

11.4 ADOPTION OF THE LONG TERM FINANCIAL PLAN 2023/24 - 2032/33

Attachments: 1. Long Term Financial Plan 2024 - 2033

RECOMMENDATION:

That Council:

1. **ADOPTS the Long Term Financial Plan 2023/24 to 2032/33 and NOTES endorsement for the Scenario 1 - Base Scenario as detailed in Attachment 1; and**
2. **AUTHORISES the Chief Executive Officer to forward the City of Vincent Long Term Financial Plan in 1 above to the Department of Local Government, Sport and Cultural Industries.**

PURPOSE OF REPORT:

To consider the adoption of a Long-Term Financial Plan (LTFP) for the period 2023/24 – 2032/33.

BACKGROUND:

As part of the Integrated Planning and Reporting Framework (IPRF), all local governments in Western Australia are required to have developed and adopted a "plan for the future", comprising at a minimum of Strategic Community Plan and Corporate Business Plan.

The Long-Term Financial Plan is also a key component of the City's integrated planning framework and identifies how the City funds the delivery of the SCP and CBP short, medium and long-term priorities.

The City's current LTFP was adopted on 20 September 2022. We have comprehensively reviewed the LTFP in order to reflect the significant changes in economic conditions that have occurred since 2022 and to ensure its alignment to the City's Corporate Business Plan 2023/24 - 2026/27.

The Draft LTFP was presented to Council Members at Budget Workshops on 2 and 30 May 2023 for consideration.

The LTFP provides an indication of a local government's long term financial sustainability and allows early identification of financial issues and their longer-term impacts. It shows the linkages between specific plans and strategies and enhances the transparency and accountability of the Council.

The underlying assumptions and calculations used in the Underground Power Financial Model have been included in the LTFP.

DETAILS:

We have modelled two scenarios in the LTFP from 2023/24 – 2032/33 that will provide guidance towards capital expenditure and reserve funding based on varying levels of rate rises. A low rating scenario has not been modelled as this does not support the City's Underground Power project. The underlying assumptions used in each scenario includes:

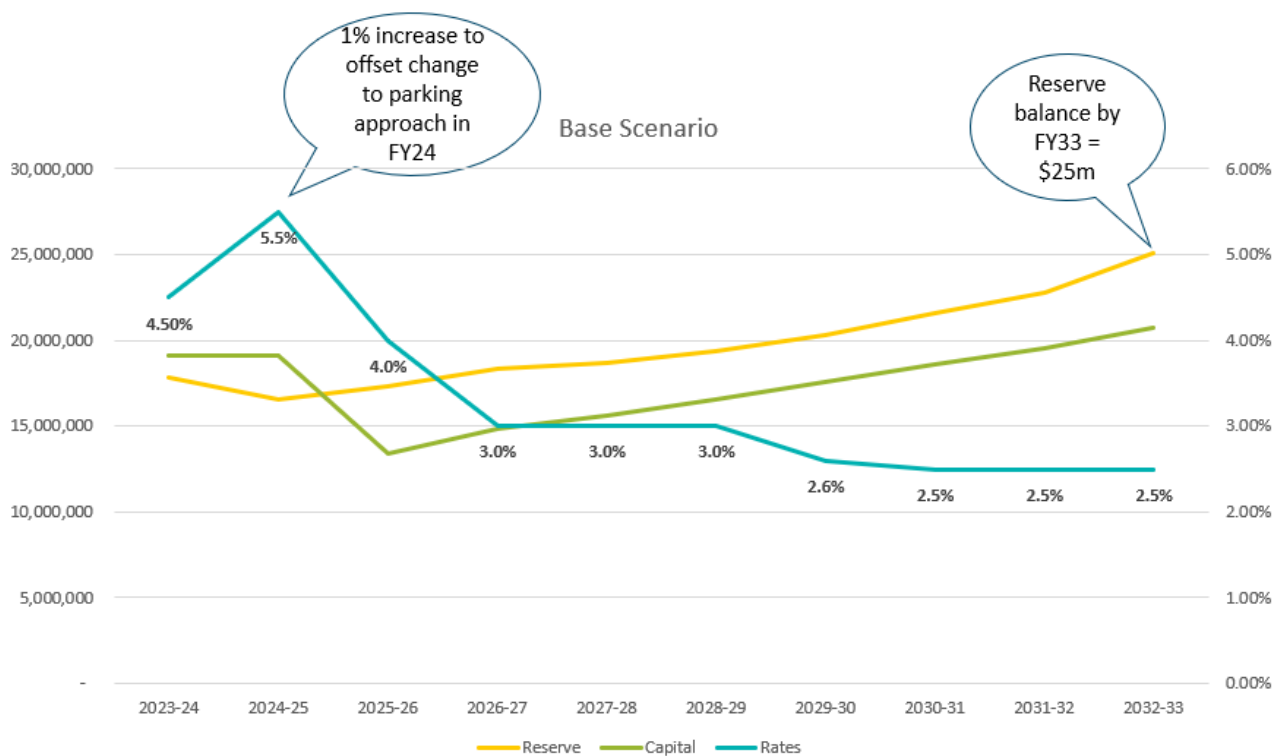
- Net surplus of around \$50k - \$150k each year
- Service charges levied are based on E30 estimates provided by Western Power for all eight underground power projects. It's estimated that up to 70% ratepayers will elect for a 4-year payback option for each project
- A 10% contingency is included on the E30 underground power cost estimates provided by Western Power for modelling purposes
- Individual 4-year fixed interest loans are borrowed from the WATC based on 50% of the total costs for each underground project
- The Underground Power Reserve and Tamala Park Land Sales Reserve will be used to fund 4-year instalment options for up to 70% of ratepayers, help manage service charge recoverability timing issues and potential project cost escalations
- Inflation of 3% for 2024/25 onwards (based on the current Reserve Bank of Australia forecast)

- 3.5% increase in wages for 2023/24, 2.75% for 2024/25 and 2% each year until 2032/33 plus statutory superannuation increases. This is dependent on the outcome of enterprise bargaining negotiations.
- Service delivery and staff levels (i.e. full time equivalent or FTE) to remain at the same level and any increase in service expectations is absorbed through operational efficiencies
- \$350k increase in FY24 and \$700k increase for subsequent years (new parking local laws takes effect at 1 January 2024)
- Tree pruning savings of up to \$250k over the 10 years due to the underground power project
- Higher interest revenue compared to the previous LTFFP 2022/23 – 2031/32 has been included based on the current Reserve Bank of Australia data
- Mindarie Regional Council gate fee savings of \$1m due to the exit of the Resource Recovery Facility agreement and planned waste to energy transition from 2024/25. The savings will be transferred to the Waste Reserve over 10 years.
- Light fleet renewal is planned for every 3 years as per council policy and reflecting the optimal life span of the current hybrid and electric vehicle fleet.

Scenario 1 – Base scenario

The base scenario allows for the majority of Council approved projects and master plans to be delivered, including key projects like Underground Power, Robertson Park Development Plan Stage 1 & 2 and the Banks Reserve Master Plan. The key assumptions and outcomes of this scenario are:

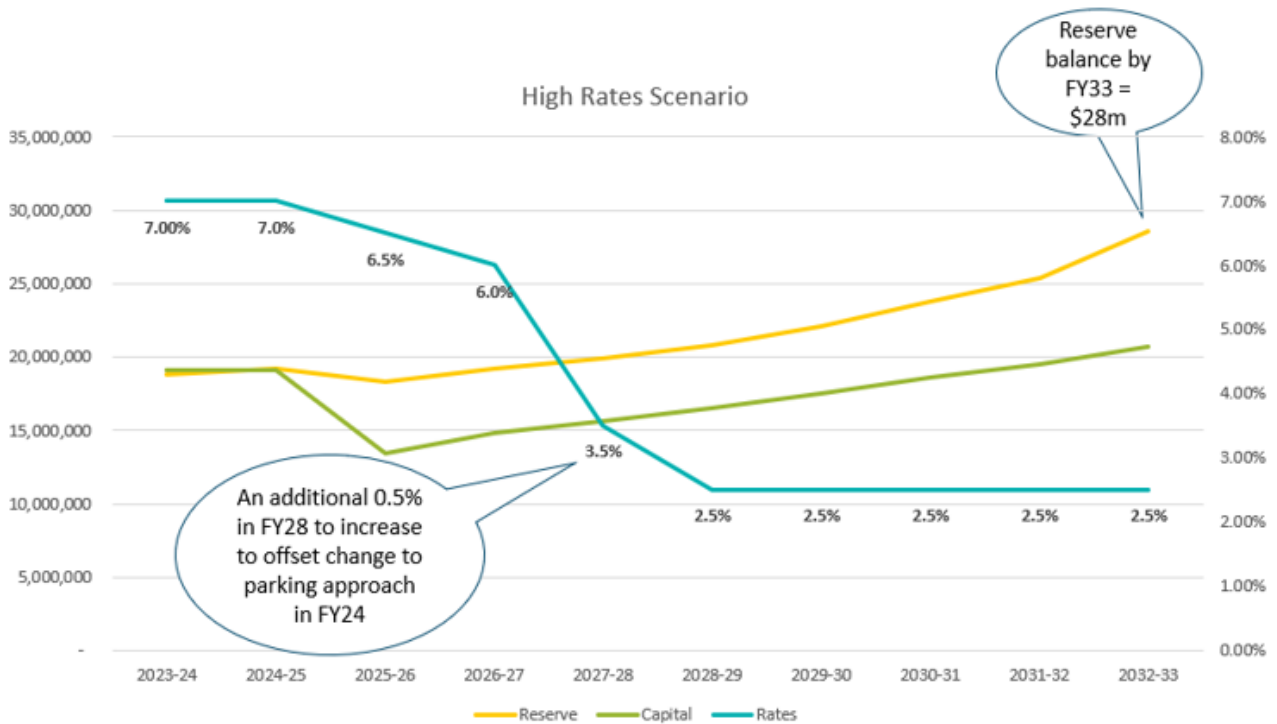
- Medium rate increases (4%-5.5%) from 2023/24 to 2025/26 and reducing to 2.5%-3% from 2026/27
- Rate rise increased from 4.5% to 5.5% in 2024/25 compared to the previous LTFFP 2022/23 – 2031/32 to offset the impacts on changes to carparking
- 4-year capital works to be fully funded and a steady increase of 5%-6% in capital expenditure from 2027/28
- Reserve balance to grow by \$8m over 10 years (2032/33 balance \$25m)
- The current ratio is planned to fall below the minimum prescribed range of 100% due to a strategic focus on transferring any excess surplus to build up the reserve balance over the 10-year period



Scenario 2 – High rates scenario

The high rates scenario provides funding for additional large-scale projects including Beatty Park 2062 and Leederville Oval and a significant increase to our reserves over the 10 years. The key assumptions and outcomes of this scenario are:

- High rates increase from 2023/24 to 2026/27 (6%-7%) and reducing to 2.5%-3.5% from 2027/28 onwards
- Rate rise increased from 3.0% to 3.5% in 2027/28 compared to the previous LTFP 2022/23 – 2031/32 to offset the impacts on changes to carparking
- Additional Capex of \$32.7m to support renewal projects at Beatty Park and Leederville Oval from 2025/26 to 2032/33 compared to the base rates scenario
- Reserve balance to increase by \$10m over 10 years (2032/33 balance \$28m)
- Majority of key financial ratios meet the minimum target prescribed by the Department of Local Government, Sport and Cultural Industries (DLGSC)



COMMENT:

The Long-Term Financial Plan is an ‘informing strategy’ within the Integrated Planning and Reporting Framework established by the State Government. It plays a vital role in prioritisation and integration, supporting the local government in current and future decision making. It enables the local government to achieve SCP and CBP outcomes, based on their resourcing capabilities, for the delivery of short, medium, and long-term community priorities. It is also an indicator of a local government’s long term financial sustainability and allows early identification of financial issues and their longer-term impacts. The LTFP highlights linkages between specific plans and strategies and enhances the transparency and accountability of the council to the community.

The Long-Term Financial Plan does not commit Council to a future course of action. Where Council decisions deviate from the assumptions within this plan, the impact on the LTFP should be understood and the LTFP updated accordingly.

The LTFP has been modelled on the 2023/24 Budget being the first year of a 10-year rolling plan. It is assumed that it is updated annually when the Annual Budget and 4-year Capital Works Budget are reviewed and adopted.

