



**CITY OF  
CANNING**

**2021  
2031**

# **LONG TERM FINANCIAL PLAN**



## ACKNOWLEDGEMENT OF COUNTRY

The City of Canning acknowledges the Whadjuk People of the Noongar Nation as the traditional custodians of the land. We pay our respects to Aboriginal and Torres Strait Islander Elders past and present for they hold the memories, the traditions, the culture and hopes for Aboriginal Australia. The City is committed to forging stronger relationships and a deeper respect for Aboriginal and Torres Strait Islander Australians. By acknowledging and respecting the diversity and history of our Aboriginal and Torres Strait Islander community, we will continue to realise our vision for reconciliation.

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**We will continue providing services and infrastructure for our growing city in a way that is affordable and financially responsible.**



# ABOUT THIS PLAN

**Long term financial planning is a requirement within the legislated Integrated Planning and Reporting (IPR) framework and guidelines and form the City's Plan for the Future. Good financial planning is the mainstay of any organisation and is a key requirement of the Local Government Act 1995.**

The Long Term Financial Plan (LTFP) is a 10 year rolling plan that informs the Corporate Business Plan (CBP) in the activation of Strategic Community Plan (SCP) priorities. The LTFP includes forecast budgets and the first four years accompany the objectives detailed in the CBP. From these planning processes, annual budgets that are aligned with strategic objectives can be developed.

The City of Canning's LTFP 2021-2031 outlines our strategies towards managing the City's future financial sustainability, as well as meeting the SCP expectations over the next ten years. We will continue providing services and infrastructure for our growing city in a way that is affordable and financially responsible.

In May 2021, the Council considered report CC-025-21 Reframing the Long Term Financial Plan (LTFP) that discussed the City's current short and long term financial position along with measures and initiatives to improve that financial position.

The key objectives included in the report were to:

1. Move the City to an operating position that achieves a financial surplus and ensures long-term economic sustainability.
2. Enable current and future key infrastructure projects to be funded through adequate reserve funds.

The Council also noted that in order:

- to restore the City's financial sustainability
- to fully fund the City's *Asset Management Plan*
- and to fully fund all adopted strategic plans.

The LTFP would need to include increases in revenue and decreases in expenditure. The proposed increases and decreases are to be implemented over a three year period, the latter resulting in a net annual saving of \$3 million per annum.

This LTFP delivers on those objectives. It will see restoration of a stable operating position, delivery of funded strategies and plans, gradual improvement in the balance of cash-backed Reserve Fund accounts and the capacity to deliver on the community's infrastructure needs.

The following six strategic priorities adopted in May 2021 form the foundation of this 10 year plan being to:

1. Restore the City's financial position to be able to generate operating surpluses
2. Fund all of the adopted strategies and plans, especially the Asset Management Plans
3. Achieve the cost reductions through a mix of benchmarking, outsourcing and service level reviews
4. No longer rely on land sales to generate operating surplus
5. Apply a three year timeframe for lifting the rating levels to the required level of funding (by 2024-2025)
6. Maintain the principles identified in the City's Rating Strategy 2018-2023, ensuring objectivity and equity continue.

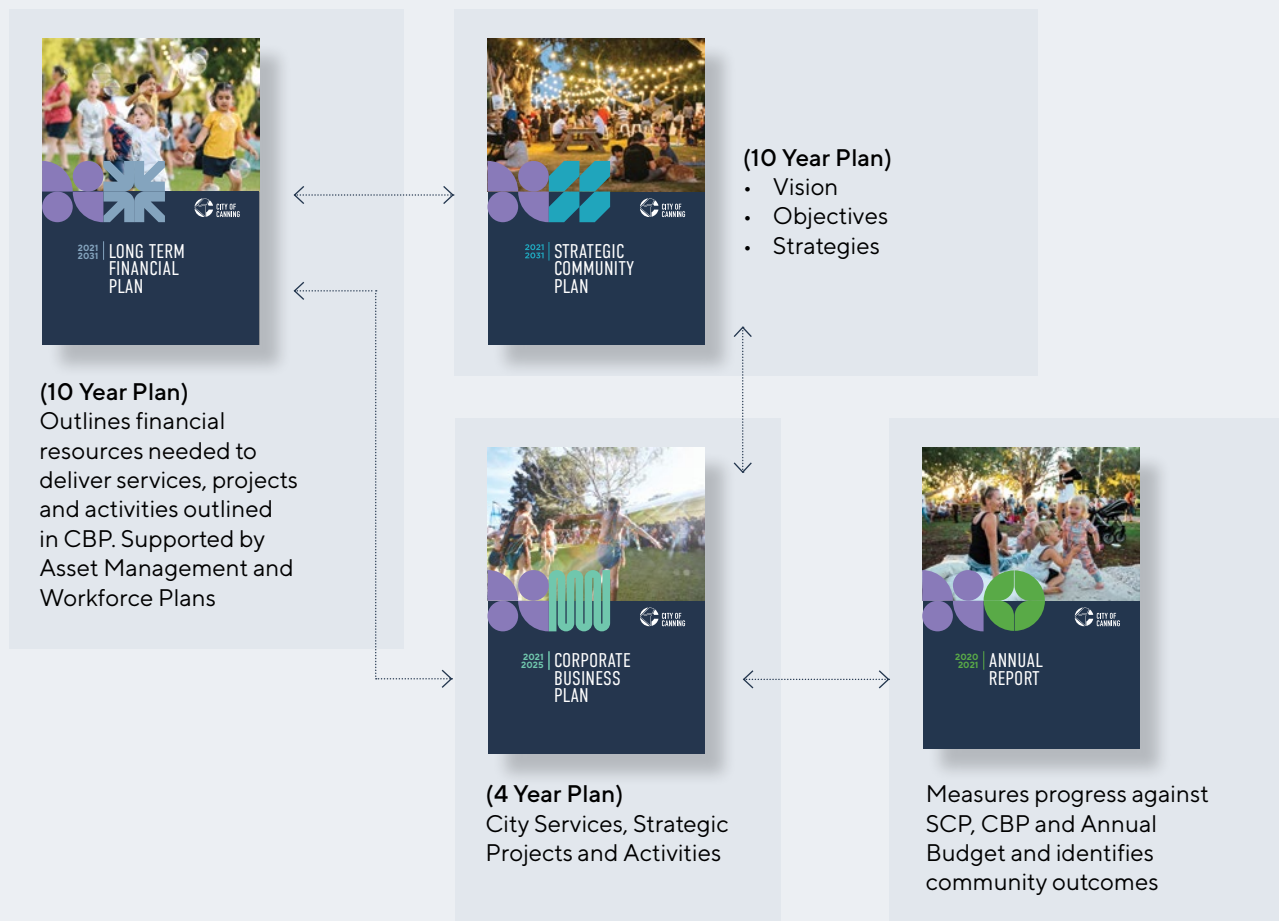
# INTEGRATED PLANNING AND REPORTING FRAMEWORK

The below diagram depicts the components that make up the City's Integrated Planning and Reporting (IPR) Framework. It shows the interaction between the plans and informing strategies to ensure the priorities and services provided by the City are aligned with our Strategic Community Plan to deliver the best possible results for our ratepayers and the community.

Long term financial planning is a key element of the Integrated Planning and Reporting Framework. It enables local governments

to set priorities, based on their resourcing capabilities, for the delivery of short, medium and long term community priorities identified in the City's *Strategic Community Plan*.

While the LTFP has a ten year outlook, it has a particular focus on delivering the requirements in the four year period covered by the CBP. As that plan is refreshed on a rolling two year basis, the LTFP is to be updated, reflecting any changes to priorities or projects that have been identified in the review process.





# FINANCIAL STRATEGIES

One of the key elements of the Integrated Planning and Reporting Framework, the LTFP is an indicator of local government's long term financial sustainability and allows early identification of financial issues and its long term impact.

A detailed review of City's financial position was undertaken in early 2021 calendar year which noted that City's financial position had deteriorated over the past ten years. The report presented to Council in May 2021 outlined the following findings:

- The City recorded only one operating surplus back in the year 2010-2011 (excluding the value of land sales) in the last ten years
- Accumulated an asset renewal demand gap of \$33 million (mainly property renewals) in outstanding infrastructure renewal
- The overall balances in cash backed reserves had reduced significantly, especially the Infrastructure and Land and Building reserves, resulting in the accumulation of an asset renewal gap
- Various strategies and plans were developed, adopted and implemented based on community and organisational priorities but were not fully funded in the previously adopted LTFP

- Continued development of master plans for new capital projects where there was no known source of funding available to undertake these.

Two elements that led to these outcomes were a failure to adhere to the principles contained in the adopted LTFP and the lack of adjustments to the LTFP components (i.e. revenue and expenditure) as elements of the forecast changed.

When the previous LTFP had been developed a world impacted by the COVID-19 pandemic was not on the horizon. The impact associated with managing the COVID-19 pandemic was significant and corrections to the assumptions and modelling were needed to reflect the fiscal challenges. Going forward, the LTFP review process has to be regularly reviewed and respond to volatility as it happens in the future.

Strong fiscal discipline underpins the success of any enterprise; discipline is required of the City's Administration in the conduct of operations and by Council in its decision making. If this practice is maintained, this LTFP will deliver on the six financial strategies.

# INCOME PARAMETERS

**Improving the City's income is a mainstay of being able to deliver operational surpluses and providing sufficient funding for the initiatives in the LTFP.**

## RATING

The generation of 'own source' revenue through property rates is the mainstay of income for all local governments. Property rates are applied using the principles of the adopted Rating Strategy 2018-2023. In May 2021, having reviewed the structure and value of rating, Council adopted the following principles in order to achieve sustainable operating revenue levels and generate operating surpluses:

- The City's rate yield (% of rate revenue compared to the Gross Rental Value of all properties) for 2020-2021 of 5.64% is to be increased to achieve a rate yield of 6.60% by financial year 2023-2024
- Increase the minimum rate to \$1,002 by 2023-2024 to align with the benchmark rate within the industry
- Increase the residential (non-minimum) average rate to \$1,320 by 2023-2024.

The rating strategy used for the LTFP complies with these principles. Once these funding levels are achieved, annual adjustments to rates aligns with estimates for future cost increases to expenditure.

## FEES AND CHARGES

Fees and charges are to be set to provide either full cost recovery (where applicable) or deliver an equitable contribution to the cost of the service. However, there is a considerable range in the type of services where fees can apply and the discretion available to the City to set a fee for individual services; as shown below:

- User-pay and full cost recovery principles are applied for most categories (including Waste and Security), or as prescribed under legislation
- For some fees the City has full discretion to set fee for full cost recovery, however, certain fees for community programs (leisureplex, hire of sports facilities etc.) have been set to allow for a social element to pricing and may not achieve full cost recovery
- Existing fees and charges are reviewed annually with consideration of statutory limits, inflation, and employee cost index.

Each fee category is reviewed annually and tables of fees and charges are published as part of the Annual Budget.

## GRANT AND CONTRIBUTIONS

With the exception of the Financial Assistance Grants (FAG) income provided by the Commonwealth, grants are discretionary sources of income. From time to time one-off grants, such as the Local Road and Community Infrastructure (LRCI) grants are provided to all local governments and where known these are included in the LTFP. While the City has an adopted Advocacy Priorities List 2021, this plan does not include any provisional estimate of discretionary income. To support the broader goals of the SCP and CBP, the City will:

- Continue to advocate for grants from State and/or Federal government
- Seek contribution from private companies, developers and other sources towards specific projects where they have a direct stake
- Explore and maximise grant and contribution funding from other sources (ie Departmental or Lotterywest) where the City has projects aligned to their respective programs.

## INVESTMENTS

Over the life of the LTFP the City's financial position will continue to improve. As this occurs, there are increased transfers into Reserve Funds (see reference later); which in turn are established to support asset or liability management, or project delivery. The City is constrained by statute on how these funds are to be managed, with guidance adopted in City Policy AF306 - Investments. In the near term, these funds will only achieve conservative returns from current term deposit rates; this outcome does not assist in the replacement of asset classes where costs increases are more significant than deposit rates.





## DEBT MANAGEMENT

Most of City's assets are long life assets and benefit of these assets are enjoyed for generations. Accordingly, borrowing is considered as a funding source to support the provision of these intergenerational needs.

The following financial strategies have been adopted while considering debt as a funding source:

- Debt levels and capacity to borrow are considered before considering debt as a funding option
- Asset renewal projects are not to be funded using debt and the City should be able to fund them from its accumulated operating surpluses
- New projects can be funded using debt funding, but this is not to be the primary source of funding
- Cost benefit analyses are to be performed for all debt funded projects, ensuring there is a capacity for City to repay
- Project costs recoverable from third party or individual ratepayers can be funded using debt, for instance, Underground Power Projects.

## CASH RESERVES

As per the City's Policy FM.05 - Budget Preparation Reserves are established for the following purposes:

- To protect against risk
- To support capital development
- To manage and avoid contingency allocations within the annual budget
- To support the City's Integrated Planning Framework.

At the outset of the LTFP the City of Canning has one of the lowest levels of cash reserves compared to other similar sized or neighbouring councils in Western Australia. The following strategies are adopted in order to increase and maintain higher levels of cash reserves:

- Generate operating surplus in order to transfer amount to cash reserves for new capital projects and new initiatives
- The annual allocation for capital renewal projects, if not spent, is to be transferred to the Asset Renewal Reserve.

