



CITY OF VINCENT

# Integrated Planning & Reporting Framework



# OVERVIEW

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- Updated Strategic Community Plan priorities
- Corporate Business Plan
- Annual Update to Long Term Financial Plan
- Underground Power Financial Model
- Annual Budget 2023/24
- 4 Year Capital Works Program 2023/24 – 2026/27

# NEW SCP PRIORITIES

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## ENHANCED ENVIRONMENT

The natural environment contributes greatly to our inner-city community. We want to protect and enhance it, making best use of our natural resources for the benefit of current and future generations.



## ACCESSIBLE CITY

We want to be a leader in making it safe, easy, environmentally friendly and enjoyable to get around Vincent.



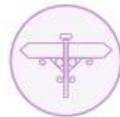
## CONNECTED & HEALTHY COMMUNITY

We are a diverse, welcoming and engaged community. We want to celebrate what makes us unique and connect with those around us to enhance our quality of life.



## THRIVING PLACES

Thriving Places are integral to our identity, economy and appeal. We want to create, enhance and promote great places and spaces for everyone to enjoy.



## SENSITIVE DESIGN

Design that 'fits in' to our neighbourhoods is important to us. We want to see unique, high quality developments that respect our character and identify and respond to specific local circumstances.



## INNOVATIVE & ACCOUNTABLE

The City of Vincent has a significant role to play in supporting our community to realise its vision. To achieve this, we will be an innovative, honest, engaged and responsible organisation that manages resources well, communicates effectively and takes our stewardship role seriously.

# COMMUNITY VISION & ASPIRATIONS

**LEGISLATIVE FRAMEWORK**  
The Local Government Act 1995 and associated regulations require local governments to plan for the future.

## STRATEGIC COMMUNITY PLAN

Establishes the community's vision and aspirations for the longer term (10+ years).

Reviewed and updated every two years, with formal community consultation every four years.



## INFORMING STRATEGIES & PLANS

Documents endorsed by Council that guide the implementation of the priorities of the Strategic Community Plan to achieve community vision.

### LONG TERM FINANCIAL PLAN

Ten-year rolling plan that sets out how the City will deliver on the SCP priorities and CBP actions.

### ASSET MANAGEMENT PLAN

Provides guidance on service provision and whole of life-cycle asset management to support the City's financial sustainability and key service levels.

### WORKFORCE PLAN

Identifies the workforce requirements to deliver on the SCP priorities and CBP actions.

### ICT STRATEGIC FRAMEWORK

## CORPORATE BUSINESS PLAN

Internal business planning tool that translates Council priorities into actions within the resources available.  
Includes the **Capital Works Program.**

## ANNUAL BUDGET

Based on the projected costing of the related year of the CBP and informed by the LTFP.

Quarterly reviews reported to **Council**, monthly internal reviews

Quarterly reviews reported to **Council**

Annual review and report to **Council**

## PERFORMANCE REPORTING

Feedback and updating of documents.



# STRATEGIC FOCUS AREAS FOR 2023/24

- Embed Council's new **Strategic Community Plan** priorities in all the City of Vincent's projects, programs and services.
- Progress **Reconciliation Action Plan** actions to promote greater equality and opportunities for all members of our society.
- Continue to implement the **Smoke-Free Town Centres Project**.
- Deliver the **Local Government Election 2023**, alongside the Western Australian Electoral Commission.
- Continue **Policy and Strategy Review Program**.
- Progress **Accessible City Strategy** actions including preparing precinct-specific parking management plans, with priority given to precincts already at capacity.
- Continue to implement recommended reforms from the **Small Business Friendly Approvals Program** to help businesses start, pivot and grow.
- Prepare the Local Planning Scheme and Strategy Review.
- Continue to deliver the **Customer Service Experience** initiative to make it easier for our customers to do business with us.
- Advocate on major projects including **Beatty Park 2062, 40km/h speed zones**, and **Leederville Oval Civic Precinct Master Plan**.
- Deliver the **Capital Works Program**.



# PROJECTS SPOTLIGHT

## **FIFA Women's World Cup 2023**

The countdown is on until Vincent plays host to one of the biggest events on the global sporting calendar.

From 22 July, the world's largest women's sporting event, the FIFA Women's World Cup 2023 will kick off across Australia and Aotearoa New Zealand.

Perth Rectangular Stadium (HBF Park) will host five games as part of the tournament, attracting an estimated crowd of up to 20,000 people per game.

