

# ANNUAL REPORT **2019-2020**



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# WELCOME

Located 424 kilometres north of Perth, Greater Geraldton is a thriving city with a population of over 38,000. The City and the Midwest Region are recognised as having the most diversified economy in the State through industries including mining, fishing, aquaculture, agriculture, manufacturing, construction, retail and tourism.

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

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

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

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

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

# MAYOR'S FOREWORD



Being somewhat of a turbulent financial year, we've managed to break-even on our operating surplus while continuing our commitment to vibrancy and activation in the community. The transformation of Geraldton as a destination of choice for people wanting to live, work, visit and play, continues with a number of projects and programs implemented over the financial year which all adds to the wonderful liveability of our community.

## **Rates Relief Package**

The entire world was hit hard by the global COVID-19 pandemic and it was important that we were able to offer some sort of relief to our community members when they needed it most. Despite a significant decline in revenue, a number of measures in our 2020/21 Budget helped to offer substantial savings to the community.

Elements of the Rates Relief Package included:

- 5% discount on rates paid by the due date
- Removal of rates administration fees
- No rates instalment interest or charges
- No rates penalty interest until fourth instalment dates
- Annual lease fee for community groups waived
- Free CBD and Airport parking
- Swimming pool inspection fees waived
- Sporting ground user fees waived
- Health inspection and sampling fees waived
- Annual health license fees waive

Adaptability was a priority during such unprecedented times and we did as much as we could to ensure the safety and well-being of our community.

## **Key infrastructure projects**

We saw a number of key infrastructure projects completed in the 2019/20 financial year. Rocks Laneway officially opened in September 2019 with the project positively embraced by the community. The new area has added wonderful vibrancy and activation to our CBD and has also won numerous awards since its completion. The completed upgrades to the Geraldton Airport are paving the way to the long-term economic growth for the City region. The \$24 million resurfacing and extension of the airport runway to 2,400m is part of a long-standing plan to open the region to global markets.

## **Road and footpath renewals**

Like many previous years, renewing the aged roads and footpath network across the City remained a top priority. More than \$20 million was allocated in the Asset Renewal Budget for the resurfacing of 12kms of sealed road and the re-sheeting of 61kms of unsealed roads. More than \$2.76 million was spent to construct more than 1,800m of new footpaths on places including Place Road, Abraham Street and a number of streets in Rangeway.

## **The Suburbs**

Our commitment to suburbs in the community remains strong with upgrades to parks including GRAMS Reserve in Rangeway and Forrester Park in Waggrakine. The City has also begun working with the Department of Transport to transform the 1.4km section of Railway Street from Smith Street to Green Street to a Safe Active Street. A safe active street is a quiet, low traffic, low speed, local street that is designed to be a more welcoming space for people traveling on foot or bike. The project also includes a 500m shared path connection from Green Street to the existing Spalding Park Reserve path on the south side of the Chapman River.

## **Tourism**

We are dedicated to transforming Geraldton into a top destination right here on the Coral Coast. Now more than ever, we are seeing tourists from all over WA, visit Geraldton and true to our Australia's Coral Coast brand, "taking a fresh look" remains relevant.

In May 2020, the City's 'Adventure Awaits' tourism marketing campaign launched in a bid to encourage tourists to holiday in their own backyard and placing Geraldton and the Midwest front of mind for those planning their next getaway. Embracing Geraldton as the 'hub' to explore the whole of the Midwest region, there was a heavy push on exploring the Midwest and places such as the Houtman Abrolhos Islands, Pink Lake and Kalbarri.

The City continues to lobby for more affordable and accessible flights in a bid to reduce the cost of flights and to increase frequency and connectivity, and we are already seeing the benefits of this with more services added.

## **Planning for the future**

There are a lot of potential and exciting things that fall into the shared vision for the future of our City, and we look forward to boosting our local tourism, jobs, population, economic growth and growing Geraldton as a regional capital. Underpinned by our Geraldton Jobs and Growth Plan, we've lobbied to get a number of priority projects over the line. We will see a boost in marine tourism with \$3 million in funding from the state government for two new local charter vessel jetties. Entry into our great city is also getting a facelift thanks to \$1.3 million from the Federal Government for upgraded streetscapes on Cathedral Avenue. We will also see a smoother flow of traffic in our CBD with two new roundabouts in prime locations.

After being elected as Mayor for another term, I thank the community for their faith in myself and our wonderful Councillors, and I look forward to what we will achieve in the next financial year as we move forward together on our road to recovery.



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





# MESSAGE FROM THE CEO

It's a financial year we won't forget for a number of reasons but I am proud to say our ongoing commitment to infrastructure renewal, economic development and outstanding financial management has been constant.

The first three quarters of the 2019/20 financial year remained steady and we embraced a "back to basics" approach while still planning for a bright future.

Reflecting on the highlights, some top outcomes include the roll-out of the Food Organic and Garden Organic (FOGO) trial, a heavy focus on tourism and the implementation of destination marketing campaigns, infrastructure projects such as Rocks Laneway and Geraldton Airport upgrades, plus our commitment to road and footpath renewals, arts and culture, amenities, our natural and coastal areas.

Things took a rapid turn in the last quarter of the 2019/20 financial year with the global COVID-19 pandemic significantly changing our 'business as usual' approach. The health, social and financial crisis changed the way we do business, especially how we meet and interact.

The City and Council had to adopt a rapid and flexible approach to ensure the health and safety of the community. In a bid to offer significant relief, Council adopted a Rates Relief Package which included a discount and freeze on rates increases, free parking across the City, removal of various fees and charges and no instalment interest or charges on rates.

There was great emphasis placed on innovation as officers found ways to continue to deliver programs and services in an online capacity. The City's commUNITY project was designed to maintain and enhance community connection at a time where social distancing and self-isolation meant physical interaction wasn't possible.

The pandemic has made all of our futures less certain and now more than ever, we need to focus on building resilience in the years to come. I acknowledge City staff who were stood down in this very difficult time. No City staff members were made redundant, and I'm grateful to our staff for continuing to show strength and solidarity during an extremely tough time.

With the need to build resilience, the City is moving forward and focusing on 'the road to recovery'. Both the City and Council have made a staunch commitment to activation and enhancing the vibrancy of our community and we're happy with the ongoing commitment to making our City a great place to be.

Led by our Geraldton Jobs and Growth Plan, we've lobbied for government funding for a number of projects and we thank the State and Federal Government for their support. From new jetties, funding for coastal erosion and beautifying the entry into our CBD, we're looking forward to commencing these projects.

In the City's Governance and Regulatory areas there has been and continues to be numerous changes to the State Legislation that the City is required to administer. City staff have been working through these changes amending Council policies undertaking the necessary training and working with key stakeholders as circumstances demand.

I'd like to thank and commend our wonderful community members who continue to enhance the wonderful liveability of our city and continue to support Council in their decision making.

We're hoping the next financial year won't be quite as turbulent as the last, and we look forward to the exciting things we will achieve.

A handwritten signature in black ink, appearing to be 'Ross McKim'. The signature is stylized and somewhat abstract, with several overlapping lines and a long, sweeping tail that extends to the right.

Ross McKim  
CEO, City of Greater Geraldton

# COUNCILLORS



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

Cr K Parker	Term expires October 2023
Cr S Keemink	Term expires October 2023
Cr J Clune	Term expires October 2021
Cr S Elphick	Term expires October 2021
Cr J Critch	Term expires October 2021
Cr T Thomas (Deputy Mayor)	Term expires October 2023
Mayor S Van Styn (Mayor)	Term expires October 2023
Cr S Douglas	Term expires October 2021
Cr D J Caudwell	Term expires October 2021
Cr P Fiorenza	Term expires October 2023
Cr N Colliver	Term expires October 2021
Cr R D Hall	Term expires October 2023
Cr V Tanti	Term expires October 2021



# MEETING ATTENDANCE

Councillor	Length of Term	Ward	Council Meetings Attended	Agenda Forums Attended	Concept Forums Attended	Special Concept Forums	Special Council Meetings Attended	Annual Electors Meeting	SPECIAL Electors Meeting	Committee Meetings from Nov 19
Mayor S Van Styn	2019-2023	N/A	12	12	5	0	1	1	0	2
Cr N McIlwaine (Deputy Mayor 2015-2019)	2015-2019	Tarcoola	4	2	2	0	0	0	0	0
Cr D J Caudwell	2013-2021	Chapman	8	4	5	0	1	0	0	2
Cr J Critch	2013-2021	Mullewa	8	10	6	0	1	0	0	
Cr S Douglas	2013-2021	Champion Bay	9	9	6	0	1	1	0	4
Cr R D Hall	2019-2023	Port	10	11	5	0	1	1	0	7
Cr S Keemink	2019-2023	Willcock	11	8	7	0	1	1	0	1
Cr V Tanti	2013-2021	Port	10	8	8	0	1	1	0	0
Cr T Thomas (Deputy Mayor 2019-2021)	2019-2023	Mullewa	12	9	8	0	1	1	0	4
Cr G Bylund	2015-2019	Champion Bay	3	2	1	0	0	0	0	0
Cr L Freer	2015-2019	Chapman	0	0	0	0	0	0	0	0
Cr M Reymond	2015-2019	Hills	4	3	2	0	0	0	0	0
Cr N Colliver	2015-2021	Tarcoola	12	12	8	0	1	1	0	7
Cr S Elphick	2017-2021	Willcock	11	11	8	0	1	1	0	3
Cr J Clune	2017-2021	Hills	11	11	7	0	1	1	0	1
Cr P Fiorenza	2019-2023	No wards from Oct 2019	8	6	6		1	1		1
Cr K Parker	2019-2023	No wards from Oct 2019	7	6	6		1	1		0

Between 1 July 2019 and 30 June 2020 the City held the following meetings:  
12 Ordinary Meeting of Council, 12 Agenda Forums, 8 Concept Forums and 0 Special Concept Forums, 1 Special Meeting of Council, 1 Electors Meeting and 0 Special Meeting of Electors.

To be noted:

Wards dissolved - 19 October 2019

Following are no longer Council members - Neil McIlwaine; Lewis Freer; Graeme Bylund; Michael Reymond  
- Neil McIlwaine and Michael Reymond were not re-elected at the October 2019 Local Government Elections  
- Lewis Freer resigned August 2019 and Graeme Bylund did not re-elect himself

Five Council members were re-elected 19 October 2019 - Mayor Shane Van Styn, Cr Tarleah Thomas, Cr Bob Hall and Cr Simon Keemink

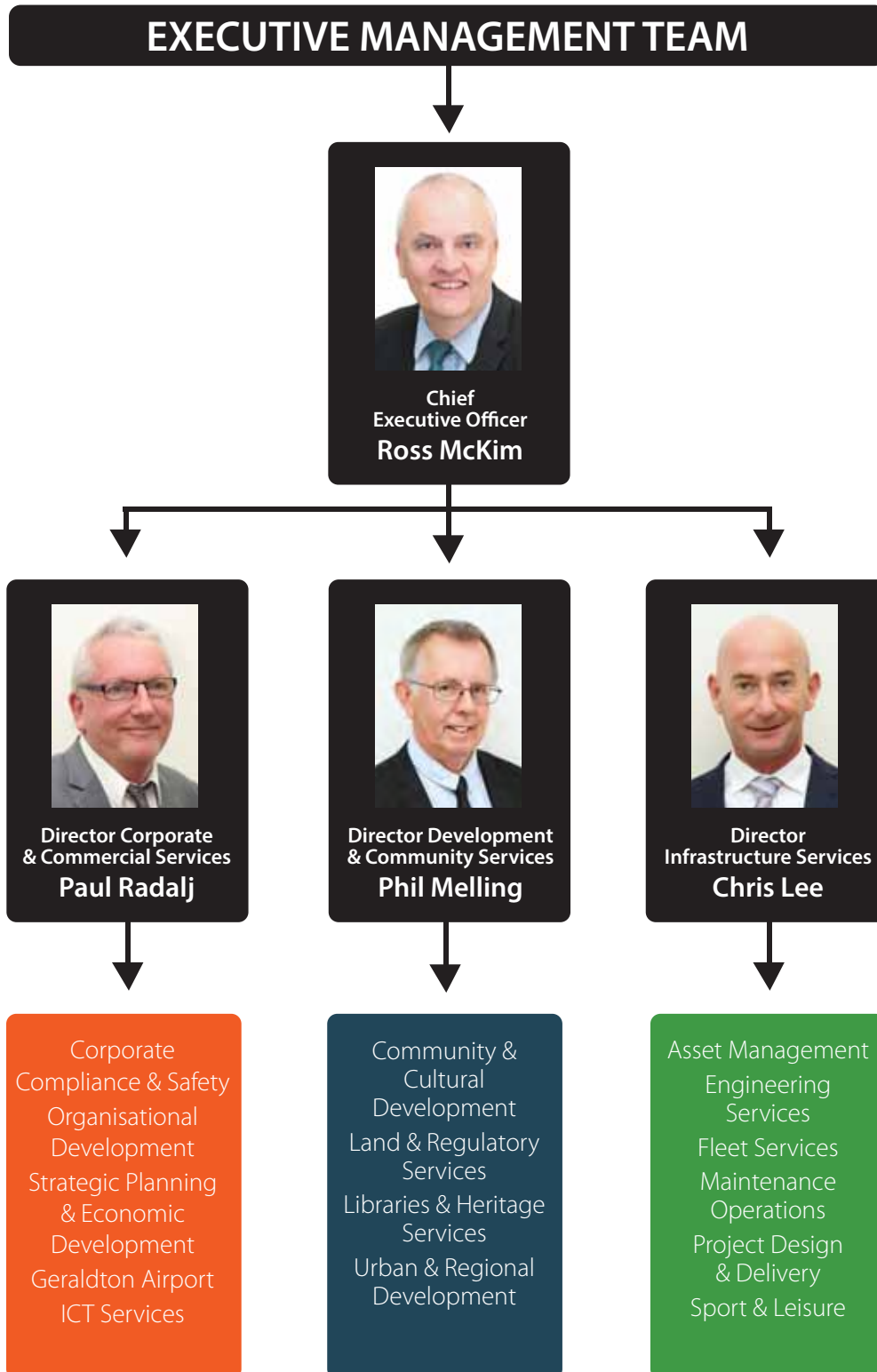
Two New Council Members elected 19 October 2019 - Cr Peter Fiorenza and Cr Kim Parker

Newly Council members were sworn in at a Special Meeting of Council - 21 October 2019

Annual Meeting of Electors - 28 January 2020

COVID-19 - Health Restrictions from 16 March 2020

# ORGANISATION STRUCTURE



# MISSION, VALUES & PRIORITIES

The City of Greater Geraldton Strategic Community Plan 2017-2027 is the blueprint for the future direction of the City and its community members. It represents a shared community vision and sets out long term strategies designed to strengthen and build on Greater Geraldton's unique assets. The plan identifies shared community objectives and priorities, taking into account current and expected changes in community demographics, social issues and local, national and global influences. Inspired and driven by community input, the Strategic Community Plan guides the City's policies and actions as it seeks to meet the needs of the current and future population.

## CITY VISION

A prosperous, diverse, vibrant and sustainable community

## CITY MISSION

Serving today while building tomorrow

## CITY VALUES

**STARS** • Service • Trust  
• Accountability  
• Respect • Solidarity

## CITY PRIORITIES

### COMMUNITY

While growing our regional city with the capacity to sustain a population of 65,000 by 2036, we value our sense of community, our small town feel and the lifestyle opportunities of our coastal location and bushland. We value our cultural heritage and our creative community.

### ENVIRONMENT (Natural and Built)

We value our natural and built environment and live sustainably, in balance with nature.

### ECONOMY

We value a healthy thriving economy that provides diverse employment opportunities while protecting the environment and enhancing social and cultural outcomes.

### GOVERNANCE

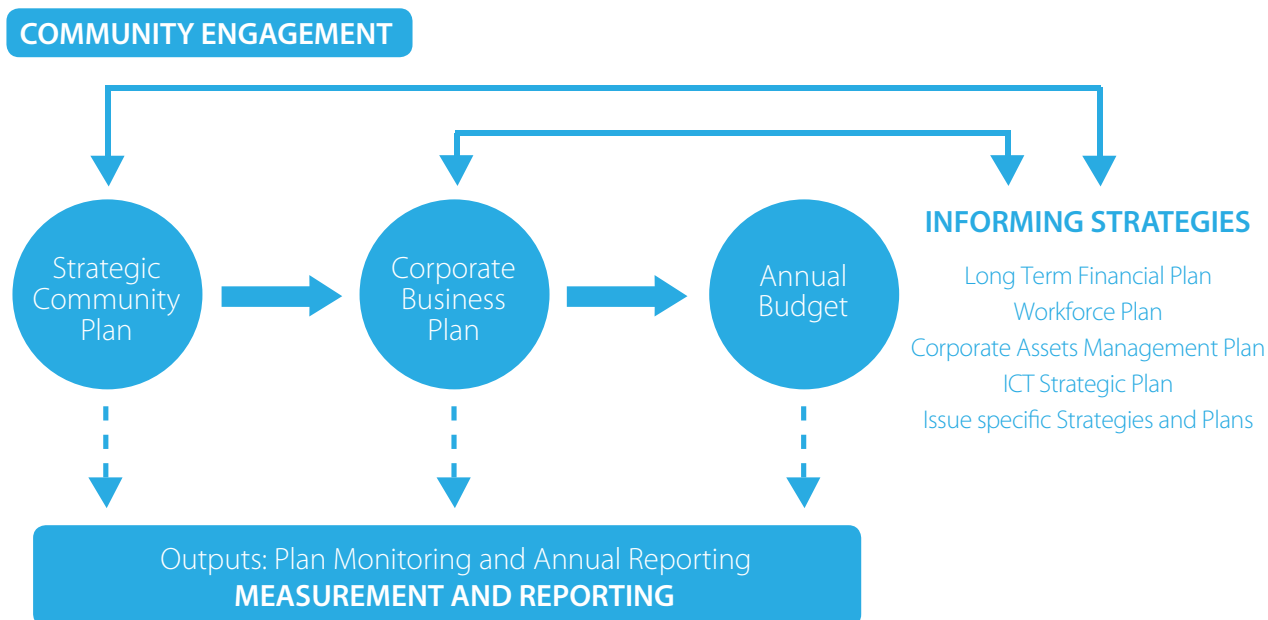
We value an open and trusting relationship between the community, Local government and other decision makers.





# PLANNING PROCESS

The City of Greater Geraldton operates through an Integrated Planning and Reporting Framework to establish the community's vision for the future and deliver on the priorities.



## Community Strategic Plan

Our 10-year guiding document establishing the community's vision, future directions and priorities.

## Corporate Business Plan

Our four-year delivery plan underpinned by the Community Strategic Plan.

## Annual Budget

Based on the projected costing of the related year of the Corporate Business Plan, with the opportunity for review and revision during the mid-year budget review process.

## Informing Strategies

- **Long Term Finance Plan** – provides set priorities in accordance with its financial resources, through consideration of key assumption based analysis.
- **Workforce Plan** – identifies the workforce requirements and strategies for current and future operations, ensuring that our human resources support the delivery of the Corporate Business Plan and Community Strategic Plan.
- **Asset Management Plan** – provides guidance on service provision and whole of life-cycle asset management to support the City's financial sustainability and key service levels.
- **ICT Strategic Plan** – provides a technology roadmap to enable and support the organisation in its delivery of services to the community.

## Issue Specific Strategies include:

- Disability Access and Inclusion Plan
- Geraldton Jobs and Growth Plan
- Geraldton Airport Master Plan
- Coastal Hazard Risk Management and Adaptation
- CBD Revitalisation Plan
- Public Arts Strategy
- Reconciliation Action Plan
- Waste Management Strategy





## HOUSING

Median Price Dec 2019

**\$245,000** HOUSE

**\$155,000** UNIT

**\$110,000** LAND



## WATER

Average Annual Rainfall  
**328.4mm** per year



## UNEMPLOYMENT

As at 30 June 2019  
**6.90%**



## BUILDING ASSETS

City of Greater Geraldton  
**200**



## RESIDENT POPULATION

**38,632**

**9.49%**

ABORIGINAL

## GERALDTON PORT



Ship visits  
**407**

Total Trade Throughput **15,905** Tonnes



Total Trade Exports  
**15,048** Tonnes



Total Trade Imports  
**857** Tonnes



## TOTAL AREA

of City of Greater Geraldton  
**9,908km<sup>2</sup>**



## GROSS REGIONAL PRODUCT

Greater Geraldton  
**\$3.09b**

Midwest region  
**\$5.5b**

## TERTIARY EDUCATION



	Geraldton Universities Centre	Central Regional TAFE
Students enrolled	303	4000
People employed	11 permanent ≤ 40 casual tutors per semester	208
Courses offered	13	198

## AIRPORT



2019/20  
**86,000**  
PASSENGERS

## AGRICULTURE



Output  
**\$616,000,000**  
Export value  
**\$520,000,000**

## MINING



Output  
**\$3,634,000,000**  
Export value  
**\$3,294,000,000**



## VISITORS

International **39,400** Domestic **230,000**

## FISH/AQUACULTURE



Output  
**\$261,000,000**  
Export value  
**\$245,000,000**

## RATEABLE PROPERTIES



GRV Residential Properties  
**17,818**  
GRV Non Residential  
**1,449**  
UV Rural, Farming and Mining Properties  
**1,066**  
Exempt Properties  
**1,591**

## CGG EMPLOYEES



Total FTE  
**272**

## TOP FIVE ICONIC ATTRACTIONS



1. Abrolhos Islands
2. Museum of Geraldton
3. HMAS Sydney II Memorial
4. St Francis Xavier Cathedral
5. Point Moore Lighthouse

# TOP 12 ACHIEVEMENTS



## Coastal works

The construction of a low-crest Geotextile Sand Container (GSC) groyne and revetment on Sunset Beach to mitigate coastal erosion was completed in 2019. A 40m low-crest GSC groyne and 50m long GSC revetment constructed at Triton Place will help retain initial beach nourishment.



## Mitchell Street Community Garden

The Mitchell Street Community Garden in Spalding was established to provide residents in the area with access to fresh produce. The garden has been made possible through funding from the City, Department of Communities, Western Australia Centre for Rural Health, Central Regional TAFE, Workskil, ARC, local Elders and Spalding community members.



## Community Voice

The Community Voice campaign, gave residents the chance to have their say on City services. A Citizens Jury of 30 randomly selected community members who demographically represented residents, came together to participate in a deliberative process and provided the City with recommendations regarding the future delivery of services.



## Geraldton Airport upgrades

The \$24 million resurfacing and extension of the airport runway to 2,400m is part of a long-standing plan to open the region to global markets. The upgrade also allows for larger aircraft to be accommodated at the Airport and provides an important whole-of-network role in Western Australia aviation, tourism and export industries.



## Geraldton Jobs and Growth Plan

The Geraldton Jobs and Growth Plan 2020-2023 was launched in February 2020 which focuses on boosting jobs, population and economic growth. A collaborative approach under the umbrella of Progress Midwest to growing the region's capital through a shared vision, the document is an update of the Growth Plan released in 2017.



## FOGO trial

In March 2020, a 12 month trial of Food Organic Garden Organic (FOGO) waste kerbside collection involving 500 households randomly selected households across the City began. The trial is in response to growing community interest in reducing waste. First quarter trial results were positive with nearly 53 tonnes of FOGO waste collected.



### Forrester Park upgrades

Upgrades to improve the overall amenity of Forrester Park were undertaken. This included upgrades to the existing basketball court and skate park along with the replacement of the aged playground equipment. The City collaborated with the Waggrakine-Glenfield Progress Association regarding the selection of playground equipment and colours.