Appendix 4 details the current Reserve Fund accounts, their purpose and funding strategy.

**Providing sufficient funding for the maintenance and renewal of assets is an essential part of the LTFP.**



# OTHER PARAMETERS

## EXPENDITURE MANAGEMENT

As mentioned previously, the LTFFP was required to achieve \$3 million per annum in operating cost reductions by 2023-2024. At the outset of the LTFFP savings have accrued that resulted from organisation restructuring initiatives commenced in 2019-2020. These continued and were embedded in the 2021-2022 Annual Budget. Further efficiency gains will flow from the City's ongoing investment in its Digital Strategy and agreed with employees in a new Enterprise Agreement.

With other projects underway and further cost savings identified from these, there is a high level of confidence that the required savings will be delivered.

## ASSET MANAGEMENT

Providing sufficient funding for the maintenance and renewal of assets is an essential part of the LTFFP. Previous levels of financial support have not been sufficient to achieve this, which leaves the City with a shortfall in funding. This position can't be retrieved quickly, but over the life of the LTFFP allocations have been made that:

- Increases the annual 'base allocation' for asset renewal will match the value of annual depreciation. This has been achieved by up to 80% in year 10 (2031-2032)
- Fund the Building Asset renewal gap of \$31 million identified at the time of preparation of LTFFP
- Includes a number of new projects, still subject to detailed capital planning, within the forecast.

## OPERATING SURPLUS

As per the guidelines issued by the Department of Local Government Sports and Cultural Industries, all local governments should generate an operating surplus. The Operating Ratio is one of the financial ratios that has the highest weight in determining the local government's overall Financial Health Indicator (FHI). This ratio is a measure of a local government's ability to cover its operating cost and have revenues available for capital funding or other purposes. The best practice is to exceed 15% in operating surplus. In the previous LTFFP the City only achieved an operating surplus in one year of the previous 10 financial years.

The financial strategies for revenues and expenditure outlined in this plan will contribute to generating operating surpluses, with the following expectations for future operating surpluses:

- With the mix of increasing revenue and reducing expenditure, the City is able to achieve an operating surplus in Year 5 of this LTFFP ie year 2025-2026
- The gradual increases in operating surpluses will allow the City to cash back depreciation, repay loan for new capital projects and increase cash reserves
- The forecast operating surplus at year 10 (2031-32) of the plan is 5.4%; while positive further improvements are required for the City to achieve the advanced standard of 15%
- The sale of land is not relied upon for generating operating surplus and accordingly future land sales are not factored into this LTFFP.



**The financial strategies for revenues and expenditure outlined in this plan will contribute to generating operating surpluses.**

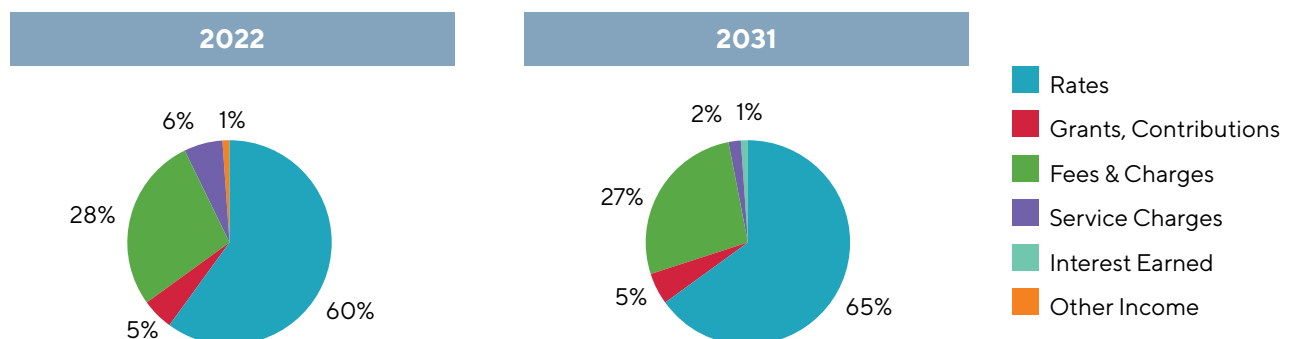
# INCOME AND EXPENDITURE FORECASTS

The following graphs show the forecast positions for revenue and expenditure components of the City's finances, at the beginning and end of the LTFP. More detailed projections for each year of the LTFP are contained in Appendix 6.

## OPERATING REVENUES

2022 Total - \$123.90M

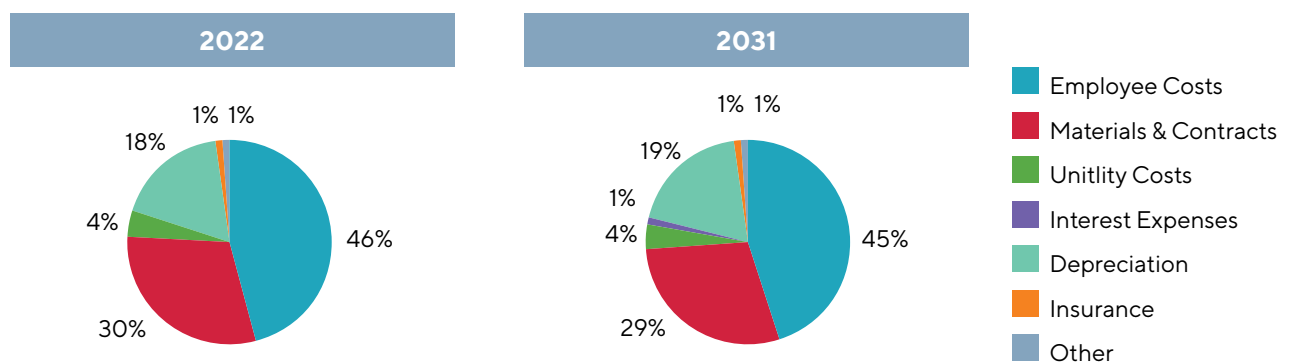
2031 Total - \$156.50M



## OPERATING EXPENSES

2022 Total - \$126.60M

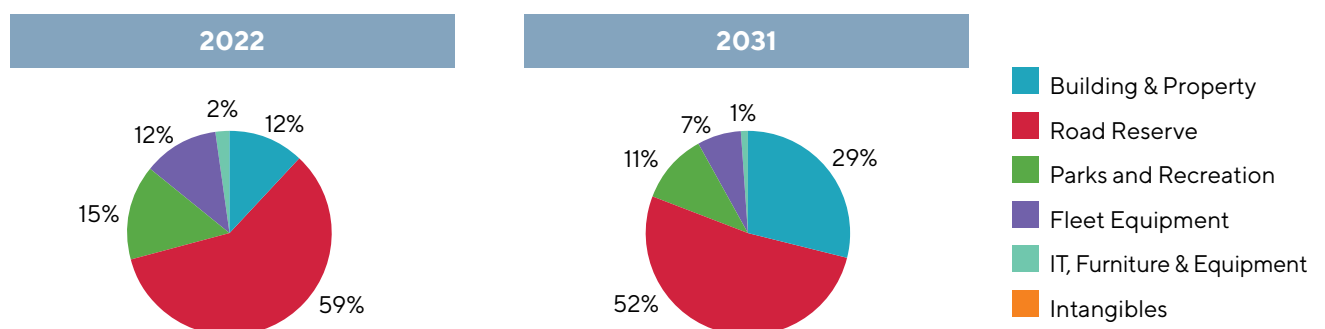
2031 Total - \$148.10M



## CAPITAL EXPENDITURE

2022 Total - \$31.10M

2031 Total - \$34.00M



# FINANCIAL RATIOS AND TARGETS

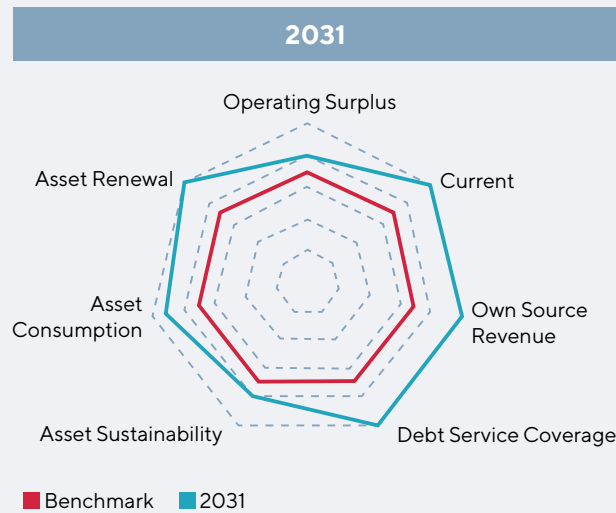
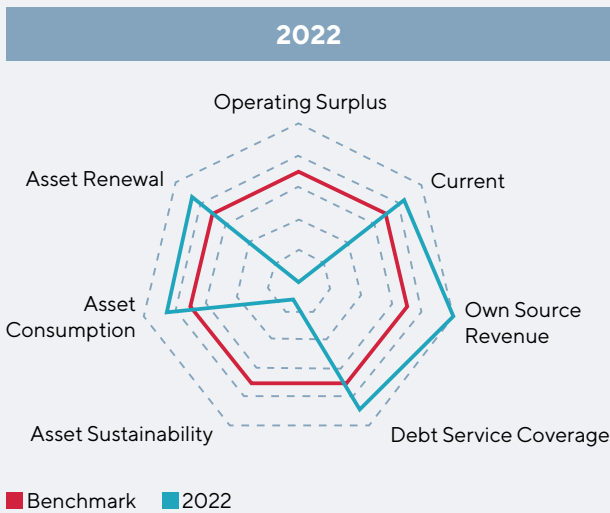
Compliance with the legislated financial ratios is an important focus within this plan. Although recognising one-off occurrences and externally funded services affect ratio outcomes and these prescribed measures are not entirely reflective of an organisation that is achieving great outcomes for its community, the LTFP aims to achieve outcomes that produce desirable financial targets.

Of course, financial targets are not the sole measure of an organisation's success, there are a variety of supplementary performance measures identified in the Corporate Business Plan (CBP) that the City aims to achieve.

Trends over the duration of the long term financial plan reflect the City's expected performance below and may be considered a better measure than annual Financial Health Indicator (FHI) assessments.

The Department of Local Government & Communities presents financial targets in the form of a 'radar' chart, with the overall FHI score forecasts for 2022 and 2031 are shown below.

## FINANCIAL HEALTH INDICATOR GRAPH



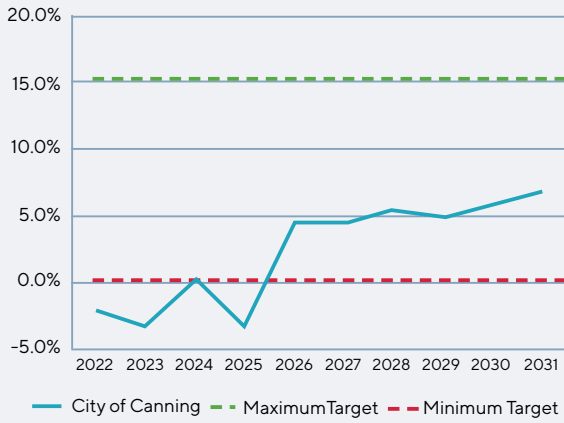
When interpreting FHI data on the radar charts a larger rounder shape is better than a smaller shape.

As mentioned previously, the FHI is a measurement of a local government's overall financial health. It is calculated from the seven financial ratios that local governments are required to calculate annually. The FHI is one factor to consider in assessing overall performance. Other factors include the range of services offered, efficiency of services delivered, and community satisfaction.

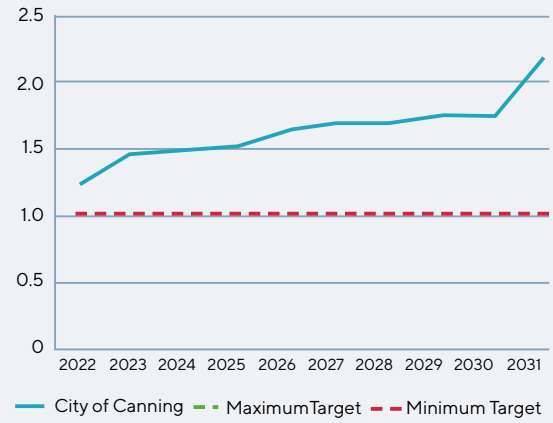
Graphs depicting the changes in the individual ratios: Operating Surplus, Current, Own Source Revenue, Debt Service, Asset Sustainability and Asset Consumption, are shown below. Each has a 'target' range, based on the Departmental guidance. Appendix 3 details the definition of each of these ratios.

The trends show the ongoing improvement of the financial sustainability of the City that is anticipated over the life of the LTFP.

