



City of  
**Greater Geraldton**  
a vibrant future



**Shane Van Styn**  
Mayor  
City of Greater Geraldton

**Budget 2017-2018**  
*Getting Geraldton Back on Track*



## Key Budget Themes

- Completing Legacy Projects
- Getting on Track to Financial Sustainability
- Closing the Asset Renewal Gap
- Supporting CBD Vibrancy



## Clearing Legacy Projects

- Beresford
  - Groyne extension is 99 per cent complete and the offshore breakwater extension is progressing well.
  - 3 revetment structures along Chapman Road is underway along with beach and sand dune stabilisation works incorporating the planting of approximately 13,000m<sup>2</sup> of native tube stocks.
- Olive Street
  - After 50 years will be complete



## Clearing Legacy Projects

- Airport
  - Confident of obtaining funding from the Federal and State Governments
  - New asphalt overlay and extend the Second World War period runway at the airport.
- Undergrounding Power
  - Chapman Road and Durlacher Street
- Point Moore
  - Conclude many years of conjecture over leases



## Next Wave of Legacies

- We still have a massive renewal backlog
  - Meru Landfill is a major elephant in the room
    - \$9m unfunded liability to cap and dig a new cell
  - Drummonds
  - Sunset Beach



## Financial statements at a glance

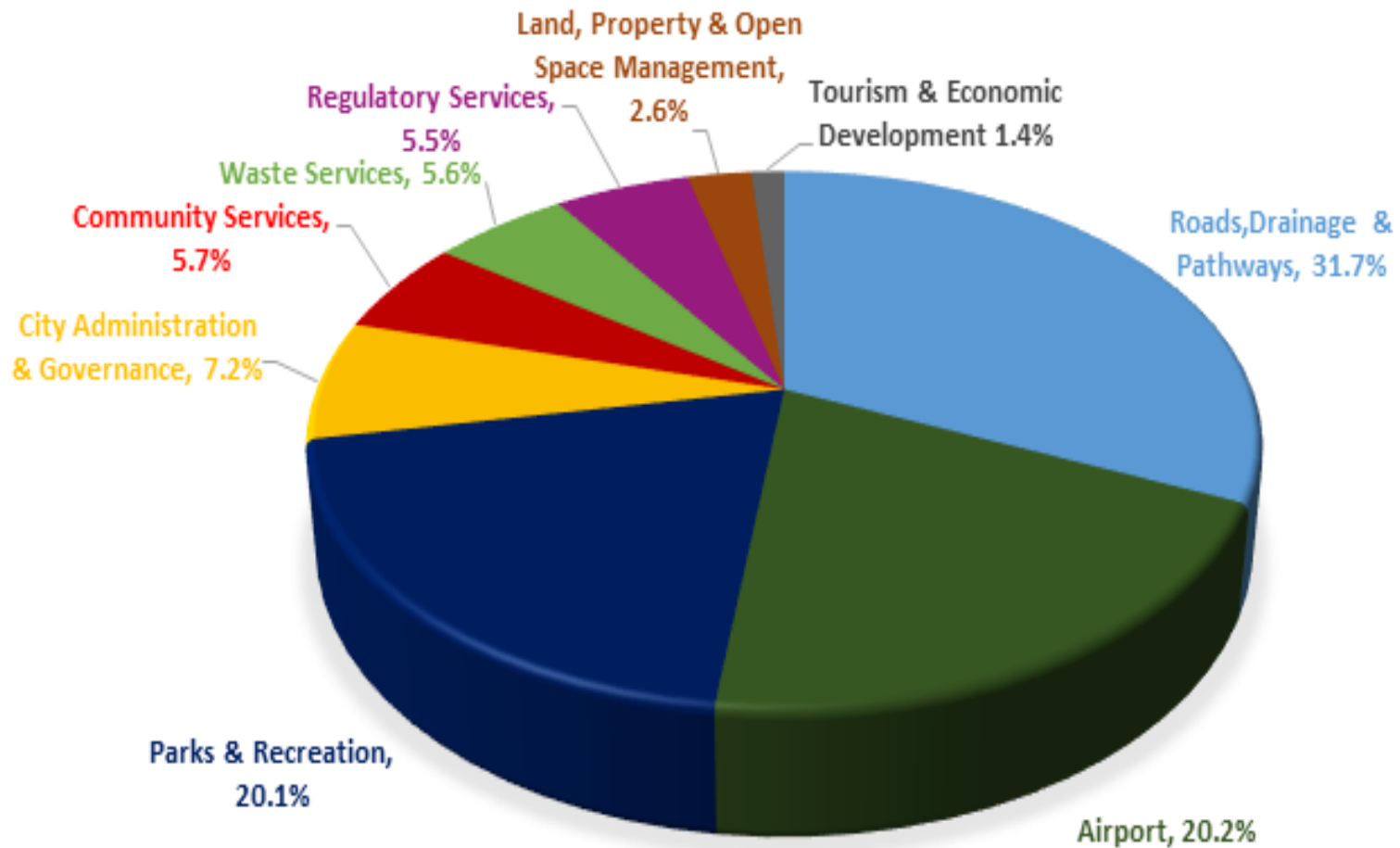
Operating Statement		Existing LTFP 17/18	17/18 Budget	17/18 LTFP against 17/18 Budget % Movement
OPERATING REVENUE		\$000s	\$000s	
Rates		44,960	44,964	0.01%
Operating Grants, Subsidies & Contributions		7,837	8,401	7.20%
Fees & Charges		21,658	22,272	2.83%
Interest Earnings		1,354	1,529	12.92%
Other		753	740	-1.73%
Total Operating Revenue		76,562	77,906	1.76%
OPERATING EXPENDITURE				
Employee Costs		27,821	28,186	1.31%
Materials & Contractors		21,775	22,220	2.04%
Utilities		3,532	3,274	-7.30%
Insurance		938	813	-13.33%
Interest/Borrowing Costs		1,840	1,162	-36.85%
Depreciation On Assets		21,967	21,401	-2.58%
Other Expenses		1,296	2,063	59.18%
Total Operating Expenditure		79,169	79,119	-0.06%
Net Result From Ordinary Activities		-2,607	-1,213	-53.47%

