



City of  
Greater Geraldton  
a vibrant future



ANNUAL REPORT

**2017-2018**



# CONTENTS

Mayor's Foreword .....	4
Message from the CEO .....	5
Wards .....	6
Councillors .....	7
Meeting Attendance .....	8
City Snapshot .....	9
Organisation Structure .....	11
Achievements 2017/18 .....	13
Planning for the Future .....	33
Disability Services .....	37
Statutory Reports .....	38
Financial Summary .....	40
Financial Highlights .....	42
Community Snapshot.....	43
Financials.....	44







# WELCOME

Located 424 kilometres north of Perth with a thriving population of over 38,000 - Greater Geraldton has been named one of Australia's regional capitals. The City and the Mid West Region are recognised as having the most diversified economy in the State through industries including mining, fishing, aquaculture, agriculture, manufacturing, construction, retail and tourism.

As one of Western Australia's top places to live, work, study or invest, Geraldton is the capital of the Mid West region.

With the best of coastal and rural living, and the stunning weather all-year round, Greater Geraldton makes a truly perfect place to visit and to make home.

Geraldton's coastline is a huge tourist attraction and has a beautiful Foreshore to match. Other attractions include the iconic lighthouse, the *HMAS Sydney II* Memorial and the Houtman Abrolhos Islands which are located 80km off the coast of Geraldton.

Greater Geraldton also incorporates the town of Mullewa, which lies 98kms north east of the City, and the Greenough settlement located 24kms south of Geraldton.

World renowned as an extensive host of water sports, Geraldton lends itself to some of the most spectacular kite surfing, windsurfing, fishing and diving conditions.

# MAYOR'S FOREWORD



Dear Ratepayer,

Whilst again the City's finances have been a major focus of Council, we have also focused on legacy projects, tourism and investing in the future.

## **Legacy Projects**

We have seen completion of a few large, long term legacy projects, including Olive Street Reserve, Chapman Road power undergrounding and Beresford Foreshore protection and amenity works. Point Moore leases have been renewed, parks and sporting facilities level of service agreements have been completed, Cape Burney freeholding has commenced and we have set record levels of investment in footpaths and road renewals right across our suburbs. As well as a crowd favourite the Chapman River Trails Project.

We will commence works on even larger projects in 2018/19, including the airport runway renewal and extension, Meru Cell 5, Animal Management Facility, Rocks Laneway and CBD revitalisation works and the new SES building. Our rural roads around Greenough are in the best condition I can remember seeing them in, and Mullewa is looking a real treat also.

I am proud to say we have achieved all this for the first time budgeting for modest surpluses right across our ten year financial plan. All this has been achieved while bringing down projected rate rises into the future from a high of 5.2% p.a three years ago, to 2.5% a year right now; and we will still keep looking for opportunities to lower this even further.

## **Tourism and the new Geraldton**

Getting the State Government to realise the tourism potential of the Abrolhos has been a big win for us and we are grateful for a commitment of \$10 million dollars in coming years. I look forward to working with the State to see this come to fruition. Along with trading hours reforms, RV friendly status, return of cruise ship visits, CBD revitalisation, foreshore works and all round improvement in City amenity because of a strong focus on asset renewal, I am pleased to say our vision of Geraldton becoming a tourist destination in its own right, as well as a wonderful and vibrant place to live, is well on track.

## **The Future**

The financial year 2018/19 stands to be one of the greatest budgets for investment into our City for some time, and will really see us as a City, look forward into the future rather than focusing on things that held us back as they have either been completed or reformed.

For this I thank the Council I lead for being an incredibly progressive Council and of course our CEO Ross McKim whose first full year in the position has seen all of this through.

Yours sincerely

Shane Van Styn  
Mayor, City of Greater Geraldton





## MESSAGE FROM THE CEO

With my first full financial year as CEO, I am happy to report that the 2017/18 period has been extremely successful, getting some legacy projects over the line. It's great to have had a whole-organisation focus and getting to work with a broad cross section of the community including services such as our Library and various Community Development projects.

With the City's continued focus on improving our financial position while still continuing to deliver a range of services – we've had to make some tough decisions. But I am pleased to see that after years of hard work to identify efficiency gains, the City's in future will achieve annual operating surpluses – as indicated in our revised Long Term Financial Plan adopted by Council in June 2018.

I'd like to thank the Mayor and Councillors for their cooperation and support and acknowledge the professionalism and commitment of management and staff whose dedication to the community is unwavering.

The City continued its focus on renewals with a big emphasis on roads, footpaths and street lighting. Infrastructure renewals are currently at record levels, with more than \$19.3 million allocated to renewing existing assets in the coming financial year.

I was extremely happy to see the Olive Street Memorial project complete after it first commenced back in the 1960s. This was just one of the legacy items ticked off our list in the last financial year.

After a hefty process, Point Moore residents had their leases renewed and we also had a big win in securing \$10 million through the Federal Government's Building Better Regions Fund and \$6.5 million through the State Government's Regional Airports Development Scheme for the extension of the Geraldton Airport runway.

There has been a renewed strategic focus on tourism in the Midwest and this was showcased at the recent Tourism Investment Summit. There have been, and continue to be, a lot of in-depth conversations about the future of the Abrolhos Islands and I look forward to seeing the outcomes.

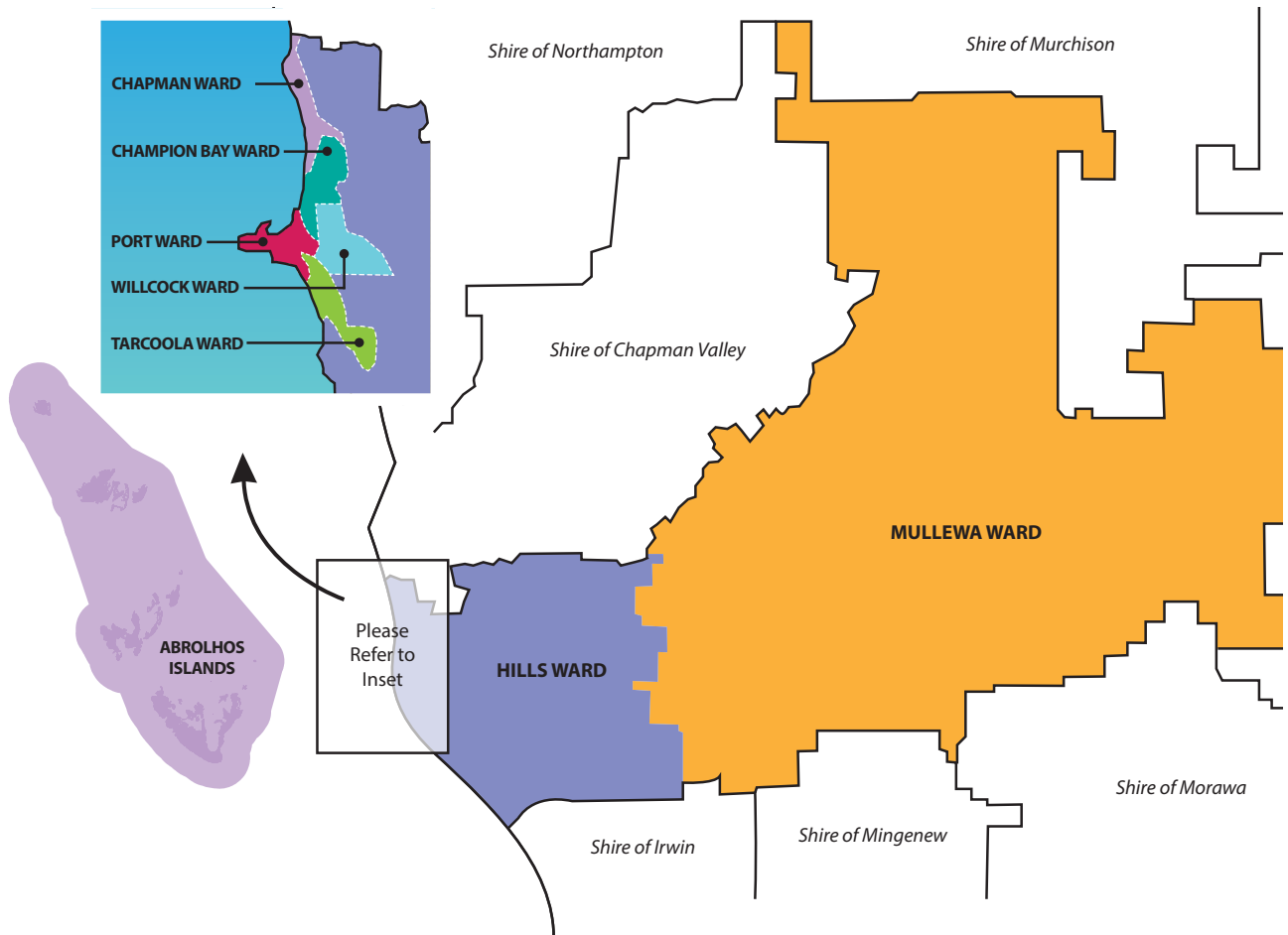
Moving forward we have some very exciting transformational projects to take place in our CBD. One of those being the completion of Rock's Laneway which will create a vital link from our Foreshore through to many businesses in Marine Terrace.

I look forward to the new and exciting opportunities that will arise for Geraldton and the bright future of our wonderful community.

Yours sincerely

Ross McKim  
CEO, City of Greater Geraldton

# WARDS



## WARDS

### CHAPMAN

- Beresford (part)
- Bluff Point
- Drummond Cove
- Glenfield
- Spalding (part)
- Sunset Beach
- Waggrakine (part)
- Abrolhos Islands

### CHAMPION BAY

- Beresford (part)
- Spalding (part)
- Wonthella (part)
- Geraldton (part)
- Webberton (part)

### TARCOOLA

- Karloo (part)
- Mahomets Flats (part)
- Mount Tarcoola (part)
- Rangeway (part)
- Rudds Gully (part)
- Tarcoola Beach
- Wandina

### PORT

- Beachlands
- Geraldton (part)
- Mahomets Flats (part)
- Mount Tarcoola (part)

### WILLCOCK

- Karloo (part)
- Narngulu (part)
- Rangeway (part)
- Utakarra (part)
- Wonthella (part)

### HILLS

- Bootenal
- Burma Road
- Deepdale
- Ellendale
- Eradu South
- Greenough
- Kojarena
- Minnenooka
- Moresby
- Narngulu (part)
- Rudds Gully (part)
- South Greenough
- Tibbradden
- Waggrakine (part)
- Wicherina
- Wonthella (part)
- Bringo
- Cape Burney
- East Chapman
- Eradu
- Georgina
- Karloo (part)
- Meru
- Moonyoonooka
- Mount Hill
- Northern Gully
- Sand Springs
- Strathalbyn
- Utakarra (part)
- Walkaway
- Wicherina South
- Woorree

### MULLEWA

- Ambania
- Devils Creek
- Mullewa
- Nuniera
- Pindar
- Tenindewa
- Tardun
- West Casuarinas
- Wongoondy



# COUNCILLORS



## **City of Greater Geraldton Council (from left to right):**

Cr Robert Hall	Port Ward	Term Expires October 2019
Cr Victor Tanti	Port Ward	Term Expires October 2021
Cr Sally Elphick	Willcock Ward	Term Expires October 2021
Cr Graeme Bylund	Champion Bay Ward	Term Expires October 2019
Cr Simon Keemink	Willcock Ward	Term Expires October 2019
Cr Tarleah Thomas	Mullewa Ward	Term Expires October 2019
Mayor Shane Van Styn		Term Expires October 2019
Cr Lewis Freer	Chapman Ward	Term Expires October 2019
Cr Jennifer Critch	Mullewa Ward	Term Expires October 2021
Deputy Mayor Neil McIlwaine	Tarcoola Ward	Term Expires October 2019
Cr Steve Douglas	Champion Bay Ward	Term Expires October 2021
Cr David Caudwell	Chapman Ward	Term Expires October 2021
Cr Jerry Clune	Hills Ward	Term Expires October 2021
Cr Michael Reymond	Hills Ward	Term Expires October 2019
Cr Natasha Colliver	Tarcoola Ward	Term Expires October 2021

\*Note: At the Ordinary Meeting of Council of 23 October 2018, Council endorsed to declare all Offices of Councillor Vacant at the 2019 Elections, CCS370 Wards and Representation Review - Awaiting Minister Approval

# MEETING ATTENDANCE

Councillor	Appointed	Term Expires	Ward	Council Meetings Attended	Agenda Forums Attended	Concept Forums Attended	Special Concept Forums	Special Council Meetings Attended	Electors Meeting	SPECIAL Electors Meeting
Mayor S Van Styn	2015	2019	N/A	11	8	11	0	1	1	1
Cr N McIlwaine (Deputy Mayor)	2015	2019	Tarcoola	10	10	12	0	1	1	1
Cr D J Caudwell	2013	2017	Chapman	10	7	10	0	1	0	1
Cr J Critch	2013	2021	Mullewa	10	9	11	0	1	0	1
Cr S Douglas	2013	2021	Champion Bay	10	7	11	0	1	1	1
Cr R D Hall	2011	2019	Port	10	8	11	0	0	0	1
Cr S Keemink	2013	2019	Willcock	6	9	12	0	1	1	1
Cr V Tanti	2013	2021	Port	10	10	13	0	1	1	1
Cr T Thomas	2011	2019	Mullewa	11	11	11	0	1	1	0
Cr G Bylund	2015	2019	Champion Bay	11	11	11	0	1	1	1
Cr L Freer	2015	2019	Chapman	11	10	13	0	1	1	1
Cr M Reymond	2015	2019	Hills	10	11	11	0	1	1	1
Cr N Colliver	2015	2021	Tarcoola	12	11	14	0	1	1	1
Cr S Elphick <sup>(1)</sup>	2017	2021	Willcock	8	7	9	0	1	1	1
Cr J Clune <sup>(1)</sup>	2017	2021	Hills	8	8	10	0	1	1	1

<sup>(1)</sup>1st appointed - 21 October 2017

Between 1 July 2017 and 30 June 2018 the City held the following meetings:

12 Council Meetings, 12 Agenda Forums, 14 Concept Forums, 0 Special Concept Forums, 1 Special Meeting of Council, 1 Electors Meeting, 1 Special Meeting of Electors.



# CITY SNAPSHOT

## COUNCIL STATISTICS

Distance from Perth	423km	Length of Sealed Road	857km
Land Area	10,083km <sup>2</sup>	Length of Unsealed Road	1,350km
Suburbs / Localities	56	Estimated Population	Over 39,000
Electors	26,377	Primary Schools	18
Employees	295	Secondary Schools	6
Building Permits Processed	917	Higher Education	2
Planning Applications Received	280		

## CITY VISION

A prosperous, diverse, vibrant and sustainable community

## CITY MISSION

Serving today while building tomorrow

## CITY VALUES

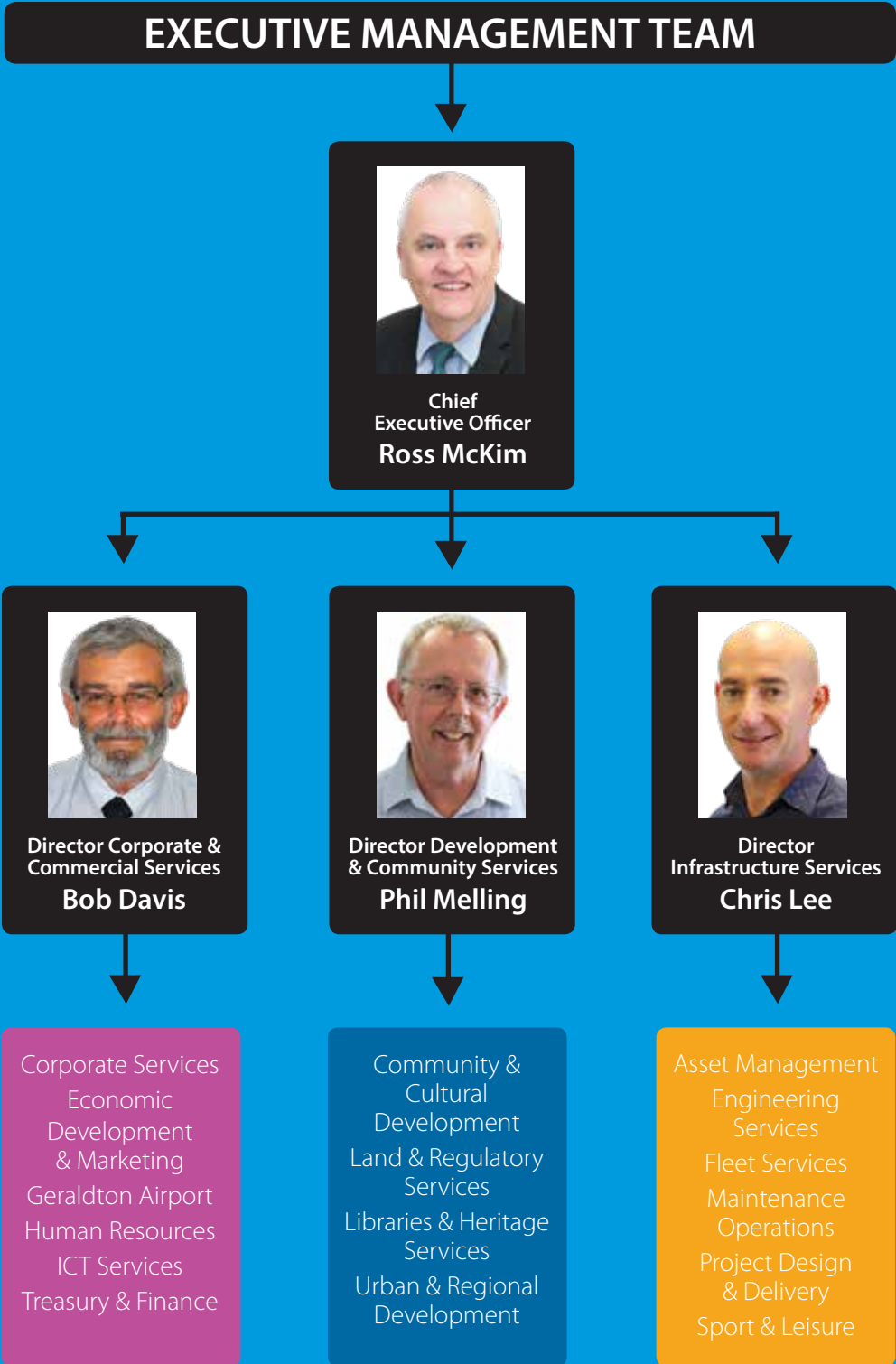
Service | Trust | Accountability | Respect | Solidarity







# ORGANISATION STRUCTURE









## INFRASTRUCTURE SERVICES

### **Beresford Foreshore**

The transformation of the 1.8km stretch of Beresford Foreshore has been one of the community's biggest and most loved projects. After nearly two years of construction works to protect and enhance the area and an extensive community engagement component, the area now includes a vastly improved shared pathway, trees and coastal plantings, shade structures, a playground and toilets.

Project protection works which began in January 2017 involved near-shore works to mitigate erosion including a protective 100m breakwater extension to the detached breakwater, a 45m extension to the existing groyne and three shore based rock revetment structures.

The \$23 million project was funded through the State Government's Royalties for Regions, Mid West Ports and the City.

### **Olive St Public Open Space Development**

The transformation of the Olive Street Reserve brownfield site into a landscaped public open space featuring a WW1 Memorial was officially completed in 2018. Being one of the City's longest standing legacy projects – the eight-hectare parkland features an ephemeral wetland, which uses diverted stormwater to recharge the groundwater and a 1.5km long walk and cycle trail around the perimeter of the park.

Construction of a WW1 Memorial to commemorate citizens of the Geraldton district who lost their lives in the war is also a feature of the parkland which includes the names of those fallen during the war.

Frank Green gifted the land in Mahomets Flats to the City in 1961 to be used for recreational purposes and at the time requested a memorial be created on the land that recognised his son Leonard T. Green and other citizens of the Geraldton district who lost their lives in active service in the first World War.

### **Nature Playground Derna Park**

The City received a grant from the Mid West Development Commission to develop a nature playground at Derna Park for the community and Wandina Primary School use. The Park presented a unique opportunity for the Wandina Primary School and the City to pool funds and build a playground facility which would be used during school hours by students and after hours by the community.

The nature playground provides a fantastic play space where children can be more creative and imaginative as well as develop their gross motor skills through play in a more natural environment. The project was jointly funded through State Government's Royalties for Regions Regional Grants Scheme and the Mid West Development Commission, Wandina Primary School and P&C, the City and Seacrest Corporation.





# ACHIEVEMENTS 2017/18

## **CBD Underground Power Project**

The undergrounding of power in the CBD had been a long-standing legacy project for many years with the community and Council counting the days until the dangerous and unsightly timber power poles and wires on Chapman Road and Durlacher Street were finally removed.

The State Underground Power in the City of Greater Geraldton CBD Project began in early November 2017.

Now that the power poles have been removed, beautification of these important thoroughfares can begin which will involve implementing projects that directly align with the recently adopted Geraldton City Centre Revitalisation Plan.

## **Coastal Hazard Risk Management and Adaptation Plan (CHRMAP)**

The City is facing the impacts of coastal erosion and inundation along its coastlines, with the vulnerability of land use and development within the coastal zone expected to increase in the future. In accordance with Western Australia's State Planning Policy 2.6 State Coastal Planning Policy (SPP2.6), coastal areas identified as being at risk of coastal hazard require Coastal Hazard Risk Management and Adaptation Planning (CHRMAP). The City's draft CHRMAP Report has been completed and it underwent a public comment period regarding the development of the document and its recommendations.

In 2018/19, Council will examine the recommendations outlined in the CHRMAP to determine which ones best align with the SPP2.6. Draft State Government Managed Retreat Policy. Once these are determined, Council will then decide which actions will be taken now and in the future, if and when coastal assets become at risk to erosion and inundation.

## **2050 Cycle Strategy**

A Geraldton 2050 Cycling Strategy has been developed that will guide the planning and development of cycling infrastructure in the City region over the next 30 years.

In 2018, 475 community members took part in the Cycling in Geraldton Community survey and more than 50 people came along to the community drop-in session. Through this engagement process the City has learnt why and where people like to cycle, what prevents them from riding a bike more often and also resulted in the sharing of more than 550 ideas on how to improve cycling infrastructure in the City region.