Vincent has been working closely with FIFA, Venues West and Tourism WA to assist in the event management.

## **Britannia North West Reserve Development Plan (Litis Stadium Changeroom Upgrade)**

The first steps of the Britannia North West Reserve Development Plan (Development Plan) are being implemented following the \$3 million Federal Government funding being secured for upgrades to Litis Stadium.

The City of Vincent was advised in late 2022 that the \$3 million Federal funding commitment would still be honoured if a funding agreement was executed. Vincent and Floreat Athena Football Club (FAFC) worked closely throughout this process to have the funding secured, and can now proceed with the construction of the new change room facility and refurbishment works to the clubroom which is leased by FAFC.

Council endorsed the Britannia North West Development Plan in November 2021, which provides for a new multi-sports changeroom facility to be constructed on the former grandstand footprint along with improving the connection across the site and greater Britannia Reserve.

Historical elements of the Litis Stadium grandstand will be salvaged and incorporated into the new building, ensuring a strong connection to the important local history at the site will be maintained.



## Mt Hawthorn Skate Park

Aspiring skaters in the City of Vincent will soon be treated to a youth skate space at Britannia Reserve with the final design works currently underway and construction to soon follow. The project is estimated to be completed by October 2023.

Skate Sculpture was appointed to deliver the Mt Hawthorn Youth Skate Space, which will cater for the City of Vincent's thriving population of children and teenagers. The skate space will be approximately 350sqm and includes a mini ramp, quarter pipe, pyramid box, ride up rail, pump bump along with other skateable elements that featured highly during community consultation. Additional planting, turf banks, shade structure and bench seating will provide separation from current reserve activities and allow parents and families to comfortably spend more time at the location.

The City's Public Open Space Strategy identified the need for more accessible youth play and recreation facilities in Leederville and Mt Hawthorn.

A \$200,000 election commitment from Hon. John Carey MLA, State Member for Perth for a skate and scooter facility brought the project to life. The City of Vincent is contributing the remaining \$115,000 towards delivering the skate space and associated landscaping.

# STRATEGIC PROJECTS

	SCP CATEGORY (PRIMARY)	TITLE OF WORKS	LEAD DIRECTORATE	DESCRIPTION OF WORKS	OPERATING/ CAPITAL	23/24	24/25	25/26	26/27
1		Vincent Underground Power Network	Infrastructure & Environment	Convert distribution powerlines to underground power, delivering reliable and safe power while improving street appeal and allowing the tree canopy to flourish.	Op & Cap	200,000	200,000	200,000	200,000
2		Leederville Carpark Redevelopment	Strategy & Development	Redevelopment of The Avenue and Frame Court carparks.	Op	50,000			
3		Beatty Park Leisure Centre	Infrastructure & Environment	Repair and maintain the Heritage Grandstand and develop a long-term asset management program to guide the efficient maintenance and operation of the facility.	Op & Cap	2,145,050	1,995,000	310,000	310,000
4		Robertson Park Development Plan	Strategy & Development	Stage 1 – Deliver multi-sports courts and tennis centre entrance upgrades.	Op & Cap	800,000	3,349,000	1,073,000	332,000
5		Banks Reserve	Strategy & Development	Stage 2 – Deliver new public toilets, Walter's Brook Crossing, new picnic facilities, 'River Journeys' interpretation node, and complementary elements.	Op & Cap	200,000	306,000	605,000	650,000
6		Master Plan	Strategy & Development	Develop the Leederville Oval Civic Precinct Master Plan.	Op		50,000		
7		Leederville Oval Civic Precinct Master Plan	Strategy & Development	Stage 1 – Deliver Litis Stadium changeroom and clubroom upgrades.	Op & Cap	1,500,000	1,350,000	150,000	



CITY OF VINCENT

# Long Term Financial Plan 2023/24-2032/33



# LONG-TERM FINANCIAL PLAN PRINCIPLES

## Key Principles

This Plan is guided by the following financial planning principles:

- Robust sustainable and transparent financial planning approaches are applied.
- **A balanced budget philosophy is expected over both the short and the long term, meaning a modest closing position in the budget.**
- **Core services must be cost and quality competitive and delivered in line with community expectations.**
- A rates and revenue plan will inform the approach to revenue raising and the share of the rates burden applied to Vincent ratepayers.
- **Sale of significant assets, such as land, will not be used to subsidise operating expenditure.**
- Recurrent revenue should always exceed recurrent cash expenditure.
- **Asset renewal activity should be prioritised over the creation of new assets.**
- Responsible accumulation and/or development 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.
- Responsible use of debt is a legitimate option to address long-life community asset acquisitions or upgrades.
- 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.



