

# City of Subiaco

## Strategic Financial Plan 2018 – 2028

Adopted by Council 12 February 2019



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# 1 Introduction

This plan forms a key part of, and is based on, the Western Australian Department of Local Government's *Integrated Planning and Reporting Framework*<sup>1</sup>. It enables the City of Subiaco (the City) to set priorities, based on its resourcing capabilities, for the delivery of short, medium and long term community priorities. It is a ten year rolling plan that informs the Corporate Business Plan to activate the Strategic Community Plan priorities. From these planning processes, Annual Budgets that are aligned with strategic objectives can be developed, with the relevant year of the Strategic Financial Plan representing the target budget to be achieved.

## 1.1 INTEGRATED PLANNING

### Statutory Requirements

Regulations under S5.56 (1) of the *Local Government Act 1995* require all local governments to produce a plan for the future.

The Integrated Planning and Reporting Framework developed by the Department of Local Government aims to deliver the following outcomes:

- A Strategic Community Plan that clearly links the community's aspirations with the Council's vision and long term strategies; and
- A Corporate Business Plan that integrates resourcing plans and specific informing strategies with the Strategic Community Plan.

The aim of the framework is to recognise that planning for a local government should be holistic in nature and driven by the community. Local governments need to ensure that they can maintain organisational and resource capability to meet the communities requirements and needs.

These two plans are shown below in Figure 1-1 and form an integral part of the Integrated Planning and Reporting Framework.



<sup>1</sup> The *Integrated Planning and Reporting Framework and Guidelines* was produced by the Western Australian Department of Local Government in September 2016 (Ref. [10]). Additional information can also be found on the department's website (<https://www.dlgsc.wa.gov.au/localgovernment/strengthening/Pages/Integrated-Planning-and-Reporting.aspx>).

### **Figure 1-1 Integrated Planning and Reporting Framework**

Additional key components of this framework are the Informing Strategies, which inform the local government of how capable it is to deliver the services and assets required by the community. The most common Informing Strategies include the Strategic Financial Plan (commonly referred to as a Long Term Financial Plan), the Workforce Plan, the Information Communication and Technology Plan, and the Strategic Asset Management Plan.

The City of Subiaco also has a number of issue specific plans and strategies. Some examples include the Disability Access and Inclusion Plan, Economic Development Strategy, Transport, Access, and Parking Strategy, and the Rosalie Park Management Plan. These and other additional issue specific plans and strategies help the City to deliver the services, assets and relevant projects to the community.

The below summarises key documents prepared by the City which form part of the Integrated Planning and Reporting Framework.

#### ***Strategic Community Plan***

The City's Strategic Community Plan (Ref. [1]) is the overarching plan that guides the future direction of the City and its community. A full review and renewed long term visioning process should be conducted every four years. The City's current Strategic Community Plan was adopted by council in August 2017.

#### ***Corporate Business Plan***

The Corporate Business Plan ensures the City's resources are allocated toward agreed Council priorities. The City's current Corporate Business Plan 2018-2021 outlines the services, operations, and projects that need to be delivered within the next four years. In addition, it sets out the specific actions that will deliver on the objectives and strategies outlined in the Strategic Community Plan.

#### ***The City's Informing Strategies***

These informing documents include the City's Strategic Financial Plan (this document), the Workforce Plan (Ref. [3]), the Information Communication and Technology (ICT) Plan (Ref. [4]), and the Strategic Asset Management Plan (Ref. [5]).

## **1.2 PURPOSE OF THE PLAN**

This Strategic Financial Plan (SFP) details what the City proposes to do over the next ten years as a means of ensuring the City's financial sustainability. It extends and builds upon the City's previous SFP (Ref. [6]) and creates a financial and governance basis within which the City can ensure its long-term sustainability. It is also aligned with other core planning documents by which the City is accountable to the community, including the Strategic Community Plan and the Corporate Business Plan. The SFP supports the Corporate Business Plan and Strategic Community Plan by identifying the funding requirements necessary to achieve the objectives identified in those plans.

The SFP forecasts financial trends over ten years period based on a range of assumptions and key financial strategies and principles. This provides the City with information to assess resourcing requirements to achieve its strategic objectives and to ensure the City's future is financially sustainable.

The Strategic Financial Plan forms the basis for the annual budget, thereby determining resource allocation for services and projects on year by year basis.

## 2 Our City

The City's key facts and vision statements are presented below. Other information, including the City's History, demographic information, current Mayor and Councillors, ward maps and various City documents, can be found on the City's website (Ref. [7]).



### 2.1 KEY FACTS

The following table provides a snapshot of the City as at 2018<sup>[2]</sup>.

**Table 2-1 Key Facts for the City of Subiaco**

|  |
|--|
| Total area of 6 square kilometres  |
| An estimated resident population of 17,000                                       |
| 5 kilometres from Perth  |
| 30 parks and reserves, including twenty-three playgrounds and one skate park     |
| A major centre for employment, with approximately 20,000 employment positions    |
| Over 1000 businesses   |
| Two public hospitals, with three public and private hospitals bordering the City |
| Three primary schools and one high school, all of which are public               |
| Suburbs and localities: Subiaco, Daglish and parts of Shenton Park and Jolimont  |

<sup>2</sup> Adapted from the City of Subiaco Strategic Community Plan 2017-2027 (p 8).



Local industry and employment consist of: light industry, retail and commercial activity

Facilities within the local authority boundary consist of: Library, Museum, Shenton Park Community Centre, Subiaco Oval, Subi Centro, Mabel Talbot Park, Lords Recreation Centre, Lake Jualbup, Rosalie Park, The Palms Community Centre

## 2.2 OUR VISION

### *Community Vision:*

The City's community vision below, as articulated in the Strategic Community Plan, describes how the community imagines the City in 2030.

"In 2030 the City of Subiaco is a unique, popular and welcoming place. The City celebrates its rich history, while embracing the diversity and vitality of the present. The parks, public spaces, events and recreational opportunities are easily accessible and promote a healthy and happy lifestyle for all. There is a diverse range of local businesses and entertainment that contribute to a lively atmosphere. The City faces the challenges of the future with strong leadership, an innovative approach and an emphasis on community values and voices. Sustainability, in all its forms, is at the core of the community and underpins the City's operations." (Ref. [1], p9)



### *Corporate Vision:*

The City's corporate vision below, as articulated in the Corporate Business Plan, describes what the City's administration strives to be in the future. The corporate vision is intrinsically linked to the community vision.

"An innovative, community-focussed organisation providing strong leadership to build a unique and welcoming place." (Ref. [2], p6)



## 3 Our Services

The City provides an extensive range of services to the community. Some examples include health services, recreation and culture, parking management, libraries, and various community amenities. The City also provides many services that support the organisation. Examples include human resources, financial services, records management, and information technology.



### 3.1 SERVICES DELIVERED BY DIRECTORATE

There are four core business areas, also referred to as Directorates (as shown below in Table 3-1), established for the administration and management of the day-to-day operations of the City. Each of these Directorates plays a vital role in the provision of services to the community. These may be achieved by directly interfacing with the community (e.g., customer enquiries) or by working behind the scenes in a supporting capacity (e.g., management of IT systems). Whether on the front line or behind the scenes, all City employees are working towards a common goal to optimise the delivery of services to the community.

Table 3-1 City's Directorates

| Directorate |                                    | Some Examples   |
|-------------|------------------------------------|---|
| 1.          | Office of the CEO                  | Communications and community engagement.  |
| 2.          | Corporate Services                 | Finance, IT systems, human resources, governance, place and economic development and commercial services.   |
| 3.          | Community and Development Services | Town planning, parking, animal control, building & health control, library, disability access and inclusion, sport and recreation, museum and community programs. |
| 4.          | Technical Services                 | Infrastructure maintenance, asset management, parks and reserves, waste management, and major projects.   |

A summary of the services provided within each directorate is given below.

#### *Office of the CEO*

Services provided by the Office of the CEO include:

- Communications (internal and external)
- Community engagement

#### *Corporate Services*

Types of corporate services provided by the Corporate Services directorate include:

- Finance and financial systems
- Customer service
- Governance
- Records management
- IT systems and support
- HR payroll
- Risk management

- Land and property
- Economic development
- Place management
- Commercial parking

### Community and Development Services

Types of community services provided by the Community and Development Services directorate include:

- Statutory and strategic town planning including development applications and approvals
- Rangers' management, including parking and animal control
- Building and environmental health inspections
- Library and heritage including public art functions and museum
- Management of community development
- Positive ageing
- Disability access and inclusion
- Public Art
- Children and Youth
- Community Safety and Crime Prevention
- Social programs
- Sport and recreation
- Volunteers
- Management of Lords (Recreation Centre)

*Council  
meetings are  
held monthly  
from February  
to December*

### Technical Services

Types of services provided by the Technical Services directorate include:

- Waste management, including bin collection
- Fleet management, including fleet replacement and minor maintenance
- Infrastructure management, renewal and maintenance, including rehabilitation of roads, pavements, lighting, building maintenance and street sweeping. Traffic management in line with infrastructure plans (all major capital works projects outsourced)
- Parks and environment, including parks maintenance, trimming street trees, road verges, play furniture and maintenance of reserves
- Integrated Transport and Sustainability across City infrastructure and operations
- Major projects (Rokeby Road Streetscape Upgrade and Hay Street/Roberts Road Two Way Project)
- Asset management
- Traffic and road safety assessments

## 3.2 SERVICES REPORTED BY PROGRAM

Although the City's services are administered and managed by the City's directorates (as shown above in Section 3.1), the City's services are reported by Program (as explained below) for accounting purposes.

In accordance with Western Australian Legislation, as prescribed by *Local Government (Financial Management) Regulations 1996* (Ref. [8]), the City's services are classified into (and reported by) the following ten distinct programs:

1. Governance
2. Law, Order and Public Safety
3. Health
4. Education and Welfare
5. Community Amenities
6. Recreation and Culture
7. Transport
8. Economic Services
9. Other Property and Services
10. General Purpose Funds\*

*\* This last classification has little to do with service provision and is mainly used for financial reporting purposes (as tabulated on page 20 in Section 6.1 "Reporting Requirements").*

A brief overview of each program and their associated services is given below.

### Governance

This program relates to the support of members of Council (Councillors) and administration and operation of services and facilities to support the Council's function, for example, funding costs related to the convening and holding of council meetings, civic events, and the provision of agendas and minutes. Associated costs for elected members including training, allowances, reimbursements and meeting fees.

### Law, Order and Public Safety

The objective of this program is to ensure the safety and amenity of the community in public areas. Major elements for the City include the administration and implementation of various local laws, event management, security and safety initiatives, graffiti management, animal control (licensing and enforcement) and responses to general complaints.

The current Community Safety and Crime Prevention Plan provides funding for Community Safety Initiatives.

Graffiti management is an example of a community service that requires annual funding. This has enabled the City to implement a number of measures to prevent or reduce the prevalence of graffiti within the City. These include a free call hotline for reporting graffiti, proactive patrolling to detect and remove graffiti, rapid removal upon identification, removal from private as well as public property.

### Health

This program aims to ensure a high standard of environmental health. The City's environmental health section has many roles, with its prime focus being responsible for the assessment and management of risks to public health, safety, and wellbeing, as well as providing direction and education to the community. It includes monitoring, maintenance, and improvement of public health, including regulation and monitoring of food handlers, noise reduction, food labelling, pest control, street trading, temporary public events and other areas related to public health.

The City has around 200 food businesses that are inspected, on average, three times a year. The number of registered food businesses has also increased recently as the *Food Act 2008* captures a broader range of businesses. The Act will also change the inspection frequency of some businesses.

As well as continuation of ongoing monitoring and regulatory services, funding has been provided for contaminated site investigations. Provision has also been made for conducting health promotions such as food safety.

### Education and Welfare

Under this program, the City is responsible for providing Community Facilities for Social Housing, Pre-Primary schools and Child Health Clinics. Community Programs are provided for positive ageing, health and wellbeing, and Subiaco Men's Shed.

### Community Amenities

This program principally provides for waste management and recycling services, orderly and controlled development of land and the built environment, and well maintained public conveniences.

Waste management services expenditure incorporates the state Government and Western Metropolitan Regional Council charges on landfill. The City continues to be active in initiatives to reduce the amount of waste going to landfill and maximising the recovery of recyclable materials. The SFP provides for a continued enhancement to waste management and recycling with residential green waste collections and additional recycling facilities to encourage separation at source, and recycling of recyclables in public areas.



*A range of events with a community development focus are run throughout the year for residents to enjoy*





Regarding the built environment, in addition to ongoing planning approvals and regulatory services, provisions have been made for continuing work on major initiatives, including a Town Planning Scheme review and Streetscape and Public Realm Plan. The City aims to create a sustainable and high-quality urban environment for residents and the wider community. The City's Town Planning Scheme and supporting policies review is designed to support this aim through ensuring high-quality development and consistent decision making.

In relation to improvements to public amenities, provisions are in the SFP for the continuation of the public toilet renewals and improvements program.

### *Recreation and Culture*

Under this program, the City seeks to promote and support community recreational and cultural pursuits. It includes maintenance of parks and reserves, provision of library and museum services, recreational facilities (Lords), as well as a wide range of cultural and community activities including continuation and enhancement of social development planning, positive ageing initiatives, disability service initiatives, cultural programs, and youth programs.

Also coming under recreation and culture is the Public Art Strategy for the City. Public art contributes to a sense of place and community identity, as well as to the visual amenity of the City and the Strategy aims to provide a strategic platform for the development of a public art program, with clear direction and strategies. The SFP includes provisions to fund the maintenance and development of these public artworks.

The Subiaco Library is recognised as an important cultural community facility and is one that provides a wide range of services to meet the diverse information, recreational and cultural needs of the community. The library provides information services to keep residents informed about their community, promote lifelong learning, and support education and study. The library often holds writer's nights and artist's evenings including talks by guest speakers as well as awards each year for young writers and artists.

Provisions have been made for the City's recreation centre Lords, which re-opened as a local government owned and operated community recreation facility on 4 July 2009. Funding for Lords as a council-run facility has been provided, as an ongoing operation.

The SFP also provides for the continuation of maintenance and operational programs to keep the various areas of parks and reserves within the City in good condition. Main areas of expenditure include maintenance of Cliff Sadlier, Mabel Talbot, and Mueller Parks, Lake Jualbup, Rankin Gardens, Theatre Gardens, Subi Centro Common, Market Square Park, and China Green. Funding is provided for improvements to parks and reserves including recreation facilities improvements. Other activities and initiatives include related environmental improvements, water quality, and sediment testing, greening strategy and community centre upgrades.

Rosalie Park is widely used and enjoyed by local sports people and residents, with over 3000 participants using the park for competitive sports in past years.

Another important recreational facility within the City is Lake Jualbup, The lake is set within a residential area, and is an attractive and favourite meeting place for picnics and barbecues, walks and playing. During the winter months the lake is typically filled with water, and an abundance of wildlife including swans, ducks and tortoises can be observed. In the dry summer months, the wetland undergoes a natural cycle of drying and the wildlife move to wetter areas to see out the summer. The park is vegetated primarily with woodland, featuring a mix of exotic and native species.

*The City seeks to promote and support community recreational and cultural pursuits*



### Transport

Safe and convenient transport and access is the focus of this program. It includes reconstruction, repair and maintenance of roads, lanes, footpaths, and drains including street lighting, parking management, pruning of street trees, cleaning of laneways and streets and promotion of transport alternatives to cars.

Major categories of expenditure include road, drainage and footpath maintenance, road sweeping, street tree and street light maintenance. Capital programs include major road improvements, local road improvements, laneway renewal and improvements, and footpath replacements.

Due to the redevelopment of Subiaco East by the Metropolitan Redevelopment Authority the City is investigating the proposal to convert Hay Street and Roberts Road (between Railway Road and Thomas Street) to two way traffic. To enable a two way system to be implemented, significant modifications will be required for many of the intersections directly affected by the changes to Hay Street and Roberts Road. Modifications will be required to road infrastructure on Hay and Roberts with components such as the pavement, parking, drainage, footpaths and traffic signals being impacted.

The two way conversions were approved in principle by Council in March 2018 subject to funding being sourced. At this stage the project is expected to cost \$7.9 M to construct and the City is seeking funding from the State Government. Once funding is sourced it is anticipated that project will take about 24 months to construct. *This is currently unfunded in the current SFP.*

Over the past eight years, approximately 2500 new street trees were planted. The result is a thriving urban forest with City streets that are lined with well-developed mature street trees. The recently endorsed Urban Forest Strategy identified a number of heat islands within the City and a number of actions have been identified to address this issue. These actions have been planned to start in the 18/19 financial year. The project is likely to be a long-term staged implementation over a number of years with streetscape works being incorporated within other town centre capital projects where possible.

The SFP provides funding for the implementation of parking management systems and car park improvements, including the use of technology to be implemented in all City parking areas. The provision of parking within Subiaco town centre is an important amenity for residents, shoppers, workers and visitors as well as supporting businesses, in particular retail and hospitality. Meeting the community's competing parking needs and expectations requires a balanced approach that takes into account the provision of parking bays (numbers and location) and the effective management of parking supply through mechanisms such as permits, time restrictions and price controls.

With regards to promoting alternative modes of transport, the City is committed to the ongoing improvement of facilities that allow the community to travel along attractive and safe bike and footpaths. The City invests considerable funds into providing good quality footpaths and bike paths, secure bicycle storage facilities at train stations and major destinations, signage and road markings to direct travellers to their destinations, and additional facilities such as water fountains and seating.

Further to this, the SFP includes funding for various alternative travel initiatives in accordance with the City's Transport, Access and Parking Strategy.

### Economic Services

This program facilitates economic development, promotes compliance with building standards, regulations and local laws. Continuation of the existing range of building services is provided, including assessment services,



education, and public building inspections. The SFP also contains provision for the continuing implementation of the Economic Development Strategy, including town centre planning and other initiatives.

The Strategic Financial Plan also includes funding for various asset classes including roads, footpaths, drainage, streetscape improvements, lighting enhancement and street furniture.

### Other Property and Services

The focus of this program is to maximise long-term return on the City's investment assets for the benefit of the community. It includes management of income from investment lands and other assets that raise revenue that can be used to fund development initiatives and offset rate impacts.

Provision has been made for ongoing property management services as part of the City's strategy to maximise the return on its investment assets.

To improve customer service a number of initiatives, including a Customer Plan are being implemented. Further improvements in customer service will be made utilising technology through projects such as the customer request management system, Internet development, electronic forms and a customer portal.

Technology is also being used at the city to create efficiencies through the streamlining of processes and the reduction in manual handling. Projects include electronic invoicing, improved asset management collection tools, integration between enterprise systems and increased employee mobility.

### General Purpose Funding

This program focuses on the collection and management of revenue required to fund the City's operations. Included is the collection of rates and other general purpose funds including untied government grants received from the Western Australian Grants Commission and earnings on cash surpluses.

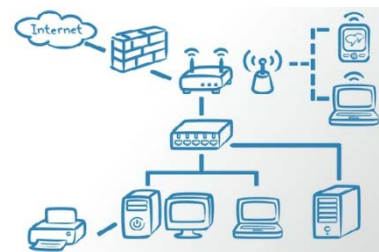
Rates and charges for 2018-19 have been set at 6.5590 cents in the dollar to achieve a balanced budget. The first year of the SFP was based on an increase of 2.5% which is then held constant for the remaining years of the plan.

The Local Government Cost Index<sup>3</sup> is projected to be approximately 2% for 2018-19.

The Local Government Cost Index (LGCI) has been developed as an industry inflation indicator utilising the primary indexes that impact local governments. The index utilises forecasts from the following areas:

- salary and wages
- road construction
- non-residential buildings
- Perth consumer price index
- machinery and equipment cost
- electricity and street lighting

This indicator provides a strong correlation to the City's estimated annual increase in costs. Therefore this indicator is a preferred measure of comparison instead of the Perth Consumer Price Index.



Source: [http://www.micro-net.co.uk/wpimages/wpadf3a581\\_05\\_06.jpg](http://www.micro-net.co.uk/wpimages/wpadf3a581_05_06.jpg)



Source: <http://www.brisbanerentalappraisals.com.au/files/images/property-management-brisbane.jpg>

<sup>3</sup> The Local Government Cost Index (LGCI) is used by Local Governments across Western Australia to communicate movements in the cost to deliver services over time. It is essentially a measure of inflation that applies to Local Government expenditure, in the same way that the Consumer Price Index (CPI) measures movements in the cost of goods and services purchased by households (Ref. [11]).

In recognition that each property benefits from a broad range of services, the City sets a minimum rate. The minimum rate is proposed to continue to apply to the 14.7 % of properties with the lowest Gross Rental Value as has historically been the case.

### **3.3 LEVELS OF SERVICE**

It is proposed that existing service levels will be maintained for all operational areas in the short term, however key objectives in the Corporate Business Plan (which directly impacts future service delivery) will change resource allocation accordingly. Changes to service delivery will therefore change over time, with some services receiving more resources leading to an increase in service levels. Conversely, new services will be added, some existing services will be discontinued and others will not change dependent upon the priorities outlined within the Corporate Business Plan.



## 4 Our Focus Areas

This City's Strategic Community Plan outlines six focus areas which are driven from the outcomes of the original Think2030 visioning process. The City uses these focus areas to establish our shared vision of the future, including the community's aspirations and expected service expectations.

This sets the direction for the City which in turn is then implemented through the actions within the Corporate Business Plan. The SFP then aims to achieve the objectives set within both the Strategic Community Plan and Corporate Business Plan by ensuring adequate funding for major projects and initiatives required to progress the City towards the key focus areas.

An overview of the key focus areas, and listing of the significant projects to be implemented to work towards these focus areas, is given below.



### 4.1 STRATEGIC COMMUNITY PLAN

The following six focus areas are detailed in the Strategic Community Plan:

1. Our sense of community
2. Parks, open spaces and places
3. Subiaco as a destination
4. The built environment
5. An effective and integrated transport system
6. Council leadership

Each focus area includes objectives which are statements that describe what the community wants to achieve and strategies which guide how to achieve these objectives.

Table 4-1 Focus Areas and Objectives (Extracted from Ref. [1], p10-21)

| Focus Areas                      | Objectives   |
|----------------------------------|--|
| 1. Our sense of community        | Ensure the community's identity and local history is reflected, promoted and celebrated. Increased awareness and appreciation of the City's Heritage.      |
|                                  | Facilitate a range of opportunities to foster community health and wellbeing that are accessible and inclusive for everyone.                               |
|                                  | Ensure a range of recreation opportunities for the community   |
|                                  | Contribute to a safe environment for the community   |
|                                  | The community is strengthened through the facilitation and support of local networks, organisations and service providers.                                 |
|                                  | The community is strengthened through its events, programs and public art. Increased participation in community events and the City's public art programs. |
| 2. Parks, open spaces and places | Preserve, enhance and maintain the urban forest.   |
|                                  | Continue to be at the forefront of supporting sustainable verges.  |
|                                  | Manage the City's parks infrastructure in a way that is sustainable.   |

| Focus Areas                                     | Objectives   |
|---|--|
|   | Continue infrastructure maintenance, renewal and replacement programs.   |
|   | Maintain an efficient and sustainable waste and recycling service.   |
|   | Be proactive and innovative in its approach to environmental, sustainability and climate change.   |
|   | Ensure that parks, streetscapes, open spaces and public places are developed and utilised to maximum benefit for current and future community members. |
|   | Promote active and passive recreation opportunities for all ages.  |
| 3. Subiaco as a destination                     | Continue to support Subiaco as a hub for arts, culture and entertainment.  |
|   | Work towards establishing the City of Subiaco as a destination of choice.  |
|   | Inform the community about what is available and what there is to do in the City.  |
|   | Attract and retain a diverse range of businesses.  |
|   | Support community led business groups to drive the vibrancy of neighbourhood centres.  |
|   | Advocate for living, working and playing in the City.  |
|   | Take an advocacy role in issues that affect the City.  |
| 4. The built environment                        | Support the conservation of heritage places.   |
|   | Promote public awareness of heritage places.   |
|   | Identify and protect significant heritage buildings, places and streetscapes.  |
|   | Ensure new developments are respectful of the built heritage and the character of the streetscapes.  |
|   | Identify appropriate locations for increased density, and plan effectively in order to accommodate an increasing population.                           |
|   | Work to ensure appropriate infrastructure exists to support increased density.   |
|   | Investigate and consider opportunities for the development of affordable and diverse housing.  |
|   | Collaborate with state government agencies to achieve positive development outcomes for the community.   |
| 5. An effective and integrated transport system | Plan and manage our streets to mitigate congestion, while accommodating the increased population and developments.                                     |
|   | Design and maintain our streets acknowledging that they are spaces that connect our community.   |
|   | Proactively advocate for enhanced public transport services that provide access to, from and within the City.  |
|   | Manage a range of parking options and the demand for parking supply.   |
|   | The provision of public transport infrastructure to enhance public transport networks within the City.   |
|   | Work to ensure that public transport provides access and benefits the City at all times of the week.   |

| Focus Areas           | Objectives  |
|-----------------------|---|
|                       | Manage parking assets to provide the best economic, social and environmental outcomes for the City. |
|                       | Invest in improved pedestrian and cycle networks.   |
| 6. Council leadership | The Mayor and Councillors provide strong, consistent and decisive leadership.                       |
|                       | Actively engage with the community to inform decision making.                                       |
|                       | Be innovative, responsive and maintain a strong customer focus.                                     |
|                       | Ensure best practice asset management principles are adopted.                                       |
|                       | Create organisation and community culture that is underpinned by financially sustainable practice.  |

## 4.2 CORPORATE BUSINESS PLAN

The Corporate Business Plan is the City's contract with the community on how to deliver the Strategic Community Plan. It links the City's operations to the community's aspirations, by outlining the specific actions the City will undertake to achieve these goals.

The Corporate Business Plan identifies the priorities for the City's operations over a four year period. Many actions involve continuing or extending current initiatives. There are, however, other initiatives identified as new requirements by the community. For example, the latest Corporate Business Plan (2018-2021) has increased resource allocation for place management and economic development.

The City will monitor its progress by reviewing the plan every year, with a major review occurring every four years. Monitoring of the Corporate Business Plan will occur through regular status reports on actions to Council. Measurement of the Corporate Business Plan will occur through Key Result Areas that demonstrate progression towards meeting the community outcomes identified in the Strategic Community Plan.

Besides the ongoing services that support each strategy within the Corporate Business Plan, projects are also identified. Funding for projects needs to be considered within the Strategic Financial Plan to ensure the City remains financially sustainable.

A list of the significant projects, projects of high interest to the community, is found in the following table.

Table 4-2 Significant Projects (Ref. [2], p31)

| Project   | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---------|---------|---------|---------|
| Redevelop Lake Jualbup and surrounding parkland | ✓       | ✓       |         |         |
| Drainage Network modelling                      | ✓       | ✓       |         |         |

## Our Focus Areas

|  |   |   |   |   |
|--|---|---|---|---|
| Prepare and implement Parking Precinct Plans   |   | ✓ | ✓ |   |
| Review and implement changes to the current residential and visitor parking permit system.     |   | ✓ | ✓ |   |
| Hay Street and Roberts Road two way  | ✓ | ✓ | ✓ | ✓ |
| Lords Recreation Centre Facility Upgrade   | ✓ | ✓ | ✓ | ✓ |
| Implementation of general waste and comingled recycling bins to implement Australian Standards | ✓ |   |   |   |
| Develop a Place Management and Activation Plan   |   | ✓ |   |   |
| Precinct Planning for Station Precincts and relevant areas for Local Planning Scheme 5         | ✓ | ✓ | ✓ | ✓ |
| Rokeby Road South Streetscape project  |   | ✓ |   |   |
| Council Chambers Upgrade   |   |   | ✓ |   |
| Administration Centre Redevelopment  |   |   | ✓ | ✓ |
| Relocation of the City's Operations Centre   |   | ✓ | ✓ |   |
| Implement the Customer Request Management system   | ✓ | ✓ | ✓ | ✓ |
| Investigate the possibility of a multi-purpose facility  | ✓ | ✓ | ✓ |   |
| Investigate development a cultural space near Subiaco Oval                                     |   | ✓ | ✓ | ✓ |
| Develop and implement a Social Infrastructure Plan   |   |   | ✓ | ✓ |
| Subiaco Community Men's Shed extension   |   | ✓ |   |   |
| Library Refurbishment  |   |   | ✓ |   |
| Develop Right of Way Strategy  |   | ✓ | ✓ |   |
| Review of the Bus Shelter Strategy   |   | ✓ |   |   |

## 5 Informing Strategies

The City has a number of issue specific informing strategies that allow the City to allocate resourcing capability to deliver community priorities and aspirations. Besides the Strategic Financial Plan another three informing strategies are essential in ensuring that a local government has the capability to deliver the services and assets required by the community.

### 5.1 ASSET MANAGEMENT

The City is responsible for the provision of a number of services to the community. To ensure services can be delivered on an ongoing basis, the City must ensure that the infrastructure<sup>4</sup> assets used to deliver the services are maintained and replaced at optimum time intervals.

Asset Management is about the City having the necessary plans in place to ensure that funds and resources are on hand at the optimum time to replace the assets before they threaten the ongoing delivery of the service. What complicates this issue is that the City has care, control and responsibility for a vast network of differing assets. Extensive asset networks and competing demands for new services, in addition to demands to renew, refurbish, or replace existing assets with finite resources, is a complex issue. To address this issue, the current Strategic Asset Management Plan (Ref. [5]) sets out how the City will implement and improve asset management practices and processes with the key outcome being the development of credible asset management plans which link to the SFP, setting out the resources which the City intends to allocate in the coming years. Asset Management is discussed further in Section 9 of this plan.

### 5.2 WORKFORCE PLANNING

The Workforce Plan details the human resources required to deliver local government operations and how those requirements will need to change over the short and long-term to meet the priorities set by Council and the aspirations of the community as outlined in the Strategic Community Plan and Corporate Business Plan.

The current 2015-2018 Workforce Plan (Ref. [3]) was created on the basis that no structural change occurs to the industry. Should structural change occur a new strategic direction may be needed. Salaries were expected to continue to stay in line with current market trends. The combined cost of total organisational wages was expected to increase in line with local market forces should the organisation be given the opportunity to conduct business as usual.

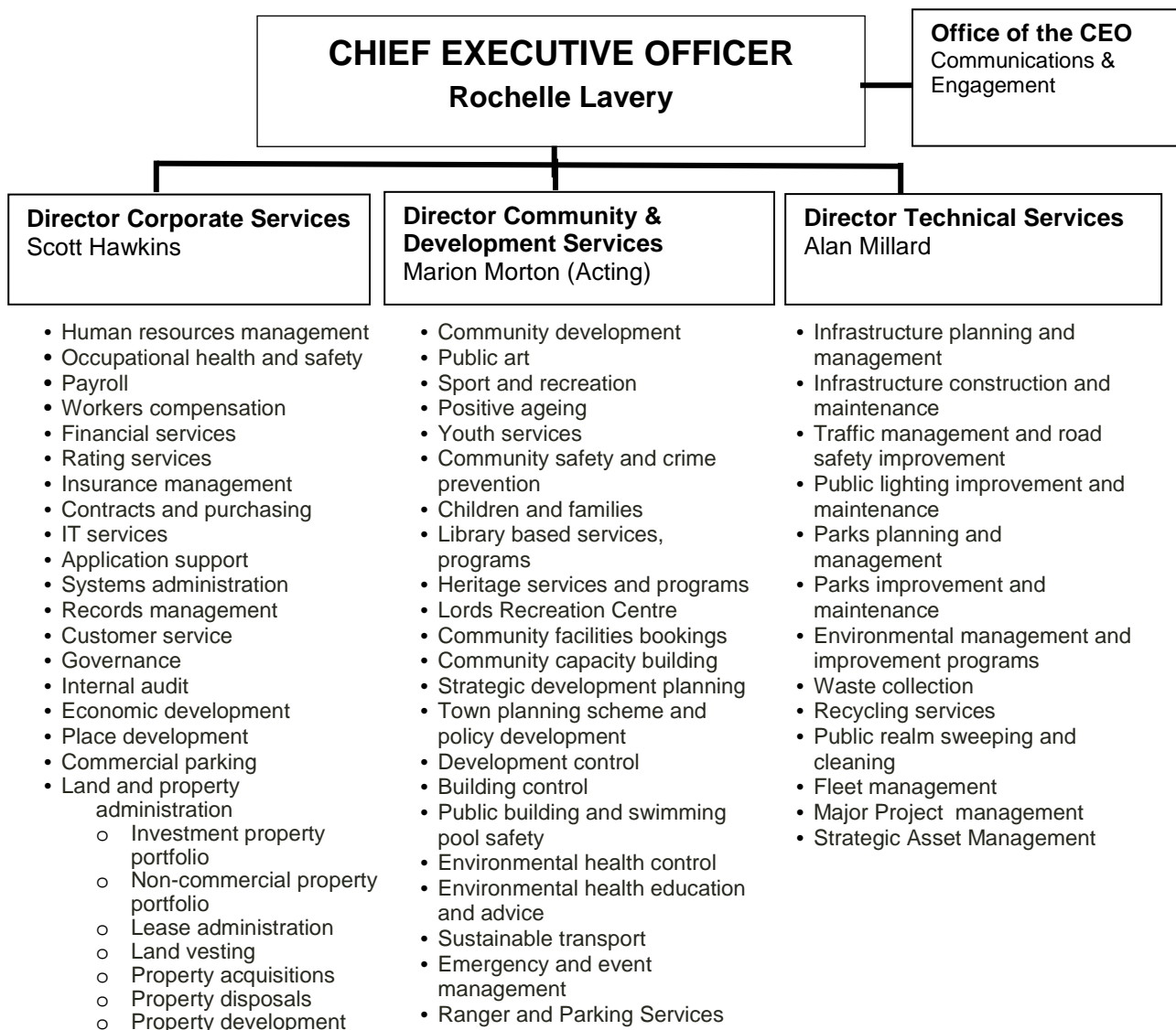
The future 2019-2022 Workforce Plan will be finalised in 2019. There is expectation that there may be new roles required and/or suggested structural changes depending on the outcome of the analysis of the current workforce.



Source: <http://custom.cvent.com/...91a759a532dc73.jpg>

<sup>4</sup> The use of the term infrastructure here refers to all non-current assets managed by the City (e.g. roads, community buildings, parks and reserves, footpaths and drainage).

The City's current organisational chart showing functional areas is included below:



The City is mindful of the impact of employee costs on rate revenue and has undertaken several restructures that have reduced the percentage of rates revenue required to fund employee costs as shown in the charts below:

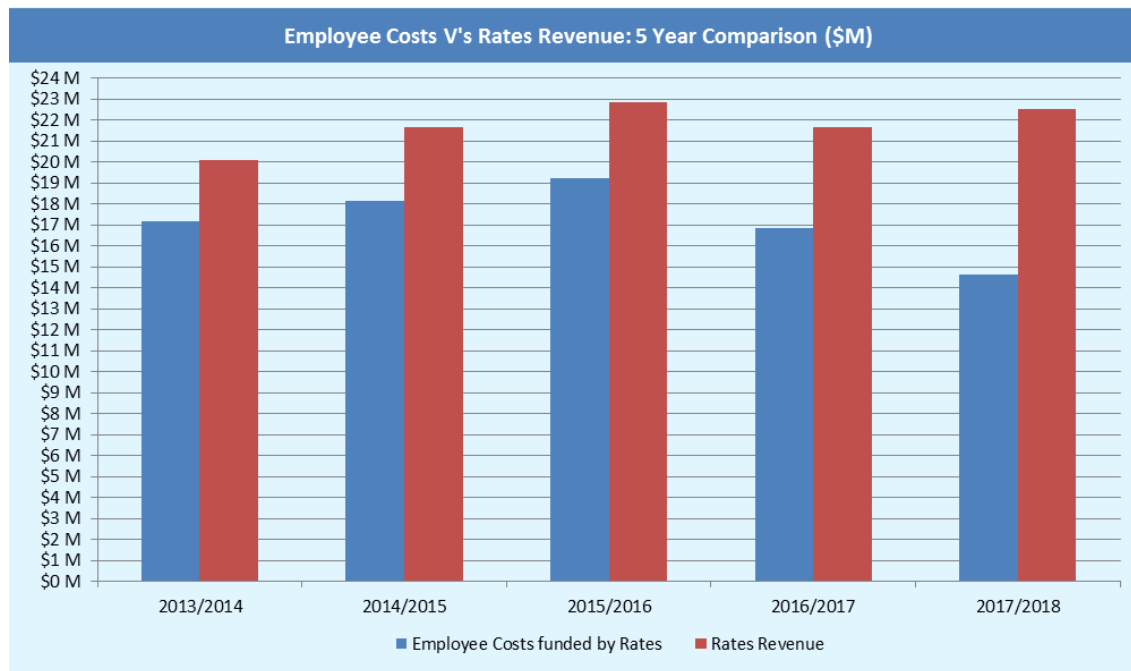


Chart 5-1 Employee Cost vs Rates Revenue: 5 Year Comparison (\$M)

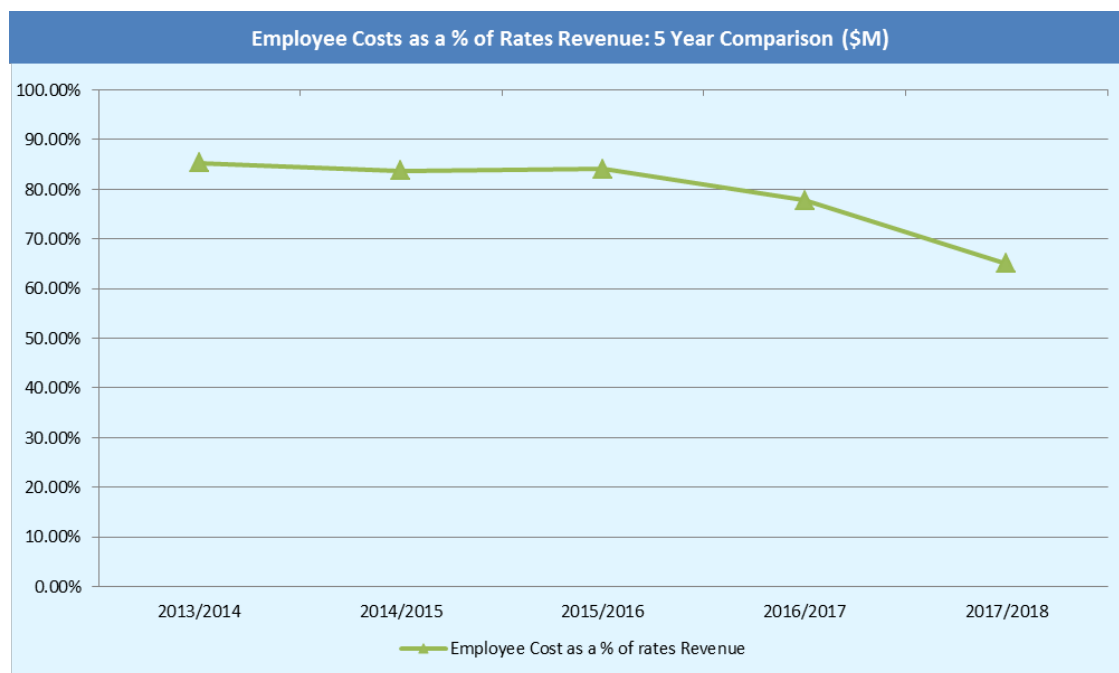


Chart 5-2 Employee cost as a % of Rates Revenue: 5 Year Comparison (\$M)

### 5.3 INFORMATION COMMUNICATION & TECHNOLOGY (ICT) PLAN

The purpose of the ICT Plan is to meet the needs and technology challenges of the City of Subiaco for the next 5 years. It recognises the important role of ICT in providing a high level of service and accountability to the City's customers. The plan also recognises the competing demands of technology requirements for the City in a period of increasing budgetary constraints. Therefore projects have been weighted towards increasing productivity, improving customer service and a focus on organisational priorities through integration with the City's Corporate Business Plan, Strategic Financial Plan, Human Workforce Plan, and Strategic Asset Management Plan, to advance the City's Strategic Community Plan

The ICT Plan recognises that technology plays a large role in improving services that are offered to our community and an evolving role in how the community can communicate effectively and efficiently with our employees. Therefore there are a number of ICT projects to improve the customer experience. These projects within the current ICT Plan are provided below:

**Table 5-1: ICT Plan projects to improve customer experience**

| Project                            | Summary of Project  | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 |
|------------------------------------|---|-------|-------|-------|-------|-------|
| Customer Request Management System | A customer request logging system that enables multiple contact points including website and mobile app. Has workflow to ensure completion, comprehensive reporting and status for originator (e.g. Councillor, public)   | X     | X     | X     |       |       |
| Parking Technology                 | Installation of vehicle detection technology and ticket machines for better management and visibility of parking  | X     | X     | X     | X     | X     |
| Website Customer Self Portal       | Visitors to City website can login and receive a personalised experience. For example the website will provide the status of their building application, let them know that they have to renew their dog license, have rates to pay, their customer request is completed and need to renew their visitor permit. This would be combined with a third party payment gateway. |       |       | X     | X     | X     |
| Public Electronic Forms            | Convert all physical forms and web forms on the website to electronic forms that can be filled out online, take payments and have workflow to the correct branch  |       |       | X     | X     | X     |
| Leisure Management System          | New leisure management software, including new sports management software will allow members and players to pay online, have access to real time stats and manage their membership<br><br>Funding requirements still to be determined   | X     | X     |       |       |       |
| Website Redevelopment              | Complete review and refresh of the Subiaco website to stay up with current technologies including social media links and disability access.   |       | X     | X     |       |       |

The ICT Plan also recognises that technology can improve workplace productivity through digitalisation, automation of processes, mobility, as well as reducing duplication and manual handling. Therefore there are a number of projects that align to improvements in productivity.



Table 5-2: ICT Plan projects to improve workplace productivity

| Project   | Summary of Project  | 17/18 | 18/19 | 19/20 | 20/21 | 20/21 |
|---|---|-------|-------|-------|-------|-------|
| Digital Scanning of property plans and property information | Digital scanning of paper property plans and property files.  | X     |       |       |       |       |
| Online Leave Provisioning                                   | Staff to be able to apply for their own leave and have it approved through Authority. Replaces current paper system. Efficiencies in reducing data entry and manual handling.             | X     | X     |       |       |       |
| Electronic invoicing system                                 | Purchasing system with associated streamlined workflow. Improves governance and reduce waiting times for approvals.   |       | X     | X     |       |       |
| Staff Mobility  | Providing access to the City's enterprise and branch specific apps. Examples include Authority, Records Manager, SMS & GIS  | X     | X     | X     | X     | X     |
| Staff Electronic Forms                                      | App for staff use for conversion of paper forms into online forms that are automatically uploaded into document management system. Need to include digital signature and simple workflow. |       |       | X     | X     |       |
| Asset Management Collection                                 | Collection tools for assets. Enables data collection if the field to improve quality of assets, safety and management.  | X     | X     | X     |       |       |
| Authority Content Manager Integration                       | Integration of Authority and Records Manager (previously TRIM & Records Manager). Project requirement for completion of electronic invoicing and CRM projects.                            | X     |       |       |       |       |
| Digital Signatures  | Investigation and purchase of digital signature software  |       | X     | X     |       |       |
| Online training   | Implementing a number of online training courses that improve staff knowledge, skills and statutory compliance  | X     | X     |       |       |       |
| Intranet Update   | Upgrade of the staff Intranet   | X     |       |       |       |       |

ICT also has a significant asset replacement schedule to ensure that all systems and infrastructure are maintained to mitigate failure and to take advantage of new technologies.

## 6 Our Finances

The City is financially strong with a diverse and stable revenue base. With its high autonomy ratio, neither the City's viability or sustainability is reliant on grant funding. The City has in place long-term strategic financial planning, with the ten year horizon shifting the focus to ensure a truly financial sustainable future.

The City judiciously utilises borrowing for appropriate projects and reserves to ensure intergenerational equity.



### 6.1 REPORTING REQUIREMENTS

The Strategic Financial Plan is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (Ref. [8] as amended) and accompanying regulations (as amended). The plan has been prepared on the accrual basis under the convention of fair value cost accounting as modified by the accounting treatment relating to the revaluation of assets and liabilities at fair value through profit and loss and certain classes of non-current assets. For accounting purposes financial information has been presented by Nature and Type or by Schedule and Program.

#### *Reporting By Program*

In accordance with Western Australian Legislation, as prescribed by Local Government (Financial Management) Regulations 1996 (Ref. [8]), the City's finances are reported by Program as shown below in Table 6-1.

Table 6-1 Financial Reporting by Program<sup>5</sup>

| Program |                              | Sub-Program Examples   |
|---------|------------------------------|--|
| 1.      | Governance                   | Members of Council, General Governance   |
| 2.      | Law, Order and Public Safety | Fire Prevention, Animal Control and other Law, Order, Public Safety  |
| 3.      | Health                       | Maternal and Infant Health, Preventive Services (e.g. Immunisation, Meat Inspection, Administration and Inspection, Pest Control), Other Health Services               |
| 4.      | Education and Welfare        | Pre-School, Other Education, Care of Families and Children, Aged and Disabled and Other Welfare Services   |
| 5.      | Community Amenities          | Sanitation such as Household Refuse, Sewerage, Urban Stormwater Drainage, Protection of Environment, Town Planning and Regional Development, Other Community Amenities |
| 6.      | Recreation and Culture       | Public halls, Civic Centre, Swimming areas, Other recreation and sport, Libraries and Other culture  |
| 7.      | Transport                    | Streets, roads, bridges, depots, Road plant, Parking facilities, Traffic control   |
| 8.      | Economic Services            | Tourism and area promotion, Building control and Other economic services   |

<sup>5</sup> The Sub-Program examples provided are adapted from the Local Government (Financial Management) Regulations 1996 (Ref. [8], p65-66), provided for general information only and do not necessarily reflect those used by the City.

| Program |                             | Sub-Program Examples   |
|---------|-----------------------------|--|
| 9.      | Other Property and Services | Private works, Public works overheads, Plant operation, Salaries and wages, Unclassified |
| 10.     | General Purpose Funds       | Rates, Other general purpose funding   |

The SFP is presented using these Programs, which are based on the structure under which the City is required by legislation to prepare its annual budget and financial statements.

