

City of Mandurah

BUDGET

For the year Ending 30 June 2020

Statutory Financial Statements

CITY OF MANDURAH
STATUTORY BUDGET 2019/2020

Contents	Page
Statement of Comprehensive Income by Program	3
Statement of Comprehensive Income by Nature and Type	4
Rate Setting Statement	5
Statement of Cash Flows	6
 <u>Notes to and Forming Part of the Budget</u>	
1 Significant Accounting Policies	7-11
2 Statement of Objectives and Reporting Programs	12
3 Cash and Cash Equivalents	13
4 Net Current Assets	13
5 Cash Flow Information	13
6 Acquisition of Assets	14
7 Disposal of Assets	14
8 Depreciation	15
9 Fees and Charges Revenue	16
10 Councilor's Remuneration	16
11 Interest Earnings	16
12 Information on Borrowings	17-20
13 Reserves	21-27
14 Rates Information	28-30
15 Interest Charges and Instalments	31
16 Discounts, Concessions, Waivers	32
17 Major Land Transactions	33

STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM

	Notes	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
Operating Revenues				
General Purpose Funding		85,256	83,889	81,508
Governance		2	26	50
Law, Order, Public Safety		789	987	797
Health		324	317	325
Education and Welfare		706	511	851
Community Amenities		14,464	14,161	13,809
Recreation and Culture		9,664	7,352	9,714
Transport		446	2,903	448
Economic Services		1,844	1,790	2,105
Other Property & Services		339	412	345
		<u>113,834</u>	<u>112,350</u>	<u>109,952</u>
Operating Expenses (excluding borrowing costs)				
General Purpose Funding		(2,288)	(2,890)	(1,923)
Governance		(6,418)	(6,271)	(6,491)
Law, Order, Public Safety		(4,247)	(3,713)	(3,442)
Health		(2,137)	(1,925)	(1,998)
Education and Welfare		(4,775)	(4,224)	(4,463)
Community Amenities		(18,692)	(17,135)	(18,055)
Recreation and Culture		(52,940)	(45,870)	(52,204)
Transport		(19,805)	(25,291)	(19,791)
Economic Services		(7,074)	(6,405)	(7,075)
Other Property & Services		(10,610)	(10,465)	(9,894)
		<u>(128,986)</u>	<u>(124,189)</u>	<u>(125,336)</u>
Borrowing Costs Expense				
	12			
General Purpose Funding		-	(103)	(125)
Governance		-	-	-
Law, Order and Public Safety		(0)	-	(1)
Health		-	-	-
Education and Welfare		-	-	-
Community Amenities		(26)	(44)	(60)
Recreation and Culture		(611)	(791)	(572)
Transport		(318)	(551)	(371)
Economic Services		-	-	-
Other Property & Services		(95)	(201)	(152)
		<u>(1,050)</u>	<u>(1,690)</u>	<u>(1,281)</u>
Grants/Contributions for Asset Development				
General Purpose Funding		-	-	-
Governance		-	-	-
Law, Order, Public Safety		200	-	335
Health		-	-	-
Education and Welfare		-	149	150
Community Amenities		-	-	-
Recreation and Culture		6,786	2,627	4,968
Transport		3,390	2,414	2,361
Economic Services		-	-	-
Other Property & Services		381	-	52
		<u>10,757</u>	<u>5,190</u>	<u>7,866</u>
Profit (Loss) on Disposal of Assets				
	7			
Other Property & Services		(327)	(128)	109
		<u>(327)</u>	<u>(128)</u>	<u>109</u>
Net Operating Result Profit/(Loss) for the Year				
		<u>(5,772)</u>	<u>(8,467)</u>	<u>(8,690)</u>
Other Comprehensive Income		-	-	-
Total Comprehensive Income				
		<u>(5,772)</u>	<u>(8,467)</u>	<u>(8,690)</u>

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

STATEMENT OF COMPREHENSIVE INCOME BY NATURE AND TYPE

	Notes	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
Operating Revenue				
Rates	14	81,095	78,245	77,409
Operating grants, subsidies and contributions		3,605	5,747	3,852
Non-operating grants, subsidies and contributions		10,758	5,190	7,866
Fees and charges	9	26,747	25,864	26,431
Interest earnings	11	2,245	2,209	2,155
Profit on asset disposals	7	3	-	165
Other revenue		141	285	105
Sub Total of Revenue		124,594	117,540	117,983
Operating Expenditure				
Employee costs	*	(47,241)	(45,296)	(43,503)
Materials and contracts		(46,582)	(42,234)	(45,883)
Utility charges (gas, electricity, water etc.)		(3,888)	(3,960)	(3,445)
Depreciation on non-current assets	8	(30,062)	(31,455)	(31,317)
Interest expenses		(1,050)	(1,690)	(1,281)
Insurance expenses		(1,013)	(857)	(1,012)
Loss on asset disposals	7	(330)	(128)	(56)
Other expenditure		(200)	(387)	(176)
Sub Total of Expenditure		(130,366)	(126,007)	(126,673)
Net Operating Result Profit/(Loss) for the Year		(5,772)	(8,467)	(8,690)
Other Comprehensive Income		-	-	-
Total Comprehensive Income		(5,772)	(8,467)	(8,690)

