

CITY OF GREATER GERALDTON

BUDGET

FOR THE YEAR ENDED 30 JUNE 2018

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Statement of Comprehensive Income by Program	3
Statement of Cash Flows	5
Rate Setting Statement	6
Notes to and Forming Part of the Budget	7 to 35

CITY OF GREATER GERALDTON
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2017/18 Budget \$	2016/17 Forecast Actual \$	2016/17 Budget \$
Revenue				
Rates	8	44,963,763	42,865,227	43,023,783
Operating grants, subsidies and contributions	15	8,401,064	8,559,519	8,304,039
Fees and charges	14	22,272,313	20,765,260	20,812,260
Service charges	11	0	0	0
Interest earnings	2(a)	1,528,780	1,399,558	1,369,558
Other revenue	2(a)	740,564	752,517	690,217
		<u>77,906,484</u>	<u>74,342,081</u>	<u>74,199,857</u>
Expenses				
Employee costs		(28,185,697)	(26,669,976)	(27,053,679)
Materials and contracts		(22,220,489)	(23,195,361)	(21,700,389)
Utility charges		(3,274,189)	(3,237,627)	(3,368,899)
Depreciation on non-current assets	2(a)	(21,400,660)	(20,979,104)	(20,979,104)
Interest expenses	2(a)	(1,162,422)	(1,173,702)	(1,154,735)
Insurance expenses		(813,167)	(893,510)	(893,510)
Other expenditure		(2,063,250)	(1,269,499)	(1,269,499)
		<u>(79,119,874)</u>	<u>(77,418,779)</u>	<u>(76,419,815)</u>
		(1,213,390)	(3,076,698)	(2,219,958)
Non-operating grants, subsidies and contributions	15	28,800,110	16,439,558	42,348,599
Profit on asset disposals	6	127,816	122,452	122,452
Loss on asset disposals	6	(113,030)	(50,338)	(50,338)
Loss on revaluation of non current assets		0	0	0
Net result		<u>27,601,506</u>	<u>13,434,974</u>	<u>40,200,755</u>
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income		<u>27,601,506</u>	<u>13,434,974</u>	<u>40,200,755</u>

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

**CITY OF GREATER GERALDTON
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2017/18 Budget \$	2016/17 Forecast Actual \$	2016/17 Budget \$
Revenue (refer notes 1,2,8,10 to 15)				
Governance		79,624	232,890	77,410
General purpose funding		52,870,657	50,842,505	50,771,061
Law, order, public safety		673,713	669,490	669,490
Health		67,150	60,427	60,427
Education and welfare		294,550	298,840	298,840
Housing		0	0	0
Community amenities		11,304,359	10,199,425	10,199,425
Recreation and culture		3,147,708	2,808,586	2,746,286
Transport		7,087,469	6,893,979	6,940,979
Economic services		919,800	931,682	1,031,682
Other property and services		1,461,454	1,404,257	1,404,257
		<u>77,906,484</u>	<u>74,342,081</u>	<u>74,199,857</u>
Expenses excluding finance costs (refer notes 1, 2 & 16)				
Governance		(1,248,996)	(1,544,297)	(1,444,297)
General purpose funding		(979,580)	(658,950)	(658,950)
Law, order, public safety		(1,113,474)	(1,046,256)	(1,046,256)
Health		(91,275)	(96,413)	(96,413)
Education and welfare		(1,553,220)	(1,583,729)	(1,583,729)
Housing		(48,780)	(47,726)	(47,726)
Community amenities		(9,757,381)	(8,503,491)	(8,503,491)
Recreation and culture		(15,827,643)	(15,268,219)	(15,465,422)
Transport		(31,273,477)	(31,635,329)	(30,471,629)
Economic services		(4,539,644)	(4,455,622)	(4,455,622)
Other property and services		(11,523,982)	(11,405,045)	(11,491,545)
		<u>(77,957,452)</u>	<u>(76,245,077)</u>	<u>(75,265,080)</u>
Finance costs (refer notes 2 & 7)				
Governance		(22,760)	(26,497)	(26,499)
Recreation and culture		(511,229)	(578,549)	(578,549)
Transport		(241,812)	(313,927)	(313,927)
Economic services		(165,584)	(182,958)	(163,989)
Other property and services		(221,037)	(71,771)	(71,771)
		<u>(1,162,422)</u>	<u>(1,173,702)</u>	<u>(1,154,735)</u>
		<u>(1,213,390)</u>	<u>(3,076,698)</u>	<u>(2,219,958)</u>
Non-operating grants, subsidies and contributions	15	28,800,110	16,439,558	42,348,599
Profit on disposal of assets	6	127,816	122,452	122,452
(Loss) on disposal of assets	6	(113,030)	(50,338)	(50,338)
Loss on revaluation of non current assets		0	0	0
		<u>28,814,896</u>	<u>16,511,672</u>	<u>42,420,713</u>
Net result		27,601,506	13,434,974	40,200,755
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		<u>27,601,506</u>	<u>13,434,974</u>	<u>40,200,755</u>

