



City of  
**Greater Geraldton**  
a vibrant future



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

## **Budget 2019-2020**

*Staying on Track*  
*Improving our Suburbs*



## Budget Fundamentals – Staying on Track

- Business as is - No new major projects or debt
- Retaining a surplus position...just - \$85,000
- Growth rate cut from 1% to 0.5%
- Rates to rise 1.5% down from projected 2.5% ongoing
- Not a revaluation year
- Large rise in depreciation from new assets \$1.1million



## Financial statements at a glance

# City of Greater Geraldton Long Term Financial Plan 2019-2029

## Statement of Comprehensive Income by Nature and Type

	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>INCOME: REVENUES FROM ORDINARY ACTIVITIES</b>										
<b>EXCLUDING PROFIT ON ASSET DISPOSAL, NON-OPERATING GRANTS, SUBSIDIES &amp; CONTRIBUTIONS</b>										
Rates	46,939	48,138	49,341	50,748	52,194	53,679	55,155	56,810	58,514	60,269
Fees & Charges	24,675	26,006	27,259	28,481	30,105	31,229	32,670	33,867	35,285	36,815
Interest Earnings	2,048	1,666	1,727	1,790	1,854	1,919	1,979	2,007	2,022	2,055
Other Revenue	1,638	1,051	568	585	602	620	639	658	678	698
Operating Grants, Subsidies & Contributions	8,165	8,288	8,453	8,622	8,795	8,971	9,195	9,425	9,661	9,902
<b>Total Revenue</b>	<b>83,466</b>	<b>85,149</b>	<b>87,349</b>	<b>90,227</b>	<b>93,550</b>	<b>96,418</b>	<b>99,638</b>	<b>102,767</b>	<b>106,159</b>	<b>109,739</b>
<b>EXPENDITURE: EXPENSES FROM ORDINARY ACTIVITIES</b>										
<b>EXCLUDING LOSS ON ASSET DISPOSAL</b>										
Employee Costs	(28,488)	(28,957)	(29,545)	(30,337)	(30,995)	(31,901)	(32,826)	(33,758)	(34,711)	(35,698)
Interest Expenses	(1,373)	(1,169)	(974)	(803)	(652)	(525)	(425)	(341)	(946)	(854)
Materials & Contracts	(22,269)	(22,814)	(23,215)	(23,889)	(24,977)	(25,242)	(26,193)	(26,988)	(27,588)	(28,121)
Depreciation & Amortisation	(24,679)	(25,323)	(25,979)	(26,649)	(27,807)	(28,704)	(30,068)	(31,016)	(32,480)	(33,490)
Utilities	(2,978)	(3,072)	(3,216)	(3,368)	(3,527)	(3,694)	(3,830)	(3,973)	(4,123)	(4,280)
Insurance	(739)	(776)	(815)	(856)	(899)	(944)	(991)	(1,040)	(1,092)	(1,147)
Other Expenditure	(2,854)	(2,918)	(2,983)	(3,000)	(3,068)	(3,137)	(3,208)	(3,281)	(3,356)	(3,433)
<b>Total Expenditure</b>	<b>(83,380)</b>	<b>(85,027)</b>	<b>(86,728)</b>	<b>(88,902)</b>	<b>(91,925)</b>	<b>(94,148)</b>	<b>(97,540)</b>	<b>(100,397)</b>	<b>(104,297)</b>	<b>(107,023)</b>
<b>Net Result From Ordinary Activities</b>	<b>85</b>	<b>122</b>	<b>622</b>	<b>1,325</b>	<b>1,625</b>	<b>2,270</b>	<b>2,098</b>	<b>2,369</b>	<b>1,862</b>	<b>2,717</b>

# City of Greater Geraldton Long Term Financial Plan 2019 - 2029

## Variable Assumptions Underpinning the Plan

	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
<b>OPERATING REVENUES</b>									
Rates	1.5%	1.5%	1.75%	1.75%	1.75%	1.75%	2.0%	2.0%	2.0%
Fees & Charge	5.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Operating Grants	1.5%	2.0%	2.0%	2.0%	2.0%	2.5%	2.5%	2.5%	2.5%
Interest Earnings (Investments) based on a cash rate between 2.0% and 4.0% during the life of the plan.									
Rates - Growth in Rate Base	0.5%	0.6%	0.6%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%
<b>OPERATING EXPENSES</b>									
Employee Costs	1.8%	2.0%	2.0%	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%
Materials and Contracts	0.0%	1.5%	2.0%	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%
Insurance	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Utility Charges	2.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Interest Borrowing Costs (Loans) based on assumed interest rate of 5% according to the term and year loan is taken.									
<b>DEPRECIATION - CAPITAL ASSETS</b>									
Average Life	20 years	20 years	20 years	20 years	20 years	20 years	20 years	20 years	20 years
Depreciation	2.0%	2.0%	2.0%	2.0%	3.0%	3.0%	3.0%	3.0%	3.0%