# ACHIEVEMENTS 2017/18

## Water Saving Initiatives

The installation of irrigation controllers connected to the 'cloud' will save water by reducing unnecessary watering at parks across the City. The system, which controls sprinklers via the internet, enables City staff to either adjust, start or stop an irrigation program from a computer or mobile device.

The City uses a combination of ground and scheme water to irrigate our public open spaces which range from parks to sporting ovals. The feature of this technology is that when it rains, the sprinklers in these parks can be turned off anywhere and anytime, such as on the weekend or in the evenings, which is estimated to result in a 10 per cent saving in irrigation water usage. Annual kilolitres consumed by the City has reduced from 338,073 in 2015/16 to 303,940 in 2017/18.

## City Centre Revitalisation

Works will commence to transform the Rock's building into a laneway after Council decided on a preferred design concept for the space. The chosen concept design proposes a "grotto", providing a green wall, an elevated "crow's nest", open walls for art/projection and a long bench timber decked terrace for informal seating.

The project aims to create vital links in the CBD. This innovative project aligns perfectly with the City Centre Revitalisation Plan and the Growing Greater Geraldton Growth Plan by redefining the city centre to unlock its full potential.

## Road Renewals

The City completed an extensive rural road repairs program that involved repairs to 43 flood damaged rural roads. More than \$4.39 million in external funding was secured from the Western Australia Natural Disaster Relief and Recovery Arrangements program, which covered 100 per cent of the clean-up costs and 75% of the restoration works.

In addition to flood repair works, the City invested a further \$3.62 million into the annual road resurfacing program seeing 9.77km of road resurfaced entirely by local contractors.

## Pathways

Approximately 1.77km was added to Geraldton's footpath network as part of \$544,600 allocated in the 2017/18 Budget for the construction of new footpaths.



# ACHIEVEMENTS 2017/18

## Lights

Works will soon commence to install new sports tower lighting at Alexander Park and the Greenough Oval. The \$1.1 million tender to install 100-150 LUX LED light towers was awarded to a local contractor, injecting more money into the local economy. The 2017/18 Budget featured \$700,000 to renew sporting tower lighting which will go towards keeping the floodlights on at the Greenough Oval and Alexander Park, as part of the proposed renewal program for sports ground lighting.

## Recreation

Various works have been completed to upgrade recreation facilities and improve beach access at Drummond Cove. The City worked alongside the Drummond Cove Progress Association meaning residents had the opportunity to share their ideas and concerns with the City. Works include:

- Repainting the fish cleaning shelter
- Repairing the netting around the cricket practice wickets
- Installing a basketball hoop in the tennis court area
- Installing a safety rail on the footpath in front of the John Batten Community Hall
- Improving access to the beach via Seacrest Way

## Community Nursery

Volunteers at the Community Nursery have worked hard to grow 20,000 local native plants to help revegetate Geraldton's natural bush and beach areas. The number of nursery volunteers has grown to well over 40 and the nursery continues to grow with sold out plant sales. Last year volunteers set a new plant production record when they grew 33,000 seedlings, the majority of which have been planted along the Chapman and Greenough Rivers and the City's coastline.

## Mullewa Entry Statement

A brand new entry statement for Mullewa was constructed and launched in 2017/18 which welcomes visitors into Mullewa featuring the region's iconic Everlasting wildflower. Five Everlasting flowers made from steel stand four metres tall accompanied by signage, as the newest feature on entry into Mullewa.

The design arose from a competition run in Mullewa with local artist Eliza Thomas' work being selected for the piece. Midwest artist Peter James from Metal Art Creations then worked closely with the City to bring the sculptures to life with stainless and corten steel. The project commenced in 2017 with funding from the City and the Royalties for Regions Community Chest Fund.





# ACHIEVEMENTS 2017/18

## **Emergency Management**

The Midwest Gascoyne District Recovery Project was undertaken as the region consists of many small local governments, typically with limited resources for emergency management. The Disaster Recovery Project addressed this limitation in an innovative way – by providing Local Governments with a compliant and comprehensive plan, which each Local Government then only needs to contextualise to their specific circumstances and community.

The project has established a plan and governance structure for the Regional Recovery Plan of the City of Greater Geraldton, Shire of Chapman Valley and Shire of Northampton. It has subsequently enabled cross-boundary collaboration and cooperation. This project has been successful to the point where, in addition to a consolidated Regional Recovery Plan, the three Local Governments are undertaking combined Local Emergency Management Arrangements, and a combined Risk Management Plan.

## CORPORATE & COMMERCIAL SERVICES

### **Disaster Recovery and Business Continuity Plan**

Following on from the success of previous years with the migration of ICT infrastructure to a Data Centre and a replicated Perth based Recovery Site, the ICT Business Continuity and Disaster Recovery Plan was completed and placed into operation. The plan comprehensively details the processes and procedures required to enable Council to continue core business processes in the event of a disaster, large or small. Testing of the plan is to be undertaken yearly.

### **Customer Service Strategic Plan for the City**

Enhancing the customer service experience for residents and visitors was the driving force behind the development of the City's new Customer Service Plan which was launched in October 2017. The City has been recently commended on its customer service initiatives by taking out the 'Change, Innovation and Improvements' award at the recent 2018 Auscontact Excellence Awards.

The three-year plan includes community-prioritised strategies and actions, which will be implemented to boost the customer experience, and the service they receive when exposed to our staff and facilities.

The City's new Customer Service Centre was also installed and along with significant cost savings, the project has increased service delivery with a fit for purpose modern customer contact centre. The first of its kind in the Midwest region, the Centralised Customer Service Contact Centre is set to take the City into the 21st century and boost efficiencies in customer service.





# ACHIEVEMENTS 2017/18

## **Green Energy (Solar) Initiatives**

The City have rolled out a number of green energy initiatives including the installation of solar panels at three different City buildings. The Geraldton Multipurpose Centre, Queens Park Theatre and Geraldton Regional Art Gallery have all had solar photovoltaic systems installed which will save the City around \$40,000 per annum in power costs. In 2018/19, Council proposes to further roll out solar photovoltaic systems to the Airport, Aquarena and Library.

## **Tourism**

The City successfully presented the Growing Greater Geraldton Tourism Investment Summit in May 2018. The aim of the summit was to unlock Geraldton's potential as a tourism destination by laying out the vision and facilitating participation and collaboration to realise its potential. Being the first of its kind in the Midwest, the Summit provided an opportunity for industry, policy makers, regulators and funders to share information and explore the priorities for future industry development.

An online prospectus to attract new investment to the region and showcase Greater Geraldton and the Midwest to a global market was also officially launched. The Progress Midwest Investment Prospectus aims to not only attract and facilitate investment from local, regional, national and international players but to also showcase events to present investment opportunities and investment-ready business proposals to potential investors.

Tourism has also been boosted this year with a bumper cruise ship calendar. A total of five cruise ships visited Geraldton in February alone – injecting millions of dollars into the local economy. A total of 11 cruise ships visited Geraldton in 2018 with the last two scheduled in December one of which is set to be our first ever overnight stay.

## **Trading Hours**

In early October 2017, the City of Greater Geraldton with approval of the Minister for Commerce began a 12 month trial period of extended general retail trading hours in the local government area of Greater Geraldton.

The trial enabled Geraldton to come into line with hours permitted for general retailers in Perth, opening the City for business from travellers and tourists on the weekends and public holidays, and providing opportunity for business improvement from increased activation.

## **Elections**

The City of Greater Geraldton welcomed two new Councillors after elections took place in October 2017. The Local Government election showed locals took a vote of confidence and had faith in the current Council with all incumbent Councillors re-elected. Council also welcomed Jerry Clune and Sally Elphick.





# ACHIEVEMENTS 2017/18

## **ALTUS Project**

During 2017/18 the City entered in an agreement with City of Kalgoorlie Boulder, City of Kalamunda and IT Vision Ltd to undertake development of a new corporate software (Altus) to replace the existing and outdated system. A collaborative approach not seen in local government before. This project is for a period of three years, through to June 2020.

Altus is the City's vision and low cost approach to delivering a modern platform for digital transformation, fully born in the cloud and mobile device enabled. It is to be built using the most modern low-code rapid application development tools, based on a modern database stack, with cyber-security and business-continuity 'built-in' and delivered through an engaging user-experience focused interface. It is envisaged that Inspections will be delivered in the first half of 2018/19 and Core Financials in the second half of 2018/19.

## **Ward and Representation Review**

In 2017/18 the City commenced a review of wards and representation in accordance with the provisions of the Local Government Act 1995. The review process included a decision by Council to initiate and endorse a discussion paper for public consultation to gather feedback from the broader community of their preferred option for wards and representation that will enable Council to identify the systems of representation that best reflects the characteristics of our community.

It is envisaged that in the latter part of 2018, Council will make a determination on a number of potential options and outcomes, and then formulate a recommendation to the Local Government Advisory Board of its preferred structure and elected member representation model.





# ACHIEVEMENTS 2017/18

## DEVELOPMENT & COMMUNITY SERVICES

### Arts & Culture

Geraldton Regional Art Gallery (GRAG) showcased 17 exhibitions including self-curated, local, state and national shows. The average attendance at Gallery openings was 150 compared with 70 during the previous financial year. This increase in community support and engagement with the Gallery over the past year highlights the gallery is meeting the needs and wants of the community.

GRAG held a series of artist development workshops (including a Q&A session with contemporary mural artist Kyle Hughes-Odgers), Art on the Move PD days (curating, lighting, installing, art handling) and school holiday workshops including LEGO.

In February 2017, GRAG exhibited Batavia, a show developed between the University of Western Australia and the Western Australian Museum. A book was published about the project and included photographs of the exhibition installation at GRAG.

Geraldton also held its second ArtDrive with thousands taking the self-drive tour in the Midwest. Continuing on from 2016's success, a brand new phone app was launched and received more than 4,000 downloads as well as tourists and locals picking up hundreds of hard copy programs.

### Events

The City continues to host a number of successful events throughout the year. The events team successfully worked with 56 external event organisers to deliver their events. Over \$150,000 was received through sponsorship or grant applications.

In 2018 Geraldton held its first ever Wind on Water Festival. More than 10,000 people graced the Foreshore over the inaugural two-day event. Pop-duo The Veronicas headlined the WoW Fest concert to conclude the event which featured a full program of events including everything from giant kites, the crowd-favourite String Symphony, sunset entertainment, an epic sand sculpture, community art, extreme watersports, local performers, a kids hub and sailing.

The Events Team also assisted in the delivery of the 10 day Toyota Australian Country Cricket Championships. The 10-day tournament saw the local economy benefitting from 500 people staying in Geraldton with the total economic output estimated at \$1.1 million.

The ever-popular Christmas on the Terrace continues to go from strength to strength, with an estimated attendance of 6,000 people. Stall holders increased from 50 to 80 and there was a wonderful feeling of goodwill throughout Marine Terrace. Homegrown Music Festival also hit the Geraldton scene with thousands attending the event which saw a swag of local music legends perform at Stow Gardens.

The Geraldton Regional Library presented its 13th Big Sky Readers and Writers Festival. Guests including authors, cartoonists and historians were part of the program which included workshops, keynote readings and performances.

One of the region's signature events, the Mullewa Muster and Rodeo attracts thousands every year. Held the WA Day Long Weekend, the Mullewa Rodeo is an ABCRA (Australian Bushmen's Campdraft and Rodeo Association) affiliated rodeo and in 2017 Mullewa was proud to host the ABCRA Australian Championship Rodeo.

The City also supported a number of externally run events including The State Rotary Conference, Geraldton Caravan and Camping Show, Quaff Food and Wine Festival, Guinness Book of World Records for Star Gazing, Woorree Park BMX Club Super Series, Mid West Community Port Open Day and a WAFL Game.

# QUEENS PARK THEATRE

DANCE INDUSTRIES  
SAT 7 DEC 11.30 AM

BATAVIA COAST DANCE  
SAT 14 DEC 12.30 PM 7 PM



# ACHIEVEMENTS 2017/18

## **Wildflowers**

With one of the best wildflower seasons in years, thousands of visitors flocked to Mullewa to see carpets of colour on display. Coinciding with the season, Mullewa's annual wildflower festival – Outback Bloom was back bigger and better than previous years. The biggest celebration of wildflowers in the region, Outback Bloom ran over four days, showcasing the Midwest's huge collection of colourful natural beauty mixed with art and other local displays. Outback Bloom was not just about celebrating the wildflower season but also to celebrate everything that Mullewa has to offer.

## **Queens Park Theatre**

The Queens Park Theatre (QPT) successfully hosted over 60 shows and audience numbers continued to grow. The QPT now has local theatre companies hiring the mezzanine four times per week.

Two new initiatives were also introduced, Morning Melodies and Stage Door pass, both being well received by the community. Morning Melodies has provided older members of the community access to high quality entertainment during daylight hours.

The QPT was named as a finalist in this year's 2018 Performing Arts Connections Australia Drover Award for 'Performing Arts Centre of the Year'. Recognising excellence in the field of regional touring, the awards acknowledge the companies that are committed to delivering performances to the millions of audiences in communities across Australia.

Over \$240,000 was also secured in grants and new three year Everlasting Partnership agreements were signed.

## **QEII and Senior Programs**

The QEII Seniors and Community Centre continues to deliver a broad spectrum of activities and programs to their users. The Centre is visited by more than 3,500 attendees every month and a survey in 2018 showed 96% of respondents are satisfied with the service that the QEII Centre provides.

The QEII Centre also welcomed the installation of seven new air-conditioners in the Lower Hall.

SeniorsWeek continues to be a favourite in the community's calendar with many much-loved activities returning including the Mayor's Mystery Bus Tour, entertainment at the Queens Park Theatre along with a number of classes, 'have-a-go sessions', games, sports and heaps more.



City of  
Greater Geraldton  
a vibrant future



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City of Greater Geraldton  
**STRETCH RECONCILIATION ACTION PLAN**  
October 2017 - October 2020

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**RECONCILIATION  
ACTION PLAN**

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**STRETCH**

# ACHIEVEMENTS 2017/18

## **Youth Diversionary Programs**

The City continues to be a leader in the youth sector by delivering a number of various programs. The Mullewa Youth Centre has maintained its popularity throughout the year, providing the 186 individual attendees with cooking classes, art workshops, sports activities, fishing excursions and bike repair skills.

The City's U Turn Project has returned a 36% decrease in juvenile offending across the City, with Friday night activities and school holiday workshops proving to be a successful diversion for opportunistic young offenders. The project coordinated the inaugural Challenge Camp to Murchison River in July 2017, a life changing return to country camp for young Aboriginal boys and their mentors and the Back on Track project which included local teenagers driving midget racing cars at Geraldton City Speedway.

The School Holiday Program continues to be a hit each school holiday period. The City teams up with various organisations and groups to deliver a smorgasbord of entertainment for kids of all ages.

The City was also awarded for their efforts in delivering youth services after receiving a partnership award with PCYC Regional at the WA Police and Community Youth Centre.

## **Reconciliation Action Plan**

The Stretch Reconciliation Action Plan (RAP) was endorsed by Reconciliation Australia and adopted by Council in February 2018. The RAP was launched in conjunction with National Reconciliation Week activities. Added to this, a Cultural Protocols booklet and a revised Welcome to Country Guide were produced and distributed throughout the Community.

## **Volunteers**

The City continues to support and encourage local volunteers through a volunteer program covering a wide variety of activities from the Volunteer Tour Guides through to assisting at the Community Nursery. The City also teams up with Centacare to recognise volunteers as part of Thank a Volunteer Day. The Volunteer of the Year awards thanks volunteers of all ages and demographics as well as organisations and events.





# PLANNING FOR THE FUTURE

## PROJECTS COMMENCING IN 2018/19

### **Public Art**

An artist has been commissioned to produce a large sculpture that will be located at the front of the Geraldton Art Gallery. The artwork will be installed by 1 February 2019.

### **Animal Management Facility**

The construction of the Animal Management Facility is expected to be completed in January 2019. The facility will have individual dog and cat holding units constructed to Royal Society for the Prevention of Cruelty to Animals (RSPCA) guidelines. The building will provide an efficient and more comfortable environment with the design of the building being a functional space for both staff and animals.

### **Airport Runway**

The Geraldton Airport runway will be resurfaced and extended to 2400m. The Geraldton Airport runway upgrade and extension will cost \$24 million. The airport runway extension will enable larger aircraft such as the Airbus A330 to land which will benefit the City's growing international tourism industry, facilitate new airfreight export opportunities and provide an alternative landing site for the Perth Airport.

The project is jointly funded by the Federal Government's Building Better Regions Fund contributing \$10 million, the State Government Regional Airports Development Scheme \$6.5 million and the City \$7.5 million.

### **Meru Landfill**

#### Transfer Station

The Meru Waste Transfer Station will be upgraded to increase its use and capacity, the objective being to have all residents drop their rubbish at the transfer station rather than at the face of the landfill.

#### Develop Cell 5 and Future Landfill Cells

Preparatory works commenced in 2016/17 to develop a concept design for a new landfill cell including landfilling of putrescible or industrial waste. Detailed designs were completed in 2017/18 and it is expected that construction of the new cell and capping of existing cells will commence in 2018/19. To meet the highest environmental standards, the new cell will be lined with special materials to prevent leachate from contaminating ground and surface water and is expected to handle the City's landfill needs for a further five to seven years.





Mirrored ROCK'S facade

Light box art installation

Artistic representation of meta-graphic on concrete floor (Graphic to be developed in conjunction with artist)

Lush grotto style garden beds

Existing walls to be retained

Proposed lockable gates

Note: Roof and North East wall have been removed for graphic representation



# PLANNING FOR THE FUTURE

## **City Centre revitalisation**

A comprehensive plan to revitalise the CBD is set to transform the city centre into the retail, commerce and hospitality capital of the Midwest. The Geraldton City Centre Revitalisation Plan put forward a number of small changes that are likely to have a big impact on the look and feel of the CBD. In addition, the acquisition of 108 Marine Terrace (Rocks Building) and 201 Lester Avenue (NACC Building) has created opportunities to add economic stimulus to the CBD. The project is forecast to invest around \$2 million into the CBD in 2018/19.

## **Geraldton-Greenough State Emergency Service Facility**

The construction of the new SES building on Aeromedical Road near the airport is expected to commence in October 2018. The \$1.8 million project is 100% State Government funded.



# DISABILITY SERVICES

Council has reaffirmed its commitment to providing an accessible and inclusive community by endorsing the recently amended Disability Access and Inclusion Policy. The policy recognises that people with a disability have a right to quality services, facilities, programs and events that enable them to live and fully participate in our community.

This means people with disability will be provided with the same opportunities, rights and responsibilities enjoyed by other people in our City which includes employment at the City. It is essential for everyone, regardless of their ability, to be present, seen and connected to their community and over the past five years the City has improved existing infrastructure and built new facilities which make public open spaces, our foreshore and our City more inclusive and welcoming.

The City's Disability Access and Inclusion Policy is supported by the Disability Access and Inclusion Plan which aims to ensure that universal access is available to the whole community and therefore ensures that the Greater Geraldton economy can benefit from all sectors of our community and visitors alike.

## **Summary of major initiatives undertaken by the City of Greater Geraldton to enhance access and inclusion for the 2017/18 period.**

- Construction began on the 1.8 km long Beresford foreshore with the commencement of the 4m wide pedestrian promenade. The foreshore on completion will include new accessible amenities, an accessible events recreation area, beach wheel chair access and ACROD parking spaces.
- The Renewal program of footpaths in Greater Geraldton included replacement footpaths in Burgess St, Kelly St and Sanford St
- New footpaths have been commissioned along sections of Durlacher St, North West Coastal Highway, Johnston St and Eastern Rd. Pedestrian Island refuges have been commissioned on Ajax Drive and Gregory St.
- Design work and costings completed for access and pathway improvements pending budget allocations and funding for footpaths in Fitzgerald St, Chapman Rd, Anzac Tce, Whitehill Rd, Queens Park and Separation Point
- New accessible toilets have been commissioned in Derna Park, Wandina.
- The City produced a staff Disability Awareness Training film which is used as part of the induction training for all new employees.
- A Media Arts project for people with disability involved making films in order to raise community awareness and promote inclusion. The project included film scripting, camera and editing skills workshops. Participants also undertook drama and comedy improvisation workshops to support their skill set for film-making
- The City continues to provide a range of art and music program initiatives inclusive of people with disability including City hosted workshops and exhibitions.
- The City actively participates in external expos and forums, and provides venues and opportunities for local and visiting service providers and actively promotes their events and activities.
- The City hosts and works in liaison with the local sector to celebrate and acknowledge community achievements including hosting International Day of People with Disability.



# STATUTORY REPORTS

## RECORDKEEPING

The City's continued commitment to recordkeeping, in accordance with legislative requirements, facilitates a structured approach to recordkeeping through the use of a corporate system. In addition, the City's Recordkeeping Policy outlines the process for management and disposal of records in accordance with the State Records Act 2000.

The City's Recordkeeping Plan was reviewed and the City's future focus is on digitisation and paper reduction.

The City continued its efforts toward best practice in the area of electronic record keeping with 86,803 corporate records registered. This represents a 4.1 per cent increase from the previous year.

New employees were informed of their recordkeeping responsibilities as part of the City's Induction Program, with hands on training provided on TRIM and recordkeeping.

## FREEDOM OF INFORMATION

The City of Greater Geraldton complies with the Freedom of Information Act 1992 which has as its objectives, to:

- Enable the public to participate more effectively in governing the state; and
- Make the persons and bodies that are responsible for the State and Local Government more accountable to the public.

The Coordinator Governance is the City's Freedom of Information Coordinator. Any formal application for the information that is not already freely available at the City may be made through the Freedom of Information Coordinator.

During 2017/18 the City processed a total of seven Freedom of Information applications, with an average of 29 days to complete each application. The seven applications were completed within the legislative timeframe of 45 days.

## NATIONAL COMPETITION POLICY

In 1995 the Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy.

Local government is affected mainly where it operates significant business activities which compete, or could compete, with private sector businesses. Local government will also be affected where local laws unnecessarily affect competition.

The City is required to comply with certain policies contained within the National Competition Policy Statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.

## COMPETITIVE NEUTRALITY

It is the City's responsibility to determine whether it is engaged in "significant business activities" within the context of its operations and therefore whether it is required to apply the competitive neutrality principles.

Local government is only required to implement the above principles to the extent that the benefits to be realised from implementation outweigh the costs in respect of individual business activities exceeding an annual income of \$500,000. Within these criteria the City identified the following business activities:

- Geraldton Airport;
- Geraldton Aquarena;
- Meru Landfill; and
- Waste Operations.