### GRAMS Reserve upgrades

The GRAMS Reserve upgrade included replacing the aged playground equipment and footpath renewals. The City collaborated with the Rangeway Utakarra Karloo Progress Association regarding the selection of playground equipment and colours. Lotterywest Grant Funding was secured for further upgrades including a skate park and basketball half court.



### Horizon Public Art Installation

Beresford Foreshore welcomed the public art piece 'Horizon'. The award-winning sphere sculpture stands at 1.5 metres and was made by artist Lucy Humphrey. Since being installed in September 2019, it has become one of Geraldton's most photographed pieces.



### Renewable Energy for City Buildings

Solar panels at the Geraldton Aquarena and Geraldton Regional Library have already generated nearly 130 megawatt hours (MWh) of electricity. The investment is will save an estimated \$70,000 per annum on the City's energy bill and offset approximately 327 tonnes of CO2 per year.



### Roads and Footpath Renewals

Renewing aged roads and footpaths across the City remained a high priority with more than \$20m Asset Renewal Budget allocated for resurfacing sealed and unsealed roads and more than \$2.7m spent to construct new footpaths and replace aged footpaths.



### Rocks Laneway

This transformative project features areas for community events and activities including opportunities for local artists to exhibit and perform within the former Rocks building, at the revamped Clock Tower Square and along Post Office Lane. This transformed space has won numerous design and architecture awards on a state and national scale.



# COMMUNITY



# ACHIEVEMENTS 2019/20

## COMMUNITY EVENTS

NON MANDATORY

### Description

This service plans and delivers City events and functions with the assistance of over 200 volunteers. It also actively sources and secures external funding via sponsorships and grant funding bodies to subsidise costs. The service also works alongside external event organisers, promoters and community groups and organisations to assist in the delivery of their events and functions to the community. The service is also responsible for the installation and removal of Christmas decorations and banners along Marine Terrace. This service plays a key role in contributing to the social fabric of the community through fostering opportunities for participation in a broad range of events.

### Service performance 2019/20

- Australia Day 2020
- HMAS *Sydney* II Memorial Service (online)
- Service for the Unknown Sailor
- ANZAC Day Dawn Service
- Christmas on The Terrace 2019



**10**

City events delivered



**18**

External events assisted by the City

## HERITAGE SERVICES

NON MANDATORY

### Description

This service is responsible for the preservation of local history, pioneer cemeteries, Civic archives, community museums, Indigenous heritage, and the historical research needs of community. The service also utilises the City's historical identity, material heritage and culture to develop tourist products such as signage and trails.

### Service performance 2019/20

- Installation of new acknowledgement signage and creation of walk trail at the Greenough Pioneer Cemetery
- Regular newspaper column "Snapshots in Time" prepared over 48 weeks
- Launch of Midwest Convict Register online database
- Completion of Mullewa Historical Burial List (1889-1987) including 1,062 records
- Family history research and oral history recording continues to grow the City's collection



**1,696**

Number of heritage items catalogued into Local Studies Collection



**309**

Number of heritage enquiries responded to



**156**

Hours of community research provided

# ACHIEVEMENTS 2019/20

## LIBRARY SERVICES

MANDATORY

### Description

The Geraldton Regional Library, whilst also servicing Mullewa Library, offers a range of services including free lending services (books, e-Books, DVDs, etc), children's literacy programs, free WIFI and computer access, meeting rooms, Big Sky Readers and Writers Festival, Randolph Stow Young Writers Awards and a mobile lending service for homebound customers. The Library is a thriving community hub, which activates East Marine Terrace.

### Service performance 2019/20

- Development of online services such as the Recycled Reads Project and Online Story Sessions, during COVID-19 closure period
- Delivery of Midwest Libraries Consortium to eight partner Shires, including the Shire of Cue who joined in January
- Randolph Stow Young Writers Awards competition delivered to primary and high schools across the Midwest
- Planning for the Big Sky Readers and Writers Festival in an adapted version for COVID-19, featuring a line-up fully consisting of WA and Midwest authors and illustrators
- Maintained a friendly and welcoming space for the community to access freely for their educational and recreational needs



**83k**

Visitors to library



**17k**

Library members



**105k**

Items loaned

## GALLERY AND PUBLIC ART

NON MANDATORY

### Description

The Geraldton Regional Art Gallery (GRAG) is the City's principal arts institution, which curates the Midwest Art Prize, City Art Collection and the City's Public Art portfolio along with a myriad of exhibitions and art related workshops. Since 1984, GRAG has been recognised as an A-Class venue, which creates a vibrant arts scene, stimulates tourism and fosters social wellbeing.

### Service performance 2019/20

- Celebrated 35 years of service in August 2019
- 11 Exhibitions held over course of year, noting COVID-19 closure in March
- Installation of highly popular "Horizon" sculpture on the Beresford Foreshore
- Opening of the Post Office Lane Lightbox Gallery as a part of the Rocks redevelopment
- Maintained the City's Art Collection Portfolio consisting 508 items



**16k**

Visitors to gallery

# ACHIEVEMENTS 2019/20

## QUEENS PARK THEATRE

NON MANDATORY

### Description

The Queens Park Theatre (QPT) is the region's flagship performing arts theatre and hosts shows, conferences and events that contribute to a vibrant community and support a rich cultural life. The QPT adds to the cultural vibrancy and social fabric of the region by allowing community members access to shows that they would normally have to travel to Perth to enjoy.

### Service performance 2019/20

- Soweto Gospel Choir
- Revolting Rhymes and Dirty Beasts
- Madama Butterfly
- Sleeping Beauty
- Balayi Open Your Eyes - Houtman 400 Exhibition  
"27 Shades of Black"



**54**

Shows hosted



**19k**

Patrons

## COMMUNITY DEVELOPMENT

NON MANDATORY

### Description

The service works closely with State Government agencies and businesses to enhance our local communities via precinct planning processes and implementation along with working closely with the community and local progress associations to develop and implement projects and programs in their areas. This service oversees and implements the City's Reconciliation Action Plan and (RAP) Committee and oversees the City's Disability Access and Inclusion Plan (DAIP) including the City's annual Disability Support Awards.

### Service performance 2019/20

- Mitchell Street Community Garden
- Disability Employment Mobile Outreach program
- National Reconciliation Week program
- COVID-19 Response Community Help program
- COVID-19 CGG-TV



**13**

Community planter boxes



**22**

Disability Employment Service clients connected to local business and industry

# ACHIEVEMENTS 2019/20

## YOUTH DEVELOPMENT

NON MANDATORY

### Description

This service organises and delivers a range of community projects and programs including the School Holiday Program. It also delivers a series of diversionary programs to reduce or prevent the antisocial behaviour of at risk youth. The service also operates the Mullewa Youth Centre.

### Service performance 2019/20

- Driveway Dinners
- Project Lester
- Midnight Basketball and Friday Night Football
- Mullewa Youth Centre Drop-in Service
- Bimba Basketball - Mullewa



**800**

Driveway meals delivered



**1,000**

Participant Mullewa Youth Centre

## QEII SENIORS AND COMMUNITY CENTRE

NON MANDATORY

### Description

The QEII Seniors and Community Centre provides seniors with a range of programs, activities and presentations that promote healthy ageing. The service also produces and distributes a monthly newsletter including and provides free access to computers and the internet. The Centre is also available to the community for hire.

### Service performance 2019/20

- Boxing for Good Health Program
- Walking Football
- Seniors Scene Newsletter
- External Information Sessions



**1,500**

Registered members



**41**

Programs delivered

# ACHIEVEMENTS 2019/20

## AQUATIC FACILITIES

NON MANDATORY

### Description

This service provides a link between the sporting community and the City. It assists sporting venues with 'Ground Management Committees' in place with the planning, ground level operations and the management of these facilities to ensure they are sustainable. The service also works with sporting groups and sporting industry bodies to activate sporting spaces and support sports events tourism. The service also administers the State Government's Community Sporting and Recreation Facilities Fund (CSRFF) by collating applications and reporting to Council on the equitable and transparent distribution of grant funding.

### Service performance 2019/20

- Managed and facilitated Aquarena – Operations/ services
- Managed and facilitated Mullewa Swimming Pool – Operations/services
- Provided compliant facilities to for community 'learn to swim' classes
- Facilitated and offered Group fitness classes
- Managed Foreshore WaterPark – Operations/ Services
- Hosted - WA Country Swimming Championships 2020



**143k**

Aquarena attendance



**5,137**

Mullewa Swimming Pool attendance



**10k**

Swim School attendance

## SPORTS AND LEISURE PLANNING

MANDATORY

### Description

The City's Aquatic facilities comprise of three facilities;

#### Geraldton Aquarena

A multi-purpose swimming facility that features a 50m outdoor pool, a 25m indoor lap pool, a leisure pool with water slide and a hydrotherapy pool.

#### Mullewa Swimming Pool

The outdoor facilities feature a six lane and 33m pool that ranges from 1m-3.4m in depth, a toddler pool with water sprayers and play area, a ping pong table and change rooms.

#### Foreshore WaterPark

Located on the Geraldton Foreshore, the park enables younger children and their families opportunities to engage in safe water activities.

### Service performance 2019/20

- Provided sporting/club educational webinars and professional development
- Coordinated sports summer and winter ground user usage
- Facilitated grant funding opportunities for sporting groups
- Managed sporting precincts and sporting leased facilities
- Provided communications to sporting community enquiries



**\$242k**

Renewal of sporting assets value



**\$151k**

Facilitated sporting grants



**100.09ha**

Total sporting ground surface managed

# ACHIEVEMENTS 2019/20

## COMMUNITY FUNDING PROGRAMS

NON MANDATORY

### Description

This service provides funding assistance to local community groups and/or organisations that make positive contributions to the quality of life within the Greater Geraldton region via the following programs:

- Community Grants Program
- Community Project Support Program
- Service Agreements
- Mayoral Discretionary Fund
- Signature Event Program

### Service performance 2019/20

- Provided Community Grants to the value of \$115,188 to 18 different groups
- Provided community project support to the value of \$3,247 to 4 different groups
- Supported events including Mullewa Muster and Rodeo, Houtman Abrolhos 400, Sunshine Festival and Funtavia



62

Groups/  
individuals  
supported



\$396k

Funding support  
provided



5

Programs

## MULLEWA COMMUNITY SERVICES

NON MANDATORY

### Description

Operating from the Mullewa District Office, this service provides administrative support to the community, manages a wide range of tourism, recreation, youth, health, cultural and transport services. It also produces a monthly community newsletter and together with the local community coordinates annual events, festivals, shows and projects.

### Service performance 2019/20

- Support for delivery of local events such as Outback Bloom and Mullewa Wildflower Show
- Liaison and advocacy undertaken with Department of Health
- Council approved the renaming of the Mullewa Swimming Pool to the Doc Docherty Pool
- During COVID-19 lockdown, staff undertook health and wellbeing checks with seniors throughout the community
- Delivered customer service including library's services, Department of Transport licensing function and airport maintenance



# ACHIEVEMENTS 2019/20

## EMERGENCY MANAGEMENT AND FIRE

### MANDATORY

#### Description

This service ensures the City is prepared for and able to respond to, and recover from, natural disasters and emergency events. It ensures the City is compliant with relevant legislation including Emergency Management Act 2005, Bush Fires Act 1954, Fire Brigades Act 1942 and Local Government Act 1995. The service also provides assistance to the Volunteer Bush Fire Brigades to mitigate the risk of bushfire on City managed and private land which includes preparation and prevention of bush fires by undertaking prescribed burns and maintaining City owned fire hydrants. The service is also responsible for the annual firebreak inspections.

#### Service performance 2019/20

- The City's Bush Fire Brigades managed by the City's Emergency Management team responded to 130 emergency incidents within the City's area of responsibility.
- The team and City Bush Fire Brigades assisted DFES with numerous incidents within the Gazetted Fire Boundary, including the Utakarra and Glenfield fires.



**22k**

Properties were visually inspected in the first round of fire break compliance



**278**

Volunteers managed in 11 brigades



**24**

Fire Control Officers managed

## RANGER SERVICES

### MANDATORY

#### Description

This service is responsible for applying and administering the City's legal obligations in relation to animal management, local laws, parking, camping grounds, caravan parks, off-road vehicles and litter. This includes operation of the Geraldton Animal Management Facility, implementation of the City Centre Car Parking Management Plan and the Corella Management Program, management of CCTV and representing the City on related legal matters.

#### Service performance 2019/20

- Ongoing successful partnerships with numerous animal rehoming agencies
- Successful first year of operating and managing the new Animal Management Facility (AMF) ( 1197 dogs were impounded into the AMF, 672 returned to owners and 467 rehomed)
- Ongoing partnerships with the community including the RSPCA, Central Regional TAFE and school visits.
- Increase in the attendance to Mullewa and the management of Ranger issues there.
- Successful management of proactive TAFE sterilisation, vaccination and microchipping programme



**3,435**

Customer complaints attended



**467**

Dogs rehomed

# ENVIRONMENT



# ACHIEVEMENTS 2019/20

## RUBBISH COLLECTION AND SANITATION

MANDATORY

### Description

This service collects rubbish from commercial and residential properties for transport to the Meru Landfill. The service includes weekly kerbside bin pickup, street/park bin collection, Verge Side Skip Bin program, illegal dumping and litter clean ups, animal carcass collection, bin delivery, street litter bin maintenance, plastic blue bin servicing and event bin hire. In early 2020, a Food Organics and Garden Organics (FOGO) trial kerbside collection program commenced.

### Service performance 2019/20

- Kerbside wheelie (Residential only)
- FOGO kerbside
- Vergeside skip bins
- Drop-off Residential waste (mixed waste, general waste and scrap metal)
- Waste receive at Meru Landfill



**14,626t**

Kerbside wheelie bin waste



**53t**

FOGO kerbside waste

## WASTE MANAGEMENT

MANDATORY

### Description

This service manages the Meru Waste Disposal Facility which consists of five waste cells, two liquid waste treatment ponds, a stock wash-down bay, a transfer station, a household hazardous good store, a green waste mulching area and the Reuse and Recycle Tip Shop. The service also includes the Mullewa Transfer Station facility and takes waste from surrounding Local Governments and businesses in the Midwest. The Meru landfill is one of two, class III landfills, located north of the metropolitan region and is managed under a Department of Water and Environment Regulation (DWER) license.



**67,813t**

Waste received at Meru Facility

# ACHIEVEMENTS 2019/20

## WORKS

MANDATORY

### Description

This service maintains, upgrades and renews roads, footpaths, cycle paths and stormwater drainage infrastructure.

### Service performance 2019/20

- Maintained 832km of sealed roads, including pothole patching, crack sealing, edging, kerb replacement and street sweeping
- Maintenance graded 2,112km unsealed roads and re-construction to 58km per annum
- Maintained 175km stormwater network and renewed 217 stormwater drainage structures.
- Maintain 172 drainage sumps, including weed control and fence replacement
- Maintain 250km footpath network



**832km**

Sealed road



**58km**

Unsealed road reconstructed p/a



**175km**

Stormwater outlets maintained

## CITY PRECINCT

NON MANDATORY

### Description

This service provides a heightened level of service to significant and high profile areas of the Central Business District (CBD). The service maintains the lawns, street trees, verges and playgrounds, sweeps and repairs footpaths, removes rubbish and graffiti and repairs vandalism. The service also engages regularly with CBD businesses and visiting community members to ensure community safety and satisfaction with maintenance carried out when and where required.

### Service performance 2019/20

- Maintained the footpath sweeping services – CBD/Foreshore/Memorials
- Maintain the lawns, street trees, verges and playgrounds – CBD/Foreshore/Memorials
- Communicate and engaged with business district enquiries
- Provided expedited maintenance services to high profile areas to ensure vibrancy of areas
- Maintained beach and sand nourishment of foreshore cells



**78kms**

Maintained footpath sweeping services



**758hrs**

Lawn mowing



**378t**

Sand nourishment carried out on the Geraldton foreshore

# ACHIEVEMENTS 2019/20

## NATURAL AND COASTAL AREAS

NON MANDATORY

### Description

This service is responsible for the restoration, enhancement and protection of the environment. It provides expert advice and input into the environmental components of infrastructure planning, design and delivery of projects including the development of Coastal Hazard Risk Management Adaptation Plan (CHRMAP). The team also provides a variety of biodiversity, natural areas, climate change and sustainability programs, undertake a range of coastal protection projects and manage Community Nursery operations.

### Service performance 2019/20

- Completed a coastal adaptation project at Sunset Beach
- Worked with numerous coastal and environmental community groups on a wide range of coastal management activities
- Implementation of Stage 1 of the Maitland Park Botanical Gardens
- Managed the Community Nursery and the 40+ volunteers to produce 23,000 local provenance seedlings.
- On-going implementation of the Northern Beaches Stabilisation Program

**409**

Geotextile sand container bags



**18k**

Volunteer work hours at the Community Nursery



**23k**

Plants

## PARKS, RESERVES AND SPORTING GROUNDS

MANDATORY

### Description

This service maintains street trees, verges and 'green spaces' and assets in parks and reserves, sporting grounds and ovals across the City region. It also plans upgrades and undertakes renewals as required. This service utilises the Parks Hierarchy Guidelines to ensure public open spaces are safe and fit for purpose, upgrades sustainably use available resources and that quality facilities for organised sport and informal recreation are provided and enhance the health and wellbeing of the community.

### Service performance 2019/20

- Maintain 194 Parks and Reserves
- Maintain 54 Playgrounds
- Maintain 46 hectares of irrigated turf including mowing, irrigation, fertiliser and turf renovation
- Manufacture, install and maintain street and wayfinding signs
- Plant, prune and maintain street trees



**46,000m<sup>2</sup>**

Irrigated turf maintained



**23**

Sport fields maintained



**3,000**

Trees under powerlines

# ACHIEVEMENTS 2019/20

## ENVIRONMENTAL HEALTH

MANDATORY

### Description

This service implements and maintains various health programs and projects which ensure a high standard of environmental and public health is attained in accordance with the Health Act 1911, Food Act 2008, Caravan Park and Camping Ground Act 1995, Environmental Protection Act 1986 and Health Local Laws 2014. The service also developed and administers the Five Star Food Safety program.

### Service performance 2019/20

- Administered the Food Safety Stars Awards program, which was recently highlighted at the recent State Environmental Health conference.
- 24 lodging houses and accommodation inspections
- 68 hairdressing, beauty establishments and tattooist inspections
- Annual inspections of 26 commercial pools including monthly swimming pool water sampling
- 66 event applications assessed



75

Community and commercial public buildings and entertainment venue inspections



260

Environmental and public health related complaints investigated and actioned for compliance with statutory obligations



389

Food business inspections

## ASSET MANAGEMENT

MANDATORY

### Description

This service identifies the location and condition of individual assets. These include roads, parks, paths, playgrounds, stormwater drainage, street and park furniture as well as City owned buildings. This information helps develop and update asset management maintenance programs utilised by all departments. It is also responsible for providing statistical asset data to State Government agencies including MainRoads WA and Department of Water and Environmental Regulation.

### Service performance 2019/20

- Maintains an asset database with key attributes of Council owned and/or managed assets including roads, footpaths, parks, playgrounds and drainage infrastructure
- Utilises Asset data to monitor asset condition and forecast renewal and replacement programmes.
- Utilises asset data to report on Quantity and value of assets



194

Parks and Reserves



54

Playgrounds

ECONOMY



1392

EMERGENCY EXIT  
Break glass to open

ADVENTURE  
AWAITS CHASE THE  
SEA

32



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VOLGREN

# ACHIEVEMENTS 2019/20

## GERALDTON VISITOR CENTRE NON MANDATORY

### Description

The Visitor Centre enhances the visitor's experience by providing up to date information to both potential and visiting tourists with what there is to see and do in the area via telephone, email or face-to-face contact. The service encourages visitors to stay longer and assists with accommodation and tours bookings.

### Service performance 2019/20

- Closed 24th March until June 14 2020 then only operating five days a week
- Retail sales \$93,638
- QPT tickets \$5,561
- Park passes \$2,059
- Cruise ship visits seven



**34k**

Door count



**\$126k**

Bookings generated for tourism operators

## ECONOMIC DEVELOPMENT AND TOURISM

NON MANDATORY

### Description

This service focuses on expanding the size of our economy so greater wealth flows into our local community in accordance with the City's Geraldton Jobs and Growth Plan 2020-2023. The service develops and delivers marketing campaigns and promotes Greater Geraldton as a great place to work, live, visit, invest and study. Success measures include increased jobs, income, liveability and community wellbeing.

### Service performance 2019/20

- Geraldton Jobs and Growth Plan 2020 to 2023: Coordination and Council approval
- COVID-19 research and information portal
- Geraldton is "Open for Business" campaign
- Successful bid for the 2021 WA Tourism Conference to be held in Geraldton
- Promoted Greater Geraldton, supporting local business, investment attraction, international relations and advocacy initiatives
- Geraldton & Midwest Community & Business Air Access Survey
- Midwest Business and Tourism Health Check COVID-19 Impact Survey



**4,465**

Progress Midwest Website views



**3,089**

China Connect Website views



**1,802**

Air Access Survey participants



**308**

COVID Tourism Health Check Survey



# ACHIEVEMENTS 2019/20

## GERALDTON AIRPORT SERVICES

NON MANDATORY

### Description

This service undertakes the planning, development, operation and maintenance of the Geraldton Airport as a commercial airport for regular public transport and charter airline services, general aviation operations and support services, RAAF flight operations, local and itinerant recreational aviation and Royal Flying Doctor Service operations.

### Service performance 2019/20

- Annual Technical Inspection – December 2019
- CASA Surveillance – March 2020
- Apron Lighting fine-tuned May 2020 1. Runway 03/21 Upgrade and Renewal Project Completion / Closeout 2020
- Airport Operations – paperless. Utilising tablets, OneDrive and Trim.
- Refurbishment of Security Check in facilitating more efficient operations and implementation of new Body Scanner (early 2021)
- Improved Airport signage program (ongoing)
- Encouraged aviation sector to utilise Main Apron - RPT for aircraft parking, with flow on effect to Greenough Terminal usage.
- Stayed fully operational despite COVID-19



**86k**

Passengers through main terminal



**4,800**

General aviation landings

## LAND AND PROPERTY SERVICES

MANDATORY

### Description

This service manages City owned buildings which includes building maintenance, sanitation, cleaning, security and the acquisition and disposal of assets no longer required. It also maintains security monitoring systems to ensure the safety of our community and staff and the security of the City's building assets. The service also manages City owned properties leased to commercial, residential, sporting and community groups to ensure they meet statutory compliance requirements.

### Service performance 2019/20

- Continued management of 200 building assets

# ACHIEVEMENTS 2019/20

## LAND DEVELOPMENT

NON MANDATORY

### Description

This service acquires land (free hold or government owned) for specific City purposes and sells surplus land and properties no longer required. It also plans and manages City land developments including design, feasibility analysis of subdivisions, staging plans, and overseeing the delivery of land subdivision developments and subsequent land sales or leases. The service is governed by the Local Government Act and associated regulations; Land Administration Act; Town Planning and Development Act.

### Service performance 2019/20

- Construction and Civil works completion of Lot 200 Gaskin Drive, Cape Burney
- Creation of 23 residential lots plus future balance lots
- Facilitation of individual lot titles and land transfer of title will occur in 2020/21. Income \$1.5m



**23**

New Residential  
Lots

# GOVERNANCE



# ACHIEVEMENTS 2019/20

## FLEET SERVICES

NON MANDATORY

### Description

This service maintains, services, renews and manages the disposal of the City's fleet of vehicles and major and minor plant equipment. It also maintains and services the City's Volunteer Bushfire Brigades' vehicles and trailers. The service manages the City stores and maintains all the buildings at the Depot site.