## Key Budget Facts Revenue - \$83.5m

- Rates \$46.9million (1.3% increase from budget 2018/19)
- GRV rise 1.5% and not a revaluation year
- UV's rates down 1.98% annual revaluation sees wild variations
- Grants and subsidies \$8.2million



## Key Budget Facts Revenue - \$83.5m

- Fees and charges \$24.7million
- \$52 increase in residential rubbish to rollout recycling
- \$18 increase for commercial rubbish collection to align fees
- \$120,000 less in parking for 2 hours free and reduced fees
- Aquarena fees frozen
- Landing fees frozen

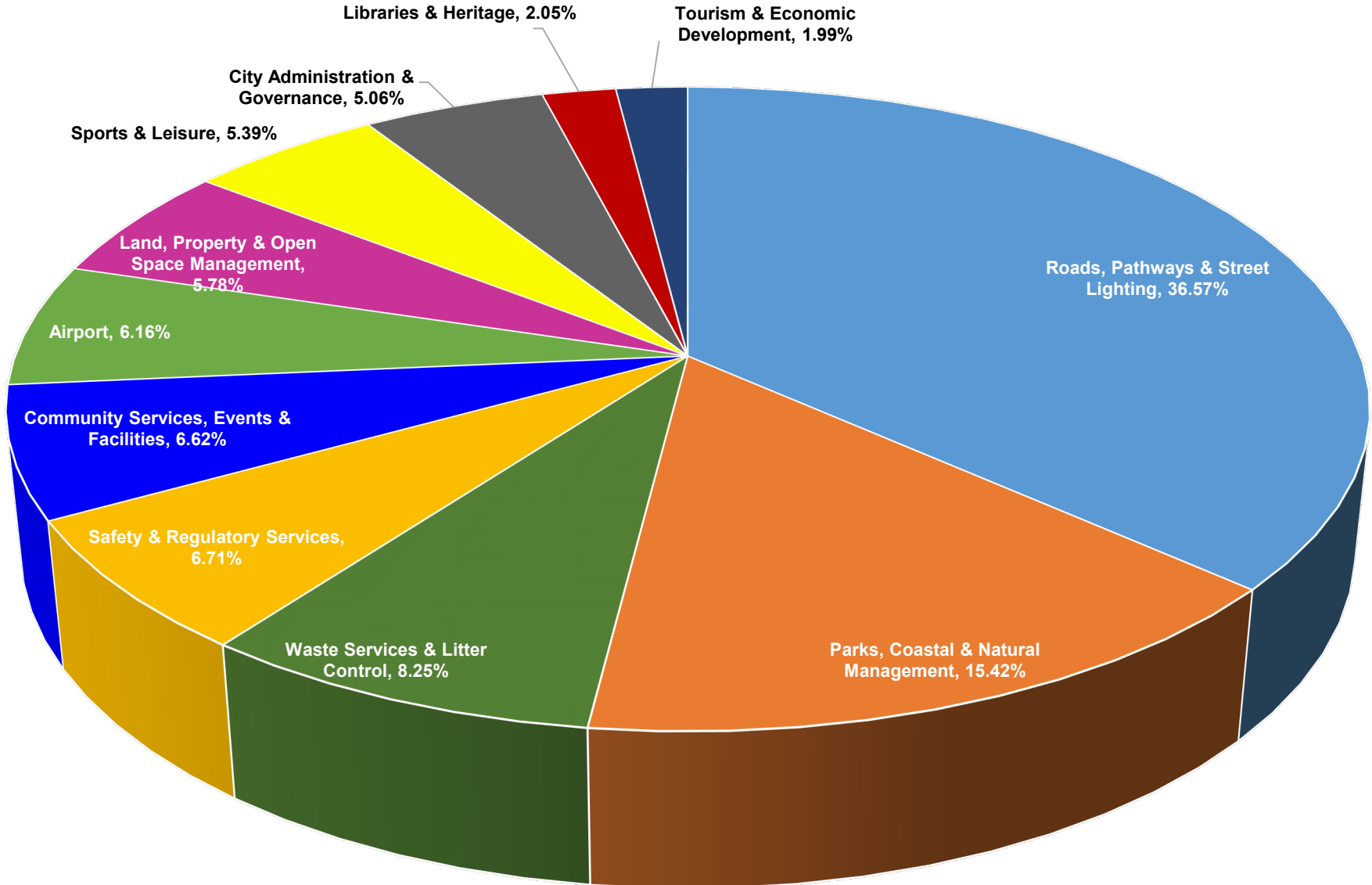


## Key Budget Facts Expenditure - \$83.4m up 2.2%

- EBA wage rise 1.8% Elected members and CEO – 0%
- Depreciation up \$1.1million with new projects from 2018/19
- Materials and Contractors down \$290,295
- \$400,000 savings on infrastructure maintenance due to renewal
- FoGo Trial for 500 houses with a 4 year roll out cost \$270,000
- Election cost \$100,000, Councillor number cuts save \$58,408