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 2018**

	NOTE	2017/18 Budget \$	2016/17 Forecast Actual \$	2016/17 Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		45,020,153	43,092,876	42,994,387
Operating grants, subsidies and contributions		8,402,924	8,417,190	8,304,039
Fees and charges		22,272,313	20,765,260	20,812,260
Service charges		0	0	0
Interest earnings		1,527,845	1,399,451	1,368,991
Goods and services tax		0	0	0
Other revenue		776,423	788,966	723,696
		<u>77,999,658</u>	<u>74,463,743</u>	<u>74,203,373</u>
Payments				
Employee costs		(28,209,239)	(27,193,614)	(27,168,304)
Materials and contracts		(22,745,004)	(42,413,707)	(21,842,259)
Utility charges		(3,274,189)	(3,237,627)	(3,368,899)
Interest expenses		(1,162,422)	(1,338,702)	(1,154,735)
Insurance expenses		(813,167)	(893,510)	(893,510)
Goods and services tax		0	0	0
Other expenditure		(2,063,250)	(1,269,499)	(1,269,499)
		<u>(58,267,271)</u>	<u>(76,346,659)</u>	<u>(55,697,206)</u>
Net cash provided by (used in) operating activities	3(b)	<u>19,732,387</u>	<u>(1,882,916)</u>	<u>18,506,167</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of land held for resale	5	0	0	(3,150,000)
Payments for purchase of property, plant & equipment	5	(5,802,350)	(6,393,546)	(6,415,546)
Payments for construction of infrastructure	5	(57,381,848)	(28,054,293)	(68,796,028)
Non-operating grants, subsidies and contributions used for the development of assets		28,800,110	16,439,558	42,348,599
Proceeds from sale of plant & equipment	6	607,750	3,323,400	3,773,400
Net cash provided by (used in) investing activities		<u>(33,776,338)</u>	<u>(14,684,881)</u>	<u>(32,239,575)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7	(3,978,362)	(3,749,868)	(3,749,553)
Proceeds from self supporting loans		71,014	86,625	86,625
Proceeds from new borrowings	7	11,250,000	3,700,534	17,600,000
Net cash provided by (used in) financing activities		<u>7,342,652</u>	<u>37,291</u>	<u>13,937,072</u>
Net increase (decrease) in cash held		(6,701,299)	(16,530,506)	203,664
Cash at beginning of year		<u>21,570,494</u>	<u>38,101,000</u>	<u>13,493,819</u>
Cash and cash equivalents at the end of the year	3(a)	<u>14,869,195</u>	<u>21,570,494</u>	<u>13,697,483</u>

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 2018**

	NOTE	2017/18 Budget \$	2016/17 Forecast Actual \$	2016/17 Budget \$
Net current assets at start of financial year - surplus/(deficit)	4	5,671,286	2,367,576	922,160
		5,671,286	2,367,576	922,160
Revenue				
Operating grants, subsidies and contributions		8,401,064	8,559,519	8,304,039
Fees and charges		22,272,313	20,765,260	20,812,260
Interest earnings		1,528,780	1,399,558	1,369,558
Other revenue		740,564	752,517	690,217
Profit on asset disposals		127,816	122,452	122,452
		<u>33,070,537</u>	<u>31,599,306</u>	<u>31,298,526</u>
Expenses				
Employee costs		(28,185,697)	(26,670,240)	(27,053,679)
Materials and contracts		(22,220,489)	(23,195,361)	(21,700,389)
Utility charges		(3,274,189)	(3,237,627)	(3,368,899)
Depreciation on non-current assets		(21,400,660)	(20,979,104)	(20,979,104)
Interest expenses		(1,162,422)	(1,173,702)	(1,154,735)
Insurance expenses		(813,167)	(893,510)	(893,510)
Other expenditure		(2,063,250)	(1,269,499)	(1,269,499)
Loss on disposal of assets		(113,030)	(50,338)	(50,338)
		<u>(79,232,904)</u>	<u>(77,469,381)</u>	<u>(76,470,153)</u>
Operating activities excluded from budget				
(Profit) on asset disposals	6	(127,816)	(122,452)	(122,452)
Loss on disposal of assets	6	113,030	50,338	50,338
Depreciation on assets	2(a)	21,400,660	20,979,104	20,979,104
Movement in employee benefit provisions (non-current)				18,160
Amount attributable to operating activities		(19,105,206)	(22,595,509)	(23,324,317)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	15	28,800,110	16,439,558	42,348,599
Purchase land held for resale	5	0	0	(3,150,000)
Purchase property, plant and equipment	5	(5,802,350)	(6,393,546)	(6,415,546)
Purchase and construction of infrastructure	5	(57,381,848)	(28,054,293)	(68,796,028)
Proceeds from disposal of assets	6	607,750	3,323,400	3,773,400
Amount attributable to investing activities		(33,776,338)	(14,684,881)	(32,239,575)
FINANCING ACTIVITIES				
Repayment of borrowings	7	(3,978,362)	(3,749,868)	(3,749,553)
Proceeds from new borrowings	7	11,250,000	3,700,534	17,600,000
Proceeds from self supporting loans		71,014	86,625	86,625
Transfers to cash backed reserves (restricted assets)	9	(2,536,665)	(5,098,351)	0
Transfers from cash backed reserves (restricted assets)	9	7,189,194	5,147,509	2,009,041
Amount attributable to financing activities		11,995,182	86,449	15,946,113
Budgeted deficiency before general rates		(40,886,362)	(37,193,941)	(39,617,779)
Estimated amount to be raised from general rates	8	44,963,763	42,865,227	43,023,783
Net current assets at end of financial year - surplus/(deficit)	4	4,077,401	5,671,286	3,406,004

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

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also 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.

Critical accounting estimates

The preparation of a 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 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 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 budget.

(b) Forecast actual balances

Balances shown in this budget as 2016/17 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(c) Rounding off figures

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

(d) Comparative figures

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

(e) 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.

