

RATE SETTING PROJECTIONS

| | | |
|----------|-------------|-------------------|
| Version: | 23 Aug 2022 | Strategy Aug 2022 |
|----------|-------------|-------------------|

| Critical Assumptions | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---------------------------|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
| 1 Rates: Base | % | 0.90% | 4.09% | 2.50% | 2.50% | 2.50% | 2.50% | 2.5% | 2.5% | 2.5% | 2.5% |
| 2 Fees and Charges #1 | % | | 3.90% | 2.50% | 2.50% | 2.50% | 2.50% | 2.5% | 2.5% | 2.5% | 2.5% |
| 3 Salaries and Wages | % | | 1.75% | 2.75% | 2.75% | 3.00% | 3.00% | 3.0% | 3.0% | 3.0% | 3.0% |
| 4 Materials and Contracts | % | | 1.75% | 2.50% | 2.50% | 2.50% | 2.50% | 2.5% | 2.5% | 2.5% | 2.5% |

#1 Applies to most fees and charges but there are several items (e.g. Building Fees) with separate assumptions

| Ratios | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
| 1 Operating Surplus Ratio % | For Year % | (12.2%) | (7.3%) | (3.6%) | (3.9%) | (4.5%) | (3.4%) | (1.7%) | (1.2%) | (1.1%) | (1.2%) |
| 2 Asset Sustainability Ratio % | For Year % | 103.3% | 52.7% | 57.2% | 60.9% | 54.0% | 54.6% | 59.9% | 55.7% | 62.2% | 58.0% |
| 3 Debt Service Coverage Ratio | Ratio for Year | 5.5 | 13.1 | 24.9 | 25.5 | 255.4 | 30.6 | 34.9 | 37.3 | 37.3 | 38.7 |
| Fall below Score of 5, Five Years in a Row | | No | No | No | No | No | No | No | No | No | No |

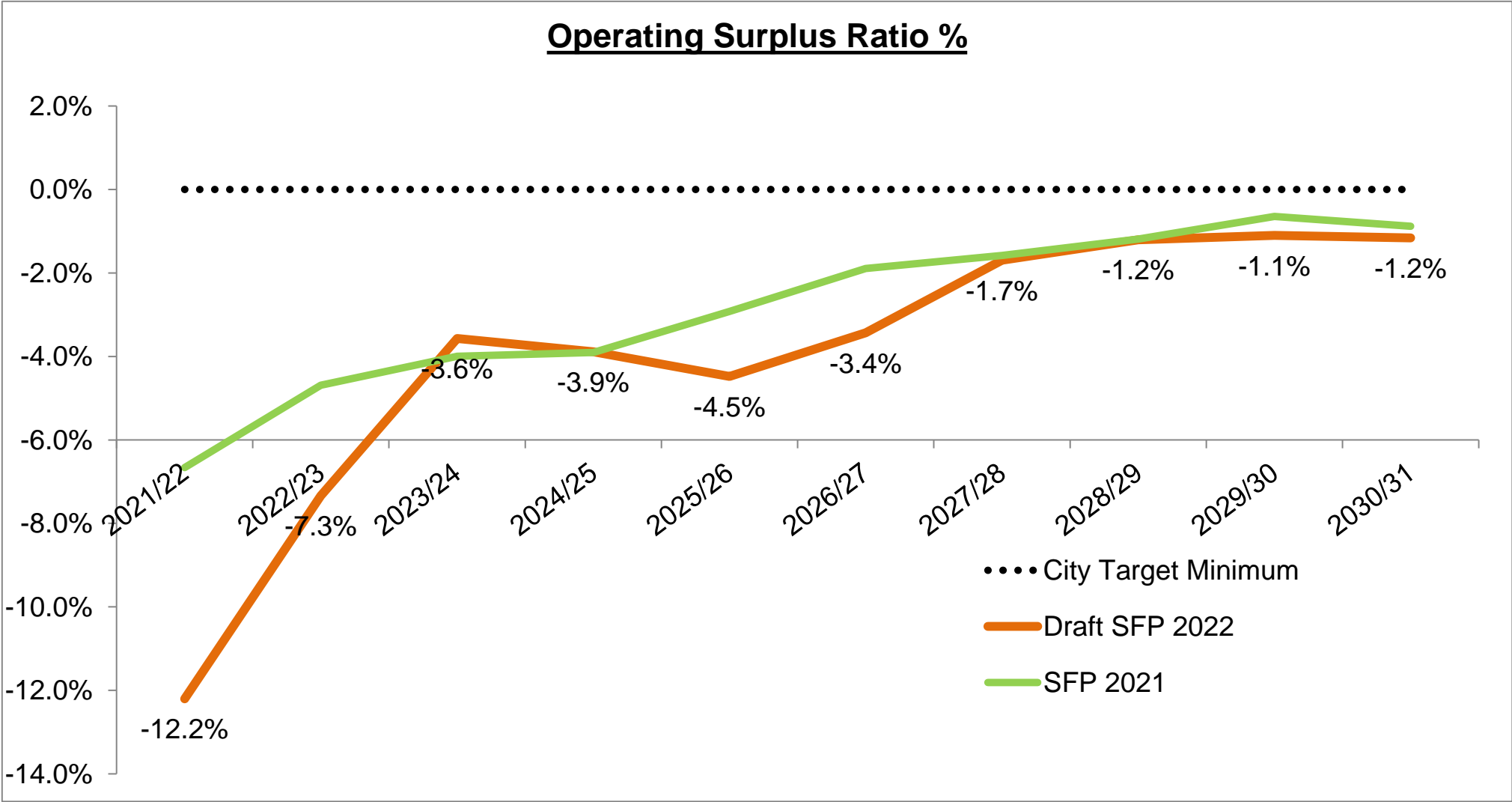
| 10 Year Rate Setting Statement | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
| <u>OPERATING INCOME</u> | | | | | | | | | | | |
| 1 Rates: Base | \$000s | 100,756 | 105,073 | 107,956 | 110,655 | 113,422 | 116,257 | 119,164 | 122,143 | 125,196 | 128,326 |
| 2 Rates: Growth | \$000s | | 250 | 247 | 963 | 1,390 | 2,410 | 6,336 | 7,799 | 8,879 | 9,948 |
| 3 Fees and Charges / Other: Base | \$000s | 41,227 | 42,836 | 43,364 | 43,865 | 44,455 | 45,522 | 46,041 | 46,689 | 47,994 | 49,343 |
| 4 Fees and Charges / Other: Growth | \$000s | | | 149 | 1,999 | 2,472 | 3,353 | 3,599 | 4,046 | 4,379 | 4,654 |
| 5 Operating Grants and Subsidies, Contributions and Reimbursements | \$000s | 9,492 | 3,035 | 7,909 | 7,945 | 7,983 | 8,021 | 8,061 | 8,101 | 8,143 | 8,185 |
| 6 Interest: Reserves | \$000s | 333 | 628 | 1,289 | 1,269 | 1,456 | 1,504 | 1,567 | 1,639 | 1,653 | 1,602 |
| 7 Interest: Municipal | \$000s | 536 | 624 | 1,827 | 1,732 | 1,470 | 1,354 | 1,282 | 1,172 | 1,084 | 986 |
| 8 Profit on Disposal | \$000s | 1,177 | 1,437 | 1,437 | 1,437 | 1,437 | 1,437 | 1,437 | 1,437 | 1,437 | 1,437 |
| A Operating Income | \$000s | 153,521 | 153,884 | 164,179 | 169,865 | 174,084 | 179,857 | 187,486 | 193,025 | 198,764 | 204,481 |
| <u>OPERATING EXPENSES</u> | | | | | | | | | | | |
| 9 Employment Costs: Base | \$000s | (63,825) | (68,400) | (70,277) | (72,206) | (74,364) | (76,588) | (78,877) | (81,235) | (83,664) | (86,166) |
| 10 Employment Costs: Growth | \$000s | | | (401) | (1,180) | (1,422) | (1,039) | (1,070) | (1,103) | (1,136) | (1,170) |
| 11 Materials and Contracts: Base | \$000s | (68,015) | (56,458) | (57,280) | (58,132) | (58,996) | (60,466) | (61,374) | (62,365) | (64,083) | (65,854) |
| 12 Materials and Contracts: Growth | \$000s | | | (451) | (1,662) | (1,291) | (294) | (385) | (395) | (405) | (592) |
| 13 Utilities: Base | \$000s | (5,937) | (5,949) | (6,141) | (6,341) | (6,590) | (6,849) | (7,122) | (7,406) | (7,702) | (8,010) |
| 14 Utilities: Growth | \$000s | | | | (239) | (248) | (258) | (268) | (279) | (290) | (302) |
| 15 Interest expenses | \$000s | (327) | (327) | (183) | (144) | (115) | (102) | (89) | (75) | (115) | (102) |
| 16 Interest on Borrowings: New | \$000s | | | | | | (297) | (271) | (244) | (217) | (188) |
| 17 Insurance Expenses | \$000s | (1,532) | (1,667) | (1,708) | (1,751) | (1,795) | (1,840) | (1,886) | (1,933) | (1,981) | (2,031) |
| 18 Depreciation: Existing | \$000s | (31,447) | (32,133) | (32,936) | (33,759) | (34,603) | (35,468) | (36,355) | (37,264) | (38,196) | (39,150) |
| 19 Depreciation: New | \$000s | | | (328) | (693) | (2,060) | (2,504) | (2,755) | (2,872) | (2,993) | (3,117) |
| 20 Loss on Disposal | \$000s | (145) | (95) | (95) | (95) | (95) | (95) | (95) | (95) | (95) | (95) |
| B Operating Expenses | \$000s | (171,229) | (165,028) | (169,800) | (176,202) | (181,579) | (185,799) | (190,546) | (195,266) | (200,874) | (206,776) |
| C Operating Surplus / (Deficit) after Depreciation A+B | \$000s | (17,708) | (11,144) | (5,621) | (6,337) | (7,496) | (5,942) | (3,060) | (2,241) | (2,110) | (2,295) |
| D Non Cash Items (Depn, Profit and Loss on Disposals) | \$000s | (30,515) | (30,891) | (31,922) | (33,110) | (35,321) | (36,630) | (37,768) | (38,794) | (39,846) | (40,925) |
| E Operating Cashflow C-D | \$000s | 12,807 | 19,746 | 26,301 | 26,773 | 27,826 | 30,688 | 34,708 | 36,553 | 37,736 | 38,630 |
| <u>CAPITAL EXPENDITURE & LOAN PAYMENTS</u> | | | | | | | | | | | |
| 21 Capital Expenditure: Renewal | \$000s | (28,818) | (30,086) | (22,231) | (17,496) | (17,291) | (17,550) | (19,108) | (19,036) | (22,625) | (20,506) |
| 22 Capital Expenditure: Upgrade | \$000s | (12,983) | (16,170) | (5,003) | (12,032) | (8,018) | (5,388) | (5,522) | (5,660) | (5,802) | (5,947) |
| 23 Capital Expenditure: New | \$000s | (1,496) | (7,584) | (8,232) | (7,921) | (11,218) | (1,187) | (1,104) | (1,132) | (1,160) | (1,189) |
| 24 Capital Grants | \$000s | 13,974 | 11,100 | 11,256 | 12,988 | 7,640 | 4,934 | 5,057 | 5,183 | 5,313 | 5,446 |
| 25 Loan Repayment Principal: Existing | \$000s | (2,223) | (1,298) | (936) | (963) | | | | | | |
| 26 Loan Repayment Principal: New | \$000s | | | | | | (661) | (682) | (704) | (727) | (750) |
| F Capital Expenditure/Grants and Loan Repayments | \$000s | (31,546) | (44,037) | (25,146) | (25,423) | (28,887) | (19,852) | (21,360) | (21,349) | (25,001) | (22,946) |
| G Surplus / (Deficit) after Capital and Loan Repayments E+F | \$000s | (18,739) | (24,291) | 1,154 | 1,350 | (1,062) | 10,837 | 13,348 | 15,205 | 12,735 | 15,684 |
| <u>RESERVES, PROCEEDS AND BORROWINGS</u> | | | | | | | | | | | |
| 27 Disposal Proceeds | \$000s | 2,088 | 3,250 | 2,471 | 2,760 | 2,109 | 2,063 | 1,303 | 2,572 | 2,214 | 1,687 |
| 28 Reserves: Transfer From | \$000s | 39,154 | 37,363 | 25,807 | 23,905 | 19,159 | 18,844 | 19,722 | 19,074 | 20,807 | 21,542 |
| 29 Reserves: Transfer To | \$000s | (26,310) | (16,375) | (29,433) | (28,016) | (27,856) | (31,744) | (34,373) | (36,850) | (35,756) | (38,913) |
| 30 Borrowings | \$000s | | | | | 7,650 | | | | | |
| H Municipal Cashflow Movements for Year G+23:30 | \$000s | (3,807) | (53) | (1) | 0 | | (0) | | | | 0 |
| I Municipal Cash Opening Balance | \$000s | 3,860 | 54 | 1 | (0) | 0 | 0 | (0) | (0) | (0) | (0) |
| J Municipal Cash Closing Balance | \$000s | 54 | 1 | (0) | 0 | 0 | (0) | (0) | (0) | (0) | 0 |
| <u>TREASURY</u> | | | | | | | | | | | |
| K Reserves Closing Balance | \$000s | 98,148 | 77,160 | 80,786 | 84,897 | 93,594 | 106,494 | 121,144 | 138,921 | 153,870 | 171,241 |
| L Cash Closing Balance (Reserves and Municipal) | \$000s | 98,201 | 77,160 | 80,786 | 84,897 | 93,594 | 106,494 | 121,144 | 138,921 | 153,870 | 171,241 |
| M Borrowings: Principal Owing at end of Year | \$000s | (2,808) | (1,898) | (963) | 0 | (7,649) | (6,989) | (6,307) | (5,603) | (4,876) | (4,126) |
| N Cash Held less Borrowings Owing | \$000s | 95,394 | 75,262 | 79,823 | 84,897 | 85,944 | 99,505 | 114,838 | 133,319 | 148,994 | 167,115 |

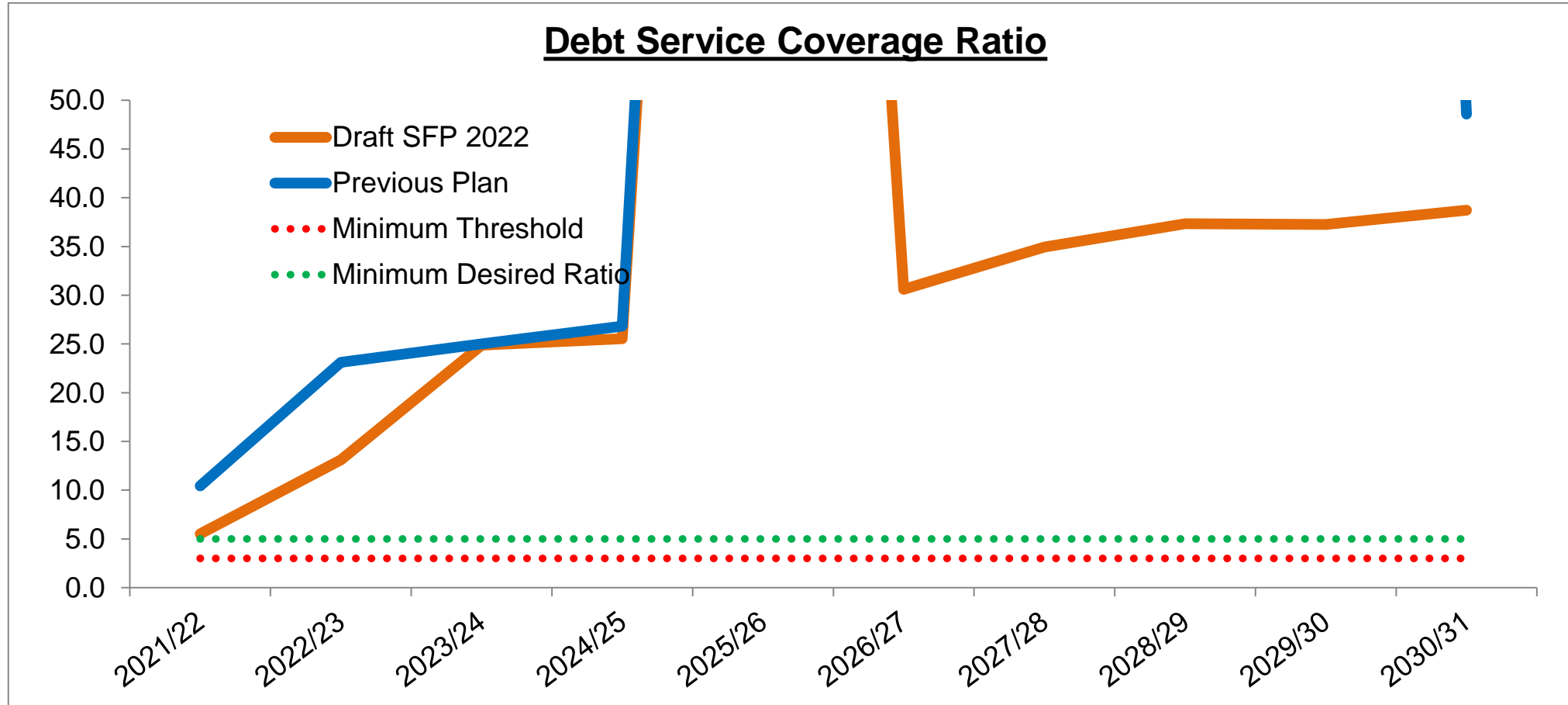
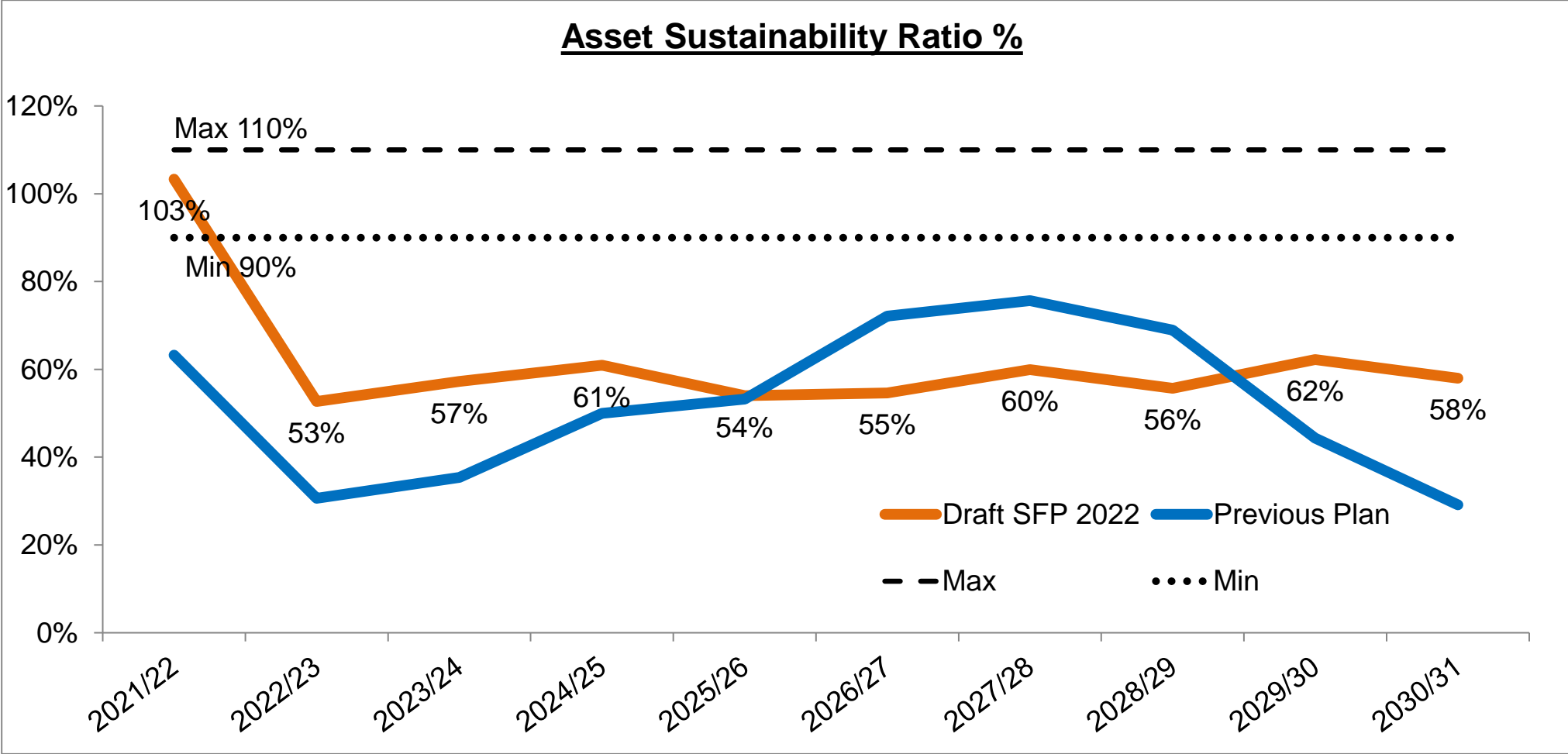
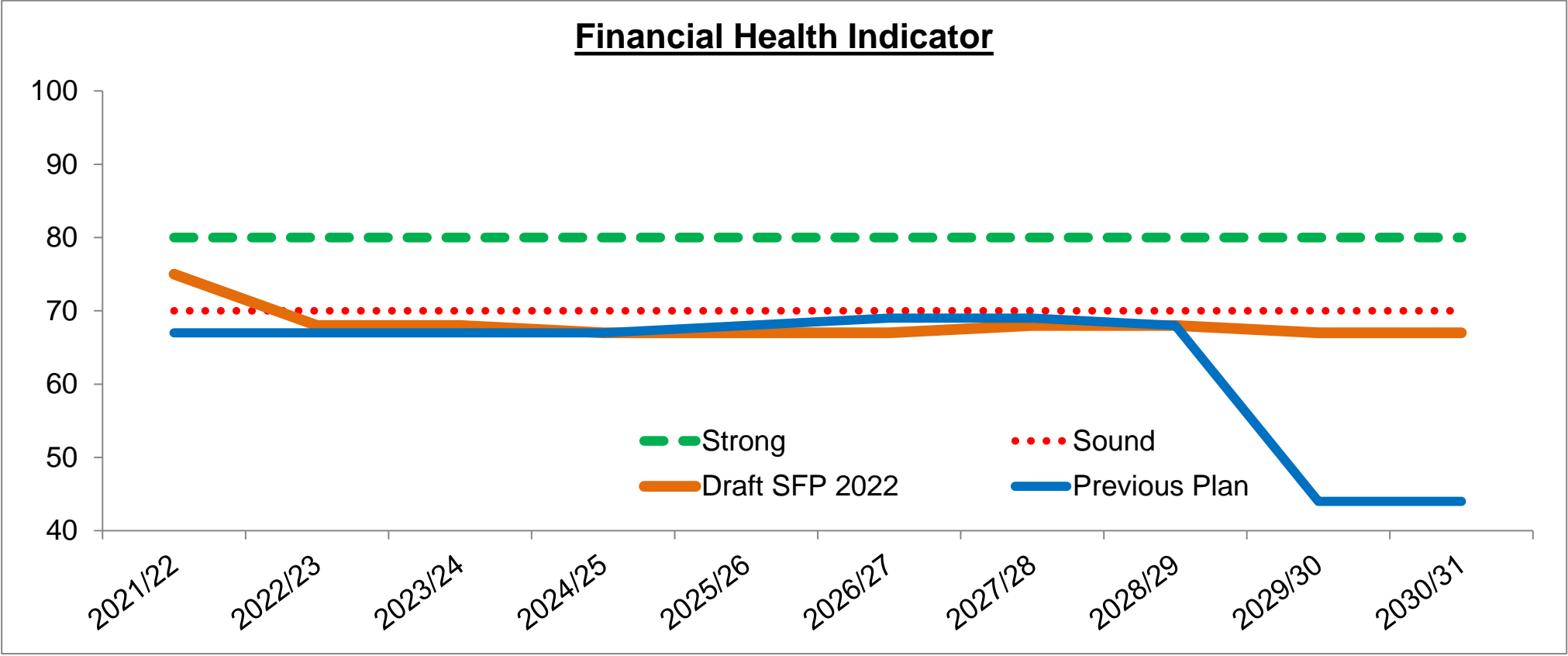
KEY RATIOS SUMMARY