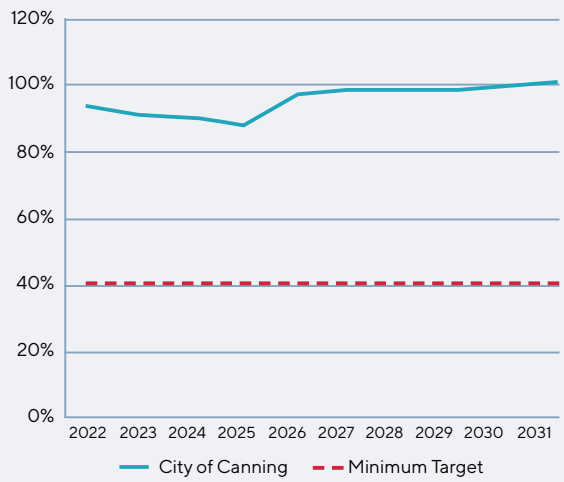
### OPERATING SURPLUS RATIO



### CURRENT RATIO



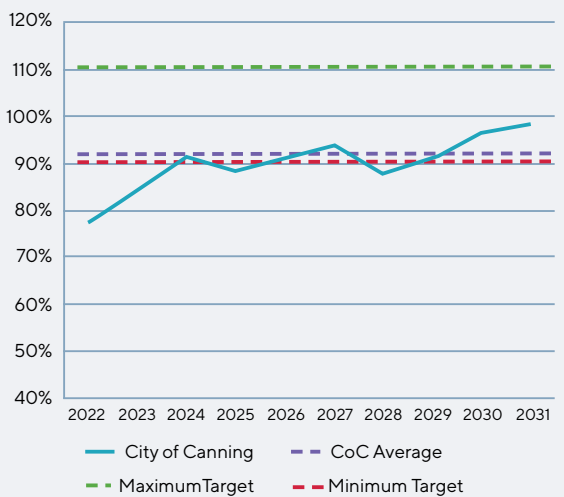
### OWN SOURCE REVENUE COVERAGE RATIO



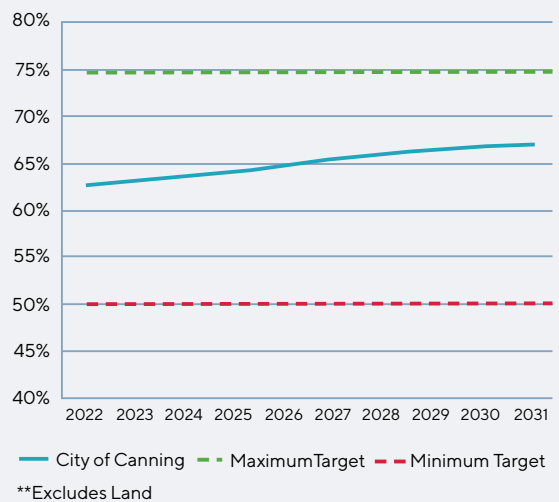
### DEBT SERVICE COVERAGE RATIO



### ASSET SUSTAINABILITY RATIO



### ASSET CONSUMPTION RATIO



\*\*Excludes Land

# ASSUMPTIONS

**Like any plan, there are underlying assumptions and forecast estimates. These do not commit the City to the financial details of the long term plan, rather act as a guide towards the drafting of the City's Annual Budget. The following assumptions have been made:**

## GENERAL ASSUMPTIONS

- Existing service levels are to be maintained
- Population to increase to around 111,000 persons by 2031
- The indexation assumption used for expenditure is based on Local Government Cost Index (LGCI) instead of Consumer Price Index (CPI) as LGCI is specifically for the local government industry
- The financial forecast is based on normal operations and does not factor in any further significant volatility due to the impact of COVID-19.

Not every project that the City is investigating is included in the LTFP. Some projects are in the early stages of development, or may require more certainty around their financial impact, before they can be incorporated into an LTFP. Appendix 2 details projects/factors that are not incorporated into the current draft of the plan.

All variable assumptions applicable to individual items of revenue and expenditure are contained within Appendix 5 showing assumptions across all ten years of the LTFP.





**Like any plan,  
there are underlying  
assumptions and  
forecast estimates.**

## OPERATING REVENUE ASSUMPTIONS

Detailed earlier in this summary were the assumptions for review of rating, no further commentary is applied to this source of own source revenue.

For the other categories of Income are itemised below, detailing the individual assumptions that have been applied to the forecasts as well an assessment of 'risk' that apply to such forecasts.

Assumptions by Revenue Type	Risks
<p><b>1. Fees and Charges</b></p> <p><i>Leisureplexes:</i></p> <p>Adopted Budget 2021-22 achieved LTFP Year 1 target of ~ 3.5% increase (track Pre-COVID-19 revenue)</p> <p>Year 2 onwards a conservative increase of revenue estimates by 3% until Financial Year 2025 of LTFP and 2% thereafter – mix of growth and Fees &amp; Charges</p> <p><i>Waste Management Charges:</i></p> <p>LTFP follows principles of cost recovery in informing the Waste Management Charges</p> <p>LTFP forecasts Waste Management Charges increase by ~3.5% year on year until mid of LTFP, and an inflationary (1%-2%) increase thereafter</p> <p><i>Security Levy:</i></p> <p>LTFP follows principles of cost recovery in informing the Security Levy charge, forecasts an inflationary increase</p> <p><i>Other Fees &amp; Charges:</i></p> <p>Assumes inflationary increase of 2% (LGCI-CPI).</p>	<ul style="list-style-type: none"> <li>• Market conditions and competition</li> <li>• Current environment and economic climate</li> <li>• Capacity restrictions or lockdowns during current pandemic not factored in</li> <li>• Increase in state government charges for Waste</li> <li>• Fee increase reliant on increase in Materials and Contract price escalation and Employee Cost.</li> </ul>
<p><b>2. Operating Grants</b></p> <ul style="list-style-type: none"> <li>• The City will continue to receive annual allocation of general purpose grant from Grant Commission being the largest component under this category</li> <li>• Projected annual increase of 2% per annum each year.</li> </ul>	<ul style="list-style-type: none"> <li>• Due to budgetary or other pressure, the annual allocation from State/ Federal government may decrease.</li> </ul>
<p><b>3. Interest Income</b></p> <ul style="list-style-type: none"> <li>• With the interest rate at historic low it is assumed to earn 0.30% per annum for first five years with gradual increase to 0.75% per annum by year ten of LTFP.</li> </ul>	<ul style="list-style-type: none"> <li>• While interest rates are not expected to go down any further, they are subject to economic volatility and are uncertain</li> <li>• Any increase in rate may have positive impact on our interest income.</li> </ul>

## OPERATING EXPENDITURE ASSUMPTIONS

All assumptions for operating expenditure are similarly categorised along with an assessment of risks that apply to these forecasts.

Assumptions by Expenditure Type	Risks
<p><b>1. Materials and Contract</b></p> <ul style="list-style-type: none"> <li>2021-2022 being the first year of LTFP, material and contract provision has been lifted to pre-covid levels to restore service delivery.</li> <li>The future increases are @2% per annum which is the forecast Local Government Cost Index (LGCI) as issued by WALGA in September 2021 edition of Economic Briefing.</li> </ul>	<ul style="list-style-type: none"> <li>Forecast LGCI as per the Economic Briefing issued in December 2021 is 2.4% and 2.2% for 2022-2023 and 2023-2024 respectively</li> <li>Uncertainty around national and global supply chain issues may push the cost index upward</li> <li>If the pandemic situation continues, it may result into possible increase in service levels either due to State Government mandate or community expectations.</li> </ul>
<p><b>2. Employee Costs</b></p> <ul style="list-style-type: none"> <li>Provision for Enterprise Agreement (EA) increase equates to approximately a 1.5% per annum for year 2 and 3</li> <li>Provision for increase for future years is 2% per annum each year, as per LGCI Wage Index</li> <li>Increase in Superannuation Cost as per statutory increase in Super Guarantee Contribution (SGC).</li> </ul>	<ul style="list-style-type: none"> <li>As per ABS report for December 2021, WA's unemployment rate is 3.4% being the lowest in 13 years</li> <li>The tighter labour market results in skill shortages pushing wages upwards.</li> <li>As per Economic Briefing issued by WALGA in December 2021, the LGCI Wage Index has already been revised upward to 2.25% and 2.50% for next 2 years.</li> </ul>
<p><b>3. Utilities</b></p> <ul style="list-style-type: none"> <li>Prior year under-provisioning issue addressed</li> <li>Future increases at 3.5% per annum</li> <li>The LTFP incorporates funding for conversion of existing street lights to LED project. The project is expected to complete in 2022-2023 at the cost of \$5.4 million and is expected to generate annual savings of \$0.8 million per annum from 2023-2024.</li> </ul>	<ul style="list-style-type: none"> <li>Forecast savings on account of the LED street light project is significant and any variation can have material impact on this plan.</li> </ul>
<p><b>4. Interest</b></p> <ul style="list-style-type: none"> <li>Interest rates on borrowings are based on forecast rates published by Western Australian Treasury Corporation</li> <li>It is assumed that the guarantee fee of 0.70% charged by the State Government on all borrowings will remain the same.</li> </ul>	<ul style="list-style-type: none"> <li>Interest rate risk as they are expected to go higher in future</li> <li>Any cost escalation or shifting of cost by the State Government may increase the guarantee fee.</li> </ul>



**The City owns and maintain a very large portfolio of physical assets used to deliver services to the community.**



# ASSET MANAGEMENT

The CBP provided details of the City’s Asset Management Framework. This document does not seek to duplicate this information. However, to amplify the importance of good asset management some details of the City’s individual Asset Management Plans in outlined below.

## ASSET MANAGEMENT PLANS

The City owns and maintain a very large portfolio of physical assets used to deliver services to the community. As at 30 June 2021 the estimated gross replacement cost of City’s depreciable assets were \$1.2 billion as shown below.

## CITY ASSETS

Asset Management planning is a comprehensive process to ensure delivery of services from City owned and managed infrastructure is provided in a financially sustainable manner.

## CITY SERVICES

Wide range of services delivered to the community. In almost every case, these services rely on physical assets for their delivery.

Service Types include:

- Community services
- Services to activate the City
- Internal support and governance for other services
- Design, build and manage assets.

## TOTAL ASSETS - \$1.2 BILLION

### Transport \$788M

- 600km of Road Segments
- 1,200km of Kerbing
- 375km of Footpaths
- 620km of Drainage Pipes.

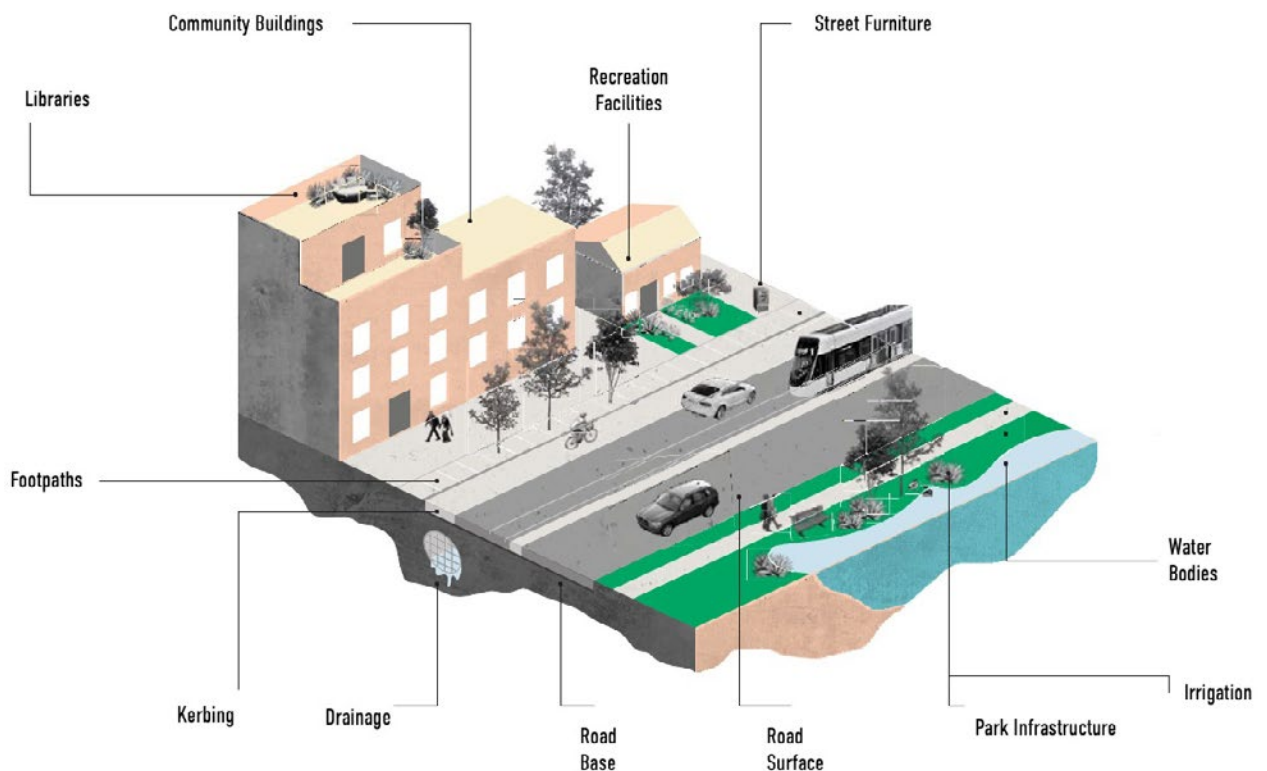
### Buildings \$251M

- 194 Buildings and Structures.

### Park Development \$98.5M

- 466ha of Public Open Space.

