



# Annual Budget

Financial year ending 30 June 2024

## TABLE OF CONTENTS

Statement of Comprehensive Income	1
Statement of Cash Flows	2
Statement of Financial Activity	3
<i>Notes To and Forming Part of the Budget:</i>	4 - 35
1 - Significant Accounting Policies	4 - 11
2 - Revenues & Expenses	12 - 13
3 - Acquisition of Assets	13
4 - Disposal of Assets	14
5 - Borrowings	15 - 16
6 - Lease Liabilities	17
7 - Reserves	18 - 21
8 - Net Current Assets	22 - 23
9 - Rates	24 - 26
10 - Specified Area Rates	27
11 - Service Charges	27
12 - Rate Payment Discounts, Waivers, Concessions & Incentives	27
13 - Interest Charges & Instalments	28
14 - Council Members' Remuneration & Allowances	28
15 - Notes to the Statement of Cash Flows	29 - 30
16 - Trust Funds	30
17 - Major Land Transactions	31 - 34
18 - Major Trading Undertakings	35
19 - Grants, Subsidies & Contributions	35

CITY OF WANNEROO

STATEMENT OF COMPREHENSIVE INCOME

BY NATURE

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

	Note	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
<b>REVENUES</b>				
Rates	9	147,314,515	147,314,515	154,889,762
Grants, Subsidies & Contributions	19	5,596,390	15,002,651	3,811,153
Fees & Charges		51,292,833	50,764,165	50,692,002
Interest Revenue	2(a)(ii)	7,024,598	11,264,494	14,927,880
Other Revenue		650,319	2,114,039	2,293,993
		<b>211,878,655</b>	<b>226,459,864</b>	<b>226,614,790</b>
<b>EXPENSES</b>				
Employee Costs		(83,660,259)	(83,660,258)	(88,725,669)
Materials & Contracts		(79,704,653)	(78,217,211)	(83,800,735)
Utility Charges		(10,380,146)	(10,154,163)	(10,753,793)
Depreciation	2(a)(i)	(41,218,774)	(41,218,774)	(39,447,203)
Finance Costs	2(a)(i)	(4,264,103)	(4,259,431)	(4,249,170)
Insurance		(1,439,911)	(1,439,111)	(1,728,909)
		<b>(220,667,846)</b>	<b>(218,948,948)</b>	<b>(228,705,479)</b>
		<b>(8,789,191)</b>	<b>7,510,916</b>	<b>(2,090,689)</b>
<b>OTHER REVENUES &amp; EXPENSES</b>				
Grants, Subsidies & Contributions	19	46,814,125	39,968,895	45,756,875
Non-Operating Contract Expenses#		(128,582)	(128,582)	-
Profit on Asset Disposals	4	2,555,831	2,555,831	3,412,293
Loss on Asset Disposals	4	(861,296)	(861,296)	(1,219,165)
TPS & DCP Revenue+		29,069,490	25,309,529	24,129,010
TPS & DCP Expense+		(24,348,082)	(25,136,869)	(19,700,210)
		<b>53,101,486</b>	<b>41,707,508</b>	<b>52,378,803</b>
		<b>44,312,295</b>	<b>49,218,424</b>	<b>50,288,114</b>
<b>NET RESULT FOR THE PERIOD</b>				
Other Comprehensive Income*		-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>44,312,295</b>	<b>49,218,424</b>	<b>50,288,114</b>

**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 return of Yanchep Community Bus funding (2022/23).
- iii) +Town Planning Scheme (TPS); Developer Contribution Plan (DCP).
- iv) \*Other Comprehensive Income (if any) is impacted upon by external factors and not able to be reliably estimated. It is anticipated in all instances, any Other Comprehensive Income will relate to non-cash transactions and as such have no impact on the budget.
- v) This statement is to be read in conjunction with the accompanying Notes.

CITY OF WANNEROO

STATEMENT OF CASH FLOWS

BY NATURE

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

	Note	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		143,912,150	147,314,515	167,403,082
Grants, Subsidies & Contributions		5,596,390	15,002,651	3,811,153
Fees & Charges		51,292,833	49,764,165	45,692,002
Interest Revenue		7,024,598	11,264,494	13,438,579
Other Revenue		650,319	2,114,039	2,293,993
GST* Revenue		15,130,839	12,738,406	9,179,777
		<b>223,607,130</b>	<b>238,198,270</b>	<b>241,818,586</b>
<b>Payments</b>				
Employee Costs		(83,226,514)	(83,208,047)	(88,279,924)
Materials & Contracts		(90,892,306)	(81,345,793)	(79,590,929)
Utility Charges		(10,484,728)	(10,154,163)	(10,753,793)
Insurance		(1,439,911)	(1,439,111)	(1,728,909)
Finance Costs		(4,264,103)	(4,259,431)	(4,249,170)
GST* Expense		(14,374,297)	(12,101,486)	(8,720,788)
		<b>(204,681,860)</b>	<b>(192,508,031)</b>	<b>(193,323,514)</b>
	15(c)	<b>18,925,270</b>	<b>45,690,239</b>	<b>48,495,073</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Grants, Subsidies & Contributions		22,808,865	21,965,725	19,565,686
TPS & DCP Revenue		29,069,490	25,309,529	24,129,010
Movement in Term Deposits		38,162,547	9,500,000	(8,460,922)
Proceeds from Disposal of Assets		3,727,950	3,727,950	4,766,850
		<b>93,768,852</b>	<b>60,503,204</b>	<b>40,000,624</b>
<b>Payments</b>				
TPS & DCP Expense		(24,348,082)	(25,136,869)	(19,700,210)
Payments for Construction of Infrastructure#		(33,931,702)	(19,427,223)	(44,922,379)
Payments for Purchase of Property, Plant & Equipment		(49,482,937)	(31,880,007)	(35,541,059)
		<b>(107,762,721)</b>	<b>(76,444,099)</b>	<b>(100,163,648)</b>
		<b>(13,993,869)</b>	<b>(15,940,895)</b>	<b>(60,163,024)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Principal Elements of Lease Payments		(119,939)	(119,939)	(63,550)
Transfer from Trust Fund - Cash Paid in Lieu of Public Open Space		36,788	117,432	95,843
		<b>(83,151)</b>	<b>(2,507)</b>	<b>32,293</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>				
		<b>4,848,250</b>	<b>29,746,837</b>	<b>(11,635,658)</b>
Cash at Beginning of Year		42,500,350	17,076,473	46,823,310
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	15(a)	<b>47,348,600</b>	<b>46,823,310</b>	<b>35,187,652</b>

**Notes:**

i) \*Goods & Services Tax (GST).

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

iii) This statement is to be read in conjunction with the accompanying Notes.

iv) #The 2023/23 Adopted Budget is reduced by the non-cash value of Physical Assets received from Developers.

