

CITY OF GREATER GERALDTON

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2023

LOCAL GOVERNMENT ACT 1995

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CITY'S VISION

Home of WA's Regional Capital

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

		2022/23	2021/22	2021/22
	NOTE	Budget	Forecast	Budget
		\$	\$	\$
Revenue				
Rates	2(a)	50,329,885	48,066,890	48,210,890
Operating grants, subsidies and contributions	11	8,936,279	12,775,274	8,514,902
Fees and charges	18	23,785,039	21,845,258	21,826,986
Interest earnings	12(a)	1,018,942	816,771	801,407
Other revenue	12(b)	1,052,865	374,557	372,065
		85,123,010	83,878,750	79,726,250
Expenses				
Employee costs		(30,460,011)	(28,365,225)	(28,831,476)
Materials and contracts		(23,840,639)	(21,940,195)	(21,698,995)
Utility charges		(2,738,657)	(2,680,546)	(2,877,046)
Depreciation on non-current assets	6	(25,398,958)	(25,037,141)	(24,878,798)
Interest expenses	12(d)	(825,487)	(983,421)	(989,517)
Insurance expenses		(975,377)	(848,154)	(838,154)
Other expenditure		(2,783,524)	(2,616,141)	(2,663,930)
		(87,022,653)	(82,470,823)	(82,777,916)
		(1,899,643)	1,407,927	(3,051,666)
Non-operating grants, subsidies and contributions	11	12,792,443	9,834,983	9,155,251
Profit on asset disposals	5(b)	239,320	93,428	53,019
Loss on asset disposals	5(b)	(53,565)	(847,032)	(26,240)
		12,978,198	9,081,379	9,182,030
Net result for the period		11,078,555	10,489,306	6,130,364
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		68,922,550	0	0
Total other comprehensive income for the period		68,922,550	0	0
Total comprehensive income for the period		80,001,105	10,489,306	6,130,364

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

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

		2022/23	2021/22	2021/22
	NOTE	Budget	Forecast	Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		50,080,480	48,059,961	47,936,279
Operating grants, subsidies and contributions		9,276,300	11,913,466	8,826,655
Fees and charges		23,785,039	21,845,258	21,826,986
Interest received		1,016,626	767,570	797,917
Other revenue		1,002,800	1,012,278	1,467,726
		85,161,245	83,598,533	80,855,563
Payments				
Employee costs		(30,415,448)	(28,601,815)	(28,813,641)
Materials and contracts		(22,919,642)	(19,932,087)	(18,259,136)
Utility charges		(2,738,657)	(2,680,546)	(2,877,046)
Interest expenses		(852,890)	(936,036)	(1,015,818)
Insurance paid		(975,377)	(848,154)	(838,154)
Other expenditure		(2,783,524)	(2,616,141)	(2,663,930)
		(60,685,538)	(55,614,779)	(54,467,725)
Net cash provided by (used in) operating activities	4	24,475,707	27,983,754	26,387,838
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost - self supporting loans		(650,000)	(600,000)	(1,150,000)
Payments for financial assets at amortised cost - term deposits		(5,000,000)	(1,700,000)	
Payments for purchase of property, plant & equipment	5(a)	(9,194,960)	(6,740,076)	(7,001,130)
Payments for construction of infrastructure	5(a)	(28,401,032)	(26,912,426)	(33,645,153)
Non-operating grants, subsidies and contributions		12,792,443	9,823,848	9,155,251
Proceeds from sale of property, plant and equipment	5(b)	905,500	2,354,818	449,500
Proceeds on financial assets at amortised cost - self supporting loans	7(a)	149,587	91,626	119,510
Net cash provided by (used in) investing activities		(29,398,462)	(23,682,210)	(32,072,022)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(4,303,692)	(4,628,932)	(4,656,816)
Principal elements of lease payments	8	(45,124)	(42,444)	(42,444)
Proceeds on disposal of financial assets at amortised cost - term deposits		-	-	800,000
Proceeds from new borrowings	7(a)	650,000	600,000	1,150,000
Net cash provided by (used in) financing activities		(3,698,816)	(4,071,376)	(2,749,260)
Net increase (decrease) in cash held		(8,621,571)	230,168	(8,433,444)
Cash at beginning of year		31,626,602	31,396,433	27,598,264
Cash and cash equivalents at the end of the year	4	23,005,031	31,626,601	19,164,820

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

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

		2022/23	2021/22	2021/22
	NOTE	Budget	Forecast	Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	3	2,545,590	4,896,000	3,411,132
		2,545,590	4,896,000	3,411,132
Revenue from operating activities (excluding rates)				
Operating grants, subsidies and contributions	11	8,936,279	12,775,274	8,514,902
Fees and charges	18	23,785,039	21,845,258	21,826,986
Interest earnings	12(a)	1,018,942	816,771	801,407
Other revenue	12(b)	1,052,865	374,557	372,065
Profit on asset disposals	5(b)	239,320	93,428	53,019
		35,032,445	35,905,288	31,568,379
Expenditure from operating activities				
Employee costs		(30,460,011)	(28,365,225)	(28,831,476)
Materials and contracts		(23,840,639)	(21,940,195)	(21,698,995)
Utility charges		(2,738,657)	(2,680,546)	(2,877,046)
Depreciation on non-current assets	6	(25,398,958)	(25,037,141)	(24,878,798)
Interest expenses	12(d)	(825,487)	(983,421)	(989,517)
Insurance expenses		(975,377)	(848,154)	(838,154)
Other expenditure		(2,783,524)	(2,616,141)	(2,663,930)
Loss on asset disposals	5(b)	(53,565)	(847,032)	(26,240)
		(87,076,218)	(83,317,855)	(82,804,156)
Non-cash amounts excluded from operating activities	3(b)	25,173,620	25,759,612	24,829,864
Amount attributable to operating activities		(24,324,563)	(16,756,955)	(22,994,781)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	11	12,792,443	9,834,983	9,155,251
Payments for property, plant and equipment	5(a)	(9,194,960)	(6,740,076)	(7,001,130)
Payments for construction of infrastructure	5(a)	(28,401,032)	(26,912,426)	(33,645,153)
Payments for financial assets at amortised cost - self supporting loans	7(a)	(650,000)	(600,000)	(1,150,000)
Proceeds from disposal of assets	5(b)	905,500	2,354,818	449,500
Proceeds from financial assets at amortised cost - self supporting loans	7(a)	149,587	91,621	119,510
Amount attributable to investing activities		(24,398,462)	(21,971,080)	(32,072,022)
Amount attributable to investing activities		(24,398,462)	(21,971,080)	(32,072,022)
FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(4,303,684)	(4,628,932)	(4,656,816)
Principal elements of finance lease payments	8	(45,124)	(42,444)	(42,444)
Proceeds from new borrowings	7(b)	650,000	600,000	1,150,000
Transfers to cash backed reserves (restricted assets)	9(a)	(1,034,000)	(9,093,945)	(784,000)
Transfers from cash backed reserves (restricted assets)	9(a)	4,353,725	6,372,056	10,612,819
Amount attributable to financing activities		(379,083)	(6,793,265)	6,279,559
Budgeted deficiency before general rates		(49,102,108)	(45,521,300)	(48,787,244)
Estimated amount to be raised from general rates	2(a)	50,329,885	48,066,890	48,210,890
Net current assets at end of financial year - surplus/(deficit)	3	1,227,777	2,545,590	(576,354)

