

CITY OF SOUTH PERTH

# ANNUAL BUDGET.

## 2018/2019



City of  
South Perth



## **1. INTRODUCTION**

The City of South Perth recognises effective financial management and good stewardship of its assets are among the most important responsibilities a Local Government performs for the community. The City's 2018/2019 Annual Budget delivers new community assets within a sustainable management framework of the City's financial resources. It provides a range of relevant services to meet identified community needs and it includes capital initiatives to deliver on our community's vision for the City.

Aligned with the direction identified in the Strategic Community Plan 2017-2027 and consistent with our Corporate Business Plan and Long Term Financial Plan, the Budget guides the financial management for the 2018/2019 year.

The strategies around which the Annual Budget was developed are:

- To exercise responsible management of the City's financial resources.
- To deliver a level of funding which is relevant, economically responsible and sustainable.
- To ensure cost effective delivery of a high level of relevant services to the City's ratepayers.
- To finance the maintenance and enhancement of infrastructure assets.

The City of South Perth 2018/2019 Annual Budget Schedules incorporates all of the relevant statutory elements. These have been extracted from the detailed management budgets to be used by the City's leadership team to monitor and administer the City's finances.

### **1.1. OPERATING REVENUE AND EXPENDITURE**

The Operating Budgets are developed from the City's strategic direction. Management Budgets are considered by each of the City's business units before being reviewed for alignment and approved by the Executive and ultimately by Council.

The organisational structure is consistent with the monthly financial report groupings, forming the basis for the Management Budgets. This permits comparative analysis between years. The Statutory Budget includes the disclosures required by relevant legislation and regulations.

Operating Revenue and Expenditure includes all programmes which have been endorsed by Council during the past year for inclusion in the 2018/2019 Annual Budget. The operating budgets acknowledge the strategic direction given by Council and incorporate the feedback received from major stakeholders in the community during the visioning, strategic plan and budget development process. In accordance with statutory requirements, the budget also includes full cost allocating corporate costs to those programmes causing them to be incurred.

### **1.2. CAPITAL EXPENDITURE PROGRAMME**

The Capital Expenditure Programme was formulated using asset management systems which determine the optimum time to conduct repairs and remedial work on the City's infrastructure assets (roads, paths, drains, parks etc.). The 2018/2019 Capital Budget includes the commencement of construction of new community facilities but it also supports responsible spending on roads, paths and drainage infrastructure. Other infrastructure capital initiatives include water-wise initiatives, reticulation enhancements, park and playground upgrades and renewal of foreshore assets as part of the City's commitment to provide effective management and maintenance of its infrastructure assets.

### **1.3. MOVEMENTS IN RESERVES**

Funding to and from cash backed Reserves for 2018/2019 (in line with the Long Term Financial Plan) demonstrates the benefits of prudent forward financial planning to provide for significant future financial obligations.

Significant capital initiatives in 2018/2019 will be supported by monies previously provided in the Major Community Facilities Reserve, Information Technology Reserve, Parking Facilities Reserve, Waste Management Reserve, Collier Park Village Reserve and the Sustainable Infrastructure Reserve. Reserves also offer non-rates funding options when making financial decisions about major asset preservation projects.

### **1.4. MUNICIPAL BORROWINGS**

The City uses loan borrowings as part of a responsible and sustainable funding strategy. Loan borrowings are undertaken in accordance with *Council Policy P604 - Use of Debt as a Funding Source* and Section 6.20 of the *Local*

*Government Act.* Borrowings are sourced through WA Treasury Corporation and are taken as fixed rate loans on terms matching the life of the associated asset. All loan borrowings are secured against the general revenue of the City.

The City has undertaken several tranches of fixed rate borrowings in previous years as part of its own strategic funding model. As the older debt is maturing, new municipal borrowings can be considered where appropriate, as our debt servicing ratios are still well within the limits of both debt covenant levels and industry benchmarks. The City does not plan to undertake borrowings this year as part of the funding package.

In some circumstances the City acts as a guarantor for community sporting groups or associations for Self-Supporting Loans. Repayments of principal and interest for Self-Supporting Loans are all fully reimbursed by the beneficiary community group / association. There is no impost on the City's ratepayers for servicing these loans. Currently the City has four self-supporting loans to community sporting groups or associations.

Details of all loans (existing and proposed if any) are contained at Note 10 of the Statutory Budget.

## **2. BUDGET PARAMETERS**

The significant assumptions on which the 2018/2019 Annual Budget has been developed are:

- (a) Rates will be levied on the Gross Rental Value of all ratable properties within the City at a rate of 6.66128 cents in the dollar (6.5563 cents in 2017/2018).
- (b) A minimum rate payment of \$984.00 will apply in 2018/2019 compared to \$968.20 in 2017/2018. (This means 9.0% of properties will be minimum-rated this year - well within the maximum allowable level of 50% (9.1% in 2017/2018))
- (c) A standard domestic Rubbish Service Charge will increase to \$305.00 in 2018/2019 (last year \$280.00) - which is still one of the lowest of all Metropolitan Local Governments.
- (d) Interest rate charges of 5.5% per annum and an administration fee of \$10.00 per installment will apply for payment of rates and service charges by installment in accordance with the provisions of Section 6.45 (3) & (4) of the *Local Government Act* and *Local Government Financial Management Regulation 67*.
- (e) Late payment interest of 11% per annum will be applied to rates, service charges and other monies (including third party debts for ESL) outstanding beyond due dates in accordance with Section 6:51(1) of the *Local Government Act* and *Local Government Financial Management Regulation 67*.
- (f) Revenue and Expenditure disclosed in the Operating and Capital Budgets are net of Goods and Services (GST) - with the exception of the Collier Park Village which is treated as 'Input Taxed' for GST purposes as per an Australian Tax Office Private GST Ruling applicable to the City.
- (g) The Emergency Services Levy (ESL), is included on rates notices at the gazetted rate, is a State Government charge that Local Governments are required to collect and remit to the Fire & Emergency Services Authority.

## **3. BUDGET STRUCTURE**

In addition to the Statutory Budget format, the 2018/2019 Budget has also been presented in the management format of the monthly Management Accounts as submitted to Council. The Management Budgets allow an assessment of each Department's revenue and expenditure and can be used to provide a consolidated view of the operations under Council's control.

The Management Operating Budgets include:

- Operating Revenue and Expenditure;
- Payroll and associated costs;
- Depreciation;
- Interest and related costs and
- Corporate costs & overheads allocated.

Aggregating the Management Budgets establishes the operating surplus / (deficit). Adding back the depreciation and other non-cash items gives the cash-flow to fund the Capital Expenditure Programme.

The Management Operating Budgets do not include the following items which are disclosed elsewhere:

- Capital Revenues;
- Capital Expenditure;
- Loan Principal Repayments;
- Transfers to or from cash backed Reserves and
- The accrual Opening Position carried forward from the previous year.

#### **4. BUDGET OVERVIEW**

##### **4.1. DEVELOPING THE ANNUAL BUDGET**

The 2016/17 Annual Report described the impact of the downturn in the WA economy on the City finances, particularly relating to the flattening of revenue streams and increased expenditure pressure, that has seen the City Financial Health Indicator (FHI) score deteriorate. A Budget repair program was undertaken during the 2017/18 financial year, to improve the results at the half year review and assist with the development of the 2018/19 Annual Budget.

The City focused on improving the Net Operating position within the Statement of Financial Activity, a report included in the Monthly Financial Reports to Council since August 2017. Both the 2017/18 Mid-Year Review and the 2018/19 Budget, incorporated analysis of every revenue and expenditure item with the aim of improving the FHI score in the short to medium term (2-4 years).

##### **4.2. ANNUAL RATES & RUBBISH CHARGES**

In terms of Rates, the largest component of Revenue, Council considered a range of options to inform the rating strategy for 2018/19 Annual Budget. Many of the City's costs do not align to a single Index, either due to the nature of the Index, or the cycle. By way of example, the media focus on Consume Price Index (CPI) which is a measure, calculated by the Australian Bureau of Statistics (ABS), representing the basket of goods of a household.

A Local Government authority basket of goods is very different to a household, a Local Government costs are influenced by wages, construction costs and state government charges (power and street lighting). For many years WALGA have published a Local Government Cost Index (LGCI), published quarterly, based a range of Indices provided by the ABS.

The feedback received during the Budget Workshops included the importance of the City to live within its means, being mindful of household pressures and that the LGCI was considered an appropriate index to develop the rating strategy. In terms of LGCI, the March LGCI which is based on the March quarter statistics from the ABS, was considered to be appropriate as it is available May each year and is the most recent statistics available prior to Budget adoption.

Properties in the City are rated based on the Gross Rental Value (GRV) of the property. GRV is an independent determination of the likely annual return on a property after deduction of rates and land taxes. For example a property assessed as having a GRV of \$26,000 would reflect the assessed rental return after rates and taxes being \$500 per week.

The WA Valuer General's Office (VGO) provided a new GRV for every property in the City as at 1 July 2017 and does so on a three yearly cycle. The City is obliged to use these values to establish the 2018/2019 rates - which are determined by applying a nominated rate in the dollar to the GRV of each property to set the rates to be levied against each property.

The City has established a 'Rate in the Dollar' for 2018/2019 of 6.6612 cents per dollar of assessed Gross Rental Value. It was 6.5563 cents in 2017/2018, representing an increase in rates of 1.6%. This rate in the dollar will apply to the Gross Rental Valuations (GRV) as supplied by the VGO for each property in the City.

The impact of the increase in all Council charges (rates and rubbish charges) for an 'average property' in the city for 2018/2019 (having a GRV of \$27,110) when compared to 2017/2018 (when the average GRV was \$27,026) is 2.87%. When the impact of the Emergency Services Levy is included, the increase in all charges becomes 3.87% or \$1.79 per week. The combined increase for minimum rated properties is 4.01% or \$1.13 per week.

Older Australians will continue with the benefits of the Rates Rebates and Deferrals scheme which entitles them to specific concessions on their Local Government rates. For the 2018/2019 year, the pension concession will be capped at a maximum amount following State Government Budget announcement.

The standard domestic rubbish service charge increases from \$280.00 to \$305.00 which is still one of the lowest of all Metropolitan Local Governments. The charge reflects a full cost recovery for this service which includes weekly rubbish pick-up, fortnightly recycling collection and two green waste and one general waste kerb-side rubbish collections per year 1,100 litre rubbish services for rateable commercial properties are \$1,454.00. Non-rateable properties will pay \$415.00 per standard rubbish service and \$2,004.00 for 1,100 litre bin services.

As noted above, the Emergency Services Levy (a State Government charge) will again appear on all Rate Notices. Monies collected in relation to this charge are forwarded directly to the Fire & Emergency Services Authority (FESA). No money from this charge is retained by the City.

### 2018/2019 - Forecast Rate Yield

Property Class	Rate in \$	# of Assessments	Rateable Value (\$)	Rate Yield (\$)
<b>Gross Rental Values</b>				
Residential	6.6612	17,816	466,429,607	31,069,811
Commercial	6.6612	567	56,967,716	3,794,733
Interim	6.6612			150,000
GRV Rates levied		18,383	523,397,323	35,014,544
<b>Gross Rental Values - Minimum Rates</b>				
Residential	984.00	1,758	23,663,735	1,729,872
Commercial	984.00	70	852,764	68,880
GRV Minimum Rates		1,828	24,516,499	1,798,752
<b>Total GRV rates</b>		<b>20,211</b>	<b>547,913,822</b>	<b>36,813,296</b>

### Impact of 2018/2019 Rates & Charges – Average Residential & Commercial Properties

Average Rates Increase with ESL & Waste Charges	Commercial				Residential			
	2017/2018	2018/2019	\$ Var.	% Var.	2017/2018	2018/2019	\$ Var.	% Var.
Average Gross Rental Value	90,316.64	90,769.98		0.50%	24,934.85	25,037.98		0.41%
Rate in \$	0.065563	0.066612		1.60%	0.065563	0.066612		1.60%
	5,921.43	6,046.37	\$ 124.94		1,634.80	1,667.83	\$ 33.03	
Waste	280.00	305.00	\$ 25.00	8.93%	280.00	305.00	\$ 25.00	8.93%
Average Emergency Services Levy	1,197.51	1,314.89	\$ 117.39	9.80%	330.61	362.70	\$ 32.09	9.71%
<b>Total Average Rate, Waste &amp; ESL Charge</b>	<b>7,398.94</b>	<b>7,666.26</b>	<b>\$ 267.33</b>	<b>3.61%</b>	<b>2,245.41</b>	<b>2,335.53</b>	<b>\$ 90.11</b>	<b>4.01%</b>
<b>Average Increase - Dollars per week</b>			<b>\$ 5.14</b>				<b>\$ 1.73</b>	

### 4.3. RESEVE FUNDING

Planned transfers from Reserves to the Municipal Fund in 2018/2019 are \$9.18M in net terms after re-investing some \$0.87M worth of interest revenue back to the cash backed reserves in proportion to the average balances held during the year. The change in the reserves balance represents the next phase in a planned strategic accumulation and use of cash backed reserves to fund significant building projects, infrastructure projects and technology acquisitions.

In 2018/2019, the planned transfers out of Reserves back to the Municipal fund represent contributions towards various infrastructure projects.

Cash backed reserves are expected to have a balance of \$33.08M at 30 June 2019 - including those quarantined for the purposes of the Collier Park Retirement Village and Waste Management. Funds relating to these separate business entities are held in Quarantined Reserves which reflect the operating results of each of these major business undertakings. Quarantined Reserves make up around 86% (\$28.37M) worth of the anticipated year-end balance.

The other 14% (\$4.71M) are Discretionary City Reserve Funds for future projects, providing allocations for future major community projects. The remaining monies in other specific purpose discretionary reserves will contribute to acquisitions of plant & equipment, technology, parking management facilities and infrastructure projects.

During 2017/2018, the City transferred the balance of the Insurance Risk Reserve to establish an Employee Entitlements Reserve to help fund the City's Long Service Leave and Annual Leave Employee Entitlements.

The intended purposes of the various Reserves are disclosed in the Notes to the Statutory Budget at Note 6 with detail of the major transfers to and from those Reserves at Note 7. The projected year end balances of each Reserve (and the aggregate movements to and from the Reserves) are disclosed in the Notes to the Statutory Budget at Note 14.

#### **4.4. SALARY & WAGES INFORMATION**

Aggregate salary and wage information is provided for all approved staff positions in the 2018/2019 Budget. The Annual Budget includes 232 FTE approved positions (230 FTE in 2017/2018).

Staffing levels proposed in the budget reflect an appropriate mix of resources across the organisation to match our capacity with service expectations. The total payroll budget has increased to make allowances for the 2.25% pay increase as per the *Enterprise Bargaining Agreement* (EBA). In addition to staff employed under the terms of the EBA, some staff are employed on fixed term contracts, in accordance with Local Government Act 1995, as well as staff employed on fixed terms for the duration of a project (e.g. 1System project).

Disclosure of staff numbers and salary allocations is now grouped to reflect services rather than organisational structure as this better reflects where the City is allocating its resources to facilitate service delivery.

The 2018/2019 staffing establishment and payroll budget is disclosed by service grouping area below.

<b>Directorate</b>	<b>FTE</b>	<b>Total \$</b>
Chief Executive's Office	31	3,555,076
Corporate Services	35	3,667,672
Development and Community Services	67	6,519,459
Infrastructure Services	99	8,475,047
<b>Total</b>	<b>232</b>	<b>\$22,217,254</b>

#### **4.5. DEPRECIATION**

In accordance with relevant Accounting Standards, depreciation is calculated on the value of non-current fixed assets (including infrastructure) and is recognised as an expense in the Comprehensive Income Statement. The calculation and recording of depreciation as an expense in the accounts gives an approximate indication of the rate at which infrastructure and other fixed assets deteriorate over time.

It also suggests a level of spending required to maintain the asset base of Council in good condition. Asset useful lives used in calculating depreciation are approximations and are used as a guide. Individual assets may deteriorate at a slower rate due to ongoing maintenance or variations in usage patterns.

The City aims to maintain its expenditure on the maintenance of infrastructure assets at a level in excess of the rate of asset deterioration as indicated by the calculated depreciation. Thus, the City's inventory of Infrastructure Assets is enhanced - to leave a legacy for future residents of the City.

Depreciation is treated as a non-cash item in developing the budget which means, it is not required to be funded directly by ratepayers. Hence it is 'added back' when determining the level of funding required to be levied from Rates. This calculation is disclosed in the statutory Rate Setting Statement.