### Other Assets \$62.5M



The City has developed a strategic approach to asset management based on the whole of life cycle of assets. Asset Management Plans will assist the City in predicting infrastructure consumption and asset renewal needs which identifies the cost required to renew or preserve the City's assets.

The City has recently implemented a new Enterprise Resource Planning (ERP) system. The key consideration in implementing this ERP is to implement the Enterprise Asset Management (EAM) module in order to build a single source of truth and capture all asset registers into one system. The asset data from EAM is then used to perform modelling within the Strategic Asset Management (SAM) module to produce asset management plans. A project plan has been developed to produce asset management plans from the SAM module.

The Building Asset Management Plans (AMP) were developed using the SAM module identifying the asset renewal funding gap of \$31 million. This funding gap has been addressed in the LTFP. The asset data in the existing ERP is still not at full maturity and accordingly the data confidence level for these plans is medium. The AMPs are required to be reviewed regularly in order to prepare forward capital works program to feed into the LTFP.

The AMP for other assets classes are in the final stages of development and the cost estimates for these were incorporated into the LTFP.

Effective asset and financial management for long lived infrastructure assets is about achieving the right balance between cost, risk and performance of assets in the provision of services required by the community and all users of City assets.

An AMP is a written representation of the intended asset programs for the management of infrastructure assets based on the City's understanding of service level requirements and its ability to meet those requirements in a cost effective manner.

The status of the AMPs is displayed below:

	<b>BUILDINGS - (2022-2031)</b> Expected delivery March 2022
	<b>TRANSPORT - (2022-2031)</b> Expected delivery March 2022
	<b>PARK DEVELOPMENT - (2022-2031)</b> Expected delivery March 2022
	<b>PLANT AND FLEET - (2022-2031)</b> Expected delivery March 2022

Once finalised all these plans will be made available on City's website.

At the time of development of LTFP it was identified that the annual allocation of municipal funding to renew asset was significantly lower than the depreciation i.e. rate of asset consumption each year. The base allocation for asset renewal has been gradually increased over the life of the LTFP so as to match the asset renewal requirement.

The graph below details asset renewal expenditure as per LTFP versus annual asset depreciation.

**ASSET RENEWAL FUNDING  
VERSUS DEPRECIATION EXPENSE**



The annual depreciation on assets is expected to increase from \$22.60 million per annum in 2021-2022 to \$28.20 million per annum by year 2030-2031 (blue bars in the graph above). As income levels rise municipal funding allocations for asset renewal have been increased from \$12.50 million in 2021-2022 to \$23.80 million by 2030-2031 (green dotted line in the graph overleaf), thereby almost cash backing depreciation. There is a need to increase the base allocation further to exactly match with the depreciation, which shall be considered in a future iteration of the LTFP.

The graph also shows that with some asset renewal projects relating to the City Centre, Whaleback Golf Course and Waste Services funded from cash reserve, the City's total asset renewal expenditure in year ten would equal the value of annual depreciation (blue line in the graph overleaf).

The increased annual allocation toward asset renewal funding will help achieve the desired asset sustainability ratio, enabling the City to allocate asset renewal funding equal to the depreciation. This strategy may address the annual requirement for asset renewal but it will take time to accumulate funds for the backlog of asset renewal projects for all infrastructure assets.

The City has developed a Capital Investment and Planning Delivery Framework. The framework is being developed to demonstrate that services are being delivered effectively and efficiently by providing transparent and informed basis for decision making. The framework will guide following asset decisions within the asset lifecycle:

- Asset Acquisition (New assets or Upgrade of assets)
- Asset Renewal (discussed in details above)
- Operating and Maintenance
- Asset Disposal.

The annual base allocation within the LTFP is only to be used for asset renewal; all requests for major new or to upgrade assets are subject to the Capital Investment and Planning Delivery Framework.



**The City has developed a strategic approach to asset management based on the whole of life cycle of assets.**



**There is a considerable amount of uncertainty around all forecasting, especially in the outer years of such forecasts.**





# OTHER PLANNING

The CBP also provided details of the City's Workforce Plan and this document does not seek to duplicate that information. The assumptions regarding the movement of labour costs have also been detailed earlier.

A core objective of the LTFP was to ensure it supported all of the currently adopted Strategies and Plans, outlined in the CBP. One of these is the *Digital Strategy*. The City has made significant inroads in its progress to replace its Enterprise Resource

Platform, adopting Technology One's *One Council* system. The LTFP makes allocations for the ongoing transition plan, however, as the majority of this transition has been undertaken the investment levels reduce over the next three years.

As information technology underpins so much of the way society operates, with this also generating increased risks (i.e. Cyber), the City will maintain adequate resourcing to this area.

# MANAGING RISK

With changing technology, ageing infrastructure, the City Centre development, land use assumptions and the potential changes to legislation, no plan is without some level of risk. There is a considerable amount of uncertainty around all forecasting, especially in the outer years of such forecasts.

Along with other variable assumptions which underpin the plan, these risks are managed through annual updates of our long term projections along with sensitivity analysis. Further, the City's risk register identifies both strategic and operational risks which are critical to service delivery, outlining risk management strategies which are integrated within service specific business plans.

The City undertakes risk assessment and reporting on a quarterly basis, with reporting through its Audit and Risk Committee.

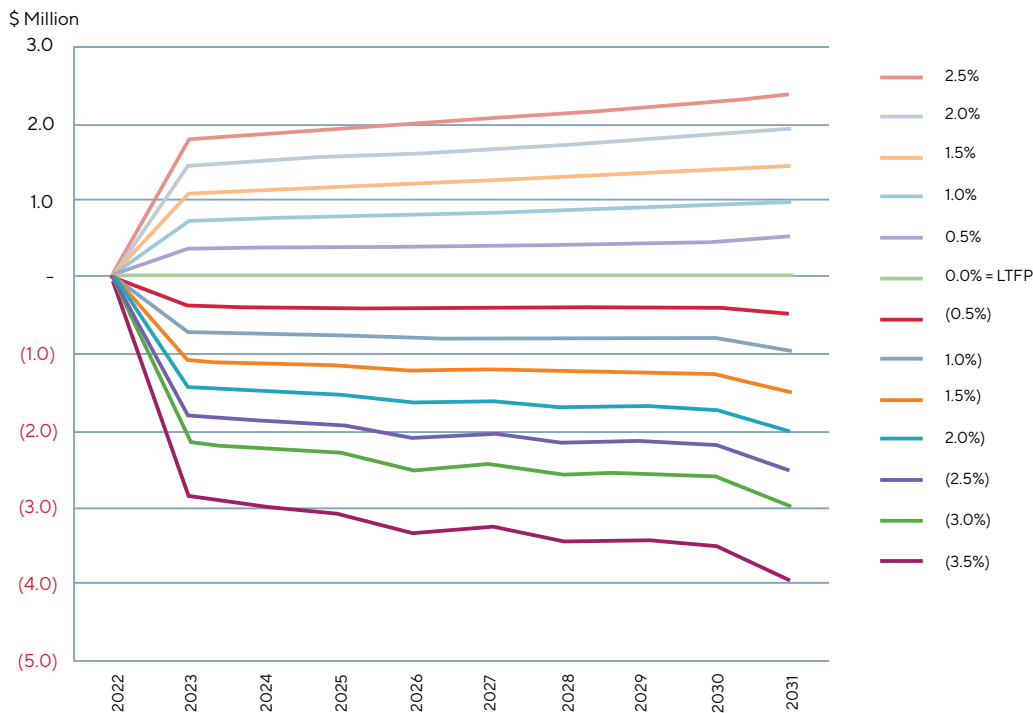
Financial and operational risks are also addressed through:

- A portfolio of insurance policies
- Compliance with legislation
- Establishing and adopted policy which establishes agreed principals to guide decision making
- CEO directives which guide administrative processes.

# SENSITIVITY ANALYSIS

As part of the forecasting process the City undertook 'sensitivity analysis', varying the parameters for each of the components within the plan. While this level of detail is important when modelling risk, it is more important to regularly review the LTFP and adjust its variables with known values, than to produce long-range sensitivity estimates. However, to show the impact of variations, the modelling for Rating and the impact on Operating Surplus is shown below:

**SENSITIVITY GRAPH 1 - ANNUAL VARIANCE IN SURPLUS/(DEFICIT) BY VARYING RATES % UP OR DOWN FROM THE LTFP**



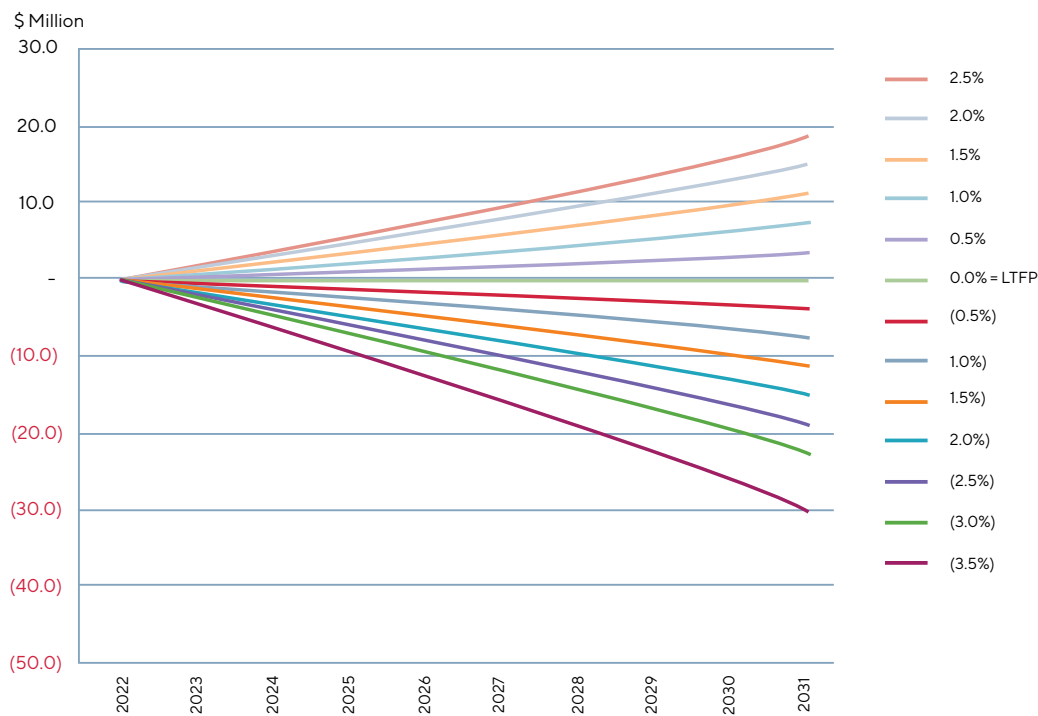
Sensitivity Graph 1 above shows impact of changes to annual percentage increase or decrease to the forecast Rates income. This is the most sensitive input assumption within the LTFP given that Rates income contributes between 60% to 65% of the total operating revenue. The LTFP has been prepared based on rates assumption outlined earlier

that would achieve strategic financial goals as adopted by the council. The green line in the middle with indicator 'LTFP' represents the draft LTFP scenario and the lines above and below show annual impact on each financial year on account of increase or decrease respectively for every 0.5% change.

With all other assumptions remaining constant, 2.5% further increase in rates compared to what is forecasted in LTFP would result into an annual increase in rates income by \$1.8 million in 2023 to almost \$2.4 million 2031.



**SENSITIVITY GRAPH 2 – CUMULATIVE VARIANCE IN SURPLUS/(DEFICIT) BY VARYING RATES % UP OR DOWN FROM THE LTFP.**



Sensitivity Graph 2 above shows the cumulative impact of changes to annual percentage increase or decrease to the forecast Rates income. Once again the green line in the middle with indicator 'LTFP' represents the draft LTFP scenario and the lines above and below show cumulative impact at the end of each financial year on account of increase or decrease respectively for every 0.5% change.

With all other assumptions remaining constant, a 2.5% further increase in rates compared to what is forecasted in the LTFP would result into a cumulative increase in rates income by almost \$20 million during the life of this LTFP. Likewise, 2.5%


further decrease in rates compared to what is forecasted in the LTFP would result into reduction in rates income by almost \$22 million during the life of this LTFP.

Accordingly, any change in rates income would result into corresponding increase/decrease in operating surplus/deficit and budgeted surplus/deficit thereby impacting the strategic priorities set by the Council.

The graphs above only depict sensitivity analysis undertaken showing impact on account of rates variation and the actual change in rates is calculated each year at the time of annual budget process.

Some of the factors which affect the determination of rates during budget process are:

- The rate of inflation for costs (especially Materials and Contracts and Employee Cost as they represent almost 75% of the City's total operation expenditure)
- Increase in levels of service or introduction of new services to the community
- The amount of revenue the City is able to generate from non-rate sources
- Decision to undertake any major projects or adopt and implement new strategies and plans.

A family is enjoying a day at a park. In the foreground, a woman in a black shirt and leggings stands on a sandy bank, looking towards a pond. A young child in a blue hat and colorful shirt is wading in the water. In the middle ground, two men are swimming in the pond. To the right, a woman in a black shirt and a young child in an orange dress and hat are walking along the bank. In the background, a blue metal bridge with wooden supports spans across the pond. A person in an orange shirt is visible on the bridge. The background is filled with lush green trees under a clear sky.

