

# City of Wanneroo

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## Long Term Financial Plan 2023/24–2042/43



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# Strategic Financial Framework

## Planning our Financial Future

The City of Wanneroo is a rapidly growing local government located between 12 and 62 kilometres north of the Perth Central Business District. It has a diverse landscape consisting of 32 kilometres of coastline, untouched bushland, State forest, wetlands, market gardens, industrial and commercial estates, and expanding residential estates within 36 suburbs.

The City has experienced significant population growth in recent years with an average annual increase of more than 3% over the past decade. By 2041, the City's population is expected to increase to just above 370,000 people. This reflects a 68.5% change from the current (2022) population at just under 220,000 or an average annual change of 2.7%. The City's service responsibilities have also increased as illustrated in the growth of infrastructure assets as shown in graph 1 and graph 2 in the Appendix.

The City of Wanneroo has a strong balance sheet underpinned by a strong governance structure which will ensure future citizens enjoy the same level of financial stability and prosperity as its current citizens. The City recognises that in the future the opportunities, pressures and demands will be different to what they are today. It also recognises that the current level of funding from State and Federal government may not be available in the future as they will have their own budget issues and challenges.

It is critical that the City understands the financial implications of decisions over the long-term and with this in mind the City has developed a Long Term Financial Plan. This plan is prepared to ensure the City operates within its means and incorporates a range of assumptions to assess the impact of decisions on current and future sustainability.

This document details the underlying principles that will help direct the City towards a financially sustainable future.

## Integrated Planning and Reporting

**The City's Integrated Planning and Reporting Framework (IPRF) was developed in accordance with the requirements of the *Local Government Act 1995* and *Local Government (Administration) Regulations 1996*.**

The framework addresses the legislative requirement in the *Local Government Act 1995 Section 5.56 (1)* that states 'a local government is to plan for the future of the district'.

The City does this through the development and implementation of:

1. a ten-year **Strategic Community Plan (SCP)** focusing on the future vision, organisational purpose, goals and priorities for the City; and
2. a four-year **Corporate Business Plan (CBP)** that sets out the operational services and key deliverables against the strategic goals of the City, and considering key resourcing requirements such as asset management planning, workforce planning and long-term financial planning.

The following basic diagram illustrates the various linkages within the City of Wanneroo's IPRF:



The current SCP 2021-2031 was adopted by Council in June 2021, and leads with a shared vision for the City that clearly articulates key stakeholder sentiment of future Wanneroo being:

**‘A welcoming community, connected through local opportunities’.**

The SCP provides an organisational purpose that describes the role of the City being:

**‘To create a strong community with local opportunities to participate, be active, feel secure, contribute and belong.’**

The SCP also describes the City’s seven key strategic goals that are broken down into 32 priority focus areas. The City’s seven strategic goals are:

1. An inclusive and accessible City with places and spaces that embrace all
2. A City with rich cultural histories, where people can visit and enjoy unique experiences
3. A vibrant, innovative City with local opportunities for work, business and investment.
4. A sustainable City that balances the relationship between urban growth and the environment.
5. A well-planned, safe and resilient City that is easy to travel around and provides a connection between people and places.
6. A future focused City that advocates, engages and partners to progress the priorities of the community.
7. A well-governed and managed City that makes informed decisions, provides strong community leadership and valued customer focused services.

The City's CBP is reviewed on an annual basis, with the latest plan being adopted by Council on 28<sup>th</sup> June 2022. The CBP operationalises the SCP, providing a four-year view of key projects and initiatives under the City's 21 service delivery areas, and underpinned by four business principles as described below:

1. Sustainability - *The City achieves sustainability by balancing performance and contribution to social, economic, environmental and governance outcomes for the community.*
2. Value for Money - *The City will strive to achieve 'value for money' for our stakeholders through the effective, efficient and equitable use of public funds to create and maximise community value.*
3. Use of Technology for Improvement - *The City will appropriately plan for, and utilise modern technologies to provide for the more efficient delivery of services and to provide improved community outcomes.*
4. Diverse, Engaged, Safe and Capable Workforce - *The City will continue to effectively lead, and build, a high performing and engaged workforce, by strengthening the diversity, capability and agility of our people, to deliver organisational objectives for improved community outcomes.*

The CBP collectively demonstrates how the City's resourcing capacity will be prioritised with clear linkages to strategic goals and both financial (Long-Term Financial Plan) and non-financial resourcing plans (Asset Management Plans and Workforce Strategy).

## Strategies to be Financially Sustainable

A principal aim of long term financial planning is to ensure that the City remains financially sustainable. The definition of financial sustainability that is relevant to the Asset Management Framework and the Long Term Financial Plan can be found in the report titled: National Financial Sustainability Study of Local Government (Australian Local Government Association, text book 16, p96).

*"The financial sustainability of a council is determined by its ability to manage expected financial requirements and financial risks and shocks over the long term without the use of disruptive revenue or expenditure measures, which is determined by:*

- *healthy finances in the current period and long term outlook based on continuation of the council's present spending and funding policies and given likely economic and demographic developments; and*
- *ensuring infrastructure renewals/replacement expenditure matches forward looking asset management plan expenditure needs.*

The City needs to continue in perpetuity; therefore, it must consider how it acquires and manages a stock of financial and physical assets in order to provide services for future generations of local residents and ratepayers.

To ensure the City remains financially sustainable, it is important that sound financial strategies and principles are developed and continually reviewed in line with the changing economic and demographic outlook for the community. The City's process starts with the Strategic Community Plan which is the City's long term plan that captures the aspirations of the community and the Corporate Business Plan which provides the focus on key priorities over

the next four years. Following on from the key objectives of the Strategic Community Plan and to support the Corporate Business Plan, the Strategic Asset Management Plan and the Strategic Workforce Plan set the priorities and ties together to form the Long Term Financial Plan.

This Long Term Financial Plan outlines these basic principles upon which it Rates its Ratepayers, borrows to meet community demands (if necessary) and how it reinvests surpluses. These principles can be observed throughout this document providing the community with a clear understanding of the financial direction of the City.

## Operating Surpluses

The underlying operating result is a measure of the financial sustainability of a local government. Continuous underlying operating deficits lead to a loss in equity, reduction in asset base, drop in service standards and a deferral of costs to future generations.

The underlying operating result is the Operational Result (balanced, surplus or deficit) less gifted assets, developer contributions, asset revaluations, and impairments and impacts of asset sales. Capital income is further deducted as it represents 'unmatched' income (expenditure is not included) and it is a non-recurring income source.

## Framework of Long Term Financial Plan

The detailed Long Term Financial Plan has been developed as part of the City's ongoing financial planning to assist Council in adopting a budget within a longer term framework. The Plan includes:

- Income and Expenditure Statement
- Statement of Cash Flows
- Rate Setting Statement
- Statement of Financial Position
- Equity Statement
- Reserves positions

The Long Term Financial Plan is reviewed annually giving consideration to prevailing economic circumstances and community requirements. The review may result in new priorities being added or planned projects being deferred or reassessed according to the priorities established each year. Strategic financial parameters will also be reviewed and adjusted accordingly to reflect the most realistic current financial circumstances and outlook in any year and their impact on the outer years.

This provides the City with the opportunity to:

- Update estimated income and expenditure for each year covered by the Plan;
- Change priorities to reflect emerging opportunities or changing circumstances;
- Add, modify or delete activities according to need;
- Respond appropriately to changes in community needs and perceptions; and
- Incorporate changes arising from the prescribed reviews of the Strategic Community Plan and Corporate Business Plan, and corresponding reviews of the Workforce Plan and Asset Management Plan.

The Long Term Financial Plan was developed collaboratively from a wide range of relevant inputs and forms a guide for development of the annual budget for successive years.

## Key Components

The key components of the Long Term Financial Plan are:

- Assessment of the City's current financial position and organisational capabilities for achieving longer term financial sustainability;
- Ensuring alignment with the Strategic Community Plan (**SCP**) 2021-2031;
- Considering Council's appropriate role and responsibilities;
- Ensuring strategic financial parameters are met in the short to medium term (years one to five);
- Ensuring a focus on high priority expenditure programs and service levels;
- Ensuring alignment with Revenue and financing guidelines, including budget principles, Strategic Budget Policy and Investment policy;
- Ensuring alignment with 20 Year Capital Works Program;
- Ensuring alignment with the Resourcing Framework, and Informing Strategies and Plans (e.g. 4-year Corporate Business Plan, Strategic Asset Management Plan and Strategic Workforce Management Plan); and
- Ensuring all agreed future strategies are costed.

## Financial Management Principles

### Strategic Budget Policy

The City of Wanneroo has a Strategic Budget Policy, which was last reviewed and adopted on by Council on 15 March 2022, with clear principles and guidelines to deliver the City's objectives. The City acknowledges that it must plan for the current and future needs of its community in a socially, culturally, environmentally and financially sustainable manner. The City also acknowledges that the budget must be embraced by all stakeholders and with this in mind must be developed in a collaborative fashion.

In order to achieve long term financial sustainability, the Strategic Budget Policy requires the City to use all reasonable endeavours to deliver a balanced or surplus Budget for each year within the Rate setting statement. As of 2016/17, the City's budget is produced using the principles of Zero-Based Budgeting. Consideration has also been given to ensure compliance with the Local Government Act 1995, Sections 6.34 (a) and (b) that the proposed Rating strategy is within the limit on income from general Rates of not less than 90% or more than 110% of the Budget deficiency.

In consideration with this policy, the Long Term Financial Plan is formulated to address the strategies and deployment objectives outlined in the City's Strategic Community Plan, Corporate Business Plan, Asset Management Plan, Workforce Management Plan and relevant informing strategies and resourcing plans.

The following principles from the Strategic Budget Policy support the City's approach:

## PRINCIPLES

### **1.1 Capacity to Pay**

Council will ensure consideration of the ratepayers' capacity to pay in evaluating their budget deliberations, with factors influencing the prevailing economic climate, such as inflation and interest rates, recognised and assessed.

### **1.2 Intergenerational Equity**

The City will continually engage with the community, State and Federal governments in aiming to ensure that the full cost of infrastructure and service delivery are more equitably met by all generations of ratepayers where possible. Intergenerational equity will be achieved through the City's Long Term Financial Plan and Annual Budgeting processes.

### **1.3 New Initiatives**

All new operational or capital work projects will be evaluated against Council's Strategic Community Plan and Asset Management Plans and supported by the funding priority. Project proposals must be supported by a business case, including a cost-benefit analysis, risk analysis and whole of life costing to clearly demonstrate the fulfilment of financial policy objectives.

The City will advocate for Grants and partnership opportunities and collaborate with neighbouring councils.

### **1.4 Funding Priority**

The City recognises the competing demands for limited financial resources and endeavours to allocate resources in compliance with the objectives of this Policy. Prioritisation of funding allocation will be based on the following: Activities requiring compliance; Risk mitigation activities or projects; Renewal, upgrade or maintenance of existing infrastructure assets; Current operational funding for programmes; New programmes or assets as supported by the Strategic Asset Management Plans and related projects prioritisation processes; and Council decisions for programmes and projects based on the current service levels demanded by the community or advised by City staff.

## **Rating Strategy**

The Rating strategy has a direct impact on the long term financial sustainability and thus the City's ability to deliver services at levels necessary to meet the community expectations.

As part of the Long Term Financial Plan, the City of Wanneroo has entered the adopted 2022/23 budget and amount to be raised by rates which will allow Council to determine if the current rating strategy will meet its financial needs now and in the future.

An example of a funding gap that could occur is as follows:

The Long Term Financial Plan may show an identified renewal funding gap. If this is the case and the gap remains in the longer term, the community will be impacted by one of two likely scenarios:



1. Infrastructure will begin to fail and this will impact on the economic prosperity of the community.
2. The City of Wanneroo will experience periods of negative cash flow in order to fund maintenance activities to prolong infrastructure life. This will reduce the ability to fund existing and/or new services.

As part of the input to the Plan, the City has developed a Rating strategy to ensure financial sustainability and meet the agreed community requirements. A review of the Rating strategy was finalised and adopted by Council during the 2018/19 Budget process and has been reviewed annually with each Budget development.

Local Governments are required to align to the Department of Local Government, Sport and Cultural Industries Differential Rating Policy, the principles of which are stated in the City's Rating Strategy:

## **PRINCIPLES**

### **1.1 Objectivity**

The City of Wanneroo has based the differential Rating categories on a combination of land use.

### **1.2 Fairness and equity**

The benefit principle has been applied to the differential Rating categories to ensure that those bearing the higher Rate burden are receiving a greater benefit from Council activities. The City of Wanneroo will set rates at a level that is considerate of all Ratepayers and is fair and reasonable, distributing the burden of rate paying as equitably as possible, as well as where appropriate, providing a safety net for certain groups (e.g. facilitating rebates for pensioners).

### **1.3 Consistency**

The City will ensure that properties used for a similar purpose are being Rated in the same way. There must be a 'reasonable degree of stability' in calculating Rates from one year to the next.

### **1.4 Transparency**

Each year, public notice is given of the proposed differential Rates together with the object and reasons for each. This provides the Owner/Ratepayer the opportunity to make a submission on the proposed differential Rates to be considered by Council at Budget adoption.

### **1.5 Administrative efficiency**

The City has recognised that differential Rating is the most efficient way to raise the required Rate revenue. The City will also ensure that land is properly valued as Unimproved or Gross Rental Value.

### **1.6 Integrated Planning and Reporting Framework alignment**

The City will ensure that Rates are charged in accordance with reasonable community expectations and needs, flowing from the Strategic Community Plan, Corporate Business Plan, and Asset Management Framework into this Long Term Financial Plan model.

# Fees and Charges

Local Governments impose Fees and Charges in order to recoup the costs of providing goods and services to the community. The Local Government Act 1995 states that, when setting Fees and Charges,

*“... a local government is required to take into consideration the following factors – the cost to the local government of providing the service or goods; the importance of the service or goods to the community; and the price at which the service or goods could be provided by an alternative provider”*

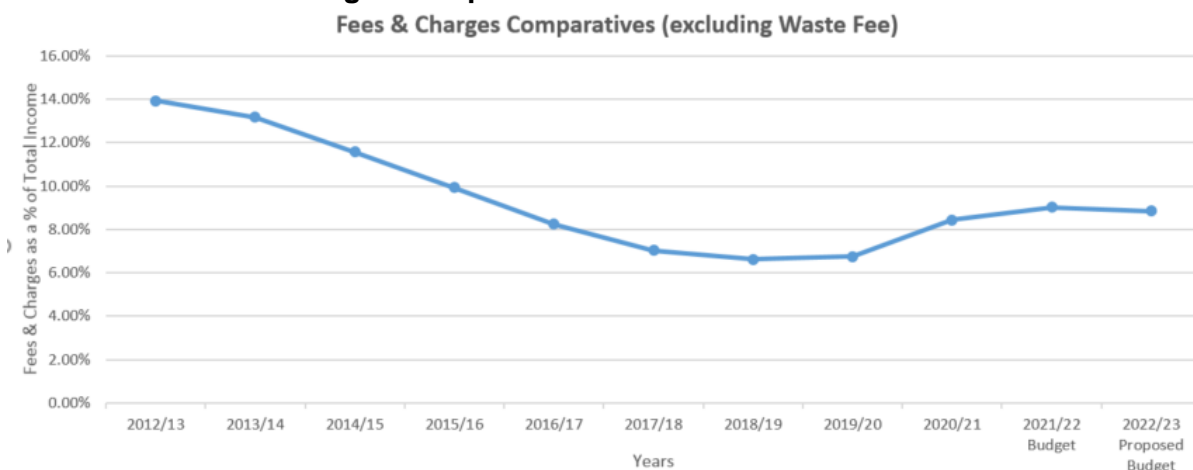
During the 2018/19 Budget process the City reviewed and updated the administration costs Cascading Model which is used to calculate and allocate administration overheads down to Service Units based on pre-determined cost drivers. With accurate costings being allocated to Service Units, all Fees & Charges can now be reviewed and analysed. This review is to ascertain:

- Regulatory provisions – Sections 6.17 and 6.38 of the *Local Government Act 1995*;
- Purpose of the service
- Full cost of the provision of the goods and services;
- Benchmarking against other Local Governments pricing;
- Level of current Fee/Charge
- Market rates;
- Revenue recovery of the cost of provision of the service thus the level of City’s subsidies can be assessed; and
- Perth Consumer Price Index (CPI).

A Revenue Review Committee has been established by Council to assess and optimise future revenue potential from within this category.

The City is taking a longer term approach to review all fees and charges to better understand and evaluate the City’s position. Although Rates revenue has been on a rising trend, primarily due to the annual growth of property numbers and annual general Rate increases, Fees and Charges have been trending flat with minimal increases as seen in the chart below.

**Chart 1 – Fees and Charges Comparison**



In 2017 the City engaged PricewaterhouseCoopers (PWC) to review and update their 2009 report titled “Best Practices in Funding Rapidly Growing Local Governments”. The 2009 report had been used by the City in its rate setting decisions. The 2017 PWC report titled Review of City of Wanneroo Key Financial Performance Indicators (20 October 2017) confirmed the need for the City to more closely consider its fee setting policies. For example, the report identified that over the period 2009 to 2017 non-rate revenue as a percentage of total revenue:

- Decreased from \$25m to \$17m;
- Per person has halved;
- With current policy settings only moderate growth is projected for the next 10 years.

The report also identified that the fiscal capacity for City of Wanneroo businesses increased 3.4 times over the 2009-2017 period, while for residents this increased 2.6 times.

Importantly, fees and charges revenue per resident is only half that of the Cities of Armadale, Cockburn, Gosnells, Rockingham, Mandurah and Swan (metropolitan outer growth councils).

The following objectives are from the City's Strategic Budget Policy and Setting of Fees and Charges Policy:

## OBJECTIVES

To establish clear principles and guidelines that will deliver;

- Council Members strategic financial management directives;
- robust transparent Long Term Financial Planning processes;
- intergenerational equity;
- responsible budgeting and accountability;
- responsible stewardship of the City's assets, ensuring the resources of the City are well protected and used efficiently to accomplish the objectives of the City;
- sustainable, fully costed level of Fees and Charges for services both now and into the future (maintenance, renewal, replacement and new);
- prudent Rates setting that reflects community's needs and aspirations; and sustainable in non-Rates income streams;
- determine the legal mechanism and outline rationale for setting Fees and Charges; and,
- ensure that Fees and Charges recover actual and reasonable costs unless there are valid policy reasons not to do so.