# Where the Money is Spent





## Current Budget New Capital - \$6.9m

- CBD Revitalisation \$750,000
- HMAS Sydney II Toilet \$350,000
- Abraham Street Path \$400,000
- Forrester Park Upgrade (Stage 2) - \$40,000
- GRAMS Reserve Upgrade (stage 2) - \$100,000
- Levy Street Pump Track - \$100,000
- Durlacher & Maitland Intersection - Round-a-bout \$300,000 – Grant dependant



## Current Budget New Capital - \$6.9m

- Spalding Urban Renewal Program \$452,950
- Spalding Park Shared Path New connecting Green St to Spalding Park inside GBSC park \$230,000
- Zamia St, Lantana St, Tamar St and Digby St, Rangeway New paths \$196,000
- CHRMAP Measures \$500,000



## Current Budget New Capital - \$6.9m

- Arthur Road new alignment \$1.31m (Grant Funded)
- Cape Burney Freeholding \$1.56m (Sales from Lots)



## Current Budget Renewal - \$20m

### Major Urban Roads \$7.26million

- Nangetty Walkaway Road Walkaway \$445,500
- Flores Road, Webberton \$444,000
- Goulds Road, Narngulu \$454,500
- Chapman Valley Road \$1,026,000 – two components
- Durlacher Street Resurface (Chapman Road to George Road) \$375,000
- Eastward Road Resurface (Flores Road to Davies Road) \$490,000
- Eastward Road Resurface (Flores Road to Abraham Street) \$280,000
- Kempton Street Reseal (Hosken Street to St Georges Carpark) \$170,000



# Renewal Paths and Parks

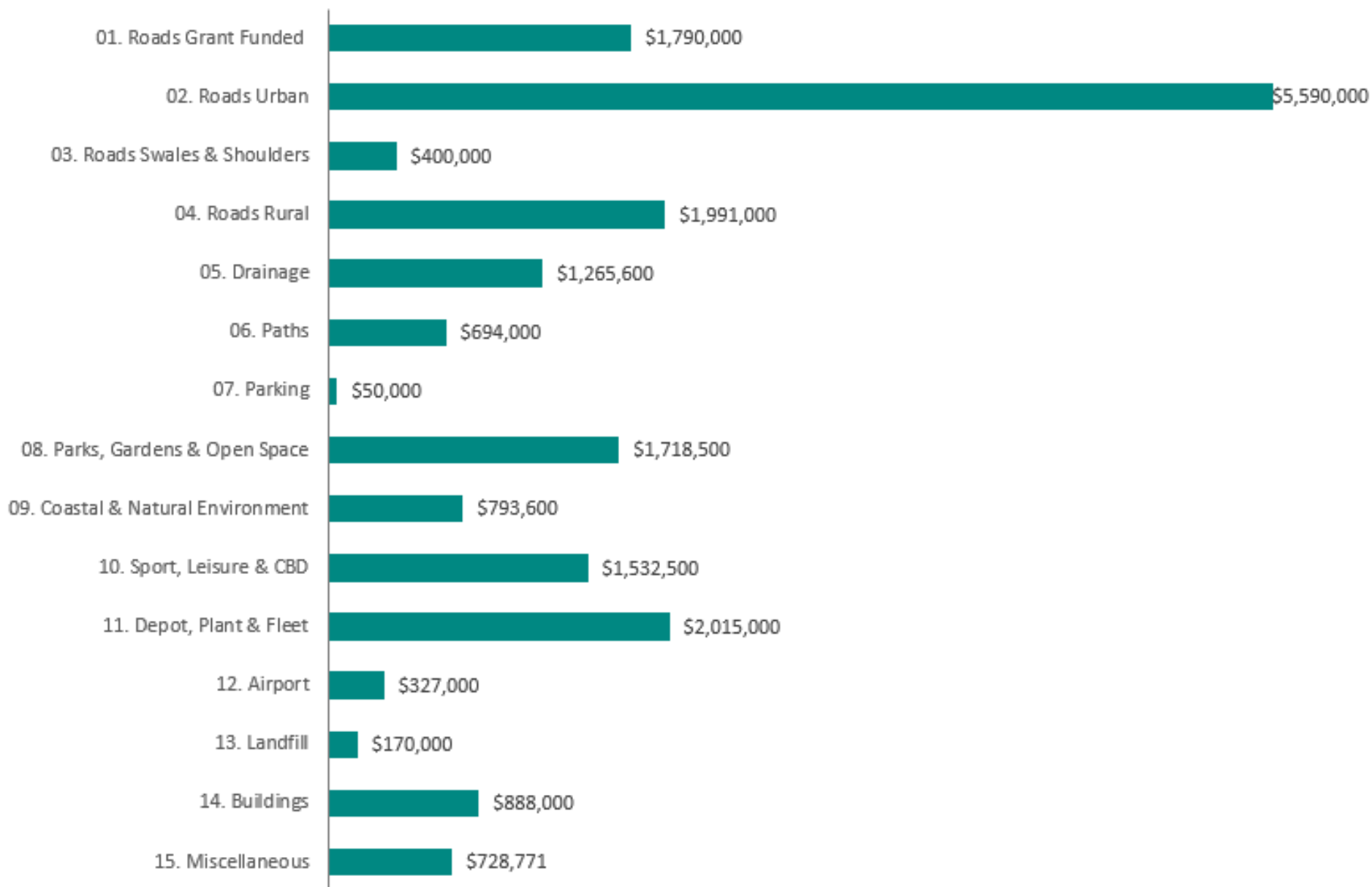
## Paths

- Northwest Coastal Highway, (Bayly St to Coles Express) \$223,300
- Urch Street, (Caryard to Abrolhos St) \$120,000
- Hosken Street, (Harrison St to Kempton St) \$180,700