# LONG TERM FINANCIAL PLAN GOALS

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- Address the City's aging asset and maintenance issues
- Long term financial sustainability
- Build the City's cash backed reserves for the future
- Reducing rating volatility
- Support Western Power's Underground Power project

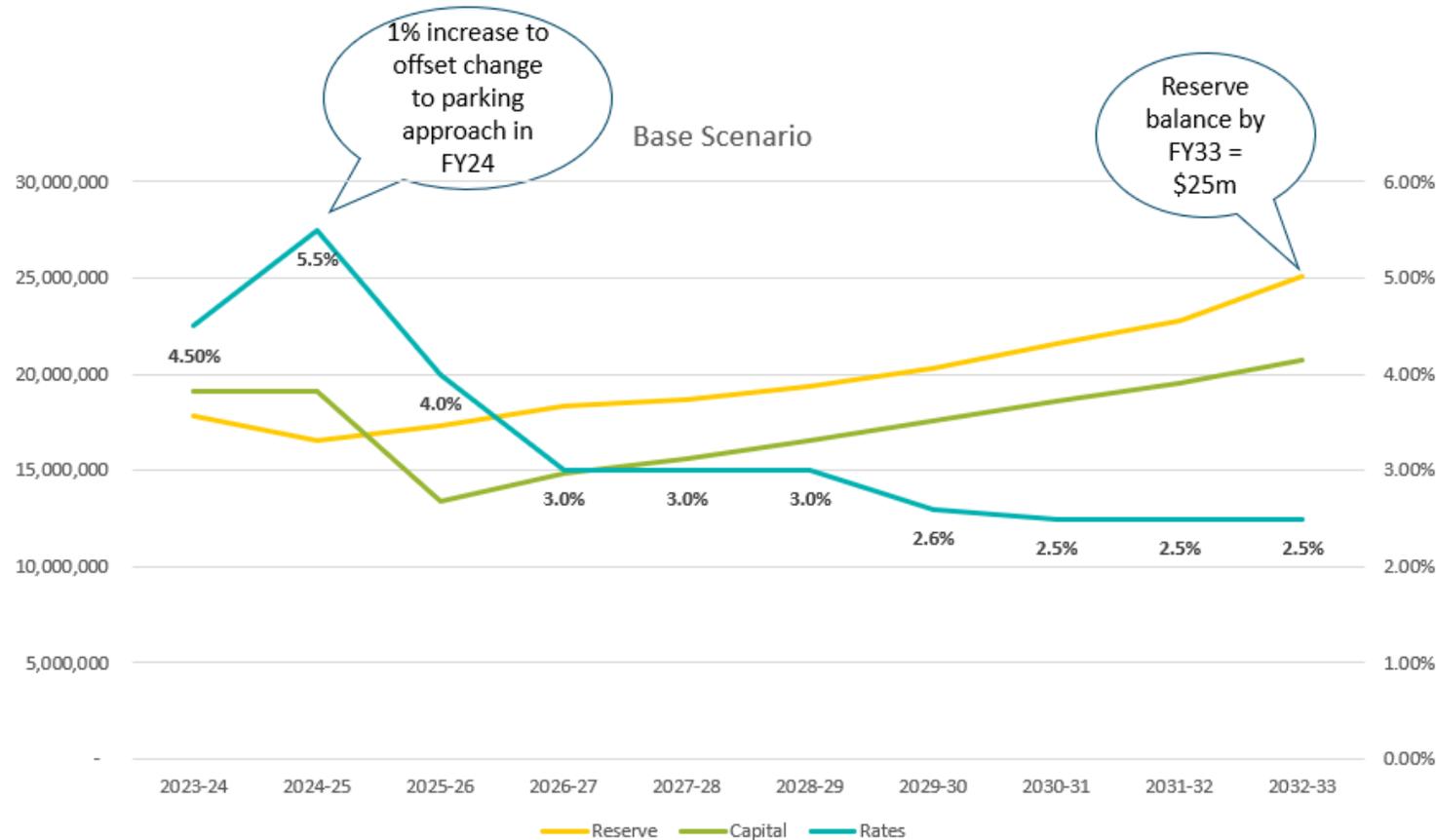


# LTFP OVERVIEW

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- Reviewed to reflect current economic environment and alignment with the City's Corporate Business Plan 2023/24 – 2026/27
- Car parking changes including reintroduction of 1<sup>st</sup> hour free for District Centres
- Underground Power Financial Model
- Descope some Beatty Park works in high rating scenario

# BASE SCENARIO



## Capex

- 4-year capital works is fully funded which includes Robertson Park and Banks Reserve projects
- Excludes Beatty Park 2062 and Leederville Oval (\$32.7m)
- Total capex from FY24 to FY32 = \$154m (same as previous LTFP)

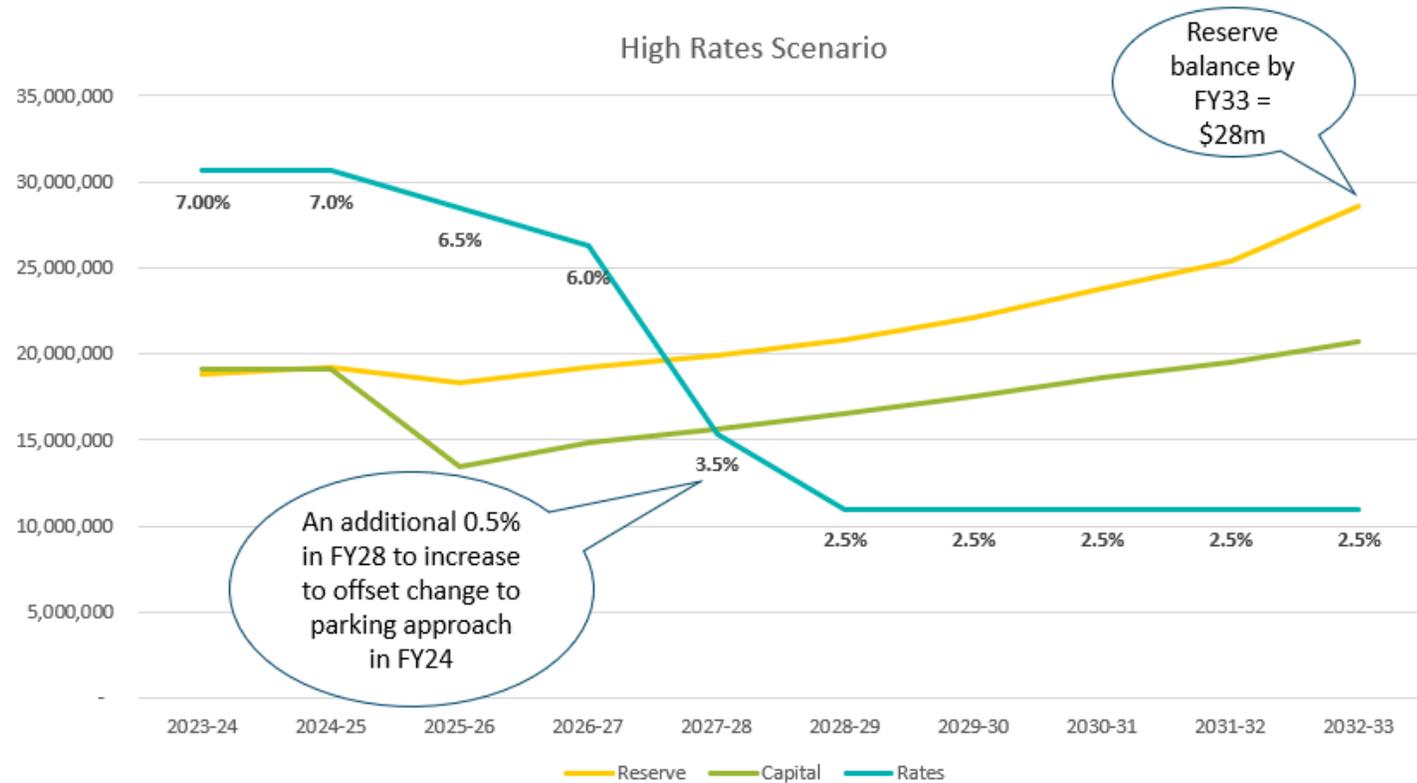
## Rates

- Mid range increase from FY24 to FY26 (4.5%-5.5%) and reducing to 3% from FY27

## Reserves

- \$8m increase over 10 years
- \$1m reduction in reserves for FY25 and steady increase from FY26
- Closing balance of reserves at \$22m for FY32 (same as previous LTFP) and \$25m by FY33

