

City of Mandurah

# **BUDGET**

For the year Ending 30 June 2019

Statutory Financial Statements

**CITY OF MANDURAH  
STATUTORY BUDGET 2018/2019**

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**STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM**

	Notes	Budget 2018/19 \$'000	Estimate Actuals 2017/18 \$'000	Budget 2017/18 \$'000
<b>Operating Revenues</b>				
General Purpose Funding		81,873	81,851	80,715
Governance		50	51	50
Law, Order, Public Safety		797	858	799
Health		325	320	276
Education and Welfare		851	713	697
Community Amenities		13,809	13,436	13,381
Recreation and Culture		9,714	9,286	9,354
Transport		448	523	412
Economic Services		2,105	2,045	2,095
Other Property & Services		345	463	360
		<u>110,317</u>	<u>109,546</u>	<u>108,139</u>
<b>Operating Expenses (excluding borrowing costs)</b>				
General Purpose Funding		(1,923)	(2,172)	(1,744)
Governance		(6,491)	(6,475)	(6,112)
Law, Order, Public Safety		(3,442)	(3,787)	(3,329)
Health		(1,998)	(2,028)	(1,912)
Education and Welfare		(4,463)	(4,332)	(4,254)
Community Amenities		(18,055)	(18,037)	(17,538)
Recreation and Culture		(52,204)	(48,235)	(52,955)
Transport		(19,791)	(18,852)	(17,812)
Economic Services		(7,075)	(6,215)	(6,170)
Other Property & Services		(9,894)	(9,010)	(9,919)
		<u>(125,336)</u>	<u>(119,143)</u>	<u>(121,745)</u>
<b>Borrowing Costs Expense</b>				
	12			
General Purpose Funding		(125)	(200)	(200)
Governance		-	-	-
Law, Order and Public Safety		(1)	-	-
Health		-	(31)	(31)
Education and Welfare		-	-	-
Community Amenities		(60)	(18)	(23)
Recreation and Culture		(572)	(596)	(594)
Transport		(371)	(393)	(358)
Economic Services		-	(1)	(1)
Other Property & Services		(152)	(175)	(175)
		<u>(1,281)</u>	<u>(1,414)</u>	<u>(1,382)</u>
<b>Grants/Contributions for Asset Development</b>				
General Purpose Funding		-	25	-
Governance		-	-	-
Law, Order, Public Safety		335	-	-
Health		-	-	-
Education and Welfare		150	437	437
Community Amenities		-	140	120
Recreation and Culture		4,968	5,817	3,224
Transport		2,361	3,853	3,159
Economic Services		-	-	-
Other Property & Services		52	20	-
		<u>7,866</u>	<u>10,292</u>	<u>6,940</u>
<b>Profit (Loss) on Disposal of Assets</b>				
	7			
Other Property & Services		109	57	109
		<u>109</u>	<u>57</u>	<u>109</u>
<b>Net Operating Result Profit/(Loss) for the Year</b>				
		<u>(8,325)</u>	<u>(662)</u>	<u>(7,939)</u>
Other Comprehensive Income		-	-	-
<b>Total Comprehensive Income</b>				
		<u>(8,325)</u>	<u>(662)</u>	<u>(7,939)</u>

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

**STATEMENT OF COMPREHENSIVE INCOME BY NATURE AND TYPE**

	Notes	Budget 2018/19 \$'000	Estimate Actuals 2017/18 \$'000	Budget 2017/18 \$'000
<b>Operating Revenue</b>				
Rates	14	77,774	74,741	74,929
Operating grants, subsidies and contributions		3,852	6,964	5,302
Non-operating grants, subsidies and contributions		7,866	10,292	6,940
Fees and charges	9	26,431	25,650	25,522
Interest earnings	11	2,155	1,976	2,200
Profit on asset disposals	7	165	145	165
Other revenue		105	215	185
<b>Sub Total of Revenue</b>		<b>118,348</b>	<b>119,983</b>	<b>115,243</b>
<b>Operating Expenditure</b>				
Employee costs	*	(43,503)	(42,065)	(41,948)
Materials and contracts		(45,883)	(42,507)	(43,878)
Utility charges (gas, electricity, water etc.)		(3,445)	(3,372)	(3,452)
Depreciation on non-current assets	8	(31,317)	(30,032)	(31,317)
Interest expenses		(1,281)	(1,414)	(1,414)
Insurance expenses		(1,012)	(947)	(944)
Loss on asset disposals	7	(56)	(88)	(56)
Other expenditure		(176)	(220)	(176)
<b>Sub Total of Expenditure</b>		<b>(126,673)</b>	<b>(120,645)</b>	<b>(123,185)</b>
<b>Net Operating Result Profit/(Loss) for the Year</b>		<b>(8,325)</b>	<b>(662)</b>	<b>(7,942)</b>
Other Comprehensive Income		-	-	-
<b>Total Comprehensive Income</b>		<b>(8,325)</b>	<b>(662)</b>	<b>(7,942)</b>

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

## RATE SETTING STATEMENT

	Notes	Budget 2018/19 \$'000	Estimate Actuals 2017/18 \$'000	Budget 2017/18 \$'000
<b>Revenue</b>				
General Purpose Funding		4,099	7,110	5,786
Governance		50	51	50
Law, Order, Public Safety		797	858	799
Health		325	320	276
Education and Welfare		851	713	697
Community Amenities		13,809	13,436	13,381
Recreation and Culture		9,714	9,286	9,354
Transport		448	523	412
Economic Services		2,105	2,045	2,095
Other Property & Services		345	463	509
		<u>32,543</u>	<u>34,805</u>	<u>33,359</u>
<b>Expenses</b>				
General Purpose Funding		(2,048)	(2,372)	(1,944)
Governance		(6,491)	(6,475)	(6,112)
Law, Order, Public Safety		(3,443)	(3,787)	(3,329)
Health		(1,998)	(2,059)	(1,943)
Education and Welfare		(4,463)	(4,332)	(4,254)
Community Amenities		(18,115)	(18,055)	(17,562)
Recreation and Culture		(52,776)	(48,831)	(53,548)
Transport		(20,162)	(19,245)	(18,171)
Economic Services		(7,075)	(6,216)	(6,171)
Other Property & Services		(10,046)	(9,185)	(10,049)
		<u>(126,617)</u>	<u>(120,557)</u>	<u>(123,083)</u>
<b>Other Inflows</b>				
Grants and contributions for asset development		7,866	10,292	6,940
Proceeds from disposal of assets	7	1,600	2,000	1,614
Reserves utilised	13	8,859	5,311	7,469
Loans utilised	12	9,558	3,080	6,200
Contributions - community loans repaid		170	1,285	270
		<u>28,053</u>	<u>21,968</u>	<u>22,493</u>
<b>Capital Works program</b>				
Development of land for resale	6	-	-	-
Land and buildings		(7,277)	(6,788)	(10,817)
Furniture and fittings		(407)	(454)	(515)
Plant and machinery		(4,012)	(3,425)	(3,433)
Infrastructure assets - roads, drainage & bridges		(12,061)	(11,706)	(13,247)
Infrastructure assets - recreation		(12,457)	(3,319)	(4,168)
Infrastructure assets - marina		(233)	(1,552)	(2,866)
Infrastructure assets - coastal & estuary		(2,449)	-	-
Infrastructure assets - other		(680)	-	-
		<u>(39,576)</u>	<u>(27,246)</u>	<u>(35,046)</u>
<b>Other Outflows</b>				
Repayment of debt	12	(5,052)	(6,139)	(5,229)
Transfers to reserves	13	(4,100)	(4,771)	(1,238)
Loans to community and sporting bodies				
		<u>(9,152)</u>	<u>(10,910)</u>	<u>(6,467)</u>
<b>Non-cash Items</b>				
Infrastructure contributions from developers		-	-	-
Write back (Profit)/Loss on sale of assets	7	(109)	(57)	(109)
Write back depreciation	8	31,317	30,032	31,317
Long service leave now in reserves				
<b>Add: Surplus / (deficit) July 1 b/fwd</b>	4	5,266	2,490	2,260
<b>Less: Surplus / (deficit) June 30 c/fwd</b>		(500)	5,266	(350)
<b>Amount to be made up from rates</b>	14	<u>(77,775)</u>	<u>(74,741)</u>	<u>(74,926)</u>