| | | |
|----------|-------------|-------------------|
| Version: | 23 Aug 2022 | Strategy Aug 2022 |
|----------|-------------|-------------------|

| KEY RATIOS | | Target Range | | Updated SFP | | | Previous | |
|------------|------------------------------|--------------|--------|----------------------------------|-----------------------------------|--|----------|-------------------|
| | | Low | High | Number of Years within Tolerance | Number of Years Outside Tolerance | | Previous | Draft versus Prev |
| 1 | Operating Surplus Ratio % | 0.0% | 1.0% | 0 | 10 | | 0 | 0 |
| 2 | Asset Sustainability Ratio % | 90.0% | 110.0% | 1 | 9 | | 1 | 0 |
| 3 | Debt Service Coverage Ratio | 3.0 | >5 | 10 | 0 | | 10 | 0 |
| Total | | | | 11 | 19 | | 11 | 0 |

| OTHER KEY INDICATORS | | | Updated Plan versus Previous | | | |
|----------------------|---------------------------------------|-------------------------------------|------------------------------|----------|------------|--|
| Indicator | | Measure | Updated Plan | Previous | Difference | |
| 1 | Financial Health Indicator: Yr 1 to 6 | Score out of 100(70 is Sound) | 69 | 69 | 0 | |
| 2 | Borrowings | 20 Year Total (\$m) | \$7.6 | \$65.1 | (\$57.4) | |
| 3 | Cash Held less Borrowings Owing: | at end of 2028-29 \$ms | \$167.1 | \$139.1 | \$28.0 | |
| 4 | Rates % Increase: | Average Increase Years 1 to 5 | 2.5% | 0.2% | 2.3% | |
| 5 | Operating Surplus Ratio: | What Year is target first achieved? | 0 | 0 | - 4 yrs | |
| 6 | Operating Surplus Ratio: | Average Years 1 to 10 | -4.0% | -3.1% | -0.9% | |





| Supporting Schedule 1 - Assumptions | | | | | | | | | | | |
|-------------------------------------|----|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
| CRITICAL ASSUMPTIONS | | | | | | | | | | | |
| Headline Economic Indicators | | | | | | | | | | | |
| Perth CPI | % | 4.00% | 2.75% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Perth Wages Price Index | % | 2.00% | 2.75% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Income | | | | | | | | | | | |
| Fees and Charges #1 | % | | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Rates: Base | % | 0.90% | 4.09% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Expenses | | | | | | | | | | | |
| Salaries and Wages | % | | 1.75% | 2.75% | 2.75% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Materials and Contracts | % | | 1.75% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Sum of above (weighted) | % | | | 2.64% | 2.64% | 2.78% | 2.78% | 2.78% | 2.78% | 2.78% | 2.78% |
| Waste | | | | | | | | | | | |
| Waste Expenditure | % | | 4.05% | | | | 2.51% | | 0.22% | 3.24% | 3.22% |
| Refuse Charge per Household | \$ | \$346 | \$360 | \$360 | \$360 | \$360 | \$369 | \$369 | \$370 | \$382 | \$394 |

#1 Applies to most fees and charges but there are several items (e.g. Building Fees) with separate assumptions

OPERATING INCOME

| | | | | | | | | | | | |
|---|---|-------|-------|--------|--------|-------|-------|-------|--------|-------|-------|
| Rates: Base | % | 0.90% | 4.09% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Refuse Charges | % | | | | | | 2.51% | | 0.22% | 3.24% | 3.22% |
| Building and Development Fees (CRS) | % | | | | | 1.00% | | | | | 1.00% |
| Building and Development Fees (PS) | % | | | 2.50% | 2.50% | 2.00% | 2.00% | 2.50% | 2.50% | 2.50% | 2.50% |
| Building and Development Fees (FS) | % | | | | | 1.00% | | | | | 1.00% |
| Dog and Cat Registration Income | % | | | -20.4% | -18.1% | 2.3% | 9.8% | 4.99% | 4.83% | 2.00% | 2.00% |
| Licenses and Registrations, excl Dog and Cat | % | | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Sports and Recreation Fees | % | | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Hire and Rentals / Leases | % | | | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% |
| Inspection and Control Fees | % | | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Fines and Penalties | % | | | 12.00% | | | | | 11.00% | | |
| Parking Fees | % | | | 4.76% | 4.55% | 4.35% | 1.75% | 2.00% | 2.00% | 2.50% | 2.50% |
| Other Fees and Charges | % | | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Other Revenue | % | | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Grants and Subsidies - Operating | % | | | 305% | | | | | | | |
| Contributions, Sponsorships and Reimbursement | % | | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |

OPERATING EXPENSES

| | | | | | | | | | | |
|---|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Salaries and Wages | % | 1.75% | 2.75% | 2.75% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Other Employment Costs | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Members Allowances and Meeting Fees | % | | | 1.50% | | 1.50% | | 1.50% | | 1.50% |
| Members Costs Various | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Accommodation and Property (Ops) | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Accommodation and Prop (Others) | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Administration | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Telephones and Communication | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Finance Related Cost | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Professional Fees, excl Consultancy | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Consultancy | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Public Relations, Advertising | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Contributions and Donations paid by City | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Computing | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Furniture, Equipment | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Other Materials | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Books and Publications | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Travel, Vehicles and Plant | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| External Services, excl Tipping Fees | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Tipping Fees | % | | | | | 2.51% | | 0.22% | 3.24% | 3.22% |
| Waste Management Services | % | | | | | 2.51% | | 0.22% | 3.24% | 3.22% |
| Charges and Recoveries | % | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Electricity - Western Power (WP) Streetlighting | % | | 2.00% | 2.00% | 3.20% | 3.20% | 3.20% | 3.20% | 3.20% | 3.20% |
| Electricity - excluding WP Streetlighting | % | | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Gas and Water | % | | 2.50% | 2.50% | 2.50% | 2.50% | 3.50% | 3.50% | 3.50% | 3.50% |

| | | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|------------------------|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Insurance Expenses | % | | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Depreciation: Existing | % | | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |

Capital Expenditure

| | | | | | | | | | | | |
|------------------------------|---|--|--|-------|-------|-------|-------|-------|-------|-------|-------|
| All Other Capital | % | | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Road and Bridge Construction | % | | | 2.50% | 2.50% | 2.25% | 2.25% | 2.50% | 2.50% | 2.50% | 2.50% |
| Non Residential Building | % | | | 2.50% | 2.50% | 2.00% | 2.00% | 2.50% | 2.50% | 2.50% | 2.50% |

Grants and Disposal Proceeds

| | | | | | | | | | | | |
|----------------|---|--|--|-------|-------|-------|-------|-------|-------|-------|-------|
| Capital Grants | % | | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
|----------------|---|--|--|-------|-------|-------|-------|-------|-------|-------|-------|

Financing

| | | | | | | | | | | | |
|----------------------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Cash Reserves earnings | % | | 0.75% | 2.16% | 2.00% | 1.85% | 1.69% | 1.54% | 1.38% | 1.23% | 1.07% |
| Borrowings Fixed Term - 5 Years | % | 3.54% | 3.35% | 3.16% | 3.00% | 2.85% | 2.69% | 2.54% | 2.38% | 2.23% | 2.07% |
| Borrowings Fixed Term - 10 Years | % | 3.93% | 3.66% | 3.43% | 3.32% | 3.21% | 3.10% | 2.99% | 2.88% | 2.77% | 2.66% |
| Borrowings Fixed Term - 15 Years | % | 4.19% | 3.92% | 3.70% | 3.61% | 3.52% | 3.42% | 3.33% | 3.24% | 3.15% | 3.06% |
| Borrowings Fixed Term - 20 Years | % | 4.37% | 4.10% | 3.88% | 3.80% | 3.72% | 3.64% | 3.56% | 3.48% | 3.40% | 3.32% |

23 Aug 2022

Strategy Aug 2022

Supporting Schedule 3 - Major Projects Assumptions

| Major Project | | Year #1 | Cost #2 | Purpose | Source of Estimate | Funding Sources |
|---------------|---|---------|----------|--|--|--|
| 1 | Joondalup City Centre Development - Boas Place | 2022/23 | (\$0.1) | Project Costs required to working with a proponent for City Centre Development | Project Costs only included at this stage | Municipal. Future land proceeds may offset initial costs of project. |
| 2 | Cafes / Kiosks / Restaurants - Pinnaroo Point | 2022/23 | (\$0.6) | Service Provision and Project Costs. New facility built by operator | Service Provision based on QS Estimate | Municipal and Reserves |
| 3 | Percy Doyle Skate Park | 2022/23 | (\$0.2) | Concept designs | Council Report April 2022 | Percy Doyle Infrastructure Reserve Fund |
| 4 | Joondalup Administration Building - refurbishment | 2022/23 | (\$0.7) | Refurbishment of Admin Building | Some works require further scoping | Municipal and Reserves |
| 5 | Chichester Park Redevelopment | 2022/23 | (\$5.2) | Redevelopment of existing facilities. | Council approved Nov 2018 | Grants and Reserves |
| 6 | Craigie LC Refurbishment Phase 1 | 2022/23 | (\$8.3) | Refurbishment of facilities to meet future requirements. | Approved Council Report December 2019 | Reserves and Municipal |
| 7 | Ocean Reef Marina - Clubsite & commercial dev't | 2022/23 | (\$3.5) | Contribution to club-site | Council report March 2022 | Reserve and repayment by Club |
| 8 | Burns Beach Coastal Node redevelopment | 2024/25 | (\$3.4) | Redevelopment of area, works required to support Café / Restaurant | Report to MPFC - Sept 2020 | Reserve and municipal |
| 9 | Burns Beach Café Restaurant | 2024/25 | (\$3.9) | Construction Costs, Service Provision, Project Costs | Report to MPFC - Sept 2020 | Reserve |
| 10 | Sorrento Surf Life Saving Club Redevelopment | 2025/26 | (\$14.0) | Redevelopment of existing facilities. | Council approved Nov 2018 | Grants and Reserves |
| 11 | Multi Storey Car Park (2) | 2025/26 | (\$17.1) | Second Multi Storey Car Park in City Centre. | Based on capital costs of Reid Promenade Multi Storey Car Park | Reserves and loan if insufficient reserves |
| 12 | Ocean Reef Marina | 2026/27 | (\$0.5) | Project costs to work with State to develop Ocean Reef Marina | Estimated Project Costs | Municipal |
| 13 | Calectasia Hall / Greenwood Scout and Guide Hall | 2029/30 | (\$5.0) | Facility Redevelopment | Active Reserve and Community Facilities Review December 2017 | Municipal |
| TOTAL | | | (\$62.7) | | | |

#1 Year of Completion for some projects such as the Joondalup City Centre Development relates to last year of Capital Costs included in 20 Year SFP, as opposed to the proposed project completion date

#2 Capital Costs shown are based on 2021/22 to 2030/31 only, exclude escalation and exclude costs incurred prior to 2021/22

| CAPEX, excluding escalation | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 | Yr 6 | Yr 7 | Yr 8 | Yr 9 | Yr10 | Total |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | |
| Section A - Programs / projects | \$000s | \$000s | \$000s | \$000s | \$000s | \$000s | \$000s | \$000s | \$000s | \$000s | \$000s |
| Regular capital programs | | | | | | | | | | | |
| 1 CWP | (31,420) | (33,925) | (20,500) | (20,500) | (20,500) | (20,500) | (20,500) | (20,500) | (20,500) | (20,500) | (229,345) |
| 21 Fleet | (1,587) | (3,305) | (3,362) | (1,760) | (1,164) | (1,007) | (1,465) | (314) | (1,667) | (1,987) | (17,619) |
| 22 I.T. | (588) | (179) | (250) | (250) | (250) | (250) | (250) | (250) | (200) | (200) | (2,667) |
| 24 CCTV | (241) | (304) | | | | | | | | | (545) |
| 25 Parking Infrastructure | | | | | | | | | | | |
| 29 Year 1 and 2 Various | (3,609) | (852) | | | | | | | | | (4,461) |
| Total Regular capital programs | (37,444) | (38,566) | (24,112) | (22,510) | (21,914) | (21,757) | (22,215) | (21,064) | (22,367) | (22,687) | (254,636) |
| Major projects | | | | | | | | | | | |
| 42 Joondalup City Centre Development - Boas Place | | (72) | | | | | | | | | (72) |
| 43 Ocean Reef Marina | | (121) | (90) | (125) | (96) | (99) | | | | | (531) |
| 44 Ocean Reef Marina - Clubsite & commercial dev't | | (3,500) | | | | | | | | | (3,500) |
| 46 Cafes / Kiosks / Restaurants - Pinnaroo Point | | (613) | | | | | | | | | (613) |
| 47 Burns Beach Coastal Node redevelopment | | (497) | (2,700) | (200) | | | | | | | (3,397) |
| 48 Burns Beach Café Restaurant | | (665) | (2,994) | (260) | | | | | | | (3,919) |
| 52 Chichester Park Redevelopment | (1,072) | (4,176) | | | | | | | | | (5,248) |
| 53 Craigie LC Refurbishment Phase 1 | (4,431) | (3,917) | | | | | | | | | (8,348) |
| 55 Calectasia Hall / Greenwood Scout and Guide Hall | | | | | | | (600) | (1,400) | (3,000) | | (5,000) |
| 57 Joondalup Administration Building - refurbishment | (351) | (399) | | | | | | | | | (750) |
| 59 Percy Doyle Skate Park | | (200) | | | | | | | | | (200) |
| 60 Sorrento Surf Life Saving Club Redevelopment | | (814) | (3,520) | (6,904) | (2,762) | | | | | | (14,000) |
| 62 Multi Storey Car Park (2) | | (300) | (1,410) | (6,000) | (9,390) | | | | | | (17,100) |
| Total Major projects | (5,853) | (15,274) | (10,714) | (13,489) | (12,248) | (99) | (600) | (1,400) | (3,000) | | (62,677) |

Section B - Summary

| | | | | | | | | | | | |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Category | | | | | | | | | | | |
| Regular capital programs | (37,444) | (38,566) | (24,112) | (22,510) | (21,914) | (21,757) | (22,215) | (21,064) | (22,367) | (22,687) | (254,636) |
| Major projects | (5,853) | (15,274) | (10,714) | (13,489) | (12,248) | (99) | (600) | (1,400) | (3,000) | | (62,677) |
| TOTAL CAPITAL EXPENDITURE | (43,297) | (53,840) | (34,826) | (35,999) | (34,162) | (21,856) | (22,815) | (22,464) | (25,367) | (22,687) | (317,313) |
| Renewal / Upgrade / New | | | | | | | | | | | |
| Renewal | (28,818) | (30,086) | (21,775) | (16,653) | (16,056) | (15,899) | (16,958) | (16,607) | (19,510) | (16,830) | (199,193) |
| Upgrade | (12,983) | (16,170) | (4,881) | (11,785) | (7,643) | (4,881) | (4,881) | (4,881) | (4,881) | (4,881) | (77,868) |
| New | (1,496) | (7,584) | (8,170) | (7,561) | (10,462) | (1,075) | (976) | (976) | (976) | (976) | (40,253) |
| Renewal % | 66.6% | 55.9% | 62.5% | 46.3% | 47.0% | 72.7% | 74.3% | 73.9% | 76.9% | 74.2% | 62.8% |
| Upgrade % | 30.0% | 30.0% | 14.0% | 32.7% | 22.4% | 22.3% | 21.4% | 21.7% | 19.2% | 21.5% | 24.5% |
| New % | 3.5% | 14.1% | 23.5% | 21.0% | 30.6% | 4.9% | 4.3% | 4.3% | 3.8% | 4.3% | 12.7% |

| CAPEX, including escalation | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 | Yr 6 | Yr 7 | Yr 8 | Yr 9 | Yr10 | Total |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | |
| Section A - Programs / projects | \$000s | \$000s | \$000s | \$000s | \$000s | \$000s | \$000s | \$000s | \$000s | \$000s | \$000s |
| Regular capital programs | | | | | | | | | | | |
| 1 CWP | (31,420) | (33,925) | (21,013) | (21,538) | (22,076) | (22,628) | (23,194) | (23,774) | (24,368) | (24,977) | (248,913) |
| 21 Fleet | (1,587) | (3,305) | (3,446) | (1,849) | (1,253) | (1,111) | (1,658) | (364) | (1,982) | (2,421) | (18,978) |
| 22 I.T. | (588) | (179) | (256) | (263) | (269) | (276) | (283) | (290) | (238) | (244) | (2,885) |
| 24 CCTV | (241) | (304) | | | | | | | | | (545) |
| 25 Parking Infrastructure | | | | | | | | | | | |
| 29 Year 1 and 2 Various | (3,609) | (852) | | | | | | | | | (4,461) |
| Total Regular capital programs | (37,444) | (38,566) | (24,715) | (23,649) | (23,599) | (24,015) | (25,135) | (24,428) | (26,588) | (27,642) | (275,780) |
| Major projects | | | | | | | | | | | |
| 42 Joondalup City Centre Development - Boas Place | | (72) | | | | | | | | | (72) |
| 43 Ocean Reef Marina | | (121) | (92) | (131) | (104) | (109) | | | | | (557) |
| 44 Ocean Reef Marina - Clubsite & commercial dev't | | (3,500) | | | | | | | | | (3,500) |
| 46 Cafes / Kiosks / Restaurants - Pinnaroo Point | | (613) | | | | | | | | | (613) |
| 47 Burns Beach Coastal Node redevelopment | | (497) | (2,700) | (200) | | | | | | | (3,397) |
| 48 Burns Beach Café Restaurant | | (665) | (2,994) | (260) | | | | | | | (3,919) |
| 52 Chichester Park Redevelopment | (1,072) | (4,176) | | | | | | | | | (5,248) |
| 53 Craigie LC Refurbishment Phase 1 | (4,431) | (3,917) | | | | | | | | | (8,348) |
| 55 Calectasia Hall / Greenwood Scout and Guide Hall | | | | | | | (600) | (1,400) | (3,000) | | (5,000) |
| 57 Joondalup Administration Building - refurbishment | (351) | (399) | | | | | | | | | (750) |
| 59 Percy Doyle Skate Park | | (200) | | | | | | | | | (200) |
| 60 Sorrento Surf Life Saving Club Redevelopment | | (814) | (3,520) | (6,904) | (2,762) | | | | | | (14,000) |
| 62 Multi Storey Car Park (2) | | (300) | (1,445) | (6,304) | (10,063) | | | | | | (18,112) |
| Total Major projects | (5,853) | (15,274) | (10,751) | (13,799) | (12,928) | (109) | (600) | (1,400) | (3,000) | | (63,715) |

Section B - Summary

Category

| | | | | | | | | | | | |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Regular capital programs | (37,444) | (38,566) | (24,715) | (23,649) | (23,599) | (24,015) | (25,135) | (24,428) | (26,588) | (27,642) | (275,780) |
| Major projects | (5,853) | (15,274) | (10,751) | (13,799) | (12,928) | (109) | (600) | (1,400) | (3,000) | | (63,715) |
| TOTAL CAPITAL EXPENDITURE | (43,297) | (53,840) | (35,466) | (37,448) | (36,527) | (24,124) | (25,735) | (25,828) | (29,588) | (27,642) | (339,496) |

Renewal / Upgrade / New

| | | | | | | | | | | | |
|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|------------------|
| Renewal | (28,818) | (30,086) | (22,231) | (17,496) | (17,291) | (17,550) | (19,108) | (19,036) | (22,625) | (20,506) | (214,746) |
| Upgrade | (12,983) | (16,170) | (5,003) | (12,032) | (8,018) | (5,388) | (5,522) | (5,660) | (5,802) | (5,947) | (82,526) |
| New | (1,496) | (7,584) | (8,232) | (7,921) | (11,218) | (1,187) | (1,104) | (1,132) | (1,160) | (1,189) | (42,223) |

| | | | | | | | | | | | |
|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|
| Renewal % | 66.6% | 55.9% | 62.7% | 46.7% | 47.3% | 72.7% | 74.2% | 73.7% | 76.5% | 74.2% | 63.3% |
| Upgrade % | 30.0% | 30.0% | 14.1% | 32.1% | 22.0% | 22.3% | 21.5% | 21.9% | 19.6% | 21.5% | 24.3% |
| New % | 3.5% | 14.1% | 23.2% | 21.2% | 30.7% | 4.9% | 4.3% | 4.4% | 3.9% | 4.3% | 12.4% |