# HIGH RATING SCENARIO



## Capex

- Assume we fund an extra \$32.7m of projects for Leederville Oval and Beatty Park 2062 from FY26 compared to the base rates scenario
- 4-year capital works is fully funded which includes Robertson Park and Banks Reserve projects

## Rates

- High rates increase from FY25 to FY27 (6%-7%) and dropping back to 2.5%-3.5% onwards from FY28

## Reserves

- \$10m increase over 10 years
- Closing balance of reserves at \$25m by FY32 (same as previous LTFP) and \$28m by FY33



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# Underground Power Financial Model 2023/24



# OVERVIEW

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- Once in a generation project and opportunity
- Three programs - NRUP, TUPP & RUP
- Based on E30 (+/-30%) estimates
- Borrowing capacity 50% per project
- 4-year payback option
- Pensioners will receive a 50% State Government rebate

# INDICATIVE TIMELINE

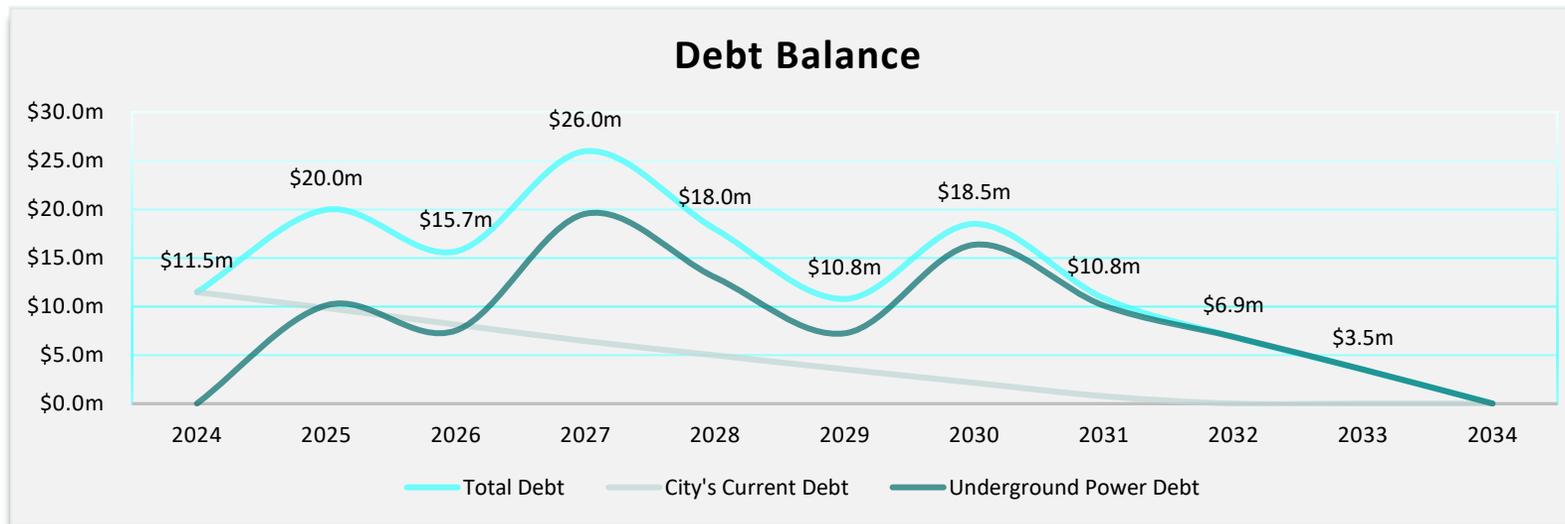
Project End Date: June 2031

	North Perth/ Mount Lawley	North Perth/ Mount Hawthorn	Perth/ Highgate - including heritage sites	Leederville/ North Perth	Mount Hawthorn	West Perth/Perth/ Leederville/ East Perth	Mount Hawthorn/ Joondanna/ Osborne Park	North Perth
<b>Service Charges Levy Date</b>	July 2024	July 2024	July 2025	July 2026	July 2027	July 2030	July 2030	July 2030
<b>Construction period</b>	Apr 24 – Sept 25	Jan 24 to Aug 25	Jun 25 to Aug 26	Jul 26 to Jan 29	Jan 27 to Mar 29	Feb 30 to May 31	Jun 30 to Aug 31	Jun 30 to Jun 31
<b>Deferred Start Western Power Payment Date</b>	Oct-24	Oct-24	Aug-25	Sep-26	Aug-27	Aug-30	Aug-30	Aug-30

The timelines above are indicative and have been provided by Western Power. These are subject to change depending on the time taken for Western Power to complete their design, procurement and internal review process.