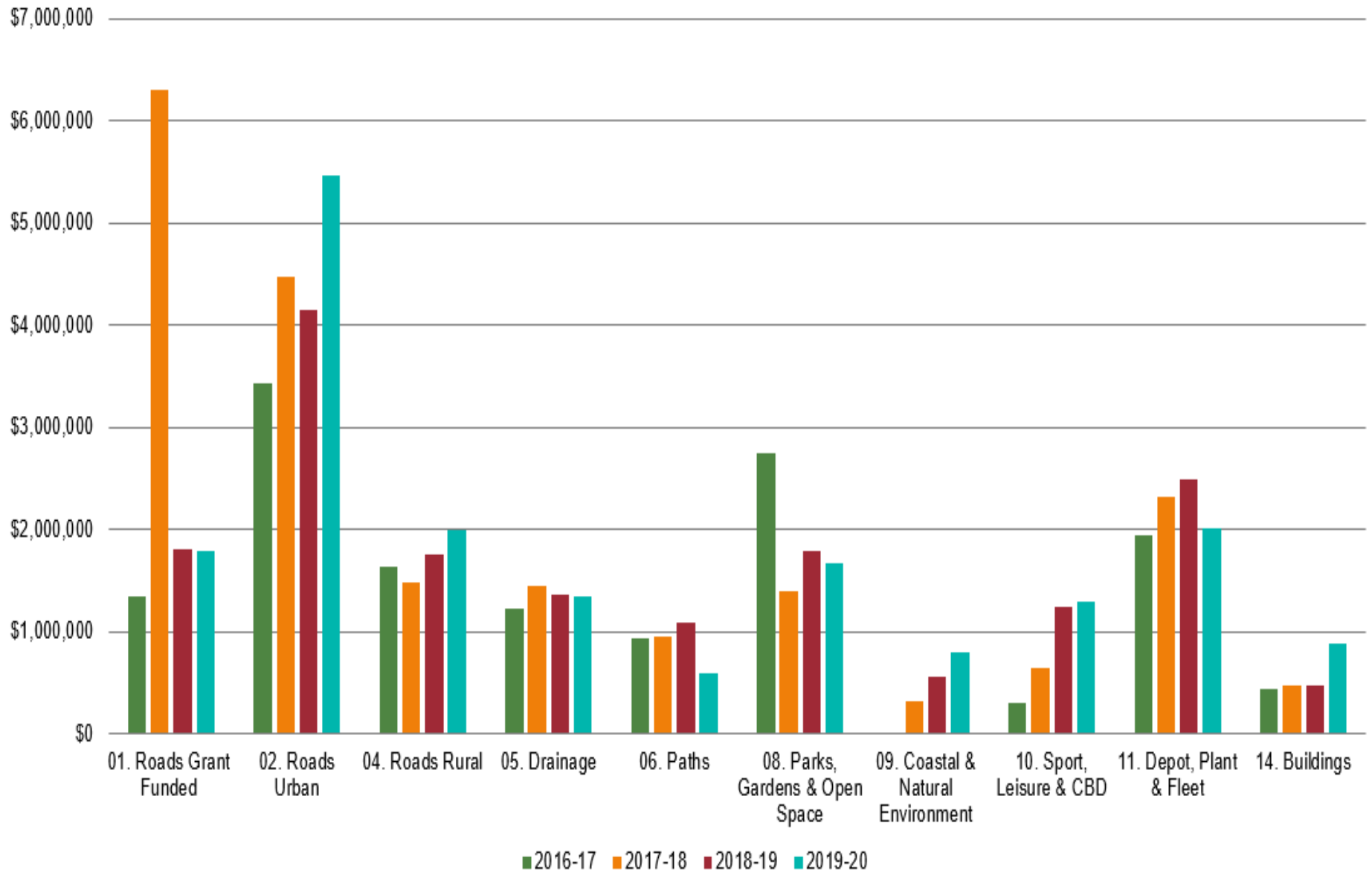
## Parks

- Forrester Park Basketball Court and skate park \$200,000
- Olive Street Landscaping \$50,000
- Brand Highway, Median Strip paving , Jarrah Street to Tavern \$102,000