### Service performance 2019/20

- Maintain 490 items of major plant including graders, trucks, rollers, tractors, trailers, utilities and passenger vehicles. Fleet services plans and implements replacement of Plant and equipment at optimum changeover point in accordance with Council's long term financial plan
- Maintain and renew 11 Volunteer Bush Fire Brigade vehicles and four purpose built trailers
- Manage Council's Depot store including goods inwards, safe storage of chemicals – road construction materials – cleaning and maintenance materials



**490**

Items fleet managed



**11**

Volunteer bush fire brigade trucks



**\$250k**

Per annum to manage council's operations depot store

## TOWN PLANNING

MANDATORY

### Description

The service is responsible for processing scheme amendments, structure plans, development and subdivision applications in accordance with the Planning and Development Act 2005. It also develops and reviews the local planning scheme, strategy and policies ensuring compliance with the planning legislation and represents the City on related legal matters. The service is also responsible for maintaining the City's heritage list and often engages in high-level advocacy with State Government and other agencies in the development of studies, plans and policies for the Greater Geraldton region.

### Service performance 2019/20

- Provision of planning advice to the development industry
- Processed 235 applications with an estimated value of \$28m
- Oversaw 694 heritage listed sites
- Successfully met the City's KPI's in assessing planning applications within specified working days.



**235**

Development applications received



**\$28.2m**

Development applications value

# ACHIEVEMENTS 2019/20

## PLANNING AND DESIGN

### MANDATORY

#### Description

This service investigates, plans and designs roads, intersections, footpaths, cycle paths, carparks and stormwater drainage to ensure they are practical, viable, cost effective and sustainable. It also provides technical advice to maximise the lifespan of City assets and ensure they continue to meet current standards. It assesses development applications to ensure existing assets are protected, public health and safety is maintained and planned roads, parking, stormwater drainage and driveway crossovers meet standards, are compliant and appropriate.

#### Service performance 2019/20

- Successfully met the City's KPI's in this area.

## PROJECT DELIVERY

### MANDATORY

#### Description

This service is primarily responsible for the delivery of the City's annual New Capital and Renewals Programs. It provides project management, contract management and project supervision services to ensure all projects are delivered on time, within allocated budget and comply with statutory and regulatory requirements.

#### Service performance 2019/20

- Completion of 16 New Capital Projects at a cost of \$4.53M
- Completion of 50 Renewal Projects at a cost of \$6.9M
- Completion of Regional Road Group MRWA Funded road works at a total cost of \$1.7m
- Completion of the Rocks Lane Urban Realm at a cost of \$2.2m
- Completion of Meru Cell Five Construction at the landfill at a cost of \$4.95m



**500**

Renewal Projects



**16**

New Capital  
Projects

# ACHIEVEMENTS 2019/20

## BUILDING SURVEYING

### MANDATORY

#### Description

This service is primarily responsible for applying and administering the City's legal obligations under the Building Act 2011, which includes the processing of building permits and routinely inspecting private swimming pools. The service also offers a private certifying service to other local governments and the general public. It also responds to general enquiries where required, ensures compliance with the building legislation and represents the City on related legal matters.

#### Service performance 2019/20

- Processed 1047 applications with an estimated value of \$76M
- The City's Building Surveying team currently support 8 external Shires acting on their behalf as the Permit Authority, issuing building permits and providing certification services
- A staff member completed an Advanced Diploma of Building Surveying in April 2020 and is now a registered Building Surveyor with the City
- Despite COVID-19 restrictions the City conducted 434 pool inspections



**680**

Building applications received



**\$55.4m**

Building applications value



**367**

Building applications processed for external shires

## COMMUNICATIONS

### NON MANDATORY

#### Description

This service develops and delivers all aspects of communications including media, marketing, advertising, social media, websites, online platforms and graphic design. It ensures the community is kept informed in a timely and effective manner on important issues, news and opportunities. This service utilises a large number both traditional and modern platforms to engage and inform the community and ensures information is open, transparent and readily available at all times.

#### Service performance 2019/20

- Delivery of COVID-19 Communications campaign.
- Design and online delivery of various City-led marketing campaigns including design and online delivery of the 'Adventure Awaits' tourism campaign and a 'Geraldton is Open for Business' video series
- Communications, marketing and design of 2020/21 City Budget
- Marketing and promotion for all City events including WoW Fest, Australia Day and Christmas on the Terrace
- Implementation of a new City brand style guide and completion of more than 804 graphic design jobs



**570k**

City website hits



**993**

Facebook posts



**173**

Media releases

# ACHIEVEMENTS 2019/20

## COMMUNITY ENGAGEMENT MANDATORY

### Description

This service works closely with all departments to identify opportunities where the community can provide feedback, input and ideas on the design, delivery and evaluation of City programs, projects and services. It ensures the engagement process is consensus seeking, is inclusive and transparent, and that engagement outcomes inform Council in its decision-making processes.

### Service performance 2019/20

- Australia Day Event Feedback Surveys
- Community Strategic Plan – World Cafes with students
- Levy Street Park Information Session and Survey
- Aquarena Services Community Survey
- Kempton Street Traffic Calming Survey
- Food Organic Garden Organic (FOGO) Kerbside Collection Trial Street Meets
- Spalding Precinct Planning
- Railway Street Safe Active Street Project
- Community Waste and Recycling Survey
- Community Voice Shaping Our Future Project Surveys and Workshop



**1,325**

Community Voice  
Project Surveys



**157**

Kempton Street  
Traffic Calming  
Community  
Surveys



**144**

Aquarena Services  
Survey

## CUSTOMER EXPERIENCE CONTACT CENTRE MANDATORY

### Description

This service provides an interface with community and is often the first point of contact for customers regarding a range of complex, sensitive and routine requests. The service determines the needs of the customer, provides effective and timely information or solutions where possible and escalates enquiries through to specialist staff when necessary. The services provides face-to-face contact and a multi-channel contact centre that incorporates email, telephone, web chat, and social media channels.

### Service performance 2019/20

- 84% first call resolution
- 31,100 phone calls
- 18,809 face-to-face visitors
- 708 web chats
- Finalist AIM WA 2019/20 Pinnacle Awards - Customer Service Excellence
- First call resolution is the Contact Centre's primary KPI to determine success and measures the percentage of customer enquiries resolved in a single contact



**31k**

Phone calls



**18k**

Face-to-face  
visitors



**708**

Web chats

# ACHIEVEMENTS 2019/20

## CORPORATE COMPLIANCE AND SAFETY

MANDATORY

### Description

The service provides organisational support and oversight of the City's compliance management plan, procurement framework, safety management system, business continuity management plans, risk management framework, Council elections, legal services, Freedom of Information and Public Interest Disclosure facilitation and insurance portfolio.

### Service performance 2019/20

- Consolidation of all corporate governance, risk, safety and procurement functions within in the Corporate Compliance and Safety branch
- Implementation of the operational changes required by the DLGSCI relating to the Local Government Act Reform and the COVID-19 state of emergency amendments
- Local Law review project which saw the modernisation of the City's local laws, and the repealing of all redundant historic local laws
- Redevelopment of the City's safety management systems to align with the expanded obligations which will be required under Work Health & Safety
- Establishment of a procurement support services model to strengthen probity and ensure value for money in procurement processes



**104**

Safety incidents actioned



**446**

Formal requests for Tender/Quotations



**41**

Historic local laws repealed

## HUMAN RESOURCES AND SAFETY SERVICES

MANDATORY

### Description

The service facilitates and optimises all stages of the employee lifecycle to effectively support the organisation to achieve its goals and objectives.

This includes the provision of recruitment, induction, remuneration, industrial relations, performance management, counselling, training and development services. It also coordinates organisational development activities including the development, implementation and monitoring of management systems, policies and procedures and legislative requirements.

### Service performance 2019/20

- The ongoing recruitment, selection, onboarding and inductions of new employees
- Employee engagement and organisational wellbeing
- Employee and industrial relations, Enterprise Agreement maintenance and negotiations
- Development and implementation of the Strategic Workforce Plan 2019 - 2022
- Management of employees workers compensation claims, injury management and return to work programs



# ACHIEVEMENTS 2019/20

## INFORMATION COMMUNICATION AND TECHNOLOGY

MANDATORY

### Description

This service provides, maintains and operates the architecture, hardware, software and data networks including computing, telecommunications, business information systems, data and technical support. This service ensures the confidentiality, integrity and availability of information, communication and technology assets and resources.

### Service performance 2019/20

- Adopted ICT Strategic Plan 2020-2024
- Improved Governance of Enterprise IT
- Increased Focus on Cyber Security



**2,000+**

ICT assets actively managed



**1**

Business Continuity and Disaster Recovery Plan live test



**2,800+**

Requests for ICT support actioned

## INFORMATION MANAGEMENT

MANDATORY

### Description

This service captures and maintains official records in accordance with recordkeeping plan, prepared in accordance with the State Records Act and adopted by Council. It also ensures the confidentiality, integrity and availability of records.

### Service performance 2019/20

- Implemented Digitised Recordkeeping Processes
- Completed 2020 Disposal of Documents
- Improved Data Governance



**1.3m**

Electronic documents managed



**25k**

Incoming mail received and actioned

# ACHIEVEMENTS 2019/20

## TREASURY AND FINANCE

### MANDATORY

#### Description

The Treasury and Finance branch at the City oversees collection of all money owing to the City, authorisation of incurring of liabilities and making of payments, accounting for assets and liabilities, maintenance of payroll, stock control, statutory reporting, facilitation of internal audits and the preparation of budgets, budget reviews and reporting to Council.

The Local Government Act 1995 and associated regulations provide the framework for the administration and financial management of local government.

#### Service performance 2019/20

- Updated the Long Term Financial Plan, developed the annual budget and conducted mid-year review
- Prepared the Annual Financial Report in accordance with AAS and regulations
- Managed property rating function for 20,319 rateable properties
- Provided services to the organisation including payroll, accounts payable and receivable, tax preparation and financial reporting



**\$46.59m**

Rate revenue



**908**

Property sale  
account enquiries



**\$15.5m**

Grant funding  
management



# ACHIEVEMENTS 2019/20

## DISABILITY SERVICES

The City has once again focused strongly on disability during 2019/20 with a number of new and exciting programs being developed and implemented.

These have included the further development of Passport 2 Employment. 2020 will see the program adding an additional two weeks taking it from seven to nine providing 14 year 11 and 12 students living with disability through a more extensive process of getting work ready.

2020 will also see Champion Bay Senior High School joining the program for the first time. The content will once again include workplace visits, health and wellbeing, CV preparation, mock interviews and dress presentation.

The City delivered its first Disability Employment Mobile Outreach (DEMO) program. The aim was to break down barriers associated with negative opinions and misinformation around employing those with disability and to introduce participants to prospective employers.

This was achieved by taking participants over a one week period into pre-arranged workplaces where they enjoyed a lunch together, and allowed the opportunity to tell their story. Businesses and participants were able to connect personally on site, rather than anonymously via on line job applications where their experience was universally negative. Interactions were all very positive. Businesses encouraged participants to present personally for any jobs advertised, inviting them to apply for vacancies currently available. Some participants secured formal interviews.

The City's Community Development Officer worked closely with the Events team in producing strategies to enable the City's Premier annual event Wind On Water Festival to be fully inclusive.

The outcome is to have a fully inclusive festival based on the principles of universal design, allowing equal opportunities for all, including seniors, families with pushchairs and those with disability including sensory, mobility, intellectual and cognitive. An Inclusive Festival Guide is in draft stage.

Organisations and contractors have been consulted, and although the Festival has been postponed due to COVID-19, the City intends to implement all aspects of access and inclusion into the Festival when it goes ahead.

The City partnered with a local service provider and trialled accessible matting at its Australia Day event. The matting enabled greater access for not only those with mobility issues, but also families with young children in pushchairs, and seniors. The City also coned off and reserved additional accessible parking spaces at the site.

The City launched its biggest community engagement campaign in over five years. The Community Voice - Shaping our Future Project. The Project, offered residents the opportunity to have their say on the services the City provides, and future capital works projects to be delivered in stages over the coming 12 months.

The Citizens Jury consisted of a diverse and representative group of community members including a number with mobility issues and one with a severe hearing impairment.

The Citizens Jury reviewed City services and deliberated their future delivery. The benefits of this form of engagement is that community members form part of and have influence on the decision making process.

The City provided an opportunity for student to undertake work experience as a direct result of the Passport 2 Employment program. The student displayed a flair and talent in graphic design while creating a branding logo for an event which was due to take place later this year but has since been cancelled due to COVID-19. The student was welcomed and worked alongside the City's Communications Team as well as the Information Technology team.

The Access and Inclusion Key Services face to face induction for all new and existing staff continues to be informative and receives valuable, ongoing feedback regarding access and inclusion. Based on this feedback, the training has been modified and uses additional resources to further enhance the content of the training.

# GERALDTON

TAKE A FRESH LOOK



# PLANNING FOR THE FUTURE

## **CBD Revitalisation**

A major upgrade to the entrance into our CBD will go ahead earlier than planned thanks to an unexpected Federal Government grant for \$1.3 million. The funding comes from the Local Roads and Community Infrastructure (LRCI) Program set-up in May by the Australian Government to assist a community-led recovery from COVID-19. The City will use the funding to upgrade the entry to the CBD and Geraldton Foreshore by improving the Cathedral Avenue streetscape from Sanford Street to Foreshore Drive. The plan will include a significant number of street trees to create a more shaded and comfortable pedestrian zone and improved streetscape.

## **HMAS Toilets**

Construction of an ablution block is set to be completed in February 2021 at one of Geraldton's most visited icons, the HMAS *Sydney II* Memorial. The project was awarded to a local contractor and construction of the \$333,000 facility will begin in August 2020.

## **Local charter vessel jetties**

Geraldton will welcome two new local charter vessel jetties through \$3 million in funding from the state government. Set to boost marine tourism in Geraldton and the Abrolhos Islands, the two jetties will be located at the Batavia Coast Marina and the eastern side of the Geraldton Esplanade. The project is set to create four new jobs during the construction phase and seven indirect new jobs.

## **Sport and Recreation**

Sport and recreation will get a boost with more than \$1.2 million to be spent in the new financial year. Little Athletics Sporting Light Towers will be renewed with a \$430,000 spend and cyclists will enjoy a new 580m shared pathway on Chapman Road partly funded by a WA Bike Network Grant and part of a the staged development of a shared path from Sunset Beach to Drummond Cove.

Facilities in Mullewa are also set to receive upgrades with significant renewal works to the Recreation Ground and Centre, Mullewa Sportsman Club and Mullewa Swimming Pool. Engineering and design will also take place for the Aquarena's 50m outdoor pool, along with other renewals at the facility. Other sporting ovals and open spaces will also be receiving upgrades including renewal of perimeter fencing.

## **RAC Intellibus**

State-of-the-art driverless technology was a feature in Geraldton's CBD with RAC's Intellibus completing a trial in the Midwest. Demonstrations will begin in September 2020 and will travel a 2.6km return loop commencing at the Geraldton Visitor Centre, via the Museum of Geraldton, travelling primarily along Marine Terrace, Foreshore Drive and Museum Place. Council also approved the extension of the demonstration to three months to include the rollout of RAC's educational 'Imagine Program' to local schools.

## **Roundabouts**

Two of the busiest intersections in the CBD will soon welcome smoother traffic flow. Construction of the Cathedral Avenue – Sanford Street roundabout is set to be completed in 2021. The estimated \$1.27 million project is 100% funded by the Federal Government Black Spot funding program. Construction of the Durlacher – Maitland Street roundabout, which includes utility services relocations and the removal of six small trees and five large Norfolk Pine trees to be undertaken in the 2020/21 financial year. Full construction of the roundabout is expected to be completed in 2021. The estimated \$1.48 million project is jointly funded with the State Government Black Spot Program funding two thirds of the costs and the City the remaining one third.

# PLANNING FOR THE FUTURE

## **Sustainability**

Projects to harvest storm water, utilise clean energy, reduce waste and adapt to climate change will be rolled out in the 2020/21 financial year. The current FOGO trial, which is seeing the food organic garden organic waste from 500+ homes being separately collected and turned into compost will expand and rolled out to an additional households. The ongoing use of renewable energy to power City owned buildings will also continue with the installation of solar panels at the Geraldton Airport. The design and construction of an irrigation system that utilises harvested storm water to irrigate the Eadon Clark Sporting Complex is also in the 2020/21 Budget. This project will help reduce the costs of maintaining the 11 major sporting precincts across the City region.

Further coastal adaptation measures are also proposed, including a third geotextile sand container groyne at Whitehill Road in Drummond Cove, subject to grant funding approval, and coastal resilience works for Bluff Point.

# STATUTORY REPORTS

## RECORDKEEPING

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

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

The City continued its efforts toward best practice in the area of electronic record keeping with 101,102 corporate records registered. This represents a 17% increase from the previous year.

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

## FREEDOM OF INFORMATION

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

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

The Coordinator Governance is the City's Freedom of Information Coordinator. Any formal application for information that is not already freely available at the City may be made through the Freedom of Information Coordinator. During 2019/20 the City processed a total of fourteen Freedom of Information applications, with an average of 24 days to complete each application. The 14 applications were completed within the legislative timeframe of 45 days.

## NATIONAL COMPETITION POLICY

In 1995 the Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy. Local government is affected mainly where it operates significant business activities which compete, or could compete, with private sector businesses. Local government will also be affected where local laws unnecessarily affect competition. The City is required to comply with certain policies contained within the National Competition Policy Statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.

## COMPETITIVE NEUTRALITY

It is the City's responsibility to determine whether it is engaged in "significant business activities" within the context of its operations and therefore whether it is required to apply the competitive neutrality principles. Local government is only required to implement the above principles to the extent that the benefits to be realised from implementation outweigh the costs in respect of individual business activities exceeding an annual income of \$500,000. Within these criteria the City identified the following business activities:

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



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

## COMPLAINTS REGISTER

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

As required in accordance with s5.121 'Register of certain complaints of minor breaches' of the Act, the City maintains an electronic register that is managed by the Executive Office.

The City reports no complaints as defined under s5.110 (6) (b) or (c) of the Act for the period ending 30 June 2020.

## EMPLOYEE SALARIES

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

SALARY BAND		NUMBER OF EMPLOYEES
\$ From	\$ To	2019/20
100,000	109,999	16
110,000	119,999	5
120,000	129,999	7
130,000	139,999	3
140,000	149,999	1
150,000	159,999	1
160,000	169,000	1
180,000	189,999	1
190,000	199,999	2
250,000	259,999	1
<b>TOTAL</b>		<b>37</b>

# FINANCIAL SUMMARY

2019/2020 FINANCIAL YEAR	2018/2019 FINANCIAL YEAR
TOTAL ASSETS	TOTAL ASSETS
\$939,261,559	\$970,915,021
TOTAL LIABILITIES	TOTAL LIABILITIES
\$58,495,035	\$73,462,501
EQUITY/NET ASSETS	EQUITY/NET ASSETS
\$880,766,524	\$897,452,520
OPERATING REVENUE	OPERATING REVENUE
\$79,755,441	\$80,018,209
OPERATING EXPENDITURE	OPERATING EXPENDITURE
\$79,128,378	\$80,275,640
OPERATING SURPLUS/(DEFICIT)	OPERATING SURPLUS/(DEFICIT)
\$627,063	\$550,758
NON-OPERATING REVENUE	NON-OPERATING REVENUE
\$7,149,820	\$21,401,805
CAPITAL EXPENDITURE	CAPITAL EXPENDITURE
\$26,115,626	\$59,026,889
CASH BACKED RESERVES	CASH BACKED RESERVES
\$23,088,955	\$22,035,630

## FINANCIAL PERFORMANCE

### Revenue:

Operating Revenue generated for 2019/20 was \$80 million, including receipt in advance of the City's 2020/21 Federal Assistance Grants. Operating Revenue overall shows a small retraction of \$220k from 2018/19 and \$3.7 million less than budget. Fees and charges revenues were impacted by COVID-19 with the largest reductions seen in airport and parking. This was partially offset by increases in rate revenue, interest earnings and other (contributions recouped from Trust).

### Expenditure:

Operating Expenditure was \$79.1million, a decrease of \$300k compared to the previous year and \$4 million less than budgeted. This was the result of measures taken to reduce spending in response to COVID-19 and impacts to projected revenue streams. All categories of expenditure were less than budget with most significant savings in Materials and Contracts of \$3.4 million.

### Major areas of capital expenditure included:

	2019/20	2018/19
ROADS	\$9.65M	\$8.6M
FOOTPATHS & CYCLEWAYS	\$1.5M	\$1.9M
PARKS & GARDENS	\$4.2M	\$11.7M
CARPARKS	\$324K	\$151K
MERU LANDFILL	\$1.4M	\$3.8M
AIRPORT	\$238K	\$22M
DRAINAGE	\$939K	\$1.2M
LAND & BUILDINGS	\$4.68M	\$6.5M
PLANT & EQUIPMENT	\$3M	\$2.9M

### Financial Position:

The 2019/20 year has been anything but 'normal' with the emergence of COVID-19 and government measures to contain spread of the virus impacting significantly on revenue streams for the organisation. In response, the City implemented measures to reduce expenditure where possible whilst also providing relief to the community. Recovery from the projected deficit in 2020/21 is likely to take several years.

# FINANCIAL HIGHLIGHTS

## TOTAL REVENUE

General Rates	54%
Grants, Subsidies and Contributions	18%
Fees and Charges	24%
Interest Earnings	2%
Other Revenue and Profit on Asset Disposal	2%



## TOTAL EXPENDITURE

Roads, Carparks, Pathways, Drainage & Street Lighting	38%
Parks, Coastal & Natural Management	14%
Airport	10%
Waste Services	9%
Regulatory Services – Health, Building, Planning, Rangers	7%
Land & Property	5%
Community & Cultural Development	5%
Sport & Leisure	5%
Library, Heritage & Art Gallery	3%
Emergency Management	2%
Economic Development & Tourism	2%





# FINANCIALS



# City of Greater Geraldton

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2020

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# City of Greater Geraldton

## General Purpose Financial Statements for the year ended 30 June 2020

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### Overview

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

### General Purpose Financial Statements for the year ended 30 June 2020

*Local Government Act 1995*

*Local Government (Financial Management) Regulations 1996*

### Statement by Chief Executive Officer

The attached financial report of the City of Greater Geraldton for the financial year ended to June 2020 is based on proper accounts and records to present fairly the financial position of the City of Greater Geraldton at 30 June 2020 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 28 day of JANUARY 2021



Ross McKim

**CHIEF EXECUTIVE OFFICER**



## City of Greater Geraldton

Statement of Comprehensive Income (by Nature or Type)  
for the year ended 30 June 2020

\$	Notes	2020 Actual	2020 Budget	2019 Actual
<b>Revenue</b>				
Rates	26(a)	46,589,662	46,939,412	45,873,090
Operating Grants, Subsidies & Contributions	32	8,373,215	8,165,188	8,701,906
Fees & Charges	31	21,085,907	24,674,970	22,474,314
Interest Earnings	2(a)	1,992,198	2,047,851	1,653,321
Other Revenue		1,714,459	1,638,150	1,276,187
		<u>79,755,441</u>	<u>83,465,571</u>	<u>79,978,818</u>
<b>Expenses</b>				
Employee Costs	35	(28,172,282)	(28,487,934)	(27,672,236)
Materials & Contracts		(18,847,740)	(22,268,848)	(19,808,029)
Utilities		(2,956,953)	(2,978,255)	(3,031,203)
Depreciation & Amortisation	2(a)	(24,518,212)	(24,679,101)	(24,151,946)
Interest Expenses	2(a)	(1,344,619)	(1,373,139)	(1,042,202)
Insurance		(728,218)	(739,321)	(720,300)
Other Expenditure		(2,560,355)	(2,853,575)	(3,002,144)
		<u>(79,128,378)</u>	<u>(83,380,173)</u>	<u>(79,428,060)</u>
<b>Operating Result from Continuing Operations <sup>(1)</sup></b>		<u>627,063</u>	<u>85,398</u>	<u>550,758</u>
Non-Operating Grants, Subsidies & Contributions	32	7,130,966	5,627,482	21,086,497
Fair Value Adjustments to financial assets at fair value through profit and loss	2(a)	5,187	-	315,308
Revaluation of Infrastructure, Property, Plant & Equip.	2(a)	(4,382,927)	-	-
Profit on Asset Disposals	23	46,742	74,898	39,391
Loss on Asset Disposal	23	(1,369,599)	(759,710)	(847,580)
		<u>1,430,369</u>	<u>4,942,670</u>	<u>20,593,616</u>
<b>Net Result - Surplus (Deficit)</b>		<u>2,057,432</u>	<u>5,028,068</u>	<u>21,144,374</u>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	15	(20,210,775)	-	(51,832)
<b>Total Other Comprehensive Income</b>		<u>(20,210,775)</u>	<u>-</u>	<u>(51,832)</u>
<b>Total Comprehensive Income</b>		<u>(18,153,343)</u>	<u>5,028,068</u>	<u>21,092,542</u>

<sup>(1)</sup> Allowing for or not factoring in the prepayment of Financial Assistance Grants for 2020-21 \$3,051,785 (2019-20: \$3,042,332), Council Operating Result from Continuing Operations would amount to a deficit of \$2,424,722 (2018-19: \$2,491,575).