CITY OF WANNEROO

STATEMENT OF FINANCIAL ACTIVITY

BY NATURE

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

	Note	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
<b>OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Rates	9	147,314,515	147,314,515	154,889,762
Grants, Subsidies & Contributions	19	5,596,390	15,002,651	3,811,153
Fees & Charges		51,292,833	50,764,165	50,692,002
Interest Revenue	2(a)(ii)	7,024,598	11,264,494	14,927,880
Other Revenue		650,319	2,114,039	2,293,993
Profit on Asset Disposals	4	2,555,831	2,555,831	3,412,293
		<b>214,434,486</b>	<b>229,015,695</b>	<b>230,027,083</b>
<b>Outflows</b>				
Employee Costs		(83,660,259)	(83,660,258)	(88,725,669)
Materials & Contracts		(79,704,653)	(78,217,211)	(83,800,735)
Utility Charges		(10,380,146)	(10,154,163)	(10,753,793)
Depreciation	2(a)(i)	(41,218,774)	(41,218,774)	(39,447,203)
Finance Costs	2(a)(i)	(4,264,103)	(4,259,431)	(4,249,170)
Insurance		(1,439,911)	(1,439,111)	(1,728,909)
Loss on Asset Disposals	4	(861,296)	(861,296)	(1,219,165)
		<b>(221,529,142)</b>	<b>(219,810,244)</b>	<b>(229,924,644)</b>
<b>Non-Cash Amounts Excluded</b>	8(b)	39,524,239	39,524,239	37,254,075
		<b>32,429,583</b>	<b>48,729,690</b>	<b>37,356,514</b>
<b>INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Grants, Subsidies & Contributions	19	46,814,125	39,968,895	45,756,875
Proceeds from Disposal of Assets	4	3,727,950	3,727,950	4,766,850
TPS & DCP Revenue		29,069,490	25,309,529	24,129,010
		<b>79,611,565</b>	<b>69,006,374</b>	<b>74,652,735</b>
<b>Outflows</b>				
Purchase of Property, Plant & Equipment		(45,320,700)	(31,880,007)	(35,541,059)
Purchase & Construction of Infrastructure		(38,093,939)	(19,427,223)	(44,922,379)
TPS & DCP Expense		(24,348,082)	(25,136,869)	(19,700,210)
Non-Operating Contract Expenses		(128,582)	(128,582)	-
		<b>(107,891,303)</b>	<b>(76,572,681)</b>	<b>(100,163,648)</b>
<b>Non-Cash Amounts Excluded</b>	8(c)	(22,946,012)	(22,946,012)	(25,407,218)
		<b>(51,225,750)</b>	<b>(30,512,319)</b>	<b>(50,918,131)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Transfers from Unused Borrowings		311,839	259,995	51,844
Transfers from Reserves	7	47,100,810	34,162,642	41,828,621
Transfers from TPS's	17	26,611,195	25,947,364	20,989,100
		<b>74,023,844</b>	<b>60,370,001</b>	<b>62,869,565</b>
<b>Outflows</b>				
Transfers to Reserves	7	(44,187,468)	(64,552,850)	(53,116,179)
Transfers to TPS's	17	(26,611,195)	(25,947,364)	(20,989,100)
		<b>(70,798,663)</b>	<b>(90,500,214)</b>	<b>(74,105,279)</b>
		<b>3,225,181</b>	<b>(30,130,213)</b>	<b>(11,235,714)</b>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>SURPLUS/(DEFICIT) AT THE START OF THE FINANCIAL YEAR</b>				
		<b>15,570,986</b>	<b>36,742,371</b>	<b>24,829,529</b>
Amount Attributable to Operating Activities		32,429,583	48,729,690	37,356,514
Amount Attributable to Investing Activities		(51,225,750)	(30,512,319)	(50,918,131)
Amount Attributable to Financing Activities		3,225,181	(30,130,213)	(11,235,714)
<b>SURPLUS/(DEFICIT) AFTER IMPOSITION OF GENERAL RATES</b>	8(a)	<b>0</b>	<b>24,829,529</b>	<b>32,198</b>

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 2024

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, have been included in the financial statements forming part of this annual budget. In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated. All monies held in Trust Fund are excluded from the financial statements. A separate statement of those monies appear at Note 16 to the annual budget.

(c) **Goods & Services Tax**

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

(d) **Cash & Cash Equivalents**

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

Bank overdrafts are shown as short term borrowings in current liabilities in 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 2024

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

**(f) Inventories**

**i) Raw Materials & Stores, Work-in-Progress & 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 City's Non-Current Asset Policy, 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 & Measurement Between Mandatory Revaluation Dates**

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

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. 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.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Non-Current Assets (Continued)

Revaluation

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

Individual assets that are furniture & equipment and plant & 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 & 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 & 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 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 - 1,200 kg to 4,000 kg	6 years/100,000 km's (45% residual)
Heavy Vehicles - 4,000 kg to 9,000 kg	6 years/200,000 km's (40% residual)
Heavy Vehicles - 9,000 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 2024

**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's 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 & 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 or 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 2024

**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 & 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 2024

#### 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 2024.

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 & 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 & 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 2024

**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 in 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 & Other Contributions**

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

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

**Contract Liabilities**

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

**Contract Assets**

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

**(u) Current & Non-Current Classification**

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

**(v) Rounding of Figures**

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

**(w) Comparative Figures**

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

**(x) Budget Comparative Figures**

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

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

**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) Cash 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 government, 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 & 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 & 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 2024

2. REVENUES & EXPENSES

(a) Net Result

(i) Charging as Expenses:

	Note	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
<b>Auditors Remuneration</b>				
Audit of the Annual Financial Report		100,000	100,000	120,300
Other Audit Services (Grant acquittals)		10,000	10,000	12,030
		<b>110,000</b>	<b>110,000</b>	<b>132,330</b>
<b>Depreciation</b>				
<b>By Class</b>				
Furniture & Equipment		3,111,461	3,111,461	2,044,700
Plant & Equipment		2,187,848	2,187,848	3,315,530
Buildings		4,173,265	4,173,265	4,556,240
Other Infrastructure		31,746,199	31,746,199	29,530,733
		<b>41,218,774</b>	<b>41,218,774</b>	<b>39,447,203</b>
<b>Interest Expenses (Finance Costs)</b>				
<b>Municipal</b>				
- Loan Interest	5(a)	4,258,936	4,254,264	4,231,000
- Interest Expense on Lease Liabilities	6	5,167	5,167	18,170
		<b>4,264,103</b>	<b>4,259,431</b>	<b>4,249,170</b>
<b>DCP</b>				
- Loan Interest	5(a)	311,795	311,795	639,510
		<b>4,575,898</b>	<b>4,571,226</b>	<b>4,888,680</b>
<b>(ii) Crediting as Revenues:</b>				
<b>Interest Revenue</b>				
<b>Investments</b>				
- Municipal Funds		4,122,526	4,252,701	4,948,266
- Reserve Funds (excluding DCP's)		2,027,932	6,125,272	9,078,810
- Other Interest Revenue	13	874,140	886,521	900,804
		<b>7,024,598</b>	<b>11,264,494</b>	<b>14,927,880</b>
- DCP's		183,939	600,620	936,004
- TPS's		2,028,371	2,028,371	4,948,267
		<b>9,236,908</b>	<b>13,893,485</b>	<b>20,812,151</b>



**CITY OF WANNEROO**

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

**FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024**

**2. REVENUES & EXPENSES (CONTINUED)**

**(b) Statement of Objective**

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

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

**Vision**

A welcoming community, connected through local opportunities.

**Purpose**

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

**Strategic Goals**

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

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

Goal 3 - A vibrant, innovative City with 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.

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

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

<b>By Class</b>	<b>2022/23 Budget \$</b>	<b>2022/23 Estimate \$</b>	<b>2023/24 Budget \$</b>
<b>Property, Plant &amp; Equipment:</b>			
Furniture & Equipment	7,190,508	5,058,030	10,652,209
Plant & Equipment	16,039,506	11,282,693	9,411,774
Land & Buildings	22,090,686	15,539,284	15,477,076
	<b>45,320,700</b>	<b>31,880,007</b>	<b>35,541,059</b>
<b>Infrastructure:</b>			
Car Parks	682,984	480,432	389,574
Drainage	3,489,112	2,454,351	7,282,469
Other Infrastructure	8,796,058	6,187,424	9,074,532
Pathways	10,565,018	7,431,766	5,861,327
Reserves	11,644,614	8,191,188	9,732,591
Roads	27,764,553	19,530,461	38,773,075
	<b>62,942,339</b>	<b>44,275,623</b>	<b>71,113,568</b>
	<b>108,263,039</b>	<b>76,155,630</b>	<b>106,654,627</b>

**Note:**

i) Some differences may be observed between categories from that presented in the 2022/23 Adopted Budget due to reclassifications.