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Forecast fair value adjustments

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

(g) Rates, grants, donations and other contributions

Rates, grants, donations and other contributions are recognised as revenues when the City of Greater Geraldton obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(h) 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.

(i) 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.

(j) 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 4 - Net Current Assets.

(k) 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.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) 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.

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.

Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

(m) Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Mandatory requirement to revalue non-current assets

Effective from 1 July 2012, the *Local Government (Financial Management) Regulations* were amended and the measurement of non-current assets at Fair Value became mandatory.

During the year ended 30 June 2013, the City of Greater Geraldton commenced the process of adopting fair value in accordance with the Regulations.

Whilst the Regulations initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at fair value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the City of Greater Geraldton revalues its asset classes in accordance with this mandatory timetable.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Initial recognition and measurement between mandatory revaluation dates

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City of Greater Geraldton includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Fixed assets (continued)

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads* and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, *Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the City.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Fixed assets (continued)

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.

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

Land	Infinite
Land (Leasehold Interest)	99 years
Airport - Runway, Apron and Car park	20 to 40 years
Buildings	35 to 55 years
Furniture and Equipment	7 to 13 years
Plant and Equipment	5 to 10 years
Sealed roads and streets	20 to 50 years
Bridges	60 to 90 years
Car Parks sealed	20 to 40 years
Culverts	40 to 60 years
Cycle Ways	25 to 45 years
Dams, Reservoirs and Wells	65 to 85 years
Foothpaths -slab	15 to 35 years
Foothpaths - concrete	25 to 45 years
Fountains	40 to 60 years
Kerbs and Channels	40 to 60 years
Street Lights	20 to 30 years
Sewerage piping	70 to 90 years
Water Reticulation/Irrigation	15 to 25 years

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.

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.

Capitalisation Threshold

All Land and Art purchases are capitalised. The remaining asset classes will be capitalised if the cost exceeds the following thresholds:

Buildings	\$5,000.00
Plant, Equipment and Tools	\$2,000.00
Furniture and Equipment	\$2,000.00
Computer and Electronic Equipment	\$2,000.00

Individual items of a similar nature purchased in bulk having an aggregate value of \$5,000 or more are capitalized as a fixed asset at the aggregate cost regardless of the individual price of the item.

Expenditure on items of equipment under the thresholds is not capitalised. Rather, it is recorded on an asset inventory listing.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Fair value of assets and liabilities

When performing a revaluation, the City of Greater Geraldton uses a mix of both independent and management valuations using the following as a guide:

Fair value is the price that the City of Greater Geraldton would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The City of Greater Geraldton selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured.

The valuation techniques selected by the City of Greater Geraldton are consistent with one or more of the following valuation approaches:

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Fair value of assets and liabilities (continued)

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the City of Greater Geraldton gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The mandatory measurement framework imposed by the *Local Government (Financial Management) Regulations* requires, as a minimum, all assets to be revalued at least every 3 years. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards have been made in the budget as necessary.

(o) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the City of Greater Geraldton becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the City of Greater Geraldton commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Financial instruments (continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the City of Greater Geraldton management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excl. financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Financial instruments (continued)

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the City of Greater Geraldton no longer has any significant continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(p) Impairment of assets

In accordance with Australian Accounting Standards the City of Greater Geraldton assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116) whereby any impairment loss of a revaluation decrease in accordance with that other standard.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Impairment of assets (continued)

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2018.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

(q) 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.

(r) Employee benefits

Short-term employee benefits

Provision is made for the City of Greater Geraldton'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 of Greater Geraldton'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 of Greater Geraldton's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The City of Greater Geraldton's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City of Greater Geraldton does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) 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.

(t) Provisions

Provisions are recognised when the City of Greater Geraldton has a 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.

(u) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the City of Greater Geraldton, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(v) Investment in associates

An associate is an entity over which the City of Greater Geraldton has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City of Greater Geraldton's share of net assets of the associate.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the City of Greater Geraldton's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Investment in associates (continued)

Profits and losses resulting from transactions between the City of Greater Geraldton and the associate are eliminated to the extent of the City of Greater Geraldton's interest in the associate.

When the City of Greater Geraldton's share of losses in an associate equals or exceeds its interest in the associate, the City of Greater Geraldton discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the City of Greater Geraldton will resume recognising its share of these profits once its share of the profits equals the share of the losses not recognised.

(x) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The City of Greater Geraldton's interests, in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 20.