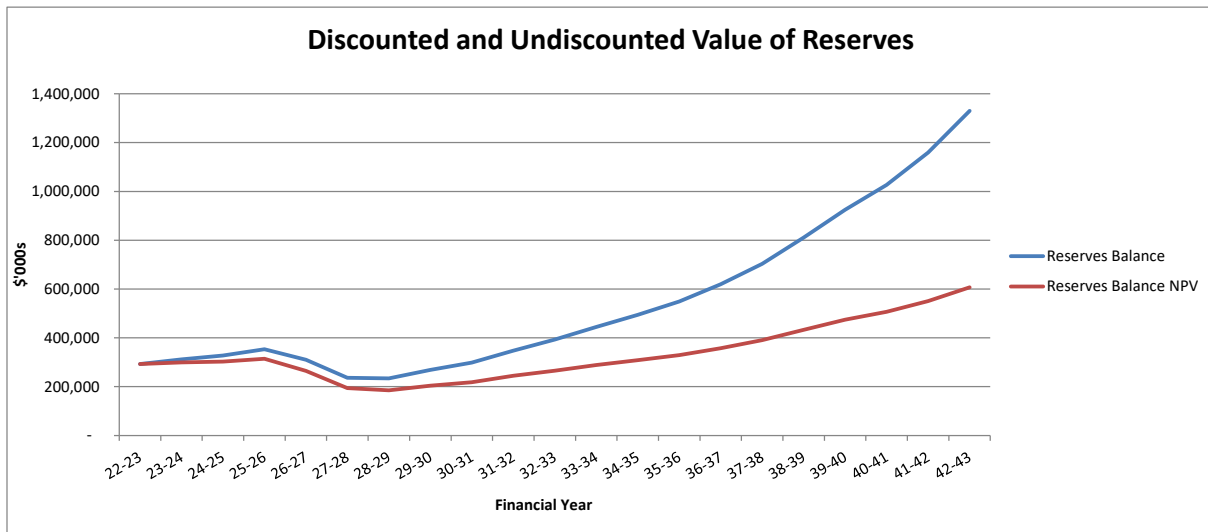
## Reserves

Reserves are sources of funding that have been set aside by Council to finance future expenditures, including unbudgeted or unforeseen events that may result in a budget deficit, and to also smooth out expenditures that tend to fluctuate year-over-year. Reserves receive contributions from the operating Budget and other sources to assist with creating a solid and sustainable financial position. The majority of Reserve funds are committed or designated for special purposes over the long term.

Reserves are reviewed regularly to confirm that they are being utilised when necessary, to confirm that the reserve purpose is still relevant, and to ensure the balances are sufficient for the requirements of the City, without being excessive.

To further analyse the Reserve balances at the end of each financial year during the life of the LTFP a Net Present Value (**NPV**) calculation has been prepared to illustrate the true value of the funds in today's dollars. In calculating the NPV a discount rate of 4.0% (The Australia 20 years Government Bond rate 4.0%) was applied being the interest rate that the City is likely to pay on future borrowings.

**Chart 2 – Net Present Value of Reserves**



The above graph illustrates the discounted and undiscounted Reserve balances over the life of the LTFP. The NPV indicates that the level of the Reserve balances remains relatively constant and within the current level of Reserves held by the City.

The NPV impact can be summarised as per the below tables:

**Table 1 - At the half way mark – Year 10**

Reserve	Total as per LTFP – (undiscounted)	NPV Total as per LTFP – (discounted at 4.0%)
Total - Unrestricted Reserves	\$317m	\$214m
Total - Restricted Reserves	\$76m	\$52m
<b>Total</b>	<b>\$393m</b>	<b>\$266m</b>

**Table 2- At the end of the plan – Year 20**

Reserve	Total as per LTFP – (undiscounted)	NPV Total as per LTFP – (discounted at 4.0%)
Total - Unrestricted Reserves	\$1,228m	\$560m
Total - Restricted Reserves	\$102m	\$47m
<b>Total</b>	<b>\$1,330m</b>	<b>\$607m</b>

The following principles are from the City’s Cash Backed Reserves Policy:

**PRINCIPLES**

**1.1 Detailed Purpose of Reserve**

Reserves are funds retained by an organisation to help meet future needs. Holding a certain amount of funds in reserve can help an organisation to operate effectively in challenging economic times, as well as facilitate planning for major works in the future. Reserve purposes are reviewed to ensure that they are still relevant to the City’s needs.

**1.2 Reviewed Regularly**

Reserves are reviewed regularly to ensure the funds are being utilised when required. This will aid to reduce or negate the need for external debt and is a tool to facilitate sound financial management practice and sustainability.

**1.3 Maintain an adequate balance**

Retaining an appropriate level of Reserves is an important funding strategy to help balance the current needs with the future needs of the community.

The following table summarises the net movements in the City's reserves over the life of the Plan:

**Table 3 – 20 Years Summary Reserves Movements**

Reserve Details	Opening Balance	Transfers In	Transfers Out	Closing Balance
Alkimos/Eglinton District Community Facilities Reserve	22,074,600	73,961,171	(73,959,200)	22,076,570
Asset Replacement/Enhancement Reserve	73,608,729	408,174,775	(183,363,005)	298,420,499
Carry Forward - Capital Works Reserve	-	-	-	-
Cash in Lieu of Public Open Space Reserve	2,605,505	1,498,955	-	4,104,460
Coastal Management Reserve	12,563,519	104,231,007	(12,526,006)	104,268,519
Domestic Refuse Reserve	5,033,423	64,340,936	(17,092,020)	52,282,338
East Wanneroo DCP Reserve (Proposed)	-	85,035,539	(68,701,997)	16,333,542
Golf Course Reserve	2,739,918	78,676,276	(8,400,000)	73,016,194
ICT Reserve	6,482,782	190,881,104	(59,233,894)	138,129,992
Strategic Land Reserve	13,997,929	96,900,382	(560,000)	110,338,310
Leave Liability Reserve	15,277,991	13,687,717	-	28,965,708
Loan Repayment Reserve	52,184,057	30,776,319	(60,778,188)	22,182,188
Neerabup Development Reserve	5,045,271	85,197,411	(18,435,966)	71,806,716
Plant Replacement Reserve	10,327,465	153,498,275	(128,625,659)	35,200,081
Regional Recreational Reserve	26,666,526	107,625,711	(25,354,499)	108,937,738
Section 152 Land Reserve	748,888	430,838	-	1,179,725
Strategic Projects/Initiatives Reserve	34,014,424	210,098,077	(30,523,605)	213,588,897
TPS 20 - District Distributor Road Headworks Reserve	7,447,371	4,284,496	-	11,731,867
Yanchep/Two Rocks DCP Reserve (Proposed)	-	112,859,147	(95,987,626)	16,871,521
Yanchep/Two Rocks District Community Facilities Reserve	2,055,774	16,085,000	(17,104,101)	1,036,673
<b>Reserves Total</b>	<b>292,874,172</b>	<b>1,838,243,137</b>	<b>(800,645,766)</b>	<b>1,330,471,542</b>

## Grants and Contributions

Grants may be received from the State or Federal government. Contributions are funds obtained from private sources such as developers, sporting clubs or individuals. The City aims to obtain Grant/Contribution funding wherever possible in order to minimise the Rates burden on the residents. Procedures are in place to ensure effective Grant management across the City by providing a structure to accurately track applications and supporting information and provide quality control and legal compliance.

Whilst Grants and Contributions can be a useful alternative Revenue source it is important that the programmes and projects utilising the funding are a priority for the community.

## Developer Contribution Plans (DCP)

Developer contributions for infrastructure are an established part of the planning system. They may be levied by local governments under local planning schemes towards the cost of infrastructure necessary to accommodate urban growth. Contributions are generally levied directly through the subdivision and development process, or where there are multiple landowners, through Development Contribution Plans (DCPs). Infrastructure contributions are just one of a number of ways that can be used to meet the physical and social infrastructure needs of growing urban communities. Where contributions are sought beyond the standard requirements for infrastructure, mechanisms such as DCPs may be considered in cases where other mechanisms and funding streams cannot achieve a co-ordinated approach to the delivery of necessary infrastructure.

The City will prepare and implement developer contribution requirements through either direct negotiation with landowners or through the introduction of provisions into the Local Town Planning Scheme – District Planning Scheme Number 2 (DPS2). In addition, the provisions of *State Planning Policy 3.6: Development Contributions for Infrastructure* sets out the high level principles and requirements that all DCPs need to adhere to.

Current DPS2 provisions include;

- Part 9 and Schedule 6 for the East Wanneroo Cells (1-9);
- Part 10 and Schedule 7 for Clarkson/Butler District Distributor Roads; and
- Schedules 14 and 15 for the Yanchep-Two Rocks and Alkimos-Eglington DCPs.

Each contribution scheme area depicts its own infrastructure works, land value and contribution rate that is applied through the subdivision and development approval processes.

More specifically, the developer contribution schemes areas include;

- East Wanneroo Cell 1 (Tapping/Ashby)
- East Wanneroo Cell 2 (Sinagra)
- East Wanneroo Cell 3 (Wanneroo)
- East Wanneroo Cell 4 (Hocking/Pearsall)
- East Wanneroo Cell 5 (Landsdale)
- East Wanneroo Cell 6 (Madeley/Pearsall)
- East Wanneroo Cell 7 (Wangara)
- East Wanneroo Cell 8 (Wangara)
- East Wanneroo Cell 9 (Landsdale)
- Alkimos/Eglington
- Yanchep/Two Rocks
- Berkley Road
- Clarkson/Butler
- Woodvale

The City of Wanneroo has numerous infrastructure contribution areas and is working with the development industry and landowners to develop new requirements for future urban areas. In particular, the City is engaged with various landowners and state government departments in the preparation of new DCP areas, including:

- Future East Wanneroo District Structure Plan;
- Alkimos Eglinton additional Infrastructure; and
- Yanchep Two Rocks (beyond 2030)

The nature of the infrastructure within the future DCP areas will vary depending upon the anticipated 'need and nexus' of the infrastructure and the timing for the provision of the required infrastructure. It is anticipated that the Western Australian Planning Commission will release the revised SPP3.6 early in 2021 and new DCPs' will need to be prepared in accordance with SPP3.6 and the relevant provisions of the Planning and Development Act 2005 and associated Regulations

The emergence of new urban and industrial areas will likely require the establishment of additional DCPs using the local planning scheme and associated town planning legislation to provide for the coordinated, equitable and structured development of infrastructure to support new growth.

Due to the prioritisation of DCP works to meet the needs of the community, the Long Term Financial Plan needs to give due consideration to the future cost of the facilities/infrastructure and income projections (based on informed population projections) to ensure that adequate cash-flow will be available from the contributing landholdings.

## Investments

The City has adopted a prudent and conservative investment strategy and as restricted by the amendments to the *Local Government (Financial Management) Amendment Regulations 1996 only*, the following secured investments are allowed to be entered into:

- Authorised deposit-taking institutions and the Western Australian Treasury Corporation for a term not exceeding three years.
- Bonds that are guaranteed by the Commonwealth Government or a State or Territory for a term not exceeding three years.
- All investments are in Australian currency.

Whilst exercising the power to invest, the principal objectives are threefold in terms of preservation of capital, liquidity, return on investment and supporting the City's environmental policies. For example, where possible the City will minimise investing funds with institutions that are not environmentally responsible.

### PRINCIPLES

- 1.1 Preservation of capital is the principal objective of the investment portfolio. Investments are to be performed in a manner that seeks to ensure security and safeguarding of the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.
- 1.2 The investment portfolio must ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment.
- 1.3 The investment is expected to achieve a predetermined market average rate of return that takes into account the City's tolerance to risk in accordance with the City's Risk Management Policy. Any additional return target set by Council will also consider the risk limitation and prudent investment principles.
- 1.4 Investments must support wherever possible the City's environmental policies.

## Debt Management

The City reviews its debt level and borrowing requirements under specific scenarios and aligning against an equitable intergenerational need. This is achieved by using cost / benefit analysis alongside and in alignment with the City's current plans and strategies.

The following principles are from the City's Accounting Policy and Strategic Budget Policy:

### 1.1 Priorities

Borrowings may be considered as a valid funding source for projects that contribute or achieve strategic goals identified in the Council's Strategic Community Plan and have an identified source of revenue.

### 1.2 Borrowing criteria

The criteria for borrowing will be driven by the economic climate.

### 1.3 Debt management

Cost / benefit analysis of borrowings will be undertaken alongside assessment and alignment to the City's strategic asset management plans and strategies. Borrowings are regularly reviewed to minimise cost to the City.

In 2006/07 the City entered into an agreement with the Western Australian Treasury Corporation (WATC) for a five-year loan draw-down totalling \$60.78m, to be repaid over 20 years. The agreement is for interest-only payments over a fixed period, with the capital due to be re-paid in December 2026.

The table below details how the WATC loan has been spent and is proposed to be spent in future years.

**Table 4: Loan Expenditure – Based on the 2022/23 adopted Budget document**

Details per Financing Institution	Total Funding Approved	Funding Applied/ Drawn	Funding to be Applied/Drawn			Total Funding Approved	Funding Repaid	Funding Outstanding
	2021/22 \$	At 30/6/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2022/23 \$	To 30/6/23 \$	At 30/6/23 \$
<b>City of Wanneroo Loan Repayment Reserve</b>								
Delivery of Waste Strategies	15,000,000	14,167,000	0	0	0	14,167,000	(4,851,660)	9,315,340
	<b>15,000,000</b>	<b>14,167,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,167,000</b>	<b>(4,851,660)</b>	<b>9,315,340</b>
<b>Commonwealth Bank of Australia</b>								
Yanchep Active Open Space Oval Ground Works	2,459,329	2,459,329	0	0	0	2,459,329	0	2,459,329
Yanchep District Playing Fields	1,773,324	1,773,324	0	0	0	1,773,324	0	1,773,324
Yanchep District Sports Amenities Building Stage 1	1,556,833	1,556,833	0	0	0	1,556,833	0	1,556,833
Yanchep Surf Life Saving Club	3,210,514	3,210,514	0	0	0	3,210,514	0	3,210,514
	<b>9,000,000</b>	<b>9,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,000,000</b>	<b>0</b>	<b>9,000,000</b>
<b>Western Australian Treasury Corporation</b>								
Construct Community Centre - Butler	278,000	278,000	0	0	0	278,000	0	278,000
Develop Accessible & Inclusive Playground	222,000	222,000	0	0	0	222,000	0	222,000
Develop Industrial Estate - Neerabup	317,887	317,887	0	0	0	317,887	0	317,887
Develop Wangara Industrial Area (Lot 15)	1,785,823	1,738,984	46,839	0	0	1,785,823	0	1,785,823
Develop Wangara Industrial Area (Lot 257)	43,857	43,857	0	0	0	43,857	0	43,857
Flynn Drive Neerabup - Construct Road	1,623,298	1,623,298	0	0	0	1,623,298	0	1,623,298
Kingsway Regional Playground	650,000	650,000	0	0	0	650,000	0	650,000
Kingsway Regional Sporting Complex	23,133,603	23,133,603	0	0	0	23,133,603	0	23,133,603
Lot 12 Fowey Loop	1,800	1,800	0	0	0	1,800	0	1,800
Pinjar Road - Wanneroo & Carosa Road	728,849	728,849	0	0	0	728,849	0	728,849
Redevelop Koondoola Precinct	1,293,000	1,293,000	0	0	0	1,293,000	0	1,293,000
Redevelop Wanneroo Townsite	1,214,615	1,214,615	0	0	0	1,214,615	0	1,214,615
Southern Suburbs Library	6,015,422	225,694	265,000	4,825,490	699,238	6,015,422	0	6,015,422
Upgrade Aquamotion	7,926,000	7,926,000	0	0	0	7,926,000	0	7,926,000
Upgrade Rocca Way Dundobar Road	54,715	54,715	0	0	0	54,715	0	54,715
Wanneroo Regional Museum & Library	10,416,178	10,416,178	0	0	0	10,416,178	0	10,416,178
Yanchep Active Open Space	56,460	56,460	0	0	0	56,460	0	56,460
Yanchep District Playing Fields	4,556,009	4,556,300	0	0	0	4,556,300	0	4,556,300
Yanchep Lagoon - Brazier Road Realignment	3,859,181	3,859,181	0	0	0	3,859,181	0	3,859,181
Yanchep Surf Life Saving Club	1,157,500	1,157,500	0	0	0	1,157,500	0	1,157,500
	<b>65,334,197</b>	<b>59,497,921</b>	<b>311,839</b>	<b>4,825,490</b>	<b>699,238</b>	<b>65,334,488</b>	<b>0</b>	<b>65,334,488</b>
<b>Total</b>	<b>89,334,197</b>	<b>82,664,921</b>	<b>311,839</b>	<b>4,825,490</b>	<b>699,238</b>	<b>88,501,488</b>	<b>(4,851,660)</b>	<b>83,649,828</b>

As per the Reserve Policy, the City sets aside funding each year from general funds for the provision of the loan repayment by 2026.

In 2012/13 the development of the land at Tamala Park, in which the City has a major interest, reached the lot creation and sale stage. Funds from these land sales will ultimately be used to repay the loan.

Total loan funding in place to support Yanchep/Two Rocks Developers Contribution Plan Projects is \$9m from the Commonwealth Bank of Australia (CBA), and \$4.6m from WATC. These projects relate to Active Open Space Oval Ground Works, District Playing Fields, District Sports Amenities Building Stage 1, and Surf Life Saving Club.



# Asset Management

Local Governments own and maintain a large number of assets, in particular infrastructure assets such as transport, parks and building assets which are necessary to support the delivery of services to the community. Of particular importance is the need to continue such services for current and future generations. With this need comes the ongoing maintenance and replacement obligation of these assets. As of 30 June 2022, the replacement cost of the City's depreciable assets was \$2.2 billion.

The current growth in the City and demand for services, together with its longer-term development, has significant implications for the City's infrastructure and physical asset base. Over the 20 year period the LTTP has forecasted to receive \$375m worth of contributed assets from developers. This will significantly impact on the renewal demand and maintenance costs over the period.

The practice of Asset Management ensures sustainable outcomes for assets now and into the future with the principal objective to manage these assets in a safe, reliable, and sustainable way for the lowest whole of lifecycle cost.

Asset renewal should occur prior to the asset degrading to a point where it is no longer meeting community requirements and annual maintenance costs become a disproportionate burden, when subsequent renewal would be more significant and costly.

A significant challenge facing the City is how it will sustainably balance the timely provision of new facilities for the rapidly growing areas as well as ensuring that the existing portfolio of assets are maintained, refurbished and/or upgraded to suitable standards.

The City's Asset Management Policy and Asset Management Strategy collectively set out how the City will implement and improve its asset management practices and processes. One of the key objectives is to ensure that asset management plans and their associated long term funding requirements are updated and integrated with this Long Term Financial Plan.

The renewal cycle for infrastructure assets varies from very short to very long timeframes and it is essential to view the renewal demand and plan for their renewal over a long term period.

Chart 3 below shows the 20year long term asset renewal demand profile for the City's Property, Plant & Equipment assets. The spike in year 5 is related to the shaved projects from year 1, 2, & 3 based on deliverability. The funds have been quarantined in respective reserves, and would be released earlier, should the projects become deliverable earlier than expected.