No competitive advantage was identified in the City's operations of the above business activities. The City continues to monitor Council Policies and Local Laws for anti-competitive practices.

## COMPLAINTS REGISTER

The City of Greater Geraldton, in accordance with s5.120 of the Local Government Act 1995, does not have a designated Complaints Officer and the Chief Executive Officer fulfills this role in terms of subsection (2).

As required in accordance with s5.121 'Register of certain complaints of minor breaches' of the Act, the City maintains an electronic register that is managed by the Executive Office. The City reports no complaints as defined under s5.110 (6) (b) or (c) of the Act for the period ending 30 June 2018.

## EMPLOYEE SALARIES

Set out below, in bands of \$10,000, is the number of employees of the City of Greater Geraldton entitled to an annual salary of \$100,000 or more.

SALARY BAND		NUMBER OF EMPLOYEES	
\$ From	\$ To	2018	2017
100,000	109,999	10	5
110,000	119,999	3	0
120,000	129,999	1	7
130,000	139,999	4	3
140,000	149,999	2	2
150,000	159,999	0	1
170,000	179,000	1	0
190,000	199,999	2	1
200,000	210,000	0	2
250,000	259,999	1	0
320,000	330,000	0	1
<b>TOTAL</b>		<b>24</b>	<b>22</b>

# FINANCIAL SUMMARY

2017/2018 FINANCIAL YEAR	2016/2017 FINANCIAL YEAR
TOTAL ASSETS	TOTAL ASSETS
\$933,243,222	\$915,419,045
TOTAL LIABILITIES	TOTAL LIABILITIES
\$56,883,245	\$59,911,076
EQUITY/NET ASSETS	EQUITY/NET ASSETS
\$876,359,977	\$855,507,969
OPERATING REVENUE	OPERATING REVENUE
\$78,300,190	\$80,682,347
OPERATING EXPENDITURE	OPERATING EXPENDITURE
\$78,478,307	\$76,223,665
OPERATING SURPLUS/(DEFICIT)	OPERATING SURPLUS/(DEFICIT)
(\$236,344)	\$3,202,052
NON-OPERATING REVENUE	NON-OPERATING REVENUE
\$8,674,649	\$20,796,455
CAPITAL EXPENDITURE	CAPITAL EXPENDITURE
\$35,574,372	\$28,001,494
CASH BACKED RESERVES	CASH BACKED RESERVES
\$16,221,376	\$22,318,463



## FINANCIAL PERFORMANCE

### Revenue:

Operating Revenue generated for 2017-18 was \$78.3 million which indicates an overall nominal decline of 2.9% however, this movement is due to timing shifts in prepayment of annual Financial Assistance Grants (\$8.8m 2016-17 compared to \$5.7m 2017-18). Fees and Charges revenue grew by 2.3% and interest earnings (including investment income) grew by 7% in a low interest rate environment.

### Expenditure:

Operating expenditure was \$78.4 million including additional depreciation charges that arose from the revaluation of assets in compliance with fair value accounting requirements. Operating expenditure rose by 3% in comparison to 2016-17.

Capital expenditure was lower than budgeted owing mainly to deferral of the Airport Runway Extension Project and multi-year projects to the following financial year.

### Major areas of capital expenditure included:

	2017/18	2016/17
INFRASTRUCTURE ROADS	\$12M	\$11M
INFRASTRUCTURE FOOTPATHS	\$1.7M	\$0.9M
INFRASTRUCTURE DRAINAGE	\$1.3M	\$0.8M
LAND & BUILDINGS	\$3.7M	\$3.4M
PLANT & EQUIPMENT	\$2.5M	\$1.7M
MAJOR PROJECTS (BERESFORD FORESHORE)	\$8.9M	\$3.8M
PARKS & RECREATION	\$4.1M	\$3.6M

### Financial Position:

The City continues via "in house" initiatives to improve existing service levels and achieve efficiency gains whilst being fiscally responsible in progressing towards and maintaining annual budgeted operating surpluses each year. These initiatives has resulted in significant improvement to the financial health and sustainability of the City. The Department of Local Government Financial Health Indicator is the current benchmark measurement of a Council's overall financial health. The FHI calculates a weighted average of the seven financial ratios that local governments are required to report annually to establish a score on a scale from 0-100. Council's score is currently calculated to be around 71. An FHI of 70 and above indicates that a Council is in sound financial health.

# FINANCIAL HIGHLIGHTS

## REVENUE

General Rates	42%
Fees and Charges	21%
Cash Reserves	17%
Grants & Subsidies	15%
Interest Earnings	2%
Other Revenue (Includes proceeds)	2%
Contributions, reimbursements & donations	1%



TOTAL OPERATING INCOME

**\$78,300,190**

## EXPENDITURE

Roads, Pathways & Street Lighting	38%
Parks, Coastal & Natural Management	20%
Waste Services & Litter Control	7%
Community Services, Events & Facilities	6%
Safety & Regulatory Services	6%
Land, Property & Open Space Management	6%
City Administration & Governance	5%
Sports & Leisure	4%
Airport	4%
Libraries & Heritage	2%
Tourism & Economic Development	2%



TOTAL OPERATING EXPENSES

**\$78,478,307**

# COMMUNITY SNAPSHOT

## COMMUNITY BY AGE GROUP

Babies and Primary Schoolers (0-14)	<b>21.4%</b>
Secondary Schoolers, Tertiary Education and Independents (15-24)	<b>13.0%</b>
Young Workforce (25-34)	<b>12.7%</b>
Parents and Homebuilders (35-44)	<b>12.8%</b>
Older Workers and Pre-retirees (45-64)	<b>26.1%</b>
Empty Nesters and Retirees (65-74)	<b>8.0%</b>
Seniors (75+)	<b>6.0%</b>



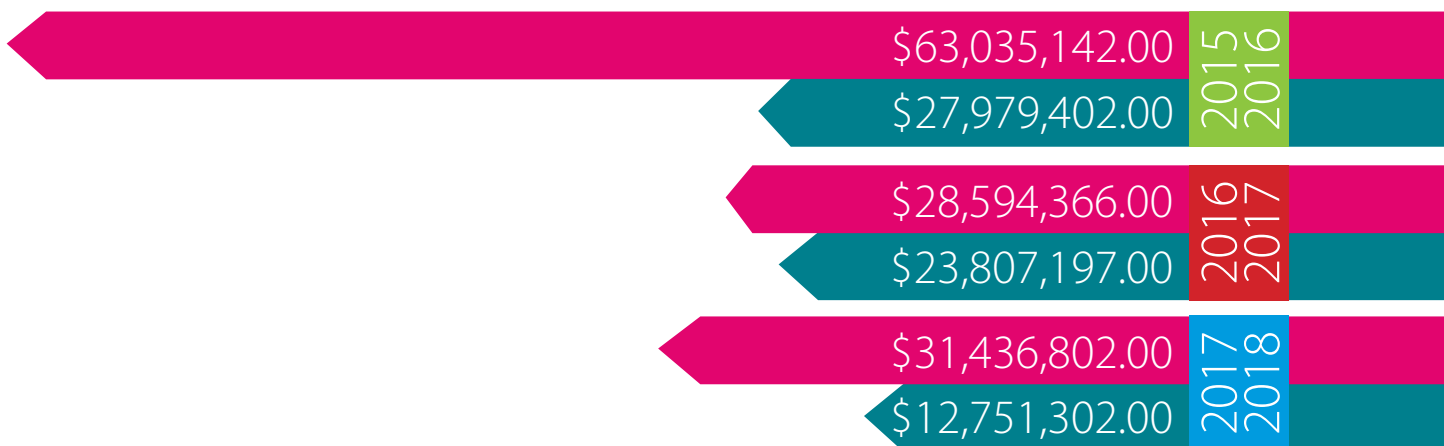
## HOUSEHOLD SIZE

Lone Person	<b>25.3%</b>
Group Households	<b>2.9%</b>
Family Households	<b>71.8%</b>



## VALUE OF BUILDING PERMITS ISSUED

RESIDENTIAL COMMERCIAL







# City of Greater Geraldton

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2018

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## City of Greater Geraldton

### General Purpose Financial Statements for the year ended 30 June 2018

<b>Contents</b>	<b>Page</b>
<b>1. Statement by Chief Executive Officer</b>	2
<b>2. Primary Financial Statements:</b>	
- Statement of Comprehensive Income (by Nature or Type)	3
- Statement of Comprehensive Income (by Program)	4
- Statement of Financial Position	6
- Statement of Changes in Equity	7
- Statement of Cash Flows	8
- Rate Setting Statement	9
<b>3. Notes to the Financial Statements</b>	11
<b>4. Independent Auditor's Report</b>	78

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#### Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for City of Greater Geraldton.
  - (ii) All figures presented in these financial statements are presented in Australian Currency.
  - (iii) These financial statements were authorised for issue by the Council on dd/mm/yy. Council has the power to amend and reissue the financial statements.
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## City of Greater Geraldton

### General Purpose Financial Statements for the year ended 30 June 2018


*Local Government Act 1995*

*Local Government (Financial Management) Regulations 1996*

### Statement by Chief Executive Officer

The attached financial report of the City of Greater Geraldton being the annual financial report and supporting notes and other information for the financial year ended 30 June 2018 are based on proper accounts and records to present fairly the financial position of the City of Greater Geraldton at 30 June 2018 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 10 day of OCTOBER, \_\_\_\_\_ 2018

  
\_\_\_\_\_  
Ross McKim

**CHIEF EXECUTIVE OFFICER**



## City of Greater Geraldton

Statement of Comprehensive Income (by Nature or Type)  
for the year ended 30 June 2018

\$	Notes	2018 Actual	2018 Budget	2017 Actual
<b>Revenue</b>				
Rates	24(a)	44,846,621	44,963,763	42,815,227
Operating Grants, Subsidies & Contributions	30	8,411,475	8,401,064	12,141,271
Fees & Charges	29	22,403,346	22,272,313	21,929,775
Interest Earnings	2(a)	1,804,947	1,528,780	1,686,843
Other Revenue		699,653	740,564	812,566
		<u>78,166,041</u>	<u>77,906,484</u>	<u>79,385,682</u>
<b>Expenses</b>				
Employee Costs	33	(27,739,286)	(28,185,697)	(26,416,916)
Materials & Contracts		(20,982,249)	(22,220,489)	(21,004,487)
Utilities		(2,979,490)	(3,274,189)	(3,119,733)
Depreciation & Amortisation	2(a)	(21,980,328)	(21,400,660)	(21,296,897)
Interest Expenses	2(a)	(1,115,864)	(1,162,422)	(1,167,479)
Insurance		(637,835)	(813,167)	(753,065)
Other Expenditure		(2,967,334)	(2,063,250)	(2,425,053)
		<u>(78,402,385)</u>	<u>(79,119,874)</u>	<u>(76,183,630)</u>
<b>Operating Result from Continuing Operations <sup>(1)</sup></b>		<u>(236,344)</u>	<u>(1,213,390)</u>	<u>3,202,052</u>
Non-Operating Grants, Subsidies & Contributions	30	8,674,649	28,800,110	20,796,455
Fair Value Adjustments to financial assets at fair value through profit and loss	2(a)	-	-	10,532
Revaluation of Infrastructure, Property, Plant & Equip.	2(a)	(16,802,050)	-	-
Profit on Asset Disposals	21	134,149	127,816	1,296,665
Loss on Asset Disposal	21	(75,922)	(113,030)	(40,035)
		<u>(8,069,174)</u>	<u>28,814,896</u>	<u>22,063,618</u>
<b>Net Result - Surplus (Deficit)</b>		<u>(8,305,518)</u>	<u>27,601,506</u>	<u>25,265,670</u>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	13	29,157,526	-	(8,254,737)
<b>Total Other Comprehensive Income</b>		<u>29,157,526</u>	<u>-</u>	<u>(8,254,737)</u>
<b>Total Comprehensive Income</b>		<u>20,852,008</u>	<u>27,601,506</u>	<u>17,010,933</u>

<sup>(1)</sup> Allowing for or not factoring in the prepayment of Financial Assistance Grants for 2018-19 \$3,058,237 (2017-18: \$3,056,917), Council Operating Result from Continuing Operations would amount to a deficit of \$3,294,581 (2016-17: \$145,135).

## City of Greater Geraldton

Statement of Comprehensive Income (by Program)  
for the year ended 30 June 2018

\$	Notes	2018 Actual	2018 Budget	2017 Actual
<b>Revenue</b>				
Governance		167,498	79,624	337,238
General Purpose Funding		53,021,115	52,870,657	53,721,682
Law, Order, Public Safety		505,145	673,713	545,722
Health		81,757	67,150	103,176
Education & Welfare		268,194	294,550	351,548
Community Amenities		11,832,568	11,304,359	11,307,233
Recreation & Culture		3,368,361	3,147,708	2,927,770
Transport		6,412,102	7,087,469	7,195,957
Economic Services		1,099,176	919,800	1,386,912
Other Property & Services		1,469,439	1,461,454	1,682,591
		<u>78,225,356</u>	<u>77,906,484</u>	<u>79,559,828</u>
<b>Expenses (excl. Finance Costs)</b>				
Governance		(1,723,075)	(1,248,996)	(977,922)
General Purpose Funding		(1,039,407)	(979,580)	(762,775)
Law, Order, Public Safety		(1,440,909)	(1,113,474)	(737,440)
Health		(185,676)	(91,275)	(72,619)
Education & Welfare		(1,592,834)	(1,553,220)	(1,513,650)
Housing		(24,699)	(48,780)	(48,429)
Community Amenities		(10,497,767)	(9,757,381)	(9,123,027)
Recreation & Culture		(16,121,412)	(15,827,643)	(15,693,503)
Transport		(29,863,865)	(31,273,477)	(29,753,808)
Economic Services		(4,427,266)	(4,539,644)	(4,234,681)
Other Property & Services		(10,428,924)	(11,523,982)	(12,272,441)
		<u>(77,345,836)</u>	<u>(77,957,452)</u>	<u>(75,190,297)</u>
<b>Finance Costs</b>				
	2(a)			
Governance		(21,813)	(22,760)	(25,587)
Recreation & Culture		(523,857)	(511,229)	(546,209)
Transport		(234,405)	(241,812)	(303,562)
Economic Services		(183,496)	(165,584)	(185,917)
Other Property & Services		(152,293)	(221,037)	(106,204)
		<u>(1,115,864)</u>	<u>(1,162,422)</u>	<u>(1,167,479)</u>
<b>Operating Result from Continuing Operations</b>		<u>(236,344)</u>	<u>(1,213,390)</u>	<u>3,202,052</u>
<b>Non-Operating Grants, Subsidies, Contributions</b>				
Governance		-	-	323,524
Education & Welfare		-	-	18,182
Recreation & Culture		2,518,764	5,190,484	11,590,426
Transport		6,155,885	23,359,626	8,374,323
Other Property & Services		-	250,000	490,000
	30	<u>8,674,649</u>	<u>28,800,110</u>	<u>20,796,455</u>

## City of Greater Geraldton

Statement of Comprehensive Income (by Program) (continued)  
for the year ended 30 June 2018

\$	Notes	2018 Actual	2018 Budget	2017 Actual
<b>Profit/(Loss) on Disposal of Assets</b>				
Transport		-	127,816	(40,035)
Other Property & Services		58,227	(113,030)	1,296,665
	21	<u>58,227</u>	<u>14,786</u>	<u>1,256,630</u>
<b>Other Income</b>				
Fair Value Adjustments to Financial Assets at Fair Value through Profit & Loss	2(a)	-	-	10,532
Revaluation of Infrastructure, Property, Plant & Equip.	2(a)	(16,802,050)	-	-
		<u>(16,802,050)</u>	<u>-</u>	<u>10,532</u>
<b>Net Result - Surplus (Deficit)</b>		<u>(8,305,518)</u>	<u>27,601,506</u>	<u>25,265,670</u>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	13	29,157,526	-	(8,254,737)
<b>Total Comprehensive Income</b>		<u>20,852,008</u>	<u>27,601,506</u>	<u>17,010,933</u>



## City of Greater Geraldton

## Statement of Financial Position

as at 30 June 2018

\$	Notes	2018 Actual	2017 Actual
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3	35,506,644	41,963,290
Trade and Other Receivables	5	9,023,609	12,506,007
Inventories	6	487,295	644,374
<b>Total Current Assets</b>		<b>45,017,547</b>	<b>55,113,672</b>
<b>Non-Current Assets</b>			
Trade and Other Receivables	5	750,133	590,489
Property, Plant and Equipment	7	201,076,925	199,122,384
Infrastructure	8	686,294,473	660,592,501
Intangible Assets	40	104,144	-
<b>Total Non-Current Assets</b>		<b>888,225,675</b>	<b>860,305,374</b>
<b>TOTAL ASSETS</b>	19	<b>933,243,222</b>	<b>915,419,045</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	9	14,983,090	17,109,642
Borrowings	10	3,996,891	3,978,382
Provisions	11	4,981,667	4,613,446
<b>Total Current Liabilities</b>		<b>23,961,649</b>	<b>25,701,470</b>
<b>Non-Current Liabilities</b>			
Borrowings	10	20,125,131	23,871,942
Provisions	11	12,796,466	10,337,664
<b>Total Non-Current Liabilities</b>		<b>32,921,596</b>	<b>34,209,606</b>
<b>TOTAL LIABILITIES</b>		<b>56,883,245</b>	<b>59,911,076</b>
<b>Net Assets</b>		<b>876,359,977</b>	<b>855,507,969</b>
<b>EQUITY</b>			
Retained Surplus		332,513,626	334,722,057
Reserves - Cash/Investment Backed	12	16,221,376	22,318,463
Reserves - Asset Revaluation	13	527,624,975	498,467,449
<b>Total Equity</b>		<b>876,359,977</b>	<b>855,507,969</b>

## City of Greater Geraldton

Statement of Changes in Equity  
for the year ended 30 June 2018

\$	Notes	Retained Surplus	Reserves Cash / Investment Backed	Asset Revaluation Reserve	Total Equity
Balance as at 1 July 2016		321,447,119	10,327,731	506,722,186	<b>838,497,036</b>
Net Result		25,265,670	-	-	<b>25,265,670</b>
Total OCI / Asset Revaluation	13	-	-	(8,254,737)	<b>(8,254,737)</b>
Reserve Transfers	12	(11,990,732)	11,990,732	-	-
<b>Balance as at 30 June 2017</b>		<b>334,722,057</b>	<b>22,318,463</b>	<b>498,467,449</b>	<b>855,507,969</b>
Net Result		(8,305,518)	-	-	<b>(8,305,518)</b>
Total OCI / Asset Revaluation	13	-	-	29,157,526	<b>29,157,526</b>
Reserve Transfers	12	6,097,087	(6,097,087)	-	-
<b>Balance as at 30 June 2018</b>		<b>332,513,626</b>	<b>16,221,376</b>	<b>527,624,975</b>	<b>876,359,977</b>

## City of Greater Geraldton

Statement of Cash Flows  
for the year ended 30 June 2018

\$	Notes	2018 Actual	2018 Budget	2017 Actual
<b>Cash Flows from Operating Activities</b>				
<b>Receipts:</b>				
Rates		44,333,919	45,020,153	42,258,721
Operating Grants, Subsidies and Contributions		6,114,826	8,402,924	9,258,056
Fees and Charges		25,829,964	22,272,313	18,901,842
Interest Earnings		1,684,281	1,527,845	1,595,448
Other Revenue		3,830,055	776,423	817,176
		<u>81,793,045</u>	<u>77,999,658</u>	<u>72,831,244</u>
<b>Payments:</b>				
Employee Costs		(27,463,667)	(28,209,239)	(26,086,117)
Materials and Contracts		(20,541,674)	(22,745,004)	(21,674,631)
Utilities		(2,979,490)	(3,274,189)	(3,119,733)
Insurance		(637,835)	(813,167)	(753,065)
Interest		(1,136,382)	(1,162,422)	(1,176,825)
Goods and Services Tax		(125,341)	-	(256,696)
Other Expenditure		(2,950,638)	(2,063,250)	(2,456,288)
		<u>(55,835,026)</u>	<u>(58,267,271)</u>	<u>(55,523,355)</u>
<b>Net Cash provided (or used in) Operating Activities</b>	14(b)	<u>25,958,019</u>	<u>19,732,387</u>	<u>17,307,889</u>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts:</b>				
Non-Operating Grants, Subsidies and Contributions	30	8,674,649	28,800,110	20,796,455
Proceeds from Sale of Assets	21	771,954	607,750	3,329,611
Proceeds from Investments	4	-	-	10,532
<b>Payments:</b>				
Payments for Intangible Assets	40	(104,144)	-	-
Payments for Purchase of Property, Plant & Equipment	20	(6,796,407)	(5,802,350)	(22,118,048)
Payments for Construction of Infrastructure	20	(28,673,821)	(57,381,848)	(5,883,445)
Advances to Community Groups		(250,000)	-	-
Unexpended Non-Operating Grants		(2,379,604)	-	(9,617,279)
		<u>(28,757,373)</u>	<u>(33,776,338)</u>	<u>(13,482,174)</u>
<b>Net Cash provided (or used in) Investing Activities</b>		<u>(28,757,373)</u>	<u>(33,776,338)</u>	<u>(13,482,174)</u>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts:</b>				
Proceeds from Self Supporting Loans	23(a)	71,010	71,014	86,625
Proceeds from New Loans	23(b)	250,000	11,250,000	3,700,000
<b>Payments:</b>				
Repayment of Debentures	23(a)	(3,978,301)	(3,978,362)	(3,749,628)
<b>Net Cash provided (or used in) Financing Activities</b>		<u>(3,657,291)</u>	<u>7,342,652</u>	<u>36,997</u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		(6,456,644)	(6,701,299)	3,862,712
Cash at the beginning of the year	3	41,963,290	21,570,494	38,100,578
<b>Cash &amp; Cash Equivalents - End of the Year</b>	14(a)	<u>35,506,644</u>	<u>14,869,195</u>	<u>41,963,290</u>