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

## STATEMENT OF CASHFLOWS

	Notes	Budget 2018/19 \$'000	Estimate Actuals 2017/18 \$'000	Budget 2017/18 \$'000
<b>Cash flows from operating activities:</b>				
<b>Receipts</b>				
Rates		77,774	74,625	74,924
Operating subsidies, grants & contributions		3,852	6,250	5,094
Fees and charges		26,431	25,822	25,627
Interest earnings		2,155	1,850	2,270
Other revenue		105	215	185
Goods & services tax		6,000	6,000	6,000
		<u>116,317</u>	<u>114,762</u>	<u>114,100</u>
<b>Payments</b>				
Employee costs		(43,503)	(41,500)	(41,904)
Materials and contracts		(44,883)	(42,272)	(43,827)
Utilities (gas, electricity, water etc.)		(3,445)	(3,150)	(3,452)
Interest expense		(1,281)	(1,414)	(1,384)
Insurance		(1,012)	(947)	(944)
Other expenses		(176)	(220)	(176)
Goods & services tax		(6,000)	(6,000)	(6,000)
Movement in bonds and deposits				
		<u>(100,300)</u>	<u>(95,503)</u>	<u>(97,687)</u>
<b>Net cash flows from operating activities</b>	5	<b>16,017</b>	<b>19,259</b>	<b>16,413</b>
<b>Cash flows from investing activities:</b>				
<b>Receipts</b>				
Non-operating subsidies, grants & contributions		7,826	8,000	6,940
Proceeds from sale of property, plant & equipment	7	1,600	1,200	1,614
		<u>9,426</u>	<u>9,200</u>	<u>8,554</u>
<b>Payments</b>				
Development of land held for resale	17	-	-	-
Purchase of property, plant & equipment	6	(11,696)	(10,500)	(14,765)
Construction of infrastructure	6	(27,380)	(16,300)	(20,281)
		<u>(39,076)</u>	<u>(26,800)</u>	<u>(35,046)</u>
<b>Net cash used in investing activities</b>		<b>(29,650)</b>	<b>(17,600)</b>	<b>(26,492)</b>
<b>Cash flows from financing activities:</b>				
Proceeds from new Loans	12	4,950	6,765	6,200
Loans repaid by community groups	12	270	1,250	270
Proceeds from interest free loans		-	-	-
Loan advances to community groups		-	-	-
Repayment of loans	12	(5,052)	(6,139)	(5,229)
<b>Net cash flows from financing activities</b>		<b>168</b>	<b>1,876</b>	<b>1,241</b>
<i>Net (decrease)/increase in cash held</i>		(13,465)	3,535	(8,838)
Cash at beginning of year		45,250	43,887	41,577
<b>Cash at end of year</b>	3	<b>31,785</b>	<b>47,422</b>	<b>32,739</b>

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

## 1 Significant Accounting Policies

The significant accounting policies which have been adopted in the preparation of this financial report are:

### (a) Basis of Accounting

The budget has been prepared in accordance with applicable accounting standards, other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended). The budget has also been prepared on the accrual basis under the convention of historical cost accounting.

### (b) The Local Government Reporting Entity

All funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this budget.

### (c) 2017/2018 Actual Balances

Amounts shown in this budget as 2017/2018 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

### (d) Rounding Off Figures

All figures shown in this budget report, other than a rate in the dollar, are rounded to the nearest thousand dollars. Note 12 on borrowings is shown in whole dollars.

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

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

### (f) Property, Plant and Equipment

Property, plant and equipment are carried at either cost or at an independent valuation less, where applicable, any accumulated depreciation and any accumulated impairment.

#### **Mandatory requirements for fair value of assets**

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

The amendments allow for a phasing in of fair value in relation to property, plant and equipment over three years as follows:

- a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government that are plant and equipment, land, buildings and infrastructure; and
- c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

The City has previously adopted and recorded land, buildings and most infrastructure at fair values. The City will adopt fair value of remaining assets in accordance with the regulations.

Land, buildings and bridges are carried at fair value by independent valuations. Furniture and fittings, plant and machinery and other infrastructure are carried at fair value by management valuations.

#### **Land under control**

In accordance with Local Government (Financial Management) Regulation 16(a), the Council is required to include as an asset, land not owned by the Council but which is under its control or management and is used for a golf course, showground, racecourse or sporting or recreational facility of State or regional significance.

Initial recognition of these assets was at cost in accordance with AASB 116. They were classified as land and revalued along with other land in accordance with Council policy.

#### **Easements**

Local Government (Financial Management) Regulation 16(b) requires Council to now recognise easements as assets of the Council. They are initially recognised at cost and have an indefinite useful life.

#### **Initial recognition**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the City and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

**1 Significant Accounting Policies (continued)**

**Revaluation**

Revalued assets are carried at their fair value being the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets adjusted for conditions and comparability at their highest and best use.

For specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.

Infrastructure roads, paths, kerbs, drainage, bridges and parks infrastructure are measured at fair value using engineering estimates of the current replacement having regard to the age and remaining useful lives of the assets. City policy is to re-value these infrastructure assets with sufficient regularity to ensure the carrying amounts are fairly stated. Infrastructure coastal, estuary and land improvement assets are carried at cost.

Any revaluation increase arising on the revaluation of infrastructure is credited to the asset revaluation reserve, except to the extent that it reverses a previous revaluation decrease previously recognised as an expense in profit or loss, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising from revaluation is charged as an expense to profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset class.

**Depreciation of non-current assets**

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

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

<u>Classification</u>	<u>Years</u>
Buildings	40-60
Plant and major equipment	5-10
Mobile plant (according to type)	3-10
Computer equipment	3
Furniture and equipment	10
Tools	5
Footpaths/cycleways	20 - 40 dependent on material type
Roads	32 - 96 for individual components
Drainage	80
Parks	5 - 100 for individual components
Bridges	60 - 100 dependent on material type
Coastal & estuary groynes, boat ramps	20 - 50 for individual components

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

**Capitalisation policies**

Property, plant and equipment are capitalised if the threshold values exceed:

<u>Classification</u>	<u>\$</u>
Buildings	5,000
Land	0
Plant and equipment	1,500
Furniture and equipment	1,500
Tools	1,500
Footpaths/cycleways	5,000
Roads	10,000
Reseals	2,000
Drainage	10,000
Reticulation	5,000
Playground equipment	1,500
Park construction	10,000
Bridges	10,000

## 1 Significant Accounting Policies (continued)

### (g) Financial Instruments

#### **Initial recognition and measurement**

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

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

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

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

Amortised cost is calculated as:

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

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

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

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

#### *(ii) Loans and receivables*

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period (classified as non-current assets).

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

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

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

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

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

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

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

#### *(v) Financial liabilities*

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

**1 Significant Accounting Policies (continued)****Impairment**

At the end of each reporting period, the City assesses whether there is objective evidence that a financial instrument has been impaired.

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

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

**(h) Impairment of Assets**

At each reporting date, the City reviews the carrying amount of its assets to determine whether there is indication of impairment loss. If any such prescribed indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. As the future economic benefits of City assets are not primarily dependent on the assets' ability to generate net cash inflow and the City would, if deprived of the asset(s), replace its remaining future economic benefits, value in use is the depreciated replacement cost of the asset(s).

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income Statement unless the relevant asset is carried at fair value, in which case the loss is treated as a revaluation decrease.

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2018. In any event, a loss is a non-cash transaction and consequently has no impact on this budget document.

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

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured, and the timing of commencement of control depends upon the arrangements that exist between the grantor and the local government.

Un-received contributions over which the local government has control are recognised as receivables. In respect of uncollected rates, provision is made for amounts considered uncollectible.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed. At the time of this budget preparations there were no known contributions of this nature.

**(j) Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of six months or less at the date of acquisition.

**(k) Provision for Employee Entitlements**

The provision for employee entitlements relates to amounts expected to be paid to employees for long service leave, annual leave and sick leave and is based on legal and contractual entitlements.

Provisions made in respect of wages and salaries, annual leave, sick leave and long service leave expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at time of settlement.

Provisions made in respect of annual leave, sick leave and long service leave which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the council in respect of services provided by employees up to reporting date.

**(l) Non-current assets held for sale**

Land purchased for development and/or resale is valued at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is only met when sale is highly probable and the asset is available for use in its present condition. The sale of the asset is expected to be completed within one year of its classification as for sale.

**1 Significant Accounting Policies (continued)****(m) Comparative figures**

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

**(n) Superannuation**

The superannuation expense for this budget is the amount of compulsory Superannuation Guarantee Charge the City of Mandurah makes to eligible superannuation plans together with, where appropriate, a contributory contribution which provides benefits to its employees.

**(o) Good and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) claimable or payable under Goods and Services Tax legislation. Receivables and payables are stated inclusive of applicable GST.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to the ATO are classified as operating cash flows.

**(p) Leases**

*City as lessor*: Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

*City as lessee*: Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which the economic benefits of the leased assets are consumed.

The City has no finance leases.

**(q) Current and Non-Current Classification**

Determination of whether an asset or liability is current or non-current considers the the timing of each asset's expected settlement. The asset or liability is classified as current if it is expected to be settled within the next 12 months - being the City's operating 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 it is not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months, except for land held for resale where it is held as non-current based on the City's intention to market the land.

**(r) Trust Funds**

All monies held in the Trust Fund are excluded from this budget.

## 2 *Statement of Objectives and Reporting Programs*

The City of Mandurah is dedicated to providing high quality services to the community through various service orientated programs that it has established. Broad definitions of the activities related to each reporting program are as follows:

### GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest on investments.

### GOVERNANCE

Management expenses of elected members of council, corporate management and policy making.

### LAW, ORDER AND PUBLIC SAFETY

Supervision of various Local Laws, emergency services, fire prevention and animal control.

### HEALTH

Supervision of local laws, food control, mosquito and disease control.

### EDUCATION AND WELFARE

Operation of senior citizen's centre, youth centre and assistance to various community and voluntary services associated with families, children, aged and disabled.

### COMMUNITY AMENITIES

Rubbish collection services, recycling services, operation of transfer station, cemetery services, administration of town planning scheme and protection of the environment.

