Please note: These minutes are yet to be confirmed as a true record of proceedings

PAGE NO.

# **CITY OF BUSSELTON**

# MINUTES FOR THE COUNCIL MEETING HELD ON 13 NOVEMBER 2019

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# **MINUTES**

MINUTES OF A MEETING OF THE BUSSELTON CITY COUNCIL HELD IN THE COUNCIL CHAMBERS, ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 13 NOVEMBER 2019 AT 5.30PM.

1. <u>DECLARATION OF OPENING ACKNOWLEDGEMENT OF COUNTRY / ACKNOWLEDGEMENT OF VISITORS / DISCLAIMER / NOTICE OF RECORDING OF PROCEEDINGS</u>

The Presiding Member opened the meeting at 5.30pm.

# 2. <u>ATTENDANCE</u>

<u>Presiding Membe</u>	<u>r:</u>	<u>Members:</u>	
Cr Grant Henley	Mayor	Cr Kelly Hick	Deputy Mayor
		Cr Ross Paine	
		Cr Paul Carter	
		Cr Lyndon Miles	
		Cr Kate Cox	
		Cr Sue Riccelli	
		Cr Phill Cronin	
		Cr Jo Barrett-Leni	nard

# Officers:

Mr Mike Archer, Chief Executive Officer
Mr Oliver Darby, Director, Engineering and Works Services
Mr Paul Needham, Director, Planning and Development Services
Ms Jennifer May, Acting Director, Community and Commercial Services
Mr Tony Nottle, Director, Finance and Corporate Services
Ms Sarah Pierson, Manager, Governance and Corporate Services
Ms Melissa Egan, Governance Officer

# Apologies:

Nil

# Approved Leave of Absence:

Nil

Media:

0

Public:

5

# 3. PRAYER

In recognition of Rememberance Day, the Mayor delivered the Oath of Rememberance.

#### 4. APPLICATION FOR LEAVE OF ABSENCE

Nil

#### 5. DISCLOSURE OF INTERESTS

Nil

#### 6. ANNOUNCEMENTS WITHOUT DISCUSSION

#### **Announcements by the Presiding Member**

The Mayor was pleased to recognise the finalists and winners of the WA Tourism Awards, including the Busselton Jetty which won the prestigious Sir David Brand Award, the Busselton Jetty Swim, Vasse Virgin, Cape to Cape Explorer Tours and CineFestOZ.

# 7. QUESTION TIME FOR PUBLIC

Nil

#### 8. CONFIRMATION AND RECEIPT OF MINUTES

**Previous Council Meetings** 

8.1 <u>Minutes of the Special Council Meeting held 21 October 2019</u>

#### **COUNCIL DECISION**

C1911/215 Moved Councillor P Carter, seconded Deputy Mayor K Hick

That the Minutes of the Special Council Meeting held 21 October 2019 be confirmed as a true and correct record.

**CARRIED 9/0** 

# 8.2 Minutes of the Special Council Meeting held 23 October 2019

#### **COUNCIL DECISION**

C1911/216 Moved Councillor J Barrett-Lennard, seconded Councillor P Cronin

That the Minutes of the Special Council Meeting held 23 October 2019 be confirmed as a true and correct record.

CARRIED 9/0

### 8.3 Minutes of the Council Meeting held 30 October 2019

# **COUNCIL DECISION**

C1911/217 Moved Councillor P Carter, seconded Councillor S Riccelli

That the Minutes of the Council Meeting held 30 October 2019 be confirmed as a true and correct record.

# **Committee Meetings**

8.4 <u>Minutes of the Finance Committee Meeting held 17 October 2019</u>

# **COUNCI DECISION**

C1911/218 Moved Councillor P Carter, seconded Councillor S Riccelli

That the Minutes of the Finance Committee Meeting held 17 October 2019 be noted.

**CARRIED 9/0** 

9. RECEIVING OF PETITIONS, PRESENTATIONS AND DEPUTATIONS

**Petitions** 

Nil

**Presentations** 

Nil

**Deputations** 

Nil

10. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN (WITHOUT DISCUSSION)

Nil

#### 11. ITEMS BROUGHT FORWARD

# **Adoption by Exception Resolution**

At this juncture the Mayor advised the meeting that, with the exception of the items identified to be withdrawn for discussion, the remaining reports, including the Committee and Officer Recommendations, will be adopted en bloc, i.e. all together.

### **COUNCIL DECISION**

C1911/219 Moved Councillor J Barrett-Lennard, seconded Deputy Mayor K Hick

That the Committee Recommendations in relation to the Agenda Items 12.1, 12.4 and 12.5 and Officer Recommendation in relation to the Agenda Item 17.1 be carried en bloc:

- 12.1 Finance Committee 17/10/2019 FINANCIAL ACTIVITY STATEMENTS PERIOD ENDING 30 SEPTEMBER 2019
- 12.4 Finance Committee 17/10/2019 ASSET MANAGEMENT UPDATE
- 12.5 Finance Committee 17/10/2019 MICROSOFT LICENCE AGREEMENT RENEWAL
- 17.1 COUNCILLORS' INFORMATION BULLETIN

CARRIED 9/0

**EN BLOC** 

#### 12. REPORTS OF COMMITTEE

# 12.1 <u>Finance Committee - 17/10/2019 - FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 30 SEPTEMBER 2019</u>

**STRATEGIC GOAL** 6. LEADERSHIP Visionary, collaborative, accountable

**STRATEGIC OBJECTIVE** 6.1 Governance systems, process and practices are responsible,

ethical and transparent.

**SUBJECT INDEX** Budget Planning and Reporting

**BUSINESS UNIT** Financial Services

**REPORTING OFFICER** Manager Financial Services - Paul Sheridan

**AUTHORISING OFFICER** Director Finance and Corporate Services - Tony Nottle

**NATURE OF DECISION** Executive: substantial direction setting, including adopting strategies,

plans and policies (excluding local planning policies), tenders, setting and amending budgets, funding, donations and sponsorships,

reviewing committee recommendations

**VOTING REQUIREMENT** Simple Majority

ATTACHMENTS Attachment A Investment Report September 2019.

Attachment B Financial Activity Statement Period Ended September

2019 🖫

This item was considered by the Finance Committee at its meeting on 17 October 2019, the recommendations from which have been included in this report.

#### **COUNCIL DECISION AND COMMITTEE RECOMMENDATION**

C1911/220 Moved Councillor J Barrett-Lennard, seconded Deputy Mayor K Hick

That the Council receives the statutory financial activity statement reports for the period ending 30 September 2019, pursuant to Regulation 34(4) of the *Local Government (Financial Management) Regulations*.

**CARRIED 9/0** 

**EN BLOC** 

### **EXECUTIVE SUMMARY**

Pursuant to Section 6.4 of the Local Government Act 1995 (the Act) and Regulation 34(4) of the Local Government (Financial Management) Regulations 1996 (the Regulations), a local government is to prepare, on a monthly basis, a statement of financial activity that reports on the City's financial performance in relation to its adopted / amended budget.

This report has been compiled to fulfil the statutory reporting requirements of the Act and associated Regulations, whilst also providing the Council with an overview of the City's financial performance on a year to date basis for the period ending 30 September 2019.

#### **BACKGROUND**

The Regulations detail the form and manner in which financial activity statements are to be presented to the Council on a monthly basis, and are to include the following:

- Annual budget estimates
- Budget estimates to the end of the month in which the statement relates
- Actual amounts of revenue and expenditure to the end of the month in which the statement relates

- Material variances between budget estimates and actual revenue/expenditure (including an explanation of any material variances)
- The net current assets at the end of the month to which the statement relates (including an explanation of the composition of the net current position)

Additionally, and pursuant to Regulation 34(5) of the Regulations, a local government is required to adopt a material variance reporting threshold in each financial year. At its meeting of 31 July 2019, the Council adopted (C1907/131) the following material variance reporting threshold for the 2019/20 financial year:

"That pursuant to Regulation 34(5) of the *Local Government (Financial Management)* Regulations, the Council adopts a material variance reporting threshold with respect to financial activity statement reporting for the 2019/20 financial year as follows:

- Variances equal to or greater than 10% of the year to date budget amount as detailed in the Income Statement by Nature and Type/Statement of Financial Activity report, however variances due to timing differences and/or seasonal adjustments are to be reported on a quarterly basis; and
- Reporting of variances only applies for amounts greater than \$25,000."

#### **OFFICER COMMENT**

In order to fulfil statutory reporting requirements and to provide the Council with a synopsis of the City's overall financial performance on a full year basis, the following financial reports are attached hereto:

#### Statement of Financial Activity

This report provides details of the City's operating revenues and expenditures on a year to date basis, by nature and type (i.e. description). The report has been further extrapolated to include details of non-cash adjustments and capital revenues and expenditures, to identify the City's net current position; which reconciles with that reflected in the associated Net Current Position report.

# **Net Current Position**

This report provides details of the composition of the net current asset position on a full year basis, and reconciles with the net current position as per the Statement of Financial Activity.

### **Capital Acquisition Report**

This report provides full year budget performance (by line item) in respect of the following capital expenditure activities:

- Land and Buildings
- Plant and Equipment
- Furniture and Equipment
- Infrastructure

#### **Reserve Movements Report**

This report provides summary details of transfers to and from reserve funds, and associated interest earnings' on reserve funds, on a full year basis.

Additional reports and/or charts are also provided as required to further supplement the information comprised within the statutory financial reports.

#### **Comments on Financial Activity to 30 September 2019**

The Statement of Financial Activity for the period ending 30 September 2019 shows an overall Net Current Position of \$45.4M as opposed to the amended budget of \$34.3M. The following summarises the major variances in accordance with Council's adopted material variance reporting threshold that collectively make up the above difference:

Description	2019/20 Actual	2019/20 Amended Budget YTD	2019/20 Amended Budget	2019/20 YTD Bud Variance	2019/20 YTD Bud Variance
	\$	\$	\$	%	\$
Revenue from Ordinary Activi	ities				
Operating Grants, Subsidies					
and Contributions	1,078,531	826,855	4,926,958	30.44%	251,676
Other Revenue	168,709	141,231	551,510	19.46%	27,478
Interest Earnings	618,582	320,520	1,955,000	92.99%	298,062
Expenses from Ordinary Activ	ities				
Materials & Contracts	(3,009,202)	(4,272,619)	(18,226,504)	29.57%	1,263,417
Utilities (Gas, Electricity, Water					
etc)	(540,469)	(704,080)	(2,774,257)	23.24%	163,611
Other Expenditure	(690,039)	(808,529)	(4,920,811)	14.66%	118,490
Allocations	304,449	538,054	2,161,452	43.42%	(233,605)
		<u> </u>	T		
Non-Operating Grants,					
Subsidies and Contributions	1,127,815	1,707,407	32,042,712	-33.95%	(579,592)
Capital Revenue & (Expenditu	ıre)				
Land & Buildings	(492,218)	(4,067,401)	(18,097,358)	87.90%	3,575,183
Plant & Equipment	(26,950)	(925,749)	(4,493,000)	97.09%	898,799
Furniture & Equipment	(29,639)	(286,382)	(1,129,169)	89.65%	256,743
Infrastructure	(2,368,528)	(6,529,530)	(36,851,773)	63.73%	4,161,002
Proceeds from Sale of Assets	209,785	313,000	3,476,580	-32.98%	(103,215)
Transfer to Restricted Assets	(65,505)	(15,027)	(60,100)	-335.92%	(50,478)

#### **Revenue from Ordinary Activities**

Year to date (YTD) actual income from ordinary activities is \$772K more than expected when compared to year to date amended budget with the following items meeting the material variance reporting threshold being:

- 1. Operating Grants, Subsidies and Contributions are \$252K (net) better than amended budget. This variance is mainly due to the following:
  - a. Grants Commission (10152) -\$46K local roads grant, special grants for bridges. This variance arose as we did not receive the quarterly grants for the Kaloorup and Boallia roads bridges. It should be noted that as this is a pass through to Main Roads, the related capital expenditure items have not occurred either, so it is a neutral position on cash basis. The Director of EWS advises that should work on these particular bridges actually go ahead, Main Roads may hold the grants directly themselves;
  - b. Reimbursements (10200) \$43K Insurance recoveries not yet allocated to correct section and contributions credit (1st instalment), received earlier than expected;
  - c. Contributions (10380) -\$39K South West Library Consortia employee contribution not received due to the invoices not being sent out to the 13 other LGA's. This was due to staffing changes both in administration and at the library consortia group;
  - d. Protective burning and firebreaks reserve (10931) \$165.7K. This variance relates to receiving 50% grant awarded to the City under the mitigation activity fund

- (emergency services levy) and will be subject to a Council report requesting that the 2019/20 budget be amended to reflect this additional income. Details of the cost codes for this amendment are being finalised;
- e. Bushfire risk management planning (10942) DFES \$130K. This variance relates to the payment of grant in full for the bushfire risk planning coordinator position within the City of Busselton. This represents a timing difference between budget allocations (over 12 months), and actual funds received;
- 2. Other Revenue is \$27K above amended budget YTD. This variance is due mainly to the following:
  - a. LSL contribution from other LGA's (10100) -\$26K to be recouped once employee actually takes LSL;
  - b. Scrap Metal (G0030) \$41K budget of \$35K YTD exceeded due to significantly higher unit prices achieved.
- 3. Interest earnings is \$298K better than amended budget. This variance is mainly due to the following:
  - a. Late payment interest (NA1203) -\$33K
  - b. Instalment plan interest (NA1204) \$279K budgeted to be received in period 4
  - c. Interest on municipal funds (NA1760) \$29K
  - d. Interest on reserve funds (NA1761) \$2K
  - e. Interest on restricted funds (NA1762) \$22K

### **Expenses from Ordinary Activities**

Expenditure from ordinary activities is \$1.64M less than expected when compared to amended YTD budget, with the following items meeting the material variance reporting threshold:

Materials and Contracts \$1.263M
 The main contributing items are listed below:

Cost Code	Cost Code Description / GL Activity	Variance YTD \$
Finance and C	orporate Services	
10000	Members of Council	(36,058)
10250	Information & Communication Technology Services	65,933
Community ar	nd Commercial Services	
10380	Busselton Library	25,887
10591	Geographe Leisure Centre	25,986
10600	Busselton Jetty Tourist Park	66,083
Planning and I	Development Services	
10820	Strategic Planning	59,014
10830	Environmental Management Administration	80,447
11170	Meelup Regional Park	42,774
Engineering a	nd Works Services	
Various	Busselton Jetty Maintenance	85,150
12620	Rural-Tree Pruning	(131,192)
Various	Bridge Maintenance	49,339
Various	Building Maintenance	54,402
Various	Other Infrastructure Maintenance	33,380
Various	Waste services	280,893
Various	Road Maintenance	(30,404)
Various	Reserve Maintenance	215,572

#### 2. Utilities \$164K better than amended YTD budget:

This relates mainly to a total underspend YTD in the 140 electricity accounts of \$114K, and \$41K in water. Anecdotally this relates to timing differences of when the various invoices are received and processed, which, based on previous years, usually resolves itself closer to budget by year end. The accounts are monitored and reviewed with any major anomalies investigated.

# 3. Other Expenditure \$118K better than amended YTD budget due to:

- a. Public Relations (10700) \$29K an underspend on Sister City Involvements of \$15K, Advertising in the Council Pages of \$5K and Catering of \$6K;
- b. Members of Council (10000) \$79K sitting fees of \$33K being a month behind and only being caught up at year end, nothing being spent from the Council Contingency Holding Account budget of \$16K and Mayor & Deputy Allowances underspent by \$8K;
- c. Community and Commercial Services -\$17K timing differences on various accounts giving rise to and overspend against budget;
- d. Planning and Development Services \$14K timing differences on various accounts giving rise to and underspend against budget;
- e. Engineering and Works Services \$5K timing differences on various accounts giving rise to and underspend against budget.

#### 4. Allocations

In addition to administration based allocations which clear each month, this category also includes plant and overhead related allocations. Due to the nature of these line items, the activity reflects as a net offset against operating expenditure, in recognition of those expenses that are of a capital nature (and need to be recognised accordingly). It should be noted that performance in the category has no direct impact on the closing position.

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

Non-Operating Grants, Subsidies and Contributions are less than budget by \$580K with the main items impacting on the above result being the timing of the receipt of funding which is also offset with less than anticipated capital expenditure at this time.

Cost Code	Cost Code Description	Variance YTD
Finance and Co	rporate Services	
10239	Contributions - Community Facilities	(182,584)
R0288/R0228	Contributions - Capital Activities	52,000
Engineering and	Works Services	
C1512	Port Geographe Boat Ramp Renewal Works Capital Grants - Other (State)	(41,250)
C3113	Busselton Tennis Club – Infrastructure	80,000
C3168	Busselton Foreshore Jetty Precinct Capital Grants - Other	(77,055)
S0035	Strelly Street / Barlee Street Roundabout	40,508
S0051	Causeway Road/ Rosemary Drive Roundabout Capital Grant (Main Roads)	(200,001)
S0064	Peel Terrace Capital Grant Department of Main Roads	(50,001)
S0069	Peel Terrace (Brown Street Intersection Upgrades)	(24,999)
S0070	Peel & Queen Street Roundabout Service Relocation Capital Grant (Main Roads)	74,999
S0071	Ludlow-Hithergreen Road Safety Improvements	230,600
S0072	Kaloorup Road - Reconstruct and Seal Shoulders	100,000
T0019	Wonnerup South Road Capital Grants (Roads to Recovery)	(156,135)
T0085	Yoongarillup Road Capital Grants (Roads to Recovery)	(52,500)
T0086	Yoongarillup Road Capital Grants (Roads to Recovery)	(369,525)

#### **Capital Expenditure**

As at 30 September 2019, there is a variance of 75.3% or \$8.9M in total capital expenditure with YTD actual at \$2.9M against YTD amended budget of \$11.8M.

The attachments to this report include detailed listings of all capital expenditure (project) items, however the main areas of variance are summarised as follows:

- 1. Buildings on the whole are \$3.6M below budget with the main variance attributable to the Airport Terminal Stage 2 yet to commence pending funding approvals;
- 2. Plant and equipment is \$899K below budget, however at this stage this is mainly related to budget timing differences;
- 3. Information & Communication Technology is \$257K below budget;
- 4. Busselton foreshore is \$416K below budget, mainly due to underspend compared to budget for the Busselton Tennis Club Infrastructure;
- 5. Administration building carpark \$25K below budget;
- 6. Lou Western Oval Courts \$150K below budget;
- 7. Various footpaths construction \$92K below budget;
- 8. Various car parking construction \$51K below budget;
- 9. Townscape works \$170K below budget;
- 10. Beach restoration works \$236K over budget;
- 11. Parks and gardens works \$511K below budget;
- 12. Sanitation infrastructure works \$805K below budget;
- 13. Airport development works (not included in 1. above) \$449K below budget;
- 14. Main Roads road construction works \$585K below budget;
- 15. Roads to Recovery road works \$575K below budget;
- 16. Black spot works \$65K over budget;
- 17. Council road initiatives road works \$582K below budget.

Many of these items of under expenditure e.g. Main Roads construction works, also assists in explaining the above current YTD shortfall in Non-Operating Grants.

# **Proceeds from Sale of Assets**

There is a variance for the proceeds from sale of assets of -\$103K, due to delays in the changeover of vehicles.

#### **Investment Report**

Pursuant to the Council's Investment Policy, a report is to be provided to the Council on a monthly basis, detailing the investment portfolio in terms of performance and counterparty percentage exposure of total portfolio. The report is also to provide details of investment income earned against budget, whilst confirming compliance of the portfolio with legislative and policy limits.

As at  $30^{th}$  September 2019 the value of the City's invested funds totalled \$84.47M, up from \$70.47M as at  $31^{st}$  August. The increase is due to the receipt of the first instalments of the annual rating period.

During the month of September three term deposits held with two different institutions totalling \$10.0M matured. All were renewed for a further 171 days at 1.61% (on average). Seven new term deposits were opened during the month totalling \$23M. Spread between three institutions, they were opened for 221 days at 1.68% (on average).

The balance of the 11am account (an intermediary account which offers immediate access to the funds compared to the term deposits and a higher rate of return compared to the cheque account) decreased by \$9.0M with the funds being converted to Term Deposits during September to increase investment return.

The balance of the Airport Development ANZ and WATC cash accounts remained steady, other than a small increase due to interest earnings. The Airport Development term deposit held at the WATC was closed with the funds transferred to the cash account.

The RBA left official rates steady during August after two earlier 0.25% reductions, however a further 0.25% decrease was announced in September. Rates being offered on term deposit renewals are now noticeably lower. Further official drops are possible in coming months.

# **Chief Executive Officer – Corporate Credit Card**

Details of monthly (August to September) transactions made on the Chief Executive Officer's corporate credit card are provided below to ensure there is appropriate oversight and awareness of credit card transactions made.

Date	Amount	Payee	Description
04-Sep-19	\$181.34	Autorent Hertz	National LG Awards Hobart Vehicle Hire (50% reimbursed by CEO)
06-Sep-19	-\$70.00	Brolga Theatre - Fraser Coast Council	*Refund of 1 Partner Conference Ticket

<sup>\*</sup>Funds debited against CEO Annual Professional Development Allowance as per employment Contract Agreement

#### **Statutory Environment**

Section 6.4 of the Act and Regulation 34 of the Regulations detail the form and manner in which a local government is to prepare financial activity statements.

#### **Relevant Plans and Policies**

There are no relevant plans or policies to consider in relation to this matter.

#### **Financial Implications**

Any financial implications are detailed within the context of this report.

# **Stakeholder Consultation**

No external stakeholder consultation was required or undertaken in relation to this matter.

#### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place.

No risks of a medium or greater level have been identified.

#### **Options**

The Statements of Financial Activity are presented in accordance with Section 6.4 of the Act and Regulation 34 of the Regulations and are to be received. Council may wish to make additional resolutions as a result of having received these reports.

#### **CONCLUSION**

As at 30 September 2019, the City's financial performance is considered satisfactory.

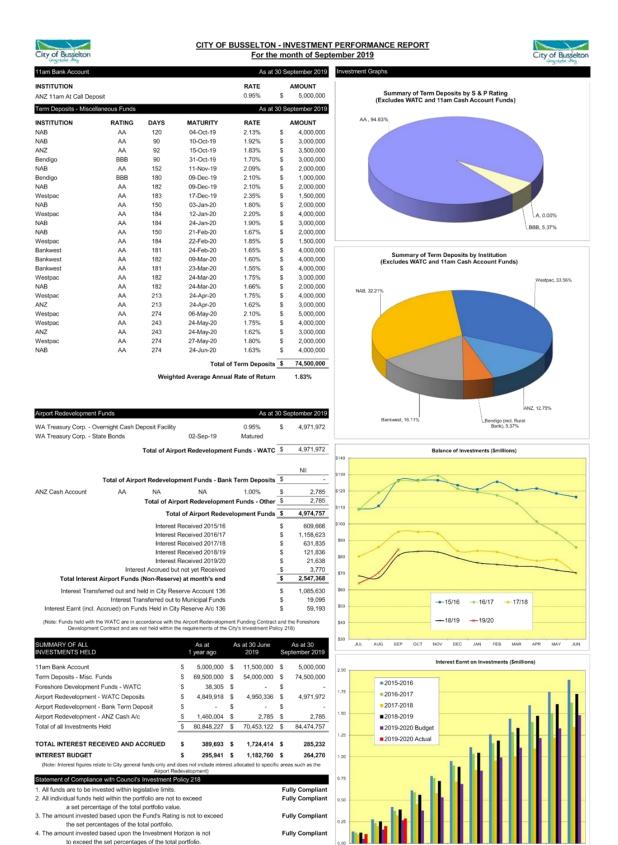
#### TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not applicable.

<sup>+</sup> Allocated against CEO Hospitality Expenses Allowance

# Attachment A Investment Report September 2019

12.1



# Attachment B

#### City of Busselton

# Statement of Financial Activity

	2019/2020	2019/2020	2019/2020	2019/2020	2019/2020	2019/20
	Actual	Amended	Original	Amended	Original	YTD Bud (A)
	\$	Budget YTD \$	Budget YTD \$	Budget \$	Budget \$	Variance %
Revenue from Ordinary Activities						
Rates	51,467,167	51,112,693	51,112,693	51,617,412	51,617,412	0.69%
Operating Grants, Subsidies and Contributions	1,078,531	826,855	826,855	4,926,958	4,926,958	30.44%
Fees & Charges Other Revenue	8,651,447 168,709	8,810,660 141,231	8,810,660 141,231	16,292,090 551,510	16,292,090 551,510	-1.81% 19.46%
Interest Earnings	618,582	320,520	320,520	1,955,000	1,955,000	92.99%
metast somme						
	61,984,435	61,211,959	61,211,959	75,342,970	75,342,970	1.26%
Expenses from Ordinary Activities						
Employee Costs	(8,581,695)	(8,894,950)	(8,894,950)	(33,303,930)	(33,303,930)	3.52%
Materials & Contracts	(3,009,202)	(4,272,619)	(4,272,619)	(18,226,504)	(18,226,504)	29.57%
Utilities (Gas, Electricity, Water etc)	(540,469)	(704,080)	(704,080)	(2,774,257)	(2,774,257)	23.24%
Depreciation on non current assets	(5,749,221)	(5,792,470)	(5,792,470)	(22,870,222)	(22,870,222)	0.75%
Insurance Expenses Other Expenditure	(436,365) (690,039)	(410,792) (808,529)	(410,792) (808,529)	(733,960) (4,920,811)	(733,960) (4,920,811)	-6.23% 14.66%
Allocations	304,449	538,054	538,054	2,161,452	2,161,452	43.42%
	(18,702,542)	(20,345,386)	(20,345,386)	(80,668,232)	(80,668,232)	8.07%
	(10,702,542)	(20,343,300)	(20,343,300)	(00,000,232)	(00,000,232)	0.0770
Borrowings Cost Expense Interest Expenses	(284,589)	(284,590)	(284,590)	(1,273,688)	(1,273,688)	0.00%
interest expenses						
	(284,589)	(284,590)	(284,590)	(1,273,688)	(1,273,688)	0.00%
Non-Operating Grants, Subsidies and Contributions	1,127,815	1,707,407	1,707,407	32,042,712	32,042,712	-33.95%
Profit on Asset Disposals	15,058	28,001	28,001	78,050	78,050	-46.22%
Loss on Asset Disposals	(40,304)	(10,406)	(10,406)	(161,135)	(161,135)	-287.32%
	1,102,569	1,725,002	1,725,002	31,959,627	31,959,627	-36.08%
Net Result	44,099,875	42,306,985	42,306,985	25,360,677	25,360,677	4.24%
Adjustments for Non-cash Revenue & Expenditure						
Depreciation	5,749,221	5,792,470	5,792,470	22,870,222	22,870,222	
Donated Assets	0	0	0	(8,224,000)	(8,224,000)	
(Profit)/Loss on Sale of Assets	25,246	(17,595)	(17,595)	83,085	83,085	
Allocations & Other Adjustments	272,671	0	0	0	0	
Deferred Pensioner Movements (Non-current)	8,659	0	0	0	0	
Recording of Employee Benefit Provisions (NC) Deposit & Bonds Movements (cash backed NC)	0 9,353	0	0	0	0	
,	2,000					
Capital Revenue & (Expenditure) Land & Buildings	(492,218)	(4,067,401)	(4,067,401)	(18,097,358)	(18,097,358)	87.90%
Plant & Equipment	(26,950)	(925,749)	(925,749)	(4,493,000)	(4,493,000)	97.09%
Furniture & Equipment	(29,639)	(286,382)	(286,382)	(1,129,169)	(1,129,169)	89.65%
Infrastructure	(2,368,528)	(6,529,530)	(6,529,530)	(36,851,773)	(36,851,773)	63.73%
Proceeds from Sale of Assets	209,785	313,000	313,000	3,476,580	3,476,580	-32.98%
Proceeds from New Loans	0	0	0	150,000	150,000	0.00%
Self Supporting Loans - Repayment of Principal	16,363	16,365	16,365	76,055	76,055	-0.01%
Total Loan Repayments - Principal	(683,260)	(683,263)	(683,263)	(3,297,412)	(3,297,412)	0.00%
Repayment Capital Lease	(185,869)	(189,824)	(189,824)	(759,300)	(759,300)	0.000/
Advances to Community Groups	(65.505)	(15.027)	(15.027)	(150,000)	(150,000)	0.00%
Transfer to Restricted Assets	(65,505)	(15,027)	(15,027)	(60,100)	(60,100)	-335.92%
Transfer from Restricted Assets	18,698	(4.240.025)	(4.240.025)	6,315,599	6,315,599	0.00%
Transfer to Reserves Transfer from Reserves	(4,116,887) 1,232,906	(4,348,825) 1,232,906	(4,348,825) 1,232,906	(21,878,042) 34,856,860	(21,878,042) 34,856,860	5.33%
						0.00%
Opening Funds Surplus/ (Deficit)	1,751,076	1,751,076	1,751,076	1,751,076	1,751,076	

#### **Net Current Position**

	2019/20 Actual	2019/20 Amended Budget	2019/20 Original Budget	2018/19 Actual
NET CURRENT ASSETS	\$	\$	\$	\$
CURRENT ASSETS				
Cash - Unrestricted	19,739,557	646,604	646,604	3,204,485
Cash - Restricted	70,044,234	47,833,516	47,833,516	67,067,833
Sundry Debtors	1,709,200	1,800,000	1,800,000	1,809,547
Rates Outstanding - General	26,868,913	1,280,000	1,280,000	1,284,090
Stock on Hand	16,543	24,981	24,981	24,980
	118,378,447	51,585,101	51,585,101	73,390,935
LESS: CURRENT LIABILITIES				
Bank Overdraft		0	0	0
Sundry Creditors	2,909,216	3,751,585	3,751,585	4,572,026
Performance Bonds	2,952,863	2,943,510	2,943,510	2,943,510
	5,862,079	6,695,095	6,695,095	7,515,536
Current Position (inclusive of Restricted Funds)	112,516,368	44,890,006	44,890,006	65,875,399
Add: Cash Backed Liabilities (Deposits & Bonds)	2,952,863	2,943,510	2,943,510	2,943,510
Less: Cash - Restricted Funds	(70,044,234)	(47,833,516)	(47,833,516)	(67,067,833)
NET CURRENT ASSET POSITION	45,424,996		0	1,751,076

#### **Capital Acquisition Report**

#### Property, Plant & Equipment, Infrastructure

	Description	2019/ 20 Actual	2019/20 Amended Budget YTD	2019/20 Original Budget YTD	2019/20 Amended Budget	2019/20 Original Budget	2019/20 Budget YTD Variance
>> Prop	erty, Plant & Equipment	\$	\$	\$	\$	\$	%
	Land						
10370 10610	Busselton Cemetery Property Services Administration	0	0	0	100,000	100,000	0.00%
	-	0			200,000	200,000	0.00%
					200,000	200,000	0.00%
	Buildings						
	Major Projects						
	Major Project - Busselton Foreshore						
B9570	Foreshore East-Youth Precinct Community Youth Building/SLSC	0	2,500	2,500	10,000	10,000	-100.00%
B9584 B9600	Jetty Depot - Maintenance Compound	19,870	0	0	0	0	0.00%
89600	Old Vasse Lighthouse		21,500	21,500	120,000	120,000	-100.00%
	Major Project - Library Expansion	19,870	24,000	24,000	130,000	130,000	-17.21%
B9516	Busselton Library Upgrade	0	0	0	361,000	361,000	0.00%
	Major Project - Administration Building	0	0	0	361,000	361,000	0.00%
B9010	Civic and Administration Centre Minor Upgrades	31,769	8,833	8,833	53,000	53.000	259.66%
03020	=	31,769	8,833	8.833	53,000	53,000	259.66%
	Buildings (Other)	31,703	6,633	0,033	33,000	33,000	239.00%
B9109	Hithergreen Building Renovations	0	17,223	17,223	68,890	68,890	-100.00%
B9300 B9301	Aged Housing Capital Improvements - Winderlup Aged Housing Capital Improvements - Harris Road	0	20,000 20,000	20,000	80,000 60,000	80,000 60,000	-100.00% -100.00%
B9302	Aged Housing Capital Improvements - Winderlup Court (City)	5,070	0	0	151,000	151,000	0.00%
B9407	Busselton Senior Citizens	41,600	290,862	290,862	1,163,450	1,163,450	-85.70%
B9511 B9517	ArtGeo Building GLC - Pool Relining	17,165 0	8,226 12,501	8,226 12,501	32,900 50.000	32,900 50.000	108.67% -100.00%
B9517	Community Resource Centre	0	12,501	12,501	5,160	5,160	0.00%
B9556	NCC Upgrade	64	8,333	8,333	50,000	50,000	-99.23%
B9588	Old Court House Building Upgrade	36,245	18,750	18,750	75,000	75,000	93.31%
B9591 B9596	Performing Arts Convention Centre GLC Building Improvements	4,521 53,480	0 89,808	0 89,808	500,000 525,900	500,000 525,900	0.00% -40.45%
B9604	Womens Change Facility Bovell	90,174	20,922	20,922	83,685	83,685	331.00%
B9605	Energy Efficiency Initiatives (Various Buildings	7,945	36,011	36,011	177,378	177,378	-77.94%
B9606	King Street Toilets	0	0	0	200,000	200,000	0.00%
B9607 B9608	General Buildings Asset Renewal Allocation (Various Building Demolition Allocation (Various Buildings)	13,631 4,500	16,667	16,667	100,000 25,000	100,000 25,000	-18.22% 0.00%
B9609	GLC Stadium Expansion	4,500	7,500	7,500	30,000	30,000	-100.00%
B9610	Old Butter Factory	92,081	162,597	162,597	650,385	650,385	-43.37%
B9716	Airport Terminal Stage 2	71,468	3,125,001	3,125,001	12,500,000	12,500,000	-97.71%
B9717 B9719	Airport Construction, Existing Terminal Upgrade Busselton Works Depot - Toilets and Sewer	0	125,001 8,333	125,001 8,333	500,000 50,000	500,000 50,000	-100.00% -100.00%
B9808	Busselton Jetty Tourist Park Upgrade	2,635	46,833	46,833	274,610	274,610	-94.37%
		440,579	4,034,568	4,034,568	17,353,358	17,353,358	-89.08%
	Total Buildings	492,218	4,067,401	4,067,401	17,897,358	17,897,358	-87.90%
	Plant & Equipment						
10000	Members of Council	0	0	0	40,000	40,000	0.00%
10001	Office of the CEO	0	65,000	65,000	65,000	65,000	-100.00%
10115 10200	Major Projects Administration Financial Services	0	80,000 40,000	80,000 40,000	80,000 40,000	80,000 40,000	-100.00% -100.00%
10250	Information & Communication Technology Services	0	40,000	40,000	35,000	35,000	0.00%
10510	Governance Support Services	0	0	0	40,000	40,000	0.00%
10521	Human Resources & Payroll	0	0	0	35,000	35,000	0.00%
10591 10600	Geographe Leisure Centre Busselton Jetty Tourist Park	0	16,000	16,000	35,000 16,000	35,000 16,000	0.00%
10800	Planning Directorate Support	0	0	0	40,000	40,000	0.00%
10910	Building Services	0	35,000	35,000	70,000	70,000	-100.00%
10950	Animal Control	0	50,000	50,000	50,000	50,000	-100.00%
10980 11101	Other Law, Order & Public Safety Engineering Services Administration	0	55,000 40,000	55,000 40,000	55,000 40,000	55,000 40,000	-100.00% -100.00%
11107	Engineering Services Design	0	0	0	9,000	9,000	0.00%

# 12.1 Attachment B

#### City of Busselton

#### **Capital Acquisition Report**

#### Property, Plant & Equipment, Infrastructure

	Description	2019/ 20 Actual	2019/20 Amended Budget YTD	2019/20 Original Budget YTD	2019/20 Amended Budget	2019/20 Original Budget	2019/20 Budget YTD Variance
11150	Asset Management Administration	0	0	0	35,000	35,000	0.00%
11151	Airport Operations	0	30,000	30,000	30,000	30,000	-100.00%
11156	Airport Development Operations	26,950	0	0	0	0	0.00%
11401	Transport - Workshop	0	7,749	7,749	31,000	31,000	-100.00%
11402	Plant Purchases (P10)	0	75,000	75,000	2,295,000	2,295,000	-100.00%
11403	Plant Purchases (P11)	0	337,000	337,000	632,000	632,000	-100.00%
11404	Plant Purchases (P12)	0	95,000	95,000	595,000	595,000	-100.00%
11406	Plant Purchases (P14)	0	0	0	40,000	40,000	0.00%
11407	P&E - P&G Smart Technologies	0	0	0	150,000	150,000	0.00%
11500	Operations Services Administration	0	0	0	35,000	35,000	0.00%
	-	26,950	925,749	925,749	4,493,000	4,493,000	-97.09%
	Furniture & Office Equipment	,	,	,-	,,,,,,,,,	, ,	
10250	Information & Communication Technology Services	853	169,707	169,707	678,842	678,842	-99.50%
10530	Community Services Administration	0	12,000	12,000	12,000	12,000	-100.00%
10590	Naturaliste Community Centre	0	4,806	4,806	19,227	19,227	-100.00%
10591	Geographe Leisure Centre	5,000	8,250	8,250	33,000	33,000	-39.39%
10616	Winderlup Villas Aged Housing	0	2,834	2,834	8,500	8,500	-100.00%
10617	Harris Road Aged Housing	0	2,534	2,534	7,600	7,600	-100.00%
10625	Art Geo Administration	0	10,000	10,000	10,000	10,000	-100.00%
10900 11156	Cultural Planning	23,786	75.000	75,000	55,000 300,000	55,000 300,000	-100.00%
11156 B1361	Airport Development Operations YCAB (Youth Precinct Foreshore)	0	75,000 1,251	75,000 1,251	300,000 5,000	5,000	-100.00% -100.00%
	-	29,639	286,382	286,382	1,129,169	1,129,169	-89.65%
	Sub-Total Property, Plant & Equipment	548,806	5,279,532	5,279,532	23,719,527	23,719,527	-89.61%
	Sub-Total Property, Plant & Equipment	348,806	3,279,532	5,2/9,532	23,/19,52/	23,/19,52/	-89.61%
>> Infra	structure						
	Major Project - Busselton Foreshore						
C0053	Car Parking - Rear of Hotel Site 1	997	0	0	500,000	500,000	0.00%
C0054	Barnard East Car Parking	0	0	0	79,180	79,180	0.00%
C3094	Busselton Foreshore - Stage 3	46,026	59,268	59,268	237,082	237,082	-22.34%
C3112	Busselton Foreshore - Exercise Equipment	0	30,849	30,849	123,400	123,400	-100.00%
C3113	Busselton Tennis Club - Infrastructure	174,888	542,878	542,878	868,604	868,604	-67.79%
C3168	Busselton Foreshore Jetty Precinct	48,982	45,444	45,444	181,774	181,774	7.78%
C3182	Relocation of Veteran Car Club	63,717	68,525	68,525	109,640	109,640	-7.02%
C3189	Fencing Possum Park Barnard East	163	3,750	3,750	30,000	30,000	-95.65%
C3206	Landscaping - Old Busselton Tennis Club Site	0	0	0	500,000	500,000	0.00%
C3207	Barnard East Underground Power	0	0	0	166,250	166,250	0.00%
C3208	Barnard East Landscaping	0	0	0	240,000	240,000	0.00%
F0089	Barnard East Footpaths	0	0	0	91,240	91,240	0.00%
	-	334,773	750,714	750,714	3,127,170	3,127,170	-55.41%
	Major Project - Administration Building						
C0043	Administration Building Carpark	0	25,000	25,000	100,000	100,000	-100.00%
	-	0	25,000	25,000	100,000	100,000	-100.00%
	Major Project - Lou Weston Oval						
C3186	Lou Weston Oval - Courts	7,030	156,950	156,950	1,883,400	1,883,400	-95.52%
	-	7,030	156,950	156,950	1,883,400	1,883,400	-95.52%
	Factorable Construction						
	Footpaths Construction						
F0019	College Avenue	75,124	90,000	90,000	360,000	360,000	-16.53%
F0051	Chester Way Dunsborough - New Footpath	19,763	24,999	24,999	100,000	100,000	-20.94%
F0066	Bussell Highway Footpath Sections	125,401	88,260	88,260	353,047	353,047	42.08%
F0080	Margaret St DUP Renewal	661	20,001	20,001	80,000	80,000	-96.70%
F0081	Windlemere Drive Dunsborough - New Path	193	36,750	36,750	147,000	147,000	-99.47%
F0082	King Street - New Path	0	45,000	45,000	180,000	180,000	-100.00%
F0083	Bell Drive - New Path Completing Missing Sections	35,690	13,002	13,002	52,000	52,000	174.50%
F0084	Thompson Way - New Path	193	9,252	9,252	37,000	37,000	-97.91%
F0085	Paterson Drive - New Footpath & Foot Bridge	193	19,179	19,179	76,720	76,720	-98.99%
F0086	Holgate Road Path - Renewal as per AMP	0	3,840	3,840	15,360	15,360	-100.00%
F0087	Sanctuary Grove Path - Renewal as per AMP	0	9,999	9,999	40,000	40,000	-100.00%
F0088	Ella Gladstone Drive Path - Renewal as per AMP	0	3,432	3,432	13,720	13,720	-100.00%
F0090	DAIP - Disability Access	13,445	12,501	12,501	50,000	50,000	7.55%
F0091	Criterion Track Bovell Oval	17,768	4,443	4,443	17,768	17,768	299.92%
	-	288,431	380,658	380,658	1,522,615	1,522,615	-24.23%

#### **Capital Acquisition Report**

#### Property, Plant & Equipment, Infrastructure

	Description	2019/ 20 Actual	2019/20 Amended Budget YTD	2019/20 Original Budget YTD	2019/20 Amended Budget	2019/20 Original Budget	2019/20 Budget YTD Variance
	Drainage Construction - Street					0.000	
D0009	Busselton LIA - Geocatch Drain Partnership WSUD Improvements	0	0	0	30,000	30,000	0.00%
D0017	Chain Avenue - Drainage Works	34,516	0	0	0	0	0.00%
D0020 D0021	Glenmeer Ramble Drainage Upgrade Chugg Road Drainage Upgrade	0	12,675 25,002	12,675 25,002	50,700 100,000	50,700 100,000	-100.00% -100.00%
D0022	West Street Drainage Improvements	5,947	3,138	3,138	12,551	12,551	89.51%
		40,463	40,815	40,815	193,251	193,251	-0.86%
	Car Parking Construction						
C0013	Yallingup Beach Car Park	74,478	16,617	16,617	66,472	66,472	348.20%
C0044	Meelup Coastal Nodes - Carpark upgrade	18,866	0	0	138,270	138,270	0.00%
C0050 C0051	Forth Street Groyne Carpark - Formalise and Seal Vasse Oval Gravel Car Parking - Dawson (Eastern Side)	0	13,650 50,001	13,650 50,001	54,600 200,000	54,600 200,000	-100.00% -100.00%
C0052	Vasse Kaloorup Oval Carpark Development	550	65,001	65,001	260,000	260,000	-99.15%
		93,894	145,269	145,269	719,342	719,342	-35.37%
	Bridges Construction						
A0014		0	0	0	744,000	744,000	0.00%
A0014 A0022	Bussell Highway - 0241 Yallingup Beach Road Bridge - 3347	0	0	0	700,000	700,000	0.00%
A0023	Kaloorup Road Bridge - 3381	0	0	0	138,000	138,000	0.00%
A0024	Boallia Road Bridge - 4854	0	0	0	138,000	138,000	0.00%
		0	0	0	1,720,000	1,720,000	0.00%
	Cycleways Construction						-
F1005	End of Trip Facilities for Cyclists	1,260	8,751	8,751	35,000	35,000	-85.60%
F1021	Wayfinding for Cyclists	0	3,750	3,750	15,000	15,000	-100.00%
		1,260	12,501	12,501	50,000	50,000	-89.92%
	Townscape Construction						
C1001	Queen Street Upgrade - Duchess to Kent Street	0	0	0	120.000	120,000	0.00%
C1001	Dunsborough Road Access Improvements Stage 1	6,301	48,306	48,306	193,221	193,221	-86.96%
C1026	Townscape Works Dunsborough	2,874	130,752	130,752	523,000	523,000	-97.80%
		9,174	179,058	179,058	836,221	836,221	-94.88%
	Boat Ramps Construction						
C1502	Old Dunsborough Boat Ramp Finger Jetty	1,800	0	0	10,000	10.000	0.00%
C1503	Quindalup Sea Rescue Boat Ramp	0	0	0	10,000	10,000	0.00%
C1504	Abbey Boat Ramp Upgrade	0	0	0	10,000	10,000	0.00%
C1512	Port Geographe Boat Ramp Renewal Works	118,002	117,702	117,702	470,810	470,810	0.25%
		119,802	117,702	117,702	500,810	500,810	1.78%
	Depot Construction						
C2006	Depot Washdown Facility Upgrades	0	20,625	20,625	82,500	82,500	-100.00%
		0	20,625	20,625	82,500	82,500	-100.00%
	Beach Restoration						
	**************************************						
C2504 C2512	Groyne Construction Sand Re-Nourishment	0 37,410	5,688 116,059	5,688 116,059	22,754 259,240	22,754 259,240	-100.00% -67.77%
C2520	Coastal Protection Works	10,062	13,749	13,749	55,000	55,000	-26.82%
C2523	Broadwater Beach Coastal Protection Stage 1 of 4	187,970	25,839	25,839	403,355	403,355	627.47%
C2524 C2525	Wonnerup Coastal Defence (Groyne) Wonnerup Groynes 3, 5, & 6	3,321 513	0 33,999	0 33,999	0 136,000	136,000	0.00% -98.49%
C2526	Baudin/ Wonnerup Grovnes	50,441	72,105	72,105	288,419	288,419	-30.05%
C2527	Storm Damage Renewal of Infrastructure	0	2,922	2,922	11,692	11,692	-100.00%
C2528	Craig Street Groyne and Sea Wall	238,018	21,051	21,051	84,209	84,209	1030.67%
		527,736	291,412	291,412	1,260,669	1,260,669	81.10%
	Parks, Gardens & Reserves						
C3007	Park Furniture Replacement - Replace aged & unsafe Equip	498	7,500	7,500	30,000	30,000	-93.36%
C3017	Bovell Park - Upgrade Lighting	59,927	18,024	18,024	72,100	72,100	232.49%
C3024 C3046	Dunsborough Oval - Lighting Upgrade Dunsborough - BMX / Skatebowl	0	13,749 0	13,749 0	55,000 5,000	55,000 5,000	-100.00% 0.00%
C3048	BBQ Placement and Replacement	128	0	0	15,000	15,000	0.00%