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

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CITY OF GREATER GERALDTON
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 Greater Geraldton 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 17 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 GREATER GERALDTON
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. Excludes 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 should be 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.

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

Governance

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

General purpose funding

To collect revenue to allow provision of services.

Law, order, public safety

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

Health

To provide an operational framework for good community health.

Education and welfare

To meet the needs of the community in these areas.

Housing

To help ensure adequate housing.

Community amenities

Provide services required by the community.

Recreation and culture

To establish and manage efficiently infrastructure and resources which will help the social and physical wellbeing of the community.

Transport

To provide effective and efficient transport services to the community.

Economic services

To help promote the Municipality and improve its economic wellbeing.

Other property and services

To provide effective and efficient property services to the community.

ACTIVITIES

Administration and operation of facilities and services to members of Council, civic receptions and functions, public relations, elections, administration, support, research operations for Council members and certain executive Staff.

General rate revenue, penalty for late payment, ex gratia rates, rate administration fee, rate instalment fee, back rates, general purpose grants, untied road grants, interest on deferred rates and investment returns.

Fire prevention including the Emergency Services Levy, Volunteer Fire Brigade and SES expenditure, clearing of fire hazards, animal control, rangers, crime prevention and emergency planning and management.

Preventive services including food control, health inspections, pest control, medical centre and other health.

Aged and disabled, Queen Elizabeth II Seniors Centre, other welfare including youth centre, projects and programs, seniors' projects and reconciliation.

Provision and maintenance of staff housing.

Rubbish collections, Meru refuse site operations, litter control, public litter bins, protection of the environment, town planning control, cemetery, and community services.

Aquarena, public halls, civic centres, foreshore, beaches, parks, sporting grounds, library, heritage and conservation, museums, art gallery and Queens Park Theatre.

Roads, footpaths, drainage, road verges, median strips, street lighting, street cleaning, street trees, traffic surveys, traffic management, depot operations, parking facilities and airport.

Tourism and promotions, visitors' information centre, building control, economic development and marketing.

Private works operations, public works overheads, plant/vehicle operations, town planning schemes, land and property services and others that can not be assigned to one of the other preceding programs.

CITY OF GREATER GERALDTON
 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	2022/23	2022/23	2022/23	2021/22	2021/22
					Budgeted rate revenue	Budgeted interim rates	Budgeted back rates	Budgeted total revenue	Forecast Actual total revenue	Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
(i) Differential general rates or general rates										
CGG GRV (new)	Gross rental valuations	0.129270	17,027	341,556,738	44,153,030	255,000	16,000	44,424,030	-	-
CGG Residential (prior year system)	Gross rental valuations	-	-	-	-	-	-	-	31,248,469	31,378,649
CGG Non-Residential (prior year system)	Gross rental valuations	-	-	-	-	-	-	-	11,045,844	11,063,426
CGG UV	Unimproved valuations	0.006770	743	446,752,952	3,024,518	45,000	-	3,069,518	2,833,427	2,822,177
Sub-Total			17,770	788,309,690	47,177,548	300,000	16,000	47,493,548	45,127,740	45,264,252
		Minimum								
		\$								
CGG GRV (new)		1,027	2,506	8,341,348	2,573,662	-	-	2,573,662	-	-
CGG Residential (prior year system)		-	-	-	-	-	-	-	2,300,480	2,305,615
CGG Non-Residential (prior year system)		-	-	-	-	-	-	-	351,234	351,234
CGG UV		1,027	356	28,370,216	365,612	-	-	365,612	394,368	394,368
Sub-Total			2,862	36711564	2,939,274	-	-	2,939,274	3,046,082	3,051,217
			20,632	825,021,254	50,116,822	300,000	16,000	50,432,822	48,173,822	48,315,469
Concessions on general rates (Refer note 2(d))								(102,937)	(106,932)	(104,579)
Total amount raised from general rates								50,329,885	48,066,890	48,210,890

In 2022/23 the City has moved away from differential rating and introduced a single-rating GRV system. CGG Residential and CGG Non-Residential will be merged into one General Rate CGG GRV. The proposed change to a single rate will ensure a more equitable distribution of rates levied across residential, commercial and industrial ratepayers.

(ii) Specified area and ex gratia rates

Total specified area and ex gratia rates

	-	-	-
Total rates	50,329,885	48,066,890	48,210,890

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

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.

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	22/08/2022	0	0.0%	6.0%
Option two				
First instalment	22/08/2022	0	0.0%	6.0%
Second instalment	26/10/2022	7	3.0%	6.0%
Option three				
First instalment	22/08/2022	0	0.0%	6.0%
Second instalment	26/10/2022	7	3.0%	6.0%
Third instalment	29/12/2022	7	3.0%	6.0%
Fourth instalment	2/03/2023	7	3.0%	6.0%

Instalment Fees

For ratepayers electing to pay their rates by 2 or 4 instalments, then a charge of \$7.00 per instalment is charged. For ratepayers making an arrangement with Council to pay their rates in more than 4 instalments, then a "one off" charge of \$42 is applied.

Interest on Instalments

Council has recognised that a number of ratepayers are taking up the option to pay their rates by instalments and will impose an interest rate of 3% on rates paid by instalment.

Penalty Interest on Late Payments - Rates

The Financial Management Regulations and section 6.51 of the Local Government Act 1995 prescribes that the maximum interest that can be levied on overdue rates is 11% per annum. Council has resolved to set its rate at 6%. This interest will apply after the expiry of 65 days from the date the rates notice is issued. Note: Penalty interest applied to Emergency Services Levy (State Government) will be 7%.