The capital expenditure approved in the annual budget has been aligned to the Corporate Business Plan and the Capital Works Program.

The LTFP is based on a range of assumptions and strategies considered reasonable at the time of developing the LTFP.

All scenarios outlined above will fund the delivery of the current 4-year capex plan and the underground power project. The high rates scenario will allow for the Leederville Oval and Beatty Park 2062 projects to be delivered through significant annual rate increases up to 2026/27.

CONSULTATION/ADVERTISING:

The LTFP is an internal planning tool used to support the City's broader strategic planning framework and in particular the Strategic Community Plan.

LEGAL/POLICY:

The *Section 19, Division 3, Local Government (Administration) Regulations 1996* establishes the minimum requirements for a local government to 'plan for the future'. This includes the requirement for the creation of a Strategic Community Plan and a Corporate Business Plan, as per *Section 5.56 Local Government Act 1995*.

This plan complies with the State Government's guidelines for the development of an Integrated Planning and Reporting (IPR) framework, and the relevant advisory standards and Model LTFP provided by the Department of Local Government, Sport and Cultural Industries.

RISK MANAGEMENT IMPLICATIONS:

Medium: The Long-Term Financial Plan will be used for planning future annual budgets and assessing the future financial sustainability and therefore it is important that the estimates are based on the appropriate and relevant assumptions.

In preparing long term estimates there is a risk that the assumptions on which the estimates are based do not hold true over time. This review has been complicated by the impact of COVID-19 and high inflation, placing increased uncertainty around short term estimates. These risks are mitigated by a requirement for annual update and review.

STRATEGIC IMPLICATIONS:

This is in keeping with the City's *Strategic Community Plan 2022-2032*:

Innovative and Accountable

Our resources and assets are planned and managed in an efficient and sustainable manner.

Our community is aware of what we are doing and how we are meeting our goals.

Our community is satisfied with the service we provide.

We are open and accountable to an engaged community.

SUSTAINABILITY IMPLICATIONS:

A key aim of the Long-Term Financial Plan is to enhance the City's financial sustainability, which will in turn contribute to protecting/enhancing the City's built and natural environment and to improving resource efficiency.

FINANCIAL/BUDGET IMPLICATIONS:

The Long-Term Financial Plan will assist in the preparation of future Annual Budgets and project planning.





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LONG TERM FINANCIAL PLAN

INTRODUCTION

Vincent’s primary goal is to develop a financially sustainable organisation, with sufficient financial capacity to deliver the services and projects which align with the community’s aspirations.

Vincent community aspirations are expressed through the Strategic Community Plan. The City allocates its resources and capacity through strategy and business planning instruments defined within the Integrated Planning and Reporting Framework and resourced in the Long-Term Financial Plan (“the Plan”, “the LTFP”) and the Annual Budget (“the Budget”).

The LTFP is a significant informing document for the City’s integrated strategic planning and reporting framework as it provides information regarding the resourcing requirements and financial capacity of our local government to achieve its stated objectives and priorities. It guides decision makers in their decision making, ensuring the longer-term impact is considered.

This Long-Term Financial Plan is consistent with all the requirements of the Local Government Act 1995, and the Department of Local Government, Sport and Cultural Industries’ guidelines on the development of Long-Term financial management plans.

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STRATEGIC FINANCIAL PLANNING

The City uses this strategic financial planning framework when developing and managing the LTFP.

Key Principles

This Plan is guided by the following financial planning principles:

1. Robust sustainable and transparent financial planning approaches are applied.
2. A balanced budget philosophy is expected over both the short and long term, meaning a modest closing position in the budget.
3. Core services must be cost and quality competitive and delivered in line with community expectations.
4. A rates and revenue plan will inform the approach to revenue raising and the share of the rates burden applied to Vincent ratepayers.
5. Sale of significant assets, such as land assets, will not be used to subsidise operating expenditure.
6. Recurrent revenue should always exceed recurrent cash expenditure.
7. Asset renewal activity should be prioritised over the creation of new assets.
8. Responsible accumulation and/or deployment of cash backed reserves supports the management of known or predicted liabilities and minimises the impact of major projects in any one year or allows for specific purpose expenditure in future years.
9. Responsible use of debt is a legitimate option to address long-life community asset acquisitions or upgrades.
10. A suite of Key Financial Indicators and benchmarks will be identified and used to inform deliberations in formulating long term financial plans, budgets or other strategies.

Prioritisation of Scarce Resources

The City recognises there are competing demands for limited financial resources in the delivery of the Strategic Community Plan.

In developing this plan, Vincent has applied the following prioritisation hierarchy:

1. Activities to comply with statutory obligations or standards (ie mandatory services).
2. Renewal, and maintenance of existing infrastructure assets.
3. Capital projects supported by a significant external funding contribution.
4. Current operational funding for programs unless the operational need for any of these programs has been superseded or modified by a service review process. This may also consider service levels exceeding the statutory minimum described in (1).
5. New programs or assets.
6. New operating projects or initiatives that are supported by a significant external funding contribution.
7. Council decision for programs and projects based on the current service levels required by the community or as advised by technical specialists.

Relationship of the LTFP to Annual Budgeting

This Long-Term Financial Plan (LTFP) exerts influence over the development of the Annual Budget.

Projects and initiatives in the LTFP and the Corporate Business Plan form the basis of the Annual Budget.

Dynamic treasury management will also occur and the LTFP and Annual Budget will evolve dynamically. Assumptions and predictive modelling in the LTFP will be updated as the impact of decisions and external factors become known.



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All significant financial decisions, including changes to staffing, are to be evaluated and modelled over long-term financial horizons, and at least for a period of 10 years.

Revenue and Rating Plan

Vincent regularly considers new funding opportunities, to increase 'own source revenue' and to reduce the rate burden on Vincent ratepayers. The City's approach to future funding is set out in the Revenue and Rating Plan.

Other funding sources include:

- Fees & Charges
- Parking Revenue
- Leases & Licences
- Investments
- Loans & Borrowings
- Cash, Savings & Reserves
- Operating and Capital Grants
- Profits on Assets

The LTFP will identify the funding gap to be met by Council rates, after other funding sources have been considered.

The LTFP is a strategic document and is designed to be dynamically modified as needed, to reflect changes to assumption.

Service Levels

Service levels are captured on the 'Service-on-a-Page' and periodically reviewed to establish best value for money by considering the balance between community demand, resource and funding requirements and price.

The Service-on-a-Page will provide information that informs the Workforce Plan and Business Continuity Plan.

Annual Service Reviews

An annual service review will be conducted prior to the annual budget process to identify efficiencies and improvements that might be achieved in the following years.

Services provided by Vincent will be critically reviewed at regular intervals to test the following:

- Should the City be an advocate, facilitator or provider?
- Should the service be provided by the City, or are there alternative providers?
- Is a co-sourced or outsourced delivery model more appropriate?
- Are the current or proposed service levels appropriate?
- Can the required staffing requirements be met without adversely impacting on other Council priorities?

Capital Project Proposals

Vincent's infrastructure, property and equipment assets are used to deliver important community services and the City's strategic community plan.

The development of meaningful asset management plans is essential to delivering on the City's strategic direction, service plans, projects and operational plans. Integrating Asset Management with robust long term financial plans and annual budgets is an essential part of long-term financial planning.

Capital Project Mix

When developing the City's Long Term Financial Plan, due consideration is given to the indicative asset management ratios for Asset Sustainability, Asset Consumption and Asset Renewal Funding. In the event that the indicative asset management ratios disclose an adverse trend, Council will reconsider the capital project mix and assign a greater priority to asset renewal and maintenance.



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Typical Capital Project Mix

Priority	Capital works Type	% Capital Works Budget (10-year average)
1	Asset Renewal & Maintenance	84%
2	Capital projects funded by grants/contributions	13%
3	New/upgrade assets	16%

Typical Capital Works Allocation by Asset Category

Asset Class	% Capital Works Budget (10-year average)
Land & Building	24%
Infrastructure	68%
Plant & Equipment	6%
Furniture & Equipment	2%

Asset Consumption

Capital works planning avoids repeated outcomes where the consumption of assets exceeds asset renewal or replacement (ie where depreciation is greater than renewal and maintenance expenditure) other than in exceptional circumstances.

Projects on a Page

All project proposals are documented on a project-plan-on-a-page (POAP) that clearly articulates:

- Links to the Strategic Community Plan
- Alignment with Asset Management Plans or other critical informing strategies
- Assessment of community / organisational impact.
- Measurable outcomes / outputs.
- Achievement of Risk Management Objectives - relating to extreme or high risks
- Synergies with other major capital initiatives.
- Potential future revenue streams or cost savings.
- Full life cycle costs.
- Evidence of external funding efforts and articulation of funding successes and grant funding obligations.
- Cash flow implications for the project.
- Realistic timelines and deliverables with appropriate consideration of organisational capacity.
- Details of any significant financial contingencies included in the costing and the project phase to which they relate.



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Commercial Operations

Vincent has specific financial strategies for the management of the following commercial operations. These strategies comply with the requirements of the *Local Government Act 1995*.

Beatty Park Leisure Centre

Beatty Park Leisure Centre is a significant operation that delivers recreation services to over 1 million patrons each year. Sound commercial management practices are applied that ensure Beatty Park is run efficiently and delivers a competitive, value for money, service.

Beatty Park Leisure Centre is managed as a contestable and integrated business unit. Where possible and appropriate, it operates on a user-pays basis. Fees and charges consider the competitive market context and are set annually during the budget process. Fees and charges may be used to fund Beatty Park operational requirements, such as equipment upgrades, such that the users pay for the delivery of these service improvements.

A positive Gross Profit Margin is to be achieved for the following services:

- Gym and Fitness
- Swim School
- Retail Store
- Tenancies – Beatty Park Physio and Beatty Park Café

This is used to offset a negative Gross Profit Margin for Aquatic Services (indoor and outdoor pool) and the subsidised creche, with the overall objective that the centre seeks to break even.

The business unit profit and loss statement includes:

- Revenue generated through fees and charges
- Revenue generated from commercial leases in the centre
- Repayment of debt associated with capital works and substantial equipment purchases
- Depreciation of assets, excluding the Heritage Grandstand
- Operating and capital expenditure required to deliver services
- Reasonable and proportionate administrative and corporate overheads, including HR, Finance and technology support

To create a contestable benchmark for market comparison, the business unit profit and loss statement excludes revenue and expenditure that is unrelated to Beatty Park Leisure Centre, including:

- City of Vincent sport and recreation functions
- City of Vincent parks, halls and facility bookings
- Expenditure imposed on Beatty Park by virtue of association with the City of Vincent, that would not be applied to a commercial operator

Beatty Park Leisure Centre surplus will be directed to the Beatty Park Leisure Centre Reserve and will fund the major upgrade and redevelopment of the Beatty Park Leisure Centre including the replacement or purchase of major plant, equipment, fixtures, and fittings (excluding the Heritage Grandstand).



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Tamala Park Regional Council

Vincent is a 1/12th owner of the Tamala Park Regional Council, along with 6 other local authorities.

The purpose of the Tamala Park Regional Council is to undertake the rezoning, subdivision, development, marketing, and sale of the Tamala Park land.

The objectives of the TPRC are:

- to develop and improve the value of the land;
- to maximise, within prudent risk parameters, the financial return to the participants;
- to balance economic, social and environmental issues; and
- to produce a quality development demonstrating the best urban design and development practice.

Revenue received by Vincent from Tamala Park Regional Council is directed to the Tamala Park Land Sales Reserve and used to fund future significant/major capital works, infrastructure, project or debt reduction programs. From 2024/25, this reserve will be used to manage Western Power payments for the eight underground power projects.

Property Management

Vincent provides access to property for the benefit of the Vincent community.

The Property Management Framework determines how these leases and licences operate across four categories:

Category One	Small Community Groups
Category Two	Sporting Clubs, Community Groups and Organisations
Category Three	Commercial entities, state and national clubs, associations and community organisations
Category Four	Government agencies

The City does not seek to derive profit from leases in categories 1 or 2. The annual fee methodology for these categories is based on the Gross Rental Value (GRV) of the property with a subsidy applied based on a community benefit matrix.

Organisations that fall into categories three and four are responsible for all costs associated with the property. Rent for category three and four tenants is negotiated by reference to the total GRV for a property.