#### **Capital Acquisition Report**

#### Property, Plant & Equipment, Infrastructure

	Description	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20
		Actual	Amended	Original	Amended	Original	Budget YTD
C3066	West Swim Jetty	0	Budget YTD 0	Budget YTD 0	Budget 20,000	Budget 20,000	Variance 0.00%
C3096	Yallingup Park - Upgrades	0	0	0	14,000	14,000	0.00%
C3103	Youth Skate Park	0	0	0	15,000	15,000	0.00%
C3116	Dawson Park (Mcintyre St Pos)	0	0	0	110,000	110,000	0.00%
C3122	Rails to Trails - Continuation of Implementation Plan	123,783	34,668	34,668	544,757	544,757	257.05%
C3136	Vasse Oval Kaloorup - Grassing of Existing Oval	0	120,000	120,000	120,000	120,000	-100.00%
C3145 C3146	Churchill Park Dunsborough Town Centre/ Foreshore	22,434	20,859	20,859	533,439 15,000	533,439 15,000	7.55% 0.00%
C3158	Port Geographe - Casurina Replacements on Layman Road	0	4,416	4,416	17,664	17,664	-100.00%
C3159	Port Geographe - Burgee Cove (Western Side of Bridge)	1,072	10,371	10,371	24,000	24,000	-89.66%
C3160	Port Geographe - Reticulated POS at Layman Road	3,189	8,745	8,745	17,500	17,500	-63.53%
C3163	Port Geographe - Outstanding Minor Repairs	0	3,750	3,750	15,000	15,000	-100.00%
C3166	Vasse River Foreshore - Bridge to Bridge	8,545	27,351	27,351	109,399	109,399	-68.76%
C3176 C3177	Geographe Bay Road (Earnshaw) Coastal Fencing Renewal Shade Sail Program Dawson Park/ Cloisters	0 171	0	0	10,000 50,000	10,000 50,000	0.00%
C3177	Port Geographe Reticulation Upgrades	1/1	16,707	16,707	66,823	66.823	-100.00%
C3192	Foreshore Renewal HighStreet to CareyStreet	0	10,707	10,707	26,000	26,000	0.00%
C3193	Cricket Wicket Renewal	0	3,249	3,249	13,000	13,000	-100.00%
C3194	Meelup Regional Park - Capital Projects	0	0	0	163,000	163,000	0.00%
C3195	Centennial Park (West of Banks Ave) - Lighting Renewal	0	2,499	2,499	10,000	10,000	-100.00%
C3196	Centennial Park (West of Banks Av) - Renewal of Beach Shower	0	2,499	2,499	10,000	10,000	-100.00%
C3197 C3198	Riverbank POS - Renewal of Riverbank Platform Vasse SAR Area General Improvements to the Area	0 4,836	0	0	10,000 25,000	10,000 25,000	0.00%
C3198	Vasse SAR Area Installation of Shade Sails	4,636	0	0	25,000	25,000	0.00%
C3200	Provence SAR Area General Improvements to the Area	0	0	0	75,000	75,000	0.00%
C3201	Port Geographe - Stage 3 Reticulation Upgrade	21,570	37,500	37,500	150,000	150,000	-42.48%
C3202	Port Geographe Street Light Replacement	0	0	0	50,000	50,000	0.00%
C3203	Port Geographe General Improvements/ Foreshore	0	0	0	30,000	30,000	0.00%
C3204	Port Geographe Eastern Side of Footbridge Landscaping Upgrad	0	0	0	20,000	20,000	0.00%
C3205 C3209	Port Geographe Native Planting area in front Sensations cafe Busselton Town Centre CBD	0	0	0	15,000 15,000	15,000 15,000	0.00%
C3210	McBride Park - POS Upgrade	0	0	0	32,538	32,538	0.00%
C3211	Tulloh St (Geographe Bay Road) - POS Upgrade	0	0	0	90,332	90,332	0.00%
C3212	Siesta Park -Beach Acesss - POS Upgrade	0	0	0	13,056	13,056	0.00%
C3213	Cabarita Road - POS Upgrade	0	0	0	100,000	100,000	0.00%
C3214	Kingsford Road - POS Upgrade	0	0	0	150,653	150,653	0.00%
C3215	Monash Way - POS Upgrade	0	0	0	167,174	167,174	0.00%
C3216 C3217	Wagon Road - POS Upgrade	0	0	0	167,174 167,174	167,174 167,174	0.00%
C3217	Limestone Quarry - POS Upgrade Dolphin Road - POS Upgrade	0	0	0	91.000	91,000	0.00%
C3219	Kingfish/ Costello - POS Upgrade	0	0	0	91,000	91,000	0.00%
C3220	Quindalup Old Tennis Courts Site - POS Upgrade	0	0	0	149,587	149,587	0.00%
C3221	Cape Naturalise - POS Upgrade	0	0	0	167,392	167,392	0.00%
C3222	King St Reserve Park - POS Upgrade	0	0	0	147,348	147,348	0.00%
C3497	Busselton Jetty - Capital Expenditure	0	425,000	425,000	1,700,000	1,700,000	-100.00%
		246,153	756,887	756,887	5,731,110	5,731,110	-67.48%
	Airport Construction						
C6025	Installation of Bird Netting	0	0	0	185,240	185,240	0.00%
	, and the second				185,240	185,240	0.00%
	Cemetery Capital Works		-			,	2.207
	cemetery Capital Works						
C1604	Pioneer Cemetery Infrastructure Upgrades	2,262	12,606	12,606	50,425	50,425	-82.06%
C1605	Busselton Cemetery Infrastructure Upgrades	256	0	0	40,000	40,000	0.00%
C1608	Dunsborough Cemetery - Car Park & Internal Upgrades	0	0	0	74,000	74,000	0.00%
C1609 C1610	Pioneer Cemetery - Implement Conservation Plan Dunsborough Cemetery	7,097	0	0	20,000 20,000	20,000	0.00%
C1610	Dunsborough Cemetery						
		9,615	12,606	12,606	204,425	204,425	-23.73%
	Beach Front Infrastructure Works						
C1758	Beach Access Stairs - Bay View Cresent	0	4.977	4.977	19.910	19.910	-100.00%
C1760	King Street Reserve - Park Upgrade (Coastal Node)	0	17,874	17,874	71,499	71,499	-100.00%
C1761	Geographe Bay Road (Seagrott Road) Beach Access Renewal	0	0	0	25,000	25,000	0.00%
			22,851	22,851	116,409	116,409	-100.00%
	Aged Housing - Infrastructura Works			,-,-		221,103	222.0070
	Aged Housing - Infrastructure Works				12.50		
C3451	Aged Housing Infrastructure (Upgrade)	0	0	0	12,000	12,000	0.00%
		0	0	0	12,000	12,000	0.00%

#### **Capital Acquisition Report**

#### Property, Plant & Equipment, Infrastructure

	Description	2019/ 20 Actual	2019/20 Amended	2019/20 Original	2019/20 Amended	2019/20 Original	2019/20 Budget YTD
	Sanitation Infrastructure		Budget YTD	Budget YTD	Budget	Budget	Variance
C3479	Vidler Road Waste Site Capital Improvements	22,450	97,119	97,119	388,480	388,480	-76.88%
C3481 C3485	Transfer Station Development Site Rehabilitation - Busselton	7,224 1,417	113,628 250,002	113,628 250,002	454,510 1,000,000	454,510 1.000,000	-93.64% -99.43%
C3487	Site Rehabilitation - Dunsborough	0	375,000	375,000	1,500,000	1,500,000	-100.00%
		21.001		025 740			06 200/
		31,091	835,749	835,749	3,342,990	3,342,990	-96.28%
	Airport Development						
C6087	Airport Construction Stage 2, Landside Civils & Services Inf	8,850	0	0	0	0	0.00%
C6091	Airport Construction Stage 2, Noise Management Plan	0	217,389	217,389	869,550	869,550	-100.00%
C6092 C6099	Airport Construction Stage 2, Airfield Airport Development - Project Expenses	6,200 51.782	0 298,194	0 298.194	0 1,187,110	0 1,187,110	0.00% -82.63%
00033	Author Development - Project Expenses						
		66,832	515,583	515,583	2,056,660	2,056,660	-87.04%
	Main Roads						
50035	Strelly Street / Barlee Street Roundabout	141,128	4.065	4.065	16,259	16.259	3371.79%
50051	Causeway Road / Rosemary Drive Roundabout	850	351,669	351,669	1,406,680	1,406,680	-99.76%
50064	Peel Terrace (Stanley PI/Cammilleri St Intersection Upgrade)	0	106,479	106,479	425,912	425,912	-100.00%
S0068 S0069	Georgiana Molloy Bus Bay Facilities  Peel Terrace (Brown Street Intersection Upgrades)	10,848	0 61,461	0 61,461	0 245,849	0 245,849	0.00%
50070	Peel & Queen Street Roundabout Service Relocation	0	187,500	187,500	750,000	750,000	-100.00%
50070	Ludlow-Hithergreen Road Safety Improvements	6,688	0	0	576,500	576,500	0.00%
S0072	Kaloorup Road - Reconstruct and Seal Shoulders	0	0	0	420,000	420,000	0.00%
50317	Naturaliste Terrace Asphalt Overlay	45,291	0	0	0	0	0.00%
S0321 S0322	Yoongarillup Road - Second Coat Seal Wonnerup East Road - Prune re-Shoulder an Reseal	0 1,379	12,750 32,253	12,750 32,253	51,000 129,000	51,000 129,000	-100.00% -95.72%
50323	Piggot Road - Second Coat Seal	0	3,255	3,255	13,000	13,000	-100.00%
50324	Georgette Street - Reconstruction & Kerbs	0	16,752	16,752	67,000	67,000	-100.00%
50325	Hansen Road - Asphalt Overlay & Kerbing	2,895	16,506	16,506	66,000	66,000	-82.46% 49.28%
S0326 S0327	Pries Road - Gravel Resheet Florence Road - Gravel Resheet	4,949 0	3,315 3,198	3,315 3,198	13,250 12,783	13,250 12,783	-100.00%
			799,203	799,203			-73.22%
		214,027	799,203	799,203	4,193,233	4,193,233	-/3.22%
	Roads to Recovery						
T0019	Wonnerup South Road - Reconstruct and Widening (narrow seal)	540	156,135	156,135	624,535	624,535	-99.65%
T0085	Yoongarillup Road - Reconstruct Intersection at Vasse H/Way	1,379	52,500	52,500	210,000	210,000	-97.37%
T0086	Yoongarillup Road - Reconstruct & Widen (Western Section)	1,216	369,528	369,528	1,478,100	1,478,100	-99.67%
		3,135	578,163	578,163	2,312,635	2,312,635	-99.46%
	Black Spot						
V0002	Eastern Link - Busselton Traffic Study	24,988	0	0	2,500,000	2,500,000	0.00%
V0002 V0003	Roundabout to Eastern Link Bridge	24,988	0	0	300,000	300,000	0.00%
V0004	Eastern Link Shared Path & Environmental Offsets	0	0	0	200,000	200,000	0.00%
V0005	Eastern Link Ford Road Environmental Approvals	44,738	0	0	150,000	150,000	0.00%
		69,727	0	0	3,150,000	3,150,000	0.00%
	Council Roads Initiative						
W0003	Franklin Road - Gravel Resheet	148	8,751	8,751	35,000	35,000	-98.31%
W0003	Gale Road - Reconstruction (50% Council)	0	7,500	7,500	30,000	30,000	-98.31%
W0055	Lindberg Road	29,983	4,659	4,659	18,641	18,641	543.56%
W0067	Ford Road Reconstruct and Asphalt Overlay	625	72,501	72,501	290,000	290,000	-99.14%
W0084 W0091	Vasse Yallingup Siding Road Carbunup South Road - Gravel Resheet	18,190 12,604	5,004 4,701	5,004 4,701	20,013 18,800	20,013 18,800	263.51% 168.12%
W0091	Fairway Drive - Intersection Works	0	67,500	67,500	270,000	270,000	-100.00%
W0114	Wonnerup South Road - Reconstruct and Widening (narrow seal)	1,379	176,364	176,364	705,465	705,465	-99.22%
W0126	Gulberti Road - Gravel Resheet	148	15,000	15,000	60,000	60,000	-99.01%
W0176 W0195	Signage (Alternate CBD Entry) Yallingup Beach Road	0 43,039	3,999	3,999	16,000 0	16,000 0	-100.00% 0.00%
W0193	Fredrick Street Partial Reconstruction	0	9,999	9,999	40,000	40,000	-100.00%
W0224	Jones Way Asphalt Overlay	91,161	18,546	18,546	74,182	74,182	391.54%
W0227 W0230	William Drive - Asphalt Overlay, Kerb & Drainage Short Street - Asphalt Overlay & Kerb	33,891 3,781	42,996 16,752	42,996 16,752	171,992 67,000	171,992 67,000	-21.18% -77.43%
W0230 W0231	Short Street - Asphalt Overlay & Kerb Carey Street - Asphalt Overlay & Kerb	3,781	16,752 43,752	16,752 43,752	67,000 175,000	175,000	-77.43% -100.00%
W0231	Stanley Street - Asphalt Overlay, Kerbing & Parking	0	36,753	36,753	147,000	147,000	-100.00%
W0233	Centurion Way - Asphalt Overlay & Kerbing	14,680	32,502	32,502	130,000	130,000	-54.83%
W0234	King Street - Reconstruction, Drainage & Asphalt Overlay	0	129,501	129,501	518,000	518,000	-100.00%
W0235 W0236	Eagle Place - Asphalt Overlay & Kerbing Achurch Place - Asphalt Overlay & Kerbing	49 797	8,001 22,506	8,001 22,506	32,000 90,000	32,000 90,000	-99.38% -96.46%
W0236 W0237	Hovea Cresent - Asphalt Overlay, Kerb & Intersection Works	41,319	54,000	54,000	216,000	216,000	-96.46%

# 22 Financial Activity Statement Period Ended September 2019

#### City of Busselton

#### **Capital Acquisition Report**

#### Property, Plant & Equipment, Infrastructure

	Description	2019/ 20 Actual	2019/20 Amended Budget YTD	2019/20 Original Budget YTD	2019/20 Amended Budget	2019/20 Original Budget	2019/20 Budget YTD Variance
W0238	Sutton Way - Asphalt Overlay & Kerb	13,391	17.748	17,748	71,000	71,000	-24,55%
W0239	Silverglen Avenue - Asphalt Overlay, Kerb & Drainage	49	9,996	9,996	40,000	40,000	-99.51%
W0240	Metricup Yelverton Road - Gravel Resheet	0	14,250	14,250	57,000	57,000	-100.00%
W0241	Hemsley Road - Gravel Resheet	0	10,503	10,503	42,000	42,000	-100.00%
W0242	Doyle Road - Gravel Resheet	148	5,499	5,499	22,000	22,000	-97.30%
W0243	Alfred Road - Gravel Resheet	0	12,501	12,501	50,000	50,000	-100.00%
W0244	Koorabin Drive - Reconstruction & Intersection	0	36,000	36,000	144,000	144,000	-100.00%
		305,385	887,784	887,784	3,551,093	3,551,093	-65.60%
	Sub-Total Infrastructure	2,368,528	6,529,530	6,529,530	36,851,773	36,851,773	-63.73%
	Grand Total - Capital Acquisitions	2,917,334	11,809,062	11,809,062	60,571,300	60,571,300	- i

# 23 Financial Activity Statement Period Ended September 2019

# City of Busselton

# Reserves Movement Report

		2019/2020 Actual	2019/2020 Amended Budget YTD	2019/2020 Original Budget YTD	2019/2020 Amended Budget	2019/2020 Original Budget	2018/2019 Actual
		\$	\$	\$	\$	\$	\$
100	Airport Infrastructure Renewal Reserve						
	Accumulated Reserves at Start of Year	1.821.552.89	1.821.552.89	1.821.552.89	1.821.552.89	1.821.552.89	1.325.501.46
	Interest transfer to Reserves	9,103.14	10,137.00	10,137.00	40,548.00	40,548.00	41,231.55
	Transfer from Muni Transfer to Muni	0.00	0.00	0.00	0.00 (156,250.00)	0.00 (156,250.00)	536,450.00 (81,630.12)
	Taisier to Wulli						
		1,830,656.03	1,831,689.89	1,831,689.89	1,705,850.89	1,705,850.89	1,821,552.89
136	Airport Marketing and Incentive Reserve						
	Accumulated Reserves at Start of Year	3,396,150.77	3,396,150.77	3,396,150.77	3,396,150.77	3,396,150.77	1,583,014.10
	Interest transfer to Reserves	17,709.97	18,903.00	18,903.00	75,612.00	75,612.00	77,306.67
	Transfer from Muni Transfer to Muni	97,050.00 0.00	97,050.00 0.00	97,050.00 0.00	526,416.00 (1,360,230.00)	526,416.00 (1,360,230.00)	1,735,830.00 0.00
		3,510,910.74	3,512,103.77	3,512,103.77	2,637,948.77	2,637,948.77	3,396,150.77
143	Airport Noise Mitigation Reserve						
2.0							
	Accumulated Reserves at Start of Year	890,709.89	890,709.89	890,709.89	890,709.89	890,709.89	0.00
	Interest transfer to Reserves Transfer from Muni	4,447.40 0.00	4,959.00 0.00	4,959.00 0.00	19,836.00 0.00	19,836.00 0.00	21,159.89 869,550.00
	Transfer to Muni	0.00	0.00	0.00	(869,550.00)	(869,550.00)	0.00
		895,157.29	895,668.89	895,668.89	40,995.89	40,995.89	890,709.89
147	Airport Development Reserve						
		105.50					
	Interest transfer to Reserves Transfer from Muni	105.59 41,472.00	0.00 41,472.00	0.00 41,472.00	0.00 165,882.00	0.00 165,882.00	0.00
	Transfer to Muni	0.00	0.00	0.00	(165,882.00)	(165,882.00)	0.00
		41,577.59	41,472.00	41,472.00	0.00	0.00	0.00
148	Airport Existing Terminal Building Reserve						
	Accumulated Reserves at Start of Year	39,882,21	39.882.21	39.882.21	39.882.21	39.882.21	0.00
	Interest transfer to Reserves	199.13	222.00	222.00	888.00	888.00	882.21
	Transfer from Muni	0.00	0.00	0.00	0.00	0.00	39,000.00
		40,081.34	40,104.21	40,104.21	40,770.21	40,770.21	39,882.21
106	Building Asset Renewal Reserve						
	Accumulated Reserves at Start of Year	1,725,055.66	1,725,055.66	1,725,055.66	1,725,055.66	1,725,055.66	1,193,933.21
	Interest transfer to Reserves	8,729.39	9,600.00	9,600.00	38,400.00	38,400.00	29,072.58
	Transfer from Muni	181,788.00	181,788.00	181,788.00	727,148.00	727,148.00	894,362.38
	Transfer to Muni	0.00	0.00	0.00	(751,536.00)	(751,536.00)	(392,312.51)
		1,915,573.05	1,916,443.66	1,916,443.66	1,739,067.66	1,739,067.66	1,725,055.66
404	Barnard Park Sports Pavilion Building Reserve						
	Accumulated Reserves at Start of Year	10,666.20	10,666.20	10,666.20	10,666.20	10,666.20	0.00
	Interest transfer to Reserves	75.52	60.00	60.00	240.00	240.00	166.20
	Transfer from Muni	7,557.00	7,557.00	7,557.00	30,226.00	30,226.00	10,500.00
		18,298.72	18,283.20	18,283.20	41,132.20	41,132.20	10,666.20

# Reserves Movement Report

National Process   Sample			2019/2020 Actual	2019/2020 Amended Budget	2019/2020 Original Budget	2019/2020 Amended	2019/2020 Original	2018/2019 Actual
Section   Community   Commun				YTD		Budget	Budget	10000000
Accoundated Reserves at Start of Year Inf-761.18 16,761.	105	Railway House Building Reserve	\$	\$	\$	\$	\$	\$
Interest transfer to Releves   10.094			16 761 10	16 761 10	16.761.10	16 761 10	16 761 10	0.00
Transfer from Murii 4,900.0 4,900.0 19,635.00 19,635.00 16,500.0 16,500.0 16,500.0 12,770.12 21,762.18 21,762.18 36,768.18 36,768.18 16,761.1    Vouth and Community Activities Building Reserve  Accumulated Reserves at Start of Year 45,712.30 45,712.30 45,712.30 45,712.30 10,000.0 1,000								
Youth and Community Activities Building Reserve								16,500.0
Accumulated Reserves at Start of Year		-	21,770.12	21,762.18	21,762.18	36,768.18	36,768.18	16,761.1
Interest transfer for Reserves   288.50   255.00   255.00   1,020.00   1,020.00   42,840.00   42,000.00   10,710.00   10,710.00   10,710.00   10,710.00   10,710.00   42,840	16	Youth and Community Activities Building Reserve						
Transfer to Muni 10,710.00 10,710.00 10,710.00 10,710.00 42,840.00 42,840.00 42,840.00 10,000.00.00 10,000.00.00 10,000.00.00 10,000.00.00 10,000.00.00 10,000.00.00 10,000.00.00 10,000.00.00 10,000.00.00 10,000.00.00 10,000.00.00 10,000.00.00 10,000.00.00 10,000.00.00 10,000.00.00 10,000.00.00 10,000.00.00 10,000.0		Accumulated Reserves at Start of Year	45,712.30	45,712.30	45,712.30	45,712.30	45,712.30	0.0
Busselnon Library Building Reserve								712.3
Section Library Building Reserve   Section Library Building Reserve								
Accumulated Reserves at Start of Year 190,875.82 190,875.82 190,875.82 190,875.82 190,875.82 190,875.82 100,87		Transfer to Muni	0.00	0.00	0.00	(10,000.00)	(10,000.00)	0.0
Accumulated Reserves at Start of Year		-	56,690.80	56,677.30	56,677.30	79,572.30	79,572.30	45,712.3
Interest transfer to Reserves	7	Busselton Library Building Reserve						
Transfer from Muni 11,424.00 11,424.00 11,424.00 45,666.00 45,696.00 83,631.0 Transfer to Muni 0.00 0.00 0.00 (111,000.00) (111,000.00) 0.01 (110,000.00) 0.		Accumulated Reserves at Start of Year	85,071.29	85,071.29			85,071.29	0.0
Transfer to Muni 0.00 0.00 0.00 (111,000.00) (111,000.00) 0.00 0.00 (111,000.00) 0.00 0.00 0.00 (111,000.00) 0.00 0.00 0.00 (111,000.00) 0.00 0.00 0.00 (111,000.00) 0.00 0.00 0.00 (111,000.00) 0.00 0.00 0.00 (111,000.00) 0.00 0.00 (111,000.00) 0.00 0.00 0.00 (111,000.00) 0.00 0.00 (111,000.00) 0.00 0.00 0.00 (111,000.00) 0.00 0.00 0.00 0.00 0.00 0.00 0								1,440.2
Busselton Community Resource Centre Reserve								
Accumulated Reserves at Start of Year   190,875.82   19		Transfer to Muni	0.00	0.00	0.00		(111,000.00)	
Accumulated Reserves at Start of Year 190,875.82 190,875.82 190,875.82 190,875.82 190,875.82 190,875.82 190,875.82 190,875.82 190,875.82 190,875.82 190,875.82 156,6531 interest transfer to Reserves 979.91 1,062.00 1,062.00 4,248.00 4,248.00 29,869.1 Transfer from Muni 21,599.00 21,599.00 21,599.00 (5,160.00) (5,160.00) 0.00 (5,160.0			96,989.28	96,969.29	96,969.29	21,663.29	21,663.29	85,071.2
Interest transfer to Reserves   979,91   1,062,00   1,062,00   4,248,00   4,248,00   2,369,00   29,869,	1	Busselton Community Resource Centre Reserve						
Transfer from Muni 21,599,00 21,599,00 21,599,00 86,394.00 86,394.00 29,869,1 Transfer to Muni 0.00 0.00 0.00 0.00 (5,160.00) (5,160.00) 0.00 0.00 (5,160.00) 0.00 0.00 0.00 0.00 (5,160.00) 0.00 0.00 0.00 0.00 0.00 0.00 0.0								156,653.9
Transfer to Muni 0.00 0.00 0.00 (5,160.00) (5,160.00) 0.00 (5,160.00) 0.00 (5,160.00) 0.00 (5,160.00) 0.00 (5,160.00) 0.00 (5,160.00) 0.00 (5,160.00) 0.00 (5,160.00) 0.00 (5,160.00) 0.00 (5,160.00) 0.00 (5,160.00) 0.00 (103,458.00 128,741.00								
Busselton Jetty Tourist Park Reserve								29,869.0
Accumulated Reserves at Start of Year 159,725.80 159,72		-	213,454.73	213,536.82	213,536.82	276,357.82	276,357.82	190,875.8
Interest transfer to Reserves	18	Busselton Jetty Tourist Park Reserve						
Interest transfer to Reserves		Assumulated Resource at Start of Vene	150 735 90	150 735 90	150 735 90	150 735 90	150 735 90	0.0
Transfer from Muni 64,677.00 64,677.00 64,677.00 258,708.00 258,708.00 218,2724 Transfer to Muni 0.00 0.00 0.00 0.00 (287,610.00) (287,610.00) (62,001.1  225,214.38 225,290.80 225,290.80 134,375.80 134,375.80 159,775.5  9 Geographe Leisure Centre Building Reserve  Accumulated Reserves at Start of Year 381,186.42 381,1								
Transfer to Muni 0.00 0.00 0.00 (287,610.00) (287,610.00) (62,001.1								218,272.0
9 Geographe Leisure Centre Building Reserve  Accumulated Reserves at Start of Year 381,186.42 381,186.42 381,186.42 381,186.42 381,186.42 0.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0		Transfer to Muni						(62,001.1
Accumulated Reserves at Start of Year Interest transfer to Reserves 2,198.50 2,121.00 2,121.00 8,484.00 8,484.00 7,716.  Transfer from Muni 65,130.00 65,130.00 65,130.00 260,521.00 260,521.00 476,928.1  Transfer to Muni 0.00 0.00 0.00 (555,900.00) (555,900.00) (103,458.00 448,514.92 448,437.42 448,437.42 94,291.42 94,291.42 381,186.42  1 Joint Venture Aged Housing Reserve  Accumulated Reserves at Start of Year 1,085,870.41 1,085,8		-	225,214.38	225,290.80	225,290.80	134,375.80	134,375.80	159,725.8
Interest transfer to Reserves 2,198.50 2,121.00 2,121.00 8,484.00 8,484.00 7,716.  Transfer from Muni 65,130.00 65,130.00 65,130.00 260,521.00 260,521.00 476,928.1  Transfer to Muni 0.00 0.00 0.00 (555,900.00) (555,900.00) (103,458.0  448,514.92 448,437.42 448,437.42 94,291.42 94,291.42 381,186.  1 Joint Venture Aged Housing Reserve  Accumulated Reserves at Start of Year 1,085,870.41 1,085,87	9	Geographe Leisure Centre Building Reserve						
Transfer from Muni 65,130.00 65,130.00 65,130.00 260,521.00 260,521.00 476,928.1  Transfer to Muni 0.00 0.00 0.00 0.00 (555,900.00) (555,900.00) (103,458.0  448,514.92 448,437.42 448,437.42 94,291.42 94,291.42 381,186.  1 Joint Venture Aged Housing Reserve  Accumulated Reserves at Start of Year 1,085,870.41 1,085,87		Accumulated Reserves at Start of Year	381,186.42	381,186.42	381,186.42	381,186.42	381,186.42	0.0
Transfer to Muni 0.00 0.00 0.00 (555,900.00) (555,900.00) (103,458.0 448,437.42 448,437.42 94,291.42 94,291.42 381,186.  1 Joint Venture Aged Housing Reserve  Accumulated Reserves at Start of Year 1,085,870.41 1,0								7,716.4
448,514.92 448,437.42 448,437.42 94,291.42 94,291.42 381,186.  1 Joint Venture Aged Housing Reserve  Accumulated Reserves at Start of Year 1,085,870.41 1,085,870.41 1,085,870.41 1,085,870.41 1,085,870.41 997,854. Interest transfer to Reserves 5,153.08 6,045.00 6,045.00 24,180.00 24,180.00 27,824. Transfer from Muni 32,184.00 32,184.00 32,184.00 128,741.00 128,741.00 182,877. Transfer to Muni 0.00 0.00 0.00 (152,000.00) (152,000.00) (122,686.2)								
1 Joint Venture Aged Housing Reserve  Accumulated Reserves at Start of Year 1,085,870.41 1,085,870.41 1,085,870.41 1,085,870.41 1,085,870.41 997,854. Interest transfer to Reserves 5,153.08 6,045.00 6,045.00 24,180.00 24,180.00 27,824.  Transfer from Muni 32,184.00 32,184.00 32,184.00 128,741.00 128,741.00 182,877.  Transfer to Muni 0.00 0.00 0.00 (152,000.00) (152,000.00) (122,686.2)		Transfer to Muni	0.00	0.00	0.00	(555,900.00)	(555,900.00)	(103,458.0)
Accumulated Reserves at Start of Year         1,085,870.41         1,085,870.41         1,085,870.41         1,085,870.41         1,085,870.41         1,085,870.41         997,854.           Interest transfer to Reserves         5,153.08         6,045.00         6,045.00         24,180.00         24,180.00         27,824.           Transfer from Muni         32,184.00         32,184.00         32,184.00         128,741.00         128,741.00         182,877.           Transfer to Muni         0.00         0.00         0.00         (152,000.00)         (152,000.00)         (122,686.2)		-	448,514.92	448,437.42	448,437.42	94,291.42	94,291.42	381,186.4
Interest transfer to Reserves         5,153.08         6,045.00         6,045.00         24,180.00         24,180.00         27,824.1           Transfer from Muni         32,184.00         32,184.00         32,184.00         128,741.00         128,741.00         128,741.00         182,877.           Transfer to Muni         0.00         0.00         0.00         (152,000.00)         (152,000.00)         (122,686.2)	1	Joint Venture Aged Housing Reserve						
Interest transfer to Reserves         5,153.08         6,045.00         6,045.00         24,180.00         24,180.00         27,824.1           Transfer from Muni         32,184.00         32,184.00         32,184.00         128,741.00         128,741.00         128,741.00         182,877.           Transfer to Muni         0.00         0.00         0.00         (152,000.00)         (152,000.00)         (122,686.2)		Accumulated Reserves at Start of Year	1,085,870.41	1,085,870.41	1,085,870.41	1,085,870.41	1,085,870.41	997,854.7
Transfer to Muni 0.00 0.00 0.00 (152,000.00) (152,000.00) (152,000.00)		Interest transfer to Reserves	5,153.08	6,045.00	6,045.00	24,180.00	24,180.00	27,824.8
								182,877.1
1123 207 49 1124 099 41 1124 099 41 1 085 791 41 1 085 791 41 1 085 791 41 1 085 791 41		Transfer to Muni	0.00	0.00	0.00	(152,000.00)	(152,000.00)	(122,686.29
		-	1,123,207.49	1,124,099.41	1,124,099.41	1,086,791.41	1,086,791.41	1,085,870.4

# Reserves Movement Report

		2019/2020	2019/2020	2019/2020	2019/2020	2019/2020	2018/2019
		Actual	Amended Budget	Original Budget	Amended	Original	Actual
		\$	YTD \$	YTD \$	Budget \$	Budget \$	\$
403	Winderlup Aged Housing Resident Funded Reserve	*	,	,	,	,	*
	Accumulated Reserves at Start of Year	212,501.16	212,501.16	212,501.16	212,501.16	212,501.16	186,717.69
	Interest transfer to Reserves	1,133.67	1,182.00	1,182.00	4,728.00	4,728.00	4,702.72
	Transfer from Muni Transfer to Muni	0.00	0.00	0.00	0.00 (126,000.00)	0.00 (126,000.00)	63,103.70 (42,022.95)
	Transfer to Muni						
		213,634.83	213,683.16	213,683.16	91,229.16	91,229.16	212,501.16
410	Naturaliste Community Centre Building Reserve						
	Accumulated Reserves at Start of Year	63,745.73	63,745.73	63,745.73	63,745.73	63,745.73	0.00
	Interest transfer to Reserves Transfer from Muni	395.94 14,928.00	354.00 14,928.00	354.00 14,928.00	1,416.00 59,708.00	1,416.00 59,708.00	2,078.93 159,147.00
	Transfer from Muni	0.00	0.00	0.00	(12,000.00)	(12,000.00)	(97,480.20)
	-						
		79,069.67	79,027.73	79,027.73	112,869.73	112,869.73	63,745.73
411	Civic and Administration Building Reserve						
	Accumulated Reserves at Start of Year	187,928.40	187,928.40	187,928.40	187,928.40	187,928.40	0.00
	Interest transfer to Reserves	1,171.20	1,047.00	1,047.00	4,188.00	4,188.00	2,928.40
	Transfer from Muni Transfer to Muni	70,500.00 0.00	70,500.00 0.00	70,500.00 0.00	282,000.00 (105,920.00)	282,000.00 (105,920.00)	185,000.00 0.00
	Transfer to Mulii						
		259,599.60	259,475.40	259,475.40	368,196.40	368,196.40	187,928.40
412	Vasse Sports Pavilion Building Reserve						
	Interest transfer to Reserves	0.35	0.00	0.00	0.00	0.00	0.00
	Transfer from Muni	135.00	135.00	135.00	536.00	536.00	0.00
		135.35	135.00	135.00	536.00	536.00	0.00
110	Jetty Maintenance Reserve						
	Accumulated Reserves at Start of Year	4,806,278.94	4,806,278.94	4,806,278.94	4,806,278.94	4,806,278.94	4,193,450.51
	Interest transfer to Reserves Transfer from Muni	25,442.96	26,751.00	26,751.00	107,004.00	107,004.00	108,240.24
	Transfer from Muni Transfer to Muni	48,330.00 0.00	48,330.00 0.00	48,330.00 0.00	1,286,516.00 (2,982,095.00)	1,286,516.00 (2,982,095.00)	1,249,044.00 (744,455.81)
	-	4,880,051.90	4,881,359.94	4,881,359.94	3,217,703.94	3,217,703.94	4,806,278.94
150	Jetty Self Insurance Reserve						
	Accumulated Reserves at Start of Year	365,698.37	365,698.37	365,698.37	365,698.37	365,698.37	0.00
	Interest transfer to Reserves Transfer from Muni	1,968.01 15,000.00	2,034.00 15,000.00	2,034.00 15,000.00	8,136.00 60,000.00	8,136.00 60,000.00	5,698.37 360,000.00
	-	382,666.38	382,732.37	382,732.37	433,834.37	433,834.37	365,698.37
222	Asset Depreciation Reserve						
	Accumulated Reserves at Start of Year	0.00	0.00	0.00	0.00	0.00	563,412.18
	Interest transfer to Reserves	0.00	0.00	0.00	0.00	0.00	14,029.57
	Transfer to Muni	0.00	0.00	0.00	0.00	0.00	(577,441.75)
	-	0.00	0.00	0.00	0.00	0.00	0.00
223	Road Asset Renewal Reserve						
	Accumulated Reserves at Start of Year	1,119,116.75	1,119,116.75	1,119,116.75	1,119,116.75	1,119,116.75	1,299,765.50
	Interest transfer to Reserves	6,404.96	6,228.00	6,228.00	24,912.00	24,912.00	49,255.16
	Transfer from Muni Transfer to Muni	864,531.00 0.00	864,531.00 0.00	864,531.00 0.00	3,458,128.00 (4,161,474.00)	3,458,128.00 (4,161,474.00)	2,550,956.00 (2,780,859.91)
	-	1,990,052.71	1,989,875.75	1,989,875.75	440,682.75	440,682.75	1,119,116.75

# Reserves Movement Report

		2019/2020	2019/2020	2019/2020	2019/2020	2019/2020	2018/2019
		Actual	Amended Budget YTD	Original Budget YTD	Amended Budget	Original Budget	Actual
		\$	\$	\$	\$	\$	\$
224	Footpath/ Cycle Ways Reserve						
	Accumulated Reserves at Start of Year	3,670.90	3,670.90	3,670.90	3,670.90	3,670.90	0.00
	Interest transfer to Reserves Transfer from Muni	40.27 296,151.00	21.00 296,151.00	21.00 296,151.00	84.00 1,184,602.00	84.00 1,184,602.00	3,670.90 231,906.00
	Transfer to Muni	0.00	0.00	0.00	(1,147,590.00)	(1,147,590.00)	(231,906.00)
		299,862.17	299,842.90	299,842.90	40,766.90	40,766.90	3,670.90
226	Other Infrastructure (Drainage, Signage, Etc.) R	eserve					
	Interest transfer to Reserves	220.88	0.00	0.00	0.00	0.00	0.00
	Transfer from Muni Transfer to Muni	86,751.00 0.00	86,751.00 0.00	86,751.00 0.00	347,000.00 (316,950.00)	347,000.00 (316,950.00)	0.00
		86,971.88	86,751.00	86,751.00	30,050.00	30,050.00	0.00
225	Parks, Gardens and Reserves Reserve						
	Interest transfer to Reserves Transfer from Muni	772.77 303,501.00	0.00 303,501.00	0.00 303,501.00	0.00 1,214,001.00	0.00 1,214,001.00	0.00
	Transfer to Muni	0.00	0.00	0.00	(1,134,000.00)	(1,134,000.00)	0.00
		304,273.77	303,501.00	303,501.00	80,001.00	80,001.00	0.00
151	Furniture and Equipment Reserve						
	Transfer from Muni	0.00	0.00	0.00	364,900.00	364,900.00	0.00
	Transfer to Muni	0.00	0.00	0.00	(364,900.00)	(364,900.00)	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
115	Plant Replacement Reserve						
	Accumulated Reserves at Start of Year	1,205,526.70	1,205,526.70	1,205,526.70	1,205,526.70	1,205,526.70	2,185,395.64
	Interest transfer to Reserves Transfer from Muni	2,595.42 225.183.00	6,711.00 225.183.00	6,711.00 225,183.00	26,844.00 900.737.00	26,844.00 900,737.00	61,462.25 1,115,712.71
	Transfer to Muni	0.00	0.00	0.00	(1,418,950.00)	(1,418,950.00)	(2,157,043.90)
		1,433,305.12	1,437,420.70	1,437,420.70	714,157.70	714,157.70	1,205,526.70
137	Major Traffic Improvements Reserve						
	Accumulated Reserves at Start of Year	1,495,577.97	1,495,577.97	1,495,577.97	1,495,577.97	1,495,577.97	432,138.26
	Interest transfer to Reserves Transfer from Muni	7,864.67 282,177.00	8,325.00 282,177.00	8,325.00 282,177.00	33,300.00 1,128,705.00	33,300.00 1,128,705.00	30,752.10 1,211,110.00
	Transfer to Muni	0.00	0.00	0.00	(2,400,000.00)	(2,400,000.00)	(178,422.39)
		1,785,619.64	1,786,079.97	1,786,079.97	257,582.97	257,582.97	1,495,577.97
132	CBD Enhancement Reserve						
	Accumulated Reserves at Start of Year	171,316.34	171,316.34	171,316.34	171,316.34	171,316.34	122,490.23
	Interest transfer to Reserves Transfer from Muni	1,216.16 140,047.00	954.00 140,047.00	954.00 140,047.00	3,816.00 560,188.00	3,816.00 560,188.00	3,706.11 45,120.00
	Transfer to Muni	0.00	0.00	0.00	(643,000.00)	(643,000.00)	0.00
		312,579.50	312,317.34	312,317.34	92,320.34	92,320.34	171,316.34
127	New Infrastructure Development Reserve						
	Accumulated Reserves at Start of Year	1,803,171.42	1,803,171.42	1,803,171.42	1,803,171.42	1,803,171.42	1,834,714.76
	Interest transfer to Reserves Transfer from Muni	7,784.11 50,288.60	10,035.00 48,156.00	10,035.00 48,156.00	40,140.00 192,627.00	40,140.00 192,627.00	51,101.03 410,941.00
	Transfer from Muni Transfer to Muni	0.00	0.00	0.00	(1,259,942.00)	(1,259,942.00)	(493,585.37)
		1,861,244.13	1,861,362.42	1,861,362.42	775,996.42	775,996.42	1,803,171.42

# Reserves Movement Report

		2019/2020 Actual	2019/2020	2019/2020	2019/2020 Amended	2019/2020 Original	2018/2019 Actual
		Actual	Amended Budget YTD	Original Budget YTD	Budget	Original Budget	Actual
		\$	\$	\$	\$	\$	\$
141	Commonage Precinct Infrastructure Road Reserve						
	Accumulated Reserves at Start of Year Interest transfer to Reserves	231,223.87 1,154.53	231,223.87 1,287.00	231,223.87 1,287.00	231,223.87 5,148.00	231,223.87 5,148.00	225,574.67 5,649.20
	interest transfer to Reserves	-,					
		232,378.40	232,510.87	232,510.87	236,371.87	236,371.87	231,223.87
114	City Car Parking and Access Reserve						
	Accumulated Reserves at Start of Year	1,281,336.70	1,281,336.70	1,281,336.70	1,281,336.70	1,281,336.70	875,925.14
	Interest transfer to Reserves Transfer from Muni	6,313.50 126,297.00	7,131.00 126.297.00	7,131.00 126,297.00	28,524.00 505.188.00	28,524.00 505.188.00	30,250.23 538.024.00
	Transfer to Muni	0.00	0.00	0.00	(427,549.00)	(427,549.00)	(162,862.67)
		1,413,947.20	1,414,764.70	1,414,764.70	1,387,499.70	1,387,499.70	1,281,336.70
107	Corporate IT Systems Reserve						
	Accumulated Reserves at Start of Year	80,398.99	80,398.99	80,398.99	80,398.99	80,398.99	78,625.03
	Interest transfer to Reserves	401.43	447.00	447.00	1,788.00	1,788.00	1,773.96
		80,800.42	80,845.99	80,845.99	82,186.99	82,186.99	80,398.99
133	Election, Valuation and Corporate Expenses Reserve	e					
	Accumulated Reserves at Start of Year	499,905.97	499,905.97	499,905.97	499,905.97	499,905.97	149,557.64
	Interest transfer to Reserves Transfer from Muni	2,661.83 37,500.00	2,781.00 37,500.00	2,781.00 37,500.00	11,124.00 150,000.00	11,124.00 150,000.00	8,399.33 350,949.00
	Transfer to Muni	0.00	0.00	0.00	(150,000.00)	(150,000.00)	(9,000.00)
		540,067.80	540,186.97	540,186.97	511,029.97	511,029.97	499,905.97
111	Legal Expenses Reserve						
	Accumulated Reserves at Start of Year	577,255.71	577,255.71	577,255.71	577,255.71	577,255.71	557,904.00
	Interest transfer to Reserves	2,685.75	3,213.00	3,213.00	12,852.00	12,852.00	15,035.07
	Transfer from Muni Transfer to Muni	0.00	0.00	0.00	0.00	0.00	61,364.00 (57,047.36)
	Transfer to Muni	579,941.46	580,468.71	580,468.71	590,107.71	590,107.71	577,255.71
		3/9,941.40	380,408.71	380,468.71	590,107.71	590,107.71	5/7,255./1
135	Performing Arts and Convention Centre Reserve						
	Transfer from Muni	0.00	0.00	0.00	2,705,530.00	2,705,530.00	0.00
	•	0.00	0.00	0.00	2,705,530.00	2,705,530.00	0.00
202	Long Service Leave Reserve						
	Accumulated Reserves at Start of Year	3,096,583.00	3,096,583.00	3,096,583.00	3,096,583.00	3,096,583.00	3,111,698.09
	Interest transfer to Reserves Transfer from Muni	14,455.78 62,499.00	17,235.00 62,499.00	17,235.00 62,499.00	68,940.00 250,000.00	68,940.00 250,000.00	93,949.05 384,190.02
	Transfer to Muni	0.00	0.00	0.00	(653,950.00)	(653,950.00)	(493,254.16)
		3,173,537.78	3,176,317.00	3,176,317.00	2,761,573.00	2,761,573.00	3,096,583.00
203	Professional Development Reserve						
	Accumulated Reserves at Start of Year	122,771.88	122,771.88	122,771.88	122,771.88	122,771.88	113,024.66
	Interest transfer to Reserves Transfer from Muni	457.18 17.499.00	684.00 17.499.00	684.00 17,499.00	2,736.00 70.000.00	2,736.00 70.000.00	3,777.31 70,000.00
	Transfer to Muni	0.00	0.00	0.00	(71,930.00)	(71,930.00)	(64,030.09)
		140,728.06	140,954.88	140,954.88	123,577.88	123,577.88	122,771.88
		140,726.06	140,334.88	140,954.88	123,377.88	123,377.88	122,771.88