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

RATE SETTING STATEMENT

	Notes	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
Revenue				
General Purpose Funding		4,161	5,644	4,099
Governance		2	26	50
Law, Order, Public Safety		789	987	797
Health		324	317	325
Education and Welfare		706	511	851
Community Amenities		14,464	14,161	13,809
Recreation and Culture		9,664	7,352	9,714
Transport		446	2,903	448
Economic Services		1,844	1,790	2,105
Other Property & Services		339	412	345
		<u>32,739</u>	<u>34,105</u>	<u>32,543</u>
Expenses				
General Purpose Funding		(2,288)	(2,993)	(2,048)
Governance		(6,418)	(6,271)	(6,491)
Law, Order, Public Safety		(4,247)	(3,713)	(3,443)
Health		(2,137)	(1,925)	(1,998)
Education and Welfare		(4,775)	(4,224)	(4,463)
Community Amenities		(18,718)	(17,179)	(18,115)
Recreation and Culture		(53,551)	(46,661)	(52,776)
Transport		(20,123)	(25,842)	(20,162)
Economic Services		(7,074)	(6,405)	(7,075)
Other Property & Services		(11,035)	(10,751)	(10,046)
		<u>(130,366)</u>	<u>(125,964)</u>	<u>(126,617)</u>
Other Inflows				
Grants and contributions for asset development		10,757	5,190	7,866
Proceeds from disposal of assets	7	1,609	2,218	1,600
Reserves utilised	13	8,608	14,808	8,859
Loans utilised	12	8,094	7,134	9,558
Contributions - community loans repaid		100	100	170
		<u>29,168</u>	<u>29,450</u>	<u>28,053</u>
Capital Works program				
Development of land for resale	6	-	-	-
Land and buildings		(5,676)	(6,439)	(7,277)
Furniture and fittings		(381)	(283)	(407)
Plant and machinery		(4,080)	(2,894)	(4,012)
Infrastructure assets - roads, drainage & bridges		(14,137)	(9,144)	(12,061)
Infrastructure assets - recreation		(6,554)	(8,555)	(12,457)
Infrastructure assets - marina		(431)	(256)	(233)
Infrastructure assets - coastal & estuary		(7,987)	(1,561)	(2,449)
Infrastructure assets - other		(471)	(403)	(680)
		<u>(39,717)</u>	<u>(29,535)</u>	<u>(39,576)</u>
Other Outflows				
Repayment of debt	12	(4,961)	(4,737)	(5,052)
Transfers to reserves	13	(1,623)	(14,045)	(4,100)
Loans to community and sporting bodies				
		<u>(6,584)</u>	<u>(18,782)</u>	<u>(9,152)</u>
Non-cash Items				
Infrastructure contributions from developers		-	-	-
Write back (Profit)/Loss on sale of assets	7	327	128	(109)
Write back depreciation	8	30,063	31,455	31,317
Long service leave now in reserves				
Add: Surplus / (deficit) July 1 b/fwd	4	2,927	3,826	5,266
Less: Surplus / (deficit) June 30 c/fwd		(350)	2,927	(866)
Amount to be made up from rates	14	<u>(81,093)</u>	<u>(78,245)</u>	<u>(77,409)</u>

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

STATEMENT OF CASHFLOWS

	Notes	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
Cash flows from operating activities:				
Receipts				
Rates		81,095	78,245	77,409
Operating subsidies, grants & contributions		3,605	5,747	3,852
Fees and charges		26,747	25,891	26,431
Interest earnings		2,245	2,209	2,155
Other revenue		141	285	105
Goods & services tax		6,000	6,000	6,000
		<u>119,833</u>	<u>118,377</u>	<u>115,952</u>
Payments				
Employee costs		(47,241)	(45,796)	(43,503)
Materials and contracts		(46,667)	(43,184)	(44,883)
Utilities (gas, electricity, water etc.)		(3,888)	(3,960)	(3,445)
Interest expense		(1,050)	(1,690)	(1,281)
Insurance		(1,013)	(857)	(1,012)
Other expenses		(200)	(387)	(176)
Goods & services tax		(6,000)	(6,000)	(6,000)
Movement in bonds and deposits				
		<u>(106,059)</u>	<u>(101,874)</u>	<u>(100,300)</u>
Net cash flows from operating activities	5	<u>13,774</u>	<u>16,503</u>	<u>15,652</u>
Cash flows from investing activities:				
Receipts				
Non-operating subsidies, grants & contributions		10,757	5,190	7,826
Proceeds from sale of property, plant & equipment	7	1,609	2,218	1,600
		<u>12,366</u>	<u>7,408</u>	<u>9,426</u>
Payments				
Development of land held for resale	17	-	-	-
Purchase of property, plant & equipment	6	(10,137)	(10,116)	(11,696)
Construction of infrastructure	6	(29,580)	(20,419)	(27,380)
		<u>(39,717)</u>	<u>(30,535)</u>	<u>(39,076)</u>
Net cash used in investing activities		<u>(27,351)</u>	<u>(23,127)</u>	<u>(29,650)</u>
Cash flows from financing activities:				
Proceeds from new Loans	12	5,950	7,134	4,950
Loans repaid by community groups	12	270	270	270
Proceeds from interest free loans		-	-	-
Loan advances to community groups		-	-	-
Repayment of loans	12	(4,961)	(6,139)	(5,052)
Net cash flows from financing activities		<u>1,259</u>	<u>1,265</u>	<u>168</u>
<i>Net (decrease)/increase in cash held</i>		(12,318)	(5,359)	(13,830)
Cash at beginning of year		43,722	49,081	45,250
Cash at end of year	3	<u>31,404</u>	<u>43,722</u>	<u>31,420</u>

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) 2018/2019 Actual Balances

Amounts shown in this budget as 2018/2019 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	5,000
Furniture and equipment	5,000
Tools	5,000
Footpaths/cycleways	5,000
Roads	10,000
Reseals	2,000
Drainage	10,000
Reticulation	5,000
Playground equipment	5,000
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.

s) Change in accounting policies

The city has applied AASB 16 using the modified restrospective approach and therefore the comaprative information has not been restated and and continues to be reported under AASB 17.

The budgetd figures will inlcude the following information on the movement of the Lease Liability and right of use asset:
 depreciation charge for the right of use assetts by class of underlying asset: for the purpose of the annual budget the useful life align
 interest espense on the lease liabilites. The budgeted numbers use an implicit rate of 4%
 carrying amount of right of use assets

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

	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
Unrestricted	5,688	8,291	226
	<u>5,688</u>	<u>8,291</u>	<u>226</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve fund	22,509	29,494	27,265
Loan monies unspent at 30 June	207	2,352	429
Bonds and Deposits	3,000	3,500	3,500
	<u>25,716</u>	<u>35,346</u>	<u>31,194</u>

4 Estimated Net Current Assets

	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
Current Assets			
Cash - unrestricted	5,688	8,291	226
Cash - restricted	25,716	35,346	31,194
Receivables	6,670	7,477	6,659
Inventories	450	400	450
Less Current Liabilities			
Payables and provisions	(13,158)	(13,241)	(8,200)
NET CURRENT ASSET POSITION	25,366	38,273	30,329
Less cash - restricted	(25,716)	(35,346)	(31,194)
Surplus/(deficit) carried forward	<u>(350)</u>	<u>2,927</u>	<u>(865)</u>