(y) Current and non-current classification

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

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

	2017/18 Budget \$	2016/17 Forecast Actual \$	2016/17 Budget \$
2. REVENUES AND EXPENSES			
Net result			
The net result includes:			
Charging as an expense:			
Auditors remuneration			
Audit services	40,000	40,949	45,000
Other services	13,050	44,109	0
Depreciation by program			
Governance	512,690	507,885	507,885
General purpose funding	0	0	0
Law, order, public safety	125,785	40,324	40,324
Health	20,575	17,095	17,095
Education and welfare	101,610	103,752	103,752
Housing	48,780	47,726	47,726
Community amenities	429,875	413,225	413,225
Recreation and culture	1,756,345	1,643,945	1,643,945
Transport	16,668,015	16,307,795	16,307,796
Economic services	9,465	16,479	16,479
Other property and services	1,727,520	1,880,876	1,880,877
	<u>21,400,660</u>	<u>20,979,104</u>	<u>20,979,104</u>
Depreciation by asset class			
Land and buildings	1,829,480	1,791,295	1,791,295
Furniture and equipment	413,525	442,706	442,706
Plant and equipment	1,671,730	1,763,161	1,763,161
Roads	13,233,085	12,944,401	12,944,401
Footpaths	482,095	440,196	440,196
Drainage	1,671,035	1,650,555	1,650,555
Parks and ovals	686,655	574,219	574,219
Meru	368,115	355,547	355,547
Airport	1,044,940	1,017,024	1,017,024
	<u>21,400,660</u>	<u>20,979,104</u>	<u>20,979,104</u>
Interest expenses (finance costs)			
- Borrowings (refer note 7(a))	1,162,422	1,173,702	1,154,735
	<u>1,162,422</u>	<u>1,173,702</u>	<u>1,154,735</u>
Crediting as revenues:			
Interest earnings			
Investments			
- Reserve funds	400,000	290,500	290,500
- Municipal funds	530,000	500,000	500,000
- Other funds	11,780	17,058	17,058
Other interest revenue (refer note 12)	587,000	592,000	562,000
	<u>1,528,780</u>	<u>1,399,558</u>	<u>1,369,558</u>
Other revenue			
Other	740,564	752,517	690,217
	<u>740,564</u>	<u>752,517</u>	<u>690,217</u>

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of objective

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.

COMMUNITY VISION

A prosperous, diverse, vibrant and sustainable community.

GOVERNANCE

Objective:

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

Activities:

Administration and operation of facilities and services to Members of Council, civic receptions and functions, public relations, electoral, administration, support, research operations for Council Members and certain executive and staff.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for provision of services.

Activities:

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.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide services to help ensure a safer community.

Activities:

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

HEALTH

Objective:

To provide an operational framework for good community health.

Activities:

Maternal and infant health, preventive services including food control, health inspections, pest control and other health.

EDUCATION AND WELFARE

Objective:

To meet the needs of the community in these areas.

Activities:

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

HOUSING

Objective:

To help ensure adequate housing.

Activities:

Maintenance of staff housing.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of objective (Continued)

COMMUNITY AMENITIES

Objective:

Provide services required by the community.

Activities:

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

RECREATION AND CULTURE

Objective:

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

Activities:

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

TRANSPORT

Objective:

To provide effective and efficient transport services to the community.

Activities:

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

ECONOMIC SERVICES

Objective:

To help promote the Municipality and improve its economic wellbeing.

Activities:

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

OTHER PROPERTY & SERVICES

Objective:

To provide effective and efficient property services to the community.

Activities:

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 preceding programs.

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

3. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	2017/18 Budget	2016/17 Forecast Actual	2016/17 Budget
	\$	\$	\$
Cash - unrestricted	9,243,151	11,291,921	6,889,622
Cash - restricted	5,626,044	10,278,573	6,807,861
	<u>14,869,195</u>	<u>21,570,494</u>	<u>13,697,483</u>

The following restrictions have been imposed by regulation or other externally imposed requirements:

Mullewa Reseal Reserve	1,891,285	1,891,285	1,891,285
Parking Land Reserve	536,187	536,187	536,187
Unexpended Capital Works & Restricted Grant Reserve	661,907	7,851,101	4,380,389
Asset Renewal Reserve	0	0	0
Employee Entitlements Reserve	1,100,000	0	0
Major Initiatives Reserve	1,436,665	0	0
	<u>5,626,044</u>	<u>10,278,573</u>	<u>6,807,861</u>

(b) Reconciliation of net cash provided by operating activities to net result

Net result	27,601,506	13,434,974	40,200,755
Depreciation	21,400,660	20,979,104	20,979,104
(Profit)/loss on sale of asset	(14,786)	(72,114)	(72,114)
Loss on revaluation of non current assets	0	0	0
(Increase)/decrease in receivables	93,174	121,662	39,833
(Increase)/decrease in inventories	15,497	91,285	29,618
Increase/(decrease) in payables	(553,373)	(19,711,769)	(222,430)
Increase/(decrease) in employee provisions	(10,181)	(286,500)	(100,000)
Grants/contributions for the development of assets	(28,800,110)	(16,439,558)	(42,348,599)
Net cash from operating activities	<u>19,732,387</u>	<u>(1,882,916)</u>	<u>18,506,167</u>

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

	2017/18 Budget \$	2016/17 Forecast Actual \$	2016/17 Budget \$
(c) Undrawn borrowing facilities credit standby arrangements			
Group Credit Limit	6,000,000	6,000,000	6,000,000
Bank overdraft limit	750,000	750,000	750,000
Bank overdraft at balance date	0	0	0
Credit card limit	115,000	115,000	115,000
Credit card balance at balance date	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>
Total amount of credit unused	<u><u>6,850,000</u></u>	<u><u>6,850,000</u></u>	<u><u>6,850,000</u></u>
 Loan facilities			
Loan facilities in use at balance date	<u><u>35,122,271</u></u>	<u><u>27,850,633</u></u>	<u><u>41,755,353</u></u>
Unused loan facilities at balance date	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
	Note	2017/18 Budget \$	2016/17 Forecast Actual \$
4. NET CURRENT ASSETS			
Composition of estimated net current assets			
Current assets			
Cash - unrestricted	3(a)	9,243,151	11,291,921
Cash - restricted reserves	3(a)	5,626,044	10,278,573
Receivables		5,711,236	5,813,073
Inventories		<u>353,218</u>	<u>368,715</u>
		20,933,649	27,752,282
Less: current liabilities			
Trade and other payables		(6,813,906)	(7,367,279)
Short term borrowings		(4,596,446)	(3,978,366)
Provisions		<u>(4,345,284)</u>	<u>(4,348,519)</u>
		(15,755,636)	(15,694,164)
Unadjusted net current assets		5,178,013	12,058,118
Differences between the net current assets at the end of each financial year in the rate setting statement and net current assets detailed above arise from amounts which have been excluded when calculating the budget deficiency in accordance with <i>Local Government (Financial Management) Regulation 32</i> as movements for these items have been funded within the budget estimates. These differences are disclosed as adjustments below.			
Adjustments			
Less: Cash - restricted reserves	3(a)	(5,626,044)	(10,278,573)
Less: Land held for resale		0	0
Less: Current loans - clubs / institutions		(71,014)	(86,625)
Add: Current liabilities not expected to be cleared at end of year		4,596,446	3,978,366
Adjusted net current assets - surplus/(deficit)		<u><u>4,077,401</u></u>	<u><u>5,671,286</u></u>

