

20 Year Strategic Financial Plan

2011 - 2031

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1. INTRODUCTION

1.1. Purpose of the 20 Year Strategic Financial Plan

The *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 *20 Year Strategic Financial Plan* achieves this by projecting the City's financial position over a 20 year period, based on a range of reliable and conservative assumptions. 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.

The *20 Year Strategic Financial Plan* is underpinned by the following principles:

- consistency
- prudence
- transparency
- sustainability
- performance and accountability
- innovation (in accordance with the *Strategic Community Plan 2012-2022*)

1.2. 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* 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.

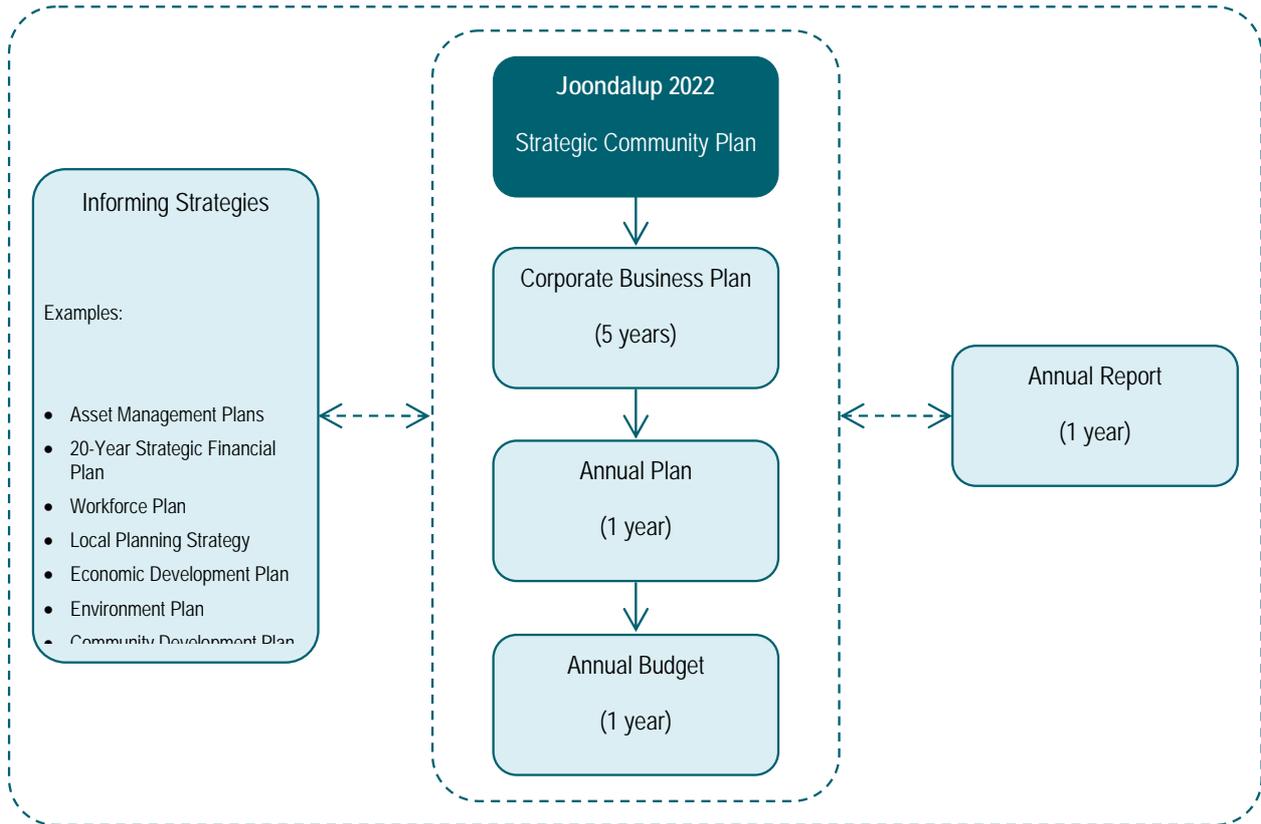
A specific guideline supports the development of long term financial management plans, of which, the City's *20 Year Strategic Financial Plan* is aligned to. Further commentary with regard to the details of this guideline is outlined in section 4 of this Plan, whilst the City's projected achievements against the guidelines are described in section 7.

1.3. Planning Alignment

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

- Strategic Community Plan 2012-2022
- Corporate Business Plan 2012-2017
- Capital Works Program 2012/13 to 2016/17
- Budget 2012/13

Chart 1 – Integrated Planning Framework



2. EXECUTIVE SUMMARY

2.1. Key Highlights

The *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 *20 Year Strategic Financial Plan* are summarised in Table 1 below:

Table 1 – Key Highlights

Ref	Issue	Details
1	New Investment	<ul style="list-style-type: none"> ○ Joondalup Performing Arts & Cultural Facility (\$51m) to be ready by 2016/17 ○ Edgewater Quarry development of (\$33m), completed by 2016/17 ○ Two (2) Multi Storey Car Parks (MSCP), which will be pivotal to the continued economic development of the City Centre (first MSCP completed by 2014/15, second by 2019/20). Estimated cost of each car park is (\$18m) ○ Percy Doyle Master Plan – significant investment (\$45m) in the development of improved sports and leisure facilities at the Percy Doyle Reserve (completed by 2022/23) ○ Library resources expanded at Whitfords (\$12m), completed by 2023/24)
2	Rates % increases	<ul style="list-style-type: none"> ○ Projected rates increases no more than 5% ○ Average rate increase over 20 years is estimated at 4.4%
3	Fees and Charges % increases	<ul style="list-style-type: none"> ○ For services such as leisure assumed to increase on average 3.1 % p.a.
4	Day to Day expenses – modest increases	<ul style="list-style-type: none"> ○ Employee costs increase by 4.4% on average per annum over 20 years ○ Other operating expenses (such as materials and contracts) increase by average 3.7% p.a.

2.2. Risk Management Considerations

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 opportunity in the *20 Year Strategic Financial Plan*. This will be subject to ongoing review as part of the annual review process.

2.3. Previous 20 Year Strategic Financial Plan

The *20 Year Strategic Financial Plan* for the period 2009/10 to 2028/29 was adopted by Council in October 2009. This report is the first formal update to the *20 Year Strategic Financial Plan* since October 2009.

3. **BACKGROUND**

3.1. Key Statistics

Table 2 - City of Joondalup Key Statistics

<i>Joondalup today:</i>	
Population	152,406
Distance between Perth and the Joondalup City Centre	30 kilometres
Number of businesses	12,911
Headline Gross Regional Product	\$ 4,425 million
Public Open Spaces	369
Schools	59

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 of Training. 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:-

- 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

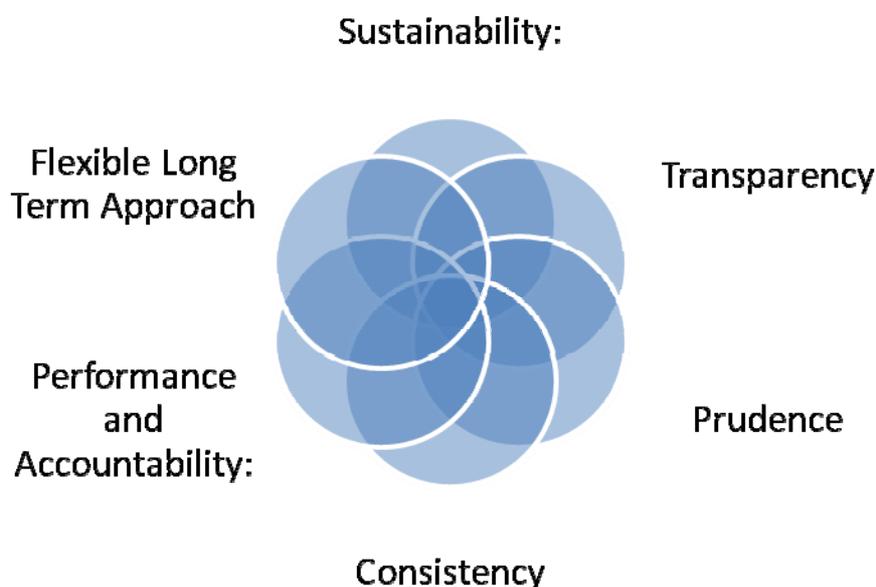
The *20 Year Strategic Financial Plan* has been prepared on the basis of the City continuing to deliver the above mentioned services to the same level and standard.

4. FINANCIAL STRATEGY & GUIDING PRINCIPLES

4.1. Financial Strategy

The City has adopted a *20 Year Strategic Financial Plan - Guiding Principles Statement* to support the preparation of the *20 Year Strategic Financial Plan* (Appendix 1). In the preparation of the *20 Year Strategic Financial Plan* it has been necessary to review and amend the *Guiding Principles Statement* to align with new regulatory requirements and the City's new strategic objectives, outlined within its *Strategic Community Plan 2012-2022*.

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



4.2. 20 Year Strategic Financial Plan & Annual Budget Setting Process

The *20 Year Strategic Financial Plan* has been synchronised with the commencement of the annual budget cycle. The *20 Year Strategic Financial Plan* 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*, implemented in the budget process
- Major projects included in the *20 Year Strategic Financial Plan* included in the budget process

4.3. 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 aspirational outcome of becoming a *“financially diverse local government that uses innovative solutions to achieve long-term financial sustainability...”*. As such, the *20 Year Strategic Financial Plan* highlights 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.

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 *20 Year Strategic Financial Plan*.

The *5 Year Capital Works Program* is a rolling program of capital works that is updated on an annual basis. The adopted Program for 2012/13 to 2016/17 has been included in the development of the *20 Year Strategic Financial Plan*.

Further work will be undertaken in short term to align the City's current asset management planning documents with the Department of Local Government's issued guidelines on *Asset Management Planning*. The guidelines require the City to update the *Asset Management Plan* by June 2013.

6. **WORKFORCE PLAN**

6.1 Workforce Planning Toolkit

Following the delayed release of the Department of Local Government's *Workforce Planning Toolkit*, the City is currently in the process of reviewing its *Workforce Plan* to align to the new standard requirements.

As new information becomes available, the *20 Year Strategic Financial Plan* will be reviewed to incorporate more details regarding workforce influences on financial planning activities.

7. ASSUMPTIONS

7.1. Disclaimer

Readers of the 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 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.

7.2. Information Used to Build the 20 Year Strategic Financial Plan

The 20 Year Strategic Financial Plan uses the annual financial statements and annual budget to reflect the current financial position and then builds on this with future information based on:-

- Asset Management Plans
- Capital Works Program
- Maintenance of services and service levels
- Cost forecasts
- Strategic Position Statements
- Project plans and proposals
- Agreed City Service Levels and Standards

7.3. Supporting Schedules

There are seven (7) supporting schedules (SS1 to SS7) that provide details of various assumptions that have been used to produce the 20 Year Strategic Financial Plan:-

- Key Indicators Calculations (SS1), (as described in Section 8)
- Capital Expenditure (SS2)
- Capital Proceeds and Profit on Disposal (SS3)
- Funding Assumptions – Reserves (SS4) and Loans (SS5)
- Depreciation (SS6)
- Annual Assumptions (SS7).

7.4. Key Assumptions

The following tables summarises the key overall assumptions underlying the *20 Year Strategic Financial Plan*. These include specific assumptions outlined in the *Guiding Principles Statement*. Supporting Schedule 7 (SS7) provides details of the assumptions applied in the model, year by year.

Table 3 Assumptions – Day to Day Income & Expenditure

Ref	Issue	Details
1	2011/12 values	<ul style="list-style-type: none"> All values for Year 1 (2011/12) relate to the estimated amounts for 2011/12, as published in the 2012/13 budget statement
2	2012/13 values	<ul style="list-style-type: none"> All values for Year 2 (2012/13) relate to the adopted budget for 2012/13. For day to day income and expenditure (ie. Rates, employee costs, other operating costs) Year 2 is then used as the base from which Years 3 to 20 are extrapolated.
3	Cost Increases	<ul style="list-style-type: none"> Based on available forecast information percentage increases have been added to the labour costs and other operating costs (materials, contracts, utilities) The <i>20 Year Strategic Financial Plan</i> therefore includes a fully costed workforce plan
4	Other Revenue (not rates)	<ul style="list-style-type: none"> Parking Fees increase by 3.0% every year.
5	Each Financial Year Balances	<ul style="list-style-type: none"> Projections established so that the 'Net Cash' each year (i.e. Cash excluding reserves) should be balanced
6	Rates Increases	<ul style="list-style-type: none"> Forecasts do not project an increase above 5%. Additionally, distortions from year to year (eg. 5% one year, 2% the next to be avoided.
7	Demographics	<ul style="list-style-type: none"> ABS data projects moderate population growth for the City, however, projected regional growth and housing infill opportunities may impact on the level of infrastructure and services required within the City Centre. The <i>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, while acknowledging the renewal projects planned to enhance the liveability of current residents and visitors to the City.
8	Services & Specification	<ul style="list-style-type: none"> The <i>20 Year Strategic Financial Plan</i> assumes the same level of services as currently provided. Likewise the same specifications and delivery method of providing services is assumed to continue.
9	Cost Management	<ul style="list-style-type: none"> Managing costs is an intrinsic part of the way the City conducts its business and the current cost base has the results of this built into it and is therefore included in the cost extrapolations future years. Stretch target for managing cost increases have been built

into the projections for Materials, Contracts and Utilities

7.5. Major Projects

The following table lists major new projects that have been included in the *20 Year Strategic Financial Plan*, together with the estimated capital expenditure and a brief description.

Table 4 – Major Capital Projects

Ref	Major and/or Significant Projects	Capex \$m	Yr Complete	Details
1	Currambine Community Centre	(\$4m)	2012/13	○ New Community Centre (already under construction).
2	Ocean Reef Marina Business Case & Structure Plan	(\$2m)	2012/13	○ Development of business case / Structure Plan for Ocean Reef Marina development. ○ Although fully budgeted in 2012/13 it is not expected that these will be completed in 2012/13
3	Warwick Leisure Centre Extension	(\$2m)	2013/14	○ New sports facilities in Warwick
4	Multi-Storey Car Park (1)	(\$18m)	2014/15	○ Multi-storey car park to further enhance the City Centre and support the further growth of the City.
5	Edgewater Quarry	(\$33m)	2016/17	○ Development of quarry ○ Sale of land expected to contribute \$23m
6	Joondalup Performing Arts & Cultural Facility	(\$51m)	2016/17	○ New facility to provide for Performing Arts & Culture.
7	Synthetic Hockey Project	(\$5m)	2017/18	○ New hockey facilities
8	Joondalup Administration Building	(\$5m)	2017/18	○ Major refurbishment
9	Grove Child Care / Dorchester Hall / Warwick Hall	(\$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 \$4.3m support capital costs
10	Multi-Storey Car Park (2)	(\$18m)	2019/20	○ Second multi-storey car park
11	Greenwood Community Hall / Calectasia Hall / GSGH)	(\$5m)	2019/20	○ New community hall.
12	Percy Doyle Master Plan	(\$45m)	2022/23	○ Development of sporting and leisure facilities at the Percy Doyle Reserve
13	Whitfords Library and Senior Citizens Centre	(\$12m)	2023/24	○ New library facility at Whitfords ○ Potential for offset with shopping centre development

Total	(\$204m)
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7.6. Whole Life Costs of Capital Projects

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.

Within the *20 Year Strategic Financial Plan*, estimates are produced where possible for ongoing expenses and income for all capital projects. As some of the schemes are at a very early stage in the planning cycle, it is either too soon to show the annual impacts or no figures are yet available.

7.7. Capital Proceeds

The *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 of new capital initiatives.

The *20 Year Strategic Financial Plan* includes several assumptions regarding proceeds received as a result of the sale of land. These are listed in SS3. 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 *20 Year Strategic Financial Plan* are:-

- \$57m from sale of Tamala Park land. These proceeds have their own reserve fund. In the early years of the *20 Year Strategic Financial Plan* when there is insufficient surplus to meet all of the *20 Year Strategic Financial Plan's* requirements, some of these proceeds are used to support municipal funds. The municipal fund pays the funds back to the reserve at a later point in time when it can afford to do so
- \$18m from sale of land no longer considered required for City purposes ('Asset Rationalisation'). These proceeds are allocated to the Joondalup Performing Arts & Culture Facility Reserve, and then subsequently used to help build the facility.
- \$23m 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.

8. FINANCIAL ESTIMATES

8.1. Financial Statements & Supporting Schedules

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

Appendix 2 provides explanations of the four (4) Financial Statements. Each FS has a table after it which explains each line on the FS.

Additionally, there are seven (7) Supporting Schedules (SS) that provide further details of the *20 Year Strategic Financial Plan*.

8.2. Key Indicators

Seven (7) Key Indicators have been calculated and are used to summarise the Financial Statements. Indicators 1 and 3 to 6 are highlighted within the Department of Local Government's *Advisory Standard*, and will be produced as part of the annual accounts from June 2013. Indicator 2 while not currently required by the *Advisory Standard* is a required ratio under the *Local Government (Financial Management) Regulations 1996* and therefore has been included. Indicator 7, Rates % Increase, is not required by the *Advisory Standard*, but has been included as a key indicator for the City of Joondalup and relates to the *Guiding Principles Statement* (Appendix 1).

Indicator 8, Asset Consumption Ratio, which is required by the *Advisory Standard*, has not been able to be calculated. It is not included in Table 5 below but there is an explanation at sub-section 8.4.8.

The calculations of the Key Indicators are provided in SS1. The schedule also links to the source of the calculations by providing the line reference to the Financial Statements.

8.3. Key Indicators – How They Should Be Used

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.

Table 5 below provides a snapshot of the Indicators. Sub-sections 8.4.1 to 8.4.8 provide additional explanations of each of the indicators.

Table 5 below provides an overview of the projected indicators against the *Advisory Standard*, where:-

- GREEN exceeds the target
- YELLOW is an intermediate achievement
- RED falls below the minimum level

Table 5 – Key Indicators

	11/12	12/13	13/14	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
1) Operating Surplus Ratio	-1.7%	-3.5%	-1.2%	0.4%	-0.5%	0.1%	4.5%	4.7%	6.8%	4.7%	4.5%	2.8%	2.5%	3.2%	6.4%	2.3%	2.3%	2.5%	3.1%	4.1%
<i>Advanced standard is greater than 15%, Basic Standard is between 0% to 15%, No Standard is less than 0%</i>																				
2) Own Source Revenue Coverage	92%	92%	95%	97%	96%	97%	101%	101%	104%	102%	101%	100%	99%	100%	104%	99%	99%	100%	100%	101%
<i>Standard is greater than 90%</i>																				
3) Current Ratio	241%	213%	205%	198%	191%	185%	179%	172%	165%	159%	153%	148%	143%	138%	133%	129%	136%	123%	129%	146%
<i>Standard is greater than 100%</i>																				
4) Debt Service Coverage Ratio	10	8	11	12	8	6	3	3	3	5	5	4	4	4	5	6	7	10	13	25
<i>Advanced standard is greater than 5, Basic Standard is between 2 and 5, No Standard is less than 2</i>																				
5) Asset Sustainability	75%	120%	95%	91%	91%	88%	96%	82%	80%	85%	83%	82%	80%	85%	86%	87%	87%	106%	92%	87%
<i>Advanced standard is between 90% and 110%, Basic is above 90%, No Standard is less than 90%</i>																				
6) Asset Renewal Funding ratio	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<i>Advanced standard is between 95% and 105%, Basic standard is 75% to 95%, No standard is less than 75%</i>																				
7) Rates % increase	tbc	4.9%	5.0%	5.0%	4.8%	5.0%	5.0%	4.5%	4.5%	4.5%	4.0%	4.0%	4.2%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
<i>Standard is less than 5%</i>																				

The definition of each indicator above is explained in the following respective paragraphs 8.4.1 to 8.4.7. The calculations for each indicator are provided in SS1.

8.4. Key Indicators - Explanations

8.4.1. 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 expenses and the extent to which surpluses are generated to fund capital projects. Chart 2 below shows the Operating Surplus estimated to 2030/31. Chart 3 below shows the Operating Surplus %, compared to the *Department of Local Government* Advanced standard of 15%, and a more realistic standard of 5%.

The very low or slightly negative operating surpluses in the years 2012/13 to 2016/17 compared to 2017/18 onwards are caused by the high capital investment program in this period combined with keeping rate increases to no greater than 5%.

Chart 2 – Operating Surplus \$m

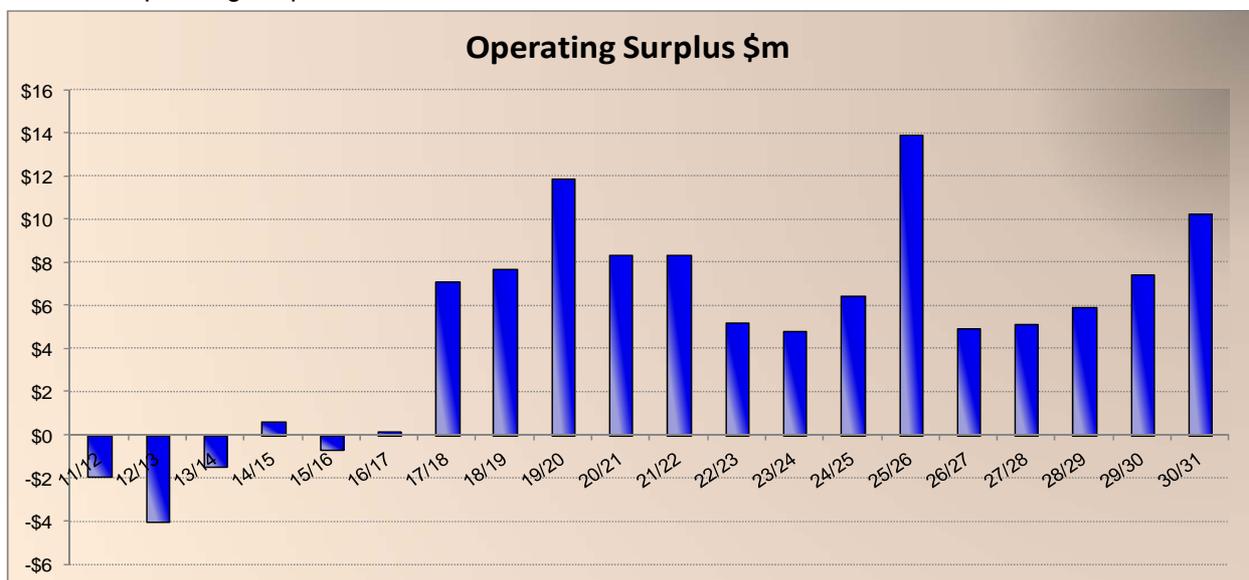


Chart 3 – Operating Surplus %

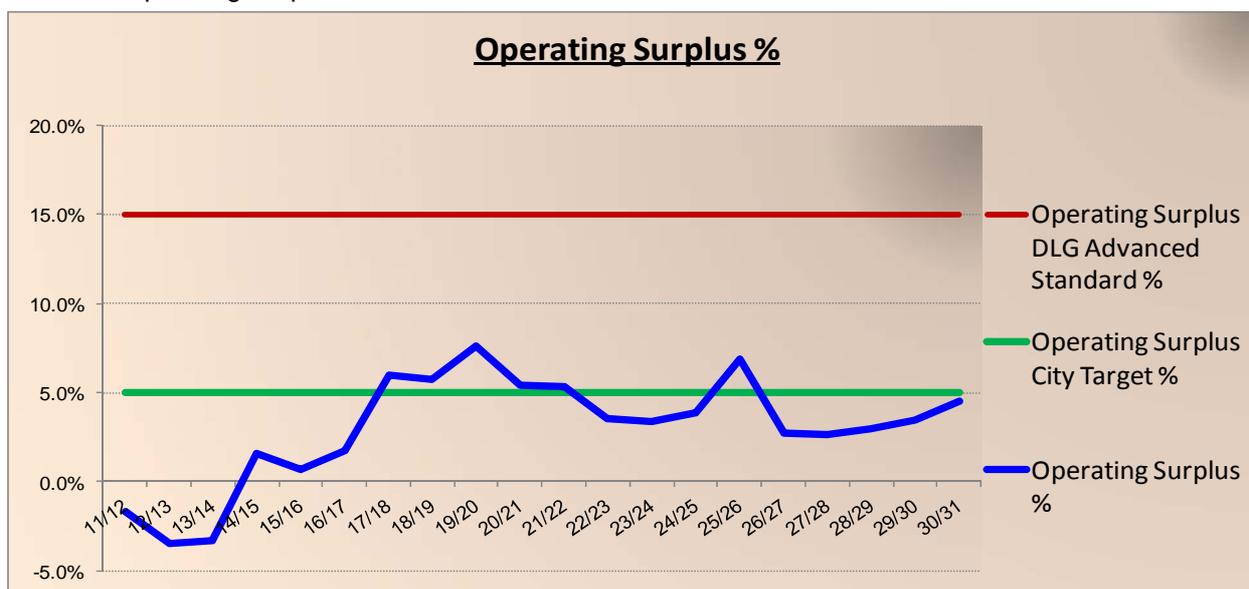


Table 6 – Operating Surplus Key Comments

Department of Local Government Standard	Projection	Comment
<p>Calculation is Operating Surplus divided by own source revenue.</p> <p>The criteria for the standards is:-</p> <ol style="list-style-type: none"> 1. Standard is not met if surplus is less than 0%. 2. Basic standard is met if ratio is between 0% and 15%. 3. Advanced standard is met if greater than 15%. 	<p>None of the 20 years achieves greater than 15%, and therefore no years achieve the <i>Department of Local Government</i> advanced standard.</p> <p>The early years (up to 2016/17) fall below the 5% level, an average of 1.0%. This is due to the pressures during those years of the high capital investment program and keeping rate increases at no more than 5%.</p> <p>From 2017/18 onwards the average is more favourable, an average of 3.9%.</p> <p>The overall average over 20 years is 2.4%.</p>	<p>The City already has a strategy for operating surpluses, as outlined in the <i>20 Year Strategic Financial Plan - Guiding Principles Statement</i> (Appendix 1)</p> <p>The sentiment of the <i>Department of Local Government</i> 15% Advanced Standard is consistent with the City's existing approach, in trying to generate adequate surpluses to fund new projects. However, 15% would be excessive for the City, and if the City aspired to achieve this, then it would require significant change in the <i>20 Year Strategic Financial Plan</i> projections such as higher rate increases each year or significant expenditure and project reductions.</p> <p>The <i>20 Year Strategic Financial Plan</i> is long-term, and the most important consideration with the operating surplus ratio is the sustained achievement from 2017/18 onwards. The <i>20 Year Strategic Financial Plan</i> has also been able to keep rates increases at no more than 5% in all years of the <i>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 excessive cash surpluses in later years.</p>

8.4.2. Own Source Revenue Coverage

This is an indicator of how much of the City’s operating expenditure is covered by revenues that it directly generates by itself. This excludes revenue from external sources such as grants and contributions. Chart 4 below shows the revenues and expenses that are used to calculate the ratio. Chart 5 below then shows the projections for the City versus the *Department of Local Government* proposed standard.

Chart 4 – Own Source Revenue & Operating Expenses

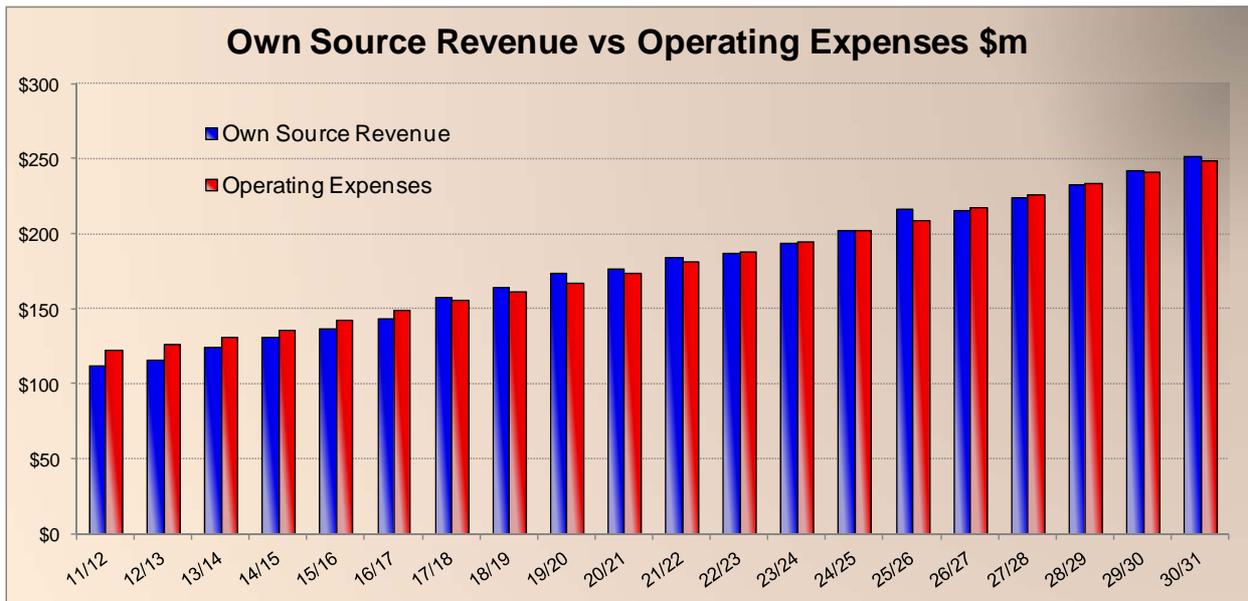


Chart 5 – Own Source Revenue Coverage %

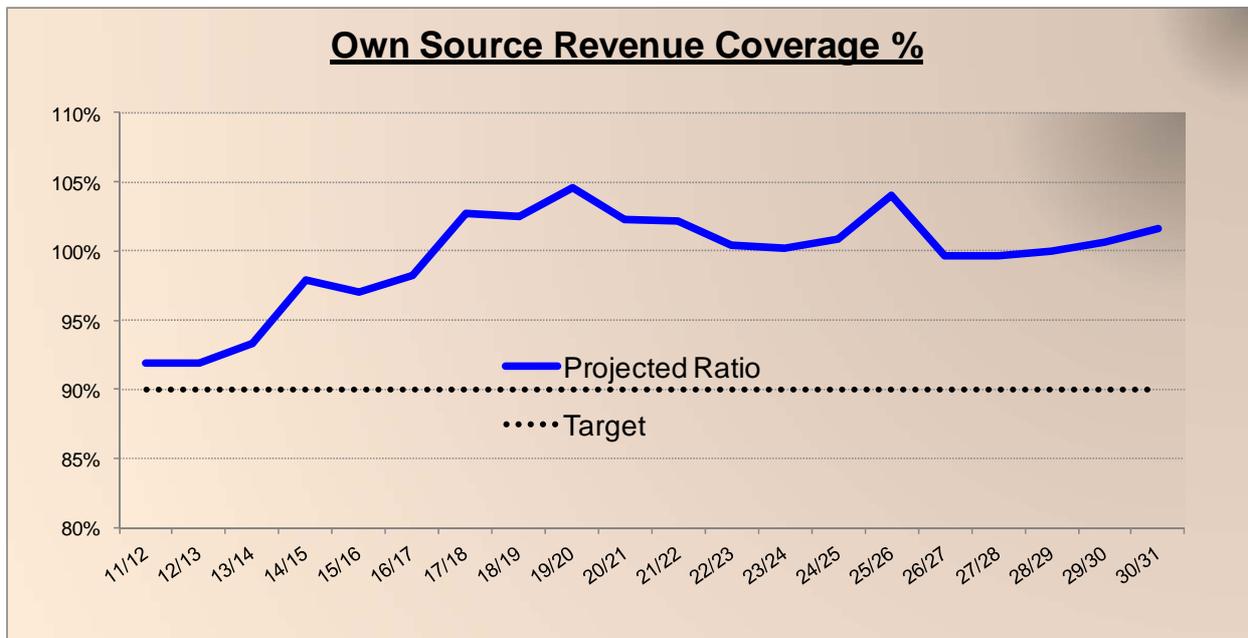


Table 7 – Own Source Revenue Comments

Department of Local Government Standard	Projection	Comment
<p>Calculation is Own Source Revenue as a Percentage of Operating Expenditure.</p> <p>Not included in the Advisory Standard, but has been included in the Financial Management Regulations. No formal guidelines have been provided yet on evaluation criteria. However initial view from <i>Department of Local Government</i> is that standard to be achieved is 90%.</p>	<p>Projections range from 92% to 104%, with an overall average of 99%.</p>	<p>Based on the initial notification of the performance criteria, the City achieves this standard. However, the evaluation criteria are yet to be formally distributed.</p>

8.4.3. Current Ratio

This is based on a standard indicator used by most businesses. The ratio is designed to focus on the liquidity position ('working capital') at a point in time. The ratio compares the current assets (excluding cash backed reserves) versus current liabilities. Chart 6 below summarise the values used for the projections. Chart 7 below then shows the projected % compared to the *Department of Local Government* standard.

Chart 6 – Current Asses & Current Liabilities

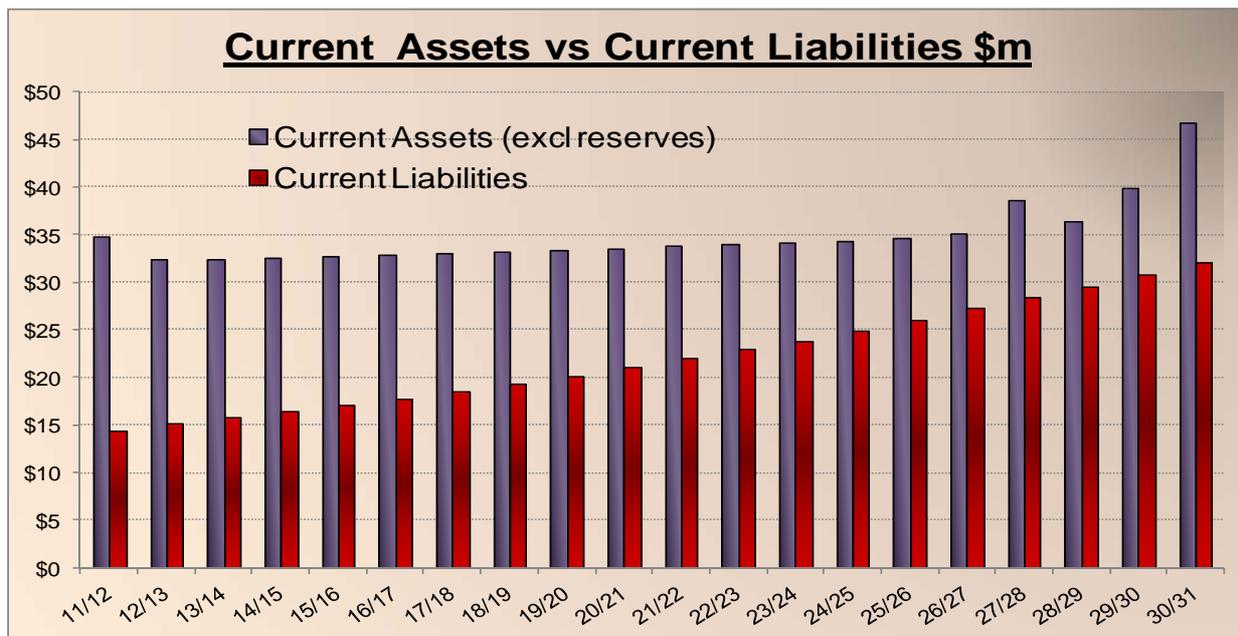


Chart 7 – Current Ratio %

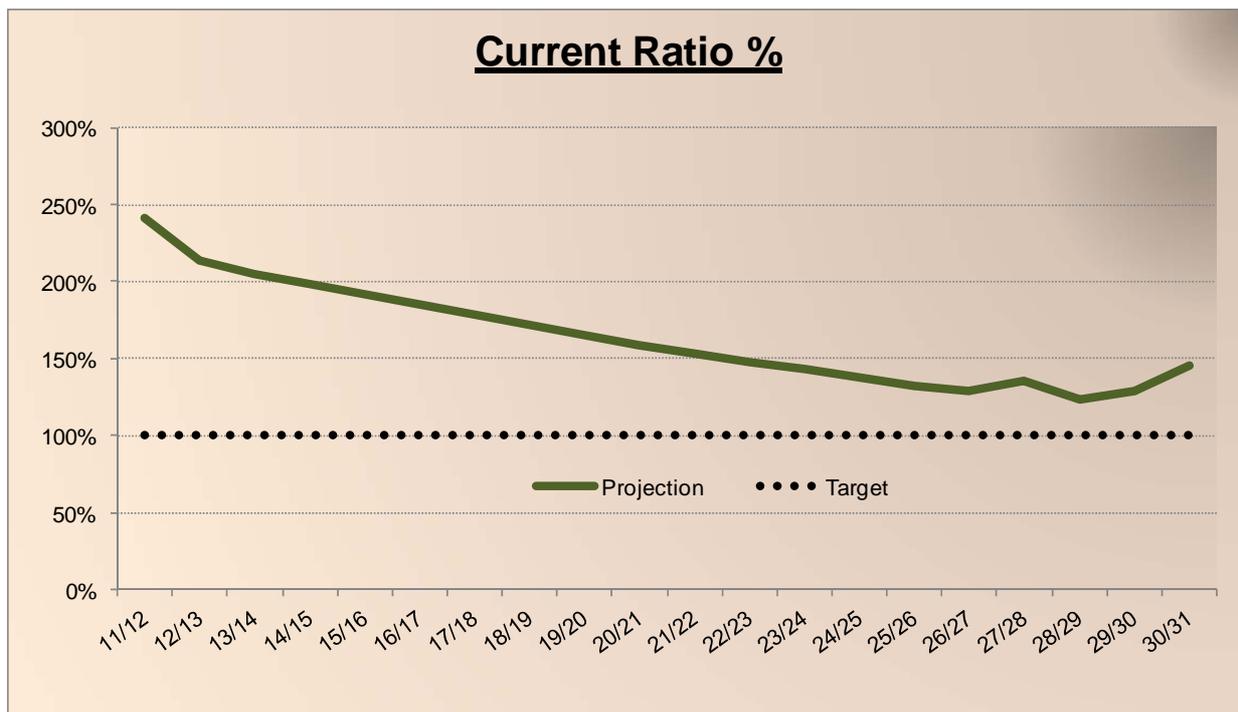


Table 8 – Current Ratio Comments

Department of Local Government Standard	Projection	Comment
<p>Calculation is Current Assets (excluding Reserves) divided by Current Liabilities.</p> <p>The Standard is to have a ratio of greater than 100%.</p>	<p>Projections range from 123% to 241%, with an overall average of 164%.</p> <p>The ratio continues to decrease over the life of the <i>20 Year Strategic Financial Plan</i> until 2026/27. This is due to the careful balance of avoiding building up excessive cash funds while investing in new infrastructure.</p>	<p>Standard achieved.</p> <p>This ratio is a key ratio for any business as it demonstrates its liquidity i.e. its ability to meet its current liabilities on a day to day basis.</p> <p>One of the disadvantages of this ratio is that it only plots the values at a moment in time (i.e. at June 30 each year), as opposed to the ratio at end of each month. As the City obtains the majority of its rates revenue early in the financial year the current ratio is generally very high in the early months and then declines towards the end of the financial year.</p>

8.4.4. Debt Service Coverage Ratio

This indicator shows how much of the annual surplus is going towards debt repayments. This is intended to demonstrate that local governments have sufficient operating surplus to cover debt repayments. The City performs well in this area. When interest rate conditions are right, it can be financially healthy for the City to borrow, even where cash is held in reserves.

Chart 8 below shows the values that are used in the calculation. Chart 9 shows the projected ratio versus *Department of Local Government* standards

Chart 8 – Operating Surplus & Loan Repayments

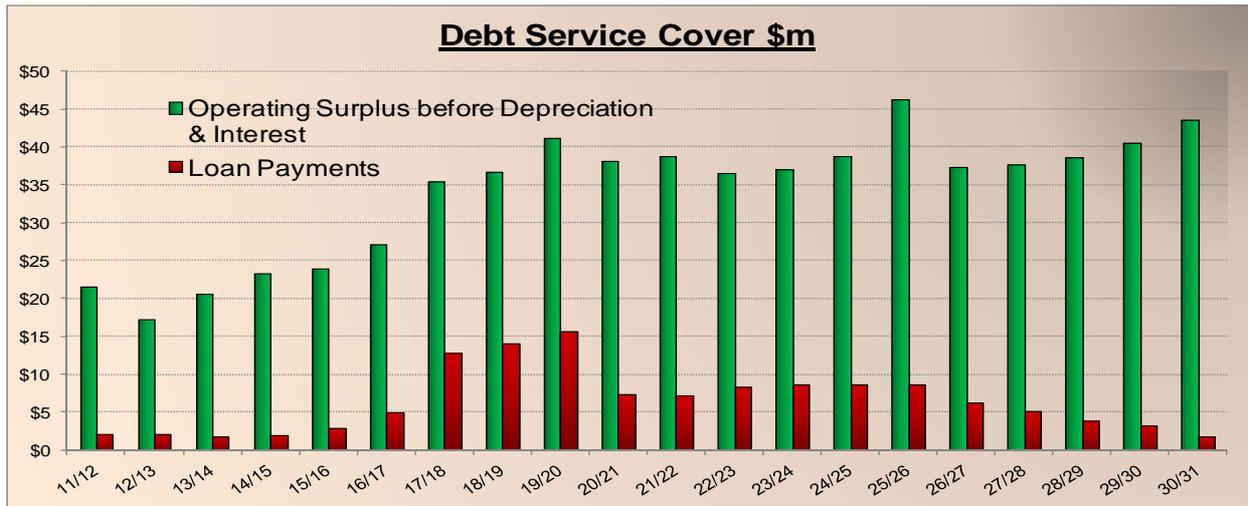


Chart 9 – Debt Service Ratio

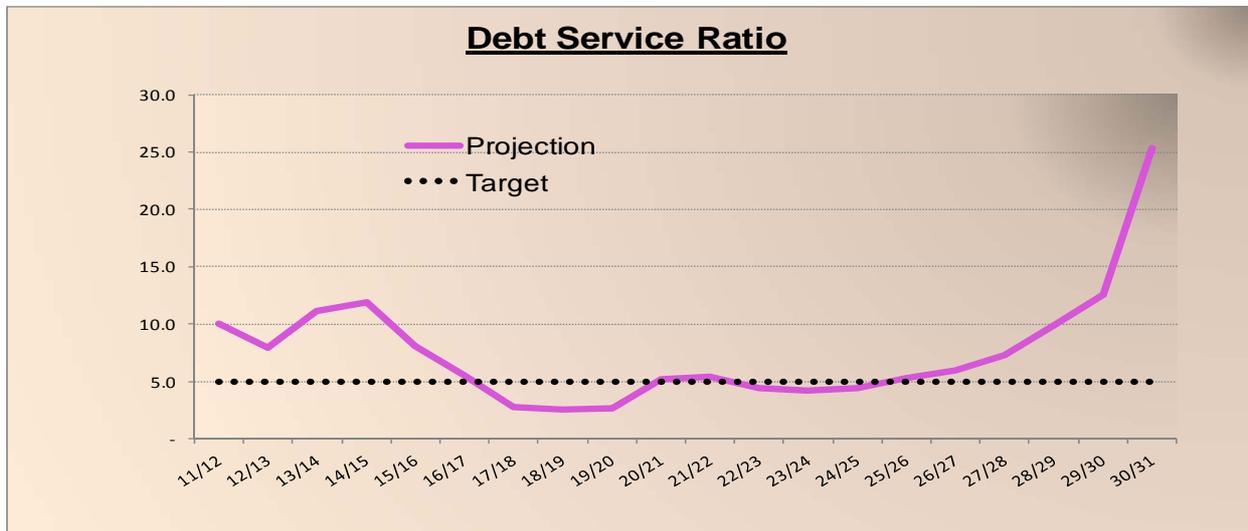


Table 9 – Debt Service Comments

Department of Local Government Standard	Projection	Comment
<p>Calculated as annual surplus (before interest and depreciation) divided by annual debt service payments.</p>	<p>Years 2017/18 to 2019/20 achieve basic standard with a ratio of 3. Years 2022/23 to 2024/25 achieve basic standard with a ratio of 4.</p>	<p>Despite the increase in the use of loans in the majority of the years, the advanced standard is still achieved.</p>
<p>The evaluation criteria is:</p> <ol style="list-style-type: none"> 1. Standard is not met if ratio is less than two (2). 2. Basic Standard if ratio is between two (2) and five (5). 3. Advanced standard if greater than five (5). <p>This indicator is used by the Western Australian Treasury Corporation (WATC) in considering loan applications from the City.</p>	<p>All other years achieve the advanced standard, the overall average is 7.6.</p> <p>Towards the end of the life of the <i>20 Year Strategic Financial Plan</i> (from 2027/28), where there is little new capital investment included, the ratio increases significantly.</p>	<p>Where the basic standard is achieved between 2017/18 and 2019/20, this is caused by the Edgewater Quarry project. This Project plans to borrow for a short period of time (interest only loans) until proceeds from sale of land are realised to pay off the loans.</p> <p>Years 2022/23 to 2024/25 where the basic standard is achieved is due to several projects requiring loan funding (e.g. Percy Doyle Master Plan & Whitfords Library).</p>

8.4.5. Asset Sustainability Ratio

The Asset Sustainability ratio measures the extent to which the assets managed by the City are being replaced as they reach the end of their economic life. Chart 10 below shows the values that go into the calculation. Chart 11 below shows the projections compared to the *Department of Local Government* standard.

Chart 10 – Capital Expenditure & Depreciation

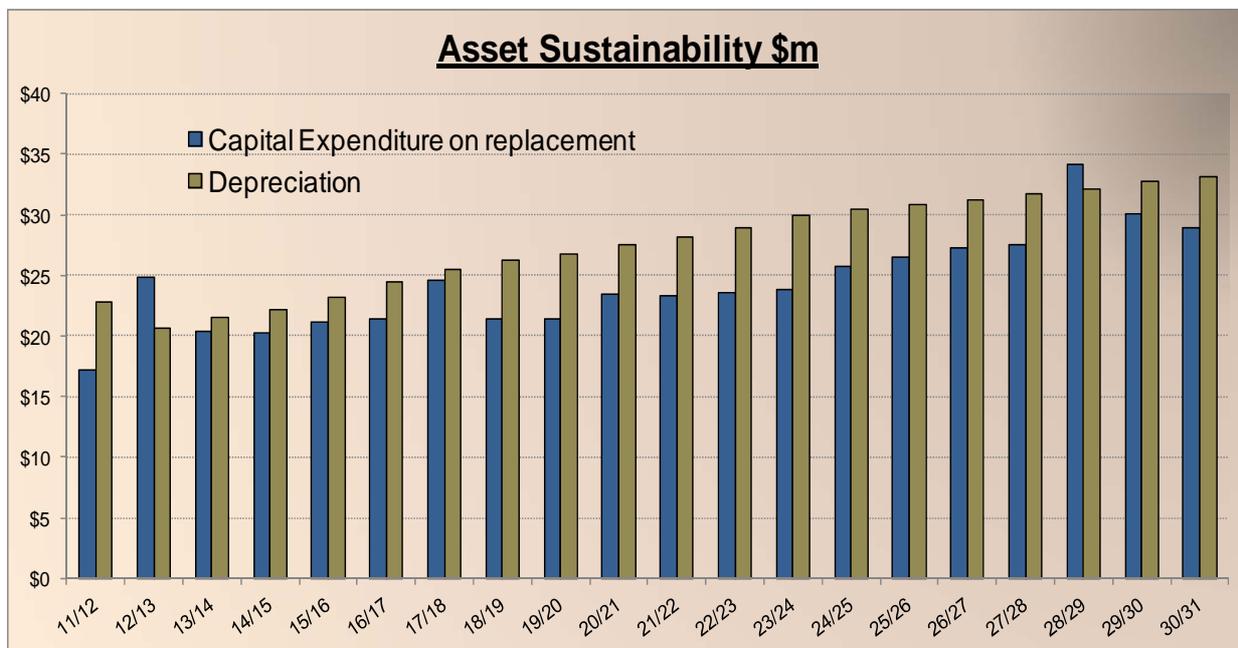


Chart 11 – Asset Sustainability

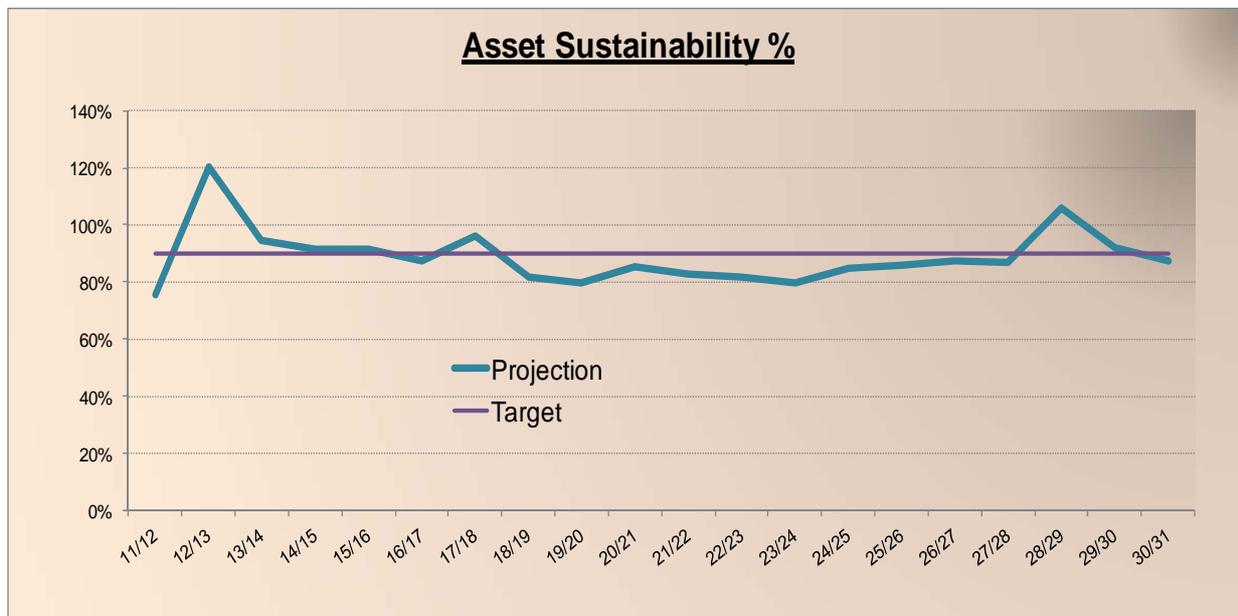


Table 10 – Asset Sustainability Comments

Department of Local Government Standard	Projection	Comment
<p>Calculation is Capital Expenditure on replacement/renewal of assets divided by depreciation expense.</p> <ol style="list-style-type: none"> 1. Standard is not met if ratio data cannot be identified or ratio is less than 90%. 2. Basic if 90% or greater. 3. Advanced if between 90% and 110%. 	<p>Seven (7) of the twenty years achieve advanced standard, the other thirteen years do not achieve standard.</p> <p>The overall average over 20 years is 89%, just 1% below the basic standard.</p>	<p>The ratio suggests that the City is not spending enough capital expenditure on replacement/renewal of existing assets. It should be noted though that for the majority of the years where the ratio falls below 90%, it is only slightly.</p> <p>This ratio will be subject to further scrutiny during the update of the Asset Management Plan (to be completed by June 2013), and will incorporate recommendations on how the ratio should be improved.</p>

8.4.6. Asset Renewal Funding Ratio

This indicates whether the local government has the financial capacity to fund asset renewal as required, and can continue to provide existing levels of service in future. Chart 12 below shows the values that are used to calculate the rate, Chart 13 below shows the ratio compared to the *Department of Local Government* standard.

Chart 12 – Capital Expenditure & Depreciation

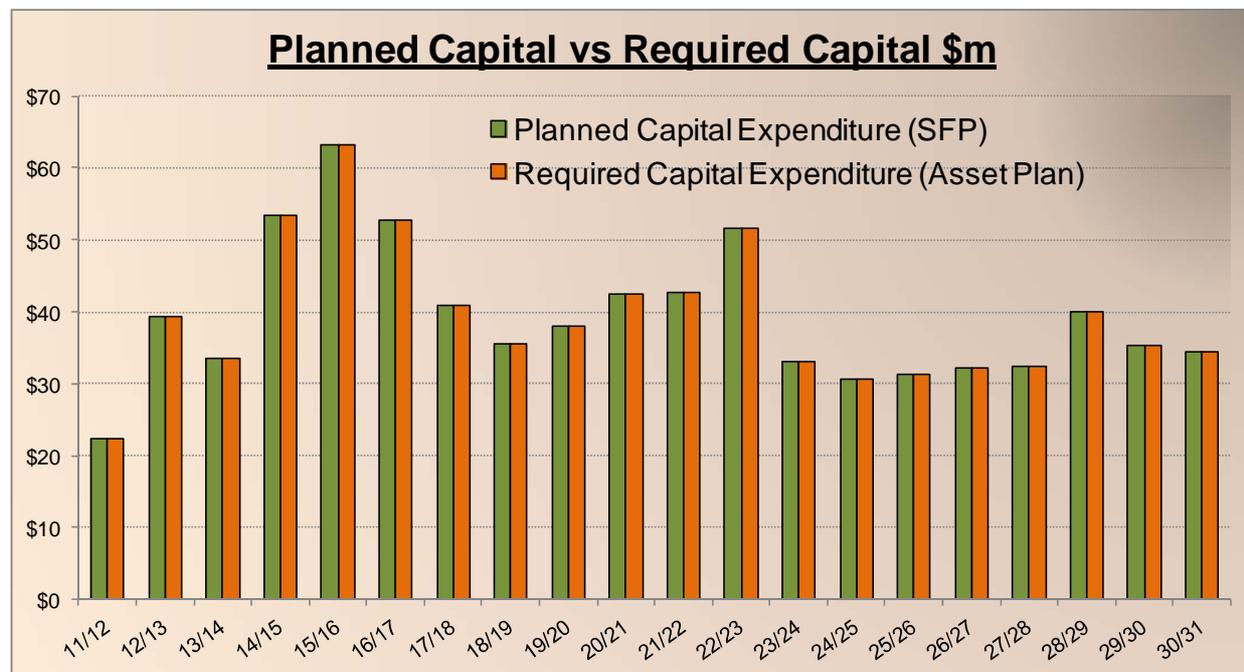


Chart 13 – Asset Renewal Funding Ratio

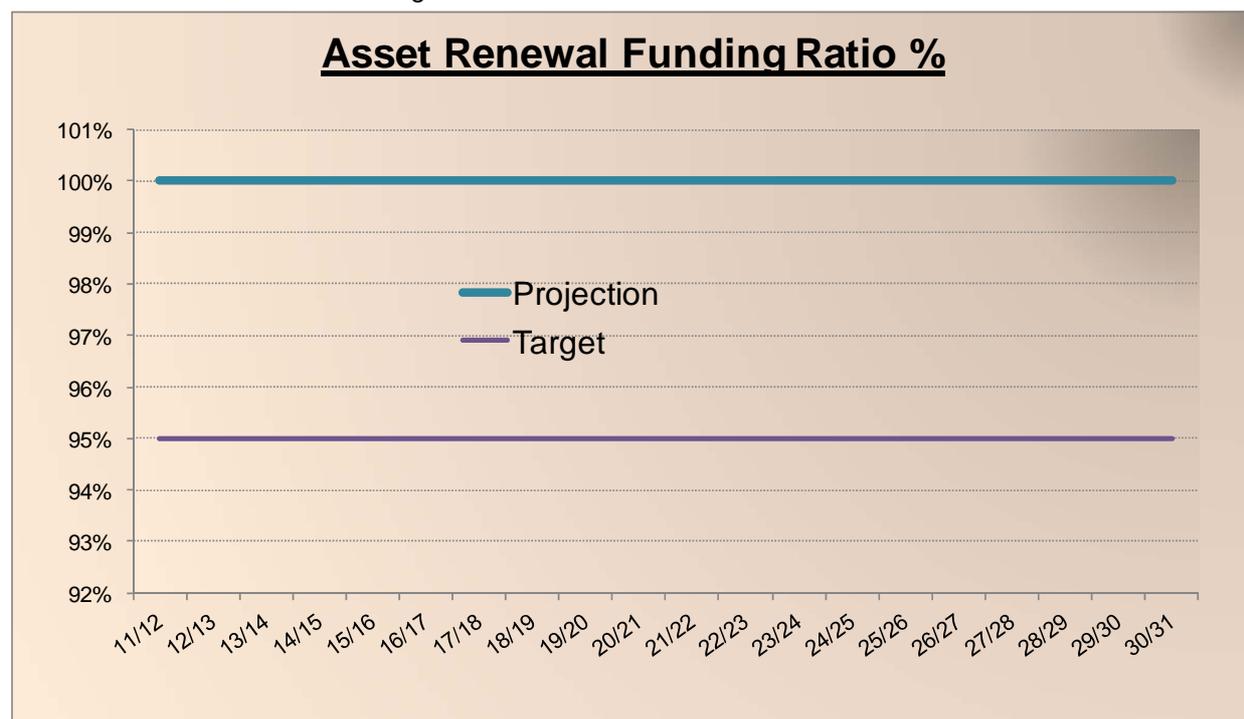


Table 11 – Asset Renewal Funding Comments

Department of Local Government Standard	Projection	Comment
<p>Calculation is Planned Capital Expenditure (from the <i>20 Year Strategic Financial Plan</i>) divided by the Required Expenditure (from the Asset Management plan).</p> <ol style="list-style-type: none"> 1. Standard is not met if ratio cannot be identified or less than 75%. 2. Basic if between 75% and 95%. 3. Advanced if between 95% and 105%. 	<p>Advanced standard is achieved in every year as the ratio is 100%.</p>	<p>The <i>20 Year Strategic Financial Plan</i> has used the values from the <i>Capital Works Program</i> and the <i>Asset Management Plans</i>.</p>

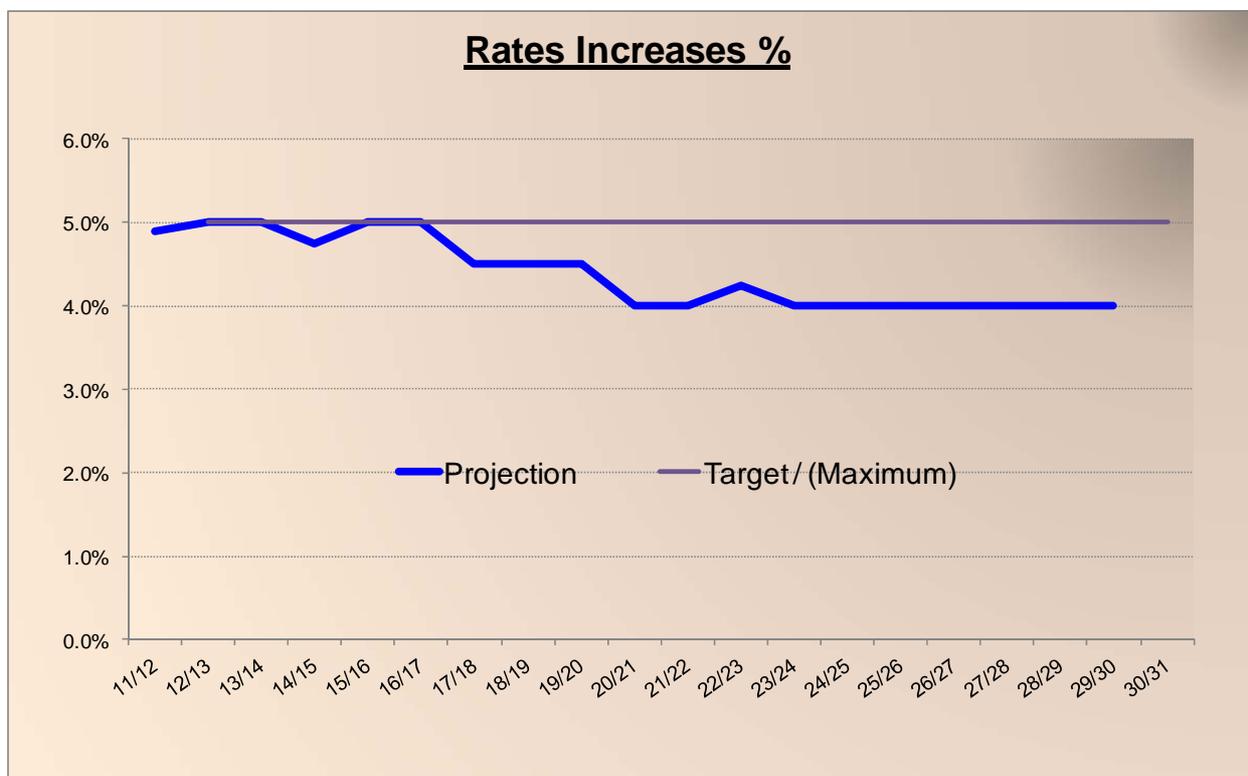
8.4.7. Rates % Increase

The rates % increase is not a *Department of Local Government* 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 *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.

The chart below demonstrates that the *20 Year Strategic Financial Plan* has been produced with a rates increase of no more than 5%. The average over the 20 years is 4.4%.

Chart 14 – Rates % Increase



8.4.8. Asset Consumption Ratio

There is insufficient information to calculate the Asset Consumption Ratio at this time. The City does not have current replacement costs for all depreciable assets to enable this ratio to be calculated. The City has current replacement costs for the majority of asset classes, but not for land and buildings. Until recently it was not a requirement for the City to have replacement costs.

Table 12 – Asset Consumption Comments

Department of Local Government Standard	Projection	Comment
Calculation is Depreciated Replacement Cost of Assets (written down value) divided by Current Replacement Costs of Depreciable Assets. 1. Standard is not met if ratio cannot be identified or is less than 50%. 2. Basic if ratio is 50% or greater. 3. Advanced if between 60% and 75%.	Standard is not met.	Data on Current Replacement Costs of Depreciable Assets will be compiled during 2012/13 to enable this ratio to be calculated by June 2013.

9. SUPPORTING SCHEDULES

9.1. Overall Commentary on the Cash Flow and Funding

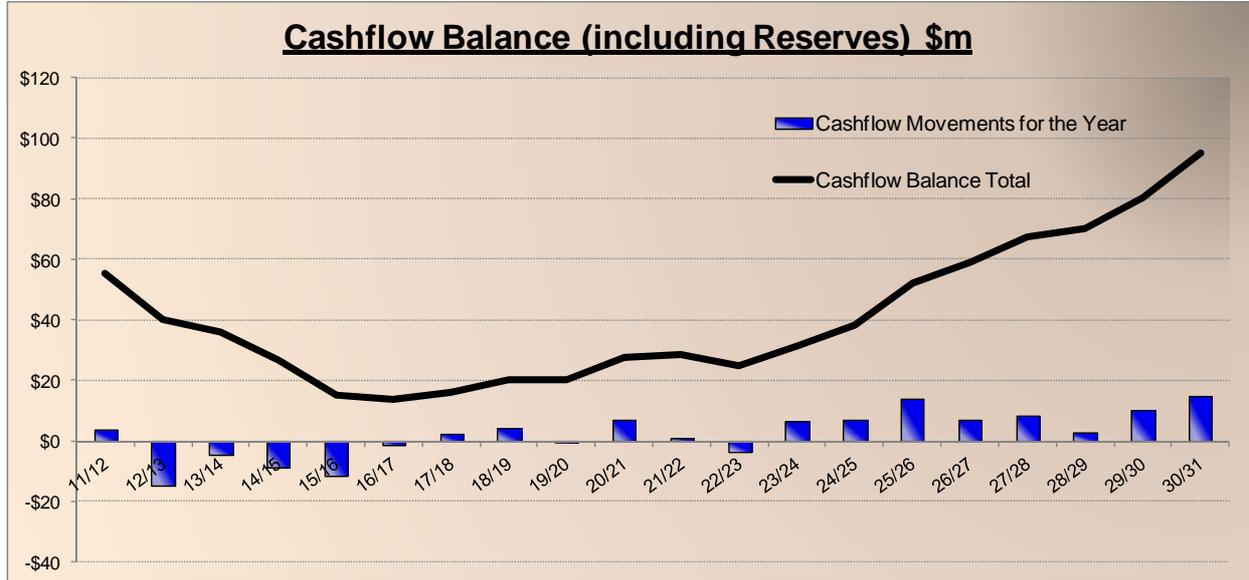
Table 13 – Overall Comments

Issue	Comment
<p>1 Balance The Books</p>	<p>A key objective of the <i>20 Year Strategic Financial Plan</i> 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 significant new infrastructure, whilst being able to have moderate increases in rates.</p> <p>Statement FS3 summarises the rate setting calculations to demonstrate that funds match expenses and that the books are balanced. The trade-off with the approach of balancing the books is that there are pressures in the early years of <i>20 Year Strategic Financial Plan</i>, particularly with new investment, that do not accommodate an operating surplus target of 5% and a rates increase of no more than 5%.</p> <p>The flexible funding principles that are part of the <i>Guiding Principles Statement</i> (Appendix 1) are applied in the early years to manage the funding pressures. After these early years the majority of the <i>20 Year Strategic Financial Plan</i> is much more sustainable, with demands for financing new capital projects offset by surplus day to day income. However those middle years also use up the reserves.</p> <p>In summary all years of the <i>20 Year Strategic Financial Plan</i> have been balanced to a rate setting surplus of zero, or as close to zero as possible, except for the last 5 years (2026/27 to 2030/31), which have a surplus net closing position.</p>
<p>2 New Capital Projects</p>	<p>Of the (\$204m) total for new capital projects, 79% (\$162m) is included in the first ten years.</p> <p>Reserves are relied upon heavily in the earlier years, but then loans become more prevalent in the middle years.</p>
<p>3 Reserves Balance</p>	<p>The \$49m of reserve funds at beginning of the <i>20 Year Strategic Financial Plan</i> is used during earlier years on project funding. The reserves reduce significantly down to \$14m by 2016/17. At the end of year 20, the reserves balance increases to \$84m.</p> <p>The significant use of the reserves in the early years of the <i>20 Year Strategic Financial Plan</i> is a key consideration. This places emphasis on the City to make the best use of limited funds. There are several high-profile projects not included in the <i>20 Year Strategic Financial Plan</i> (see risk section), therefore there is great pressure on the reserves balance to make the right investment choices.</p>
<p>4 Total Cash</p>	<p>This follows on from the comments above about reserves. Total cash for the City is low in the early years, before increasing in the later years.</p>

Cash Flow Summary – Year by Year Movements

The graph below summarises the key movements in cash flow up to 2022/23.

Chart 15 – Cash Flow



9.2. Funding for New Capital Projects

Supporting Schedules two (2) to six (6) provide details of the Capital Expenditure (SS2), Capital Proceeds and Profit on Disposal (SS3), and funding methods (SS4 and SS5). 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 *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 16 below summarises the funding for new capital projects over the full 20 years of the *20 Year Strategic Financial Plan*:-

Chart 16 – Funding of New Capital Expenditure

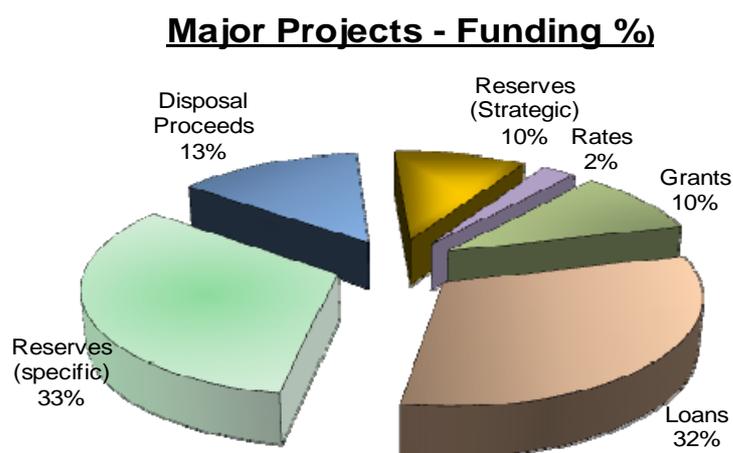


Table 14 below lists the new Major Projects and the source of the funding for each.

Table 14 – Major Projects – source of funding

Major Projects & funding - 20 Year summary \$ms	Capital	Funding						Total 3
	Expend	Grants	Strategic Reserve	Reserves	Loans	Rates	Disposal Proceeds	
1 Currambine Community Centre	\$4	\$1	\$3	\$1		\$0		\$4
2 Ocean Reef Marina Business Case & Structure Plan	\$2	\$0		\$1		\$0		\$2
3 Warwick Leisure Centre Extension	\$2		\$2					\$2
4 Multi Story Car Park (1)	\$18		\$12	\$6				\$18
5 Edgewater Quarry #1	\$33	\$0			\$10		\$23	\$33
6 Joondalup Performing Arts & Culture Facility	\$51	\$10	\$3	\$29	\$9			\$51
7 Synthetic Hockey Project	\$5	\$2			\$3			\$5
8 Joondalup Administration Building - refurb	\$5				\$5			\$5
9 Grove Child Care / Dorchester Hall / Warwick Hall	\$4						\$4	\$4
10 Multi Story Car Park (2)	\$18			\$6	\$12			\$18
11 Greenwood Community Centre (Calectasia hall / GS	\$5				\$3	\$2		\$5
12 Percy Doyle, incl Duncraig Library	\$45	\$7		\$24	\$14	\$0		\$45
13 Whitfords Library and Senior Citizens Centre	\$12				\$10	\$2		\$12
Total Major Projects	\$204	\$20	\$20	\$67	\$65	\$5	\$27	\$204

9.3. Reserve Movements

SS4 provides details of the reserve assumptions within the 20 Year Strategic Financial Plan.

Chart 17 below summarises the overall movements in reserves, over the term of the 20 Year Strategic Financial Plan. This shows that:

- The Reserve funds are used greatly in the early years of the 20 Year Strategic Financial Plan to fund new Major Projects.
- The reserve balance goes as low as \$14m by June 2017
- The balance then increases to \$84m by June 2031, most notably with the proceeds of land sales at Tamala Park

Chart 17 – Reserve Movements

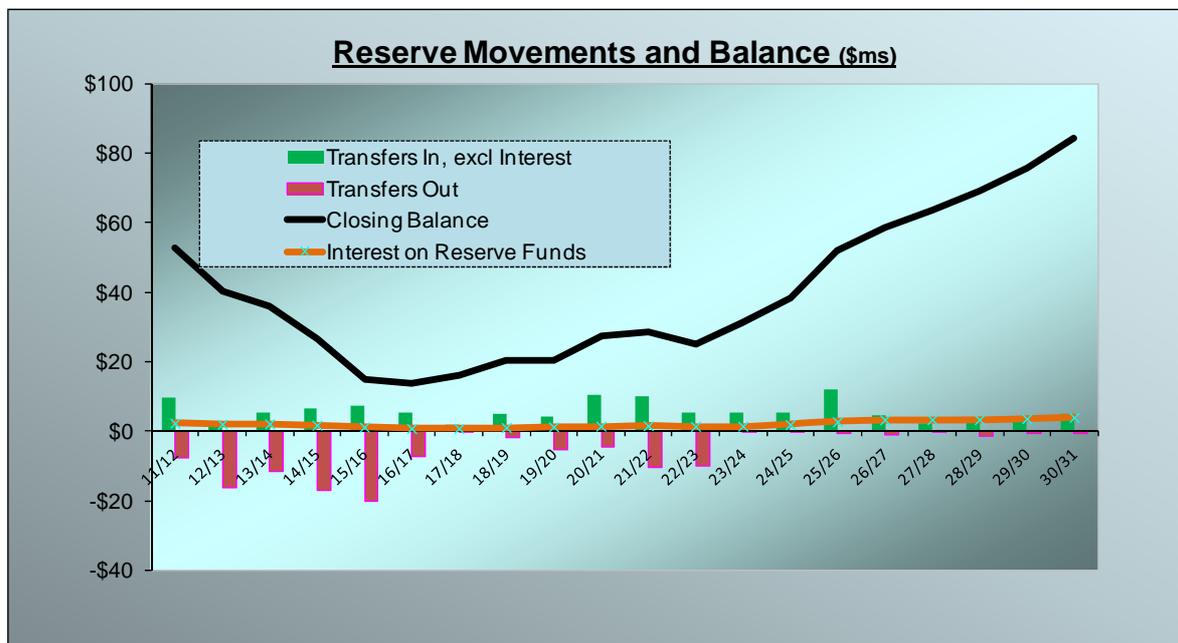


Table 15 below lists the movements on each of the reserves over a 20 year period. SS4 provides further details of each reserve, year by year,

Table 15 – Reserve Movements

Reserve Movements 20 Year Summary \$ms	Opening	Movements					Closing	
	Balance	Transfers in	Internal Payback	Fund Major Projects #1	Other Trsfns out #2	Interest on Reserve	Total	Balance
1 Capital Works Going Forward	\$10	\$6			-\$15	\$2	-\$7	\$3
2 Cash in Lieu of Parking Reserve	\$1					\$2	\$2	\$3
3 Cash in Lieu of Public Open Space	\$2				\$0	\$3	\$2	\$4
4 Currambiine / Kinross Community Centre	\$1	\$0		-\$1		\$0	-\$1	\$0
5 Community Facilities Kingsley	\$0				\$0		\$0	\$0
6 Waste Management	\$3	\$1			-\$2	\$5	\$4	\$7
7 Vehicles & Plants Replacement	\$2	\$2			-\$5	\$3	\$1	\$3
8 Cash in Lieu of City Parking	\$1			-\$1		\$0	-\$1	\$0
9 Joondalup Performing Arts & Culture Facility	\$5	\$18		-\$25		\$2	-\$5	\$0
10 Ocean Reef Marina	\$1	\$0		-\$1		\$0	-\$1	\$0
11 Section 20A Land	\$0					\$0	\$0	\$0
12 Specified Area Rating - Harbour rise	\$0				\$0	\$0	\$0	\$0
13 Specified Area Rating - Iluka	\$0				\$0	\$0	\$0	\$0
14 Strategic Asset Management	\$21		\$4	-\$20	-\$3	\$8	-\$11	\$10
15 Sale of Tamala Park Land		\$57		-\$34		\$12	\$35	\$35
16 Parking Facility	\$3	\$25		-\$5	-\$6	\$4	\$17	\$20
17 Public Art Reserve								
Total Reserves	\$49	\$110	\$4	-\$86	-\$32	\$40	\$36	\$84

9.4. Loans

SS5 provides details of the loan assumptions within the *20 Year Strategic Financial Plan*.

In line with the *Guiding Principles Statement* (Appendix 1), the *20 Year Strategic Financial Plan* considers where it is an optimum time to take advantage of loan finance particularly where the cost of fixed interest loans is lower than the earnings from cash reserves. Such conditions currently apply and are expected to continue for the next couple of years.

Where the right circumstances exist the *20 Year Strategic Financial Plan* should strive to take advantage of such conditions, even where reserves may exist for specific projects. Loans in other years, where the conditions are not forecast to be as advantageous, may still be used but they are not as attractive as the earlier years.

The *20 Year Strategic Financial Plan* is not able, however, to take advantage of these favourable conditions due to the high level of new capital project funding in the earlier years, and maintaining rate increases at a maximum of 5%.

There is only \$22m of loans taken out from 2012/13 to 2015/16, and these are short term only for Edgewater Quarry (interest only loans until land sale proceeds are realised and then the loans are repaid). A further \$65m in loans is required to fund projects, paid back over a 10 year period.

10. RISK ASSESSMENT

10.1. Overall Comment

The *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 *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 *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 20 Year Strategic Financial Plan

There are a number of projects which have been subject to some discussion, but not included in the *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. Wanneroo Basketball Association relocation
2. Lotteries House extension
3. Ocean Reef Marina – further development/investment by the City
4. Cafes, Kiosks and Restaurants – further development/investment by the City
5. CBD Office Development – further development/investment by the City
6. Possible transfer of Arena to the City of Joondalup

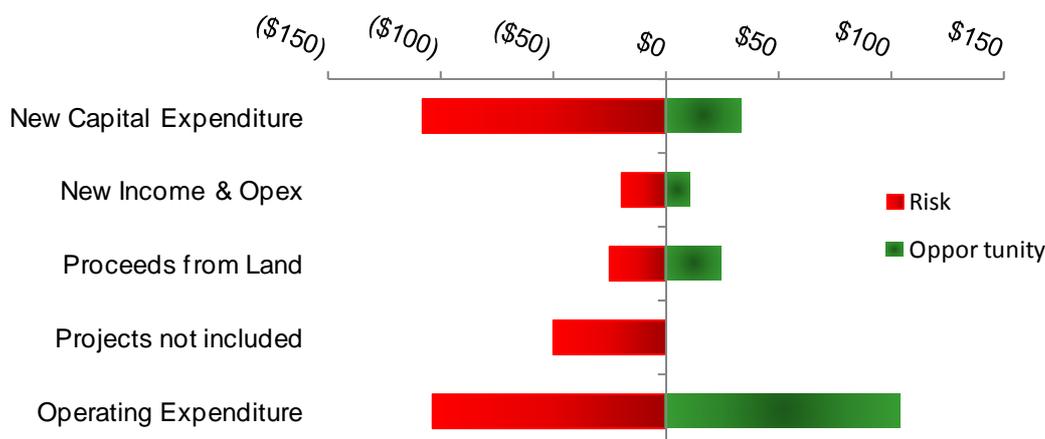
10.3. Analysis of Risks & Opportunities

High level analysis has been prepared against some of the key assumptions, so that the potential risk and opportunity over a 20 year period can be better understood. The table and graph below show that there is significantly more risk (\$307m) than opportunity of \$172m.

Table 16 – Risks & Opportunities

20 Year Plan Risk Analysis \$m	CashFlow	%age Low & High		Impact	
	Total				
	20 Yr	Risk	Oppor tunity	Risk	Oppor tunity
New Capital Expenditure	(\$204)	53.0%	-16.3%	(\$108)	\$33
New Income & Opex	\$12	-172.5%	86.3%	(\$20)	\$10
Proceeds from Land	\$102	-24.5%	24.5%	(\$25)	\$25
Projects not included				(\$50)	
Operating Expenditure	(\$3,466)	3.0%	-3.0%	(\$104)	\$104
Total	(\$3,557)	8.6%	-4.8%	(\$307)	\$172

Chart 18 – Risks & Opportunities \$m



Further comments about the table and graph:

1. New Capital Expenditure. High level review of each project has been prepared, to understand the range (low, med, high) for the estimated expense.
2. New Income & Operating Expenditure. For those new projects, such as the Joondalup Performing Arts and Cultural Facility or Edgewater Quarry, there remains some uncertainty on the estimated recurring maintenance and operating expenses and uncertainty on the income streams
3. Proceeds from Land Sales. These relate to different projects (Sale of Tamala Park, Asset Rationalisation, Edgewater Quarry, etc.). These estimates have the potential to increase or decrease
4. Projects not included. There is no cost yet able to be attributed to the projects not included in the 20 Year Strategic Financial Plan (refer 10.2).

5. Operating Expenditure. The day to day expenses and income make up the vast majority of the cash flows in the *20 Year Strategic Financial Plan*, over and above the new capital projects. Although the projections are based on sound principles, there are risks and opportunities in the future projections, and the table shows the extent of a 3% risk or opportunity.

10.4. Future Improvements to the 20 Year Strategic Financial Plan

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

Table 17 – Future Improvements to the *20 Year Strategic Financial Plan*

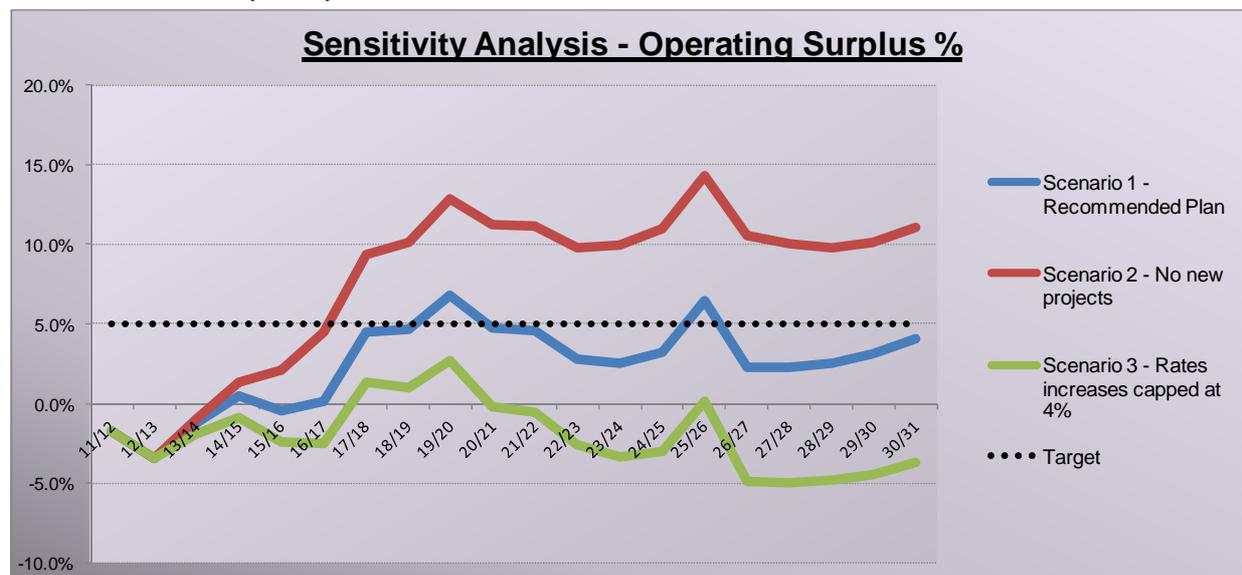
Ref	Issue	Details
1	Depreciation	<ul style="list-style-type: none"> ○ Calculated by Asset Type and where the data is available by individual asset
2	Asset based indicators	<ul style="list-style-type: none"> ○ The City does not yet have a high level of reliability for calculating asset based indicators ○ The City's <i>Strategic Community Plan 2012-2022</i> requires all asset-based indicators to be calculated with a high level of confidence by 2014
3	Asset Management Plan	<ul style="list-style-type: none"> ○ Update <i>Asset Management Plan</i> by June 2013 ○ This will include further comment/analysis of the Asset Sustainability Ratio, and the calculation of the Asset Consumption Ratio
4	Demographics	<ul style="list-style-type: none"> ○ Analysis of demographics and how this impacts on the services provided ○ For example, what changes in the age profile are forecast which could impact on the demand for services eg. An older demographic would result in more rates discounts

11. SCENARIO MODELLING

11.1. Scenario Modelling

In developing the 20 Year Strategic Financial Plan a number of scenarios were developed using different assumptions and changes in variables. These determine how capable the City would be to deliver services and maintain assets for the community under different circumstances. The results have been modelled using the Operating Surplus Ratio. Scenario 1 is the 20 Year Strategic Financial Plan as set out and described in earlier sections. Each of the other scenarios are explained below.

Chart 19 – Sensitivity Analysis



11.2. Scenario 2 – No New Major New Projects

The 20 Year Strategic Financial Plan includes \$204m of major new capital investment. If the City did not proceed with any of the new projects, and all other assumptions remained the same, the scenario modelling shows that:

- Operating surpluses would be high, reaching 9% by 2017/18 and then never falling below that level.
- Excess surplus cash would be built up, over \$400m by 2030/31.

This scenario demonstrates the financial impact of the new projects and infrastructure proposed over the life of the 20 Year Strategic Financial Plan.

11.3. Scenario 3 – Rates Increases Capped at 4%

This scenario is independent of scenario 2.

The 20 Year Strategic Financial Plan proposes rate increases of no more than 5% with an average of 4.4% over 20 years, comprising an average 4.8% in the first 10 years and an

average 4% in the latter 10 years. Scenario 3 considers the impacts of having rate increases of no more than 4% (with all other assumptions remaining the same). The scenario modelling shows that:

- Operating deficits would result in most years with an average (2%) deficit over 20 years.
- There would be no cash in reserves left, indeed there would be a cash shortfall of (\$80m)
- In essence the finances would not be sustainable

This scenario demonstrates that the rate increases included in the model are providing a reasonable balance to ensure the City can meet its obligations to the community and maintain rate setting surpluses at zero or as near as possible to zero.

20 Year Strategic Financial Plan - Guiding Principles Statement

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

The 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 Statement*. In particular section 9.5.1 Financial Management Planning and 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 Plan.

Basic Principles:

- **Sustainability:**

The Plan will be developed on a principle of financial sustainability. The Plan 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 Plan 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 plan 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 Plan'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 Plan to avoid fluctuating impacts and compromises to the validity of the projections.

- **Performance and Accountability:**

The Plan 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 Plan 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 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 rather than going direct to reserve subject to the funds being required to be paid back to the reserve fund at the earliest opportunity to ensure that the original purpose of the proceeds and reserve funds are maintained.

Key Elements/Assumptions:

- If the cost of borrowing is cheaper than earnings on cash reserves, then the City should seek to use external loans even where there are reserves available for specific projects while remaining consistent with the borrowing strategy.
- Revenue from the Tamala Park land sale should be applied in accordance with the City's adopted Strategic Position Statement.
- Estimates are to be conservative based on best available information.
- Projections will be based on the notion that each year in the plan should as close as possible be balanced. 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 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.
- City assets that are not required for operational or community use are to be rationalised.
- Growth in operating revenue will be at least 1% in excess of the growth in operating expenditure.
- Building infrastructure of a capital nature may be funded by loans but with terms not exceeding 50% of the life of the asset.

- The plan will project two scenarios, the first based on the business as it currently stands, including agreed commitments to future projects, and the second after incorporating all envisaged projects and programs in the future.
- Annual Process - The *20 Year Strategic Financial Plan* will be prepared and reviewed during the first quarter of each financial year following the adoption of the City's Annual Budget and submitted to the Strategic Financial Management Committee for consideration. This will enable the *20 Year Strategic Financial Plan* to be used as an enabler to the budget setting process for the following year.

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 expenses. ○ 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 expenditure 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 - Income Estimates

	Notes	11/12 \$ms	12/13 \$ms	13/14 \$ms	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
Operating Revenues																					
Rates	1	73	77	83	87	92	97	102	107	112	118	123	128	134	140	146	152	159	166	173	180
Rates Growth	2	2	2	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0
Grants and Subsidies	3	5	2	3	3	3	3	3	3	3	3	3	3	3	4	4	4	4	4	4	4
Contributions & Reimbursements	4	3	4	2	2	2	2	2	2	3	3	3	3	3	3	3	3	3	3	3	3
Profit on Disposals	5	0	0	3	4	4	5	11	10	13	8	8	5	4	5	9	-	-	-	-	-
Fees and Charges	6	32	34	35	36	38	40	42	43	45	47	49	50	52	54	55	57	59	61	62	64
Investment Earnings	7	6	4	4	3	3	3	3	3	4	4	4	4	4	4	5	6	6	6	6	7
Total Operating Revenue	8	120	122	129	136	142	149	163	170	179	182	190	193	200	209	223	223	231	239	249	259
Operating Expenses																					
Employee Costs	9	(49)	(52)	(54)	(56)	(59)	(61)	(64)	(67)	(70)	(73)	(76)	(79)	(83)	(86)	(90)	(94)	(99)	(102)	(107)	(111)
Materials, Contracts and Utilities	10	(50)	(53)	(55)	(57)	(59)	(61)	(64)	(66)	(69)	(71)	(75)	(77)	(80)	(84)	(86)	(91)	(95)	(98)	(102)	(105)
Depreciation	11	(23)	(21)	(22)	(22)	(23)	(24)	(26)	(26)	(27)	(27)	(28)	(29)	(30)	(30)	(31)	(31)	(32)	(32)	(33)	(33)
Loss on Asset Disposal	12	(0)	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expenses	13	(1)	(1)	(1)	(1)	(2)	(2)	(3)	(3)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(1)	(1)	(1)	(0)	(0)
Total Operating Expenses	14	(122)	(126)	(131)	(136)	(143)	(149)	(156)	(162)	(168)	(174)	(181)	(188)	(195)	(202)	(209)	(218)	(226)	(233)	(242)	(249)
Net Operating Surplus (Deficit)	15	(2)	(4)	(2)	1	(1)	0	7	8	12	8	8	5	5	6	14	5	5	6	7	10

Financial Statement 1 – Income Estimates

Note	Item	Details / Source of calculation
1	Rates	<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 2012/13 budget.
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	<ul style="list-style-type: none"> ○ Includes all normally expected operating grants such as grants commission and road grants. ○ % increase has been factored in each year. ○ Excludes capital grants.
4	Contributions & Reimbursements	<ul style="list-style-type: none"> ○ Income received from a variety of sources such as sale of recyclable materials, part funding contributions and reimbursements for expenses paid by the City. ○ Based on the 2012/13 budget, with a % increase assumed each year.
5	Profit on Disposals	<ul style="list-style-type: none"> ○ Represents the book profit on disposal of City assets. ○ Further breakdown is included in SS3. ○ Non cash item.
6	Fees & Charges	<ul style="list-style-type: none"> ○ Includes charges for refuse collection, recreation and Leisure Centre fees & charges, planning and building fees and car parking fees. ○ Also includes an estimate of income from proposed new facilities, such as the JPACF.
7	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.
8	Total Operating Revenue	<ul style="list-style-type: none"> ○ Sum of lines 1 to 7. ○ This is the overall revenue earned by the City from day to day activities.
9	Employee Costs	<ul style="list-style-type: none"> ○ All expenses associated with the employment of staff. ○ Largest item is salaries and wages but also includes superannuation, recruitment costs, advertising, uniforms and training. ○ % increase factored in each year.
10	Materials, contracts and utilities	<ul style="list-style-type: none"> ○ Includes all expenses for the purchase of materials, supplies and services, the engagement of contractors and the purchase of water, power and gas. ○ % increase factored in each year.

11	Depreciation	<ul style="list-style-type: none"> ○ Expense of using assets over useful life. ○ This is a non cash item.
12	Loss on Asset Disposal	<ul style="list-style-type: none"> ○ Represents the book loss on disposal of City assets. ○ Non cash item.
13	Interest Expenses	<ul style="list-style-type: none"> ○ Interest on loan borrowings (both existing loans and new loans). ○ Details are shown in SS4.
14	Total Operating Expenses	<ul style="list-style-type: none"> ○ Sum of lines 9 to 13. ○ This is the overall expenses necessary for day to day activities.
15	Net Operating Surplus (Deficit)	<ul style="list-style-type: none"> ○ Total Operating Revenue (line 8) less Total Operating Expenses (line 14).

(FS2) Financial Statement 2 - Cash Flow Estimates

	Notes	11/12 \$ms	12/13 \$ms	13/14 \$ms	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
Operating Cashflow																					
Net Operating Surplus (Deficit)	16	(2)	(4)	(2)	1	(1)	0	7	8	12	8	8	5	5	6	14	5	5	6	7	10
<u>Operating Activities - not cash related</u>																					
Profit on Disposals	17	0	0	3	4	4	5	11	10	13	8	8	5	4	5	9	-	-	-	-	-
Depreciation	18	(23)	(21)	(22)	(22)	(23)	(24)	(26)	(26)	(27)	(27)	(28)	(29)	(30)	(30)	(31)	(31)	(32)	(32)	(33)	(33)
Loss on Asset Disposal	19	(0)	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Cashflow	20	21	17	17	19	19	20	22	23	26	28	29	29	31	32	36	36	37	38	40	43
Cashflow Movements for the Year																					
<u>Capital Expenditure & Proceeds</u>																					
Capital Expenditure	21	(22)	(39)	(34)	(53)	(63)	(53)	(41)	(35)	(38)	(43)	(43)	(52)	(33)	(31)	(31)	(32)	(32)	(40)	(35)	(34)
Capital Proceeds	22	0	1	6	8	7	9	14	11	14	8	9	6	5	5	10	1	1	1	1	1
Capital Grants	23	6	8	7	18	7	7	9	7	7	7	10	10	7	7	7	7	7	7	7	7
<u>Borrowings & Repayments</u>																					
Borrowings	24	-	-	0	2	20	18	8	9	5	11	1	9	3	-	-	-	-	-	-	-
Repayments	25	(1)	(2)	(1)	(1)	(1)	(2)	(10)	(11)	(13)	(5)	(5)	(6)	(6)	(7)	(7)	(5)	(4)	(3)	(3)	(2)
Cashflow Movements for the Year	26	4	(15)	(4)	(9)	(12)	(1)	2	4	(0)	7	1	(3)	6	7	14	7	8	3	10	15
Cashflow Balance Total	27	55	40	36	27	15	14	16	20	20	27	28	25	31	38	52	59	67	70	80	95
Reserve Balances																					
Transfers from Reserves	28	(8)	(16)	(12)	(17)	(20)	(7)	(0)	(2)	(5)	(5)	(10)	(10)	(0)	(0)	(1)	(1)	(0)	(1)	(1)	(1)
Transfers to Reserves	29	12	4	7	8	9	6	2	6	5	12	12	6	7	7	15	8	5	7	7	9
Reserve Balance at end of year	30	53	40	36	27	15	14	16	20	20	27	28	25	31	38	52	59	64	69	76	84

Financial Statement 2 – Cash Flow Estimates

Note	Item	Details / Source of calculation
16	Net Operating Surplus(Deficit)	o From FS 1 (line 15).
17	Profit on Disposals	o This is deducted from the Operating Surplus as a non cash expense. o From FS 1 (line 5).
18	Depreciation of Non Current Assets	o This is deducted from the Operating Surplus as a non cash expense. o From FS 1 (line 11).
19	Loss on Asset Disposal	o This is deducted from the Operating Surplus as a non cash expense. o From FS 1 (line 12).
20	Operating Cash Flow	o Sum of lines 16 to 19.
21	Capital Expenditure	o This represents total capital expenditure for the refurbishment and improvement of existing capital assets (refer SS2) and estimated capital expenditure required on new projects (refer section 9.3 Table 14).
22	Capital Proceeds	o The cash achieved from sale of assets (refer SS3).
23	Capital Grants	o Grants to be received for specific capital projects. o Includes estimates for JPACF \$10m, Percy Doyle (including Duncraig Library) \$7m.
24	Borrowings	o Loans to help fund new projects. o Expected borrowings by project are shown in Table 14 within section 8.3.
25	Repayments	o The principal repayment of loans both current and projected new loans (refer SS5).
26	Cash Flow Movements for the Year	o Sum of lines 16 to 25. o This is the net overall cash flow for the year.
27	Cash Flow Balance Total	o The end of year cash position taking account of the opening balance and the net overall cash flow for the year.
28	Transfers from Reserves	o Transfers to the municipal fund to fund projects.
29	Transfers to Reserves	o Transfers of funds to reserves set aside for specific purposes.
30	Reserve Balance at end of Year	o The closing balance at end of year of funds held in reserves. o Comprises the net of the opening balance less transfers out (Line 28) plus transfers in (Line 29).

(FS3) Financial Statement 3 - Rate Setting Estimates

	Notes	11/12 \$ms	12/13 \$ms	13/14 \$ms	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	
Deficit before Rates																						
Revenue, excluding Rates	31	52	53	56	70	60	63	73	70	74	72	78	76	74	76	84	78	80	81	84	86	
Expenses (Cash only)	32	(99)	(105)	(109)	(114)	(120)	(125)	(131)	(136)	(141)	(146)	(153)	(159)	(165)	(172)	(178)	(186)	(194)	(201)	(209)	(216)	
Deficit before Capital Expenditure	33	(47)	(53)	(53)	(44)	(59)	(61)	(57)	(66)	(66)	(74)	(76)	(83)	(92)	(96)	(94)	(109)	(114)	(120)	(125)	(130)	
Capital Expenditure	34	(22)	(39)	(34)	(53)	(63)	(53)	(41)	(35)	(38)	(43)	(43)	(52)	(33)	(31)	(31)	(32)	(32)	(40)	(35)	(34)	
Deficit before Rates	35	(69)	(92)	(87)	(97)	(123)	(114)	(98)	(101)	(104)	(117)	(118)	(135)	(125)	(126)	(125)	(141)	(147)	(160)	(161)	(164)	
Funding																						
Opening Funds	36	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	1	4	
Loans - repayment of principal	37	(1)	(2)	(1)	(1)	(1)	(2)	(10)	(11)	(13)	(5)	(5)	(6)	(6)	(7)	(7)	(5)	(4)	(3)	(3)	(2)	
Borrowings	38	-	-	0	2	20	18	8	9	5	11	1	9	3	-	-	-	-	-	-	-	
Transfer from Reserves	39	8	16	12	17	20	7	0	2	5	5	10	10	0	0	1	1	0	1	1	1	
Transfer to Reserves	40	(12)	(4)	(7)	(8)	(9)	(6)	(2)	(6)	(5)	(12)	(12)	(6)	(7)	(7)	(15)	(8)	(5)	(7)	(7)	(9)	
Amount to be made up by Rates	41	74	79	83	88	92	97	102	107	112	118	123	129	134	140	146	153	159	166	174	181	
Rates % increase	42	5.0%	4.9%	5.0%	5.0%	4.8%	5.0%	5.0%	4.5%	4.5%	4.5%	4.0%	4.0%	4.3%	4.0%							
Closing Funds (excluding Reserves)																						
Closing Funds	43	3	0	4	1	4	11															

Financial Statement 3 – Rate Setting Estimates

Note	Item	Details / Source of calculation
31	Revenue, excluding Rates	o All non rate revenue.
32	Expenses (cash only)	o All cash expenses.
33	Deficit before Capital Expenditure	o Line 31 less line 32.
34	Capital Expenditure	o As per line 21.
35	Deficit before Rates	o Line 33 less line 34.
36	Opening Funds	o Municipal cash balance from end of the previous year.
37	Loans – repayment of principal	o As per line 25.
38	Borrowings	o As per line 24.
39	Transfers from Reserves	o As per line 28.
40	Transfer to Reserves	o As per line 29.
41	Amount to be made up by Rates	o Amount of rates required to be raised o fund the annual budget.
42	Rates % Increase	o % increase of rates compared to the previous year.
43	Closing Funds	o Sum of lines 36 to 41. o The end of year municipal fund rate setting surplus (deficit).

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

OVERALL VALUES

	Notes	May-12 \$ms	Jun-13 \$ms	Jun-14 \$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
Assets																					
Current Assets	44	83	69	64	55	44	43	45	50	50	57	58	55	61	69	83	90	98	101	112	127
Non Current Assets	45	797	815	822	849	884	906	910	911	913	927	941	962	964	964	963	963	962	969	970	971
Total Assets	46	881	884	887	904	928	948	955	961	962	984	999	1,017	1,026	1,032	1,046	1,053	1,061	1,070	1,082	1,098
Liabilities																					
Current Liabilities	47	(14)	(15)	(16)	(16)	(17)	(18)	(19)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(30)	(31)	(32)
Non Current Liabilities	48	(12)	(11)	(9)	(10)	(29)	(45)	(43)	(41)	(33)	(39)	(35)	(38)	(35)	(28)	(21)	(16)	(11)	(8)	(5)	(4)
Total Liabilities	49	(27)	(26)	(25)	(27)	(46)	(63)	(61)	(60)	(53)	(60)	(57)	(61)	(58)	(53)	(47)	(43)	(40)	(37)	(36)	(36)
Net Assets	50	854	858	861	877	881	886	894	900	909	924	942	956	967	980	999	1,010	1,021	1,033	1,046	1,062
Equity																					
Retained Surplus	51	548	564	572	597	613	618	624	626	635	642	659	677	682	688	693	698	704	710	717	724
Reserves - Cash backed	52	49	36	32	23	11	10	12	16	16	23	24	21	27	34	48	55	60	65	72	80
Reserves - Asset Revaluation	53	258	258	258	258	258	258	258	258	258	258	258	258	258	258	258	258	258	258	258	258
Equity	54	854	858	861	877	881	886	894	900	909	924	942	956	967	980	999	1,010	1,021	1,033	1,046	1,062

MOVEMENTS

	Notes	May-12 \$ms	Jun-13 \$ms	Jun-14 \$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
Assets																					
Current Assets	55	-	(15)	(4)	(9)	(12)	(1)	2	5	0	7	1	(3)	6	7	14	7	8	3	10	15
Non Current Assets	56	-	18	7	26	35	22	4	1	2	14	14	22	2	(0)	(0)	(0)	(1)	7	1	0
Total Assets	57	-	3	3	17	23	21	7	6	2	21	15	18	8	7	14	7	8	10	12	16
Liabilities																					
Current Liabilities	58	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Non Current Liabilities	59	-	2	1	(1)	(19)	(16)	2	2	8	(6)	4	(3)	3	7	7	5	4	3	3	2
Total Liabilities	60	-	1	1	(1)	(20)	(17)	1	1	7	(7)	3	(4)	2	6	6	4	3	2	2	0
Net Assets	61	-	4	3	16	4	4	8	7	9	14	18	15	11	12	20	11	11	12	13	16
Equity																					
Retained Surplus	62	-	16	8	25	16	6	6	2	9	7	17	18	5	5	6	4	6	7	6	8
Reserves - Cash backed	63	-	(12)	(4)	(9)	(12)	(1)	2	4	(0)	7	1	(3)	6	7	14	7	5	5	7	8
Reserves - Asset Revaluation	64	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity	65	-	4	3	16	4	4	8	7	9	14	18	15	11	12	20	11	11	12	13	16

Financial Statement 4 – Statement of Financial Position

Note	Item	Details / Source of calculation
44	Current Assets	o Short term assets such as cash and debtor receivables.
45	Non Current Assets	o Fixed assets at net book value (ie less accumulated depreciation).
46	Total Assets	o Sum of lines 44 and 45.
47	Current Liabilities	o Short term liabilities such as creditors.
48	Non Current Liabilities	o Long term liabilities such as outstanding loan principal.
49	Total Liabilities	o Sum of lines 47 and 48.
50	Net Assets	o Line 46 less line 49.
51	Retained Surplus	o Cumulative retained surpluses generated since the inception of the City.
52	Reserves – Cash backed	o Cash held in reserves established for specific purposes.
53	Reserves – Asset Revaluation	o Increased book value (ie not cash) of assets resulting from revaluations.
54	Equity	o Sum of lines 51 to 53.
Lines 55 to 65		o Summarise the movements in assets, liabilities and equity (lines 44 to 54) between successive years.

(SS1) Supporting Schedule 1 - Key Indicators Calculations

	Line No from FS	11/12 \$ms	12/13 \$ms	13/14 \$ms	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
1) Operating Surplus																					
Operating Revenues	8	120	122	129	136	142	149	163	170	179	182	190	193	200	209	223	223	231	239	249	259
less Revenue not from Own Source	3, 4	(8)	(6)	(5)	(5)	(5)	(5)	(5)	(5)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(7)	(7)	(7)	(7)	(7)
= Own Source Revenue		112	116	125	131	137	144	158	164	174	177	184	187	194	203	216	216	224	233	242	252
divided by Operating Surplus	15	(2)	(4)	(2)	1	(1)	0	7	8	12	8	8	5	5	6	14	5	5	6	7	10
= Operating Surplus %		-1.7%	-3.5%	-1.2%	0.4%	-0.5%	0.1%	4.5%	4.7%	6.8%	4.7%	4.5%	2.8%	2.5%	3.2%	6.4%	2.3%	2.3%	2.5%	3.1%	4.1%
Target		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%
Variance versus Target		-6.7%	-8.5%	-6.2%	-4.6%	-5.5%	-4.9%	-0.5%	-0.3%	1.8%	-0.3%	-0.5%	-2.2%	-2.5%	-1.8%	1.4%	-2.7%	-2.7%	-2.5%	-1.9%	-0.9%
2) Own Source Revenue Coverage Ratio																					
Own Source Revenue	see above	112	116	125	131	137	144	158	164	174	177	184	187	194	203	216	216	224	233	242	252
divided by Operating Expenses	14	122	126	131	136	143	149	156	162	168	174	181	188	195	202	209	218	226	233	242	249
= Own Source Revenue Coverage		92%	92%	95%	97%	96%	97%	101%	101%	104%	102%	101%	100%	99%	100%	104%	99%	99%	100%	100%	101%
Target		90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Variance versus Target		2%	2%	5%	7%	6%	7%	11%	11%	14%	12%	11%	10%	9%	10%	14%	9%	9%	10%	10%	11%
3) Current Ratio																					
Current Assets	44	83	69	64	55	44	43	45	50	50	57	58	55	61	69	83	90	98	101	112	127
less Cash held for Reserves	52	49	36	32	23	11	10	12	16	16	23	24	21	27	34	48	55	60	65	72	80
= Current Assets excl. Reserves		35	32	32	33	33	33	33	33	33	34	34	34	34	34	35	35	39	36	40	47
divided by Current Liabilities	47	14	15	16	16	17	18	19	19	20	21	22	23	24	25	26	27	28	30	31	32
= Current Ratio:		241%	213%	205%	198%	191%	185%	179%	172%	165%	159%	153%	148%	143%	138%	133%	129%	136%	123%	129%	146%
Target		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Variance versus Target		141%	113%	105%	98%	91%	85%	79%	72%	65%	59%	53%	48%	43%	38%	33%	29%	36%	23%	29%	46%

		11/12	12/13	13/14	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
4) Debt Service Coverage Ratio																					
Operating Surplus	15	(2)	(4)	(2)	1	(1)	0	7	8	12	8	8	5	5	6	14	5	5	6	7	10
add Depreciation & Interest	11, 13	23	21	22	23	25	27	28	29	29	30	30	31	32	32	32	32	33	33	33	33
= Operating Surplus before Depreciation & Interest		22	17	21	23	24	27	35	37	41	38	39	37	37	39	46	37	38	39	41	44
divided by Loan Payments (interest & principal)	13, 25	2	2	2	2	3	5	13	14	16	7	7	8	9	9	9	6	5	4	3	2
= Debt Service Coverage Ratio		10.0	8.0	11.1	11.9	8.1	5.5	2.8	2.6	2.6	5.2	5.4	4.4	4.3	4.5	5.3	6.0	7.3	9.9	12.6	25.3
Target		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
Variance versus Target		5.0	3.0	6.1	6.9	3.1	0.5	(2.2)	(2.4)	(2.4)	0.2	0.4	(0.6)	(0.7)	(0.5)	0.3	1.0	2.3	4.9	7.6	20.3
		42%	108%	114%	66%	78%	68%	77%	64%	70%	75%	74%	87%	51%	48%	47%	46%	47%	56%	48%	50%
5) Asset Sustainability Ratio																					
Capital Expenditure	21	(22)	(39)	(34)	(53)	(63)	(53)	(41)	(35)	(38)	(43)	(43)	(52)	(33)	(31)	(31)	(32)	(32)	(40)	(35)	(34)
% Replacements & Renewals		76%	63%	61%	38%	33%	41%	60%	60%	56%	55%	55%	46%	72%	84%	85%	85%	85%	85%	85%	84%
= Capital Expenditure Replacement		(17)	(25)	(20)	(20)	(21)	(21)	(25)	(21)	(21)	(23)	(23)	(24)	(24)	(26)	(27)	(27)	(27)	(34)	(30)	(29)
divided by Depreciation	11	(23)	(21)	(22)	(22)	(23)	(24)	(26)	(26)	(27)	(27)	(28)	(29)	(30)	(30)	(31)	(31)	(32)	(32)	(33)	(33)
= Asset Sustainability Ratio		75%	120%	95%	91%	91%	88%	96%	82%	80%	85%	83%	82%	80%	85%	86%	87%	87%	106%	92%	87%
Target		90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Variance versus Target		-15%	30%	5%	1%	1%	-2%	6%	-8%	-10%	-5%	-7%	-8%	-10%	-5%	-4%	-3%	-3%	16%	2%	-3%
6) Asset Renewal Funding Ratio																					
Planned Capital Expenditure (SFP)	21	(22)	(39)	(34)	(53)	(63)	(53)	(41)	(35)	(38)	(43)	(43)	(52)	(33)	(31)	(31)	(32)	(32)	(40)	(35)	(34)
Required Capital Expenditure (Asset Plan)	21	(22)	(39)	(34)	(53)	(63)	(53)	(41)	(35)	(38)	(43)	(43)	(52)	(33)	(31)	(31)	(32)	(32)	(40)	(35)	(34)
= Asset Sustainability Ratio		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Target		95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Variance versus Target		5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
7) Rates % Increase																					
Rates Baseline (previous year's charges)	1, 2			79	83	88	92	97	102	107	112	118	123	129	134	140	146	153	159	166	174
Rates New Charges, excluding growth	1			83	87	92	97	102	107	112	118	123	128	134	140	146	152	159	166	173	180
increase excluding volume				4	4	4	5	5	5	5	5	5	5	5	5	6	6	6	6	7	7
= Rates % Increase				4.9%	5.0%	5.0%	4.8%	5.0%	5.0%	4.5%	4.5%	4.5%	4.0%	4.0%	4.2%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Target / (Maximum)				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%
Variance versus Target				0.0%	0.0%	-0.2%	0.0%	0.0%	-0.5%	-0.5%	-0.5%	-1.0%	-1.0%	-0.8%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%

(SS2) Supporting Schedule 2 - Capital Expenditure

	11/12	12/13	13/14	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
	\$ms																			
Existing assets & infrastructure																				
Freehold Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	(17)	(3)	(2)	(6)	(2)	(3)	(6)	(4)	(2)	(3)	(2)	(1)	(2)	(6)	(1)	(3)	(3)	(6)	(3)	(4)
Furniture & IT	-	-	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Fleet, Plant & Equipment	(4)	(9)	(4)	(7)	(5)	(6)	(7)	(7)	(6)	(7)	(7)	(8)	(8)	(6)	(8)	(9)	(9)	(10)	(10)	(8)
Roads	-	(11)	(9)	(8)	(9)	(9)	(9)	(6)	(9)	(9)	(11)	(11)	(8)	(8)	(13)	(10)	(10)	(14)	(11)	(11)
Footpaths	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Drainage	-	(1)	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)
Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other infrastructure	-	(8)	(6)	(5)	(5)	(5)	(5)	(5)	(6)	(6)	(6)	(6)	(7)	(8)	(7)	(8)	(8)	(8)	(9)	(9)
Existing Assets & Infrastructure	(21)	(33)	(23)	(28)	(23)	(25)	(29)	(25)	(25)	(27)	(28)	(30)	(28)	(31)	(31)	(32)	(32)	(40)	(35)	(34)
New Major Projects																				
Freehold Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	(0)	(5)	(11)	(26)	(40)	(27)	(12)	(10)	(13)	(15)	(15)	(22)	(5)	-	-	-	-	-	-	-
Furniture & IT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Footpaths	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Drainage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other infrastructure	(1)	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Infrastructure	(1)	(6)	(11)	(26)	(40)	(27)	(12)	(10)	(13)	(15)	(15)	(22)	(5)	-						
Total Capital Expenditure	(22)	(39)	(34)	(53)	(63)	(53)	(41)	(35)	(38)	(43)	(43)	(52)	(33)	(31)	(31)	(32)	(32)	(40)	(35)	(34)

(SS3) Supporting Schedule 3 - Capital Proceeds and Profit on Disposal

	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>	<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>
	\$ms																			
Proceeds																				
Tamala Park	-	-	1	3	2	3	3	3	4	8	8	5	4	5	9	-	-	-	-	-
Asset Rationalisation	-	-	4	4	4	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Edgewater Quarry	-	-	-	-	-	-	7	7	9	-	-	-	-	-	-	-	-	-	-	-
Warwick	-	-	-	-	-	1	3	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Total Proceeds	0	1	6	8	7	9	14	11	14	8	9	6	5	5	10	1	1	1	1	1
Book Values																				
Tamala Park	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset Rationalisation	-	-	3	3	3	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Edgewater Quarry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Warwick	-	-	-	-	-	1	2	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Total Book Values	0	1	3	3	3	4	3	1												
Profit on Disposal	-	-	3	4	4	5	11	10	13	8	8	5	4	5	9	-	-	-	-	-

(SS4) Supporting Schedule 4 - Reserves

	11/12	12/13	13/14	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
	\$ms																			
Capital Works Going Forward																				
Opening Balance	10	9	1	1	1	1	1	1	2	2	2	2	2	2	2	2	2	2	3	3
Transfer to Reserve	6	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from Reserve	(7)	(8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance 30 June	9	1	1	1	1	1	1	2	2	2	2	2	2	2	2	2	2	3	3	3
Cash in Lieu of Parking Reserve																				
Opening Balance	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2	2	2	3	3	3
Transfer to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance 30 June	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	2	2	1	2	2	2	2	2	2	2	2	2	3	3	3	3	3	3	4	4
Transfer to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from Reserve	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance 30 June	2	1	2	2	2	2	2	2	2	2	2	3	3	3	3	3	3	4	4	4
Currambiine / Kinross Community Centre																				
Opening Balance	1	1	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
Transfer from Reserve	-	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance 30 June	1	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	3	3	3	3	3	3	4	4	4	4	5	5	5	5	6	6	6	6
Transfer to Reserve	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from Reserve	(1)	(1)	(1)	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance 30 June	4	3	3	3	3	3	3	4	4	4	4	5	5	5	5	6	6	6	6	7

	11/12	12/13	13/14	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
	\$ms																			
Vehicles & Plants Replacement																				
Opening Balance	2	2	2	2	3	4	3	3	3	3	2	3	3	3	4	4	3	3	3	3
Transfer to Reserve	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from Reserve	-	(1)	-	-	-	(0)	(0)	(1)	(0)	(1)	-	-	-	-	(0)	(1)	(0)	(1)	(0)	(0)
Balance 30 June	2	2	2	3	4	3	3	3	3	2	3	3	3	4	4	3	3	3	3	3
Cash in Lieu of City Parking																				
Opening Balance	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Reserve	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance 30 June	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Joondalup Performing Arts & Culture Facility																				
Opening Balance	5	5	5	10	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve	0	0	5	5	4	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Reserve	(0)	(0)	-	(5)	(15)	(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance 30 June	5	5	10	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ocean Reef Marina																				
Opening Balance	1	1	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
Transfer from Reserve	-	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance 30 June	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Strategic Asset Management																				
Opening Balance	21	22	20	15	4	2	2	2	3	4	4	5	6	6	7	7	8	8	9	9
Transfer to Reserve	1	1	1	0	1	0	1	1	1	1	1	1	1	1	0	0	0	0	0	0
Transfer from Reserve	-	(3)	(5)	(11)	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance 30 June	22	20	15	4	2	2	3	3	4	4	5	6	6	7	7	8	8	9	9	10

	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>	<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>
	\$ms																			
Sale of Tamala Park Land																				
Opening Balance	-	-	-	0	2	2	-	1	5	4	10	10	5	9	13	24	28	30	31	33
Transfer to Reserve	-	-	0	2	2	-	1	5	4	10	10	5	4	4	11	4	2	1	2	3
Transfer from Reserve	-	-	-	-	(2)	(2)	-	(1)	(5)	(4)	(10)	(10)	-	-	-	-	-	-	-	-
Balance 30 June	-	-	0	2	2	-	1	5	4	10	10	5	9	13	24	28	30	31	33	35
Parking Facility																				
Opening Balance	3	4	6	1	0	1	0	1	1	0	0	0	0	1	2	4	6	8	12	16
Transfer to Reserve	2	2	0	0	0	0	1	0	0	0	0	0	1	2	2	2	3	4	5	5
Transfer from Reserve	(0)	(0)	(5)	(0)	(0)	(1)	0	(0)	(0)	-	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)
Balance 30 June	4	6	1	0	1	0	1	1	0	0	0	0	1	2	4	6	8	12	16	20
Total																				
Opening Balance	49	53	40	36	27	15	14	16	20	20	27	28	25	31	38	52	59	64	69	76
Transfer to Reserve	12	4	7	8	9	6	2	6	5	12	12	6	7	7	15	8	5	7	7	9
Transfer from Reserve	(8)	(16)	(12)	(17)	(20)	(7)	(0)	(2)	(5)	(5)	(10)	(10)	(0)	(0)	(1)	(1)	(0)	(1)	(1)	(1)
Balance 30 June	53	40	36	27	15	14	16	20	20	27	28	25	31	38	52	59	64	69	76	84

(SS5) Supporting Schedule 5 - Loans

	11/12	12/13	13/14	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
	\$ms																			
New Borrowings																				
Loans taken out prior to 2012/13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Percy Doyle, incl Duncraig Library	-	-	-	-	-	-	-	-	-	11	1	2	-	-	-	-	-	-	-	-
Edgewater Quarry #1	-	-	-	2	20	-	10	-	-	-	-	-	-	-	-	-	-	-	-	-
Joondalup Performing Arts & Culture Facility	-	-	-	-	-	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Multi Story Car Park (2)	-	-	-	-	-	-	-	8	4	-	-	-	-	-	-	-	-	-	-	-
Greenwood Community Centre (Calectasia hall / GSGH)	-	-	-	-	-	-	-	2	1	-	-	-	-	-	-	-	-	-	-	-
Whitfords Library and Senior Citizens Centre	-	-	-	-	-	-	-	-	-	-	-	7	3	-	-	-	-	-	-	-
Joondalup Administration Building - refurb	-	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-	-	-	-	-
Synthetic Hockey Project	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-
Bramston Park Clubrooms	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total New Borrowings	-	-	0	2	20	9	18	9	5	11	1	9	3	-	-	-	-	-	-	-
Interest																				
Loans taken out prior to 2012/13	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	-	-	-	-	-	-	-	-	-	-
Percy Doyle, incl Duncraig Library	-	-	-	-	-	-	-	-	-	(1)	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)
Edgewater Quarry #1	-	-	-	(0)	(1)	(1)	(2)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	0	0	0
Joondalup Performing Arts & Culture Facility	-	-	-	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	0	0	0	0
Multi Story Car Park (2)	-	-	-	-	-	-	-	(0)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	0
Greenwood Community Centre (Calectasia hall / GSGH)	-	-	-	-	-	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	0
Whitfords Library and Senior Citizens Centre	-	-	-	-	-	-	-	-	-	-	-	(0)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)
Joondalup Administration Building - refurb	-	-	-	-	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	0	0	0
Synthetic Hockey Project	-	-	-	-	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	0	0	0
Bramston Park Clubrooms	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	-	-	-	-	-	-	-	-
Total Interest	(1)	(1)	(1)	(1)	(2)	(2)	(3)	(3)	(3)	(2)	(2)	(3)	(2)	(2)	(2)	(1)	(1)	(1)	(0)	(0)

	11/12	12/13	13/14	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
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Principal paid																				
Loans taken out prior to 2012/13	(1)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(0)	-	-	-	-	-	-	-	-	-	-
Percy Doyle, incl Duncraig Library		-	-	-	-	-	-	-	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(0)
Edgewater Quarry #1		-	-	-	-	-	(8)	(8)	(9)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)
Joondalup Performing Arts & Culture Facility		-	-	-	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)
Multi Story Car Park (2)		-	-	-	-	-	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(0)	(0)	(0)
Greenwood Community Centre (Calectasia hall / GSC)		-	-	-	-	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Whitfords Library and Senior Citizens Centre		-	-	-	-	-	-	-	-	-	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Joondalup Administration Building - refurb		-	-	-	-	-	(0)	(0)	(0)	(0)	(0)	(1)	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)
Synthetic Hockey Project		-	-	-	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Bramston Park Clubrooms		-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	-	-	-	-	-	-	-	-
Total Principal paid	(1)	(2)	(1)	(1)	(1)	(2)	(10)	(11)	(13)	(5)	(5)	(6)	(6)	(7)	(7)	(6)	(4)	(3)	(3)	(2)
Balance outstanding at end of year																				
Loans taken out prior to 2012/13	(11)	(9)	(8)	(6)	(5)	(4)	(3)	(2)	(0)	(0)	-	-	-	-	-	-	-	-	-	-
Percy Doyle, incl Duncraig Library		-	-	-	-	-	-	-	-	(10)	(10)	(11)	(9)	(8)	(7)	(5)	(4)	(2)	(1)	(0)
Edgewater Quarry #1		-	-	(2)	(22)	(22)	(24)	(16)	(7)	(6)	(5)	(4)	(3)	(2)	(1)	0	0	0	0	0
Joondalup Performing Arts & Culture Facility		-	-	-	-	(8)	(7)	(7)	(6)	(5)	(4)	(3)	(2)	(1)	0	0	0	0	0	0
Multi Story Car Park (2)		-	-	-	-	-	-	(7)	(10)	(9)	(8)	(7)	(6)	(5)	(3)	(2)	(0)	0	0	0
Greenwood Community Centre (Calectasia hall / GSC)		-	-	-	-	-	-	(1)	(2)	(2)	(2)	(2)	(1)	(1)	(1)	(0)	(0)	0	0	0
Whitfords Library and Senior Citizens Centre		-	-	-	-	-	-	-	-	-	-	(6)	(9)	(8)	(7)	(6)	(5)	(4)	(3)	(2)
Joondalup Administration Building - refurb		-	-	-	-	-	(5)	(4)	(4)	(3)	(3)	(2)	(2)	(1)	(1)	0	0	0	0	0
Synthetic Hockey Project		-	-	-	-	-	(3)	(3)	(2)	(2)	(2)	(1)	(1)	(1)	(0)	0	0	0	0	0
Bramston Park Clubrooms		-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	-	-	-	-	-	-	-	-	-
Total Balance outstanding at end of year	(11)	(9)	(8)	(8)	(27)	(34)	(42)	(40)	(32)	(38)	(34)	(37)	(34)	(27)	(20)	(14)	(9)	(6)	(3)	(2)

(SS6) Supporting Schedule 6 - Depreciation

	11/12	12/13	13/14	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
	\$ms																			
Gross Book Values (GBV)																				
<u>Property, Plant & Equipment</u>																				
Freehold Land	132	145	145	143	140	137	134	131	131	131	131	131	131	131	131	131	131	131	131	131
Buildings	158	161	168	181	213	255	286	303	318	333	351	368	391	399	404	406	408	412	417	420
Artworks	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Furniture & IT	6	7	6	6	6	5	5	5	5	4	4	4	3	3	3	3	3	3	3	3
Fleet, Plant & Equipment	16	18	25	27	32	34	37	41	44	46	49	51	55	58	59	61	65	68	72	75
GBV Total Property, Plant & Equipme	313	331	345	357	390	433	462	481	498	515	536	555	581	592	598	602	608	614	623	630
<u>Infrastructure</u>																				
Roads	483	508	520	528	536	545	554	563	570	579	588	599	610	619	627	640	649	659	673	684
Footpaths	26	28	28	29	30	30	31	32	33	33	34	35	36	37	38	39	40	41	42	43
Drainage	184	186	186	187	187	188	189	190	191	192	193	194	195	197	198	199	201	202	203	205
Reserves	57	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67
Other infrastructure	54	63	73	78	83	88	93	99	104	110	115	121	128	135	142	149	157	165	172	181
GBV Total Infrastructure	804	851	874	890	904	919	935	951	964	981	998	1,017	1,037	1,054	1,072	1,094	1,114	1,134	1,158	1,181
GBV All Assets	1,117	1,182	1,219	1,247	1,294	1,351	1,397	1,431	1,463	1,496	1,534	1,572	1,618	1,646	1,671	1,696	1,722	1,748	1,782	1,810
Depreciation																				
<u>Property, Plant & Equipment</u>																				
Freehold Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	(5)	(5)	(6)	(7)	(8)	(9)	(9)	(10)	(10)	(10)	(11)	(11)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)
Artworks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & IT	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Fleet, Plant & Equipment	(2)	(2)	(2)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(6)	(6)
Dpreciation Total Property, Plant & Ec	(8)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(14)	(15)	(15)	(16)	(17)	(17)	(17)	(17)	(17)	(18)	(18)	(18)
<u>Infrastructure</u>																				
Roads	(8)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Footpaths	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Drainage	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Reserves	(3)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Other infrastructure	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Depreciation Total Infrastructure	(15)	(13)	(13)	(12)	(12)	(12)	(13)	(14)	(14)	(14)	(14)	(14)	(15)	(15)						
Depreciation All Assets	(23)	(21)	(22)	(22)	(23)	(24)	(26)	(26)	(27)	(27)	(28)	(29)	(30)	(30)	(31)	(31)	(32)	(32)	(33)	(33)

(SS7) Supporting Schedule 7 - Annual assumptions

	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>	<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>
	\$ms																			
OPERATING REVENUES																				
Investment earnings	5.0%	5.5%	5.5%	5.5%	5.5%	5.0%	5.0%	5.5%	6.0%	6.0%	5.5%	5.0%	5.0%	5.5%	6.0%	6.0%	5.5%	5.0%	5.0%	5.0%
General Purpose Grants	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Fees and Charges	2.6%	4.9%	3.4%	3.4%	3.0%	2.6%	2.6%	3.0%	3.4%	3.4%	3.0%	2.6%	2.6%	3.0%	3.4%	3.4%	3.0%	2.6%	2.6%	2.6%
Parking Fees	0.0%	6.3%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
OPERATING EXPENSES																				
Interest cost of loans	6.8%	4.5%	5.0%	5.0%	5.0%	5.5%	5.5%	5.5%	5.5%	5.5%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Employee Costs	4.0%	7.1%	3.7%	4.5%	4.5%	4.0%	4.0%	4.5%	4.5%	4.5%	4.5%	4.0%	4.0%	4.5%	4.5%	4.5%	4.5%	4.0%	4.0%	4.0%
Materials and Contracts	4.0%	5.2%	3.0%	3.0%	3.0%	3.0%	3.0%	3.5%	3.5%	4.0%	4.0%	3.5%	3.8%	4.3%	4.3%	4.3%	4.3%	3.8%	3.8%	3.8%
CAPITAL ASSETS																				
Average Life	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Depreciation	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%