**CITY OF WANNEROO**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024**

**4. DISPOSAL OF ASSETS**

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

Details	2022/23 Budget			2022/23 Estimate			2023/24 Budget		
	Net Book Value \$	Sale Proceeds \$	Profit/(Loss) \$	Net Book Value \$	Sale Proceeds \$	Profit/(Loss) \$	Net Book Value \$	Sale Proceeds \$	Profit/(Loss) \$
<b>By Class</b>									
Land & Buildings	-	2,500,000	2,500,000	-	2,500,000	2,500,000	-	3,333,300	3,333,300
Plant & Equipment	2,033,415	1,227,950	(805,465)	2,033,415	1,227,950	(805,465)	2,573,722	1,433,550	(1,140,172)
	<b>2,033,415</b>	<b>3,727,950</b>	<b>1,694,535</b>	<b>2,033,415</b>	<b>3,727,950</b>	<b>1,694,535</b>	<b>2,573,722</b>	<b>4,766,850</b>	<b>2,193,128</b>
<b>Summary</b>									
Profit on Asset Disposals	78,619	2,634,450	2,555,831	78,619	2,634,450	2,555,831	32,057	3,444,350	3,412,293
Loss on Asset Disposals	1,954,796	1,093,500	(861,296)	1,954,796	1,093,500	(861,296)	2,541,665	1,322,500	(1,219,165)
	<b>2,033,415</b>	<b>3,727,950</b>	<b>1,694,535</b>	<b>2,033,415</b>	<b>3,727,950</b>	<b>1,694,535</b>	<b>2,573,722</b>	<b>4,766,850</b>	<b>2,193,128</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

5. BORROWINGS

(a) Borrowings Repayments

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

Institution	Loan Type	Fixed or Variable	Interest Rate %	01-Jul-22	2022/23	2022/23	30-Jun-23	2022/23	01-Jul-22	2022/23	2022/23	30-Jun-23	2022/23	01-Jul-23	2023/24	2023/24	30-Jun-24	2023/24
				Budget Principal Outstanding \$	Budget New Loans \$	Budget Principal Repayments \$	Budget Principal Outstanding \$	Budget Interest Repayments \$	Actual Principal Outstanding \$	Estimate New Loans \$	Estimate Principal Repayments \$	Estimate Principal Outstanding \$	Estimate Interest Repayments \$	Estimate Principal Outstanding \$	Budget New Loans \$	Budget Principal Repayments \$	Budget Principal Outstanding \$	Budget Interest Repayments \$
<b>Municipal Funded</b>																		
WATC#	Interest only	Fixed	6.77	60,778,188	0	0	60,778,188	4,101,420	60,778,188	0	0	60,778,188	4,101,420	60,778,188	0	0	60,778,188	4,112,720
Loan Repayment Reserve^	Principal & Interest	Fixed	1.46	11,977,824	0	2,662,484	9,315,340	157,516	11,977,824	0	2,662,484	9,315,340	152,844	9,315,340	0	2,662,484	6,652,856	118,280
				<b>72,756,012</b>	<b>0</b>	<b>2,662,484</b>	<b>70,093,528</b>	<b>4,258,936</b>	<b>72,756,012</b>	<b>0</b>	<b>2,662,484</b>	<b>70,093,528</b>	<b>4,254,264</b>	<b>70,093,528</b>	<b>0</b>	<b>2,662,484</b>	<b>67,431,044</b>	<b>4,231,000</b>
<b>DCP Funded</b>																		
CBA*	Interest only	Variable+	5.75	3,100,000	0	0	3,100,000	66,400	3,100,000	0	0	3,100,000	66,400	3,100,000	0	0	3,100,000	136,190
CBA*	Interest only	Variable+	5.99	2,500,000	0	0	2,500,000	54,000	2,500,000	0	0	2,500,000	54,000	2,500,000	0	0	2,500,000	110,757
CBA*	Interest only	Variable+	5.75	2,700,000	0	0	2,700,000	58,000	2,700,000	0	0	2,700,000	58,000	2,700,000	0	0	2,700,000	118,962
CBA*	Interest only	Variable+	5.77	700,000	0	0	700,000	15,200	700,000	0	0	700,000	15,200	700,000	0	0	700,000	31,176
WATC#*	Interest only	Variable+	4.48	4,556,300	0	0	4,556,300	118,195	4,556,300	0	0	4,556,300	118,195	4,556,300	0	0	4,556,300	242,425
				<b>13,556,300</b>	<b>0</b>	<b>0</b>	<b>13,556,300</b>	<b>311,795</b>	<b>13,556,300</b>	<b>0</b>	<b>0</b>	<b>13,556,300</b>	<b>311,795</b>	<b>13,556,300</b>	<b>0</b>	<b>0</b>	<b>13,556,300</b>	<b>639,510</b>
<b>Total</b>				<b>86,312,312</b>	<b>0</b>	<b>2,662,484</b>	<b>83,649,828</b>	<b>4,570,731</b>	<b>86,312,312</b>	<b>0</b>	<b>2,662,484</b>	<b>83,649,828</b>	<b>4,566,059</b>	<b>83,649,828</b>	<b>0</b>	<b>2,662,484</b>	<b>80,987,344</b>	<b>4,870,510</b>

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 is an internally funded loan being repaid from the Domestic Refuse Reserve.

+ = Variable interest rates are quoted as at time of preparation of this document.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

5. BORROWINGS (CONTINUED)

(b) New Borrowings

Particulars/Purpose	Institution	Loan Type	Fixed or Variable	Term Years	Interest Rate %	Amount Borrowed Budget \$	Total Interest & Charges \$	Amount Used Budget \$	30-Jun-24 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 2023 \$	Amount Used 2023/24 Budget \$	New Loans Unspent at 30 June 2024 \$	Amount as at 30 June 2024 \$
WATC	Capital Projects	2005/06	5,581,572	51,844	-	5,529,728
			5,581,572	51,844	-	5,529,728

(d) Credit Facilities

Undrawn Borrowing Facilities:

	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
<b>Credit Standby Arrangements at Balance Date</b>			
Bank Overdraft Limit	-	-	-
Bank Overdraft Balance	-	-	-
Credit Card Limit	550,000	418,000	550,000
Credit Card Balance	50,000	50,000	50,000
<b>Total Amount of Credit Unused</b>	<b>500,000</b>	<b>368,000</b>	<b>500,000</b>
<b>Loan Facilities (External) at Balance Date</b>			
Used Loan Facilities	74,334,488	74,334,488	74,334,488
Unused Loan Facilities	-	-	-
<b>Total Amount of Loan Facilities</b>	<b>74,334,488</b>	<b>74,334,488</b>	<b>74,334,488</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

6. LEASE LIABILITIES

Details	Principal	New	Principal Repayments			Principal Outstanding			Interest Repayments		
	1 July 2023 Estimate \$	Drawdown 2023/24 Budget \$	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
Yanchep Hub Building	-	-	56,389	56,389	-	-	-	-	495	495	-
Aquamotion Cardio Equipment	114,157	-	63,550	63,550	63,550	114,157	114,157	50,607	4,672	4,672	18,170
<b>Total</b>	<b>114,157</b>	<b>-</b>	<b>119,939</b>	<b>119,939</b>	<b>63,550</b>	<b>114,157</b>	<b>114,157</b>	<b>50,607</b>	<b>5,167</b>	<b>5,167</b>	<b>18,170</b>