### RECREATION AND CULTURE

Maintenance of halls, parks, playgrounds, sports grounds, recreation centres, various reserves and beaches; operation of libraries and other arts and cultural facilities.

### TRANSPORT

Construction and maintenance of roads, drainage, works, footpaths, parking facilities and traffic signs. Maintenance of bus shelters and cleaning of streets.

### ECONOMIC SERVICES

Marketing & promotion of tourism, visitor centres, economic development, implementation of building and development controls.

### OTHER PROPERTY & SERVICES

Private works, administration and public works overheads, works depots and council plant operations.

In order to discharge its responsibilities to the community, the City of Mandurah has developed a set of operational and financial

**3 Cash and Cash Equivalents**

	<b>Budget 2018/19 \$'000</b>	<b>Estimate Actuals 2017/18 \$'000</b>	<b>Budget 2017/18 \$'000</b>
Unrestricted	591	7,300	1,228
	<u>591</u>	<u>7,300</u>	<u>1,228</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve fund	27,265	31,758	27,782
Loan monies unspent at 30 June	429	4,864	229
Bonds and Deposits	3,500	3,500	3,500
	<u>31,194</u>	<u>40,122</u>	<u>31,511</u>

**4 Estimated Net Current Assets**

	<b>Budget 2018/19 \$'000</b>	<b>Estimate Actuals 2017/18 \$'000</b>	<b>Budget 2017/18 \$'000</b>
<b>Current Assets</b>			
Cash - unrestricted	591	7,300	1,228
Cash - restricted	31,194	40,122	31,511
Receivables	6,659	6,000	6,430
Inventories	450	400	450
<b>Less Current Liabilities</b>			
Payables and provisions	(8,200)	(8,434)	(8,399)
<b>NET CURRENT ASSET POSITION</b>	30,694	45,388	31,220
Less cash - restricted	(31,194)	(40,122)	(31,511)
<b>Surplus/(deficit) carried forward</b>	<u>(500)</u>	<u>5,266</u>	<u>(291)</u>

**5 Reconciliation of Net Cash Used in Operating Activities to Changes in Net Assets Arising from Operations**

	<b>Budget 2018/19 \$'000</b>	<b>Estimate Actuals 2017/18 \$'000</b>	<b>Budget 2017/18 \$'000</b>
Change in net assets resulting from operation	(8,325)	(662)	(7,942)
<i>Add</i>			
Depreciation	31,317	30,032	31,317
Loss on sale of assets	56	88	56
<i>Deduct</i>			
Profit on sale of assets	(165)	(145)	(165)
Non-operating grants, subsidies & contributions	(7,866)	(10,292)	(6,940)
Changes in assets and liabilities during the year:			
Decrease (increase) in receivables	500	388	(121)
(Increase) decrease in stock on hand	(40)	(50)	(40)
(Decrease)/increase in creditors & accruals	565	50	272
Increase (decrease) in employee provisions	(25)	(150)	(25)
<b>Net cash from operating activities</b>	<u>16,017</u>	<u>19,259</u>	<u>16,412</u>

**6 Acquisition of Assets**

The following assets are budgeted to be acquired or constructed during the year:

**By Program**

	<b>Budget 2018/19 \$'000</b>	<b>Estimate Actuals 2017/18 \$'000</b>	<b>Budget 2017/18 \$'000</b>
General Purpose Funding	-	-	-
Governance	15	133	36
Law, Order, Public safety	278	172	380
Health	-	-	-
Education and Welfare	111	156	150
Community Amenities	3,238	2,451	4,162
Recreation and Culture	14,887	6,138	9,246
Transport	14,751	13,279	15,204
Economic Services	-	25	-
Other Properties	6,295	4,892	5,869
	<u>39,576</u>	<u>27,246</u>	<u>35,046</u>

**By Class**

Land Held for Resale	-	-	-
Land and Buildings	7,277	6,788	10,817
Furniture and Equipment	407	454	515
Plant, Vehicles and Machinery	4,012	3,425	3,433
Infrastructure Assets - Roads	12,061	11,706	13,247
Infrastructure Assets - Recreation	12,457	3,319	4,168
Infrastructure Assets - Marina	233	1,552	2,866
Infrastructure Assets - Coastal & Estuary	2,449	-	-
Infrastructure Assets - Other	680	-	-
	<u>39,576</u>	<u>27,246</u>	<u>35,046</u>

**7 Disposal of Assets**

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

	<b>Proceeds From Sale 2018/19 Budget \$'000</b>	<b>Net Book Value 2018/19 Budget \$'000</b>	<b>Gain on Sale 2018/19 Budget \$'000</b>	<b>Loss on Sale 2018/19 Budget \$'000</b>
<b><u>By Class</u></b>				
Land	600	600	-	-
Plant and Machinery	1,000	904	165	(56)
	<u>1,600</u>	<u>1,504</u>	<u>165</u>	<u>(56)</u>
<b><u>By Program</u></b>				
Other Property & Services	1,600	1,504	165	(56)
	<u>1,600</u>	<u>1,504</u>	<u>165</u>	<u>(56)</u>

**8 (a) Depreciation Classified by Class**

Depreciation expense for the reporting period is charged in respect of:	<b>Budget 2018/19 \$'000</b>	<b>Estimate Actuals 2017/18 \$'000</b>	<b>Budget 2017/18 \$'000</b>
Buildings	5,987	5,963	5,987
Furniture and Fittings	331	316	331
Plant and Machinery	1,476	222	1,476
Infrastructure	21,510	21,520	21,510
Marina	2,012	2,011	2,013
	<u>31,317</u>	<u>30,032</u>	<u>31,317</u>

**8 (b) Depreciation Classified by Program**

	<b>Budget 2018/19 \$'000</b>	<b>Estimate Actuals 2017/18 \$'000</b>	<b>Budget 2017/18 \$'000</b>
General Purpose Funding	0	0	0
Governance	-	-	-
Law, Order, Public Safety	96	97	96
Health	-	-	-
Education and Welfare	208	208	208
Community Amenities	325	325	325
Recreation and Culture	17,996	17,996	17,996
Transport	10,530	10,499	10,530
Economic Services	125	125	125
Other Property and Services	2,037	782	2,037
	<u>31,317</u>	<u>30,032</u>	<u>31,317</u>

**9 Fees and Charges Revenue by Program**

	<b>Budget 2018/19 \$'000</b>	<b>Estimate Actuals 2017/18 \$'000</b>	<b>Budget 2017/18 \$'000</b>
General Purpose	784	784	784
Governance	-	-	-
Law, Order, Public Safety	621	639	592
Health	191	186	156
Education and Welfare	692	400	642
Community Amenities	13,654	13,403	13,159
Recreation and Culture	8,046	7,817	7,773
Transport	193	162	170
Economic Services	2,071	1,994	2,061
Other Properties	179	265	186
	<u>26,431</u>	<u>25,650</u>	<u>25,523</u>

**10 Councillors' Remuneration**

	<b>Budget 2018/19 \$'000</b>	<b>Estimate Actuals 2017/18 \$'000</b>	<b>Budget 2017/18 \$'000</b>
Meeting Fees	402	385	381
Allowances			
Local Government Allowance - Mayor	88	70	73
Local Government Allowance - Deputy Mayor	25	17	21
Communications Allowance	33	38	33
Information Technology Allowance	14	14	13
Travelling Allowance	6	6	6
Other Expenses & Allowances	5	16	5
Councillors' Training, Development & Seminars	60	54	30
	<u>633</u>	<u>600</u>	<u>562</u>

**11 Interest Earnings**

	<b>Budget 2018/19 \$'000</b>	<b>Estimate Actuals 2017/18 \$'000</b>	<b>Budget 2017/18 \$'000</b>
Reserve Investments	750	750	750
Municipal and Other Investments	555	220	600
Other Interest Earnings	850	998	850
	<u>2,155</u>	<u>1,968</u>	<u>2,200</u>