## City of Greater Geraldton

Rate Setting Statement (by Nature)  
for the year ended 30 June 2018

\$	Notes	2018 Actual	2018 Budget	2017 Actual
<b>Revenue</b>				
Operating Grants, Subsidies & Contributions		8,411,475	8,401,064	12,141,271
Fees & Charges		22,403,346	22,272,313	21,929,775
Interest Earnings		1,804,947	1,528,780	1,686,843
Profit on Disposal of Assets		134,149	127,816	1,296,665
Other Revenue		699,653	740,564	812,566
		<u>33,453,569</u>	<u>33,070,537</u>	<u>37,867,120</u>
<b>Expenses</b>				
Employee Costs		(27,739,286)	(28,185,697)	(26,416,916)
Materials & Contracts		(20,982,249)	(22,220,489)	(21,004,487)
Utilities		(2,979,490)	(3,274,189)	(3,119,733)
Depreciation & Amortisation		(21,980,328)	(21,400,660)	(21,296,897)
Interest Expenses		(1,115,864)	(1,162,422)	(1,167,479)
Insurance		(637,835)	(813,167)	(753,065)
Loss on Disposal of Assets		(75,922)	(113,030)	(40,035)
Other Expenditure		(2,967,334)	(2,063,250)	(2,425,053)
		<u>(78,478,307)</u>	<u>(79,232,904)</u>	<u>(76,223,665)</u>
		<u>(45,024,737)</u>	<u>(46,162,367)</u>	<u>(38,356,544)</u>
<b>Net Result Excluding Rates</b>				
<b>Adjustment for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure &amp; Revenue</b>				
(Profit)/Loss on Asset Disposal	21	(58,227)	(14,786)	(1,256,630)
Depreciation & Amortisation on Assets	2(a)	21,980,328	21,400,660	21,296,897
Other Non-Cash (Revenue)/Expenditure		(31,110)	-	(51,337)
		<u>21,890,990</u>	<u>21,385,874</u>	<u>19,988,930</u>
<b>Net Non-Cash Expenditure &amp; Revenue</b>				
<b>Capital Expenditure</b>				
Purchase Land and Buildings	20	(3,724,368)	(2,956,000)	(3,464,990)
Purchase Plant and Equipment	20	(2,479,621)	(2,338,350)	(1,713,499)
Purchase Furniture and Equipment	20	(563,327)	(478,000)	(631,707)
Purchase of Other PP&E	20	(29,091)	(30,000)	(33,250)
Infrastructure Assets	20	(28,673,822)	(57,381,848)	(22,158,048)
Advances to Community Groups		(250,000)	-	-
Repayment of Debentures	23(a)	(3,978,301)	(3,978,362)	(3,749,628)
Intangible Assets		(104,144)	-	-
		<u>(39,802,673)</u>	<u>(67,162,560)</u>	<u>(31,751,122)</u>
<b>Net Capital Expenditure</b>				

## City of Greater Geraldton

Rate Setting Statement (by Nature) (continued)  
for the year ended 30 June 2018

\$	Notes	2018 Actual	2018 Budget	2017 Actual
<b>Capital Revenue</b>				
Proceeds from Disposal of Assets	21	771,954	607,750	3,329,612
Proceeds from New Debentures	23(b)	250,000	11,250,000	3,700,000
Self-Supporting Loan Principal Income	23(a)	71,010	71,014	86,625
Non-Operating Grants, Subsidies and Contributions	30	8,674,649	28,800,110	20,796,455
<b>Net Capital Revenue</b>		<u>9,767,612</u>	<u>40,728,874</u>	<u>27,912,692</u>
<b>Transfers</b>				
Transfers to Reserves (Restricted Assets)	12	(12,598,797)	(2,536,665)	(14,946,492)
Transfers from Reserves (Restricted Assets)	12	18,695,884	7,189,194	2,955,760
<b>Net Transfers</b>		<u>6,097,087</u>	<u>4,652,529</u>	<u>(11,990,732)</u>
Surplus/(Deficit) July 1 B/Fwd	24(b)	10,985,495	5,671,286	2,367,045
Surplus/(Deficit) June 30 C/Fwd	24(b)	8,760,396	4,077,401	10,985,495
<b>Amount Raised from Rates</b>	24(a)	<u>(44,846,621)</u>	<u>(44,963,763)</u>	<u>(42,815,227)</u>

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

### Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	12
2	Revenues and Expenses	21
3	Cash and Cash Equivalents	33
4	Investments	33
5	Trade and Other Receivables	34
6	Inventories	34
7	Property, Plant and Equipment	35
8	Infrastructure	37
9	Trade and Other Payables	39
10	Long Term Borrowings	39
11	Provisions	39
12	Reserves - Cash/Investment Backed	40
13	Reserves - Asset Revaluation	42
14	Notes to the Statement of Cash Flows	43
15	Contingent Liabilities and Contingent Assets	44
16	Capital and Leasing Commitments	44
17	Controlled Entities, Associated Entities & Interests in Joint Ventures	45
18	Trust Funds	45
19	Total Assets by Function and Activity	46
20	Acquisition of Assets	46
21	Disposal of Assets	47
22	Financial Ratios	48
23	Information on Borrowings	51
24	Rating Information	54
25	Specified Area Rate	56
26	Service Charges	56
27	Discounts, Incentives, Concessions and Write-offs	56
28	Interest Charges and Instalments	57
29	Fees and Charges	58
30	Grants, Subsidies and Contributions	58
31	Employee Numbers	59
32	Councillor Remuneration	59
33	Employee Costs	59
34	Major Land Transactions	60
35	Trading Undertakings and Major Trading Undertakings	61
36	Financial Risk Management	63
37	Fair Value Measurements	67
38	"Held for Sale" Non Current Assets & Disposal Groups	74
39	Investment Properties	74
40	Intangible Assets	74
41	Equity - Retained Earnings and Reserves Adjustments	74
42	Discontinued Operations	74
43	Events occurring after the Reporting Period	75
44	Transactions with Related Parties	76
	<b>Additional Disclosures</b>	
45	Council Information & Contact Details	77



## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) Basis of preparation

The financial report is a general-purpose financial statement, which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other authoritative pronouncements of the Australian Standards Board, *Local Government Act 1995* and accompanying regulations. The report has also been prepared on the accrual basis under the convention of historical cost accounting 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 financial report in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. 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 this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

##### Restoration and rehabilitation provision

The Council's accounting policy for the recognition of restoration and rehabilitation provisions requires significant estimates including the magnitude of possible works required for the removal of infrastructure and of rehabilitation works, future cost of performing the work, the inflation and discount rates and the timing of cash flows. These uncertainties may result in future actual expenditure differing from the amounts currently provided. When these factors change or become known in the future, such differences will impact the landfill rehabilitation

provision in the period in which they change or become known.

##### (b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report. 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, but a separate statement of those monies appears at Note 18 to this financial report.

##### (c) Goods and Services Tax

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. 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.

##### (d) 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.

##### (e) Trade and Other Receivables

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts, which 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 the Financial Statements

for the year ended 30 June 2018

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (f) Inventories

##### (i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the established selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

##### (ii) Land Held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred. Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale. Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

##### (g) Fixed Assets

###### Initial Recognition

All assets are initially recognised at cost. 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 includes the cost of all materials, direct labour, variable, and fixed overheads.

##### Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits of the asset.

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 charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ significantly from that determined using fair value at reporting date.

##### 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 that *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 that, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.



## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 1. Summary of Significant Accounting Policies (continued)

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

#### (h) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

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

Buildings	\$5,000
Plant, Equipment & Tools	\$2,000
Furniture & Equipment	\$2,000
Computer & Electronic Equipment	\$2,000

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.

Depreciation is recognised on a straight-line basis, using rates, which are reviewed each reporting period. Major depreciation periods are:

Land	Infinite
Land (Leasehold Interest)	99 years
Airport - Runway, Apron & Car Park	20 to 40 years
Buildings	
Short Useful Life component	8 to 149 years
Long Useful Life component	20 to 260 years
Furniture & Equipment	7 to 13 years
Plant and Major Equipment	5 to 10 years
Minor Plant	3 to 7 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 Weirs	65 to 85 years
Footpaths - Slab	15 to 35 years
Footpaths - Concrete	25 to 45 years
Foundations	40 to 60 years
Kerb & Channels	40 to 60 years
Street Lights	20 to 30 years
Sewerage Piping	70 to 90 years
Water Reticulation/Irrigation	15 to 25 years
Meru Landfill	35 to 40 years
Effluent Scheme	35 to 40 years

The assets residual value 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 the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

#### (i) Financial Instruments

##### Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (i.e. 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.



## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 1. Summary of Significant Accounting Policies (continued)

##### Classification and Subsequent Measurement

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

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (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; and
- (d) less any reduction for impairment.

The effective interest method used is to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly 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 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 or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

##### (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. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

##### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

##### (iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the Statement of Financial Position date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

##### (v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

##### Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (j) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

##### (k) Provisions

Provisions are recognised when the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

##### (l) Leases

Leases of property, plant and equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate

on the finance balance outstanding. The interest element of the finance cost is charged to the Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term. Lease payments under 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.

##### (m) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are tested annually for impairment. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with *AASB 136 Impairment of Assets* and appropriate adjustments made. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognised in the Statement of Comprehensive Income.

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

##### (n) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.



## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (o) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid for the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date. 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.

##### (p) Employee Benefits

The provision for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

##### **Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)**

The provision for employees' benefits wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Council has a present obligation to pay resulting from employee's services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

##### **Long Service Leave (Long-term Benefits)**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels,

experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

##### (q) Superannuation

The Council contributes to a number of Superannuation Funds on behalf of their employees. Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### (r) Joint Venture

The municipality's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the Statement of Financial Position and Statement of Comprehensive Income. Information about the joint venture is set out in Note 17.

##### (s) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government 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.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed at Note 2(d). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.



## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (t) 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 Council's operation cycle. In the case of liabilities where the Council 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 resale where it is held as non-current based on the Council's intentions to release for sale.

##### (u) Rounding Off Figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar

##### (v) Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

##### (w) Budget Comparative Figures

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

##### (x) Investment Property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields. Investment property is carried at fair value, representing open-market value determined annually by external users.

##### (y) Non-Current Assets (or Disposal Groups) "Held for Sale" & Discontinued Operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of either (i) their carrying amount and (ii) fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non Current Assets under the classification of Property, Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

Non-current assets "held for sale" are not depreciated or amortised while they are classified as "held for sale".

Non-current assets classified as "held for sale" are presented separately from the other assets in the balance sheet.

A Discontinued Operation is a component of Council that has been disposed of or is classified as "held for sale" and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the income statement.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (z) Intangible Assets

Intangible assets are defined as identifiable non-monetary assets without physical form. Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life. Information about the intangible assets is set out in Note 40.

##### (aa) Adoption of New and Revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

The City of Greater Geraldton has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective.

***The standards that are expected to have a material impact upon Council's future financial statements are:***

**Effective for annual reporting periods beginning on or after 1 July 2018**

- AASB 9 *Financial Instruments* This replaces AASB 139 *Financial Instruments: Recognition and Measurement*, and addresses the classification, measurement and disclosure of financial assets and liabilities.

The standard introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. Based on assessments to date, council expects a small increase to impairment losses however the standard is not expected to have a material impact overall.

**Effective for annual reporting periods beginning on or after 1 July 2019**

- AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities* and AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

AASB 15 will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 *Contributions*. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

Council is still reviewing the way that income is measured and recognised to identify whether there will be any material impact arising from these standards.

NOTE: These standards may affect the timing of the recognition of some grants and donations. If your council identifies such a change, and it is material, the impact will need to be described here. The timing of the recognition of Financial Assistance Grants will not be affected.

***The standards are not expected to have a material impact upon Council's future financial statements are:***

**Effective for annual reporting periods beginning on or after 1 January 2017**

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*



## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 1. Summary of Significant Accounting Policies (continued)

##### Effective for annual reporting periods beginning on or after 1 January 2018

- AASB 9 *Financial Instruments (December 2009)*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*
- AASB 2016-6 *Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*
- AASB 2017-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 4*

##### Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 16 *Leases*
- AASB 16 *Leases (Appendix D)*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 1058 *Income of Not-for-Profit Entities (Appendix D)*
- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*

- AASB 2017-4 *Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments*

- AASB 1059 *Service Concession Arrangements: Grantors*

- AASB 1059 *Service Concession Arrangements: Grantors (Appendix D)*

##### Effective for annual reporting periods beginning on or after 1 January 2021

- AASB 17 *Insurance Contracts*
- AASB 17 *Insurance Contracts (Appendix D)*



## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 2. Operating Revenues and Expenses

\$	Notes	2018 Actual	2018 Budget	2017 Actual
<b>(a) Net Result</b>				
The Result includes:				
<b>(i) Charging as an Expense:</b>				
<b>Significant Expense/Revenue</b>				
The significant expense/revenue relates to the reduction in the fair value of the Council's investments	4	-	-	(10,532)
Revaluation of Infrastructure, Property, Plant & Equipment		(16,802,050)	-	-
<b>Auditors Remuneration</b>				
- Audit		37,435	40,000	40,980
- Other Services		29,634	13,050	58,181
<b>Bad &amp; Doubtful Debts</b>				
Rates	27(c)	65,618	-	22,195
General Debtors	27(c)	7,453	-	4,401
<b>Depreciation &amp; Amortisation</b>				
<i>Property, Plant &amp; Equipment</i>				
- Buildings	7(b)	2,033,309	1,829,480	1,820,675
- Furniture and Equipment		419,734	413,525	357,144
- Plant and Equipment		1,675,095	1,671,730	1,706,944
<i>Infrastructure</i>				
- Roads	8(b)	15,647,701	15,386,215	15,310,224
- Recreation		742,551	686,655	684,936
- Car Parks		459,429	-	452,507
- Meru Landfill		390,559	368,115	365,265
- Airport		603,149	1,044,940	590,776
- Effluent Scheme		8,801	-	8,428
		<u>21,980,328</u>	<u>21,400,660</u>	<u>21,296,897</u>
<b>Interest Expenses (Finance Costs)</b>				
Debentures	23(a)	1,115,864	1,162,422	1,167,479
		<u>1,115,864</u>	<u>1,162,422</u>	<u>1,167,479</u>
<b>Rental Charges</b>				
- Operating Leases		73,776	-	73,776
		<u>73,776</u>	<u>-</u>	<u>73,776</u>
<b>(ii) Crediting as Revenue:</b>				
<b>Interest Earnings</b>				
Investments - Reserve Funds		511,125	930,000	259,041
Investments - Other Funds		563,499	11,780	779,947
Other Interest Revenue	28	730,323	587,000	647,855
		<u>1,804,947</u>	<u>1,528,780</u>	<u>1,686,843</u>

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 2. Operating Revenues and Expenses (continued)

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\$

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##### (b). Statement of Objectives, Reporting Programs and Nature or Type

City of Greater Geraldton is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

##### REPORTING PROGRAM DESCRIPTIONS

Council operations that are disclosed encompass the following service orientated activities/programs:

##### GOVERNANCE

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

Activities: Includes the activities of members of council and the administrative support available to the council for the provision of governance to the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

##### GENERAL PURPOSE FUNDING

Objective: To collect revenue to allow for the provision of services.

Activities: Rates, general purpose government grants, and interest revenue.

##### LAW, ORDER, PUBLIC SAFETY

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

Activities: Supervision and enforcement of various local laws relating to fire prevention, animal control and protection of the environment and other aspects of public safety including emergency services.

##### HEALTH

Objective: To provide services to achieve community and environmental health.

Activities: Maternal and infant health facilities, meat inspection services, inspection of food outlets, noise control and pest control services.

##### EDUCATION AND WELFARE

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

Activities: Pre-school and other education services, child minding facilities, playgroups and senior citizens centres.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 2. Operating Revenues and Expenses (continued)

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\$

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##### (b). Statement of Objectives, Reporting Programs and Nature or Type (continued)

###### **HOUSING**

Objective: To provide and maintain staff housing and elderly residents' housing.

Activities: Provision and maintenance of staff housing and elderly residents' housing.

###### **COMMUNITY AMENITIES**

Objective: To provide services required by the community.

Activities: Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemeteries and public conveniences.

###### **RECREATION AND CULTURE**

Objective: To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

Activities: Operations of the aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

###### **TRANSPORT**

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

Activities: Construction (if not capitalised) and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Aerodromes and water transport facilities, cleaning of streets and maintenance of street trees, street lighting etc.

###### **ECONOMIC SERVICES**

Objective: To help promote the City and its economic wellbeing.

Activities: Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control, standpipes and building control.

###### **OTHER PROPERTY & SERVICES**

Objective: To monitor and control council's overheads operating accounts. Maintain Council's owned and leased land and buildings.

Activities: Private works operation, plant repair and operation costs and engineering operation costs. Operations and maintenance of the City's land and buildings.



## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 2. Operating Revenues and Expenses (continued)

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\$

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##### (c) Nature or Type Classifications

City of Greater Geraldton is required by the Australian Accounting Standards to disclose revenue and expenditure according to its nature or type classification. The following nature or type descriptions are also required by State Government regulations.

##### REVENUE

###### Rates

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

###### Operating Grants, Subsidies and Contributions

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

###### Non-Operating Grants, Subsidies and Contributions

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

###### Profit on Asset Disposal

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

###### Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

###### Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations identifies the charges which can be raised. These are television and radio rebroadcasting, underground electricity, property surveillance and security and water services. Excludes rubbish removal and charges for the provision of waste services.

###### Interest Earnings

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

###### Other Revenue

Other revenue, which cannot be classified under the above headings, includes transfers from Trust to Municipal accounts and internal transfers, dividends, discounts, rebates, etc.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 2. Operating Revenues and Expenses (continued)

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\$

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##### (c) Nature or Type Classifications (continued)

#### EXPENDITURE

##### Employee Costs

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

##### Material and Contracts

All expenditure on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

##### Utilities (Gas, Electricity, Water, etc.)

Expenditures made to respective agencies for the provision of power, gas or water. Excludes expenditure incurred for the re-instatement of road works on behalf of these agencies.

##### Depreciation & Amortisation on Non-Current Assets

Depreciation and amortisation expense raised on all classes of assets.

##### Loss on Asset Disposal

Loss on the disposal of fixed assets.

##### Interest Expenses

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

##### Insurance

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

##### Other Expenditure

Statutory fees, taxes, provision of bad debts, internal transfers, member's fees. Donations and subsidies made to community groups.

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-16	Received <sup>2</sup> 2017	Expended <sup>3</sup> 2017	Closing Balance <sup>1</sup> 30-Jun-17	Received <sup>2</sup> 2018	Expended <sup>3</sup> 2018	Closing Balance 30-Jun-18
\$							
<b>Grant/Subsidy/Contribution</b>							
Abraham Street Roundabout	719,887	-	(719,887)	-	-	-	-
108 Marine Terrace - Rocks	-	-	-	-	350,000	-	350,000
Airport Projects	335,479	185,513	(204,350)	316,642	-	-	316,642
Airport Security Screening & Baggage Handling	140,000	-	(76,600)	63,400	-	(42,500)	20,900
Aquarena Renewal Program	-	110,000	-	110,000	-	(110,000)	-
Art Contribution from ALDI	-	-	-	-	27,273	-	27,273
Art Gallery- Donation to Lindsay Collection	12,901	-	-	12,901	-	-	12,901
Art Gallery- Community Cultural Development	3,454	-	-	3,454	-	-	3,454
Artwork Acquisitions	20,000	-	(13,250)	6,750	-	-	6,750
Call Centre Service	-	70,000	-	70,000	-	(70,000)	-
Carpark Works	-	35,000	-	35,000	-	(35,000)	-
Caring for Bimarras Pools - Stage 1 - Greenough River	20,536	-	(9,000)	11,536	-	(11,536)	-
Cathedral Avenue Footpath	24,444	-	(24,444)	-	-	-	-
CBD Gardens Parkway Seats	26,580	-	(26,580)	-	-	-	-
CBD Streetscapes (Revitalisation)	-	-	-	-	473,000	-	473,000
CCTV Systems	3,000	-	(3,000)	-	-	-	-
Cell 3	60,000	-	(60,000)	-	-	-	-
Challenge Camps	-	-	-	-	25,000	-	25,000
Chapman & Greenough River Flood Project	125,000	75,000	-	200,000	-	(134,380)	65,620
Chapman River Corridor Capital Works	-	50,000	-	50,000	-	-	50,000
Chapman River Mountain Bike Track	-	-	-	-	102,000	-	102,000
Chapman River Regional Park CARE Project - Stage 3	20,065	-	(20,065)	-	-	-	-

(continued on next page)



## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2018

## Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-16	Received <sup>2</sup> 2017	Expended <sup>3</sup> 2017	Closing Balance <sup>1</sup> 30-Jun-17	Received <sup>2</sup> 2018	Expended <sup>3</sup> 2018	Closing Balance 30-Jun-18
\$							
<b>(d). Conditions Over Grants, Subsidies &amp; Contributions (continued)</b>							
<b>Grant/Subsidy/Contribution (continued)</b>							
Chapman Road Footpath	26,582	-	(26,582)	-	-	-	-
Chapman River Regional Park Stage 5	-	-	-	-	5,422	-	5,422
Chapman Road Foreshore	1,552,947	6,803,670	-	8,356,617	-	(7,077,558)	1,279,059
Chapman Wildlife Corridor CARE Stage 2	12,100	-	-	12,100	-	(12,100)	-
CHRMAP Project	-	137,500	-	137,500	-	(106,905)	30,595
Community Grants Round 13	2,143	-	(2,143)	-	-	-	-
Community Grants Round 14	3,057	-	(3,057)	-	-	-	-
Community Grants Round 15	2,800	-	(2,800)	-	-	-	-
Community Grants Round 16	6,263	-	(2,800)	3,463	-	(3,463)	-
Community Grants Round 17	19,417	600	(15,287)	4,730	-	(4,305)	425
Community Grants Round 18	-	28,069	-	28,069	-	(23,010)	5,059
Community Grants Round 19	-	-	-	-	11,670	-	11,670
Community Nursery - New Shed	-	120,000	-	120,000	-	(120,000)	-
Cruise Destination Welcome Initiative	-	-	-	-	5,000	-	5,000
Derna Parade Toilet	-	200,000	-	200,000	-	(192,086)	7,914
Detailed Mountain Bike Plan - Chapman Valley Wildlife Corridor Project	12,736	-	(12,736)	-	-	-	-
Drainage Works	180,847	290,000	-	470,847	-	(470,847)	-
Dual Use Pathways- Bikewest (Champion Bay)	7,000	-	-	7,000	-	-	7,000
Eastern Breakwater	130,000	-	-	130,000	-	-	130,000
Eastward Road (Old Depot Site)	-	1,836,655	-	1,836,655	-	(1,836,655)	-
Ellendale Pool Honesty Box	26,776	-	(13,045)	13,731	-	-	13,731