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

5. ACQUISITION OF ASSETS

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

Asset class	Reporting program										2017/18 Budget total \$	2016/17 Forecast Actual total \$	
	Governance \$	General purpose funding \$	Law, order, public safety \$	Health \$	Education and welfare \$	Housing \$	Community amenities \$	Recreation and culture \$	Transport \$	Economic services \$			Other property and services \$
<i>Property, Plant and Equipment</i>													
Land and buildings	20,000		1,925,000				90,000	205,000	24,000	9,000	683,000	2,956,000	3,567,846
Furniture and equipment	435,000							43,000				478,000	737,700
Plant and equipment								21,000	28,000		2,289,350	2,338,350	2,068,000
Artwork								30,000				30,000	20,000
	455,000	0	1,925,000	0	0	0	90,000	299,000	52,000	9,000	2,972,350	5,802,350	6,393,546
<i>Infrastructure</i>													
Roads									13,110,405			13,110,405	12,413,054
Footpaths									1,485,600			1,485,600	1,171,584
Drainage									1,496,830			1,496,830	1,453,270
Parks and ovals								16,169,913		40,000		16,209,913	12,074,890
Car Parks								25,000	14,000			39,000	250,000
Meru Landfill							437,000					437,000	172,000
Airport									24,603,100			24,603,100	514,245
Effluent Scheme													5,250
	0	0	0	0	0	0	437,000	16,194,913	40,709,935	40,000	0	57,381,848	28,054,293
Total acquisitions	455,000	0	1,925,000	0	0	0	527,000	16,493,913	40,761,935	49,000	2,972,350	63,184,198	34,447,839

The Capital Works Plan and Capital Replacement Plan is attached as supplementary information to this budget document.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

6. DISPOSALS OF ASSETS

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

By Program

	Net book value	Sale proceeds	2017/18 Budget		2016/17 Forecast Actual		2016/17 Budget	
	\$	\$	Profit	Loss	Profit	Loss	Profit	Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Other property and services	592,964	607,750	127,816	(113,030)	122,452	(50,338)	122,452	(50,338)
	592,964	607,750	127,816	(113,030)	122,452	(50,338)	122,452	(50,338)

By Class

	Net book value	Sale proceeds	2017/18 Budget		2016/17 Forecast Actual		2016/17 Budget	
	\$	\$	Profit	Loss	Profit	Loss	Profit	Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	592,964	607,750	127,816	(113,030)	122,452	(50,338)	122,452	(50,338)
	592,964	607,750	127,816	(113,030)	122,452	(50,338)	122,452	(50,338)

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

7. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Principal 01/07/2017	New loans	Principal repayments		Principal outstanding		Interest repayments	
			2017/18 Budget \$	2016/17 Forecast Actual \$	2017/18 Budget \$	2016/17 Forecast Actual \$	2017/18 Budget \$	2016/17 Forecast Actual \$
Governance								
262 Office Redevelopment	621,702		98,427	94,690	523,275	621,702	22,760	26,497
Law, Order & Public Safety								
NEW Animal Pound		1,900,000	0	0	1,900,000	0	0	0
Recreation and culture								
82 *Tarcoola Tennis Club	7,888		3,347	3,111	4,541	7,888	490	725
228 *Geraldton Surf Lifesaving				19,689	0	0		952
251 *Geraldton Hockey Association	70,141		30,017	28,242	40,124	70,141	3,624	5,399
253 *Geraldton Yacht Club SSL	33,917		11,677	10,974	22,240	33,917	1,853	2,556
257 *Geraldton Hockey Association	127,252		25,974	24,769	101,278	127,252	5,812	7,018
259 Land Acquisition - Verita Road	2,286,907		467,284	445,985	1,819,623	2,286,907	102,433	123,731
260 Aquarena Renewal	1,616,011		255,927	246,193	1,360,084	1,616,011	59,160	68,893
263 Recreation Grandstand	929,417		116,292	111,366	813,125	929,417	39,269	44,194
264 Aquarena Building Stage 2	1,487,691		186,039	178,186	1,301,652	1,487,691	62,857	70,711
268 Foreshore Stabilisation	988,830		110,715	107,371	878,115	988,830	29,696	33,039
271 QPT Airconditioning	2,965,734		292,627	284,266	2,673,107	2,965,734	84,479	92,840
272 Multi User/Youth Precinct/Acce	3,841,665		221,270	214,335	3,620,395	3,841,665	121,556	128,491
NEW Beresford Foreshore		1,850,000	0	0	1,850,000	0	0	0
Transport								
229 SGIO Carpark	0		0	89,048	0	0	0	4,321
230 Airport Buffer Land	111,652		111,652	211,919	0	111,652	2,965	17,315
234 Library Land - Carpark	255,657		143,555	136,475	112,102	255,657	10,310	17,390
252 Plant Purchase 09/10	404,734		139,493	131,351	265,241	404,734	21,397	29,539
258 Land Acquisitions - Airport Run	660,296		134,993	128,840	525,303	660,296	29,592	35,745
261 Airport Parking	932,552		147,641	142,035	784,911	932,552	34,140	39,746