## 12 Proposed Borrowings

(a) Proposed Movement in Loan Borrowings for the year ending 30 June 2019

Year of Loan	Loan Number	Purpose of Loan	Loan Type	Term (Years)	Interest Rate	Unused at July 1 2018	New Loans Raised	Loans Utilised	Unused at June 30 2019
2003/04	303	Brighton Lane	Debenture	10	6.01%	43,022			43,022
2003/04	304	Brighton Plaza	Debenture	10	6.01%	14,115			14,115
2012/13	333(ii)	Parks Construction	Debenture	10	4.00%	171,963			171,963
									-
									-
2016/17	342	Dower St -Pinjarra rd Intersection	Debenture	10	3.00%	200,000		(200,000)	-
2015/16	344	Eastern Foreshore Wall	Debenture	10	2.65%	323,435		(323,435)	-
2017/18	356	Falcon Bay Foreshore Development	Debenture	10	3.00%	290,000		(290,000)	-
2017/18	355	Novara Foreshore Stage 2	Debenture	10	3.84%	100,000		(100,000)	-
2017/18	353	MARC Solar plan	Debenture	10	3.00%	185,000		(185,000)	-
2017/18	357	Mandurah Foreshore Boardwalk Stage 2	Debenture	10	3.84%	450,000		(450,000)	-
2017/18	359	Smokebush Retreat	Debenture	10	3.84%	100,000		(100,000)	-
2017/18	352	Mandurah Marina	Debenture	10	384.00%	200,000		(200,000)	-
2017/18	359	Road Construction	Debenture	10	3.84%	200,000		-	200,000
2018/19	New	Falcon Seawall	Debenture	10	3.84%		500,000	(500,000)	-
2018/19	New	Mandurah Freshore Boardwalk Stage 3	Debenture	10	3.84%		500,000	(500,000)	-
2018/19	New	Civic Building	Debenture	10	3.84%		500,000	(500,000)	-
2018/19	New	Mandjar Square Stage 3 & 4	Debenture	10	3.84%		1,000,000	(1,000,000)	-
2018/19	New	Novara Foreshore Stage 3	Debenture	10	3.84%		200,000	(200,000)	-
2018/19	New	Lakelands DOS	Debenture	10	3.84%	2,760,000		(2,760,000)	-
2018/19	New	Coodanup Drive	Debenture	10	3.84%		100,000	(100,000)	-
2018/19	New	Shark Mitigation Project	Debenture	10	3.84%		400,000	(400,000)	-
2018/19	New	Pinjarra Road Carpark	Debenture	10	3.84%		200,000	(200,000)	-
2018/19	New	New Road Construction	Debenture	10	3.84%		1,550,000	(1,550,000)	-
		Totals				5,037,535	4,950,000	(9,558,435)	429,100

(b) Summary of Repayment of Borrowings by Program for Year Ending 30 June 2018

Totals	New Loans Taken Up		Principal Liability 1 July		Interest Paid In Year		Principal Paid In Year		Principal Liability 30-Jun	
	Budget 2018/19	Actual 2017/18	Budget 2018/19	Actual 2017/18	Budget 2018/19	Actual 2017/18	Budget 2018/19	Actual 2017/18	Budget 2018/19	Actual 2017/18
Law, Order, Public Safety	-	-	25,329	1,179,611	1,424	33,159	12,256	1,038,718	13,073	25,329
Education and Welfare	-	-	-	-	-	-	-	-	-	-
Community Amenities	900,000	-	880,749	980,992	60,279	-	247,327	134,643	1,533,422	880,749
Recreation and Culture	1,700,000	2,250,000	18,080,014	16,131,494	571,967	19,200	2,535,983	2,247,439	17,244,031	18,080,014
Transport	1,850,000	1,615,000	10,465,831	10,515,911	370,765	11,520	1,413,548	1,965,080	10,902,282	10,465,831
Economic Services	-	-	-	25,779	-	427,093	-	25,779	-	-
Other Property and Services	500,000	-	4,065,259	4,642,821	151,935	102,660	842,898	727,371	3,722,361	4,065,259
<b>Grand Total</b>	<b>4,950,000</b>	<b>3,865,000</b>	<b>33,517,182</b>	<b>33,476,608</b>	<b>1,156,371</b>	<b>593,632</b>	<b>5,052,013</b>	<b>6,139,030</b>	<b>33,415,169</b>	<b>33,517,182</b>

12 Proposed Borrowings (continued)

(c) Loan Liability Statement for the year ending 30 June 2019

Loan No.	Purpose	Term (Yrs)	New Loans Taken Up 2018/2019	Total Up To 30/06/18	Rate of Interest	To Whom Due	Month & Year of Maturity	Principal Liability 1/07/18	Interest Paid In Year	Principal Paid In Year	Principal Liability 30/06/19	Principal Reimbursed
<b>Law, Order &amp; Public Safety</b>												
316(v)	Port Bouvard Surf Life Saving Club	10		100,000	6.39%	WATC	Jun-20	25,329	1,424	12,256	13,073	
337	New SES Building	10		1,391,030	2.79%	WATC	Apr-25	-	-	-	-	-
			-	<b>1,491,030</b>				<b>25,329</b>	<b>1,424</b>	<b>12,256</b>	<b>13,073</b>	-
<b>Community Amenities</b>												
336	Compactor Waste Trailers and Dolly	10		495,000	4.10%	WATC	Jun-24	234,664	12,395	48,209	186,455	
350	Ablutions	10		200,000	2.80%	WATC	Apr-27	184,596	3,807	38,994	145,602	
351	Falcon Seawall	10		500,000	2.80%	WATC	Apr-27	461,489	9,517	97,486	364,003	
new	Falcon Seawall	10	500,000		3.84%	WATC	Apr-29		19,200	34,799	465,201	
new	Shark mitigation Project	10	400,000		3.84%	WATC	Apr-29		15,360	27,839	372,161	
			<b>900,000</b>	<b>1,195,000</b>				<b>880,749</b>	<b>60,279</b>	<b>247,327</b>	<b>1,533,422</b>	
<b>Recreation</b>												
316(iii)	Allnutt Reserve Community Facility	10		468,000	6.39%	WATC	Jun-20	96,196	6,668	57,374	38,822	
316(vii)	Town Beach Ablutions	10		200,000	6.39%	WATC	Jun-20	50,659	2,849	24,512	26,147	
318(i)	Rushton Park Redevelopment	10		2,000,000	5.54%	WATC	Jun-21	765,442	19,900	111,710	653,732	
318(ii)	Meadow Springs Recreation Facility	10		1,500,000	5.54%	WATC	Jun-21	491,482	14,925	83,782	407,700	
<i>Sub Total</i>			-	<b>4,168,000</b>				<b>1,403,779</b>	<b>44,343</b>	<b>277,378</b>	<b>1,126,401</b>	-

## 12 Proposed Borrowings (continued)

(c) Loan Liability Statement for the year ending 30 June 2019

Loan No.	Purpose	Term (Yrs)	New Loans Taken Up 2018/2019	Total Up To 30/06/18	Rate of Interest	To Whom Due	Month & Year of Maturity	Principal Liability 1/07/18	Interest Paid In Year	Principal Paid In Year	Principal Liability 30/06/19	Principal Reimbursed
<b>Recreation (cont'd)</b>			-	10,956,999				1,403,779	44,343	277,378	1,126,401	
320	Mandurah Rugby Club	10		300,000	5.54%	WATC	Jun-21	107,747	2,985	16,754	90,993	16,754
321	Mandurah Cricket Club	10		100,000	5.54%	WATC	Jun-21	46,067	995	5,585	40,482	5,585
324	Mandurah Football & Sporting Club	10		650,000	4.01%	WATC	Jun-22	354,735	10,664	68,558	286,177	
325	Mandurah Rugby Club	10		50,000	4.01%	WATC	Jun-22	27,287	820	5,274	22,013	5,274
326	Bowling Club Relocation	10		4,430,000	4.01%	WATC	Jun-22	2,417,657	56,264	348,683	2,068,974	
329(i)	Ablutions - Netball Centre	10		350,000	4.01%	WATC	Jun-22	190,995	5,742	36,913	154,083	
329(vi)	Parks Construction	10		346,000	4.01%	WATC	Jun-22	223,837	5,675	36,485	187,353	
331	Halls Head Bowling Club	15		450,000	4.71%	WATC	Jun-28	357,674	15,385	26,788	330,886	26,788
333(i)	Parks Construction	10		200,000	4.00%	WATC	Jun-23	128,606	4,194	20,271	108,335	
338(i)	Aquatic & Recreation Centre Upgrade	10		500,000	2.79%	WATC	Apr-25	409,495	9,830	47,807	361,687	
338(ii)	Aquatic Centre Geothermal System	10		900,000	2.79%	WATC	Apr-25	737,090	17,698	86,069	651,021	
340	MARC Redevelopment Stage 1	10		775,000	2.65%	WATC	Apr-26	704,523	16,375	72,357	632,167	
341	MARC Redevelopment Stage 2	10		2,000,000	2.65%	WATC	Apr-26	1,818,125	42,257	186,727	1,631,399	
344	Eastern Foreshore Wall	10		1,295,000	2.65%	WATC	Apr-26	1,177,236	27,361	120,905	1,056,331	
345	MARC Redevelopment Stage 2	10		2,600,000	2.80%	WATC	Apr-27	2,485,532	49,489	506,927	1,978,605	
347	MARC Carpark	10		600,000	2.80%	WATC	Apr-27	553,787	11,421	116,983	436,804	
348	Parks & Reserves	10		550,000	2.80%	WATC	Apr-27	507,638	10,469	107,235	400,403	
356	Falcon Bay Foreshore Development	10		400,000	3.84%	WATC	Apr-28	372,161	15,360	27,839	344,322	
355	Novara Foreshore Development	10		400,000	3.84%	WATC	Apr-28	372,161	15,360	27,839	344,322	
358	Mandjar Square	10		500,000	3.84%	WATC	Apr-28	465,201	19,200	34,799	430,402	
357	Mandurah Foreshore Boardwalk	10		450,000	3.84%	WATC	Apr-28	418,681	17,280	31,319	387,362	
360	Lakelands DOS	10		2,800,000	3.84%	WATC	Apr-28	2,800,000	107,520	194,872	2,605,128	
new	Mandurah Foreshore Boardwalk Stage 3	10	500,000		3.84%	WATC	Apr-29		19,200	48,103	451,897	
new	Mandjar Square Stage 3 & 4	10	1,000,000		3.84%	WATC	Apr-29		38,400	69,597	930,403	
new	Novara Foreshore Development Stage 3	10	200,000		3.84%	WATC	Apr-29		7,680	13,919	186,081	
			<b>1,700,000</b>	<b>31,602,999</b>				<b>18,080,014</b>	<b>571,967</b>	<b>2,535,983</b>	<b>17,244,031</b>	<b>54,401</b>
<b>Transport</b>												
316(ii)	Roads Construction	10		1,498,000	6.39%	WATC	Jun-20	528,548	22,916	197,173	331,375	
316(iv)	Car Park Construction	10		110,000	6.39%	WATC	Jun-20	52,465	1,569	13,501	38,964	
318(iv)	Road Construction	10		5,000,000	5.54%	WATC	Jun-21	2,303,377	49,742	279,222	2,024,155	
318(v)	Drainage Construction	10		500,000	5.54%	WATC	Jun-21	241,002	4,975	27,927	213,075	
323	Road Sweeper	5		287,000	5.26%	WATC	Jun-16	0	0	0	0	
<b>Sub Total</b>			-	7,395,000	0	-	219,184	3,125,393	79,202	517,824	2,607,569	