(continued on next page)

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-16	Received <sup>2</sup> 2017	Expended <sup>3</sup> 2017	Closing Balance <sup>1</sup> 30-Jun-17	Received <sup>2</sup> 2018	Expended <sup>3</sup> 2018	Closing Balance 30-Jun-18
\$							
<b>(d). Conditions Over Grants, Subsidies &amp; Contributions (continued)</b>							
<b>Grant/Subsidy/Contribution (continued)</b>							
Environmental Projects - Signage	50,000	-	-	50,000	-	-	50,000
Feasibility Geraldton Laser Light Project	40,000	-	(40,000)	-	-	-	-
Fire as a Biodiversity Management Tool in the Midwest Region	-	-	-	-	8,000	-	8,000
Fitzgerald Street Footpath	24,159	-	(24,159)	-	-	-	-
Fleet Replacement	801,250	150,000	-	951,250	-	(951,250)	-
Foreshore Stabilisation	806,661	-	(258,238)	548,423	-	(548,423)	-
Furniture & Equipment	-	50,000	-	50,000	-	(50,000)	-
Geraldton Regional Visitor Centre Sustainability Grant - Signage	-	6,528	-	6,528	-	(6,528)	-
Geraldton Theatre Production	-	-	-	-	160,000	-	160,000
Glendinning Road Foreshore Bollards	19,435	-	(19,435)	-	-	-	-
Grave Restoration Works Greenough Pioneer/Old Walkaway Cemetery	-	22,567	-	22,567	-	(22,567)	-
Greater Geraldton Rural Art Tour	13,050	-	(13,050)	-	-	-	-
Green Army Programme	10,000	-	-	10,000	-	(10,000)	-
Greenough River Estuary Nature Walk Trail - Stage 1	23,296	-	(19,030)	4,266	-	(4,266)	-
Greenough River Estuary Nature Walk Trail - Stage 2	-	-	-	-	4,985	-	4,985
Greenough River Estuary Nature Walk Trail - Stage 3	-	-	-	-	3,555	-	3,555
Groundwater Monitoring Bore - Meru Landfill	39,935	-	(39,935)	-	-	-	-
Federation Park Upgrade & Improvements	-	-	-	-	2,727	-	2,727
HMAS Memorial	9,204	-	-	9,204	-	-	9,204
Implementation of the Chapman River Estuary Management Plan	22,248	-	(17,364)	4,884	-	(4,884)	-
IT Projects/Equipment	27,000	225,000	(27,000)	225,000	-	(225,000)	-
Kerbing Renewals	-	150,000	-	150,000	-	(150,000)	-
KidSport	-	16,562	-	16,562	-	(16,562)	-

(continued on next page)

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-16	Received <sup>2</sup> 2017	Expended <sup>3</sup> 2017	Closing Balance <sup>1</sup> 30-Jun-17	Received <sup>2</sup> 2018	Expended <sup>3</sup> 2018	Closing Balance 30-Jun-18
\$							
(d). Conditions Over Grants, Subsidies & Contributions (continued)							
<b>Grant/Subsidy/Contribution (continued)</b>							
Land Developments	-	385,000	-	<b>385,000</b>	-	-	<b>385,000</b>
Library Regional Activity Plan	2,290	19,132	-	<b>21,422</b>	12,465	(21,422)	<b>12,465</b>
Library SirsiDynix Project	-	2,900	-	<b>2,900</b>	4,663	(2,900)	<b>4,663</b>
Lighting Renewal	126,799	573,201	-	<b>700,000</b>	-	(700,000)	-
Lighting Up Lester Avenue	19,970	-	(19,516)	<b>454</b>	-	(454)	-
Liquid Waste Pond Optimisation	-	-	-	-	145,000	-	<b>145,000</b>
Local Profile and Context Report Northern Planning Program	80,000	-	-	<b>80,000</b>	-	(80,000)	-
Mahomets Beach Bollards	9,438	-	(9,438)	-	-	-	-
Mayoral Discretionary Fund	-	-	-	-	200	-	<b>200</b>
Menshed Community Grants Round 13 and 14 for new building	-	41,897	-	<b>41,897</b>	-	-	<b>41,897</b>
Meru Future Landfill Design	-	-	-	-	110,000	-	<b>110,000</b>
Meru Landfill	150,000	60,000	-	<b>210,000</b>	-	-	<b>210,000</b>
Meru Waste Transfer Station	-	-	-	-	90,000	-	<b>90,000</b>
Mid West Gascoyne District Recovery Project	8,598	-	-	<b>8,598</b>	-	(8,598)	-
Mid West China Connect Website	7,950	35,600	-	<b>43,550</b>	-	-	<b>43,550</b>
Mid West Estuaries - Creating Corridors for Wildlife - Project 1	9,091	-	(9,091)	-	-	-	-
Mid West Estuaries - Creating Corridors for Wildlife (Round 2)	59,500	-	(59,500)	-	-	-	-
Morris Street Sump (a/c 7090113)	27,345	-	(27,345)	-	-	-	-
Mullewa Building - Insurance Payment	450,000	-	-	<b>450,000</b>	-	-	<b>450,000</b>
Mullewa Community Projects	40,000	-	-	<b>40,000</b>	-	(40,000)	-
Mullewa Landfill Transfer Station	504,000	-	(504,000)	-	-	-	-
Mullewa Sewerage Pumping Mains	13,000	87,000	-	<b>100,000</b>	-	-	<b>100,000</b>
Mullewa Sewer System - Brookfield Rail	49,450	-	-	<b>49,450</b>	-	-	<b>49,450</b>

(continued on next page)



## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-16	Received <sup>2</sup> 2017	Expended <sup>3</sup> 2017	Closing Balance <sup>1</sup> 30-Jun-17	Received <sup>2</sup> 2018	Expended <sup>3</sup> 2018	Closing Balance 30-Jun-18
\$							
<b>(d). Conditions Over Grants, Subsidies &amp; Contributions (continued)</b>							
<b>Grant/Subsidy/Contribution (continued)</b>							
Mullewa Youth Precinct	23,000	-	(23,000)	-	-	-	-
NACC Biodiversity Grant	11,000	-	-	11,000	-	(11,000)	-
National Tree Day	485	-	-	485	-	(485)	-
New Animal Facility Design	50,000	-	(50,000)	-	-	-	-
NWCH Path	-	-	-	-	60,000	-	60,000
Olympic Torch Relay	2,821	-	(2,821)	-	-	-	-
Olive Street POS	-	1,456,927	-	1,456,927	-	(972,045)	484,882
Park Renewals	-	390,000	-	390,000	-	(390,000)	-
Park Upgrade Program	-	-	-	-	85,000	-	85,000
Pathway Renewals	-	400,000	-	400,000	-	(400,000)	-
Public Arts Initiatives	-	40,000	-	40,000	-	-	40,000
QPT New Building	59,680	-	(59,680)	-	-	-	-
QPT Renewal	28,615	-	(28,615)	-	-	-	-
Parking Facilities Replace Modems	11,400	-	-	11,400	-	(11,400)	-
Point Moore Study	86,000	-	(86,000)	-	-	-	-
Randolf Stow Young Writers Awards	2,773	1,100	(2,773)	1,100	-	-	1,100
Recurrent Grants	1,300	-	(1,300)	-	-	-	-
Regional Venues Improvement Funds - QPT	9,013	-	(9,013)	-	-	-	-
Restoring the Chapman & Greenough - Estuaries of the Mid West - Stage 2 (Project 1)	10,000	-	-	10,000	-	(10,000)	-
Restoring the Chapman & Greenough - Estuaries of the Mid West - Stage 2 (Project 2)	9,091	-	-	9,091	-	(9,091)	-
Retention Amounts (EVO, Convic and Mitchell & Brown, WACB & RDH)	72,243	76,818	-	149,061	-	(75,489)	73,572

(continued on next page)

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2018

## Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-16	Received <sup>2</sup> 2017	Expended <sup>3</sup> 2017	Closing Balance <sup>1</sup> 30-Jun-17	Received <sup>2</sup> 2018	Expended <sup>3</sup> 2018	Closing Balance 30-Jun-18
\$							
<b>(d). Conditions Over Grants, Subsidies &amp; Contributions (continued)</b>							
<b>Grant/Subsidy/Contribution (continued)</b>							
Road Renewals	-	530,000	-	530,000	-	(530,000)	-
RoadWise - Strengthening Communities	4,452	-	-	4,452	-	-	4,452
Roadwise Safe Routes To Schools - Bike Map	367	-	-	367	-	(367)	-
Roadwise Safe Routes To Schools- Surplus	689	-	-	689	-	(689)	-
Roadwise Committee One Year Action Plan	-	4,619	-	4,619	-	(4,619)	-
Rundle Park Bollards	9,993	-	(9,993)	-	-	-	-
Stillwater Ave Asphalt Overlay	14,573	-	(14,573)	-	-	-	-
School of Rock/Battle of the Bands	-	-	-	-	6,682	-	6,682
RV Waste Dump Point	106,928	-	(106,928)	-	-	-	-
Seniors User-Friendly Business Program	-	9,000	-	9,000	-	(3,664)	5,336
Service Agreements	-	-	-	-	15,000	-	15,000
South Tomi Project	8,000	-	-	8,000	-	-	8,000
Sport & Leisure Renewals	-	220,000	-	220,000	-	(220,000)	-
State Emergency Services	-	22,786	-	22,786	-	(22,786)	-
Town Foreshore Playground Softfall	22,760	-	(22,760)	-	-	-	-
U-Turn Project	-	-	-	-	10,200	-	10,200
Verita Road Bridge	201,816	-	-	201,816	-	-	201,816
Walkaway Recreation Centre Roof Upgrade	-	25,000	-	25,000	-	(25,000)	-
West End Recreation	67,355	-	(67,355)	-	-	-	-
Whitfield Street Asphalt Overlay	11,050	-	(11,050)	-	-	-	-
Wonthella Bowling Club - CSRFF Contribution	-	-	-	-	66,666	-	66,666
Wonthella Football Oval - Carpark Linemarking	25,172	-	(25,172)	-	-	-	-
Youth Development Program	-	2,848	-	2,848	-	(2,848)	-
Youth Friendly Communities Project - Stage 2	10,000	-	(10,000)	-	-	-	-
<b>Total Unexpended Capital Works and Grants</b>	<b>7,900,259</b>	<b>14,946,492</b>	<b>(2,955,760)</b>	<b>19,890,991</b>	<b>1,784,508</b>	<b>(15,782,682)</b>	<b>5,892,817</b>

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-16	Received <sup>2</sup> 2017	Expended <sup>3</sup> 2017	Closing Balance <sup>1</sup> 30-Jun-17	Received <sup>2</sup> 2018	Expended <sup>3</sup> 2018	Closing Balance 30-Jun-18
\$							
<b>Grant/Subsidy/Contribution (continued)</b>							
Beresford Foreshore Coastal Protection and Enhancement <sup>(5)</sup>	17,328,960	-	(8,336,766)	8,992,194	-	(2,379,604)	6,612,590
Building Better Regional Cities: Karloo - Wandina Project <sup>(5)</sup>	678,074	-	(678,074)	-	-	-	-
Wonthella Oval Lighting <sup>(5)</sup>	602,440	-	(602,440)	-	-	-	-
<b>Total Unspent Grants, Subsidies &amp; Contributions (WATC)</b>	<b>18,609,473</b>	<b>-</b>	<b>(9,617,279)</b>	<b>8,992,194</b>	<b>-</b>	<b>(2,379,604)</b>	<b>6,612,590</b>

**Notes:**

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous period.
- (2) - New grants/contributions which were recognised as revenue during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenue in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.
- (4) - Grants received but not expected to be fully expended in the next financial year.
- (5) - Funding is provided under a Royalties for Region - Financial Assistance Agreement between the Department of Regional Development and the City of Greater Geraldton. The full amount of the Funding provided under this Agreement is required to be invested by the City of Greater Geraldton with the Western Australian Treasury Corporation (WATC) until expended as per agreed and approved budget. Under the conditions of the agreement the City has opened a separate Overnight Cash Deposit Facility (OCDF) that gives the City access to the funds at call. The Department of Regional Development is joint signatory to the WATC ODCF account related to the funding and all withdrawals/drawdowns will require the approved signatures of both the Department and the City before WATC will release the funds. Interest received on the ODCF is recognised as liability and added to the Unexpended Non-Operating Grants account to be utilised for the Project in accordance with the Financial Assistance Agreement.
- (6) - Economic Dependency  
A significant portion of revenue is received by way of grants from the State and Federal Government. The total of grant revenue from government sources is disclosed within the Statement of Comprehensive Income.



## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 3. Cash and Cash Equivalents

\$	Notes	2018 Actual	2017 Actual
Cash - Unrestricted		12,672,677	10,652,633
Cash - Restricted		22,833,967	31,310,657
<b>Total Cash and Cash Equivalents</b>	14(a)	<u><u>35,506,644</u></u>	<u><u>41,963,290</u></u>
<b>The following restrictions have been imposed by regulations or other externally imposed requirements:</b>			
Mullewa Reseal Reserve	12	1,891,285	1,891,285
Parking Land Reserve	12	536,187	536,187
Unexpended Capital Works & Restricted Grant Reserve	12	5,892,817	19,890,991
Employee Entitlements Reserve	12	1,100,000	-
Major Initiatives Reserve	12	31,655	-
Asset Renewal Reserve	12	6,769,432	-
<b>Total Reserves</b>		<u><u>16,221,376</u></u>	<u><u>22,318,463</u></u>
Unspent Grants	2(d)	6,612,590	8,992,194
<b>Total Unspent Grants and Loans</b>		<u><u>6,612,590</u></u>	<u><u>8,992,194</u></u>
<b>Total Restricted Cash</b>		<u><u>22,833,967</u></u>	<u><u>31,310,657</u></u>

## Note 4. Investments

<b>Financial Assets at Fair Value through Profit and Loss</b>		<u>-</u>	<u>-</u>
<b>Movements in Financial Assets at Fair Value through Profit and Loss</b>			
At beginning of the year		-	-
Revaluation to Statement of Comprehensive Income	2(a)	-	10,532
Additions		-	-
Disposals		-	(10,532)
<b>At end of the year</b>		<u>-</u>	<u>-</u>
<b>Total Investments</b>		<u><u>-</u></u>	<u><u>-</u></u>

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 5. Trade &amp; Other Receivables

\$	Notes	2018 Actual	2017 Actual
<b>Current</b>			
Rates		4,336,749	3,830,487
Sundry Debtors		1,223,382	4,650,000
GST Net Position		669,948	544,607
Interest		87,966	55,266
Self Supporting Loan Debtors		96,789	71,087
Accrued Income		2,296,648	2,976,532
Prepayments		331,235	406,613
Provision for Doubtful Debts		(19,110)	(28,583)
<b>Total Current Trade &amp; Other Receivables</b>		<b><u>9,023,609</u></b>	<b><u>12,506,007</u></b>
<b>Non-Current</b>			
Rates Outstanding - Pensioners		428,740	422,302
Self Supporting Loan Debtors		321,393	168,188
<b>Total Non-Current Trade &amp; Other Receivables</b>		<b><u>750,133</u></b>	<b><u>590,489</u></b>

## Note 6. Inventories

<b>Current</b>			
Fuel and Materials		369,503	479,721
Resalable Merchandise		117,792	164,653
<b>Total Current Inventories</b>		<b><u>487,295</u></b>	<b><u>644,374</u></b>

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 7a. Property, Plant and Equipment

\$	Notes	2018 Actual	2017 Actual
Land - Fair Value		81,491,000	81,491,000
Land - Cost (Additions at fair value)		2,370,918	-
		<u>83,861,918</u>	<u>81,491,000</u>
Buildings - Fair Value		105,796,735	105,796,735
Buildings - Cost (Additions at fair value)		1,353,450	-
Less Accumulated Depreciation		(2,033,310)	-
		<u>105,116,876</u>	<u>105,796,735</u>
Furniture and Equipment - Fair Value		1,863,327	1,231,620
Furniture and Equipment - Cost (Additions at fair value)		563,326	631,707
Less Accumulated Depreciation		(803,669)	(383,935)
		<u>1,622,984</u>	<u>1,479,392</u>
Plant and Equipment - Fair Value		10,621,922	9,823,214
Plant and Equipment - Cost (Additions at fair value)		2,479,622	1,713,499
Less Accumulated Depreciation		(3,297,663)	(1,823,632)
		<u>9,803,880</u>	<u>9,713,081</u>
Artwork - Fair Value		642,176	608,926
Artwork - Cost (Additions at fair value)		29,091	33,250
Less Accumulated Depreciation		-	-
		<u>671,267</u>	<u>642,176</u>
<b>Total Property, Plant &amp; Equipment</b>	7(b)	<u><u>201,076,925</u></u>	<u><u>199,122,384</u></u>



## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 7b. Property, Plant and Equipment (continued)

## Movements in Carrying Amounts

\$	Notes	Land	Buildings	Furniture and Equipment	Plant and Equipment	Artwork	Total
		Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	
Balance as at 1 July 2017		81,491,000	105,796,735	1,479,392	9,713,081	642,176	199,122,384
Additions							
- Renewal	20	-	645,849	271,640	2,479,621	-	3,397,110
- New	20	2,370,918	707,601	291,687	-	29,091	3,399,297
Disposals	21	-	-	-	(914,791)	-	(914,791)
Depreciation	2(a)	-	(2,033,309)	(419,734)	(1,675,095)	-	(4,128,138)
Depreciation on Disposal		-	-	-	201,064	-	201,064
<b>Property, Plant &amp; Equipment at 30 June 2018</b>		<b>83,861,918</b>	<b>105,116,876</b>	<b>1,622,984</b>	<b>9,803,880</b>	<b>671,267</b>	<b>201,076,925</b>
Balance as at 1 July 2016		89,961,192	105,536,134	1,204,828	10,136,197	608,926	207,447,277
Additions							
- Renewal	20	-	608,297	309,639	1,619,989	-	2,537,925
- New	20	1,792,105	1,064,588	322,068	93,510	33,250	3,305,521
Disposals	21	(1,599,170)	-	-	(473,811)	-	(2,072,981)
Revaluation - Increments	13	-	408,390	-	-	-	408,390
Revaluation - (Decrements)	13	(8,663,128)	-	-	-	-	(8,663,128)
Depreciation	2(a)	-	(1,820,675)	(357,144)	(1,706,944)	-	(3,884,762)
Depreciation on Disposal		-	-	-	44,140	-	44,140
<b>Property, Plant &amp; Equipment at 30 June 2017</b>		<b>81,491,000</b>	<b>105,796,735</b>	<b>1,479,392</b>	<b>9,713,081</b>	<b>642,176</b>	<b>199,122,384</b>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2018

## Note 8a. Infrastructure

\$	Notes	2018 Actual	2017 Actual
Roads - Fair Value		589,087,247	582,759,554
Roads - Cost (Additions at fair value)		-	12,773,589
Less Accumulated Depreciation		-	(30,229,909)
		<u>589,087,247</u>	<u>565,303,234</u>
Recreation - Fair Value		38,384,416	36,118,777
Recreation - Cost (Additions at fair value)		-	8,048,872
Less Accumulated Depreciation		-	(1,277,400)
		<u>38,384,416</u>	<u>42,890,249</u>
Car Parks - Fair Value		10,416,364	11,422,745
Car Parks - Cost (Additions at fair value)		-	229,965
Less Accumulated Depreciation		-	(890,459)
		<u>10,416,364</u>	<u>10,762,251</u>
Meru Landfill - Fair Value		17,076,757	14,629,517
Meru Landfill - Cost (Additions at fair value)		-	541,438
Less Accumulated Depreciation		-	(719,440)
		<u>17,076,757</u>	<u>14,451,515</u>
Airport - Fair Value		30,743,294	27,565,132
Airport - Cost (Additions at fair value)		-	541,024
Less Accumulated Depreciation		-	(1,165,878)
		<u>30,743,294</u>	<u>26,940,278</u>
Effluent Scheme - Fair Value		586,394	310,552
Effluent Scheme - Cost (Additions)		-	23,159
Less Accumulated Amortisation		-	(88,736)
		<u>586,394</u>	<u>244,975</u>
<b>Total Infrastructure</b>	8(b)	<u><u>686,294,473</u></u>	<u><u>660,592,501</u></u>

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 8b. Infrastructure (continued)

## Movements in Carrying Amounts

		Roads	Recreation	Car Parks	Meru Landfill	Airport	Effluent Scheme	Total
\$	Notes	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	
Balance as at 1 July 2017		565,303,234	42,890,249	10,762,251	14,451,515	26,940,278	244,975	660,592,501
Additions								
- Renewal	20	14,138,204	1,703,061	846	116,538	262,057	52,110	16,272,816
- New	20	952,804	11,335,707	43,854	58,184	10,457	-	12,401,006
Revaluation - Increments	13	24,340,705	-	68,842	316,217	4,133,652	298,110	29,157,526
Revaluation - (Decrements)	13	-	(16,802,050)	-	-	-	-	(16,802,050)
Depreciation (Expense)	2(a)	(15,647,701)	(742,551)	(459,429)	(390,559)	(603,149)	(8,801)	(17,852,189)
Other Movements		-	-	-	2,524,863	-	-	2,524,863
<b>Infrastructure at 30 June 2018</b>		<b>589,087,246</b>	<b>38,384,416</b>	<b>10,416,364</b>	<b>17,076,758</b>	<b>30,743,294</b>	<b>586,394</b>	<b>686,294,473</b>
Balance as at 1 July 2016		567,839,869	35,526,313	10,984,792	13,499,106	26,990,030	230,244	655,070,354
Additions								
- Renewal	20	11,559,177	1,667,408	221,639	40,891	460,854	23,159	13,973,128
- New	20	1,214,412	6,381,464	8,326	500,548	80,170	-	8,184,920
Depreciation (Expense)	2(a)	(15,310,224)	(684,936)	(452,507)	(365,265)	(590,776)	(8,428)	(17,412,135)
Other Movements		-	-	-	776,234	-	-	776,234
<b>Infrastructure at 30 June 2017</b>		<b>565,303,234</b>	<b>42,890,249</b>	<b>10,762,251</b>	<b>14,451,515</b>	<b>26,940,278</b>	<b>244,975</b>	<b>660,592,501</b>



## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 9. Trade and Other Payables

\$	2018 Actual	2017 Actual
<b>Current</b>		
Sundry Creditors	7,838,032	7,554,537
Accrued Interest on Debentures	134,919	155,437
Accrued Salaries and Wages	397,549	407,474
Unexpended Non-Operating Grants (WATC)	6,612,590	8,992,194
<b>Total Current Trade and Other Payables</b>	<b><u>14,983,090</u></b>	<b><u>17,109,642</u></b>

## Note 10. Borrowings

<b>Current</b>		
Secured by Floating Charge		
- Debentures	23(a) 3,996,891	3,978,382
<b>Total Current Borrowings</b>	<b><u>3,996,891</u></b>	<b><u>3,978,382</u></b>
<b>Non-Current</b>		
Secured by Floating Charge		
- Debentures	23(a) 20,125,131	23,871,942
<b>Total Non-Current Borrowings</b>	<b><u>20,125,131</u></b>	<b><u>23,871,942</u></b>

Additional detail on borrowings is provided in Note 23.