# Reserves Movement Report

		2019/2020	2019/2020	2019/2020	2019/2020	2019/2020	2018/2019
		Actual	Amended Budget	Original Budget	Amended	Original	Actual
		\$	YTD \$	YTD \$	Budget \$	Budget \$	\$
204	Sick Pay Incentive Reserve	•	*	-	•	*	*
	Accumulated Reserves at Start of Year Interest transfer to Reserves	150,403.55	150,403.55 837.00	150,403.55 837.00	150,403.55 3,348.00	150,403.55	175,935.04 5,088.12
	Interest transfer to Reserves Transfer from Muni	667.75 5,833.00	5,833.00	5,833.00	70,000.00	3,348.00 70,000.00	5,088.12
	Transfer to Muni	0.00	0.00	0.00	(71,930.00)	(71,930.00)	(30,619.61)
	,						
		156,904.30	157,073.55	157,073.55	151,821.55	151,821.55	150,403.55
124	Workers Compensation and Extended Sick Leave Co	oningency Res					
	Accumulated Reserves at Start of Year	305,100.95	305,100.95	305,100.95	305,100.95	305,100.95	356,227.48
	Interest transfer to Reserves	1,316.68	1,698.00	1,698.00	6,792.00	6,792.00	8,873.47
	Transfer to Muni	0.00	0.00	0.00	(28,460.00)	(28,460.00)	(60,000.00)
		306,417.63	306,798.95	306,798.95	283,432.95	283,432.95	305,100.95
302	Community Facilities - City District						
	Accumulated Reserves at Start of Year	2,552,707.62	2,552,707.62	2,552,707.62	2,552,707.62	2,552,707.62	2,303,095.83
	Interest transfer to Reserves	12,786.87	14,208.00	14,208.00	56,832.00	56,832.00	60,897.30
	Transfer from Muni	29,721.76	81,876.00	81,876.00	361,740.00	361,740.00	306,049.14
	Transfer to Muni	0.00	0.00	0.00	(2,203,795.00)	(2,203,795.00)	(117,334.65)
	•	2,595,216.25	2,648,791.62	2,648,791.62	767,484.62	767,484.62	2,552,707.62
304	Community Facilities - Broadwater						
	Accumulated Reserves at Start of Year	158,523.04	158,523.04	158,523.04	158,523.04	158,523.04	138,048.48
	Interest transfer to Reserves	795.56	882.00	882.00	3,528.00	3,528.00	3,656.26
	Transfer from Muni	1,053.54	3,126.00	3,126.00	12,500.00	12,500.00	16,818.30
		160,372.14	162,531.04	162,531.04	174,551.04	174,551.04	158,523.04
303	Community Facilities - Busselton						
	Accumulated Reserves at Start of Year	44,011.77	44.011.77	44.011.77	44,011.77	44.011.77	34,546.40
	Interest transfer to Reserves	226.03	246.00	246.00	984.00	984.00	971.37
	Transfer from Muni	854.69	5,001.00	5,001.00	20,000.00	20,000.00	8,494.00
	Transfer to Muni	0.00	0.00	0.00	(44,000.00)	(44,000.00)	0.00
		45,092.49	49,258.77	49,258.77	20,995.77	20,995.77	44,011.77
305	Community Facilities - Dunsborough						
	Accumulated Reserves at Start of Year	188,062.67	188,062.67	188,062.67	188,062.67	188,062.67	166,327.12
	Interest transfer to Reserves	939.03	1.047.00	1.047.00	4.188.00	4.188.00	4,549.89
	Transfer from Muni	16,644.77	6,249.00	6,249.00	25,000.00	25,000.00	17,185.66
		205,646.47	195,358.67	195,358.67	217,250.67	217,250.67	188,062.67
311	Community Facilities - Dunsborough Lakes Estate						
	Accumulated Reserves at Start of Year	922,772.84	922,772.84	922,772.84	922,772.84	922,772.84	525,105.39
	Interest transfer to Reserves	4,607.50	5,136.00	5,136.00	20,544.00	20,544.00	19,631.45
	Transfer from Muni	0.00	69,498.00	69,498.00	277,990.00	277,990.00	378,036.00
	,	927,380.34	997,406.84	997,406.84	1,221,306.84	1,221,306.84	922,772.84
		,	,	,		_,,	,
306	Community Facilities - Geographe						
	Assessment of Bases and Global of Very	00.475.00	00.175.00	00 175 00	00 475 00	00.175.00	05.051.33
	Accumulated Reserves at Start of Year Interest transfer to Reserves	99,175.93 498.76	99,175.93 552.00	99,175.93 552.00	99,175.93 2,208.00	99,175.93 2,208.00	95,061.38 2,410.78
	Transfer from Muni	516.24	1,875.00	1,875.00	7,500.00	7,500.00	1,703.77
		100,190.93	101,602.93	101,602.93	108,883.93	108,883.93	99,175.93

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# Reserves Movement Report

		2019/2020 Actual	2019/2020 Amended Budget YTD	2019/2020 Original Budget YTD	2019/2020 Amended Budget	2019/2020 Original Budget	2018/2019 Actual
310	Community Facilities - Port Geographe	\$	\$	\$	\$	\$	\$
	Accumulated Reserves at Start of Year Interest transfer to Reserves	343,509.27 1,715.18	343,509.27 1,911.00	343,509.27 1,911.00	343,509.27 7,644.00	343,509.27 7,644.00	335,116.76 8,392.51
		345,224.45	345,420.27	345,420.27	351,153.27	351,153.27	343,509.27
309	Community Facilities - Vasse						
	Accumulated Reserves at Start of Year Interest transfer to Reserves	615,585.54 3,073.68	615,585.54 3,426.00	615,585.54 3,426.00	615,585.54 13,704.00	615,585.54 13,704.00	589,760.45 14,848.67
	Transfer from Muni Transfer to Muni	0.00	0.00	0.00	0.00 (450,000.00)	0.00 (450,000.00)	10,976.42 0.00
		618,659.22	619,011.54	619,011.54	179,289.54	179,289.54	615,585.54
308	Community Facilities - Airport North						
	Accumulated Reserves at Start of Year Interest transfer to Reserves	2,970,179.38 14,831.58	2,970,179.38 16,530.00	2,970,179.38 16,530.00	2,970,179.38 66,120.00	2,970,179.38 66,120.00	2,826,296.71 71,258.67
	Transfer from Muni	0.00	63,750.00	63,750.00	255,000.00	255,000.00	72,624.00
		2,985,010.96	3,050,459.38	3,050,459.38	3,291,299.38	3,291,299.38	2,970,179.38
130	Locke Estate Reserve						
	Accumulated Reserves at Start of Year Interest transfer to Reserves	1,012.99	1,012.99 6.00	1,012.99 6.00	1,012.99 24.00	1,012.99 24.00	0.00 1.012.99
	Transfer from Muni	(156.22) 15,999.00	15,999.00	15,999.00	64,000.00	64,000.00	64,000.00
	Transfer to Muni	0.00	0.00	0.00	(64,000.00)	(64,000.00)	(64,000.00)
		16,855.77	17,017.99	17,017.99	1,036.99	1,036.99	1,012.99
122	Port Geographe Development Reserve						
	Accumulated Reserves at Start of Year	682,470.41	682,470.41	682,470.41	682,470.41	682,470.41	1,455,440.82
	Interest transfer to Reserves Transfer from Muni	2,981.06 12,993.00	3,798.00 12,993.00	3,798.00 12,993.00	15,192.00 51,975.00	15,192.00 51,975.00	30,840.83 50,000.00
	Transfer to Muni	0.00	0.00	0.00	(599,307.00)	(599,307.00)	(853,811.24)
		698,444.47	699,261.41	699,261.41	150,330.41	150,330.41	682,470.41
123	Port Geographe Waterways Managment Reserve	(SAR)					
	Accumulated Reserves at Start of Year	3,349,716.94	3,349,716.94	3,349,716.94	3,349,716.94	3,349,716.94	3,387,485.07
	Interest transfer to Reserves Transfer from Muni	15,907.15 53,736.00	18,645.00 53,736.00	18,645.00 53,736.00	74,580.00 214,942.00	74,580.00 214,942.00	87,609.18 193,747.69
	Transfer to Muni	0.00	0.00	0.00	(346,800.00)	(346,800.00)	(319,125.00)
		3,419,360.09	3,422,097.94	3,422,097.94	3,292,438.94	3,292,438.94	3,349,716.94
126	Provence Landscape Maintenance Reserve (SAR)						
	Accumulated Reserves at Start of Year	1,194,759.54	1,194,759.54	1,194,759.54	1,194,759.54	1,194,759.54	1,101,707.78
	Interest transfer to Reserves Transfer from Muni	5,768.37 44,091.00	6,651.00 44,091.00	6,651.00 44,091.00	26,604.00 176,363.00	26,604.00 176,363.00	30,061.96 168,461.65
	Transfer to Muni	0.00	0.00	0.00	(203,380.00)	(203,380.00)	(105,471.85)
		1,244,618.91	1,245,501.54	1,245,501.54	1,194,346.54	1,194,346.54	1,194,759.54
128	Vasse Newtown Landscape Maintenance Reserve	(SAR)					
	Accumulated Reserves at Start of Year	575,151.53	575,151.53	575,151.53	575,151.53	575,151.53	535,722.24
	Interest transfer to Reserves Transfer from Muni	2,530.53 45,201.00	3,201.00 45,201.00	3,201.00 45,201.00	12,804.00 180,801.00	12,804.00 180,801.00	15,770.06 172,922.26
	Transfer from Muni Transfer to Muni	45,201.00	45,201.00 0.00	45,201.00	180,801.00 (199,220.00)	(199,220.00)	(149,263.03)
		622,883.06	623,553.53	623,553.53	569,536.53	569,536.53	575,151.53
		ULL,000.00	020,000.00	020,000,00	505,550.55	303,030.33	5.5,252.55

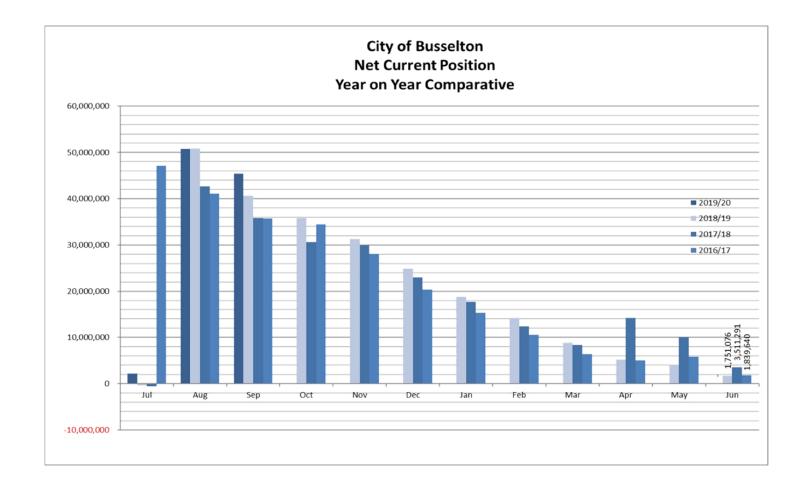
# Reserves Movement Report

		2019/2020 Actual	2019/2020 Amended Budget YTD	2019/2020 Original Budget YTD	2019/2020 Amended Budget	2019/2020 Original Budget	2018/2019 Actual
		\$	\$	\$	\$	\$	\$
138	Commonage Precinct Bushfire Facilities Reserve						
130							
	Accumulated Reserves at Start of Year Interest transfer to Reserves	57,260.53 285.91	57,260.53 318.00	57,260.53 318.00	57,260.53 1,272.00	57,260.53 1,272.00	55,861.58 1,398.95
		57,546.44	57,578.53	57,578.53	58,532.53	58,532.53	57,260.53
139	Commonage Community Facilities Dunsborough L	akes South Res					
	Accumulated Reserves at Start of Year Interest transfer to Reserves	72,622.42 362.61	72,622.42 405.00	72,622.42 405.00	72,622.42 1,620.00	72,622.42 1,620.00	70,848.15 1,774.27
		72,985.03	73,027.42	73,027.42	74,242.42	74,242.42	72,622.42
140	Commonage Community Facilities South Biddle Pr	recinct Reserve					
	Accumulated Reserves at Start of Year Interest transfer to Reserves	886,172.58 3,839.06	886,172.58 4,932.00	886,172.58 4,932.00	886,172.58 19,728.00	886,172.58 19,728.00	1,030,368.46 25,804.12
	Transfer to Muni	0.00	0.00	0.00	0.00	0.00	(170,000.00)
		890,011.64	891,104.58	891,104.58	905,900.58	905,900.58	886,172.58
321	Busselton Area Drainage and Waterways Improve	ment Reserve					
	Accumulated Reserves at Start of Year	546,471.37	546,471.37	546,471.37	546,471.37	546,471.37	548,820.67
	Interest transfer to Reserves Transfer to Muni	2,674.15 0.00	3,042.00 0.00	3,042.00 0.00	12,168.00 (184,399.00)	12,168.00 (184,399.00)	13,451.35 (15,800.65)
		549,145.52	549,513.37	549,513.37	374,240.37	374,240.37	546,471.37
102	Coastal and Climate Adaptation Reserve						
	Accumulated Reserves at Start of Year	2,845,578.60	2,845,578.60	2,845,578.60	2,845,578.60	2,845,578.60	2,472,424.34
	Interest transfer to Reserves Transfer from Muni	14,090.70 118,512.00	15,837.00 118,512.00	15,837.00 118,512.00	63,348.00 538,044.00	63,348.00 538,044.00	69,960.53 527,732.00
	Transfer to Muni	0.00	0.00	0.00	(1,259,792.00)	(1,259,792.00)	(224,538.27)
		2,978,181.30	2,979,927.60	2,979,927.60	2,187,178.60	2,187,178.60	2,845,578.60
144	Emergency Disaster Recovery Reserve						
	Accumulated Reserves at Start of Year Interest transfer to Reserves	72,781.94 381.90	72,781.94 405.00	72,781.94 405.00	72,781.94 1.620.00	72,781.94 1,620.00	50,000.00 1,781.54
	Transfer from Muni	5,001.00	5,001.00	5,001.00	20,000.00	20,000.00	21,000.40
		78,164.84	78,187.94	78,187.94	94,401.94	94,401.94	72,781.94
145	Energy Sustainability Reserve						
	Accumulated Reserves at Start of Year	181,852.87	181,852.87	181,852.87	181,852.87	181,852.87	100,000.00
	Interest transfer to Reserves Transfer from Muni	922.57 24,999.00	1,011.00 24,999.00	1,011.00 24,999.00	4,044.00 130,000.00	4,044.00 130,000.00	4,474.87 100,000.00
	Transfer to Muni	0.00	0.00	0.00	(177,378.00)	(177,378.00)	(22,622.00)
		207,774.44	207,862.87	207,862.87	138,518.87	138,518.87	181,852.87
146	Cemetery Reserve						
	Accumulated Reserves at Start of Year	157,626.57	157,626.57	157,626.57	157,626.57	157,626.57	100,000.00
	Interest transfer to Reserves Transfer from Muni	819.39 34,749.00	876.00 34,749.00	876.00 34,749.00	3,504.00 139.000.00	3,504.00 139,000.00	4,098.21 77,321.95
	Transfer to Muni	0.00	0.00	0.00	(254,000.00)	(254,000.00)	(23,793.59)
		193,194.96	193,251.57	193,251.57	46,130.57	46,130.57	157,626.57

# Reserves Movement Report

		2019/2020 Actual	2019/2020 Amended Budget YTD	2019/2020 Original Budget YTD	2019/2020 Amended Budget	2019/2020 Original Budget	2018/2019 Actual
341	Public Art Reserve	\$	\$	\$	\$	\$	\$
	Accumulated Reserves at Start of Year Interest transfer to Reserves Transfer to Muni	86,198.07 (83.58) 0.00 86,114.49	86,198.07 480.00 0.00 86,678.07	86,198.07 480.00 0.00 86,678.07	86,198.07 1,920.00 (41,060.00) 47,058.07	86,198.07 1,920.00 (41,060.00) 47,058.07	229,685.21 5,697.86 (149,185.00) 86,198.07
121	Waste Management Facility and Plant Reserve						
	Accumulated Reserves at Start of Year Interest transfer to Reserves Transfer from Muni Transfer to Muni	7,867,210.16 29,311.24 262,998.00 0.00 8,159,519.40	7,867,210.16 43,788.00 262,998.00 0.00 8,173,996.16	7,867,210.16 43,788.00 262,998.00 0.00 8,173,996.16	7,867,210.16 175,152.00 1,051,994.00 (5,616,140.00) 3,478,216.16	7,867,210.16 175,152.00 1,051,994.00 (5,616,140.00)	7,881,068.17 200,860.10 1,312,610.77 (1,527,328.88) 7,867,210.16
120	Strategic Projects Reserve						
	Accumulated Reserves at Start of Year Interest transfer to Reserves Transfer from Muni Transfer to Muni	257,162.94 1,307.18 6,249.00 0.00	257,162.94 8,298.00 6,249.00 0.00	257,162.94 8,298.00 6,249.00 0.00 271,709.94	257,162.94 33,192.00 31,000.00 (78,925.00)	257,162.94 33,192.00 31,000.00 (78,925.00)	226,213.20 5,949.74 25,000.00 0.00
129	Untied Grants Reserve						
	Accumulated Reserves at Start of Year Transfer from Muni Transfer to Muni	1,232,906.00 0.00 (1,232,906.00)	1,232,906.00 0.00 (1,232,906.00)	1,232,906.00 0.00 (1,232,906.00)	1,232,906.00 0.00 (1,232,906.00)	1,232,906.00 0.00 (1,232,906.00)	1,232,906.00 0.00 1,232,906.00
	Total Cash Back Reserves	58,474,198.91	58,706,136.66	58,706,136.66	42,611,399.66	42,611,399.66	55,590,217.66
	Summary Reserves Accumulated Reserves at Start of Year Interest transfer to Reserves Transfer from Muni Transfer to Muni	55,590,217.66 257,918.65 3,858,968.60 (1,232,906.00)	55,590,217.66 309,405.00 4,039,420.00 (1,232,906.00)	55,590,217.66 309,405.00 4,039,420.00 (1,232,906.00)	55,590,217.66 1,237,620.00 20,640,422.00 (34,856,860.00)	55,590,217.66 1,237,620.00 20,640,422.00 (34,856,860.00)	47,978,518.20 1,413,166.97 18,882,926.94 (12,684,394.45)
	Closing Balance	58,474,198.91	58,706,136.66	58,706,136.66	42,611,399.66	42,611,399.66	55,590,217.66

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#### 12.4 <u>Finance Committee - 17/10/2019 - ASSET MANAGEMENT UPDATE</u>

**STRATEGIC GOAL**6. LEADERSHIP Visionary, collaborative, accountable **STRATEGIC OBJECTIVE**6. 4 Assets are well maintained and responsibly managed.

SUBJECT INDEX Asset Management

**BUSINESS UNIT** Engineering and Facilities Services **REPORTING OFFICER** Asset Coordinator - Daniel Hall

**AUTHORISING OFFICER** Director, Engineering and Works Services - Oliver Darby

**NATURE OF DECISION** Noting: the item does not require a decision of Council and is simply

for information purposes and noting

**VOTING REQUIREMENT** Simple Majority

ATTACHMENTS Nil

This item was considered by the Finance Committee at its meeting on 17 October 2019, the recommendations from which have been included in this report.

#### **COUNCIL DECISION AND COMMITTEE RECOMMENDATION**

C1911/221 Moved Councillor J Barrett-Lennard, seconded Deputy Mayor K Hick

That the Council note the Asset Management update for October 2019.

CARRIED 9/0

**EN BLOC** 

#### **EXECUTIVE SUMMARY**

This update provides an overview of the City's current asset management priorities, how they can be addressed through policy principles and gives an example of how the principles can be put into practice. All of the examples given with this update will form part of the overall asset management plan review and update. They have been provided as a summary to suit the purpose of this update, however more detail will be provided as the update progresses.

The formal adoption of an updated Asset Management Policy will provide guidance for the finalisation of the review and update of the overall asset management plan. If the Council supports the proposed policy principles, an updated Asset Management Policy will be presented back to Council for adoption through the Policy and Legislation Committee.

# **BACKGROUND**

Asset management staff are reviewing the current Asset Management Policy in preparation for readoption by the Council. The purpose of this update is to present the proposed underpinning policy principles and provide examples as justification for how each principle reflects current asset management priorities for the City.

The examples provided for each principle will form part of future asset management planning updates to be presented to the Council following adoption of a revised policy. These examples are not intended as a definitive list of what the principles may drive, but rather the best example to illustrate how the principle can be implemented through the asset management plans.

#### **OFFICER COMMENT**

Asset management is a broad subject area covering a range of elements. All of these elements have a purpose, however, some will be more important for the City to address than others, at any given point in time. Adoption of the most important elements as policy principles ensures organisational understanding of what the current priorities are and allows for a targeted approach to asset

management planning. Below are the five priority areas proposed to be addressed by aligned policy principles, justification for why they have been chosen and examples to illustrate their practical application.

#### 1. Growth of the Infrastructure Asset Base

The estimated replacement value of the City's infrastructure assets (as per asset management calculations) has increased to a total value of \$920,758,934 (an increase of \$386,758,934 from the 2013 calculation of \$534,000,000). A breakdown of the current value is shown in Table 1 below.

The 2013 calculations in Table 1 are an extract from the original Overall Asset Management Plan. Assets such as Car Parks, Airport, Bridges, Busselton Jetty, Signage and Waste Sites would have carried a value in 2013, however had not received an asset management valuation at that point in time. This demonstrates that a significant amount of work has been undertaken since 2013 to improve the knowledge of the asset base.

**Table 1 Current Replacement Value of Infrastructure Assets** 

Asset Type	Value 2013 \$	Value 2019 \$	Variance
Roads	284,000,000	370,419,378	86,419,378
Car Parks	0	11,959,466	11,959,466
Airport	0	64,350,789	64,350,789
Bridges	0	69,028,840	69,028,840
Footpaths	30,000,000	47,118,362	17,118,362
Coastal Infrastructure (Excluding Busselton	8,000,000	19,279,000	11,279,000
Jetty)			
Busselton Jetty	0	33,658,187	33,658,187
Buildings	104,000,000	126,907,523	22,907,523
Drainage	69,000,000	101,497,452	32,497,452
Signage	0	3,045,626	3,045,626
Public Open Space and Lighting	34,000,000	70,024,377	36,024,377
Waste Sites	0	3,469,934	3,469,934
Other (now valued above)	5,000,000	0	-5,000,000
Total	534,000,000	920,758,934	386,758,934

An overview of the key elements within this increase are provided below.

#### 1.1 Improved Valuation Processes

Since the 2013 overall Asset Management Plan was adopted, knowledge about the extent of the asset base has improved considerably, with data collection and valuation processes being refined each time they are undertaken. The calculation process is now more thorough than it was and completion of numerous plans since 2013 and the three yearly fair value cycle have created more accurate valuation data.

The calculation of fair value for all infrastructure (other than buildings) is undertaken in-house by asset management staff and presented to Council's financial auditors on a three yearly cycle. This is now a requirement in accordance with regulation 17A(2) of the *Local Government (Financial Management) Regulations* which requires property, plant and equipment to be shown at fair value.

AASB 13 defines "fair value" 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". Fair value for infrastructure (other than buildings) is essentially the current replacement value of an asset, taking into account factors such as age and condition.

Undertaking this calculation in-house every three years requires a significant effort from the asset team. The trade-off for this however is that each cycle builds more in-house expertise and improves the City's overall knowledge of the quantity and value of the infrastructure to be managed.

#### 1.2 City Construction Program

The City is actively catering for the demand for growth with larger projects such as the Busselton foreshore, airport, waste site, traffic study implementation as well as upgrades to smaller coastal recreation nodes, narrow seal rural roads etc. All of these activities will improve the condition of these areas and will also add to the value of the assets to be managed into the future. The ongoing management of these assets includes maintenance as well as renewal planning.

#### 1.3 Donated Assets

The growth of the City also generates an annual amount of donated assets which are constructed by property developers and handed to the City to manage after a set maintenance period. These donated assets include Public Open Space (POS) and associated assets, roads, stormwater drainage, footpaths and cycleways. Once they are donated to the City, they are included in the relevant asset registers to form part of calculations for ongoing maintenance and renewal planning.

#### 1.4 Implications of This Growth

As a general rule, as the value of the asset portfolio increases, so does the funding required to maintain it at an acceptable standard. What this means in terms of actual cost and an annual impact on the Councils bottom-line is complex, requiring the consideration of many variables for each asset class. This includes life of the asset and its components, complexity of components, required appearance, intended functionality etc. Adopting a principle targeting the impacts of growth is essential to ensure these impacts can be fully understood, communicated to the Council and planned for.

An example of the immediate impact of growth occurs in POS and associated assets. POS areas contain many components that require maintenance and management from the time they are constructed. Within the overall increase in value of \$36M (incorporating all of the factors detailed above) is an increase in maintainable areas such as gardens, turf, playgrounds and bushlands (natural areas).

The actual impact of this in terms of resourcing and budget expenditure is currently being compiled and will be presented to the Council as a separate, more detailed item. Preliminary work undertaken however, indicates that this increase in maintainable areas for POS has increased by in excess of 52 hectares (520,000 m2) between 2013 and 2019. Targeting the impacts of growth as a policy principle ensures the Council is kept informed of the true cost of operating and maintaining new assets such as POS.

#### 2. Lifecycle Management of Assets

In order to understand and quantify the bottom-line impact of growth, it is necessary to first understand the lifecycle management requirements for each asset class. Lifecycle management of infrastructure involves many activities throughout its life including planning, design, construction, acquisition, operation, maintenance, renewal and disposal costs.

Initial asset management plans undertaken have focussed on the renewal portion of the lifecycle in determining the funds required to replace the asset at the end of its life. Improved asset management knowledge has highlighted the need for a more comprehensive approach within asset planning activities. This would address maintenance related works also, and in particular, preventative maintenance activities.

Preventative (or scheduled) work involves pre-planned activities designed to avoid wear and tear, more expensive structural issues in the future and reduce mobilisation costs through undertaking works in a structured manner. Other maintenance is defined as corrective (or reactive) work; that is tasks undertaken in response to an event or general wear and tear of the elements. This includes work such as storm damage clean-up, pothole repair and removal of drain blockages.

Renewal work is required either when corrective and /or preventive works have not been undertaken when required, are ineffective or the element has simply reached the end of its useful life. This end of useful life can be triggered by either very poor condition or increased demand (i.e. size and amount of traffic) that the asset is no longer able to meet.

All elements of the lifecycle are linked, and therefore must be considered together when determining the financial requirements for infrastructure. Levels of preventive and corrective maintenance undertaken can have a bearing on required renewal (i.e. may cause it to be undertaken sooner if not adequate) and conversely, timing of renewals can impact maintenance and operating costs if assets remain in a poor condition for too long.

Taking a broader view of asset management to include more of the lifecycle activities also highlights items that are sometimes overlooked as part of renewal planning. An example of this occurs for assets located within a road reserve. Table 2 provides an overview of all of the maintainable elements located within road reserves throughout the City. This information has been compiled as part of a criticality analysis and includes both urban and rural road reserves and illustrates all the possible road reserve elements. For the purpose of this exercise, car parks have been included as road reserve assets.

**Table 2 Maintainable Road Elements** 

No.	Maintainable Element	No.	Maintainable Element
1	Barriers	19	Pedestrian Hoops
2	Batter / Roadside	20	Pram Ramps
3	Bridges	21	Rain Gardens
4	Bus Shelters	22	Road Reflectors
5	Culverts	23	Road Shoulder
6	Drainage Outlets	24	Road Surface - Unsealed
7	Drainage Swales	25	Roundabouts
8	Fencing	26	Roundabouts - Gardens
9	Footpath - Asphalt	27	Seal
10	Footpath - Concrete	28	Signs
11	Footpath - Paving	29	Stormwater Pipes
12	Gross Pollutant Traps	30	Stormwater Pits
13	Guide Posts	31	Street Lights
14	Kerbs	32	Street Trees
15	Line Marking	33	Table Drains
16	Medians - Gardens	34	Tactile Pavers
17	Medians Concrete	35	Traffic Management Devices - Other
18	Parking		

The table lists 35 possible elements located within a road reserve dependant on the location of the road. The road surface is generally considered the main component to be maintained within the reserve, however there are many elements over and above the road surface that require inspection, maintenance and renewal.

Improved organisational understanding of lifecycle management activities will facilitate a broader view of asset management considering all maintainable elements, such as those outlined in table 2. This will include implementation of preventive maintenance plans as part of ongoing asset management planning.

# 3. Community Expectations and Setting of Service Standards

Initial asset management planning undertaken has been based around industry best practice and staff knowledge and experience when determining parameters for asset maintenance and renewal. This is a sound methodology which can deliver effective outcomes, however would benefit from improved knowledge of community expectations.

Community engagement should be undertaken in order to fully understand what the community values, and in turn what they are prepared to pay for. Community engagement provides guidance on standards for operating, maintenance and renewal activities to determine asset appearance, functionality and performance.

This principle can be addressed by quantifying community expectations through the development of service standards which can be costed, tested for affordability and discussed with the community. These discussions can also inform the community on how the city plans to balance the required renewal against the need for new and upgraded assets.

# 4. Ongoing Improvement of the City's Asset Management Capability

Asset Management Capability is defined as the combined concepts of the capacity and ability of a system to meet a specified objective in all its aspects. This includes all the assets and associated personnel, resources and services which are required to meet the objective (i.e. required service standards for infrastructure). A system relies on all its elements to work effectively together, so if one is missing or insufficient, it can affect the whole system.

In order to meet statutory obligations and reporting requirements the City must implement systems and practices enabling effective storage, sharing and evaluation of asset data, knowledge and information.

The capability is all the elements required to be in place to ensure that the City can undertake effective asset management. Adopting a capability-based principle acknowledges the importance of a strong foundation for asset management.

Asset staff are currently improving the building asset management capability through improvements to the collection of as-constructed information for buildings. A standardised specification is now in place for all new building projects to ensure the City receives as-constructed information in a format consistent with current data management practices. The aim of this standardisation is to transfer the data received straight into the asset register, as opposed to having to first reconfigure it to make it fit. This reconfiguration takes time and creates unnecessary double-handling of information — which in turn leads to increased cost of managing the assets. It is envisaged that the time saved by this initiative will lead to improvements for capability for condition assessment, long-term renewal planning and preventative maintenance planning.

The proposed principle will give priority to capability improvements across all infrastructure assets and the required asset management systems and practices.

# 5. Maintaining Asset with Minimal Backlog of Maintenance and Renewal Works

Consideration should be given to existing assets for their operation, maintenance and renewal in conjunction with provision of new assets. This is to ensure a balance between expenditure on new and upgraded assets and required renewal expenditure on existing assets. This approach will assist in the long-term stainability of the City's infrastructure assets.

The principle aims to ensure that all infrastructure assets are maintained adequately and passed on to future generations in a good condition (i.e. no major backlog of maintenance or renewal works). The focus of this principle is the ongoing 'like for like' maintenance and renewal of an asset and its components. Items such as replacement, expansion or major upgrade are considered separate to the normal 'like for like' renewal incumbent on the current users of the assets.

Replacement, expansion or major upgrade of assets should be subject to separate discussions with the community at the time the works are planned, to agree on the best course of action. An example of this differentiation in practice is outlined below within the building funding methodology.

# 5.1 Building Funding Methodology

In 2018 asset staff undertook a modelling exercise for the purpose of allocating renewal funds for buildings into Reserve Accounts. The purpose of this being to fund major and minor renewal works, such as replacement of components and larger-scale maintenance that require a capital budget allocation.

The methodology allocates an annual percentage of the replacement value of buildings into reserves based on building criticality (Service Level Hierarchy), replacement value and apportioning a percentage of replacement value annually into a reserve account.

The percentage to be allocated is based on the Buildings Asset Management Plan (2013) which recommended a minimum benchmark for yearly renewal expenditure for buildings at 1.5% p.a. of the replacement cost of the building. This figure was obtained from IPWEA (Institute of Public Works Engineers Australia) and undertaken by TEFMA (Tertiary Education Facilities Management Association). Modelling activities undertaken since 2013 by the asset management team have pointed to between 1.5% and 2.5% p.a. being an appropriate minimum range to cater for different types and criticality of buildings. In terms of the maximum percentage to be applied, High criticality (SLH 1) buildings are capped at 4% and all other buildings are capped at 2.5%. The percentage currently allocated for the 2019/20 financial year is 1.75%.

The annual increments to be applied between the minimum and the capped percentage, and the annual funds this will generate, are tested for affordability with the LTFP. This ensures that it is affordable within the context of all other competing organisational priorities.

The ultimate intention of the funding plan is to maintain these buildings at an acceptable standard until such time as they require replacement, refurbishment or significant upgrade. The reserve may have a balance of funds at this point (i.e. from holding off certain works due just before these major works) to contribute, however, first and foremost, the funds should be used as the buildings age in order to maintain them at the required standard.

Buildings as a whole will generally have an anticipated useful life of around fifty years, however buildings have many and varied components with a range of useful lives from ten years to fifty years. On this basis, maintenance and renewal expenditure for buildings is required to be available from the time it's constructed to ensure it can be adequately maintained. Below is an example of how building annual maintenance and renewal requirements differ from the longer term requirement of eventual building replacement.

The like for like replacement of the City's Administration Building in 50 years' time would cost an estimated \$52.7M (based on base cost of \$20M plus 2% p.a. Building Cost Indexation). In basic terms this equates to an annual amount of \$1.05M required to be saved over the fifty years in order to fund the replacement. This would be in addition to the annual amount required to be spent on maintenance and renewal of components, currently allocated through the methodology.

If the eventual like for like replacement of the Administration Building in 50 years' time was required to be contributed towards within the current LTFP, it could mean another \$10.5M being allocated to the Administration Building reserve over the next ten years if the above example was to be followed. This is not the intention of the methodology as it would not be affordable within the current LTFP.

Below is a snapshot of the items that the methodology is intended to cover in the short-medium term for the Administration Building. This list assumes that all required servicing and minor maintenance activities will be undertaken as required, if they are not, then some additional items may be replaced within this timeframe also.

- External components subject to the elements such as external wall finishes, windows and doors.
- Internal components subject to wear and tear such as stairs, cabinet work, door hardware, internal wall finishes, floor finishes, ceiling finishes, window treatments, operable walls and pin boards etc.
- Components relating to service items such as lifts, heating, ventilation and air-conditioning, plumbing, hydraulic and electrical services (including emergency lighting and security systems).
- Feature elements of the building such as feature timber, feature lighting, internal glazing and Solar Panels and associated components.
- Renewal of spaces such as toilets, change rooms, meeting rooms, common areas and kitchens, particularly in areas which are open to both the public and also City staff (reception, Undalup Room and Council Chambers).

To further illustrate this, Rawlinson's Australian Construction Handbook estimates that items such as those outlined above (fittings, finishes, fitments and services) equate to around 45% of the buildings total value, based on elemental costs of administration office buildings. This provides some context around the likely cost of maintaining the Administration Building in the short–medium term if some or all of these elements require major maintenance and renewal over this period.

Whilst the methodology does consider each generations required contributions to these buildings, it is also very mindful of the importance of avoiding situations such as the narrow seal country roads. The narrow seal country roads program is currently dealing with a backlog of renewal as a result of works undertaken in the late sixties without a structured renewal program attached. Had a funding and renewal methodology been implemented at the time of construction, the current backlog of renewal works could have largely been avoided.

How the actual expenditure tracks against what has been predicted, should be monitored and annual allocations adjusted if necessary. This should be a living process that is reviewed and updated to inform each iteration of the Long Term Financial Plan.

#### 5.2 Research Undertaken

Research undertaken of other regional local governments in Western Australia (Albany, Bunbury and Mandurah) highlighted that there is not a standard approach being used to predict future renewal requirements for buildings. Each Council had a slightly different method based on the best available asset data and their capacity to fund. The research also indicated that all were undertaking this at a high level as opposed to detailed asset information for each and every building. The City's building funding methodology follows a similar high level approach, but is taking it a step further by placing funds into reserves, to be used as the buildings age.

#### **Asset Management Policy Principles**

Based on the points noted above, the following principles are proposed to be included in an update of the Asset Management Policy. These principles outline the City's approach to asset management and provide staff with an understanding of Council expectations for the development of strategies and plans. The policy defines what the Council considers important with respect to Asset Management.

The proposed policy principles are as follows:

- Assets are to be acquired, maintained and renewed to adequately meet present-day community expectations and pass to future generations with minimal backlog of maintenance and renewal works.
- Community expectations will be quantified through the implementation of service standards informed by asset lifecycle costing and incorporated into the asset management and Long Term Financial Plans.
- Decisions on implementation of new assets, major upgrades or acceptance of donated assets is to be informed by lifecycle costing analysis to determine the true cost of operating and maintaining the asset.
- Ensure that the City has the Asset Management capability to meet statutory obligations and reporting requirements through the implementation of systems and practices enabling effective storage, sharing and evaluation of asset data, knowledge and information.

The desired outcomes and actions required to implement these principles are to be further expanded upon within the Asset Management Strategy. This will then provide guidance in the day to day asset management as well as with the development of asset management plans.

The principles cover the main asset management priorities at the City of Busselton, which are maintaining the existing portfolio, understanding, quantifying and implementing community expectations, catering for the financial and operational impacts of new and upgraded assets and understanding key asset management capabilities required for effective asset management.

# **Statutory Environment**

The officer recommendation supports the general function of a local government under the *Local Government Act 1995* to provide for the good government of persons in its district.

# **Relevant Plans and Policies**

The proposed principles will be incorporated into a revised Asset Management Policy, to be presented to Council through the Policy and Legislation Committee.

# **Financial Implications**

There are no direct financial implications associated with officer recommendation.

# **Stakeholder Consultation**

No external stakeholder consultation was required or undertaken in relation to this matter.

#### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

# **Options**

As an alternative to the proposed recommendation the Council could identify alternative policy principles to underpin asset management priorities for the City.

#### **CONCLUSION**

This update provides an overview of the City's current asset management priorities, how they can be addressed through policy principles and gives an example of how the principles can be put into practice. The formal adoption of an updated Asset Management Policy will provide guidance for the finalisation of the review and update of the overall asset management plan.

# TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

If the Council is in agreement with the proposed policy principles, an updated Asset Management Policy will be presented for adoption through the Policy and Legislation Committee as soon as practicable.

# 12.5 <u>Finance Committee - 17/10/2019 - MICROSOFT LICENCE AGREEMENT RENEWAL</u>

**STRATEGIC GOAL** 6. LEADERSHIP Visionary, collaborative, accountable

**STRATEGIC OBJECTIVE** 6.1 Governance systems, process and practices are responsible,

ethical and transparent.

SUBJECT INDEX Licencing

**BUSINESS UNIT:** Information Services

**REPORTING OFFICER:** Manager Information Services - Kris Davis

**AUTHORISING OFFICER:** Director Finance and Corporate Services - Tony Nottle

PRIMARY NATURE OF Executive: substantial direction setting, including adopting strategies,

plans and policies (excluding local planning policies), tenders, setting and amending budgets, funding, donations and sponsorships,

reviewing committee recommendations

**VOTING REQUIREMENT:** Simple Majority

ATTACHMENTS: Nil

This item was considered by the Finance Committee at its meeting on 17 October 2019, the recommendations from which have been included in this report.

#### COUNCIL DECISION AND COMMITTEE RECOMMENDATION

C1911/222 Moved Councillor J Barrett-Lennard, seconded Deputy Mayor K Hick

#### That the Council:

- Accepts Data #3 Ltd Microsoft Enterprise Agreement Renewal (Contract) totaling \$265,749
  (excluding GST) annualised over a three (3) year term. The total procurement is estimated
  to be \$797,248 (excluding GST).
- 2. Authorise the Chief Executive Officer (CEO) to enter on behalf of the City into the Contract outlined in paragraph (2) above.

CARRIED 9/0

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#### **EXECUTIVE SUMMARY**

The City of Busselton (City) wishes to procure the renewal and 'true-up' of the City's existing Microsoft Enterprise Agreement and Volume Licensing Program (Contract) that is expiring 31 October 2019.

The projected total value of the Contract equals \$797,248 (excluding GST) over three (3) years. The outputs of the Contract will allow the perpetual and continued use of Microsoft software, device and cloud products as a core element of the City's Information and Communication Technology (ICT) infrastructure, business systems environment and delivery of services.

The recommendation of this Report is to award the Contract to Data #3 Ltd (WALGA approved Microsoft Licensing Partner and Reseller and 'Whole of Australian Government Microsoft Licensing Solutions Provider').

## **BACKGROUND**

The City uses a range Microsoft software products for technology and application services. The City is therefore obliged to correctly license these software products to meet the Terms of Use. The Microsoft Enterprise Agreement and Volume Licencing Program is a 3-year licencing and subscription arrangement. The three-year agreement allows the City to forecast costs and the option to pay in three instalments instead of an upfront payment.

The program offers significant savings compared to the other lower volume licensing programs and allows the City flexibility to buy cloud services and additional software licenses under a single agreement.

#### **OFFICER COMMENT**

Microsoft's business model requires Government organisations to engage through a Licensing Partner (Reseller) to procure and maintain product licensing. Data #3 Ltd holds the 'Whole of Australian Government Microsoft Licensing Solutions Provider' contract and WA State Government CUA and has intimate knowledge of the City licensing setup and requirements. Data #3 Ltd therefore provides the best value proposition to be the sole reseller of Microsoft Product Licenses in accordance with the City's requirements.

Officers, in consultation with the Microsoft Account Manager and Data #3 Ltd licencing specialist, reviewed the City's licensing requirements for the 'true-up' (i.e. to allow for increases and decreases in subscription counts of hardware devices and user licences) and renewal of the Enterprise Agreement for the next three-year term, due to start 1 November 2019.

# **Statutory Environment**

The Local Government (Functions and General) Regulations 1996 (WA) (Regulations) and the City's Purchasing Policy 239 (Purchasing Policy) provide the statutory procurement framework. In terms of Regulation 11(1) of the Regulations, unless an exemption applies, tenders are to be publicly invited before a local government enters into a contract for another person to supply goods or services if the consideration under the contact is, or is expected to be, more, or worth more, than \$150,000.

Regulation 11(2)(b) stipulates that tenders do not have to be publicly invited if the supply of the goods or services is to be obtained through the WALGA Preferred Supplier Program. Data #3 Ltd is a preferred supplier of WALGA for Microsoft licencing solutions including the Microsoft Enterprise Agreement Program and who manages all the business transactions for all license purchases. Therefore, should the City wish to procure the Microsoft Enterprise Agreement, it would be exempt from inviting tenders as that service will be obtained through the WALGA Preferred Supplier Program.

In terms of Section 5.27 of the City's Purchasing Policy the City can make purchases from WALGA preferred suppliers for amounts over \$150,000 in reliance on the exemption to the requirement for a public tender, provided that three quotes must be sought. However Section 5.27 is subject in all cases to sections 5.14 and 5.15 of the Purchasing Policy.

Section 5.14 of the Purchasing Policy recognises that from time to time there will be circumstances where it is not appropriate or not reasonably practicable to adhere to the requirements to obtain quotations as set out in the Purchasing Policy. Section 5.15 specifies that, under such circumstances, the Chief Executive Officer (or such other employee of the City to whom such power has been delegated) may waive the requirements to obtain quotations as set out in the Purchasing Policy.

Given there are no other suppliers who could provide the required service, it is in this instance not reasonably practicable to adhere to the requirement under Section 5.27 of the Purchasing Policy to obtain at least three quotes. Therefore pursuant to Section 5.15 of that policy it is considered appropriate for the CEO to waive the requirement to obtain further quotations.

In terms of Section 9.49B of the *Local Government Act 1995 (WA)* (Act) a person acting under the authority of a local government may make, vary or discharge a contract in the name of or on behalf of the local government in the same manner as if that contract was made, varied or discharged by a natural person. Section 5.43(b) of the Act requires City to determine the amount which the CEO's purchasing authority must not exceed. Currently, under Delegation LG3J, the CEO is authorised to enter into contracts and accept of tenders where the contract value does not exceed \$500,000.

The estimated contract value for the proposed Contract renewal is \$797,248, therefore the CEO requires the power and authority to procure the renewal of the Microsoft Enterprise Agreement and Microsoft Volume Licensing Program in which the City will engage Data #3 Ltd as the sole Microsoft Reseller.

# **Relevant Plans and Policies**

There are no relevant plans or policies to consider in relation to this matter.

# **Financial Implications**

There is currently no requirement for the City to review or consider alternative software and cloud products which underpins ICT infrastructure and information technology services.

The structure of the Enterprise Agreement consists of (1) an Enterprise Enrolment, and (2) Server and Cloud Enrolment. The Enterprise Agreement is a three-year agreement in which the City has the option to make three annual payments instead of one single payment upfront.

The total value of the Contract for the renewal over three year term is estimated to be \$797,248 (excluding GST). The annual payments are extrapolated in the table below.

Year	Financial year	Amount Excl. GST	Notes
Year 1	2019 -2020	\$ 265,749	Data#3, Quotation
Year 2	2020-2021	\$ 265,749	Estimate, subject to true-up
Year 3	2021-2022	\$ 265,749	Estimate, subject to true-up
Total		\$ 797,248	Estimate

The Contract is funded from the Information Technology Services operational budget for Computer Licencing (Account String 220-10250-3291-0000) and is within planned parameters.

# **Stakeholder Consultation**

No external stakeholder consultation was required or undertaken in relation to this matter

# **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place.

The City is obliged to correctly license software applications used by the organisation to meet the terms of use for these products. Data #3 Ltd provides technical expertise in volume licencing to mitigate risks that may lead to financial loss or have a negative impact on the City's reputation.

#### **Options**

As an alternative to the proposed recommendation the Council could consider to not use the Microsoft range of products, but this is not a practicable solution for the operation of the City.

#### **CONCLUSION**

It is recommended that Council approve Data #3 Ltd to renew the Microsoft Enterprise Agreement for software and cloud services licences and subscriptions. The recommendation is based on 'whole of business' outcome for the provision of ICT services in accordance with corporate objectives and the application of procurement rules as determined in the City's purchasing policy.

#### TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The Contract between City and Data #3 Ltd and Microsoft will be executed as soon as practicable following the approval and adoption of the recommendation of this Report i.e. the new Microsoft contract will officially commence on 1 November 2019 for a term of three years.

Contract documentation will be prepared and forwarded to Data #3 Ltd for execution. City staff will work with Data #3 Ltd to ensure all relevant documentation required by Microsoft is completed and submitted with time for processing by both Data #3 Ltd and Microsoft.

# 17. COUNCILLORS INFORMATION BULLETIN

# 17.1 COUNCILLORS' INFORMATION BULLETIN

**STRATEGIC GOAL** 6. LEADERSHIP Visionary, collaborative, accountable

**STRATEGIC OBJECTIVE** 6.1 Governance systems, process and practices are responsible,

ethical and transparent.