**4.6. ALLOCATION OF CORPORATE COSTS**

The costs of providing corporate support such as financial management, accounts payable, payroll, human resources management, occupational health and safety, records management, technology resources and information technology support are allocated across all service areas within the administration.

Council Members (Governance) receive an allocation of the costs of officers' time in preparing and presenting reports to meetings and briefings, minute taking, technology, secretarial and administrative support. The overall impact of these internal corporate allocations on the budget is nil.

<b>Net Corporate Costs Allocated Inwards</b>	<b>2017/2018</b>	<b>2018/2019</b>
Council Members	846,693	1,108,277
Community Services & Recreation	562,288	1,865,446
Collier Park Golf Course	212,484	372,076
Libraries	572,108	869,778
Collier Park Village	198,033	268,794
Waste Management Services	404,219	572,153
Ranger Services	526,941	628,581
Development Services (including Health Services)	818,386	1,506,490
Infrastructure Administration	470,987	343,849
Parks & Environment	922,760	1,886,778
Engineering Infrastructure	573,073	716,628
	<b>\$6,107,972</b>	<b>\$10,138,850</b>

<b>Net Corporate Costs Allocated Outwards</b>		
Financial Services	(1,609,680)	(2,532,553)
Human Resources	(1,011,708)	(1,190,989)
Information Technology & Records Management	(2,182,502)	(3,530,152)
Customer Focus Team	(949,761)	(1,182,200)
Building Operating Costs	(323,750)	(258,300)
Organisational Performance	-	(338,425)
Director Corporate Services	-	(261,308)
CEO Office	(30,571)	(844,923)
	<b>(\$6,107,972)</b>	<b>(\$10,138,850)</b>

#### **4.7. CAPITAL EXPENDITURE PROJECTS**

Funds totaling some \$19.96M have been set aside by Council for the 2018/2019 Capital Works Budget.

The allocation of funds to individual projects is detailed in the Capital Expenditure section of the Budget.

An overview of the Capital Expenditure Budget classified by category is provided below:

<b>Capital Expenditure Category</b>	<b>\$ Amount</b>
<b>Asset Renewal / New Asset Creation</b>	
Major Projects	6,595,000
Road Network	2,742,388
Traffic Management Measures	598,100
Storm Water Drainage	265,000
Path Network	524,100
Bus Shelters	25,000
Parks & Reserves	1,904,000
Collier Park Golf Course	387,940
Building Assets - Various Minor Works	2,005,500
Plant & Fleet Replacement	641,210
Underground Power	500,000
Technology Assets	2,662,152
Waste Management	255,000
CPV Unit Refurbishments	393,700
Other Minor Projects	459,200
<b>Total</b>	<b>\$19,958,290</b>

#### **5.0 LOOKING TO THE FUTURE**

The 2018/2019 Budget is a significant step towards improving the City overall Financial Health Indicator (FHI) score. It is early days in the recovery of the WA economy and City finances will need to be closely monitored, as although revenue will likely increase, the pace of economic growth may have dramatic impact on costs, both operating a capital.

The City has undertaken an extensive review, with multiple iterations, to reduce expenditure, whilst being very conscious of community expectations on service levels. Although challenging, the work undertaken to improve the Budget has placed the City well for the future. We present the 2018/2019 Annual Budget of the City of South Perth.

# STATUTORY BUDGET



**BUDGETED STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM  
FOR THE YEAR ENDING 30 JUNE 2019**

	Notes	2018 Budget	2018 Projection	2019 Budget
<b>REVENUE FROM ORDINARY ACTIVITIES</b>				
General Purpose Funding	Page 2.03	39,059,568	38,792,695	39,399,109
Governance	4, 5	50,000	67,482	70,000
Law, Order, Public Safety	3, 4	199,250	209,393	200,250
Health	3, 4	151,000	152,082	144,500
Welfare Services	3, 4	0	-	0
Housing	3, 4	1,887,545	1,816,882	1,948,108
Community Amenities	3, 4	7,075,684	7,440,231	7,623,053
Recreation and Culture	3, 4	4,043,450	4,996,172	4,381,626
Transport	3, 4	2,632,660	2,728,682	3,189,612
Economic Services	3, 4	445,000	595,935	474,500
Other Property and Services	3, 4	105,000	204,752	72,000
		<u>55,649,157</u>	<u>57,004,307</u>	<u>57,502,758</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
General Purpose Funding	Page 2.03	430,481	201,460	25,000
Governance	3, 4	6,618,792	7,055,728	4,282,632
Law, Order, Public Safety	3, 4	1,216,030	1,156,193	1,142,759
Education	3, 4	382,350	482,120	52,250
Health	3, 4	200,906	419,829	731,508
Welfare Services	3, 4	649,569	635,657	621,599
Housing	3, 4	2,263,451	2,408,946	2,286,935
Community Amenities	3, 4	10,059,925	10,100,902	11,673,397
Recreation and Culture	3, 4	19,864,216	18,831,061	21,126,681
Transport	3, 4	16,170,558	16,356,735	15,815,329
Economic Services	3, 4	942,897	907,631	737,029
Other Property and Services	3, 4	73,223	434,036	81,687
		<u>58,872,398</u>	<u>58,990,298</u>	<u>58,576,806</u>
<b>BORROWING EXPENSES</b>				
General Purpose Funding		390,044	390,044	286,164
Recreation & Culture		181,206	181,206	164,592
		<u>571,250</u>	<u>571,250</u>	<u>450,756</u>
<b>GRANTS - ASSET DEVELOPMENT</b>				
Community Amenties	8	0		
Recreation & Culture	8	63,929	27,690	19,292
Transport	8	803,050	953,075	706,388
		<u>866,979</u>	<u>980,765</u>	<u>725,680</u>
<b>PROFIT (LOSS) ON DISPOSAL OF ASSETS:</b>				
Profit on Sale of Land & Buildings		0		
less Carrying Amount		0		
Proceeds on Sale of Plant & Equipment	12	298,300	371,845	316,635
less Carrying Amount		(112,352)	(128,038)	(54,341)
		<u>185,948</u>	<u>243,807</u>	<u>262,294</u>
<b>MOVEMENT IN EQUITY</b>				
Joint Venture - Rivers Regional Council		-	-	-
Loss on Revaluation - Street Furniture		-	-	-
<b>NET RESULT</b>		<u><u>\$ (2,741,564)</u></u>	<u><u>\$ (1,332,669)</u></u>	<u><u>\$ (536,830)</u></u>

**BUDGETED STATEMENT OF COMPREHENSIVE INCOME BY NATURE & TYPE CLASSIFICATIONS  
FOR THE YEAR ENDING 30 JUNE 2019**

	<b>2018 Budget</b>	<b>2018 Projection</b>	<b>2019 Budget</b>
<b>OPERATING REVENUE</b>			
Rates Revenue	36,077,237	36,043,176	36,813,296
Fees & Charges			
General Purpose Funding	376,000	342,057	378,000
Governance	0	0	0
Law, Order & Public Safety	128,280	120,681	119,250
Education	0	0	0
Health	47,500	72,663	67,500
Welfare Services	0	0	0
Housing	1,592,330	1,167,910	1,249,325
Community Amenities	6,792,204	7,088,802	7,439,060
Recreation & Culture	3,828,450	3,646,693	4,232,518
Transport	1,899,500	2,110,888	3,374,000
Economic Services	410,000	359,498	417,500
Other Property & Services	0	33,977	10,000
Fees & Charges	15,074,264	14,943,169	17,287,153
Grants & Subsidies - Operating	1,727,700	1,379,982	662,630
Contributions & Reimbursements	329,429	166,261	290,250
Interest Revenue	2,036,434	\$1,981,979	1,672,391
Service Charges	0	-	0
Other Revenue	1,158,012	860,211	843,798
<b>Total Operating Revenue</b>	<b>56,403,076</b>	<b>55,374,778</b>	<b>57,569,518</b>
<b>OPERATING EXPENDITURE</b>			
Employee Expenses	23,225,771	23,195,780	23,768,539
Materials & Contracts	21,106,091	19,350,016	19,055,153
Utilities & Insurances	2,562,893	2,079,273	2,752,440
Ammortisation Expense	75,000	127,475	127,500
Depreciation	11,116,000	11,321,243	11,224,400
Other Expenses	1,540,312	1,286,983	1,715,534
<b>Total Operating Expenditure</b>	<b>59,626,067</b>	<b>57,360,769</b>	<b>58,643,566</b>

**BUDGETED STATEMENT OF COMPREHENSIVE INCOME BY NATURE & TYPE CLASSIFICATIONS  
FOR THE YEAR ENDING 30 JUNE 2019**

	<b>2018 Budget</b>	<b>2018 Projection</b>	<b>2019 Budget</b>
<b>BORROWING EXPENSES</b>			
General Purpose Funding	390,044	390,044	286,164
Recreation & Culture	181,206	181,206	164,592
	<u>571,250</u>	<u>571,250</u>	<u>450,756</u>
<b>PROFIT (LOSS) ON DISPOSAL OF ASSETS:</b>			
Profit on Sale of Buildings	0	0	0
less Carrying Amount	0	0	0
Proceeds on Sale of Plant & Equipment 12	298,050	371,845	316,635
less Carrying Amount	(112,352)	(128,038)	(54,341)
	<u>185,698</u>	<u>243,807</u>	<u>262,294</u>
<b>GRANTS - ASSET DEVELOPMENT</b>			
Law, Order & Public Safety 8	0	0	0
Community Amenties 8	0	0	0
Recreation & Culture 8	63,929	27,690	19,292
Transport 8	803,050	953,075	706,388
	<u>866,979</u>	<u>980,765</u>	<u>725,680</u>
<b>MOVEMENT IN EQUITY</b>			
Joint Venture - Rivers Regional Council	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET RESULT</b>	<u><u>(\$2,741,564)</u></u>	<u><u>(\$1,332,669)</u></u>	<u><u>(\$536,830)</u></u>
<b>Other Comprehensive Income</b>			
	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other</b>			
Loss on Revaluation - Street Furniture	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	<u><u>(\$2,741,564)</u></u>	<u><u>(\$1,332,669)</u></u>	<u><u>(\$536,830)</u></u>

Other Comprehensive Revenue is impacted by external forces and is not able to be estimated reliably. In all such instances it is anticipated that other comprehensive income will relate to non cash transactions (revaluations of infrastructure assets) and as such, will have no impact on the Annual Budget.

**BUDGETED RATE SETTING STATEMENT  
FOR THE YEAR ENDING 30 JUNE 2019**

	Notes	2018 Budget	2018 Projection	2019 Budget
<b>OPERATING REVENUE (Excluding Rates)</b>				
General Purpose Funding	Page 2.03	3,047,331	4,178,496	2,585,813
Governance	4, 5	50,000	67,482	70,000
Law, Order, Public Safety	3, 4	233,280	209,393	200,250
Education	3, 4	-	-	-
Health	3, 4	124,500	152,082	144,500
Welfare Services	3, 4	-	-	-
Housing	3, 4	2,310,945	1,816,882	1,948,108
Community Amenities	3, 4	6,983,703	7,440,231	7,623,053
Recreation and Culture	3, 4	4,339,950	4,996,172	4,400,918
Transport	3, 4	2,538,630	2,728,682	3,896,000
Economic Services	3, 4	642,500	595,935	474,500
Other Property and Services	3, 4	105,000	204,752	72,000
		<u>20,375,839</u>	<u>22,390,108</u>	<u>21,415,142</u>
<b>OPERATING EXPENSES</b>				
General Purpose Funding	Page 2.03	820,525	591,504	311,164
Governance	3, 4	6,173,126	7,055,728	4,282,632
Law, Order, Public Safety	3, 4	1,020,631	1,156,193	1,142,759
Education	3, 4	77,350	482,120	52,250
Health	3, 4	651,192	419,829	731,508
Welfare Services	3, 4	541,669	635,657	621,599
Housing	3, 4	2,060,739	2,408,946	2,286,935
Community Amenities	3, 4	11,268,379	10,100,902	11,673,397
Recreation and Culture	3, 4	19,470,221	19,012,267	21,291,273
Transport	3, 4	16,985,571	16,356,735	15,815,329
Economic Services	3, 4	944,097	907,631	737,029
Other Property and Services	3, 4	169,953	434,038	81,687
		<u>60,183,453</u>	<u>59,561,550</u>	<u>59,027,562</u>
<b>NET OPERATING RESULT (Excluding Rates)</b>		<u><b>\$ (39,807,614)</b></u>	<u><b>\$ (37,171,442)</b></u>	<u><b>\$ (37,612,420)</b></u>
<b>ADJUST FOR CASH BUDGET REQUIREMENTS</b>				
(Non Cash Items)				
Depreciation of Assets		11,116,000	11,321,243	11,224,400
Ammortisation Expense		75,000	116,852	127,500
Realised (Gain) / Loss on Sale of Assets		(185,698)	(243,807)	-
Movement in Employee Benefit Provisions		-	750,000	-
Movement in Equity - Joint Venture		-	-	-
(Non Current Cash Items)				
Movement in Non Current CPV Liability		750,000	500,000	750,000
Movement in Deferred Pensioners		-	-	-
Movement in Other Non Current Debtors		-	-	-
Movement in Other Non Current Assets		-	124,458	-
Loss on Revaluation - Street Furniture		-	-	-
		<u>11,755,302</u>	<u>12,568,746</u>	<u>12,101,900</u>

**BUDGETED RATE SETTING STATEMENT  
FOR THE YEAR ENDING 30 JUNE 2019**

	<b>Notes</b>	<b>2018 Budget</b>	<b>2018 Projection</b>	<b>2019 Budget</b>
<b>ACQUISITIONS - NON CURRENT ASSETS</b>				
Acquisition of Buildings		(9,847,000)	(6,322,638)	(2,399,200)
Acquisition of Land		-	-	-
Acquisition of Furniture		(46,100)	-	-
Acquisition of Technology		(225,000)	(1,689,641)	(3,622,152)
Acquisition of Plant & Equipment		(306,920)	(354,001)	(232,700)
Acquisition of Mobile Plant		(1,497,900)	(996,867)	(774,150)
Construction of Infrastructure Assets		(5,039,025)	(12,907,061)	(12,930,088)
Work in Progress		(4,670,809)	-	-
Acquisition of Artworks		-	-	-
Acquisition of Software		-	-	-
		<u>(21,632,754)</u>	<u>(22,270,208)</u>	<u>(19,958,290)</u>
<b>REPAYMENT OF LOANS</b>				
Loan Principal Repayments		(1,482,788)	(1,482,788)	(1,524,797)
Self Supporting Loan Advanced		-	-	-
		<u>(1,482,788)</u>	<u>(1,482,788)</u>	<u>(1,524,797)</u>
<b>CAPITAL REVENUES</b>				
Proceeds on Sale of Land & Buildings	12	-	-	-
Proceeds on Sale of Plant & Equipment	12	298,050	371,845	316,635
Cash Deposit Received - Deferred Land Sale		-	-	-
Grants for Acquisition of Assets		866,979	980,765	725,680
Proceeds of New Loans		-	-	-
Self Supporting Loans Recouped		291,796	291,796	304,375
		<u>1,456,825</u>	<u>1,644,406</u>	<u>1,346,690</u>
<b>RESERVE TRANSFERS</b>				
Transfers to Reserves		(5,301,432)	(3,563,928)	(4,079,391)
Transfers from Reserves		14,264,415	10,695,665	13,263,079
		<u>8,962,983</u>	<u>7,131,737</u>	<u>9,183,688</u>
<b>NET FUNDS DEMAND</b>				
		(40,748,046)	(39,579,549)	(36,463,229)
Add				
Opening Position Surplus (Deficit)		5,515,459	5,515,459	550,112
Less				
Closing Position ( Surplus) Deficit		(844,650)	(550,112)	(900,179)
<b>AMOUNT TO BE RAISED FROM RATES</b>		<u><u>36,077,237</u></u>	<u><u>34,614,200</u></u>	<u><u>36,813,296</u></u>