[illegible]

| Project Funding Estimates | | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 | Yr 6 | Yr 7 | Yr 8 | Yr 9 | Yr10 | Yr 1 to 10 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------|
| | | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | Total |
| 55 Calectasia Hall / Greenwood Scout and Guide Hall | | | | | | | | | | | | |
| Grants | \$000's | | | | | | | | | | | |
| Disposal Proceeds / Other Contribution | \$000's | | | | | | | | | | | |
| Reserves | \$000's | | | | | | | | | | | |
| Loans | \$000's | | | | | | | | | | | |
| Municipal | \$000's | | | | | | | 600 | 1,400 | 3,000 | | 5,000 |
| Capital Expenditure Total | \$000's | | | | | | | 600 | 1,400 | 3,000 | | 5,000 |
| 57 Joondalup Administration Building - refurbishment | | | | | | | | | | | | |
| Grants | \$000's | | | | | | | | | | | |
| Disposal Proceeds / Other Contribution | \$000's | | | | | | | | | | | |
| Reserves | \$000's | 113 | | | | | | | | | | 113 |
| Loans | \$000's | | | | | | | | | | | |
| Municipal | \$000's | 238 | 399 | | | | | | | | | 637 |
| Capital Expenditure Total | \$000's | 351 | 399 | | | | | | | | | 750 |
| 59 Percy Doyle Skate Park | | | | | | | | | | | | |
| Grants | \$000's | | | | | | | | | | | |
| Disposal Proceeds / Other Contribution | \$000's | | | | | | | | | | | |
| Reserves | \$000's | | 200 | | | | | | | | | 200 |
| Loans | \$000's | | | | | | | | | | | |
| Municipal | \$000's | | | | | | | | | | | |
| Capital Expenditure Total | \$000's | | 200 | | | | | | | | | 200 |
| 60 Sorrento Surf Life Saving Club Redevelopment | | | | | | | | | | | | |
| Grants | \$000's | | | | 6,238 | 2,762 | | | | | | 9,000 |
| Disposal Proceeds / Other Contribution | \$000's | | | | | | | | | | | |
| Reserves | \$000's | | 814 | 3,520 | 666 | | | | | | | 5,000 |
| Loans | \$000's | | | | | | | | | | | |
| Municipal | \$000's | | | | | | | | | | | |
| Capital Expenditure Total | \$000's | | 814 | 3,520 | 6,904 | 2,762 | | | | | | 14,000 |
| 62 Multi Storey Car Park (2) | | | | | | | | | | | | |
| Grants | \$000's | | | | | | | | | | | |
| Disposal Proceeds / Other Contribution | \$000's | | | | | | | | | | | |
| Reserves | \$000's | | 300 | 1,445 | 6,304 | 2,413 | | | | | | 10,462 |
| Loans | \$000's | | | | | 7,650 | | | | | | 7,650 |
| Municipal | \$000's | | | | | | | | | | | |
| Capital Expenditure Total | \$000's | | 300 | 1,445 | 6,304 | 10,063 | | | | | | 18,112 |
| A Total (sum of projects listed above) | | | | | | | | | | | | |
| Grants | \$000's | 12,559 | 9,300 | 11,256 | 12,988 | 7,640 | 4,934 | 5,057 | 5,183 | 5,313 | 5,446 | 79,676 |
| Disposal Proceeds / Other Contribution | \$000's | 680 | 2,292 | 804 | 427 | 276 | 230 | 303 | 72 | 381 | 520 | 5,984 |
| Reserves | \$000's | 15,290 | 28,611 | 25,610 | 23,905 | 19,159 | 17,044 | 17,922 | 17,274 | 19,007 | 19,742 | 203,564 |
| Loans | \$000's | | | | | 7,650 | | | | | | 7,650 |
| Municipal | \$000's | 14,769 | 13,637 | (2,204) | 128 | 1,803 | 1,917 | 2,453 | 3,299 | 4,887 | 1,934 | 42,622 |
| Capital Expenditure Total | \$000's | 43,297 | 53,840 | 35,466 | 37,448 | 36,527 | 24,124 | 25,735 | 25,828 | 29,588 | 27,642 | 339,496 |

| Closing Balance | | | | | | | | | | | | |
|--|---------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|
| 1 Strategic Asset Reserve | \$000's | 7,291 | 4,884 | 7,233 | 8,084 | 9,874 | 14,707 | 21,611 | 31,603 | 39,666 | 49,770 | 122,810 |
| 2 Asset Renewal Reserve | \$000's | 33,026 | 19,870 | 16,675 | 20,172 | 22,679 | 25,876 | 30,206 | 33,514 | 36,511 | 40,521 | 99,489 |
| 3 Sale of Tamala Park Land | \$000's | 17,983 | 19,456 | 21,561 | 24,349 | 26,650 | 28,949 | 30,403 | 33,340 | 35,594 | 37,148 | 58,244 |
| 4 Joondalup Performing Arts and Culture Facility | \$000's | 17,030 | 17,158 | 17,529 | 17,879 | 18,210 | 18,518 | 18,803 | 19,063 | 19,297 | 19,504 | 21,395 |
| 5 Parking Facility | \$000's | 3,904 | 5,222 | 5,044 | 56 | 1 | 506 | 1,087 | 1,933 | 2,923 | 4,036 | 40,587 |
| 7 Percy Doyle Infrastructure Reserve Fund | \$000's | 86 | 240 | 417 | 597 | 779 | 964 | 1,150 | 1,337 | 1,525 | 1,712 | 3,659 |
| 11 Capital Works Going Forward | \$000's | 10,909 | 197 | | | | | | | | | |
| 12 Waste Management | \$000's | 4,725 | 7,018 | 9,144 | 10,513 | 12,094 | 13,611 | 14,470 | 14,670 | 14,850 | 15,009 | 16,465 |
| 14 Non Current LS Leave Reserve | \$000's | 1,340 | 1,440 | 1,471 | 1,501 | 1,528 | 1,554 | 1,578 | 1,600 | 1,620 | 1,637 | 1,796 |
| 15 Public Art Reserve | \$000's | 312 | 262 | 268 | 273 | 278 | 283 | 287 | 291 | 295 | 298 | 327 |
| 21 Marmion Car Park Reserve | \$000's | 183 | 183 | 187 | 191 | 194 | 198 | 201 | 203 | 206 | 208 | 228 |
| 22 Cash in Lieu of Parking Reserve | \$000's | 1,147 | 1,156 | 1,181 | 1,204 | 1,227 | 1,247 | 1,266 | 1,284 | 1,300 | 1,314 | 1,441 |
| 24 Trust Fund | \$000's | 190 | 74 | 76 | 78 | 79 | 80 | 82 | 83 | 84 | 85 | 93 |
| 25 Minor Reserves | \$000's | 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | \$000's | 98,148 | 77,160 | 80,786 | 84,897 | 93,594 | 106,494 | 121,144 | 138,921 | 153,870 | 171,241 | 366,534 |

RESERVES (inc escalation)

By Type

Opening Balance

| | | | | | | | | | | | | |
|----------------------|---------|---------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|
| 1 Tied (legislative) | \$000's | 29,777 | 18,333 | 9,885 | 11,871 | 13,295 | 14,928 | 16,493 | 17,396 | 17,636 | 17,853 | 29,777 |
| 2 Policy | \$000's | 50,244 | 54,541 | 42,935 | 40,120 | 39,168 | 42,142 | 46,345 | 51,734 | 56,342 | 60,757 | 50,244 |
| 3 Untied | \$000's | 30,970 | 25,274 | 24,340 | 28,795 | 32,433 | 36,524 | 43,656 | 52,014 | 64,942 | 75,260 | 30,970 |
| Total | \$000's | 110,992 | 98,148 | 77,160 | 80,786 | 84,897 | 93,594 | 106,494 | 121,144 | 138,921 | 153,870 | 110,992 |

Transfers In

| | | | | | | | | | | | | |
|----------------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| 1 Tied (legislative) | \$000's | 11,672 | 2,402 | 2,183 | 1,424 | 1,632 | 1,565 | 904 | 240 | 217 | 191 | 24,180 |
| 2 Policy | \$000's | 12,859 | 3,209 | 18,500 | 22,027 | 22,133 | 23,048 | 25,111 | 23,682 | 25,221 | 27,064 | 522,477 |
| 3 Untied | \$000's | 1,779 | 10,764 | 8,749 | 4,565 | 4,091 | 7,131 | 8,358 | 12,929 | 10,318 | 11,658 | 174,479 |
| Total | \$000's | 26,310 | 16,375 | 29,433 | 28,016 | 27,856 | 31,744 | 34,373 | 36,850 | 35,756 | 38,913 | 721,136 |

Transfers Out

| | | | | | | | | | | | | |
|----------------------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| 1 Tied (legislative) | \$000's | (23,117) | (10,849) | (197) | | | | | | | | (34,163) |
| 2 Policy | \$000's | (8,562) | (14,815) | (21,315) | (22,979) | (19,159) | (18,844) | (19,722) | (19,074) | (20,807) | (21,542) | (407,036) |
| 3 Untied | \$000's | (7,475) | (11,699) | (4,295) | (926) | | | | | | | (24,395) |
| Total | \$000's | (39,154) | (37,363) | (25,807) | (23,905) | (19,159) | (18,844) | (19,722) | (19,074) | (20,807) | (21,542) | (465,594) |

Closing Balance

| | | | | | | | | | | | | |
|----------------------|---------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|--------|
| 1 Tied (legislative) | \$000's | 18,333 | 9,885 | 11,871 | 13,295 | 14,928 | 16,493 | 17,396 | 17,636 | 17,853 | 18,044 | |
| 2 Policy | \$000's | 54,541 | 42,935 | 40,120 | 39,168 | 42,142 | 46,345 | 51,734 | 56,342 | 60,757 | 66,279 | 4,019 |
| 3 Untied | \$000's | 25,274 | 24,340 | 28,795 | 32,433 | 36,524 | 43,656 | 52,014 | 64,942 | 75,260 | 86,918 | 19,794 |
| Total | \$000's | 98,148 | 77,160 | 80,786 | 84,897 | 93,594 | 106,494 | 121,144 | 138,921 | 153,870 | 171,241 | 23,813 |

| |
|--|
| |
|--|

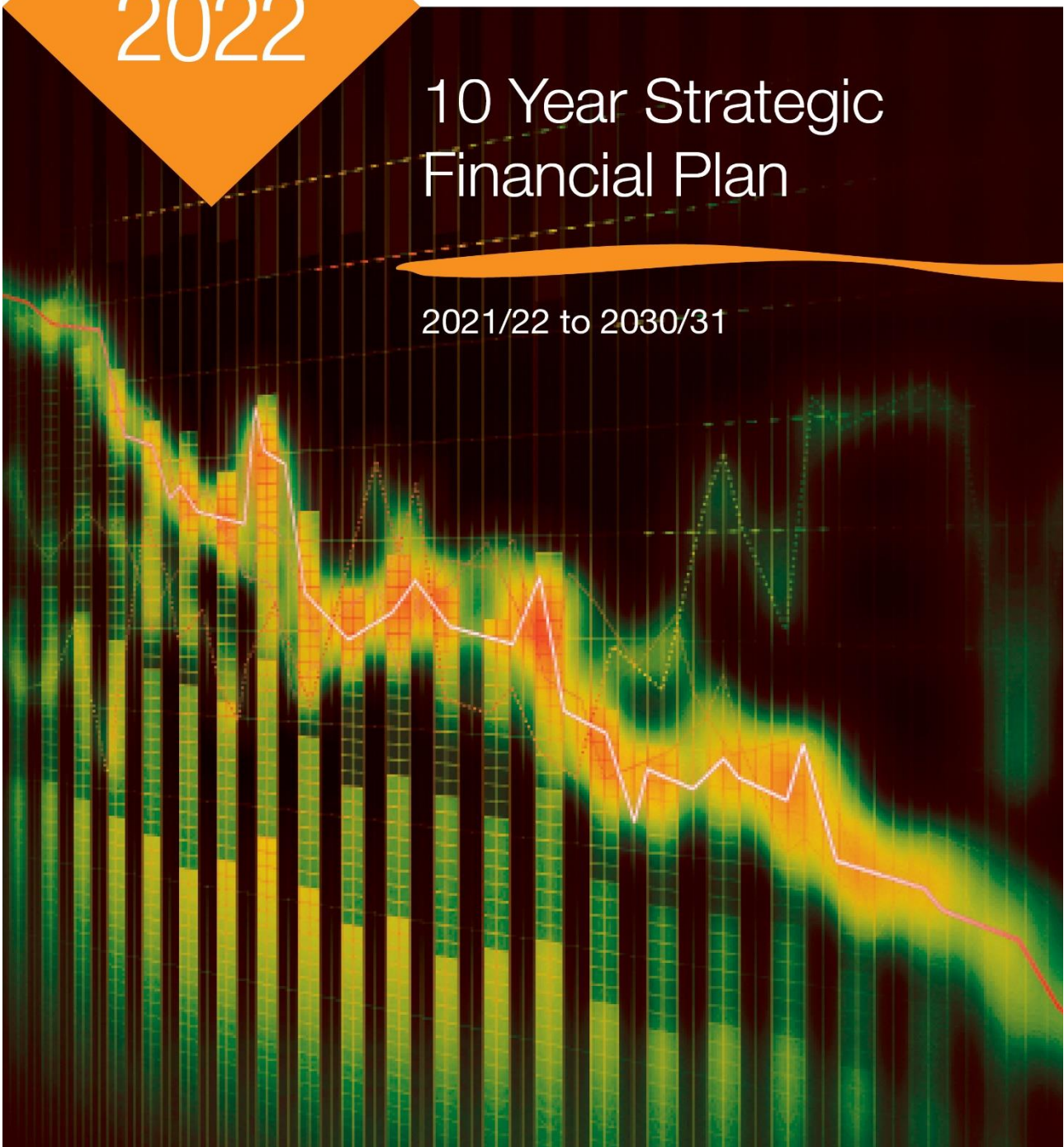


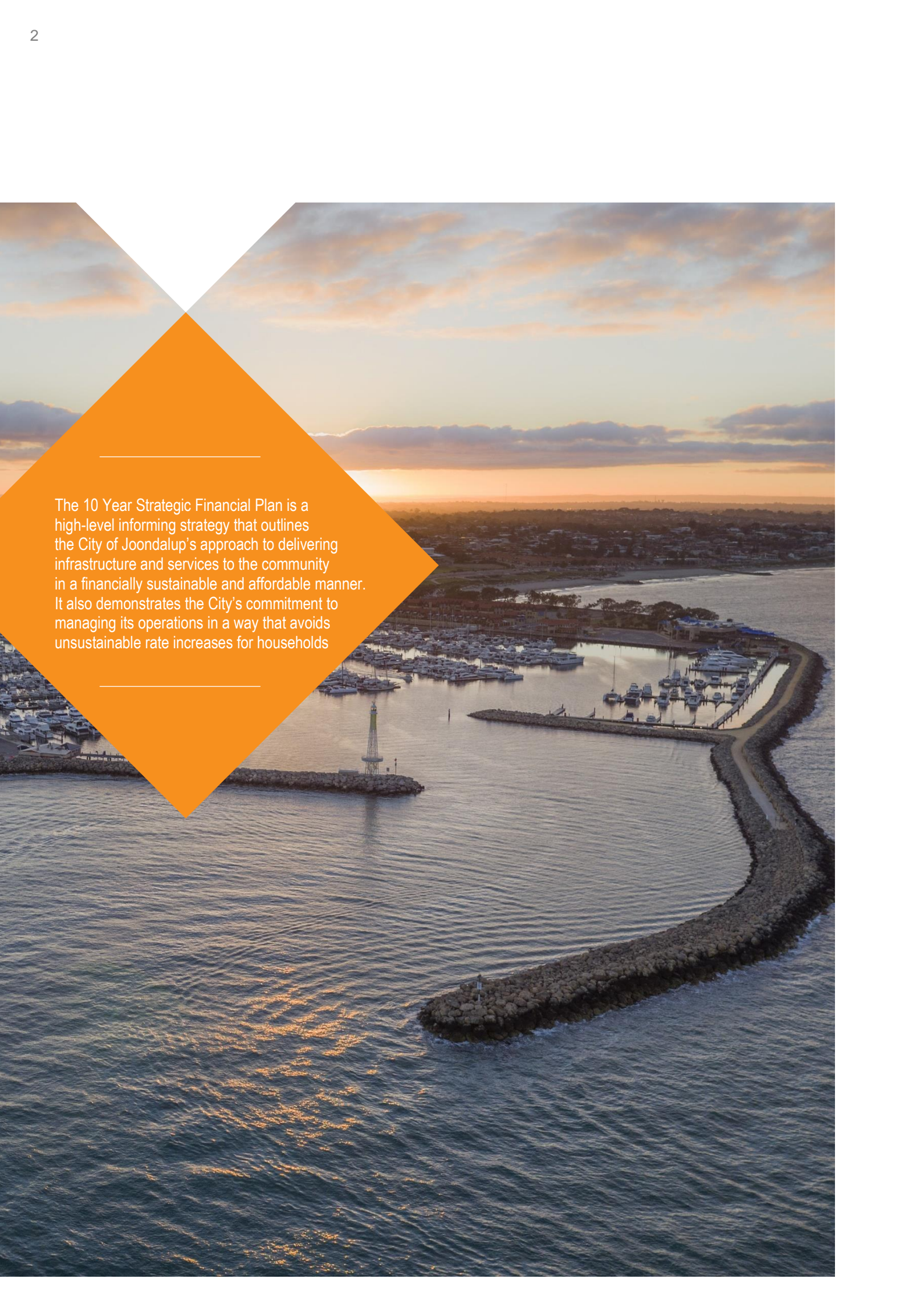
UPDATED JULY

2022

10 Year Strategic Financial Plan

2021/22 to 2030/31



An aerial photograph of a harbor at sunset. The sky is filled with soft, orange and pink clouds. The water is dark blue with golden reflections from the setting sun. A long, curved stone breakwater extends from the shore into the water. Inside the harbor, numerous boats are moored at a pier. In the background, a residential area with houses and trees is visible along the coast. A large, semi-transparent orange diamond shape is overlaid on the left side of the image, containing white text.

The 10 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

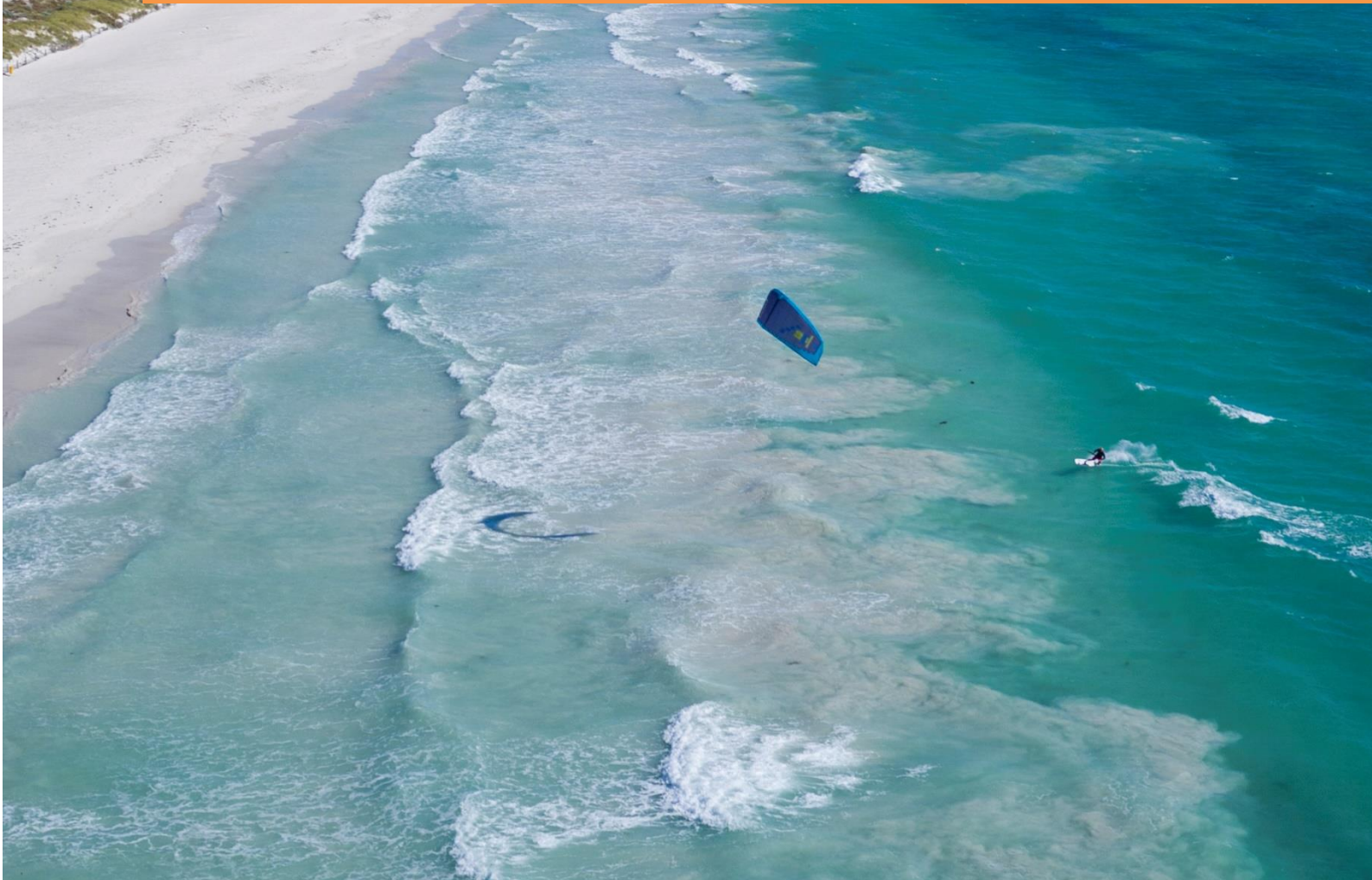
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1 Executive Summary

The *10 Year Strategic Financial Plan* is a high-level informing strategy that demonstrates financial competence and long-term financial sustainability. The City is emerging from unprecedented economic conditions which resulted from the covid19 pandemic. The 2021/22 budgets were unprecedented due to the pandemic and this has had a flow-on effect into adopted budget and for the long-term projections.