**The LTFP is a robust plan that supports the objectives of the SCP and CBP and will deliver financial sustainability.**

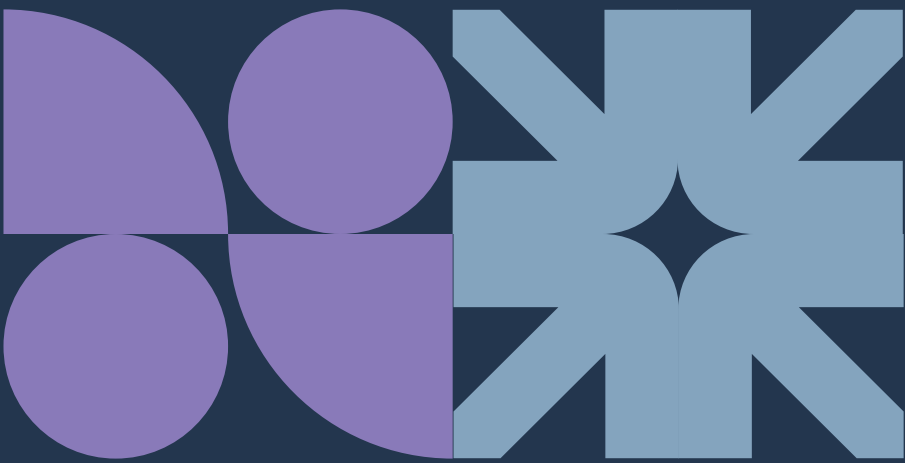
# CONCLUSION

**The LTFP delivers on the objectives adopted by Council in May 2021. The six core strategies are achieved over the life of the plan. LTFP will deliver on the 6 financial strategies as follows:**

1. By 2024-2025 the City's financial position will be able to generate operating surpluses.
2. All of the currently adopted strategies and plans, especially the asset management plans, have solid levels of funding. Any new proposal presented for consideration must show the impact on the LTFP.
3. The City will continue to apply benchmarking, outsourcing and service level reviews; in order to deliver the required operational savings. Noting that at the time of this LTFP the initiatives to deliver at least \$3 million in savings per annum (by 2023-2024) were substantively delivered or scheduled.
4. The LTFP does not rely on land sales to generate operating surplus. The value of these transactions is available to support other initiatives over the life of the LTFP.
5. By 2023-2024 the major adjustments to rating levels will have been achieved, allowing the return to more stable cost increases in line with general inflationary movement.
6. By 2023-2024 the City's *Rating Strategy* will have been reviewed, ensuring that the objectivity and equity principles within it are maintained.

The LTFP is a robust plan that supports the objectives of the SCP and CBP and will deliver financial sustainability. Additional material is provided in the Appendices to this document, which provides further details on the components of the LTFP.

# APPENDIX



# APPENDIX 1

## - MAJOR PROJECTS AND STRATEGY FUNDING

CITY OF CANNING Long Term Financial Plan Beginning 1 July 2021	
Major Works included in LTFP	Total
Asset Renewal Parks - To be Allocated (Parks)	30,575,493
Asset Renewal Buildings - To be Allocated (Buildings)	66,918,368
Asset Renewal Buildings - To be Allocated (Leisureplex - CLP)	2,487,430
Asset Renewal Buildings - To be Allocated (Leisureplex - RLP)	2,487,430
Asset Renewal Roads - To be Allocated (Road Infra)	60,706,032
Kent Street Weir - Parkland Development	8,383,179
Queens Park Regional Open Space - Development	6,832,116
Shelley Beach Park Masterplan - Detailed Design	3,266,051
Urban Forest Strategy (O)	7,989,434
Implement Local Biodiversity Strategy	3,503,446
Implement Street Tree Strategy	1,864,272
Culture of Care	1,242,000
Willeri Park Masterplan (LP42)	1,400,574
Wyong Park	1,951,996
Western Power - Bulk LED Conversion	5,400,000
Contaminated Sites Remediation	14,034,572
Buildings - Accessibility	3,774,000
Underground Power Exp - Shelley East	5,688,299
Underground Power Exp - Shelley West SUPP	4,641,112
Underground Power Exp - St James NRUPP	375,000
Cecil Ave - 66KV Underground Power - Construction	9,526,147
	<b>243,046,952</b>

# APPENDIX 2

## – PROJECTS NOT INCLUDED IN THE LONG TERM FINANCIAL PLAN

The LTFP has incorporated cost associated with existing service delivery and strategies and plans adopted by the Council.

There are several major projects that have been subject of council discussions at the Strategic Issues Briefing and require future council decision making in order to perform the financial modelling and incorporate the financial impact within the LTFP.

The following major projects have not been considered within the LTFP:

### CANNING LODGE

Canning Lodge operations are generating net operating deficit of \$1 million. This has been factored into the LTFP. The Canning Lodge infrastructure assets (mainly building) are ageing and require significant upgrade with an estimated investment of \$15 million to improve asset condition in order to run these operations/service. The City is developing a project plan, for review during 2022, which will consider transferring/leasing these assets to a third party.

Retention of the assets would require an investment of around \$15 million, which has not been factored in this plan. While there are operating deficits, the City is not contemplating the closure of Canning Lodge and this is not a consideration in the review.

### ROSSMOYNE RETIREMENT VILLAGE

The condition of the Rossmoyne Retirement Village is gradually deteriorating and a report prepared by KPMG in 2017 identified an upgrade requirement of circa \$50m to modernise this facility. The City does not have the capacity to fund such a redevelopment and an alternative model to achieve this will need to be developed.

The retirement village operations has also generated operating deficits in previous years; where surpluses were achieved these were very small and insufficient to allow the accumulation of any funds to support major capital expenditure. The City has not been able to cash back depreciation for the village assets in order to fund any major capital renewal/upgrades. To get anywhere

near this level of required investment the user fees would need to be considerably higher.

There is a very small balance of funds in the Rossmoyne Retirement Village cash reserve (\$78K balance as at 30 June 2021), however, there is also an unfunded liability of \$3.5 million to match the resident equity. This would not be of concern if the asset value was stable, however, as this is not the case the LTFP does provide for the full cash-backing of this liability over the life of the plan.

### CANNING VALE REGIONAL SPORTS COMPLEX

Canning Vale Regional Sports Complex (CVRSC) is a major project. Stage one of this project requires an investment of around \$66 million, of which \$10 million has been committed by the State Government. These funds can be drawn upon in year two and three of the LTFP. The City does have the capacity to contribute \$8 million in year three due to Canning City Centre land development opportunities. There is also capacity to use funding from the Land and Building Reserve, noting that the sale of land to the Metronet project provides compensation from the loss of this POS (also in the Canning Vale region).

The City's Advocacy Priority List 2021 identified the need for lobbying efforts to generate the additional capital contributions required to commence the project. However, for this project to proceed the City will need to have also commenced construction of the Jandakot Eastern Link Road, which is also the subject of future consideration by Council.

The City's planning for the CVRSC has identified the future operating costs required for this facility, in the order of \$1 million per annum. It would be possible to fund this from savings from projects mentioned above, however, until such time as Council makes formal resolutions, in accordance with the principles of good financial stewardship, despite the known allocation of State funding this project is not included in the LTFP.



# APPENDIX 3

## – RATIO DEFINITIONS

### **Current Ratio**

A measure of the ability of a local government to meet its short-term financial obligations with funds it can access quickly (also known as 'liquidity').

### **Asset Consumption Ratio**

A measure of the condition of a local government's physical assets, by comparing their age with their replacement cost. The ratio highlights the aged condition of a local government's stock of physical assets.

### **Asset Renewal Ratio**

A measure of a local government's ability to fund asset renewal and replacements in the future.

### **Asset Sustainability Ratio**

A measure of the extent to which assets managed by a local government are being replaced as they reach the end of their useful lives.

### **Debt Service Cover Ratio**

A measure of a local government's ability to repay its debt based on how much cash it can access compared to the total of its debt obligations.

### **Operating Surplus Ratio**

A measure of a local government's ability to cover its operational costs and have money left for capital projects and other purposes.

### **Own Source Revenue Coverage Ratio**

A measure of a local government's ability to cover its operating costs through revenue it generates itself.

# APPENDIX 4

## - RESERVE FUND ACCOUNTS

Reserves are required towards achieving the objectives of the City's *Strategic Community Plan* and to meet regulatory obligations. Any year end savings achieved are transferred to reserves. Under only exceptional circumstances are reserve funds to be used to meet operational requirements.

Reserves are established for the following purposes:

1. to protect against risk
2. to support capital development
3. to manage and avoid contingency allocations within the Annual Budget
4. to support the City's Integrated Planning & Reporting Framework.

Reserves are established to meet the management of funds for two requirements;

### 1. Externally Restricted Funds

There is a legal requirement that governs the use of the funds. If the funds are not utilised for the purpose for which they were received, there is a requirement or obligation to return the funding to its contributor, or to apply the funds in some other authorised manner.

### 2. Internally Restricted Funds

There is no legal requirement that governs the use of the funds. The reserve has been established to meet internal requirements. However, if that purpose does not eventuate or Council changes its priorities the funding can be diverted to other activities and or purpose, subject to approval by Council.

The term often used with such funds is that they are 'cash-backed'; the intent of this is that the fund holds sufficient cash to meet the identified long-term liabilities. While the value of the reserve account will vary from year to year, over the life of the LTFP these is sufficient cash available to fund the liability.

To meet the City's strategic objectives and statutory requirements, the following reserves are maintained.

#### a. Land, Building and Development Reserve (Cash Backed)

Purpose - Acquisition, Development and Improvement of Land and Buildings and make loans to Council's Town Planning Schemes for the purpose of acquiring Public Open Space, together with investigations and planning associated with Council land holdings, and infrastructure, including the development of asset management programs and acquisition of ground water licenses.

Subject to approval by Council, this Reserve may also make funds available for the following:

- To repay or refinance existing loan borrowings
- To provide internal finance as an alternative to external borrowings
- For payments of compensation awarded against the City

Requirement - Internally restricted funds

Financial strategy - The reserve is funded through annual allocations and the proceeds from land sales and developments, to progressively save for new capital projects and deliver upon Strategic Community Plan objectives. The reserve fund balance should at least maintain its relativity to growth in the City's population and long term planning needs.

#### b. Waste Management Reserve (Cash Backed)

Purpose - Acquisition and Development of Infrastructure, Plant and Equipment and Studies / Investigations associated with the City's Waste Management.

Requirement - Internally restricted funds

Financial strategy - The reserve is funded through annual allocations from the service charge, cash backed depreciation and any year end savings to achieve the City's waste management plans. The reserve fund balance should at least maintain its relativity to growth in the City's population and long term planning needs.

#### c. Aged and Disability Services Reserve (Cash Backed)

Purpose - To fund Operational and Capital requirements associated with the City's Aged Care and Disability Services.

Requirement - Internally restricted funds

Financial strategy - To separate the combined reserve into internally and externally required components for the services provided. Operational surplus and deficits plus capital management requirements are to meet external funding provider and statutory guidelines and obligations.

#### d. Rossmoyne Retirement Village (Cash Backed)

Purpose - To meet the statutory guidelines and obligations for financial reporting needs of the village.

Requirement - Internally restricted funds

#### e. Wilson Retirement Village (Cash Backed)

Purpose - To meet the statutory guidelines and obligations for financial reporting needs of the village.

Requirement - Internally restricted funds

#### f. Insurance Reserve (Cash Backed)

Purpose – To provide for the liabilities that may arise from the City’s external and internal Insurance requirements and to provide funding for various risk management strategies, including operational safety and health initiatives, that will assist in reducing Insurance premiums

Requirement – Internally restricted funds

Financial strategy – The minimum reserve balance to be maintained at the maximum level of workers compensation insurance premium and deposits payable. Staff resourcing to address injury prevention and assist in return to work programs.

g. Infrastructure Reserve (Cash Backed)

Purpose – To accumulate funding for Infrastructure Works that are scheduled but may not commence within the current financial year. Funds held in the Reserve will retain their Capital works identity and be accessed in a future period when Capital works commence, the exceptions to this requirement is that funds can be reallocated by Council resolution to meet higher priority Capital works needs. If funds are reallocated by Council resolution they can only be applied against Infrastructure Capital works in accordance with this reserve fund.

Requirement – Internally restricted funds

Financial strategy – The reserve fund balance is designed to assist the City in support of the City’s long term asset management renewal funding requirements.

h. Sustainability Reserve (Cash Backed)

Purpose – Expenditure associated with undertaking exemplary projects and practices which comply with the sustainability principles:

1. to reduce the waste of fossil fuels, scarce metals and minerals
2. to reduce the use of persistent chemicals and synthetic substances
3. improved management of land, water, wildlife, bush land, soil and ecosystems
4. the education and promotion of sustainability principles

Requirement – Internally restricted funds

Financial strategy – The reserve is funded through an annual allocation along with demonstrable energy efficiency dividends of the Utility Revolving Fund initiative.

i. Canning City Centre Reserve (Cash Backed)

Purpose – Planning, development and implementation of the Canning City Centre Regeneration Strategy, including undertaking studies, investigations, civil works, land purchases and development projects associated with the Canning City Centre.

Requirement – Internally restricted funds

Financial strategy – To be funded through growth in City centre zoned area rating, to meet loan repayments.

j. Bentley Regeneration Reserve (Cash Backed)

Purpose – To provide funding for the urban regeneration of the suburb localities of Bentley and St James, for initiatives including the feasibility, delivery and enhancement of community facilities, public open space and infrastructure.