### Reporting By Nature or Type

In accordance with Western Australian Legislation, the City's services are also reported by Nature or Type as shown below in Table 6-2.

Table 6-2 Financial Reporting by Nature or Type (Ref. [8], p66-67)

| Nature or Type |             | Includes <sup>6</sup>   |
|----------------|-------------|---|
| 1.             | Revenue     | <p>Rates</p> <p>Operating grants, subsidies and contributions</p> <p>Non-operating grants, subsidies and contributions</p> <p>Profit on asset disposals</p> <p>Fees and charges</p> <p>Service charges</p> <p>Interest earnings</p> <p>Other revenue</p>      |
| 2.             | Expenditure | <p>Employee costs</p> <p>Material and contracts</p> <p>Utility charges (electricity, gas, water etc.)</p> <p>Depreciation on non-current assets</p> <p>Loss on asset disposal</p> <p>Interest expenses</p> <p>Insurance expenses</p> <p>Other expenditure</p> |

<sup>6</sup> As specified in the Local Government (Financial Management) Regulations 1996 (Ref. [8]).



Source: <http://annualreporting.info/wp-content/uploads/2013/07/First-time-adoption-of-International-Financial-Reporting-Standards.png>

## 6.2 CURRENT REVENUE

### *By Program, Excludes Contributions to Development of Assets<sup>7</sup>*

The City's current 2018/19 plan for revenue, classified by Program, is shown below in Chart 6-17. Full tabular details are provided in the Financial Statements: Appendix A.5

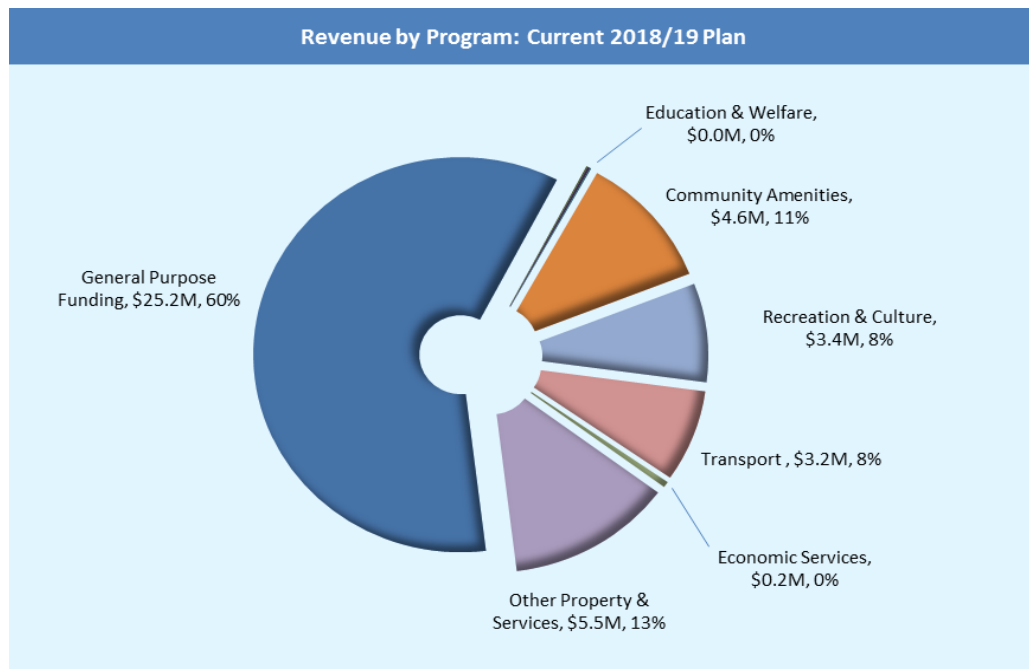


Chart 6-1 Revenue by Program: Current 2018/19 Plan

### *By Nature or Type*

The City's current 2018/19 plan for revenue, classified by Nature or Type, is shown below in Chart 6-2. Full tabular details are provided in the Financial Statements: Appendix A.6

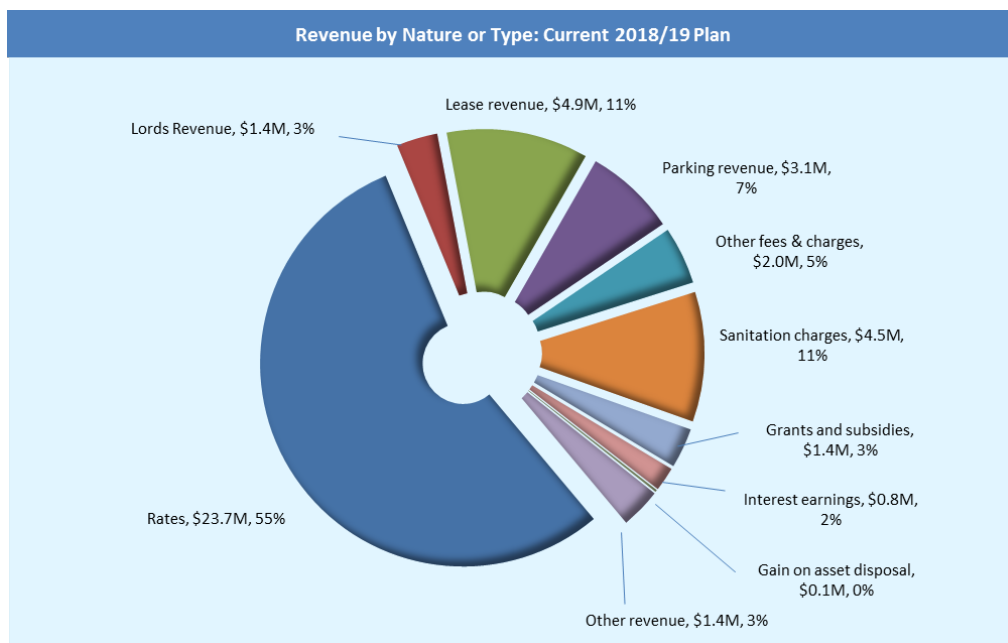


Chart 6-2 Revenue by Nature or Type: Current 2018/19 Plan

<sup>7</sup> Excludes Contributions to Development of Assets, which can vary annually. Contributions to Development of Assets are tabulated in the Supporting Schedules: Appendix A.5.

## 6.3 CURRENT EXPENDITURE

### *By Program, Excludes Borrowing Costs Expenses<sup>8</sup>*

The City's current 2018/19 plan for expenditure, classified by Program, is shown below in Chart 6-38. Full tabular details are provided in the Financial Statements: Appendix A.5.

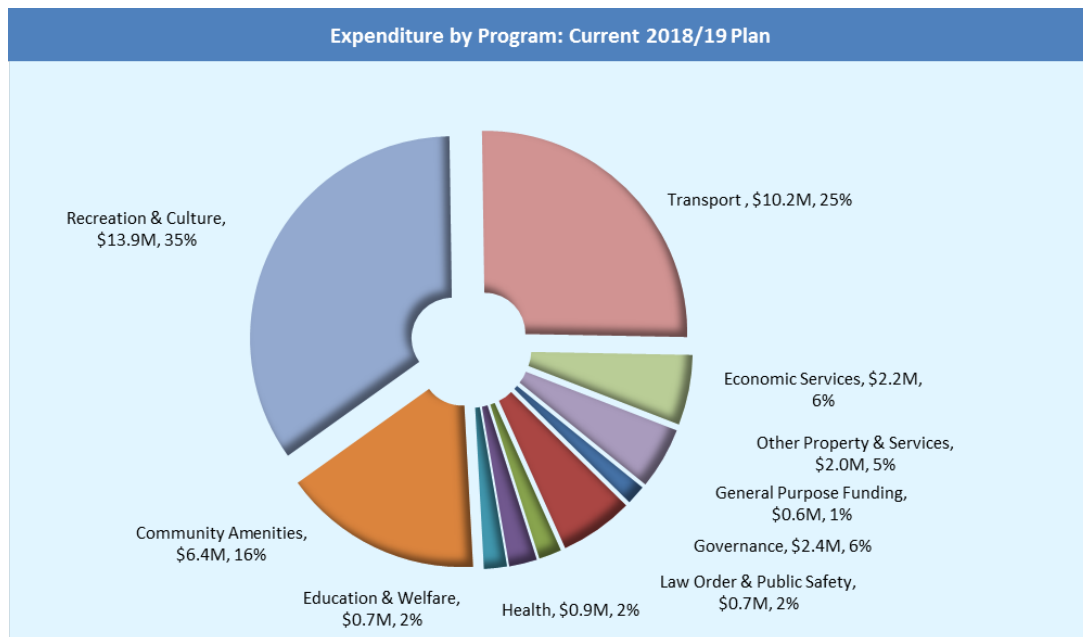


Chart 6-3 Expenditure by Program: Current 2018/19 Plan

### *By Nature or Type*

The City's current 2018/19 plan for expenditure, classified by Nature or Type, is shown below in Chart 6-4. Full tabular details are provided in the Financial Statements: Appendix A.6

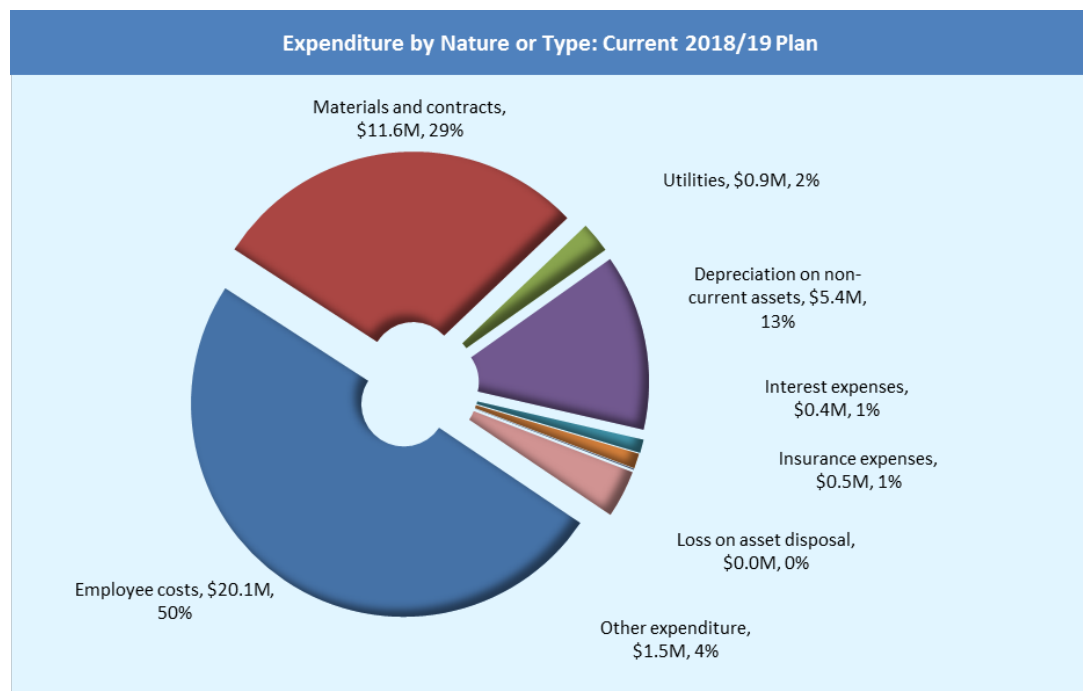


Chart 6-4 Expenditure by Nature or Type: Current 2018/19 Plan

<sup>8</sup> Excludes Borrowing Costs Expenses, which can vary annually. Borrowing Costs Expenses are tabulated in the Supporting Schedules: Appendix B.1

## 6.4 PLANNED REVENUE

The below charts summarise planned revenue, excluding Contributions to Development of Assets, showing for comparison the past 5 years versus the next 5 years of the SFP.

### *By Program, Excluding Contributions to Development of Assets*

The City's plan for revenue, classified by Program, is shown below in Chart 6-5<sup>7</sup> (as % of total annuals) and in Chart 6-6<sup>7</sup> (as annual \$ M totals). Full tabular details for the 10 year plan are provided in the Financial Statements: Appendix A.5 " Statement of Comprehensive Income " .

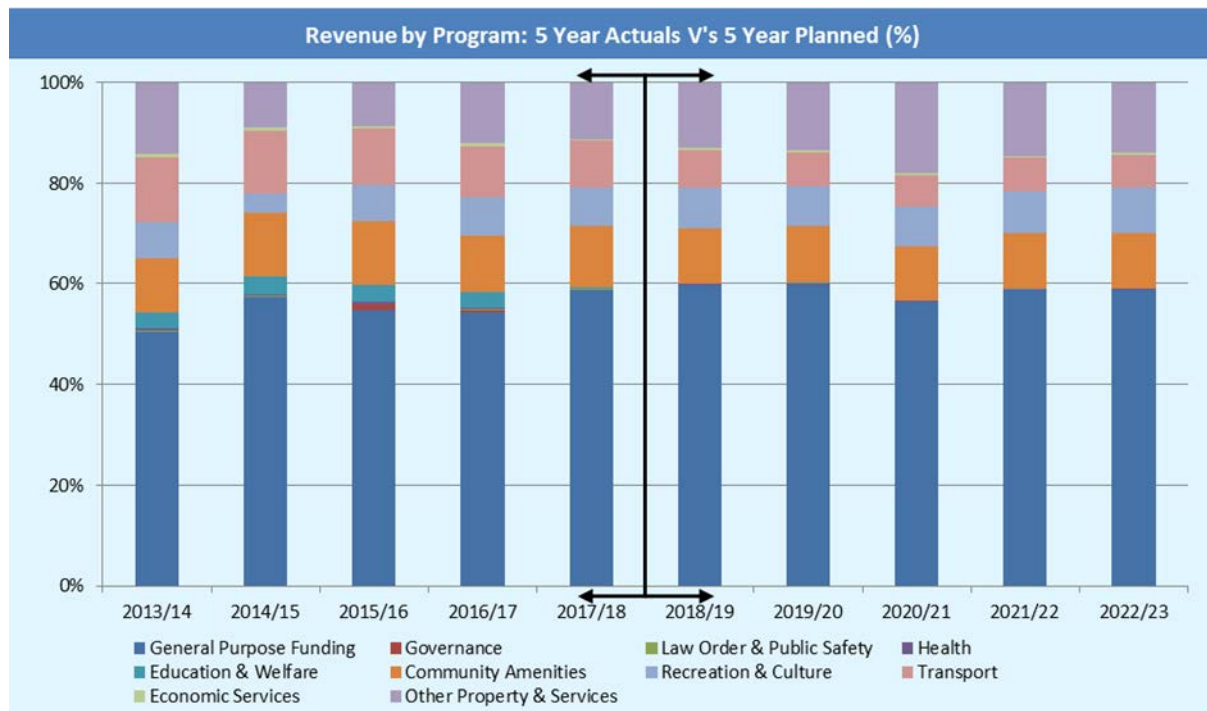


Chart 6-5 Revenue by Program: 5 Year Actuals V's 5 Year Planned (%)

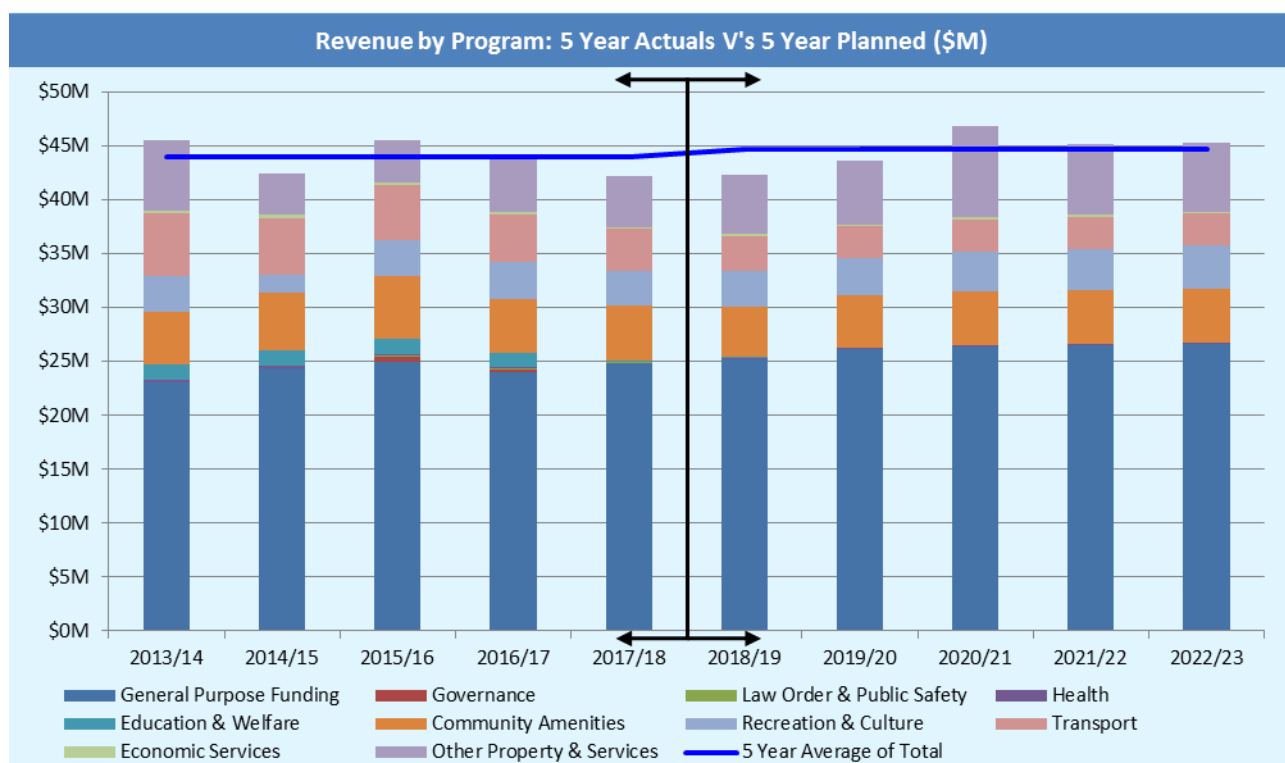




Chart 6-6 Revenue by Program: 5 Year Actuals V's 5 Year Planned (\$M)

*By Nature or Type*

The City's plan for revenue, classified by Nature or Type, is shown below in Chart 6-7 (as % of total annuals) and in Chart 6-8 (as annual \$ M totals). Full tabular details for the 10 year plan are provided in the Financial Statements: Appendix A.8 "Statement of Comprehensive Income (By Nature and Type)".

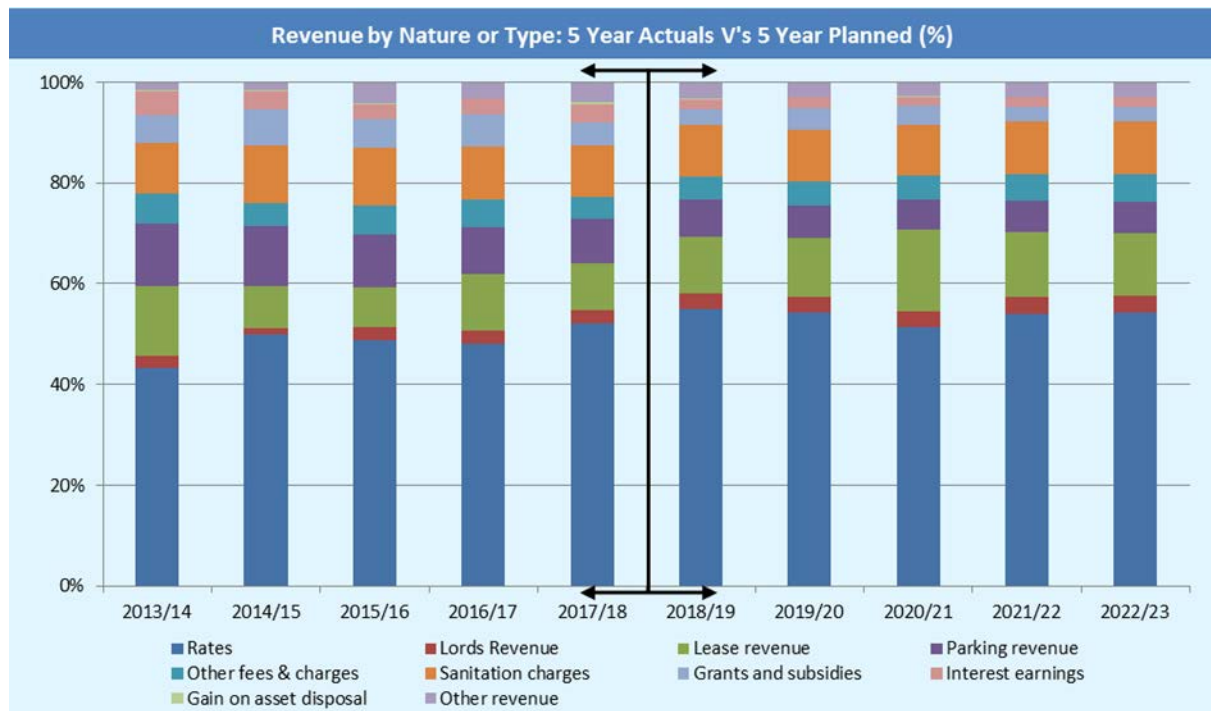


Chart 6-7 Revenue by Nature or Type: 5 Year Actuals V's 5 Year Planned (%)

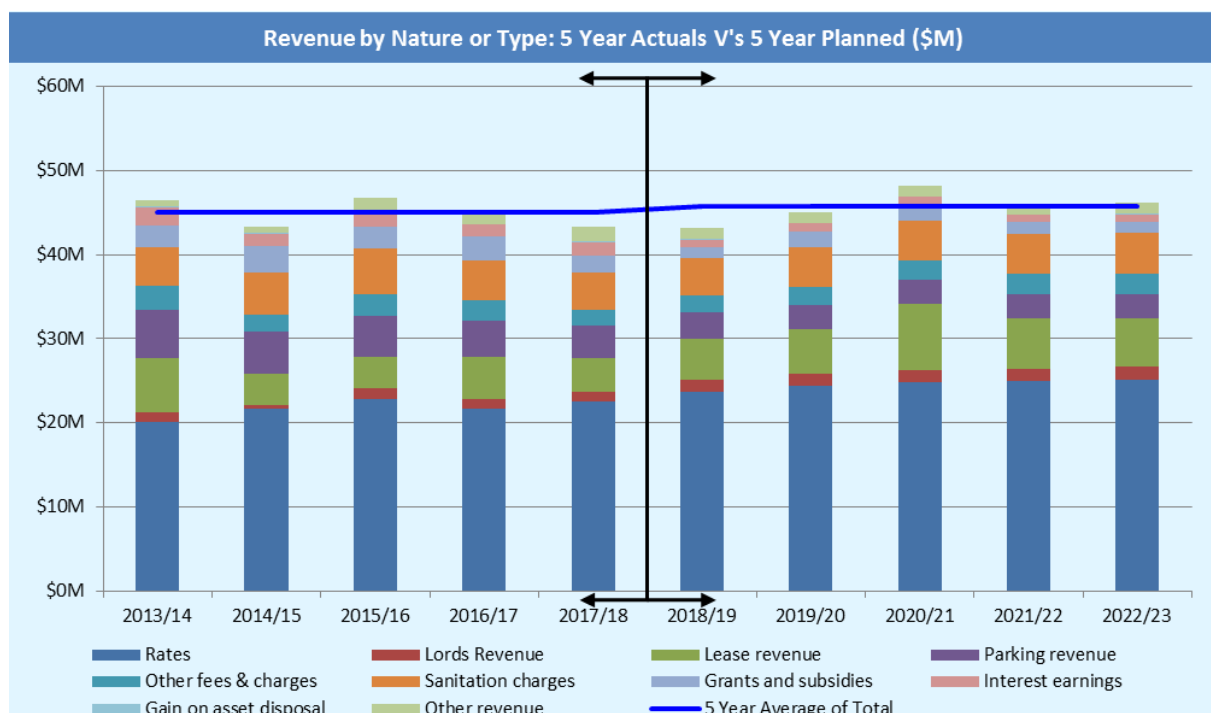




Chart 6-8      Revenue by Nature or Type: 5 Year Actuals V's 5 Year Planned (\$M)

## 6.5 PLANNED EXPENDITURE

The below charts summarise planned expenditure, excluding Borrowing Costs Expenses<sup>8</sup>, showing for comparison the past 5 years versus the next 5 years of the SFP.

### *By Program, Excludes Borrowing Costs Expense*

The City's plan for expenditure, classified by Program, is shown below in Chart 6-9<sup>8</sup> (as % of total annuals) and in Chart 6-10<sup>8</sup> (as annual \$ M totals). Full tabular details for the 10 year plan are provided in the Financial Statements: Appendix A.5

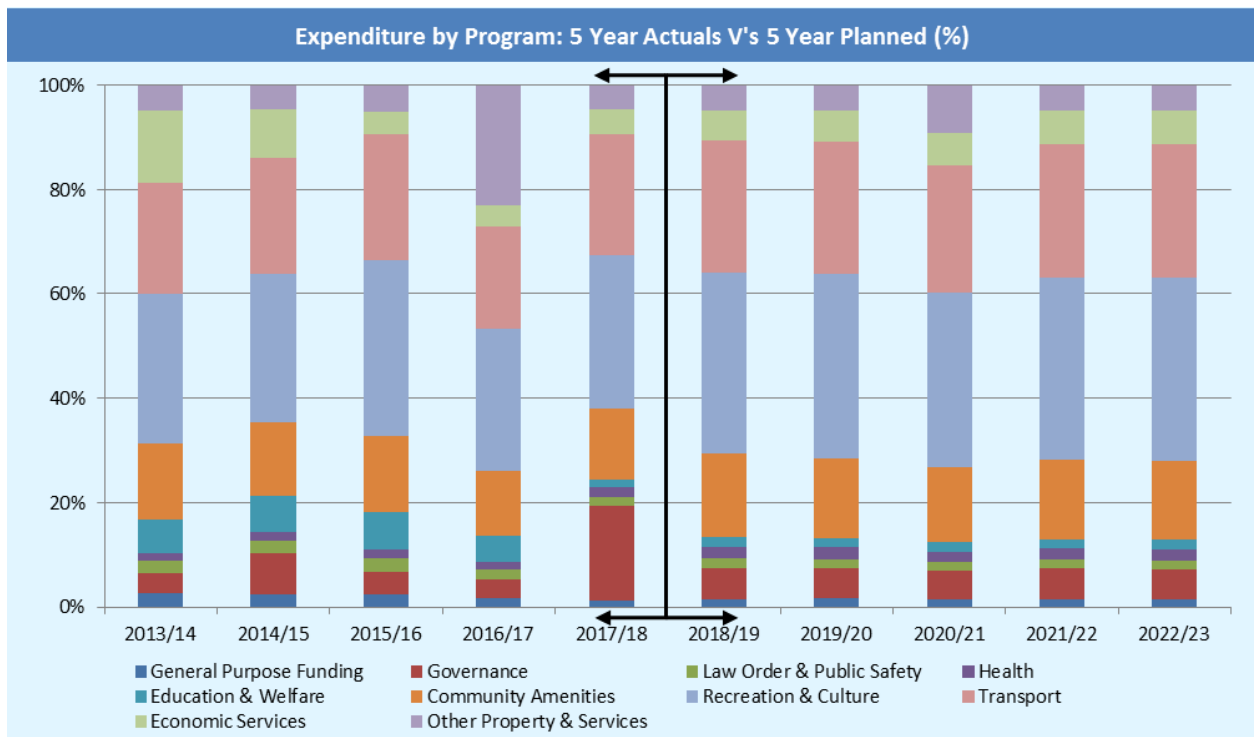


Chart 6-9 Expenditure by Program: 5 Year Actuals V's 5 Year Planned (%)

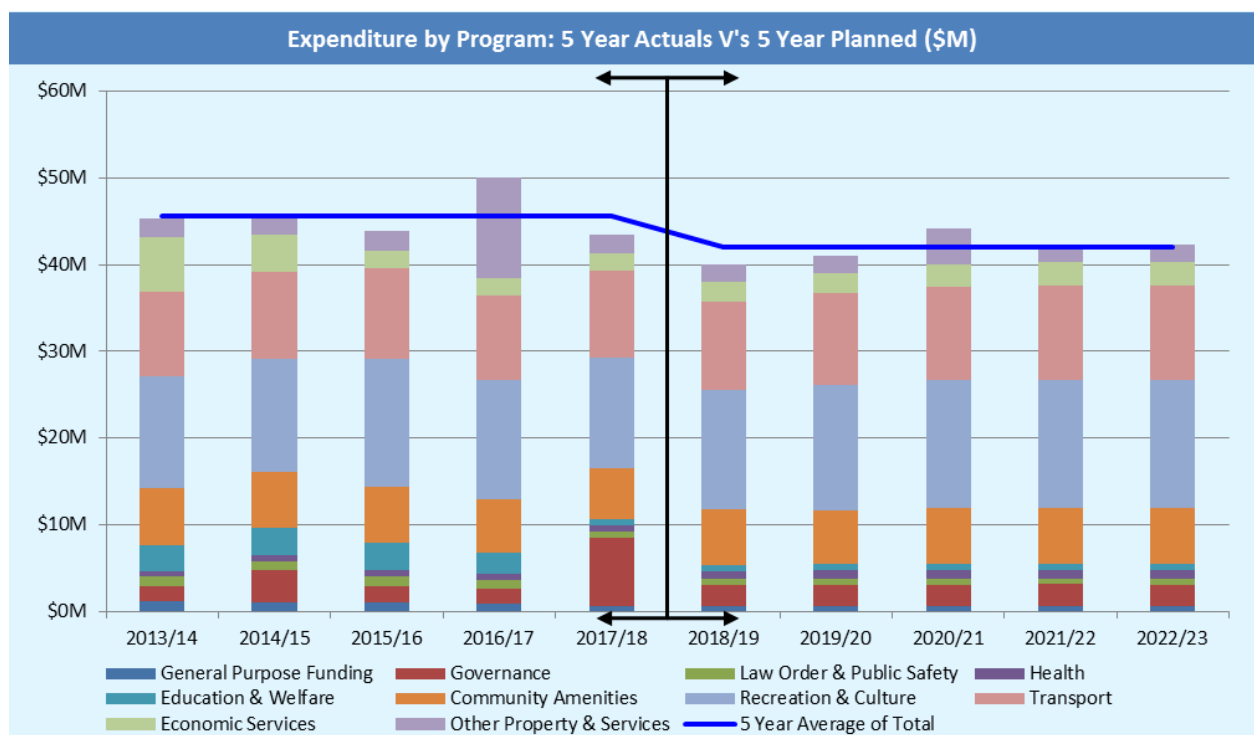


Chart 6-10 Expenditure by Program: 5 Year Actuals V's 5 Year Planned (\$M)

### By Nature or Type

The City's plan for expenditure, classified by Nature or Type, is shown below in Chart 6-11 (as % of total annuals) and in Chart 6-12 (as annual \$ M totals). Full tabular details for the 10 year plan are provided in the Financial Statements: Appendix A.6

Chart 6-11 Expenditure by Nature or Type: 5 Year Actuals V's 5 Year Planned (%)

Chart 6-12 Expenditure by Nature or Type: 5 Year Actuals V's 5 Year Planned (\$M)

Explanatory Notes for Chart 7-1: Other expenditure in 2013/14 and 2015/16 include costs associated with the completion of underground power in the City.

## 6.6 CAPITAL EXPENDITURE

### Current 2018/19 Plan

The City's current 2018/19 plan for capital expenditure is shown below in Chart 6-13.

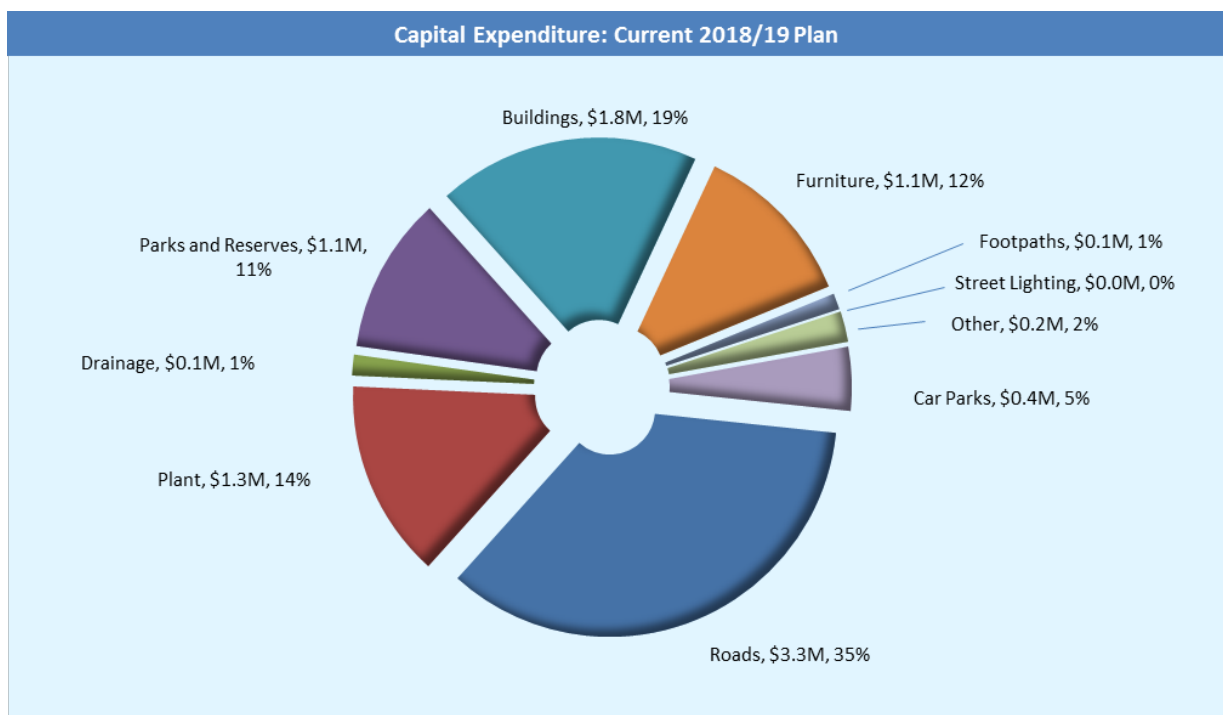


Chart 6-13 Capital Expenditure: Current 2018/19 Plan

### 10 Year Plan

The City's 10 year plan for capital expenditure is shown below in Chart 6-14.

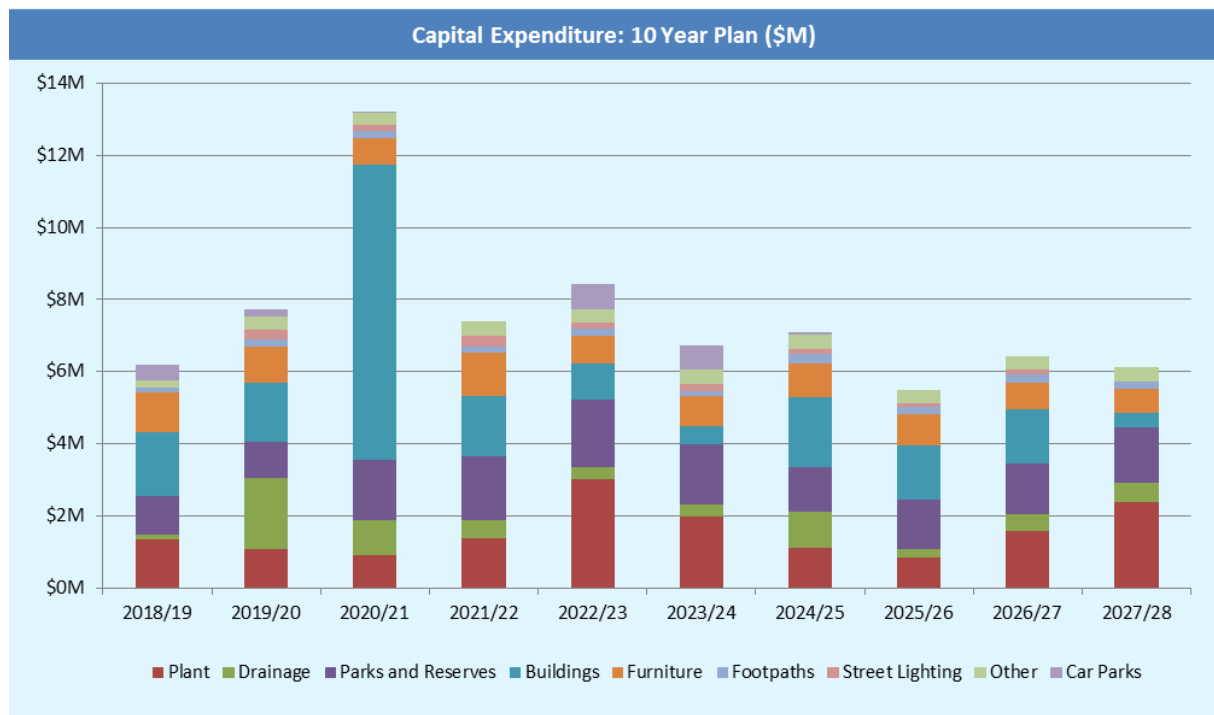


Chart 6-14 Capital Expenditure: 10 Year Plan (\$M)

## 6.7 MAINTENANCE EXPENDITURE

### Current 2018/19 Plan

The City's current 2018/19 plan for Infrastructure maintenance expenditure is shown below in Chart 6-15.

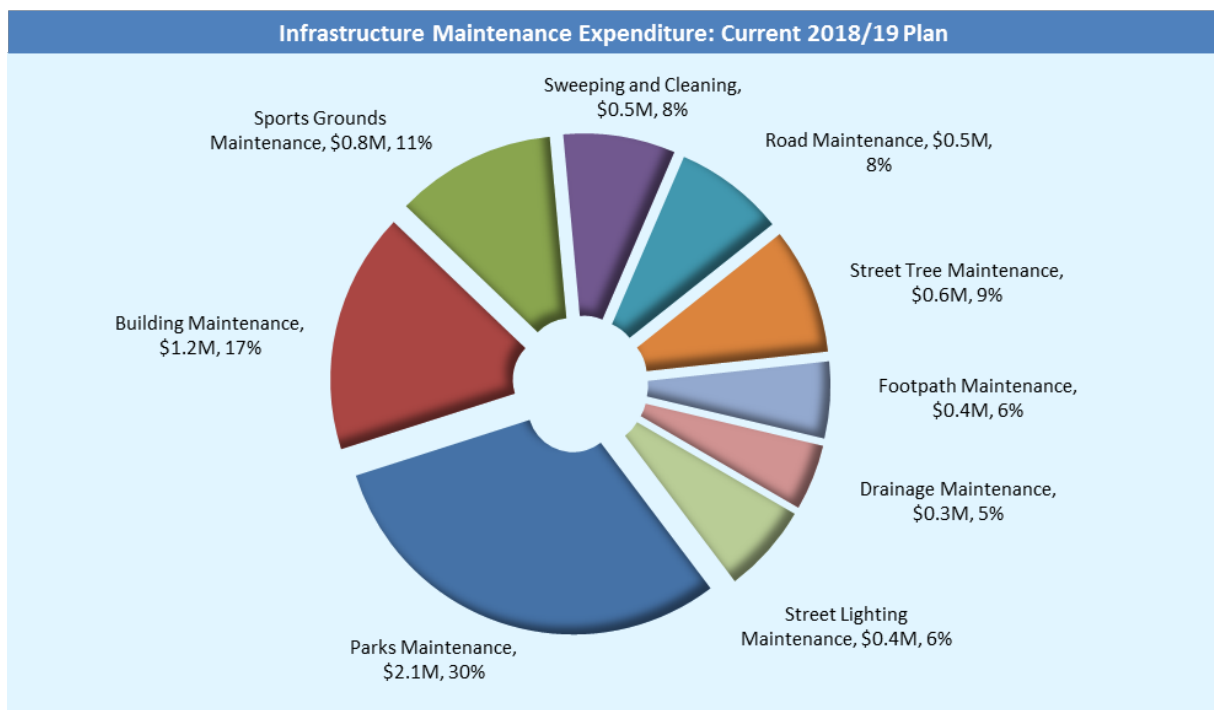


Chart 6-15 Infrastructure Maintenance Expenditure: Current 2018/19 Plan

### 10 Year Plan

The City's 10 year plan for Infrastructure maintenance expenditure is shown below in Chart 6-16.

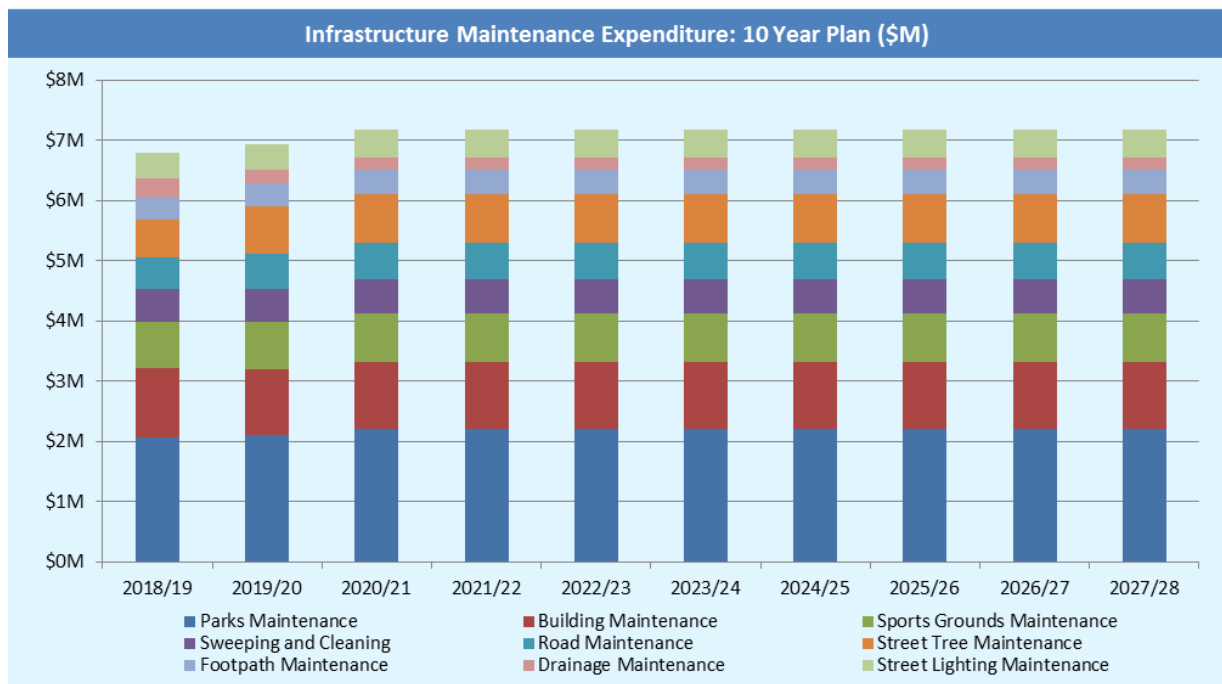


Chart 6-16 Infrastructure Maintenance Expenditure: 10 Year Plan (\$M)

## 7 Financial Strategies and Principals

The City is financially strong with a diverse and stable revenue base. With its high autonomy ratio, neither the City's viability nor sustainability is reliant on grant funding.

The key elements of the City's revenue are:

- rates (residential) 35%
- rates (commercial) 20%
- parking 7%
- sanitation charges 10%
- other user charges 12%
- lease income 11%
- grants 3%
- interest income 2%

The City enjoys this very diverse revenue base, judiciously utilises borrowing for appropriate projects and maintains operational and investment reserves. It is well placed to adapt in the event of unanticipated events without the necessity for substantial increases in rates.

### 7.1 FUNDING SOURCES

Funding for the SFP comes predominantly from the following sources:

Revenue Sources (Own Sources Income):

- rates income
- waste services charges
- user pays charges
- statutory charges
- commercial and contractual charges

Other Sources:

- debt finance (borrowings)
- grants and contributions
- cash reserves

### 7.2 OWN SOURCE INCOME

Income from revenue that is directly generated by the City does not include revenue from external sources such as grants and contributions. Chart 7-1 below shows the relationship of these revenues to the City's operating expenditure.

### 7.3 REVENUE SOURCES

**Rates** are levied to provide funds for services that benefit the entire community. This includes the funding of essential infrastructure, roads, footpaths, parks, community facilities and the administration of the City. To fund the constantly expanding range of activities, services and improvements provided for in the SFP, general rates are projected to rise by inflation (LGCI<sup>9</sup> = 2%) for 2018/19.