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

	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
Change in net assets resulting from operation	(5,772)	(8,467)	(8,690)
<i>Add</i>			
Depreciation	30,062	30,032	31,317
Loss on sale of assets	330	88	56
<i>Deduct</i>			
Profit on sale of assets	(3)	(145)	(165)
Non-operating grants, subsidies & contributions	(10,757)	(5,190)	(7,866)
Changes in assets and liabilities during the year:			
Decrease (increase) in receivables	157	335	500
(Increase) decrease in stock on hand	100	(50)	(40)
(Decrease)/increase in creditors & accruals	(500)	50	565
Increase (decrease) in employee provisions	157	(150)	(25)
Net cash from operating activities	<u>13,774</u>	<u>16,503</u>	<u>15,652</u>

6 Acquisition of Assets

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

	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
By Program			
General Purpose Funding	-	-	-
Governance	627	17	15
Law, Order, Public safety	648	210	278
Health	-	-	-
Education and Welfare	-	141	111
Community Amenities	702	2,549	3,238
Recreation and Culture	17,732	10,676	14,887
Transport	14,712	10,847	14,751
Economic Services	-	55	-
Other Properties	5,296	5,041	6,295
	<u>39,717</u>	<u>29,536</u>	<u>39,576</u>
By Class			
Land Held for Resale	-	-	-
Land and Buildings	5,676	6,439	7,277
Furniture and Equipment	381	283	407
Plant, Vehicles and Machinery	4,080	2,894	4,012
Infrastructure Assets - Roads	14,137	9,144	12,061
Infrastructure Assets - Recreation	6,554	8,555	12,457
Infrastructure Assets - Marina	431	256	233
Infrastructure Assets - Coastal & Estuary	7,987	1,561	2,449
Infrastructure Assets - Other	471	403	680
	<u>39,717</u>	<u>29,535</u>	<u>39,576</u>

7 Disposal of Assets

The following assets are budgeted to be disposed of

	Proceeds From Sale 2019/20 Budget \$'000	Net Book Value 2019/20 Budget \$'000	Gain on Sale 2019/20 Budget \$'000	Loss on Sale 2019/20 Budget \$'000
By Class				
Land	600	600	-	-
Plant and Machinery	1,009	1,330	3	(330)
	<u>1,609</u>	<u>1,930</u>	<u>3</u>	<u>(330)</u>
By Program				
Other Property & Services	1,600	1,930	3	(330)
	<u>1,600</u>	<u>1,930</u>	<u>3</u>	<u>(330)</u>

8 Leases

The following leases are classified as right of use asset and have been recognised under AASB 17

Class of Asset	Opening Balance 1 July 2019	lease payments	Interest expense	Depreciation	Closing Balance of 30 June 2020
Equipment	4,790,996	936,310	39,013	765,417	3,011,242
Software	5,366,165	894,945	37,289	658,105	3,586,412
	<u>10,157,162</u>	<u>1,831,256</u>	<u>76,302</u>	<u>1,423,522</u>	<u>6,597,654</u>

8 (a) Depreciation Classified by Class

Depreciation expense for the reporting period is charged in respect of:	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
Buildings	5,963	5,987	5,987
Furniture and Fittings	316	331	331
Plant and Machinery	222	1,476	1,476
Infrastructure	21,551	21,510	21,510
Marina	2,011	2,012	2,012
	<u>30,063</u>	<u>31,317</u>	<u>31,317</u>

8 (b) Depreciation Classified by Program

	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
General Purpose Funding	0	0	0
Governance	-	-	-
Law, Order, Public Safety	97	96	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	10,530	10,530
Economic Services	125	125	125
Other Property and Services	782	2,037	2,037
	<u>30,063</u>	<u>31,317</u>	<u>31,317</u>

9 Fees and Charges Revenue by Program

	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
General Purpose	764	784	784
Governance	-	-	-
Law, Order, Public Safety	595	639	621
Health	190	186	191
Education and Welfare	664	400	692
Community Amenities	14,262	13,617	13,654
Recreation and Culture	8,074	7,817	8,046
Transport	193	162	193
Economic Services	1,831	1,994	2,071
Other Properties	174	265	179
	<u>26,747</u>	<u>25,864</u>	<u>26,431</u>

10 Councillors' Remuneration

	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
Meeting Fees	410	385	402
Allowances			
Local Government Allowance - Mayor	90	70	88
Local Government Allowance - Deputy Mayor	25	17	25
Communications Allowance	33	38	33
Information Technology Allowance	14	14	14
Travelling Allowance	6	6	6
Other Expenses & Allowances	5	16	5
Councillors' Training, Development & Seminars	60	54	60
	<u>643</u>	<u>600</u>	<u>633</u>

11 Interest Earnings

	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
Reserve Investments	750	750	750
Municipal and Other Investments	555	220	555
Other Interest Earnings	940	998	850
	<u>2,245</u>	<u>1,968</u>	<u>2,155</u>