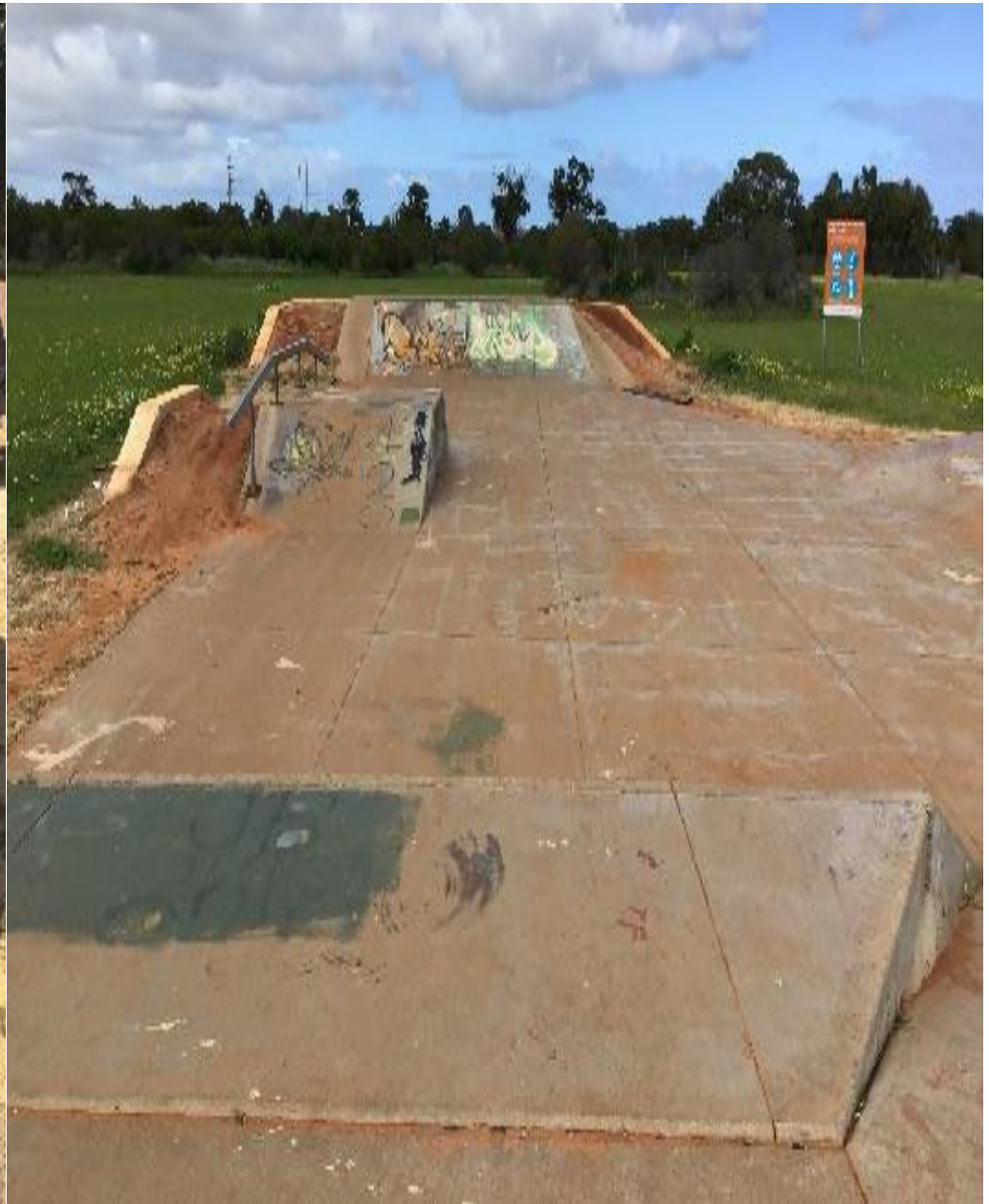
## Asset Renewal Program



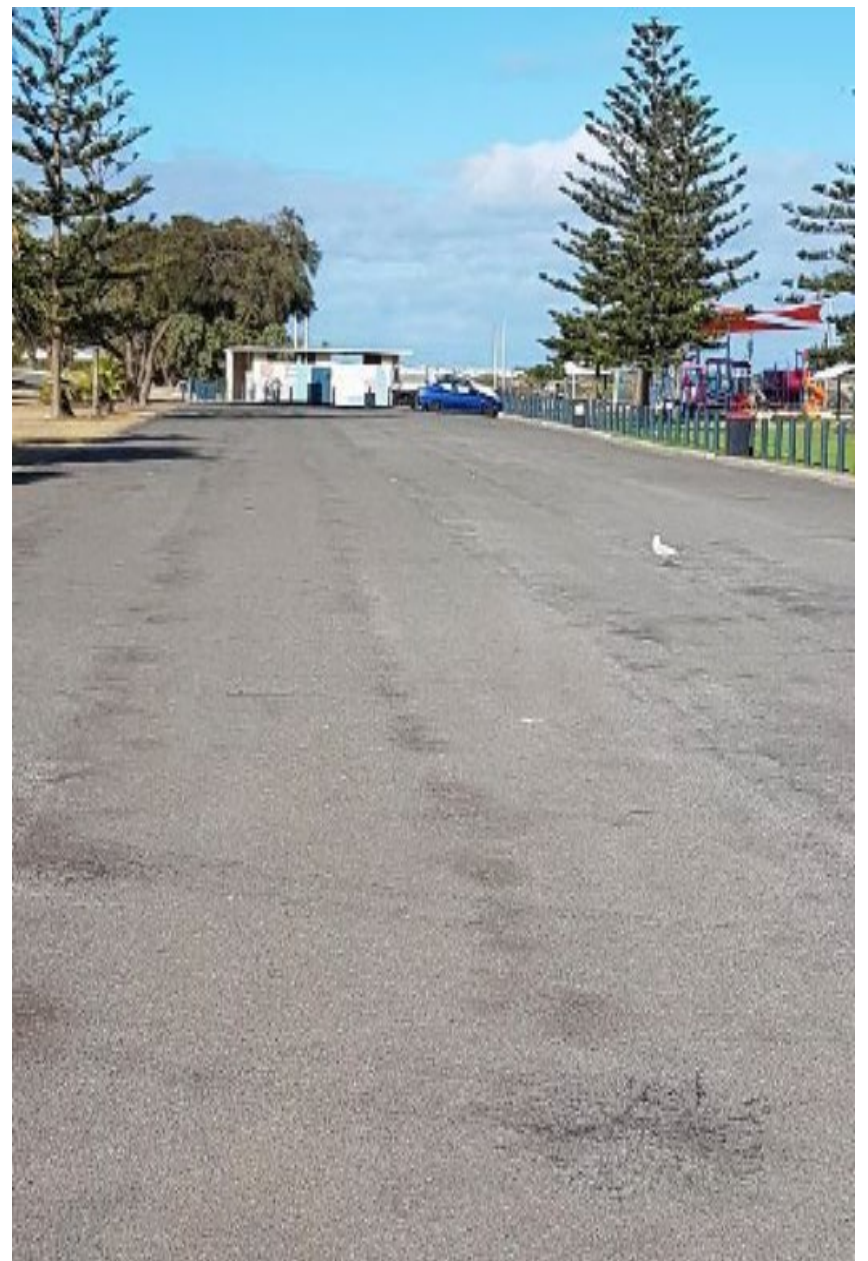
## Asset Renewal Program - Key Portfolio Trends

















## **Current Budget Capital Revenue- \$7.5m**

- State road funding of \$1.5 million
- Commonwealth road funding of \$1.3 million
- Airport Project Commonwealth - \$2.5m (residual from 18-19)

## **Capital Proceeds**

- Cape Burney freehold of titles - \$1.5million (To Reserves)

## **Other Income**

- Trade ins and reserves \$366,500



## Long Term Financial Plan

- Rate increases contained between 1.5% to 2% over next 10 years based on expected cost movements
- Realise all financial & sustainability ratios within 10 Year Cycle
- Close the renewal gap within 5 years
- Contraction on new capital expenditure



## Long Term Planning Numbers

- \$255m allocated to renewal expenditure over the life of LTFP
- \$80m for new capital
- \$141m for road infrastructure
- \$31m for footpaths
- \$48m for coastal, parks and recreation
- \$14m for drainage



