

20 YEAR PLAN - RATE SETTING

Version:28.06.19

Used for MPFC 15th July 2019

APPENDIX 4  
ATTACHMENT 1

Table 1 - Key Income & Cost Assumptions	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Average
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	
1 Rate % Increase	%	2.95%	2.25%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	3.5%	2.5%	3.0%	3.0%	2.5%	3.5%	2.5%	2.7%
2 Fees and Charges / Other: Base	%		0.5%	1.7%	2.4%	2.7%	3.2%	3.1%	3.3%	3.6%	3.1%	3.2%	3.1%	3.1%	3.5%	3.3%	3.2%	3.2%	3.5%	3.2%	3.1%
3 Employment Costs: Base	%		1.5%	2.0%	2.8%	3.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.2%
4 Materials and Contracts: Base	%		-1.8%	2.0%	2.2%	2.5%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.0%

Table 2 - Ratios			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
			2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	Average
1 Operating Surplus Ratio %	For Year	%	(4.7%)	0.2%	0.1%	0.9%	1.4%	1.5%	1.3%	1.9%	2.8%	2.5%	2.6%	2.2%	1.5%	1.4%	1.0%	1.1%	0.9%	0.0%	(0.2%)	(0.9%)	0.88%
2 Asset Sustainability Ratio %	For Year	%	63.5%	68.7%	56.0%	65.9%	55.5%	41.2%	47.7%	41.6%	39.1%	45.5%	46.0%	53.2%	46.4%	42.9%	40.8%	38.3%	37.6%	39.3%	41.0%	41.9%	47.6%
3 Debt Service Coverage Ratio	Ratio for Year		6.5	8.2	11.4	16.0	26.4	24.1	24.5	5.7	6.2	37.8	40.3	41.6	42.7	45.1	46.7	49.5	51.8	1,827.3	3,703.7	3,778.9	489.7
Fall below Score of 5, Five Years in a Row			No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	

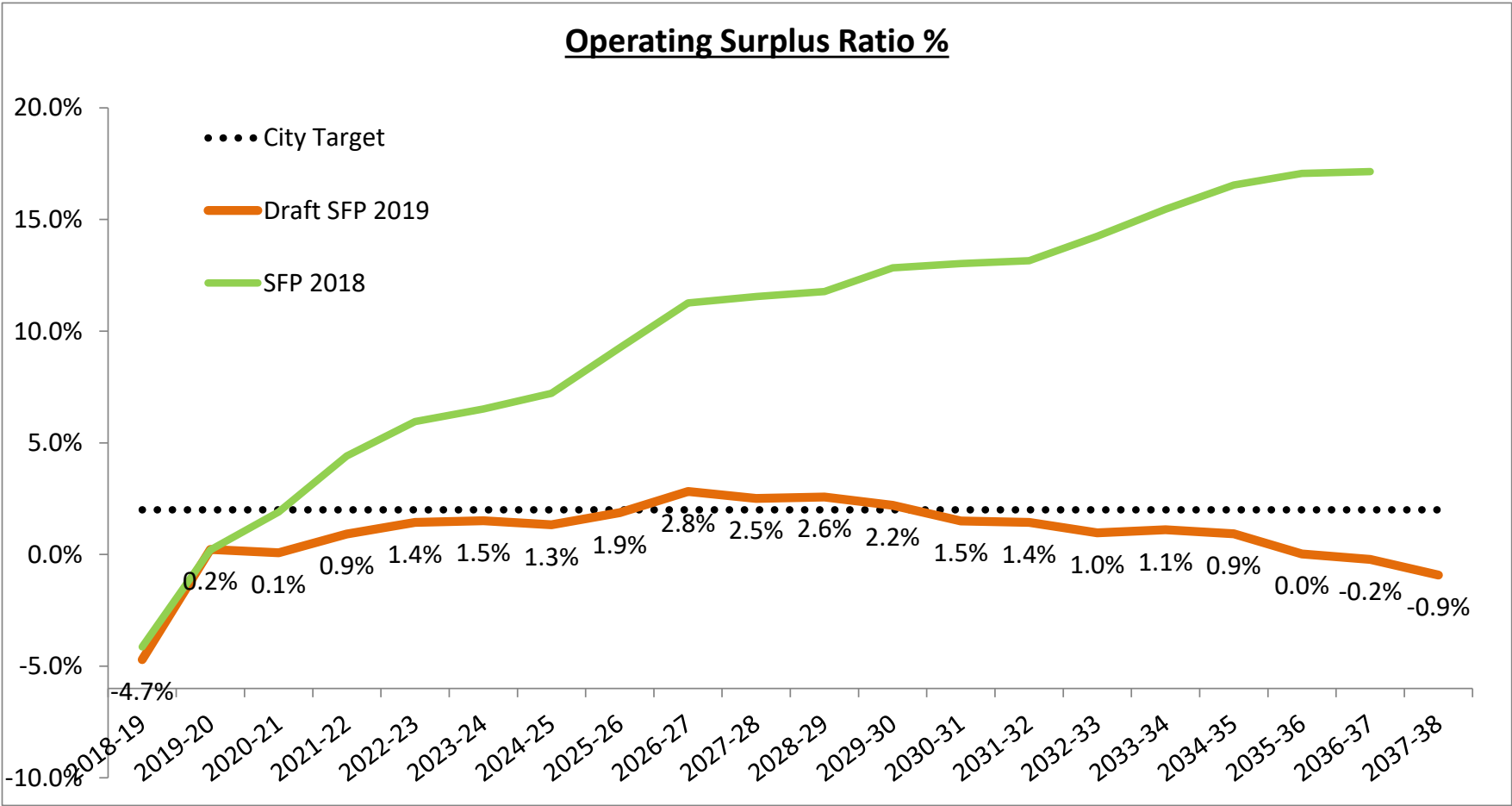
Table 3 - 20 Year Rate Setting Statement		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Total
		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	
<b>OPERATING INCOME</b>																						
1 Rates: Base	\$000s	101,393	103,859	106,712	109,380	112,114	114,917	117,790	120,735	123,753	126,847	130,018	133,269	136,601	141,382	144,916	149,264	153,742	157,585	163,164	167,243	2,614,685
2 Rates: Growth	\$000s		250	464	1,125	1,938	2,611	3,264	5,835	8,013	9,173	9,859	10,540	11,315	12,158	12,901	13,750	14,658	15,620	16,685	17,643	167,803
3 Fees and Charges / Other: Base	\$000s	42,473	42,702	43,425	44,477	45,700	46,940	48,451	49,930	51,585	53,451	55,106	56,888	58,662	60,498	62,639	64,678	66,716	68,826	71,218	73,510	1,107,872
4 Fees and Charges / Other: Growth	\$000s			(520)	513	701	711	1,140	1,967	2,023	2,302	5,009	5,212	5,408	5,627	5,809	5,997	6,191	6,391	6,597	6,810	67,889
5 Operating Grants & Subsidies, Cont's & Reimb's	\$000s	3,237	6,827	6,837	6,847	6,858	6,868	6,879	6,889	6,900	6,911	6,922	6,933	6,944	6,955	6,967	6,978	6,990	7,002	7,014	7,026	134,784
6 Interest: Reserves	\$000s	1,535	1,678	1,825	2,242	2,858	3,644	4,489	5,607	6,896	8,052	9,672	10,636	11,123	11,775	12,594	14,165	15,122	15,343	15,453	16,325	171,035
7 Interest: Municipal	\$000s	2,877	1,990	1,559	1,804	2,059	2,328	2,625	2,906	3,308	3,605	3,786	3,840	3,973	4,044	4,309	4,418	4,477	4,511	4,613	4,659	67,690
8 Profit on Disposal	\$000s	504	89																			593
A Operating Income	\$000s	152,019	157,395	160,302	166,390	172,228	178,019	184,638	193,869	202,478	210,342	220,373	227,317	234,026	242,440	250,135	259,250	267,894	275,277	284,743	293,215	4,332,350
<b>OPERATING EXPENSES</b>																						
9 Employment Costs: Base	\$000s	(64,564)	(65,188)	(66,491)	(68,313)	(70,355)	(72,466)	(74,647)	(77,260)	(79,964)	(82,763)	(85,660)	(88,658)	(91,761)	(94,972)	(98,296)	(101,737)	(105,297)	(108,983)	(112,797)	(116,745)	(1,726,917)
10 Employment Costs: Growth	\$000s			(39)	(86)	(317)	(498)	(930)	(1,569)	(1,624)	(2,076)	(3,711)	(3,841)	(3,976)	(4,115)	(4,259)	(4,408)	(4,562)	(4,722)	(4,887)	(5,058)	(50,679)
11 Materials and Contracts: Base	\$000s	(51,997)	(51,053)	(52,071)	(53,235)	(54,552)	(56,165)	(58,096)	(60,094)	(62,161)	(64,300)	(66,513)	(68,803)	(71,172)	(73,624)	(76,160)	(78,785)	(81,501)	(84,311)	(87,219)	(90,227)	(1,342,041)
12 Materials and Contracts: Growth	\$000s			(333)	(391)	(590)	(470)	(774)	(1,128)	(1,194)	(1,910)	(2,233)	(2,341)	(2,453)	(2,571)	(2,693)	(2,800)	(2,911)	(3,027)	(3,147)	(3,271)	(34,237)
13 Utilities: Base	\$000s	(5,754)	(5,979)	(6,177)	(6,384)	(6,600)	(6,866)	(7,143)	(7,432)	(7,733)	(8,047)	(8,374)	(8,715)	(9,071)	(9,442)	(9,828)	(10,232)	(10,652)	(11,091)	(11,549)	(12,026)	(169,093)
14 Utilities: Growth	\$000s			13	35	58	60	25	25	26	(40)	(182)	(189)	(197)	(205)	(213)	(222)	(231)	(241)	(251)	(261)	(1,991)
15 Interest on Borrowings: Existing	\$000s	(479)	(558)	(384)	(314)	(262)	(226)	(189)	(161)	(150)	(139)	(127)	(115)	(102)	(89)	(75)	(61)	(47)	(32)	(16)		(3,525)
16 Interest on Borrowings: New	\$000s				(12)	(221)	(433)	(471)	(883)	(618)	(325)	(289)	(252)	(213)	(173)	(131)	(88)	(43)	0	0	0	(4,153)
17 Insurance Expenses	\$000s	(1,405)	(1,405)	(1,434)	(1,462)	(1,491)	(1,521)	(1,575)	(1,630)	(1,687)	(1,746)	(1,807)	(1,870)	(1,935)	(2,003)	(2,073)	(2,146)	(2,221)	(2,299)	(2,379)	(2,462)	(36,551)
18 Depreciation: Existing	\$000s	(30,432)	(30,990)	(31,340)	(32,046)	(32,847)	(33,832)	(35,016)	(36,242)	(37,510)	(38,823)	(40,182)	(41,588)	(43,044)	(44,550)	(46,110)	(47,723)	(49,394)	(51,123)	(52,912)	(54,764)	(810,467)
19 Depreciation: New	\$000s			(377)	(741)	(1,048)	(1,342)	(1,726)	(2,194)	(2,470)	(3,127)	(3,791)	(4,021)	(4,551)	(5,095)	(5,652)	(5,903)	(6,164)	(6,863)	(7,586)	(8,334)	(70,983)
20 Loss on Disposal	\$000s	(4,433)	(1,882)	(1,546)	(1,980)	(1,620)	(1,668)	(1,727)	(1,787)	(1,850)	(1,915)	(1,982)	(2,051)	(2,123)	(2,197)	(2,274)	(2,354)	(2,436)	(2,521)	(2,609)	(2,701)	(43,656)
B Operating Expenses	\$000s	(159,064)	(157,055)	(160,178)	(164,929)	(169,845)	(175,427)	(182,268)	(190,355)	(196,935)	(205,209)	(214,851)	(222,444)	(230,598)	(239,036)	(247,766)	(256,459)	(265,460)	(275,211)	(285,351)	(295,850)	(4,294,292)
C Operating Surplus / (Deficit)	A+B	\$000s	(7,045)	341	124	1,461	2,593	2,370	3,514	5,543	5,133	5,522	4,873	3,428	3,404	2,369	2,791	2,434	66	(609)	(2,635)	38,058
D Non Cash Items (Depn, Profit & Loss on Disposals)	\$000s	(34,081)	(32,883)	(33,263)	(34,767)	(35,514)	(36,842)	(38,469)	(40,223)	(41,830)	(43,864)	(45,955)	(47,660)	(49,718)	(51,843)	(54,035)	(55,980)	(57,994)	(60,506)	(63,107)	(65,798)	(924,333)
E Operating Cashflow	C-D	\$000s	27,036	33,224	33,387	36,228	37,897	40,838	43,737	47,373	48,997	51,477	52,533	53,146	55,247	56,404	58,771	60,428	60,572	62,498	63,163	962,391
<b>CAPITAL EXPENDITURE &amp; LOAN PAYMENTS</b>																						
21 Capital Expenditure: Renewal	\$000s	(19,326)	(21,295)	(17,765)	(21,618)	(18,807)	(14,505)	(17,537)	(15,987)	(15,635)	(19,077)	(20,212)	(24,251)	(22,075)	(21,286)	(21,106)	(20,521)	(20,870)	(22,793)	(24,776)	(26,450)	(405,891)
22 Capital Expenditure: Upgrade	\$000s	(7,262)	(13,051)	(9,669)	(11,495)	(8,376)	(8,659)	(12,484)	(12,818)	(8,564)	(8,864)	(9,174)	(9,495)	(9,827)	(9,707)	(10,047)	(10,399)	(10,763)	(11,139)	(11,529)	(11,933)	(205,254)
23 Capital Expenditure: New	\$000s	(7,251)	(6,426)	(8,849)	(5,364)	(7,532)	(13,431)	(14,808)	(1,472)	(31,024)	(31,077)	(1,632)	(21,180)	(21,922)	(22,689)	(1,873)	(1,939)	(30,595)	(31,666)	(32,774)	(2,225)	(295,729)
24 Capital Grants	\$000s	6,840	5,375	5,128	6,671	5,605	5,814	5,678	5,876	19,610	19,789	5,474	5,666	5,864	6,069	6,282	6,502	6,729	6,965	7,208	7,461	150,605
25 Loan Repayment Principal: Existing	\$000s	(3,202)	(3,324)	(2,446)	(1,837)	(910)	(936)	(963)														(13,616)
26 Loan Repayment Principal: New	\$000s								(6,498)	(6,727)	(793)	(823)	(855)	(887)	(921)	(956)	(993)	(1,031)	(0)	(0)	(0)	(20,484)
F Capital Expenditure/Grants & Loan Repayments	\$000s	(30,201)	(38,721)	(33,601)	(33,643)	(30,019)	(31,716)	(40,114)	(30,899)	(42,340)	(40,022)	(26,367)	(50,115)	(48,847)	(48,534)	(27,700)	(27,349)	(56,529)	(58,633)	(61,871)	(33,147)	(790,369)
G Surplus / (Deficit) after Capital & Loan Repayments	E+F	\$000s	(3,165)	(5,497)	(215)	2,585	7,719	725	12,838	5,033	8,975	25,110	2,419	4,298	6,713	28,704	31,422	3,899	1,938	627	30,016	172,022
<b>RESERVES, PROCEEDS AND BORROWINGS</b>																						
27 Disposal Proceeds	\$000s	3,089	3,679	962	7,109	693	2,387	3,021	11,070	10,518	5,519	5,454	5,544	8,939	6,850	783	2,798	561	926	1,304	1,644	82,850
28 Reserves: Transfer From	\$000s	18,098	15,142	23,259	16,801	12,415	15,131	17,427	14,024	26,270	27,422	13,851	36,395	33,467	34,638	14,240	14,108	43,131	44,640	46,203	16,124	482,786
29 Reserves: Transfer To	\$000s	(20,877)	(14,548)	(24,354)	(26,875)	(27,177)	(30,391)	(29,930)	(37,932)	(41,821)	(41,916)	(44,414)	(44,358)	(46,704)	(48,201)	(43,727)	(48,329)	(47,591)	(47,505)	(48,134)	(47,784)	(762,570)
30 Borrowings	\$000s				380	6,192	5,154	8,758										0				20,484
H Municipal Cashflow Movements for Year	G+23:30	\$000s	(2,855)	(1,224)	(349)				(0)	0			0		(0)		(0)	0				(4,428)
I Municipal Cash Opening Balance	\$000s	4,428	1,573	349	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	0	(0)	(0)	(0)	(0)	(0)	(0)	4,428
J Municipal Cash Closing Balance	\$000s	1,573	349	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
<b>TREASURY</b>																						
K Reserves Closing Balance	\$000s	78,861	78,267	79,363	89,437	104,199	119,459	131,962	155,871	171,422	185,915	216,479	224,442	237,679	251,242	280,729	314,949	319,410	322,274	324,205	355,865	355,865
L Cash Closing Balance (Reserves & Municipal)	\$000s	80,434	78,616	79,363	89,437	104,199	119,459	131,962	155,871	171,422	185,915	216,479	224,442	237,679	251,242	280,729	314,949	319,410	322,274	324,205	355,865	355,865
M Borrowings: Principal Owing at end of Year	\$000s	(10,414)	(7,090)	(4,644)	(3,187)	(8,470)	(12,688)	(20,483)	(13,986)	(7,259)	(6,466)	(5,643)	(4,788)	(3,901)	(2,980)	(2,023)	(1,031)	0	0	0	0	0
N Cash Held less Borrowings Owing	\$000s	70,020	71,526	74,718	86,249	95,729	106,771</															

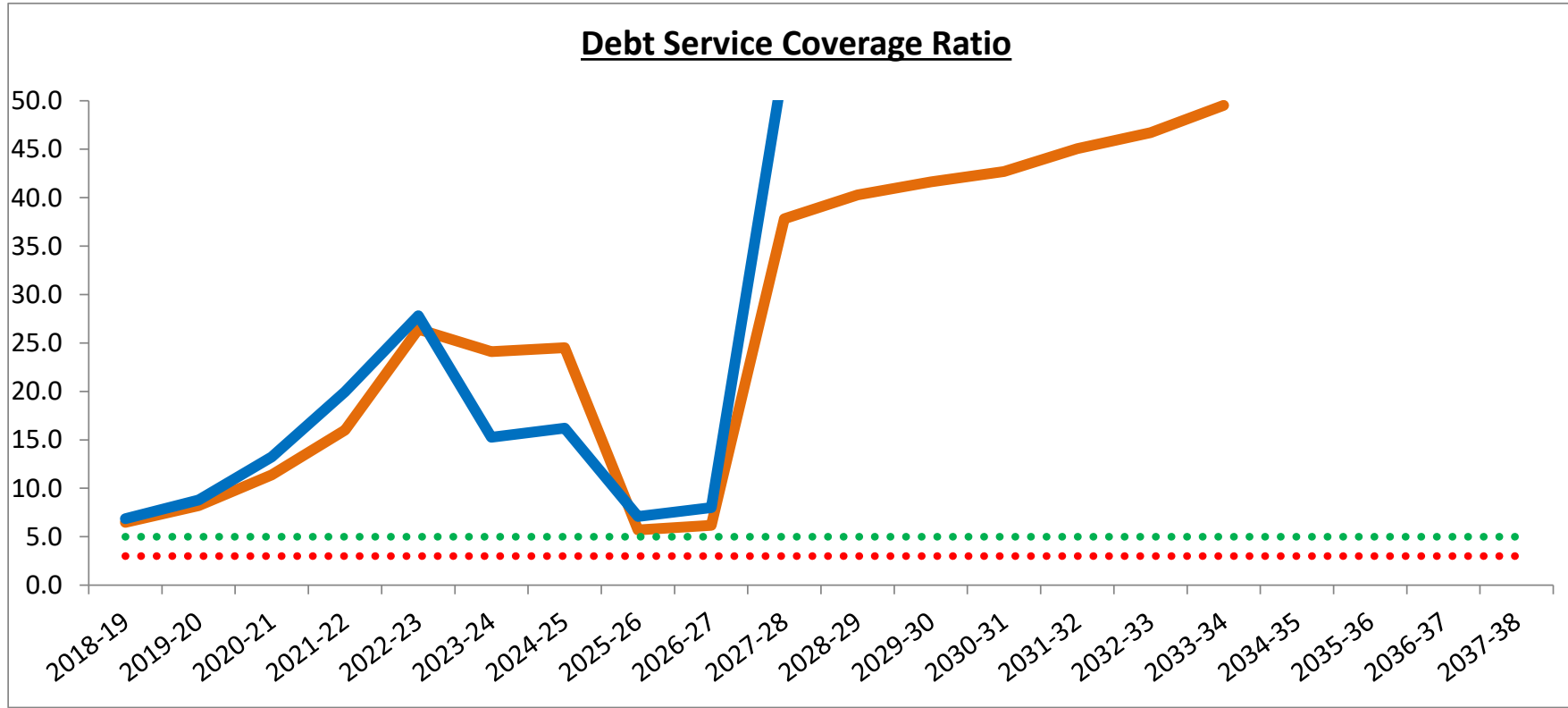
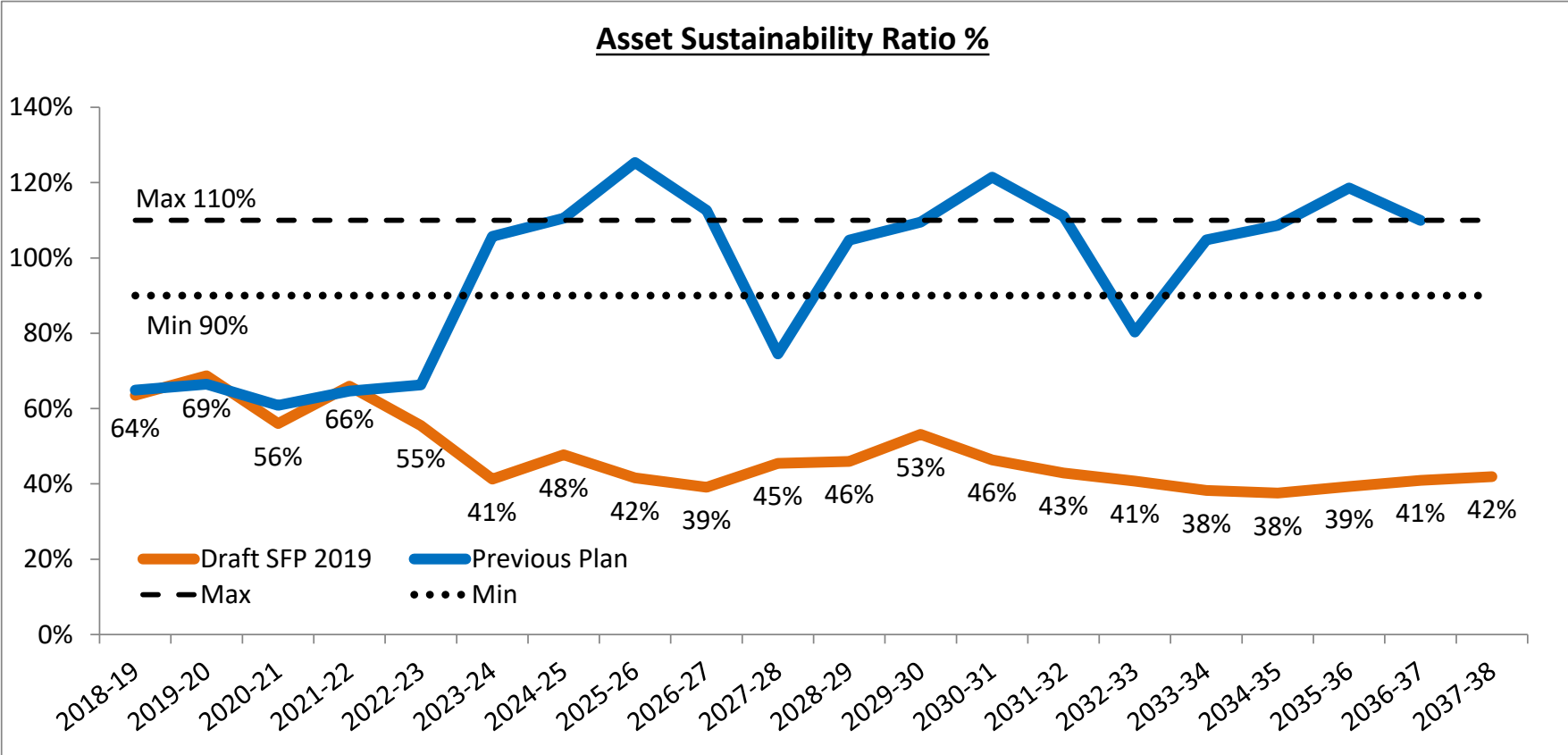
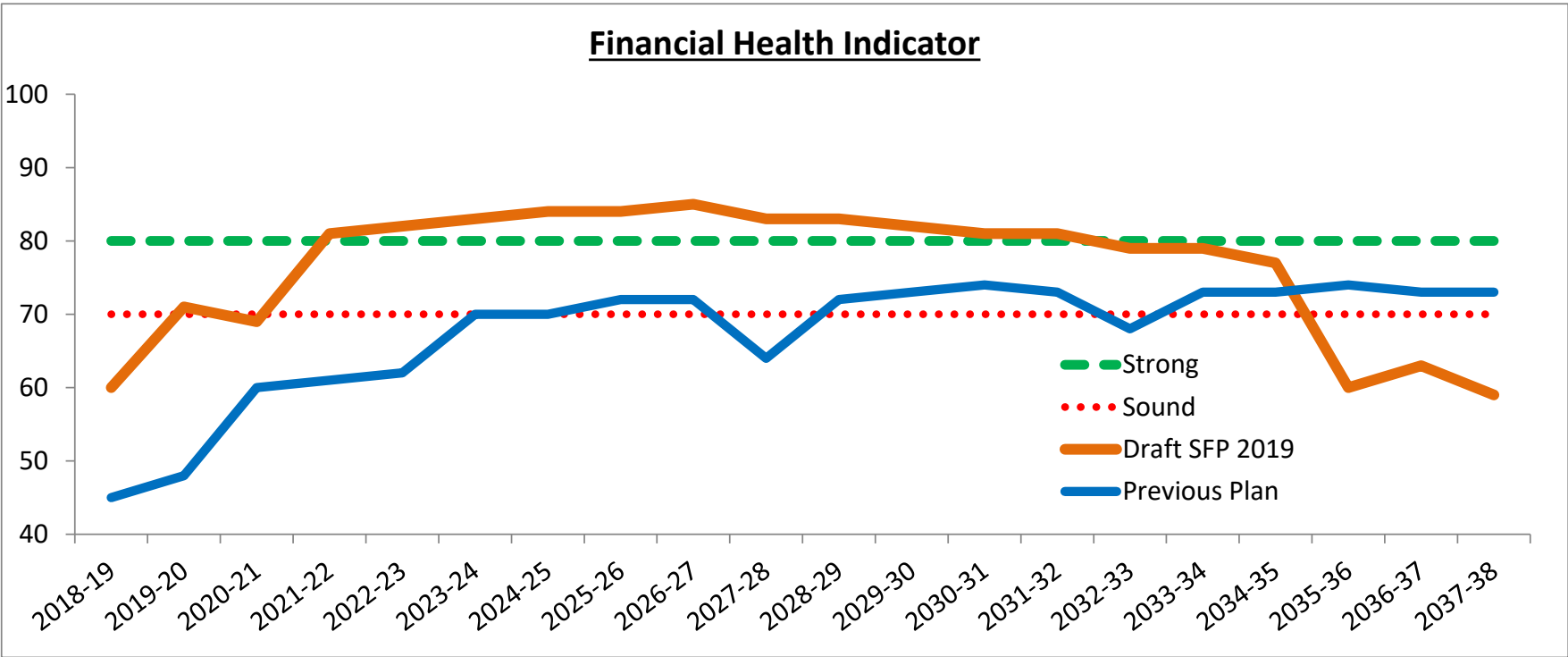


KEY RATIOS SUMMARY

Version:		28.06.19		Used for MPFC 15th July 2019		
KEY RATIOS		Target Range		Updated SFP		Previous
		Low	High	Number of Years within Tolerance	Number of Years Outside Tolerance	Aug 18 Draft versus Prev
1	Operating Surplus Ratio %	2.0%		4	16	14 -10
2	Asset Sustainability Ratio %	90.0%	110.0%	0	20	12 -12
3	Debt Service Coverage Ratio	3.0	>5	20	0	20 0
Total				24	36	46 -22

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)	74	54	20	
2	Borrowings	20 Year Total (\$m)	\$20.5	\$25.4	(\$4.9)	
3	Cash Held less Borrowings Owing:	at end of 2037-38 \$ms	\$355.9	\$357.6	(\$1.7)	
4	Rates % Increase:	Average Increase Years 1 to 5	2.5%	3.2%	-0.7%	
5	Operating Surplus Ratio:	What Year is target first achieved?	2026-27	2023-24		
6	Operating Surplus Ratio:	Average Years 1 to 10	0.8%	3.8%	-3.0%	





Version:

**28.06.19**

**Used for MPFC 15th July 2019**

## ASSUMPTIONS

<u>Yr 1</u>	<u>Yr 2</u>	<u>Yr 3</u>	<u>Yr 4</u>	<u>Yr 5</u>	<u>Yr 6</u>	<u>Yr 7</u>	<u>Yr 8</u>	<u>Yr 9</u>	<u>Yr10</u>	<u>Yr11</u>	<u>Yr12</u>	<u>Yr13</u>	<u>Yr14</u>	<u>Yr15</u>	<u>Yr16</u>	<u>Yr17</u>	<u>Yr18</u>	<u>Yr19</u>	<u>Yr20</u>	<u>Average</u>
<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>	<u>2029-30</u>	<u>2030-31</u>	<u>2031-32</u>	<u>2032-33</u>	<u>2033-34</u>	<u>2034-35</u>	<u>2035-36</u>	<u>2036-37</u>	<u>2037-38</u>	

## Section 1 - External Environment

### a) Local Government Cost Index

Wages Price Index	WALGA Economic Update May 2019	%	1.60%	2.75%	3.00%
Road & Bridge Construction	WALGA Economic Update May 2019	%	2.00%	1.25%	1.50%
Non Residential Building	WALGA Economic Update May 2019	%		1.40%	1.40%
Other Costs (Perth CPI)	WALGA Economic Update May 2019	%	1.10%	2.00%	2.50%
Machinery & Equipment	WALGA Economic Update May 2019	%	-0.30%	1.00%	1.20%
Electricity & Street Lighting	WALGA Economic Update May 2019	%	5.80%	6.00%	5.10%
<b>Local Government Cost Index</b>	<b>WALGA Economic Update May 2019</b>	<b>%</b>	<b>1.40%</b>	<b>1.80%</b>	<b>2.70%</b>

## b) National Forecasts

Real GDP Growth	RBA Economic Statement 10th May 2019	%	2.25%	2.50%	2.75%	
Unemployment rate	RBA Economic Statement 10th May 2019	%	5.00%	5.00%	4.75%	
CPI	RBA Economic Statement 10th May 2019	%	1.75%	2.00%	2.50%	
Wages Price Index	Federal Budget April 2nd 2019	%	2.25%	2.75%	3.25%	
RBA Cash Rate	City of Joondalup Estimate	%	1.50%	1.00%	0.75%	1.00%

### c) State Forecasts

Gross State Product	State Budget May 2019	%	2.00%	3.50%	3.00%	3.00%	3.00%
Unemployment Rate	State Budget May 2019	%	6.25%	6.00%	5.75%	5.50%	5.25%
CPI	State Budget May 2019	%	1.25%	1.75%	2.25%	2.50%	2.50%
Wage Price Index	State Budget May 2019	%	1.75%	2.25%	2.75%	3.00%	3.25%
Population Growth	State Budget May 2019	%	1.00%	1.30%	1.50%	1.60%	1.70%
Western Power Street Lighting	State Budget May 2019	%	3.20%	2.00%	2.00%	2.00%	2.00%

## Section 2 - City of Joondalup Key Assumptions

### a) Headline Escalation Assumptions

[illegible]

## b) Population and Dwellings

Population: City of Joondalup	Qty at beginning of FY	161,176	161,369	162,111	162,737	163,567	164,587	165,304	166,118	166,896	167,702	168,607	169,535	170,318	171,182	172,065	173,002	174,003	175,074	176,153	177,280	
Population: City of Wanneroo	Qty at beginning of FY	212,096	220,246	228,518	236,844	245,344	253,951	262,648	271,532	280,456	289,310	298,246	307,241	316,369	325,470	334,320	343,083	351,876	360,693	369,430	369,430	
Dwellings (rated) at end of FY	Qty	62,389	62,604	62,896	63,267	63,632	63,947	64,249	64,546	64,846	65,160	65,483	65,792	66,105	66,436	66,762	67,095	67,437	67,780	68,125	68,480	65,352
Dwellings Increase	versus Previous Year Qty		215	292	371	365	315	302	297	300	314	323	309	313	331	326	333	342	343	345	355	6,091

### c) Business Growth

Business Growth	m2 Increase	Qty	6,187	16,554	27,839	43,114	50,459	52,184	113,189	169,914	196,639	198,365	200,590	207,316	209,041	210,766	212,492	214,477	221,203	222,928	224,653
Business Growth	% Increase vs Previous Year - Business Rates	Qty	0.8%	0.6%	1.0%	1.6%	1.0%	0.2%	9.1%	6.9%	2.3%	0.2%	0.3%	0.6%	0.2%	0.2%	0.2%	0.2%	0.6%	0.2%	0.2%

#### d) Other Indicators

[illegible]

### e) GRV Revaluations (implemented)

[illegible]

### Section 3 - Operating Income

### A) Annual Increases

[illegible]



<u>Yr 1</u>	<u>Yr 2</u>	<u>Yr 3</u>	<u>Yr 4</u>	<u>Yr 5</u>	<u>Yr 6</u>	<u>Yr 7</u>	<u>Yr 8</u>	<u>Yr 9</u>	<u>Yr10</u>	<u>Yr11</u>	<u>Yr12</u>	<u>Yr13</u>	<u>Yr14</u>	<u>Yr15</u>	<u>Yr16</u>	<u>Yr17</u>	<u>Yr18</u>	<u>Yr19</u>	<u>Yr20</u>	<u>Average</u>
<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>	<u>2029-30</u>	<u>2030-31</u>	<u>2031-32</u>	<u>2032-33</u>	<u>2033-34</u>	<u>2034-35</u>	<u>2035-36</u>	<u>2036-37</u>	<u>2037-38</u>	

### A) Annual Increases

[illegible]

### a) Capital Expenditure

[illegible]

## b) Grants & Disposal Proceeds

[illegible]

### a) Depreciation

1	Buildings	%	1.5%
2	Parks	%	2.9%
3	Drainage	%	1.10%
4	Transport, excl Roads	%	2.00%
5	Roads	%	1.50%
6	Lighting	%	2.50%
7	Fleet	%	10.00%
8	IT	%	10.00%
9	None	%	
10		%	
11		%	

ASSUMPTIONS			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr11	Yr12	Yr13	Yr14	Yr15	Yr16	Yr17	Yr18	Yr19	Yr20	Average
			2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	
Section 6 - Finance																							
a) Earnings on Cash																							
Cash Reserves earnings	%		2.30%	2.50%	2.83%	3.16%	3.49%	3.82%	4.15%	4.48%	4.81%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	4.35%
b) Length of Loans																							
Lower Limits	\$000s		0	5,000	10,000	60,000																	
Higher Limits	\$000s		5,000	10,000	60,000																		
Length of Loan	Yrs		5	10	15	20																	
c) External Funding Costs & Earnings - FIXED																							
Loan Term 1	5	Data highlighted in Yellow derives from West Australia Treasury Corporation	%	1.85%	1.91%	2.17%	2.52%	2.86%	3.21%	3.56%	3.91%	4.26%	4.61%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.00%
Loan Term 2	10			2.20%	2.28%	2.50%	2.83%	3.16%	3.49%	3.82%	4.15%	4.48%	4.81%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	4.25%	
Loan Term 3	15			2.52%	2.60%	2.81%	3.11%	3.41%	3.70%	4.00%	4.30%	4.60%	4.90%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	4.39%	
Loan Term 4	20		%	2.77%	2.85%	3.04%	3.32%	3.60%	3.88%	4.16%	4.44%	4.71%	4.99%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	4.51%	
Govt Guarantees on Loans	%			0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
d) External Funding Costs & Earnings - VARIABLE																							
		vs Fixed																					
Loan Term 1	5	%	0.50%		1.67%	2.02%	2.36%	2.71%	3.06%	3.41%	3.76%	4.11%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	3.57%
Loan Term 2	10		0.50%		2.00%	2.33%	2.66%	2.99%	3.32%	3.65%	3.98%	4.31%	4.62%	4.62%	4.62%	4.62%	4.62%	4.62%	4.62%	4.62%	4.62%	4.62%	3.79%
Loan Term 3	15		0.50%		2.31%	2.61%	2.91%	3.20%	3.50%	3.80%	4.10%	4.40%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	3.90%
Loan Term 4	20	%	0.50%		2.54%	2.82%	3.10%	3.38%	3.66%	3.94%	4.21%	4.49%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.01%

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# MAJOR PROJECT ASSUMPTIONS AND CHANGES SINCE ADOPTED PLAN

Major Project	Year of Completion #1			Capital \$m #2			Details		Funding
	Adopted SFP 2018	Updated SFP	Diff (Now vs. Prev)	Adopted SFP 2018	Updated SFP	Diff (Now vs. Prev)	Purpose	Source of Estimate	Reserves / Grants / Disposal Proceeds / Borrowings
1 Better Bins - implementation of 3-bin system	2018-19	2019-20	+1 Yrs	(\$5.7)	(\$5.0)	\$0.7	Third bin purchased for each household	Business Case and Council Report March 2018	State Grant and Reserves
2 Joondalup City Centre Development	2018-19	2019-20	+1 Yrs	(\$0.9)	(\$0.3)	\$0.6	Project Costs required to working with a proponent for City Centre Development	Project Costs only included at this stage	Reserves. Future land proceeds may offset initial costs of project.
3 Cafes / Kiosks / Restaurants - Pinnaroo Point	2018-19	2019-20	+1 Yrs	(\$0.7)	(\$0.8)	(\$0.1)	Service Provision and Project Costs. New facility built by operator	Service Provision based on QS Estimate	Municipal and Reserves
4 Jinan Gardens	2027-28	2020-21	7 yrs early	(\$2.2)	(\$2.2)	\$0.0	Sister relationship with Jinan, the design/construction of gardens.	Report to Major Projects Finance Committee (MPFC) May 2019.	Reserves
5 Joondalup Mens Shed / WOC Extension	2019-20	2020-21	+1 Yrs	(\$3.3)	(\$1.2)	\$2.1	Extension to Works Operations Centre so that Mens Shed can use Winton Road	Council approved Dec 2018	Municipal
6 Cafes / Kiosks / Restaurants - Burns Beach	2019-20	2020-21	+1 year	(\$3.8)	(\$5.2)	(\$1.4)	Construction Costs, Service Provision, Project Costs and Land Purchase	Reports to MPFC	Municipal and Reserves
7 Percy Doyle - Refurbishment Works	2020-21	2020-21	No Change	(\$6.3)	(\$3.6)	\$2.7	Refurbishment of existing facilities to keep in working order until Master Plan is completed.	Council Report 2015.	Grants, Club Contribution, Reserves and Municipal
8 Craigie LC Refurbishment Phase 1	2020-21	2020-21	+1 Yrs	(\$2.4)	(\$2.9)	(\$0.5)	Upgrade of facilities to meet future requirements.	Approved Council Report March 2018	Reserves.
9 Joondalup Administration Building - refurbishment	2019-20	2021-22	No Change	(\$5.1)	(\$4.3)	\$0.8	Refurbishment of Admin Building	Some works require further scoping	Municipal and Reserves
10 Ocean Reef Marina Business Case & Structure Plan	2020-21	2021-22	+3 years	(\$1.0)	(\$0.4)	\$0.7	Project costs to work with State to develop Ocean Reef Marina	Estimated Project Costs	Municipal
11 Chichester Park Redevelopment	2020-21	2021-22	No Change	(\$3.0)	(\$4.2)	(\$1.2)	Redevelopment of existing facilities.	Council approved Nov 2018	Grants, Reserves, Municipal.
12 Warwick Community Facilities	2020-21	2021-22	No Change	(\$4.3)	(\$4.3)	\$0.0	Rationalisation of existing 3 buildings	Capital Expenditure to match potential disposal proceeds - indicative estimate	Intent is for land proceeds to fund the majority of the capital costs.
13 Warwick Sports Centre	2021-22	2021-22	No Change	(\$1.1)	(\$1.1)	\$0.0	Refurbishment of existing facilities.	Report to Finance Committee April 2017	Municipal
14 Joondalup Library - major refurbishment	2022-23	2022-23	+2 years	(\$1.3)	(\$1.3)	\$0.0	Refurbishment	High level estimates only at this stage.	Municipal.
15 Whitfords Library and Senior Citizens Centre	2022-23	2022-23	No Change	(\$3.0)	(\$3.0)	\$0.0	Refurbished library facility at Whitfords	High level estimate of refurbishment	Reserves.
16 Edgewater Quarry Masterplan	2023-24	2023-24	new	(\$11.8)	(\$11.8)	\$0.1	Development of quarry Sale of land estimated to contribute	Strategy Session 2017, subject to further scoping	Short Term Loans repaid within 2-3 years with land proceeds
17 Multi Storey Car Park (2)	2022-23	2024-25	+ 2 Yrs	(\$17.1)	(\$17.1)	\$0.0	Second Multi Storey Car Park in City Centre.	Based on capital costs of Reid Promenade Multi Storey Car Park	Reserves
18 Craigie LC - Geothermal replacement bore	2024-25	2024-25	No Change	(\$1.0)	(\$1.0)	\$0.0	Replacement of existing bore.	Subject to scoping.	Municipal
19 Craigie LC Refurbishment Phase 2	2024-25	2025-26	new		(\$4.9)	(\$4.9)	Various works to indoor and outdoor areas	Council Report March 2018	Reserves
20 Joondalup Performing Arts & Cultural Facility	2027-28	2027-28	No Change	(\$98.3)	(\$59.3)	\$39.0	New facility to provide for Performing Arts & Culture, this excludes Jinan Gardens which is now a separate project.	Refined Concept Design - report to MPFC May 2019. The design is subject to further review/detailed design and when the capital cost estimates are further refined, the SFP will be updated	City contribution capped at \$30m and is fully funded by Reserves. The remaining cost is assumed to be funded by grants.
21 Calectasia Hall / Greenwood Scout & Guide Hall		2029-30	New		(\$5.0)	(\$5.0)	Facility Redevelopment	Active Reserve and Community Facilities Review December 2017	Reserves
22 Percy Doyle Master-Plan Phase 1 & 2	2035-36	2035-36	No Change	(\$96.6)	(\$96.6)	\$0.0	Development of sporting and leisure facilities at the Percy Doyle Reserve	Report to Strategy 2014	Reserves
<b>TOTAL</b>				<b>(\$268.8)</b>	<b>(\$235.2)</b>	<b>\$32.8</b>			