SUBJECT INDEX Governance Services
BUSINESS UNIT Executive Services

**REPORTING OFFICER** Reporting Officers - Various

**AUTHORISING OFFICER** Chief Executive Officer - Mike Archer

**NATURE OF DECISION** Noting: the item does not require a decision of Council and is simply

for information purposes and noting

**VOTING REQUIREMENT** Simple Majority

ATTACHMENTS Attachment A Current Running SAT Reviews 1

#### **COUNCIL DECISION AND OFFICER RECOMMENDATION**

C1911/223 Moved Councillor J Barrett-Lennard, seconded Deputy Mayor K Hick

That the items from the Councillors' Information Bulletin be noted:

- 17.1.1 State Administrative Tribunal Reviews
- 17.1.2 Recent Correspondence

**CARRIED 9/0** 

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#### **EXECUTIVE SUMMARY**

This report provides an overview of a range of information that is considered appropriate to be formally presented to the Council for its receipt and noting. The information is provided in order to ensure that each Councillor, and the Council, is being kept fully informed, while also acknowledging that these are matters that will be of interest to the community.

Any matter that is raised in this report as a result of incoming correspondence is to be dealt with as normal business correspondence, but is presented in this bulletin for the information of the Council and the community.

# **INFORMATION BULLETIN**

# 17.1.1 State Administrative Tribunal Reviews

Information is provided in Attachment A.

# 17.1.2 Recent Correspondence

Nil

CITY OF BUSSELTON			4			ACTION AS PER SAT ORDERS	CLOSED
	22 Bussell hway, sselton	October 2019	Review of a decision to give a direction under s.214.	Martyn Cavanagh / Lee Reddell	Directions hearing on the 8 November 2019 against the decision of the City to give a direction under s.214.	Directions Hearing 8 November 2019	
OINT DEVELOPMENT	ASSESSMENT	PANEL					
NIL							
WESTERN AUSTRALIAI							

#### ADOPTION BY EXCEPTION RESOLUTION ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

At this juncture, the Mayor sought and Council agreed that the remaining reports, all of which require an absolute majority of Council, including the Committee and Officer Recommendations, will be adopted en bloc, i.e. all together.

#### **COUNCIL DECISION**

C1911/224 Moved Councillor P Cronin, seconded Councillor S Riccelli

That the Committee Recommendations in relation to the Agenda Items 12.2, 12.3 and 12.6 and the Officer Recommendation in relation to the Agenda Item 13.1 be carried en bloc:

- 12.2 Finance Committee 17/10/2019 BUDGET AMENDMENT REQUEST / REVIEW ACCOUNTING FOR NEW LEASING STANDARD
- 12.3 Finance Committee 17/10/2019 BUDGET AMENDMENT REQUEST / REVIEW BRIDGE RESURFACING
- 12.6 Finance Committee 17/10/2019 BUDGET AMENDMENT REQUEST / REVIEW AIRPORT DEVELOPMENT
- 13.1 Finance Committee 17/10/2019 BUDGET AMENDMENT REQUEST / REVIEW MEELUP REGIONAL PARK COMMITTEE APPOINTMENT OF COMMUNITY MEMBERS

**CARRIED 9/0** 

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BY ABSOLUTE MAJORITY

# 12.2 <u>Finance Committee – 17/10/2019 – BUDGET AMENDMENT REQUEST / REVIEW -</u> ACCOUNTING FOR NEW LEASING STANDARD

**STRATEGIC GOAL** 6. LEADERSHIP Visionary, collaborative, accountable

**STRATEGIC OBJECTIVE** 6.1 Governance systems, process and practices are responsible,

ethical and transparent.

SUBJECT INDEX Budget Planning and Reporting

**BUSINESS UNIT** Financial Services

**REPORTING OFFICER** Manager Financial Services - Paul Sheridan

**AUTHORISING OFFICER** Director Finance and Corporate Services - Tony Nottle

**NATURE OF DECISION** Executive: substantial direction setting, including adopting strategies,

plans and policies (excluding local planning policies), tenders, setting and amending budgets, funding, donations and sponsorships,

reviewing committee recommendations

VOTING REQUIREMENT Absolute Majority

ATTACHMENTS Nil

This item was considered by the Finance Committee at its meeting on 17 October 2019, the recommendations from which are included in this report.

#### **COUNCIL DECISION AND COMMITTEE RECOMMENDATION**

C1911/225 Moved Councillor P Cronin, seconded Councillor S Riccelli

That the Council endorse the requested budget amendment outlined in Table 1 below resulting in no change to the budgeted cash position:

Table 1:

Cost Code	Description	Current Budget	Change	Resulting Proposed Amended Budget
Expenditure				
336.10591.3381.0000	Lease of Equipment (GLC)	\$0	Increase by \$82,480	\$82,480
220.10250.3381.0000	Lease of Equipment (IT)	\$0	Increase by \$676,820	\$676,820
Liability				
9000.8050	Lease Liability Account	\$0	Increase by -\$759,300	-\$759,300
	Net Total	\$0	\$0	\$0

**CARRIED 9/0** 

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BY ABSOLUTE MAJORITY

# **EXECUTIVE SUMMARY**

This report seeks recommendation of the Finance Committee to Council for the approval of a budget amendment as detailed in this report. Adoption of the officer recommendation will result in no change to the City's current amended budgeted position of \$0.

#### **BACKGROUND**

Council adopted its 2019/2020 municipal budget on Wednesday 31 July 2019 with a balanced budget position. Since this time, Council has been advised of certain expense changes that have impacted the original budget and the Finance Committee is now being asked to recommend to Council a budget amendment for the following item:

 Adjustment of budget items initially included in the original budget to account for the adoption of new accounting standard AASB 16 – Lease Accounting.

# **OFFICER COMMENT**

This budget amendment seeks to amend the existing budget entries catering for the adoption of the new lease accounting standard AASB 16 – Lease Accounting, by including a lease expenditure line item and increasing an existing liability line item.

The effect of the initial budget in relation to this was an increase in Right of Use Assets and a decrease in cash.

Subsequent to the proposed amendment, the impact is to leave the Right of Use Asset item intact, include a Lease Expense line in the Statement of Comprehensive Income, increase the Lease Liability line in the Statement of Financial Position, and leave the original reduction in Cash at bank the same, hence no effect on the budgeted cash position.

# **Planned Expenditure Item**

Officers propose that the 2019/2020 adopted budget be amended to reflect the following funding changes, shown in Table 1.

Table 1:

Cost Code	Description	Current Budget	Change	Resulting Proposed Amended Budget
Expenditure				
336.10591.3381.0000	Lease of Equipment (GLC)	\$0	Increase by \$82,480	\$82,480
220.10250.3381.0000	Lease of Equipment (IT)	\$0	Increase by \$676,820	\$676,820
Liability				
9000.8050	Lease Liability Account	\$0	Increase by -\$759,300	-\$759,300
	Net Total	\$0	\$0	\$0

# **Statutory Environment**

Section 6.8 of the *Local Government Act 1995* refers to expenditure from the municipal fund that is not included in the annual budget. In the context of this report, where no budget allocation exists, expenditure is not to be incurred until such time as it is authorised in advance, by an absolute majority decision of the Council.

# **Relevant Plans and Policies**

Practical adoption of new accounting standard AASB 16, effect from 1 July 2019.

# **Financial Implications**

The financial implications of this recommendation are contained within the report.

# **Stakeholder Consultation**

The City's auditors were consulted during their most recent on-site engagement, whereby they confirmed that provided the year end statutory treatment complied with the new standard, the City's practical month to month accounting practice can remain as is, in the interests of facilitating more transparent reporting of the net cash position.

#### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place.

There is a risk to the City, as there is with all projects undertaken that the final cost could exceed budget. If this looks to be the case Council will be notified so a suitable offset / project scope back can be identified.

# **Options**

The Council could decide not to go ahead with the proposed budget amendment request.

#### **CONCLUSION**

Council's approval is sought to amend the budget as per the details contained in this report. Upon approval the proposed works will be planned, organised and completed.

# TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Should the officer recommendation be endorsed, the associated budget amendment will be processed within a month of being approved.

# 12.3 <u>Finance Committee - 17/10/2019 - BUDGET AMENDMENT REQUEST / REVIEW - BRIDGE</u> RESURFACING

**STRATEGIC GOAL** 6. LEADERSHIP Visionary, collaborative, accountable

**STRATEGIC OBJECTIVE** 6.1 Governance systems, process and practices are responsible,

ethical and transparent.

**SUBJECT INDEX** Budget Planning and Reporting

**BUSINESS UNIT** Financial Services

**REPORTING OFFICER** Manager Financial Services - Paul Sheridan

**AUTHORISING OFFICER** Director Finance and Corporate Services - Tony Nottle

**NATURE OF DECISION** Executive: substantial direction setting, including adopting strategies,

plans and policies (excluding local planning policies), tenders, setting and amending budgets, funding, donations and sponsorships,

reviewing committee recommendations

**VOTING REQUIREMENT** Absolute Majority

ATTACHMENTS Nil

This item was considered by the Finance Committee at its meeting on 17 October 2019, the recommendations from which have been included in this report.

# **COUNCIL DECISION AND COMMITTEE RECOMMENDATION**

C1911/226 Moved Councillor P Cronin, seconded Councillor S Riccelli

That the Council endorse the requested budget amendment outlined in Table 1 below resulting in no change to the budgeted cash position:

Table 1:

Cost Code	Description	Current Budget	Change	Resulting Proposed Amended Budget
Expenditure				
541.W0084.3280.0000	Contractors – Vasse Yallingup Siding Road	\$0	Increase by \$13,978	\$13,978
Revenue				
541.W0084.1280.0000	Reimbursement Other (Water Corporation)	\$0	Increase by -\$13,978	-\$13,978
	Net Total	\$0	\$0	\$0

CARRIED 9/0

**EN BLOC** 

BY ABSOLUTE MAJORITY

#### **EXECUTIVE SUMMARY**

This report seeks recommendation of the Finance Committee to Council for the approval of budget amendments as detailed in this report. Adoption of the officer recommendation will result in no change to the City's current amended budgeted position of \$0.

#### **BACKGROUND**

Council adopted its 2019/2020 municipal budget on Wednesday 31 July 2019 with a balanced budget position. Since this time, Council has been advised of certain expense changes that have impacted the original budget. The Finance Committee is now being asked to consider recommending to Council a budget amendment for the following item:

• Addition of a bridge resurfacing capital project onto the 2019/2020 budget.

# **OFFICER COMMENT**

Approximately two years ago the Water Corporation replaced bridge 3370A on the Vasse Yallingup Siding Road where the surface (concrete) was given its initial asphalt prima-seal. A second coat seal is now required to complete the resurfacing of the bridge. The Water Corporation has requested that the City arrange these final works to be completed in the warmer months of the year, packaged together with other similar types of works. The estimated cost to complete these works is \$13,978. To this end, the Water Corporation will provide the City with a reimbursement to this value. This amendment seeks to bring this arrangement onto the 2019/2020 budget.

# **Planned Expenditure Item**

Officers propose that the 2019/2020 adopted budget be amended to reflect the following funding changes, shown in Table 1.

Table 1:

Cost Code	Description	Current Budget	Change	Resulting Proposed Amended Budget
Expenditure				
541.W0084.3280.0000	Contractors – Vasse Yallingup Siding Road	\$0	Increase by \$13,978	\$13,978
Revenue				
541.W0084.1280.0000	Reimbursement Other (Water Corporation)	\$0	Increase by -\$13,978	-\$13,978
	Net Total	\$0	\$0	\$0

# **Statutory Environment**

Section 6.8 of the *Local Government Act 1995* refers to expenditure from the municipal fund that is not included in the annual budget. In the context of this report, where no budget allocation exists, expenditure is not to be incurred until such time as it is authorised in advance, by an absolute majority decision of the Council.

# **Relevant Plans and Policies**

There are multiple plans and policies that support the proposed budget amendments.

# **Financial Implications**

The financial implications of this recommendation are contained within the report.

# **Stakeholder Consultation**

No external stakeholder consultation was required or undertaken in relation to this matter.

# **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place.

There is a risk to the City, as there is with all projects undertaken, that the final cost could exceed budget. If this looks to be the case, Council will be notified so a suitable offset / project scope back can be identified.

# **Options**

The Council could decide not to go ahead with the proposed budget amendment request.

# **CONCLUSION**

Council's approval is sought to amend the budget as per the details contained in this report. Upon approval the proposed works will be planned, organised and completed.

#### TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Should the officer recommendation be endorsed, the associated budget amendment will be processed within a month of being approved.

# 12.6 <u>Finance Committee - 17/10/2019 - BUDGET AMENDMENT REQUEST / REVIEW - AIRPORT DEVELOPMENT</u>

**STRATEGIC GOAL** 6. LEADERSHIP Visionary, collaborative, accountable

**STRATEGIC OBJECTIVE** 6.1 Governance systems, process and practices are responsible,

ethical and transparent.

SUBJECT INDEX Budget Planning and Reporting

**BUSINESS UNIT** Financial Services

**REPORTING OFFICER** Manager Financial Services - Paul Sheridan

**AUTHORISING OFFICER** Director Finance and Corporate Services - Tony Nottle

**NATURE OF DECISION** Executive: substantial direction setting, including adopting strategies,

plans and policies (excluding local planning policies), tenders, setting and amending budgets, funding, donations and sponsorships,

reviewing committee recommendations

VOTING REQUIREMENT Absolute Majority

ATTACHMENTS Nil

This item was considered by the Finance Committee at its meeting on 17 October 2019, the recommendations from which have been included in this report.

# **COUNCIL DECISION AND COMMITTEE RECOMMENDATION**

C1911/227 Moved Councillor P Cronin, seconded Councillor S Riccelli

That the Council endorse the requested budget amendment outlined in Tables 1 below resulting in no change to the budgeted cash position:

Table 1:

Cost Code	Description	Current Budget	Change	Resulting Proposed Amended Budget
Expenditure				
345.B9716.3280.0000	Contractors – Airport Terminal Stage 2	\$12,500,000	Decrease by -\$12,308,532	\$191,468
345.B9717.3280.0000	Contractors – Airport Construction, Existing Terminal Upgrade	\$500,000	Increase by \$4,048,532	\$4,548,532
Revenue				
345.C6099.1215.0000	Airport Development Capital Grants (State)	-\$9,500,000	Decrease by \$9,500,000	\$0
345.C6099.1215.0000	Airport Development Capital Grants (State – Additional RFR)	\$0	Increase by -\$1,740,000	-\$1,740,000
345.C6099.1221.0000	Airport Development Capital Grants (Federal)	-\$977,978	Decrease by \$500,000	-\$477,978
	Net Total	\$2,522,022	\$0	\$2,522,022

CARRIED 9/0

**EN BLOC** 

BY ABSOLUTE MAJORITY

#### **EXECUTIVE SUMMARY**

This report seeks recommendation of the Finance Committee to Council for the approval of budget amendments as detailed in this report. Adoption of the officer recommendation will result in no change to the City's current amended budgeted cash position of \$0.

#### **BACKGROUND**

Council adopted its 2019/2020 municipal budget on Wednesday 31 July 2019 with a balanced budget position. Since this time, Council has been advised of changes to the timing and contractual arrangements regarding the Airport Development project that have impacted the original budget. The Finance Committee is now being asked to consider recommending to Council a budget amendment for this.

#### **OFFICER COMMENT**

Through ongoing discussions with the State Government, the City was formally notified that funding would not be released to construct the new terminal. As such, cost estimates were sought for the required upgrade works to the existing terminal, incorporating a separate arrivals hall, in order to facilitate Regular Public Transport (RPT) Services. As part of these discussions, the State Government advised that an additional \$1,740,000 would be made available to facilitate this, in addition to the release of \$1,525,000 in existing Royalties for Regions funding currently held in the Western Australian Treasury Corporation account. The total project budget for the upgrade works is \$3,265,000 which includes furniture and equipment that will be repurposed when the new terminal is constructed and operational.

# **Planned Expenditure Item**

Officers propose that the 2019/2020 adopted budget be amended to reflect the following funding changes, shown in Table 1.

Table 1:

Cost Code	Description	Current Budget	Change	Resulting Proposed Amended Budget
Expenditure				
345.B9716.3280.0000	Contractors – Airport Terminal Stage 2	\$12,500,000	Decrease by -\$12,308,532	\$191,468
345.B9717.3280.0000	Contractors – Airport Construction, Existing Terminal Upgrade	\$500,000	Increase by \$4,048,532	\$4,548,532
Revenue		0		0
345.C6099.1215.0000	Airport Development Capital Grants (State)	-\$9,500,000	Decrease by \$9,500,000	\$0
345.C6099.1215.0000	Airport Development Capital Grants (State – Additional RFR)	\$0	Increase by -\$1,740,000	-\$1,740,000
345.C6099.1221.0000	Airport Development Capital Grants (Federal)	-\$977,978	Decrease by \$500,000	-\$477,978
	Net Total	\$2,522,022	\$0	\$2,522,022

# **Statutory Environment**

Section 6.8 of the *Local Government Act 1995* refers to expenditure from the municipal fund that is not included in the annual budget. In the context of this report, where no budget allocation exists, expenditure is not to be incurred until such time as it is authorised in advance, by an absolute majority decision of the Council.

# **Relevant Plans and Policies**

There are multiple plans and policies that support the proposed budget amendments.

# **Financial Implications**

The financial implications of this recommendation are contained within the report.

# **Stakeholder Consultation**

No external stakeholder consultation was required or undertaken in relation to this matter.

#### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place.

There is a risk to the City, as there is with all projects undertaken, that the final cost could exceed budget. If this looks to be the case, Council will be notified so a suitable offset / project scope back can be identified.

# **Options**

The Council could decide not to go ahead with the proposed budget amendment request.

#### CONCLUSION

Council's approval is sought to amend the budget as per the details contained in this report. Upon approval the proposed works will be planned, organised and completed.

#### TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Should the officer recommendation be endorsed, the associated budget amendment will be processed within a month of being approved.

# 13. PLANNING AND DEVELOPMENT SERVICES REPORT

# 13.1 MEELUP REGIONAL PARK COMMITTEE - APPOINTMENT OF COMMUNITY MEMBERS

**STRATEGIC GOAL** 6. LEADERSHIP Visionary, collaborative, accountable

**STRATEGIC OBJECTIVE** 6.1 Governance systems, process and practices are responsible,

ethical and transparent.

SUBJECT INDEX Council and Committee Appointment

**BUSINESS UNIT:** Environmental Services

**REPORTING OFFICER** Environmental Management Coordinator - Greg Simpson **AUTHORISING OFFICER** Director, Planning and Development Services - Paul Needham

PRIMARY NATURE OF Executive: substantial direction setting, including adopting strategies,

plans and policies (excluding local planning policies), tenders, setting and amending budgets, funding, donations and sponsorships,

reviewing committee recommendations

**VOTING REQUIREMENT** Absolute Majority

ATTACHMENTS Nil

#### **COUNCIL DECISION AND OFFICER RECOMMENDATION**

C1911/228 Moved Councillor P Cronin, seconded Councillor S Riccelli

That the Council appoints the following persons as members of the Meelup Regional Park Committee:

**Mr Peter Randerson** 

**Dr Bob Jarvis** 

**Mrs Shirley Fisher** 

**Mr Albert Haak** 

**Mr Tony Smurthwaite** 

**Mr Damien Jones** 

Ms Roslyn Hamdorf

**Ms Kerry Grist** 

**CARRIED 9/0** 

**EN BLOC** 

BY ABSOLUTE MAJORITY

#### **EXECUTIVE SUMMARY**

Further to the formal re-formation of the Meelup Regional Park Committee (the Committee) and appointment of Councillor members (Cr Miles and Cr Barrett-Lennard, with Cr Hick as a deputy) at the Special Council Meeting on 21 October 2019, this report recommends the reappointment of community members that have expressed an interest in their continued involvement on the Committee.

In accordance with the Council's August 2019, review of the governance arrangements and terms of reference for the Meelup Regional Park Management Committee, this report also recommends the appointment to the Committee of two nominees from the Friends of Meelup Regional Park Incorporated Association.

#### **BACKGROUND**

On 27 August 2019, Council adopted revised governance arrangements for the City's management of Meelup Regional Park, including setting out revised terms of reference for the Meelup Regional Park Management Committee and the appointment process for community members.

Membership of the Committee shall comprise between six and eight community members with up to three of these members to be representatives of the Friends of Meelup Regional Park Incorporated Association.

# **OFFICER COMMENT**

The procedure for appointment of community members to re-form the Meelup Regional Park Committee follows the ordinary Council election. The following six Committee members have expressed an interest in continuing their involvement on the Committee:

Mr Peter Randerson Dr Bob Jarvis Mrs Shirley Fisher Mr Albert Haak Mr Tony Smurthwaite Mr Damien Jones

The reappointment of the six previous Committee members will ensure continuity of the current work and projects that are being undertaken within Meelup National Park.

Additionally, the following two nominees from the Friends of Meelup Regional Park Incorporated Association have expressed an interest in the being members of the Committee:

Ms Roslyn Hamdorf Ms Kerry Grist

#### **Statutory Environment**

The Meelup Regional Park Committee is created pursuant to the *Local Government Act 1995* (the Act), specifically via a resolution of the Council pursuant to sections 5.8, 5.9(2) (c) and 5.17(1) (c) of the Act.

Section 5.9 (2) (c) and Section 5.9 (2) (d) of the Act set out that, *inter alia*, a committee may comprise; "council members (i.e. Councillors), employees and other persons; or Council members and other persons".

# **Relevant Plans and Policies**

Meelup Regional Park is Reserve 21629, and is Crown Land over which the City has a management order. There is a formal management plan for the Park, which has been adopted by both the Council and the Minister for Lands, pursuant to section 49 of the *Land Administration Act 1997*. Where a management plan has been adopted pursuant to s49, the management body is required to manage the land in accordance with the plan.

On 27 August 2019, Council adopted Council Policy 'Governance of Meelup Regional Park', to outline the governance arrangements for Meelup Regional Park, ensuring that the Park is managed in an effective and inclusive manner consistent with the Meelup Regional Park Management Plan.

# <u>Financial Implications</u>

There are no financial implications associated with the officer recommendation.

# **Stakeholder Consultation**

In accordance with the adopted governance arrangements for the Committee, those community members of the Committee immediately prior to that time with an interest in a continuing involvement are generally expected to be reappointed by the Council.

Expressions of interest for continuing involvement and reappointment to the Committee as a member were sought and received from the six members indicated and nominations were invited from Friends of Meelup Regional Park Incorporated.

#### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place.

No risks of a medium or greater level have been identified.

# **Options**

As an alternative to the proposed recommendation the Council could:

1. Review nominations for reappointment on the Committee and advertise some or all the community positions on the Committee.

#### **CONCLUSION**

In order to continue the valuable contribution to the City made by the Meelup Regional Park Committee, it is considered that community members with an interest in a continuing involvement plus the additional two Friends of Meelup Regional Park nominees be appointed to allow the work of the Committee to continue.

#### TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Any decision of the Council in relation to this matter would be effective immediately.

# 14. ENGINEERING AND WORKS REPORT

Nil

# 15. COMMUNITY AND COMMERCIAL SERVICES REPORT

Nil

# ITEMS TO BE DEALT WITH BY SEPARATE RESOLUTION (WITHOUT DEBATE)

# 16. FINANCE AND CORPORATE SERVICES REPORT

# 16.1 <u>ANNUAL REPORT 2018-2019</u>

**STRATEGIC GOAL** 6. LEADERSHIP Visionary, collaborative, accountable

**STRATEGIC OBJECTIVE** 6.1 Governance systems, process and practices are responsible,

ethical and transparent.

SUBJECT INDEX Annual Report
BUSINESS UNIT Corporate Services

**REPORTING OFFICER** Corporate Planning Officer - Cathy Burton

**AUTHORISING OFFICER** Director Finance and Corporate Services - Tony Nottle

**NATURE OF DECISION** Executive: substantial direction setting, including adopting strategies,

plans and policies (excluding local planning policies), tenders, setting and amending budgets, funding, donations and sponsorships,

reviewing committee recommendations

**VOTING REQUIREMENT** Absolute Majority

ATTACHMENTS Attachment A Annual Report 2018-2019

Attachment B Financial Report 1 🛣

#### **COUNCIL DECISION AND OFFICE RECOMMENDATION**

C1911/229 Moved Deputy Mayor K Hick, seconded Councillor P Carter

#### That the Council:

- 1. Accepts the 2018-2019 Annual Report as per Attachment A and Attachment B.
- 2. Determines that the annual general electors' meeting is to be held at 2 Southern Drive Busselton on 2 December 2019.

CARRIED 9/0

BY ABSOLUTE MAJORITY

# **EXECUTIVE SUMMARY**

This report presents the City of Busselton 2018-2019 Annual Report (Annual Report) for Council acceptance in accordance with the *Local Government Act 1995* (the Act) and seeks endorsement of a date for the holding of the annual general electors' meeting.

# **BACKGROUND**

The City produces an annual report of activities at the conclusion of each financial year, in accordance with the requirements of the Act, as outlined in the Statutory Environment section of this report. The City's Annual Report provides information about the City's progress over the financial year in respect of its priorities, as outlined in the Corporate Business Plan; which contribute to achievement of the goals and aspirations contained in the Strategic Community Plan 2017 (Review 2019).

A draft Annual Report 2018-2019 (exclusive of financials) was provided to Council members at a briefing session on 9 October 2019 for feedback. Councillor feedback has been incorporated into the final production of the report.

#### **OFFICER COMMENT**

The Annual Report 2018-2019 documents the City's priority activities over the course of the 2018-2019 financial year. The report also records the other required statutory information, including a letter from an independent auditor in relation to the auditor's examination of the City's financial statements. Unlike previous years, a summary statement of the City's financial position is not provided by the Auditors and so does not form part of the printed content of the Annual Report. The full suite of the City's financial statements will be included however in the form of an inserted booklet / supplementary attachment.

The Audit Committee discussed the need for the inclusion of specific wording to address the Current Ratio trend for the City of Busselton. In response an additional footnote has been placed in the Annual Report to be published online. This includes the following wording:

"As a result of a Council decision (C1303/074), the City transfers any surplus at the end of the financial year into its reserves. As a result this has an impact on the Current Ratio reported. It is noted however, that Council's cash backed reserves are significant, therefore rendering the current ratio to be not an accurate depiction of the City's liquidity."

50 full colour copies of the Report will be printed. The Annual Report along with the Financial Report will be posted to the City's website together to form a complete year-end report. Availability of the Report will also be promoted on the City's Your Say Busselton website and Twitter, Facebook and Instagram accounts.

The Annual Report has been prepared such that the annual general electors' meeting can be held before the end of the 2019 calendar year with the date of Monday 2 December 2019 proposed; to be held in the Undalup Room.

#### **Statutory Environment**

Sections 5.53, 5.54, 5.55, and 5.55A of the *Local Government Act 1995* describe the required content of a local government's annual report and how to prepare, accept, give notice of and publish the report.

In accordance with Section 5.53 the annual report is to contain:

- a report from the mayor or president; and
- a report from the CEO; and
- an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and
- the financial report for the financial year; and
- such information as may be prescribed in relation to the payments made to employees; and
- the auditor's report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and
- a matter on which a report must be made under section 29(2) of the *Disability Services Act* 1993; and
- details of entries made under section 5.121 during the financial year in the register of complaints, including:
  - the number of complaints recorded in the register of complaints; and
  - how the recorded complaints were dealt with; and
  - any other details that the regulations may require; and
  - such other information as may be prescribed.

Under Section 5.54, it is a statutory requirement that the Annual Report is accepted by an absolute majority of Council before 31 December each year. The report must be published on the City's website within 14 days of acceptance.

Section 5.29 of the Act requires that the annual general electors' meeting be held within 56 days of acceptance of the Annual Report, upon the provision of 14 days' notice.

#### **Relevant Plans and Policies**

There are no relevant plans or policies to consider in relation to this matter.

# **Financial Implications**

There are no financial implications associated with the officer recommendation with the cost of producing the Annual Report factored into the City's 2019-2020 annual budget.

# **Stakeholder Consultation**

No external stakeholder consultation was required or undertaken in relation to this matter.

#### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

#### **Options**

Council may choose:

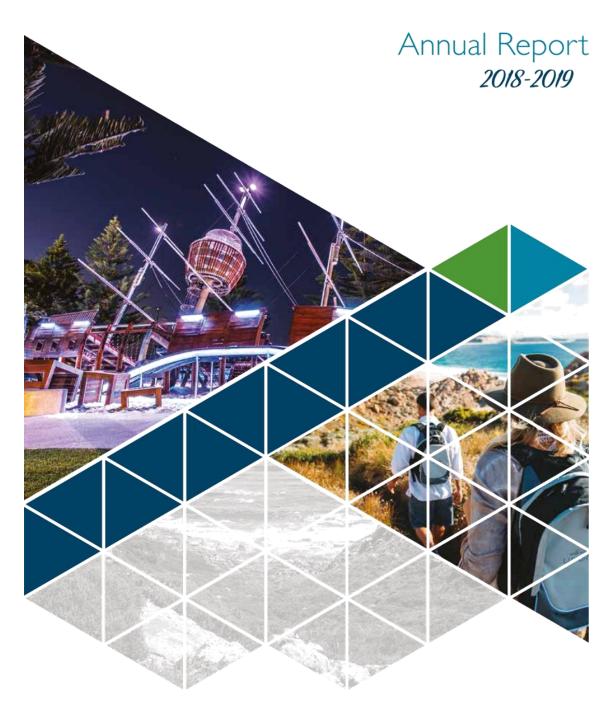
- Not to accept the Annual Report or to request changes to be made to the Annual Report, noting that Council are required to accept an Annual Report no later than 31 December and to hold an electors' meeting no later than 56 days after this acceptance.
- 2. To select an alternative preferred date for the annual general electors' meeting, within the 56 day window.

#### **CONCLUSION**

The City of Busselton Annual Report 2018-2019 requires acceptance by an absolute majority of Council before being publicly released. Council is also requested to endorse the proposed date for the annual general electors' meeting.

# TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

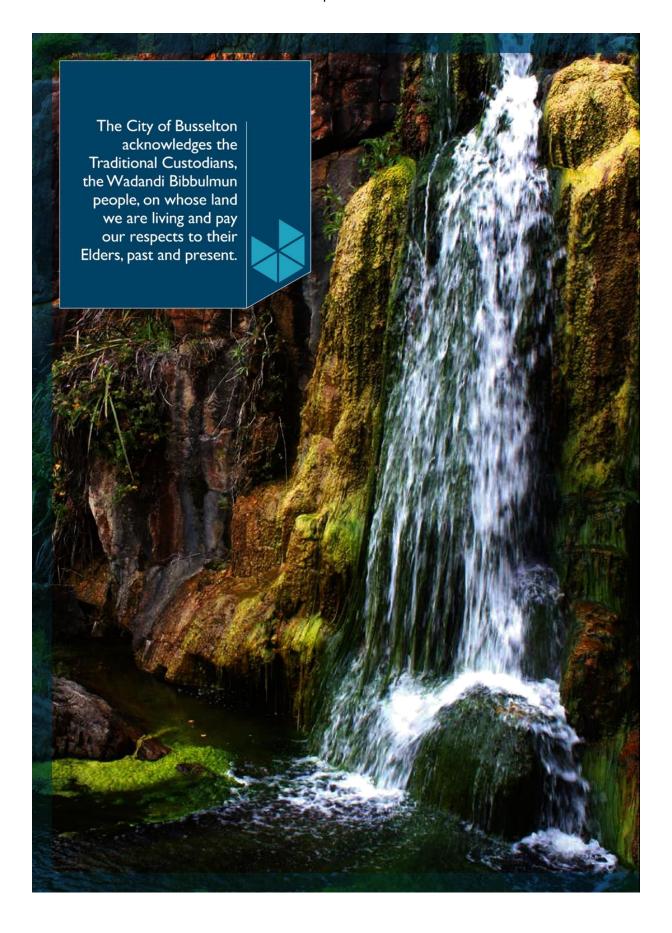
A two week statutory advertising period of the annual general electors' meeting is required and will take place from Friday 15 November to Friday 29 November. The annual general electors' meeting will be held on Monday 2 December 2019.











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# FROM THE Mayor & Chief Executive Officer





Grant Henley



CHIEF EXECUTIVE OFFICER

Mike Archer

# This year we have seen the fruition of many significant projects which have long been in the planning.

These include the signing of a

Memorandum of Understanding to
facilitate the development of a luxury
hotel complex on the Busselton
Foreshore and the commencement of a
new tennis centre east of Barnard Park.

Completion of a lease agreement also gave the go ahead for construction of a new brewery and family style restaurant on the Busselton Foreshore.

Another important milestone was the formal opening of Sea Play on the Bay: a nautical-themed adventure playground which has proved immensely popular with locals and tourists and received three Institute of Public Works Engineering Australia awards at the 2019 ceremony. Other features of this great new community hub include a covered amphitheatre and a purposebuilt toddler's playground.

In Dunsborough the City remained focused on progressing town centre renewal works with \$1.3million invested in landscaping upgrades and

improvements to pedestrian and vehicle accessibility. Footpath upgrades along Dunn Bay Road were completed along with extensive re-greening and car parking improvements. We also continued to plan for the long term future of Dunsborough by progressing investigations regarding the availability of a non-potable water supply to support the development of future sporting ovals at Dunsborough Lakes.

The City again prioritised rural road works across the District, actively seeking and being granted accelerated receipt of \$3.7 million of Roads to Recovery funding and enabling future rural road upgrades to be fast tracked. The Busselton Traffic Project was advanced with significant community consultation undertaken over several months. State and Federal approval was sought to commence works on a new link road from Causeway Road to Peel Terrace (including a new bridge over the Vasse River) with work set to commence in the near future.

We also stepped up our engagement efforts with our community. Very successful engagement initiatives were undertaken including consultation on a future Sport and Recreational Facilities Strategy, a series of community place-making workshops to generate ideas on how we can activate our town centres, and pop-up sessions in Dunsborough to receive community input on future town planning. Consultation with local Aboriginal people has been instrumental in the development of a Draft Reconciliation Action Plan.

It's been a productive year and we acknowledge the efforts of Elected Members and City Officers. We also extend our appreciation to Councillor Rob Bennett who resigned from Council due to ill health. Rob made an excellent contribution during his time in office and we wish him well.

Mayor Grant Henley

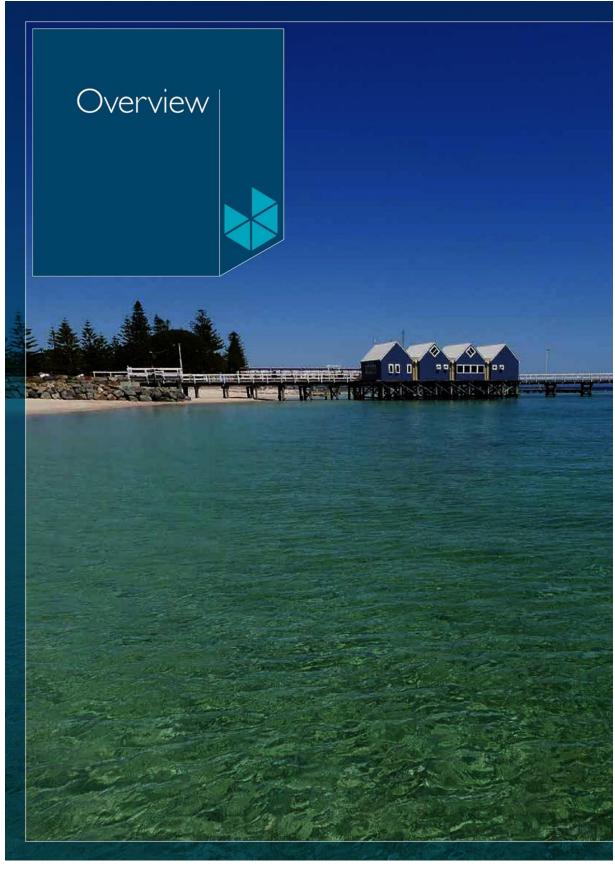
Chief Executive Officer

S KR

Mike Archer







Attachment A



# 2018 - 2019 Highlights



Busselton Foreshore Jetty Precinct receives Park of the Year Award.



Place Project kicks off to share ideas for livelier town centres.



Revitalising Geographe Waterways Project receives \$1.6M from State Government.

Plans unveiled for new hotel development on the Busselton Foreshore.



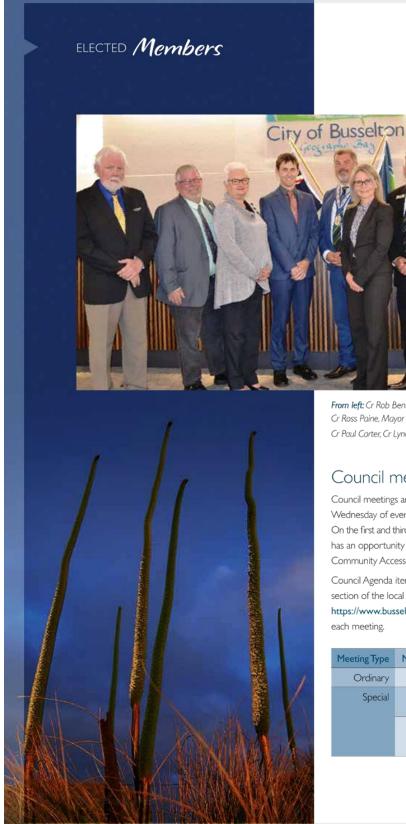
YouthCARE and the City celebrate their 10 year partnership supporting chaplaincy programs at local schools.



Management plans completed for Toby Inlet and the Lower Vasse River.







From left: Cr Rob Bennett, Cr Robert Reekie, Cr Corlaie Tarbotton, Cr Ross Paine, Mayor Grant Henley, Cr Kelly Hick, Cr John McCallum, Cr Paul Carter, Cr Lyndon Miles,

## Council meetings

Council meetings are held on the second and fourth Wednesday of every month, unless Council is in recess. On the first and third Wednesday of the month, the community  $% \left( \frac{1}{2}\right) =\frac{1}{2}\left( \frac{1}{2}\right) ^{2}$ has an opportunity to address elected members during a Community Access session about any item on their mind.

Council Agenda items are published in the City Connect section of the local newspaper and on the City's website at https://www.busselton.wa.gov.au/Council a week before each meeting.

Meeting Type	Number	Purpose		
Ordinary	21	Normal business		
Special I		25 July 2018 Annual budget consideration		
	1	3 December 2018 2017 - 2018 Annual Report Endorsement		

#### Council Committees

	Airport Advisory Committee	Audit Committee	Bush Fires Advisory Committee	Busselton Settlement Art Committee	CapeROC	Finance Committee	Local Emergency Management Committee	Meelup Regional Park Management Committee	Policy and Legislation Committee
Cr Grant Henley	N/A	2	1		3	8	4		9
Cr Coralie Tarbotton	2	MA	N/A	à	N/A.	7	N/A.	à.	3 0
Cr John McCallum	2	N/A	N/A	held	2	9	N/A	nded allum	2 0
Cr Kelly Hick	2	2		athes atter	2	Lip		meetings held. tings attended I	10
Cr Lindon Miles	N/A	N/A	N/A	mee brings	I D	2 🗈	N/A	d time	8
Cr Paul Carter	2,	2		The same	N/A	7		mee! k and	
Cr Rob Bennett				No fo	ı	3 D	4	S No So	5
Cr Robert Reekie			4	ofui.		10		2,20	7 b
Cr Ross Paine	N/A	N/A	N/A		N/A	5 D	NA	-	10

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#### Airport Advisory Committee

The committee provides an ongoing forum for liaison, cooperation and discussion of all issues related to the Busselton Margaret River Airport (BMRA) and makes recommendations to Council on matters associated with the development of the BMRA.

#### Audit Committee

Section 7.12(A)(2) of the Local Government Act 1995, requires this committee to assist Council to fulfil its corporate governance, stewardship, leadership and control responsibilities regarding financial reporting, internal audit and risk management.

#### Bush Fires Advisory Committee

The Bush Fires Advisory Committee provides advice to Council on matters relating to bush fire control, prevention and management.

#### Busselton Settlement Art Project Steering Committee

This committee raises funds and oversees the commissioning of sculptures for the Busselton Settlement Art Project.

#### CapeROC

CapeROC is a voluntary and cooperative joint initiative between the City of Busselton and the Shire of Augusta Margaret River:

CapeROC seeks to enhance the capacity of both local governments to deliver social, economic and environmental benefit to their communities and the region.

#### Finance Committee

The Finance Committee is established for the purpose of assisting the Council with its role under Section 2 7(2)(a) of the *Local Government Act 1995*, to oversee the allocation of the local government's finances and resources.

#### Local Emergency Management Committee

Pursuant to Section 39 of the Emergency Management Act 2005 the Committee provides skills, knowledge and advice to assist the City of Busselton in ensuring that local emergency management arrangements are established for the district.

#### Meelup Regional Park Management Committee

This committee reviews the five year plan of capital, operating expenditure and income for Council endorsement and cares for, controls and manages all areas of Meelup Regional Park, except any areas specifically excluded by Council.

#### Policy and Legislation Committee

The Policy and Legislation Committee assists the Council to determine its policies and to carry out its legislative function by reviewing the City's delegations and policies, Local Laws and other delegated legislation, and to consider and advise Council on significant policy or legislative implications or matters.

Councillors also represent the City in a large number of informal working groups and external groups that are not captured here.

# **Executive** TEAM



Office of the Chief
Executive Officer
CHIEF EXECUTIVE OFFICER

Mike Archer



Community and Commercial Services
DIRECTOR

Naomi Searle



Engineering and Works Services
DIRECTOR
Oliver Darby



Finance and
Corporate Services

DIRECTOR

Tony Nottle



Planning and
Development Services

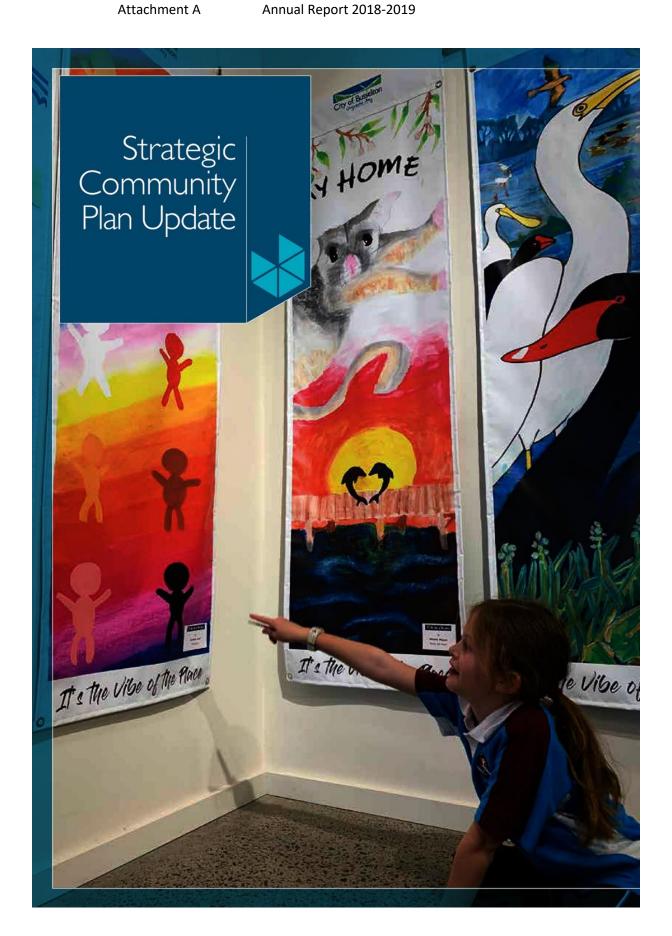
DIRECTOR

Paul Needham

# Service Delivery STRUCTURE

	Business Unit	Activity Unit			
Office of the Chief Executive Officer	Executive Services				
Community and Commercial Services	Community Development	Cultural Services	Library Services	Recreation Services	Community Development
	Commercial Services	Airport Operations	Economic and Business Development	Events	Tourism Services
	Airport Development Project				
Engineering and Works Services	Engineering and Technical Services	Asset Management	Design and Survey	Development Control	Landscape Architecture
	Major Projects and Facility Services	Facility Services	Major Projects		
	Operations Services	Maintenance and Construction	Parks and Gardens		
	Waste and Fleet Services	Fleet Management	Waste Services		
Finance and Corporate Services	Financial Services	Finance	Rates		
	Governance and Corporate Services	Human Resources and Risk	Governance	Public Relations	
	Information Services	Customer Services	Information and Communication Technology	Records	
	Legal and Property Services	Legal Services	Land and Property Leasing		
Planning and Development Services	Development Services	Building Services	Statutory Planning	Compliance Services	
	Environmental Services	Environmental Health	Environmental Management	Ranger and Emergency Services	
	Strategic Planning	Strategic Planning			

Attachment A



## STRATEGIC COMMUNITY PLAN Minor Review

## Early in 2019 the City conducted a minor review of the Strategic Community Plan (SCP) 2017.

The review included a survey which was open for community input between 30 January and 25 February.

#### The results

The minor review confirmed that the direction of the SCP 2017 continues to align with community goals and objectives. Some minor amendments were made however to refine the emphasis of two SCP objectives and 13 SCP strategies. The amendments are reflected in the current SCP 2017 (Review 2019) document and subsequently responded to in various plans adopted by the City.

#### Review report

 A report detailing the outcomes of the consultation and subsequent amendments was approved by Council on 10 April 2019 (C1904/070) and is available on the City's website at:

#### https://www.busselton.wa.gov.au/Council/Meetings

- A summary of the Strategic Community Plan 2017 (Review 2019) is available on the City's website at: https://www.busselton.wa.gov.au/Council/ Corporate-Documents
- A hard copy of the summary document is available at the City's libraries. The summary can also be requested at the City's customer service desk and by telephoning 9781 0444 or emailing city@busselton.wa.gov.au.