	2022/23 Budget revenue	2021/22 Forecast Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	81,000	81,000	67,500
Pensioner Deferment	6,500	6,786	12,000
Instalment plan interest earned	100,000	100,000	100,000
Unpaid rates and service charge interest earned	350,000	350,000	350,000
	537,500	537,786	529,500

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

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Service Charges

The City did not raise service charges for the year ended 30th June 2023.

2. RATES AND SERVICE CHARGES (CONTINUED)

(d) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted					2022/23	2021/22	2021/22	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Note	Type	Discount %	Discount (\$)	Budget	Forecast Actual	Budget			
A11683 - 25-29 Cathedral Ave, Geraldton	Concession	Concession	50% (01/07/2021-01/10/2021)	-	\$ -	\$ 15,579	\$ 15,579	Council Resolution 26/07/2016	City Vibrancy
All properties owned by Murchison Region Aboriginal Corporation being used for charitable purposes.	Concession	Concession	80%	-	102,937	91,353	89,000	Council resolution per budget adoption to continue existing concessional arrangement	Agreement reached after mediation as recommended by SAT
					102,937	106,932	104,579		

Council does not offer any standard waivers or write-offs of Rates and Charges or other debts of ratepayers, unless specifically approved by Council. Individuals may approach Council for an extension of time to pay-off their debt.

Council provides an 80% concessional arrangement to Murchison Region Aboriginal Corporation based on the land primarily being used for charitable purposes.

Council waives penalty interest and the administration fee for eligible ratepayers approved for a Financial Hardship payment plan under an existing operational policy.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023**

3. NET CURRENT ASSETS

		2022/23	2021/22	2021/22
	Note	Budget	Forecast	Budget
		30 June 2023	Actual	30 June 2022
		\$	\$	\$
(a) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents - unrestricted	4	13,366,953	13,671,999	7,443,018
Cash and cash equivalents - restricted	4	9,638,078	17,954,603	11,721,802
Financial assets - unrestricted		171,705	149,587	
Financial assets - restricted	4	25,609,515	20,611,515	5,600,000
Receivables		7,071,598	6,650,403	6,321,655
Contract assets		52,000	65,000	20,485
Inventories		567,995	525,578	657,541
		56,477,844	59,628,685	31,764,501
Less: current liabilities				
Trade and other payables		(17,071,926)	(16,062,013)	(14,351,062)
Contract liabilities		(625,540)	(285,519)	(778,280)
Lease liabilities	8	(47,974)	(45,124)	(45,124)
Long term borrowings	7	(3,754,481)	(4,303,684)	(4,331,125)
Employee provisions		(5,028,062)	(5,021,858)	(4,767,646)
Other provisions		-	-	(478,437)
		(26,527,983)	(25,718,198)	(24,751,674)
Net current assets		29,949,861	33,910,487	7,012,827
Less: Total adjustments to net current assets	3.(c)	(28,722,084)	(31,364,897)	(7,589,181)
Net current assets used in the Rate Setting Statement		1,227,777	2,545,590	(576,354)

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
Less: Fair value adjustments to financial assets at fair value through profit and loss
Add: Loss on disposal of assets
Add: Depreciation on assets
Movement in non-current receivables (excl. Self-supporting loans)
Movement in non-current employee provisions

Non cash amounts excluded from operating activities

Note	2022/23	2021/22	2021/22
	Budget 30 June 2023	Forecast Actual 30 June 2022	Budget 30 June 2022
	\$	\$	\$
5(b)	(239,320)	(93,428)	(53,019)
	(2,000)	(1,500)	-
5(b)	53,565	847,032	26,240
6	25,398,958	25,037,141	24,878,798
	(37,973)	46,257	(22,155)
	390	(75,890)	
	25,173,620	25,759,612	24,829,864

(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: Current assets not expected to be received at end of year
- Current portion of self supporting loans receivable
Add: Current liabilities not expected to be cleared at end of year
- Current portion of borrowings
- Current portion of lease liabilities
- Current portion of contract liability held in reserve
- Other liabilities

Total adjustments to net current assets

9	(32,244,393)	(35,564,118)	(11,721,802)
	(171,705)	(149,587)	(177,029)
	3,754,481	4,303,684	4,331,125
	47,974	45,124	45,124
	-	-	(49,637)
	(108,441)	-	(16,962)
	(28,722,084)	(31,364,897)	(7,589,181)

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 Greater Geraldton 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 Greater Geraldton contributes to a number of superannuation funds on behalf of employees.

All funds to which the City of Greater Geraldton contributes are defined contribution 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.

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.

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:

		2022/23	2021/22 Forecast	2021/22
	Note	Budget	Actual	Budget
		\$	\$	\$
Cash at bank and on hand		13,366,953	13,671,999	7,443,018
Term deposits		9,638,078	17,954,603	11,721,802
Total cash and cash equivalents		23,005,031	31,626,602	19,164,820
Held as				
- Unrestricted cash and cash equivalents	3(a)	13,366,953	13,671,999	4,417,143
- Restricted cash and cash equivalents	3(a)	9,638,078	17,954,603	14,747,677
		23,005,031	31,626,602	19,164,820
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		9,638,078	17,954,603	11,721,802
- Restricted financial assets at amortised cost - term deposits	3(a)	25,609,515	20,611,515	3,025,875
		35,247,593	38,566,118	14,747,677
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Financially backed reserves	9	32,244,393	35,564,118	11,721,802
Unspent non-operating grants, subsidies and contribution liabilities		3,003,200	3,002,000	3,025,875
		35,247,593	38,566,118	14,747,677
Reconciliation of net cash provided by operating activities to net result				
Net result		11,078,555	10,489,306	6,130,364
Depreciation	6	25,398,958	25,037,141	24,878,798
(Profit)/loss on sale of asset	5(b)	(185,755)	753,604	(26,779)
(Increase)/decrease in receivables		(393,168)	647,013	733,541
(Increase)/decrease in contract assets		13,000	(11,135)	-
(Increase)/decrease in inventories		(42,417)	(161,767)	(55,126)
Increase/(decrease) in payables		1,052,362	1,909,748	3,570,538
Increase/(decrease) in contract liabilities		340,021	(861,808)	311,753
Increase/(decrease) in employee provisions		6,594	5,500	-
Non-operating grants, subsidies and contributions		(12,792,443)	(9,823,848)	(9,155,251)
Net cash from operating activities		24,475,707	27,983,754	26,387,838

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.

Total restricted cash incorporates both cash and cash equivalents and financial assets.