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

Purpose	Principal 01/07/2017	New loans	Principal repayments		Principal outstanding		Interest repayments	
			2017/18 Budget \$	2016/17 Forecast Actual \$	2017/18 Budget \$	2016/17 Forecast Actual \$	2017/18 Budget \$	2016/17 Forecast Actual \$
269 Airport Projects	2,487,724		278,632	270,218	2,209,092	2,487,724	74,735	83,149
270 Airport Tech Park 2	1,509,809		489,637	476,492	1,020,172	1,509,809	38,038	51,183
273 Verita Road Stage 1	1,301,047		203,858	198,953	1,097,189	1,301,047	30,635	35,539
NEW Airport Runway Extension		7,500,000	0	0	7,500,000	0	0	0
Economic services								
95 Hamlet	0		0	14,501	0	0	0	639
Other property and services								
265 Old Works Depot	743,846		93,033	89,093	650,813	743,846	31,415	35,355
266 Old Railway Building	766,161		95,810	91,766	670,351	766,161	32,372	36,416
274 Olive Street Development	3,700,000		320,462	0	3,379,538	3,700,000	113,322	0
	27,850,633	11,250,000	3,978,362	3,749,868	35,122,271	27,850,633	952,910	991,383
Loan Guarantee Fee							209,512	182,319
	0	0	0	0	0	0	209,512	182,319
	27,850,633	11,250,000	3,978,362	3,749,868	35,122,271	27,850,633	1,162,422	1,173,702

All borrowing repayments will be financed by general purpose revenue.

(*) Self-supporting loans are funded by various sporting clubs and community groups.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

7. INFORMATION ON BORROWINGS (Continued)

(b) New borrowings - 2017/18

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate %	Amount borrowed budget \$	Total interest & charges \$	Amount used budget \$	Balance unspent \$
Animal Pound	WATC	P&I	7	4%	1,900,000	0	1,900,000	0
Beresford Foreshore	WATC	P&I	10	4%	1,850,000	0	1,850,000	0
Airport Runway Extension	WATC	P&I	20	5%	7,500,000	0	7,500,000	0
					<u>11,250,000</u>	<u>0</u>	<u>11,250,000</u>	<u>0</u>

(c) Unspent borrowings

Council forecasts to have \$1,812,024 of unspent debentures as at 30 June 2017. It is not expected to have any unspent debentures funds as at 30 June 2018. Note: Unspent debentures as at 30 June 2017 relates to Debt Financial Instruments raised in the financial year 2016-17.

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$750,000 with the Commonwealth Bank of Australia does exist. It is not anticipated that this facility will be required to be utilised during 2017/18.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

8. RATING INFORMATION

RATE TYPE	Rate in \$	Number of properties	Rateable value \$	2017/18 Budgeted rate revenue \$	2017/18 Budgeted interim rates \$	2017/18 Budgeted back rates \$	2017/18 Budgeted total revenue \$	2016/17 Forecast Actual \$
Differential general rate or general rate								
GRV Residential	0.119016	15,576	243,381,149	28,966,251	100,000	10,450	29,076,701	27,450,491
GRV Non-Residential	0.113804	1,250	90,924,642	10,347,588	82,857	0	10,430,445	9,949,208
UV Rural, Farming & Mining	0.007489	851	377,969,956	2,830,617	0	0	2,830,617	2,720,348
Sub-Totals		17,677	712,275,747	42,144,456	182,857	10,450	42,337,763	40,120,047
Minimum								
Minimum payment								
	\$							
GRV Residential	1010	2,201	9,798,972	2,223,010	0	0	2,223,010	2,314,920
GRV Non-Residential	1010	196	994,941	197,960	0	0	197,960	202,000
UV Rural, Farming & Mining	1010	203	11,430,788	205,030	0	0	205,030	228,260
Sub-Totals		2,600	22,224,701	2,626,000	0	0	2,626,000	2,745,180
		20,277	734,500,448	44,770,456	182,857	10,450	44,963,763	42,865,227
Discounts/concessions (<i>Refer note 13</i>)							0	0
Total amount raised from general rates							44,963,763	42,865,227
Specified area rates (<i>Refer note 10</i>)							0	0
Total rates							44,963,763	42,865,227

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

8(a). RATING INFORMATION

All land except 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 above for the 2017/18 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 the Local Government services/facilities.

Objects and reasons for differential rating

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

The nature and cost of infrastructure, facilities and services - and associated costs - differs across categories of properties. Differential rating across GRV and UV properties thus endeavours to reflect average distribution of costs across the diverse spectrum of zoning and the allowed actual uses of properties, reflecting envisaged usage and access to infrastructure, facilities and services across the district.

Differential general rate

CGG Residential GRV

This category will include any GRV rated property in that part of the City district that is used for residential purposes.

This rating category reflects the level of rating required to raise the necessary revenue for Council to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required for developed residential and urban areas of the designated part of the City.