# City of Greater Geraldton Long Term Financial Plan 2017-2027

## Statement of Comprehensive Income by Nature and Type

	2017 / 2018	2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024/2025	2025/2026	2026/2027
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>INCOME: REVENUES FROM ORDINARY ACTIVITIES</b>										
EXCLUDING PROFIT ON ASSET DISPOSAL, NON-OPERATING GRANTS, SUBSIDIES & CONTRIBUTIONS										
Rates	44,964	47,238	49,364	51,585	53,906	56,332	58,867	61,516	64,284	67,177
Fees & Charges	22,272	23,484	24,876	26,234	27,670	29,190	30,951	32,706	34,514	36,427
Interest Earnings	1,529	1,375	1,421	1,519	1,667	1,865	2,053	2,247	2,292	2,305
Other Revenue	741	954	1,036	809	834	859	884	911	938	966
Operating Grants, Subsidies & Contributions	8,401	8,670	8,947	9,234	9,529	9,834	10,149	10,474	10,809	11,155
<b>Total Revenue</b>	<b>77,906</b>	<b>81,720</b>	<b>85,644</b>	<b>89,381</b>	<b>93,607</b>	<b>98,080</b>	<b>102,903</b>	<b>107,853</b>	<b>112,837</b>	<b>118,029</b>
<b>EXPENDITURE: EXPENSES FROM ORDINARY ACTIVITIES</b>										
EXCLUDING LOSS ON ASSET DISPOSAL										
Employee Costs	(28,186)	(29,028)	(29,676)	(30,420)	(31,341)	(32,362)	(33,496)	(34,780)	(36,112)	(37,335)
Interest Expenses	(1,162)	(1,526)	(1,825)	(1,869)	(1,808)	(1,859)	(1,601)	(1,354)	(1,126)	(918)
Materials & Contracts	(22,220)	(22,393)	(23,131)	(24,235)	(24,922)	(25,745)	(27,152)	(27,697)	(28,880)	(30,353)
Depreciation & Amortisation	(21,401)	(22,353)	(24,200)	(25,310)	(27,302)	(28,501)	(30,647)	(31,942)	(34,005)	(35,575)
Utilities	(3,274)	(3,430)	(3,593)	(3,764)	(3,943)	(4,131)	(4,329)	(4,536)	(4,710)	(4,893)
Insurance	(813)	(854)	(897)	(941)	(988)	(1,038)	(1,090)	(1,144)	(1,201)	(1,261)
Other Expenditure	(2,063)	(2,099)	(2,155)	(2,203)	(2,251)	(2,252)	(2,302)	(2,353)	(2,405)	(2,459)
<b>Total Expenditure</b>	<b>(79,120)</b>	<b>(81,683)</b>	<b>(85,476)</b>	<b>(88,742)</b>	<b>(92,556)</b>	<b>(95,888)</b>	<b>(100,616)</b>	<b>(103,807)</b>	<b>(108,439)</b>	<b>(112,795)</b>
<b>Net Result From Ordinary Activities</b>	<b>(1,213)</b>	<b>38</b>	<b>168</b>	<b>639</b>	<b>1,051</b>	<b>2,192</b>	<b>2,287</b>	<b>4,047</b>	<b>4,398</b>	<b>5,235</b>



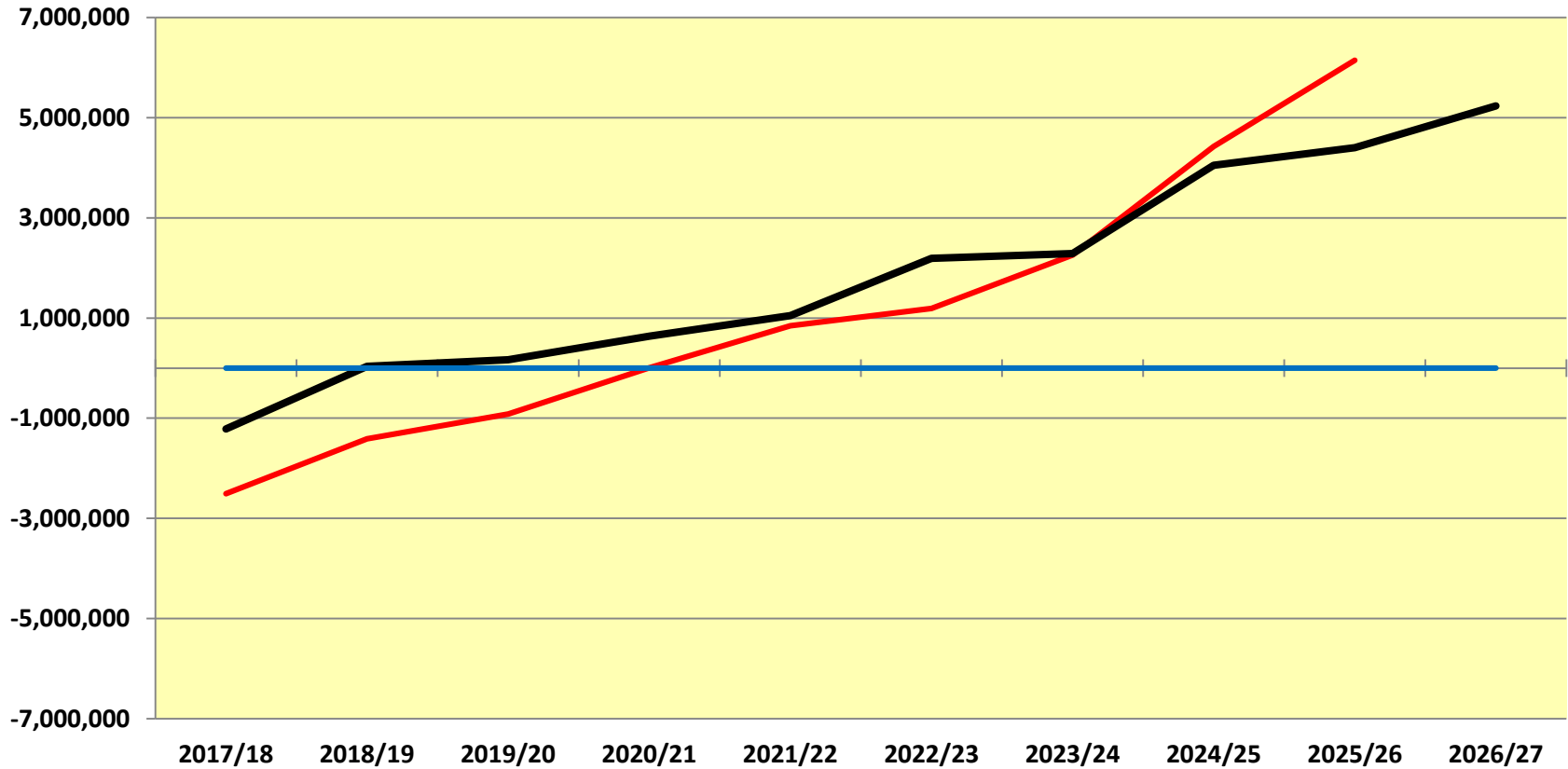




## How do we compare to ourselves?

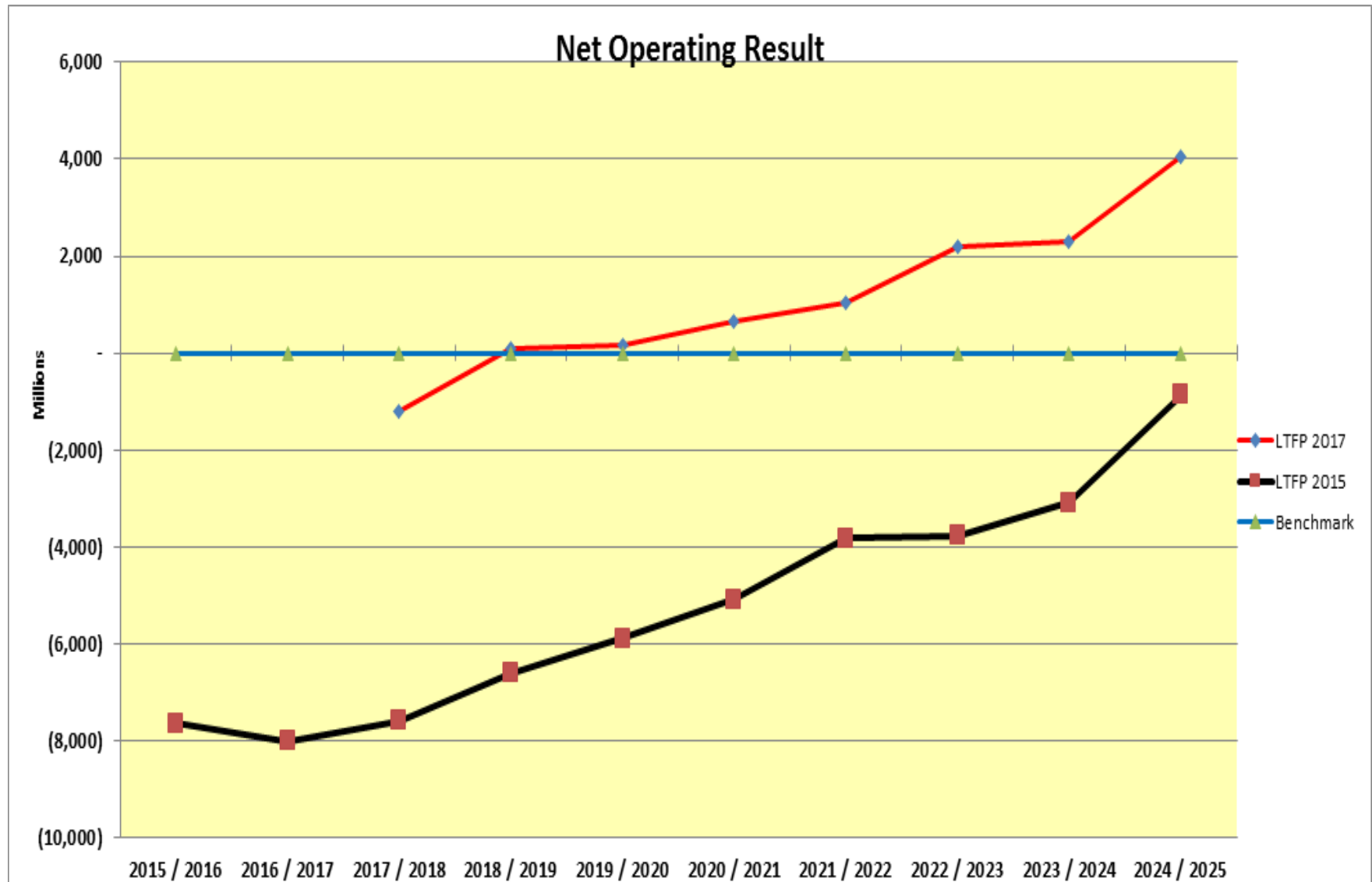
# Where are we now compared to 1 year ago?