12 Proposed Borrowings

(a) Proposed Movement in Loan Borrowings for the year ending 30 June 2020

Year of Loan	Loan Number	Purpose of Loan	Loan Type	Term (Years)	Interest Rate	Unused at July 1 2019	New Loans Raised	Loans Utilised	Unused at June 30 2020
2003/04	303	Brighton Lane	Debenture	10		43,022			43,022
2003/04	304	Brighton Plaza	Debenture	10		14,115			14,115
2015/16	343	WMC Tims Thickett	Debenture	10	3.81%	150,000			150,000
2017/18	353	MARC Solar plan	Debenture	10	3.81%	185,994		(185,994)	-
2017/18	360	Lakelands DOS	Debenture	10	3.81%	997,890		(997,890)	-
2017/18	359	Road Construction	Debenture	10	3.81%	228,528		(228,528)	-
2018/19	18/19 -2	New Boardwalks 2018/19	Debenture	10	3.81%	143,926		(143,926)	-
2018/19	18/19 -3	Tuckey Room Extension	Debenture	10	3.81%	231,698		(231,698)	-
2018/19	18/19 -4	Mandjar Square Stage 3 and 4	Debenture	10	3.81%	21,781		(21,781)	-
2018/19	18/19 -7	Pinjarra Road Carpark	Debenture	10	3.81%	200,000		(200,000)	-
2018/19	18/19 -8	New Road Construction 2018/19	Debenture	10	3.81%	134,580		(134,580)	-
2019/20	New	Shark Mitigation	Debenture	10	3.81%		400,000	(400,000)	-
2019/20	New	Western Foreshore Recreation Precinct	Debenture	10	3.81%		1,270,000	(1,270,000)	-
2019/20	New	Smart Street Mall Upgrade	Debenture	10	3.81%		1,500,000	(1,500,000)	-
2019/20	New	Falcon Skate Park Upgrade	Debenture	10	3.81%		200,000	(200,000)	-
2019/20	New	Falcon Bay Foreshore Stage 3 of 4	Debenture	10	3.81%		300,000	(300,000)	-
2019/20	New	Halls Head Recycled Water	Debenture	10	3.81%		200,000	(200,000)	-
2019/20	New	Westbury Way North side POS Stage 3	Debenture	10	3.81%		200,000	(200,000)	-
2019/20	New	Mandjar Square Final Stage	Debenture	10	3.81%		300,000	(300,000)	-
2019/20	New	Owen Avenue Ablution	Debenture	10	3.81%		150,000	(150,000)	-
2019/20	New	South Harbour Upgrade	Debenture	10	3.81%		230,000	(230,000)	-
2019/20	New	New Road Construction	Debenture	10	3.81%		1,200,000	(1,200,000)	-
		Totals				2,351,534	5,950,000	(8,094,397)	207,137

(b) Summary of Repayment of Borrowings by Program for Year Ending 30 June 2019

Totals	New Loans Taken Up		Principal Liability 1 July		Interest Paid In Year		Principal Paid In Year		Principal Liability 30-Jun	
	Budget 2019/20	Actual 2018/19	Budget 2019/20	Actual 2018/19	Budget 2019/20	Actual 2018/19	Budget 2019/20	Actual 2018/19	Budget 2019/20	Actual 2018/19
General Purpose Funding						102,960				
Law, Order, Public Safety	-	865	13,999	25,319	257	-	13,999	10,905	-	15,279
Education and Welfare	-	-	-	-	-	-	-	-	-	-
Community Amenities	350,000	18,289	607,042	725,162	22,724	43,819	89,951	121,796	867,091	621,655
Recreation and Culture	3,770,000	2,055,413	15,344,033	15,794,862	556,166	791,232	2,312,235	2,285,370	16,801,798	15,564,905
Transport	1,830,000	2,709,542	10,457,001	9,537,585	375,437	551,315	1,591,157	1,600,004	10,695,844	10,647,123
Economic Services	-	-	-	-	-	-	-	-	-	-
Other Property and Services	-	611,222	2,941,743	3,122,105	95,048	200,836	953,363	719,150	1,988,380	3,014,177
Grand Total	5,950,000	5,395,331	29,363,818	29,205,033	1,049,632	1,690,162	4,960,705	4,737,225	30,353,113	29,863,139

12 Proposed Borrowings (continued)

(c) Loan Liability Statement for the year ending 30 June 2020

Loan No.	Purpose	Term (Yrs)	New Loans Taken Up 2019/2020	Total Up To 30/06/19	Rate of Interest	To Whom Due	Month & Year of Maturity	Principal Liability 1/07/19	Interest Paid In Year	Principal Paid In Year	Principal Liability 30/06/20	Principal Reimbursed
Law, Order & Public Safety												
316(v)	Port Bouvard Surf Life Saving Club	10		100,000	3.61%	WBC	Jun-20	13,999	257	13,999	-	
			-	100,000				13,999	257	13,999	-	-
Community Amenities												
336	Compactor Waste Trailers and Dolly	10		495,000	3.81%	WBC	Aug-24	290,019	10,141	52,571	237,448	
349	Merlin Street Waste Water	10		300,000	3.81%	WBC	May-27	190,214	6,883	20,987	169,227	
350	Ablutions	10		200,000	3.81%	WBC	May-27	126,809	4,589	13,991	112,818	
new	Halls Head Recycled Water	10	200,000		3.81%	WBC	May-30		635	1,372	198,628	
new	Ablutions 19/20	10	150,000		3.81%	WBC	May-30		476	1,030	148,970	
			350,000	995,000				607,042	22,724	89,951	867,091	
Recreation												
316(iii)	Allnutt Reserve Community Facility	10		468,000	3.61%	WBC	Jun-20	65,515	1,200	65,515	-	
316(vii)	Town Beach Ablutions	10		200,000	3.61%	WBC	Jun-20	27,999	513	27,999	-	
318(ii)	Rushton Park Redevelopment	10		2,000,000	3.74%	WBC	Jun-24	528,987	18,115	98,055	430,932	
318(iii)	Meadow Springs Recreation Facility	10		1,500,000	3.74%	WBC	Jun-24	396,741	13,586	73,542	323,199	
320	Mandurah Rugby Club	10		300,000	3.74%	WBC	Jun-21	79,345	2,287	40,025	39,320	
321	Mandurah Cricket Club	10		100,000	3.74%	WBC	Jun-21	26,445	762	13,350	13,095	
324	Mandurah Football & Sporting Club	10		650,000	3.81%	WBC	Jun-22	235,430	7,655	75,925	159,505	
325	Mandurah Rugby Club	10		50,000	3.81%	WBC	Jun-22	18,109	589	5,843	12,266	
326	Bowling Club Relocation	10		4,430,000	3.81%	WBC	Jun-22	1,604,367	52,167	517,401	1,086,966	
329(i)	Ablutions - Netball Centre	10		350,000	3.81%	WBC	Jun-22	126,771	4,122	40,882	85,889	
329(v)	Parks Construction	10		346,000	3.81%	WBC	Jun-22	125,321	4,075	40,415	84,906	
331	Halls Head Bowling Club	15		450,000	3.81%	WBC	Oct-28	340,533	12,440	31,024	309,509	
333(i)	Falcon Bay Reserve	10		200,000	3.81%	WBC	Jun-23	95,159	3,240	22,253	72,906	
338	Aquatic & Recreation Centre	10		1,400,000	3.81%	WBC	Jun-25	913,692	32,411	138,889	774,803	
340	MARC Redevelopment Stage 1	10		775,000	3.81%	WBC	Oct-26	575,570	20,719	70,073	505,497	
341	MARC Redevelopment Stage 2	10		2,000,000	3.81%	WBC	Oct-26	1,485,349	53,470	180,818	1,304,531	
344	Eastern Foreshore Wall	10		1,295,000	3.81%	WBC	Oct-26	961,762	34,622	117,082	844,680	
345	MARC Redevelopment Stage 2	10		2,600,000	3.81%	WBC	May-27	1,648,544	59,655	181,891	1,466,653	
351	Falcon Seawall	10		500,000	3.81%	WBC	May-27	317,481	11,489	35,029	282,452	
353	MARC Solar Facility	10		200,000	3.81%	WBC	Nov-28	189,886	6,940	17,096	172,790	
355	Novara Foreshore Development	10		400,000	3.81%	WBC	Nov-28	379,772	13,880	34,192	345,580	
356	Falcon Bay Foreshore Development	10		400,000	3.81%	WBC	Nov-28	379,772	13,880	34,192	345,580	
358	Mandjar Square	10		500,000	3.81%	WBC	Nov-28	474,718	17,350	42,734	431,984	
360	Lakelands DOS	10		2,800,000	3.81%	WBC	Nov-28	2,658,426	97,162	239,294	2,419,132	
18/19 - 1	Falcon Seawall	10		500,000	3.81%	WBC	May-29	496,570	18,195	42,021	454,549	
18/19 - 4	Mandjar Square Stage 3 & 4	10		1,000,000	3.81%	WBC	May-29	993,141	36,391	84,029	909,112	
18/19 - 5	Novara Foreshore Development Stage 3	10		200,000	3.81%	WBC	May-29	198,628	7,278	16,806	181,822	
Sub Total			-	25,614,000				15,344,033	544,193	2,286,375	13,057,658	-