**Waste Service charge** is levied on all properties. The charge is a result of the Waste Avoidance and Resource Recovery Act 2007, which places an onus on the City to provide regular collection of putrescible<sup>10</sup> waste to all properties. Waste

<sup>9</sup> The Local Government Cost Index (LGCI) is used by Local Governments across Western Australia to communicate movements in the cost to deliver services over time. It is essentially a measure of inflation that applies to Local Government expenditure, in the same way that the Consumer Price Index (CPI) measures movements in the cost of goods and services purchased by households (Ref. [11]).

<sup>10</sup> Organic material such as kitchen scraps, grass clippings and tree pruning's, which rot down and emit odorous gas.

service charges are projected to rise because of rising State Government charges on land-fill and the DiCom alternative waste treatment process introduced by the Western Metropolitan Regional Council (WMRC<sup>11</sup>).

**User charges** are where specific individuals benefit from the use of council property or services, charges are set to ensure the user pays for the service. Examples of this include Lords Recreational Facility fees, parking fees, ground hire charges, photocopying, planning fees and swimming pool inspection fees. Charges are projected to rise in line with increases in costs and/or market levels.

**Statutory charges** are set scales of fees set by legislation. These include licence fees for buildings, dogs, signs, eating houses, itinerant food vendors, lodging houses, hawkers, stall holders and traders, plus fines imposed by infringement notices under the dog, parking and litter acts.

**Contractual charges** are imposed under the terms and conditions of leases, licences, deeds, and agreements. Some examples are leases to sporting and community organisations, and agreements related to self-supporting loans and development agreements. The City's investment land leases are the most significant of these charges.

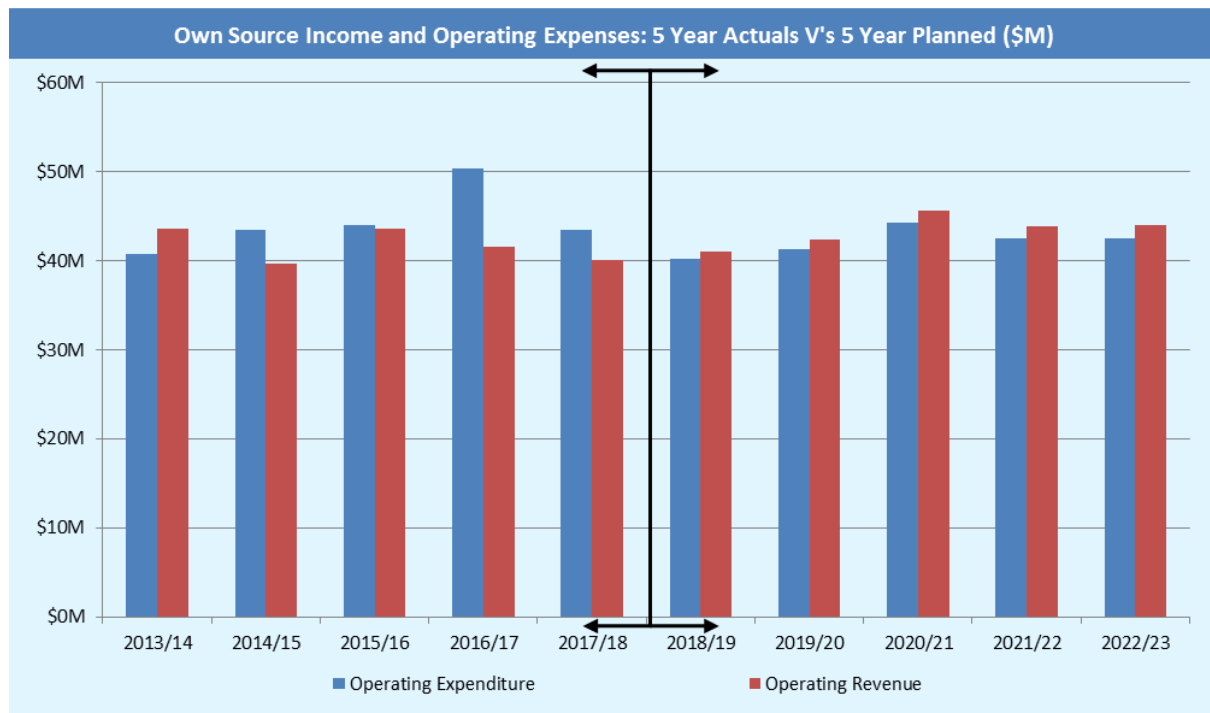


Chart 7-1 Own Source Income and Operating Expenses: 5 Year Actuals V's 5 Year Planned (\$M)

Explanatory Notes for Chart 7-1: Revenue in 2013/14 has been reduced for the Fair Valuation adjustment on Investment Properties of \$80.5M. Expenditure in 2016/17 includes costs associated with the assets transferred to the City of Perth resulting from the City of Perth Act of \$13.2M and has been reduced for the Fair Valuation adjustment on Investment Properties of \$9.9M.

Chart 7-2 to Chart 7-6 below show the City's key income generating and cost recovery revenue operations:

- Land and Property (income generating)
- Commercial Parking (income generating)
- Lords Recreational Centre (cost recovery)
- Waste Services (cost recovery)

<sup>11</sup> WMRC (Ref. [12]) delivers innovative and sustainable waste solutions for Perth's western suburbs (Town of Claremont, Town of Cottesloe, Town of Mosman Park, Shire of Peppermint Grove, and City of Subiaco). WMRC business includes Waste Transfer Stations, DiCOM Waste Processing System, and Waste Education (Earth Carers Programme).

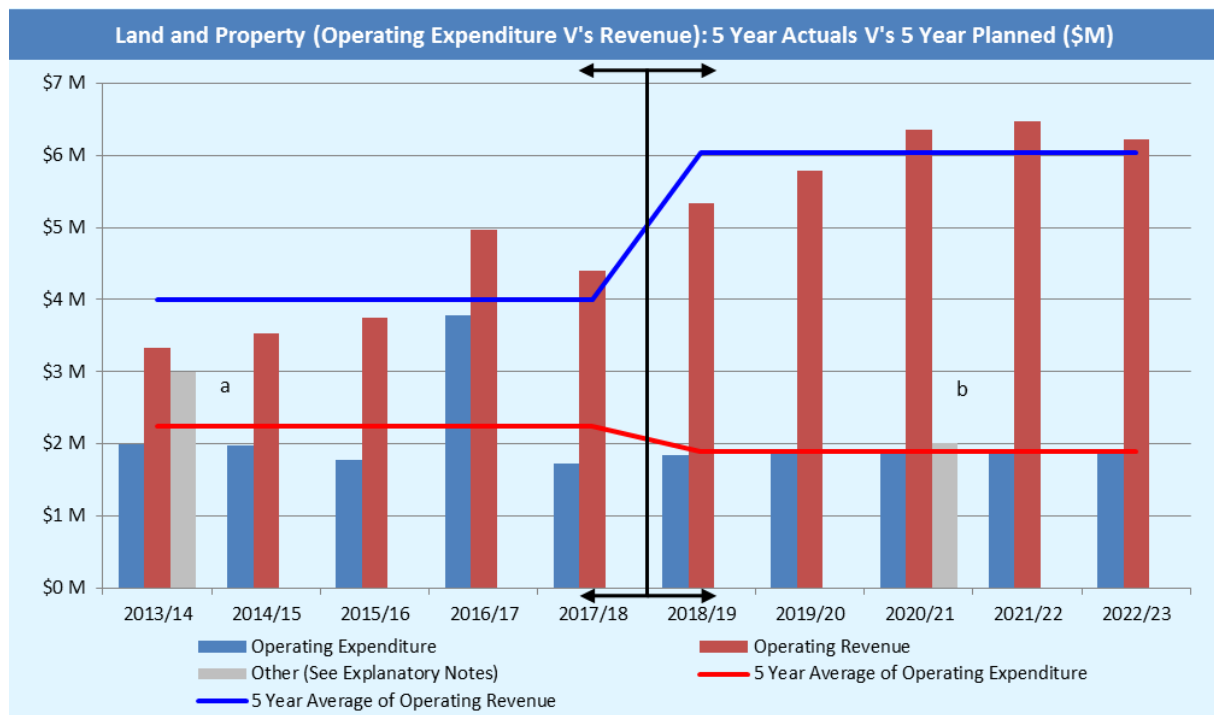


Chart 7-2 Land and Property (Operating Expenditure V's Revenue): 5 Year Actuals V's 5 Year Planned (\$M)

Explanatory Notes for Chart 7-2:

- (a) 2013/14 'Other' represents the lump sum payment by Berrington for 45 -47 Bishop Street.
- (b) 2020/21 'Other' represents the lump sum payment for the lease of 13 and 19 Bishop Street.

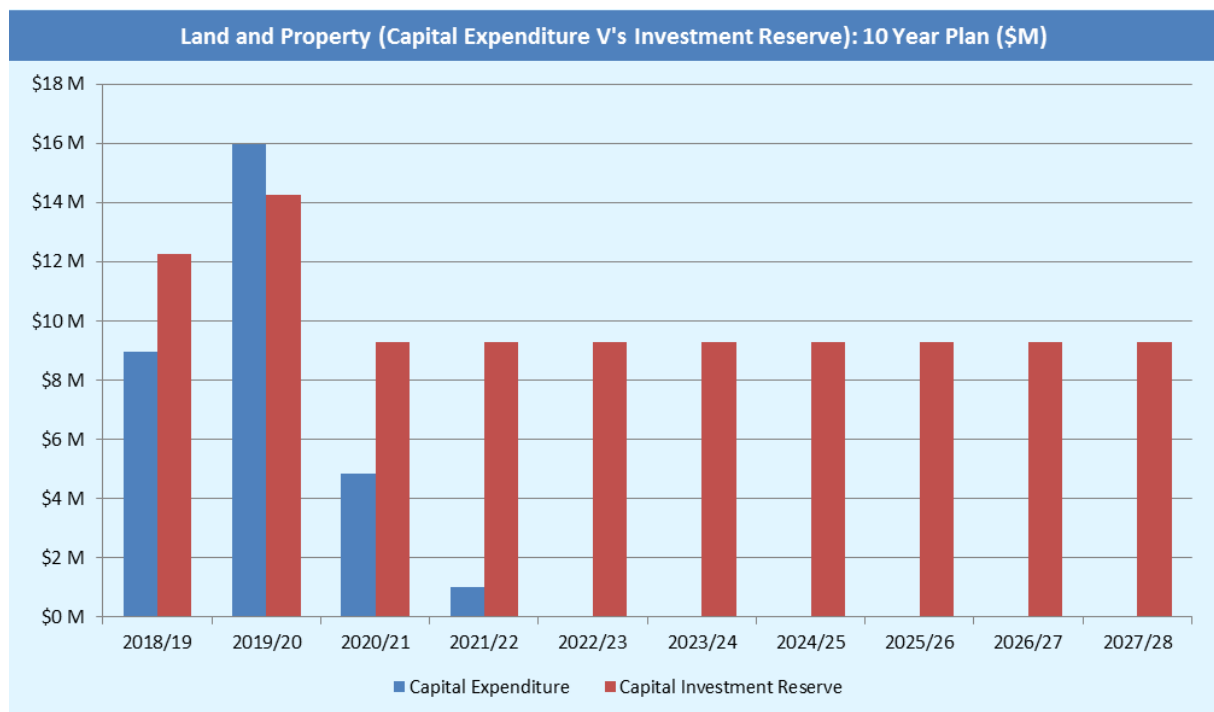


Chart 7-3 Land and Property (Capital Expenditure V's Investment Reserve): 10 Year Plan (\$M)



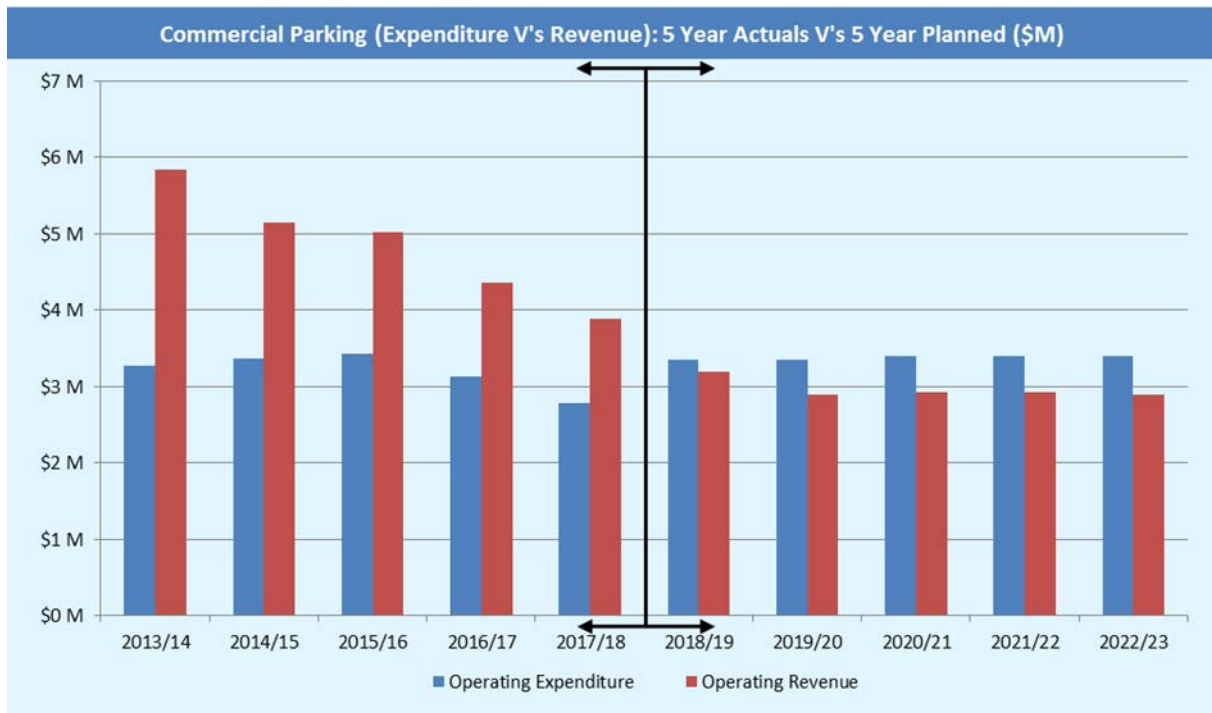


Chart 7-4 Commercial Parking (Expenditure V's Revenue): 5 Year Actuals V's 5 Year Planned (\$M)

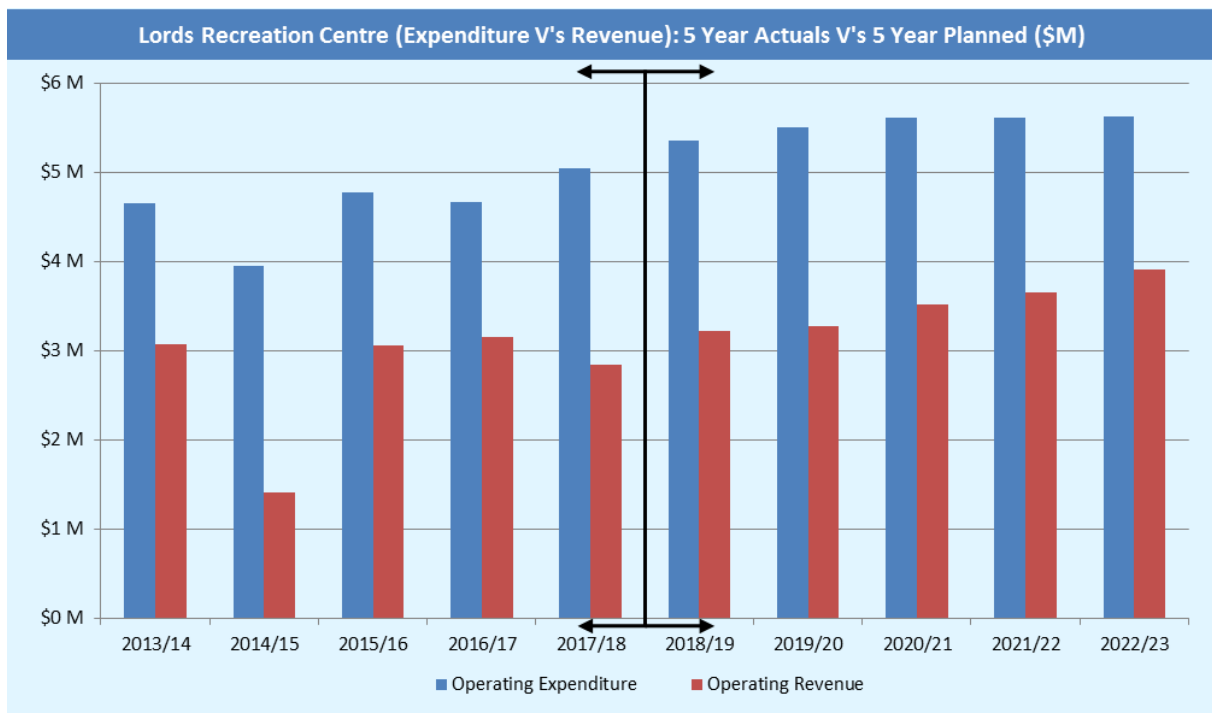


Chart 7-5 Lords Recreation Centre (Expenditure V's Revenue): 5 Year Actuals V's 5 Year Planned (\$M)

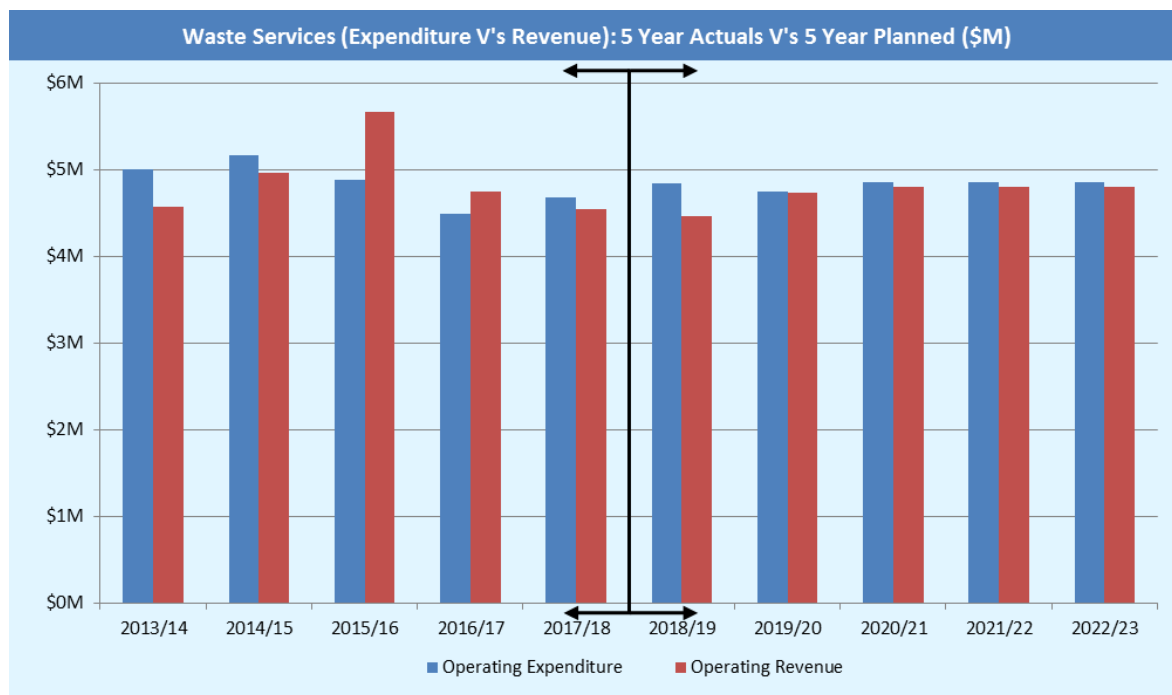


Chart 7-6 Waste Services (Expenditure V's Revenue): 5 Year Actuals V's 5 Year Planned (\$M)

## 7.4 PRUDENT USE OF DEBT FINANCE

The use of borrowing within a policy framework of sustainable financial planning is a legitimate, appropriate and financially viable element in the development of financial strategies for the City's capital expenditure requirements.

Loans should be considered as a financing tool rather than an additional source of revenue. They provide an opportunity to bring forward capital projects and allow the responsibility for the funding of the asset to be spread between current and future generations. However, loans do have to be repaid and in this sense they are not an additional source of revenue but a method by which the rates and other general revenue can be deployed and managed in a sustainable manner.

Loans are used by the City to fund major capital initiatives, with repayments met from general rates in order to maintain equity with past practice. The loan strategy is predicated on using a mix of interest only, and principal and interest loans with fixed and variable interest rates, to cushion the potential impact of interest rate fluctuations. It has been designed to avoid the effect that the principal and interest repayments on a small number of large principal and interest loans would have on rate increases.

Some examples of major projects funded initially by loans include:

- underground power
- major drainage improvements
- Lake Jualbup wall

The 10 year plan for borrowings is shown in Chart 7-7 (as comparison with new loans).

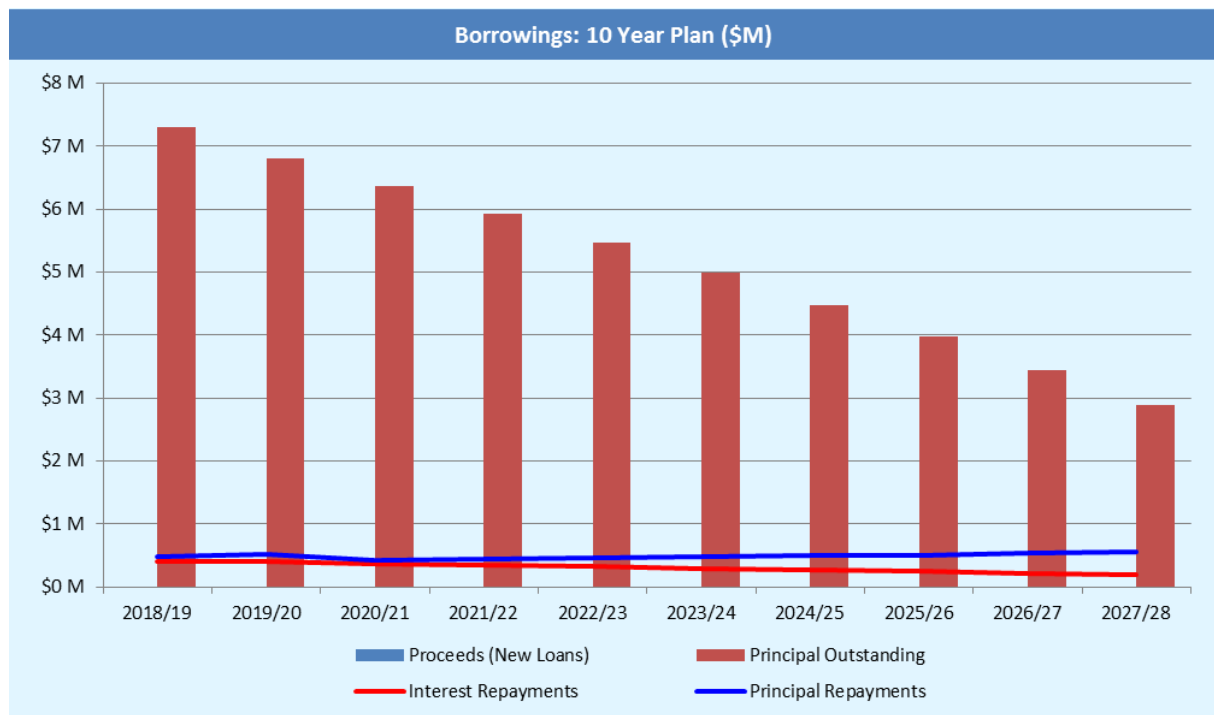


Chart 7-7 Borrowings: 10 Year Plan (\$M)

## 7.5 GRANTS AND CONTRIBUTIONS

Although the City has a low dependency on grant funding some projects are dependent on grants before they can be implemented. Grants and contributions are received from other government bodies for both operating and capital projects. These projects include implementing better practice kerbside collection services and road improvement works.

Chart 7-8 shows the split between capital and operating grants and contributions, comparing the past 5 years with the next 5 years of the SFP.

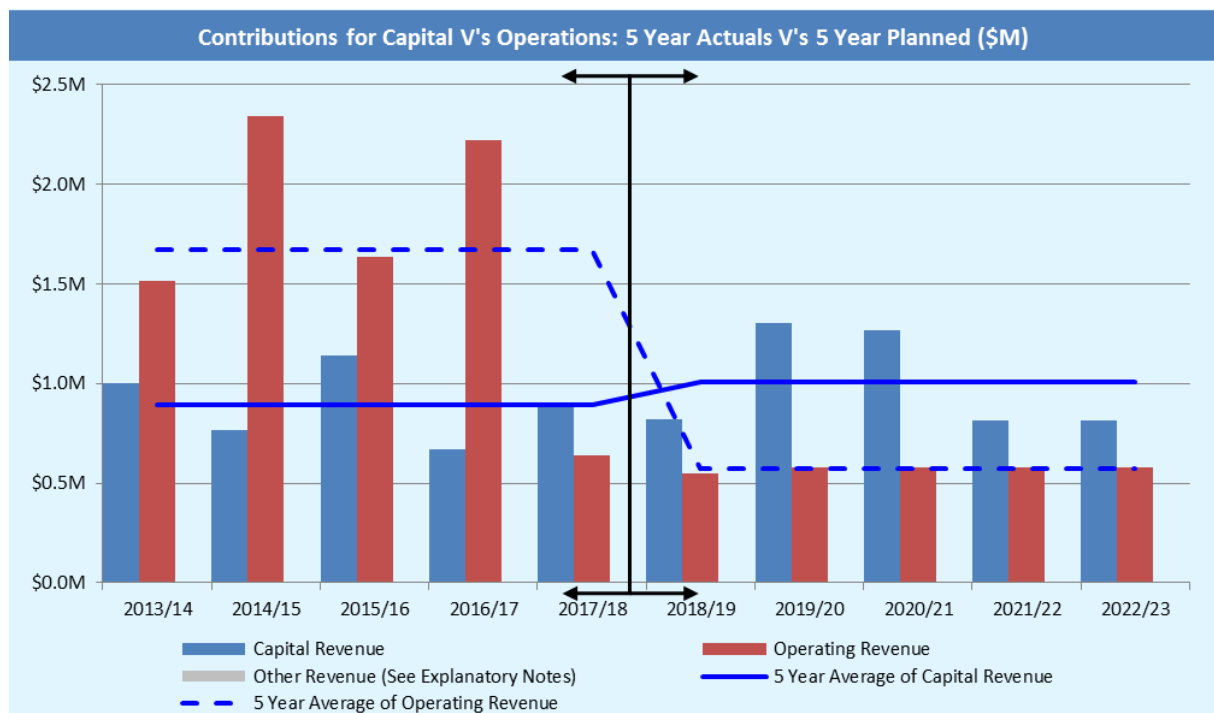


Chart 7-8 Contributions for Capital Versus Operations: 5 Year Actuals V's 5 Year Planned (\$M)

## 7.6 CASH RESERVES

Reserve funds are effectively a means to save a portion of funds generated through rates and other sources for expenditure in the future. Reserves are used to smooth or spread major expenditures and are maintained over a ten to fifteen year cycle.

The City uses operational reserves to fund plant and equipment replacement, building and facilities improvements, parking and public transport improvements, infrastructure renewal, and undergrounding of power throughout the City. The City also maintains two investment reserves, Capital Investment Income reserve and Investment Income Fund reserve, as part of its commercial land and property portfolio. The Investment Income Fund holds the net lease revenue and is used to support operational activities and projects.

Major initiatives supported by reserve funds include:

- Plant and equipment
- Building redevelopments
- Waste services equipment
- Recreation facility improvements
- Environment improvements
- Investment assets acquisitions/developments
- Infrastructure improvements
- Parks and reserve improvements
- Underground power
- Public art
- Heritage Grant Scheme

Chart 7-9 below show reserves closing balances.

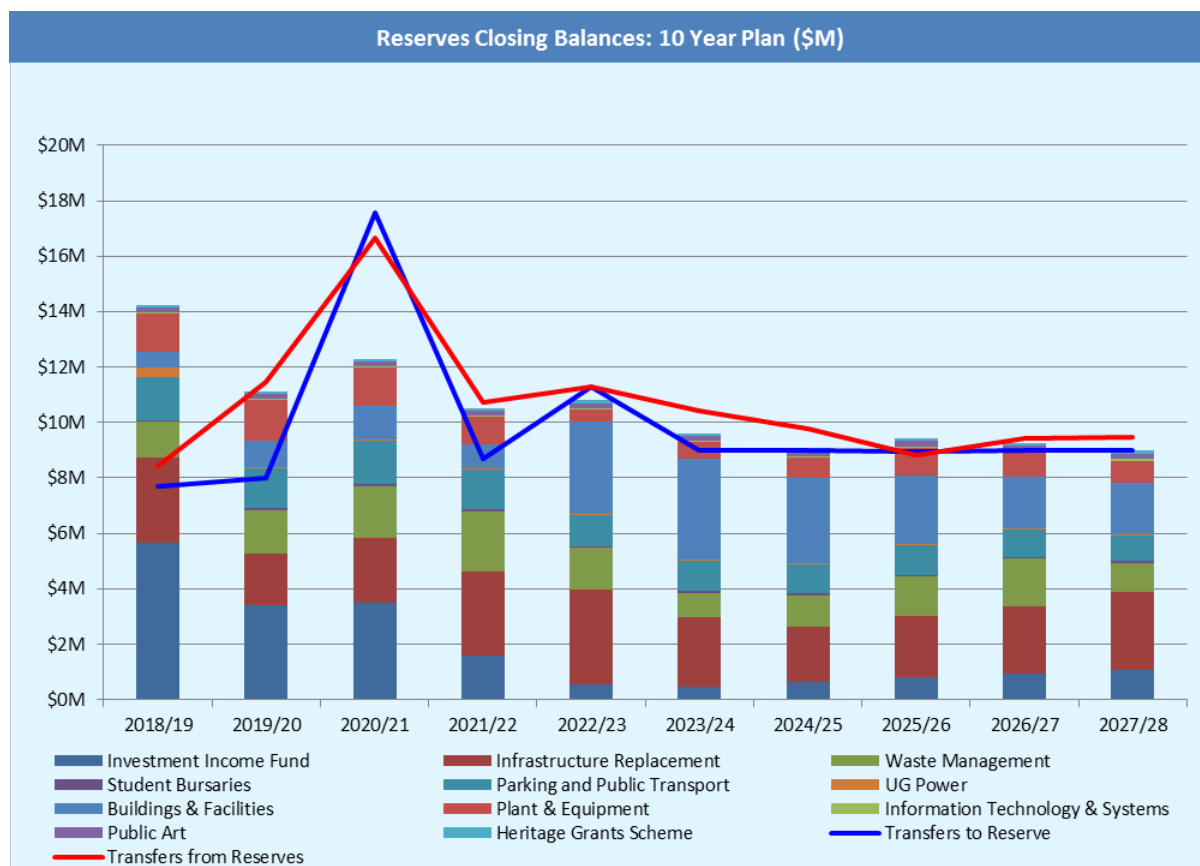


Chart 7-9 Reserves Closing Balances: 10 Year Plan (\$M)

## 8 Key Assumptions Underpinning This Plan

The estimates in the SFP are based on a number of key assumptions and guiding principles. The base point for the modelling is the 2018-19 year and the following assumptions have been applied to the model:

- The City of Subiaco is a **going concern** and no further boundary changes will occur.
  - Lords will continue to operate as a City managed facility.
  - The City will operate on the premise of maintaining current services.
- Existing **service levels** will be maintained with a view to improvement in the longer term through improvements in efficiencies.
  - Changes to technologies and service delivery could change costs from capital to operating.
- Net **staff levels** will remain unchanged except where changes to service delivery method and technological improvements.
  - New positions will only be considered where new services or substantial changes to service levels are required, and cannot be accommodated within existing resource levels.
  - Staff costs have increased 1.5% in the base year, 1.5% in 2019-20 and 1.5% to 1.75% in 2020-21 and are held constant for the remaining years of the Plan (The plan is based on today's dollar and is not adjusted for inflation in future years). However, all cost are expected to increase by inflation over the life of the plan and will be adjusted each year when the plan is reviewed.
- **Capital expenditure** based on the Strategic Financial Plan provisions, developed through the Strategic Asset Management Plan (SAMP).
  - Projects considered in context of the whole organisation and their whole of life costs to ensure assets are maintained at the optimal cost over their lifetime.
  - Asset renewal schedules are timed to ensure excessive maintenance costs are avoided.
    - Ensure risk mitigation through adequate asset maintenance and renewal.
    - Prioritising renewal of existing assets over new assets.
    - Accounting for total life costs of assets including maintenance and renewal.
  - Full project costing (initial cost & ongoing costs are considered when determining projects).
- ICT projects contained in the plan are contained in the ICT plan and will only change following a review.
  - Emerging technologies and services do not radically alter in price to existing technologies.
  - Assets are purchased rather than leased.
- All disposals of **assets** occur on 30 June and therefore do not effect depreciation.
  - Annual depreciation is calculated as the depreciation on closing value previous year plus the depreciation on half year asset take up.
  - Written down value of assets to be disposed = proceeds unless know exact asset being disposed.
- **Fees and charges** will be in line with statutory and contractual arrangements or market rates where appropriate.
  - Discretionary fees and charges will increase by LGCI + 1 % for 2018-19 base year and 2019-20 in the SFP and then held constant for the remaining years.
  - Full cost recovery is planned for provision of Waste Services, Land and Property Services, Commercial Parking and cost minimisation moving to full cost recovery is planned for the Lords Recreational Facility.
- **Investment Interest** rates for invested funds will be 2.25% to 2.5% over the life of the SFP.
- Roads to Recovery and Main Roads grant funding (2/3 arrangement) will continue for the life of this plan.
- The City judiciously utilises borrowing for appropriate projects and reserves to ensure intergenerational equity. There are no new borrowings in the SFP.
- **Reserve funds** are effectively a means to save a portion of funds generated through rates and other sources for expenditure in the future. Reserves are used to smooth or spread major expenditures and are maintained over a ten to fifteen year cycle.
  - The City uses operational reserves to fund plant and equipment replacement, building and facilities improvements, parking and public transport improvements, infrastructure renewal, and undergrounding of power throughout the City.
  - The City also maintains two investment reserves, Capital Investment Income reserve and Investment Income Fund reserve, as part of its commercial land and property portfolio. The Investment Income Fund holds the net lease revenue and interest income and is used to support operational activities and projects.
  - Cash reserves will continue to be maintained to fund future commitments to asset renewal and preservation.



Source: <http://smallbusiness.chron.com/DM-Resize/photos.demandstudios.com/getty/article/190/170/102179081.jpg>

- The only non-operational reserve is the **Capital Investment Reserve** which is a working capital account for the investment portfolio. The Capital Investment Reserve is a holding reserve for investment capital, where available funds will be consolidated until being used for the purchase of other investment assets (whether property or other assets) or redevelopment and renewal of existing investment assets in order to maintain an investment income stream to fund City operations through the renewal of community assets and infrastructure.
  - The opportunity to release possible available funds from the Capital Investment Reserve to undertake major projects will need to be predicated on the City's ability to remain financially sustainable. The following actions would need to occur to achieve a sustainable outcome:
    - Sufficient funds are retained to undertake planned activities within the investment portfolio;
    - Sufficient funds are transferred to the Infrastructure Improvements Reserve to undertake planned capital renewal activities over the next ten years; and,
    - Capacity is created within the rating structure over the next ten years to replace the loss of income from the Investment Portfolio (lease revenue and interest income).
    - Create capacity within the rating structure over the next ten years to fund additional maintenance and renewal cost associated with any major project implemented.
- **Returns** on our investment property portfolio and parking revenue are used as a rate minimisation strategy.
- The first year of the SFP includes the acquisition of an investment property totalling \$14 million. The lease income resulting from this property acquisition has been applied to the reduction of the City's asset renewal gap. If delays occur in this acquisition this will impact on the timing of the reduction in the asset renewal gap.
- After considering all other funding sources, any residual expenditure required is funded by rates revenue. An annual **rate increase** of 2.5 % for 2018-19 is required to increase the rating base to a level that will maintain the Rates Coverage. Annual rate increases of LGCI are required for 2019-20 to 2027-28.
  - Where an additional levy is approved by Council it will apply on top of the base rate increase in that year.

The spreadsheets incorporated into this plan, project expenditure for a ten year horizon for each Program classification. All amounts in this document are expressed in 2018-19 dollars.

## 9 Financial Sustainability

### 9.1 THE IMPORTANCE OF SUSTAINABILITY

The importance of the long-term sustainability of local government has emerged as a key issue across Australia. Recent reviews into the future of local government in Western Australia have also focussed on long-term sustainability. The Department of Local Government has recently legislated to require local governments to implement the Integrated Planning and Reporting Framework.

Primary focus of integrated reporting framework:

- own source income
- asset management (acquisition, development, renewal, maintenance, disposal)
- cash flow management (minimising large fluctuations in rates)
- financial sustainability.



Source: <http://www.funnglobalinstitute.org/... 246.jpg>

To be financially sustainable requires a local government's finances to:

- be currently or prospectively in good shape.
- be likely to remain in good shape if the council's present spending and revenue policies continue unchanged.
- have a margin of comfort sufficient to absorb the impact of any unexpected developments, without the necessity for substantial increases in rates.

The City is financially strong with a diverse and stable revenue base. Its autonomy ratio, which measures the City's own capacity to raise revenue, is an extremely high 97%, with little reliance on grant funding. The City requires sound long-term strategic financial plans to ensure that this existing strong financial position is retained.

The need for the effective delivery of services to the community, and undertaking of major capital infrastructure works and maintenance initiatives, often results in projects competing for limited financial resources. In order to ensure the maximisation of community benefit whilst exercising responsible financial management, council, through the budget process must give proper consideration to the long-term sustainability of decisions. New capital projects must be considered in the context of their whole of life cost. A new facility always creates a responsibility to appropriately fund for its operation and maintenance to a standard which is suitable for its purpose. Sometimes there may be legal consequences if maintenance is neglected and assets are allowed to deteriorate.

At first glance, a local government's balance sheet may appear strong but the annual operating budgets may reveal a different situation. Significant funding deficits to the level required to meet sustainable financial outcomes may occur when there is a trend to under-fund local government activities, especially in the responsible and appropriate provision for programmed maintenance, renewal, enhancement and replacement of infrastructure. If decisions are made without consideration of their long-term implications, a cumulative affect can result in an enormous funding shortfall. In such circumstances, the local government is not financially sustainable over the long-term.

Several statutory Key Performance Indicators (KPI's) have been prescribed in the Western Australian Department of Local Government's Integrated Planning and Reporting Advisory Standard (Ref. [9]) to measure the financial sustainability of local governments. The Strategic Financial Plan has been assessed against these KPI's and will be compared with KPI's measured from the Annual Budgets and Annual Financial Statements to provide clear targets for the City to report its progress to the community each year.

As a minimum, each local government must report the following financial and asset management ratios:

- Financial ratios:
  - operating surplus ratio
  - current ratio
  - debt service cover ratio
- Asset management ratios:
  - asset sustainability ratio
  - asset consumption ratio
  - asset renewal funding ratio

The City has in place long-term strategic financial planning, with the ten year horizon shifting the focus to ensure a truly financial sustainable future.

## **9.2 SUSTAINABLE FUNDING OF ASSETS**

The City has been undertaking a review of asset management and has developed (or updated) asset management plans for all major infrastructure groups. Over the last three years the City has collected detailed data on and moved to Fair Value Accounting for all classes of assets. Detailed asset modelling has been undertaken and identified renewal/replacement gaps for the City's infrastructure assets of approximately \$526,000 per annum (\$5,260,000 over ten years). The SFP has been structured to start bridging this gap over ten years. Funding has been provided to address the renewal/replacement and maintenance gaps with regards to roads, parks, drainage and existing civic and community facilities.

The maintenance gaps have resulted from increased costs associated with maintaining our parks, and increased costs associated with infrastructure maintenance and increasing state government charges. Renewal gaps have been identified with the City's roads and drainage networks resulting from greater demand to cater for environmental changes and increased traffic flows, in the short term. In the short to medium term funds will be redeployed to address renewal of buildings, parks and sporting grounds.

The City spends on average over ten years \$8.7 million per annum on asset renewal, and \$2.5 million per annum on replacement and upgrade of assets, with annual funding of approximately \$958,000 from grants (Capex) and \$351,000 from proceeds on disposal of assets.

The City's average operational spend on maintenance over ten years is \$1.6 million on infrastructure, \$1.1 million on buildings, \$3.8 million on parks (including ground maintenance) and \$555,000 on sweeping and cleaning each year.



The City will need to prioritise decisions about assets and asset preservation and must consider issues such as:

- fully costing the use of assets and deciding whether the benefits received justify retention.
- thoroughly considering the financial impact of increasing asset stocks and acquiring new assets, on a whole of life basis considering the need to prioritise funding of renewal of existing assets ahead of spending on new assets.
- rationalising the number of assets that need to be maintained or renewed and/or adjusting the standard of those that remain to a 'fit for purpose' level.
- ensuring that asset growth does not exceed asset renewal.

In the budget context, asset maintenance and renewal competes for funding with service provision and new capital projects. Although the importance of adequate funding may seem obvious, it is the area which is most commonly under funded by local government when choices have to be made, which leads directly to an unsustainable future. The council will continue to face demands for increased services as community expectations grow and other service providers continue to withdraw or under fund services. In addition to this, new capital projects must be considered in the context of their whole of life cost as a new facility always creates a responsibility to appropriately fund its operation, maintenance and renewal to a standard which is suitable for its purpose. Sometimes there may be legal consequences if maintenance is neglected and assets allowed to deteriorate.

Attempting to fund new projects and sustainably maintain existing infrastructure from the current budget without adequate consideration of long-term consequences could result in enormous pressures on rates or can lead to a growing gap between funding needs for community assets and the funding available for them. By definition this creates a situation which is not financially sustainable.

### 9.3 INFRASTRUCTURE RENEWAL REQUIREMENTS

As mentioned earlier in Section 1.1, to comply with the local government regulations and to meet the Department of Local Government's expectations as outlined in the *"Integrated Planning and Reporting Advisory Standard"*, the City has developed a High Level Strategic Asset Management Plan (SAMP) which is used to inform the Strategic Financial Plan.

At a high level, the SAMP summarises key information which informs and supports the SFP with information such as:

- The type of assets owned and the services they support.
- The number of assets held and their condition
- The impact of future demand on these assets and services.
- The long term financial funding that is required to continue the current level of service.

The SAMP covers \$237.7 M worth of the City's infrastructure assets represented within the three major asset classes; Property, Recreation and Transport.

*In future the City will need to prioritise decisions about assets and asset preservation*



Source: [http://blogs.msdn.com/blogfiles/willy-peter\\_schaub/windowslivewriter/aitbuildsuiteafreenugget\\_12c89/clipart\\_of\\_25530\\_smjpg\\_2.jpg](http://blogs.msdn.com/blogfiles/willy-peter_schaub/windowslivewriter/aitbuildsuiteafreenugget_12c89/clipart_of_25530_smjpg_2.jpg)

Estimates of infrastructure asset replacement costs are shown below in Table 9-1 and Chart 9-1.

Table 9-1 Infrastructure Replacement Costs: 2018/19

| Infrastructure            | Replacement Cost (\$M) | %             |
|---------------------------|------------------------|---------------|
| Property <sup>(1)</sup>   | 55.1                   | 23.2%         |
| Recreation <sup>(2)</sup> | 22.9                   | 9.6%          |
| Transport <sup>(3)</sup>  | 159.7                  | 67.2%         |
| <b>Total =</b>            | <b>237.7</b>           | <b>100.0%</b> |

<sup>[1]</sup> The City's investment building portfolio is excluded from this table and Asset Renewal Modelling as it is managed to generate revenue rather than to provide services and appears as a separate item in the SFP.

<sup>[2]</sup> Soft landscaping and living assets such as landscaping and trees are excluded from this table.

<sup>[3]</sup> The Transport asset class includes Roads, Footpaths, Drainage, Car Parks and Other Infrastructure which includes (for example) Car Parks, Bus Shelters, Street Furniture, Street Lights, and Signage, etc. Other Infrastructure does not include Plant, Information Technology, Furniture & Equipment, or Public Art.