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Procurement & Contract Management

Vincent uses a procurement framework and contract management framework to ensure financial decisions:

- demonstrate value for money
- are compliant with relevant legislation, codes and standards, including the Local Government Act 1995 (Act) and the Local Government (Functions and General) Regulations 1996, (Regulations)
- demonstrate probity by establishing processes that promote openness, transparency, fairness and equity to all potential suppliers
- ensure that the sustainable benefits, such as environmental, social and local economic factors are considered in the overall value for money assessment
- ensure that goods and services to be procured are necessary and fit for purpose
- properly evaluate and consider the safety and health characteristics of any goods/services prior to being introduced into the City's workplaces
- are supported by Budget provisions or comply with section 6.8(1) of the Act
- are conducted in a consistent and efficient manner across the City and that ethical decision making is demonstrated.

Cash Backed Reserves

Cash Backed Reserves are created as a long-term savings plan for future major expenditure for the following reasons:

1. Minimising in any one year, the financial impact of major asset acquisitions or replacements.
2. Providing funds to take advantage of emerging opportunities that are aligned to strategic directions.
3. Risk mitigation opportunities that minimise the impact of unanticipated financial risks on the City's operations in any one year.
4. Providing for a known liability listed in the Long-Term Financial Plan (LTFP) and is of a magnitude warranting accumulation of funds over an extended period.
5. To comply with the requirements of legislation or other contractual requirements.

The proposed balance, and the quantum of increases or decreases to the Cash Backed Reserves over future years, are incorporated into the Long-Term Financial Plan.

The use of Cash Backed Reserves is restricted by the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996. Each Reserve is required to be established with a clearly defined purpose that specifies how, and for what, the funds held in the reserve may be used. The purpose of a reserve can only be changed either through the annual budget process or through the statutory process detailed in Section 6.11 of the Local Government Act (1995).



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STRATEGIC CONTEXT

Inflation

Over the 12 months to the March 2023 quarter, annual inflation rose to 7.0%. This is expected to stabilise to 3% by mid-2025 based on Reserve Bank of Australia data. This rate has been assumed for future years thereafter. In a high inflationary environment ranging from 5% to 7%, this would be equivalent to a 1% to 2% additional rate increase in the respective year.

Underground Power

In 2022/23, Vincent has commenced a project with Western Power to deliver eight underground power projects. Extensive financial modelling was undertaken to consider the most equitable solution for both the City and ratepayers.

The funding for the projects will be shared between Western Power and the City's ratepayers:

- Western Power will fund a portion of the network charge which will vary depending on the project
- Ratepayers will fund the remaining network charges and the connection fee

The financial model is proposed for adoption at the Ordinary Council Meeting on 20 June 2023 and includes the following assumptions that has been factored into the LTFP:

- A maximum borrowing capacity of 50% has been assessed using the Western Australian Treasury Corporation's (WATC) Indicative Additional Debt Capacity Calculator
- Ratepayers will be provided the option to pay their service charges upfront payment or through a 4-year payback period option
- The 4-year payback period option will be available for up to an estimated maximum 70% of ratepayers per project and funded by a

combination of 4-year fixed interest term loans borrowed from the WATC, the Underground Power Reserve and the Tamala Park Land Sales Reserve

- The Underground Power Reserve and Tamala Park Land Sales Reserve will be used during the life of the project
- Properties will be levied a service charge based on the total costs of their specific project area

The financial model will inform the City's negotiation in the Co-Funding Agreement, which will need to be signed by Western Power and the City of Vincent prior to the construction commencing in 2024.

Underground Power is a once-in-a-generation project. It takes advantage of diverting Western Power's network upgrade expenditure toward underground power distribution assets.

Asset Management Sustainability

Vincent has identified that our current level of asset renewal demand currently exceeds the City's ability to fully resource asset renewal investment. To meet this challenge, the City must strike the balance between maintaining our current portfolio and the scale of ageing assets whilst meeting the needs of a growing and diverse community and a changing environment. This needs to happen within our means and be financially sustainable in the long term.

In 2018/19 the asset sustainability ratio for Vincent was 33%, equating to an asset renewal gap in a single year of approximately \$7.5m. This was well below the established Local Government benchmark of 90%.

In response, the City has prepared an Asset Management Sustainability Strategy (AMSS). Notably, the strategy identifies two major capital projects requiring investment. The Beatty Park Leisure Centre Grandstand is a highly-valued asset that is in need of significant additional investment to keep it maintained for future generations (AMSS, p20). Additionally, the facilities at Leederville Oval are



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dated and ageing and not keeping pace with community expectations (AMSS, p31). The City is in the process of developing Asset Management Plans for these two ageing facilities to better understand and plan the asset management responsibilities, risk and financial investment required over the next 10-15 years.

In the process of reviewing the Property Asset management Plan (for the City's Building and Facilities asset portfolio) a Building Level of Service framework has been developed which will guide the prioritisation of the City's capital works and renewal programs.

A new Asset Management Policy has also been developed and will be implemented through an Asset Management Framework and asset planning and project planning processes.

The current LTFP has estimated a revised asset sustainability ratio average of 96% over the next 10 years.

For more information, refer to item 10.2 at the Ordinary Council Meeting held 16 November 2021 and item 10.1 at the Ordinary Council Meeting held 8 March 2022.

Workforce Planning

Salary increases of 3.5% (plus compulsory Superannuation increases) were implemented in 2022/23 and planned for 2023/24 in line with the current EBA to help staff meet rising cost of living pressures and allow Vincent to remain a competitive employer.

Waste Management Services

In 2021/22 Vincent used a \$7m loan to exit the Mindarie Regional Council's Resource Recovery Facility (RRF) facility.

Vincent was one of 12 Councils involved in this decision. All Councils agreed it was financially beneficial given changes to the waste management market to exit the existing contract, rather than allow the contract to continue.

Exiting the contract and making other changes to waste service delivery, including the implementation of the FOGO system and planned waste to energy transition are forecast to save the City of Vincent \$1M over 10 years. This was approved by Council in a confidential paper, as item 17.1 at the Ordinary Council Meeting held 15 December 2020.

Since the inception of the FOGO system, the City has managed to divert over 6,309 tonnes of organic waste from landfill (November 2021 to April 2023). The cost savings are estimated to be \$15/tonne, which is the difference between landfill and FOGO processing.

The City will continue to tailor waste education programs to residents in an effort to reduce contamination levels, resulting in increased diversion from landfill (and reduced landfill costs) and operational efficiencies.

For more information, refer also to the discussion on materials and contracts in the Annual Budget, item 11.7 at the Ordinary Council Meeting held 22 June 2021.

Litis Stadium Grant

In partnership with Floreat Athena Soccer, Vincent will receive \$3m in Grant funding over 2023/24 and 2024/25 to improve community facilities at Litis Stadium.

Unfunded Projects & Masterplans

Vincent is unable to fund all major capital projects and has insufficient funds to pay for more expensive, multi-generational projects. This will require the City to build reserves over time, toward funding this expenditure.



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The following significant projects are not included in the base scenario of the LTFP:

- Investment in Beatty Park Leisure Centre to deliver new or enhanced services
- Leederville Oval Precinct development and improvement

NEW REVENUE AND DEBT REDUCTION

While the City has a focus on operating efficiency, it also continuously seeks new revenue and debt reduction opportunities to take the rates burden off ratepayers.

Leederville Carparks Redevelopment

The City of Vincent commenced a request for proposals (RFP) process for redevelopment of the City's major landholdings in Leederville, being the Avenue Car Park and Frame Court Car Park.

An evaluation panel was convened to evaluate the proposals over a two stage process. Following this, the evaluation panel recommended that the preferred proponent's proposal is progressed, for the following reasons:

- Most beneficial commercial terms for the City;
- Compliance with the submission requirements;
- Addressed all essential, non-weighted selection criteria and key commercial terms;
- Addressed all Stage 2 Request for Detailed Proposals items; and
- Ranked highest in the evaluation panel's assessment of the qualitative selection criteria.

The City will now enter into a Heads of Agreement with the preferred proponent and draft a Business Plan based on the proposal.

For more information, refer to item 9.4 at the Ordinary Council Meeting held 16 May 2023.

Sydney Haynes Reserve

The City of Vincent has identified that the current use of 15 (Lot 9) Haynes Street, North Perth is in breach of the Deed of Trust, dated 2 October 1941. The City sought the approval of the Office of the Attorney General to transition the land back to public open space, ie the Sydney Haynes Reserve.

An accompanying block of land at 25 Sydney Street, North Perth was used as a car park by tenants of 15 Haynes Street. This block of land was not required, and the City determined that selling the Land would have a greater community value if it was sold, as the proceeds from the sale could fund the construction and development of the public open space.

Following advertising of the land for sale in April 2023, Council at its meeting 16 May 2023 resolved to accept an offer and approve the sale and transfer of the land.

Residual proceeds from the sale will be allocated to the Public Open Space Reserve for future development of public open space in the City.

For more information, refer to item 9.4 at the Ordinary Council Meeting held 17 May 2022 and 9.14 at the Ordinary Council Meeting held 16 May 2023.

Mindarie Regional Council

The City of Vincent is a 1/12th owner of the Mindarie Regional Council (MRC), Western Australia's largest waste management authority.

As a part owner, the City may derive a benefit from commercial activities of the MRC.



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For more information on Mindarie Regional Council, refer to their website:

[Waste Management Authority | Perth WA - Mindarie Regional Council \(mrc.wa.gov.au\)](#)

Third Party Partnerships

Where it is financially beneficial, the City of Vincent may create partnerships with third parties. These partnerships are established following a competitive market process, and the terms are approved by Council.

In one example, Vincent has a lease agreement and a management agreement with Belgravia Leisure (**Belgravia**) to operate the Loftus Recreation Centre on the City's behalf. Belgravia pay a leasing fee, a management agreement fee, repay the Loftus Recreation Centre Loan, and contribute toward the Loftus Recreation Centre Reserve.

The City has oversight of the performance of the business in a quarterly management report, and ensures a community benefit is delivered.

For more information, refer to item 9.6 at the Ordinary Council Meeting held 8 February 2022.

LTFP ASSUMPTIONS & MODELLING

The LTFP's assumptions and modelling provides the City with reliable, robust information to assess our capacity to maintain overall financial sustainability into the Long-Term and, most importantly, to ensure that we have in place the necessary funding arrangements to support proposed capital replacement programs and new capital projects.

The Plan is expected to influence the City's Annual Budget each year - but it is recognised that the Plan is a dynamic and evolving document that responds to changing strategic priorities, service level expectations and economic conditions.

In regularly reviewing the plan, where such changes occur and the impact is significant, the financial modelling will be adjusted to reflect these changes. This iterative approach reflects responsible business practice.

Qualifications & Limitations

As with any long-term financial model, it is important to understand any qualifications and/or limitations that may relate to the outputs of the model.

It is based on a number of financial assumptions relating to the:

- quantum of and anticipated movements in both revenues and expenditures
- anticipated timeframes for cash flows into and out of the organisation
- expectations of the continuation of (at least), existing funding initiatives.

Indicative funding or cost estimates included in this plan may relate to broad proposals that:

- Have been approved by Council and are in progress.
- Have been considered by Council but have yet to be given final approval to proceed.
- Have only been considered by Council at a strategic or conceptual level.
- Are operational in nature and based on the continued delivery of existing services.
- Are operational in nature and relate to the maintenance of City assets in accordance with management plans and maintenance plans.

Adoption of the Plan by Council does not constitute an irrevocable commitment to any specific project or service referenced in the plan, nor to its timing.

Similarly, it does not preclude the possible subsequent inclusion of further service or capital initiatives in future years if the financial modelling and strategic



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direction of Council indicate that it aligns with that strategic direction and could be supported without adversely impacting on the City’s financial sustainability.

Any assumptions in relation to either the financial modelling parameters, projects or service proposals are prepared based on the best available information and knowledge at hand.

Key Financial Indicators

There are a number of statutory financial indicators that a local government must calculate and disclose in both their financial planning and financial reporting documents.

The calculation of each indicator - and the specific inclusions in both the denominator and numerator used in the calculation are strictly prescribed in the Local Government Financial Management Regulations (LGFMR). This ensures that financial indicators published by different local governments are comparable.