12 Proposed Borrowings (continued)

(c) Loan Liability Statement for the year ending 30 June 2019

Loan No.	Purpose	Term (Yrs)	New Loans Taken Up 2018/2019	Total Up To 30/06/18	Rate of Interest	To Whom Due	Month & Year of Maturity	Principal Liability 1/07/18	Interest Paid In Year	Principal Paid In Year	Principal Liability 30/06/19	Principal Reimbursed
<b>Transport (cont'd)</b>												
				7,395,000		-		3,481,110	79,202	517,824	2,963,287	
329(ii)	Road Construction	10		750,000	4.01%	WATC	Jun-22	399,213	13,948	89,670	309,543	
329(iii)	Drainage Construction	10		250,000	4.01%	WATC	Jun-22	136,490	4,103	26,379	110,111	
329(iv)	Peelwood Car Parking	10		100,000	4.01%	WATC	Jun-22	64,760	821	5,277	59,483	
329(ix)	Street Lighting	10		75,000	4.01%	WATC	Jun-22	40,881	1,229	7,901	32,980	
329(vii)	Path Construction	10		57,000	4.01%	WATC	Jun-22	31,131	936	6,017	25,114	
332	Road Plant	5		350,000	3.42%	WATC	Jun-18	72,331			72,331	
333(ii)	Road Construction	10		893,000	4.00%	WATC	Jun-23	574,181	18,724	90,486	483,695	
335	Pedestrian Bridge	10		1,000,000	4.50%	WATC	Jun-24	737,178	25,040	97,392	639,786	
339	Road Construction	10		1,000,000	2.79%	WATC	Apr-25	818,988	19,663	95,626	723,362	
342	Road Construction	10		1,000,000	2.65%	WATC	Apr-26	909,063	21,128	93,363	815,699	
	Road Construction	10		1,390,000	3.00%	WATC	Apr-27	1,282,423	38,225	107,577	1,174,846	
343	Tims Thicket Transfer Stn Sth	10		150,000	2.65%	WATC	Apr-26	136,359	3,169	14,004	122,355	
359	Road Construction	10		1,415,000	2.80%	WATC	Apr-28	1,316,520	54,336	98,480	1,218,040	
354	MARC Carpark	10		300,000	2.80%	WATC	Apr-28	279,121	11,520	20,879	258,242	
352	Mandurah Marina	10		200,000	2.80%	WATC	Apr-28	186,081	7,680	13,919	172,162	
new	Coodanup Drive -Road Rehabilitation	10	100,000		3.80%	WATC	Apr-19		3,840	6,960	93,040	
new	Pinjarra Rd Carpark	10	200,000		3.80%	WATC	Apr-29		7,680	13,919	186,081	
new	New Road Construction 18/19	10	1,550,000		3.80%	WATC	Apr-29		59,520	107,876	1,442,124	
			<b>1,850,000</b>	<b>16,325,000</b>	<b>1</b>	<b>-</b>	<b>820,318</b>	<b>10,465,831</b>	<b>370,765</b>	<b>1,413,548</b>	<b>10,902,282</b>	
<b>Other Property and Services</b>												
272	Admin Building	20		2,500,000	6.30%	WATC	Apr-21	762,280	34,176	186,861	575,419	
316(i)	Information Systems	10		100,000	6.39%	WATC	Jun-20	47,624	1,424	12,256	35,368	
316(vi)	IT Server Room	10		270,000	6.39%	WATC	Jun-20	97,688	3,847	33,098	64,590	
318(vi)	IT Communications Equipment	10		400,000	5.54%	WATC	Jun-21	184,178	3,984	22,363	161,815	
329(viii)	IT Equipment	10		102,000	4.01%	WATC	Jun-22	60,162	1,672	10,748	49,414	
330	Land Purchase	10		5,000,000	4.01%	WATC	Jun-22	2,728,732	82,032	527,369	2,201,363	
353	MARC Solar Facility	10		200,000	2.80%	WATC	Apr-18	184,596	5,600	15,404	169,192	
new	Civic Building	10	500,000		3.84%	WATC	Apr-19		19,200	34,799	465,201	
			<b>500,000</b>	<b>8,572,000</b>			<b>352,774</b>	<b>4,065,259</b>	<b>151,935</b>	<b>842,898</b>	<b>3,722,361</b>	
<b>Grand Total</b>			<b>4,950,000</b>	<b>59,186,029</b>				<b>33,517,182</b>	<b>1,156,371</b>	<b>5,052,013</b>	<b>33,415,169</b>	<b>54,401</b>

**13 Reserves**

<b>Reserve Account Title</b>	<b>Purpose of Reserve</b>
(a) Building	Future building requirements.
(b) Parking	Provide additional parking areas.
(c) Asset management	Maintenance and upgrade of current infrastructure.
(d) Cultural Centre	Equipment/plant replacement for Mandurah Performing Arts Centre and the provision of standby financing.
(e) Museum operation	Operation of museum.
(f) Property acquisition	Future property purchases.
(g) Sustainability	Development of Mandurah as a sustainable city.
(h) Recreation centre	Future reconstruction of Mandurah Aquatic & Recreation Centre & additional swimming space.
(i) Sanitation	Future waste treatment initiatives.
(j) Community improvements	Provision of community facilities.
(k) Traffic bridge	Replacement of Mandurah Traffic Bridge.
(l) Tims Thicket septage	Future site restoration.
(m) Tims Thicket inert	Future site restoration and development.
(n) Inert landfill	Future site restoration and development.
(o) Road network	Future road improvement schemes.
(p) Arts and crafts centre	Provision of new arts and craft facility.
(q) Sand pit restoration	Costs associated with closure of Red Road site.
(r) Interest free loans	Interest-free loans to sporting & community groups for minor capital projects.
(s) CLAG	Contiguous Local Authority Group for control of mosquitoes.
(t) Emergency relief fund	Capital grants to local emergency service groups. Availability of funds for emergencies/disaster in Mandurah.
(u) Mandurah Ocean Marina	Future maintenance/asset replacement at Mandurah Ocean Marina.
(v) Waterways	Future maintenance/asset replacement of specific waterways infrastructure.
(w) Port Mandurah canals Stage 2	Future maintenance of canals.
(x) Mariners Cove canals	Future maintenance of canals.
(y) Soccer clubrooms refurbishment	To maintain presentation and functionality of the Club House.
(z) Interest on investments	Allocation for once-off purchases.
(aa) Port Bouvard canals	Future maintenance of canals.
(ab) POS Contributions	Contributions received in accordance with Planning & Development Act.
(ac) Unspent grants and contributions	Operating and non-operating grants and contributions tied to future expenditure.
(ad) Carbon Offset	Fund initiatives which provide an offset to the environmental impact of the City's waste management activities.
(ae) Bushland & Environmental Protection	For the purchase & protection of bushland and environmentally sensitive sites within
(af) Coastal Storm Contingency	To fund restoration of storm damaged coastal infrastructure.
(ag) Long Service Leave	To fund the long service leave liability of Council's staff.
(ah) Port Bouvard Surf Club rooms refurbishment	To maintain presentation and functionality of the Club House.
(ai) Refurbishment Bortolo Pavillion	To maintain presentation and functionality of the Club House.
(aj) Refurbishment Rushton Park	To maintain presentation and functionality of the Club House.
(ak) Refurbishment Meadow Springs Pavillion	To maintain presentation and functionality of the Club House.
(al) Digital Futures	Fund development, investigation or commissioning of digital technology initiatives.
(am) Decked Carparking	Amount received from Landcorp in June 2006, set aside for Decked Carparking.
(au) City Centre Land Acquisition	For future property purchases within the City Centre area.
(at) Business Acivtation	Development of Project that facilitate Economic growth
(av) Prepaid rates	To fund the prepayment of property rates
<i>Specified Area Rates</i>	
(an) Waterside canals	Future maintenance of canals.
(ao) Port Mandurah canals	Future maintenance of canals.
(ap) Mandurah Ocean Marina	Future maintenance/asset replacement at Mandurah Ocean Marina.
(aq) Mandurah Quay canals	Future maintenance of canals.
(ar) Port Bouvard - Northport	Future maintenance of canals.