Key Goal Area 1

Community

Welcoming, Friendly
and Healthy



Key Goal Area 2

Places and Spaces

Vibrant, Attractive
and Affordable



Key Goal Area 3

Environment
Valued, Conserved
and Enjoyed



Key Goal Area 4 Economy Diverse, Resilient and Prosperous



Key Goal Area 5
Transport
Smart, Connective
and Accessible



Key Goal Area 6

Leadership
Visionary, Collaborative
and Accountable

Join Us



# 2018 - 2019 PROJECTS AND ACTIVITIES **Progress**

The City's Corporate Business Plan details the services delivered by the City and the key actions that have been prioritised over a four year period to deliver on the communities objectives.

Progress status is illustrated as:



Complete



Proceeding to Schedule/Ongoing



Experiencing delays

Our achievements against the priorities outlined in the first year of the City's Corporate Business Plan 2018-2022 are categorised in the following pages according to the -  $\,$ 

- Six Key Goal Areas of our Strategic Community Plan
- · Community objectives of each Key Goal Area
- Service area leading the project
- Project description
- Project status
- Progress description







#### 1.1 A friendly and safe community with a strong community spirit.

Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Community Development	Disability Action and Inclusion Plan (DAIP) Complete the DAIP review and implement as a guide for ensuring City operations and services are inclusive of all members of the community.	V	Two new members were appointed to the DAIP Reference Group in January. The City's new Disability Access and Inclusion Plan was approved by Council and published in February. The City also registered with the Free Interpreting service provided by the Department of Social Services.
	Support Community Initiatives and Facilities Promote and administer two rounds of community grants each financial year. Provide an annual information session prior to each community grants program.		The 2018/2019 program awarded a total of 237,930 to 23 applicants. A workshop with prospective applicants to the 2019-2020 program held on 7 March resulted in 19 applications being received totaling \$253,845.
	Community Safety and Security Strategy (SSS) Implementation Implement the SSS for Busselton and Dunsborough town centres and surrounding districts.		The Lock It or Lose It bike lock awareness program was launched in October.A Crime Prevention Pop Up in conjunction with WA Police and Bunnings was held in February to promote anti-theft number plate screws. Meetings were also held with the WA Police Graffiti team to discuss current graffiti issues and anti-graffiti promotions.
	Enhance Cultural Awareness and Relationships with Aboriginal people In partnership with the District's local Aboriginal community develop and implement a Reconciliation Action Plan (RAP).		The draft RAP was delivered to local Aboriginal service providers, organisations, schools, and Aboriginal community members for comment. Preparations began for the NAIDOC week ball scheduled in July.
Ranger and Emergency Services	Bushfire Risk Management Develop a Bushfire Risk Management Plan (BRMP).		The draft BRMP was considered by the Department of Fire and Emergency Services and minor changes made. The BRMP now awaits endorsement by the Office of Bushfire Risk Management.

#### 1.2 A community with access to life-long health and education opportunities.

Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Community Development	Children and Family Services Support intervention programs promoting the importance and value of a child's early development.		Paint the Cape REaD reading Mascot, Barney the Barn Owl, was officially launched in October. Other events include a Teddy Bears Picnic at the Busselton Foreshore, the national launch of the Paint the Town REaD Book Relay at Dunsborough's Cornerstone Primary School and the 4th Annual Play Day at the Vasse Primary School. The City and Youthcare celebrated 10 years of support for primary school children with the City continuing to help fund additional Chaplaincy hours at all public primary schools in the District.
Environmental Health	Public Health Plan Prepare a Public Health Plan that meets the requirement of the Public Health Act 2016 and guides the City's overall planning for public health delivery.		A draft Health Status Report is in progress. The report is intended to inform the City's Public Health Plan and community priorities.
	Mosquito Monitoring, Control and Treatment Implement the Mosquito Control Strategy and conduct public education programs about the dangers of mosquitoes.		The 2018-2019 mosquito management program was carried out between November and january in collaboration with the Shire of Capel. The program involved adult and larva monitoring and completed four aerial larvicide applications.

# KEY GOAL AREA /

#### 1.3 A community with access to a range of cultural and art, social and recreational facilities, and experiences.

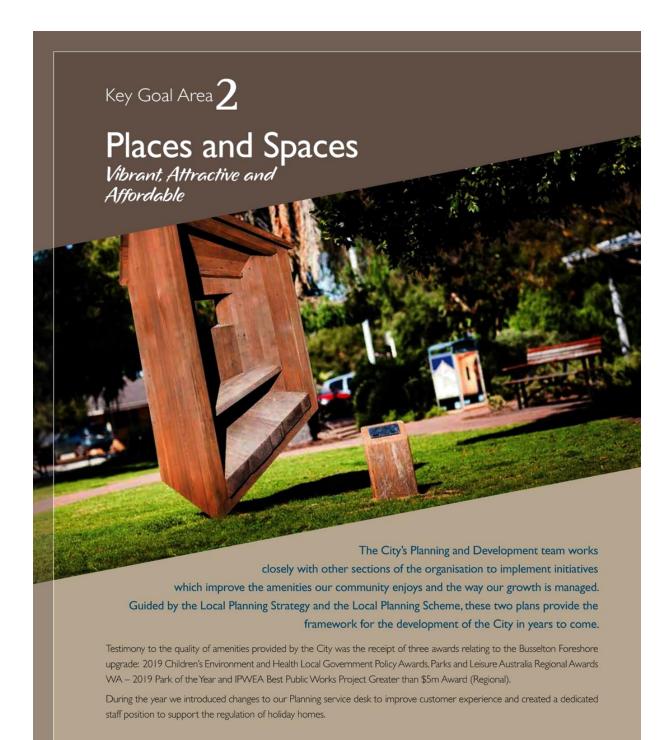
Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Community Development	Settlement Art Project Complete the Busselton Settlement Art Project.		The Aboriginal sculpture was completed and unveiled on 19 January. The Pioneer Woman sculpture was commissioned and the clay frame model completed.
	Performing Arts and Convention Centre Progress the business case for the design and development of a performing arts and convention space and continue to explore funding opportunities.		The City's application to the Federal Regional Growth Fund for \$10.35M to assist with the BEACH project was approved.
	Recreation Facilities Strategy Prepare a recreation facilities strategy to guide future development of Sir Stewart Bovell Park and other sporting venues.		The Strategy framework was completed in February. Extensive consultation with sporting dubs and associations and other stakeholders began in March. A community survey was completed and results are being assessed.
	Naturaliste Community Centre Upgrade the Naturaliste Community Centre according to the master plan.		Flora, fauna and aboriginal heritage studies were completed to inform future expansion of the facility. These upgrades will be informed by the Recreation Facilities Strategy.
	Geographe Leisure Centre (GLC) Complete planning for the upgrade of the GLC.		The Recreation Facilities Strategy will explore upgrade alternatives and priorities. Recommendations will be accommodated in a revised Asset Management Plan to further inform new priorities, maintenance and schedules ahead of any new development.
	Vasse Integrated Sporting Precinct Pavilion Continue planning for the development of hard courts and a future pavilion at the Vasse Integrated Sporting Precinct.		The proposed upgrade to the Vasse Newtown oval progressed in consultation with the Vasse Recreation Facilities Working Group. A contractor was engaged to prepare a draft concept plan and cost estimates. Discussions with the Vasse and Districts Community Centre regarding the transfer of water licence for the oval continued.
	Lou Weston Oval Upgrade the club facilities at Lou Weston Oval according to the approved detailed design.		\$400k was secured from the Community Sporting and Recreation Fund towards a \$1.7M project. The detailed design of the upgrade is scheduled to begin in 2019-2020 in consultation with user groups.
	Busselton Tennis Club Facilities Relocation Continue to work with the Busselton Tennis Club to progress the relocation of tennis facilities as part of the Busselton Foreshore Development.		The City received \$180k from Tennis Australia to assist with funding for this project of approx \$4M. The new dubrooms on the Busselton foreshore are scheduled to open in October 2019.
	Churchill Park Upgrade the building and facilities at Churchill Park.		The Croquet Club's new clubroom was completed. The Bawling Club car park was bituminised enabling the new Brown Street entry and exit to service this area.
Facility Services	Port Geographe Parking Facilities – Stage I Construct additional boat trailer and car parking at Lot 584 Port Geographe.		Works regarding the Port Geographe boat trailer parking layout (Stage I) project began in early December and were completed in February.
	Port Geographe Floating Jetty Construct a floating jetty at Port Geographe.		A decision was made to construct three finger jetties.  Works began in the second quarter of 2019. Completion is anticipated by September 2019.

KEY GOAL AREA

1.4 Work with key partners to provide a range of community services and programs that support people of all ages and backgrounds.

Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Community Development	Youth Initiatives Implementation Implement actions from the Youth Services section of the City's Social Plan.		Networking and workshop programs continued with key youth organisations and networks, the CWA Juvenile Justice Department, Mental Health and Drug Strategic planning forum, RYDE volunteers. Dunsborough Primary school students, SMYL, LAMP Christian Surfers, WA police graffiti team and Rio Tinto. A number of the City's SHIFT Youth Crew also became founding members of the Local Drug Action Group.
	Youth and Community Activities Building (YCAB) Activation Provide weekly and school holiday activities at the YCAB.		A total of 9,146 youth attended the YCAB with 3,233 attending during school holidays. Regular Cops vs Kids basketball garnes were held to help develop respectful relationships between youth and the local police. Skills courses included Responsible Service of Alcohol certificate training and self-esteem for young females.
	Seniors Initiatives Implementation Implement actions from the Senior Services section of the City's Social Plan.		The City's libraries held a variety of workshops and serninars including journey with Dementia, My Health Record and Seniors Tech classes. The Tech Sawy Seniors program delivered training for Seniors at aged care accommodation and similar facilities for those unable to travel.
	Busselton Senior Citizens Centre Expansion Lead the project to expand the Busselton Senior Citizens Centre.		The City secured additional funding to assist with the expansion project valued at \$1.2M. Expansion will achieve improvements to access, storage, customer experience and administration, future proofing the building for the long term. The detailed design phase has commenced.





Holiday Homes determined

133

Registered noliday homes

New dwelling permits issued

Total building permits issued

Total building value \$235/1

key goal area  $\it 2$ 

#### 2.1 Planning strategies that foster the development of neighbourhoods that meet our needs as we grow.

Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Customer Services	Busselton Cemetery Expansion Work to expand the Busselton Cemetery.		Work to finalise the Contract of Sale for the purchase of Lot 9009 Neville Hyder Drive continued. The complexity of working with several State government departments to obtain the land has protracted this process.
Strategic Planning	Developer Contributions Progress the review of the Developer Contributions Plan 2008.		Internal discussions and preparations were undertaken to determine the best approach and definition/delineation of Developer Contribution Plan (DCP) areas ahead of the formal review of existing DCPs which is scheduled for late 2019.
	Non Potable Water Supply Dunsborough Secure a non-potable water supply to facilitate the development of sport ovals beyond stage I of the Dunsborough Lakes Sporting Facilities.		Five potential bore sites east of the Dunsborough Fault have been identified. Meetings were held with the relevant landowners to ackies of the City's intentions in respect to installing (initially) an 'investigation bore' at a selected site to determine the water quality, peak rate and sustainability etc. of ongoing supply.
	Local Planning Strategy Finalise the Local Planning Strategy following approval by the WA Planning Commission.		The WA Planning Commission (WAPC) advised of the amendments/modification required to the Diraft Local Planning Strategy on the basis of findings and recommendations made in the Leeuwin Naturaliste Sub-Regional Strategy, published by the WAPC in May 2019.
	Local Planning Scheme Review  Complete the Town Planning Scheme review.	u	A 'Report of Review' was presented to Council in May recommending the Scheme be reviewed through strategic amendment(s). The minuted report has been forwarded to the WA Planning Commission (WAPC) outlining the City's recommended approach, which is estimated to take two to three years.
	Yalyalup Development  Construct a sport and recreation oval in Yalyalup.		The Structure Plan for the balance of the Provence Estate, of which the proposed oval forms a part, was endorsed by the City and is awaiting WAPC final determination.
	Strategic Land Review Implement the recommendations of the Strategic Land Review		Several items are awaiting further progress to be made by the Department of Planning Lands and Heritage and the Department of Biodiversity, Conservation and Attractions, and resolution of the South West Native Title Settlement matter.





#### 2.2 Attractive parks and open spaces that create opportunities for people to come together, socialise and enjoy a range of activities.

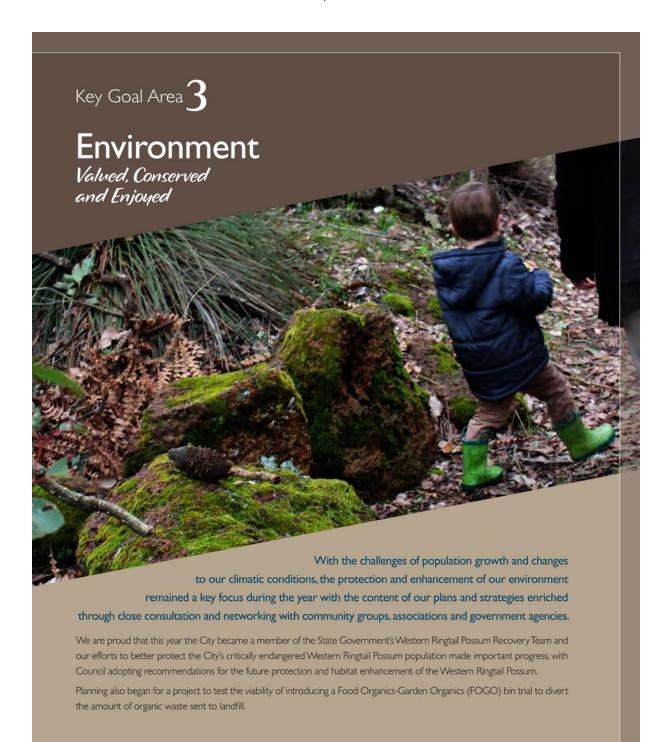
89

Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Major Projects			Defects liability and maintenance consolidation periods for Stage 3 works are angoing, Commercial developments including Microbrewery and Hotel Site 2 development approvals have been submitted. Seasonal stalls have been procured and fabrication is underway. The activation of Jetty Way and relocation of the Tennis Club is continuing.
Strategic Planning			The origins of cash-in-lieu contributions for POS have been assessed and spending priorities determined based on the proximity to origin of development contribution, identified community need, legislative requirements and available allocation funding. Recreation assets have been identified for each relevant POS site using a 'reuse, renew or rebuild' approach.

#### **2.3** Creative urban design that produces vibrant, mixed use town centres and public spaces.

Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Engineering and Technical Services			A concept for relocating the war memorial has been prepared. Finalisation of the locations and design is subject to further consultation with the relevant parties.
Strategic Planning	Busselton Activity Centre Plan Commence and complete the preparation of an Activity Centre Plan for Busselton City Centre.		A project brief is being prepared for a retail/economic analysis of the townsite's central business district, which is expected to be finalised by early September 2019.
	Dunsborough Activity Centre Plan Complete an Activity Centre Plan and Urban Design Local Planning Policy for Dunsborough Town Centre.		The 'Commercial Growth Analysis' study was completed. The draft final report of the Dunsborough Town Centre Parking Utilisation and Turnover Survey' has been received. Future action will be determined based on these outputs.





Native shrubs planted 23,600

Native tube stock seedlings planted 55,000

Tonnes of kerbside waste recycled 4,576.13

Tonnes of scrap metal recycled 1,517.53

Tonnes e-waste recycled 58.0





#### 3.1 Development is managed sustainably and our environment valued.

Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Environmental Management	Reserve Management Plans Continue to implement and review management plans for City reserves.		The review of the Meelup Regional Park Management Plan is almost complete. Interpretive and reserve name signage has been installed at Blyth, East Busselton and Broadwater reserves. A range of revegetation, feral animal control, weed control and access trail works continued.
Property Management	Port Geographe Waterways Work with the State Government and key partners to fulfil the City's role in the ongoing management of Port Geographe waterways.		Work with the Department of Transport (DoT) continued in relation to the dynamics of seagrass and sand accumulations as well as monitoring the outcomes of trials to date. Proposals from the developers and the potential impact on canal water quality are also the subject of ongoing consultation and information sharing with the DoT.
Strategic Planning	Municipal Heritage Inventory Review Finalise the Municipal Heritage Inventory and Heritage List to facilitate the implementation of incentives for heritage conservation.		This action was deferred and will now commence with the five yearly Heritage List/Municipal Heritage Inventory review, expected in 2020/2021.
Waste Management	Future Regional Waste Facility In conjunction with the Bunbury Wellington Group of Councils, continue to investigate the viability of implementing a regional waste to energy facility.		A dedicated Officer was appointed in March to undertake a market-sounding exercise to determine the viability of establishing alternative waste treatment technology in the region.
	Rehabilitate the Busselton Waste Facility Continue the program to complete the rehabilitation of former landfill sites at Busselton Waste Facility.		Lot 27 has been prepared for a prospective solar farm project. Minor fill works are ongoing as are contaminated site investigations. Tenders have been released seeking parties to advise on practicable remediation options, management measures and strategy pertaining to the beneficial use of groundwater on potentially impacted sites.
	Rehabilitate the Dunsborough Waste Facility Implement the rehabilitation plan for the Dunsborough Waste Facility.		Transition to the new cell commenced in early December 2018.  A topographical contour survey has been undertaken, with an update to the Rehabilitation plan and design based on the survey results to be commissioned. Work to reduce windblown litter within the Old Cell area is undervoy.



#### **3.2** Natural areas and habitats are cared for and enhanced for the enjoyment of current and future generations.

Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Environmental Management	Contaminated Sites Continue to work with Department of Water and Environmental Regulation (DWER) and key stakeholders to appropriately manage and where possible, remediate contaminated sites.		Contaminated soils from the southern face of the former pistol club in Queen Elizabeth Avenue (firing range) have been isolated and stockpiled. A revised Site Remediation Plan was forwarded to DWER for consideration, together with a request for the contaminated soil stockpile to remain onsite as part of the 'cap and contain' site remediation approach.
	Corella Management Implement the regional strategy for the management and control of Little Corella (cacatua sanguine gymnopis) and the eastern Long Billed Corella (Cacatua tenuirostris).		Corella scaring at the Busselton beachfront continued during the year. The regional Corella management Memorandum of Understanding endorsed by the Shires of Harvey, Dardanup and Capel and the Gities of Busselton and Bunbury has expired and is being revised.
	Meelup Regional Park Trails Progressively establish and maintain a network of quality walk and bike trails, signage and support facilities within the Park.	~	The Brown Street trail network mountain bike trail facility within zone 6 of the Park was completed. Connecting trails were also constructed to link the network with the mountain bike trails located on Dunsborough District Country Club managed land.
	Meelup Regional Park Coastal Nodes Progressively implement the Meelup Regional Park Coastal Nodes Plan to ensure visitor safety and prevent adverse impact on Park values.		Carparks at Gannet Rock and Point Picquet West were completed. Concept design and construction planning began for the Ngari and Wannang carpark upgrades near Eagle Bay.
	Meelup Waste Site Remediation Complete the remediation of the contaminated site in the Meelup Regional Park.		A remediation consolidation report was prepared for submission to the Department of Water and Environmental Regulation (DWER) to support reclassification of the former waste disposal landfill area and enable its use for mountain bike trails.
	Street and Park Tree Planting Program Implement the street and park tree planting program for street and park enhancement and habitat improvement.		A total of 1,228 trees were planted within street verges and parklands during the 2018 winter planting season.
	Western Ringtail Possum Working Group (WRPWG) Through the formation of this group and working with key stakeholders, research and make recommendations as to the approach and actions the City should take in relation to preserving the Western Ringtail Possum (WRP).		The WRPWG findings and recommendations for the future protection and habitat enhancement of WRP together with proposed Amendment 42 to Local Planning Scheme 21 (Western Ringtail Possum Habitat Protection Special Control Area) were endorsed by Council in April. Approval of the Amendment by the Environmental Protection Authority and the Western Australian Planning Commission is pending.





3.3 The health and attractiveness of our waterways and wetlands is improved to enhance community amenity.

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Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Design and Survey	Vasse River Beautification Enhance existing native vegetation and improve the visual amenity of the Lower Vasse River foreshore reserve between Peel Terrace and Strelly Street.		Consultation continued with representatives of the Aboriginal community to discuss their vision for protecting and enhancing the area, which is within a registered heritage site abutting the Vasse River. These discussions helped to develop a vision for a first draft plan.
Environmental Management	Revitalising Geographe Waterways (RGW) Actively work with key stakeholders including the State Government and community representatives to progress long term water quality improvement.		The City continues to play a pro-active role on the Vasse Ministerial Taskforce, which provides overall coordination of the RGW programme. The four year RGW1 programme was completed at the end of the 18/19 year, and funding for a further one year RGW2 programme also secured. Over the RGW1 period, the Geographe Waterways were the only major inland waterways in WA to see an improvement in water quality. Key challenges going forward relate to identifying sustainable long-term governance and funding arrangements.
	Geographe Waterways Management Plans Complete management plans for both the Lower Vasse River and Toby Inlet.	<b>V</b>	Water Management Plans for the Lower Vasse River and Toby Inlet were adopted by Council on 22 May and are available on the City's website.

3.4 Climate change risks and impacts are understood, acknowledged and responded to through appropriate planning and community education.

Project / Action	Status	2018 - 2019 Achievements
Coastal Protection Progressively implement the Coastal Protection Management Program.		A total of \$281k was secured through the Coastal Adaptation Grants Scheme for beach monitoring and sand nourishment, the maintenance of the Craig Street groyne and seawall and coastal adaptation works at Broadwater Beach. Work on all these projects progressed during the year.
		D C C C D U D U D U D U D U D U D U D U
Complete the development of an energy action plan identifying actions for energy reduction and re-use.		Drifting of the Energy Master Plan continued during the year, based on existing information from a consultancy report, an analysis of data from the City's energy and fuel consumption records and a range of other planning reviews, policies and waste to energy opportunities.
Coastal Adaptation Strategy Complete the preparation of the City of Busselton Coastal Adaptation Strategy.		The progress of this project has been delayed due to considerable required reworking of the draft. "Adaptation Options and Pathways" component. Completion of the Strategy is now anticipated toward the end of the 2019 calendor year.
	Coastal Protection Progressively implement the Coastal Protection Management Program.  Energy Action Plan Complete the development of an energy action plan identifying actions for energy reduction and re-use.  Coastal Adaptation Strategy Complete the preparation of the City of Busselton	Coastal Protection Progressively implement the Coastal Protection Management Program.  Energy Action Plan Complete the development of an energy action plan identifying actions for energy reduction and re-use.  Coastal Adaptation Strategy Complete the preparation of the City of Busselton

### Major Initiatives 2019 - 2020

- Complete the preparation of the City's Coastal Adaptation Strategy.
- Adopt an Energy Master Plan and implement energy generation and efficiency initiatives to improve the City's energy savings and reduce greenhouse gas emissions.
- Undertake a Food Organics Garden Organics (FOGO) trial







**4.1** An innovative and diversified economy that provides a variety of business and employment opportunities as well as consumer choice.

Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Airport Services	Busselton Margaret River Airport General Aviation Precinct Progress the Expression of Interest (EoI) process for allocating hangar leases in the new general aviation (GA) precinct.		17 Eols for hangar leases were received however no lease arrangements were entered into A proposal for a developer to lease GA precinct lots from the City and build a number of hangars for sublease to the GA community is being considered.
	Busselton-Margaret River Airport Light Industrial and Commercial Areas Plan and develop airport light industrial and commercial areas to include freight logistics and other enterprise opportunities.	<b>✓</b>	Practical completion of the first phase of the freight hub development was completed and officially opened in March. The City continues to liaise with State Government agencies to investigate air freight opportunities from the airport.
Economic and Business Development	Dunsborough Foreshore Café Facilitate commercial investment in a café and kiosk at the Dunsborough foreshore.	<u> </u>	Council endorsed the draft revised café concept designs and agreed to enter into a Head of Agreement with the proponent. Discussions were subsequently held with the Department of Planning, Lands and Heritage to negotiate the land excision process. Ministerial approval to advertise the proposal and submit to Parliament for comment is pending.
	Busselton Foreshore Commercial Opportunities Facilitate commercial investment at the Busselton foreshore, including two hotel sites, restaurant / microbrewery, and a tourist oriented retail site.	•	Family restaurant/microbrewery: On 31 May the agreement to sublease the microbrewery site was executed between the developers and the City. Construction is expected to commence by September 2019.  Hotel Site 2: The project is in the final concept design stage for the development of a Hilton Hotel complex. A rental valuation has been provided and a final lot survey is underway. A business plan will be prepared and advertised as required by section 3.59 of the Local Government Act 1995.
	Digital / Smart City Plan Develop a Digital / Smart City plan for the District.	Ш	The initial draft Smart City Strategy was completed in January. Further refinement of the draft Strategy is progressing.
	Economic Development Strategy Facilitate the implementation of the Economic Development (ED) Strategy.		Three workshops were held to identify potential "Place Moking" implementation projects. Business and stakeholder consultation is scheduled for September 2019 for the Mitchell Park Redevelopment project which has been identified as having potential to become the City's heart'.
	Regional Development Subject to funding and in partnership with the Department of Regional Development and the South West Development Commission, prepare a plan to support economic growth in the District.		Following the WA Government's review of Royalties for Regions funding, the City was advised it will receive \$4.5m in 2019-2020 which is to be shared with other SW local governments for economic development projects.



#### **4.2** A community where local business is supported and in turn drives our economy.

Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Economic and Business Development	Business Support Continue to work with individual businesses, Chamber of Commerce groups, progress associations and government agencies to identify opportunities for programs that support local and small businesses.		Collaboration with the Chambers of Commerce continued throughout the year on key priorities for small business to help activate town centres. Priorities included the facilitation of the banner art competition, school holiday busking competitions, a buy local compaign and the placement of heritage themsed window skins on large vacant shop frontages.
Legal Services	VendorPanel Marketplace Promote and continue to embed the use of VendorPanel Marketplace as the City's online procurement tool to promote increased opportunity for local business.		The number of suppliers registered with the VendorPanel platform continued to increase during the year.

#### **4.3** Events and unique tourism experiences that aid in attracting visitors and investment.

Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Information Technology	Online Event Application Facility Progress the development of an online event application platform to streamline the processing of event applications.	II	An investigation of the feasibility of upgrading all of the City's websites commenced, resulting in the project being placed on hold until an overarching IT plan is completed.
Economic and Business Development	Cruise Ship Industry Development Continue to work with the cruise ship industry to expand cruise ship tourism and support land based cruise ship operations.		Of the 13 cruise ships expected, 11 visited the region with bod weather preventing two visits. The 11 ships brought 9,680 visitors to the District compared to 6,816 in the previous year. A survey of visitors suggested over 97% would return to the region.
Events Services	Event Development Complete the review of the Events Strategy		Work progressed on the Events Strategy review with outcomes scheduled to be presented to the Marketing and Events Reference Group in August 2019.
	Marketing and Events Reference Group (MERG) Continue to ensure the economic benefit of events funding is maximised through the effective operation of this group.		The MERG sponsored 48 events. Total sponsorship expenditure was \$677,682.
	Events Prospectus Prepare an events / film industry prospectus to actively target and attract new high profile events and film makers to the City.		The first draft of the Events Prospectus is complete. The City also commissioned a short 'Busselton Film Friendly' production to be screened during CinefestOZ.
Tourism Services	Busselton Jetty Tourist Park Complete a master plan for the Busselton Jetty Tourist Park for the continual upgrade of the Park.		Development of the Master Plan for asset renewal and capital works is complete. Implementation and project planning will begin with respect to the recommended asset renewal and capital works (over the next five to seven years).

### Major Initiatives 2019 - 2020

- Progress the development of Site 2 at the Busselton Foreshore.
- Continue to support and facilitate the economic potential of the expanded Busselton Margaret River Airport.
- Advance Place Making implementation projects.





The City's ongoing work to plan and provide the community with safe transport systems was rewarded with funding received to assist with the development of transport infrastructure, most notably for the City's Eastern Link project which will develop a new two lane road and bridge over the Vasse River and alleviate congestion on the main access route to the Busselton town site. The City also successfully delivered the fourth and fifth stage of the Dunsborough town site upgrade and continued its rural road upgrade.

With an eye to the future, the City was pleased to host the RAC's Intellibus trial and give the community the opportunity to learn about and experience driverless technology.

Total sealed roads 938kms

Total unsealed roads 354kms

Dual Use Paths 39kms RAC Telebus passengers



#### **5.1** Public transport services that meet the needs of the community.

Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Airport Services	Busselton Margaret River Airport Expansion Progress with the expansion of the airport to provide for interstate flight, aviation enterprise opportunities	V	Landside Package 1: Civil, services and landscaping are complete.
	including freight services, and the capacity for international services.		Package 2: Construction of the terminal building.  The terminal design is complete however, construction is on hold pending direction from the Minister for Regional Development who requires the City to confirm a contract with an airline for the commencement of services.
		•	Airline Engagement Virgin Australia signalled an intent to explore two services a week to either Melbourne or Sydney. However VA advised that the airline is currently unable to commit to services. In July Jetstar tabled an offer based on three services a week. Discussions with this airline continue. The City's submission to host a Qantas Group Pilot Training Academy was unsuccessful.
Design and Survey	Public Transport Continue to work with key stakeholders towards improving public transport services in the District, providing connections across the District.	u	Work continued with the Public Transport Authority to determine how public bus service requirements for the Yalyalup and Vasse town sites can be assessed. Discussions were also held with a representative group of community members of non-driving age to determine services that could more specifically address their needs.

### **5.2** Road networks that provide for a growing population and the safe movement of all users through the District.

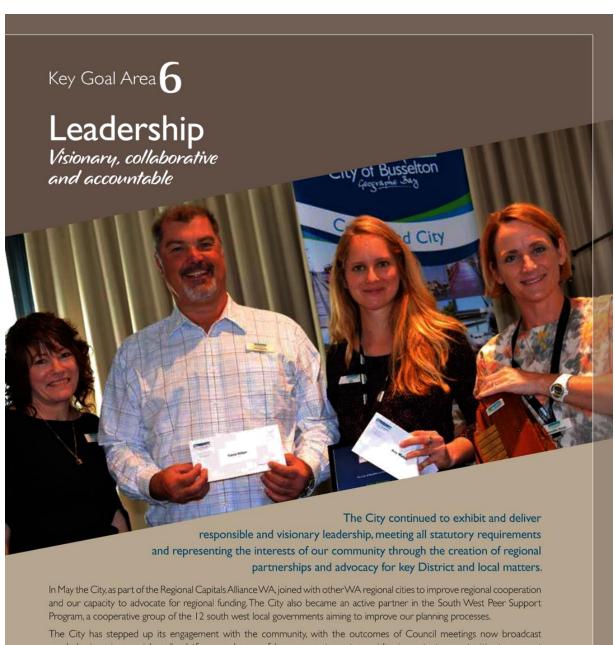
Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Executive Services	Links to Regional Centres Continue to advocate for improved airport and road infrastructure links to regional centres, including a four lane dual carriageway between Busselton and Capel, the Bunbury outer ring road, and the Vasse-Dunsborough Link.		Opportunities to improve regional air transport links via FIFO and RPT services with Albany, Kalgoorlie, Karratha, Port Heddiand and Newman continue to be explored through discussions with the Department of Minerals and Energy and the Executive of RioTinto.  Two key plans for the future, the Busselton Outer Bypass and Vasse Dunsborough Link are being reviewed by Main Roads WA. Main Roads WA is also planning for the duplication of 17km of Bussell Highway between Capel and Busselton.
Design and Survey	Busselton Traffic Improvements Subject to consultation outcomes and approvals from relevant government agencies, implement prioritised traffic improvements to improve the flow of traffic in and around Busselton City Centre.		Expressions of Interest for undertaking the Eastern Link project were advertised in December. No tenders were awarded due to all tenders exceeding the available budget. Federal approvals for the Eastern Link and Causeway Road have been received and new tenders Stage 1, 2 and 3 have been called for.
Operations Services	Roads Maintenance and Upgrades Implement the roads maintenance program with a focus on narrow country road upgrades.		Reading Street reconstruction and William Drive asphalt overlay were partially completed All other road construction projects within the 2018-2019 Capital budget were completed with the exception of the Strelly Street / Barlee Street roundabout, and asphalt overlays at Jones Way and Vasse Yallingup Siding Road Intersection.



#### **5.3** Cycleways that connect our communities and provide alternative transport choices.

Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Design and Survey	Cycleway and Share Path Network Improvements Finalise the review of the Bike Plan and upon adoption, implement within funding provisions.		A review of the Bike Plan was completed and a new strategy for the City's cycling and shared path network (2019-2023) adopted with a priority listing and high level costing of pathways developed.  Funding has been received to assist with construction of a shared path adjacent to College Avenue/Vasse Diversion Drain.
	Promoting Safe Cycling  Continue to educate the community about safe cycling and the adoption of cycling as an alternative transport option.		Discussions began with the Department of Transport (DoT) to investigate whether installing illuminated cyclist warning signage for Vasse Yallingup Sking Road is feasible.  A DoT grant has been secured to fund a study to assist with determining if Harris Road (Busselton) could be part of the DoT safe active street program, a program designed to make cycling safer and easier.





The City has stepped up its engagement with the community, with the outcomes of Council meetings now broadcast regularly via various social media platforms and successful engagement events providing important opportunities to connect with ratepayers and residents. Internally the City implemented initiatives aimed at building an even higher performing and engaged TeamCOB.

Number of Council Committees

8

State awards for excellence

3

State government funding

\$2.87M

Federal government funding

\$5.24M

#### Attachment A



#### **6.1** Governance systems, processes and practices are responsible, ethical and transparent.

Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Finance Services	Financial Audit Conduct an annual audit to ensure financial compliance with legislative requirements.	Þ	Official sign off of the Financial Audit for 2017-2018 occurred in October. The preparation of financial statements and audit documents progressed in readiness for 2018/2019 financial audit.
	Fair Value Assess the worth of all asset classes every three years.	P	The Fair Value of infrastructure assets was completed in July.
Governance Services	Governance Systems Review Implement agreed recommendations of the Governance Systems Review.	D	56% of the 66 recommendations have been actioned, with a number of other recommendations pending subject to progress of the Local Government Amendment Bill 2019.
	Integrated Planning and Reporting (IPR) Develop improved processes and systems in relation to integrated planning, budgeting and reporting.		A high level IPR calenclar for the period 1 January 2019 to 30 June 2019 was completed in December to assist with establishing the sequence of IPR activities across the organisation.  The City is actively involved with other South West local governments in a project that aims to improve the quality of integrated planning inputs, measures and practice.
	Statutory Compliance Audit Conduct an annual audit to ensure statutory compliance with legislative requirements.	<b>✓</b>	The Statutory Compliance Audit was completed and submitted to the Department of Local Government. Sport and Gultural Industries as required.

#### 6.2 Council engagement broadly and proactively with the community.

Primary Service Provider 2018 - 2019 Achievements The survey was completed in September. Two community forums were also held. The results of the consultations were reported to Council in November. Public Busselton Traffic Improvements Survey Conduct a survey to assess the level of community support for various medium term traffic initiatives to improve traffic flow in the vicinity of Busselton.



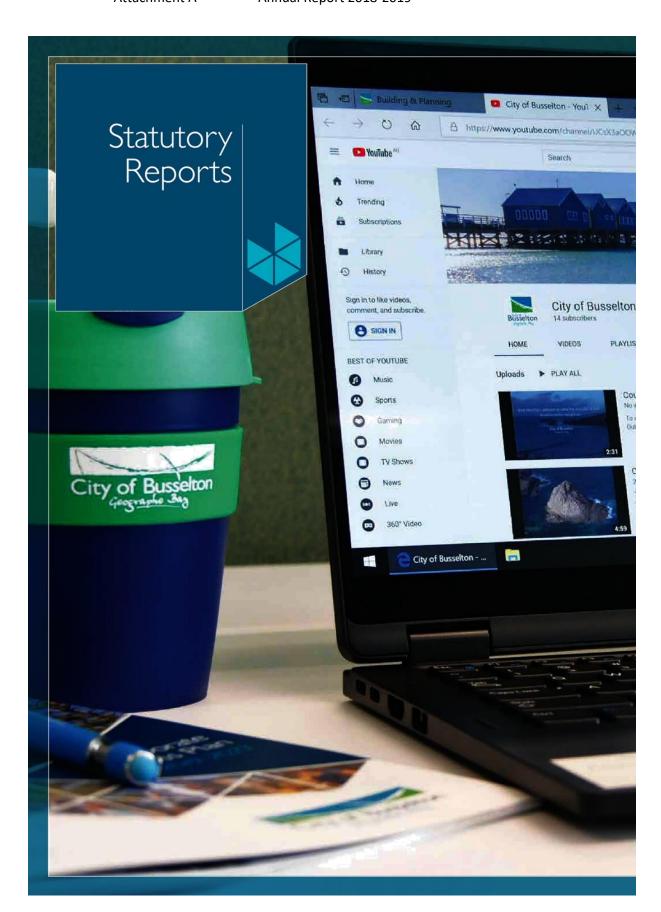


#### **6.3** Accountable leadership that is supported by a skilled and professional workforce.

Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Information Technology	Financial Reporting System Enhancements Design and implement improved financial reporting capabilities within existing business systems.		An initial review of the City's use of the TechnologyOne Financials system to determine recommendations regarding business process improvement and configuration enhancements was completed. Change requirements will be applied in 2019-2020.
	Integrate Asset Data into Core Business Systems Finalise the implementation of asset register data within existing business systems.		Work continued on developing road asset attributes and reports to present asset information in a simpler format.
Finance Services	Annual Budget Prepare an annual budget in alignment with the City's Corporate Business Plan and Strategic Community Plan objectives.	<b>✓</b>	The Annual Budget for 2018-2019 was considered and approved by Council at its meeting of 25 July 2018.
	Long Term Financial Plan Maintain a rolling ten year financial plan to assist and guide the City in strategic financial decision making processes.	D	Significant work was undertaken to review and understand various long term funding scenarios. A new draft LTFP has been developed which will be further workshopped with Council in the 2020 calendar year.
Human Resources	Workforce Planning Implement strategies and actions contained in the Workforce Plan.		The City continued to implement strategies (within resourcing capacity) contained within the City's current workforce plan, including staff engagement initiatives. The plan is currently under review.
Governance Services	Strategic Community Plan Reviews Review the Strategic Community Plan to ensure it maintains relevance with the community's visions, aspirations and objectives.	<b>✓</b>	The 2019 (minor) review of the Strategic Community Plan 2017 was completed and published in April. The review was open to public comment between 30 January and 24 February 2019.

### **6.4** Assets are well maintained and responsibly managed.

Primary Service Provider	Project / Action	Status	2018 - 2019 Achievements
Asset Management	Overall Asset Management Plan Review and update the overall Asset Management Plan.		The review of the Overall Asset Management Plan progressed with buildings funding methodology and modelling prepared to determine the parameters for allocating building renewal funding into reserves.
Information Technology	Business Systems Review  Commence a review of the City's core business systems software to ensure it continues to be most advantageous to the City.		Continuous improvement activities are in place to review the use of core systems to address the City's specific needs to inform the 2019-2010 ICT and Business Systems delivery program.
Community Development	Art Collection Management Prepare a policy and procedures document for the management of the City of Busselton art collection.		Preparation of the policy and procedures document was rescheduled to the 2019-2020 financial year. Valuation of the City's art collection was completed in November.  Comprising 102 items, the collection was valued at \$307,910.



# STATUTORY Reports

#### Record Keeping Plan

The City is committed to the management of records in accordance with legislative requirements and best practice and does so in accordance with the State Records Commissions SRC Standard 2: Recordkeeping Plans.

During 2018-2019 the City captured 133,675 records in the recordkeeping system. Back scanning projects for Legal Agreements and Swimming Pool applications were also completed to improve access to information and preserve the source records.

A major upgrade of the City's recordkeeping system (TechnologyOne ECM) was effected with training on the upgraded system delivered to 164 employees, 31 of whom were new employees and trained within the first month of their appointment. New employees were informed of their recordkeeping responsibilities as part of the City's online induction program, and completed a short assessment at the completion of the module.

Continuous support for employees on the use of the City's recordkeeping system is provided by internal guides, newsletters and emails, all accessible via the City's intranet. Employee feedback assists with assessing the effectiveness of the training program.



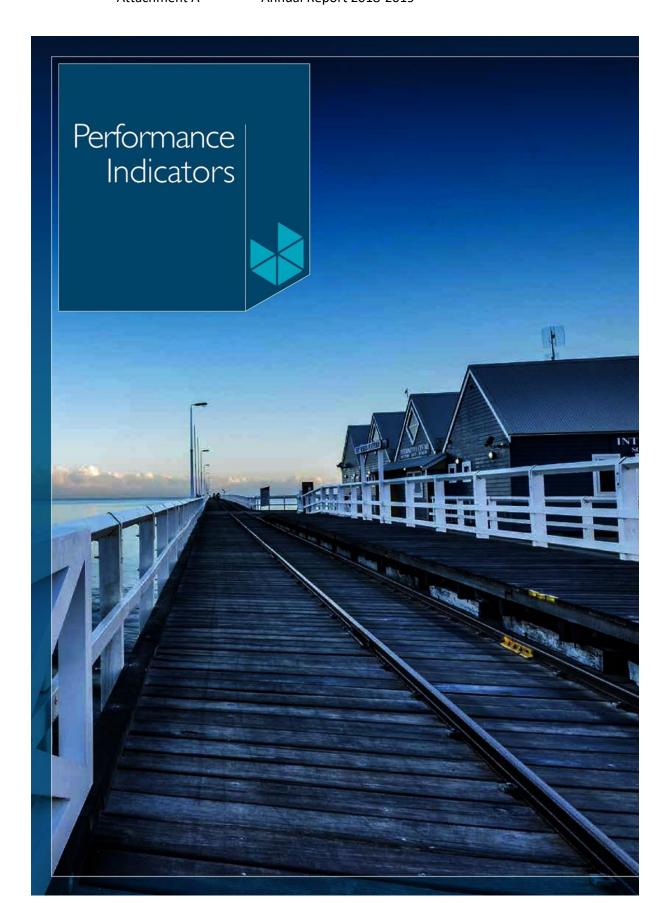
### Disability Access and Inclusion Plan (DAIP) 2018-2022

In accordance with the statutory requirements of the Western Australian *Disability* Services *Act 1993* the City of Busselton continued to focus on its goal of providing a friendly, safe and inclusive community with a strong community spirit.

Key Disability Access and Inclusion Plan achievements for 2018-2019 include:

- Construction of the beach access ramp at Old Dunsborough Beach enclosure
- Adoption of City of Busselton DAIP 2018-2022
- · Official opening of Sea Play by the Bay
- GLC and NCC participation in the 'Opening Mainstream Doors' program
- Digital access workshop for local organisations
- Funding of 'Cycling without Age' project
- ACROD bay updates
- Registration with the Free Interpreting Service provided by the Department of Social Services.

100,000 - 109,999	4 employees	150,000 - 159,999	0 employees
110,000 - 119,999	8 employees	160,000 - 169,999	0 employees
120,000 - 129,999	6 employees	170,000 - 179,999	I employee
130,000 - 139,999	2 employees	180,000 - 189,999	3 employees
140,000 - 149,999	0 employees	290,000 and above	I employee

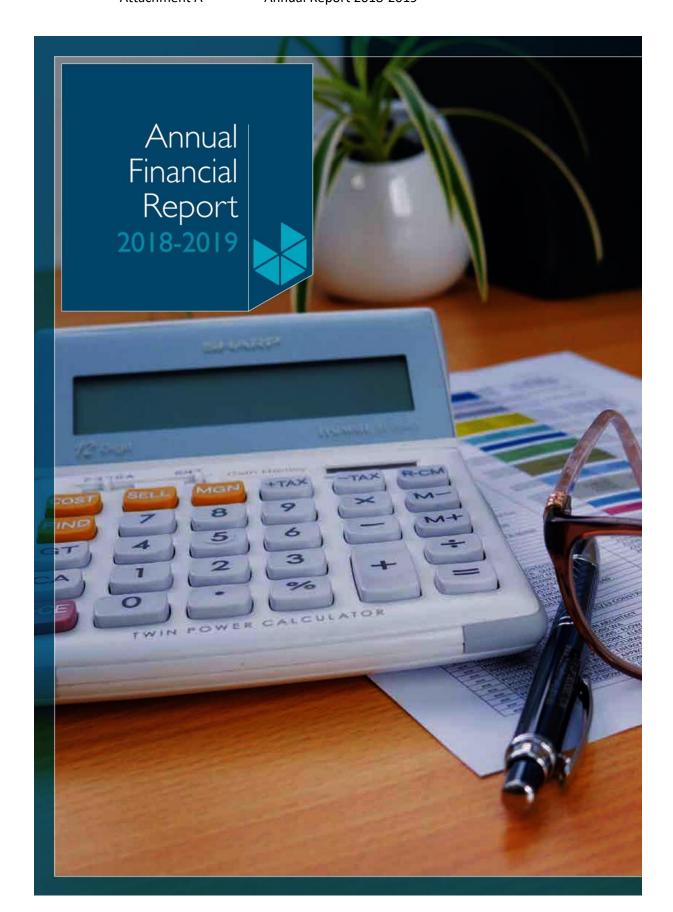


# MEASURING OUR *Performance*

The overall performance of the City's functions and services help us to determine our success in achieving organisational efficiency and effectiveness. A snapshot of our performance during 2018-2019 is provided below. While not all targets were achieved, a number were impacted by depreciation due to capital investment. The organisation continues to focus on improving its service delivery.