However, it must be appreciated that there is no single indicator that demonstrates a local government’s financial sustainability - nor does it necessarily mean that it is fatal if a particular local government falls below the Department of Local Government’s ‘preferred’ benchmark for that particular indicator in a single year.

It is important to understand not only the trend in a particular indicator but also the circumstances leading to the calculation of that particular indicator value to ensure that it is interpreted ‘in context’.

The results of the calculation of each of the key financial indicators and detail of the industry benchmarks is provided in the scenario modelling below.

Assumptions for all Scenarios

The following assumptions are included in all scenarios in this LTFP:

Key Metrics	Assumptions
Service Charges	<ul style="list-style-type: none"> - Service charges levied are based on E30 estimates provided by Western Power for all eight underground power projects - It is estimated that up to 70% ratepayers will elect for a 4-year payback option per project
Underground Power Project Costs	A 10% contingency is included on the E30 cost estimates provided by Western Power for modelling purposes
Loans	Individual 4-year fixed interest loans are borrowed from the WATC based on 50% of the total costs for each underground project
Reserves	The Underground Power Reserve and Tamala Park Land Sales Reserve will be used to fund 4-year instalment options for up to 70% of ratepayers, help manage service charge recoverability timing issues and potential project cost escalations
Inflation	<ul style="list-style-type: none"> - 3% from 2024/25 onwards, based on Reserve Bank of Australia data
Employee Costs	<ul style="list-style-type: none"> - 3.5% increase in wages for 2023/24, 2.75% for 2024/25 and & 2% each year until 2032/33 - Superannuation contribution increases to 11%, 11.5% and 12% in 2023/24, 2024/25 and 2025/26 respectively



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	- Staff numbers (FTE) remain at the same level and any increase in service expectations is absorbed through operational efficiencies
Fees & Charges	Reflects inflationary assumptions
Beatty Park Fees	
Car Parking Increases	
Interest Revenue	Higher interest revenue compared to the previous LTFP 2022/23 – 2031/32 has been included based on current Reserve Bank of Australia data
Waste	Exit of Resource Recovery Facility contract and waste to energy transition from FY25. Savings of ~\$1m over 10 years have been transferred to the Strategic Waste Management Reserve
Service Delivery	No changes to service delivery
Light Fleet Renewal	Assumes light fleet vehicles are renewed every 3 years
Tree Pruning	Estimated savings of \$250k over 10 years due to the underground power project

Potential revenue sources not included in the LTFP

The following revenue opportunities may arise during the life of the LTFP:

Source	Description
--------	-------------

Leederville Town Centre – Land Expression of Interest	Lump sum payment arising from the sale of Frame Court and Avenue Carparks
Car Parking	Additional revenue generated from changes to parking fees, above inflation
Grant Funding	Additional grant funding opportunities are likely in this period
Asset Sales	Potential sale of assets (ie land)

Potential operating efficiencies not included in the LTFP

The following operating efficiencies may arise during the life of the LTFP:

Source	Description
Operational Cost Savings	Delivering operational efficiencies that reduce operating costs and the required rates burden

Key Projects Funded

The following key projects are funded in the LTFP:

Description	Delivery Year	Amount	Funded from Rates/Service Charges
Underground Power Project (based on E30 cost estimates provided by Western Power)	2024/25 to 2030/31	>\$80m	>\$80m
	2023/24	\$0.94m	\$0.69m



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Robertson Park Development Plan – Stages 1 & 2	2024/25	\$3.97m	\$0.78m
	2025/26	\$0.73m	\$0.73m
	2026/27	\$0.52m	\$0.52m
	2027/28	\$0.70m	\$0.65m
Banks Reserve Master Plan (without a community facility)	2023/24	\$0.20m	\$0.20m
	2024/25	\$0.30m	\$0.30m
	2025/26	\$0.60m	\$0.60m
	2026/27	\$0.65m	\$0.65m

Leederville Oval: - 1000 Lux Lights, turf refurbishment		\$3m
Leederville Oval: - Clubroom and Grandstand development		\$19m

Projects not included in the LTFP:

The following key projects are not included in the LTFP:

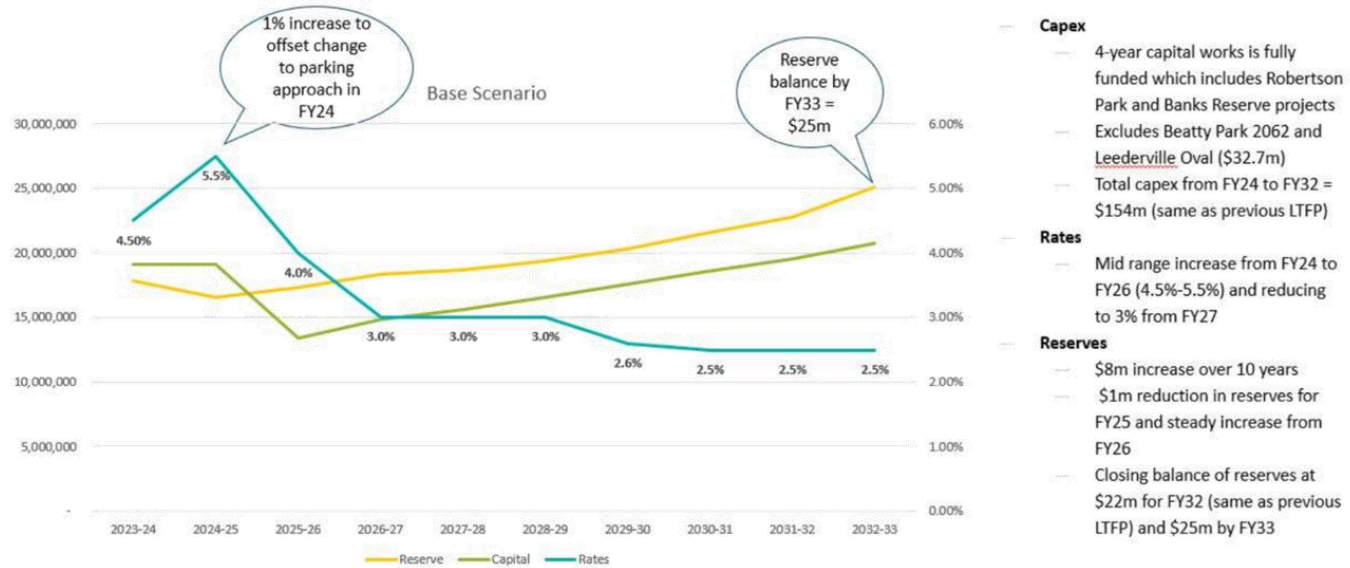
Description	Delivery Year	Amount
Banks Reserve Master Plan – Community facility and extension to car park	2026/27	\$2.5m
Leederville Land EOI, including sale of the Avenue Car Park and Frame Court Car Park		Unknown
Beatty Park 2062: - Heritage Grandstand preservation		\$7.5m
Beatty Park 2062: - Heritage Grandstand redevelopment of original entry hall		\$3.2m



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SCENARIO MODELLING

Scenario 1: Base Scenario: Capex/Rates/Reserves (without underground power project)





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Scenario 1: Base Scenario: Financial Ratios

	Min Range	Target Range	Average	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Current Ratio (incl. term deposits) - The ability of a local government to meet its short-term financial obligations out of unrestricted current assets. ¹	> 100%	> 120%		80%	91%	80%	80%	70%	72%	78%	75%	84%	86%
Operating Surplus Ratio - Measure of a local government's ability to cover its operational costs and have revenues available for capital funding or other purposes. ²	> 1%	> 5%		3%	0%	-4%	0%	10%	2%	-3%	9%	-6%	7%
Own Source Revenue Coverage Ratio - the measurement of a local government's ability to cover its costs through its own revenue efforts	40%	> 60%		101%	98%	94%	98%	109%	101%	96%	108%	93%	106%
Debt Service Cover Ratio - measurement of a local government's ability to repay its debt including lease payments. The higher the ratio is, the easier it is for a local government to obtain a loan. ³	> 300%	> 500%		383%	657%	340%	286%	402%	201%	172%	407%	124%	528%
Asset Sustainability Ratio - indicates whether a local government is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out. ⁴	> 90%	> 110%		96%	109%	100%	83%	83%	87%	91%	98%	102%	103%
Asset Consumption Ratio - Measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.	> 50%	> 60%		63%	65%	65%	64%	63%	63%	62%	62%	62%	62%

GREEN indicates that the projected indicator exceeds the minimum range prescribed by DLGSC

AMBER indicates that the projected indicator is below the minimum range prescribed by DLGSC

¹ The Current Ratio falls below the minimum range of 100% due to a focus on transferring any excess surplus funds to build up the reserve balance over the 10-year period

² The Operating Surplus Ratio falls below the minimum range of 1% in years where there are high operational costs associated with the underground power projects

³ The Debt Service Coverage Ratio falls below the minimum range of 300% due to the City reaching maximum borrowing capacity from funds borrowed for Underground Power projects

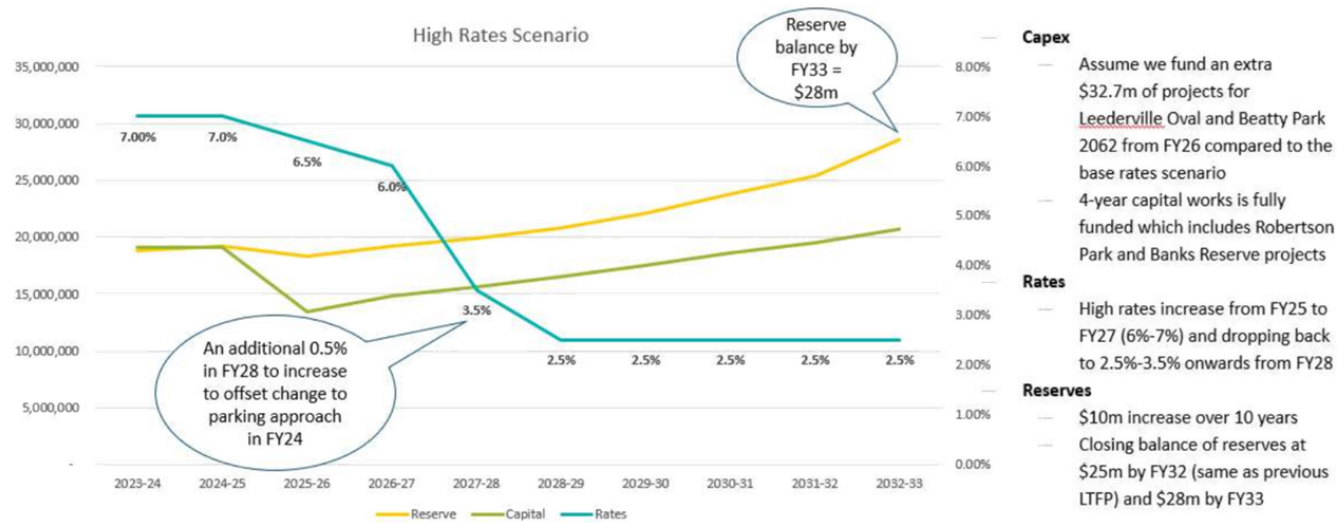
⁴ The Asset Sustainability Ratio falls below the minimum range of 90% in years where there is a higher proportion of CAPEX spend on new projects such as Robertson Park



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Scenario 2: High Rating Scenario: Capex/Rates/Reserves (without underground power project)





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Scenario 2: High Rating Scenario: Financial Ratios

	Min Range	Target Range	Average	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	
Current Ratio (incl. term deposits) - The ability of a local government to meet its short-term financial obligations out of unrestricted current assets. ¹	> 100%	> 120%		146%	86%	76%	97%	102%	124%	151%	161%	199%	223%	238%
Operating Surplus Ratio - Measure of a local government's ability to cover its operational costs and have revenues available for capital funding or other purposes. ²	> 1%	> 5%		7%	1%	-2%	3%	14%	7%	3%	14%	-1%	12%	14%
Own Source Revenue Coverage Ratio - the measurement of a local government's ability to cover its costs through its own revenue efforts	40%	> 60%		106%	99%	96%	101%	115%	106%	101%	114%	98%	112%	114%
Debt Service Cover Ratio - measurement of a local government's ability to repay its debt including lease payments. The higher the ratio is, the easier it is for a local government to obtain a loan. ³	> 300%	> 500%		460%	707%	394%	344%	477%	256%	233%	492%	185%	647%	864%
Asset Sustainability Ratio - indicates whether a local government is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out. ⁴	> 90%	> 110%		96%	109%	100%	83%	83%	87%	91%	98%	102%	103%	106%
Asset Consumption Ratio - Measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.	> 50%	> 60%		63%	65%	65%	64%	63%	63%	62%	62%	62%	62%	62%

GREEN indicates that the projected indicator exceeds the minimum range prescribed by DLGSC

AMBER indicates that the projected indicator is below the minimum range prescribed by DLGSC

¹ The Current Ratio falls below the minimum range of 100% due to a focus on transferring any excess surplus funds to build up the reserve balance over the 10-year period

² The Operating Surplus Ratio falls below the minimum range of 1% in years where there are high operational costs associated with the underground power projects

³ The Debt Service Coverage Ratio falls below the minimum range of 300% due to the City reaching maximum borrowing capacity from funds borrowed for Underground Power projects

⁴ The Asset Sustainability Ratio falls below the minimum range of 90% in years where there is higher proportion of CAPEX spend on new projects such as Robertson Park



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LTFP ANALYSIS

Commentary on the 2023/24 – 2032/33 LTFP

Loan Borrowing Analysis

Reserve Fund Analysis

Funding Mix and Funding Use

Financial Statement Analysis

Appendices



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COMMENTARY ON THE 2023/24 – 2032/33 LTFP

The two scenarios modelled above provides guidance towards capital expenditure and reserve funding based on varying levels of rate rises. It is noted that the *Base Scenario* is the optimum financial model that informs the Corporate Business Plan and allocates the necessary resources to ensure that the Strategic Community Plan priorities are achieved. A low rating scenario has not been modelled as this does not support the City's Underground Power project.

A conservative approach has been adopted in the preparation of the LTFP considering that significant and unprecedented economic impacts, high inflation and aggressive interest rate fluctuations have occurred in the prior year.

Base Scenario

The base case model supports long term financial sustainability through growth in reserves and the ability to fund the 4-year capital works without adopting significant rate rises over the life of the LTFP. Key projects including Underground Power, Robertson Park Development Plan Stage 1 & 2 and the Banks Reserve Master Plan (without community facility) have been included in the plan. The key assumptions and outcomes of this scenario are:

- Rate increases (4%-5.5%) from 2023/24 to 2025/26 and reducing to 2.5%-3% from 2026/27
- Rate rise increased from 4.5% to 5.5% in 2024/25 compared to the previous LTFP 2022/23 – 2031/32 to offset the impacts on changes to carparking
- 4-year capital works to be fully funded and a steady increase of 5-6% in capital expenditure from 2027/28
- Reserve balance (excluding underground power) to increase by \$8m over 10 years (2032/33 balance \$25m)

- The debt service coverage ratio falls below the minimum prescribed range of 300% due to the City reaching maximum borrowing capacity from funds borrowed for the underground power projects. It is assumed that funds will not be borrowed for other projects other than for underground power over the 10 years.

- The current ratio falls below the minimum prescribed range of 100% due to a focus on transferring any excess surplus funds to build up the reserve balance over the 10-year period

High Rates Scenario

The high rates scenario provides funding for additional large-scale projects including Beatty Park 2062 and Leederville Oval and a significant increase to our reserves over the 10 years. The key assumptions and outcomes of this scenario are:

- High rates increase from 2023/24 to 2026/27 (6%-7%) and reducing to 2.5%-3.5% from 2027-28 onwards
- Rate rise increased from 3.0% to 3.5% in 2027/28 compared to the previous LTFP 2022/23 – 2031/32 to offset the impacts on changes to carparking
- Additional Capex of \$32.7m for Beatty Park and Leederville Oval from 2025/26 to 2032/33 compared to the base scenario
- Reserve balance (excluding underground power) to increase by \$10m over 10 years (2032/33 balance \$28m)
- The debt service coverage ratio falls below the minimum prescribed range of 300% due to the City reaching maximum borrowing capacity from funds borrowed for the underground power projects. It is assumed that funds will not be borrowed for other projects other than for underground power over the 10 years.



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- Majority of key financial ratios meet the minimum target prescribed by the Department of Local Government, Sport and Cultural Industries (DLGSC)

LOAN BORROWING ANALYSIS

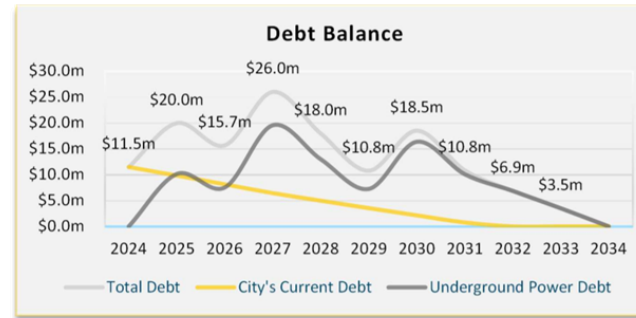
Loan borrowings are a legitimate financing facility available to local governments to sustainably meet the long-term needs of its community, particularly in respect to major capital works projects. The Act empowers the City to borrow within a financial strategy as part of a balanced funding package and are included in the City's Long Term Financial Plan where appropriate.

There were two new loans from the WA Treasury Corporation (WATC) that commenced in 2022/23 for the supply and installation of new gym equipment at Beatty Park Leisure Centre as the existing equipment comes to the end of its useful life.

The City is expected to borrow 4-year fixed interest term loans up to a maximum of 50% of the total costs for each underground power project over the next 10 years. The loans will fund ratepayers that have elected for the 4-year instalment plan.

The City's outstanding loan borrowings at the commencement of the LTFP is projected to start at \$13.0m early in 2022/23 and then progressively peak to \$26m in 2026/27 due to the loans borrowed for the underground power project.

The City's debt levels over the life of the project; including existing loans are shown below:



RATES YIELD ANALYSIS

The rate setting model used in preparing the financial plan represents an annual rate yield increase between 2.5% - 5.5% (2023/24 to 2032/33). This is the level required to ensure that the balance between the City's operational expenditure and its operational revenue generating capacity is maintained at a sustainable level - as reflected in the Operating Surplus Ratio.

RESERVE FUND ANALYSIS

Local governments rely heavily on own source income, with Rates being a majority component. Given the demands to fund ongoing operations and specific major projects, funding strategies are required to avoid significant variations in the demand for funds and the consequential impact on ratepayers. Financial Reserves are considered an appropriate mechanism to sustainably manage a local government's financial stability, helping to avoid the need for large or irregular rate movements in the years that relevant projects are delivered, spreading or smoothing the financial implications.



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Cash backed (discretionary) Reserves are used to set aside funds for a proposed future purpose (see Appendices). Subject to the requirements of section 6.11 of the Act, reserve funds must only be used for the nominated purpose. These reserves may be funded by appropriation from the City's Municipal fund or by the proceeds of asset sales, distributions from Tamala Park Regional Council (TPRC) or linked to a specific income source.

The City will utilise the Underground Power Reserve and the Tamala Park Land Sales Reserve during the life of the underground power project. The use would allow for the funding of 4-year instalment options for up to 70% of ratepayers, help manage service charge recoverability timing issues and potential project cost escalations.

For comparison purposes, there are two Forecast Schedule of Reserves (including and excluding underground power) prepared which provides a breakdown of reserve funds over the life of the LTFP.

The forecasted schedule (excluding underground power) shows that there will be heavy reliance on reserve drawdowns in 2024/25 (net reduction of around \$1m) to fund the 4-year capital plan in the base case scenario. The reserve balance is anticipated to grow again from 2025/26 and steadily increase over the 10-year period to a balance of \$25m in 2032/33.



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City of Vincent
Forecast Schedule of Reserves (Excluding Underground Power)
For the period 2024 - 2033

	1	2	3	4	5	6	7	8	9	10
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
4 Asset Sustainability Reserve	6,375,538	4,054,382	3,285,741	3,434,356	2,403,043	1,751,104	1,386,126	1,363,849	1,391,126	2,418,949
5 Beatty Park Leisure Centre Reserve	227,809	147,365	150,312	153,318	256,384	311,512	317,742	324,097	330,579	337,191
7 Cash in Lieu Parking Reserve	446,798	4,234	19,319	34,705	50,399	66,407	82,735	99,390	116,378	133,706
9 Hyde Park Lake Reserve	169,271	172,656	176,109	179,631	183,224	186,888	190,626	194,439	198,328	202,295
10 Land and Building Acquisition Reserve	313,976	320,256	326,661	333,194	339,858	346,655	353,588	360,660	367,873	375,230
11 Leederville Oval Reserve	73,140	74,603	76,095	77,617	79,169	80,752	82,367	84,014	85,694	87,408
13 Loftus Community Centre Reserve	143,949	146,828	149,765	152,760	155,815	158,931	162,110	165,352	168,659	172,032
14 Loftus Recreation Centre Reserve	303,497	310,214	318,279	326,645	335,310	344,275	353,540	363,105	372,970	383,135
16 Office Building Reserve - 246 Vincent Street	216,707	221,041	225,462	229,971	234,570	239,261	244,046	248,927	253,906	258,984
17 Parking Facility Reserve	111,564	113,795	116,071	118,392	120,760	123,175	125,639	128,152	130,715	133,329
18 Percentage For Public Art Reserve	47,886	48,844	49,821	917	935	954	973	992	1,012	1,032
20 State Gymnastics Centre Reserve	145,374	61,016	75,225	89,979	105,293	121,183	123,607	126,079	128,601	131,173
21 Strategic Waste Management Reserve	265,426	270,735	376,150	483,673	593,346	705,213	819,317	935,703	1,054,417	1,175,505
22 Tamala Park Land Sales Reserve	5,038,772	6,556,213	7,687,337	8,674,418	9,681,239	10,708,197	11,755,695	12,824,142	13,663,958	14,687,237
23 Underground Power Reserve	2,497,932	2,547,891	2,598,849	2,650,826	2,703,843	2,757,920	2,813,078	2,869,340	2,926,727	2,985,262
24 Waste Management Plant and Equipment Reserve	0	0	0	0	0	0	0	0	0	0
25 POS reserve - Haynes Street	29,138	64,966	101,510	138,785	176,806	180,342	183,949	187,628	191,381	195,209
26 POS reserve - General	1,432,922	1,461,580	1,490,812	1,200,628	1,224,641	1,249,134	1,274,117	1,299,599	1,325,591	1,352,103
	17,839,832	16,576,755	17,283,657	18,339,156	18,703,031	19,389,209	20,325,327	21,630,167	22,761,106	25,081,329

Refer to Appendices for a breakdown of specified reserve purposes



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City of Vincent
Forecast Schedule of Reserves (Including Underground Power)
For the period 2024 - 2033

	1	2	3	4	5	6	7	8	9	10
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
4 Asset Sustainability Reserve	6,375,538	4,054,382	3,285,741	3,434,356	2,403,043	1,751,104	1,386,126	1,363,849	1,391,126	2,418,949
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14 Loftus Recreation Centre Reserve	303,497	310,214	378,279	385,845	393,562	401,433	409,462	417,651	426,004	434,524
16 Office Building Reserve - 246 Vincent Street	216,707	221,041	225,462	229,971	234,570	239,261	244,046	248,927	253,906	258,984
17 Parking Facility Reserve	111,564	113,795	116,071	118,392	120,760	123,175	125,639	128,152	130,715	133,329
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23 Underground Power Reserve	2,497,932	7,080,414	2,235,926	19,350,943	11,050,378	1,127,796	15,584,253	894,975	952,362	804,340
24 Waste Management Plant and Equipment Reserve	0	0	0	0	0	0	0	0	0	0
25 POS reserve - Haynes Street	29,138	64,966	101,510	138,785	176,806	180,342	183,949	187,628	191,381	195,209
26 POS reserve - General	1,432,922	1,461,580	1,490,812	1,200,628	1,224,641	1,249,134	1,274,117	1,299,599	1,325,591	1,352,103
	17,839,832	21,109,278	16,920,734	35,039,273	27,049,566	17,759,085	33,096,502	18,419,590	19,357,893	22,900,406

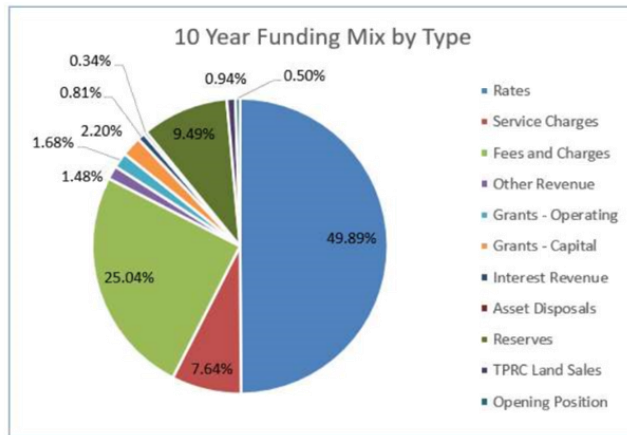
Refer to Appendices for a breakdown of specified reserve purposes.



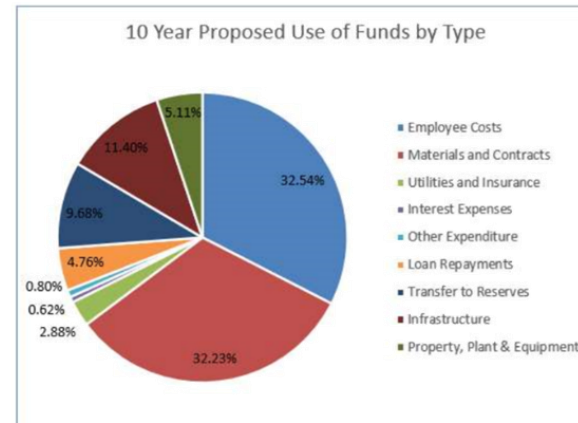
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FUNDING MIX AND FUNDING USE



The chart above indicates the respective contributions of the various funding sources to the total funding mix over the ten-year period covered by the plan. The major elements of the funding model are rates (49.9%), fees and charges (25.0%), service charges (7.6%) reserves (9.5%), operating & non-operating grants (3.9%), land and asset disposals (1.3%), interest revenue (0.8%) and other revenue (1.5%).



The proposed expenditure program reveals that approximately 32.5% of cash expenditure relates to employee costs and another 32.2% to materials and contracts, 2.9% to utilities and insurances, 5.4% towards loan servicing and interest, 0.8% for other expenditure with 16.5% applied to capital expenditure, with the remaining 9.7% going to Reserves.

Over the life of the plan, funds will be applied towards meeting the costs of operational service delivery as well as expenditure on the underground power project, infrastructure renewals, debt servicing and replenishing Reserves.



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FINANCIAL STATEMENTS AND SUPPORTING SCHEDULES

Primary Financial Statements

The ten-year LTFP is presented as a suite of summarised financial statements:

- FS1 - Statement of Comprehensive Income by Nature and Type
- FS2 - Statement of Funding (Rate Setting Statement)
- FS3 - Statement of Cash Flows
- FS4 - Statement of Net Current Asset Position
- FS5 - Statement of Financial Position
- FS6 - Statement of Change in Equity.

Please note the financial statements provided below are derived from the base scenario.

FS1 - Statement of Comprehensive Income

This financial statement includes estimates of all revenues and expenditures that are included in the operating (normal day to day) activities of the City. This also includes non-cash items such as depreciation as well as interest payments on loans. It excludes repayments of loan principal, proceeds from loan borrowings and capital expenditure items - those are all reflected in the aggregated Rate Setting Statement FS2.

Information from the Income Statement is used to calculate the Operating Surplus Ratio which is one of the statutory measures of financial sustainability.

FS2 - Statement of Funding (Rate Setting Statement)

This important statutory financial statement includes estimates of all operating and non-operating revenues and expenditures as well as repayments of loan

principal, proceeds from loan borrowings, capital expenditure items and transfers to or from cash backed reserves. It does however, exclude all non-cash items.

The purpose of the statement is to demonstrate the calculation of the amount of rates expected to be required to fund the budget each year.

FS3 - Statement of Cash Flows

This financial statement demonstrates the projected impact on the overall cash position of the City of the planned financial transactions. It is derived from the Operating Position which is then adjusted for the impact of the non-cash transactions and non-operating items.

FS4 - Statement of Net Current Asset Position

This financial statement contains projected balances for Current Assets (Cash, Receivables and Inventories) and Current Liabilities (Creditors, Provisions and Restricted Reserves) across each year of the plan.

It is used to calculate the Net Current Assets figure which is essentially the starting point for developing the Rate Setting Statement which determines the amount of rates required to fund the budget each year.

FS5 - Statement of Financial Position

This financial statement demonstrates the impact of the proposals in the Long Term Financial Plan on the assets and liabilities of the City. The financial plan should indicate maintenance or improvement in the value of the City's Equity (Net Assets).

FS6 - Statement of Change in Equity

This financial statement recognises the impact on the City's Net Assets (Equity).



COV - OFFICIAL - SENSITIVE

CITY OF VINCENT

City of Vincent

FS 1 - Forecast Statement of Comprehensive Income - by Nature or Type

For the period 2024-2033

Base Scenario

	1	2	3	4	5	6	7	8	9	10
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Rates	42,302,811	44,883,216	46,938,325	48,614,049	50,348,071	52,142,382	53,791,188	55,438,788	57,137,609	58,568,583
Operating grants, subsidies and contributions	1,498,420	1,543,374	1,589,678	1,637,369	1,686,490	1,737,085	1,789,198	1,842,874	1,898,161	1,955,107
Fees and charges	22,143,204	23,117,500	23,708,026	24,419,267	25,151,845	25,906,404	26,683,597	27,484,106	28,308,628	29,157,884
Service charges	0	8,005,349	5,817,285	11,571,269	14,700,483	6,867,219	5,813,241	15,636,885	4,840,974	4,840,974
Interest earnings	1,103,000	891,970	780,821	769,109	759,495	763,292	770,925	782,488	798,138	818,092
Other Revenues	1,385,434	1,349,492	1,389,976	1,431,674	1,474,623	1,518,864	1,564,434	1,611,369	1,659,706	1,709,497
	68,432,869	79,790,901	80,224,111	88,442,737	94,121,007	88,935,246	90,412,583	102,796,510	94,643,216	97,050,137
Expenses										
Employee costs	(31,198,096)	(32,071,238)	(32,877,418)	(33,534,967)	(34,205,666)	(34,889,779)	(35,587,575)	(36,299,326)	(37,025,313)	(37,765,819)
Materials and contracts	(23,041,382)	(36,892,934)	(32,262,683)	(30,968,472)	(41,400,489)	(37,235,396)	(27,553,031)	(52,550,725)	(30,583,248)	(29,557,925)
Utilities	(1,860,315)	(1,916,125)	(1,973,611)	(2,032,819)	(2,093,802)	(2,156,615)	(2,221,314)	(2,287,955)	(2,356,592)	(2,427,290)
Depreciation	(12,607,088)	(13,558,919)	(14,052,769)	(14,549,604)	(15,071,121)	(15,232,665)	(14,969,714)	(15,365,518)	(15,873,290)	(16,471,391)
Interest Expenses	(495,449)	(655,630)	(880,265)	(856,464)	(1,140,067)	(739,692)	(429,447)	(700,918)	(411,837)	(259,140)
Insurance expenses	(804,195)	(828,320)	(853,169)	(878,765)	(905,127)	(932,281)	(960,249)	(989,057)	(1,018,730)	(1,049,293)
Other expenditure	(752,098)	(685,961)	(718,052)	(751,347)	(885,867)	(824,676)	(861,882)	(900,462)	(1,090,449)	(986,391)
	(70,758,623)	(86,609,127)	(83,617,967)	(83,572,437)	(95,702,140)	(92,011,105)	(82,583,212)	(109,093,961)	(88,359,459)	(88,517,249)
Nett Result from Operations	(2,325,754)	(6,818,226)	(3,393,856)	4,870,300	(1,581,132)	(3,075,859)	7,829,371	(6,297,451)	6,283,757	8,532,888
Non-operating grants, subsidies and contributions	3,703,747	5,663,740	1,620,406	2,353,740	1,311,427	1,390,113	1,473,519	1,561,931	1,640,027	1,738,429
Loss on Revaluation	0	0	0	0	0	0	0	0	0	0
Profit on Assets Disposal	2,370,775	3,382,918	3,150,191	4,423,161	3,787,003	713,331	611,324	627,184	643,359	659,859
Loss on assets disposal	(47,335)	(48,282)	(49,247)	(50,232)	(51,237)	(52,262)	(53,308)	(54,375)	(55,463)	(56,573)
NET RESULT	3,701,433	2,180,150	1,327,494	11,596,969	3,466,061	(1,024,677)	9,860,906	(4,162,712)	8,511,680	10,874,602
Other Comprehensive Income	5,101,544	5,331,656	5,542,292	5,638,180	5,754,516	6,242,185	6,422,731	6,764,606	6,987,252	7,222,639
TOTAL COMPREHENSIVE INCOME	8,802,977	7,511,806	6,869,786	17,235,149	9,220,577	5,217,508	16,283,638	2,601,894	15,498,931	18,097,242