## City of Greater Geraldton

Statement of Comprehensive Income (by Program)  
for the year ended 30 June 2020

\$	Notes	2020 Actual	2020 Budget	2019 Actual
<b>Revenue</b>				
Governance		86,210	66,136	110,095
General Purpose Funding		54,315,487	55,189,638	53,997,631
Law, Order, Public Safety		612,456	693,972	519,338
Health		60,822	86,150	77,054
Education & Welfare		322,854	349,905	290,062
Community Amenities		12,958,008	13,571,482	12,167,207
Recreation & Culture		4,206,830	4,383,295	3,196,668
Transport		4,956,682	6,669,496	6,766,215
Economic Services		946,120	1,114,397	1,114,931
Other Property & Services		1,289,972	1,341,100	1,739,616
		<u>79,755,441</u>	<u>83,465,571</u>	<u>79,978,817</u>
<b>Expenses (excl. Finance Costs)</b>				
Governance		(1,722,517)	(2,378,734)	(2,431,165)
General Purpose Funding		(866,049)	(901,532)	(912,649)
Law, Order, Public Safety		(3,016,906)	(3,019,812)	(2,271,607)
Health		(754,828)	(790,703)	(639,351)
Education & Welfare		(1,734,431)	(1,895,027)	(1,721,242)
Housing		(29,659)	(27,546)	(24,583)
Community Amenities		(9,862,448)	(10,906,208)	(10,507,085)
Recreation & Culture		(20,226,803)	(19,724,094)	(18,063,224)
Transport		(29,080,067)	(30,000,119)	(30,570,368)
Economic Services		(4,736,255)	(5,341,260)	(4,383,076)
Other Property & Services		(5,753,800)	(7,021,999)	(6,861,508)
		<u>(77,783,760)</u>	<u>(82,007,034)</u>	<u>(78,385,858)</u>
<b>Finance Costs</b>				
	2(a)			
Governance		(13,814)	(14,837)	(17,891)
General Purpose Funding		(11,185)	-	-
Law, Order, Public Safety		(35,716)	(36,545)	(6,165)
Community Amenities		(150,973)	(153,281)	(25,565)
Recreation & Culture		(429,388)	(418,196)	(473,195)
Transport		(332,631)	(339,947)	(210,969)
Economic Services		(257,291)	(270,760)	(180,008)
Other Property & Services		(113,621)	(139,573)	(128,409)
		<u>(1,344,618)</u>	<u>(1,373,139)</u>	<u>(1,042,202)</u>
<b>Operating Result from Continuing Operations</b>		<u>627,063</u>	<u>85,398</u>	<u>550,758</u>
<b>Non-Operating Grants, Subsidies, Contributions</b>				
Law, Order, Public Safety		929,978	-	-
Community Amenities		114,000	5,627,482	-
Recreation & Culture		(142,126)	-	2,204,184
Transport		6,227,687	-	15,956,884
Other Property & Services		1,428	-	2,925,429
	32	<u>7,130,966</u>	<u>5,627,482</u>	<u>21,086,497</u>

This statement should be read in conjunction with the accompanying notes.

## City of Greater Geraldton

Statement of Comprehensive Income (by Program) (continued)  
for the year ended 30 June 2020

\$	Notes	2020 Actual	2020 Budget	2019 Actual
<b>Profit/(Loss) on Disposal of Assets</b>				
Governance		(708,943)	-	(58,118)
Housing		(14,000)	-	(128,502)
Recreation & Culture		(2,853)	-	(46,678)
Transport		-	8,928	-
Other Property & Services		(597,061)	(693,740)	(574,891)
	23	<u>(1,322,857)</u>	<u>(684,812)</u>	<u>(808,189)</u>
<b>Other Income</b>				
Fair Value Adjustments to Financial Assets at Fair Value through Profit & Loss	2(a)	5,187	-	315,308
Revaluation of Infrastructure, Property, Plant & Equip.	2(a)	(4,382,927)	-	-
		<u>(4,377,740)</u>	<u>-</u>	<u>315,308</u>
<b>Net Result - Surplus (Deficit)</b>		<u><u>2,057,432</u></u>	<u><u>5,028,068</u></u>	<u><u>21,144,374</u></u>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	15	(20,210,775)	-	(51,832)
<b>Total Comprehensive Income</b>		<u><u>(18,153,343)</u></u>	<u><u>5,028,068</u></u>	<u><u>21,092,542</u></u>

## City of Greater Geraldton

## Statement of Financial Position

as at 30 June 2020

\$	Notes	2020 Actual	2019 Actual
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3	34,862,959	36,211,489
Financial Assets	4	2,352,977	5,069,939
Trade and Other Receivables	5	7,732,314	8,910,085
Inventories	6	506,388	857,702
Contract Assets	9	20,485	-
<b>Total Current Assets</b>		<b><u>45,475,122</u></b>	<b><u>51,049,215</u></b>
<b>Non-Current Assets</b>			
Financial Assets	4	519,059	566,849
Trade and Other Receivables	5	535,044	484,303
Property, Plant and Equipment	7	205,048,762	203,605,592
Infrastructure	8	687,362,777	715,104,918
Right of Use Assets	10	197,796	-
Intangible Assets	42	104,144	104,144
<b>Total Non-Current Assets</b>		<b><u>893,767,582</u></b>	<b><u>919,865,806</u></b>
<b>TOTAL ASSETS</b>	21	<b><u>939,242,705</u></b>	<b><u>970,915,021</u></b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	11	9,856,328	19,357,080
Contract Liabilities	9	765,330	-
Lease Liability	10	49,637	-
Borrowings	12	4,798,496	5,296,164
Provisions	13	5,189,270	5,043,164
<b>Total Current Liabilities</b>		<b><u>20,659,061</u></b>	<b><u>29,696,408</u></b>
<b>Non-Current Liabilities</b>			
Lease Liability	10	143,827	-
Borrowings	12	28,280,554	33,079,050
Provisions	13	9,411,592	10,687,042
<b>Total Non-Current Liabilities</b>		<b><u>37,835,973</u></b>	<b><u>43,766,092</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>58,495,035</u></b>	<b><u>73,462,501</u></b>
<b>Net Assets</b>		<b><u>880,747,670</u></b>	<b><u>897,452,520</u></b>
<b>EQUITY</b>			
Retained Surplus		350,376,346	347,843,747
Reserves - Cash/Investment Backed	14	23,008,955	22,035,630
Reserves - Asset Revaluation	15	507,362,368	527,573,143
<b>Total Equity</b>		<b><u>880,747,670</u></b>	<b><u>897,452,520</u></b>

This statement should be read in conjunction with the accompanying notes.



## City of Greater Geraldton

Statement of Changes in Equity  
for the year ended 30 June 2020

\$	Notes	Retained Surplus	Reserves Cash / Investment Backed	Asset Revaluation Reserve	Total Equity
Balance as at 1 July 2018		332,513,626	16,221,376	527,624,975	876,359,977
<b>Restated Balance</b>		<b>332,513,626</b>	<b>16,221,376</b>	<b>527,624,975</b>	<b>876,359,977</b>
Net Result		21,144,374	-	-	21,144,374
Total OCI / Asset Revaluation	15	-	-	(51,832)	(51,832)
Reserve Transfers	14	(5,814,253)	5,814,253	-	-
<b>Balance as at 30 June 2019</b>		<b>347,843,747</b>	<b>22,035,630</b>	<b>527,573,143</b>	<b>897,452,520</b>
Changes in Accounting Policy	48	1,448,492	-	-	1,448,492
<b>Restated Balance</b>		<b>349,292,239</b>	<b>22,035,630</b>	<b>527,573,143</b>	<b>898,901,012</b>
Net Result		2,057,432	-	-	2,057,432
Total OCI / Asset Revaluation	15	-	-	(20,210,775)	(20,210,775)
Reserve Transfers	14	(973,325)	973,325	-	-
<b>Balance as at 30 June 2020</b>		<b>350,376,346</b>	<b>23,008,955</b>	<b>507,362,368</b>	<b>880,747,670</b>

## City of Greater Geraldton

Statement of Cash Flows  
for the year ended 30 June 2020

\$	Notes	2020 Actual	2020 Budget	2019 Actual
<b>Cash Flows from Operating Activities</b>				
<b>Receipts:</b>				
Rates		46,134,059	46,880,390	45,734,055
Operating Grants, Subsidies and Contributions		10,566,550	8,165,188	8,698,226
Fees and Charges		22,695,268	24,674,970	21,161,349
Interest Earnings		1,978,854	2,047,173	1,655,420
Goods and Services Tax		356,095	-	1,501
Other Revenue		4,323,717	3,084,975	2,689,437
		<u>86,054,544</u>	<u>84,852,696</u>	<u>79,939,989</u>
<b>Payments:</b>				
Employee Costs		(27,717,273)	(28,456,758)	(27,663,749)
Materials and Contracts		(26,738,436)	(22,378,798)	(13,800,778)
Utilities		(2,956,953)	(2,978,255)	(3,031,203)
Insurance		(728,218)	(739,321)	(720,300)
Interest		(1,370,812)	(1,406,365)	(990,729)
Other Expenditure		(5,709,898)	(2,853,575)	(2,812,182)
		<u>(65,221,589)</u>	<u>(58,813,072)</u>	<u>(49,018,943)</u>
<b>Net Cash provided (or used in) Operating Activities</b>	14(b)	<u>20,832,955</u>	<u>26,039,624</u>	<u>30,921,046</u>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts:</b>				
Non-Operating Grants, Subsidies and Contributions	32	7,130,966	5,627,482	21,086,497
Proceeds from Sale of Assets	23	685,591	1,901,500	611,409
Proceeds from Investments	4	2,769,939	-	-
<b>Payments:</b>				
Payments for Land Acquisitions		-	-	(332,641)
Payments for Purchase of Property, Plant & Equipment	22	(7,434,318)	(5,818,471)	(9,521,261)
Payments for Construction of Infrastructure	22	(18,348,668)	(21,083,150)	(49,505,628)
Unexpended Non-Operating Grants		(1,637,520)	-	(1,904,472)
Payments for Purchase of Investments		-	-	(4,903,298)
		<u>(16,834,010)</u>	<u>(19,372,639)</u>	<u>(44,469,394)</u>
<b>Net Cash provided (or used in) Investing Activities</b>		<u>(16,834,010)</u>	<u>(19,372,639)</u>	<u>(44,469,394)</u>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts:</b>				
Proceeds from Self Supporting Loans	25(a)	-	69,939	-
Proceeds from New Loans	25(b)	-	-	18,250,000
<b>Payments:</b>				
Repayment of Debentures	25(a)	(5,296,164)	(5,296,122)	(3,996,807)
Repayment of Finance Leases		(51,311)	-	-
		<u>(5,347,475)</u>	<u>(5,226,183)</u>	<u>14,253,193</u>
<b>Net Cash provided (or used in) Financing Activities</b>		<u>(5,347,475)</u>	<u>(5,226,183)</u>	<u>14,253,193</u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		(1,348,530)	1,440,802	704,845
Cash at the beginning of the year	3	36,211,489	20,485,424	35,506,644
<b>Cash &amp; Cash Equivalents - End of the Year</b>	16(a)	<u>34,862,959</u>	<u>21,926,226</u>	<u>36,211,489</u>

## City of Greater Geraldton

Rate Setting Statement (by Nature)  
for the year ended 30 June 2020

\$	Notes	2020 Actual	2020 Budget	2019 Actual
<b>Revenue</b>				
Operating Grants, Subsidies & Contributions		9,821,707	8,165,188	8,701,906
Fees & Charges		21,085,907	24,674,970	22,474,314
Interest Earnings		1,992,198	2,047,851	1,653,321
Profit on Disposal of Assets		46,742	74,898	39,391
Other Revenue		1,714,459	1,638,150	1,276,187
		<u>34,661,013</u>	<u>36,601,057</u>	<u>34,145,119</u>
<b>Expenses</b>				
Employee Costs		(28,172,282)	(28,487,934)	(27,672,236)
Materials & Contracts		(18,847,740)	(22,268,848)	(19,808,029)
Utilities		(2,956,953)	(2,978,255)	(3,031,203)
Depreciation & Amortisation		(24,518,212)	(24,679,101)	(24,151,946)
Interest Expenses		(1,344,619)	(1,373,139)	(1,042,202)
Insurance		(728,218)	(739,321)	(720,300)
Loss on Disposal of Assets		(1,369,599)	(759,710)	(847,580)
Other Expenditure		(2,560,355)	(2,853,575)	(3,002,144)
		<u>(80,497,977)</u>	<u>(84,139,883)</u>	<u>(80,275,640)</u>
<b>Net Result Excluding Rates</b>		<u>(45,836,965)</u>	<u>(47,538,826)</u>	<u>(46,130,521)</u>
<b>Adjustment for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure &amp; Revenue</b>				
(Profit)/Loss on Asset Disposal	23	1,322,857	684,812	808,189
Movement in Non-Current Deferred Pensioner Rates		(50,741)	-	(55,563)
Movement in Non-Current Employee Benefit Provisions		(65,766)	-	(45,022)
Depreciation & Amortisation on Assets	2(a)	24,518,212	24,679,101	24,151,946
Other Non-Cash (Revenue)/Expenditure		40,469	-	(52,691)
<b>Net Non-Cash Expenditure &amp; Revenue</b>		<u>25,765,031</u>	<u>25,363,913</u>	<u>24,806,859</u>
<b>Capital Expenditure</b>				
Purchase Land and Buildings	22	(4,686,079)	(3,044,000)	(6,524,922)
Purchase Plant and Equipment	22	(2,153,379)	(2,220,200)	(2,442,649)
Purchase Furniture and Equipment	22	(917,500)	(524,271)	(461,864)
Purchase of Other PP&E	22	(10,000)	(30,000)	(91,826)
Infrastructure Assets	22	(18,348,668)	(21,083,150)	(49,505,628)
Repayment of Debentures	25(a)	(5,296,164)	(5,296,122)	(3,996,817)
<b>Net Capital Expenditure</b>		<u>(31,411,790)</u>	<u>(32,197,743)</u>	<u>(63,023,705)</u>

## City of Greater Geraldton

Rate Setting Statement (by Nature) (continued)  
for the year ended 30 June 2020

\$	Notes	2020 Actual	2020 Budget	2019 Actual
<b>Capital Revenue</b>				
Proceeds from Disposal of Assets	23	685,590	1,901,500	611,408
Proceeds from New Debentures	25(b)	-	-	18,250,000
Self-Supporting Loan Principal Income	25(a)	69,939	69,939	96,785
Non-Operating Grants, Subsidies and Contributions	32	<u>7,130,966</u>	<u>5,627,482</u>	<u>21,086,497</u>
<b>Net Capital Revenue</b>		<u>7,886,495</u>	<u>7,598,921</u>	<u>40,044,690</u>
<b>Transfers</b>				
Transfers to Reserves (Restricted Assets)	14	(8,683,054)	(2,809,000)	(12,771,054)
Transfers from Reserves (Restricted Assets)	14	<u>7,709,729</u>	<u>3,120,000</u>	<u>6,956,800</u>
<b>Net Transfers</b>		<u>(973,325)</u>	<u>311,000</u>	<u>(5,814,253)</u>
Surplus/(Deficit) July 1 B/Fwd	26(b)	4,516,556	3,747,755	8,760,396
Surplus/(Deficit) June 30 C/Fwd	26(b)	6,535,663	4,224,432	4,516,556
<b>Amount Raised from Rates</b>	26(a)	<u>(46,589,662)</u>	<u>(46,939,412)</u>	<u>(45,873,089)</u>



# City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

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## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2020

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

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

##### (a) Basis of preparation

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

##### **AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

The Local Government (Financial Management) Regulations 1996 take precedence over Australian Accounting Standards. Prior to 1 July 2019, Financial Management Regulation 16 arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the City. This was not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.

From 1 July 2019, the City has applied AASB 16 Leases which requires leases to be included by lessees in the statement of financial position. Also, the Local Government (Financial Management) Regulations 1996 have been amended to specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost.

The City has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparative year amounts have been retained as AASB 16 does not require comparatives to be restated in the year of transition.

Therefore the departure from AASB 1051 and AASB 16 in respect of the comparatives for the year ended 30 June 2019 remains.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

##### (b) Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

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

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##### (c) 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 unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

##### (d) New and revised Accounting Standards adopted during the year

The City of Greater Geraldton adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2019, the standards which had an impact on reported position, performance and cash flows were those relating to revenue and leases.

Refer to the change in accounting policy Note 48 for transition disclosures for AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of NFP Entities and AASB 16 Leases.

##### (e) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

##### Effective for NFP annual reporting periods beginning on or after 1 January 2020

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

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

- AASB 17 Insurance Contracts

##### Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2014-10 Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 2. Operating Revenues and Expenses

\$	Notes	2020 Actual	2020 Budget	2019 Actual
<b>(a) Net Result</b>				
The Result includes:				
<b>(i) Charging as an Expense:</b>				
<b>Significant Expense/Revenue</b>				
The significant expense/revenue relates to the reduction in the fair value of the Council's investments	4	(5,187)	-	(315,308)
Revaluation of Infrastructure, Property, Plant & Equipment		4,382,927	-	-
<b>Auditors Remuneration</b>				
- Audit		59,540	56,000	46,000
- Other Services		-	17,000	10,462
<b>Bad &amp; Doubtful Debts</b>				
Rates	29(b)	3,189	-	334,495
General Debtors	29(b)	77,985	-	22,523
<b>Depreciation &amp; Amortisation</b>				
<i>Property, Plant &amp; Equipment</i>				
- Buildings	7(b)	2,129,206	2,110,626	1,989,318
- Furniture and Equipment		352,678	408,247	416,952
- Plant and Equipment		1,760,820	1,742,702	1,741,052
<i>Infrastructure</i>				
- Roads	8(b)	16,099,319	15,730,934	15,723,000
- Recreation		1,737,716	1,601,310	1,752,068
- Car Parks		481,590	-	434,158
- Meru Landfill		684,481	897,624	840,296
- Airport		1,207,068	2,187,658	1,238,483
- Effluent Scheme		18,354	-	16,620
<i>Right of Use Assets</i>				
- Library RFID Self loan station	10	14,788	-	-
- Printers		32,191	-	-
		<b>24,518,212</b>	<b>24,679,101</b>	<b>24,151,946</b>
<b>Interest Expenses (Finance Costs)</b>				
Debentures	25(a)	1,333,434	1,373,139	1,042,202
Leases		11,185	-	-
		<b>1,344,619</b>	<b>1,373,139</b>	<b>1,042,202</b>
<b>(ii) Crediting as Revenue:</b>				
<b>Interest Earnings</b>				
Investments - Reserve Funds		326,074	275,000	382,705
Investments - Other Funds		978,034	1,092,851	517,823
Other Interest Revenue	30	688,090	680,000	752,793
		<b>1,992,198</b>	<b>2,047,851</b>	<b>1,653,321</b>

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

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

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\$

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

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

##### **REPORTING PROGRAM DESCRIPTIONS**

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

##### **GOVERNANCE**

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

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

##### **GENERAL PURPOSE FUNDING**

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

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

##### **LAW, ORDER, PUBLIC SAFETY**

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

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

##### **HEALTH**

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

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

##### **EDUCATION AND WELFARE**

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

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

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2020

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

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\$

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

###### **HOUSING**

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

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

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

Objective: To provide services required by the community.

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

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

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

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

###### **TRANSPORT**

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

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

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

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

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

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

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

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

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

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

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\$

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

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

##### **REVENUE**

###### **Rates**

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

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

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

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

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

###### **Profit on Asset Disposal**

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

###### **Fees and Charges**

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

###### **Service Charges**

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

###### **Interest Earnings**

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

###### **Other Revenue**

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

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2020

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

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\$

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

#### EXPENDITURE

##### Employee Costs

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

##### Material and Contracts

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

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

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

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

Depreciation and amortisation expense raised on all classes of assets.

##### Loss on Asset Disposal

Loss on the disposal of fixed assets.

##### Interest Expenses

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

##### Insurance

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

##### Other Expenditure

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



## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

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

	Opening Balance <sup>1</sup> 1-Jul-18	Received <sup>2</sup> 2019	Expended <sup>3</sup> 2019	Closing Balance <sup>1</sup> 30-Jun-19	Received <sup>2</sup> 2020	Expended <sup>3</sup> 2020	Closing Balance 30-Jun-20
\$							
<b>(d). Conditions Over Grants, Subsidies &amp; Contributions</b>							
<b>Grant/Subsidy/Contribution</b>							
108 Marine Terrace - Rocks	350,000	-	(350,000)	-	-	-	-
Airport Projects	316,642	2,382,644	-	2,699,286	45,255	(1,978,000)	766,541
Airport Security Screening & Baggage Handling	20,900	-	-	20,900	-	-	20,900
Art Contribution from ALDI	27,273	-	-	27,273	-	-	27,273
Art Gallery- Donation to Lindsay Collection	12,901	-	-	12,901	-	-	12,901
Art Gallery- Community Cultural Development	3,454	-	-	3,454	-	-	3,454
Artwork Acquisitions	6,750	-	-	6,750	-	(6,750)	-
Building Works	-	457,000	-	457,000	-	(402,000)	55,000
Carpark Works	-	663,556	-	663,556	44,996	(243,556)	464,996
Cathedral / Sanford Intersection - Federal Black Spot	-	-	-	-	451,468	-	451,468
CBD Streetscapes (Revitalisation)	473,000	1,300,645	(473,000)	1,300,645	-	(1,300,645)	-
Challenge Camps	25,000	-	(20,672)	4,328	-	(4,328)	-
Chapman & Greenough River Flood Project	65,620	-	(14,811)	50,809	-	(50,809)	-
Chapman River Corridor Capital Works	50,000	-	(50,000)	-	-	-	-
Chapman River Mountain Bike Track	102,000	-	(102,000)	-	-	-	-
Chapman River Regional Park Stage 5	5,422	-	(5,422)	-	-	-	-
Chapman Road Foreshore	1,279,059	164,465	(1,279,059)	164,465	-	(164,465)	-
CHRMAP Project	30,595	-	(30,595)	-	-	-	-
CircuitWest - Audience Development Research (QPT)	-	-	-	-	6,000	-	6,000
Community Grants Round 17	425	-	(425)	-	-	-	-
Community Grants Round 18	5,059	-	(3,059)	2,000	-	(2,000)	-
Community Grants Round 19	11,670	35,000	(5,800)	40,870	-	(36,500)	4,370
Community Grants Round 20	-	3,088	-	3,088	-	(3,088)	-

(continued on next page)

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

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

	Opening Balance <sup>1</sup> 1-Jul-18	Received <sup>2</sup> 2019	Expended <sup>3</sup> 2019	Closing Balance <sup>1</sup> 30-Jun-19	Received <sup>2</sup> 2020	Expended <sup>3</sup> 2020	Closing Balance 30-Jun-20
\$							
<b>(d). Conditions Over Grants, Subsidies &amp; Contributions (continued)</b>							
<b>Grant/Subsidy/Contribution (continued)</b>							
Community Grants Round 21	-	32,569	-	32,569	-	(23,698)	8,871
Community Grants Round 22	-	-	-	-	5,098	-	5,098
Cruise Destination Welcome Initiative	5,000	-	(5,000)	-	20,000	-	20,000
Derna Parade Toilet	7,914	-	(7,613)	301	-	(301)	-
Dual Use Pathways- Bikewest (Champion Bay)	7,000	-	-	7,000	-	-	7,000
Eastern Breakwater	130,000	-	-	130,000	-	-	130,000
Eastward Road (Old Depot Site)	-	190,000	-	190,000	-	(190,000)	-
Ellendale Pool Honesty Box	13,731	-	(13,731)	-	-	-	-
Environmental Projects - Signage	50,000	-	-	50,000	-	-	50,000
Every Club	-	5,359	-	5,359	-	(5,359)	-
Fire as a Biodiversity Management Tool in the Midwest Region	8,000	-	(5,534)	2,466	-	(2,466)	-
Geraldton Intensive Youth Support Program	-	-	-	-	43,461	-	43,461
Geraldton Theatre Production	160,000	-	(17,365)	142,635	-	(93,093)	49,542
Greenough River Estuary Nature Walk Trail - Stage 2	4,985	-	(4,985)	-	-	-	-
Greenough River Estuary Nature Walk Trail - Stage 3	3,555	-	(2,329)	1,226	-	(1,226)	-
Federation Park Upgrade & Improvements	2,727	-	-	2,727	-	-	2,727
HMAS Memorial	9,204	-	-	9,204	-	-	9,204
Install Travel Information Signage	-	16,000	-	16,000	-	(16,000)	-
John Willcock Link - Main Roads	-	-	-	-	6,253	-	6,253
Land Developments	385,000	1,331,000	-	1,716,000	-	(1,424,184)	291,816
Library Regional Activity Plan	12,465	-	(12,465)	-	-	-	-
Library SirsiDynix Project	4,663	-	(3,700)	963	-	(963)	-
Liquid Waste Pond Optimisation	145,000	-	(145,000)	-	-	-	-

(continued on next page)

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

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

	Opening Balance <sup>1</sup> 1-Jul-18	Received <sup>2</sup> 2019	Expended <sup>3</sup> 2019	Closing Balance <sup>1</sup> 30-Jun-19	Received <sup>2</sup> 2020	Expended <sup>3</sup> 2020	Closing Balance 30-Jun-20
\$							
<b>(d). Conditions Over Grants, Subsidies &amp; Contributions (continued)</b>							
<b>Grant/Subsidy/Contribution (continued)</b>							
Mayoral Discretionary Fund	200	-	(200)	-	-	-	-
Menshed Community Grants Round 13 and 14 for new building	41,897	-	-	41,897	-	-	41,897
Meru Future Landfill Design	110,000	-	(110,000)	-	-	-	-
Meru Landfill	210,000	1,104,545	-	1,314,545	-	(1,169,545)	145,000
Meru Waste Transfer Station	90,000	2,289,214	(60,020)	2,319,194	-	(220,000)	2,099,194
Metocean Data Collection Sunset Beach	-	-	-	-	14,996	-	14,996
Mid West China Connect Website	43,550	-	(43,550)	-	-	-	-
Midwest Online Events Calendar & Travel Guide	-	-	-	-	6,960	-	6,960
Mullewa Building - Insurance Payment	450,000	-	-	450,000	-	-	450,000
Mullewa Sewerage Pumping Mains	100,000	-	-	100,000	-	-	100,000
Mullewa Sewer System - Brookfield Rail	49,450	-	-	49,450	-	-	49,450
NWCH Path	60,000	-	(9,068)	50,932	-	-	50,932
Olive Street POS	484,882	-	(34,779)	450,103	-	-	450,103
Park Upgrade Program	85,000	-	-	85,000	-	-	85,000
Pathway Renewals	-	344,923	-	344,923	17,000	(298,413)	63,510
Public Arts Initiatives	40,000	-	(40,000)	-	-	-	-
Public Open Space - Sunset Beach Estate	-	45,093	-	45,093	-	-	45,093
Purchase & Installation of New Body Scanning Equipment	-	-	-	-	255,000	-	255,000
QPT Regional Performing Arts - Lotterywest	-	-	-	-	26,500	-	26,500
Railway Street Safe Active Street	-	-	-	-	53,439	-	53,439
Randolf Stow Young Writers Awards	1,100	-	(1,100)	-	-	-	-
Retention Amounts (EVO, Convic and Mitchell & Brown, WACB & RDH)	73,572	-	(7,614)	65,958	-	-	65,958
Road Renewals	-	74,988	-	74,988	-	(72,340)	2,648

(continued on next page)

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

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

	Opening Balance <sup>1</sup> 1-Jul-18	Received <sup>2</sup> 2019	Expended <sup>3</sup> 2019	Closing Balance <sup>1</sup> 30-Jun-19	Received <sup>2</sup> 2020	Expended <sup>3</sup> 2020	Closing Balance 30-Jun-20
\$							
<b>(d). Conditions Over Grants, Subsidies &amp; Contributions (continued)</b>							
<b>Grant/Subsidy/Contribution (continued)</b>							
RoadWise - Strengthening Communities	4,452	-	-	4,452	-	-	4,452
School of Rock/Battle of the Bands	6,682	-	(6,682)	-	-	-	-
Seniors User-Friendly Business Program	5,336	-	(2,080)	3,256	-	-	3,256
Service Agreements	15,000	-	(15,000)	-	-	-	-
South Tomi Project	8,000	-	-	8,000	-	-	8,000
Stuart Road (No 24) Cash inlieu Contribution Revegetation	-	1,941	-	1,941	-	-	1,941
Sunset Beach	-	-	-	-	37,600	-	37,600
U-Turn Project	10,200	-	(10,200)	-	-	-	-
Verita Road Bridge	201,816	-	-	201,816	-	-	201,816
Wonthella Bowling Club - CSRFF Contribution	66,666	-	(66,666)	-	-	-	-
<b>Total Unexpended Capital Works and Grants</b>	<b>5,892,817</b>	<b>10,442,030</b>	<b>(2,959,524)</b>	<b>13,375,322</b>	<b>1,034,026</b>	<b>(7,709,730)</b>	<b>6,699,618</b>
Beresford Foreshore Coastal Protection and Enhancement <sup>(5)</sup>	6,612,590	-	(1,904,472)	4,708,118	-	(1,637,520)	3,070,598
<b>Total Unspent Grants, Subsidies &amp; Contributions (WATC)</b>	<b>6,612,590</b>	<b>-</b>	<b>(1,904,472)</b>	<b>4,708,118</b>	<b>-</b>	<b>(1,637,520)</b>	<b>3,070,598</b>

**2020 accounting policy:**Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

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

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\$

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##### (d). Conditions Over Grants, Subsidies & Contributions (continued)

###### 2020 accounting policy:

###### **Grant/Subsidy/Contribution (continued)**

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

###### Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 is recognised at the assets fair value when the asset is received. Councils considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

###### Capital grants

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by the Council.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

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

\$

##### (d). Conditions Over Grants, Subsidies & Contributions (continued)

###### 2019 accounting policy:

Grants, subsidies, donations and contributions that are non-reciprocal in nature are recognised as revenue when Council obtains control over them, which is usually upon receipt of funds. Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. In 2019, Council did not have any reciprocal grants.

Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expenses.

###### Notes:

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

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 3. Cash and Cash Equivalents

\$	Notes	2020 Actual	2019 Actual
Cash - Unrestricted		8,783,406	9,467,741
Cash - Restricted		26,079,553	26,743,748
<b>Total Cash and Cash Equivalents</b>	16(a)	<b><u>34,862,959</u></b>	<b><u>36,211,489</u></b>
<b>The following restrictions have been imposed by regulations or other externally imposed requirements:</b>			
Parking Land Reserve	14	551,759	51,759
Unexpended Capital Works & Restricted Grant Reserve	14	6,699,618	13,375,322
Employee Entitlements Reserve	14	3,100,000	1,600,000
Major Initiatives Reserve	14	1,781,655	31,655
Asset Renewal Reserve	14	10,803,604	6,942,576
Point Moore Reserve	14	72,318	34,318
<b>Total Reserves</b>		<b><u>23,008,955</u></b>	<b><u>22,035,630</u></b>
Unspent Grants	2(d)	3,070,598	4,708,118
<b>Total Unspent Grants and Loans</b>		<b><u>3,070,598</u></b>	<b><u>4,708,118</u></b>
<b>Total Restricted Cash</b>		<b><u>26,079,553</u></b>	<b><u>26,743,748</u></b>

**SIGNIFICANT ACCOUNTING POLICY**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments. The carrying value of cash at bank and short term deposits with original maturities of less than three months approximates their fair value.

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 4. Financial Assets

\$	Notes	2020 Actual	2019 Actual
<b>Current</b>			
Financial assets (debt securities) at amortised cost		2,352,977	5,069,939
<b>Total Current Financial Assets</b>		<u><b>2,352,977</b></u>	<u><b>5,069,939</b></u>
<b>Financial assets (debt securities) at amortised cost</b>			
Long term deposits with original maturities greater than 3 month		2,300,000	5,000,000
Self Supporting Loans		52,977	69,939
		<u><b>2,352,977</b></u>	<u><b>5,069,939</b></u>
<b>Non-Current</b>			
Financial assets at fair value through profit and loss		320,495	315,308
Financial assets (debt securities) at amortised cost		198,565	251,541
<b>Total Non-Current Financial Assets</b>		<u><b>519,059</b></u>	<u><b>566,849</b></u>
<b>Financial assets at fair value through profit and loss</b>			
Local Government House Trust		320,495	315,308
		<u><b>320,495</b></u>	<u><b>315,308</b></u>
<b>Financial assets (debt securities) at amortised cost</b>			
Self Supporting Loans		198,565	251,541
		<u><b>198,565</b></u>	<u><b>251,541</b></u>
<b>Movements in Financial Assets at Fair Value through Profit and Loss</b>			
<b>At beginning of the year</b>		315,308	315,308
Additions		5,187	-
<b>At end of the year</b>		<u><b>320,495</b></u>	<u><b>315,308</b></u>

**SIGNIFICANT ACCOUNTING POLICY****Other financial assets at amortised cost**

The City classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.



## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 4. Financial Assets (continued)

\$

**Financial assets at fair value through profit and loss**

The City classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the City has not elected to recognise fair value gains and losses through other comprehensive income.

**Previous accounting policy: available for sale financial assets**

Available-for-sale financial assets were non-derivative financial assets that were either not suitable to be classified as 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.

**Previous accounting policy: Loans and receivables**

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are solely payments of principal and interest were classified as loans and receivables and are subsequently measured at amortised cost, using the effective interest rate method.

## Note 5. Trade &amp; Other Receivables

\$	Notes	2020 Actual	2019 Actual
<b>Current</b>			
Rates		4,825,083	4,420,221
Sundry Debtors		926,986	2,536,347
GST Net Position		312,352	668,447
Interest		56,024	42,680
Accrued Income		749,713	607,245
Prepayments		971,320	672,416
Less: provision for uncollectability	38(b)	(109,164)	(37,271)
<b>Total Current Trade &amp; Other Receivables</b>		<b>7,732,314</b>	<b>8,910,085</b>
<b>Non-Current</b>			
Rates Outstanding - Pensioners		535,044	484,303
<b>Total Non-Current Trade &amp; Other Receivables</b>		<b>535,044</b>	<b>484,303</b>

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 5. Trade & Other Receivables (continued)

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Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

#### **Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 38.

#### **Previous accounting policy: Impairment of trade receivables**

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

#### **Classification and subsequent measurement**

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

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

#### **COVID 19 Response**

In its response to COVID-19, the City offered rent relief to some tenants who were badly affected by the pandemic. The rent relief was in line with the Commercial Tenancies (COVID-19 Response) Act 2020 WA. The relief was in two parts, a portion of the rentals was to be waived and another portion was to be deferred, all based on the reduction of revenue of at least 30% over the previous year.

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 6. Inventories

\$	Notes	2020 Actual	2019 Actual
<b>Current</b>			
Fuel and Materials		400,117	395,360
Land Held for Resale - Cost			
- Cost of Acquisition (Internal Transfer)		-	332,641
Resalable Merchandise		106,271	129,701
<b>Total Current Inventories</b>		<b>506,388</b>	<b>857,702</b>

**SIGNIFICANT ACCOUNTING POLICIES****(i) Raw materials and stores, work in progress and finished goods**

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

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

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

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

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 7a. Property, Plant and Equipment

\$	Notes	2020 Actual	2019 Actual
Land - Fair Value		83,726,760	83,860,918
Land - Cost (Additions at fair value)		1,925,915	1,058,428
		<u>85,652,675</u>	<u>84,919,345</u>
Buildings - Fair Value		110,625,716	105,169,071
Buildings - Cost (Additions at fair value)		2,760,164	5,466,494
Less Accumulated Depreciation		(6,082,424)	(3,995,821)
		<u>107,303,456</u>	<u>106,639,744</u>
Furniture and Equipment - Fair Value		901,834	1,122,545
Furniture and Equipment - Cost (Additions at fair value)		917,501	461,864
Less Accumulated Depreciation		(352,678)	-
		<u>1,466,656</u>	<u>1,584,409</u>
Plant and Equipment - Fair Value		13,798,628	12,081,066
Plant and Equipment - Cost (Additions at fair value)		2,153,379	2,442,649
Less Accumulated Depreciation		(6,139,641)	(4,758,568)
		<u>9,812,366</u>	<u>9,765,147</u>
Artwork - Fair Value		803,609	605,120
Artwork - Cost (Additions at fair value)		10,000	91,826
		<u>813,609</u>	<u>696,946</u>
<b>Total Property, Plant &amp; Equipment</b>	7(b)	<u><u>205,048,762</u></u>	<u><u>203,605,592</u></u>

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

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

## Movements in Carrying Amounts

\$	Notes	Land	Buildings	Furniture and Equipment	Plant and Equipment	Artwork	Total
		Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	
Balance as at 1 July 2019		84,919,345	106,639,744	1,584,409	9,765,147	696,946	203,605,592
Additions							
- Renewal	22	-	1,577,478	214,025	1,914,836	-	3,706,339
- New	22	1,925,915	1,182,686	703,475	238,543	10,000	4,060,619
Disposals	23	(357,641)	(623,374)	(708,943)	(737,988)	-	(2,427,946)
Depreciation	2(a)	-	(2,129,206)	(352,678)	(1,760,820)	-	(4,242,704)
Depreciation on Disposal		-	42,603	-	379,747	-	422,350
Reclassifications between Asset Classes		(834,945)	613,526	26,366	12,900	106,663	(75,490)
<b>Property, Plant &amp; Equipment at 30 June 2020</b>		<b>85,652,675</b>	<b>107,303,456</b>	<b>1,466,656</b>	<b>9,812,366</b>	<b>813,609</b>	<b>205,048,762</b>
Balance as at 1 July 2018		83,861,918	105,116,876	1,622,984	9,803,880	671,267	201,076,925
Additions							
- Renewal	22	-	1,835,278	224,586	2,442,649	-	4,502,513
- New	22	1,058,428	3,631,216	237,278	-	91,826	5,018,747
Disposals	23	(1,000)	(607,271)	(372,806)	(1,020,477)	(14,315)	(2,015,869)
Revaluation - (Decrements)	15	-	-	-	-	(51,832)	(51,832)
Depreciation	2(a)	-	(1,989,318)	(416,952)	(1,741,052)	-	(4,147,322)
Depreciation on Disposal		-	26,808	289,317	280,147	-	596,271
Reclassifications between Asset Classes		-	(1,373,844)	-	-	-	(1,373,844)
<b>Property, Plant &amp; Equipment at 30 June 2019</b>		<b>84,919,345</b>	<b>106,639,744</b>	<b>1,584,409</b>	<b>9,765,147</b>	<b>696,946</b>	<b>203,605,592</b>

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 8a. Infrastructure

\$	Notes	2020 Actual	2019 Actual
Roads - Fair Value		603,384,916	589,087,247
Roads - Cost (Additions at fair value)		12,128,441	11,759,055
Less Accumulated Depreciation		<u>(31,822,273)</u>	<u>(15,723,000)</u>
		583,691,084	585,123,301
Recreation - Fair Value		48,165,839	39,758,260
Recreation - Cost (Additions at fair value)		4,194,502	11,755,259
Less Accumulated Depreciation		<u>(3,489,785)</u>	<u>(1,752,068)</u>
		48,870,556	49,761,450
Car Parks - Fair Value		11,462,208	10,416,364
Car Parks - Cost (Additions at fair value)		324,552	151,288
Less Accumulated Depreciation		<u>(915,747)</u>	<u>(434,158)</u>
		10,871,013	10,133,495
Meru Landfill - Fair Value		17,455,166	15,012,357
Meru Landfill - Cost (Additions at fair value)		1,462,516	3,784,025
Less Accumulated Depreciation		<u>(1,524,777)</u>	<u>(840,296)</u>
		17,392,905	17,956,086
Airport - Fair Value		25,747,143	30,743,294
Airport - Cost (Additions at fair value)		238,657	22,056,001
Less Accumulated Depreciation		<u>-</u>	<u>(1,238,483)</u>
		25,985,800	51,560,812
Effluent Scheme - Fair Value		586,394	586,394
Less Accumulated Amortisation		<u>(34,974)</u>	<u>(16,620)</u>
		551,420	569,774
<b>Total Infrastructure</b>	8(b)	<u><u>687,362,777</u></u>	<u><u>715,104,918</u></u>

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 8b. Infrastructure (continued)

## Movements in Carrying Amounts

		Roads	Recreation	Car Parks	Meru Landfill	Airport	Effluent Scheme	Total
\$	Notes	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	
Balance as at 1 July 2019		585,123,301	49,761,450	10,133,495	17,956,086	51,560,812	569,774	715,104,918
Additions								
- Renewal	22	8,964,422	2,654,286	35,327	6,221	10,170	-	11,670,426
- New	22	3,164,019	1,540,216	289,225	1,456,295	228,487	-	6,678,242
Disposals	23	(2,899)	-	-	-	-	-	(2,899)
Revaluation - (Decrements)	13	-	-	-	-	(24,593,701)	-	(24,593,701)
Depreciation (Expense)	2(a)	(16,099,319)	(1,737,716)	(481,590)	(684,481)	(1,207,068)	(18,354)	(20,228,528)
Depreciation on Disposal		46	-	-	-	-	-	46
Reclassifications between Asset Classes		2,541,514	(3,347,679)	894,555	-	(12,900)	-	75,491
Other Movements		-	-	-	(1,341,216)	-	-	(1,341,216)
<b>Infrastructure at 30 June 2020</b>		<b>583,691,084</b>	<b>48,870,556</b>	<b>10,871,013</b>	<b>17,392,904</b>	<b>25,985,800</b>	<b>551,420</b>	<b>687,362,777</b>
Balance as at 1 July 2018		589,087,247	38,384,416	10,416,364	17,076,757	30,743,294	586,394	686,294,471
Additions								
- Renewal	22	10,546,125	4,071,777	60,581	32,919	13,044,640	-	27,756,042
- New	22	1,212,930	7,683,481	90,707	3,751,106	9,011,361	-	21,749,585
Depreciation (Expense)	2(a)	(15,723,000)	(1,752,068)	(434,158)	(840,296)	(1,238,483)	(16,620)	(20,004,624)
Reclassifications between Asset Classes		-	1,373,844	-	-	-	-	1,373,844
Other Movements		-	-	-	(2,064,401)	-	-	(2,064,401)
<b>Infrastructure at 30 June 2019</b>		<b>585,123,301</b>	<b>49,761,450</b>	<b>10,133,495</b>	<b>17,956,086</b>	<b>51,560,812</b>	<b>569,774</b>	<b>715,104,918</b>

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 8c. Fixed Assets

\$

#### SIGNIFICANT ACCOUNTING POLICIES

##### Fixed assets

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

##### Initial recognition and measurement between mandatory revaluation dates

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5). These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

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 zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City 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 that are land, buildings, infrastructure and investment properties acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

##### Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the City. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value. Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

#### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

##### Land under control prior to 1 July 2019

In accordance with the then Local Government (Financial Management) Regulation 16(a)(ii), the City was previously required to include as an asset (by 30 June 2013), vested Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance. Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land.

##### Land under roads prior to 1 July 2019

In Western Australia, most land under roads is Crown Land, the responsibility for managing which, is vested in the local government. Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the then Local Government (Financial Management) Regulation 16(a)(i) which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been deleted.



## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 8c. Fixed Assets (continued)

\$

##### **SIGNIFICANT ACCOUNTING POLICIES (continued)**

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then Local Government (Financial Management) Regulation 16(a)(i) prohibited 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 was not included as an asset of the City.

##### **Land under roads from 1 July 2019**

As a result of amendments to the Local Government (Financial Management) Regulations 1996, effective from 1 July 2019, vested land, including land under roads, are treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position. The City has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

##### **Vested improvements from 1 July 2019**

The measurement of vested improvements at fair value in accordance with Local Government (Financial Management) Regulation 17A(2)(iv) is a departure from AASB 16 which would have required the City to measure the vested improvements as part of the related right-of-use assets at zero cost.

Refer to Note 10 that details the significant accounting policies applying to leases (including right of use assets).

##### **Depreciation of Non-Current Assets**

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

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

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

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

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 8c. Fixed Assets (continued)

\$

##### SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Major depreciation periods are:

Land	Infinite
Land (Leasehold interest)	99 years
Airport - Runway, Apron & Car Park	20 to 40 years
Buildings:	
Short Useful Life Component	8 to 149 years
Long Useful Life Component	20 to 260 years
Furniture & Equipment	5 to 13 years
Plant & Major Equipment	5 to 10 years
Minor Plant	3 to 7 years
Sealed Roads & Streets	20 to 50 years
Bridges	60 to 90 years
Car Parks Sealed	20 to 40 years
Culverts	40 to 60 years
Dams, Reservoirs & Weirs	25 to 45 years
Footpaths - Slab	65 to 85 years
Footpaths - Concrete	15 to 35 years
Foundations	25 to 45 years
Kerb & Channels	40 to 60 years
Street Lights	20 to 30 years
Sewerage Piping	70 to 90 years
Water Reticulation/Irrigation	15 to 25 years
Meru Landfill	8 to 40 years
Effluent Scheme	35 to 40 years

The assets residual value and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 9. Contract Balances

\$	Notes	2020 Actual	2019 Actual
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**SIGNIFICANT ACCOUNTING POLICIES**

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

**(a) Contract Assets**

Contract Assets	20,485	-
<b>Total Contract Assets</b>	<u>20,485</u>	<u>-</u>

**Classified as:**

Current contract assets	20,485	-
<b>Total contract assets</b>	<u>20,485</u>	<u>-</u>

Contracts with customers	20,485	-
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**(b) Contract Liabilities**

Funds received upfront to construct Council controlled assets	292,767	-
Deposits received in advance of services provided	472,563	-
<b>Total Contract Liabilities</b>	<u>765,330</u>	<u>-</u>

**Classified as:**

Current contract liabilities	765,330	-
<b>Total contract liabilities</b>	<u>765,330</u>	<u>-</u>

Revenue recognised that was included in the contract liability balance at the beginning of the year

Deposits received in advance of services provided	222,384	-
<b>Total revenue included in the contract liability</b>	<u>222,384</u>	<u>-</u>

**(c) Significant changes in contract balances**

The contract assets and liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously the revenue was recognised on receipt and therefore there was no effect on the statement of financial position.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 10. Leases

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\$

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#### Council as a lessee

##### **SIGNIFICANT ACCOUNTING POLICIES**

Council has leases in place over Library RFID Self Loan station and Printers. Council has applied the exception to lease accounting for leases of low-value assets and short-term leases.

Where Council assesses that an agreement contains a lease, a right of use asset and lease liability is recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

##### **Exceptions to lease accounting**

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

##### **Leases at significantly below market value / concessionary leases**

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

##### **Terms and conditions of leases**

##### **Library RFID Self loan station**

The lease relates to the RFID Self Loan Station at the City Library. The term of the lease is 5 years. The lease ends on the 24th of December 2020. The lease has fixed annual repayments of \$20,752. The equipment will be returned at the end of the lease.

##### **Printers**

The lease relates to printers located all over the City premises. The lease commenced on the 24th of October 2019 and the lease is for 5 years. The lease has fixed monthly repayments of \$4,174.44. At the end of the lease the City can either terminate the lease or continue with the lease.

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 10. Leases (continued)

	Library RFID Self loan station \$	Printers \$	Total \$
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**Right of use assets****2020**

Adoption of AASB 16 at 1 July 2019	29,575	-	29,575
Additions to right-of-use assets	-	215,200	215,200
Depreciation charge	14,788	32,191	46,979
<b>Balance at 30 June 2020</b>	<b>14,787</b>	<b>183,009</b>	<b>197,796</b>

**Lease liabilities****Classified as:**

Current lease liability	49,637	-
Non-current lease liability	143,827	-
<b>Total lease liabilities</b>	<b>193,464</b>	<b>-</b>

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the statement of financial position.

	< 1 year \$	1 to 5 years \$	> 5 years \$	Total \$	Total per statement of financial position \$
<b>2020</b>					
Library RFID Self Loan Station	10,376	-	-	10,376	9,715
Printers	50,093	158,629	-	208,722	183,749
	<b>60,470</b>	<b>158,629</b>	<b>-</b>	<b>219,098</b>	<b>193,464</b>
				<b>2020</b>	<b>2019</b>
<b>\$</b>				<b>Actual</b>	<b>Actual</b>

**Amounts included in the statement of comprehensive income related to leases**

The following amounts have been recognised in the statement of comprehensive income for leases where Council is the lessee.

**Expenses**

Depreciation of right-of-use assets	46,979
Interest expense on lease liabilities	11,185
<b>Net expense relating to leases</b>	<b>58,164</b>

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 10. Leases (continued)

\$	2020 Actual	2019 Actual
<b>Amounts included in the statement of cash flows related to leases</b>		
The following amounts have been recognised in the statement of cash flows for leases where Council is the lessee.		
<b>Cash flows from operating activities</b>		
Payments for interest on lease liabilities	11,185	
<b>Total cash inflows/(outflows) from operating activities</b>	<u>11,185</u>	
<b>Total cash inflows/(outflows) for leases</b>	<u>11,185</u>	

## Note 11. Trade and Other Payables

\$	2020 Actual	2019 Actual
<b>Current</b>		
Sundry Creditors	5,973,679	13,883,048
Accrued Interest on Debentures	160,200	186,392
Accrued Salaries and Wages	601,227	368,028
Unexpended Non-Operating Grants (WATC)	3,070,598	4,708,118
Income Received in Advance	50,625	211,494
<b>Total Current Trade and Other Payables</b>	<u>9,856,328</u>	<u>19,357,080</u>

**SIGNIFICANT ACCOUNTING POLICIES**

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

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 12. Borrowings

\$	Notes	2020 Actual	2019 Actual
<b>Current</b>			
Secured by Floating Charge - Debentures	25(a)	4,798,496	5,296,164
<b>Total Current Borrowings</b>		<u>4,798,496</u>	<u>5,296,164</u>
<b>Non-Current</b>			
Secured by Floating Charge - Debentures	25(a)	28,280,554	33,079,050
<b>Total Non-Current Borrowings</b>		<u>28,280,554</u>	<u>33,079,050</u>

**SIGNIFICANT ACCOUNTING POLICIES**

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

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

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date. Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 13. Provisions

\$	2020 Actual	2019 Actual
<b>Current</b>		
Annual Leave	2,442,805	2,380,703
Long Service Leave	2,268,028	2,174,085
Sick Leave	426,891	439,874
Accrued RDO's	51,546	48,503
<b>Total Current Provisions</b>	<b><u>5,189,270</u></b>	<b><u>5,043,164</u></b>
<b>Non-Current</b>		
Long Service Leave	320,804	255,038
Provision for Infrastructure Meru - Rehabilitation	9,090,788	10,432,004
<b>Total Non-Current Provisions</b>	<b><u>9,411,592</u></b>	<b><u>10,687,042</u></b>

**SIGNIFICANT ACCOUNTING POLICIES****Employee Benefits**

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

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

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

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

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

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

**Provisions**

Provisions are recognised when the City has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.



## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 14. Reserves - Cash/Investment Backed

\$	2020 Actual	2020 Budget	2019 Actual
<b>(a). Mullewa Reseal Reserve</b>			
Opening Balance	-	-	1,891,285
Amount Used / Transfer from Reserve	-	-	(1,891,285)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>(b). Parking Land Reserve</b>			
Opening Balance	51,759	36,186	536,187
Amount Set Aside / Transfer to Reserve	500,000	-	-
Amount Used / Transfer from Reserve	-	-	(484,428)
	<u>551,759</u>	<u>36,186</u>	<u>51,759</u>
<b>(c). Unexpended Capital Works &amp; Restricted Grant Reserve</b>			
Opening Balance	13,375,322	7,750,917	5,892,817
Amount Set Aside / Transfer to Reserve	1,034,026	-	10,442,030
Amount Used / Transfer from Reserve	(7,709,729)	(3,120,000)	(2,959,525)
	<u>6,699,618</u>	<u>4,630,917</u>	<u>13,375,322</u>
<b>(d). Employee Entitlements Reserve</b>			
Opening Balance	1,600,000	1,550,000	1,100,000
Amount Set Aside / Transfer to Reserve	1,500,000	-	500,000
	<u>3,100,000</u>	<u>1,550,000</u>	<u>1,600,000</u>
<b>(e). Major Initiatives Reserve</b>			
Opening Balance	31,655	31,655	31,655
Amount Set Aside / Transfer to Reserve	1,750,000	1,585,000	-
	<u>1,781,655</u>	<u>1,616,655</u>	<u>31,655</u>
<b>(f). Asset Renewal Reserve</b>			
Opening Balance	6,942,576	2,920,164	6,769,432
Amount Set Aside / Transfer to Reserve	3,861,029	1,190,000	1,794,706
Amount Used / Transfer from Reserve	-	-	(1,621,562)
	<u>10,803,604</u>	<u>4,110,164</u>	<u>6,942,576</u>
<b>(g). Point Moore Reserve</b>			
Opening Balance	34,318	42,500	-
Amount Set Aside / Transfer to Reserve	38,000	34,000	34,318
	<u>72,318</u>	<u>76,500</u>	<u>34,318</u>
<b>Total Reserves</b>	<u><u>23,008,955</u></u>	<u><u>12,020,422</u></u>	<u><u>22,035,630</u></u>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 14. Reserves - Cash/Investment Backed (continued)

\$	2020 Actual	2020 Budget	2019 Actual
<b>Summary of Reserve Transfers</b>			
<b>Transfers to Reserves</b>			
Parking Land Reserve	500,000	-	-
Unexpended Capital Works & Restricted Grant Reserve	1,034,026	-	10,442,030
Employee Entitlements Reserve	1,500,000	-	500,000
Major Initiatives Reserve	1,750,000	1,585,000	-
Asset Renewal Reserve	3,861,029	1,190,000	1,794,706
Point Moore Reserve	38,000	34,000	34,318
<b>Total Transfers to Reserves</b>	<b>8,683,054</b>	<b>2,809,000</b>	<b>12,771,054</b>
<b>Transfers from Reserves</b>			
Mullewa Reseal Reserve	-	-	(1,891,285)
Parking Land Reserve	-	-	(484,428)
Unexpended Capital Works & Restricted Grant Reserve	(7,709,729)	(3,120,000)	(2,959,525)
Asset Renewal Reserve	-	-	(1,621,562)
<b>Total Transfers from Reserves</b>	<b>(7,709,729)</b>	<b>(3,120,000)</b>	<b>(6,956,800)</b>
<b>Total Net Transfer to/(from) Reserves</b>	<b>973,325</b>	<b>(311,000)</b>	<b>5,814,253</b>

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

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

**Mullewa Reseal Reserve**

The purpose of this reserve is to comply with clause 14.2 of the public road access agreement between the former Shire of Mullewa (now the City of Greater Geraldton) and Mount Gibson Mining Ltd.

**Parking Land Reserve**

The purpose of this reserve is to build up funds that can then be used for the acquisition of land for car parking and provision of parking bays within the City.

**Unexpended Capital Works & Restricted Grant Reserve**

The purpose of this reserve is to restrict grant funds received that were unspent in the financial year including any tied contribution from the City plus any unexpended capital works to be carried over to the next financial

**Employee Entitlements Reserve**

The purpose of this reserve is for the funding of payments not predicted or provided for in Council's municipal budget. It is also intended to fund large payments to staff that may occur in any year, principally being long service leave payments but shall include provision for voluntary redundancy payments, accrued non-current annual leave and sick leave entitlements as provided for under the City's Enterprise Agreement.

**Major Initiatives Reserve**

The purpose of this reserve is to provide funding tied to prioritised capital works program and major projects/initiatives. Funds to be mainly derived from net proceeds on land sales.

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 14. Reserves - Cash/Investment Backed (continued)

\$

**Asset Renewal Reserve**

The purpose of this reserve is to fund infrastructure renewal. Any funds that are unspent from the annual asset renewal program are to be disbursed into this reserve for future renewal programs, unbudgeted emergent and/or emergency renewal works.

**Point Moore Reserve**

The purpose of this reserve is to build funds from the annual demolition levy applied and to be paid by the Lessee per clause 4.2 of Point Moore Beach Cottages Leases in removal of all improvements and in remediation of sites.

## Note 15. Reserves - Asset Revaluation

\$	Notes	2020 Actual	2019 Actual
Asset revaluation reserves have arisen on revaluation of the following classes of assets:			
<b>(a). Land</b>			
Opening Balance		46,479,611	46,479,611
		<b>46,479,611</b>	<b>46,479,611</b>
<b>(b). Buildings</b>			
Opening Balance		49,180,474	49,180,474
		<b>49,180,474</b>	<b>49,180,474</b>
<b>(c). Plant and Equipment</b>			
Opening Balance		1,601,370	1,601,370
		<b>1,601,370</b>	<b>1,601,370</b>
<b>(d). Artwork</b>			
Opening Balance		100,239	152,071
Revaluation Decrement	7(b)	-	(51,832)
		<b>100,239</b>	<b>100,239</b>
<b>(e). Roads</b>			
Opening Balance		397,344,499	397,344,499
		<b>397,344,499</b>	<b>397,344,499</b>
<b>(f). Car Parks</b>			
Opening Balance		10,899,811	10,899,811
		<b>10,899,811</b>	<b>10,899,811</b>

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## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 15. Reserves - Asset Revaluation (continued)

\$	Notes	2020 Actual	2019 Actual
<b>(g). Meru Landfill</b>			
Opening Balance		1,458,254	1,458,254
		<u>1,458,254</u>	<u>1,458,254</u>
<b>(h). Airport</b>			
Opening Balance		20,210,775	20,210,775
Revaluation Decrement	8(b)	(20,210,775)	-
		<u>-</u>	<u>20,210,775</u>
<b>(i). Effluent Scheme</b>			
Opening Balance		298,110	298,110
		<u>298,110</u>	<u>298,110</u>
<b>Total Asset Revaluation Reserves</b>		<u>507,362,368</u>	<u>527,573,143</u>

## Note 16. Notes to the Statement of Cash flows

\$	Notes	2020 Actual	2020 Budget	2019 Actual
<b>(a). Reconciliation of Cash</b>				
For the purposes of the Statement of Cash Flows, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:				
Cash and Cash Equivalents	3	<u>34,862,959</u>	<u>21,929,226</u>	<u>36,211,489</u>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 16. Notes to the Statement of Cash flows (continued)

\$	Notes	2020 Actual	2020 Budget	2019 Actual
<b>(b). Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>				
Net Result		2,057,432	5,028,068	21,144,374
Depreciation		24,518,212	24,679,101	24,151,946
Write Down (Up) in Fair Value of Investments		(5,187)	-	(315,308)
(Profit)/Loss on Sale of Assets		1,322,857	684,812	808,189
Other Non Cash Movements		8,810,154	-	3,968,874
Decrease/(Increase) in Receivables		1,055,138	1,391,313	(56,990)
Increase/(Decrease) in Provision for Doubtful Debts		71,893	-	18,161
Decrease/(Increase) in Inventories		18,673	5,103	(37,766)
Decrease/(Increase) in Other Current Assets		(20,485)	-	-
Increase/(Decrease) in Payables & Accruals		(9,474,560)	(146,291)	4,322,517
Increase/(Decrease) in Accrued Interest Payable		(26,192)	-	51,473
Increase/(Decrease) in Other Current Liabilities		765,330	-	-
Increase/(Decrease) in Employee Leave Entitlements		221,811	25,000	38,007
Increase/(Decrease) in Other Provisions		(1,351,155)	-	(2,085,933)
Grants/Contributions for the Development of Assets		(7,130,966)	(5,627,482)	(21,086,497)
<b>Net Cash from Operating Activities</b>		<b>20,832,955</b>	<b>26,039,624</b>	<b>30,921,046</b>

**(c). Undrawn Borrowing Facilities  
Credit Standby Arrangements**

Group Credit Facility		6,000,000	6,000,000	6,000,000
Bank Overdraft Limit		750,000	750,000	750,000
Credit Card Limit		115,000	115,000	115,000
Credit Card Balance at Balance Date		(5,538)	(15,000)	(10,095)
<b>Total Amount of Credit Unused</b>		<b>6,859,462</b>	<b>6,850,000</b>	<b>6,854,905</b>

Security

The Commonwealth Bank of Australia holds a mortgage over Council's rates revenue.

**Loan Facilities**

Loan Facilities - Current	12	4,798,496		5,296,164
Loan Facilities - Non-Current	12	28,280,554		33,079,050
<b>Total Facilities in Use at Balance Date</b>		<b>33,079,050</b>		<b>38,375,214</b>

## Note 17. Contingent Liabilities

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

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

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 18. Capital and Leasing Commitments

\$	2020 Actual	2019 Actual
<b>(a). Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
<b>Payable:</b>		
- not later than one year	-	20,753
- later than one year but not later than five years	-	10,036
<b>Total Operating Lease Commitments</b>	<b>-</b>	<b>30,789</b>
<b>(b). Capital Expenditure Commitments</b>		
<b>Contracted for:</b>		
- capital expenditure projects	334,441	3,549,292
- land and buildings	-	1,213,943
- plant & equipment purchases	477,194	229,790
<b>Total Capital Expenditure Commitments</b>	<b>811,635</b>	<b>4,993,025</b>
<b>Payable:</b>		
- not later than one year	811,635	4,993,025
<b>Total Capital Expenditure Commitments</b>	<b>811,635</b>	<b>4,993,025</b>

## SIGNIFICANT ACCOUNTING POLICIES

## Leases

Leases of property, plant and equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term. Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

## Note 19. Subsidiaries, Joint Arrangements &amp; Associates

Council has no interest in any Controlled Entities, Associated Entities or Joint Ventures.

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 20. Trust Funds

	Balance	Amounts	Amounts	Balance
	1-Jul-19	Received	Paid / Transfere	30-Jun-20
\$				
Unclaimed Monies	10,703	145	-	10,848
POS Cash in Lieu	1,840,898	45,541	(948,619)	937,819
POS Cash in Lieu - Drummond Cove	87,492	2,332	-	89,824
POS Cash in Lieu - Glenfield	81,577	2,174	-	83,751
POS Cash in Lieu - Strathalbyn	241,609	6,439	-	248,048
POS Cash in Lieu - Utaarra	257,394	12,685	(245,338)	24,741
POS Cash in Lieu - Wandina	82,461	2,264	-	84,725
POS Cash in Lieu - Waggrakine Rural Residential	99,234	2,601	-	101,835
20A/152 Reserve 41879	42,900	-	(42,900)	-
Mid West Industry Road Safety Alliance	53,187	42,328	(26,250)	69,265
	<b>2,797,455</b>	<b>116,509</b>	<b>(1,263,107)</b>	<b>1,650,856</b>

## Note 21. Total Assets Classified by Function and Activity

	2020	2019
\$	Actual	Actual
Governance	13,746,363	12,948,538
General Purpose Funding	5,416,151	4,904,524
Law, Order, Public Safety	4,151,731	2,789,150
Health	874,407	901,715
Education & Welfare	4,062,840	4,111,352
Housing	789,180	965,488
Community Amenities	20,994,304	20,925,331
Recreation & Culture	110,906,616	111,575,430
Transport	639,077,179	665,506,165
Economic Services	127,793	136,487
Other Property & Services	103,512,406	105,841,836
Unallocated	35,583,735	40,309,005
	<b>939,242,705</b>	<b>970,915,021</b>

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 22. Acquisition of Assets

\$	2020 Actual	2020 Budget
<b>By Program</b>		
<b>Governance</b>		
Asset acquisition	452,574	604,271
<b>Law, Order, Public Safety</b>		
Asset acquisition	929,978	187,200
<b>Community Amenities</b>		
Asset acquisition	2,140,869	170,000
<b>Recreation &amp; Culture</b>		
Asset acquisition	5,317,796	6,998,550
<b>Transport</b>		
Asset acquisition	12,628,414	14,545,100
<b>Economic Services</b>		
Asset acquisition	24,479	20,000
<b>Other Property &amp; Services</b>		
Asset acquisition	4,621,516	4,376,500
	<b><u>26,115,626</u></b>	<b><u>26,901,621</u></b>
<b>By Class</b>		
<i>Property, Plant &amp; Equipment</i>		
	7(b)	
- Land	1,925,915	1,560,000
- Buildings	2,760,164	1,484,000
- Furniture and Equipment	917,500	524,271
- Plant and Equipment	2,153,379	2,220,200
- Artwork	10,000	30,000
<i>Infrastructure</i>		
	8(b)	
- Roads	12,128,441	14,251,600
- Recreation	4,194,502	6,284,550
- Car Parks	324,552	50,000
- Meru Landfill	1,462,516	170,000
- Airport	238,657	327,000
	<b><u>26,115,626</u></b>	<b><u>26,901,621</u></b>



## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 23. Disposal of Assets

\$	Notes	Net Book Value		Sale Price		Profit/(Loss)	
		Actual	Budget	Actual	Budget	Actual	Budget
The following assets were disposed of during the year.							
<b>By Asset Class</b>							
<i>Property, Plant &amp; Equipment</i> 7(b)							
Land		357,641	2,228,740	304,557	1,535,000	(53,084)	(693,740)
Buildings		580,772	-	25,443	-	(555,329)	-
Furniture and Equipment		708,943	-	-	-	(708,943)	-
Plant and Equipment		358,240	357,572	355,591	366,500	(2,649)	8,928
<i>Infrastructure</i> 8(b)							
Roads		2,853	-	-	-	(2,853)	-
<b>Total</b>		<b>2,008,448</b>	<b>2,586,312</b>	<b>685,590</b>	<b>1,901,500</b>	<b>(1,322,857)</b>	<b>(684,812)</b>

\$	2020	2020	2019
	Actual	Budget	Actual
<b>Summary</b>			
Profit on Asset Disposals	46,742	74,898	39,391
Loss on Asset Disposals	(1,369,599)	(759,710)	(847,580)
<b>Net Profit/(Loss) on Disposal of Assets</b>	<b>(1,322,857)</b>	<b>(684,812)</b>	<b>(808,189)</b>

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 24. Financial Ratios

\$	Amounts 2020	Indicator 2020	Target	Prior Periods 2019    2018	
<i>Liquidity Ratio</i>					
<b>1. Current Ratio</b> <sup>(1)</sup>					
Current Assets less Restricted Current Assets	19,395,569	<b>1.34 : 1</b>	> 1.00 : 1	1.04	1.28
Current Liabilities less Liabilities Associated with Restricted Assets	14,488,463				
<i>Debt Ratio</i>					
<b>2. Debt Service Cover Ratio</b> <sup>(2)</sup>					
Operating Surplus before Interest and Depreciation Exp	25,172,223	<b>3.79 : 1</b>	> 2.00 : 1	5.01	4.50
Principal and Interest Repayments	6,640,783				
<i>Coverage Ratio</i>					
<b>3. Own Source Revenue Coverage Ratio</b> <sup>(3)</sup>					
Own Source Operating Revenue	71,968,832	<b>89.41%</b>	> 40%	89.19%	89.05%
Operating Expense	80,492,791				
<i>Financial Performance Ratio</i>					
<b>4. Operating Surplus Ratio</b> <sup>(4)</sup>					
Operating Revenue less Operating Expense	(690,608)	<b>-0.96%</b>	> 1%	0.08%	-0.25%
Own Source Operating Revenue	71,968,832				
<i>Asset Management Ratios</i>					
<b>5. Asset Consumption Ratio</b> <sup>(5)</sup>					
Depreciated Replacement Cost of Depreciable Assets	805,945,254	<b>66.29%</b>	> 50%	72.44%	74.12%
Current Replacement Cost of Depreciable Assets	1,215,781,135				
<b>6. Asset Sustainability Ratio</b> <sup>(6)</sup>					
Capital Renewal and Replacement Expenditure	15,376,764	<b>62.72%</b>	90-110%	133.57%	89.49%
Depreciation Expense	24,518,212				
<b>7. Asset Renewal Funding Ratio</b> <sup>(7)</sup>					
NPV of Planned Capital Renewals over 10 years	202,636,448	<b>89.17%</b>	75-95%	94.69%	103.20%
NPV of Required Capital Expenditure over 10 years	227,246,470				

## Notes

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

City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 24. Financial Ratios (continued)

The Current Ratio, Debt Service Coverage Ratio and Operating Surplus Ratio are distorted by the early payment of Financial Assistance Grants (FAGS) for the financial year 2019-2020 in the amount of \$3,051,785 (2018-19: \$3,042,332) on the 27th of May 2020.

These Financial Assistance Grants are in accordance with AASB 1058 recognised in the Operating Revenue of the financial year 2019-2020.

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

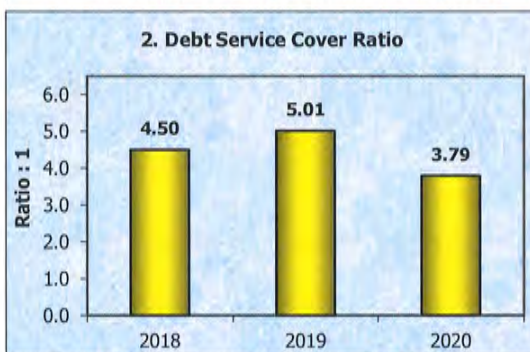
	Current Ratio	Debt Service Coverage ratio	Operating Surplus Ratio
FAGS included	1.34	3.79	-0.97%
FAGS excluded	1.13	3.33	-5.20%



**Purpose of Current Ratio**

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

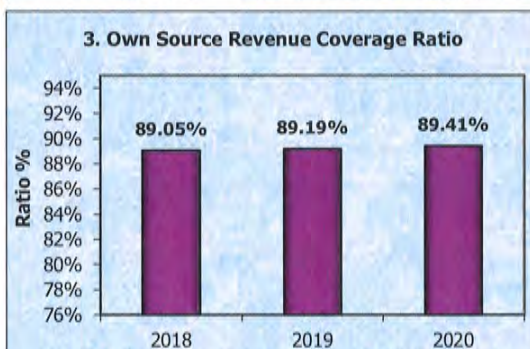
2019/20 Ratio	1.34 : 1
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**Purpose of Debt Service Cover Ratio**

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

2019/20 Ratio	3.79 : 1
---------------	----------



**Purpose of Own Source Revenue Coverage Ratio**

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

2019/20 Ratio	89.41%
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City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 24. Financial Ratios (continued)

<p><b>4. Operating Surplus Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>-0.25%</td> </tr> <tr> <td>2019</td> <td>0.08%</td> </tr> <tr> <td>2020</td> <td>-0.96%</td> </tr> </tbody> </table>	Year	Ratio %	2018	-0.25%	2019	0.08%	2020	-0.96%	<p><b>Purpose of Operating Surplus Ratio</b></p> <p>To assess Council's ability to cover its operational costs and have revenues available for capital funding or other purposes.</p>	<p>2019/20 Ratio    -0.96%</p>
Year	Ratio %									
2018	-0.25%									
2019	0.08%									
2020	-0.96%									
<p><b>5. Asset Consumption Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>74.12%</td> </tr> <tr> <td>2019</td> <td>72.44%</td> </tr> <tr> <td>2020</td> <td>66.29%</td> </tr> </tbody> </table>	Year	Ratio %	2018	74.12%	2019	72.44%	2020	66.29%	<p><b>Purpose of Asset Consumption Ratio</b></p> <p>To assess the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.</p>	<p>2019/20 Ratio    66.29%</p>
Year	Ratio %									
2018	74.12%									
2019	72.44%									
2020	66.29%									
<p><b>6. Asset Sustainability Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>89.49%</td> </tr> <tr> <td>2019</td> <td>133.57%</td> </tr> <tr> <td>2020</td> <td>62.72%</td> </tr> </tbody> </table>	Year	Ratio %	2018	89.49%	2019	133.57%	2020	62.72%	<p><b>Purpose of Asset Sustainability Ratio</b></p> <p>To indicate whether Council is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.</p>	<p>2019/20 Ratio    62.72%</p>
Year	Ratio %									
2018	89.49%									
2019	133.57%									
2020	62.72%									
<p><b>7. Asset Renewal Funding Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>103.20%</td> </tr> <tr> <td>2019</td> <td>94.69%</td> </tr> <tr> <td>2020</td> <td>89.17%</td> </tr> </tbody> </table>	Year	Ratio %	2018	103.20%	2019	94.69%	2020	89.17%	<p><b>Purpose Asset Renewal Funding Ratio</b></p> <p>To assess the ability of Council to fund its projected asset renewal / replacements in the future.</p>	<p>2019/20 Ratio    89.17%</p>
Year	Ratio %									
2018	103.20%									
2019	94.69%									
2020	89.17%									

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 25. Information on Borrowings

\$	Borrowing Institution	Interest Rate %	Principal 1-Jul-19	New Loans	Principal Repayments		Principal 30-Jun-20		Interest Repayments	
					Actual	Budget	Actual	Budget	Actual	Budget
<b>(a). Debenture Repayments</b>										
<b>Governance</b>										
- 262 Office Redevelopment	WATC	3.89%	420,962	-	106,351	106,351	314,612	314,611	13,814	14,837
<b>Law, Order, Public Safety</b>										
-276 Animal Pound Facility	WATC	1.99%	1,900,000	-	255,573	255,573	1,644,427	1,644,427	35,716	36,545
<b>Community Amenities</b>										
- 278 Meru Resource Recovery Facility	WATC	2.24%	7,000,000	-	631,940	631,940	6,368,060	6,368,060	150,973	153,281
<b>Recreation &amp; Culture</b>										
- 82 Tarcoola Park Tennis Club SSL	* WATC	7.36%	941	-	941	941	-	-	10	17
- 96 Geraldton Yacht Club SSL	* WATC	3.16%	228,377	-	22,311	22,311	206,066	206,065	6,958	7,042
- 268 Foreshore Stabilisation & Protection	WATC	3.09%	763,623	-	117,717	117,717	645,906	645,906	22,120	22,694
- 264 Aquarena Upgrade	WATC	4.36%	1,107,413	-	202,800	202,800	904,613	904,613	44,285	46,097
- 271 QPT Air-Conditioning Replacement	WATC	2.92%	2,371,872	-	310,095	310,095	2,061,777	2,061,777	65,403	67,011
- 263 Recreation Ground Grandstand	WATC	4.36%	692,133	-	126,750	126,750	565,383	565,384	27,678	28,810
- 272 MUF, Youth Precinct, Beach Access Ramp	WATC	3.21%	3,391,965	-	235,821	235,821	3,156,144	3,156,144	105,660	107,005
- 259 Verita Road	WATC	4.72%	1,328,754	-	512,982	512,981	815,772	815,774	55,279	56,736
- 257 Geraldton Hockey Association	* WATC	4.81%	74,040	-	28,565	28,565	45,475	45,474	3,095	3,222
- 277 Beresford Foreshore	WATC	2.24%	1,850,000	-	167,013	167,014	1,682,987	1,682,986	39,900	40,510
- 253 Geraldton Yacht Club SSL	* WATC	6.26%	9,838	-	9,838	9,805	-	-	179	342
- 251 Geraldton Hockey Association	* WATC	6.14%	8,283	-	8,283	8,282	-	-	98	127
- 260 Aquarena Renewal Stage 1	WATC	3.89%	1,094,502	-	276,512	276,503	817,990	817,990	35,915	38,584
<b>Transport</b>										
- 269 Airport Projects	WATC	3.09%	1,921,784	-	296,255	296,256	1,625,529	1,625,528	55,669	57,112
- 261 Airport Paid Parking Facilities	WATC	3.89%	631,444	-	159,526	159,526	471,918	471,918	20,720	22,255
- 258 Airport Buffer Land	WATC	4.72%	383,862	-	148,195	148,195	235,667	235,667	15,970	16,390
- 252 Plant Purchases for 2009/2010	WATC	6.06%	117,101	-	117,101	117,102	-	-	2,260	3,566
- 273 Verita Road Stage 1	WATC	2.45%	888,306	-	214,032	214,033	674,274	674,272	20,005	20,461
- 270 Airport Technology Park	WATC	2.74%	517,025	-	517,026	517,026	-	-	9,797	10,649
- 275 Airport Runway Overlay	WATC	2.82%	7,500,000	-	283,693	283,693	7,216,307	7,216,307	208,210	209,514

(continued on next page)

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 25. Information on Borrowings (continued)

\$	Borrowing Institution	Interest Rate %	Principal 1-Jul-19	New Loans	Principal Repayments		Principal 30-Jun-20		Interest Repayments	
					Actual	Budget	Actual	Budget	Actual	Budget
<b>(a). Debenture Repayments (continued)</b>										
<b>Other Property &amp; Services</b>										
- 265 Old Works Depot	WATC	4.36%	553,707	-	101,400	101,400	452,307	452,306	22,142	23,045
- 274 Olive Street Development	WATC	3.13%	3,048,964	-	341,000	341,000	2,707,964	2,707,987	91,480	92,785
- 266 Old Railway Building	WATC	4.36%	570,318	-	104,442	104,442	465,876	465,876	22,807	23,740
- WATC Loan Guarantee Fee				-	-	-	-	-	257,291	270,762
			<b>38,375,214</b>	<b>-</b>	<b>5,296,164</b>	<b>5,296,122</b>	<b>33,079,050</b>	<b>33,079,072</b>	<b>1,333,434</b>	<b>1,373,139</b>

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

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

2 WATC = WA Treasury Corporation

Security

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

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 25. Information on Borrowings (continued)

\$	Amount Borrowed		Institution	Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used		Balance Unspent
	Actual	Budget						Actual	Budget	
(b). New Debentures										

\$		Date Borrowed	Balance 1-Jul-19	Borrowed During Year	Expended During Year	Balance 30-Jun-20
	Olive Street Development	17/05/2017	274,943	-	-	274,943
	Foreshore Stabilisation & Protection	4/05/2015	333,517	-	(333,517)	-
	Animal Pound	2/05/2019	181,597	-	(181,597)	-
	Meru Resource Facility	2/05/2019	2,999,544	-	-	2,999,544
			<b>3,789,601</b>	<b>-</b>	<b>(515,114)</b>	<b>3,274,487</b>

## (d). Overdraft

The City of Greater Geraldton established an overdraft facility of \$750,000.  
The balance of the bank overdraft at 30 June 2020 was \$0 (30 June 2019: \$0).

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 26(a). Rating Information (2019/20 Financial Year)

\$	Notes	Rate in \$	Number of Properties	Rateable Value	Rate Revenue	Interim Rates	Back Rates	Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue
<b>Rate Type</b>												
<b>Differential General Rate</b>												
		0.1485	15,542	203,722,753	30,258,736	56,639	(809)	30,314,566	30,258,737	279,164	10,000	30,547,901
		0.1229	1,210	87,783,285	10,791,551	(13,294)	(12,410)	10,765,847	10,791,550	87,597	-	10,879,147
		0.0078	808	365,599,249	2,842,535	1,513	(903)	2,843,145	2,842,534	-	-	2,842,534
			<b>17,560</b>	<b>657,105,287</b>	<b>43,892,822</b>	<b>44,858</b>	<b>(14,122)</b>	<b>43,923,558</b>	<b>43,892,821</b>	<b>366,761</b>	<b>10,000</b>	<b>44,269,582</b>
<b>Minimum Rates</b>												
			<b>Minimum</b>									
		1,010	2,261	7,741,642	2,283,610	-	-	2,283,610	2,283,610	-	-	2,283,610
		1,010	240	1,254,540	242,400	-	-	242,400	242,400	-	-	242,400
		1,010	258	16,994,802	260,580	-	-	260,580	260,580	-	-	260,580
			<b>2,759</b>	<b>25,990,984</b>	<b>2,786,590</b>	<b>-</b>	<b>-</b>	<b>2,786,590</b>	<b>2,786,590</b>	<b>-</b>	<b>-</b>	<b>2,786,590</b>
								46,710,148				47,056,172
Discounts/Concessions	29(a)							(120,486)				(116,760)
								<b>46,589,662</b>				<b>46,939,412</b>
Specified Area Rate	27							-				-
<b>Totals</b>								<b>46,589,662</b>				<b>46,939,412</b>

2020 accounting policy: Rates and annual charges are recognised as revenue when the council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

2019 accounting policy: Rates are recognised as revenue at the start of the rating period. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.



## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 26(b). Surplus/(Deficit) B/Fwd and C/Fwd

\$	Notes	2020 Carried Fwd Actual	2019 Brought Fwd Actual
<b>Current Assets</b>			
Cash - Unrestricted	3	8,783,406	9,467,741
Cash - Restricted Reserves	3	23,008,955	22,035,630
Cash - Restricted Unspent Grants	2(d)	3,070,598	4,708,118
Investments	4	2,352,977	5,069,939
Rates - Current	5	4,825,083	4,420,221
Sundry Debtors	5	817,822	2,499,076
GST Receivable	5	312,352	668,447
Other Receivables	5	1,777,057	1,322,341
Contract Assets	9	20,485	-
- Fuel and Materials	6	400,117	395,360
- Land Held for Resale	6	-	332,641
- Other	6	106,271	129,701
		<b>45,475,122</b>	<b>51,049,215</b>
<b>Current Liabilities</b>			
Sundry Creditors	11	5,973,679	13,883,048
Accrued Interest on Debentures	11	160,200	186,392
Accrued Salaries and Wages	11	601,227	368,028
Other Current Trade and Other Payables	11	3,121,223	4,919,612
Contract Liabilities	9	765,330	-
Lease Liability	10	49,637	-
Current Employee Benefits Provision	13	4,710,833	4,554,788
Other Current Provisions	13	478,437	488,376
Current Loan Liability	12	4,798,496	5,296,164
		<b>20,659,061</b>	<b>29,696,408</b>
<b>Net Current Assets</b>		<b>24,816,061</b>	<b>21,352,807</b>
<b>Less:</b>			
Reserves - Restricted Cash	3	(23,008,955)	(22,035,630)
Self Supporting Loan Principal Repayments		(69,939)	(96,785)
<b>Add Back:</b>			
Current Loan Liability	12	4,798,496	5,296,164
<b>Surplus/(Deficit)</b>		<b>6,535,663</b>	<b>4,516,556</b>

(1) Restricted Grants &amp; Contributions that are not expected to be spent in the next 12 months.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 27. Specified Area Rate (2019/20 Financial Year)

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

#### Note 28. Service Charges (2019/20 Financial Year)

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

#### Note 29. Discounts, Incentives, Concessions & Write-offs (2019/20 Financial Year)

\$	Total Cost / Value	Budget Cost / Value
----	-----------------------	------------------------

##### (a) Discounts/Concessions

General Rates	120,486	116,760
	<b><u>120,486</u></b>	<b><u>116,760</u></b>

##### Discounts

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

##### Concessions/Incentives/Waivers

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

Council offers no incentives for the early payment of rates.

Council does not offer any standard waivers or write-offs of rates and Charges or other debts of ratepayers, unless specifically approved by Council. Council does offer 'Incentives' under its City Centre Revitalisation Program to encourage development within the City Centre. The form of 'Incentives' which are assessed and approved by Council on an individual basis can be in the form of concessions or waiving of rates for a set period of times.

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

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 29. Discounts, Incentives, Concessions &amp; Write-offs (2019/20 Financial Year)

\$	Notes	Total Cost / Value	Budget Cost / Value
<b>(b). Write-Offs</b>			
Rate Assessment	2(a)	3,189	-
General Debtors	2(a)	77,985	-
		<b>81,175</b>	<b>-</b>

## Note 30. Interest Charges and Instalments (2019/20 Financial Year)

\$	Interest Rate %	Admin. Charge	Actual Revenue	Budgeted Revenue
Interest on Unpaid Rates	11.00%	-	494,151	480,000
Interest on Instalments Plan	5.50%	-	183,215	188,000
Pensioner Deferred Interest	0.00%	-	10,724	12,000
			<b>688,090</b>	<b>680,000</b>

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

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

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

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

For ratepayers electing to pay their rates by 2 or 4 instalments, a charge of \$12.00 per instalment is charged.

For ratepayers making an arrangement with Council to pay their rates in more than 4 instalments, a one off charge of \$42.00 is charged.

The total amount of revenue from the imposition of interest and instalments charges is \$835,543 (2018-19: \$905,741).

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2020

#### Note 31. Fees & Charges

\$	2020 Actual	2020 Budget	2019 Actual
Governance	11,763	17,500	15,195
General Purpose Funding	320,267	330,000	319,949
Law, Order, Public Safety	430,315	332,360	320,899
Health	59,880	85,600	76,864
Education and Welfare	26,334	22,250	18,535
Community Amenities	12,842,140	13,447,382	12,094,547
Recreation and Culture	1,448,136	2,387,439	1,928,488
Transport	4,199,812	6,046,182	5,711,138
Economic Services	529,800	978,757	892,078
Other Property and Services	1,217,460	1,027,500	1,096,622
	<b><u>21,085,907</u></b>	<b><u>24,674,970</u></b>	<b><u>22,474,314</u></b>

2020 accounting policy: Revenue arising from fees and charges is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival. There is no material obligation for Council in relation to refunds or returns.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

Revenue from infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

2019 accounting policy: Fees and charges are recognised when council is unconditionally entitled to those funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

#### Note 32. Grants, Subsidies & Contributions

\$	2020 Actual	2019 Actual
----	----------------	----------------

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

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

Operating Grants, Subsidies and Contributions	8,373,215	8,701,906
Non-Operating Grants, Subsidies and Contributions	7,130,966	21,086,497
	<b><u>15,504,181</u></b>	<b><u>29,788,403</u></b>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 32. Grants, Subsidies &amp; Contributions (continued)

\$	2020 Actual	2019 Actual
<b>(b). By Program</b>		
Governance	61,756	71,346
General Purpose Funding	5,988,568	6,093,896
Law, Order, Public Safety	1,214,190	193,462
Education & Welfare	296,520	271,526
Community Amenities	155,344	72,660
Recreation & Culture	669,852	2,573,063
Transport	6,937,178	16,963,145
Economic Services	128,361	188,793
Other Property & Services	52,411	3,360,512
	<b><u>15,504,181</u></b>	<b><u>29,788,403</u></b>

Included within the Operating Grants, Subsidies and Contributions total of \$8,373,215 is \$539,864 in reimbursements and recoveries.

## Note 33. Employee Numbers

\$	2020 Actual	2019 Actual	2018 Actual
The number of full-time equivalent employees at balance date	274	282	283

At 30 June 2020 the City's approved organisational structure: 296 FTE (2019: 299 FTE).

## Note 34. Councillor Remuneration

\$	2020 Actual	2020 Budget	2019 Actual
The following fees, expenses and allowances were paid to council members and the mayor.			
Members Meeting Fees	350,683	308,592	391,884
Mayor & Deputy Mayor Allowance	90,371	149,000	90,420
Members IT and Telephone Allowance	47,298	45,500	52,500
Travelling Expenses	10,987	15,500	12,019
Conference Expenses	16,078	-	13,374
Councillor Training	16,979	-	13,820
	<b><u>532,398</u></b>	<b><u>518,592</u></b>	<b><u>574,017</u></b>

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 35. Employee Costs

\$	Actual	Budget	Actual
Wages and Salaries	19,432,654	28,487,934	19,023,357
Employee Leave Entitlements	4,897,221	-	4,914,270
Superannuation	3,101,616	-	3,054,417
Workers' Compensation Insurance	374,406	-	269,155
Protective Clothing & Uniforms	76,021	-	74,643
Recruitment Costs	27,839	-	56,430
Training Costs (other than Salaries & Wages)	148,900	-	137,886
Other	113,627	-	142,079
	<u>28,172,282</u>	<u>28,487,934</u>	<u>27,672,236</u>

**Employee Remuneration**

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

\$	Salary Range	2020 Actual	2019 Actual
<b>Details</b>			
LG Administration Regulations 19 B	100,000 - 109,999	16	14
	110,000 - 119,999	5	4
	120,000 - 129,999	7	4
	130,000 - 139,999	3	6
	140,000 - 149,999	1	1
	150,000 - 159,999	1	1
	160,000 - 169,999	1	1
	170,000 - 179,999	-	1
	180,000 - 189,999	1	-
	190,000 - 200,999	2	1
	250,000 - 259,999	1	1

## Note 36. Major Land Transactions

There were no Major Land Transactions during 2019/20.

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 37. Trading and Major Trading Undertakings

\$

**Airport**

The Geraldton Airport is owned freehold and run as a business unit by the City of Greater Geraldton, generating an operating income of approximately \$3.97M in 2019-20 (2018-19: \$5.26M).

Operating surpluses from airport operations are utilised to maintain and improve existing airport infrastructure, and provide for development of future infrastructure. During 2019-20, capital outlays on Airport Infrastructure (including buildings) amounted to nearly \$484k (2018-19: \$22.1M), the new airport runway accounting for \$228k. Funding totalling \$2.39M was provided by Federal Government.

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

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

Geraldton Airport is serviced by QantasLink, providing Regular Public Transport (RPT) services on the Geraldton-Perth route.

Two aircraft maintenance and service businesses are well established in a hangar leased from the City. Shine Aviation and Geraldton Air Charter provide General Aviation services based at the airport, servicing the Abrolhos Islands, FIFO mining workforce logistics, tourist flights and general charter operations.

	2020 Actual	2019 Actual
<b>Income Statement</b>		
Operating Income	3,970,138	5,263,023
Operating Expenditure	(3,038,666)	(3,155,500)
Depreciation Expense	(1,565,510)	(1,587,978)
<b>Operating Result</b>	<b>(634,038)</b>	<b>519,545</b>
Capital Income	2,387,255	21,255,004
Capital Expenditure	(484,205)	(23,213,951)
<b>Operating Result</b>	<b>1,903,050</b>	<b>(1,958,947)</b>
<b>Total Net Trading Undertaking</b>	<b>1,269,011</b>	<b>(1,439,402)</b>
<b>Current Assets</b>		
Receivables	246,549	846,971
<b>Total Current Assets</b>	<b>246,549</b>	<b>846,971</b>
<b>Non-Current Assets</b>		
Land	12,846,813	12,826,812
Buildings	15,640,830	15,809,803
Furniture & Equipment	17,999	10,863
Airport Infrastructure	25,985,800	51,561,057
<b>Total Non-Current Assets</b>	<b>54,491,442</b>	<b>80,208,535</b>
<b>Total Assets</b>	<b>54,737,991</b>	<b>81,055,506</b>
<b>Current Liabilities</b>		
Creditors & Provisions	(141,510)	(4,804,728)
Borrowings	(918,325)	(1,404,695)
<b>Total Current Liabilities</b>	<b>(1,059,835)</b>	<b>(6,209,423)</b>
<b>Non-Current Liabilities</b>		
Borrowings	(9,010,444)	(9,549,420)
<b>Total Non-Current Liabilities</b>	<b>(9,010,444)</b>	<b>(9,549,420)</b>
<b>Total Liabilities</b>	<b>(10,070,279)</b>	<b>(15,758,843)</b>
<b>Net Assets</b>	<b>44,667,712</b>	<b>65,296,663</b>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 37. Trading and Major Trading Undertakings (continued)

\$

**Meru Landfill Facility**

The Meru Landfill Facility is run as a business unit of the City of Greater Geraldton and generated operating income of approximately \$5.32M in 2019-20 (2018-19: \$5.37M). During 2019-20, capital outlays on Meru Infrastructure amounted to around \$1.71M (2018-19: \$3.88M) with majority of the spend going towards the construction of Cell 5 and the landfill organics diversion system.

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

The vision of City of Greater Geraldton is to lead the community to an improved level of sustainability - to encourage waste avoidance, maximise the recovery of materials and provide efficient, yet cost effective waste management and resource recovery services to the region. These objectives are achievable by actively engaging the community in sustainable waste practices, by supporting and promoting waste minimisation principles and implementing the objectives of the various strategic documents.

**Income Statement**

	2020 Actual	2019 Actual
Operating Income	5,315,787	5,372,755
Operating Expenditure	(2,910,149)	(3,229,735)
Depreciation Expense	(708,350)	(859,217)
<b>Operating Result</b>	<b>1,697,287</b>	<b>1,283,803</b>
Capital Income	114,000	7,000,000
Capital Expenditure	(1,714,675)	(3,880,363)
<b>Operating Result</b>	<b>(1,600,675)</b>	<b>3,119,637</b>
<b>Total Net Trading Undertaking</b>	<b>96,613</b>	<b>4,403,440</b>
<b>Current Assets</b>		
Receivables	338,792	139,484
<b>Total Current Assets</b>	<b>338,792</b>	<b>139,484</b>
<b>Non-Current Assets</b>		
Land	2,223,000	2,223,000
Buildings	347,411	441,076
Furniture & Equipment	226,793	-
Meru Landfill Infrastructure	17,392,904	17,815,706
<b>Total Non-Current Assets</b>	<b>20,190,109</b>	<b>20,479,782</b>
<b>Total Assets</b>	<b>20,528,901</b>	<b>20,619,266</b>
<b>Current Liabilities</b>		
Creditors & Provisions	(227,984)	(755,453)
Borrowings	(646,175)	(631,940)
<b>Total Current Liabilities</b>	<b>(874,159)</b>	<b>(1,387,393)</b>
<b>Non-Current Liabilities</b>		
Provisions	(9,090,788)	(10,462,004)
Borrowings	(5,342,537)	(6,368,059)
<b>Total Non-Current Liabilities</b>	<b>(14,433,325)</b>	<b>(16,830,063)</b>
<b>Total Liabilities</b>	<b>(15,307,484)</b>	<b>(18,217,456)</b>
<b>Net Assets</b>	<b>5,221,417</b>	<b>2,401,810</b>



## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 38. Financial Risk Management

\$

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

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

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

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

The City held the following financial instruments at balance date.