Corporate Performance Indicator	Measure	Target/Trend	2018 - 2019 Result
Corporate Business Plan progress	Percent of actions achieving milestones or targets.	> 90%	85,7% on target 14.3% of actions require monitoring No actions considered off-track
2 Financial Ratios	"Standard" benchmark achieved as required by the Integrated Planning and Reporting Advisory Standard.	100%	Debt Service Coverage Ratio - target achieved Own Source Revenue Coverage Ratio - target achieved Operating Surplus Ratio - impacted by depreciation (non cash) expenses Current Ratio* - impacted by the non-inclusion of reserve funds in calculation
3 Asset Ratios	"Standard" benchmark achieved as required by the Integrated Planning and Reporting Advisory Standard.	100%	Target not achieved due to depreciation
4 Airport Services	(a) Net position compared to budget.	Budget Achieved	Surplus: \$604,809 excluding depreciation
	(b) Charter and Regular Passenger Transport (RPT) numbers.	Increasing	Charter numbers increased from 25,095 to 26,496
5 Geographe Leisure Centre	(a) Net cost compared to budget.	Budget Achieved	Net cost less than budget by \$76,694
	(b) Member numbers	Stable	Member numbers: 2,030
	(c) Member retention – average number of members renewing membership within 12 months of expiry date.	55%	Retention increased from 56% to 68%
6 Busselton Jetty Tourist Park	Net cost compared to budget.	Budget Achieved	Net operating position was \$92,355 less than budget due to lower than expected occupancy rates
7 Complaints	a) Number of complaints received per head of population.	Decreasing	Ratio decreased from 1;1320 (29 complaints 17-18) to 1:1,769 (21 complaints 18-19)
	(b) Number of complaints responded to.	100%	100% complaints were responded to
8 Waste	Percent of solid waste diverted from landfill (recycled/reused).	25%	25.5%
9 Development assessment	(a) 21 calendar days to complete simple development applications.	100% Achieved	34.4% target under revision
	(b) 42 calendar days to complete standard development applications.	100% Achieved	54.9% target under revision
	(c) 70 calendar days to complete complex development applications.	100% Achieved	45.0% target under revision
Chergy Use	Energy plan targets achieved.	Targets set by 2018-2019	Rolled over to 19-20 although potential targets were identified
Safety	Lost time injury frequency (LTI) rate.	< 15	LTI frequency rate: 17.70

As a result of a Council decision (C1303074), the City transfers any surplus at the end of the financial year into its reserves. As a result this has an impact on the Current Ratio reported. It is noted however, that Council's cash backed reserves are significant, therefore rendering the Current Ratio to be not an accurate depiction of the City's liquidity.



INDEPENDENT AUDITOR'S Report



#### **Auditor General**

#### INDEPENDENT AUDITOR'S REPORT

To the Councillors of the City of Busselton

Report on the Audit of the Financial Report

#### Opinion

I have audited the annual financial report of the City of Busselton which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the City of Busselton:

- 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 2019 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.

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

Responsibilities of the Chief Executive Officer and Council for the Financial Report
The Chief Executive Officer (CEO) of the City 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 an 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.

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500 FAX: 08 6557 7600

# 109 Annual Report 2018-2019

# INDEPENDENT AUDITOR'S Report

#### 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.

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

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

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

- Report on Other Legal and Regulatory Requirements
  In accordance with the Local Government (Audit) Regulations 1996 I report that:

  (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the City:

  a. The Current Ratio as reported in Note 28 of the annual financial report is below the
  - Department of Local Government, Sport and Cultural Industries (DLGSCI)'s standard of 1.0 for the last three financial years; and The Operating Surplus Ratio as reported in Note 28 of the annual financial report is
  - below the DLGSCI's basic standard of 0.01 for the current financial year and the prior financial year.
  - (ii) All required information and explanations were obtained by me. (iii) All audit procedures were satisfactorily completed.

  - (iv) 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 annual financial report of the City for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2017 and 2018 in Note 28 of the audited annual financial report were included in the supplementary information and/or audited annual financial report for those years.

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 Busselton for the year ended
30 June 2019 included on the City's website. The City's management is responsible for the integrity
of the City's website. This audit does not provided 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 annual audited financial report to confirm the information contained in this website version of the annual financial report.

DON CUNNINGHAME

DOIN CONNING HAWE
ACTING DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
29 October 2019

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# **Statement** BY CHIEF EXECUTIVE OFFICER

**City of Busselton** 

**Financial Report** 

For the Year Ended 30th June 2019

**LOCAL GOVERNMENT ACT 1995** 

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

#### STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Busselton for the financial year ended 30th June 2019 is based on proper accounts and records to present fairly the financial position of the City of Busselton at 30th June 2019 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 25 day of 2019

Mike Archer

Chief Executive Officer



The complete financial report is provided as an insert found at the inside back cover of this Annual Report 2018 - 2019

Attachment A





www.busselton.wa.gov.au



**Financial Report** 

For the year ended

30 June 2019



Attachment B Financial Report

#### **Financial Report**

City of Busselton

# For the Year Ended 30th June 2019

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**Community Vision** 

Where environment, lifestyle and opportunity meet.

Principal place of business: 2 Southern Drive Busselton WA 6280



**Financial Report** 

For the Year Ended 30th June 2019

**LOCAL GOVERNMENT ACT 1995** 

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

### STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Busselton for the financial year ended 30th June 2019 is based on proper accounts and records to present fairly the financial position of the City of Busselton at 30th June 2019 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 25 day of october 2019

Mike Archer

**Chief Executive Officer** 



# **Financial Report**

# For the Year Ended 30th June 2019

# Statement of Comprehensive Income by Nature or Type

	Note	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
Rates	21	48,723,934	48,575,646	45,094,369
Operating Grants, Subsidies and Contributions	2(a)	6,079,293	3,747,650	4,736,243
Fees and Charges	2(a)	15,793,598	15,828,160	15,517,916
Interest Earnings	2(a)	2,336,296	2,283,760	2,453,556
Other Revenue	_	1,127,337	337,740	519,958
		74,060,458	70,772,956	68,322,042
Expenses				
Employee Costs		(30,339,391)	(31,215,454)	(28,746,867)
Materials and Contracts		(17,584,838)	(18,621,467)	(15,686,046)
Utility Charges		(2,607,810)	(2,569,240)	(2,478,776)
Depreciation on Non-Current Assets	9(b)	(22,051,156)	(19,070,922)	(18,581,517)
Interest Expenses	2(b)	(1,333,095)	(1,374,387)	(1,250,420)
Insurance Expenses		(713,980)	(698,808)	(651,943)
Other Expenditure		(998,204)	(3,046,879)	(2,812,207)
	_	(75,628,474)	(76,597,157)	(70,207,776)
		(1,568,016)	(5,824,201)	(1,885,734)
Non-Operating Grants, Subsidies and Contributions	2(a)	14,465,113	30,347,185	24,793,990
Profit on Asset Disposals	9(a)	118,089	82,137	55,551
Loss on Asset Disposals	9(a)	(54,624)	(34,577)	(681,441)
	_	14,528,578	30,394,745	24,168,100
Write Off of Assets Under \$5,000	7(b)	(1,185,285)	0	0
	_	(1,185,285)	0	0
NET RESULT		11,775,277	24,570,544	22,282,366
Other Comprehensive Income				
Items that will not be reclassified subsequently to pro	fit or loss			
Changes on revaluation of non-current assets	10	1,055,204	0	31,925,811
Total Other Comprehensive Income		1,055,204	0	31,925,811
TOTAL COMPREHENSIVE INCOME	_	12,830,481	24,570,544	54,208,177
AUDITED				

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



# **Financial Report**

# For the Year Ended 30th June 2019

# Statement of Comprehensive Income by Program

		2019	2019	2018
	Note	Actual	Budget	Actual
Revenue		\$	\$	\$
General Purpose Funding		53,475,303	52,031,810	49,873,924
Governance		871,681	275,000	218,957
Law, Order & Public Safety		870,264	749,777	775,115
Health		642,383	587,300	720,928
Education and Welfare		8,614	6,300	4,940
Housing		477,766	475,400	473,969
Community Amenities		8,775,902	8,697,362	8,830,636
Recreation and Culture		4,521,332	3,882,968	3,672,339
Transport		1,954,684	1,430,330	1,389,329
Economic Services		1,891,350	2,071,539	1,925,645
Other Property and Services		571,180	565,170	436,260
	_	74,060,459	70,772,956	68,322,042
Expenses Excluding Finance Costs				
General Purpose Funding		(1,004,147)	(1,118,745)	(1,309,152)
Governance		(6,899,000)	(6,719,836)	(5,572,139)
Law, Order & Public Safety		(3,179,072)	(3,168,368)	(2,919,132)
Health		(1,447,639)	(1,493,536)	(1,450,108)
Education and Welfare		(166,793)	(151,790)	(161,830)
Housing		(1,221,031)	(1,314,324)	(1,259,456)
Community Amenities		(12,927,230)	(13,088,564)	(12,134,184)
Recreation and Culture		(22,403,790)	(22,258,207)	(19,631,596)
Transport		(21,882,407)	(21,148,516)	(20,043,293)
Economic Services		(3,338,446)	(3,547,687)	(3,249,317)
Other Property and Services		(1,011,109)	(1,213,197)	(1,227,149)
Other Property and Services	-	(75,480,664)	(75,222,770)	(68,957,356)
Finance Costs	2(b)	(73,400,004)	(73,222,770)	(00,557,550)
Governance	2(0)	(687,461)	(687,544)	(717,170)
Recreation and Culture		(584,066)	(600,018)	(441,480)
Transport		(29,290)	(54,545)	(58,985)
Economic Services		(1,594)	(1,595)	(2,100)
		(30,685)	(30,685)	(30,685)
Other Property and Services	_			
		(1,333,096)	(1,374,387)	(1,250,420)
Non-Operating Grants, Subsidies & Contributions	2(a)	14,465,113	30,347,185	24,793,990
Profit on Disposal of Assets	9(a)	118,089	82,137	55,551
Loss on Disposal of Assets	9(a)	(54,624)	(34,577)	(681,441)
	-	14,528,578	30,394,745	24,168,100
NET RESULT		11,775,277	24,570,544	22,282,366
Other Comprehensive Income	Et I			
Items that will not be reclassified subsequently to pro		1.055.304		21.025.014
Changes on revaluation of non-current assets	10 _	1,055,204	0	31,925,811
Total Other Comprehensive Income		1,055,204	0	31,925,811
TOTAL COMPRESION INCOME	_	12 020 404	24 570 544	E4 200 477
TOTAL COMPREHENSIVE INCOME	_	12,830,481	24,570,544	54,208,177

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

### Attachment B

# Financial Report

### City of Busselton

# **Financial Report**

# For the Year Ended 30th June 2019

### **Statement of Financial Position**

	Note	2019 Actual \$	2018 Actual \$
Current Assets			
Cash and Cash Equivalents	3	70,272,318	72,413,338
Trade and Other Receivables	5	4,252,880	4,976,201
Inventories	6	24,981	23,672
Total Current Assets		74,550,179	77,413,211
Non-current Assets			
Other Receivables	5	680,533	633,389
Property, Plant and Equipment	7	144,333,683	142,307,532
Infrastructure	8	564,715,992	553,230,968
Total Non-current Assets		709,730,208	696,171,889
Total Assets		784,280,387	773,585,100
Current Liabilities			
Trade and Other Payables	11	8,136,038	9,942,313
Current Portion of Long Term Borrowings	12	3,291,161	3,055,609
Provisions	13	4,614,181	4,492,008
Total Current Liabilities		16,041,380	17,489,930
Non-current Liabilities			
Long Term Borrowings	12	31,111,143	31,672,304
Provisions	13	627,843	753,327
Total Non-current Liabilities		31,738,986	32,425,631
Total Liabilities		47,780,366	49,915,561
Net Assets		736,500,021	723,669,539
Facility			
Equity		444,713,504	440,549,926
Retained Surplus Reserves – Cash Backed	4	55,590,217	440,549,926
Revaluation Surplus	10	236,196,300	235,141,096
	10	736,500,021	723,669,539
Total Equity		/50,500,021	123,003,339

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

OAG



# **Financial Report**

# For the Year Ended 30th June 2019

# Statement of Changes in Equity

		Retained Surplus	Reserves Cash Backed	Revaluation Surplus	Total Equity
	Note	\$	\$	\$	\$
Balance as at 1 July 2017		422,707,022	43,539,055	203,215,285	669,461,362
Changes in Accounting Policy		0	0	0	0
Correction of Errors		0	0	0	0
Restated Balance		422,707,022	43,539,055	203,215,285	669,461,362
Comprehensive Income					
Net Result		22,282,366	0	0	22,282,366
Other Comprehensive Income	10	0	0	31,925,811	31,925,811
Total Comprehensive Income		22,282,366	0	31,925,811	54,208,177
Transfer from / (to) Reserves		(4,439,462)	4,439,462	0	0
Balance as at 30 June 2018		440,549,926	47,978,517	235,141,096	723,669,539
Comprehensive Income					
Net Result		11,775,277	0	0	11,775,277
Other Comprehensive Income	10	0	0	1,055,204	1,055,204
Total Comprehensive Income		11,775,277	0	1,055,204	12,830,481
Transfer from / (to) Reserves		(7,611,700)	7,611,700	0	0
Balance as at 30 June 2019		444,713,504	55,590,217	236,196,300	736,500,021

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

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# **Financial Report**

# For the Year Ended 30th June 2019

# **Statement of Cash Flows**

Cash Flows from Operating Activities         \$         \$           Receipts         48,748,066         48,626,293         44,652,865           Operating Grants, Subsidies and Contributions         5,818,152         3,749,620         5,064,099           Fees & Charges         15,592,811         15,259,377         15,631,005           Interest Earnings         2,336,296         2,283,760         4,767,576         8,718,038           Goods and Services Tax         6,399,565         4,767,576         8,718,038           Other Revenue         3,243,563         338,845         2,024,835           Payments         82,138,453         75,025,464         78,544,398           Employee Costs         (30,267,355)         (31,224,986)         (28,358,888)           Materials and Contracts         (171,67,310)         (18,638,303)         (15,737,516)           Utility Charges         (2,607,810)         (2,569,240)         (2,478,776)           Insurance Expenses         (1,329,678)         (1,374,387)         (1,195,451)           Goods and Services Tax         (6,46,671)         (4,000,000)         (68,396,273)           Other Expenditure         (4,697,492)         (3,069,393)         (4,650,634)           Other Expenditure         (5,545,263)         (2		Note	2019 Actual	2019 Budget	2018 Actual
Rates         48,748,066         48,626,293         44,652,865           Operating Grants, Subsidies and Contributions         5,818,152         3,749,620         5,064,099           Fees & Charges         15,592,811         15,259,370         15,631,005           Interest Earnings         2,336,296         2,283,760         2,453,555           Goods and Services Tax         6,399,565         4,767,576         8,718,038           Other Revenue         3,243,563         338,845         2,024,835           Payments         82,138,453         75,025,464         78,544,398           Employee Costs         (30,267,355)         (31,224,986)         (28,358,888)           Materials and Contracts         (17,167,310)         (18,638,303)         (15,737,513)           Utility Charges         (2,607,810)         (2,569,240)         (2,478,776)           Insurance Expenses         (173,980)         (698,808)         (651,943)           Interest Expenses         (1,329,678)         (1,374,387)         (1,195,451)           Goods and Services Tax         (6,146,871)         (4,000,000)         (8,396,273)           Other Expenditure         (62,930,496)         (61,575,118)         (61,469,478)           Other Expenditure         (5,545,263)         (23,8	Cash Flows from Operating Activities		\$	\$	\$
Operating Grants, Subsidies and Contributions         5,818,152         3,749,620         5,064,099           Fees & Charges         15,592,811         15,259,370         15,631,005           Interest Earnings         2,336,296         2,283,760         2,433,563           Goods and Services Tax         6,399,565         4,767,576         8,718,038           Other Revenue         3,243,563         338,845         2,024,835           Payments         Employee Costs         (30,267,355)         (31,224,986)         (28,358,888)           Materials and Contracts         (17,167,310)         (18,638,303)         (15,737,513)           Utility Charges         (2,607,810)         (2,569,240)         (2,478,776)           Insurance Expenses         (1,329,678)         (1,374,387)         (1,195,451)           Goods and Services Tax         (6,146,871)         (4,000,000)         (8,396,273)           Other Expenditure         (62,930,496)         (61,575,118)         (61,469,478)           Net Cash Provided by (used in) Operating Activities         14         19,207,957         13,450,346         17,074,920           Cash Flows from Investing Activities         (5,545,263)         (23,879,994)         (9,944,612)           Equipment         (5,545,263)         (23,879,994)	Receipts				
Fees & Charges	Rates		48,748,066	48,626,293	44,652,865
Interest Earnings	Operating Grants, Subsidies and Contributions		5,818,152	3,749,620	5,064,099
Goods and Services Tax         6,399,565         4,767,576         8,718,038           Other Revenue         3,243,563         338,845         2,024,835           Payments         82,138,453         75,025,464         78,544,398           Employee Costs         (30,267,355)         (31,224,986)         (28,358,888)           Materials and Contracts         (17,167,310)         (18,638,303)         (15,737,513)           Utility Charges         (2,607,810)         (2,569,240)         (2,478,776)           Insurance Expenses         (713,980)         (698,808)         (651,943)           Interest Expenses         (1,329,678)         (1,374,387)         (1,195,451)           Goods and Services Tax         (6,146,871)         (4,000,000)         (8,396,273)           Other Expenditure         (4,697,492)         (3,069,394)         (4,650,634)           Other Expenditure         (62,930,496)         (61,575,118)         (61,469,478)           Net Cash Provided by (used in) Operating Activities         4         19,207,957         13,450,346         17,074,920           Cash Flows from Investing Activities         (5,545,263)         (23,879,994)         (9,944,612)           Equipment         (5,545,263)         (23,879,994)         (9,944,612)           P	Fees & Charges		15,592,811	15,259,370	15,631,005
Other Revenue         3,243,563         338,845         2,024,835           Payments         82,138,453         75,025,464         78,544,398           Employee Costs         (30,267,355)         (31,224,986)         (28,358,888)           Materials and Contracts         (17,167,310)         (18,638,303)         (15,737,513)           Utility Charges         (2,607,810)         (2,569,240)         (2,478,776)           Insurance Expenses         (713,980)         (698,808)         (651,943)           Interest Expenses         (1,329,678)         (1,374,387)         (1,195,451)           Goods and Services Tax         (61,46,871)         (4,000,000)         (8,396,273)           Other Expenditure         (4,697,492)         (3,069,394)         (4,650,634)           Other Expenditure         (62,930,496)         (61,575,118)         (61,469,478)           Net Cash Provided by (used in) Operating Activities         2         23,879,994)         (9,944,612)           Equipment         (5,545,263)         (23,879,994)         (9,944,612)           Equipment for Purchase of Property, Plant & Equipment of Construction of Infrastructure         (23,006,581)         (36,804,070)         (42,255,717)           Non-Operating Grants, Subsidies and Contributions         6,529,299         21,995,799	Interest Earnings		2,336,296	2,283,760	2,453,556
Payments	Goods and Services Tax		6,399,565	4,767,576	8,718,038
Payments         Employee Costs         (30,267,355)         (31,224,986)         (28,358,888)           Materials and Contracts         (17,167,310)         (18,638,303)         (15,737,513)           Utility Charges         (2,607,810)         (2,569,240)         (2,478,776)           Insurance Expenses         (713,980)         (698,808)         (651,943)           Interest Expenses         (1,329,678)         (1,374,387)         (1,195,451)           Goods and Services Tax         (6,146,871)         (4,000,000)         (8,396,273)           Other Expenditure         (4,697,492)         (3,069,394)         (4,550,634)           (62,930,496)         (61,575,118)         (61,469,478)           Net Cash Provided by (used in) Operating Activities         4         19,207,957         13,450,346         17,074,920           Cash Flows from Investing Activities         4         19,207,957         13,450,346         17,074,920           Cash Flows from Investing Activities         (5,545,263)         (23,879,994)         (9,944,612)           Payment for Purchase of Property, Plant & Equipment         (5,545,263)         (23,879,994)         (9,944,612)           Payment for Construction of Infrastructure         (23,006,581)         (36,804,070)         (42,255,717)           Non-Operating Grants,	Other Revenue		3,243,563	338,845	2,024,835
Employee Costs   (30,267,355)   (31,224,986)   (28,358,888)   Materials and Contracts   (17,167,310)   (18,638,303)   (15,737,513)   Utility Charges   (2,607,810)   (2,569,240)   (2,478,776)   Insurance Expenses   (713,980)   (698,808)   (651,943)   Interest Expenses   (1,329,678)   (1,374,387)   (1,195,451)   (4,000,000)   (8,396,273)   (62,930,496)   (61,575,118)   (61,469,478)   (62,930,496)   (61,575,118)   (61,469,4			82,138,453	75,025,464	78,544,398
Materials and Contracts         (17,167,310)         (18,638,303)         (15,737,513)           Utility Charges         (2,607,810)         (2,569,240)         (2,478,776)           Insurance Expenses         (713,980)         (698,808)         (651,943)           Interest Expenses         (1,329,678)         (1,374,387)         (1,195,451)           Goods and Services Tax         (6,146,871)         (4,000,000)         (8,396,273)           Other Expenditure         (4,697,492)         (3,069,394)         (4,650,634)           (62,930,496)         (61,575,118)         (61,469,478)           Net Cash Provided by (used in) Operating Activities         14         19,207,957         13,450,346         17,074,920           Cash Flows from Investing Activities         4         19,207,957         13,450,346         17,074,920           Cash Flows from Investing Activities         4         19,207,957         13,450,346         17,074,920           Cash Flows from Investing Activities         4         19,207,957         13,450,346         17,074,920           Cash Flows from Sale of Assets         (5,545,263)         (23,879,994)         (9,944,612)           Equipment         (23,006,581)         (36,804,070)         (42,255,717)           Not Cash Provided by (used In) Investing Activitie	Payments				
Utility Charges   (2,607,810)   (2,569,240)   (2,478,776)     Insurance Expenses   (713,980)   (698,808)   (651,943)     Interest Expenses   (1,329,678)   (1,374,387)   (1,195,451)     Goods and Services Tax   (6,146,871)   (4,000,000)   (8,396,273)     Other Expenditure   (4,697,492)   (3,069,394)   (4,650,634)     (62,930,496)   (61,575,118)   (61,469,478)     Net Cash Provided by (used in) Operating Activities   14   19,207,957   13,450,346   17,074,920     Cash Flows from Investing Activities   23,006,581   (36,804,070)   (42,255,717)     Non-Operating Grants, Subsidies and Contributions   6,529,299   21,995,799   15,969,176     Proceeds from Sale of Assets   926,173   1,045,950   424,075     Net Cash Provided by (used In) Investing Activities   (21,096,372)   (37,642,315)   (35,807,078)     Cash Flows from Financing Activities   (3,055,609)   (3,155,395)   (2,359,142)     Proceeds from Self Supporting Loans   73,003   79,252   65,163     Advances to Community Groups   0   (150,000)   (110,000)     Proceeds from New Debentures   2,730,000   3,150,000   6,960,000     Net Cash Provided By (used In) Financing Activities   (252,606)   (76,143)   4,556,021     Net Increase (Decrease) in Cash Held   (2,141,021)   (24,268,112)   (14,176,137)     Cash at Beginning of Year   72,413,339   72,413,339   86,589,475	Employee Costs		(30,267,355)	(31,224,986)	(28,358,888)
Insurance Expenses   (713,980)   (698,808)   (651,943)     Interest Expenses   (1,329,678)   (1,374,387)   (1,195,451)     Goods and Services Tax   (6,146,871)   (4,000,000)   (8,396,273)     Cher Expenditure   (4,697,492)   (3,069,394)   (4,650,634)     (62,930,496)   (61,575,118)   (61,469,478)     Net Cash Provided by (used in) Operating Activities   14   19,207,957   13,450,346   17,074,920     Cash Flows from Investing Activities   23,006,581   (23,879,994)   (9,944,612)     Equipment   (23,006,581)   (36,804,070)   (42,255,717)     Non-Operating Grants, Subsidies and Contributions   6,529,299   21,995,799   15,969,176     Proceeds from Sale of Assets   926,173   1,045,950   424,075     Net Cash Provided by (used In) Investing Activities   (21,096,372)   (37,642,315)   (35,807,078)     Cash Flows from Financing Activities   (3,055,609)   (3,155,395)   (2,359,142)     Proceeds from Self Supporting Loans   73,003   79,252   65,163     Advances to Community Groups   0 (150,000)   (110,000)     Proceeds from New Debentures   2,730,000   3,150,000   6,960,000     Net Cash Provided By (used In) Financing Activities   (252,606)   (76,143)   4,556,021     Net Increase (Decrease) in Cash Held   (2,141,021)   (24,268,112)   (14,176,137)     Cash at Beginning of Year   72,413,339   72,413,339   86,589,475	Materials and Contracts		(17,167,310)	(18,638,303)	(15,737,513)
Interest Expenses	Utility Charges		(2,607,810)	(2,569,240)	(2,478,776)
Goods and Services Tax         (6,146,871)         (4,000,000)         (8,396,273)           Other Expenditure         (4,697,492)         (3,069,394)         (4,650,634)           (62,930,496)         (61,575,118)         (61,469,478)           Net Cash Provided by (used in) Operating Activities         14         19,207,957         13,450,346         17,074,920           Cash Flows from Investing Activities         8         2         (23,879,994)         (9,944,612)           Payment for Purchase of Property, Plant & Equipment         (23,006,581)         (36,804,070)         (42,255,717)           Non-Operating Grants, Subsidies and Contributions         6,529,299         21,995,799         15,969,176           Proceeds from Sale of Assets         926,173         1,045,950         424,075           Net Cash Provided by (used In) Investing Activities         (21,096,372)         (37,642,315)         (35,807,078)           Cash Flows from Financing Activities         (21,096,372)         (37,642,315)         (23,59,142)           Proceeds from Self Supporting Loans         73,003         79,252         65,163           Advances to Community Groups         0         (150,000)         (110,000)           Proceeds from New Debentures         2,730,000         3,150,000         6,960,000           Net Cash	Insurance Expenses		(713,980)	(698,808)	(651,943)
Other Expenditure         (4,697,492)         (3,069,394)         (4,650,634)           Net Cash Provided by (used in) Operating Activities         14         19,207,957         13,450,346         17,074,920           Cash Flows from Investing Activities         8         13,450,346         17,074,920           Cash Flows from Investing Activities         8         13,450,346         17,074,920           Cash Flows from Investing Activities         (5,545,263)         (23,879,994)         (9,944,612)           Equipment         (23,006,581)         (36,804,070)         (42,255,717)           Non-Operating Grants, Subsidies and Contributions         6,529,299         21,995,799         15,969,176           Proceeds from Sale of Assets         926,173         1,045,950         424,075           Net Cash Provided by (used In) Investing Activities         (21,096,372)         (37,642,315)         (35,807,078)           Cash Flows from Financing Activities         (3,055,609)         (3,155,395)         (2,359,142)           Proceeds from Self Supporting Loans         73,003         79,252         65,163           Advances to Community Groups         0         (150,000)         (110,000)           Proceeds from New Debentures         2,730,000         3,150,000         6,960,000           Net Cash Provided By	Interest Expenses		(1,329,678)	(1,374,387)	(1,195,451)
Net Cash Provided by (used in) Operating Activities         14         19,207,957         13,450,346         17,074,920           Cash Flows from Investing Activities         4         19,207,957         13,450,346         17,074,920           Cash Flows from Investing Activities         5,545,263         (23,879,994)         (9,944,612)           Equipment         (23,006,581)         (36,804,070)         (42,255,717)           Non-Operating Grants, Subsidies and Contributions         6,529,299         21,995,799         15,969,176           Proceeds from Sale of Assets         926,173         1,045,950         424,075           Net Cash Provided by (used In) Investing Activities         (21,096,372)         (37,642,315)         (35,807,078)           Cash Flows from Financing Activities         (3,055,609)         (3,155,395)         (2,359,142)           Proceeds from Self Supporting Loans         73,003         79,252         65,163           Advances to Community Groups         0         (150,000)         (110,000)           Proceeds from New Debentures         2,730,000         3,150,000         6,960,000           Net Cash Provided By (used In) Financing Activities         (252,606)         (76,143)         4,556,021           Net Increase (Decrease) in Cash Held         (2,141,021)         (24,268,112)         (1	Goods and Services Tax		(6,146,871)	(4,000,000)	(8,396,273)
Net Cash Provided by (used in) Operating Activities         14         19,207,957         13,450,346         17,074,920           Cash Flows from Investing Activities         5,545,263         (23,879,994)         (9,944,612)           Equipment         (23,006,581)         (36,804,070)         (42,255,717)           Payment for Construction of Infrastructure         (23,006,581)         (36,804,070)         (42,255,717)           Non-Operating Grants, Subsidies and Contributions         6,529,299         21,995,799         15,969,176           Proceeds from Sale of Assets         926,173         1,045,950         424,075           Net Cash Provided by (used In) Investing Activities         (21,096,372)         (37,642,315)         (35,807,078)           Cash Flows from Financing Activities         (3,055,609)         (3,155,395)         (2,359,142)           Proceeds from Self Supporting Loans         73,003         79,252         65,163           Advances to Community Groups         0         (150,000)         (110,000)           Proceeds from New Debentures         2,730,000         3,150,000         6,960,000           Net Cash Provided By (used In) Financing Activities         (252,606)         (76,143)         4,556,021           Net Increase (Decrease) in Cash Held         (2,141,021)         (24,268,112)         (14,176,1	Other Expenditure		(4,697,492)	(3,069,394)	(4,650,634)
Cash Flows from Investing Activities           Payment for Purchase of Property, Plant & Equipment         (5,545,263) (23,879,994) (9,944,612)           Payment for Construction of Infrastructure         (23,006,581) (36,804,070) (42,255,717)           Non-Operating Grants, Subsidies and Contributions         6,529,299 (21,995,799) (15,969,176)           Proceeds from Sale of Assets         926,173 (1,045,950) (424,075)           Net Cash Provided by (used In) Investing Activities         (21,096,372) (37,642,315) (35,807,078)           Cash Flows from Financing Activities         (3,055,609) (3,155,395) (2,359,142)           Proceeds from Self Supporting Loans         73,003 (79,252) (65,163)           Advances to Community Groups         0 (150,000) (110,000)           Proceeds from New Debentures         2,730,000 (3,150,000) (6,960,000)           Net Cash Provided By (used In) Financing Activities         (252,606) (76,143) (4,556,021)           Net Increase (Decrease) in Cash Held         (2,141,021) (24,268,112) (14,176,137)           Cash at Beginning of Year         72,413,339 (72,413,339) (85,589,475)			(62,930,496)	(61,575,118)	(61,469,478)
Payment for Purchase of Property, Plant & Equipment         (5,545,263)         (23,879,994)         (9,944,612)           Payment for Construction of Infrastructure         (23,006,581)         (36,804,070)         (42,255,717)           Non-Operating Grants, Subsidies and Contributions         6,529,299         21,995,799         15,969,176           Proceeds from Sale of Assets         926,173         1,045,950         424,075           Net Cash Provided by (used In) Investing Activities         (21,096,372)         (37,642,315)         (35,807,078)           Cash Flows from Financing Activities         (3,055,609)         (3,155,395)         (2,359,142)           Proceeds from Self Supporting Loans         73,003         79,252         65,163           Advances to Community Groups         0         (150,000)         (110,000)           Proceeds from New Debentures         2,730,000         3,150,000         6,960,000           Net Cash Provided By (used In) Financing Activities         (252,606)         (76,143)         4,556,021           Net Increase (Decrease) in Cash Held         (2,141,021)         (24,268,112)         (14,176,137)           Cash at Beginning of Year         72,413,339         72,413,339         86,589,475	Net Cash Provided by (used in) Operating Activities	14	19,207,957	13,450,346	17,074,920
Equipment (3,543,263) (23,873,994) (9,944,612)  Payment for Construction of Infrastructure (23,006,581) (36,804,070) (42,255,717)  Non-Operating Grants, Subsidies and Contributions (6,529,299) 21,995,799 15,969,176  Proceeds from Sale of Assets 926,173 1,045,950 424,075  Net Cash Provided by (used In) Investing Activities (21,096,372) (37,642,315) (35,807,078)  Cash Flows from Financing Activities  Repayment of Debentures (3,055,609) (3,155,395) (2,359,142)  Proceeds from Self Supporting Loans 73,003 79,252 65,163  Advances to Community Groups 0 (150,000) (110,000)  Proceeds from New Debentures 2,730,000 3,150,000 6,960,000  Net Cash Provided By (used In) Financing Activities (252,606) (76,143) 4,556,021  Net Increase (Decrease) in Cash Held (2,141,021) (24,268,112) (14,176,137)  Cash at Beginning of Year 72,413,339 72,413,339 86,589,475	Cash Flows from Investing Activities				
Payment for Construction of Infrastructure         (23,006,581)         (36,804,070)         (42,255,717)           Non-Operating Grants, Subsidies and Contributions         6,529,299         21,995,799         15,969,176           Proceeds from Sale of Assets         926,173         1,045,950         424,075           Net Cash Provided by (used In) Investing Activities         (21,096,372)         (37,642,315)         (35,807,078)           Cash Flows from Financing Activities         Repayment of Debentures         (3,055,609)         (3,155,395)         (2,359,142)           Proceeds from Self Supporting Loans         73,003         79,252         65,163           Advances to Community Groups         0         (150,000)         (110,000)           Proceeds from New Debentures         2,730,000         3,150,000         6,960,000           Net Cash Provided By (used In) Financing Activities         (252,606)         (76,143)         4,556,021           Net Increase (Decrease) in Cash Held         (2,141,021)         (24,268,112)         (14,176,137)           Cash at Beginning of Year         72,413,339         72,413,339         86,589,475			(5,545,263)	(23,879,994)	(9,944,612)
Non-Operating Grants, Subsidies and Contributions         6,529,299         21,995,799         15,969,176           Proceeds from Sale of Assets         926,173         1,045,950         424,075           Net Cash Provided by (used In) Investing Activities         (21,096,372)         (37,642,315)         (35,807,078)           Cash Flows from Financing Activities         8         8         8         4         5         6         5         6         5         6         5         16         3         4         4         6         5         16         3         4         4         4         4         4         4         4         4         4         4         4         4         5         6			(23,006,581)	(36,804,070)	(42,255,717)
Proceeds from Sale of Assets         926,173         1,045,950         424,075           Net Cash Provided by (used In) Investing Activities         (21,096,372)         (37,642,315)         (35,807,078)           Cash Flows from Financing Activities         8         8         8         926,173         1,045,950         424,075           Cash Flows from Financing Activities         3         3         7,522         65,163         63,163         73,003         79,252         65,163         63,163         63,163         63,163         73,000         1,50,000         (110,000)         70,000         1,50,000         6,960,000         70,000         1,50,000         6,960,000         70,000         70,143         4,556,021         70,000         70,000         70,143         4,556,021         70,000	•			21,995,799	15,969,176
Cash Flows from Financing Activities           Repayment of Debentures         (3,055,609)         (3,155,395)         (2,359,142)           Proceeds from Self Supporting Loans         73,003         79,252         65,163           Advances to Community Groups         0         (150,000)         (110,000)           Proceeds from New Debentures         2,730,000         3,150,000         6,960,000           Net Cash Provided By (used In) Financing Activities         (252,606)         (76,143)         4,556,021           Net Increase (Decrease) in Cash Held         (2,141,021)         (24,268,112)         (14,176,137)           Cash at Beginning of Year         72,413,339         72,413,339         86,589,475				1,045,950	424,075
Repayment of Debentures         (3,055,609)         (3,155,395)         (2,359,142)           Proceeds from Self Supporting Loans         73,003         79,252         65,163           Advances to Community Groups         0         (150,000)         (110,000)           Proceeds from New Debentures         2,730,000         3,150,000         6,960,000           Net Cash Provided By (used In) Financing Activities         (252,606)         (76,143)         4,556,021           Net Increase (Decrease) in Cash Held         (2,141,021)         (24,268,112)         (14,176,137)           Cash at Beginning of Year         72,413,339         72,413,339         86,589,475	Net Cash Provided by (used In) Investing Activities		(21,096,372)	(37,642,315)	(35,807,078)
Repayment of Debentures         (3,055,609)         (3,155,395)         (2,359,142)           Proceeds from Self Supporting Loans         73,003         79,252         65,163           Advances to Community Groups         0         (150,000)         (110,000)           Proceeds from New Debentures         2,730,000         3,150,000         6,960,000           Net Cash Provided By (used In) Financing Activities         (252,606)         (76,143)         4,556,021           Net Increase (Decrease) in Cash Held         (2,141,021)         (24,268,112)         (14,176,137)           Cash at Beginning of Year         72,413,339         72,413,339         86,589,475	Cash Flows from Financing Activities				
Proceeds from Self Supporting Loans         73,003         79,252         65,163           Advances to Community Groups         0         (150,000)         (110,000)           Proceeds from New Debentures         2,730,000         3,150,000         6,960,000           Net Cash Provided By (used In) Financing Activities         (252,606)         (76,143)         4,556,021           Net Increase (Decrease) in Cash Held         (2,141,021)         (24,268,112)         (14,176,137)           Cash at Beginning of Year         72,413,339         72,413,339         86,589,475	_		(3.055.609)	(3.155.395)	(2.359.142)
Advances to Community Groups         0         (150,000)         (110,000)           Proceeds from New Debentures         2,730,000         3,150,000         6,960,000           Net Cash Provided By (used In) Financing Activities         (252,606)         (76,143)         4,556,021           Net Increase (Decrease) in Cash Held         (2,141,021)         (24,268,112)         (14,176,137)           Cash at Beginning of Year         72,413,339         72,413,339         86,589,475					
Proceeds from New Debentures         2,730,000         3,150,000         6,960,000           Net Cash Provided By (used In) Financing Activities         (252,606)         (76,143)         4,556,021           Net Increase (Decrease) in Cash Held         (2,141,021)         (24,268,112)         (14,176,137)           Cash at Beginning of Year         72,413,339         72,413,339         86,589,475	•				
Net Cash Provided By (used In) Financing Activities         (252,606)         (76,143)         4,556,021           Net Increase (Decrease) in Cash Held         (2,141,021)         (24,268,112)         (14,176,137)           Cash at Beginning of Year         72,413,339         72,413,339         86,589,475				, , ,	
Net Increase (Decrease) in Cash Held         (2,141,021)         (24,268,112)         (14,176,137)           Cash at Beginning of Year         72,413,339         72,413,339         86,589,475					
Cash at Beginning of Year         72,413,339         72,413,339         86,589,475	-, (,		(===,===)	, , , , , , ,	
Cash at Beginning of Year         72,413,339         72,413,339         86,589,475	Net Increase (Decrease) in Cash Held		(2,141,021)	(24,268,112)	(14,176,137)
			72,413,339	72,413,339	86,589,475
	Cash and Cash Equivalents at the End of the Year	14		48,145,227	72,413,338

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



### **Financial Report**

# For the Year Ended 30th June 2019

# **Rate Setting Statement**

	Note	2019 Actual \$	2019 Budget \$	2018 Actual \$
Net current assets at start of financial year – surplus / (d	leficit)	3,511,291	3,511,291	1,839,640
		3,511,291	3,511,291	1,839,640
Revenue from operating activities (excluding rates)		F 205 F00	2 000 004	5 20F 740
General Purpose Funding		5,286,500	3,980,904	5,295,742
Governance		884,888	275,600	220,184
Law, Order & Public Safety		875,722	749,777	787,726
Health		644,208	587,700	721,791
Education and Welfare		8,614	6,300	4,940
Housing		477,766	475,400	473,969
Community Amenities		8,788,148	8,702,462	8,834,948
Recreation and Culture		4,526,851	3,923,984	3,673,904
Transport		2,020,285	1,463,491	1,420,970
Economic Services		1,891,956	2,072,639	1,925,645
Other Property and Services		584,806	565,930	439,592
		25,989,744	22,804,187	23,799,411
Expenditure from operating activities		(4.004.447)	(4.440.745)	(4 200 452)
General Purpose Funding		(1,004,147)	(1,118,745)	(1,309,152)
Governance		(7,598,777)	(7,407,380)	(6,293,694)
Law, Order & Public Safety		(3,181,299)	(3,169,530)	(2,919,632)
Health		(1,447,639)	(1,493,536)	(1,450,483)
Education and Welfare		(166,793)	(151,790)	(161,830)
Housing		(1,221,087)	(1,314,324)	(1,259,628)
Community Amenities		(12,932,117)	(13,092,564)	(12,137,697)
Recreation and Culture		(23,007,862)	(22,867,447)	(20,158,847)
Transport		(21,915,987)	(21,217,354)	(20,688,838)
Economic Services		(3,340,040)	(3,549,282)	(3,251,478)
Other Property and Services		(1,052,636)	(1,249,782)	(1,257,938)
		(76,868,384)	(76,631,734)	(70,889,217)
Operating activities excluded	-4.4			
(Profit) on disposal of assets	9(a)	(118,089)	(82,137)	(55,551)
Loss on disposal of assets	9(a)	54,624	34,577	681,441
Movement in deferred pensioner rates		(41,946)	0	(19,965)
Movement in employee benefit provisions		(3,311)	0	398,311
Depreciation and amortisation on assets	9(b)	22,051,156	19,070,922	18,581,517
Asset Adjustments as per Changes to Regulations		1,185,285	0	0
Movement in non-cash contributions		(7,957,839)	(8,365,000)	(8,935,865)
Movement Deposits and Bonds/ Other		(1,216,969)	0	1,604,382
		13,952,911	10,658,362	12,254,270
Amount Attributable to Operating Activities		(33,414,438)	(39,657,894)	(32,995,896)
Investing Activities				
Non-operating grants, subsidies and contributions	2(a)	14,465,113	30,347,185	24,793,990
Proceeds from disposal of assets	9(a)	926,173	1,045,950	424,075
Purchase of property, plant and equipment	7(b)	(8,307,090)	(23,865,760)	(10,733,956)
Purchase and construction of infrastructure	8(b)	(20,290,190)	(36,804,070)	(41,460,704)
Amount attributable to investing activities		(13,205,994)	(29,276,695)	(26,976,595)

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



### Attachment B

# City of Busselton

# **Financial Report**

# For the Year Ended 30th June 2019

# Rate Setting Statement (Continued)

	Note	2019 Actual \$	2019 Budget \$	2018 Actual \$
Financing Activities Advances to community groups Repayment of advances to community groups Repayment of debentures Proceeds from new debentures Proceeds from self-supporting loans Transfers to reserves (restricted assets) Transfers from reserves (restricted assets) Amount attributable to financing activities	12(a) 12(a) 12(a) 12(a) 12(a)	73,003 (3,055,609) 2,730,000 0 (22,472,836) 22,908,147 182,705	(150,000) 79,253 (3,155,395) 3,000,000 150,000 (19,820,123) 40,779,948 20,883,683	(110,000) 65,163 (2,359,142) 6,850,000 110,000 (20,908,023) 35,257,602 18,905,600
Surplus(deficiency) before general rates		(46,437,727)	(48,050,906)	(41,066,891)
Total amount raised from general rates	21(a)	48,188,803	48,050,906	44,578,182
Net current assets at 30 June c/fwd. – surplus / (deficit)	22	1,751,076	0	3,511,291

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



#### **Financial Report**

#### For the Year Ended 30th June 2019

#### Notes to and Forming Part of the Financial Report

#### 1. BASIS OF PREPARATION

#### THE LOCAL GOVERNMENT REPORTING ENTITY

The financial report comprises of 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 to the extent they are not in-consistent with the Local Government Act 1995 and accompanying regulations.), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

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.

#### 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.

#### THE LOCAL GOVERNMENT REPORTING ENTITY (Continued) CRITICAL ACCOUNTING ESTIMATES (Continued)

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.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 24 to these financial statements.

# **Financial Report**

### For the Year Ended 30th June 2019

### Notes to and Forming Part of the Financial Report

Actual Actual \$ **Revenue and Expenses** 

2019

2018

#### Revenue (a)

#### Significant Revenue

2,067,628 1,038,730 Reimbursements and Recoveries 2,067,628 1,038,730

Reimbursements and Recoveries form part of Operating Grants, subsidies and Contributions.

	15,793,598	15,517,916
Other Property and Services	241,861	172,367
Economic Services	1,821,603	1,877,143
Transport	1,218,997	1,148,716
Recreation and Culture	2,873,539	2,567,867
Community Amenities	8,330,002	8,445,631
Housing	473,742	470,205
Education and Welfare	161	159
Health	538,978	538,610
Law, Order & Public Safety	171,419	175,969
Governance	43,208	35,135
General Purpose Funding	80,088	86,114
Fees & Charges		

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

#### **Grant Revenue**

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

	Actual	Actual
Operating Grants, Subsidies and Contributions	\$	\$
General Purpose Funding	2,328,138	2,232,364
Governance	227,906	145,015
Law, Order & Public Safety	645,887	527,153
Health	118,646	132,937
Education and Welfare	8,453	4,781
Housing	4,024	3,764
Community Amenities	110,762	186,209
Recreation and Culture	1,636,151	1,088,464
Transport	644,667	151,635
Economic Services	25,629	5,817
Other Property and Services	329,030	258,104
	6,079,293	4,736,243



#### Attachment B

#### City of Busselton

#### **Financial Report**

#### For the Year Ended 30th June 2019

#### Notes to and Forming Part of the Financial Report

		Actual \$	Actual \$
2.	Revenue and Expenses (Continued)		
(a)	Revenue (Continued)		
	Non- operating Grants, Subsidies and Contributions		
	Governance	140,044	0
	Law, Order & Public Safety	814,215	580,964
	Health	8,487	8,397
	Community Amenities	273,000	1,863
	Recreation and Culture	3,417,379	5,305,642
	Transport	9,811,988	18,897,124
		14,465,113	24,793,990

#### SIGNIFICANT ACCOUNTING POLICIES **Grants, Donations and Other Contributions**

Grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were

#### **Grants, Donations and Other Contributions** (Continued)

undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 20.

2019

2018

That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

2019

2018

	Actual \$	Budget \$	Actual \$
Interest Earnings			
- Reserve Funds	1,413,167	900,000	1,130,739
- Restricted Funds	101,722	650,000	651,630
- Other Funds	311,247	283,760	213,287
- Other Interest Revenue (refer note 21(e))	510,160	450,000	457,900
	2,336,296	2,283,760	2,453,556
Operating Grants			
Financial Assistance Grants - Untied	839,925	364,790	378,410
Financial Assistance Grants - Roads	1,477,283	670,544	791,516
	2,317,208	1,035,334	1,169,926

2019

Note: The above Operating Grants (in excess of budget) were paid as an advance payment on income that normally would have been received in the 2019/20 financial year.