#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 excluding escalation from 2017-18 to 2036-37, and will exclude costs incurred prior to 2017-18



CAPEX, excluding escalation

Section A - by Project

A1 Capital Works Program, excl MPP	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr11	Yr12	Yr13	Yr14	Yr15	Yr16	Yr17	Yr18	Yr19	Yr20	Yr 1 to 20
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	Total
1 Parks Development	(1,601)	(1,900)	(1,382)	(1,094)	(1,054)	(1,050)	(1,167)	(1,167)	(1,167)	(1,167)	(1,167)	(1,259)	(1,259)	(1,259)	(1,259)	(1,259)	(1,248)	(1,248)	(1,248)	(1,248)	(25,204)
2 Foreshore and Natural Areas	(534)	(798)	(450)	(500)	(500)	(500)	(516)	(516)	(516)	(516)	(516)	(536)	(536)	(536)	(536)	(536)	(533)	(533)	(533)	(533)	(10,674)
3 Parks Equipment	(1,723)	(3,136)	(1,601)	(1,642)	(1,737)	(1,577)	(1,735)	(1,735)	(1,735)	(1,735)	(1,735)	(1,836)	(1,836)	(1,836)	(1,836)	(1,836)	(1,823)	(1,823)	(1,823)	(1,823)	(36,564)
4 Streetscape Enhancement	(1,725)	(1,300)	(1,400)	(1,400)	(1,400)	(1,400)	(1,431)	(1,431)	(1,431)	(1,431)	(1,431)	(1,516)	(1,516)	(1,516)	(1,516)	(1,516)	(1,506)	(1,506)	(1,506)	(1,506)	(29,383)
5 Local Traffic management	(721)	(990)	(335)	(495)	(630)	(435)	(485)	(485)	(485)	(485)	(485)	(485)	(485)	(485)	(485)	(485)	(485)	(485)	(485)	(485)	(10,396)
6 State Blackspot	(1,380)	(398)	(1,674)	(1,350)	(1,350)	(1,350)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(20,102)
7 Parking Facilities	(330)	(529)	(550)	(390)	(290)	(290)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(6,579)
8 Major Road Construction	(310)	(2,328)	(1,958)	(2,700)	(2,400)	(2,700)	(2,700)	(2,700)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(35,796)
9 New Paths	(582)	(2,847)	(296)	(312)	(237)	(323)	(323)	(323)	(323)	(323)	(323)	(323)	(323)	(323)	(323)	(323)	(323)	(323)	(323)	(323)	(9,119)
10 Path Replacement	(617)	(584)	(672)	(669)	(726)	(631)	(1,140)	(1,140)	(1,140)	(1,140)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(694)	(694)	(694)	(694)	(694)	(17,428)
11 Stormwater Drainage	(935)	(1,025)	(527)	(550)	(550)	(550)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(14,637)
12 Lighting	(4,783)	(4,018)	(2,745)	(1,820)	(1,820)	(500)	(820)	(820)	(820)	(820)	(820)	(820)	(820)	(820)	(500)	(500)	(500)	(500)	(500)	(500)	(24,926)
13 Road Preservation & Resurfacing	(6,987)	(6,022)	(6,487)	(6,491)	(6,565)	(6,701)	(7,400)	(7,400)	(7,400)	(7,400)	(7,400)	(7,400)	(7,400)	(7,400)	(7,400)	(7,400)	(7,400)	(7,400)	(7,400)	(7,400)	(142,853)
14 Bridges and Underpasses	(50)	(25)	(50)	(50)	(50)	(50)															(275)
15 Building Construction Works	(1,690)	(2,032)	(2,065)	(1,350)	(1,570)	(1,550)	(2,300)	(1,550)	(1,550)	(1,550)	(1,550)	(1,550)	(1,550)	(1,550)	(1,550)	(1,550)	(1,550)	(1,550)	(1,550)	(1,550)	(32,707)
Total Capital Works Program, excl MPP	(23,970)	(27,931)	(22,192)	(20,813)	(20,879)	(19,607)	(21,967)	(21,217)	(20,017)	(20,017)	(19,977)	(20,275)	(20,275)	(19,955)	(19,955)	(19,549)	(19,512)	(19,512)	(19,512)	(19,512)	(416,644)

A2 Capital Projects - Annual Programs																					
21 Fleet	(2,067)	(1,860)	(1,628)	(4,403)	(2,138)	(2,272)	(2,443)	(1,609)	(912)	(2,603)	(2,200)	(2,763)	(3,605)	(2,527)	(1,911)	(1,465)	(1,272)	(1,989)	(2,677)	(3,130)	(45,475)
22 IT	(306)	(611)	(500)	(450)	(450)	(250)	(250)	(250)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(5,467)
24 CCTV		(116)																			(116)
25 Parking Infrastructure					(1,625)																(1,625)
29 Year 1 & 2 Various	(662)	(1,065)																			(1,727)
Total Capital Projects - Annual Programs	(3,036)	(3,652)	(2,128)	(4,853)	(4,213)	(2,522)	(2,693)	(1,859)	(1,112)	(2,803)	(2,400)	(2,963)	(3,805)	(2,727)	(2,111)	(1,665)	(1,472)	(2,189)	(2,877)	(3,330)	(54,410)

A3 Major Projects less than \$3m																					
32 Warwick Sports Centre		(132)	(800)	(171)																	(1,103)
33 Craigie LC - Geothermal replacement bore							(1,000)														(1,000)
37 Joondalup Library - major refurbishment				(600)	(650)																(1,250)
Total Major Projects less than \$3m		(132)	(800)	(771)	(650)		(1,000)														(3,353)

A4 Major Projects greater than \$3m																					
41 Joondalup Performing Arts & Cultural Facility	(86)	(191)							(29,500)	(29,500)											(59,276)
42 Joondalup City Centre Development	(155)	(149)																			(304)
43 Ocean Reef Marina Business Case & Structure Plan	(79)	(93)	(90)	(90)																	(352)
44 Edgewater Quarry Masterplan				(364)	(5,792)	(5,614)															(11,770)
45 Warwick Community Facilities			(1,000)	(3,270)																	(4,270)
46 Cafes / Kiosks / Restaurants - Pinnaroo Point	(100)	(700)																			(800)
47 Cafes / Kiosks / Restaurants - Burns Beach	(170)	(1,764)	(3,300)																		(5,234)
48 Jinan Gardens		(260)	(1,890)																		(2,150)
51 Percy Doyle Master-Plan Phase 1 & 2												(14,400)	(14,400)	(14,400)				(17,784)	(17,784)	(17,784)	(96,551)
52 Chichester Park Redevelopment		(100)	(965)	(3,094)																	(4,159)
53 Craigie LC Refurbishment Phase 1	(70)	(2,450)	(403)																		(2,923)
54 Craigie LC Refurbishment Phase 2						(200)	(2,000)	(2,658)													(4,858)
55 Calectasia Hall / Greenwood Scout & Guide Hall										(600)	(1,400)	(3,000)									(5,000)
56 Percy Doyle - Refurbishment Works	(613)	(1,769)	(1,240)																		(3,622)
57 Joondalup Administration Building - refurbishment	(500)	(750)	(1,080)	(2,000)																	(4,330)
58 Joondalup Mens Shed / WOC Extension	(50)	(830)	(300)																		(1,180)
59 Better Bins - implementation of 3-bin system	(5,011)																				(5,011)
61 Whitfords Library and Senior Citizens Centre			(300)	(1,700)	(1,000)																(3,000)
62 Multi Storey Car Park (2)						(5,355)	(11,745)														(17,100)
Total Major Projects greater than \$3m	(6,833)	(9,056)	(10,568)	(10,518)	(6,792)	(11,169)	(13,745)	(2,658)	(29,500)	(30,100)	(1,400)	(17,400)	(14,400)	(14,400)			(17,784)	(17,784)	(17,784)		(231,890)


CAPEX, excluding escalation

Section B - Summary

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr11	Yr12	Yr13	Yr14	Yr15	Yr16	Yr17	Yr18	Yr19	Yr20	Yr 1 to 20
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	Total
Category																					
Capital Works Program, excl MPP	(23,970)	(27,931)	(22,192)	(20,813)	(20,879)	(19,607)	(21,967)	(21,217)	(20,017)	(20,017)	(19,977)	(20,275)	(20,275)	(19,955)	(19,955)	(19,549)	(19,512)	(19,512)	(19,512)	(19,512)	(416,644)
Capital Projects - Annual Programs	(3,036)	(3,652)	(2,128)	(4,853)	(4,213)	(2,522)	(2,693)	(1,859)	(1,112)	(2,803)	(2,400)	(2,963)	(3,805)	(2,727)	(2,111)	(1,665)	(1,472)	(2,189)	(2,877)	(3,330)	(54,410)
Major Projects less than \$3m		(132)	(800)	(771)	(650)		(1,000)														(3,353)
Major Projects greater than \$3m	(6,833)	(9,056)	(10,568)	(10,518)	(6,792)	(11,169)	(13,745)	(2,658)	(29,500)	(30,100)	(1,400)	(17,400)	(14,400)	(14,400)			(17,784)	(17,784)	(17,784)		(231,890)
TOTAL CAPITAL EXPENDITURE	(33,839)	(40,772)	(35,687)	(36,954)	(32,534)	(33,298)	(39,405)	(25,734)	(50,629)	(52,920)	(23,777)	(40,638)	(38,480)	(37,082)	(22,066)	(21,214)	(38,768)	(39,485)	(40,173)	(22,842)	(706,297)
Renewal / Upgrade / New																					
Renewal	(19,326)	(21,295)	(17,456)	(20,765)	(17,630)	(13,211)	(15,428)	(13,594)	(12,848)	(15,139)	(15,496)	(17,957)	(15,798)	(14,721)	(14,104)	(13,252)	(13,023)	(13,740)	(14,428)	(14,881)	(314,091)
Upgrade	(7,262)	(13,051)	(9,513)	(11,046)	(7,858)	(7,889)	(10,983)	(10,891)	(7,033)	(7,033)	(7,033)	(7,033)	(7,033)	(6,713)	(6,713)	(6,713)	(6,713)	(6,713)	(6,713)	(6,713)	(160,647)
New	(7,251)	(6,426)	(8,719)	(5,143)	(7,046)	(12,198)	(12,994)	(1,249)	(30,749)	(30,749)	(1,249)	(15,649)	(15,649)	(15,649)	(1,249)	(1,249)	(19,032)	(19,032)	(19,032)	(1,249)	(231,559)
Renewal %	57.1%	52.2%	48.9%	56.2%	54.2%	39.7%	39.2%	52.8%	25.4%	28.6%	65.2%	44.2%	41.1%	39.7%	63.9%	62.5%	33.6%	34.8%	35.9%	65.1%	44.5%
Upgrade %	21.5%	32.0%	26.7%	29.9%	24.2%	23.7%	27.9%	42.3%	13.9%	13.3%	29.6%	17.3%	18.3%	18.1%	30.4%	31.6%	17.3%	17.0%	16.7%	29.4%	22.7%
New %	21.4%	15.8%	24.4%	13.9%	21.7%	36.6%	33.0%	4.9%	60.7%	58.1%	5.3%	38.5%	40.7%	42.2%	5.7%	5.9%	49.1%	48.2%	47.4%	5.5%	22.7%



## CAPEX, including escalation

Version:

28.06.19

**Used for MPFC 15th July 2019**

Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr11	Yr12	Yr13	Yr14	Yr15	Yr16	Yr17	Yr18	Yr19	Yr20	Yr 1 to 20
<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>	<u>2029-30</u>	<u>2030-31</u>	<u>2031-32</u>	<u>2032-33</u>	<u>2033-34</u>	<u>2034-35</u>	<u>2035-36</u>	<u>2036-37</u>	<u>2037-38</u>	<u>Total</u>

## Section A - by Project

## A1 Capital Works Program, excl MPP

1 Parks Development	\$000s	(1,601)	(1,900)	(1,409)	(1,140)	(1,127)	(1,156)	(1,330)	(1,377)	(1,425)	(1,475)	(1,526)	(1,704)	(1,764)	(1,826)	(1,890)	(1,956)	(2,006)	(2,076)	(2,149)	(2,224)	(33,062)
2 Foreshore and Natural Areas	\$000s	(534)	(798)	(459)	(521)	(535)	(551)	(587)	(608)	(629)	(651)	(674)	(726)	(751)	(777)	(804)	(833)	(858)	(888)	(919)	(951)	(14,053)
3 Parks Equipment	\$000s	(1,723)	(3,136)	(1,633)	(1,713)	(1,857)	(1,736)	(1,978)	(2,047)	(2,119)	(2,193)	(2,270)	(2,485)	(2,571)	(2,661)	(2,755)	(2,851)	(2,931)	(3,033)	(3,140)	(3,249)	(48,080)
4 Streetscape Enhancement	\$000s	(1,725)	(1,300)	(1,428)	(1,460)	(1,497)	(1,542)	(1,631)	(1,688)	(1,747)	(1,808)	(1,871)	(2,052)	(2,124)	(2,198)	(2,275)	(2,355)	(2,420)	(2,505)	(2,593)	(2,683)	(38,902)
5 Local Traffic management	\$000s	(721)	(990)	(342)	(516)	(673)	(479)	(553)	(572)	(592)	(613)	(634)	(656)	(679)	(703)	(728)	(753)	(780)	(807)	(835)	(864)	(13,492)
6 State Blackspot	\$000s	(1,380)	(398)	(1,699)	(1,401)	(1,436)	(1,479)	(1,021)	(1,056)	(1,093)	(1,132)	(1,171)	(1,212)	(1,255)	(1,299)	(1,344)	(1,391)	(1,440)	(1,490)	(1,542)	(1,596)	(25,835)
7 Parking Facilities	\$000s	(330)	(529)	(558)	(405)	(308)	(318)	(340)	(352)	(364)	(377)	(390)	(404)	(418)	(433)	(448)	(464)	(480)	(497)	(514)	(532)	(8,462)
8 Major Road Construction	\$000s	(310)	(2,328)	(1,987)	(2,802)	(2,553)	(2,958)	(3,062)	(3,169)	(1,822)	(1,886)	(1,952)	(2,020)	(2,091)	(2,164)	(2,240)	(2,318)	(2,400)	(2,484)	(2,570)	(2,660)	(45,778)
9 New Paths	\$000s	(582)	(2,847)	(302)	(325)	(253)	(356)	(368)	(381)	(394)	(408)	(422)	(437)	(452)	(468)	(485)	(502)	(519)	(537)	(556)	(576)	(11,172)
10 Path Replacement	\$000s	(617)	(584)	(685)	(698)	(776)	(695)	(1,299)	(1,345)	(1,392)	(1,440)	(1,439)	(1,489)	(1,541)	(1,595)	(1,651)	(1,078)	(1,116)	(1,155)	(1,195)	(1,237)	(23,025)
11 Stormwater Drainage	\$000s	(935)	(1,025)	(538)	(574)	(588)	(606)	(855)	(885)	(916)	(948)	(981)	(1,015)	(1,051)	(1,087)	(1,126)	(1,165)	(1,206)	(1,248)	(1,292)	(1,337)	(19,374)
12 Lighting	\$000s	(4,783)	(4,018)	(2,800)	(1,898)	(1,946)	(551)	(934)	(967)	(1,001)	(1,036)	(1,072)	(1,110)	(1,149)	(725)	(750)	(777)	(804)	(832)	(861)	(891)	(28,905)
13 Road Preservation & Resurfacing	\$000s	(6,987)	(6,022)	(6,584)	(6,737)	(6,984)	(7,342)	(8,392)	(8,686)	(8,990)	(9,304)	(9,630)	(9,967)	(10,316)	(10,677)	(11,051)	(11,437)	(11,838)	(12,252)	(12,681)	(13,125)	(189,000)
14 Bridges and Underpasses	\$000s	(50)	(25)	(51)	(52)	(53)	(55)															(287)
15 Building Construction Works	\$000s	(1,690)	(2,032)	(2,094)	(1,400)	(1,668)	(1,697)	(2,606)	(1,818)	(1,881)	(1,947)	(2,015)	(2,086)	(2,159)	(2,234)	(2,312)	(2,393)	(2,477)	(2,564)	(2,653)	(2,746)	(42,472)
<b>Total Capital Works Program, excl MPP</b>	<b>\$000s</b>	<b>(23,970)</b>	<b>(27,931)</b>	<b>(22,570)</b>	<b>(21,642)</b>	<b>(22,254)</b>	<b>(21,520)</b>	<b>(24,956)</b>	<b>(24,950)</b>	<b>(24,365)</b>	<b>(25,218)</b>	<b>(26,048)</b>	<b>(27,363)</b>	<b>(28,321)</b>	<b>(28,848)</b>	<b>(29,858)</b>	<b>(30,272)</b>	<b>(31,273)</b>	<b>(32,367)</b>	<b>(33,500)</b>	<b>(34,672)</b>	<b>(541,900)</b>

## A2 Capital Projects - Annual Programs

21 Fleet	\$000s	(2,067)	(1,860)	(1,660)	(4,592)	(2,286)	(2,502)	(2,784)	(1,898)	(1,113)	(3,289)	(2,877)	(3,740)	(5,050)	(3,664)	(2,868)	(2,275)	(2,045)	(3,309)	(4,611)	(5,579)	(60,069)
22 IT	\$000s	(306)	(611)	(510)	(469)	(481)	(275)	(285)	(295)	(244)	(253)	(262)	(271)	(280)	(290)	(300)	(311)	(322)	(333)	(344)	(356)	(6,798)
24 CCTV	\$000s		(116)																		(116)	
25 Parking Infrastructure	\$000s					(1,737)															(1,737)	
29 Year 1 & 2 Various	\$000s	(662)	(1,065)																		(1,727)	
Total Capital Projects - Annual Programs	\$000s	(3,036)	(3,652)	(2,170)	(5,061)	(4,504)	(2,777)	(3,069)	(2,192)	(1,357)	(3,542)	(3,139)	(4,011)	(5,330)	(3,954)	(3,168)	(2,585)	(2,366)	(3,642)	(4,955)	(5,935)	(70,447)

### A3 Major Projects less than \$3m

[illegible]

#### A4 Major Projects greater than \$3m

41 Joondalup Performing Arts & Cultural Facility	\$000s	(86)	(191)							(29,500)	(29,500)									(59,276)	
42 Joondalup City Centre Development	\$000s	(155)	(149)																	(304)	
43 Ocean Reef Marina Business Case & Structure Plan	\$000s	(79)	(93)	(92)	(94)															(358)	
44 Edgewater Quarry Masterplan	\$000s				(380)	(6,192)	(6,182)													(12,753)	
45 Warwick Community Facilities	\$000s			(1,020)	(3,410)															(4,430)	
46 Cafes / Kiosks / Restaurants - Pinnaroo Point	\$000s	(100)	(700)																	(800)	
47 Cafes / Kiosks / Restaurants - Burns Beach	\$000s	(170)	(1,764)	(3,366)																(5,300)	
48 Jinan Gardens	\$000s		(260)	(1,890)																(2,150)	
51 Percy Doyle Master-Plan Phase 1 & 2	\$000s												(19,491)	(20,173)	(20,879)			(28,588)	(29,589)	(30,625)	(149,345)
52 Chichester Park Redevelopment	\$000s		(100)	(984)	(3,227)															(4,311)	
53 Craigie LC Refurbishment Phase 1	\$000s	(70)	(2,450)	(403)																(2,923)	
54 Craigie LC Refurbishment Phase 2	\$000s						(220)	(2,279)	(3,135)											(5,635)	
55 Caletasia Hall / Greenwood Scout & Guide Hall	\$000s										(758)	(1,831)	(4,061)							(6,650)	
56 Percy Doyle - Refurbishment Works	\$000s	(613)	(1,769)	(1,265)																(3,647)	
57 Joondalup Administration Building - refurbishment	\$000s	(500)	(750)	(1,102)	(2,086)															(4,438)	
58 Joondalup Mens Shed / WOC Extension	\$000s	(50)	(830)	(300)																(1,180)	
59 Better Bins - implementation of 3-bin system	\$000s	(5,011)																		(5,011)	
61 Whitfords Library and Senior Citizens Centre	\$000s			(306)	(1,773)	(1,069)														(3,148)	
62 Multi Storey Car Park (2)	\$000s						(5,896)	(13,385)												(19,281)	
Total Major Projects greater than \$3m	\$000s	(6,833)	(9,056)	(10,728)	(10,970)	(7,261)	(12,298)	(15,664)	(3,135)	(29,500)	(30,258)	(1,831)	(23,551)	(20,173)	(20,879)			(28,588)	(29,589)	(30,625)	(290,939)

Yr 1  
2018-19

Yr 2  
2019-20

Yr 3  
2020-21

Yr 4  
2021-22

Yr 5  
2022-23

Yr 6  
2023-24

Yr 7  
2024-25

Yr 8  
2025-26

Yr 9  
2026-27

Yr10  
2027-28

Yr11  
2028-29

Yr12  
2029-30

Yr13  
2030-31

Yr14  
2031-32

Yr15  
2032-33

Yr16  
2033-34

Yr17  
2034-35

Yr18  
2035-36

Yr19  
2036-37

Yr20  
2037-38

Yr 1 to 20  
Total

Section B - Summary

Category																					
Capital Works Program, excl MPP	(23,970)	(27,931)	(22,570)	(21,642)	(22,254)	(21,520)	(24,956)	(24,950)	(24,365)	(25,218)	(26,048)	(27,363)	(28,321)	(28,848)	(29,858)	(30,272)	(31,273)	(32,367)	(33,500)	(34,672)	(541,900)
Capital Projects - Annual Programs	(3,036)	(3,652)	(2,170)	(5,061)	(4,504)	(2,777)	(3,069)	(2,192)	(1,357)	(3,542)	(3,139)	(4,011)	(5,330)	(3,954)	(3,168)	(2,585)	(2,366)	(3,642)	(4,955)	(5,935)	(70,447)
Major Projects less than \$3m		(132)	(816)	(804)	(695)		(1,140)														(3,587)
Major Projects greater than \$3m	(6,833)	(9,056)	(10,728)	(10,970)	(7,261)	(12,298)	(15,664)	(3,135)	(29,500)	(30,258)	(1,831)	(23,551)	(20,173)	(20,879)			(28,588)	(29,589)	(30,625)		(290,939)
TOTAL CAPITAL EXPENDITURE	(33,839)	(40,772)	(36,284)	(38,477)	(34,714)	(36,595)	(44,829)	(30,277)	(55,223)	(59,018)	(31,018)	(54,926)	(53,824)	(53,682)	(33,026)	(32,858)	(62,227)	(65,598)	(69,080)	(40,608)	(906,874)
Renewal / Upgrade / New																					
Renewal	(19,326)	(21,295)	(17,765)	(21,618)	(18,807)	(14,505)	(17,537)	(15,987)	(15,635)	(19,077)	(20,212)	(24,251)	(22,075)	(21,286)	(21,106)	(20,521)	(20,870)	(22,793)	(24,776)	(26,450)	(405,891)
Upgrade	(7,262)	(13,051)	(9,669)	(11,495)	(8,376)	(8,659)	(12,484)	(12,818)	(8,564)	(8,864)	(9,174)	(9,495)	(9,827)	(9,707)	(10,047)	(10,399)	(10,763)	(11,139)	(11,529)	(11,933)	(205,254)
New	(7,251)	(6,426)	(8,849)	(5,364)	(7,532)	(13,431)	(14,808)	(1,472)	(31,024)	(31,077)	(1,632)	(21,180)	(21,922)	(22,689)	(1,873)	(1,939)	(30,595)	(31,666)	(32,774)	(2,225)	(295,729)
Renewal %	57.1%	52.2%	49.0%	56.2%	54.2%	39.6%	39.1%	52.8%	28.3%	32.3%	65.2%	44.2%	41.0%	39.7%	63.9%	62.5%	33.5%	34.7%	35.9%	65.1%	44.8%
Upgrade %	21.5%	32.0%	26.6%	29.9%	24.1%	23.7%	27.8%	42.3%	15.5%	15.0%	29.6%	17.3%	18.3%	18.1%	30.4%	31.6%	17.3%	17.0%	16.7%	29.4%	22.6%
New %	21.4%	15.8%	24.4%	13.9%	21.7%	36.7%	33.0%	4.9%	56.2%	52.7%	5.3%	38.6%	40.7%	42.3%	5.7%	5.9%	49.2%	48.3%	47.4%	5.5%	32.6%

#1 All figures are in \$000s and include escalation





		28.06.19	Used for MPFC 15th July 2019								
Project Funding Estimates		Yr 1 2018-19	Yr 2 2019-20	Yr 3 2020-21	Yr 4 2021-22	Yr 5 2022-23	Yr 6 2023-24	Yr 7 2024-25	Yr 8 2025-26	Year 09 to 20	Yr 1 to 20 Total
1 Parks Development											
Grants	\$000's	120									120
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's	78	478	733	593	586	601	711	736	12,341	16,858
Loans	\$000's	0									0
Municipal	\$000's	1,403	1,422	677	547	541	555	619	640	9,679	16,084
Capital Expenditure Total	\$000's	1,601	1,900	1,409	1,140	1,127	1,156	1,330	1,377	22,020	33,062
2 Foreshore and Natural Areas											
Grants	\$000's	23									23
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's	50	348	133	151	155	160	159	164	2,752	4,072
Loans	\$000's										
Municipal	\$000's	462	450	326	370	380	391	429	444	6,708	9,959
Capital Expenditure Total	\$000's	534	798	459	521	535	551	587	608	9,460	14,053
3 Parks Equipment											
Grants	\$000's	46	900								946
Disposal Proceeds / Other Contribution	\$000's	37									37
Reserves	\$000's	168	350	621	651	706	660	775	802	13,439	18,171
Loans	\$000's	0									0
Municipal	\$000's	1,473	1,886	1,013	1,062	1,151	1,077	1,203	1,245	18,818	28,927
Capital Expenditure Total	\$000's	1,723	3,136	1,633	1,713	1,857	1,736	1,978	2,047	32,257	48,080
4 Streetscape Enhancement											
Grants	\$000's	50									50
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's	376		600	613	629	647	661	684	11,461	15,670
Loans	\$000's										
Municipal	\$000's	1,300	1,300	828	847	868	894	970	1,004	15,172	23,183
Capital Expenditure Total	\$000's	1,725	1,300	1,428	1,460	1,497	1,542	1,631	1,688	26,632	38,902
5 Local Traffic management											
Grants	\$000's					203					203
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's	270	465	17	26	34	24	28	29	432	1,324
Loans	\$000's										
Municipal	\$000's	452	525	325	490	437	455	525	543	8,213	11,966
Capital Expenditure Total	\$000's	721	990	342	516	673	479	553	572	8,646	13,492
6 State Blackspot											
Grants	\$000's	803	181	1,243	934	957	986	680	704	10,643	17,133
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's	362		272	224	230	237				1,325
Loans	\$000's										
Municipal	\$000's	215	217	185	243	249	256	340	352	5,322	7,378
Capital Expenditure Total	\$000's	1,380	398	1,699	1,401	1,436	1,479	1,021	1,056	15,965	25,835
7 Parking Facilities											
Grants	\$000's			30	31	32	33	34	35	532	728
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's	130	144	128	93	71	73	79	82	1,242	2,043
Loans	\$000's										
Municipal	\$000's	200	385	399	281	206	212	227	235	3,548	5,692
Capital Expenditure Total	\$000's	330	529	558	405	308	318	340	352	5,322	8,462
8 Major Road Construction											
Grants	\$000's	723	1,378	780	1,868	1,702	1,972	2,041	2,113	17,739	30,316
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's		500	159	224	204	237				1,324
Loans	\$000's										
Municipal	\$000's	(413)	450	1,049	710	647	749	1,021	1,056	8,869	14,138
Capital Expenditure Total	\$000's	310	2,328	1,987	2,802	2,553	2,958	3,062	3,169	26,608	45,778
9 New Paths											
Grants	\$000's	5	285	102	104	107	110	114	118	1,783	2,728
Disposal Proceeds / Other Contribution	\$000's	118									118
Reserves	\$000's	277	2,175	97	104	81	114	118	122	1,843	4,930
Loans	\$000's										
Municipal	\$000's	182	387	103	117	65	132	136	141	2,133	3,396
Capital Expenditure Total	\$000's	582	2,847	302	325	253	356	368	381	5,758	11,172
10 Path Replacement											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's			445	454	504	452	957	991	10,979	14,781
Loans	\$000's										
Municipal	\$000's	617	584	240	244	271	243	342	354	5,348	8,244
Capital Expenditure Total	\$000's	617	584	685	698	776	695	1,299	1,345	16,327	23,025
11 Stormwater Drainage											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's	411	48	153	209	214	220	228	236	3,565	5,284
Loans	\$000's										
Municipal	\$000's	524	977	385	365	374	385	627	649	9,804	14,090
Capital Expenditure Total	\$000's	935	1,025	538	574	588	606	855	885	13,370	19,374
12 Lighting											
Grants	\$000's	1,002	788	109	111	114					2,123
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's	2,720	2,500	2,380	1,613	1,654	468	484	501	7,576	19,897
Loans	\$000's										
Municipal	\$000's	1,062	730	311	173	178	83	450	466	3,432	6,885
Capital Expenditure Total	\$000's	4,783	4,018	2,800	1,898	1,946	551	934	967	11,008	28,905
13 Road Preservation & Resurfacing											
Grants	\$000's	4,281	1,904	2,494	2,481	2,489	2,713	2,808	2,906	43,921	65,998
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's	215	11	3,863	4,048	4,282	4,410	5,584	5,779	87,346	115,538
Loans	\$000's	0	(0)								0
Municipal	\$000's	2,491	4,107	227	208	213	219		(0)	(0)	7,464



Project Funding Estimates		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Year 09 to	Yr 1 to 20
		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	20	Total
Capital Expenditure Total	\$000's	6,987	6,022	6,584	6,737	6,984	7,342	8,392	8,686	131,267	189,000
14 Bridges and Underpasses											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's										
Loans	\$000's										
Municipal	\$000's	50	25	51	52	53	55				287
Capital Expenditure Total	\$000's	50	25	51	52	53	55				287
15 Building Construction Works											
Grants	\$000's	97	21								118
Disposal Proceeds / Other Contribution	\$000's	30	141								171
Reserves	\$000's	237	273	1,585	588	701	713	736	762	11,519	17,113
Loans	\$000's										
Municipal	\$000's	1,326	1,598	509	812	968	984	1,869	1,055	15,949	25,070
Capital Expenditure Total	\$000's	1,690	2,032	2,094	1,400	1,668	1,697	2,606	1,818	27,468	42,472
16 CWP Renewal (not specified)											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's										
Loans	\$000's										
Municipal	\$000's										
Capital Expenditure Total	\$000's										
21 Fleet											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's	898	386	462	1,322	693	720	854	641	11,536	17,511
Reserves	\$000's										
Loans	\$000's									0	0
Municipal	\$000's	1,170	1,474	1,199	3,270	1,593	1,782	1,930	1,256	28,885	42,558
Capital Expenditure Total	\$000's	2,067	1,860	1,660	4,592	2,286	2,502	2,784	1,898	40,420	60,069
22 IT											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's		95								95
Loans	\$000's										
Municipal	\$000's	306	516	510	469	481	275	285	295	3,565	6,703
Capital Expenditure Total	\$000's	306	611	510	469	481	275	285	295	3,565	6,798
24 CCTV											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's										
Loans	\$000's										
Municipal	\$000's		116								116
Capital Expenditure Total	\$000's		116								116
25 Parking Infrastructure											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's										
Loans	\$000's										
Municipal	\$000's					1,737					1,737
Capital Expenditure Total	\$000's					1,737					1,737
32 Warwick Sports Centre											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's										
Loans	\$000's										
Municipal	\$000's		132	816	178						1,126
Capital Expenditure Total	\$000's		132	816	178						1,126
33 Craigie LC - Geothermal replacement bore											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's										
Loans	\$000's										
Municipal	\$000's							1,140			1,140
Capital Expenditure Total	\$000's							1,140			1,140
37 Joondalup Library - major refurbishment											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's										
Loans	\$000's										
Municipal	\$000's				626	695					1,321
Capital Expenditure Total	\$000's				626	695					1,321
41 Joondalup Performing Arts & Cultural Facility											
Grants	\$000's									29,000	29,000
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's	86	191							30,000	30,276
Loans	\$000's										
Municipal	\$000's										
Capital Expenditure Total	\$000's	86	191							59,000	59,276
42 Joondalup City Centre Development											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's										
Loans	\$000's										
Municipal	\$000's	155	149								304
Capital Expenditure Total	\$000's	155	149								304
43 Ocean Reef Marina Business Case & Structure Plan											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's										
Loans	\$000's										
Municipal	\$000's	79	93	92	94						358
Capital Expenditure Total	\$000's	79	93	92	94						358



Project Funding Estimates		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Year 09 to	Yr 1 to 20
		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	20	Total
Grants	\$000's	1,062	708								1,770
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's	3,011									3,011
Loans	\$000's										
Municipal	\$000's	938	(708)								230
Capital Expenditure Total	\$000's	5,011									5,011

61 Whitfords Library and Senior Citizens Centre

Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's			306	1,773	1,069					3,148
Loans	\$000's										
Municipal	\$000's										
Capital Expenditure Total	\$000's			306	1,773	1,069					3,148

62 Multi Storey Car Park (2)

Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's						5,896	4,627			10,523
Loans	\$000's							8,758			8,758
Municipal	\$000's										
Capital Expenditure Total	\$000's						5,896	13,385			19,281

RESERVES (including escalation)		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr11	Yr12	Yr13	Yr14	Yr15	Yr16	Yr17	Yr18	Yr19	Yr20	Yr 1 to 20	
		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	Total	
Opening balance																							
1 Strategic Asset Reserve	\$000's	12,770	19,604	17,543	14,252	18,747	27,419	39,392	47,171	59,169	77,462	83,793	98,513	90,941	83,240	76,344	80,253	84,362	59,361	32,054	2,286	12,770	
2 Asset Renewal Reserve	\$000's	4,191	5,729	11,250	13,197	13,231	14,663	17,165	18,993	20,680	22,624	22,934	26,675	29,694	34,088	38,889	53,708	70,166	87,387	103,424	120,147	4,191	
3 Sale of Tamala Park Land	\$000's	12,886	13,909	14,738	15,613	17,407	17,957	20,280	23,263	28,991	34,721	41,170	48,064	54,969	65,475	74,639	78,461	84,709	89,046	93,605	98,397	12,886	
4 Joondalup Performing Arts & Culture Facility	\$000's	16,247	16,598	16,528	15,028	15,453	15,941	16,498	17,128	17,839	3,302											16,247	
5 Parking Facility	\$000's	1,555	1,922	3,035	4,303	5,729	7,331	3,083	59	1,362	2,805	4,610	6,673	8,976	11,537	14,376	17,471	20,838	24,496	29,608	35,100	1,555	
11 Capital Works Going Forward	\$000's	11,685	6,169	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,685	
12 Waste Management	\$000's	11,368	9,837	12,180	13,902	15,715	17,634	19,674	21,852	24,188	26,703	29,421	32,363	35,456	38,707	42,125	45,717	49,494	53,464	57,637	62,024	11,368	
14 Non Current LS Leave Reserve	\$000's	1,732	1,452	1,552	1,591	1,636	1,687	1,746	1,813	1,888	1,973	2,068	2,173	2,285	2,402	2,525	2,654	2,790	2,933	3,083	3,241	1,732	
15 Public Art Reserve	\$000's	167	217	25	26	27	28	28	30	31	32	34	35	37	39	41	43	46	48	50	53	167	
16 Section 20A Land	\$000's																						
21 Marmon Car Park Reserve	\$000's	183	183	183	188	193	199	206	214	223	233	244	256	270	283	298	313	329	346	364	382	183	
22 Cash in Lieu of Parking Reserve	\$000's	1,309	1,212	1,229	1,260	1,296	1,337	1,383	1,436	1,496	1,563	1,638	1,722	1,810	1,902	2,000	2,102	2,210	2,323	2,442	2,567	1,309	
24 Trust Fund	\$000's	1,930	2,003																			1,930	
25 Minor Reserves	\$000's	59	26	4	4	4	4	4	4	4	5	5	5	5	6	6	6	6	7	7	7	59	
Total	Opening balance	\$000's	76,082	78,861	78,267	79,363	89,437	104,199	119,459	131,962	155,871	171,422	185,915	216,479	224,442	237,679	251,242	280,729	314,949	319,410	322,274	324,205	76,082

Transfers In Total																							
1 Strategic Asset Reserve	\$000's	9,456	3,220	6,500	11,246	10,319	11,047	8,437	12,972	15,299	15,000	12,000	11,251	8,124	10,000								144,870
2 Asset Renewal Reserve	\$000's	1,538	5,521	12,952	9,368	11,201	11,163	11,894	12,013	12,540	11,166	14,894	14,826	16,508	17,167	27,433	28,177	28,543	27,000	27,405	26,065		327,375
3 Sale of Tamala Park Land	\$000's	1,023	829	500	1,333		1,667	2,167	4,667	4,333	4,667	4,667	4,333	7,500	5,667		2,175						45,527
4 Joondalup Performing Arts & Culture	\$000's	437	381																				818
5 Parking Facility	\$000's	1,382	2,122	1,178	1,286	1,399	1,470	1,544	1,274	1,352	1,631	1,781	1,912	2,049	2,192	2,300	2,411	2,526	3,762	3,876	3,994		41,441
11 Capital Works Going Forward	\$000's	5,196																					5,196
12 Waste Management	\$000's	1,479	2,343	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	29,023
14 Non Current LS Leave Reserve	\$000's		100																				100
15 Public Art Reserve	\$000's	55	3																				58
16 Section 20A Land	\$000's																						
21 Marmion Car Park Reserve	\$000's																						
22 Cash in Lieu of Parking Reserve	\$000's	34	28																				62
24 Trust Fund	\$000's	273																					273
25 Minor Reserves	\$000's	5	0																				5
Total	Transfers In Total	\$000's	20,877	14,548	22,530	24,633	24,320	26,747	25,441	32,325	34,925	33,864	34,742	33,722	35,581	36,425	31,133	34,163	32,470	32,162	32,681	31,459	594,748

Transfers Out - Projects																							
1 Strategic Asset Reserve	\$000's	(2,621)	(5,282)	(7,055)	(5,945)	(1,069)	(220)	(2,279)	(3,135)		(12,456)	(1,831)	(23,551)	(20,173)	(20,879)			(28,588)	(29,589)	(30,625)		(195,300)	
2 Asset Renewal Reserve	\$000's			(11,185)	(9,591)	(10,049)	(9,015)	(10,520)	(10,889)	(11,270)	(11,664)	(12,020)	(12,844)	(13,294)	(13,759)	(14,240)	(14,108)	(14,543)	(15,052)	(15,578)	(16,124)	(225,743)	
3 Sale of Tamala Park Land	\$000's																						
4 Joondalup Performing Arts & Culture	\$000's	(86)	(450)	(1,890)						(15,000)	(3,302)										(20,728)		
5 Parking Facility	\$000's	(1,015)	(1,009)				(5,896)	(4,627)													(12,548)		
11 Capital Works Going Forward	\$000's	(10,712)	(6,169)																		(16,881)		
12 Waste Management	\$000's	(3,011)																			(3,011)		
14 Non Current LS Leave Reserve	\$000's	(280)																			(280)		
15 Public Art Reserve	\$000's	(5)	(195)																		(200)		
16 Section 20A Land	\$000's																						
21 Marmion Car Park Reserve	\$000's																						
22 Cash in Lieu of Parking Reserve	\$000's	(130)	(11)																		(141)		
24 Trust Fund	\$000's	(200)	(2,003)																		(2,203)		
25 Minor Reserves	\$000's	(38)	(23)																		(61)		
Total	Transfers Out - Projects	\$000's	(18,098)	(15,142)	(20,130)	(15,536)	(11,118)	(15,131)	(17,427)	(14,024)	(26,270)	(27,422)	(13,851)	(36,395)	(33,467)	(34,638)	(14,240)	(14,108)	(43,131)	(44,640)	(46,203)	(16,124)	(477,095)