## LTFP Net Operating Result 2017 - 2027



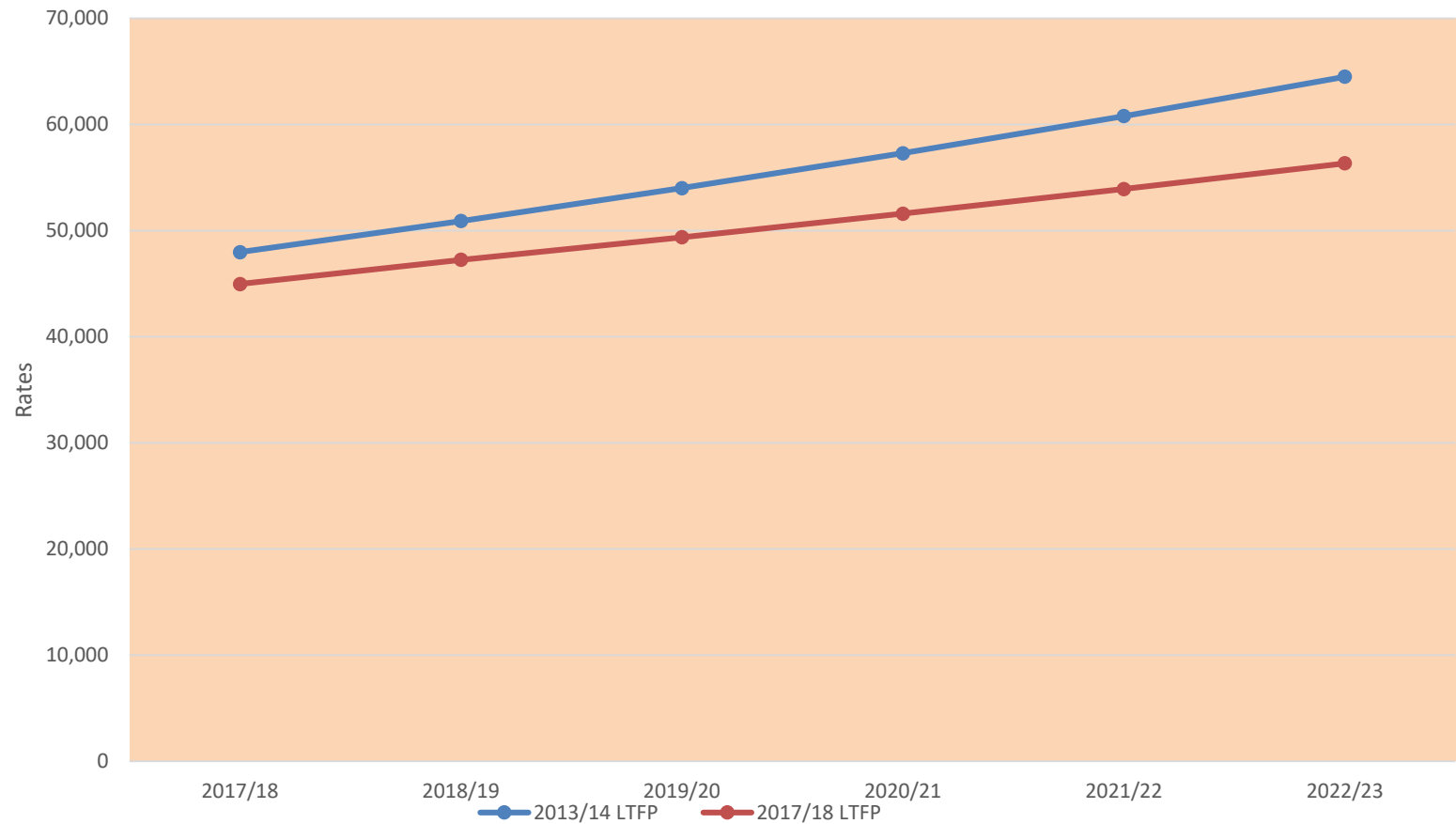
— LTFP 2016 — LTFP 2017 — Minimum Benchmark

# Where are we now compared to 3 years ago?



# Where are we now compared to 3 years ago?

## Rates Comparison



# City of Greater Geraldton Long Term Financial Plan 2015 - 2025

## Key Performance Indicators

	2015/2016 Year 1	2016/2017 Year 2	2017/2018 Year 3	2018/2019 Year 4	2019/2020 Year 5	2020/2021 Year 6	2021/2022 Year 7	2022/2023 Year 8	2023/2024 Year 9	2024/25 Year 10
Operating Surplus From Ordinary Activities Benchmark: Surplus greater than \$0	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Current Ratio Benchmark: Greater than 100%	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Rates Coverage Ratio Benchmark: Greater than 40%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Debt Service Coverage Ratio Benchmark: Higher than 300%	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓
Asset Sustainability Ratio Benchmark: Higher than 90%	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
Asset Consumption Ratio Benchmark: Greater than 50%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Asset Renewal Funding Ratio Benchmark: Greater than 95%	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Debt Service Ratio Benchmark: Less than 10%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

# City of Greater Geraldton Long Term Financial Plan 2017-2027

## Key Performance Indicators

	2017 / 2018	2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024/2025	2025/2026	2026/2027
Operating Surplus From Ordinary Activities Benchmark: Surplus greater than \$0	x	✓	✓	✓	✓	✓	✓	✓	✓	✓
Current Ratio Benchmark: Greater than 100%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rates Coverage Ratio Benchmark: Greater than 40%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Debt Service Coverage Ratio Benchmark: Higher than 300%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Asset Sustainability Ratio Benchmark: Higher than 90%	✓	x	x	x	x	x	x	x	✓	✓
Asset Consumption Ratio Benchmark: Greater than 60%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Debt Service Ratio Benchmark: Less than 10%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



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## So what will this cost me?