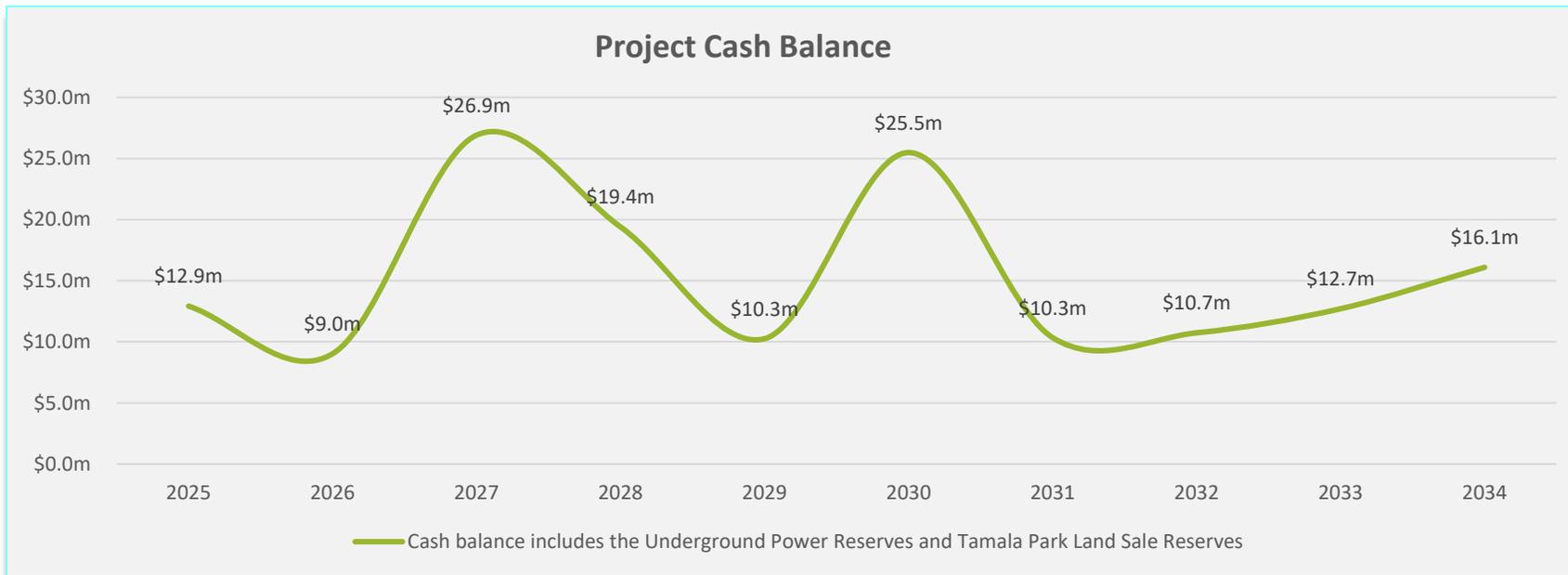
# BORROWING

Financial Metrics	Explanation
<b>Loan Term</b>	4-year fixed interest term loans to be repaid through service charges. Interest rates for each loan will vary and are subject to applicable interest rates at the time of borrowing.
<b>Peak Debt</b>	Estimated to be \$26m in 2026/27
<b>Borrowing Capacity</b>	To extend the City's borrowing capacity up to 50% per project - Minimum target debt service coverage ratio - 2.3 - Maximum target net debt ratio – 50%



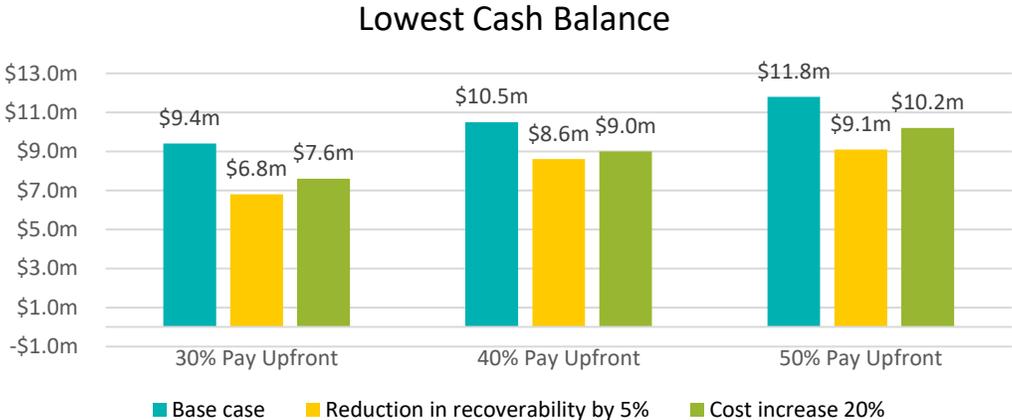
# CASH & RESERVES

Financial Metrics	Explanation
Available reserves to manage cashflow	- Underground Power Reserve - \$2.3m - Tamala Park Land Sales Reserve - \$5.0m to \$11.6m
4-year payback period option	Available to up to 70% of ratepayers through a combination of debt and use of reserves



# SENSITIVITY ANALYSIS

Scenario	30% Pay Upfront	40% Pay Upfront	50% Pay Upfront
Base case	\$9.4m in FY29	\$10.5m in FY29	\$11.8m in F29
Reduction in recoverability by 5%	\$6.8m in FY31	\$8.6m in FY31	\$9.1m in F29
Cost increase 20%	\$7.6m in FY31	\$9.0m in FY29	\$10.2m in F29



- The use of reserves allows 4-year installment options for up to 70% of ratepayers, helps manage service charge recoverability timing issues and potential project cost escalations
- The minimum cash balance during the project life is estimated for the three scenarios below based on varying level of upfront ratepayers
- A reduction in recoverability of rates and project cost increases may impact the amount the City is able to borrow for each project



CITY OF VINCENT

# Annual Budget 2023/24



# ANNUAL BUDGET OVERVIEW

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- City of Vincent remains one of Perth's lowest rating Councils
- Rate increase 4.5% below Perth (5.8%) and National CPI (7.0%)
- Higher inflationary pressures with rising construction costs, supply chain issues and higher costs across several other categories
- Car parking changes including reintroduction of 1<sup>st</sup> hour free for District Centres
- Grant funding of \$1.5m for Litis Stadium Project
- Capital expenditure focuses on renewal over new with 78% to be spent on renewal
- No new debt in 2023/24 with \$1.6m of scheduled repayments

# OPERATING RESULT 2023/24

	FY23 Revised Budget	FY24 Proposed Budget	Variance	Comments
Revenue	\$65.5m	\$68.4m	4.5%	<ul style="list-style-type: none"> <li>4.5% rate increase and \$0.4m interims</li> <li>Higher BP membership/admission fees \$0.4m</li> <li>Lower parking revenue to reflect proposed changes \$0.4m</li> </ul>
Operating costs	\$67.8m	\$70.8m	4.3%	<ul style="list-style-type: none"> <li>Employee costs \$2.1m due to EBA 3.5% and super increase from 10.5% to 11.0%</li> <li>Materials &amp; contracts higher \$0.8m mainly due to higher inflationary cost pressures across materials, waste, ICT &amp; contractors</li> <li>Additional costs for various programs, events and LG election costs</li> <li>Higher insurance costs</li> <li>Savings of \$0.6m identified to reduce impact</li> </ul>
Capital Grants and asset disposals	\$4.0m	\$6.0m	51.4%	<ul style="list-style-type: none"> <li>Grant funding for the Litis project \$1.5m</li> </ul>
<b>Net Result</b>	<b>\$1.6m</b>	<b>\$3.7m</b>	<b>128.1%</b>	

# 4 YEAR CAPITAL WORKS PROGRAM 2023/24 – 2026/27

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	2023/24	2024/25	2025/26	2026/27
Land & buildings	4,938,446	5,691,500	2,113,000	3,410,000
Infrastructure	10,466,016	11,157,382	9,552,474	10,681,416
Plant & equipment	3,190,415	1,973,000	1,547,000	550,000
Furniture & fittings	536,623	315,000	231,400	232,800
	<b>19,131,500</b>	<b>19,136,882</b>	<b>13,443,874</b>	<b>14,874,216</b>

# CAPITAL WORKS 2023/24