[illegible]

RESERVES (including escalation)

		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr11	Yr12	Yr13	Yr14	Yr15	Yr16	Yr17	Yr18	Yr19	Yr20	Yr 1 to 20
		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	Total
Interest																						
1 Strategic Asset Reserve	\$000's			393	460	718	1,146	1,622	2,162	2,993	3,787	4,551	4,729	4,348	3,983	3,909	4,109	3,587	2,282	857	117	45,753
2 Asset Renewal Reserve	\$000's			181	256	280	354	455	562	674	808	867	1,037	1,180	1,393	1,627	2,389	3,220	4,089	4,897	5,739	30,005
4 Joondalup Performing Arts & Culture	\$000's			390	425	488	556	630	711	463												3,664
5 Parking Facility	\$000's			91	140	203	179	59	29	91	174	282	391	512	647	795	956	1,132	1,351	1,615	1,899	10,544
11 Capital Works Going Forward	\$000's			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Waste Management	\$000's			322	413	519	640	778	936	1,115	1,318	1,542	1,693	1,851	2,018	2,193	2,377	2,570	2,773	2,987	3,211	29,255
14 Non Current LS Leave Reserve	\$000's			39	45	52	59	67	75	85	95	106	111	117	123	129	136	143	150	158	166	1,855
15 Public Art Reserve	\$000's			1	1	1	1	1	1	1	2	2	2	2	2	2	2	2	2	3	3	30
16 Section 20A Land	\$000's																					
21 Marmion Car Park Reserve	\$000's			5	5	6	7	8	9	10	11	12	13	14	15	15	16	17	18	19	20	219
22 Cash in Lieu of Parking Reserve	\$000's			31	36	41	47	53	60	67	75	84	88	93	97	102	108	113	119	125	131	1,469
24 Trust Fund	\$000's																					
25 Minor Reserves	\$000's			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4
Total	Interest	\$000's		1,825	2,242	2,858	3,644	4,489	5,607	6,896	8,052	9,672	10,636	11,123	11,775	12,594	14,165	15,122	15,343	15,453	16,325	167,822

Closing Balance

1 Strategic Asset Reserve	\$000's	19,604	17,543	14,252	18,747	27,419	39,392	47,171	59,169	77,462	83,793	98,513	90,941	83,240	76,344	80,253	84,362	59,361	32,054	2,286	2,404	2,404
2 Asset Renewal Reserve	\$000's	5,729	11,250	13,197	13,231	14,663	17,165	18,993	20,680	22,624	22,934	26,675	29,694	34,088	38,889	53,708	70,166	87,387	103,424	120,147	135,828	135,828
3 Sale of Tamala Park Land	\$000's	13,909	14,738	15,613	17,407	17,957	20,280	23,263	28,991	34,721	41,170	48,064	54,969	65,475	74,639	78,461	84,709	89,046	93,605	98,397	103,435	103,435
4 Joondalup Performing Arts & Culture	\$000's	16,598	16,528	15,028	15,453	15,941	16,498	17,128	17,839	3,302												(0)
5 Parking Facility	\$000's	1,922	3,035	4,303	5,729	7,331	3,083	59	1,362	2,805	4,610	6,673	8,976	11,537	14,376	17,471	20,838	24,496	29,608	35,100	40,993	40,993
11 Capital Works Going Forward	\$000's	6,169	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Waste Management	\$000's	9,837	12,180	13,902	15,715	17,634	19,674	21,852	24,188	26,703	29,421	32,363	35,456	38,707	42,125	45,717	49,494	53,464	57,637	62,024	66,635	66,635
14 Non Current LS Leave Reserve	\$000's	1,452	1,552	1,591	1,636	1,687	1,746	1,813	1,888	1,973	2,068	2,173	2,285	2,402	2,525	2,654	2,790	2,933	3,083	3,241	3,407	3,407
15 Public Art Reserve	\$000's	217	25	26	27	28	28	30	31	32	34	35	37	39	41	43	46	48	50	53	56	56
16 Section 20A Land	\$000's																					
21 Marmion Car Park Reserve	\$000's	183	183	188	193	199	206	214	223	233	244	256	270	283	298	313	329	346	364	382	402	402
22 Cash in Lieu of Parking Reserve	\$000's	1,212	1,229	1,260	1,296	1,337	1,383	1,436	1,496	1,563	1,638	1,722	1,810	1,902	2,000	2,102	2,210	2,323	2,442	2,567	2,698	2,698
24 Trust Fund	\$000's	2,003																				
25 Minor Reserves	\$000's	26	4	4	4	4	4	4	4	5	5	5	5	6	6	6	6	7	7	7	8	8
Total	Closing Balance	\$000's	78,861	78,267	79,363	89,437	104,199	119,459	131,962	155,871	171,422	185,915	216,479	224,442	237,679	251,242	280,729	314,949	319,410	322,274	324,205	355,865

Section 4 - Summary for 20 Year Plan

TOTAL																						
A Opening balance	\$000's	76,082	78,861	78,267	79,363	89,437	104,199	119,459	131,962	155,871	171,422	185,915	216,479	224,442	237,679	251,242	280,729	314,949	319,410	322,274	324,205	76,082
B Transfers In Total	\$000's	20,877	14,548	22,530	24,633	24,320	26,747	25,441	32,325	34,925	33,864	34,742	33,722	35,581	36,425	31,133	34,163	32,470	32,162	32,681	31,459	594,748
C Transfers Out - Projects	\$000's	(18,098)	(15,142)	(20,130)	(15,536)	(11,118)	(15,131)	(17,427)	(14,024)	(26,270)	(27,422)	(13,851)	(36,395)	(33,467)	(34,638)	(14,240)	(14,108)	(43,131)	(44,640)	(46,203)	(16,124)	(477,095)
D Transfers Out - Other	\$000's			(3,128)	(1,265)	(1,297)																(5,691)
E Interest	\$000's			1,825	2,242	2,858	3,644	4,489	5,607	6,896	8,052	9,672	10,636	11,123	11,775	12,594	14,165	15,122	15,343	15,453	16,325	167,822
F Closing Balance, after Interest	\$000's	78,861	78,267	79,363	89,437	104,199	119,459	131,962	155,871	171,422	185,915	216,479	224,442	237,679	251,242	280,729	314,949	319,410	322,274	324,205	355,865	355,865





UPDATED MAY

2019

# 20 Year Strategic Financial Plan

2018/19 to 2037/38

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<a href="#"><u>2.0</u></a>	<a href="#"><u>29 May 2019</u></a>	<a href="#"><u>Alan Ellingham</u></a>	<a href="#"><u>Update following DCS feedback 28 May</u></a>
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# 1 EXECUTIVE SUMMARY

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

Some of the key outcomes of the 2019 update of the *Draft 20 Year Strategic Financial Plan* are:

- Existing services and infrastructure assumed to continue - \$400m set aside for renewal (20 years). New projects and upgrades to existing infrastructure are included - investment of \$500m (20 years).
- Economic indicators updated with reference to state & federal budgets, and RBA economic outlook. The economy continues to be in low-inflationary period, and this is expected to continue for at least another few years.
- Employment Costs: Average increase of 2.31% ~~2.0%~~ from 2019-20 to 2022-23 ~~2018-19 to 2021-22~~ which is 0.5% less than the 2.81% increase projected in Perth Wages Price Index. #1 ~~instead of 2.7% in the previous plan~~
- Materials/Contracts: Average increase of 2.06% from 2019-20 to 2022-23 which is 0.19% less than the 2.25% increase projected in Perth CPI
- Long-term financial targets refined, the City will strive to achieve a modest 2% Operating Surplus, rather than 5%
- Rate Increases: Average increase of 2.44% ~~3%~~ from 2019-20 to 2022-23 ~~2018-19 to 2021-22~~ which is 0.37% less than the projected 2.81% increase in Perth Wages Price Index so the plan should provide more affordability for the Community to cope with increases in rates. ~~instead of 3.9% in the previous plan~~
- Operating Result: Minor sSurplus is now expected to be achieved in 2019-20~~2020-21~~, and by 2022-23 a moderate surplus of \$2.4m (1.4% surplus)this is two years earlier than the previous planInvestment: Capital Expenditure of \$1.3 billion, comprising of \$0.8 billion on renewal of existing infrastructure and \$0.5 billion on upgrade/new Infrastructure
- Asset Renewal Reserve will ensure that the City has the long-term financial capacity to maintain infrastructure and ~~assets to existing service levels~~
- Borrowings: New borrowings of \$20.5m~~\$25m~~, which is well within the City's borrowing capacity and ensures that all liquidity ratios are achieved in each year of the plan ~~is \$69m less than the \$94m borrowings projected in the previous plan.~~
- Financial Sustainability: ~~46 out of 60 key ratios are achieved, 4 more than the previous plan, the improvement is due to the operating projections.~~

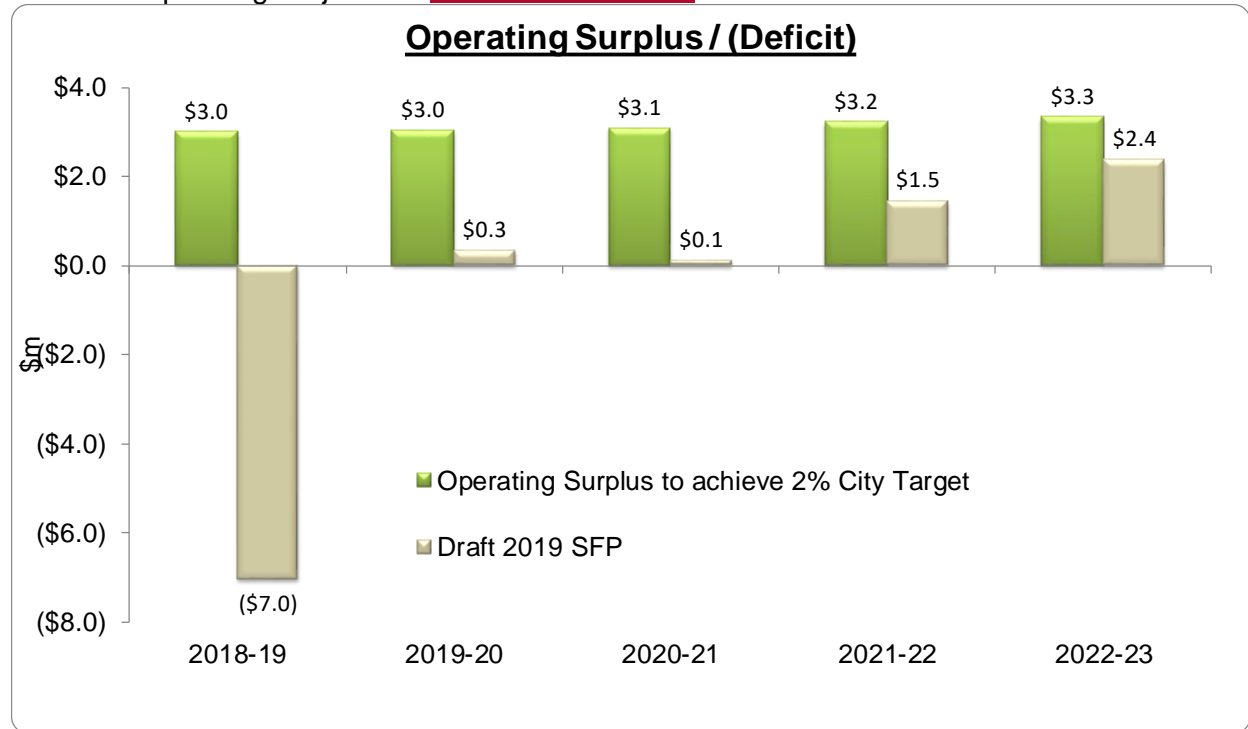
#1 Forecasts for Perth Wages Price Index are only available up to 2022-23

The City has incurred an operating deficit for most of the past few years, and in 2018-19 is projecting a further deficit of \$7.06-4m, although \$4.4m of this relates to one-off costs of asset disposals/write-offs. The City has recognised the need to address the operating deficit and there are several assumptions included in the 2019-20 Budget and Draft 20 Year Strategic Financial Plan ~~plan~~ which will help the City gradually increase the surplus. By 2022-23 a 1.4% surplus is achieved which is 0.6% less than the desired 2% Operating Surplus target - it is not a major concern to be below the 2% target, ~~as shown on t~~ Most importantly the cash surpluses that the City is projected to achieve are sufficient to support long-term renewal requirements and planned new infrastructure.

The chart below shows the gradual improvement in the operating results and compares to the surplus that would be required to achieve a 2% surplus. Whilst the projections are positive, the

City needs to maintain the momentum and continue to review current services and fees to ensure it is providing optimum value for money to the community and is financially sustainable.

Chart 1 – Operating Projections ~~2018-19 to 2023-24~~ ~~2017-18 to 2023-24~~



## 2 INTRODUCTION

### 2.1 Purpose

The *Draft 20 Year Strategic Financial Plan* is a high-level informing strategy that outlines the City of Joondalup's approach to delivering infrastructure and services to the community in a financially sustainable and affordable manner. It also demonstrates the City's commitment to managing its operations in a way that avoids unsustainable rate increases for households. The *Draft 20 Year Strategic Financial Plan* achieves this by projecting the City's financial position over a 20 year period, based on a range of conservative assumptions and estimates. The new plan included in this document covers the years 2018-19 to 2037-38 ~~2017-18 to 2036-37~~ and is referred to as the *Draft 20 Year Strategic Financial Plan*. The Previous Plan covers the years 2017-18 to 2036-37 ~~and was adopted by Council in August 2018. 2016-17 to 2035-36, was presented to the Finance Committee in August 2017 but was not adopted by Council.~~

### 2.2 Integrated Planning/Reporting Framework and Guiding Principles

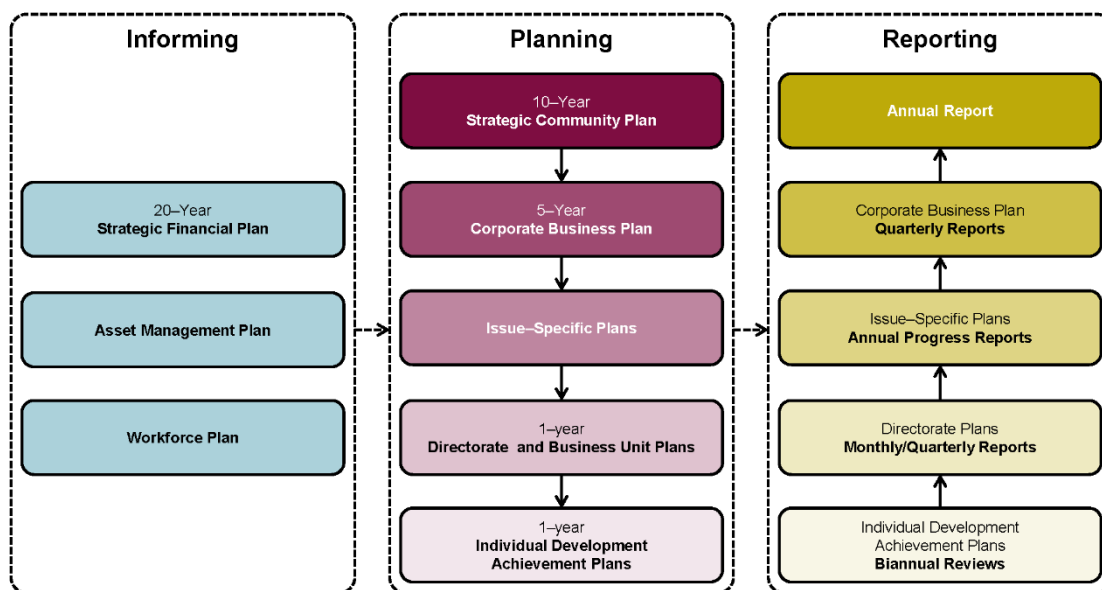
The Department of Local Government, Sport and Cultural Industries have issued a guideline and *Advisory Standard* to support the development of long term financial management plans, of which the City's *Draft 20 Year Strategic Financial Plan* is aligned to. For financial management, performance against 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, ~~core assumptions~~ and ~~explanation of~~ 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 2% target.

### 2.3 Planning Alignment

The *Draft 20 Year Strategic Financial Plan* forms part of the Integrated Planning Framework, as shown on Chart 1 below. The Budget for 2019-20 ~~2018-19~~ forms the baseline for the projections and the update ~~of the~~ *Draft 20 Year Strategic Financial Plan* has been synchronised with the annual budget cycle. The Capital Works Program 2019-20 to 2023-24 ~~2018-19 to 2022-23~~ also forms a key part of the projections.

Chart 2 – Integrated Planning Framework



## 2.4 City Profile & Key Statistics

Table 1 – City of Joondalup Key Statistics

Joondalup Headline Statistics	
Population – 201 <del>98</del> (Forecast ID)	<del>462,742</del> 161,369
Distance between Perth and the Joondalup City Centre	30 kilometres
Number of businesses – ABS 201 <del>87</del>	13,135 <del>204</del>
Headline Gross Regional Product (NEIR 201 <del>87</del> )	\$ <del>6.485-96</del> billion

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 (statutory)
- Building & Planning approvals (statutory)
- Environmental health services (mostly statutory, immunisations are discretionary)
- Community development, education and youth services (mostly discretionary)
- Library services (majority statutory)
- Festivals, concerts and other cultural events (discretionary)
- Leisure and recreation services and facilities (all discretionary)
- Parking, Rangers and community safety (some services statutory e.g. dog/cats)
- Infrastructure management including roads, footpaths and street lighting (statutory)
- Parks and natural areas and management of the environment (mostly statutory)
- Economic development (discretionary)

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

## 2.6 Disclaimer

*Readers of the Draft 20 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 Draft 20 Year Strategic Financial Plan by Council does not constitute a commitment or agreement to any of the projects or proposals that have not already been approved or the financial estimates and projections. 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.



### 3 ECONOMIC INDICATORS

#### 3.1 National and State Indicators

The table below summarises the key projections at both National and State level. ~~Both the Federal Budget (April 2019) and State Budget (May 2019) indicate operating surpluses from 2019-20 but showed an improved budget position compared to previous budget, and achieving a surplus one year earlier in 2019-20 (albeit a very small surplus) than previously projected. Nevertheless the current economic position both federally and at state level is still fragile, with a current budget deficit, sluggish inflation/-wages growth, soft housing market, minimal and sluggish growth in household consumption and fears of higher unemployment. Indeed the fragility of the economy is demonstrated with the lack of movement of the RBA cash rate at the historical low of 1.0%-1.50%, and the increasing likelihood of further reductions to support economic growth – there are only a few more cuts that the RBA could make to stimulate the economy without other interventions being considered (fiscal stimulus). It appears increasingly unlikely that this will increase any time soon due to the concerns that increases may have on consumption, housing investment and the overall economy~~

The forecasts at both Federal and State level indicate higher wages growth in the next couple of years, but these appear optimistic ~~as did the forecasts made one year ago which did not materialise~~. The West Australian Economy contracted in ~~2016-17~~ 2017-18 and began to show improved signs in 2018-19 but is again stuttering ~~but is showing more positive signs as it is in a period of transition from the resources construction boom. Unemployment remains high but is forecast to reduce to levels which are considered more acceptable. The Draft 20 Year Strategic Financial Plan has been prepared with reference to the local, state and federal economic situation and forecasts.~~

Table 2 – National and State Indicators

External Indicators	Source	18-19	19-20	20-21	21-22	22-23
<b>Economic &amp; Social Indicators</b>						
Gross Domestic Product (GDP)	<i>RBA Economic Statement 10th May 2019</i>	2.25%	2.50%	2.75%		
Gross State Product	<i>State Budget May 2019</i>	2.00%	3.50%	3.00%	3.00%	3.00%
Unemployment Rate: WA	<i>State Budget May 2019</i>	6.25%	6.00%	5.75%	5.50%	5.25%
Population Growth: WA	<i>State Budget May 2019</i>	1.00%	1.30%	1.50%	1.60%	1.70%
<b>Price Indices and Cost Drivers</b>						
CPI Australia	<i>RBA Economic Statement 10th May 2019</i>	1.75%	2.00%	2.50%		
CPI WA	<i>State Budget May 2019</i>	1.75%	2.00%	2.50%		
Local Government Cost Index	<i>WALGA Economic Update May 2019</i>	1.40%	1.80%	2.70%		
Wages Price Index WA	<i>State Budget May 2019</i>	1.75%	2.25%	2.75%	3.00%	3.25%
<b>Financial Indicators</b>						
RBA Cash Rate	<i>City of Joondalup Estimate</i>	1.50%	1.00%	0.75%	1.00%	
WATC Borrowing Rate (10 Years)	<i>WATC March 2018</i>	2.20%	2.28%	2.50%	2.83%	3.16%

#### 3.2 City of Joondalup Key Indicators

The City will see moderate population increases across the City however; the greatest impacts are likely to be driven by significant regional population growth. This will place added pressure on the City to provide increased employment, health, entertainment and educational opportunities to support the needs of a growing regional population. Business growth has slowed down recently there is further potential for increased business growth in the medium and long-term.

Table 3 – City of Joondalup Key Indicators

## City of Joondalup 20 Year Strategic Financial Plan

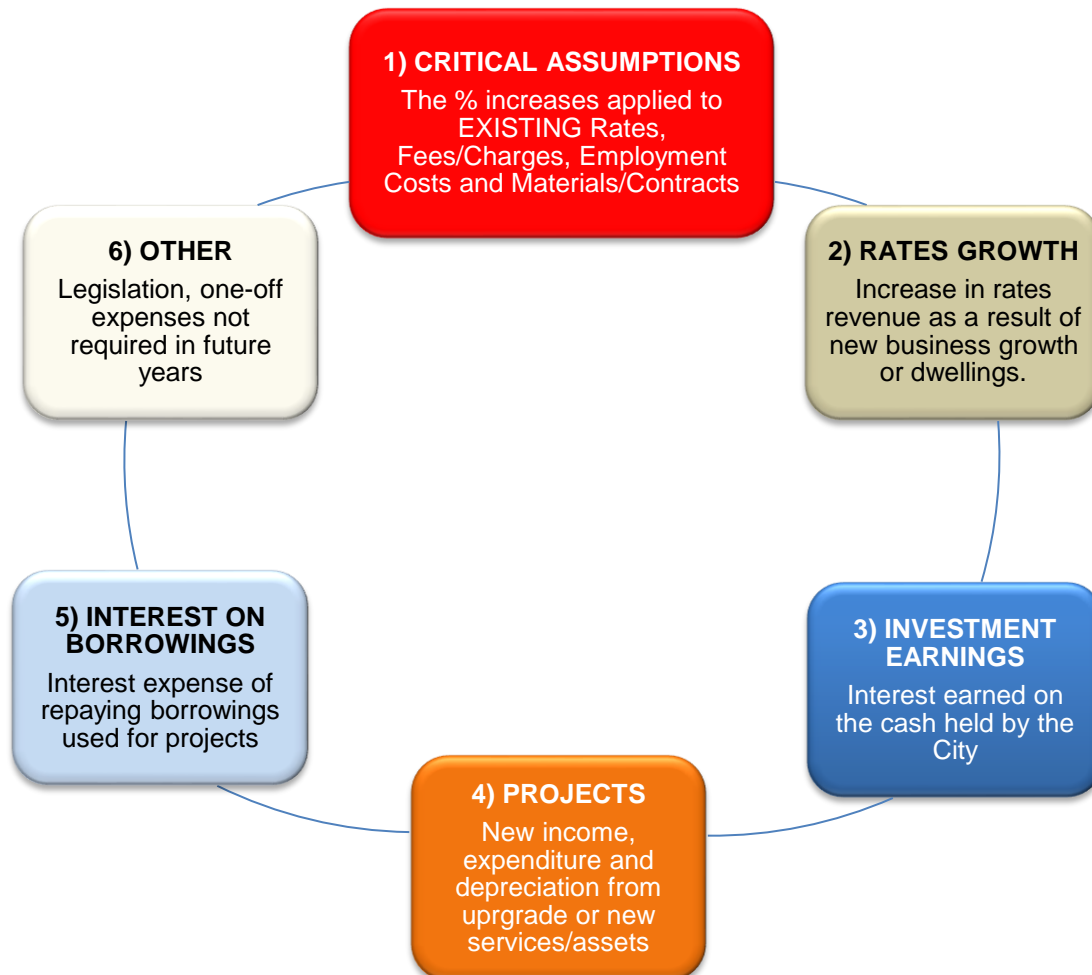
City of Joondalup	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28
Population Source: Profile ID (based on 2016 census)	161,176	161,369	162,111	162,737	163,567	164,587	165,304	166,118	166,896	167,702
Residential Dwellings Source: City of Joondalup Forecast	62,389	62,604	62,896	63,267	63,632	63,947	64,249	64,546	64,846	65,160
Business Growth % Increase vs Previous Year - Business Rates		0.8%	0.6%	1.0%	1.6%	1.0%	0.2%	9.1%	6.9%	2.3%

## 4 OPERATING PROJECTIONS

### 4.1 How the Operating Projections are Prepared

The most important projections from the 20 Year SFP are the operating projections; these provide the best indication of long-term financial sustainability. There are six main elements that make up the operating projections as explained in chart below:

Chart 3 – Key Elements of Operating Projections



The trend for each of the six elements is projected to be as follows:

- ~~Change in Existing Income and Expenses~~—these are the most critical assumptions in the overall plan. It is assumed that increases in income, most importantly rates, are higher than the increases in expenses (next paragraph provides more details).
- ~~Rates Growth~~—moderate growth in the short-term, potentially higher growth in long-term.
- ~~Projects~~—the majority of projects are estimated to result in a deficit (section 5).
- ~~New Depreciation~~—this continues to grow due to new projects and capital works program.
- ~~Investment Earnings~~—increase due to increased reserves and higher earnings rate.
- ~~Interest on Borrowings~~—this will reduce for the next few years as existing borrowings are paid down, but may then increase due to new borrowings from 2023-24.

#### 4.2 Critical Assumptions - Change in Existing Income and Expenses

~~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 cumulative impact, for example are critical as they in the Draft 20 Year Strategic Financial Plan of each assumption the a 2.25% rate increase in 2019-20 results in approximately \$2.2m income in 2019-20 which becomes part of the base revenue in future years. years.~~

The increases in employment expenses ~~will be~~ determined by ~~an~~ Enterprise agreements, and are subject to negotiation. The increases need to strike the right balance by being affordable ~~(less than increases in rates)~~, suitable taking account of economic conditions but ensure that the City continues to retain suitably qualified and experienced staff.

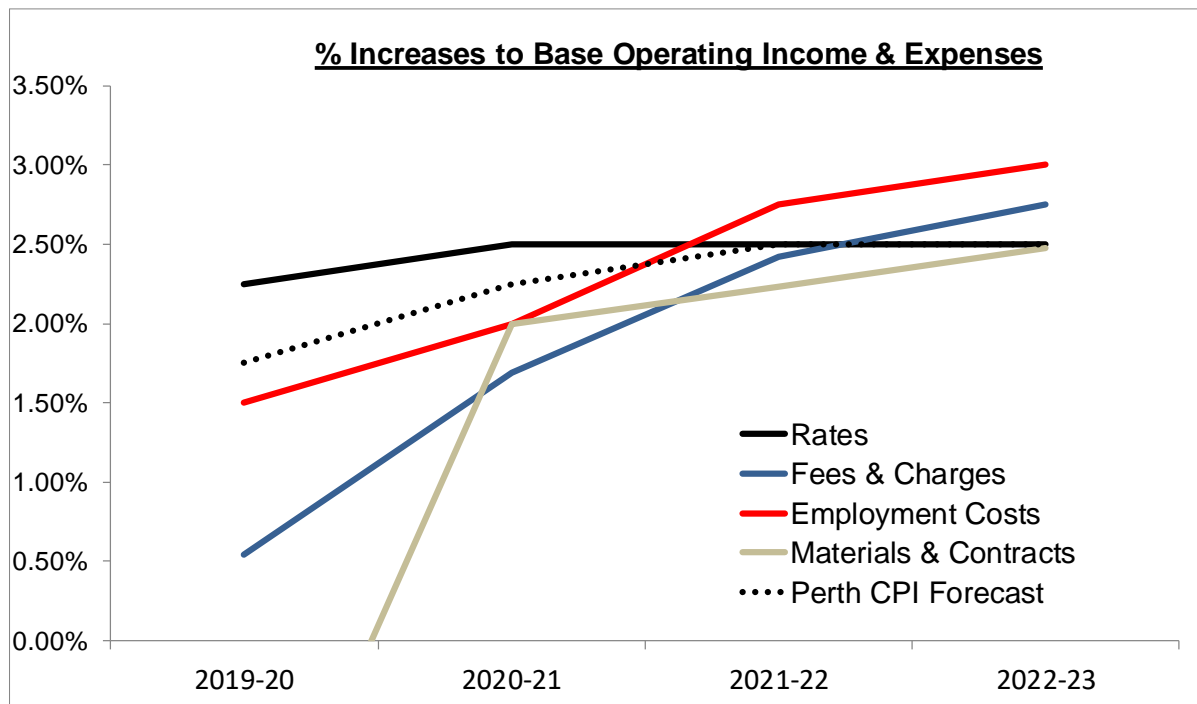
There are 13 different items within Fees & Charges, each of which has been reviewed separately – some of the items may increase at the discretion of the City (e.g. sports/recreation fees), but other fee revenue can be volatile and mostly outside of the City's control (e.g. Dog/Cat registration income). Likewise Materials & Contracts has been forecast by evaluating 20 different cost items ~~the increase for 2018-19 is distorted due to one-off expenditure carried forward from 2017-18 to 2018-19.~~ Supporting Schedule 1 lists the increases that have been assumed for each of the different items for Fees & Charges and Materials & Contracts.

The chart below shows the assumptions for increases to existing income and expenses within the Draft 20 Year Strategic Financial Plan ~~from 2019-20 up~~ to 2024-25, the key issues are:

- ~~• Rates increase of 2.25% in 2019-20 and 2.5% in following three years.~~
- ~~• Employment Cost increase of 1.5% in 2019-20, 2.0% in 2020-21, 2.75% in 2021-22 and 3% in 2022-23. These increases are less than the projected increase in WA Wages Price Index.~~
- ~~• Materials & Contracts increase of 2.0% in 2020-21, 2.25% in 2021-22 and 2.5% in 2022-23. These increases are less than the projected increase in WA CPI.~~

~~To enable the City to address the operating deficit, it is vital to apply increases in income (most importantly rates) which are higher than the increases in expenses. The proposed increases to rates are necessary to achieve adequate operating results and achieve long-term financial sustainability.~~

Chart 4 – Critical Assumptions



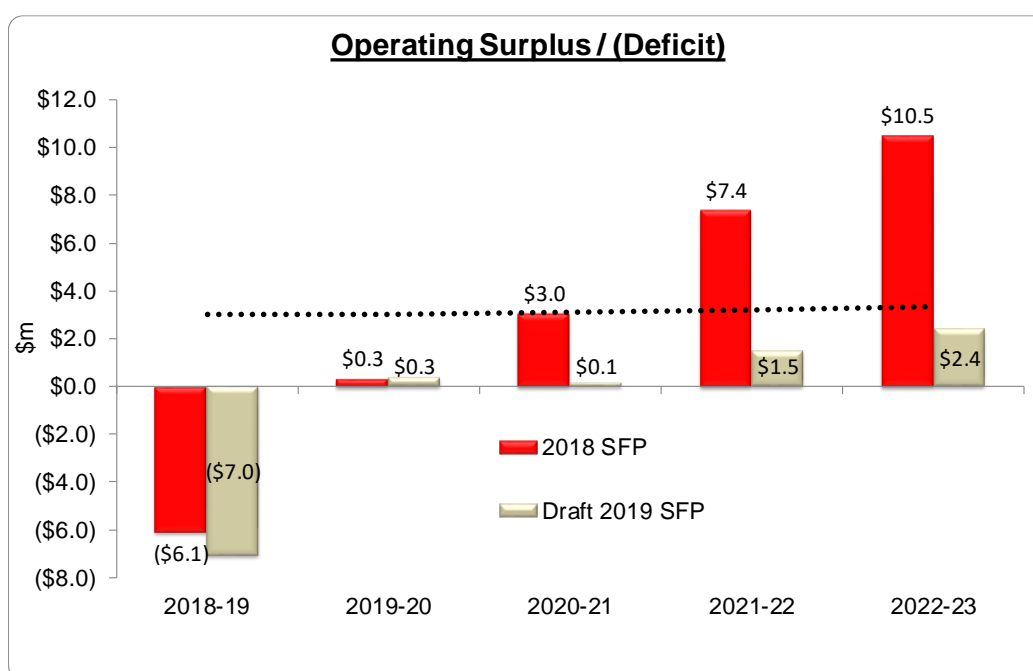
### 4.3 Operating Projections

The chart below summarises the operating projections up to 2022-23 and indicates that the Operating Surplus/(Deficit) is projected to improve from (\$7.0m) deficit in 2018-19 to a \$2.4m surplus by 2022-23. Although there is a large operating deficit of (\$7.0m) in 2018-19, it is anticipated that the City can achieve small operating surplus of \$0.3m in 2019-20, due mainly to the following reasons:

- \$4.4m write off in 2018-19 most of which will not be repeated in 2019-20
- \$2.2m recurring grant for road resurfacing which was previously treated as a capital grant (and therefore excluded from operating results) but from 2019-20 onwards will be treated as operating revenue.
- \$0.6m increase in base income (most notably rates) being higher than the increase in base expenses

The chart also shows the City target from the Department of Local Government, Sport and Cultural Industries Department of Local Government which is a surplus of 25% of Own Source Operating Revenue, the projected surplus at 2022-23 is estimated to be 1.4%. The 2% target is projected by 2026-27 and although this is still a few years away, it is important the City progresses to a 2% surplus at a reasonable pace with rate increases that are realistic. Most importantly the cash surpluses that the City is projected to achieve are sufficient to support long-term renewal requirements and planned new infrastructure.

Chart 5 – Operating Projections 2018-19 to 2022-23 2017-18 to 2023-24



#### 4.4 Analysis of Operating Results

The table below ~~explainssummarises~~ the key movements ~~for the six key items that go into the operating projections.~~ The table compares the impacts versus 2019-20, a positive value means that there is an improvement compared to 2019-20 whereas a negative means that the impact is worse than in 2019-20. ~~in Operating Income and Operating Expenses compared to the 2018-19.~~ There are ~~also~~ comments under the table to explain each line item.

Table 4 – Changes in Operating Results vs ~~2018-19~~2019-20

<b>Movement in Operating Surplus / (Deficit) vs 19/20</b>	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>
	<b>\$ms</b>	<b>\$ms</b>	<b>\$ms</b>
Projected Operating Surplus / (Deficit)	0.1	1.5	2.4
vs 2019-20	0.3	0.3	0.3
<b>Improvement in Operating Results</b>	<b>(0.2)</b>	<b>1.1</b>	<b>2.0</b>
<b><u>Explanation</u></b>			
1 Growth in Base Income versus Base Expenditure	0.2	(0.0)	(0.4)
2 Rates Growth (Commercial & Residential)	0.5	1.1	1.9
3 Investment Earnings	(0.3)	0.4	1.2
4 Projects - additional operating expenses and income	(0.9)	(0.5)	(0.7)
5 Interest on Borrowings	0.2	0.2	0.1
6 Other	0.2	(0.1)	(0.1)
<b>Improvement in Operating Deficit</b>	<b>(0.2)</b>	<b>1.1</b>	<b>2.0</b>

1. Growth in Base Income ~~versus more than Growth in~~ Base Expenditure – this relates to the critical assumptions explained in earlier paragraph. ~~This shows that in 2020-21 the increase in Rates and Fees/Charges will be more than the increases in expenses, but for 2021-22 and 2022-23 the increases in expenses will be more than income.~~
2. Rates Growth (Commercial & Residential) – by ~~2022-23 2023-24~~ it is estimated that there will be ~~\$1.9m \$3.6m~~ additional income from new dwellings and new commercial. The

assumptions have been built up with reference to known planning applications and local housing strategy.

3. Investment Earnings – by ~~2022-23 2023-24~~ it is estimated that the City may earn ~~\$4.9m \$7.4m~~ which is ~~\$1.2m \$4.0m~~ more than in ~~2019-20 2018-19~~. This is mainly caused by higher earnings rate and higher reserves (e.g. Tamala Park proceeds).
4. ~~One-Off Costs. There are \$2.6m costs in 2018-19 not required in 2023-24.~~
5. ~~Capital Grant reclassified as Operating – at present the City receives approximately \$2m each year in Federal Roads Grant, which is currently recorded all as a capital grant and does not impact on the operating results. It is assumed that from 2019-20 the City can record some of the grant funding as operating revenue to match operating expenses incurred in maintaining the road network. This assumption is subject to internal review and will be implemented as part of the Budget 2019-20.~~
- 6.4. Projects, a negative impact of (\$0.7m) by 2022-23, relates to the following:
  - Craigie Leisure Centre Refurbishment Phase 1 project Council approved in March 2018 upgrades which should improve operating results by \$0.4m per year. Phase 2 has also been included in the updated is projected to provide a net benefit of \$0.3m per year (the \$0.4m is the difference between the new income and the new operating expenses and depreciation).
  - New depreciation associated mostly with the Capital Works Program is expected to result in additional costs of (\$1.0m)

~~The negative impacts on the operating results are explained as follows:~~

- 7.5. 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~~but the plan then assumes new borrowings required in 2022-23 for the second Multi Storey Car Park so the interest costs in 2023-24 are estimated to be \$0.9m more than in 2018-19.~~
- 8.6. Other (\$0.1m) negative impact, caused mostly by two issues
  - Superannuation Guarantee Increase. The Federal Budget assumes that employers will be required to increase guaranteed contributions from 9.5% to 12.0% by 2025-26 with incremental changes beginning from 2021-22. By 2024-25 this may cost (\$0.47m)
  - One-off costs in 2019-20 of \$0.34m not required in future years, relating to temporary staff costs e.g. additional staff to implement the roll-out of 3-bins.
  - ~~The there are approximately 10 other issues which combined add up to a negative impact of (\$0.6m.)~~

#### 4.5 Summary of Operating Results

For most years of the Draft 20 Year Strategic Financial Plan, the increases in rates are lower than the increases in core expenses, and also the increase in expenses are less than the increases for Wages Price Index and CPI. Despite this, the operating surplus is projected to increase, albeit moderately.

It As the Ci would normally be expected that the City has to increase rates by at least, if not more, than the increase in expenses (unless services were being reduced and costs removed) but the revised financial targets (2% Operating Surplus,) mean that the City can implement lower rate increases in future years than the increase in expenses. The other key items that will allow the City to implement rate increases lower than expenses in future years are the new rates income generated from residential/commercial growth and also higher earnings on cash reserves.

The projected increase in rates is by no means fixed and is reviewed each year as part of the annual budget process and update to the Draft 20 Year Strategic Financial Plan – there are a



wide number of factors which may result in a higher or lower increase than projected (e.g. economic conditions, service reviews, enterprise agreements).

In summary, the operating projections appear positive, but they are only as good as the assumptions and it will be vital for the City to maintain a positive momentum to improve operating results in addressing the operating deficit. ~~The 2018-19 budget has included \$0.4m improvements in fees and service reduction. There are no further changes in services or fees assumed in the 20 Year Strategic Financial Plan but it will be crucial for the City to continue to review services and fees as part of forthcoming annual budgets.~~

Financial Statement 1 provides details of each line item for all 20 years.

## 5 CAPITAL EXPENDITURE

### 5.1 Capital Expenditure Estimates by Asset Class

Capital Expenditure forecasts have been built up as follows:

- Capital Works Program - the 5 Year Capital Works Program is a rolling program of capital works that is updated on an annual basis. The Program for ~~2019-20 to 2023-24~~~~2018-19 to 2022-23~~ has been used in the development of the *Draft 20 Year Strategic Financial Plan*. Estimates for the outer years (from ~~2024-25~~ ~~2023-24~~ onwards) have been prepared with reference to the current expenditure or where possible with reference to renewal plans.
- Fleet and IT – capital replacement of existing infrastructure
- Major Projects – 22 major projects explained in detail later in this section

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. The table below summarises the large asset values that the City is responsible for, over \$2.1 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, which have been incorporated into the *Draft 20 Year Strategic Financial Plan*. The City is an asset-intensive business and the substance of the Asset Management plans is crucial to provide substance to the *Draft 20 Year Strategic Financial Plan*. There is ongoing work by the City to update Asset Management Plans for each asset class. Where an updated asset management plan becomes available it will be included in the annual update of the *Draft 20 Year Strategic Financial Plan*.