FINANCIAL ASSETS AT AMORTISED COST

The City classifies financial assets at amortised cost if both of the following 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.

Term deposits with original maturities greater than 3 months are classified as financial assets.

CITY OF GREATER GERALDTON
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.

Asset class	Reporting program							2022/23 Budget total	2021/22 Forecast Actual total	2021/22 Budget total
	Governance	Law, order, public safety	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>										
Land - freehold land	-	-	-	-	-	-	-	-	286,022	-
Buildings - non-specialised	-	58,000	-	534,500	4,075,000	-	1,045,500	5,713,000	3,231,546	2,275,000
Furniture and equipment	703,050	-	-	40,000	7,000	-	-	750,050	822,337	1,680,000
Plant and equipment	-	500,000	-	20,000	15,000	-	2,058,910	2,593,910	2,400,171	3,046,130
Artwork	-	-	-	138,000	-	-	-	138,000	-	-
	703,050	558,000	-	732,500	4,097,000	-	3,104,410	9,194,960	6,740,076	7,001,130
<i>Infrastructure</i>										
Infrastructure - roads	-	-	-	-	11,349,338	-	-	11,349,338	11,189,376	11,382,600
Infrastructure - footpaths	-	-	-	-	2,742,703	-	-	2,742,703	4,263,323	4,025,713
Infrastructure - drainage	-	-	-	-	541,000	-	-	541,000	839,013	1,305,900
Infrastructure - bridges & major culverts	-	-	-	-	2,502,992	-	-	2,502,992	689,885	-
Infrastructure - parks and ovals	-	-	-	3,808,288	-	43,000	-	3,851,288	9,247,306	10,648,343
Infrastructure - lighting	-	-	-	622,000	222,000	-	-	844,000	-	-
Infrastructure - car parks	-	-	-	971,000	-	-	-	971,000	74,000	851,000
Infrastructure - Meru landfill	-	-	5,434,194	-	-	-	-	5,434,194	390,000	5,218,000
Infrastructure - airport	-	-	-	-	164,517	-	-	164,517	200,423	213,597
Infrastructure - effluent scheme	-	-	-	-	-	-	-	0	19,100	-
	-	-	5,434,194	5,401,288	17,522,550	43,000	-	28,401,032	26,912,426	33,645,153
Total acquisitions	703,050	558,000	5,434,194	6,133,788	21,619,550	43,000	3,104,410	37,595,992	33,652,502	40,646,283

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

- City of Greater Geraldton 2022-23 Capital Program Report

The City has added a new asset class 'Infrastructure - lighting' in 2022/23 to recognise this component of infrastructure separately.

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.

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 Forecast Actual Net Book Value	2021/22 Actual Sale Proceeds	2021/22 Forecast Actual Profit	2021/22 Forecast Actual Loss	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Other property and services	719,745	905,500	239,320	(53,565)	3,108,422	2,354,818	93,428	(847,032)	422,721	449,500	53,019	(26,240)
	719,745	905,500	239,320	(53,565)	3,108,422	2,354,818	93,428	(847,032)	422,721	449,500	53,019	(26,240)
By Class												
<i>Property, Plant and Equipment</i>												
Land - freehold land	-	-	-	-	2,523,018	1,957,818	84,958	(650,158)	-	-	-	-
Buildings - non-specialised	-	-	-	-	418,256	351,000	-	(67,256)	-	-	-	-
Plant and equipment	719,745	905,500	239,320	(53,565)	60,485	46,000	8,470	(22,955)	422,721	449,500	53,019	(26,240)
Artwork	-	-	-	-	106,663	-	-	(106,663)	-	-	-	-
	719,745	905,500	239,320	(53,565)	3,108,422	2,354,818	93,428	(847,032)	422,721	449,500	53,019	(26,240)

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.

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 ovals
Infrastructure - car parks
Infrastructure - Meru landfill
Infrastructure - airport
Infrastructure - effluent scheme
Right of use - plant and equipment

	2022/23	2021/22	2021/22
	Budget	Forecast	Budget
	\$	Actual	\$
	738,749	680,511	614,224
	205,722	202,715	202,715
	21,213	21,649	21,649
	97,119	94,899	94,899
	30,240	18,592	18,592
	985,872	959,210	959,210
	3,244,156	3,186,788	3,114,208
	18,951,924	18,637,202	18,444,212
	3,338	3,336	3,336
	1,120,625	1,232,239	1,405,753
	25,398,958	25,037,141	24,878,798
	2,162,268	2,180,812	2,138,297
	501,924	442,518	428,409
	1,205,102	1,255,348	1,414,702
	14,135,608	13,801,929	13,667,476
	1,421,066	1,475,033	1,450,830
	1,305,349	1,379,230	1,368,396
	2,044,381	1,948,163	1,856,580
	498,368	485,534	485,534
	919,535	899,186	899,186
	1,143,622	1,107,994	1,107,994
	18,695	18,354	18,354
	43,040	43,040	43,040
	25,398,958	25,037,141	24,878,798

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	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	20 to 80 years
Infrastructure - footpaths	20 years
Infrastructure - drainage	80 years
Infrastructure - parks and ovals	10 to 60 years
Infrastructure - car parks	20 to 100 years
Infrastructure - Meru landfill	8 to 75 years
Infrastructure - airport	10 to 100 years
Infrastructure - effluent scheme	10 to 40 years
Right of use - plant and equipment	Based on the remaining lease