## Note 11. Provisions

<b>Current</b>		
Annual Leave	2,451,994	2,306,469
Long Service Leave	2,019,764	1,813,764
Sick Leave	463,341	448,289
Accrued RDO's	46,568	44,924
<b>Total Current Provisions</b>	<b><u>4,981,667</u></b>	<b><u>4,613,446</u></b>
<b>Non-Current</b>		
Long Service Leave	300,060	366,122
Provision for Infrastructure Meru - Rehabilitation	12,496,405	9,971,542
<b>Total Non-Current Provisions</b>	<b><u>12,796,466</u></b>	<b><u>10,337,664</u></b>

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 12. Reserves - Cash/Investment Backed

\$	2018 Actual	2018 Budget	2017 Actual
<b>(a). Mullewa Reseal Reserve</b>			
Opening Balance	1,891,285	1,891,285	1,891,285
	<u>1,891,285</u>	<u>1,891,285</u>	<u>1,891,285</u>
<b>(b). Parking Land Reserve</b>			
Opening Balance	536,187	536,187	536,187
	<u>536,187</u>	<u>536,187</u>	<u>536,187</u>
<b>(c). Unexpended Capital Works &amp; Restricted Grant Reserve</b>			
Opening Balance	19,890,991	7,851,101	7,900,259
Amount Set Aside / Transfer to Reserve	1,784,508	-	14,946,492
Amount Used / Transfer from Reserve	<u>(15,782,682)</u>	<u>(7,189,194)</u>	<u>(2,955,760)</u>
	<u>5,892,817</u>	<u>661,907</u>	<u>19,890,991</u>
<b>(d). Employee Entitlements Reserve</b>			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	1,100,000	1,100,000	-
	<u>1,100,000</u>	<u>1,100,000</u>	<u>-</u>
<b>(e). Major Initiatives Reserve</b>			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	1,836,655	1,436,665	-
Amount Used / Transfer from Reserve	<u>(1,805,000)</u>	<u>-</u>	<u>-</u>
	<u>31,655</u>	<u>1,436,665</u>	<u>-</u>
<b>(f). Asset Renewal Reserve</b>			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	7,877,634	-	-
Amount Used / Transfer from Reserve	<u>(1,108,202)</u>	<u>-</u>	<u>-</u>
	<u>6,769,432</u>	<u>-</u>	<u>-</u>
<b>Total Reserves</b>	<u><u>16,221,376</u></u>	<u><u>5,626,044</u></u>	<u><u>22,318,463</u></u>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2018

## Note 12. Reserves - Cash/Investment Backed (continued)

\$

**Summary of Reserve Transfers****Transfers to Reserves**

Unexpended Capital Works & Restricted Grant Reserve	1,784,508	-	14,946,492
Employee Entitlements Reserve	1,100,000	1,100,000	-
Major Initiatives Reserve	1,836,655	1,436,665	-
Asset Renewal Reserve	7,877,634	-	-
<b>Total Transfers to Reserves</b>	<b>12,598,797</b>	<b>2,536,665</b>	<b>14,946,492</b>

**Transfers from Reserves**

Unexpended Capital Works & Restricted Grant Reserve	(15,782,682)	(7,189,194)	(2,955,760)
Major Initiatives Reserve	(1,805,000)	-	-
Asset Renewal Reserve	(1,108,202)	-	-
<b>Total Transfers from Reserves</b>	<b>(18,695,884)</b>	<b>(7,189,194)</b>	<b>(2,955,760)</b>

**Total Net Transfer to/(from) Reserves**

	<b>(6,097,087)</b>	<b>(4,652,529)</b>	<b>11,990,732</b>
--	--------------------	--------------------	-------------------

All of the cash backed reserves are supported by money held in financial institutions and match the amounts shown as restricted cash in Note 3 and 4 to this financial report.

In accordance with council resolutions in relation to each reserve, 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 between 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 then be used for the acquisition of land for car parking and provision of parking bays 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 any unexpended capital works to be carried over to the next financial

**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 mainly derived from net proceeds on land sales.

**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.



## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 13. Reserves - Asset Revaluation

\$	Notes	2018 Actual	2017 Actual
Asset revaluation reserves have arisen on revaluation of the following classes of assets:			
<b>(a). Land</b>			
Opening Balance		46,479,611	55,142,739
Revaluation Decrement	7(b)	-	(8,663,128)
		<b>46,479,611</b>	<b>46,479,611</b>
<b>(b). Buildings</b>			
Opening Balance		49,180,474	48,772,084
Revaluation Increment	7(b)	-	408,390
		<b>49,180,474</b>	<b>49,180,474</b>
<b>(c). Plant and Equipment</b>			
Opening Balance		1,601,370	1,601,370
		<b>1,601,370</b>	<b>1,601,370</b>
<b>(d). Artwork</b>			
Opening Balance		152,071	152,071
		<b>152,071</b>	<b>152,071</b>
<b>(e). Roads</b>			
Opening Balance		373,003,794	373,003,794
Revaluation Increment	8(b)	24,340,705	-
		<b>397,344,499</b>	<b>373,003,794</b>
<b>(f). Car Parks</b>			
Opening Balance		10,830,969	10,830,969
Revaluation Increment	8(b)	68,842	-
		<b>10,899,811</b>	<b>10,830,969</b>
<b>(g). Meru Landfill</b>			
Opening Balance		1,142,037	1,142,037
Revaluation Increment	8(b)	316,217	-
		<b>1,458,254</b>	<b>1,142,037</b>
<b>(h). Airport</b>			
Opening Balance		16,077,123	16,077,123
Revaluation Increment	8(b)	4,133,652	-
		<b>20,210,775</b>	<b>16,077,123</b>
<b>(i). Effluent Scheme</b>			
Opening Balance		-	-
Revaluation Increment	8(b)	298,110	-
		<b>298,110</b>	-
<b>Total Asset Revaluation Reserves</b>		<b>527,624,975</b>	<b>498,467,449</b>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2018

## Note 14. Notes to the Statement of Cash flows

\$	Notes	2018 Actual	2018 Budget	2017 Actual
<b>(a). Reconciliation of Cash</b>				
For the purposes of the Statement of Cash Flows, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:				
Cash and Cash Equivalents	3	<u>35,506,644</u>	<u>14,869,195</u>	<u>41,963,290</u>
<b>(b). Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>				
Net Result		(8,305,518)	27,601,506	25,265,670
Depreciation		21,980,328	21,400,660	21,296,897
Write Down (Up) in Fair Value of Investments		-	-	(10,532)
(Profit)/Loss on Sale of Assets		(58,227)	(14,786)	(1,256,630)
Other Non Cash Movements		16,656,791	-	8,796,905
Decrease/(Increase) in Receivables		3,511,136	93,174	(6,766,941)
Increase/(Decrease) in Provision for Doubtful Debts		(9,473)	-	(44,193)
Decrease/(Increase) in Inventories		157,079	15,497	(184,731)
Increase/(Decrease) in Payables & Accruals		(2,105,952)	(553,373)	(9,959,823)
Increase/(Decrease) in Accrued Interest Payable		(20,518)	-	(9,346)
Increase/(Decrease) in Employee Leave Entitlements		285,463	(10,181)	187,930
Increase/(Decrease) in Other Provisions		2,541,559	-	789,139
Grants/Contributions for the Development of Assets		(8,674,649)	(28,800,110)	(20,796,455)
<b>Net Cash from Operating Activities</b>		<u>25,958,019</u>	<u>19,732,387</u>	<u>17,307,889</u>
<b>(c). Undrawn Borrowing Facilities Credit Standby Arrangements</b>				
Group Credit Facility		6,000,000	6,000,000	6,000,000
Bank Overdraft Limit		750,000	750,000	750,000
Credit Card Limit		115,000	115,000	115,000
Credit Card Balance at Balance Date		(5,471)	(15,000)	(12,581)
<b>Total Amount of Credit Unused</b>		<u>6,859,529</u>	<u>6,850,000</u>	<u>6,852,419</u>
<u>Security</u>				
The Commonwealth Bank of Australia holds a mortgage over Council's rates revenue.				
<b>Loan Facilities</b>				
Loan Facilities - Current	10	3,996,891		3,978,382
Loan Facilities - Non-Current	10	20,125,131		23,871,942
<b>Total Facilities in Use at Balance Date</b>		<u>24,122,022</u>		<u>27,850,324</u>

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 15. Contingent Liabilities

\$

1) The City of Geraldton has entered into an agreement with the Public Transport Authority to indemnify Brookfield Rail for 40% of the cost of modification to the Rail Bridge No. 5371 (Abraham Street) contingent on changes to container heights (double stacking). The term of the indemnity expires on the date of expiry of the current lease Brookfield Rail holds over the Rail Corridor (2049).

The likelihood of such an event to occur is considered to be remote.

2) After the Financial Year 2015-2016 a contractor has made a claim against the City of Greater Geraldton concerning events related to past financial years.

The City has retained legal services and disputes the claim, and at this stage no reliable estimate can be made of the amount involved.

#### Note 16. Capital and Leasing Commitments

##### (a). Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

###### Payable:

- not later than one year	69,357	73,776
- later than one year but not later than five years	30,789	100,146
- later than five years	-	-
<b>Total Operating Lease Commitments</b>	<b>100,146</b>	<b>173,922</b>

##### (b). Capital Expenditure Commitments

###### Contracted for:

- capital expenditure projects	7,352,125	5,246,686
- land and buildings	254,200	237,905
- plant & equipment purchases	711,379	670,908
<b>Total Capital Expenditure Commitments</b>	<b>8,317,703</b>	<b>6,155,499</b>

###### Payable:

- not later than one year	8,317,703	6,155,499
- later than one year but not later than five years	-	-
- later than five years	-	-
<b>Total Capital Expenditure Commitments</b>	<b>8,317,703</b>	<b>6,155,499</b>



## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2018

## Note 17. Subsidiaries, Joint Arrangements &amp; Associates

\$

**(a) Council is involved in the following Joint Operations**

Name of Joint Operation	Principal Activity	Place of Business	Interest in Ownership		Interest in Voting	
			2018	2017	2018	2017
Altus Consortium Project	Software development		20%			

**(b) Council Assets employed in the Joint Operations****Council's share of assets jointly owned with other partners**

	2018	2017
Property, Plant & Equipment	(280,122)	-
<b>Total Net Assets Employed - Council &amp; Jointly Owned</b>	<b>(280,122)</b>	<b>-</b>

**(c) Share of Joint Operations Expenditure Commitments****Capital Commitments**

Payable Not Later than 1 Year	-	-
Payable Later than 1 Year but not later than 5 Years	239,067	-
Payable Later than 5 Years	-	-
<b>Total Capital Commitments</b>	<b>239,067</b>	<b>-</b>

## Note 18. Trust Funds

\$	Balance 1-Jul-17	Amounts Received	Amounts Paid	Balance 30-Jun-18
BCITF	21,798	114,495	(120,613)	15,680
BSL - Building Services Levy (BRB)	21,637	117,057	(120,427)	18,266
Refundable Bonds	184,941	92,157	(101,999)	175,099
Verge/Footpath Bonds	138,165	6,500	(18,450)	126,215
Subdivision & Road Deposits	1,308,364	88,800	(46,546)	1,350,619
Unclaimed Monies	10,551	662	(1,009)	10,204
Roadwise Community Grants	134	-	-	134
Sundry	35,379	264	(16,336)	19,307
DUP Contributions - Cape Burney	28,737	726	-	29,463
DUP Contributions - Drummond Cove	406,009	10,263	-	416,272
DUP Contributions - Spalding	34,778	879	-	35,657
DUP Contributions - Strathalbyn	138,747	3,507	-	142,254
DUP Contributions - Mt Tarcoola	40,861	1,033	-	41,894
DUP Contributions - Wandina	100,340	2,536	-	102,876
DUP Contributions - Waggrakine	201,667	5,098	-	206,765
DUP Contributions - Webberton	9,625	243	-	9,869
DUP Contributions - Geraldton	12,749	561	-	13,310
POS Cash in Lieu	1,809,296	45,734	-	1,855,031
POS Cash in Lieu - Drummond Cove	83,015	2,098	-	85,114
POS Cash in Lieu - Glenfield	69,579	1,957	-	71,536
POS Cash in Lieu - Strathalbyn	229,245	5,795	-	235,040
POS Cash in Lieu - Utakarra	244,223	6,173	-	250,397
POS Cash in Lieu - Wandina	77,261	2,437	-	79,698
POS Cash in Lieu - Waggrakine Rural Residential	82,201	2,078	-	84,279
Contributions Received WARCA	63,258	93,550	(156,808)	-
20A/152 Reserve 41879	42,900	-	-	42,900
	<b>5,395,462</b>	<b>604,604</b>	<b>(582,189)</b>	<b>5,417,878</b>

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 19. Total Assets Classified by Function and Activity

\$	2018 Actual	2017 Actual
Governance	13,810,397	32,166,211
General Purpose Funding	5,045,611	-
Law, Order, Public Safety	1,160,066	1,651,378
Health	925,047	113,687
Education & Welfare	4,273,574	6,647,430
Housing	990,071	1,273,070
Community Amenities	20,639,725	13,121,144
Recreation & Culture	110,824,759	136,817,420
Transport	656,333,861	556,878,276
Economic Services	273,283	294,054
Other Property & Services	104,937,208	48,861,304
Unallocated	14,029,620	117,595,071
	<b>933,243,222</b>	<b>915,419,045</b>

## Note 20. Acquisition of Assets

\$	2018 Actual	2018 Budget
<b>By Program</b>		
<b>Governance</b>		
Asset acquisition	564,712	455,000
<b>Law, Order, Public Safety</b>		
Asset acquisition	69,723	1,925,000
<b>Community Amenities</b>		
Asset acquisition	226,832	527,000
<b>Recreation &amp; Culture</b>		
Asset acquisition	13,465,720	16,493,913
<b>Transport</b>		
Asset acquisition	15,420,973	40,761,935
<b>Economic Services</b>		
Asset acquisition	52,184	49,000
<b>Other Property &amp; Services</b>		
Asset acquisition	5,670,084	2,972,350
	<b>35,470,228</b>	<b>63,184,198</b>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2018

## Note 20. Acquisition of Assets (continued)

\$		2018 Actual	2018 Budget
<b>By Class</b>			
<i>Property, Plant &amp; Equipment</i>	7(b)		
- Land		2,370,918	2,956,000
- Buildings		1,353,450	-
- Furniture and Equipment		563,326	478,000
- Plant and Equipment		2,479,621	2,338,350
- Artwork		29,091	30,000
<i>Infrastructure</i>	8(b)		
- Roads		15,091,008	16,092,835
- Recreation		13,038,768	16,209,913
- Car Parks		44,700	39,000
- Meru Landfill		174,722	437,000
- Airport		272,514	24,603,100
- Effluent Scheme		52,110	-
		<b>35,470,228</b>	<b>63,184,198</b>

## Note 21. Disposal of Assets

\$	Notes	Net Book Value		Sale Price		Profit/(Loss)	
		Actual	Budget	Actual	Budget	Actual	Budget

The following assets were disposed of during the year.

**By Asset Class**

<i>Property, Plant &amp; Equipment</i>	7(b)						
Plant and Equipment		713,727	592,964	771,954	607,750	58,227	14,786
<b>Total</b>		<b>713,727</b>	<b>592,964</b>	<b>771,954</b>	<b>607,750</b>	<b>58,227</b>	<b>14,786</b>

\$	2018 Actual	2018 Budget	2017 Actual
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**Summary**

Profit on Asset Disposals	134,149	127,816	1,296,665
Loss on Asset Disposals	(75,922)	(113,030)	(40,035)
<b>Net Profit/(Loss) on Disposal of Assets</b>	<b>58,227</b>	<b>14,786</b>	<b>1,256,630</b>



## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 22. Financial Ratios

\$	Amounts 2018	Indicator 2018	Target	Prior Periods 2017    2016	
<i>Liquidity Ratio</i>					
<b>1. Current Ratio</b> <sup>(1)</sup>					
Current Assets less Restricted Current Assets	22,183,580	<b>1.28 : 1</b>	> 1.00 : 1	1.42	0.92
Current Liabilities less Liabilities Associated with Restricted Assets	17,349,059				
<i>Debt Ratio</i>					
<b>2. Debt Service Cover Ratio</b> <sup>(2)</sup>					
Operating Surplus before Interest and Depreciation Exp	22,918,075	<b>4.50 : 1</b>	> 2.00 : 1	5.48	3.58
Principal and Interest Repayments	5,094,165				
<i>Coverage Ratio</i>					
<b>3. Own Source Revenue Coverage Ratio</b> <sup>(3)</sup>					
Own Source Operating Revenue	69,888,715	<b>89.05%</b>	> 40%	91.31%	82.13%
Operating Expense	78,478,307				
<i>Financial Performance Ratio</i>					
<b>4. Operating Surplus Ratio</b> <sup>(4)</sup>					
Operating Revenue less Operating Expense	(178,117)	<b>-0.25%</b>	> 1%	6.42%	-13.69%
Own Source Operating Revenue	69,888,715				
<i>Asset Management Ratios</i>					
<b>5. Asset Consumption Ratio</b> <sup>(5)</sup>					
Depreciated Replacement Cost of Depreciable Assets	887,202,429	<b>74.12%</b>	> 50%	70.92%	70.80%
Current Replacement Cost of Depreciable Assets	1,197,011,870				
<b>6. Asset Sustainability Ratio</b> <sup>(6)</sup>					
Capital Renewal and Replacement Expenditure	19,669,926	<b>89.49%</b>	90-110%	77.53%	64.68%
Depreciation Expense	21,980,328				
<b>7. Asset Renewal Funding Ratio</b> <sup>(7)</sup>					
NPV of Planned Capital Renewals over 10 years	229,592,366	<b>103.20%</b>	75-95%	104.11%	93.25%
NPV of Required Capital Expenditure over 10 years	222,481,220				

#### Notes

- (1) This is a modified commercial ratio designed to focus on the liquidity position of the Council that has arisen from past year's transactions.
- (2) This ratio is the measurement of Council's ability to repay its debt including lease payments.
- (3) This ratio is the measurement of Council's ability to cover its costs through its own revenue efforts.
- (4) This ratio is a measure of Council's ability to cover its operational costs and have revenues available for capital funding or other purposes.
- (5) This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.
- (6) This ratio indicates whether Council is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.
- (7) This ratio is a measure of the ability of Council to fund its projected asset renewal / replacements in the future.

City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

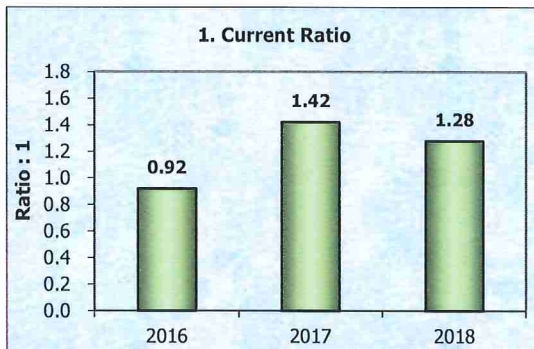
Note 22. Financial Ratios (continued)

The Current Ratio, Debt Service Coverage Ratio and Operating Surplus Ratio are distorted by the early payment of Financial Assistance Grants (FAGS) for the financial year 2017-2018 in the amount of \$3,058,237

These Financial Assistance Grants are in accordance with AASB 1004 recognised in the Operating Revenue of the financial year 2017-2018.

The table below shows the impact on the disclosure of ratios comparing both scenarios:

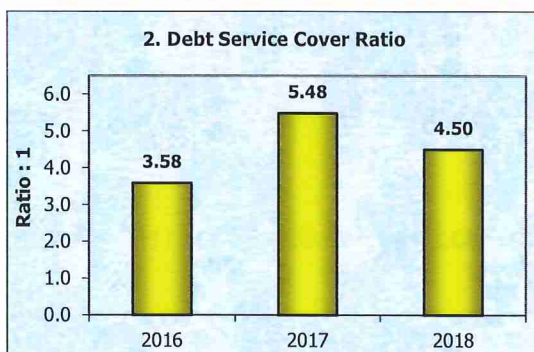
	Current Ratio	Debt Service Coverage Ratio	Operating Surplus Ratio
FAGS included	1.28	4.5	-0.25%
FAGS excluded	1.10	3.9	-4.63%



**Purpose of Current Ratio**

To assess the liquidity position of the Council that has arisen from past year's transactions.

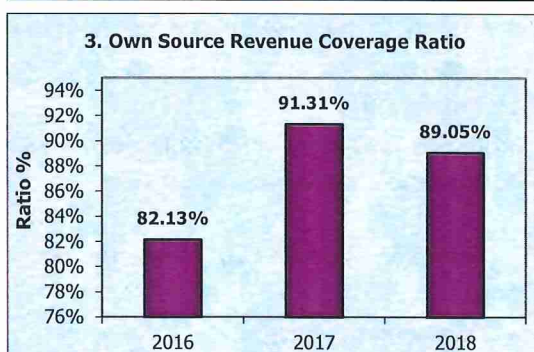
2017/18 Ratio	1.28 : 1
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**Purpose of Debt Service Cover Ratio**

To assess Council's ability to repay its debt including lease payments.

2017/18 Ratio	4.50 : 1
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**Purpose of Own Source Revenue Coverage Ratio**

To assess Council's ability to cover its costs through its own revenue efforts.