## Long Term Planning Projects

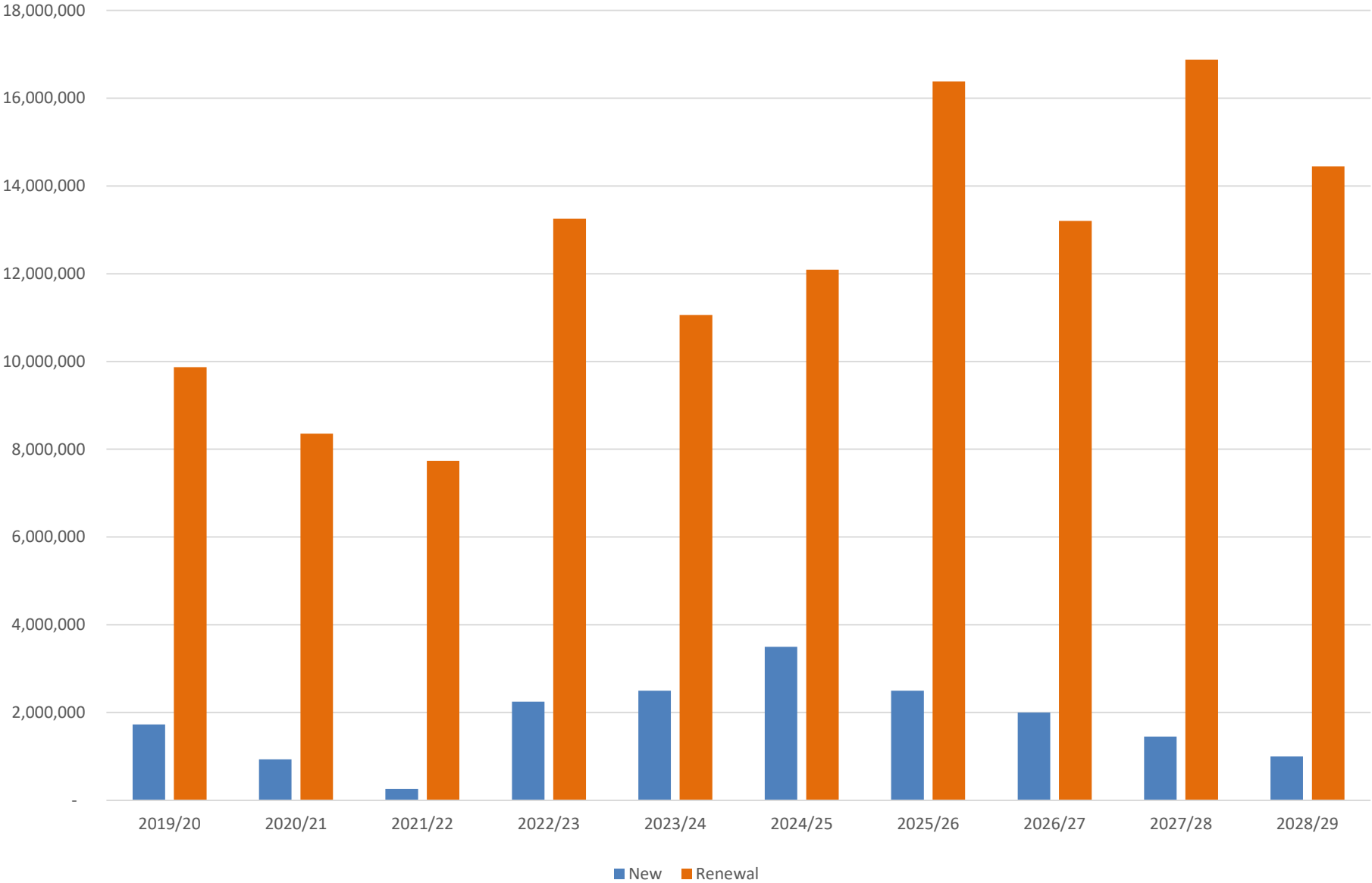
- \$2m cash reserve provision for waste diversion infrastructure (FoGo)
- LTFP includes \$3.6m for new landfill cell 26-27
- \$5m for coastal protection 26-27
- \$4m provision for capping of old landfill cells
- \$10m provision for new major project in outer years



