



**CITY OF
CANNING**

Annual Budget 2022-2023

CITY OF CANNING

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2023

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Statement of Cash Flows	3
Rate Setting Statement	4
Index of Notes to the Budget	6

CITY'S VISION

To make Canning a welcoming and thriving City

CITY OF CANNING
STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
Revenue				
Rates	2(a)	78,025,678	74,366,467	73,977,052
Operating grants, subsidies and contributions	12	6,081,869	8,657,039	6,681,896
Fees and charges	16	36,252,644	34,582,277	34,628,919
Service charges	2(f)	7,935,678	4,926,424	7,633,228
Interest earnings	13(a)	1,190,892	809,911	694,794
Other revenue	13(b)	293,354	351,644	320,445
		129,780,115	123,693,762	123,936,334
Expenses				
Employee costs		(57,334,775)	(57,086,785)	(57,616,786)
Materials and contracts		(43,711,708)	(37,902,466)	(37,696,972)
Utility charges		(4,853,826)	(4,769,334)	(4,944,999)
Depreciation on non-current assets	6	(23,578,115)	(22,674,955)	(22,860,013)
Interest expenses	13(d)	(1,027,581)	(297,382)	(394,664)
Insurance expenses		(1,333,223)	(1,212,554)	(1,284,702)
Other expenditure		(1,519,335)	(1,698,187)	(1,932,657)
		(133,358,563)	(125,641,663)	(126,730,793)
		(3,578,448)	(1,947,901)	(2,794,459)
Non-operating grants, subsidies and contributions	12	11,460,232	10,254,683	8,459,468
Profit on asset disposals	5(b)	(125,300)	(538,175)	110,001
Loss on asset disposals	5(b)	0	(41,421)	0
		11,334,932	9,675,087	8,569,469
Net result for the period		7,756,484	7,727,186	5,775,010
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	0	0
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		7,756,484	7,727,186	5,775,010

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

CITY OF CANNING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		74,519,984	76,371,054	73,670,537
Operating grants, subsidies and contributions		6,081,869	8,706,608	6,681,896
Fees and charges		36,252,644	34,582,277	34,381,077
Service charges		7,935,678	4,926,424	7,633,228
Interest received		1,190,892	809,911	694,794
Goods and services tax received		0	159,394	3,392,727
Other revenue		293,354	351,644	295,592
		126,274,421	125,907,312	126,749,851
Payments				
Employee costs		(56,838,856)	(55,844,921)	(57,153,283)
Materials and contracts		(43,214,074)	(40,603,992)	(39,659,740)
Utility charges		(4,853,826)	(4,769,334)	(4,922,873)
Interest expenses		(1,027,581)	(297,382)	(394,664)
Insurance paid		(1,333,223)	(1,212,554)	(1,284,702)
Goods and services tax paid		0	0	(3,613,981)
Other expenditure		(1,519,335)	(1,698,187)	(1,822,972)
		(108,786,895)	(104,426,370)	(108,852,215)
Net cash provided by (used in) operating activities	4	17,487,526	21,480,942	17,897,636
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(11,694,393)	(10,663,772)	(8,105,007)
Payments for construction of infrastructure	5(a)	(31,674,783)	(21,157,736)	(22,918,570)
Payment for purchase of intangibles	5(a)	(400,000)	(250,349)	(82,648)
Refund of Retirement Village Ingoing Contribution			(290,000)	
Non-operating grants, subsidies and contributions		11,460,232	10,254,683	8,459,468
Proceeds from sale of property, plant and equipment	5(b)	1,824,736	6,735,790	5,245,637
Proceeds on financial assets at amortised cost - self supporting loans		(1,972,704)	752,647	(1,697,879)
Proceeds on disposal of financial assets at fair values through other comprehensive income		0	103,627	0
Net cash provided by (used in) investing activities		(32,456,912)	(14,515,111)	(19,098,999)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(4,062,252)	(11,918,278)	(5,042,888)
Principal elements of lease payments	8	(637,737)	(552,967)	(668,325)
Proceeds from new borrowings	7(a)	18,219,920	22,007,423	12,096,336
Net cash provided by (used in) financing activities		13,519,931	9,536,178	6,385,123
Net increase (decrease) in cash held		(1,449,456)	16,502,009	5,183,761
Cash at beginning of year		76,118,001	59,615,992	54,203,787
Cash and cash equivalents at the end of the year	4	74,668,545	76,118,001	59,387,548

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

CITY OF CANNING
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget \$	2021/22 Actual \$	2021/22 Budget \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	3	(2,905,492)	7,465,799	(1,380,073)
		(2,905,492)	7,465,799	(1,380,073)
Revenue from operating activities (excluding rates)				
Specified area and ex gratia rates	2(a)(ii)	327,160	369,730	369,492
Operating grants, subsidies and contributions	12	6,081,869	8,657,039	6,681,896
Fees and charges	16	36,252,644	34,582,277	34,628,919
Service charges	2(f)	7,935,678	4,926,424	7,633,228
Interest earnings	13(a)	1,190,892	809,911	694,794
Other revenue	13(b)	293,354	351,644	320,445
Profit on asset disposals	5(b)	(125,300)	(538,175)	110,001
		51,956,297	49,158,850	50,438,775
Expenditure from operating activities				
Employee costs		(57,334,775)	(57,086,785)	(57,616,786)
Materials and contracts		(43,711,708)	(37,902,466)	(37,696,972)
Utility charges		(4,853,826)	(4,769,334)	(4,944,999)
Depreciation on non-current assets	6	(23,578,115)	(22,674,955)	(22,860,013)
Interest expenses	13(d)	(1,027,581)	(297,382)	(394,664)
Insurance expenses		(1,333,223)	(1,212,554)	(1,284,702)
Other expenditure		(1,519,335)	(1,698,187)	(1,932,657)
Loss on asset disposals	5(b)	0	(41,421)	0
		(133,358,563)	(125,683,084)	(126,730,793)
Non-cash amounts excluded from operating activities	3(b)	23,703,415	23,254,551	22,750,012
Amount attributable to operating activities		(60,604,343)	(45,803,884)	(54,922,079)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	12	11,460,232	10,254,683	8,459,468
Payments for property, plant and equipment	5(a)	(11,694,392)	(10,663,772)	(8,105,007)
Payments for construction of infrastructure	5(a)	(31,674,783)	(21,157,736)	(22,918,570)
Payments for intangible assets		(400,000)	(250,349)	(82,648)
Proceeds from disposal of assets	5(b)	1,824,736	6,735,790	5,245,637
Proceeds from financial assets at amortised cost - self supporting loans		(1,972,704)	752,647	(1,697,877)
Proceeds on disposal of financial assets at fair values through other comprehensive income		0	103,627	0
Refund of Retirement Village Ingoing Contribution			(290,000)	
Amount attributable to investing activities		(32,456,912)	(14,515,111)	(19,098,997)
Amount attributable to investing activities		(32,456,912)	(14,515,111)	(19,098,997)

CITY OF CANNING
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

FINANCING ACTIVITIES

Repayment of borrowings	7(a)	(4,062,252)	(11,918,278)	(5,042,888)
Principal elements of finance lease payments	8	(637,737)	(552,967)	(668,325)
Proceeds from new borrowings	7(b)	18,219,920	22,007,423	12,096,336
Transfer from unspent borrowings from previous year			2,388,789	
Transfer to Other Restricted Funds				304,824
Transfers to cash backed reserves (restricted assets)	9(a)	(20,051,415)	(32,521,805)	(28,133,461)
Transfers from cash backed reserves (restricted assets)	9(a)	18,621,026	12,134,903	18,576,406
Amount attributable to financing activities		12,089,542	(8,461,934)	(2,867,108)
Budgeted deficiency before general rates		(80,971,713)	(68,780,929)	(76,888,183)
Funds expected to be used for carry forward projects			(8,121,300)	
Estimated amount to be raised from general rates	2(a)	77,698,518	73,996,737	73,607,559
Net current assets at end of financial year - surplus/(deficit)	3	(3,273,195)	(2,905,492)	(3,280,624)

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

INDEX OF NOTES TO THE BUDGET

Note 1	Basis of Preparation	7
Note 2	Rates	10
Note 3	Net Current Assets	17
Note 4	Reconciliation of cash	20
Note 5	Fixed Assets	21
Note 6	Asset Depreciation	24
Note 7	Borrowings	26
Note 8	Leases	27
Note 9	Reserves	28
Note 10	Reserves Purpose	29
Note 11	Revenue Recognition	32
Note 12	Program Information	33
Note 13	Other Information	34
Note 14	Elected Members Remuneration	35
Note 15	Trust	37
Note 16	Fees and Charges	38

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

1 (a) BASIS OF PREPARATION

The annual budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

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

Accounting policies which have been adopted in the preparation of this annual budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Financial reporting disclosures in relation to assets and liabilities required by the Australian Accounting Standards have not been made unless considered important for the understanding of the budget or required by legislation.