2017/18 Ratio	89.05%
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City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

Note 22. Financial Ratios (continued)

<p><b>4. Operating Surplus Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>-13.69%</td> </tr> <tr> <td>2017</td> <td>6.42%</td> </tr> <tr> <td>2018</td> <td>-0.25%</td> </tr> </tbody> </table>	Year	Ratio %	2016	-13.69%	2017	6.42%	2018	-0.25%	<p><b>Purpose of Operating Surplus Ratio</b></p> <p>To assess Council's ability to cover its operational costs and have revenues available for capital funding or other purposes.</p>	<p>2017/18 Ratio -0.25%</p>
Year	Ratio %									
2016	-13.69%									
2017	6.42%									
2018	-0.25%									
<p><b>5. Asset Consumption Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>70.80%</td> </tr> <tr> <td>2017</td> <td>70.92%</td> </tr> <tr> <td>2018</td> <td>74.12%</td> </tr> </tbody> </table>	Year	Ratio %	2016	70.80%	2017	70.92%	2018	74.12%	<p><b>Purpose of Asset Consumption Ratio</b></p> <p>To assess the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.</p>	<p>2017/18 Ratio 74.12%</p>
Year	Ratio %									
2016	70.80%									
2017	70.92%									
2018	74.12%									
<p><b>6. Asset Sustainability Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>64.68%</td> </tr> <tr> <td>2017</td> <td>77.53%</td> </tr> <tr> <td>2018</td> <td>89.49%</td> </tr> </tbody> </table>	Year	Ratio %	2016	64.68%	2017	77.53%	2018	89.49%	<p><b>Purpose of Asset Sustainability Ratio</b></p> <p>To indicate whether Council is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.</p>	<p>2017/18 Ratio 89.49%</p>
Year	Ratio %									
2016	64.68%									
2017	77.53%									
2018	89.49%									
<p><b>7. Asset Renewal Funding Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>93.25%</td> </tr> <tr> <td>2017</td> <td>104.11%</td> </tr> <tr> <td>2018</td> <td>103.20%</td> </tr> </tbody> </table>	Year	Ratio %	2016	93.25%	2017	104.11%	2018	103.20%	<p><b>Purpose Asset Renewal Funding Ratio</b></p> <p>To assess the ability of Council to fund its projected asset renewal / replacements in the future.</p>	<p>2017/18 Ratio 103.20%</p>
Year	Ratio %									
2016	93.25%									
2017	104.11%									
2018	103.20%									



## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 23. Information on Borrowings

\$	Borrowing Institution	Interest Rate %	Principal 1-Jul-17	New Loans	Principal Repayments		Principal 30-Jun-18		Interest Repayments		
					Actual	Budget	Actual	Budget	Actual	Budget	
<b>(a). Debenture Repayments</b>											
<b>Governance</b>											
- 262 Office Redevelopment	WATC	3.89%	621,702	-	98,427	98,427	523,274	523,275	21,813	22,760	
<b>Recreation &amp; Culture</b>											
- 82 Tarcoola Park Tennis Club SSL	*	WATC	7.36%	7,888	-	3,347	3,347	4,541	4,541	459	490
- 96 Geraldton Yacht Club SSL	*	WATC	3.16%	-	250,000	-	250,000	250,000	945	-	
- 268 Foreshore Stabilisation & Protection		WATC	3.09%	988,500	-	110,715	110,715	877,785	878,115	29,157	29,696
- 264 Aquarena Upgrade		WATC	4.36%	1,487,691	-	186,039	186,039	1,301,652	1,301,652	61,195	62,857
- 271 QPT Air-Conditioning Replacement		WATC	2.92%	2,965,734	-	292,627	292,627	2,673,106	2,673,107	82,961	84,479
- 263 Recreation Ground Grandstand		WATC	4.36%	929,807	-	116,274	116,292	813,533	813,515	38,230	39,269
- 272 MUF, Youth Precinct, Beach Access Ramp		WATC	3.21%	3,841,665	-	221,270	221,270	3,620,395	3,620,395	142,195	121,556
- 259 Verita Road		WATC	4.72%	2,285,639	-	467,284	467,284	1,818,355	1,819,623	101,107	102,433
- 257 Geraldton Hockey Association	*	WATC	4.81%	127,252	-	25,974	25,974	101,278	101,278	5,697	5,812
- 253 Geraldton Yacht Club SSL	*	WATC	6.26%	33,938	-	11,675	11,677	22,263	22,261	1,698	1,853
- 251 Geraldton Hockey Association	*	WATC	6.14%	70,196	-	30,014	30,017	40,182	40,124	3,519	3,624
- 228 Geraldton Surf Life Saving	*	WATC	6.42%	-	-	-	-	22,240	-	-	
- 225 Geraldton Netball Association		WATC	6.26%	-	-	-	-	-	-	-	
- 260 Aquarena Renewal Stage 1		WATC	3.89%	1,616,424	-	255,911	255,927	1,360,513	1,360,084	56,694	59,160
<b>Transport</b>											
- 269 Airport Projects		WATC	3.09%	2,487,724	-	278,632	278,632	2,209,092	2,209,092	73,378	74,735
- 261 Airport Paid Parking Facilities		WATC	3.89%	932,553	-	147,641	147,641	784,912	784,912	32,720	34,140
- 258 Airport Buffer Land		WATC	4.72%	660,296	-	134,993	134,993	525,302	525,303	29,209	29,592
- 256 Airport Security Upgrade (internal)		WATC	6.00%	-	-	-	-	-	-	-	
- 234 Lot 8 Chapman Road - Car Park		WATC	5.09%	256,066	-	143,543	143,555	112,523	112,511	9,559	10,310
- 230 Airport Buffer Land		WATC	8.93%	111,652	-	111,652	111,652	-	-	2,279	2,965
- 252 Plant Purchases for 2009/2010		WATC	6.06%	404,735	-	139,493	139,493	265,242	265,242	19,829	21,397
- 273 Verita Road Stage 1		WATC	2.45%	1,301,047	-	203,858	203,858	1,097,189	1,097,189	30,200	30,635
- 270 (New) Airport Technology Park		WATC	2.74%	1,509,808	-	489,637	489,637	1,020,171	1,020,171	37,231	38,038

(continued on next page)

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 23. Information on Borrowings (continued)

\$	Borrowing Institution	Interest Rate %	Principal 1-Jul-17	New Loans	Principal Repayments		Principal 30-Jun-18		Interest Repayments	
					Actual	Budget	Actual	Budget	Actual	Budget
<b>(a). Debenture Repayments (continued)</b>										
<b>Other Property &amp; Services</b>										
- 265 Old Works Depot	WATC	4.36%	743,846	-	93,019	93,033	650,826	650,813	30,584	31,415
- 274 Olive Street Development	WATC	3.13%	3,700,000	-	320,463	320,462	3,379,537	3,379,538	90,195	113,322
- 266 Old Railway Building	WATC	4.36%	766,161	-	95,810	95,810	670,351	670,351	31,516	32,372
WATC Loan Guarantee Fee			-	-	-	-	-	-	183,496	209,512
			<b>27,850,323</b>	<b>250,000</b>	<b>3,978,301</b>	<b>3,978,362</b>	<b>24,122,022</b>	<b>24,145,331</b>	<b>1,115,864</b>	<b>1,162,422</b>

**Funding of Borrowings** All loan repayments were funded by general purpose income.

1 Self-Supporting Loan \* Those loans denoted with "\*" are subject of a repayment agreement that secured the reimbursement from a community organisation of all costs associated with the loan.

2 WATC = WA Treasury Corporation

**Security**

The general funds of the Borrower as defined in section 6.21 (4) of the Local Government Act 1995 are charged in favour of Treasury Corporation to secure all principal interest and other amounts payable by the Borrower from time to time.

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2018

## Note 23. Information on Borrowings (continued)

\$	Amount Borrowed		Institution	Type	Term (Years)	Total	Interest	Amount Used		Balance Unspent
	Actual	Budget				Interest & Charges	Rate %	Actual	Budget	
	-	1,900,000				-		-		-
	-	1,850,000				-		-		-
	-	7,500,000				-		-		-
	250,000	-	WATC	P&I	10	43,531	3.16%	(250,000)	-	-
	<u>250,000</u>	<u>11,250,000</u>				<u>43,531</u>		<u>(250,000)</u>	<u>-</u>	<u>-</u>

## (b). New Debentures

\$	Date Borrowed	Balance 1-Jul-17	Borrowed	Expended	Balance 30-Jun-18
			During Year	During Year	
	17/05/2017	1,281,767	-	(972,045)	309,722
	4/05/2015	548,423	-	-	548,423
		<u>1,830,190</u>	<u>-</u>	<u>(972,045)</u>	<u>858,145</u>

## (c). Unspent Debentures

Olive Street Development	17/05/2017	1,281,767	-	(972,045)	309,722
Foreshore Stabilisation & Protection	4/05/2015	548,423	-	-	548,423
		<u>1,830,190</u>	<u>-</u>	<u>(972,045)</u>	<u>858,145</u>

## (d). Overdraft

The City of Greater Geraldton established an overdraft facility of \$750,000.  
The balance of the bank overdraft at 30 June 2018 was \$0 (1 July 2017: \$0).



## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 24(a). Rating Information (2017/18 Financial Year)

\$	Notes	Rate in \$	Number of Properties	Rateable Value	Rate Revenue	Interim Rates	Back Rates	Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue
<b>Rate Type</b>												
<b>Differential General Rate</b>												
CGG Residential		11.9016	15,627	243,410,390	28,971,396	198,288	2,255	29,171,939	28,966,251	100,000	10,450	29,076,701
CGG Non Residential		11.3804	1,261	90,894,059	10,344,109	(20,898)	1,721	10,324,931	10,347,588	82,857	-	10,430,445
CGG UV		0.7489	858	377,970,071	2,830,618	2,827	(652)	2,832,793	2,830,617	-	-	2,830,617
<b>Sub-Total</b>			<b>17,746</b>	<b>712,274,520</b>	<b>42,146,123</b>	<b>180,217</b>	<b>3,324</b>	<b>42,329,664</b>	<b>42,144,456</b>	<b>182,857</b>	<b>10,450</b>	<b>42,337,763</b>
<b>Minimum Rates</b>												
			<b>Minimum</b>									
CGG Residential		1,010	2,202	12,336,685	2,224,020	-	-	2,224,020	2,223,010	-	-	2,223,010
CGG Non Residential		1,010	196	785,168	197,960	-	-	197,960	197,960	-	-	197,960
CGG UV		1,010	202	11,703,637	204,020	-	-	204,020	205,030	-	-	205,030
<b>Sub-Total</b>			<b>2,600</b>	<b>24,825,490</b>	<b>2,626,000</b>	<b>-</b>	<b>-</b>	<b>2,626,000</b>	<b>2,626,000</b>	<b>-</b>	<b>-</b>	<b>2,626,000</b>
								44,955,664				44,963,763
Discounts/Concessions	27							(109,043)				-
<b>Totals</b>								<b>44,846,621</b>				<b>44,963,763</b>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2018

## Note 24(b). Surplus/(Deficit) B/Fwd and C/Fwd

\$	Notes	2018 Carried Fwd Actual	2017 Brought Fwd Actual
<b>Current Assets</b>			
Cash - Unrestricted	3	12,672,677	10,652,633
Cash - Restricted Reserves	3	16,221,376	22,318,463
Cash - Restricted Unspent Grants	2(d)	6,612,590	8,992,194
Rates - Current	5	4,336,749	3,830,487
Sundry Debtors	5	1,204,272	4,621,417
GST Receivable	5	669,948	544,607
Other Receivables	5	2,812,638	3,509,497
Inventories			
- Fuel and Materials	6	369,503	479,721
- Other	6	117,792	164,653
		<b>45,017,546</b>	<b>55,113,672</b>
<b>Current Liabilities</b>			
Sundry Creditors	9	7,838,032	7,554,537
Accrued Interest on Debentures	9	134,919	155,437
Accrued Salaries and Wages	9	397,549	407,474
Other Current Trade and Other Payables	9	6,612,590	8,992,194
Current Employee Benefits Provision	11	4,471,759	4,120,233
Other Current Provisions	11	509,909	493,213
Current Loan Liability	10	3,996,891	3,978,382
		<b>23,961,649</b>	<b>25,701,470</b>
<b>Net Current Assets</b>		<b>21,055,897</b>	<b>29,412,202</b>
<b>Less:</b>			
Reserves - Restricted Cash	3	(16,221,376)	(22,318,463)
Self Supporting Loan Principal Repayments		(71,015)	(86,625)
<b>Add Back:</b>			
Current Loan Liability	10	3,996,891	3,978,382
<b>Surplus/(Deficit)</b>		<b>8,760,396</b>	<b>10,985,495</b>

<sup>(1)</sup> Restricted Grants & Contributions that are not expected to be spent in the next 12 months.

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 25. Specified Area Rate (2017/18 Financial Year)

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The City of Greater Geraldton does not have any Specified Area Rates.

#### Note 26. Service Charges (2017/18 Financial Year)

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The City of Greater Geraldton does not have any Service Charges.

#### Note 27. Discounts, Incentives, Concessions & Write-offs (2017/18 Financial Year)

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	<b>Total</b>	<b>Budget</b>
\$	<b>Cost / Value</b>	<b>Cost / Value</b>

---

##### (a) Discounts/Concessions

General Rates	109,043	-
	<b>109,043</b>	<b>-</b>

##### **Discounts**

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

##### **Concessions/Incentives/Waivers**

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

Council offers no incentives for the early payment of rates.

Council does not offer any standard waivers or write-offs of rates and Charges or other debts of ratepayers, unless specifically approved by Council. 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 times.

Individuals may approach Council for an extension of time to pay-off their debt. Council waives penalty interest and the administration fee for eligible ratepayers approved for a Financial hardship payment plan under an



## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2018

**Note 27. Discounts, Incentives, Concessions & Write-offs** (2017/18 Financial Year)

\$	Notes	Total Cost / Value	Budget Cost / Value
<b>(b). Write-Offs</b>			
Rate Assessment	2(a)	65,618	-
General Debtors	2(a)	7,453	-
		<u><b>73,071</b></u>	<u><b>-</b></u>

**Note 28. Interest Charges and Instalments** (2017/18 Financial Year)

\$	Interest Rate %	Admin. Charge	Actual Revenue	Budgeted Revenue
Interest on Unpaid Rates	11.00%	-	536,441	420,000
Interest on Instalments Plan	5.50%	-	183,496	155,000
Pensioner Deferred Interest	0.00%	-	10,386	12,000
			<u><b>730,323</b></u>	<u><b>587,000</b></u>

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

Option 1: To pay their rates in full by the 35th day after the rates notice has been issued

Option 2: To pay their rates in two (2) equal instalments

Option 3: To pay their rates in four (4) equal instalments

For ratepayers electing to pay their rates by 2 or 4 instalments, 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, a one off charge of \$42.00 is charged.

The total amount of revenue from the imposition of interest and instalments charges is \$890,791 (2016-17: \$789,354)

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 29. Fees & Charges

\$	2018 Actual	2018 Budget	2017 Actual
Governance	13,291	15,424	11,315
General Purpose Funding	305,139	252,100	254,983
Law, Order, Public Safety	411,730	350,160	336,957
Health	81,757	66,600	103,176
Education and Welfare	27,882	58,250	52,326
Community Amenities	11,609,203	11,105,854	10,945,036
Recreation and Culture	2,354,403	2,029,498	1,929,280
Transport	6,007,101	6,518,441	6,395,699
Economic Services	682,769	783,300	764,253
Other Property and Services	910,070	1,092,686	1,136,750
	<b><u>22,403,346</u></b>	<b><u>22,272,313</u></b>	<b><u>21,929,775</u></b>

There were no changes during the year to the amount of the fees and charges detailed in the original budget.

#### Note 30. Grants, Subsidies & Contributions

\$	2018 Actual	2017 Actual
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Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

##### (a). By Nature & Type

Operating Grants, Subsidies and Contributions	8,411,475	12,141,271
Non-Operating Grants, Subsidies and Contributions	8,674,649	20,796,455
	<b><u>17,086,124</u></b>	<b><u>32,937,727</u></b>

##### (b). By Program

Governance	84,195	612,114
General Purpose Funding	6,049,303	9,168,331
Law, Order, Public Safety	194,661	207,195
Education & Welfare	234,041	317,715
Community Amenities	230,906	354,323
Recreation & Culture	3,253,520	12,134,625
Transport	6,541,200	8,956,406
Economic Services	153,808	476,062
Other Property & Services	344,490	710,956
	<b><u>17,086,124</u></b>	<b><u>32,937,727</u></b>

Included within the Operating Grants, Subsidies and Contributions total of \$8,411,475 is \$1,125,123 in reimbursements and recoveries.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 31. Employee Numbers

\$	2018 Actual	2017 Actual	2016 Actual
The number of full-time equivalent employees at balance date	283	282	254

At 30 June 2018 the City's approved organisational structure: 296 FTE (2017: 294 FTE).

#### Note 32. Councillor Remuneration

\$	2018 Actual	2018 Budget	2017 Actual
The following fees, expenses and allowances were paid to council members and the mayor.			
Meeting Fees	376,168	397,000	336,167
Members Allowance	90,420	91,000	120,616
Members IT and Telephone Allowance	50,358	52,500	50,495
Travelling Expenses	13,244	25,500	16,194
Conference Expenses	23,028	30,000	24,394
Childcare Expenses	-	-	2,075
Councillor Training	21,353	31,250	4,005
	<b>574,571</b>	<b>627,250</b>	<b>553,946</b>

#### Note 33. Employee Costs

Wages and Salaries	19,218,134	23,921,813	18,258,728
Employee Leave Entitlements	4,923,048	123,041	4,336,218
Superannuation	3,012,720	3,010,461	2,809,714
Workers' Compensation Insurance	151,436	765,881	389,169
Protective Clothing & Uniforms	75,023	9,873	84,963
Recruitment Costs	82,207	125,000	186,558
Training Costs (other than Salaries & Wages)	144,193	86,037	205,583
Other	132,524	143,591	145,983
	<b>27,739,286</b>	<b>28,185,697</b>	<b>26,416,916</b>



## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 33. Employee Costs (continued)

\$	Salary Range	2018 Actual	2017 Actual
<b>Employee Remuneration</b>			
Set out below, in bands of \$10,000 is the number of employees entitled to an annual salary of 100,000 or more.			
<b>Details</b>			
LG Administration Regulations 19 B	100,000 - 109,999	10	5
	110,000 - 119,999	3	-
	120,000 - 129,999	1	7
	130,000 - 139,999	4	3
	140,000 - 149,999	2	2
	150,000 - 159,999	-	1
	170,000 - 179,999	1	-
	190,000 - 200,999	2	1
	200,000 - 210,000	-	2
	250,000 - 259,999	1	-
	320,000 - 330,000	-	1

## Note 34. Major Land Transactions

There were no Major Land Transactions during 2017/18.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 35. Trading and Major Trading Undertakings

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\$

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##### **Airport**

The Geraldton Airport is owned freehold by and run as a business unit of the City of Greater Geraldton, generating an operating income of approximately \$5.3M in 2017-18 (2016-17: \$5.5M).

Operating surpluses from airport operations are utilised to maintain and improve existing airport infrastructure, and provide for development of future infrastructure. During 2017-18, capital outlays on Airport Infrastructure (including buildings) amounted to nearly \$0.3M (2016-17: \$0.6M).

The City of Greater Geraldton endeavours to operate the aerodrome in an environmentally sensitive manner in accordance with aviation best practice, in compliance with Federal statutory requirements for aviation operations, airports, and transport security.

The airport is planned and managed to provide a satisfactory return on investment to the ratepayers of the City of Greater Geraldton, while having regard to the airport as a key regional transport infrastructure asset.

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 general charter operations.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 35. Trading and Major Trading Undertakings (continued)

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\$

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##### **Meru Landfill Facility**

The Meru Landfill Facility is run as a business unit of the City of Greater Geraldton and generated operating income of approximately \$5.23M in 2017-18 (2016-17: \$5.4M). During 2017-18, capital outlays on Meru Infrastructure amounted to around \$0.17M (2016-17: \$0.2M).

This facility was established to provide a regional approach to Waste Management here in the Midwest. Originally managed by the Geraldton Greenough Regional Council (GGRC), this Regional Council was dissolved following the first amalgamation between the City of Geraldton and the Shire of Greenough. The main purpose of establishing a Regional Council was to have a planned and co-ordinated regional approach to the collection, removal, processing, treatment, recycling and disposal of waste in the mid-west region, enabling sharing of benefits of scale where possible. This will continue to be the purpose of this trading undertaking as a function of the City of Greater Geraldton.

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 construction of Cell 5, lining of the second liquid waste pond and construction of a larger processing area is planned for the 2018/19 budget year.



## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 36. Financial Risk Management

\$

Council's activities expose it to a variety of financial risks including (1) price risk, (2) credit risk, (3) liquidity risk and (4) interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's Finance Section under policies approved by the Council.

The City held the following financial instruments at balance date.

	Notes	Carrying Value		Fair Value	
		2018	2017	2018	2017
<b>Financial Assets</b>					
Cash and Cash Equivalents	3	35,506,644	41,963,290	35,506,644	41,963,290
Receivables (Current & Non-Current)	5	9,773,742	13,096,497	9,773,742	13,096,497
		<u>45,280,386</u>	<u>55,059,787</u>	<u>45,280,386</u>	<u>55,059,787</u>
<b>Financial Liabilities</b>					
Payables (Current & Non-Current)	9	14,983,090	17,109,642	14,983,090	17,109,642
Borrowings (Current & Non-Current)	10	24,122,022	27,850,324	24,122,022	27,850,324
		<u>39,105,112</u>	<u>44,959,966</u>	<u>39,105,112</u>	<u>44,959,966</u>

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates market value.
- **Borrowings & Held to Maturity Investments** - estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles.
- Financial Assets classified (i) "at fair value through profit & loss" or (ii) **Available for Sale** - based on quoted market prices at the reporting date or independent valuation.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 36. Financial Risk Management (continued)

\$

##### (a). Cash & Cash Equivalents, Financial assets "at Fair Value through the Profit & Loss", "Available-for-sale" financial assets & "Held-to-maturity" Investments

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's Finance Section manages the cash and investments portfolio.

Council has an Investment Policy which complies with the relevant legislation. The policy is regularly reviewed by Council and an Investment Report is tabled before Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with Investments is price risk - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.

Cash & Investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns and income.

A further risk associated with Cash & Investments is credit risk - the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees in accordance with investment restrictions prescribed in the Local Government (*Financial Management*) Regulations 1996.