12 Proposed Borrowings (continued)

(c) Loan Liability Statement for the year ending 30 June 2020

Loan No.	Purpose	Term (Yrs)	New Loans Taken Up 2019/2020	Total Up To 30/06/19	Rate of Interest	To Whom Due	Month & Year of Maturity	Principal Liability 1/07/19	Interest Paid In Year	Principal Paid In Year	Principal Liability 30/06/20	Principal Reimbursed
Recreation (cont'd)			-	25,614,000				15,344,033	544,193	2,286,375	13,057,658	
new	Western Foreshore Recreation Precinct	10	1,270,000	1,270,000	3.81%	WBC	May-30		4,033	8,712	1,261,288	
new	Smart Street Mall Upgrade	10	1,500,000		3.81%	WBC	May-30		4,764	10,288	1,489,712	
new	Westbury Way North side POS Stage 3	10	200,000		3.81%	WBC	May-30		635	1,372	198,628	
new	Falcon Bay Foreshore Stage 3 of 4	10	300,000		3.81%	WBC	May-30		953	2,058	297,942	
new	Mandjar Square Final Stage	10	300,000		3.81%	WBC	May-30		953	2,058	297,942	
new	Falcon Skate Park Upgrade	10	200,000		3.81%	WBC	May-30		635	1,372	198,628	
			3,770,000	26,884,000				15,344,033	556,166	2,312,235	16,801,798	-
Transport												
316(ii)	Roads Construction	10		1,498,000	3.61%	WBC	Jun-20	209,707	3,843	209,707	-	
316(iv)	Car Park Construction	10		110,000	3.61%	WBC	Jun-20	15,400	282	15,400	-	
318(v)	Road Construction	10		5,000,000	3.74%	WBC	Jun-24	1,322,469	45,287	245,139	1,077,330	
318(vi)	Drainage Construction	10		500,000	3.74%	WBC	Jun-24	132,248	4,529	24,514	107,734	
329(ii)	Road Construction	10		750,000	3.81%	WBC	Jun-22	271,651	8,833	87,605	184,046	
329(iii)	Drainage Construction	10		250,000	3.81%	WBC	Jun-22	90,550	2,944	29,201	61,349	
329(iv)	Peelwood Car Parking	10		100,000	3.81%	WBC	Jun-22	36,221	1,178	11,681	24,540	
329(viii)	Street Lighting	10		75,000	3.81%	WBC	Jun-22	27,165	883	8,760	18,405	
329(vi)	Path Construction	10		57,000	3.81%	WBC	Jun-22	20,645	671	6,658	13,987	
333(ii)	Road Construction	10		893,000	3.81%	WBC	Jun-23	424,886	14,469	99,358	325,528	
335	Pedestrian Bridge	10		1,000,000	3.81%	WBC	Aug-24	585,895	20,486	106,210	479,685	
339	Road Construction	10		1,000,000	3.81%	WBC	Jun-25	652,690	23,155	99,077	553,613	
342	Road Construction	10		1,000,000	3.81%	WBC	Oct-26	742,674	26,735	90,409	652,265	
346	Road Construction	10		790,000	3.81%	WBC	May-27	500,902	18,126	55,267	445,635	
347	MARC Carpark	10		600,000	3.81%	WBC	May-27	380,432	13,767	41,975	338,457	
348	MPAC Forecourt Paving	10		250,000	3.81%	WBC	May-27	158,514	5,736	17,490	141,024	
343	Tims Thicket Transfer Stn Sth	10		150,000	3.81%	WBC	Oct-26	111,398	4,010	13,570	97,828	
354	MARC Carpark	10		300,000	3.81%	WBC	Nov-28	284,832	10,410	25,638	259,194	
352	Mandurah Marina	10		200,000	3.81%	WBC	Nov-28	189,886	6,940	17,096	172,790	
357	Mandurah Foreshore Boardwalk	10		450,000	3.81%	WBC	Nov-28	427,248	15,615	38,457	388,791	
359	Road Construction	10		1,415,000	3.81%	WBC	Nov-28	1,343,455	49,101	120,927	1,222,528	
361	Smoke Bush Retreat Footpath	10		100,000	3.81%	WBC	Nov-28	94,941	3,470	8,554	86,387	
18/19 - 2	Mandurah Foreshore Boardwalk Stage 3	10		500,000	3.81%	WBC	May-29	496,570	18,195	42,021	454,549	
18/19 - 6	Coodanup Drive - Road Rehabilitation	10		100,000	3.81%	WBC	May-29	99,314	3,639	8,409	90,905	
18/19 - 7	Pinjarra Rd Carpark	10		200,000	3.81%	WBC	May-29	198,628	7,278	16,806	181,822	
18/19 - 8	New Road Construction 18/19	10		1,650,000	3.81%	WBC	May-29	1,638,680	60,044	138,675	1,500,005	
Sub Total			-	18,938,000				10,457,001	369,626	1,578,604	8,878,397	