Attachment B

Financial Report

Development.       0       1,400,000         Auditors Remuneration       18,900       23,300         - Other Services       1,460       5,18         20,360       28,48         Interest Expenses (Finance Costs)         Overdraft Interest       0         Long Term Borrowings (refer Note 12(a))       1,333,095       1,250,420	Notes to and Forming Part of the Financial Report    2019   2018   Actual   \$ Actual   \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		City of Busselton		
Notes to and Forming Part of the Financial Report  2019 Actual \$  2018 Actual \$  2019 Actual \$  2018 Actual \$  2019 Actual \$  2019 Actual \$  2018 Actual \$  2019 Actual \$  2019 Actual \$  2018 Actual \$  2019 Actual \$  2018 Actual \$  2019 Actual \$  2018 Actual \$  2019 Actual \$  2018 Actual \$	Notes to and Forming Part of the Financial Report  2019		Financial Report		
2019 Actual \$ Actual \$ \$  2. Revenue and Expenses (Continued)  (b) Expenses  Significant Expenses Repayment of Royalties for Regions Project Grant relating to the Busselton-Margaret River Airport 0 1,400,000  Development. 0 1,400,000  Auditors Remuneration - Audit of Financial Report 18,900 23,300 - Other Services 1,460 5,18 20,360 28,48  Interest Expenses (Finance Costs) Overdraft Interest  0 0 Long Term Borrowings (refer Note 12(a)) 1,333,095 1,250,425	2019 Actual \$ Actual \$ \$  2. Revenue and Expenses (Continued)  (b) Expenses  Significant Expenses Repayment of Royalties for Regions Project Grant relating to the Busselton-Margaret River Airport Development.  0 1,400,000  Auditors Remuneration - Audit of Financial Report 18,900 23,300 - Other Services 1,460 5,18: 20,360 28,48:  Interest Expenses (Finance Costs) Overdraft Interest		For the Year Ended 30 <sup>th</sup> June 2	019	
Actual \$ \$  2. Revenue and Expenses (Continued)  (b) Expenses  Significant Expenses Repayment of Royalties for Regions Project Grant relating to the Busselton-Margaret River Airport 0 1,400,000 Development.  - Auditors Remuneration - Audit of Financial Report 18,900 23,300 - Other Services 1,460 5,18 - 20,360 28,48  Interest Expenses (Finance Costs) Overdraft Interest 0 1,333,095 1,250,422	Actual \$ \$  2. Revenue and Expenses (Continued)  (b) Expenses  Significant Expenses Repayment of Royalties for Regions Project Grant relating to the Busselton-Margaret River Airport 0 1,400,000 Development.  - Auditors Remuneration - Audit of Financial Report 18,900 23,300 - Other Services 1,460 5,18 - 20,360 28,48  Interest Expenses (Finance Costs) Overdraft Interest 0 0 Long Term Borrowings (refer Note 12(a)) 1,333,095 1,250,425		Notes to and Forming Part of the Final	ncial Report	
Significant Expenses  Repayment of Royalties for Regions Project Grant relating to the Busselton-Margaret River Airport Development.  O 1,400,000  Auditors Remuneration - Audit of Financial Report 18,900 23,300 - Other Services 1,460 5,18 20,360 28,48  Interest Expenses (Finance Costs) Overdraft Interest 0 Long Term Borrowings (refer Note 12(a)) 1,333,095 1,250,425	Significant Expenses Repayment of Royalties for Regions Project Grant relating to the Busselton-Margaret River Airport Development.  O 1,400,000  Auditors Remuneration - Audit of Financial Report 18,900 23,300 - Other Services 1,460 5,18:  20,360 28,48:  Interest Expenses (Finance Costs) Overdraft Interest 0 0 0 Long Term Borrowings (refer Note 12(a)) 1,333,095 1,250,426			Actual	Actual
Significant Expenses Repayment of Royalties for Regions Project Grant relating to the Busselton-Margaret River Airport 0 1,400,000 Development. 0 1,400,000  Auditors Remuneration - Audit of Financial Report 18,900 23,300 - Other Services 1,460 5,18 20,360 28,48  Interest Expenses (Finance Costs) Overdraft Interest 0 0 1,333,095 1,250,426	Significant Expenses Repayment of Royalties for Regions Project Grant relating to the Busselton-Margaret River Airport Development.  O 1,400,000  Auditors Remuneration - Audit of Financial Report 18,900 23,300 - Other Services 1,460 5,18 20,360 28,48  Interest Expenses (Finance Costs) Overdraft Interest 0 Long Term Borrowings (refer Note 12(a)) 1,333,095 1,250,422	2.	Revenue and Expenses (Continued)		
Repayment of Royalties for Regions Project Grant relating to the Busselton-Margaret River Airport Development.         0         1,400,000           Auditors Remuneration - Audit of Financial Report - Other Services         18,900         23,300           - Other Services         1,460         5,18           20,360         28,48           Interest Expenses (Finance Costs)         0         0           Overdraft Interest         0         1,333,095         1,250,420	Repayment of Royalties for Regions Project Grant relating to the Busselton-Margaret River Airport Development.         0         1,400,000           Auditors Remuneration - Audit of Financial Report - Other Services         18,900         23,300           - Other Services         1,460         5,18           20,360         28,48           Interest Expenses (Finance Costs)         0         0           Overdraft Interest         0         1,333,095         1,250,420	(b)	Expenses		
relating to the Busselton-Margaret River Airport         0         1,400,000           Development.         0         1,400,000           Auditors Remuneration         - Audit of Financial Report         18,900         23,300           - Other Services         1,460         5,18           20,360         28,48           Interest Expenses (Finance Costs)           Overdraft Interest         0           Long Term Borrowings (refer Note 12(a))         1,333,095         1,250,420	Telating to the Busselton-Margaret River Airport   0   1,400,000				
Auditors Remuneration - Audit of Financial Report 18,900 23,30 - Other Services 1,460 5,18 20,360 28,48  Interest Expenses (Finance Costs) Overdraft Interest	Auditors Remuneration - Audit of Financial Report 18,900 23,30 - Other Services 1,460 5,18 20,360 28,48  Interest Expenses (Finance Costs) Overdraft Interest 0 Long Term Borrowings (refer Note 12(a)) 1,333,095 1,250,42		relating to the Busselton-Margaret River Airport	0	1,400,00
- Audit of Financial Report 18,900 23,300 - Other Services 1,460 5,18 20,360 28,48  Interest Expenses (Finance Costs)  Overdraft Interest 0 Long Term Borrowings (refer Note 12(a)) 1,333,095 1,250,426	- Audit of Financial Report 18,900 23,300 - Other Services 1,460 5,18 20,360 28,48  Interest Expenses (Finance Costs)  Overdraft Interest 0 Long Term Borrowings (refer Note 12(a)) 1,333,095 1,250,420		Development.	0	1,400,00
- Audit of Financial Report 18,900 23,300 - Other Services 1,460 5,18	- Audit of Financial Report 18,900 23,300 - Other Services 1,460 5,18		Auditors Remuneration		
- Other Services 1,460 5,18 20,360 28,48 20,	- Other Services 1,460 5,18 20,360 28,48 20,			18,900	23,30
Interest Expenses (Finance Costs)  Overdraft Interest  Long Term Borrowings (refer Note 12(a))  1,333,095  1,250,42	Interest Expenses (Finance Costs)  Overdraft Interest  Long Term Borrowings (refer Note 12(a))  1,333,095  1,250,42			1,460	5,18
Overdraft Interest 0 Long Term Borrowings (refer Note 12(a)) 1,333,095 1,250,42	Overdraft Interest 0 Long Term Borrowings (refer Note 12(a)) 1,333,095 1,250,42			20,360	28,48
Long Term Borrowings (refer Note 12(a)) 1,333,095 1,250,42	Long Term Borrowings (refer Note 12(a)) 1,333,095 1,250,426		Interest Expenses (Finance Costs)		
1,333,095 1,250,42	1,333,095 1,250,42		Long Term Borrowings (refer Note 12(a))		

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# Financial Report

# City of Busselton

# **Financial Report**

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

	N	lote	2019 Actual \$	2018 Actual \$
3.	Cash and Cash Equivalents			•
	Unrestricted		3,204,485	4,885,287
	Restricted	_	67,067,833	67,528,051
		-	70,272,318	72,413,338
	The following restrictions have been imposed by regulations or other externally imposed requirements:			
100	Airport Infrastructure Renewal Reserve		1,821,554	1,325,502
136	Airport Marketing and Incentive Reserve		3,396,151	1,583,014
143	Airport Noise Mitigation Reserve		890,710	0
148	Airport Existing Terminal Building Reserve		39,882	0
106	Building Asset Renewal Reserve		1,725,056	1,193,934
404	Barnard Park Sports Pavilion Building Reserve		10,666	0
405	Railway House Building Reserve		16,761	0
406	Youth and Community Activities Building Reserve		45,712	0
407	Busselton Library Building Reserve		85,071	0
131	Busselton Community Resource Centre Reserve		190,876	156,654
408	Busselton Jetty Tourist Park Reserve		159,726	0
409	Geographe Leisure Centre Building Reserve		381,186	0
331	Joint Venture Aged Housing Reserve		1,085,871	997,855 186,718
403	Winderlup Aged Housing Resident Funded		212,501 63,746	0
410 411	Naturaliste Community Centre Building Reserve Civic and Administration Building Reserve		187,928	0
411	Vasse Sports Pavilion Building Reserve		0	0
110	Jetty Maintenance Reserve		4,806,278	4,193,450
150	Jetty Self Insurance Reserve		365,698	0
	Asset Depreciation Reserve		0	563,412
223	Road Assets Renewal Reserve		1,119,116	1,299,765
224	Footpath/ Cycle Ways Reserve		3,671	0
115	Plant Replacement Reserve		1,205,527	2,185,396
137	Major Traffic Improvements Reserve		1,495,578	432,138
132	CBD Enhancement Reserve		171,317	122,491
127	New Infrastructure Development Reserve		1,803,172	1,834,715
141	Commonage Precinct Infrastructure Road Reserve		231,224	225,575
114	City Car Parking and Access Reserve		1,281,337	875,926
107	Corporate IT Systems Reserve		80,398	78,624
133	Election, Valuation and Other Corporate Expenses Reserve		499,906	149,558
111	Legal Expenses Reserves		577,256	557,904
135	Performing Arts and Convention Centre Reserve		0	0
202	Long Service Leave Reserve		3,096,583	3,111,698
203	Professional Development Reserve		122,772	113,025
204	Sick Pay Incentive Reserve		150,403	175,936
124	Workers Compensation and Extended Sick Leave Contingency Reserve		305,100	356,227



# **Financial Report**

#### For the Year Ended 30th June 2019

#### Notes to and Forming Part of the Financial Report

3.	Cash and Cash Equivalents (Continued)	Note	2019 Actual \$	2018 Actual \$
302	Community Facilities - City District		2,552,707	2,303,096
304	Community Facilities - Broadwater		158,524	138,049
303	Community Facilities - Busselton		44,012	34,547
305	Community Facilities – Dunsborough		188,063	166,327
311	Community Facilities - Dunsborough Lakes Estate		922,773	525,106
306	Community Facilities - Geographe		99,176	95,061
310	Community Facilities - Port Geographe		343,510	335,117
309	Community Facilities - Vasse		615,586	589,761
308	Community Facilities - Airport North		2,970,179	2,826,296
130	Locke Estate Reserve		1,013	0
122	Port Geographe Development Reserve		682,471	1,455,441
123	Port Geographe Waterways Management Reserve		3,349,717	3,387,485
126	Provence Landscape Maintenance Reserve		1,194,759	1,101,707
128	Vasse Newtown Landscape Maintenance Reserve		575,151	535,722
138	Commonage Precinct Bushfire Facilities Reserve		57,261	55,862
139	Commonage Community Facilities Dunsborough Lakes South Reserve		72,622	70,848
140	Commonage Community Facilities South Biddle Precinct Reserve		886,172	1,030,368
321	Busselton Area Drainage and Waterways Improvement Reserve		546,471	548,821
102	Coastal and Climate Adaptation Reserve		2,845,579	2,472,425
144	Emergency Disaster Recovery Reserve		72,782	50,000
145	Energy Sustainability Reserve		181,853	100,000
146	Cemetery Reserve		157,626	100,000
341	Public Art Reserve		86,198	229,685
121	Waste Management Facility and Plant Reserve		7,867,207	7,881,065
120	Strategic Projects Reserve		257,163	226,213
129	Untied Grants Reserve		1,232,906	0
134	Civic and Administration Centre Construction Reserve		0	0
ACI	Accrued Interest (Reserves and Restricted)		(202,018)	(177,117)
RA	Cash set aside in Lieu of Parking		275,602	275,602
RA	Cash set aside for Roadwork within specific areas, being funds given as a condition of subdivision/development		1,526,962	2,034,699
RA	Cash set aside, being unspent specific purpose Government Grants		5,699,606	10,518,573
RA	Cash set aside, being Unspent Loan Funds		792,612	2,686,903
RA	Cash set aside for Sundry Restricted		441,345	392,310
RA	Cash set aside for Deposits & Bonds		2,943,510	3,818,562
			67,067,833	67,528,051

#### SIGNIFICANT ACCOUNTING POLICIES

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with maturities of up to 12 months that are readily convertible to known amounts of cash and which are subject to an

# Cash and cash equivalents (Continued)

insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.



997,855 156,654 1,325,502 1,583,014 1,193,934 Closing Balance \$ (22,675)0 (25,000) 2017/18 Actual Transfers To \$ 56,825 0 32,932 147,868 670,028 489,364 1,428,768 912,986 123,722 874,987 Opening Balance 1,159,784 16,500 186,640 1,730,672 39,000 10,500 45,000 72,580 189,027 3,872 1,071,875 1,655,186 1,422,880 Closing Balance \$ (231,630) (661,918) (11,000)(214,400)Notes to and Forming Part of the Financial Report (121,500)2018/19 Budget
ansfers Transfers
To From (1,590,287) (869,550) (290,000) For the Year Ended 30th June 2019 City of Busselton Transfers To \$ 561,314 16,500 83,580 218,272 476,640 195,520 869,550 39,000 890,864 10,500 45,000 32,373 1,737,945 City of Busselton Financial Report ♣ AMD= 156,654 997,855 1,325,502 1,583,014 1,193,934 Opening Balance 381,186 890,710 45,712 190,876 159,726 39,882 10,666 16,761 1,085,871 85,071 1,821,554 3,396,151 1,725,056 Closing Balance \$ 0 (81,630) (392,313)(62,001) (103,458)(122,686)Transfers From 2018/19 Actual 923,435 210,702 577,682 890,710 16,761 45,712 727,122 484,644 39,882 34,222 Transfers 1,813,137 85,071 2 \$ 0 156,654 997,855 1,325,502 1,583,014 1,193,934 Barnard Park Sports Pavilion Building Geographe Leisure Centre Building Reserve Joint Venture Aged Housing Reserve **Busselton Jetty Tourist Park Reserve** Youth and Community Activities Building Reserve Busselton Library Building Reserve Airport Existing Terminal Building Airport Noise Mitigation Reserve Airport Marketing and Incentive **Building Asset Renewal Reserve** Railway House Building Reserve **Busselton Community Resource** 4. Reserves - Cash Backed Airport Infrastructure Renewal

				Ġ	City of Busselton	ton						
				Fir	Financial Report	ort						
			<b>-</b>	For the Year Ended 30 <sup>th</sup> June 2019	r Ended 30	<sup>th</sup> June 201	6]					
			Notes to	Notes to and Forming Part of the Financial Report	ng Part of	the Financ	ial Report					
4. Reserves – Cash Backed (Continued)	(pani											
		2018/1	2018/19 Actual			2018/1	2018/19 Budget			2017/1	2017/18 Actual	
	Opening Balance	Transfers To	Transfers From	Closing Balance	Opening Balance	Transfers To \$	Transfers From	Closing Balance	Opening Balance	Transfers To	Transfers From	Closing Balance
Winderlup Aged Housing Resident Funded	186,718	67,806	(42,023)	212,501	186,718	3,504	(66,200)	124,022	175,335	11,383	0	186,718
Naturaliste Community Centre Building Reserve	0	161,226	(97,480)	63,746	0	159,078	(100,000)	59,078	0	0	0	0
Civic and Administration Building Reserve	0	187,928	0	187,928	0	185,000	0	185,000	0	0	0	0
Vasse Sports Pavilion Building Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Jetty Maintenance Reserve	4,193,450	1,357,284	(744,456)	4,806,278	4,193,450	1,327,704	(1,552,610)	3,968,544	3,158,775	1,283,470	(248,795)	4,193,450
Jetty Self Insurance Reserve	0	362,698	0	365,698	0	360,000	0	360,000	0	0	0	0
Asset Depreciation Reserve	563,412	14,030	(577,442)	0	563,412	10,572	(573,984)	0	570,623	13,499	(20,710)	563,412
Road Assets Renewal Reserve	1,299,765	2,600,211	(2,780,860)	1,119,116	1,299,765	2,575,340	(3,875,096)	6	505,707	2,234,190	(1,440,132)	1,299,765
Footpath/ Cycle Ways Reserve	0	235,577	(231,906)	3,671	0	231,906	(231,906)	0	0	0	0	0
Plant Replacement Reserve	2,185,396	1,177,175	(2,157,044)	1,205,527	2,185,396	886,580	(2,179,650)	892,326	2,325,778	808,669	(949,051)	2,185,396
Major Traffic Improvements Reserve		1,241,862	(178,422)	1,495,578	432,138	1,219,222	(1,650,000)	1,360	0	509,105	(76,967)	432,138
CBD Enhancement Reserve	122,491	48,826	0	171,317	122,491	47,292	(120,000)	49,783	84,898	37,593	0	122,491
New Infrastructure Development Reserve	1,834,715	462,042	(493,585)	1,803,172	1,834,715	445,357	(1,470,740)	809,332	2,033,639	704,113	(903,037)	1,834,715
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				_	Financial Report	port						
				For the Ye	For the Year Ended 30 <sup>th</sup> June 2019	to <sup>th</sup> June 2	019					
			Notes t	o and For	ming Part o	f the Final	Notes to and Forming Part of the Financial Report					
4. Reserves – Cash Backed (Continued)	inued)	1000				1,0100	201000			1,100		
	Opening Balance	Transfers	Transfers	Closing	Opening Balance	Transfers	Transfers	Closing	Opening Balance	Transfers	Transfers	Closing
Commonage Precinct Infrastructure Road Reserve	\$ 225,575	5,649	^	231.224	\$ 225,575	4,236	^	229,811	n	225,575	n	225,575
City Car Parking and Access Reserve	875,926	568,274	(162,863)	1,281,337	875,926	554,452	(1,312,249)	118,129	623,502	459,270	(206,846)	875,926
Corporate IT Systems Reserve	78,624	1,774	0	80,398	78,624	1,476	0	80,100	125,981	2,966	(50,323)	78,624
Election, Valuation and Other Corporate Expenses Reserve	149,558	359,348	(000′6)	499,906	149,558	353,757	(10,300)	493,015	331,553	187,425	(369,420)	149,558
Legal Expenses Reserves	557,904	76,399	(57,047)	577,256	557,904	10,464	(30,000)	538,368	544,832	13,072	0	557,904
Performing Arts and Convention Centre Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Long Service Leave Reserve	3,111,698	478,139	(493,254)	3,096,583	3,111,698	308,368	(806,308)	2,813,758	2,763,368	732,876	(384,546)	3,111,698
Professional Development Reserve	113,025	73,777	(64,030)	122,772	113,025	72,124	(70,000)	115,149	95,329	78,024	(60,328)	113,025
Sick Pay Incentive Reserve	175,935	5,088	(30,620)	150,403	175,935	3,300	(70,000)	109,235	146,380	83,491	(53,935)	175,936
Workers Compensation & Extended Sick Leave Contingency Reserve	356,227	8,873	(9000)	305,100	356,227	6,684	(000'09)	302,911	322,008	59,219	(25,000)	356,227
Community Facilities - City District	2,303,096	366,946	(117,335)	2,552,707	2,303,096	637,080	(643,415)	2,296,761	2,103,563	430,904	(231,371)	2,303,096
Community Facilities - Broadwater	138,049	20,475	0	158,524	138,049	31,612	0	169,661	108,040	30,009	0	138,049
Community Facilities - Busselton	34,547	9,465	0	44,012	34,547	51,208	(20,000)	65,755	93,423	22,194	(81,070)	34,547
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				_	Financial Report	port						
				For the Ye	For the Year Ended 30 <sup>th</sup> June 2019	0 <sup>th</sup> June 2	019					
			Notes t	o and Forr	Notes to and Forming Part of the Financial Report	f the Finar	ıcial Report					
4. Reserves – Cash Backed (Continued)	tinued)	J018/19 Actual	lent-A			1/8/10	2018/19 Budget			1/2102	2017/18 Actual	
	Opening Balance	Transfers To	Transfers From	Closing Balance	Opening Balance	Transfers To	Transfers From \$	Closing Balance	Opening Balance \$	Transfers To	Transfers From	Closing Balance
Community Facilities – Dunsborough	166,327	21,736		188,063	166,327	81,720	0	248,047	147,095	19,232	0	166,327
Community Facilities - Dunsborough Lakes Estate	525,106	397,667	0	922,773	525,106	497,632	0	1,022,738	153,793	371,313	0	525,106
Community Facilities - Geographe	95,061	4,115	0	99,176	95,061	7,958	0	103,019	55,970	39,091	0	95,061
Community Facilities - Port Geographe	335,117	8,393	0	343,510	335,117	6,288	0	341,405	327,265	7,852	0	335,117
Community Facilities - Vasse	589,761	25,825	0	615,586	589,761	466,524	0	1,056,285	901,072	24,209	(335,520)	589,761
Community Facilities - Airport North	2,826,296	143,883	0	2,970,179	2,826,296	262,096	0	3,091,392	2,760,074	66,222	0	2,826,296
Locke Estate Reserve	0	65,013	(64,000)	1,013	0	64000	(64,000)	0	129,971	66,963	(196,934)	0
Port Geographe Development Reserve	1,455,441	80,841	(853,811)	682,471	1,455,441	77,300	(182,781)	532,960	1,534,671	35,864	(115,094)	1,455,441
Port Geographe Waterways Management Reserve	3,387,485	281,357	(319,125)	3,349,717	3,387,485	251,113	(337,800)	3,300,798	3,422,821	264,664	(300,000)	3,387,485
Provence Landscape Maintenance Reserve	1,101,707	198,524	(105,472)	1,194,759	1,101,707	187,442	(162,645)	1,126,504	1,001,808	190,128	(90,229)	1,101,707
Vasse Newtown Landscape Maintenance Reserve	535,722	188,692	(149,263)	575,151	535,722	180,434	(174,860)	541,296	485,466	182,106	(131,850)	535,722
Commonage Precinct Bushfire Facilities Reserve	55,862	1,399	0	57,261	55,862	1,044	0	56,906	0	55,862	0	55,862
Commonage Community Facilities Dunsborough Lakes South Reserve	70,848	1,774	0	72,622	70,848	1,332	0	72,180	0	70,848	0	70,848
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				-	Financial Report	port						
				For the Ye	For the Year Ended 30 <sup>th</sup> June 2019	0th June 2	019					
			Notes 1	to and Forn	ming Part o	f the Finar	Notes to and Forming Part of the Financial Report					
4. Reserves – Cash Backed (Continued)	tinued)	70,00										
	Suinou	ZUIS/I	zors/ 19 Actual	Clocing	Sainon	Z018/13	2018/19 Budget	Sucion	0	Z017/1	2017/18 Actual	
	Balance \$	To \$	From \$	Balance \$	Balance \$	To \$	From \$	Closing Balance \$	Opening Balance \$	ransrers To \$	From \$	Closing Balance \$
Commonage Community Facilities South Biddle Precinct Reserve	1,030,368	25,804	(170,000)	886,172	1,030,368	19,332	(200,000)	849,700	0	1,030,368	0	1,030,368
Busselton Area Drainage and Waterways Improvement Reserve	548,821	13,451	(15,801)	546,471	548,821	10,296	(169,317)	389,800	682,609	14,631	(75,599)	548,821
Coastal and Climate Adaptation Reserve	2,472,424	597,693	(224,538)	2,845,579	2,472,424	574,112	(1,091,290)	1,955,246	1,900,993	700,756	(129,324)	2,472,425
Emergency Disaster Recovery Reserve	20,000	22,782	0	72,782	20,000	20,936	0	70,936	0	20,000	0	50,000
Energy Sustainability Reserve	100,000	104,475	(22,622)	181,853	100,000	101,872	(120,000)	81,872	0	100,000	0	100,000
Cemetery Reserve	100,000	81,420	(23,794)	157,626	100,000	78,072	(120,000)	58,072	0	100,000	0	100,000
Public Art Reserve	229,685	5,698	(149,185)	86,198	229,685	104,308	(143,000)	190,993	94,836	148,849	(14,000)	229,685
Waste Management Facility and Plant Reserve	7,881,065	1,513,471	(1,527,326)	7,867,210	7,881,065	1,579,702	(4,140,590)	5,320,177	7,578,592	2,208,862	(1,906,389)	7,881,065
Strategic Projects Reserve	226,213	30,950	0	257,163	226,213	29,236	0	255,449	230,337	30,792	(34,916)	226,213
Untied Grants Reserve	0	1,232,906	0	1,232,906	0	0	0	0	1,146,659	0	(1,146,659)	0
Civic and Administration Centre Construction Reserve	0	0	0	0	0	0	0	0	444,863	0	(444,863)	0
	47,978,517	20,296,092	(12,684,392)	55,590,217	47,978,517	47,978,517 19,269,123	(56,356,026)	40,891,614	43,539,056	15,102,674	(10,663,213)	47,978,517
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#### **Financial Report**

#### For the Year Ended 30th June 2019

#### Notes to and Forming Part of the Financial Report

#### 4. Reserves - Cash Backed (continued)

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this report.

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

#### Airport Infrastructure Renewal Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and installation of Airport Infrastructure, Plant, Furniture and Equipment.

#### Airport Marketing and Incentive Reserve

The purpose of promoting and providing incentives for the Busselton Margaret River Airport.

#### **Airport Noise Mitigation Reserve**

To be utilised for the purpose of noise mitigation related activities surrounding the Airport precinct.

#### Airport Existing Terminal Building Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

# **Building Asset Renewal Reserve**

To provide funding for the major maintenance, renewal, replacement, upgrading and future building requirements for SLH2 to SLH6 assets that do not have their own reserve account and for other major building assets where insufficient funds are held for those assets.

# Barnard Park Sports Pavilion Building Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

#### Railway House Building Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

#### Youth and Community Activities Building Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

#### **Busselton Library Building Reserve**

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

# Busselton Community Resource Centre Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

#### **Busselton Jetty Tourist Park Reserve**

To provide funding for capital, maintenance and promotional/ marketing requirements.



#### **Financial Report**

#### For the Year Ended 30th June 2019

#### Notes to and Forming Part of the Financial Report

#### 4. Reserves - Cash Backed (Continued)

#### Geographe Leisure Centre Building Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

#### Joint Venture Aged Housing Reserve

To hold funds to meet future expenses, including capital, maintenance, operational and administrative costs associated with the provision of community aged housing at Winderlup Villas and Harris Road pursuant to the relevant joint venture agreements with the Department of Housing.

#### Winderlup Aged Housing Resident Funded

To hold funds to meet future expenses, including capital, maintenance, operational and administrative costs associated with the provision of council owned community aged housing.

#### Naturaliste Community Centre Building Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

<u>Civic and Administration Building Reserve</u>

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

#### Vasse Sports Pavilion Building Reserve

To provide funding for the construction, major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

#### Jetty Maintenance Reserve

To provide funding for the maintenance, renewal, replacement, upgrading and future Capital works requirements for the asset.

#### Jetty Self Insurance Reserve

As a contingency fund to rectify damage caused by the demise of the Busselton jetty or part of the jetty or for large unbudgeted extraordinary jetty repairs.

#### Asset Depreciation Reserve

To assist the City in funding capital expenditure on renewal, replacement and improvements of infrastructure assets as determined by Council, and as specifically identified in relevant Asset Management Plans.

(Note: This Reserve is being redistributed to the Building Reserves and therefore will be closed as per 2018/19

#### Road Asset Renewal Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future requirements with respect to Road Infrastructure assets within the District.

#### Footpath/ Cycle Ways Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future requirements with respect to Footpath and Cycleway assets within the District.



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#### **Financial Report**

#### For the Year Ended 30th June 2019

#### Notes to and Forming Part of the Financial Report

#### Reserves - Cash Backed (Continued)

#### Plant Replacement Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future requirements with respect to Plant and Equipment assets excluding those in independent commercial operations.

#### Major Traffic Improvements Reserve

To be utilised for the provision of enabling major capital works programs to be funded for the upgrade of the local road network to reduce congestion, increase traffic flow and ease of access within the District.

#### **CBD Enhancement Reserve**

To provide funds for Capital and maintenance works and improvements within the Busselton and Dunsborough Central Business Districts.

#### New Infrastructure Development Reserve

For the purpose of setting aside funds to facilitate the identification, design and development/construction of new infrastructure and other capital projects as identified in the City's LTFP.

#### Commonage Precinct Infrastructure Road Reserve

To be utilised for the purpose of road infrastructure and road safety upgrades within the Commonage Contribution Area in accordance with the Commonage Contributions Area policy provisions.

<u>City Car Parking and Access Reserve</u>

To provide funding for development of public car parking, the development of infrastructure to provide for the management of public car parking and improving public transport to and within the City or for end of trip facilities. To provide funding for the purchase of land identified as of strategic importance for future parking

<u>Corporate IT Systems Reserve</u>
To provide funding in relation to the ongoing development, enhancement and/ or replacement of the City's corporate systems. To be utilised for the renewal and replacement or introduction of new IT platforms/ hardware for the City.

#### Election, Valuation and Other Corporate Expenses Reserve

To provide funding for Council elections, rating valuations, fair value valuations and other legislative and corporate governance requirements.

# Legal Expenses Reserve

Funding for any legal expenses or contingency involving the City of Busselton.

<u>Performing Arts and Convention Centre Reserve</u>

To provide funds for the planning and construction, and holding of grants or other funds for a future Performing Arts and Convention Centre for the District.

#### Long Service Leave Reserve

To provide funding to meet the City's future long service leave obligations of employees.

#### Professional Development Reserve

To provide funding to meet the City's ongoing contractual professional development obligations of employees.



#### Attachment B **Financial Report**

#### City of Busselton

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#### **Financial Report**

#### For the Year Ended 30th June 2019

#### Notes to and Forming Part of the Financial Report

#### Reserves - Cash Backed (Continued)

#### Sick Pay Incentive Reserve

To provide funding to meet the City's obligations under a former sick leave incentive scheme pertaining to staff employed pre 2003.

#### Workers Compensation and Extended Sick Leave Contingency

A contingency fund to assist the City in meeting its Workers Compensation Contribution obligations when claim costs exceed the "Deposit" amount allocated to claims, to fund any shortfall with respect to insurance premiums in any one year, negotiated settlements of outstanding claims, and to enable periods of extended Sick Leave to be funded with a replacement officer.

#### Community Facilities - City District

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the District.

#### Community Facilities - Broadwater

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

#### Community Facilities - Busselton

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

#### Community Facilities - Dunsborough

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

#### Community Facilities - Dunsborough Lakes Estate

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

#### Community Facilities - Geographe

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

### Community Facilities - Port Geographe

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

#### Community Facilities - Vasse

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

#### Community Facilities - Airport North

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

#### Locke Estate Reserve

To provide funding for the protection of the Locke Estate (Reserve 22674) coastline.



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#### **Financial Report**

#### For the Year Ended 30th June 2019

#### Notes to and Forming Part of the Financial Report

#### Reserves - Cash Backed (Continued)

#### Port Geographe Development Reserve

To provide funds for capital and maintenance costs for development works associated within the Port Geographe contribution area.

#### Port Geographe Waterways Management Reserve

To provide funds for the City to fulfil its obligations under a Waterways Management Deed with the State Government for the future maintenance of waterways and associated facilities within the Port Geographe contributions area.

#### Provence Landscape Maintenance Reserve

For the purpose of holding funds for the maintenance of the approved higher standard of landscaping with the contributions area including future Capital replacement of landscaping structures as may be required.

#### Vasse Newtown Landscape Maintenance Reserve

For the purpose of holding funds for the maintenance of the approved higher standard of landscaping with the contributions area including future Capital replacement of landscaping structures as may be required.

<u>Commonage Precinct Bushfire Facilities Reserve</u>
For the purpose of the provision of fire protection facilities in accordance with the Commonage Contributions Area policy provisions.

## Commonage Community Facilities Dunsborough Lakes South Reserve

For the purpose of the provision of future recreational facilities at Dunsborough Lakes South in accordance with the Dunsborough Lakes Developer Contributions Plan.

#### Commonage Community Facilities South Biddle Precinct Reserve

To be utilised for the provision of community facilities within the South Biddle Precinct in accordance with the Commonage Area Implementation Policy provisions.

#### **Busselton Area Drainage and Waterways Improvement Reserve**

To hold development contributions for the provision of drainage works and the management and improvement of waterways and adjacent reserves within Busselton including the lower Vasse River.

#### Coastal and Climate Adaptation Reserve

The purpose of the reserve is to provide funds for coastal protection of assets and to fund initiatives to address the impacts of climate change including water supply sustainability and improvements/ upgrades of infrastructure susceptible to climate change.

# Emergency Disaster Recovery Reserve

To provide funding for Disaster Recovery activities including natural and man-made events.

#### **Energy Sustainability Reserve**

To provide funding for the investigation, implementation and optimisation of Energy Sustainability initiatives within the District.

#### Cemetery Reserve

To provide funding for the renewal, expansion and establishment of Cemeteries within the district



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### **Financial Report**

#### For the Year Ended 30th June 2019

#### Notes to and Forming Part of the Financial Report

#### Reserves - Cash Backed (Continued)

<u>Public Art Reserve</u>
To hold development contributions received by the City for the commissioning, purchase and enhancement of public art works within the District.

Waste Management Facility and Plant Reserve
To provide funding for development and rehabilitation of waste disposal sites both within the district and regionally. Acquisition of waste plant and equipment and any other waste management activities that may include contaminated sites within the District.

#### Strategic Projects Reserve

To provide funds for projects which may create a future revenue stream for the City and reduce reliance on rate revenue.

#### **Untied Grants Reserve**

To hold untied Government and third party grants monies received in advance.

#### Civic and Administration Centre Construction Reserve

To provide funding for the construction and fit-out of a Civic and Administration Centre, plus associated costs.



#### Attachment B

5.

### City of Busselton

### **Financial Report**

#### For the Year Ended 30th June 2019

#### Notes to and Forming Part of the Financial Report

	2019 Actual \$	2018 Actual \$
Trade and Other Receivables		
Current		
Rates Outstanding	1,902,973	1,709,394
Rates Outstanding – Pensioners	1,619	112,940
Sundry Debtors	1,763,604	2,313,289
GST Receivable	514,881	767,576
Loans - Clubs / Institutions	69,803	73,002
	4,252,880	4,976,201
Non-Current		
Rates Outstanding – Pensioners	317,461	275,514
Sundry Debtors	80,000	5,000
Loans – Clubs / Institutions	283,072	352,875
	680,533	633,389

#### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other receivables

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

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

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

# Classification and subsequent measurement

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

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

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# **Financial Report**

### For the Year Ended 30th June 2019

### Notes to and Forming Part of the Financial Report

2019 2018 Actual Actual \$ \$

6. Inventories

Current

Materials

24,981 23,672 24,981 23,672

#### SIGNIFICANT ACCOUNTING POLICIES

#### General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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# City of Busselton

# **Financial Report**

# For the Year Ended 30<sup>th</sup> June 2019

# Notes to and Forming Part of the Financial Report

	2019 Actual \$	2018 Actual \$
Property, Plant and Equipment		
Land & Buildings		
Freehold Land – Fair Value	52,992,291	52,772,291
	52,992,291	52,772,291
	32,332,231	32,772,231
Buildings – Fair Value	79,026,755	75,220,950
Less Accumulated Depreciation	(6,195,130)	(3,039,620)
	72,831,625	72,181,330
Total Land and Buildings	125,823,916	124,953,621
Furniture and Fittings – Fair Value	3,084,411	4,588,187
Less Accumulated Depreciation	0	(1,258,524)
	3,084,411	3,329,663
Plant and Equipment – Fair Value Less Accumulated Depreciation	15,425,356 0	17,948,506 (3,924,258)
	15,425,356	14,024,248
Total Property, Plant and Equipment	144,333,683	142,307,532



Attachment B Financial Report

			City of Busselton	elton				
			Financial Report	eport				
		Fort	For the Year Ended 30 <sup>th</sup> June 2019	30 <sup>th</sup> June 2019				
		Notes to and	Notes to and Forming Part of the Financial Report	of the Financial	Report			
7.	Property, Plant and Equipment (Continued)							
(q)	Movements in Carrying Amounts							
	The following represents the movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.	gamounts of each cla	iss of property, plant	and equipment betv	veen the beginning an	d the end of the curn	ent financial year.	
		Land	Buildings Non- Specialised	Buildings Specialised	Furniture and Fittings	Plant and Equipment	Total	
		(Level 2)	(Level 2)	(Level 3)	(Level 3)	(Level 3)		
	Balance as at 1 July 2018	52,772,291	46,814,835	25,366,495	3,329,663	14,024,248	142,307,532	
	Additions	220,000	484,283	3,336,522	507,106	3,759,179	8,307,090	
	(Disposals)	0	0	(12,295)	(8,994)	(841,420)	(862,709)	
	Revaluation - Increments - (Decrements)	00	0 0	00	351,368	703,836	1,055,204	
	Impairment - (Losses) - Reversals	0 0	00	00	00	00	00	
	Depreciation - (Expense)	0	(1,954,815)	(1,203,400)	(664,349)	(1,984,037)	(5,806,601)	
	Donated Assets	0	0	0	42,000	476,452	518,452	
	Asset Accounting Change - Regulations	0	0	0	(472,383)	(712,902)	(1,185,285)	
	Other Movements	0	0	0	0	0	0	
	Balance as at 30 June 2019	52,992,291	45,344,303	27,487,322	3,084,411	15,425,356	144,333,683	
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			AMD					

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	Attachment B	Financial Report

			ort			t Inputs Used	Price per hectare / market borrowing rate.	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessment's (level 3) innuts.	Price per square meter / market borrowing rate	Construction cost (level 2) and current condition (level 3), residual values and remaining useful life assessment (level 3)	inpus.  Purchased cost (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs.	Level 3 inputs are based on assumptions with regards 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.	During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.		
		2019	ncial Repo			Date of last Valuation	June 2017	June 2017	June 2017	June 2019	June 2019	lising curren	determine	selton	
City of Busselton	Financial Report	For the Year Ended 30 <sup>th</sup> June 2019	Notes to and Forming Part of the Financial Report			Basis of Valuation	Independent Registered Valuer.	Independent Registered Valuer.	Independent Registered Valuer.	Management valuation.	Management valuation.	patterns of consumption uti neasurement.	by the local government to	City of Busselton	AMA AMA
		For the	Notes to and Fo	(p:		Valuation Technique	Market approach using recent observable market data for similar	properties. Cost approach using depreciated replacement cost.	Market approach using recent observable market data for similar properties.	Cost approach using depreciated replacement cost.	Cost approach using depreciated replacement cost.	Level 3 inputs are based on assumptions with regards to future values and patterns of co they have the potential to result in a significantly higher or lower fair value measurement.	in the valuation techniques used		
				ment (Continue		Fair Value V		e .	2	e e	e e	assumptions w sult in a signifi	e no changes		
				7. Property, Plant and Equipment (Continued)	(c) Fair Value Measurements	Asset Class	Land & Buildings Freehold land	Non-Specialised Buildings	Specialised Buildings	Furniture & Equipment Furniture & Equipment	<u>Plant &amp; Equipment</u> Plant & Equipment	Level 3 inputs are based on they have the potential to re	During the period there wer level 2 or level 3 inputs.		

# **Financial Report**

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

		2019 Actual \$	2018 Actual \$
8 (a).	Infrastructure		
	Roads – Fair Value	299,491,560	290,497,518
	Less Accumulated Depreciation	(5,798,888)	0
		293,692,672	290,497,518
	Bridges – Fair Value	37,824,541	37,824,541
	Less Accumulated Depreciation	(733,154)	0
		37,091,387	37,824,541
	Car Parks – Fair Value	9,304,650	8,588,584
	Less Accumulated Depreciation	(318,660)	0
		8,985,990	8,588,584
	Stormwater Drainage – Fair Value	58,067,718	55,513,855
	Less Accumulated Depreciation	(792,844)	0
		57,274,874	55,513,855
	Other Infrastructure – Fair Value	176,272,067	160,806,470
	Less Accumulated Depreciation	(8,600,998)	0
		167,671,069	160,806,470
		564,715,992	553,230,968



Attachment B Financial Report

		City o	City of Busselton					
		Finan	Financial Report					
		For the Year Ended 30 <sup>th</sup> June 2019	nded 30 <sup>th</sup> June	2019				
	Notes t	and Forming	Part of the Fir	Notes to and Forming Part of the Financial Report				
86	Infrastructure (Continued)							
(q)	Movements in Carrying Amounts Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year	ween the beginning	g and the end of th	e current financial y	ear			
		Roads	Bridges \$	Car Parks	Drainage \$	Other \$	Total \$	
	Balance as at 1 July 2018	290,497,518	37,824,541	8,588,584	55,513,855	160,806,470	553,230,968	
	Additions	5,629,217	0	716,066	596,963	13,347,945	20,290,191	
	(Disposals)	0	0	0		0	0	
	Revaluation – Increments/ Decrements (transferred to Revaluations)	0	0	0	0	0	0	
	Revaluation – Increments/ Decrements (transferred to Profit or Loss)	0	0	0	0	0	0	
	Impairment - (Losses) - Reversals	00	0 0	00	00	00	00	
	Depreciation - (Expense)	(5,798,888)	(733,154)	(318,660)	(792,844)	(8,601,009)	(16,244,555)	
	Donated Assets	3,364,825	0	0	1,956,900	2,117,663	7,439,388	
	Other Movements	0	0	0	0	0	0	
	Balance as at 30 June 2019	293,692,672	37,091,387	8,985,990	57,274,874	167,671,069	564,715,992	
- 34 -			City of Busselton	elton				
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Attachment B

City of Busselton	Financial Report	For the Year Ended 30 <sup>th</sup> June 2019	Notes to and Forming Part of the Financial Report	8. Infrastructure (Continued)	(c) Fair Value Measurements	Asset Class Fair Value Valuation Technique Basis of Valuation Date of last Inputs Used Hierarchy Valuation	Cost approach using depreciated Management valuation. replacement cost.	Bridges 3 Cost approach using depreciated Management valuation. June 2018 Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs.	Car Parks 3 Cost approach using depreciated Management valuation. June 2018 Construction costs (level 2) and current condition (level 3), replacement cost. 3) inputs.	Drainage 3 Cost approach using depreciated Management valuation. June 2018 Construction costs (level 2) and current condition (level 3), replacement cost. 3) inputs.	Other Infrastructure 3 Cost approach using depreciated Management valuation. June 2018 Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs.	Level 3 inputs are based on assumptions with regards 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.	During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.		35 -
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#### **Financial Report**

#### For the Year Ended 30th June 2019

#### Notes to and Forming Part of the Financial Report

#### 9. Fixed Assets

#### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

# Initial recognition and measurement between mandatory revaluation dates

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

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, 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 fixed assets is determined at least every three years (but not more than 5 years) in accordance with the regulatory framework. 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 property, plant and equipment to be shown at fair value.

#### Revaluation (Continued)

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.

#### Land under control

In accordance with Local Government (Financial Management) Regulation 16(a)(ii), the City was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

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 in accordance with the other policies detailed in this Note.

#### Land under Roads

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

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

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

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

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

# **Financial Report**

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

## 9. Fixed Assets (Continued)

### Disposals of Assets - 2018/19 Financial Year

The following assets were disposed of during the year:

### By Function/Activity:-

	Net Boo	k Value	Sale	Price	Profit /	(Loss)
	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$
General Purpose Funding	0	0	0	0	0	0
Governance	64,638	55,700	65,530	56,300	892	600
Law, Order, Public Safety	61,200	63,762	64,431	62,600	3,231	(1,162)
Health	18,800	18,800	20,625	19,200	1,825	400
Education and Welfare	0	0	0	0	0	0
Housing	56	0	0	0	( 56)	0
Community Amenities	139,500	156,500	146,859	157,100	7,359	600
Recreation and Culture	104,452	209,256	89,965	241,050	(14,487)	31,794
Transport	385,172	354,332	446,484	372,400	61,312	18,068
Economic Services	15,700	34,400	16,306	36,000	606	1,600
Other Property & Services	73,191	105,640	75,975	101,300	2,784	(4,340)
	862,709	998,390	926,175	1,045,950	63,466	47,560

# By Asset Class:-

	Net Boo	k Value	Sale	Price	Profit /	(Loss)
	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$
Land and Buildings	12,295	0	0	0	(12,295)	0
Plant and Equipment	841,420	998,390	919,777	1,045,950	78,357	47,560
Furniture and Fittings	8,994	0	6,398	0	(2,596)	0
Infrastructure	0	0	0	0	0	0
	862,709	998,390	926,175	1,045,950	63,466	47,560

2019

2018

		Actual \$	Actual \$
(b)	Depreciation		
	Buildings	3,158,215	3,040,186
	Furniture and Fittings	664,349	730,640
	Plant and Equipment	1,984,037	2,082,745
	Infrastructure - Roads	5,798,888	5,013,460
	Infrastructure - Bridges	733,154	602,398
	Infrastructure - Car Parks	318,660	308,939
	Infrastructure - Stormwater Drainage	792,844	703,907
	Infrastructure - Other Infrastructure	8,601,009	6,099,242
		22.051.156	18 581 517



#### **Financial Report**

### For the Year Ended 30th June 2019

### Notes to and Forming Part of the Financial Report

- 9. Fixed Assets (Continued)
- (b) Depreciation (Continued)

#### SIGNIFICANT ACCOUNTING POLICIES

#### Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

- a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

#### Depreciation (Continued)

#### Depreciation rates

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

#### Infrastructure

Infrastructure:		
Roads	15 - 60	Years
Bridges	40 - 60	Years
Car Parks	20 - 40	Years
Footpaths & Cycle ways	20 - 40	Years
Parks, Gardens & Reserves &	5 - 50	Years
Community Facilities		
Storm water Drainage	25 - 90	Years
Regional Airport & Industrial Park	12 - 40	Years

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

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

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

# **Financial Report**

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

#### 10. Revaluation Surplus

Revaluations surpluses have arisen on revaluation of the following class of non-current assets:

	2019	2018
	Actual	Actual
1110-98	\$	\$
Land and Buildings	E6 901 947	56 901 947
Opening Balance	56,801,847 0	56,801,847 0
Revaluation Increment	0	0
Revaluation Decrement		
	56,801,847	56,801,847
Furniture & Fittings		
Opening Balance	445,965	445,965
Revaluation Increment	351,368	0
Revaluation Decrement	0	0
	797,333	445,965
Plant and Equipment		
Opening Balance	136,902	136,902
Revaluation Increment	703,836	0
Revaluation Decrement	0	0
	840,738	136,902
Roads		
Opening Balance	122,047,036	102,035,756
Revaluation Increment	0	20,011,280
Revaluation Decrement	0	0
	122,047,036	122,047,036
Bridges		
Opening Balance	24,939,518	19,677,168
Revaluation Increment	0	5,262,350
Revaluation Decrement	0	0_
	24,939,518	24,939,518
Car Parks		
Opening Balance	5,314,676	5,863,855
Revaluation Increment	0	0
Revaluation Decrement	0	(549,179)
	5,314,676	5,314,676
Drainage		
Opening Balance	14,102,455	9,978,811
Revaluation Increment	0	4,123,644
Revaluation Decrement	0	0
	14,102,455	14,102,455
Other Infrastructure		
Opening Balance	11,352,697	8,274,981
Revaluation Increment	0	3,077,716
Revaluation Decrement	0	0
	11,352,697	11,352,697
All Asset Classes		
Opening Balance	235,141,096	203,215,285
Revaluation Increment	1,055,204	32,474,990
Revaluation Decrement	0	(549,179)
Total Assets Revaluation Surplus	236,196,300	235,141,096

Movements on revaluation of fixed assets are not able to be reliably attributed to programs as the assets were revalued by class as provided for by AASB 116 Aus. 40.1.