	30-Jun-18	30-Jun-17
<b>Impact of a 1% <sup>(1)</sup> movement in interest rates on cash and investments</b>		
Equity	355,066	419,633
Statement of Comprehensive Income	355,066	419,633

#### Notes:

- Sensitivity percentages based on management's expectations of future possible market movements.  
(Price movements calculated on investments subject to fair value adjustments. Interest rate movements calculated on cash, cash equivalents and managed funds.)
- Maximum impact.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 36. Financial Risk Management (continued)

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##### (b). Receivables

Council's major receivables comprise (i) Rates & Annual charges and (ii) User Charges & Fees.

The major risk associated with these receivables is credit risk - the risk that debts due and payable to Council may not be repaid.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts - that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages the payment of debt.

Council makes suitable provision for doubtful receivables as required.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

A profile of Council's receivables credit risk at balance date follows:

	30-Jun-18	30-Jun-17
	%	%
<b>Percentage of Rates and Annual Charges</b>		
Current	93.35%	93.74%
Overdue	6.65%	6.26%
<b>Percentage of Other Receivables</b>		
Current	94.75%	94.77%
Overdue	5.25%	5.23%



## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 36. Financial Risk Management (continued)

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##### (c). Payables & Borrowings

Payables & Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can be extended and overdraft facilities drawn upon in extenuating circumstances.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's Payables & Borrowings are set out in the Liquidity Table below:

\$	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying Values
<b>2018</b>					
Payables	14,983,090	-	-	14,983,090	14,983,090
Borrowings	3,996,891	13,307,526	6,817,605	24,122,022	24,122,022
	<b>18,979,981</b>	<b>13,307,526</b>	<b>6,817,605</b>	<b>39,105,112</b>	<b>39,105,112</b>
<b>2017</b>					
Payables	17,059,642	-	-	17,059,642	17,109,642
Borrowings	3,978,382	14,469,449	9,402,493	27,850,324	27,850,324
	<b>21,038,024</b>	<b>14,469,449</b>	<b>9,402,493</b>	<b>44,909,966</b>	<b>44,959,966</b>

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk by borrowing long term and fixing the interest rate on a basis that is most suitable for the circumstance. Council officers regularly review interest rate movements to determine if it would be advantageous to refinance or renegotiate part, or all of the loan portfolio.

The following interest rates were applicable to the Council's Borrowings at balance date:

	30-Jun-18		30-Jun-17	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Bank Loans - Fixed	3.54%	24,122,022	3.59%	27,850,324
		<u>24,122,022</u>		<u>27,850,324</u>

##### Notes:

1. The interest rate risk applicable to Variable Rate Bank Loan is not considered significant.

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2018

## Note 37. Fair Value Measurements

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The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, Property, Plant and Equipment
- Investment Property
- Financial Assets & Liabilities

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**(1) The following table presents all assets and liabilities that have been measured & recognised at fair values:**

2018	Date of latest Valuation	Fair Value Measurement using:			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Financial Assets</b>					
Receivables	30/06/18	-	-	9,773,742	9,773,742
<b>Total Financial Assets</b>		-	-	9,773,742	9,773,742
<b>Financial Liabilities</b>					
Payables	30/06/18	-	-	14,983,090	14,983,090
Loans / Advances	30/06/18	-	-	24,122,022	24,122,022
<b>Total Financial Liabilities</b>		-	-	39,105,112	39,105,112
<b>Property, Plant &amp; Equipment</b>					
- Land	30/06/17	-	83,861,918	-	83,861,918
- Buildings	30/06/17	-	1,338,000	103,778,876	105,116,876
- Furniture & Equipment	30/06/16	-	-	1,622,984	1,622,984
- Plant & Equipment	30/06/16	-	9,803,880	-	9,803,880
- Artwork	14/11/14	-	671,267	-	671,267
<b>Total Property, Plant &amp; Equipment</b>		-	95,675,065	105,401,860	201,076,925
<b>Infrastructure</b>					
- Roads	30/06/18	-	-	589,087,247	589,087,247
- Recreation	30/06/18	-	-	38,384,416	38,384,416
- Car Parks	30/06/18	-	-	10,416,364	10,416,364
- Meru Landfill	30/06/18	-	-	17,663,151	17,663,151
- Airport	30/06/18	-	-	30,743,294	30,743,294
<b>Total Infrastructure</b>		-	-	686,294,473	686,294,473

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2018

## Note 37. Fair Value Measurements (continued)

\$

(1) The following table presents all assets and liabilities that have been measured & recognised at fair values: (continued)

2017	Date of latest Valuation	Fair Value Measurement using:			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Financial Assets</b>					
Receivables	30/06/17	-	-	13,096,497	13,096,497
<b>Total Financial Assets</b>		-	-	13,096,497	13,096,497
<b>Financial Liabilities</b>					
Payables	30/06/16	-	-	17,109,642	17,109,642
Loans / Advances	30/06/16	-	-	27,850,324	27,850,324
<b>Total Financial Liabilities</b>		-	-	44,959,966	44,959,966
<b>Property, Plant &amp; Equipment</b>					
- Land	30/06/15	-	81,491,000	-	81,491,000
- Buildings	30/06/15	-	1,338,000	104,458,735	105,796,735
- Furniture & Equipment	30/06/16	-	-	1,479,392	1,479,392
- Plant & Equipment	30/06/16	-	9,713,081	-	9,713,081
- Artwork	14/11/14	-	642,176	-	642,176
<b>Total Property, Plant &amp; Equipment</b>		-	93,184,257	105,938,127	199,122,384
<b>Infrastructure</b>					
- Roads	30/06/15	-	-	565,303,234	565,303,234
- Recreation	30/06/15	-	-	42,890,249	42,890,249
- Car Parks	30/06/15	-	-	10,762,251	10,762,251
- Meru Landfill	30/06/15	-	-	14,696,490	14,696,490
- Airport	30/06/15	-	-	26,940,278	26,940,278
<b>Total Infrastructure</b>		-	-	660,592,501	660,592,501

## (2) Transfers between Level 1 &amp; Level 2 Fair Value Hierarchies

During the year, there were no transfers between Level 1 and Level 2 Fair Value hierarchies for recurring fair value measurements.



## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 37. Fair Value Measurements (continued)

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#### **(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values**

Where Council is unable to derive Fair Valuations using quoted market prices of identical assets (ie. Level 1 inputs) Council instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

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#### **Property, Plant & Equipment**

##### **LAND AND BUILDINGS**

APV valuers & Asset Management completed a valuation of the Land & Buildings with the effective date of valuation 30th of June 2017.

APV has undertaken the financial reporting valuation for City of Greater Geraldton in accordance with the Australian Accounting Standards. The valuation reporting has involved the confirmation of completeness of asset registers, physical inspection of the assets and capturing data such as the asset age, type, condition and then compiling information and assessing the value of the assets. Further to this, APV has provided the Insurance Value where requested. Throughout this process, APV ensured quality management procedures were implemented to achieve the most accurate asset valuation reporting.

##### Comparison to Previous Valuation

The following table provides a summary of changes between the values reported in the previous financial statements and this valuation:

- Australian Accounting Standards Board has clarified the requirements for the definition of Residual Value. This in turn has had implications for the determination of depreciation expense.
- As the AASB's May 2015 decision has now removed the perceived link between valuation and depreciation expense APV took the opportunity to simplify the depreciation by adopting a straight-line approach. This has led to a number of asset written down values (Fair Value) decreasing.
- It has been determined that except in rare circumstances, the Residual Value is nil for all asset components. This has led to an increase in the overall depreciation expense.
- In accordance with the AASB decision components are now split into long life and short life apportionments and depreciated separately.
- The Useful Life of the long life portion if the components are now split into long life and short life account the normal range of time between major renewals.

The valuation and associated depreciation expense calculations have been prepared in accordance with accounting standards at Fair Value. Fair Value is defined as:

*"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date"*

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 37. Fair Value Measurements (continued)

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#### (3) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

##### Property, Plant & Equipment (continued)

Depending upon the nature of the specific asset the valuation approach may have included the of a singular or multiple techniques:

- 1) The Market Approach has been applied where there is a principal market which provides observable evidence of the Fair Value of the asset.
- 2) The Income Approach has been applied for assets where the income generating capability of the asset provides the best estimate of the asset's Fair Value.
- 3) The Cost Approach is used for assets which are not commonly traded. Typically these include that public and not-for-profit sectors entities use to provide to the public for no or minimal charge.
- 4) In rare circumstances the valuation may also include a combination of approaches.

The levels of the valuation hierarchy are defined in relation to the inputs used to determine the The valuation hierarchy is determined by the lowest level of input used (except where the impact of the lowest level is deemed to be insignificant). The inputs are defined as:

- A) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- B) Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- C) Level 3 inputs are unobservable inputs for the asset or liability.

##### **PLANT & EQUIPMENT**

A fair value valuation of Plant and Equipment was been completed 30/06/2016 by the City's fleet manager. All of the valuations were made on the basis of open market values of similar assets (based on figures supplied by auction groups, council sales records, vehicle valuation guides and the IPWEA Plant and Vehicle Management Manual) adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy).

##### **FURNITURE & EQUIPMENT**

Management conducted a valuation of furniture and equipment effective 30/06/2016 actualising the asset register and aligning the asset class with the capitalisation thresholds outlined in the Significant Accounting Policies. Using level 3 valuation inputs ensured no material variance in existing balance sheet values for this asset class was observed with the carrying amount of each asset fairly stated at reporting date.

##### **ARTWORK**

A valuation of Artwork was conducted by Banziger Hulme Fine Art Consultants P/L 14th November 2014. David Hulme is an approved valuer for the Australian Government's Cultural Gifts Program. The valuation of the collection is based on market value with market value defined as "what a willing buyer would pay a willing seller in an arm's length transaction after proper marketing" of similar assets adjusted for condition and for condition and comparability (Level 2 inputs in the fair value hierarchy).

All property, plant and equipment classes are carried at fair value and subject to revaluation every 3 years as well as an annual assessment as to whether there is an indication an asset may have been impaired in accordance with AASB 136 "Impairment of Assets".



## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 37. Fair Value Measurements (continued)

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#### (3) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

##### Infrastructure

###### AIRPORT

AVP Valuers & Asset Management have completed a valuation of Infrastructure assets with the effective date of valuation 30th of June 2018.

###### Road, Equipment and Civil Assets

All road, equipment and civil assets were valued using the cost approach.

The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

###### MERU LANDFILL

AVP Valuers & Asset Management have completed a valuation of Infrastructure assets with the effective date of 30th of June 2018.

###### Road, Equipment and Civil Assets

All road, equipment and civil assets were valued using the cost approach.

The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

###### Landfill

Landfill comprises both the cells and capping and is classified as a land improvement which is recorded separate to the land. The underlying land is valued independently of the land improvements. The valuation has been determined using the cost approach. This included disaggregating the overall land improvements into a range of different components based on each component providing a different purpose and as a result exhibiting a different useful life. Day to day operating costs (such as minor maintenance and monitoring) has been excluded from the valuation. To provide consistency, any associated day to day revenues have also been excluded from the valuation.

Observable inputs to the valuation included the dimensions and design of the assets, the average unit rate for similar construction based on recent projects undertaken by the entity and the amount of remaining volume in each cell. Unobservable inputs included estimates of the estimated remaining life of the site. This has been based on council's statutory requirement to continue monitoring the site post complete consumption of the landfill. All calculations assume a zero residual value and a constant pattern of consumption. The approach applied for each component was -



## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 37. Fair Value Measurements (continued)

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#### (3) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

##### Infrastructure (continued)

##### MERU LANDFILL (continued)

##### Landfill (continued)

- Cost to prepare site - based on current costs and depreciate to nil over remaining life of site. These costs were negligible and therefore have not been included as a separate component
- Cost to prepare each cell - based on current cost and depreciated to nil as cell is filled.
- Cost to prepare leachate and overflow ponds - based on current cost and depreciated to nil over period till statutory monitoring is no longer required

Council established a rehabilitation provision for estimated future capping expenditure that is discounted to its present value, with the unwinding of the discount being charged to the statement of comprehensive income within the amortisation charge. The discounted present value of the future capping expenditure is capitalised as part of the Landfill asset (2017-2018: \$12,496,405.25) and is amortised on a straight-line basis.

At each reporting date the restoration and rehabilitation liability is re-measured to account for any new disturbance, updated cost estimates, inflation, changes to the estimated reserves and lives of operations, new regulatory requirements, environmental policies and revised discount rates. Changes to the restoration and rehabilitation liability are added to or deducted from the related rehabilitation asset and amortised accordingly.

##### OTHER INFRASTRUCTURE

##### Roads (Drainage, Bridges, Roundabouts, Medians and Islands, Streetlighting, Bus Shelters, Footpaths)

Assets revalued and reviewed by Management with data sourced from the My Data database, Intramaps, CadCorp and extensive field audits conducted by the Asset Management Team and the ARRB (Australian Road Research Board).

##### Car Parks

Assets revalued and reviewed by Management with data sourced from MyData and condition assessments undertaken by ARRB on sealed carparks.

A reasonably flat rate asset condition distribution has been applied with an average RUL (Remaining Useful Life) of 60% of Design Life being applied across the portfolio.

##### Recreation (Parks)

Recreation (Parks) assets was revalued and reviewed by Management through its myData register 30/06/2018. MyData is based on asset lifecycle costing with automated valuations complying with Australian Accounting Standards.

Valuation is based on a combination of age and condition of the asset. Certain valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy) and certain valuations were made having regard for current replacement cost and residual values (cost based approach, which are Level 3 inputs in the fair value hierarchy). Given the significance of the Level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using Level 3 inputs. These Level 3 inputs are based on the assumptions with regard to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2018

## Note 37. Fair Value Measurements (continued)

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**(4). Fair value measurements using significant unobservable inputs (Level 3)**

a. The following tables present the changes in Level 3 Fair Value Asset Classes.

	Land	Buildings	Furniture & Equipment	Roads	Total
<b>Opening Balance - 1/7/16</b>	3,456,000	104,577,134	1,204,829	567,839,869	677,077,832
Purchases (GBV)	-	1,672,885	631,707	12,773,589	15,078,181
Disposals (WDV)	(3,456,000)	-	-	-	(3,456,000)
Depreciation & Impairment	-	(1,820,675)	(357,144)	(15,310,224)	(17,488,043)
FV Gains - Other Comprehensive Income	-	29,391	-	-	29,391
<b>Closing Balance - 30/6/17</b>	<b>-</b>	<b>104,458,735</b>	<b>1,479,392</b>	<b>565,303,234</b>	<b>671,241,361</b>
Purchases (GBV)	-	1,353,450	563,327	15,091,008	17,007,785
Depreciation & Impairment	-	(2,033,309)	(419,734)	(15,647,701)	(18,100,744)
FV Gains - Other Comprehensive Income	-	-	-	24,340,705	24,340,705
<b>Closing Balance - 30/6/18</b>	<b>-</b>	<b>103,778,876</b>	<b>1,622,985</b>	<b>589,087,246</b>	<b>694,489,107</b>
	Recreation	Car Parks	Meru Landfill	Airport	Total
<b>Opening Balance - 1/7/16</b>	35,526,313	10,984,792	13,499,106	26,990,029	87,000,240
Purchases (GBV)	8,048,872	229,966	794,843	541,025	9,614,706
Depreciation & Impairment	(684,936)	(452,507)	(373,693)	(590,776)	(2,101,912)
Other movement	-	-	776,234	-	776,234
<b>Closing Balance - 30/6/17</b>	<b>42,890,249</b>	<b>10,762,251</b>	<b>14,696,490</b>	<b>26,940,278</b>	<b>95,289,268</b>
Purchases (GBV)	13,038,768	44,700	226,832	272,514	13,582,814
Depreciation & Impairment	(742,551)	(459,429)	(399,360)	(603,149)	(2,204,489)
Other movement	(16,802,050)	68,842	3,139,190	4,133,652	(9,460,366)
<b>Closing Balance - 30/6/18</b>	<b>38,384,416</b>	<b>10,416,364</b>	<b>17,663,152</b>	<b>30,743,295</b>	<b>97,207,227</b>

**(5). Highest and best use**

All of Council's non financial assets are considered to being utilised for their highest and best use.

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 38. "Held for Sale" Non Current Assets & Disposal Groups

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Council did not classify any Non Current Assets or Disposal Groups as "Held for Sale".

#### Note 39. Investment Properties

Council has not classified any Land or Buildings as "Investment Properties"

#### Note 40. Intangible Assets

Intangible Assets are as follows;	Notes	2018 Carrying Amount	2017 Carrying Amount
<b>Opening Values:</b>			
Gross Book Value (1/7)		-	-
<b>Net Book Value - Opening Balance</b>		<u>-</u>	<u>-</u>
<b>Movements for the year</b>			
- Purchases		104,144	-
<b>Closing Values:</b>			
Gross Book Value (30/6)		104,144	-
<b>Total Intangible Assets - Net Book Value <sup>1</sup></b>		<u><u>104,144</u></u>	<u><u>-</u></u>
<b><sup>1</sup> The Net Book Value of Intangible Assets represent:</b>			
- Laneway Easement		104,144	-
		<u><u>104,144</u></u>	<u><u>-</u></u>

Council will not amortise the Laneway Easement as it has an indefinite useful life.

#### Note 41. Equity - Retained Earnings and Reserves Adjustments

Council made no correction of errors or made voluntary changes in any accounting policies during the current reporting period.

#### Note 42. Discontinued Operations

Council has not classified any of its Operations as "Discontinued".



## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 43. Events occurring after the Reporting Period

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Events that occur between the end of the reporting period (ending 30 June 2018) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the applicable "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is dd/mm/yy.

Events that occur after the Reporting Period represent one of two types:

##### **(i) Events that provide evidence of conditions that existed at the Reporting Period**

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2018.

##### **(ii) Events that provide evidence of conditions that arose after the Reporting Period**

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2018 and which are only indicative of conditions that arose after 30 June 2018.

Council is unaware of any material or significant "non-adjusting events" that should be disclosed.

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 44. Transactions with Related Parties

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##### (a) Subsidiaries (ie. Entities and Operations controlled by Council)

Council has no interest in any Subsidiaries.

##### (b) Associates

Council has no interest in any Associates.

##### (c) Key Management Personnel

###### Transactions with Key Management Personnel

Key management personnel include the Mayor, Councillors, Chief Executive and other members of the senior management team.

Related parties include Council's key management personnel (KMP), their close family members, and any entities that they or any of their close family members control or jointly control.

The compensation paid to Key Management Personnel comprises:

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	2018	2017
Short-Term Employee Benefits	1,393,531	1,518,139
Post-Employment Benefits	120,511	109,587
Long-Term Benefits	21,270	9,578
<b>Total</b>	<b><u>1,535,312</u></b>	<b><u>1,637,304</u></b>

##### (d) Transactions with Related Parties that have not been disclosed

Council has assessed the materiality of disclosure of transactions with related parties on the following criteria:

- 1) The potential effect of the relationship on the financial statements;
- 2) Whether the transaction occurred as:
  - a) part of a public service provider relationship with a taxpayer on terms no different to that of a transaction with the general public or
  - b) part of an ordinary operational transaction within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that is reasonable to expect the Council would have adopted with the party at arm's length in the same circumstances.

Council has determined that no material transactions with related parties have occurred during the financial year 2017-2018.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2018

#### Note 45. Council Information & Contact Details

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**Principal Place of Business:**

63 Cathedral Avenue  
Geraldton WA 6530

**Contact Details**

**Mailing Address:**

PO Box 101  
Geraldton WA 6531

**Opening Hours:**

Monday - Friday  
8.30am to 5.00pm

**Telephone:** 08 9956 6600

**Facsimile:** 08 9956 6674

**Internet:** [www.cgg.wa.gov.au](http://www.cgg.wa.gov.au)

**Email:** [council@cgg.wa.gov.au](mailto:council@cgg.wa.gov.au)

**Officers**

**CHIEF EXECUTIVE OFFICER**

Ross McKim

**Elected Members**

**MAYOR**

Shane Van Styn

**AUDITORS**

AMD Chartered Accountants  
Unit 1, 28 Wellington Street  
Bunbury WA 6230

**COUNCILLORS**

Graeme Bylund  
Steve Douglas  
Lewis Freer  
David Caudwell  
Michael Reymond  
Tarleah Thomas  
Jennifer Critch  
Robert Hall  
Victor Tanti  
Neil McIlwaine  
Natasha Colliver  
Simon Keemink  
Sally Elphick  
Jerry Clune

**Other Information**

**ABN:** 55 907 677 173



## INDEPENDENT AUDITOR'S REPORT

### To the Councillors of the City of Greater Geraldton

### Report on the Audit of the Financial Report

#### **Opinion**

We have audited the annual financial report of the City of Greater Geraldton which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In our opinion the annual financial report of the City of Greater Geraldton:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the City of Greater Geraldton for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the City of Greater Geraldton in accordance with the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter – Basis of Accounting**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the City of Greater Geraldton's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. Our opinion is not modified in respect of this matter.

#### **Responsibilities of the Chief Executive Officer and Council for the Financial Report**

The Chief Executive Officer (CEO) of the City of Greater Geraldton is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the City of Greater Geraldton's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the City of Geater Geraldton.

The Council is responsible for overseeing the City of Greater Geraldton's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Report**

The objectives of our audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Greater Geraldton's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City of Greater Geraldton's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during my audit.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the *Local Government (Audit) Regulations 1996*, we report that:

- (i) In our opinion, there are no significant adverse trends in the financial statements of the City of Greater Geraldton.
- (ii) There were no instances of non-compliance with Part 6 of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls of any other written law identified during the course of our audit.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In our opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

### **Matters Relating to the Electronic Publication of the Audited Financial Report**

This auditor's report relates to the annual financial report of the City of Greater Geraldton's for the year ended 30 June 2018 included on the City of Greater Geraldton's website. The City of Greater Geraldton's management is responsible for the integrity of the City of Greater Geraldton's website. This audit does not provide assurance on the integrity of the City of Greater Geraldton's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

### **AMD CHARTERED ACCOUNTANTS**



**MARIA CAVALLO CA  
DIRECTOR**

28-30 Wellington Street, Bunbury, Western Australia

11 October 2018





**GERALDTON:**

City of Greater Geraldton Administration Centre  
63 Cathedral Avenue  
Geraldton WA 6530  
Phone: 08 9956 6600 | Fax: 08 9956 6674  
council@cgg.wa.gov.au

**MULLEWA:**

Mullewa District Office  
Corner of Thomas and Padbury Streets  
Mullewa WA 6630  
Phone: 08 9956 6643 | Fax: 08 9961 1206  
council@cgg.wa.gov.au