**BUDGETED RATE SETTING STATEMENT  
FOR THE YEAR ENDING 30 JUNE 2019**

	Notes	2018 Budget	2018 Projection	2019 Budget
<b>BUDGET OPENING / CLOSING POSITION</b>				
<b>Current Assets</b>				
Cash		2,962,741	3,526,613	2,975,179
Investments		47,410,000	41,742,194	34,930,416
Receivables		282,084	3,399,576	2,500,000
Inventories		151,052	200,736	150,000
Other Current Assets		184,381	286,486	430,000
Subtotal		<u>50,990,258</u>	<u>49,155,605</u>	<u>40,985,595</u>
Exclude				
Self Supporting Loan Debtors		(17,362)	(465)	(465)
Adjusted Current Assets		<u>50,972,896</u>	<u>49,155,140</u>	<u>40,985,130</u>
<b>Current Liabilities</b>				
Trade & Other Payables		3,184,567	2,026,061	2,500,000
Interest Bearing Liabilities		236,205	98,698	160,000
Provisions		4,449,012	4,310,330	4,500,000
Subtotal		<u>7,869,784</u>	<u>6,435,089</u>	<u>7,160,000</u>
Exclude				
Interest Bearing Liabilities		(236,205)	(98,698)	(160,000)
Adjusted Current Liabilities		<u>7,633,579</u>	<u>6,336,391</u>	<u>7,000,000</u>
Adjusted Net Current Assets		43,339,317	42,818,749	33,985,130
Less				
Restricted Assets - Cash Reserves		(42,494,667)	(42,268,639)	(33,084,951)
<b>Surplus (Deficit)</b>		<u><b>844,650</b></u>	<u><b>550,112</b></u>	<u><b>900,179</b></u>

**BUDGETED SCHEDULE OF RATES LEVIED  
FOR THE YEAR ENDING 30 JUNE 2019**

<b>Particulars - Budget 2018/2019</b>	<b>Rateable Value</b>	<b>Rate in \$ Cents</b>	<b>Non Min No.</b>	<b>Rate Yield (\$)</b>	<b>Min No.</b>	<b>Min Yield (\$)</b>	<b>Total Levied (\$)</b>
<b>General Rate - GRV</b>							
Residential	490,093,342	6.6612	17,816	31,069,811	1,758	1,729,872	32,799,683
Commercial	57,820,480	6.6612	576	3,794,733	70	68,880	3,863,613
Interim Rates	-	6.6612		150,000	-	-	150,000
<b>TOTAL</b>	<b><u>547,913,822</u></b>		<b><u>18,392</u></b>	<b><u>35,014,544</u></b>	<b><u>1,828</u></b>	<b><u>1,798,752</u></b>	<b><u>36,813,296</u></b>
<b>Particulars - Budget 2017/2018</b>	<b>Rateable Value</b>	<b>Rate in \$ Cents</b>	<b>Non Min No.</b>	<b>Rate Yield (\$)</b>	<b>Min No.</b>	<b>Min Yield (\$)</b>	<b>Total Levied (\$)</b>
<b>General Rate - GRV</b>							
Residential	486,753,220	6.5563	17,749	30,347,339	1,772	1,715,650	32,062,989
Commercial	58,705,813	6.5563	580	3,796,474	70	67,774	3,864,248
Interim Rates	-	6.5563		150,000	-	-	150,000
<b>TOTAL</b>	<b><u>545,459,033</u></b>		<b><u>18,329</u></b>	<b><u>34,293,813</u></b>	<b><u>1,842</u></b>	<b><u>1,783,424</u></b>	<b><u>36,077,237</u></b>
<b>Statistical Information - 2017/2018</b>							
Rate in the \$	6.6612						
Minimum Rate	984.00						
Average GRV \$	27,098						
Minimum Rate GRV \$	14,772						
% of Minimum Rated Properties	9.0%						
Property Count - Residential	19,574						
Property Count - Commercial	646						
Property Count Total	20,220						

**BUDGETED STATEMENT OF FINANCIAL POSITION (EXTRACT - CURRENT ITEMS ONLY)**  
**FOR THE YEAR ENDING 30 JUNE 2019**

	<b>2018 Budget</b>	<b>2018 Projection</b>	<b>2019 Budget</b>
	\$	\$	\$
<b>Current Assets</b>			
Cash	2,962,741	3,526,613	2,975,179
Investments	47,410,000	41,742,194	34,930,416
Receivables	282,084	3,399,576	2,500,000
Inventories	151,052	200,736	150,000
Other Current Assets	184,381	286,486	430,000
Subtotal	50,990,258	49,155,605	40,985,595
Exclude			
Assets Held for Resale - Land	-	-	-
Self Supporting Loan Debtors	(17,362)	(465)	(465)
Adjusted Current Assets	50,972,896	49,155,140	40,985,130
<b>Current Liabilities</b>			
Trade & Other Payables	3,184,567	2,026,061	2,500,000
Interest Bearing Liabilities	236,205	98,698	160,000
Provisions	4,449,012	4,310,330	4,500,000
Subtotal	7,869,784	6,435,089	7,160,000
Exclude			
Interest Bearing Liabilities	(236,205)	(98,698)	(160,000)
Adjusted Current Liabilities	7,633,579	6,336,391	7,000,000
Adjusted Net Current Assets	43,339,317	42,818,749	33,985,130
Less			
Restricted Assets - Cash Reserves	(42,494,667)	(42,268,639)	(33,084,951)
<b>Adjusted Net Current Assets</b>	<b>844,650</b>	<b>550,112</b>	<b>900,179</b>

**BUDGETED STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDING 30 JUNE 2019**

	Notes	2018 Budget	2018 Projection	2019 Budget
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>RECEIPTS:</b>				
Rates	4	35,957,237	36,043,176	36,813,296
Fees & Charges	4	18,529,264	19,058,560	20,787,153
Service Charges	4	20,000	-	-
Interest	4, 14	2,006,434	1,869,183	1,672,391
Contributions, Reimbursements & Donations	4	329,429	166,261	290,250
Other Revenues	4	1,158,012	463,544	843,798
Operating Grants	4	1,727,700	1,179,982	662,630
GST Refunded by ATO		-	-	-
		<u>59,728,076</u>	<u>58,780,706</u>	<u>61,069,518</u>
<b>PAYMENTS:</b>				
Employee Costs	4	(23,090,771)	(21,804,465)	(21,768,539)
Materials and Contracts	4	(23,627,227)	(21,733,329)	(22,009,064)
Utilities & Insurances	4	(2,547,893)	(1,906,000)	(2,752,440)
Interest Expense	4	(579,250)	(571,250)	(450,756)
Other Expenses	4	(1,525,312)	(1,215,199)	(1,715,534)
GST Payable to ATO		(350,000)	(461,789)	(350,000)
		<u>(51,720,453)</u>	<u>(47,692,033)</u>	<u>(49,046,333)</u>
<i>Net cash flows from operating activities</i>		8,007,623	11,088,673	12,023,185
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>				
Purchase / Construction of Assets				
Land, Buildings or Improvements	Section 4	(9,847,000)	(9,322,638)	(2,399,200)
Infrastructure Assets	Section 4	(5,039,025)	(12,907,061)	(12,930,088)
Plant & Equipment	Section 4	(1,804,820)	(1,350,868)	(1,006,850)
Furniture	Section 4	(46,100)	-	-
Technology	Section 4	(225,000)	(1,689,641)	(3,622,152)
Artworks	Section 4	-	-	-
Non Recurrent Expenditure		-	-	-
Proceeds from Disposal of Land & Buildings	12	-	-	-
Proceeds from Disposal of Plant & Equipment	12	298,050	371,845	316,635
Proceeds from Deferred Land Asset Sale		-	-	-
Grants for the Development of Assets		866,979	980,765	725,680
<i>Net cash flows from investing activities</i>		<u>(15,982,614)</u>	<u>(23,917,598)</u>	<u>(18,915,975)</u>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from Borrowing	10	-	-	-
Incoming (Outgoing) CPV / CPH Contributions		750,000	500,000	750,000
Self Supporting Loan Receipts		291,796	291,796	304,375
Self Supporting Loans Advanced		-	-	-
Repayment of Borrowing		<u>(1,482,788)</u>	<u>(1,482,788)</u>	<u>(1,524,797)</u>
<i>Net Cash flows from financing activities</i>		(440,992)	(690,992)	(470,422)
<i>Net increase / (decrease) in Cash Held</i>		(8,415,983)	(13,519,917)	(7,363,212)
Cash & Cash Equivalents at beginning of the year		58,788,724	58,788,724	45,268,807
Cash & Cash Equivalents at the end of the year		<u>\$ 50,372,741</u>	<u>\$ 45,268,807</u>	<u>\$ 37,905,595</u>

**Reconciliation of Cash**

For the purpose of preparing the budgeted Statement of Cash Flows; Cash is considered to include cash on hand and in banks. Budgeted cash at the end of the year is reconciled to the Statement of Financial Position as follows:

**BUDGETED STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDING 30 JUNE 2019**

	<b>Notes</b>	<b>2018 Budget</b>	<b>2018 Projection</b>	<b>2019 Budget</b>
		<b>2018 Budget</b>	<b>2018 Estimated Actual</b>	<b>2019 Budget</b>
Cash at Bank		500,105	3,526,613	2,975,179
Investments		49,872,636	41,742,194	34,930,416
<i>Net Cash &amp; Cash Equivalents at the end of the Year</i>		<u>\$ 50,372,741</u>	<u>\$ 45,268,807</u>	<u>37,905,595</u>

**Reconciliation of Net Cash used in Operations to  
Change in Net Assets resulting from Operations**

<i>Net change in assets resulting from operations</i>		(2,677,700)	(1,332,669)	(536,830)
<i>Add/Less Non Cash Items</i>				
Depreciation Expense		11,116,000	11,321,243	11,224,400
Ammortisation Expense		75,000	116,852	127,500
(Profit) Loss on Disposal of Land Assets		0	0	0
(Profit) Loss on Sale of Assets		0	(243,807)	(76,596)
Change in Equity of Joint Venture		0	0	0
<i>Non operating items included in the Income Statement</i>				
Grants for the Development of Assets		(866,979)	(980,765)	(725,680)
<b><i>Changes in Assets and Liabilities during the year</i></b>				
(Increase) Decrease in Current Receivables		(125,000)		1,400,000
(Increase) Decrease in Non-Current Receivables		(15,000)	0	
(Increase) Decrease in Accrued Interest Revenue		(80,000)	0	0
Increase (Decrease) in Accrued Wages		65,000	0	0
Increase (Decrease) in Current Creditors		615,000	1,158,506	(473,939)
Increase (Decrease) in Accrued Interest Expense		(8,000)	137,507	0
Increase (Decrease) in Income in Advance		(5,000)		0
(Increase) Decrease in Inventories		10,000	0	0
(Increase) Decrease in Prepayments		20,000	0	0
Increase (Decrease) in Current Provisions		50,000	138,682	0
Increase (Decrease) in Non Current Provisions		20,000	773,124	1,084,330
<i>Net Cash Provided by Operations</i>		<u>\$ 8,007,623</u>	<u>\$ 11,088,673</u>	<u>\$ 12,023,185</u>

**Credit Standby Arrangements**

Council has determined that it does not anticipate any specific requirement for an on-going short term credit arrangement during the budget period. Council's bankers monitor the daily operational cash position against the level of short term deposits held with the institution and will provide a temporary financing accommodation on a daily basis if the Muni Fund goes into overdraft. Any overdraft balance shown in the year end reconciliation of cash is only the result of timing differences due to unrepresented cheques or deposits.

**1. SIGNIFICANT ACCOUNTING POLICIES**

The significant policies which have been adopted in the preparation of this Annual Budget are:

**(a) Basis of Preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not for profit entities), Australian Accounting Interpretations, authoritative pronouncements of the Australian Accounting Standards Board, Local Government Act (1995) and accompanying regulations.

With the exception of the cash flow and rate setting information, the report has been prepared on an accrual basis using historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

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

All Funds through which the City 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 entity, all inter-fund transactions and balances have been eliminated upon consolidation.

**(c) Critical Accounting Estimates**

Preparation of these financial statements to conform to Australian Accounting Standards has required management to make professional judgements and estimates that may affect the application of policies and the reported amounts of assets, liabilities, revenues and expenses.

All such estimates are based on historical experience and other factors that are believed to be reasonable under the circumstances. This experience and other relevant factors combine to form the basis for making professional judgements about the carrying values of assets and liabilities that may not otherwise be readily apparent. Realised actual results may therefore differ from these professional estimates.

**(d) Comparatives**

Where it is applicable, prior year comparative figures have been adjusted to reflect changes in presentation for the current year. Budget comparisons (excluding the Rate Setting Statement) reflect the revised budget as amended by Budget Reviews conducted during the year.

**(e) Rounding of Figures**

Figures in this financial report, other than the rate in the \$, are rounded to the nearest dollar.

**(f) Allocation of Corporate Costs**

Allocation of corporate costs using Activity Based Costing principles has been included in this financial report. This allocation of costs has a neutral impact upon the overall operating result of the City but results in a more accurate reflection of the costs of providing specific services by incorporating an allocation for corporate services provided to other service areas.

**(g) Goods & Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities recoverable from or payable to the ATO are classified as operating cash flows in the statement.

**(h) Cash and Cash Equivalents**

Cash and cash equivalents include cash held in bank accounts, deposits held at call and term deposits with financial institutions.

**1. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**(i) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the City obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating year or earlier upon receipt of the rates.

Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured. Contributions over which the City has control but which had not been received at reporting date are accrued and recognised as receivable.

**(j) Investments & Other 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 (that is, trade date accounting is adopted).

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

**Classification and Subsequent Measurement**

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

Amortised cost is calculated as:

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

The effective interest method used is to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. 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 and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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

**1. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**(j) Investments & Other Financial Instruments (Continued)**

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

Impairment

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

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

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

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses.

After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

De-recognition

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

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

**1. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**(k) Inventories - Stores and Materials**

Inventories held at reporting date have been valued at the lower of cost and net realisable value.

**(l) Assets Held for Sale**

Land (and the buildings affixed to it) specifically identified as 'Held for Sale' in the City's Long Term Financial Plan has been independently valued at net realisable value for disposal purposes but is recorded in the financial statements at the lower of net realisable value or cost.

Revenue arising from the disposal of real property is recognised in the Statement of Comprehensive Income at the time of signing a binding contract of sale.

**(m) Trade & Other Receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods and services performed in the ordinary course of business. The receivables are carried at their nominal amounts due less a provision for impairment of debts. The likelihood of collecting debts is reviewed on an ongoing basis. Debts that are recognised as uncollectible are written off when identified. A provision for impaired debts is made when there is objective evidence that the debt will not be collectible.

**(n) Infrastructure, Property, Plant and Equipment**

Each class of fixed assets within the property, plant and equipment or infrastructure groupings, is carried at fair value, or for assets acquired / disposed of since revaluation date at cost, as indicated, less, where applicable, any accumulated depreciation and impairment losses.

Application of Fair Value to Local Government Financial Reporting

Regulation 17A of the Local Government (Financial Management) Regulations 1996 mandates the measurement of non-current assets at Fair Value effective from 1 July 2012.

Following the initial introduction of fair values, each asset class must be revalued at least every 3 years.

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

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance. Council included such crown land (which comes under this regulation) in its 2012/2013 and subsequent annual financial statements.

Initial Recognition and Measurement between Mandatory Revaluation Dates

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

**1. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**(n) Infrastructure, Property, Plant and Equipment**

**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 action reflects the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads. Local Government (Financial Management) Regulation 16 (a)(i) prohibits local governments from recognising such land as an asset.

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

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

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

**Depreciation**

The depreciable amounts of all non-infrastructure fixed assets excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements. Infrastructure Assets are depreciated based on the asset component condition with some assets able to be reliably assessed by inspection and others using (reliable) age data as a proxy for condition.

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

- |                                     |   |
|-------------------------------------|---|
| • Artwork                           | 50 years                                |
| • Buildings                         | 15 – 200 years upwards - as assessed    |
| • Plant and Equipment               | 10 years                                |
| • Furniture and Fittings            | 10 years                                |
| • Computer Equipment                | 3 - 5 years                             |
| • Mobile Plant                      | 3 - 5 years                             |
| • Infrastructure - Roads            | 20 - 60 years for individual components |
| • Infrastructure - Drains           | 100 years                               |
| • Infrastructure - Paths            | 40 - 60 years dependent on path type    |
| • Infrastructure - Street Furniture | 20 years                                |
| • Infrastructure - Parks Equipment  | 10 - 20 years                           |
| • Infrastructure – Foreshore Assets | 100 years                               |

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued

amount of the asset.

**1. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**(n) Infrastructure, Property, Plant and Equipment**

**Impairment of Assets**

In accordance with Australian Accounting Standards, the City's assets other than inventories are assessed at each reporting date to determine whether or not there is any indication that they may be impaired. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with the provisions of AASB 136 Impairment of Assets - and appropriate adjustments are made. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating capacity exceeds its recoverable amount. Impairment losses are recognised immediately in the Statement of Comprehensive Income. For non-cash generating assets such as roads, paths, drains and public buildings, value in use is represented by the written down replacement value of the asset.