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 GREATER GERALDTON
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	Forecast	2021/22	2021/22	Forecast	2021/22	2021/22	Budget	2021/22		
				Principal 1 July 2022	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2023	Budget Interest Repayments	Actual Principal 1 July 2021	Forecast Actual New Loans	Forecast Actual Principal Repayments	Principal outstanding 30 June 2022	Forecast Actual Interest Repayments	Budget Principal 1 July 2021	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2022	Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Governance																		
Office Redevelopment	262	WATC	3.89%	89,151	-	(89,151)	0	(1,740)	204,063	-	(114,912)	89,151	(6,275)	204,064	-	(114,912)	89,152	(6,275)
Law, order, public safety																		
Animal Pound	276	WATC	1.99%	1,117,844	-	(271,216)	846,628	(20,902)	1,383,742	-	(265,898)	1,117,844	(26,220)	1,383,742	-	(265,898)	1,117,844	(26,220)
Community amenities																		
Meru Resource Facility	278	WATC	2.24%	5,061,155	-	(675,614)	4,385,541	(109,608)	5,721,885	-	(660,730)	5,061,155	(124,491)	5,721,885	-	(660,730)	5,061,155	(124,491)
Recreation and culture																		
Foreshore Stabilisation & Protection	268	WATC	3.09%	399,361	-	(129,060)	270,301	(11,351)	524,523	-	(125,162)	399,361	(15,248)	524,523	-	(125,162)	399,361	(15,248)
Aquarena Upgrade	264	WATC	4.36%	471,803	-	(230,815)	240,988	(18,082)	692,874	-	(221,071)	471,803	(27,826)	692,874	-	(221,071)	471,803	(27,826)
QPT Air-Conditioning Replacement	271	WATC	2.92%	1,413,957	-	(338,270)	1,075,687	(38,836)	1,742,562	-	(328,605)	1,413,957	(48,501)	1,742,560	-	(328,605)	1,413,955	(48,501)
Recreation Ground Grandstand	263	WATC	4.36%	294,877	-	(144,259)	150,618	(11,301)	433,046	-	(138,169)	294,877	(17,391)	433,046	-	(138,169)	294,877	(17,391)
MUF, Youth Precinct, Beach Access Ramp	272	WATC	3.21%	2,661,362	-	(259,462)	2,401,900	(83,364)	2,912,692	-	(251,330)	2,661,362	(91,497)	2,912,691	-	(251,330)	2,661,361	(91,497)
Verita Road	259	WATC	4.72%	-	-	-	-	-	278,291	-	(278,291)	-	(6,568)	278,291	-	(278,291)	-	(6,568)
Aquarena Renewal Stage 1	260	WATC	3.89%	231,792	-	(231,792)	-	(4,531)	530,563	-	(298,771)	231,792	(16,316)	530,564	-	(298,771)	231,793	(16,316)
Beresford Foreshore	277	WATC	2.24%	1,337,590	-	(178,555)	1,159,035	(28,968)	1,512,212	-	(174,622)	1,337,590	(32,901)	1,512,212	-	(174,622)	1,337,590	(32,901)
Transport																		
Airport Projects	269	WATC	3.09%	1,005,058	-	(324,800)	680,258	(28,566)	1,320,050	-	(314,992)	1,005,058	(38,375)	1,320,049	-	(314,992)	1,005,057	(38,375)
Airport Paid Parking Facilities	261	WATC	3.89%	133,726	-	(133,726)	-	(2,609)	306,094	-	(172,368)	133,726	(9,413)	306,095	-	(172,368)	133,727	(9,413)
Airport Buffer Land	258	WATC	4.72%	-	-	-	-	-	80,395	-	(80,395)	-	(1,897)	80,395	-	(80,395)	-	(1,897)
Verita Road Stage 1	273	WATC	2.45%	230,253	-	(230,253)	-	(4,239)	454,967	-	(224,714)	230,253	(9,779)	454,967	-	(224,714)	230,253	(9,779)
Airport Runway Overlay	275	WATC	2.82%	6,624,521	-	(308,556)	6,315,965	(184,652)	6,924,556	-	(300,035)	6,624,521	(193,172)	6,924,556	-	(300,035)	6,624,521	(192,956)
Other property and services																		
Old Works Depot	265	WATC	4.36%	235,901	-	(115,407)	120,494	(9,041)	346,437	-	(110,536)	235,901	(13,913)	346,438	-	(110,536)	235,902	(13,913)
Olive Street Development	274	WATC	3.13%	1,993,354	-	(374,299)	1,619,055	(59,486)	2,356,207	-	(362,853)	1,993,354	(70,932)	2,356,206	-	(362,853)	1,993,353	(70,932)
Old Railway Building	266	WATC	4.36%	242,978	-	(118,870)	124,108	(9,312)	356,830	-	(113,852)	242,978	(14,330)	356,831	-	(113,852)	242,979	(14,330)
				23,544,683	-	(4,154,105)	19,390,578	(626,588)	28,081,989	-	(4,537,306)	23,544,683	(765,045)	28,081,989	-	(4,537,306)	23,544,683	(764,829)
Self Supporting Loans																		
Recreation and culture																		
Wontheilla Bowling Club - SSL	279	WATC	0.49%	160,392	-	(39,803)	120,589	(739)	200,000	-	(39,608)	160,392	(934)	200,000	-	(39,608)	160,392	(934)
Geraldton Yacht Club - SSL	96	WATC	3.16%	159,289	-	(24,512)	134,777	(4,842)	183,044	-	(23,755)	159,289	(5,598)	183,044	-	(23,755)	159,289	(5,598)
Geraldton Amateur Basketball Association SSL	280	WATC	1.50%	-	550,000	(23,785)	526,215	(8,250)	-	-	-	-	-	-	550,000	(26,853)	523,147	(1,375)
Geraldton Hockey Association - SSL	281	WATC	1.25%	571,737	-	(57,055)	514,682	(6,948)	-	600,000	(28,263)	571,737	(3,739)	-	600,000	(29,294)	570,706	(1,500)
Geraldton Clay Target Club - SSL	251	WATC	1.25%	-	100,000	(4,432)	95,568	(1,250)	-	-	-	-	-	-	-	-	-	-
				891,418	650,000	(149,587)	1,391,831	(22,029)	383,044	600,000	(91,626)	891,418	(10,271)	383,044	1,150,000	(119,510)	1,413,534	(9,407)
Loan Guarantee Fee								(171,901)					(200,455)					(207,415)
				24,436,101	650,000	(4,303,692)	20,782,409	(820,518)	28,465,033	600,000	(4,628,932)	24,436,101	(975,771)	28,465,033	1,150,000	(4,656,816)	24,958,217	(981,651)

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 GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
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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
				%	\$	\$	\$	\$
Geraldton Amateur Basketball Association SSL	WATC	Self Supporting Loan	10	3.00%	550,000	44,337	550,000	-
Geraldton Clay Target Club - SSL	WATC	Self Supporting Loan	10	2.50%	100,000	6,692	100,000	-
					650,000	51,029	650,000	-

(c) Unspent borrowings

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2022/23 Budget	New loans unspent at 30 June 2023	Amount as at 30 June 2023
			\$	\$	\$	\$
Meru Landfill	Capital Works	2/05/2019	1,796,700	1,796,700	-	-
			1,796,700	1,796,700	-	-

(d) Credit Facilities

	2022/23 Budget	2021/22 Forecast Actual	2021/22 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	750,000	750,000	750,000
Bank overdraft at balance date	-	-	-
Credit card limit	115,000	115,000	115,000
Credit card balance at balance date	(15,000)	(15,000)	(15,000)
Total amount of credit unused	850,000	850,000	850,000
Loan facilities			
Loan facilities in use at balance date	20,782,409	24,436,101	24,958,217

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 GREATER GERALDTON
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 Principal 1 July 2022	2022/23		Budget	2022/23		Forecast Actual Principal 1 July 2021	Forecast Actual New Leases	Forecast Actual Lease Principal repayments 30 June 2022	Forecast Actual Lease Interest repayments	Budget Principal 1 July 2021	2021/22		Budget	2021/22	
						2022/23 Budget New Leases	Budget Lease Principal Repayments	Lease Principal outstanding 30 June 2023	Budget Lease Interest Repayments	2021/22 Budget New Leases						Budget Lease Principal repayments	Lease Principal outstanding 30 June 2022	Budget Lease Interest repayments		
Governance					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Printing Machines		Winc Printing	6.1%	5 years	101,384	-	(45,124)	56,260	(4,969)	143,828	-	(42,444)	101,384	(7,650)	143,087	-	(42,444)	100,643	(7,866)	
					101,384	-	(45,124)	56,260	(4,969)	143,828	-	(42,444)	101,384	(7,650)	143,087	-	(42,444)	100,643	(7,866)	

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 GREATER GERALDTON
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	2022/23	2022/23	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	
	Budget	2022/23	Budget	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	
	Opening	Budget	Transfer	Forecast	Forecast	Forecast	Forecast	Budget	2021/22	Budget	Budget	
	Balance	Transfer to	(from)	Actual	Actual	Actual	Actual	Opening	Budget	Transfer	Closing	
	Balance	Transfer to	(from)	Balance	Transfer to	(from)	Balance	Balance	Transfer to	(from)	Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Restricted by legislation												
(a) Money in lieu of public open space reserve	1,722,379	-	(673,198)	1,049,181	1,286,015	436,364	-	1,722,379	1,286,015	-	(250,000)	1,036,015
	1,722,379	-	(673,198)	1,049,181	1,286,015	436,364	-	1,722,379	1,286,015	-	(250,000)	1,036,015
Restricted by council												
(b) Employee entitlements reserve	3,100,000	-	-	3,100,000	3,100,000	-	-	3,100,000	3,100,000	-	(500,000)	2,600,000
(c) Unexpended capital works & restricted grant	12,085,701	-	(2,099,194)	9,986,507	11,368,128	3,285,127	(2,567,554)	12,085,701	5,259,299	-	(2,757,626)	2,501,673
(d) Asset renewal reserve	9,144,354	-	(248,000)	8,896,354	11,144,354	1,000,000	(3,000,000)	9,144,354	9,390,575	-	(6,598,000)	2,792,575
(e) Major initiatives reserve	7,748,607	1,000,000	(1,333,333)	7,415,274	5,281,655	3,271,454	(804,502)	7,748,607	1,856,655	750,000	(507,193)	2,099,462
(f) Point Moore reserve	461,318	34,000	-	495,318	110,318	351,000	-	461,318	106,318	34,000	-	140,318
(g) Parking land reserve	1,301,759	-	-	1,301,759	551,759	750,000	-	1,301,759	551,759	-	-	551,759
	33,841,739	1,034,000	(3,680,527)	31,195,212	31,556,214	8,657,581	(6,372,056)	33,841,739	20,264,606	784,000	(10,362,819)	10,685,787
	35,564,118	1,034,000	(4,353,725)	32,244,393	32,842,229	9,093,945	(6,372,056)	35,564,118	21,550,621	784,000	(10,612,819)	11,721,802

(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
(a) Money in lieu of public open space reserve		The purpose of this reserve is to comply with the requirements of Section 154 of the Planning and Development Act 2005 to hold funds for development of public open space.
(b) Employee entitlements reserve		The purpose of this reserve is for the funding of payments not predicted or provided for in Council's municipal budget. It is also intended to fund large payments to staff that may occur in any year, principally being long service leave payments but shall include provision for voluntary redundancy payments, accrued non-current annual leave and sick leave entitlements as provided for under the City's Enterprise Agreement.
(c) Unexpended capital works & restricted grant reserve		The purpose of this reserve is to restrict grant funds received that were unspent in the financial year including any tied contribution from the City plus unexpended capital works to be carried over to the next financial year.
(d) Asset renewal reserve		The purpose of this reserve is to fund infrastructure renewal. Any funds that are unspent from the annual asset renewal program are to be disbursed into this reserve for future renewal programs, unbudgeted emergent and/or emergency renewal works.
(e) Major initiatives reserve		The purpose of this reserve is to provide funding tied to prioritised capital works program and major projects/initiatives. Funds to be mainly derived from net proceeds on land sales.
(f) Point Moore reserve		The purpose of this reserve is to build funds from the annual demolition levy applied and to be paid by the Lessee per clause 4.2 of Point Moore Beach Cottages Leases in removal of all improvements and in remediation of sites.
(g) Parking land reserve		The purpose of this reserve is to build up funds that can be used for the acquisition of land for car parking and provision of parking facilities within the City.

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

10. 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	When rates notice is issued
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
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
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