Table 5 – Asset Values

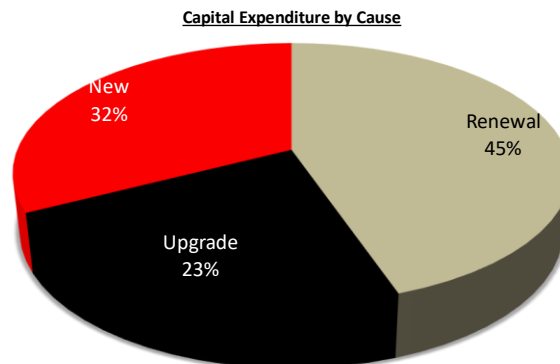
Asset Values 30th June 2018	Asset Values		% of Total (CRC)
	Current Replacement Cost	Written Down Value	
	\$ms	\$ms	
1 Buildings	376.8	236.0	18%
2 Parks	193.3	146.9	9%
3 Drainage	405.6	269.0	19%
4 Transport, excl Roads	187.9	124.1	9%
5 Roads	690.5	368.5	32%
6 Lighting	46.3	18.9	2%
7 Freehold Land	190.4	190.4	9%
8 Fleet, Equipment, Other	34.3	21.3	2%
<b>Total Asset Values</b>	<b>2,125.1</b>	<b>1,375.2</b>	<b>100%</b>

### 5.3 Capital Expenditure by Cause

The chart below summarises the capital expenditure estimates by cause. ~~45%~~ ~~63%~~ of the expenditure is estimated to be for renewal of existing infrastructure, ~~23%~~ ~~42%~~ on Upgrades and ~~32%~~ ~~25%~~ on New infrastructure. It is far from ideal having ~~55%~~ ~~37%~~ of the Capital expenditure forecasts on upgrade/new because this causes new depreciation and new operating expenses. 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.

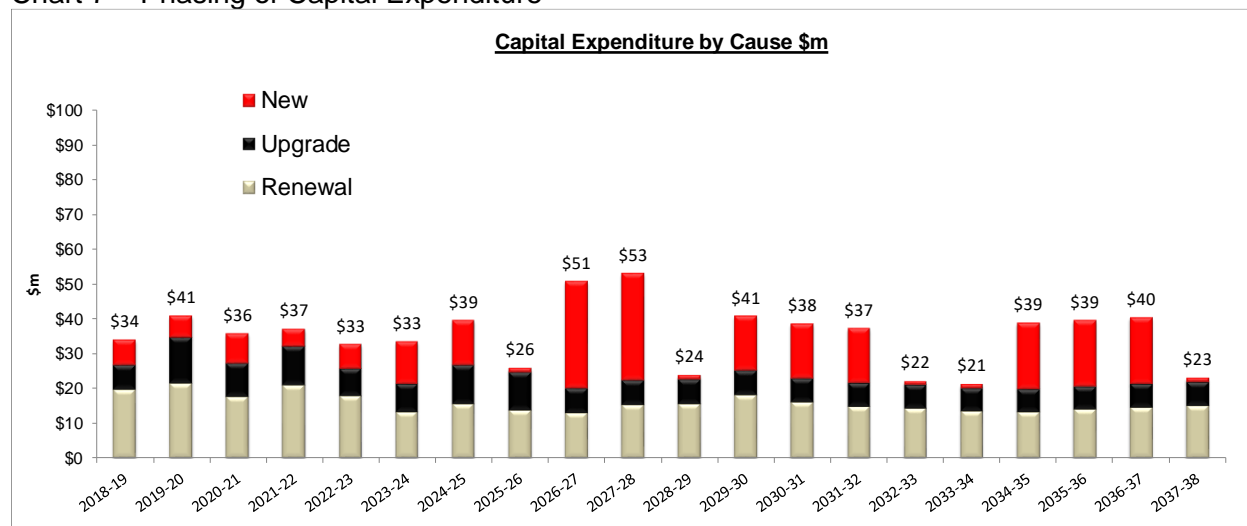
Chart 6 – Capital Expenditure by Cause



#### 5.4 Phasing of Expenditure

The table below shows the estimated phasing of expenditure (in today's dollars). There are large peaks in new expenditure, predominately caused by the Joondalup Performing Arts & Cultural Facility (2026-27 and 2027-28) and Percy Doyle Master Plan (2029-30, 2030-31, 2031-32 and 2034-35, 2035-36, 2036-37). 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. from 2024-25 2023-24 there is higher renewals 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 now set up an Asset Renewal Reserve (previously the Vehicles, Plant & Equipment Reserve) to fund higher renewals. ~~will need to evaluate how it will fund much higher renewals in the future.~~

Chart 7 – Phasing of Capital Expenditure



#### 5.5 Major Projects – Source of Funding

The *Draft 20 Year Strategic Financial Plan* includes 22 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. The table below summarises the capital expenditure and estimated funding for each project. Where the City is required to fund the

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.

Table 6 – Major Project Funding

Major Projects & Funding 20 Year summary, including inflation \$ms	Capital Expend	Funding					Total
		Grants	Disposal Proceeds	Municipal	Reserves	Loans	
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
1 Better Bins - implementation of 3-bin system	(5.0)	1.8	0.0	0.2	3.0	0.0	5.0
2 Joondalup City Centre Development	(0.3)	0.0	0.0	0.3	0.0	0.0	0.3
3 Cafes / Kiosks / Restaurants - Pinnaroo Point	(0.8)	0.0	0.0	0.2	0.6	0.0	0.8
4 Jinan Gardens	(2.2)	0.0	0.0	0.0	2.2	0.0	2.2
5 Joondalup Mens Shed / WOC Extension	(1.2)	0.0	0.0	1.1	0.1	0.0	1.2
6 Cafes / Kiosks / Restaurants - Burns Beach	(5.3)	0.0	0.0	1.4	3.9	0.0	5.3
7 Percy Doyle - Refurbishment Works	(3.6)	0.4	0.0	1.5	1.8	0.0	3.6
8 Craigie LC Refurbishment Phase 1	(2.9)	0.0	0.0	0.0	2.9	0.0	2.9
9 Joondalup Administration Building - refurbishment	(4.4)	0.0	0.0	1.3	3.2	0.0	4.4
10 Ocean Reef Marina Business Case & Structure Plan	(0.4)	0.0	0.0	0.4	0.0	0.0	0.4
11 Chichester Park Redevelopment	(4.3)	1.1	0.0	0.1	3.1	0.0	4.3
12 Warwick Community Facilities	(4.4)	0.0	4.5	(0.0)	0.0	0.0	4.4
13 Warwick Sports Centre	(1.1)	0.0	0.0	1.1	0.0	0.0	1.1
14 Joondalup Library - major refurbishment	(1.3)	0.0	0.0	1.3	0.0	0.0	1.3
15 Whitfords Library and Senior Citizens Centre	(3.1)	0.0	0.0	0.0	3.1	0.0	3.1
16 Edgewater Quarry Masterplan	(12.8)	0.0	0.0	1.0	0.0	11.7	12.8
17 Multi Storey Car Park (2)	(19.3)	0.0	0.0	0.0	10.5	8.8	19.3
18 Craigie LC - Geothermal replacement bore	(1.1)	0.0	0.0	1.1	0.0	0.0	1.1
19 Craigie LC Refurbishment Phase 2	(5.6)	0.0	0.0	0.0	5.6	0.0	5.6
20 Joondalup Performing Arts & Cultural Facility	(59.3)	29.0	0.0	0.0	30.3	0.0	59.3
21 Calectasia Hall / Greenwood Scout & Guide Hall	(6.6)	0.0	0.0	0.0	6.6	0.0	6.6
22 Percy Doyle Master-Plan Phase 1 & 2	(149.3)	0.0	0.0	0.0	149.3	0.0	149.3
<b>Total Major Projects</b>	<b>(294.5)</b>	<b>32.3</b>	<b>4.5</b>	<b>11.0</b>	<b>226.2</b>	<b>20.5</b>	<b>294.5</b>

## 5.6 Major Projects – Operating Impacts

The table below lists the estimated annual operating impacts and if there is likely to be an impairment whereby assets are replaced before the end of their useful life causing the future year's depreciation expense to be written off in one year. Several projects are not yet sufficiently scoped and this is shown as to be confirmed (tbc).

The major projects have been ranked in order of their impacts on operating costs. There are two lines on the table which split the projects into three sections as follows:

- The top ranked projects (Projects 1 to ~~89~~) will provide an operating surplus and include projects where operating impacts have not yet been fully scoped (e.g. Ocean Reef Marina)
- The middle section (Projects ~~9 to 1540 to 16~~) may break-even or have minimal impact (<\$0.1m)
- The bottom ranked projects (Projects ~~1647~~ to 22) will have a negative impact on operating results by at least \$0.1m per year

When considering the options for major projects the City should consider whether a commercial income stream can be achieved, or what actions would be necessary to achieve a break even operating position. However it may not be viable for some projects to ever achieve a break-even operating position but there could be significant wider Social and Economic benefits which justify the project.

Table 7 – Major Projects Operating Impacts &amp; Ranking

Impact of Major Projects on Operating Deficit & Ranking	(A) Capex & Timescales			(B) Operating		
	Capex #1	(R)enewal , (U)pgrade or (N)ew	Year #2	Operating Surplus / (Deficit) #3	Write-off costs possible	Rank #4
	\$ms			\$ms p.a.	\$ms	
1 Craigie LC Refurbishment Phase 1	(\$2.9)	R/U	2020-21	\$0.3	Yes	1
2 Craigie LC Refurbishment Phase 2	(\$5.6)	R	2025-26	\$0.1	Yes	2
3 Better Bins - implementation of 3-bin system	(\$5.0)	N	2019-20	tbc	No	3
4 Joondalup City Centre Development	(\$0.3)	N	2019-20	tbc	No	4
5 Ocean Reef Marina Business Case & Structure Plan	(\$0.4)	N	2021-22	tbc	No	5
6 Cafes / Kiosks / Restaurants - Pinnaroo Point	(\$0.8)	N	2019-20	(\$0.0)	No	6
7 Cafes / Kiosks / Restaurants - Burns Beach	(\$5.3)	N	2020-21	(\$0.1)	No	7
8 Warwick Community Facilities	(\$4.4)	U	2021-22	tbc	Yes	8
9 Joondalup Administration Building - refurbishment	(\$4.4)	U	2021-22	tbc	tbc	9
10 Percy Doyle - Refurbishment Works	(\$3.6)	R	2020-21	\$0.0	tbc	10
11 Joondalup Library - major refurbishment	(\$1.3)	R	2022-23	tbc	Yes	11
12 Craigie LC - Geothermal replacement bore	(\$1.1)	U	2024-25	tbc	tbc	12
13 Whitfords Library and Senior Citizens Centre	(\$3.1)	R	2022-23	tbc	Yes	13
14 Joondalup Mens Shed / WOC Extension	(\$1.2)	N	2020-21	(\$0.0)	No	14
15 Warwick Sports Centre	(\$1.1)	U	2021-22	(\$0.0)	tbc	15
16 Calectasia Hall / Greenwood Scout & Guide Hall	(\$6.6)	N	2029-30	tbc	No	16
17 Jinan Gardens	(\$2.2)	N	2020-21	(\$0.1)	No	17
18 Chichester Park Redevelopment	(\$4.3)	U	2021-22	(\$0.1)	Yes	18
19 Multi Storey Car Park (2)	(\$19.3)	N	2024-25	(\$0.1)	No	19
20 Edgewater Quarry Masterplan	(\$12.8)	N	2023-24	(\$0.1)	No	20
21 Joondalup Performing Arts & Cultural Facility	(\$59.3)	N	2027-28	(\$1.4)	No	21
22 Percy Doyle Master-Plan Phase 1 & 2	(\$149.3)	R	2035-36	(\$1.8)	Yes	22
<b>TOTAL</b>	<b>(\$294.5)</b>			<b>(\$3.6)</b>		

#1 Capex and Operating Impacts include escalation

#2 Year is the final year of capex

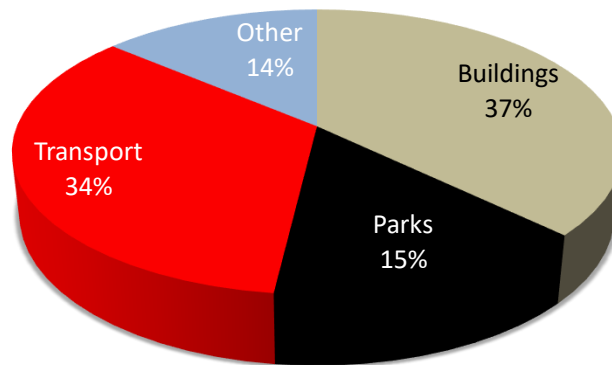
#3 Operating Impacts include interest and depreciation

## 5.7 Summary by Asset Class

The overall estimates have been grouped by Asset Class and are summarised in the chart below. This shows that 34% ~~32%~~ of estimated capital expenditure is for Transport (Roads, Paths, Blackspot, Major Road Construction). The proposed expenditure for buildings is 37% ~~29%~~ even though buildings currently only represent 18% ~~17%~~ of asset value this is because a large part of new major projects is buildings. ~~The unspecified 17% relates to expenditure that has been set aside from 2023-24 onwards for anticipated higher renewals and to achieve the Asset Sustainability Ratio.~~

Chart 8 – Capital Expenditure by Asset Class

**Capital Expenditure by Asset Class %**

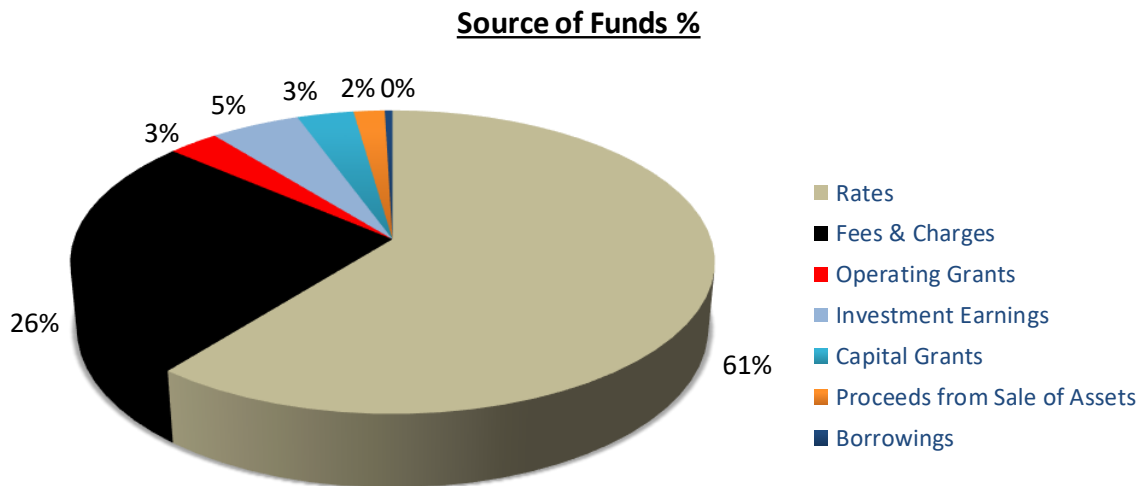


## 6 SOURCE AND APPLICATION OF FUNDS

### 6.1 Source of Funds

The chart below shows the source of all cash income over the 20 year period, 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.

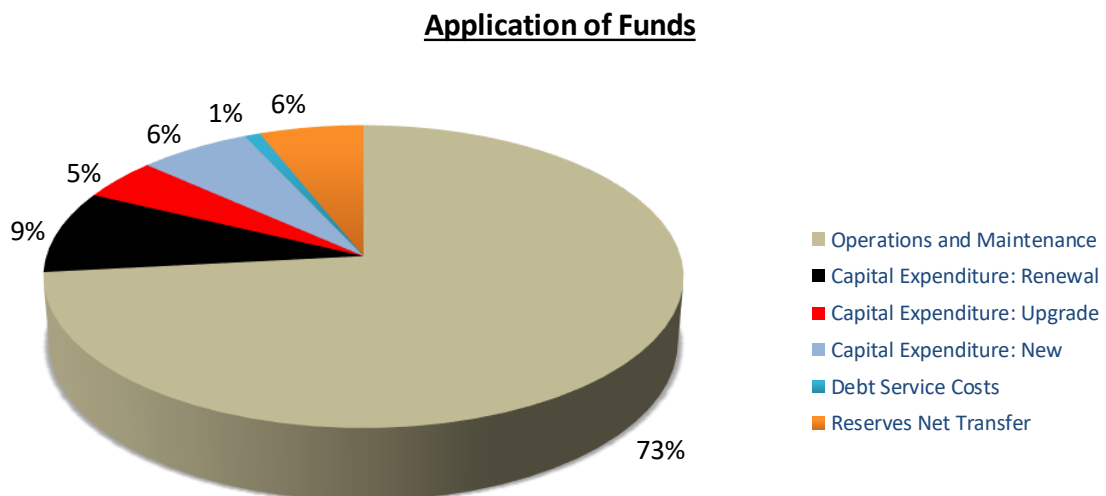
Chart 9 – Source of Funds



### 6.2 Application of Funds

The chart below shows how the funds are applied. 73% ~~Just over 2/3~~ of funds are used to operate/maintain assets and services, 20% ~~26%~~ of cash is spent on capital expenditure, 1% on Debt Service Costs (Principal and Interest) and the remaining 6% is the Net Transfer into/out of reserves.

Chart 10 – Application of Funds



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

### 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 & Recreation Facility Fund. The plan assumes ~~\$151m \$192m~~ of Capital Grant revenue, comprising of ~~\$122m \$136m~~ from the Capital Works Program (Black Spot Programs, Major Road Construction, New Paths and Road Resurfacing/Preservation), ~~\$29m \$50m~~ for Joondalup Performing Arts & Cultural Facility and \$6m for other projects. The ~~\$29m \$50m~~ grant assumed for the Joondalup Performing Arts and Cultural Facility has no specified source ~~and is merely a placeholder and to but~~ recognises that the City contribution to the project is capped at \$30m.

### 6.4 Proceeds from Sale of Assets

The *Draft 20 Year Strategic Financial Plan* includes an asset rationalisation component, with the City applying the principle of using the proceeds where ever possible to offset the expenditure on new capital initiatives. 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.
- ~~Asset Rationalisation: Sale of land no longer considered required for City purposes ('Asset Rationalisation')~~
- Edgewater Quarry: Sale of land at Edgewater Quarry, used to repay short term borrowings used to fund the capital infrastructure on that project.
- Warwick Activities Centre: Sale of land at Warwick (three buildings currently at Warwick will be rationalised, releasing land for sale). These funds will offset against the project costs.
- ~~Joondalup City Centre Development: Recovery of project costs relating to the potential Office Development~~

The table below summarises the proceeds from sale of assets that are assumed:

Table 8 – Proceeds from Sale of Assets

Proceeds from Sale of Assets	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-38	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Fleet	0.9	0.4	0.5	1.3	0.7	0.7	0.9	0.6	0.2	0.9	0.8	9.7	17.5
Edgewater Quarry Masterplan								5.8	6.0				11.7
Warwick Community Facilities				4.5									4.5
Tamala Park	0.7	0.5	0.5	1.3		1.7	2.2	4.7	4.3	4.7	4.7	19.7	44.8
Asset Rationalisation	1.5	2.8											4.3
<b>Total Proceeds</b>	<b>3.1</b>	<b>3.7</b>	<b>1.0</b>	<b>7.1</b>	<b>0.7</b>	<b>2.4</b>	<b>3.0</b>	<b>11.1</b>	<b>10.5</b>	<b>5.5</b>	<b>5.5</b>	<b>29.4</b>	<b>82.8</b>

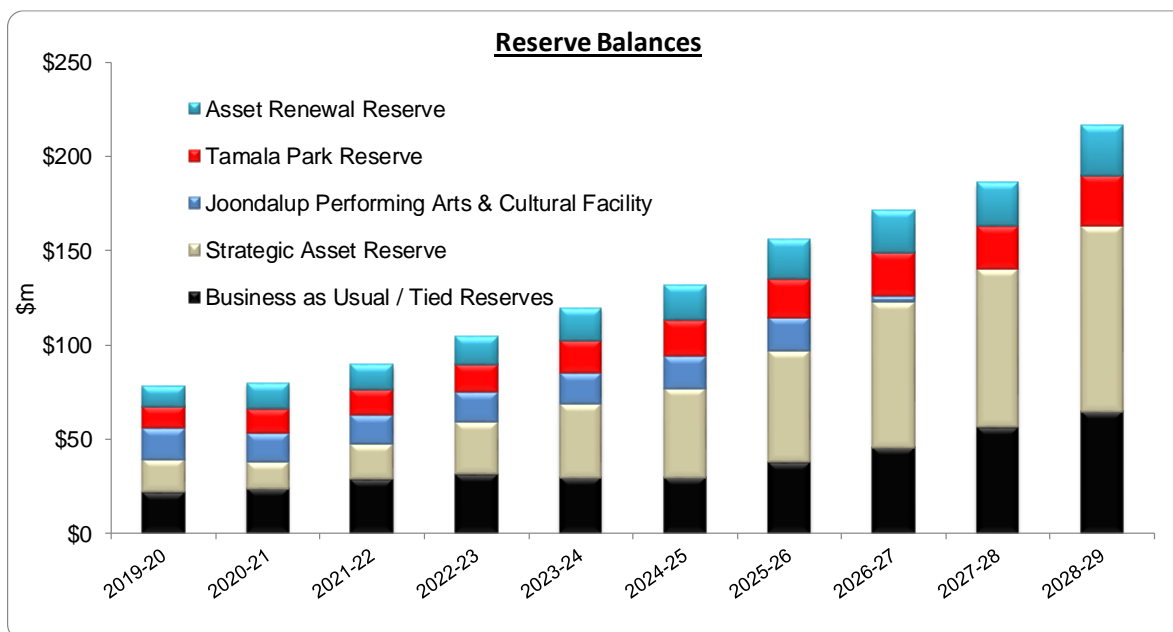


## 6.5 Reserves

Supporting Schedule 2 provides a break down for each of the individual reserves. The graph below summarises the projected balances in reserves, grouped into ~~five~~ ~~four~~ overall categories.

- Asset Renewal Reserve – this reserve was previously the Vehicles, Plant & Equipment Reserve but has been renamed as part of the 2019-20 Budget. At present the City's infrastructure is relatively young and renewal expenditure (\$400m) is a lot less than depreciation expense (\$800m). In the longer term as assets get older and reach the end of their economic life, this will be reversed and more expenditure will need to be spent in renewal compared to depreciation. It is therefore prudent for the City to set aside cash to pay for higher renewals which is the purpose of the Asset Renewal Reserve. A 70-year projection of renewal requirements has been prepared and is used to inform the Draft 20 Year Strategic Financial Plan of the transfers required into the Asset Renewal Reserve.
- Tamala Park Reserve – the proceeds from the sale of land at Tamala Park are put into this reserve. The City has adopted a positioning statement for the funds that they should be used as determined by the 20 Year Strategic Financial Plan, but as a minimum for income producing purposes. The Draft 20 Year Strategic Financial Plan does not currently assume any use for these funds. This is reviewed on an annual basis. The previous plan assumed that these proceeds would be used to repay borrowings for the Joondalup Performing Arts and Cultural Facility, but the updated plan assumes no borrowings for that project.
- The Joondalup Performing Arts and Cultural Facility project is assumed to use all of the Joondalup Performing Arts and Cultural Facility Reserve is used to partially assist with the cost of construction (capped at \$30m for the City contribution).
- The Strategic Asset ~~Management~~ Reserve is used to fund one-off major projects. Surplus cash is set aside into the reserve where possible so that there is sufficient to fund major projects.~~continues to decline over the next few years due to City Centre Street Lighting project and other building projects, but the reserve is then projected to increase more in later years as surplus operating cash flow increases.~~
- The business as usual tied reserves include Parking Facility Reserve and Waste Management Reserve. The 2019-20 budget includes \$1.4m operating surplus in Waste (Refuse Charge less Waste Expenditure), which is transferred into the Waste Management Reserve and as the 2019-20 budget forms the baseline for future years there is a transfer of \$1.4m in each subsequent year to the Waste Management Reserve and consequently by 2037-38 the reserve is over \$60m. It is not intended to build up the Waste Management Reserve to such a high level. This will be reviewed on an annual basis and as the future of the Mindarie Regional Council Landfill Facility and Resource Recovery Facility becomes clearer so will the requirement for the reserve.~~The plan now includes the assumptions from the approved Better Bins project which uses some of the the Waste Management Reserve but after that project the balance continues to grow.~~

Chart 11 – Reserve Projections



## 6.6 Borrowings & Debt Management

Borrowings are proposed in the 20 Year SFP when there are no available reserves or surplus municipal funds. The City is an asset intensive business and borrowings to maintain existing infrastructure or develop new infrastructure is an acceptable practice.

The 20 Year SFP ~~estimates \$20.5m \$25m borrowings for 2 projects only which is \$69m less than the previous plan, the projected borrowings are summarised in the table below.~~

- Multi Storey Car Park (2) – The second Multi Storey Car Park would use available funds in the Parking Facility Reserve but would still require borrowings of ~~\$8.8m \$13.3m~~, assumed to be a Fixed Term Fixed Interest Rate
- Edgewater Quarry Masterplan. Short-term borrowings required until sale of land could repay the debt within a few years.

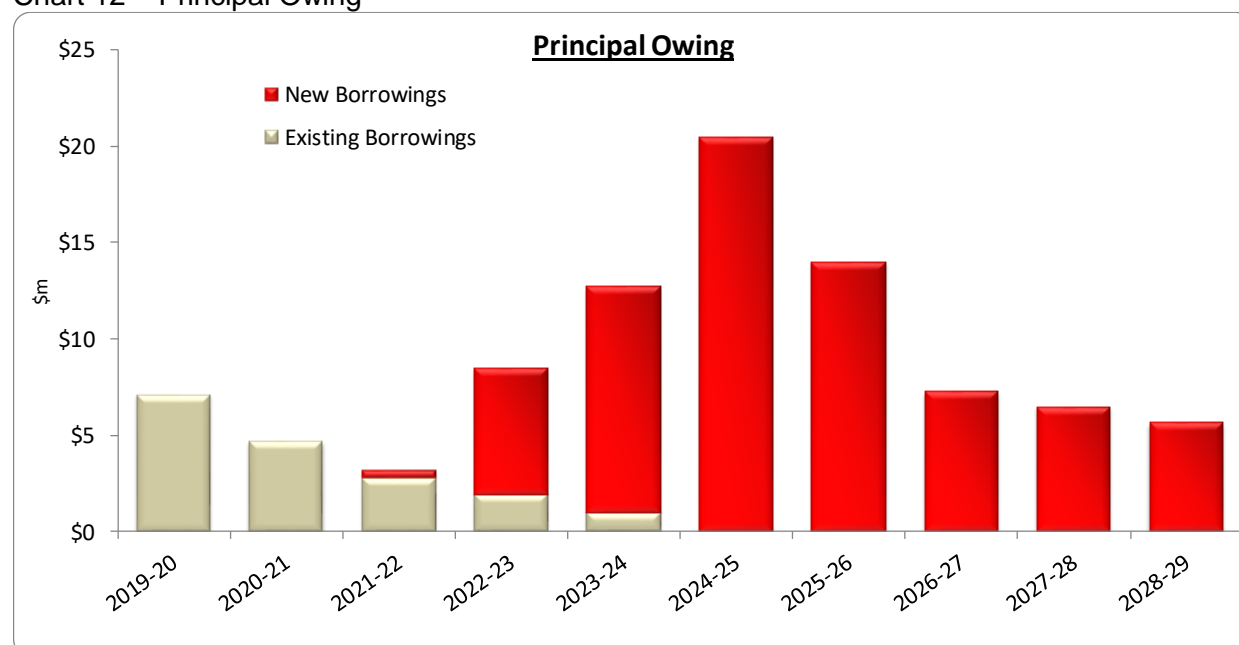
The table below shows the estimated timeframe of the borrowings:

Table 9 – New Borrowings

New Borrowings	21-22	22-23	23-24	24-25	Total
	\$ms	\$ms	\$ms	\$ms	\$ms
Multi Storey Car Park (2)				8.8	8.8
Edgewater Quarry Masterplan	0.4	6.2	5.2		11.7
<b>Total</b>	<b>0.4</b>	<b>6.2</b>	<b>5.2</b>	<b>8.8</b>	<b>20.5</b>

~~The repayment terms are assumed to be on a Fixed Term Fixed Interest Rate basis. The longer the repayment term the higher the interest component, and therefore the term of the borrowings are no more than 10 years.~~ The chart below summarises the projected amount outstanding each year, this also shows that existing borrowings will be repaid in full within a few years. The chart shows that the principal outstanding would be over \$20m at 2024-25, predominately due to Edgewater Quarry but this would be quickly repaid within a couple of years and from 2026-27 onwards the amount outstanding only relates to the Multi Storey Car Park (2).

Chart 12 – Principal Owing





## 7 RISKS, SENSITIVITY & SCENARIO MODELLING

### 7.1 Key Risks & Opportunities

There are ~~several~~ key risks ~~and~~ /opportunities ~~within the plan~~evaluated:

1. ~~Economic conditions, both locally and at state/federal level~~
- ~~2.~~2. Rates percentage increases ~~lower than planned~~
- ~~2.~~3. Employment cost increases ~~higher than planned~~
- ~~3.~~4. Change of service or fee ~~incomes to address operating deficit~~
- ~~4.~~JPACF one-off costs and funding
- ~~5.~~JPACF operating deficit – the ongoing depreciation and operating subsidy
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
- ~~6.~~New major projects not yet included in plan

The key action to address these is to ensure that the 20 Year Strategic Financial Plan is reviewed and updated annually, which has been done every year since 2012 and will continue to be the case. The six assumptions above have a significant bearing on the projections and it is therefore useful to consider the worst case and best case.

### 7.2 Scenario Analysis – Rate Increases

The biggest single variable in the forward projections are the rate increases and it is therefore worthwhile evaluating the impact of different scenarios for rate increases for the ~~three~~five years from 2020-21 to 2022-23~~45~~. There are three scenarios ~~considered~~prepared:

- ~~Base Case – this is based on assumptions provided during the budget process, with a 2.5% increase per year from 2020-21 recommended. This was suggested so that the City could strive for a 2% Operating Surplus, although this is not achieved until 2026-27.~~
- ~~Scenario 1 Operating Surplus 2% achieved every year. This would require a 5.4% rate increase in 2020-21, but lower increases in the next two years, the overall cumulative increase would be higher than the Base Case~~
- ~~Scenario 2 Rate Increases to match CPI, a total increase of 6.8% over three years.~~

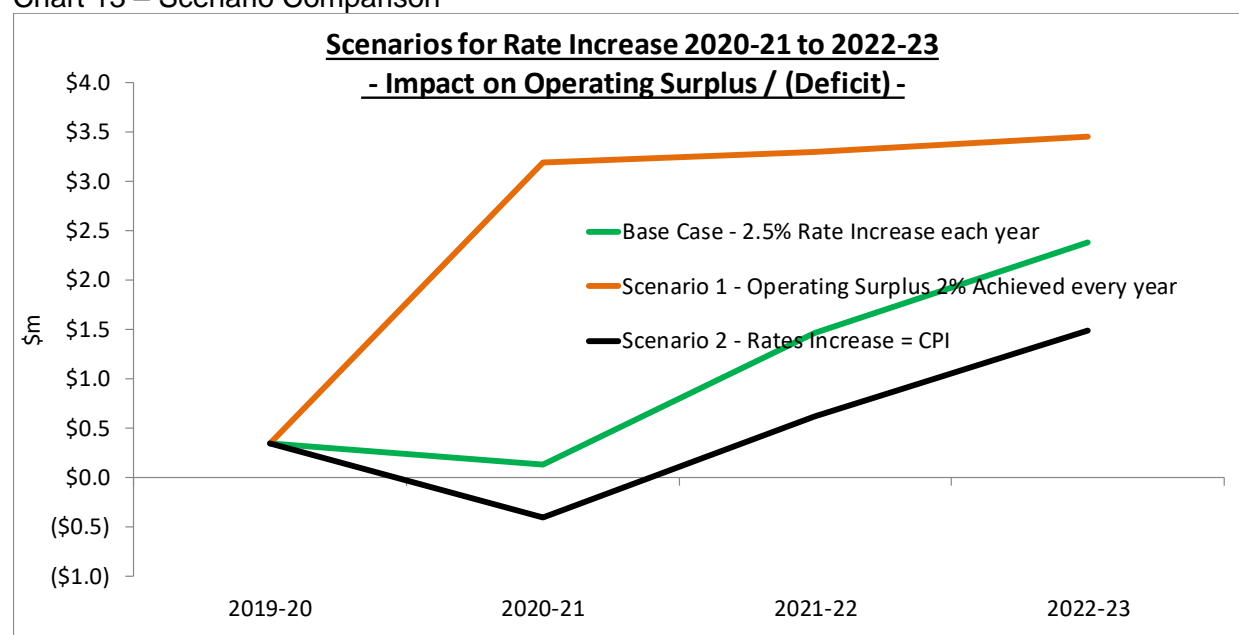
Table 10 – Rate Increase Scenarios

Rate Increases - Scenarios		2020-21	2021-22	2022-23	Total
		%	%	%	%
Base Case	2.5% Rate Increase each year	2.5%	2.5%	2.5%	7.5%
Scenario 1	Operating Surplus 2% Achieved every year	5.4%	1.2%	1.7%	8.4%
Scenario 2	Rates Increase = CPI	2.0%	2.25%	2.5%	6.8%

The chart below summarises the Operating Surplus / (Deficit) projections for each scenario to 2022-23. This shows that the Base Case will make a steady improvement and by 2022-23 achieves a moderate Operating Surplus. The Base Case provides sufficient cash surpluses now and in future to support the City's immediate and long-term capital requirements.

Scenario 2 (Rate Increases to match CPI) provides a similar upward trajectory as the Base Case but would result in a deficit in 2020-21. As indicated in Section 4, the City is able to rely on new rates growth and earnings on cash reserves to implement rate increases which are the same or lower than CPI from 2022-23.

Chart 13 – Scenario Comparison



### 7.3 Basis of Adopted Draft 20 Year Strategic Financial Plan

With reference to Table 10 above, the assumptions used in the adopted Draft 20 Year Strategic Financial Plan ~~2017-18~~2018-19 to ~~2036-37~~2037-38, and relevant for all other schedules in the plan, are based on the Base Case.

### 7.4 Opportunities for Alternative Funding

There are two improvement opportunities for the funding:

- ~~Tamala Park Reserve – it may be worth using the reserve to fund those projects that are projected to require loans e.g. Multi Storey Car Park (2). This would provide an overall net benefit because the savings from the interest on borrowings would be more than the lost investment earnings.~~
- ~~Reserves used in the first instance rather than borrowings, and where borrowings are used set them on flexible repayment terms rather than fixed interest.~~

~~The overall impacts in the above opportunities on the Operating Surplus are minimal and these opportunities can be explored further in the next update of the plan in 2019.~~

## 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 60 ratios within tolerance (20 years x three key ratios). The *Draft 20 Year Strategic Financial Plan* is projecting a total of 24 46 out of 60. The first 10 years are shown on the table below, with 12 ratios achieved, with the remaining 10 years achieving 12 out of 20. ~~last ten years of the plan are all within tolerance (30 out of 30), but the first ten years are 16 out of 30 as shown in the table below.~~

Although it may appear far from ideal to only achieve 24 46 ratios out of 60 ~~30 in the first 10-year years~~, the Asset Sustainability Ratio cannot ~~could not~~ 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. Most importantly the Operating Surplus Ratio is now projected to be within tolerance by 2023-24 which is three years earlier than the previous pla

Table 11 – Key Ratios

Key Ratios										
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28
Operating Surplus Ratio	(4.7%) ✗	0.2% !	0.1% !	0.9% !	1.4% !	1.5% !	1.3% !	1.9% !	2.8% ✓	2.5% ✓
Asset Sustainability	64% ✗	69% ✗	56% ✗	66% ✗	55% ✗	41% ✗	48% ✗	42% ✗	39% ✗	45% ✗
Debt Service Coverage Ratio	6.5 ✓	8.2 ✓	11.4 ✓	16.0 ✓	26.4 ✓	24.1 ✓	24.5 ✓	5.7 ✓	6.2 ✓	37.8 ✓

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

#### Key Indicators Definition

**Operating Surplus Ratio 5 Year Average** – 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 positive operating surplus of between 2% and 8%. Amber if shown for those years where the ratio is positive but below 2% ~~5-year average is positive.~~

**Asset Sustainability Ratio 5 Year Average** - 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% based on a five year average.

**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.

## 8.2 Key Ratios Commentary

Some further comments regarding each ratio:

~~Operating Surplus Ratio 5-Year Average– 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 projected to achieve an operating surplus in 2019-20 and achieve target by 2026-27 and continue to do so until 2029-30. The projections from 2030-31 onwards then indicate that the ratio may fall below 2% due to the impact of large projects (Joondalup Performing Arts & Cultural Facility / Percy Doyle Reserve Master Plan). Rate increases have been kept at 2.5% where possible in the plan, but for some of the outer years a higher increase has been factored in so that the Operating Surplus does not become a deficit. The City need not be overly concerned with the outer years projecting to fail the 2% target, it takes only a small change in assumptions in the early years to have large impacts in the outer years. The plan is updated annually and the projections/assumptions can be amended as necessary. The failure of the outer years to achieve a 2% Operating Surplus Ratio demonstrates that it is too simplistic to just assume a flat increase of 2.5% on rate increase because the operating results are affected by a large number of variables.by 2020-21 but will only achieve a 5-year average more than 2% by 2023-24. The biggest factor contributing to the improvement are the critical assumptions of increasing income (most importantly rates) by more than the increases in expenses. There are several items which continue to depress the operating results such as new depreciation caused by upgrade/new capital expenditure.~~





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 all 20 the first 8-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 20 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 Strengths & Weaknesses of Plan

The *Draft 20 Year Strategic Financial Plan* is prepared using the best available information, but as with any forward plan there are opportunities to improve the robustness of assumptions. The table below provides a critique of some of the key elements and lists improvement actions, some of which have now been implemented, which will be addressed in future updates.

Table 12 – Strengths & Weaknesses of Plan

Strengths & Weaknesses of Plan		
Issue	Current Status	Improvement Actions Implemented or Potential
1 Operating	 Large Operating Deficit of \$7.0m in 2018-19 but an expected surplus of \$0.3m in 2019-20	1) Increasing base income more than expenses in next 2 years 2) Continue to review opportunities to reduce services and/or change fees 3) Reduce amount of Upgrade and New Capital Expenditure
2 Depreciation	 Value has been volatile in the early part of this decade but during the couple of years has settled down. Significant disparity when compared to City of Stirling has been rectified as they have changed their Depreciation calculations and it is now comparable to City of Joondalup.	Loss on Disposal which arises each year as part of the Capital Works Program has now been identified and included in the Draft Budget 2019-20, and in future years of the <i>Draft 20 Year Strategic Financial Plan</i> .
3 Major Projects	 Majority of major projects would worsen the operating deficit	Explore commercial options for all major projects and strive for no worse than break-even operating position
4 Cash / Liquidity	 No major issues, cash is not currently an issue. However Asset Renewal requirements are forecast to increase greatly in the long term	Potential for a new Asset Renewal Reserve has been identified and now set up

### 8.4 Conclusion

The *-Draft 20 Year Strategic Financial Plan* achieves a balanced cash budget for each financial year and provides for a modest operating surplus from 2019-20 onwards. ~~The City's Operating Deficit is projected to be overcome within a couple of years, and by 2023-24 within the City's target for the operating surplus ratio, this is three years earlier than the previous plan.~~ Sufficient cash surpluses are generated to provide for asset renewal and provision of upgrade/new infrastructure, but there is a very high level of upgrade/new expenditure which depresses the operating results.

The key outcomes from the updated *Draft 20 Year Strategic Financial Plan* are:

- Improvements in operating position and an operating surplus by 2019-2020-21
- 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 ~~at~~ existing income and expenses will be increased by more than 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 ~~address the operating deficit.~~

## **APPENDICES**

### **Appendix 1 – Draft 20 Year Strategic Financial Plan – Guiding Principles 20192018**

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

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

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

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

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

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

#### **Basic Principles:**

- **Sustainability:**

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

- **Transparency:**

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

- **Prudence:**

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

- **Consistency:**

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

- **Performance and Accountability:**

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

- **Flexible Long Term Approach**

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

- **Service Levels and Asset Management**

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

### **Key Elements/Assumptions:**

#### **Targets/Ratios**

~~There are two core assumptions which must be achieved in every year of the projections and underpin the SFP:~~

- ~~○ Rates Increase on existing properties/business no more than 5%~~
- ~~○ Balanced Cash Budget~~

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~~ may be used to inform the SFP and where affordable to do so the SFP ~~will~~ may set aside funds into the Asset Renewal Reserve ~~reserves~~ 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% ~~based on a five-year average~~. 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 ~~Asset~~ 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 the most 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:
  - sufficient to allow it to meet:
    - 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 on-existing infrastructure and funding required for the Asset Renewal Reserve
    - additional operating financial costs for new capital expenditure projected net annual operational costs of new facilities that become operational
    - changes to fees
    - rate increases that keep pace with increases in expenses where necessary, and help the City achieve it's desired target for Operating Surplus Ratio
- The SFP will aim to achieve an Operating Surplus Ratio of 2%, although this may vary in some years due to volatility of any of the key assumptions above, between 2% and 8%, based on a 5-year average.
- ~~Growth in operating revenue will be in excess of the growth in Operating Expenses, in so far as necessary to achieve the Operating Surplus Targets~~

### **New Expenditure**

Adoption of the 20 Year SFP 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 & Finance Committee for consideration and recommendation to Council



## FINANCIAL STATEMENTS

### Financial Statement 1 - Operating Income & Expenses Estimates

		18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
<b>Operating Revenues</b>																						
Rates: Base	1	101.4	103.9	106.7	109.4	112.1	114.9	117.8	120.7	123.8	126.8	130.0	133.3	136.6	141.4	144.9	149.3	153.7	157.6	163.2	167.2	2,614.7
Rates: Growth	2	0.0	0.3	0.5	1.1	1.9	2.6	3.3	5.8	8.0	9.2	9.9	10.5	11.3	12.2	12.9	13.8	14.7	15.6	16.7	17.6	167.8
Fees and Charges / Other: Base	3	42.5	42.7	43.4	44.5	45.7	46.9	48.5	49.9	51.6	53.5	55.1	56.9	58.7	60.5	62.6	64.7	66.7	68.8	71.2	73.5	1,107.9
Fees and Charges / Other: Growth	4	0.0	0.0	(0.5)	0.5	0.7	0.7	1.1	2.0	2.0	2.3	5.0	5.2	5.4	5.6	5.8	6.0	6.2	6.4	6.6	6.8	67.9
Operating Grants & Subsidies, Cont's & Reimb's	5	3.2	6.8	6.8	6.8	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	7.0	7.0	7.0	7.0	7.0	7.0	7.0	134.8
Investment Earnings	6	4.4	3.7	3.4	4.0	4.9	6.0	7.1	8.5	10.2	11.7	13.5	14.5	15.1	15.8	16.9	18.6	19.6	19.9	20.1	21.0	238.7
Profit on Disposal	7	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
<b>Total Operating Revenue</b>	<b>8</b>	<b>152.0</b>	<b>157.4</b>	<b>160.3</b>	<b>166.4</b>	<b>172.2</b>	<b>178.0</b>	<b>184.6</b>	<b>193.9</b>	<b>202.5</b>	<b>210.3</b>	<b>220.4</b>	<b>227.3</b>	<b>234.0</b>	<b>242.4</b>	<b>250.1</b>	<b>259.3</b>	<b>267.9</b>	<b>275.3</b>	<b>284.7</b>	<b>293.2</b>	<b>4,332.4</b>
<b>Operating Expenses</b>																						
Employment Costs: Base	9	(64.6)	(65.2)	(66.5)	(68.3)	(70.4)	(72.5)	(74.6)	(77.3)	(80.0)	(82.8)	(85.7)	(88.7)	(91.8)	(95.0)	(98.3)	(101.7)	(105.3)	(109.0)	(112.8)	(116.7)	(1,726.9)
Employment Costs: Growth	10	0.0	0.0	(0.0)	(0.1)	(0.3)	(0.5)	(0.9)	(1.6)	(1.6)	(2.1)	(3.7)	(3.8)	(4.0)	(4.1)	(4.3)	(4.4)	(4.6)	(4.7)	(4.9)	(5.1)	(50.7)
Materials and Contracts: Base	11	(52.0)	(51.1)	(52.1)	(53.2)	(54.6)	(56.2)	(58.1)	(60.1)	(62.2)	(64.3)	(66.5)	(68.8)	(71.2)	(73.6)	(76.2)	(78.8)	(81.5)	(84.3)	(87.2)	(90.2)	(1,342.0)
Materials and Contracts: Growth	12	0.0	0.0	(0.3)	(0.4)	(0.6)	(0.5)	(0.8)	(1.1)	(1.2)	(1.9)	(2.2)	(2.3)	(2.5)	(2.6)	(2.7)	(2.8)	(2.9)	(3.0)	(3.1)	(3.3)	(34.2)
Utilities	13	(5.8)	(6.0)	(6.2)	(6.3)	(6.5)	(6.8)	(7.1)	(7.4)	(7.7)	(8.1)	(8.6)	(8.9)	(9.3)	(9.6)	(10.0)	(10.5)	(10.9)	(11.3)	(11.8)	(12.3)	(171.1)
Interest on Borrowings: Existing	14	(0.5)	(0.6)	(0.4)	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	0.0	(3.5)
Interest on Borrowings: New	15	0.0	0.0	0.0	(0.0)	(0.2)	(0.4)	(0.5)	(0.9)	(0.6)	(0.3)	(0.3)	(0.3)	(0.2)	(0.2)	(0.1)	(0.1)	(0.0)	0.0	0.0	0.0	(4.2)
Insurance Expenses	16	(1.4)	(1.4)	(1.4)	(1.5)	(1.5)	(1.5)	(1.6)	(1.6)	(1.7)	(1.7)	(1.8)	(1.9)	(1.9)	(2.0)	(2.1)	(2.1)	(2.2)	(2.3)	(2.4)	(2.5)	(36.6)
Depreciation: Existing	17	(30.4)	(31.0)	(31.3)	(32.0)	(32.8)	(33.8)	(35.0)	(36.2)	(37.5)	(38.8)	(40.2)	(41.6)	(43.0)	(44.6)	(46.1)	(47.7)	(49.4)	(51.1)	(52.9)	(54.8)	(810.5)
Depreciation: New	18	0.0	0.0	(0.4)	(0.7)	(1.0)	(1.3)	(1.7)	(2.2)	(2.5)	(3.1)	(3.8)	(4.0)	(4.6)	(5.1)	(5.7)	(5.9)	(6.2)	(6.9)	(7.6)	(8.3)	(71.0)
Loss on Disposal	19	(4.4)	(1.9)	(1.5)	(2.0)	(1.6)	(1.7)	(1.7)	(1.8)	(1.8)	(1.9)	(2.0)	(2.1)	(2.1)	(2.2)	(2.3)	(2.4)	(2.4)	(2.5)	(2.6)	(2.7)	(43.7)
<b>Total Operating Expenses</b>	<b>20</b>	<b>(159.1)</b>	<b>(157.1)</b>	<b>(160.2)</b>	<b>(164.9)</b>	<b>(169.8)</b>	<b>(175.4)</b>	<b>(182.3)</b>	<b>(190.4)</b>	<b>(196.9)</b>	<b>(205.2)</b>	<b>(214.9)</b>	<b>(222.4)</b>	<b>(230.6)</b>	<b>(239.0)</b>	<b>(247.8)</b>	<b>(256.5)</b>	<b>(265.5)</b>	<b>(275.2)</b>	<b>(285.4)</b>	<b>(295.9)</b>	<b>(4,294.3)</b>
<b>Net Operating Surplus (Deficit)</b>	<b>21</b>	<b>(7.0)</b>	<b>0.3</b>	<b>0.1</b>	<b>1.5</b>	<b>2.4</b>	<b>2.6</b>	<b>2.4</b>	<b>3.5</b>	<b>5.5</b>	<b>5.1</b>	<b>5.5</b>	<b>4.9</b>	<b>3.4</b>	<b>3.4</b>	<b>2.4</b>	<b>2.8</b>	<b>2.4</b>	<b>0.1</b>	<b>(0.6)</b>	<b>(2.6)</b>	<b>38.1</b>

Line	Operating Revenues
	<p><u>Rates: Base</u></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 <del>2018-19</del><u>2019-20</u> budget. <u>The increases thereafter are based on a 2.5% increase where possible, but a higher increase where necessary to avoid an operating deficit. The average increase in rates over the 20 years of the plan is 2.67%.</u><del>The increases for 2019-20 to 2021-22 derive from the scenario analysis explained in section 8, the increases thereafter are the same as the previously adopted plan</del>  <del>One of the core assumptions within the City's Guiding Principles is to ensure that the plan is constructed without any rates increase above 5%, and this is achieved in all years.</del></p>
1	
	<p><u>Rates: Growth</u></p> <p>Increase in rates as a result of volume growth i.e. new assessments for new dwellings or commercial growth. The plan has assumed a total of <del>6,0917,304</del> new dwellings by <del>2036-37</del><u>2037-38</u>, an average of <del>321 384</del> per year, and an increase in commercial square metres assessed of <del>229,653 202,396</del>-sqm which equates to approximately <u>26.4%</u> <del>28%</del> increase in business rates revenue.</p>
2	
	<p><u>Fees and Charges / Other: Base</u></p> <p>There are 13 sets of Fees &amp; Charges, each of which has been reviewed separately, these includes charges for recreation, Leisure Centre charges, planning and building fees, car parking fees, fines &amp; penalties, dog/cat registration income, property hire and inspection fees. The projections are based on <del>2018-19</del><u>2019-20</u> 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) can be volatile.</p>
3	
	<p><u>Fees and Charges / Other: Growth</u></p> <p>Estimated additional income for new services or facilities, including Craigie Leisure Centre Upgrades, Joondalup Performing Arts &amp; Culture Facility, Edgewater Quarry and second Multi Storey Car Park.</p>
4	
	<p><u>Operating Grants &amp; Subsidies, Contributions and Reimbursements</u></p> <p>Includes all normally expected operating grants such as grants commission, but excludes capital grants. A CPI increase has been factored in each year.</p>
5	
	<p><u>Investment Earnings</u></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>
6	
	<p><u>Profit on Disposal</u></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>
7	
	<p><u>Total Operating Revenue</u></p> <p>Sum of lines 1 to 7, this is the overall operational revenue earned by the City.</p>
8	

Line	Operating Expenses
	<u>Employment Costs: Base</u> 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 for <u>2018-19, 2019-20 and, 2020-21 are subject to Enterprise Workplace Agreements currently being negotiated. Estimates in future years have been made with reference to Wages CPI and City's view of reasonable increase. -and 2021-22 derive from the scenario analysis explained in section 8, the increases thereafter are the same as the previously adopted plan.</u> The increases included in the <u>20 Year Strategic Financial Plan Draft 20 Year Strategic Financial Plan</u> do not dictate the outcomes of the Enterprise Agreements.
9	
	<u>Employment Costs: Growth</u> 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 from 2021-22 until it reaches 12% by 2025-26.
10	
	<u>Materials &amp; Contracts: Base</u> Includes expenditure for the purchase of materials, supplies, services and insurance. There are <u>2019</u> separate items each has been reviewed separately with a separate escalation factor, as listed in Supporting Schedule 1.
11	
	<u>Materials &amp; Contracts: Growth</u> Estimated additional expenditure for new services or facilities.
12	
	<u>Utilities</u> All expenditure for the purchase of water, power and gas. Projections <del>are</del> based on <u>2018-19 Draft 2019-20</u> budget, also includes additional expenditure for new services or facilities.
13	
	<u>Interest on Borrowings: Existing</u> Interest on loan borrowings that are already set up
14	
	<u>Interest on Borrowings: New</u> Interest on new loan borrowings that are estimated to be set up in future years. The new borrowings are explained in section 6.
15	
	<u>Insurance</u> Expenses for insurance of assets and workplace insurance.
16	
	<u>Depreciation: Existing</u> Expense of using existing assets over useful life, <del>2018-19</del> <u>2019-20</u> budget is used as start point. <del>No increases for next few years because updated Asset Management plans has the potential to reduce or increase depreciation.</del> This is a non-cash item, but is important as it gives an indication of the cost of using assets and eventual renewal costs.
17	
	<u>Depreciation: New</u> New expense that arises from new capital purchases, this is also a non-cash item.
18	
	<u>Loss on Disposal</u> Represents the book loss on disposal of City assets and is a non-cash item. <del>Similar to Profit on Disposal, a value is only shown for Year 1 and Year 2. The projection includes cost of renewing assets early as part of the Capital Works Program.</del>
19	

20	<u>Total Operating Expenses</u> Sum of lines 9 to 19. This is the overall expenses necessary for day to day activities.
21	<u>Net Operating Surplus (Deficit)</u> Total Operating Revenue (line 8) less Total Operating Expenses (line 20).

## Financial Statement 2 - Source & Application of Funds

Source of Funds		18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Rates	22	101.4	104.1	107.2	110.5	114.1	117.5	121.1	126.6	131.8	136.0	139.9	143.8	147.9	153.5	157.8	163.0	168.4	173.2	179.8	184.9	2,782.5
Fees & Charges	23	42.5	42.7	42.9	45.0	46.4	47.7	49.6	51.9	53.6	55.8	60.1	62.1	64.1	66.1	68.4	70.7	72.9	75.2	77.8	80.3	1,175.8
Operating Grants	24	3.2	6.8	6.8	6.8	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	7.0	7.0	7.0	7.0	7.0	7.0	7.0	134.8
Investment Earnings	25	4.4	3.7	3.4	4.0	4.9	6.0	7.1	8.5	10.2	11.7	13.5	14.5	15.1	15.8	16.9	18.6	19.6	19.9	20.1	21.0	238.7
Capital Grants	26	6.8	5.4	5.1	6.7	5.6	5.8	5.7	5.9	19.6	19.8	5.5	5.7	5.9	6.1	6.3	6.5	6.7	7.0	7.2	7.5	150.6
Proceeds from Sale of Assets	27	3.1	3.7	1.0	7.1	0.7	2.4	3.0	11.1	10.5	5.5	5.5	5.5	8.9	6.8	0.8	2.8	0.6	0.9	1.3	1.6	82.8
Borrowings	28	0.0	0.0	0.0	0.4	6.2	5.2	8.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.5
<b>Source of Funds</b>	<b>29</b>	<b>161.4</b>	<b>166.4</b>	<b>166.4</b>	<b>180.5</b>	<b>184.7</b>	<b>191.4</b>	<b>202.1</b>	<b>210.8</b>	<b>232.6</b>	<b>235.6</b>	<b>231.3</b>	<b>238.5</b>	<b>248.8</b>	<b>255.4</b>	<b>257.2</b>	<b>268.6</b>	<b>275.2</b>	<b>283.2</b>	<b>293.3</b>	<b>302.3</b>	<b>4,585.7</b>

Application of Funds		18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Operations and Maintenance	30	(123.7)	(123.6)	(126.5)	(129.8)	(133.8)	(137.9)	(143.1)	(149.1)	(154.3)	(160.9)	(168.5)	(174.4)	(180.6)	(186.9)	(193.5)	(200.3)	(207.4)	(214.7)	(222.2)	(230.1)	(3,361.5)
Capital Expenditure: Renewal	31	(19.3)	(21.3)	(17.8)	(21.6)	(18.8)	(14.5)	(17.5)	(16.0)	(15.6)	(19.1)	(20.2)	(24.3)	(22.1)	(21.3)	(21.1)	(20.5)	(20.9)	(22.8)	(24.8)	(26.5)	(405.9)
Capital Expenditure: Upgrade	32	(7.3)	(13.1)	(9.7)	(11.5)	(8.4)	(8.7)	(12.5)	(12.8)	(8.6)	(8.9)	(9.2)	(9.5)	(9.8)	(9.7)	(10.0)	(10.4)	(10.8)	(11.1)	(11.5)	(11.9)	(205.3)
Capital Expenditure: New	33	(7.3)	(6.4)	(8.8)	(5.4)	(7.5)	(13.4)	(14.8)	(1.5)	(31.0)	(31.1)	(1.6)	(21.2)	(21.9)	(22.7)	(1.9)	(1.9)	(30.6)	(31.7)	(32.8)	(2.2)	(295.7)
Debt Service Costs	34	(3.7)	(3.9)	(2.8)	(2.2)	(1.4)	(1.6)	(1.6)	(7.5)	(7.5)	(1.3)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.1)	(1.1)	(0.0)	(0.0)	(0.0)	(41.8)
Reserves Net Transfer	35	(0.2)	1.9	(0.7)	(10.1)	(14.8)	(15.3)	(12.5)	(23.9)	(15.6)	(14.5)	(30.6)	(8.0)	(13.2)	(13.6)	(29.5)	(34.2)	(4.5)	(2.9)	(1.9)	(31.7)	(275.5)
<b>Application of Funds</b>	<b>36</b>	<b>(161.4)</b>	<b>(166.4)</b>	<b>(166.4)</b>	<b>(180.5)</b>	<b>(184.7)</b>	<b>(191.4)</b>	<b>(202.1)</b>	<b>(210.8)</b>	<b>(232.6)</b>	<b>(235.6)</b>	<b>(231.3)</b>	<b>(238.5)</b>	<b>(248.8)</b>	<b>(255.4)</b>	<b>(257.2)</b>	<b>(268.6)</b>	<b>(275.2)</b>	<b>(283.2)</b>	<b>(293.3)</b>	<b>(302.3)</b>	<b>(4,585.7)</b>

Cashflow Summary		18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Cashflow Movements for the Year	37	0.2	(1.9)	0.7	10.1	14.8	15.3	12.5	23.9	15.6	14.5	30.6	8.0	13.2	13.6	29.5	34.2	4.5	2.9	1.9	31.7	275.5
Reserve Balance at End of Year	38	78.9	78.3	79.4	89.4	104.2	119.5	132.0	155.9	171.4	185.9	216.5	224.4	237.7	251.2	280.7	314.9	319.4	322.3	324.2	355.9	355.9

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 & 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

# City of Joondalup 20 Year Strategic Financial Plan

## Financial Statement 3 - Rate Setting Estimates

Deficit before Rates		18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Revenue, excluding Rates	39	50.1	53.2	53.1	55.9	58.2	60.5	63.6	67.3	70.7	74.3	80.5	83.5	86.1	88.9	92.3	96.2	99.5	102.1	104.9	108.3	1,549.3
Expenses (Cash only)	40	(124.2)	(124.2)	(126.9)	(130.2)	(134.3)	(138.6)	(143.8)	(150.1)	(155.1)	(161.3)	(168.9)	(174.8)	(180.9)	(187.2)	(193.7)	(200.5)	(207.5)	(214.7)	(222.2)	(230.1)	(3,369.2)
Deficit before Capital Expenditure	41	(74.1)	(71.0)	(73.8)	(74.3)	(76.2)	(78.1)	(80.2)	(82.8)	(84.4)	(87.0)	(88.4)	(91.3)	(94.8)	(98.3)	(101.4)	(104.2)	(108.0)	(112.6)	(117.4)	(121.7)	(1,819.9)
Capital Expenditure	42	(33.8)	(40.8)	(36.3)	(38.5)	(34.7)	(36.6)	(44.8)	(30.3)	(55.2)	(59.0)	(31.0)	(54.9)	(53.8)	(53.7)	(33.0)	(32.9)	(62.2)	(65.6)	(69.1)	(40.6)	(906.9)
<b>\$0</b>	<b>43</b>	<b>(107.9)</b>	<b>(111.8)</b>	<b>(110.1)</b>	<b>(112.8)</b>	<b>(110.9)</b>	<b>(114.7)</b>	<b>(125.0)</b>	<b>(113.1)</b>	<b>(139.6)</b>	<b>(146.0)</b>	<b>(119.4)</b>	<b>(146.2)</b>	<b>(148.6)</b>	<b>(152.0)</b>	<b>(134.4)</b>	<b>(137.1)</b>	<b>(170.2)</b>	<b>(178.2)</b>	<b>(186.4)</b>	<b>(162.3)</b>	<b>(2,726.8)</b>
Funding		18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Opening Funds	44	4.4	1.6	0.3	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	4.4
Capital Grants	45	6.8	5.4	5.1	6.7	5.6	5.8	5.7	5.9	19.6	19.8	5.5	5.7	5.9	6.1	6.3	6.5	6.7	7.0	7.2	7.5	150.6
Capital Proceeds	46	3.1	3.7	1.0	7.1	0.7	2.4	3.0	11.1	10.5	5.5	5.5	5.5	8.9	6.8	0.8	2.8	0.6	0.9	1.3	1.6	82.8
Loans - repayment of principal	47	(3.2)	(3.3)	(2.4)	(1.8)	(0.9)	(0.9)	(1.0)	(6.5)	(6.7)	(0.8)	(0.8)	(0.9)	(0.9)	(0.9)	(1.0)	(1.0)	(1.0)	(0.0)	(0.0)	(0.0)	(34.1)
Transfer from Reserves	48	18.1	15.1	23.3	16.8	12.4	15.1	17.4	14.0	26.3	27.4	13.9	36.4	33.5	34.6	14.2	14.1	43.1	44.6	46.2	16.1	482.8
Transfer to Reserves	49	(20.9)	(14.5)	(24.4)	(26.9)	(27.2)	(30.4)	(29.9)	(37.9)	(41.8)	(41.9)	(44.4)	(44.4)	(46.7)	(48.2)	(43.7)	(48.3)	(47.6)	(47.5)	(48.1)	(47.8)	(762.6)
Borrowings	50	0.0	0.0	0.0	0.4	6.2	5.2	8.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.5
<b>Amount to be made up by Rates</b>	<b>51</b>	<b>101.4</b>	<b>104.1</b>	<b>107.2</b>	<b>110.5</b>	<b>114.1</b>	<b>117.5</b>	<b>121.1</b>	<b>126.6</b>	<b>131.8</b>	<b>136.0</b>	<b>139.9</b>	<b>143.8</b>	<b>147.9</b>	<b>153.5</b>	<b>157.8</b>	<b>163.0</b>	<b>168.4</b>	<b>173.2</b>	<b>179.8</b>	<b>184.9</b>	<b>2,782.5</b>
Rates % increase	52	2.95%	2.25%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	3.5%	2.5%	3.0%	3.0%	2.5%	3.5%	2.5%	



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	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 50
52	Rates % Increase	% increase of rates compared to the previous year.

## Financial Statement 4 - Statement of Financial Position Estimates

OVERALL VALUES		Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35	Jun-36	Jun-37	Jun-38
Assets	Notes	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Current Assets	53	105.2	105.5	103.6	104.5	114.6	129.5	144.9	157.6	181.7	197.4	212.1	242.8	250.9	264.4	278.1	307.8	342.1	346.8	349.8	351.9	383.8
Non Current Assets	54	1,413.5	1,409.9	1,414.2	1,416.3	1,412.9	1,411.4	1,408.8	1,412.1	1,391.1	1,394.0	1,403.6	1,383.2	1,384.9	1,380.1	1,375.1	1,353.3	1,327.4	1,331.0	1,335.2	1,339.9	1,313.0
Total Assets	55	1,518.7	1,515.4	1,517.8	1,520.7	1,527.5	1,540.9	1,553.7	1,569.7	1,572.8	1,591.4	1,615.7	1,626.0	1,635.9	1,644.4	1,653.2	1,661.0	1,669.5	1,677.8	1,685.0	1,691.8	1,696.8
Liabilities																						
Current Liabilities	56	(29.8)	(30.0)	(30.1)	(30.4)	(30.7)	(31.0)	(31.4)	(31.8)	(32.2)	(32.7)	(33.1)	(33.6)	(34.0)	(34.4)	(34.9)	(35.3)	(35.8)	(36.2)	(36.6)	(37.1)	(37.5)
Non Current Liabilities	57	(12.1)	(8.9)	(5.6)	(3.2)	(1.7)	(7.0)	(11.2)	(19.0)	(12.5)	(5.8)	(5.0)	(4.2)	(3.3)	(2.4)	(1.5)	(0.6)	0.4	1.5	1.5	1.5	1.5
Total Liabilities	58	(42.0)	(38.9)	(35.8)	(33.6)	(32.4)	(38.0)	(42.6)	(50.8)	(44.8)	(38.5)	(38.1)	(37.7)	(37.3)	(36.9)	(36.4)	(35.9)	(35.3)	(34.7)	(35.2)	(35.6)	(36.0)
Net Assets	59	1,476.8	1,476.5	1,482.1	1,487.2	1,495.1	1,502.9	1,511.1	1,518.9	1,528.0	1,552.9	1,577.5	1,588.3	1,598.6	1,607.6	1,616.8	1,625.2	1,634.2	1,643.1	1,649.8	1,656.2	1,660.7

Equity																						
Retained Surplus	60	559.7	556.6	562.8	566.8	564.7	557.7	550.7	545.9	531.1	540.5	550.6	530.8	533.1	528.9	524.5	503.4	478.2	482.7	486.6	491.0	463.9
Reserves - Cash backed	61	74.2	76.9	76.3	77.4	87.5	102.3	117.5	130.0	153.9	169.5	184.0	214.5	222.5	235.7	249.3	278.8	313.0	317.5	320.3	322.3	353.9
Reserves - Asset Revaluation	62	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9
Equity	63	1,476.8	1,476.5	1,482.1	1,487.2	1,495.1	1,502.9	1,511.1	1,518.9	1,528.0	1,552.9	1,577.5	1,588.3	1,598.6	1,607.6	1,616.8	1,625.2	1,634.2	1,643.1	1,649.8	1,656.2	1,660.7

MOVEMENTS		18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
Assets	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Current Assets	64	0.3	(1.8)	0.8	10.2	14.9	15.4	12.7	24.1	15.7	14.7	30.7	8.1	13.4	13.7	29.7	34.4	4.6	3.0	2.1	31.8	278.6
Non Current Assets	65	(3.6)	4.3	2.1	(3.4)	(1.5)	(2.6)	3.3	(21.0)	2.9	9.6	(20.4)	1.7	(4.8)	(5.0)	(21.8)	(25.9)	3.7	4.2	4.7	(26.8)	(100.5)
Total Assets	66	(3.4)	2.5	2.9	6.8	13.4	12.8	16.0	3.1	18.6	24.3	10.3	9.9	8.6	8.7	7.9	8.5	8.3	7.2	6.8	5.0	178.1

Liabilities																						
Current Liabilities	67	(0.1)	(0.2)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(7.7)
Non Current Liabilities	68	3.2	3.3	2.4	1.5	(5.3)	(4.2)	(7.8)	6.5	6.7	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.0	0.0	0.0	0.0	13.6
Total Liabilities	69	3.1	3.1	2.2	1.2	(5.6)	(4.6)	(8.2)	6.1	6.3	0.4	0.4	0.4	0.4	0.5	0.5	0.6	0.6	(0.4)	(0.4)	(0.4)	5.9
Net Assets	70	(0.3)	5.6	5.1	8.0	7.8	8.2	7.8	9.1	24.9	24.7	10.7	10.3	9.0	9.2	8.4	9.0	8.9	6.8	6.3	4.6	184.0
Equity																						
Retained Surplus	71	(3.1)	6.2	4.0	(2.1)	(7.0)	(7.1)	(4.7)	(14.8)	9.3	10.2	(19.8)	2.3	(4.2)	(4.4)	(21.1)	(25.2)	4.4	3.9	4.4	(27.1)	(95.8)
Reserves - Cash backed	72	2.8	(0.6)	1.1	10.1	14.8	15.3	12.5	23.9	15.6	14.5	30.6	8.0	13.2	13.6	29.5	34.2	4.5	2.9	1.9	31.7	1,245.4
Reserves - Asset Revaluation	73																					
Equity	74	(0.3)	5.6	5.1	8.0	7.8	8.2	7.8	9.1	24.9	24.7	10.7	10.3	9.0	9.2	8.4	9.0	8.9	6.8	6.3	4.6	184.0

Line	Overall Values	Description
53	Current Assets	Short term assets such as cash and debtor receivables.
54	Non Current Assets	Fixed assets at net book value (i.e. less accumulated Depreciation).
55	Total Assets	Sum of lines 53 and 54
56	Current Liabilities	Short term liabilities such as creditors.
57	Non Current Liabilities	Long term liabilities such as outstanding loan principal.
58	Total Liabilities	Sum of lines 56 and 57.
59	Net Assets	Line 56 less line 59.
60	Retained Surplus	Cumulative retained surpluses generated since the inception of the City.
61	Reserves – Cash backed	Cash held in reserves established for specific purposes.
62	Reserves – Asset Revaluation	Increased book value (i.e. not cash) of assets resulting from revaluations.
63	Equity	Sum of Lines 61 to Line 63
Lines 64 to 74		Summary of the movements in assets, liabilities and equity (lines 53 to 63) between successive years.

## SUPPORTING SCHEDULES

### Supporting Schedule 1 - Operating Assumptions

	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Average
<b>EXTERNAL ENVIRONMENT</b>																					
Population		161,369	162,111	162,737	163,567	164,587	165,304	166,118	166,896	167,702	168,607	169,535	170,318	171,182	172,065	173,002	174,003	175,074	176,153	177,280	
Dwellings	62,389	62,604	62,896	63,267	63,632	63,947	64,249	64,546	64,846	65,160	65,483	65,792	66,105	66,436	66,762	67,095	67,437	67,780	68,125	68,480	65,507
Perth CPI	1.3%	1.8%	2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.2%
Wages CPI	1.8%	2.3%	2.8%	3.0%	3.3%																0.6%
<b>RATES REVENUE</b>																					
Rates % Increase on Base Revenue		2.25%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	3.5%	2.5%	3.0%	3.0%	2.5%	3.5%	2.5%	2.6%
<b>FEES &amp; CHARGES - BY SERVICE</b>																					
Refuse Charges		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Building & Development Fees (CRS)				1.5%						1.5%					1.5%					1.5%	0.3%
Building & Development Fees (PS)				1.5%						1.5%					1.5%					1.5%	0.3%
Licenses & Registrations, excl Dog & Cat		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Sports & Recreation Fees		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Hire & Rentals / Leases		3.0%	3.3%	3.5%	4.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.3%
Inspection & Control Fees		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Fines & Penalties				12.0%						11.0%					10.0%				9.0%		2.3%
Parking Fees		5.6%	5.3%	5.0%	4.8%	4.5%	4.3%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	4.0%
Other Fees & Charges				3.0%				3.0%				3.0%				3.0%					0.7%
Other Revenue		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%

## City of Joondalup 20 Year Strategic Financial Plan

	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Average
<b>OPERATING EXPENSES</b>	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Salaries & Wages	1.5%	2.0%	2.8%	3.0%	3.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Other Employment Costs		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Members Allowances & Meeting Fees		1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Accommodation & Property (Ops)		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Administration		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Telephones and Communication		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Finance Related Cost		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Professional Fees, excl Consultancy		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Public Relations, Ad		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Contributions & Donations paid by City		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Computing		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Furniture, Equipment		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Other Materials		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Books & Publications		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Travel, Vehicles & P		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
External Services, excl Tipping Fees		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Tipping Fees		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Waste Management Services		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Charges & Recoveries		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Electricity - Western Power (WP) Streetlighting		2.0%	2.0%	2.0%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.0%
Electricity - excluding WP Streetlighting		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Gas & Water		2.5%	3.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.4%
Insurance Expenses		2.0%	2.0%	2.0%	2.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.2%
Depreciation: Existing		1.1%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.2%
<b>CAPITAL &amp; GRANTS</b>	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Capital Expenditure		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Grants		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
<b>FINANCING</b>	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Cash Reserves earnings		2.5%	2.8%	3.2%	3.5%	3.8%	4.2%	4.5%	4.8%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	4.5%
Borrowings: Fixed Term - 5 Years		2.17%	2.52%	2.86%	3.21%	3.56%	3.91%	4.26%	4.61%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.24%
Borrowings: Fixed Term - 10 Years		2.50%	2.83%	3.16%	3.49%	3.82%	4.15%	4.48%	4.81%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	4.47%
Borrowings: Fixed Term - 15 Years		2.81%	3.11%	3.41%	3.70%	4.00%	4.30%	4.60%	4.90%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	4.59%
Borrowings: Fixed Term - 20 Years		3.04%	3.32%	3.60%	3.88%	4.16%	4.44%	4.71%	4.99%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	4.70%

## Supporting Schedule 2 - Capital Expenditure by Asset Class, Type and Cause

by Asset Class	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
Excluding Escalation	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
1 Buildings	(4.2)	(12.0)	(11.5)	(12.6)	(9.0)	(12.7)	(17.0)	(4.2)	(31.1)	(31.7)	(3.0)	(19.0)	(16.0)	(16.0)	(1.6)	(1.6)	(19.3)	(19.3)	(19.3)	(1.6)	(262.5)
2 Parks	(5.6)	(7.4)	(6.7)	(4.6)	(4.7)	(4.5)	(4.8)	(4.8)	(4.8)	(4.8)	(4.8)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(104.0)
3 Drainage	(0.9)	(1.0)	(0.5)	(0.6)	(0.6)	(0.6)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(14.6)
4 Transport, excl Roads	(3.7)	(5.4)	(3.6)	(3.3)	(3.3)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(63.9)
5 Roads	(7.3)	(8.4)	(8.4)	(9.2)	(9.0)	(9.4)	(10.1)	(10.1)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(178.6)
6 Lighting	(4.8)	(4.0)	(2.7)	(1.8)	(1.8)	(0.5)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(24.9)
7 Fleet	(7.1)	(1.9)	(1.6)	(4.4)	(2.1)	(2.3)	(2.4)	(1.6)	(0.9)	(2.6)	(2.2)	(2.8)	(3.6)	(2.5)	(1.9)	(1.5)	(1.3)	(2.0)	(2.7)	(3.1)	(50.5)
8 IT	(0.3)	(0.7)	(0.5)	(0.5)	(2.1)	(0.3)	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(7.2)
9 None	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total, excluding Escalation</b>	<b>(33.8)</b>	<b>(40.8)</b>	<b>(35.7)</b>	<b>(37.0)</b>	<b>(32.5)</b>	<b>(33.3)</b>	<b>(39.4)</b>	<b>(25.7)</b>	<b>(50.6)</b>	<b>(52.9)</b>	<b>(23.8)</b>	<b>(40.6)</b>	<b>(38.5)</b>	<b>(37.1)</b>	<b>(22.1)</b>	<b>(21.2)</b>	<b>(38.8)</b>	<b>(39.5)</b>	<b>(40.2)</b>	<b>(22.8)</b>	<b>(706.3)</b>

by Type	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
Including Escalation	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Capital Works Program	(24.0)	(27.9)	(22.6)	(21.6)	(22.3)	(21.5)	(25.0)	(24.9)	(24.4)	(25.2)	(26.0)	(27.4)	(28.3)	(28.8)	(29.9)	(30.3)	(31.3)	(32.4)	(33.5)	(34.7)	(541.9)
Fleet, IT, Parking	(3.0)	(3.7)	(2.2)	(5.1)	(4.5)	(2.8)	(3.1)	(2.2)	(1.4)	(3.5)	(3.1)	(4.0)	(5.3)	(4.0)	(3.2)	(2.6)	(2.4)	(3.6)	(5.0)	(5.9)	(70.4)
Major Projects	(6.8)	(9.2)	(11.5)	(11.8)	(8.0)	(12.3)	(16.8)	(3.1)	(29.5)	(30.3)	(1.8)	(23.6)	(20.2)	(20.9)	0.0	0.0	(28.6)	(29.6)	(30.6)	0.0	(294.5)
<b>Total, including Escalation</b>	<b>(33.8)</b>	<b>(40.8)</b>	<b>(36.3)</b>	<b>(38.5)</b>	<b>(34.7)</b>	<b>(36.6)</b>	<b>(44.8)</b>	<b>(30.3)</b>	<b>(55.2)</b>	<b>(59.0)</b>	<b>(31.0)</b>	<b>(54.9)</b>	<b>(53.8)</b>	<b>(53.7)</b>	<b>(33.0)</b>	<b>(32.9)</b>	<b>(62.2)</b>	<b>(65.6)</b>	<b>(69.1)</b>	<b>(40.6)</b>	<b>(906.9)</b>

by Cause	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
Including Escalation	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Renewal	(19.3)	(21.3)	(17.8)	(21.6)	(18.8)	(14.5)	(17.5)	(16.0)	(15.6)	(19.1)	(20.2)	(24.3)	(22.1)	(21.3)	(21.1)	(20.5)	(20.9)	(22.8)	(24.8)	(26.5)	(405.9)
Upgrades	(7.3)	(13.1)	(9.7)	(11.5)	(8.4)	(8.7)	(12.5)	(12.8)	(8.6)	(8.9)	(9.2)	(9.5)	(9.8)	(9.7)	(10.0)	(10.4)	(10.8)	(11.1)	(11.5)	(11.9)	(205.3)
New	(7.3)	(6.4)	(8.8)	(5.4)	(7.5)	(13.4)	(14.8)	(1.5)	(31.0)	(31.1)	(1.6)	(21.2)	(21.9)	(22.7)	(1.9)	(1.9)	(30.6)	(31.7)	(32.8)	(2.2)	(295.7)
<b>Total, including Escalation</b>	<b>(33.8)</b>	<b>(40.8)</b>	<b>(36.3)</b>	<b>(38.5)</b>	<b>(34.7)</b>	<b>(36.6)</b>	<b>(44.8)</b>	<b>(30.3)</b>	<b>(55.2)</b>	<b>(59.0)</b>	<b>(31.0)</b>	<b>(54.9)</b>	<b>(53.8)</b>	<b>(53.7)</b>	<b>(33.0)</b>	<b>(32.9)</b>	<b>(62.2)</b>	<b>(65.6)</b>	<b>(69.1)</b>	<b>(40.6)</b>	<b>(906.9)</b>

Renewal/Upgrade/New	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Renewal %	57%	52%	49%	56%	54%	40%	39%	53%	28%	32%	65%	44%	41%	40%	64%	62%	34%	35%	36%	65%	45%
Upgrade %	21%	32%	27%	30%	24%	24%	28%	42%	16%	15%	30%	17%	18%	18%	30%	32%	17%	17%	17%	29%	23%
New %	21%	16%	24%	14%	22%	37%	33%	5%	56%	53%	5%	39%	41%	42%	6%	6%	49%	48%	47%	5%	33%

## Supporting Schedule 3 - Major Projects Assumptions

Major Project	Year #1	Cost #2	Purpose	Source of Estimate	Funding Sources
1 Better Bins - implementation of 3-bin system	2019-20	(\$5.0)	Third bin purchased for each household	Business Case and Council Report March 2018	State Grant and Reserves
2 Joondalup City Centre Development	2019-20	(\$0.3)	Project Costs required to working with a proponent for City Centre Development	Project Costs only included at this stage	Reserves. Future land proceeds may offset initial costs of project.
3 Cafes / Kiosks / Restaurants - Pinnaroo Point	2019-20	(\$0.8)	Service Provision and Project Costs. New facility built by operator	Service Provision based on QS Estimate	Municipal and Reserves
4 Jinan Gardens	2020-21	(\$2.2)	Sister relationship with Jinan, the design/construction of gardens.	Report to Major Projects Finance Committee (MPFC) May 2019.	Reserves
5 Joondalup Mens Shed / WOC Extension	2020-21	(\$1.2)	Extension to Works Operations Centre so that Mens Shed can use Winton Road	Council approved Dec 2018	Municipal
6 Cafes / Kiosks / Restaurants - Burns Beach	2020-21	(\$5.2)	Construction Costs, Service Provision, Project Costs and Land Purchase	Reports to MPFC	Municipal and Reserves
7 Percy Doyle - Refurbishment Works	2020-21	(\$3.6)	Refurbishment of existing facilities to keep in working order until Master Plan is completed.	Council Report 2015.	Grants, Club Contribution, Reserves and Municipal
8 Craigie LC Refurbishment Phase 1	2020-21	(\$2.9)	Upgrade of facilities to meet future requirements.	Approved Council Report March 2018	Reserves.
9 Joondalup Administration Building - refurbishment	2021-22	(\$4.3)	Refurbishment of Admin Building	Some works require further scoping	Municipal and Reserves
10 Ocean Reef Marina Business Case & Structure Plan	2021-22	(\$0.4)	Project costs to work with State to develop Ocean Reef Marina	Estimated Project Costs	Municipal
11 Chichester Park Redevelopment	2021-22	(\$4.2)	Redevelopment of existing facilities.	Council approved Nov 2018	Grants, Reserves, Municipal.
12 Warwick Community Facilities	2021-22	(\$4.3)	Rationalisation of existing 3 buildings	Capital Expenditure to match potential disposal proceeds - indicative estimate	Intent is for land proceeds to fund the majority of the capital costs.
13 Warwick Sports Centre	2021-22	(\$1.1)	Refurbishment of existing facilities.	Report to Finance Committee April 2017	Municipal
14 Joondalup Library - major refurbishment	2022-23	(\$1.3)	Refurbishment	High level estimates only at this stage.	Municipal.



## Supporting Schedule 3 - Major Projects Assumptions

Major Project	Year #1	Cost #2	Purpose	Source of Estimate	Funding Sources
15 Whitfords Library and Senior Citizens Centre	2022-23	(\$3.0)	Refurbished library facility at Whitfords	High level estimate of refurbishment	Reserves.
16 Edgewater Quarry Masterplan	2023-24	(\$11.8)	Development of quarry Sale of land estimated to contribute	Strategy Session 2017, subject to further scoping	Short Term Loans repaid within 2-3 years with land proceeds
17 Multi Storey Car Park (2)	2024-25	(\$17.1)	Second Multi Storey Car Park in City Centre.	Based on capital costs of Reid Promenade Multi Storey Car Park	Reserves
18 Craigie LC - Geothermal replacement bore	2024-25	(\$1.0)	Replacement of existing bore.	Subject to scoping.	Municipal
19 Craigie LC Refurbishment Phase 2	2025-26	(\$4.9)	Various works to indoor and outdoor areas	Council Report March 2018	Reserves
20 Joondalup Performing Arts & Cultural Facility	2027-28	(\$59.3)	New facility to provide for Performing Arts & Culture, this excludes Jinan Gardens which is now a separate project.	Refined Concept Design - report to MPFC May 2019. The design is subject to further review/detailed design and when the capital cost estimates are further refined, the SFP will be updated	City contribution capped at \$30m and is fully funded by Reserves. The remaining cost is assumed to be funded by grants.
21 Calectasia Hall / Greenwood Scout & Guide Hall	2029-30	(\$5.0)	Facility Redevelopment	Active Reserve and Community Facilities Review December 2017	Reserves
22 Percy Doyle Master-Plan Phase 1 & 2	2035-36	(\$96.6)	Development of sporting and leisure facilities at the Percy Doyle Reserve	Report to Strategy 2014	Reserves
<b>TOTAL</b>		<b>(\$235.2)</b>			

#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 excluding escalation from 2018-19 to 2037-38 \$ms, and will exclude costs incurred prior to 2018-19.

## Supporting Schedule 4 - Reserves

	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
<b>Strategic Asset Reserve</b>																					
Opening Balance	12.8	19.6	17.5	14.3	18.7	27.4	39.4	47.2	59.2	77.5	83.8	98.5	90.9	83.2	76.3	80.3	84.4	59.4	32.1	2.3	12.8
Transfer to Reserve	9.5	3.2	6.9	11.7	11.0	12.2	10.1	15.1	18.3	18.8	16.6	16.0	12.5	14.0	3.9	4.1	3.6	2.3	0.9	0.1	190.6
Transfer from Reserve	(2.6)	(5.3)	(10.2)	(7.2)	(2.4)	(0.2)	(2.3)	(3.1)	0.0	(12.5)	(1.8)	(23.6)	(20.2)	(20.9)	0.0	0.0	(28.6)	(29.6)	(30.6)	0.0	(201.0)
Closing Balance	19.6	17.5	14.3	18.7	27.4	39.4	47.2	59.2	77.5	83.8	98.5	90.9	83.2	76.3	80.3	84.4	59.4	32.1	2.3	2.4	
<b>Asset Renewal Reserve</b>																					
Opening Balance	4.2	5.7	11.2	13.2	13.2	14.7	17.2	19.0	20.7	22.6	22.9	26.7	29.7	34.1	38.9	53.7	70.2	87.4	103.4	120.1	4.2
Transfer to Reserve	1.5	5.5	13.1	9.6	11.5	11.5	12.3	12.6	13.2	12.0	15.8	15.9	17.7	18.6	29.1	30.6	31.8	31.1	32.3	31.8	357.4
Transfer from Reserve	0.0	0.0	(11.2)	(9.6)	(10.0)	(9.0)	(10.5)	(10.9)	(11.3)	(11.7)	(12.0)	(12.8)	(13.3)	(13.8)	(14.2)	(14.1)	(14.5)	(15.1)	(15.6)	(16.1)	(225.7)
Closing Balance	5.7	11.2	13.2	13.2	14.7	17.2	19.0	20.7	22.6	22.9	26.7	29.7	34.1	38.9	53.7	70.2	87.4	103.4	120.1	135.8	
<b>Sale of Tamala Park Land</b>																					
Opening Balance	12.9	13.9	14.7	15.6	17.4	18.0	20.3	23.3	29.0	34.7	41.2	48.1	55.0	65.5	74.6	78.5	84.7	89.0	93.6	98.4	12.9
Transfer to Reserve	1.0	0.8	0.9	1.8	0.6	2.3	3.0	5.7	5.7	6.4	6.9	6.9	10.5	9.2	3.8	6.2	4.3	4.6	4.8	5.0	90.5
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Closing Balance	13.9	14.7	15.6	17.4	18.0	20.3	23.3	29.0	34.7	41.2	48.1	55.0	65.5	74.6	78.5	84.7	89.0	93.6	98.4	103.4	103.4
<b>Joondalup Performing Arts &amp; Culture Facility</b>																					
Opening Balance	16.2	16.6	16.5	15.0	15.5	15.9	16.5	17.1	17.8	3.3	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	16.2
Transfer to Reserve	0.4	0.4	0.4	0.4	0.5	0.6	0.6	0.7	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5
Transfer from Reserve	(0.1)	(0.5)	(1.9)	0.0	0.0	0.0	0.0	0.0	(15.0)	(3.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(20.7)
Closing Balance	16.6	16.5	15.0	15.5	15.9	16.5	17.1	17.8	3.3	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0
<b>Parking Facility</b>																					
Opening Balance	1.6	1.9	3.0	4.3	5.7	7.3	3.1	0.1	1.4	2.8	4.6	6.7	9.0	11.5	14.4	17.5	20.8	24.5	29.6	35.1	1.6
Transfer to Reserve	1.4	2.1	1.3	1.4	1.6	1.6	1.6	1.3	1.4	1.8	2.1	2.3	2.6	2.8	3.1	3.4	3.7	5.1	5.5	5.9	52.0
Transfer from Reserve	(1.0)	(1.0)	0.0	0.0	0.0	(5.9)	(4.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(12.5)
Closing Balance	1.9	3.0	4.3	5.7	7.3	3.1	0.1	1.4	2.8	4.6	6.7	9.0	11.5	14.4	17.5	20.8	24.5	29.6	35.1	41.0	41.0

## City of Joondalup 20 Year Strategic Financial Plan

	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
<b>Capital Works Going Forward</b>																					
Opening Balance	11.7	6.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>11.7</b>
Transfer to Reserve	5.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>5.2</b>
Transfer from Reserve	(10.7)	(6.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>(16.9)</b>
Closing Balance	6.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>Waste Management</b>																					
Opening Balance	11.4	9.8	12.2	13.9	15.7	17.6	19.7	21.9	24.2	26.7	29.4	32.4	35.5	38.7	42.1	45.7	49.5	53.5	57.6	62.0	<b>11.4</b>
Transfer to Reserve	1.5	2.3	1.7	1.8	1.9	2.0	2.2	2.3	2.5	2.7	2.9	3.1	3.3	3.4	3.6	3.8	4.0	4.2	4.4	4.6	<b>58.3</b>
Transfer from Reserve	(3.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>(3.0)</b>
Closing Balance	9.8	12.2	13.9	15.7	17.6	19.7	21.9	24.2	26.7	29.4	32.4	35.5	38.7	42.1	45.7	49.5	53.5	57.6	62.0	66.6	<b>66.6</b>
<b>Non Current LS Leave Reserve</b>																					
Opening Balance	1.7	1.5	1.6	1.6	1.6	1.7	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.7	2.8	2.9	3.1	3.2	<b>1.7</b>
Transfer to Reserve	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	<b>2.0</b>
Transfer from Reserve	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>(0.3)</b>
Closing Balance	1.5	1.6	1.6	1.6	1.7	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.7	2.8	2.9	3.1	3.2	3.4	<b>3.4</b>
<b>Public Art Reserve</b>																					
Opening Balance	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	<b>0.2</b>
Transfer to Reserve	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.1</b>
Transfer from Reserve	(0.0)	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>(0.2)</b>
Closing Balance	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	<b>0.1</b>
<b>Section 20A Land</b>																					
Opening Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
Closing Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>

# City of Joondalup 20 Year Strategic Financial Plan

	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
<b>Marmion Car Park Reserve</b>																					
Opening Balance	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	<b>0.2</b>
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.2</b>
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
Closing Balance	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	<b>0.4</b>
<b>Cash in Lieu of Parking Reserve</b>																					
Opening Balance	1.3	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.5	1.6	1.6	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.6	<b>1.3</b>
Transfer to Reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	<b>1.5</b>
Transfer from Reserve	(0.1)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>(0.1)</b>
Closing Balance	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.5	1.6	1.6	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.6	2.7	<b>2.7</b>
<b>Trust Fund</b>																					
Opening Balance	1.9	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>1.9</b>
Transfer to Reserve	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.3</b>
Transfer from Reserve	(0.2)	(2.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>(2.2)</b>
Closing Balance	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>Minor Reserves</b>																					
Opening Balance	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.1</b>
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>(0.1)</b>
Closing Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>Total</b>																					
Opening Balance	75.9	78.7	78.1	79.2	89.2	104.0	119.3	131.7	155.6	171.2	185.7	216.2	224.2	237.4	250.9	280.4	314.6	319.1	321.9	323.8	<b>75.9</b>
Transfer to Reserve	20.9	14.5	24.3	26.9	27.2	30.4	29.9	37.9	41.8	41.9	44.4	44.3	46.7	48.2	43.7	48.3	47.6	47.5	48.1	47.8	<b>762.4</b>
Transfer from Reserve	(18.1)	(15.1)	(23.3)	(16.8)	(12.4)	(15.1)	(17.4)	(14.0)	(26.3)	(27.4)	(13.9)	(36.4)	(33.5)	(34.6)	(14.2)	(14.1)	(43.1)	(44.6)	(46.2)	(16.1)	<b>(482.8)</b>
Closing Balance	78.7	78.1	79.2	89.2	104.0	119.3	131.7	155.6	171.2	185.7	216.2	224.2	237.4	250.9	280.4	314.6	319.1	321.9	323.8	355.5	<b>355.5</b>



UPDATED MAY

2019

# 20 Year Strategic Financial Plan

2018/19 to 2037/38

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### **Document Version Control**

Vers	Date	Author	Amendments / Comments
1.0	23 May 2019	Alan Ellingham	First draft for review by DCS
2.0	29 May 2019	Alan Ellingham	Update following DCS feedback 28 May
3.0	10 Jun 2019	Alan Ellingham	Issued to ELT for review 24 Jun 2019
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## 1 **EXECUTIVE SUMMARY**

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

Some of the key outcomes of the 2019 update of the *Draft 20 Year Strategic Financial Plan* are:

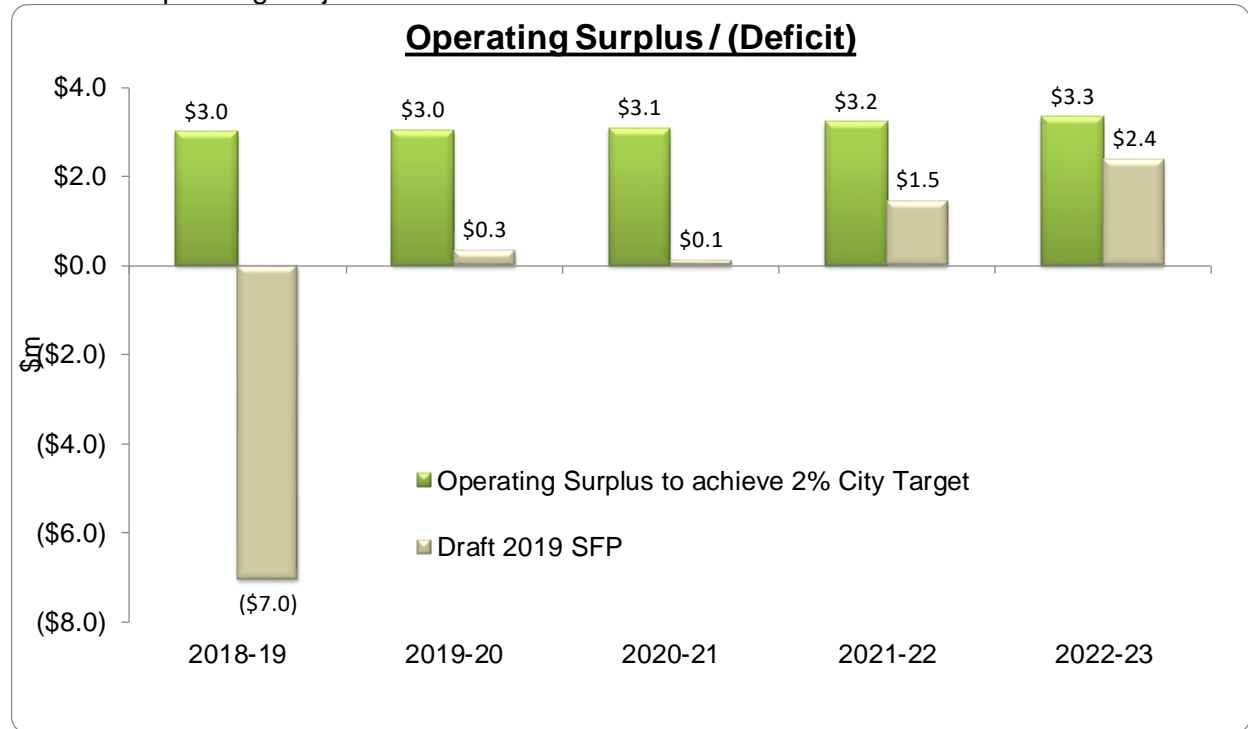
- Existing services and infrastructure assumed to continue - \$400m set aside for renewal (20 years). New projects and upgrades to existing infrastructure are included - investment of \$500m (20 years).
- Economic indicators updated with reference to state & federal budgets, and RBA economic outlook. The economy continues to be in low-inflationary period, and this is expected to continue for at least another few years.
- Employment Costs: Average increase of 2.31% from 2019-20 to 2022-23 which is 0.5% less than the 2.81% increase projected in Perth Wages Price Index. #1
- Materials/Contracts: Average increase of 2.06% from 2019-20 to 2022-23 which is 0.19% less than the 2.25% increase projected in Perth CPI
- Long-term financial targets refined, the City will strive to achieve a modest 2% Operating Surplus, rather than 5%
- Rate Increases: Average increase of 2.44% from 2019-20 to 2022-23 which is 0.37% less than the projected 2.81% increase in Perth Wages Price Index so the plan should provide more affordability for the Community to cope with increases in rates.
- Operating Result: Minor surplus is now expected to be achieved in 2019-20, and by 2022-23 a moderate surplus of \$2.4m (1.4% surplus)
- Asset Renewal Reserve will ensure that the City has the long-term financial capacity to maintain infrastructure and assets to existing service levels
- Borrowings: New borrowings of \$20.5m, which is well within the City's borrowing capacity and ensures that all liquidity ratios are achieved in each year of the plan

#1 Forecasts for Perth Wages Price Index are only available up to 2022-23

The City has incurred an operating deficit for most of the past few years, and in 2018-19 is projecting a further deficit of \$7.0m, although \$4.4m of this relates to one-off costs of asset disposals/write-offs. The City has recognised the need to address the operating deficit and there are several assumptions included in the 2019-20 Budget and Draft 20 Year Strategic Financial Plan which will help the City gradually increase the surplus. By 2022-23 a 1.4% surplus is achieved which is 0.6% less than the desired 2% Operating Surplus target - it is not a major concern to be below the 2% target. Most importantly the cash surpluses that the City is projected to achieve are sufficient to support long-term renewal requirements and planned new infrastructure.

The chart below shows the gradual improvement in the operating results and compares to the surplus that would be required to achieve a 2% surplus. Whilst the projections are positive, the City needs to maintain the momentum and continue to review current services and fees to ensure it is providing optimum value for money to the community and is financially sustainable.

Chart 1 – Operating Projections 2018-19 to 2023-24



## 2 INTRODUCTION

### 2.1 Purpose

The *Draft 20 Year Strategic Financial Plan* is a high-level informing strategy that outlines the City of Joondalup's approach to delivering infrastructure and services to the community in a financially sustainable and affordable manner. It also demonstrates the City's commitment to managing its operations in a way that avoids unsustainable rate increases for households. The *Draft 20 Year Strategic Financial Plan* achieves this by projecting the City's financial position over a 20 year period, based on a range of conservative assumptions and estimates. The new plan included in this document covers the years 2018-19 to 2037-38 and is referred to as the *Draft 20 Year Strategic Financial Plan*. The Previous Plan covers the years 2017-18 to 2036-37 and was adopted by Council in August 2018.

### 2.2 Integrated Planning/Reporting Framework and Guiding Principles

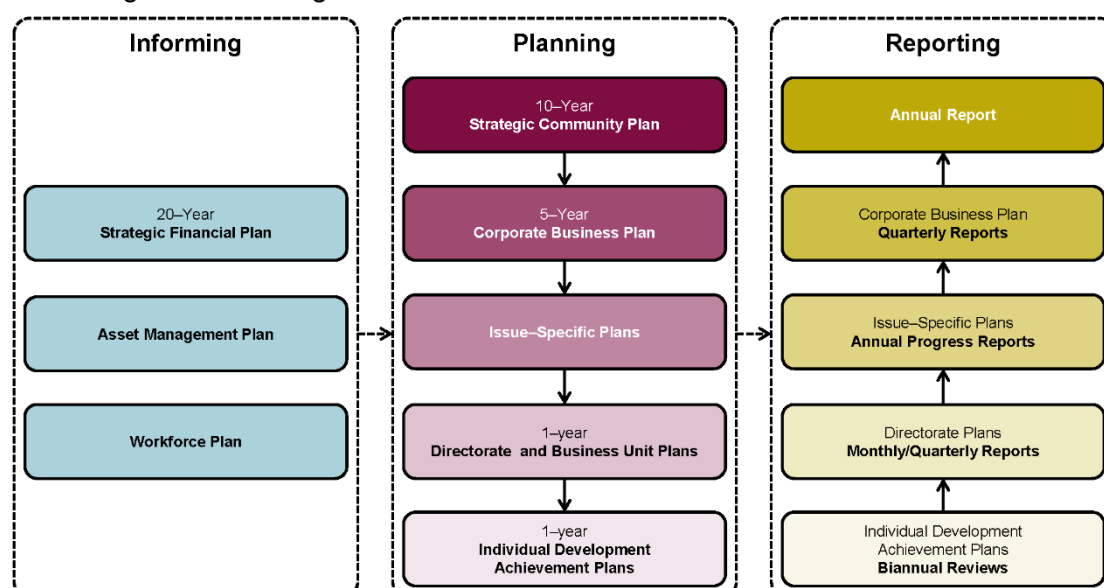
The Department of Local Government, Sport and Cultural Industries have issued a guideline and *Advisory Standard* to support the development of long term financial management plans, of which the City's *Draft 20 Year Strategic Financial Plan* is aligned to. For financial management, performance against 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 2% target.

### 2.3 Planning Alignment

The *Draft 20 Year Strategic Financial Plan* forms part of the Integrated Planning Framework, as shown on Chart 1 below. The Budget for 2019-20 forms the baseline for the projections and the update of the *Draft 20 Year Strategic Financial Plan* has been synchronised with the annual budget cycle. The Capital Works Program 2019-20 to 2023-24 also forms a key part of the projections.

Chart 2 – Integrated Planning Framework



## 2.4 City Profile & Key Statistics

Table 1 – City of Joondalup Key Statistics

Joondalup Headline Statistics	
Population – 2019 (Forecast ID)	161,369
Distance between Perth and the Joondalup City Centre	30 kilometres
Number of businesses – ABS 2018	13,135
Headline Gross Regional Product (NEIR 2018)	\$ 6.48 billion

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 (statutory)
- Building & Planning approvals (statutory)
- Environmental health services (mostly statutory, immunisations are discretionary)
- Community development, education and youth services (mostly discretionary)
- Library services (majority statutory)
- Festivals, concerts and other cultural events (discretionary)
- Leisure and recreation services and facilities (all discretionary)
- Parking, Rangers and community safety (some services statutory e.g. dog/cats)
- Infrastructure management including roads, footpaths and street lighting (statutory)
- Parks and natural areas and management of the environment (mostly statutory)
- Economic development (discretionary)

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

## 2.6 Disclaimer

*Readers of the Draft 20 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 Draft 20 Year Strategic Financial Plan by Council does not constitute a commitment or agreement to any of the projects or proposals that have not already been approved or the financial estimates and projections. 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.

### 3 ECONOMIC INDICATORS

#### 3.1 National and State Indicators

The table below summarises the key projections at both National and State level. Both the Federal Budget (April 2019) and State Budget (May 2019) indicate operating surpluses from 2019-20 but the current economic position both federally and at state level is still fragile, with sluggish inflation/wages growth, soft housing market, minimal growth in household consumption and fears of higher unemployment. The fragility of the economy is demonstrated with the RBA cash rate at the historical low of 1.0%, and the increasing likelihood of further reductions to support economic growth – there are only a few more cuts that the RBA could make to stimulate the economy without other interventions being considered (fiscal stimulus).

The forecasts at both Federal and State level indicate higher wages growth in the next couple of years, but these appear optimistic as did the forecasts made one year ago which did not materialise. The West Australian Economy contracted in 2017-18 and began to show improved signs in 2018-19 but is again stuttering. The *Draft 20 Year Strategic Financial Plan* has been prepared with reference to the local, state and federal economic situation and forecasts.

Table 2 – National and State Indicators

External Indicators	Source	18-19	19-20	20-21	21-22	22-23
<b>Economic &amp; Social Indicators</b>						
Gross Domestic Product (GDP)	<i>RBA Economic Statement 10th May 2019</i>	2.25%	2.50%	2.75%		
Gross State Product	<i>State Budget May 2019</i>	2.00%	3.50%	3.00%	3.00%	3.00%
Unemployment Rate: WA	<i>State Budget May 2019</i>	6.25%	6.00%	5.75%	5.50%	5.25%
Population Growth: WA	<i>State Budget May 2019</i>	1.00%	1.30%	1.50%	1.60%	1.70%
<b>Price Indices and Cost Drivers</b>						
CPI Australia	<i>RBA Economic Statement 10th May 2019</i>	1.75%	2.00%	2.50%		
CPI WA	<i>State Budget May 2019</i>	1.75%	2.00%	2.50%		
Local Government Cost Index	<i>WALGA Economic Update May 2019</i>	1.40%	1.80%	2.70%		
Wages Price Index WA	<i>State Budget May 2019</i>	1.75%	2.25%	2.75%	3.00%	3.25%
<b>Financial Indicators</b>						
RBA Cash Rate	<i>City of Joondalup Estimate</i>	1.50%	1.00%	0.75%	1.00%	
WATC Borrowing Rate (10 Years)	<i>WATC March 2018</i>	2.20%	2.28%	2.50%	2.83%	3.16%

#### 3.2 City of Joondalup Key Indicators

The City will see moderate population increases across the City however; the greatest impacts are likely to be driven by significant regional population growth. This will place added pressure on the City to provide increased employment, health, entertainment and educational opportunities to support the needs of a growing regional population. Business growth has slowed down recently there is further potential for increased business growth in the medium and long-term.

Table 3 – City of Joondalup Key Indicators

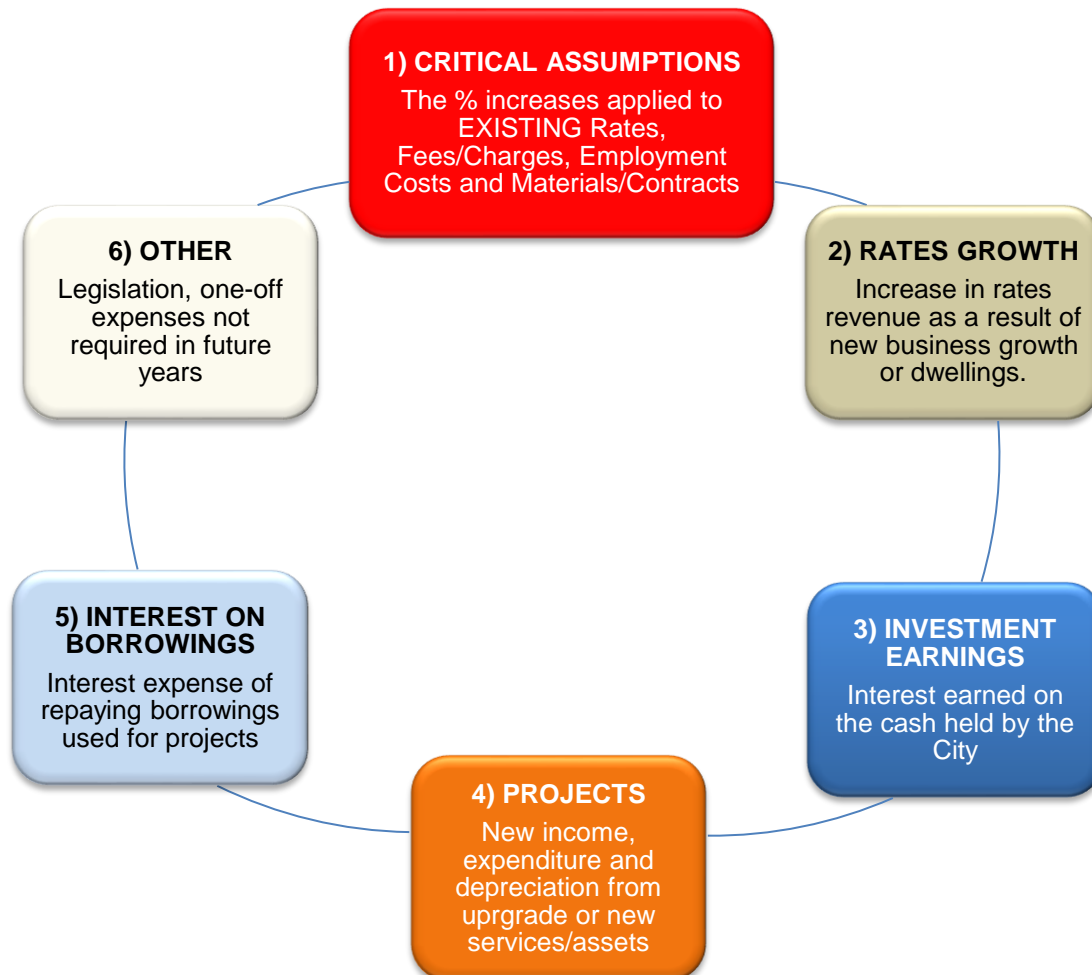
City of Joondalup	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28
Population <i>Source: Profile ID (based on 2016 census)</i>	161,176	161,369	162,111	162,737	163,567	164,587	165,304	166,118	166,896	167,702
Residential Dwellings <i>Source: City of Joondalup Forecast</i>	62,389	62,604	62,896	63,267	63,632	63,947	64,249	64,546	64,846	65,160
Business Growth <i>% Increase vs Previous Year - Business Rates</i>		0.8%	0.6%	1.0%	1.6%	1.0%	0.2%	9.1%	6.9%	2.3%

## 4 OPERATING PROJECTIONS

### 4.1 How the Operating Projections are Prepared

The most important projections from the 20 Year SFP are the operating projections; these provide the best indication of long-term financial sustainability. There are six main elements that make up the operating projections as explained in chart below:

Chart 3 – Key Elements of Operating Projections



### 4.2 Critical Assumptions - Change in Existing Income and Expenses

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 the 2.25% rate increase in 2019-20 results in approximately \$2.2m income in 2019-20 which becomes part of the base revenue in future years.

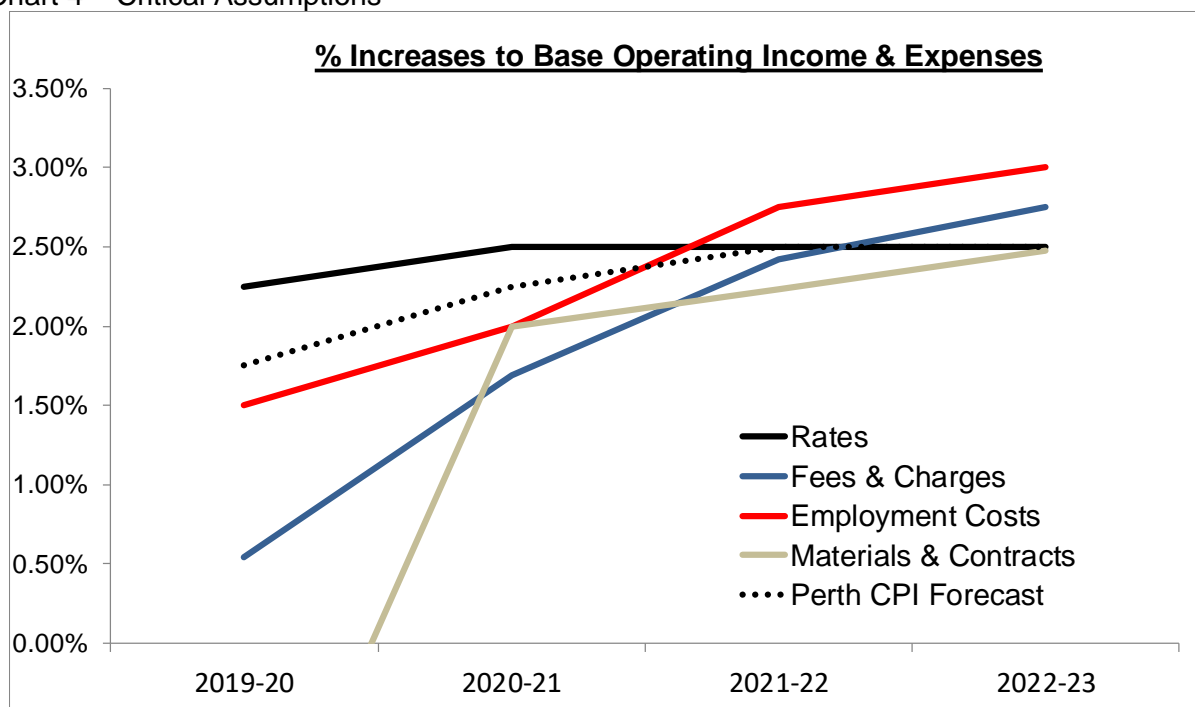
The increases in employment expenses are determined by Enterprise agreements, and are subject to negotiation. The increases need to strike the right balance by being affordable, suitable taking account of economic conditions but ensure that the City continues to retain suitably qualified and experienced staff.

There are 13 different items within Fees & 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 mostly outside of the City's control (e.g. Dog/Cat registration income). Likewise Materials & Contracts has been forecast by evaluating 20 different cost items. Supporting Schedule 1 lists the increases that have been assumed for each of the different items for Fees & Charges and Materials & Contracts.

The chart below shows the assumptions for increases to existing income and expenses within the Draft 20 Year Strategic Financial Plan from 2019-20 to 2022-23, the key issues are:

- Rates increase of 2.25% in 2019-20 and 2.5% in following three years.
- Employment Cost increase of 1.5% in 2019-20, 2.0% in 2020-21, 2.75% in 2021-22 and 3% in 2022-23. These increases are less than the projected increase in WA Wages Price Index.
- Materials & Contracts increase of 2.0% in 2020-21, 2.25% in 2021-22 and 2.5% in 2022-23. These increases are less than the projected increase in WA CPI.

Chart 4 – Critical Assumptions



### 4.3 Operating Projections

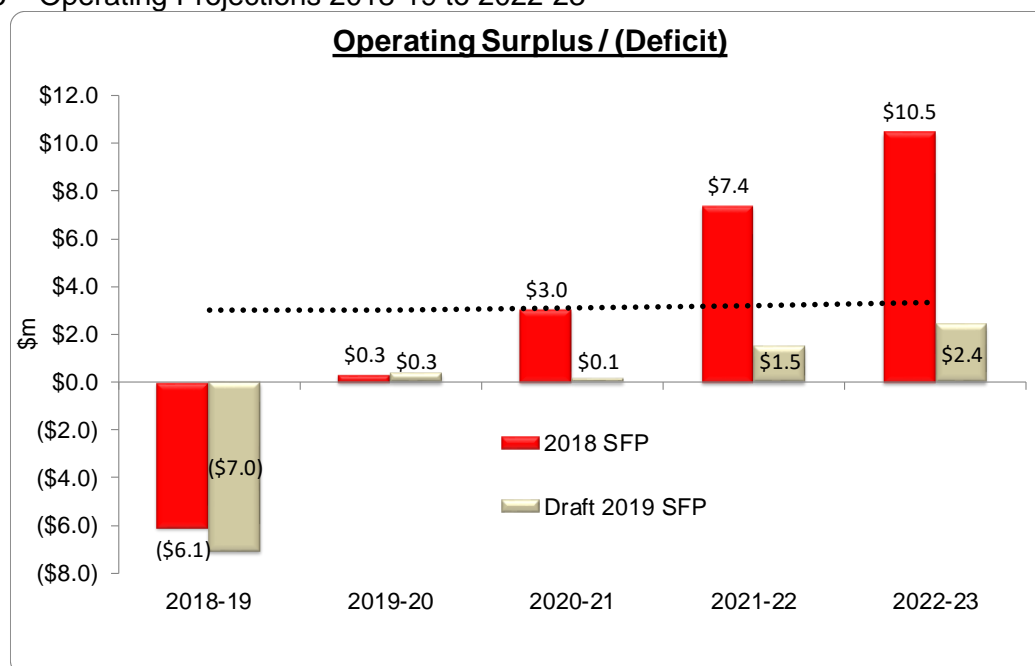
The chart below summarises the operating projections up to 2022-23 and indicates that the Operating Surplus/(Deficit) is projected to improve from (\$7.0m) deficit in 2018-19 to a \$2.4m surplus by 2022-23. Although there is a large operating deficit of (\$7.0m) in 2018-19, it is anticipated that the City can achieve small operating surplus of \$0.3m in 2019-20, due mainly to the following reasons:

- \$4.4m write off in 2018-19 most of which will not be repeated in 2019-20
- \$2.2m recurring grant for road resurfacing which was previously treated as a capital grant (and therefore excluded from operating results) but from 2019-20 onwards will be treated as operating revenue.
- \$0.6m increase in base income (most notably rates) being higher than the increase in base expenses



The chart also shows the City target which is a surplus of 2% of Own Source Revenue, the projected surplus at 2022-23 is estimated to be 1.4%. The 2% target is projected by 2026-27 and although this is still a few years away, it is important the City progresses to a 2% surplus at a reasonable pace with rate increases that are realistic. Most importantly the cash surpluses that the City is projected to achieve are sufficient to support long-term renewal requirements and planned new infrastructure.

Chart 5 – Operating Projections 2018-19 to 2022-23



#### 4.4 Analysis of Operating Results

The table below explains the key movements for the six key items that go into the operating projections. The table compares the impacts versus 2019-20, a positive value means that there is an improvement compared to 2019-20 whereas a negative means that the impact is worse than in 2019-20. There are also comments under the table to explain each line item.

Table 4 – Changes in Operating Results vs 2019-20

<b>Movement in Operating Surplus / (Deficit) vs 19/20</b>	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>
	<b>\$ms</b>	<b>\$ms</b>	<b>\$ms</b>
Projected Operating Surplus / (Deficit)	0.1	1.5	2.4
vs 2019-20	0.3	0.3	0.3
<b>Improvement in Operating Results</b>	<b>(0.2)</b>	<b>1.1</b>	<b>2.0</b>
<b><u>Explanation</u></b>			
1 Growth in Base Income versus Base Expenditure	0.2	(0.0)	(0.4)
2 Rates Growth (Commercial & Residential)	0.5	1.1	1.9
3 Investment Earnings	(0.3)	0.4	1.2
4 Projects - additional operating expenses and income	(0.9)	(0.5)	(0.7)
5 Interest on Borrowings	0.2	0.2	0.1
6 Other	0.2	(0.1)	(0.1)
<b>Improvement in Operating Deficit</b>	<b>(0.2)</b>	<b>1.1</b>	<b>2.0</b>

1. Growth in Base Income versus Base Expenditure – this relates to the critical assumptions explained in earlier paragraph. This shows that in 2020-21 the increase in Rates and Fees/Charges will be more than the increases in expenses, but for 2021-22 and 2022-23 the increases in expenses will be more than income.
2. Rates Growth (Commercial & Residential) – by 2022-23 it is estimated that there will be \$1.9m additional income from new dwellings and new commercial. The assumptions have been built up with reference to known planning applications and local housing strategy.
3. Investment Earnings – by 2022-23 it is estimated that the City may earn \$4.9m which is \$1.2m more than in 2019-20. This is mainly caused by higher reserves.
4. Projects, a negative impact of (\$0.7m) by 2022-23, relates to the following:
  - Craigie Leisure Centre Refurbishment Phase 1 project is projected to provide a net benefit of \$0.3m per year (the \$0.4m is the difference between the new income and the new operating expenses and depreciation).
  - New depreciation associated mostly with the Capital Works Program is expected to result in additional costs of (\$1.0m)
5. 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.
6. Other (\$0.1m) negative impact, caused mostly by two issues
  - Superannuation Guarantee Increase. The Federal Budget assumes that employers will be required to increase guaranteed contributions from 9.5% to 12.0% by 2025-26 with incremental changes beginning from 2021-22. By 2022-23 this may cost (\$0.4m)
  - One-off costs in 2019-20 of \$0.3m not required in future years, relating to temporary staff costs e.g. additional staff to implement the roll-out of 3-bins.

#### 4.5 Summary of Operating Results

For most years of the Draft 20 Year Strategic Financial Plan, the increases in rates are lower than the increases in core expenses, and also the increase in expenses are less than the increases for Wages Price Index and CPI. Despite this, the operating surplus is projected to increase, albeit moderately.

It would normally be expected that the City has to increase rates by at least, if not more, than the increase in expenses (unless services were being reduced and costs removed) but the revised financial targets (2% Operating Surplus,) mean that the City can implement lower rate increases in future years than the increase in expenses. The other key items that will allow the City to implement rate increases lower than expenses in future years are the new rates income generated from residential/commercial growth and also higher earnings on cash reserves.

The projected increase in rates is by no means fixed and is reviewed each year as part of the annual budget process and update to the *Draft 20 Year Strategic Financial Plan* – there are a wide number of factors which may result in a higher or lower increase than projected (e.g. economic conditions, service reviews, enterprise agreements).

In summary, the operating projections appear positive, but they are only as good as the assumptions and it will be vital for the City to maintain a positive momentum to improve operating results. Financial Statement 1 provides details of each line item for all 20 years.

## 5 CAPITAL EXPENDITURE

### 5.1 Capital Expenditure Estimates by Asset Class

Capital Expenditure forecasts have been built up as follows:

- Capital Works Program - the 5 Year Capital Works Program is a rolling program of capital works that is updated on an annual basis. The Program for 2019-20 to 2023-24 has been used in the development of the *Draft 20 Year Strategic Financial Plan*. Estimates for the outer years (from 2024-25 onwards) have been prepared with reference to the current expenditure or where possible with reference to renewal plans.
- Fleet and IT – capital replacement of existing infrastructure
- Major Projects – 22 major projects explained in detail later in this section

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. The table below summarises the large asset values that the City is responsible for, over \$2.1 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, which have been incorporated into the *Draft 20 Year Strategic Financial Plan*. The City is an asset-intensive business and the substance of the Asset Management plans is crucial to provide substance to the *Draft 20 Year Strategic Financial Plan*. There is ongoing work by the City to update Asset Management Plans for each asset class. Where an updated asset management plan becomes available it will be included in the annual update of the *Draft 20 Year Strategic Financial Plan*.

Table 5 – Asset Values

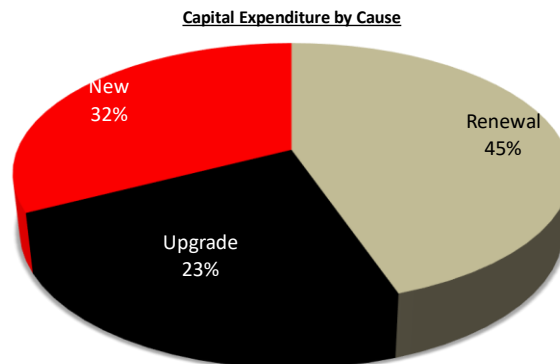
Asset Values 30th June 2018	Asset Values		% of Total (CRC)
	Current Replacement Cost	Written Down Value	
	\$ms	\$ms	
1 Buildings	376.8	236.0	18%
2 Parks	193.3	146.9	9%
3 Drainage	405.6	269.0	19%
4 Transport, excl Roads	187.9	124.1	9%
5 Roads	690.5	368.5	32%
6 Lighting	46.3	18.9	2%
7 Freehold Land	190.4	190.4	9%
8 Fleet, Equipment, Other	34.3	21.3	2%
<b>Total Asset Values</b>	<b>2,125.1</b>	<b>1,375.2</b>	<b>100%</b>

### 5.3 Capital Expenditure by Cause

The chart below summarises the capital expenditure estimates by cause. 45% of the expenditure is estimated to be for renewal of existing infrastructure, 23% on Upgrades and 32% on New infrastructure. It is far from ideal having 55% of the Capital expenditure forecasts on upgrade/new because this causes new depreciation and new operating expenses. 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.