**(o) Intangibles**

**(i) Easements**

Local governments are required to recognise easements in their financial statements where the asset can be identified and reliably measured. The City has easements over certain small portions of land but it is not possible to reliably measure these. Accordingly they are recognised at nil value.

**(ii) Software**

Costs incurred in developing software that will contribute to future period financial benefits through revenue generation or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of software development including consultancy, programming and data migration services. Amortisation is calculated on a straight line basis over 10 years. Technology development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the City has an intention and ability to use the asset.

**(p) Trade & Other Payables**

Trade and other payables represent liabilities for goods and services that are unpaid at the end of the reporting period. The liability arises when the City becomes obligated to make future payments in respect of those goods and services. These amounts are generally unsecured.

**(q) Borrowings**

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. Following initial recognition, interest bearing loans and borrowings are measured at amortised cost. Fees paid on the establishment of loan facilities that are yield related are included in the carrying amount of the borrowings. Interest bearing loans and borrowings are classified as current liabilities unless the City has an unconditional right to defer settlement of that liability for at least 12 months after balance date.

**(r) Employee Entitlements**

**Short-Term Employee Benefits**

Provision is made for the Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**1. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**(r) Employee Entitlements**

**Other Long-Term Employee Benefits**

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

Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur. Employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date are accrued annually. These benefits include wages and salaries, annual leave, long service leave and other relevant associated costs such as superannuation and workers compensation premiums.

**(s) Superannuation**

Superannuation expense for the period reflects the City's contribution to the WA Local Government Superannuation Fund which provides benefits to the City's employees. The plan is a cash accumulation scheme and the City bears no liability for obligations that may otherwise arise if the scheme were a defined benefit scheme.

**(t) Trust Funds**

The City is required under the Local Government Act to maintain a separate and distinct Trust Fund to account for all monies held by way of deposit or in trust for any person, all monies held on behalf of the Government for specific purposes, and all monies and property held in trust for any charitable or public purpose. The City performs only a custodial role in respect of these monies, and they cannot be used for City purposes. All Trust funds and the related liabilities to repay those deposits and bonds are excluded from the annual financial statements.

**(u) Leaseholders Liability**

The leaseholder liability represents the City's obligation to repay the unit lease purchase price paid by residents of the Collier Park Village upon individual leaseholders relinquishing their leases. Notwithstanding that some leases within the complex will be relinquished in the next twelve months, the entire liability is disclosed in the notes to the financial statements as a non-current liability.

This treatment is adopted due to the subjectivity of establishing the rate of turnover in tenancies and the quantum of payments to individual leaseholders in different stages of the complex. Liquidity is not affected because an amount greater than the anticipated outgoing payment for the next twelve months is quarantined in a cash-backed reserve maintained for this purpose.

**(v) Operating Leases**

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

**(w) Investments in Associates**

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

**1. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**(w) Investments in Associates (Continued)**

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

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

**Interests in Joint Ventures**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required. Separate joint ventures providing the joint venturers with an interest in the net assets are classified as a joint venture and are accounted for using the equity method.

**(x) 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 operational 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 Assets Held for Sale which is classified as either current or non-current based on the City's intentions to release land for sale.

**(y) Fair Value Measurement of Assets & Liabilities**

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide: Fair Value is the price that Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

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

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

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

**Fair Value Hierarchy**

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

**1. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**(y) Fair Value Measurement of Assets & Liabilities (Continued)**

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

The Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Council are consistent with one or more of the following valuation approaches:

Market approach

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

Income approach

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

Cost approach

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

**2. CHANGES IN ACCOUNTING POLICY**

Accounting policies applied are consistent with those applied in the previous year. The policies comply with applicable Accounting Standards and other legislative pronouncements. They also include full cost accounting allocations using ABC principles as required under current legislative requirements. These allocations reflect an internal distribution of costs to attribute such corporate costs directly to those areas causing their incurrence. Therefore they do not have any impact upon the overall operating result of the Council.

### 3. OBJECTIVES & FUNCTIONS (PROGRAMMES) OF THE CITY

#### **Mission Statement**

Our mission statement outlines the purpose and core business of the City of South Perth. This statement identifies the important roles of the community, Council and staff in ensuring that the strategies outlined in the Strategic Plan can be achieved.

The City's mission statement is: 'Working Together to Create a City for Everyone'.

#### **Vision**

Our vision statement describes how the City of South Perth will respond to the community's aspirations and priorities in the future. The community vision was identified through the Our Vision Ahead project:

'A City of active places and beautiful spaces. A connected community with easily accessible, vibrant neighbourhoods and a unique, sustainable natural environment.'

#### **Corporate Values**

The City conducts its business based on its adopted corporate values. These govern the way in which we engage with our community, the pride with which we undertake our work and the services that we deliver to our community.

The City and Council share the following corporate values:

- Respectful
- Supportive
- Unified
- Accountable

#### **Statement of Objective**

The City of South Perth is dedicated to providing high quality customer focussed services to the community through its adoption of the principles of business excellence. Outcomes are pursued through the various service orientated programmes that the City has established.

Activities relating to the components reported on the Income Statement are as follows:

#### **Governance**

The programme reflects the statutory element of local government operations including Council Member support, community consultation and involvement, statutory reporting, compliance and accountability.

#### **Law, Order & Public Safety**

This programme embraces parking management, animal control, fire prevention and Safer Cities.

#### **Education**

This programme includes the maintenance of pre-school facilities including the operating costs for utilities, building maintenance and grounds maintenance for each of these facilities.

#### **Health**

The health programme includes food premises inspections, pest control, environmental health administration and operation and maintenance of the buildings and grounds of child health centres.

#### **Welfare**

This programme includes the operation and maintenance of the buildings and grounds of senior citizens centres located at Manning and South Perth which represent the major components of this programme. Also included are staff costs for coordinators at the centre and other voluntary services.

#### **Housing**

The largest single component of this programme is the operation and maintenance of the Collier Park Retirement Village. This includes all operating costs for the facilities and the revenue streams arising from residents' fees and government subsidies.

**3. OBJECTIVES & FUNCTIONS (PROGRAMMES) OF THE CITY (Continued)**

**Community Amenities**

This programme includes household rubbish collection services, recycling collections and operation of the waste transfer station. The other major component of the Community Amenities programme is administration of the town planning scheme and orderly planning of the district.

**Recreation & Culture**

This programme includes operation and maintenance of our halls and recreation centre. The operation of two libraries and a local studies facility fall within this programme which also includes the maintenance and upkeep of sporting and passive reserves, sporting pavilions and public facilities. Another major component of the revenue stream for this programme is the operation of a 27 hole golf course at Collier Park. The City of South Perth Fiesta forms part of the Recreation & Culture programme as do activities associated with supporting community and cultural organisations.

**Transport**

The transport programme includes the maintenance and rehabilitation of roads, drainage works, paths, parking facilities, streetscape and verge maintenance as well as maintenance of traffic devices and traffic signs and expenses relating to street lighting.

**Economic Services**

This programme includes building control, pool inspections and the operation of the City's plant nursery.

**Other Property & Services**

This programme includes public works overheads and operation of the City's fleet and plant services

**4. STATEMENT OF COMPREHENSIVE INCOME**

**(a) Interest Revenues**

**(Reg 28)**

The City recognises the bulk of its revenue at the commencement of the year when rates are levied. However, expenditure patterns tend to be phased more evenly throughout the year. As some funds collected will necessarily not be required until later in the year, the City invests funds awaiting dispensation in short term financial instruments. Interest is recognised when earned, rather than when received.

Anticipated interest earnings for the 2018/2019 year are shown below:

	Budget 2018	Actual 2018	Budget 2019
Investment Earnings - Municipal & Trust	500,000	460,246	450,000
Investment Earnings – Reserve	1,336,434	1,155,481	867,391
Interest on Rates	250,000	366,252	355,000
	<b>\$2,086,434</b>	<b>\$1,981,979</b>	<b>\$1,672,391</b>

**(b) Fees and Charges Disclosed by Programme**

**(Reg 25)**

	Budget 2018	Actual 2018	Budget 2019
General Purpose Funding	376,000	342,057	378,000
Governance	-	-	-
Law, Order, Public Safety	128,280	120,681	119,250
Education	-	-	-
Health & Welfare	47,500	72,663	67,500
Housing	1,592,330	1,167,910	1,249,325
Community Amenities	6,792,204	7,088,802	7,439,060
Recreation & Culture	3,828,450	3,646,693	4,232,518
Transport	1,969,500	2,110,888	3,374,000
Economic Services	410,000	359,498	417,500
Other Property	-	33,977	10,000
	<b>\$15,144,264</b>	<b>\$14,943,169</b>	<b>\$17,287,153</b>

4. STATEMENT OF COMPREHENSIVE INCOME (Continued)

(c) Operating Grants

	Budget 2018	Actual 2018	Budget 2019
General Purpose Grants	968,000	900,657	938,000
Roads Operating Grants	406,000	404,869	410,000
Events Grants	326,500	308,000	282,000
Sundry Grants	27,200	10,000	75,250
	<b>\$1,727,700</b>	<b>\$1,623,526</b>	<b>\$1,705,250</b>

(d) Significant Expenses

	Budget 2018	Actual 2018	Budget 2019
Auditors Remuneration	80,000	77,220	95,000
Bad or Doubtful Debts - General Debtors	25,000	-	25,000
Bad or Doubtful Debts - Parking Infringements	40,000	20,392	40,000
	<b>\$145,000</b>	<b>\$97,612</b>	<b>\$160,000</b>

(e) Depreciation Expense Attributed by Programme  
(Reg 27)

	Budget 2018	Actual 2018	Budget 2019
Governance	566,000	491,983	539,000
Law, Order, Public Safety	17,000	19,430	19,400
Education	46,000	26,037	26,000
Health	15,000	10,351	10,600
Welfare	73,000	68,917	68,900
Housing	568,000	650,235	648,500
Community Amenities	159,000	129,771	131,500
Recreation & Culture	2,563,000	3,120,013	2,973,600
Transport	7,096,000	6,790,392	6,792,800
Economic Services	13,000	14,115	14,100
Other Property & Services	-	-	-
	<b>\$11,116,000</b>	<b>\$11,321,244</b>	<b>\$11,224,400</b>

(f) Asset Disposals by Type

During the year Council expects to dispose of land and to scrap / replace assets which are no longer considered serviceable but are yet to be fully depreciated. Accordingly, the carrying amounts (book values) are recognised as a cost on disposal. This accounting entry is a 'non cash' book entry only and has no impact on Council's cash position.

Disposals disclosed by Asset Type are:

Asset Category	Sale Proceeds	Carrying Amount	Gain / (Loss)
Plant & Equipment	471,135	(105,828)	365,307

Details regarding items of Plant & Equipment to be disposed of during the year can be found at Note 12.

(g) Interest Expense

(Reg 27)

	Budget 2018	Actual 2018	Budget 2019
Interest on City Loans - Municipal	312,050	312,050	235,307
Interest on Self Supporting Loan - Golf Course	181,206	181,206	164,592
Interest on Self Supporting Loans - Community	77,994	77,994	50,857
	<b>\$571,250</b>	<b>\$571,250</b>	<b>\$450,756</b>

**5. COUNCIL MEMBERS FEES AND ALLOWANCES**

The current year's Annual Budget provides for the following fees and allowances for Council Members:

	Budget 2018	Actual 2018	Budget 2019
<b>Meeting Attendance Fees</b>			
Mayor & Council Members	220,000	208,165	220,000
	<b>\$220,000</b>	<b>\$208,165</b>	<b>\$220,000</b>
<b>Expenses</b>			
Communications / Technology Allowance	42,052	46,088	42,000
Local Government Allowance - Mayor & Deputy	80,000	73,849	80,000
Councillors Training / Seminars	50,000	29,310	30,000
Reimbursements	5,000	3,306	5,000
Vehicle (Operating Costs)	2,950	5,433	2,950
Election Expenses	120,000	108,884	-
Subscriptions- WALGA, Advisory / Advocacy	40,000	43,972	50,000
Professional Insurances	33,000	29,749	32,000
Other Expenses	24,500	7,081	3,000
Non Cash Items - Depreciation	109,000	86,313	86,500
	<b>\$506,502</b>	<b>\$433,985</b>	<b>\$331,450</b>
<b>Total Direct Costs</b>	<b>\$726,502</b>	<b>\$642,150</b>	<b>\$551,450</b>

In April 2016, the Salaries & Allowances Tribunal issued a determination relating to meeting attendance fees and allowances payable to Council Members. This review provided the minimum and maximum amount allowable for each class of Council Member entitlements including mayoral allowances, meeting attendance fees and technology & communication allowances. There has been no further determination since that date.

The budget provides a funding allocation in line with the allowable amounts for local governments in the Tribunal's Band 2 classification. The precise quantum of the allowances is the subject of annual consideration by Council.

**6. CASH BACKED RESERVES**

The City accumulates funds in cash backed reserves to provide funding for identified projects in the future. These reserves act as savings plans for the future and are part of a responsible forward financial strategy. The City's cash backed reserves comprise both Discretionary & Quarantined Reserves. The funding and operating results of discrete business entities such as the Collier Park Village and Collier Park Golf Course as well as the Waste Management operation are separately identified and held in cash backed Quarantined Reserves. Future funding for identified City initiatives outside these separate entities is held in Discretionary City Cash Reserves.

**PURPOSE OF RESERVES**

- **PLANT REPLACEMENT RESERVE**  
This reserve is used to fund the balance of the purchase price of Plant and Equipment associated with City works after trade-in and allowances. The reserve is funded by annual allocations from the Municipal Fund.
- **FUTURE MUNICIPAL WORKS RESERVE**  
Initially established to accumulate funds for future municipal works, the balance of the reserve was transferred to the Major Community Facilities Reserve as part of the 2015/2016 Budget process.
- **COLLIER PARK RESIDENTS' LOAN OFFSET RESERVE**  
This reserve was established to partially cash-back the loan liability due to residents departing the village complex. It is funded by the premium representing the difference between the sale price of the units in the village to the ingoing resident and the amount of refund to the departing resident. Adequate funds are maintained in the reserve to meet all short term draw-downs by departing residents on the reserve.

**6. CASH BACKED RESERVES**

**PURPOSE OF RESERVES (Continued)**

- **COLLIER PARK GOLF COURSE RESERVE**  
This reserve was established to quarantine funds relating to the Collier Park Golf Course, to purchase plant & equipment, reticulation equipment and to repay debt (if any) associated with the Golf Course. The reserve is funded by an amount equal to a specified percentage of the annual operating surplus excluding depreciation with the remainder returned to the City's Municipal Fund as a dividend in accordance with Council Policy P608.
- **WASTE MANAGEMENT RESERVE**  
This reserve was established to provide for investment in new waste management initiatives. Funds move into or out of the reserve by annual allocation equal to the operating surplus (deficit) from the waste budget.
- **RETICULATION AND PUMP RESERVE**  
This reserve was established to provide funds for the replacement of reticulation and pumps at various parks and gardens. As part of the 2015/2016 Budget process, the balances of the Future Park Works and Future Streetscapes Reserves were consolidated into this reserve.
- **INFORMATION TECHNOLOGY RESERVE**  
This reserve was established to finance the acquisition and enhancement of information technology and digital service delivery initiatives. The municipal fund provides ongoing appropriations as and when needed.
- **INSURANCE RISK RESERVE**  
This reserve reflects the 'burning cost' method of premium for workers compensation. It supports differences between the "deposit" premium and an adjusted premium in the event of a significant uninsured claim. The balance of this reserve has been transferred to the Employee Entitlements Reserve.
- **MAJOR COMMUNITY FACILITIES RESERVE - formerly ASSET ENHANCEMENT RESERVE**  
This reserve was established to quarantine the net proceeds of major strategic land sales to provide for future significant community based capital projects. During the 2015/2016 year, this reserve received funding from net land sale proceeds from the sale of the Manning Commercial Land, Ray St land (final instalment) and Crawshaw Crescent as well as consolidations from certain reserves being made redundant in the 2015/2016 Budget process. Monies are then being drawn down from this reserve to support major capital initiatives including the Manning Community Hub, EJ Oval Precinct upgrade and the expansion of the George Burnett Leisure Centre
- **FOOTPATH RESERVE**  
This reserve was established to quarantine funding for future path construction / replacement. The reserve was consolidated into the Sustainable Infrastructure Reserve as part of the 2015/2016 Budget process.
- **UNDERGROUND POWER RESERVE**  
This reserve was established to support the City's contribution to the undergrounding of overhead electrical cables. It is currently inactive as there are no current underground power schemes.
- **PARKING RESERVE**  
This reserve was established to quarantine funds contributed by developers in lieu of providing parking facilities for their developments. Council will subsequently use these monies for additional parking management measures in the district within the vicinity of these developments as opportunities arise.
- **COLLIER PARK VILLAGE RESERVE**  
This reserve accumulates the lease premium and refurbishment levy paid by ingoing residents of the retirement village as well as the operating result (adjusted for depreciation) for the Village each year. Capital purchases and refurbishment costs associated with this complex are funded from this reserve. In the event of an operating shortfall, the reserve is expected to subsidise the difference so that the facility's operations do not impose a financial burden upon the City's ratepayers.