**Chart 3 – Property Plant & Equipment - Asset Renewal Demand - 20 Year Profile**

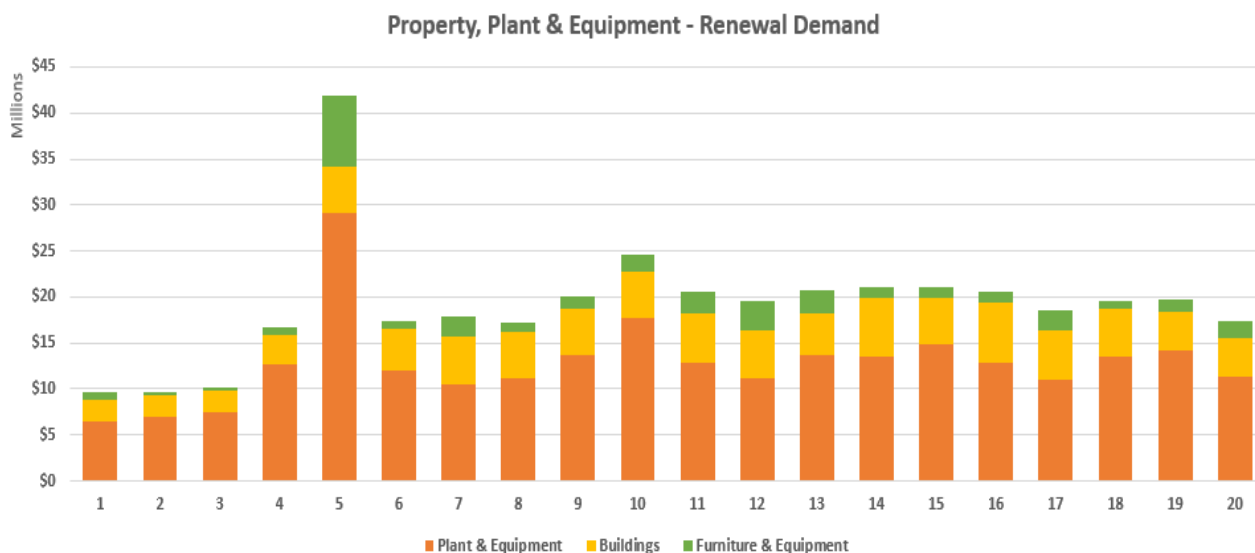
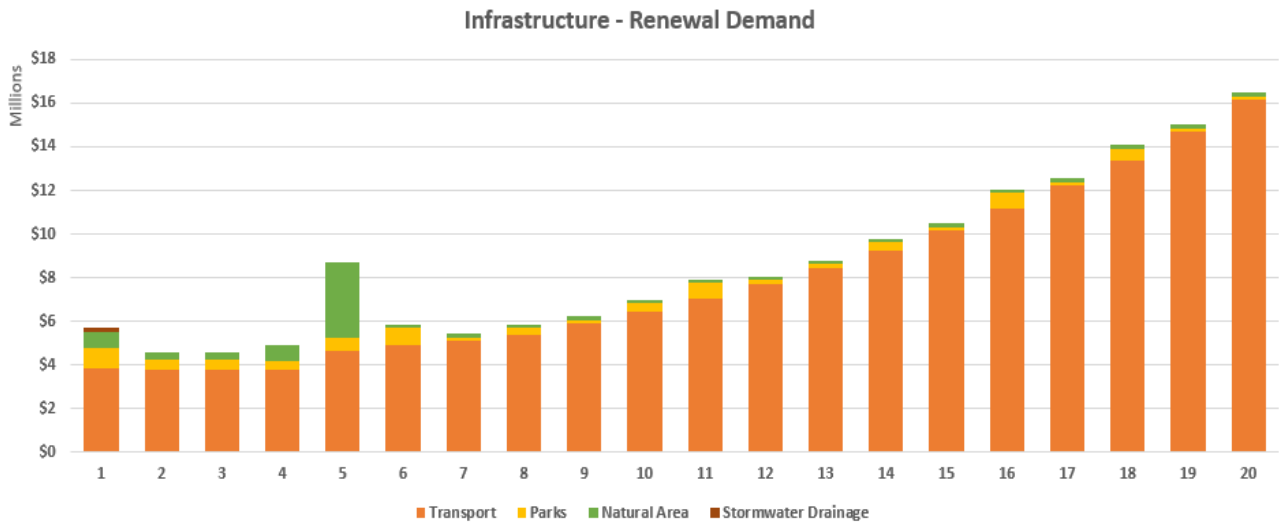


Chart 4 below shows the 20year long term asset renewal demand profile for the City's Infrastructure assets. The spike in year 5 is related to the shaved projects from year 1,2, & 3 based on deliverability. The funds have been quarantined in respective reserves, and would be released earlier, should the projects become deliverable earlier than expected.

**Chart 4 - Infrastructure - Asset Renewal Demand - 20 Year Profile**



The long term view of the City's infrastructure renewal demand depicted in Figure 1 & 2 identifies that the level of renewal expenditure required will increase over the 20 years with spikes expected in individual years. This is the impact of the increasing amounts of gifted assets resulting from continued growth experienced in the City of Wanneroo over the past 10 to 15 years.

The planned annual renewal funding allocation over the 20-year period is largely aligned to the predicted annual renewal demand. Assessments on the suitability and the condition of assets is undertaken regularly to validate the predicted long term funding requirement of assets. The long term renewal predictions are monitored regularly to ensure that the level of unfunded asset renewals (backlog) are kept at manageable levels.

The Table 5 below shows the projected funding sources for the 20-year Capital Works program.

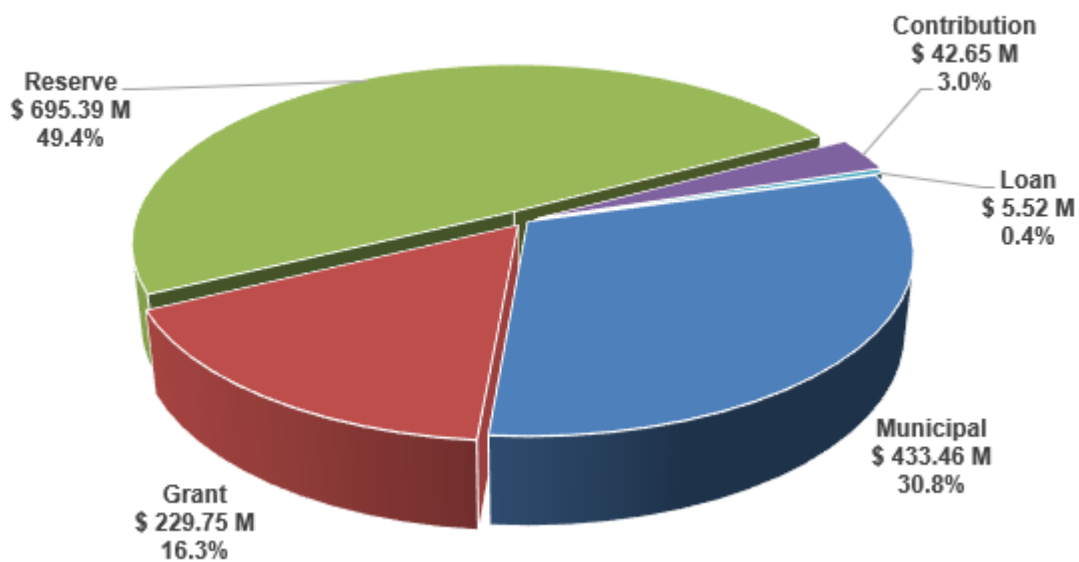
**Table 5: Capital Works Funding Sources**

**CAPITAL WORKS PROGRAM 2023/24 - 2042/43  
FUNDING BREAKDOWN**

<b>Funding Source</b>	<b>\$M</b>	<b>%</b>
Municipal	433.46	30.8%
Grant	229.75	16.3%
Reserve	695.39	49.4%
Contribution	42.65	3.0%
Loan	5.52	0.4%
<b>Grand Total</b>	<b>1,406.77</b>	<b>100%</b>

**Chart 5 – Capital Works Program – Funding Breakdown**

**Capital Program by Funding Source**



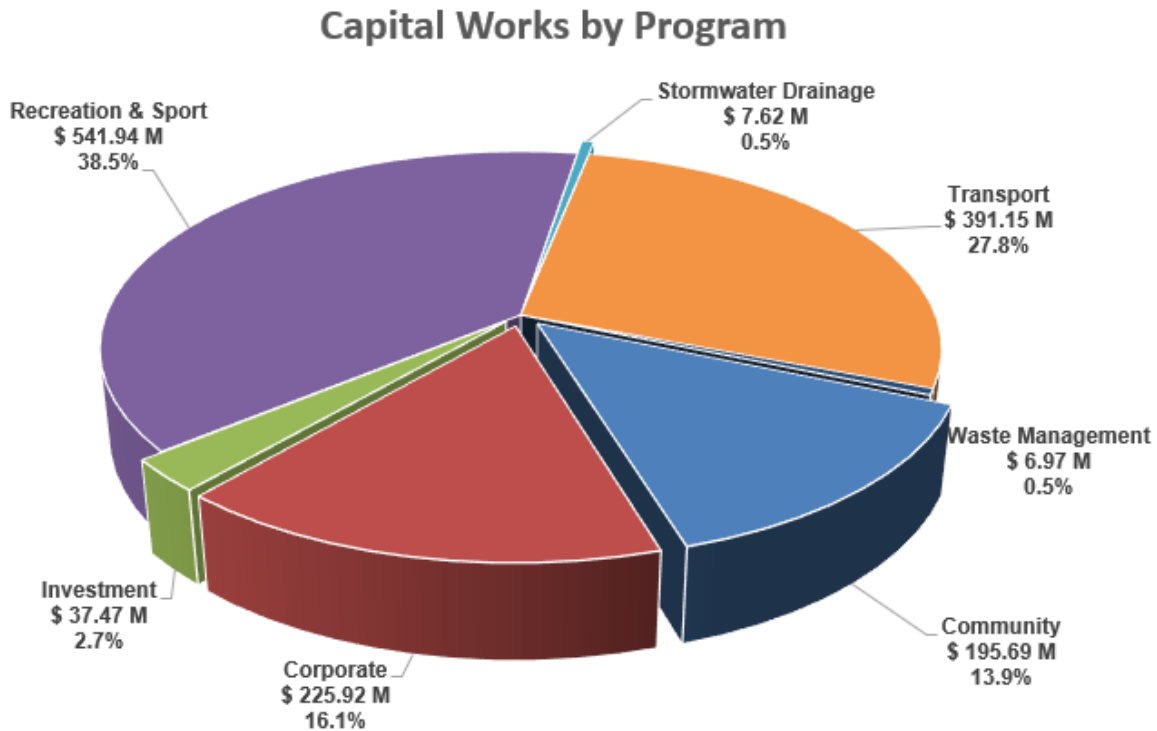
The following information details the Capital Works Program by Reporting Program:

**Table 6: Capital Works by Reporting Program**

**CAPITAL WORKS PROGRAM 2023/24 - 2042/43  
PROGRAM BREAKDOWN**

<b>Program</b>	<b>\$M</b>	
Community	195.69	13.9%
Corporate	225.92	16.1%
Investment	37.47	2.7%
Recreation & Sport	541.94	38.5%
Stormwater Drainage	7.62	0.5%
Transport	391.15	27.8%
Waste Management	6.97	0.5%
<b>Grand Total</b>	<b>1,406.77</b>	<b>100%</b>

**Chart 6 – Capital Works by Reporting Program**



The Long Term Financial Plan reflects a responsible and sustainable financial strategy for the City with all projects in the Plan being fully funded in the financial model. Sources of funding comprise of accumulated reserve funds, application of borrowings and grant revenue, in addition to rates.

# Assumptions

The following assumptions form the basis upon which this Long Term Financial Plan has been constructed:

## General

This Plan covers a period of 20 years.

## Variables

All escalation, inflation and growth factors and percentages used in this model are summarised in the 'Variables' report.

Population Growth	The population forecasts range between 2.0% - 3.39% as per id Forecast as of December 2021.
Consumer Price Index -(CPI)	Department of Treasury have provided forecast data up to 2025/26. Perth CPI is forecasted to be 2.75% for 2022/23 and then 2.5% in 2023/24 and remain same until 2025/26. As a result rate of 2.5% has been applied throughout 20 year. This rate is used to determine the following - Fees and Charges, other revenue, materials and contracts, insurance, and other expenditure.
Rates Base	The rate base has been forecasted at CPI (2.5%) + 2%, (i.e. 4.5%) over the 20 year period. Whilst the current Perth CPI is 6% (3 <sup>rd</sup> Quarter 2022) the CPI used for the modelling is 2.5% as forecasted by the WATC for future periods.
Rates Growth	Based on the population growth forecast as stated by Id Forecast mentioned above.
Waste Fee	For 2022/23 it was proposed to leave the Waste Fee as is due to decrease in MRC Gate Fees to \$145/tonne. This fee structure will continue to be reviewed based on information become available. For the Scenario purposes all fees and charges income has been increased by the CPI as quoted above.
Operating Grants etc.	For, operating grants, subsidies and contributions, 1% nominal increases are applied.
Fees and Charges	Based on the Perth CPI figures as quoted above.
Interest Yield	Based on the current yield adjusted for recent RBA Cash Rate announcements (2.85%), at 3.50% for the first four years decreasing to 2.00% for the life of the Plan as economic conditions are unknown at this stage.
Other Revenue	Based on the Perth CPI figures as quoted above.

Employee – Establishment The City has four Enterprise Agreements (**EA**). The Salaried Officers' EA, Waste Services EA and Fleet services EA are in proposed stage in 2022. The Asset Operations EA was completed in 2020. Those 3 proposed EA are close to finalisation. The City remains committed to ensuring employee benefits are reflective of community expectations and align with national and local economic conditions. For the projected years the current CPI index rate is applied with the exception of 2023/24 to 2027/28 where CPI index rate + 0.06% is applied to account for the proposed superannuation guarantee increases from 9.5% to 12%.

Employee – Growth The City's Workforce Plan anticipates minimal growth in staff numbers, to be achieved by the Executive effectively assessing each vacancy and re-assigning it to areas of greatest need. The exception being for areas of growth, which continues to be risk based. With the City having completed a comprehensive analysis of roles engaged under the Salaried Officers Enterprise Agreement during 2019, The City is now in a stronger position to pre-plan for areas/ roles where there is likely to be future capability and capacity gaps of corporate risk or impact.

From a strategic workforce planning perspective, the focus for ongoing years will be to identify efficiencies through the implementation of new technologies, with a view to improving business systems and technology as a way of improving our overall efficiency and the customer experience. It is a priority for the City to continually improve residents' and customers' access to services 24/7, removing the need to physically visit City offices.

It is intended to minimise growth of employee numbers by funding improvements to technology, whilst taking into consideration the City's expansion including new facilities. With the intention of minimising growth in employee numbers, this has been set at one third the Rates growth for the life of the plan.

Materials & Contracts Based on the current CPI as quoted above.

Materials & Contracts – Asset Growth Calculation of historical data has shown that the increase in maintenance and other materials costs has been consistently in line with asset growth at 4.0% for the 20-year period.

Utility Charges With regular annual increases in Government charges, plus consistent increases in City growth, the variable has been kept at the CPI quoted above.

Higher increases in Street Lighting charges are being offset by future energy saving initiatives that will be implemented by the city. Whilst there are expectations that Western Power is converting streetlamps to LED which have a low consumption cost, the supply charge for maintaining the infrastructure will increase resulting in minimal changes in costs over the plan.

The assumption is that there is no cost-effective disruptive technology for the City to take advantage off to bring down the Utility costs significantly.

Depreciation	Is calculated from current asset values and future assets from the capital works program.
Insurance	Based on the Perth CPI figures as quoted above.
Other Expenditure	Based on the Perth CPI figures as quoted above.

#### Data

- Capital works expenditure figures are sourced from the current 20-year Capital Works Program;
- Operating revenues and expenses are based on the adopted 2022/23 budget;
- Depreciation is calculated based on current asset values and future assets from the Capital Works Program;
- Other expenditure currently takes into account the costs for Council elections (every two years); Mayoral elections (every four years) and Rates gross rental value revaluations (every three years); and
- Income generating assets identified use projections from feasibility studies undertaken.

## Risk Assessment

The City has performed a risk assessment of the Long Term Financial Plan and stated below are the factors that could directly or indirectly affect part or parts of the assumptions and/or parameters of the Plan. The City will closely monitor and where appropriate, manage these risks and regularly reassess the Plan to ensure the predicted financial outcome remains current and realistic:

1. As noted in The Global Risk Report 2022, the key findings of the survey and the analysis are “social cohesion erosion” and “livelihood crises” taking the top spots. Other risks identified as having worsened significantly are “debt crises”, “cybersecurity failures”, “digital inequality” and “backlash against science”. For the next five years, respondents again signal societal and environmental risks as the most concerning. However, over a 10-year horizon, the health of the planet dominates concerns: environmental risks are perceived to be the five most critical long-term threats to the world as well as the most potentially damaging to people and planet, with “climate action failure”, “extreme weather”, and “biodiversity loss” ranking as the top three most severe risks. Respondents also signalled “debt crises” and “gloeconomic confrontations” as among the most severe risks over the next 10 years

When it comes to the time-horizon within which these risks will become a critical threat to the world, the most imminent threats – those that are most likely in the next two years – include “social cohesion erosion”, “livelihood crises” and “mental health deterioration.