Requirement – Internally restricted funds

Financial strategy – To be funded through the sale of the Canning Aquatic pool site. The reserve will be closed following the completion of related projects.

k. Property Surveillance & Security Reserve (Cash Backed)

Purpose – To retain any surplus funds that may arise from the Property Surveillance and Security Service Charge that will be used to offset future year’s charges along with the purchase of plant and equipment used for the service.

Requirement – Externally restricted funds

Financial strategy – Funded through the property surveillance and security charge. Operational surplus and deficits plus capital management requirements are to meet through cash backing of depreciation, to achieve the City’s security management plans.

l. Canning Vale Specified Area Rate Reserve (Cash Backed)

Purpose – To retain any surplus funds that may arise from the Canning Vale Specified Area Rate that will be used to offset future year’s charges along with the purchase of plant and equipment used for the service.

Requirement – Externally restricted funds

Financial strategy – Funded through the Canning Vale Specified Area Rate. Operational surplus and deficits plus capital management requirements are to meet through cash backing of depreciation, to achieve the City’s security management plans.

m. Under Ground Power Service Charge Reserve (Cash Backed)

Purpose – To retain funding for the underground power projects for the suburb localities within the City, to offset future year’s charges and for initiatives including the feasibility, delivery and enhancement of community facilities, public open space and infrastructure.

Requirement – Externally restricted funds

Financial strategy – Funded through the Underground Power service charge for annual surplus and deficits between funds raised and loan repayments made.

- n. Efficiency Investment Reserve (Cash Backed)  
 Purpose - To fund costs associated with projects which improve the City's organisational efficiency.  
 Requirement - Internally restricted funds  
 Financial strategy - Funded through the Annual Budget allocations and efficiency savings identified as resulting from previous initiatives.
- o. Golf Course Reserve (Cash Backed)  
 Purpose - To fund costs associated with Golf course.  
 Requirement - Internally restricted funds.  
 Financial strategy - The reserve is funded through the net operating proceeds from the Whaleback Golf Course.
- p. Plant & Equipment Reserve (Cash Backed)  
 Purpose - To retain funding for the replacement of the City's plant and equipment.  
 Requirement - Internally restricted funds  
 Financial strategy - Funded through the annual budget operating charges for fleet insurance and the difference in actual insurance premiums paid, achieved by internal management of claims performance. The reserve's accumulation reflects the City's efforts towards reducing insurance claims, redirecting these savings towards new plant replacement and renewal.
- q. Community & Sporting Funding Reserve (Cash Backed)  
 Purpose - To accumulate and provide funding for the urban regeneration of the suburb localities of Bentley and St James, for initiatives including the feasibility, delivery and enhancement of community facilities, public open space and infrastructure.  
 Requirement - Internally restricted funds  
 Financial strategy - The reserve is funded through an annual allocation as part of the Community Partnership Fund initiative.
- r. Rossmoyne Retirement Village Reserve (Cash Backed)  
 Purpose - To meet the statutory guidelines and obligations for the financial reporting needs of the village.  
 Requirement - Internally restricted funds  
 Financial strategy - The reserve is funded through the net operating proceeds of the village, management fees and proceeds of capital sales.
- s. Wilson Retirement Village Reserve (Cash Backed)  
 Purpose - To meet the statutory guidelines and obligations for the financial reporting needs of the village.  
 Requirement - Internally restricted funds
- Financial strategy - The reserve is funded through the net operating proceeds of the village, management fees and proceeds of capital sales.
- t. HVAC Reserve (Cash Backed)  
 Purpose - To fund costs associated with the maintenance, replacement and installation of heating, ventilation and air-conditioning plant and equipment within the City's facilities.  
 Requirement - Internally restricted funds  
 Financial strategy - The reserve is funded through an annual allocation
- u. Legislative Expenses Reserve (Cash Backed)  
 Purpose - To fund the City's periodic statutory and legislative expenses which occur on a frequency of greater than 1 year.  
 Requirement - Internally restricted funds  
 Financial strategy - The reserve is funded through an annual allocation
- v. Town Planning Scheme Reserve (Cash Backed)  
 Purpose - To receive developer funded public art cash in lieu contributions and cash in lieu for parking contributions under the City of Canning Local Planning Scheme and fund all payments in relation to public art within the City of Canning and parking facility are in compliance with Local Planning Scheme  
 Requirement - Internally restricted funds  
 Financial strategy - The reserve is funded through conditions attached to development approvals
- w. Asset Replacement Reserve (Cash Backed)  
 Purpose - To provide funding for asset renewal or replacement of the City's infrastructure.  
 Requirement - Internally restricted funds  
 Financial strategy - The reserve will be funded with an annual allocation from municipal fund after considering the amount of asset depreciation and the amount that has been provided for asset renewal expenditure in the annual budget.
- x. Employee Entitlements Reserve (Cash Backed)  
 Purpose - To fund non-current employee long service leave benefits (LSL).  
 Requirement - Internally restricted funds  
 Financial strategy - The reserve will be funded with an annual allocation from municipal fund along with transfers of unused LSL benefits at the conclusion of each financial year.
- y. Contaminated Sites Reserve (Cash Backed)  
 Purpose - To fund future operating and capital needs associated with management of the City's contaminated sites.  
 Requirement - Internally restricted funds

Financial strategy – The reserve will be funded with an annual allocation from the City’s waste levy. The amount will be reviewed annually so that it considers any changes to the City’s long term liabilities.

z. Urban Forest Reserve (Cash Backed)

Purpose – To fund delivery of the City’s Urban Forest Strategy tree planting initiatives.

Requirement – Internally restricted funds

Financial strategy – The reserve will be funded with an annual allocation from municipal fund along with any external grant funding or private contributions that the City may receive through its Urban Fund initiative.

aa. TPS 17 – POS Contributions Reserve (Cash Backed)

Purpose – In accordance with the provisions within the Town Planning Scheme (TPS), this reserve will receive contributions from developers and utilise these contributions to meet the Public Open Space (POS) requirements of the scheme, including the purchase of land.

Requirement – Externally restricted funds

Financial strategy – The reserve is funded through conditions attached to development approvals

ab. TPS 21 – POS Contributions Reserve (Cash Backed)

Purpose – In accordance with the provisions within the Town Planning Scheme (TPS), this reserve will receive contributions from developers and utilise these contributions to meet the Public Open Space (POS) requirements of the scheme, including the purchase of land.

Requirement – Externally restricted funds

Financial strategy – The reserve is funded through conditions attached to development approvals

ac. TPS 23 – POS Contributions Reserve (Cash Backed)

Purpose – In accordance with the provisions within the Town Planning Scheme (TPS), this reserve will receive contributions from developers and utilise these contributions to meet the Public Open Space (POS) requirements of the scheme, including the purchase of land.

Requirement – Externally restricted funds

Financial strategy – The reserve is funded through conditions attached to development approvals

ad. TPS 24 – POS Contributions Reserve (Cash Backed)

Purpose – In accordance with the provisions within the Town Planning Scheme (TPS), this reserve will receive contributions from developers and utilise these contributions to meet the Public Open Space (POS) requirements of the scheme, including the purchase of land.

Requirement – Externally restricted funds

Financial strategy – The reserve is funded through conditions attached to development approvals

ae. TPS 33 – POS Contributions Reserve (Cash Backed)

Purpose – In accordance with the provisions within the Town Planning Scheme (TPS), this reserve will receive contributions from developers and utilise these contributions to meet the Public Open Space (POS) requirements of the scheme, including the purchase of land.

Requirement – Externally restricted funds

Financial strategy – The reserve is funded through conditions attached to development approvals

af. TPS 40 – POS Contributions Reserve (Cash Backed)

Purpose – In accordance with the provisions within the Town Planning Scheme (TPS), this reserve will receive contributions from developers and utilise these contributions to meet the Public Open Space (POS) requirements of the scheme, including the purchase of land.

Requirement – Externally restricted funds

Financial strategy – The reserve is funded through conditions attached to development approvals

ag. TPS 42 – POS Contributions Reserve (Cash Backed)

Purpose – In accordance with the provisions within the Town Planning Scheme (TPS), this reserve will receive contributions from developers and utilise these contributions to meet the Public Open Space (POS) requirements of the scheme, including the purchase of land.

Requirement – Externally restricted funds

Financial strategy – The reserve is funded through conditions attached to development approvals

# APPENDIX 5

## - VARIABLE ASSUMPTIONS

CITY OF CANNING Long Term Financial Plan Beginning 1 July 2021											
Variable Assumptions	Annual Increase										
	Expenditure	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Capital</b>											
Building And Property Infrastructure	1.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Road Reserve Infrastructure	1.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Parks And Recreation Infrastructure	1.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Fleet / Plant / Equipment	1.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Information Technology, Furniture And Equipment	1.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Intangibles	1.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Payroll</b>											
Salaries	1.5%	1.50%	1.50%	1.50%	2.00%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sensitivity Factor	150	150	150	150	150	150	150	150	150	150	150
Salaries	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Superannuation on Salaries	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Additional Superannuation Changes	5.26%	5.00%	4.76%	4.55%	4.35%	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Superannuation	6.8%	6.5%	6.3%	6.5%	6.3%	6.3%	2.0%	2.0%	2.0%	2.0%	2.0%
Workers Compensation on Salaries	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Additional Workers Compensation Changes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Workers Compensation	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Other Operating Expenses</b>											
Materials & Contracts	1.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Utility Costs	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Insurance	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Street Lighting - as per State Govt Budget	9.6%	8.7%	8.0%	6.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Rates Related Expenses	5.0%	7.5%	4.5%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
OneCouncil Contract Inflation	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Interest on Overdraft	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Other	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

	Annual Increase									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Income</b>										
<b>Rating Assumptions</b>										
<b>General Rates</b>										
Triennial Revaluation Change	-	-	-	-	-	-	-	-	-	-
Growth in Residential Rate in \$	6.2%	5.0%	4.5%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Sensitivity Factor	615	750	450	285	285	285	285	285	285	285
Growth in Residential Rate in \$	6.2%	7.5%	4.5%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Growth in Non Residential Improved Rate in \$	6.2%	5.0%	4.5%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Sensitivity Factor	615	750	450	285	285	285	285	285	285	285
<b>Growth in Non Residential Improved Rate in \$</b>	6.2%	7.5%	4.5%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Growth in Unimproved Rate in \$	6.2%	5.0%	4.5%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Sensitivity Factor	615	750	450	285	285	285	285	285	285	285
Growth in Unimproved Rate in \$	6.2%	7.5%	4.5%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
<b>Minimum Rates</b>										
Growth in Residential Minimum Rate	6.2%	7.5%	4.5%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Growth in Non Residential Improved Minimum Rate	6.2%	7.5%	4.5%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Growth in Unimproved Minimum Rate	6.2%	7.5%	4.5%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
<b>Specified Area Rates</b>										
Triennial Revaluation Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Growth in GRV Rate in \$	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>New Rates Assessments per Year</b>	300	225	225	225	225	250	250	250	250	250
<b>Fees and Charges</b>										
Leisureplex Income	15.5%	3.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Waste Management Charge	3.5%	3.5%	3.5%	3.5%	3.5%	2.0%	2.0%	2.0%	2.0%	2.0%
Other Fees and Charges	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Other Income</b>										
Operating Grants	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Canning Lodge Subsidy	0.0%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
Meals on Wheels Grant	0.0%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
Disability Grants	0.0%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
Youth Grants	0.0%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
Non-Operating Grants	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Contributions & Reimbursements	0.0%	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Land Asset Strategy - Lease Income	0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Planning Fees	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Earned	0.30%	0.30%	0.30%	0.30%	0.30%	0.50%	0.75%	0.75%	0.75%	0.75%
Balance During Year	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Other Income	0.0%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%