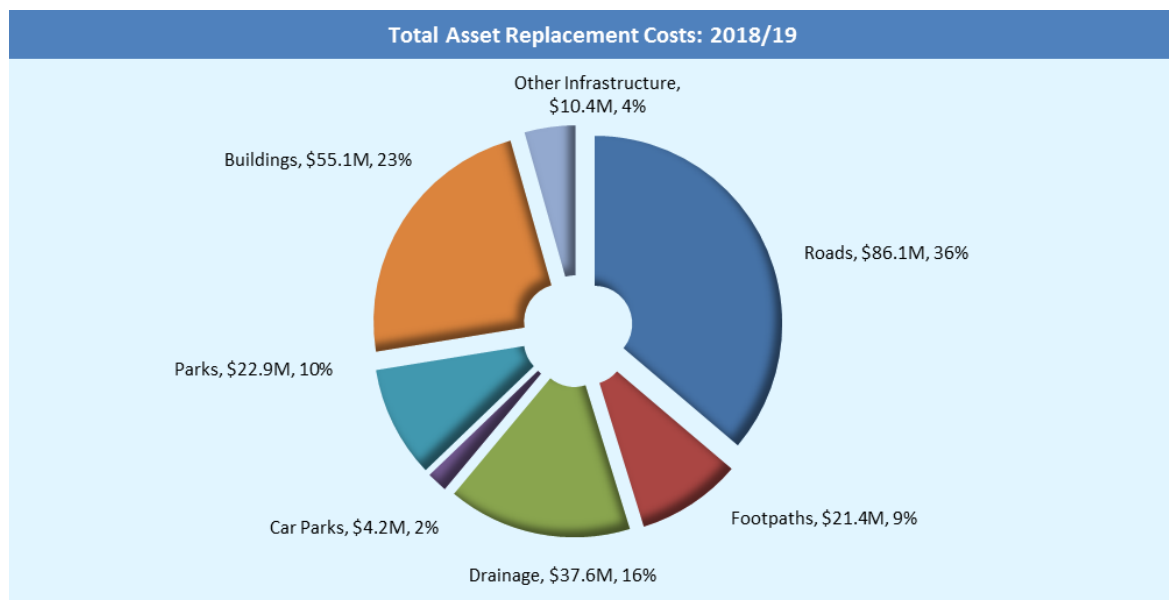


Chart 9-1 Infrastructure Replacement Costs: 2018/19

Renewal Modelling is based on available data, including the overall initial condition profile. These profiles are shown below in Chart 9-2 and Chart 9-3 and demonstrates that the majority of the City's assets are in a serviceable condition as they are below the average Renewal Intervention Condition Level (RICL<sup>12</sup>) score of 4.

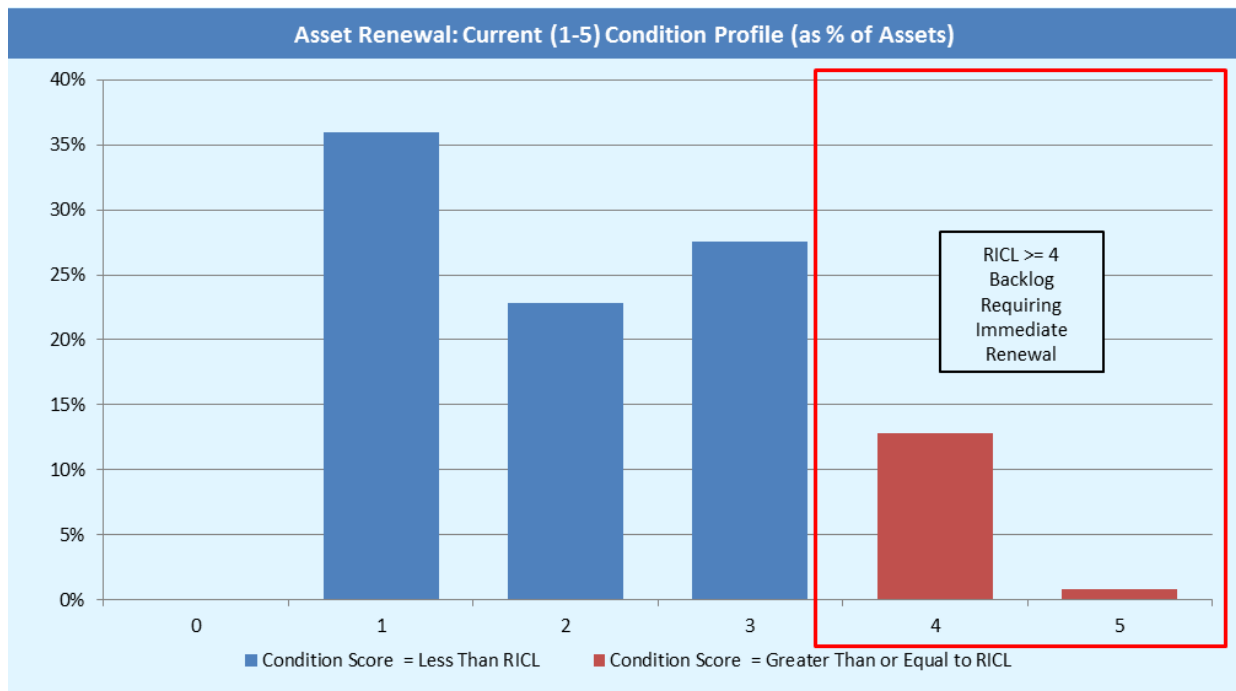


Chart 9-2 Major Infrastructure: Current (1-5) Condition Profile (as % of Assets)

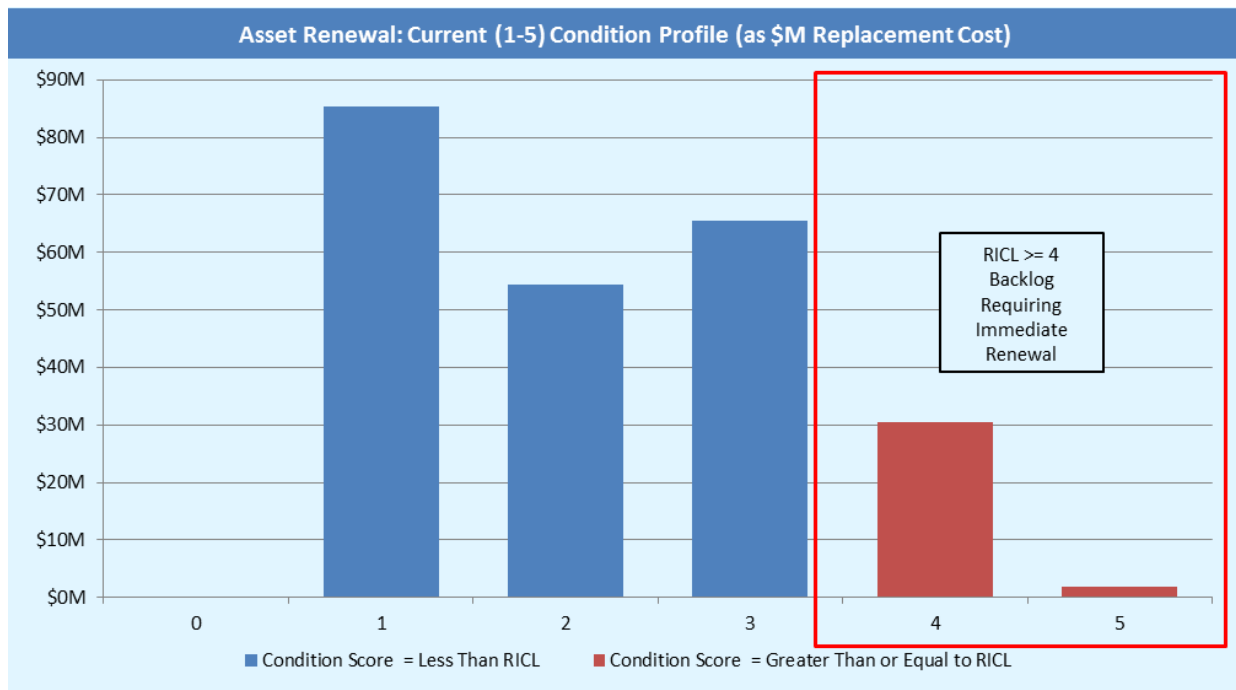


Chart 9-3 Major Infrastructure: Current (1-5) Condition Profile (as \$M Replacement Cost)

<sup>12</sup> The RICL ranges from a condition score of 1 Very Good to 5 Very Poor.

The 10 year annual average required renewal is \$5.7 M p.a as shown below in Chart 9-4. However, the planned annual average renewal expenditure over 10 years is only \$5.2 M, resulting in an annual average expenditure gap in asset renewal funding of the order of \$500,000 p.a as shown in Chart 9.4.

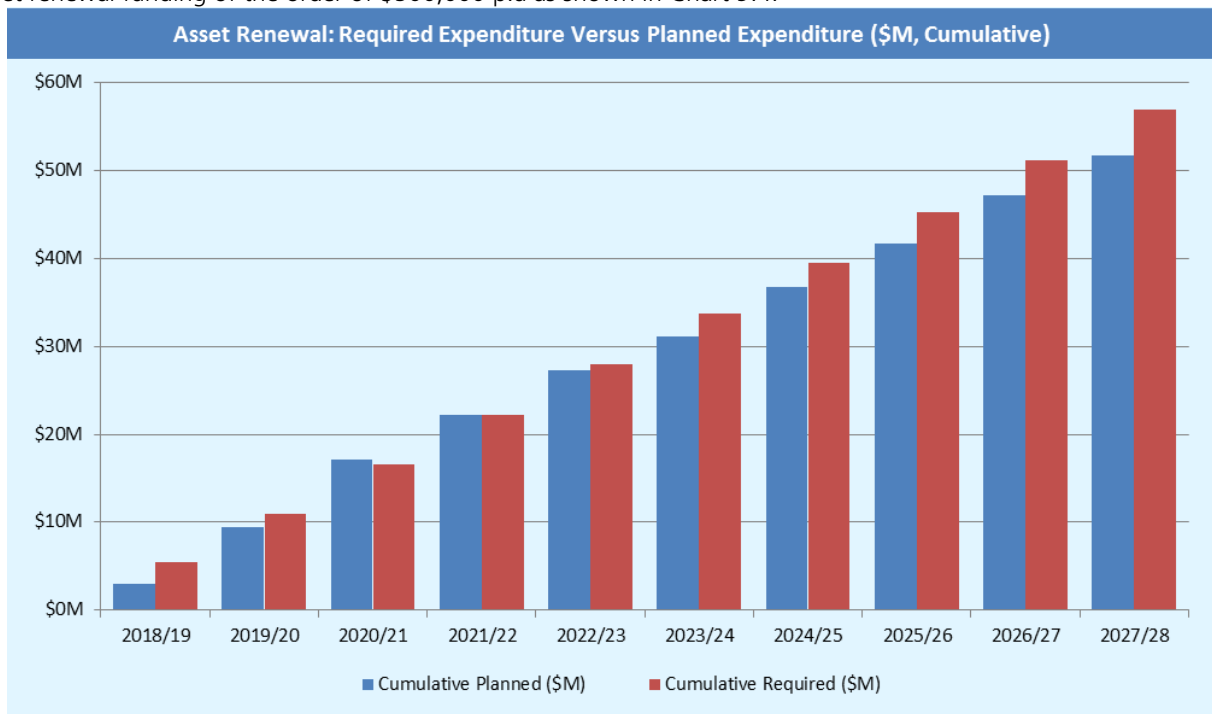


Chart 9-4 Major Infrastructure: Renewal Expenditure, Required Versus Planned (\$M, Cumulative)

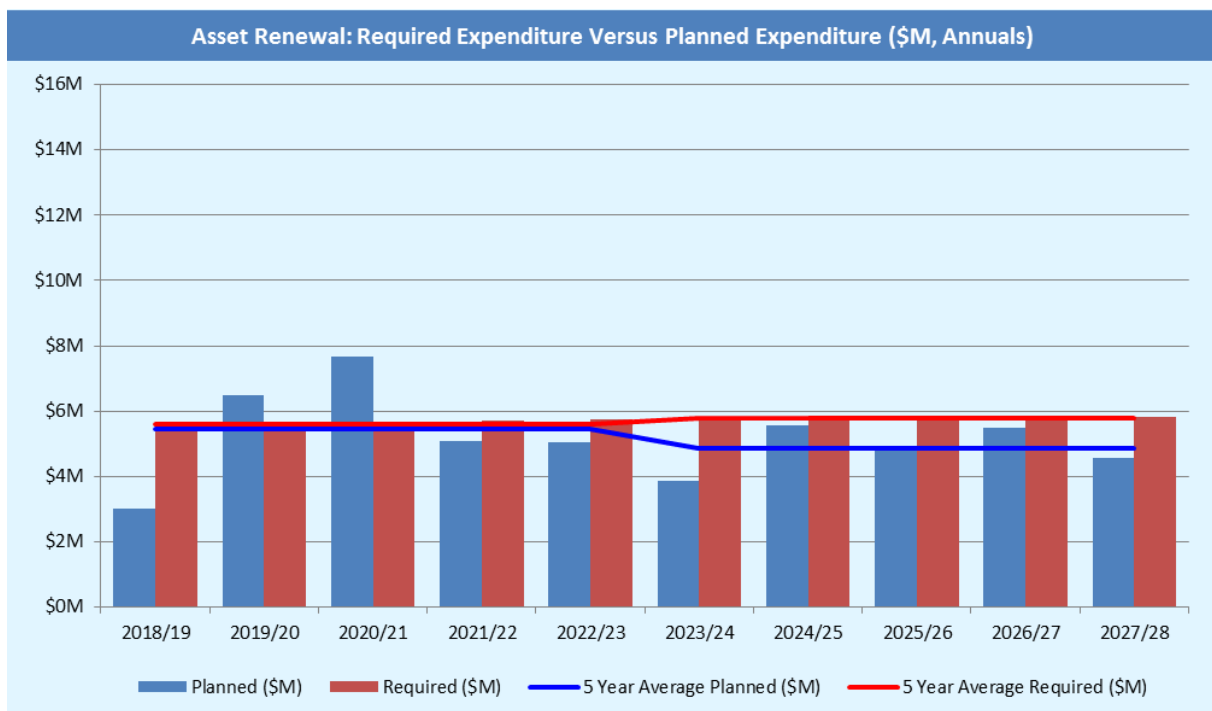


Chart 9-5 Major Infrastructure: Renewal Expenditure, Required Versus Planned (\$M, Annuals)

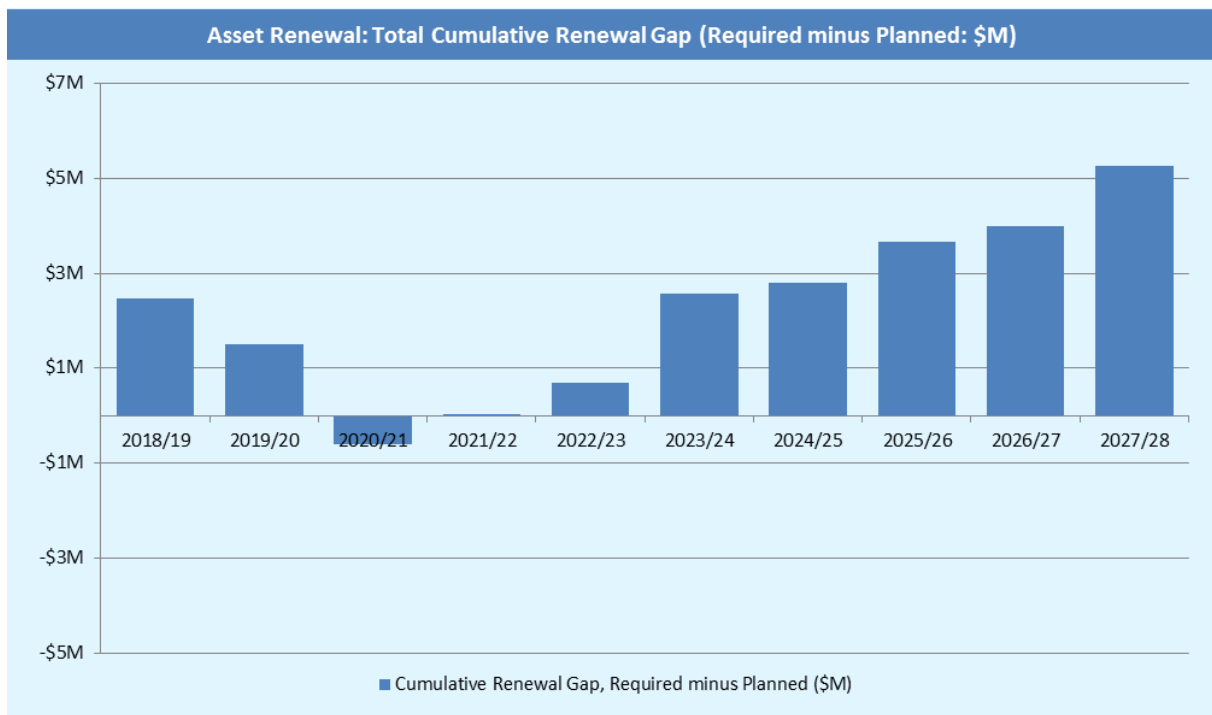


Chart 9-5 Major Infrastructure: Total Cumulative Renewal Gap (Required minus Planned: \$M)

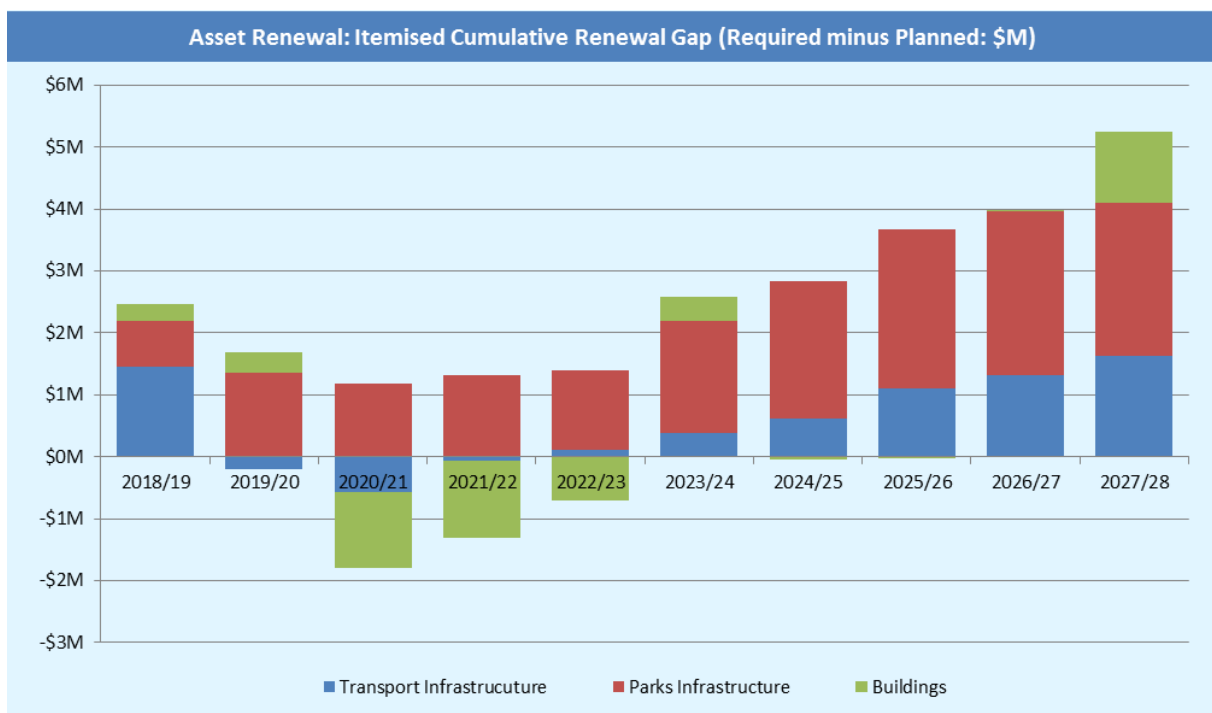


Chart 9-6 Major Infrastructure: Itemised Cumulative Renewal Gap (Required minus Planned: \$M)

## 10 Measuring Sustainability

Several statutory Key Performance Indicators (KPI's) have been prescribed in the Western Australian Department of Local Government's *Integrated Planning and Reporting Advisory Standard* (Ref. [9]) to measure the financial sustainability of local governments. This SFP has been assessed against these KPI's and will be compared with KPI's measured from the Annual Budgets and Annual Financial Statements to provide clear targets for the City to report its progress to the community each year.

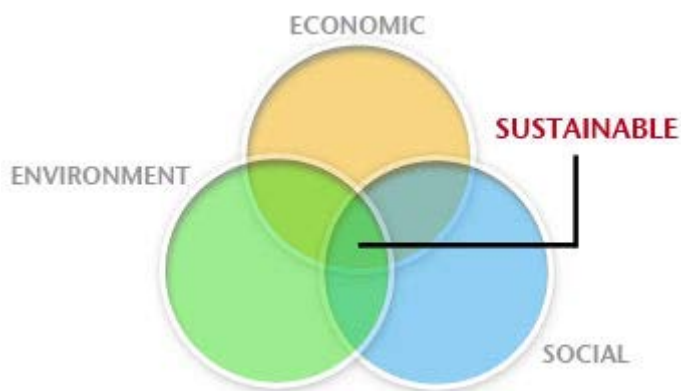
As a minimum, each local government must report the following financial and asset management ratios:

- Financial Ratios:
  - Operating Surplus Ratio
  - Current Ratio
  - Debt Service Cover Ratio
- Asset Management Ratios:
  - Asset Sustainability Ratio
  - Asset Consumption Ratio
  - Asset Renewal Funding Ratio

These six ratios, along with an additional ratio (the Rates Coverage Ratio), are summarised over the next page.



Source: <http://atsiteinc.com/wp-content/uploads/2012/08/stock-photo-4631194-green-measure-tape.jpg>



Source: <http://www.catalystresources.com/images/blog/sustainable-venn-diagram.jpg>

## 10.1 OPERATING SURPLUS RATIO

### Definition

The Operating Surplus Ratio (Ref. [9], p11) is an indicator of the extent to which revenues raised cover operational expenses only or available for capital funding purposes.

### Calculation and Statutory Standards

This ratio is calculated as the "net operating surplus, divided by own source operating revenue, expressed as a percentage". Standard is not met if the operating surplus ratio is 0 %. The Basic Standard is met if the operating surplus ratio is between 0 % and 15 %. An Advanced Standard is met if the operating surplus ratio is greater than 15 %.

### Charts

A summary of results is provided below and shows that the City is improving its position over the life of this plan. Full tabular details are provided in the Supporting Schedules: Appendix B.7

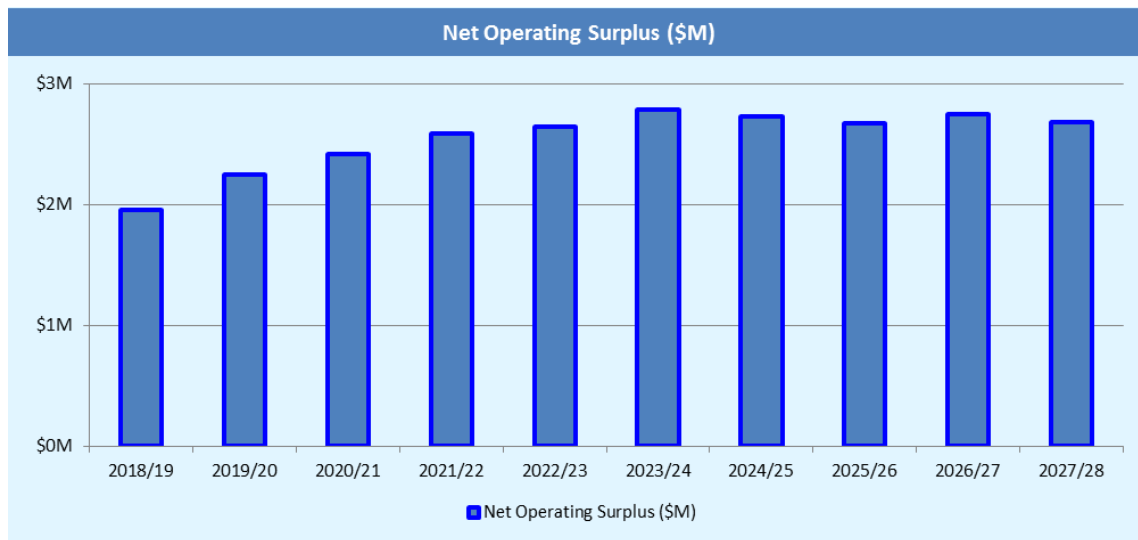


Chart 10-1 Net Operating Surplus (\$ M)

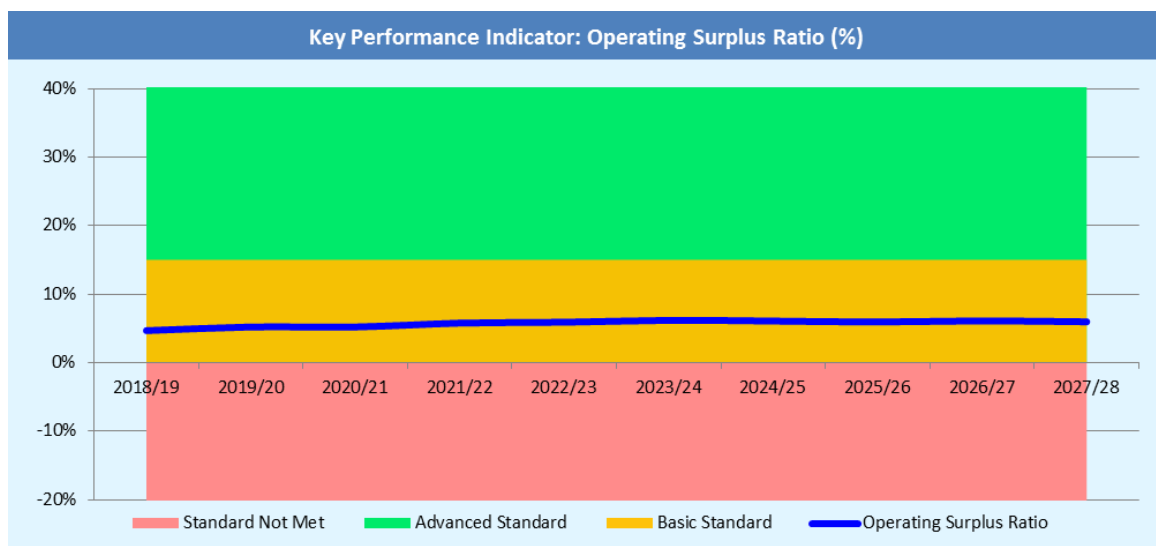


Chart 10-2 Key Performance Indicator: Operating Surplus Ratio (%)



## 10.2 CURRENT RATIO

### Definition

The Current Ratio (Ref. [9], p11), is a modified commercial ratio designed to focus on the liquidity position of a local government that has arisen from past years transaction.

### Calculation and Statutory Standards

This ratio is calculated as the "Current assets divided by current liabilities". This is expressed as either 1:X, a percentage or a decimal figure. Standard is not met if this ratio is any value lower than a decimal figure of 1. The Basic Standard is met if the ratio is equal to an expression of 1:1 or greater (e.g. 100 % or 1.0). There are currently no criteria for meeting an Advanced Standard.

### Charts

A summary of results is provided below and shows that the City is in good operating shape. Full tabular details are provided in the Supporting Schedules: Appendix B.7

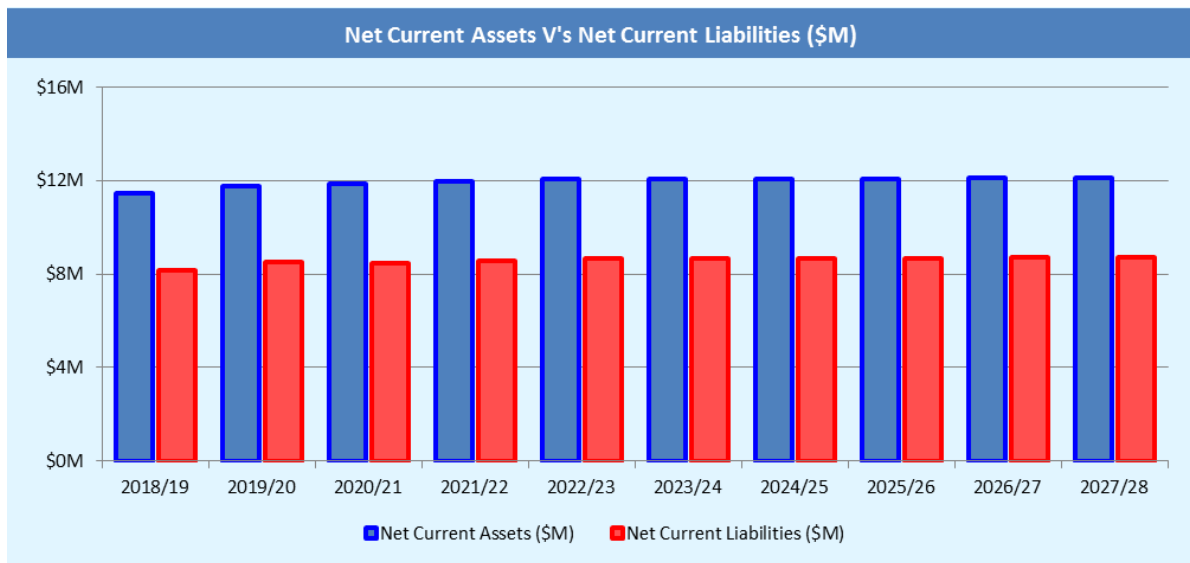


Chart 10-3 Net Current Assets V's Net Current Liabilities (\$M)

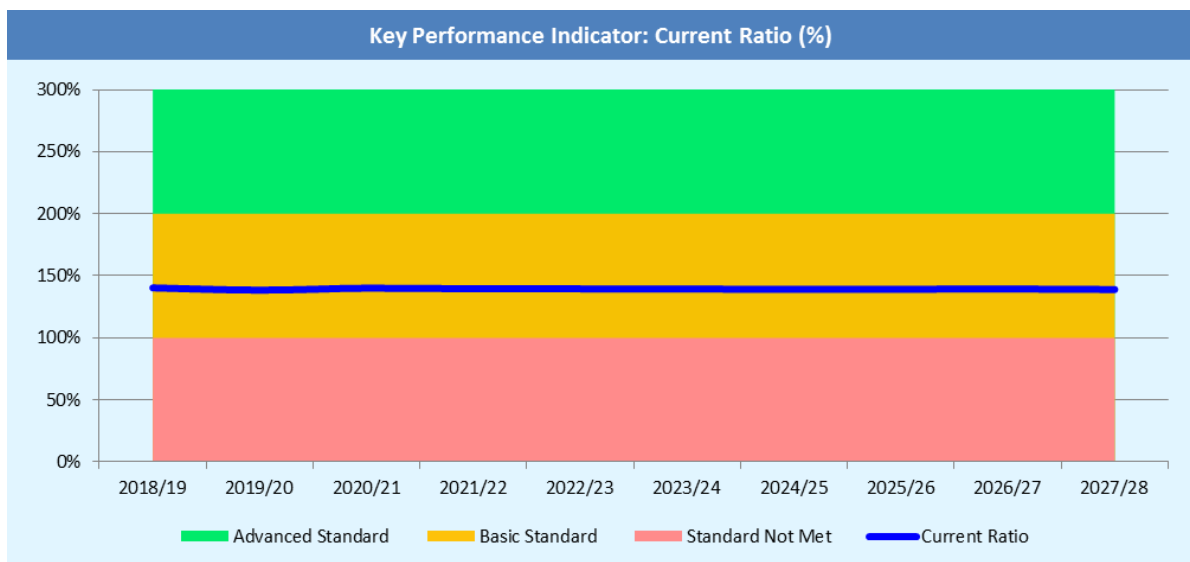


Chart 10-4 Key Performance Indicator: Current Ratio (%)

### 10.3 RATES COVERAGE RATIO

#### Definition

The Rates Coverage Ratio is an indicator of the extent to which rates raised cover operational expenses only excluding losses on disposal of assets.

#### Calculation and Statutory Standards

This ratio is calculated as the "rates revenue, divided by total operating expenses – less losses on disposal, expressed as a percentage". This ratio does not form part of the minimum statutory requirements; therefore there is no specific advance standard to be met. However, as a general rule of thumb, it is desirable to have this ratio falling between 40 % and 100 %.

#### Charts

A summary of results is provided below. Full tabular details are provided in the Supporting Schedules: Appendix B.7

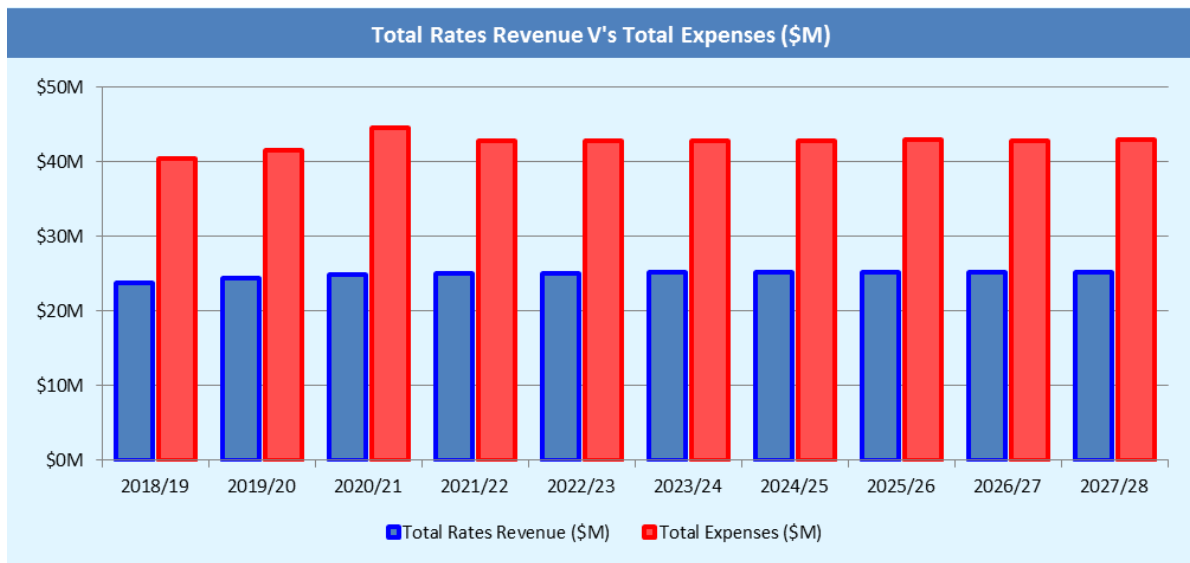


Chart 10-5 Total Rates Revenue V's Total Expenses (\$M)

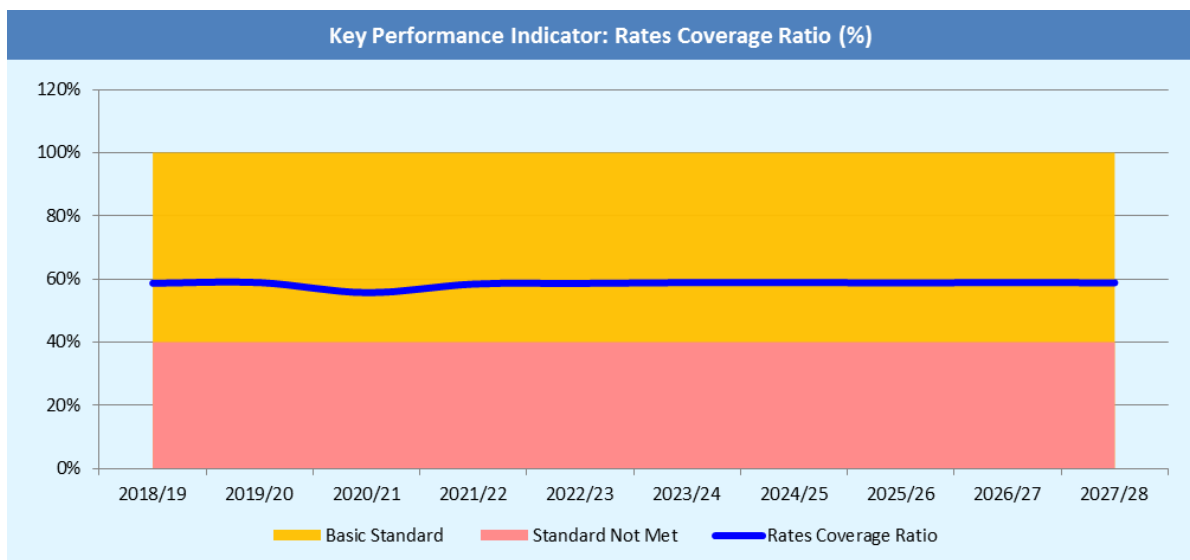


Chart 10-6 Key Performance Indicator: Rates Coverage Ratio (%)

## 10.4 DEBT SERVICE COVER RATIO

### Definition

The Debt Service Cover Ratio (Ref. [9], p11), also known as the "Debt Coverage Ratio", is the ratio of cash available for debt servicing to interest, principal and lease payments.

### Calculation and Statutory Standards

This ratio is calculated as the "Annual operating surplus before interest and depreciation divided by annual debt service payments (both principal and interest)". Standard is not met if this ratio is lower than 2. The Basic Standard is met if this ratio is greater than or equal to 2. An Advanced Standard is met at a higher level if this ratio is greater than 5.

### Charts

A summary of results is provided below. Full tabular details are provided in the Supporting Schedules: Appendix B7

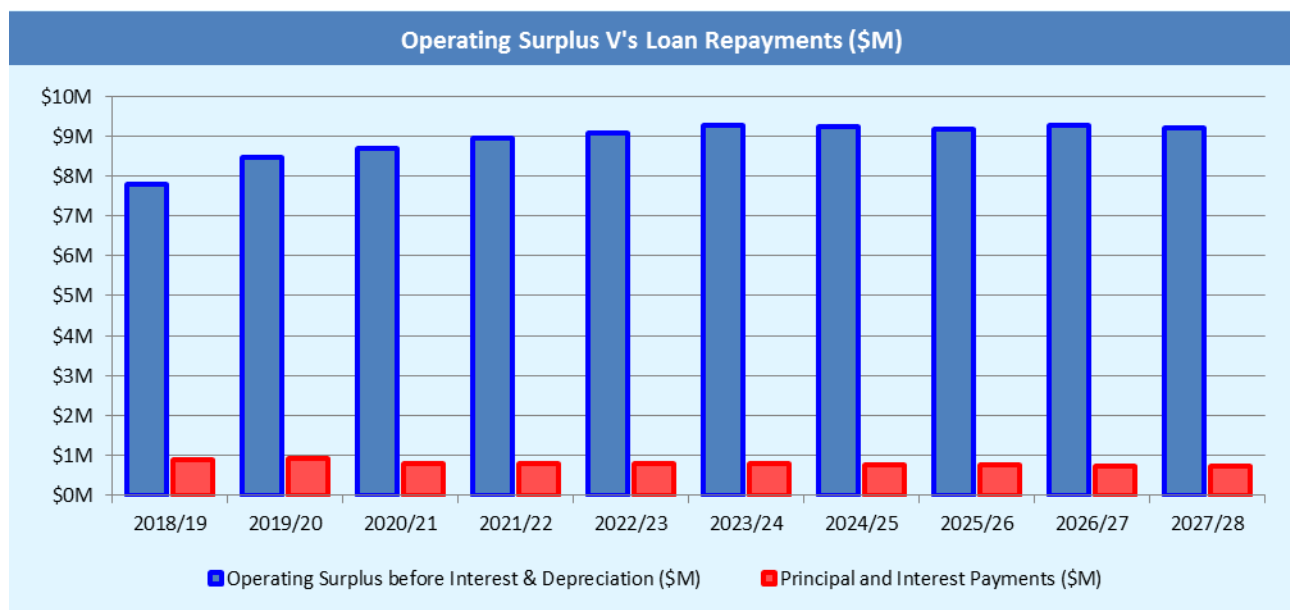


Chart 10-7 Operating Surplus V's Loan Repayments (\$M)

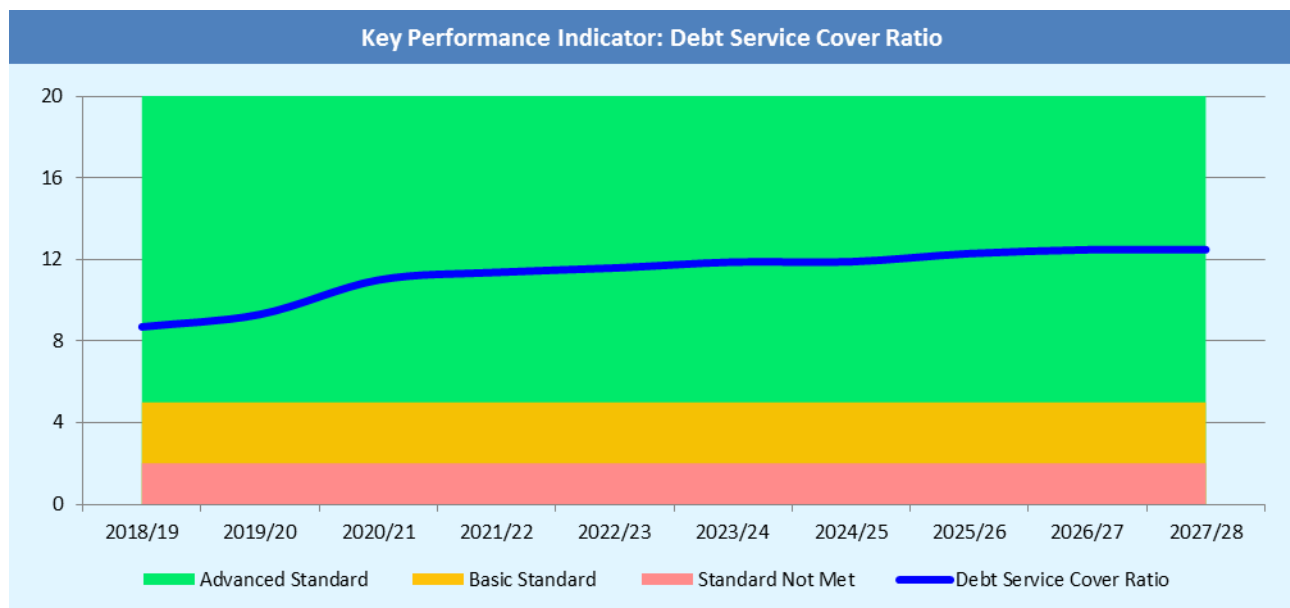


Chart 10-8 Key Performance Indicator: Debt Service Cover Ratio

## 10.5 ASSET SUSTAINABILITY RATIO

### Definition

The Asset Sustainability Ratio (Ref. [9]) measures the extent to which assets managed by the local government are being replaced as they reach the end of their useful lives.

### Calculation and Statutory Standards

This ratio is calculated as the "Capital expenditure on replacement or renewal of assets divided by the depreciation expense", expressed as a percentage. Standard is not met if ratio data cannot be identified or ratio is less than 90 %. Basic standard is met if ratio data can be calculated and ratio is 90 % or greater. Advanced standard is met if this ratio is between 90 % and 110 %.

### Charts

A summary of results is provided below. Full tabular details are provided in the Supporting Schedules: Appendix B.7

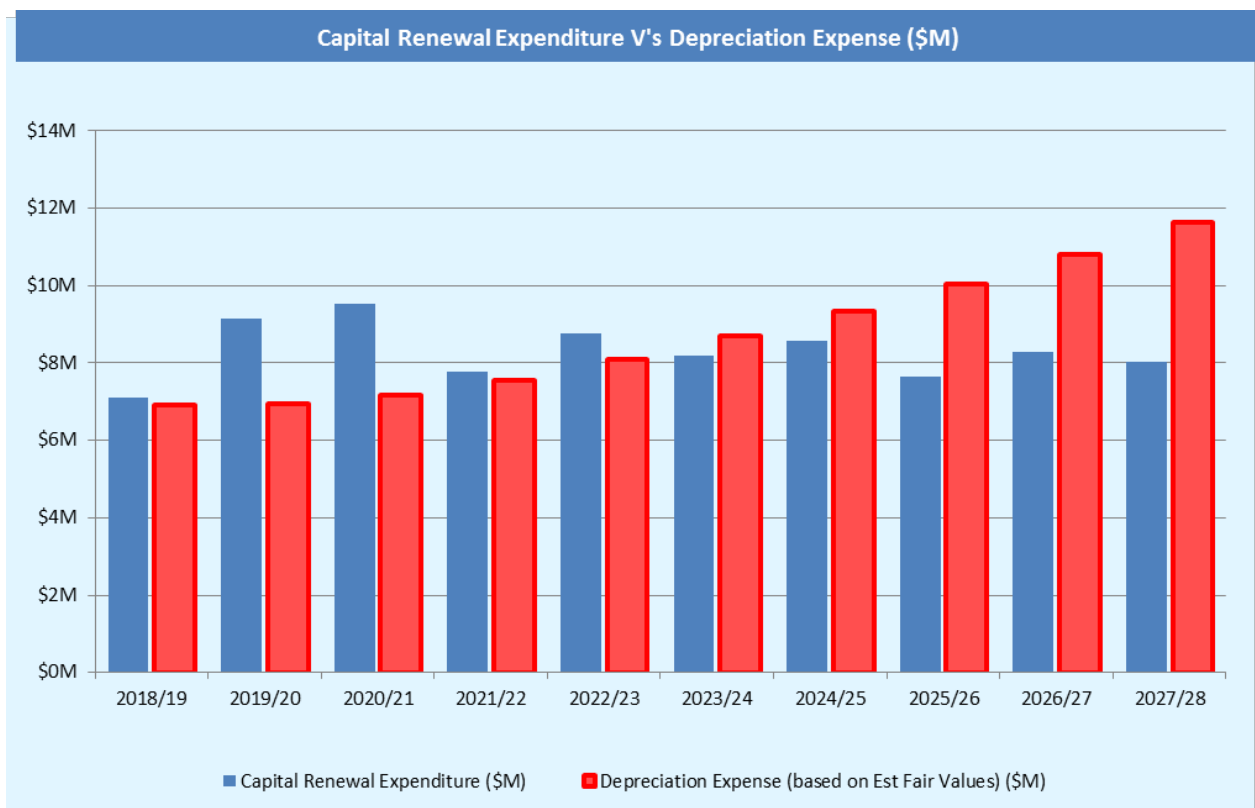


Chart 10-9 Capital Renewal Expenditure V's Depreciation Expense (\$M)

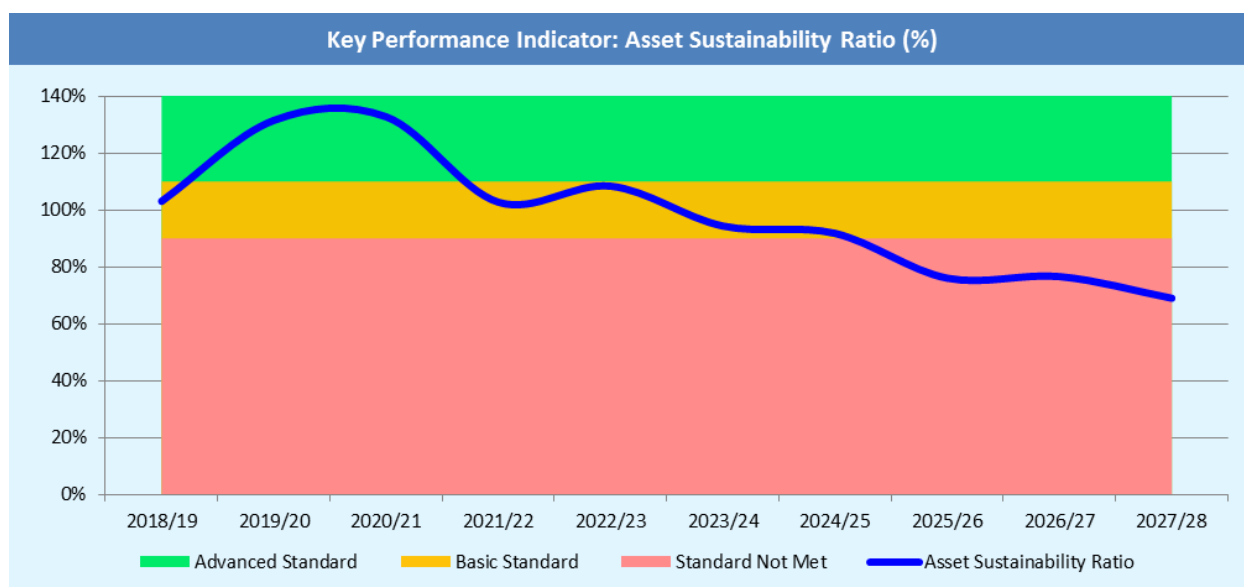


Chart 10-10 Key Performance Indicator: Asset Sustainability Ratio (%)

## 10.6 ASSET CONSUMPTION RATIO

### Definition

The Asset Consumption Ratio (Ref. [9]) shows the written down current value of a local government's depreciable assets relative to their 'as new' value in up-to-date prices. The ratio highlights the aged condition of the local government's stock of physical assets.

### Calculation and Statutory Standards

This ratio is calculated as the "depreciated replacement cost of assets (written down value) divided by current replacement costs of depreciable assets", expressed as a percentage. Standard is not met if ratio data cannot be identified or ratio is less than 50 %. Basic standard is met if ratio data can be identified and ratio is 50 % or greater. Advanced standard is met if this ratio is between 60 % and 75 %.

### Charts

Chart 10-11 shows the comparison between the written down value (i.e. estimated Fair Value) and current estimated replacement costs. As can be seen in Chart 10-12, this ratio exceeds the basic standard. Full tabular details are provided in the Supporting Schedules: Appendix B.7

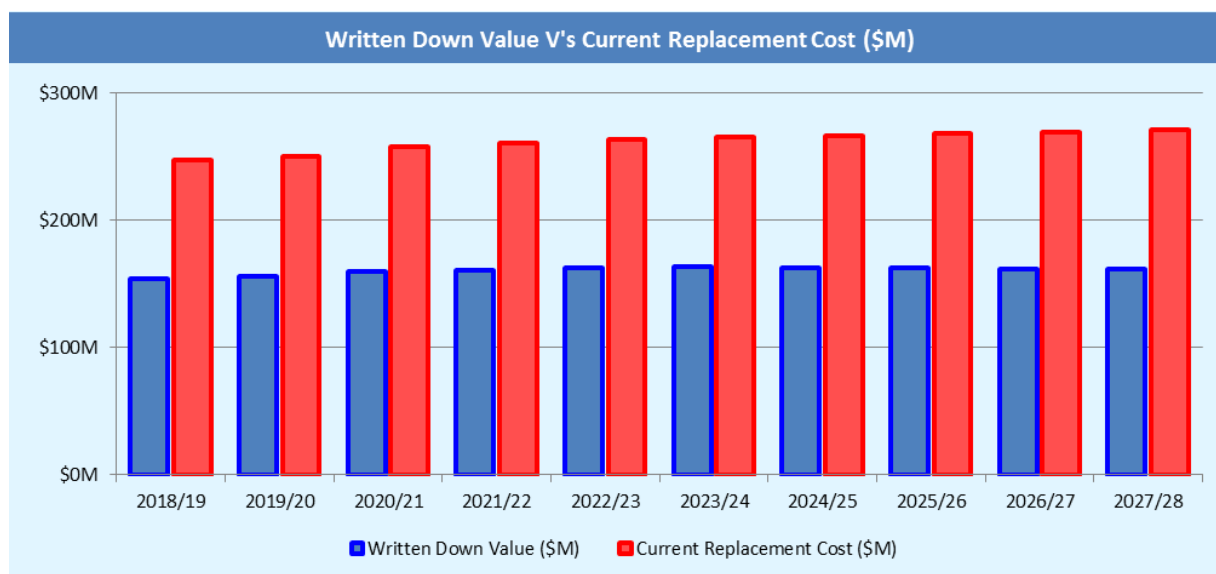


Chart 10-11 Written Down Value V's Current Replacement Cost (\$M)

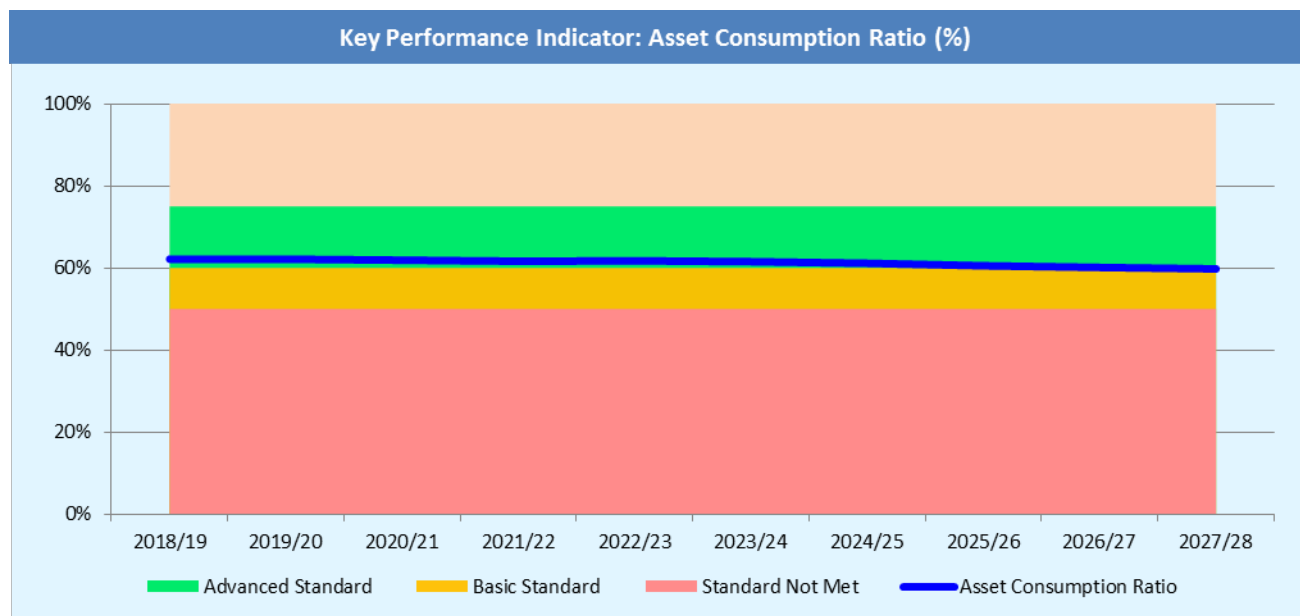


Chart 10-12 Key Performance Indicator: Asset Consumption Ratio (%)

## 10.7 ASSET RENEWAL FUNDING RATIO

### Definition

The Asset Renewal Funding Ratio (Ref. [9]) indicates whether the City has the financial capacity to fund asset renewal as required, and can continue to provide existing levels of services in future, without: (a) additional operating income, or (b) reductions in operating expenses, or (c) an increase in net financial liabilities above that currently projected.

### Calculation

This ratio is calculated as the "Net Present Value (NPV) of planned capital expenditure based on current Departmental guidance on renewals over ten years divided by the NPV of the required capital expenditures on renewals over the same period".

### Statutory Standards

Standard is not met if ratio data cannot be identified or ratio is less than 75 %. The Basic Standard is met if ratio data can be identified and ratio is between 75 % and 95 %. An Advanced Standard is met if this ratio is between 95 % and 105 % and the Asset Sustainability Ratio falls within the range 90 % to 110 % and Asset Consumption Ratio falls within the range of 50 % to 75 %.

### Ratio

Table 10-1 below shows the 10 year planned renewal expenditure, the NPV of the 10 year required renewal expenditure, and the calculated Asset Renewal Funding Ratio.

Table 10-1 Key Performance Indicator: Asset Renewal Funding Ratio (%)

| Criteria and Asset Renewal Funding Ratio                                  | Calculations |
|---|--------------|
| NPV of Planned Renewal Expenditure Over 10 Years                          | \$43.1M      |
| NPV of Required Renewal Expenditure Over 10 Years (from SAMP Projections) | \$47.2M      |
| Asset Renewal Funding Ratio (%)   | 91%          |

In the previous SFP 2016-26 the City reported an Asset Renewal Funding ratio of 67 % which meant it had fallen below the basic standard. Through improved asset data and increased renewal funding the ratio has increased to an advanced standard of 91%.

# 11 Risk Assessment

The City's Workforce Plan, ICT Plan and Strategic Asset Management Plan identify risks that are critical to the City's operations and outlines risk management strategies for these.

The major risks associated with long term financial planning relate to delays in major projects, the viability of a project if it relies on land acquisition or disposals which may be affected by land price movements and external funding of projects. The City manages its investment properties as a commercial land and property portfolio supported by investment reserves. They are not reliant on operational funding or effected by operational activities. The risk is one of delays and adjustments to priorities and is therefore considered low.

However, the income generated from the investment portfolio, both lease income and interest on investments, is utilised to fund community projects and asset renewal or improvements. If projects are delayed impacting the return on these investments City projects may need to be deferred or abandoned. The risk is one of delays and adjustments to priorities and is considered medium give the reliance on investment returns.

A number of building projects are included each year in the SFP. All of these are proposed to be undertaken on land owned by the City or Crown Land managed by the City. The developments will not require external approvals and are being funded through reserve funding or debt funding or both, with minor reliance on grants. The risk associated with these is therefore low.

The City has an extensive infrastructure renewal program which includes some external funding. If that funding reduces or is not made available to the City, then the timing of the works will need to be reviewed. The risk is one of delays and adjustments to priorities and is therefore considered low.

Interest rates on borrowings and on investments are predicted to be relatively constant over the life of the SFP. If adverse changes in rates occur this may impact on the City's revenues and future project costs. The risk is considered medium.

No other major risks have been identified.



Source: [http://bcalliance-international.com/static/files/riskmanagement\\_Cubes1\\_4lettercubes.jpg](http://bcalliance-international.com/static/files/riskmanagement_Cubes1_4lettercubes.jpg)



## 12 Financial Projections



Source: <http://crsfinmgmt.com/stage/wp-content/uploads/2011/01/analysis-projections.jpg>

The financial projections in this SFP have been developed in a format that conforms to the Local Government (Financial Management) Regulations 1996 (Ref. [8]) and Australian Accounting Standards. This format has been chosen as it allows projections to feed into the statutory format of the Annual Budget and key performance measures in the SFP to be compared with Annual Budgets and Annual Financial Reports. The Statutory schedules include:

- Statement of Financial Position (Balance Sheet) and Equity Statement
- Statements of Comprehensive Income
- Statement of Cash Flows
- Rate Setting Statements

The Statement of Comprehensive Income shows what is expected to happen during the year in terms of revenue, expenses and other adjustments from all activities. A surplus is estimated for each year of the SFP.

The Statement of Financial Position is a snap-shot of the expected financial position of the City at the end of the financial year. It reports what is expected to be owned (assets) and what is expected to be owed (liabilities). The bottom line "Net Assets" represents the net worth of the Council. The assets and liabilities are separated into current and non-current. Current means those assets or liabilities which will fall due in the next 12 months. Non-current refers to assets and liabilities that are recoverable or which fall due over a longer period than 12 months.

The Statement of Cash Flows shows what is expected to happen during the year in terms of cash. The net cash provided by operating activities shows how much cash is expected to remain after paying for the services provided to the community. This can be used to fund other activities such as capital works and infrastructure. The information in this statement assists in the assessment of the ability to generate cash flows and meet financial commitments as they fall due, including debt repayments.

The format of the Rate Setting Statements is consistent with the format of the statement prepared in Annual Budgets. In the rate setting statement by program, the bottom line of the statement is the amount to be made up from rates. In the rate setting by nature and type, rates are shown as a revenue stream with all other sources of revenue, so that if a surplus results, this can be used to fund other services. However, where a shortfall results, this indicates that the Council is unable to fund the services proposed at the planned rating levels and may need to defer works or services, increase debt or increase rates even further to cover the cost of planned service provision. In the SFP the Rate Setting Statements show the accumulated surplus/(deficit) carried forward at the end of each year.

The statements are supported by schedules:

- Capital Funding Summary
- Cash Reserves Summary
- Loan Summary (Borrowings)
- Rates Summary
- Asset Summary
- Ratios - Key Performance Indicators
- Statutory Notes to the Statements

## 13 Conclusions

The SFP forms the basis for the draft Annual Budget for 2019-20 and subsequent years and it is expected that adopted budgets will be closely aligned with the proposals in the SFP and assumptions underpinning this plan.

Review of the SFP will occur each year as budgets are prepared to account for performance information and changing circumstances. A full review was undertaken this year in conjunction with formal reviews of the Corporate Business Plan.

The City is confident that the SFP will allow the City to set priorities within its resourcing capabilities to sustainably deliver the assets and services required by the community.

A.1 FINANCIAL STATEMENTS

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**City of Subiaco**  
**Statement of Financial Position**

|   | Note              | Year 1<br>Budget<br>2018/2019 | Year 2<br>Budget<br>2019/2020 | Year 3<br>Budget<br>2020/2021 | Year 4<br>Budget<br>2021/2022 | Year 5<br>Budget<br>2022/2023 | Year 6<br>Budget<br>2023/2024 | Year 7<br>Budget<br>2024/2025 | Year 8<br>Budget<br>2025/2026 | Year 9<br>Budget<br>2026/2027 | Year 10<br>Budget<br>2027/2028 |
|---|-------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| <b>CURRENT ASSETS</b>                               |                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Cash & Cash Equivalents                             |                   | 33,435,700                    | 31,867,334                    | 29,123,000                    | 26,397,658                    | 26,769,754                    | 25,610,623                    | 25,061,419                    | 25,443,860                    | 25,301,606                    | 25,032,004                     |
| Financial Assets                                    |                   | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Trades and Other Receivables                        |                   | 2,366,715                     | 3,124,174                     | 3,144,692                     | 3,163,938                     | 3,166,570                     | 3,169,202                     | 3,171,834                     | 3,174,466                     | 3,177,098                     | 3,179,730                      |
| <b>Total Current Assets</b>                         |                   | <b>35,802,415</b>             | <b>34,991,508</b>             | <b>32,267,691</b>             | <b>29,561,596</b>             | <b>29,936,325</b>             | <b>28,779,825</b>             | <b>28,233,253</b>             | <b>28,618,326</b>             | <b>28,478,704</b>             | <b>28,211,734</b>              |
| <b>NON CURRENT ASSETS</b>                           |                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Property, Plant & Equipment                         |                   | 72,704,978                    | 75,733,788                    | 87,287,098                    | 89,947,908                    | 91,656,218                    | 92,280,528                    | 93,563,838                    | 94,097,148                    | 95,200,458                    | 95,912,218                     |
| Investment Properties                               |                   | 108,089,620                   | 104,089,620                   | 94,589,620                    | 94,589,620                    | 92,089,620                    | 92,089,620                    | 92,089,620                    | 92,089,620                    | 92,089,620                    | 92,089,620                     |
| Infrastructure                                      |                   | 131,592,632                   | 136,704,052                   | 140,703,942                   | 143,766,462                   | 147,239,782                   | 150,468,222                   | 152,851,832                   | 155,248,692                   | 157,646,662                   | 159,980,222                    |
| Other Receivables                                   |                   | 133,963                       | 133,963                       | 133,963                       | 133,963                       | 133,963                       | 133,963                       | 133,963                       | 133,963                       | 133,963                       | 133,963                        |
| Investments - accounted for using the equity method |                   | 1,788,411                     | 1,788,411                     | 1,788,411                     | 1,788,411                     | 1,788,411                     | 1,788,411                     | 1,788,411                     | 1,788,411                     | 1,788,411                     | 1,788,411                      |
| <b>Total Non Current Assets</b>                     |                   | <b>314,309,604</b>            | <b>318,449,834</b>            | <b>324,503,034</b>            | <b>330,226,364</b>            | <b>332,907,994</b>            | <b>336,760,744</b>            | <b>340,427,664</b>            | <b>343,357,834</b>            | <b>346,859,114</b>            | <b>349,904,434</b>             |
| <b>TOTAL ASSETS</b>                                 |                   | <b>350,112,019</b>            | <b>353,441,342</b>            | <b>356,770,725</b>            | <b>359,787,960</b>            | <b>362,844,319</b>            | <b>365,540,569</b>            | <b>368,660,917</b>            | <b>371,976,160</b>            | <b>375,337,818</b>            | <b>378,116,168</b>             |
| <b>CURRENT LIABILITIES</b>                          |                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Trades and Other Payables                           |                   | (5,348,072)                   | (5,640,298)                   | (5,710,327)                   | (5,770,594)                   | (5,830,816)                   | (5,830,816)                   | (5,830,816)                   | (5,830,816)                   | (5,830,816)                   | (5,830,816)                    |
| Provisions  |                   | (2,342,576)                   | (2,342,576)                   | (2,342,576)                   | (2,342,576)                   | (2,342,576)                   | (2,342,576)                   | (2,342,576)                   | (2,342,576)                   | (2,342,576)                   | (2,342,576)                    |
| Borrowings  | Loan Schedule     | (485,530)                     | (513,383)                     | (422,156)                     | (441,592)                     | (461,953)                     | (483,290)                     | (505,662)                     | (504,627)                     | (528,382)                     | (553,300)                      |
| <b>Total Current Liabilities</b>                    |                   | <b>(8,176,177)</b>            | <b>(8,496,257)</b>            | <b>(8,475,059)</b>            | <b>(8,554,762)</b>            | <b>(8,635,345)</b>            | <b>(8,656,681)</b>            | <b>(8,679,053)</b>            | <b>(8,678,018)</b>            | <b>(8,701,774)</b>            | <b>(8,726,692)</b>             |
| <b>NON CURRENT LIABILITIES</b>                      |                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Provisions  |                   | (802,627)                     | (802,627)                     | (802,627)                     | (802,627)                     | (802,627)                     | (802,627)                     | (802,627)                     | (802,627)                     | (802,627)                     | (802,627)                      |
| Borrowings  | Loan Schedule     | (6,825,330)                   | (6,284,093)                   | (5,953,165)                   | (5,492,136)                   | (5,009,822)                   | (4,505,196)                   | (3,977,162)                   | (3,473,570)                   | (2,921,433)                   | (2,343,215)                    |
| <b>Total Non Current Liabilities</b>                |                   | <b>(7,627,957)</b>            | <b>(7,086,721)</b>            | <b>(6,755,792)</b>            | <b>(6,294,763)</b>            | <b>(5,812,449)</b>            | <b>(5,307,823)</b>            | <b>(4,779,789)</b>            | <b>(4,276,197)</b>            | <b>(3,724,060)</b>            | <b>(3,145,842)</b>             |
| <b>TOTAL LIABILITIES</b>                            |                   | <b>(15,804,134)</b>           | <b>(15,582,977)</b>           | <b>(15,230,851)</b>           | <b>(14,849,525)</b>           | <b>(14,447,794)</b>           | <b>(13,964,504)</b>           | <b>(13,458,842)</b>           | <b>(12,954,216)</b>           | <b>(12,425,834)</b>           | <b>(11,872,534)</b>            |
| <b>NET ASSETS</b>                                   | 12                | <b>334,307,885</b>            | <b>337,858,365</b>            | <b>341,539,875</b>            | <b>344,938,435</b>            | <b>348,396,525</b>            | <b>351,576,065</b>            | <b>355,202,075</b>            | <b>359,021,945</b>            | <b>362,911,985</b>            | <b>366,243,635</b>             |
| <b>EQUITY</b>                                       |                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Accumulated Surplus                                 |                   | (187,061,314)                 | (191,718,134)                 | (198,225,048)                 | (204,400,862)                 | (207,593,570)                 | (211,947,554)                 | (216,123,065)                 | (219,570,152)                 | (223,647,100)                 | (227,248,000)                  |
| Revaluation Surplus                                 |                   | (122,911,155)                 | (122,911,155)                 | (122,911,155)                 | (122,911,155)                 | (122,911,155)                 | (122,911,155)                 | (122,911,155)                 | (122,911,155)                 | (122,911,155)                 | (122,911,155)                  |
| Cash Backed Reserves                                | Reserves Schedule | (24,335,416)                  | (23,229,076)                  | (20,403,671)                  | (17,626,417)                  | (17,891,799)                  | (16,717,356)                  | (16,167,854)                  | (16,540,638)                  | (16,353,730)                  | (16,084,480)                   |
| <b>TOTAL EQUITY</b>                                 |                   | <b>(334,307,885)</b>          | <b>(337,858,365)</b>          | <b>(341,539,875)</b>          | <b>(344,938,435)</b>          | <b>(348,396,525)</b>          | <b>(351,576,065)</b>          | <b>(355,202,075)</b>          | <b>(359,021,945)</b>          | <b>(362,911,985)</b>          | <b>(366,243,635)</b>           |

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City of Subiaco  
Statement of Changes in Equity

|   | Year 1<br>Budget<br>2018/2019 | Year 2<br>Budget<br>2019/2020    | Year 3<br>Budget<br>2020/2021    | Year 4<br>Budget<br>2021/2022    | Year 5<br>Budget<br>2022/2023    | Year 6<br>Budget<br>2023/2024    | Year 7<br>Budget<br>2024/2025    | Year 8<br>Budget<br>2025/2026    | Year 9<br>Budget<br>2026/2027    | Year 10<br>Budget<br>2027/2028   |
|---|-------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <b>Cash Backed Reserves</b>             |                               |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |
| Balance at beginning of year            | (39,145,387)                  | (24,335,416)                     | (23,229,076)                     | (20,403,671)                     | (17,626,417)                     | (17,891,799)                     | (16,717,356)                     | (16,167,854)                     | (16,540,638)                     | (16,353,730)                     |
| Amount transferred to reserves          | (7,716,277)                   | (26,367,420)                     | (18,674,360)                     | (8,944,920)                      | (11,536,470)                     | (9,248,120)                      | (9,227,990)                      | (9,179,220)                      | (9,230,110)                      | (9,224,190)                      |
| Amount transferred from reserves        | 22,526,248                    | 27,473,760                       | 21,499,765                       | 11,722,174                       | 11,271,088                       | 10,422,564                       | 9,777,491                        | 8,806,437                        | 9,417,018                        | 9,493,440                        |
| <b>Balance at end of period</b>         | <b>(24,335,416)</b>           | <b>(23,229,076)</b><br>2,188,096 | <b>(20,403,671)</b><br>2,188,101 | <b>(17,626,417)</b><br>2,188,105 | <b>(17,891,799)</b><br>2,188,103 | <b>(16,717,356)</b><br>2,188,106 | <b>(16,167,854)</b><br>2,188,108 | <b>(16,540,638)</b><br>2,188,104 | <b>(16,353,730)</b><br>2,188,102 | <b>(16,084,480)</b><br>2,188,102 |
| <b>Revaluation Surplus</b>              |                               |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |
| Balance at beginning of year            | (122,911,155)                 | (122,911,155)                    | (122,911,155)                    | (122,911,155)                    | (122,911,155)                    | (122,911,155)                    | (122,911,155)                    | (122,911,155)                    | (122,911,155)                    | (122,911,155)                    |
| Prior Year Adjustment                   |                               |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |
| Amount transferred to reserves          | 0                             | 0                                | 0                                | 0                                | 0                                | 0                                | 0                                | 0                                | 0                                | 0                                |
| Amount transferred from reserves        | 0                             | 0                                | 0                                | 0                                | 0                                | 0                                | 0                                | 0                                | 0                                | 0                                |
| <b>Balance at end of period</b>         | <b>(122,911,155)</b>          | <b>(122,911,155)</b>             | <b>(122,911,155)</b>             | <b>(122,911,155)</b>             | <b>(122,911,155)</b>             | <b>(122,911,155)</b>             | <b>(122,911,155)</b>             | <b>(122,911,155)</b>             | <b>(122,911,155)</b>             | <b>(122,911,155)</b>             |
| <b>Accumulated Surplus</b>              |                               |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |
| Balance at beginning of year            | (170,522,436)                 | (187,061,314)                    | (191,718,134)                    | (198,225,048)                    | (204,400,862)                    | (207,593,570)                    | (211,947,554)                    | (216,123,065)                    | (219,570,152)                    | (223,647,100)                    |
| Net result from operations              | (1,728,907)                   | (3,550,480)                      | (3,681,510)                      | (3,398,560)                      | (3,458,090)                      | (3,179,540)                      | (3,626,010)                      | (3,819,870)                      | (3,890,040)                      | (3,331,650)                      |
| Changes to Equity **                    |                               |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |
| Less net amount transferred to reserves | (14,809,971)                  | (1,106,340)                      | (2,825,405)                      | (2,777,254)                      | 265,382                          | (1,174,444)                      | (549,501)                        | 372,783                          | (186,908)                        | (269,250)                        |
| <b>Balance at end of period</b>         | <b>(187,061,314)</b>          | <b>(191,718,134)</b>             | <b>(198,225,048)</b>             | <b>(204,400,862)</b>             | <b>(207,593,570)</b>             | <b>(211,947,554)</b>             | <b>(216,123,065)</b>             | <b>(219,570,152)</b>             | <b>(223,647,100)</b>             | <b>(227,248,000)</b>             |
| <b>TOTAL EQUITY</b>                     | <b>(334,307,885)</b>          | <b>(337,858,365)</b>             | <b>(341,539,875)</b>             | <b>(344,938,435)</b>             | <b>(348,396,525)</b>             | <b>(351,576,065)</b>             | <b>(355,202,075)</b>             | <b>(359,021,945)</b>             | <b>(362,911,985)</b>             | <b>(366,243,635)</b>             |



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**City of Subiaco**  
**Statement of Cash Flows**

|   |                | Year 1<br>Budget<br>2018/2019 | Year 2<br>Budget<br>2019/2020 | Year 3<br>Budget<br>2020/2021 | Year 4<br>Budget<br>2021/2022 | Year 5<br>Budget<br>2022/2023 | Year 6<br>Budget<br>2023/2024 | Year 7<br>Budget<br>2024/2025 | Year 8<br>Budget<br>2025/2026 | Year 9<br>Budget<br>2026/2027 | Year 10<br>Budget<br>2027/2028 |
|---|----------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| <b>Receipts</b>   |                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Rates levies  |                | 23,884,160                    | 24,435,250                    | 24,785,250                    | 24,935,250                    | 25,035,250                    | 25,185,250                    | 25,185,250                    | 25,185,250                    | 25,185,250                    | 25,185,250                     |
| Sanitation charges  |                | 4,486,047                     | 4,724,410                     | 4,799,410                     | 4,799,410                     | 4,799,410                     | 4,799,410                     | 4,799,410                     | 4,799,410                     | 4,799,410                     | 4,799,410                      |
| Fees & Charges  |                | 10,893,578                    | 10,929,483                    | 14,482,804                    | 12,735,036                    | 12,726,600                    | 12,812,900                    | 12,774,870                    | 12,777,250                    | 12,777,250                    | 12,777,250                     |
| Interest earned   |                | 826,470                       | 966,230                       | 894,280                       | 830,720                       | 836,570                       | 810,720                       | 798,620                       | 806,820                       | 802,710                       | 796,790                        |
| Grants, subsidies & contributions- operating                |                | 549,580                       | 543,580                       | 543,580                       | 543,580                       | 543,580                       | 543,580                       | 543,580                       | 543,580                       | 543,580                       | 543,580                        |
| Reimbursements and Donations                                |                | 770,130                       | 737,410                       | 737,410                       | 737,410                       | 737,410                       | 737,410                       | 737,410                       | 737,410                       | 737,410                       | 737,410                        |
| All other revenue   |                | 614,200                       | 564,700                       | 590,700                       | 595,700                       | 590,700                       | 590,700                       | 590,700                       | 590,700                       | 590,700                       | 590,700                        |
| <b>Total Receipts</b>                                       |                | <b>42,024,165</b>             | <b>42,901,063</b>             | <b>46,833,434</b>             | <b>45,177,106</b>             | <b>45,269,520</b>             | <b>45,479,970</b>             | <b>45,429,840</b>             | <b>45,440,420</b>             | <b>45,436,310</b>             | <b>45,430,390</b>              |
| <b>Less Payments</b>  |                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Employee costs  |                | (20,035,134)                  | (20,560,393)                  | (21,023,400)                  | (21,023,400)                  | (21,023,400)                  | (21,023,400)                  | (21,023,400)                  | (21,023,400)                  | (21,023,400)                  | (21,023,400)                   |
| Materials & contracts                                       |                | (11,383,558)                  | (11,290,243)                  | (13,948,463)                  | (12,005,725)                  | (11,996,770)                  | (12,041,992)                  | (12,071,992)                  | (12,076,992)                  | (12,031,992)                  | (12,031,992)                   |
| Interest payments   |                | (409,660)                     | (395,870)                     | (368,690)                     | (345,480)                     | (321,430)                     | (296,320)                     | (269,860)                     | (242,450)                     | (214,490)                     | (185,240)                      |
| Utility charges   |                | (942,220)                     | (923,860)                     | (1,034,130)                   | (1,034,130)                   | (1,034,130)                   | (1,034,130)                   | (1,034,130)                   | (1,034,130)                   | (1,034,130)                   | (1,034,130)                    |
| Insurance Expenses  |                | (456,950)                     | (520,600)                     | (520,600)                     | (520,600)                     | (520,600)                     | (520,600)                     | (520,600)                     | (520,600)                     | (520,600)                     | (520,600)                      |
| Other Expenditure   |                | (1,456,820)                   | (1,686,600)                   | (1,641,600)                   | (1,686,600)                   | (1,641,600)                   | (1,686,600)                   | (1,641,600)                   | (1,686,600)                   | (1,641,600)                   | (1,686,600)                    |
| <b>Total Payments</b>                                       |                | <b>(34,684,341)</b>           | <b>(35,377,566)</b>           | <b>(38,536,883)</b>           | <b>(36,615,935)</b>           | <b>(36,537,930)</b>           | <b>(36,603,042)</b>           | <b>(36,561,582)</b>           | <b>(36,584,172)</b>           | <b>(36,466,212)</b>           | <b>(36,481,962)</b>            |
| <b>Net Cash Provided By Operating Activities</b>            | 15             | <b>7,339,824</b>              | <b>7,523,497</b>              | <b>8,296,552</b>              | <b>8,561,170</b>              | <b>8,731,590</b>              | <b>8,876,928</b>              | <b>8,868,258</b>              | <b>8,856,248</b>              | <b>8,970,098</b>              | <b>8,948,428</b>               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| <b>Receipts</b>   |                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Grants and contributions for the development of assets      | 16             | 822,870                       | 1,337,730                     | 1,302,760                     | 849,500                       | 849,500                       | 432,900                       | 932,900                       | 1,182,900                     | 1,182,900                     | 682,900                        |
| Proceeds from sale of fixed assets                          |                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Proceeds on disposal of land                                | Asset Schedule | 0                             | 18,000,000                    | 10,000,000                    | 0                             | 2,500,000                     | 0                             | 0                             | 0                             | 0                             | 0                              |
| Proceeds on disposal of plant and equipment                 | Asset Schedule | 364,000                       | 320,000                       | 271,000                       | 225,000                       | 680,000                       | 302,000                       | 322,000                       | 312,000                       | 358,000                       | 360,000                        |
| <b>Total Receipts</b>                                       |                | <b>1,186,870</b>              | <b>19,657,730</b>             | <b>11,573,760</b>             | <b>1,074,500</b>              | <b>4,029,500</b>              | <b>734,900</b>                | <b>1,254,900</b>              | <b>1,494,900</b>              | <b>1,540,900</b>              | <b>1,042,900</b>               |
| <b>Payments</b>   |                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Payments for purchase/construction of Land                  | Asset Schedule | (7,500,000)                   | (14,000,000)                  | (500,000)                     | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Payments for purchase/construction Buildings                | Asset Schedule | (3,224,500)                   | (3,623,000)                   | (12,559,000)                  | (2,685,000)                   | (1,000,000)                   | (500,000)                     | (1,955,000)                   | (1,500,000)                   | (1,500,000)                   | (400,000)                      |
| Payments for purchase/construction of Furniture             | Asset Schedule | (1,126,300)                   | (1,018,650)                   | (722,150)                     | (1,190,650)                   | (755,150)                     | (835,150)                     | (920,150)                     | (870,150)                     | (755,150)                     | (681,600)                      |
| Payments for purchase/construction of Plant & Equipment     | Asset Schedule | (1,337,000)                   | (1,086,000)                   | (922,000)                     | (1,389,000)                   | (3,012,000)                   | (1,970,000)                   | (1,109,000)                   | (854,000)                     | (1,585,000)                   | (2,369,000)                    |
| Payments for purchase/construction of infrastructure assets | Asset Schedule | (5,270,873)                   | (8,508,560)                   | (7,489,340)                   | (6,654,770)                   | (7,159,890)                   | (6,982,520)                   | (6,182,550)                   | (6,239,930)                   | (6,284,720)                   | (6,257,030)                    |
| <b>Total Payments</b>                                       |                | <b>(18,458,673)</b>           | <b>(28,236,210)</b>           | <b>(22,192,490)</b>           | <b>(11,919,420)</b>           | <b>(11,927,040)</b>           | <b>(10,287,670)</b>           | <b>(10,166,700)</b>           | <b>(9,464,080)</b>            | <b>(10,124,870)</b>           | <b>(9,707,630)</b>             |
| <b>Net cash used in investing activities</b>                |                | <b>(17,271,803)</b>           | <b>(8,578,480)</b>            | <b>(10,618,730)</b>           | <b>(10,844,920)</b>           | <b>(7,897,540)</b>            | <b>(9,552,770)</b>            | <b>(8,911,800)</b>            | <b>(7,969,180)</b>            | <b>(8,583,970)</b>            | <b>(8,664,730)</b>             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Proceeds from loans   | Loan Schedule  | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Repayment of loans  | Loan Schedule  | (485,530)                     | (513,383)                     | (422,156)                     | (441,592)                     | (461,953)                     | (483,290)                     | (505,662)                     | (504,627)                     | (528,382)                     | (553,300)                      |
| <b>Net cash used in financing activities</b>                |                | <b>(485,530)</b>              | <b>(513,383)</b>              | <b>(422,156)</b>              | <b>(441,592)</b>              | <b>(461,953)</b>              | <b>(483,290)</b>              | <b>(505,662)</b>              | <b>(504,627)</b>              | <b>(528,382)</b>              | <b>(553,300)</b>               |
| Cash at the beginning of the year                           |                | 50,520,279                    | 33,435,700                    | 31,867,334                    | 29,123,000                    | 26,397,658                    | 26,769,754                    | 25,610,623                    | 25,061,419                    | 25,443,860                    | 25,301,606                     |
| Net increase (decrease) in cash held                        |                | (10,417,509)                  | (1,568,366)                   | (2,744,334)                   | (2,725,342)                   | 372,097                       | (1,159,132)                   | (549,204)                     | 382,441                       | (142,254)                     | (269,602)                      |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>     |                | <b>40,102,770</b>             | <b>31,867,334</b>             | <b>29,123,000</b>             | <b>26,397,658</b>             | <b>26,769,754</b>             | <b>25,610,623</b>             | <b>25,061,419</b>             | <b>25,443,860</b>             | <b>25,301,606</b>             | <b>25,032,004</b>              |

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City of Subiaco  
Statement of Cash Flows

|  |    | Year 1     | Year 2      | Year 3      | Year 4     | Year 5     | Year 6     | Year 7     | Year 8      | Year 9      | Year 10    |
|--|----|------------|-------------|-------------|------------|------------|------------|------------|-------------|-------------|------------|
|  |    | Budget     | Budget      | Budget      | Budget     | Budget     | Budget     | Budget     | Budget      | Budget      | Budget     |
|  |    | 2018/2019  | 2019/2020   | 2020/2021   | 2021/2022  | 2022/2023  | 2023/2024  | 2024/2025  | 2025/2026   | 2026/2027   | 2027/2028  |
| NOTES TO THE STATEMENT OF CASH FLOWS   |    | 15         |             |             |            |            |            |            |             |             |            |
| Reconciliation of cash   |    |            |             |             |            |            |            |            |             |             |            |
| Cash at bank - operating   |    | 14,411,299 | 7,282,204   | 7,363,274   | 7,415,186  | 7,521,901  | 7,537,213  | 7,537,511  | 7,547,168   | 7,591,822   | 7,322,220  |
| Cash at bank - restricted - reserves   |    | 24,335,416 | 23,229,076  | 20,403,671  | 17,626,417 | 17,891,799 | 16,717,356 | 16,167,854 | 16,540,638  | 16,353,730  | 16,353,730 |
| Cash at bank - restricted - other  |    | 1,356,054  | 1,356,054   | 1,356,054   | 1,356,054  | 1,356,054  | 1,356,054  | 1,356,054  | 1,356,054   | 1,356,054   | 1,356,054  |
| Total cash   |    | 40,102,770 | 31,867,334  | 29,123,000  | 26,397,658 | 26,769,754 | 25,610,623 | 25,061,419 | 25,443,860  | 25,301,606  | 25,032,004 |
| Note: The cash at the end of the year has been adjusted for Trust entries of:                            |    | 0          | 0           | 0           | 0          | 0          | 0          | 0          | 0           | 0           | 0          |
| Reconciliation of net cash used in operating activities to changes in net assets arising from operations |    |            |             |             |            |            |            |            |             |             |            |
| Operating result   |    | 2,780,567  | 3,550,480   | 3,681,510   | 3,398,560  | 3,458,090  | 3,179,540  | 3,626,010  | 3,819,870   | 3,890,040   | 3,331,650  |
| Government revenues adjustment   |    | (822,870)  | (1,337,730) | (1,302,760) | (849,500)  | (849,500)  | (432,900)  | (932,900)  | (1,182,900) | (1,182,900) | (682,900)  |
| Write back depreciation  |    | 5,417,270  | 5,819,520   | 5,911,830   | 6,014,630  | 6,108,950  | 6,176,460  | 6,221,320  | 6,265,450   | 6,309,130   | 6,345,850  |
| Write back Gains on Disposal of Assets   |    | (71,630)   | (56,010)    | (56,010)    | (56,010)   | (56,010)   | (56,010)   | (56,010)   | (56,010)    | (56,010)    | (56,010)   |
| Write back Losses on Disposal of Assets  |    | 35,950     | 12,470      | 12,470      | 12,470     | 12,470     | 12,470     | 12,470     | 12,470      | 12,470      | 12,470     |
| (Increase) / Decrease in Rates Debtors   |    | 206,000    | 0           | 0           | 0          | 0          | 0          | 0          | 0           | 0           | 0          |
| (Increase) / Decrease in Sundry Debtors  |    | (454,495)  | (706,516)   | 10,000      | 10,000     | 10,000     | 10,000     | 10,000     | 10,000      | 10,000      | 10,000     |
| (Increase) / Decrease in Accrued revenue   |    | (41,324)   | (48,312)    | (17,886)    | (16,614)   | 0          | 0          | 0          | 0           | 0           | 0          |
| (Increase) / Decrease in Prepayments   |    | 0          | 0           | (10,000)    | (10,000)   | (10,000)   | (10,000)   | (10,000)   | (10,000)    | (10,000)    | (10,000)   |
| (Increase) / Decrease in Inventory   |    | (2,632)    | (2,632)     | (2,632)     | (2,632)    | (2,632)    | (2,632)    | (2,632)    | (2,632)     | (2,632)     | (2,632)    |
| Increase / (Decrease) in Employee Entitlements (Accruals and Provisions)                                 |    | 60,286     | 61,867      | 0           | 0          | 0          | 0          | 0          | 0           | 0           | 0          |
| Increase / (Decrease) in Creditors   |    | 232,701    | 230,359     | 70,029      | 60,267     | 60,222     | 0          | 0          | 0           | 0           | 0          |
| NET CASH USED IN OPERATING ACTIVITES   | 15 | 7,339,824  | 7,523,497   | 8,296,552   | 8,561,170  | 8,731,590  | 8,876,928  | 8,868,258  | 8,856,248   | 8,970,098   | 8,948,428  |