The local government reporting entity

All funds through which the City of Canning 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 the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 15 to the annual budget.

2021/22 actual balances

Balances shown in this budget as 2021/22 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures

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

Comparative figures

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

Initial application of accounting standards

During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date

It is not expected these standards will have an impact on the annual budget.

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-6 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

It is not expected these standards will have an impact on the annual budget.

Judgements, estimates and assumptions

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

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

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- estimation of fair values of land and buildings and investment property
- impairment of financial assets
- estimation uncertainties and judgements made in relation to lease accounting
- estimated useful life of assets

Rounding off figures

All figures shown in this statement are rounded to the nearest dollar.

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

1 (b) KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

SERVICE CHARGES

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

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

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries separated by note to ensure the correct calculation of ratios.

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

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

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

1 (c) KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

ACTIVITIES

Governance

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

Includes the activities of Elected Members and the administrative support available to Council for the provision of governance of the District. Other costs that relate to the task of assisting elected members and ratepayers on matters that do not concern specific local government services.

General purpose funding

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

Law, order, public safety

To provide services to help ensure a safer and environmentally conscious community.

This area includes supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

Health

To provide an operational framework for environmental and community health.

Includes inspection of food outlets and their control, provision of skin penetration services, noise control and waste disposal compliance.

Education and welfare

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

Includes maintenance of child minding centres, playgroup centres, senior citizen centres and aged care facilities. Provision and maintenance of home care programs and youth services.

Housing

To provide housing services for the elderly and those with disabilities

Administration, provision and operation of housing programs for aged persons.

Community amenities

To provide services required by the community.

Included in this area are items such as rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment, administration of development planning schemes, and public conveniences.

Recreation and culture

To establish and effectively manage infrastructure and resources which will help the social well being of the community.

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

Transport

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets, maintenance of street trees, street lighting etc.

Economic services

To help promote the local government and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control, Economic Development and Underground Power.

Other property and services

To monitor and control operating accounts.

Private works operation, plant repair and costs and administrative overheads not included elsewhere.

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2022/23 Budgeted rate revenue	2022/23 Budgeted interim rates	2022/23 Budgeted back rates	2022/23 Budgeted total revenue	2021/22 Actual total revenue	2021/22 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
(i) Differential general rates or general rates										
- Residential Improved		0.06033	20,609	427,618,021	25,796,929			25,796,929	24,688,874	24,330,923
- Non - Residential Improved		0.05904	2,823	588,985,567	34,774,897			34,774,897	33,102,325	33,095,579
- Unimproved		0.09638	830	20,263,654	1,953,109			1,953,109	1,827,253	1,814,267
Interim rates					0	143,407		143,407	647,513	255,000
Sub-Total			24,262	1,036,867,242	62,524,935	143,407	0	62,668,342	60,265,965	59,495,769
Minimum payment										
- Residential Improved		952	14,736	190,251,213	14,028,672			14,028,672	12,895,253	13,253,086
- Non - Residential Improved		952	283	3,518,494	269,416			269,416	243,108	249,854
- Unimproved		952	769	5,340,591	732,088			732,088	592,411	608,850
Sub-Total			15,788	199,110,298	15,030,176	0	0	15,030,176	13,730,772	14,111,790
								77,698,518	73,996,737	73,607,559
Total amount raised from general rates								77,698,518	73,996,737	73,607,559
(ii) Specified area and ex gratia rates										
Specified area rates										
Canning Vale POS - General		0.00453	3251	72,209,704	327,160			327,160	369,730	369,492
Total specified area and ex gratia rates								327,160	369,730	369,492
Total rates								78,025,678	74,366,467	73,977,051

All land (other than exempt land) in the City of Canning is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the City of Canning.

The general rates detailed for the 2022/23 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the Budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES (CONTINUED)

(b) Interest Charges and Instalments - Rates and Service Charges

The following instalment options are available to ratepayers for the payment of rates and service charges.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
Option one				
Single full payment	2/09/2022	\$ NA	% NA	% NA
First instalment				
Second instalment				
Option two				
First instalment	2/09/2022	1.65	2.5%	7.0%
Second instalment	4/11/2022	1.65	2.5%	7.0%
Third instalment	6/01/2023	1.65	2.5%	7.0%
Fourth instalment	10/03/2023	1.65	2.5%	7.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
Instalment plan interest earned	\$ 252,225	\$ 252,225	\$ 281,615
Unpaid rates and service charge interest earned	230,000	223,862	253,000
	482,225	476,087	534,615

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the City the following rate categories have been determined for the implementation of differential rating.

Differential general rate

Description	Characteristics	Objects	Reasons
Residential Improved	This incorporates residential single dwellings, duplex, multi-unit, strata and Homeswest	This rate is to contribute to services and facilities available to the resident.	This is considered to be the base rate above which all other GRV rated properties are assessed.
Non-Residential Improved	This incorporates all light industry, general industry, commercial, mixed use, service commercial, centre, local centre and district centre properties.	The objective is to raise additional revenue to contribute toward higher costs associated with commercial/industrial activity.	This category has positive differential compared to residential so as to discourage land banking. These properties incur additional cost of servicing due to these sites being more likely for illegal dumping, can become overgrown or unkempt or become places of antisocial behaviour.
Unimproved	This incorporates residential or non-residential properties which are unimproved and are vacant land.	The objective is to raise additional revenue to contribute toward higher costs associated with commercial/industrial activity.	Commercial premises generate higher volumes of pedestrian and traffic movements than residential properties which results in increased level of maintenance expenditure. The differential rate is set up to generate at least the same level of revenue to the proportion of the GRV.

(d) Differential Minimum Payment

A uniform minimum rate is applied to all rate categories. The Minimum Rate has been determined by the City on the basis that all ratepayers must make a reasonable contribution to the cost of the City's services, facilities, and infrastructure.

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

	Budgeted rate applied to costs	Budgeted rate set aside to reserve	Reserve Amount to be applied to costs	Purpose of the rate	Area or properties rate is to be imposed on
Specified area rate	\$	\$	\$		
Canning Vale POS - General	327,158	0	0	To maintain the level of Public Open Space Development at the current standards for subdivisions in Canning Vale. A suburb located in the South East Corner of the City, adjacent to Ranford Road, all have Public Open Space fully developed and initially provided at the expense of the respective subdividers.	0.00453
	327,158	0	0		

(f) Service Charges

Amount of charge	2022/23 Budgeted revenue	Budget amount to be applied to costs	Budget amount to be set aside to reserve	Reserve amount to be applied to costs	2021/22 Actual revenue	2021/22 Budget revenue
\$	\$	\$	\$	\$	\$	\$
Service Charge - Property & Security Levy	2,651,963	2,651,963	0	177,500	2,538,311	2,508,627
UGP Service Charge - Shelley West SUPP	120,477	120,477	0	0	2,310,169	4,690,328
UGP Service Charge - St James NRUPP	701,376	701,376	0	0	0	375,000
Underground Power Service Charge - Shelley East	4,449,151	4,449,151	0	0	0	5,650
Underground Power Service Charge - Wilson West	0	0	0	0	13,808	12,820
Underground Power Service Charge - Bentley East	0	0	0	0	18,277	14,089
Underground Power Service Charge - Wilson East	12,711	12,711	0	0	45,859	26,714
	7,935,678	7,935,678	0	177,500	4,926,424	7,633,228

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES (CONTINUED)