***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 2024

7. RESERVES

	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
<b>(a) Alkimos/Eglinton Coastal Corridor Community Facilities Reserve</b>			
Opening Balance	20,371,961	20,247,766	23,871,779
Transfer to Reserve	3,304,538	3,673,513	2,351,758
Transfer from Reserve	(1,601,900)	(49,500)	(2,454,800)
Closing Balance	<u>22,074,599</u>	<u>23,871,779</u>	<u>23,768,737</u>
<b>(b) Asset Replacement/Enhancement Reserve</b>			
Opening Balance	70,343,264	67,783,293	72,766,728
Transfer to Reserve	9,499,433	10,594,258	12,566,194
Transfer from Reserve	(7,167,466)	(5,610,823)	(9,577,677)
Closing Balance	<u>72,675,231</u>	<u>72,766,728</u>	<u>75,755,245</u>
<b>(c) Carried Forward Capital Projects Reserve</b>			
Opening Balance	8,420,328	9,115,915	6,684,976
Transfer to Reserve	-	6,684,976	-
Transfer from Reserve	(8,420,328)	(9,115,915)	(6,684,976)
Closing Balance	<u>-</u>	<u>6,684,976</u>	<u>-</u>
<b>(d) Cash Paid in Lieu of POS* Prior to 10 April 2006 Reserve</b>			
Opening Balance	5,023,815	2,568,717	2,686,149
Transfer to Reserve	36,788	117,432	95,843
Transfer from Reserve	-	-	-
Closing Balance	<u>5,060,603</u>	<u>2,686,149</u>	<u>2,781,992</u>
<i>*Public Open Space (POS)</i>			
<b>(e) Coastal Infrastructure Management Reserve</b>			
Opening Balance	15,825,319	15,851,639	13,908,540
Transfer to Reserve	114,848	366,610	457,722
Transfer from Reserve	(3,376,648)	(2,309,709)	(4,356,224)
Closing Balance	<u>12,563,519</u>	<u>13,908,540</u>	<u>10,010,038</u>
<b>(f) Domestic Refuse Reserve</b>			
Opening Balance	7,618,994	12,556,005	10,066,737
Transfer to Reserve	630,428	752,732	3,053,359
Transfer from Reserve	(3,176,000)	(3,242,000)	(4,435,000)
Closing Balance	<u>5,073,422</u>	<u>10,066,737</u>	<u>8,685,096</u>
<b>(g) Golf Course Reserve</b>			
Opening Balance	1,489,305	1,309,161	2,625,804
Transfer to Reserve	1,510,613	1,533,878	991,906
Transfer from Reserve	(259,999)	(217,235)	(470,000)
Closing Balance	<u>2,739,919</u>	<u>2,625,804</u>	<u>3,147,710</u>
<b>(h) Information, Communication &amp; Technology Reserve</b>			
Opening Balance	-	-	6,856,799
Transfer to Reserve	8,939,960	8,939,960	5,231,779
Transfer from Reserve	(3,939,960)	(2,083,161)	(4,949,512)
Closing Balance	<u>5,000,000</u>	<u>6,856,799</u>	<u>7,139,066</u>
<b>(i) Leave Liability Reserve</b>			
Opening Balance	15,067,654	15,088,204	15,540,415
Transfer to Reserve	210,337	452,211	754,491
Transfer from Reserve	-	-	-
Closing Balance	<u>15,277,991</u>	<u>15,540,415</u>	<u>16,294,906</u>
<b>(j) Loan Repayment Reserve</b>			
Opening Balance	46,362,553	47,857,222	54,264,722
Transfer to Reserve	5,660,681	6,407,500	8,187,476
Transfer from Reserve	-	-	-
Closing Balance	<u>52,023,234</u>	<u>54,264,722</u>	<u>62,452,198</u>



## CITY OF WANNEROO

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

## 7. RESERVES (CONTINUED)

	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
<b>(k) Neerabup Development Reserve</b>			
Opening Balance	4,469,419	4,808,579	6,047,236
Transfer to Reserve	2,025,482	2,081,342	2,195,604
Transfer from Reserve	(1,449,628)	(842,685)	(1,430,029)
Closing Balance	<u>5,045,273</u>	<u>6,047,236</u>	<u>6,812,811</u>
<b>(l) Plant Replacement Reserve</b>			
Opening Balance	15,551,057	15,725,024	15,727,169
Transfer to Reserve	5,824,117	5,972,310	6,723,479
Transfer from Reserve	(11,047,708)	(5,970,165)	(1,350,939)
Closing Balance	<u>10,327,466</u>	<u>15,727,169</u>	<u>21,099,709</u>
<b>(m) Regional Recreational Reserve</b>			
Opening Balance	24,487,212	24,516,489	27,088,887
Transfer to Reserve	2,179,315	2,572,398	3,966,547
Transfer from Reserve	-	-	(600,000)
Closing Balance	<u>26,666,527</u>	<u>27,088,887</u>	<u>30,455,434</u>
<b>(n) Section 152 Reserve (formerly Section 20A Land Reserve)</b>			
Opening Balance	743,443	744,440	761,818
Transfer to Reserve	5,444	17,378	27,182
Transfer from Reserve	-	-	-
Closing Balance	<u>748,887</u>	<u>761,818</u>	<u>789,000</u>
<b>(o) Strategic Land Reserve</b>			
Opening Balance	11,940,965	10,969,385	13,177,339
Transfer to Reserve	2,087,365	2,278,881	1,966,345
Transfer from Reserve	(30,402)	(70,927)	(167,326)
Closing Balance	<u>13,997,928</u>	<u>13,177,339</u>	<u>14,976,358</u>
<b>(p) Strategic Projects/Initiatives Reserve</b>			
Opening Balance	43,216,868	336,432	7,249,634
Transfer to Reserve	1,041,937	10,830,801	2,703,993
Transfer from Reserve	(5,645,824)	(3,917,599)	(4,667,028)
Closing Balance	<u>38,612,981</u>	<u>7,249,634</u>	<u>5,286,599</u>
<b>(q) TPS 20 - District Distributor Headworks Reserve</b>			
Opening Balance	7,393,232	7,404,919	7,577,738
Transfer to Reserve	54,139	172,819	270,378
Transfer from Reserve	-	-	-
Closing Balance	<u>7,447,371</u>	<u>7,577,738</u>	<u>7,848,116</u>
<b>(r) Yanchep Community Bus Reserve</b>			
Opening Balance	122,654	126,923	-
Transfer to Reserve	5,898	-	-
Transfer from Reserve	(128,552)	(126,923)	-
Closing Balance	<u>-</u>	<u>-</u>	<u>-</u>
<b>(s) Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve</b>			
Opening Balance	1,856,024	1,863,255	2,361,106
Transfer to Reserve	1,056,145	1,103,851	1,572,123
Transfer from Reserve	(856,395)	(606,000)	(685,110)
Closing Balance	<u>2,055,774</u>	<u>2,361,106</u>	<u>3,248,119</u>
<b>Summary</b>			
Opening Balance	300,304,067	258,873,368	289,263,576
Transfer to Reserve	44,187,468	64,552,850	53,116,179
Transfer from Reserve	(47,100,810)	(34,162,642)	(41,828,621)
Closing Balance	<u>297,390,725</u>	<u>289,263,576</u>	<u>300,551,134</u>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