**6. CASH BACKED RESERVES**

**PURPOSE OF RESERVES (Continued)**

- **RIVER WALL RESERVE**  
This reserve was established to quarantine monies to be used to attract matching funds from state government with a view towards sharing financial responsibility for maintaining the river walls.
- **RAILWAY STATION PRECINCT RESERVE**  
This reserve was established to provide funding for anticipated future works on streetscape enhancements and parking management initiatives in the precincts around the possible (future) South Perth and Canning Bridge Railway Stations.
- **FUTURE BUILDING WORKS RESERVE**  
This reserve was initially established to spread the burden of major community building infrastructure more equitably over the years. This reserve was consolidated into the Major Community Facilities Reserve as part of the 2015/2016 Budget process.
- **FUTURE TRANSPORT PROJECTS RESERVE**  
Initially established to provide funding for future transport related projects or for road projects that were temporarily suspended whilst awaiting contractor availability or external approvals, this reserve was consolidated into the Sustainable Infrastructure Reserve as part of the 2015/2016 Budget process.
- **FUTURE STREETSCAPES WORKS RESERVE**  
Initially established to provide funding for planned (future) major streetscape projects, this reserve was consolidated into the Reticulation & Pump Replacement Reserve as part of the 2015/2016 Budget process.
- **FUTURE PARKS WORKS RESERVE**  
Initially established to provide funding for future major park development works, this reserve was consolidated into the Pump Replacement Reserve as part of the 2015/2016 Budget process.
- **SUSTAINABLE INFRASTRUCTURE RESERVE**  
This reserve was created to provide funding to assist with the financially sustainable management of our community infrastructure including roads, paths, drainage, river walls, streetscapes and parks. As part of the 2015/2016 budget process, the Future Transport & Path Reserves were consolidated into this reserve.
- **PUBLIC ART RESERVE**  
This reserve was established in 2015/2016 to quarantine developer contributions obtained under the Percent for Art policy. Monies held in the reserve may be made available for significant public art installations in these precincts. Reserve funds are not available to fund operational arts programmes.
- **EMPLOYEE ENTITLEMENTS RESERVE**  
This reserve was established in 2017/2018 to fund the City's Long Service Leave and Annual Leave Employee Entitlements.

**7. MAJOR RESERVE TRANSFERS**

A number of planned discretionary capital projects identified in the City's 10 year Long Term Financial Plan (LTFP) have individual funding models that rely on Reserve funds. As these projects are being delivered over several years, funds are currently quarantined in the Major Community Facilities Reserve. Transfers of funds quarantined in cash backed reserves are consistent with the financial models underpinning the LTFP.

The purpose of major transfers of funds from Reserves back to the Municipal fund are:

**7. MAJOR RESERVE TRANSFERS (Continued)**

**Transfers to Municipal Fund**

Collier Park Village Loan Offset	Refunds to departing residents	2,250,000
Waste Management Reserve	Replacement bins, Waste Truck, Operating Deficit	255,000
Information Technology Reserve	Contribution towards new information technology	1,000,000
Major Community Facilities Reserve	Contribution towards various capital initiatives	5,765,000
Parking Facilities Reserve	Contribution towards various capital initiatives	274,652
Collier Park Village Reserve	Capital Expenditure and reimburse operating loss	738,427
River Wall Reserve	Contribution towards river wall repairs	50,000
Sustainable Infrastructure Reserve	Contribution towards various capital initiatives	2,930,000
		<b>13,263,079</b>

Interest earned on Reserve funds is transferred to reserves - apportioned according to their respective balances.

The reasons for transfers of funds into cash backed reserves are:

**Transfers to Reserves from Municipal Fund (including Interest revenue earned)**

Plant Replacement Reserve	Interest revenue	8,226
Collier Park Village Loan Offset	Incoming refundable amounts from new residents	3,618,728
Waste Management Reserve	Interest revenue	99,993
Reticulation & Pump Reserve	Interest revenue	5,917
Technology Replacement Reserve	Interest revenue	1,783
Major Community Facilities Reserve	Interest revenue	53,402
UGP Reserve	Interest revenue	2,992
Parking Facilities	Cash in Lieu & Interest revenue	14,228
Collier Park Village Reserve	Lease Premiums & Refurb Levies from new residents	228,055
River Wall Reserve	Interest revenue	3,274
Station Precinct Reserve	Interest revenue	21,208
Sustainable Infrastructure Reserve	Interest revenue	5,629
Public Art Reserve	Interest revenue	5,600
Employee Entitlements Reserve	Interest revenue	10,357
		<b>4,079,391</b>

The City has a custodial responsibility for certain refundable monies associated with the Collier Park Village. These amounts do not result in the recognition of revenue upon their receipt and are transferred directly to the Collier Park Village Residents Loan Offset Reserve. The monies are held in this reserve until the residents depart from the Village and the monies are then refunded.

**8. CONTRIBUTIONS / GRANTS FOR DEVELOPMENT OF ASSETS**

Grants and contributions for the development of assets shown on the Comprehensive Income Statement are comprised of the following (other grants are for operational purposes rather than asset acquisition):

<b>Purpose of Grant</b>	<b>2019</b>
Grants for road construction	706,388
Grants for environmental projects	19,292
	<b>725,680</b>

**9. TRADING UNDERTAKINGS AND MAJOR LAND TRANSACTIONS**

The Local Government Financial Management Regulations 27(i) & (k) require the disclosure of trading undertakings and major land transactions in which Council is involved. There will be no major land transactions in 2018/2019.

**10. LOAN BORROWINGS**

The City uses loan borrowings as part of a responsible and sustainable funding strategy. Borrowings are undertaken in accordance with Council Policy P604 - Use of Debt as a Funding Source. Borrowings are sourced through WA Treasury Corporation and are taken as fixed rate borrowings on terms that match the life of the associated asset. All loan borrowings are secured against the general revenue of the City.

In some circumstances the City acts as a guarantor for community sporting groups or associations for Self Supporting Loans. Repayments of principal and interest for Self Supporting Loans are all fully reimbursed by the beneficiary community group / association. There is no impost on municipal funds for servicing these loans.

Loan No	Purpose	Interest %	Maturity	Opening Balance	New Loan Proceeds	Principal Repayments	Interest Repayments	Closing Balance
<b>City Loans</b>								
223	Infrastructure Capital Projects	6.22%	Jun 2019	390,386	0	(390,386)	(16,214)	-
225A	Infrastructure Capital Projects	5.48%	Jun 2021	718,373	0	(226,491)	(38,526)	491,882
225B	Infrastructure Capital Projects	4.02%	Jun 2021	374,380	0	(119,820)	(15,314)	254,560
231	Manning Community Facility	3.21%	Jun 2036	4,615,721	0	(177,385)	(165,254)	4,438,336
				<b>6,098,861</b>	<b>0</b>	<b>(914,082)</b>	<b>(235,308)</b>	<b>5,184,778</b>
<b>Self Supporting Loan - Collier Park Golf Course</b>								
227	Upgrade Island 9 Hole Course	4.97%	Sep 2026	3,045,948	0	(306,341)	(164,592)	2,739,607
				<b>3,045,948</b>	<b>0</b>	<b>(306,341)</b>	<b>(164,592)</b>	<b>2,739,607</b>
<b>Self Supporting Loans - Community Sporting Groups / Associations</b>								
224	South Perth Hospital Extension	6.15%	Feb 2020	542,990	0	(263,275)	(26,188)	279,715
228	South Perth Bowling Club	4.65%	Nov 2027	59,042	0	(5,066)	(3,042)	53,976
229	South Perth Bowling Club	4.42%	Feb 2028	360,974	0	(30,316)	(17,814)	330,658
230	South Perth Bowling Club	4.22%	Sep 2029	80,579	0	(5,718)	(3,812)	74,861
				<b>1,043,585</b>	<b>0</b>	<b>(304,375)</b>	<b>(50,856)</b>	<b>739,210</b>
				<b>\$10,188,393</b>	<b>\$0</b>	<b>(\$1,524,798)</b>	<b>(\$450,756)</b>	<b>\$8,663,595</b>

\* Interest repayments include the WA Treasury Loan Guarantee Fee.

New Loan details are calculated using indicative quotations supplied by WA Treasury Corporation and will be subject to firm quotes at the time the actual borrowing is undertaken.

**11 (a) OPENING POSITION**

In order to ensure the prompt availability of operating funds at the commencement of the financial year (and to avoid the associated overdraft costs) Council prepares its Annual Budget on a timeframe which facilitates adoption by early July each year. This necessarily involves the use of estimated figures for the budget opening position and (projected) year end actual figures - as these are not finalised until after the Annual Budget is adopted.

The estimated opening position used in the derivation of this financial year's Budget was calculated in accordance with the requirements of the Local Government Financial Management Regulations (1996) and the Department of Local Government Guideline No 8. The opening position reflects the projected Net Current Asset position of the Council as at 1 July after allowing for year end adjustments and therefore represents the current accrual position rather than a cash position.

Balances used in the calculation of the opening position (Restricted Assets excluded) are as follows:

<b>Current Assets</b>	<b>Balance</b>
Cash on Hand	3,526,613
Investments	41,742,194
Debtors	3,399,576
Inventory	200,736
Other	286,486
<b>Total Current Assets</b>	<b>49,155,605</b>

<b>Total Current Assets</b>	<b>49,155,605</b>
Adjust for	
Self Supporting Loan Principal Recouped	(465)
<b>Adjusted Total Current Assets</b>	<b>49,155,140</b>

<b>Current Liabilities</b>	<b>Balance</b>
Payables	1,433,962
Payables - ESL	592,099
Interest Bearing Loans and Borrowings	98,698
Provisions	4,310,330
<b>Total Current Liabilities</b>	<b>(\$6,435,089)</b>

<b>Total Current Liabilities</b>	<b>(\$6,435,089)</b>
Add back	
Interest Bearing Liabilities	98,698
<b>Adjusted Total Current Liabilities</b>	<b>(\$6,336,391)</b>

<b>Adjusted Net Current Assets</b>	<b>\$42,818,751</b>
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<b>Adjusted Net Current Assets</b>	<b>\$42,818,751</b>
Less	
Restricted Assets (Cash Reserves)	(42,268,639)

<b>Closing Position</b>	<b>\$550,112</b>
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# SCHEDULE OF CAPITAL PROJECTS



**11 (b) CLOSING POSITION**

The projected closing position (as defined in the *Local Government Financial Management Regulations & Guidance* Note 8) at the end of the budget period is expected to be:

<b>Current Assets</b>	<b>Balance</b>
Cash on Hand	2,975,179
Investments (including Restricted Cash)	34,930,416
Debtors - Rates (excluding Deferred amounts)	2,500,000
Inventory	150,000
Other Current Assets	430,000
<b>Total Current Assets</b>	<b>\$40,985,595</b>

<b>Total Current Assets</b>	<b>\$40,985,595</b>
Adjust for	
Self Supporting Loan Principal Recouped	(465)
<b>Adjusted Total Current Assets</b>	<b>\$40,985,130</b>

<b>Current Liabilities</b>	<b>Balance</b>
Accounts Payable	(2,500,000)
Interest Bearing Liabilities	(160,000)
Provisions	(4,500,000)
<b>Total Current Liabilities</b>	<b>(\$7,160,000)</b>

<b>Total Current Liabilities</b>	<b>(\$7,160,000)</b>
Add back	
Interest Bearing Liabilities	160,000
Liabilities Associated with Restricted Assets - Deposit in Advance (Land Disposal)	-
<b>Adjusted Total Current Liabilities</b>	<b>(\$7,000,000)</b>

<b>Adjusted Net Current Assets</b>	<b>\$33,985,130</b>
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<b>Adjusted Net Current Assets</b>	<b>\$33,985,130</b>
Less	
Restricted Assets (Cash Reserves)	(33,084,951)

<b>Closing Position</b>	<b>\$900,179</b>
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The final actual 2017/2018 Closing Position (which becomes the Opening Position for this Budget) is determined after the close-off of the 2017/2018 year end financial accounts. At that time any difference between the estimated Closing Position (used to facilitate the adoption of the Budget in late June) and the final (audited) position is determined and brought to account through the Q1 Budget Review in October.

The opening position as declared above excludes funds associated with Carry Forward Works.

**12. DETAILS OF ASSET DISPOSALS**

During the budget period it is planned that Council will dispose of certain non current assets either by trade-in or outright sale. Items to be traded will be replaced (wherever possible) on a 'like for like' basis - providing that the replacement item continues to reflect a 'best value' and 'fit for purpose' outcome. Trade in figures reflect professional officer estimates of the likely trade values based on known market conditions and likely trade in dates.

**2018/2019 Plant Replacement Program:**

	<b>Sale Proceeds</b>	<b>Carry Amount</b>	<b>Gain (Loss)</b>
Anticipated gains (losses) on disposals	<b>\$471,135</b>	<b>\$105,828</b>	<b>\$365,307</b>

During the budget period, the City will also acquire some additional plant items which are new purchases and not the consequence of a trade-in transaction. These items have all been factored into the capital budget for plant and equipment and will subsequently go into the forward plant replacement program.

Additional passenger vehicles are only included where there is a demonstrated organisational need to allow effective and efficient delivery of services, inspectorial actions or management of neighbourhood amenity.

**13. RATES INFORMATION**

**(a) Rate in the Dollar**

A rate of 6.6612008 cents in the dollar (6.5563 in 2017/2018) will be applied to the Gross Rental Value (GRV) of all rateable properties (residential and commercial) in the municipality which are not subject to the minimum rate.

**(b) Minimum Rate**

Council will impose a minimum rate of \$984.00 per annum for the 2018/2019 budget year (\$968.20 in 2017/2018). This amount has been determined to be an equitable minimum rate to reflect the basic cost of servicing lots.

**(c) Instalment Options**

In accordance with the requirements of the Local Government Act (1995) and the Local Government Financial Management Regulations (1996), the City offers ratepayers a choice of payment of rates by either one, two or four instalments. To offset the cost of offering the instalment payment option, the Local Government Act (1995) allows the City to charge a \$10.00 administration fee on the second, third and fourth instalments plus interest at the prescribed rate of 5.5% per annum on instalment payments.

**(d) Instalment Due Dates**

The due dates for each payment under the instalment options for the 2018/2019 rating year are:

1 <sup>st</sup> Instalment	22 August 2018
2 <sup>nd</sup> Instalment	1 November 2018
3 <sup>rd</sup> Instalment	9 January 2019
4 <sup>th</sup> Instalment	15 March 2019

To qualify for the instalment option, ratepayers must pay any arrears in addition to the full amount of the first instalment by the due date for the first instalment.

**(e) Penalty Interest**

An interest charge of 11% per annum will be applied to all outstanding rates (excluding deferrals by qualifying pensioners) in accordance with the provisions of the Local Government Act. This is consistent with the rate of interest charged by FESA on outstanding Emergency Services Levy (ESL) payments.

**(f) Concessions**

In accordance with the provisions of the Rates & Charges (Rebates & Deferments) Act, concessions will be offered to eligible pensioners and seniors to allow them to either defer their rates or receive a percentage rebate of their rates provided they register within the specified period and pay the balance of rates and charges within the year in which they are assessed. Eligibility for a concession is determined by meeting the requirements specified in the Rates & Charges (Rebates & Deferments) Act.

For the 2018/2019 rating year, the WA State Government has capped pension concessions at a maximum of \$750.00 and seniors concessions at \$100.00.

**(g) Rates Charges & Interest**

Anticipated yields from administration fees and interest charges relating to rates for the 2018/2019 year are:

	<b>2018</b>	<b>2019</b>
Administration Fees - Rates	149,550	150,000
Interest on Rates (Pre-Interest on Instalments & Penalty Interest)	352,926	355,000
	<b>\$502,476</b>	<b>\$505,000</b>

**(h) Emergency Services Levy**

During the 2018/2019 year the City will again be required to perform the role of third party collection agent for the Emergency Services Levy (ESL) for properties within the district. The ESL is a State Government levy used to fund the operations of the career and volunteer fire brigades. For Residential properties the levy increased by 9.71% in 2018/2019. All monies collected by the City for the ESL are forwarded directly to the Fire and Emergency Services Authority (FESA) on a quarterly basis. The ESL revenues are treated as non controlled items - and are excluded from the City's Statement of Financial Position. Following the City's adoption of the FESA Option B payment model, only the outstanding debts for ESL owed to the City at year end are recorded in the City's Balance Sheet.