## 13 Reserves (continued)

	Budget 2018/19 \$'000	Estimate Actuals 2017/18 \$'000	Budget 2017/18 \$'000
<b>(a) Building</b>			
Opening balance	1,563	2,481	4,219
Amount set aside / Transfer to Reserve	200	250	300
Amount used / Transfer from Reserve	(1,340)	(1,168)	(1,111)
	<u>423</u>	<u>1,563</u>	<u>3,408</u>
<b>(b) Parking</b>			
Opening balance	465	465	465
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>465</u>	<u>465</u>	<u>465</u>
<b>(c) Asset Management</b>			
Opening balance	2,250	3,191	5,561
Amount set aside / Transfer to Reserve	-	488	-
Amount used / Transfer from Reserve	(990)	(1,595)	(1,995)
	<u>1,260</u>	<u>2,084</u>	<u>3,566</u>
<b>(d) Cultural Centre</b>			
Opening balance	-	240	322
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	(240)	(322)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>(e) Museum</b>			
Opening balance	160	160	160
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	(160)	-	-
	<u>-</u>	<u>160</u>	<u>160</u>
<b>(f) Property Acquisition</b>			
Opening balance	5,358	5,258	3,179
Amount set aside / Transfer to Reserve	200	250	300
Amount used / Transfer from Reserve	(3,090)	(150)	-
	<u>2,468</u>	<u>5,358</u>	<u>3,479</u>
<b>(g) Sustainability</b>			
Opening balance	710	710	1,626
Amount set aside / Transfer to Reserve	200	-	-
Amount used / Transfer from Reserve	(385)	-	-
	<u>525</u>	<u>710</u>	<u>1,626</u>
<b>(h) Aquatic and Recreation Centre</b>			
Opening balance	8	8	8
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>8</u>	<u>8</u>	<u>8</u>
<b>(i) Sanitation</b>			
Opening balance	919	1,119	1,105
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	(898)	(200)	(1,000)
	<u>21</u>	<u>919</u>	<u>105</u>
<b>(j) Community Improvements</b>			
Opening balance	200	200	200
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	(200)	-	-
	<u>-</u>	<u>200</u>	<u>200</u>
<b>(k) Traffic Bridge</b>			
Opening balance	500	500	500
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	(500)	-	(500)
	<u>-</u>	<u>500</u>	<u>-</u>

13 Reserves (continued)

	Budget 2018/19 \$'000	Estimate Actuals 2017/18 \$'000	Budget 2017/18 \$'000
<b>(l) Tims Thicket Septage</b>			
Opening balance	74	74	74
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	74	74	74
<b>(m) Tims Thicket Inert</b>			
Opening balance	102	102	102
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	102	102	102
<b>(n) Inert Landfill</b>			
Opening balance	40	40	40
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	40	40	40
<b>(o) Road Network</b>			
Opening balance	-	-	-
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	-	-	-
<b>(p) Arts and Craft Centre</b>			
Opening balance	230	230	230
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	230	230	230
<b>(q) Sand Pit Restoration</b>			
Opening balance	67	67	67
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	67	67	67
<b>(r) Interest Free Loans</b>			
Opening balance	156	156	240
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	156	156	240
<b>(s) CLAG</b>			
Opening balance	11	11	11
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	11	11	11
<b>(t) Emergency Relief Fund</b>			
Opening balance	3	3	3
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	3	3	3
<b>(u) Mandurah Ocean Marina</b>			
Opening balance	231	241	241
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	(90)	(10)	(100)
	141	231	141
<b>(v) Waterways</b>			
Opening balance	-	-	-
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	-	-	-

## 13 Reserves (continued)

	Budget 2018/19 \$'000	Estimate Actuals 2017/18 \$'000	Budget 2017/18 \$'000
<b>(w) Interest on Investments</b>			
Opening balance	13	13	13
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>13</u>	<u>13</u>	<u>13</u>
<b>(x) Port Mandurah Canals Stage 2 Maintenance</b>			
Opening balance	80	80	80
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>80</u>	<u>80</u>	<u>80</u>
<b>(y) Mariners Cove Canals</b>			
Opening balance	72	72	72
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>72</u>	<u>72</u>	<u>72</u>
<b>(z) Port Bouvard Canal Maintenance Contributions</b>			
Opening balance	226	226	226
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>226</u>	<u>226</u>	<u>226</u>
<b>(aa) Soccer Club Rooms Refurbishment</b>			
Opening balance	29	29	29
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>29</u>	<u>29</u>	<u>29</u>
<b>(ab) Cash in Lieu POS Contributions</b>			
Opening balance	1,359	2,356	1,576
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	(50)	(997)	(916)
	<u>1,309</u>	<u>1,359</u>	<u>660</u>
<b>(ac) Unspent Grants &amp; Contributions</b>			
Opening balance	8,423	6,122	5,726
Amount set aside / Transfer to Reserve	-	3,222	-
Amount used / Transfer from Reserve	(1,056)	(921)	(1,520)
	<u>7,367</u>	<u>8,423</u>	<u>4,206</u>
<b>(ad) Long Service &amp; Sick Leave</b>			
Opening balance	3,691	3,691	3,608
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>3,691</u>	<u>3,691</u>	<u>3,608</u>
<b>(ae) Carbon Offset</b>			
Opening balance	45	50	-
Amount set aside / Transfer to Reserve	-	17	-
Amount used / Transfer from Reserve	(45)	(22)	-
	<u>-</u>	<u>45</u>	<u>-</u>
<b>(af) Bushland Acquisition</b>			
Opening balance	2,448	1,948	1,948
Amount set aside / Transfer to Reserve	500	500	500
Amount used / Transfer from Reserve	-	-	-
	<u>2,948</u>	<u>2,448</u>	<u>2,448</u>
<b>(ag) Port Bouvard Surf Life Saving Clubrooms</b>			
Opening balance	18	18	18
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>18</u>	<u>18</u>	<u>18</u>
<b>(ah) Coastal Storm Contingency</b>			
Opening balance	250	250	250
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>250</u>	<u>250</u>	<u>250</u>

13 Reserves (continued)

	Budget 2018/19 \$'000	Estimate Actuals 2017/18 \$'000	Budget 2017/18 \$'000
<b>(ai) Refurbishment Bortolo Pavillion</b>			
Opening balance	6	6	6
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	6	6	6
<b>(aj) Refurbishment Rushton Park</b>			
Opening balance	13	13	13
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	13	13	13
<b>(ak) Refurbishment Meadow Springs Pavillion</b>			
Opening balance	8	8	8
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	8	8	8
<b>(al) Digital Futures</b>			
Opening balance	125	125	125
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	(50)	-	-
	75	125	125
<b>(am) Decked Carparking</b>			
Opening balance	975	975	992
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	975	975	992
<b>(an) Specified Area Rates - Waterside Canals</b>			
Opening balance	122	127	122
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	(5)	(5)	(5)
	117	122	117
<b>(ao) Specified Area Rates - Port Mandurah Canals</b>			
Opening balance	484	440	358
Amount set aside / Transfer to Reserve	-	44	38
Amount used / Transfer from Reserve	-	-	-
	484	484	396
<b>(ap) Specified Area Rates - Mandurah Quay Canals</b>			
Opening balance	144	147	144
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	(3)	-
	144	144	144
<b>(aq) Specified Area Rates - Mandurah Ocean Marina</b>			
Opening balance	316	316	316
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	316	316	316
<b>(ar) Specified Area Rate - Port Bouvard Canals</b>			
Opening balance	20	20	20
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	20	20	20
<b>(as) Specified Area Rate - Mariners Cove</b>			
Opening balance	10	10	10
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	10	10	10

**13 Reserves (continued)**

	Budget 2018/19 \$'000	Estimate Actuals 2017/18 \$'000	Budget 2017/18 \$'000
<b>(at) Business Activation</b>			
Opening balance	100	-	-
Amount set aside / Transfer to Reserve	-	100	100
Amount used / Transfer from Reserve	-	-	-
	100	100	100
<b>(au) City Centre Land Acquisition Reserve</b>			
Opening balance		-	-
Amount set aside / Transfer to Reserve	3,000	-	-
Amount used / Transfer from Reserve	-	-	-
	3,000	-	-
<b>Total</b>			
Opening Balance	32,024	32,298	34,013
Transfers to Reserves	4,100	4,771	1,238
Transfers from Reserves	(8,859)	(5,311)	(7,469)
Closing Balance	27,265	31,758	27,782

All of the above reserve fund accounts are supported by money held in financial institutions and match the amounts included as restricted cash in Notes 3 and 4. There has been no proposed change in purpose during the year of any Reserve Funds. No time period has been set for the use of the reserves.