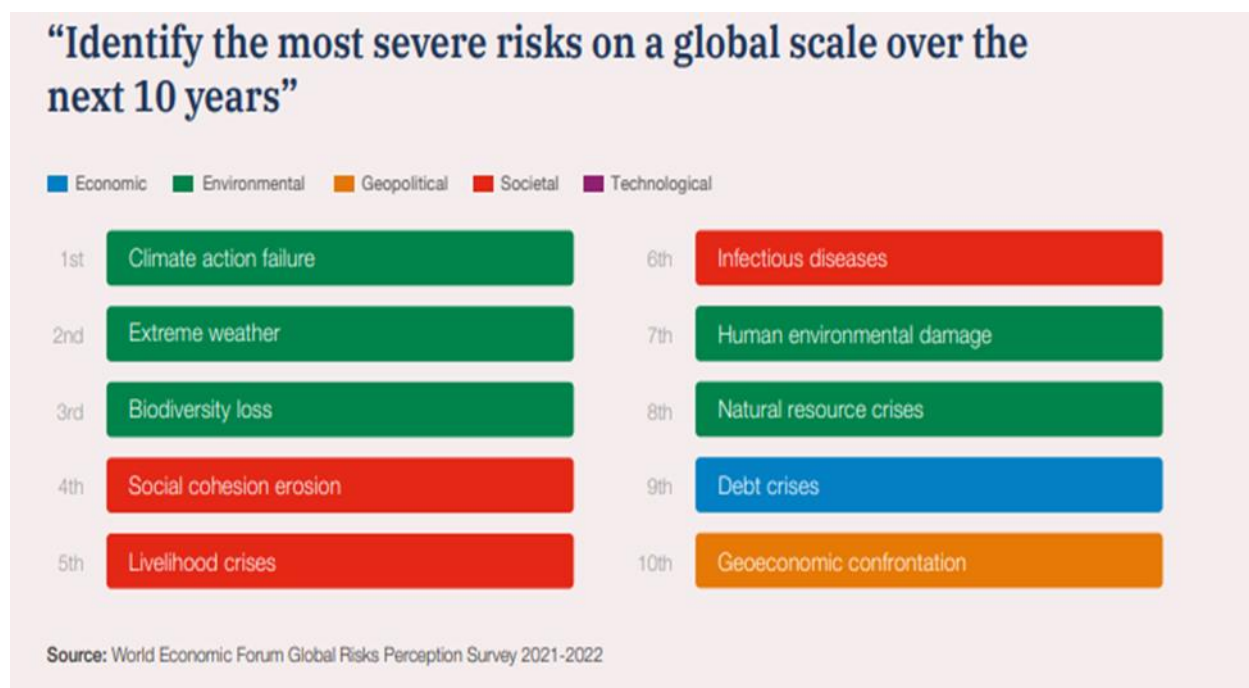
Last year’s edition of the Global Risks Report warned of potential knock-on economic risks that are now clear and present dangers. Supply chain disruptions, inflation, debt, labour market gaps, protectionism and educational disparities are moving the world economy into choppy waters that both rapidly and slowly recovering countries alike will need to navigate to restore social cohesion, boost employment and thrive. These

difficulties are impeding the visibility of emerging challenges, which include climate transition disorder, increased cyber

vulnerabilities, greater barriers to international mobility, and crowding and competition in space.

The following chart is an extract from the 17th edition of “The Global Risk Report 2022”.

**Chart 7 – Global Risk Rating**



Top five risks identified by the Executive Opinion Survey (Source - The Global Risks Report 2022) for **Australia** are:

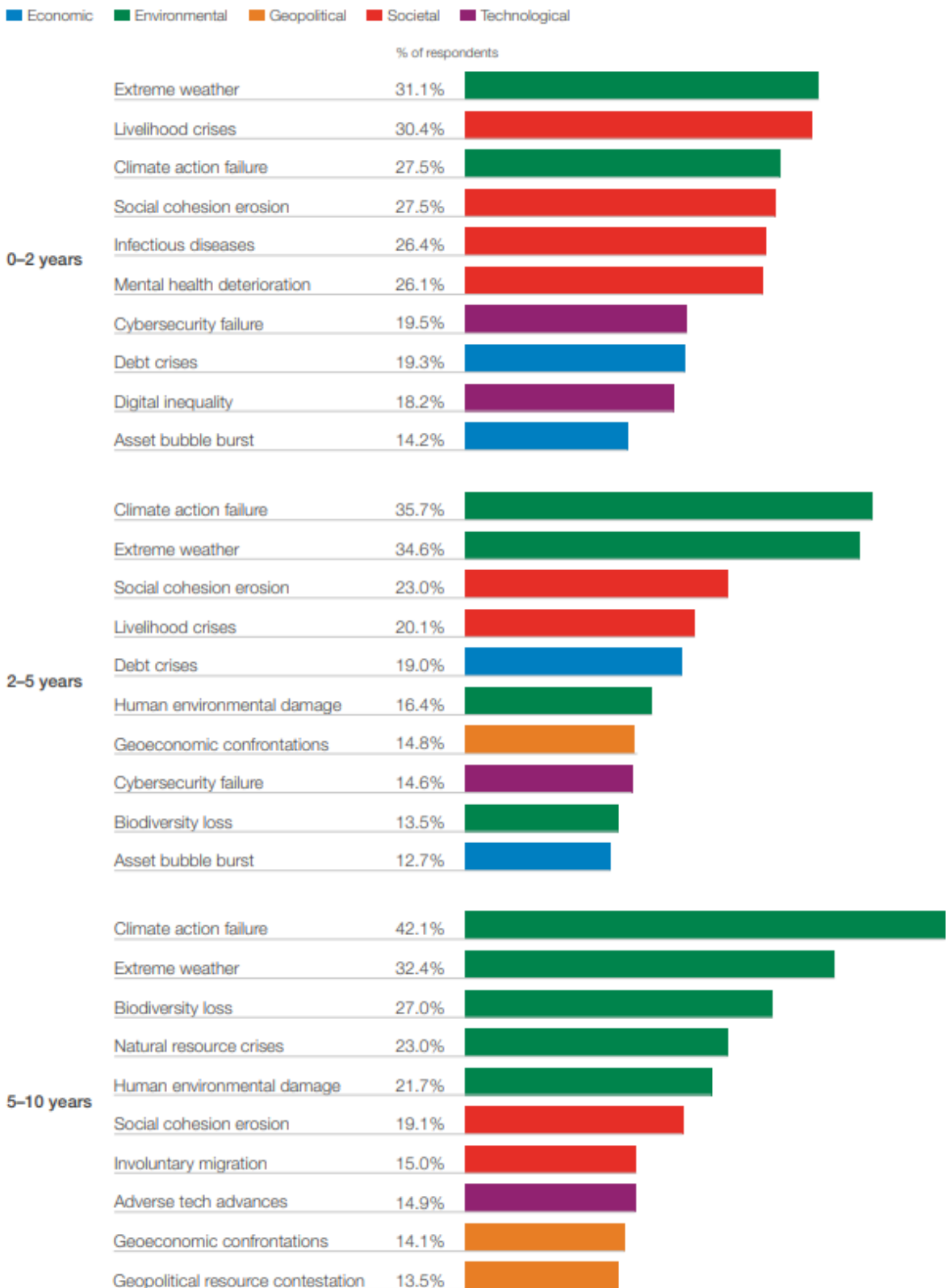
- Failure of cybersecurity measures;
- Extreme weather events;
- Climate action failure;
- Infectious diseases; and
- Debt crises in large economies.



Chart 8 – Global Risks Horizon (Source – The Global risk report 2022)

## Global Risks Horizon

When will risks become a critical threat to the world?



The planning and budgeting process considered the City's existing Strategic risk profile as captured in the table below however from a local government perspective some of the above that were identified within the global risk report will also be reviewed for discussion and where appropriate factored within the City's short and long term financial planning.

<b>Strategic Risk Title</b>
<b>ST-G09 Long Term Financial Planning</b>
<b>ST-S04 Integrated Infrastructure &amp; Utility Planning</b>
<b>ST-S05 Water Availability</b>
<b>ST-S06 Climate Change</b>
<b>ST-S12 Economic Growth</b>
<b>ST-S20 Strategic Community Plan</b>
<b>ST-S23 Stakeholder Relationships</b>
<b>ST-S24 Strategic Asset Management</b>
<b>ST-S25 Legislative Reform or Changes</b>
<b>ST-S26 Resilient and Productive Communities</b>

As the world moves beyond managing the pandemic to resetting current systems and building back better economies, the City will need to consider areas highlighted within the Environmental, Economic, Social, people and infrastructure/technological areas to manage reputational pressures and budget impacts in order to create new opportunities fundamental to social cohesion and the viability of populations for the community.

2. Non-controllable pressures from State Government cost shifting.
3. The growth rate in new properties could change in response to any global or local uncertainties, which will affect both revenue and expenditures.
4. Continuous funding demands to meet community expectations, the City's Resourcing Strategies (e.g. Strategic Asset Management Plan and Strategic Workforce Management Plan).
5. Legislative changes as a result of amendments to the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996.

# Scenario Modelling/Sensitivity Analysis

The City modelled various rating scenarios for the 20-year life of the Plan, using a different principle for each.

During the consultation process (Workshops 1 held on 23 August 2022 and Workshop 2 held on 15 November 2022, including an update meeting on 22 November 2022), the Elected Members considered different scenario modellings and agreed that the 2022/23 LTFP should be based on an approach of rates increases of CPI + 2%.

# Financial Reports, Ratios and Analysis

VARIABLES	Projection																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	38-39	39-40	40-41	41-42	42-43
<b>OPERATIONS- Revenue</b>																				
Rates - Base	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Rates - Growth or Decline	2.50%	2.73%	2.92%	3.05%	3.25%	3.39%	3.31%	3.20%	3.06%	2.90%	2.86%	2.76%	2.66%	2.61%	2.50%	2.43%	2.37%	2.38%	2.38%	2.38%
Operating grants, subsidies and contributions	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Fees and charges	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Investment Interest Yield	3.50%	3.50%	3.50%	3.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Other revenue	2.25%	2.25%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<b>OPERATIONS- Expenditure</b>																				
Employee costs - establishment	2.56%	2.56%	2.56%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Employee costs - growth	0.83%	0.91%	0.97%	1.02%	1.08%	1.13%	1.10%	1.07%	1.02%	0.97%	0.95%	0.92%	0.89%	0.87%	0.83%	0.81%	0.79%	0.79%	0.79%	0.79%
Materials and contracts	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Materials and contracts - Growth due to increase in Asset Levels	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Utility charges - Increase due to growth	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Utility charges - Increase in Government Charges	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Insurance expense	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Other expenditure	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
<b>CAPITAL-Assets</b>																				
Average Depreciation - PPE (Buildings)	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Average Depreciation - PPE (Other)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Average Depreciation - Plant & Vehicles	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Average Depreciation - Infrastructure Roads	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Average Depreciation - Infrastructure Other	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
CPI Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

**INCOME STATEMENT**

	Budget	Predictions																			
	\$('000) 22-23	1 \$('000) 23-24	2 \$('000) 24-25	3 \$('000) 25-26	4 \$('000) 26-27	5 \$('000) 27-28	6 \$('000) 28-29	7 \$('000) 29-30	8 \$('000) 30-31	9 \$('000) 31-32	10 \$('000) 32-33	11 \$('000) 33-34	12 \$('000) 34-35	13 \$('000) 35-36	14 \$('000) 36-37	15 \$('000) 37-38	16 \$('000) 38-39	17 \$('000) 39-40	18 \$('000) 40-41	19 \$('000) 41-42	20 \$('000) 42-43
<b>Operating Revenues</b>																					
Rates - base	147,291	153,919	164,693	176,600	189,704	204,027	219,839	237,184	255,708	275,397	296,218	318,138	341,553	366,349	392,580	420,492	449,927	481,107	514,159	549,533	587,341
Rates - growth or decline	-	3,682	4,303	4,935	5,537	6,345	7,132	7,513	7,830	8,064	8,220	8,707	9,021	9,325	9,805	10,060	10,462	10,911	11,710	12,516	13,377
Operating grants, subsidies and contributions	5,596	5,652	5,709	5,766	5,824	5,882	5,941	6,000	6,060	6,121	6,182	6,244	6,306	6,369	6,433	6,497	6,562	6,628	6,694	6,761	6,829
Fees and charges	51,293	52,575	53,890	55,237	61,105	62,633	64,199	65,804	67,449	69,135	70,864	72,635	74,451	76,312	78,220	80,164	82,145	84,161	86,211	88,293	90,407
Interest earnings	7,025	13,923	14,717	16,893	17,994	11,936	10,582	10,652	11,120	12,167	13,271	14,308	15,455	16,584	17,815	19,366	21,184	23,478	25,886	28,077	30,891
Other revenue	674	689	705	719	733	748	763	778	794	810	826	843	859	877	894	912	930	949	968	987	1,007
<b>Total Operating Revenue</b>	<b>211,879</b>	<b>230,441</b>	<b>244,016</b>	<b>260,150</b>	<b>280,897</b>	<b>291,571</b>	<b>308,455</b>	<b>327,931</b>	<b>348,961</b>	<b>371,695</b>	<b>395,581</b>	<b>420,874</b>	<b>447,645</b>	<b>475,817</b>	<b>505,747</b>	<b>543,391</b>	<b>577,281</b>	<b>613,494</b>	<b>652,098</b>	<b>692,872</b>	<b>736,817</b>
<b>Operating Expenses</b>																					
Employee costs - establishment	(83,660)	(85,802)	(88,714)	(91,792)	(94,980)	(102,769)	(107,879)	(111,795)	(115,824)	(119,955)	(124,177)	(129,451)	(133,922)	(138,502)	(143,193)	(148,018)	(158,302)	(163,541)	(171,072)	(176,706)	(182,525)
Employee costs - growth	-	(697)	(787)	(871)	(5,283)	(2,479)	(1,189)	(1,203)	(1,205)	(1,194)	(2,117)	(1,204)	(1,202)	(1,198)	(1,215)	(6,422)	(1,251)	(3,358)	(1,324)	(1,368)	(1,413)
Materials and contracts	(79,705)	(81,697)	(87,089)	(92,837)	(100,518)	(107,152)	(114,224)	(121,763)	(129,799)	(138,366)	(147,498)	(157,233)	(167,611)	(178,673)	(190,465)	(205,074)	(218,609)	(233,037)	(248,418)	(264,813)	(282,291)
Utility charges (electricity, gas, water etc.)	(10,380)	(10,899)	(11,444)	(12,016)	(13,199)	(14,046)	(14,749)	(15,486)	(16,260)	(17,073)	(17,964)	(18,863)	(19,806)	(20,796)	(21,836)	(23,634)	(24,816)	(26,309)	(27,624)	(29,006)	(30,456)
Depreciation on non-current assets	(41,219)	(42,198)	(43,406)	(45,822)	(48,407)	(47,486)	(52,831)	(55,461)	(57,700)	(60,081)	(62,381)	(65,538)	(68,218)	(71,124)	(73,877)	(76,532)	(78,973)	(81,387)	(83,599)	(86,376)	(88,728)
Interest expense	(4,264)	(4,111)	(4,111)	(4,111)	(4,111)	(4,111)	(4,111)	(2,056)	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance expense	(1,440)	(1,476)	(1,513)	(1,551)	(1,643)	(1,684)	(1,726)	(1,770)	(1,814)	(1,859)	(1,906)	(1,953)	(2,002)	(2,052)	(2,103)	(2,227)	(2,282)	(2,339)	(2,398)	(2,458)	(2,519)
Materials and contracts from asset growth	-	(3,268)	(3,484)	(3,713)	(4,021)	(4,286)	(4,569)	(4,871)	(5,192)	(5,535)	(5,900)	(6,289)	(6,704)	(7,147)	(7,619)	(8,203)	(8,744)	(9,321)	(9,937)	(10,593)	(11,292)
Other expenditure	-	-	(294)	(969)	(381)	-	(1,368)	-	(420)	(1,124)	(358)	-	(1,674)	-	(396)	(512)	-	(1,840)	-	-	(565)
<b>Total Operating Expenditure</b>	<b>(220,668)</b>	<b>(230,148)</b>	<b>(240,842)</b>	<b>(253,683)</b>	<b>(272,541)</b>	<b>(284,014)</b>	<b>(302,648)</b>	<b>(314,404)</b>	<b>(328,215)</b>	<b>(345,187)</b>	<b>(362,302)</b>	<b>(380,532)</b>	<b>(401,139)</b>	<b>(419,492)</b>	<b>(440,704)</b>	<b>(471,414)</b>	<b>(493,489)</b>	<b>(519,294)</b>	<b>(546,213)</b>	<b>(571,319)</b>	<b>(599,789)</b>
<b>Operating Result</b>	<b>(8,789)</b>	<b>293</b>	<b>3,175</b>	<b>6,467</b>	<b>8,356</b>	<b>7,557</b>	<b>5,808</b>	<b>13,527</b>	<b>20,746</b>	<b>26,508</b>	<b>33,278</b>	<b>40,343</b>	<b>46,506</b>	<b>56,325</b>	<b>65,043</b>	<b>71,977</b>	<b>83,792</b>	<b>94,200</b>	<b>105,885</b>	<b>121,553</b>	<b>137,028</b>
<b>Revenue (Asset related)</b>																					
Non-Operating grants, subsidies and contributions	21,966	27,950	29,065	22,789	8,791	11,875	12,606	10,507	8,591	9,671	17,368	19,325	21,903	13,509	11,049	10,124	10,406	11,548	11,836	8,809	8,209
Physical assets received from developers	24,848	12,500	25,000	12,500	25,000	12,500	25,000	12,500	25,000	12,500	25,000	12,500	25,000	12,500	25,000	12,500	25,000	12,500	25,000	12,500	25,000
Non-Operating Contracts Expenses	(129)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TPS Income	26,611	18,754	17,844	15,788	4,283	4,324	4,338	4,895	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,103	6,054	-
DCP Income	2,458	1,568	1,753	1,459	8,471	22,629	12,247	13,334	14,931	14,744	16,211	21,607	27,215	24,385	12,380	12,938	5,382	2,546	18,835	9,364	200
TPS Expenses	(23,941)	(16,564)	(12,886)	(11,946)	(4,253)	(4,294)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DCP Expenses	(407)	(409)	(409)	(559)	(559)	(559)	(559)	(559)	(340)	(277)	(277)	(277)	(277)	(277)	(277)	(277)	(277)	(277)	(200)	(200)	(200)
Profit on asset disposal	2,556	3,333	2,833	5,300	8,267	8,267	11,567	1,333	5,500	-	2,179	-	-	-	-	-	-	-	-	-	-
Loss on asset disposal	(861)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Result</b>	<b>44,312</b>	<b>47,425</b>	<b>66,376</b>	<b>51,797</b>	<b>58,355</b>	<b>62,298</b>	<b>67,707</b>	<b>65,772</b>	<b>71,261</b>	<b>69,646</b>	<b>92,581</b>	<b>96,676</b>	<b>121,347</b>	<b>107,443</b>	<b>114,196</b>	<b>108,263</b>	<b>125,304</b>	<b>126,620</b>	<b>167,410</b>	<b>152,026</b>	<b>170,237</b>