CGG Non Residential

This category will include any GRV rated property in that part of the City district that is used for non residential purposes other than rural purposes.

The general objects and reasons for this differential rate on Non Residential properties is on an equitable basis, raise the necessary revenue for Council to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required for commercial and industrial areas.

CGG UV

This category includes all UV rated property in that part of the City district that are used primarily for rural, farming and mining purposes.

This rating category reflects the level of rating required to raise the necessary revenue to operate efficiently and provide a diverse range of services and programs for rural areas including infrastructure to this designated part of the municipality.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

9. CASH BACKED RESERVES

	2017/18 Budget Opening balance \$	2017/18 Budget Transfer to \$	2017/18 Budget Transfer (from) \$	2017/18 Budget Closing balance \$	2016/17 Actual Opening balance \$	2016/17 Forecast Actual Transfer (to) \$	2016/17 Forecast Actual Transfer (from) \$	2016/17 Forecast Actual Closing balance \$	2016/17 Budget Opening balance \$	2016/17 Budget Transfer to \$	2016/17 Budget Transfer (from) \$	2016/17 Budget Closing balance \$
Mullewa Reseal Reserve	1,891,285	0	0	1,891,285	1,891,285	0	0	1,891,285	1,891,285	0	0	1,891,285
Parking Land Reserve	536,187	0	0	536,187	536,187	0	0	536,187	536,187	0	0	536,187
Unexpended Capital Works & Restricted Grant Reserve	7,851,101	0	(7,189,194)	661,907	7,900,259	5,098,351	(5,147,509)	7,851,101	6,389,430	0	(2,009,041)	4,380,389
Asset Renewal Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Employee Entitlements Reserve	0	1,100,000	0	1,100,000	0	0	0	0	0	0	0	0
Major Initiatives Reserve	0	1,436,665	0	1,436,665	0	0	0	0	0	0	0	0
	<u>10,278,573</u>	<u>2,536,665</u>	<u>(7,189,194)</u>	<u>5,626,044</u>	<u>10,327,731</u>	<u>5,098,351</u>	<u>(5,147,509)</u>	<u>10,278,573</u>	<u>8,816,902</u>	<u>0</u>	<u>(2,009,041)</u>	<u>6,807,861</u>

Note: The \$ 1,436,655 transferred to Major Initiatives Reserves 2017-2018 represents an internal transfer between Reserves (from Unexpended Capital Works & Restricted Grant Reserve)

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

Mullewa Reseal Reserve	The purpose of this reserve is to comply with clause 14.2 of the public road access agreement with the former Shire of Mullewa (now the City of Greater Geraldton) and Mount Gibson Mining Ltd.
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.
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.
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.
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.
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 in the main derived from profit on land sales.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

10. SPECIFIED AREA RATE

The City does not have a Specified Area Rate :

11. SERVICE CHARGES

The City does not have any Service Charges. :

12. INTEREST CHARGES AND INSTALMENTS - RATES AND SERVICE CHARGES

	2017/18 Budget revenue \$	2016/2017 Forecast Actual \$
Instalment Plan Interest Earned	155,000	150,000
Unpaid Rates Interest Earned	420,000	432,000
Pensioner Deferred Interest	12,000	10,000
	587,000	592,000

The maximum rates of interest remain:

Maximum rate on overdue money: 11%

Maximum rate on instalments: 5.5%

INTEREST CHARGES AND INSTALMENTS

Instalment Options

Council offers three (3) payment options by which ratepayers can make their rates payments.

Option 1: Full Payment

Full amount of rates and charges including arrears, to be paid on or before 21 August 2017 or 35 days after the date of service appearing on the rate notice whichever is the later.

Option 2: Two (2) equal instalments

First instalment to be received on or before 21 August 2017 or 35 days after the date of service appearing on the rate notice whichever is later and including all arrears and half the current rates and service charges. Second instalment to be made on or before 23 October 2017.

Option 3: Four (4) equal instalments

First instalment to be received on or before 21 August 2017 or 35 days after the date of service appearing on the rate notice whichever is later and including all arrears and one quarter of the current rates and service charges. Second instalment to be made on or before 23 October 2017, third instalment to be made on or before 27 December 2017 and the fourth instalment to be made on or before 27 February 2018.

Interest on Instalments

Council has recognised that a number of ratepayers are taking up the option to pay their rates by instalments. This has a negative effect on Councils investment potential which in turn restricts cash flow. Council has decided to take up the option available under the Local Government Act 1995 to impose an interest rate of 5.5% on rates paid by instalment.

Instalment Fees

For ratepayers electing to pay their rates by 2 or 4 instalments, then a charge of \$11.00 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.

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 11%. This interest will apply after the expiry of 65 days from the date the rates notice is issued.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

Penalty Interest on Late Payments - Debtors

The Financial Management Regulation and section 6.13(3) of the Local Government Act 1995 prescribes the maximum rate of interest to be imposed is 11%. Council has resolved to set its rate at 11%. This interest will apply after the expiry of 60 days from the due date.

13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS

:

Discounts

Council offers no discounts for early payment of rates or any other debts to Council.

Concessions/Incentives/Waivers/Write-offs

The concessional system introduced in 2015-16 to help smooth the impact of increases on CGG Residential Property valuations was a result of the periodic General Valuation undertaken by Landgate on behalf of the Valuer-General will cease to be applied in 2017-18.