**Summary of transfers to cash-backed reserves**

Building	200	250	300
Parking	-	-	-
Asset management	-	488	-
Cultural Centre	-	-	-
Museum	-	-	-
Property acquisition	200	250	300
Sustainability	200	-	-
Aquatic and recreation centre	-	-	-
Sanitation	-	-	-
Community improvements	-	-	-
Traffic bridge	-	-	-
Tims Thicket septage	-	-	-
Tims Thicket inert	-	-	-
Inert landfill	-	-	-
Road network	-	-	-
Arts and craft centre	-	-	-
Sand pit restoration	-	-	-
Interest free loans	-	-	-
CLAG	-	-	-
Emergency relief fund	-	-	-
Mandurah Ocean Marina	-	-	-
Waterways	-	-	-
Interest on investments	-	-	-
Port Mandurah canals stage 2 maintenance	-	-	-
Mariners Cove canal maintenance contributions	-	-	-
Port Bouvard canal maintenance contributions	-	-	-
Soccer club rooms refurbishment	-	-	-
Cash in Lieu POS Contributions	-	-	-
Unspent grants & contributions	-	3,222	-
Long Service Leave	-	-	-
Carbon Offset	-	17	-
Bushland Acquisition	500	500	500
Port Bouvard Surf Life Saving clubrooms	-	-	-
Coastal Storm Contingency	-	-	-
Refurbishment Bortolo Pavillion	-	-	-
Refurbishment Rushton Park	-	-	-
Refurbishment Meadow Springs Pavillion	-	-	-

**13 Reserves (continued)**

	<b>Budget 2018/19 \$'000</b>	<b>Estimate Actuals 2017/18 \$'000</b>	<b>Budget 2017/18 \$'000</b>
Digital Futures	-	-	-
Decked Carparking	-	-	-
Specified Area Rate Waterside canals	-	-	-
Specified Area Rate Port Mandurah canals	-	44	38
Specified Area Rate Mandurah Quay canals	-	-	-
Specified Area Rate Mandurah Ocean Marina	-	-	-
Specified Area Rate Port Bouvard canals	-	-	-
Business Activation	-	-	100
City Centre Land Acquisition Reserve	3,000	-	-
	<u>4,100</u>	<u>4,771</u>	<u>1,238</u>
<b><u>Summary of transfers from cash-backed reserves</u></b>			
Building	(1,340)	(1,168)	(1,111)
Asset management	(990)	(1,595)	(1,995)
Cultural Centre	-	(240)	(322)
Property acquisition	(3,090)	(150)	-
Aquatic and recreation centre	-	-	-
Sanitation	(898)	(200)	(1,000)
Community improvements	(200)	-	-
Traffic bridge	(500)	-	(500)
Road network	-	-	-
Mandurah Ocean Marina	(90)	(10)	(100)
Cash in Lieu POS Contributions	(50)	(997)	(916)
Unspent grants & contributions	(1,056)	(921)	(1,520)
Carbon offset	(45)	(22)	-
Digital Futures	(50)	-	-
Specified Area Rate Waterside canals	(5)	(5)	(5)
Specified Area Rate Port Mandurah canals	-	-	-
Specified Area Rate Mandurah Quay canals	-	(3)	-
Specified Area Rate Mandurah Ocean Marina	-	-	-
	<u>(8,859)</u>	<u>(5,311)</u>	<u>(7,469)</u>

14 Rates Information

(a) Schedule of Rates

Rating Category	General Rate				Minimum Rate				Total		
	GRV Value \$'000	Rate - cents in \$	No. Props	Rate Yield \$'000	GRV Value \$'000	Min Rate \$	No. Props	Rate Yield \$'000	GRV Value \$'000	No. Props	Rate Yield \$'000
Residential Improved	599,730	0.0825	33,977	49,490	73,574	1,081	6,438	6,959	673,304	40,415	56,449
Residential Vacant	27,423	0.1438	1,933	3,944	8,375	895	1,788	1,600	35,799	3,721	5,544
Urban Development	3,237	0.1039	12	336	0	1,081	0	0	3,237	12	336
Business Improved	147,867	0.0878	1,001	12,986	1,804	1,081	356	385	149,672	1,357	13,371
Business Vacant	4,470	0.1438	137	643	139	1,081	24	26	4,609	161	669
<b>Sub Total</b>	<b>782,727</b>		<b>37,060</b>	<b>67,399</b>	<b>83,893</b>		<b>8,606</b>	<b>8,971</b>	<b>866,620</b>	<b>45,666</b>	<b>76,369</b>
Interim Rates											875
<b>Total</b>											<b>77,244</b>
<b>Specified Area Rates</b>											
Mandurah Ocean Marina											378
Mandurah Quay											10
Mariners Cove											9
Port Bouvard Eastport Canals											12
Port Bouvard Northport Canals											42
Port Mandurah Canals											79
Waterside Canals											0
<b>Sub Total</b>											<b>530</b>
<b>TOTAL RATES</b>	<b>782,727</b>		<b>37,060</b>	<b>67,399</b>	<b>83,893</b>		<b>8,606</b>	<b>8,971</b>	<b>866,620</b>	<b>45,666</b>	<b>77,774</b>

**14 Rates Information (continued)**

**b. Characteristics Forming the Basis of Rates**

Council utilises differential rating based on zoning, and properties' improved or unimproved nature.

**c. Objects and Reasons for Differential Rates**

**Differential Rates**

Residential Improved	Rate in the dollar \$0.0825
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Residential properties are the predominant property type in the City. The rate calculated reflects Council's policy of ensuring that residential properties contribute significantly to the services and infrastructure which the City provides.

Business Improved	Rate in the dollar \$0.0879
Urban Development	Rate in the dollar \$0.1039
Business Vacant	Rate in the dollar \$0.1438

Rates on other improved properties are levied at the same rate to reflect the fact that these types make the same relative contribution as the residential improved category.

Residential Vacant	Rate in the dollar \$0.1438
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These rates have been set as an interim measure as part of the City's plan to reflect the change in vacant land values over a

**Minimum Rates**

Council is permitted to set different minimum rates so that all properties make a reasonable contribution to the cost of services

Residential Improved	\$1,081
Business Improved	\$1,081
Residential Vacant	\$895
Business Vacant	\$1,081
Urban Development	\$1,081

**14 Rates Information (continued)**

**d. Specified Area Rates**

	Rate in Dollar
Mandurah Ocean Marina	\$ 0.0161
Mandurah Quay	\$ 0.0015
Mariners Cove	\$ 0.0012
Port Bouvard Eastport Canals	\$ 0.0016
Port Bouvard Northport Canals	\$ 0.0064
Port Mandurah Canals	\$ 0.0034
Waterside Canals	\$ 0.0000

**Mandurah Ocean Marina**

**Rate in the dollar \$0.0161**

This is levied on all properties within the Mandurah Ocean Marina. The purpose is to provide for future maintenance and asset replacement costs.

**Mandurah Quay**

**Rate in the dollar \$0.0015**

This is levied on all properties within the Mandurah Quay sub-division. The purpose is to ensure the maintenance of the marina (i.e. water body and walls) and is levied to cover the life cycle expenses of the marina.

**Mariners Cove**

**Rate in the dollar \$0.0012**

This is levied on all canal frontages on the Mariner Cove canals. The purpose of the rate is for owners to make a reasonable contribution toward maintaining and managing the canals in accordance with the Artificial Waterways Policy – Canals and Core Management Group.

**Port Bouvard Eastport Canals**

**Rate in the dollar \$0.0016**

This is levied on all canal frontages on the Eastport canals. The purpose is to recoup the costs of litter removal from the canal waterbody together with the costs of water quality testing, management, surveying and minor maintenance.

**Port Bouvard Northport Canals**

**Rate in the dollar \$0.0064**

This is levied on all canal frontages on the Northport canals. The purpose is to recoup the costs of litter removal from the canal waterbody together with the costs of water quality testing, management, surveying and minor maintenance.

**Port Mandurah**

**Rate in the dollar \$0.0034**

This is levied on all canal frontage properties located within the defined area of Port Mandurah Canals. The purpose of the rate is for owners to make a reasonable contribution toward maintaining and managing the canals in accordance with the *Artificial Waterways Policy – Canals and Core Management Group*.

The defined area has been identified within the Government Gazette published 23 June 1995 as Schedule A in the City of Mandurah (Specified Area) Order No.1.

**Waterside Canals**

**Rate in the dollar \$0.000**

This is levied on all canal frontage properties located within the defined area. The purpose of the rate is for owners to make a reasonable contribution toward maintaining and managing the canals in accordance with the *Artificial Waterways Policy – Canals and Core Management Group*.

The defined area has been identified within the Government Gazette published 23 June 1995 as Schedule B in the City of Mandurah (Specified Area) Order No.1.

**Summary of Application of Specified Area Rate Funds**

Specified Area Rate	Summary of Annual Movement			
	Rate Revenue \$'000	Expenditure \$'000	From Reserve \$'000	To Reserve \$'000
Mandurah Ocean Marina	378	378	-	-
Mandurah Quay	10	10	-	-
Mariners Cove	9	9	-	-
Port Bouvard Eastport Canals	12	10	-	-
Port Bouvard Northport Canals	42	42	-	-
Port Mandurah Canals	79	27	-	52
Waterside Canals	-	-	-	-
<b>Total</b>	<b>530</b>	<b>476</b>	<b>-</b>	<b>52</b>

**15 Interest Charges and Instalments**

An interest rate of 7% per annum will be charged on all rates, both current and arrears that remain unpaid after 35 days from the issue date of the rate notice. It is estimated that this will generate revenue of approximately \$200,000

Late payment of any amount of money other than rates will be charged interest at a rate of 7% per annum. It is estimated that this will generate revenue of approximately \$5,000.