# **Financial Report**

# For the Year Ended 30th June 2019

### Notes to and Forming Part of the Financial Report

		2019 Actual \$	2018 Actual \$
11.	Trade and Other Payables		
	Current		
	Sundry Creditors	4,306,953	3,619,586
	Deposits and Bonds	2,943,510	3,818,562
	Accrued Expenses	885,575	2,504,165
		8,136,038	9,942,313

# SIGNIFICANT ACCOUNTING POLICIES

# Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future

Trade and other payables (Continued) payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.



					City of	City of Busselton							
					Financi	Financial Report							
				For th	e Year Enc	For the Year Ended 30 <sup>th</sup> June 2019	ne 2019						
			Note	s to and	Forming P	Notes to and Forming Part of the Financial Report	inancial R	Report					
12.	Information on Borrowings				Carionist	new Jane	Now Loans	encommend legisquad	4 in contract of	120	i di	# 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	
2	Particulars	Borrowing	Int. %	Maturity Date	1 July 2018	2018/19 Budget	2018/19 Actual	2018/19 Budget	2018/19 Actual	2018/19 Budget	2018/19 Actual	2018/19 Budget	2018/19 Actual
U	Administration Loan #207 Civic and Administration Centre	WATC	4.51	06/34	15,496,496	0	0	677,320	677,320	14,819,176	14,819,175	687,544	687,461
_	Recreation & Culture	OTA/W	27.7	13/10	10 710	c	c	2 044	7 044	3636	2 675	765	757
noc	Loan #195 Dursberton Tennis Club Loan #196 Dursbertough Bay Yacht Club	WATC	6.16	12/19	4,777	000	000	3,136	3,136	3,6/5	1,642	223	222
, ,	Loan #198 Jetty Construction Club	WATC	6.05	03/20	459,296	000	000	256,532	256,532	202,764	202,765	22,040	21,998
n vn	Loan #129 Busselton bowling Club Loan #200 Dunsborough Bay Yacht Club	WATC	6.00	12/20	3,069	00	00	2,016	2,015	1,053	1,054	2,44/	2,444
00	Loan #202 Geothermal Heating GLC Loan #204 Busselton Foreshore	WATC	3.98	06/23	293,414 876,164	00	00	54,129 63,526	54,129 63,526	239,286	239,286	10,877	10,871
υv	Loan #205 GLC Extensions Loan #208 Busselton Football & Sportsman's Club	WATC	3.92	06/24 04/25	778,087	00	00	117,371	117,371	660,716 18,596	660,716	28,790	28,777
o o	Loan #209 Busselton Foreshore	WATC	3.56	06/27	5,148,146	00	00	494,335	494,335	4,653,810	4,653,810	176,723	176,675
S	Loan #212 Dunsborough and Districts Country	WATC	3.04	05/27	104,085	00	00	10,219	10,219	93,866	93,865	3,087	3,036
900	Loan #214 Dunsbrough & Districts Country Club	WATC	3.19	09/27	105,287	000	000	9,652	9,652	95,635	95,635	3,282	3,203
ں ر	Loan #215 Busselton Poreshore Jetty Precinct Loan #216 Tennis Club Facilities	WATC	3,25	04/28	2,750,000	00		236,847	236,847	2,513,153	2,513,153	87,466	86,099
000	Loan #217 Lot 10 Commonage Road Loan #218 Busselton Tennis Club	WATC	3.25	04/28	1,600,000	1,500,000	1,250,000	31,081	137,802	1,462,198 1,468,919	1,462,198	50,889 14,063	50,094 4,022
, ,	Transport			10,00	9 6		, (	140			, ,		0 00
, , ,	Loan #205 dain Adulation Loan #219 Air Freight Hub Stage 1	WATC	3.92	06/24	226,943	1,500,000	1,480,000	34,233	34,233	192,709 1,437,547	192,709	8,397 27,834	8,393 4,761
	Economic Services	NA ATOTAL	24.4	10/00	27 676	•	c	10.063	10.053	26.93	20000	1001	100
0	Other Property and Services	2	4.70	17/60	6/6//6	> (	>	CCE'OT	10,333	50,02	670,02	1,333	7,333
u	Loan #210 Lot 40 Vasse Highway Total - Council and Self-supporting Loans	WATC	3.61	12/25	34,727,913	3,150,000	2,730,000	3,155,395	3,055,609	850,000 34,722,518	34,402,304	30,685	30,685
_													
O S	Council Loans are financed by general purpose revenue.  Self-Supporting Loans are financed by payments from third parties	iue. n third partie	s,		34,302,036 425,877	3,000,000	2,730,000	3,076,141	2,982,607	34,225,895 496,623	34,049,429	1,357,031	1,318,733
					34,727,913	3,150,000	2,730,000	3,155,395	3,055,609	34,722,518	34,402,304	1,374,387	1,333,095
- 41 -						City of Busselton	sselton						
					•								
					9	AMD							

Information on Borrowings (con New Borrowings – 2018/19 Particulars / Purpose Loan #219 Air Freight Hub Stage 1 Loan #219 Air Freight Hub Stage 1 Loan #219 Air Freight Hub Stage 1 Loan #216 Airport Jet A1 Installation Loan #216 Farmis Club Facilities Loan #216 Tennis Club Facilities	City of Busselton	Financial Report	For the Year Ended 30 <sup>th</sup> June 2019	Notes to and Forming Part of the Financial Report	s (continued)		Actual Budget Institution Loan Type Term Total Interest Amount Used Balance Actual Budget Unspent	\$ \$ \$ \$	ub 1,250,000 1,500,000 WATC Debenture 10 1,401,030 2.21% 1,250,000 1,500,000 WATC Debenture 10 1,658,819 2.21% 1,480,000 1,500,000 0 0		n non'non's oran's sand'and synon's non'non's sand synon's non'non's sand synon's syno		Date Borrowed Balance Borrowed Expended Balance 01-July-18 During Year 30-June-19	27th May 2014 5 5 5	Precinct 27th April 2018 499,996 0 499,996 78	2,686,903 0 1,894,291 792,612	City of Busselton	arty of busseliour	4000
			For	Notes to an	Information on Borrowings (continued)	New Borrowings - 2018/19	H Bor	S		$\rightarrow$	4	owings		-	Precinct				

# **Financial Report**

### For the Year Ended 30th June 2019

### Notes to and Forming Part of the Financial Report

		2019 Actual \$	2018 Actual \$	
12.	Information on Borrowings (continued)			
(d)	Undrawn Borrowing Facilities Credit Standby Arrangements			
	Electronic Payaway Facility	650,000	650,000	
	Electronic Payaway Facility at Balance Date	0	0	
	Credit card limit	50,000	50,000	
	Credit card balance at balance date	0	0	
	Total amount of credit unused	700,000	700,000	
	Loan facilities			
	Loan facilities - current	3,291,161	3,055,609	
	Loan facilities - non-current	31,111,143	31,672,304	
	Total facilities in use at balance date	34,402,304	34,727,913	

# SIGNIFICANT ACCOUNTING POLICIES

### Financial liabilities

Financial liabilities are recognised at fair value when the City becomes a party to the contractual provisions to the instrument.

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

### Financial liabilities (Continued)

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

# Borrowing costs

Borrowing costs are recognised as an expense when incurred.



### **Financial Report**

#### For the Year Ended 30th June 2019

#### Notes to and Forming Part of the Financial Report

#### 13. Provisions

Tovisions	Provision for Annual Leave	Provision for Long Service Leave	Provision for Sick Leave	Total
	\$	\$	\$	\$
Opening balance at 1 July 2018				
Current	1,957,702	2,358,371	175,935	4,492,008
Non-Current	0	753,327	0	753,327
	1,957,702	3,111,698	175,935	5,245,335
Additional Provisions	1,885,750	506,131	1,414	2,393,295
Amounts Used	(1,848,415)	(521,246)	(26,945)	(2,396,606)
Balance 30 June 2019	1,995,037	3,096,583	150,404	5,242,024
Comprises				
Current Provisions	1,995,037	2,468,740	150,404	4,614,181
Non-current Provisions	0	627,843	0	627,843
	1,995,037	3,096,583	150,404	5,242,024

#### SIGNIFICANT ACCOUNTING POLICIES

#### **Employee benefits**

## Short-term employee benefits

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

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

#### Other long-term employee benefits

The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference

### Other long-term employee benefits (Continued)

to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

### 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.

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# **Financial Report**

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

### 14. Notes to the Statement of Cash Flows

#### **Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash 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:

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Cash and Cash Equivalents	70,272,318	48,145,227	72,413,338
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	11,775,277	24,570,544	22,282,366
Non-cash flows in Net result:			
Depreciation	22,051,156	19,070,922	18,581,517
(Profit) / Loss on Sale of Asset	(63,465)	(47,560)	625,890
Non-Cash Contributions	(7,957,839)	(8,365,000)	(8,935,865)
Changes in assets and Liabilities:			
(Increase) / Decrease in Receivables	(323,387)	266,122	633,524
(Increase) / Decrease in Inventories	(1,310)	671	786
Increase / (Decrease) in Payables	260,135	(49,554)	(542,432)
Increase / (Decrease) in Employee Provisions	(3,311)	0	398,310
Non-operating Grants and Contributions for the Development of Assets	(6,529,299)	(21,995,799)	(15,969,176)
Net Cash from Operating Activities	19,207,957	13,450,346	17,074,920

#### 15. Total Assets Classified by Function and Activity

	2019	2018
	Actual	Actual
	\$	\$
General Purpose Funding	3,191,853	4,928,708
Governance	24,132,437	21,923,044
Law, Order & Public Safety	4,631,076	4,086,602
Health	127,113	128,295
Education and Welfare	600,992	634,904
Housing	16,677,900	17,388,693
Community Amenities	38,041,354	35,521,324
Recreation and Culture	133,903,902	133,394,242
Transport	508,125,504	504,000,047
Economic Services	2,856,771	2,815,829
Other Property and Services	7,377,583	5,494,461
Unallocated	44,613,902	43,268,951
	784,280,387	773,585,100
	75000	

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#### City of Busselton

#### **Financial Report**

# For the Year Ended 30th June 2019

### Notes to and Forming Part of the Financial Report

#### 16. Contingent Liabilities

#### 16.1 Resident funded aged persons homes

When the resident funded aged person's unit at the Winderlup Court becomes vacant, then Council has a contractual obligation to reimburse the occupant the contribution made at the outset (less annual depreciation and deductible expenses) and discretion to increase the amount based on market value of the capital cost for the unit involved.

#### 16.2 Buy Back Conditions contained in City Lease Agreements

On the 14 June 1999 the City entered into a lease agreement with the St John Ambulance Association of WA and this lease agreement expires on 30 June 2020. If a new lease is not entered into the City could be liable for the purchase of the building and improvements at market value (Clause 7).

#### 16.3 Busselton Waste Transfer Station Contamination Investigation

The City of Busselton operates the Rendezvous Road Waste Transfer Station from lots 500 and 27 Rendezvous Road, Busselton (Busselton Tip Site). During 2007 the Contaminated Sites Branch of the Department of Environment Regulation (DER) notified the City that Lot 500 had been entered on the Contaminated Sites Register and classified as "Possibly Contaminated-Investigation required" mainly because of the historical activities carried out on the Busselton Tip Site. Both these sites have since been reclassified by the (now) Department of Water and Environment Regulation (DWER) as "Contaminated – Remediation Required".

The Busselton Tip Site had been reported by residents who had advised that they abstracted the groundwater for drinking purposes who indicated that chloride and ammonia, above Australian Drinking Water Standards, had been detected in the groundwater in the vicinity of the Busselton Tip Site.

Potential contamination of groundwater in the vicinity of the Busselton Tip Site has since been investigated and subsequent test results indicated chemical concentrations above health and aesthetic screening criteria on certain properties in this area. In accordance with DWER requirements and directives further investigations into the source, nature and extent of the contamination is ongoing. Depending on the outcome of the investigation the City may incur a certain level of liability in respect of remedial action and/or claims for compensation. Due to complex scientific, operational and legal issues impacting on this matter, it is not reasonably possible to determine Council's potential liability (if any) at this stage.

#### 16.4 Aluminium Composite Panels

The Department of Mines, Industry Regulation and Safety (DMIRS) have been auditing public sector and local government agencies with buildings vested in their control regarding the risk associated with potentially combustible aluminium composite panels. As part of this investigation, the Department has identified buildings that require remediation to remove the hazard. Work is being undertaken to assess remediation costs, however the cost is not able to be reliably estimated at this point in time.

(a)

### City of Busselton

### **Financial Report**

#### For the Year Ended 30th June 2019

#### Notes to and Forming Part of the Financial Report

#### 17. Capital and Leasing Commitments

Capital Expenditure Commitments	\$	\$
Contracted for:		
Capital projects		
<ul> <li>Busselton Margaret River Regional Airport Airside Infrastructure</li> </ul>	0	885,156
- Busselton Margaret River Regional Airport Landside Infrastructure	13,485,000	13,023,079
Payable:		
- not later than one year	13,485,000	13,908,235
- later than one year but not later than five years	0	.0

The capital expenditure projects outstanding at the end of the current reporting period represent construction work associated with the development of the Busselton Margaret River Regional Airport

# (b) Operating Lease Commitments

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

# Payable:

	2,465,517	1,943,120
- later than five years	0	0
- later than one year but not later than five years	1,793,881	1,305,370
- not later than one year	671,636	637,750

# SIGNIFICANT ACCOUNTING POLICIES

#### Leases

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

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

#### Leases (Continued)

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

2019

Actual

2018

Actual

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

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



# **Financial Report**

### For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

### 18. Related Party Transactions

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Councillors Remuneration			
The following fees, expenses and allowances were paid to council members and / or the mayor.			
Mayor & Deputy Allowance	99,169	99,169	79,964
Councillors Sitting Fees	278,279	278,273	240,344
Travelling Allowance - Councillors Meetings	9,676	18,500	14,001
Communication Allowance	31,500	36,100	31,481
Other Allowances	1,483	7,700	3,761
	420,107	439,742	369,551

### Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the City during the year are as follows:

	2019	2018
	Actual	Actual
	\$	\$
Short-term employee benefits	1,042,569	1,021,992
Post-employment benefits	122,808	121,684
Other long-term benefits	31,018	44,050
	1,196,395	1,187,726

#### Short-term employee benefits

These amounts include all salary, paid annual leave, 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 annual and long service benefits accruing during the year.

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#### City of Busselton

#### **Financial Report**

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

#### 18. Related Party Transactions (Continued)

#### **Related Parties**

i Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

ii Entities subject to significant influence by the City

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

iii Joint venture entities accounted for under the equity method

The interest in the joint venture entity (if any) is accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture entities.

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:
  - 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 are 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 ended 30 June 2019.

# 19. Major Land Transactions

Council did not participate in any major land transactions during the 2018/19 financial year pursuant to S3.59 of the Local Government Act and Part 3 of the Local Government Functions and General Regulations.

Financial Report   Financial Report						Closing Expended (3) Balance 2018/19 30-Jun-19	0 275,602	1,	5,699,606	(15,801) 546,471	0 0	0 0	0	(149,185) 86,197	(117,335) 7,894,528	(6,231,250) 16,029,366	e Contributor. In the current reporting	
Financial Report											0	0	0				ng period. he manner specified by the ind which were expended i	
For the Year Ended 30th June 2019  Notes to and Forming Part of the Financial Report  For the Year Ended 30th June 2019  Notes to and Forming Part of the Financial Report    Por the Year Ended 30th June 2019	v			ť		Closing Balance (1) 30-Jun-18	275.602	2,034,699	10,518,573	548,821	0	0	0	229,684	7,013,358	20,620,737	previous reporti Illy expended in ti eporting period a	
For the Year Ended 30th Jun.  Notes to and Forming Part of the Fit Function / Activity    Function / Activity   Contributions   Community amenities   Contribution   Contribu			e 2019	nancial Repo		Expended (3) 2017/18 5	0	(74,969)	(21,317,445)	(75,599)	(220,771)	(1,075,613)	(54,672)	(14,000)	(647,962)	(23,481,031)	at the close of the od not yet been fu id in the current n	lton
Finan Finan Finan Finan Finan  For the Year Er  Notes to and Forming  Salance (1) 1-Jul-17 Surction / Activity Transport Classified by activity Classified by activity Transport Classified by activity Transport Insport Classified by activity Classified by activity Transport Ilities Classified by activity ToTAL 42,019,426  Tons recognised as revenue in a previous reporting penons which were recognised as revenues in a previous reporting penons which were recognised as revenues in a previous reporting penons which had been recognised as revenues in a previous reporting penons which had been recognised as revenues in a previous reporting penons which had been recognised as revenues in a previous reporting penons which had been recognised as revenues in a previous reporting peners are specified by the contributor.	Busselton	cial Report	ıded 30 <sup>th</sup> Jun	Part of the Fil		Received (2) 2017/18 5	2.500	149,528	755,810	14,631	0	0	0	148,848	1,011,025	2,082,342	re not expended i riod and which hi ; period or receive	City of Busselton
Notes to  Notes to  Farnction / Activity  Transport  Classified by activity Classified by activity Community amenities Transport Ilities Community amenities Transport Community amenities Transport Community amenities Transport Ilities Classified by activity A Classified by activity TOTAL	City of	Finan	or the Year En	and Forming		Opening Balance (1) 1-Jul-17 S	273,102	1,960,140	31,080,208	609,789	220,771	1,075,613	54,672	94,836	6,650,295	42,019,426	g period which we ig the reporting pe previous reporting	
ts / Contribu			L.	Notes to	tions	Function / Activity	Transport	Classified by activity	Classified by activity	Community amenities	Transport	Classified by activity	Law, order and public safety	Classified by activity	Classified by activity	TOTAL	ed as revenue in a previous reportin h were recognised as revenues durit ad been recognised as revenues in a by the contributor.	
20. Conditions Over Grant Grant / Contribution Cash in Lieu of Parking Contribution to Works Government Grants Busselton Area Drainag C.P.A. Infrastructure C.P.A. Bushfire Facilitie Cash in Lieu – Public As Community Recreation Community Recreation Community Recreation (1) - Grants / contribution (2) - New grants/Contrib (3) - Grants / contribution (3) - Grants / contribution (1) - Grants / contribution (1) - Grants / contribution (2) - New grants/Contribution (3) - Grants / Contribution (3) - Grants / Contribution					Conditions Over Grants / Contributions	Grant / Contribution	Cash in Lieu of Parking	Contribution to Works	Government Grants	Busselton Area Drainage	C.P.A. Infrastructure	C.P.A. Community Facilities	C.P.A. Bushfire Facilities	Cash in Lieu – Public Art	Community Recreation Facilities	156		

Fig. 10   Part Pear Ended 30th June 2019   Part Of the Financial Report   Part Pear Ended 30th June 2019   Part Of the Financial Report   Part Pear Ended 30th June 2019   Part Of the Financial Report   Part Pear Ended Service   Part Pear Ended Servic			City	City of Busselton						
Notes to and Forming Part of the Financial Report   Rate   Interim   Total   Budget Rate   Budget Rate   Budget Rate   S   S   S   S   S   S   S   S   S			Finar	ıcial Report						
Notes to and Forming Part of the Financial Report   Rate   Rate   Rate   Rate   S   S   S   S   S   S   S   S   S		Ъ	r the Year E	nded 30 <sup>th</sup> Jur	ne 2019					
Number of   Rate   Rate   Rate   Interim   Total   Budget Rate   S		Notes to a	nd Forming	Part of the F	inancial Re	port				
Second Periodic   Rate   Rat	3 Information – 2018/19 Financial Year									
Second Record	ed	Rate in	Number of Properties #	Rateable Value	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue S	Budget Interim Rate \$	Budget Total Revenue \$
Headilay Homes   9,4747   13,737   123,5896,023   399,121   1043,546   1040,548   1040	ntial General Rate						•		•	•
199410   199410   1966554   2145637   63156   6315764   1966514	esidential esidential Holidav Homes	9.4747	13,737	253,896,092	1.043,674	339,121	1.043.674	1.043.674	00	24,055,825
Variant land	ndustrial	10.9410	420	19,605,514	2,145,037	63,166	2,208,203	2,145,037	0	2,145,037
Victorial Land   10,9410   56   1,485; 300   152,566   1,1856   1,1866   1,1856   1,1866   1,1856   1,1866	ommercial esidential Vacant Land	10.9410	1,320	7.815.150	6,920,775	383,726	7,304,501	6,920,775	00	6,920,775
Control of the commencement of the rating period of where earlier, upon receipt of rates is obtained at the commencement of the rating period of where earlier, upon receipt of rates is obtained at the commencement of the rating period of where earlier, upon receipt of rates is obtained at the commencement of the rating period of where earlier, upon receipt of rates.    2,00,04327   2,032,822   2,657,049   2,632,822   2,657,049   0,258,017   2,935,663   0,257,049   0,258,017   2,935,663   0,257,049   0,258,017   2,935,663   0,257,049   0,258,017   2,935,663   0,258,017   0,257,049   0,258,017   0,235,017   0,2	ndustrial Vacant Land	10.9410	99	1,485,300	162,506	(11,856)	150,650	162,506	0	162,506
erential General Rate    1,4559	ommercial Vacant Land	10.9410	288	3,030,600	331,578	(60,624)	270,954	331,578	0 (	331,578
reential General Rate    Minimum	mary Production al	0.4237	1.459	627,107,000	2,657,049	(24,667)	2,632,382	2,657,049	0 0	2,657,049
erential General Rate    1,300	mmercial	0.7732	149	89,701,000	693,567	(27,614)	665,953	693,567	0	693,567
Minimum \$ 1,300 1,132 14,116,938 1,471,600 0 1,471,600 1471,600 15,300 15,300 17,300 17,249,010 1,300	Rates 191c		18 873	1 794 457 062	0 41 686 135	0 280 280	0 256 924	0 0 0 0 0 0 0	543,711	543,711
1,300 1,132 14,116,938 1,471,600 0 1,471,600 0 1,471,600 0 1,471,600 0 1,30,000 1 39,000 0 1,300 1,300 1 39,000 0 1,300 1,300 1 39,000 0 1,300 1,300 1,300 1 1	1013	1 1	10,013	200,154,451,4	657,000,14	607,000	+26'006'24	41,000,133	343,711	040'577'74
1,300 1,132 14,116,938 1,471,600 0 1,471,600 0 1,471,600 0 1,471,600 1,471,600 1,471,600 1,471,600 1,471,600 1,471,600 1,471,600 1,471,600 1,471,600 1,471,600 1,471,600 1,471,600 1,471,600 1,430,600 1,430,600 1,400,364 28,600 0 1,366,500 0 1,366,500 0 1,366,500 0 1,366,500 0 1,366,500 1,430,600 1,430,600 1,430,600 1,430,600 1,430,600 1,440,600 1,411,11 261,250,500 1,555,400	um Differential General Rate									
1,300	esidential	1,300	1,132	14,116,938	1,471,600	0	1,471,600	1471,600	0	1,471,600
1,300 665 4400,384 786,500 0 786,500 0 1,340,300 1,340,340 1,340,344 1,340,344 1,340,340 1,340,3	esidential Holiday Homes	1,300	30	352,200	39,000	0 (	39,000	39,000	0 (	39,000
1,300 1,031 7,249,010 1,340,300 0 1,340,300 0 1,340,300 0 1,340,300 0 1,340,300 0 1,340,300 0 1,340,300 0 1,340,300 0 1,340,300 0 1,340,300 0 1,340,300 0 1,340,300 0 1,340,300 0 1,340,300 0 1,340,300 0 1,340,300 0 1,340,300 0 1,441,00	idustrial	1,300	22	219,844	28,600	0 0	28,600	28,600	0 0	28,600
1,300 1,300 1,300 0 1,	esidential Vacant Land	1.300	1.031	7.249.010	1.340.300	0 0	1.340.300	1 340 300	0 0	1 340 300
1,300 23 58,900 74,100 0 74,100 0 0 1,300 0 0 1,400 0 0 1,400 0 0 1,500,300 0 1,500,300 0 0 1,500,300 0 0 1,500,300 0 1,50	ndustrial Vacant Land	1,300	1	8,750	1,300	0	1,300	1,300	0	1,300
1,300 1,300 1,111 26,1250,500 1,555,400 0	commercial Vacant Land	1,300	57	368,900	74,100	0	74,100	74,100	0	74,100
1,400 1,111 261,260,500 1,555,400 0 1,555,400 0 1,1555,400 0 1,135,400 0 1,1355,400 0 1,1355,400 0 1,1355,400 0 1,1355,400 0 1,1300 1,1	mary Production	1,300	231	52,603,500	300,300	0	300,300	300,300	0	300,300
1,300 4,298 343,574,133 5,698,500 0 5,698,	le	1,400	1,111	261,250,500	1,555,400	0	1,555,400	1,555,400	0	1,555,400
ed at the commencement of the rating period or, where earlier, upon receipt of rates.    48,723,934	mercial	1,300	78	3,004,127	101,400	0	101,400	101,400	0	101,400
ed at the commencement of the rating period or, where earlier, upon receipt of rates.	tals		4,298	343,574,133	2,698,500	0	5,698,500	2,698,500	0	5,698,500
535,131 48,723,934 Is obtained at the commencement of the rating period or, where earlier, upon receipt of rates.  Gity of Busselton	stes / Prior Period Adj. ( <i>refer note 21(d))</i> Amount Raised from General Rates						123,379			122,560 48,050,906
48,723,934	ad Area Rate (refer note 21(b))						535,131			524,740
ACCOUNTING POLICIES assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of rates.  Gity of Busselton							48,723,934			48,575,646
10 mm (m)	ACCOUNTING POLICIES assets acquired from rates is obtained at the con	nmencement of t	he rating perioc	d or, where earlier	, upon receipt o	of rates.				
88				City of Bucc	office					
				send to Alla	HIOH					

21. (a)

# **Financial Report**

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

# 21(b) Specified Area Rate - 2018/19 Financial Year

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Port Geographe							
<ul> <li>Rate</li> </ul>	1.5122	GRV	12,404,172	187,572	187,572	187,572	187,572
<ul> <li>Interim Rate</li> </ul>			1	6,175	0	6,175	0
<ul> <li>Back Rate</li> </ul>				0	0	0	0
				193,747	187,572	193,747	187,572

	Rate in	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Provence							
<ul> <li>Rate</li> </ul>	1.3912	GRV	11,935,530	166,047	166,047	166,047	166,047
<ul> <li>Rate</li> </ul>	0.0138	UV	5,300,000	731	731	731	731
<ul> <li>Interim Rate</li> </ul>			]	1,684	0	1,684	0
<ul> <li>Back Rate</li> </ul>				0	0	0	0
				168,462	166,778	168,462	166,778

		Rate in	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Vasse								
•	Rate	1.7686	GRV	9,634,080	170,390	170,390	170,390	170,390
•	Interim Rate				2,532	0	2,532	0
•	Back Rate				0	0	0	0
					172,922	170.390	172.922	170.390

The purpose of the Specified Area Rates is disclosed in note 4 "Purpose of Reserves".

# 21(c) Service Charges – 2018/19 Financial Year

				Applied	Budget
	Amount	Revenue	Budget	to	Applied
	of Charge	Raised	Revenue	Service	to Costs
	\$	\$	\$	Costs \$	\$
Nil	0	0	0	0	0
		0	0	0	0

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# **Financial Report**

### For the Year Ended 30th June 2019

### Notes to and Forming Part of the Financial Report

# 21(d) Discounts, Incentives, Concessions & Write-offs - 2018/19 Financial Year

			Total	Budget
			Cost /	Cost /
		Discount	Value	Value
	Type	%	\$	\$
Back Rates Levied / Prior Period Adjustments	Adjustment	0	123,379	122,560
Write-offs	Write-off	0	0	0
		0	123,379	122,560

# 21(e). Interest Charges and Instalments - 2018/19 Financial Year

	Due Date	Instalment Plan	Instalment Plan	Unpaid Rates
Instalment Options		Admin Charge	Interest Rate	Interest Rate
Option 1				
Single Full Payment	7 September 2018	0	0.00%	11.00%
Option 2				
First Instalment	7 September 2018	0	0.00%	11.00%
Second Instalment	7 November 2018	4.50	5.50%	11.00%
Third Instalment	7 January 2019	4.50	5.50%	11.00%
Fourth Instalment	7 March 2019	4.50	5.50%	11.00%

	Actual Revenue 2019 \$	Budgeted Revenue 2019 \$
Interest on Unpaid Rates	260,983	212,000
Interest on Instalments Plan	249,173	238,000
Charges on Instalment Plan	116,34	116,760
	626,50	566,760

Two separate payment option plans will be made available to all ratepayers for the payment of their rates.

#### Option 1 (Full Payment)

Full amount of rates and charges including arrears to be paid on or before 7th September 2018 or 35 days after the date of service appearing on the rate notice whichever is the later.

# Option 2 (4 Instalments)

First instalment to be received on or before 7<sup>th</sup> September 2018 or 35 days after the date of service appearing on the rate notice whichever is the later and including all arrears and service charges and one quarter of the current rates. The second, third and fourth instalments of the current rates are to be made on or before dates shown below:

1st Instalment
 2nd Instalment
 3rd Instalment
 4th Instalment
 4th Instalment
 7th November 2018
 7th January 2019
 7th March 2019

# **Financial Report**

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

### 22. Net Current Assets

Composition of net current assets for the purposes of the Rate Setting Statement

	2019 30 June 2019 C/FWD \$	2019 1 July 2018 B/FWD \$	2018 30 June 2018 C/FWD \$
Surplus / (Deficit)	1,751,076	3,511,291	3,511,291
Comprises:			
Cash - Unrestricted	3,204,485	4,885,287	4,885,287
Cash - Restricted	67,067,833	67,528,052	67,528,052
Sundry Debtors	1,809,546	2,903,750	2,903,750
Rates Debtors	1,904,592	1,822,334	1,822,334
Inventories	24,981	23,671	23,671
	74,011,437	77,163,094	77,163,094
Less:			
Sundry Creditors	(4,306,952)	(3,619,586)	(3,619,586)
Sundry Creditors – Deposits and Bonds	(2,943,510)	(3,818,562)	(3,818,562)
Accrued Expenses	(885,576)	(2,504,165)	(2,504,165)
	(8,136,038)	(9,942,313)	(9,942,313)
	65,875,399	67,220,781	67,220,781
Add Current Liabilities Cash Backed	2,943,510	3,818,562	3,818,562
Less Restricted Cash	(67,067,833)	(67,528,052)	(67,528,052)
Surplus / (Deficit)	1,751,076	3,511,291	3,511,291

### Difference:

There was no difference between the surplus 1 July 2018 brought forward position used in the 2019 audited financial report and the surplus carried forward position as disclosed in the 2018 audited financial report.



### City of Busselton

### **Financial Report**

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

### 23. Financial Risk Management

The City's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The City's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the City.

The City 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 the finance area under policies approved by the Council.

The City held the following financial instruments at balance date:

	Carrying Value		Fair Va	lue
	2019	2018	2019	2018
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	70,272,318	72,413,338	70,272,318	72,413,338
Receivables	4,933,413	5,609,590	4,933,413	5,609,590
Financial assets at fair value through profit or loss	0	0	0	0
	75,205,731	78,022,928	75,205,731	78,022,928
Financial Liabilities				
Payables	5,192,528	6,123,751	5,192,528	6,123,751
Borrowings	34,402,304	34,727,913	41,856,011	42,025,196
	39,594,832	40,851,664	47,048,539	48,148,947

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables estimated to the carrying value which approximates net market value.
- Borrowings, held-to-maturity investments estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

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### City of Busselton

### **Financial Report**

### For the Year Ended 30th June 2019

### Notes to and Forming Part of the Financial Report

- 23. Financial Risk Management (Continued)
- (a) Cash and cash equivalents

The City's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio. Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to 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 of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the City.

The City manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulations 19C.* 

	30 June 2019	30 June 2018	
	\$	\$	
Impact of a 1% $^{(1)}$ movement in interest rates on cash and investments at balance date:			
• Equity	702,723	724,133	
Statement of Comprehensive Income	702.723	724.133	

#### Notes:

(1) Sensitivity percentages based on management's expectation of future possible interest rate movements.

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Attachment B

# City of Busselton

### **Financial Report**

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

## 23. Financial Risk Management (Continued)

#### (b) Receivables

The City's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies.

Credit risk on rates and annual charges is minimised by the ability of the City to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. The City is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

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

The profile of the Council's credit risk at balance date was:

		30 June 2019	30 June 2018
		\$	\$
Percenta	ge of Rates and Annual Charges		
•	Current	4.45%	10.00%
•	Overdue	95.55%	90.00%
Percenta	ge of Other Receivables		
•	Current	99.69%	98.98%
•	Overdue	0.31%	1.02%

### **Financial Report**

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

# 23. Financial Risk Management (Continued)

#### (c) Payables and Borrowings

#### (i) Payables

Payables and borrowings are both subject to liquidity risk – that is, the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City 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 if required.

The contractual undiscounted cash flows of the City's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

				Total	
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	contractual cash flows \$	Carrying Values \$
2019					
Payables	5,192,528	0	0	5,192,528	5,192,528
Borrowings	4,562,035	16,131,682	22,154,057	42,847,774	37,457,912
	9,754,563	16,131,682	22,154,057	48,040,302	42,650,440
2018					
Payables	6,123,751	0	0	6,123,751	6,123,751
Borrowings	4,385,287	15,542,819	24,172,084	44,100,190	34,727,913
	10,509,038	15,542,819	24,172,084	50,223,941	40,851,664

		City of	City of Busselton						
		Financ	Financial Report						
	For	For the Year Ended 30 <sup>th</sup> June 2019	ded 30 <sup>th</sup> Jui	ne 2019					
	Notes to and Forming Part of the Financial Report	d Forming P	art of the F	inancial Re	port				
23.	Financial Risk Management (Continued)								
(၁)	Payables and Borrowings (Continued)								
	(ii) Borrowings								
	Borrowings are also subject to interest rate risk — the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.	s in interest rate time of negotia	es could advers ition.	sely affect fund	ling costs. The	City manages i	this risk by born	rowing long ter	rm and fixing
	The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:	cial instruments	exposed to int	erest rate risk:					
		<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted
									Effective Interest
		s	\$	\$	\$	\$	<b>⋄</b>	\$	Kate %
	<u>Year Ended 30 June 2019</u> Borrowings Fixed Rate								
	Debentures Weighted Average Effective Interest Rate	363,622	29,447	373,275 4.23%	0.00%	1,092,711	32,543,249	34,402,304	3.81%
	<u>Year Ended 30 June 2018</u> Borrowings Fixed Rate								
	Debentures Weighted Average Effective Interest Rate	0.00%	817,082	58,390	528,163 4.23%	0.00%	33,324,278 3.90%	34,727,913	3.95%
(									
- 26 -			city of Busselton	eiton					
			A AMD						

# **Financial Report**

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

# 24. Trust Funds

	Balance 01-July-18 \$	Amounts Received \$	Amounts Paid \$	Balance 30-June-19 \$
Builders Registration Board Levies	14,601	342,617	(325,934)	31,284
Building Training Levy	6,975	85,986	(71,979)	20,982
Community Appeals	1,000	0	(1,000)	0
Nomination Deposits	0	0	0	0
Cash in Lieu of P.O.S.	1,961,069	83,655	(101,801)	1,942,923
Sundry Other Trusts	24,240	0	(24,240)	0
CLAG Funding	80,832	120,852	(115,062)	86,622
	2 088 717	633 110	(640.016)	2 081 811

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# **Financial Report**

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

# 25. New Accounting Standards and Interpretations for Application in Future Periods

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.

Management's assessments of the new and amended pronouncements that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows:

	Title	Issued/	Applicable <sup>(1)</sup>	Impact
		Compiled		
(ii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.
				The effect of this Standard will depend upon the nature of future transactions the City has with those third parties it has dealings with. It may or may not be significant.
(iii)	AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.
				Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the City, the impact may or may not be significant.
(iii)	AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:
				- Assets received below fair value;
				- Transfers received to acquire or construct non-financial assets;
				- Grants received;
				- Prepaid rates;
				- Leases entered into at below market rates; and
				- Volunteer services.
				Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the City's operations.



Notes:
(1) Applicable to reporting periods commencing on or after the given date.

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#### City of Busselton

#### **Financial Report**

# For the Year Ended 30th June 2019

### Notes to and Forming Part of the Financial Report

#### 25. New Accounting Standards and Interpretations for Application in Future Periods (Continued)

#### Adoption of New and Revised Accounting Standards

During the current year, the City adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled became mandatory and which were applicable to its operations.

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

- (i) AASB 2016-4 Amendments to Australian Accounting 1 January 2017
   Standards Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities
- (iii) AASB 2016-7 Amendments to Accounting Standards 1 January 2017 Deferral of AASB 15 for Not-for-Profit Entities

#### INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

During the current year, the City adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations. Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 Financial Instruments.

#### **AASB 9 Financial instruments**

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The City applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the City has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in accumulated surplus/ (deficit).

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the City's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the City's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

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#### **Financial Report**

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

25. New Accounting Standards and Interpretations for Application in Future Periods (Continued)

#### INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (continued)

The classification and measurement requirements of AASB 9 did not have an impact on the City. The following are the changes in the classification of the City's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as financial assets at amortised cost beginning 1 July
- The City did not designate any financial assets as at fair value through profit and loss.

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. Upon adoption of AASB 9, the City did not recognise an additional impairment on the City's Trade receivables which resulted in no change to the City's accumulated surplus/ (deficit) as at 1 July 2018.



#### **Financial Report**

# For the Year Ended 30th June 2019

### Notes to and Forming Part of the Financial Report

#### 26. OTHER SIGNIFICANT ACCOUNTING POLICIES

#### a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

#### b) Current and non-current classification

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

## c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

#### d) Comparative figures

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

When the City applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

#### e) Budget comparative figures

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

#### f) Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

### Valuation techniques

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

#### Market approach

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

#### Income approach

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

#### Cost approach

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



#### Attachment B

# City of Busselton

### **Financial Report**

#### For the Year Ended 30th June 2019

### Notes to and Forming Part of the Financial Report

#### 26. OTHER SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### g) Superannuation

The City contributes to a number of Superannuation Funds on behalf of employees. All funds to which the City contributes are defined contribution plans.

#### h) Fair value of assets and liabilities

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

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

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

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

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

#### 26. OTHER SIGNIFICANT ACCOUNTING POLICIES (Continued)

### i) Impairment of assets

In accordance with Australian Accounting Standards the City's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

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

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

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

#### Deposits and Bonds

Deposits and bonds received by the City of Busselton, and duly refunded where appropriate are processed via the Municipal fund.

The City's audit committee has considered the requirements of the Accounting Standards and has determined that the concept of control has been met. Council Resolution C1004/115 states that the City continues the accounting treatment for deposits and bonds as part of the Municipal fund. Additionally, the deposits and bonds shall be brought to account as part of the restricted cash in the Municipal fund.



City of Busselton

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

#### 27 Activities/ Programs

City operations as disclosed in these financial statements encompass the following service orientated activities/ Programs

#### **General Purpose Funding**

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

Activities: Rates, interest revenue and other general purpose Government grants together with any expenses incurred in realising these incomes.

#### Governance

Objective: To provide 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.

#### Law, Order and Public Safety

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

Activities: Supervision and enforcement of various by-laws, fire prevention, animal control and emergency services. Council also provides assistance to surf lifesaving efforts.

#### Health

Objective: To provide an operational framework for environmental and community health.

Activities: Inspections of food outlets and their control, noise control, waste disposal compliance, mosquitoes and stingers control.

#### **Education and Welfare**

Objective: To provide services for the elderly, children and youth.

Activities: Annual donation relative to the operation of a Senior Citizen's Centre.

#### Housing

**Objective:** To provide and maintain elderly residents housing. **Activities:** The operation of three sets of aged persons homes.

#### **Community Amenities**

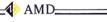
Objective: To provide services required by the community

Activities: Includes rubbish collection and disposal services, recycling initiatives, septic tank inspection services, urban stormwater drainage networks, environmental protection initiatives, operation of three cemeteries, town scaping facilities, as well as the administration of Council's Town Planning Scheme and associated policies and obligations.

## Recreation and Culture

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

Activities: Maintenance of halls, swimming areas and beaches, various reserves, recreation programs, the Busselton Jetty, the operation of the two Libraries, the maintenance and operation of the two Leisure Centres, and the employment of a Cultural Development Officer.



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### City of Busselton

### **Financial Report**

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

### 27 Activities/ Programs (Continued)

#### Transport

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

Activities: Construction and maintenance of roads, bridges, drainage, footpaths, cycle ways, parking facilities, traffic signs and depot. Also includes cleaning of streets, maintenance of street trees, street lighting etc. Control and maintenance of a regional airport.

#### **Economic Services**

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

Activities: The regulation and provision of tourism initiatives, the maintenance and operation of a Caravan park and the implementation of building controls. Provision of rural services including weed control, vermin control and standpipes.

#### Other Property and Services

Objective: To monitor and control Council's overheads operating accounts.

Activities: Private works operation, plant repair and operation costs and engineering operation costs.

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#### Attachment B

### City of Busselton

#### **Financial Report**

# For the Year Ended 30th June 2019

# Notes to and Forming Part of the Financial Report

28	Financia	I Dation

	2019 Actual	2018 Actual	2017 Actual
Current Ratio	0.714	0.882	0.810
Asset Sustainability Ratio	0.801	2.046	1.858
Debt Service Coverage Ratio	4.715	4.798	6.385
Operating Surplus Ratio	(0.039)	(0.039)	0.058
Own Source Revenue Coverage Ratio	0.898	0.905	0.967
Asset Consumption Ratio	0.693	0.731	0.723
Asset Renewal Funding Ratio	0.520	0.896	1.000

The above ratios are calculated as follows:

Current Ratio (ratio required to meet standard > or = to 1)

Current assets minus restricted assets Current liabilities minus liabilities associated with restricted assets

Asset Sustainability Ratio (ratio required to achieve basic standard > 0.9) Capital renewal and replacement expenditure

(ratio required to achieve basic standard > or = Principal and interest and depreciation to 2, and advanced standard > or = Principal and interest to 2.

to 2, and advanced standard > or = to 5)

Operating Surplus Ratio (ratio required to achieve basic standard is between 0.01 & 0.15, advanced standard > 0.15)

Operating revenue minus operating expense Own source operating revenue

Own Source Revenue Coverage Ratio (ratio required to achieve basic standard is between 0.4 & 0.6, Intermediate standard between 0.6 & 0.9, and advanced standard > 0.9)

Own source operating revenue Operating expense

Asset Consumption Ratio (ratio required to meet basic standard > 0.5) Depreciated replacement cost of depreciable assets Current replacement cost of depreciable assets

Asset Renewal Funding Ratio

NPV of planned capital renewals over 10 years (ratio required to achieve basic standard > 0.75)

NPV of required capital expenditure over 10 years



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# City of Busselton

# **Financial Report**

# For the Year Ended 30<sup>th</sup> June 2019

# Notes to and Forming Part of the Financial Report

29. Trading Undertakings and Major Trading Undertakings

Council did not participate in any trading undertakings or major trading undertakings during the 2018/19 financial year.

30. Joint Ventures

The City of Busselton has not been involved in any joint venture arrangements during the reporting period.

31. Post Balance Date Events

There were no events subsequent to the reporting date that materially impact on this financial report.

32. Employee Numbers

The number of full-time equivalent employees at balance date

2019	2018
312.16	310.2



18.	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN					
	Nil					
19.	URGENT BUSINESS					
	Nil					
20.	CONFIDENTIAL REPORTS					
	Nil					

# 21. CLOSURE

DATE:

The Presiding Member closed the meeting at 5.40pm.

THESE N	1INUTES	CONSISTING	OF PAGES	5 1 TC	183	WERE	CONFIRMED	AS A	TRUE	AND
CORRECT	recori	ON WEDNE	SDAY, 27 N	OVEM	BER 2	019.				

PRESIDING MEMBER: