



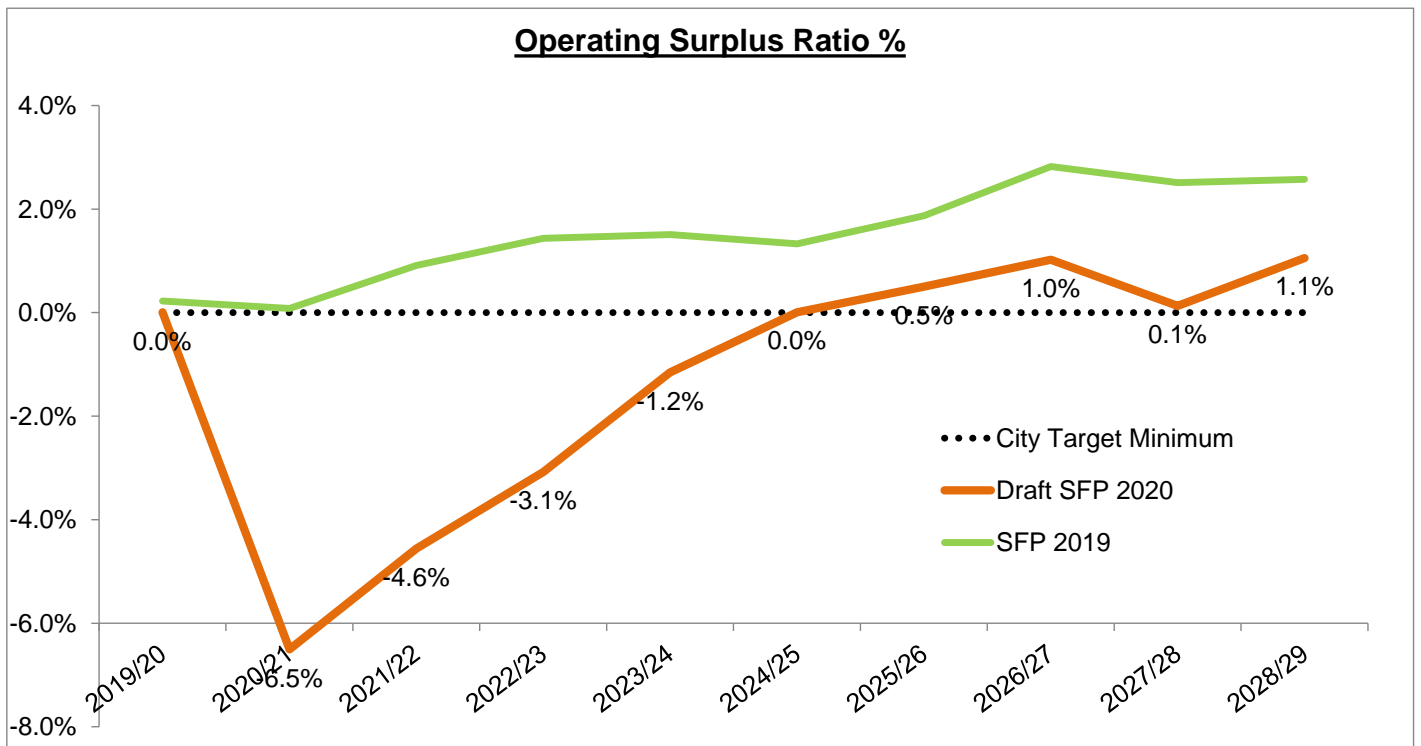
## KEY RATIOS SUMMARY

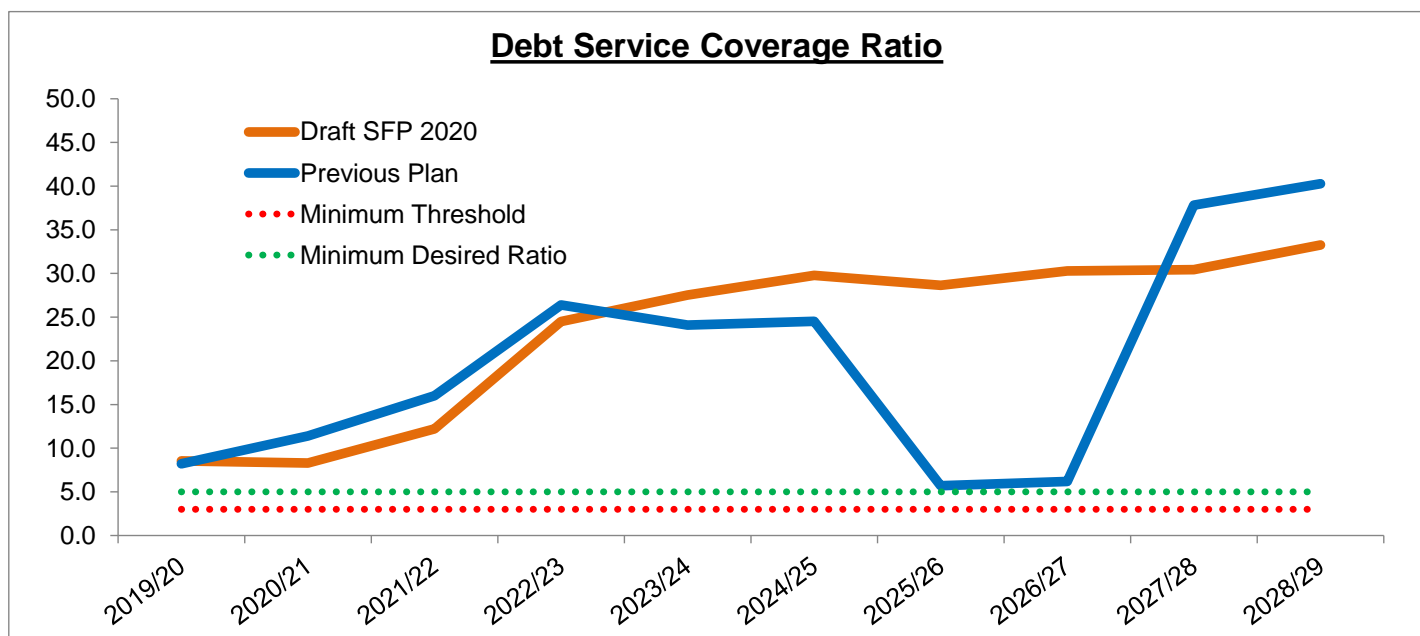
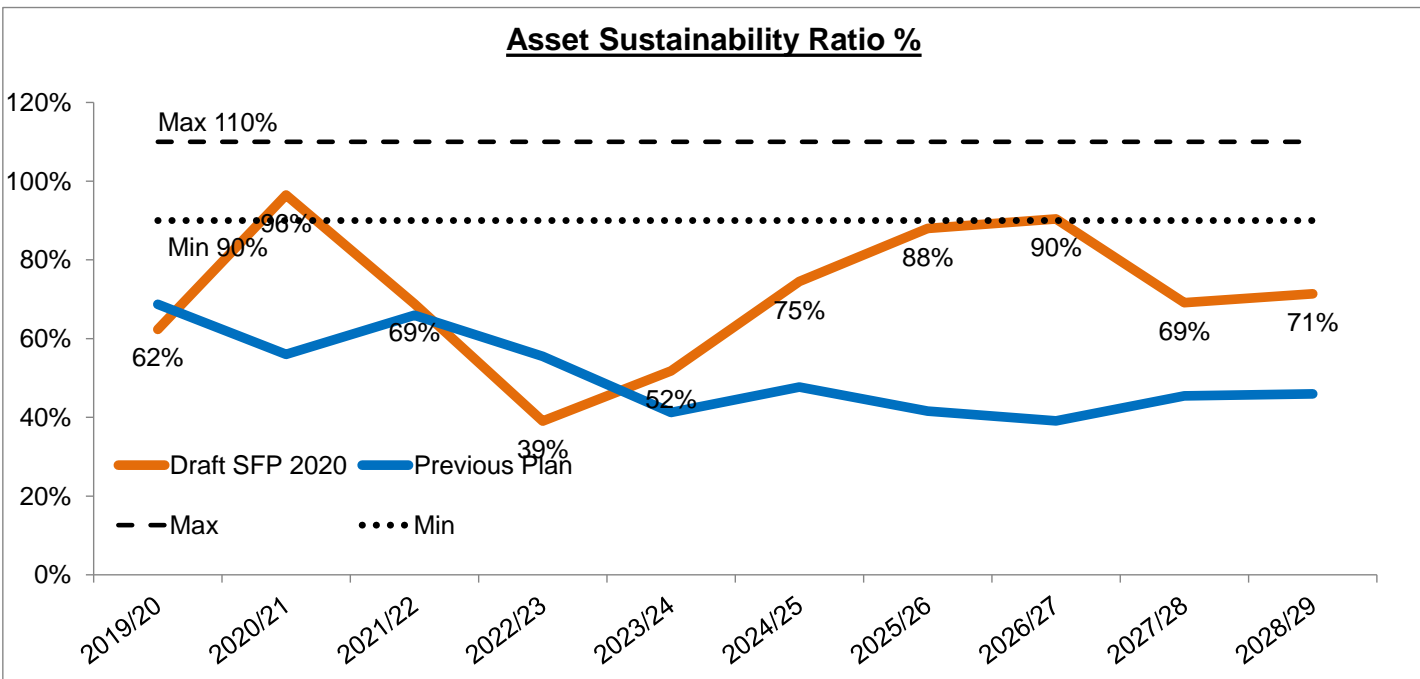
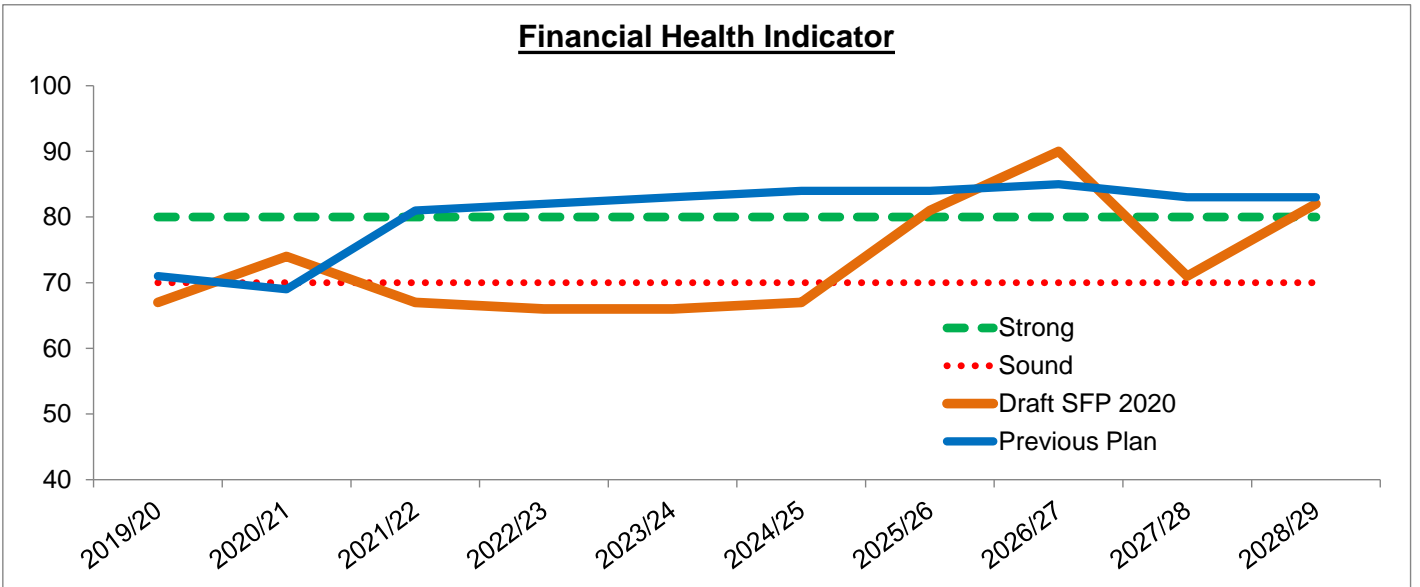
Version: **09 Sep 2020**

**Moderate Scenario - October Council**

KEY RATIOS	Target Range		Updated SFP		Previous		
	Low	High	Number of Years within Tolerance	Number of Years Outside Tolerance	Aug 19	Draft versus Prev	
1 Operating Surplus Ratio %	0.0%	1.0%	6	4	●	10	-4
2 Asset Sustainability Ratio %	90.0%	110.0%	2	8	●	0	2
3 Debt Service Coverage Ratio	3.0	>5	10	0	●	10	0
<b>Total</b>			<b>18</b>	<b>12</b>	●	<b>20</b>	<b>-2</b>

<b>OTHER KEY INDICATORS</b>			<b>Updated Plan versus Previous</b>			
Indicator		Measure	Updated Plan	Previous	Difference	
1	Financial Health Indicator: Yr 1 to 6	Score out of 100(70 is Sound)	68	74	-6	●
2	Borrowings	20 Year Total (\$m)	\$9.0	\$20.5	(\$11.5)	●
3	Cash Held less Borrowings Owing:	at end of 2028-29 \$ms	\$164.0	\$210.8	(\$46.8)	●
4	Rates % Increase:	Average Increase Years 1 to 5	0.3%	2.5%	-2.2%	●
5	Operating Surplus Ratio:	What Year is target first achieved?	2024/25	2020/21	- 4 yrs	●
6	Operating Surplus Ratio:	Average Years 1 to 10	-1.3%	0.8%	-2.1%	●





## Supporting Schedule 1 - Assumptions

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
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## CRITICAL ASSUMPTIONS

## Headline Economic Indicators

Perth CPI	%	-1.00%	0.00%	0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
Perth Wages Price Index	%		0.00%	0.50%	1.00%	1.25%	1.50%	2.25%	2.25%	2.50%	2.50%

## Expenses

Materials and Contracts	%		(0.25%)	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Salaries and Wages	%		1.67%	1.00%	1.25%	1.50%	2.25%	2.25%	2.50%	2.50%
Sum of above (weighted)	%		0.81%	0.66%	0.91%	1.17%	2.03%	2.03%	2.28%	2.28%

## Income

Fees and Charges #1	%		0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
Rates: Base	%		1.65%	1.51%	1.76%	2.01%	0.50%	0.25%	0.40%	0.20%

## Waste

Waste Expenditure	%		5.20%	0.82%	0.82%	1.08%	1.07%	1.06%	2.00%	2.00%	
Refuse Charge per Household	\$ per Household	\$346	\$346	\$364	\$367	\$370	\$374	\$378	\$382	\$390	\$397

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

## OPERATING INCOME

Rates: Base	%	2.25%	-5.68%	1.65%	1.51%	1.76%	2.01%	0.50%	0.25%	0.40%	0.20%
Refuse Charges	%			5.20%	0.82%	0.82%	1.08%	1.07%	1.06%	2.00%	2.00%
Building and Development Fees (CRS)	%									1.00%	
Building and Development Fees (PS)	%									1.00%	
Building and Development Fees (FS)	%									1.00%	
Dog and Cat Registration Income	%			-1.9%	6.9%	-20.4%	-18.1%	2.32%	9.81%	4.99%	4.83%
Licenses and Registrations, excl Dog an	%			0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
Sports and Recreation Fees	%			0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
Hire and Rentals / Leases	%			0.25%	1.75%	2.00%	2.25%	2.75%	2.75%	3.00%	3.00%
Inspection and Control Fees	%			0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
Fines and Penalties	%					12.00%					11.00%
Parking Fees	%			5.26%	5.00%	4.76%	4.55%	4.35%	1.75%	2.00%	2.00%
Other Fees and Charges	%			0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
Other Revenue	%			0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
Grants and Subsidies - Operating	%										
Contributions, Sponsorships and Reimbi	%			0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%

## OPERATING EXPENSES

Salaries and Wages	%	1.50%	0.00%	1.67%	1.00%	1.25%	1.50%	2.25%	2.25%	2.50%	2.50%
Other Employment Costs	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Members Allowances and Meeting Fees	%				1.50%		1.50%		1.50%		1.50%
Members Costs Various	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Accommodation and Property (Ops)	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Accommodation and Prop (Others)	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Administration	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Telephones and Communication	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Finance Related Cost	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Professional Fees, excl Consultancy	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Consultancy	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Public Relations, Advertising	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Contributions and Donations paid by City	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Computing	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Furniture, Equipment	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Other Materials	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Books and Publications	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Travel, Vehicles and Plant	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
External Services, excl Tipping Fees	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Tipping Fees	%		5.20%	0.82%	0.82%	1.08%	1.07%	1.06%	2.00%	2.00%
Waste Management Services	%		5.20%	0.82%	0.82%	1.08%	1.07%	1.06%	2.00%	2.00%
Charges and Recoveries	%		-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Electricity - Western Power (WP) Streetli	%		-0.25%	2.00%	2.00%	3.20%	3.20%	3.20%	3.20%	3.20%
Electricity - excluding WP Streetlighting	%		-0.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Gas and Water	%		0.25%	0.75%	1.00%	1.25%	3.50%	3.50%	3.50%	3.50%
Insurance Expenses	%		-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Depreciation: Existing	%		-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
<b>Capital Expenditure and Capital Grants</b>										
All Other Capital	%		0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
Road and Bridge Construction	%			0.50%	0.75%	1.00%	1.75%	1.75%	2.00%	2.00%
Non Residential Building	%		-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Capital Grants	%		0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
<b>Financing</b>										
Cash Reserves earnings	%		0.50%	0.74%	1.20%	1.67%	2.13%	2.59%	3.06%	4.77%
Borrowings Fixed Term - 5 Years	%		1.15%	1.55%	2.02%	2.48%	2.95%	3.42%	3.89%	4.36%
Borrowings Fixed Term - 10 Years	%		1.59%	1.99%	2.45%	2.92%	3.38%	3.84%	4.31%	4.77%
Borrowings Fixed Term - 15 Years	%		1.97%	2.34%	2.78%	3.21%	3.64%	4.08%	4.51%	4.94%
Borrowings Fixed Term - 20 Years	%		2.27%	2.62%	3.02%	3.43%	3.83%	4.24%	4.64%	5.05%

09 Sep 2020

## Moderate Scenario - October Council

## Supporting Schedule 3 - Major Projects Assumptions

Major Project	Year #1	Cost #2	Purpose	Source of Estimate	Funding Sources
1 Joondalup City Centre Development - Boas Place	2020/21	(\$0.1)	Project Costs required to working with a proponent for City Centre Development	Project Costs only included at this stage	Municipal. Future land proceeds may offset initial costs of project.
2 Cafes / Kiosks / Restaurants - Pinnaroo Point	2020/21	(\$0.8)	Service Provision and Project Costs. New facility built by operator	Service Provision based on QS Estimate	Municipal and Reserves
3 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
4 Percy Doyle - Refurbishment Works	2020/21	(\$2.6)	Refurbishment of existing facilities to keep in working order until Master Plan is completed.	Council Report 2015.	Grants, Club Contribution, Reserves and Municipal
5 Warwick Sports Centre	2021/22	(\$1.1)	Refurbishment of existing facilities.	Report to Finance Committee April 2017	Municipal
6 Cafes / Kiosks / Restaurants - Burns Beach	2021/22	(\$4.1)	Construction Costs, Service Provision, Project Costs and Land Purchase	Reports to MPFC	Municipal and Reserves
7 Joondalup Administration Building - refurbishment	2021/22	(\$4.1)	Refurbishment of Admin Building	Some works require further scoping	Municipal and Reserves
8 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.
9 Craigie LC Refurbishment Phase 1	2022/23	(\$8.5)	Upgrade of facilities to meet future requirements.	Approved Council Report December 2019	Reserves and Municipal
10 Chichester Park Redevelopment	2022/23	(\$4.2)	Redevelopment of existing facilities.	Council approved Nov 2018	Grants and Reserves
11 Edgewater Quarry Masterplan	2023/24	(\$11.8)	Development of quarry Sale of land estimated to contribute	Strategy Session 2017, subject to further scoping	Reserve, land proceeds will repay to reserve
12 Ocean Reef Marina	2024/25	(\$0.7)	Project costs to work with State to develop Ocean Reef Marina	Estimated Project Costs	Municipal
13 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 and loan
14 Craigie LC Refurbishment Phase 2	2027/28	\$0.0	Various works to indoor and outdoor areas	Will be updated in 2021	To be determined
15 Joondalup Performing Arts and Cultural Facility	2027/28	(\$59.1)	New facility to provide for Performing Arts and 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.
<b>TOTAL</b>		<b>(\$119.6)</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 2019-20 to 2028-29 \$ms, and will exclude costs incurred prior to 2019-20.

<b>CAPEX, excluding escalation</b>	<b>Yr 1</b>	<b>Yr 2</b>	<b>Yr 3</b>	<b>Yr 4</b>	<b>Yr 5</b>	<b>Yr 6</b>	<b>Yr 7</b>	<b>Yr 8</b>	<b>Yr 9</b>	<b>Yr10</b>
	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
<b>Section A - by Project</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>
<b>A1 Capital Works Program, excl MPP</b>										
1 Parks Development	(1,585)	(2,704)	(685)	(1,450)	(1,650)	(1,650)	(1,167)	(1,167)	(1,167)	(1,167)
2 Foreshore and Natural Areas	(996)	(1,045)	(30)	(50)	(360)	(360)	(516)	(516)	(516)	(516)
3 Parks Equipment	(3,121)	(2,698)	(1,018)	(1,502)	(1,651)	(1,488)	(1,735)	(1,735)	(1,735)	(1,735)
4 Streetscape Enhancement	(1,351)	(1,984)	(1,000)	(1,400)	(1,400)	(1,400)	(1,431)	(1,431)	(1,431)	(1,431)
5 Local Traffic management	(1,402)	(955)	(435)	(530)	(455)	(435)	(435)	(435)	(435)	(435)
6 State Blackspot	(683)	(1,746)	(1,350)	(1,350)	(1,350)	(1,350)	(900)	(900)	(900)	(900)
7 Parking Facilities	(303)	(1,047)	(280)	(290)	(290)	(290)	(230)	(230)	(230)	(230)
8 Major Road Construction	(215)	(4,805)	(1,564)	(2,629)	(2,725)	(2,725)	(2,700)	(1,500)	(1,500)	(1,500)
9 New Paths	(2,835)	(2,503)	(1,325)	(1,301)	(290)	(300)	(323)	(323)	(323)	(323)
10 Path Replacement	(1,582)	(1,326)	(437)	(464)	(631)	(700)	(1,140)	(1,140)	(1,140)	(1,100)
11 Stormwater Drainage	(1,016)	(1,189)	(395)	(495)	(550)	(550)	(550)	(550)	(550)	(550)
12 Lighting	(3,968)	(3,612)	(1,033)	(1,765)	(445)	(445)	(500)	(500)	(500)	(500)
13 Road Preservation and Resurfacing	(5,712)	(9,102)	(5,244)	(7,017)	(7,017)	(7,080)	(7,400)	(7,400)	(7,400)	(7,400)
14 Bridges and Underpasses	(25)									
15 Building Construction Works	(1,815)	(2,846)	(1,130)	(1,470)	(1,160)	(1,280)	(1,550)	(1,550)	(1,550)	(1,550)
16 Accelerated Capital Reinstated 2021/22 & 2022/23			(5,559)	(714)						
<b>Total Capital Works Program, excl MPP</b>	<b>(26,610)</b>	<b>(37,563)</b>	<b>(21,485)</b>	<b>(22,426)</b>	<b>(19,974)</b>	<b>(20,053)</b>	<b>(20,577)</b>	<b>(19,377)</b>	<b>(19,377)</b>	<b>(19,337)</b>
<b>A2 Capital Projects - Annual Programs</b>										
21 Fleet	(1,703)	(2,568)	(4,098)	(967)	(1,245)	(1,951)	(784)	(594)	(1,379)	(1,053)
22 IT	(261)	(761)	(450)	(450)	(250)	(250)	(250)	(200)	(200)	(200)
25 Parking Infrastructure				(1,625)						
29 Year 1 and 2 Various	(847)	(514)								
<b>Total Capital Projects - Annual Programs</b>	<b>(2,810)</b>	<b>(3,842)</b>	<b>(4,548)</b>	<b>(3,042)</b>	<b>(1,495)</b>	<b>(2,201)</b>	<b>(1,034)</b>	<b>(794)</b>	<b>(1,579)</b>	<b>(1,253)</b>
<b>A3 Major Projects less than \$3m</b>										
32 Warwick Sports Centre	(132)	(800)	(171)							
<b>Total Major Projects less than \$3m</b>	<b>(132)</b>	<b>(800)</b>	<b>(171)</b>							
<b>A4 Major Projects greater than \$3m</b>										
41 Joondalup Performing Arts and Cultural Facility	(10)				(92)			(29,500)	(29,500)	
42 Joondalup City Centre Development - Boas Place	(38)	(85)								
43 Ocean Reef Marina	(158)	(124)	(90)	(90)	(125)	(96)				
44 Edgewater Quarry Masterplan			(364)	(5,792)	(5,614)					
45 Warwick Community Facilities		(1,000)	(3,270)							
46 Cafes / Kiosks / Restaurants - Pinnaroo Point	(82)	(705)								
47 Cafes / Kiosks / Restaurants - Burns Beach	(159)	(1,176)	(2,800)							
51 Percy Doyle Master-Plan Phase 1 and 2										
52 Chichester Park Redevelopment		(659)	(1,750)	(1,750)						
53 Craigie LC Refurbishment Phase 1	(100)	(200)	(7,205)	(1,043)						
54 Craigie LC Refurbishment Phase 2										
55 Calectasia Hall / Greenwood Scout and Guide Hall									(600)	(1,400)
56 Percy Doyle - Refurbishment Works	(1,721)	(877)								
57 Joondalup Administration Building - refurbishment	(972)	(1,080)	(2,000)							
58 Joondalup Mens Shed / WOC Extension	(901)	(300)								
62 Multi Storey Car Park (2)					(5,355)	(11,745)				
<b>Total Major Projects greater than \$3m</b>	<b>(4,140)</b>	<b>(6,206)</b>	<b>(17,479)</b>	<b>(8,675)</b>	<b>(11,186)</b>	<b>(11,841)</b>		<b>(29,500)</b>	<b>(30,100)</b>	<b>(1,400)</b>

**CAPEX, excluding escalation**

Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10
2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29

**Section B - Summary****Category**

Capital Works Program, excl MPP	(26,610)	(37,563)	(21,485)	(22,426)	(19,974)	(20,053)	(20,577)	(19,377)	(19,377)	(19,337)
Capital Projects - Annual Programs	(2,810)	(3,842)	(4,548)	(3,042)	(1,495)	(2,201)	(1,034)	(794)	(1,579)	(1,253)
Major Projects less than \$3m	(132)	(800)	(171)							
Major Projects greater than \$3m	(4,140)	(6,206)	(17,479)	(8,675)	(11,186)	(11,841)		(29,500)	(30,100)	(1,400)
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>(33,692)</b>	<b>(48,412)</b>	<b>(43,682)</b>	<b>(34,143)</b>	<b>(32,655)</b>	<b>(34,095)</b>	<b>(21,611)</b>	<b>(49,671)</b>	<b>(51,056)</b>	<b>(21,990)</b>

**Renewal / Upgrade / New**

Renewal	(19,582)	(23,910)	(18,132)	(15,224)	(12,294)	(13,346)	(12,625)	(12,385)	(13,770)	(14,204)
Upgrade	(10,460)	(18,207)	(16,928)	(11,772)	(7,946)	(7,769)	(7,746)	(6,546)	(6,546)	(6,546)
New	(3,650)	(6,295)	(8,623)	(7,148)	(12,415)	(12,980)	(1,240)	(30,740)	(30,740)	(1,240)

Renewal %	58.1%	49.4%	41.5%	44.6%	37.6%	39.1%	58.4%	24.9%	27.0%	64.6%
Upgrade %	31.0%	37.6%	38.8%	34.5%	24.3%	22.8%	35.8%	13.2%	12.8%	29.8%
New %	10.8%	13.0%	19.7%	20.9%	38.0%	38.1%	5.7%	61.9%	60.2%	5.6%



<b>CAPEX, including escalation</b>	<b>Yr 1</b>	<b>Yr 2</b>	<b>Yr 3</b>	<b>Yr 4</b>	<b>Yr 5</b>	<b>Yr 6</b>	<b>Yr 7</b>	<b>Yr 8</b>	<b>Yr 9</b>	<b>Yr10</b>
	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
<b>Section A - by Project</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>
<b>A1 Capital Works Program, excl MPP</b>										
1 Parks Development	(1,585)	(2,704)	(687)	(1,465)	(1,683)	(1,704)	(1,227)	(1,248)	(1,273)	(1,299)
2 Foreshore and Natural Areas	(996)	(1,045)	(30)	(51)	(367)	(372)	(542)	(551)	(562)	(574)
3 Parks Equipment	(3,121)	(2,698)	(1,020)	(1,517)	(1,684)	(1,537)	(1,824)	(1,856)	(1,893)	(1,931)
4 Streetscape Enhancement	(1,351)	(1,984)	(1,003)	(1,414)	(1,428)	(1,446)	(1,504)	(1,530)	(1,561)	(1,592)
5 Local Traffic management	(1,402)	(955)	(436)	(535)	(464)	(449)	(457)	(465)	(474)	(484)
6 State Blackspot	(683)	(1,746)	(1,350)	(1,357)	(1,367)	(1,381)	(937)	(953)	(972)	(991)
7 Parking Facilities	(303)	(1,047)	(280)	(291)	(294)	(297)	(239)	(244)	(248)	(253)
8 Major Road Construction	(215)	(4,805)	(1,564)	(2,643)	(2,759)	(2,787)	(2,810)	(1,588)	(1,620)	(1,652)
9 New Paths	(2,835)	(2,503)	(1,328)	(1,314)	(296)	(310)	(339)	(345)	(352)	(359)
10 Path Replacement	(1,582)	(1,326)	(438)	(469)	(644)	(723)	(1,198)	(1,219)	(1,243)	(1,224)
11 Stormwater Drainage	(1,016)	(1,189)	(396)	(500)	(561)	(568)	(578)	(588)	(600)	(612)
12 Lighting	(3,968)	(3,612)	(1,036)	(1,783)	(454)	(460)	(525)	(535)	(545)	(556)
13 Road Preservation and Resurfacing	(5,712)	(9,102)	(5,244)	(7,052)	(7,105)	(7,240)	(7,700)	(7,835)	(7,992)	(8,151)
14 Bridges and Underpasses	(25)									
15 Building Construction Works	(1,815)	(2,846)	(1,127)	(1,470)	(1,166)	(1,296)	(1,597)	(1,625)	(1,657)	(1,690)
16 Accelerated Capital Reinstated 2021/22 & 2022/23			(5,573)	(721)						
<b>Total Capital Works Program, excl MPP</b>	<b>(26,610)</b>	<b>(37,563)</b>	<b>(21,512)</b>	<b>(22,580)</b>	<b>(20,272)</b>	<b>(20,569)</b>	<b>(21,477)</b>	<b>(20,582)</b>	<b>(20,994)</b>	<b>(21,369)</b>
<b>A2 Capital Projects - Annual Programs</b>										
21 Fleet	(1,703)	(2,568)	(4,108)	(977)	(1,270)	(2,016)	(824)	(635)	(1,504)	(1,171)
22 IT	(261)	(761)	(451)	(455)	(255)	(258)	(263)	(214)	(218)	(223)
25 Parking Infrastructure				(1,641)						
29 Year 1 and 2 Various	(847)	(514)								
<b>Total Capital Projects - Annual Programs</b>	<b>(2,810)</b>	<b>(3,842)</b>	<b>(4,559)</b>	<b>(3,073)</b>	<b>(1,525)</b>	<b>(2,274)</b>	<b>(1,087)</b>	<b>(849)</b>	<b>(1,722)</b>	<b>(1,393)</b>
<b>A3 Major Projects less than \$3m</b>										
32 Warwick Sports Centre	(132)	(800)	(171)							
<b>Total Major Projects less than \$3m</b>	<b>(132)</b>	<b>(800)</b>	<b>(171)</b>							
<b>A4 Major Projects greater than \$3m</b>										
41 Joondalup Performing Arts and Cultural Facility	(10)				(92)			(29,500)	(29,500)	
42 Joondalup City Centre Development - Boas Place	(38)	(85)								
43 Ocean Reef Marina	(158)	(124)	(90)	(91)	(128)	(99)				
44 Edgewater Quarry Masterplan			(365)	(5,850)	(5,727)					
45 Warwick Community Facilities		(1,000)	(3,262)							
46 Cafes / Kiosks / Restaurants - Pinnaroo Point	(82)	(705)								
47 Cafes / Kiosks / Restaurants - Burns Beach	(159)	(1,176)	(2,800)							
51 Percy Doyle Master-Plan Phase 1 and 2										
52 Chichester Park Redevelopment		(659)	(1,754)	(1,768)						
53 Craigie LC Refurbishment Phase 1	(100)	(200)	(7,205)	(1,043)						
54 Craigie LC Refurbishment Phase 2										
55 Calectasia Hall / Greenwood Scout and Guide Hall									(600)	(1,400)
56 Percy Doyle - Refurbishment Works	(1,721)	(877)								
57 Joondalup Administration Building - refurbishment	(972)	(1,080)	(2,000)							
58 Joondalup Mens Shed / WOC Extension	(901)	(300)								
62 Multi Storey Car Park (2)					(5,382)	(11,892)				
<b>Total Major Projects greater than \$3m</b>	<b>(4,140)</b>	<b>(6,206)</b>	<b>(17,476)</b>	<b>(8,751)</b>	<b>(11,329)</b>	<b>(11,991)</b>		<b>(29,500)</b>	<b>(30,100)</b>	<b>(1,400)</b>

**CAPEX, including escalation**

Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10
2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29

**Section B - Summary****Category**

Capital Works Program, excl MPP	(26,610)	(37,563)	(21,512)	(22,580)	(20,272)	(20,569)	(21,477)	(20,582)	(20,994)	(21,369)
Capital Projects - Annual Programs	(2,810)	(3,842)	(4,559)	(3,073)	(1,525)	(2,274)	(1,087)	(849)	(1,722)	(1,393)
Major Projects less than \$3m	(132)	(800)	(171)							
Major Projects greater than \$3m	(4,140)	(6,206)	(17,476)	(8,751)	(11,329)	(11,991)		(29,500)	(30,100)	(1,400)
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>(33,692)</b>	<b>(48,412)</b>	<b>(43,718)</b>	<b>(34,404)</b>	<b>(33,125)</b>	<b>(34,834)</b>	<b>(22,563)</b>	<b>(50,931)</b>	<b>(52,816)</b>	<b>(24,162)</b>

**Renewal / Upgrade / New**

Renewal	(19,582)	(23,910)	(18,156)	(15,332)	(12,479)	(13,706)	(13,178)	(13,152)	(14,871)	(15,549)
Upgrade	(10,460)	(18,207)	(16,941)	(11,853)	(8,065)	(7,961)	(8,083)	(6,954)	(7,093)	(7,235)
New	(3,650)	(6,295)	(8,621)	(7,219)	(12,582)	(13,167)	(1,302)	(30,825)	(30,851)	(1,378)

Renewal %	58.1%	49.4%	41.5%	44.6%	37.7%	39.3%	58.4%	25.8%	28.2%	64.4%
Upgrade %	31.0%	37.6%	38.8%	34.5%	24.3%	22.9%	35.8%	13.7%	13.4%	29.9%
New %	10.8%	13.0%	19.7%	21.0%	38.0%	37.8%	5.8%	60.5%	58.4%	5.7%

**Project Funding Estimates**

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr 1 to 10
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total

<b>1 Parks Development</b>											
Grants	\$000's	27									27
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's		1,723		505	714	1,188	656	668	681	695
Loans	\$000's										
Municipal	\$000's	1,559	981	687	960	969	516	571	581	592	604
<b>Capital Expenditure Total</b>	\$000's	<b>1,585</b>	<b>2,704</b>	<b>687</b>	<b>1,465</b>	<b>1,683</b>	<b>1,704</b>	<b>1,227</b>	<b>1,248</b>	<b>1,273</b>	<b>1,299</b>
<b>2 Foreshore and Natural Areas</b>											
Grants	\$000's	311	590								901
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's		210			122	124	146	149	152	155
Loans	\$000's										
Municipal	\$000's	684	245	30	51	245	248	395	402	410	419
<b>Capital Expenditure Total</b>	\$000's	<b>996</b>	<b>1,045</b>	<b>30</b>	<b>51</b>	<b>367</b>	<b>372</b>	<b>542</b>	<b>551</b>	<b>562</b>	<b>574</b>
<b>3 Parks Equipment</b>											
Grants	\$000's	719									719
Disposal Proceeds / Other Contribution	\$000's	65									65
Reserves	\$000's		1,377	440	740	827	749	714	727	741	756
Loans	\$000's										
Municipal	\$000's	2,336	1,322	580	777	857	788	1,109	1,129	1,151	1,174
<b>Capital Expenditure Total</b>	\$000's	<b>3,121</b>	<b>2,698</b>	<b>1,020</b>	<b>1,517</b>	<b>1,684</b>	<b>1,537</b>	<b>1,824</b>	<b>1,856</b>	<b>1,893</b>	<b>1,931</b>
<b>4 Streetscape Enhancement</b>											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's		784	201	404	408	413	609	620	632	645
Loans	\$000's										
Municipal	\$000's	1,351	1,200	802	1,010	1,020	1,033	894	910	928	947
<b>Capital Expenditure Total</b>	\$000's	<b>1,351</b>	<b>1,984</b>	<b>1,003</b>	<b>1,414</b>	<b>1,428</b>	<b>1,446</b>	<b>1,504</b>	<b>1,530</b>	<b>1,561</b>	<b>1,592</b>
<b>5 Local Traffic management</b>											
Grants	\$000's	200		20	172						392
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's		332	48	131						511
Loans	\$000's										
Municipal	\$000's	1,202	623	368	232	464	449	457	465	474	484
<b>Capital Expenditure Total</b>	\$000's	<b>1,402</b>	<b>955</b>	<b>436</b>	<b>535</b>	<b>464</b>	<b>449</b>	<b>457</b>	<b>465</b>	<b>474</b>	<b>484</b>
<b>6 State Blackspot</b>											
Grants	\$000's	416	1,637	900	905	911	920	624	635	648	661
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's		109								109
Loans	\$000's										
Municipal	\$000's	267		450	452	456	460	312	318	324	330
<b>Capital Expenditure Total</b>	\$000's	<b>683</b>	<b>1,746</b>	<b>1,350</b>	<b>1,357</b>	<b>1,367</b>	<b>1,381</b>	<b>937</b>	<b>953</b>	<b>972</b>	<b>991</b>
<b>7 Parking Facilities</b>											
Grants	\$000's		90	30	30	30	31	31	32	32	33
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's		492								492
Loans	\$000's										0
Municipal	\$000's	303	465	250	261	263	266	208	212	216	220
<b>Capital Expenditure Total</b>	\$000's	<b>303</b>	<b>1,047</b>	<b>280</b>	<b>291</b>	<b>294</b>	<b>297</b>	<b>239</b>	<b>244</b>	<b>248</b>	<b>253</b>
<b>8 Major Road Construction</b>											
Grants	\$000's	114	2,511	745	1,813	1,823	1,841	1,873	1,059	1,080	1,102
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's		1,269	160	101	152	153				1,835
Loans	\$000's	0									0
Municipal	\$000's	101	1,025	659	729	785	793	937	529	540	551
<b>Capital Expenditure Total</b>	\$000's	<b>215</b>	<b>4,805</b>	<b>1,564</b>	<b>2,643</b>	<b>2,759</b>	<b>2,787</b>	<b>2,810</b>	<b>1,588</b>	<b>1,620</b>	<b>1,652</b>
<b>9 New Paths</b>											
Grants	\$000's	297	1,140	1,138	1,116	102	103	105	107	109	111
Disposal Proceeds / Other Contribution	\$000's	118	730								848
Reserves	\$000's	1,728	248			26	26	109	111	113	115
Loans	\$000's										
Municipal	\$000's	691	385	190	198	168	181	126	128	130	133
<b>Capital Expenditure Total</b>	\$000's	<b>2,835</b>	<b>2,503</b>	<b>1,328</b>	<b>1,314</b>	<b>296</b>	<b>310</b>	<b>339</b>	<b>345</b>	<b>352</b>	<b>359</b>
<b>10 Path Replacement</b>											
Grants	\$000's	669	601								1,269
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's		725	376	469	644	723	883	898	916	890
Loans	\$000's	0									0
Municipal	\$000's	914		62				315	321	327	334
<b>Capital Expenditure Total</b>	\$000's	<b>1,582</b>	<b>1,326</b>	<b>438</b>	<b>469</b>	<b>644</b>	<b>723</b>	<b>1,198</b>	<b>1,219</b>	<b>1,243</b>	<b>1,224</b>
<b>11 Stormwater Drainage</b>											
Grants	\$000's										
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's		565	85	131	153	155	158	160	164	167
Loans	\$000's										
Municipal	\$000's	1,016	624	311	369	408	413	420	428	436	445
<b>Capital Expenditure Total</b>	\$000's	<b>1,016</b>	<b>1,189</b>	<b>396</b>	<b>500</b>	<b>561</b>	<b>568</b>	<b>578</b>	<b>588</b>	<b>600</b>	<b>612</b>
<b>12 Lighting</b>											
Grants	\$000's	113		107	108						327
Disposal Proceeds / Other Contribution	\$000's										
Reserves	\$000's	3,175	3,370	843	1,488	281	387	447	454	464	473
Loans	\$000's										
Municipal	\$000's	680	242	86	187	173	72	79	80	82	83
<b>Capital Expenditure Total</b>	\$000's	<b>3,968</b>	<b>3,612</b>	<b>1,036</b>	<b>1,783</b>	<b>454</b>	<b>460</b>	<b>525</b>	<b>535</b>	<b>545</b>	<b>556</b>

Project Funding Estimates		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr 1 to 10
		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
<b>13 Road Preservation and Resurfacing</b>												
Grants	\$000's	2,340	3,097	2,348	2,630	2,650	2,741	2,789	2,838	2,894	2,952	27,278
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's	11	5,818	2,896	4,422	4,455	4,500	4,911	4,997	5,097	5,199	42,307
Loans	\$000's	(0)										(0)
Municipal	\$000's	3,360	188				(0)	(0)				3,548
<b>Capital Expenditure Total</b>	\$000's	<b>5,712</b>	<b>9,102</b>	<b>5,244</b>	<b>7,052</b>	<b>7,105</b>	<b>7,240</b>	<b>7,700</b>	<b>7,835</b>	<b>7,992</b>	<b>8,151</b>	<b>73,133</b>
<b>14 Bridges and Underpasses</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's											
Loans	\$000's											
Municipal	\$000's	25										25
<b>Capital Expenditure Total</b>	\$000's	<b>25</b>										<b>25</b>
<b>15 Building Construction Works</b>												
Grants	\$000's		300									300
Disposal Proceeds / Other Contribution	\$000's	174										174
Reserves	\$000's	164	2,036	399	920	620	1,020	670	681	695	709	7,914
Loans	\$000's											
Municipal	\$000's	1,477	510	728	550	546	276	927	943	962	982	7,902
<b>Capital Expenditure Total</b>	\$000's	<b>1,815</b>	<b>2,846</b>	<b>1,127</b>	<b>1,470</b>	<b>1,166</b>	<b>1,296</b>	<b>1,597</b>	<b>1,625</b>	<b>1,657</b>	<b>1,690</b>	<b>16,290</b>
<b>16 Accelerated Capital Reinstated 2021/22 &amp; 2022/23</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's											
Loans	\$000's											
Municipal	\$000's			5,573	721							6,294
<b>Capital Expenditure Total</b>	\$000's			<b>5,573</b>	<b>721</b>							<b>6,294</b>
<b>21 Fleet</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's	323	426	960	222	307	477	228	118	312	246	3,617
Reserves	\$000's											
Loans	\$000's											
Municipal	\$000's	1,380	2,141	3,148	755	964	1,539	596	517	1,192	925	13,158
<b>Capital Expenditure Total</b>	\$000's	<b>1,703</b>	<b>2,568</b>	<b>4,108</b>	<b>977</b>	<b>1,270</b>	<b>2,016</b>	<b>824</b>	<b>635</b>	<b>1,504</b>	<b>1,171</b>	<b>16,775</b>
<b>22 IT</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's											
Loans	\$000's											
Municipal	\$000's	261	761	451	455	255	258	263	214	218	223	3,358
<b>Capital Expenditure Total</b>	\$000's	<b>261</b>	<b>761</b>	<b>451</b>	<b>455</b>	<b>255</b>	<b>258</b>	<b>263</b>	<b>214</b>	<b>218</b>	<b>223</b>	<b>3,358</b>
<b>25 Parking Infrastructure</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's											
Loans	\$000's											
Municipal	\$000's				1,641							1,641
<b>Capital Expenditure Total</b>	\$000's				<b>1,641</b>							<b>1,641</b>
<b>29 Year 1 and 2 Various</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's	25	0									25
Loans	\$000's	(0)										(0)
Municipal	\$000's	821	514									1,335
<b>Capital Expenditure Total</b>	\$000's	<b>847</b>	<b>514</b>									<b>1,360</b>
<b>32 Warwick Sports Centre</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's											
Loans	\$000's											
Municipal	\$000's	132	800	171								1,103
<b>Capital Expenditure Total</b>	\$000's	<b>132</b>	<b>800</b>	<b>171</b>								<b>1,103</b>
<b>41 Joondalup Performing Arts and Cultural Facility</b>												
Grants	\$000's								14,500	14,500		29,000
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's	10				92			15,000	15,000		30,102
Loans	\$000's											
Municipal	\$000's											
<b>Capital Expenditure Total</b>	\$000's	<b>10</b>				<b>92</b>			<b>29,500</b>	<b>29,500</b>		<b>59,102</b>
<b>42 Joondalup City Centre Development - Boas Place</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's											
Loans	\$000's											
Municipal	\$000's	38	85									123
<b>Capital Expenditure Total</b>	\$000's	<b>38</b>	<b>85</b>									<b>123</b>
<b>43 Ocean Reef Marina</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's											
Loans	\$000's											
Municipal	\$000's	158	124	90	91	128	99					690
<b>Capital Expenditure Total</b>	\$000's	<b>158</b>	<b>124</b>	<b>90</b>	<b>91</b>	<b>128</b>	<b>99</b>					<b>690</b>

Project Funding Estimates		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10	Yr 1 to 10
		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
<b>44 Edgewater Quarry Masterplan</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's			365	5,850	5,727						11,942
Loans	\$000's											
Municipal	\$000's											
<b>Capital Expenditure Total</b>	\$000's			<b>365</b>	<b>5,850</b>	<b>5,727</b>						<b>11,942</b>
<b>45 Warwick Community Facilities</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's		1,000	4,281								4,281
Loans	\$000's											1,000
Municipal	\$000's			(1,019)								(1,019)
<b>Capital Expenditure Total</b>	\$000's		<b>1,000</b>	<b>3,262</b>								<b>4,262</b>
<b>46 Cafes / Kiosks / Restaurants - Pinnaroo Point</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's		613									613
Loans	\$000's											
Municipal	\$000's	82	92									174
<b>Capital Expenditure Total</b>	\$000's	<b>82</b>	<b>705</b>									<b>787</b>
<b>47 Cafes / Kiosks / Restaurants - Burns Beach</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's		1,000	2,800								3,800
Loans	\$000's											
Municipal	\$000's	159	176									335
<b>Capital Expenditure Total</b>	\$000's	<b>159</b>	<b>1,176</b>	<b>2,800</b>								<b>4,135</b>
<b>52 Chichester Park Redevelopment</b>												
Grants	\$000's			401								401
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's		659	1,353	1,768							3,780
Loans	\$000's											
Municipal	\$000's											
<b>Capital Expenditure Total</b>	\$000's		<b>659</b>	<b>1,754</b>	<b>1,768</b>							<b>4,181</b>
<b>53 Craigie LC Refurbishment Phase 1</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's		200	7,205	1,043							8,448
Loans	\$000's											
Municipal	\$000's	100										100
<b>Capital Expenditure Total</b>	\$000's	<b>100</b>	<b>200</b>	<b>7,205</b>	<b>1,043</b>							<b>8,548</b>
<b>55 Calectasia Hall / Greenwood Scout and C</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's								600	1,400		2,000
Loans	\$000's											
Municipal	\$000's											
<b>Capital Expenditure Total</b>	\$000's								<b>600</b>	<b>1,400</b>		<b>2,000</b>
<b>56 Percy Doyle - Refurbishment Works</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's		877									877
Loans	\$000's											
Municipal	\$000's	1,721										1,721
<b>Capital Expenditure Total</b>	\$000's	<b>1,721</b>	<b>877</b>									<b>2,598</b>
<b>57 Joondalup Administration Building - refurbishment</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's		1,080	2,000								3,080
Loans	\$000's											
Municipal	\$000's	972										972
<b>Capital Expenditure Total</b>	\$000's	<b>972</b>	<b>1,080</b>	<b>2,000</b>								<b>4,052</b>
<b>58 Joondalup Mens Shed / WOC Extension</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's											
Loans	\$000's											
Municipal	\$000's	901	300									1,201
<b>Capital Expenditure Total</b>	\$000's	<b>901</b>	<b>300</b>									<b>1,201</b>
<b>62 Multi Storey Car Park (2)</b>												
Grants	\$000's											
Disposal Proceeds / Other Contribution	\$000's											
Reserves	\$000's					5,382	2,928					8,309
Loans	\$000's						8,965					8,965
Municipal	\$000's											
<b>Capital Expenditure Total</b>	\$000's					<b>5,382</b>	<b>11,892</b>					<b>17,274</b>
<b>A Total (sum of projects listed above)</b>												
Grants	\$000's	5,206	9,965	5,689	6,774	5,516	5,636	5,422	19,170	19,264	4,859	87,500
Disposal Proceeds / Other Contribution	\$000's	680	1,156	5,241	222	307	477	228	118	312	246	8,986
Reserves	\$000's	5,114	24,488	19,171	17,971	19,603	12,365	9,303	24,466	25,255	11,204	168,939
Loans	\$000's	(0)					8,965				0	8,965
Municipal	\$000's	22,693	12,803	13,618	9,437	7,700	7,392	7,610	7,177	7,985	7,854	104,268
<b>Capital Expenditure Total</b>	\$000's	<b>33,692</b>	<b>48,412</b>	<b>43,718</b>	<b>34,404</b>	<b>33,125</b>	<b>34,834</b>	<b>22,563</b>	<b>50,931</b>	<b>52,816</b>	<b>24,162</b>	<b>378,658</b>

RESERVES (inc escalation)		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr10
		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>Opening balance</b>											
1 Strategic Asset Reserve	\$000's	18,066	15,090	8,132	858	2,005	4,365	6,935	10,336	13,857	6,427
2 Asset Renewal Reserve	\$000's	6,050	6,545	13,809	18,114	15,705	20,595	32,293	49,891	69,027	79,700
3 Sale of Tamala Park Land	\$000's	13,916	14,084	14,692	16,102	16,221	18,092	20,579	25,734	30,790	36,470
4 Joondalup Performing Arts and Culture Facility	\$000's	16,617	16,782	16,909	16,993	17,119	17,232	17,519	17,893	3,162	
5 Parking Facility	\$000's	2,196	2,465	3,400	4,475	5,670	1,596	13	1,228	2,546	4,192
11 Capital Works Going Forward	\$000's	11,706	6,335	1,850							
12 Waste Management	\$000's	10,685	11,919	12,529	12,591	12,685	12,837	13,051	13,329	13,674	14,093
14 Non Current LS Leave Reserve	\$000's	1,511	1,361	1,461	1,469	1,479	1,497	1,522	1,555	1,595	1,644
15 Public Art Reserve	\$000's	212	273	273	274	276	279	284	290	298	307
16 Section 20A Land	\$000's										
21 Marmion Car Park Reserve	\$000's	183	183	183	184	185	188	191	195	200	206
22 Cash in Lieu of Parking Reserve	\$000's	1,222	1,347	1,357	1,364	1,374	1,391	1,414	1,444	1,482	1,527
24 Trust Fund	\$000's	2,312	420	123	123	124	126	128	130	134	138
25 Minor Reserves	\$000's	37	16								
<b>Total</b>	<b>\$000's</b>	<b>84,714</b>	<b>76,822</b>	<b>74,718</b>	<b>72,548</b>	<b>72,844</b>	<b>78,197</b>	<b>93,930</b>	<b>122,024</b>	<b>136,764</b>	<b>144,702</b>

<b>Transfers In Total</b>											
1 Strategic Asset Reserve	\$000's	199	1,512	7,144	11,019	8,168	3,253	3,253	3,253	4,775	5,150
2 Asset Renewal Reserve	\$000's	495	19,891	9,695	6,798	13,153	20,864	26,312	27,432	18,363	17,941
3 Sale of Tamala Park Land	\$000's	168	608	1,333		1,667	2,167	4,667	4,333	4,667	4,667
4 Joondalup Performing Arts and Culture Facility	\$000's	200	126								
5 Parking Facility	\$000's	1,400	1,939	1,056	1,157	1,264	1,332	1,201	1,270	1,544	1,683
11 Capital Works Going Forward	\$000's	3,323									
12 Waste Management	\$000's	1,235	609								
14 Non Current LS Leave Reserve	\$000's		100								
15 Public Art Reserve	\$000's	61									
16 Section 20A Land	\$000's										
21 Marmion Car Park Reserve	\$000's										
22 Cash in Lieu of Parking Reserve	\$000's	137	10								
24 Trust Fund	\$000's										
25 Minor Reserves	\$000's	1									
<b>Total</b>	<b>\$000's</b>	<b>7,219</b>	<b>24,796</b>	<b>19,228</b>	<b>18,974</b>	<b>24,252</b>	<b>27,616</b>	<b>35,433</b>	<b>36,289</b>	<b>29,349</b>	<b>29,440</b>

<b>Transfers Out - Projects</b>											
1 Strategic Asset Reserve	\$000's	(3,175)	(8,471)	(13,723)	(8,661)	(5,727)				(12,438)	(1,400)
2 Asset Renewal Reserve	\$000's		(12,627)	(5,448)	(9,311)	(8,402)	(9,438)	(9,303)	(9,466)	(9,655)	(9,804)
3 Sale of Tamala Park Land	\$000's										
4 Joondalup Performing Arts and Culture Facility	\$000's	(35)				(92)			(15,000)	(3,162)	
5 Parking Facility	\$000's	(1,131)	(1,004)			(5,382)	(2,928)				
11 Capital Works Going Forward	\$000's	(8,694)	(4,484)								
12 Waste Management	\$000's										
14 Non Current LS Leave Reserve	\$000's	(150)									
15 Public Art Reserve	\$000's										
16 Section 20A Land	\$000's										
21 Marmion Car Park Reserve	\$000's										
22 Cash in Lieu of Parking Reserve	\$000's	(11)									
24 Trust Fund	\$000's	(1,892)	(297)								
25 Minor Reserves	\$000's	(22)	(16)								
<b>Total</b>	<b>\$000's</b>	<b>(15,111)</b>	<b>(26,900)</b>	<b>(19,171)</b>	<b>(17,971)</b>	<b>(19,603)</b>	<b>(12,365)</b>	<b>(9,303)</b>	<b>(24,466)</b>	<b>(25,255)</b>	<b>(11,204)</b>

<b>Transfers Out - Other</b>											
1 Strategic Asset Reserve	\$000's			(713)	(1,213)	(100)	(750)				
<b>Total</b>	<b>\$000's</b>			<b>(2,563)</b>	<b>(1,213)</b>	<b>(100)</b>	<b>(750)</b>				

<b>Interest</b>											
1 Strategic Asset Reserve	\$000's			19	1	19	67	148	268	234	278
2 Asset Renewal Reserve	\$000's			57	104	139	271	589	1,170	1,965	3,568
4 Joondalup Performing Arts and Culture Facility	\$000's			85	126	205	288	373	269		
5 Parking Facility	\$000's			20	37	43	13	13	48	102	240
11 Capital Works Going Forward	\$000's										
12 Waste Management	\$000's			63	93	152	214	278	345	418	672
14 Non Current LS Leave Reserve	\$000's			7	11	18	25	32	40	49	78
15 Public Art Reserve	\$000's			1	2	3	5	6	8	9	15
16 Section 20A Land	\$000's										
21 Marmion Car Park Reserve	\$000's			1	1	2	3	4	5	6	10
22 Cash in Lieu of Parking Reserve	\$000's			7	10	16	23	30	37	45	73
24 Trust Fund	\$000's			1	1	1	2	3	3	4	7
25 Minor Reserves	\$000's										
<b>Total</b>	<b>\$000's</b>			<b>337</b>	<b>506</b>	<b>804</b>	<b>1,232</b>	<b>1,964</b>	<b>2,916</b>	<b>3,845</b>	<b>6,791</b>

<b>Closing Balance</b>											
1 Strategic Asset Reserve	\$000's	15,090	8,132	858	2,005	4,365	6,935	10,336	13,857	6,427	10,454
2 Asset Renewal Reserve	\$000's	6,545	13,809	18,114	15,705	20,595	32,293	49,891	69,027	79,700	91,405
3 Sale of Tamala Park Land	\$000's	14,084	14,692	16,102	16,221	18,092	20,579	25,734	30,790	36,470	42,988
4 Joondalup Performing Arts and Culture Facility	\$000's	16,782	16,909	16,993	17,119	17,232	17,519	17,893	3,162		
5 Parking Facility	\$000's	2,465	3,400	4,475	5,670	1,596	13	1,228	2,546	4,192	6,115
11 Capital Works Going Forward	\$000's	6,335	1,850								
12 Waste Management	\$000's	11,919	12,529	12,591	12,685	12,837	13,051	13,329	13,674	14,093	14,765
14 Non Current LS Leave Reserve	\$000's	1,361	1,461	1,469	1,479	1,497	1,522	1,555	1,595	1,644	1,722
15 Public Art Reserve	\$000's	273	273	274	276	279	284	290	298	307	321
16 Section 20A Land	\$000's										
21 Marmion Car Park Reserve	\$000's	183	183	184	185	188	191	195	200	206	216
22 Cash in Lieu of Parking Reserve	\$000's	1,347	1,357	1,364	1,374	1,391	1,414	1,444	1,482	1,527	1,600
24 Trust Fund	\$000's	420	123	123	124	126	128	130	134	138	145
25 Minor Reserves	\$000's	16									
<b>Total</b>	<b>\$000's</b>	<b>76,822</b>	<b>74,718</b>	<b>72,548</b>	<b>72,844</b>	<b>78,197</b>	<b>93,930</b>	<b>122,024</b>	<b>136,764</b>	<b>144,702</b>	<b>169,730</b>

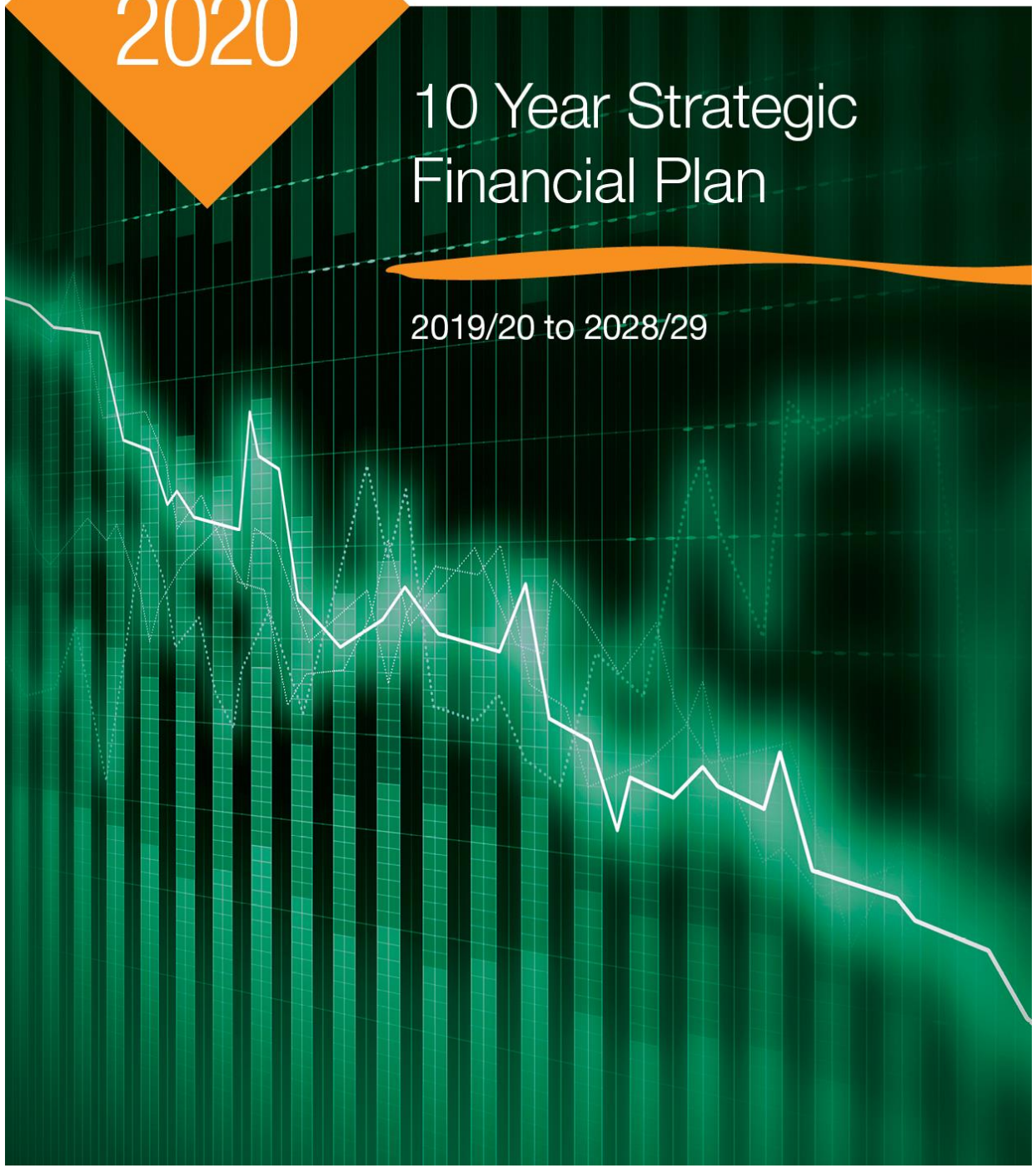


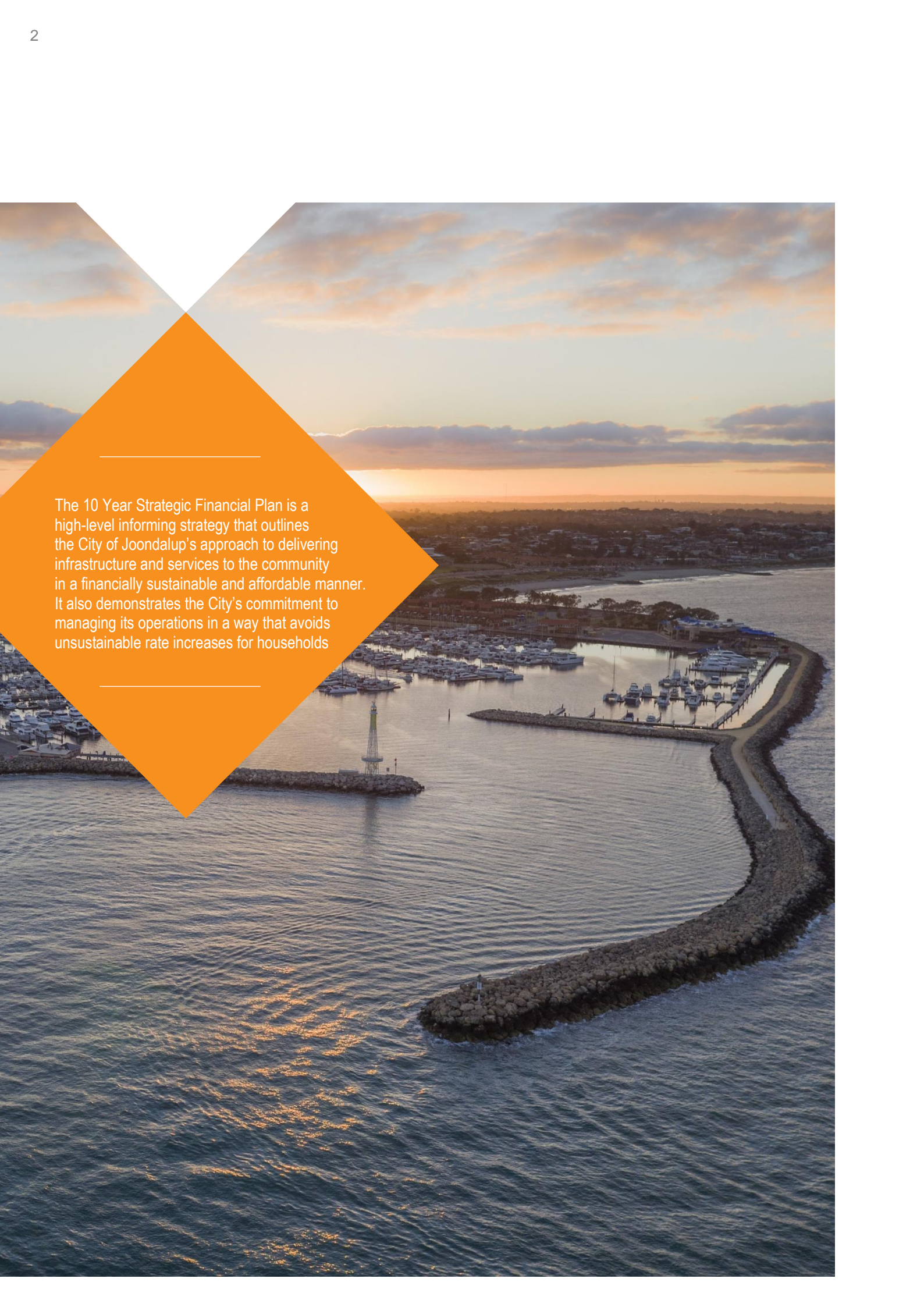
UPDATED JUNE

2020

# 10 Year Strategic Financial Plan

2019/20 to 2028/29



An aerial photograph of a harbor at sunset. The sky is filled with soft, orange and pink clouds, and the sun is low on the horizon, casting a golden glow over the water. The harbor is filled with numerous boats docked at piers. A long, curved breakwater made of rocks extends from the shore into the water. In the background, a residential area with houses and buildings is visible. A large, semi-transparent orange diamond shape is overlaid on the left side of the image, containing white text. Two thin white horizontal lines are positioned above and below the text block.

The 10 Year Strategic Financial Plan is a high-level informing strategy that outlines the City of Joondalup's approach to delivering infrastructure and services to the community in a financially sustainable and affordable manner. It also demonstrates the City's commitment to managing its operations in a way that avoids unsustainable rate increases for households

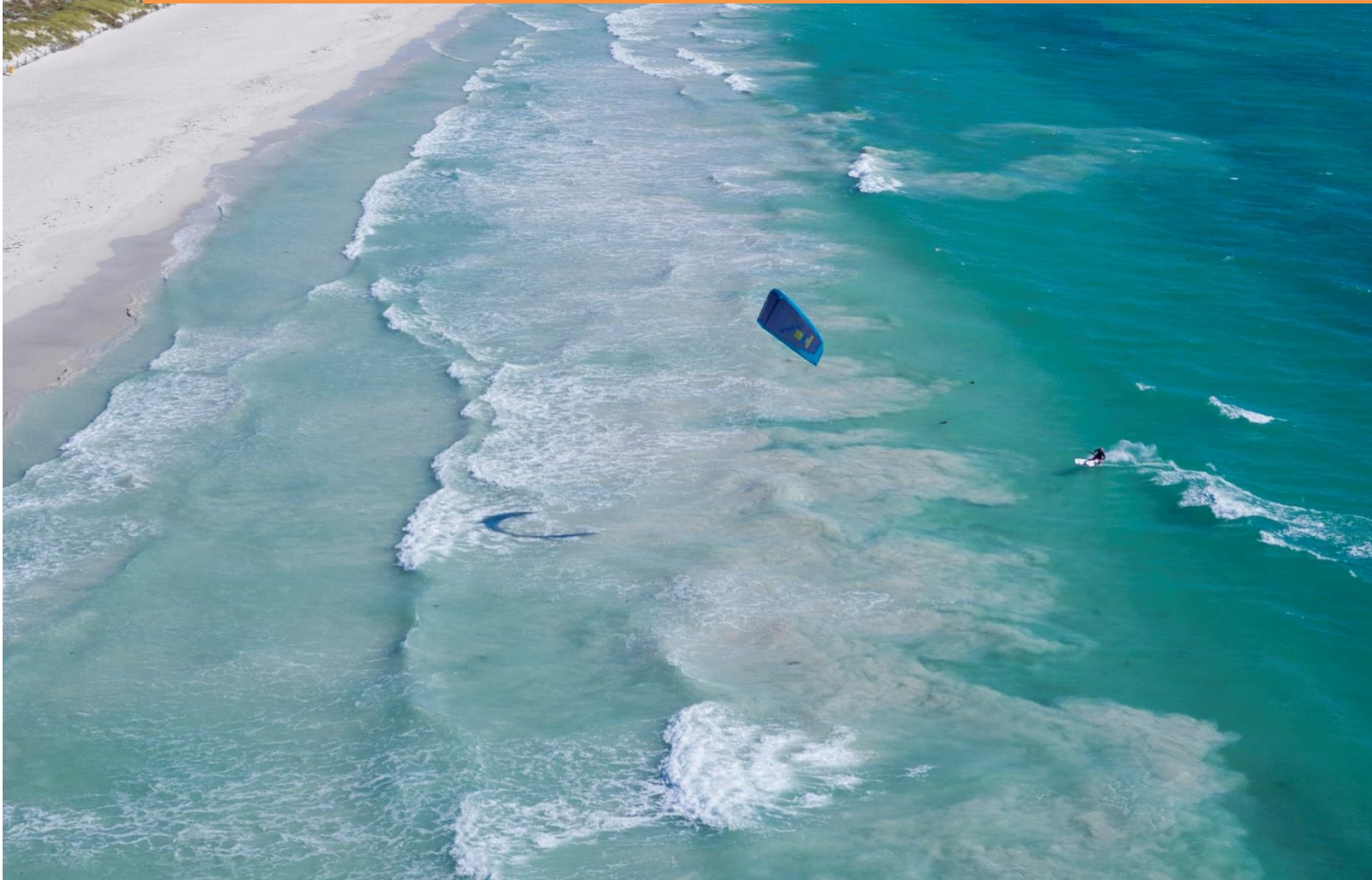


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# 1 Executive Summary

The *10 Year Strategic Financial Plan* is a high-level informing strategy that demonstrates financial competence and long-term financial sustainability. The plan this year is unprecedented, the 2020/21 Budget has provided significant relief for most ratepayers in the City but this has come at a great cost - the steady progression that the City was making over the past few years to achieve a balanced operating budget has now been nullified in a short space of time. The City has demonstrated great agility in managing the economic and financial issues, but it now has a \$9.2m operating deficit it must address. This plan continues to demonstrate long-term financial sustainability and provides examples of how the City could make gradual improvements to eventually getting back to a balanced operating position within 5 years.



In 2020 the City (and the world) has experienced unprecedented economic and financial turmoil caused by the pandemic resulting in widespread business shutdowns and large unemployment /underemployment. The full economic impacts are still largely unknown due to the ongoing pandemic and the temporary government stimulus. Meanwhile the City has also been faced with implementing the tri-annual revaluations which have resulted in an overall reduction of 12% in residential valuations and an expectation that rates charges should be reduced.

### How the City has Responded:

#### Rates Income 2020/21

The City has reduced its rate income in 2020/21 by \$5.9m compared to 2019/20.

#### Residential ratepayers

95% of homeowners will pay less or the same as they did in 2019/20.

#### Rates discount

\$0.5m one-off rebates to commercial, industrial and vacant land owners.

#### Reserves

The City immediately acted and in April 2020 cancelled the transfer of cash into reserves at June 2020, this has freed up cash for the 2020/21 budget

#### Fees & Charges

Prices for 2020/21 frozen

#### Capital expenditure

\$6.3m of additional capital projects have been brought forward into 2020/21 to help with economic activity, estimated output of jobs is 51 additional jobs.

#### Cash surplus 2020/21

A healthy cash surplus in 2020/21 which may be required if there is further economic turmoil.

#### Employees

No existing contracted employees have been stood down, however recruitment into existing vacancies has been frozen. Casual employees at buildings that were forced into closure had to be stood down but will be brought back where possible.

#### Enterprise Agreement

The majority of the City's workforce (Inside Agreement) have voted to defer a 2% pay increase from July 2020 to July 2021, this recognises the value of job security and demonstrates a commitment to the city and its ratepayers.

#### Operating deficit 2020/21

Prior to the pandemic the City was planning for a balanced operating budget in 2020/21 but due to the unique economic circumstances has now planned for a deficit of \$9.2m (6.5% deficit). This is only possible because the City's assets are still relatively young and therefore currently spends less on renewals than depreciation.

The \$9.2m operating deficit is unsustainable in the long-term so the City will need to address this by either applying

**Rates** - increases which make up for the large reduction in 2020/21

**Service reduction** - to reduce employment costs, depreciation, materials / contracts and utilities

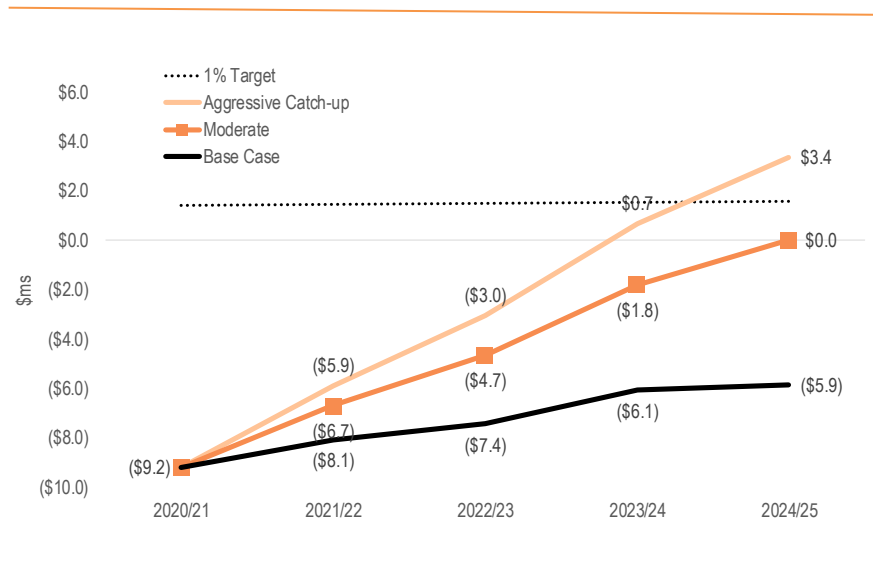
This plan is based on gradual (moderate) improvements so that a balanced operating budget is achieved in 5 years as shown on Chart 1. If the same assumptions as the previous plan were used (base case) then the operating deficit in 2024/25 would still be unsustainable. An aggressive scenario would require rates increases 1.5% more than CPI.

The projected improvements in operating results for the moderate scenario are based on two key

assumptions. Firstly rate increases are 0.85% more than the increase in expenses. Secondly, Materials and Contracts are assumed to increase by 0.5% less than CPI. These assumptions are not fixed, if services were reduced and costs reduced then rate increases could be mitigated – this plan does not speculate on which services could be reduced and is therefore prepared on the basis of existing services continuing.

Chart 1 – Operating Projections 2020/21 to 2024/25

#### OPERATING SURPLUS/(DEFICIT)



# 2 Introduction

## 2.1 Purpose

The *10 Year Strategic Financial Plan* is a high-level informing strategy that outlines the City of Joondalup’s approach to delivering infrastructure and services to the community in a financially sustainable and affordable manner. The City’s financial position is estimated by applying a range of conservative assumptions and estimates.

Due to the uncertain economic conditions the City taken the step this year of just producing a 10 Year Strategic Financial Plan instead of 20 Years, this timeframe will be assessed again next year.

The new plan included in this document covers the years 2019/20 to 2028/29 and is referred to as the *10 Year Strategic Financial Plan*. The Previous Plan covers the years 2018/19 to 2037/38 and was adopted by Council in August 2019.

## 2.2 Integrated Planning /Reporting Framework and Guiding Principles

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

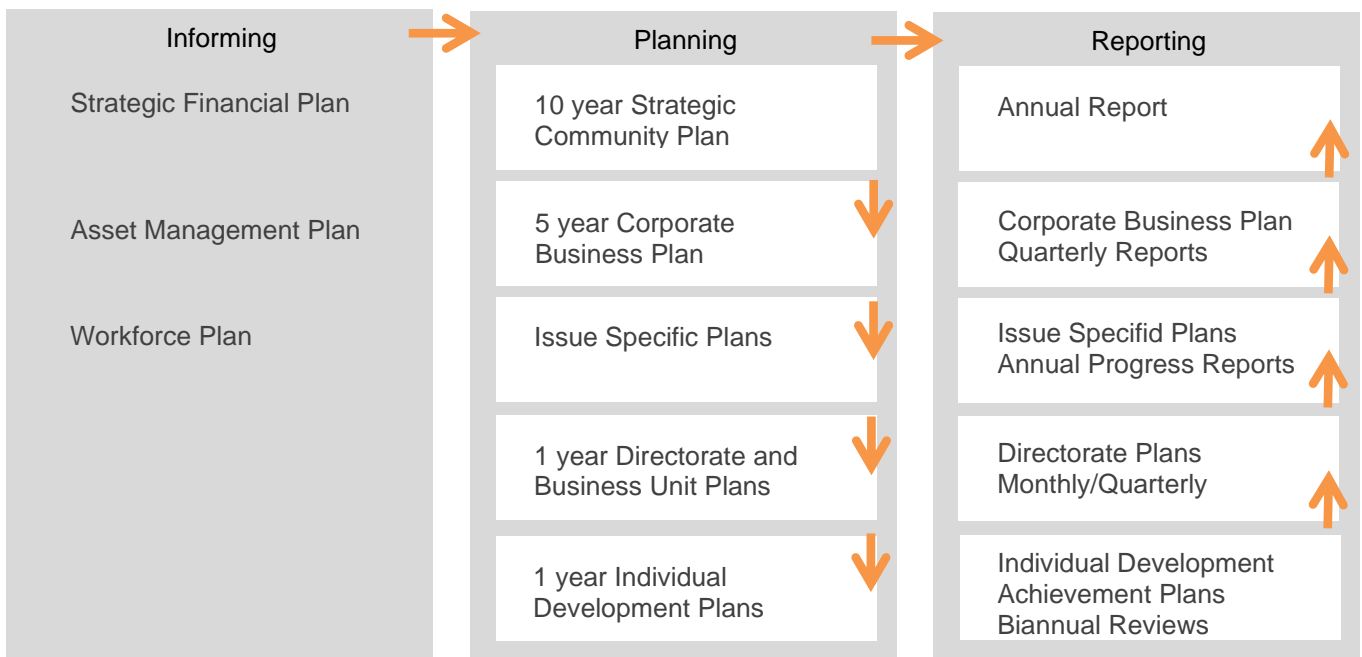
The Advisory Standard has been used by the City to develop its own Guiding Principles which are reviewed annually and shown in Appendix 1. The Guiding Principles include six basic principles and three key ratios used by the City to evaluate the plan.

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

## 2.3 Planning Alignment

The *10 Year Strategic Financial Plan* forms part of the Integrated Planning Framework, as shown on Chart 2. The Budget for 2020/21 forms the baseline for the projections and the update of the *10 Year Strategic Financial Plan* has been synchronised with the annual budget cycle. The Capital Works Program 2020/21 to 2024/25 also forms a key part of the projections.

Chart 2 – Integrated Planning Framework



## 2.4 City Profile and Key Statistics

Table 1 – City of Joondalup Key Statistics

### Joondalup Headline Statistics

Number of businesses  
ABS 2019

**12,857**

**\$6.45  
BILLION**

Headline Gross Regional  
Product (NEIR 2019)

2020 (Forecast ID)

**POPULATION**

**162,111**

DISTANCE FROM  
PERTH CITY CENTRE

**30km**

**369**

Public open  
spaces

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





## 2.5 Services

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

- Waste Management (statutory)
- Building and 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 *10 Year Strategic Financial Plan* has been prepared on the basis of the City continuing to deliver the above-mentioned services to the same level and standard.

## 2.6 Disclaimer

Readers of the *10 Year Strategic Financial Plan* should note that the document is used predominately as a planning tool and is based on many assumptions. Adoption of the *10 Year Strategic Financial Plan* by Council does not constitute a commitment or agreement to any of the projects or proposals that have not already been approved or the financial estimates and projections. The plan will continue to be updated annually.


## 2.7 How The Plan is Prepared and Presented

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

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

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





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

## 3 Economic Indicators

### 3.1 Economic Outlook Short-Term

This section would normally comment on economic forecasts provided by Federal and State budgets, but they have been delayed until October due to the economic crisis. These are unprecedented economic times with the RBA cash rate at its lowest point ever at 0.25%, a massive economic stimulus involving investment and the federal government paying the wages of approximately 3 million workers under its Jobkeeper scheme. Many businesses are not yet back to normal and indeed some may never be able to revert to normal trading conditions whilst most international borders are closed or restricted. Meanwhile the threat of a potential second wave of the virus in Australia is possible which could damage the economy further.

It is therefore difficult to have any clear view of the economy in the next year or two, the key period of evaluation will be in 2021 when the Jobkeeper scheme is supposed to end.

The City has referred to the most recent economic projections by the Western Australian Department of Treasury (pre-covid 19), and then made an adjustment to take account of the current economic situation. Three scenarios are prepared in Table 2 - a best case, worst case and realistic and shown. The projections between the best case and worst case indicates the great uncertainty.

The worst case may materialise if the economy cannot recover quickly or effectively enough and/or if there is a second wave and shutdowns. The best case may materialise if the economy rebounds strongly. The realistic scenario for CPI is based on the premise that there will continue to be reductions in prices of many goods and services in the next couple of years which will depress the overall index, and the depressed economic conditions will also result in higher unemployment and potentially very low wages price index. Each of the scenarios assume that there will be gradual improvements in the medium term consistent with Treasury forecasts.

The realistic scenario has been used as the basis for the critical assumptions explained in section 4.

### 3.2 City of Joondalup Key Indicators – Long Term

The City will see moderate population increases as shown on Table 3 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.





## 4 Operating Projections

### 4.1 How the Operating Projections are Prepared

The most important projections from the *10 Year Strategic Financial Plan* are the operating projections; these provide the best indication of long-term financial sustainability. There are six main elements that make up the operating projections as explained in Chart 3, but Item 1 are the critical assumptions.:

Chart 3 – Key Elements of Operating Projections





## 4.2 Critical Assumptions

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

Chart 4 shows the assumptions assumed to 2024/25. The economic indicators in previous section are used as the starting point, as follows:

### Materials and Contracts

An increase of 0.5% less than Perth CPI.

### Employment costs

The increases in salaries and wages 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. A 0% increase is applied in 2020/21 with a previously agreed pay increase deferred till 2021/22 for most employees. The SFP then assumes from 2022/23 that employment increases will increase in line with Wages Price Index.

### Rates

An increase of 0.85% above expenses is used up to 2024/25. This would result in a total increase of 7% from 2021/22 to 2024/25 an average of 1.75%.

The increases to Rates are higher than expenses so that income can grow more than expenses and help the City address the operating deficit. Likewise an assumption for Materials and Contracts to be lower than Perth CPI also helps slow down increases in expenses whilst income grows.

It is vital to emphasise that it is not the absolute number for each

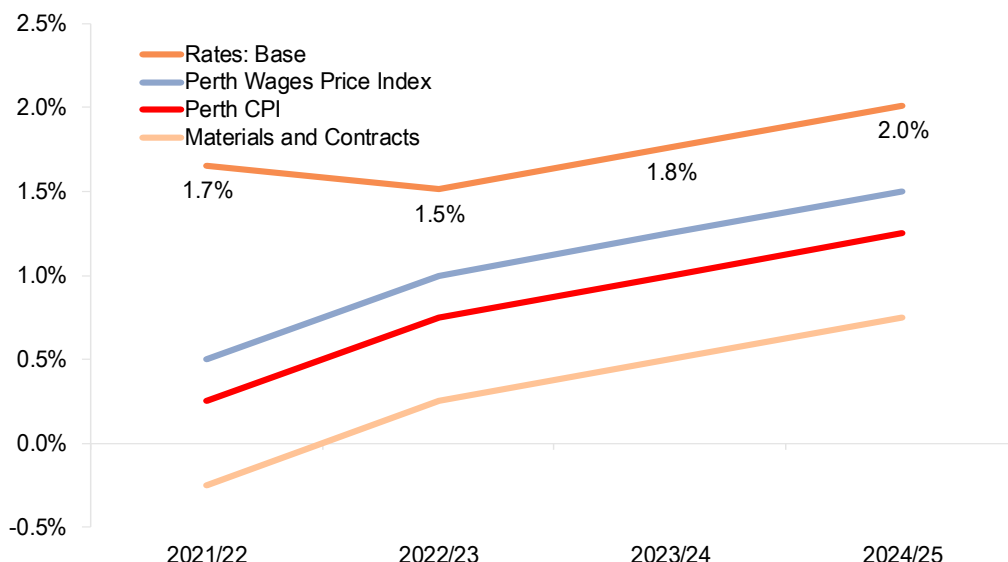
assumption that is critical to the financial projections but the difference between the assumptions i.e. rates increasing by more than expenses. These assumptions are applied to the existing base income and expenses and assume no change in services. If the City reduced/removed some services and reduced its costs permanently then this would alleviate the need to apply rates increases that are higher than increases in expenses or higher than CPI.

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

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

Chart 4 – Critical Assumptions

### % INCREASES TO BASE OPERATING INCOME AND EXPENSES



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

### 4.3 Operating Projections

Chart 5 summarises the operating projections up to 2024/25 and indicates that there will be a balanced operating budget in 2019/20 (zero) to a deficit in 2020/21 of (\$9.2m). The projections then indicate steady improvements over the next few years with a balanced operating budget in five years. The improvement of \$9.2m is predicated mostly on critical assumptions as explained in previous paragraph but it will not be straightforward to achieve this improvement.

year. The economic turmoil that has resulted in the large reduction in rates revenue and a 6.5% deficit in 2020/21 has resulted in a further review of the targets. A 2% operating surplus target is now deemed too high and would result in unnecessary surplus cash, so the *10 Year Strategic Financial Plan* is now proposing to alter the guiding principles (Appendix A) and proposes that the City should strive for a balanced operating budget (zero) or no more than a 1% surplus.

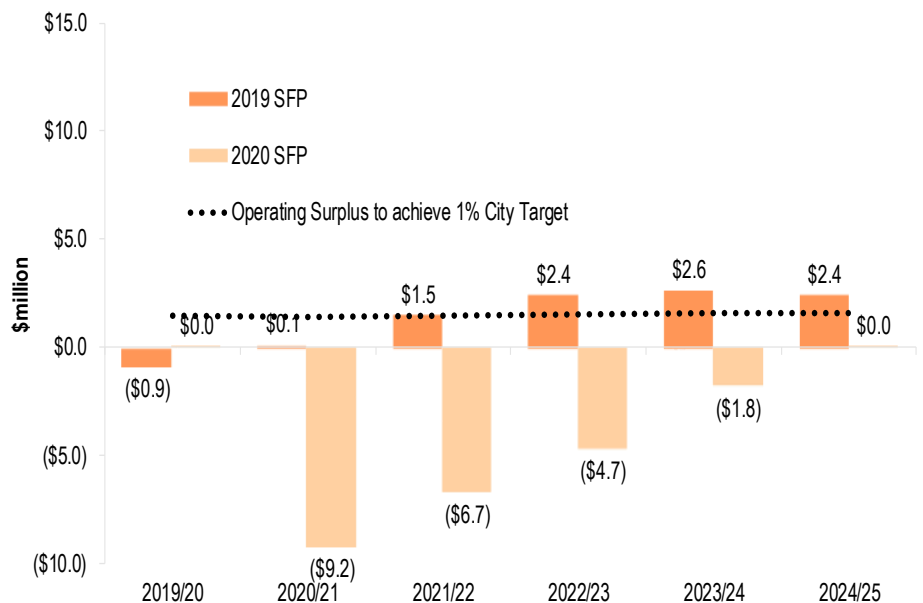
Chart 5 also shows the projections in the previous plan, these indicated moderate operating surpluses which would have achieved over a 1% surplus by 2024/25.

If the City can get to break-even or thereabouts in 2024/25 it will then be in the same position thereafter that it was primed to be in before the recent issues – it would be able to apply rate increases from 2025/26 that are lower than increases in expenses.

A 2% target was established in 2019 and included in the guiding principles that were adopted last

Chart 5 – Operating Projections 2018-19 to 2024/25

#### OPERATING SURPLUS/(DEFICIT)



## 4.4 Analysis of Operating Results

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

### One-Offs

There are \$2.6m of impacts in 2020/21 that will not be repeated in future years.

**Rates Growth (Commercial and Residential)** – by 2024/25 it is estimated that there will be \$2.1m additional income from new dwellings and new commercial. The assumptions have been built up with reference to known planning applications and local housing strategy.

**Projects**, a net impact of (\$0.0m) by 2024/25. The Craigie Leisure Centre Refurbishment Phase 1 project will provide a benefit of \$1.4m but this will be offset with other new expenditure most notably new depreciation and expenses caused by the Capital Works Program.

**Investment Earnings** – by 2024/25 it is estimated that the City may earn \$2.3m which is \$1.2m more than in 2020/21. This is mainly caused by higher reserves.

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

**Other** (\$0.8m) negative impact – this is the proposed 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 (\$0.8m).

### Critical Assumptions

These were explained earlier and relate to the % increases assumed for base income and expenses. The assumptions

provide a net benefit of \$3.8m comprising of \$10.2m additional income offset with (\$6.4m) additional expenses.

The sum of lines 1 to 6 is \$5.4m and these items indicate that there will be some improvements in operating results that will materialise anyway. Line 7 is the gap to be addressed with the Critical Assumptions, an improvement of \$3.8m required.

As mentioned already the assumptions for growing rates income more than expenses are just planning assumptions, there are a range of other tools the City can apply to achieve the same outcome i.e. reduce services. For example if existing services were reduced and expenses reduced by \$3.8m then income would only need to grow by \$6.4m to keep pace with increases in prices. So the \$10.2m increase in income and (\$6.4m) increase in expenses need to be viewed interchangeably

Table 4 – Changes in Operating Results

Improvements in Operating Results	20/21 \$ms	24/25 \$ms	Difference \$ms
1 One-off items in 2020/21 budget adjusted to future years		2.6	2.6
2 Rates Growth (Commercial & Residential)	0.3	2.3	2.1
3 Projects - additional operating expenses, depreciation and income		(0.0)	(0.0)
4 Investment Earnings	1.1	2.4	1.3
5 Interest on Borrowings	(0.4)	(0.2)	0.2
6 Other		(0.8)	(0.8)
7 Critical Assumptions			
- Rates Income & Fees/Charges	146.2	156.4	10.2
- Expenses (Employment Expenses, Materials/Contracts, Utilities, Depreciation)	(156.3)	(162.7)	(6.4)
<b>Operating Surplus / (Deficit)</b>	<b>(9.2)</b>	<b>0.0</b>	<b>9.2</b>



## 4.5 Summary of Operating Results

The City has deliberately planned for a large operating deficit of (\$9.2m) in 2020/21 in response to the pandemic and revaluation, mostly caused by a \$5.9m reduction in rates revenue. The large operating deficit is possible because of the strong cash position and that the City's assets are still relatively young which means less spent on renewals compared to depreciation.

However, the large operating deficit is unsustainable, so the City needs to be prepared for hard choices to remedy the situation. The previous section indicated the key movements that could allow the City to achieve this, most notably a net \$3.8m improvement in base income or expenses whether that be achieved with rate increases higher than rise in expenses or reduction of services.

Although reduction in services may appear to provide opportunities to address the gap, the City will be continuing to recognise the important role it plays in the community and local economy so a measured approach will be applied.

From 2025/26 onwards the City can achieve its' target of an operating surplus ratio of between 0% and 1% as long as it can make the gradual improvements to 2024/25. From 2025/26 onwards the City may be able to apply very low rate increases compared to increases in costs.



## 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 2020/21 to 2024/25 has been used in the development of the *10 Year Strategic Financial Plan*. Estimates for the outer years (from 2025/26 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 – 15 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. Table 5 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 and models, which have been incorporated into the *10 Year Strategic Financial Plan*. The City is an asset-intensive business and the substance of the *Asset Management* plans and renewal projections is crucial to provide substance to the *10 Year Strategic Financial Plan*.

Table 5 Asset Values

Asset Values 30th June 2019	Asset Values		% of Total (CRC)
	Current Replacement Cost	Written Down Value	
	\$ms	\$ms	%
1 Buildings	352.8	212.5	17%
2 Parks	175.6	137.2	8%
3 Drainage	406.6	265.3	19%
4 Transport, excl Roads	188.5	122.0	9%
5 Roads	693.9	361.8	33%
6 Lighting	43.3	19.7	2%
7 Freehold Land	190.4	190.4	9%
8 Fleet, Equipment, Other	36.2	22.6	2%
9 Work in Progress	26.1	26.1	1%
<b>Total Asset Values</b>	<b>2,113.4</b>	<b>1,357.6</b>	<b>100%</b>





### 5.3 Capital Expenditure by Cause

Chart 6 summarises the capital expenditure estimates by cause. The majority of the expenditure is estimated to be for Upgrades and New infrastructure, this is far from ideal because this causes new depreciation and new operating

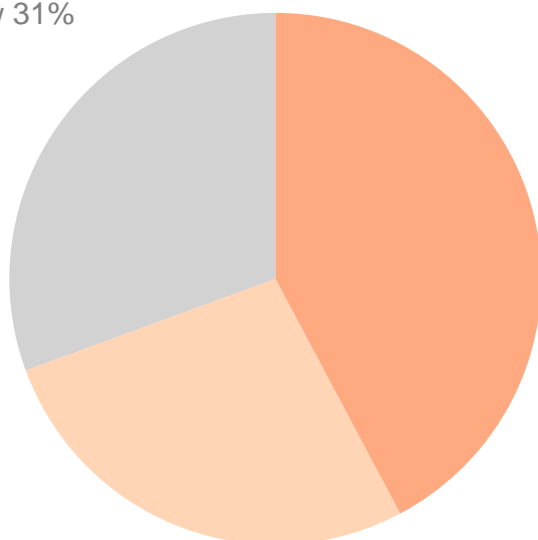
expenses. There are some projects which will provide an operating surplus, but these are the minority, most of the new and upgrade projects will have a negative impact on operating results – the challenge for the

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

#### CAPITAL EXPENDITURE BY CAUSE

- Renewal 42%
- Upgrade 27%
- New 31%



## 5.4 Phasing of Capital Expenditure

Chart 7 shows the estimated phasing of capital expenditure (in today's dollars). There are large peaks in new expenditure in 2026/27 and 2027/28 caused by the Joondalup Performing Arts and Cultural Facility. 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 2025/26 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 set up an Asset Renewal Reserve to fund higher renewals.

## 5.5 Major Projects – Source of Funding

The *10 Year Strategic Financial Plan* includes 15 major projects. Some of the values are based on detailed scoping or business cases, but other projects are based on high level estimates and will be subject to further review.

Table 6 summarises the capital expenditure and estimated funding for each project, this may

be achieved from either municipal funds, reserves or borrowings (which is normally the last resort).

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

Chart 7 – Phasing of Capital Expenditure

### CAPITAL EXPENDITURE BY CAUSE \$M

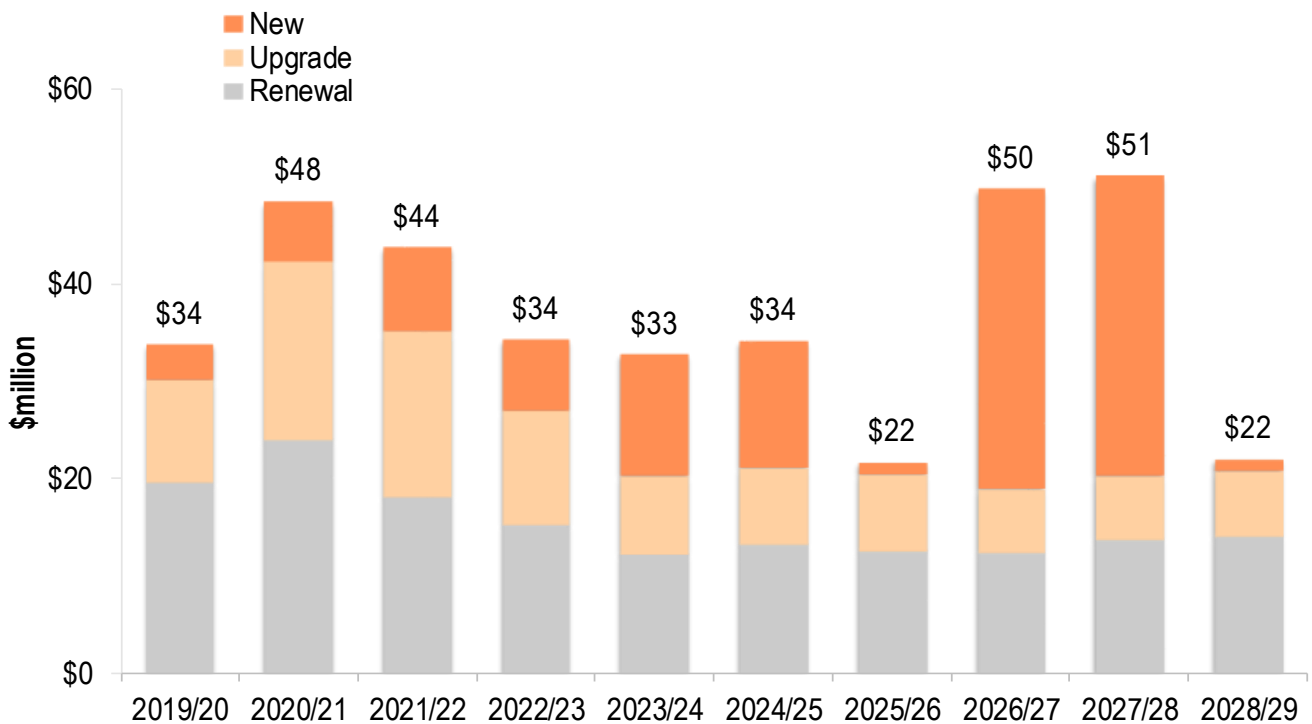


Table 6 – Major Project Funding

Major Projects & Funding 10 Year summary, including inflation \$ms	Capital Expend \$ms	Funding					
		Grants	Disposal Proceeds	Municipal	Reserves	Loans	Total
		\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
1 Joondalup City Centre Development - Boas Place	(0.1)			0.1			0.1
2 Cafes / Kiosks / Restaurants - Pinnaroo Point	(0.8)			0.2	0.6		0.8
3 Joondalup Mens Shed / WOC Extension	(1.2)			1.2			1.2
4 Percy Doyle - Refurbishment Works	(2.6)			1.7	0.9		2.6
5 Warwick Sports Centre	(1.1)			1.1			1.1
6 Cafes / Kiosks / Restaurants - Burns Beach	(4.1)			0.3	3.8		4.1
7 Joondalup Administration Building - refurbishment	(4.1)			1.0	3.1		4.1
8 Warwick Community Facilities	(4.3)		4.3	(1.0)	1.0		4.3
9 Craigie LC Refurbishment Phase 1	(8.5)			0.1	8.4		8.5
10 Chichester Park Redevelopment	(4.2)	0.4			3.8		4.2
11 Edgewater Quarry Masterplan	(11.9)				11.9		11.9
12 Ocean Reef Marina	(0.7)			0.7			0.7
13 Multi Storey Car Park (2)	(17.3)				8.3	9.0	17.3
14 Craigie LC Refurbishment Phase 2							
15 Joondalup Performing Arts and Cultural Facility	(59.1)	29.0			30.1		59.1
<b>Total Major Projects</b>	<b>(120.0)</b>	<b>29.4</b>	<b>4.3</b>	<b>5.4</b>	<b>72.0</b>	<b>9.0</b>	<b>120.0</b>

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

## 5.6 Major Projects – Operating Impacts

Table 7 lists the estimated annual operating impacts 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 7) will provide an operating surplus and include projects where operating impacts have not yet been fully scoped
- The middle section (Projects 8 to 14) may break-even or have minimal impact (<\$0.1m)
- The bottom ranked projects (Project 15) 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.