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City of Subiaco  
Rate Setting Statement

|   |                   | Year 1              | Year 2              | Year 3              | Year 4              | Year 5              | Year 6              | Year 7              | Year 8              | Year 9              | Year 10             |
|---|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   |                   | Budget              | Budget              | Budget              | Budget              | Budget              | Budget              | Budget              | Budget              | Budget              | Budget              |
|   | Note              | 2018/2019           | 2019/2020           | 2020/2021           | 2021/2022           | 2022/2023           | 2023/2024           | 2024/2025           | 2025/2026           | 2026/2027           | 2027/2028           |
| <b>OPERATING EXPENDITURE</b>              |                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| General Purpose Funding                   |                   | (619,030)           | (653,910)           | (633,170)           | (633,170)           | (633,170)           | (633,170)           | (633,170)           | (633,170)           | (633,170)           | (633,170)           |
| Governance                                |                   | (2,353,577)         | (2,426,100)         | (2,428,710)         | (2,473,710)         | (2,428,710)         | (2,473,710)         | (2,428,710)         | (2,473,710)         | (2,428,710)         | (2,473,710)         |
| Law Order & Public Safety                 |                   | (721,370)           | (700,950)           | (712,530)           | (712,530)           | (712,530)           | (712,530)           | (712,530)           | (712,530)           | (712,530)           | (712,530)           |
| Health                                    |                   | (889,830)           | (900,500)           | (915,820)           | (915,820)           | (915,820)           | (915,820)           | (955,820)           | (915,820)           | (915,820)           | (915,820)           |
| Education & Welfare                       |                   | (735,790)           | (766,330)           | (781,930)           | (781,930)           | (781,930)           | (781,930)           | (781,930)           | (781,930)           | (781,930)           | (781,930)           |
| Community Amenities                       |                   | (6,392,130)         | (6,245,000)         | (6,388,680)         | (6,388,680)         | (6,388,680)         | (6,388,680)         | (6,388,680)         | (6,388,680)         | (6,388,680)         | (6,388,680)         |
| Recreation & Culture                      |                   | (14,009,380)        | (14,631,570)        | (14,898,270)        | (14,929,380)        | (14,968,640)        | (14,975,260)        | (14,963,270)        | (14,950,990)        | (14,939,060)        | (14,928,060)        |
| Transport                                 |                   | (10,217,300)        | (10,493,940)        | (10,750,590)        | (10,859,030)        | (10,894,110)        | (10,928,550)        | (10,963,410)        | (11,052,540)        | (11,051,080)        | (11,086,190)        |
| Economic Services                         |                   | (2,505,620)         | (2,636,980)         | (2,936,760)         | (2,938,300)         | (2,925,230)         | (2,911,570)         | (2,897,100)         | (2,881,970)         | (2,866,080)         | (2,849,440)         |
| Other Property & Services                 |                   | (1,983,890)         | (2,043,870)         | (4,058,120)         | (2,058,120)         | (2,058,120)         | (2,058,120)         | (2,058,120)         | (2,058,120)         | (2,058,120)         | (2,058,120)         |
| <b>Total Operating Expenditure</b>        | 1,2               | <b>(40,427,917)</b> | <b>(41,499,150)</b> | <b>(44,518,580)</b> | <b>(42,690,670)</b> | <b>(42,706,940)</b> | <b>(42,779,340)</b> | <b>(42,782,740)</b> | <b>(42,849,460)</b> | <b>(42,775,180)</b> | <b>(42,827,650)</b> |
| <b>CAPITAL WORKS PROGRAMME</b>            |                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Capital Expenditure</b>                |                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Land and Buildings                        | Land & Property   | (10,724,500)        | (17,623,000)        | (13,059,000)        | (2,685,000)         | (1,000,000)         | (500,000)           | (1,955,000)         | (1,500,000)         | (1,500,000)         | (400,000)           |
| Furniture and Equipment                   | Schedule          | (1,126,300)         | (1,018,650)         | (722,150)           | (1,190,650)         | (755,150)           | (835,150)           | (920,150)           | (870,150)           | (755,150)           | (681,600)           |
| Plant and Equipment                       |                   | (1,337,000)         | (1,086,000)         | (922,000)           | (1,389,000)         | (3,012,000)         | (1,970,000)         | (1,109,000)         | (854,000)           | (1,585,000)         | (2,369,000)         |
| <b>Subtotal</b>                           |                   | <b>(13,187,800)</b> | <b>(19,727,650)</b> | <b>(14,703,150)</b> | <b>(5,264,650)</b>  | <b>(4,767,150)</b>  | <b>(3,305,150)</b>  | <b>(3,984,150)</b>  | <b>(3,224,150)</b>  | <b>(3,840,150)</b>  | <b>(3,450,600)</b>  |
| <b>Infrastructure Expenditure</b>         |                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Road Works                                |                   | (3,150,500)         | (4,094,790)         | (3,786,620)         | (3,183,940)         | (3,205,230)         | (3,228,750)         | (2,911,150)         | (3,626,330)         | (3,697,550)         | (3,583,830)         |
| Landscape & Irrigation Works              |                   | (176,874)           | (408,790)           | (335,580)           | (352,770)           | (304,730)           | (345,470)           | (176,960)           | (348,300)           | 0                   | 0                   |
| Drainage Works                            |                   | (140,243)           | (1,951,560)         | (951,350)           | (493,880)           | (346,290)           | (345,470)           | (990,960)           | (213,240)           | (468,700)           | (556,280)           |
| Footpath Works                            |                   | (108,435)           | (179,470)           | (197,710)           | (189,780)           | (212,760)           | (147,700)           | (261,920)           | (193,140)           | (223,110)           | (209,500)           |
| Street Lighting                           |                   | 0                   | (279,870)           | (161,080)           | (292,800)           | (166,220)           | (196,920)           | (162,800)           | (85,300)            | (119,560)           | 0                   |
| Car Park Improvements                     |                   | (430,000)           | (218,860)           | (40,270)            | 0                   | (677,880)           | (673,160)           | (50,000)            | 0                   | 0                   | 0                   |
| Other Infrastructure                      |                   | (207,134)           | (352,330)           | (350,420)           | (381,981)           | (380,740)           | (387,360)           | (387,560)           | (386,160)           | (383,120)           | (385,670)           |
| Parks and Reserves Improvements           |                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Irrigation Upgrades                       |                   | (169,500)           | (253,160)           | (664,900)           | (104,651)           | (253,750)           | (127,180)           | (328,950)           | (777,260)           | (368,280)           | (167,580)           |
| Furniture & Lighting Upgrades             |                   | (314,500)           | (263,250)           | (721,610)           | (771,898)           | (835,200)           | (471,540)           | (367,180)           | (32,870)            | (495,660)           | (1,087,640)         |
| Playground Upgrades                       |                   | (79,470)            | (116,370)           | (68,050)            | (340,130)           | (212,310)           | (99,750)            | (166,040)           | (118,200)           | (360,080)           | (266,530)           |
| Landscaping Upgrades                      |                   | (494,217)           | (390,110)           | (211,750)           | (542,940)           | (564,780)           | (959,220)           | (379,030)           | (459,130)           | (168,660)           | 0                   |
| <b>Subtotal</b>                           |                   | <b>(5,270,873)</b>  | <b>(8,508,560)</b>  | <b>(7,489,340)</b>  | <b>(6,654,770)</b>  | <b>(7,159,890)</b>  | <b>(6,982,520)</b>  | <b>(6,182,550)</b>  | <b>(6,239,930)</b>  | <b>(6,284,720)</b>  | <b>(6,257,030)</b>  |
| <b>Total Capital Works Programme</b>      |                   | <b>(18,458,673)</b> | <b>(28,236,210)</b> | <b>(22,192,490)</b> | <b>(11,919,420)</b> | <b>(11,927,040)</b> | <b>(10,287,670)</b> | <b>(10,166,700)</b> | <b>(9,464,080)</b>  | <b>(10,124,870)</b> | <b>(9,707,630)</b>  |
| <b>OTHER OUTFLOWS</b>                     |                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Transfer To Reserve Account               | Reserve Schedule  | (7,716,277)         | (26,367,420)        | (18,674,360)        | (8,944,920)         | (11,536,470)        | (9,248,120)         | (9,227,990)         | (9,179,220)         | (9,230,110)         | (9,224,190)         |
| Loan Repayment - Principal                | Loan Schedule     | (485,530)           | (513,383)           | (422,156)           | (441,592)           | (461,953)           | (483,290)           | (505,662)           | (504,627)           | (528,382)           | (553,300)           |
| <b>Non cash items</b>                     |                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Write Back Gain on Disposal Of Assets     | Asset Schedule    | (71,630)            | (56,010)            | (56,010)            | (56,010)            | (56,010)            | (56,010)            | (56,010)            | (56,010)            | (56,010)            | (56,010)            |
| <b>Total Other Outflows</b>               |                   | <b>(8,273,437)</b>  | <b>(26,936,813)</b> | <b>(19,152,526)</b> | <b>(9,442,522)</b>  | <b>(12,054,433)</b> | <b>(9,787,420)</b>  | <b>(9,789,662)</b>  | <b>(9,739,857)</b>  | <b>(9,814,502)</b>  | <b>(9,833,500)</b>  |
| <b>TOTAL FUNDS REQUIRED</b>               |                   | <b>(67,160,027)</b> | <b>(96,672,173)</b> | <b>(85,863,596)</b> | <b>(64,052,612)</b> | <b>(66,688,413)</b> | <b>(62,854,430)</b> | <b>(62,739,102)</b> | <b>(62,053,397)</b> | <b>(62,714,552)</b> | <b>(62,368,780)</b> |
| <b>OPERATING REVENUE</b>                  |                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| General Purpose Funding (excluding rates) |                   | 1,519,150           | 1,683,910           | 1,611,960           | 1,548,400           | 1,554,250           | 1,528,400           | 1,516,300           | 1,524,500           | 1,520,390           | 1,514,470           |
| Governance                                |                   | 200                 | 200                 | 200                 | 200                 | 200                 | 200                 | 200                 | 200                 | 200                 | 200                 |
| Law Order & Public Safety                 |                   | 44,200              | 34,300              | 34,300              | 34,300              | 34,300              | 34,300              | 34,300              | 34,300              | 34,300              | 34,300              |
| Health                                    |                   | 87,100              | 94,100              | 94,100              | 94,100              | 94,100              | 94,100              | 94,100              | 94,100              | 94,100              | 94,100              |
| Education & Welfare                       |                   | 34,990              | 33,990              | 33,990              | 33,990              | 33,990              | 33,990              | 33,990              | 33,990              | 33,990              | 33,990              |
| Community Amenities                       |                   | 4,648,587           | 4,919,910           | 4,997,910           | 4,997,910           | 4,997,910           | 4,997,910           | 4,997,910           | 4,997,910           | 4,997,910           | 4,997,910           |
| Recreation & Culture                      |                   | 3,441,468           | 3,454,920           | 3,860,570           | 4,002,570           | 4,252,570           | 4,085,970           | 4,585,970           | 4,585,970           | 4,585,970           | 4,085,970           |
| Transport                                 |                   | 4,051,590           | 4,290,440           | 4,108,870           | 3,653,610           | 3,628,610           | 3,464,910           | 3,464,910           | 3,679,260           | 3,679,260           | 3,679,260           |
| Economic Services                         |                   | 203,059             | 178,560             | 178,560             | 178,560             | 178,560             | 178,560             | 178,560             | 178,560             | 178,560             | 178,560             |
| Other Property & Services                 |                   | 5,467,020           | 5,924,050           | 8,494,380           | 6,610,340           | 6,355,290           | 6,355,290           | 6,317,260           | 6,355,290           | 6,355,290           | 6,355,290           |
| <b>Total Operating Revenue</b>            | 1,2               | <b>19,497,364</b>   | <b>20,614,380</b>   | <b>23,414,840</b>   | <b>21,153,980</b>   | <b>21,129,780</b>   | <b>20,773,630</b>   | <b>21,223,500</b>   | <b>21,484,080</b>   | <b>21,479,970</b>   | <b>20,974,050</b>   |
| <b>OTHER INFLOWS</b>                      |                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Reserve Utilised                          | Reserves Schedule | 18,134,323          | 27,473,760          | 21,499,765          | 11,722,174          | 11,271,088          | 10,422,564          | 9,777,491           | 8,806,437           | 9,417,018           | 9,493,440           |
| Proceeds from Loans                       | Loans Schedule    | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Proceeds Disposal of Assets               | Assets Schedule   | 364,000             | 18,320,000          | 10,271,000          | 225,000             | 3,180,000           | 302,000             | 322,000             | 312,000             | 358,000             | 360,000             |
| <b>Non cash items</b>                     |                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Write Back Depreciation                   | Assets Schedule   | 5,417,270           | 5,819,520           | 5,911,830           | 6,014,630           | 6,108,950           | 6,176,460           | 6,221,320           | 6,265,450           | 6,309,130           | 6,345,850           |
| Write Back Loss On Disposal Of Assets     | Assets Schedule   | 35,950              | 12,470              | 12,470              | 12,470              | 12,470              | 12,470              | 12,470              | 12,470              | 12,470              | 12,470              |
| Opening Balance B/Fwd 1 July              |                   | <b>3,776,352</b>    | <b>3,776,352</b>    | <b>3,779,559</b>    | <b>3,811,117</b>    | <b>3,822,009</b>    | <b>3,871,134</b>    | <b>3,889,077</b>    | <b>3,892,007</b>    | <b>3,904,297</b>    | <b>3,951,583</b>    |
| Closing Balance C/Fwd 30 June             |                   | <b>(3,776,352)</b>  | <b>(3,779,559)</b>  | <b>(3,811,117)</b>  | <b>(3,822,009)</b>  | <b>(3,871,134)</b>  | <b>(3,889,077)</b>  | <b>(3,892,007)</b>  | <b>(3,904,297)</b>  | <b>(3,951,583)</b>  | <b>(3,953,863)</b>  |
| <b>Total Other Inflows</b>                |                   | <b>23,951,543</b>   | <b>51,622,543</b>   | <b>37,663,506</b>   | <b>17,963,382</b>   | <b>20,523,383</b>   | <b>16,895,550</b>   | <b>16,330,352</b>   | <b>15,384,067</b>   | <b>16,049,332</b>   | <b>16,209,480</b>   |
| <b>TO BE MADE UP FROM RATES</b>           | Rates Schedule    | 23,711,120          | 24,435,250          | 24,785,250          | 24,935,250          | 25,035,250          | 25,185,250          | 25,185,250          | 25,185,250          | 25,185,250          | 25,185,250          |

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City of Subiaco  
Rates Setting Statement by Nature and Type

|  | Year 1<br>Budget<br>2018/2019 | Year 2<br>Budget<br>2019/2020 | Year 3<br>Budget<br>2020/2021 | Year 4<br>Budget<br>2021/2022 | Year 5<br>Budget<br>2022/2023 | Year 6<br>Budget<br>2023/2024 | Year 7<br>Budget<br>2024/2025 | Year 8<br>Budget<br>2025/2026 | Year 9<br>Budget<br>2026/2027 | Year 10<br>Budget<br>2027/2028 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| <b>OPERATING EXPENDITURE</b>                               |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Employee Costs   | (20,095,420)                  | (20,622,260)                  | (21,023,400)                  | (21,023,400)                  | (21,023,400)                  | (21,023,400)                  | (21,023,400)                  | (21,023,400)                  | (21,023,400)                  | (21,023,400)                   |
| Materials and Contracts                                    | (11,613,627)                  | (11,517,970)                  | (14,005,860)                  | (12,053,360)                  | (12,044,360)                  | (12,029,360)                  | (12,059,360)                  | (12,064,360)                  | (12,019,360)                  | (12,019,360)                   |
| Utilities  | (942,220)                     | (923,860)                     | (1,034,130)                   | (1,034,130)                   | (1,034,130)                   | (1,034,130)                   | (1,034,130)                   | (1,034,130)                   | (1,034,130)                   | (1,034,130)                    |
| Depreciation   | (5,417,270)                   | (5,819,520)                   | (5,911,830)                   | (6,014,630)                   | (6,108,950)                   | (6,176,460)                   | (6,221,320)                   | (6,265,450)                   | (6,309,130)                   | (6,345,850)                    |
| Interest Expense   | (409,660)                     | (395,870)                     | (368,690)                     | (345,480)                     | (321,430)                     | (296,320)                     | (269,860)                     | (242,450)                     | (214,490)                     | (185,240)                      |
| Insurance Expense  | (456,950)                     | (520,600)                     | (520,600)                     | (520,600)                     | (520,600)                     | (520,600)                     | (520,600)                     | (520,600)                     | (520,600)                     | (520,600)                      |
| Loss on Asset Disposal                                     | (35,950)                      | (12,470)                      | (12,470)                      | (12,470)                      | (12,470)                      | (12,470)                      | (12,470)                      | (12,470)                      | (12,470)                      | (12,470)                       |
| Other expenditure  | (1,456,820)                   | (1,686,600)                   | (1,641,600)                   | (1,686,600)                   | (1,641,600)                   | (1,686,600)                   | (1,641,600)                   | (1,686,600)                   | (1,641,600)                   | (1,686,600)                    |
| <b>Total Operating Expenditure</b>                         | <b>(40,427,917)</b>           | <b>(41,499,150)</b>           | <b>(44,518,580)</b>           | <b>(42,690,670)</b>           | <b>(42,706,940)</b>           | <b>(42,779,340)</b>           | <b>(42,782,740)</b>           | <b>(42,849,460)</b>           | <b>(42,775,180)</b>           | <b>(42,827,650)</b>            |
| <b>CAPITAL WORKS PROGRAMME</b>                             |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| <b>Capital Expenditure</b>                                 |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Land   | (7,500,000)                   | (14,000,000)                  | (500,000)                     | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Buildings  | (3,224,500)                   | (3,623,000)                   | (12,559,000)                  | (2,685,000)                   | (1,000,000)                   | (500,000)                     | (1,955,000)                   | (1,500,000)                   | (1,500,000)                   | (400,000)                      |
| Plant  | (1,337,000)                   | (1,086,000)                   | (922,000)                     | (1,389,000)                   | (3,012,000)                   | (1,970,000)                   | (1,109,000)                   | (854,000)                     | (1,585,000)                   | (2,369,000)                    |
| Furniture  | (1,126,300)                   | (1,018,650)                   | (722,150)                     | (1,190,650)                   | (755,150)                     | (835,150)                     | (920,150)                     | (870,150)                     | (755,150)                     | (681,600)                      |
| <b>Subtotal</b>  | <b>(13,187,800)</b>           | <b>(19,727,650)</b>           | <b>(14,703,150)</b>           | <b>(5,264,650)</b>            | <b>(4,767,150)</b>            | <b>(3,305,150)</b>            | <b>(3,984,150)</b>            | <b>(3,224,150)</b>            | <b>(3,840,150)</b>            | <b>(3,450,600)</b>             |
| <b>Infrastructure Expenditure</b>                          |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Road Works   | (3,150,500)                   | (4,094,790)                   | (3,786,620)                   | (3,183,940)                   | (3,205,230)                   | (3,228,750)                   | (2,911,150)                   | (3,626,330)                   | (3,697,550)                   | (3,583,830)                    |
| Landscape & Irrigation Works                               | (176,874)                     | (408,790)                     | (335,580)                     | (352,770)                     | (304,730)                     | (345,470)                     | (176,960)                     | (348,300)                     | 0                             | 0                              |
| Drainage Works   | (140,243)                     | (1,951,560)                   | (951,350)                     | (493,880)                     | (346,290)                     | (345,470)                     | (990,960)                     | (213,240)                     | (468,700)                     | (556,280)                      |
| Footpath Works   | (108,435)                     | (179,470)                     | (197,710)                     | (189,780)                     | (212,760)                     | (147,700)                     | (261,920)                     | (193,140)                     | (223,110)                     | (209,500)                      |
| Street Lighting  | 0                             | (279,870)                     | (161,080)                     | (292,800)                     | (166,220)                     | (196,920)                     | (162,800)                     | (85,300)                      | (119,560)                     | 0                              |
| Car Park Improvements                                      | (430,000)                     | (218,860)                     | (40,270)                      | 0                             | (677,880)                     | (673,160)                     | (50,000)                      | 0                             | 0                             | 0                              |
| Other Infrastructure                                       | (207,134)                     | (352,330)                     | (350,420)                     | (381,981)                     | (380,740)                     | (387,360)                     | (387,560)                     | (386,160)                     | (383,120)                     | (385,670)                      |
| <i>Parks and Reserves Improvements</i>                     |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Irrigation Upgrades  | (169,500)                     | (253,160)                     | (664,900)                     | (104,651)                     | (253,750)                     | (127,180)                     | (328,950)                     | (777,260)                     | (368,280)                     | (167,580)                      |
| Furniture & Lighting Upgrades                              | (314,500)                     | (263,250)                     | (721,610)                     | (771,898)                     | (835,200)                     | (471,540)                     | (367,180)                     | (32,870)                      | (495,660)                     | (1,087,640)                    |
| Playground Upgrades  | (79,470)                      | (116,370)                     | (68,050)                      | (340,130)                     | (212,310)                     | (99,750)                      | (166,040)                     | (118,200)                     | (360,080)                     | (266,530)                      |
| Landscaping Upgrades                                       | (494,217)                     | (390,110)                     | (211,750)                     | (542,940)                     | (564,780)                     | (959,220)                     | (379,030)                     | (459,130)                     | (168,660)                     | 0                              |
| <b>Subtotal</b>  | <b>(5,270,873)</b>            | <b>(8,508,560)</b>            | <b>(7,489,340)</b>            | <b>(6,654,770)</b>            | <b>(7,159,890)</b>            | <b>(6,982,520)</b>            | <b>(6,182,550)</b>            | <b>(6,239,930)</b>            | <b>(6,284,720)</b>            | <b>(6,257,030)</b>             |
| <b>Total Capital Works Programme</b>                       | <b>(18,458,673)</b>           | <b>(28,236,210)</b>           | <b>(22,192,490)</b>           | <b>(11,919,420)</b>           | <b>(11,927,040)</b>           | <b>(10,287,670)</b>           | <b>(10,166,700)</b>           | <b>(9,464,080)</b>            | <b>(10,124,870)</b>           | <b>(9,707,630)</b>             |
| Transfer to Reserve Account                                | (7,716,277)                   | (26,367,420)                  | (18,674,360)                  | (8,944,920)                   | (11,536,470)                  | (9,248,120)                   | (9,227,990)                   | (9,179,220)                   | (9,230,110)                   | (9,224,190)                    |
| Loan Repayments - Principal                                | (485,530)                     | (513,383)                     | (422,156)                     | (441,592)                     | (461,953)                     | (483,290)                     | (505,662)                     | (504,627)                     | (528,382)                     | (553,300)                      |
| <b>Back out Non-Cash Items</b>                             |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Profit on Sale of Assets                                   | (71,630)                      | (56,010)                      | (56,010)                      | (56,010)                      | (56,010)                      | (56,010)                      | (56,010)                      | (56,010)                      | (56,010)                      | (56,010)                       |
| Write Back Adjustment to Share of Associate                | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Write Back Net Movement in Deferred Provisions and Debtors | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| <b>Operating Revenue</b>                                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Rates (net of discount, also includes specified area)      | 23,711,120                    | 24,435,250                    | 24,785,250                    | 24,935,250                    | 25,035,250                    | 25,185,250                    | 25,185,250                    | 25,185,250                    | 25,185,250                    | 25,185,250                     |
| Sanitation Charges   | 4,453,087                     | 4,724,410                     | 4,799,410                     | 4,799,410                     | 4,799,410                     | 4,799,410                     | 4,799,410                     | 4,799,410                     | 4,799,410                     | 4,799,410                      |
| Fees and Charges   | 11,389,397                    | 11,684,310                    | 14,490,690                    | 12,741,650                    | 12,716,600                    | 12,802,900                    | 12,764,870                    | 12,767,250                    | 12,767,250                    | 12,767,250                     |
| Grants, Subsidies and Contributions                        | 1,372,450                     | 1,881,310                     | 1,846,340                     | 1,393,080                     | 1,393,080                     | 976,480                       | 1,476,480                     | 1,726,480                     | 1,726,480                     | 1,226,480                      |
| Reimbursements and Donations                               | 770,130                       | 737,410                       | 737,410                       | 737,410                       | 737,410                       | 737,410                       | 737,410                       | 737,410                       | 737,410                       | 737,410                        |
| Interest Earnings  | 826,470                       | 966,230                       | 894,280                       | 830,720                       | 836,570                       | 810,720                       | 798,620                       | 806,820                       | 802,710                       | 796,790                        |
| Profit on Asset Disposals                                  | 71,630                        | 56,010                        | 56,010                        | 56,010                        | 56,010                        | 56,010                        | 56,010                        | 56,010                        | 56,010                        | 56,010                         |
| Other Revenue  | 614,200                       | 564,700                       | 590,700                       | 595,700                       | 590,700                       | 590,700                       | 590,700                       | 590,700                       | 590,700                       | 590,700                        |
| <b>Total Operating Revenue</b>                             | <b>43,208,484</b>             | <b>45,049,630</b>             | <b>48,200,090</b>             | <b>46,089,230</b>             | <b>46,165,030</b>             | <b>45,958,880</b>             | <b>46,408,750</b>             | <b>46,669,330</b>             | <b>46,665,220</b>             | <b>46,159,300</b>              |
| Reserves Utilised  | 18,134,323                    | 27,473,760                    | 21,499,765                    | 11,722,174                    | 11,271,088                    | 10,422,564                    | 9,777,491                     | 8,806,437                     | 9,417,018                     | 9,493,440                      |
| Proceeds Disposal of Assets                                | 364,000                       | 18,320,000                    | 10,271,000                    | 225,000                       | 3,180,000                     | 302,000                       | 322,000                       | 312,000                       | 358,000                       | 360,000                        |
| Proceeds from Loans  | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| <b>Back out Non-Cash Items</b>                             |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Depreciation   | 5,417,270                     | 5,819,520                     | 5,911,830                     | 6,014,630                     | 6,108,950                     | 6,176,460                     | 6,221,320                     | 6,265,450                     | 6,309,130                     | 6,345,850                      |
| Loss on Sale of Assets                                     | 35,950                        | 12,470                        | 12,470                        | 12,470                        | 12,470                        | 12,470                        | 12,470                        | 12,470                        | 12,470                        | 12,470                         |
| Opening balance  | 3,776,352                     | 3,776,352                     | 3,779,559                     | 3,811,117                     | 3,822,009                     | 3,871,134                     | 3,889,077                     | 3,892,007                     | 3,904,297                     | 3,951,583                      |
| Closing balance  | (3,776,352)                   | (3,779,559)                   | (3,811,117)                   | (3,822,009)                   | (3,871,134)                   | (3,889,077)                   | (3,892,007)                   | (3,904,297)                   | (3,951,583)                   | (3,953,863)                    |
| <b>Surplus Movement</b>                                    | <b>0</b>                      | <b>3,207</b>                  | <b>31,559</b>                 | <b>10,892</b>                 | <b>49,125</b>                 | <b>17,944</b>                 | <b>2,930</b>                  | <b>12,290</b>                 | <b>47,286</b>                 | <b>2,280</b>                   |



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## City of Subiaco

## Statement of Comprehensive Income by Program

|   | Note           | Year 1<br>Budget<br>2018/2019 | Year 2<br>Budget<br>2019/2020 | Year 3<br>Budget<br>2020/2021 | Year 4<br>Budget<br>2021/2022 | Year 5<br>Budget<br>2022/2023 | Year 6<br>Budget<br>2023/2024 | Year 7<br>Budget<br>2024/2025 | Year 8<br>Budget<br>2025/2026 | Year 9<br>Budget<br>2026/2027 | Year 10<br>Budget<br>2027/2028 |
|---|----------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| <b>OPERATING REVENUE (Excluding Contributions to Development of Assets)</b> |                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| General Purpose Funding   |                | 25,230,270                    | 26,119,160                    | 26,397,210                    | 26,483,650                    | 26,589,500                    | 26,713,650                    | 26,701,550                    | 26,709,750                    | 26,705,640                    | 26,699,720                     |
| Governance  |                | 200                           | 200                           | 200                           | 200                           | 200                           | 200                           | 200                           | 200                           | 200                           | 200                            |
| Law Order & Public Safety   |                | 44,200                        | 34,300                        | 34,300                        | 34,300                        | 34,300                        | 34,300                        | 34,300                        | 34,300                        | 34,300                        | 34,300                         |
| Health  |                | 87,100                        | 94,100                        | 94,100                        | 94,100                        | 94,100                        | 94,100                        | 94,100                        | 94,100                        | 94,100                        | 94,100                         |
| Education & Welfare   |                | 34,990                        | 33,990                        | 33,990                        | 33,990                        | 33,990                        | 33,990                        | 33,990                        | 33,990                        | 33,990                        | 33,990                         |
| Community Amenities   |                | 4,648,587                     | 4,919,910                     | 4,997,910                     | 4,997,910                     | 4,997,910                     | 4,997,910                     | 4,997,910                     | 4,997,910                     | 4,997,910                     | 4,997,910                      |
| Recreation & Culture  |                | 3,420,658                     | 3,454,920                     | 3,693,970                     | 3,835,970                     | 4,085,970                     | 4,085,970                     | 4,085,970                     | 4,085,970                     | 4,085,970                     | 4,085,970                      |
| Transport   |                | 3,183,790                     | 2,934,710                     | 2,954,710                     | 2,952,710                     | 2,927,710                     | 3,014,010                     | 3,014,010                     | 2,978,360                     | 2,978,360                     | 2,978,360                      |
| Economic Services   |                | 203,059                       | 178,560                       | 178,560                       | 178,560                       | 178,560                       | 178,560                       | 178,560                       | 178,560                       | 178,560                       | 178,560                        |
| Other Property & Services   |                | 5,461,130                     | 5,921,040                     | 8,491,370                     | 6,607,330                     | 6,352,280                     | 6,352,280                     | 6,314,250                     | 6,352,280                     | 6,352,280                     | 6,352,280                      |
| <b>Total Operating Revenue</b>  | 1,2            | <b>42,313,984</b>             | <b>43,690,890</b>             | <b>46,876,320</b>             | <b>45,218,720</b>             | <b>45,294,520</b>             | <b>45,504,970</b>             | <b>45,454,840</b>             | <b>45,465,420</b>             | <b>45,461,310</b>             | <b>45,455,390</b>              |
| <b>OPERATING EXPENDITURE (Excluding Borrowing Costs Expense)</b>            |                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| General Purpose Funding   |                | (619,030)                     | (653,910)                     | (633,170)                     | (633,170)                     | (633,170)                     | (633,170)                     | (633,170)                     | (633,170)                     | (633,170)                     | (633,170)                      |
| Governance  |                | (2,353,577)                   | (2,426,100)                   | (2,428,710)                   | (2,473,710)                   | (2,428,710)                   | (2,473,710)                   | (2,428,710)                   | (2,473,710)                   | (2,428,710)                   | (2,473,710)                    |
| Law Order & Public Safety   |                | (721,370)                     | (700,950)                     | (712,530)                     | (712,530)                     | (712,530)                     | (712,530)                     | (712,530)                     | (712,530)                     | (712,530)                     | (712,530)                      |
| Health  |                | (889,830)                     | (900,500)                     | (915,820)                     | (915,820)                     | (915,820)                     | (915,820)                     | (955,820)                     | (915,820)                     | (915,820)                     | (915,820)                      |
| Education & Welfare   |                | (735,790)                     | (766,330)                     | (781,930)                     | (781,930)                     | (781,930)                     | (781,930)                     | (781,930)                     | (781,930)                     | (781,930)                     | (781,930)                      |
| Community Amenities   |                | (6,390,900)                   | (6,245,000)                   | (6,388,680)                   | (6,388,680)                   | (6,388,680)                   | (6,388,680)                   | (6,388,680)                   | (6,388,680)                   | (6,388,680)                   | (6,388,680)                    |
| Recreation & Culture  |                | (13,852,390)                  | (14,481,350)                  | (14,763,280)                  | (14,805,140)                  | (14,855,380)                  | (14,873,450)                  | (14,873,450)                  | (14,873,450)                  | (14,873,590)                  | (14,875,200)                   |
| Transport   |                | (10,207,980)                  | (10,493,940)                  | (10,750,590)                  | (10,859,030)                  | (10,894,110)                  | (10,928,550)                  | (10,963,410)                  | (11,052,540)                  | (11,051,080)                  | (11,086,190)                   |
| Economic Services   |                | (2,239,920)                   | (2,378,860)                   | (2,704,590)                   | (2,704,590)                   | (2,704,590)                   | (2,704,590)                   | (2,704,590)                   | (2,704,590)                   | (2,704,590)                   | (2,704,590)                    |
| Other Property & Services   |                | (1,971,520)                   | (2,043,870)                   | (4,058,120)                   | (2,058,120)                   | (2,058,120)                   | (2,058,120)                   | (2,058,120)                   | (2,058,120)                   | (2,058,120)                   | (2,058,120)                    |
| <b>Total Operating Expenditure</b>  | 1,2            | <b>(39,982,307)</b>           | <b>(41,090,810)</b>           | <b>(44,137,420)</b>           | <b>(42,332,720)</b>           | <b>(42,373,040)</b>           | <b>(42,470,550)</b>           | <b>(42,500,410)</b>           | <b>(42,594,540)</b>           | <b>(42,548,220)</b>           | <b>(42,629,940)</b>            |
| <b>BORROWING COSTS EXPENSE</b>  |                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Recreation & Culture  |                | (143,960)                     | (141,380)                     | (126,150)                     | (115,400)                     | (104,420)                     | (92,970)                      | (80,980)                      | (68,700)                      | (56,630)                      | (44,020)                       |
| Economic Services   |                | (265,700)                     | (254,490)                     | (242,540)                     | (230,080)                     | (217,010)                     | (203,350)                     | (188,880)                     | (173,750)                     | (157,860)                     | (141,220)                      |
| <b>Total Borrowing Costs Expense</b>  | Loan Schedule  | <b>(409,660)</b>              | <b>(395,870)</b>              | <b>(368,690)</b>              | <b>(345,480)</b>              | <b>(321,430)</b>              | <b>(296,320)</b>              | <b>(269,860)</b>              | <b>(242,450)</b>              | <b>(214,490)</b>              | <b>(185,240)</b>               |
| <b>CONTRIBUTIONS TO THE DEVELOPMENT OF ASSETS</b>                           |                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Transport   |                | 822,870                       | 1,302,730                     | 1,101,160                     | 647,900                       | 647,900                       | 397,900                       | 397,900                       | 647,900                       | 647,900                       | 647,900                        |
| <b>Total Contributions to the Development of As</b>                         | 16             | <b>822,870</b>                | <b>1,302,730</b>              | <b>1,267,760</b>              | <b>814,500</b>                | <b>814,500</b>                | <b>397,900</b>                | <b>897,900</b>                | <b>1,147,900</b>              | <b>1,147,900</b>              | <b>647,900</b>                 |
| <b>PROFIT/(LOSS) ON DISPOSAL OF ASSETS</b>                                  |                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Recreation & Culture  |                | 7,780                         | (8,840)                       | (8,840)                       | (8,840)                       | (8,840)                       | (8,840)                       | (8,840)                       | (8,840)                       | (8,840)                       | (8,840)                        |
| Transport   |                | 35,610                        | 53,000                        | 53,000                        | 53,000                        | 53,000                        | 53,000                        | 53,000                        | 53,000                        | 53,000                        | 53,000                         |
| Economic Services   |                | 0                             | (3,630)                       | (3,630)                       | (3,630)                       | (3,630)                       | (3,630)                       | (3,630)                       | (3,630)                       | (3,630)                       | (3,630)                        |
| Other Property & Services   |                | (6,480)                       | 3,010                         | 3,010                         | 3,010                         | 3,010                         | 3,010                         | 3,010                         | 3,010                         | 3,010                         | 3,010                          |
| <b>Total Profit/(Loss) on Disposal of Assets</b>                            | Asset schedule | <b>35,680</b>                 | <b>43,540</b>                 | <b>43,540</b>                 | <b>43,540</b>                 | <b>43,540</b>                 | <b>43,540</b>                 | <b>43,540</b>                 | <b>43,540</b>                 | <b>43,540</b>                 | <b>43,540</b>                  |
| <b>NET RESULT</b>   |                | <b>2,780,567</b>              | <b>3,550,480</b>              | <b>3,681,510</b>              | <b>3,398,560</b>              | <b>3,458,090</b>              | <b>3,179,540</b>              | <b>3,626,010</b>              | <b>3,819,870</b>              | <b>3,890,040</b>              | <b>3,331,650</b>               |
| <b>OTHER COMPREHENSIVE INCOME</b>   |                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Changes on revaluation of Non-current Assets                                |                | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Changes on revaluation of Associate   |                | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| <b>Total Other Comprehensive Income</b>                                     |                | <b>0</b>                      | <b>0</b>                      | <b>0</b>                      | <b>0</b>                      | <b>0</b>                      | <b>0</b>                      | <b>0</b>                      | <b>0</b>                      | <b>0</b>                      | <b>0</b>                       |
| <b>TOTAL COMPREHENSIVE INCOME</b>   |                | <b>2,780,567</b>              | <b>3,550,480</b>              | <b>3,681,510</b>              | <b>3,398,560</b>              | <b>3,458,090</b>              | <b>3,179,540</b>              | <b>3,626,010</b>              | <b>3,819,870</b>              | <b>3,890,040</b>              | <b>3,331,650</b>               |

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City of Subiaco

Statement of Comprehensive Income by Nature or Type

|  |                | Year 1       | Year 2       | Year 3       | Year 4       | Year 5       | Year 6       | Year 7       | Year 8       | Year 9       | Year 10      |
|--|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  |                | Budget       | Budget       | Budget       | Budget       | Budget       | Budget       | Budget       | Budget       | Budget       | Budget       |
| Notes  |                | 2018/2019    | 2019/2020    | 2020/2021    | 2021/2022    | 2022/2023    | 2023/2024    | 2024/2025    | 2025/2026    | 2026/2027    | 2027/2028    |
| OPERATING REVENUE                                  |                |              |              |              |              |              |              |              |              |              |              |
| Rates (net of discount, also includes specified an | Rates Schedule | 23,711,120   | 24,435,250   | 24,785,250   | 24,935,250   | 25,035,250   | 25,185,250   | 25,185,250   | 25,185,250   | 25,185,250   | 25,185,250   |
| Grants, Subsidies and Contributions                | 16             | 1,372,450    | 1,881,310    | 1,846,340    | 1,393,080    | 1,393,080    | 976,480      | 1,476,480    | 1,726,480    | 1,726,480    | 1,226,480    |
| Reimbursements and Donations                       |                | 770,130      | 737,410      | 737,410      | 737,410      | 737,410      | 737,410      | 737,410      | 737,410      | 737,410      | 737,410      |
| Fees and Charges                                   | 10             | 11,389,397   | 11,684,310   | 14,490,690   | 12,741,650   | 12,716,600   | 12,802,900   | 12,764,870   | 12,767,250   | 12,767,250   | 12,767,250   |
| Interest Earnings                                  | 5              | 826,470      | 966,230      | 894,280      | 830,720      | 836,570      | 810,720      | 798,620      | 806,820      | 802,710      | 796,790      |
| Other Revenue                                      |                | 614,200      | 564,700      | 590,700      | 595,700      | 590,700      | 590,700      | 590,700      | 590,700      | 590,700      | 590,700      |
| Gain on Asset Disposals                            | Asset Schedule | 71,630       | 56,010       | 56,010       | 56,010       | 56,010       | 56,010       | 56,010       | 56,010       | 56,010       | 56,010       |
| Sanitation Charges                                 | Waste Schedule | 4,453,087    | 4,724,410    | 4,799,410    | 4,799,410    | 4,799,410    | 4,799,410    | 4,799,410    | 4,799,410    | 4,799,410    | 4,799,410    |
| Total Operating Revenue                            | 1,2            | 43,208,484   | 45,049,630   | 48,200,090   | 46,089,230   | 46,165,030   | 45,958,880   | 46,408,750   | 46,669,330   | 46,665,220   | 46,159,300   |
| OPERATING EXPENDITURE                              |                |              |              |              |              |              |              |              |              |              |              |
| Employee Costs                                     |                | (20,095,420) | (20,622,260) | (21,023,400) | (21,023,400) | (21,023,400) | (21,023,400) | (21,023,400) | (21,023,400) | (21,023,400) | (21,023,400) |
| Materials and Contracts                            |                | (11,613,627) | (11,517,970) | (14,005,860) | (12,053,360) | (12,044,360) | (12,029,360) | (12,059,360) | (12,064,360) | (12,019,360) | (12,019,360) |
| Utilities (gas, electricity, water etc.)           |                | (942,220)    | (923,860)    | (1,034,130)  | (1,034,130)  | (1,034,130)  | (1,034,130)  | (1,034,130)  | (1,034,130)  | (1,034,130)  | (1,034,130)  |
| Depreciation on Non-Current Assets                 | Asset Schedule | (5,417,270)  | (5,819,520)  | (5,911,830)  | (6,014,630)  | (6,108,950)  | (6,176,460)  | (6,221,320)  | (6,265,450)  | (6,309,130)  | (6,345,850)  |
| Interest Expenses                                  | Loan Schedule  | (409,660)    | (395,870)    | (368,690)    | (345,480)    | (321,430)    | (296,320)    | (269,860)    | (242,450)    | (214,490)    | (185,240)    |
| Insurance Expenses                                 |                | (456,950)    | (520,600)    | (520,600)    | (520,600)    | (520,600)    | (520,600)    | (520,600)    | (520,600)    | (520,600)    | (520,600)    |
| Loss on Asset Disposal                             | Asset Schedule | (35,950)     | (12,470)     | (12,470)     | (12,470)     | (12,470)     | (12,470)     | (12,470)     | (12,470)     | (12,470)     | (12,470)     |
| Other Expenditure                                  |                | (1,456,820)  | (1,686,600)  | (1,641,600)  | (1,686,600)  | (1,641,600)  | (1,686,600)  | (1,641,600)  | (1,686,600)  | (1,641,600)  | (1,686,600)  |
| Total Operating Expenditure                        | 1,2            | (40,427,917) | (41,499,150) | (44,518,580) | (42,690,670) | (42,706,940) | (42,779,340) | (42,782,740) | (42,849,460) | (42,775,180) | (42,827,650) |
| NET RESULT   |                | 2,780,567    | 3,550,480    | 3,681,510    | 3,398,560    | 3,458,090    | 3,179,540    | 3,626,010    | 3,819,870    | 3,890,040    | 3,331,650    |
| OTHER COMPREHENSIVE INCOME                         |                |              |              |              |              |              |              |              |              |              |              |
| Changes on revaluation of Non-current Assets       |                | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Changes on revaluation of Associate                |                |              | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Total Other Comprehensive Income                   |                | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| TOTAL COMPREHENSIVE INCOME                         |                | 2,780,567    | 3,550,480    | 3,681,510    | 3,398,560    | 3,458,090    | 3,179,540    | 3,626,010    | 3,819,870    | 3,890,040    | 3,331,650    |

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B. Supporting Schedules

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City of Subiaco  
Capital Funding Summary

|   | Notes             | Year 1<br>Budget<br>2018/2019 | Year 2<br>Budget<br>2019/2020 | Year 3<br>Budget<br>2020/2021 | Year 4<br>Budget<br>2021/2022 | Year 5<br>Budget<br>2022/2023 | Year 6<br>Budget<br>2023/2024 | Year 7<br>Budget<br>2024/2025 | Year 8<br>Budget<br>2025/2026 | Year 9<br>Budget<br>2026/2027 | Year 10<br>Budget<br>2027/2028 |
|---|-------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| <b>Capital Works</b>                                    |                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Land  |                   | (7,500,000)                   | (14,000,000)                  | (500,000)                     | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Buildings   |                   | (3,224,500)                   | (3,623,000)                   | (12,559,000)                  | (2,685,000)                   | (1,000,000)                   | (500,000)                     | (1,955,000)                   | (1,500,000)                   | (1,500,000)                   | (400,000)                      |
| Plant   |                   | (1,337,000)                   | (1,086,000)                   | (922,000)                     | (1,389,000)                   | (3,012,000)                   | (1,970,000)                   | (1,109,000)                   | (854,000)                     | (1,585,000)                   | (2,369,000)                    |
| Furniture   |                   | (1,126,300)                   | (1,018,650)                   | (722,150)                     | (1,190,650)                   | (755,150)                     | (835,150)                     | (920,150)                     | (870,150)                     | (755,150)                     | (681,600)                      |
| Road Works  |                   | (3,150,500)                   | (4,094,790)                   | (3,786,620)                   | (3,183,940)                   | (3,205,230)                   | (3,228,750)                   | (2,911,150)                   | (3,626,330)                   | (3,697,550)                   | (3,583,830)                    |
| Landscape & Irrigation Works                            |                   | (176,874)                     | (408,790)                     | (335,580)                     | (352,770)                     | (304,730)                     | (345,470)                     | (176,960)                     | (348,300)                     | 0                             | 0                              |
| Footpath Works  |                   | (108,435)                     | (179,470)                     | (197,710)                     | (189,780)                     | (212,760)                     | (147,700)                     | (261,920)                     | (193,140)                     | (223,110)                     | (209,500)                      |
| Drainage Works  |                   | (140,243)                     | (1,951,560)                   | (951,350)                     | (493,880)                     | (346,290)                     | (345,470)                     | (990,960)                     | (213,240)                     | (468,700)                     | (556,280)                      |
| Street Lighting   |                   | 0                             | (279,870)                     | (161,080)                     | (292,800)                     | (166,220)                     | (196,920)                     | (162,800)                     | (85,300)                      | (119,560)                     | 0                              |
| Car Park Improvements                                   |                   | (430,000)                     | (218,860)                     | (40,270)                      | 0                             | (677,880)                     | (673,160)                     | (50,000)                      | 0                             | 0                             | 0                              |
| Other Infrastructure                                    |                   | (207,134)                     | (352,330)                     | (350,420)                     | (381,981)                     | (380,740)                     | (387,360)                     | (387,560)                     | (386,160)                     | (383,120)                     | (385,670)                      |
| Parks and Reserves Improvements                         |                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Irrigation Upgrades                                     |                   | (169,500)                     | (253,160)                     | (664,900)                     | (104,651)                     | (253,750)                     | (127,180)                     | (328,950)                     | (777,260)                     | (368,280)                     | (167,580)                      |
| Furniture & Lighting Upgrades                           |                   | (314,500)                     | (263,250)                     | (721,610)                     | (771,898)                     | (835,200)                     | (471,540)                     | (367,180)                     | (32,870)                      | (495,660)                     | (1,087,640)                    |
| Playground Upgrades                                     |                   | (79,470)                      | (116,370)                     | (68,050)                      | (340,130)                     | (212,310)                     | (99,750)                      | (166,040)                     | (118,200)                     | (360,080)                     | (266,530)                      |
| Landscaping Upgrades                                    |                   | (494,217)                     | (390,110)                     | (211,750)                     | (542,940)                     | (564,780)                     | (959,220)                     | (379,030)                     | (459,130)                     | (168,660)                     | 0                              |
| <b>Total Capital Works Programme</b>                    | Asset Schedule    | (18,458,673)                  | (28,236,210)                  | (22,192,490)                  | (11,919,420)                  | (11,927,040)                  | (10,287,670)                  | (10,166,700)                  | (9,464,080)                   | (10,124,870)                  | (9,707,630)                    |
| <b>Reserves Utilised for Capital Works</b>              |                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Buildings & Facilities                                  |                   | 552,000                       | 170,000                       | 7,190,000                     | 1,025,000                     | 1,000,000                     | 500,000                       | 1,455,000                     | 1,000,000                     | 1,000,000                     | 400,000                        |
| Capital Investment Fund                                 |                   | 9,702,500                     | 16,000,000                    | 4,850,000                     | 1,000,000                     | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Investment Income Fund                                  |                   | 4,032,410                     | 6,226,260                     | 6,379,520                     | 6,392,600                     | 5,290,640                     | 4,331,010                     | 4,015,280                     | 4,111,540                     | 4,116,760                     | 4,172,280                      |
| Infrastructure Replacement                              |                   | 1,597,200                     | 3,156,960                     | 1,402,500                     | 1,116,490                     | 1,427,320                     | 2,705,050                     | 2,340,810                     | 2,051,930                     | 2,091,500                     | 1,934,740                      |
| Parking and Public Transport                            |                   | 160,000                       | 310,000                       | 45,000                        | 300,000                       | 500,000                       | 200,000                       | 210,000                       | 160,000                       | 300,000                       | 300,000                        |
| Waste Management  |                   | 5,000                         | 61,000                        | 61,000                        | 61,000                        | 961,000                       | 961,000                       | 61,000                        | 61,000                        | 61,000                        | 956,000                        |
| Plant & Equipment                                       |                   | 923,000                       | 510,000                       | 545,000                       | 803,000                       | 1,071,000                     | 707,000                       | 681,000                       | 436,000                       | 866,000                       | 753,000                        |
| Public Art  |                   | 93,600                        | 144,260                       | 145,710                       | 146,830                       | 147,580                       | 148,710                       | 148,710                       | 148,710                       | 148,710                       | 148,710                        |
| <b>Total Reserves Utilised</b>                          | Reserves Schedule | 17,271,810                    | 26,578,480                    | 20,618,730                    | 10,844,920                    | 10,397,540                    | 9,552,770                     | 8,911,800                     | 7,969,180                     | 8,583,970                     | 8,664,730                      |
| <b>Contributions to the Development of Assets</b>       |                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Main Roads WA - MRRG                                    |                   | 577,200                       | 662,000                       | 626,260                       | 250,000                       | 250,000                       | 0                             | 0                             | 250,000                       | 250,000                       | 250,000                        |
| Main Roads WA - Blackspot                               |                   | 90,670                        | 242,000                       | 182,000                       | 100,000                       | 100,000                       | 100,000                       | 100,000                       | 100,000                       | 100,000                       | 100,000                        |
| Main Roads - Direct Grant                               |                   | 0                             | 35,000                        | 35,000                        | 35,000                        | 35,000                        | 35,000                        | 35,000                        | 35,000                        | 35,000                        | 35,000                         |
| Department of Transport & Regional Development - RTR    |                   | 130,000                       | 97,900                        | 97,900                        | 97,900                        | 97,900                        | 97,900                        | 97,900                        | 97,900                        | 97,900                        | 97,900                         |
| Bikewest  |                   | 25,000                        | 300,830                       | 195,000                       | 200,000                       | 200,000                       | 200,000                       | 200,000                       | 200,000                       | 200,000                       | 200,000                        |
| Department of Sport and Recreation                      |                   | 0                             | 0                             | 166,600                       | 166,600                       | 166,600                       | 0                             | 0                             | 0                             | 0                             | 0                              |
| Lotteries Commission                                    |                   | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 500,000                       | 0                             | 0                             | 0                              |
| Lotteries Commission                                    |                   | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 500,000                       | 0                             | 0                              |
| Dept. of Culture & the Arts                             |                   | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 500,000                       | 0                              |
| <b>Total Contributions to the Development of Assets</b> | 16                | 822,870                       | 1,337,730                     | 1,302,760                     | 849,500                       | 849,500                       | 432,900                       | 932,900                       | 1,182,900                     | 1,182,900                     | 682,900                        |
| <b>Proceeds Disposal of Assets</b>                      |                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Proceeds on disposal of land and buildings              |                   | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Proceeds on disposal of plant and equipment             |                   | 364,000                       | 320,000                       | 271,000                       | 225,000                       | 680,000                       | 302,000                       | 322,000                       | 312,000                       | 358,000                       | 360,000                        |
| <b>Total Proceeds Disposal of Assets</b>                | Assets Schedule   | 364,000                       | 320,000                       | 271,000                       | 225,000                       | 680,000                       | 302,000                       | 322,000                       | 312,000                       | 358,000                       | 360,000                        |
| <b>TOTAL MUNICIPAL FUNDS REQUIRED</b>                   |                   | 7                             | 0                             | 0                             | (0)                           | 0                             | 0                             | 0                             | (0)                           | 0                             | 0                              |