- Rates: 3.5% increase
- No change to minimums
- \$24 (commercial) \$46 (residential) increase in the rubbish charge
- 50% decrease in parking fees at the airport
- No increase in landing fees
- Free tipping, mulch, 200 more free skip bins

**Increase average = \$105 per house p.a.**



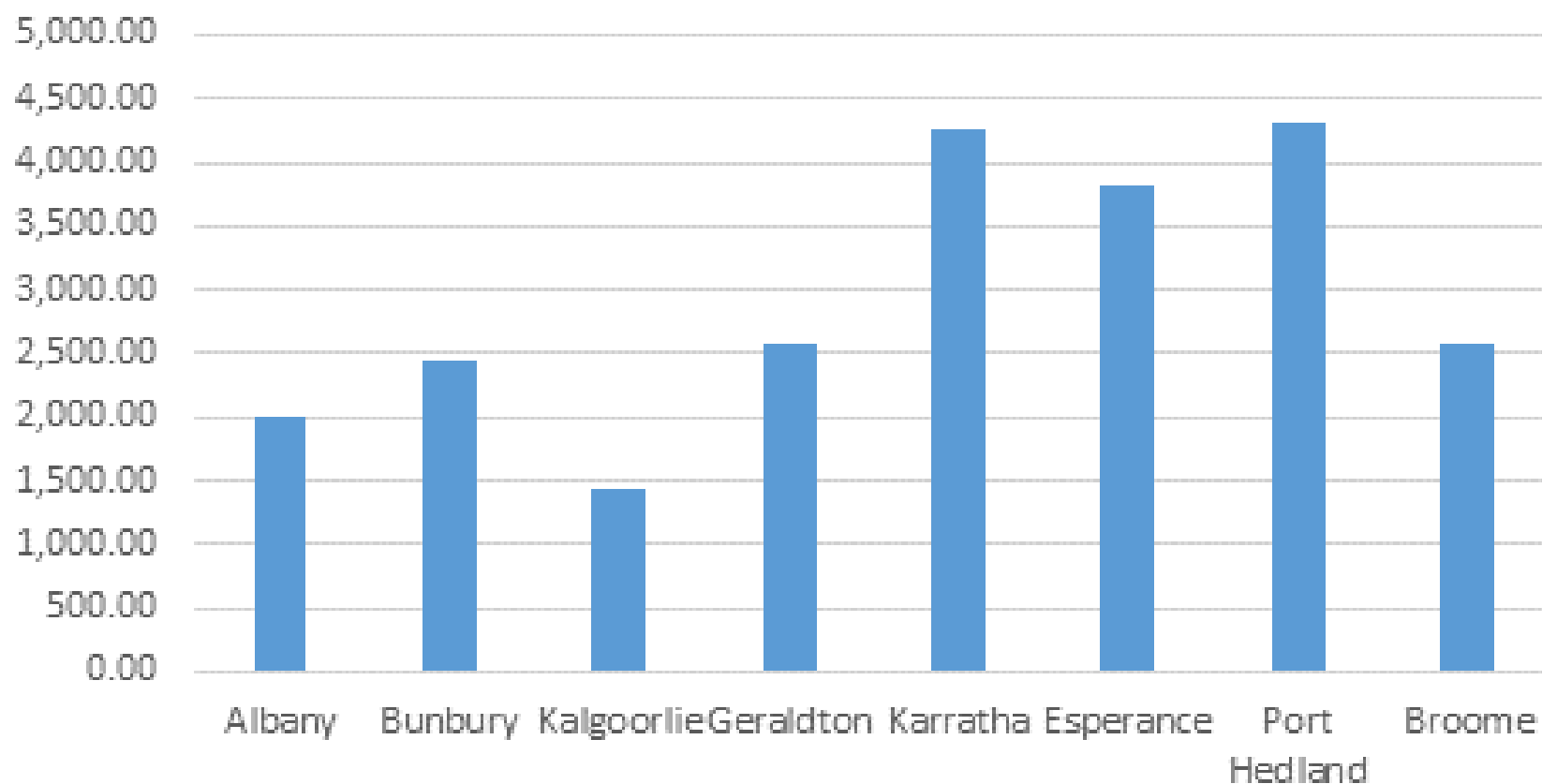
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# How do we compare to others?

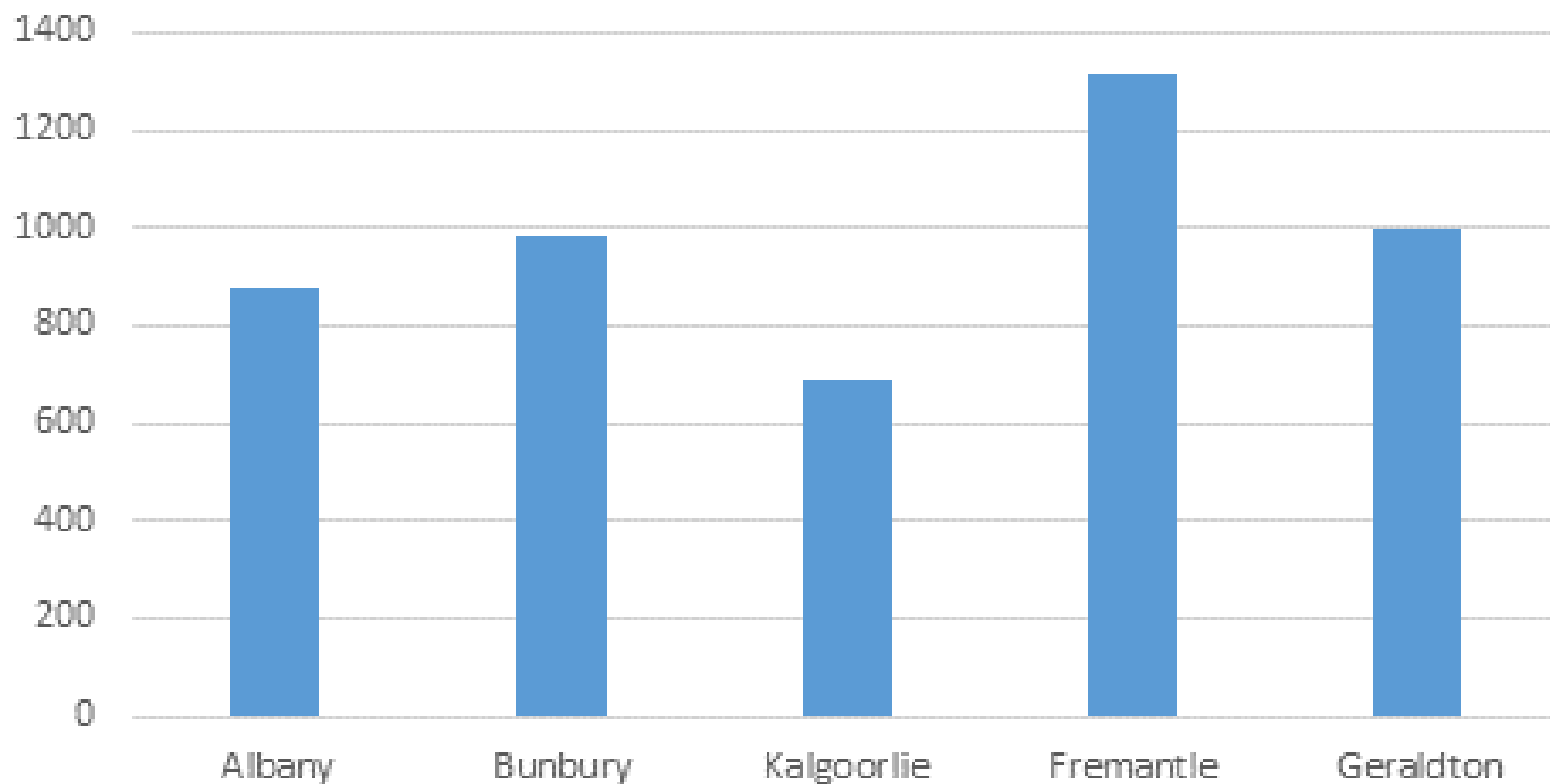


## Rate \$ / Dwelling



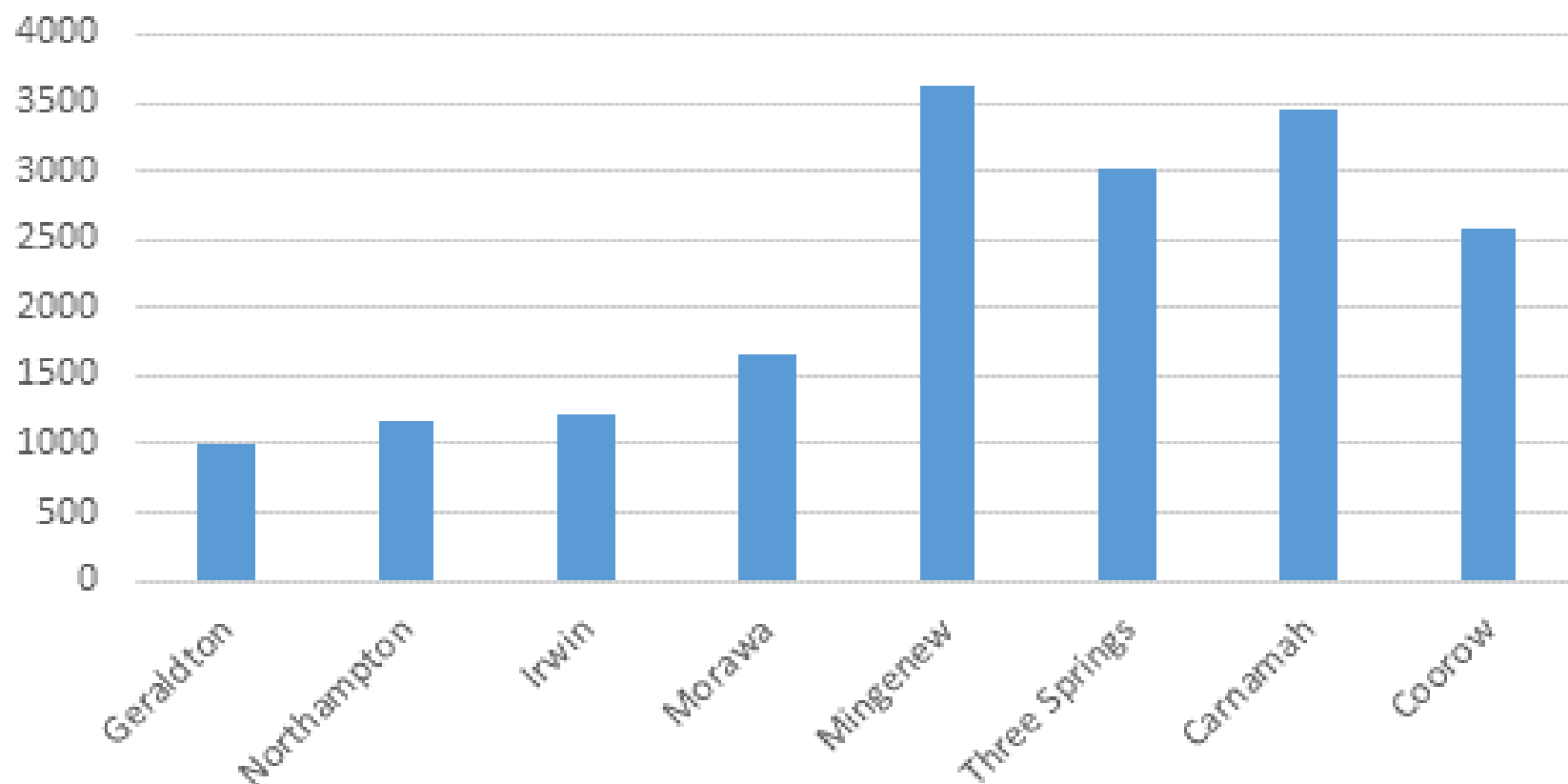


## Rate \$/Capita



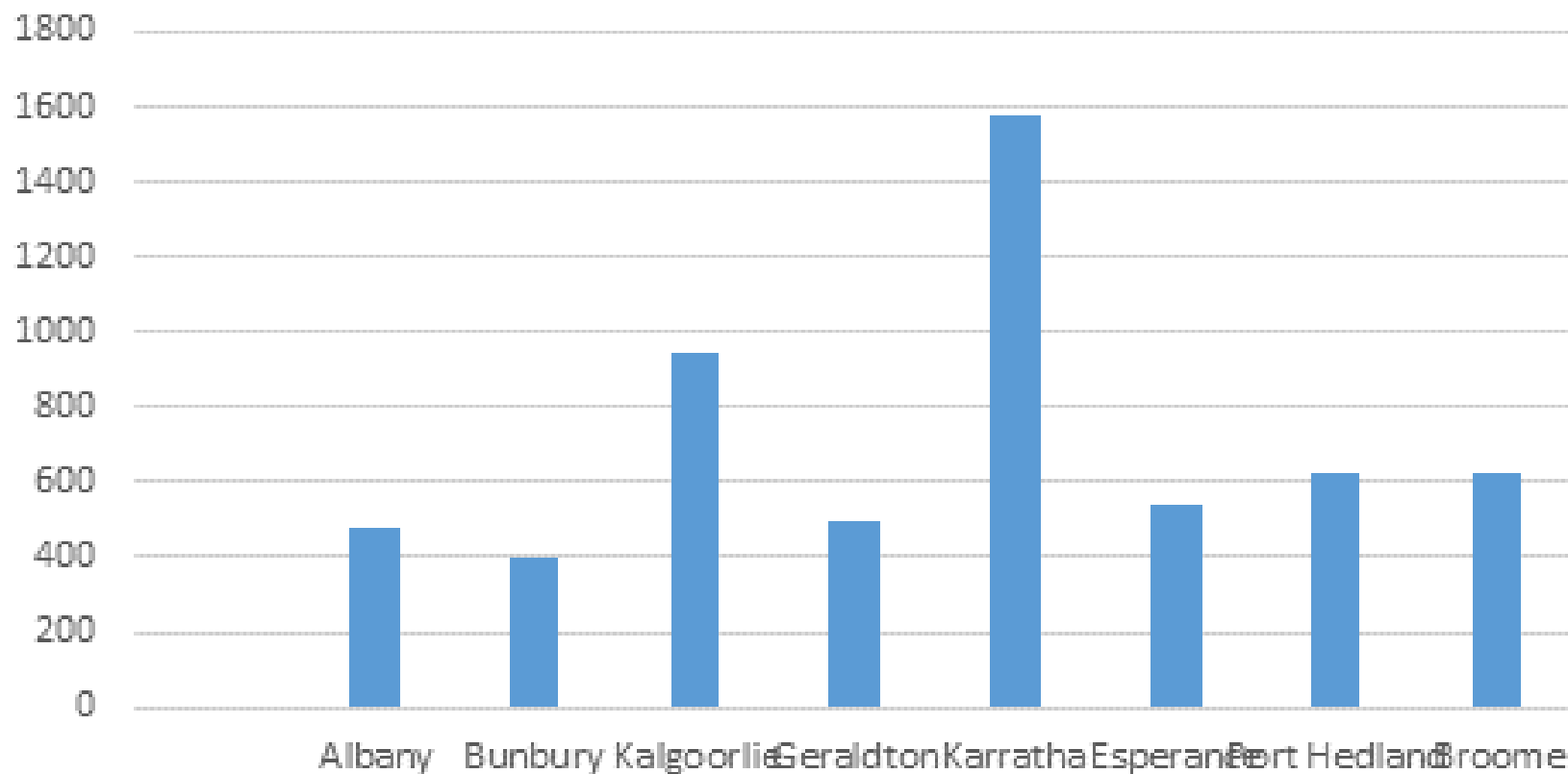


## Rate \$/Capita



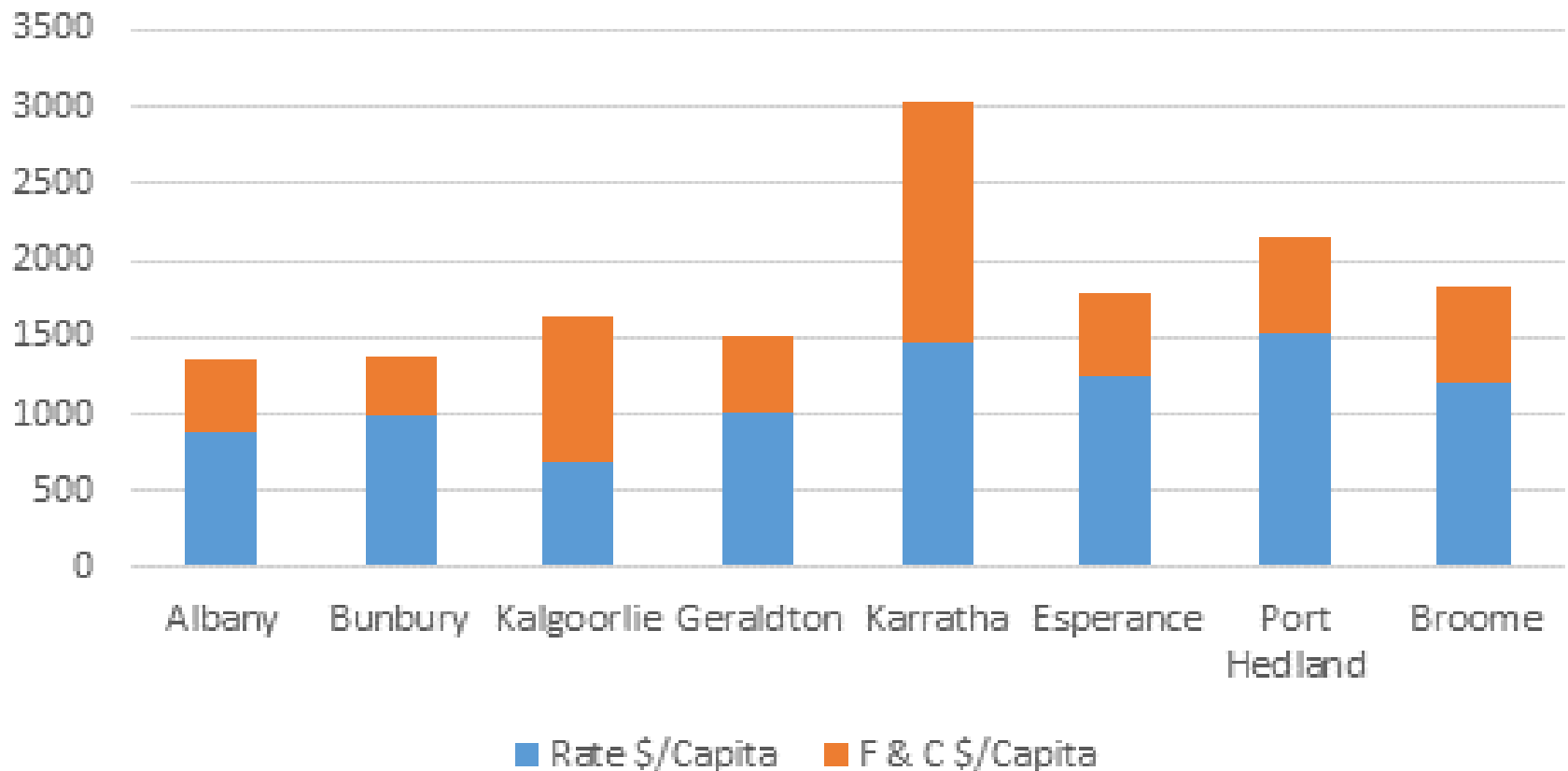


## F & C \$/Capita



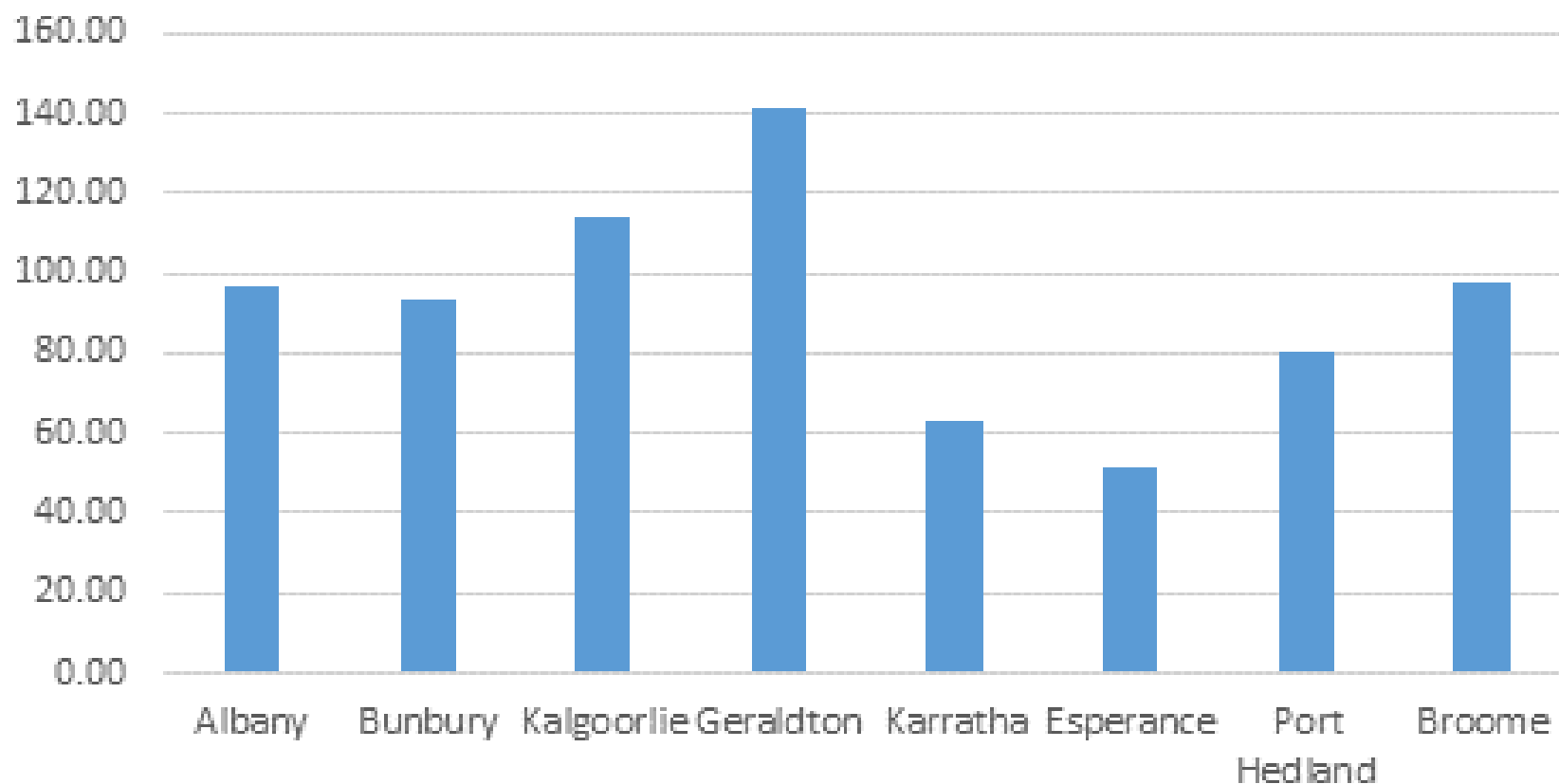


## Rates and Fees & Charges \$ / Capita





## Population/FTE







**So what Capital Works can  
we look forward to?**