# SCHEDULE OF MOVEMENTS IN RESERVE FUNDS



2018 / 2019 ANNUAL BUDGET  
NOTES TO AND FORMING PART OF THE BUDGET

14. RESERVE BALANCES

Reg 27(g)

	2018 Budget	2018 Actual	2019 Budget
<b>Discretionary Reserves</b>			
<b>Plant Replacement Reserve</b>			
Opening Balance as at 1 July	594,039	595,299	308,096
Transfers from Retained Surplus	-	-	-
Interest Revenue	7,821	12,797	8,226
Transfers to Retained Surplus	(300,000)	(300,000)	-
Closing Balance as at 30 June	<b>\$301,860</b>	<b>\$308,096</b>	<b>\$316,322</b>
<b>Employee Entitlements Reserve</b>			
Opening Balance as at 1 July	-	-	\$387,889
Transfers from Retained Surplus	-	386,299	-
Interest Revenue	-	1,590	10,357
Transfers to Retained Surplus	-	-	-
Closing Balance as at 30 June	<b>\$ -</b>	<b>\$387,889</b>	<b>\$398,246</b>
<b>Reticulation &amp; Pump Replacement Reserve</b>			
Opening Balance as at 1 July	352,827	353,575	221,598
Transfers from Retained Surplus	-	-	-
Interest Revenue	5,665	8,023	5,917
Transfers to Retained Surplus	(140,000 )	(140,000)	-
Closing Balance as at 30 June	<b>\$218,492</b>	<b>\$221,598</b>	<b>\$227,515</b>
<b>Information Technology Reserve</b>			
Opening Balance as at 1 July	1,039,461	1,041,667	1,066,788
Transfers from Retained Surplus	-	-	-
Interest Revenue	27,701	25,121	1,783
Transfers to Retained Surplus	-	-	(1,000,000)
Closing Balance as at 30 June	<b>\$1,067,162</b>	<b>\$1,066,788</b>	<b>\$68,571</b>
<b>Insurance Risk Reserve</b>			
Opening Balance as at 1 July	447,556	448,506	-
Transfers from Retained Surplus	-	-	-
Interest Revenue	11,927	8,856	-
Transfers to Retained Surplus	-	(457,362)	-
Closing Balance as at 30 June	<b>\$459,483</b>	<b>\$0</b>	<b>\$-</b>
<b>Major Community Facilities Reserve</b>			
<b>Formerly Asset Enhancement Reserve</b>			
Opening Balance as at 1 July	15,687,950	13,294,527	7,765,072
Transfers from Retained Surplus	-	-	-
Interest Revenue	418,026	301,508	53,402
Transfers to Retained Surplus	(8,885,000)	(5,830,963)	(5,765,000)
Closing Balance as at 30 June	<b>\$7,220,976</b>	<b>\$7,765,072</b>	<b>\$2,053,474</b>

14. RESERVE BALANCES (Continued)

	2018 Budget	2018 Actual	2019 Budget
<b>Public Art Reserve</b>			
Opening Balance as at 1 July	155,217	155,493	209,735
Transfers from Retained Surplus	50,000	50,000	-
Interest Revenue	5,473	4,242	5,600
Transfers to Retained Surplus	-	-	-
Closing Balance as at 30 June	<b>\$210,690</b>	<b>\$209,735</b>	<b>\$215,335</b>
<b>UGP Reserve</b>			
Opening Balance as at 1 July	109,207	109,440	112,077
Transfers from Retained Surplus	-	-	-
Interest Revenue	2,910	2,637	2,992
Transfers to Retained Surplus	-	-	-
Closing Balance as at 30 June	<b>\$112,117</b>	<b>\$112,077</b>	<b>\$115,069</b>
<b>Parking Reserve</b>			
Opening Balance as at 1 July	428,691	413,036	\$422,977
Transfers from Retained Surplus	21,500	-	10,000
Interest Revenue	11,558	9,961	4,228
Transfers to Retained Surplus	-	-	(274,652)
Closing Balance as at 30 June	<b>\$445,220</b>	<b>\$422,997</b>	<b>\$162,573</b>
<b>River Wall Reserve</b>			
Opening Balance as at 1 July	\$168,199	168,555	\$172,621
Transfers from Retained Surplus	-	-	-
Interest Revenue	4,482	4,066	3,274
Transfers to Retained Surplus	-	-	(50,000)
Closing Balance as at 30 June	<b>\$172,681</b>	<b>\$172,621</b>	<b>\$125,895</b>
<b>Railway Station Reserve</b>			
Opening Balance as at 1 July	\$773,949	775,590	794,292
Transfers from Retained Surplus	-	-	-
Interest Revenue	20,625	18,702	21,208
Transfers to Retained Surplus	-	-	-
Closing Balance as at 30 June	<b>\$794,574</b>	<b>\$794,292</b>	<b>\$815,500</b>
<b>Sustainable Infrastructure Reserve</b>			
Opening Balance as at 1 July	\$3,339,304	3,346,384	3,140,827
Transfers from Retained Surplus	-	-	-
Interest Revenue	67,631	79,443	5,629
Transfers to Retained Surplus	(800,000)	(285,000)	(2,930,000)
Closing Balance as at 30 June	<b>\$2,606,935</b>	<b>\$3,140,827</b>	<b>\$216,456</b>
<b>Total for Discretionary Reserves</b>	<b>\$22,495,190</b>	<b>\$14,601,992</b>	<b>\$4,714,955</b>

14. RESERVE BALANCES (Continued)

	2018 Budget	2018 Actual	2019 Budget
<b>Quarantined Reserves</b>			
<b>Collier Park Village Residents Offset Reserve</b>			
Opening Balance as at 1 July	\$22,472,722	22,725,910	22,423,318
Transfers from Retained Surplus	3,000,000	1,304,500	3,000,000
Interest Revenue	617,615	539,981	618,728
Transfers to Retained Surplus	(2,250,000)	(2,147,073)	(2,250,000)
Closing Balance as at 30 June	<b>23,8740,337</b>	<b>\$22,423,318</b>	<b>\$23,792,046</b>
<b>Collier Park Village Reserve</b>			
Opening Balance as at 1 July	1,731,842	1,898,101	\$1,243,269
Transfers from Retained Surplus	450,000	205,500	202,000
Interest Revenue	45,000	41,127	26,055
Transfers to Retained Surplus	(520,863)	(901,459)	(738,427)
Closing Balance as at 30 June	<b>\$1,705,979</b>	<b>\$1,243,269</b>	<b>\$732,897</b>
<b>Collier Park Golf Course Reserve</b>			
Opening Balance as at 1 July	313,620	206,477	-
Transfers from Retained Surplus	443,498	162,114	-
Interest Revenue	-	2,764	-
Transfers to Retained Surplus	(757,118)	(371,355)	-
Closing Balance as at 30 June	\$-	\$-	\$-
<b>Waste Management Reserve</b>			
Opening Balance as at 1 July	3,859,595	3,867,816	4,000,060
Transfers from Retained Surplus	-	300,034	-
Interest Revenue	90,000	94,663	99,993
Transfers to Retained Surplus	(611,434)	(262,453)	(255,000)
Closing Balance as at 30 June	<b>\$3,338,161</b>	<b>\$4,000,060</b>	<b>\$3,845,053</b>
<b>Total Quarantined Reserves</b>	<b>\$28,884,477</b>	<b>\$27,666,647</b>	<b>\$28,639,007</b>
<b>Summary of Reserve Balances</b>			
Opening Balance as at 1 July	51,457,650	49,400,376	42,268,639
Transfers from Retained Surplus	3,964,998	2,408,447	3,212,000
Interest Revenue	1,336,434	1,155,481	867,391
Transfers to Retained Surplus	( 5,379,415 )	(10,695,665)	(13,263,079)
Closing Balance as at 30 June	<b>\$51,379,667</b>	<b>42,268,639</b>	<b>\$33,084,951</b>

During the 2015/2016 budget process, the City consolidated its existing Reserves from 24 separate reserves down to 14. Several inactive reserves were closed and some other smaller reserves having similar purposes were consolidated into existing reserves. This provides greater clarity around the purposes for which the reserves are established and streamlines administration of the cash backed reserves. The Asset Enhancement Reserve was re-titled Major Community Facilities Reserve (although its purpose remains the same).

# MANAGEMENT BUDGET



**DRAFT 2018/2019 - OPERATING BUDGET**

	<b>30/06/2017</b>	<b>31/05/2018</b>	<b>30/06/2018</b>	<b>30/06/2019</b>
<b>Key Responsibility Areas</b>	<b>Year End Actual</b>	<b>YTD Actual</b>	<b>MYR Revised Budget</b>	<b>Draft Budget</b>
<b>REVENUE</b>				
<b>Chief Executive's Office</b>				
City Administration		20	-	-
Human Resources Admin Revenue	-	-	-	-
Governance Admin	26,418	63	-	-
Ranger Services				
Animal Control	213,626	193,100	185,250	186,250
Fire Prevention	2,000	3,148	1,500	1,500
Parking Management	1,707,215	1,792,870	1,940,000	3,247,000
District Rangers	21,805	13,145	12,500	12,500
Sub Total Revenue - Ranger Services	1,944,646	2,002,263	2,139,250	3,447,250
Total Revenue - Governance & Administration	1,971,065	2,002,325	2,139,250	3,447,250
<b>Total Revenue - Chief Executive's Office</b>	<b>1,971,065</b>	<b>2,002,346</b>	<b>2,139,250</b>	<b>3,447,250</b>
<b>Directorate - Corporate Services</b>				
Directorate Administration	-	35,282	-	-
Organisational Performance	-	-	-	-
Financial Services				
Treasury Management	1,005,134	968,201	948,000	995,000
Investment Activities	2,344,515	1,188,536	1,373,331	929,813
Rating Activities	35,291,343	36,723,916	36,803,237	37,559,296
Property Management	409,663	313,385	406,700	394,000
Total Revenue - Financial Services	39,050,655	39,229,319	39,531,268	39,878,109
Information Services				
Information Technology	18,009	0	-	-
Records Management	0	0	-	-
Total Revenue - Information Services	18,009	0	-	-
<b>Total Revenue - Corporate Services</b>	<b>39,068,664</b>	<b>39,264,601</b>	<b>39,531,268</b>	<b>39,878,109</b>
<b>Directorate - Development &amp; Community Services</b>				
Community, Culture & Recreation				
Administration	53,497	526,073	45,750	1,500
Senior Citizens	-	-	-	-
Cultural Development				
Major Events	301,209	302,864	307,500	253,300
Community Events	9,250	11,241	20,000	42,000
Summer Events Program	47,065	20,825	47,000	-
Facility Bookings & Recreation Revenue				
George Burnett Leisure Centre Revenue	254,738	247,322	181,000	319,550
Halls & Public Buildings	251,475	264,737	330,000	300,400
Total Revenue - Community, Culture & Recreation	917,234	1,373,061	931,250	916,750
Collier Park Retirement Complex				
Collier Park Village	1,118,203	1,658,813	1,882,156	1,942,323
Collier Park Community Centre	5,455	5,000	5,750	6,000
Total Revenue - Collier Park Village	1,123,575	1,664,314	1,887,906	1,948,323
Library Services				
Administration	38,320	19,268	15,500	13,050
Civic Centre Library	13,414	11,837	12,500	10,000
Manning Library	3,720	7,044	3,250	2,100
Local Studies Collection	-	-	500	-
Old Mill	2,579	3,312	2,500	2,500

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	<b>30/06/2017</b>	<b>31/05/2018</b>	<b>30/06/2018</b>	<b>30/06/2019</b>
<b>Key Responsibility Areas</b>	<b>Year End Actual</b>	<b>YTD Actual</b>	<b>MYR Revised Budget</b>	<b>Draft Budget</b>
<b>Total Revenue - Library Services</b>	<b>58,033</b>	<b>41,461</b>	<b>34,250</b>	<b>27,650</b>
Development Services				
Directorate Administration	22,327	20	-	-
Strategic Planning	-	13,621	27,000	14,000
Statutory Planning	449,423	595,794	496,700	535,000
Building Services	488,436	345,256	427,500	457,500
Environmental Health Services	124,937	168,445	171,500	147,000
<b>Total Revenue - Development Services</b>	<b>1,085,123</b>	<b>1,123,135</b>	<b>1,122,700</b>	<b>1,153,500</b>
<b>Total Revenue - Development &amp; Community Services</b>	<b>3,183,965</b>	<b>4,201,972</b>	<b>3,976,106</b>	<b>4,046,223</b>
<b>Directorate - Infrastructure Services</b>				
Infrastructure Support				
Administration Revenue	-	-	22,500	-
<b>Total Revenue - Infrastructure Support</b>	<b>-</b>	<b>-</b>	<b>22,500</b>	<b>-</b>
City Environment				
Contributions	290,536	260,720	332,000	333,500
Nursery Revenue	242,141	206,578	23,060	22,560
Asset Control Revenue	77,590	104,525	66,700	-
Environmental Services Revenue	5,389	3,571	56,199	5,000
<b>Total Revenue - City Environment</b>	<b>615,656</b>	<b>575,394</b>	<b>477,959</b>	<b>361,060</b>
Engineering Infrastructure				
Design Office Revenue	-	14,734	12,600	-
Traffic Management Revenue	66,169	150,548	128,000	114,000
Construction & Maintenance				
Road Grants	414,674	404,869	426,160	410,000
Contributions to Works	130,618	181,617	90,000	65,000
Reinstatement Revenue	4,370	29,602	6,500	14,000
Crossover Revenue	72,619	-	135,000	100,000
Asset Control Revenue	7,767	103,394	70,195	298,500
Other Revenue	33,928	6,072	15,000	7,000
<b>Sub Total - Construction &amp; Maint</b>	<b>663,976</b>	<b>725,554</b>	<b>742,855</b>	<b>894,500</b>
<b>Total Revenue - Engineering Infrastructure</b>	<b>730,145</b>	<b>890,837</b>	<b>883,455</b>	<b>1,008,500</b>
Waste Management				
Refuse Collection	4,908,624	5,130,533	5,160,911	5,297,743
Recycling	1,344,697	1,394,480	1,393,574	1,768,810
<b>Total Revenue - Waste Management</b>	<b>6,253,320</b>	<b>6,525,013</b>	<b>6,554,485</b>	<b>7,066,553</b>
Collier Park Golf Course				
Collier Park Golf Course - Revenue	2,543,832	1,834,448	2,382,994	2,804,138
<b>Total Revenue - Collier Park Golf Course</b>	<b>2,543,832</b>	<b>1,834,448</b>	<b>2,382,994</b>	<b>2,804,138</b>
<b>Total Revenue - Infrastructure Services</b>	<b>10,142,953</b>	<b>9,825,692</b>	<b>10,321,393</b>	<b>11,240,251</b>
<b>TOTAL REVENUE</b>	<b>54,366,647</b>	<b>55,294,611</b>	<b>55,968,017</b>	<b>58,611,833</b>
<b>EXPENDITURE</b>				