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City of Subiaco  
Loan Summary

| Loan<br>No.                 | Year 1      | Year 2      | Year 3      | Year 4      | Year 5      | Year 6      | Year 7      | Year 8      | Year 9      | Year 10     |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                             | BUDGET      | BUDGET      | BUDGET      | BUDGET      | BUDGET      | BUDGET      | BUDGET      | BUDGET      | BUDGET      | BUDGET      |
|                             | 2018-2019   | 2019-2020   | 2020-2021   | 2021-2022   | 2022-2023   | 2023-2024   | 2024-2025   | 2025-2026   | 2026-2027   | 2027-2028   |
|                             | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          |
| Proceeds (New Loans)        | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Repayments                  |             |             |             |             |             |             |             |             |             |             |
| Principal Repayments        | (485,530)   | (513,383)   | (422,156)   | (441,592)   | (461,953)   | (483,290)   | (505,662)   | (504,627)   | (528,382)   | (553,300)   |
| Interest Repayments         | (409,660)   | (395,870)   | (368,690)   | (345,480)   | (321,430)   | (296,320)   | (269,860)   | (242,450)   | (214,490)   | (185,240)   |
| Total Repayments            | (895,190)   | (909,253)   | (790,846)   | (787,072)   | (783,383)   | (779,610)   | (775,522)   | (747,077)   | (742,872)   | (738,540)   |
| Principal Outstanding       |             |             |             |             |             |             |             |             |             |             |
| Current Borrowings          | (485,530)   | (513,383)   | (422,156)   | (441,592)   | (461,953)   | (483,290)   | (505,662)   | (504,627)   | (528,382)   | (553,300)   |
| Non-Current Borrowings      | (6,825,330) | (6,284,093) | (5,953,165) | (5,492,136) | (5,009,822) | (4,505,196) | (3,977,162) | (3,473,570) | (2,921,433) | (2,343,215) |
| Total Principal Outstanding | (7,310,860) | (6,797,477) | (6,375,321) | (5,933,728) | (5,471,775) | (4,988,485) | (4,482,824) | (3,978,197) | (3,449,815) | (2,896,515) |

LOAN DETAILS

Proceeds

|                |   |   |   |   |   |   |   |   |   |   |
|----------------|---|---|---|---|---|---|---|---|---|---|
| Total Proceeds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|----------------|---|---|---|---|---|---|---|---|---|---|

Principal Repayments

|                             |       |         |         |         |         |         |         |         |         |         |         |
|-----------------------------|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Underground Power Round 6   | 123AC | 117,980 | 124,121 | 130,583 | 137,382 | 144,534 | 152,058 | 159,974 | 168,303 | 177,065 | 186,283 |
| Underground Power Round 7   | 123B  | 82,000  | 85,794  | 89,769  | 93,927  | 98,278  | 102,831 | 107,594 | 112,579 | 117,794 | 123,251 |
| Rosalie Park Improvements A | 121A  | 32,600  | 34,660  | 36,846  | 39,170  | 41,640  | 44,266  | 47,057  | 50,025  | 53,180  | 56,534  |
| Rosalie Park Improvements B | 121   | 6,700   | 7,112   | 7,550   | 8,015   | 8,509   | 9,034   | 9,590   | 10,181  | 10,809  | 11,475  |
| Rosalie Park Improvements C | 121C  | 40,730  | 42,614  | 44,582  | 46,640  | 48,794  | 51,048  | 53,405  | 55,871  | 58,451  | 61,150  |
| Rosalie Park Improvements D | 121D  | 19,040  | 29,777  | 20,700  | 21,405  | 22,135  | 22,889  | 23,669  |         |         |         |
| Lake Jualbup                | LJ    | 86,480  | 89,303  | 92,132  | 95,049  | 98,060  | 101,165 | 104,369 | 107,674 | 111,084 | 114,602 |
| Regal Theatre               | 126   | 100,000 | 100,000 |         |         |         |         |         |         |         |         |
| Total Principal Repayments  |       | 485,530 | 513,381 | 422,162 | 441,589 | 461,950 | 483,290 | 505,659 | 504,633 | 528,383 | 553,295 |

Interest Repayments

|                             |       |         |         |         |         |         |         |         |         |         |         |
|-----------------------------|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Underground Power Round 6   | 123AC | 163,790 | 156,858 | 149,447 | 141,705 | 133,563 | 125,038 | 115,989 | 106,511 | 96,534  | 86,064  |
| Underground Power Round 7   | 123B  | 101,910 | 97,634  | 93,094  | 88,380  | 83,449  | 78,314  | 72,886  | 67,235  | 61,323  | 55,156  |
| Rosalie Park Improvements A | 121A  | 38,050  | 35,806  | 33,399  | 30,850  | 28,141  | 25,269  | 22,202  | 18,946  | 15,486  | 11,812  |
| Rosalie Park Improvements B | 121   | 8,520   | 8,064   | 7,796   | 7,069   | 6,526   | 5,952   | 5,338   | 4,689   | 4,000   | 3,269   |
| Rosalie Park Improvements C | 121C  | 47,870  | 45,757  | 43,513  | 41,182  | 38,744  | 36,207  | 33,523  | 30,731  | 27,810  | 24,764  |
| Rosalie Park Improvements D | 121D  | 6,260   | 7,513   | 4,311   | 3,459   | 2,579   | 1,669   | 726     |         |         |         |
| Lake Jualbup                | LJ    | 37,190  | 41,264  | 37,133  | 32,838  | 28,425  | 23,872  | 19,186  | 14,330  | 9,329   | 4,170   |
| Regal Theatre               | 126   | 6,070   | 2,979   |         |         |         |         |         |         |         |         |
| Total Interest Repayments   |       | 409,660 | 395,875 | 368,693 | 345,483 | 321,427 | 296,320 | 269,851 | 242,443 | 214,482 | 185,235 |

Principal Outstanding

|                             |       |           |           |           |           |           |           |           |           |           |           |
|-----------------------------|-------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Underground Power Round 6   | 123AC | 2,720,277 | 2,596,156 | 2,465,573 | 2,328,191 | 2,183,657 | 2,031,599 | 1,871,625 | 1,703,322 | 1,526,257 | 1,339,974 |
| Underground Power Round 7   | 123B  | 1,884,564 | 1,798,770 | 1,709,001 | 1,615,074 | 1,516,796 | 1,413,965 | 1,306,371 | 1,193,792 | 1,075,998 | 952,747   |
| Rosalie Park Improvements A | 121A  | 527,369   | 492,709   | 455,863   | 416,693   | 375,054   | 330,788   | 283,730   | 233,705   | 180,525   | 123,991   |
| Rosalie Park Improvements B | 121   | 121,118   | 114,006   | 106,456   | 98,441    | 89,931    | 80,898    | 71,307    | 61,126    | 50,317    | 38,842    |
| Rosalie Park Improvements C | 121C  | 903,441   | 860,827   | 816,245   | 769,605   | 720,810   | 669,763   | 616,358   | 560,487   | 502,036   | 440,886   |
| Rosalie Park Improvements D | 121D  | 140,571   | 110,794   | 90,094    | 68,689    | 46,555    | 23,665    | (4)       | (4)       | (4)       | (4)       |
| Lake Jualbup                | LJ    | 913,520   | 824,217   | 732,085   | 637,036   | 538,976   | 437,811   | 333,442   | 225,768   | 114,684   | 82        |
| Regal Theatre               | 126   | 100,000   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| Total Principal Outstanding |       | 7,310,860 | 6,797,479 | 6,375,318 | 5,933,729 | 5,471,779 | 4,988,489 | 4,482,831 | 3,978,198 | 3,449,815 | 2,896,520 |

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## City of Subiaco

## Cash Reserve Summary

|  | Year 1<br>Budget<br>2018/2019 | Year 2<br>Budget<br>2019/2020 | Year 3<br>Budget<br>2020/2021 | Year 4<br>Budget<br>2021/2022 | Year 5<br>Budget<br>2022/2023 | Year 6<br>Budget<br>2023/2024 | Year 7<br>Budget<br>2024/2025 | Year 8<br>Budget<br>2025/2026 | Year 9<br>Budget<br>2026/2027 | Year 10<br>Budget<br>2027/2028 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| <b>TRANSFERS TO RESERVES</b>                               |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Transfer to Reserves - Investment Income Fund              | 3,458,240                     | 3,902,290                     | 6,458,370                     | 4,574,330                     | 4,319,280                     | 4,319,280                     | 4,281,250                     | 4,319,280                     | 4,319,280                     | 4,319,280                      |
| Transfer to Reserves - Capital Investment Fund             | 0                             | 18,000,000                    | 850,000                       | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Transfer to Reserves - Infrastructure Replacement          | 2,414,020                     | 1,870,950                     | 1,857,920                     | 1,729,980                     | 1,724,980                     | 1,761,350                     | 1,751,350                     | 2,246,350                     | 2,251,350                     | 2,251,350                      |
| Transfer to Reserves - Waste Management                    | 40,550                        | 336,690                       | 299,900                       | 299,880                       | 299,880                       | 299,880                       | 299,880                       | 299,880                       | 299,880                       | 299,880                        |
| Transfer to Reserves - Parking and Public Transport        | 0                             | 150,000                       | 150,000                       | 150,000                       | 150,000                       | 150,000                       | 140,000                       | 150,000                       | 200,000                       | 200,000                        |
| Transfer to Reserves - UG Power                            | 460,000                       | 200,000                       | 450,000                       | 450,000                       | 450,000                       | 450,000                       | 450,000                       | 450,000                       | 450,000                       | 450,000                        |
| Transfer to Reserves - Buildings & Facilities              | 320,000                       | 530,000                       | 7,400,000                     | 695,000                       | 3,390,000                     | 740,000                       | 840,000                       | 340,000                       | 340,000                       | 340,000                        |
| Transfer to Reserves - Plant & Equipment                   | 382,000                       | 550,000                       | 450,000                       | 350,000                       | 500,000                       | 850,000                       | 800,000                       | 700,000                       | 700,000                       | 700,000                        |
| Transfer to Reserves - Information Technology & Systems    | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Transfer to Reserves - Public Art                          | 117,000                       | 183,260                       | 185,890                       | 187,010                       | 187,760                       | 188,890                       | 188,890                       | 188,890                       | 188,890                       | 188,890                        |
| Transfer to Reserves - Heritage Grants Scheme              | 50,000                        | 50,000                        | 50,000                        | 50,000                        | 50,000                        | 50,000                        | 50,000                        | 50,000                        | 50,000                        | 50,000                         |
| <b>TOTAL</b>   | <b>7,241,810</b>              | <b>25,773,190</b>             | <b>18,152,080</b>             | <b>8,486,200</b>              | <b>11,071,900</b>             | <b>8,809,400</b>              | <b>8,801,370</b>              | <b>8,744,400</b>              | <b>8,799,400</b>              | <b>8,799,400</b>               |
| <b>TRANSFERS FROM RESERVES</b>                             |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Transfer from Reserves - Investment Income Fund            | (4,355,850)                   | (6,568,130)                   | (6,707,480)                   | (6,718,280)                   | (5,614,190)                   | (4,652,380)                   | (4,334,350)                   | (4,403,990)                   | (4,406,910)                   | (4,460,060)                    |
| Transfer from Reserves - Capital Investment Fund           | (9,702,500)                   | (16,000,000)                  | (4,850,000)                   | (1,000,000)                   | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Transfer from Reserves - Infrastructure Replacement        | (1,597,200)                   | (3,156,960)                   | (1,402,500)                   | (1,116,490)                   | (1,427,320)                   | (2,705,050)                   | (2,340,810)                   | (2,051,930)                   | (2,091,500)                   | (1,934,740)                    |
| Transfer from Reserves - Waste Management                  | (5,000)                       | (61,000)                      | (61,000)                      | (61,000)                      | (961,000)                     | (961,000)                     | (61,000)                      | (61,000)                      | (61,000)                      | (956,000)                      |
| Transfer from Reserves - Parking and Public Transport      | (160,000)                     | (310,000)                     | (45,000)                      | (300,000)                     | (500,000)                     | (200,000)                     | (210,000)                     | (160,000)                     | (300,000)                     | (300,000)                      |
| Transfer from Reserves - UG Power                          | (465,680)                     | (464,410)                     | (462,890)                     | (461,390)                     | (459,820)                     | (458,240)                     | (456,440)                     | (454,630)                     | (452,720)                     | (450,750)                      |
| Transfer from Reserves - Buildings & Facilities            | (552,000)                     | (170,000)                     | (7,190,000)                   | (1,025,000)                   | (1,000,000)                   | (500,000)                     | (1,455,000)                   | (1,000,000)                   | (1,000,000)                   | (400,000)                      |
| Transfer from Reserves - Plant & Equipment                 | (923,000)                     | (510,000)                     | (545,000)                     | (803,000)                     | (1,071,000)                   | (707,000)                     | (681,000)                     | (436,000)                     | (866,000)                     | (753,000)                      |
| Transfer from Reserves - Information Technology & Systems  | (206,100)                     | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Transfer from Reserves - Public Art                        | (117,000)                     | (183,260)                     | (185,890)                     | (187,010)                     | (187,760)                     | (188,890)                     | (188,890)                     | (188,890)                     | (188,890)                     | (188,890)                      |
| Transfer from Reserves - Heritage Grants Scheme            | (50,000)                      | (50,000)                      | (50,000)                      | (50,000)                      | (50,000)                      | (50,000)                      | (50,000)                      | (50,000)                      | (50,000)                      | (50,000)                       |
| <b>TOTAL</b>   | <b>(18,134,330)</b>           | <b>(27,473,760)</b>           | <b>(21,499,760)</b>           | <b>(11,722,170)</b>           | <b>(11,271,090)</b>           | <b>(10,422,560)</b>           | <b>(9,777,490)</b>            | <b>(8,806,440)</b>            | <b>(9,417,020)</b>            | <b>(9,493,440)</b>             |
| <b>INTEREST ON RESERVES</b>                                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Interest On Reserves - Investment Income Fund              | 304,100                       | 67,030                        | 70,970                        | 30,110                        | 6,880                         | 4,760                         | 8,890                         | 12,410                        | 15,940                        | 18,350                         |
| Interest On Reserves - Capital Investment Fund             | 0                             | 357,100                       | 257,100                       | 232,100                       | 232,100                       | 232,100                       | 232,100                       | 232,100                       | 232,100                       | 232,100                        |
| Interest On Reserves - Infrastructure Replacement          | 67,340                        | 40,650                        | 51,810                        | 66,780                        | 74,980                        | 55,430                        | 43,420                        | 48,770                        | 53,460                        | 61,790                         |
| Interest On Reserves - Waste Management                    | 27,690                        | 35,070                        | 41,240                        | 47,540                        | 33,740                        | 19,620                        | 25,440                        | 31,380                        | 37,460                        | 23,540                         |
| Interest On Reserves - Student Bursaries                   | 1,270                         | 1,300                         | 1,330                         | 1,360                         | 1,390                         | 1,420                         | 1,450                         | 1,480                         | 1,520                         | 1,550                          |
| Interest On Reserves - Parking and Public Transport        | 20,910                        | 31,340                        | 34,410                        | 31,810                        | 24,650                        | 24,080                        | 23,040                        | 23,340                        | 21,610                        | 19,850                         |
| Interest On Reserves - UG Power                            | 7,620                         | 1,730                         | 1,480                         | 1,260                         | 1,060                         | 900                           | 780                           | 690                           | 640                           | 640                            |
| Interest On Reserves - Buildings & Facilities              | 8,260                         | 20,720                        | 25,910                        | 19,070                        | 73,280                        | 80,330                        | 68,300                        | 54,980                        | 41,370                        | 40,950                         |
| Interest On Reserves - Plant & Equipment                   | 27,400                        | 32,390                        | 30,980                        | 21,480                        | 9,120                         | 12,540                        | 15,500                        | 21,790                        | 18,550                        | 17,770                         |
| Interest On Reserves - Information Technology & Systems    | 5,450                         | 1,140                         | 1,160                         | 1,190                         | 1,210                         | 1,240                         | 1,270                         | 1,300                         | 1,330                         | 1,360                          |
| Interest On Reserves - Public Art                          | 2,980                         | 3,800                         | 3,880                         | 3,970                         | 4,060                         | 4,150                         | 4,240                         | 4,340                         | 4,440                         | 4,540                          |
| Interest On Reserves - Heritage Grants Scheme              | 1,450                         | 1,960                         | 2,010                         | 2,050                         | 2,100                         | 2,150                         | 2,190                         | 2,240                         | 2,290                         | 2,350                          |
| <b>TOTAL</b>   | <b>474,470</b>                | <b>594,230</b>                | <b>522,280</b>                | <b>458,720</b>                | <b>464,570</b>                | <b>438,720</b>                | <b>426,620</b>                | <b>434,820</b>                | <b>430,710</b>                | <b>424,790</b>                 |
| <b>Closing balances of Reserves @ 30 June of each year</b> |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Investment Income Fund                                     | 5,644,969                     | 3,403,259                     | 3,482,219                     | 1,600,479                     | 544,549                       | 448,309                       | 636,199                       | 795,999                       | 956,409                       | 1,066,079                      |
| Capital Investment Fund                                    | 12,284,004                    | 14,284,004                    | 10,284,004                    | 9,284,004                     | 9,284,004                     | 9,284,004                     | 9,284,004                     | 9,284,004                     | 9,284,004                     | 9,284,004                      |
| Infrastructure Replacement                                 | 3,092,563                     | 1,847,203                     | 2,354,433                     | 3,034,703                     | 3,407,343                     | 2,519,073                     | 1,973,033                     | 2,216,223                     | 2,429,533                     | 2,807,933                      |
| Waste Management   | 1,283,162                     | 1,593,922                     | 1,874,062                     | 2,160,482                     | 1,533,102                     | 891,602                       | 1,155,922                     | 1,426,182                     | 1,702,522                     | 1,069,942                      |
| Student Bursaries  | 57,629                        | 58,929                        | 60,259                        | 61,619                        | 63,009                        | 64,429                        | 65,879                        | 67,359                        | 68,879                        | 70,429                         |
| Parking and Public Transport                               | 1,552,915                     | 1,424,255                     | 1,563,665                     | 1,445,475                     | 1,120,125                     | 1,094,205                     | 1,047,245                     | 1,060,585                     | 982,195                       | 902,045                        |
| UG Power   | 341,258                       | 78,578                        | 67,168                        | 57,038                        | 48,278                        | 40,938                        | 35,278                        | 31,338                        | 29,258                        | 29,148                         |
| Buildings & Facilities                                     | 561,051                       | 941,771                       | 1,177,681                     | 866,751                       | 3,330,031                     | 3,650,361                     | 3,103,661                     | 2,498,641                     | 1,880,011                     | 1,860,961                      |
| Plant & Equipment  | 1,399,467                     | 1,471,857                     | 1,407,837                     | 976,317                       | 414,437                       | 569,977                       | 704,477                       | 990,267                       | 842,817                       | 807,587                        |
| Information Technology & Systems                           | 50,498                        | 51,638                        | 52,798                        | 53,988                        | 55,198                        | 56,438                        | 57,708                        | 59,008                        | 60,338                        | 61,698                         |
| Public Art   | 168,761                       | 172,561                       | 176,441                       | 180,411                       | 184,471                       | 188,621                       | 192,861                       | 197,201                       | 201,641                       | 206,181                        |
| Heritage Grants Scheme                                     | 87,235                        | 89,195                        | 91,205                        | 93,255                        | 95,355                        | 97,505                        | 99,695                        | 101,935                       | 104,225                       | 106,575                        |
| <b>TOTAL</b>   | <b>26,523,512</b>             | <b>25,417,172</b>             | <b>22,591,772</b>             | <b>19,814,522</b>             | <b>20,079,902</b>             | <b>18,905,462</b>             | <b>18,355,962</b>             | <b>18,728,742</b>             | <b>18,541,832</b>             | <b>18,272,582</b>              |

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City of Subiaco  
Rates Summary

|   | Notes    | Estimated<br>No. of<br>Properties | GRV                | Rate in<br>dollar | Year 1<br>Budget<br>2018/2019 | Year 2<br>Budget<br>2019/2020 | Year 3<br>Budget<br>2020/2021 | Year 4<br>Budget<br>2021/2022 | Year 5<br>Budget<br>2022/2023 | Year 6<br>Budget<br>2023/2024 | Year 7<br>Budget<br>2024/2025 | Year 8<br>Budget<br>2025/2026 | Year 9<br>Budget<br>2026/2027 | Year 10<br>Budget<br>2027/2028 |
|---|----------|-----------------------------------|--------------------|-------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
|   |          |                                   | \$                 | c                 | \$                            | \$                            | \$                            | \$                            | \$                            | \$                            | \$                            | \$                            | \$                            | \$                             |
| <b>GENERAL RATE REVENUE</b>             | <b>3</b> |                                   |                    |                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| <i>Budget 2018/2019</i>                 |          |                                   |                    |                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| 6.559 cents in the dollar               |          |                                   |                    |                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| GRV - Residential                       | 3a       | 6,718                             | 202,347,966        | 6.55900           | 13,272,000                    | 13,745,580                    | 13,795,580                    | 13,945,580                    | 13,970,580                    | 13,995,580                    | 14,045,580                    | 14,045,580                    | 14,045,580                    | 14,045,580                     |
| GRV - Commercial                        | 3a       | 1,178                             | 130,216,783        | 6.55900           | 8,540,920                     | 8,828,660                     | 9,128,660                     | 9,328,660                     | 9,453,660                     | 9,528,660                     | 9,628,660                     | 9,628,660                     | 9,628,660                     | 9,628,660                      |
| GRV - Industrial                        | 3a       | 10                                | 878,680            | 6.55900           | 57,630                        | 59,070                        | 59,070                        | 59,070                        | 59,070                        | 59,070                        | 59,070                        | 59,070                        | 59,070                        | 59,070                         |
| <b>Sub Totals</b>                       |          | <b>7,906</b>                      | <b>333,443,429</b> |                   | <b>21,870,550</b>             | <b>22,633,310</b>             | <b>22,983,310</b>             | <b>23,333,310</b>             | <b>23,483,310</b>             | <b>23,583,310</b>             | <b>23,733,310</b>             | <b>23,733,310</b>             | <b>23,733,310</b>             | <b>23,733,310</b>              |
| <i>Minimum Rates</i>                    |          |                                   |                    |                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| \$1,165                                 |          |                                   |                    |                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| GRV - Residential                       | 3b       | 1,270                             | 18,370,992         | 1,165             | 1,479,550                     | 1,354,900                     | 1,354,900                     | 1,354,900                     | 1,354,900                     | 1,354,900                     | 1,354,900                     | 1,354,900                     | 1,354,900                     | 1,354,900                      |
| GRV - Commercial                        | 3b       | 91                                | 1,362,268          | 1,165             | 106,020                       | 92,040                        | 92,040                        | 92,040                        | 92,040                        | 92,040                        | 92,040                        | 92,040                        | 92,040                        | 92,040                         |
| GRV - Industrial                        | 3b       | -                                 | -                  | 1,165             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                              |
| <b>Sub Totals</b>                       |          | <b>1,361</b>                      | <b>19,733,260</b>  |                   | <b>1,585,570</b>              | <b>1,446,940</b>              | <b>1,446,940</b>              | <b>1,446,940</b>              | <b>1,446,940</b>              | <b>1,446,940</b>              | <b>1,446,940</b>              | <b>1,446,940</b>              | <b>1,446,940</b>              | <b>1,446,940</b>               |
| <b>Total General Rates to be Levied</b> |          |                                   | <b>353,176,689</b> |                   | <b>23,456,120</b>             | <b>24,080,250</b>             | <b>24,430,250</b>             | <b>24,780,250</b>             | <b>24,930,250</b>             | <b>25,030,250</b>             | <b>25,180,250</b>             | <b>25,180,250</b>             | <b>25,180,250</b>             | <b>25,180,250</b>              |
| Estimated Discounts for prompt payment  |          |                                   |                    |                   | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                             | -                              |
| Write-offs                              |          |                                   |                    |                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Interim Rates                           |          |                                   |                    |                   | 250,000                       | 350,000                       | 350,000                       | 150,000                       | 100,000                       | 150,000                       | -                             | -                             | -                             | -                              |
| Back Rates                              |          |                                   |                    |                   | 5,000                         | 5,000                         | 5,000                         | 5,000                         | 5,000                         | 5,000                         | 5,000                         | 5,000                         | 5,000                         | 5,000                          |
| <b>Total made up from rates</b>         |          |                                   |                    |                   | <b>23,711,120</b>             | <b>24,435,250</b>             | <b>24,785,250</b>             | <b>24,935,250</b>             | <b>25,035,250</b>             | <b>25,185,250</b>             | <b>25,185,250</b>             | <b>25,185,250</b>             | <b>25,185,250</b>             | <b>25,185,250</b>              |

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City of Subiaco

Assets Summary

|  | Year 1<br>Budget<br>2018/2019 | Year 2<br>Budget<br>2019/2020 | Year 3<br>Budget<br>2020/2021 | Year 4<br>Budget<br>2021/2022 | Year 5<br>Budget<br>2022/2023 | Year 6<br>Budget<br>2023/2024 | Year 7<br>Budget<br>2024/2025 | Year 8<br>Budget<br>2025/2026 | Year 9<br>Budget<br>2026/2027 | Year 10<br>Budget<br>2027/2028 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| <b>Capital Expenditure - Renewal</b>                     |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Land   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Buildings  | (1,771,500)                   | (1,318,000)                   | (5,956,000)                   | (1,570,000)                   | (995,000)                     | (500,000)                     | (1,955,000)                   | (1,500,000)                   | (1,500,000)                   | (400,000)                      |
| Road Works   | (3,150,500)                   | (3,045,130)                   | (3,048,620)                   | (2,583,940)                   | (2,570,230)                   | (2,593,750)                   | (2,361,150)                   | (2,991,330)                   | (3,062,550)                   | (3,033,830)                    |
| Landscape & Irrigation Works                             | (176,874)                     | (83,790)                      | (85,580)                      | (102,770)                     | (84,730)                      | (95,470)                      | (51,960)                      | (103,300)                     | 0                             | 0                              |
| Drainage Works   | (140,243)                     | (1,951,560)                   | (951,350)                     | (493,880)                     | (346,290)                     | (345,470)                     | (990,960)                     | (213,240)                     | (468,700)                     | (556,280)                      |
| Footpath Works   | (108,435)                     | (173,720)                     | (188,810)                     | (189,780)                     | (212,760)                     | (73,130)                      | (261,920)                     | (193,140)                     | (223,110)                     | (209,500)                      |
| Street Lighting  | 0                             | (109,870)                     | (41,080)                      | (135,300)                     | (166,220)                     | (196,920)                     | (162,800)                     | (85,300)                      | (119,560)                     | 0                              |
| Car Park Improvements                                    | (430,000)                     | (218,860)                     | (40,270)                      | 0                             | (477,880)                     | (473,160)                     | 0                             | 0                             | 0                             | 0                              |
| Other Infrastructure                                     | (207,134)                     | (208,070)                     | (204,710)                     | (235,151)                     | (233,160)                     | (238,650)                     | (238,850)                     | (237,450)                     | (234,410)                     | (236,960)                      |
| Parks and Reserves Improvements                          |                               | (915,460)                     | (1,024,210)                   | (1,027,590)                   | (1,226,610)                   | (1,557,770)                   | (1,141,450)                   | (1,287,640)                   | (1,291,890)                   | (1,478,040)                    |
| Irrigation Upgrades                                      | (169,500)                     | (253,160)                     | (664,900)                     | (104,651)                     | (253,750)                     | (127,180)                     | (328,950)                     | (777,260)                     | (368,280)                     | (167,580)                      |
| Furniture & Lighting Upgrades                            | (314,500)                     | (255,180)                     | (177,930)                     | (136,821)                     | (297,410)                     | (471,540)                     | (367,180)                     | (32,870)                      | (495,660)                     | (1,087,640)                    |
| Playground Upgrades                                      | (79,470)                      | (116,370)                     | (65,880)                      | (340,130)                     | (208,010)                     | (99,750)                      | (166,040)                     | (118,200)                     | (355,670)                     | (222,820)                      |
| Landscaping Upgrades                                     | (494,217)                     | (290,750)                     | (115,500)                     | (445,988)                     | (467,440)                     | (859,300)                     | (279,280)                     | (359,310)                     | (72,280)                      | 0                              |
| <b>Total Capital Expenditure - Renewal</b>               | <b>(9,505,673)</b>            | <b>(9,869,110)</b>            | <b>(13,174,780)</b>           | <b>(8,408,061)</b>            | <b>(9,770,030)</b>            | <b>(8,869,470)</b>            | <b>(9,183,240)</b>            | <b>(8,325,550)</b>            | <b>(8,930,370)</b>            | <b>(8,660,210)</b>             |
| <b>Capital Expenditure - Upgrade/New</b>                 |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Buildings  |                               | (305,000)                     | (2,253,000)                   | (115,000)                     | (5,000)                       | 0                             | 0                             | 0                             | 0                             | 0                              |
| Plant  |                               | (160,000)                     | (10,000)                      | (310,000)                     | (310,000)                     | (10,000)                      | (10,000)                      | (10,000)                      | (310,000)                     | (305,000)                      |
| Furniture  |                               | (100,000)                     | 0                             | (200,000)                     | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Road Works   |                               | (1,049,660)                   | (738,000)                     | (600,000)                     | (635,000)                     | (635,000)                     | (550,000)                     | (635,000)                     | (635,000)                     | (550,000)                      |
| Landscape & Irrigation Works                             |                               | (325,000)                     | (250,000)                     | (250,000)                     | (220,000)                     | (250,000)                     | (125,000)                     | (245,000)                     | 0                             | 0                              |
| Street Lighting  |                               | (170,000)                     | (120,000)                     | (157,500)                     | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Car Park Improvements                                    |                               | 0                             | 0                             | 0                             | (200,000)                     | (200,000)                     | (50,000)                      | 0                             | 0                             | 0                              |
| Other Infrastructure                                     |                               | (144,260)                     | (145,710)                     | (146,830)                     | (147,580)                     | (148,710)                     | (148,710)                     | (148,710)                     | (148,710)                     | (148,710)                      |
| <b>Total Capital Expenditure - Replacement/New</b>       | <b>0</b>                      | <b>(2,367,100)</b>            | <b>(4,167,710)</b>            | <b>(2,511,359)</b>            | <b>(2,157,010)</b>            | <b>(1,418,200)</b>            | <b>(983,460)</b>              | <b>(1,138,530)</b>            | <b>(1,194,500)</b>            | <b>(1,047,420)</b>             |
| <b>Capital Expenditure - Investment Properties</b>       |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Land   | (7,500,000)                   | (14,000,000)                  | (500,000)                     | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Buildings  | (1,453,000)                   | (2,000,000)                   | (4,350,000)                   | (1,000,000)                   | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| <b>Total Capital Expenditure - Investment Properties</b> | <b>(8,953,000)</b>            | <b>(16,000,000)</b>           | <b>(4,850,000)</b>            | <b>(1,000,000)</b>            | <b>0</b>                      | <b>0</b>                      | <b>0</b>                      | <b>0</b>                      | <b>0</b>                      | <b>0</b>                       |
| <b>Asset Disposals</b>                                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Land   | 0                             | 18,000,000                    | 10,000,000                    | 0                             | 2,500,000                     | 0                             | 0                             | 0                             | 0                             | 0                              |
| Plant  | 364,000                       | 320,000                       | 271,000                       | 225,000                       | 680,000                       | 302,000                       | 322,000                       | 312,000                       | 358,000                       | 360,000                        |
| <b>Total Asset Disposals</b>                             | <b>364,000</b>                | <b>18,320,000</b>             | <b>10,271,000</b>             | <b>225,000</b>                | <b>3,180,000</b>              | <b>302,000</b>                | <b>322,000</b>                | <b>312,000</b>                | <b>358,000</b>                | <b>360,000</b>                 |
| <b>New Assets</b>  |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| <b>Depreciation</b>                                      |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Land   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Buildings  |                               | (3,050)                       | (22,530)                      | (1,150)                       | (50)                          | 0                             | 0                             | 0                             | 0                             | 0                              |
| Plant  |                               | (30,867)                      | (30,400)                      | (35,967)                      | (90,067)                      | (65,333)                      | (36,633)                      | (28,133)                      | (42,500)                      | (68,800)                       |
| Furniture  |                               | (45,933)                      | (36,108)                      | (49,533)                      | (37,758)                      | (41,758)                      | (46,008)                      | (43,508)                      | (37,758)                      | (34,080)                       |
| Infrastructure   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Road Works   |                               | (20,993)                      | (14,760)                      | (12,000)                      | (12,700)                      | (12,700)                      | (11,000)                      | (12,700)                      | (12,700)                      | (11,000)                       |
| Landscape & Irrigation Works                             |                               | (6,500)                       | (5,000)                       | (5,000)                       | (4,400)                       | (5,000)                       | (2,500)                       | (4,900)                       | 0                             | 0                              |
| Drainage Works   |                               | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Footpath Works   |                               | (72)                          | (111)                         | 0                             | 0                             | (932)                         | 0                             | 0                             | 0                             | 0                              |
| Street Lighting  |                               | (5,667)                       | (4,000)                       | (5,250)                       | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Car Park Improvements                                    |                               | 0                             | 0                             | 0                             | (4,000)                       | (4,000)                       | (1,000)                       | 0                             | 0                             | 0                              |
| Other Infrastructure                                     |                               | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Irrigation Upgrades                                      |                               | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Furniture & Lighting Upgrades                            |                               | (269)                         | (18,123)                      | (21,169)                      | (17,926)                      | 0                             | 0                             | 0                             | 0                             | 0                              |
| Playground Upgrades                                      |                               | 0                             | (72)                          | 0                             | (143)                         | 0                             | 0                             | 0                             | (147)                         | (1,457)                        |
| Landscaping Upgrades                                     |                               | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| <b>Total Depreciation</b>                                |                               | <b>(33,501)</b>               | <b>(42,066)</b>               | <b>(43,419)</b>               | <b>(39,170)</b>               | <b>(22,632)</b>               | <b>(14,500)</b>               | <b>(17,600)</b>               | <b>(12,847)</b>               | <b>(12,457)</b>                |
| <b>New Annual Depreciation</b>                           |                               | <b>(33,501)</b>               | <b>(67,001)</b>               | <b>(151,134)</b>              | <b>(237,972)</b>              | <b>(316,312)</b>              | <b>(361,576)</b>              | <b>(390,576)</b>              | <b>(425,776)</b>              | <b>(451,470)</b>               |
| Infrastructure   |                               | (33,230)                      | (90,330)                      | (136,460)                     | (179,810)                     | (223,540)                     | (260,670)                     | (292,770)                     | (323,070)                     | (346,770)                      |
| Parks and Reserves Improvements                          |                               | (270)                         | (18,740)                      | (58,100)                      | (97,340)                      | (115,410)                     | (115,410)                     | (115,410)                     | (115,550)                     | (117,160)                      |
|  |                               | <b>(33,500)</b>               | <b>(109,070)</b>              | <b>(194,560)</b>              | <b>(277,150)</b>              | <b>(338,950)</b>              | <b>(376,080)</b>              | <b>(408,180)</b>              | <b>(438,620)</b>              | <b>(463,930)</b>               |



City of Subiaco

Assets Summary

Asset Maintenance

Infrastructure

|  | Year 1<br>Budget<br>2018/2019 | Year 2<br>Budget<br>2019/2020 | Year 3<br>Budget<br>2020/2021 | Year 4<br>Budget<br>2021/2022 | Year 5<br>Budget<br>2022/2023 | Year 6<br>Budget<br>2023/2024 | Year 7<br>Budget<br>2024/2025 | Year 8<br>Budget<br>2025/2026 | Year 9<br>Budget<br>2026/2027 | Year 10<br>Budget<br>2027/2028 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Road Maintenance                           | (188,670)                     | (195,980)                     | (200,600)                     | (200,600)                     | (200,600)                     | (200,600)                     | (200,600)                     | (200,600)                     | (200,600)                     | (200,600)                      |
| Drainage Maintenance                       | (316,830)                     | (206,330)                     | (211,920)                     | (211,920)                     | (211,920)                     | (211,920)                     | (211,920)                     | (211,920)                     | (211,920)                     | (211,920)                      |
| Footpath Maintenance                       | (369,350)                     | (393,830)                     | (402,560)                     | (402,560)                     | (402,560)                     | (402,560)                     | (402,560)                     | (402,560)                     | (402,560)                     | (402,560)                      |
| Laneway Maintenance                        | (119,010)                     | (162,940)                     | (166,620)                     | (166,620)                     | (166,620)                     | (166,620)                     | (166,620)                     | (166,620)                     | (166,620)                     | (166,620)                      |
| Car Park Maintenance - Compliance Services | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Car Park Maintenance - Commercial Services | (15,370)                      | (15,230)                      | (15,700)                      | (15,700)                      | (15,700)                      | (15,700)                      | (15,700)                      | (15,700)                      | (15,700)                      | (15,700)                       |
| Sign Maintenance - Infrastructure          | (18,570)                      | (14,000)                      | (14,300)                      | (14,300)                      | (14,300)                      | (14,300)                      | (14,300)                      | (14,300)                      | (14,300)                      | (14,300)                       |
| Sign Maintenance - Parking                 | (100,000)                     | (110,000)                     | (113,180)                     | (113,180)                     | (113,180)                     | (113,180)                     | (113,180)                     | (113,180)                     | (113,180)                     | (113,180)                      |
| Street Lighting Maintenance - Council      | (430,450)                     | (437,670)                     | (450,220)                     | (450,220)                     | (450,220)                     | (450,220)                     | (450,220)                     | (450,220)                     | (450,220)                     | (450,220)                      |
| Crossovers                                 | (5,010)                       | (2,000)                       | (2,060)                       | (2,060)                       | (2,060)                       | (2,060)                       | (2,060)                       | (2,060)                       | (2,060)                       | (2,060)                        |
| Bus Shelter Furniture Maintenance          | (7,700)                       | (11,000)                      | (11,320)                      | (11,320)                      | (11,320)                      | (11,320)                      | (11,320)                      | (11,320)                      | (11,320)                      | (11,320)                       |
| Street Furniture Maintenance               | (17,100)                      | (21,280)                      | (21,780)                      | (21,780)                      | (21,780)                      | (21,780)                      | (21,780)                      | (21,780)                      | (21,780)                      | (21,780)                       |
| <b>Total Infrastructure Maintenance</b>    | <b>(1,588,060)</b>            | <b>(1,570,260)</b>            | <b>(1,610,260)</b>            | <b>(1,610,260)</b>            | <b>(1,610,260)</b>            | <b>(1,610,260)</b>            | <b>(1,610,260)</b>            | <b>(1,610,260)</b>            | <b>(1,610,260)</b>            | <b>(1,610,260)</b>             |

Facilities Maintenance

|                                     |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Building Maintenance                | (1,161,330)        | (1,077,330)        | (1,109,810)        | (1,109,810)        | (1,109,810)        | (1,109,810)        | (1,109,810)        | (1,109,810)        | (1,109,810)        | (1,109,810)        |
| <b>Total Facilities Maintenance</b> | <b>(1,161,330)</b> | <b>(1,077,330)</b> | <b>(1,109,810)</b> | <b>(1,109,810)</b> | <b>(1,109,810)</b> | <b>(1,109,810)</b> | <b>(1,109,810)</b> | <b>(1,109,810)</b> | <b>(1,109,810)</b> | <b>(1,109,810)</b> |

Sweeping and Cleaning

|   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Street Sweeping                         | (288,570)        | (329,280)        | (341,570)        | (341,570)        | (341,570)        | (341,570)        | (341,570)        | (341,570)        | (341,570)        | (341,570)        |
| Footpath Sweeping                       | (91,790)         | (81,530)         | (83,600)         | (83,600)         | (83,600)         | (83,600)         | (83,600)         | (83,600)         | (83,600)         | (83,600)         |
| Footpath Steam Cleaning                 | (72,620)         | (63,800)         | (65,640)         | (65,640)         | (65,640)         | (65,640)         | (65,640)         | (65,640)         | (65,640)         | (65,640)         |
| Laneway Sweeping                        | (60,470)         | (16,500)         | (16,970)         | (16,970)         | (16,970)         | (16,970)         | (16,970)         | (16,970)         | (16,970)         | (16,970)         |
| Car Park Sweeping - Compliance Services | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Car Park Sweeping - Commercial Services | (24,660)         | (49,500)         | (50,930)         | (50,930)         | (50,930)         | (50,930)         | (50,930)         | (50,930)         | (50,930)         | (50,930)         |
| <b>Total Sweeping and Cleaning</b>      | <b>(538,110)</b> | <b>(540,610)</b> | <b>(558,710)</b> | <b>(558,710)</b> | <b>(558,710)</b> | <b>(558,710)</b> | <b>(558,710)</b> | <b>(558,710)</b> | <b>(558,710)</b> | <b>(558,710)</b> |

Parks and Reserves

|   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Sports Grounds - Grounds Mtce               | (640,650)          | (637,920)          | (654,570)          | (654,570)          | (654,570)          | (654,570)          | (654,570)          | (654,570)          | (654,570)          | (654,570)          |
| Major Open Parkland - Grounds Mtce          | (849,500)          | (908,750)          | (1,008,850)        | (1,008,850)        | (1,008,850)        | (1,008,850)        | (1,008,850)        | (1,008,850)        | (1,008,850)        | (1,008,850)        |
| Major Parks & Gardens - Grounds Mtce        | (471,790)          | (550,030)          | (510,100)          | (510,100)          | (510,100)          | (510,100)          | (510,100)          | (510,100)          | (510,100)          | (510,100)          |
| Minor Parks & Gardens - Grounds Mtce        | (365,940)          | (278,620)          | (307,600)          | (307,600)          | (307,600)          | (307,600)          | (307,600)          | (307,600)          | (307,600)          | (307,600)          |
| Street Tree Maintenance                     | (609,960)          | (782,590)          | (801,260)          | (801,260)          | (801,260)          | (801,260)          | (801,260)          | (801,260)          | (801,260)          | (801,260)          |
| Landscape Maintenance                       | (355,570)          | (359,410)          | (367,630)          | (367,630)          | (367,630)          | (367,630)          | (367,630)          | (367,630)          | (367,630)          | (367,630)          |
| Irrigation Maintenance                      | (70,140)           | (67,100)           | (69,130)           | (69,130)           | (69,130)           | (69,130)           | (69,130)           | (69,130)           | (69,130)           | (69,130)           |
| Laneway Maintenance - Parks                 | (39,240)           | (33,290)           | (34,390)           | (34,390)           | (34,390)           | (34,390)           | (34,390)           | (34,390)           | (34,390)           | (34,390)           |
| Weed Control                                | (61,940)           | (84,640)           | (86,500)           | (86,500)           | (86,500)           | (86,500)           | (86,500)           | (86,500)           | (86,500)           | (86,500)           |
| Building Grounds Maintenance                | (16,170)           | (17,970)           | (18,470)           | (18,470)           | (18,470)           | (18,470)           | (18,470)           | (18,470)           | (18,470)           | (18,470)           |
| Operations Centre Grounds Maintenance       | (1,760)            | (1,850)            | (1,900)            | (1,900)            | (1,900)            | (1,900)            | (1,900)            | (1,900)            | (1,900)            | (1,900)            |
| Car Park Gardens - Compliance Services      | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Car Park Gardens - Commercial Services      | (21,750)           | (27,710)           | (28,270)           | (28,270)           | (28,270)           | (28,270)           | (28,270)           | (28,270)           | (28,270)           | (28,270)           |
| <b>Total Parks and Reserves Maintenance</b> | <b>(3,504,410)</b> | <b>(3,749,880)</b> | <b>(3,888,670)</b> | <b>(3,888,670)</b> | <b>(3,888,670)</b> | <b>(3,888,670)</b> | <b>(3,888,670)</b> | <b>(3,888,670)</b> | <b>(3,888,670)</b> | <b>(3,888,670)</b> |

|                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Asset Maintenance</b> | <b>(6,791,910)</b> | <b>(6,938,080)</b> | <b>(7,167,450)</b> | <b>(7,167,450)</b> | <b>(7,167,450)</b> | <b>(7,167,450)</b> | <b>(7,167,450)</b> | <b>(7,167,450)</b> | <b>(7,167,450)</b> | <b>(7,167,450)</b> |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|