## 5.7 Summary by Asset Class

The overall estimates have been grouped by Asset Class and are summarised in Chart 8. This shows that over half of estimated capital expenditure is for Buildings and Roads. The proposed expenditure for buildings of 37% is more than double the current share of asset value of 17% because a large part of new major projects is buildings.

Chart 8 – Capital Expenditure by Asset Class

### CAPITAL EXPENDITURE BY ASSET CLASS

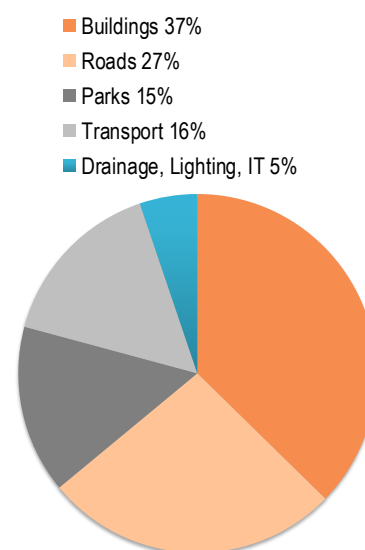


Table 7 – Major Projects Operating Impacts And Parking

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	(\$8.5)	R/U	2022/23	\$1.0	Yes	1
2 Craigie LC Refurbishment Phase 2		R	2027/28	tbc	Yes	2
3 Joondalup City Centre Development - Boas Place	(\$0.1)	N	2020/21	tbc	Yes	3
4 Ocean Reef Marina	(\$0.7)	N	2024/25	tbc	Yes	4
5 Cafes / Kiosks / Restaurants - Pinnaroo Point	(\$0.8)	N	2020/21	tbc	No	5
6 Cafes / Kiosks / Restaurants - Burns Beach	(\$4.1)	N	2021/22	tbc	No	6
7 Warwick Community Facilities	(\$4.3)	U	2021/22	tbc	Yes	7
8 Joondalup Administration Building - refurbishment	(\$4.1)	U	2021/22	tbc	tbc	8
9 Percy Doyle - Refurbishment Works	(\$2.6)	R	2020/21	\$0.0	tbc	9
10 Joondalup Mens Shed / WOC Extension	(\$1.2)	N	2020/21	(\$0.0)	No	10
11 Warwick Sports Centre	(\$1.1)	U	2021/22	(\$0.0)	tbc	11
12 Chichester Park Redevelopment	(\$4.2)	U	2022/23	(\$0.1)	Yes	12
13 Multi Storey Car Park (2)	(\$17.3)	N	2024/25	(\$0.1)	No	13
14 Edgewater Quarry Masterplan	(\$11.9)	N	2023/24	(\$0.1)	No	14
15 Joondalup Performing Arts and Cultural Facility	(\$59.1)	N	2027/28	(\$1.3)	No	15
<b>TOTAL</b>	<b>(\$120.0)</b>			<b>(\$1.6)</b>		

#1 Capex and Operating Impacts include escalation

#2 Year is the final year of capex

#3 Operating Impacts include interest and depreciation

#4 Rank is based on Operating Surplus/(Deficit) and write-off

## 6 Source and Application of Funds

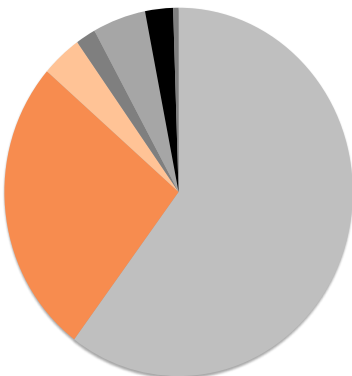
### 6.1 Source of Funds

Chart 9 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

#### SOURCE OF FUNDS %

- Rates 60%
- Fees & Charges 26%
- Operating Grants 4%
- Investment Earnings 2%
- Capital Grants 5%
- Proceeds from Sale of Assets 3%
- Borrowings 0%



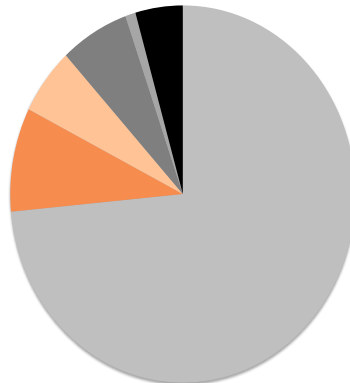
### 6.2 Application of Funds

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

Chart 10 – Application of Funds

#### APPLICATION OF FUNDS %

- Operations and Maintenance 74%
- Capital Expenditure: Renewal 9%
- Capital Expenditure: Upgrade 6%
- Capital Expenditure: New 6%
- Debt Service Costs 1%
- Reserves Net Transfer 4%



### 6.3 Grants

The City strives to maximise the amount of external funding to support capital projects, for example an annual application is made to the Community Sporting and Recreation Facility Fund. The plan assumes \$90m of Capital Grant revenue, comprising of \$59m from the Capital Works Program (Black Spot Programs, Major Road Construction, New Paths and Road Resurfacing/Preservation), \$29m for Joondalup Performing Arts and Cultural Facility and \$1m 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.

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

## 6.4 Proceeds from Sale of Assets

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

- Fleet - sale of motor vehicles due to replacement.
- Tamala Park further proceeds from sale of Tamala Park land, which the City owns one sixth of. The table below indicates \$24.0m more proceeds up to 2028/29, there would be a further \$20m received by 2033/34.
- 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.

Table 8 summarises the proceeds from sale of assets.

Table 8 – Proceeds from Sale of Assets

Proceeds from Sale of Assets	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Fleet	0.3	0.4	1.0	0.2	0.3	0.5	0.2	0.1	0.3	0.2	3.6
Edgewater Quarry Masterplan							5.2	5.2			10.4
Warwick Community Facilities			4.3								4.3
Tamala Park		0.5	1.3		1.7	2.2	4.7	4.3	4.7	4.7	24.0
Asset Rationalisation	2.8	1.4									4.2
<b>Total</b>	<b>3.1</b>	<b>2.4</b>	<b>6.6</b>	<b>0.2</b>	<b>2.0</b>	<b>2.6</b>	<b>10.1</b>	<b>9.7</b>	<b>5.0</b>	<b>4.9</b>	<b>46.5</b>



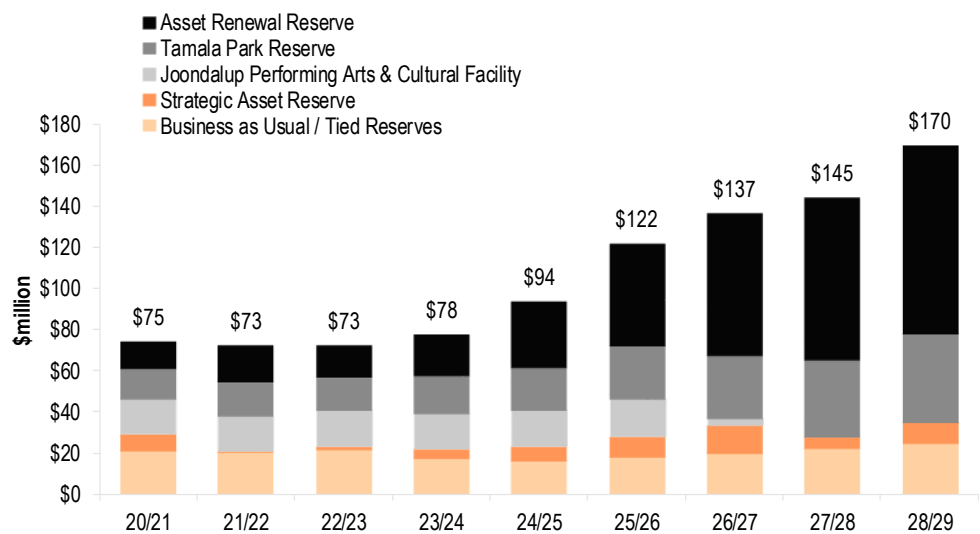
## 6.5 Reserves

Supporting Schedule 4 provides a break down for each of the individual reserves. Chart 11 summarises the projected balances in reserves, grouped into five overall categories.

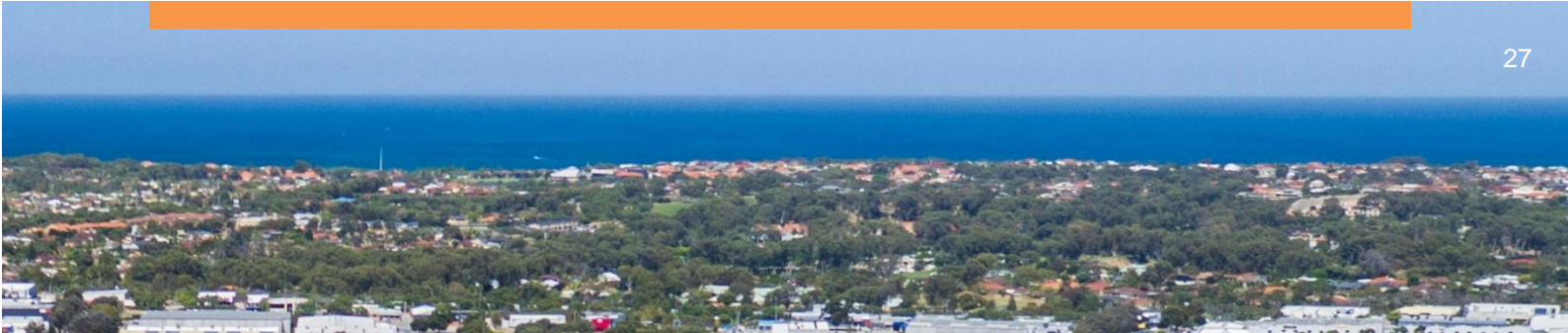
- Asset Renewal Reserve – this reserve was created in 2019. At present the City’s infrastructure is relatively young and renewal expenditure (\$160m) is a lot less than depreciation expense (\$331m). In the longer term as assets get older and reach the end of their economic life, this will be reversed, 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 *10 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 10 Year Strategic Financial Plan, but as a minimum for income producing purposes. The *10 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 as to fund major projects.
- The business as usual tied reserves include Parking Facility Reserve and Waste Management Reserve. The Parking Facility Reserve will be used to partially fund the second Multi Storey Car Park. The Waste Management Reserve has built up a balance of \$11m over the past few years due to operational efficiencies whilst refuse charge to households has been frozen at \$346 since 2015/16 – this reserve may be required in future for further changes to waste services and/or new facilities.

Chart 11 – Reserve Projections

### RESERVE BALANCES







## 6.6 Borrowings and Debt Management

Borrowings are proposed in the 10 Year Strategic Financial Plan when there are no available reserves or surplus municipal funds. For most capital expenditure there are sufficient municipal funds and reserves to fund projects, and the only project where borrowings may be required is the second Multi Storey Car Park.

The 10 Year Strategic Financial Plan estimates just \$9.0m of borrowings for the second Multi Storey Car Park as shown on Table 9.

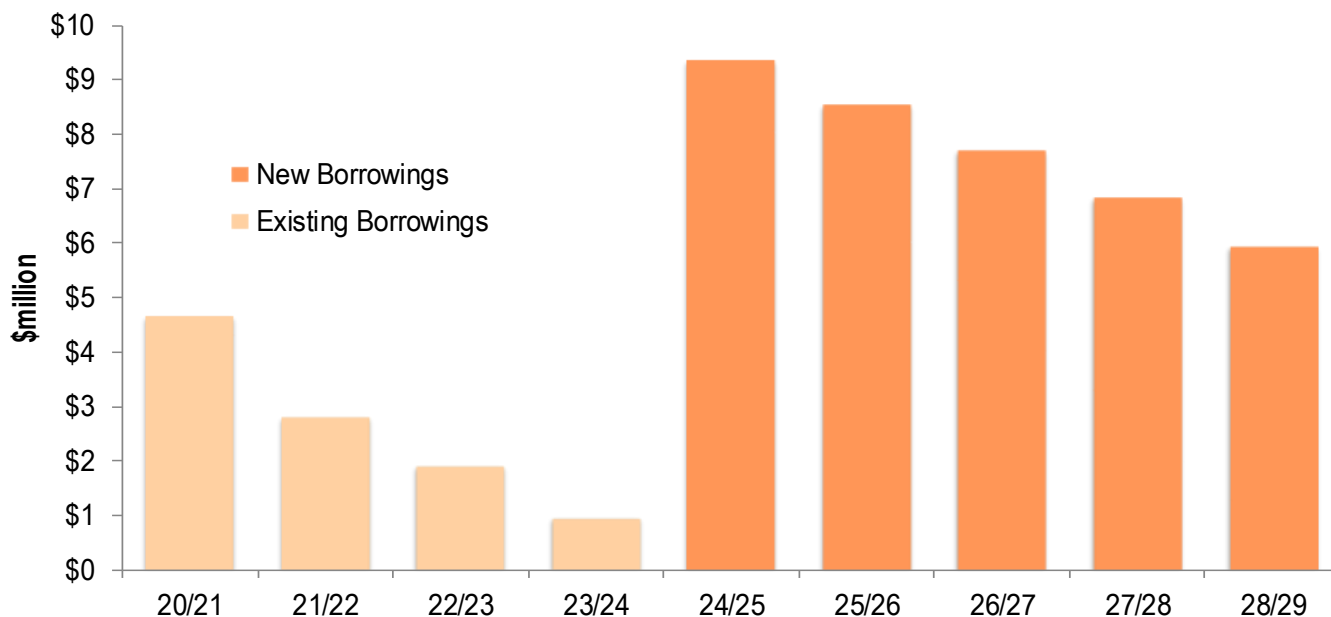
Table 9 shows the estimated timeframe of the borrowings:

Table 9 – New Borrowings						
New Borrowings	19/20	20/21	21/22	22/23	23/24	24/25
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
Multi Storey Car Park (2)						9.0
<b>Total</b>						<b>9.0</b>

Chart 12 summarises the projected amount outstanding each year, this also shows that existing borrowings will be repaid in full within a few years. The chart then shows that the principal outstanding from 2024/24 for the new borrowings listed above.

Chart 12 – Principal Owing

### PRINCIPAL OWING



# 7 Risks, Sensitivity and Scenario Modelling

## 7.1 Key Risks and Opportunities

There are several key risks and opportunities within the plan:

1. Economic conditions, both locally and at state/federal level, risk of a second wave of covid-19 infections and further shutdowns.
2. Rates percentage increases lower than planned
3. Employment cost increases higher than planned
4. Change of service or fee income
5. Major projects – impact on operating results, funding costs (e.g. borrowing), and major projects that are not yet included in the plan.
6. Earnings on cash reserves
7. Renewal of existing assets / expected useful lives

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

## 7.2 Scenario Analysis

Analysis has been completed to evaluate the options for addressing the (\$9.2m) operating deficit. There are three scenarios considered:

- Base Case – this is based on assumptions within the previous SFP. The previous plan was predicated on a balanced operating budget in 2020/21 and was able to assume that rates increases up to 2024/25 could be 0.38% less than expenses.
- Aggressive catch-up is based on rates increases being 1.5% higher than CPI and employment costs 1% less than Wages Price Index
- Moderate scenario has used assumptions that are not necessarily ideal but are required to achieve a balanced operating budget by 2024/25.

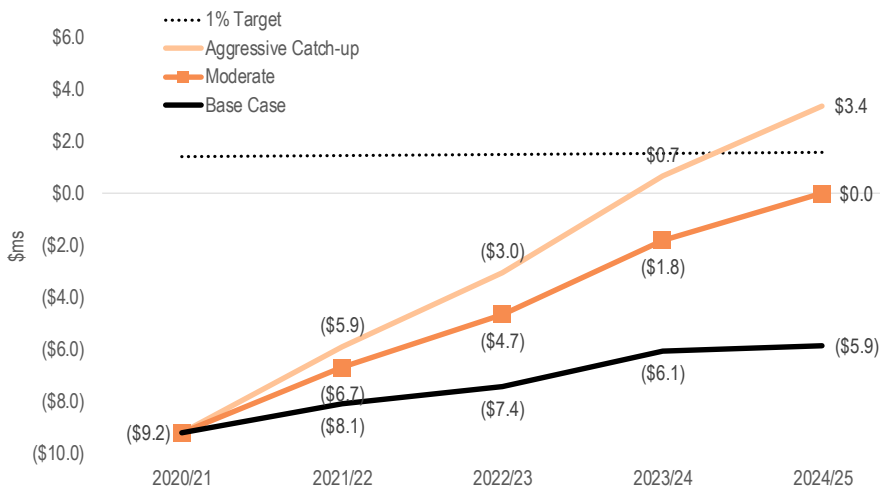
Table 10 – Scenario Assumptions

Scenario Assumptions 2020/21 to 2024/25	Base Case	Aggressive Catch-up	Moderate
	%	%	%
Materials and Contracts versus CPI	-(0.00%)	-(1.00%)	-(0.50%)
Rates Increases versus Expenses	-(0.38%)	+1.50%	+0.85%

Chart 13 summarises the Operating Surplus / (Deficit) projections for each scenario up to 2024/25. This shows that the Base Case would make very little progress and the deficit at 2024/25 would still be unacceptably high. The aggressive scenario would achieve a surplus of \$3.4m which is just about the same as the previously adopted SFP. The moderate scenario just about achieves break-even with steady moderate movements over the next few years.

**Chart 13 – Scenario Comparison**

**SCENARIO COMPARISON**



**7.3 Basis of Adopted 10 Year Strategic Financial Plan**

With reference to Table 10, the assumptions used in the adopted 10 Year Strategic Financial Plan 2019/20 to 2028/29, and relevant for all other schedules in the plan, are based on the Moderate scenario.