Nature of the service charge	Objects of the charge	Reasons for the charge	Area/Properties charge to be imposed on
Service Charge - Property & Security Levy	Pursuant to Section 6.38(1) of the Local Government Act 1995 and Regulation 54 of the Local Government (Financial Management) Regulations, a service charge of \$61.94 per property is imposed for the provision of a 24 hour property surveillance and security service throughout the City.	The proceeds of this service charge are applied in full to the costs of providing the service which is budgeted in 2022/2023 to be -\$2,651,963	
UGP Service Charge - St James NRUPP	The project involved the design, installation and commissioning of an underground electricity supply distribution system. The project included the conversion of all existing overhead customer service connections to underground between the property boundary and the property building.	The City is only required to pay the Operation Expenditure (OpEx) component of the works and it is estimated that the cost of this works to be \$1,059,643. The City has borrowed \$375,000 for the payment made towards this scheme in 2021-2022. For the balance payable in the year 2022-2023, the City is estimating to receive 50% lump sum payment and is expected to borrow the sum of \$342,322 for a term of 10 years to fund the above project. The project will be finalised before the end of this financial year.	The project area contains properties within the boundaries of Hill View Terrace, Reen Street/Boundary Road, Albany Highway, and Palmerston Street.
Underground Power Service Charge - Shelley East	The project involved the design, installation and commissioning of an underground electricity supply distribution system. The project included the conversion of all existing overhead customer service connections to underground between the property boundary and the property building.	The estimated cost of this project cost to be paid by the City is \$4,881,588, these will be levied through six separate cash calls on the City of approximately \$684,431 for each, with the City already incurring a cost of \$455,000 on payment of the design fee. The remainder of the cost is required to be incurred in the year 2022-2023.	The project area contains properties continuing on from the Shelley West SUPP project on the western border and within the boundaries of Riverside Drive North, Park Beach Close and Leach Highway.
Underground Power Service Charge - Wilson East	The project involved the design, installation and commissioning of an underground electricity supply distribution system. The project included the conversion of all existing overhead customer service connections to underground between the property boundary and the property building.	The total cost of the project is \$7,804,436 shared equally between Western Power and ratepayers within the defined area. The City has borrowed the sum of \$2,478,754 for a term of 10 years to fund the above project. The project was finalised in 2014/15 at a total cost of \$7,308,092.	The area is bounded by Leach Highway, Manning Road, Fern Road and the Canning River.

(g) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Note	Type	Discount %	Discount (\$)	2022/23	2021/22	2021/22
					Budget	Actual	Budget
General Rates		Waiver	100.0%		\$	\$	\$
					102,803	82,547	82,547
					102,803	82,547	82,547

To recognise the benefits generated to the Community the rating waiver from general rates is granted to the Community Groups and Sporting Clubs under the Council policy FM.10 - Rating Waivers fro Community Group.

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

3. NET CURRENT ASSETS

	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
Note	\$	\$	\$
(a) Composition of estimated net current assets			
Current assets			
Cash and cash equivalents - unrestricted	4	18,313,707	21,193,552
Cash and cash equivalents - restricted	4	56,354,838	54,924,449
Financial assets - unrestricted		1,116,430	(856,274)
Receivables		7,554,216	6,021,226
Contract assets		289,959	289,959
Inventories		49,687	47,321
Land Held for Resale		12,263,500	12,263,500
Development Costs		30,878	30,878
Other Assets		744,614	744,614
		<u>96,717,829</u>	<u>94,659,225</u>
			72,688,057
Less: current liabilities			
Trade and other payables		(11,387,223)	(10,887,223)
Contract liabilities		(9,244,731)	(9,244,731)
Resident Equity		(3,528,995)	(3,528,995)
Lease liabilities	8	0	(637,737)
Long term borrowings	7	(4,062,252)	(4,062,252)
Employee provisions		(10,414,306)	(9,918,388)
		<u>(38,637,507)</u>	<u>(38,279,326)</u>
			(30,299,157)
Net current assets		<u>58,080,322</u>	<u>56,379,899</u>
			42,388,900
Less: Total adjustments to net current assets	3.(c)	<u>(61,353,517)</u>	<u>(59,285,391)</u>
Net current assets used in the Rate Setting Statement		<u>(3,273,195)</u>	<u>(3,280,624)</u>

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

3. NET CURRENT ASSETS (CONTINUED)

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

(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 Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals

Add: Loss on disposal of assets

Add: Depreciation on assets

Non cash amounts excluded from operating activities

Note	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
	\$	\$	\$
5(b)	125,300	538,175	(110,001)
5(b)	0	41,421	0
6	23,578,115	22,674,955	22,860,013
	23,703,415	23,254,551	22,750,012

(c) Current assets and 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 to net current assets

Less: Cash - restricted reserves

Less: Financial assets - restricted

Less: Current assets not expected to be received at end of year

- Current portion of self supporting loans receivable

- Land held for resale

- Development Cost

- Other liabilities

Add: Current liabilities not expected to be cleared at end of year

- Current portion of borrowings

- Current portion of lease liabilities

- Current portion of other provisions held in reserve

Less: Funds expected to be used for carry forward projects

Total adjustments to net current assets

9	(47,110,107)	(45,679,718)	(33,263,839)
4	(655,979)	(655,979)	(466,478)
	(762,999)	(762,999)	(751,356)
	(12,263,500)	(12,263,500)	(3,552,352)
	(30,878)	(30,878)	(124,656)
			121,254
	4,062,252	4,062,252	2,153,226
	0	637,737	(328,196)
	3,528,995	3,528,995	3,836,644
	(8,121,301)	(8,121,301)	(13,293,771)
	(61,353,517)	(59,285,391)	(45,669,524)

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

3 (d) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

An 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 or non-current based on the City's intentions to release for sale.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City of Canning becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

PREPAID RATES

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the City recognises revenue for the prepaid rates that have not been refunded.

INVENTORIES

General

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

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

Superannuation

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

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

LAND HELD FOR RESALE

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

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

GOODS AND SERVICES TAX (GST)

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

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

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

TRADE AND OTHER RECEIVABLES

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

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

The City applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

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

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

3 (d) NET CURRENT ASSETS (CONTINUED)

EMPLOYEE BENEFITS

Short-term employee benefits

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

The City's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

CONTRACT LIABILITIES

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the City are recognised as a liability until such time as the City satisfies its obligations under the agreement.

CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

4. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts.

Estimated cash at the end of the reporting period is as follows:

	Note	2022/23 Budget	2021/22 Actual	2021/22 Budget
Cash at bank and on hand		\$ 2,703,440	\$ 4,152,896	\$ 12,998,269
Term deposits		71,965,105	71,965,105	46,389,279
Total cash and cash equivalents		74,668,545	76,118,001	59,387,548
Held as				
- Unrestricted cash and cash equivalents	3(a)	18,313,707	21,193,552	20,069,973
- Restricted cash and cash equivalents	3(a)	56,354,838	54,924,449	39,317,575
		74,668,545	76,118,001	59,387,548
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:				
- Cash and cash equivalents		56,354,838	54,924,449	39,317,575
		56,354,838	54,924,449	39,317,575
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Financially backed reserves	9	47,110,107	45,679,718	33,263,839
Contract liabilities		9,244,731	9,244,731	6,053,736
		56,354,838	54,924,449	39,317,575
Reconciliation of net cash provided by operating activities to net result				
Net result		7,756,484	7,727,186	5,775,010
Depreciation	6	23,578,115	22,674,955	22,860,013
(Profit)/loss on sale of asset	5(b)	125,300	579,596	(110,001)
Share of profit or (loss) of associates accounted for using the equity method		0	0	0
(Increase)/decrease in receivables		(3,505,694)	2,213,551	(446,734)
(Increase)/decrease in inventories		(2,366)	20,280	(4,663)
Increase/(decrease) in payables		500,000	(2,721,806)	(2,212,549)
Increase/(decrease) in contract liabilities		0	(1)	0
Increase/(decrease) in employee provisions		495,919	1,241,864	463,502
Non-operating grants, subsidies and contributions		(11,460,232)	(10,254,683)	(8,459,468)
Net cash from operating activities		17,487,526	21,480,942	17,865,110

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 3 - Net Current Assets.