	Notes	Carrying Value		Fair Value	
		2020	2019	2020	2019
<b>Financial Assets</b>					
Cash and Cash Equivalents	3	34,862,959	36,211,489	34,862,959	36,211,489
Receivables (Current & Non-Current)	5	8,267,358	9,394,388	8,267,358	9,394,388
		<u>43,130,317</u>	<u>45,605,878</u>	<u>43,130,317</u>	<u>45,605,878</u>
<b>Financial Liabilities</b>					
Payables (Current & Non-Current)	11	9,856,328	19,357,080	9,856,328	19,357,080
Borrowings (Current & Non-Current)	12	33,079,050	38,375,214	33,079,050	38,375,214
		<u>42,935,378</u>	<u>57,732,294</u>	<u>42,935,378</u>	<u>57,732,294</u>

Fair Value is determined as follows:

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

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 38. Financial Risk Management (continued)

\$

##### (a). Cash & Cash Equivalents and Financial Assets

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

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

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

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

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

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

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

	30-Jun-20	30-Jun-19
<b>Impact of a 1% <sup>(1)</sup> movement in interest rates on cash and investments</b>		
Equity	348,630	362,115
Statement of Comprehensive Income	348,630	362,115

##### Notes:

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

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 38. Financial Risk Management (continued)

\$

##### (b). Receivables

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

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

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

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

Council makes suitable provision for doubtful receivables as required. Included in the impairment value of \$109,164 is a provision of \$96,400 for Virgin Australia Airlines which is currently in administration.

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

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

	30-Jun-20	30-Jun-19
	%	%
<b>Percentage of Rates and Annual Charges</b>		
Current	93.33%	93.62%
Overdue	6.67%	6.38%
<b>Percentage of Other Receivables</b>		
Current	68.29%	68.39%
Overdue	31.71%	31.61%

The Council does not require collateral in respect of trade and other receivables. The Council does not have trade receivables for which no loss allowance is recognised because of collateral.

The adoption of AASB 9 has fundamentally changed the City's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the City to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

The Council uses a probability percentage based on actual credit loss experienced over the last five years to measure the expected credit losses of trade receivables from individual customers, which comprise a very large number of small balances.

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 38. Financial Risk Management (continued)

\$

The following table provides information about the exposure to credit risk and expected losses for trade receivables from individual customers as at 30 June 2020:

	2020 Closing balance 30/06/2020 \$	2020 Historical probability of default %	2020 Lifetime expected credit loss \$
Not Past Due	616,673	1.37%	8,448
Past Due 31-60 Days	176,453	1.37%	2,417
Past Due 61-90 Days	21,526	1.37%	295
More than 90 Days	117,001	1.37%	1,603
<b>Total</b>	<b>931,653</b>		<b>12,764</b>

	2019 Closing balance 30/06/2020 \$	2019 Historical probability of default %	2019 Lifetime expected credit loss \$
Not Past Due	1,699,622	1.47%	24,984
Past Due 31-60 Days	716,582	1.47%	10,534
Past Due 61-90 Days	29,906	1.47%	440
More than 90 Days	89,296	1.47%	1,313
<b>Total</b>	<b>2,535,406</b>		<b>37,271</b>

Ageing of past due receivables and the amount of any impairment is disclosed in the following table:

	2020 \$	2019 \$
Receivables		
Fully Performing	616,673	1,699,622
Past due:		
- 31 to 60 days overdue	176,453	716,582
- 61 to 90 days overdue	21,526	29,906
- Greater than 90 days overdue	117,001	89,296
- Impaired	(109,164)	(37,271)
<b>Total</b>	<b>822,489</b>	<b>2,498,135</b>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 38. Financial Risk Management (continued)

\$

## (c). Payables &amp; Borrowings

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

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

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

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

\$	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying Values
<b>2020</b>					
Payables	10,121,934	-	-	10,121,934	9,856,328
Borrowings	4,798,496	18,026,634	10,253,920	33,079,050	33,079,050
	<b>14,920,430</b>	<b>18,026,634</b>	<b>10,253,920</b>	<b>43,200,984</b>	<b>42,935,378</b>
<b>2019</b>					
Payables	19,357,080	-	-	19,357,080	19,357,080
Borrowings	5,296,164	17,152,731	15,926,319	38,375,214	38,375,214
	<b>24,653,244</b>	<b>17,152,731</b>	<b>15,926,319</b>	<b>57,732,294</b>	<b>57,732,294</b>

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

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

	30-Jun-20		30-Jun-19	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Bank Loans - Fixed	2.95%	33,079,050	3.02%	38,375,214
		<u>33,079,050</u>		<u>38,375,214</u>

**Notes:**

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

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 39. Fair Value Measurements

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

- Infrastructure, Property,
- Investment Property
- Financial Assets & Liabilities

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

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

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

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

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

Following a change to Local Government (Financial Management) Regulation 17A plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

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

	Date of latest Valuation	Fair Value Measurement using:			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>2020</b>					
<b>Financial Assets</b>					
Investments					
- "Designated At Fair Value on Initial Recognition"	31/12/19	-	-	320,495	320,495
- "Loans and Receivables"	30/06/20	-	-	2,551,541	2,551,541
Receivables	30/06/20	-	-	8,267,358	8,267,358
<b>Total Financial Assets</b>		-	-	11,139,394	11,139,394
<b>Financial Liabilities</b>					
Payables	30/06/20	-	-	9,856,328	9,856,328
Loans / Advances	30/06/20	-	-	33,079,050	33,079,050
<b>Total Financial Liabilities</b>		-	-	42,935,378	42,935,378
<b>Property, Plant &amp; Equipment</b>					
- Land	30/06/17	-	85,652,675	-	85,652,675
- Buildings	30/06/17	-	-	107,303,456	107,303,456
- Furniture & Equipment	30/06/19	-	-	1,466,656	1,466,656
- Plant & Equipment	30/06/16	-	9,812,366	-	9,812,366
- Artwork	30/06/19	-	813,609	-	813,609
<b>Total Property, Plant &amp; Equipment</b>		-	96,278,650	108,770,112	205,048,762

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 39. Fair Value Measurements (continued)

\$

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

	Date of latest Valuation	Fair Value Measurement using:			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>2020</b>					
<b>Infrastructure</b>					
- Roads	30/06/18	-	-	583,691,084	583,691,084
- Recreation	30/06/18	-	-	48,870,556	48,870,556
- Car Parks	30/06/18	-	-	10,871,013	10,871,013
- Meru Landfill	30/06/18	-	-	17,392,904	17,392,904
- Airport	30/06/20	-	-	25,985,800	25,985,800
- Effluent Scheme	30/06/18	-	-	551,420	551,420
<b>Total Infrastructure</b>		-	-	<b>687,362,776</b>	<b>687,362,777</b>
<b>2019</b>					
<b>Financial Assets</b>					
Investments					
- "Designated At Fair Value on Initial Recognition"	30/06/15	-	-	315,308	315,308
- "Loans and Receivables"	30/06/15	-	-	5,321,480	5,321,480
Receivables	30/06/18	-	-	9,394,388	9,394,388
<b>Total Financial Assets</b>		-	-	<b>15,031,176</b>	<b>15,031,176</b>
<b>Financial Liabilities</b>					
Payables	30/06/18	-	-	19,357,080	19,357,080
Loans / Advances	30/06/18	-	-	38,375,214	38,375,214
<b>Total Financial Liabilities</b>		-	-	<b>57,732,294</b>	<b>57,732,294</b>
<b>Property, Plant &amp; Equipment</b>					
- Land	30/06/17	-	84,919,345	-	84,919,345
- Buildings	30/06/17	-	-	106,639,744	106,639,744
- Furniture & Equipment	30/06/16	-	-	1,584,409	1,584,409
- Plant & Equipment	30/06/16	-	9,765,147	-	9,765,147
- Artwork	14/11/14	-	696,946	-	696,946
<b>Total Property, Plant &amp; Equipment</b>		-	<b>95,381,438</b>	<b>108,224,153</b>	<b>203,605,592</b>
<b>Infrastructure</b>					
- Roads	30/06/18	-	-	585,123,301	585,123,301
- Recreation	30/06/18	-	-	49,761,450	49,761,450
- Car Parks	30/06/18	-	-	10,133,495	10,133,495
- Meru Landfill	30/06/18	-	-	17,956,086	17,956,086
- Airport	30/06/18	-	-	51,560,812	51,560,812
- Effluent Scheme	30/06/18	-	-	569,774	569,774
<b>Total Infrastructure</b>		-	-	<b>715,104,918</b>	<b>715,104,918</b>

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

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

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 39. Fair Value Measurements (continued)

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

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

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

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##### Property, Plant & Equipment

###### LAND AND BUILDINGS

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

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

###### Comparison to Previous Valuation

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

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

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

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



## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 39. Fair Value Measurements (continued)

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

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

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

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

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

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

##### PLANT & EQUIPMENT

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

##### FURNITURE & EQUIPMENT

Management conducted a valuation of furniture and equipment effective 30/06/2019 actualising the asset register and aligning the asset class with the capitalisation thresholds outlined in the Significant Accounting Policies. Using level 3 valuation inputs ensured no material variance in existing balance sheet values for this asset class was observed with the carrying amount of each asset fairly stated at reporting date.

##### ARTWORK

A valuation of Artwork was conducted by Banziger Hulme Fine Art Consultants P/L 28th May 2019. David Hulme is an approved valuer for the Australian Government's Cultural Gifts Program. The valuation of the collection is based on market value with market value defined as "what a willing buyer would pay a willing seller in an arm's length transaction after proper marketing" of similar assets adjusted for condition and for condition and comparability (Level 2 inputs in the fair value hierarchy).

All property, plant and equipment classes are carried at fair value and subject to revaluation every 5 years as well as an annual assessment as to whether there is an indication an asset may have been impaired in accordance with AASB 136 "Impairment of Assets".

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## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 39. Fair Value Measurements (continued)

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

##### Infrastructure

###### AIRPORT

Griffin Valuation Advisory have completed a valuation of Infrastructure assets with the effective date of valuation 30th of June 2020.

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

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

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

###### MERU LANDFILL

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

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

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

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

###### Landfill

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

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

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 39. Fair Value Measurements (continued)

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

##### Infrastructure (continued)

##### MERU LANDFILL (continued)

##### Landfill (continued)

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

Council established a rehabilitation provision for estimated future capping expenditure that is discounted to its present value, with the unwinding of the discount being charged to the statement of comprehensive income within the amortisation charge. The discounted present value of the future capping expenditure is capitalised as part of the Landfill asset (2019-2020: \$9,090,788.34) and is amortised on a straight-line basis.

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

##### OTHER INFRASTRUCTURE

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

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

##### Car Parks

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

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

##### Recreation (Parks)

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

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

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2020

## Note 39. Fair Value Measurements (continued)

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

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

	Land	Buildings	Furniture & Equipment	Roads	Total
<b>Opening Balance - 1/7/18</b>	-	103,778,876	1,622,985	589,087,246	694,489,107
Purchases (GBV)	-	5,466,494	461,864	11,759,055	17,687,413
Disposals (WDV)	-	(607,271)	(372,806)	-	(980,077)
Depreciation & Impairment	-	(1,962,510)	(127,635)	(15,723,000)	(17,813,145)
Transfer between Asset Classes	-	(1,373,844)	-	-	(1,373,844)
<b>Closing Balance - 30/6/19</b>	-	105,301,745	1,584,408	585,123,301	692,009,454
Purchases (GBV)	-	2,760,164	917,500	12,128,441	15,806,105
Disposals (WDV)	-	(623,374)	(708,943)	(2,899)	(1,335,216)
Depreciation & Impairment	-	(2,086,603)	(352,678)	(16,099,273)	(18,538,554)
Transfer between Asset Classes	-	613,525	26,367	2,541,513	3,181,405
<b>Closing Balance - 30/6/20</b>	-	105,965,457	1,466,654	583,691,083	691,123,194

	Recreation	Car Parks	Meru Landfill	Airport	Total
<b>Opening Balance - 1/7/18</b>	38,384,416	10,416,364	17,663,152	30,743,295	97,207,227
Purchases (GBV)	11,755,258	151,288	3,784,025	20,840,258	36,530,829
Depreciation & Impairment	(1,752,068)	(434,158)	(856,916)	(1,238,483)	(4,281,625)
Other movement	1,373,844	-	(2,064,401)	-	(690,557)
<b>Closing Balance - 30/6/19</b>	49,761,450	10,133,494	18,525,860	50,345,070	128,765,874
Purchases (GBV)	4,194,502	324,552	1,462,516	238,657	6,220,227
Depreciation & Impairment	(1,737,716)	(481,590)	(684,481)	-	(2,903,787)
Other movement	(3,347,680)	894,555	(1,341,216)	(12,900)	(3,807,241)
Other movement (Revaluation)	-	-	-	(24,593,701)	(24,593,701)
<b>Closing Balance - 30/6/20</b>	48,870,556	10,871,011	17,962,679	25,977,126	103,681,372

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

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

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 40. "Held for Sale" Non Current Assets & Disposal Groups

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

#### Note 41. Investment Properties

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

#### Note 42. Intangible Assets

	2020 Carrying Amount	2019 Carrying Amount
Intangible Assets are as follows;		
<b>Opening Values:</b>		
Gross Book Value (1/7)	104,144	104,144
<b>Net Book Value - Opening Balance</b>	<b>104,144</b>	<b>104,144</b>
<b>Closing Values:</b>		
Gross Book Value (30/6)	104,144	104,144
<b>Total Intangible Assets - Net Book Value <sup>1</sup></b>	<b>104,144</b>	<b>104,144</b>
<sup>1</sup> The Net Book Value of Intangible Assets represent:		
- Laneway Easement	104,144	104,144
	<b>104,144</b>	<b>104,144</b>

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

#### Note 43. Equity - Retained Earnings and Reserves Adjustments

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

#### Note 44. Discontinued Operations

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

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 45. Events occurring after the Reporting Period

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Events that occur between the end of the reporting period (ending 30 June 2020) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 28 January 2021.

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

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

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2020.

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

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2020 and which are only indicative of conditions that arose after 30 June 2020.

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

#### Note 46. Transactions with Related Parties

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

Council has no interest in any Subsidiaries.

##### **(b) Associates**

Council has no interest in any Associates.

##### **(c) Key Management Personnel**

###### **Transactions with Key Management Personnel**

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

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

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 46. Transactions with Related Parties (continued)

\$	2020	2019
<b>(c) Key Management Personnel (continued)</b>		
The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	1,552,113	1,473,262
Post-Employment Benefits	128,634	165,216
Long-Term Benefits	24,392	15,414
<b>Total</b>	<b>1,705,139</b>	<b>1,653,892</b>

**Short Term Employee Benefits**

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

**Post-Employment Benefits**

These amounts are the current-year's estimated cost of providing for the City's superannuation contributions made during the year.

**Other Long-Term Benefits**

These amounts represent long service benefits accruing during the year.

**Termination Benefits**

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

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

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

Council has determined that no material transactions with related parties have occurred during the financial year 2019-2020.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 47. Initial Application of Australian Accounting Standards

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##### New Accounting Standard

###### a) Revenue from Contracts with Customers

The City adopted the new rules AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the City will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019.

###### b) Income for Not-For-Profit Entities

The City adopted the new rules AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the City will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not restated in accordance with AASB transition requirements.

###### c) Leases

The City adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the City has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the City will not restate comparatives for prior reporting periods.

On adoption of AASB 16, the City recognised lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117 (excluding short term and low value leases). These lease liabilities were measured at the present value of the remaining lease payments, discounted using the lease contract's implicit rate or the rate of a similar contract.

On adoption of AASB 16, the City recognised a right-of-use asset in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is deemed to be equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments. Property, plant and equipment and lease liabilities increased by \$29,575.46 on 1 July 2019 resulting in no impact on retained surplus.

On adoption of AASB 16 Leases (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the City is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).



## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 48. New Accounting Standards and Interpretations

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During the year ended 30 June 2020, the Council adopted *AASB 15 Revenue from Contracts with Customers*, *AASB 1058 Income of NFP Entities* and *AASB 16 Leases* using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with *AASB 111 Construction Contracts*, *AASB 117 Leases*, *AASB 118 Revenue*, *AASB 1004 Contributions* and associated Accounting Interpretations.

AASB 1059 Service Concession Arrangements: Grantors is not expected to impact the financial report at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

**Revenue standards - AASB 15 and AASB 1058**

The following options have been applied on transition to AASB 15 and AASB 1058:

- Council has not adopted the completed contract expedient and therefore has not excluded revenue which
- Council has not retrospectively restated contracts for modifications that occurred before 1 July 2019 unless

**Changes in accounting policy on adoption of AASB 15 and AASB 1058**

	Balance at 1-Jul-19 \$
<b>Opening contract balances on transition at 1 July 2019</b>	
<b>Contract assets</b>	
Under AASB 15	1,670,877
<b>Total contract assets</b>	<u>1,670,877</u>
<b>Contract liabilities</b>	
Under AASB 15	(222,385)
<b>Total contract liabilities</b>	<u>(222,385)</u>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 48. New Accounting Standards and Interpretations (continued)

	Carrying amount per statement of comprehensive income Dr / (Cr)	Adjustments Dr / (Cr)	Carrying amount if previous standards had been applied Dr / (Cr)
Notes	\$	\$	\$

**Comparison of affected financial statement lines between AASB 15 / 1058 and previous revenue standards**

The following table shows the amount by which the financial statement line item is affected by the application of AASB 15 and AASB 1058 as compared to the previous revenue standards.

**Statement of comprehensive income for the year ended 30 June 2020**

Revenue			
Operating grants	8,373,215	(205,522)	8,167,693
Capital revenue	7,130,966	1,654,014	8,784,980
<b>Net revenue</b>	<b>15,504,181</b>	<b>1,448,492</b>	<b>16,952,673</b>

	Carrying amount per statement of financial position Dr / (Cr)	Adjustments Dr / (Cr)	Carrying amount if previous standards had been applied Dr / (Cr)
Notes	\$	\$	\$

**Comparison of affected financial statement lines between AASB 15 / 1058 and previous revenue standards (continued)**

**Statement of financial position at 30 June 2020**

Contract assets	20,485	(20,485)	-
<b>Total current assets</b>	<b>20,485</b>	<b>(20,485)</b>	<b>-</b>
Contract liabilities	765,330	(765,330)	-
<b>Total current liabilities</b>	<b>765,330</b>	<b>(765,330)</b>	<b>-</b>

The adjustments above relate to the recognition of contract assets and contract liabilities for revenue streams where the revenue is recognised over time rather than on receipt of funding under AASB 1004. The City has, in the past, recognised prepaid rates as a financial liability until the beginning of the rating period. Therefore there is no impact as a result of the adoption of AASB1058.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 48. New Accounting Standards and Interpretations (continued)

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##### Statement of cash flows for the year ended 30 June 2020

The adoption of AASB 15 and AASB 1058 has not caused a material change to the Statement of Cash Flows for the year ended 30 June 2020.

##### Lease standard - AASB 16

###### *Council as a lessee*

Under the previous lease accounting standard, Council assessed whether leases were operating or finance leases, based on its assessment of whether the significant risks and rewards of ownership had been transferred to Council or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low-value assets).

Council has used the exception to lease accounting for short-term leases and leases of low-value assets, and the lease expense relating to these leases is recognised in the Statement of Comprehensive Income on a straight-line basis.

###### *Practical expedients used on transition*

AASB 16 includes a number of practical expedients which can be used on transition. Council has used the following expedients:

- Contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16.
- Lease liabilities have been discounted using the Council's incremental borrowing rate at 1 July 2019.
- Right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjustment by the any prepaid or accrued lease payments.
- A single discount rate was applied to all leases with similar characteristics.
- The right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset.
- Excluded leases with an expiry date prior to 30 June 2020 from the Statement of Financial Position, and lease expenses for these leases have been recorded on a straight-line basis over the remaining term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

###### **Impact of adopting AASB 16 at 1 July 2019**

Council has recognised right-of-use assets and lease liabilities of \$29,575 at 1 July 2019 for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 4.49%.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 48. New Accounting Standards and Interpretations (continued)

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##### Leases opening balance reconciliation

Operating lease commitment at 30 June 2019 per Council financial statements	30,789
Discounted using the incremental borrowing rate at 1 July 2019	<u>29,575</u>
<b>Lease liabilities recognised at 1 July 2019</b>	<b><u>29,575</u></b>

##### New Accounting Standards and Interpretations for Application in Future Years

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the City.

On 1 July 2020 the following new accounting standards are to be adopted:

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

AASB 1059 Service Concession Arrangements: Grantors is not expected to impact the financial report. Specific impacts of AASB 2018-7 Amendments to Australian Accounting Standards - Materiality, have not been identified.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 49. Council Information & Contact Details

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**Principal Place of Business:**

63 Cathedral Avenue  
Geraldton WA 6530

**Contact Details**

**Mailing Address:**

PO Box 101  
Geraldton WA 6531

**Opening Hours:**

Monday - Friday  
8.30am to 5.00pm

**Telephone:** 08 9956 6600

**Facsimile:** 08 9956 6674

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

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

**Officers**

**CHIEF EXECUTIVE OFFICER**

Ross McKim

**Elected Members**

**MAYOR**

Shane Van Slyn

**AUDITORS**

Office of the Auditor General  
7th Floor, Albert Facey House  
469 Wellington Street, Perth

**COUNCILLORS**

Steve Douglas  
David Caudwell  
Tarleah Thomas  
Jennifer Critch  
Robert Hall  
Victor Tanti  
Natasha Colliver  
Simon Keemink  
Sally Elphick  
Jerry Clune  
Peter Fiorenza  
Kim Parker

**Other Information**

**ABN:** 55 907 677 173



# Auditor General

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of the City of Greater Geraldton

### Report on the Audit of the Financial Report

#### **Opinion**

I have audited the annual financial report of the City of Greater Geraldton which comprises the Statement of Financial Position as at 30 June 2020, and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, as well as notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

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

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2020 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

#### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the City in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

I draw attention to Notes 1 and 8 to the annual financial report, which describe the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the City's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). My opinion is not modified in respect of these matters:

- (i) Regulation 17A requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 *Leases* which would have required the entity to measure the vested improvements also at zero cost.
- (ii) In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report.

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

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

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

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

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

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

A further description of my responsibilities for the audit of the annual financial report is located on the Auditing and Assurance Standards Board website at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This includes the identification and assessment of the risk of material misstatement due to fraud arising from management override of controls. This description forms part of my auditor's report.

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

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) All required information and explanations were obtained by me.
- (ii) All audit procedures were satisfactorily completed.
- (iii) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

### **Other Matter**

The financial ratios for 2018 in Note 24 of the annual financial report were audited by another auditor when performing their audit of the City for the year ending 30 June 2018. The auditor expressed an unmodified opinion on the annual financial report for that year.

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

This auditor's report relates to the annual financial report of the City of Greater Geraldton for the year ended 30 June 2020 included on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



SANDRA LABUSCHAGNE  
DEPUTY AUDITOR GENERAL  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
10 February 2021



City of  
**Greater Geraldton**  
a vibrant future



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