12 Proposed Borrowings (continued)

(c) Loan Liability Statement for the year ending 30 June 2020

Loan No.	Purpose	Term (Yrs)	New Loans Taken Up 2019/2020	Total Up To 30/06/19	Rate of Interest	To Whom Due	Month & Year of Maturity	Principal Liability 1/07/19	Interest Paid In Year	Principal Paid In Year	Principal Liability 30/06/20	Principal Reimbursed
Transport (cont'd)												
new	Shark Mitigation Project	10	400,000	18,938,000	3.81%	WBC	May-30	10,457,001	369,626	1,578,604	8,878,397	
new	South Harbour Upgrade	10	230,000		3.81%	WBC	May-30		1,270	2,744	397,256	
new	New Road Construction 19/20	10	1,200,000		3.81%	WBC	May-30		730	1,578	228,422	
			1,830,000	18,938,000		-		10,457,001	375,437	1,591,157	10,695,844	
Other Property and Services												
272	Admin Building	20		2,500,000	3.71%	WBC	May-21	439,635	12,193	243,983	195,652	
316(i)	Information Systems	10		100,000	3.61%	WBC	Jun-20	13,999	257	13,999	-	
316(vi)	IT Server Room	10		270,000	3.61%	WBC	Jun-20	37,797	693	37,797	-	
318(vi)	IT Communications Equipment	10		400,000	3.74%	WBC	Jun-24	105,796	3,623	19,611	86,185	
329(vii)	IT Equipment	10		102,000	3.81%	WBC	Jun-22	36,944	1,201	11,914	25,030	
330	Land Purchase	10		5,000,000	3.81%	WBC	Jun-22	1,811,002	58,886	584,038	1,226,964	
18/19 - 3	Civic Building	10		500,000	3.81%	WBC	May-29	496,570	18,195	42,021	454,549	
			-	8,872,000				2,941,743	95,048	953,363	1,988,380	
Grand Total			5,950,000	55,789,000				29,363,818	1,049,632	4,960,705	30,353,113	-

13 Reserves

Reserve Account Title	Purpose of Reserve
(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) Interest on investments	Allocation for once-off purchases.
(x) Port Mandurah canals Stage 2	Future maintenance of canals.
(y) Mariners Cove canals	Future maintenance of canals.
(z) Port Bouvard Canal Maintenance Contribution	Future maintenance of canals.
(aa) Soccer clubrooms refurbishment	To maintain presentation and functionality of the Club House.
(ab) Cash in Lieu 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) Long Service and Sick Leave	To fund the long service and sick leave liability of Council's staff.
(ae) Carbon Offset	Fund initiatives which provide an offset to the environmental impact of the City's waste management activities.
(af) Bushland & Environmental Protection	For the purchase & protection of bushland and environmentally sensitive sites within the City.
(af) Coastal Storm Contingency	To fund restoration of storm damaged coastal infrastructure.
(ag) Port Bouvard Surf Club rooms refurbishment	To maintain presentation and functionality of the Club House.
(ah) Coastal Storm Contingency	Provide for coastal emergency works due to storm damage
(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
(aw) Foreshore Development Reserve	To develop the Mandurah Eastern Foreshore Waterfront
(ax) City Facility relocation Reserve	To fund long term startegic relocation of city facilities
<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.
(as) Mariners Cove	Future maintenance of canals.

13 Reserves (continued)

	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
(a) Building			
Opening balance	1,284	2,288	1,563
Amount set aside / Transfer to Reserve	200	455	200
Amount used / Transfer from Reserve	(719)	(1,459)	(1,340)
	<u>765</u>	<u>1,284</u>	<u>423</u>
(b) Parking			
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>
(c) Asset Management			
Opening balance	931	2,300	2,250
Amount set aside / Transfer to Reserve	200	-	-
Amount used / Transfer from Reserve	(550)	(1,369)	(990)
	<u>581</u>	<u>931</u>	<u>1,260</u>
(d) Cultural Centre			
Opening balance	228	9	-
Amount set aside / Transfer to Reserve	-	250	-
Amount used / Transfer from Reserve	-	(31)	-
	<u>228</u>	<u>228</u>	<u>-</u>
(e) Museum			
Opening balance	160	160	160
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	(160)
	<u>160</u>	<u>160</u>	<u>-</u>
(f) Property Acquisition			
Opening balance	3,753	6,502	5,358
Amount set aside / Transfer to Reserve	200	455	200
Amount used / Transfer from Reserve	-	(3,204)	(3,090)
	<u>3,953</u>	<u>3,753</u>	<u>2,468</u>
(g) Sustainability			
Opening balance	804	1,010	710
Amount set aside / Transfer to Reserve	-	-	200
Amount used / Transfer from Reserve	(241)	(206)	(385)
	<u>563</u>	<u>804</u>	<u>525</u>
(h) Aquatic and Recreation Centre			
Opening balance	-	-	8
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>-</u>	<u>-</u>	<u>8</u>
(i) Sanitation			
Opening balance	672	1,239	919
Amount set aside / Transfer to Reserve	225	250	-
Amount used / Transfer from Reserve	(619)	(817)	(898)
	<u>278</u>	<u>672</u>	<u>21</u>
(j) Community Improvements			
Opening balance	82	228	200
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	(54)	(146)	(200)
	<u>28</u>	<u>82</u>	<u>-</u>
(k) Traffic Bridge			
Opening balance	495	319	500
Amount set aside / Transfer to Reserve	-	176	-
Amount used / Transfer from Reserve	(495)	-	(500)
	<u>-</u>	<u>495</u>	<u>-</u>

13 Reserves (continued)

	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
(l) Tims Thicket Septage			
Opening balance	74	74	74
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	74	74	74
(m) Tims Thicket Inert			
Opening balance	102	102	102
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	102	102	102
(n) Inert Landfill			
Opening balance	40	40	40
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	40	40	40
(o) Road Network			
Opening balance	-	-	-
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	-	-	-
(p) Arts and Craft Centre			
Opening balance	230	230	230
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	230	230	230
(q) Sand Pit Restoration			
Opening balance	67	67	67
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	67	67	67
(r) Interest Free Loans			
Opening balance	145	145	156
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	145	145	156
(s) CLAG			
Opening balance	23	23	11
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	23	23	11
(t) Emergency Relief Fund			
Opening balance	3	3	3
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	3	3	3
(u) Mandurah Ocean Marina			
Opening balance	231	231	231
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	(92)	-	(90)
	139	231	141
(v) Waterways			
Opening balance	-	-	-
Amount set aside / Transfer to Reserve	-	11	-
Amount used / Transfer from Reserve	-	(11)	-
	-	-	-

13 Reserves (continued)

	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
(w) Interest on Investments			
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>
(x) Port Mandurah Canals Stage 2 Maintenance			
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>
(y) Mariners Cove Canals			
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>
(z) Port Bouvard Canal Maintenance Contributions			
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>
(aa) Soccer Club Rooms Refurbishment			
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>
(ab) Cash in Lieu POS Contributions			
Opening balance	1,525	1,575	1,359
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	(50)	(50)
	<u>1,525</u>	<u>1,525</u>	<u>1,309</u>
(ac) Unspent Grants & Contributions			
Opening balance	5,340	3,369	8,423
Amount set aside / Transfer to Reserve	298	8,948	-
Amount used / Transfer from Reserve	(5,502)	(6,977)	(1,056)
	<u>136</u>	<u>5,340</u>	<u>7,367</u>
(ad) Long Service & Sick Leave			
Opening balance	4,452	4,452	3,691
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>4,452</u>	<u>4,452</u>	<u>3,691</u>
(ae) Carbon Offset			
Opening balance	130	130	45
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	(40)	-	(45)
	<u>90</u>	<u>130</u>	<u>-</u>
(af) Bushland Acquisition			
Opening balance	2,657	2,497	2,448
Amount set aside / Transfer to Reserve	344	500	500
Amount used / Transfer from Reserve	-	(340)	-
	<u>3,001</u>	<u>2,657</u>	<u>2,948</u>
(ag) Port Bouvard Surf Life Saving Clubrooms			
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>
(ah) Coastal Storm Contingency			
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 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
(ai) Refurbishment Bortolo Pavillion			
Opening balance	6	6	6
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>6</u>	<u>6</u>	<u>6</u>
(aj) Refurbishment Rushton Park			
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>
(ak) Refurbishment Meadow Springs Pavillion			
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>
(al) Digital Futures			
Opening balance	92	116	125
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	(50)	(24)	(50)
	<u>42</u>	<u>92</u>	<u>75</u>
(am) Decked Carparking			
Opening balance	975	975	975
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>975</u>	<u>975</u>	<u>975</u>
(an) Specified Area Rates - Waterside Canals			
Opening balance	104	104	122
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	(5)
	<u>104</u>	<u>104</u>	<u>117</u>
(ao) Specified Area Rates - Port Mandurah Canals			
Opening balance	289	448	484
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	(246)	(159)	-
	<u>43</u>	<u>289</u>	<u>484</u>
(ap) Specified Area Rates - Mandurah Quay Canals			
Opening balance	178	178	144
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>178</u>	<u>178</u>	<u>144</u>
(aq) Specified Area Rates - Mandurah Ocean Marina			
Opening balance	69	69	316
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>69</u>	<u>69</u>	<u>316</u>
(ar) Specified Area Rate - Port Bouvard Canals			
Opening balance	74	74	20
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>74</u>	<u>74</u>	<u>20</u>
(as) Specified Area Rate - Mariners Cove			
Opening balance	15	15	10
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	<u>15</u>	<u>15</u>	<u>10</u>

13 Reserves (continued)

	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
(at) Specified Area Rate - Eastport			
Opening balance	12	12	-
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	12	12	-
(au) Sportsclubs Maintenance Levy			
Opening balance	78	93	-
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	(15)	-
	78	78	-
(av) Business Activation			
Opening balance	-	-	100
Amount set aside / Transfer to Reserve	-	-	-
Amount used / Transfer from Reserve	-	-	-
	-	-	100
(aw) City Centre Land Acquisition Reserve			
Opening balance	3,000	-	-
Amount set aside / Transfer to Reserve	-	3,000	3,000
Amount used / Transfer from Reserve	-	-	-
	3,000	3,000	3,000
(ax) City Facility Relocation Reserve			
Opening balance	-	-	-
Amount set aside / Transfer to Reserve	156	-	-
Amount used / Transfer from Reserve	-	-	-
	156	-	-
Total			
Opening Balance	29,494	30,257	32,024
Transfers to Reserves	1,623	14,045	4,100
Transfers from Reserves	(8,608)	(14,808)	(8,859)
Closing Balance	22,509	29,494	27,265

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	455	200
Parking	-	-	-
Asset management	200	-	-
Cultural Centre	-	250	-
Museum	-	-	-
Property acquisition	200	455	200
Sustainability	-	-	200
Aquatic and recreation centre	-	-	-
Sanitation	225	250	-
Community improvements	-	-	-
Traffic bridge	-	176	-
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	-	11	-
Interest on investments	-	-	-
Port Mandurah canals stage 2 maintenance	-	-	-
Mariners Cove canal maintenance contributions	-	-	-

13 Reserves (continued)

	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
Port Bouvard canal maintenance contributions	-	-	-
Soccer club rooms refurbishment	-	-	-
Cash in Lieu POS Contributions	-	-	-
Unspent grants & contributions	298	8,948	-
Long Service Leave	-	-	-
Carbon Offset	-	-	-
Bushland Acquisition	344	500	500
Port Bouvard Surf Life Saving clubrooms	-	-	-
Coastal Storm Contingency	-	-	-
Refurbishment Bortolo Pavillion	-	-	-
Refurbishment Rushton Park	-	-	-
Refurbishment Meadow Springs Pavillion	-	-	-
Digital Futures	-	-	-
Decked Carparking	-	-	-
Specified Area Rate Waterside canals	-	-	-
Specified Area Rate Port Mandurah canals	-	-	-
Specified Area Rate Mandurah Quay canals	-	-	-
Specified Area Rate Mandurah Ocean Marina	-	-	-
Specified Area Rate Port Bouvard canals	-	-	-
Specified Area Rate Mariners Cove	-	-	-
Specified Area Rate Eastport	-	-	-
Sportsclubs Maintenance Levy	-	-	-
Business Activation	-	-	-
City Centre Land Acquisition Reserve	-	3,000	3,000
City Facility Relocation Reserve	156	-	-
	1,623	14,045	4,100