FINANCIAL ASSETS AT AMORTISED COST

The City classifies financial assets at amortised cost if both of the criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

5. FIXED ASSETS

(a) Acquisition of Assets

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

Reporting program

Asset class	Reporting program									2022/23 Budget total	2021/22 Actual total	2021/22 Budget total
	Governance	Law, order, public safety	Health	Education and welfare	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>												
Land - freehold land									391,455	391,455	207,094	270,500
Buildings - non-specialised	10,000			2,166,000	119,169	995,000			5,020,761	8,310,930	8,760,748	3,309,180
Furniture and equipment		133,000							21,120	154,120	702,503	631,762
Plant and equipment		160,470	138,829		36,459	531,268	483,095	44,000	1,443,766	2,837,887	993,426	3,893,564
	10,000	293,470	138,829	2,166,000	155,628	1,526,268	483,095	44,000	6,877,102	11,694,392	10,663,772	8,105,007
<i>Infrastructure</i>												
Infrastructure - roads							11,618,190		8,664,279	20,282,469	9,847,347	17,956,826
Infrastructure - footpaths							50,000			50,000	235,775	170,000
Infrastructure - drainage					40,000		210,000			250,000	152,097	40,000
Infrastructure - parks and recreation					76,101	10,797,309	80,000		108,904	11,062,314	10,921,094	4,571,741
Infrastructure - other							5,000			30,000	1,423	180,003
	0	0	0	0	116,101	10,802,309	11,983,190	0	8,773,183	31,674,783	21,157,736	22,918,570
<i>Right of use assets</i>												
Right of use										0	554,310	
	0	0	0	0	0	0	0	0	0	0	554,310	0
<i>Intangible Assets</i>												
Intangible assets	400,000									400,000	250,349	82,648
	400,000	0	0	0	0	0	0	0	0	400,000	250,349	82,648
Total acquisitions	410,000	293,470	138,829	2,166,000	271,729	12,328,578	12,466,285	44,000	15,650,285	43,769,176	32,626,167	31,106,225

5. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. *These assets are expensed immediately.*

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

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

5. FIXED ASSETS

(b) Disposals of Assets

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

	2022/23 Budget Net Book Value	2022/23 Budget Sale Proceeds	2022/23 Budget Profit	2022/23 Budget Loss	2021/22 Actual Net Book Value	2021/22 Actual Sale Proceeds	2021/22 Actual Profit	2021/22 Actual Loss	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance		0	0	0		34,648	34,648	0		0	0	0
General Purpose Funding		0	0	0		0	0	0	12,945	12,945	0	0
Law, order, public safety	76,276	41,364	(34,912)	0	57,445	83,955	26,510	0	70,111	61,574	(8,537)	0
Health	44,774	33,058	(11,716)	0		0	0	0	11,591	11,591	0	0
Education and welfare	7,305	0	(7,305)	0	12,945	0	(12,945)	0	21,818	10,982	(10,836)	0
Housing		(1)	(1)	0		0	0	0	1	0	(1)	0
Community amenities	212,414	(1,078,861)	(1,291,275)	0	6,806,627	133,394	(6,673,233)	0	4,435,029	109,091	(4,325,938)	0
Recreation and culture	311,682	100,941	(210,741)	0	94,821	229,406	136,361	(1,776)	265,453	246,904	(18,549)	0
Transport	162,422	74,545	(87,877)	0	290,653	(2,899)	26,291	(319,843)	213,015	211,917	(1,098)	0
Economic services	0	12,376	12,376	0		0	0	0	0	7,273	7,273	0
Other property and services	1,135,163	2,641,314	1,506,151	0	52,895	6,257,286	6,706,892	(502,501)	105,673	4,573,360	4,467,687	0
	1,950,036	1,824,736	(125,300)	0	7,315,386	6,735,790	244,524	(824,120)	5,135,635	5,245,637	110,001	0
By Class												
<i>Property, Plant and Equipment</i>												
Land - freehold land	1,091,589	1,200,000	108,411	0	6,732,501	6,230,000	0	(502,501)	4,310,000	4,471,000	160,999	0
Plant and equipment	858,446	624,736		(233,710)	261,266	505,790	244,524	0	825,635	774,637	(50,998)	0
<i>Infrastructure</i>												
Infrastructure - roads	0	0	0	0	280,198	0	0	(280,198)	0	0	0	0
Infrastructure - parks and recreation	0	0	0	0	41,421	0	0	(41,421)	0	0	0	0
	1,950,035	1,824,736	108,411	(233,710)	7,315,386	6,735,790	244,524	(824,120)	5,135,635	5,245,637	110,001	0

A detailed breakdown of disposals on an individual asset basis can be found in the supplementary information attached to this budget document as follows:

- Staff housing program
- Plant replacement program

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

6. ASSET DEPRECIATION

By Program

Governance
Law, order, public safety
Health
Education and welfare
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

By Class

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - drainage
Infrastructure - parks and recreation
Infrastructure - other
Right of use
Intangible assets - intangible assets

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
1,122,775	1,102,232	1,056,565	
196,036	149,537	153,610	
68,333	60,452	66,900	
718,301	689,573	749,004	
309,064	309,007	329,850	
2,428,487	2,174,988	2,239,545	
6,813,881	6,399,695	6,333,609	
11,481,639	11,412,191	11,381,344	
141,836	143,079	144,907	
297,763	234,202	404,678	
23,578,115	22,674,955	22,860,013	
5,475,836	5,299,039	5,298,181	
465,572	416,508	452,204	
1,880,443	1,300,648	1,768,534	
8,661,919	8,683,359	8,743,159	
1,322,732	1,322,558	1,288,482	
1,400,783	1,399,608	1,386,474	
2,095,481	1,974,220	1,836,828	
1,217,387	1,234,132	1,099,017	
570,745	557,801	506,434	
487,217	487,081	480,701	
23,578,115	22,674,955	22,860,013	

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings - non-specialised	2 to 60 years
Furniture and equipment	1 to 10 years
Plant and equipment	1 to 15 years
Infrastructure - roads	Condition Rated Annually
Infrastructure - footpaths	50 years
Infrastructure - drainage	75 years
Infrastructure - parks and recreation	5 to 40 Years
Infrastructure - other	1 to 50 Years
Right of use	
Intangible assets - intangible assets	

AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

7. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2022/23	2022/23	Budget	2022/23	Actual Principal	2021/22	2021/22	Actual	2021/22	Budget	2021/22	Budget	Principal	2021/22	
				Principal 1 July 2022	Budget New Loans	Budget Repayments	Principal outstanding 30 June 2023	Budget Interest Repayments		Principal 1 July 2021	Actual New Loans	Actual Principal Repayments	Principal outstanding 30 June 2022	Actual Interest Repayments	Principal 1 July 2021	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2022	Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture																			
Riverton Leisureplex				0			0		149,691			(149,691)	0	(2,829)	149,691		(149,691)	0	(2,177)
Riverton Library Refurbishment				0			0		336,246			(336,246)	0	(4,363)	336,246		(336,246)	0	(2,905)
Willetton Basketball	243	WATC	1.8%	1,580,743		(213,903)	1,366,840	(26,865)	1,790,859	0		(210,116)	1,580,743	(42,659)	1,790,859	0	(210,116)	1,580,743	(30,651)
Sundry Infrastructure Renev	244	WATC	4.1%	1,421,297		(333,990)	1,087,307	(52,922)		1,421,297			1,421,297						0
Parks and Playgrounds - Sp	245	WATC	4.1%	1,547,500		(363,646)	1,183,854	(57,621)		1,547,500			1,547,500						0
Sundry - Building Renewals	246	WATC	4.1%	1,170,000		(274,938)	895,062	(43,565)		1,170,000			1,170,000						0
Willetton Sports Precinct (E)	247	WATC	4.1%	1,493,000		(350,839)	1,142,161	(55,592)		1,493,000			1,493,000						0
Willetton Sports Precinct - N	248	WATC	4.1%	550,000		(129,244)	420,756	(20,479)		550,000			550,000						0
Willetton Library Refurbishr	249	WATC	4.1%	1,500,000		(352,484)	1,147,516	(55,853)		1,500,000			1,500,000						0
New Community Piazza	256	WATC	4.1%	1,348,556		(316,897)	1,031,659	(50,214)		1,348,556			1,348,556						0
Whaleback Golf Course - Irr	252	WATC	4.2%	902,500		(165,706)	736,794	(35,402)		902,500			902,500		902,500			902,500	0
Cocker Park Infrastructure	254	WATC	4.2%	439,000		(80,604)	358,396	(17,220)		439,000			439,000		439,000			439,000	0
Burrendah Park Infrastructu	255	WATC	4.2%	467,167		(85,776)	381,391	(18,325)		467,167			467,167		467,167			467,167	0
Building Improvements and	253	WATC	4.2%	341,963		(62,787)	279,176	(13,414)		341,963			341,963		361,963			361,963	0
Kent Street Weir Developme	258A	WATC	4.1%	1,554,069		(486,962)	1,067,107	(77,161)		1,554,069			1,554,069						0
Wyong Park Upgrade - Construction				0	836,704		836,704						0		1,424,500			1,424,500	0
Queens Park Regional Open Space - Development				0	5,000,000		5,000,000						0						0
Kent Street Weir				0	550,000		550,000						0						0
Hossack Park Pavilion - Condition Renewal				0	789,805		789,805						0						0
Short Term Loans									8,200,000			(8,200,000)		(92,320)	11,005,776		(2,196,703)	8,809,073	(144,499)
Transport																			
City Centre Loan	241	WATC	4.8%	500,000		(25,694)	474,306	(23,591)		500,000			500,000	(5,629)	500,000		(27,506)	472,494	(13,027)
City Centre Projects	250	WATC	4.9%	5,300,000		(246,553)	5,053,447	(253,132)		5,300,000			5,300,000		5,300,000			5,300,000	0
City Centre Loans				0	5,600,000		5,600,000						0						0
City Centre - Short Term Loan				0			0		500,000			(500,000)							0
Economic services																			
Wilson West Underground F	236A	WATC	3.9%	0		0	0	0	238,838	0	(238,838)	0	(13,486)	238,837	0	(238,837)	0	0	(13,486)
Bentley East Underground F	236B	WATC	3.9%	0		0	0	0	241,094	0	(241,094)	0	(13,613)	241,095	0	(241,095)	0	0	(13,613)
Shelley East Underground F	238A	WATC	3.9%	0		0	0	0	455,000	0	(455,000)	0	(5,123)	500,000	505,650	(500,000)	505,650	505,650	(5,650)
Wilson East Underground P	238A	WATC	3.9%	293,954		(283,269)	10,685	(10,963)	577,022	0	(283,068)	293,954	(26,938)	577,022	0	(283,068)	293,954	293,954	(23,607)
Queens Park Train Station - Short Term Loan									1,304,225		(1,304,225)		(14,709)	1,304,225		(648,856)	655,369	655,369	(10,614)
St James NRUPP	251	WATC	4.6%	375,000		(30,262)	344,738	(16,733)		375,000			375,000		375,000			375,000	0
Shelley East	257	WATC	4.6%	456,929		(40,806)	416,123	(22,563)		456,929			456,929						0
Underground Power Shelley	259	WATC	4.6%	2,640,442		(217,890)	2,422,552	(120,477)		2,640,442			2,640,442		2,320,556	(210,769)	2,109,787	2,109,787	(49,196)
Underground Power Exp - Shelley East				0	2,213,294		2,213,294						0						0
Underground Power Exp - St James NRUPP				0	342,322		342,322						0						0
Western Power - Bulk LED Conversion				0	2,887,795		2,887,795						0						0
				23,882,120	18,219,920	(4,062,252)	38,039,788	(972,092)	13,792,975	22,007,423	(11,918,278)	23,882,120	(221,669)	16,643,751	12,096,336	(5,042,888)	23,697,199	(309,425)	

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.
The self supporting loan(s) repayment will be fully reimbursed.

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

7. INFORMATION ON BORROWINGS

(b) New borrowings - 2022/23

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	\$	\$	\$	\$
City Centre Loans	WATC	Fixed	15	5.5%	5,600,000		5,600,000	0
Underground Power Exp - Shelley East	WATC	Fixed	10	5.3%	2,213,294		2,213,294	0
Underground Power Exp - St James NRUPP	WATC	Fixed	10	5.3%	342,322		342,322	0
Wyong Park Upgrade - Construction	WATC	Fixed	10	5.3%	836,704		836,704	0
Queens Park Regional Open Space - Development	WATC	Fixed	15	5.5%	5,000,000		5,000,000	0
Kent Street Weir	WATC	Fixed	10	5.3%	550,000		550,000	0
Hossack Park Pavilion - Condition Renewal	WATC	Fixed	10	5.3%	789,805		789,805	0
Western Power - Bulk LED Conversion	WATC	Fixed	10	5.3%	2,887,795		2,887,795	0
					18,219,920	0	18,219,920	0

(c) Unspent borrowings

The City had no unspent borrowing funds as at 30 June 2022 nor is it expected to have unspent borrowing funds as at 30 June 2023.

(d) Credit Facilities

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Credit card limit	200,000	200,000	200,000
Credit card balance at balance date		(41,052)	
Total amount of credit unused	200,000	158,948	200,000
Loan facilities			
Loan facilities in use at balance date	38,039,788	23,882,120	23,697,199

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

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

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

8. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease	2022/23 Budget	Budget Lease	2022/23 Budget	Actual Principal	2021/22 Actual	Actual Lease	2021/22 Actual	Budget Principal	2021/22 Budget	Budget Lease	Budget Lease	2021/22 Budget	2021/22 Budget	
					Principal 1 July 2022	New Leases	Principal Repayments	Principal outstanding 30 June 2023		Lease Interest	Principal 1 July 2021	New Leases		Principal Repayments	Principal outstanding 30 June 2022	Lease Interest	Principal 1 July 2021	New Leases	Principal Repayments
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Governance																			
Disaster Recovery	E6N01621	Maia Financial	6.2%	60	79,881		(52,429)	27,452	(3,468)	129,175		(49,295)	79,881	(6,602)	129,175		(49,295)	79,881	(6,602)
IT Equipment	E6N01628	Maia Financial	4.7%	48	85,770		(43,785)	41,985	(3,103)	127,544		(41,774)	85,770	(5,113)	127,544		(18,260)	109,284	(2,289)
IT Equipment	CANNING	Equigroup	2.6%	48	106,728		(31,072)	75,655	(2,360)		127,007	(20,279)	106,728	(2,009)	127,007		(8,757)	118,250	(899)
IT Equipment	CANNING	Equigroup	4.8%	60	156,089		(31,172)	124,917	(6,869)		168,639	(12,550)	156,089	(3,300)	168,639		(5,885)	162,755	(1,477)
IT Equipment	CANNING	Equigroup	1.7%	48	34,434		(8,766)	25,669	(523)		36,938	(2,504)	34,434	(155)	36,938		(1,060)	35,878	(69)
IT Equipment	CANNING	Equigroup	1.2%	48	166,111		(42,459)	123,652	(1,963)		175,257	(9,146)	166,111	(354)	175,257		(3,825)	171,432	(159)
IT Equipment	CONO109	Vestone	1.4%	48	37,000		(11,508)	25,493	(444)		46,468	(9,467)	37,000	(493)	46,468		(3,988)	42,480	(220)
Law, order, public safety																			
Solar Powered Trailer	E6N01623	Maia Financial	6.1%	60	15,947	0	(7,730)	8,217	(763)	23,218	0	(7,271)	15,947	(1,221)	23,218	0	(7,271)	15,947	(1,221)
Recreation and culture																			
Gym Equipment - RLP	E6N01625	Maia Financial	5.4%	72	202,681		(63,974)	138,706	(9,325)	263,317		(60,637)	202,681	(12,662)	263,317		(121,273)	142,044	(25,324)
Gym Equipment - RLP	E6N01625	Maia Financial	5.2%	36	(0)		0	(0)	0	7,948		(7,948)	(0)	(225)	7,948		(15,896)	(7,948)	(450)
Gym Equipment - RLP	E6N01625	Maia Financial	3.4%	48	104,179		(104,179)	0	(1,917)	204,900		(100,721)	104,179	(5,375)	204,900		(201,442)	3,458	(10,750)
LED Signboard - LeisurePlex	E6N01624	Maia Financial	2.7%	60	35,179		(17,352)	17,828	(739)	52,067		(16,888)	35,179	(1,202)	52,067		(16,888)	35,179	(1,202)
LED Signboard - Golf Course	E6N01625	Maia Financial	6.0%	60	14,047		(6,010)	8,037	(680)	19,707		(5,660)	14,047	(1,030)	19,707		(5,660)	14,047	(1,030)
RFID Circulation Tech - River	E6N01621	Maia Financial	7.1%	60	81,400		(64,538)	16,862	(3,711)	141,521		(60,121)	81,400	(8,128)	141,521		(60,121)	81,400	(8,128)
Coffee Machines - Libraries	E6N01622	Maia Financial	6.5%	60	3,919		(3,919)	(0)	(72)	11,401		(7,482)	3,919	(499)	11,401		(7,482)	3,919	(499)
LED Signboard - Golf Course	E6N01627	Maia Financial	6.5%	48	62,415		(23,765)	38,650	(3,342)	84,695		(22,280)	62,415	(4,827)	84,695		(22,280)	62,415	(4,827)
Gym Equipment - CLP	E6N01628	Maia Financial	3.3%	48	107,461		(55,222)	52,239	(2,708)	160,898		(53,437)	107,461	(4,493)	160,898		(53,437)	107,461	(4,493)
Gym Equipment - CLP	E6N01630	Maia Financial	5.9%	48	12,120		(6,153)	5,967	(550)	17,923		(5,802)	12,120	(901)	17,923		(5,802)	12,120	(901)
Gym Equipment - CLP	E6N01630	Maia Financial	4.3%	72	41,652		(9,981)	31,671	(1,588)	51,216		(9,564)	41,652	(2,006)	51,216		(9,564)	41,652	(2,006)
Gym Equipment - CLP	E6N01630	Maia Financial	4.3%	72	57,619		(13,812)	43,808	(2,187)	70,856		(13,237)	57,619	(2,762)	70,856		(13,237)	57,619	(2,762)
LED Signboard - LeisurePlex	E6N01625	Maia Financial	6.0%	60	105,970		(39,912)	66,057	(6,921)	142,871		(36,901)	105,970	(9,932)	142,871		(36,901)	105,970	(9,932)
					1,510,601	0	(637,737)	872,863	(53,233)	1,509,258	554,309	(552,967)	1,510,601	(73,289)	1,509,258	554,309	(668,325)	1,395,242	(85,240)