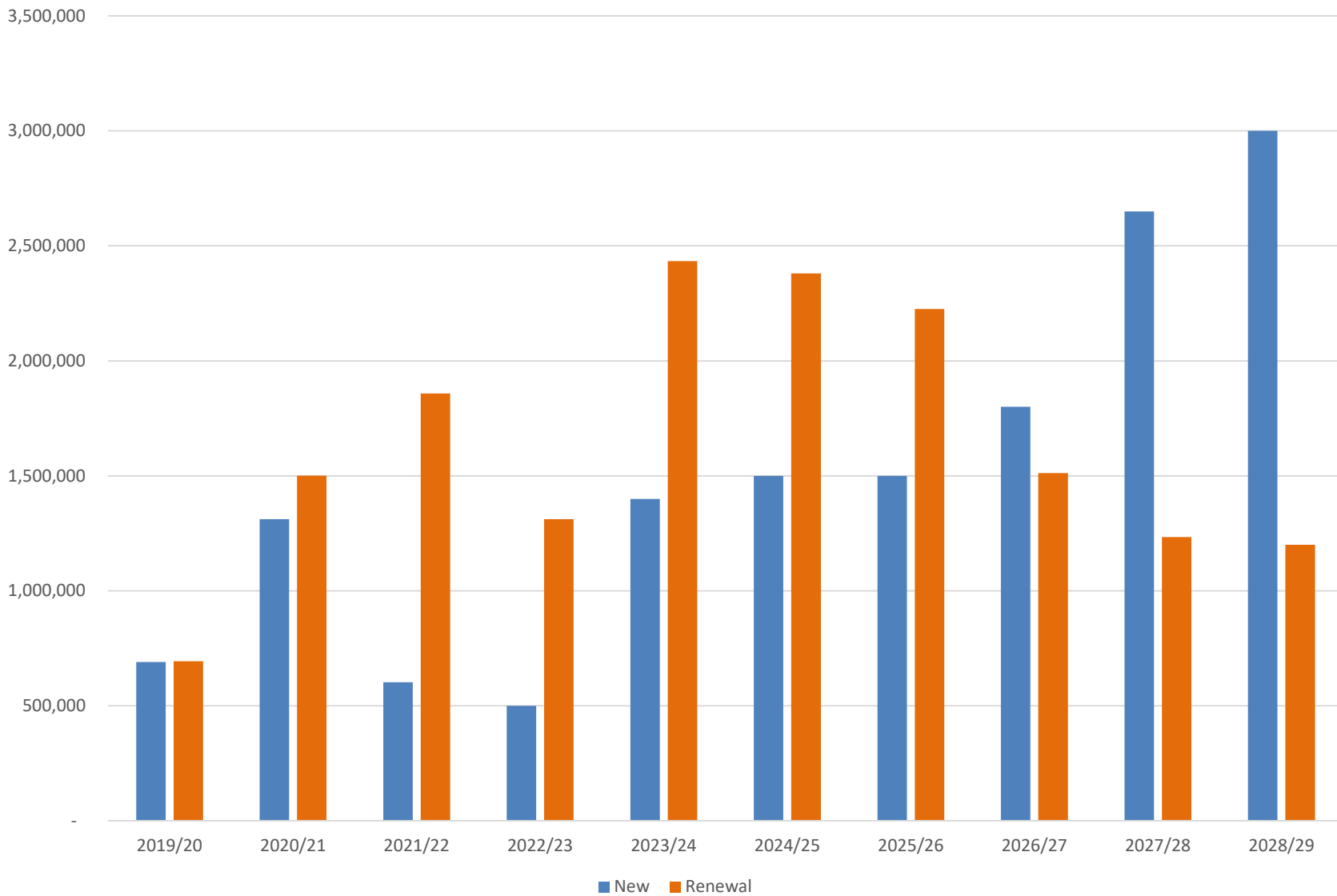




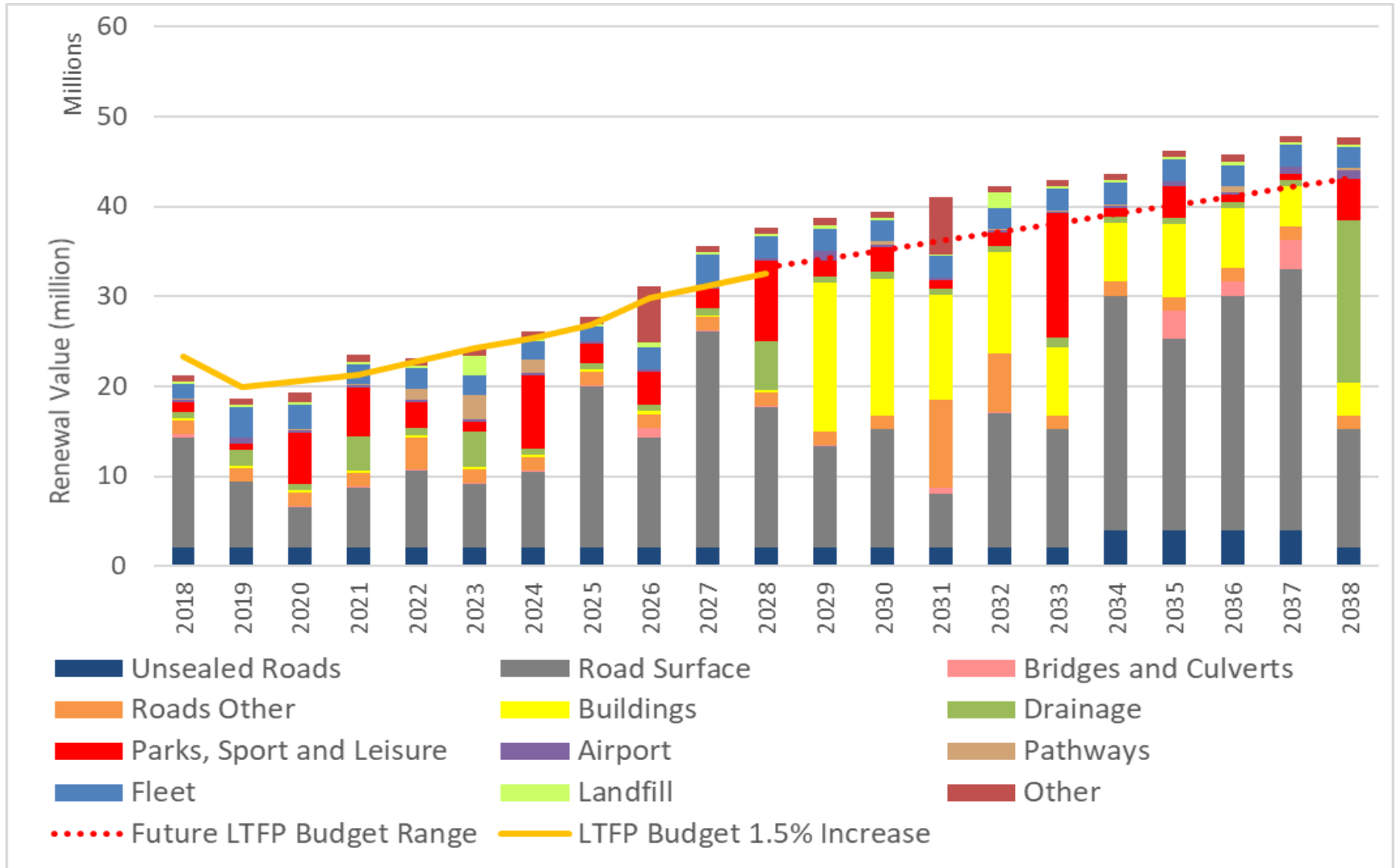
# Roadworks



# Footpaths & Cycleways



# Asset Renewal Projections





# For Full Budget Details

## Google City of Greater Geraldton Budget

<https://www.cgg.wa.gov.au/your-council/council/city-budget-201920.aspx>

# Questions?