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| City of Subiaco Strategic Financial Plan 2018 - 2028         |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Key Performance Indicators                                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
|  | Year 1<br>Budget<br>2018/2019 | Year 2<br>Budget<br>2019/2020 | Year 3<br>Budget<br>2020/2021 | Year 4<br>Budget<br>2021/2022 | Year 5<br>Budget<br>2022/2023 | Year 6<br>Budget<br>2023/2024 | Year 7<br>Budget<br>2024/2025 | Year 8<br>Budget<br>2025/2026 | Year 9<br>Budget<br>2026/2027 | Year 10<br>Budget<br>2027/2028 |
| OPERATING SURPLUS RATIO                                      |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Operating Revenue  | 43,208,484                    | 45,049,630                    | 48,200,090                    | 46,089,230                    | 46,165,030                    | 45,958,880                    | 46,408,750                    | 46,669,330                    | 46,665,220                    | 46,159,300                     |
| Operating Expense incl interest & depreciation               | (40,427,917)                  | (41,499,150)                  | (44,518,580)                  | (42,690,670)                  | (42,706,940)                  | (42,779,340)                  | (42,782,740)                  | (42,849,460)                  | (42,775,180)                  | (42,827,650)                   |
| Non-operating grants, subsidies and contributions            | (822,870)                     | (1,302,730)                   | (1,267,760)                   | (814,500)                     | (814,500)                     | (397,900)                     | (897,900)                     | (1,147,900)                   | (1,147,900)                   | (647,900)                      |
| Net Operating Surplus  | 1,957,697                     | 2,247,750                     | 2,413,750                     | 2,584,060                     | 2,643,590                     | 2,781,640                     | 2,728,110                     | 2,671,970                     | 2,742,140                     | 2,683,750                      |
| Own Source Revenue   | 41,836,034                    | 43,168,320                    | 46,353,750                    | 44,696,150                    | 44,771,950                    | 44,982,400                    | 44,932,270                    | 44,942,850                    | 44,938,740                    | 44,932,820                     |
| Basic Ratio Target - (+ve) Between 0% and 15%                | 4.68%                         | 5.21%                         | 5.21%                         | 5.78%                         | 5.90%                         | 6.18%                         | 6.07%                         | 5.95%                         | 6.10%                         | 5.97%                          |
| Advanced Ratio Target - (+ve) above 15%                      |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| CURRENT RATIO  |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Current Assets   | 35,802,415                    | 34,991,508                    | 32,267,691                    | 29,561,596                    | 29,936,325                    | 28,779,825                    | 28,233,253                    | 28,618,326                    | 28,478,704                    | 28,211,734                     |
| Restricted Assets  | (24,335,416)                  | (23,229,076)                  | (20,403,671)                  | (17,626,417)                  | (17,891,799)                  | (16,717,356)                  | (16,167,854)                  | (16,540,638)                  | (16,353,730)                  | (16,084,480)                   |
| Net Current Assets   | 11,466,999                    | 11,762,432                    | 11,864,020                    | 11,935,179                    | 12,044,525                    | 12,062,469                    | 12,065,399                    | 12,077,689                    | 12,124,975                    | 12,127,255                     |
| Current Liabilities less                                     | 8,176,177                     | 8,496,257                     | 8,475,059                     | 8,554,762                     | 8,635,345                     | 8,656,681                     | 8,679,053                     | 8,678,018                     | 8,701,774                     | 8,726,692                      |
| Current Liabilities ass'd with Restricted Assets             |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Net Current Liabilities                                      | 8,176,177                     | 8,496,257                     | 8,475,059                     | 8,554,762                     | 8,635,345                     | 8,656,681                     | 8,679,053                     | 8,678,018                     | 8,701,774                     | 8,726,692                      |
| Ratio Target > or = to 1:1                                   | 1.40                          | 1.38                          | 1.40                          | 1.40                          | 1.39                          | 1.39                          | 1.39                          | 1.39                          | 1.39                          | 1.39                           |
| Assume Provision same as Leave Cash Reserve                  | 2,342,576                     | 2,342,576                     | 2,342,576                     | 2,342,576                     | 2,342,576                     | 2,342,576                     | 2,342,576                     | 2,342,576                     | 2,342,576                     | 2,342,576                      |
| RATES COVERAGE RATIO   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Total Rates Revenue  | 23,711,120                    | 24,435,250                    | 24,785,250                    | 24,935,250                    | 25,035,250                    | 25,185,250                    | 25,185,250                    | 25,185,250                    | 25,185,250                    | 25,185,250                     |
| Operating Expense incl interest & depreciation               | 40,427,917                    | 41,499,150                    | 44,518,580                    | 42,690,670                    | 42,706,940                    | 42,779,340                    | 42,782,740                    | 42,849,460                    | 42,775,180                    | 42,827,650                     |
| Ratio Target > or = to 40%                                   | 58.7%                         | 58.9%                         | 55.7%                         | 58.4%                         | 58.6%                         | 58.9%                         | 58.9%                         | 58.8%                         | 58.9%                         | 58.8%                          |
| DEBT SERVICE COVERAGE RATIO                                  |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Operating Surplus before Interest & Depreciation             |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| = Operating Revenue  | 43,208,484                    | 45,049,630                    | 48,200,090                    | 46,089,230                    | 46,165,030                    | 45,958,880                    | 46,408,750                    | 46,669,330                    | 46,665,220                    | 46,159,300                     |
| Operating Expenses   | (40,427,917)                  | (41,499,150)                  | (44,518,580)                  | (42,690,670)                  | (42,706,940)                  | (42,779,340)                  | (42,782,740)                  | (42,849,460)                  | (42,775,180)                  | (42,827,650)                   |
| Non-operating grants, subsidies and contributions            | (822,870)                     | (1,302,730)                   | (1,267,760)                   | (814,500)                     | (814,500)                     | (397,900)                     | (897,900)                     | (1,147,900)                   | (1,147,900)                   | (647,900)                      |
| Interest Expense and Depreciation                            | 5,826,930                     | 6,215,390                     | 6,280,520                     | 6,360,110                     | 6,430,380                     | 6,472,780                     | 6,491,180                     | 6,507,900                     | 6,523,620                     | 6,531,090                      |
| OSBID  | 7,784,627                     | 8,463,140                     | 8,694,270                     | 8,944,170                     | 9,073,970                     | 9,254,420                     | 9,219,290                     | 9,179,870                     | 9,265,760                     | 9,214,840                      |
| Principal and Interest                                       | 895,190                       | 909,253                       | 790,846                       | 787,072                       | 783,383                       | 779,610                       | 775,522                       | 747,077                       | 742,872                       | 738,540                        |
| Ratio Target > or = 2  | 8.70                          | 9.31                          | 10.99                         | 11.36                         | 11.58                         | 11.87                         | 11.89                         | 12.29                         | 12.47                         | 12.48                          |
| ASSET SUSTAINABILITY RATIO                                   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Capital Renewal and Replacement Expenditure                  | (7,477,879)                   | (9,469,380)                   | (9,792,450)                   | (7,993,891)                   | (9,440,730)                   | (8,503,030)                   | (8,902,670)                   | (7,954,520)                   | (8,639,530)                   | (8,380,510)                    |
| Less Proceeds on disposal of renewed assets                  | 364,000                       | 320,000                       | 271,000                       | 225,000                       | 680,000                       | 302,000                       | 322,000                       | 312,000                       | 358,000                       | 360,000                        |
| Depreciation Expense   | (6,902,566)                   | (6,958,018)                   | (7,172,023)                   | (7,563,178)                   | (8,084,522)                   | (8,692,085)                   | (9,350,174)                   | (10,054,061)                  | (10,812,300)                  | (11,627,753)                   |
| Capital Renewal Expenditure                                  | (7,113,879)                   | (9,149,380)                   | (9,521,450)                   | (7,768,891)                   | (8,760,730)                   | (8,201,030)                   | (8,580,670)                   | (7,642,520)                   | (8,281,530)                   | (8,020,510)                    |
| Ratio Target 90% to 100%                                     | 103.1%                        | 131.5%                        | 132.8%                        | 102.7%                        | 108.4%                        | 94.4%                         | 91.8%                         | 76.0%                         | 76.6%                         | 69.0%                          |
| ASSET CONSUMPTION RATIO                                      |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Net Book Value of Assets (excl Land & Investment Properties) | (158,434,913)                 | (160,107,413)                 | (164,200,348)                 | (165,365,193)                 | (167,131,418)                 | (167,669,113)                 | (167,390,658)                 | (166,722,028)                 | (166,497,503)                 | (166,341,028)                  |
| Roads Subgrade (not depreciated)                             | 4,815,302                     | 4,815,302                     | 4,815,302                     | 4,815,302                     | 4,815,302                     | 4,815,302                     | 4,815,302                     | 4,815,302                     | 4,815,302                     | 4,815,302                      |
| Deprec'd Replace't Cost Assets                               | (153,619,611)                 | (155,292,111)                 | (159,385,046)                 | (160,549,891)                 | (162,316,116)                 | (162,853,811)                 | (162,575,356)                 | (161,906,726)                 | (161,682,201)                 | (161,525,726)                  |
| Current Replacement Cost                                     | (247,194,956)                 | (249,961,786)                 | (257,511,826)                 | (260,437,355)                 | (262,923,665)                 | (264,708,305)                 | (265,972,335)                 | (267,481,895)                 | (268,967,235)                 | (270,294,355)                  |
| Ratio Target 50% to 75%                                      | 62.1%                         | 62.1%                         | 61.9%                         | 61.6%                         | 61.7%                         | 61.5%                         | 61.1%                         | 60.5%                         | 60.1%                         | 59.8%                          |
| Assumed Current Replacement Cost                             |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| New Assets Acquired at Cost                                  | (2,027,794)                   | (2,766,830)                   | (7,550,040)                   | (2,925,529)                   | (2,486,310)                   | (1,784,640)                   | (1,264,030)                   | (1,509,560)                   | (1,485,340)                   | (1,327,120)                    |
| Estimated Depreciation on New Assets                         | -                             | 55,450                        | 214,000                       | 391,160                       | 521,340                       | 607,570                       | 658,100                       | 703,890                       | 758,240                       | 815,460                        |
| New Current Replacement Cost                                 | (247,194,956)                 | (249,961,786)                 | (257,511,826)                 | (260,437,355)                 | (262,923,665)                 | (264,708,305)                 | (265,972,335)                 | (267,481,895)                 | (268,967,235)                 | (270,294,355)                  |
| ASSET RENEWAL FUNDING RATIO                                  |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Net Present Value of Planned Renewal Expenditure             | 43,075,732                    |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Net Present Value of Required Capital Expenditure            | 47,270,610                    |                               |                               |                               |                               |                               |                               |                               |                               |                                |
|  | 91.1%                         |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Basic Ratio Target 75% to 95%                                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Advanced Ratio Target 95% to 105%                            |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |

Note that the divisor in the Operating Surplus Ratio is Rates Revenue. However, this is currently under review and the ratio is likely to change to also include fees and charges and other revenue generated by the efforts of a local government.

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## C. Notes

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1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this strategic financial plan are:

a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

The report has also been prepared on the accrual basis under the convention of fair value accounting as modified by the accounting treatment relating to the revaluation of assets and liabilities through profit and loss and certain classes of non-current assets.

**Critical Accounting Judgements and Key Sources of Estimations Uncertainty**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

b) The Local Government Reporting Entity

The financial statements forming part of this report have been prepared on the basis of all funds controlled by the city. This includes Municipal and Reserve funds. Certain monies held in the Trust Fund have been excluded from the consolidated financial statements, but a separate statement of those monies appears at note 16 to these financial statements.

c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST included, except where it is not recoverable from the Australian Tax Office, in which case the amounts include the non-recoverable GST. Receivables and Payables are stated with the amount of GST included. Any GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables and payables.

d) Superannuation Fund

The municipality contributes to the Local Government Superannuation Scheme at a rate of \$1.00 for every \$1.00 contributed to the fund by employees, to a maximum of 9% of the employee's salary. The municipality also contributes to the Local Government Occupational Superannuation Fund an amount calculated at 9.5% of the employee's gross salaries and wages (Superannuation Guarantee Contribution). Total contribution is 18.5%. The changes to the statutory superannuation guarantee from 9% to 12% over 7 years has been absorbed within the 18.5% total contribution. These contributions are shown as an expense. No liability for accumulated benefits has been recognised in these budget statements.

e) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

f) Trade and Other Receivables

Trade receivables and other receivables are recorded at amounts due, less any allowance for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**Leases**

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

g) Inventories

**General**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Land Held for Resale**

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during development. Interest and holding charges incurred after development is complete and recognised as expenses.

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h) Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a)(ii), the Council was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of state or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They are then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note. Whilst they were initially recorded at cost, fair value at the date of acquisition is deemed cost as per AASB 116. Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2018. In evaluating these requirements, Subiaco Oval has been recognised with a nil value as the land is vested in the city as an "A" class reserve with a peppercorn lease to the WAFC. The city receives no commercial income or rates from Subiaco Oval. The oval is operated by the WAFC in accordance with the lease.

Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are that offset previous increases of the same class of asset are decreases are recognised in profit or loss.

Land under Roads

The city does not recognise land under roads as an asset in the Balance Sheet in accordance with the transition arrangements under AASB 1045 and legislative requirements.

Property, Plant and Equipment

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements. The rates, which are reviewed at the end of each annual reporting period, as follows:

|   |             |
|---|-------------|
| Buildings   | 30-50 years |
| Furniture & Equipment   | 4-10 years  |
| Plant & Equipment   | 5-15 years  |
| <i>Infrastructure Assets</i>  |             |
| Roads   | 20-25 years |
| Laneways  | 20-50 years |
| Footpaths   | 20-40 years |
| Drains  | 75 years    |
| Street Furniture (incl. bus shelters & proprietary street lighting) | 15 years    |
| Park Furniture  | 15 years    |
| Playground Equipment  | 15 years    |
| Reticulation  | 25 years    |
| Grassed Areas   | N/A         |
| Infrastructure Buildings  | 40 years    |

Capitalisation Threshold

Expenditure on items of equipment under \$1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

Revaluation Threshold

Expenditure on items of equipment under \$5,000 is not revalued. Rather, it is recorded at cost.

Investment Property

Investment property is initially measured at costs and subsequently measured at fair value and any changes to fair value are recorded in the Statement of Comprehensive Income as other income. No depreciation is calculated on Investment property.

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**i) Financial Instruments****Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the council commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or at cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and
- (d) less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

**(i) Financial assets at fair value through profit and loss**

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

**(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

The rating and reporting periods coincide. All rates levied for the year are revenues. Due to legislative security, it is anticipated that all outstanding rates will be collected and therefore no provision has been made for doubtful debts.

**(iii) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the council's management has the positive intention and ability to hold to maturity. If council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the balance date, which are classified as current assets.

**(iv) Available-for-sale financial assets**

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

**Recognition and Derecognition**

Regular purchases and sales of financial assets are recognised on trade-date – the date on which council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from investment securities.

All grants, donations and other contributions are recognised as revenues during the reporting period. Expenditure of those monies has been made in the manner specified under the conditions upon which the municipality received those monies.

**(i) Subsequent measurement**

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the statement of comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

**Impairment**

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

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**j) Estimation of Fair Value**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at balance date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the council for similar financial instruments.

**k) Impairment**

In accordance with Australian Accounting Standards the council's assets, other than inventories, are assessed at each balance date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 'Impairment of Assets' and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

**l) Trade and Other Payables**

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the municipality prior to the end of the financial year that are unpaid and arise when the municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**m) Employee Benefits**

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

**i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)**

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the council expects to pay and includes related on-costs.

**ii) Long Service Leave**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

**n) Interest Bearing Loan and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

**o) Provisions**

Provisions are recognised when: the council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

**p) Investments**

The city holds an investment in Western Metropolitan Regional Council (WMRC). The city accounts for this investment under the equity method in accordance with AASB 128 "Investments in Associates".

Investments in associates are initially valued at cost. Subsequent to initial recognition, investment in associates is accounted for under the equity method.

Revenue arising from the sale of property is recognised in the income statement as at the time of signing a binding contract of sale.

**q) Current and Non-Current Classification.**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the council's operational cycle. In the case of liabilities where council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on council's intentions to release for sale.

**r) Reserves**

Interest is transferred to reserve in accordance with council policy.

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2 THE NATURE AND OBJECT OF EACH PROGRAM UNDERTAKEN BY THE CITY AND THE MAJOR FUNCTIONS OR ACTIVITIES WITHIN THEM [Reg. 27(m)]:

The City of Subiaco is dedicated to providing high quality services to the community through the various service-oriented programs which it has established. The objectives of each principal activity undertaken by the city and as detailed in the city’s current Strategic Financial Plan are as follows:

**Governance**

*Objective: To ensure high quality democratic processes and informed local decision making.*

Includes administration and operation of facilities and services to members of council and other costs that relate to the tasks of assisting members and ratepayers on matters which do not concern specific council services.

**General Purpose Funding**

*Objective: To fairly and efficiently levy and collect rates and other monies required to fund the city’s operations.*

Rates revenue from rates levied under Division 6 of Part 6 of the Local Government Act 1995 and amounts receivable from the Western Australian Grants Commission and any government grants of a general purpose nature.

**Law, Order and Public Safety**

*Objective: To ensure safety and amenity of the community in public areas.*

Control of parking facilities, implementation and control of parking, and other local laws. Also includes fire prevention outlays.

**Health**

*Objective: To protect the health of all persons and promote environmental quality.*

Administration, inspection and operations of programs concerned with the general health of the community.

**Education and Welfare**

*Objective: To contribute towards the well being of people with special needs.*

Maintenance of pre-school buildings, aged care services including home and community care, meals-on-wheels, and seniors activities.

**Community Amenities**

*Objective: To provide waste management services which minimise adverse environmental impacts, orderly and controlled development of land and the built environment, and well maintained public conveniences.*

This includes the collection and disposal of community and domestic rubbish and recycling, and the administration and operation of town planning and sustainable development within the local government.

**Recreation and Culture**

*Objective: To provide and support community recreational and cultural pursuits.*

Maintenance of community, recreation and function centres, various reserves, and operation of the library.

**Transport**

*Objective: To facilitate safe and convenient transport access.*

Construction and maintenance of roads, drainage works, footpaths, traffic facilities.

**Economic Services**

*Objective: To facilitate economic development, promote compliance with building standards, regulations and local laws and enhance public amenity by placing powerlines underground.*

Area promotion and building control services.

**Other Property and Services**

*Objective: To maximise long-term return on investment assets for the benefit of the community.*

Includes management of the city’s investment assets.

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3 RATING AND VALUATIONS [Reg. 23]

(a) General Rate

The rates revenue for the City of Subiaco will be levied as a single general rate of 6.5590 cents per dollar on the Gross Rental Value of all rateable properties in the municipality. The estimated number of properties that will attract this charge, not inclusive of properties that attract a minimum rate as outlined in part b), are as follows:

|                             |   |
|-----------------------------|---|
| (i) Residential Properties  | 6,718 properties, with a total GRV of \$202,347,966 |
| (ii) Commercial Properties  | 1,178 properties, with a total GRV of \$130,216,783 |
| (iii) Industrial Properties | 10 properties, with a total GRV of \$878,680        |

The Rates Charge will be 6.5590 cents for every dollar of Gross Rental Value in year one, and will yield the following:

|                             | Year 1<br>Budget | Year 2<br>Budget | Year 3<br>Budget | Year 4<br>Budget | Year 5<br>Budget | Year 6<br>Budget | Year 7<br>Budget | Year 8<br>Budget | Year 9<br>Budget | Year 10<br>Budget |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|                             | 2018/2019        | 2019/2020        | 2020/2021        | 2021/2022        | 2022/2023        | 2023/2024        | 2024/2025        | 2025/2026        | 2026/2027        | 2027/2028         |
| (i) Residential Properties  | 13,272,000       | 13,745,580       | 13,795,580       | 13,945,580       | 13,970,580       | 13,995,580       | 14,045,580       | 14,045,580       | 14,045,580       | 14,045,580        |
| (ii) Commercial Properties  | 8,540,920        | 8,828,660        | 9,128,660        | 9,328,660        | 9,453,660        | 9,528,660        | 9,628,660        | 9,628,660        | 9,628,660        | 9,628,660         |
| (iii) Industrial Properties | 57,630           | 59,070           | 59,070           | 59,070           | 59,070           | 59,070           | 59,070           | 59,070           | 59,070           | 59,070            |
|                             | 21,870,550       | 22,633,310       | 22,983,310       | 23,333,310       | 23,483,310       | 23,583,310       | 23,733,310       | 23,733,310       | 23,733,310       | 23,733,310        |

The city imposes only the single rate described above and does not intend to implement differential rates.

b) Minimum Rates

In accordance with Section (6.35) of the Local Government Act 1995, the following minimum rate will be levied.

In the case where the Gross Rental Value of a rateable property is such that the rates charge amounts to less than \$1,165 in year one, that property will be charged the minimum rates charge of \$1,165.

Objects and reasons for minimum rate:

The imposition of a minimum rate is in recognition that every property receives some minimum level of service from the facilities provided by council and as such council has adopted an appropriate minimum rate to take this into consideration.

The estimated number of properties to attract this minimum charge is as follows:

|                            |  |
|----------------------------|--|
| (i) Residential properties | 1,270 properties, with a total GRV of \$18,370,992 |
| (ii) Commercial properties | 91 properties, with a total GRV of \$1,362,268     |

This minimum rate will yield the following:

|                            | Year 1<br>Budget | Year 2<br>Budget | Year 3<br>Budget | Year 4<br>Budget | Year 5<br>Budget | Year 6<br>Budget | Year 7<br>Budget | Year 8<br>Budget | Year 9<br>Budget | Year 10<br>Budget |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|                            | 2018/2019        | 2019/2020        | 2020/2021        | 2021/2022        | 2022/2023        | 2023/2024        | 2024/2025        | 2025/2026        | 2026/2027        | 2027/2028         |
| (i) Residential properties | 1,479,550        | 1,354,900        | 1,354,900        | 1,354,900        | 1,354,900        | 1,354,900        | 1,354,900        | 1,354,900        | 1,354,900        | 1,354,900         |
| (ii) Commercial properties | 106,020          | 92,040           | 92,040           | 92,040           | 92,040           | 92,040           | 92,040           | 92,040           | 92,040           | 92,040            |

Were it not for the imposition of a minimum rate, these properties would have been charged a rate of 6.5590 cents for every dollar of gross rental value.

3 RATING AND VALUATIONS [Reg. 23] - continued

c) Specified Area Rate

The City does not change a Specified Area Rate

d) Non Rated Properties

There are properties within the City of Subiaco that have been allocated a Gross Rental Value by the Valuer General's Office that, due to legislation, do not attract a rates charge.

e) Discount for Early Payment of Rates [Reg. 26]

There is no discount to early payment of rates.

No discounts, waivers, concessions or incentives are proposed.

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f) **Payment of Rates by Instalments [Reg. 27(c)]**

Pursuant to section (6.45) of the Local Government Act (1995), the city will offer ratepayers the option of paying their rates in one payment or by four instalments.

If the ratepayer elects to pay by four instalments, the due dates for payment will be as follows:

- (i) First instalment due 35 days after date of service of the notice of valuation and rate
- (ii) Second instalment due two calendar months after the due date of the first instalment
- (iii) Third instalment due two calendar months after the due date of the second instalment
- (iv) Fourth instalment due two calendar months after the due date of the third instalment.

An administration charge of fifty two dollars and twenty cents (\$52.20) will be levied on each property when the ratepayer elects to pay by instalments. It is estimated that the city will receive \$140,000 in instalment administration fees.

g) **Interest Charged On Late Payment of Rates and Other Charges. [Reg. 27(a)(b)]**

An interest charge of eleven percent (11%) per annum, calculated daily, will be imposed on rates charges and any other charges if payment is not received by the applicable due date. It is estimated that the city will receive \$45,000 in late payment interest.

h) **Service Charges [Reg. 27(c)]**

The city does not propose to impose any service charge as defined under Local Government (Financial Management) Regulation 1996, reg. No. 54.

4 **ASSET DISPOSALS [Reg. 27(d)]**

The city proposes to dispose of 29 asset items during the year, within the plant and equipment class. The net book value of the plant and equipment assets is estimated to be \$493,330 at time of disposal. It is estimated that they will be traded-in or where appropriate sold by tender for a price of \$525,000 resulting in an estimated book gain of \$31,670.

The city also proposes to dispose of \$18,000,000 of land in relation to its commercial land holdings as part of its investment portfolio management in year 2 of the Plan. The disposal of the Operations Centre is included in year 3 of the Plan for \$10,000,000 and the Subiaco Community Centre in year 5 of the Plan for \$2,500,000.

5 **INVESTMENT INFORMATION [Reg. 27(e) & 28]**

Surplus funds will be invested as per council's investment policy. It is estimated that council will earn the following interest revenues:

|  | Year 1<br>Budget | Year 2<br>Budget | Year 3<br>Budget | Year 4<br>Budget | Year 5<br>Budget | Year 6<br>Budget | Year 7<br>Budget | Year 8<br>Budget | Year 9<br>Budget | Year 10<br>Budget |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|  | 2018/2019        | 2019/2020        | 2020/2021        | 2021/2022        | 2022/2023        | 2023/2024        | 2024/2025        | 2025/2026        | 2026/2027        | 2027/2028         |
| (i) Reserve funds invested                       | 474,470          | 594,230          | 522,280          | 458,720          | 464,570          | 438,720          | 426,620          | 434,820          | 430,710          | 424,790           |
| (II) Other funds invested                        | 300,000          | 300,000          | 300,000          | 300,000          | 300,000          | 300,000          | 300,000          | 300,000          | 300,000          | 300,000           |
| <b>Total estimated earnings from investments</b> | <b>774,470</b>   | <b>894,230</b>   | <b>822,280</b>   | <b>758,720</b>   | <b>764,570</b>   | <b>738,720</b>   | <b>726,620</b>   | <b>734,820</b>   | <b>730,710</b>   | <b>724,790</b>    |

6 **BORROWINGS [Reg. 29]**

a) **Borrowings Brought Forward**

There are no unspent balances of money borrowed in previous years as at 30 June 2018.

b) **Overdraft Outstanding at End of Financial Year.**

A short-term temporary bank overdraft facility was in place at 30 June 2018 to provide interim

c) **Purpose of Borrowings**

The city does not propose to apply all or part of any existing borrowings to a purpose other than that for which the money was borrowed.

d) **Proposed Borrowing**

**Information of proposed borrowing for the year:**

The city does not intend to exercise its powers to borrow as per section (6.20) of the Local Government Act 1995 in this current Plan.

e) **Re-financing existing borrowings**

The city does not propose to refinance any existing borrowings.

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7 RESERVES [Reg. 27(h)]

The estimated movements in the city’s reserves for each financial year are shown in the reserve schedule.  
No change of use or purpose is proposed for any reserve funds.

8 PAYMENTS TO MAYOR AND COUNCILLORS [S5.98 (2) & (3)] [Reg. 27(l)]

An allowance has been made in the 2018/19 budget for the following payments to the mayor and councillors:

- (i) Meeting attendance fee for councillors of \$22,660 per annum
- (ii) Meeting attendance fee for the mayor of \$30,385 per annum
- (iii) Mayoral allowance for the mayor of \$61,800 per annum
- (iv) Deputy mayoral allowance for the deputy mayor of \$15,450 per annum
- (v) ICT expenses allowance to the value of \$2,900 per elected member per annum.

Expenses relating to reimbursements under S5.98 (2)(a) & (3):

- (ii) Child Care at actual cost per hour or \$25 per hour whichever is the lesser amount. Estimate \$1,000 in total
- (iii) Travel costs to attend meeting of Council at actual cost with regard to Local Government (Administration) Regulations 1996, Reg. 31(4). Estimate \$500 in total.

9 DEPRECIATION [Reg. 27(n)]

The following provisions have been made in the budget operating statement for depreciation on non-current assets, by programme:

|                            | Year 1<br>Budget<br>2018/2019 | Year 2<br>Budget<br>2019/2020 | Year 3<br>Budget<br>2020/2021 | Year 4<br>Budget<br>2021/2022 | Year 5<br>Budget<br>2022/2023 | Year 6<br>Budget<br>2023/2024 | Year 7<br>Budget<br>2024/2025 | Year 8<br>Budget<br>2025/2026 | Year 9<br>Budget<br>2026/2027 | Year 10<br>Budget<br>2027/2028 |
|----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Governance                 | 2,250                         | 2,250                         | 2,250                         | 2,250                         | 2,250                         | 2,250                         | 2,250                         | 2,250                         | 2,250                         | 2,250                          |
| Law, Order & Public Safety | 45,900                        | 22,700                        | 22,700                        | 22,700                        | 22,700                        | 22,700                        | 22,700                        | 22,700                        | 22,700                        | 22,700                         |
| Health                     | 14,000                        | 7,620                         | 7,620                         | 7,620                         | 7,620                         | 7,620                         | 7,620                         | 7,620                         | 7,620                         | 7,620                          |
| Education & Welfare        | 84,520                        | 9,570                         | 9,570                         | 9,570                         | 9,570                         | 9,570                         | 9,570                         | 9,570                         | 9,570                         | 9,570                          |
| Community Amenities        | 233,130                       | 375,110                       | 375,110                       | 375,110                       | 375,110                       | 375,110                       | 375,110                       | 375,110                       | 375,110                       | 375,110                        |
| Recreation & Culture       | 2,051,570                     | 2,272,710                     | 2,291,180                     | 2,330,540                     | 2,369,780                     | 2,387,850                     | 2,387,850                     | 2,387,850                     | 2,387,990                     | 2,389,600                      |
| Transport                  | 2,266,200                     | 2,444,410                     | 2,518,250                     | 2,581,690                     | 2,636,770                     | 2,686,210                     | 2,731,070                     | 2,775,200                     | 2,818,740                     | 2,853,850                      |
| Economic Services          | 10,650                        | 2,830                         | 2,830                         | 2,830                         | 2,830                         | 2,830                         | 2,830                         | 2,830                         | 2,830                         | 2,830                          |
| Other Property & Services  | 740,610                       | 682,320                       | 682,320                       | 682,320                       | 682,320                       | 682,320                       | 682,320                       | 682,320                       | 682,320                       | 682,320                        |
| Total Depreciation         | 5,448,830                     | 5,819,520                     | 5,911,830                     | 6,014,630                     | 6,108,950                     | 6,176,460                     | 6,221,320                     | 6,265,450                     | 6,309,130                     | 6,345,850                      |

10 FEES AND CHARGES REVENUE INFORMATION [Reg. 25]

The revenue, estimated that would be generated by fees and charges on an accrued basis by program is as follows:

|                               | Year 1<br>Budget<br>2018/2019 | Year 2<br>Budget<br>2019/2020 | Year 3<br>Budget<br>2020/2021 | Year 4<br>Budget<br>2021/2022 | Year 5<br>Budget<br>2022/2023 | Year 6<br>Budget<br>2023/2024 | Year 7<br>Budget<br>2024/2025 | Year 8<br>Budget<br>2025/2026 | Year 9<br>Budget<br>2026/2027 | Year 10<br>Budget<br>2027/2028 |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| General Purpose Funding       | 175,000                       | 205,000                       | 205,000                       | 205,000                       | 205,000                       | 205,000                       | 205,000                       | 205,000                       | 205,000                       | 205,000                        |
| Governance                    | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Law Order & Public Safety     | 39,700                        | 34,300                        | 34,300                        | 34,300                        | 34,300                        | 34,300                        | 34,300                        | 34,300                        | 34,300                        | 34,300                         |
| Health                        | 87,100                        | 94,100                        | 94,100                        | 94,100                        | 94,100                        | 94,100                        | 94,100                        | 94,100                        | 94,100                        | 94,100                         |
| Education and Welfare         | 30,830                        | 30,830                        | 30,830                        | 30,830                        | 30,830                        | 30,830                        | 30,830                        | 30,830                        | 30,830                        | 30,830                         |
| Community Amenities           | 192,500                       | 192,500                       | 195,500                       | 195,500                       | 195,500                       | 195,500                       | 195,500                       | 195,500                       | 195,500                       | 195,500                        |
| Recreation and Culture        | 2,800,900                     | 2,912,220                     | 3,125,270                     | 3,262,270                     | 3,492,270                     | 3,492,270                     | 3,492,270                     | 3,492,270                     | 3,492,270                     | 3,492,270                      |
| Transport                     | 3,110,980                     | 2,829,060                     | 2,849,060                     | 2,847,060                     | 2,847,060                     | 2,933,360                     | 2,933,360                     | 2,897,710                     | 2,897,710                     | 2,897,710                      |
| Economic Services             | 196,560                       | 170,560                       | 170,560                       | 170,560                       | 170,560                       | 170,560                       | 170,560                       | 170,560                       | 170,560                       | 170,560                        |
| Other Properties and Services | 4,755,830                     | 5,215,740                     | 7,786,070                     | 5,902,030                     | 5,646,980                     | 5,646,980                     | 5,608,950                     | 5,646,980                     | 5,646,980                     | 5,646,980                      |
| Grand Total                   | 11,389,400                    | 11,684,310                    | 14,490,690                    | 12,741,650                    | 12,716,600                    | 12,802,900                    | 12,764,870                    | 12,767,250                    | 12,767,250                    | 12,767,250                     |

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11 BORROWING COSTS (Interest)

See Loan Summary, contained in supporting schedules

12 POSITION AT COMMENCEMENT OF THE FINANCIAL YEAR [Reg. 31]

The position at the commencement of the financial year has been calculated as per Local Government (Financial Management) Regulations 31 and 32 as follows:

|   | Year 1<br>Budget<br>2018/2019 | Year 2<br>Budget<br>2019/2020 | Year 3<br>Budget<br>2020/2021 | Year 4<br>Budget<br>2021/2022 | Year 5<br>Budget<br>2022/2023 | Year 6<br>Budget<br>2023/2024 | Year 7<br>Budget<br>2024/2025 | Year 8<br>Budget<br>2025/2026 | Year 9<br>Budget<br>2026/2027 | Year 10<br>Budget<br>2027/2028 |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| NET CURRENT ASSEST REPRESENTED BY             |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| CURRENT ASSETS                                |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Cash & Investments                            |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Cash at Bank & Investments                    | 33,435,700                    | 31,867,334                    | 29,123,000                    | 26,397,658                    | 26,769,754                    | 25,610,623                    | 25,061,419                    | 25,443,860                    | 25,301,606                    | 25,032,004                     |
| Financial assets                              | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Debtors                                       |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Rates Debtors                                 | 150,000                       | 150,000                       | 150,000                       | 150,000                       | 150,000                       | 150,000                       | 150,000                       | 150,000                       | 150,000                       | 150,000                        |
| Sundry Debtors                                | 1,731,168                     | 2,437,684                     | 2,427,684                     | 2,417,684                     | 2,407,684                     | 2,397,684                     | 2,387,684                     | 2,377,684                     | 2,367,684                     | 2,357,684                      |
| Other Current Assets                          | 485,546                       | 536,490                       | 567,007                       | 596,254                       | 608,886                       | 621,518                       | 634,150                       | 646,782                       | 659,414                       | 672,046                        |
| Total Current Assets                          | 35,802,415                    | 34,991,508                    | 32,267,691                    | 29,561,596                    | 29,936,325                    | 28,779,825                    | 28,233,253                    | 28,618,326                    | 28,478,704                    | 28,211,734                     |
| LESS CURRENT LIABILITIES                      |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Creditors & Provisions                        |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Creditors                                     | 3,322,233                     | 3,614,460                     | 3,684,489                     | 3,744,756                     | 3,804,977                     | 3,804,977                     | 3,804,977                     | 3,804,977                     | 3,804,977                     | 3,804,977                      |
| Provision for Employee Entitlements (Current) | 2,342,576                     | 2,342,576                     | 2,342,576                     | 2,342,576                     | 2,342,576                     | 2,342,576                     | 2,342,576                     | 2,342,576                     | 2,342,576                     | 2,342,576                      |
| Income in Advance                             | 669,784                       | 669,784                       | 669,784                       | 669,784                       | 669,784                       | 669,784                       | 669,784                       | 669,784                       | 669,784                       | 669,784                        |
| Loan Liability (Current)                      | 485,530                       | 513,383                       | 422,156                       | 441,592                       | 461,953                       | 483,290                       | 505,662                       | 504,627                       | 528,382                       | 553,300                        |
| Bonds   | 1,356,054                     | 1,356,054                     | 1,356,054                     | 1,356,054                     | 1,356,054                     | 1,356,054                     | 1,356,054                     | 1,356,054                     | 1,356,054                     | 1,356,054                      |
| Total Current Liabilities                     | 8,176,177                     | 8,496,257                     | 8,475,059                     | 8,554,762                     | 8,635,345                     | 8,656,681                     | 8,679,053                     | 8,678,018                     | 8,701,774                     | 8,726,692                      |
| ADD BACK LOAN LIABILITY                       | 485,530                       | 513,383                       | 422,156                       | 441,592                       | 461,953                       | 483,290                       | 505,662                       | 504,627                       | 528,382                       | 553,300                        |
| LESS RESTRICTED ASSETS                        |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Cash Backed Reserves                          | 24,335,416                    | 23,229,076                    | 20,403,671                    | 17,626,417                    | 17,891,799                    | 16,717,356                    | 16,167,854                    | 16,540,638                    | 16,353,730                    | 16,084,480                     |
| Other Restricted Assets                       | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Total Restricted Assets                       | 24,335,416                    | 23,229,076                    | 20,403,671                    | 17,626,417                    | 17,891,799                    | 16,717,356                    | 16,167,854                    | 16,540,638                    | 16,353,730                    | 16,084,480                     |
| NET CURRENT ASSETS                            | 3,776,352                     | 3,779,559                     | 3,811,117                     | 3,822,009                     | 3,871,134                     | 3,889,077                     | 3,892,007                     | 3,904,297                     | 3,951,583                     | 3,953,863                      |

13 TRADING UNDERTAKINGS [Reg. 27(i)]

The city does not consider any of its activities come under the definition of trading undertakings as per the Local Government Act 1995.

14 MAJOR TRADING UNDERTAKINGS, LAND TRANSACTIONS AND MAJOR LAND TRANSACTIONS [Reg. 27(j)(k)]

The city’s investment assets are managed under Business Plans prepared in accordance with sections (3.58) and (3.59) of the Local Government Act 1995.

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15 NOTES TO THE CASHFLOW STATEMENT

Reconciliation of net cash used in operating activities to change in net assets resulting from operations:

|  | Year 1<br>Budget<br>2018/2019 | Year 2<br>Budget<br>2019/2020 | Year 3<br>Budget<br>2020/2021 | Year 4<br>Budget<br>2021/2022 | Year 5<br>Budget<br>2022/2023 | Year 6<br>Budget<br>2023/2024 | Year 7<br>Budget<br>2024/2025 | Year 8<br>Budget<br>2025/2026 | Year 9<br>Budget<br>2026/2027 | Year 10<br>Budget<br>2027/2028 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| <b>Change in net assets resulting from operations<br/>As per Operating Statement</b> | 2,780,567                     | 3,550,480                     | 3,681,510                     | 3,398,560                     | 3,458,090                     | 3,179,540                     | 3,626,010                     | 3,819,870                     | 3,890,040                     | 3,331,650                      |
| Add/(Less) non cash items:   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Depreciation   | 5,417,270                     | 5,819,520                     | 5,911,830                     | 6,014,630                     | 6,108,950                     | 6,176,460                     | 6,221,320                     | 6,265,450                     | 6,309,130                     | 6,345,850                      |
| Profit/Loss on sale of assets  | (35,680)                      | (43,540)                      | (43,540)                      | (43,540)                      | (43,540)                      | (43,540)                      | (43,540)                      | (43,540)                      | (43,540)                      | (43,540)                       |
| Government grants & subsidies adjustment   | (822,870)                     | (1,337,730)                   | (1,302,760)                   | (849,500)                     | (849,500)                     | (432,900)                     | (932,900)                     | (1,182,900)                   | (1,182,900)                   | (682,900)                      |
| <b>Changes in asset and liabilities during the year:</b>                             |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Changes in assets (increases in brackets):   |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Change in debtors  | (248,496)                     | (706,516)                     | 10,000                        | 10,000                        | 10,000                        | 10,000                        | 10,000                        | 10,000                        | 10,000                        | 10,000                         |
| Change in Accrued revenue  | (41,324)                      | (48,312)                      | (17,886)                      | (16,614)                      | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Change in Prepayments  | 0                             | 0                             | (10,000)                      | (10,000)                      | (10,000)                      | (10,000)                      | (10,000)                      | (10,000)                      | (10,000)                      | (10,000)                       |
| Change in Inventory  | (2,632)                       | (2,632)                       | (2,632)                       | (2,632)                       | (2,632)                       | (2,632)                       | (2,632)                       | (2,632)                       | (2,632)                       | (2,632)                        |
| Changes in liabilities (decreases in brackets):                                      |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Change in employee entitlements  | 60,286                        | 61,867                        | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| Change in creditors  | 232,701                       | 230,359                       | 70,029                        | 60,267                        | 60,222                        | 0                             | 0                             | 0                             | 0                             | 0                              |
| Change in income received in advance   | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                             | 0                              |
| <b>Net cash provided by operating activities</b>                                     | <b>7,339,824</b>              | <b>7,523,497</b>              | <b>8,296,552</b>              | <b>8,561,170</b>              | <b>8,731,590</b>              | <b>8,876,928</b>              | <b>8,868,258</b>              | <b>8,856,248</b>              | <b>8,970,098</b>              | <b>8,948,428</b>               |

16 CONTRIBUTION TO THE DEVELOPMENT OF ASSETS

The City anticipates the following contributions towards the development of assets:

|  | Year 1<br>Budget<br>2018/2019 | Year 2<br>Budget<br>2019/2020 | Year 3<br>Budget<br>2020/2021 | Year 4<br>Budget<br>2021/2022 | Year 5<br>Budget<br>2022/2023 | Year 6<br>Budget<br>2023/2024 | Year 7<br>Budget<br>2024/2025 | Year 8<br>Budget<br>2025/2026 | Year 9<br>Budget<br>2026/2027 | Year 10<br>Budget<br>2027/2028 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| <b>Source</b>                                  |                               |                               |                               |                               |                               |                               |                               |                               |                               |                                |
| Main Roads WA - MRRG                           | 577,200                       | 662,000                       | 626,260                       | 250,000                       | 250,000                       | 0                             | 0                             | 250,000                       | 250,000                       | 250,000                        |
| Main Roads WA - Blackspot                      | 90,670                        | 242,000                       | 182,000                       | 100,000                       | 100,000                       | 100,000                       | 100,000                       | 100,000                       | 100,000                       | 100,000                        |
| Main Roads WA - Local Roads Special Grants     | 0                             | 35,000                        | 35,000                        | 35,000                        | 35,000                        | 35,000                        | 35,000                        | 35,000                        | 35,000                        | 35,000                         |
| Department of Transport & Regional Development | 130,000                       | 97,900                        | 97,900                        | 97,900                        | 97,900                        | 97,900                        | 97,900                        | 97,900                        | 97,900                        | 97,900                         |
| Bikewest                                       | 25,000                        | 300,830                       | 195,000                       | 200,000                       | 200,000                       | 200,000                       | 200,000                       | 200,000                       | 200,000                       | 200,000                        |
| Department of Sport and Recreation             |                               | 0                             | 166,600                       | 166,600                       | 166,600                       | 0                             | 0                             | 0                             | 0                             | 0                              |
| <b>TOTAL</b>                                   | <b>822,870</b>                | <b>1,337,730</b>              | <b>1,302,760</b>              | <b>849,500</b>                | <b>849,500</b>                | <b>432,900</b>                | <b>432,900</b>                | <b>682,900</b>                | <b>682,900</b>                | <b>682,900</b>                 |

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## C.1 REFERENCES

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# End of Plan