SIGNIFICANT ACCOUNTING POLICIES

LEASES

At the inception of a contract, the City assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and a lease liability. At the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the City uses its incremental borrowing rate.

LEASE LIABILITIES

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

9. FINANCIALLY BACKED RESERVES

(a) Financially Backed Reserves - Movement

	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance	2021/22 Actual Opening Balance	2021/22 Actual Transfer to	2021/22 Actual Transfer (from)	2021/22 Actual Closing Balance	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation												
(a) Town Planning Scheme Reserve	143,860	1,560	0	145,420	130,000	13,860	0	143,860	0	0	0	0
(b) TPS 17 - POS Contributions Reserve	203,916	1,266	0	205,182	105,500	98,416	0	203,916	0	0	0	0
(c) TPS 21 - POS Contributions Reserve	682,793	3,456	0	686,249	288,000	394,793	0	682,793	0	0	0	0
(d) TPS 23 - Scheme Costs Overdraft Reserve	0	0	0	0	0	0	0	0	1,771,000	0	0	1,771,000
(e) TPS 33 - POS Contributions Reserve	2,730,000	1,234,848	(657,500)	3,307,348	0	2,730,000	0	2,730,000	0	0	0	0
(f) TPS 42 - POS Contributions Reserve	120,155	672	0	120,827	56,000	64,155	0	120,155	0	0	0	0
	3,880,724	1,241,802	(657,500)	4,465,026	579,500	3,301,224	0	3,880,724	0	1,771,000	0	1,771,000
Restricted by Council												
(g) Aged & Disabled Services Reserve	541,319	6,325	0	547,644	526,985	14,334	0	541,319	521,930	13,401	0	535,331
(h) Airconditioning Reserve	501,439	253,028	0	754,467	252,362	250,698	(1,621)	501,439	250,000	250,250	(76,313)	423,937
(i) Asset Replacement Reserve	2,692,368	0	(1,073,622)	1,618,746	0	3,100,010	(407,642)	2,692,368	0	2,590,467	(172,713)	2,417,754
(j) Bentley Regeneration Reserve	37,614	24,744	0	62,358	2,062,019	5,706	(2,030,111)	37,614	3,588,027	1,424,749	(1,474,500)	3,538,276
(k) Canning City Centre Reserve	6,608,250	6,301,800	(6,919,546)	5,990,504	374,774	7,676,019	(1,442,543)	6,608,250	345,296	12,667,244	(10,592,848)	2,419,692
(l) Community & Sporting Facilities Reserve	403,710	301,772	0	705,482	147,687	300,822	(44,799)	403,710	279,480	300,279	(44,799)	534,960
(m) Contaminated Sites Reserve	657,884	3,500,000	(80,000)	4,077,884	0	770,000	(112,116)	657,884	0	770,000	(770,000)	0
(n) Efficiency Reserve	602,492	126,131	0	728,623	480,912	121,580	0	602,492	477,251	120,432	0	597,683
(o) Employee Entitlements Reserve	832,297	9,960	0	842,257	830,000	2,297	0	832,297	0	0	0	0
(p) Golf Course Reserve	587,765	652,768	(446,553)	793,980	1,024,045	405,947	(842,227)	587,765	1,025,127	482,277	(606,421)	900,983
(q) Infrastructure Reserve	2,377,932	17,003	0	2,394,935	1,416,901	961,031	0	2,377,932	1,093,823	100,239	0	1,194,062
(r) Insurance Reserve	948,348	478,528	(138,000)	1,288,876	1,635,710	602,323	(1,289,685)	948,348	1,869,766	460,804	(207,673)	2,122,897
(s) Land, Building & Development Reserve	4,356,297	277,264	(806,455)	3,827,106	3,402	6,213,754	(1,860,859)	4,356,297	(730,795)	2,809,722	(1,242,770)	836,157
(t) Legislative Projects Reserve	633,636	480,593	(631,668)	482,561	464,346	452,804	(283,514)	633,636	467,506	458,139	(341,678)	583,967
(u) Plant Replacement Reserve	2,023,040	239,669	(324,657)	1,938,052	805,780	1,217,260	0	2,023,040	253,240	216,253	0	469,493
(v) Property Surveillance & Security Reserve	710,674	115,157	(278,690)	547,141	458,481	252,193	0	710,674	49,466	39	(88,637)	(39,132)
(w) Rossmoyne Retirement Village Reserve	1,184,096	115,808	0	1,299,904	462,846	1,011,250	(290,000)	1,184,096	68,288	10,010	0	78,298
(x) Sustainability Reserve	347,916	153,410	(207,100)	294,226	284,193	110,919	(47,196)	347,916	229,896	110,175	(101,750)	238,321
(y) Underground Power Service Charge Reserve	398,919	1,069	0	399,988	89,067	309,852	0	398,919	0	77	0	77
(z) Waste Management Reserve	15,343,090	5,747,386	(7,057,235)	14,033,241	13,383,925	5,441,755	(3,482,590)	15,343,090	76,045	3,577,897	(2,856,304)	797,638
({) Wilson Retirement Village Reserve	9,908	7,198	0	17,106	9,881	27	0	9,908	13,842,438	7	0	13,842,445
() Canning Vale Specified Area Rate Reserve	0	0	0	0	0	0	0	0	0	0	0	0
(}) Urban Forest Reserve	0	0	0	0	0	0	0	0	0	0	0	0
	41,798,994	18,809,613	(17,963,526)	42,645,081	24,713,316	29,220,581	(12,134,903)	41,798,994	23,706,784	26,362,461	(18,576,406)	31,492,839
	45,679,718	20,051,415	(18,621,026)	47,110,107	25,292,816	32,521,805	(12,134,903)	45,679,718	23,706,784	28,133,461	(18,576,406)	33,263,839