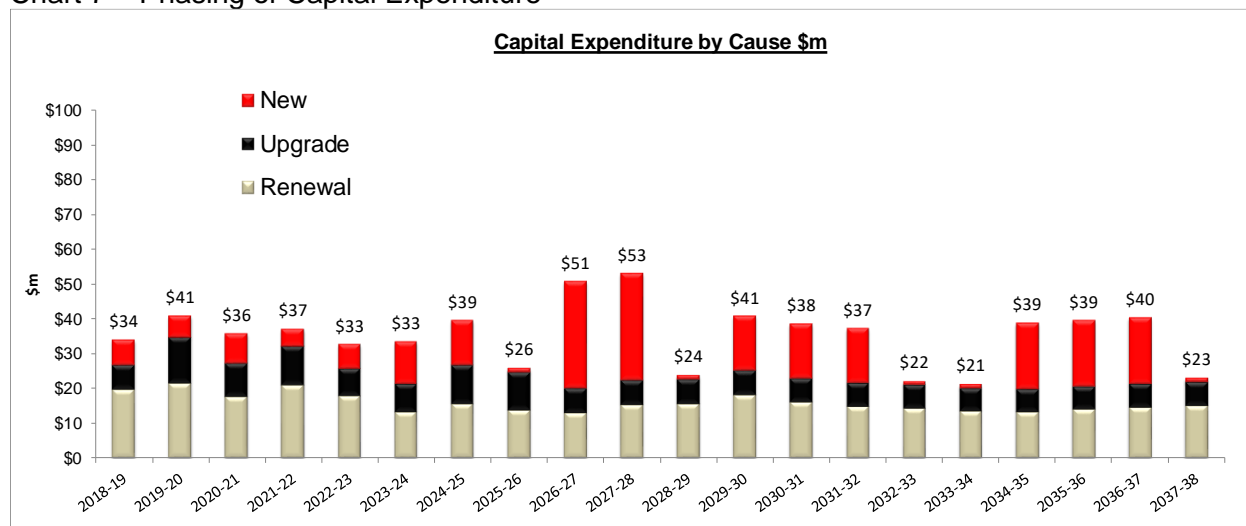
Chart 6 – Capital Expenditure by Cause



#### 5.4 Phasing of Expenditure

The table below shows the estimated phasing of expenditure (in today's dollars). There are large peaks in new expenditure, predominately caused by the Joondalup Performing Arts & Cultural Facility (2026-27 and 2027-28) and Percy Doyle Master Plan (2029-30, 2030-31, 2031-32 and 2034-35, 2035-36, 2036-37). 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. from 2024-25 there is higher renewals 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 now set up an Asset Renewal Reserve (previously the Vehicles, Plant & Equipment Reserve) to fund higher renewals.

Chart 7 – Phasing of Capital Expenditure



#### 5.5 Major Projects – Source of Funding

The *Draft 20 Year Strategic Financial Plan* includes 22 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. The table below summarises the capital expenditure and estimated funding for each project. Where the City is required to fund the

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.

Table 6 – Major Project Funding

Major Projects & Funding 20 Year summary, including inflation \$ms	Capital Expend	Funding					Total
		Grants	Disposal Proceeds	Municipal	Reserves	Loans	
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
1 Better Bins - implementation of 3-bin system	(5.0)	1.8	0.0	0.2	3.0	0.0	5.0
2 Joondalup City Centre Development	(0.3)	0.0	0.0	0.3	0.0	0.0	0.3
3 Cafes / Kiosks / Restaurants - Pinnaroo Point	(0.8)	0.0	0.0	0.2	0.6	0.0	0.8
4 Jinan Gardens	(2.2)	0.0	0.0	0.0	2.2	0.0	2.2
5 Joondalup Mens Shed / WOC Extension	(1.2)	0.0	0.0	1.1	0.1	0.0	1.2
6 Cafes / Kiosks / Restaurants - Burns Beach	(5.3)	0.0	0.0	1.4	3.9	0.0	5.3
7 Percy Doyle - Refurbishment Works	(3.6)	0.4	0.0	1.5	1.8	0.0	3.6
8 Craigie LC Refurbishment Phase 1	(2.9)	0.0	0.0	0.0	2.9	0.0	2.9
9 Joondalup Administration Building - refurbishment	(4.4)	0.0	0.0	1.3	3.2	0.0	4.4
10 Ocean Reef Marina Business Case & Structure Plan	(0.4)	0.0	0.0	0.4	0.0	0.0	0.4
11 Chichester Park Redevelopment	(4.3)	1.1	0.0	0.1	3.1	0.0	4.3
12 Warwick Community Facilities	(4.4)	0.0	4.5	(0.0)	0.0	0.0	4.4
13 Warwick Sports Centre	(1.1)	0.0	0.0	1.1	0.0	0.0	1.1
14 Joondalup Library - major refurbishment	(1.3)	0.0	0.0	1.3	0.0	0.0	1.3
15 Whitfords Library and Senior Citizens Centre	(3.1)	0.0	0.0	0.0	3.1	0.0	3.1
16 Edgewater Quarry Masterplan	(12.8)	0.0	0.0	1.0	0.0	11.7	12.8
17 Multi Storey Car Park (2)	(19.3)	0.0	0.0	0.0	10.5	8.8	19.3
18 Craigie LC - Geothermal replacement bore	(1.1)	0.0	0.0	1.1	0.0	0.0	1.1
19 Craigie LC Refurbishment Phase 2	(5.6)	0.0	0.0	0.0	5.6	0.0	5.6
20 Joondalup Performing Arts & Cultural Facility	(59.3)	29.0	0.0	0.0	30.3	0.0	59.3
21 Calectasia Hall / Greenwood Scout & Guide Hall	(6.6)	0.0	0.0	0.0	6.6	0.0	6.6
22 Percy Doyle Master-Plan Phase 1 & 2	(149.3)	0.0	0.0	0.0	149.3	0.0	149.3
<b>Total Major Projects</b>	<b>(294.5)</b>	<b>32.3</b>	<b>4.5</b>	<b>11.0</b>	<b>226.2</b>	<b>20.5</b>	<b>294.5</b>

## 5.6 Major Projects – Operating Impacts

The table below lists the estimated annual operating impacts and if there is likely to be an impairment whereby assets are replaced before the end of their useful life causing the future year's depreciation expense to be written off in one year. Several projects are not yet sufficiently scoped and this is shown as to be confirmed (tbc).

The major projects have been ranked in order of their impacts on operating costs. There are two lines on the table which split the projects into three sections as follows:

- The top ranked projects (Projects 1 to 8) will provide an operating surplus and include projects where operating impacts have not yet been fully scoped (e.g. Ocean Reef Marina)
- The middle section (Projects 9 to 15) may break-even or have minimal impact (<\$0.1m)
- The bottom ranked projects (Projects 16 to 22) will have a negative impact on operating results by at least \$0.1m per year

When considering the options for major projects the City should consider whether a commercial income stream can be achieved, or what actions would be necessary to achieve a break even operating position. However it may not be viable for some projects to ever achieve a break-even operating position but there could be significant wider Social and Economic benefits which justify the project.

Table 7 – Major Projects Operating Impacts &amp; Ranking

Impact of Major Projects on Operating Deficit & Ranking	(A) Capex & Timescales			(B) Operating		
	Capex #1	(R)enewal , (U)pgrade or (N)ew	Year #2	Operating Surplus / (Deficit) #3	Write-off costs possible	Rank #4
	\$ms			\$ms p.a.	\$ms	
1 Craigie LC Refurbishment Phase 1	(\$2.9)	R/U	2020-21	\$0.3	Yes	1
2 Craigie LC Refurbishment Phase 2	(\$5.6)	R	2025-26	\$0.1	Yes	2
3 Better Bins - implementation of 3-bin system	(\$5.0)	N	2019-20	tbc	No	3
4 Joondalup City Centre Development	(\$0.3)	N	2019-20	tbc	No	4
5 Ocean Reef Marina Business Case & Structure Plan	(\$0.4)	N	2021-22	tbc	No	5
6 Cafes / Kiosks / Restaurants - Pinnaroo Point	(\$0.8)	N	2019-20	(\$0.0)	No	6
7 Cafes / Kiosks / Restaurants - Burns Beach	(\$5.3)	N	2020-21	(\$0.1)	No	7
8 Warwick Community Facilities	(\$4.4)	U	2021-22	tbc	Yes	8
9 Joondalup Administration Building - refurbishment	(\$4.4)	U	2021-22	tbc	tbc	9
10 Percy Doyle - Refurbishment Works	(\$3.6)	R	2020-21	\$0.0	tbc	10
11 Joondalup Library - major refurbishment	(\$1.3)	R	2022-23	tbc	Yes	11
12 Craigie LC - Geothermal replacement bore	(\$1.1)	U	2024-25	tbc	tbc	12
13 Whitfords Library and Senior Citizens Centre	(\$3.1)	R	2022-23	tbc	Yes	13
14 Joondalup Mens Shed / WOC Extension	(\$1.2)	N	2020-21	(\$0.0)	No	14
15 Warwick Sports Centre	(\$1.1)	U	2021-22	(\$0.0)	tbc	15
16 Calectasia Hall / Greenwood Scout & Guide Hall	(\$6.6)	N	2029-30	tbc	No	16
17 Jinan Gardens	(\$2.2)	N	2020-21	(\$0.1)	No	17
18 Chichester Park Redevelopment	(\$4.3)	U	2021-22	(\$0.1)	Yes	18
19 Multi Storey Car Park (2)	(\$19.3)	N	2024-25	(\$0.1)	No	19
20 Edgewater Quarry Masterplan	(\$12.8)	N	2023-24	(\$0.1)	No	20
21 Joondalup Performing Arts & Cultural Facility	(\$59.3)	N	2027-28	(\$1.4)	No	21
22 Percy Doyle Master-Plan Phase 1 & 2	(\$149.3)	R	2035-36	(\$1.8)	Yes	22
<b>TOTAL</b>	<b>(\$294.5)</b>			<b>(\$3.6)</b>		

#1 Capex and Operating Impacts include escalation

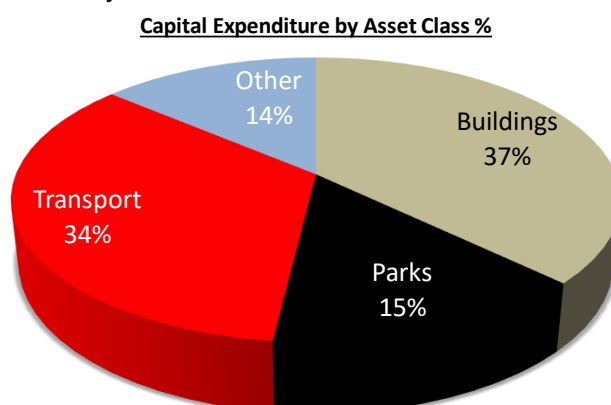
#2 Year is the final year of capex

#3 Operating Impacts include interest and depreciation

## 5.7 Summary by Asset Class

The overall estimates have been grouped by Asset Class and are summarised in the chart below. This shows that 34% of estimated capital expenditure is for Transport (Roads, Paths, Blackspot, Major Road Construction). The proposed expenditure for buildings is 37% even though buildings currently only represent 18% of asset value this is because a large part of new major projects is buildings.

Chart 8 – Capital Expenditure by Asset Class

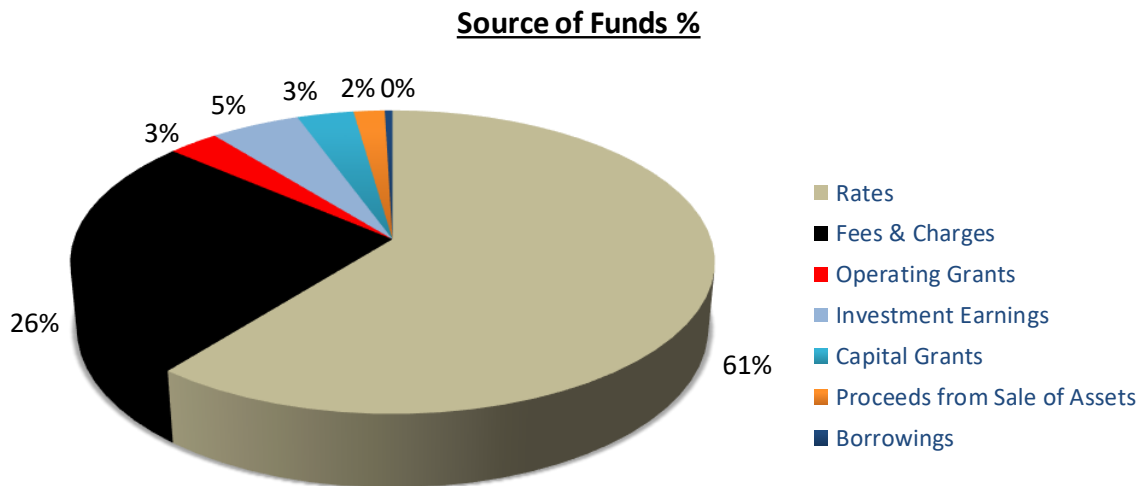


## 6 SOURCE AND APPLICATION OF FUNDS

### 6.1 Source of Funds

The chart below shows the source of all cash income over the 20 year period, 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.

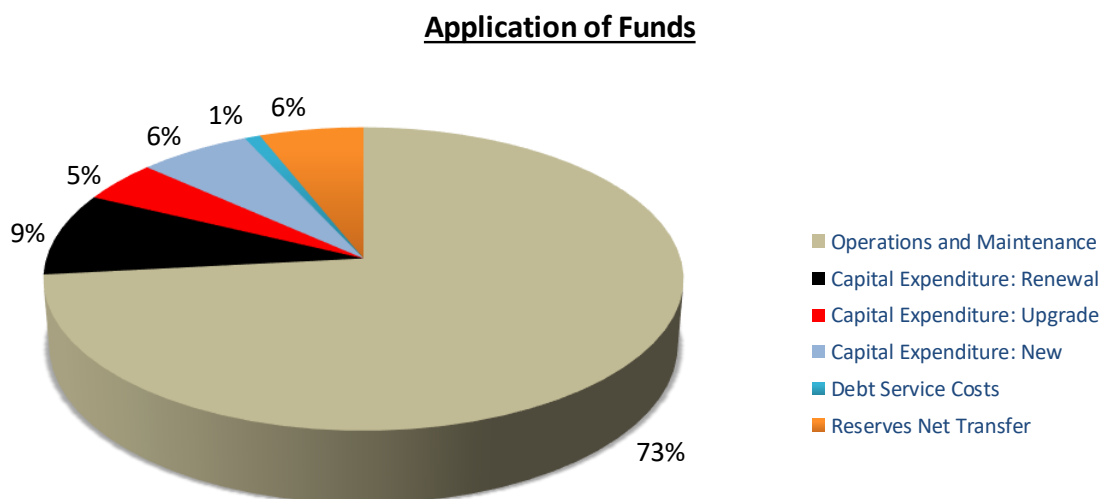
Chart 9 – Source of Funds



### 6.2 Application of Funds

The chart below shows how the funds are applied. 73% of funds are used to operate/maintain assets and services, 20% of cash is spent on capital expenditure, 1% on Debt Service Costs (Principal and Interest) and the remaining 6% is the Net Transfer into reserves.

Chart 10 – Application of Funds



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



### 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 & Recreation Facility Fund. The plan assumes \$151m of Capital Grant revenue, comprising of \$122m from the Capital Works Program (Black Spot Programs, Major Road Construction, New Paths and Road Resurfacing/Preservation), \$29m for Joondalup Performing Arts & Cultural Facility and \$6m for other projects. The \$29m grant assumed for the Joondalup Performing Arts and Cultural Facility has no specific source but recognises that the City contribution to the project is capped at \$30m.

### 6.4 Proceeds from Sale of Assets

The *Draft 20 Year Strategic Financial Plan* includes an asset rationalisation component, with the City applying the principle of using the proceeds where ever possible to offset the expenditure on new capital initiatives. 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.
- Asset Rationalisation: Sale of land no longer considered required for City purposes  
Edgewater Quarry: Sale of land at Edgewater Quarry, used to repay short term borrowings used to fund the capital infrastructure on that project.
- Warwick Activities Centre: Sale of land at Warwick (three buildings currently at Warwick will be rationalised, releasing land for sale). These funds will offset against the project costs.

The table below summarises the proceeds from sale of assets that are assumed:

Table 8 – Proceeds from Sale of Assets

Proceeds from Sale of Assets	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-38	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Fleet	0.9	0.4	0.5	1.3	0.7	0.7	0.9	0.6	0.2	0.9	0.8	9.7	17.5
Edgewater Quarry Masterplan								5.8	6.0				11.7
Warwick Community Facilities				4.5									4.5
Tamala Park	0.7	0.5	0.5	1.3		1.7	2.2	4.7	4.3	4.7	4.7	19.7	44.8
Asset Rationalisation	1.5	2.8											4.3
<b>Total Proceeds</b>	<b>3.1</b>	<b>3.7</b>	<b>1.0</b>	<b>7.1</b>	<b>0.7</b>	<b>2.4</b>	<b>3.0</b>	<b>11.1</b>	<b>10.5</b>	<b>5.5</b>	<b>5.5</b>	<b>29.4</b>	<b>82.8</b>

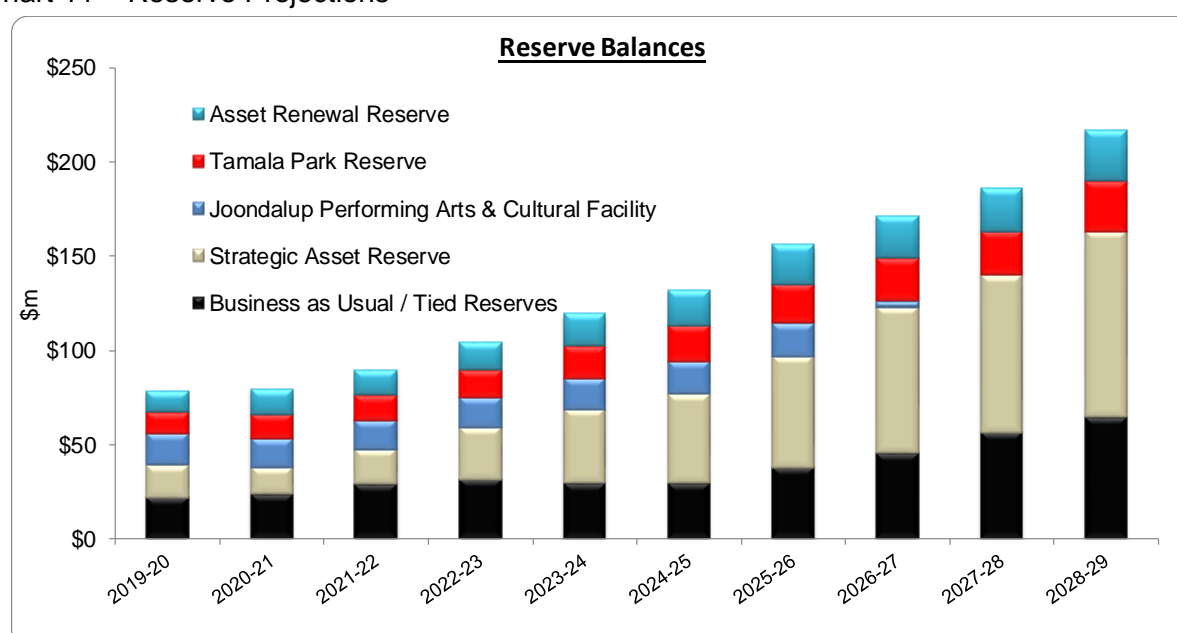


## 6.5 Reserves

Supporting Schedule 2 provides a break down for each of the individual reserves. The graph below summarises the projected balances in reserves, grouped into five overall categories.

- **Asset Renewal Reserve** – this reserve was previously the Vehicles, Plant & Equipment Reserve but has been renamed as part of the 2019-20 Budget. At present the City's infrastructure is relatively young and renewal expenditure (\$400m) is a lot less than depreciation expense (\$800m). In the longer term as assets get older and reach the end of their economic life, this will be reversed and more expenditure will need to be spent in renewal compared to depreciation. It is therefore prudent for the City to set aside cash to pay for higher renewals which is the purpose of the Asset Renewal Reserve. A 70-year projection of renewal requirements has been prepared and is used to inform the *Draft 20 Year Strategic Financial Plan* of the transfers required into the Asset Renewal Reserve.
- **Tamala Park Reserve** – the proceeds from the sale of land at Tamala Park are put into this reserve. The City has adopted a positioning statement for the funds that they should be used as determined by the 20 Year Strategic Financial Plan, but as a minimum for income producing purposes. The *Draft 20 Year Strategic Financial Plan* does not currently assume any use for these funds. This is reviewed on an annual basis.
- **Joondalup Performing Arts and Cultural Facility Reserve** is used to partially assist with the cost of construction (capped at \$30m for the City contribution).
- The **Strategic Asset Reserve** is used to fund one-off major projects. Surplus cash is set aside into the reserve where possible so that there is sufficient to fund major projects..
- The business as usual tied reserves include **Parking Facility Reserve** and **Waste Management Reserve**. The 2019-20 budget includes \$1.4m operating surplus in Waste (Refuse Charge less Waste Expenditure), which is transferred into the Waste Management Reserve and as the 2019-20 budget forms the baseline for future years there is a transfer of \$1.4m in each subsequent year to the Waste Management Reserve and consequently by 2037-38 the reserve is over \$60m. It is not intended to build up the Waste Management Reserve to such a high level. This will be reviewed on an annual basis and as the future of the Mindarie Regional Council Landfill Facility and Resource Recovery Facility becomes clearer so will the requirement for the reserve.

Chart 11 – Reserve Projections



## 6.6 Borrowings & Debt Management

Borrowings are proposed in the 20 Year SFP when there are no available reserves or surplus municipal funds. The City is an asset intensive business and borrowings to maintain existing infrastructure or develop new infrastructure is an acceptable practice.

The 20 Year SFP estimates \$20.5m borrowings for 2 projects only:

- Multi Storey Car Park (2) – The second Multi Storey Car Park would use available funds in the Parking Facility Reserve but would still require borrowings of \$8.8m, assumed to be a Fixed Term Fixed Interest Rate
- Edgewater Quarry Masterplan. Short-term borrowings required until sale of land could repay the debt within a few years.

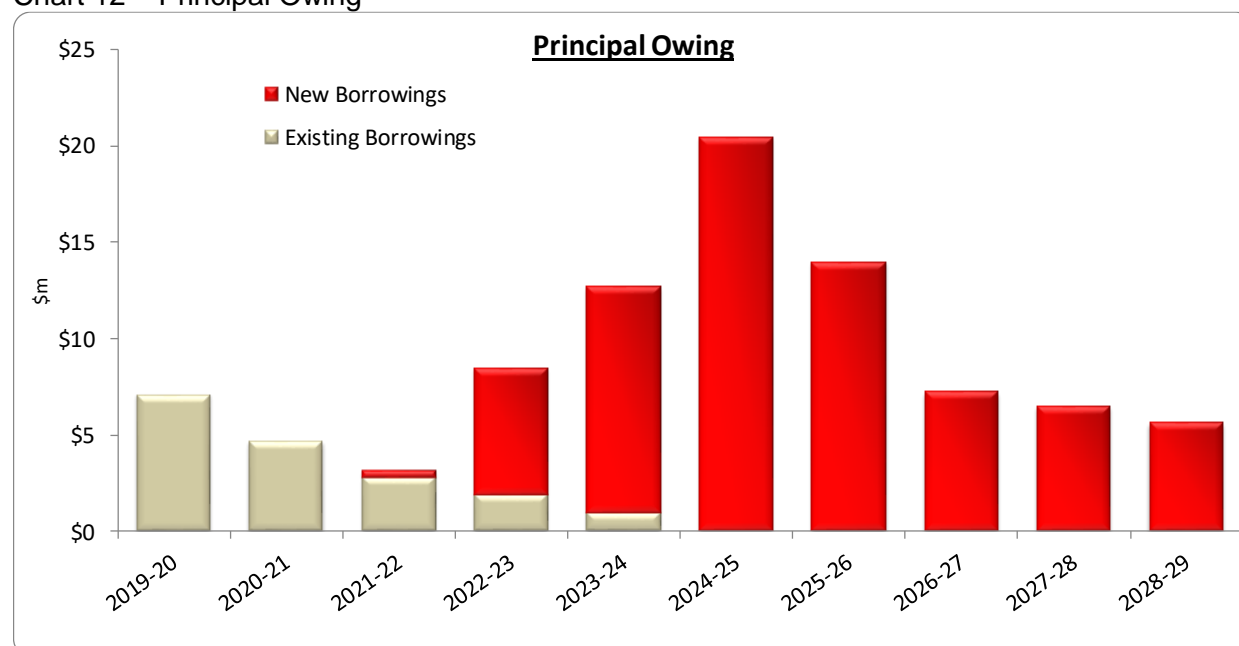
The table below shows the estimated timeframe of the borrowings:

Table 9 – New Borrowings

New Borrowings	21-22	22-23	23-24	24-25	Total
	\$ms	\$ms	\$ms	\$ms	\$ms
Multi Storey Car Park (2)				8.8	8.8
Edgewater Quarry Masterplan	0.4	6.2	5.2		11.7
<b>Total</b>	<b>0.4</b>	<b>6.2</b>	<b>5.2</b>	<b>8.8</b>	<b>20.5</b>

The chart below summarises the projected amount outstanding each year, this also shows that existing borrowings will be repaid in full within a few years. The chart shows that the principal outstanding would be over \$20m at 2024-25, predominately due to Edgewater Quarry but this would be quickly repaid within a couple of years and from 2026-27 onwards the amount outstanding only relates to the Multi Storey Car Park (2).

Chart 12 – Principal Owing



## 7 RISKS, SENSITIVITY & SCENARIO MODELLING

### 7.1 Key Risks & Opportunities

There are several key risks and opportunities within the plan:

1. Economic conditions, both locally and at state/federal level
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 20 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 – Rate Increases

The biggest single variable in the forward projections are the rate increases and it is therefore worthwhile evaluating the impact of different scenarios for rate increases for the three years from 2020-21 to 2022-23. There are three scenarios considered:

- Base Case – this is based on assumptions provided during the budget process, with a 2.5% increase per year from 2020-21 recommended. This was suggested so that the City could strive for a 2% Operating Surplus, although this is not achieved until 2026-27.
- Scenario 1 Operating Surplus 2% achieved every year. This would require a 5.4% rate increase in 2020-21, but lower increases in the next two years, the overall cumulative increase would be higher than the Base Case
- Scenario 2 Rate Increases to match CPI, a total increase of 6.8% over three years.

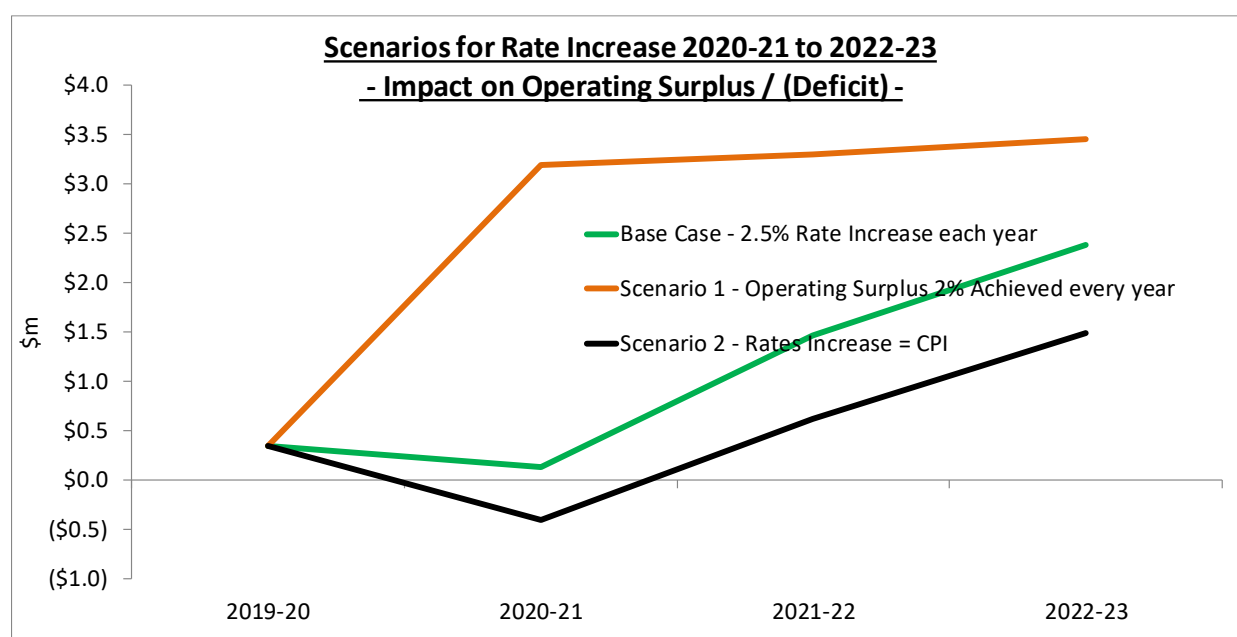
Table 10 – Rate Increase Scenarios

Rate Increases - Scenarios		2020-21	2021-22	2022-23	Total
		%	%	%	%
Base Case	2.5% Rate Increase each year	2.5%	2.5%	2.5%	7.5%
Scenario 1	Operating Surplus 2% Achieved every year	5.4%	1.2%	1.7%	8.4%
Scenario 2	Rates Increase = CPI	2.0%	2.25%	2.5%	6.8%

The chart below summarises the Operating Surplus / (Deficit) projections for each scenario to 2022-23. This shows that the Base Case will make a steady improvement and by 2022-23 achieves a moderate Operating Surplus. The Base Case provides sufficient cash surpluses now and in future to support the City's immediate and long-term capital requirements.

Scenario 2 (Rate Increases to match CPI) provides a similar upward trajectory as the Base Case but would result in a deficit in 2020-21. As indicated in Section 4, the City is able to rely on new rates growth and earnings on cash reserves to implement rate increases which are the same or lower than CPI from 2022-23.

Chart 13 – Scenario Comparison



### 7.3 Basis of Adopted Draft 20 Year Strategic Financial Plan

With reference to Table 10 above, the assumptions used in the adopted Draft 20 Year Strategic Financial Plan 2018-19 to 2037-38, and relevant for all other schedules in the plan, are based on the Base Case.































## 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 60 ratios within tolerance (20 years x three key ratios). The *Draft 20 Year Strategic Financial Plan* is projecting a total of 24 out of 60. The first 10 years are shown on the table below, with 12 ratios achieved, with the remaining 10 years achieving 12 out of 20.

Although it may appear far from ideal to only achieve 24 ratios out of 60, 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.

Table 11 – Key Ratios

Key Ratios										
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28
Operating Surplus Ratio	(4.7%) 	0.2% 	0.1% 	0.9% 	1.4% 	1.5% 	1.3% 	1.9% 	2.8% 	2.5% 
Asset Sustainability	64% 	69% 	56% 	66% 	55% 	41% 	48% 	42% 	39% 	45% 
Debt Service Coverage Ratio	6.5 	8.2 	11.4 	16.0 	26.4 	24.1 	24.5 	5.7 	6.2 	37.8 

*....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 positive operating surplus of 2%. Amber if shown for those years where the ratio is positive but below 2%.

**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.

## 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 projected to achieve an operating surplus in 2019-20 and achieve target by 2026-27 and continue to do so until 2029-30. The projections from 2030-31 onwards then indicate that the ratio may fall below 2% due to the impact of large projects (Joondalup Performing Arts & Cultural Facility / Percy Doyle Reserve Master Plan). Rate increases have been kept at 2.5% where possible in the plan, but for some of the outer years a higher increase has been factored in so that the Operating Surplus does not become a deficit. The City need not be overly concerned with the outer years projecting to fail the 2% target, it takes only a small change in assumptions in the early years to have large impacts in the outer years. The plan is updated annually and the projections/assumptions can be amended as necessary. The failure of the outer years to achieve a 2% Operating Surplus Ratio demonstrates that it is too simplistic to just assume a flat increase of 2.5% on rate increase because the operating results are affected by a large number of variables.





**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 all 20 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 20 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 Strengths & Weaknesses of Plan

The *Draft 20 Year Strategic Financial Plan* is prepared using the best available information, but as with any forward plan there are opportunities to improve the robustness of assumptions. The table below provides a critique of some of the key elements and lists improvement actions, some of which have now been implemented.

Table 12 – Strengths & Weaknesses of Plan

Strengths & Weaknesses of Plan		
Issue	Current Status	Improvement Actions Implemented or Potential
1 <b>Operating</b>	 Large Operating Deficit of \$7.0m in 2018-19 but an expected surplus of \$0.3m in 2019-20	1) Increasing base income more than expenses in next 2 years 2) Continue to review opportunities to reduce services and/or change fees 3) Reduce amount of Upgrade and New Capital Expenditure
2 <b>Depreciation</b>	 Value has been volatile in the early part of this decade but during the couple of years has settled down. Significant disparity when compared to City of Stirling has been rectified as they have changed their Depreciation calculations and it is now comparable to City of Joondalup.	Loss on Disposal which arises each year as part of the Capital Works Program has now been identified and included in the Draft Budget 2019-20, and in future years of the <i>Draft 20 Year Strategic Financial Plan</i> .
3 <b>Major Projects</b>	 Majority of major projects would worsen the operating deficit	Explore commercial options for all major projects and strive for no worse than break-even operating position
4 <b>Cash / Liquidity</b>	 No major issues, cash is not currently an issue. However Asset Renewal requirements are forecast to increase greatly in the long term	Potential for a new Asset Renewal Reserve has been identified and now set up

### 8.4 Conclusion

The *Draft 20 Year Strategic Financial Plan* achieves a balanced cash budget for each financial year and provides for a modest operating surplus from 2019-20 onwards. Sufficient cash surpluses are generated to provide for asset renewal and provision of upgrade/new infrastructure, but there is a very high level of upgrade/new expenditure which depresses the operating results.

The key outcomes from the updated *Draft 20 Year Strategic Financial Plan* are:

- Improvements in operating position and an operating surplus by 2019-20
- 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 – Draft 20 Year Strategic Financial Plan – Guiding Principles 2019**

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

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

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

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

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

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

#### **Basic Principles:**

- **Sustainability:**

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

- **Transparency:**

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

- **Prudence:**

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

- **Consistency:**

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



- **Performance and Accountability:**

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

- **Flexible Long Term Approach**

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

- **Service Levels and Asset Management**

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

### **Key Elements/Assumptions:**

#### **Targets/Ratios**

The City 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 the most 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 it's desired target for Operating Surplus Ratio
- The SFP will aim to achieve an Operating Surplus Ratio of 2%, although this may vary in some years due to volatility of any of the key assumptions above.

### **New Expenditure**

Adoption of the 20 Year SFP 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 & Finance Committee for consideration and recommendation to Council

## FINANCIAL STATEMENTS

### Financial Statement 1 - Operating Income & Expenses Estimates

		18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
<b>Operating Revenues</b>																						
Rates: Base	1	101.4	103.9	106.7	109.4	112.1	114.9	117.8	120.7	123.8	126.8	130.0	133.3	136.6	141.4	144.9	149.3	153.7	157.6	163.2	167.2	2,614.7
Rates: Growth	2	0.0	0.3	0.5	1.1	1.9	2.6	3.3	5.8	8.0	9.2	9.9	10.5	11.3	12.2	12.9	13.8	14.7	15.6	16.7	17.6	167.8
Fees and Charges / Other: Base	3	42.5	42.7	43.4	44.5	45.7	46.9	48.5	49.9	51.6	53.5	55.1	56.9	58.7	60.5	62.6	64.7	66.7	68.8	71.2	73.5	1,107.9
Fees and Charges / Other: Growth	4	0.0	0.0	(0.5)	0.5	0.7	0.7	1.1	2.0	2.0	2.3	5.0	5.2	5.4	5.6	5.8	6.0	6.2	6.4	6.6	6.8	67.9
Operating Grants & Subsidies, Cont's & Reimb's	5	3.2	6.8	6.8	6.8	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	7.0	7.0	7.0	7.0	7.0	7.0	7.0	134.8
Investment Earnings	6	4.4	3.7	3.4	4.0	4.9	6.0	7.1	8.5	10.2	11.7	13.5	14.5	15.1	15.8	16.9	18.6	19.6	19.9	20.1	21.0	238.7
Profit on Disposal	7	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
<b>Total Operating Revenue</b>	<b>8</b>	<b>152.0</b>	<b>157.4</b>	<b>160.3</b>	<b>166.4</b>	<b>172.2</b>	<b>178.0</b>	<b>184.6</b>	<b>193.9</b>	<b>202.5</b>	<b>210.3</b>	<b>220.4</b>	<b>227.3</b>	<b>234.0</b>	<b>242.4</b>	<b>250.1</b>	<b>259.3</b>	<b>267.9</b>	<b>275.3</b>	<b>284.7</b>	<b>293.2</b>	<b>4,332.4</b>
<b>Operating Expenses</b>																						
Employment Costs: Base	9	(64.6)	(65.2)	(66.5)	(68.3)	(70.4)	(72.5)	(74.6)	(77.3)	(80.0)	(82.8)	(85.7)	(88.7)	(91.8)	(95.0)	(98.3)	(101.7)	(105.3)	(109.0)	(112.8)	(116.7)	(1,726.9)
Employment Costs: Growth	10	0.0	0.0	(0.0)	(0.1)	(0.3)	(0.5)	(0.9)	(1.6)	(1.6)	(2.1)	(3.7)	(3.8)	(4.0)	(4.1)	(4.3)	(4.4)	(4.6)	(4.7)	(4.9)	(5.1)	(50.7)
Materials and Contracts: Base	11	(52.0)	(51.1)	(52.1)	(53.2)	(54.6)	(56.2)	(58.1)	(60.1)	(62.2)	(64.3)	(66.5)	(68.8)	(71.2)	(73.6)	(76.2)	(78.8)	(81.5)	(84.3)	(87.2)	(90.2)	(1,342.0)
Materials and Contracts: Growth	12	0.0	0.0	(0.3)	(0.4)	(0.6)	(0.5)	(0.8)	(1.1)	(1.2)	(1.9)	(2.2)	(2.3)	(2.5)	(2.6)	(2.7)	(2.8)	(2.9)	(3.0)	(3.1)	(3.3)	(34.2)
Utilities	13	(5.8)	(6.0)	(6.2)	(6.3)	(6.5)	(6.8)	(7.1)	(7.4)	(7.7)	(8.1)	(8.6)	(8.9)	(9.3)	(9.6)	(10.0)	(10.5)	(10.9)	(11.3)	(11.8)	(12.3)	(171.1)
Interest on Borrowings: Existing	14	(0.5)	(0.6)	(0.4)	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	0.0	(3.5)
Interest on Borrowings: New	15	0.0	0.0	0.0	(0.0)	(0.2)	(0.4)	(0.5)	(0.9)	(0.6)	(0.3)	(0.3)	(0.3)	(0.2)	(0.2)	(0.1)	(0.1)	(0.0)	0.0	0.0	0.0	(4.2)
Insurance Expenses	16	(1.4)	(1.4)	(1.4)	(1.5)	(1.5)	(1.5)	(1.6)	(1.6)	(1.7)	(1.7)	(1.8)	(1.9)	(1.9)	(2.0)	(2.1)	(2.1)	(2.2)	(2.3)	(2.4)	(2.5)	(36.6)
Depreciation: Existing	17	(30.4)	(31.0)	(31.3)	(32.0)	(32.8)	(33.8)	(35.0)	(36.2)	(37.5)	(38.8)	(40.2)	(41.6)	(43.0)	(44.6)	(46.1)	(47.7)	(49.4)	(51.1)	(52.9)	(54.8)	(810.5)
Depreciation: New	18	0.0	0.0	(0.4)	(0.7)	(1.0)	(1.3)	(1.7)	(2.2)	(2.5)	(3.1)	(3.8)	(4.0)	(4.6)	(5.1)	(5.7)	(5.9)	(6.2)	(6.9)	(7.6)	(8.3)	(71.0)
Loss on Disposal	19	(4.4)	(1.9)	(1.5)	(2.0)	(1.6)	(1.7)	(1.7)	(1.8)	(1.8)	(1.9)	(2.0)	(2.1)	(2.1)	(2.2)	(2.3)	(2.4)	(2.4)	(2.5)	(2.6)	(2.7)	(43.7)
<b>Total Operating Expenses</b>	<b>20</b>	<b>(159.1)</b>	<b>(157.1)</b>	<b>(160.2)</b>	<b>(164.9)</b>	<b>(169.8)</b>	<b>(175.4)</b>	<b>(182.3)</b>	<b>(190.4)</b>	<b>(196.9)</b>	<b>(205.2)</b>	<b>(214.9)</b>	<b>(222.4)</b>	<b>(230.6)</b>	<b>(239.0)</b>	<b>(247.8)</b>	<b>(256.5)</b>	<b>(265.5)</b>	<b>(275.2)</b>	<b>(285.4)</b>	<b>(295.9)</b>	<b>(4,294.3)</b>
<b>Net Operating Surplus (Deficit)</b>	<b>21</b>	<b>(7.0)</b>	<b>0.3</b>	<b>0.1</b>	<b>1.5</b>	<b>2.4</b>	<b>2.6</b>	<b>2.4</b>	<b>3.5</b>	<b>5.5</b>	<b>5.1</b>	<b>5.5</b>	<b>4.9</b>	<b>3.4</b>	<b>3.4</b>	<b>2.4</b>	<b>2.8</b>	<b>2.4</b>	<b>0.1</b>	<b>(0.6)</b>	<b>(2.6)</b>	<b>38.1</b>

Line	Operating Revenues
1	<p><u>Rates: Base</u></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 2019-20 budget. The increases thereafter are based on a 2.5% increase where possible, but a higher increase where necessary to avoid an operating deficit. The average increase in rates over the 20 years of the plan is 2.67%.</p>
2	<p><u>Rates: Growth</u></p> <p>Increase in rates as a result of volume growth i.e. new assessments for new dwellings or commercial growth. The plan has assumed a total of 6,091 new dwellings by 2037-38, an average of 321 per year, and an increase in commercial square metres assessed of 229,653 sqm which equates to approximately 26.4% increase in business rates revenue.</p>
3	<p><u>Fees and Charges / Other: Base</u></p> <p>There are 13 sets of Fees &amp; Charges, each of which has been reviewed separately, these includes charges for recreation, Leisure Centre charges, planning and building fees, car parking fees, fines &amp; penalties, dog/cat registration income, property hire and inspection fees. The projections are based on 2019-20 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) can be volatile.</p>
4	<p><u>Fees and Charges / Other: Growth</u></p> <p>Estimated additional income for new services or facilities, including Craigie Leisure Centre Upgrades, Joondalup Performing Arts &amp; Culture Facility, Edgewater Quarry and second Multi Storey Car Park.</p>
5	<p><u>Operating Grants &amp; Subsidies, Contributions and Reimbursements</u></p> <p>Includes all normally expected operating grants such as grants commission, but excludes capital grants. A CPI increase has been factored in each year.</p>
6	<p><u>Investment Earnings</u></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><u>Profit on Disposal</u></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><u>Total Operating Revenue</u></p> <p>Sum of lines 1 to 7, this is the overall operational revenue earned by the City.</p>

Line	Operating Expenses
	<u>Employment Costs: Base</u>
9	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 for 2018-19, 2019-20 and, 2020-21 are subject to Enterprise Workplace Agreements currently being negotiated. Estimates in future years have been made with reference to Wages CPI and City's view of reasonable increase. . The increases included in the <i>Draft 20 Year Strategic Financial Plan</i> do not dictate the outcomes of the Enterprise Agreements.
	<u>Employment Costs: Growth</u>
10	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 from 2021-22 until it reaches 12% by 2025-26.
	<u>Materials &amp; Contracts: Base</u>
11	Includes expenditure for the purchase of materials, supplies, services and insurance. There are 20 separate items each has been reviewed separately with a separate escalation factor, as listed in Supporting Schedule 1.
	<u>Materials &amp; Contracts: Growth</u>
12	Estimated additional expenditure for new services or facilities.
	<u>Utilities</u>
13	All expenditure for the purchase of water, power and gas. Projections based on Draft 2019-20 budget, also includes additional expenditure for new services or facilities.
	<u>Interest on Borrowings: Existing</u>
14	Interest on loan borrowings that are already set up
	<u>Interest on Borrowings: New</u>
15	Interest on new loan borrowings that are estimated to be set up in future years. The new borrowings are explained in section 6.
	<u>Insurance</u>
16	Expenses for insurance of assets and workplace insurance.
	<u>Depreciation: Existing</u>
17	Expense of using existing assets over useful life, 2019-20 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.
	<u>Depreciation: New</u>
18	New expense that arises from new capital purchases, this is also a non-cash item.
	<u>Loss on Disposal</u>
19	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.
	<u>Total Operating Expenses</u>
20	Sum of lines 9 to 19. This is the overall expenses necessary for day to day activities.
	<u>Net Operating Surplus (Deficit)</u>
21	Total Operating Revenue (line 8) less Total Operating Expenses (line 20).