**DRAFT 2018/2019 - OPERATING BUDGET**

	<b>30/06/2017</b>	<b>31/05/2018</b>	<b>30/06/2018</b>	<b>30/06/2019</b>
<b>Key Responsibility Areas</b>	<b>Year End Actual</b>	<b>YTD Actual</b>	<b>MYR Revised Budget</b>	<b>Draft Budget</b>
<b>Chief Executive's Office</b>				
City Administration				
Corporate Support	1,056,017	1,091,263	1,097,462	-
Building Operating Costs	80,135	(9,818)	64,284	-
Human Resources Administration	529,237	177,690	171,477	-
<b>Total Expense - City Administration</b>	<b>1,665,390</b>	<b>1,259,134</b>	<b>1,204,655</b>	<b>-</b>
Governance Admin	611,449	1,132,729	1,124,492	1,355,000
Governance - Elected Members	1,451,173	1,495,894	1,606,051	1,058,903
Marketing & Communications				
Community Promotions	807,454	610,530	705,330	1,075,530
Publications	110,471	87,404	132,500	139,800
Ranger Services				
Animal Control	367,692	448,196	444,134	486,151
Fire Prevention	100,327	113,312	103,850	126,064
Parking Management	1,063,744	1,049,395	1,208,930	1,289,828
District Rangers	348,003	345,962	396,046	384,044
Other Law & Order	1,320	3,867	5,000	5,000
<b>Total Expense - Ranger Services</b>	<b>1,881,086</b>	<b>1,960,732</b>	<b>2,157,960</b>	<b>2,291,087</b>
<b>Total Expense - Governance</b>	<b>4,861,633</b>	<b>5,287,288</b>	<b>5,726,333</b>	<b>5,920,320</b>
<b>Total Expense - Chief Executive's Office</b>	<b>6,527,023</b>	<b>6,546,422</b>	<b>6,930,988</b>	<b>5,920,320</b>
<b>Directorate - Corporate Services</b>				
Administration	260,003	257,598	267,452	-
Organisational Performance	163,479	19,122	30,722	-
Financial Services				
Treasury Management	1,005,080	314,324	305,100	-
Rating Activities	579,924	214,062	405,481	-
Investment Activities	509,138	352,184	415,044	311,164
Property Management	174,240	157,919	149,250	149,250
<b>Total Expense - Financial Services</b>	<b>2,268,382</b>	<b>1,038,488</b>	<b>1,274,875</b>	<b>460,414</b>
Information Technology	989,129	232,607	144,241	-
Records Management	223,185	31,082	17,975	-
Customer Services Team	351,232	276,271	164,477	-
<b>Total Expense - Corporate Services</b>	<b>4,255,411</b>	<b>1,855,169</b>	<b>1,802,348</b>	<b>460,414</b>
<b>Directorate - Development &amp; Community Services</b>				
Community, Culture & Recreation				
Community Development				
Administration	717,607	812,886	898,163	2,157,848
Donations	127,330	125,492	160,000	180,000
Safer City Program/ <b>Public Art</b>	49,261	4,543	-	59,000
Senior Citizens	450,490	386,382	455,769	574,399
<b>Total Expense - Community Development</b>	<b>1,344,687</b>	<b>1,329,303</b>	<b>1,513,932</b>	<b>2,971,247</b>
Cultural Development				
Major Events Expense	951,155	887,582	870,000	845,000
Summer Events Program	296,856	301,786	296,017	200,000
Community Events	604,212	486,439	572,050	617,139
Civic Functions	83,933	92,178	121,567	92,000
<b>Total Expense - Cultural Development</b>	<b>1,936,156</b>	<b>1,767,985</b>	<b>1,859,634</b>	<b>1,754,139</b>
Recreation				
George Burnett Leisure Centre	486,194	429,547	487,379	465,561
<b>Total Expense - Recreation &amp; Leisure</b>	<b>486,194</b>	<b>429,547</b>	<b>487,379</b>	<b>465,561</b>

**DRAFT 2018/2019 - OPERATING BUDGET**

	30/06/2017	31/05/2018	30/06/2018	30/06/2019
<b>Key Responsibility Areas</b>	<b>Year End Actual</b>	<b>YTD Actual</b>	<b>MYR Revised Budget</b>	<b>Draft Budget</b>
Facility Hire				
Bookings Office	362,515	341,744	326,832	264,688
Halls & Public Buildings	584,728	817,269	1,139,361	1,082,610
<b>Total Expense - Facility Hire</b>	<b>947,243</b>	<b>1,159,013</b>	<b>1,466,193</b>	<b>1,347,298</b>
<b>Total Expense - Community, Culture &amp; Recreation</b>	<b>4,714,280</b>	<b>4,685,848</b>	<b>5,327,138</b>	<b>6,538,245</b>
Collier Park Retirement Complex				
Collier Park Village	2,053,751	2,066,252	2,221,238	2,287,050
Collier Park Hostel	0	0	-	-
Collier Park Community Centre	1,120	346	2,400	-
<b>Total Expense - Collier Park Complex</b>	<b>2,054,871</b>	<b>2,066,598</b>	<b>2,223,638</b>	<b>2,287,050</b>
Library Services				
Library Administration	1,046,423	992,590	1,102,003	-
Civic Centre Library	980,415	1,008,391	1,034,522	1,767,697
Manning Library	394,838	438,867	503,201	1,236,827
Local Studies Collection	10,820	11,101	10,940	21,550
Old Mill	57,401	54,706	67,500	212,906
<b>Total Expense - Library Services</b>	<b>2,489,897</b>	<b>2,505,656</b>	<b>2,718,166</b>	<b>3,238,980</b>
Development Services				
Directorate Administration	217,137	186,594	255,614	366,467
Strategic Planning	358,435	567,465	597,964	1,046,370
Statutory Planning	1,740,430	1,574,629	1,907,038	2,146,945
Compliance Unit	113,790	143,990	169,367	158,387
Building Services	515,841	525,171	664,596	593,229
Health & Regulatory Services				
Administration	519,314	527,051	570,928	642,008
Infant Health Services	9,400	6,105	8,250	8,000
Preventative Services	54,123	49,953	63,000	63,500
Other Sanitation	0	0	-	-
<b>Total Expense - Health Services</b>	<b>582,838</b>	<b>583,109</b>	<b>642,178</b>	<b>713,508</b>
<b>Total Expense - Development Services</b>	<b>3,528,470</b>	<b>3,580,958</b>	<b>4,236,757</b>	<b>5,024,906</b>
<b>Total Expense - Development &amp; Community Services</b>	<b>12,787,517</b>	<b>12,839,060</b>	<b>14,505,699</b>	<b>17,089,181</b>
<b>Directorate - Infrastructure Services</b>				
<b>Infrastructure Support &amp; Administration</b>				
Governance Cost	239,475	387,439	427,882	279,444
Asset Management	110,697	122,721	157,325	225,109
<b>Total Expense - Infrastructure Support</b>	<b>350,172</b>	<b>510,160</b>	<b>585,207</b>	<b>504,553</b>
<b>City Environment</b>				
Reserves & Parks Maintenance	3,727,411	3,619,830	4,422,200	4,771,235
Miscellaneous Parks Programmes	11,670	24,240	40,000	20,000
Grounds Maintenance	164,634	158,794	246,100	179,400
Streetscape Maintenance	2,127,304	1,975,529	2,212,000	2,365,000
Environmental Services	1,260,486	1,322,946	874,456	1,255,242
Plant Nursery	336,141	268,509	278,301	143,800
Overheads	1,511,705	1,689,051	1,825,498	1,657,246
Asset Holding Costs	1,308,521	1,170,227	1,276,600	1,276,600
Building Maintenance	602,807	583,677	793,822	800,386
Reserve Building Maintenance & Operations	118,420	87,528	131,400	85,400
Public Convenience Maintenance & Operations	242,147	212,092	238,100	261,988
Operations Centre Maintenance	136,811	124,655	134,400	129,478
Jetty Maintenance	5,894	527	16,000	6,000

**DRAFT 2018/2019 - OPERATING BUDGET**

	<b>30/06/2017</b>	<b>31/05/2018</b>	<b>30/06/2018</b>	<b>30/06/2019</b>
<b>Key Responsibility Areas</b>	<b>Year End Actual</b>	<b>YTD Actual</b>	<b>MYR Revised Budget</b>	<b>Draft Budget</b>
<b>Total Expense - City Environment</b>	<b>11,553,950</b>	<b>11,237,604</b>	<b>12,488,877</b>	<b>12,951,775</b>
<b>Collier Park Golf Course</b>				
Collier Park Golf Course - Expense	2,262,791	1,900,573	2,283,243	2,748,592
<b>Total Expense - Collier Park Golf Course</b>	<b>2,262,791</b>	<b>1,900,573</b>	<b>2,283,243</b>	<b>2,748,592</b>
<b>Waste Management</b>				
Refuse Collection	4,419,147	4,347,336	4,880,517	5,464,382
Recycling	574,574	675,370	679,467	902,300
Transfer Station	796,550	711,702	775,154	699,871
<b>Total Expense - Waste Management</b>	<b>5,790,270</b>	<b>5,734,408</b>	<b>6,335,138</b>	<b>7,066,553</b>
<b>Engineering Infrastructure</b>				
Design Office Overheads	199,960	167,696	225,268	211,513
<b>Sub Total - Design Office</b>	<b>199,960</b>	<b>167,696</b>	<b>225,268</b>	<b>211,513</b>
Traffic Management	322,445	378,326	528,913	485,446
<b>Sub Total - Traffic Management</b>	<b>322,445</b>	<b>378,326</b>	<b>528,913</b>	<b>485,446</b>
Construction & Maintenance				
Reinstatements	11,260	17,768	25,000	10,000
Crossovers	101,015	0	145,000	85,000
Asset Holding Costs	6,371,177	5,849,537	6,381,300	6,381,300
Roads, Paths & Drains	2,888,878	1,925,533	3,091,000	3,091,500
Fleet Operations	1,146,275	915,741	628,031	769,319
Overheads	1,212,664	1,389,542	1,456,100	1,373,198
<b>Sub Total - Construction &amp; Maintenance</b>	<b>11,731,269</b>	<b>10,098,121</b>	<b>11,726,431</b>	<b>11,710,317</b>
<b>Total Expense - Engineering Infrastructure</b>	<b>12,253,674</b>	<b>10,644,143</b>	<b>12,480,612</b>	<b>12,407,276</b>
<b>Total Expense - Infrastructure Services</b>	<b>32,210,857</b>	<b>30,026,889</b>	<b>34,173,077</b>	<b>35,678,748</b>
<b>TOTAL EXPENDITURE</b>	<b>55,780,807</b>	<b>51,267,539</b>	<b>57,412,112</b>	<b>59,148,663</b>
<b>NET POSITION</b>	<b>(1,414,161)</b>	<b>4,027,071</b>	<b>(1,444,095)</b>	<b>(536,830)</b>

**DRAFT 2018/2019 - CAPITAL REVENUE BUDGET**

<b>Account Description</b>	<b>30/06/2017 Year End Actual</b>	<b>30/06/2017 MYR Revised Budget</b>	<b>30/06/2019 Draft Budget</b>
<b>Major Land &amp; Building Projects</b>			
Profit (Loss) - Disposal of Land - Como	-	(122,000)	
Profit - Disposal of Assets - Manning	1,865,208	-	-
<b>Total Revenue - Major Projects</b>	<b>1,865,208</b>	<b>(122,000)</b>	<b>-</b>
<b>Development &amp; Community Services</b>			
<b>Collier Park Retirement Complex</b>			
CPV - Ingoing Lease Premiums	625,034	450,000	202,000
<b>Total Revenue Collier Park Complex</b>	<b>625,034</b>	<b>450,000</b>	<b>202,000</b>
<b>Total Rev - Development &amp; Comm Services</b>	<b>625,034</b>	<b>450,000</b>	<b>202,000</b>
<b>Infrastructure Services</b>			
<b>Contributions - Roads &amp; Streets</b>			
Contributions - Unspecified	21,603	20,000	
Road Reserve Access Inspection Fee	54,433	-	
<b>Sub Total</b>	<b>76,036</b>	<b>20,000</b>	<b>-</b>
<b>Capital Grants</b>			
Direct Roads Operating Grant	93,861	96,000	57,891
Grants - R2R - Unallocated		687,050	120,297
Grants - MRRG	1,697,166	-	431,533
Grants - Blackspot		-	76,667
Grants - DoT		-	20,000
<b>Sub Total</b>	<b>1,791,027</b>	<b>783,050</b>	<b>706,388</b>
<b>Sub Total - Roads &amp; Streets</b>	<b>1,867,063</b>	<b>803,050</b>	<b>706,388</b>
<b>City Environment</b>			
Grant - DoPaW	145,981	63,929	
Grant - BDCA			8,792
Grant - Safer Communities			-
Grant - State NRM Dept	-	-	10,500
Contributions - Unspecified	50,455		
<b>Sub Total</b>	<b>196,436</b>	<b>63,929</b>	<b>19,292</b>
<b>Sub Total - City Environment</b>	<b>196,436</b>	<b>63,929</b>	<b>19,292</b>
<b>Building Management</b>			
Contribution to Building Works	575,648	-	-
Grants	358,000	-	-
<b>Sub Total - Building Management</b>	<b>933,648</b>	<b>-</b>	<b>-</b>
<b>Total Rev - Infrastructure Services</b>	<b>2,997,147</b>	<b>866,979</b>	<b>725,680</b>
<b>TOTAL CAPITAL REVENUE</b>	<b>5,487,389</b>	<b>1,194,979</b>	<b>927,680</b>

DRAFT 2018/2019 - CAPITAL EXPENDITURE BUDGET

Account Description	30/06/2017	2017/18	2018/19
	Year End Actual	MYR Revised Budget	Proposed Budget
<b>Chief Executive's Office</b>			
<b>Administration Projects - Asset Creation</b>			
Office / Civic Furnishings	2,660	32,340	
Prior Year Projects		-	
<b>Sub Total</b>	<b>2,660</b>	<b>32,340</b>	<b>-</b>
<b>Ranger Services - Asset Creation</b>			
Mobile CCTV Trailer		50,000	-
Studded Wall in cat Boarding Area		7,000	-
New Furniture for New Office		5,000	-
<b>Sub Total</b>	<b>-</b>	<b>62,000</b>	<b>-</b>
<b>Total Exp - Chief Exec Office</b>	<b>2,660</b>	<b>94,340</b>	<b>-</b>
<b>Corporate Services</b>			
<b>Technology - NEW</b>			
Information Technology Acquisitions	48,627	-	2,000,000
Electrical / Communication Equipment	9,597	-	
Fibre Optic Cable	92,376	290,000	
Tech for Meeting Rooms	4,728	10,272	
GIS Development	24,960	-	
Web Development	19,000	31,000	
Software Acquisition	32,563	148,920	
Sharepoint - Intranet		10,000	
CRM Workflow Development		125,000	
Server Room	357,308	-	
Unified Communications Project	92,183	-	
Online Bookings Software Solution	15,900	48,001	
Online DA Solution	4,659	-	
Rangers Mobility Solution		25,000	
Servers		30,000	
Other IT Acquisitions (including iPads)		65,000	
Network Enhancements / Radio Links		50,000	50,000
Security System		25,000	
Anytime Library		35,000	
Mobile Scanning Unit			5,000
Book Scanner			2,000
Parking Management Devices	175,811	106,920	274,652
Unclassified Items		-	20,000
<b>Sub Total</b>	<b>877,712</b>	<b>1,000,113</b>	<b>2,351,652</b>
<b>Technology - RENEWAL</b>			
PC Replacements		20,000	215,500
<b>Sub Total</b>	<b>-</b>	<b>20,000</b>	<b>215,500</b>
<b>Technology - UPGRADE</b>			
Civic Hall AV Upgrade		55,000	55,000
<b>Sub Total</b>	<b>-</b>	<b>55,000</b>	<b>55,000</b>
<b>Total Exp - Technology</b>	<b>877,712</b>	<b>1,075,113</b>	<b>2,622,152</b>
<b>Total Exp - Corporate Services</b>	<b>877,712</b>	<b>1,075,113</b>	<b>2,622,152</b>
<b>Development &amp; Community Services</b>			
<b>Library Services - Asset Creation</b>			
<b>Libraries</b>			
Library RFID System	165,174		
Seating for Reading/Browsing - Manning Library		3,300	
Seating for Function Room - Manning Library		6,000	
Additional Shelving Yound Adults - SP Library		3,800	
Blinds - Old Mill		2,500	
<b>Sub Total</b>	<b>165,174</b>	<b>15,600</b>	<b>-</b>