**Ross McKim Acting CEO  
(Director of Infrastructure Services)**



## OVERVIEW

Capital Expenditure	City	External Grants & Contributions	Borrowings	TOTAL
New	(8,859,769)	(21,802,615)	(11,250,000)	(41,912,384)
Renewal	(14,274,319)	(6,997,495)	0	(21,271,814)
TOTAL	(23,134,088)	(28,800,110)	(11,250,000)	(63,184,198)



## Major Projects

Airport Runway Extension	\$24 million
Beresford Foreshore	\$10 million
Olive Street Reserve	\$1.8 million
Animal Management Facility	\$1.9 million



## Major Projects

City Centre Revitalisation (Planning) - \$750,000

Identified through the Growth Plan

Approved by the council

Commenced:

- Laser Survey
- Traffic modelling of options
- Service Locations
- Quick Wins

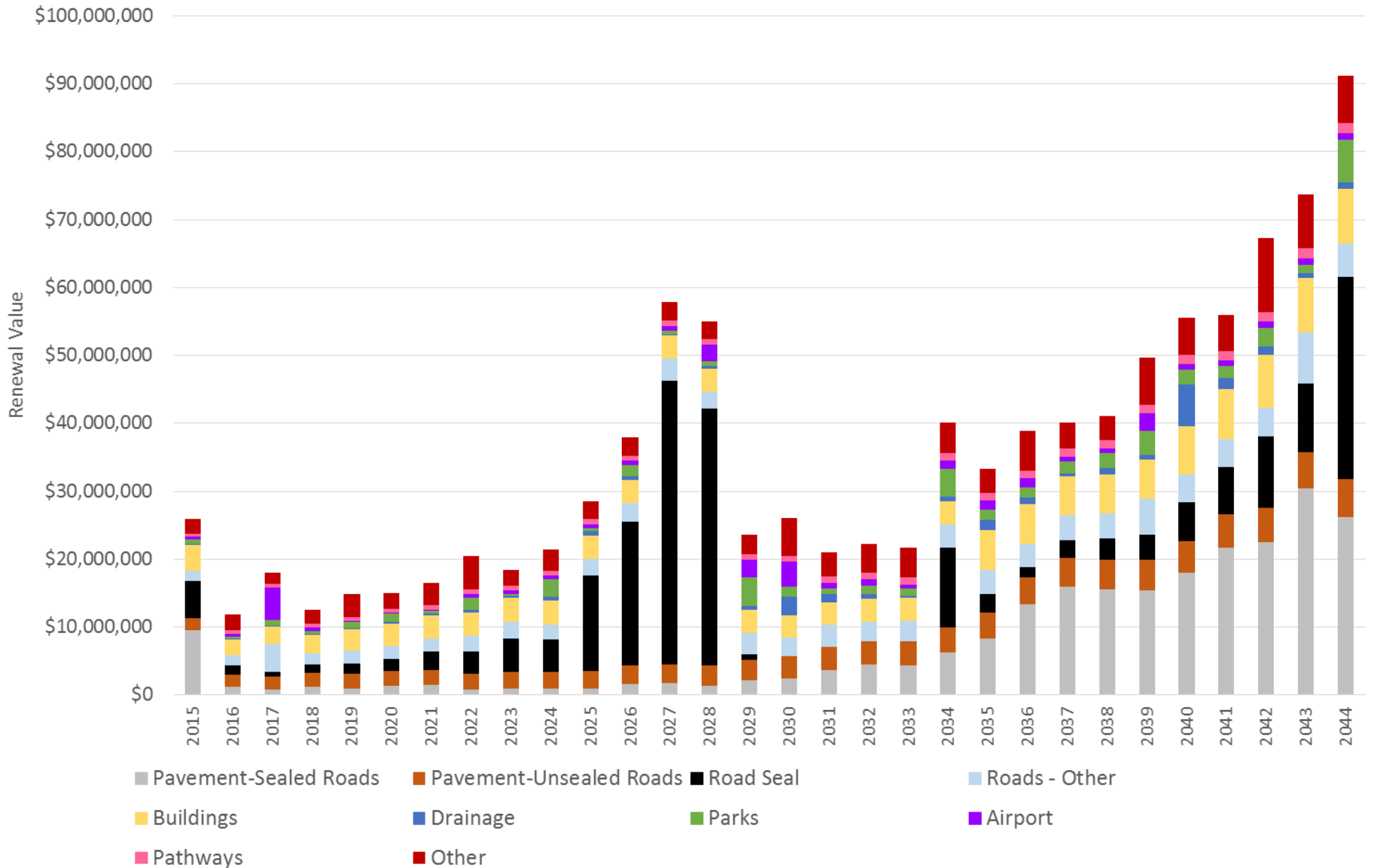
Will put the City into a position where it can apply for external funding



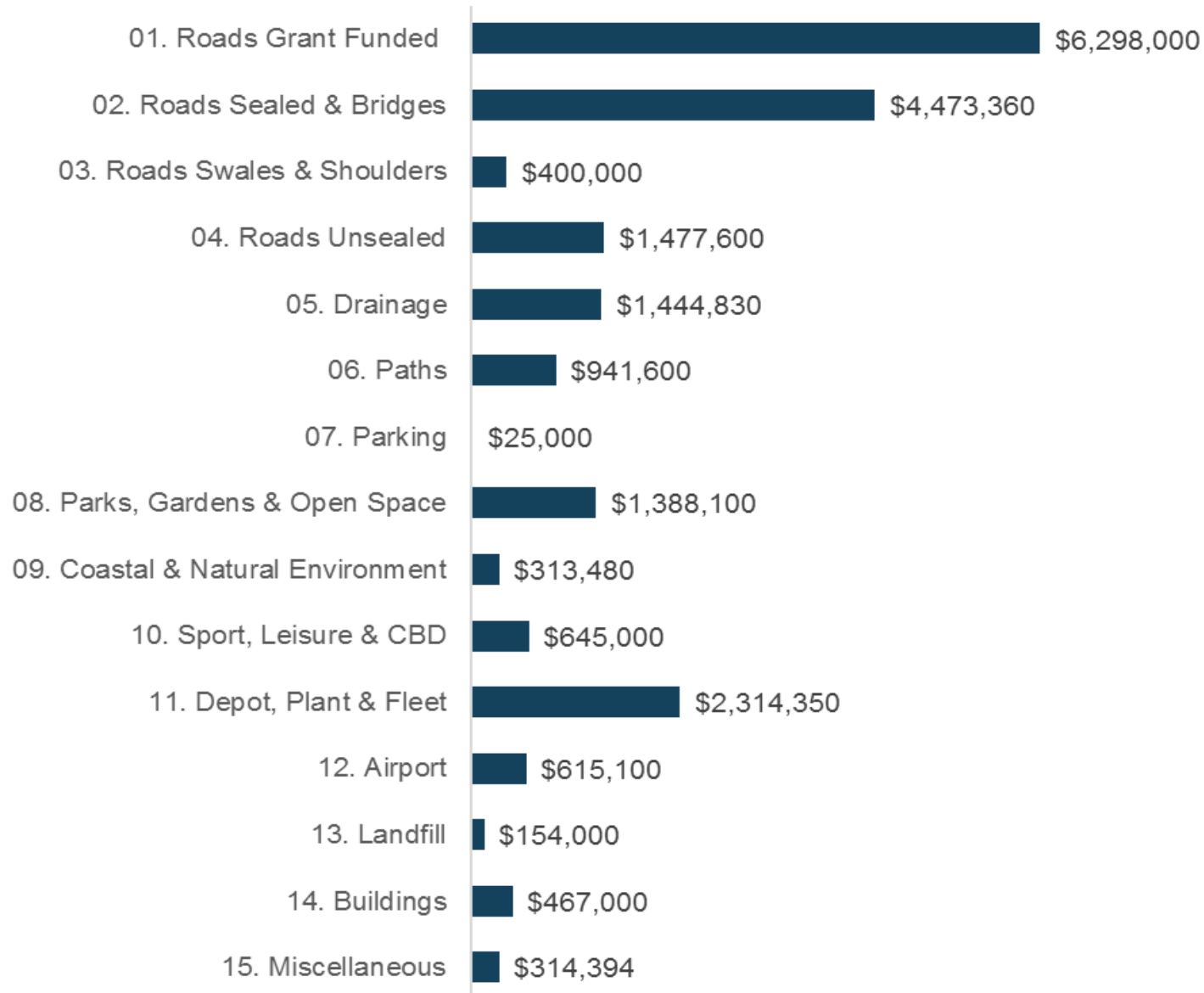
## Major Projects

Wonthella Water Irrigation	\$250,000
Rural Water Supply Infrastructure	\$86,000
Central Irrigation Controller	\$50,000
NWCH, Johnson, Eastern Road pathway	\$460,000
Chapman River Mountain Bike Trail	\$350,000
Solar Energy Study	\$150,000
Sunset Beach Traffic Calming	\$100,000

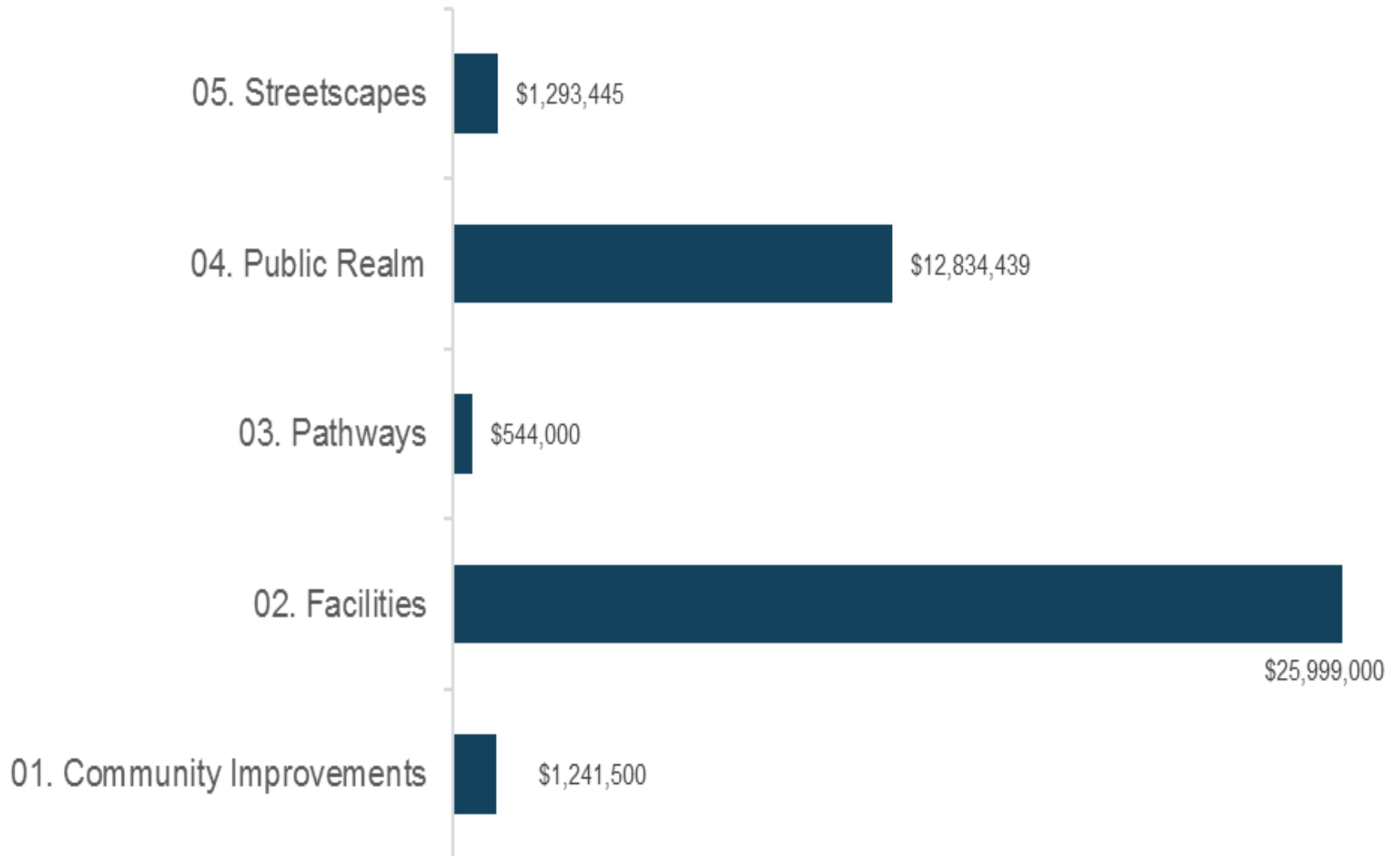
# Asset Renewal Backlog - Our Biggest Issue



## Asset Renewal Program



## New Capital Program







# Our Roads



Nubberoo Road



Crn Ainsworth and Bayley Streets



## State of our roads and key projects

**Road condition is improving**

**Sealed roads:**

- \$4.5 mill – WANDRRA
- Gregory St - \$480,000
- Green Street - \$522,000
- Eastern Road - \$289,000

**Unsealed roads:**

- Casuarinas - \$128,000
- Eradu North - \$128,000
- Dean Rd - \$128,000
- Drummond Rd - \$128,000



# Our Paths



## Footpath renewals on NWCH



# Our Paths



## New:

- NWCH, Johnson St, Eastern Street - \$460,000

## Renewals:

- Every sealed footpath has been inspected (1-5)
- High Priorities included in capital works programs
- Concrete slab footpaths a priority for replacement
  - Durlacher St – Chapman to Sandford (power poles)
  - Lester Avenue – Cathedral to Fitzgerald
  - Sanford St – Cathedral to Fitzgerald

**Chapman River Mountain Bike Trail and Jump Track - \$350,000**

# Our lighting





# Drainage



## Focus on resolution of local flooding issues:

- Dorset / Polo Sump
- Grate Replacement Program
- Yuna Tendidewa Culvert
- Sump Fencing





## Asset Renewal Backlog

Meru

Coastal Erosion: Whitehill Road and Sunset Beach







# Questions?