# 8 Financial Sustainability

## 8.1 Measuring Sustainability - Key Ratios

The financial sustainability of the City is measured by its ability to be financially viable whilst meeting community expectations. There are three key ratios, so the maximum achievement is 30 ratios within tolerance (10 years x three key ratios). The *10 Year Strategic Financial Plan* is projecting a total of 19 out of 30 as shown on Table 11.

Although it may appear far from ideal to only achieve 19 ratios out of 30, the Asset Sustainability Ratio cannot be expected to be within tolerance due to the young age profile of the City's assets whilst the Operating Surplus Ratio is showing a positive upwards trend.

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

### Key Indicators Definition

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

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

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

Table 11 – Key Ratios

Key Ratios	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29
Operating Surplus Ratio	0.0%	(6.5%)	(4.6%)	(3.1%)	(1.2%)	0.0%	0.5%	1.0%	0.1%	1.1%
Asset Sustainability	62.4%	96.5%	68.9%	39.1%	51.8%	74.5%	88.0%	90.4%	69.2%	71.4%
Debt Service Coverage Ratio	8.5	8.3	12.2	24.5	27.5	29.8	28.6	30.3	30.4	33.3

## 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 a large operating deficit in 2020/21 which has been necessary due to the economic conditions. There are steady improvements planned thereafter and from 2024/25 a positive ratio should be achieved.

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

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



### 8.3 Strengths and Weaknesses of Plan

The *10 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. Table 12 provides a critique of some of the key elements and lists improvement actions, some of which are ongoing.

### 8.4 Conclusion

Whilst the City has demonstrated flexibility under extremely trying times, it needs to remain agile. There is no vaccine yet, international borders remain mostly closed and the short/medium/long term impacts on jobs and economy are unknown. The City will continue to monitor the financial situation closely whilst providing services expected by the community.

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

The key outcome of the 10 Year Strategic Financial Plan is the improvement in operating results of \$5.2m that will need to be made by either increasing base income by more than base expenses or reducing services and saving \$5.2m in expenses.

Table 12 – Strengths and Weaknesses of Plan

Issue	Current Status	Improvement Actions Implemented or Potential
1 Operating	Large Operating Deficit of (\$9.2m) in 2020/21	1) Increasing base income more than expenses in next 4 years; AND/OR 2) Reduce services to reduce expenses; AND/OR 3) Reduce amount of Upgrade and New Capital Expenditure
2 Depreciation	Value was volatile several years ago but has now settled down.	
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	Asset Renewal Reserve has been identified and now set up



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

- Aligned to the Budget 2020/21
- Scenarios to address the operating deficit
- Development of alternative revenue streams
- Renewal of existing infrastructure
- Provision of new services
- Maintaining a fair and equitable rating structure
- Affordable service charges

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



# Appendices

## Appendix 1

### ***Strategic Financial Plan – Guiding Principles 2020***

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

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

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

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

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

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



## Basic Principles

### **Sustainability:**

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

### **Transparency:**

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

### **Prudence:**

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

### **Consistency:**

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

### **Performance and Accountability:**

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

### **Flexible Long Term Approach:**

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

### **Service Levels and Asset Management:**

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

## Key Elements/ Assumptions:

### Targets/Ratios

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

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

### Asset Management and Asset Sustainability Ratio

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

### Treasury Management and Debt Service Coverage Ratio

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

## Operating Results and Operating Surplus Ratio

- The operating results are 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 its desired target for Operating Surplus Ratio
- The SFP will ideally aim to achieve an Operating Surplus Ratio of 1% or as a minimum a balanced operating budget (0%). This may vary in some years due to volatility of any of the key assumptions above.

## New Expenditure

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

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

## Process

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

Financial Statement 1 - Operating Income and Expenses Estimates												
		19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	Total
	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
<b>Operating Revenues</b>												
Rates: Base	1	104.7	98.5	100.4	101.9	103.7	105.8	106.4	106.6	107.0	107.3	<b>1,042.4</b>
Rates: Growth	2	0.0	0.3	1.1	1.9	2.5	3.1	5.4	7.3	8.2	8.6	<b>38.2</b>
Fees and Charges / Other: Base	3	38.5	40.6	41.9	42.4	43.0	43.5	44.2	44.7	45.6	46.7	<b>430.9</b>
Fees and Charges / Other: Growth	4	0.0	0.0	1.4	2.7	3.6	4.4	5.1	5.5	6.2	9.0	<b>38.0</b>
Operating Grants and Subsidies, Contributions and Reimbursements	5	4.4	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.1	<b>67.3</b>
Investment Earnings	6	3.2	1.1	1.0	1.2	1.7	2.4	3.4	4.6	5.6	9.2	<b>33.3</b>
Profit on Disposal	7	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	<b>1.3</b>
<b>Total Operating Revenue</b>	<b>8</b>	<b>151.2</b>	<b>147.5</b>	<b>152.8</b>	<b>157.2</b>	<b>161.5</b>	<b>166.3</b>	<b>171.5</b>	<b>175.9</b>	<b>179.8</b>	<b>187.8</b>	<b>1,651.5</b>
<b>Operating Expenses</b>												
Employment Costs: Base	9	(61.7)	(64.1)	(65.1)	(65.8)	(66.6)	(67.6)	(69.1)	(70.6)	(72.4)	(74.2)	<b>(677.2)</b>
Employment Costs: Growth	10	0.0	0.0	(1.2)	(1.6)	(1.9)	(2.4)	(2.8)	(2.8)	(3.3)	(4.7)	<b>(20.7)</b>
Materials and Contracts: Base	11	(48.8)	(52.1)	(52.9)	(53.2)	(53.5)	(54.0)	(54.8)	(55.6)	(56.7)	(57.8)	<b>(539.3)</b>
Materials and Contracts: Growth	12	0.0	0.0	0.5	0.2	0.8	0.5	0.3	0.3	(0.3)	(0.5)	<b>1.5</b>
Utilities	13	(6.0)	(6.1)	(6.1)	(6.3)	(6.6)	(6.8)	(7.1)	(7.4)	(7.8)	(8.2)	<b>(68.5)</b>
Interest on Borrowings: Existing	14	(0.5)	(0.4)	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	<b>(2.5)</b>
Interest on Borrowings: New	15	0.0	0.0	0.0	0.0	0.0	0.0	(0.3)	(0.3)	(0.3)	(0.2)	<b>(1.1)</b>
Insurance Expenses	16	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.5)	(1.5)	(1.5)	(1.6)	<b>(14.7)</b>
Depreciation: Existing	17	(32.2)	(32.3)	(32.2)	(32.3)	(32.5)	(32.7)	(33.3)	(33.9)	(34.5)	(35.2)	<b>(331.2)</b>
Depreciation: New	18	0.0	0.0	(0.4)	(0.8)	(1.1)	(1.4)	(1.7)	(1.8)	(2.4)	(2.9)	<b>(12.5)</b>
Loss on Disposal	19	(0.6)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	<b>(3.1)</b>
<b>Total Operating Expenses</b>	<b>20</b>	<b>(151.2)</b>	<b>(156.7)</b>	<b>(159.5)</b>	<b>(161.8)</b>	<b>(163.3)</b>	<b>(166.3)</b>	<b>(170.7)</b>	<b>(174.2)</b>	<b>(179.6)</b>	<b>(185.9)</b>	<b>(1,669.1)</b>
<b>Net Operating Surplus (Deficit)</b>	<b>21</b>	<b>0.0</b>	<b>(9.2)</b>	<b>(6.7)</b>	<b>(4.7)</b>	<b>(1.8)</b>	<b>0.0</b>	<b>0.8</b>	<b>1.7</b>	<b>0.2</b>	<b>1.9</b>	<b>(17.6)</b>

Line	Operating Revenues
1	<p><b>Rates: Base</b></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 2020/21 budget. The increases applied are to address the operating deficit and to then maintain a moderate operating surplus.</p>
2	<p><b>Rates: Growth</b></p> <p>Increase in rates as a result of volume growth i.e. new assessments for new dwellings or commercial growth. The assumptions are prepared in conjunction with Planning Services based on the most up-to-date assumptions at the time the plan is prepared. May also include one-off adjustments within the budget that need to be added back to future years.</p>
3	<p><b>Fees and Charges / Other: Base</b></p> <p>There are 13 sets of Fees and Charges, each of which has been reviewed separately, these includes charges for recreation, Leisure Centre charges, planning and building fees, car parking fees, fines and penalties, dog/cat registration income, property hire and inspection fees. The projections are based on 2020/21 budget, with a % increase assumed each year; see Supporting Schedule 1 for more details of the increases. Some of the fees may increase each year but other fees (e.g. dog/cat registration income) are based on separate modelling/assumptions and can be volatile. May also include one-off adjustments within the budget that need to be added back to future years.</p>
4	<p><b>Fees and Charges / Other: Growth</b></p> <p>Estimated additional income for new services or facilities, including Craigie Leisure Centre Upgrades, Joondalup Performing Arts and Culture Facility, Edgewater Quarry and second Multi Storey Car Park.</p>
5	<p><b>Operating Grants and Subsidies, Contributions and Reimbursements</b></p> <p>Includes all normally expected operating grants such as grants commission but excludes capital grants..</p>
6	<p><b>Investment Earnings</b></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><b>Profit on Disposal</b></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><b>Total Operating Revenue</b></p> <p>Sum of lines 1 to 7, this is the overall operational revenue earned by the City.</p>
9	<p><b>Employment Costs: Base</b></p> <p>All expenditure associated with the employment of staff. Largest item is salaries and wages but also includes superannuation, recruitment costs, advertising, uniforms and training. The increases in the short-term will be based on increases already agreed with the workforce within Enterprise Agreements. The increases thereafter are intended to set a target for future increases and/or in line with projected increases in the Perth Wages Price Index. May also include one-off adjustments within the budget that need to be added back to future years.</p>

Line	Operating Revenues
10	<p><b>Employment Costs: Growth</b></p> <p>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.</p>
11	<p><b>Materials and Contracts: Base</b></p> <p>Includes expenditure for the purchase of materials, supplies and services. There are 20 separate items each has been reviewed separately with a separate escalation factor, as listed in Supporting Schedule 1.</p>
12	<p><b>Materials and Contracts: Growth</b></p> <p>Estimated additional expenditure for new services or facilities. May also include one-off adjustments within the budget that need to be added back to future years.</p>
13	<p><b>Utilities</b></p> <p>All expenditure for the purchase of water, power and gas. Projections based on 2020/21 budget, also includes additional expenditure for new services or facilities.</p>
14	<p><b>Interest on Borrowings: Existing</b></p> <p>Interest on loan borrowings that are already set up. This line also includes the interest component of operating leases used by the City.</p>
15	<p><b>Interest on Borrowings: New</b></p> <p>Interest on new loan borrowings that are estimated to be set up in future years. The new borrowings are explained in section 6.</p>
16	<p><b>Insurance</b></p> <p>Expenses for insurance of assets and workplace insurance.</p>
17	<p><b>Depreciation: Existing</b></p> <p>Expense of using existing assets over useful life, 2020/21 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.</p>
18	<p><b>Depreciation: New</b></p> <p>New expense that arises from new capital purchases, this is also a non-cash item.</p>
19	<p><b>Loss on Disposal</b></p> <p>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.</p>
20	<p><b>Total Operating Expenses</b></p> <p>Sum of lines 9 to 19. This is the overall expenses necessary for day to day activities.</p>
21	<p><b>Net Operating Surplus (Deficit)</b></p> <p>Total Operating Revenue (line 8) less Total Operating Expenses (line 20).</p>



## Financial Statement 2 - Source and Application of Funds

		19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	Total
	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms

### Source of Funds

Rates	22	104.7	98.8	101.6	103.8	106.2	108.9	111.8	113.9	115.2	115.8	<b>1,080.7</b>
Fees & Charges	23	38.5	40.6	43.3	45.1	46.5	47.9	49.3	50.3	51.8	55.7	<b>468.9</b>
Operating Grants	24	4.4	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.1	<b>67.3</b>
Investment Earnings	25	3.2	1.1	1.0	1.2	1.7	2.4	3.4	4.6	5.6	9.2	<b>33.3</b>
Capital Grants	26	5.6	10.7	5.7	6.8	5.5	5.6	5.4	19.2	19.3	4.9	<b>88.6</b>
Proceeds from Sale of Assets	27	3.1	2.4	6.6	0.2	2.0	2.6	10.0	9.7	5.0	4.9	<b>46.5</b>
Borrowings	28	0.0	0.0	0.0	0.0	0.0	9.0	0.0	0.0	0.0	0.0	<b>9.0</b>
<b>Source of Funds</b>	<b>29</b>	<b>159.4</b>	<b>160.5</b>	<b>165.0</b>	<b>164.1</b>	<b>168.9</b>	<b>183.4</b>	<b>186.9</b>	<b>204.6</b>	<b>204.0</b>	<b>197.5</b>	<b>1,794.2</b>

### Application of Funds

Operations and Maintenance	30	(117.9)	(123.7)	(126.3)	(128.2)	(129.2)	(131.7)	(135.0)	(137.7)	(142.0)	(147.1)	<b>(1,318.8)</b>
Capital Expenditure: Renewal	31	(19.6)	(23.9)	(18.2)	(15.3)	(12.5)	(13.7)	(13.2)	(13.2)	(14.9)	(15.5)	<b>(159.9)</b>
Capital Expenditure: Upgrade	32	(10.5)	(18.2)	(16.9)	(11.9)	(8.1)	(8.0)	(8.1)	(7.0)	(7.1)	(7.2)	<b>(102.9)</b>
Capital Expenditure: New	33	(3.6)	(6.3)	(8.6)	(7.2)	(12.6)	(13.2)	(1.3)	(30.8)	(30.9)	(1.4)	<b>(115.9)</b>
Debt Service Costs	34	(3.8)	(2.8)	(2.2)	(1.2)	(1.2)	(1.2)	(1.3)	(1.3)	(1.2)	(1.2)	<b>(17.3)</b>
Reserves Net Transfer	35	(4.0)	14.5	7.2	(0.3)	(5.4)	(15.7)	(28.1)	(14.7)	(7.9)	(25.0)	<b>(79.5)</b>
<b>Application of Funds</b>	<b>36</b>	<b>(159.4)</b>	<b>(160.5)</b>	<b>(165.0)</b>	<b>(164.1)</b>	<b>(168.9)</b>	<b>(183.4)</b>	<b>(186.9)</b>	<b>(204.6)</b>	<b>(204.0)</b>	<b>(197.5)</b>	<b>(1,794.2)</b>

### Cashflow Summary

Cashflow Movements for the Year	37	4.0	(14.5)	(7.2)	0.3	5.4	15.7	28.1	14.7	7.9	25.0	<b>79.5</b>
Reserve Balance at End of Year	38	76.8	74.7	72.5	72.8	78.2	93.9	122.0	136.8	144.7	169.7	<b>339.2</b>



Line	Source of Funds	Description
22	Rates	Line 1 and 2 from Operating Statement. The total rates revenue from existing households/businesses and an estimate of future growth.
23	Fees and Charges	Line 3 and 4 from Operating Statement. The total fees and charges based on existing services and projected growth from new services or assets.
24	Operating Grants	Line 5 from Operating Statement.
25	Investment Earnings	Line 6 from Operating Statement.
26	Capital Grants	Grants to be received for specific capital projects, as explained in Section 6.
27	Proceeds from Sale of Assets	The cash achieved from sale of assets, as explained in Section 6.
28	Borrowings	Cash received for loans. This is explained in Section 6.
29	Source of Funds	Sum of Lines 22 to 28. This is the total cash received by the City.

Line	Application of Funds	Description
30	Operations and Maintenance	Line 9 to 13 and Line 16 from Operating Statement. All cash expenses required for operation/maintenance of existing and new assets.
31	Capital Expenditure: Renewal	This represents total Capital Expenditure for the replacement or renewal of existing capital assets.
32	Capital Expenditure: Upgrade	This represents estimated Capital Expenditure required on improvement or change of use of existing assets.
33	Capital Expenditure: New	This represents estimated Capital Expenditure required on new assets.
34	Debt Service Costs	Interest Costs and repayment of principal of loans, both current and projected new loans.
35	Reserves Net Transfer	The sum of Transfers into Reserves and Transfers out of Reserves.
36	Application of Funds	Sum of Lines 30 to 35. This represents the total outgoings of the City and includes the net transfers to reserves.

Line	Cashflow Summary	Description
37	Cash Flow Movements for the Year	Source of Funds (Line 29) less Outgoings excluding reserves (Lines 30 to 35). This line represents the total net cashflow for the year.
38	Reserves Balance at End of Year	Previous Year's balance plus net reserves transfer in/out.

### Financial Statement 3 - Rate Setting Estimates

		19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	Total
	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms
<b>Deficit before Rates</b>												
Revenue, excluding Rates	39	46.1	48.6	51.2	53.3	55.2	57.3	59.6	61.9	64.5	71.9	<b>569.5</b>
Expenses (Cash only)	40	(118.4)	(124.1)	(126.6)	(128.4)	(129.5)	(131.9)	(135.4)	(138.2)	(142.4)	(147.4)	<b>(1,322.4)</b>
Deficit before Capital Expenditure	41	(72.4)	(75.5)	(75.5)	(75.2)	(74.3)	(74.6)	(75.8)	(76.3)	(77.9)	(75.5)	<b>(752.9)</b>
Capital Expenditure	42	(33.7)	(48.4)	(43.7)	(34.4)	(33.1)	(34.8)	(22.6)	(50.9)	(52.8)	(24.2)	<b>(378.7)</b>
<b>Deficit before Rates</b>	<b>43</b>	<b>(106.1)</b>	<b>(123.9)</b>	<b>(119.2)</b>	<b>(109.6)</b>	<b>(107.4)</b>	<b>(109.5)</b>	<b>(98.4)</b>	<b>(127.2)</b>	<b>(130.7)</b>	<b>(99.7)</b>	<b>(1,131.5)</b>
<b>Funding</b>												
Opening Funds	44	5.6	17.3	5.0	0.0	0.0	(0.0)	(0.0)	0.0	(0.0)	0.0	<b>27.9</b>
Capital Grants	45	5.6	10.7	5.7	6.8	5.5	5.6	5.4	19.2	19.3	4.9	<b>88.6</b>
Capital Proceeds	46	3.1	2.4	6.6	0.2	2.0	2.6	10.0	9.7	5.0	4.9	<b>46.5</b>
Loans - repayment of principal	47	(3.3)	(2.4)	(1.8)	(0.9)	(0.9)	(1.0)	(0.8)	(0.8)	(0.8)	(0.9)	<b>(13.7)</b>
Transfer from Reserves	48	15.1	26.9	21.7	19.2	19.7	13.1	9.3	24.5	25.3	11.2	<b>186.0</b>
Transfer to Reserves	49	(7.2)	(24.8)	(19.6)	(19.5)	(25.1)	(28.8)	(37.4)	(39.2)	(33.2)	(36.2)	<b>(271.0)</b>
Borrowings	50	0.0	0.0	0.0	0.0	0.0	9.0	0.0	0.0	0.0	0.0	<b>9.0</b>
Closing Funds Required	51	(17.3)	(5.0)	0.0	(0.0)	0.0	0.0	(0.0)	0.0	(0.0)	0.0	<b>(22.3)</b>
<b>Amount to be made up by Rates</b>	<b>52</b>	<b>104.7</b>	<b>98.9</b>	<b>101.6</b>	<b>103.8</b>	<b>106.2</b>	<b>108.9</b>	<b>111.8</b>	<b>113.9</b>	<b>115.2</b>	<b>115.8</b>	<b>1,080.8</b>
<b>Rates % increase</b>	<b>53</b>	<b>2.25%</b>	<b>-5.68%</b>	<b>1.65%</b>	<b>1.51%</b>	<b>1.76%</b>	<b>2.01%</b>	<b>0.50%</b>	<b>0.25%</b>	<b>0.40%</b>	<b>0.20%</b>	

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

Financial Statement 4 - Statement of Financial Position Estimates												
OVERALL VALUES		Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29
	Notes	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms

#### Assets

Current Assets	54	117.8	121.8	107.2	100.1	100.4	105.8	121.6	149.7	164.6	172.6	197.7
Non Current Assets	55	1,396.4	1,394.7	1,408.3	1,412.6	1,413.5	1,411.0	1,408.9	1,386.2	1,391.6	1,402.3	1,383.2
Total Assets	56	1,514.2	1,516.5	1,515.5	1,512.7	1,513.9	1,516.8	1,530.4	1,536.0	1,556.2	1,574.9	1,580.9

#### Liabilities

Current Liabilities	57	(33.1)	(33.0)	(33.0)	(33.0)	(33.1)	(33.3)	(33.5)	(33.7)	(34.0)	(34.3)	(34.6)
Non Current Liabilities	58	(8.8)	(5.4)	(3.0)	(1.2)	(0.2)	0.7	(7.3)	(6.5)	(5.7)	(4.9)	(4.0)
Total Liabilities	59	(41.9)	(38.4)	(36.0)	(34.2)	(33.4)	(32.6)	(40.8)	(40.3)	(39.7)	(39.2)	(38.6)
Net Assets	60	1,472.3	1,478.0	1,479.5	1,478.5	1,480.5	1,484.1	1,489.7	1,495.7	1,516.4	1,535.7	1,542.2

#### Equity

Retained Surplus	61	551.4	564.9	568.6	569.7	571.4	569.7	559.5	537.4	543.4	554.7	536.2
Reserves - Cash backed	62	82.4	74.5	72.4	70.2	70.5	75.9	91.6	119.7	134.5	142.4	167.4
Reserves - Asset Revaluation	63	838.6	838.6	838.6	838.6	838.6	838.6	838.6	838.6	838.6	838.6	838.6
Equity	64	1,472.3	1,478.0	1,479.5	1,478.5	1,480.5	1,484.1	1,489.7	1,495.7	1,516.4	1,535.7	1,542.2

MOVEMENTS		19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30
	Line	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms

#### Assets

Current Assets	65	4.0	(14.5)	(7.2)	0.3	5.4	15.8	28.2	14.8	8.0	25.1	7.3
Non Current Assets	66	(1.7)	13.6	4.3	0.9	(2.6)	(2.1)	(22.6)	5.4	10.7	(19.1)	(0.0)
Total Assets	67	2.2	(0.9)	(2.8)	1.2	2.8	13.7	5.5	20.2	18.7	6.0	7.3

#### Liabilities

Current Liabilities	68	0.2	(0.0)	(0.0)	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)
Non Current Liabilities	69	3.3	2.4	1.8	0.9	0.9	(8.0)	0.8	0.8	0.8	0.9	0.9
Total Liabilities	70	3.5	2.4	1.8	0.8	0.8	(8.2)	0.5	0.5	0.5	0.6	0.5
Net Assets	71	5.7	1.5	(1.0)	2.0	3.6	5.5	6.1	20.7	19.3	6.6	7.8

#### Equity

Retained Surplus	72	13.6	3.6	1.1	1.7	(1.7)	(10.2)	(22.0)	6.0	11.3	(18.5)	0.6
Reserves - Cash backed	73	(7.9)	(2.1)	(2.2)	0.3	5.4	15.7	28.1	14.7	7.9	25.0	7.2
Reserves - Asset Revaluation	74											
Equity	75	5.7	1.5	(1.0)	2.0	3.6	5.5	6.1	20.7	19.3	6.6	7.8

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

## SUPPORTING SCHEDULES

### Supporting Schedule 1 - Assumptions

		2019/	2020/	2021/	2022/	2023/	2024/	2025/	2026/	2027/	2028/
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#### CRITICAL ASSUMPTIONS

##### Headline Economic Indicators

Perth CPI	%	-1.00%	0.00%	0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
Perth Wages Price Index	%		0.00%	0.50%	1.00%	1.25%	1.50%	2.25%	2.25%	2.50%	2.50%

##### Expenses

Materials and Contracts	%			(0.25%)	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Salaries and Wages	%			1.67%	1.00%	1.25%	1.50%	2.25%	2.25%	2.50%	2.50%
Sum of above (weighted)	%			0.81%	0.66%	0.91%	1.17%	2.03%	2.03%	2.28%	2.28%

##### Income

Fees and Charges #1	%			0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
Rates: Base	%			1.65%	1.51%	1.76%	2.01%	0.50%	0.25%	0.40%	0.20%

##### Waste

Waste Expenditure	%			5.20%	0.82%	0.82%	1.08%	1.07%	1.06%	2.00%	2.00%
Refuse Charge per Household	\$ per Household	\$346	\$346	\$364	\$367	\$370	\$374	\$378	\$382	\$390	\$397

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

#### OPERATING INCOME

Rates: Base	%	2.25%	-5.68%	1.65%	1.51%	1.76%	2.01%	0.50%	0.25%	0.40%	0.20%
Refuse Charges	%			5.20%	0.82%	0.82%	1.08%	1.07%	1.06%	2.00%	2.00%
Building and Development Fees (CR:	%									1.00%	
Building and Development Fees (PS)	%									1.00%	
Building and Development Fees (FS)	%									1.00%	
Dog and Cat Registration Income	%			-1.9%	6.9%	-20.4%	-18.1%	2.32%	9.81%	4.99%	4.83%
Licenses and Registrations, excl Dog	%			0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
Sports and Recreation Fees	%			0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
Hire and Rentals / Leases	%			0.25%	1.75%	2.00%	2.25%	2.75%	2.75%	3.00%	3.00%
Inspection and Control Fees	%			0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
Fines and Penalties	%					12.00%					11.00%
Parking Fees	%			5.26%	5.00%	4.76%	4.55%	4.35%	1.75%	2.00%	2.00%
Other Fees and Charges	%			0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
Other Revenue	%			0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
Grants and Subsidies - Operating	%										
Contributions, Sponsorships and Reir	%			0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%

## Supporting Schedule 1 - Assumptions

		2019/	2020/	2021/	2022/	2023/	2024/	2025/	2026/	2027/	2028/
<b>OPERATING EXPENSES</b>											
Salaries and Wages	%	1.50%	0.00%	1.67%	1.00%	1.25%	1.50%	2.25%	2.25%	2.50%	2.50%
Other Employment Costs	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Members Allowances and Meeting F	%				1.50%		1.50%		1.50%		1.50%
Members Costs Various	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Accommodation and Property (Ops)	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Accommodation and Prop (Others)	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Administration	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Telephones and Communication	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Finance Related Cost	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Professional Fees, excl Consultancy	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Consultancy	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Public Relations, Advertising	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Contributions and Donations paid by t	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Computing	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Furniture, Equipment	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Other Materials	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Books and Publications	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Travel, Vehicles and Plant	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
External Services, excl Tipping Fees	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Tipping Fees	%			5.20%	0.82%	0.82%	1.08%	1.07%	1.06%	2.00%	2.00%
Waste Management Services	%			5.20%	0.82%	0.82%	1.08%	1.07%	1.06%	2.00%	2.00%
Charges and Recoveries	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Electricity - Western Power (WP) Stre	%			-0.25%	2.00%	2.00%	3.20%	3.20%	3.20%	3.20%	3.20%
Electricity - excluding WP Streetlightin	%			-0.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Gas and Water	%			0.25%	0.75%	1.00%	1.25%	3.50%	3.50%	3.50%	3.50%
Insurance Expenses	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Depreciation: Existing	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%

## Supporting Schedule 1 - Assumptions

		2019/	2020/	2021/	2022/	2023/	2024/	2025/	2026/	2027/	2028/
<b>OPERATING EXPENSES</b>											
Salaries and Wages	%	1.50%	0.00%	1.67%	1.00%	1.25%	1.50%	2.25%	2.25%	2.50%	2.50%
Other Employment Costs	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
<b>Capital Expenditure and Capital Grants</b>											
All Other Capital	%			0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
Road and Bridge Construction	%				0.50%	0.75%	1.00%	1.75%	1.75%	2.00%	2.00%
Non Residential Building	%			-0.25%	0.25%	0.50%	0.75%	1.75%	1.75%	2.00%	2.00%
Capital Grants	%			0.25%	0.75%	1.00%	1.25%	1.75%	1.75%	2.00%	2.00%
<b>Financing</b>											
Cash Reserves earnings	%			0.50%	0.74%	1.20%	1.67%	2.13%	2.59%	3.06%	4.77%
Borrowings Fixed Term - 5 Years	%			1.15%	1.55%	2.02%	2.48%	2.95%	3.42%	3.89%	4.36%
Borrowings Fixed Term - 10 Years	%			1.59%	1.99%	2.45%	2.92%	3.38%	3.84%	4.31%	4.77%
Borrowings Fixed Term - 15 Years	%			1.97%	2.34%	2.78%	3.21%	3.64%	4.08%	4.51%	4.94%
Borrowings Fixed Term - 20 Years	%			2.27%	2.62%	3.02%	3.43%	3.83%	4.24%	4.64%	5.05%



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

by Asset Class	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms

#### By Asset Class - Excluding Escalation

Buildings	(6.9)	(10.4)	(18.8)	(10.1)	(12.3)	(13.1)	(1.6)	(31.1)	(31.7)	(3.0)	<b>(138.9)</b>
Parks	(7.1)	(8.4)	(2.7)	(4.4)	(5.1)	(4.9)	(4.8)	(4.8)	(4.8)	(4.8)	<b>(52.0)</b>
Drainage	(1.0)	(1.2)	(0.4)	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	<b>(6.4)</b>
Transport, excl Roads	(6.8)	(7.6)	(9.4)	(6.3)	(3.0)	(3.1)	(3.0)	(3.0)	(3.0)	(3.0)	<b>(48.2)</b>
Roads	(5.9)	(13.9)	(6.8)	(9.6)	(9.7)	(9.8)	(10.1)	(8.9)	(8.9)	(8.9)	<b>(92.6)</b>
Lighting	(4.0)	(3.6)	(1.0)	(1.8)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	<b>(13.3)</b>
Fleet	(1.7)	(2.6)	(4.1)	(1.0)	(1.2)	(2.0)	(0.8)	(0.6)	(1.4)	(1.1)	<b>(16.3)</b>
IT	(0.3)	(0.8)	(0.5)	(0.5)	(0.3)	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)	<b>(3.3)</b>
None	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, excluding Escalation</b>	<b>(33.7)</b>	<b>(48.4)</b>	<b>(43.7)</b>	<b>(34.1)</b>	<b>(32.7)</b>	<b>(34.1)</b>	<b>(21.6)</b>	<b>(49.7)</b>	<b>(51.1)</b>	<b>(22.0)</b>	<b>(371.0)</b>

#### By Type - Including Escalation

Capital Works Program	(26.6)	(37.6)	(21.5)	(22.6)	(20.3)	(20.6)	(21.5)	(20.6)	(21.0)	(21.4)	<b>(233.5)</b>
Fleet, IT, Parking	(2.8)	(3.8)	(4.6)	(3.1)	(1.5)	(2.3)	(1.1)	(0.8)	(1.7)	(1.4)	<b>(23.1)</b>
Major Projects	(4.3)	(7.0)	(17.6)	(8.8)	(11.3)	(12.0)	0.0	(29.5)	(30.1)	(1.4)	<b>(122.0)</b>
<b>Total, including Escalation</b>	<b>(33.7)</b>	<b>(48.4)</b>	<b>(43.7)</b>	<b>(34.4)</b>	<b>(33.1)</b>	<b>(34.8)</b>	<b>(22.6)</b>	<b>(50.9)</b>	<b>(52.8)</b>	<b>(24.2)</b>	<b>(378.7)</b>

#### By Cause - Including Escalation

Renewal	(19.6)	(23.9)	(18.2)	(15.3)	(12.5)	(13.7)	(13.2)	(13.2)	(14.9)	(15.5)	<b>(159.9)</b>
Upgrades	(10.5)	(18.2)	(16.9)	(11.9)	(8.1)	(8.0)	(8.1)	(7.0)	(7.1)	(7.2)	<b>(102.9)</b>
New	(3.6)	(6.3)	(8.6)	(7.2)	(12.6)	(13.2)	(1.3)	(30.8)	(30.9)	(1.4)	<b>(115.9)</b>
<b>Total, including Escalation</b>	<b>(33.7)</b>	<b>(48.4)</b>	<b>(43.7)</b>	<b>(34.4)</b>	<b>(33.1)</b>	<b>(34.8)</b>	<b>(22.6)</b>	<b>(50.9)</b>	<b>(52.8)</b>	<b>(24.2)</b>	<b>(378.7)</b>

#### Renewal / Upgrade / New

	%	%	%	%	%	%	%	%	%	%	%
Renewal %	58%	49%	42%	45%	38%	39%	58%	26%	28%	64%	<b>42%</b>
Upgrade %	31%	38%	39%	34%	24%	23%	36%	14%	13%	30%	<b>27%</b>
New %	11%	13%	20%	21%	38%	38%	6%	61%	58%	6%	<b>31%</b>

### Supporting Schedule 3 - Major Projects Assumptions

Major Project		Year #1	Cost #2	Purpose	Source of Estimate	Funding Sources
1	Joondalup City Centre Development - Boas Place	2020/21	(\$0.1)	Project Costs required to working with a proponent for City Centre Development	Project Costs only included at this stage	Municipal. Future land proceeds may offset initial costs of project.
2	Cafes / Kiosks / Restaurants - Pinnaroo Point	2020/21	(\$0.8)	Service Provision and Project Costs. New facility built by operator	Service Provision based on QS Estimate	Municipal and Reserves
3	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
4	Percy Doyle - Refurbishment Works	2020/21	(\$2.6)	Refurbishment of existing facilities to keep in working order until Master Plan is completed.	Council Report 2015.	Grants, Club Contribution, Reserves and Municipal
5	Warwick Sports Centre	2021/22	(\$1.1)	Refurbishment of existing facilities.	Report to Finance Committee April 2017	Municipal
6	Cafes / Kiosks / Restaurants - Burns Beach	2021/22	(\$4.1)	Construction Costs, Service Provision, Project Costs and Land Purchase	Reports to MPFC	Municipal and Reserves
7	Joondalup Administration Building - refurbishment	2021/22	(\$4.1)	Refurbishment of Admin Building	Some works require further scoping	Municipal and Reserves
8	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.
9	Craigie LC Refurbishment Phase 1	2022/23	(\$8.5)	Upgrade of facilities to meet future requirements.	Approved Council Report December 2019	Reserves and Municipal
10	Chichester Park Redevelopment	2022/23	(\$4.2)	Redevelopment of existing facilities.	Council approved Nov 2018	Grants and Reserves
11	Edgewater Quarry Masterplan	2023/24	(\$11.8)	Development of quarry Sale of land estimated to contribute	Strategy Session 2017, subject to further scoping	Reserve, land proceeds will repay to reserve
12	Ocean Reef Marina	2024/25	(\$0.7)	Project costs to work with State to develop Ocean Reef Marina	Estimated Project Costs	Municipal

### Supporting Schedule 3 - Major Projects Assumptions

Major Project		Year #1	Cost #2	Purpose	Source of Estimate	Funding Sources
13	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 and loan
14	Craigie LC Refurbishment Phase 2	2027/28	\$0.0	Various works to indoor and outdoor areas	Will be updated in 2021	To be determined
15	Joondalup Performing Arts and Cultural Facility	2027/28	(\$59.1)	New facility to provide for Performing Arts and 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.
TOTAL			(\$119.6)			

### Supporting Schedule 4 - Reserves

	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms

#### Strategic Asset Reserve

Opening Balance	18.1	15.1	8.1	0.9	2.0	4.4	6.9	10.3	13.9	6.4	<b>18.1</b>
Transfer to Reserve	0.2	1.5	7.2	11.0	8.2	3.3	3.4	3.5	5.0	5.4	<b>48.8</b>
Transfer from Reserve	(3.2)	(8.5)	(14.4)	(9.9)	(5.8)	(0.8)	0.0	0.0	(12.4)	(1.4)	<b>(56.4)</b>
Closing Balance	15.1	8.1	0.9	2.0	4.4	6.9	10.3	13.9	6.4	10.5	<b>10.5</b>

#### Asset Renewal Reserve

Opening Balance	6.1	6.5	13.8	18.1	15.7	20.6	32.3	49.9	69.0	79.7	<b>6.1</b>
Transfer to Reserve	0.5	19.9	9.8	6.9	13.3	21.1	26.9	28.6	20.3	21.5	<b>168.8</b>
Transfer from Reserve	0.0	(12.6)	(5.4)	(9.3)	(8.4)	(9.4)	(9.3)	(9.5)	(9.7)	(9.8)	<b>(83.5)</b>
Closing Balance	6.5	13.8	18.1	15.7	20.6	32.3	49.9	69.0	79.7	91.4	<b>91.4</b>

#### Sale of Tamala Park Land

Opening Balance	13.9	14.1	14.7	16.1	16.2	18.1	20.6	25.7	30.8	36.5	<b>13.9</b>
Transfer to Reserve	0.2	0.6	1.4	0.1	1.9	2.5	5.2	5.1	5.7	6.5	<b>29.1</b>
Transfer from Reserve	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	14.1	14.7	16.1	16.2	18.1	20.6	25.7	30.8	36.5	43.0	<b>43.0</b>

#### Joondalup Performing Arts and Culture Facility

Opening Balance	16.6	16.8	16.9	17.0	17.1	17.2	17.5	17.9	3.2	(0.0)	<b>16.6</b>
Transfer to Reserve	0.2	0.1	0.1	0.1	0.2	0.3	0.4	0.3	0.0	0.0	<b>1.7</b>
Transfer from Reserve	(0.0)	0.0	0.0	0.0	(0.1)	0.0	0.0	(15.0)	(3.2)	0.0	<b>(18.3)</b>
Closing Balance	16.8	16.9	17.0	17.1	17.2	17.5	17.9	3.2	(0.0)	(0.0)	<b>0.0</b>

#### Parking Facility

Opening Balance	2.2	2.5	3.4	4.5	5.7	1.6	0.0	1.2	2.5	4.2	<b>2.2</b>
Transfer to Reserve	1.4	1.9	1.1	1.2	1.3	1.3	1.2	1.3	1.6	1.9	<b>14.4</b>
Transfer from Reserve	(1.1)	(1.0)	0.0	0.0	(5.4)	(2.9)	0.0	0.0	0.0	0.0	<b>(10.4)</b>
Closing Balance	2.5	3.4	4.5	5.7	1.6	0.0	1.2	2.5	4.2	6.1	<b>6.1</b>



### Supporting Schedule 4 - Reserves

	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	Total
	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms	\$ms

#### Cash in Lieu of Parking Reserve

Opening Balance	1.2	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.5	<b>1.2</b>
Transfer to Reserve	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	<b>0.4</b>
Transfer from Reserve	(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	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.6	<b>1.6</b>

#### Trust Fund

Opening Balance	2.3	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	<b>2.3</b>
Transfer to Reserve	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	(1.9)	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>(2.2)</b>
Closing Balance	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	<b>0.1</b>

#### Minor Reserves

Opening Balance	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	<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	<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	<b>0.0</b>

#### Total

Opening Balance	84.7	76.8	74.7	72.5	72.8	78.2	93.9	122.0	136.8	144.7	<b>84.7</b>
Transfer to Reserve	7.2	24.8	19.6	19.5	25.1	28.8	37.4	39.2	33.2	36.2	<b>271.0</b>
Transfer from Reserve	(15.1)	(26.9)	(21.7)	(19.2)	(19.7)	(13.1)	(9.3)	(24.5)	(25.3)	(11.2)	<b>(186.0)</b>
Closing Balance	76.8	74.7	72.5	72.8	78.2	93.9	122.0	136.8	144.7	169.7	<b>169.7</b>





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