CITY OF VINCENT

COV - OFFICIAL - SENSITIVE

City of Vincent

FS 2 - Forecast Statement of Funding - for the period 2024 - 2033

Base Scenario

	1	2	3	4	5	6	7	8	9	10
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES										
Revenues										
Rates	42,302,811	44,883,216	46,938,325	48,614,049	50,348,071	52,142,382	53,791,188	55,438,788	57,137,609	58,568,583
Operating grants, subsidies and contributions	1,498,420	1,543,374	1,589,678	1,637,369	1,686,490	1,737,085	1,789,198	1,842,874	1,898,161	1,955,107
Profit on asset disposal	2,370,775	3,382,918	3,150,191	4,423,161	3,787,003	713,331	611,324	627,184	643,359	659,859
Fees and charges	22,143,204	23,117,500	23,708,026	24,419,267	25,151,845	25,906,404	26,683,597	27,484,106	28,308,628	29,157,884
Service charges	0	8,005,349	5,817,285	11,571,269	14,700,483	6,867,219	5,813,241	15,636,885	4,840,974	4,840,974
Interest earnings	1,103,000	891,970	780,821	769,109	759,495	763,292	770,925	782,488	798,138	818,092
Other revenue	1,385,434	1,349,492	1,389,976	1,431,674	1,474,623	1,518,864	1,564,434	1,611,369	1,659,706	1,709,497
	70,803,644	83,173,819	83,374,302	92,865,898	97,908,010	89,648,577	91,023,907	103,423,694	95,286,575	97,709,996
Expenses										
Employee costs	(31,198,096)	(32,071,238)	(32,864,145)	(33,521,426)	(34,191,854)	(34,875,681)	(35,573,187)	(36,284,653)	(37,010,348)	(37,750,560)
Materials and contracts	(23,041,382)	(36,892,934)	(32,262,683)	(30,968,472)	(41,400,489)	(37,235,396)	(27,553,031)	(52,550,725)	(30,583,248)	(29,557,925)
Utility charges (electricity, gas, water etc.)	(1,860,315)	(1,916,125)	(1,973,611)	(2,032,819)	(2,093,802)	(2,156,615)	(2,221,314)	(2,287,955)	(2,356,592)	(2,427,290)
Depreciation on non-current assets	(12,607,088)	(13,558,919)	(14,052,769)	(14,549,604)	(15,071,121)	(15,232,665)	(14,969,714)	(15,365,518)	(15,873,290)	(16,471,391)
Loss on asset disposal	(47,335)	(48,282)	(49,247)	(50,232)	(51,237)	(52,262)	(53,308)	(54,375)	(55,463)	(56,573)
Interest expense	(495,449)	(655,630)	(880,265)	(856,464)	(1,140,067)	(739,692)	(429,447)	(700,918)	(411,837)	(259,140)
Insurance expense	(804,195)	(828,320)	(853,169)	(878,765)	(905,127)	(932,281)	(960,249)	(989,057)	(1,018,730)	(1,049,293)
Other expenditure	(752,098)	(685,961)	(718,052)	(751,347)	(885,867)	(824,676)	(861,882)	(900,462)	(1,090,449)	(986,391)
	(70,805,958)	(86,657,409)	(83,653,941)	(83,609,129)	(95,739,564)	(92,049,268)	(82,622,132)	(109,133,663)	(88,399,957)	(88,558,563)
	(2,314)	(3,483,590)	(279,639)	9,256,769	2,168,446	(2,400,691)	8,401,775	(5,709,969)	6,886,618	9,151,433
Funding Position Adjustments										
Depreciation on non-current assets	12,607,088	13,558,919	14,052,769	14,549,604	15,071,121	15,232,665	14,969,714	15,365,518	15,873,290	16,471,391
Net profit and losses on disposal	(2,323,440)	(3,334,636)	(3,100,944)	(4,372,929)	(3,735,766)	(661,069)	(558,016)	(572,809)	(587,896)	(603,286)
Net Funding From Operational Activities	10,281,334	6,740,693	10,672,186	19,433,444	13,503,801	12,170,905	22,813,473	9,082,740	22,172,012	25,019,538
FUNDING FROM CAPITAL ACTIVITIES										
Inflows										
Proceeds on disposal	3,379,667	1,656,667	1,378,000	972,333	979,283	988,040	997,322	1,007,162	765,853	943,471
Non-operating grants, subsidies and contributions	3,703,747	5,663,740	1,620,406	2,353,740	1,311,427	1,390,113	1,473,519	1,561,931	1,640,027	1,738,429
Outflows										
Purchase of property plant and equipment	(8,565,484)	(7,879,500)	(3,791,400)	(4,092,800)	(4,297,440)	(4,555,286)	(4,828,604)	(5,118,320)	(5,374,236)	(5,696,690)
Purchase of infrastructure	(10,566,016)	(11,257,382)	(9,652,474)	(10,781,416)	(11,320,487)	(11,999,716)	(12,719,699)	(13,482,881)	(14,157,025)	(15,006,446)
Net Funding From Capital Activities	(12,048,086)	(11,816,475)	(10,445,468)	(11,548,143)	(13,327,217)	(14,176,849)	(15,077,462)	(16,032,108)	(17,125,381)	(18,021,236)
FUNDING FROM FINANCING ACTIVITIES										
Inflows										
Transfer from reserves	5,934,019	13,448,674	7,753,279	6,170,177	13,953,104	12,424,852	3,466,217	24,440,846	5,000,518	4,500,518
New borrowings	0	11,061,292	0	15,642,731	0	0	13,170,525	0	0	0
Outflows										
Transfer to reserves	(6,535,355)	(16,718,120)	(3,564,736)	(24,288,715)	(5,963,397)	(3,134,370)	(18,803,634)	(9,763,933)	(5,938,821)	(8,043,031)
Principal elements of finance lease payments	(95,000)	(96,900)	(98,838)	(100,815)	(102,831)	(104,888)	(106,986)	(109,126)	(111,309)	(113,535)
Repayment of borrowings	(1,585,417)	(2,577,266)	(4,295,395)	(5,325,276)	(8,025,811)	(7,189,413)	(5,440,552)	(7,650,009)	(3,981,613)	(3,359,543)
Net Funding From Financing Activities	(2,281,753)	5,117,680	(205,690)	(7,901,898)	(138,935)	1,996,181	(7,714,430)	6,917,778	(5,031,225)	(7,015,591)
Estimated Surplus/(Deficit) July 1 B/Fwd	4,098,614	50,109	92,007	113,035	96,438	134,088	124,325	145,906	114,315	129,722
Estimated Surplus/(Deficit) June 30 C/Fwd	50,109	92,007	113,035	96,438	134,088	124,325	145,906	114,315	129,722	112,433



COV - OFFICIAL - SENSITIVE

CITY OF VINCENT

City of Vincent

FS 3 - Forecast Statement of Cashflows - for the period 2024 - 2033
Base Scenario

	1	2	3	4	5	6	7	8	9	10
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows From Operating Activities										
Receipts										
Rates	42,234,899	44,883,216	46,938,325	48,614,049	50,348,071	52,142,382	53,791,188	55,438,788	57,137,609	58,568,583
Operating grants, subsidies and contributions	1,587,143	1,543,374	1,589,678	1,637,369	1,686,490	1,737,085	1,789,198	1,842,874	1,898,161	1,955,107
Fees and charges	22,143,204	23,317,500	23,508,026	24,319,267	25,061,500	25,813,286	26,587,631	27,385,216	28,206,734	29,052,907
Interest earnings	1,103,000	891,970	780,821	769,109	759,495	763,292	770,925	782,488	798,138	818,092
Other revenue	1,385,434	1,349,492	1,389,976	1,431,674	1,474,623	1,518,864	1,564,434	1,611,369	1,659,706	1,709,497
	68,453,680	79,990,901	80,024,111	88,342,737	94,030,662	88,842,128	90,316,617	102,697,620	94,541,322	96,945,160
Payments										
Employee costs	(30,898,096)	(31,828,275)	(32,751,077)	(33,406,099)	(34,074,221)	(34,755,705)	(35,450,820)	(36,159,836)	(36,883,033)	(37,620,693)
Materials and contracts	(22,638,453)	(36,514,991)	(32,081,141)	(30,562,950)	(41,207,206)	(37,038,248)	(27,351,940)	(52,345,611)	(30,374,032)	(29,344,525)
Utility charges	(1,860,315)	(1,916,125)	(1,973,611)	(2,032,819)	(2,093,802)	(2,156,615)	(2,221,314)	(2,287,955)	(2,356,592)	(2,427,290)
Interest expenses	(495,449)	(655,630)	(880,265)	(856,464)	(1,140,067)	(739,692)	(429,447)	(700,918)	(411,837)	(259,140)
Insurance expenses	(804,195)	(828,320)	(853,169)	(878,765)	(905,127)	(932,281)	(960,249)	(989,057)	(1,018,730)	(1,049,293)
Other expenditure	(752,098)	(685,961)	(718,052)	(751,347)	(885,867)	(824,676)	(861,882)	(900,462)	(1,090,449)	(986,391)
	(57,448,606)	(72,429,302)	(69,257,315)	(68,488,443)	(80,306,291)	(76,447,218)	(67,275,652)	(93,383,839)	(72,134,674)	(71,687,332)
Net Cash Provided By (Used In) Operating Activities	11,005,074	7,561,599	10,766,796	19,854,294	13,724,372	12,394,910	23,040,965	9,313,781	22,406,648	25,257,827
Cash Flows from Investing Activities										
Payments for purchase of property, plant & equipment	(8,565,484)	(7,879,500)	(3,791,400)	(4,092,800)	(4,297,440)	(4,555,286)	(4,828,604)	(5,118,320)	(5,374,236)	(5,696,690)
Payments for construction of infrastructure	(10,566,016)	(11,257,382)	(9,652,474)	(10,781,416)	(11,320,487)	(11,999,716)	(12,719,699)	(13,482,881)	(14,157,025)	(15,006,446)
Principal elements of lease payments	(95,000)	(96,900)	(98,838)	(100,815)	(102,831)	(104,888)	(106,986)	(109,126)	(111,309)	(113,535)
Non-operating grants, subsidies and contributions	3,803,747	5,663,740	1,620,406	2,353,740	1,311,427	1,390,113	1,473,519	1,561,931	1,640,027	1,738,429
Proceeds from disposal of assets	1,713,000	240,000	378,000	139,000	145,950	154,707	163,989	173,829	182,520	193,471
Proceeds from sale of land	1,666,667	1,416,667	1,000,000	833,333	833,333	833,333	833,333	833,333	583,333	750,000
Transfers (to)/from investments	0	345,338	42,270	(611,165)	(1,060,455)	(1,348,661)	(2,079,634)	(2,189,793)	(2,306,116)	(3,015,244)
Net Cash Provided By (Used In) Investing Activities	(12,043,086)	(11,568,037)	(10,502,036)	(12,260,123)	(14,490,503)	(15,630,398)	(17,264,082)	(18,331,027)	(19,542,806)	(21,150,015)
Cash Flows from Financing Activities										
Repayment of borrowings	(1,585,417)	(2,577,266)	(4,295,395)	(5,325,276)	(8,025,811)	(7,189,413)	(5,440,551)	(7,650,009)	(3,981,613)	(3,359,543)
Proceeds from new borrowings	0	11,061,292	0	15,642,731	0	0	13,170,525	0	0	0
Net Cash Provided By (Used In) Financing Activities	(1,585,417)	8,484,026	(4,295,395)	10,317,455	(8,025,811)	(7,189,413)	7,729,974	(7,650,009)	(3,981,613)	(3,359,543)
Net Increase (Decrease) in Cash Held	(2,623,429)	4,477,588	(4,030,635)	17,911,625	(8,791,942)	(10,424,901)	13,506,856	(16,667,256)	(1,117,770)	748,269
Cash at beginning of year	10,182,250	7,558,820	12,036,408	8,005,773	25,917,399	17,125,457	6,700,556	20,207,412	3,540,157	2,422,387
Cash and Cash Equivalents at the End of Year	7,558,821	12,036,408	8,005,773	25,917,399	17,125,457	6,700,556	20,207,412	3,540,157	2,422,387	3,170,656



COV - OFFICIAL - SENSITIVE

CITY OF VINCENT

City of Vincent
 FS 4 - Forecast Composition of Estimated Net Current Asset Position
 For the period 2024 - 2033

Base Scenario

	1	2	3	4	5	6	7	8	9	10
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated Surplus/Deficit July 1 B/Fwd	4,098,614	50,109	92,007	113,035	96,438	134,088	124,325	145,905	114,315	129,721
CURRENT ASSETS										
Cash and cash Equivalents	7,558,820	12,036,408	8,005,773	25,917,399	17,125,457	6,700,556	20,207,412	3,540,157	2,422,387	3,170,656
Financial Assets at amortised cost	20,829,487	20,303,574	20,298,911	20,781,565	21,764,337	23,247,254	25,330,326	27,313,571	29,811,686	32,810,555
Trade and Other Receivables	4,399,805	4,290,874	4,482,256	4,740,787	4,939,900	4,930,960	5,056,827	5,396,778	5,342,393	5,500,712
Inventories	1,682,292	1,724,349	1,758,836	1,794,013	1,829,893	1,866,491	1,903,821	1,941,897	1,980,735	2,020,350
CURRENT LIABILITIES										
Trade and Other Payables	(10,381,434)	(10,801,434)	(11,017,463)	(11,458,161)	(11,687,324)	(11,921,071)	(12,159,492)	(12,402,682)	(12,650,736)	(12,903,751)
Movement in Accrued Salaries and Wages	(6,074,075)	(6,317,038)	(6,443,379)	(6,572,246)	(6,703,691)	(6,837,765)	(6,974,520)	(7,114,011)	(7,256,291)	(7,401,417)
Reserves	(17,839,833)	(21,109,279)	(16,920,735)	(35,039,273)	(27,049,566)	(17,759,084)	(33,096,501)	(18,419,588)	(19,357,891)	(22,900,404)
Current Long Term Borrowings	(1,735,314)	(4,392,295)	(4,545,348)	(8,126,625)	(7,292,244)	(5,545,438)	(6,792,064)	(4,090,738)	(3,470,852)	(3,618,908)
ADJUSTMENTS										
Add: Current Long Term Borrowings	1,735,314	4,392,295	4,545,348	8,126,625	7,292,244	5,545,438	6,792,064	4,090,738	3,470,852	3,618,908
Add: Infringement Debtors transferred to non current asset	1,332,220	1,465,442	1,494,752	1,524,648	1,555,142	1,586,248	1,617,975	1,650,335	1,683,344	1,717,014
Add: Land Held For Resale	(1,457,174)	(1,500,889)	(1,545,916)	(1,592,293)	(1,640,062)	(1,689,264)	(1,739,942)	(1,792,140)	(1,845,904)	(1,901,282)
Estimated Surplus/Deficit June 30 C/Fwd	50,109	92,007	113,035	96,438	134,088	124,324	145,905	114,315	129,721	112,432



COV - OFFICIAL - SENSITIVE

CITY OF VINCENT

City of Vincent
FS 5 - Forecast Statement of Financial Position
For the period 2024 - 2033
Base Scenario