7. RESERVES (CONTINUED)

**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 (per Council Investment Policy).

**Summary of Reserve Transfers**

	<b>2022/23 Budget \$</b>	<b>2022/23 Estimate \$</b>	<b>2023/24 Budget \$</b>
<b>Transfers to Reserves</b>			
Alkimos/Eglinton Coastal Corridor Community Facilities Reserve	3,304,538	3,673,513	2,351,758
Asset Replacement/Enhancement Reserve	9,499,433	10,594,258	12,566,194
Carried Forward Capital Projects Reserve	-	6,684,976	-
Cash Paid in Lieu of POS* Prior to 10 April 2006 Reserve	36,788	117,432	95,843
Coastal Infrastructure Management Reserve	114,848	366,610	457,722
Domestic Refuse Reserve	630,428	752,732	3,053,359
Golf Course Reserve	1,510,613	1,533,878	991,906
Information, Communication & Technology Reserve	8,939,960	8,939,960	5,231,779
Leave Liability Reserve	210,337	452,211	754,491
Loan Repayment Reserve	5,660,681	6,407,500	8,187,476
Neerabup Development Reserve	2,025,482	2,081,342	2,195,604
Plant Replacement Reserve	5,824,117	5,972,310	6,723,479
Regional Recreational Reserve	2,179,315	2,572,398	3,966,547
Section 152 Reserve (formerly Section 20A Land Reserve)	5,444	17,378	27,182
Strategic Land Reserve	2,087,365	2,278,881	1,966,345
Strategic Projects/Initiatives Reserve	1,041,937	10,830,801	2,703,993
TPS 20 - District Distributor Headworks Reserve	54,139	172,819	270,378
Yanchep Community Bus Reserve	5,898	-	-
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve	1,056,145	1,103,851	1,572,123
	<b>44,187,468</b>	<b>64,552,850</b>	<b>53,116,179</b>
<b>Transfers from Reserves</b>			
Alkimos/Eglinton Coastal Corridor Community Facilities Reserve	(1,601,900)	(49,500)	(2,454,800)
Asset Replacement/Enhancement Reserve	(7,167,466)	(5,610,823)	(9,577,677)
Carried Forward Capital Projects Reserve	(8,420,328)	(9,115,915)	(6,684,976)
Coastal Infrastructure Management Reserve	(3,376,648)	(2,309,709)	(4,356,224)
Domestic Refuse Reserve	(3,176,000)	(3,242,000)	(4,435,000)
Golf Course Reserve	(259,999)	(217,235)	(470,000)
Information, Communication & Technology Reserve	(3,939,960)	(2,083,161)	(4,949,512)
Neerabup Development Reserve	(1,449,628)	(842,685)	(1,430,029)
Plant Replacement Reserve	(11,047,708)	(5,970,165)	(1,350,939)
Regional Recreational Reserve	-	-	(600,000)
Strategic Land Reserve	(30,402)	(70,927)	(167,326)
Strategic Projects/Initiatives Reserve	(5,645,824)	(3,917,599)	(4,667,028)
Yanchep Community Bus Reserve	(128,552)	(126,923)	-
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve	(856,395)	(606,000)	(685,110)
	<b>(47,100,810)</b>	<b>(34,162,642)</b>	<b>(41,828,621)</b>
<b>Net Transfer to/(from) Reserves</b>	<b>(2,913,342)</b>	<b>30,390,208</b>	<b>11,287,558</b>

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.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

7. RESERVES (CONTINUED)

**(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.

**(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 2024

8. NET CURRENT ASSETS

(a) Composition of Estimated Net Current Asset Position:

	Note	2022/23 Budget 30 June 2023 \$	2022/23 Estimate 30 June 2023 \$	2023/24 Budget 30 June 2024 \$
<b>Current Assets</b>				
Cash - Unrestricted	15(a)	6,500,450	20,635,682	17,630,000
Cash - Restricted	15(a)	40,848,150	26,187,628	17,557,652
Term Deposits	15(b)	334,070,136	363,138,409	377,037,148
Receivables		17,930,842	23,702,066	11,188,746
Inventories		332,928	382,929	390,588
		<b>399,682,506</b>	<b>434,046,714</b>	<b>423,804,133</b>
<b>Less: Current Liabilities</b>				
Trade and Other Payables		(17,807,050)	(13,030,147)	(22,706,600)
Contract Liabilities		(12,223,204)	(12,223,204)	(733,903)
Lease Liabilities	6	(114,157)	(114,157)	(50,607)
Provisions		(22,121,004)	(22,287,259)	(22,733,004)
		<b>(52,265,415)</b>	<b>(47,654,767)</b>	<b>(46,224,114)</b>
<b>Net Current Asset Position</b>		<b>347,417,091</b>	<b>386,391,947</b>	<b>377,580,019</b>
Less - Total Adjustments To Net Current Assets	8(d)	(347,417,091)	(361,562,418)	(377,547,821)
Net Current Assets Used In the Statement of Financial Activity		<b>0</b>	<b>24,829,529</b>	<b>32,198</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

8. NET CURRENT ASSETS (CONTINUED)

Explanation of Difference in Net Current Assets and Surplus/(Deficit)

(b) Non-Cash Amounts Excluded From Operating Activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Adjustments:	Note	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
Less:				
- Profit on asset disposals		(2,555,831)	(2,555,831)	(3,412,293)
Add:				
- Loss on asset disposals		861,296	861,296	1,219,165
- Depreciation		41,218,774	41,218,774	39,447,203
		<u>39,524,239</u>	<u>39,524,239</u>	<u>37,254,075</u>

(c) Non-Cash Amounts Excluded From Investing Activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Adjustments:		2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
Non-cash contributions of assets		(24,848,400)	(24,848,400)	(26,191,189)
Movement in current unspent capital grants associated with restricted cash		1,902,388	1,902,388	783,971
		<u>(22,946,012)</u>	<u>(22,946,012)</u>	<u>(25,407,218)</u>

(d) Current Assets & Liabilities Excluded From Budgeted Deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the Surplus/(Deficit) after imposition of General Rates.

Adjustments:		2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
Cash - reserve accounts				
Less:				
- Current assets restricted to trading undertaking	15(b)	(374,918,286)	(389,326,037)	(394,594,800)
Add:				
- Current portion of contract liability held in reserve	8(a)	12,223,204	12,223,204	733,903
- Current portion of lease liabilities		-	-	18,170
- Current portion of employee benefit provisions held in reserve	7(i)	15,277,991	15,540,415	16,294,906
		<u>(347,417,091)</u>	<u>(361,562,418)</u>	<u>(377,547,821)</u>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

9. RATES

General Rate Category	2022/23		2023/24					
	Budgeted Total Revenue \$	Estimate Total Revenue \$	Rate-in-Dollar Cents	Number of Properties	Rateable Value \$	Budgeted Rate Revenue \$	Budgeted Interim Rates \$	Budgeted Total Revenue \$
<b>Gross Rental Value - Improved</b>								
Residential	91,529,945	91,529,945	6.6832	65,009	1,420,535,829	94,937,251	1,500,000	96,437,251
Commercial/Industrial	26,666,774	26,666,774	7.7800	3,002	363,818,627	28,305,089	500,000	28,805,089
<b>Gross Rental Value - Vacant</b>								
Residential	5,708,499	5,708,499	13.3663	2,774	44,544,310	5,953,926	-	5,953,926
Commercial/Industrial	875,429	875,429	7.6000	160	12,001,499	912,114	-	912,114
<b>Unimproved Value - Improved</b>								
Residential	581,184	581,184	0.3755	183	157,095,000	589,892	-	589,892
Commercial/Industrial	200,973	200,973	0.3015	38	71,036,195	214,174	-	214,174
Rural & Mining	2,106,987	2,106,987	0.3752	376	574,599,721	2,155,898	-	2,155,898
<b>Unimproved Value - Vacant</b>								
Residential	3,496,081	3,496,081	0.6029	106	578,083,000	3,485,262	-	3,485,262
Commercial/Industrial	106,436	106,436	0.3341	10	29,380,000	98,159	-	98,159
Rural & Mining	413,611	413,611	0.4985	84	85,995,640	428,688	-	428,688
<b>Total General Rates</b>	<b>131,685,919</b>	<b>131,685,919</b>	<b>n/a</b>	<b>71,742</b>	<b>3,337,089,821</b>	<b>137,080,453</b>	<b>2,000,000</b>	<b>139,080,453</b>
<b>Minimum Payment</b>			<b>General Minimum \$</b>					
<b>Gross Rental Value - Improved</b>								
Residential	11,810,385	11,810,385	1,073	11,089	158,448,040	11,898,497	-	11,898,497
Commercial/Industrial	1,217,920	1,217,920	1,461	908	12,472,658	1,326,588	-	1,326,588
Lesser Minimum Strata Titled Storage Units	160,290	160,290	n/a	n/a	n/a	n/a	n/a	n/a
<b>Gross Rental Value - Vacant</b>								
Residential	2,266,869	2,266,869	894	2,753	13,905,910	2,461,182	-	2,461,182
Commercial/Industrial	35,200	35,200	1,461	35	447,280	51,135	-	51,135
<b>Unimproved Value - Improved</b>								
Residential	2,070	2,070	1,073	1	203,805	1,073	-	1,073
Commercial/Industrial	7,040	7,040	1,461	4	843,000	5,844	-	5,844
Rural & Mining	3,081	3,081	1,066	4	658,279	4,264	-	4,264
<b>Unimproved Value - Vacant</b>								
Residential	68,693	68,693	894	5	315,500	4,470	-	4,470
Rural & Mining	33,048	33,048	1,008	32	240,861	32,256	-	32,256
<b>Total Minimum Payments</b>	<b>15,604,596</b>	<b>15,604,596</b>	<b>n/a</b>	<b>14,831</b>	<b>187,535,333</b>	<b>15,785,309</b>	<b>-</b>	<b>15,785,309</b>
<b>Total General Rates &amp; Minimum Payments</b>	<b>147,290,515</b>	<b>147,290,515</b>	<b>n/a</b>	<b>86,573</b>	<b>3,524,625,154</b>	<b>152,865,762</b>	<b>2,000,000</b>	<b>154,865,762</b>
Ex Gratia Rates (Rates in Lieu)	24,000	24,000						24,000
<b>Total Rates</b>	<b>147,314,515</b>	<b>147,314,515</b>						<b>154,889,762</b>