The City is projecting a \$11.1 million operating loss in 2023/24, although there are one-off impacts of \$5.8 million, so the underlying loss is \$5.3 million. There are gradual improvements thereafter and by 2030/31 a \$2.3 million loss is projected. Despite the ongoing operating losses the City is still in a relatively strong financial situation as will be demonstrated in this plan.



The City continues to respond to economic volatility as best it can, and with rising costs of employment and materials and contracts, the City has implemented a rates increase of 4.09% in 2023/24. There is ongoing uncertainty with economic conditions and the 10-year Strategic Financial Plan has been prepared with modest increases in the next few years.

Key issues:

Rates Increases

From 2023/24 onwards this plan has assumed base rates increase will increase in line with Perth CPI. The increase in the 2022/23 budget of 4.09% which is approximately 3% lower than the current inflation rate.

Salaries and wages

from 2026/27 onwards these are assumed to increase in line with Perth Wages Price Index but for 2023/24 and 2024/25 a lower increase of 2.75% is assumed.

Materials and contracts

Assumed to increase in line with Perth CPI.

Refuse Charge per Household

Only four increases projected in next 10 years.

Operating deficit

An operating deficit, after depreciation, is projected for all ten years of the plan, but there are gradual improvements.

Operating cashflow

This plan projects an operating cash surplus of \$19.7 million in 2022/23 steadily rising each year and forecast to be \$30.7 million by 2030/31. The cash surplus excludes depreciation.

Cash surpluses are essential so that the City can renew assets and provide upgrade or new assets.

Capital expenditure

The plan includes major projects and increases for renewal expenditure in later years as the age of infrastructure gets older.

Reserves

Cash reserves are forecast to grow from \$98 million at June 2022 to \$171 million at June 2030.

Borrowings

The City's existing borrowings will be repaid by June 2024. Additional borrowings of \$7.7 million are assumed in 2026/27 for a second Multi-Storey car park, although the project is still to be approved.

Chart 1 compares the operating projections in last year's plan versus the updated projections. There are two sets of projections, the operating cashflow (excluding depreciation) and the operating deficit (including depreciation).

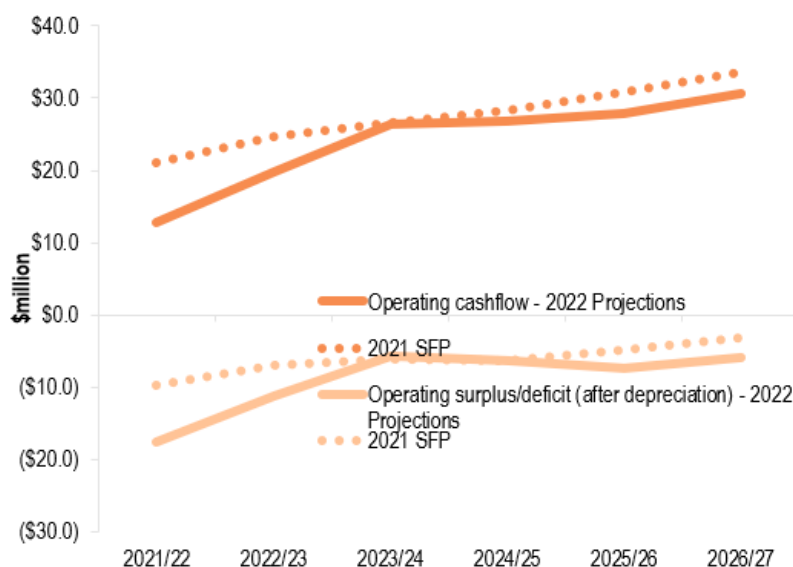
The 2022 plan shows a similar trend as the 2021 plan.

The updated operating projections still show gradual improvements due to new rates income, one-offs in 2023/24 not repeated, new income from projects and increased earnings from cash reserves.

In the long-term the operating deficit is not sustainable because expenditure on renewal of capital infrastructure will eventually be more than depreciation. It is therefore vital for the City to consider other opportunities to address the operating deficit in the short-term, such as service reviews, using reserve income to generate new income and prioritise projects that provide the greater financial return.

Chart 1 – Operating Projections 2023/24 to 2026/27

OPERATING SURPLUS/(DEFICIT)



2 Introduction

2.1 Purpose

The *10 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. The City's financial position is estimated by applying a range of conservative assumptions and estimates.

Due to the uncertain economic conditions the City is again producing a 10 Year Strategic Financial Plan, the timeframe of the plan will be assessed again next year.

The new plan included in this document covers the years 2021/22 to 2030/31 and is referred to as the *10 Year Strategic Financial Plan*. The Previous Plan covered the years 2020/21 to 2029/30 and was presented to Council in July 2022.

2.2 Integrated Planning /Reporting Framework and Guiding Principles

The Department of Local Government, Sport and Cultural Industries have issued a guideline and *Advisory Standard* to support the development of long term financial management plans, of which the City's *10 Year Strategic Financial Plan* is aligned to. For financial management, performance against the *Advisory Standard* is measured through key performance indicators.

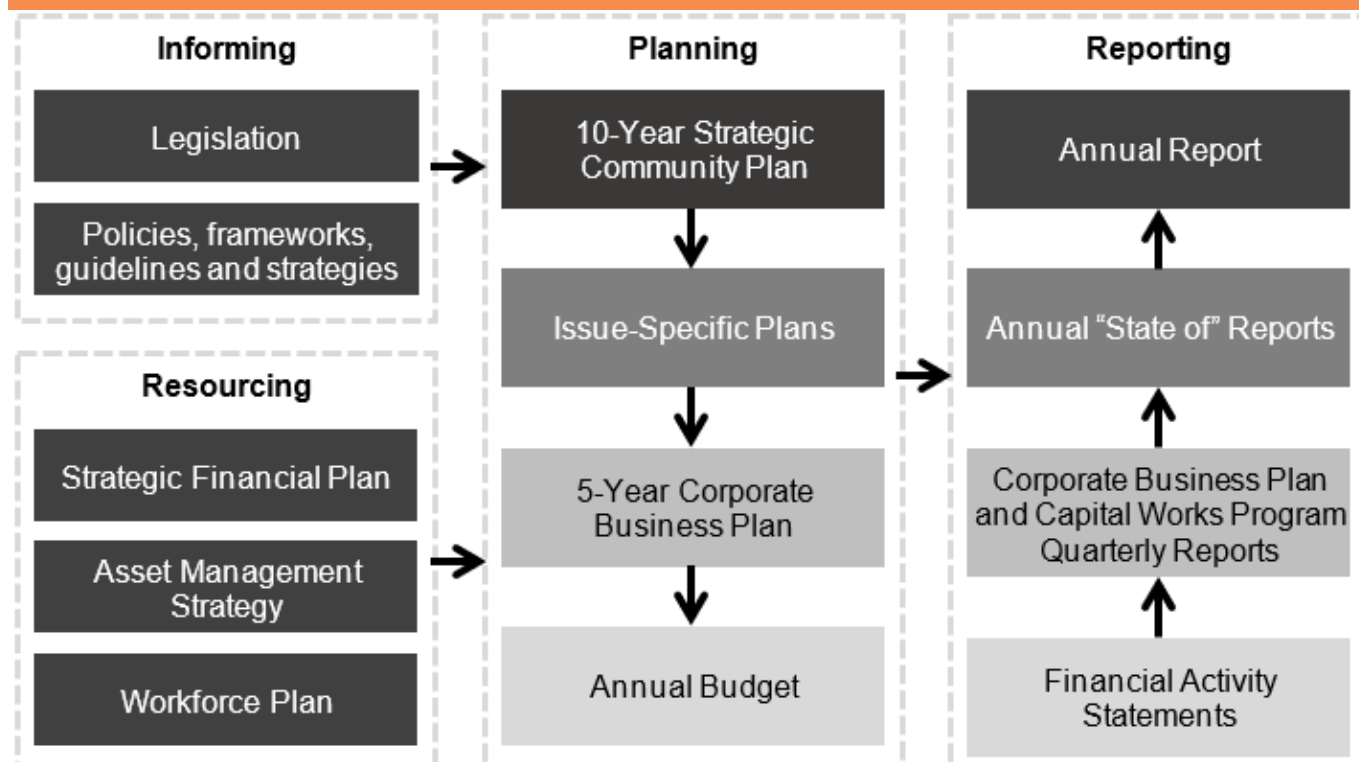
The Advisory Standard has been used by the City to develop its own Guiding Principles which are reviewed annually and shown in Appendix 1. The Guiding Principles include six basic principles and three key ratios used by the City to evaluate the plan.

All the Guiding Principles are important, but the fundamental principal in preparing the projections is to be prudent, and the most important key ratio is the Operating Surplus Ratio. The City has opted to aim for a 0% to 1% target.

2.3 Planning Alignment

The *10 Year Strategic Financial Plan* forms part of the Integrated Planning Framework, as shown on Chart 2. The Budget for 2022/23 forms the baseline for the projections and the update of the *10 Year Strategic Financial Plan* has been synchronised with the annual budget cycle.

Chart 2 – Integrated Planning Framework



2.4 City Profile and Key Statistics

Table 1 – City of Joondalup Key Statistics

Joondalup Headline Statistics

Number of businesses
ABS 2021

12,181

**\$6.92
BILLION**

Headline Gross Regional
Product (NEIR 2021)

2022 (Forecast ID)

**POPULATION
162,737**

DISTANCE FROM
PERTH CITY CENTRE
30km

369
Public open
spaces

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. However the North-West Region is experiencing large growth in population and this will affect services located in the City.





2.5 Services

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

- Waste Management
- Building and Planning approvals
- Environmental health services
- Community development, education and youth services
- Library services
- Festivals, concerts and other cultural events
- Leisure and recreation services and facilities
- Parking, Rangers and community safety
- Infrastructure management including roads, footpaths and street lighting
- Parks and natural areas and management of the environment
- Economic development

The *10 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.

2.6 Disclaimer

Readers of the *10 Year Strategic Financial Plan* should note that

the document is used predominately as a planning tool and is based on many assumptions. Adoption of the *10 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. The plan will continue to be updated annually.

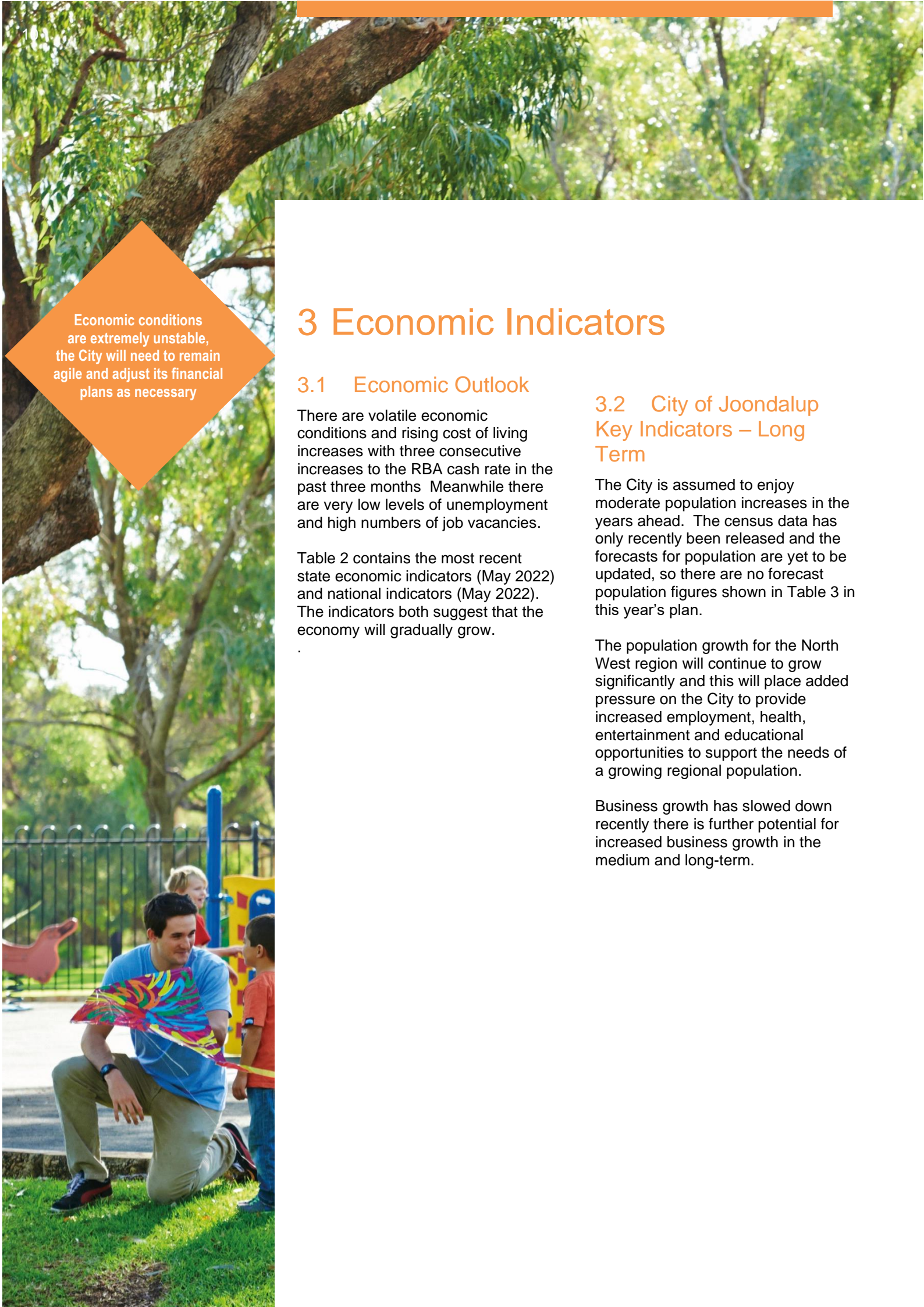
2.7 How The Plan is Prepared and Presented

There are four sets of assumptions used to build up the projections:

- External Environment (Section 3)
- Operating Income and Expenses (Section 4)
- Capital Expenditure (Section 5)
- Source and Application of Funds (Section 6)

Section 7 evaluates the risk/sensitivity and Section 8 summarises the key ratios/outcomes. There are four Financial Statements to comply with the Integrated Planning Framework and four Supporting Schedules to provide more detail on assumptions, capital expenditure and reserves.





Economic conditions are extremely unstable, the City will need to remain agile and adjust its financial plans as necessary

3 Economic Indicators

3.1 Economic Outlook

There are volatile economic conditions and rising cost of living increases with three consecutive increases to the RBA cash rate in the past three months. Meanwhile there are very low levels of unemployment and high numbers of job vacancies.

Table 2 contains the most recent state economic indicators (May 2022) and national indicators (May 2022). The indicators both suggest that the economy will gradually grow.

3.2 City of Joondalup Key Indicators – Long Term

The City is assumed to enjoy moderate population increases in the years ahead. The census data has only recently been released and the forecasts for population are yet to be updated, so there are no forecast population figures shown in Table 3 in this year's plan.

The population growth for the North West region will continue to grow significantly and this will place added pressure on the City to provide increased employment, health, entertainment and educational opportunities to support the needs of a growing regional population.

Business growth has slowed down recently there is further potential for increased business growth in the medium and long-term.

Table 2 – Economic Outlook Short-Term

| | Forecast | | | | |
|---|----------|---------|---------|---------|---------|
| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Economic & Social Indicators | % | % | % | % | % |
| Real GDP | 3.75% | 3.00% | 2.00% | 2.25% | 2.50% |
| Gross State Product | 3.75% | 2.00% | 1.00% | 1.50% | 1.50% |
| Unemployment Rate: WA | 4.00% | 3.75% | 3.75% | 3.75% | 3.75% |
| Population Growth: WA | 0.90% | 1.20% | 1.40% | 1.50% | 1.50% |
| Price Indices and Cost Drivers | | | | | |
| CPI Australia | 6.10% | 5.50% | 2.75% | 2.50% | 2.50% |
| CPI WA | 4.00% | 2.75% | 2.50% | 2.50% | 2.50% |
| Local Government Cost Index | 5.20% | 3.20% | 2.40% | | |
| Wages Price Index WA | 2.00% | 2.75% | 3.00% | 3.00% | 3.00% |
| Financial Indicators | | | | | |
| RBA Cash Rate | 1.35% | 3.00% | 2.50% | 1.75% | |
| WATC Borrowing Rate (10 Years) | 3.93% | 3.66% | 3.43% | 3.32% | 3.21% |
| Earnings on Cash | | 0.75% | 2.16% | 2.00% | 1.85% |

Table 3 – City of Joondalup Long Term Key Indicators

| | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Population: City of Joondalup | | | | | | | | | |
| Source: Profile ID | | | | | | | | | |
| Residential Dwellings | 62,515 | 62,764 | 63,014 | 63,263 | 63,513 | 63,762 | 64,012 | 64,261 | 64,511 |
| Source: City of Joondalup Forecast | | | | | | | | | |
| Business Growth | 0.4% | 0.3% | 1.5% | 0.1% | 1.4% | 12.8% | 1.8% | 0.0% | 0.1% |

4 Operating Projections

4.1 How the Operating Projections are Prepared

The most important projections from the *10 Year Strategic Financial Plan* are the operating projections; these provide the best indication of long-term financial sustainability. There are seven main elements that make up the operating projections as explained in Chart 3.

Chart 3 – Key Elements of Operating Projections



4.2 Critical Assumptions

The most critical assumptions in the operating projections are the % changes to existing income and expenses, these assumptions have the biggest impact because of the recurring impact, for example a 1.0% increase or decrease to rates equates to approximately \$1m income that forms part of the base revenue in future years.

Chart 4 shows the assumptions assumed to 2026/27. The economic indicators in previous section are used as a reference point for the city's critical assumptions.

Perth CPI

Projected to be 2.75% for 2022/23 and then 2.5% for the following four years.

Rates increases

4.09% for 2022/23 and then match Perth CPI thereafter (and hence the red line in the graph for rates increase is not visible from 2023/24 onwards).

Perth Wages Price Index

Estimated to be 1.75% in 2023/24 and from 2023/24 to be 0.25% higher than the increases in Perth CPI.

Salaries & Wages

from 2026/27 onwards these are assumed to increase in line with Perth Wages Price Index but for 2023/24 and 2024/25 a lower increase of 2.75% is assumed.

Materials and Contracts

An increase in line with Perth CPI is assumed

Refuse Charge

A separate long-term financial model has been prepared that evaluates potential increases required in refuse charges to keep pace with expenditure. This analysis indicates that increases to Refuse Charge are not required every year.

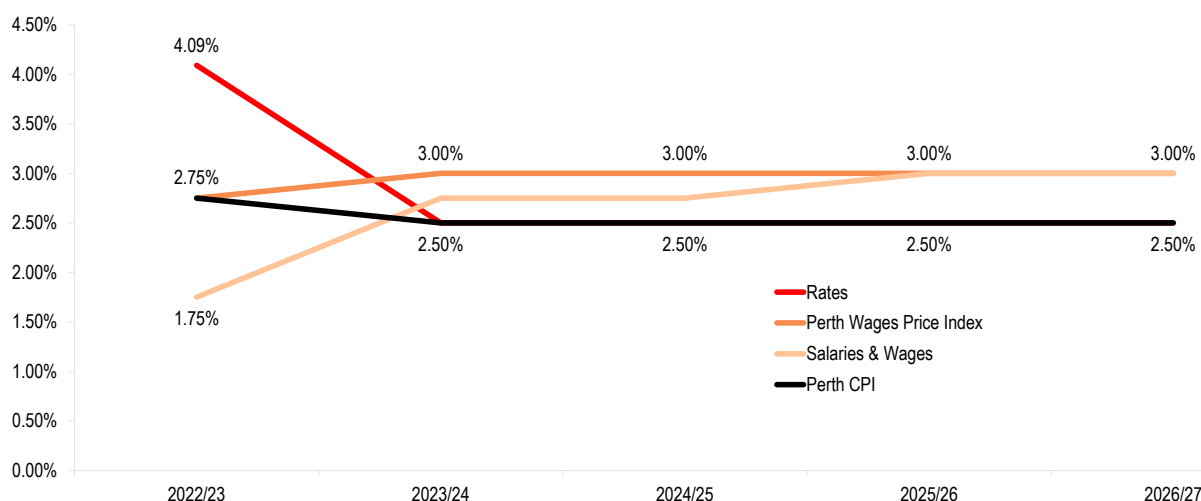
It is vital to emphasise that it is not the absolute number for each assumption that is critical to the financial projections but the difference between the assumptions i.e. if rates are increased less than the increase in expenses then the operating deficit will worsen, notwithstanding other factors.

The assumptions are not fixed, the rate increases for example are approved as part of the annual budget each year.

Supporting Schedule 1 provides more details of other assumptions, including the different assumptions for Fees and Charges, each of which has been reviewed separately – some of the items may increase at the discretion of the City (e.g. sports/recreation fees), but other fee revenue can be volatile and outside of the City's control (e.g. Dog/Cat registration income).

Chart 4 – Critical Assumptions

% INCREASES TO BASE OPERATING INCOME AND EXPENSES



The City must strive for improvements in its operating results to get back to break-even

4.3 Operating Projections

Chart 5 compares the operating projections in last year's plan versus the updated projections.

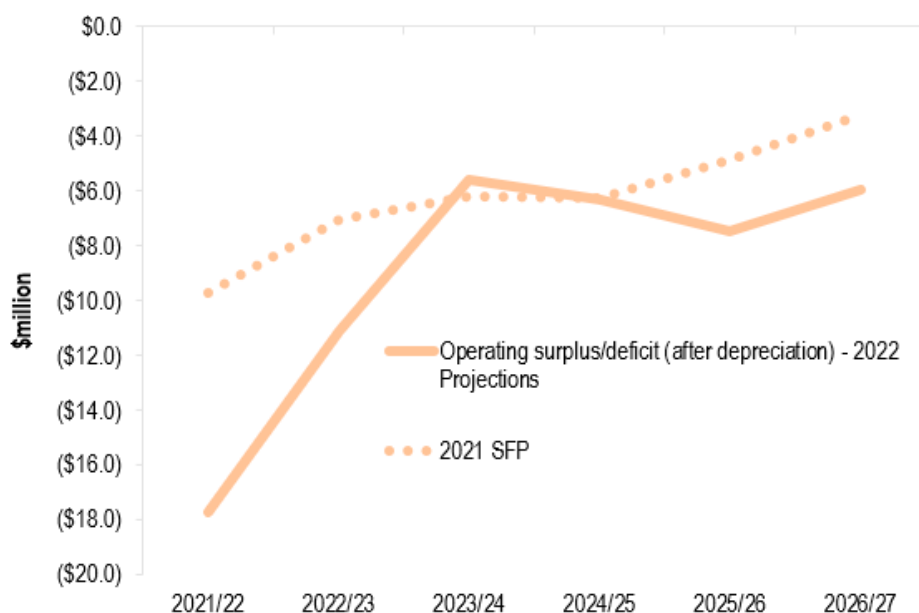
The 2022 plan shows a similar trend as the 2021 plan.

The updated operating projections still show gradual improvements due to new rates income, one-offs in 2023/24 not repeated, new income from projects and increased earnings from cash reserves.

In the long-term the operating deficit is not sustainable because expenditure on renewal of capital infrastructure will eventually be more than depreciation. It is therefore vital for the City to consider other opportunities to address the operating deficit in the short-term, such as service reviews, using reserve income to generate new income and prioritise projects that provide the greater financial return.

Chart 5 – Operating Projections 2023/24 to 2026/27

OPERATING SURPLUS/(DEFICIT)



4.4 Analysis of Operating Results

Table 4 explains the key movements for the seven key items that go into the operating projections as follows:

One-Offs

There are \$5.8m of impacts in 2022/23 that will not be repeated in future years.

Rates Growth (Commercial and Residential) – by 2026/27 it is estimated that there will be \$1.4m additional income from new dwellings and new commercial. The assumptions have been built up with reference to known planning

applications and local housing strategy.

Projects, a net impact of (\$0.3m) by 2026/27.

Investment Earnings – by 2026/27 it is estimated that the City may earn \$2.9m which is \$1.6m more than in 2022/23. This is caused by higher reserves and higher earnings rate.

Interest on Borrowings – during the next few years there is a positive impact on the operating results as existing borrowings are paid off and require less interest payments.

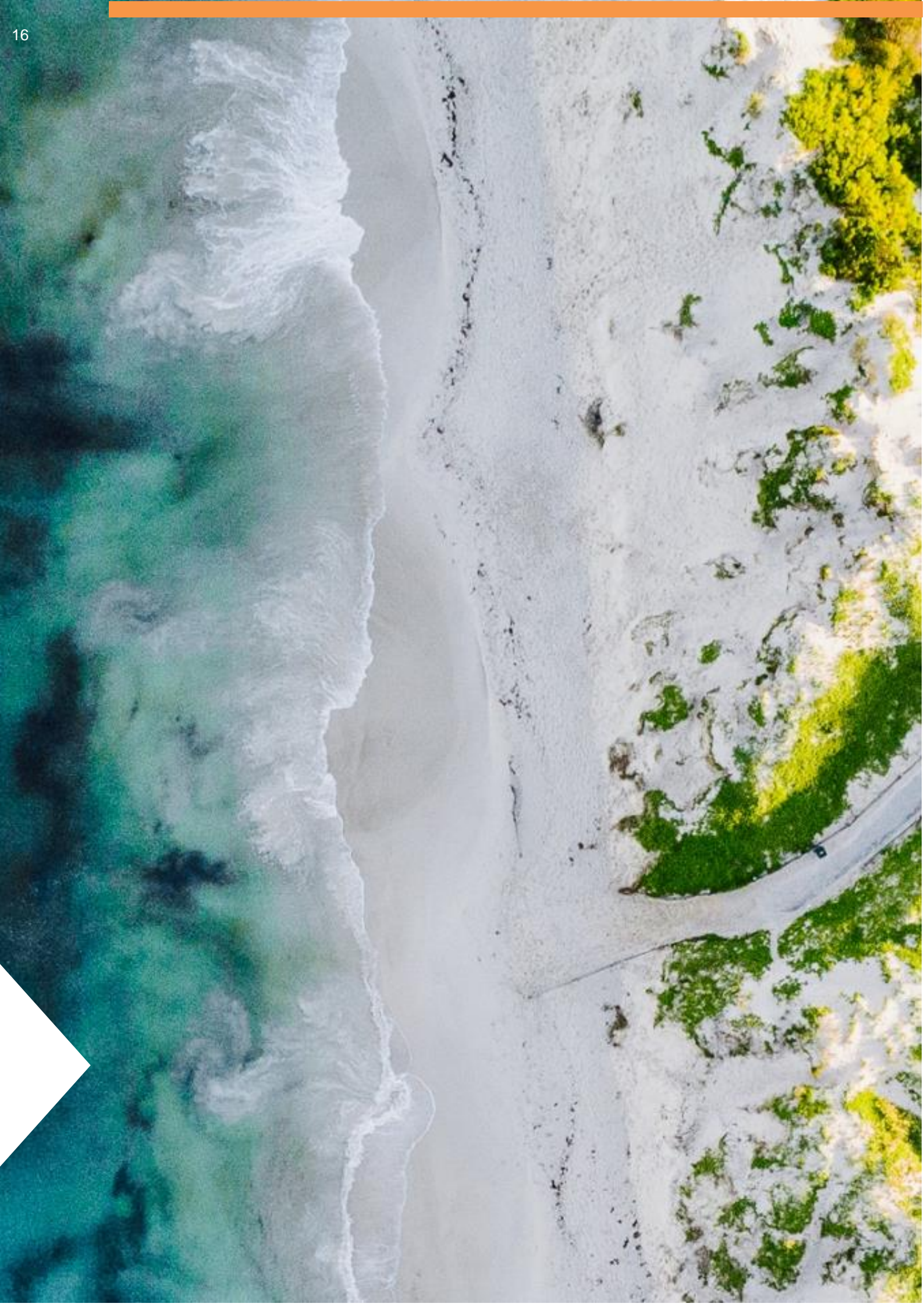
Other (\$0.6m) negative impact – this is the Superannuation Guarantee Increase to 12%.

Critical Assumptions

These were explained earlier and relate to the % increases assumed for base income and expenses. The assumptions provide a net cost of (\$2.6m). The % increases to base income are assumed to mostly keep pace with increases in expenses but increases in Salaries & Wages are assumed to be higher than income.

Table 4 – Changes in Operating Results

| Improvements in Operating Results | 22/23 \$ms | 26/27 \$ms | Difference \$ms |
|--|---------------|---------------|--------------------|
| 1 One-off items in budget removed from future years | | 5.8 | 5.8 |
| 2 Rates Growth (Commercial & Residential) | 0.3 | 1.6 | 1.4 |
| 3 Projects - additional operating expenses, depreciation and income | | (0.3) | (0.3) |
| 4 Investment Earnings | 1.3 | 2.9 | 1.6 |
| 5 Interest on Borrowings | (0.3) | (0.4) | (0.1) |
| 6 Other | | (0.6) | (0.6) |
| 7 Critical Assumptions | | | |
| - Rates Income & Fees/Charges | 152.4 | 166.4 | 14.1 |
| - Expenses (Employment Expenses, Materials/Contracts, Utilities, Depreciation) | (164.7) | (181.3) | (16.6) |
| Operating Surplus / (Deficit) after Depreciation | (11.1) | (5.9) | 5.2 |



4.5 Summary of Operating Results

The City has deliberately planned for an operating deficit of (\$11.1m) in 2022/23 but there are one-off impacts of \$5.8m in 2023/24 so the underlying deficit is \$5.3 million. The operating deficit is possible because of the strong cash position and that the City's assets are still relatively young which means less spent on renewals compared to depreciation.

However, the operating deficit is unsustainable, so the City needs to be prepared for opportunities to remedy the situation.



5 Capital Expenditure

5.1 Capital Expenditure Estimates by Asset Class

Capital Expenditure forecasts have been built up as follows:

- Major Projects included in the plan – 13 major projects explained in detail later in this section.
- Major projects not currently included by evaluated separately. It is vital for the City to evaluate the potential impact of projects not yet authorised.
- Fleet and IT – capital replacement of existing infrastructure
- Capital Works Program – the program has built up over the years, most notably in recent years due to economic stimulus packages. An evaluation of the affordability of the CWP going forwards has been prepared and concludes that \$20.5 million per year is affordable.

Supporting Schedule 2 provides more details on the estimates.

5.2 Capital Renewals and Asset Management

The starting point in the capital expenditure estimates is the renewal of existing infrastructure. Table 5 summarises the large asset values that the City is responsible for, over \$2 billion worth of assets (at full replacement cost). Renewal expenditure should be the first priority so the City can continue to provide services to the community at existing service levels.

The City has an adopted *Asset Management Policy* and a number of supporting plans and models, which have been incorporated into the *10 Year Strategic Financial Plan*. The City is an asset-intensive business and the substance of the Asset Management plans and renewal projections is crucial to provide substance to the *10 Year Strategic Financial Plan*.

Table 5 Asset Values

| Asset Values 30th June 2021 | Asset Values | | % of Total (CRC) |
|--------------------------------|--------------------------|--------------------|------------------|
| | Current Replacement Cost | Written Down Value | |
| | \$ms | \$ms | % |
| 1 Buildings | 317.4 | 214.6 | 16% |
| 2 Drainage | 399.7 | 251.5 | 20% |
| 3 Lighting | 43.7 | 20.6 | 2% |
| 4 Parks | 175.8 | 134.2 | 9% |
| 5 Transport, excl Roads | 189.2 | 128.6 | 9% |
| 6 Roads | 681.7 | 402.7 | 34% |
| 7 Freehold Land | 114.5 | 114.5 | 6% |
| 8 Fleet, Equipment, Other | 46.5 | 24.5 | 2% |
| 9 Work in Progress | 52.3 | 52.3 | 3% |
| Total Asset Values | 2,020.8 | 1,343.5 | 100% |

5.3 Capital Expenditure by Cause

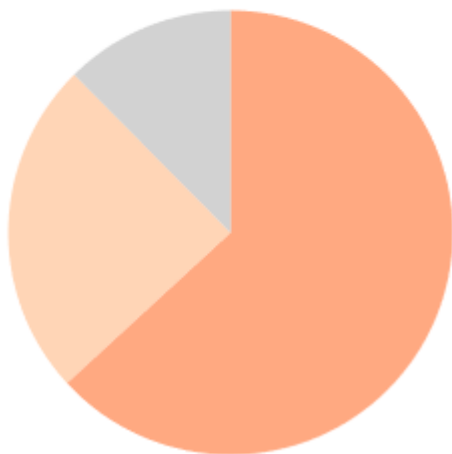
Chart 6 summarises the 10-year capital expenditure estimates by cause. A total of \$340 million is estimated with most of this (63% on renewals) and 37% on upgrade or new. The \$125m on upgrade and new is far from ideal because this causes new

depreciation, new operating expenses and requires future capital renewal. There are some projects which will provide an operating surplus, but these are the minority, most of the new and upgrade projects will have a negative impact on operating

results – the challenge for the City is to generate sufficient operating surpluses to meet both capital renewal and the impacts of new and upgrade projects, which this plan addresses.

Chart 6 – Capital Expenditure by Cause

- Renewal \$215m 63%
- Upgrade \$83m 24%
- New \$42m 12%



5.4 Phasing of Capital Expenditure

Chart 7 shows the estimated phasing of capital expenditure (in today's dollars). There are large peaks in new expenditure caused by major projects. The renewal expenditure shown is currently lower than annual depreciation expense (over \$30m per year) which results in the Asset Sustainability Ratio being below threshold. The average age of existing assets is relatively young but as the assets get older there will be a requirement for increased renewal expenditure which has been built into some of the programs e.g. footpaths projected for replacement of paths

based on condition assessment and modelling). In the longer term (beyond 20 years), there will be a much higher renewal requirement and the City has set up an Asset Renewal Reserve to fund higher renewals.

5.5 Major Projects – Source of Funding

The *10 Year Strategic Financial Plan* includes major projects. Some of the values are based on detailed scoping or business cases, but other projects are based on high level estimates and will be subject to further review.

Table 6 summarises the capital expenditure and estimated

funding for each project, this may be achieved from either municipal funds, reserves or borrowings (which is normally the last resort).

The majority of major projects are estimated to be funded by reserves, although that is predicated on the operating projections. Supporting Schedule 3 provides a brief description, the source of the estimate and a brief summary of the funding sources.

Chart 7 – Phasing of Capital Expenditure

CAPITAL EXPENDITURE BY CAUSE \$M

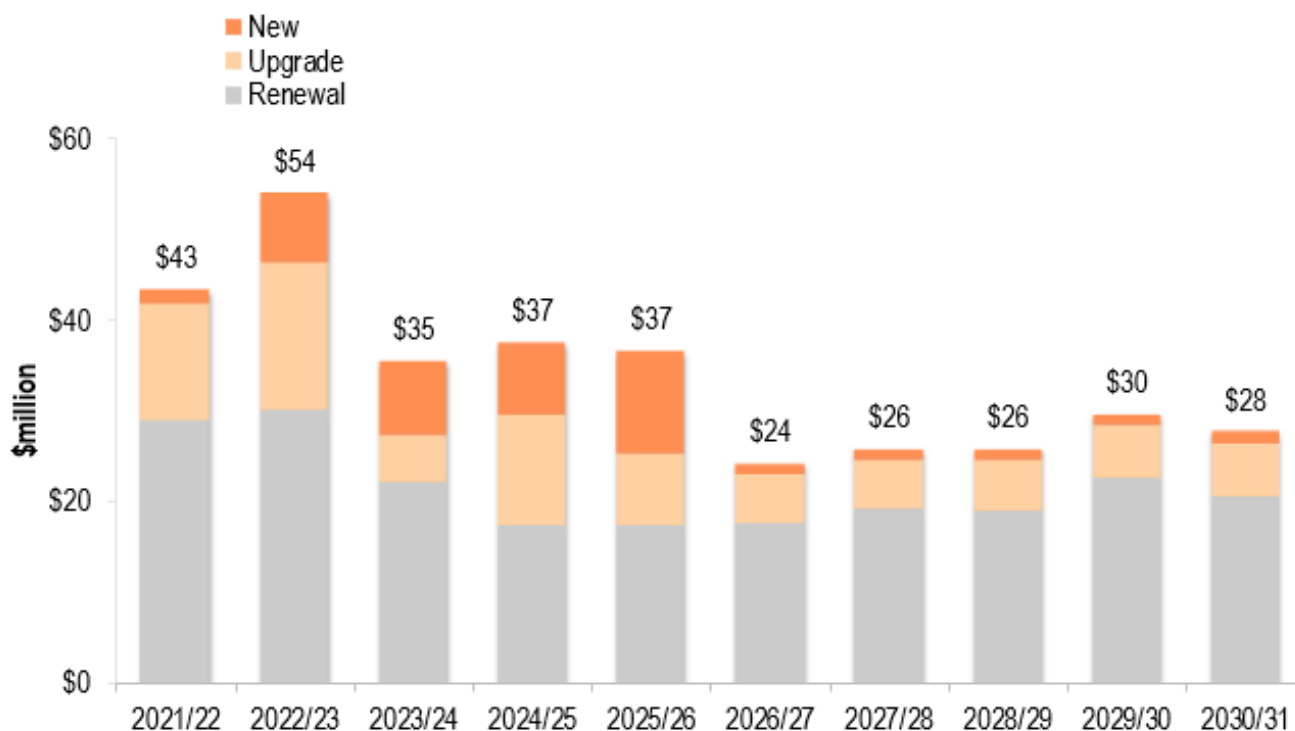


Table 6 – Major Project Funding

| Major Projects & Funding 10 Year summary, including inflation \$ms | Capital Expend \$ms | Funding | | | | | |
|---|---------------------------|------------|----------------------|------------|-------------|------------|-------------|
| | | Grants | Disposal Proceeds | Municipal | Reserves | Loans | Total |
| | | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms |
| 1 Joondalup City Centre Development - Boas Place | (0.1) | | | 0.1 | | | 0.1 |
| 2 Cafes / Kiosks / Restaurants - Pinnaroo Point | (0.6) | | | | 0.6 | | 0.6 |
| 3 Percy Doyle Skate Park | (0.2) | | | | 0.2 | | 0.2 |
| 4 Joondalup Administration Building - refurbishment | (0.7) | | | 0.6 | 0.1 | | 0.7 |
| 5 Chichester Park Redevelopment | (5.2) | 0.4 | | | 4.8 | | 5.2 |
| 6 Craigie LC Refurbishment Phase 1 | (8.3) | | | | 8.3 | | 8.3 |
| 7 Ocean Reef Marina - Clubsite & commercial dev't | (3.5) | | 1.8 | | 1.8 | | 3.5 |
| 8 Burns Beach Coastal Node redevelopment | (3.4) | | | 2.9 | 0.5 | | 3.4 |
| 9 Burns Beach Café Restaurant | (3.9) | | | | 3.9 | | 3.9 |
| 10 Sorrento Surf Life Saving Club Redevelopment | (14.0) | 9.0 | | | 5.0 | | 14.0 |
| 11 Multi Storey Car Park (2) | (18.1) | | | | 10.5 | 7.6 | 18.1 |
| 12 Ocean Reef Marina | (0.6) | | | 0.6 | | | 0.6 |
| 13 Calectasia Hall / Greenwood Scout and Guide Hall | (5.0) | | | 5.0 | | | 5.0 |
| Total Major Projects | (63.7) | 9.4 | 1.8 | 9.2 | 35.7 | 7.6 | 63.7 |

When considering the options for major projects the City should consider whether a commercial income stream can be achieved.

5.6 Major Projects – Operating Impacts

Table 7 lists the estimated annual operating impacts in the year after the project is assumed to be completed.

This indicates that there are some projects that will provide an operating surplus but others that may provide an operating deficit.

The City has opportunities to advance projects that could provide operating surplus and potentially using its reserves to support this e.g. Boas Place Development.

Whilst it is desirable for new projects to generate an operating surplus (or at least no worse than break-even), projects also provide wider social and economic benefits which justify the project.

5.7 Summary by Type

The source of the capital expenditure values are shown in Chart 8 and shows that the vast majority of the \$340m planned expenditure is the Capital Works Program with \$249m.

Chart 8 – Capital Expenditure by Type

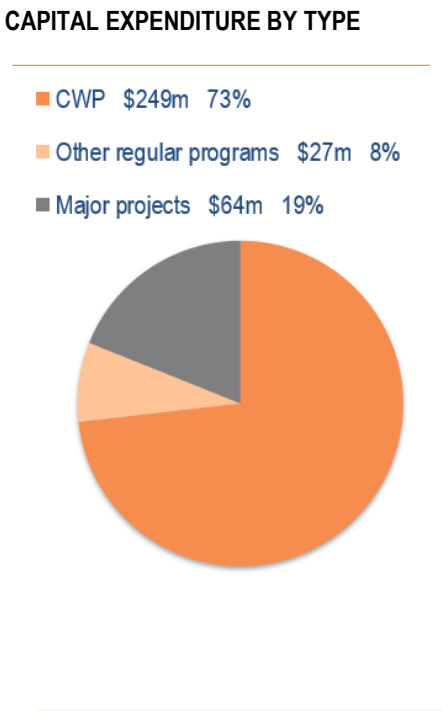


Table 7 – Major Projects Operating Impacts

| Major Projects - Operating Impacts | Year 1 | Impacts per Year | | | | Rates % Impact |
|---|---------|------------------|--------------------|-------------------|--|----------------|
| | | Operating Income | Operating Expenses | Depreciation: New | Operating Surplus / (Deficit) after Depreciation | |
| | | \$000s | \$000s | \$000s | \$000s | |
| 1 Joondalup City Centre Development - Boas Place | 2022/23 | | | | | |
| 2 Cafes / Kiosks / Restaurants - Pinnaroo Point | 2022/23 | | | | | |
| 3 Percy Doyle Skate Park | 2022/23 | | | | | |
| 4 Joondalup Administration Building - refurbishment | 2022/23 | | | | | |
| 5 Chichester Park Redevelopment | 2022/23 | | | | | |
| 6 Craigie LC Refurbishment Phase 1 | 2025/26 | \$1,463 | (\$625) | (\$58) | \$780 | 0.7% |
| 7 Ocean Reef Marina - Clubsite & commercial dev't | 2022/23 | | | | | |
| 8 Burns Beach Coastal Node redevelopment | 2024/25 | | (\$67) | (\$48) | (\$115) | -0.1% |
| 9 Burns Beach Café Restaurant | 2028/29 | \$399 | (\$96) | (\$58) | \$244 | 0.2% |
| 10 Sorrento Surf Life Saving Club Redevelopment | 2030/31 | \$207 | (\$73) | (\$144) | (\$10) | 0.0% |
| 11 Multi Storey Car Park (2) | 2025/26 | | | (\$120) | (\$120) | -0.1% |
| 12 Ocean Reef Marina | 2030/31 | \$3,735 | (\$1,689) | (\$1,383) | \$662 | 0.6% |
| 13 Calectasia Hall / Greenwood Scout and Guide Hall | 2029/30 | | | | | |
| TOTAL | | \$5,803 | (\$2,551) | (\$1,811) | \$1,441 | 1.4% |

6 Source and Application of Funds

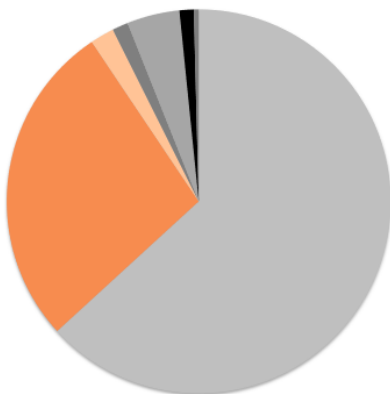
6.1 Source of Funds

Chart 9 summarises the source of all cash income over the 10 year period, and Financial Statement 2 provides further details. In total the City is projected to receive approximately \$1.9 billion of funds. The overwhelming source is operating income (Rates, Fees and Charges, Investment Earnings, Operating Grants). The non-operating income (capital grants, proceeds from sale of assets and borrowings) are important to help fund capital expenditure and are explained in more detail in this section.

Chart 9 – Source of Funds

SOURCE OF FUNDS %

| | | |
|--------------------------------|---------|-------|
| ■ Rates | \$1187m | 63.2% |
| ■ Fees & Charges | \$515m | 27.4% |
| ■ Operating Grants | \$38m | 2% |
| ■ Investment Earnings | \$25m | 1.3% |
| ■ Capital Grants | \$83m | 4.4% |
| ■ Proceeds from Sale of Assets | \$23m | 1.2% |
| ■ Borrowings | \$8m | 0.4% |



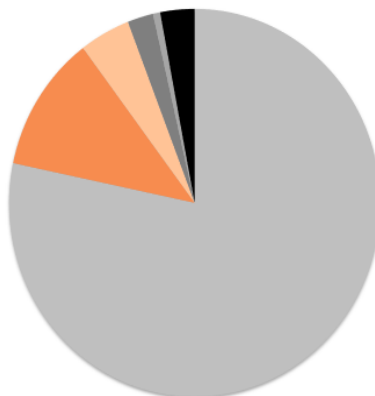
6.2 Application of Funds

Chart 10 shows how the funds are applied. The majority of funds are used to operate/maintain assets and services the next biggest application is capital expenditure with small amounts for Debt Service Costs (Principal and Interest).

Chart 10 – Application of Funds

APPLICATION OF FUNDS %

| | | |
|--------------------------------|---------|-------|
| ■ Operations and Maintenance | \$1471m | 78.3% |
| ■ Capital Expenditure: Renewal | \$215m | 11.4% |
| ■ Capital Expenditure: Upgrade | \$83m | 4.4% |
| ■ Capital Expenditure: New | \$42m | 2.2% |
| ■ Debt Service Costs | \$12m | 0.6% |
| ■ Reserves Net Transfer | \$56m | 3% |



6.3 Grants

The City strives to maximise the amount of external funding to support capital projects, for example an annual application is made to the Community Sporting and Recreation Facility Fund. The plan assumes \$68m of Capital Grant revenue, mostly relating to the Five Year Capital Works Program.

There are more details of the Source and Application of funds in Financial Statement 2

6.4 Proceeds from Sale of Assets

The *10 Year Strategic Financial Plan* includes an asset rationalisation component, with the City applying the principle of using the proceeds wherever possible to offset the expenditure on new capital initiatives. Additionally, there are proceeds received from sale of day to day vehicles. The table below summarises the assumptions for Disposal Proceeds:

- Fleet - sale of motor vehicles due to replacement.
- Tamala Park further proceeds from sale of Tamala Park land, which the City owns one sixth of. The table below indicates \$15.7m more proceeds up to 2029/30, there would be a total of \$29m received from 2022/23 to 2036/37.
- Asset Rationalisation: Sale of land no longer considered required for City purposes

Table 8 summarises the proceeds from sale of assets.

Table 8 – Proceeds from Sale of Assets

| Proceeds from Sale of Assets | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 | 30/31 | Total |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms |
| Fleet | 0.4 | 0.5 | 0.8 | 0.4 | 0.3 | 0.2 | 0.3 | 0.1 | 0.4 | 0.5 | 3.9 |
| Tamala Park | 1.7 | 1.3 | 1.7 | 2.3 | 1.8 | 1.8 | 1.0 | 2.5 | 1.8 | 1.2 | 17.2 |
| Asset Rationalisation | | 1.4 | | | | | | | | | 1.4 |
| Total | 2.1 | 3.2 | 2.5 | 2.8 | 2.1 | 2.1 | 1.3 | 2.6 | 2.2 | 1.7 | 22.5 |



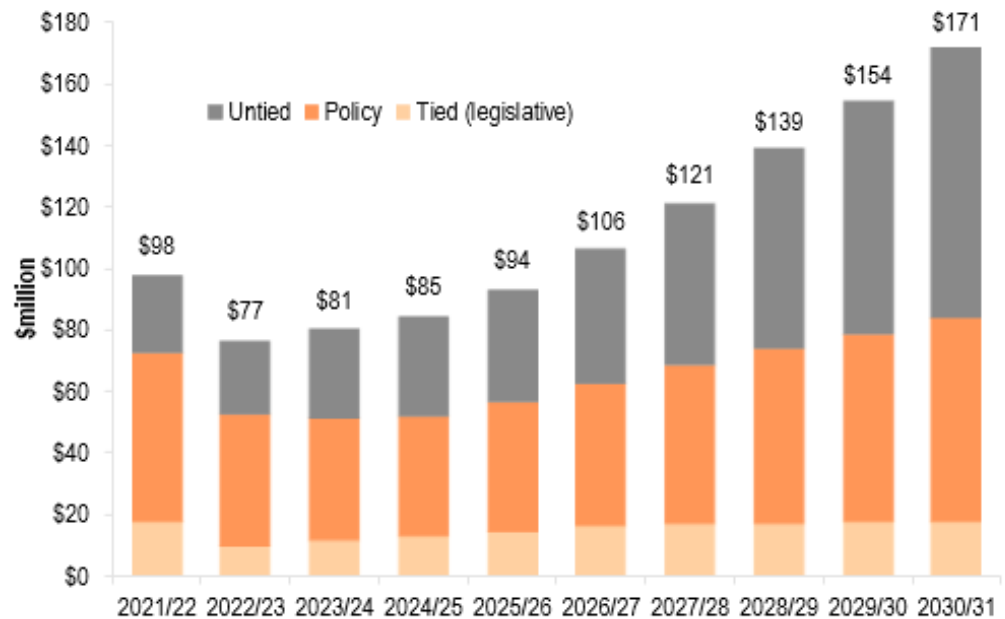
6.5 Reserves

Supporting Schedule 4 provides a break down for each of the individual reserves. Chart 11 summarises the projected balances split between Tied (legislative), Untied and Policy. These are explained in more detail below:

- Tied Reserves – legislative conditions dictate how the reserve is used. This applies to a small number of reserves with small values e.g. leave reserve, cash in ieu City parking, Waste Management Reserve.
- Untied reserves – where there is no major limitation on the use of the reserve and Council has significant discretion on how the funds may be used. This relates to the Strategic Asset Reserve and the Tamala Park Land Reserve.
- Policy – this relates to the majority of reserves and where Council has determined a single purpose for each reserve. This includes the Joondalup Performing Arts Cultural Facility reserve, Parking Facilities Reserve, Asset Renewal Reserve and Percy Doyle Infrastructure Reserve fund. City has discretion at any time to change the use and application of these funds.

Chart 11 – Reserve Projections

RESERVE BALANCES



6.6 Borrowings and Debt Management

Borrowings are proposed in the 10 Year Strategic Financial Plan when there are no available reserves or surplus municipal funds. For most capital expenditure there are sufficient municipal funds and reserves to fund projects up to 2030/31. However by then there is insufficient operating surpluses to fund the Strategic Asset Reserve and consequently there are two projects in that year that may require borrowings.

The 10 Year Strategic Financial Plan estimates just \$7.6m of borrowings as shown on Table 9.

Table 9 shows the estimated timeframe of the borrowings:

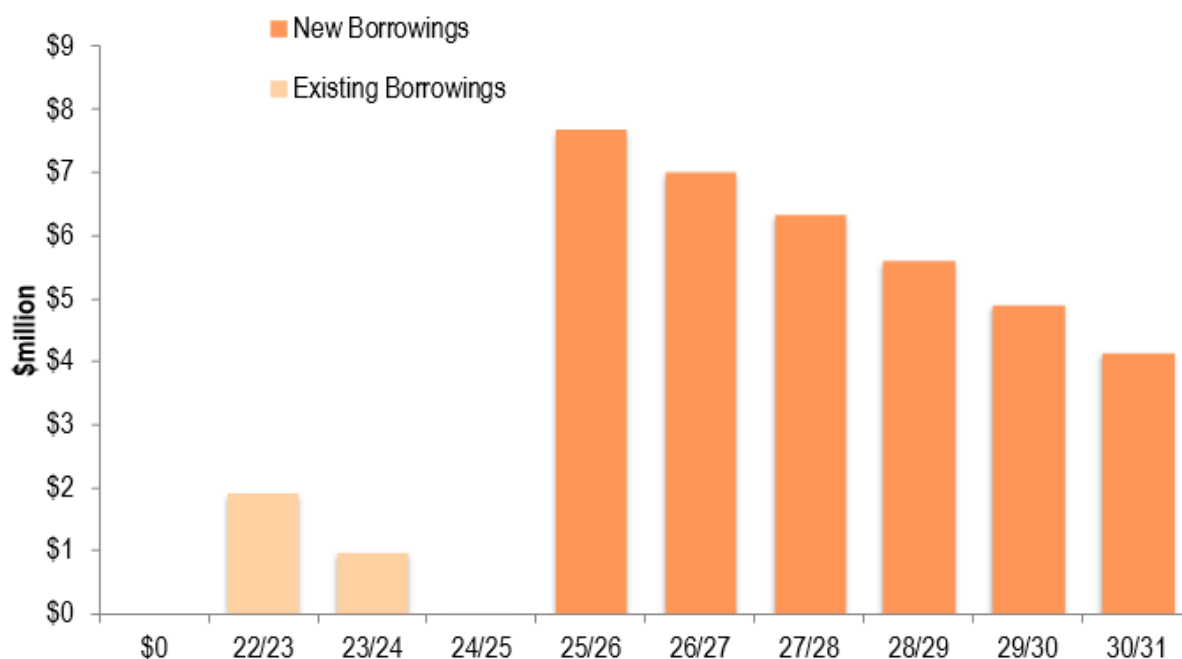
Table 9 – New Borrowings

| New Borrowings | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 | 30/31 | Total |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms |
| Multi Storey Car Park (2) | | | | | 7.6 | | | | | | 7.6 |
| Total | | | | | 7.6 | | | | | | 7.6 |

Chart 12 summarises the projected amount outstanding each year, this also shows that existing borrowings will be repaid in full within a few years. The chart then shows that the principal outstanding from 2030/31 for the new borrowings listed above.

Chart 12 – Principal Owing

PRINCIPAL OWING



7 Risks, Sensitivity and Scenario Modelling

7.1 Key Risks and Opportunities

There are several key risks and opportunities within the plan:

- 1. Economic conditions,
- 2. Rates percentage increases lower than planned
- 3. Employment cost increases higher than planned
- 4. Change of service or fee income
- 5. Major projects – impact on operating results, funding costs (e.g. borrowing), and major projects that are not yet included in the plan.
- 6. Earnings on cash reserves
- 7. Renewal of existing assets / expected useful lives

The key action to address these is to ensure that the *10 Year Strategic Financial Plan* is reviewed and updated annually, which has been done every year since 2012 and will continue to be the case.

7.2 Scenario Analysis

Analysis has been completed to evaluate the impact of all major projects being included in the SFP.

Table 10 summarises the capital expenditure for the full pipeline versus the capital expenditure of projects included in the *10 Year Strategic Financial Plan*.

Table 10 – Scenario Assumptions

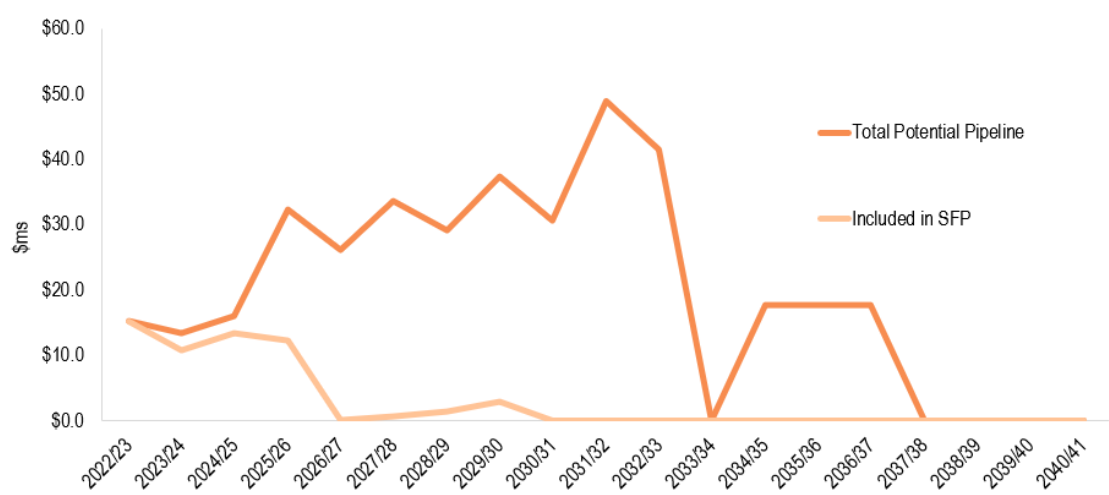
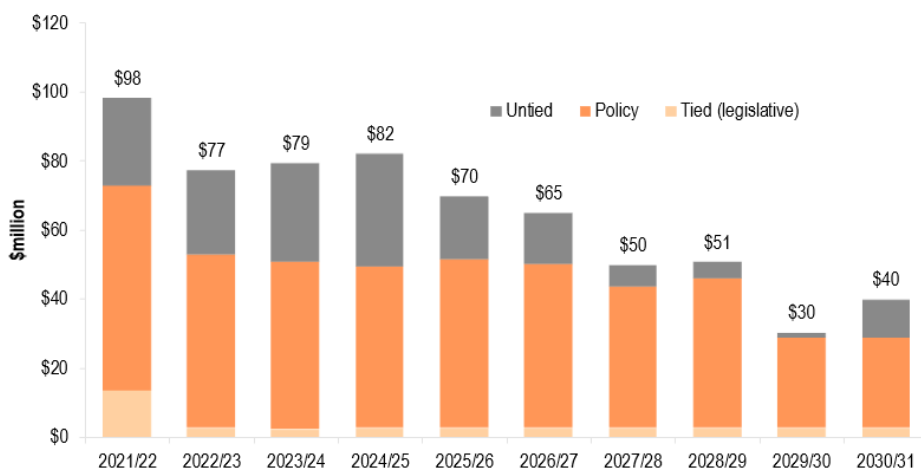


Chart 13 summarises the impact on the reserve funds if the full pipeline was included. Whilst this shows depleted reserves, there would be sufficient at 2030/31 to support the asset renewal reserve. Meanwhile the approval of major projects would deliver recurring financial benefits that would see growth in reserves beyond the 10-year period.

Chart 13 – Scenario Comparison

SCENARIO COMPARISON



8 Financial Sustainability

8.1 Measuring Sustainability - Key Ratios

The financial sustainability of the City is measured by its ability to be financially viable whilst meeting community expectations. There are three key ratios, so the maximum achievement is 30 ratios within tolerance (10 years x three key ratios). The *10 Year Strategic Financial Plan* is projecting a total of 11 out of 30 as shown on Table 11.

Although it may appear far from ideal to only achieve 11 ratios out of 30, the Asset Sustainability Ratio cannot be expected to be within tolerance due to the young age profile of the City's assets whilst the Operating Surplus Ratio is showing a positive upwards trend.

The key ratios at present are far from ideal but there is a positive upward trend

Key Indicators Definition

Operating Surplus – ratio compares the operating surplus versus own source revenue. An indicator of the extent to which revenue raised not only covers operating expenses but also provides capital funding. Target is to achieve a moderate operating surplus of between 0% and 1%.

Asset Sustainability - compares capital renewal expenditure versus depreciation. The ratio is an indicator of whether the City is spending adequate amounts on its replacement program in comparison to the consumption (depreciation) of its assets. The target for asset sustainability ratio is between 90% and 110%.

Debt Service Coverage Ratio - Key ratio to evaluate treasury management and is used by West Australian Treasury Corporation to evaluate requests for loans. The ratio compares how much operating surpluses (before interest and depreciation) covers the cost of loan repayments (principal and interest) each year. The target for debt service coverage ratio is ideally five, although a minimum of three may be acceptable. The ratio should not fall below five for five years in a row.

Table 11 – Key Ratios

| Key Ratios | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 | 30/31 |
|-----------------------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Operating Surplus Ratio | (12.2%) | (7.3%) | (3.5%) | (3.8%) | (4.4%) | (3.3%) | (1.7%) | (1.2%) | (1.1%) | (1.1%) |
| Asset Sustainability | 103.3% | 52.7% | 57.5% | 60.9% | 54.0% | 54.6% | 59.9% | 55.6% | 62.2% | 58.0% |
| Debt Service Coverage Ratio | 5.5 | 13.1 | 24.9 | 25.5 | 255.3 | 30.6 | 34.9 | 37.3 | 37.3 | 38.7 |

8.2 Key Ratios Commentary

Some further comments regarding each ratio:

Operating Surplus Ratio - The Operating surplus ratio is the most important indicator out of all the ratios, as it has a mix of all the other ratios combined (liquidity, asset management, operating performance). The City is not expected to achieve a balanced operating budget within the timeframe of the plan.

Asset Sustainability Ratio - measures the rate at which the City spends capital expenditure on replacement versus depreciation. Although the target is to be between 90% and 110%, the long-term average (over a 100 year period) should be 100%. This ratio fails the target in most years which suggests that there is insufficient expenditure on replacement of existing assets and too much on new assets, but the City's assets and infrastructure are relatively young and at this stage in their life cycle it is reasonable for the asset sustainability ratio to be depressed. The City will need to increase expenditure on renewals in later years as the City becomes older; this has been factored into the capital forecast where necessary and more importantly the City has now established the Asset Renewal Reserve to ensure there is a sustainable plan for higher renewals in later years.

Debt Service Coverage Ratio - This is a crucial ratio to show achievement in all years as it demonstrates the City's capacity to borrow in line with project requirements. This ratio achieves the target in all of the years.



8.3 Further Opportunities

The annual update of the budget and the 5-year Capital Works Program provides ongoing opportunities for the City to improve the financial outlook for the City. Some of the key activities that are, or can be developed, are:

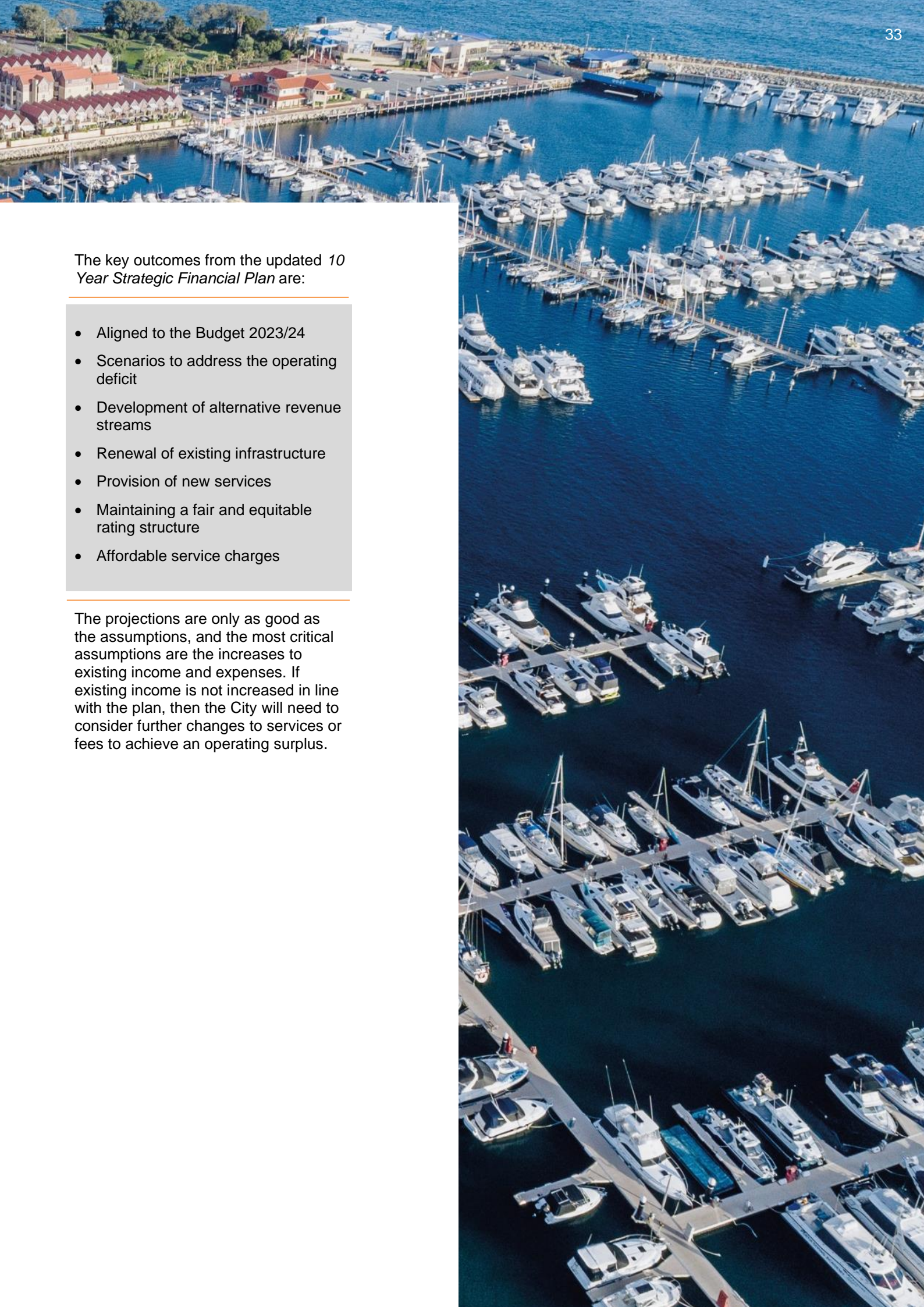
- Service reviews – additional information will continue to be provided to elected members to help review service levels.
- Waste management – this area provides several opportunities in the years ahead to reduce operating expenses, and potentially reduce the refuse charge per household e.g. Waste to Energy; regional collaborations.

8.4 Conclusion

Whilst the City has demonstrated flexibility under extremely trying times, it needs to remain agile.

The next few years will be crucial to the long-term financial sustainability. The *10 Year Strategic Financial Plan* indicates that the City can withstand the short-term shocks caused by unforeseen circumstances whilst being able to play its part in the recover with accelerated capital projects and a plan to address the operating deficits.

The key outcome of the 10 Year Strategic Financial Plan is the improvement in operating results to a \$2.3m deficit by 2030/31.



The key outcomes from the updated 10 Year *Strategic Financial Plan* are:

- Aligned to the Budget 2023/24
- Scenarios to address the operating deficit
- Development of alternative revenue streams
- Renewal of existing infrastructure
- Provision of new services
- Maintaining a fair and equitable rating structure
- Affordable service charges

The projections are only as good as the assumptions, and the most critical assumptions are the increases to existing income and expenses. If existing income is not increased in line with the plan, then the City will need to consider further changes to services or fees to achieve an operating surplus.

Appendices

Appendix 1

Strategic Financial Plan – Guiding Principles 2022

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

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

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

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

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

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

Basic Principles

Sustainability:

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

Transparency:

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

Prudence:

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

Consistency:

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

Performance and Accountability:

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

Flexible Long Term Approach:

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

Service Levels and Asset Management:

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

Key Elements/ Assumptions:

Targets/Ratios

The City is required to report seven ratios within the statutory annual accounts. Whilst recognising that all seven ratios are important, the City's long term plan will focus primarily on three key ratios:

- Asset Sustainability % (Asset Management).
- Debt Service Coverage Ratio % (Treasury Management).
- Operating Surplus Ratio % (Operating Results).

Asset Management and Asset Sustainability Ratio

- Long-Term Asset Renewal Projections (i.e. up to 100 years) will be updated annually to identify large changes in renewal expenditure. The projections will be used to inform the SFP and where affordable to do so the SFP will set aside funds into the Asset Renewal Reserve to assist with future renewals and avoid unsustainable rate increases in future years.
- Priority will be given to Asset Management plans that have demonstrated that replacement expenditure is based on economic life modeling, and deferral of the replacement would reduce the operating surplus ratio.
- Asset Sustainability Ratio will aim to achieve a target of between 90% and 110%. However, where the age of assets is young then it be unnecessary to achieve this ratio as the City would not replace assets before their due replacement date.

Treasury Management and Debt Service Coverage Ratio

- The City is an asset intensive business, and as such loan funding could be expected to be used to fund Capital Expenditure. The Borrowings should be consistent with the City's Strategic Positioning Statement on Sustainable Borrowings.
- The primary measure of evaluation is the Debt Service Coverage Ratio which is not to exceed five consecutive years with an annual debt service cover ratio of between three and five, with all other periods exceeding a ratio of five.
- Revenue from the Tamala Park land sale should be applied in accordance with the City's adopted Strategic Position Statement.
- Surplus municipal funds will be transferred to the Strategic Management Reserve where necessary to fund future major projects, and additional surplus municipal funds may be transferred to the Asset Renewal Reserve.
- A balanced cash budget must be achieved in every year of the plan

Operating Results and Operating Surplus Ratio

- The operating results are an important indicator of long-term financial sustainability.
- The City will strive to generate an annual operating surplus by planning for more operating income than operating expenses.
- The projected operating results will be based on:
 - federal\state economic indicators and local economic conditions
 - projected annual operational costs to provide for services as determined by Council, or changes thereof
 - projected capital renewal expenditure for existing infrastructure and funding required for the Asset Renewal Reserve
 - additional operating costs for new capital expenditure that become operational
 - changes to fees
 - rate increases that keep pace with increases in expenses where necessary, and help the City achieve its desired target for Operating Surplus Ratio
- The SFP will ideally aim to achieve an Operating Surplus Ratio of 1% or as a minimum a balanced operating budget (0%). This may vary in some years due to volatility of any of the key assumptions above.

New Expenditure

Adoption of the 10 Year Strategic Financial Plan does not constitute a commitment or agreement to any of the projects or proposals that have not already been approved, but there are key elements for new expenditure to be considered:

- Whole of Life Costs must be identified for all new expenditure, unless the project is at an early stage and there is insufficient data/scope to estimate the whole of life impacts.
- Major Projects should include potential impairment costs if existing assets will be disposed of before they have reached the end of their estimated useful life.
- Major Projects should explore commercial opportunities and where possible strive to achieve a positive, or no worse than break-even, operating position. Availability of grant funding should not be a determining factor for projects, the key financial criteria is the operating results after depreciation and interest. Social and Economic Return on Investment may be estimated for some projects and may be used to justify proceeding even though the project has a negative operating result.
- City assets that are not required for operational or community use are to be rationalised.

Process

- Estimates are to be conservative based on best available information.
- The SFP will be prepared and reviewed during the Annual Budget Process, which will enable the SFP to be used as an enabler to the Annual Budget for the following year.
- The annual Budget process will consider the impacts on the long term plan, including the Guiding Principles and the ratio targets. Additionally, the Midyear Budget process will also consider the impacts on the SFP.
- In preparing the SFP, options and risk analysis will be prepared and presented to the Major Projects and Finance Committee for consideration and recommendation to Council.
- The SFP will normally be for a period of 20 years, however where there are extraordinary circumstances that inhibit forecasting then the SFP may be reduced to 10 years.

Financial Statement 1 - Operating Income and Expenses Estimates

| | | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 | 30/31 | Total |
|--|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Line | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms |

Operating Revenues

| | | | | | | | | | | | | |
|---|----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Rates: Base | 1 | 100.8 | 105.1 | 108.0 | 110.7 | 113.4 | 116.3 | 119.2 | 122.1 | 125.2 | 128.3 | 1,148.9 |
| Rates: Growth | 2 | 0.0 | 0.3 | 0.2 | 1.0 | 1.4 | 2.4 | 6.3 | 7.8 | 8.9 | 9.9 | 38.2 |
| Fees and Charges / Other: Base | 3 | 41.2 | 42.8 | 43.4 | 43.9 | 44.5 | 45.5 | 46.0 | 46.7 | 48.0 | 49.3 | 451.3 |
| Fees and Charges / Other: Growth | 4 | 0.0 | 0.0 | 0.1 | 2.0 | 2.5 | 3.4 | 3.6 | 4.0 | 4.4 | 4.7 | 24.6 |
| Operating Grants and Subsidies, Contributions and Reimbursements | 5 | 9.5 | 3.0 | 7.9 | 7.9 | 8.0 | 8.0 | 8.1 | 8.1 | 8.1 | 8.2 | 76.9 |
| Investment Earnings | 6 | 0.9 | 1.3 | 3.1 | 3.0 | 2.9 | 2.9 | 2.8 | 2.8 | 2.7 | 2.6 | 25.0 |
| Profit on Disposal | 7 | 1.2 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 14.1 |
| Total Operating Revenue | 8 | 153.5 | 153.9 | 164.2 | 169.9 | 174.1 | 179.9 | 187.5 | 193.0 | 198.8 | 204.5 | 1,779.1 |

Operating Expenses

| | | | | | | | | | | | | |
|---------------------------------|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Employment Costs: Base | 9 | (63.8) | (68.4) | (70.3) | (72.2) | (74.4) | (76.6) | (78.9) | (81.2) | (83.7) | (86.2) | (755.6) |
| Employment Costs: Growth | 10 | 0.0 | 0.0 | (0.4) | (1.2) | (1.4) | (1.0) | (1.1) | (1.1) | (1.1) | (1.2) | (8.5) |
| Materials and Contracts: Base | 11 | (68.0) | (56.5) | (57.3) | (58.1) | (59.0) | (60.5) | (61.4) | (62.4) | (64.1) | (65.9) | (613.0) |
| Materials and Contracts: Growth | 12 | 0.0 | 0.0 | (0.5) | (1.7) | (1.3) | (0.3) | (0.4) | (0.4) | (0.4) | (0.6) | (5.5) |
| Utilities | 13 | (5.9) | (5.9) | (6.1) | (6.6) | (6.8) | (7.1) | (7.4) | (7.7) | (8.0) | (8.3) | (69.9) |
| Interest expenses | 14 | (0.3) | (0.3) | (0.2) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (1.6) |
| Interest on Borrowings: New | 15 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.3) | (0.3) | (0.2) | (0.2) | (0.2) | (1.2) |
| Insurance Expenses | 16 | (1.5) | (1.7) | (1.7) | (1.8) | (1.8) | (1.8) | (1.9) | (1.9) | (2.0) | (2.0) | (18.1) |
| Depreciation: Existing | 17 | (31.4) | (32.1) | (32.9) | (33.8) | (34.6) | (35.5) | (36.4) | (37.3) | (38.2) | (39.2) | (351.3) |
| Depreciation: New | 18 | 0.0 | 0.0 | (0.3) | (0.7) | (2.1) | (2.5) | (2.8) | (2.9) | (3.0) | (3.1) | (17.3) |
| Loss on Disposal | 19 | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (1.0) |
| Total Operating Expenses | 20 | (171.2) | (165.0) | (169.8) | (176.2) | (181.6) | (185.8) | (190.5) | (195.3) | (200.9) | (206.8) | (1,843.1) |

| | | | | | | | | | | | | |
|--|-----------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Net Operating Surplus (Deficit) | 21 | (17.7) | (11.1) | (5.6) | (6.3) | (7.5) | (5.9) | (3.1) | (2.2) | (2.1) | (2.3) | (64.0) |
|--|-----------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|

| Line | Operating Revenues |
|------|---|
| 1 | <p>Rates: Base</p> <p>Rates Base income has been calculated by applying a % increase to the previous year's total Rates Income. The starting point in the projections is the adopted budget. The increases applied are to address the operating deficit and to then maintain a moderate operating surplus.</p> |
| 2 | <p>Rates: Growth</p> <p>Increase in rates as a result of volume growth i.e. new assessments for new dwellings or commercial growth. The assumptions are prepared in conjunction with Planning Services based on the most up-to-date assumptions at the time the plan is prepared. May also include one-off adjustments within the budget that need to be added back to future years.</p> |
| 3 | <p>Fees and Charges / Other: Base</p> <p>There are 13 sets of Fees and Charges, each of which has been reviewed separately, these includes charges for recreation, Leisure Centre charges, planning and building fees, car parking fees, fines and penalties, dog/cat registration income, property hire and inspection fees. The projections are based on adopted budget, with a % increase assumed each year; see Supporting Schedule 1 for more details of the increases. Some of the fees may increase each year but other fees (e.g. dog/cat registration income) are based on separate modelling/assumptions and can be volatile. May also include one-off adjustments within the budget that need to be added back to future years.</p> |
| 4 | <p>Fees and Charges / Other: Growth</p> <p>Estimated additional income for new services or facilities, including Craigie Leisure Centre Upgrades, Joondalup Performing Arts and Culture Facility, Edgewater Quarry and second Multi Storey Car Park.</p> |
| 5 | <p>Operating Grants and Subsidies, Contributions and Reimbursements</p> <p>Includes all normally expected operating grants such as grants commission but excludes capital grants.</p> |
| 6 | <p>Investment Earnings</p> <p>Interest earned on the investment of cash held by the City, including both reserve funds and municipal funds. The earnings rate applied are listed in Supporting Schedule 1.</p> |
| 7 | <p>Profit on Disposal</p> <p>Represents the book profit on disposal of City assets. Values are only shown for Year 1 and 2, as no profits on disposal are projected for future years. There are likely to be profits in future years, but they are excluded from the Operating Projections because they distort the operating surplus/(deficit) and are a non-cash item.</p> |
| 8 | <p>Total Operating Revenue</p> <p>Sum of lines 1 to 7, this is the overall operational revenue earned by the City.</p> |
| 9 | <p>Employment Costs: Base</p> <p>All expenditure associated with the employment of staff. Largest item is salaries and wages but also includes superannuation, recruitment costs, advertising, uniforms and training. The increases in the short-term will be based on increases that may already agreed with the workforce within Enterprise Agreements, or may be in the process of negotiation. The increases thereafter are intended to set a target for future increases and/or in line with projected increases in the Perth Wages Price Index. May also include one-off adjustments within the budget that need to be added back to future years.</p> |

| Line | Operating Revenues |
|------|--|
| 10 | Employment Costs: Growth Estimated additional employment costs for new services or facilities. Also includes increase in costs to meet increase in Superannuation Guarantee increase to 12%, this will be increase by 0.5% per year until it reaches 12% by 2025-26. |
| 11 | Materials and Contracts: Base Includes expenditure for the purchase of materials, supplies and services. There are 20 separate items each has been reviewed separately with a separate escalation factor, as listed in Supporting Schedule 1. |
| 12 | Materials and Contracts: Growth Estimated additional expenditure for new services or facilities. May also include one-off adjustments within the budget that need to be added back to future years. |
| 13 | Utilities All expenditure for the purchase of water, power and gas. Projections based on adopted budget, also includes additional expenditure for new services or facilities. |
| 14 | Interest Expenses Interest on loan borrowings that are already set up. This line also includes the interest component of operating leases used by the City. |
| 15 | Interest on Borrowings: New Interest on new loan borrowings that are estimated to be set up in future years. The new borrowings are explained in section 6. |
| 16 | Insurance Expenses for insurance of assets and workplace insurance. |
| 17 | Depreciation: Existing Expense of using existing assets over useful life, adopted budget is used as start point. This is a non-cash item but is important as it gives an indication of the cost of using assets and eventual renewal costs. |
| 18 | Depreciation: New New expense that arises from new capital purchases, this is also a non-cash item. |
| 19 | Loss on Disposal Represents the book loss on disposal of City assets and is a non-cash item. The projection includes cost of renewing assets early as part of the Capital Works Program. |
| 20 | Total Operating Expenses Sum of lines 9 to 19. This is the overall expenses necessary for day to day activities. |
| 21 | Net Operating Surplus (Deficit) Total Operating Revenue (line 8) less Total Operating Expenses (line 20). |



Financial Statement 2 - Source and Application of Funds

| | | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 | 30/31 | Total |
|--|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Line | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms |

Source of Funds

| | | | | | | | | | | | | |
|------------------------------|-----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Rates | 22 | 100.8 | 105.3 | 108.2 | 111.6 | 114.8 | 118.7 | 125.5 | 129.9 | 134.1 | 138.3 | 1,187.2 |
| Fees & Charges | 23 | 41.2 | 42.8 | 43.5 | 45.9 | 46.9 | 48.9 | 49.6 | 50.7 | 52.4 | 54.0 | 476.0 |
| Operating Grants | 24 | 9.5 | 3.0 | 7.9 | 7.9 | 8.0 | 8.0 | 8.1 | 8.1 | 8.1 | 8.2 | 76.9 |
| Investment Earnings | 25 | 0.9 | 1.3 | 3.1 | 3.0 | 2.9 | 2.9 | 2.8 | 2.8 | 2.7 | 2.6 | 25.0 |
| Capital Grants | 26 | 14.0 | 11.1 | 11.3 | 13.0 | 7.6 | 4.9 | 5.1 | 5.2 | 5.3 | 5.4 | 82.9 |
| Proceeds from Sale of Assets | 27 | 2.1 | 3.2 | 2.5 | 2.8 | 2.1 | 2.1 | 1.3 | 2.6 | 2.2 | 1.7 | 22.5 |
| Borrowings | 28 | 0.0 | 0.0 | 0.0 | 0.0 | 7.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 7.6 |
| Source of Funds | 29 | 168.4 | 166.8 | 176.5 | 184.2 | 190.0 | 185.4 | 192.4 | 199.3 | 204.9 | 210.2 | 1,878.1 |

Application of Funds

| | | | | | | | | | | | | |
|------------------------------|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Operations and Maintenance | 30 | (139.3) | (132.5) | (136.3) | (141.5) | (144.7) | (147.3) | (151.0) | (154.7) | (159.3) | (164.1) | (1,470.7) |
| Capital Expenditure: Renewal | 31 | (28.8) | (30.1) | (22.2) | (17.5) | (17.3) | (17.6) | (19.1) | (19.0) | (22.6) | (20.5) | (214.7) |
| Capital Expenditure: Upgrade | 32 | (13.0) | (16.2) | (5.0) | (12.0) | (8.0) | (5.4) | (5.5) | (5.7) | (5.8) | (5.9) | (82.5) |
| Capital Expenditure: New | 33 | (1.5) | (7.6) | (8.2) | (7.9) | (11.2) | (1.2) | (1.1) | (1.1) | (1.2) | (1.2) | (42.2) |
| Debt Service Costs | 34 | (2.5) | (1.6) | (1.1) | (1.1) | (0.1) | (1.1) | (1.0) | (1.0) | (1.1) | (1.0) | (11.7) |
| Reserves Net Transfer | 35 | 16.8 | 21.1 | (3.6) | (4.1) | (8.7) | (12.9) | (14.7) | (17.8) | (14.9) | (17.4) | (56.2) |
| Application of Funds | 36 | (168.4) | (166.8) | (176.5) | (184.2) | (190.0) | (185.4) | (192.4) | (199.3) | (204.9) | (210.2) | (1,878.1) |

| Line | Source of Funds | Description |
|------|----------------------------------|--|
| 22 | Rates | Line 1 and 2 from Operating Statement. The total rates revenue from existing households/businesses and an estimate of future growth. |
| 23 | Fees and Charges | Line 3 and 4 from Operating Statement. The total fees and charges based on existing services and projected growth from new services or assets. |
| 24 | Operating Grants | Line 5 from Operating Statement. |
| 25 | Investment Earnings | Line 6 from Operating Statement. |
| 26 | Capital Grants | Grants to be received for specific capital projects, as explained in Section 6. |
| 27 | Proceeds from Sale of Assets | The cash achieved from sale of assets, as explained in Section 6. |
| 28 | Borrowings | Cash received for loans. This is explained in Section 6. |
| 29 | Source of Funds | Sum of Lines 22 to 28. This is the total cash received by the City. |
| Line | Application of Funds | Description |
| 30 | Operations and Maintenance | Line 9 to 13 and Line 16 from Operating Statement. All cash expenses required for operation/maintenance of existing and new assets. |
| 31 | Capital Expenditure: Renewal | This represents total Capital Expenditure for the replacement or renewal of existing capital assets. |
| 32 | Capital Expenditure: Upgrade | This represents estimated Capital Expenditure required on improvement or change of use of existing assets. |
| 33 | Capital Expenditure: New | This represents estimated Capital Expenditure required on new assets. |
| 34 | Debt Service Costs | Interest Costs and repayment of principal of loans, both current and projected new loans. |
| 35 | Reserves Net Transfer | The sum of Transfers into Reserves and Transfers out of Reserves. |
| 36 | Application of Funds | Sum of Lines 30 to 35. This represents the total outgoings of the City and includes the net transfers to reserves. |
| Line | Cashflow Summary | Description |
| 37 | Cash Flow Movements for the Year | Source of Funds (Line 29) less Outgoings excluding reserves (Lines 30 to 35). This line represents the total net cashflow for the year. |
| 38 | Reserves Balance at End of Year | Previous Year's balance plus net reserves transfer in/out. |

Financial Statement 3 - Rate Setting Estimates

| | | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 | 30/31 | Total |
|--|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Line | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms |

Deficit before Rates

| | | | | | | | | | | | | |
|------------------------------------|----|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------------|
| Revenue, exluding Rates | 39 | 51.6 | 47.1 | 54.5 | 56.8 | 57.8 | 59.8 | 60.5 | 61.6 | 63.3 | 64.8 | 577.9 |
| Expenses (Cash only) | 40 | (139.6) | (132.8) | (136.4) | (141.7) | (144.8) | (147.7) | (151.3) | (155.0) | (159.6) | (164.4) | (1,473.5) |
| Deficit before Capital Expenditure | 41 | (88.0) | (85.7) | (81.9) | (84.8) | (87.0) | (88.0) | (90.8) | (93.4) | (96.3) | (99.6) | (895.6) |
| Capital Expenditure | 42 | (43.3) | (53.8) | (35.5) | (37.4) | (36.5) | (24.1) | (25.7) | (25.8) | (29.6) | (27.6) | (339.5) |
| Deficit before Rates | 43 | (131.3) | (139.5) | (117.4) | (122.3) | (123.5) | (112.1) | (116.5) | (119.2) | (125.9) | (127.3) | (1,235.1) |

