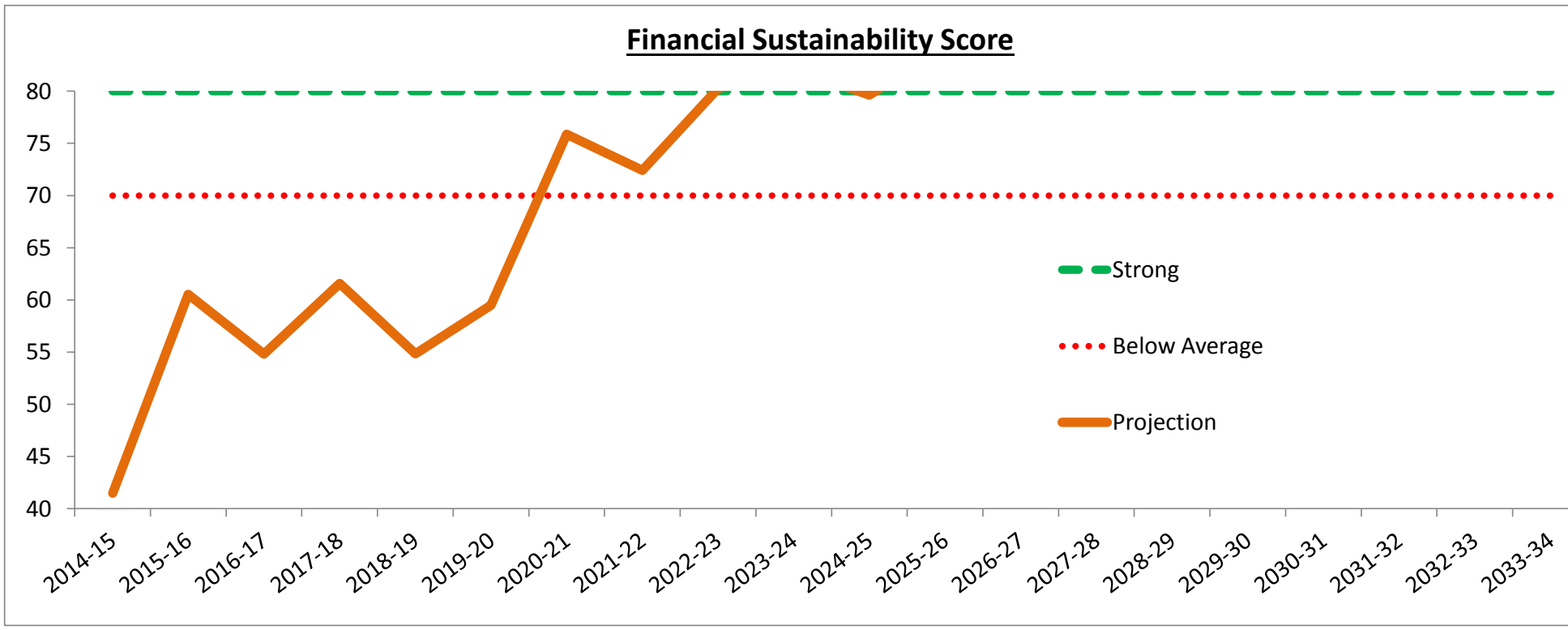
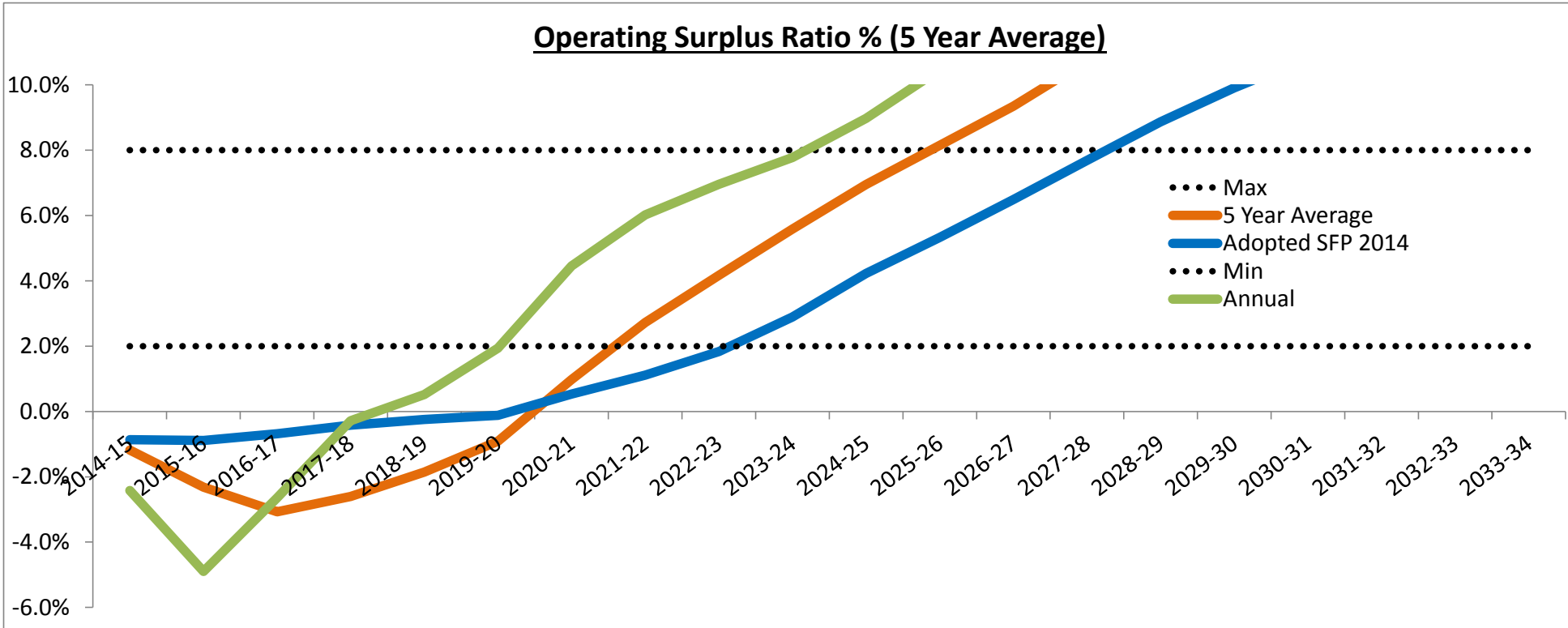
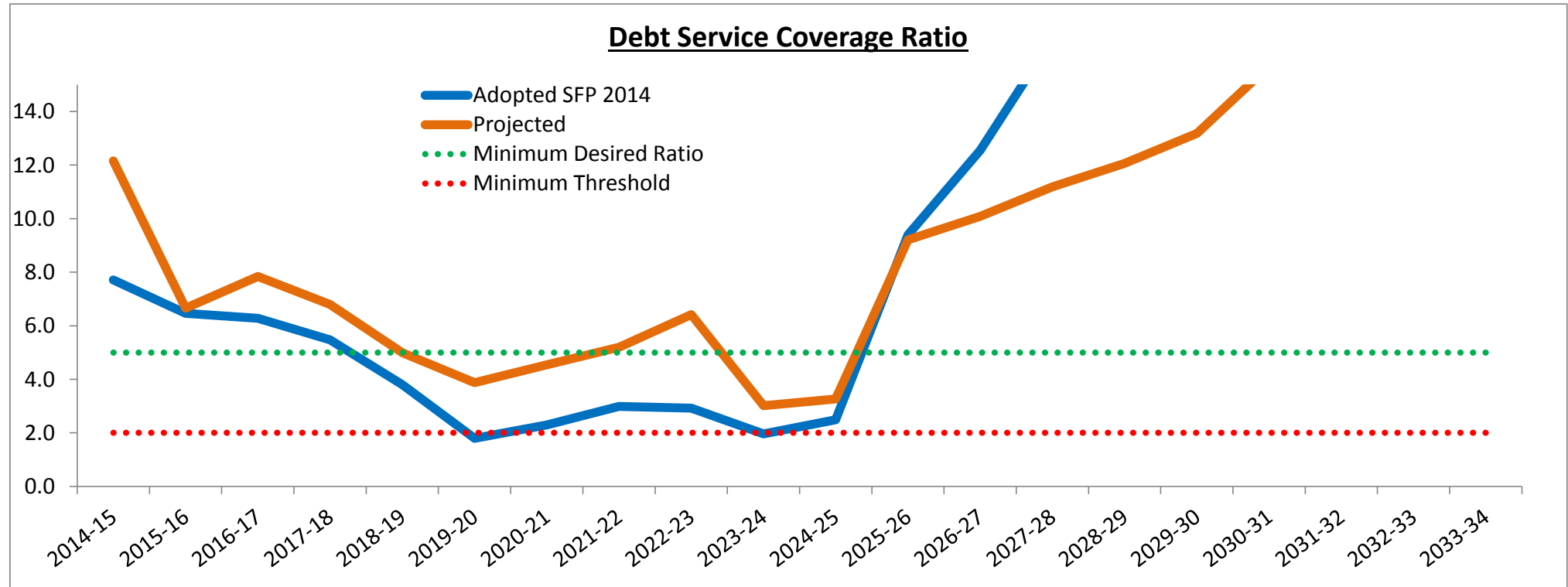
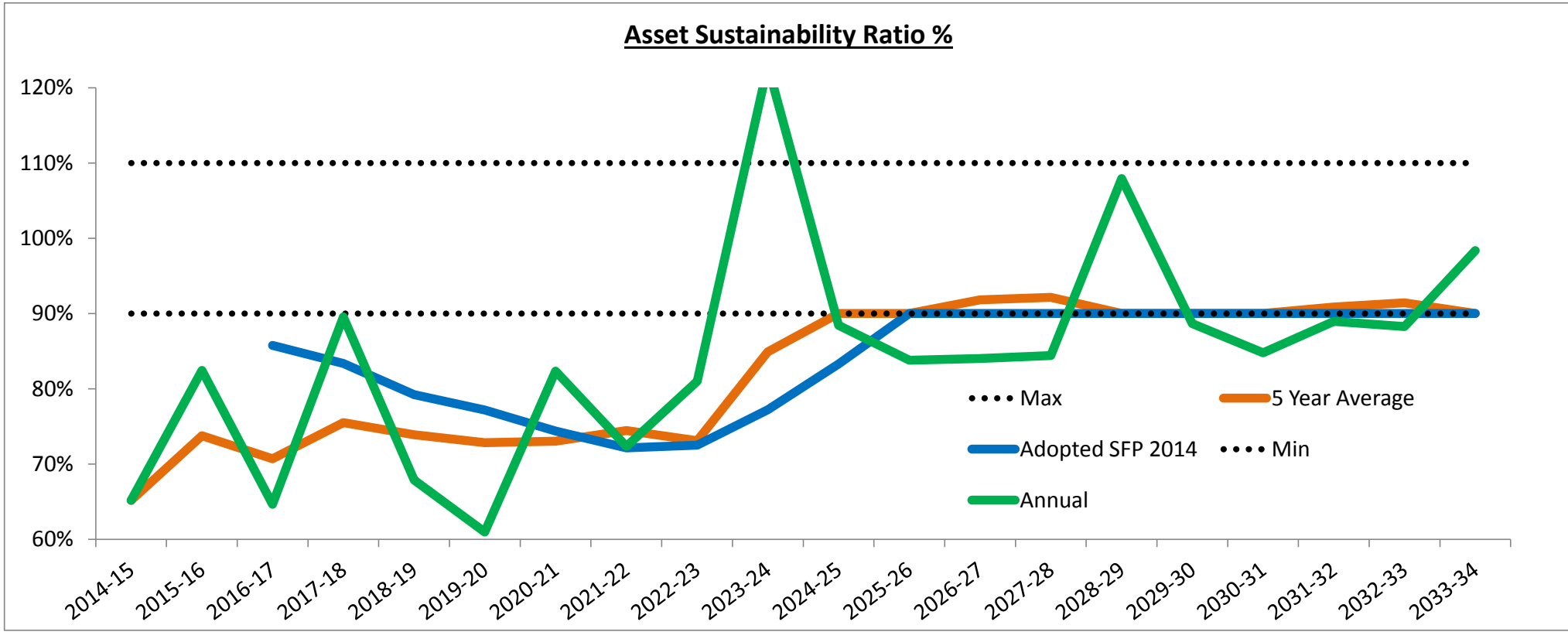
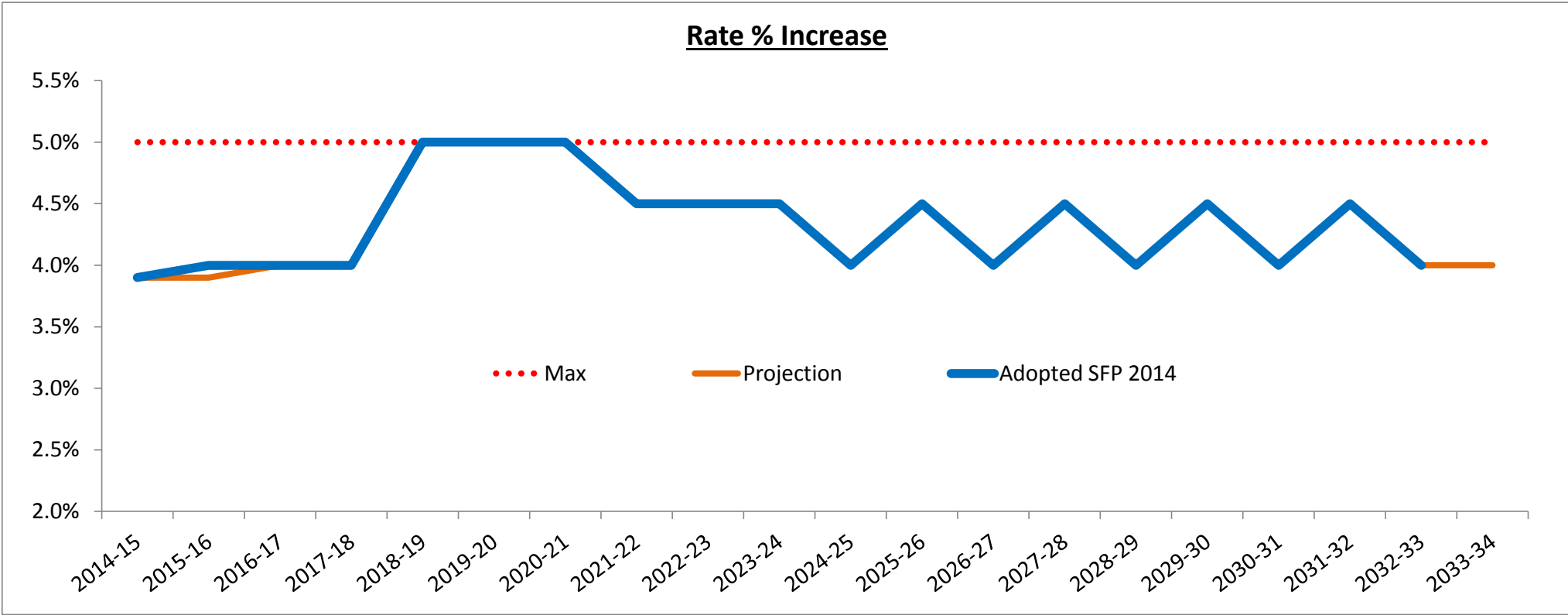


KEY RATIOS SUMMARY

Version:		10 Jun		Model to support SFMC Report				
KEY RATIO		(A) Target Range		(B) Updated 20 Year SFP		(C) Previously Adopted		
as per the City's Guiding Principles		Low	High	Number of Years within Tolerance	Number of Years Outside Tolerance	Number of Years Within Tolerance	vs. Current Proposal	
1	Rate % Increase	0.0%	5.0%	20	0	19	1	<div></div>
2	Balanced Books	\$0	\$0	20	0	20	0	<div></div>
3	Operating Surplus Ratio %	2.0%	8.0%	13	7	10	3	<div></div>
4	Asset Sustainability Ratio %	90.0%	110.0%	10	10	8	2	<div></div>
5	Debt Service Coverage Ratio	< 5	>5	20	0	17	3	<div></div>
	Total			83	17	74	9	<div></div>

OTHER KEY INDICATORS			Updated Plan versus Adopted			Summary
Indicator	Measure		Updated Plan	Adopted	Difference	Red / Amber / Green
1	Financial Sustainability: Yr 1 to 10	Score out of 100 (less than 70 is below average)	64	not available		<div></div>
2	Proposed Borrowings	20 Year Total (\$m)	\$96.2	\$125.2	(\$29.0)	<div></div>
3	Treasury Borrowings Criteria	No of Years where borrowings fails Test	0	5	-5	<div></div>
4	Proposed Borrowings vs Treasury	Amount (\$m) borrowings excess	\$0.0	not available		<div></div>
5	Cash Held less Borrowings Owing:	at end of 2033-34 \$ms	\$374.4	\$179.4	\$195.0	<div></div>
6	Rates % Increase:	Average Increase Years 1 to 10	4.4%	4.5%	-0.1%	<div></div>
7	Operating Surplus Ratio:	What Year does SFP first achieve target ?	2021-22	2023-24	1	<div></div>
8	Operating Surplus Ratio:	Average Performance Years 1 to 10	1.7%	0.6%	1.1%	<div></div>





20 YEAR PLAN - DETAILED

Version:

10 Jun

Model to support SFMC Report

Table 1 - Key Income & Cost Assumptions		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Average
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	
1 Rate % Increase	%	3.9%	3.9%	4.0%	4.0%	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%	4.0%	4.5%	4.0%	4.5%	4.0%	4.5%	4.0%	4.5%	4.0%	4.0%	4.3%
2 Fees and Charges / Other: Base	%			4.7%	4.7%	4.7%	3.7%	3.4%	3.7%	3.6%	3.7%	3.7%	3.5%	3.5%	3.6%	3.5%	3.5%	3.6%	3.6%	3.5%	3.6%	3.8%
3 Employment Costs: Base	%			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
4 Materials and Contracts: Base	%			0.1%	0.3%	3.1%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.0%

Table 2 - Ratios		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Average
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	
1 Operating Surplus Ratio %	For Year	%	(2.4%)	(4.9%)	(2.6%)	(0.3%)	0.5%	4.5%	6.0%	7.0%	7.8%	9.0%	10.5%	11.9%	13.8%	14.9%	16.4%	17.2%	17.6%	18.5%	19.5%	8.33%
	5 Year Av	%	(1.2%)	(2.3%)	(3.1%)	(2.6%)	(1.9%)	1.0%	2.7%	4.2%	5.6%	6.9%	8.1%	9.3%	10.7%	12.2%	13.7%	15.0%	16.1%	17.0%	17.9%	6.42%
2 Asset Sustainability Ratio %	For Year	%	65.2%	82.4%	64.6%	89.6%	67.9%	82.3%	72.4%	81.0%	122.9%	88.4%	83.8%	84.0%	84.4%	107.9%	88.7%	84.8%	89.0%	88.3%	98.4%	84.3%
	5 Year Av	%	65.2%	73.8%	70.7%	75.5%	73.9%	73.0%	74.4%	73.1%	84.9%	90.0%	90.0%	91.8%	92.1%	90.0%	90.0%	90.0%	90.8%	91.4%	90.0%	82.2%
3 Debt Service Coverage Ratio	Ratio for Year		12.2	6.7	7.8	6.8	5.0	4.5	5.2	6.4	3.0	3.3	9.2	10.1	11.2	12.1	13.2	15.7	16.7	17.8	40.0	10.5
	Fall below Score of 5, Five Years in a Row		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	
4 Treasury Borrowings Criteria: Do the projected borrowings fail the test ?																						0.0
Shortfall in Borrowings Capacity	\$000s																					0

Table 3 - 20 Year Rate Setting Statement		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20		
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total	
OPERATING INCOME																							
1 Rates: Base	\$000s	86,971	91,773	95,621	99,446	104,418	109,639	115,121	120,301	125,715	131,372	136,627	142,775	148,486	155,168	161,375	168,637	175,382	183,274	190,605	198,230	2,740,937	
2 Rates: Growth	\$000s		170	354	1,215	2,314	3,119	4,727	6,456	7,328	8,629	9,816	11,011	13,052	15,417	17,065	19,462	21,700	22,940	24,131	25,380	214,286	
3 Fees and Charges / Other: Base	\$000s	38,815	39,717	41,588	43,563	45,605	47,290	48,882	50,712	52,558	54,495	56,528	58,509	60,563	62,757	64,965	67,254	69,672	72,154	74,706	77,398	1,127,732	
4 Fees and Charges / Other: Growth	\$000s			395	495	714	2,271	2,707	3,091	4,963	6,131	6,468	6,810	7,172	7,555	7,956	8,234	8,523	8,821	9,130	9,449	100,885	
5 Operating Grants & Subsidies, Cont's & Reimb's	\$000s	5,177	5,139	5,161	5,290	5,422	5,558	5,724	5,925	6,132	6,347	6,569	6,799	7,037	7,283	7,538	7,802	8,075	8,357	8,650	8,953	132,934	
6 Interest: Reserves	\$000s	0	0	1,623	1,067	583	791	1,451	1,958	1,711	2,153	2,265	3,144	4,595	6,232	8,067	9,550	9,934	10,546	13,028	15,870	94,567	
7 Interest: Municipal	\$000s	4,543	3,486	1,326	1,582	1,684	2,007	2,366	2,542	2,800	2,582	2,987	3,280	3,415	3,638	3,536	3,852	4,147	4,367	4,532	4,650	63,322	
8 Profit on Disposal	\$000s	1,300	1,042	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,341	
A Operating Income	\$000s	136,806	141,327	146,068	152,656	160,740	170,675	180,977	190,985	201,207	211,709	221,261	232,329	244,320	258,050	270,502	284,790	297,433	310,459	324,781	339,930	4,477,005	
OPERATING EXPENDITURE																							
9 Employment Costs: Base	\$000s	(58,235)	(59,888)	(61,668)	(63,501)	(65,389)	(67,332)	(69,352)	(71,452)	(73,615)	(75,844)	(78,140)	(80,875)	(83,706)	(86,635)	(89,668)	(92,806)	(96,054)	(99,416)	(102,896)	(106,497)	(1,582,970)	
10 Employment Costs: Growth	\$000s			(175)	(354)	(856)	(1,387)	(1,487)	(1,884)	(2,684)	(3,436)	(3,859)	(4,325)	(4,476)	(4,633)	(4,795)	(4,963)	(5,137)	(5,317)	(5,503)	(5,695)	(60,966)	
11 Materials and Contracts: Base	\$000s	(48,115)	(52,959)	(53,011)	(53,156)	(54,827)	(56,202)	(57,888)	(59,914)	(62,011)	(64,182)	(66,428)	(68,753)	(71,159)	(73,650)	(76,228)	(78,895)	(81,657)	(84,515)	(87,473)	(90,534)	(1,341,557)	
12 Materials and Contracts: Growth	\$000s			(249)	(488)	(818)	(2,079)	(2,526)	(2,959)	(3,859)	(4,550)	(4,717)	(4,889)	(5,083)	(5,365)	(5,577)	(5,798)	(6,028)	(6,266)	(6,514)	(6,748)	(74,513)	
13 Utilities: Base	\$000s	(5,998)	(6,276)	(6,974)	(7,244)	(7,532)	(7,908)	(8,304)	(8,719)	(9,155)	(9,612)	(10,093)	(10,598)	(11,128)	(11,684)	(12,268)	(12,882)	(13,526)	(14,202)	(14,912)	(15,658)	(204,671)	
14 Utilities: Growth	\$000s			14	50	75	79	32	68	107	141	167	197	206	217	228	239	251	263	277	290	2,899	
15 Interest on Borrowings: Existing	\$000s	(458)	(667)	(581)	(483)	(381)	(273)	(171)	(127)	(101)	(75)	(48)	0	0	0	0	0	0	0	0	0	(3,366)	
16 Interest on Borrowings: New	\$000s	0	0	0	(164)	(1,143)	(2,582)	(3,366)	(3,405)	(3,214)	(3,534)	(2,905)	(2,251)	(2,042)	(1,823)	(1,592)	(1,351)	(1,077)	(846)	(604)	(235)	(32,135)	
17 Insurance Expenses	\$000s	(1,603)	(1,623)	(1,647)	(1,689)	(1,731)	(1,774)	(1,827)	(1,891)	(1,958)	(2,026)	(2,097)	(2,170)	(2,246)	(2,325)	(2,406)	(2,491)	(2,578)	(2,668)	(2,761)	(2,858)	(42,370)	
18 Depreciation: Existing	\$000s	(27,393)	(27,124)	(27,124)	(27,124)	(27,124)	(27,124)	(27,124)	(28,073)	(29,056)	(30,073)	(31,125)	(32,215)	(33,342)	(34,509)	(35,717)	(36,967)	(38,261)	(39,600)	(40,986)	(42,420)	(642,480)	
19 Depreciation: New	\$000s	0	0	(518)	(1,101)	(2,440)	(3,158)	(3,484)	(3,874)	(4,559)	(5,105)	(5,370)	(5,551)	(5,802)	(5,983)	(6,174)	(6,465)	(6,668)	(8,033)	(8,350)	(8,575)	(91,211)	
20 Loss on Disposal	\$000s	(283)	(1,561)																			(1,844)	
B Operating Expenses	\$000s	(142,084)	(150,098)	(151,934)	(155,254)	(162,164)	(169,741)	(175,497)	(182,231)	(190,105)	(198,296)	(204,616)	(211,431)	(218,778)	(226,391)	(234,198)	(242,380)	(250,735)	(260,600)	(269,722)	(278,931)	(4,075,184)	
C Operating Surplus / (Deficit)	A+B	\$000s	(5,278)	(8,772)	(5,865)	(2,598)	(1,424)	934	5,481	8,755	11,103	13,412	16,645	20,898	25,542	31,660	36,303	42,410	46,698	49,859	55,059	60,999	401,822
D Non Cash Items (Depn, Profit & Loss on Disposals)	\$000s	(26,496)	(27,768)	(27,642)	(28,225)	(29,564)	(30,282)	(30,608)	(31,948)	(33,615)	(35,177)	(36,495)	(37,766)	(39,144)	(40,493)	(41,891)	(43,432)	(44,929)	(47,633)	(49,336)	(50,996)	(733,438)	
E Operating Cashflow	C-D	\$000s	21,218	18,996	21,776	25,626	28,140	31,216	36,088	40,702	44,717	48,590	53,140	58,663	64,686	72,152	78,195	85,843	91,628	97,492	104,395	111,995	1,135,260
CAPITAL EXPENDITURE & LOAN PAYMENTS																							
21 Capital Expenditure: Renewal	\$000s	(17,854)	(22,359)	(17,868)	(25,278)	(20,062)	(18,462)	(25,202)	(23,117)	(27,231)	(43,240)	(32,268)	(31,644)	(32,890)	(34,188)	(45,219)	(38,511)	(38,092)	(42,378)	(43,549)	(50,163)	(629,576)	
22 Capital Expenditure: New	\$000s	(21,016)	(27,021)	(30,078)	(76,228)	(40,427)	(16,810)	(20,167)	(36,985)	(29,241)	(11,552)	(9,280)	(12,306)	(8,544)	(8,843)	(13,643)	(9,472)	(79,086)	(15,127)	(10,502)	(10,870)	(487,197)	
23 Loan Repayment Principal: Existing	\$000s	(1,399)	(2,191)	(2,271)	(2,368)	(2,471)	(2,579)	(1,262)	(884)	(910)	(936)	(963)	0	0	0	0	0	0	0	0	0	(18,233)	
24 Loan Repayment Principal: New	\$000s			0	(852)	(1,942)	(3,359)	(3,923)	(4,090)	(3,265)	(12,744)	(13,241)	(4,364)	(4,573)	(4,793)	(5,023)	(5,264)	(4,829)	(5,060)	(5,302)	(2,574)	(85,198)	
F Capital Expenditure & Loan Repayments	\$000s	(40,269)	(51,571)	(50,217)	(104,726)	(64,902)	(41,210)	(50,553)	(65,076)	(60,647)	(68,471)	(55,752)	(48,314)	(46,006)	(47,824)	(63,885)	(53,248)	(122,007)	(62,565)	(59,354)	(63,607)	(1,220,204)	
G (Deficit) to be funded	E+F	\$000s	(19,051)	(32,575)	(28,440)	(79,099)	(36,762)	(14,465)	(24,374)	(15,929)	(19,881)	(2,612)	10,350	18,679	24,329	14,309	32,595	(30,379)	34,927	45,041	48,388	(84,944)	
RESERVES, PROCEEDS AND BORROWINGS																							
25 Capital Grants: Renewal	\$000s	8,184	10,840	4,323	4,904	5,072	5,199	5,355	5,542	5,736	5,937	6,145	6,360	6,583	6,813	7,051	7,298	7,554	7,818	8,092	8,375	133,181	
26 Capital Grants: New	\$000s	0	2,825	4,072	13,828	2,132	3,105	1,967	3,271	950	3,504	1,018	3,754	1,090	1,128	4,162	1,209	1,251	4,614	1,340	1,387	56,607	
27 Disposal Proceeds: Renewal	\$000s	(2,733)	3,525	595	1,002	831	702	851	938	898	575	754	962	957	1,241	1,144	952	965	871	1,580	1,466	18,077	
28 Disposal Proceeds: New	\$000s	8,443	5,298	7,063	10,305	6,167	5,500	6,252	7,167	2,000	11,270	11,410	6,333	6,333	4,333	1,359	0	0	0	0	0	99,233	
29 Reserves: Transfer From	\$000s	9,504	18,613	18,741	35,967	7,598	10,220	10,987	23,926	22,309	7,425	5,304	7,707	6,339	6,468	6,075	1,638	70,913	5,174	2,485	2,089	279,484	
30 Reserves: Transfer To	\$000s	(12,923)	(12,014)	(10,898)	(8,573)	(13,500)	(21,004)	(23,708)	(20,603)	(23,323)	(8,830)	(22,020)	(35,466)	(39,981)	(44,312)	(34,101)	(43,691)	(50,304)	(53,404)	(58,538)	(61,706)	(598,899)	
31 Borrowings	\$000s	8,500	2,498	4,545	21,666	28,462	6,271	12,761	4,133	7,360	0	0	0	0	0	0	0	0	0	0	0	96,196	
H Municipal Cashflow Movements for Year	G+25:30	\$000s	(76)	(990)	0	0	0	0	0	0	(0)	0	0	0	0	0	0	0	(0)	0	(0)	(1,065)	
I Municipal Cash Opening Balance	\$000s	1,065	990	(0)	0	0	0	0	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	(0)	(0)	1,065	
J Municipal Cash Closing Balance	\$000s	990	(0)	0	0	0	0	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	(0)	(0)	(0)	(0)	
TREASURY																							
K Reserves Closing Balance	\$000s	58,378	51,788	43,945	16,551	22,452	33,236	45,957	42,635	43,649	45,054	61,770	89,529	123,170	161,014	189,040	231,093	210,484	258,715	314,767	374,383	374,383	
L Cash Closing Balance (Reserves & Municipal)	\$000s	59,367	51,788	43,945	16,551	22,452	33,236	45,957	42,635	43,649	45,054	61,770	89,529	123,170	161,014	189,040	231,093	210,484	258,715	314,767	374,383	374,383	
M Borrowings: Principal Owning at end of Year	\$000s	(16,835)	(14,642)	(12,371)	(3,694)	(23,418)	(49,474)	(63,629)	(63,672)	(60,407)	(55,023)	(41,782)	(37,418)	(32,845)	(28,052)	(23,029)	(17,765)	(12,936)	(7,876)	(2,574)	(0)	(0)	
N Cash Held less Borrowings Owning	\$000s	42,533	37,146	31,574	12,857	(965)	(16,237)	(17,672)	(21,037)	(16,758)	(9,969)	19,988	52,111	90,325	132,962	166,011	213,328	197,548	250,839	312,193	374,383	374,383	

ASSUMPTIONS	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr11	Yr12	Yr13	Yr14	Yr15	Yr16	Yr17	Yr18	Yr19	Yr20
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34

Section 1 - External Environment & Other Key Indicators

a) Treasury																				
Cash Rate	%		1.75%	1.75%																
WA CPI	%	Treasury Forecast (08 May 2015), up to 2017-18	2.00%	2.50%	2.50%	2.50%														
Wage Price Index	%	Treasury Forecast (08 May 2015), up to 2017-18	2.25%	3.00%	3.25%	3.50%														
Costs of Borrowing	%	10 Year Rate	3.00%	3.25%	3.60%	3.60%	3.60%	4.00%	4.50%	5.00%	5.50%	6.00%								
Costs of Borrowing	%	5 Year Rate	2.50%	2.75%	3.10%	3.10%	3.10%	3.50%	4.00%	4.50%	5.00%	5.50%								
b) State																				
Western Power Street Lighting (May 2014 State Budget)	%		7.50%	16.00%	2.00%	2.10%														
c) WALGA																				
LGCI	%	Quarterly Economic Forecast (March 2015)	1.00%	2.20%	2.70%															

Section 2 - City of Joondalup Key Assumptions

a) Escalation Assumptions																				
Materials & Contracts	%		2.50%	2.50%	2.50%	2.50%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Capital Costs	%		2.50%	2.50%	2.50%	2.50%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
b) Population and Dwellings																				
Population as at end of FY	Qty		164,611	164,942	165,307	165,789	166,309	166,839	167,467	168,064	168,724	169,477	170,285	171,109	171,959	172,846	173,744	174,670	175,617	176,595
Dwellings (rated) at beginning of FY	Qty		61,650	61,650	62,000	62,300	62,714	63,164	63,614	64,064	64,514	64,883	65,233	65,583	65,933	66,283	66,633	66,833	67,033	67,233
Dwellings Increase	Qty	versus Previous Year		350	300	414	450	450	450	450	369	350	350	350	350	350	200	200	200	200
c) Business																				
Business Growth	Qty	m2 Increase, cumulative versus 2014-15		8,000	16,000	36,000	49,000	57,000	74,640	92,280	102,360	117,480	127,560	132,600	155,280	180,480	205,680	230,880	252,000	252,000
Business Growth	Qty	% Increase in Business Rates versus 2014-15		1%	2%	5%	6%	7%	12%	16%	17%	20%	21%	22%	26%	30%	34%	39%	42%	42%
d) Other Indicators																				
FTEs as at end of FY	FTE		591.4	592.5	592.5	592.5	597.5	611.5	611.5	611.5	614.5	616.5	616.5	616.5	616.5	616.5	616.5	616.5	616.5	616.5

Section 3 - Operating Income

A) Annual Increases																				
A1 Rates: Base	Rates: Base	%	3.90%	3.90%	4.00%	4.00%	5.00%	5.00%	5.00%	4.50%	4.50%	4.50%	4.00%	4.50%	4.00%	4.50%	4.00%	4.50%	4.00%	4.00%
B1 Refuse Charges	Fees and Charges / Other: Base	%			4.16%	4.39%	4.24%	2.52%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
B2 Building Fees, excl Dev't Application Fees	Fees and Charges / Other: Base	%			2.50%	2.50%	2.50%	2.50%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
B3 Development Application Fees	Fees and Charges / Other: Base	%			5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
B4 Licenses & Registrations	Fees and Charges / Other: Base	%			0.00%	0.00%	0.00%	2.50%	0.00%	0.00%	0.00%	2.50%	0.00%	0.00%	0.00%	2.50%	0.00%	0.00%	2.50%	0.00%
B5 Sports & Recreation Fees	Fees and Charges / Other: Base	%			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%
B6 Hire & Rentals / Leases	Fees and Charges / Other: Base	%			2.50%	2.50%	2.50%	2.50%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
B7 Inspection & Control Fees	Fees and Charges / Other: Base	%			2.50%	2.50%	2.50%	2.50%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
B8 Fines & Penalties	Fees and Charges / Other: Base	%			0.00%	0.00%	3.00%	0.00%	0.00%	3.00%	0.00%	0.00%	3.00%	0.00%	0.00%	3.00%	0.00%	0.00%	3.00%	0.00%
B9 Parking Fees	Fees and Charges / Other: Base	%			20.00%	16.67%	14.29%	12.50%	5.56%	5.26%	5.00%	5.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
B10 Other Fees & Charges	Fees and Charges / Other: Base	%			2.50%	2.50%	2.50%	2.50%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
B11 Other Revenue	Fees and Charges / Other: Base	%			2.50%	2.50%	2.50%	2.50%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
C1 Grants & Subsidies - Operating	Operating Grants & Subsidies, Cont's	%			2.50%	2.50%	2.50%	2.50%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
C2 Contributions, Sponsorships & Reimbursements	Operating Grants & Subsidies, Cont's	%			2.50%	2.50%	2.50%	2.50%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
C3 Sale of Recyclable Materials - MRF	Operating Grants & Subsidies, Cont's	%																		

Section 4 - Operating Costs

A) Annual Increases																				
A1 Salaries & Wages	Employment Costs: Base	%			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
A2 Other Employment Costs	Employment Costs: Base	%			2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
B1 Members Costs	Materials and Contracts: Base	%			2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
B2 Accommodation & Prop	Materials and Contracts: Base	%			2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
B3 Administration	Materials and Contracts: Base	%			2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
B4 Telephones and Communication	Materials and Contracts: Base	%			2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
B5 Finance Related Cost	Materials and Contracts: Base	%			2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
B6 Professional Fees &	Materials and Contracts: Base	%			-9.0%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
B7 Public Relations, Ad	Materials and Contracts: Base	%			2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
B8 Contributions & Donations paid by City	Materials and Contracts: Base	%			-14.9%	-38.0%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
B9 Computing	Materials and Contracts: Base	%			2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

ASSUMPTIONS			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr11	Yr12	Yr13	Yr14	Yr15	Yr16	Yr17	Yr18	Yr19	Yr20
			2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
B10 Furniture, Equipment	Materials and Contracts: Base	%			2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
B11 Other Materials	Materials and Contracts: Base	%			2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
B12 Books & Publications	Materials and Contracts: Base	%			2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
B13 Travel, Vehicles & P	Materials and Contracts: Base	%			2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
B14 External Services, excl Tipping Fees	Materials and Contracts: Base	%			2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
B15 Tipping Fees	Materials and Contracts: Base	%			4.2%	4.4%	4.2%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
B16 Waste Management Services	Materials and Contracts: Base	%			4.2%	4.4%	4.2%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
B17 Charges & Recoveries	Materials and Contracts: Base	%			2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
C1 Electricity - Western Power (WP) Streetlighting	Utilities: Base	%			16.0%	2.0%	2.1%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
C2 Electricity - excluding WP Streetlighting	Utilities: Base	%			7.0%	6.0%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
C3 Gas & Water	Utilities: Base	%			7.0%	6.0%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
D1 Insurance Expenses	Insurance Expenses	%			2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
E1 Depreciation: Existing	Depreciation: Existing	%			0.0%	0.0%	0.0%	0.0%	0.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

B) Cost Management Program		
a) Employment Costs: Base	%	
b) Materials and Contracts: Base	%	
c) Utilities: Base	%	

-2.00%	-1.00%																					

Section 5 - Capital & Depreciation

a) Capital Expenditure																						
None	%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Capital Costs	%		2.50%	2.50%	2.50%	2.50%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
JPACF Capital Costs (to escalate from 2013 values)	%		4.70%	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%
b) Grants & Disposal Proceeds																						
Capital Grants: Renewal	%		2.50%	2.50%	2.50%	2.50%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Capital Grants: New	%		2.50%	2.50%	2.50%	2.50%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Disposal Proceeds: Renewal	%		2.50%	2.50%	2.50%	2.50%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Disposal Proceeds: New	%		2.50%	2.50%	2.50%	2.50%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
c) Depreciation p.a. - Property, Plant & Equipment			Depn p.a.																			
Freehold Land	%		2.0%	60 Years																		
Buildings	%		1.7%																			
Artworks	%		0.00%																			
Furniture & IT	%		10.00%																			
Fleet, Plant & Equipment	%		10.00%																			
c) Depreciation - Infrastructure			Depn p.a.																			
Roads	%		2.0%																			
Footpaths	%		2.5%																			
Reserves	%		10.00%																			
Other infrastructure	%		10.00%																			

Section 6 - Finance

a) Earnings on Cash																						
Cash Reserves earnings	%		3.50%	3.50%	3.50%	4.00%	4.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
b) Length of Loans																						
Lower Limits	\$000s		0	5,000	10,000	60,000																
Higher Limits	\$000s		5,000	10,000	60,000																	
Length of Loan	Yrs		5	10	15	20																
c) External Funding Costs & Earnings																						
Loan Term 1	5	%	3.25%	3.75%	4.25%	4.75%	5.25%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Loan Term 2	10		3.50%	4.00%	4.50%	5.00%	5.50%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Loan Term 3	15		3.75%	4.25%	4.75%	5.25%	5.75%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Loan Term 4	20	%	4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Govt Guarantees on Loans	%		0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
d) Internal Funding Costs & Earnings (SAMR)																						
Internal Cost of Capital	%		3.50%	4.00%	4.50%	5.00%	5.50%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Years assumed to be set up for internal project funding	Yrs		10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10

MAJOR PROJECT ASSUMPTIONS AND CHANGES SINCE ADOPTED PLAN

Major Project	Reason for Change		Year of Completion			Capital \$m #1			Other Comments
	Source / Details	Elected Members - When was it last reviewed and/or When is the Next Review ?	Adopted June 2014	Current Proposed	Diff (Now vs. Prev)	Adopted June 2014	Current Proposed	Diff (Now vs. Prev)	
1 Ocean Reef Marina Business Case & Structure Plan	Draft Budget 2015-16	Adopted SFP June 2014	2015-16	2015-16	No Change	(\$3.1)	(\$2.4)	\$0.7	
2 Multi Storey Car Park (1)	Adopted SFP based on Business Case estimate. Tenders now received and construction commenced	Tender approved in June 2014	2015-16	2015-16	No Change	(\$20.5)	(\$17.4)	\$3.1	
3 Mullaloo Surf Life Saving Club	Council resolution 21.04.15	21.04.15		2015-16	New		(\$1.7)	(\$1.7)	
4 Cafes / Kiosks / Restaurants	4 sites proposed in total	Pinnaroo	2016-17	2016-17	No Change	(\$0.3)	(\$0.5)	(\$0.2)	
5 Penistone Park - Facility Redevelopment	Report to Council	Council September 2014	2015-16	2016-17	- 1 year	(\$3.8)	(\$3.5)	\$0.3	To be reviewed at Council May 2015, and will be subject to change
6 Synthetic Hockey Project	Project is now being implemented and now estimated for completion 2016-17	Adopted SFP June 2014	2015-16	2016-17	- 1 year	(\$6.5)	(\$6.5)	(\$0.0)	
7 CBD Office Development	Project Costs only included at this stage	Council December 2014	2017-18	2017-18	No Change	(\$0.6)	(\$1.3)	(\$0.7)	There are likely to be other capital costs, which will be added after negotiations are completed.
8 Grove Child Care / Dorchester Hall / Warwick Hall	No Change. Structure Plan will be required, but both parties are keen to progress so project is still assumed to be completed within 5 years.		2017-18	2017-18	No Change	(\$4.3)	(\$4.3)	\$0.0	
9 Joondalup Administration Building - refurbishment	No change. Works will be carried out to the external façade, toilets and lifts.	Adopted SFP June 2014	2017-18	2017-18	No Change	(\$5.0)	(\$5.0)	\$0.0	
10 Joondalup Performing Arts & Culture Facility/Jinan Gardens	Includes \$1.7m project costs for 2015-16. Estimated construction costs of \$92.7m brought up to 2015 values, \$1.7m higher than previous \$91.0m	Steering Group March 2015	2018-19	2018-19	No Change	(\$94.2)	(\$93.9)	\$0.3	
11 Greenwood Community Centre (Calectasia hall / GSGH)	No Change	Adopted SFP June 2014	2019-20	2019-20	No Change	(\$5.0)	(\$5.0)	\$0.0	
12 Clubroom Redevelopment - Chichester Park	Active Reserve Review	Council July 2014	2020-21	2019-20	+1 year	(\$4.0)	(\$4.0)	\$0.0	
13 Percy Doyle - Refurbishment Works	Council resolution 21.04.15	Council April 2015	2024-25	2020-21	+4 Years	(\$5.5)	(\$6.3)	(\$0.8)	
14 Edgewater Quarry	Adopted SFP June 2014	Strategy 01 April 2014 & Elected Members weekend 18.05.14	2021-22	2021-22	No Change	(\$21.7)	(\$21.7)	\$0.0	
15 Whitfords Library and Senior Citizens Centre	Adopted SFP June 2014	Strategic Weekend 18.05.14	2022-23	2022-23	No Change	(\$12.1)	(\$12.1)	\$0.0	
16 Multi Storey Car Park (2)	Adopted SFP June 2014	Adopted SFP June 2014	2022-23	2022-23	No Change	(\$20.5)	(\$18.5)	\$2.0	
17 Percy Doyle Master-Plan Phase 1 (Library & L-Centre) #1	Adopted SFP June 2014	Adopted SFP June 2014	2030-31	2030-31	No Change	(\$43.2)	(\$43.2)	\$0.0	
18 Prince Regent Park Development	Active Reserve Review	Council July 2014		2031-32	New		(\$2.1)	(\$2.1)	
19 Hawker Park Clubrooms	Recommended for removal	SFMC February 2015	2016-17		Remove	(\$2.7)	\$0.0	\$2.7	
TOTAL						(\$253.0)	(\$249.3)	\$3.7	

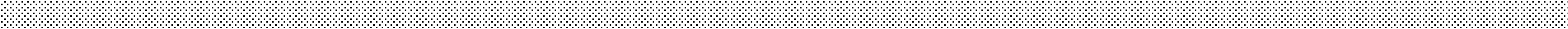
#1 Capital Costs excluding escalation.

Version:		10 Jun				Model to support SFMC Report																
CAPEX, excluding escalation		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr11	Yr12	Yr13	Yr14	Yr15	Yr16	Yr17	Yr18	Yr19	Yr20	Yr 1 to 20
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Section A - by Project																						
A1 Capital Works Program, excl MPP																						
1 Parks Development		(1,596)	(1,290)	(1,281)	(1,168)	(1,254)	(1,250)	(1,500)	(1,500)	(1,500)	(1,500)	(1,700)	(1,700)	(1,700)	(1,700)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(32,639)
2 Foreshore and Natural Areas		(385)	(470)	(506)	(495)	(465)	(475)	(600)	(600)	(600)	(600)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(12,196)
3 Parks Equipment		(2,481)	(1,888)	(1,862)	(1,876)	(1,725)	(1,763)	(2,000)	(2,000)	(2,000)	(2,000)	(2,250)	(2,250)	(2,360)	(2,360)	(2,360)	(2,360)	(2,360)	(2,360)	(2,360)	(2,360)	(42,974)
4 Streetscape Enhancement		(879)	(1,250)	(1,500)	(1,500)	(1,500)	(1,500)	(1,450)	(1,200)	(950)	(950)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(22,679)
5 Local Traffic management		(874)	(945)	(1,020)	(940)	(890)	(890)	(900)	(900)	(900)	(900)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(19,159)
6 State Blackspot		(532)	(1,300)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(18,032)
7 Parking Facilities		(375)	(348)	(355)	(350)	(350)	(350)	(430)	(430)	(430)	(430)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(530)	(9,148)
8 Major Road Construction		(200)	(5,943)	(3,750)	(3,000)	(1,500)	(1,500)		(3,000)		(3,000)		(3,000)			(3,000)			(3,000)			(30,893)
9 New Paths		(542)	(637)	(439)	(475)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(8,892)
10 Path Replacement		(468)	(359)	(427)	(401)	(490)	(490)	(752)	(752)	(752)	(752)	(1,110)	(1,110)	(1,110)	(1,110)	(1,110)	(344)	(344)	(344)	(344)	(344)	(12,912)
11 Stormwater Drainage		(773)	(592)	(790)	(790)	(740)	(740)	(1,000)	(1,000)	(1,000)	(1,000)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(20,925)
12 Lighting		(628)	(3,035)	(3,375)	(3,000)	(1,025)	(825)	(3,000)	(3,000)	(2,500)	(2,000)	(2,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(33,388)
13 Road Preservation and Resurfacing		(7,242)	(6,720)	(6,018)	(6,533)	(6,660)	(6,695)	(6,500)	(6,500)	(10,000)	(11,000)	(11,000)	(11,000)	(12,000)	(12,000)	(12,000)	(13,000)	(13,000)	(13,000)	(14,000)	(14,000)	(198,867)
14 Bridges and Underpasses		(9)	(25)	(25)	(50)	(50)	(50)	(90)	(90)	(90)	(90)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(1,569)
15 Major Building Construction		(1,549)	(4,560)	(2,470)	(1,970)	(1,850)	(1,770)	(3,200)	(3,200)	(1,750)	(2,800)	(2,800)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	(48,619)
16 CWP Renewal (not specified)											(13,288)	(1,561)	(1,388)			(6,211)	(1,323)	(413)			(3,262)	(27,446)
Total Capital Works Program, excl MPP		(18,532)	(29,361)	(24,718)	(23,447)	(19,824)	(19,623)	(22,747)	(25,497)	(23,797)	(41,635)	(28,326)	(29,653)	(26,375)	(26,375)	(35,886)	(28,231)	(27,322)	(29,909)	(27,909)	(31,170)	(540,338)
A2 Capital Projects - Annual Programs																						
21 Fleet		(2,312)	(2,066)	(2,353)	(2,775)	(3,530)	(3,085)	(2,914)	(3,367)	(2,681)	(1,712)	(2,400)	(2,625)	(3,026)	(3,254)	(3,301)	(2,606)	(2,413)	(2,516)	(3,434)	(3,034)	(55,404)
22 IT		(804)	(501)	(605)	(454)	(260)	(280)	(120)	(120)	(120)	(120)	(120)	(270)	(120)	(120)	(130)	(130)	(130)	(120)	(120)	(120)	(4,764)
23 Rangers, Parking & Community Safety		(15)	(359)						(125)	(1,625)				(125)								(2,249)
24 Artworks & Other		(574)																				(574)
26 Year 1 & 2 Various		(515)	(2,107)																			(2,622)
Total Capital Projects - Annual Programs		(4,221)	(5,033)	(2,958)	(3,229)	(3,790)	(3,365)	(3,034)	(3,612)	(4,426)	(1,832)	(2,520)	(2,895)	(3,271)	(3,374)	(3,431)	(2,736)	(2,543)	(2,636)	(3,554)	(3,154)	(65,613)
A3 Major Projects less than \$3m																						
31 Warwick Leisure Centre Extension			(1,609)																			(1,609)
33 Bramston Park Clubrooms		(200)	(2,731)																			(2,931)
34 Craigie LC - Upgrades					(2,250)																	(2,250)
35 Heathridge Leisure Centre Refurbishment						(1,000)																(1,000)
37 Craigie LC - Geothermal Bore - additional injection bore											(1,000)											(1,000)
41 Marmion Angling & Aquatic Club Parking		(200)	(2,160)																			(2,360)
42 Joondalup Library - major refurbishment					(1,250)																	(1,250)
Total Major Projects less than \$3m		(400)	(6,500)		(3,500)	(1,000)						(1,000)										(12,400)
A4 Major Projects greater than \$3m																						
51 Joondalup Performing Arts & Culture Facility/Jinan Gardens		(210)	(1,737)	(11,076)	(52,464)	(28,441)																(93,927)
52 CBD Office Development		(210)	(259)	(789)																		(1,258)
53 Cafes / Kiosks / Restaurants		(97)	(180)	(180)																		(457)
54 Ocean Reef Marina Business Case & Structure Plan		(1,000)	(1,423)																			(2,423)
56 Penistone Park - Facility Redevelopment			(240)	(708)	(2,581)																	(3,529)
58 Synthetic Hockey Project		(200)	(900)	(5,445)																		(6,545)
59 Greenwood Community Centre (Calectasia hall / GSGH)						(1,500)	(3,500)															(5,000)
60 Edgewater Quarry							(864)	(11,224)	(9,612)													(21,699)
61 Percy Doyle Master-Plan Phase 1 (Library & L-Centre) #1																		(43,200)				(43,200)
62 Percy Doyle - Refurbishment Works				(528)	(1,268)	(1,006)	(603)	(2,850)														(6,254)
64 Clubroom Redevelopment - Chichester Park							(4,000)															(4,000)
65 Grove Child Care / Dorchester Hall / Warwick Hall				(270)	(4,000)																	(4,270)
66 Whitfords Library and Senior Citizens Centre								(50)	(7,000)	(5,000)												(12,050)
67 Multi Storey Car Park (1)		(14,000)	(2,048)																			(16,048)
68 Multi Storey Car Park (2)									(5,355)	(13,145)												(18,500)
69 Joondalup Administration Building - refurbishment					(5,000)																	(5,000)
73 Mullaloo Surf Life Saving Club			(1,700)																			(1,700)
75 Prince Regent Park Development																			(2,100)			(2,100)
Total Major Projects greater than \$3m		(15,717)	(8,486)	(18,996)	(65,312)	(30,947)	(8,967)	(14,124)	(21,967)	(18,145)								(43,200)	(2,100)			(247,960)
#1 Percy Doyle Master-Plan included above is the renewal of the Library and Leisure Centre. Phase 2 is outside the timescales of the 20 year SFP																						
Projects that are not highlighted are fully funded by Municipal Funds. Projects highlighted in yellow are included in Attachment 1.7																						

CAPEX, excluding escalation

Section B - Summary

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr11	Yr12	Yr13	Yr14	Yr15	Yr16	Yr17	Yr18	Yr19	Yr20	Yr 1 to 20
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Category																					
Capital Works Program, excl MPP	(18,532)	(29,361)	(24,718)	(23,447)	(19,824)	(19,623)	(22,747)	(25,497)	(23,797)	(41,635)	(28,326)	(29,653)	(26,375)	(26,375)	(35,886)	(28,231)	(27,322)	(29,909)	(27,909)	(31,170)	(540,338)
Capital Projects - Annual Programs	(4,221)	(5,033)	(2,958)	(3,229)	(3,790)	(3,365)	(3,034)	(3,612)	(4,426)	(1,832)	(2,520)	(2,895)	(3,271)	(3,374)	(3,431)	(2,736)	(2,543)	(2,636)	(3,554)	(3,154)	(65,613)
Major Projects less than \$3m	(400)	(6,500)		(3,500)	(1,000)						(1,000)										(12,400)
Major Projects greater than \$3m	(15,717)	(8,486)	(18,996)	(65,312)	(30,947)	(8,967)	(14,124)	(21,967)	(18,145)								(43,200)	(2,100)			(247,960)
TOTAL CAPITAL EXPENDITURE	(38,870)	(49,380)	(46,672)	(95,488)	(55,560)	(31,955)	(39,905)	(51,076)	(46,368)	(43,467)	(31,846)	(32,548)	(29,647)	(29,749)	(39,317)	(30,967)	(73,065)	(34,644)	(31,462)	(34,325)	(866,310)
Existing / New																					
Existing \$000s	(17,854)	(22,359)	(17,433)	(24,060)	(18,630)	(16,726)	(22,167)	(19,645)	(22,359)	(34,303)	(24,733)	(23,435)	(23,533)	(23,635)	(30,204)	(24,854)	(23,752)	(25,531)	(25,349)	(28,212)	(468,773)
New \$000s	(21,016)	(27,021)	(29,239)	(71,429)	(36,931)	(15,229)	(17,738)	(31,431)	(24,009)	(9,164)	(7,113)	(9,113)	(6,113)	(6,113)	(9,113)	(6,113)	(49,313)	(9,113)	(6,113)	(6,113)	(397,538)
Existing %	45.9%	45.3%	37.4%	25.2%	33.5%	52.3%	55.5%	38.5%	48.2%	78.9%	77.7%	72.0%	79.4%	79.5%	76.8%	80.3%	32.5%	73.7%	80.6%	82.2%	54.1%
New %	54.1%	54.7%	62.6%	74.8%	66.5%	47.7%	44.5%	61.5%	51.8%	21.1%	22.3%	28.0%	20.6%	20.5%	23.2%	19.7%	67.5%	26.3%	19.4%	17.8%	45.9%



CAPEX, including escalation

Version:

10 Jun

Model to support SFMC Report

Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr11	Yr12	Yr13	Yr14	Yr15	Yr16	Yr17	Yr18	Yr19	Yr20	Yr 1 to 20
2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total

Section A - by Project

A1 Capital Works Program, excl MPP																							
1 Parks Development	\$000s	(1,596)	(1,290)	(1,313)	(1,227)	(1,350)	(1,380)	(1,705)	(1,765)	(1,827)	(1,891)	(2,218)	(2,296)	(2,376)	(2,459)	(2,994)	(3,099)	(3,207)	(3,320)	(3,436)	(3,556)	(44,305)	
2 Foreshore and Natural Areas	\$000s	(385)	(470)	(519)	(520)	(501)	(524)	(682)	(706)	(731)	(756)	(913)	(945)	(978)	(1,013)	(1,048)	(1,085)	(1,123)	(1,162)	(1,203)	(1,245)	(16,507)	
3 Parks Equipment	\$000s	(2,481)	(1,888)	(1,909)	(1,970)	(1,858)	(1,946)	(2,274)	(2,353)	(2,436)	(2,521)	(2,935)	(3,038)	(3,298)	(3,414)	(3,533)	(3,657)	(3,785)	(3,917)	(4,054)	(4,196)	(57,464)	
4 Streetscape Enhancement	\$000s	(879)	(1,250)	(1,538)	(1,576)	(1,615)	(1,656)	(1,649)	(1,412)	(1,157)	(1,198)	(1,305)	(1,350)	(1,398)	(1,446)	(1,497)	(1,550)	(1,604)	(1,660)	(1,718)	(1,778)	(29,234)	
5 Local Traffic management	\$000s	(874)	(945)	(1,046)	(988)	(958)	(982)	(1,023)	(1,059)	(1,096)	(1,134)	(1,305)	(1,350)	(1,398)	(1,446)	(1,497)	(1,550)	(1,604)	(1,660)	(1,718)	(1,778)	(25,411)	
6 State Blackspot	\$000s	(532)	(1,300)	(923)	(946)	(969)	(993)	(1,023)	(1,059)	(1,096)	(1,134)	(1,174)	(1,215)	(1,258)	(1,302)	(1,347)	(1,395)	(1,443)	(1,494)	(1,546)	(1,600)	(23,750)	
7 Parking Facilities	\$000s	(375)	(348)	(364)	(368)	(377)	(386)	(489)	(506)	(524)	(542)	(691)	(716)	(741)	(767)	(793)	(821)	(850)	(880)	(911)	(942)	(12,390)	
8 Major Road Construction	\$000s	(200)	(5,943)	(3,844)	(3,152)	(1,615)	(1,656)		(3,530)		(3,782)		(4,051)			(4,491)			(4,980)			(37,243)	
9 New Paths	\$000s	(542)	(637)	(450)	(499)	(458)	(469)	(483)	(500)	(518)	(536)	(554)	(574)	(594)	(615)	(636)	(659)	(682)	(705)	(730)	(756)	(11,596)	
10 Path Replacement	\$000s	(468)	(359)	(438)	(421)	(528)	(541)	(855)	(885)	(916)	(948)	(1,448)	(1,499)	(1,551)	(1,606)	(1,662)	(532)	(551)	(570)	(590)	(611)	(16,980)	
11 Stormwater Drainage	\$000s	(773)	(592)	(810)	(830)	(797)	(817)	(1,137)	(1,177)	(1,218)	(1,261)	(1,631)	(1,688)	(1,747)	(1,808)	(1,871)	(1,937)	(2,005)	(2,075)	(2,147)	(2,223)	(28,542)	
12 Lighting	\$000s	(628)	(3,035)	(3,459)	(3,152)	(1,104)	(911)	(3,411)	(3,530)	(3,045)	(2,521)	(2,609)	(1,350)	(1,398)	(1,446)	(1,497)	(1,550)	(1,604)	(1,660)	(1,718)	(1,778)	(41,405)	
13 Road Preservation and Resurfacing	\$000s	(7,242)	(6,720)	(6,168)	(6,863)	(7,172)	(7,390)	(7,390)	(7,649)	(12,179)	(13,866)	(14,351)	(14,853)	(16,771)	(17,358)	(17,965)	(20,144)	(20,849)	(21,578)	(24,052)	(24,893)	(275,454)	
14 Bridges and Underpasses	\$000s	(9)	(25)	(26)	(53)	(54)	(55)	(102)	(106)	(110)	(113)	(130)	(135)	(140)	(145)	(150)	(155)	(160)	(166)	(172)	(178)	(2,183)	
15 Major Building Construction	\$000s	(1,549)	(4,560)	(2,532)	(2,070)	(1,992)	(1,954)	(3,638)	(3,766)	(2,131)	(3,529)	(3,653)	(3,106)	(3,214)	(3,327)	(3,443)	(3,564)	(3,689)	(3,818)	(3,951)	(4,090)	(63,576)	
16 CWP Renewal (not specified)	\$000s										(16,750)	(2,037)	(1,874)			(9,299)	(2,049)	(663)			(5,800)	(38,471)	
Total Capital Works Program, excl MPP		\$000s	(18,532)	(29,361)	(25,336)	(24,634)	(21,348)	(21,660)	(25,862)	(30,003)	(28,983)	(52,483)	(36,956)	(40,041)	(36,861)	(38,151)	(53,726)	(43,744)	(43,817)	(49,645)	(47,946)	(55,424)	(724,513)

A2 Capital Projects - Annual Programs																							
21 Fleet	\$000s	(2,312)	(2,066)	(2,412)	(2,916)	(3,801)	(3,405)	(3,313)	(3,962)	(3,265)	(2,157)	(3,131)	(3,545)	(4,230)	(4,706)	(4,942)	(4,038)	(3,870)	(4,176)	(5,899)	(5,395)	(73,542)	
22 IT	\$000s	(804)	(501)	(620)	(477)	(280)	(309)	(136)	(141)	(146)	(151)	(157)	(365)	(168)	(174)	(195)	(201)	(208)	(199)	(206)	(213)	(5,652)	
23 Rangers, Parking & Community Safety	\$000s	(15)	(359)						(147)	(1,979)				(175)								(2,675)	
24 Artworks & Other	\$000s	(574)																				(574)	
26 Year 1 & 2 Various	\$000s	(515)	(2,107)																			(2,622)	
Total Capital Projects - Annual Programs		\$000s	(4,221)	(5,033)	(3,032)	(3,393)	(4,081)	(3,714)	(3,450)	(4,250)	(5,390)	(2,309)	(3,288)	(3,909)	(4,572)	(4,880)	(5,137)	(4,239)	(4,078)	(4,375)	(6,106)	(5,609)	(85,065)

A3 Major Projects less than \$3m																					
31 Warwick Leisure Centre Extension	\$000s		(1,609)																		(1,609)
33 Bramston Park Clubrooms	\$000s	(200)	(2,731)																		(2,931)
34 Craigie LC - Upgrades	\$000s				(2,364)																(2,364)
35 Heathridge Leisure Centre Refurbishment	\$000s					(1,077)															(1,077)
37 Craigie LC - Geothermal Bore - additional injection bore	\$000s										(1,305)										(1,305)
41 Marmion Angling & Aquatic Club Parking	\$000s	(200)	(2,160)																		(2,360)
42 Joondalup Library - major refurbishment	\$000s				(1,313)																(1,313)
Total Major Projects less than \$3m	\$000s	(400)	(6,500)		(3,677)	(1,077)						(1,305)									(12,959)

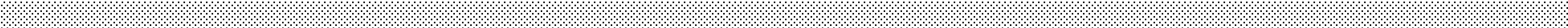
A4 Major Projects greater than \$3m																					
51 Joondalup Performing Arts & Culture Facility/Jinan Gardens	\$000s	(210)	(1,737)	(11,596)	(56,303)	(31,285)															(101,131)
52 CBD Office Development	\$000s	(210)	(259)	(809)																	(1,278)
53 Cafes / Kiosks / Restaurants	\$000s	(97)	(180)	(185)																	(462)
54 Ocean Reef Marina Business Case & Structure Plan	\$000s	(1,000)	(1,423)																		(2,423)
56 Penistone Park - Facility Redevelopment	\$000s		(240)	(726)	(2,711)																(3,677)
58 Synthetic Hockey Project	\$000s	(200)	(900)	(5,445)																	(6,545)
59 Greenwood Community Centre (Calectasia hall / GSGH)	\$000s					(1,615)	(3,863)														(5,479)
60 Edgewater Quarry	\$000s					(954)	(12,761)	(11,310)													(25,025)
61 Percy Doyle Master-Plan Phase 1 (Library & L-Centre) #1	\$000s																(69,282)				(69,282)
62 Percy Doyle - Refurbishment Works	\$000s			(541)	(1,332)	(1,083)	(665)	(3,240)													(6,861)
64 Clubroom Redevelopment - Chichester Park	\$000s					(4,415)															(4,415)
65 Grove Child Care / Dorchester Hall / Warwick Hall	\$000s			(277)	(4,203)																(4,479)
66 Whitfords Library and Senior Citizens Centre	\$000s							(57)	(8,237)	(6,090)											(14,383)
67 Multi Storey Car Park (1)	\$000s	(14,000)	(2,048)																		(16,048)
68 Multi Storey Car Park (2)	\$000s								(6,301)	(16,009)											(22,311)
69 Joondalup Administration Building - refurbishment	\$000s				(5,253)																(5,253)
73 Mullaloo Surf Life Saving Club	\$000s		(1,700)																		(1,700)
75 Prince Regent Park Development	\$000s																	(3,486)			(3,486)
Total Major Projects greater than \$3m	\$000s	(15,717)	(8,486)	(19,578)	(69,802)	(33,983)	(9,898)	(16,057)	(25,848)	(22,099)							(69,282)	(3,486)			(294,237)

#1 Percy Doyle Master-Plan included above is the renewal of the Library and Leisure Centre. Phase 2 is outside the timescales of the 20 year SFP
Projects that are not highlighted are fully funded by Municipal Funds. Projects highlighted in yellow are included in Attachment 1.7

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr11	Yr12	Yr13	Yr14	Yr15	Yr16	Yr17	Yr18	Yr19	Yr20	Yr 1 to 20
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total

Section B - Summary

Category																					
Capital Works Program, excl MPP	(18,532)	(29,361)	(25,336)	(24,634)	(21,348)	(21,660)	(25,862)	(30,003)	(28,983)	(52,483)	(36,956)	(40,041)	(36,861)	(38,151)	(53,726)	(43,744)	(43,817)	(49,645)	(47,946)	(55,424)	(724,513)
Capital Projects - Annual Programs	(4,221)	(5,033)	(3,032)	(3,393)	(4,081)	(3,714)	(3,450)	(4,250)	(5,390)	(2,309)	(3,288)	(3,909)	(4,572)	(4,880)	(5,137)	(4,239)	(4,078)	(4,375)	(6,106)	(5,609)	(85,065)
Major Projects less than \$3m	(400)	(6,500)		(3,677)	(1,077)						(1,305)										(12,959)
Major Projects greater than \$3m	(15,717)	(8,486)	(19,578)	(69,802)	(33,983)	(9,898)	(16,057)	(25,848)	(22,099)								(69,282)	(3,486)			(294,237)
TOTAL CAPITAL EXPENDITURE	(38,870)	(49,380)	(47,946)	(101,505)	(60,490)	(35,272)	(45,369)	(60,102)	(56,472)	(54,791)	(41,548)	(43,950)	(41,433)	(43,031)	(58,862)	(47,984)	(117,178)	(57,505)	(54,052)	(61,033)	(1,116,774)
Existing / New																					
Existing \$000s	(17,854)	(22,359)	(17,868)	(25,278)	(20,062)	(18,462)	(25,202)	(23,117)	(27,231)	(43,240)	(32,268)	(31,644)	(32,890)	(34,188)	(45,219)	(38,511)	(38,092)	(42,378)	(43,549)	(50,163)	(629,576)
New \$000s	(21,016)	(27,021)	(30,078)	(76,228)	(40,427)	(16,810)	(20,167)	(36,985)	(29,241)	(11,552)	(9,280)	(12,306)	(8,544)	(8,843)	(13,643)	(9,472)	(79,086)	(15,127)	(10,502)	(10,870)	(487,197)
Existing %	45.9%	45.3%	37.3%	24.9%	33.2%	52.3%	55.5%	38.5%	48.2%	78.9%	77.7%	72.0%	79.4%	79.5%	76.8%	80.3%	32.5%	73.7%	80.6%	82.2%	56.4%
New %	54.1%	54.7%	62.7%	75.1%	66.8%	47.7%	44.5%	61.5%	51.8%	21.1%	22.3%	28.0%	20.6%	20.5%	23.2%	19.7%	67.5%	26.3%	19.4%	17.8%	43.6%



Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	<u>Year 09 to</u>	<u>Yr 1 to 20</u>
<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>20</u>	<u>Total</u>

8 Major Road Construction											
Grants	\$000's	493	4,803	1,842	2,101	1,077	1,104		2,353	11,536	25,309
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's			2,002	1,051	215	552				3,819
Loans	\$000's										
Municipal	\$000's	(293)	1,140	(0)	(0)	323	0		1,177	5,768	8,115
Capital Expenditure Total	\$000's	200	5,943	3,844	3,152	1,615	1,656		3,530	54,547	37,243
12 Lighting											
Grants	\$000's		402	205	245	215	147				1,214
Disposal Proceeds / Other Contribution	\$000's		168								168
Reserves	\$000's	50	1,450	2,563	2,171			2,274	2,353	4,392	15,253
Loans	\$000's										
Municipal	\$000's	578	1,016	692	735	888	763	1,137	1,177	17,784	24,770
Capital Expenditure Total	\$000's	628	3,035	3,459	3,152	1,104	911	3,411	3,530	63,581	41,405
15 Major Building Construction											
Grants	\$000's	42									42
Disposal Proceeds / Other Contribution	\$000's				200						200
Reserves	\$000's		1,904	697				1,838	1,903	18,464	24,806
Loans	\$000's		729								729
Municipal	\$000's	1,508	1,927	1,835	1,870	1,992	1,954	1,800	1,863	23,051	37,799
Capital Expenditure Total	\$000's	1,549	4,560	2,532	2,070	1,992	1,954	3,638	3,766	105,091	63,576
33 Bramston Park Clubrooms											
Grants	\$000's		750								750
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's										
Loans	\$000's		1,769								1,769
Municipal	\$000's	200	212								412
Capital Expenditure Total	\$000's	200	2,731							2,931	2,931
35 Heathridge Leisure Centre Refurbishment											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's										
Loans	\$000's					1,077					1,077
Municipal	\$000's										
Capital Expenditure Total	\$000's					1,077				1,077	1,077
41 Marmion Angling & Aquatic Club Parking											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's		235								235
Reserves	\$000's	200	1,691								1,891
Loans	\$000's										
Municipal	\$000's		235								235
Capital Expenditure Total	\$000's	200	2,160							2,360	2,360
51 Joondalup Performing Arts & Culture Facility											
Grants	\$000's				10,000						10,000
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's	210	1,737	11,596	24,637	6,599					44,779
Loans	\$000's				21,666	24,686					46,352
Municipal	\$000's										
Capital Expenditure Total	\$000's	210	1,737	11,596	56,303	31,285				101,131	101,131
52 CBD Office Development											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's	195	259	809							1,263
Loans	\$000's										
Municipal	\$000's	15									15
Capital Expenditure Total	\$000's	210	259	809						1,278	1,278
56 Penistone Park - Facility Redevelopment											
Grants	\$000's			233	715						947
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's			493							493
Loans	\$000's										
Municipal	\$000's		240		1,997						2,237
Capital Expenditure Total	\$000's		240	726	2,711					3,677	3,677
58 Synthetic Hockey Project											
Grants	\$000's		900	900							1,800
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's										
Loans	\$000's			4,545							4,545
Municipal	\$000's	200									200
Capital Expenditure Total	\$000's	200	900	5,445						6,545	6,545
59 Greenwood Community Centre (Calectasia)											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's										
Loans	\$000's					1,615	2,633				2,633
Municipal	\$000's						1,230				2,846
Capital Expenditure Total	\$000's					1,615	3,863			5,479	5,479
60 Edgewater Quarry											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										

Project Funding Estimates		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Year 09 to 20	Yr 1 to 20
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	20	Total
Reserves	\$000's										
Loans	\$000's						954	12,761	4,133		17,847
Municipal	\$000's								7,177		7,177
Capital Expenditure Total	\$000's						954	12,761	11,310	25,025	25,025
61 Percy Doyle Master-Plan Phase 1 (Library)											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's									69,282	69,282
Loans	\$000's										
Municipal	\$000's										
Capital Expenditure Total	\$000's									138,564	69,282
62 Percy Doyle - Refurbishment Works											
Grants	\$000's			144				1,080			1,224
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's			397	1,332			2,160			3,889
Loans	\$000's					1,083	665				1,749
Municipal	\$000's										
Capital Expenditure Total	\$000's			541	1,332	1,083	665	3,240		6,861	6,861
64 Clubroom Redevelopment - Chichester Pa											
Grants	\$000's						993				993
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's										
Loans	\$000's						3,422				3,422
Municipal	\$000's										
Capital Expenditure Total	\$000's						4,415			4,415	4,415
65 Grove Child Care / Dorchester Hall / Warw											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's			277	4,203						4,479
Reserves	\$000's										
Loans	\$000's										
Municipal	\$000's										
Capital Expenditure Total	\$000's			277	4,203					4,479	4,479
66 Whitfords Library and Senior Citizens Cen											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's							57	8,237	6,090	14,383
Loans	\$000's										
Municipal	\$000's										
Capital Expenditure Total	\$000's							57	8,237	20,473	14,383
67 Multi Storey Car Park (1)											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's	5,500	2,048								7,548
Loans	\$000's	8,500									8,500
Municipal	\$000's										
Capital Expenditure Total	\$000's	14,000	2,048							16,048	16,048
68 Multi Storey Car Park (2)											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's								6,301	8,649	14,951
Loans	\$000's									7,360	7,360
Municipal	\$000's										
Capital Expenditure Total	\$000's								6,301	38,320	22,311
69 Joondalup Administration Building - refurb											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's				5,253						5,253
Loans	\$000's										
Municipal	\$000's										
Capital Expenditure Total	\$000's				5,253					5,253	5,253
73 Mullaloo Surf Life Saving Club											
Grants	\$000's		675								675
Disposal Proceeds / Other Contribution	\$000's		350								350
Reserves	\$000's										
Loans	\$000's										
Municipal	\$000's		675								675
Capital Expenditure Total	\$000's		1,700							1,700	1,700
75 Prince Regent Park Development											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's									3,486	3,486
Loans	\$000's										
Municipal	\$000's										
Capital Expenditure Total	\$000's									6,971	3,486
Total											
Grants	\$000's	6,230	14,477	8,395	18,732	7,204	8,304	7,322	8,814	109,169	188,648
Disposal Proceeds / Other Contribution	\$000's	148	1,346	871	5,205	831	702	851	938	12,364	23,258
Reserves	\$000's	6,747	12,289	18,741	34,444	6,814	3,185	6,329	18,795	110,363	217,706
Loans	\$000's	8,500	2,498	4,545	21,666	28,462	6,271	12,761	4,133	7,360	96,196
Municipal	\$000's	17,244	18,770	15,394	21,459	17,179	16,809	18,106	27,423	438,584	590,967
Capital Expenditure Total	\$000's	38,870	49,380	47,946	101,505	60,490	35,272	45,369	60,102	677,840	1,116,774

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RESERVES (including escalation)		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr11	Yr12	Yr13	Yr14	Yr15	Yr16	Yr17	Yr18	Yr19	Yr20	Yr 1 to 20
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
22 Cash in Lieu of Parking Reserve	\$000's																					
23 Cash in Lieu of Public Open Space	\$000's																					
24 Trust Fund	\$000's																					
25 Minor Reserves	\$000's																					
Total	Transfers Out - Other	\$000's			(1,523)	(784)	(7,035)	(4,658)	(5,131)	(4,505)	(4,505)	(2,673)	(6,333)	(4,918)	(4,997)	(4,553)	(62)			(738)	(281)	(52,697)

Interest																						
1 Strategic Asset Management	\$000's			394	173			406	664	571	1,104	1,042	1,692	2,826	4,111	5,676	6,847	6,804	6,956	8,972	11,298	59,535
2 Sale of Tamala Park Land	\$000's			458	308	6	42	63	181	194	91	37	30	78	123	62						1,674
3 Joondalup Performing Arts & Culture f	\$000's			356	98																	454
4 Parking Facility	\$000's			36	50	99	192	329	355	142	66	198	350	549	796	1,071	1,371	1,695	2,045	2,421	2,850	14,616
5 Cash in Lieu of City Parking	\$000's																					
6 Ocean Reef Marina	\$000's			(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
7 Currambiine / Kinross Community Cer	\$000's			(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
8 Asset Rationalisation Proceeds (Other)	\$000's				28	56	67	78	91	95	100	105	110	116	121	127	134	140	147	155	163	1,832
11 Capital Works Going Forward	\$000's			6	6	6	7	9	10	10	11	11	12	13	13	14	15	15	16	17	18	210
12 Waste Management	\$000's			136	152	170	215	269	331	368	408	451	497	546	598	654	713	777	844	916	993	9,036
13 Vehicles & Plants Replacement	\$000's			95	103	94	86	86	81	72	101	137	154	155	140	117	107	121	137	127	108	2,020
14 Non Current LS Leave Reserve	\$000's			81	84	87	103	121	140	147	155	162	170	179	188	197	207	218	228	240	252	2,962
15 Public Art Reserve	\$000's			0	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	14
16 Section 20A Land	\$000's			2	2	2	2	3	3	3	3	4	4	4	4	4	5	5	5	5	6	66
21 Marmion Car Park Reserve	\$000's																					
22 Cash in Lieu of Parking Reserve	\$000's			43	45	46	55	64	75	78	82	86	91	95	100	105	110	116	122	128	134	1,577
23 Cash in Lieu of Public Open Space	\$000's			(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
24 Trust Fund	\$000's			14	14	15	18	21	24	25	26	28	29	31	32	34	35	37	39	41	43	506
25 Minor Reserves	\$000's			2	2	2	2	3	3	3	3	4	4	4	4	4	5	5	5	5	6	66
Total	Interest	\$000's		1,623	1,067	583	791	1,451	1,958	1,711	2,153	2,265	3,144	4,595	6,232	8,067	9,550	9,934	10,546	13,028	15,870	94,567

Closing Balance																						
1 Strategic Asset Management	\$000's	21,679	14,412	9,849	215	3,185	12,185	19,524	16,004	23,550	22,157	34,534	57,237	82,954	114,275	137,728	171,531	141,697	180,306	226,864	274,829	274,829
2 Sale of Tamala Park Land	\$000's	7,012	10,591	16,049	334	1,598	567	2,292	5,135	2,825	911	609	639	2,542	2,494	62						0
3 Joondalup Performing Arts & Culture f	\$000's	11,257	15,071	5,617	98																	0
4 Parking Facility	\$000's	3,107	1,150	917	2,017	3,726	6,080	8,859	5,685	142	2,582	5,516	8,846	13,644	18,997	24,915	31,298	38,208	45,643	53,636	63,220	63,220
5 Cash in Lieu of City Parking	\$000's																					
6 Ocean Reef Marina	\$000's	469	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
7 Currambiine / Kinross Community Cer	\$000's	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
8 Asset Rationalisation Proceeds (Other)	\$000's				1,610	1,666	1,733	1,811	1,901	1,996	2,096	2,201	2,311	2,426	2,548	2,675	2,809	2,949	3,097	3,252	3,414	3,414
11 Capital Works Going Forward	\$000's	3,228	165	171	177	183	190	199	209	219	230	241	253	266	279	293	308	324	340	357	375	375
12 Waste Management	\$000's	3,630	3,734	4,177	4,665	5,198	5,780	6,426	7,154	7,939	8,784	9,694	10,666	11,703	12,810	13,990	15,249	16,590	18,018	19,538	21,156	21,156
13 Vehicles & Plants Replacement	\$000's	2,348	2,584	2,942	3,064	2,374	1,997	1,930	1,384	1,557	2,602	2,998	3,301	3,046	2,693	2,111	2,271	2,709	2,903	2,292	2,118	2,118
14 Non Current LS Leave Reserve	\$000's	2,203	2,328	2,410	2,494	2,581	2,684	2,805	2,946	3,093	3,247	3,410	3,580	3,759	3,947	4,145	4,352	4,570	4,798	5,038	5,290	5,290
15 Public Art Reserve	\$000's	61	11	11	12	12	13	13	14	15	15	16	17	18	19	20	21	22	23	24	25	25
16 Section 20A Land	\$000's	50	52	54	56	57	60	62	66	69	72	76	80	84	88	92	97	102	107	112	118	118
21 Marmion Car Park Reserve	\$000's	1,691																				
22 Cash in Lieu of Parking Reserve	\$000's	1,206	1,240	1,283	1,328	1,375	1,430	1,494	1,569	1,647	1,730	1,816	1,907	2,002	2,102	2,207	2,318	2,434	2,555	2,683	2,817	2,817
23 Cash in Lieu of Public Open Space	\$000's	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
24 Trust Fund	\$000's	388	398	411	426	441	458	479	503	528	555	582	611	642	674	708	743	780	819	860	903	903
25 Minor Reserves	\$000's	50	52	54	55	57	60	62	66	69	72	76	80	84	88	92	97	102	107	112	118	118
Total	Closing Balance	\$000's	58,378	51,788	43,945	16,551	22,452	33,236	45,957	42,635	43,649	45,054	61,770	89,529	123,170	161,014	189,040	231,093	210,484	258,715	314,767	374,383



20 Year Strategic Financial Plan

2014-15 to 2033-34

Updated May 2015

2015

joondalup.wa.gov.au

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1. INTRODUCTION

1.1. Purpose of the *Draft 20 Year Strategic Financial Plan*

The *Draft 20 Year Strategic Financial Plan* is a high-level informing strategy that outlines the City of Joondalup's approach to delivering infrastructure and services to the community in a financially sustainable and affordable manner. It also demonstrates the City's commitment to managing its operations in a way that avoids unsustainable rate increases for households.

The *Draft 20 Year Strategic Financial Plan* achieves this by projecting the City's financial position over a 20 year period, based on a range of conservative assumptions and estimates. This provides the City with relevant information to assess:

- Necessary funding requirements to afford capital replacement programs and new capital projects; and
- The City's capacity to maintain overall financial sustainability into the long term.

1.2. Previous Plan

The new plan included in this document covers the years 2014-15 to 2032-33 and is referred to as the *Draft 20 Year Strategic Financial Plan*. The *Previous Plan* will also be referred to throughout this document. The *Previous Plan* covers the years 2013-14 to 2030-31 and was adopted by Council in June 2014~~November 2012~~.

1.3. Integrated Planning and Reporting Framework

Section 5.56 of the Local Government Act 1995 provides that –

“(1) a local government is to plan for the future of the district.”

In 2011, the *Department of Local Government and Communities* introduced its *Integrated Planning and Reporting Framework* to encourage a movement towards best practice strategic planning and reporting standards across the Western Australian local government industry.

A significant component of this Framework is the development of a long term financial management plan to inform the resourcing requirements and financial capacity of a local government to achieve its stated objectives and priorities.

A specific guideline and Advisory Standard supports the development of long term financial management plans, of which, the City's *Draft 20 Year Strategic Financial Plan* is aligned to. Further commentary with regard to the details of this guideline is outlined in section 4 of this Plan.

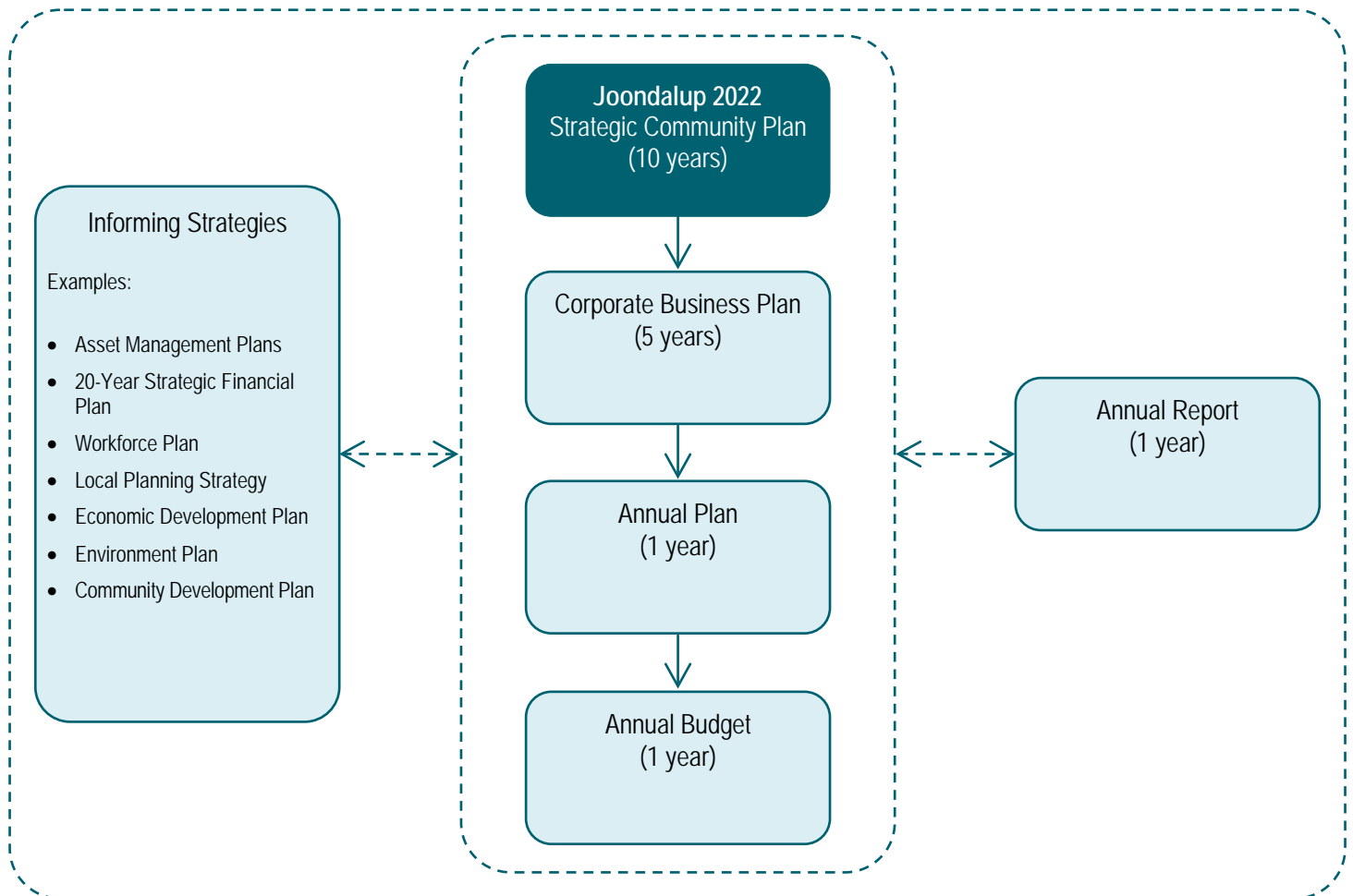
1.4. Planning Alignment

The *Draft 20 Year Strategic Financial Plan* is aligned to the following key planning documents:-

- Joondalup 2022 (Strategic Community Plan 2012-2022)
- Corporate Business Plan 2015-16 ~~2~~ to 2019-20~~7~~
- Draft Capital Works Program 2015-16 ~~5~~ to 2019-20~~9~~
- Draft Budget 2015-16 ~~5~~
- ~~Workforce Plan 2013-2017~~
- Local Housing Strategy

Chart 1 below shows how the 20 Year Strategic Financial Plan forms part of the Integrated Planning Framework.

Chart 1 – Integrated Planning Framework



2. EXECUTIVE SUMMARY

2.1. Key Highlights

The *Draft 20 Year Strategic Financial Plan* demonstrates the significant level of major projects and operations required to deliver the City's new vision of becoming:

"A global City: bold, creative and prosperous"

This vision will see economic development activities driving major new investments within the City Centre, while asset renewal and rejuvenation projects across the City will seek to enhance the overall liveability of the City for residents and visitors. The key highlights of the *Draft 20 Year Strategic Financial Plan* are summarised in Table 1 below:

Table 1 – Key Highlights & Assumptions

Ref	Issue	Details <u>#1</u>
1	New Investment	<ul style="list-style-type: none"> Joondalup Performing Arts & Cultural Facility to be completed <u>by completed by</u> 2018-19. Estimated costs of (\$94m). The project will be funded using reserves and borrowings <u>and a \$10m federal grant (subject to successful grant application)</u>:- Multi Storey Car Park (MSCP) at Boas Avenue, which will be pivotal to the continued economic development of the City Centre. This will be completed by August 2015, with estimated cost of (\$1724m). Second MSCP planned for 2022-23 <u>estimated cost of \$18m (\$25m)</u>, however there may be additional capacity from the first MSCP and additional parking from the Joondalup Performing Arts & Cultural Facility <u>and Office Development Project</u> which may impact on the timing for a second MSCP. Library resources expanded by 2021-22 at Whitfords (\$12m). Significant investment in sporting facilities: <ul style="list-style-type: none"> Redevelopment Arena Joondalup 2015-16 – contribution by City of (\$4m). Synthetic Hockey Pitch at Warwick by 201<u>65-176</u> (\$6.5m). Contributions from 3rd parties of \$1.8m. New Clubroom facilities at Bramston Park and Hawker Park. Several clubroom refurbishments.
2	Rates % increases	<ul style="list-style-type: none"> Projected rates per year increase no more than 5%. Average rate increase over 20 years is estimated at 4.3%
3	Fees and Charges % increases	<ul style="list-style-type: none"> An average increase over 20 years of 3.<u>82</u>% per annum. Some services such as <u>ParkingLeisure</u> may increase more than other charges (Property Rental).
4	Operating Expenses	<ul style="list-style-type: none"> Total Employee costs increase by 3.<u>32</u>% on average <u>per annum-a.</u> This includes increased costs due to the Superannuation Guarantee from 9.5% in 2014-15 to 12% by 2022-23. Other operating expenses (such as materials and contracts) increase by average 3.0% p.a.

#1 Costs exclude escalation

2.2. Assumptions

The Strategic Financial Plan is updated annually; this allows the City to continually refine the assumptions. The assumptions are explained in detail in Section 6, below are some of the key assumptions:

- Demographics: The population increase for the City over the next 20 years is moderate, an increase of approx 96%.
- Housing Strategy: A review of the increase in dwellings has been undertaken, with reference to the Local Housing Strategy, this has resulted in a forecast of 6,1838,000 dwellings over 20 years, an increase of approx 103%. This assumption has been used to build up a forecast for growth in rates revenue.
- Business Growth: A review of the increase in business has been undertaken, with reference to the Economic Development Strategy and Commercial Strategy. This has been used to calculate a forecast for growth in rates revenue, it is estimated that there will be a 43% increase in business rates income by 2033-34.
- Economy: Perth CPI is forecast by West Australia Treasury Corporation to grow at 2.5% per annum until 2017-18.- The City has then forecast it will remain at 2.5% until 2019-20, then increase to 3.0% in 2020-21 and then 3.5% from 2021-22 onwards.
- Whole Life Costs: For all new capital projects an estimate of ongoing operating income and operating expenses is prepared where there is data available.-

2.3. Key Ratios

The *Draft 20 Year Strategic Financial Plan* is prepared using a set of Guiding Principles (Section 4), which includes five key ratios. There is a maximum possible achievement of 100 Guiding Principles (five ratios x 20 years). Of the five key ratios identified within the Guiding Principles, 83 out of 100 are achieved, although there is only 33 out of 50 achieved in the first 10 years. Although the projected achievement of 83 ratios out of 100 is 9 higher than the Adopted plan, it is far from ideal because the City should achieve at least 90 of the key ratios. Indeed the Operating Surplus Ratio, which is the most important ratio, is below the threshold for the first seven years and is estimated to be within tolerance from 2021-22. For those ratios that are not achieved (Operating Surplus Ratio and Asset Sustainability Ratio), there is a positive trend.

~~The projections are that 74 Key Ratios out of 100 would be achieved; this is 1 less than 75 projected in the Previous Plan.~~

~~However the Asset Sustainability Ratio is now projected to be below the target for the first 12 years, and the Operating Surplus Ratio only achieves target from 2023-24.~~

The summary of the key ratios are:

- Rates increases at no more than 5%. This is achieved in 2019 of the 20 years; ~~the only year above the target is 2013-14 where the overall increase was 5.2%.~~
- Net Municipal Closing Balance (ensuring that the books are balanced). This is achieved in all 20 years.
- Operating Surplus Ratio – 5 year average to be between 2% and 8%. This is achieved in 130 of the 20 years. Although the earlier years (20143-154 to 20202-213) are below the target there is a positive upwards trend. The starting point of the projections of 2015-16 is negative 2.3% and it becomes difficult for the City to improve this in the next few years due to the new investment and the additional operating expenses required to operate new facilities. For example the Joondalup Performing Arts & Cultural Facility will depress the Operating Surplus Ratio by 2.8% each year due to the operating subsidy, interest expense on

borrowings and the Depreciation expense. One of the reasons why the ratio is below the target between 2018-19 and 2022-23 is due to the interest payments associated with the short-term loans used for the Joondalup Performing Arts & Cultural Facility and Edgewater Quarry. The projections from 2021-22 onwards are all within the target or exceed it.

- Asset Sustainability Ratio, which measures the rate at which the City spends Capital Expenditure on Replacement versus Depreciation. The target is to be between 90% and 110%. This ratio fails the target in the first 10 years which suggests that there is insufficient expenditure on replacement of existing assets and too much on new assets. The City's assets and infrastructure are relatively young and at this stage in their life cycle it may be reasonable for the Asset Sustainability Ratio to be depressed. The City will need to increase expenditure on renewals in later years as the City becomes older; this has been factored into the capital forecast. The ratio indicates a potential backlog of expenditure on capital replacement projects. This ratio will be subject to ongoing review with updates to the Asset Management plans and the ratio calculated separately for each asset class.
- Debt Service Coverage Ratio compares the amount of operating ~~cashflow~~ cash flow available versus loan repayments. Ideally there should be surplus from operating ~~cashflow~~ cash flow of five times or more of loan repayments. It is intended that the ratio does not fall below the range of 2 to 5 in some years, and ~~the target~~ the target is to avoid this occurring for five years in a row. This ratio is achieved in all 20 years, however there are five years where the ratio falls below the desired threshold of five, this is a short term impact caused by the borrowings of major investment including the not achieved in all 20 years due to the large and immediate repayment of borrowings arising from the Joondalup Performing Arts & Cultural Facility and Edgewater Quarry project and Edgewater Quarry.

2.4. Cashflows Cash flows

In the early years of the plan cash reserves are depleted, reducing from \$50m at June 2014 to \$17m by 2017-18. The \$17m relates entirely to tied reserves, with \$0m left in the Strategic Asset Management Reserve by 2017-18. The early years of the plan (and in particular 2017-18 and 2018-19) are projected to have a high level of new investment and consequently cause higher external borrowings than the City would normally use. Indeed, between the years 2015-16 to 2018-19 the City projects borrowings of \$57.68m. However \$41m of this relates to short-term borrowings for the Joondalup Performing Arts & Cultural Facility, with future proceeds from Tamala Park land sales allowing the City to repay this quickly within 6 years. Edgewater Quarry project also assumes a similar financing mechanism, whereby \$18m of short-term borrowings are required from 2019-20 to 2021-22, and are repaid within 3 years with proceeds from the sale of land. It is these short-term borrowings that have caused the Debt Service Coverage Ratio to fail in several years. The issue here is with the ratio itself and not due to any concerns of financial management by the City, it is a logical assumption for the City to borrow based on known future proceeds, and to repay the debt as quickly as possible. Between the years 2015-16 to 2018-19 the City projects borrowings of \$57m, \$46m of this relates to the Joondalup Performing Arts & Cultural Facility. Within the Previous Plan it was assumed that the future proceeds from Tamala Park land sales would allow the City to repay this quickly within 6 years. However the proceeds from Tamala Park will now be received over a longer period of time and in total will be insufficient to cover all of the costs of borrowings. The total cost to the City, including interest, of the Joondalup Performing Arts Cultural Facility is \$67m. As the future Tamala Park proceeds are estimated at \$44m, there is a shortfall of \$23m, which is assumed to be funded by general municipal funds.

From 2023-24 onwards (where there is far less new investment than in the earlier years), the cash held in reserves increases greatly. Indeed from 2020-21 onwards the City will be

generating sufficient ~~cashflow~~cash flow to set aside for replacement of its infrastructure, which by then will have aged more and requiring more replacement.

2.5. CashflowsKey Changes since the Previous 20 Year Strategic Financial Plan

The *Previous Plan* for the period 201~~31~~-1~~42~~ to 203~~29~~-3~~31~~ was adopted by Council in June 2014~~November 2012~~. The key changes in the current update are:

- ~~Use of revised Guiding Principles adopted by Council in July 2013. Analysis of ratios is simplified.~~
- Rates Business Growth ~~Volume Growth~~ has higher projections than the previously adopted plan. A more detailed analysis has been undertaken which now projects an increase in business rates revenue of 43% by 2033-34, the Previous Plan assumed a 14% increase. e.g. estimated 8,000 additional dwellings.
- Tamala Park proceeds – the Draft 20 Year Strategic Financial Plan now includes an updated forecast with the proceeds received over a longer period of time (2028-29), where the Previous Plan assumed proceeds received by 2024-25.
- ~~Refuse Charges & Waste Management Costs now separately identified.~~
- Capital Renewal Expenditure – the Previous Plan estimated additional expenditure from 2020-21, but did not identify specific programs. The Draft 20 Year Strategic Financial Plan has identified that additional renewal expenditure for Road Resurfacing and Paths.
- Joondalup Performing Arts & Culture Facility
 - \$10m Grant funding assumed, (subject to successful application to the National Stronger Regions Fund)
 - Annual operating subsidy increased from \$0.4m to \$0.9m following further research by the City. costs increased from (\$51m) to (\$94m), and assumed that all financing is provided by the City
 - ~~CBD Office Development – estimated benefits of new rates revenue and rates income now included (estimated \$420k per annum)~~
 - ~~Synthetic Hockey Pitch – costs amended in line with Council adopted proposal.~~
 - ~~Redevelopment Arena Joondalup – (\$4m) contribution by the City.~~
 - ~~Multi Storey Car Park (1) consistent with approved business case (December 2012).~~
 - ~~Multi Storey Car Park (2) amended in line with the costs and income for first car park.~~
 - ~~Other updates to projects as per council decisions eg. Bramston Park.~~

2.6. Risks and Opportunities

Any plan into the future includes estimates and assumptions, and therefore carries some forms of risk and opportunities. Section 10 provides further assessment of the risk and opportunities.

3. **BACKGROUND**

3.1. Key Statistics

Table 2 - City of Joondalup Key Statistics

<u>Joondalup Headline Statistics:</u>	
<u>Population (ABS 2012)</u>	<u>164,737</u>
<u>Distance between Perth and the Joondalup City Centre</u>	<u>30 kilometres</u>
<u>Number of businesses (ABS 2012)</u>	<u>13,470</u>
<u>Headline Gross Regional Product (NEIR 2011)</u>	<u>\$ 4.5 billion</u>
<u>Public Open Spaces</u>	<u>369</u>
<u>Schools</u>	<u>59</u>
<u>Joondalup Headline Statistics:</u>	
<u>Population – 2015</u>	<u>164,611</u>
<u>Distance between Perth and the Joondalup City Centre</u>	<u>30 kilometres</u>
<u>Number of businesses – Business Register 2014</u>	<u>13,061</u>
<u>Headline Gross Regional Product (NEIR 2014)</u>	<u>\$ 5.88 billion</u>
<u>Public Open Spaces</u>	<u>369</u>

The City of Joondalup is located 30 kilometres north of the Perth CBD, abutting the Indian Ocean in the west, City of Wanneroo in the north and east and City of Stirling in the south. After experiencing significant residential growth throughout the 1980s and 1990s, the City's population has since stabilised as development areas have become built out.

Moderate dwelling infill is anticipated over the long term, which will see some population increases across the City however; the greatest impacts are likely to be driven by significant regional population growth. This will place added pressure on the City to provide increased employment, health, entertainment and educational opportunities to support the needs of a growing region.

Current services located in the City that will be affected by this growth include Joondalup Health Campus, Edith Cowan University, Joondalup Arena and West Coast Institute. Despite the diversity of facilities already provided in the area, there is a growing demand for improved services (e.g. Performing Arts Facility), of which this Plan addresses.

3.2. Services

The City provides an extensive range of services to the community, including but not limited to:-

- Waste Management
- Building & Planning approvals
- Environmental health services
- Building, Planning and Health regulatory services
- Community development, education and youth services
- Library, festivals, concerts and other cultural events
- Leisure and recreation services and facilities

- Rangers and community safety
- Parking facilities
- Infrastructure including roads, footpaths and street lighting
- Parks and natural areas and management of the environment
- Economic development

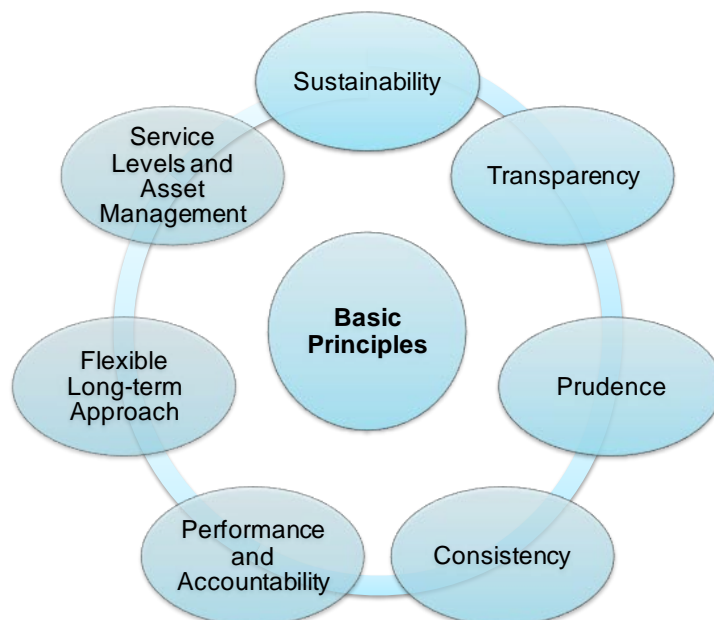
The *Draft 20 Year Strategic Financial Plan* has been prepared on the basis of the City continuing to deliver the above mentioned services to the same level and standard.

4. FINANCIAL STRATEGY & GUIDING PRINCIPLES

4.1. Financial Strategy

The City has adopted a *20 Year Strategic Financial Plan - Guiding Principles* to support the preparation of the *Draft 20 Year Strategic Financial Plan* (Appendix 1).

The core principles of the *20 Year Strategic Financial Plan* is:



The *20 Year Strategic Financial Plan - Guiding Principles* set the parameters for the update of the *20 Year Strategic Financial Plan*:

- Whole of Life Costs identified for new projects (Section 6). It is vital for the City to assess all cash flows for a project, not just the initial costs. Often the initial cost can be much lower than the ongoing operating costs. Indeed where grants are available, this also carries a risk of losing sight of the overall costs of ownership.
- Key Ratios (Section 7).
- ~~Cashflow~~Cash flow and funding (Section 8).
- Scenarios (Section 11).

4.2. Update of 20 Year Strategic Financial Plan – Guiding Principles

~~The last update of the Guiding Principles was adopted by Council in July 2013 and included a review of best industry practice. The update included the identification of primary ratios that the City should focus on and made further comment on the Integrated Planning and Reporting Framework as described below. Draft 20 Year Strategic Financial Plan now includes the updated Guiding Principles 2014.~~

4.3.4.2. Integrated Planning and Reporting Framework

The *Department of Local Government* has issued a series of planning guidelines for local government covering:

- Long Term Financial Planning – Framework & Guidelines.
- Asset Management – Framework and Guidelines.
- Workforce Planning - Toolkit
- Integrated Planning and Reporting – Advisory Standard.

The *Advisory Standard* has been developed to guide local governments through a process of continuous improvement in integrated planning activities. For financial management, performance against the *Advisory Standard* is measured through identified key performance indicators, which are assessed as having either:

- Not being met
- Meeting a Basic Standard
- Meeting an Intermediate Standard
- Meeting an Advanced Standard.

As an industry leader in planning and reporting activities, the City seeks to meet the Advanced Standards for financial management where it can. However, it has been identified that in some circumstances, meeting the Advanced Standards may be inconsistent with the City's aspiration of becoming a "*financially diverse local government that uses innovative solutions to achieve long-term financial sustainability...*". As such, the Guiding Principles highlight the circumstances where deviation away from the Advanced Standard is supported for the benefit of the community and the continued management of a financially sustainable organisation.

4.4.4.3. 20 Year Strategic Financial Plan & Annual Budget Setting Process

The update of the *20 Year Strategic Financial Plan* has been synchronised with ~~the annual~~the annual budget cycle. The *20 Year Strategic Financial Plan* ~~is~~will be used as an input to the annual budget process by:-

- Providing direction on the long term expectations of the City.
- Cost and revenue targets, as established in the *20 Year Strategic Financial Plan*, to help guide the budget process.
- Major projects included in the *20 Year Strategic Financial Plan* included in the budget process.

5. ASSET MANAGEMENT

5.1. Asset Management Policy

The City has an adopted *Asset Management Policy* and a number of supporting plans, which have been incorporated into the *Draft 20 Year Strategic Financial Plan*. The City is an asset-intensive business and the substance of the Asset Management plans is crucial to provide substance to the *Draft 20 Year Strategic Financial Plan*.

There is ongoing work by the City in accordance with the *Department of Local Government and Communities'* guidelines on *Asset Management Planning*. The reviews will result in updated asset management plans for each asset class, including 20 year forecasts. Where an updated asset management plan becomes available it will be included in the annual update of the *20 Year Strategic Financial Plan*.

5.2. 5 Year Capital Works Program

The *5 Year Capital Works Program* is a rolling program of capital works that is updated on an annual basis. The proposed Program for 2015-16 to 2018-19 has been used in the development of the *Draft 20 Year Strategic Financial Plan*.

5.3. Asset Sustainability Ratio

The Asset Sustainability Ratio is the key ratio to measure the long term sustainability of Asset Management; this will be covered in more detail in section 7. The ratio has identified the need for additional renewal expenditure in later years, ~~a potential backlog of replacement expenditure in the first 12 years of the plan which is addressed in the later years of the plan.~~

6. ASSUMPTIONS

6.1. Disclaimer

Readers of the Draft 20 Year Strategic Financial Plan should note that the document is used predominately as a planning tool. As such it is based on many assumptions and includes several projects and proposals that in some cases:

- Have been approved by Council and are in progress,*
- Have been considered by Council but are yet to receive final approval,*
- Have only been considered by Elected Members at a strategy level,*
- Have only been considered by Officers*
- Are operational in nature and based on the continued provision of services and maintenance of City assets and infrastructure in accordance with management and other plans*

Any of the assumptions and any of the projects or proposals not already approved could prove to be inaccurate both as to likely requirement, timing and financial estimates or may not come to pass at all. They have, however, been included based on the best available information and knowledge to hand at this time in relation to likely requirement, timing and financial estimates. Adoption of the Draft 20 Year Strategic Financial Plan by Council does not constitute a commitment or agreement to any of the projects or proposals that have not already been approved or the financial estimates and projections.

6.2. Information Used to Build the Draft 20 Year Strategic Financial Plan

The *Draft 20 Year Strategic Financial Plan* uses the proposed Budget 20154-165 to reflect the current financial position (the 'baseline'). The estimates for future years use the baseline as the starting point and then project the future estimate using assumptions from a variety of sources:

- State Budget 20154 and Federal Budget 20154
- Economic Forecasts from WA Treasury Corporation and WALGA
- Asset Management Plans
- Capital Works Programs
- City Strategy and Planning documents e.g. Housing Strategy, [Commercial Strategy](#)

The assumptions are explained in detail in this section, broken down into the following five areas:

1. External environment.
2. Operating Income and Operating Expenses.
3. Capital Projects and their impacts on Operating Income and Operating Expenses.
4. Capital Proceeds.
5. Funding.

Supporting Schedule SS1 provides the details of the key assumptions for each year.

6.3. All figures include Escalation

All figures included throughout the report include estimated impacts of escalation, except where indicated otherwise. The basis of the escalation factors is explained within this section with further details in Supporting Schedule 1.

6.4. Assumptions (1) - External Environment

Table 3 below summarises the key assumptions relating to demographics and economic assumptions.

Table 3 Assumptions (1) – External Environment

Ref	Issue	Details
1	State and Federal Budgets 2015⁴	<ul style="list-style-type: none"> ○ <u>The 2014 State Budget announced a 36.8% increase in 2015-16 for street lights. The 2015 State Budget has lowered this increase to 7.5%. However the increase for 2016-17 is now expected to be 16%, rather than 8.2%. The State budget recently announced that the costs of the street lights were not fully reflected in the tariffs charged to Local Governments, and some large increases were required to the tariff, most notably a 36.8% increase in 2015-16. The City is estimated to spend (\$3.2m) in Western Power Street Lights in 2015-16, and a 36.8% increase is an additional cost of (\$1.2m) from 2015-16.</u> ○ Financial Assistance Grants were normally increased each year in line with CPI, but the <u>2014</u> Federal Budget has paused the indexation for three years, <u>with the indexation to recommence in 2017-18. The 2015 Federal Budget did not change this.</u> Within the Previous Plan the Grants income had been assumed to increase in line with CPI each year. The projections have now been amended so that indexation only applies from 2017-18. ○ Superannuation Guarantee increase to 12% is paused with the next increment beginning in 202118-22¹⁸⁻²⁴<u>9, and the increase to 12% by 2025-26. The 2015 Federal Budget has proposed a further delay of 1 year; this will be factored into the 20 Year Strategic Financial Plan once it is confirmed.</u>
2	Population & Regional Growth	<ul style="list-style-type: none"> ○ ABS data projects moderate population growth for the City, approx <u>96%</u> over the term of the plan, however projected regional growth may impact on the level of infrastructure and services required within the City Centre ○ The <i>Draft 20 Year Strategic Financial Plan</i> highlights the significant level of capital projects required to meet the employment and transport needs of this growing population, for example: <ul style="list-style-type: none"> ○ Multi Storey Car Parks. ○ Joondalup Performing Arts & Culture Facility. ○ Ocean Reef Marina Business Case & Structure Plan. ○ Cafes / Kiosks / Restaurants.
3	Local Housing	<ul style="list-style-type: none"> ○ The Local Housing Strategy has established ten Housing Opportunity Areas, where higher density ('infill') is encouraged.

Strategy / New Dwellings	<p>Combined with new housing growth, it is estimated that there could be an additional 25,000 dwellings in the City. However there are various factors that will influence the timing of the increase, and therefore there is no defined target for when the 25,000 extra dwellings may arise.</p> <ul style="list-style-type: none"> ○ It is considered that potentially <u>6,1438,000</u> of the 25,000 extra dwellings may arise <u>by 2033-34</u>within the next 20 years. This assumption, is based on: <ul style="list-style-type: none"> - <u>2,7834,000</u> new dwellings as a result of new developments (Burns Beach, Iluka, City Centre, former school sites). - <u>3,4004,000</u> increase due to higher density as a result of the Housing Opportunity Areas. ○ The increase in dwellings is used to forecast additional rates revenue.
4 Commercial Growth	<p>The City has adopted is preparing an <i>Economic Development Plan</i>, which projects an increase of 20,000 jobs within the City by 2030-31. The data from this will be used to update the next version of the 20 Year Strategic Financial Plan <u>Additionally reference has made to the Commercial Strategy during 2015.</u> <u>These plans have been used to estimate additional rates income within the Draft 20 Year Strategic Financial Plan, as follows</u></p> <ul style="list-style-type: none"> ○ In the meantime, moderate growth assumptions have been included as follows: <u>Specific Developments:</u> <ul style="list-style-type: none"> ○ <u>Lakeside Shopping Centre minor expansion - 5,000 m2 over the next 5 years</u> ○ <u>Lakeside Shopping Centre North expansion - 30,000 m2 major expansion but not assumed until 2026-27</u> ○ <u>Whitfords Activity Centre - 20,000 m2 Retail Growth (split between 2020-21 and 2021-22)</u> ○ <u>Whitfords Activity Centre - 5,000 m2 additional by 2025-26 (gradual increase per year)</u> ○ <u>Warwick Shopping Centre – 15,000 m2 by 2022-23</u> ○ <u>Quadrangle - 70,000 m2 growth over 10 years (7,000 m2 per year)</u> ○ <u>Joondalup Gate - 5,000 by 2019, 5000 by 2024, 5000 by 2030</u> ○ <u>Collier Pass Basketball Stadium Site - No assumption yet for development</u> ○ CBD Office Development - 12,000m2 by 2017-18 <u>Known developments e.g. Lakeside Shopping Centre extension.</u> ○ General business growth of 0.5% for the next 5 years. <u>Unspecified growth that relates to the expected increase in 20,000 jobs within the <i>Economic Development Plan</i></u>
5 CPI	<ul style="list-style-type: none"> ○ <u>WATC WALGA</u> have provided forecast data up to 2017-18 <u>of 2.5%.</u> as part of their regular updates to all WA councils. <u>Additionally, the City has sought additional advice regarding the long-term forecast beyond 2015-16.</u> ○ <u>From 2018-19 onwards the City has made its own assumptions:</u> <ul style="list-style-type: none"> - <u>2.5% until 2019-20</u> - <u>3.0% 2020-21</u>

- 3.5% from 2021-22

The increase is based on historical trends and the need to build in prudent cost projections

- CPI is used as a reference point for some elements, but is not used as the escalation for all income or expenses by the City. The City evaluates each separate income stream or expense and considers the appropriate escalation factor to apply.

The initial forecast provided by WALGA up to 2015-16 estimates a 2.5% CPI increase. For the projections beyond 2015-16, WALGA also estimate a 2.5% increase.

6.5. Assumptions (2) - Operating Income & Operating Expenses

The forecasts for Operating Income and Expenses are separated into two parts:

- 'Base - the values in 20154-165 are extrapolated using % increases or other standard changes as described in Table 4 below.
- 'Growth – new income or expenses that arises as a result of capital projects. This is covered in section 6.5

Table 4 Assumptions – Operating Income & Operating Expenses

Ref	Issue	Details
1	201<u>54-165</u> values	<ul style="list-style-type: none"> ○ Values for Year 2 (2014-15) relate to the proposed budget for 2014-15.
2	Rates Increases	<ul style="list-style-type: none"> ○ The Adopted Guiding Principles included a target<u>a target</u> to increase overall rates revenue by no more than 5%. ○ The increases are varied in line with the targets required for Operating Surplus Ratio and Net Municipal Closing Balance. ○ The forecast increase in dwellings and commercial growth, as explained in the previous section, is used to estimate an increase in Rates income, over and above the annual % increase.
3	Fees & Charges Base Increase	<ul style="list-style-type: none"> ○ There are 11<u>eight</u> separate charges and fees that are included in Fees and Charges. Each of the eight areas has been reviewed separately with a separate escalation factor prepared. ○ For example, <u>Development Fees</u>Leisure Fees have been increased by <u>54%</u> in line with previous increases and benchmarks. ○ Meanwhile <u>Licenses and Registrations</u> are only<u>Hire & Rentals is only</u> expected to increase by <u>2.54% every four years</u> due to the <u>uncertainty of the charges for Dog & Cat registrations, and the uncertainty of take-up by Dog & Cat owners</u>subsidies provided to clubs; the 1% increase does not match the increase in costs. ○ <u>The projected increase in Parking Fees is higher than the increase in other fees and charges, these increases are consistent with the business case for the Multi Storey Car Park adopted by Council in 2012.</u> ○ Supporting Schedule SS1 provides more details of the increases assumed for each of the eight areas.
4	Refuse Charges	<ul style="list-style-type: none"> ○ <u>The City is currently updating the Waste Strategy, with several changes under consideration (e.g. amending the Bulk Waste</u>

<p><u>Tipping Fees and the Waste Management Expenses</u></p>	<p>service). Additionally, there will be several changes to costs at Mindarie Regional Council that will impact the City and other members of the Council such as the use of alternative locations once Tamala Park has reached capacity. <u>The potential impact of all the changes to Waste Management have not been included in the Draft 20 Year Strategic Financial Plan, as it is too early to predict the impacts, future updates of the 20 Year Strategic Financial Plan will evaluate these impacts.</u></p> <ul style="list-style-type: none"> ○ <u>The Draft 20 Year Strategic Financial Plan has estimated the increased costs up to 2019-20 based on known factors, such as the increase to the Landfill Levy. This has resulted in the following increases to Tipping Fees & Waste Management Fees:</u> <ul style="list-style-type: none"> - <u>4.16% 2016-17</u> - <u>4.39% 2017-18</u> - <u>4.24% 2018-19</u> - <u>2.52% 2019-20</u> <u>From 2020-21 CPI is assumed.</u> ○ <u>The fees charged for Refuse Charges are intended to cover the expenses, the City cannot make a profit from Waste Management and therefore the same escalation factors are applied to Refuse Charges. There is a minor operating surplus of \$0.2m from Waste Management, which is transferred to the Waste Management Reserve so that the City does not have any profit within the municipal funds.</u> ○ The Draft 20 Year Strategic Financial Plan has now separated out Refuse Charges from Fees & Charges, and has also separated out Waste Management Expenses from Materials & Contracts. This is necessary as the income and expenses is a significant amount and should be reviewed separately. ○ The increases assumed for Refuse Charges have to be consistent with the expected increase in costs of Waste Management. It is expected that costs from 2017-18 will increase higher than CPI, a 4% increase has therefore been assumed for both Waste Management and Refuse Charges income from 2017-18 onwards.
<p>5 Employment Costs</p>	<ul style="list-style-type: none"> ○ Superannuation Guarantee costs are<u>is</u> projected to increase from 9.5% (2014-15) to 12%. The increase though has recently been paused, with the next increases beginning again in 20<u>21</u>18-22<u>19</u> in 0.5% increments, so that by 20<u>52</u>26<u>3</u> the guarantee is 12%. The City currently spends (\$4.<u>50</u>m) in guaranteed contributions and an increase to 12% is an additional cost of \$1.2m per year ○ Remaining Employment Costs are projected to increase by- 3% each year from 201<u>65</u>17<u>6</u> until 2023-24. This increase is lower than previous years but in line with the current labour market and the state cap on salary cost increases. ○ It is then assumed that Employment costs will increase by 3.5% from 2024-25 till 2032-33.
<p>6 Materials and Contracts</p>	<ul style="list-style-type: none"> ○ <u>There are 17 separate items that are included in Materials and Contracts. Each of the 17 items has been reviewed separately with a separate escalation factor considered.</u>

- ~~These costs are expected to increase in line with at least CPI.~~
- ~~CPI has been projected to increase by 2.5% by WALGA. However the City deems it more prudent to assume that Materials and Contracts will increase by 3%.~~

- 7 Cost Management Materials and Contracts**
- Managing costs is an intrinsic part of the way the City conducts its business and the *Draft 20 Year Strategic Financial Plan* has included a stretch target for managing cost increases.
 - A target of 12% savings in Materials and Contracts is targeted for 2015-16, and a 1% target for 2016-17.
 - ~~The combination of the escalation factor, and the efficiency saving still provides a net increase in the overall cost for Materials & Contracts (i.e. for 2015-16 there is a 3% CPI increase and a 2% efficiency saving, giving a 1% net increase), however the real impact (i.e. excluding inflation) is that Materials & Contracts are required to reduce.~~

6.6. Assumptions (3) Capital Projects

Table 5 below summarises the Capital Expenditure included in the *Draft 20 Year Strategic Financial Plan*, a total of (\$1,117088m). The table also summarises:

- One-off proceeds (Grants of \$1893m and Disposal proceeds associated with the capital projects of \$4038m). The one-off proceeds are \$23421m in total, which leaves a net amount of (\$8868m) to be financed by Reserves, Municipal Funds and Borrowings.
- Operating Income and Operating Expenses have been estimated for each capital project. This identifies a net benefit of \$21m, when compared to existing income and expenses.
- Overall impact over the term of the plan is estimated at (\$847m), the sum of the one-off impacts and ongoing income and expenses.

Table 5 Assumptions – Capital Projects Summary

Project Summary \$ms	(A) One-Off				(B) Ongoing			Total (A+B)
	Capital	Grants	Proceeds	Funded by City	Income	Expenses	Total	
A) Capital Works Program	(725)	171	0	(553)		2	2	(551)
B) Capital Projects	(85)	1	17	(67)		(12)	(12)	(80)
C) Major Projects (\$1m to \$3m)	(13)	1		(12)	0	(1)	(1)	(13)
D) Major Projects (> \$3m)	(294)	16	22	(256)	100	(97)	3	(253)
TOTAL	(1,117)	189	40	(888)	100	(108)	(8)	(896)

Each line item above (A to D) is separately shown in Appendix 2, with a separate table showing the projects that are included. The source of the data used for the projections comes from a variety of sources:

- *Previous Plan.*
- *5 Year Capital Works Program*
- Asset Management plans where available
- Estimates by Program co-ordinators.
- Council decisions e.g. recent decisions regarding Bramston Park are included.
- Feasibility studies for major projects.

- Elected Member reviews.

Excess surpluses are generated from 2024-25, these have been set aside to assist with the backlog of Capital Expenditure that has been identified with the Asset Sustainability Ratio (covered in more detail in section 7), as well as ensuring there is sufficient expenditure on replacement expenditure.

Table 6 below provides additional data for Major Projects over \$3m.

Table 6 – Major Capital Projects (>\$3m) (including escalation)

	Major and/or Significant Projects	Capital Expenditure		Yr Complete	Details
		excl. Escal'n \$m	incl. Escal'n \$m		
1	Mullaloo Surf Life Saving Club	(\$2m)	(\$2m)	2015-16	Redevelopment of clubroom
2	Multi-Storey Car Park (1) (Boas Avenue)	(\$1724m)	(\$1724m)	2015-16	Multi-storey car park to further enhance the City Centre and support the further growth of the City. Costs are based on the business case approved by Council in December 2012. The final costs are subject to detailed design.
3	Ocean Reef Marina Business Case & Structure Plan	(\$23m)	(\$23m)	2015-16	Development of business case / Structure Plan for Ocean Reef Marina development.
4	Synthetic Hockey Project	(\$7m)	(\$7m)	2016-17	New hockey facilities
5	Cafes / Kiosks / Restaurants	(\$0.53m)	(\$0.53m)	2016-17	Project costs to support the development of two cafes, kiosks or restaurants
6	CBD Office Development	(\$19.6m)	(\$19.6m)	2017-18	Project Costs required from 2013-14 to 2015-16 to work with a proponent for CBD office development. New revenue potentially generated from 2017-18.
7	Grove Child Care / Dorchester Hall / Warwick Hall	(\$4m)	(\$4m)	2017-18	Rationalise three (3) existing buildings currently on separate blocks Project overall should be cost – neutral, therefore assumed sale proceeds of land of \$4m to support capital costs
8	Penistone Park – Facility Redevelopment	(\$4m)	(\$4m)	2017-18	Redevelopment of park and other infrastructure.
9	Joondalup Administration Building	(\$5m)	(\$5m)	2017-18	Major refurbishment
10	Joondalup Performing Arts & Cultural Facility (JPACF) / Jinan Gardens	(\$94m)	(\$10194m)	2018-19	New facility to provide for Performing Arts & Culture Cost estimates are based on feasibility study (2012). \$2m estimated cost for Jinan

					Gardens.
11	Greenwood Community Hall / Calectasia Hall / GSGH)	(\$5m)	(\$5m)	2019-20	New community hall.
12	Clubroom redevelopment – Chichester Park	(\$4m)	(\$4m)	2020-21	Redevelopment of existing facilities
13	Edgewater Quarry	(\$26m)	(\$26m)	2021-22	Development of quarry Sale of land estimated to contribute
14	Whitfords Library & Senior Citizens Centre	(\$12m)	(\$12m)	2022-23	New library facility at Whitfords Potential for offset with shopping centre development
15	Multi-Storey Car Park (2)	(\$18m)	(\$22m)	2022-23	Location not yet identified
16	Percy Doyle Master Plan	(\$43m)	(\$69m)	2030-31	Development of sporting and leisure facilities at the Percy Doyle Reserve
17	Percy Doyle Refurbishments	(\$6m)	(\$7m)	2016-17, 2020-21, 2024-25	Refurbishment of existing facilities to keep in working order until Master Plan is completed.
18	Prince Regent Park Development	(\$2m)	(\$4m)	2031-32	Redevelopment of sporting and leisure facilities
Total		(\$248m)	(\$294m)		

6.7. Assumptions (4) - Capital Proceeds

The *Draft 20 Year Strategic Financial Plan* includes an asset rationalisation component, with the City applying the principle of using the proceeds where ever possible to offset the expenditure on new capital initiatives.

The *Draft 20 Year Strategic Financial Plan* includes several assumptions regarding proceeds received as a result of the sale of land. These are shown in Supporting Schedule SS34. These proceeds are planned to be transferred to specific reserves, to fund specific projects and/or help to fund other Capital Expenditure on the same project.

A summary of the proceeds from land sales included in the *Draft 20 Year Strategic Financial Plan* are:-

- \$67m from sale of Tamala Park land. The proceeds are used to support the following projects: Joondalup Performing Arts & Culture Facility ~~Percy Doyle Master Plan~~
- \$112m from sale of land no longer considered required for City purposes ('Asset Rationalisation'). \$9m of these proceeds are allocated to the Joondalup Performing Arts & Culture Facility Reserve where it is known that they may be used for that purpose
- \$1.6m for Blackwattle parade has been set aside separately as the proceeds need to be used locally, and then subsequently used to help build the facility.
- \$189m from the sale of land at Edgewater Quarry, used to repay short term borrowings used to fund the capital infrastructure on that project.
- \$4m, from sale of land at Warwick (three buildings currently at Warwick will be rationalised, releasing land for sale). These funds will offset against the project costs.

6.8. Assumptions (5) - Financing Assumptions

Table 7 below summarises the key financing assumptions:

Table 7 Assumptions – Financing Assumptions

Ref	Issue	Details
1	Each Financial Year Balances	○ Projections established so that the 'Net Cash' each year (i.e. Cash excluding reserves) should be balanced
12	Interest % on Loans	<ul style="list-style-type: none"> ○ WATC (West Australia Treasury Corporation) were consulted and provided forecasts <u>up to 2024-25 up to 2018-49.</u> <u>For a 10 year fixed loan, the following assumptions are included in the Draft 20 Year Strategic Financial Plan:</u> ○ <u>5% cost of interest is assumed for borrowings taken out from 2014-15 to 2016-17, 5.5% for borrowings taken out from 2017-18 to 2021-22 and then 6% from 2022-23 onwards</u> ○ <u>3.25% 2016-17</u> ○ <u>3.60% 2017-18 to 2019-20</u> ○ <u>4.00% 2020-21</u> ○ <u>4.50% 2021-22</u> ○ <u>5.00% 2022-23</u> ○ <u>5.50% 2023-24</u> ○ <u>6.00% 2024-25 and thereafter</u>
3	Term of Repayment Loans	<ul style="list-style-type: none"> ○ Where the borrowings in a year are <ul style="list-style-type: none"> - less than \$5m, it is assumed the loan would be paid back over a 5 year period - between \$5m and \$10m, a loan period of 10 years is assumed - between \$10m and \$15m, a loan period of 15 years is assumed - greaterGreater than \$105m a loan period of 1520 years is assumed. ○ The interest has not been varied with the terms, although in reality the term of the loan period would affect the interest %.
4	Investment Earnings	<ul style="list-style-type: none"> ○ Are assumed to be less1% less than the cost of finance ○ The City strives for the best available earnings % for investments. However for the purposes of being prudent the <i>Draft 20 Year Strategic Financial Plan</i> assumes that the earnings % of cash reserves are aaalways less than the cost of finance i.e. the City does not plan or 'speculate' to beat the market.

7. RATIOS & FINANCIAL ESTIMATES

7.1. Financial Statements

The *Draft 20 Year Strategic Financial Plan* is summarised into four (4) Financial Statements (FS) these are at the back of the report.

Appendix 3 provides explanations of the four (4) Financial Statements (FS). Each FS has a table after it which explains each line.

7.2. Key Ratios - OverviewDetails

Five Key Ratios have been calculated and are used to summarise the Financial Statements and the overall financial projections. The need for the ratios and targets is covered in more detail within the *20 Year Strategic Financial Plan – Guiding Principles* (Appendix 1).

Table 8 below provides a snapshot of the Indicators. Sub-sections 7.4.1 to 7.4.5 provide additional explanations of each of the indicators. The calculations of the Key Indicators are provided in Supporting Schedule 2. The schedule also links to the source of the calculations by providing the line reference to the Financial Statements.

There is no one indicator, or financial year, that can be used to judge the financial sustainability of the City. Spikes in indicators can occur for a number of reasons.

7.3. Key Indicators – DetailsSummary

Of the five key ratios identified within the Guiding Principles, 83 out of 100 are achieved, although there is only 33 out of 50 achieved in the first 10 years. Although the projected achievement of 83 ratios out of 100 is 9 higher than the Adopted plan, it is far from ideal because ideally the City should achieve at least 90 of the key ratios. Indeed the Operating Surplus Ratio, which is the most important ratio, is below the threshold for the first seven years and only comes within tolerance from 2021-22. For those ratios that are not achieved (Operating Surplus Ratio and Asset Sustainability Ratio), there is a positive trend. The projections for each of the ratios are:

- Rates increases at no more than 5%. This is achieved in all 20 years. This is achieved in 19 of the 20 years; the only year above the target is 2013-14 where the overall increase was 5.2%.
- Net Municipal Closing Balance (ensuring that the books are balanced). This is achieved in all 20 years.
- Operating Surplus Ratio – 5 year average to be between 2% and 8%. This is achieved in 130 of the 20 years. Although the earlier years (2013-14 to 2022-23) are below the target there is a positive upwards trend. The starting point of the projections of 2015-16 is negative 2.3% and it becomes difficult for the City to improve this in the next few years due to the new investment and the additional operating expenses required to operate new facilities. For example the Joondalup Performing Arts & Cultural Facility will depress the Operating Surplus Ratio by 1.3% each year due to the operating subsidy required and the Depreciation expense~~One of the reasons why the ratio is below the target between 2018-19 and 2022-23 is due to the interest payments associated with the short-term loans used for the Joondalup Performing Arts & Cultural Facility and Edgewater Quarry.~~ The projections from 2021-22 onwards are all within the target or exceed it.
- Asset Sustainability Ratio, which measures the rate at which the City spends Capital Expenditure on Replacement versus Depreciation. The target is to be between 90% and 110%, although, the long-term average that the City should aim for is 100%. This ratio fails the target in the first 102 years which suggests that there is insufficient expenditure on

replacement of existing assets and too much on new assets. The City's assets and infrastructure are relatively young and it at this stage in their life cycle it may be reasonable for the Asset Sustainability Ratio to be depressed. The City will need to increase expenditure on renewals in later years as the City becomes older, this has been factored into the capital forecast.~~The ratio indicates a potential backlog of expenditure on capital replacement projects.~~ This ratio will be subject to ongoing review with updates to the Asset Management plans and the ratio calculated separately for each asset class.

- Debt Service Coverage Ratio compares the amount of operating cashflow available versus loan repayments. Ideally there should be surplus from operating cashflow of five times or more of loan repayments. It is intended that the ratio does not fall below the range of 2 to 5 in some years, and the target is to avoid this occurring for five years in a row. This ratio is achieved in all 20 years, however there are five years where the ratio falls below the desired threshold of five, this is a short term impact caused by the borrowings of major investment including the~~not achieved in all 20 years due to the large and immediate repayment of borrowings arising from the~~ Joondalup Performing Arts & Cultural Facility and Edgewater Quarry project.~~Edgewater Quarry~~

Table 8 – Key Ratios

Key Ratios

	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34
1) Rates % increase																				
	5.2%	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%	4.0%	4.5%	4.0%	4.5%	4.0%	4.5%	4.0%	4.5%	4.0%	4.0%
Target is 5% or less																				
2) Net Closing Position \$m																				
	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3) Operating Surplus Ratio																				
- 5 Year Average	(1.2%)	(2.3%)	(3.1%)	(2.6%)	(1.9%)	(0.9%)	1.0%	2.7%	4.2%	5.6%	6.9%	8.1%	9.3%	10.7%	12.2%	13.7%	15.0%	16.1%	17.0%	17.9%
Target is to achieve a positive Operating Surplus between 2% and 8%. Amber is shown for those years where the 5 year average is positive																				
4) Asset Sustainability - 5 Year Average	(no data available prior to 2013-14)																			
				76%	74%	73%	73%	74%	73%	85%	90%	90%	92%	92%	92%	92%	92%	92%	92%	92%
Target is between 90% and 110%																				
5) Debt Service Coverage Ratio																				
	12.2	6.7	7.8	6.8	5.0	3.9	4.5	5.2	6.4	3.0	3.3	9.2	10.1	11.2	12.1	13.2	15.7	16.7	17.8	40.0
Preferably more than 5. Target fails if the City drops below a ratio of 5 for five years in a row																				

The definition of each indicator above is explained in the following respective paragraphs 7.4.1 to 7.4.5. ~~The calculations for each indicator are provided in Supporting Schedule SS2.~~

7.4. Key Indicators - Explanations

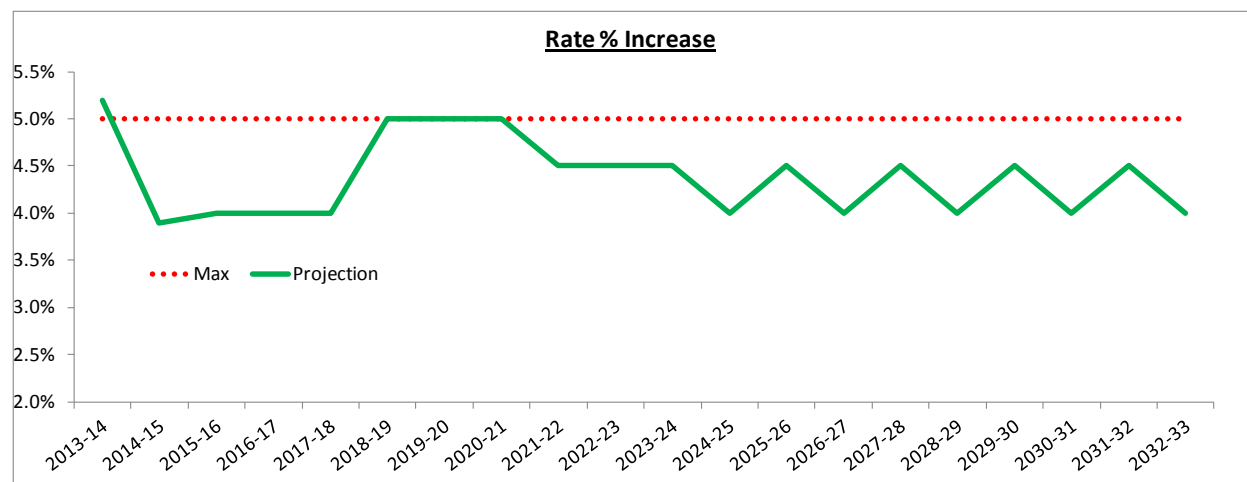
7.4.1. Rates % Increase

The rates % increase is not a *Department of Local Government and Communities* standard. This is a City of Joondalup indicator to measure performance against the goal of achieving rate increases of no more than 5%. It must be emphasised that the rates % increases are projections and are not necessarily the increases that will be applied.

The *Draft 20 Year Strategic Financial Plan* has assumed that there should not be any rates increase forecast above 5%, however the rates increase has to be sufficient to generate an adequate operating surplus, and to allow the City to afford the Capital Expenditure programs.

Chart 2 below demonstrates that the *Draft 20 Year Strategic Financial Plan* has been produced with a rates increase of no more than 5%. The average over the 20 years is 4.32%.

Chart 2 – Rates % Increase



7.4.2. Net Municipal Closing Balance

A key objective of the *Draft 20 Year Strategic Financial Plan* is to “balance the books” such that the closing balance of cash held by the City (excluding reserves) should be zero, or as close to zero as possible. This objective demonstrates that the City is able to invest in new infrastructure, whilst being able to have moderate increases in rates. Statement FS²³ summarises the rate setting calculations to demonstrate that funds match expense and the books are balanced.

~~Chart 3 below shows the projections versus the *Previous Plan*. The *Previous Plan* showed surpluses in the later years of the plan; whilst the revised plan has now assumed that the surpluses are used for expenditure on backlog Capital Expenditure. Table 9 underneath provides some commentary to this.~~

~~Chart 3 – Net Municipal Closing Balance~~

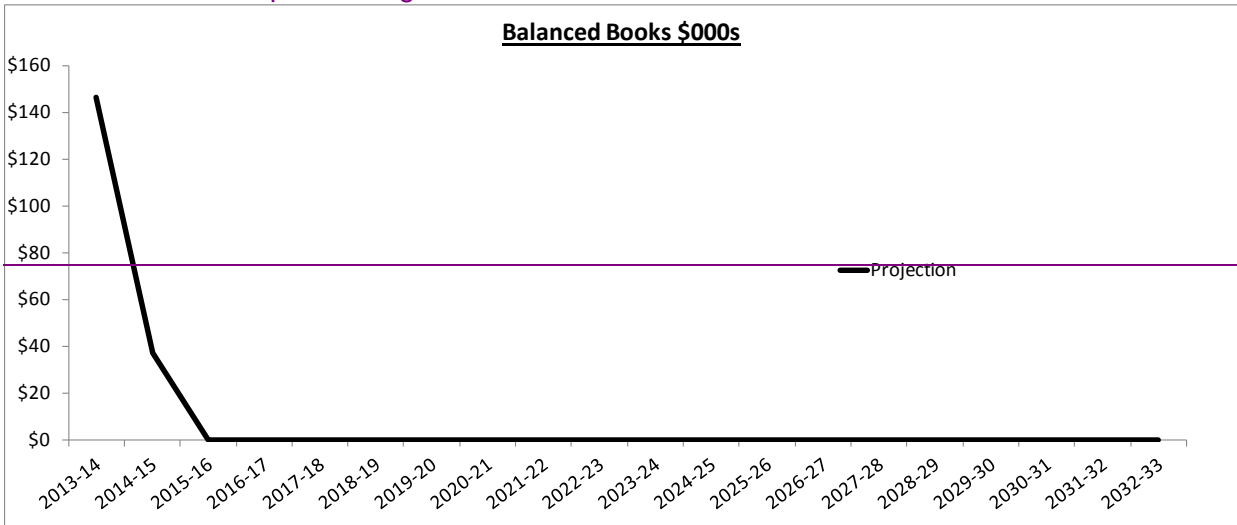


Table 9 – Net Municipal Closing Balance - Key Comments

Projection	Comment
<ul style="list-style-type: none">○ All 20 years are showing a balanced budget.	<p>It should be noted that the later years (from 2022-23) have high cash surpluses due to Capital Expenditure on New projects being much lower in the last 10 years of the plan than the first 10 years</p> <p>The excess surpluses generated from 2022-23 have been set aside for capital Replacements, to assist with the potential backlog of Capital Expenditure that has been identified by the Asset Sustainability Ratio. <u>The remaining surplus has been transferred to the Strategic Asset Management Reserve.</u></p>

7.4.3. Operating Surplus Ratio

The Operating Surplus indicator is the primary indicator in measuring long term financial sustainability. This is an indicator of the extent to which revenues raised cover operational expenditure and the extent to which surpluses are generated to fund capital projects. Chart 34 below shows the projected Operating Surplus %, compared to the *Previous Plan* and the targets. A desired ratio for Operating Surplus is between 2% and 8%, as a 5 year average. Table 10 underneath provides additional commentary.

Chart 34 – Operating Surplus %

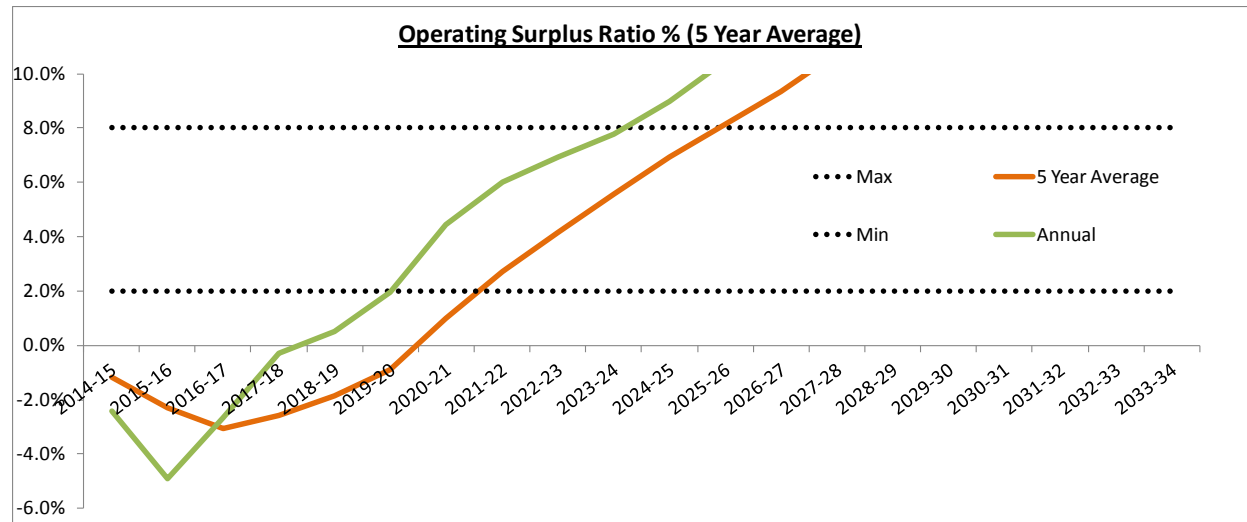


Table 10 – Operating Surplus Key Comments

Projection	Comment
<p>The early years (up to 2019-20) have a low operating surplus ratio, and the five year average is only above the 2% <u>minimum threshold</u> target from 2021-22 to 2023-24.</p> <p>The low achievement in the early years is due to a number of reasons:</p> <ul style="list-style-type: none"> ○ Baseline 2014-15 has a negative operating surplus. ○ High capital investment in the early years whilst striving to keep rate increases at 5% or less. ○ <u>Operating expenses and Depreciation with new infrastructure. For example, the Joondalup Performing Arts & Culture Facility depresses the ratio by 2.8% each year due to the operating subsidy and additional depreciation.</u> ○ Interest payments associated with the short-term loans used for the Joondalup Performing Arts & Cultural Facility and Edgewater Quarry projects. ○ Reduced investment earnings as reserves become depleted. <p>The projections show a positive upwards trend.</p>	<p>The <i>Draft 20 Year Strategic Financial Plan</i> is long-term, and <u>it is therefore crucial that the upwards trend is positive. the most important consideration with the operating surplus ratio is the sustained achievement from 2020-21 onwards. The low ratio in the next few years will continue to be evaluated as part of the annual budget review and mid-year budget review, to ensure that the upwards trend will be achieved. The impacts on the Operating Surplus Ratio of new or redeveloped facilities will continue to be evaluated.</u></p> <p>–The <i>Draft 20 Year Strategic Financial Plan</i> has also been able to keep rate increases at no more than 5% in all years of the <i>Draft 20 Year Strategic Financial Plan</i>. If rates were increased more than 5% in the early years where the Operating Surplus is low, this would give rise to even greater cash surpluses in later years.</p> <p>One of the causes of the low performance between 2017-18 to 2023-24 is the cost of interest associated with the Arts Facility and Edgewater Quarry projects. However the City is repaying the loans as quickly as possible and therefore the higher costs of interests are short term only.</p>

7.4.4. Asset Sustainability Ratio

The Asset Sustainability ratio measures the extent to which:

- Assets managed by the City are being replaced as they reach the end of their economic life.
- Compares the amount of expenditure on Capital Replacement versus Depreciation

The target for Asset Sustainability Ratio is to have a 5 year average of between 90% and 110%. The long term average that would be expected would be 100% i.e. for each \$1 of Depreciation expense is matched by \$1 on capital replacements. Where the ratio continually falls well below the 90% minimum this indicates that more expenditure is spent on new infrastructure than renewal or that there is a potential backlog of capital replacements.

Chart 45 below shows the values that go into the calculation. Chart 56 below shows the projections compared to the *Previous Plan* and the Targets. Table 11 underneath provides some commentary.

Chart 45 – Capital Expenditure & Depreciation

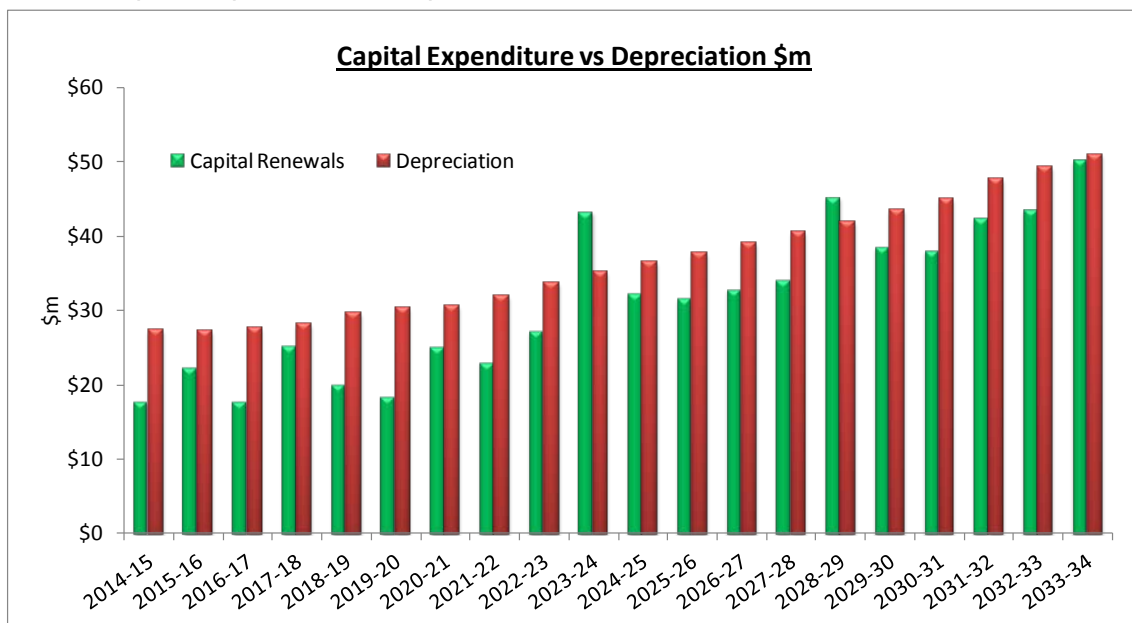


Chart 56 – Asset Sustainability

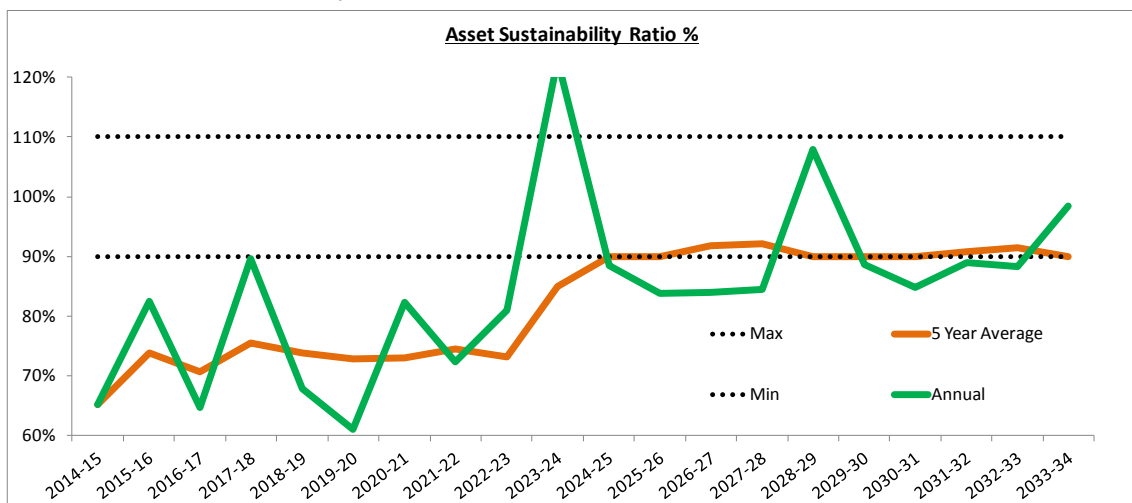


Table 11 – Asset Sustainability Comments

Projection	Comment
<p>From 20143-154 to 20224-232 the ratio consistently falls well below the 90% minimum, with an average of just 742%. This indicates a \$42m backlog of <u>renewal expenditure</u>(\$48m), as the Depreciation expense is not matched by expenditure on capital replacements. <u>However</u> tThere is (\$1926m) of new Depreciation in those years, relating to new projects, most of which have a long life (e.g. 40 years), and would not require any capital replacement in those years. Therefore the backlog may be approx (\$232m).</p>	<p>The ratio suggests that the City is not spending enough Capital Expenditure on replacement/renewal of existing assets and possibly spending too much expenditure on new assets or infrastructure in comparison. <u>However the City's assets and infrastructure are relatively young and at this stage in their life cycle it is reasonable for the Asset Sustainability Ratio to be depressed. The City will need to increase expenditure on renewals in later years as the City becomes older, this has been factored into the capital forecast</u></p>
<p>From 20245-256 the ratio achieves the <u>minimum</u> 90% target, due to the <u>additional renewal expenditure that has been planned.</u> funds that are set aside as backlog replacements.</p>	<p>There is more work to be done in this area. <u>Whilst the minimum threshold is 90% the long-term average that the City should aim for is 100%.</u> Each asset class is being re-valued,<u>valued</u>; this will provide the City with detailed long term replacement estimates and the Asset Sustainability Ratio for each asset class.</p>
<p>The calculation requires the identification of Capital Expenditure as either replacement or new. This identification is not straightforward, for example where there is an upgrade of an existing asset, some of the expenditure may be deemed replacement, whilst some of it should be classed as new. There have been refinements in the methods used in the calculation of the ratio, and there will continue to be further refinements in subsequent updates of the <i>20 Year Strategic Financial Plan</i>.</p>	<p>A further concern with the backlog indicated in the earlier years, is the possibility that there may be higher maintenance costs required to keep assets in working order. This will also be reviewed as part of the review of each asset class and may be an issue identified in subsequent updates of the 20 Year Strategic Financial Plan.</p>

7.4.5. Debt Service Coverage Ratio

This is the key ratio to evaluate treasury management and is used by West Australia Treasury Corporation (WATC) to help evaluate requests for loans.

The ratio compares annual operating surplus available as cash versus debt repayments and is intended to demonstrate that local governments have sufficient surpluses to cover debt repayments.

The target for Debt Service Coverage Ratio is to that the ratio does not fall less than 5 for 5 years or more.

Chart 67 below shows the values that are used in the calculation. Chart 78 shows the projected ratio versus *Department of Local Government and Communities* standards. Table 12 underneath provides additional commentary.

Chart 67 – Operating Surplus & Loan Repayments

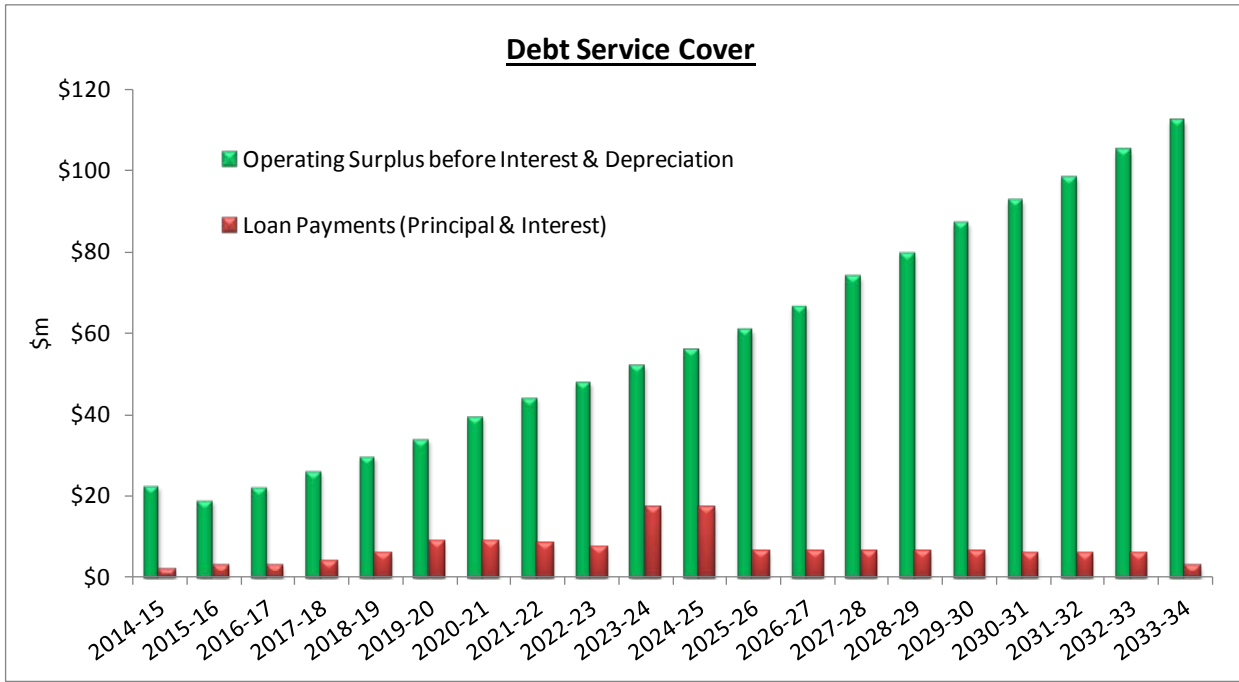


Chart 78 – Debt Service Coverage Ratio

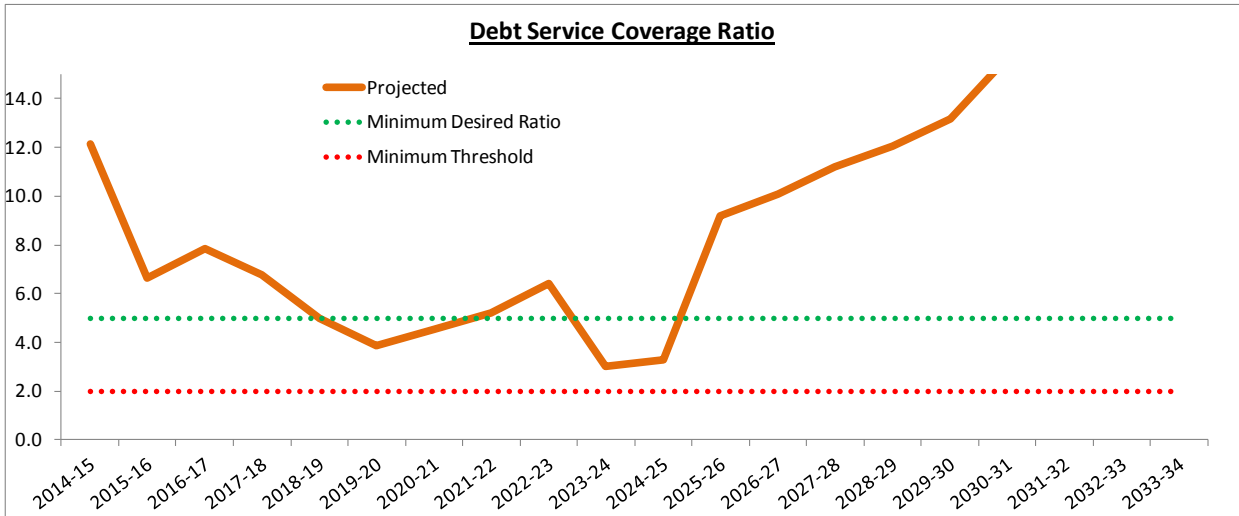


Table 12 – Debt Service Ratio Comments

Projection	Comment
<p>For <u>five y</u>Years 2018-19 to 2024-25 the City has coverage of less than 5. This results in the City target of falling below the target for five years in a year from 2022-23 to 2024-25. This is e <u>distortions are caused by the high borrowings used by the City to fund major projects, in particular the short-term borrowings used to finance Joondalup Performing Arts & Culture Facility which is forecast to require borrowings of \$45m (repaid over a 15 year period).</u> and Edgewater Quarry project.</p> <p><u>The ratio falls below the threshold of five in 2023-24 and 2024-25 due to the repayment of borrowings for Edgewater Quarry project. The failure of the ratio in those two years is</u> The repayments for the years 2018-19 to 2024-25 are high in comparison to the operating surpluses, however this is actually well intended and the right strategy, as the borrowings are <u>strategy, as the borrowings are</u> paid back as quickly as possible using the sales proceeds from Tamala Park and the land at <u>from</u> Edgewater Quarry.</p> <p>For all other years the ratio is above 5.</p> <p>Towards the end of the life of the <i>Draft 20 Year Strategic Financial Plan</i> (from 2027/28), where there is little new capital investment included, the ratio increases significantly.</p>	<p>The failure of the ratio is due to the calculation of the ratio itself, rather than poor financial management by the City. The ratio falls below 5 due to the large repayments of debt that the City makes, it is well-intended to do this and sound financial management, yet the ratio fails to take account of this.</p> <p>When the Department of Local Government and Community review the planning framework and ratios, it will be useful for them to reconsider the use of this ratio and to use another liquidity ratio that is more widely used in other states, the Net Financial Assets-Liabilities Ratio.</p> <p><u>WATC have provided additional tools to Local Governments to evaluate potential borrowings capacity. The WATC tools indicate a threshold of three for the Debt Service Coverage Ratio, which the City achieves every year.</u></p> <p><u>The City has had informal discussions with WATC regarding the estimated borrowings within the Draft 20 Year Strategic Financial Plan, so that the most appropriate assumptions are considered by the City. The 15 year repayment period for the \$46m borrowings for the Joondalup Performing Arts & Culture Facility is considered a reasonable assumption. The City should continue to discuss the 20 Year Strategic Financial Plan with WATC so that applications for borrowings which are larger than normal are not a surprise to WATC.</u></p> <p>Nevertheless, the City should not take the failure of this ratio lightly, particularly as the ratio as used by WATC to help evaluation eligibility for borrowings.</p> <p>Discussions with WATC regarding potential borrowings normally only occur once Council has approved loan borrowings. However the City will undertake informal discussions with WATC to discuss the long-term plan for borrowings and ensure that the City would qualify for borrowings with the assumptions it has made.</p>

8. FINANCING & CASHFLOW

8.1. Overall Cashflow

Chart ~~840~~ below summarises the overall cash flow movements (Reserves plus Municipal) and the closing balance. In the early years of the plan cash reserves are depleted, reducing from \$580m at June 2014 to \$170m by ~~June 2018~~2017-18. The \$17m relates entirely to tied reserves, with \$0m left in the Strategic Asset Management Reserve by 2017-18. The early years of the plan (and in particular 2017-18 and 2018-19) are projected to have a high level of new investment and consequently cause high external borrowings.

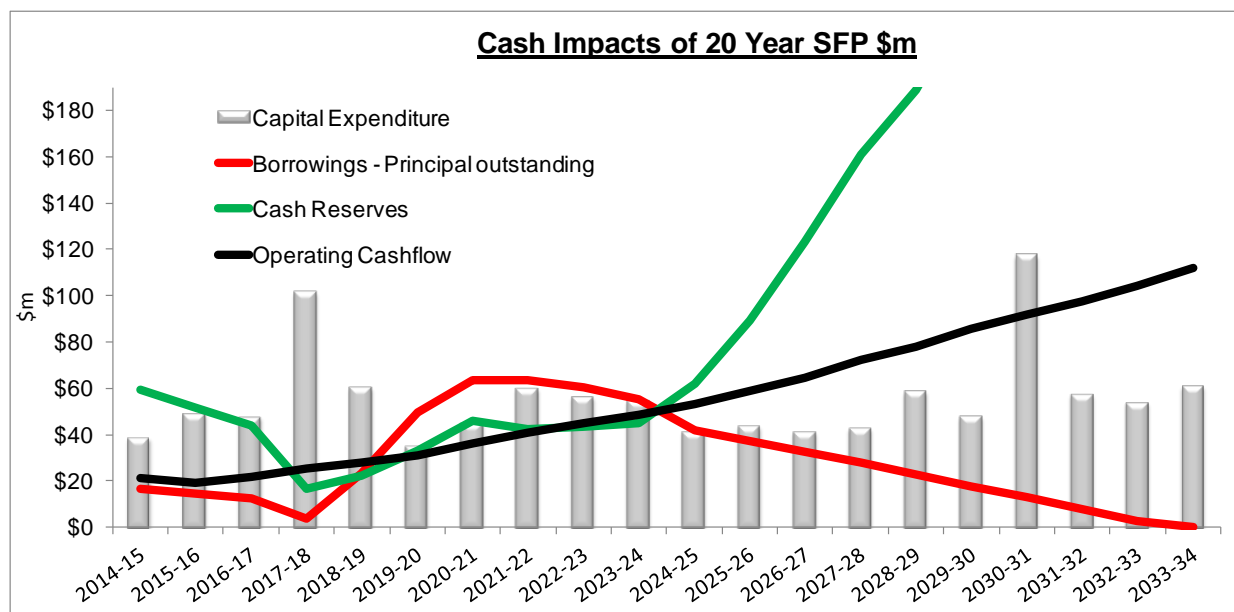
~~—Indeed, between~~Between the years ~~2014~~2015-16 to 2018-19 the City projects borrowings of \$5768m, ~~\$46m.~~ However \$41m of this relates to short-term borrowings for the Joondalup Performing Arts & Cultural Facility. Within the Previous Plan it was assumed that the, with future proceeds from Tamala Park land sales would allow the City allowing the City to repay this quickly within 6 years. However the proceeds from Tamala Park will now be received over a longer period of time and in total will be insufficient to cover all of the costs of borrowings. The total cost to the City, including interest, of the Joondalup Performing Arts Cultural Facility is \$67m. As the future Tamala Park proceeds are estimated at \$44m, there is a shortfall of \$23m, which is assumed to be funded by general municipal funds.

~~Edgewater Quarry project also assumes a similar financing mechanism, whereby \$18m of short-term borrowings are required from 2019-20 and 2021-22, and are repaid within 3 years with proceeds from the sale of land at the Quarry. It is these short-term borrowings that have caused the Debt Service Coverage Ratio to fail in several years. The issue here is with the ratio itself and not due to any concerns of financial management by the City, it is a logical assumption for the City to borrow based on known future proceeds, and to repay the debt as quickly as possible.~~

From 2023-24 onwards (where there is far less new investment than in the earlier years), the cash held in reserves increases greatly, with \$374m projected by 2033-34. ~~Indeed from 2022-23 onwards the City will be generating sufficient cashflow to set aside for replacement of its infrastructure, which by then will have aged more and requiring more replacement.~~

~~The City need not be overly concerned with the lower cash balances in the early years; it is vital that the City proceeds with the projects and investments that best meet the objectives for the City.~~

Chart ~~840~~ – Cash Flow



8.2. Financing for Capital Expenditure

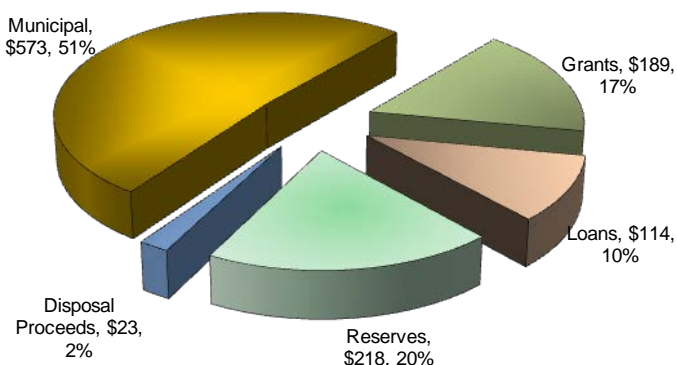
Supporting Schedules SS23 to SS56 provide details of the Capital Expenditure and Financing:

- Capital Expenditure (Supporting Schedule SS23)
- Capital Proceeds (Supporting Schedule SS34)
- Financing methods (Supporting Schedule SS45 and Supporting Schedule SS56).

Detailed analysis has been undertaken, year by year, project by project, to evaluate the appropriate method of funding whilst striving to achieve all other goals in the *Draft 20 Year Strategic Financial Plan* (maintain rate setting surpluses at zero or as close as possible to zero and keep rates increases to a maximum of 5%). Chart 944 below summarises the financing for the (\$1,117,088m) of capital projects over the full 20 years:

Chart 944 – Financing of New Capital Expenditure

Capital Expenditure - Financing %



In assessing the funding requirements for Capital Expenditure the following parameters have been followed:

- The Capital Works Program is day to day Capital Expenditure and it is preferable for operating surpluses generated within the year to fund these. For major one-off items within the Capital Works Program the Strategic Asset Management Reserve has been used:
 - City Centre Street Lights will need to be replaced within the 20 years. This is estimated to cost (\$13m) (in today's dollars).
 - Major Road Construction. The City is relatively mature in terms of the needs of new major roads (i.e. most arterial roads are dual carriageway). The plan has assumed that only 11 of the 20 years would require major road investment, approx (\$3m) per year, per project. It is assumed that external grant funding would support approx two-thirds of the cost. From 2016-17 onwards the remaining (\$1m) is assumed financed by the Strategic Asset Management Reserve.
 - Building Construction Works such as refurbishments. This program is assumed to be partially financed by the Strategic Asset Management Reserve and partially by Municipal funds.
- Major projects are financed either by external grants where available, proceeds from sale of land relating to the project, municipal funds, specific reserves established for the purpose of financing the project, the Strategic Asset Management Reserve or the use of borrowings as a last resort. Table 13 below lists the Major Projects (>\$3m) and the source of the financing for each.

Table 13 – Major Projects – source of finance

Major Projects & funding 20 Year summary, including inflation \$ms	Capital	Funding						Total
	Expend	Grants	Disposal Proceeds	Municipal	Reserves	Strategic Reserve	Loans	
1 Joondalup Performing Arts & Culture Facility/Jinan Gardens	(101)	10			45		46	101
2 CBD Office Development	(1)			0	1			1
3 Cafes / Kiosks / Restaurants	(0)				0	0		0
4 Ocean Reef Marina Business Case & Structure Plan	(2)	1		1	1			2
5 Penistone Park - Facility Redevelopment	(4)	1		2		0		4
6 Synthetic Hockey Project	(7)	2		0			5	7
7 Greenwood Community Centre (Calectasia hall / GSGH)	(5)					3	3	5
8 Edgewater Quarry	(25)			7			18	25
9 Percy Doyle Master-Plan Phase 1 (Library & L-Centre) #1	(69)					69		69
10 Percy Doyle - Refurbishment Works	(7)	1				4	2	7
11 Clubroom Redevelopment - Chichester Park	(4)	1					3	4
12 Grove Child Care / Dorchester Hall / Warwick Hall	(4)		4					4
13 Whitfords Library and Senior Citizens Centre	(14)					14		14
14 Multi Storey Car Park (1)	(16)				8		9	16
15 Multi Storey Car Park (2)	(22)				15		7	22
16 Joondalup Administration Building - refurbishment	(5)					5		5
17 Mullaloo Surf Life Saving Club	(2)	1	0	1				2
18 Prince Regent Park Development	(3)					3		3
Total Major Projects	(294)	16	5	12	45	124	93	294

#1 Percy Doyle Master-Plan included above is the renewal of the Library and Leisure Centre. Phase 2 is outside the timescales of the 20 year SFP

8.3. Reserve Movements

Supporting Schedule SS45 provides details of the reserve assumptions within the *Draft 20 Year Strategic Financial Plan*.

Chart 102 below summarises the overall movements in reserves, over the term of the *Draft 20 Year Strategic Financial Plan*. This shows that:

- The Reserve funds are depleted in the early years of the *Draft 20 Year Strategic Financial Plan* to fund new Major Projects.
- The reserve balance is as low as \$170m by the end of 2017-18, with zero in the Strategic Asset Management Reserve.
- The reserve balances increase steadily from 2024-25, due to cash surpluses.

Chart 102 – Reserve Movements

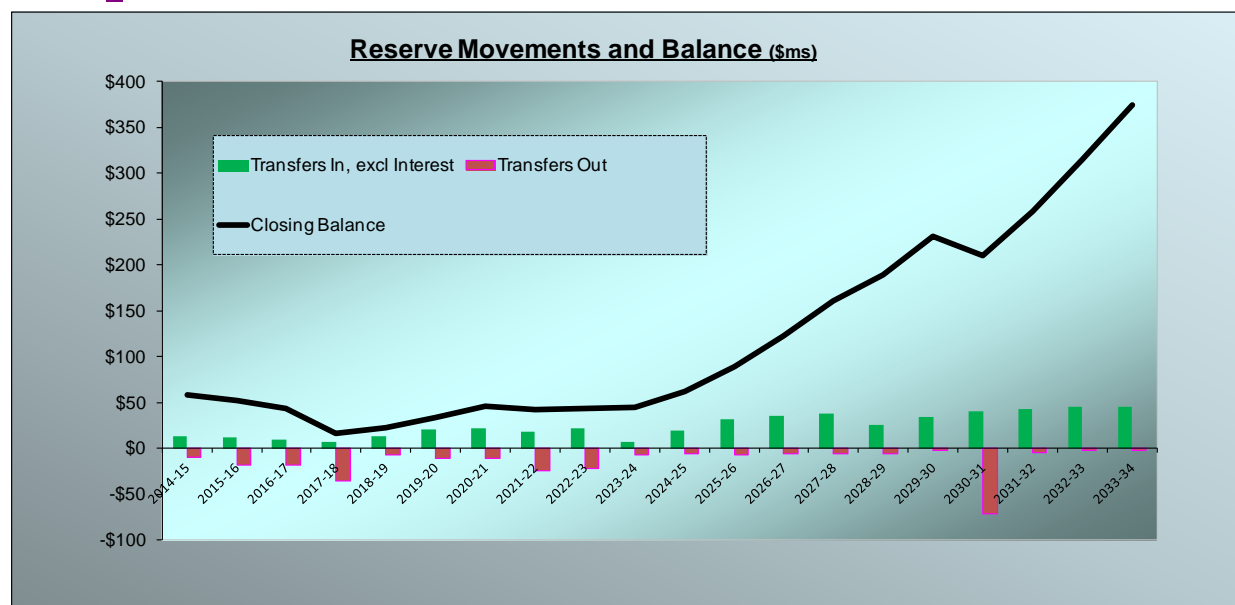


Table 14 below lists the movements on each of the reserves over a 20 year period. Supporting Schedule SS5 provides further details of each reserve, year by year,

Table 14 – Reserve Movements

Reserve Movements 20 Year Summary \$ms	Opening	Movements						Closing
	Balance	Transfers in	Internal Payback	Fund Major Projects	Other Trsfrs out	Interest on Reserve	Total	Balance
1 Strategic Asset Management	20	344		(149)		60	255	275
2 Sale of Tamala Park Land	2	69		(24)	(48)	2	(2)	0
3 Joondalup Performing Arts & Culture Facility	11	9		(21)		0	(11)	
4 Parking Facility	7	66		(24)		15	56	63
5 Asset Rationalisation Proceeds (Other)		2				2	3	3
6 Cash in Lieu of City Parking	1			(1)			(1)	
7 Ocean Reef Marina	1	0		(1)		(0)	(1)	(0)
8 Currumbine / Kinross Community Centre	(0)					(0)	(0)	(0)
9 Capital Works Going Forward	3	3		(5)		0	(2)	0
10 Waste Management	3	10		(0)		9	18	21
11 Vehicles & Plants Replacement	2	3			(5)	2	(0)	2
12 Non Current LS Leave Reserve	2	0				3	3	5
13 Public Art Reserve	0	0		(0)		0	(0)	0
14 Section 20A Land	0	0				0	0	0
15 Cash in Lieu of Parking Reserve	1	0				2	2	3
16 Cash in Lieu of Public Open Space	(0)					(0)	(0)	(0)
17 Trust Fund	1	0		(1)		1	(0)	1
Total Reserves	53	504		(225)	(53)	95	321	374

#1 Opening Balance relates to the Budget 2013-14

#2 Transfers into "Sale of Tamala Park" include \$67m proceeds from sale of land

Other comments to note regarding reserves within *Draft 20 Year Strategic Financial Plan*:

- ~~Sale of Tamala Park~~—proceeds have now begun to be received and a reserve was formally established by the City as part of the 2013-14 Mid Year Budget Review. The intended use of the funds within the *Draft 20 Year Strategic Financial Plan* is consistent with the City's Strategic Positioning Statement (as adopted by Council June 2012), which states that "*Funds from Tamala Park should be used for programs aligned to the 20 Year Strategic Financial Plan, but for the following purposes as a minimum:*
 - To invest in income producing facilities*
 - To build significant one-off community facilities*"The funds are used for two projects only, the Joondalup Performing Arts & Cultural Facility and Percy Doyle Reserve Master Plan.
- Strategic Asset Management Reserve. The *Draft 20 Year Strategic Financial Plan* has assumed that this reserve can be used flexibly. Where projects use this reserve, it is then assumed that the Municipal funds will replenish the reserve over a ten year period, but only where the Municipal funds can afford to do so.
- "Trust Fund" is not a Reserve. This cannot be used in the same way as other reserves.

8.4. Investment Earnings

As the City continues to use Reserve funds, this has the impact of reduced investment earnings. For example in 2018-19 the earnings on reserve funds is estimated to be less than \$1m. The estimated investment earnings on Reserves for 2016-17 are \$1.8m, based on an Opening Cash Balance of \$47m and a closing cash balance of \$52m. However the earnings on Reserves for the following year 2017-18 reduce sharply by (\$1.0m) to \$0.8m. This reduction is caused by reserves reducing from \$52m at the beginning of the year to just \$10m at the end of 2017-18.

Other factors affect the investment earnings as well, such as the earnings rate, the timing of income received, and the timing of expenditure during the year and in reality the actual investment earnings for any particular year will be different to the projections.

8.5. Loans

There are \$96m borrowings projected within the 20 years of the plan, however these are spread across multiple years and begin to be repaid immediately. The maximum balance owing is estimated to be \$64m at 2020-21. The new borrowings of New Loans of \$96-125m are assumed to be required within the 20 years projections. This comprises of the following:

- ~~\$46-1m~~ short-term borrowings for Joondalup Performing Arts & Cultural Facility. ~~These are repaid within six years using the proceeds from Tamala Park Land Sales. During the six years though, the borrowings attract a cost of interest of \$9m.~~
- \$18m short-term borrowings for Edgewater Quarry, repaid within four years by proceeds from sale of land. These borrowings cost \$4m in interest payments.
- ~~\$32-66m~~ standard repayment loans used for a variety of projects as listed in Supporting Schedule ~~56~~.

—Loans are deemed necessary, where there are insufficient operating surpluses available to meet all capital requirements. Loans are a useful way of spreading the capital cost out over time; however this does come at a cost i.e. the interest to be paid.

Chart 13 below illustrates the overall impacts of a \$10m loan over a 10 year period with a 5% interest charge. The key issues to note are:

- Payments of (\$1.3m) per year over 10 years, results in total payments of (\$13m), (\$3m) higher than the sum borrowed.
- (\$3m) additional cost is the cost of interest, an overall total of 30% of the original sum borrowed

Chart 13—Illustrative Loan Repayments

Local Government is an asset-intensive business and as such the prudent use of external borrowings is a reasonable expectation. The City should continue to consider the use of loans to pay for infrastructure, particularly where the investment can provide income generating opportunities. However in using Loans the City needs to understand the additional cost to Operating Expenses with interest charges. In summary the City should continue to evaluate the use of borrowings to fund projects.

8.6. Borrowings owing versus Cash Reserves

There are seven years (2017-18 to 2023-24) where the amount of loans outstanding is higher than the cash reserves the City has. This is not an issue to be of concern. Liquidity is measured using the Debt Service Coverage Ratio, where the amount of Operating Surplus generated by the City is compared to the cost of loan repayments. Although the ratio appears low for several years, this is an abnormality caused by the ratio itself and the prudent measures by the City to repay debt quickly. Notwithstanding the short-term borrowings, the operating surpluses being generated by the City are sufficient for the borrowings used. Additionally, the City continues to operate a healthy working capital, out with the cash reserve balances.

There are \$96m borrowings projected within the 20 years of the plan; however these are spread across multiple years and begin to be repaid immediately. The maximum balance owing is estimated to be \$64m at 2020-21. The borrowings projection may appear to be a high value, but in terms of the bold projects taken on and the ring-fencing of specific land proceeds (Tamala Park and Edgewater Quarry) to help finance major projects, the use of borrowings in the Draft 20 Year Strategic Financial Plan is deemed appropriate. It is not viable to expect the City to save up enough cash before proceeding with major projects.

9. COMPARISON TO PREVIOUS PLAN

9.1. Key Changes since Previous Plan

The *Previous Plan* for the period 2013-14 to 2032-33 was adopted by Council in June 2014. The key changes in the current update are:

- Rates Business Growth has higher projections than the previously adopted plan. A more detailed analysis has been undertaken which now projects an increase in business rates revenue of 43% by 2033-34, the Previous Plan assumed a 14% increase.
- Tamala Park proceeds – the Draft 20 Year Strategic Financial Plan now includes an updated forecast with the proceeds received over a longer period of time (2028-29), where the Previous Plan assumed proceeds received by 2024-25.
- Capital Renewal Expenditure – the Previous Plan estimated additional expenditure from 2020-21, but did not identify specific programs. The Draft 20 Year Strategic Financial Plan has identified that additional renewal expenditure for Road Resurfacing and Paths.
- Joondalup Performing Arts & Culture Facility
 - \$10m Grant funding assumed, subject to successful application to the National Stronger Regions Fund)
 - Annual operating subsidy increased from \$0.4m to \$0.9m following further research by the City.

The *Previous Plan* for the period 2011-12 to 2030-31 was adopted by Council in November 2012. The key changes in the current update are:

- ~~Use of revised Guiding Principles adopted by Council in July 2013. Analysis of ratios is simplified.~~
- ~~Rates Volume Growth has higher projections than the previously adopted plan. A more detailed analysis has been undertaken e.g. estimated 8,000 additional dwellings.~~
- ~~Refuse Charges & Waste Management Costs now separately identified.~~
- ~~Major Projects – updates to projects where there have been revisions available~~
 - ~~Joondalup Performing Arts & Culture Facility – costs increased from (\$51m) to (\$94m), and assumed that all is financing is provided by the City.~~
 - ~~CBD Office Development – estimated benefits of new rates revenue and rates income now included (estimated \$420k per annum)~~
 - ~~Synthetic Hockey Pitch – costs amended in line with Council adopted proposal.~~
 - ~~Redevelopment Arena Joondalup – \$4m contribution by the City.~~
 - ~~Multi Storey Car Park (1) consistent with approved business case (December 2012).~~
 - ~~Multi Storey Car Park (2) amended in line with the costs and income for first car park.~~
 - ~~Other updates to projects as per council decisions eg. Bramston Park.~~

9.2. Draft 20 Year Strategic Financial Plan versus Previous Plan

Key issues to note in comparing the *Draft 20 Year Strategic Financial Plan* versus *Previous Plan*:

- ~~**Rates:** The Rates increases in the earlier years are now lower than the Previous Plan, for example~~
 - ~~3.9% increase in 2014-15 compared to 5% in the Previous Plan~~
 - ~~4.0% increase in 2016-17 compared to 5% in the previous plan~~

The Draft 20 Year Strategic Financial Plan now includes a more detailed projection of growth in rates income, compared to the estimates included in the previous plan.

- **Employee Costs:** The previous plan included higher increases in Employee Costs, with an average increase of 4.4% increase compared to 3.3% increase now included.
- **New Projects:** Operating Income & expenditure. There is a higher net cost for the new projects and plans compared to the *Previous Plan*. This is caused by the availability of more information for new facilities, for example there is financial data from the feasibility study of the Joondalup Performing Arts & Culture Facility.

9.3.9.2. Summary of Key Ratios versus *Previous Plan*

Table 15 below summarises the projections within the *Draft 20 Year Strategic Financial Plan* versus the *Previous Plan*. There is now estimated to be 83 Key Ratios achieved out of a possible 100, this is 9 more than the same as the *Previous Plan*.

However the Asset Sustainability Ratio is now projected to be below the target for the first 10 years, and the Operating Surplus Ratio only achieves target from 2021-22. Whilst the projection of 83 is now higher than the Previous Plan, the City should ideally be achieving at least 90 out of 100.

- However it is worth noting the following:
Balanced Books. The previous plan indicated that only 14 years out of 20 were balanced. This is slightly misleading when compared to the revised plan. The 6 years in the previous plan that were not balanced were at the end of the 20 years and had large surplus funds, therefore indicating a healthy financial situation. The Draft 20 Year Strategic Financial Plan also has large surpluses in the later years of the plan, but has balanced the books by moving the surpluses into the Strategic Asset Management Reserve or to expenditure for backlog replacements to improve the Asset Sustainability Ratio.
- Operating Surplus Ratio is now worse off when compared to the previous plan. This is caused by the reasons indicated earlier in section 7, where the City has established lower Rates increases and has taken on more short-term borrowings causing higher interest payments.
- Debt Service Coverage Ratio was achieved in all 20 years of the previous plan, but now there are now 3 years where the City is projected not to meet the threshold.

Table 15 – Key Ratios

KEY RATIO		(A) Target Range		(B) Updated 20 Year SFP		c) Previously Adopted		
as per the City's Guiding Principles		Low	High	Number of Years within Tolerance	Number of Years Outside Tolerance	Number of Years Within Tolerance	vs. Current Proposal	
1	Rate % Increase	0.0%	5.0%	20	0	19	1	●
2	Balanced Books	\$0	\$0	20	0	20	0	●
3	Operating Surplus Ratio %	2.0%	8.0%	13	7	10	3	●
4	Asset Sustainability Ratio %	90.0%	110.0%	10	10	8	2	●
5	Debt Service Coverage Ratio	< 5	>5	20	0	17	3	●
Total				83	17	74	9	●

In summary, the updated plan now includes more detailed assessments for several projects, and includes more prudent assumptions for some key items. Additionally, there are greater challenges for the City with the funding of the Joondalup Performing Arts & Cultural Facility, and the target to have Employment Costs only increase by 3% each year (excluding the impact of Superannuation Guarantee).

10. RISK ASSESSMENT

10.1. Overall Comment

The *Draft 20 Year Strategic Financial Plan* is a planning tool. It is based on many assumptions. It also includes projects and proposals that in some cases:

- Have been approved by Council and are in progress,
- Have been considered by Council but are yet to receive final approval,
- Have only been considered by Elected Members at a strategy level,
- Have only been considered by Officers
- Are operational in nature and based on the continued provision of services and maintenance of City assets and infrastructure in accordance with management and other plans

Any of the assumptions and any of the projects or proposals not already approved could prove to be inaccurate both as to likely requirement, timing and financial estimates or may not come to pass at all. They have, however, been included based on the best available information and knowledge to hand at this time in relation to likely requirement, timing and financial estimates. Adoption of the *Draft 20 Year Strategic Financial Plan* by Council does not constitute a commitment or agreement to any of the projects or proposals that have not already been approved or the financial estimates and projections.

Periodic review and update of the *Draft 20 Year Strategic Financial Plan* will ensure that it remains a relevant and useful document to manage the City's financial affairs into the future.

10.2. Projects Not Included in the *Draft 20 Year Strategic Financial Plan*

There are a number of projects which have been subject to some discussion, but not included in the *Draft 20 Year Strategic Financial Plan* as they have not yet sufficiently been clarified. This could be due to a requirement for a Council decision, the need to determine some financial basis for how it may happen, unresolved external factors such as State Government participation or some combination of these.

Projects discussed but not included are:

1. Digital Hub

2. Lotteries House extension – the City is currently developing a position statement on affordable accommodation for not-for-profit organisations

2-3. Burns Beach Master Plan

4. Ocean Reef Marina – project costs for 2015-16 only are included. No other costs for the development of the project from 2016-17 or ongoing costs and income are included.

3-5. Redevelopment of Sorrento Surf Life Saving Club – the need to redevelop this in later years was identified in the Active Reserve Review (noted by Council in July 2014). No costs have yet been included in the 20 Year Strategic Financial Plan; these will be subject to further review.

6. Office Development - The project costs for Office Development and additional income from Rates Income are included, but there are no other costs or income assumed yet for the project as it is still subject to submission to State Government and negotiation.

10.3. Analysis of Risks

Some of the key risks have been analysed using the City's Risk Management Framework as summarised in Table 16 below.

Table 16 – Risks

<u>Risk Definition</u>		<u>Risk Management Framework #1</u>				
Issue	Risk Defined	<u>Likelihood</u>		<u>Consequences</u>		<u>Overall Score</u>
		Definition	Score	Definition	Score	Overall Risk
1 JPACF (Arts Facility) Operating Subsidy higher than \$0.9m	Updated SFP now assumes a (\$877k) subsidy per year by the City. It would be a good outcome for the City to achieve a subsidy of just \$877k. Comparisons with several other Arts Facilities indicates subsidies of over \$1m	Possible	3	Medium	3	9 Moderate
2 Tamala Park Proceeds lower than forecast	Updated SFP currently assumes circa \$67m proceeds, which are assumed to help repay borrowings for Arts Facility. Sales proceeds are subject to fluctuation based on demand and economic conditions	Possible	3	Major	4	12 Moderate
3 Ocean Reef Marina / Office Development - Unidentified Costs	Draft SFP only includes the project costs for the City, and does not include ongoing commitments, or other possible costs that City could incur e.g.. Improvement of City infrastructure	Likely	4	Major	4	16 High
4 Housing Growth lower than projected	SFP has assumed an increase in dwellings of approx 6,000 based on outright growth and in-fill. This growth is dependent on external factors (new developments) and take-up within Housing Opportunity Areas	Possible	3	Major	4	12 Moderate
5 Business Growth lower than projected	SFP has aligned with the Economic Development Strategy and assumed that the jobs within the City will increase by 20,000 (from 50,000).	Possible	3	Major	4	12 Moderate
6 Employee Costs higher than 3%	The SFP assumes that Employment Costs will increase by no more than 3% (excluding growth projects such as the Arts Facility) 2024-25.	Possible	3	Minor	2	6 Moderate

10.4. Net Assets

It is estimated that the net assets of the City would increase from \$1207m at June 20143 to \$1,783286m, an increase of 4753%. Although some of this increase is due to inflation, a large part of this is due to the increase in new infrastructure, expenditure of (\$487546m) which far outstrips the reduction in assets of just \$49m. The City should continue to evaluate the utilisation of assets and consider whether assets or infrastructure with low utilisation could be removed.

10.5. Future Improvements in the update of the Draft 20 Year Strategic Financial Plan

The *Draft 20 Year Strategic Financial Plan* has been developed with the best available data. During the construction of the *Draft 20 Year Strategic Financial Plan*, several improvements have been identified which were not able to be incorporated in this iteration of the *Draft 20 Year Strategic Financial Plan*, but will be improved in future iterations. In essence the *Draft 20 Year Strategic Financial Plan* is a continuous improvement process. Table 17 below sets out some of the key improvements identified

Table 17 – Further Improvements in the update of the Draft 20 Year Strategic Financial Plan

Ref	Issue	Details
1	Updated Asset Management Plans / Asset Sustainability Ratio	<p>The <i>20 Year Strategic Financial Plan</i> is only as good as the substance of the Asset Management Plans. The Asset Management plans for most asset classes require updating to provide the City with a clearer long-term strategy which includes the estimated replacement requirements, potential backlogs and the identification of the Asset Sustainability Ratio for each asset class.</p> <p>Revaluations are being prepared during 2014 and will be included in the next update of the Draft 20 Year Strategic Financial Plan in 2015.</p>
2	Whole Life Costs	<p>It is crucial that the future Operating Expenses and Operating Income are estimated for Capital Expenditure, as often the one-off costs are minor in comparison to the 20 year impacts.</p> <p>There continues to be development in this area with Appendix 2 providing details of the future estimates for capital projects. However there is further progress required, particularly with the Capital Works Program.</p>
3	Refuse Charges and Waste Management Expenses	<p>Income from Refuse Charges and the associated costs are now identified separately. A different escalation factor is now applied than other Materials & Contracts.</p> <p>A further improvement opportunity for future iterations is to have a <u>separate long-term financial plan for Waste Management Expenses. This should take account of changes that may arise from the Waste Strategy and regional costs.</u>detailed 20-year assessment of Refuse services.</p>

11. SCENARIO MODELLING

11.1. Scenario Analysis

The update of the Draft 20 Year Strategic Financial Plan has taken place over a ~~642~~ month period, commencing in ~~February 2015~~ ~~June 2013~~. During this time there have been many scenarios and options considered, for example the scheduling of projects and assumptions regarding increases to costs.

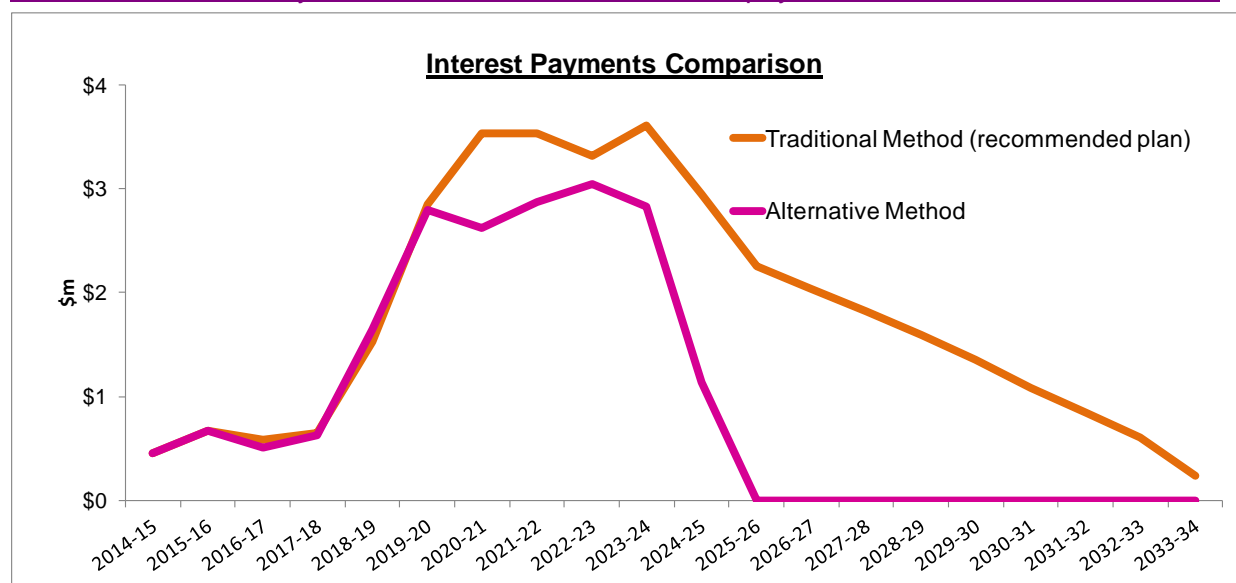
A further scenario that has been calculated is the impact of having a flexible method of managing reserves and repayment of loans, in comparison to traditional methods. This scenario would involve the following:

- Loans are set up on a flexible basis i.e. no fixed term and no fixed interest rate
- Loans are repaid as quickly as possible using surplus Municipal funds and changing the use of some of the Reserves
- Reserves - it is recognised that most of the reserves (e.g. Employee leave) are legal/contractual and cannot be used for any other purpose other than their original/intended use. The majority of reserves are therefore left intact, however four of the larger reserves are used more flexibly (Strategic Asset reserve, Arts Facility, Tamala Park, Parking Reserve) to repay debt quicker.

The impacts of this scenario has been modelled, the key features are:~~Three scenarios are included as follows:~~

- ~~Option 1. 4% Rate Increase 2015-16, 2016-17, 2018-19, then 5% Rate Increase in next 3 years. Interest costs would reduce from \$36m to \$19m¹, a saving of \$17m in Interest Payments. This is illustrated in Chart 11 below.~~
- ~~Total Cash at the end of Year 20 would be \$9m better off~~
- ~~Option 2. 5% rate increase in 2015-16, the remainder of the assumptions same as Option 1.~~
- ~~Option 3. 5% 2015-16, 4% 2016-17, 5% 2017-18, 4% 2018-19, 5% 2019-20, 4% 2020-21~~

Chart 11 – Interest Payments – Traditional Method of Repayments versus Alternative Method

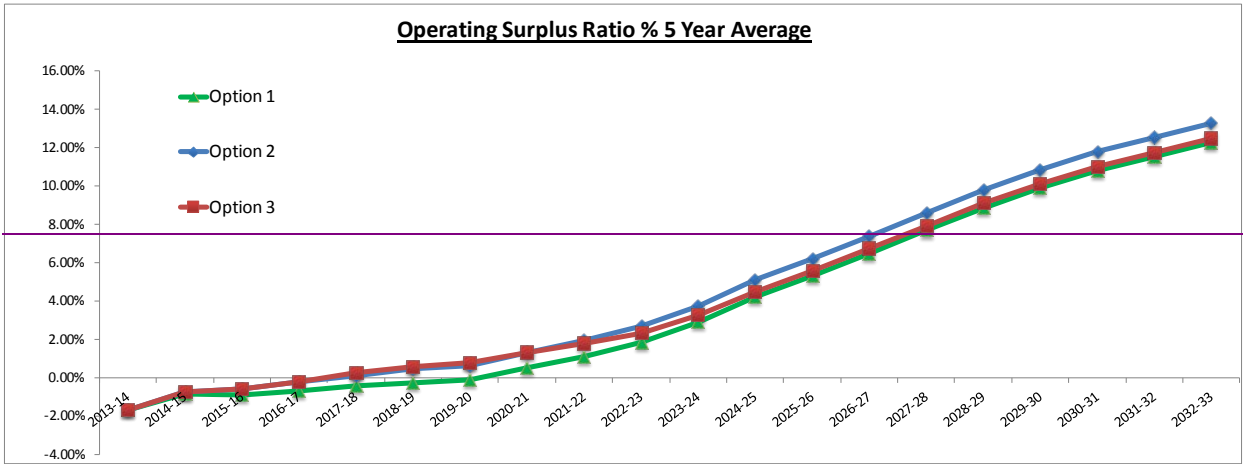


~~The results have been modelled and shown in Chart 14 below, using the Operating Surplus Ratio. The results of this scenario appear favourable, and would be consistent with traditional~~

business models outside the sphere of Local Government where cash reserves are used holistically rather than tied up for specific purposes. Indeed the principles applied in this scenario are consistent with recent research and recommendations by the ACELG (Australian Centre of Excellence for Local Government).

Nevertheless the principles of this alternative scenario would be far removed from the traditional methods currently applied by the City, and would require detailed investigation. A separate report will be prepared and reviewed before the next 20 Year Strategic Financial Plan is updated.

Chart 14— Scenario Analysis



The Scenario analysis informs us that:

- Option 2 and 3 would enable the City to achieve the Operating Surplus target by 2022-23, whilst Option 1 would achieve the target a year later.
- Option 2 and 3 would not require borrowings to finance the Capital Works Program.
- Option 2 has higher revenue and therefore a higher Operating Surplus Ratio than Option 3 or Option 1.

11.2. Impact of a One-Off Rates Increase Above the standard

Taking account of some of the key developments that the City has committed to as part of the Strategic Community Plan and the population growth in the North West corridor which results in the City having to provide regional services, it could be a consideration to have a one-off rates increase above the norm. Table 18 below shows the additional revenue that would be generated from an increase above the standard. If there were a 9.94% increase in 2015-16 (5% above the standard), this would result in \$4.3m additional revenue in 2015-16 and overall additional revenue of \$40.936m by 2024-25.

Table 18 – Impact of a one-off Rates Increase above 5%

RATES ONE-OFF INCREASE	Rates % Increase 2015-16	<u>Additional Revenue \$ms</u>	
		2015-16	Cumulative to 2022-23
2015-16 Increase	3.9%		
1% Above Adopted SFP	4.9%	\$0.8	\$8.2
2% Above Adopted SFP	5.9%	\$1.7	\$16.4
3% Above Adopted SFP	6.9%	\$2.5	\$24.5
4% Above Adopted SFP	7.9%	\$3.4	\$32.7
5% Above Adopted SFP	8.9%	\$4.3	\$40.9

20 Year Strategic Financial Plan - Guiding Principles 20154

The Guiding Principles set out the foundation on which the *20 Year Strategic Financial Plan* (SFP) has been developed and which will also apply to its ongoing review and use.

The Guiding Principles are founded on the City's Governance Framework.

The Framework consists of four (4) key principles required to achieve excellence in governance:

- Culture and Vision.
- Roles and Relationships.
- Decision-making and Management.
- Accountability.

Decision-Making and Management is the key driver of the Guiding Principles.

The Guiding Principles are presented in two parts, one part represents Basic Principles that are prudently used in the development of a financial plan and the other represents Key Elements/Assumptions as considered in the development of the SFP.

Basic Principles:

- **Sustainability:**

The SFP will be developed on a principle of financial sustainability. The SFP must provide for and ensure the protection of the City's financial capacity and viability into the future and mitigate risks to the City's and the community's assets.

- **Transparency:**

The SFP will be transparent and include disclosure, clarity and access to information related to the plan and the underlying assumptions contained therein.

- **Prudence:**

The City will base the SFP on the exercise of sound financial judgement based on facts as known at the time and will apply reasonable tests to the assumptions deployed in the SFP's estimations to confirm their validity. Prudence will encompass anticipating and planning for change.

- **Consistency:**

The City will apply discipline and adhere to agreed principles in the development and use of the SFP to avoid fluctuating impacts and compromises to the validity of the projections.

- **Performance and Accountability:**

The SFP is a key element of the City's Planning Framework and will be used as the foundation for the preparation of the Annual Budget. The City will review the SFP at least annually to assess it against the adopted budget and to review the forward projections.

- **Flexible Long Term Approach**

Where there are years where the City is unable to achieve the overall objective of a nil closing Municipal cash balance, then revenue streams that were otherwise intended to be placed in reserve (such as Tamala Park land sales), may be used in the short-term to achieve a balanced budget. The Municipal fund will pay back to the reserve fund at the earliest opportunity to ensure that the original purpose of the proceeds and reserve funds are maintained.

- **Service Levels and Asset Management**

Local government is asset intensive, and the SFP is therefore driven by the demands of providing and maintaining City assets and delivering appropriate levels of service to the community. Financial sustainability is equally important, and affordability of desired service levels and preferred asset management plans has to be weighed up with prudent financial management.

Key Elements/Assumptions:

Targets/Ratios

- The City reports against eight ratios, seven are Department of Local Government (DLG) ratios. Whilst recognising that all seven DLG ratios are important, the City's long term plan will focus primarily on:
 - Operating Surplus Ratio % (Operating Results).
 - Debt Service Coverage Ratio % (Treasury Management).
 - Asset Sustainability % (Asset Management).
 - Rates increase 5% or less.
- Projections will be based on the notion that each year in the SFP should as close as possible be balanced (closing Municipal cash balance). In this respect the City will generate an annual operating surplus sufficient to allow it to meet:
 - additional financial costs for new Capital Expenditure
 - projected net annual operational costs of new facilities that become operational
 - projected annual operational costs and Capital Expenditure on existing infrastructure
- The SFP will aim to achieve an Operating Surplus Ratio between 2% and 8%, based on a 5 year average.
- Growth in operating revenue will be in excess of the growth in Operating Expenses, in so far as necessary to achieve the Operating Surplus targets.

Funding/Treasury/Reserves

- The City is an asset intensive business, and as such loan funding could be expected to be used to fund Capital Expenditure. Loans may be planned for, but only where:
 - It is in accordance with the City Borrowing Strategy.
 - Debt Service Coverage Ratio is not to exceed five consecutive years with an annual debt service cover ratio of between two and five, with all other periods exceeding a ratio of five.
 - Building infrastructure of a capital nature may be funded by loans but with a loan term not exceeding 50% of the life of the asset.
- Revenue from the Tamala Park land sale should be applied in accordance with the City's adopted Strategic Position Statement.
- The Strategic Asset Management Reserve is able to be applied to fund projects based on an internal payback mechanism. Municipal funds should pay back to the Strategic Asset Management Reserve principal and interest over a 10 year period. The payback mechanism should only be used where affordable for the municipal fund such that the overall objective of achieving a net nil closing balance each year is achieved.

New expenditure

Whole of Life costs must be identified for all new expenditure.

- Approved Asset Management plans will be funded where possible, within the parameters established in the Guiding Principles.
- Priority will be given to Asset Management plans that have demonstrated that replacement expenditure is based on economic life modelling, and deferral of the replacement would reduce the operating surplus ratio.
- Asset Sustainability Ratio will aim to achieve a target of between 90% and 110% based on a five year average.
- City assets that are not required for operational or community use are to be rationalised.

Process

- Estimates are to be conservative based on best available information.
- The SFP will be prepared and reviewed during the Annual Budget Process, which will enable the SFP to be used as an enabler to the Annual Budget for the following year.
- The annual Budget process will consider the impacts on the long term plan, including the Guiding Principles and the ratio targets. Additionally, the Midyear Budget process will also consider the impacts on the SFP.
- In preparing the SFP, options and risk analysis will be prepared and presented to the Strategic Financial Management Committee for consideration and recommendation to Council.

CAPITAL PROJECTS & IMPACTS ON OPERATING INCOME & EXPENSES

A) Capital Works Program 20 Year Summary \$ms	20 Year Capital Estimates				Total Impact		
	Replace ment	New	Total		Grants	Operating Expenses	Total, incl Capital
1 Parks Development	(39)	(5)	(44)			(1)	(45)
2 Foreshore and Natural Areas	(14)	(3)	(17)				(17)
3 Parks Equipment	(47)	(11)	(57)		0	(2)	(59)
4 Streetscape Enhancement	(10)	(19)	(29)			(2)	(31)
5 Local Traffic management	(0)	(25)	(25)				(25)
6 State Blackspot		(24)	(24)		16		(8)
7 Parking Facilities		(12)	(12)		1		(12)
8 Major Road Construction		(37)	(37)		25		(12)
9 New Paths		(12)	(12)		4		(8)
10 Path Replacement	(17)	(0)	(17)				(17)
11 Stormwater Drainage	(20)	(8)	(29)				(29)
12 Streetlighting	(27)	(15)	(41)		1	3	(37)
13 Road Preservation & Resurfacing	(275)		(275)		124		(151)
14 Bridges	(2)		(2)				(2)
15 Major Building Construction	(37)	(26)	(64)		0		(64)
16 Backlog Replacement	(38)		(38)				(38)
Total A) Capital Works Program	(527)	(198)	(725)		171	(2)	(555)

B) Capital Projects 20 Year Summary \$ms	(A) One-Off				(B) Operating			Total
	Capital	Grants	Proceeds	Total	Income	Expenses	Total	(A+B)
1 Fleet	(74)		17	(56)				(56)
2 IT	(6)			(6)		(12)	(12)	(18)
3 Rangers, Parking & Community Safety	(3)			(3)				(3)
4 Artworks & Other	(3)	1		(3)				(3)
TOTAL	(85)	1	17	(67)		(12)	(12)	(80)

C) Major Projects (\$1m to \$3m) 20 Year Summary \$ms	(A) One-Off				(B) Operating			Total
	Capital	Grants	Proceeds	Total	Income	Expenses	Total	(A+B)
1 Warwick Leisure Centre Extension	(2)			(2)				(2)
2 Bramston Park Clubrooms	(3)	1		(2)	0	(1)	(1)	(3)
3 Craigie LC - Upgrades	(2)			(2)				(2)
4 Heathridge Leisure Centre Refurbishment	(1)			(1)				(1)
5 Craigie LC - Geothermal Bore - additional injec	(1)			(1)				(1)
6 Marmion Angling & Aquatic Club Parking	(2)			(2)				(2)
7 Joondalup Library - major refurbishment	(1)			(1)				(1)
TOTAL	(13)	1		(12)	0	(1)	(1)	(13)

D) Major Projects (>\$3m) 20 Year Summary \$ms	(A) One-Off				(B) Operating			Total
	Capital	Grants	Proceeds	Total	Income	Expenses	Total	(A+B)
1 Joondalup Performing Arts & Culture Facility/Jinan Gardens	(101)	10		(91)	47	(66)	(19)	(110)
2 CBD Office Development	(1)			(1)				(1)
3 Cafes / Kiosks / Restaurants	(0)			(0)	5	(1)	3	3
4 Ocean Reef Marina Business Case & Structure Plan	(2)	1		(2)				(2)
5 Penistone Park - Facility Redevelopment	(4)	1		(3)		(0)	(0)	(3)
6 Synthetic Hockey Project	(7)	2		(5)	0	(3)	(3)	(8)
7 Greenwood Community Centre (Calectasia hall / GSGH)	(5)			(5)				(5)
8 Edgewater Quarry	(25)		18	(7)	21	(16)	5	(2)
9 Percy Doyle Master-Plan Phase 1 (Library & L-Centre) #1	(69)			(69)				(69)
10 Percy Doyle - Refurbishment Works	(7)	1		(6)		(3)	(3)	(8)
11 Clubroom Redevelopment - Chichester Park	(4)	1		(3)				(3)
12 Grove Child Care / Dorchester Hall / Warwick Hall	(4)		4					
13 Whitfords Library and Senior Citizens Centre	(14)			(14)				(14)
14 Multi Storey Car Park (1) #2	(16)			(16)	13	(2)	11	(5)
15 Multi Storey Car Park (2)	(22)			(22)	14	(6)	8	(14)
16 Joondalup Administration Building - refurbishment	(5)			(5)				(5)
17 Mullaloo Surf Life Saving Club	(2)	1		(1)				(1)
18 Prince Regent Park Development	(3)			(3)				(3)
TOTAL	(289)	15	22	(251)	100	(97)	3	(248)

#1 Percy Doyle Master-Plan included above is the renewal of the Library and Leisure Centre. Phase 2 is outside the timescales of the 20 year SFP

#2 Multi Storey Car Park (1) - Operating Income & Expenses. The facility becomes operational in 2015-16 and therefore income and expenses are now included in the baseline (2015-16). The amounts shown in table above relate to the additional income & expenses not already included in the baseline

Financial Statements Explanation

Ref	Statement	Details
1	Income	<ul style="list-style-type: none"> ○ FS1 Income Estimates Statement includes all items that are deemed part of the operating (i.e. day to day) activities of the City including: <ul style="list-style-type: none"> • Items that are not cash-based (e.g. Depreciation). • Interest payments on loans. ○ FS1 does not include non operating items such as: <ul style="list-style-type: none"> • Capital Expenditure and Capital Income. • Proceeds of Loans. • Principal repayment of loans. ○ FS1 shows the calculation of the Operating Surplus, a key indicator to measure financial sustainability for the City. ○ The Operating Surplus by itself is a key number as it indicates whether the City is generating adequate revenues to cover day to day expenditure. ○ The Operating Surplus is also used to calculate the Operating Surplus Ratio, another key indicator as reviewed in section 7.
2	Cash Flow	<ul style="list-style-type: none"> ○ FS2 Cash Flow Estimates Statement shows the overall cash position of the City. ○ The cash flow is calculated from the Operating Surplus from FS1 from which: <ul style="list-style-type: none"> • All non cash operating items are removed. • All cash non operating items are added. ○ The cash balance is then split into municipal and reserve funds.
3	Rate Setting	<ul style="list-style-type: none"> ○ FS3 Rate Setting Estimates Statement is based on the Rate Setting Statement included in Annual Budgets to calculate the amount of rates required to be raised. ○ FS3 includes all operating and non-operating income and expenses as well as funding and transfers from loans and reserve funds but excludes all non cash items. ○ FS3 shows the calculation of the amount of rates required to fund the budget.
4	Statement of Financial Position	<ul style="list-style-type: none"> ○ FS4 Statement of Financial Position Estimates Statement shows estimated net assets and equity.

(FS1) Financial Statement 1 - Operating Income & Expenses Estimates

	Line	14-15 \$ms	15-16 \$ms	16-17 \$ms	17-18 \$ms	18-19 \$ms	19-20 \$ms	20-21 \$ms	21-22 \$ms	22-23 \$ms	23-24 \$ms	24-25 \$ms	25-26 \$ms	26-27 \$ms	27-28 \$ms	28-29 \$ms	29-30 \$ms	30-31 \$ms	31-32 \$ms	32-33 \$ms	33-34 \$ms	Total \$ms
Operating Revenues																						
Rates: Base	1	87	92	96	99	104	110	115	120	126	131	137	143	148	155	161	169	175	183	191	198	2,741
Rates: Growth	2	0	0	0	1	2	3	5	6	7	9	10	11	13	15	17	19	22	23	24	25	214
Fees and Charges / Other: Base	3	39	40	42	44	46	47	49	51	53	54	57	59	61	63	65	67	70	72	75	77	1,128
Fees and Charges / Other: Growth	4	0	0	0	0	1	2	3	3	5	6	6	7	7	8	8	8	9	9	9	9	101
Operating Grants & Subsidies, Cont's & Reimb's	5	5	5	5	5	5	6	6	6	6	6	7	7	7	7	8	8	8	8	9	9	133
Investment Earnings	6	5	3	3	3	2	3	4	5	5	5	5	6	8	10	12	13	14	15	18	21	158
Profit on Disposal	7	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Total Operating Revenue	8	137	141	146	153	161	171	181	191	201	212	221	232	244	258	271	285	297	310	325	340	4,477
Operating Expenses																						
Employment Costs: Base	9	(58)	(60)	(62)	(64)	(65)	(67)	(69)	(71)	(74)	(76)	(78)	(81)	(84)	(87)	(90)	(93)	(96)	(99)	(103)	(106)	(1,583)
Employment Costs: Growth	10	0	0	(0)	(0)	(1)	(1)	(1)	(2)	(3)	(3)	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(5)	(6)	(6)	(61)
Materials and Contracts: Base	11	(48)	(53)	(53)	(53)	(55)	(56)	(58)	(60)	(62)	(64)	(66)	(69)	(71)	(74)	(76)	(79)	(82)	(85)	(87)	(91)	(1,342)
Materials and Contracts: Growth	12	0	0	(0)	(0)	(1)	(2)	(3)	(3)	(4)	(5)	(5)	(5)	(5)	(5)	(6)	(6)	(6)	(6)	(7)	(7)	(75)
Utilities	13	(6)	(6)	(7)	(7)	(7)	(8)	(8)	(9)	(9)	(9)	(10)	(10)	(11)	(11)	(12)	(13)	(13)	(14)	(15)	(15)	(202)
Interest on Borrowings: Existing	14	(0)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	0	0	0	0	0	0	0	0	(3)
Interest on Borrowings: New	15	0	0	0	(0)	(1)	(3)	(3)	(3)	(3)	(4)	(3)	(2)	(2)	(2)	(2)	(1)	(1)	(1)	(1)	(0)	(32)
Insurance Expenses	16	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(3)	(42)
Depreciation: Existing	17	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(35)	(36)	(37)	(38)	(40)	(41)	(42)	(642)
Depreciation: New	18	0	0	(1)	(1)	(2)	(3)	(3)	(4)	(5)	(5)	(5)	(6)	(6)	(6)	(6)	(6)	(7)	(8)	(8)	(9)	(91)
Loss on Disposal	19	(0)	(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2)
Total Operating Expenses	20	(142)	(150)	(152)	(155)	(162)	(170)	(175)	(182)	(190)	(198)	(205)	(211)	(219)	(226)	(234)	(242)	(251)	(261)	(270)	(279)	(4,075)
Net Operating Surplus (Deficit)	21	(5)	(9)	(6)	(3)	(1)	1	5	9	11	13	17	21	26	32	36	42	47	50	55	61	402

Financial Statement 1 – Income Estimates

Line	Item	Details / Source of calculation
1	Rates Base	<ul style="list-style-type: none"> ○ Rates income has been calculated by applying a % increase to the previous year's total Rates Income (sum of line 1 and line 2). ○ The starting point in the projections is the 2014-15 proposed budget. ○ Excludes growth as a result of volume growth.
2	Rates Growth	<ul style="list-style-type: none"> ○ Increase in rates as a result of volume growth (e.g. new rateable properties).
3	Grants & Subsidies (Op'l), Cont's & Reimb's	<ul style="list-style-type: none"> ○ Operational Grants, Contributions and Reimbursements. ○ Includes all normally expected operating grants such as grants commission. ○ % increase has been factored in each year. (see Supporting Schedule SS1) ○ Excludes capital grants.
4	Refuse Charges & Sale Recyclable Materials	<ul style="list-style-type: none"> ○ Income received for refuse collection and sale of recyclable materials. ○ Based on the 2014-15 proposed budget, with a % increase assumed each year (see Supporting Schedule SS1).
5	Fees & Charges / Other Base	<ul style="list-style-type: none"> ○ Includes charges for recreation, Leisure Centre charges, planning and building fees, car parking fees, fines & penalties, property hire, inspection fees and all other income received by the City. ○ Based on the 2014-15 budget, with a % increase assumed each year (see Supporting Schedule SS1). ○ Exclude changes arising from new facilities.
6	Fees & Charges / Other: Growth	<ul style="list-style-type: none"> ○ Estimated additional income for new services or facilities. ○ Includes income estimated for new clubrooms, Currumbine Community Centre, Multi Storey Car Parks, Joondalup Performing Arts & Culture Facility, CBD Office Development, Cafes / Kiosks / Restaurants, Edgewater Quarry, Synthetic Hockey Pitch.
7	Profit on Disposals	<ul style="list-style-type: none"> ○ Represents the book profit on disposal of City assets. ○ Further breakdown is included in Supporting Schedule SS4. ○ Non cash item.
8	Investment Earnings	<ul style="list-style-type: none"> ○ Interest earned on the investment of cash held by the City, including both reserve funds and municipal funds.
9	Total Operating Revenue	<ul style="list-style-type: none"> ○ Sum of lines 1 to 8. ○ This is the overall operational revenue earned by the City.
10	Employee Costs: Base	<ul style="list-style-type: none"> ○ All expenditure associated with the employment of staff. ○ Largest item is salaries and wages but also includes superannuation, recruitment costs, advertising, uniforms and training. ○ Based on the 2014-15 budget, with a % increase assumed each year (see Supporting Schedule SS1). ○ Exclude changes arising from new projects.

11	Employee Costs: Growth	<ul style="list-style-type: none"> ○ Estimated additional employment costs for new services or facilities. ○ Includes costs for Multi Storey Car Parks, Edgewater Quarry.
12	Materials, Contracts and Insurance: Base	<ul style="list-style-type: none"> ○ Includes expenditure for the purchase of materials, supplies, services and insurance. ○ Based on the 2014-15 budget, with a % increase assumed each year (see Supporting Schedule SS1). ○ Exclude changes arising from new facilities.
13	Materials, Contracts and Insurance: Growth	<ul style="list-style-type: none"> ○ Estimated additional expenditure for new services or facilities. ○ Includes costs for new Clubrooms, Currambine Community Centre, Multi Storey Car Parks, Joondalup Performing Arts & Culture Facility, Jinan Gardens, CBD Office Development, Edgewater Quarry, Synthetic Hockey Pitch.
14	Waste Management & Tipping Fees	<ul style="list-style-type: none"> ○ All expenditure to collect rubbish and expenditure associated with the sale of recyclable materials. ○ Based on the 2014-15 budget, with a % increase assumed each year (see Supporting Schedule SS1). ○ Exclude changes arising from new facilities.
15	Depreciation: Existing	<ul style="list-style-type: none"> ○ Expense of using assets over useful life. ○ This item relates to the existing assets. ○ This is a non cash item.
16	Depreciation: New	<ul style="list-style-type: none"> ○ New expense that arises from new capital purchases.
17	Utilities	<ul style="list-style-type: none"> ○ All expenditure for the purchase of water, power and gas. ○ Based on the 2014-15 budget, with a % increase assumed each year (see Supporting Schedule SS1). ○ Exclude changes arising from new facilities.
18	Interest on Borrowings: Existing	<ul style="list-style-type: none"> ○ Interest on loan borrowings that are already set up. ○ Details are shown in Supporting Schedule SS6.
19	Interest on Borrowings: New	<ul style="list-style-type: none"> ○ Interest on new loan borrowings that are estimated to be set up during the 20 years of the plan.
20	Loss on Disposal	<ul style="list-style-type: none"> ○ Represents the book loss on disposal of City assets. ○ Non cash item.
21	Total Operating Expenses	<ul style="list-style-type: none"> ○ Sum of lines 10 to 20. ○ This is the overall expenses necessary for day to day activities.
22	Net Operating Surplus (Deficit)	<ul style="list-style-type: none"> ○ Total Operating Revenue (line 9) less Total Operating Expenses (line 21).

(FS2) Financial Statement 2 - Cash Flow Estimates

	Line	14-15 \$ms	15-16 \$ms	16-17 \$ms	17-18 \$ms	18-19 \$ms	19-20 \$ms	20-21 \$ms	21-22 \$ms	22-23 \$ms	23-24 \$ms	24-25 \$ms	25-26 \$ms	26-27 \$ms	27-28 \$ms	28-29 \$ms	29-30 \$ms	30-31 \$ms	31-32 \$ms	32-33 \$ms	33-34 \$ms	Total \$ms	
Operating Cashflow																							
Net Operating Surplus (Deficit)	22	(5)	(9)	(6)	(3)	(1)	1	5	9	11	13	17	21	26	32	36	42	47	50	55	61	402	
Operating Activities - not cash related																							
Profit on Disposal	23	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	
Depreciation	24	(27)	(27)	(28)	(28)	(30)	(30)	(31)	(32)	(34)	(35)	(36)	(38)	(39)	(40)	(42)	(43)	(45)	(48)	(49)	(51)	(734)	
Loss on Disposal	25	(0)	(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2)	
Operating Cashflow	26	21	19	22	26	28	31	36	41	45	49	53	59	65	72	78	86	92	97	104	112	1,135	
Cashflow Movements for the Year																							
Capital Expenditure & Proceeds																							
Capital Expenditure: Renewal	27	(18)	(22)	(18)	(25)	(20)	(18)	(25)	(23)	(27)	(43)	(32)	(32)	(33)	(34)	(45)	(39)	(38)	(42)	(44)	(50)	(630)	
Capital Expenditure: New	28	(21)	(27)	(30)	(76)	(40)	(17)	(20)	(37)	(29)	(12)	(9)	(12)	(9)	(9)	(14)	(9)	(79)	(15)	(11)	(11)	(487)	
Capital Proceeds	29	6	9	8	11	7	6	7	8	3	12	12	7	7	6	3	1	1	1	2	1	117	
Capital Grants	30	8	14	8	19	7	8	7	9	7	9	7	10	8	8	11	9	9	12	9	10	190	
																						0	
Borrowings & Repayments																							
Borrowings	31	9	2	5	22	28	6	13	4	7	0	0	0	0	0	0	0	0	0	0	0	96	
Repayments	32	(1)	(2)	(2)	(3)	(4)	(6)	(5)	(5)	(4)	(14)	(14)	(4)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(3)	(103)	
Cashflow Movements for the Year	33	3	(8)	(8)	(27)	6	11	13	(3)	1	1	17	28	34	38	28	42	(21)	48	56	60	318	
Cashflow Balance - Start of year	34	56	59	52	44	17	22	33	46	43	44	45	62	90	123	161	189	231	210	259	315		
Cashflow Balance - End of year	35	59	52	44	17	22	33	46	43	44	45	62	90	123	161	189	231	210	259	315	374		

Reserve Balances

Transfers from Reserves	36	10	19	19	36	8	10	11	24	22	7	5	8	6	6	6	2	71	5	2	2	279
Transfers to Reserves	37	(13)	(12)	(11)	(9)	(13)	(21)	(24)	(21)	(23)	(9)	(22)	(35)	(40)	(44)	(34)	(44)	(50)	(53)	(59)	(62)	(599)
Reserve Balance at end of year	38	58	52	44	17	22	33	46	43	44	45	62	90	123	161	189	231	210	259	315	374	374

Financial Statement 2 – Cash Flow Estimates

Line	Item	Details / Source of calculation
23	Net Operating Surplus(Deficit)	<ul style="list-style-type: none"> From FS 1 (line 22).
24	Profit on Disposals	<ul style="list-style-type: none"> This is deducted from the Operating Surplus as a non cash expense (FS1 Line 7).
25	Depreciation of Non Current Assets	<ul style="list-style-type: none"> This is deducted from the Operating Surplus as a non cash expense. From FS 1 (line 15 and line 16).
26	Loss on Asset Disposal	<ul style="list-style-type: none"> This is deducted from the Operating Surplus as a non cash expense (FS1 Line 20)
27	Operating Cash Flow	<ul style="list-style-type: none"> Sum of lines 23 to 26.
28	Capital Expenditure: Existing	<ul style="list-style-type: none"> This represents total Capital Expenditure for the refurbishment and improvement of existing capital assets.
29	Capital Expenditure: New	<ul style="list-style-type: none"> This represents estimated Capital Expenditure required on new projects.
30	Capital Proceeds	<ul style="list-style-type: none"> The cash achieved from sale of assets (refer Supporting Schedule SS4).
31	Capital Grants	<ul style="list-style-type: none"> Grants to be received for specific capital projects.
32	Borrowings	<ul style="list-style-type: none"> Loans to help fund new projects. Expected borrowings by project are shown in Table 13 within section 8.2.
33	Repayments	<ul style="list-style-type: none"> The principal repayment of loans both current and projected new loans (refer Supporting Schedule SS6).
34	Cash Flow Movements for the Year	<ul style="list-style-type: none"> Sum of lines 27 to Line 33. This is the net overall cash flow for the year.
35	Cash Flow Balance – Start of Year	<ul style="list-style-type: none"> The cash position at the beginning of the year, for both Reserves and Municipal Cash.
36	Cash Flow Balance – End of Year	<ul style="list-style-type: none"> The end of year cash position taking account of the opening balance (Line 35) and the net overall cash flow for the year (Line 34).
37	Transfers from Reserves	<ul style="list-style-type: none"> Transfers to the municipal fund to fund projects.
38	Transfers to Reserves	<ul style="list-style-type: none"> Transfers of funds to reserves set aside for specific purposes.
39	Reserve Balance at end of Year	<ul style="list-style-type: none"> The closing balance at end of year of funds held in reserves. Comprises net of the opening balance less transfers out (Line 37) plus transfers in (Line 38).

(FS3) Financial Statement 3 - Rate Setting Estimates

	Line	14-15 \$ms	15-16 \$ms	16-17 \$ms	17-18 \$ms	18-19 \$ms	19-20 \$ms	20-21 \$ms	21-22 \$ms	22-23 \$ms	23-24 \$ms	24-25 \$ms	25-26 \$ms	26-27 \$ms	27-28 \$ms	28-29 \$ms	29-30 \$ms	30-31 \$ms	31-32 \$ms	32-33 \$ms	33-34 \$ms	Total \$ms
Deficit before Rates																						
Revenue, excludng Rates	39	49	48	50	52	54	58	61	64	68	72	75	79	83	87	92	97	100	104	110	116	1,519
Expenses (Cash only)	40	(114)	(121)	(124)	(127)	(133)	(139)	(145)	(150)	(156)	(163)	(168)	(174)	(180)	(186)	(192)	(199)	(206)	(213)	(220)	(228)	(3,340)
Deficit before Capital Expenditure	41	(66)	(73)	(74)	(75)	(79)	(82)	(84)	(86)	(88)	(91)	(93)	(95)	(97)	(98)	(100)	(102)	(105)	(109)	(110)	(112)	(1,820)
Capital Expenditure	42	(39)	(49)	(48)	(102)	(60)	(35)	(45)	(60)	(56)	(55)	(42)	(44)	(41)	(43)	(59)	(48)	(117)	(58)	(54)	(61)	(1,117)
Deficit before Rates	43	(105)	(122)	(122)	(177)	(139)	(117)	(129)	(146)	(145)	(146)	(135)	(139)	(138)	(141)	(159)	(150)	(223)	(166)	(164)	(173)	(2,937)
Funding																						
Opening Funds	44	1	1	(0)	0	0	0	0	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)	0	(0)	(0)	(0)	1
Capital Grants	45	8	14	8	19	7	8	7	9	7	9	7	10	8	8	11	9	9	12	9	10	190
Capital Proceeds	46	6	9	8	11	7	6	7	8	3	12	12	7	7	6	3	1	1	1	2	1	117
Loans - repayment of principal	47	(1)	(2)	(2)	(3)	(4)	(6)	(5)	(5)	(4)	(14)	(14)	(4)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(3)	(103)
Transfer from Reserves	48	10	19	19	36	8	10	11	24	22	7	5	8	6	6	6	2	71	5	2	2	279
Transfer to Reserves	49	(13)	(12)	(11)	(9)	(13)	(21)	(24)	(21)	(23)	(9)	(22)	(35)	(40)	(44)	(34)	(44)	(50)	(53)	(59)	(62)	(599)
Borrowings	50	9	2	5	22	28	6	13	4	7	0	0	0	0	0	0	0	0	0	0	0	96
Amount to be made up by Rates	51	87	92	96	101	107	113	120	127	133	140	146	154	162	171	178	188	197	206	215	224	2,955
Rates % increase	52	3.9%	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%	4.0%	4.5%	4.0%	4.5%	4.0%	4.5%	4.0%	4.5%	4.0%	4.0%	
Closing Funds (excluding Reserves)																						
Closing Funds	53	1	(0)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Financial Statement 3 – Rate Setting Estimates

Line	Item	Details / Source of calculation
40	Revenue, excluding Rates	<ul style="list-style-type: none"> o All non rate revenue. o Cash related revenue only. o Line 9, less Line 1, 2 and 7
41	Expenses (cash only)	<ul style="list-style-type: none"> o All cash expenses. o Line 21, less Line 15, 16 and 20.
42	Deficit before Capital Expenditure	<ul style="list-style-type: none"> o Line 40 less line 41.
43	Capital Expenditure	<ul style="list-style-type: none"> o As per Line 28 and 29.
44	Deficit before Rates	<ul style="list-style-type: none"> o Line 42 less line 43.
45	Opening Funds	<ul style="list-style-type: none"> o Municipal cash balance from end of the previous year.
46	Capital Grants	<ul style="list-style-type: none"> o Grants provided by external bodies to support capital projects.
47	Capital Proceeds	<ul style="list-style-type: none"> o Proceeds received as a result of sale of assets.
48	Loans – repayment of principal	<ul style="list-style-type: none"> o As per line 33.
49	Borrowings	<ul style="list-style-type: none"> o As per line 32.
50	Transfers from Reserves	<ul style="list-style-type: none"> o As per line 37.
51	Transfer to Reserves	<ul style="list-style-type: none"> o As per line 38.
52	Amount to be made up by Rates	<ul style="list-style-type: none"> o Amount of rates required to be raised o fund the annual budget.
53	Rates % Increase	<ul style="list-style-type: none"> o % increase of rates compared to the previous year.
54	Closing Funds	<ul style="list-style-type: none"> o Sum of lines 44 to 52 o The end of year municipal fund rate setting surplus (deficit).

(FS4) Financial Statement 4 - Statement of Financial Position Estimates

OVERALL VALUES

	Notes	Jun-13 \$ms	Jun-15 \$ms	Jun-16 \$ms	Jun-17 \$ms	Jun-18 \$ms	Jun-19 \$ms	Jun-20 \$ms	Jun-21 \$ms	Jun-22 \$ms	Jun-23 \$ms	Jun-24 \$ms	Jun-25 \$ms	Jun-26 \$ms	Jun-27 \$ms	Jun-28 \$ms	Jun-29 \$ms	Jun-30 \$ms	Jun-31 \$ms	Jun-32 \$ms	Jun-33 \$ms	Jun-34 \$ms
Assets																						
Current Assets #1	54	77	75	73	65	38	44	55	67	64	66	67	84	112	146	184	212	255	234	283	339	399
Non Current Assets	55	1,161	1,167	1,179	1,191	1,253	1,277	1,276	1,284	1,304	1,324	1,332	1,324	1,323	1,318	1,315	1,330	1,333	1,405	1,414	1,417	1,425
Total Assets	56	1,239	1,242	1,251	1,256	1,291	1,321	1,331	1,351	1,368	1,389	1,399	1,409	1,435	1,464	1,499	1,542	1,588	1,639	1,696	1,756	1,824
Liabilities																						
Current Liabilities	57	(24)	(2)	(24)	(24)	(25)	(25)	(26)	(27)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(37)	(38)	(39)	(40)
Non Current Liabilities	58	(8)	(15)	(15)	(18)	(36)	(60)	(60)	(68)	(67)	(70)	(57)	(42)	(38)	(34)	(29)	(24)	(18)	(14)	(9)	(3)	(1)
Total Liabilities	59	(31)	(17)	(39)	(42)	(61)	(85)	(86)	(95)	(95)	(99)	(86)	(73)	(69)	(66)	(62)	(58)	(54)	(50)	(46)	(42)	(41)
Net Assets	60	1,207	1,225	1,213	1,215	1,230	1,236	1,244	1,257	1,274	1,291	1,313	1,336	1,366	1,399	1,437	1,484	1,534	1,589	1,650	1,714	1,783

Equity

Retained Surplus	61	543	558	551	561	604	604	602	601	622	638	658	665	667	666	667	686	694	769	782	789	800
Reserves - Cash backed #1	62	52	55	49	41	13	19	30	43	39	40	42	59	86	120	158	186	228	207	256	312	371
Reserves - Asset Revaluation	63	613	613	613	613	613	613	613	613	613	613	613	613	613	613	613	613	613	613	613	613	613
Equity	64	1,207	1,225	1,213	1,215	1,230	1,236	1,244	1,257	1,274	1,291	1,313	1,336	1,366	1,399	1,437	1,484	1,534	1,589	1,650	1,714	1,783

#1 "Reserves - Cash Backed" - Opening Balance has been adjusted to reflect the Reserves Budget Position. \$8m removed from Reserves Opening Balance and \$8m removed from Current Assets

MOVEMENTS

	Line	14-15 \$ms	15-16 \$ms	16-17 \$ms	17-18 \$ms	18-19 \$ms	19-20 \$ms	20-21 \$ms	21-22 \$ms	22-23 \$ms	23-24 \$ms	24-25 \$ms	25-26 \$ms	26-27 \$ms	27-28 \$ms	28-29 \$ms	29-30 \$ms	30-31 \$ms	31-32 \$ms	32-33 \$ms	33-34 \$ms	0 \$ms
Assets																						
Current Assets	65	(2)	(3)	(8)	(27)	6	11	13	(3)	1	2	17	28	34	38	28	42	(20)	49	56	60	322
Non Current Assets	66	5	12	13	62	24	(1)	8	20	20	8	(7)	(1)	(5)	(3)	14	4	71	9	3	9	264
Total Assets	67	4	9	5	35	30	10	21	17	21	9	10	27	29	35	43	46	51	58	59	68	586
Liabilities																						
Current Liabilities	68	22	(22)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(17)
Non Current Liabilities	69	(7)	(0)	(2)	(18)	(24)	(0)	(8)	1	(3)	14	14	4	5	5	5	5	5	5	5	3	7
Total Liabilities	70	14	(22)	(3)	(19)	(25)	(1)	(8)	(0)	(4)	13	13	3	4	4	4	4	4	4	4	1	(10)
Net Assets	71	18	(13)	2	16	5	9	12	17	17	22	23	30	32	39	47	50	55	61	64	70	576
Equity																						
Retained Surplus	72	15	(6)	10	43	(1)	(2)	(0)	20	16	21	6	2	(1)	1	19	8	75	13	7	10	257
Reserves - Cash backed	73	3	(7)	(8)	(27)	6	11	13	(3)	1	1	17	28	34	38	28	42	(21)	48	56	60	319
Reserves - Asset Revaluation	74																					
Equity	75	18	(13)	2	16	5	9	12	17	17	22	23	30	32	39	47	50	55	61	64	70	576

Financial Statement 4 – Statement of Financial Position

Line	Item	Details / Source of calculation
55	Current Assets	o Short term assets such as cash and debtor receivables.
56	Non Current Assets	o Fixed assets at net book value (ie. less accumulated Depreciation).
57	Total Assets	o Sum of lines 55 and 56.
58	Current Liabilities	o Short term liabilities such as creditors.
59	Non Current Liabilities	o Long term liabilities such as outstanding loan principal.
60	Total Liabilities	o Sum of lines 58 and 59.
61	Net Assets	o Line 58 less line 60.
62	Retained Surplus	o Cumulative retained surpluses generated since the inception of the City.
63	Reserves – Cash backed	o Cash held in reserves established for specific purposes.
64	Reserves – Asset Revaluation	o Increased book value (ie not cash) of assets resulting from revaluations.
65	Equity	o Sum of lines 51 to 53.
Lines 66 to 76		o Summarise the movements in assets, liabilities and equity (lines 55 to 65) between successive years.

(SS1) Supporting Schedule 1 - Assumptions

	<u>15-16</u>	<u>16-17</u>	<u>17-18</u>	<u>18-19</u>	<u>19-20</u>	<u>20-21</u>	<u>21-22</u>	<u>22-23</u>	<u>23-24</u>	<u>24-25</u>	<u>25-26</u>	<u>26-27</u>	<u>27-28</u>	<u>28-29</u>	<u>29-30</u>	<u>30-31</u>	<u>31-32</u>	<u>32-33</u>	<u>33-34</u>	<u>Average</u>
EXTERNAL ENVIRONMENT																				
Dwellings	61,650	62,000	62,300	62,714	63,164	63,614	64,064	64,514	64,883	65,233	65,583	65,933	66,283	66,633	66,833	67,033	67,233	67,433	67,633	64,986
Perth CPI	2.5%	2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.2%
Wages CPI	3.0%	3.3%	3.5%																	0.5%
RATES REVENUE																				
Rates % Increase on Base Revenue	3.9%	4.0%	4.0%	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%	4.0%	4.5%	4.0%	4.5%	4.0%	4.5%	4.0%	4.5%	4.0%	4.0%	4.3%
FEES & CHARGES - BY SERVICE																				
Building Fees, excl Dev't Application Fees	2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Development Application Fees	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Licenses & Registrations				2.5%					2.5%				2.5%				2.5%			0.6%
Sports & Recreation Fees	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Hire & Rentals / Leases	2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Inspection & Control Fees	2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Fines & Penalties				3.0%			3.0%			3.0%			3.0%			3.0%			3.0%	1.0%
Parking Fees	20.0%	16.7%	14.3%	12.5%	5.6%	5.3%	5.0%	5.0%	5.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	6.7%
Other Fees & Charges	2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Other Revenue	2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%

	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	Average
OPERATING EXPENSES																				
Salaries & Wages		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Other Employment Costs		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Members Costs		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Accommodation & Prop		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Administration		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Telephones and Communication		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Finance Related Cost		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Professional Fees &		-9.0%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	2.6%
Public Relations, Ad		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Contributions & Donations paid by City		-14.9%	-38.0%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	0.0%
Computing		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Furniture, Equipment		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Other Materials		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Books & Publications		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Travel, Vehicles & P		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
External Services, excl Tipping Fees		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Tipping Fees		4.2%	4.4%	4.2%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Waste Management Services		4.2%	4.4%	4.2%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Charges & Recoveries		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Electricity - Western Power (WP) Streetlighting		16.0%	2.0%	2.1%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.3%
Electricity - excluding WP Streetlighting		7.0%	6.0%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.2%
Gas & Water		7.0%	6.0%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.2%
Insurance Expenses		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Depreciation: Existing							3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	2.5%
CAPITAL & GRANTS																				
Capital Expenditure		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Grants		2.5%	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
FINANCING																				
Cash Reserves earnings		3.5%	3.5%	3.5%	4.0%	4.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	4.7%
Borrowings: Fixed Term - 5 Years		3.25%	3.75%	4.25%	4.75%	5.25%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.33%
Borrowings: Fixed Term - 10 Years		3.50%	4.00%	4.50%	5.00%	5.50%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	5.58%
Borrowings: Fixed Term - 15 Years		3.75%	4.25%	4.75%	5.25%	5.75%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	5.83%
Borrowings: Fixed Term - 20 Years		4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.08%

(SS2) Supporting Schedule 2 - Capital Expenditure

	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Existing assets & infrastructure																					
Freehold Land	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(39)
Buildings	(2)	(8)	(5)	(11)	(4)	(2)	(8)	(5)	(3)	(4)	(4)	(2)	(2)	(3)	(3)	(3)	(3)	(6)	(3)	(3)	(85)
Furniture & IT	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(5)
Fleet, Plant & Equipment	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(6)	(7)	(4)	(6)	(6)	(7)	(8)	(8)	(7)	(7)	(7)	(9)	(9)	(123)
Roads	(7)	(7)	(6)	(7)	(7)	(7)	(8)	(8)	(12)	(31)	(17)	(17)	(17)	(18)	(27)	(22)	(22)	(22)	(24)	(31)	(316)
Footpaths	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(3)	(2)	(2)	(2)	(2)	(2)	(40)
Drainage	(1)	(0)	(0)	(0)	0	0	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(20)
Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other infrastructure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Existing Assets & Infrastructure	(18)	(22)	(18)	(25)	(20)	(18)	(25)	(23)	(27)	(43)	(32)	(32)	(33)	(34)	(45)	(39)	(38)	(42)	(44)	(50)	(630)
New Assets & Infrastructure																					
Freehold Land	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(5)
Buildings	(17)	(16)	(21)	(68)	(34)	(10)	(15)	(28)	(24)	(2)	(3)	(2)	(2)	(2)	(2)	(2)	(72)	(3)	(3)	(3)	(330)
Furniture & IT	0	0	(0)	(0)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)
Fleet, Plant & Equipment	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(11)
Roads	(2)	(9)	(6)	(5)	(4)	(4)	(3)	(6)	(3)	(7)	(3)	(7)	(3)	(4)	(8)	(4)	(4)	(9)	(4)	(4)	(99)
Footpaths	(1)	(2)	(2)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(34)
Drainage	(0)	(0)	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(8)
Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other infrastructure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Assets & Infrastructure	(21)	(27)	(30)	(76)	(40)	(17)	(20)	(37)	(29)	(12)	(9)	(12)	(9)	(9)	(14)	(9)	(79)	(15)	(11)	(11)	(487)
Total Capital Expenditure	(39)	(49)	(48)	(102)	(60)	(35)	(45)	(60)	(56)	(55)	(42)	(44)	(41)	(43)	(59)	(48)	(117)	(58)	(54)	(61)	(1,117)

(SS3) Supporting Schedule 3 - Capital Proceeds

	<u>14-15</u>	<u>15-16</u>	<u>16-17</u>	<u>17-18</u>	<u>18-19</u>	<u>19-20</u>	<u>20-21</u>	<u>21-22</u>	<u>22-23</u>	<u>23-24</u>	<u>24-25</u>	<u>25-26</u>	<u>26-27</u>	<u>27-28</u>	<u>28-29</u>	<u>29-30</u>	<u>30-31</u>	<u>31-32</u>	<u>32-33</u>	<u>33-34</u>	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Proceeds																					
Fleet	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2	1	17
Tamala Park	5	3	5	3	6	6	6	7	2	3	2	6	6	4	1	0	0	0	0	0	67
Asset Rationalisation Proceeds (JPACF)	3	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9
Edgewater Quarry	0	0	0	0	0	0	0	0	0	9	9	0	0	0	0	0	0	0	0	0	18
Grove Child Care / Dorchester Hall / Warwick Hall	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4
CBD Office Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Major Building Construction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Asset Rationalisation Proceeds (Other)	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Total Proceeds	8	5	8	11	7	6	7	8	3	12	12	7	7	6	3	1	1	1	2	1	117

(SS4) Supporting Schedule 4 - Reserves

	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Strategic Asset Management																					
Opening Balance	20	22	14	10	0	3	12	20	16	24	22	35	57	83	114	138	172	142	180	227	20
Transfer to Reserve	2	1	2	0	3	12	14	9	17	2	15	24	27	33	25	35	41	44	48	50	403
Transfer from Reserve	(0)	(8)	(6)	(10)	(0)	(3)	(6)	(12)	(9)	(3)	(3)	(1)	(1)	(1)	(2)	(2)	(71)	(5)	(2)	(2)	(149)
Closing Balance	22	14	10	0	3	12	20	16	24	22	35	57	83	114	138	172	142	180	227	275	275
Sale of Tamala Park Land																					
Opening Balance	2	7	11	16	0	2	1	2	5	3	1	1	1	3	2	0	0	0	0	0	2
Transfer to Reserve	5	4	5	3	8	6	6	7	2	3	2	6	6	4	1	0	0	0	0	0	70
Transfer from Reserve	0	0	0	(19)	(7)	(7)	(5)	(5)	(5)	(5)	(3)	(6)	(5)	(5)	(4)	(0)	0	0	0	0	(72)
Closing Balance	7	11	16	0	2	1	2	5	3	1	1	1	3	2	0	0	0	0	0	0	0
Joondalup Performing Arts & Culture Facility																					
Opening Balance	11	11	15	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11
Transfer to Reserve	0	5	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10
Transfer from Reserve	(0)	(2)	(12)	(7)	(0)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(21)
Closing Balance	11	15	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parking Facility																					
Opening Balance	7	3	1	1	2	4	6	9	6	0	3	6	9	14	19	25	31	38	46	54	7
Transfer to Reserve	1	1	1	1	2	2	3	3	3	2	3	3	5	5	6	6	7	7	8	10	80
Transfer from Reserve	(5)	(3)	(1)	0	0	0	0	(6)	(9)	0	0	0	0	0	0	0	0	0	0	0	(24)
Closing Balance	3	1	1	2	4	6	9	6	0	3	6	9	14	19	25	31	38	46	54	63	63
Cash in Lieu of City Parking																					
Opening Balance	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Transfer to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from Reserve	(1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(1)
Closing Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Ocean Reef Marina																					
Opening Balance	1	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	1
Transfer to Reserve	0	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0
Transfer from Reserve	(0)	(0)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(1)
Closing Balance	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Currambine / Kinross Community Centre																					
Opening Balance	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfer to Reserve	0	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Closing Balance	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Asset Rationalisation Proceeds (Other)																					
Opening Balance	0	0	0	0	2	2	2	2	2	2	2	2	2	2	3	3	3	3	3	3	0
Transfer to Reserve	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Closing Balance	0	0	0	2	2	2	2	2	2	2	2	2	2	3	3	3	3	3	3	3	3
Capital Works Going Forward																					
Opening Balance	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
Transfer to Reserve	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
Transfer from Reserve	(2)	(3)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(5)
Closing Balance	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Waste Management																					
Opening Balance	3	4	4	4	5	5	6	6	7	8	9	10	11	12	13	14	15	17	18	20	3
Transfer to Reserve	1	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2	2	19
Transfer from Reserve	0	(0)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)
Closing Balance	4	4	4	5	5	6	6	7	8	9	10	11	12	13	14	15	17	18	20	21	21

	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Vehicles & Plants Replacement																					
Opening Balance	2	2	3	3	3	2	2	2	1	2	3	3	3	3	3	2	2	3	3	2	2
Transfer to Reserve	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	5
Transfer from Reserve	0	0	0	0	(1)	(0)	(0)	(1)	0	0	0	0	(0)	(0)	(1)	0	0	0	(1)	(0)	(5)
Closing Balance	2	3	3	3	2	2	2	1	2	3	3	3	3	3	2	2	3	3	2	2	2
Non Current LS Leave Reserve																					
Opening Balance	2	2	2	2	2	3	3	3	3	3	3	3	4	4	4	4	4	5	5	5	2
Transfer to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Closing Balance	2	2	2	2	3	3	3	3	3	3	3	4	4	4	4	4	5	5	5	5	5
Public Art Reserve																					
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from Reserve	(0)	(0)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)
Closing Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Section 20A Land																					
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Closing Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Marmion Car Park Reserve																					
Opening Balance	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Transfer to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from Reserve	(0)	(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2)
Closing Balance	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Cash in Lieu of Parking Reserve																					
Opening Balance	1	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2	2	2	3	3	1
Transfer to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Closing Balance	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2	2	2	3	3	3	3
Cash in Lieu of Public Open Space																					
Opening Balance	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfer to Reserve	0	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfer from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Closing Balance	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Trust Fund																					
Opening Balance	1	0	0	0	0	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1
Transfer to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Transfer from Reserve	(1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(1)
Closing Balance	0	0	0	0	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Minor Reserves																					
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from Reserve	(0)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)
Closing Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total																					
Opening Balance	55	58	52	44	17	22	33	46	43	44	45	62	90	123	161	189	231	210	259	315	55
Transfer to Reserve	13	12	11	9	13	21	24	21	23	9	22	35	40	44	34	44	50	53	59	62	599
Transfer from Reserve	(10)	(19)	(19)	(36)	(8)	(10)	(11)	(24)	(22)	(7)	(5)	(8)	(6)	(6)	(6)	(2)	(71)	(5)	(2)	(2)	(279)
Closing Balance	58	52	44	17	22	33	46	43	44	45	62	90	123	161	189	231	210	259	315	374	374

(SS5) Supporting Schedule 5 - Borrowings

	<u>14-15</u>	<u>15-16</u>	<u>16-17</u>	<u>17-18</u>	<u>18-19</u>	<u>19-20</u>	<u>20-21</u>	<u>21-22</u>	<u>22-23</u>	<u>23-24</u>	<u>24-25</u>	<u>25-26</u>	<u>26-27</u>	<u>27-28</u>	<u>28-29</u>	<u>29-30</u>	<u>30-31</u>	<u>31-32</u>	<u>32-33</u>	<u>33-34</u>	Total
	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>	<i>\$ms</i>
Bramston Park Clubrooms		2																			2
Heathridge Leisure Centre Refurbishment					1																1
Joondalup Performing Arts & Culture Facility/Jinan Gardens				22	25																46
Synthetic Hockey Project			5																		5
Greenwood Community Centre (Calectasia hall / GSGH)					2	1															3
Edgewater Quarry						1	13	4													18
Percy Doyle Master Plan - Refurbishment Works					1	1															2
Clubroom Redevelopment - Chichester Park						3															3
Multi Storey Car Park (2)										7											7
Total New Borrowings		2	5	22	28	6	13	4	7										0		88