## Financial Statement 2 - Source & Application of Funds

Source of Funds		18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Rates	22	101.4	104.1	107.2	110.5	114.1	117.5	121.1	126.6	131.8	136.0	139.9	143.8	147.9	153.5	157.8	163.0	168.4	173.2	179.8	184.9	2,782.5
Fees & Charges	23	42.5	42.7	42.9	45.0	46.4	47.7	49.6	51.9	53.6	55.8	60.1	62.1	64.1	66.1	68.4	70.7	72.9	75.2	77.8	80.3	1,175.8
Operating Grants	24	3.2	6.8	6.8	6.8	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	7.0	7.0	7.0	7.0	7.0	7.0	7.0	134.8
Investment Earnings	25	4.4	3.7	3.4	4.0	4.9	6.0	7.1	8.5	10.2	11.7	13.5	14.5	15.1	15.8	16.9	18.6	19.6	19.9	20.1	21.0	238.7
Capital Grants	26	6.8	5.4	5.1	6.7	5.6	5.8	5.7	5.9	19.6	19.8	5.5	5.7	5.9	6.1	6.3	6.5	6.7	7.0	7.2	7.5	150.6
Proceeds from Sale of Assets	27	3.1	3.7	1.0	7.1	0.7	2.4	3.0	11.1	10.5	5.5	5.5	5.5	8.9	6.8	0.8	2.8	0.6	0.9	1.3	1.6	82.8
Borrowings	28	0.0	0.0	0.0	0.4	6.2	5.2	8.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.5
<b>Source of Funds</b>	<b>29</b>	<b>161.4</b>	<b>166.4</b>	<b>166.4</b>	<b>180.5</b>	<b>184.7</b>	<b>191.4</b>	<b>202.1</b>	<b>210.8</b>	<b>232.6</b>	<b>235.6</b>	<b>231.3</b>	<b>238.5</b>	<b>248.8</b>	<b>255.4</b>	<b>257.2</b>	<b>268.6</b>	<b>275.2</b>	<b>283.2</b>	<b>293.3</b>	<b>302.3</b>	<b>4,585.7</b>

Application of Funds		18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Operations and Maintenance	30	(123.7)	(123.6)	(126.5)	(129.8)	(133.8)	(137.9)	(143.1)	(149.1)	(154.3)	(160.9)	(168.5)	(174.4)	(180.6)	(186.9)	(193.5)	(200.3)	(207.4)	(214.7)	(222.2)	(230.1)	(3,361.5)
Capital Expenditure: Renewal	31	(19.3)	(21.3)	(17.8)	(21.6)	(18.8)	(14.5)	(17.5)	(16.0)	(15.6)	(19.1)	(20.2)	(24.3)	(22.1)	(21.3)	(21.1)	(20.5)	(20.9)	(22.8)	(24.8)	(26.5)	(405.9)
Capital Expenditure: Upgrade	32	(7.3)	(13.1)	(9.7)	(11.5)	(8.4)	(8.7)	(12.5)	(12.8)	(8.6)	(8.9)	(9.2)	(9.5)	(9.8)	(9.7)	(10.0)	(10.4)	(10.8)	(11.1)	(11.5)	(11.9)	(205.3)
Capital Expenditure: New	33	(7.3)	(6.4)	(8.8)	(5.4)	(7.5)	(13.4)	(14.8)	(1.5)	(31.0)	(31.1)	(1.6)	(21.2)	(21.9)	(22.7)	(1.9)	(1.9)	(30.6)	(31.7)	(32.8)	(2.2)	(295.7)
Debt Service Costs	34	(3.7)	(3.9)	(2.8)	(2.2)	(1.4)	(1.6)	(1.6)	(7.5)	(7.5)	(1.3)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.1)	(1.1)	(0.0)	(0.0)	(0.0)	(41.8)
Reserves Net Transfer	35	(0.2)	1.9	(0.7)	(10.1)	(14.8)	(15.3)	(12.5)	(23.9)	(15.6)	(14.5)	(30.6)	(8.0)	(13.2)	(13.6)	(29.5)	(34.2)	(4.5)	(2.9)	(1.9)	(31.7)	(275.5)
<b>Application of Funds</b>	<b>36</b>	<b>(161.4)</b>	<b>(166.4)</b>	<b>(166.4)</b>	<b>(180.5)</b>	<b>(184.7)</b>	<b>(191.4)</b>	<b>(202.1)</b>	<b>(210.8)</b>	<b>(232.6)</b>	<b>(235.6)</b>	<b>(231.3)</b>	<b>(238.5)</b>	<b>(248.8)</b>	<b>(255.4)</b>	<b>(257.2)</b>	<b>(268.6)</b>	<b>(275.2)</b>	<b>(283.2)</b>	<b>(293.3)</b>	<b>(302.3)</b>	<b>(4,585.7)</b>

Cashflow Summary		18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Cashflow Movements for the Year	37	0.2	(1.9)	0.7	10.1	14.8	15.3	12.5	23.9	15.6	14.5	30.6	8.0	13.2	13.6	29.5	34.2	4.5	2.9	1.9	31.7	275.5
Reserve Balance at End of Year	38	78.9	78.3	79.4	89.4	104.2	119.5	132.0	155.9	171.4	185.9	216.5	224.4	237.7	251.2	280.7	314.9	319.4	322.3	324.2	355.9	355.9

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 & 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



# City of Joondalup 20 Year Strategic Financial Plan

## Financial Statement 3 - Rate Setting Estimates

Deficit before Rates		18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Revenue, excluding Rates	39	50.1	53.2	53.1	55.9	58.2	60.5	63.6	67.3	70.7	74.3	80.5	83.5	86.1	88.9	92.3	96.2	99.5	102.1	104.9	108.3	1,549.3
Expenses (Cash only)	40	(124.2)	(124.2)	(126.9)	(130.2)	(134.3)	(138.6)	(143.8)	(150.1)	(155.1)	(161.3)	(168.9)	(174.8)	(180.9)	(187.2)	(193.7)	(200.5)	(207.5)	(214.7)	(222.2)	(230.1)	(3,369.2)
Deficit before Capital Expenditure	41	(74.1)	(71.0)	(73.8)	(74.3)	(76.2)	(78.1)	(80.2)	(82.8)	(84.4)	(87.0)	(88.4)	(91.3)	(94.8)	(98.3)	(101.4)	(104.2)	(108.0)	(112.6)	(117.4)	(121.7)	(1,819.9)
Capital Expenditure	42	(33.8)	(40.8)	(36.3)	(38.5)	(34.7)	(36.6)	(44.8)	(30.3)	(55.2)	(59.0)	(31.0)	(54.9)	(53.8)	(53.7)	(33.0)	(32.9)	(62.2)	(65.6)	(69.1)	(40.6)	(906.9)
<b>\$0</b>	<b>43</b>	<b>(107.9)</b>	<b>(111.8)</b>	<b>(110.1)</b>	<b>(112.8)</b>	<b>(110.9)</b>	<b>(114.7)</b>	<b>(125.0)</b>	<b>(113.1)</b>	<b>(139.6)</b>	<b>(146.0)</b>	<b>(119.4)</b>	<b>(146.2)</b>	<b>(148.6)</b>	<b>(152.0)</b>	<b>(134.4)</b>	<b>(137.1)</b>	<b>(170.2)</b>	<b>(178.2)</b>	<b>(186.4)</b>	<b>(162.3)</b>	<b>(2,726.8)</b>
Funding		18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Opening Funds	44	4.4	1.6	0.3	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	4.4
Capital Grants	45	6.8	5.4	5.1	6.7	5.6	5.8	5.7	5.9	19.6	19.8	5.5	5.7	5.9	6.1	6.3	6.5	6.7	7.0	7.2	7.5	150.6
Capital Proceeds	46	3.1	3.7	1.0	7.1	0.7	2.4	3.0	11.1	10.5	5.5	5.5	5.5	8.9	6.8	0.8	2.8	0.6	0.9	1.3	1.6	82.8
Loans - repayment of principal	47	(3.2)	(3.3)	(2.4)	(1.8)	(0.9)	(0.9)	(1.0)	(6.5)	(6.7)	(0.8)	(0.8)	(0.9)	(0.9)	(0.9)	(1.0)	(1.0)	(1.0)	(0.0)	(0.0)	(0.0)	(34.1)
Transfer from Reserves	48	18.1	15.1	23.3	16.8	12.4	15.1	17.4	14.0	26.3	27.4	13.9	36.4	33.5	34.6	14.2	14.1	43.1	44.6	46.2	16.1	482.8
Transfer to Reserves	49	(20.9)	(14.5)	(24.4)	(26.9)	(27.2)	(30.4)	(29.9)	(37.9)	(41.8)	(41.9)	(44.4)	(44.4)	(46.7)	(48.2)	(43.7)	(48.3)	(47.6)	(47.5)	(48.1)	(47.8)	(762.6)
Borrowings	50	0.0	0.0	0.0	0.4	6.2	5.2	8.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.5
<b>Amount to be made up by Rates</b>	<b>51</b>	<b>101.4</b>	<b>104.1</b>	<b>107.2</b>	<b>110.5</b>	<b>114.1</b>	<b>117.5</b>	<b>121.1</b>	<b>126.6</b>	<b>131.8</b>	<b>136.0</b>	<b>139.9</b>	<b>143.8</b>	<b>147.9</b>	<b>153.5</b>	<b>157.8</b>	<b>163.0</b>	<b>168.4</b>	<b>173.2</b>	<b>179.8</b>	<b>184.9</b>	<b>2,782.5</b>
Rates % increase	52	2.95%	2.25%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	3.5%	2.5%	3.0%	3.0%	2.5%	3.5%	2.5%	

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	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 50
52	Rates % Increase	% increase of rates compared to the previous year.

## Financial Statement 4 - Statement of Financial Position Estimates

OVERALL VALUES		Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35	Jun-36	Jun-37	Jun-38
Assets	Notes	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Current Assets	53	105.2	105.5	103.6	104.5	114.6	129.5	144.9	157.6	181.7	197.4	212.1	242.8	250.9	264.4	278.1	307.8	342.1	346.8	349.8	351.9	383.8
Non Current Assets	54	1,413.5	1,409.9	1,414.2	1,416.3	1,412.9	1,411.4	1,408.8	1,412.1	1,391.1	1,394.0	1,403.6	1,383.2	1,384.9	1,380.1	1,375.1	1,353.3	1,327.4	1,331.0	1,335.2	1,339.9	1,313.0
Total Assets	55	1,518.7	1,515.4	1,517.8	1,520.7	1,527.5	1,540.9	1,553.7	1,569.7	1,572.8	1,591.4	1,615.7	1,626.0	1,635.9	1,644.4	1,653.2	1,661.0	1,669.5	1,677.8	1,685.0	1,691.8	1,696.8
Liabilities																						
Current Liabilities	56	(29.8)	(30.0)	(30.1)	(30.4)	(30.7)	(31.0)	(31.4)	(31.8)	(32.2)	(32.7)	(33.1)	(33.6)	(34.0)	(34.4)	(34.9)	(35.3)	(35.8)	(36.2)	(36.6)	(37.1)	(37.5)
Non Current Liabilities	57	(12.1)	(8.9)	(5.6)	(3.2)	(1.7)	(7.0)	(11.2)	(19.0)	(12.5)	(5.8)	(5.0)	(4.2)	(3.3)	(2.4)	(1.5)	(0.6)	0.4	1.5	1.5	1.5	1.5
Total Liabilities	58	(42.0)	(38.9)	(35.8)	(33.6)	(32.4)	(38.0)	(42.6)	(50.8)	(44.8)	(38.5)	(38.1)	(37.7)	(37.3)	(36.9)	(36.4)	(35.9)	(35.3)	(34.7)	(35.2)	(35.6)	(36.0)
Net Assets	59	1,476.8	1,476.5	1,482.1	1,487.2	1,495.1	1,502.9	1,511.1	1,518.9	1,528.0	1,552.9	1,577.5	1,588.3	1,598.6	1,607.6	1,616.8	1,625.2	1,634.2	1,643.1	1,649.8	1,656.2	1,660.7

Equity																						
Retained Surplus	60	559.7	556.6	562.8	566.8	564.7	557.7	550.7	545.9	531.1	540.5	550.6	530.8	533.1	528.9	524.5	503.4	478.2	482.7	486.6	491.0	463.9
Reserves - Cash backed	61	74.2	76.9	76.3	77.4	87.5	102.3	117.5	130.0	153.9	169.5	184.0	214.5	222.5	235.7	249.3	278.8	313.0	317.5	320.3	322.3	353.9
Reserves - Asset Revaluation	62	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9	842.9
Equity	63	1,476.8	1,476.5	1,482.1	1,487.2	1,495.1	1,502.9	1,511.1	1,518.9	1,528.0	1,552.9	1,577.5	1,588.3	1,598.6	1,607.6	1,616.8	1,625.2	1,634.2	1,643.1	1,649.8	1,656.2	1,660.7

MOVEMENTS		18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
Assets	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Current Assets	64	0.3	(1.8)	0.8	10.2	14.9	15.4	12.7	24.1	15.7	14.7	30.7	8.1	13.4	13.7	29.7	34.4	4.6	3.0	2.1	31.8	278.6
Non Current Assets	65	(3.6)	4.3	2.1	(3.4)	(1.5)	(2.6)	3.3	(21.0)	2.9	9.6	(20.4)	1.7	(4.8)	(5.0)	(21.8)	(25.9)	3.7	4.2	4.7	(26.8)	(100.5)
Total Assets	66	(3.4)	2.5	2.9	6.8	13.4	12.8	16.0	3.1	18.6	24.3	10.3	9.9	8.6	8.7	7.9	8.5	8.3	7.2	6.8	5.0	178.1

Liabilities																						
Current Liabilities	67	(0.1)	(0.2)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(7.7)
Non Current Liabilities	68	3.2	3.3	2.4	1.5	(5.3)	(4.2)	(7.8)	6.5	6.7	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.0	0.0	0.0	0.0	13.6
Total Liabilities	69	3.1	3.1	2.2	1.2	(5.6)	(4.6)	(8.2)	6.1	6.3	0.4	0.4	0.4	0.4	0.5	0.5	0.6	0.6	(0.4)	(0.4)	(0.4)	5.9
Net Assets	70	(0.3)	5.6	5.1	8.0	7.8	8.2	7.8	9.1	24.9	24.7	10.7	10.3	9.0	9.2	8.4	9.0	8.9	6.8	6.3	4.6	184.0
Equity																						
Retained Surplus	71	(3.1)	6.2	4.0	(2.1)	(7.0)	(7.1)	(4.7)	(14.8)	9.3	10.2	(19.8)	2.3	(4.2)	(4.4)	(21.1)	(25.2)	4.4	3.9	4.4	(27.1)	(95.8)
Reserves - Cash backed	72	2.8	(0.6)	1.1	10.1	14.8	15.3	12.5	23.9	15.6	14.5	30.6	8.0	13.2	13.6	29.5	34.2	4.5	2.9	1.9	31.7	1,245.4
Reserves - Asset Revaluation	73																					
Equity	74	(0.3)	5.6	5.1	8.0	7.8	8.2	7.8	9.1	24.9	24.7	10.7	10.3	9.0	9.2	8.4	9.0	8.9	6.8	6.3	4.6	184.0

Line	Overall Values	Description
53	Current Assets	Short term assets such as cash and debtor receivables.
54	Non Current Assets	Fixed assets at net book value (i.e. less accumulated Depreciation).
55	Total Assets	Sum of lines 53 and 54
56	Current Liabilities	Short term liabilities such as creditors.
57	Non Current Liabilities	Long term liabilities such as outstanding loan principal.
58	Total Liabilities	Sum of lines 56 and 57.
59	Net Assets	Line 56 less line 59.
60	Retained Surplus	Cumulative retained surpluses generated since the inception of the City.
61	Reserves – Cash backed	Cash held in reserves established for specific purposes.
62	Reserves – Asset Revaluation	Increased book value (i.e. not cash) of assets resulting from revaluations.
63	Equity	Sum of Lines 61 to Line 63
Lines 64 to 74		Summary of the movements in assets, liabilities and equity (lines 53 to 63) between successive years.

## SUPPORTING SCHEDULES

### Supporting Schedule 1 - Operating Assumptions

	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Average
<b>EXTERNAL ENVIRONMENT</b>																					
Population		161,369	162,111	162,737	163,567	164,587	165,304	166,118	166,896	167,702	168,607	169,535	170,318	171,182	172,065	173,002	174,003	175,074	176,153	177,280	
Dwellings	62,389	62,604	62,896	63,267	63,632	63,947	64,249	64,546	64,846	65,160	65,483	65,792	66,105	66,436	66,762	67,095	67,437	67,780	68,125	68,480	65,507
Perth CPI	1.3%	1.8%	2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.2%
Wages CPI	1.8%	2.3%	2.8%	3.0%	3.3%																0.6%
<b>RATES REVENUE</b>																					
Rates % Increase on Base Revenue		2.25%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	3.5%	2.5%	3.0%	3.0%	2.5%	3.5%	2.5%	2.6%
<b>FEES &amp; CHARGES - BY SERVICE</b>																					
Refuse Charges		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Building & Development Fees (CRS)				1.5%						1.5%					1.5%					1.5%	0.3%
Building & Development Fees (PS)				1.5%						1.5%					1.5%					1.5%	0.3%
Licenses & Registrations, excl Dog & Cat		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Sports & Recreation Fees		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Hire & Rentals / Leases		3.0%	3.3%	3.5%	4.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.3%
Inspection & Control Fees		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Fines & Penalties				12.0%						11.0%					10.0%				9.0%		2.3%
Parking Fees		5.6%	5.3%	5.0%	4.8%	4.5%	4.3%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	4.0%
Other Fees & Charges				3.0%				3.0%				3.0%				3.0%					0.7%
Other Revenue		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%

## City of Joondalup 20 Year Strategic Financial Plan

	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Average
<b>OPERATING EXPENSES</b>	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Salaries & Wages	1.5%	2.0%	2.8%	3.0%	3.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Other Employment Costs		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Members Allowances & Meeting Fees		1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Accommodation & Property (Ops)		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Administration		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Telephones and Communication		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Finance Related Cost		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Professional Fees, excl Consultancy		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Public Relations, Ad		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Contributions & Donations paid by City		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Computing		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Furniture, Equipment		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Other Materials		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Books & Publications		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Travel, Vehicles & P		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
External Services, excl Tipping Fees		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Tipping Fees		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Waste Management Services		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Charges & Recoveries		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Electricity - Western Power (WP) Streetlighting		2.0%	2.0%	2.0%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.0%
Electricity - excluding WP Streetlighting		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Gas & Water		2.5%	3.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.4%
Insurance Expenses		2.0%	2.0%	2.0%	2.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.2%
Depreciation: Existing		1.1%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.2%
<b>CAPITAL &amp; GRANTS</b>	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Capital Expenditure		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
Grants		2.0%	2.3%	2.5%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.3%
<b>FINANCING</b>	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Cash Reserves earnings		2.5%	2.8%	3.2%	3.5%	3.8%	4.2%	4.5%	4.8%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	4.5%
Borrowings: Fixed Term - 5 Years		2.17%	2.52%	2.86%	3.21%	3.56%	3.91%	4.26%	4.61%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.24%
Borrowings: Fixed Term - 10 Years		2.50%	2.83%	3.16%	3.49%	3.82%	4.15%	4.48%	4.81%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	4.47%
Borrowings: Fixed Term - 15 Years		2.81%	3.11%	3.41%	3.70%	4.00%	4.30%	4.60%	4.90%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	4.59%
Borrowings: Fixed Term - 20 Years		3.04%	3.32%	3.60%	3.88%	4.16%	4.44%	4.71%	4.99%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	4.70%

## Supporting Schedule 2 - Capital Expenditure by Asset Class, Type and Cause

by Asset Class	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
Excluding Escalation	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
1 Buildings	(4.2)	(12.0)	(11.5)	(12.6)	(9.0)	(12.7)	(17.0)	(4.2)	(31.1)	(31.7)	(3.0)	(19.0)	(16.0)	(16.0)	(1.6)	(1.6)	(19.3)	(19.3)	(19.3)	(1.6)	(262.5)
2 Parks	(5.6)	(7.4)	(6.7)	(4.6)	(4.7)	(4.5)	(4.8)	(4.8)	(4.8)	(4.8)	(4.8)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(104.0)
3 Drainage	(0.9)	(1.0)	(0.5)	(0.6)	(0.6)	(0.6)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(14.6)
4 Transport, excl Roads	(3.7)	(5.4)	(3.6)	(3.3)	(3.3)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(63.9)
5 Roads	(7.3)	(8.4)	(8.4)	(9.2)	(9.0)	(9.4)	(10.1)	(10.1)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(178.6)
6 Lighting	(4.8)	(4.0)	(2.7)	(1.8)	(1.8)	(0.5)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(24.9)
7 Fleet	(7.1)	(1.9)	(1.6)	(4.4)	(2.1)	(2.3)	(2.4)	(1.6)	(0.9)	(2.6)	(2.2)	(2.8)	(3.6)	(2.5)	(1.9)	(1.5)	(1.3)	(2.0)	(2.7)	(3.1)	(50.5)
8 IT	(0.3)	(0.7)	(0.5)	(0.5)	(2.1)	(0.3)	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(7.2)
9 None	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total, excluding Escalation</b>	<b>(33.8)</b>	<b>(40.8)</b>	<b>(35.7)</b>	<b>(37.0)</b>	<b>(32.5)</b>	<b>(33.3)</b>	<b>(39.4)</b>	<b>(25.7)</b>	<b>(50.6)</b>	<b>(52.9)</b>	<b>(23.8)</b>	<b>(40.6)</b>	<b>(38.5)</b>	<b>(37.1)</b>	<b>(22.1)</b>	<b>(21.2)</b>	<b>(38.8)</b>	<b>(39.5)</b>	<b>(40.2)</b>	<b>(22.8)</b>	<b>(706.3)</b>

by Type	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
Including Escalation	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Capital Works Program	(24.0)	(27.9)	(22.6)	(21.6)	(22.3)	(21.5)	(25.0)	(24.9)	(24.4)	(25.2)	(26.0)	(27.4)	(28.3)	(28.8)	(29.9)	(30.3)	(31.3)	(32.4)	(33.5)	(34.7)	(541.9)
Fleet, IT, Parking	(3.0)	(3.7)	(2.2)	(5.1)	(4.5)	(2.8)	(3.1)	(2.2)	(1.4)	(3.5)	(3.1)	(4.0)	(5.3)	(4.0)	(3.2)	(2.6)	(2.4)	(3.6)	(5.0)	(5.9)	(70.4)
Major Projects	(6.8)	(9.2)	(11.5)	(11.8)	(8.0)	(12.3)	(16.8)	(3.1)	(29.5)	(30.3)	(1.8)	(23.6)	(20.2)	(20.9)	0.0	0.0	(28.6)	(29.6)	(30.6)	0.0	(294.5)
<b>Total, including Escalation</b>	<b>(33.8)</b>	<b>(40.8)</b>	<b>(36.3)</b>	<b>(38.5)</b>	<b>(34.7)</b>	<b>(36.6)</b>	<b>(44.8)</b>	<b>(30.3)</b>	<b>(55.2)</b>	<b>(59.0)</b>	<b>(31.0)</b>	<b>(54.9)</b>	<b>(53.8)</b>	<b>(53.7)</b>	<b>(33.0)</b>	<b>(32.9)</b>	<b>(62.2)</b>	<b>(65.6)</b>	<b>(69.1)</b>	<b>(40.6)</b>	<b>(906.9)</b>

by Cause	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
Including Escalation	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Renewal	(19.3)	(21.3)	(17.8)	(21.6)	(18.8)	(14.5)	(17.5)	(16.0)	(15.6)	(19.1)	(20.2)	(24.3)	(22.1)	(21.3)	(21.1)	(20.5)	(20.9)	(22.8)	(24.8)	(26.5)	(405.9)
Upgrades	(7.3)	(13.1)	(9.7)	(11.5)	(8.4)	(8.7)	(12.5)	(12.8)	(8.6)	(8.9)	(9.2)	(9.5)	(9.8)	(9.7)	(10.0)	(10.4)	(10.8)	(11.1)	(11.5)	(11.9)	(205.3)
New	(7.3)	(6.4)	(8.8)	(5.4)	(7.5)	(13.4)	(14.8)	(1.5)	(31.0)	(31.1)	(1.6)	(21.2)	(21.9)	(22.7)	(1.9)	(1.9)	(30.6)	(31.7)	(32.8)	(2.2)	(295.7)
<b>Total, including Escalation</b>	<b>(33.8)</b>	<b>(40.8)</b>	<b>(36.3)</b>	<b>(38.5)</b>	<b>(34.7)</b>	<b>(36.6)</b>	<b>(44.8)</b>	<b>(30.3)</b>	<b>(55.2)</b>	<b>(59.0)</b>	<b>(31.0)</b>	<b>(54.9)</b>	<b>(53.8)</b>	<b>(53.7)</b>	<b>(33.0)</b>	<b>(32.9)</b>	<b>(62.2)</b>	<b>(65.6)</b>	<b>(69.1)</b>	<b>(40.6)</b>	<b>(906.9)</b>

Renewal/Upgrade/New	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Renewal %	57%	52%	49%	56%	54%	40%	39%	53%	28%	32%	65%	44%	41%	40%	64%	62%	34%	35%	36%	65%	45%
Upgrade %	21%	32%	27%	30%	24%	24%	28%	42%	16%	15%	30%	17%	18%	18%	30%	32%	17%	17%	17%	29%	23%
New %	21%	16%	24%	14%	22%	37%	33%	5%	56%	53%	5%	39%	41%	42%	6%	6%	49%	48%	47%	5%	33%

## Supporting Schedule 3 - Major Projects Assumptions

	Major Project	Year #1	Cost #2	Purpose	Source of Estimate	Funding Sources
1	Better Bins - implementation of 3-bin system	2019-20	(\$5.0)	Third bin purchased for each household	Business Case and Council Report March 2018	State Grant and Reserves
2	Joondalup City Centre Development	2019-20	(\$0.3)	Project Costs required to working with a proponent for City Centre Development	Project Costs only included at this stage	Reserves. Future land proceeds may offset initial costs of project.
3	Cafes / Kiosks / Restaurants - Pinnaroo Point	2019-20	(\$0.8)	Service Provision and Project Costs. New facility built by operator	Service Provision based on QS Estimate	Municipal and Reserves
4	Jinan Gardens	2020-21	(\$2.2)	Sister relationship with Jinan, the design/construction of gardens.	Report to Major Projects Finance Committee (MPFC) May 2019.	Reserves
5	Joondalup Mens Shed / WOC Extension	2020-21	(\$1.2)	Extension to Works Operations Centre so that Mens Shed can use Winton Road	Council approved Dec 2018	Municipal
6	Cafes / Kiosks / Restaurants - Burns Beach	2020-21	(\$5.2)	Construction Costs, Service Provision, Project Costs and Land Purchase	Reports to MPFC	Municipal and Reserves
7	Percy Doyle - Refurbishment Works	2020-21	(\$3.6)	Refurbishment of existing facilities to keep in working order until Master Plan is completed.	Council Report 2015.	Grants, Club Contribution, Reserves and Municipal
8	Craigie LC Refurbishment Phase 1	2020-21	(\$2.9)	Upgrade of facilities to meet future requirements.	Approved Council Report March 2018	Reserves.
9	Joondalup Administration Building - refurbishment	2021-22	(\$4.3)	Refurbishment of Admin Building	Some works require further scoping	Municipal and Reserves
10	Ocean Reef Marina Business Case & Structure Plan	2021-22	(\$0.4)	Project costs to work with State to develop Ocean Reef Marina	Estimated Project Costs	Municipal
11	Chichester Park Redevelopment	2021-22	(\$4.2)	Redevelopment of existing facilities.	Council approved Nov 2018	Grants, Reserves, Municipal.
12	Warwick Community Facilities	2021-22	(\$4.3)	Rationalisation of existing 3 buildings	Capital Expenditure to match potential disposal proceeds - indicative estimate	Intent is for land proceeds to fund the majority of the capital costs.
13	Warwick Sports Centre	2021-22	(\$1.1)	Refurbishment of existing facilities.	Report to Finance Committee April 2017	Municipal
14	Joondalup Library - major refurbishment	2022-23	(\$1.3)	Refurbishment	High level estimates only at this stage.	Municipal.



## Supporting Schedule 3 - Major Projects Assumptions

Major Project	Year #1	Cost #2	Purpose	Source of Estimate	Funding Sources
15 Whitfords Library and Senior Citizens Centre	2022-23	(\$3.0)	Refurbished library facility at Whitfords	High level estimate of refurbishment	Reserves.
16 Edgewater Quarry Masterplan	2023-24	(\$11.8)	Development of quarry Sale of land estimated to contribute	Strategy Session 2017, subject to further scoping	Short Term Loans repaid within 2-3 years with land proceeds
17 Multi Storey Car Park (2)	2024-25	(\$17.1)	Second Multi Storey Car Park in City Centre.	Based on capital costs of Reid Promenade Multi Storey Car Park	Reserves
18 Craigie LC - Geothermal replacement bore	2024-25	(\$1.0)	Replacement of existing bore.	Subject to scoping.	Municipal
19 Craigie LC Refurbishment Phase 2	2025-26	(\$4.9)	Various works to indoor and outdoor areas	Council Report March 2018	Reserves
20 Joondalup Performing Arts & Cultural Facility	2027-28	(\$59.3)	New facility to provide for Performing Arts & Culture, this excludes Jinan Gardens which is now a separate project.	Refined Concept Design - report to MPFC May 2019. The design is subject to further review/detailed design and when the capital cost estimates are further refined, the SFP will be updated	City contribution capped at \$30m and is fully funded by Reserves. The remaining cost is assumed to be funded by grants.
21 Calectasia Hall / Greenwood Scout & Guide Hall	2029-30	(\$5.0)	Facility Redevelopment	Active Reserve and Community Facilities Review December 2017	Reserves
22 Percy Doyle Master-Plan Phase 1 & 2	2035-36	(\$96.6)	Development of sporting and leisure facilities at the Percy Doyle Reserve	Report to Strategy 2014	Reserves
<b>TOTAL</b>		<b>(\$235.2)</b>			

#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 excluding escalation from 2018-19 to 2037-38 \$ms, and will exclude costs incurred prior to 2018-19.

## Supporting Schedule 4 - Reserves

	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
<b>Strategic Asset Reserve</b>																					
Opening Balance	12.8	19.6	17.5	14.3	18.7	27.4	39.4	47.2	59.2	77.5	83.8	98.5	90.9	83.2	76.3	80.3	84.4	59.4	32.1	2.3	12.8
Transfer to Reserve	9.5	3.2	6.9	11.7	11.0	12.2	10.1	15.1	18.3	18.8	16.6	16.0	12.5	14.0	3.9	4.1	3.6	2.3	0.9	0.1	190.6
Transfer from Reserve	(2.6)	(5.3)	(10.2)	(7.2)	(2.4)	(0.2)	(2.3)	(3.1)	0.0	(12.5)	(1.8)	(23.6)	(20.2)	(20.9)	0.0	0.0	(28.6)	(29.6)	(30.6)	0.0	(201.0)
Closing Balance	19.6	17.5	14.3	18.7	27.4	39.4	47.2	59.2	77.5	83.8	98.5	90.9	83.2	76.3	80.3	84.4	59.4	32.1	2.3	2.4	
<b>Asset Renewal Reserve</b>																					
Opening Balance	4.2	5.7	11.2	13.2	13.2	14.7	17.2	19.0	20.7	22.6	22.9	26.7	29.7	34.1	38.9	53.7	70.2	87.4	103.4	120.1	4.2
Transfer to Reserve	1.5	5.5	13.1	9.6	11.5	11.5	12.3	12.6	13.2	12.0	15.8	15.9	17.7	18.6	29.1	30.6	31.8	31.1	32.3	31.8	357.4
Transfer from Reserve	0.0	0.0	(11.2)	(9.6)	(10.0)	(9.0)	(10.5)	(10.9)	(11.3)	(11.7)	(12.0)	(12.8)	(13.3)	(13.8)	(14.2)	(14.1)	(14.5)	(15.1)	(15.6)	(16.1)	(225.7)
Closing Balance	5.7	11.2	13.2	13.2	14.7	17.2	19.0	20.7	22.6	22.9	26.7	29.7	34.1	38.9	53.7	70.2	87.4	103.4	120.1	135.8	
<b>Sale of Tamala Park Land</b>																					
Opening Balance	12.9	13.9	14.7	15.6	17.4	18.0	20.3	23.3	29.0	34.7	41.2	48.1	55.0	65.5	74.6	78.5	84.7	89.0	93.6	98.4	12.9
Transfer to Reserve	1.0	0.8	0.9	1.8	0.6	2.3	3.0	5.7	5.7	6.4	6.9	6.9	10.5	9.2	3.8	6.2	4.3	4.6	4.8	5.0	90.5
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Closing Balance	13.9	14.7	15.6	17.4	18.0	20.3	23.3	29.0	34.7	41.2	48.1	55.0	65.5	74.6	78.5	84.7	89.0	93.6	98.4	103.4	103.4
<b>Joondalup Performing Arts &amp; Culture Facility</b>																					
Opening Balance	16.2	16.6	16.5	15.0	15.5	15.9	16.5	17.1	17.8	3.3	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	16.2
Transfer to Reserve	0.4	0.4	0.4	0.4	0.5	0.6	0.6	0.7	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5
Transfer from Reserve	(0.1)	(0.5)	(1.9)	0.0	0.0	0.0	0.0	0.0	(15.0)	(3.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(20.7)
Closing Balance	16.6	16.5	15.0	15.5	15.9	16.5	17.1	17.8	3.3	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0
<b>Parking Facility</b>																					
Opening Balance	1.6	1.9	3.0	4.3	5.7	7.3	3.1	0.1	1.4	2.8	4.6	6.7	9.0	11.5	14.4	17.5	20.8	24.5	29.6	35.1	1.6
Transfer to Reserve	1.4	2.1	1.3	1.4	1.6	1.6	1.6	1.3	1.4	1.8	2.1	2.3	2.6	2.8	3.1	3.4	3.7	5.1	5.5	5.9	52.0
Transfer from Reserve	(1.0)	(1.0)	0.0	0.0	0.0	(5.9)	(4.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(12.5)
Closing Balance	1.9	3.0	4.3	5.7	7.3	3.1	0.1	1.4	2.8	4.6	6.7	9.0	11.5	14.4	17.5	20.8	24.5	29.6	35.1	41.0	41.0

## City of Joondalup 20 Year Strategic Financial Plan

	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
<b>Capital Works Going Forward</b>																					
Opening Balance	11.7	6.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>11.7</b>
Transfer to Reserve	5.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>5.2</b>
Transfer from Reserve	(10.7)	(6.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>(16.9)</b>
Closing Balance	6.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>Waste Management</b>																					
Opening Balance	11.4	9.8	12.2	13.9	15.7	17.6	19.7	21.9	24.2	26.7	29.4	32.4	35.5	38.7	42.1	45.7	49.5	53.5	57.6	62.0	<b>11.4</b>
Transfer to Reserve	1.5	2.3	1.7	1.8	1.9	2.0	2.2	2.3	2.5	2.7	2.9	3.1	3.3	3.4	3.6	3.8	4.0	4.2	4.4	4.6	<b>58.3</b>
Transfer from Reserve	(3.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>(3.0)</b>
Closing Balance	9.8	12.2	13.9	15.7	17.6	19.7	21.9	24.2	26.7	29.4	32.4	35.5	38.7	42.1	45.7	49.5	53.5	57.6	62.0	66.6	<b>66.6</b>
<b>Non Current LS Leave Reserve</b>																					
Opening Balance	1.7	1.5	1.6	1.6	1.6	1.7	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.7	2.8	2.9	3.1	3.2	<b>1.7</b>
Transfer to Reserve	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	<b>2.0</b>
Transfer from Reserve	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>(0.3)</b>
Closing Balance	1.5	1.6	1.6	1.6	1.7	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.7	2.8	2.9	3.1	3.2	3.4	<b>3.4</b>
<b>Public Art Reserve</b>																					
Opening Balance	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	<b>0.2</b>
Transfer to Reserve	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.1</b>
Transfer from Reserve	(0.0)	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>(0.2)</b>
Closing Balance	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	<b>0.1</b>
<b>Section 20A Land</b>																					
Opening Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
Closing Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>

# City of Joondalup 20 Year Strategic Financial Plan

	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
<b>Marmion Car Park Reserve</b>																					
Opening Balance	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Transfer from Reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4
<b>Cash in Lieu of Parking Reserve</b>																					
Opening Balance	1.3	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.5	1.6	1.6	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.6	1.3
Transfer to Reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.5
Transfer from Reserve	(0.1)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)
Closing Balance	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.5	1.6	1.6	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.6	2.7	2.7
<b>Trust Fund</b>																					
Opening Balance	1.9	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.9
Transfer to Reserve	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Transfer from Reserve	(0.2)	(2.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(2.2)
Closing Balance	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Minor Reserves</b>																					
Opening Balance	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Transfer to Reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)
Closing Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>																					
Opening Balance	75.9	78.7	78.1	79.2	89.2	104.0	119.3	131.7	155.6	171.2	185.7	216.2	224.2	237.4	250.9	280.4	314.6	319.1	321.9	323.8	75.9
Transfer to Reserve	20.9	14.5	24.3	26.9	27.2	30.4	29.9	37.9	41.8	41.9	44.4	44.3	46.7	48.2	43.7	48.3	47.6	47.5	48.1	47.8	762.4
Transfer from Reserve	(18.1)	(15.1)	(23.3)	(16.8)	(12.4)	(15.1)	(17.4)	(14.0)	(26.3)	(27.4)	(13.9)	(36.4)	(33.5)	(34.6)	(14.2)	(14.1)	(43.1)	(44.6)	(46.2)	(16.1)	(482.8)
Closing Balance	78.7	78.1	79.2	89.2	104.0	119.3	131.7	155.6	171.2	185.7	216.2	224.2	237.4	250.9	280.4	314.6	319.1	321.9	323.8	355.5	355.5