Summary of transfers from cash-backed reserves

Building	(719)	(1,459)	(1,340)
Parking	-	-	-
Asset management	(550)	(1,369)	(990)
Cultural Centre	-	(31)	-
Museum	-	-	(160)
Property acquisition	-	(3,204)	(3,090)
Sustainability	(241)	(206)	(385)
Aquatic and recreation centre	-	-	-
Sanitation	(619)	(817)	(898)
Community improvements	(54)	(146)	(200)
Traffic bridge	(495)	-	(500)
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	(92)	-	(90)
Waterways	-	(11)	-
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	-	(50)	(50)
Unspent grants & contributions	(5,502)	(6,977)	(1,056)
Long service leave	-	-	-
Carbon offset	(40)	-	(45)
Bushland Acquisition	-	(340)	-
Port Bouvard Surf Life Saving clubrooms	-	-	-
Coastal Storm Contingency	-	-	-
Refurbishment Bortolo Pavillion	-	-	-
Refurbishment Rushton Park	-	-	-
Refurbishment Meadow Springs Pavillion	-	-	-
Digital Futures	(50)	(24)	(50)

13 Reserves (continued)

	Budget 2019/20 \$'000	Estimate Actuals 2018/19 \$'000	Budget 2018/19 \$'000
Decked Parking	-	-	-
Specified Area Rate Waterside canals	-	-	(5)
Specified Area Rate Port Mandurah canals	(246)	(159)	-
Specified Area Rate Mandurah Quay canals	-	-	-
Specified Area Rate Mandurah Ocean Marina	-	-	-
Specified Area Rate Port Bouvard canals	-	-	-
Specified Area Rate Mariners Cove	-	-	-
Specified Area Rate Eastport	-	-	-
Sportsclubs Maintenance Levy	-	(15)	-
Business Activation	-	-	-
City Centre Land Acquisition Reserve	-	-	-
City Facility Relocation Reserve	-	-	-
	<u>(8,608)</u>	<u>(14,808)</u>	<u>(8,859)</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	517,250	0.0959	31,484	49,625	83,206	1,108	8,344	9,245	600,456	39,828	58,870
Residential Vacant	23,455	0.1630	1,926	3,823	6,563	917	1,544	1,416	30,018	3,470	5,239
Urban Development	3,691	0.1306	13	482	0	1,108	0	0	3,691	13	482
Business Improved	144,271	0.0978	989	14,114	2,088	1,108	371	411	146,358	1,360	14,525
Business Vacant	3,776	0.1656	126	625	99	1,108	19	21	3,875	145	646
Sub Total	692,444		34,538	68,670	91,956		10,278	11,093	784,399	44,816	79,763
Interim Rates											800
Total											80,563
Specified Area Rates											
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
Sub Total											530
TOTAL RATES	692,444		34,538	68,670	91,956		10,278	11,093	784,399	44,816	81,093

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 \$0.09594
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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 \$0.09783
Urban Development	Rate in the dollar \$0.13059
Business Vacant	Rate in the dollar \$0.16560

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 \$0.16300
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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	\$1,108
Business Improved	\$1,108
Residential Vacant	\$917
Business Vacant	\$1,108
Urban Development	\$1,108

14 Rates Information (continued)

d. Specified Area Rates

	Rate in Dollar
Mandurah Ocean Marina	\$ 0.0183
Mandurah Quay	\$ 0.0024
Mariners Cove	\$ 0.0012
Port Bouvard Eastport Canals	\$ 0.0015
Port Bouvard Northport Canals	\$ 0.0076
Port Mandurah Canals	\$ 0.0039
Waterside Canals	\$ 0.0000

Mandurah Ocean Marina
Rate in the dollar \$0.00183

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 \$0.0024

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 \$0.0015**

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 \$0.0076**

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 \$0.0039**

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	364	364	-	-
Mandurah Quay	15	15	-	-
Mariners Cove	11	11	-	-
Port Bouvard Eastport Canals	13	13	-	-
Port Bouvard Northport Canals	43	43	-	-
Port Mandurah Canals	79	137	-	58
Waterside Canals	-	-	-	-
Total	525	583	-	58

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

Any ratepayer who enters into a rate smoothing arrangement will not be charged interest on the outstanding amount. The interest will be foregone due to the ratepayer entering into a formal payment plan, pre paying for up to 5 months. When a ratepayer defaults on any repayments then the interest charge is reinstated. This is expected to result in approximately \$45,000 in foregone interest revenue, however it improves the repayment frequency for a number of outstanding rate debtors.

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 25 September 2019 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 25 September 2019 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 24 January 2020 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 25 September 2019 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 25 November 2019, 28 January 2020 and 30 March 2020 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 2019 to March 2020. Continuation of instalments from April as advance payments for 20120/21.

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 2019/20.

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>
Peel Harvey Catchment				
166874	58 Sutton Street MANDURAH WA 6210		12,740	\$1,222.28 \$1,222.28
Specified Area Rate				
389963	10/7 Village Mews WANNANUP		12,740	\$1,222.28 \$1,222.28
389971	11/7 Village Mews WANNANUP		12,740	\$1,222.28 \$1,222.28
389989	12/7 Village Mews WANNANUP		12,740	\$1,222.28 \$1,222.28
389997	13/7 Village Mews WANNANUP		12,740	\$1,222.28 \$1,222.28
390003	14/7 Village Mews WANNANUP		12,740	\$1,222.28 \$1,222.28
390011	15/7 Village Mews WANNANUP		12,740	\$1,222.28 \$1,222.28
390029	16/7 Village Mews WANNANUP		12,740	\$1,222.28 \$1,222.28
390037	17/7 Village Mews WANNANUP		12,740	\$1,222.28 \$1,222.28
390045	18/7 Village Mews WANNANUP		12,740	\$1,222.28 \$1,222.28

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:

	Projected	Original Project
	\$'000	\$'000
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>
Net cash inflow to City of Mandurah	<u>2,593</u>	<u>8,950</u>