# APPENDIX 6

## - FINANCIAL SCHEDULES

CITY OF CANNING Long Term Financial Plan Beginning 1 July 2021											
Statement of Comprehensive Income											
By Nature and Type	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million
<b>Operating Revenue</b>											
Rates	74.0	77.7	81.5	84.0	86.6	89.4	92.0	94.9	97.8	100.9	
Operating Grants, Subsidies and Contributions	6.7	6.6	11.5	11.2	8.2	6.8	7.8	7.0	7.2	7.3	
Fees and Charges	34.9	36.0	37.1	38.0	39.0	40.2	41.1	41.9	42.8	43.6	
Service Charges	7.6	8.4	2.8	2.9	3.0	3.0	3.1	3.2	3.2	3.3	
Interest Earnings	0.2	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.3	0.8	
Other Revenue	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.5	
<b>Total Revenue</b>	<b>123.9</b>	<b>129.5</b>	<b>133.6</b>	<b>136.9</b>	<b>137.6</b>	<b>140.2</b>	<b>145.0</b>	<b>147.9</b>	<b>151.9</b>	<b>156.5</b>	
<b>Operating Expenditure</b>											
Employee Costs	(57.6)	(57.0)	(57.8)	(59.0)	(60.4)	(61.8)	(63.2)	(64.4)	(65.8)	(67.1)	
Materials and Contracts	(37.7)	(47.6)	(44.3)	(50.6)	(38.8)	(37.9)	(39.1)	(41.5)	(41.1)	(42.3)	
Utility Charges	(4.9)	(4.8)	(4.2)	(4.4)	(4.5)	(4.7)	(4.8)	(5.0)	(5.1)	(5.3)	
Interest Expenses	(0.4)	(0.4)	(0.8)	(0.9)	(0.9)	(0.9)	(1.0)	(1.2)	(1.1)	(1.0)	
Depreciation	(22.9)	(23.3)	(24.0)	(24.7)	(25.3)	(26.0)	(26.8)	(27.5)	(28.1)	(28.8)	
Insurance (Ex Workers Compensation)	(1.3)	(1.3)	(1.4)	(1.4)	(1.5)	(1.6)	(1.6)	(1.7)	(1.8)	(1.8)	
Other Expenditure	(1.8)	(1.7)	(1.9)	(1.7)	(2.0)	(1.7)	(2.1)	(1.8)	(2.1)	(1.8)	
<b>Total Expenditure</b>	<b>(126.6)</b>	<b>(136.0)</b>	<b>(134.4)</b>	<b>(142.6)</b>	<b>(133.4)</b>	<b>(134.7)</b>	<b>(138.5)</b>	<b>(143.0)</b>	<b>(145.0)</b>	<b>(148.1)</b>	
<b>Operating Surplus/(Deficit) (before Sale of Assets)</b>	<b>(2.6)</b>	<b>(6.5)</b>	<b>(0.8)</b>	<b>(5.7)</b>	<b>4.3</b>	<b>5.5</b>	<b>6.5</b>	<b>5.0</b>	<b>6.9</b>	<b>8.4</b>	
<b>Total Gain / (Loss) on Disposal of Assets</b>	<b>0.1</b>	<b>(0.1)</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	
<b>Operating Surplus / (Deficit)</b>	<b>(2.5)</b>	<b>(6.5)</b>	<b>(0.7)</b>	<b>(5.7)</b>	<b>4.4</b>	<b>5.5</b>	<b>6.4</b>	<b>5.0</b>	<b>7.1</b>	<b>8.5</b>	
<b>Other Items</b>											
Write-Off Bad Debts	8.5	6.8	7.3	7.6	10.1	9.0	4.1	5.2	5.3	5.4	
Non-Operating Grants And Contributions	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	
<b>Total Other Items</b>	<b>8.3</b>	<b>6.6</b>	<b>7.1</b>	<b>7.4</b>	<b>9.9</b>	<b>8.8</b>	<b>3.9</b>	<b>5.0</b>	<b>5.1</b>	<b>5.2</b>	
<b>Net Result</b>	<b>5.8</b>	<b>0.1</b>	<b>6.4</b>	<b>1.7</b>	<b>14.3</b>	<b>14.3</b>	<b>10.4</b>	<b>10.0</b>	<b>12.2</b>	<b>13.7</b>	
<b>Other Comprehensive Income</b>											
Changes Due to Asset Revaluation	22.1	22.5	23.3	24.3	24.9	25.7	26.7	27.4	28.0	28.6	
<b>Total Comprehensive Income</b>	<b>27.8</b>	<b>22.6</b>	<b>29.7</b>	<b>26.0</b>	<b>39.2</b>	<b>40.1</b>	<b>37.1</b>	<b>37.4</b>	<b>40.2</b>	<b>42.3</b>	



**CITY OF CANNING**

Long Term Financial Plan Beginning 1 July 2021

Statement of Comprehensive Income	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
By Nature and Type	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million
<b>Total Comprehensive Income</b>	<b>27.8</b>	<b>22.6</b>	<b>29.7</b>	<b>26.0</b>	<b>39.2</b>	<b>40.1</b>	<b>37.1</b>	<b>37.4</b>	<b>40.2</b>	<b>42.3</b>
<b>Adjustments</b>										
Depreciation Written Back	22.9	23.3	24.0	24.7	25.3	26.0	26.8	27.5	28.1	28.8
Write Back Book Value of Assets Sold	5.1	2.1	0.6	0.7	0.6	0.7	0.5	0.5	0.5	0.5
Change in Long Term Debtors - Underground Power	(1.7)	(2.3)	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6
Writeback Infrastructure Asset Decrement	(22.1)	(22.5)	(23.3)	(24.3)	(24.9)	(25.7)	(26.7)	(27.4)	(28.0)	(28.6)
<b>Total Adjustments</b>	<b>4.2</b>	<b>0.6</b>	<b>1.8</b>	<b>1.6</b>	<b>1.5</b>	<b>1.5</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>
<b>Capital Expenditure</b>										
<b>Building And Property Infrastructure</b>										
- Land	(0.3)	-	-	-	-	-	-	-	-	-
- New	(1.7)	(1.2)	(0.2)	(1.5)	(1.3)	(1.7)	(0.2)	(0.2)	(0.2)	(0.2)
- Renewal	(1.6)	(3.8)	(8.2)	(8.4)	(8.5)	(8.7)	(8.9)	(9.0)	(9.2)	(9.4)
<b>Road Reserve Infrastructure</b>										
- New	(10.8)	(9.2)	(9.1)	(6.9)	(11.6)	(12.8)	(5.9)	(5.5)	(4.9)	(5.2)
- Renewal	(7.6)	(9.5)	(7.4)	(6.7)	(7.9)	(8.6)	(8.6)	(9.6)	(11.3)	(12.5)
<b>Parks And Recreation Infrastructure</b>										
- New	(0.3)	(7.1)	(3.2)	(1.1)	(3.8)	(0.4)	(6.3)	(1.0)	(0.2)	(0.2)
- Renewal	(4.2)	(3.3)	(3.2)	(3.3)	(3.5)	(3.4)	(3.5)	(3.8)	(3.6)	(3.7)
<b>Fleet / Plant / Equipment</b>										
- New	(0.0)	-	-	-	-	-	-	-	-	-
- Renewal	(3.9)	(2.5)	(3.0)	(2.8)	(2.8)	(3.5)	(2.3)	(1.9)	(2.7)	(2.5)
<b>Information Technology, Furniture And Equipment</b>										
- New	(0.3)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
- Renewal	(0.3)	(0.2)	(0.1)	(0.1)	(0.1)	(0.2)	(0.3)	(0.1)	(0.2)	(0.2)
<b>Intangibles</b>										
- New	(0.1)	-	-	-	-	-	-	-	-	-
- Renewal	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	<b>(31.1)</b>	<b>(37.0)</b>	<b>(34.3)</b>	<b>(30.8)</b>	<b>(39.5)</b>	<b>(39.3)</b>	<b>(35.8)</b>	<b>(31.2)</b>	<b>(32.4)</b>	<b>(34.0)</b>
<b>Other Payments</b>										
Loan Repayments	(5.0)	(4.1)	(5.2)	(5.7)	(6.2)	(4.4)	(4.4)	(5.2)	(5.4)	(5.7)
Lease Repayments	(0.7)	(0.7)	(0.6)	(0.5)	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
<b>Total Other Payments</b>	<b>(5.7)</b>	<b>(4.8)</b>	<b>(5.8)</b>	<b>(6.2)</b>	<b>(6.6)</b>	<b>(4.7)</b>	<b>(4.7)</b>	<b>(5.6)</b>	<b>(5.7)</b>	<b>(6.0)</b>

**CITY OF CANNING**  
Long Term Financial Plan Beginning 1 July 2021

Statement of Comprehensive Income	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
By Nature and Type	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million
<b>Total Transfers From Reserves</b>	18.6	18.9	20.0	25.5	13.5	15.3	9.1	8.6	6.8	6.7
<b>Transfers from Other Funds / Sources</b>										
New Borrowings	12.1	19.3	5.9	5.6	5.0	7.4	8.4	3.1	1.4	1.2
Transfers Other - Town Planning Schemes	0.3	-	-	-	-	-	-	-	-	-
<b>Total Transfers from Other Funds / Sources</b>	<b>12.4</b>	<b>19.3</b>	<b>5.9</b>	<b>5.6</b>	<b>5.0</b>	<b>7.4</b>	<b>8.4</b>	<b>3.1</b>	<b>1.4</b>	<b>1.2</b>
<b>Rate Setting Surplus / (Deficit)</b>	<b>(1.9)</b>	<b>2.0</b>	<b>1.3</b>	<b>0.2</b>	<b>(0.2)</b>	<b>1.6</b>	<b>1.9</b>	<b>0.7</b>	<b>0.1</b>	<b>(0.3)</b>
Opening Funds	(1.4)	(3.3)	(1.3)	0.0	0.3	0.1	1.6	3.6	4.3	4.3
<b>Cumulative Surplus / (Deficit)</b>	<b>(3.3)</b>	<b>(1.3)</b>	<b>0.0</b>	<b>0.3</b>	<b>0.1</b>	<b>1.6</b>	<b>3.6</b>	<b>4.3</b>	<b>4.3</b>	<b>4.0</b>

**CITY OF CANNING**  
Long Term Financial Plan Beginning 1 July 2021

Statement of Comprehensive Income		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
By Statutory Program		Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million
<b>Operating Revenue</b>											
General Purpose Funding		76.3	80.0	83.9	86.4	89.1	92.0	94.7	97.7	100.6	104.3
Governance		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Law, Order, Public Safety		2.8	3.0	3.0	3.1	3.2	3.3	3.4	3.5	3.5	3.6
Health		0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Education and Welfare		3.3	3.3	3.4	3.4	3.5	3.6	3.6	3.7	3.8	3.9
Housing		0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Community Amenities		19.4	19.9	20.6	21.3	22.1	22.9	23.5	24.0	24.5	25.0
Recreation and Culture		10.9	11.5	11.9	12.1	12.3	12.6	12.8	13.1	13.3	13.6
Transport		0.7	2.0	2.0	0.7	3.6	2.2	3.1	2.2	2.2	2.3
Economic Services		6.3	7.0	1.0	7.1	1.0	1.0	1.0	1.0	1.0	1.0
Other Property & Services		3.4	1.9	6.9	1.8	1.8	1.8	1.9	1.9	1.9	1.8
<b>Total Revenue</b>		<b>123.9</b>	<b>129.5</b>	<b>133.6</b>	<b>136.9</b>	<b>137.6</b>	<b>140.2</b>	<b>145.0</b>	<b>147.9</b>	<b>151.9</b>	<b>156.5</b>
<b>Operating Expenditure</b>											
Governance		(15.4)	(14.5)	(13.5)	(13.8)	(15.3)	(14.4)	(15.5)	(16.1)	(16.6)	(17.2)
Law, Order, Public Safety		(4.4)	(4.5)	(4.7)	(4.8)	(4.9)	(5.0)	(5.1)	(5.3)	(5.3)	(5.5)
Health		(2.3)	(2.2)	(2.3)	(2.3)	(2.4)	(2.4)	(2.5)	(2.5)	(2.6)	(2.6)
Education and Welfare		(7.5)	(7.7)	(7.8)	(8.0)	(8.2)	(8.3)	(8.5)	(8.6)	(8.8)	(9.0)
Housing		(0.7)	(0.6)	(0.6)	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
Community Amenities		(25.8)	(29.6)	(33.9)	(35.2)	(31.4)	(30.9)	(31.6)	(33.1)	(32.7)	(33.6)
Recreation and Culture		(38.1)	(37.6)	(38.8)	(40.5)	(41.5)	(42.9)	(43.8)	(45.1)	(45.8)	(46.5)
Transport		(23.3)	(29.4)	(24.3)	(25.1)	(25.8)	(26.6)	(27.5)	(28.2)	(28.9)	(29.6)
Economic Services		(6.9)	(8.0)	(6.7)	(10.4)	(1.5)	(1.5)	(1.6)	(1.6)	(1.6)	(1.6)
Other Property and Services		(2.2)	(1.9)	(1.9)	(1.9)	(1.9)	(1.9)	(1.9)	(1.9)	(1.9)	(1.8)
<b>Total Expenditure</b>		<b>(126.6)</b>	<b>(136.0)</b>	<b>(134.4)</b>	<b>(142.6)</b>	<b>(133.4)</b>	<b>(134.7)</b>	<b>(138.5)</b>	<b>(143.0)</b>	<b>(145.0)</b>	<b>(148.1)</b>

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<b>Operating Surplus/(Deficit) (before Sale of Assets)</b>	<b>(2.6)</b>	<b>(6.5)</b>	<b>(0.8)</b>	<b>(5.7)</b>	<b>4.3</b>	<b>5.5</b>	<b>6.5</b>	<b>5.0</b>	<b>6.9</b>	<b>8.4</b>
<b>Total Gain / (Loss) on Disposal of Assets</b>	<b>0.1</b>	<b>(0.1)</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>
<b>Operating Surplus / (Deficit)</b>	<b>(2.5)</b>	<b>(6.5)</b>	<b>(0.7)</b>	<b>(5.7)</b>	<b>4.4</b>	<b>5.5</b>	<b>6.4</b>	<b>5.0</b>	<b>7.1</b>	<b>8.5</b>
<b>Other Items</b>										
Write-Off Bad Debts	8.5	6.8	7.3	7.6	10.1	9.0	4.1	5.2	5.3	5.4
Non-Operating Grants And Contributions	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
<b>Total Other Items</b>	<b>8.3</b>	<b>6.6</b>	<b>7.1</b>	<b>7.4</b>	<b>9.9</b>	<b>8.8</b>	<b>3.9</b>	<b>5.0</b>	<b>5.1</b>	<b>5.2</b>
<b>Net Result</b>	<b>5.8</b>	<b>0.1</b>	<b>6.4</b>	<b>1.7</b>	<b>14.3</b>	<b>14.3</b>	<b>10.4</b>	<b>10.0</b>	<b>12.2</b>	<b>13.7</b>
Other Comprehensive Income										
Changes Due to Asset Revaluation	22.1	22.5	23.3	24.3	24.9	25.7	26.7	27.4	28.0	28.6
<b>Total Comprehensive Income</b>	<b>27.8</b>	<b>22.6</b>	<b>29.7</b>	<b>26.0</b>	<b>39.2</b>	<b>40.1</b>	<b>37.1</b>	<b>37.4</b>	<b>40.2</b>	<b>42.3</b>