Funding

| | | | | | | | | | | | | |
|--------------------------------|----|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------------|
| Opening Funds | 44 | 3.9 | 0.1 | 0.0 | (0.0) | 0.0 | 0.0 | (0.0) | (0.0) | (0.0) | (0.0) | 3.9 |
| Capital Grants | 45 | 14.0 | 11.1 | 11.3 | 13.0 | 7.6 | 4.9 | 5.1 | 5.2 | 5.3 | 5.4 | 82.9 |
| Capital Proceeds | 46 | 2.1 | 3.2 | 2.5 | 2.8 | 2.1 | 2.1 | 1.3 | 2.6 | 2.2 | 1.7 | 22.5 |
| Loans - repayment of principal | 47 | (2.2) | (1.3) | (0.9) | (1.0) | 0.0 | (0.7) | (0.7) | (0.7) | (0.7) | (0.7) | (8.9) |
| Transfer from Reserves | 48 | 39.2 | 37.4 | 25.8 | 23.9 | 19.2 | 18.8 | 19.7 | 19.1 | 20.8 | 21.5 | 245.4 |
| Transfer to Reserves | 49 | (26.3) | (16.4) | (29.4) | (28.0) | (27.9) | (31.7) | (34.4) | (36.9) | (35.8) | (38.9) | (305.6) |
| Borrowings | 50 | 0.0 | 0.0 | 0.0 | 0.0 | 7.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 7.6 |
| Closing Funds Required | 51 | (0.1) | (0.0) | 0.0 | (0.0) | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (0.1) |
| Amount to be made up by Rates | 52 | 100.8 | 105.4 | 108.2 | 111.6 | 114.8 | 118.7 | 125.5 | 129.9 | 134.1 | 138.3 | 1,187.3 |

| Line | Deficit before Rates | Description |
|------|------------------------------------|---|
| 39 | Revenue, excluding Rates | All non-rate revenue. Cash related revenue only. Line 8 (Total Operating Revenue) less Line 1 and 2 (Rates) and less Profit on Disposal (non-cash item). |
| 40 | Expenses (cash only) | Cash related revenue only. Line 20 (Total Operating Expenses) less non-cash items (Line 17, 18 and 19). |
| 41 | Deficit before Capital Expenditure | Sum of 2 lines above. |
| 42 | Capital Expenditure | As per Line 31, 32 and 33. |
| 43 | Deficit before Rates | Line 41 less Line 42. |
| | | |
| Line | Funding | Description |
| 44 | Opening Funds | Municipal cash balance from end of the previous year. |
| 45 | Capital Grants | As per Line 26. |
| 46 | Capital Proceeds | As per Line 27. |
| 47 | Loans – repayment of principal | Repayment of loans both existing and new. |
| 48 | Transfers from Reserves | Total cash transferred from Reserves to Municipal. |
| 49 | Transfer to Reserves | Total cash transferred from Municipal to Reserves. |
| 50 | Borrowings | As per line 28. |
| 51 | Closing Funds required | Closing funds required to carry into following year. Normally this would be zero, a balanced cash budget, but in the initial years there may be a need to carry forward funds into the following year |
| 52 | Amount to be made up by Rates | Amount of rates required to be raised to fund the annual budget. Line 43 less sum of Lines 44 to 51. |
| 53 | Rates % Increase | % increase of rates compared to the previous year. |

| Financial Statement 4 - Statement of Financial Position Estimates | | | | | | | | | | | | |
|---|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| OVERALL VALUES | | Jun-21 | Jun-22 | Jun-23 | Jun-24 | Jun-25 | Jun-26 | Jun-27 | Jun-28 | Jun-29 | Jun-30 | Jun-31 |
| | Notes | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms |
| Assets | | | | | | | | | | | | |
| Current Assets | 54 | 145.3 | 128.7 | 107.6 | 111.3 | 115.5 | 124.3 | 137.3 | 152.1 | 169.9 | 185.0 | 202.4 |
| Non Current Assets | 55 | 1,381.4 | 1,392.2 | 1,412.0 | 1,413.1 | 1,425.3 | 1,463.2 | 1,454.1 | 1,446.8 | 1,431.2 | 1,418.7 | 1,403.8 |
| Total Assets | 56 | 1,526.7 | 1,520.9 | 1,519.6 | 1,524.4 | 1,540.8 | 1,587.6 | 1,591.4 | 1,598.8 | 1,601.1 | 1,603.7 | 1,606.2 |
| Liabilities | | | | | | | | | | | | |
| Current Liabilities | 57 | (34.1) | (34.6) | (35.0) | (35.3) | (35.6) | (35.9) | (36.2) | (36.6) | (36.9) | (37.2) | (37.5) |
| Non Current Liabilities | 58 | (10.5) | (8.2) | (7.0) | (6.0) | (5.1) | (12.7) | (12.0) | (11.4) | (10.7) | (9.9) | (9.2) |
| Total Liabilities | 59 | (44.6) | (42.9) | (41.9) | (41.3) | (40.7) | (48.6) | (48.3) | (47.9) | (47.5) | (47.1) | (46.7) |
| Net Assets | 60 | 1,482.1 | 1,478.0 | 1,477.7 | 1,483.1 | 1,500.2 | 1,538.9 | 1,543.1 | 1,550.9 | 1,553.6 | 1,556.6 | 1,559.5 |
| Equity | | | | | | | | | | | | |
| Retained Surplus | 61 | 532.8 | 541.5 | 562.2 | 564.0 | 577.0 | 607.0 | 598.3 | 591.5 | 576.4 | 564.4 | 550.0 |
| Reserves - Cash backed | 62 | 110.8 | 97.9 | 76.9 | 80.6 | 84.7 | 93.4 | 106.3 | 120.9 | 138.7 | 153.7 | 171.0 |
| Reserves - Asset Revaluation | 63 | 838.5 | 838.5 | 838.5 | 838.5 | 838.5 | 838.5 | 838.5 | 838.5 | 838.5 | 838.5 | 838.5 |
| Equity | 64 | 1,482.1 | 1,478.0 | 1,477.7 | 1,483.1 | 1,500.2 | 1,538.9 | 1,543.1 | 1,550.9 | 1,553.6 | 1,556.6 | 1,559.5 |

| MOVEMENTS | | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 | 30/31 |
|------------------------------|------|--------|--------|-------|-------|-------|-------|-------|--------|--------|--------|
| | Line | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms |
| Assets | | | | | | | | | | | |
| Current Assets | 65 | (16.6) | (21.0) | 3.7 | 4.2 | 8.8 | 13.0 | 14.7 | 17.9 | 15.0 | 17.5 |
| Non Current Assets | 66 | 10.8 | 19.8 | 1.1 | 12.2 | 38.0 | (9.2) | (7.3) | (15.5) | (12.5) | (15.0) |
| Total Assets | 67 | (5.8) | (1.2) | 4.8 | 16.4 | 46.7 | 3.8 | 7.4 | 2.3 | 2.6 | 2.5 |
| Liabilities | | | | | | | | | | | |
| Current Liabilities | 68 | (0.5) | (0.3) | (0.3) | (0.3) | (0.3) | (0.3) | (0.3) | (0.3) | (0.3) | (0.3) |
| Non Current Liabilities | 69 | 2.2 | 1.3 | 0.9 | 1.0 | (7.6) | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| Total Liabilities | 70 | 1.7 | 1.0 | 0.6 | 0.6 | (8.0) | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 |
| Net Assets | 71 | (4.1) | (0.3) | 5.4 | 17.0 | 38.8 | 4.2 | 7.8 | 2.7 | 3.0 | 2.9 |
| Equity | | | | | | | | | | | |
| Retained Surplus | 72 | 8.8 | 20.7 | 1.8 | 12.9 | 30.1 | (8.7) | (6.9) | (15.1) | (12.0) | (14.4) |
| Reserves - Cash backed | 73 | (12.8) | (21.0) | 3.6 | 4.1 | 8.7 | 12.9 | 14.7 | 17.8 | 14.9 | 17.4 |
| Reserves - Asset Revaluation | 74 | | | | | | | | | | |
| Equity | 75 | (4.1) | (0.3) | 5.4 | 17.0 | 38.8 | 4.2 | 7.8 | 2.7 | 3.0 | 2.9 |

| Line | Overall Values | Description |
|----------------|------------------------------|---|
| 54 | Current Assets | Short term assets such as cash and debtor receivables. |
| 55 | Non-Current Assets | Fixed assets at net book value (i.e. less accumulated Depreciation). |
| 56 | Total Assets | Sum of lines 54 and 55. |
| 57 | Current Liabilities | Short term liabilities such as creditors. |
| 58 | Non-Current Liabilities | Long term liabilities such as outstanding loan principal. |
| 59 | Total Liabilities | Sum of lines 57 and 58. |
| 60 | Net Assets | Line 56 less line 59. |
| 61 | Retained Surplus | Cumulative retained surpluses generated since the inception of the City. |
| 62 | Reserves – Cash backed | Cash held in reserves established for specific purposes. |
| 63 | Reserves – Asset Revaluation | Increased book value (i.e. not cash) of assets resulting from revaluations. |
| 64 | Equity | Sum of Lines 61 to Line 63. |
| | | |
| Lines 65 to 75 | | Summary of the movements in assets, liabilities and equity (lines 54 to 64) between successive years. |

CRITICAL ASSUMPTIONS

#1 Applies to most fees and charges but there are several items (e.g. Building Fees) with separate assumptions

[illegible]

[illegible]

| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Capital Expenditure and Capital Grants | | | | | | | | | | |
| All Other Capital | | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Road and Bridge Construction | | | 2.50% | 2.50% | 2.25% | 2.25% | 2.50% | 2.50% | 2.50% | 2.50% |
| Non Residential Building | | | 2.50% | 2.50% | 2.00% | 2.00% | 2.50% | 2.50% | 2.50% | 2.50% |
| Grants and Disposal Proceeds | | | | | | | | | | |
| Capital Grants | | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Financing | | | | | | | | | | |
| Cash Reserves earnings | | 0.75% | 2.16% | 2.00% | 1.85% | 1.69% | 1.54% | 1.38% | 1.23% | 1.07% |
| Borrowings Fixed Term - 5 Years | 3.54% | 3.35% | 3.16% | 3.00% | 2.85% | 2.69% | 2.54% | 2.38% | 2.23% | 2.07% |
| Borrowings Fixed Term - 10 Years | 3.93% | 3.66% | 3.43% | 3.32% | 3.21% | 3.10% | 2.99% | 2.88% | 2.77% | 2.66% |
| Borrowings Fixed Term - 15 Years | 4.19% | 3.92% | 3.70% | 3.61% | 3.52% | 3.42% | 3.33% | 3.24% | 3.15% | 3.06% |
| Borrowings Fixed Term - 20 Years | 4.37% | 4.10% | 3.88% | 3.80% | 3.72% | 3.64% | 3.56% | 3.48% | 3.40% | 3.32% |

| Supporting Schedule 2 - Capital Expenditure by Asset Type and Cause | | | | | | | | | | | |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------------|
| by Asset Class | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 | 30/31 | Total |
| | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms |
| By Type - Including Escalation | | | | | | | | | | | |
| Capital Works Program | (31.4) | (33.9) | (21.0) | (21.5) | (22.1) | (22.6) | (23.2) | (23.8) | (24.4) | (25.0) | (248.9) |
| Other Regular Capital programs | (6.0) | (4.6) | (3.7) | (2.1) | (1.5) | (1.4) | (1.9) | (0.7) | (2.2) | (2.7) | (26.9) |
| Major Projects | (5.9) | (15.3) | (10.8) | (13.8) | (12.9) | (0.1) | (0.6) | (1.4) | (3.0) | 0.0 | (63.7) |
| Total, including Escalation | (11.9) | (19.9) | (14.5) | (15.9) | (14.5) | (1.5) | (2.5) | (2.1) | (5.2) | (2.7) | (90.6) |
| By Cause - Including Escalation | | | | | | | | | | | |
| Renewal | (28.8) | (30.1) | (22.2) | (17.5) | (17.3) | (17.6) | (19.1) | (19.0) | (22.6) | (20.5) | (214.7) |
| Upgrades | (13.0) | (16.2) | (5.0) | (12.0) | (8.0) | (5.4) | (5.5) | (5.7) | (5.8) | (5.9) | (82.5) |
| New | (1.5) | (7.6) | (8.2) | (7.9) | (11.2) | (1.2) | (1.1) | (1.1) | (1.2) | (1.2) | (42.2) |
| Total, including Escalation | (43.3) | (53.8) | (35.5) | (37.4) | (36.5) | (24.1) | (25.7) | (25.8) | (29.6) | (27.6) | (339.5) |
| Renewal / Upgrade / New | % | % | % | % | % | % | % | % | % | % | % |
| Renewal % | 67% | 56% | 63% | 47% | 47% | 73% | 74% | 74% | 76% | 74% | 63% |
| Upgrade % | 30% | 30% | 14% | 32% | 22% | 22% | 21% | 22% | 20% | 22% | 24% |
| New % | 3% | 14% | 23% | 21% | 31% | 5% | 4% | 4% | 4% | 4% | 12% |

Supporting Schedule 3 - Major Projects Assumptions

| Major Project | | Year #1 | Cost #2 | Purpose | Source of Estimate | Funding Sources |
|---------------|---|---------|----------|--|--|--|
| 1 | Joondalup City Centre Development - Boas Place | 2022/23 | (\$0.1) | Project Costs required to working with a proponent for City Centre Development | Project Costs only included at this stage | Municipal. Future land proceeds may offset initial costs of project. |
| 2 | Cafes / Kiosks / Restaurants - Pinnaroo Point | 2022/23 | (\$0.6) | Service Provision and Project Costs. New facility built by operator | Service Provision based on QS Estimate | Municipal and Reserves |
| 3 | Percy Doyle Skate Park | 2022/23 | (\$0.2) | Concept designs | Council Report April 2022 | Percy Doyle Infrastructure Reserve Fund |
| 4 | Joondalup Administration Building - refurbishment | 2022/23 | (\$0.7) | Refurbishment of Admin Building | Some works require further scoping | Municipal and Reserves |
| 5 | Chichester Park Redevelopment | 2022/23 | (\$5.2) | Redevelopment of existing facilities. | Council approved Nov 2018 | Grants and Reserves |
| 6 | Craigie LC Refurbishment Phase 1 | 2022/23 | (\$8.3) | Refurbishment of facilities to meet future requirements. | Approved Council Report December 2019 | Reserves and Municipal |
| 7 | Ocean Reef Marina - Clubsite & commercial dev't | 2022/23 | (\$3.5) | Contribution to club-site | Council report March 2022 | Reserve and repayment by Club |
| 8 | Burns Beach Coastal Node redevelopment | 2024/25 | (\$3.4) | Redevelopment of area, works required to support Café / Restaurant | Report to MPFC - Sept 2020 | Reserve and municipal |
| 9 | Burns Beach Café Restaurant | 2024/25 | (\$3.9) | Construction Costs, Service Provision, Project Costs | Report to MPFC - Sept 2020 | Reserve |
| 10 | Sorrento Surf Life Saving Club Redevelopment | 2025/26 | (\$14.0) | Redevelopment of existing facilities. | Council approved Nov 2018 | Grants and Reserves |
| 11 | Multi Storey Car Park (2) | 2025/26 | (\$17.1) | Second Multi Storey Car Park in City Centre. | Based on capital costs of Reid Promenade Multi Storey Car Park | Reserves and loan if insufficient reserves |
| 12 | Ocean Reef Marina | 2026/27 | (\$0.5) | Project costs to work with State to develop Ocean Reef Marina | Estimated Project Costs | Municipal |
| 13 | Calectasia Hall / Greenwood Scout and Guide Hall | 2029/30 | (\$5.0) | Facility Redevelopment | Active Reserve and Community Facilities Review December 2017 | Municipal |
| TOTAL | | | (\$62.7) | | | |

Supporting Schedule 4 - Reserves

| | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 | 30/31 | Total |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms |

Strategic Asset Reserve

| | | | | | | | | | | | |
|-----------------------|-------|--------|-------|-------|-----|------|------|------|------|------|---------------|
| Opening Balance | 14.7 | 7.3 | 4.9 | 7.2 | 8.1 | 9.9 | 14.7 | 21.6 | 31.6 | 39.7 | 14.7 |
| Transfer to Reserve | 0.0 | 9.3 | 6.6 | 1.8 | 1.8 | 4.8 | 6.9 | 10.0 | 8.1 | 10.1 | 59.4 |
| Transfer from Reserve | (7.5) | (11.7) | (4.3) | (0.9) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (24.4) |
| Closing Balance | 7.3 | 4.9 | 7.2 | 8.1 | 9.9 | 14.7 | 21.6 | 31.6 | 39.7 | 49.8 | 49.8 |

Asset Renewal Reserve

| | | | | | | | | | | | |
|-----------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------------|
| Opening Balance | 29.4 | 33.0 | 19.9 | 16.7 | 20.2 | 22.7 | 25.9 | 30.2 | 33.5 | 36.5 | 29.4 |
| Transfer to Reserve | 11.2 | 0.4 | 16.7 | 20.2 | 19.3 | 20.2 | 22.3 | 20.6 | 22.0 | 23.8 | 176.6 |
| Transfer from Reserve | (7.6) | (13.6) | (19.9) | (16.7) | (16.7) | (17.0) | (17.9) | (17.3) | (19.0) | (19.7) | (165.4) |
| Closing Balance | 33.0 | 19.9 | 16.7 | 20.2 | 22.7 | 25.9 | 30.2 | 33.5 | 36.5 | 40.5 | 40.5 |

Sale of Tamala Park Land

| | | | | | | | | | | | |
|-----------------------|------|------|------|------|------|------|------|------|------|------|-------------|
| Opening Balance | 16.2 | 18.0 | 19.5 | 21.6 | 24.3 | 26.7 | 28.9 | 30.4 | 33.3 | 35.6 | 16.2 |
| Transfer to Reserve | 1.7 | 1.5 | 2.1 | 2.8 | 2.3 | 2.3 | 1.5 | 2.9 | 2.3 | 1.6 | 20.9 |
| Transfer from Reserve | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Closing Balance | 18.0 | 19.5 | 21.6 | 24.3 | 26.7 | 28.9 | 30.4 | 33.3 | 35.6 | 37.1 | 37.1 |

Joondalup Performing Arts and Culture Facility

| | | | | | | | | | | | |
|-----------------------|------|------|------|------|------|------|------|------|------|------|-------------|
| Opening Balance | 17.0 | 17.0 | 17.2 | 17.5 | 17.9 | 18.2 | 18.5 | 18.8 | 19.1 | 19.3 | 17.0 |
| Transfer to Reserve | 0.1 | 0.1 | 0.4 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 2.5 |
| Transfer from Reserve | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Closing Balance | 17.0 | 17.2 | 17.5 | 17.9 | 18.2 | 18.5 | 18.8 | 19.1 | 19.3 | 19.5 | 19.5 |

Parking Facility

| | | | | | | | | | | | |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------------|
| Opening Balance | 3.4 | 3.9 | 5.2 | 5.0 | 0.1 | 0.0 | 0.5 | 1.1 | 1.9 | 2.9 | 3.4 |
| Transfer to Reserve | 1.5 | 2.3 | 1.3 | 1.3 | 2.4 | 2.3 | 2.4 | 2.6 | 2.8 | 2.9 | 21.8 |
| Transfer from Reserve | (1.0) | (1.0) | (1.4) | (6.3) | (2.4) | (1.8) | (1.8) | (1.8) | (1.8) | (1.8) | (21.2) |
| Closing Balance | 3.9 | 5.2 | 5.0 | 0.1 | 0.0 | 0.5 | 1.1 | 1.9 | 2.9 | 4.0 | 4.0 |

| Supporting Schedule 4 - Reserves | | | | | | | | | | | |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 | 30/31 | Total |
| | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms |

Percy Doyle Infrastructure Reserve Fund

| | | | | | | | | | | | |
|-----------------------|-----|-------|-----|-----|-----|-----|-----|-----|-----|-----|--------------|
| Opening Balance | 0.1 | 0.1 | 0.2 | 0.4 | 0.6 | 0.8 | 1.0 | 1.2 | 1.3 | 1.5 | 0.1 |
| Transfer to Reserve | 0.0 | 0.4 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 1.8 |
| Transfer from Reserve | 0.0 | (0.2) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.2) |
| Closing Balance | 0.1 | 0.2 | 0.4 | 0.6 | 0.8 | 1.0 | 1.2 | 1.3 | 1.5 | 1.7 | 1.7 |

Capital Works Going Forward

| | | | | | | | | | | | |
|-----------------------|-------|--------|-------|-----|-----|-----|-----|-----|-----|-----|---------------|
| Opening Balance | 10.7 | 10.9 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 10.7 |
| Transfer to Reserve | 8.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 8.9 |
| Transfer from Reserve | (8.7) | (10.7) | (0.2) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (19.6) |
| Closing Balance | 10.9 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Waste Management

| | | | | | | | | | | | |
|-----------------------|--------|-----|-----|------|------|------|------|------|------|------|---------------|
| Opening Balance | 16.2 | 4.7 | 7.0 | 9.1 | 10.5 | 12.1 | 13.6 | 14.5 | 14.7 | 14.9 | 16.2 |
| Transfer to Reserve | 2.7 | 2.3 | 2.1 | 1.4 | 1.6 | 1.5 | 0.9 | 0.2 | 0.2 | 0.2 | 13.0 |
| Transfer from Reserve | (14.2) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (14.2) |
| Closing Balance | 4.7 | 7.0 | 9.1 | 10.5 | 12.1 | 13.6 | 14.5 | 14.7 | 14.9 | 15.0 | 15.0 |

Non Current LS Leave Reserve

| | | | | | | | | | | | |
|-----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------------|
| Opening Balance | 1.2 | 1.3 | 1.4 | 1.5 | 1.5 | 1.5 | 1.6 | 1.6 | 1.6 | 1.6 | 1.2 |
| Transfer to Reserve | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 |
| Transfer from Reserve | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Closing Balance | 1.3 | 1.4 | 1.5 | 1.5 | 1.5 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 |

Public Art Reserve

| | | | | | | | | | | | |
|-----------------------|-----|-------|-----|-----|-----|-----|-----|-----|-----|-----|--------------|
| Opening Balance | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Transfer to Reserve | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Transfer from Reserve | 0.0 | (0.1) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.1) |
| Closing Balance | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |

Supporting Schedule 4 - Reserves

| | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 | 30/31 | Total |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms | \$ms |

Marmion Car Park Reserve

| | | | | | | | | | | | |
|-----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------------|
| Opening Balance | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Transfer to Reserve | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transfer from Reserve | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Closing Balance | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |

Cash in Lieu of Parking Reserve

| | | | | | | | | | | | |
|-----------------------|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------------|
| Opening Balance | 1.4 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.3 | 1.3 | 1.3 | 1.4 |
| Transfer to Reserve | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| Transfer from Reserve | (0.2) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.2) |
| Closing Balance | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 |

Trust Fund

| | | | | | | | | | | | |
|-----------------------|-------|-------|-----|-----|-----|-----|-----|-----|-----|-----|--------------|
| Opening Balance | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 |
| Transfer to Reserve | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transfer from Reserve | (0.0) | (0.1) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.1) |
| Closing Balance | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |

Minor Reserves

| | | | | | | | | | | | |
|-----------------------|-------|-------|-----|-----|-----|-----|-----|-----|-----|-----|--------------|
| Opening Balance | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transfer to Reserve | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transfer from Reserve | (0.0) | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) |
| Closing Balance | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Total

| | | | | | | | | | | | |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------------|
| Opening Balance | 111.0 | 98.1 | 77.2 | 80.8 | 84.9 | 93.6 | 106.5 | 121.1 | 138.9 | 153.9 | 111.0 |
| Transfer to Reserve | 26.3 | 16.4 | 29.4 | 28.0 | 27.9 | 31.7 | 34.4 | 36.9 | 35.8 | 38.9 | 305.6 |
| Transfer from Reserve | (39.2) | (37.4) | (25.8) | (23.9) | (19.2) | (18.8) | (19.7) | (19.1) | (20.8) | (21.5) | (245.4) |
| Closing Balance | 98.1 | 77.2 | 80.8 | 84.9 | 93.6 | 106.5 | 121.1 | 138.9 | 153.9 | 171.2 | 171.2 |





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