**Note:**

i) Refer to the Objects & 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 2024**

**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 the rates. This also considers the extent of any increase in rating and property growth over the level adopted in the

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 28 June 2022		Advertised 25 May 2023		Final 4 July 2023	
	Rate- in-the- Dollar (Cents)	General Minimum Rate \$	Rate- in-the- Dollar (Cents)	General Minimum Rate \$	Rate- in-the- Dollar (Cents)	General Minimum Rate \$
<b>Gross Rental Value - Improved</b>						
Residential	8.0638	1,035	6.6832	1,073	<b>6.6832</b>	<b>1,073</b>
Lesser Minimum Strata Titled Caravan Parks	8.0638	150	6.6832	156	<b>6.6832</b>	<b>156</b>
Commercial/Industrial	8.0770	1,408	7.8650	1,461	<b>7.7800</b>	<b>1,461</b>
Lesser Minimum Strata Titled Storage Units	8.0770	1,170	n/a	n/a	<b>n/a</b>	<b>n/a</b>
<b>Gross Rental Value - Vacant</b>						
Residential	14.4784	941	13.3663	894	<b>13.3663</b>	<b>894</b>
Commercial/Industrial	7.5301	1,408	7.7500	1,461	<b>7.6000</b>	<b>1,461</b>
<b>Unimproved Value - Improved</b>						
Residential	0.4036	1,035	0.3755	1,073	<b>0.3755</b>	<b>1,073</b>
Commercial/Industrial	0.2996	1,408	0.3015	1,461	<b>0.3015</b>	<b>1,461</b>
Rural & Mining	0.3887	1,027	0.3752	1,066	<b>0.3752</b>	<b>1,066</b>
<b>Unimproved Value - Vacant</b>						
Residential	0.5869	941	0.6029	894	<b>0.6029</b>	<b>894</b>
Commercial/Industrial	0.3380	1,408	0.3341	1,461	<b>0.3341</b>	<b>1,461</b>
Rural & Mining	0.5195	972	0.4989	1,008	<b>0.4985</b>	<b>1,008</b>

**Note:**

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

**Reason for difference in published Rate-in-the-Dollar (amounts shaded)**

Changes were made to three proposed Differential Rates-in-the-Dollar for 2023/24 (advertised through a local public notice published on 25 May 2023) due to the City receiving additional amendments to valuations from Landgate. Furthermore, it is noted that under Section 6.35 (3) of the Local Government Act 1995, the City must ensure that the General Minimum for the Differential Rate category is imposed on not less than 50% in that category.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

9. RATES (CONTINUED)

**Objects & Reasons for Differential Rates**

The overall objective of the Rates in the 2023/24 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 & 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 & 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.

**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 2024

#### 10. SPECIFIED AREA RATES

No Specified Area Rates have been budgeted for the 2023/24 Financial Year.

#### 11. SERVICE CHARGES

No Service Charges have been budgeted for the 2023/24 Financial Year.

#### 12. RATE PAYMENT DISCOUNTS, WAIVERS, CONCESSIONS & INCENTIVES

No rates discounts have been budgeted for the 2023/24 Financial Year.

With regard to waivers, Council has agreed, in accordance with Section 6.47 of the Local Government Act 1995, to waive the 2023/24 Council Rates (excluding Emergency Services Levy) for land leased by the City to the following community groups (totalling \$133,578):

- 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.;
- ab) Yanchep Sports & Social Club Inc.; and
- ac) Yanchep Surf Lifesaving Club Inc.

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 2023/24 year no discounts or other incentive will be offered.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

**13. INTEREST CHARGES & INSTALMENTS**

An interest rate of 5% per annum will be charged on all Rates, both current and arrears (excluding instalment options), that remain unpaid after 35 days from the issue date of the Rate Notice (31 July 2023). It is estimated this will generate income of \$900,804 for 2023/24. 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 (4 September 2023).

**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 (4 September 2023). The second and final instalment will be due and payable 63 days after the due date of the first instalment (6 November 2023).

**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 (4 September 2023). The second, third and fourth instalments are to be made at 63 day intervals, thereafter (6 November 2023, 8 January 2024 and 11 March 2024).

**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 (4 September 2023), 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 (4 September 2023). The second, third, fourth and fifth payments are to be made in two month intervals from the 4 September 2023 (i.e. 6 November 2023, 8 January 2024, 11 March 2024 & 13 May 2024). 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 11% per annum on the Emergency Services Levy (State Government imposed charge), 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 2023/24 financial year is estimated at \$1,296,804. This is dissected as follows:

Description	Note	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
Instalment Interest Charges - Rates		276,640	289,021	300,804
Late Payment Penalty Interest - Rates		597,500	597,500	600,000
	2a(ii)	<b>874,140</b>	<b>886,521</b>	<b>900,804</b>
Administration Charges - Rates		380,000	370,000	396,000
		<b>1,254,140</b>	<b>1,256,521</b>	<b>1,296,804</b>

**14. COUNCIL MEMBERS REMUNERATION & ALLOWANCES**

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

Details	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
Mayor's Allowance & Meeting Fees	140,701	140,701	142,815
Deputy Mayor's Allowance	22,999	22,999	23,345
Council Members Meeting Fees	454,580	454,580	461,440
Information, Communications & Technology Allowance	52,500	52,500	52,500
Other Expense Reimbursements	30,000	30,000	30,000
	<b>700,780</b>	<b>700,780</b>	<b>710,100</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, Cash includes Cash and Cash Equivalents, net of outstanding bank overdrafts. Estimated Cash at the end of the reporting period is as follows:

	Note	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
<b>Cash and Cash Equivalents</b>				
- Unrestricted	8(a)	6,500,450	20,635,682	17,630,000
- Restricted	8(a)	40,848,150	26,187,628	17,557,652
		<b>47,348,600</b>	<b>46,823,310</b>	<b>35,187,652</b>

(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		2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
- Cash and Cash Equivalents	8(a)	40,848,150	26,187,628	17,557,652
- Financial Assets at Amortised Cost (term deposits)	8(a)	334,070,136	363,138,409	377,037,148
		<b>374,918,286</b>	<b>389,326,037</b>	<b>394,594,800</b>

A further breakdown of the Restricted Assets is provided below:

Description	Note	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
Alkimos/Eglinton Coastal Corridor Community Facilities Reserve	7(a)	22,074,599	23,871,779	23,768,737
Asset Replacement/Enhancement Reserve	7(b)	72,675,231	72,766,728	75,755,245
Carried Forward Capital Projects Reserve	7(c)	-	6,684,976	-
Cash Paid in Lieu of POS Prior to 10 April 2006 Reserve	7(d)	5,060,603	2,686,149	2,781,992
Coastal Infrastructure Management Reserve	7(e)	12,563,519	13,908,540	10,010,038
Domestic Refuse Reserve	7(f)	5,073,422	10,066,737	8,685,096
Golf Course Reserve	7(g)	2,739,919	2,625,804	3,147,710
Information, Communication & Technology Reserve	7(h)	5,000,000	6,856,799	7,139,066
Leave Liability Reserve	7(i)	15,277,991	15,540,415	16,294,906
Loan Repayment Reserve	7(j)	52,023,234	54,264,722	62,452,198
Neerabup Development Reserve	7(k)	5,045,273	6,047,236	6,812,811
Plant Replacement Reserve	7(l)	10,327,466	15,727,169	21,099,709
Regional Recreational Reserve	7(m)	26,666,527	27,088,887	30,455,434
Section 152 Reserve (formerly Section 20A Land Reserve)	7(n)	748,887	761,818	789,000
Strategic Land Reserve	7(o)	13,997,928	13,177,339	14,976,358
Strategic Projects/Initiatives Reserve	7(p)	38,612,981	7,249,634	5,286,599
TPS 20 - District Distributor Headworks Reserve	7(q)	7,447,371	7,577,738	7,848,116
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve	7(s)	2,055,774	2,361,106	3,248,119
Town Planning Schemes		67,172,850	84,480,889	83,527,116
Unspent Grants, Contributions & Loans		10,354,711	15,581,572	10,516,550
		<b>374,918,286</b>	<b>389,326,037</b>	<b>394,594,800</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

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

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

	Note	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
<b>Net Result</b>		<b>44,312,295</b>	<b>49,218,424</b>	<b>50,288,114</b>
<b>Adjustments:</b>				
Depreciation	2(a)(i)	41,218,774	41,218,774	39,447,203
(Profit)/Loss on Sale of Asset	4	(1,694,535)	(1,694,535)	(2,193,128)
(Increase)/Decrease in Receivables		(3,378,364)	(5,771,224)	12,513,320
(Increase)/Decrease in Inventories		(6,528)	(50,001)	(7,659)
Increase/(Decrease) in Payables		(15,282,823)	(4,776,903)	9,676,453
Increase/(Decrease) in Contract Liabilities		4,986,822	7,363,629	(11,489,301)
Increase/(Decrease) in Provisions		433,744	452,211	445,745
TPS & DCP Revenue		(29,069,490)	(25,309,529)	(24,129,010)
TPS & DCP Expense		24,348,082	25,136,869	19,700,210
Grants/Contributions for the Development of Assets		(46,942,707)	(40,097,477)	(45,756,875)
<b>Net Cash from Operating Activities</b>		<b>18,925,270</b>	<b>45,690,238</b>	<b>48,495,073</b>

16. 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	Estimate \$	Budgeted In-flows \$	Budgeted Out-flows \$	30-Jun-24 Balance \$
Cash Paid in Lieu of Public Open Space	850,167	95,843	-	946,010
Miscellaneous/Appeals	56,185	3,000	(3,000)	56,185
	<b>906,352</b>	<b>98,843</b>	<b>(3,000)</b>	<b>1,002,195</b>

**Note:**

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



**CITY OF WANNEROO**

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

**FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024**

**17. 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 2023/24 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:**

	<b>Transfers To: Operating \$</b>	<b>Transfers From: Operating \$</b>	<b>Transfers From: Capital \$</b>	<b>Transfers (To)/From: Deferred Rev \$</b>
<b>Operating Accounts</b>				
Berkley Road Structure Plan Area	189,430	-	-	(189,430)
Town Planning Scheme 5 (Landsdale)	30,440	-	-	(30,440)
	<b>219,870</b>	<b>-</b>	<b>-</b>	<b>(219,870)</b>
<b>Scheme Accounts</b>				
East Wanneroo Development Area Cell 1	1,433,790	(636,900)	-	(796,890)
East Wanneroo Development Area Cell 2	5,033,740	(2,523,100)	(39,937)	(2,470,703)
East Wanneroo Development Area Cell 3	455,590	(46,700)	(3,748)	(405,142)
East Wanneroo Development Area Cell 4	1,309,610	(971,100)	(983,464)	644,954
East Wanneroo Development Area Cell 5	797,560	(46,900)	-	(750,660)
East Wanneroo Development Area Cell 6	3,991,857	(11,648,100)	(17,500)	7,673,743
East Wanneroo Development Area Cell 7	620,550	(874,100)	(57,687)	311,237
East Wanneroo Development Area Cell 8	1,939,560	(48,100)	(90,564)	(1,800,896)
East Wanneroo Development Area Cell 9	4,453,070	(2,165,300)	(835,900)	(1,451,870)
	<b>20,035,327</b>	<b>(18,960,300)</b>	<b>(2,028,800)</b>	<b>953,773</b>
<b>Total</b>	<b>20,255,197</b>	<b>(18,960,300)</b>	<b>(2,028,800)</b>	<b>733,903</b>

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

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

17. MAJOR LAND TRANSACTIONS (CONTINUED)

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

	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
<b><u>Berkley Road Structure Plan Area</u></b>			
<b>Income</b>			
Interest on Investments	72,491	72,491	189,430
Transfer (to)/from Deferred Revenue	(72,491)	(72,491)	(189,430)
	-	-	-
<b>Expenditure</b>			
Administration Charges	-	-	-
Construction Costs	-	-	-
	-	-	-
<b>Net Result</b>	-	-	-
<b><u>East Wanneroo Development Area Cell 1</u></b>			
<b>Income</b>			
Contributions	613,000	613,000	1,317,000
Interest on Investments	119,045	119,045	116,790
Transfer (to)/from Deferred Revenue	563,737	563,737	(796,890)
	<b>1,295,782</b>	<b>1,295,782</b>	<b>636,900</b>
<b>Expenditure</b>			
Administration Charges	(40,000)	(40,000)	(40,000)
Advertising	(240)	(240)	(300)
Audit Fee Expenses	(6,000)	(6,000)	(3,600)
Consulting Fees	(3,000)	(3,000)	(3,000)
Contract Expenses	(1,246,542)	(1,246,542)	(590,000)
Construction Costs	-	-	-
	<b>(1,295,782)</b>	<b>(1,295,782)</b>	<b>(636,900)</b>
<b>Net Result</b>	-	-	-
<b><u>East Wanneroo Development Area Cell 2</u></b>			
<b>Income</b>			
Contributions	1,990,400	1,990,400	4,436,930
Interest on Investments	224,711	224,711	596,810
Transfer (to)/from Deferred Revenue	(86,871)	(126,808)	(2,470,703)
	<b>2,128,240</b>	<b>2,088,303</b>	<b>2,563,037</b>
<b>Expenditure</b>			
Administration Charges	(40,000)	(40,000)	(40,000)
Advertising	(240)	(240)	(300)
Audit Fee Expenses	(6,000)	(6,000)	(4,800)
Consulting Fees	(3,000)	(3,000)	(3,000)
Contract Expenses	(2,000,000)	(2,000,000)	(2,475,000)
Construction Costs	(79,000)	(39,063)	(39,937)
	<b>(2,128,240)</b>	<b>(2,088,303)</b>	<b>(2,563,037)</b>
<b>Net Result</b>	-	-	-
<b><u>East Wanneroo Development Area Cell 3</u></b>			
<b>Income</b>			
Contributions	-	-	416,000
Interest on Investments	17,751	17,751	39,590
Transfer (to)/from Deferred Revenue	46,478	42,730	(405,142)
	<b>64,229</b>	<b>60,481</b>	<b>50,448</b>
<b>Expenditure</b>			
Administration Charges	(40,000)	(40,000)	(40,000)
Advertising	(240)	(240)	(300)
Audit Fee Expenses	(6,000)	(6,000)	(3,400)
Consulting	(3,000)	(3,000)	(3,000)
Construction Costs	(14,989)	(11,241)	(3,748)
	<b>(64,229)</b>	<b>(60,481)</b>	<b>(50,448)</b>
<b>Net Result</b>	-	-	-