**DRAFT 2018/2019 - CAPITAL EXPENDITURE BUDGET**

Account Description	30/06/2017	2017/18	2018/19
	Year End Actual	MYR Revised Budget	Proposed Budget
<b>Community Dev - Asset Creation</b>			
George Burnett LC - Basketball Backboards/Rings		4,500	
<b>Sub Total</b>	-	4,500	-
<b>Retirement Complex - RENEWAL</b>			
CP Village - Refurbishment	493,259	325,000	393,700
CPV - Residual Current Devices		-	-
<b>Sub Total</b>	493,259	325,000	393,700
<b>Total Exp - Development &amp; Community Services</b>	<b>658,433</b>	<b>345,100</b>	<b>393,700</b>
<b>Infrastructure Services</b>			
<b>Major Projects - NEW</b>			
Manning Hub Stage 2		50,000	50,000
EJ Oval Precinct Redevelopment - Stage 2	2,428,838	8,885,000	1,265,000
EJ Oval Precinct Redevelopment - Stage 3			500,000
Node 2 - Coode St Playground & Rec Facilities			100,000
Node 2,7,10 Rivers Edge - Stage 1			150,000
Canning Bridge DCP - Stage 1			50,000
SPSP - Labouchere Road & Richardson Street New Traffic Signals			15,000
SPSP - Labouchere Road & Angelo Street New Traffic Signals			15,000
Connect South Project	157,332	500,000	4,000,000
<b>Sub Total</b>	<b>2,586,170</b>	<b>9,435,000</b>	<b>6,145,000</b>
<b>Major Projects - UPGRADE</b>			
SPSP - South Perth Esplanae			50,000
SPSP - Harper Tce - South Perth Espl to Mill Pt			400,000
<b>Sub Total</b>	-	-	450,000
<b>Total Exp - Major Projects</b>	<b>2,586,170</b>	<b>9,435,000</b>	<b>6,595,000</b>
<b>Collier Park Golf Course - NEW</b>			
Hospitality Upgrade			65,000
<b>Sub Total</b>	-	-	65,000
<b>Collier Park Golf Course - UPGRADE</b>			
Plant Replacement - CPGC	124,592	232,775	132,940
Bores 2,3 & 5 Replacement			30,000
Green 19 Replacement			60,000
Club House Toilets			100,000
Major Reticulation Upgrade	470,509	-	-
Renewal of Putting Green on Hole 25		50,000	-
Laterals and sprinkler upgade pine 9		500,000	-
<b>Add back Assets Capitalised</b>		-	-
<b>Sub Total</b>	<b>595,101</b>	<b>782,775</b>	<b>322,940</b>
<b>Total Exp - Collier Park Golf Course</b>	<b>595,101</b>	<b>782,775</b>	<b>387,940</b>
<b>Roadworks - RENEWAL</b>			
Various Projects 2016/2017	2,520,306		
Labouchere (Hensman - South Tce)		288,000	
Welwyn Ave (Manning Rd - Hope Ave)		-	
Bessell Ave (Canning H.Way - Throssel)		150,000	
Boona Ct (Walanna - End)		-	
Hayman Rd - Thelma St		61,309	
Manning Rd - Townsing Dr to Waterford Ave - Resurfacing		285,000	
Alexandra St – Hopetoun St to York St – Resurfacing		118,000	
Angelo St - Onslow St to King Edward St - Resurfacing		112,000	
Brandon St - Canning Hwy to George St – Rehabilitation		385,000	
Cassey St - Leonora St to RoW		108,000	
Dyson St – Darling St to Canning Hwy – Resurfacing		99,000	
Hensman Rd - Labouchere Rd to Ridge Street		169,000	

**DRAFT 2018/2019 - CAPITAL EXPENDITURE BUDGET**

Account Description	30/06/2017	2017/18	2018/19
	Year End Actual	MYR Revised Budget	Proposed Budget
Hope Ave - Redmond to Welwyn - Rehabilitation		126,000	-
Hill St - Forrest St to Ridge St		83,000	-
Lockhart St - Manning Rd to Paterson St		10,000	-
Mt Henry Rd - Success Cr to Edgewater Rd – Resurfacing		86,000	-
Riverview St - Onslow St to Labouchere Rd		110,000	-
MRRG - Mill Point Rd - Swan View to Way, South Perth			147,800
MRRG - Kent St - NB Manning Rd +170m North, Karawara			118,700
MRRG - Manning Rd(b) - WB Gillon to Elderfield, Waterford			202,200
MRRG - Manning Rd(c) - EB Clydesdale to Ley, Como			164,000
MRRG - Manning Rd(a) - WB 70m W of Kent to Ch425, Waterford			191,000
MRRG - Douglas Ave - EB Canning Hwy to Vista, Kensington			63,600
Conlon St - Manning to Garvey, Waterford			53,550
Coode St - Thelma St to Alston, Como			123,690
Duckett Dr / Cloister Ave, Manning			84,525
Eric St - Coode St to McDonald St, Como			154,035
Garvey St - Conlon to end, Waterford			129,150
Keaney Pl - Garvey to McKay, Waterford			88,515
Kilkenny Cr - Carrington to Elderfield - North, Waterford			197,295
Kilkenny Cr - Carrington to Elderfield - South, Waterford			219,555
Lawler St - 50m to Angelo, South Perth ** Minor			62,055
McDonald/Preston St, Como			94,500
Norton St - Sandgate to Canning, Como			188,160
Rathay St - Anketell to Berwick, Kensington ** ToVP			110,618
Richardson St – Melville to +100m, Como **deferred			45,675
Thelma Street - Canning Hwy to Axford, Como			167,055
York St - Edward to Alexandra, South Perth			136,710
Robert St – Davilak St to Wooltana – Resurfacing		129,100	-
Saunders St - Robert St to Canning Hwy (Stage 1)		156,000	-
<b>Sub Total</b>	<b>2,520,306</b>	<b>2,475,409</b>	<b>2,742,388</b>
<b>Total Exp - Roadworks</b>	<b>2,520,306</b>	<b>2,475,409</b>	<b>2,742,388</b>
<b>Traffic Management - RENEWAL</b>			
Coode & Thelma Blister Island Resurfacing			76,000
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>76,000</b>
<b>Traffic Management - UPGRADE</b>			
Various Projects 2016/2017	1,109,864		
Hayman Rd / Thelma St Roundabout		-	
Bessell Ave Slow Points		48,000	
Thelma St Cul-de-Sac at Canning Highway		-	
Bike Plan Implementation		75,000	
Davilak St Bike Lane (Canning - Godwin)		-	
Banksia Tce - 1 Way Treatments		104,935	
Ley St - Paterson Speed Treatment		1,000	
Traffic Management Treatment Improvements		50,000	50,000
SBS - Mill Point / Forrest, South Perth - Rt Turn Improve			70,000
SBS - Angelo / Forrest, South Perth - Lighting Improve			45,000
Manning/Townsing Pedestrian Crossing			99,000
Kwinana Hwy / South Tce - Rehabilitation			178,100
Duckett Drive from Cloister Ave to Conochie Cr – Widening			5,000
Anthony St – Tate to Angelo – Widening & Resurfacing			5,000
Davilak Cyclepath Design			20,000
Manning Rd, Elderfield Rd - Extend Right Turn Pocket (C/FWD Lighting)			50,000
Manning Rd - Townsing Drv - Signal Modification for Peds		50,000	
Redmond - TM Installations		70,000	
Blamey - TM Installations		70,000	
Ryrie - TM Improvements		40,000	
Davilak Bikelane - Canning to Godwin		25,000	
NBS Manning-Elderfield - Extend RT pocket		192,500	
SBS Axford-Brittain - Roundabout		192,000	
SBS Mt Henry-Gentilli/Cloister - Lighting		45,000	
<b>Sub Total</b>	<b>1,109,864</b>	<b>963,435</b>	<b>522,100</b>
<b>Total Exp - Traffic Management</b>	<b>1,109,864</b>	<b>963,435</b>	<b>598,100</b>

DRAFT 2018/2019 - CAPITAL EXPENDITURE BUDGET

Account Description	30/06/2017	2017/18	2018/19
	Year End Actual	MYR Revised Budget	Proposed Budget
<b>Water Management - Asset Creation</b>			
Various Projects 2016/2017	17,020		
WSUD Neil Mc Dougall Lake - Design Work		50,000	-
<b>Sub Total</b>	<b>17,020</b>	<b>50,000</b>	<b>-</b>
<b>Total Exp - Water Management</b>	<b>17,020</b>	<b>50,000</b>	<b>-</b>
<b>Drainage - NEW</b>			
GPT Installations			85,000
Stormwater Direct Injection			50,000
Catchment 106 – (Ley St & Downey Dr.)		25,000	
<b>Sub Total</b>	<b>-</b>	<b>25,000</b>	<b>135,000</b>
<b>Drainage - RENEWAL</b>			
Stormwater Pump Replacement		-	20,000
Stormwater Pit Replacement		-	45,000
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>65,000</b>
<b>Drainage - UPGRADE</b>			
Various Projects 2016/2017	433,086		
Melville Pde GPT Instalation		100,000	
Catchment 34 (Anstey - South Tce)		-	-
Catchment 36 (Albert St - Stage 3)		336,011	
Catchment 36 (Elizabeth St - Stage 2)		-	-
Melville Pde - Detention Basin		-	119,000
Sump Upgrades - City Wide			60,000
Catchment 36 - Clydesdale St			5,000
<b>Sub Total</b>	<b>433,086</b>	<b>317,011</b>	<b>65,000</b>
<b>Total Exp - Drainage</b>	<b>433,086</b>	<b>342,011</b>	<b>265,000</b>
<b>Paths - NEW</b>			
Path Infill Program	142,360	-	232,100
<b>Sub Total</b>	<b>142,360</b>	<b>-</b>	<b>232,100</b>
<b>Paths - RENEWAL</b>			
Karawarra Greenways		-	55,000
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>55,000</b>
<b>Paths - UPGRADE</b>			
Footpath Maintenance / Replacement	204,327	200,000	237,000
Jackson Road - Henley Shared Paths to Kent St		5,000	-
Foreshore Footpath Upgrade (adjacent Ranelagh Crescent and Jubilee Street, from Hurlingham Crescent to Douglas Avenue)		50,000	-
Prior Year Projects (C.Fwd)		-	-
<b>Sub Total</b>	<b>204,327</b>	<b>255,000</b>	<b>237,000</b>
<b>Total Exp - Paths</b>	<b>346,687</b>	<b>255,000</b>	<b>524,100</b>
<b>Fleet Management - RENEWAL</b>			
Mobile Plant Acquisitions	814,271	950,000	641,210
Add back Assets Capitalised		-	-
<b>Sub Total</b>	<b>814,271</b>	<b>950,000</b>	<b>641,210</b>
<b>Total Exp - Fleet Management</b>	<b>814,271</b>	<b>950,000</b>	<b>641,210</b>
<b>Waste Management - NEW</b>			
Transfer Station Wash Down Shed			200,000
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>200,000</b>
<b>Waste Management - RENEWAL</b>			
Bin Purchases / Plant Replacement	47,840	45,000	55,000
Transfer Station Redevelopment	178,634	409,000	

**DRAFT 2018/2019 - CAPITAL EXPENDITURE BUDGET**

Account Description	30/06/2017	2017/18	2018/19
	Year End Actual	MYR Revised Budget	Proposed Budget
Roadworks Associated with New Buildings		95,000	-
Waste Receptacles		45,000	-
<b>Sub Total</b>	<b>226,474</b>	<b>594,000</b>	<b>55,000</b>
<b>Total Exp - Waste Management</b>	<b>226,474</b>	<b>594,000</b>	<b>255,000</b>
<b>Park Development - RENEWAL</b>			
Pump & Bore Replacement	108,863	100,000	220,000
Comer Reserve Playground Equipment Upgrades	214,925	88,000	75,000
Playground Equipment Upgrades			130,000
Exercise Equipment & SPF Scented Gardens / Melaleuca Grove			50,000
Upgrade of McDougall Park SWUD, GPT's & Boardwalk			115,000
Irrigation Upgrades	219,939	-	50,000
Park Furniture / Shelter / BBQ Upgrades	110,429	-	80,000
<b>Sub Total</b>	<b>654,156</b>	<b>188,000</b>	<b>720,000</b>
<b>Park Development - UPGRADE</b>			
Olives Reserve Construction			650,000
Swanview Terrace Reserve			27,000
Elderfield			27,000
George Burnett Reserve			80,000
Karawara Masterplan - Stage 2 - Western Diamonds			400,000
Landscaping in Hydro Zoned Parks	8,795	117,205	
James Miller Oval Upgrade Works	205,842	200,115	
SPLTC Expansion	680,109	33,100	
Coode St Playground Upgrade		51,300	
Hope / Roebuck Playground Upgrade	80,309	-	
GBLC Shade Structures	104,960	-	
Landscape Architectural Designs		55,000	
Water Strategy Implementation		110,000	
<b>Sub Total</b>	<b>1,080,015</b>	<b>566,720</b>	<b>1,184,000</b>
<b>Total Exp - Park Development</b>	<b>1,734,171</b>	<b>754,720</b>	<b>1,904,000</b>
<b>Foreshore Management - UPGRADE</b>			
Millers Pool	2,243,032	10,000	
River Wall (Queen St - Narrows)	140,929	-	-
Prior Year Projects		-	-
<b>Sub Total</b>	<b>2,383,961</b>	<b>10,000</b>	<b>-</b>
<b>Total Exp - Foreshore Management</b>	<b>2,383,961</b>	<b>10,000</b>	<b>-</b>
<b>Building Management - NEW</b>			
Various Projects 2016/2017	311,937		
Como Tram Rehousing			350,000
Library Catalogue System	74,452	-	10,000
Outdoor Shade - Manning Library		-	30,000
Old Mill Masterplan			150,000
Additional Seating for Study - SP Library			5,000
George Burnett LC - Trestle Tables Etc		15,000	16,000
Office Refurbishment		350,000	465,000
<b>Sub Total</b>	<b>386,389</b>	<b>365,000</b>	<b>1,026,000</b>
<b>Building Management - RENEWAL</b>			
Airconditioning - Animal Care Facility			6,000
PC Reservation - Coin Box Replacement			8,500
Painting - SP Rugby Club			10,000
Sports Oval Floodlighting Strategy Implementation			100,000
Collins St. Community Hall Improvement works		60,000	40,000
Old Mill & Cottage House Roof Replacement & Aircon			150,000
Manning Seniors Airconditioning			105,000
Hazel McDougall House - Milking Shed Improvements			30,000
<b>Sub Total</b>	<b>-</b>	<b>60,000</b>	<b>449,500</b>
<b>Building Management - UPGRADE</b>			

**DRAFT 2018/2019 - CAPITAL EXPENDITURE BUDGET**

Account Description	30/06/2017	2017/18	2018/19
	Year End Actual	MYR Revised Budget	Proposed Budget
Manning Hub Facility - Construction	3,110,763	-	-
Extension to Manning Tennis Club		155,000	-
Replacement of Roof at Manning Seniors Centre		120,000	-
SJMP Melaleuca Grove Boardwalk		65,000	-
New Christmas decorations		25,000	-
Public Toilet Strategy and Partial Implementation		100,000	100,000
Neil McDougall park Toilets			230,000
Kindergarten improvement works			160,000
Design development recreation centres			40,000
Replacement of Air Con ducting at Collins St. Centre		20,000	-
Demand Mgt & Master plan devt. Operations Centre		55,000	-
New covered parking bay at Council Depot		60,000	-
Add back Assets Capitalised		-	-
<b>Sub Total</b>	<b>3,110,763</b>	<b>600,000</b>	<b>530,000</b>
<b>Total Exp - Building Management</b>	<b>3,497,152</b>	<b>1,025,000</b>	<b>2,005,500</b>
<b>Other Projects - NEW</b>			
Defibrillators - EJ & GBLC			40,000
Electrical Transformer - SP Foreshore			130,000
Floodlighting			50,000
Entry Statements			5,000
CCTV			62,700
Wayfinding Signage (Parking Mgt Plan)		30,000	15,000
<b>Sub Total</b>	<b>-</b>	<b>30,000</b>	<b>302,700</b>
<b>Other Projects - RENEWAL</b>			
Private Street Light Upgrade (Mt Henry Area)			160,000
Program - Bike Infrastructure - Dalivak Design Stage 2			20,000
Bus Shelters	65,951	40,000	25,000
Fuel Tank Delivery Systems	106,464	-	-
<b>Sub Total</b>	<b>172,415</b>	<b>40,000</b>	<b>205,000</b>
<b>Other Projects - UPGRADE</b>			
Underground Power - Manning			500,000
Planet Footprint - Watt Water Digital Energy Logger			16,500
Emergency Backup Power Generator		45,000	-
<b>Sub Total</b>	<b>-</b>	<b>45,000</b>	<b>516,500</b>
<b>Total Exp - Other Projects</b>	<b>172,415</b>	<b>115,000</b>	<b>1,024,200</b>
<b>Total Exp - Infrastructure Services</b>	<b>16,436,678</b>	<b>17,752,350</b>	<b>16,942,438</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>17,975,483</b>	<b>19,266,903</b>	<b>19,958,290</b>
<b>Representing:</b>			
<b>NEW</b>	<b>6,561,446</b>	<b>11,029,553</b>	<b>10,457,452</b>
<b>RENEWAL</b>	<b>4,880,881</b>	<b>4,652,409</b>	<b>5,618,298</b>
<b>UPGRADE</b>	<b>6,533,156</b>	<b>3,584,941</b>	<b>3,882,540</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>17,975,483</b>	<b>19,266,903</b>	<b>19,958,290</b>