Instalment options for rates payment are offered in accordance with Council policy and Section 6.45 of the Local Government act as follows:

*Option 1 (Full Payment)*

Full amount of rates and charges including arrears to be received on or before 24 August 2018 or 35 days after the date of service appearing on the rate notice, whichever is the later.

*Option 2 (Two Instalments)*

First instalment to be received on or before 24 August 2018 or 35 days after the date of service appearing on the rate notice, whichever is the later, including all arrears and half of the current rates and service charges. The second and final instalment will be due on or before 7 January 2019 or the equivalent time after the date of service appearing on the rate notice, whichever is the later.

*Option 3 (Four Instalments)*

First instalment to be received on or before 24 August 2018 or 35 days after the date of service appearing on the rate notice, whichever is the later, and, including all arrears and a quarter of the current rates and service charges. The second, third and fourth instalments are due on or before 24 October 2018, 7 January 2019 and 7 March 2019 respectively, or the equivalent time after the date of service appearing on the rate notice, whichever is the later.

*Payment by equal instalments*

Payment by twelve, twenty-six or fifty-two equal instalments from April 2018 to March 2019. Continuation of instalments from April as advance payments for 2019/20.

*Cost of Instalments Options*

The cost of the instalment options will comprise of simple interest of 5.5% per annum calculated from the date the first instalment is due and payable together with an administration fee of \$3 for each instalment. Rates instalment interest is budgeted to earn \$350,000 in 2018/19.

In addition to the late payment penalty of 7% per annum, an administration fee of \$20 per rate assessment will be charged to ratepayers entering into special payment arrangements other than those described above or those paying by direct debit, with the City.

16 Concessions

The City grants concessions on rates to:

<u>Assessment Number</u>	<u>Property Address</u>	<u>GRV</u>	<u>Rate Levied</u>	<u>Concession</u>
<b>Access Housing. A 50% discount for properties used for the provision of housing for people with disabilities.</b>				
121135	12 Allnutt Street MANDURAH WA 6210	14,560	\$1,201.20	\$600.60
121499	1/2-4 Andrew Street MANDURAH WA 6210	12,480	\$1,081.00	\$540.50
123784	3/46-48 Boundary Road MANDURAH WA 6210	12,480	\$1,081.00	\$540.50
128767	6/35 Creery Street DUDLEY PARK WA 6210	11,700	\$1,081.00	\$540.50
130722	3/3-5 Day Road MANDURAH WA 6210	11,700	\$1,081.00	\$540.50
135655	3/24 Hall Street MANDURAH WA 6210	12,220	\$1,081.00	\$540.50
147635	9/160 Mandurah Terrace MANDURAH WA 6210	11,180	\$1,081.00	\$540.50
159994	3/9 Rockford Street MANDURAH WA 6210	11,700	\$1,081.00	\$540.50
160372	10/74 Randell Street MANDURAH WA 6210	12,480	\$1,081.00	\$540.50
163582	1/64 Sholl Street MANDURAH WA 6210	13,000	\$1,081.00	\$540.50
163749	1/44-46 Sholl Street MANDURAH WA 6210	11,960	\$1,081.00	\$540.50
164317	4/72-74 Sholl Street MANDURAH WA 6210	11,700	\$1,081.00	\$540.50
167070	9/50 Sutton Street MANDURAH WA 6210	10,660	\$1,081.00	\$540.50
168557	92A Tuckey Street MANDURAH WA 6210	14,560	\$1,201.20	\$600.60
168565	92B Tuckey Street MANDURAH WA 6210	14,560	\$1,201.20	\$600.60
168573	92C Tuckey Street MANDURAH WA 6210	14,560	\$1,201.20	\$600.60
171429	1/17 Casuarina Drive HALLS HEAD WA 6210	13,780	\$1,136.85	\$568.43
176360	9 Ironbark Place HALLS HEAD WA 6210	14,820	\$1,222.65	\$611.33
182855	19 Bedingfeld Road GREENFIELDS WA 6210	13,780	\$1,136.85	\$568.43
185635	21 Buchanan Elbow GREENFIELDS WA 6210	15,860	\$1,308.45	\$654.23
189462	70 Coolibah Avenue DUDLEY PARK WA 6210	15,080	\$1,244.10	\$622.05
195048	12A Elmore Way DUDLEY PARK WA 6210	12,740	\$1,081.00	\$540.50
200814	7 Harper Court MANDURAH WA 6210	12,480	\$1,081.00	\$540.50
202240	11 Irrawaddy Drive GREENFIELDS WA 6210	16,120	\$1,329.90	\$664.95
213973	9 Murdoch Drive GREENFIELDS WA 6210	12,740	\$1,081.00	\$540.50
222057	25 Saskatchewan Way GREENFIELDS WA 6210	14,300	\$1,179.75	\$589.88
222313	16 Scott Street MANDURAH WA 6210	27,040	\$2,230.80	\$1,115.40
227668	12 Tuart Road GREENFIELDS WA 6210	13,260	\$1,093.95	\$546.98
231264	7-9 Wellstead Way COODANUP WA 6210	20,384	\$1,681.68	\$840.84
309003	8 Gamol Place MANDURAH WA 6210	27,040	\$2,230.80	\$1,115.40
310290	12 Herald Rise GREENFIELDS WA 6210	14,820	\$1,222.65	\$611.33
313302	12 Kedron Place GREENFIELDS WA 6210	23,400	\$1,930.50	\$965.25
313591	17 Killarney Retreat MEADOW SPRINGS WA 6210	18,200	\$1,501.50	\$750.75
315430	5 Lewis Street MANDURAH WA 6210	14,040	\$1,158.30	\$579.15
318293	32B Moat Street MANDURAH WA 6210	13,260	\$1,093.95	\$546.98
318301	32A Moat Street MANDURAH WA 6210	13,260	\$1,093.95	\$546.98
318400	1/16 Moat Street MANDURAH WA 6210	11,960	\$1,081.00	\$540.50
319556	77 Morfitt Street MANDURAH WA 6210	13,780	\$1,136.85	\$568.43
320018	31 Myerick Street MANDURAH WA 6210	17,160	\$1,415.70	\$707.85
326957	43 Perseus Road SILVER SANDS WA 6210	15,340	\$1,265.55	\$632.78
327310	4/10-12 Perseus Road SILVER SANDS WA 6210	11,960	\$1,081.00	\$540.50
329381	54 Reynolds Avenue GREENFIELDS WA 6210	14,560	\$1,201.20	\$600.60
332195	15 Seminole Avenue MEADOW SPRINGS WA 6210	17,160	\$1,415.70	\$707.85
334019	1/47 Stinton Street MANDURAH WA 6210	12,480	\$1,081.00	\$540.50
337897	3 Valentino Close GREENFIELDS WA 6210	13,260	\$1,093.95	\$546.98
339430	54 Waldron Boulevard GREENFIELDS WA 6210	14,820	\$1,222.65	\$611.33
343044	9 Zodiac Court GREENFIELDS WA 6210	16,380	\$1,351.35	\$675.68
537702	16 Evella Cove LAKELANDS WA 6180	15,600	\$1,287.00	\$643.50
<b>Peel Harvey Catchment</b>				
166874	58 Sutton Street MANDURAH WA 6210	44,200	\$3,885.18	\$3,885.18
<b>Specified Area Rate</b>				
389963	10/7 Village Mews WANNANUP	18,200	\$116.48	\$29.12
389971	11/7 Village Mews WANNANUP	18,200	\$116.48	\$29.12
389989	12/7 Village Mews WANNANUP	18,200	\$116.48	\$29.12
389997	13/7 Village Mews WANNANUP	17,160	\$109.82	\$27.46
390003	14/7 Village Mews WANNANUP	17,160	\$109.82	\$27.46
390011	15/7 Village Mews WANNANUP	18,200	\$116.48	\$29.12
390029	16/7 Village Mews WANNANUP	18,200	\$116.48	\$29.12
390037	17/7 Village Mews WANNANUP	18,200	\$116.48	\$29.12
390045	18/7 Village Mews WANNANUP	18,200	\$116.48	\$29.12

**Lady Brand Village Greenfields, Belswan Village Greenfields, Settlers Village Meadow Springs - a concession to minimum rates for strata properties to ensure that parity is retained with rates for lease for life units.**

**17 Major Land Transactions****Leisure Way, Halls Head**

The City has sub-divided land at Lots 1197 and 1200 Leisure Way, Halls Head to create 44 residential lots. This development is the subject of a Business Plan approved in March 2007. The site works were completed in 2008/09 but land sales have been deferred until market conditions improve. Additional works of \$75,000 were completed in 2013/14.

Total cash flows for the project are projected as follows:

	<b>Projected</b>	<b>Original Project</b>
	<b>\$'000</b>	<b>\$'000</b>
Gross revenues inc GST	7,725	15,375
Less:		
Project management & maintenance	(379)	(345)
Selling costs & settlements	(309)	(530)
Development incentives	(409)	-
GST net payment	(703)	(973)
Development & administration costs	(2,907)	(4,152)
Interest charges	(300)	(300)
Fees & taxes	(125)	(125)
Total costs	<u>(5,132)</u>	<u>(6,425)</u>
<b>Net cash inflow to City of Mandurah</b>	<u>2,593</u>	<u>8,950</u>