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

17. MAJOR LAND TRANSACTIONS (CONTINUED)

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

	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
<b>East Wanneroo Development Area Cell 4</b>			
<b>Income</b>			
Contributions	2,379,456	2,379,456	606,000
Interest on Investments	275,787	275,787	703,610
Transfer (to)/from Deferred Revenue	558,432	554,036	644,954
	<b>3,213,675</b>	<b>3,209,279</b>	<b>1,954,564</b>
<b>Expenditure</b>			
Administration Charges	(40,000)	(40,000)	(40,000)
Advertising	(240)	(240)	(300)
Audit Fee Expenses	(6,000)	(6,000)	(4,800)
Consulting Fees	(3,000)	(3,000)	(3,000)
Legal Fees	(250,000)	(250,000)	(150,000)
Contract Expenses	(2,870,126)	(2,870,126)	(773,000)
Construction Costs	(44,309)	(39,913)	(983,464)
	<b>(3,213,675)</b>	<b>(3,209,279)</b>	<b>(1,954,564)</b>
<b>Net Result</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>East Wanneroo Development Area Cell 5</b>			
<b>Income</b>			
Contributions	772,725	772,725	556,000
Interest on Investments	113,471	113,471	241,560
Transfer (to)/from Deferred Revenue	563,044	563,044	(750,660)
	<b>1,449,240</b>	<b>1,449,240</b>	<b>46,900</b>
<b>Expenditure</b>			
Administration Charges	(40,000)	(40,000)	(40,000)
Advertising	(240)	(240)	(300)
Audit Fee Expenses	(6,000)	(6,000)	(3,600)
Consulting Fees	(3,000)	(3,000)	(3,000)
Compensation Payments	(1,400,000)	(1,400,000)	-
Construction Costs	-	-	-
	<b>(1,449,240)</b>	<b>(1,449,240)</b>	<b>(46,900)</b>
<b>Net Result</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>East Wanneroo Development Area Cell 6</b>			
<b>Income</b>			
Contributions	3,306,852	3,306,852	2,600,000
Interest on Investments	562,548	562,548	1,391,857
Transfer (to)/from Deferred Revenue	8,912,395	8,894,895	7,673,743
	<b>12,781,795</b>	<b>12,764,295</b>	<b>11,665,600</b>
<b>Expenditure</b>			
Administration Charges	(40,000)	(40,000)	(40,000)
Advertising	(240)	(240)	(300)
Audit Fee Expenses	(6,000)	(6,000)	(4,800)
Consulting Fees	(3,000)	(3,000)	(3,000)
Compensation Payments	(12,707,959)	(12,707,959)	(11,600,000)
Contract Expenses	-	-	-
Construction Costs	(24,596)	(7,096)	(17,500)
	<b>(12,781,795)</b>	<b>(12,764,295)</b>	<b>(11,665,600)</b>
<b>Net Result</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>East Wanneroo Development Area Cell 7</b>			
<b>Income</b>			
Contributions	556,000	556,000	440,000
Interest on Investments	67,107	67,107	180,550
Transfer (to)/from Deferred Revenue	(524,272)	(541,772)	311,237
	<b>98,835</b>	<b>81,335</b>	<b>931,787</b>
<b>Expenditure</b>			
Administration Charges	(40,000)	(40,000)	(40,000)
Advertising	(240)	(240)	(300)
Audit Fee Expenses	(6,000)	(6,000)	(4,800)
Consulting	(3,000)	(3,000)	(3,000)
Contract Expenses	-	-	(826,000)
Construction Costs	(49,595)	(32,095)	(57,687)
	<b>(98,835)</b>	<b>(81,335)</b>	<b>(931,787)</b>
<b>Net Result</b>	<b>-</b>	<b>-</b>	<b>-</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

17. MAJOR LAND TRANSACTIONS (CONTINUED)

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

	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
<b>East Wanneroo Development Area Cell 8</b>			
<b>Income</b>			
Contributions	733,678	733,678	1,635,000
Interest on Investments	117,682	117,682	304,560
Transfer (to)/from Deferred Revenue	(67,120)	(107,120)	(1,800,896)
	<b>784,240</b>	<b>744,240</b>	<b>138,664</b>
<b>Expenditure</b>			
Administration Charges	(40,000)	(40,000)	(40,000)
Advertising	(240)	(240)	(300)
Audit Fee Expenses	(6,000)	(6,000)	(4,800)
Consulting Fees	(3,000)	(3,000)	(3,000)
Contract Expenses	(660,000)	(660,000)	-
Construction Costs	(75,000)	(35,000)	(90,564)
	<b>(784,240)</b>	<b>(744,240)</b>	<b>(138,664)</b>
<b>Net Result</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>East Wanneroo Development Area Cell 9</b>			
<b>Income</b>			
Contributions	2,007,509	2,007,509	3,300,000
Interest on Investments	445,434	445,434	1,153,070
Transfer (to)/from Deferred Revenue	2,342,216	1,801,466	(1,451,870)
	<b>4,795,159</b>	<b>4,254,409</b>	<b>3,001,200</b>
<b>Expenditure</b>			
Administration Charges	(40,000)	(40,000)	(40,000)
Advertising	(240)	(240)	(300)
Audit Fee Expenses	(6,000)	(6,000)	(6,000)
Consulting Fees	(3,000)	(3,000)	(3,000)
Contract Expenses	-	-	-
Compensation Payments	(2,363,000)	(2,363,000)	(2,116,000)
Construction Costs	(2,382,919)	(1,842,169)	(835,900)
	<b>(4,795,159)</b>	<b>(4,254,409)</b>	<b>(3,001,200)</b>
<b>Net Result</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Town Planning Scheme 5 (Landsdale)</b>			
<b>Income</b>			
Interest on Investments	12,344	12,344	30,440
Transfer (to)/from Deferred Revenue	(12,344)	(12,344)	(30,440)
	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditure</b>			
Administration Charges	-	-	-
Construction Costs	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Result</b>	<b>-</b>	<b>-</b>	<b>-</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

18. MAJOR TRADING UNDERTAKINGS

Details:

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

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

**Statement of Comprehensive Income**

Description	2022/23 Estimate \$	2023/24 Budget \$	2024/25 Forecast \$	2025/26 Forecast \$	2026/27 Forecast \$
<b>Revenue</b>					
Resource Extraction Sales	660,000	659,993	660,000	660,000	660,000
	<b>660,000</b>	<b>659,993</b>	<b>660,000</b>	<b>660,000</b>	<b>660,000</b>
<b>Expenditure</b>					
Resource Extraction Costs	(553,628)	(558,386)	(637,700)	(250,000)	(250,000)
	<b>(553,628)</b>	<b>(558,386)</b>	<b>(637,700)</b>	<b>(250,000)</b>	<b>(250,000)</b>
<b>Net Result</b>	<b>106,372</b>	<b>101,607</b>	<b>22,300</b>	<b>410,000</b>	<b>410,000</b>

19. GRANTS, SUBSIDIES & CONTRIBUTIONS (Includes Value of Contributions of Physical Assets)

Description	2022/23 Budget \$	2022/23 Estimate \$	2023/24 Budget \$
<b>Operating</b>			
Grants, Subsidies & Contributions	5,596,390	15,002,651	3,811,153
<b>Non-Operating</b>			
Grants, Subsidies & Contributions	21,965,725	15,120,495	19,565,686
Value of Contributions of Physical Assets	24,848,400	24,848,400	26,191,189
	46,814,125	39,968,895	45,756,875
	<b>52,410,515</b>	<b>54,971,546</b>	<b>49,568,028</b>