	1	2	3	4	5	6	7	8	9	10
	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS										
Cash and cash Equivalents	7,558,820	12,036,408	8,005,773	25,917,399	17,125,457	6,700,556	20,207,412	3,540,157	2,422,387	3,170,656
Financial Assets at amortised cost	20,829,487	20,303,574	20,298,911	20,781,565	21,764,337	23,247,254	25,330,326	27,313,571	29,811,686	32,810,555
Trade and Other Receivables	4,399,805	4,290,874	4,482,256	4,740,787	4,939,900	4,930,960	5,056,827	5,396,778	5,342,393	5,500,712
Inventories	1,682,292	1,724,349	1,758,836	1,794,013	1,829,893	1,866,491	1,903,821	1,941,897	1,980,735	2,020,350
TOTAL CURRENT ASSETS	34,470,404	38,355,205	34,545,776	53,233,764	45,659,587	36,745,261	52,498,386	38,192,403	39,557,200	43,502,272
NON-CURRENT ASSETS										
Other Receivables	2,543,719	2,607,312	2,672,495	2,725,944	2,780,463	2,836,073	2,892,794	2,950,650	3,009,663	3,069,856
Inventories	47,017	49,368	51,836	54,428	57,149	60,007	63,007	66,158	69,466	72,939
Investments	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902
Interests in Joint Arrangements	14,211,418	15,641,100	17,240,358	20,264,599	22,637,737	21,921,960	21,088,626	20,255,293	19,671,960	18,921,960
Property Plant and Equipment	223,883,214	227,442,913	225,399,781	223,575,745	221,614,842	220,302,001	220,767,834	220,528,460	220,415,674	220,231,122
Infrastructure	179,308,001	187,042,782	194,158,787	202,350,585	211,024,802	220,319,620	228,312,842	239,945,030	251,136,993	263,214,253
TOTAL NON-CURRENT ASSETS	420,032,271	432,822,377	439,562,159	449,010,203	458,153,896	465,478,563	473,164,006	483,784,493	494,342,657	505,549,031
TOTAL ASSETS	454,502,675	471,177,582	474,107,935	502,243,967	503,813,483	502,223,823	525,662,392	521,976,895	533,899,858	549,051,304
CURRENT LIABILITIES										
Trade and Other Payables	10,381,434	10,801,434	11,017,463	11,458,161	11,687,324	11,921,071	12,159,492	12,402,682	12,650,736	12,903,751
Current Portion of Long-term Liabilities	1,640,314	4,295,395	4,446,510	8,025,810	7,189,413	5,440,550	6,685,078	3,981,612	3,359,543	3,505,373
Provisions	6,074,075	6,317,038	6,443,379	6,572,246	6,703,691	6,837,765	6,974,520	7,114,011	7,256,291	7,401,417
Lease liabilities	95,000	96,900	98,838	100,815	102,831	104,888	106,986	109,126	111,309	113,535
TOTAL CURRENT LIABILITIES	18,190,823	21,510,767	22,006,190	26,157,032	25,683,259	24,304,274	25,926,076	23,607,431	23,377,879	23,924,076
NON-CURRENT LIABILITIES										
Long-term Borrowings	9,835,391	15,664,336	11,217,826	17,955,980	10,766,567	5,326,017	10,846,531	6,864,919	3,505,378	0
Lease liabilities	0	0	0	0	0	0	0	0	0	0
Provisions	568,494	582,706	594,361	606,248	618,373	630,740	643,355	656,222	669,347	682,733
TOTAL NON-CURRENT LIABILITIES	10,403,885	16,247,042	11,812,187	18,562,228	11,384,940	5,956,757	11,489,886	7,521,141	4,174,725	682,733
TOTAL LIABILITIES	28,594,708	37,757,809	33,818,377	44,719,260	37,068,199	30,261,031	37,415,962	31,128,572	27,552,604	24,606,809
NET ASSETS	425,907,967	433,419,773	440,289,558	457,524,707	466,745,284	471,962,792	488,246,430	490,848,323	506,347,254	524,444,495
EQUITY										
Retained Surplus	114,064,437	112,975,141	118,491,178	111,969,609	123,425,377	131,691,182	126,214,671	136,728,872	144,302,249	151,634,338
Reserves - Cash Backed	17,839,833	21,109,279	16,920,735	35,039,273	27,049,566	17,759,084	33,096,501	18,419,588	19,357,891	22,900,404
Asset Revaluation Surplus	294,003,697	299,335,353	304,877,645	310,515,825	316,270,341	322,512,526	328,935,257	335,699,863	342,687,113	349,909,752
TOTAL EQUITY	425,907,967	433,419,773	440,289,559	457,524,707	466,745,284	471,962,792	488,246,429	490,848,324	506,347,253	524,444,495



COV - OFFICIAL - SENSITIVE

CITY OF VINCENT

City of Vincent
 FS 6 - Forecast Statement of Changes in Equity
 For the period 2024 - 2033
 Base Scenario

	1	2	3	4	5	6	7	8	9	10
	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS										
Opening Balance	110,964,340	114,064,437	112,975,141	118,491,178	111,969,609	123,425,377	131,691,182	126,214,671	136,728,872	144,302,249
Net Result	3,701,433	2,180,150	1,327,494	11,596,969	3,466,061	(1,024,677)	9,860,906	(4,162,712)	8,511,680	10,874,602
Amount transferred (to)/from Reserves	(601,336)	(3,269,446)	4,188,544	(18,118,538)	7,989,707	9,290,482	(15,337,417)	14,676,913	(938,303)	(3,542,513)
Closing Balance	114,064,437	112,975,141	118,491,178	111,969,609	123,425,377	131,691,182	126,214,671	136,728,872	144,302,249	151,634,338
RESERVES - CASH/INVESTMENT BACKED										
Opening Balance	17,238,497	17,839,833	21,109,279	16,920,735	35,039,273	27,049,566	17,759,084	33,096,501	18,419,588	19,357,891
Amount transferred to/(from) Retained Surplus	601,336	3,269,446	(4,188,544)	18,118,538	(7,989,707)	(9,290,482)	15,337,417	(14,676,913)	938,303	3,542,513
Closing Balance	17,839,833	21,109,279	16,920,735	35,039,273	27,049,566	17,759,084	33,096,501	18,419,588	19,357,891	22,900,404
ASSET REVALUATION SURPLUS										
Opening Balance	288,902,153	294,003,697	299,335,353	304,877,645	310,515,825	316,270,341	322,512,526	328,935,257	335,699,863	342,687,113
Total Other Comprehensive Income	5,101,544	5,331,656	5,542,292	5,638,180	5,754,516	6,242,185	6,422,731	6,764,606	6,987,250	7,222,639
Closing Balance	294,003,697	299,335,353	304,877,645	310,515,825	316,270,341	322,512,526	328,935,257	335,699,863	342,687,113	349,909,752
TOTAL EQUITY	425,907,967	433,419,773	440,289,559	457,524,707	466,745,284	471,962,792	488,246,429	490,848,324	506,347,253	524,444,495



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APPENDICES

Specific Purpose Reserves

Vincent will maintain Cash Backed Reserves having the following specified purposes.

	Name of Reserve	Purpose of the Reserve	Timeframe	Informing Strategy, Plan or Decision
1. Asset Management Reserves				
1.1	Asset Sustainability Reserve	For assisting Council in funding its long-term asset management objectives and provide a means to spread the cost of intergenerational assets over multiple years.	Ongoing	Asset Management and Sustainability Strategy
1.2	Beatty Park Leisure Centre Reserve	For the major upgrade and redevelopment of the Beatty Park Leisure Centre including the replacement or purchase of major plant, equipment, fixtures, and fittings.	Ongoing	Asset Management and Sustainability Strategy Asset Prioritisation Plan for Buildings
1.3	246 Vincent Street Building Reserve	For major building upgrade, maintenance, repairs, renovation and replacement of floorcovering, fixtures and fittings associated with the new Office Building and Land.	Ongoing	Asset Management and Sustainability Strategy Asset Prioritisation Plan for Buildings
1.4	Hyde Park Land Reserve	For works associated with the investigation, maintenance, remedial works and the rehabilitation of the Hyde Park Lakes and surrounds.	Ongoing	Asset Management and Sustainability Strategy
1.5	Leederville Oval Reserve	For the works associated with the maintenance, repairs, upgrade and replacement of Leederville Oval buildings, fixtures, fittings, and associated land.	Ongoing	Asset Management and Sustainability Strategy Asset Prioritisation Plan for Buildings
1.6	Loftus Community Centre Reserve	This reserve is for the purpose of capital improvements, including replacing major items of plant and equipment or renewal and modifications to the Centre.	Ongoing	Asset Management and Sustainability Strategy Asset Prioritisation Plan for Buildings
1.7	Loftus Recreation Centre Reserve	This reserve is for the purpose of capital improvements, including replacing major items of plant and equipment or renewal and modifications to the Centre.	Ongoing	Asset Management and Sustainability Strategy Asset Prioritisation Plan for Buildings



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1.8	State Gymnastics Centre Reserve	This reserve is for the purpose of capital improvements, including replacing major items of plant and equipment or renewal and modifications to the Centre.	Ongoing	Asset Management and Sustainability Strategy Asset Prioritisation Plan for Buildings
1.9	Plant and Equipment Reserve	For the purchase of replacement plant and equipment associated with City's works.	Ongoing	
1.10	Waste Management Plant and Equipment Reserve	This reserve was established in 2001 for the for the purpose of replacing plant and equipment associated with the City's waste management, minimisation, and recycling operations. From 2023/24, the Council resolves that the reserve to be closed and the balance to be allocated to the Strategic Waste Management Reserve.	Closed from 2023/24	Waste Strategy 2018-2023
2. Strategic Purpose Reserves				
2.1	Percent for Art Reserve	This reserve is funded from payment of public art contributions from development applicants and is to be used for the acquisition and provision of Public Art and associated infrastructure.	Ongoing	Percent for Art Policy 7.5.13
2.2	Land and Building Acquisition Reserve	To ensure that proceeds of real assets disposed of are restricted to purchase other land and buildings for civic purposes.	Ongoing	Public Open Space Strategy 2018
2.3	Public Open Space – Haynes Street Reserve	For the future development of POS at Haynes Street		Haynes Street Reserve Transition Plan Item 9.8 Extension of Lease – 31 Sydney Street, North Perth, Ordinary Council Meeting 12 October 2021 Public Open Space Strategy 2018
2.4	Strategic Waste Management Reserve	From 2023/24, the Council resolves that this reserve should receive funds from the closure of the Waste Management Plant and Equipment Reserve and its purpose to be changed to the following: "For the purpose of replacing plant and equipment associated with the City's waste operations and investigation/implementation of integrated waste management strategies/programmes and initiatives, (including secondary waste treatment and costs associated with the redevelopment of Lot 118 Tamala Park)."	Ongoing	Waste Strategy 2018-2023



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2.5	Underground Power Reserve	For the purpose of funding the City's contribution to approved underground power projects.	2023/24-2031/32	Memorandum of Understanding for Tranche 2 Western Power's Network Renewal Underground Pilot Program
3. Parking & Transport Related Reserves				
3.1	Cash in Lieu Parking Reserve	This reserve is established from payment of cash-in-lieu of car parking from development applicants and is to be used for providing and/or upgrading existing and proposed Transport infrastructure as defined in the City's Parking and Access Policy 7.7.1. (Proposed by VM) These funds will be used to improve the City of Vincent Bicycle Network and other Travel Smart projects.		Parking and Access Policy 7.7.1 Accessible City Strategy Bike Network Plan
3.2	Parking Facility and Equipment Reserve	This reserve is for the purchase and replacement of parking ticket machines, provision and improvement of parking information systems, security lighting, improved pathways and associated infrastructure to access parking areas and associated works.		Accessible City Strategy Car Parking Strategy Precinct Parking Management Plan Safer Vincent Plan 2019-2022
4. Other Special Purpose Reserves				
4.1	Tamala Park Land Sales Reserve	The Tamala Park Reserve was established in 2011/12 and funded from revenue received from land developed by the Tamala Park Regional Council. The purpose of the reserve includes allocating funds for future significant or major capital works, infrastructure, project or debt reduction for the benefit of the City. From the 2023/24 financial year, the council proposes the change in purpose of the reserve to include funding for underground power projects. Its purpose will be changed to the following: "For future significant/major capital works, underground power projects, infrastructure, project or debt reduction programme for the benefit of the City."		Tamala Park Regional Council, Joint Ownership, established 3 Feb 2006