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

10. FINANCIALLY BACKED RESERVES

(b) Financially Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve	Financial Strategy
(a) Town Planning Scheme Reserve	Progressively over the next 5 Years	To receive developer funded public art cash in lieu contributions and cash in lieu for parking contribution under the City of Canning Local Planning Scheme and fund all payments in relation to public art within City of Canning and parking facility are in compliance with Local Planning Scheme.	Funded through conditions of development approval.
(b) TPS 17 - POS Contributions Reserve			
(c) TPS 21 - POS Contributions Reserve			
(d) TPS 23 - Scheme Costs Overdraft Reserve			
(e) TPS 33 - POS Contributions Reserve			
(f) TPS 42 - POS Contributions Reserve			
(g) Aged & Disabled Services Reserve	Progressively over the next 5 Years	To fund Operational and Capital requirements associated with the City's Aged Care and Disability Services.	To separate the combined reserve into internally and externally required components for the services provided. Operational surplus and deficits plus capital management requirements are to meet external funding provider and statutory guidelines and obligations.
(h) Airconditioning Reserve	Progressively over the next 10 Years	To fund costs associated with the maintenance, replacement and installation of heating, ventilation and airconditioning plant and equipment within the City's facilities.	Funded through annual budget allocations.
(i) Asset Replacement Reserve	Progressively over the next 5 Years	To provide funding for asset renewal or replacement of the City's infrastructure.	The reserve will be funded with an annual allocation from the municipal fund, after considering the amount of asset depreciation and the amount that has been provided for asset renewal in the Annual Budget.
(j) Bentley Regeneration Reserve	Progressively over the next Year	To provide funding for the urban regeneration of the suburb localities of Bentley and St James, for initiatives including the feasibility, delivery and enhancement of community facilities, public open space and infrastructure.	To be funded through the sale of the Southern Reserve assets and contribution from the Department of Communities called the Community Development Fund. The reserve will be closed following the completion of related projects.
(k) Canning City Centre Reserve	Progressively over the next 10 Years	Planning, development and implementation of the Canning City Centre Regeneration Strategy, including undertaking studies, investigations, civil works, land purchases and development projects associated with the Canning City Centre.	Funded by City Centre specified area rates.
(l) Community & Sporting Facilities Reserve	Progressively over the next 5 Years	To meet the needs of community groups and the Community Partnership fund initiative.	The reserve is funded through an annual allocation as part of the Community Partnership Fund initiative.
(m) Contaminated Sites Reserve	Progressively over the next 5 Years	To fund future operating and capital needs associated with management of the City's contaminated sites.	The reserve is to be funded from an annual allocation from the City's waste levy. The amount will be reviewed annually, so that it considers any changes to the City's long-term liabilities.

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

10. FINANCIALLY BACKED RESERVES

(b) Financially Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve	Financial Strategy
(n) Efficiency Reserve	Progressively over the next 5 Years	To fund costs associated with projects which improve the City's organisational efficiency and support innovation.	Funded through the Annual Budget allocations and efficiency savings identified as resulting from previous initiatives.
(o) Employee Entitlements Reserve	Progressively over the next 5 Years	To fund non-current employee long service leave benefits.	The reserve will be funded with an annual allocation from the City's municipal fund, along with transfers of un-used LSL benefits at the conclusion of each financial year.
(p) Golf Course Reserve	Progressively over the next 5 Years	To fund costs associated with the Golf Course.	The reserve is funded through the net operating proceeds from the Whaleback Golf Course.
(q) Infrastructure Reserve	Progressively over the next 5 Years	To accumulate funding for Infrastructure Works that are scheduled but may not commence within the current financial year. Funds held in the Reserve will retain their Capital works identity and be accessed in a future period when Capital works commence, the exceptions to this requirement is that funds can be reallocated by Council resolution to meet higher priority Capital works needs. If funds are reallocated by Council resolution they can only be applied against Infrastructure Capital Works in accordance with this reserve fund.	The reserve fund balance is designed to assist the City in support of the City's long term asset management renewal funding requirements.
(r) Insurance Reserve	Progressively over the next 10 Years	To provide for the liabilities that may arise from the City's external and internal Insurance requirements and to provide funding for various risk management strategies, including operational safety and health initiatives, that will assist in reducing Insurance premiums.	The minimum reserve balance to be maintained at the maximum level of workers compensation insurance premium and deposits payable. Staff resourcing to address injury prevention and assist in return to work programs.
(s) Land, Building & Development Reserve	Progressively over the next 10 Years	Acquisition, development and improvement of land and buildings and make loans to Council's Town Planning Schemes for the purpose of acquiring Public Open Space, together with investigations and planning associated with Council land holdings, and infrastructure, including the development of asset management programs and acquisition of ground water licenses. Subject to approval by Council, this Reserve may also make funds available for the following: - To repay or refinance existing loan borrowings - To provide internal finance as an alternative to external borrowings - For payments of compensation awarded against the City	The reserve is funded through annual allocations and the proceeds from land sales and developments, to progressively save for new capital projects and deliver upon Strategic Community Plan objectives. The reserve fund balance should at least maintain its relativity to growth in the City's population and long term planning needs.
(t) Legislative Projects Reserve	Progressively over the next 5 Years	To fund the City's periodic statutory and legislative expenses, which occur on a frequency of greater than one year.	Funded through annual budget allocations.

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

10. FINANCIALLY BACKED RESERVES

(b) Financially Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve	Financial Strategy
(u) Plant Replacement Reserve	Progressively over the next 5 Years	To fund costs associated the replacement of items of Plant.	Funded through the Annual Budget operating charges for fleet insurance and the difference in actual insurance premiums paid, achieved by internal management of claims performance. The reserve's accumulation reflects the City's efforts towards reducing insurance claims, redirecting these savings towards new plant replacement and renewal.
(v) Property Surveillance & Security Reserve	Progressively over the next 5 Years	To retain any surplus funds that may arise from the Property Surveillance and Security Service Charge that will be used to offset future years charges along with the purchase of plant and equipment used for the service.	Funded through the Property Surveillance and Security Charge. Operational surplus and deficits plus capital management requirements are to be meet through cash backing of depreciation, to achieve the City's security management plans.
(w) Rossmoyne Retirement Village Reserve	Progressively over the next 10 Years	To meet the statutory guidelines and obligations for the financial reporting needs of the village.	The reserve is funded through the net operating proceeds of the village, management fees and proceeds of capital sales.
(x) Sustainability Reserve	Progressively over the next 5 Years	Expenditure associated with undertaking exemplary projects and practices which comply with the sustainability principles: 1. To reduce the waste of fossil fuels, scarce metals and minerals; 2. To reduce the use of persistent chemicals and synthetic substances; 3. Improved management of land, water, wildlife, bushland, soil and ecosystems; or, 4. The education and promotion of sustainability principles.	The reserve is funded through an annual allocation along with demonstrable energy efficiency dividends of the Utility Revolving Fund initiative.
(y) Underground Power Service Charge Reserve	Progressively over the next 5 Years	To retain funding for the underground power projects for the suburb localities within the City, to offset future years charges and for initiatives including the feasibility, delivery and enhancement of community facilities, public open space and infrastructure.	Funded through the Underground Power service charge for annual surplus and deficits between funds raised and loan repayments made.
(z) Waste Management Reserve	Progressively over the next 10 Years	Acquisition and development of infrastructure, plant and equipment and studies/investigations associated with the City's Waste Management.	The reserve is funded through annual allocations from the Waste Removal Fee, cash backed depreciation and any year end savings to achieve the City's Waste Management Plans. The reserve fund balance should at least maintain its relativity to growth in the City's population and long-term planning needs.
({) Wilson Retirement Village Reserve	Progressively over the next 10 Years	To meet the statutory guidelines and obligations for the financial reporting needs of the village.	The reserve is funded through the net operating proceeds of the village, management fees and proceeds of capital sales.
(l) Canning Vale Specified Area Rate Reserve		To retain any surplus funds that may arise from the Canning Vale Specified Area Rate that will be used to offset future years charges along with the purchase of plant and equipment used for the service.	Funded through the Canning Vale Specified Area Rate

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

10. FINANCIALLY BACKED RESERVES

(b) Financially Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve	Financial Strategy
(j) Urban Forest Reserve		To fund delivery of the City's Urban Forrest Strategy tree planting initiatives.	The reserve is to be funded from an annual allocation from the municipal fund, along with any external grant funding or private contributions that the City receives through its Urban Fund initiative.