**RATE SETTING STATEMENT**

**Budget**

**Projections/Predictions**

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)
	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	38-39	39-40	40-41	41-42	42-43
<b>Revenue</b>																				
Fees and Charges	51,293	52,575	53,890	55,237	61,105	62,633	64,199	65,804	67,449	69,135	70,864	72,635	74,451	76,312	78,220	80,064	81,941	83,849	85,788	87,757
Operating Grants, Subsidies and Contributions	5,596	5,652	5,709	5,766	5,824	5,882	5,941	6,000	6,060	6,121	6,182	6,244	6,306	6,369	6,433	6,497	6,562	6,628	6,694	6,761
Interest Earnings	7,035	13,923	14,717	16,893	17,994	11,936	10,582	10,652	11,120	12,167	13,271	14,308	15,455	16,594	17,815	19,066	21,184	23,478	25,886	28,077
Other Revenue	674	689	705	719	733	748	763	778	794	810	826	843	859	877	894	912	930	949	968	987
<b>Total Revenue</b>	<b>64,588</b>	<b>72,840</b>	<b>75,021</b>	<b>78,615</b>	<b>85,656</b>	<b>81,199</b>	<b>81,485</b>	<b>83,235</b>	<b>85,423</b>	<b>88,233</b>	<b>91,143</b>	<b>94,030</b>	<b>97,072</b>	<b>100,142</b>	<b>103,362</b>	<b>112,840</b>	<b>116,892</b>	<b>121,476</b>	<b>126,229</b>	<b>130,824</b>
<b>Expenses</b>																				
Employee Costs	(83,660)	(86,499)	(89,501)	(92,663)	(100,262)	(105,248)	(109,069)	(112,999)	(117,029)	(121,148)	(126,294)	(130,655)	(135,124)	(139,700)	(144,408)	(154,440)	(159,552)	(166,900)	(172,396)	(178,074)
Materials and Contracts	(79,705)	(84,965)	(90,573)	(96,551)	(104,539)	(111,438)	(118,793)	(126,634)	(134,991)	(143,901)	(153,398)	(163,522)	(174,315)	(185,820)	(198,084)	(213,277)	(227,354)	(242,359)	(258,355)	(275,406)
Utilities (Gas, Electricity, Water etc)	(10,300)	(10,899)	(11,444)	(12,016)	(13,199)	(14,046)	(14,749)	(15,486)	(16,260)	(17,073)	(17,964)	(18,883)	(19,806)	(20,796)	(21,836)	(23,634)	(24,816)	(26,309)	(27,624)	(29,006)
Insurance	(1,440)	(1,476)	(1,513)	(1,551)	(1,643)	(1,684)	(1,726)	(1,770)	(1,814)	(1,859)	(1,906)	(1,953)	(2,002)	(2,052)	(2,103)	(2,227)	(2,282)	(2,339)	(2,398)	(2,458)
Interest Expenses	(4,264)	(4,111)	(4,111)	(4,111)	(4,111)	(4,111)	(4,111)	(2,056)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation on Non-Current Assets	(41,219)	(42,198)	(43,406)	(45,822)	(48,407)	(47,486)	(52,831)	(55,461)	(57,700)	(60,081)	(62,381)	(65,538)	(68,218)	(71,124)	(73,877)	(76,532)	(78,973)	(81,387)	(83,599)	(86,376)
Other Expenditure	-	-	(294)	(969)	(381)	-	(1,368)	-	(420)	(1,124)	(358)	-	(1,674)	(396)	(1,303)	(512)	-	(1,840)	-	(565)
<b>Total Expenses</b>	<b>(220,668)</b>	<b>(230,148)</b>	<b>(240,842)</b>	<b>(253,683)</b>	<b>(272,541)</b>	<b>(284,014)</b>	<b>(302,648)</b>	<b>(314,404)</b>	<b>(328,215)</b>	<b>(345,187)</b>	<b>(362,302)</b>	<b>(380,532)</b>	<b>(401,139)</b>	<b>(419,492)</b>	<b>(440,704)</b>	<b>(471,414)</b>	<b>(493,489)</b>	<b>(519,294)</b>	<b>(546,213)</b>	<b>(571,319)</b>
<b>Other Revenue and Expenses</b>																				
Non-Operating Grants, Subsidies and Contributions	21,966	27,950	29,065	22,789	8,791	11,875	12,606	10,507	8,591	9,671	17,368	19,325	21,903	13,509	11,049	10,124	10,406	11,548	11,836	8,809
Non-Operating Contracts Expenses	(129)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TPS Income (including Interest)	26,611	18,754	17,844	15,788	4,283	4,324	4,338	4,895	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,103	6,054	-
DCP Income (including Interest)	1,568	1,568	1,753	1,459	8,471	22,629	12,247	13,334	14,931	14,744	16,211	21,607	27,215	24,385	12,380	12,938	5,382	2,546	18,835	9,364
Profit on Asset Disposal	2,556	3,333	2,833	5,300	8,267	8,267	11,567	1,333	5,500	-	2,179	-	-	-	-	-	-	-	-	-
Physical Assets Received from Developers	24,848	12,500	25,000	12,500	25,000	12,500	25,000	12,500	25,000	12,500	25,000	12,500	25,000	12,500	25,000	12,500	25,000	12,500	25,000	12,500
TPS Expenses	(23,941)	(16,564)	(12,886)	(11,946)	(4,253)	(4,294)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DCP Expenses	(407)	(409)	(409)	(559)	(559)	(559)	(559)	(340)	(277)	(277)	(277)	(277)	(277)	(277)	(277)	(277)	(277)	(200)	(200)	(200)
Financial Asset Value Movement - DCP	(861)	4,483	5,685	9,593	1,958	(12,285)	(4,322)	3,763	5,470	7,484	8,767	3,547	(1,991)	1,299	(2,669)	(2,282)	10,729	6,930	(8,721)	(425)
<b>Total Other Revenue and Expenses</b>	<b>53,101</b>	<b>51,616</b>	<b>68,886</b>	<b>54,923</b>	<b>51,957</b>	<b>42,456</b>	<b>57,577</b>	<b>56,008</b>	<b>55,985</b>	<b>50,623</b>	<b>68,069</b>	<b>59,880</b>	<b>72,851</b>	<b>52,417</b>	<b>46,483</b>	<b>34,004</b>	<b>52,241</b>	<b>39,350</b>	<b>52,804</b>	<b>30,048</b>
<b>Net Operating Result Excluding Rates</b>	<b>(102,978)</b>	<b>(105,692)</b>	<b>(96,935)</b>	<b>(120,145)</b>	<b>(134,928)</b>	<b>(160,359)</b>	<b>(163,585)</b>	<b>(175,162)</b>	<b>(186,807)</b>	<b>(206,331)</b>	<b>(203,090)</b>	<b>(226,622)</b>	<b>(231,217)</b>	<b>(266,933)</b>	<b>(290,859)</b>	<b>(324,571)</b>	<b>(324,356)</b>	<b>(358,468)</b>	<b>(367,180)</b>	<b>(410,447)</b>
<b>Adjustments for Cash Budget Requirements</b>																				
(Profit)/Loss on Asset Disposals	(1,695)	(3,333)	(2,833)	(5,300)	(8,267)	(8,267)	(11,567)	(1,333)	(5,500)	-	(2,179)	-	-	-	-	-	-	-	-	-
Depreciation on Assets	41,219	42,198	43,406	45,822	48,407	47,486	52,831	55,461	57,700	60,081	62,381	65,538	68,218	71,124	73,877	76,532	78,973	81,387	83,599	86,376
Physical Assets Received from Developers	(24,848)	(12,500)	(25,000)	(12,500)	(25,000)	(12,500)	(25,000)	(12,500)	(25,000)	(12,500)	(25,000)	(12,500)	(25,000)	(12,500)	(25,000)	(12,500)	(25,000)	(12,500)	(25,000)	(12,500)
<b>Total Adjustments for Cash Budget Requirements</b>	<b>14,676</b>	<b>26,364</b>	<b>15,573</b>	<b>28,022</b>	<b>15,140</b>	<b>26,719</b>	<b>19,565</b>	<b>31,394</b>	<b>31,367</b>	<b>42,081</b>	<b>37,381</b>	<b>50,859</b>	<b>43,218</b>	<b>58,624</b>	<b>48,877</b>	<b>64,032</b>	<b>53,973</b>	<b>68,887</b>	<b>58,599</b>	<b>73,876</b>
<b>Adjustments for Non-Operating Expenditure and Income</b>																				
Capital Acquisitions	(83,415)	(67,518)	(76,619)	(67,501)	(64,475)	(159,671)	(91,462)	(78,331)	(76,050)	(77,233)	(94,032)	(103,574)	(113,547)	(113,988)	(90,547)	(87,202)	(83,375)	(90,376)	(116,339)	(93,316)
Proceeds from Disposal of Assets	3,728	4,139	3,822	6,600	9,060	9,535	9,258	12,288	2,345	7,014	836	3,376	830	1,422	877	1,072	948	1,041	1,197	949
Movement in Non-Current Employee Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement in Pensioner Deferred Rate Debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement in Leave Provisions To Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Transfer (to)/from Deferred Revenue - TPS	1,902	5,438	(15,228)	(15,228)	(4,283)	(4,324)	(4,338)	(4,895)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(6,103)	(6,054)	-
Proceeds/(Repayment) from/ of Loan Borrowings	(700)	-	(2,500)	(63,478)	(3,100)	(4,556)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Adjustments for Non-Operating Expenditure &amp; Income</b>	<b>(77,784)</b>	<b>(58,641)</b>	<b>(88,025)</b>	<b>(76,629)</b>	<b>(123,176)</b>	<b>(154,460)</b>	<b>(89,642)</b>	<b>(70,939)</b>	<b>(79,261)</b>	<b>(71,218)</b>	<b>(94,197)</b>	<b>(101,198)</b>	<b>(113,717)</b>	<b>(113,567)</b>	<b>(90,670)</b>	<b>(87,130)</b>	<b>(83,427)</b>	<b>(95,438)</b>	<b>(121,197)</b>	<b>(92,368)</b>
<b>Transfers</b>																				
Transfers to Restricted Grants, Contributions and Loans	-	4,825	699	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from Restricted Grants, Contributions and Loans	312	(35,719)	(38,389)	(40,647)	(49,500)	(36,954)	(40,582)	(66,529)	(65,014)	(81,904)	(84,728)	(92,841)	(95,694)	(100,417)	(104,085)	(119,904)	(135,074)	(138,012)	(145,358)	(169,162)
Transfers to Reserves	(44,187)	50,145	16,700	22,853	14,636	92,940	110,358	42,936	31,643	35,177	32,910	39,195	41,956	45,836	45,618	33,353	36,022	27,495	24,911	36,052
Transfers from Reserves	(14,388)	(24,193)	(2,616)	(560)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from Schemes	18,754	17,844	15,788	4,283	4,324	4,338	4,895	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,103	6,054	-
<b>Total Transfers</b>	<b>6,269</b>	<b>(19,632)</b>	<b>391</b>	<b>(10,783)</b>	<b>47,723</b>	<b>77,728</b>	<b>6,692</b>	<b>(29,990)</b>	<b>(28,837)</b>	<b>(47,994)</b>	<b>(44,533)</b>	<b>(49,885)</b>	<b>(48,858)</b>	<b>(53,799)</b>	<b>(69,733)</b>	<b>(82,883)</b>	<b>(106,579)</b>	<b>(106,998)</b>	<b>(96,092)</b>	<b>(133,109)</b>
<b>Surplus/(Deficit)</b>																				
Estimated Surplus/(Deficit) July 1 Brought Forward	12,527	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated Surplus/(Deficit) June 30 Carried Forward	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Movement</b>	<b>(12,527)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Amount Required to be Raised from Rates</b>	<b>(147,290)</b>	<b>(157,601)</b>	<b>(168,995)</b>	<b>(181,535)</b>	<b>(195,241)</b>	<b>(210,372)</b>	<b>(226,970)</b>	<b>(244,697)</b>	<b>(263,538)</b>	<b>(283,462)</b> </										

STATEMENT OF CASH FLOWS	Budget	Projections/Predictions																			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)
	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	38-39	39-40	40-41	41-42	42-43
<b>Cash Flows from Operating Activities</b>																					
<b>Receipts</b>																					
Rates	147,291	157,601	168,995	181,535	195,241	210,372	226,970	244,697	263,538	283,462	304,438	326,845	350,573	375,675	402,385	430,552	460,389	492,018	525,869	562,048	600,717
Operating Grants, Subsidies and Contributions	5,596	5,652	5,709	5,766	5,824	5,882	5,941	6,000	6,060	6,121	6,182	6,244	6,306	6,369	6,433	6,497	6,562	6,628	6,694	6,761	6,829
Fees and Charges	51,293	52,575	53,890	55,237	61,105	62,633	64,199	65,804	67,449	69,135	70,864	72,635	74,451	76,312	78,220	80,166	82,150	84,171	86,228	88,321	90,449
Interest Earnings	7,025	13,923	14,717	16,893	17,994	11,936	10,582	10,652	11,120	12,167	13,271	14,308	15,455	16,584	17,815	19,366	21,184	23,478	25,886	28,077	30,891
Goods and Services Tax	11,450	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Other Revenue	674	689	705	719	733	748	763	778	794	810	826	843	859	877	894	912	930	949	968	987	1,007
	<b>223,329</b>	<b>239,441</b>	<b>253,016</b>	<b>269,150</b>	<b>289,897</b>	<b>300,571</b>	<b>317,455</b>	<b>336,931</b>	<b>357,961</b>	<b>380,695</b>	<b>404,581</b>	<b>429,874</b>	<b>456,645</b>	<b>484,817</b>	<b>514,747</b>	<b>552,391</b>	<b>586,281</b>	<b>622,494</b>	<b>661,098</b>	<b>701,872</b>	<b>745,817</b>
<b>Payments</b>																					
Employee Costs	(83,660)	(86,499)	(89,501)	(92,663)	(100,262)	(105,248)	(109,069)	(112,999)	(117,029)	(121,148)	(126,294)	(130,655)	(135,124)	(139,700)	(144,408)	(154,440)	(159,552)	(166,900)	(172,396)	(178,074)	(183,938)
Materials and Contracts	(79,705)	(84,965)	(90,573)	(96,551)	(104,539)	(111,438)	(118,793)	(126,634)	(134,991)	(143,901)	(153,398)	(163,522)	(174,315)	(185,820)	(198,084)	(213,277)	(227,394)	(242,359)	(258,355)	(275,406)	(293,583)
Utility Charges	(10,380)	(10,899)	(11,444)	(12,016)	(13,199)	(14,046)	(14,749)	(15,486)	(16,260)	(17,073)	(17,964)	(18,963)	(19,806)	(20,796)	(21,836)	(23,634)	(24,816)	(26,309)	(27,624)	(29,006)	(30,456)
Interest Expense	(4,264)	(4,111)	(4,111)	(4,111)	(4,111)	(4,111)	(4,111)	(2,056)	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Expense	(1,440)	(1,476)	(1,513)	(1,551)	(1,643)	(1,684)	(1,726)	(1,770)	(1,814)	(1,859)	(1,906)	(1,953)	(2,002)	(2,052)	(2,103)	(2,227)	(2,282)	(2,339)	(2,398)	(2,458)	(2,519)
Goods and Services Tax	(11,450)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)
Other Expenditure	-	-	(294)	(969)	(381)	-	(1,368)	-	(420)	(1,124)	(358)	-	(1,674)	-	(396)	(1,303)	(512)	-	(1,840)	-	(565)
	<b>(190,899)</b>	<b>(196,951)</b>	<b>(206,436)</b>	<b>(216,861)</b>	<b>(233,135)</b>	<b>(245,528)</b>	<b>(258,816)</b>	<b>(267,943)</b>	<b>(279,515)</b>	<b>(294,105)</b>	<b>(308,921)</b>	<b>(323,994)</b>	<b>(341,921)</b>	<b>(357,368)</b>	<b>(375,827)</b>	<b>(403,882)</b>	<b>(423,516)</b>	<b>(446,907)</b>	<b>(471,613)</b>	<b>(493,943)</b>	<b>(520,062)</b>
<b>Net Cash Provided by Operating Activities</b>	<b>32,430</b>	<b>42,490</b>	<b>46,580</b>	<b>52,289</b>	<b>56,762</b>	<b>55,043</b>	<b>58,639</b>	<b>68,988</b>	<b>78,446</b>	<b>86,589</b>	<b>95,660</b>	<b>105,881</b>	<b>114,724</b>	<b>127,449</b>	<b>138,920</b>	<b>148,509</b>	<b>162,765</b>	<b>175,587</b>	<b>189,484</b>	<b>207,929</b>	<b>225,755</b>
<b>Cash Flows from Investing Activities</b>																					
Payments for Purchase of Property, Plant & Equipment	(47,446)	(23,037)	(34,468)	(32,901)	(32,338)	(95,920)	(35,755)	(29,876)	(39,208)	(42,278)	(51,695)	(56,755)	(60,260)	(55,217)	(39,793)	(36,896)	(28,220)	(23,060)	(31,329)	(34,583)	(19,359)
Payments for Construction of Infrastructure	(35,968)	(44,481)	(42,150)	(34,599)	(32,137)	(63,751)	(55,707)	(48,455)	(36,842)	(34,955)	(42,338)	(46,818)	(53,287)	(58,771)	(50,754)	(50,307)	(55,155)	(67,316)	(85,011)	(58,733)	(53,398)
Grants, Subsidies and Contributions used for Development of Assets	21,966	27,950	29,065	22,789	8,791	11,875	12,606	10,507	8,591	9,671	17,368	19,325	21,903	13,509	11,049	10,124	10,406	11,548	11,836	8,809	8,209
Town Planning Income	26,611	18,754	17,844	15,788	4,283	4,324	4,338	4,895	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,103	6,054	-	-
Town Planning Expenses	(23,941)	(16,564)	(12,886)	(11,946)	(4,253)	(4,294)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement in Deferred Revenue		1,568	1,753	1,459	8,471	22,629	12,247	13,334	14,931	14,744	16,211	21,607	27,215	24,385	12,380	12,938	5,382	2,546	18,835	9,364	200
Proceeds from Asset Disposal	3,728	4,139	3,822	6,600	9,060	9,535	9,258	12,288	2,345	7,014	836	3,376	830	1,422	877	1,072	948	1,041	1,197	949	949
Net Movements in Investments	(407)	(409)	(409)	(559)	(559)	(559)	(559)	(559)	(340)	(277)	(277)	(277)	(277)	(277)	(277)	(277)	(277)	(277)	(200)	(200)	(200)
<b>Net Cash Used in Investing Activities</b>	<b>(55,458)</b>	<b>(32,081)</b>	<b>(37,429)</b>	<b>(33,371)</b>	<b>(38,682)</b>	<b>(116,161)</b>	<b>(53,572)</b>	<b>(37,865)</b>	<b>(49,523)</b>	<b>(45,080)</b>	<b>(58,894)</b>	<b>(58,543)</b>	<b>(62,876)</b>	<b>(73,948)</b>	<b>(65,518)</b>	<b>(62,345)</b>	<b>(65,914)</b>	<b>(69,415)</b>	<b>(78,617)</b>	<b>(74,395)</b>	<b>(63,598)</b>
<b>Cash Flows From Financing Activities</b>																					
Proceeds from New Loans/(Repayment) of Loans	(700)	-	-	(2,500)	(63,478)	-	(3,100)	-	(4,556)	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Leases	-	(700)	-	(2,500)	(63,478)	-	(3,100)	-	(4,556)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>-</b>	<b>(700)</b>	<b>-</b>	<b>(2,500)</b>	<b>(63,478)</b>	<b>-</b>	<b>(3,100)</b>	<b>-</b>	<b>(4,556)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash Held</b>	<b>(23,028)</b>	9,710	9,152	16,418	(45,398)	(61,118)	1,967	31,122	24,367	41,509	36,766	47,338	51,848	53,501	73,402	86,164	96,850	106,172	110,867	133,534	162,157
Cash at Beginning of Year	435,167	412,139	421,849	431,001	447,419	402,021	340,902	342,870	373,992	398,359	439,868	476,634	523,972	575,820	629,321	702,723	788,887	885,738	991,909	1,102,777	1,236,311
<b>Cash and Cash Equivalents at the End of Year</b>	<b>412,139</b>	<b>421,849</b>	<b>431,001</b>	<b>447,419</b>	<b>402,021</b>	<b>340,902</b>	<b>342,870</b>	<b>373,992</b>	<b>398,359</b>	<b>439,868</b>	<b>476,634</b>	<b>523,972</b>	<b>575,820</b>	<b>629,321</b>	<b>702,723</b>	<b>788,887</b>	<b>885,738</b>	<b>991,909</b>	<b>1,102,777</b>	<b>1,236,311</b>	<b>1,398,467</b>

**BALANCE SHEET**

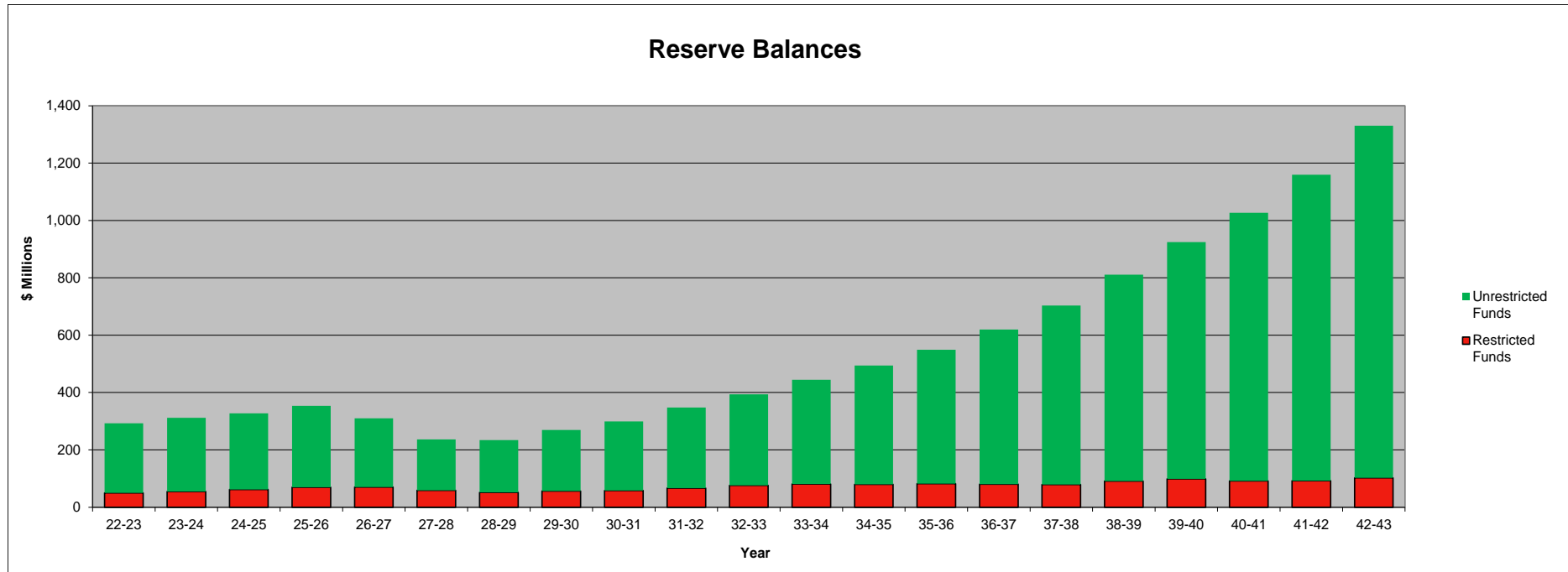
	Budget	Projections/Predictions																			
	\$('000) 22-23	1 \$('000) 23-24	2 \$('000) 24-25	3 \$('000) 25-26	4 \$('000) 26-27	5 \$('000) 27-28	6 \$('000) 28-29	7 \$('000) 29-30	8 \$('000) 30-31	9 \$('000) 31-32	10 \$('000) 32-33	11 \$('000) 33-34	12 \$('000) 34-35	13 \$('000) 35-36	14 \$('000) 36-37	15 \$('000) 37-38	16 \$('000) 38-39	17 \$('000) 39-40	18 \$('000) 40-41	19 \$('000) 41-42	20 \$('000) 42-43
<b>Current Assets</b>																					
Unrestricted Cash and Equivalents	34,409	24,487	34,030	39,665	41,991	58,600	67,260	68,392	63,921	57,437	49,670	47,123	50,114	49,815	53,485	56,766	47,038	46,211	60,986	61,411	52,680
Restricted Cash and Cash Equivalent																					
- Cash Back Reserve	292,874	311,893	327,429	353,440	310,000	236,596	234,242	269,128	298,965	347,958	393,491	444,375	494,233	549,032	619,765	703,648	811,227	924,328	1,026,474	1,159,584	1,330,472
- Town Planning Scheme	69,850	75,289	60,061	44,833	40,550	36,225	31,887	26,992	25,992	24,992	23,992	22,992	21,992	20,992	19,992	18,992	17,992	11,889	5,835	5,835	5,835
- Unspent Loans	5,525	699	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Unspent Grants and Contributions	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481
Non-Cash Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	15,893	15,893	15,893	15,893	15,893	15,893	15,893	15,893	15,893	15,893	15,893	15,893	15,893	15,893	15,893	15,893	15,893	15,893	15,893	15,893	15,893
Inventories	304	304	304	304	304	304	304	304	304	304	304	304	304	304	304	304	304	304	304	304	304
<b>Total Current Assets</b>	<b>428,336</b>	<b>438,045</b>	<b>447,197</b>	<b>463,616</b>	<b>418,217</b>	<b>357,099</b>	<b>359,067</b>	<b>390,189</b>	<b>414,556</b>	<b>456,065</b>	<b>492,830</b>	<b>540,168</b>	<b>592,017</b>	<b>645,517</b>	<b>718,919</b>	<b>805,084</b>	<b>901,934</b>	<b>1,008,106</b>	<b>1,118,973</b>	<b>1,252,507</b>	<b>1,414,664</b>
<b>Non-Current Assets</b>																					
Other Receivables	5,938	5,938	5,938	5,938	5,938	5,938	5,938	5,938	5,938	5,938	5,938	5,938	5,938	5,938	5,938	5,938	5,938	5,938	5,938	5,938	5,938
Inventories	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765
Property Plant and Equipment	415,669	424,934	443,343	458,408	471,321	548,870	561,854	567,469	580,509	594,324	616,232	640,254	665,815	683,448	683,877	679,193	663,914	641,684	626,042	612,133	581,063
Infrastructure Roads	1,227,127	1,242,798	1,268,694	1,276,637	1,284,147	1,287,881	1,302,730	1,316,830	1,328,238	1,332,569	1,344,640	1,349,421	1,362,498	1,368,808	1,382,999	1,390,528	1,406,965	1,423,875	1,442,294	1,453,780	1,468,699
Infrastructure Other	717,199	727,632	736,859	741,910	755,698	779,287	801,499	803,999	808,257	802,858	804,119	800,019	801,761	800,463	800,176	792,433	792,518	787,304	794,324	785,294	781,169
Other Financial Assets	13,176	13,176	13,176	13,176	13,176	13,176	13,176	13,176	13,176	13,176	13,176	13,176	13,176	13,176	13,176	13,176	13,176	13,176	13,176	13,176	13,176
Indexation of Capex	-	1,647	5,339	10,158	16,222	34,767	47,362	59,796	73,428	88,818	109,393	134,028	163,146	194,445	220,910	247,902	275,113	306,095	347,841	382,786	411,141
<b>Total Non-Current Assets</b>	<b>2,400,874</b>	<b>2,437,889</b>	<b>2,495,113</b>	<b>2,527,991</b>	<b>2,568,267</b>	<b>2,691,683</b>	<b>2,754,323</b>	<b>2,788,972</b>	<b>2,831,310</b>	<b>2,859,447</b>	<b>2,915,262</b>	<b>2,964,600</b>	<b>3,034,099</b>	<b>3,088,042</b>	<b>3,128,835</b>	<b>3,150,934</b>	<b>3,179,387</b>	<b>3,199,835</b>	<b>3,256,378</b>	<b>3,274,870</b>	<b>3,282,950</b>
<b>Total Assets</b>	<b>2,829,209</b>	<b>2,875,934</b>	<b>2,942,310</b>	<b>2,991,607</b>	<b>2,986,484</b>	<b>3,048,783</b>	<b>3,113,389</b>	<b>3,179,161</b>	<b>3,245,865</b>	<b>3,315,512</b>	<b>3,408,092</b>	<b>3,504,769</b>	<b>3,626,116</b>	<b>3,733,559</b>	<b>3,847,755</b>	<b>3,956,017</b>	<b>4,081,322</b>	<b>4,207,941</b>	<b>4,375,352</b>	<b>4,527,377</b>	<b>4,697,614</b>
<b>Current Liabilities</b>																					
Trade and Other Payables	40,042	40,042	40,042	40,042	40,042	40,042	40,042	40,042	40,042	40,042	40,042	40,042	40,042	40,042	40,042	40,042	40,042	40,042	40,042	40,042	40,042
Current Portion of Long-term Liabilities	28,880	28,180	30,680	91,658	28,180	31,280	28,180	28,180	28,180	28,180	28,180	28,180	28,180	28,180	28,180	28,180	28,180	28,180	28,180	28,180	28,180
Provisions	21,644	21,644	21,644	21,644	21,644	21,644	21,644	21,644	21,644	21,644	21,644	21,644	21,644	21,644	21,644	21,644	21,644	21,644	21,644	21,644	21,644
<b>Total Current Liabilities</b>	<b>90,566</b>	<b>89,866</b>	<b>92,366</b>	<b>153,344</b>	<b>89,866</b>	<b>92,966</b>	<b>89,866</b>	<b>94,422</b>	<b>89,866</b>	<b>89,866</b>	<b>89,866</b>	<b>89,866</b>	<b>89,866</b>	<b>89,866</b>	<b>89,866</b>	<b>89,866</b>	<b>89,866</b>	<b>89,866</b>	<b>89,866</b>	<b>89,866</b>	<b>89,866</b>
<b>Non-Current Liabilities</b>																					
Long-term Borrowings	73,634	73,634	71,134	7,656	7,656	4,556	4,556	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Liabilities	73,437	73,437	73,437	73,437	73,437	73,437	73,437	73,437	73,437	73,437	73,437	73,437	73,437	73,437	73,437	73,437	73,437	73,437	73,437	73,437	73,437
Provisions	13,815	13,815	13,815	13,815	13,815	13,815	13,815	13,815	13,815	13,815	13,815	13,815	13,815	13,815	13,815	13,815	13,815	13,815	13,815	13,815	13,815
<b>Total Non-Current Liabilities</b>	<b>160,886</b>	<b>160,886</b>	<b>158,386</b>	<b>94,908</b>	<b>94,908</b>	<b>91,808</b>	<b>91,808</b>	<b>87,251</b>	<b>87,251</b>	<b>87,251</b>	<b>87,251</b>	<b>87,251</b>	<b>87,251</b>	<b>87,251</b>	<b>87,251</b>	<b>87,251</b>	<b>87,251</b>	<b>87,251</b>	<b>87,251</b>	<b>87,251</b>	<b>87,251</b>
<b>Total Liabilities</b>	<b>251,452</b>	<b>250,752</b>	<b>250,752</b>	<b>248,252</b>	<b>184,774</b>	<b>184,774</b>	<b>181,674</b>	<b>181,674</b>	<b>177,117</b>	<b>177,117</b>	<b>177,117</b>	<b>177,117</b>	<b>177,117</b>	<b>177,117</b>	<b>177,117</b>	<b>177,117</b>	<b>177,117</b>	<b>177,117</b>	<b>177,117</b>	<b>177,117</b>	<b>177,117</b>
<b>Net Assets</b>	<b>2,577,758</b>	<b>2,625,183</b>	<b>2,691,558</b>	<b>2,743,355</b>	<b>2,801,711</b>	<b>2,864,009</b>	<b>2,931,716</b>	<b>2,997,487</b>	<b>3,068,748</b>	<b>3,138,394</b>	<b>3,230,975</b>	<b>3,327,651</b>	<b>3,448,999</b>	<b>3,556,442</b>	<b>3,670,637</b>	<b>3,778,900</b>	<b>3,904,204</b>	<b>4,030,824</b>	<b>4,198,234</b>	<b>4,350,260</b>	<b>4,520,497</b>
<b>Equity</b>																					
Retained Surplus	1,220,939	1,249,345	1,300,185	1,325,971	1,427,767	1,563,468	1,633,529	1,664,415	1,705,839	1,726,492	1,773,540	1,819,331	1,890,821	1,943,465	1,986,928	2,011,308	2,029,033	2,042,551	2,107,816	2,126,732	2,126,081
Reserves - Cash Backed	292,874	311,893	327,429	353,440	310,000	236,596	234,242	269,128	298,965	347,958	393,491	444,375	494,233	549,032	619,765	703,648	811,227	924,328	1,026,474	1,159,584	1,330,472
Reserves - Revaluation	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944	1,063,944
<b>Total Equity</b>	<b>2,577,758</b>	<b>2,625,183</b>	<b>2,691,558</b>	<b>2,743,355</b>	<b>2,801,711</b>	<b>2,864,009</b>	<b>2,931,716</b>	<b>2,997,487</b>	<b>3,068,748</b>	<b>3,138,394</b>	<b>3,230,975</b>	<b>3,327,651</b>	<b>3,448,999</b>	<b>3,556,442</b>	<b>3,670,637</b>	<b>3,778,900</b>	<b>3,904,204</b>	<b>4,030,824</b>	<b>4,198,234</b>	<b>4,350,260</b>	<b>4,520,497</b>

**STATEMENT OF EQUITY**

	Budget	Projections/Predictions																			
	\$('000) 22-23	1 \$('000) 23-24	2 \$('000) 24-25	3 \$('000) 25-26	4 \$('000) 26-27	5 \$('000) 27-28	6 \$('000) 28-29	7 \$('000) 29-30	8 \$('000) 30-31	9 \$('000) 31-32	10 \$('000) 32-33	11 \$('000) 33-34	12 \$('000) 34-35	13 \$('000) 35-36	14 \$('000) 36-37	15 \$('000) 37-38	16 \$('000) 38-39	17 \$('000) 39-40	18 \$('000) 40-41	19 \$('000) 41-42	20 \$('000) 42-43
<b>Retained Surplus</b>																					
Opening Balance	1,170,670	1,220,939	1,249,345	1,300,185	1,325,971	1,427,767	1,563,468	1,633,529	1,664,415	1,705,839	1,726,492	1,773,540	1,819,331	1,890,821	1,943,465	1,986,928	2,011,308	2,029,033	2,042,551	2,107,816	2,126,732
Net Inflow / (Outflow)	50,269	28,406	50,840	25,786	101,796	135,702	70,061	30,886	41,424	20,652	47,048	45,792	71,490	52,644	43,463	24,380	17,725	13,518	65,264	18,916	(651)
<b>Total Retained Surplus</b>	<b>1,220,939</b>	<b>1,249,345</b>	<b>1,300,185</b>	<b>1,325,971</b>	<b>1,427,767</b>	<b>1,563,468</b>	<b>1,633,529</b>	<b>1,664,415</b>	<b>1,705,839</b>	<b>1,726,492</b>	<b>1,773,540</b>	<b>1,819,331</b>	<b>1,890,821</b>	<b>1,943,465</b>	<b>1,986,928</b>	<b>2,011,308</b>	<b>2,029,033</b>	<b>2,042,551</b>	<b>2,10</b>		



RESERVES SUMMARY	Budget	Projections/Predictions																			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	<< closing balances >>	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	38-39	39-40	40-41	41-42
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Unrestricted Reserves</b>																					
Asset Replacement/Enhancement	73,609	72,861	71,145	69,331	66,979	57,622	56,128	56,645	59,940	67,812	74,976	88,543	101,689	114,402	136,410	158,030	179,285	199,893	229,541	258,689	298,420
Coastal Management	12,564	11,953	12,322	12,303	9,433	3,896	3,474	5,544	7,504	9,654	11,848	16,535	21,865	27,303	32,849	43,506	53,776	64,851	75,998	87,518	104,269
Domestic Refuse	5,033	2,725	608	105	814	40	1,722	3,434	4,818	6,592	10,405	13,927	15,884	17,879	21,551	25,663	30,858	35,785	41,175	46,674	52,282
Golf Courses	2,740	3,536	4,540	5,498	6,221	5,995	6,645	7,308	7,984	9,199	10,438	12,702	15,011	17,366	22,793	28,329	33,976	39,735	50,610	61,702	73,016
ICT Reserve	6,483	7,109	8,732	10,301	15,742	7,247	8,596	9,253	11,409	13,918	16,467	18,102	24,363	31,112	39,474	52,684	66,574	79,311	99,136	118,575	138,130
Strategic Land	13,998	14,428	14,933	15,405	15,695	15,809	16,125	18,447	20,816	23,232	28,697	34,271	39,957	45,756	51,671	57,704	63,858	75,135	86,638	98,371	110,338
Loan Repayment	52,184	60,184	67,964	73,590	16,482	16,811	17,148	17,491	17,491	17,840	18,197	18,561	18,932	19,311	19,697	20,091	20,493	20,903	21,321	21,747	22,182
Neerabup Development	5,045	8,729	13,466	16,797	23,644	20,149	26,902	33,565	33,986	34,266	34,501	34,741	35,036	35,726	36,431	37,150	37,883	48,630	49,603	60,595	71,807
Plant Replacement	10,327	14,811	19,794	25,631	25,570	14,375	15,003	17,088	18,778	20,076	16,854	17,259	19,204	19,182	18,827	17,392	22,792	25,474	25,749	25,320	35,200
Regional Open Space	26,667	27,600	28,566	31,566	33,514	22,335	10,433	15,642	20,954	26,374	31,901	37,539	43,290	49,156	55,139	61,241	67,466	73,816	85,292	96,998	108,938
Strategic Projects / Initiatives	34,014	32,952	23,621	22,995	25,608	13,597	20,047	28,093	36,900	52,257	62,816	71,353	79,228	89,728	104,416	122,549	143,127	161,597	169,786	191,021	213,589
<b>Total - Unrestricted Reserves</b>	<b>242,664</b>	<b>256,887</b>	<b>265,689</b>	<b>283,523</b>	<b>239,702</b>	<b>177,876</b>	<b>182,223</b>	<b>212,510</b>	<b>240,580</b>	<b>281,220</b>	<b>317,099</b>	<b>363,533</b>	<b>414,459</b>	<b>466,918</b>	<b>539,259</b>	<b>624,340</b>	<b>720,086</b>	<b>825,131</b>	<b>934,849</b>	<b>1,067,210</b>	<b>1,228,171</b>
<b>Restricted Reserves</b>																					
Alkimos/Eglinton CF	22,075	26,621	30,977	34,935	32,019	14,413	7,167	2,262	1,471	31	3,755	7,142	8,686	8,842	11,877	15,889	19,980	20,803	21,219	21,644	22,077
Cash in Lieu of Public Open Space	2,606	2,697	2,791	2,889	2,990	3,050	3,111	3,173	3,236	3,301	3,367	3,434	3,503	3,573	3,645	3,718	3,792	3,868	3,945	4,024	4,104
East Wanneroo DCP (Proposed)	0	0	6	3,856	6,841	9,828	10,224	14,631	13,779	14,359	19,797	24,432	28,621	31,222	25,508	19,207	21,085	23,342	18,925	13,219	16,334
Leave Liability	15,278	15,913	16,570	17,250	17,953	18,412	18,881	19,458	20,047	20,648	21,261	21,887	22,524	23,275	24,040	24,821	25,618	26,430	27,258	28,104	28,966
Section 152 Land	749	775	802	830	859	877	894	912	930	949	968	987	1,007	1,027	1,048	1,069	1,090	1,112	1,134	1,157	1,180
TPS 20 Distributor Road	7,447	7,708	7,978	8,257	8,546	8,717	8,891	9,069	9,250	9,436	9,624	9,817	10,013	10,213	10,418	10,626	10,838	11,055	11,276	11,502	11,732
Yanchep /Two Rocks DCP (Proposed)	0	0	0	0	0	150	423	2,126	8,633	16,978	16,583	12,107	4,383	2,926	2,934	2,943	7,702	11,551	6,831	11,688	16,872
Yanchep/Two Rocks CF	2,056	1,293	2,616	1,901	1,089	3,273	2,428	4,986	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037
<b>Total - Restricted Reserves</b>	<b>50,210</b>	<b>55,006</b>	<b>61,740</b>	<b>69,917</b>	<b>70,298</b>	<b>58,720</b>	<b>52,019</b>	<b>56,618</b>	<b>58,384</b>	<b>66,738</b>	<b>76,392</b>	<b>80,843</b>	<b>79,775</b>	<b>82,114</b>	<b>80,506</b>	<b>79,308</b>	<b>91,141</b>	<b>99,198</b>	<b>91,626</b>	<b>92,373</b>	<b>102,300</b>
<b>TOTAL - ALL RESERVES</b>	<b>292,874</b>	<b>311,893</b>	<b>327,429</b>	<b>353,440</b>	<b>310,000</b>	<b>236,596</b>	<b>234,242</b>	<b>269,128</b>	<b>298,965</b>	<b>347,958</b>	<b>393,491</b>	<b>444,375</b>	<b>494,233</b>	<b>549,032</b>	<b>619,765</b>	<b>703,648</b>	<b>811,227</b>	<b>924,328</b>	<b>1,026,474</b>	<b>1,159,584</b>	<b>1,330,472</b>



The City is currently targeting five main areas for reserve funding – Asset Renewal/Enhancement, Regional Recreational, Information and Communications Technology (ICT), Coastal Management and Strategic Land. Regular transfers into these reserves throughout the course of the 20-year life of the Plan should enable the City to meet required expenditure in these areas as and when it falls due.

In the above Chart, restricted funds are funds that are restricted in their use by legislation. Whilst the City has a significant balance of legislatively unrestricted reserves, most of these funds are tied to specific uses, and are therefore committed.

## RATIO ANALYSIS

	Budget	Projections/Predictions																			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)	\$( '000)
	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	38-39	39-40	40-41	41-42	42-43
<b>OPERATING RESULT</b>																					
Operating Result	(8,789)	293	3,175	6,467	8,356	7,557	5,808	13,527	20,746	26,508	33,278	40,343	46,506	56,325	65,043	71,977	83,792	94,200	105,885	121,553	137,028
Own Source Operating Revenue	208,838	228,122	241,141	259,684	283,340	293,956	310,781	333,498	344,234	371,074	389,399	416,809	441,339	469,448	499,314	536,894	570,719	606,866	645,404	686,111	729,988
<b>Operating Surplus Ratio</b>	<b>-4.2%</b>	<b>0.1%</b>	<b>1.3%</b>	<b>2.5%</b>	<b>2.9%</b>	<b>2.6%</b>	<b>1.9%</b>	<b>4.1%</b>	<b>6.0%</b>	<b>7.1%</b>	<b>8.5%</b>	<b>9.7%</b>	<b>10.5%</b>	<b>12.0%</b>	<b>13.0%</b>	<b>13.4%</b>	<b>14.7%</b>	<b>15.5%</b>	<b>16.4%</b>	<b>17.7%</b>	<b>18.8%</b>
Own Source Operating Revenue	208,838	228,122	241,141	259,684	283,340	293,956	310,781	333,498	344,234	371,074	389,399	416,809	441,339	469,448	499,314	536,894	570,719	606,866	645,404	686,111	729,988
Operating Expenses	221,529	230,148	240,842	253,683	272,541	284,014	302,648	314,404	328,215	345,187	362,302	380,532	401,139	419,492	440,704	471,414	493,489	519,294	546,213	571,319	599,789
<b>Own Source Revenue Coverage Ratio</b>	<b>94.3%</b>	<b>99.1%</b>	<b>100.1%</b>	<b>102.4%</b>	<b>104.0%</b>	<b>103.5%</b>	<b>102.7%</b>	<b>106.1%</b>	<b>104.9%</b>	<b>107.5%</b>	<b>109.5%</b>	<b>110.0%</b>	<b>111.9%</b>	<b>113.3%</b>	<b>113.9%</b>	<b>115.6%</b>	<b>116.9%</b>	<b>118.2%</b>	<b>120.1%</b>	<b>121.7%</b>	<b>121.7%</b>
<b>WORKING CAPITAL</b>																					
Current Assets (less Restricted Assets)	50,605	40,683	50,227	55,862	58,187	74,797	83,456	84,589	80,118	73,634	65,867	63,320	66,311	66,012	69,681	72,963	63,234	62,408	77,183	77,608	68,877
Current Liabilities (less Restricted)	90,566	89,866	92,366	153,344	89,866	92,966	89,866	94,422	89,866	89,866	89,866	89,866	89,866	89,866	89,866	89,866	89,866	89,866	89,866	89,866	89,866
<b>Current Ratio</b>	<b>55.9%</b>	<b>45.3%</b>	<b>54.4%</b>	<b>36.4%</b>	<b>64.7%</b>	<b>80.5%</b>	<b>92.9%</b>	<b>89.6%</b>	<b>89.2%</b>	<b>81.9%</b>	<b>73.3%</b>	<b>70.5%</b>	<b>73.8%</b>	<b>73.5%</b>	<b>77.5%</b>	<b>81.2%</b>	<b>70.4%</b>	<b>69.4%</b>	<b>85.9%</b>	<b>86.4%</b>	<b>76.6%</b>
<b>DEBT SERVICE COVER</b>																					
Operating Surplus less Interest & Depreciation	36,694	46,602	50,692	56,400	60,873	59,154	62,750	71,044	78,446	86,589	95,660	105,881	114,724	127,449	138,920	148,509	162,765	175,587	189,484	207,929	225,755
Debt Service Payments	4,111	4,811	4,111	6,611	67,589	4,111	7,211	2,056	4,556	-	-	-	-	-	-	-	-	-	-	-	-
<b>Debt Service Cover Ratio</b>	<b>893%</b>	<b>969%</b>	<b>1233%</b>	<b>853%</b>	<b>90%</b>	<b>1439%</b>	<b>870%</b>	<b>3456%</b>	<b>1722%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>FIXED ASSETS</b>																					
<b>Asset Expenditure Renewal</b>																					
Total Renewal Expenditure	30,056	15,833	14,891	15,777	23,814	57,266	26,979	27,697	28,151	32,746	40,342	37,447	37,132	40,770	43,715	45,781	48,370	47,408	52,406	55,520	55,437
Depreciation	41,219	42,198	43,406	45,822	48,407	47,486	52,831	55,461	57,700	60,081	62,381	65,538	68,218	71,124	73,877	76,532	78,973	81,387	83,599	86,376	88,728
<b>Asset Sustainability Ratio</b>	<b>73.0%</b>	<b>38.0%</b>	<b>34.0%</b>	<b>34.0%</b>	<b>49.0%</b>	<b>121.0%</b>	<b>51.0%</b>	<b>50.0%</b>	<b>49.0%</b>	<b>55.0%</b>	<b>65.0%</b>	<b>57.0%</b>	<b>54.0%</b>	<b>57.0%</b>	<b>59.0%</b>	<b>60.0%</b>	<b>61.0%</b>	<b>58.0%</b>	<b>63.0%</b>	<b>64.0%</b>	<b>62.0%</b>
<b>Asset Consumption</b>																					
Written down value of Assets	2,292,551	2,359,996	2,395,364	2,448,896	2,476,955	2,511,167	2,616,038	2,666,083	2,688,298	2,717,004	2,729,750	2,764,991	2,789,694	2,830,075	2,852,718	2,867,047	2,862,153	2,863,396	2,852,863	2,867,659	2,851,206
Current Replacement Cost of Assets	2,437,745	2,542,280	2,619,846	2,716,784	2,790,665	2,873,283	3,025,640	3,128,516	3,206,192	3,292,598	3,365,426	3,463,048	3,553,289	3,661,888	3,755,656	3,843,861	3,915,500	3,995,715	4,066,569	4,164,964	4,234,888
<b>Asset Consumption Ratio</b>	<b>94.0%</b>	<b>92.8%</b>	<b>91.4%</b>	<b>90.1%</b>	<b>88.8%</b>	<b>87.4%</b>	<b>86.5%</b>	<b>85.2%</b>	<b>83.8%</b>	<b>82.5%</b>	<b>81.1%</b>	<b>79.8%</b>	<b>78.5%</b>	<b>77.3%</b>	<b>76.0%</b>	<b>74.6%</b>	<b>73.1%</b>	<b>71.7%</b>	<b>70.2%</b>	<b>68.9%</b>	<b>67.3%</b>

Note: The Debt Service Cover ratio is not applicable from 2031/32 onwards, as all outstanding loans are due to be paid by the end of 2030/31.







<b>Performance Indicator</b>	<b>Data and Calculation</b>	<b>Information</b>	<b>Standards</b>	<b>City of Wanneroo Ratio</b>	<b>Standard</b>
<p><b>Debt Service Cover Ratio</b></p> <p><b>Note:</b> City of Wanneroo's main loan is interest payment only with principal due in 2026/27. The Yanchep/Two Rocks DCP loans are also interest payment only with the principals due for payment by 2030/31.</p>	Annual operating surplus before interest and depreciation divided by annual debt service payments (both principal and interest).	Also known as 'debt coverage ratio', this is the ratio of cash available for debt servicing interest, principal and lease payments.	<p><b>Standard is not met</b> if this ratio is lower than 2.</p> <p><b>Basic standard</b> is met if this ratio is greater than or equal to 2.</p> <p><b>Advanced standard</b> is met at a higher level if this ratio is greater than 5.</p>	2022/23 2023/24 2024/25 2025/26 2026/27 2027/28 2028/29 2029/30 2030/31 2031/32 2032/33 2033/34 2034/35 2035/36 2036/37 2037/38 2038/39 2039/40 2040/41 2041/42 2042/43	Advanced Advanced Advanced Advanced Not met Advanced Advanced Advanced Not applicable Not applicable Not applicable Not applicable Not applicable Not applicable Not applicable Not applicable Not applicable Not applicable Not applicable Not applicable Not applicable
<p><b>Comments</b></p> <p>The City consistently meets the criteria for the advanced standard. 2026/27 is an anomaly due to the repayment of the principal of the City's \$60 million loan. After 2030/31 there are no more outstanding borrowings, hence the not applicable result.</p>					

<b>Performance Indicator</b>	<b>Data and Calculation</b>	<b>Information</b>	<b>Standards</b>	<b>City of Wanneroo Ratio</b>	<b>Standard</b>
<b>Asset Sustainability Ratio</b>  <b>Note:</b> Also refer to Asset Management Strategy for commentaries	Capital expenditure on replacement or renewal of assets divided by the depreciation expense. Expressed as a percentage.	This ratio indicates whether a local government is replacing or renewing existing assets at the same rate that its overall asset stock is wearing out.	<b>Standard is not met</b> if ratio data can't be identified or ratio is less than 75%.  <b>Basic standard</b> is met if ratio data can be calculated and ratio is between 75% and 90%  <b>Advanced standard</b> is met if this ratio is between 90% and 110%	2022/23 2023/24 2024/25 2025/26 2026/27 2027/28 2028/29 2029/30 2030/31 2031/32 2032/33 2033/34 2034/35 2035/36 2036/37 2037/38 2038/39 2039/40 2040/41 2041/42 2042/43	Not met Not met Not met Not met Not met Advanced Not met Not met Not met Not met Not met Not met Not met Not met Not met Not met Not met Not met Not met Not met Not met
<b>Comments</b> The City does not meet the requirements for the standard of this ratio for the whole Plan period, except for 2027/28. This is due to the fact that the City is growing rapidly, and the vast majority of assets are in near new condition. The asset renewal funding gap is largely mitigated by the Asset Replacement/Enhancement Reserve.					

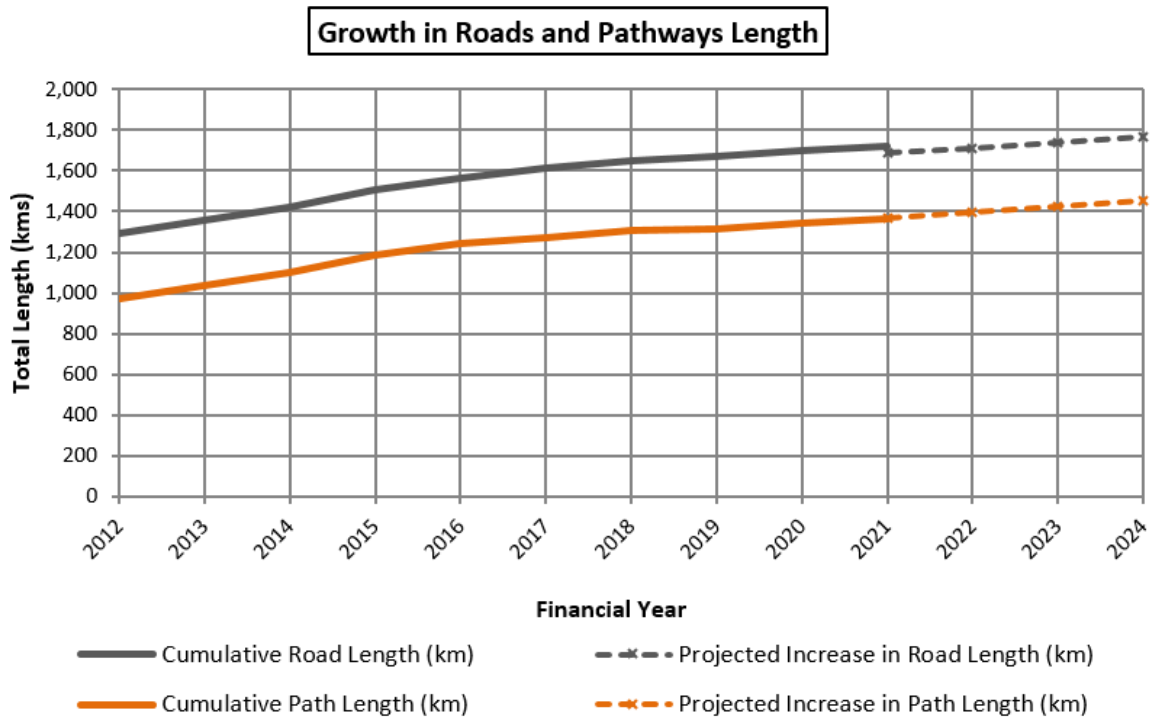




# Appendices

## Growth of Infrastructure Assets

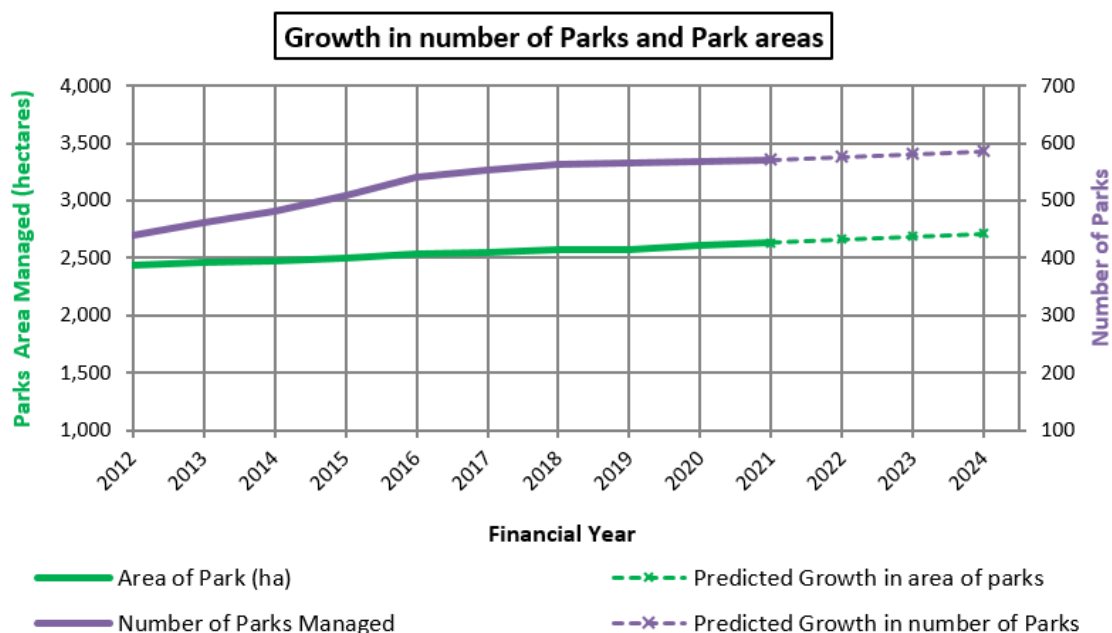
Graph 1: Growth in road and path assets



The projected increase in the length of roads and pathways is predicted to increase at a rate of 10km per annum and 20km per annum respectively.

The slight drop in road length at the end of 2021 is as a result of the transfer of responsibility for Marmion Avenue and Ocean Reef Road to Main Roads WA.

Graph 2: Increase in Parks Area



The projected increase in the number of parks and area of parks acquired is predicted at a rate of 3 new parks per annum and 15 ha per annum respectively.

The main area of growth in the City continues to occur in the northern coastal corridor, with new suburbs such as Alkimos, Eglinton and Jindalee that will continue to expand, together with the continuing escalation of existing suburbs such as Banksia Grove and Yanchep.

Whilst growth has slowed somewhat over the past few years, it is anticipated that the rate of growth will increase as the economy recovers.

## Integrated Planning and Reporting Framework

The City of Wanneroo *Integrated Planning and Reporting Framework* encompasses a strategic and business planning system that delivers accountable and measurable linkages between the Council’s long-term vision and practical service delivery. This integrated approach ensures effective delivery of the City’s strategic intentions through a suite of strategic and business plans and associated performance reports. The Framework takes into consideration the legislative requirements.

### Strategic Community Plan 2021-2031

The City of Wanneroo *Strategic Community Plan 2021-2031* is the Council’s long-term plan that captures the aspirations of the community and describes the City’s strategic objectives. It is the key document for City to track and report back to the community on its progress.

The current SCP 2021-2031 was adopted by Council in June 2021, and leads with a shared vision for the City that clearly articulates key stakeholder sentiment of future Wanneroo being:

**‘A welcoming community, connected through local opportunities’.**

The SCP provides an organisational purpose that describes the role of the City being:

**‘To create a strong community with local opportunities to participate, be active, feel secure, contribute and belong.’**

The SCP also describes the City’s seven key strategic goals that are broken down into 32 priority focus areas, these are:

## **Goal 1: An inclusive and accessible City with places and spaces that embrace all**

In 2031, Wanneroo will be an exciting City where people feel included, valued and welcomed, with unique places and spaces appreciated and actively used by all. Wanneroo will be recognised and known for its variety of lifestyle choices and strong focus on the health and wellbeing of the people who live there. Age and ability will be no barrier, with accessible facilities and activities available to all who want to participate in recreation or by taking a journey of learning and discovery. Wanneroo will be a City where people have opportunities to come together, interact and connect with others at cultural, educational, social and sporting events, strengthening the sense of community and belonging.

### **Priority 1.1 - Value the contribution of all people**

Wanneroo will have opportunities for all ages, abilities, cultures and genders to be included and to contribute to the wider community. People in Wanneroo will have access to a wide variety of programs and services that assist with mental and physical health, and personal wellbeing. Volunteers will also provide highly valued contributions in the community.

### **Priority 1.2 - Valued public places and spaces**

Wanneroo will have distinctive, accessible places and spaces that are valued by the community, and support human interaction and technology connection. The urban design of public areas will provide green, natural places and spaces that meet the needs of people and complement the character and identity of local areas.

### **Priority 1.3 - Facilities and activities for all**

Wanneroo will have easy to access facilities that provide opportunities for people to take part in a range of activities regardless of their age or ability. All facilities and activities will provide benefit to our community and support active, healthy and inclusive lifestyles.

### **Priority 1.4 - Bringing people together**

Wanneroo will have a range of programs and services promoting community connection to build the sense of belonging for people of all backgrounds. The capacity and skills of local

Community groups will be developed to enable them to provide fun and engaging events that will be valued by the local community and known throughout the region.

### **Priority 1.5 - Learning and discovery choices**

Wanneroo will provide a range of choices for people to actively learn and discover, through programs and activities that assist with lifelong learning. Opportunities will be available for all people and developed to meet the range of needs they have.

## **Goal 2: A City that celebrates rich cultural histories, where people can visit and enjoy unique experiences**

In 2031, Wanneroo will be a City with a strong cultural and historical identity that respects and celebrates the Aboriginal and global cultures that form its distinctive community. Places and spaces are enhanced by various art forms, developed by creative local people to provide engaging experiences that represent the City's varied cultures and heritage. Wanneroo will be a tourism destination of choice, with stunning natural attractions, significant Aboriginal and other heritage sites, and exceptional experiences for families and adventure seekers to actively explore or relax and unwind.

### **Priority 2.1 - Valuing cultures and history**

Wanneroo will be a City that utilises the strength of cultural diversity and the unique history of the area to shape a stronger community. The people of Wanneroo will appreciate and celebrate the City's unique Aboriginal and other diverse global cultures and histories.

### **Priority 2.2 - Arts and local creativity**

Wanneroo will be a City that values the arts and other creative industries, providing opportunities and experiences for local people to be involved in creative programs and activities that help increase community connection, personal wellbeing and economic benefits.

### **Priority 2.3 - Tourism opportunities and visitor experiences**

Wanneroo will be a great place to visit, with local, domestic and international visitors truly valuing the City's character, unique natural scenery and cultural traditions. There will be many offerings and experiences available for people, including nature-based, leisure or relaxation activities and interactive technologies to further enhance experiences.

## **Goal 3: A vibrant, innovative City with local opportunities for work, business and investment**

In 2031, Wanneroo will be a City with a strong local economy where businesses, entrepreneurs and industries grow and thrive. Wanneroo will be seen as a great location to do business and invest, offering employment and skills development opportunities to local people so that they prosper. There will be strong business networks with enhanced collaboration and partnership working across private and public sectors, allowing local innovation to accelerate in the best business hubs in the region.

### **Priority 3.1 - Strong and diverse local economy**

Wanneroo will have a strong economy where local business is valued, supported and promoted. A diverse industry base will be encouraged in order to support economic resilience and allow people to access business services and employment opportunities.

### **Priority 3.2 - Attract and support new and existing business**

Wanneroo will be a City where new and existing businesses grow and thrive. Local businesses will have access to information, networks and services to assist them in developing their capacity, allowing them to flourish and contribute to a strong local economy.

### **Priority 3.3 - Plan, develop and activate employment locations**

Wanneroo will have a wide variety of employment locations ranging from town centres of various sizes to large industrial hubs. Employment locations will be easily accessible and enhance business collaboration, strengthening the Wanneroo economy and providing diverse employment opportunities for local people.

### **Priority 3.4 - Develop local jobs and skills**

Wanneroo will be a City that has a range of opportunities for people to work locally and develop their skills, so that individuals and local businesses can prosper and grow.

### **Priority 3.5 - Opportunities for investment**

Wanneroo will be a City known as a distinctive place to invest for both public and private sectors, attracting development and infrastructure to improve the regional economy. Wanneroo will be a City that invests back into the community, helping keep wealth in the local area.

## **Goal 4: A sustainable City that balances the relationship between urban growth and the environment**

In 2031, Wanneroo will be a City of natural beauty and variety appreciated by all, contributing to the overall sense of belonging people in the area have. The natural landscape is respected for its importance to future generations, with the growth and development of the City being balanced with the protection of the natural environment and social values. Wanneroo will be a place where natural resources are valued, and used effectively within the City's strong circular economy. It will be a City that addresses climate change, ensuring responsible planning to manage any future impacts and reducing the City's contribution to climate change.

### **Priority 4.1 - Plan for climate change**

Wanneroo will be a City known for future proofing against climate change, with strong plans in place to lessen the impacts caused by increased temperatures, lower rainfall, extreme weather events and rising sea levels. The City will also reduce its contribution to climate change by setting appropriate emissions targets and measures.

### **Priority 4.2 - Manage and protect local Biodiversity**

Wanneroo will be a City that values its unique local vegetation, animals and eco-systems, ensuring their protection from future challenges. High quality local vegetation and habitat of significance is retained and used during the creation of new places and spaces, providing local nature experiences that are appreciated by all.

### **Priority 4.3 - Manage natural assets and resources**

Wanneroo will be known for its successful management and use of natural assets and resources. The City will harness the use of water, wind and solar to benefit the community and natural assets such as beaches, reserves, parklands and wetlands will be managed in a way that enhances the connection of people to the natural landscape.

### **Priority 4.4 - Manage waste and its impacts**

Wanneroo will be a City known for creating and promoting waste management solutions that protect the local environment for future generations. Waste will be a valuable resource within the City's strong circular economy, and one where understanding of the impacts of waste and the value of recycling is of importance to the future of the City.

## **Goal 5: A well-planned, safe and resilient City that is easy to travel around and provides a connection between people and places**

In 2031, Wanneroo will be a City developed to provide for all, and one that puts community at the heart of future design in creating affordable, liveable and connected places. Wanneroo will be a City where land is put to optimum use, providing housing choice and economic opportunities. The City will be travel friendly with balanced and sustainable transport choices to move around either by foot, bicycle, bus, car or train. Wanneroo will be a place that meets the expectations of the community by creating an exciting environment for people to live, work and recreate. Wanneroo will be a safe and secure City, allowing the people in the community to develop and thrive in a supportive and inspiring environment that builds local connection and shared experiences.

### **Priority 5.1 - Develop to meet current need and future growth**

Wanneroo will be a City designed and developed to meet the needs of all people, and feature a range of housing options for the City's growing population. The City will use its natural assets to complement built infrastructure creating a strong connection between people and places.

### **Priority 5.2 - Plan for and manage land use**

Wanneroo will be a City that effectively plans for and manages land use to support the economy, accommodate the City's growing community and to protect the environment.

### **Priority 5.3 - Manage and maintain assets**

Wanneroo will be a City known for having high quality new and existing assets that are well managed, maintained to be fit for purpose and valued by local communities. The City's assets will be future proofed by design and also provide maximum return on investment into the future.

### **Priority 5.4 - People can move around easily**

Wanneroo will be a City known for having various options to move around in convenient ways, allowing easy access to social and business opportunities. There will be connected infrastructure in place to travel by foot, bicycle, bus, car or train.

### **Priority 5.5 - People feel safe in public places**

Wanneroo will be a City where people feel safe, and are able to live actively and recreate freely. Local agencies and groups will be at the heart of developing programs to create more connected communities, ensuring all people feel supported and secure.



### **Priority 5.6 - Prepared and resilient**

Wanneroo will be a City where support is available for people to plan, prepare and recover from emergencies, ensuring minimum disruption to everyday life.

## **Goal 6: A future focused City that advocates, engages and partners to progress the priorities of the community**

In 2031, Wanneroo will be a City where all people have the opportunity to be heard and engaged with future development and decision making in the area. The City will be recognised for its approach to working with others, having developed meaningful relationships that benefit communities. Wanneroo will be a place where people feel informed about what is available to them and where communication is the main driver for interaction and participation, tailored to meet the needs of all people to increase the feeling of inclusion.

### **Priority 6.1 - Advocate in line with community priorities**

Wanneroo will be a City that uses a 'whole of community' approach to proactively promote the interests of the community to other decision-making agencies such as State and Federal Government, to ensure that the needs of the local community are met.

### **Priority 6.2 - Actively seek to engage**

Wanneroo will be a City where all people have opportunities to be engaged in decision-making and future planning. There will be a range of traditional and digital engagement options available for people to have their say, collaborate and participate, that ultimately increase community outreach and involvement.

### **Priority 6.3 - Build local partnerships and work together with others**

Wanneroo will be a City that builds and encourages local and regional partnerships to meet common goals. The City also will work closely with State agencies and other stakeholders in planning, service delivery and resourcing to meet the needs of the community.

### **Priority 6.4 - Understand our stakeholders and their needs**

Wanneroo will be a City that understands the needs and requirements of all stakeholders, involving and engaging with them at the right time and in the most appropriate and accessible ways. Understanding stakeholders will assist in providing unique perspectives and important considerations in decision-making.

## **Goal 7: A well governed and managed City that makes informed decisions, provides strong community leadership and valued customer focused services**

In 2031, Wanneroo will be a City that has a clear and shared future. It will be a City with open and informed decision-making, where all people have the opportunity to participate in issues that are important to them. Wanneroo will be a place reliably managed by those governing and will empower community leaders to assist in the development of the City's future. The City will be a place where regulations and rules are clear, understandable and responsive to ensure they meet the needs of the community. All people will be able to access data, information and services when they are needed.

### **Priority 7.1 - Clear direction and decision making**

The City of Wanneroo will have a clear plan for the future and be able to demonstrate successful results. Decision-making will focus on achieving the best outcomes and be in line with the Vision, Goals and Priorities informed by the community.

### **Priority 7.2 - Responsibly and ethically managed**

The City of Wanneroo will be managed responsibly to ensure a long-term, sustainable future. The City will have effective governance arrangements and ethical leadership that is open and transparent, ensuring a clear understanding of roles and accountabilities.

### **Priority 7.3 - Anticipate and adapt quickly to change**

The City of Wanneroo will be agile and adapt to the changing political, environmental, social, technological, economic and legal landscape within which it operates. The City of Wanneroo will be a strong community leader and have a deep understanding of global, national and local risks and their potential impacts on the community into the future.

### **Priority 7.4 - Promote offerings, opportunities and initiatives**

The City of Wanneroo will promote all offerings, opportunities and initiatives to those living in the area to enhance the connection between the City and its stakeholders. People will be informed about activities, events, experiences, programs and services and be made aware of key projects taking place in the area.

### **Priority 7.5 - Customer focused information and services**

The City of Wanneroo will provide a highly valued customer experience for people accessing the City. It will be an open organisation with access to data, information and services. People will be able to address their needs through a variety of traditional and digital interfaces through interaction with a skilled and agile workforce, offering a seamless customer experience.

## Corporate Business Plan 2022/23 – 2025/26

The City of Wanneroo **Corporate Business Plan** contains the same key objectives and strategies as the *Strategic Community Plan*, with the addition of specific operational priorities and initiatives the City will focus on over the next four years. This Plan ensures the City will deliver services in line with and community aspirations and priorities.

## Resource Planning

Resourcing Plans are the City of Wanneroo documents that outline the City's long-term sustainability planning. Resource planning is informed by the aspirations and key objectives of the *Strategic Community Plan* and support the implementation of the *Corporate Business Plan*.

The City's resource planning currently includes:

- **The Long Term Financial Plan (this document):** Provides an outline of the financial position of the City over the next 20 years. It plans for the City's long term financial sustainability and allows early identification of financial issues and their longer term impacts
- **The Asset Management Strategy and plans:** Describes how the City's assets will meet the service delivery needs of the community into the future. It plans for the long term sustainable management of assets based on a 'whole of life' and 'whole of organisation' approach.
- **Workforce Strategy 2021-2031:** Provides an outline of the City's workforce requirements and workforce strategies needed to deliver services into the future. It plans for the long-term delivery of current and future operations of the organisation.

# Our Services

The City provides an extensive range of services to the community which fall into the following programs prescribed under *the Local Government (Financial Management) Regulations 1996*. Estimates of expenditure and income have been calculated for each of these programs in this Long Term Financial Plan:

- **Governance** — support of members of Council (Elected Members) and administration and operation of services and facilities to support the Council function.
- **General purpose funding** — expenses and income associated with levying and collecting Rates, Waste Service Fees, general purpose Grants and Interest from investments.
- **Law, Order and public safety** — expenses and income principally associated with the Regulatory Services. This includes administration and implementation of various local laws, animal control (licencing and enforcement), fire prevention and emergency services.
- **Health** — monitoring of food quality and licensing of food premises and pest control measures (e.g. mosquito control).
- **Education and welfare** — operation of day care centres and senior citizens' centres.
- **Community amenities** — operation of Waste services (rubbish collection, disposal and recycling), town planning and development and urban stormwater drainage functions.
- **Recreation and culture** — maintenance of halls, various sporting grounds and facilities, ovals, golf courses, parks and reserves. The operation of libraries and cultural centres are also included.
- **Transport** — maintenance of streets, roads, bridges, parking areas and footpaths, including street cleaning and lighting of streets. Costs associated with operation of works depot/s are also included.
- **Economic services** — building control services (licences), support for any local tourist centre, area promotion and economic development initiatives undertaken.
- **Other property and services** — private works undertaken and operating and maintenance costs of the plant and equipment used in maintenance and construction works.

## Service Delivery

It is proposed that existing service levels will be maintained for all operational areas in the short term. However, a key objective for the City is to align existing service levels with the longer term need to fund the provision of infrastructure and renewal obligations. Operational efficiencies will therefore be sought that do not impact on quality of service.

# Definitions

## **Gross Rental Valuation (GRV)**

Method of Rating that involves an annual rental value being determined by the Valuer General for a property with a Rate-in-the-dollar amount set by the Council applied to that value to determine the annual Rates charge.

## **General funds**

Defined as rates and general purpose grants as per Section 6.23 of the *Local Government Act 1995*:

*“general funds” means the review of income from —*

- (a) general Rates;*
- (b) Government grants which were not given to the local government for a specific purpose; and*
- (c) such other sources as are prescribed.*

## **Maintenance expenditure**

For the purpose of this review, maintenance expenditure is defined as spending on an existing asset which is periodically or regularly required as part of the anticipated schedule of works to ensure that the asset achieves its economic life or period of service between renewal.

Maintenance expenditure:

- does not increase the asset’s service potential or life;
- is essential to ensure the safe and effective operation of the asset during its period of service;
- may be planned or unplanned;
- includes associated labour costs as well as costs of materials and contractors; and
- can include both annual routine maintenance, and the rehabilitation of assets that have prematurely degraded because they were not routinely maintained in the past.

Maintenance expenditure excludes parks operating expenditure, but includes parks maintenance costs.

## **Operating surplus (deficit)**

Defined as total operating revenue less total operating expenses; i.e. it excludes any non-operating amounts (e.g. non-operating grants and subsidies; non-operating contributions, reimbursements and donations; contributions for the development of assets; profit on asset disposals; and loss on asset disposals).

## **Renewals capital expenditure**

Renewals capital expenditure is defined as expenditure on an existing asset which returns the service potential or the life of the asset to its original level. This can involve an asset being periodically renewed to reinstate its service potential or being replaced at the end of its economic life. As it reinstates existing service potential, it has no impact on revenue, but may reduce further operating and maintenance expenditure if completed at the optimum time. Such expenditure is capitalised.

## **Unimproved valuation (UV)**

Method of Rating that involved the estimation of a property's value in an 'unimproved' condition.

## **Upgrade capital expenditure**

Upgrade capital expenditure involves expenditure on an existing asset, which enhances that asset so as to provide a level of service that is greater or increases the life of the asset beyond that which it had originally. As the expenditure increases the asset's service potential or life beyond its original level, it is capitalised not expensed.

## **Own source revenue**

Own source revenue relates to revenue that is raised by the local government, such as Rates, service charges, fees and user charges, interest income, reimbursements and profit on disposal of assets. It excludes such items as Grants, Contributions and donations from external organisations, State and Federal Government.

# Acronyms

CPI	Consumer Price Index
NPV	Net Present Value
GRV	Gross rental valuation
UV	Unimproved valuation
WA	Western Australia
WATC	Western Australia Treasury Corporation

# Disclaimer

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