11. PROGRAM INFORMATION

Income and expenses

	2022/23	2021/22	2021/22
	Budget	Forecast	Budget
		Actual	
Income excluding grants, subsidies and contributions	\$	\$	\$
Governance	39,650	42,530	26,480
General purpose funding	51,612,385	49,165,049	49,348,015
Law, order, public safety	325,000	334,000	334,000
Health	80,000	60,000	29,000
Education and welfare	30,000	40,002	20,000
Community amenities	13,932,164	13,233,790	13,121,291
Recreation and culture	2,639,267	1,901,989	1,916,157
Transport	5,488,700	4,242,782	4,450,150
Economic services	907,000	918,771	761,005
Other property and services	1,371,885	1,257,993	1,258,269
	76,426,051	71,196,906	71,264,367
Operating grants, subsidies and contributions			
Governance	107,647	97,647	92,250
General purpose funding	6,506,610	8,200,603	6,265,249
Law, order, public safety	516,652	591,112	232,112
Education and welfare	331,975	361,579	329,225
Community amenities	145,000	251,900	45,100
Recreation and culture	356,400	412,534	387,074
Transport	715,995	2,415,855	1,052,892
Economic services	45,000	52,500	111,000
Other property and services	211,000	391,542	-
	8,936,279	12,775,272	8,514,902
Non-operating grants, subsidies and contributions			
Law, order, public safety	500,000	1,122,760	480,000
Community amenities	139,125	176,000	1,131,200
Recreation and culture	202,500	1,599,372	750,000
Transport	11,650,818	6,936,851	6,494,051
Other property and services	300,000	-	300,000
	12,792,443	9,834,983	9,155,251
Total Income	98,154,773	93,807,161	88,934,520
Expenses			
Governance	(2,703,460)	(1,896,654)	(2,422,644)
General purpose funding	(989,293)	(1,321,389)	(1,309,389)
Law, order, public safety	(3,911,047)	(3,698,997)	(3,245,297)
Health	(910,076)	(789,698)	(811,698)
Education and welfare	(2,147,026)	(1,927,569)	(1,876,619)
Housing	(37,483)	(26,011)	(26,011)
Community amenities	(13,733,931)	(12,043,729)	(12,580,534)
Recreation and culture	(20,924,177)	(20,000,320)	(19,748,776)
Transport	(30,766,601)	(30,038,630)	(29,508,814)
Economic services	(4,791,994)	(4,845,724)	(4,810,267)
Other property and services	(6,161,130)	(6,729,134)	(6,464,107)
Total expenses	(87,076,218)	(83,317,855)	(82,804,156)
Net result for the period	11,078,555	10,489,306	6,130,364

12. OTHER INFORMATION

	2022/23 Budget	2021/22 Forecast Actual	2021/22 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	250,000	132,000	150,000
- Municipal Funds	280,000	198,000	180,000
- Other funds	32,442	29,985	9,407
Other interest revenue (refer note 1b)	456,500	456,786	462,000
	1,018,942	816,771	801,407
* The City has resolved to charge interest under section 6.13 for the late payment of any amount of money at 6%.			
(b) Other revenue			
Reimbursements and recoveries	359,397	257,942	255,450
Other	693,468	116,615	116,615
	1,052,865	374,557	372,065
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	56,000	49,600	56,000
Other services	10,000	7,235	10,000
	66,000	56,835	66,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	820,518	975,771	981,651
Interest expense on lease liabilities	4,969	7,650	7,866
	825,487	983,421	989,517
(e) Write offs			
General rate	42,000	65,499	42,000
General debtors	50,000	3,000	50,000
	92,000	68,499	92,000

13. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Forecast Actual	2021/22 Budget
	\$	\$	\$
Mayor			
Mayor's allowance	85,800	78,000	78,000
Meeting attendance fees	48,704	39,000	39,000
Other expenses	4,000	449	4,000
Annual allowance for ICT expenses	0	3,500	3,500
Travel and accommodation expenses	2,100	1,100	2,000
	140,604	122,049	126,500
Deputy Mayor			
Deputy Mayor's allowance	21,450	19,500	19,500
Meeting attendance fees	32,470	27,000	27,000
Other expenses	3,000	1,912	2,000
Annual allowance for ICT expenses	0	3,500	3,500
Travel and accommodation expenses	5,000	0	5,000
	61,920	51,912	57,000
Councillor 3			
Meeting attendance fees	32,470	27,000	27,000
Other expenses	2,300	1,563	2,000
Annual allowance for ICT expenses	0	3,500	3,500
Travel and accommodation expenses	100	150	100
	34,870	32,213	32,600
Councillor 4			
Meeting attendance fees	32,470	27,000	27,000
Other expenses	2,300	0	2,000
Annual allowance for ICT expenses	0	3,500	3,500
Travel and accommodation expenses	4,800	4,000	4,800
	39,570	34,500	37,300
Councillor 5			
Meeting attendance fees	32,470	27,000	27,000
Other expenses	2,300	3,160	2,000
Annual allowance for ICT expenses	0	3,500	3,500
Travel and accommodation expenses	100	718	100
	34,870	34,378	32,600
Councillor 6			
Meeting attendance fees	32,470	27,000	27,000
Other expenses	2,300	1,791	2,000
Annual allowance for ICT expenses	0	3,500	3,500
Travel and accommodation expenses	4,800	0	4,800
	39,570	32,291	37,300
Councillor 7			
Meeting attendance fees	32,470	27,000	27,000
Other expenses	2,300	2,206	2,000
Annual allowance for ICT expenses	0	3,500	3,500
Travel and accommodation expenses	100	644	100
	34,870	33,350	32,600

13. ELECTED MEMBERS REMUNERATION (CONTINUED)

Councillor 8			
Meeting attendance fees	32,470	27,000	27,000
Other expenses	2,300	12,000	2,000
Annual allowance for ICT expenses	0	3,500	3,500
Travel and accommodation expenses	100	0	100
	34,870	42,500	32,600
Councillor 9			
Meeting attendance fees	32,470	27,000	27,000
Other expenses	2,300	1,791	2,000
Annual allowance for ICT expenses	0	3,500	3,500
Travel and accommodation expenses	100	0	100
	34,870	32,291	32,600
Councillor 10			
Meeting attendance fees	32,470	27,000	27,000
Other expenses	2,300	0	2,000
Annual allowance for ICT expenses	0	3,500	3,500
Travel and accommodation expenses	100	0	100
	34,870	30,500	32,600
Councillor 11			
Meeting attendance fees	32,470	27,000	27,000
Other expenses	2,300	0	2,000
Annual allowance for ICT expenses	0	3,500	3,500
Travel and accommodation expenses	100	0	100
	34,870	30,500	32,600
Councillor 12			
Meeting attendance fees	32,470	27,000	27,000
Other expenses	2,300	0	2,000
Annual allowance for ICT expenses	0	3,500	3,500
Travel and accommodation expenses	100	0	100
	34,870	30,500	32,600
Councillor 13 (vacant)			
Meeting attendance fees	0	11,894	27,000
Other expenses	0	0	2,000
Annual allowance for ICT expenses	0	1,581	3,500
Travel and accommodation expenses	0	0	100
	0	13,475	32,600
Total Elected Member Remuneration	560,624	520,458	551,500
Mayor's allowance	85,800	78,000	78,000
Deputy Mayor's allowance	21,450	19,500	19,500
Meeting attendance fees	405,874	347,894	363,000
Other expenses	30,000	24,871	28,000
Annual allowance for ICT expenses	0	43,581	45,500
Travel and accommodation expenses	17,500	6,612	17,500
	560,624	520,458	551,500

14. MAJOR LAND TRANSACTIONS

It is not anticipated any land transactions or major land transactions will occur in 2022/23.

15. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Meru Waste Disposal Facility

(a) Details

The Meru landfill facility was established to provide a regional approach to Waste Management in the Midwest. The vision of City of Greater Geraldton is to lead the community to an improved level of sustainability to encourage waste avoidance, maximise the recovery of materials and provide efficient, yet cost effective, waste management and resource recovery services to the region. These objectives are achievable by actively engaging the community in sustainable waste practices, by supporting and promoting waste minimisation principles and implementing the objectives of WA Waste Avoidance & Resource Recovery Strategy 2030.

The Food Organic and Garden Organic (FOGO) trial that collects organic waste from 500 households from the City will be extended by 12 months. The continuation of the trial will enable the City to further educate participants on the important waste reduction initiatives and evaluate the effectiveness of the program for a potential roll out of FOGO waste collection to the rest of the community.

The 2022/23 budget allows for significant investment in infrastructure over the next 2 years with support from the Building Better Regions Fund. This infrastructure will facilitate waste separation and diversion from landfill to align with the State Waste Avoidance and Resource Recovery Strategy and the City's Strategic Waste Management and Recycling Action Plan.

(b) Statement of Comprehensive Income

	2021/22 Forecast Actual	2022/23 Budget	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Operating revenue	5,505,358	5,974,258	6,245,312	6,284,098	6,524,893	6,530,750	6,625,111
	5,505,358	5,974,258	6,245,312	6,284,098	6,524,893	6,530,750	6,625,111
Expenditure							
Operating Expenditure	(4,046,444)	(3,934,740)	(4,061,197)	(4,108,559)	(4,150,887)	(4,365,681)	(4,384,143)
Depreciation Expense	(900,657)	(929,978)	(939,278)	(948,671)	(958,157)	(967,739)	(977,416)
	(4,947,101)	(4,864,718)	(5,000,475)	(5,057,230)	(5,109,044)	(5,333,420)	(5,361,559)
NET RESULT	558,257	1,109,540	1,244,837	1,226,868	1,415,849	1,197,330	1,263,552
TOTAL COMPREHENSIVE INCOME	558,257	1,109,540	1,244,837	1,226,868	1,415,849	1,197,330	1,263,552

The following estimated revenue and expenditure is not included in the income statement above but has been used in the pricing structure for goods and services.

	2021/22 Actual	2022/23 Budget	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Capital revenue	176,000	139,125	992,075				
Expenditure							
Capital expenditure	(288,562)	(5,434,194)	(3,590,775)	(972,358)	(6,687,307)	(1,252,785)	(2,443,164)

16. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Airport

(a) Details

The Geraldton Airport is owned freehold and run as a business unit of the City of Greater Geraldton, and historically has run with operating surpluses that flow to the City, and may be appropriated by Council when necessary to maintain and improve existing airport infrastructure, and provide for development of future infrastructure.

Two years on from the beginning of the COVID 19 pandemic, recovery of passenger numbers is underway and Geraldton airport has adopted a positive "open for business" approach. Qantaslink returned to a full RPT (Regular Public Transport) schedule with support from the City of Greater Geraldton, in early 2021. Despite this commitment, due to the continually changing pandemic environment and government policy, overall passenger numbers have not yet returned to pre-pandemic levels. Passenger numbers will possibly be augmented by a proposed new Geraldton-Northwest service in early 2023.

Charter flights for Rio Tinto Pilbara mines have been consistent and ad-hoc charters, often associated with a variety of company's mine shut-downs, continue to provide a valuable source of additional income to the Airport. Geraldton Airport continues to provide an excellent environment for aviation services for the midwest with its high quality assets suitable for aircraft from ultra-light recreational trikes to Boeing 787 Dreamliners. The airport is critical infrastructure for the region and is strongly supported by all levels of government, local City, State and Federal.

Following the reconstruction of the main runway in 2018/19 and resurfacing and profiling of unsealed runway 08/26, only runway 14/32 is due for rejuvenation. An engineering inspection has allowed creation of a works program that will be linked to a request for funding support from the Federal Government. The surface treatment proposed to be applied in the 2023/24 financial year will refresh the runway and will mean major works on this surface will not be required for another 10-15 years.

The City of Greater Geraldton is investigating options to install a microgrid that will provide the airport precinct and its tenants with green energy for many years to come.

(b) Statement of Comprehensive Income

	2021/22 Forecast Actual	2022/23 Budget	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Operating Revenue	4,955,000	5,445,000	5,756,640	5,728,015	5,800,567	5,920,807	5,996,076
	4,955,000	5,445,000	5,756,640	5,728,015	5,800,567	5,920,807	5,996,076
Expenditure							
Operating Expenditure	(2,674,849)	(3,361,553)	(3,377,571)	(3,413,914)	(3,282,076)	(3,320,110)	(3,358,815)
Depreciation Expense	(1,489,864)	(1,585,868)	(1,601,727)	(1,617,744)	(1,633,921)	(1,650,260)	(1,666,763)
	(4,164,713)	(4,947,421)	(4,979,298)	(5,031,658)	(4,915,997)	(4,970,370)	(5,025,578)
NET RESULT	790,287	497,579	777,342	696,357	884,570	950,437	970,498
TOTAL COMPREHENSIVE INCOME	790,287	497,579	777,342	696,357	884,570	950,437	970,498

The following estimated revenue and expenditure is not included in the income statement above but has been used in the pricing structure for goods and services.

	2021/22 Actual	2022/23 Budget	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Capital Revenue	107,622	2,666,667	0	600,000			
Expenditure							
Capital Expenditure	1,720,563	(5,016,599)	(741,233)	(2,658,673)	(356,166)	(459,728)	(568,293)

17. 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
	\$	\$	\$	\$
Unclaimed Monies	7,386	200	(500)	7,086
Sundry	22,700	44,000	(41,000)	25,700
	30,086	44,200	(41,500)	32,786

18. FEES AND CHARGES

	2022/23 Budget	2021/22 Forecast Actual	2021/22 Budget
	\$	\$	\$
By Program:			
Governance	12,650	15,350	10,200
General purpose funding	296,000	296,000	315,000
Law, order, public safety	321,000	328,000	328,000
Health	79,000	59,000	28,000
Education and welfare	30,000	40,000	20,000
Community amenities	13,932,164	13,233,790	13,121,291
Recreation and culture	1,791,525	1,729,418	1,757,845
Transport	5,483,200	4,237,200	4,445,150
Economic services	857,000	884,000	851,000
Other property and services	982,500	1,022,500	950,500
	23,785,039	21,845,258	21,826,986