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

11. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by Council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

11. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by Council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by Council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by Council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

12. PROGRAM INFORMATION

Income and expenses

	2022/23 Budget	2021/22 Actual	2021/22 Budget
Income excluding grants, subsidies and contributions	\$	\$	\$
Governance	20,780	147,568	21,200
General purpose funding	78,857,710	74,779,853	74,297,844
Law, order, public safety	2,843,909	2,810,117	2,725,372
Health	344,735	409,376	369,937
Education and welfare	1,063,352	677,345	1,180,315
Housing	473,563	504,018	437,094
Community amenities	19,196,761	13,255,367	14,897,927
Recreation and culture	10,851,837	10,443,840	10,732,201
Transport	234,371	66,341	311,304
Economic services	6,275,192	3,285,767	6,050,975
Other property and services	3,410,736	8,118,956	6,340,270
	123,572,946	114,498,548	117,364,439
Operating grants, subsidies and contributions			
Governance	(1)	34,182	99
General purpose funding	2,005,160	3,206,953	1,970,000
Law, order, public safety	106,722	127,142	105,214
Health	(15,000)	4,880	(2,498)
Education and welfare	1,818,107	2,016,909	2,063,290
Housing	0	(3,714)	0
Community amenities	3,109	137,675	223,554
Recreation and culture	198,409	264,925	194,617
Transport	1,701,187	522,307	401,900
Economic services	1	201,393	210,236
Other property and services	264,175	2,144,387	1,515,484
	6,081,869	8,657,039	6,681,896
Non-operating grants, subsidies and contributions			
Education and welfare	833,000	0	0
Recreation and culture	2,246,000	660,695	305,000
Transport	7,600,454	2,342,913	0
Other property and services	780,778	7,251,074	8,154,468
	11,460,232	10,254,683	8,459,468
Total Income	141,115,047	133,410,270	132,505,803
Expenses			
Governance	(16,464,060)	(15,928,724)	(16,502,042)
General purpose funding	1,481,601	1,480,156	1,134,382
Law, order, public safety	(4,661,297)	(4,208,577)	(4,437,786)
Health	(2,371,736)	(1,904,855)	(2,424,888)
Education and welfare	(8,363,666)	(7,806,914)	(7,458,519)
Housing	(721,995)	(756,656)	(710,721)
Community amenities	(25,938,148)	(23,798,315)	(25,805,769)
Recreation and culture	(40,562,284)	(41,174,457)	(38,050,141)
Transport	(23,329,355)	(22,723,833)	(23,258,973)
Economic services	(7,008,259)	(4,027,072)	(6,938,382)
Other property and services	(5,419,366)	(4,833,838)	(2,277,954)
Total expenses	(133,358,565)	(125,683,085)	(126,730,793)
Net result for the period	7,756,482	7,727,185	5,775,010

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

14. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Mayor Patrick Hall			
Mayor's allowance	91,997	89,753	89,753
Meeting attendance fees	48,704	47,516	47,516
Other expenses	0	451	0
Annual allowance for ICT expenses	3,500	3,529	3,500
Travel and accommodation expenses	0	2,703	0
	144,201	143,952	140,769
Councillor Ben Kunze - Bannister Ward			
Deputy Mayor's allowance	22,999	15,288	15,288
Meeting attendance fees	32,470	31,678	31,678
Other expenses	0	527	0
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	1,056	0
	58,969	52,048	50,466
Councillor Amanda Spencer-Teo - Bannister Ward			
Meeting attendance fees	32,470	31,678	31,678
Other expenses	0	955	0
Annual allowance for ICT expenses	3,500	3,500	3,500
	35,970	36,133	35,178
Councillor Craig Sweeney - Nicholson Ward			
Meeting attendance fees	32,470	31,678	31,678
Other expenses	0	0	0
Annual allowance for ICT expenses	3,500	3,500	3,500
	35,970	35,178	35,178
Councillor Hardeep Singh - Mason Ward			
Meeting attendance fees	32,470	21,670	21,670
Other expenses	0	998	0
Annual allowance for ICT expenses	3,500	2,394	2,394
	35,970	25,062	24,064
Councillor Jesse Jacobs - Mason Ward			
Meeting attendance fees	32,470	31,678	31,678
Other expenses	0	904	0
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	109	0
	35,970	36,192	35,178
Councillor Lindsay Holland - Beeliar Ward			
Meeting attendance fees	32,470	31,678	31,678
Other expenses	0	774	0
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	50	0
	35,970	36,002	35,178
Councillor Mark Bain - Beeloo Ward			
Meeting attendance fees	32,470	31,678	31,678
Other expenses	0	0	0
Annual allowance for ICT expenses	3,500	3,500	3,500
	35,970	35,178	35,178
Councillor Paul Tucek - Beeliar Ward			
Meeting attendance fees	32,470	21,670	21,670
Other expenses	0	1,717	0
Annual allowance for ICT expenses	3,500	2,394	2,394
	35,970	25,782	24,064
Councillor Sara Saberi - Beeloo Ward			
Meeting attendance fees	32,470	31,678	31,678
Other expenses	0	145	0
Annual allowance for ICT expenses	3,500	3,500	3,500
	35,970	35,323	35,178
Councillor Steve Parkinson - Nicholson Ward			
Meeting attendance fees	32,470	21,670	21,670
Other expenses	0	998	0
Annual allowance for ICT expenses	3,500	2,394	2,394
	35,970	25,062	24,064

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

14. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Councillor Graham Barry - Mason Ward			
Meeting attendance fees	0	10,008	10,008
Other expenses	0	0	0
Annual allowance for ICT expenses	0	1,106	1,106
Travel and accommodation expenses	0	159	0
	0	11,273	11,114
Councillor Tim Porter - Nicholson Ward			
Meeting attendance fees	0	10,008	10,008
Other expenses	0	0	0
Annual allowance for ICT expenses	0	1,077	1,106
Travel and accommodation expenses	0	92	0
	0	11,177	11,114
Councillor Yaso Ponnuthurai - Beeliar Ward			
Meeting attendance fees	0	10,008	10,008
Other expenses	0	0	0
Annual allowance for ICT expenses	0	1,106	1,106
Travel and accommodation expenses	0	50	0
	0	11,164	11,114
Total Elected Member Remuneration	526,901	508,349	496,723
Mayor's allowance	91,997	89,753	89,753
Deputy Mayor's allowance	22,999	15,288	15,288
Meeting attendance fees	373,404	354,287	354,288
Other expenses	0	7,470	0
Annual allowance for ICT expenses	38,501	37,424	37,394
Travel and accommodation expenses	0	4,127	0
	526,901	508,349	496,723

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

15. TRUST FUNDS

Funds held at balance date which are required by legislation to be credited to the trust fund and which are not included in the financial statements are as follows:

Detail	Balance 30 June 2022	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2023
	\$	\$	\$	\$
Canning Literary Awards	5,217	63		5,280
TPS6 Drainage (Kempe Hutchinson)	1,869	22		1,891
TPS9 (VM & FM Allen)	104	1		105
- TPS 17	2,067,816	24,814		2,092,630
- TPS 17A	124,539	1,494		126,034
- TPS 21	7,024,183	84,290		7,108,473
- TPS 23	1,107,950	13,295		1,121,245
- TPS 24	96,922	1,163		98,085
- TPS 33	307,005	3,684		310,689
- TPS 40	166,178	1,994		168,172
Town Planning Scheme 28A-Reimbursement	219	3		222
Town Planning Scheme 30	48,805	586		49,391
Woodloes Folk Museum	897	11		908
Dewey St-Private Drainage Scheme Cont.	28,282	339		28,621
City of Canning Relief Fund	588	7		595
GST Pending Tax Ruling	13,362	160		13,523
Sale of Impounded Vehicles	4,103	49		4,152
Unclaimed Monies and Returned Cheques	3,464	42		3,505
	11,001,502	132,018	0	11,133,520

CITY OF CANNING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

16. FEES AND CHARGES

	2022/23	2021/22	2021/22
	Budget	Actual	Budget
	\$	\$	\$
By Program:			
Governance	0	36,903	500
General purpose funding	0	(11,803)	38,290
Law, order, public safety	226,858	245,296	225,282
Health	356,451	409,376	369,937
Education and welfare	1,043,957	674,298	1,153,351
Housing	473,564	503,303	437,095
Community amenities	20,486,506	19,921,044	19,222,365
Recreation and culture	10,705,776	9,893,831	10,323,443
Transport	322,248	320,248	312,402
Economic services	966,101	886,415	906,601
Other property and services	1,671,183	1,703,367	1,639,653
	36,252,644	34,582,277	34,628,919

The subsequent pages detail the fees and charges proposed to be imposed by the local government.