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 does offer 'Incentives' under its City Centre Revitalisation Program to encourage development within the City Centre. The form of 'Incentives' which are assessed and approved by Council on an individual basis can be in the form of concessions or waiving of rates for a set period of time. It is estimated that the value of these incentives in 2017-18 will be \$31,523.00.

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 2018**

	2017/18 Budget \$	2016/2017 Forecast Actual \$
14. FEES & CHARGES REVENUE		
Governance	15,424	14,983
General purpose funding	252,100	254,000
Law, order, public safety	350,160	349,958
Health	66,600	57,265
Education and welfare	58,250	55,597
Housing	0	0
Community amenities	11,105,854	9,839,234
Recreation and culture	2,029,498	1,945,377
Transport	6,518,441	6,360,635
Economic services	783,300	825,355
Other property and services	1,092,686	1,062,856
	<u>22,272,313</u>	<u>20,765,260</u>
15. GRANT REVENUE		
Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:		
By Program:		
Operating grants, subsidies and contributions		
Governance	30,200	285,020
General purpose funding	6,142,248	6,140,248
Law, order, public safety	321,353	317,411
Health	550	510
Education and welfare	230,800	237,939
Housing	0	0
Community amenities	198,505	345,419
Recreation and culture	546,730	279,476
Transport	566,478	530,935
Economic services	80,000	158,410
Other property and services	284,200	264,151
	<u>8,401,064</u>	<u>8,559,519</u>
Non-operating grants, subsidies and contributions		
Governance	0	0
General purpose funding	0	0
Law, order, public safety	0	370,000
Health	0	0
Education and welfare	0	0
Housing	0	0
Community amenities	0	0
Recreation and culture	5,190,484	8,959,558
Transport	23,359,626	7,110,000
Economic services	0	0
Other property and services	250,000	0
	<u>28,800,110</u>	<u>16,439,558</u>

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

16. ELECTED MEMBERS REMUNERATION	2017/18 Budget \$	2016/2017 Forecast Actual \$
The following fees, expenses and allowances were paid to council members and the Mayor.		
Meeting fees	397,000	369,406
Mayor/Deputy Mayor allowance	91,000	88,215
Conference Expenses	30,000	25,000
Councillor Training	31,250	22,055
Travelling expenses	25,500	25,000
Telecommunications allowance	52,500	52,500
	627,250	582,176

17. TRUST FUNDS

Funds held at balance date over which the local government has no control and which are not included in the financial statements are as follows:

Detail	Balance 1-Jul-17 \$	Estimated amounts received \$	Estimated amounts paid (\$)	Estimated balance 30-Jun-18 \$
Public Open Spaces	2,516,324	42,392	(300,000)	2,258,716
Dual Usage Pathways	940,244	19,817	0	960,061
Subdivisions and Roads	1,570,090	166,900	(266,960)	1,470,030
Sundry Bonds and Contributions	409,556	820,904	(795,210)	435,250
	5,436,214	1,050,013	(1,362,170)	5,124,057

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

18. MAJOR LAND TRANSACTIONS

There are no major land transactions.

19. TRADING UNDERTAKINGS

Geraldton Airport

The Geraldton Airport is owned freehold by and run as a business unit of the City of Greater Geraldton, generating aggregate revenue of approximately \$5.4m per annum.

Operating surpluses from airport operations 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. The City has sought grant funding assistance from the Federal and State Governments to enable expansion of runway and apron capacity during 2017-18, with the project dependent upon grant assistance to progress beyond design stage.

Geraldton Airport is serviced by Virgin and QantasLink, providing Regular Public Transport (RPT) services on the Geraldton-Perth route. Virgin and QantasLink both provide services utilising 100-seat Fokker F100 jet aircraft.

An aircraft maintenance and service business is well established in a large hangar leased from the City. Shine Aviation and Geraldton Air Charter provide General Aviation services based at the airport, servicing the Abrolhos Islands, FIFO mining workforce logistics, and both general and tourism charter operations.

Budget 2017/2018: Operating Revenue: \$ 5,472,600 Operating Expenses: \$ 4,024,084.

Meru Waste Disposal Facility

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 the various Strategic documents.

The 2016/17 financial year saw many changes in the delivery of waste services designed to improve operational efficiencies while maintaining effectiveness.

Providing a verge side pickup program was a priority in the 2016/17 budget as the City recognises how important the program is to our residents. Residents are able to request one skip bin a year which will be dropped off on their property and have it collected a week later. This service replaces the traditional verge pickup system that saw residents place rubbish on their verges for collection.

The City was pleased to be able to introduce the revitalised program that will allow for people to remove unwanted waste from their property in a tidier manner. With this new program, those who don't have a trailer or can't make it to the landfill can have rubbish removed from their property without unsightly piles littering our suburbs.

Some of the other operational initiatives included further installation of CCTV cameras on the site, installation of additional groundwater monitoring bores and water source bores for firefighting and dust suppression.

The contract for the Recycling Tip shop expired and Meedac was awarded this contract for a short term of 6 months. Negotiations are underway to further extend this contract for a longer term in recognition of their efficiency and qualities demonstrated to date.

The preparation works for construction of Cell 5 is planned for the 2017/18 budget year along with a review of the current waste strategy. In preparation for this work, preliminary investigations have been completed on shredding waste and weighbridge operations. This work will be finalised in 2017/18. The review will look at all aspects of the current waste operation.

Budget 2017/2018: Operating Revenue: \$ 4,646,300 Operating Expenses: \$ 3,492,746

20. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the City will be party to any joint venture arrangements during 2017/18.