,344)
	-	-	-
Expenditure			
Administration Charges	-	-	-
Construction Costs	-	-	-
	-	-	-
Net Result	-	-	-

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

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

Statement of Comprehensive Income

	2021/22 Budget	2021/22 Estimate	2022/23 Budget	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Resource extraction sales	100,000	100,000	404,718	607,077	455,308	723,433	723,433
	100,000	100,000	404,718	607,077	455,308	723,433	723,433
Expenditure							
Resource extraction costs	(812,000)	(812,000)	(1,000,252)	(525,768)	(694,367)	(340,000)	(340,000)
	(812,000)	(812,000)	(1,000,252)	(525,768)	(694,367)	(340,000)	(340,000)
Net Result	(712,000)	(712,000)	(595,534)	81,309	(239,059)	383,433	383,433

CITY OF WANNEROO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

20. FINANCIAL RATIOS

	Note	2021/22 Budget Ratio to 1	2021/22 Estimate Ratio to 1	2022/23 Budget Ratio to 1
a) Asset Consumption Ratio:				
$\frac{\text{Depreciated Replacement Cost of Depreciable Assets}}{\text{Current Replacement Cost of Depreciable Assets}}$		0.72	0.74	0.73
*Standard is met >0.50 **Standard is advanced >0.75				
b) Asset Renewal Funding Ratio:				
$\frac{\text{NPV of Planned Capital Renewals over 10 years}}{\text{NPV of Required Capital Expenditure over 10 years}}$		1.14	1.15	1.14
*Standard is met >0.75 **Standard is advanced >1.05				
c) Asset Sustainability Ratio:	iii)			
$\frac{\text{Capital Renewal \& Replacement Expenditure}}{\text{Depreciation Expense}}$		0.53	0.44	0.72
*Standard is met >0.90 **Standard is advanced >1.10				
d) Current Ratio:				
$\frac{\text{Current Assets - Restricted Current Assets}}{\text{Current Liabilities - Liabilities Associated With Restricted Assets}}$		0.74	1.32	1.00
*Standard is met >1.00				
e) Debt Service Cover Ratio:				
$\frac{\text{Annual Operating Surplus Before Interest \& Depreciation}}{\text{Principal \& Interest}}$		8.09	11.52	9.46
*Standard is met >2.00 **Standard is advanced >5.00				
f) Operating Surplus Ratio:	iv)			
$\frac{\text{Operating Revenue - Operating Expense}}{\text{Own Source Operating Revenue}}$		(0.02)	0.01	(0.03)
*Standard is met >0.01 **Standard is advanced >0.15				
g) Own Source Revenue Coverage Ratio:				
$\frac{\text{Own Source Operating Revenue}}{\text{Operating Expense}}$		0.94	0.94	0.94
*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 2023

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) Figures are shaded where they do not meet standard for 2021/22 Estimate and 2022/23 Budget. (Comments previously provided for 2021/22 Budget).

iii) The Asset Sustainability Ratio is below standard 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.

iv) The Operating Surplus Ratio is below standard for the 2022/23 Budget primarily due to the early part payment received from the Grants Commission in 2021/22.

21. GRANTS, SUBSIDIES & CONTRIBUTIONS (Includes value of Contributions of Physical Assets)

	2021/22 Budget \$	2021/22 Estimate \$	2022/23 Budget \$
Operating			
Economic Services	117,501	206,166	82,040
Education & Welfare	217,987	382,477	152,200
General Purpose Funding	5,012,285	8,794,490	3,499,614
Governance	143,224	251,299	100,000
Health	200,872	352,447	140,250
Law, Order & Public Safety	756,122	1,326,682	527,930
Recreation & Culture	1,566,520	2,748,596	1,093,756
Transport	859	1,508	600
	8,015,370	14,063,664	5,596,390
Non-Operating (Includes value of Contributions of Physical Assets)			
Community Amenities	332,542	309,148	1,715,000
Education & Welfare	969,500	901,296	-
Governance	194,830	181,124	-
Law, Order & Public Safety	461,562	429,091	474,000
Other Property & Services	50,000	46,483	-
Recreation & Culture	14,668,582	13,636,653	10,036,909
Transport	14,579,008	11,820,160	34,588,216
	31,256,024	27,323,955	46,814,125
Total	39,271,394	41,387,619	52,410,515