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Statement of Financial Position	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million
<b>Current Assets</b>										
Cash and Cash Equivalents	43.8	43.5	41.5	34.9	33.5	38.6	45.2	48.7	52.9	54.4
Trade and Other Receivables	8.4	8.6	8.7	10.1	10.1	10.8	11.6	12.1	13.5	14.9
Other Financial Assets	24.8	24.8	24.8	24.8	24.8	24.8	24.8	24.8	24.8	24.8
Inventories	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other Assets	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3
<b>Total Current Assets</b>	<b>90.5</b>	<b>90.4</b>	<b>88.5</b>	<b>83.3</b>	<b>81.9</b>	<b>87.6</b>	<b>95.0</b>	<b>99.1</b>	<b>104.6</b>	<b>107.5</b>
<b>Non Current Assets</b>										
Property, Plant and Equipment	258.7	264.3	275.1	287.3	299.5	312.9	324.1	334.8	346.6	358.5
Infrastructure	579.7	608.1	630.3	647.9	674.3	699.2	723.3	743.2	763.1	784.6
Intangibles	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
Trade and Other Receivables	3.2	5.5	5.0	4.5	3.9	3.4	2.8	2.3	1.7	1.1
Development Costs	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Right of Use Assets	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
<b>Total Non Current Assets</b>	<b>851.4</b>	<b>887.7</b>	<b>920.2</b>	<b>949.4</b>	<b>987.4</b>	<b>1,025.2</b>	<b>1,060.0</b>	<b>1,090.1</b>	<b>1,121.2</b>	<b>1,154.0</b>
<b>Total Assets</b>	<b>941.9</b>	<b>978.1</b>	<b>1,008.7</b>	<b>1,032.7</b>	<b>1,069.3</b>	<b>1,112.8</b>	<b>1,155.0</b>	<b>1,189.2</b>	<b>1,225.8</b>	<b>1,261.5</b>
<b>Current Liabilities</b>										
Trade and Other Payables	(13.5)	(14.3)	(14.2)	(14.0)	(13.6)	(13.5)	(13.4)	(13.3)	(13.2)	(13.1)
Other Liabilities	(9.1)	(8.3)	(7.7)	(7.3)	(6.9)	(6.5)	(6.2)	(5.9)	(5.5)	(5.2)
Provisions	(11.6)	(9.8)	(10.7)	(9.6)	(9.0)	(9.9)	(11.5)	(10.8)	(11.8)	(10.1)
Borrowings	(4.1)	(5.2)	(5.7)	(6.2)	(4.4)	(4.4)	(5.2)	(5.4)	(5.7)	-
Resident's Equity-Rossmoyne Retirement Village	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)
<b>Total Current Liabilities</b>	<b>(42.0)</b>	<b>(41.5)</b>	<b>(42.2)</b>	<b>(40.8)</b>	<b>(37.7)</b>	<b>(38.2)</b>	<b>(40.1)</b>	<b>(39.2)</b>	<b>(40.0)</b>	<b>(32.2)</b>

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<b>Non Current Liabilities</b>											
Lease Liabilities	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
Provisions	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)
Borrowings	(16.8)	(30.9)	(31.1)	(30.4)	(31.0)	(34.0)	(37.1)	(34.8)	(30.5)	(31.7)	(31.7)
<b>Total Non Current Liabilities</b>	<b>(18.6)</b>	<b>(32.7)</b>	<b>(32.9)</b>	<b>(32.2)</b>	<b>(32.8)</b>	<b>(35.8)</b>	<b>(38.9)</b>	<b>(36.6)</b>	<b>(32.3)</b>	<b>(33.5)</b>	<b>(33.5)</b>
Total Liabilities	(16.8)	(30.9)	(31.1)	(30.4)	(31.0)	(34.0)	(37.1)	(34.8)	(30.5)	(31.7)	(31.7)
<b>Net Assets</b>	<b>881.3</b>	<b>903.9</b>	<b>933.6</b>	<b>959.6</b>	<b>998.8</b>	<b>1,038.9</b>	<b>1,075.9</b>	<b>1,113.4</b>	<b>1,153.5</b>	<b>1,195.8</b>	<b>1,195.8</b>
<b>Equity</b>											
Retained Surplus	(350.7)	(352.1)	(362.5)	(368.3)	(382.8)	(393.8)	(400.2)	(406.0)	(413.6)	(422.2)	(422.2)
Revaluation Surplus	(497.8)	(520.3)	(543.6)	(567.9)	(592.7)	(618.5)	(645.2)	(672.6)	(700.6)	(729.3)	(729.3)
Reserves	(32.8)	(31.5)	(27.5)	(23.4)	(23.3)	(26.6)	(30.6)	(34.7)	(39.3)	(44.3)	(44.3)
<b>Total Equity</b>	<b>(881.3)</b>	<b>(903.9)</b>	<b>(933.6)</b>	<b>(959.6)</b>	<b>(998.8)</b>	<b>(1,038.9)</b>	<b>(1,075.9)</b>	<b>(1,113.4)</b>	<b>(1,153.5)</b>	<b>(1,195.8)</b>	<b>(1,195.8)</b>

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Statement of Cash Flows										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million
<b>Cash Flows from Operating Activities</b>										
<b>Revenue</b>										
Rates	73.6	77.9	81.3	83.6	86.2	88.9	91.6	94.4	97.3	100.4
Operating Grants & Subsidies	6.7	6.6	11.5	11.2	8.2	6.8	7.8	7.0	7.2	7.3
Fees and Charges	34.2	35.6	37.1	37.0	39.4	40.0	40.8	41.8	41.9	42.8
Service Charges	7.6	8.4	2.8	2.9	3.0	3.0	3.1	3.2	3.2	3.3
Interest Earnings	0.2	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.3	0.8
Other Revenue	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.5
<b>Total Revenue</b>	<b>122.9</b>	<b>129.3</b>	<b>133.5</b>	<b>135.5</b>	<b>137.6</b>	<b>139.6</b>	<b>144.2</b>	<b>147.4</b>	<b>150.6</b>	<b>155.1</b>
<b>Expenditure</b>										
Employee Costs	(54.7)	(58.7)	(56.9)	(60.1)	(61.0)	(60.9)	(61.6)	(65.0)	(64.8)	(68.7)
Materials and Contracts	(37.9)	(46.9)	(44.5)	(50.9)	(39.3)	(38.1)	(39.3)	(41.7)	(41.3)	(42.5)
Utility Charges	(4.8)	(4.7)	(4.1)	(4.3)	(4.4)	(4.6)	(4.7)	(4.9)	(5.0)	(5.2)
Interest Expenses	(0.4)	(0.4)	(0.8)	(0.9)	(0.9)	(0.9)	(1.0)	(1.2)	(1.1)	(1.0)
Insurance Expenses	(1.3)	(1.3)	(1.4)	(1.4)	(1.5)	(1.6)	(1.6)	(1.7)	(1.8)	(1.8)
Other Expenses	(1.9)	(1.8)	(2.1)	(1.9)	(2.1)	(1.9)	(2.2)	(2.0)	(2.3)	(2.0)
<b>Total Expenditure</b>	<b>(101.1)</b>	<b>(113.8)</b>	<b>(109.8)</b>	<b>(119.5)</b>	<b>(109.3)</b>	<b>(108.0)</b>	<b>(110.5)</b>	<b>(116.4)</b>	<b>(116.2)</b>	<b>(121.3)</b>
<b>Net Cash flows from Operating Activities</b>	<b>21.8</b>	<b>15.5</b>	<b>23.7</b>	<b>16.0</b>	<b>28.3</b>	<b>31.6</b>	<b>33.7</b>	<b>31.0</b>	<b>34.4</b>	<b>33.8</b>
<b>Cash flows from Investing Activities</b>										
<b>Payments</b>										
Purchase Land	(0.3)	-	-	-	-	-	-	-	-	-
Purchase Building And Property Infrastructure	(3.3)	(5.0)	(8.4)	(9.9)	(9.8)	(10.4)	(9.1)	(9.3)	(9.4)	(9.7)
Purchase Road Reserve Infrastructure	(18.3)	(18.8)	(16.5)	(13.6)	(19.5)	(21.4)	(14.4)	(15.2)	(16.2)	(17.8)
Purchase Parks And Recreation Infrastructure	(4.5)	(10.5)	(6.4)	(4.3)	(7.3)	(3.8)	(9.7)	(4.8)	(3.8)	(3.9)
Purchase Fleet / Plant / Equipment	(3.9)	(2.5)	(3.0)	(2.8)	(2.8)	(3.5)	(2.3)	(1.9)	(2.7)	(2.5)
Purchase Information Technology Furniture And Equipment	(0.6)	(0.2)	(0.1)	(0.1)	(0.1)	(0.2)	(0.3)	(0.1)	(0.2)	(0.2)
Purchase Intangibles	(0.1)	-	-	-	-	-	-	-	-	-
<b>Total Payments</b>	<b>(31.1)</b>	<b>(37.0)</b>	<b>(34.3)</b>	<b>(30.8)</b>	<b>(39.5)</b>	<b>(39.3)</b>	<b>(35.8)</b>	<b>(31.2)</b>	<b>(32.4)</b>	<b>(34.0)</b>

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<b>Receipts</b>																						
Non Operating Grants & Subsidies	8.5	6.8	7.3	7.6	10.1	9.0	4.1	5.2	5.3	5.4												
Disposal Fleet / Plant / Equipment	5.2	2.1	0.7	0.7	0.7	0.7	0.4	0.6	0.7	0.6												
<b>Total Receipts</b>	<b>13.7</b>	<b>8.9</b>	<b>8.0</b>	<b>8.3</b>	<b>10.8</b>	<b>9.7</b>	<b>4.6</b>	<b>5.7</b>	<b>6.0</b>	<b>6.0</b>												
<b>Net Cash Flows from Investing Activities</b>	<b>(17.4)</b>	<b>(28.1)</b>	<b>(26.3)</b>	<b>(22.5)</b>	<b>(28.7)</b>	<b>(29.6)</b>	<b>(31.3)</b>	<b>(25.5)</b>	<b>(26.4)</b>	<b>(28.0)</b>												
<b>Cash Flows from Financing Activities</b>																						
Proceeds from Borrowings	12.1	19.3	5.9	5.6	5.0	7.4	8.4	3.1	1.4	1.2												
Loan Repayments - Principal	(5.0)	(4.1)	(5.2)	(5.7)	(6.2)	(4.4)	(4.4)	(5.2)	(5.4)	(5.7)												
Lease Repayments - Principal	(0.7)	(0.7)	(0.6)	(0.5)	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)												
Changes in Underground Power Debtors	(1.7)	(2.3)	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6												
<b>Net Cash Flows from Financing Activities</b>	<b>4.7</b>	<b>12.2</b>	<b>0.6</b>	<b>(0.1)</b>	<b>(1.1)</b>	<b>3.2</b>	<b>4.2</b>	<b>(1.9)</b>	<b>(3.8)</b>	<b>(4.2)</b>												
<b>Net (Decrease) / Increase in Cash Held</b>	<b>9.1</b>	<b>(0.4)</b>	<b>(2.0)</b>	<b>(6.5)</b>	<b>(1.5)</b>	<b>5.1</b>	<b>6.6</b>	<b>3.5</b>	<b>4.2</b>	<b>1.6</b>												
Cash at the Beginning of Reporting Period	59.6	68.7	68.3	66.3	59.8	58.3	63.4	70.0	73.6	77.7												
<b>Cash at the End of Reporting Period</b>	<b>68.7</b>	<b>68.3</b>	<b>66.3</b>	<b>59.8</b>	<b>58.3</b>	<b>63.4</b>	<b>70.0</b>	<b>73.6</b>	<b>77.7</b>	<b>79.3</b>												



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Reserve Schedule	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million
Land, Building & Development Reserve	1.6	1.6	1.7	1.8	1.8	1.8	1.9	1.9	2.0	2.1
Waste Management Reserve	13.9	9.4	5.9	2.1	1.0	2.0	3.6	4.8	6.2	8.1
Aged & Disability Services Reserve	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7
Insurance Reserve	1.9	2.2	2.5	2.9	3.2	3.6	4.0	4.5	5.0	5.6
Infrastructure Reserve	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6
Bentley Regeneration Reserve	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.1	2.1
Canning City Centre Reserve	2.7	0.2	0.4	0.3	0.2	0.4	0.3	0.5	0.6	0.5
Sustainability Reserve	0.3	0.2	0.2	0.1	0.1	0.0	0.1	0.1	0.1	0.2
Property Surveillance and Security Levy Reserve	0.4	0.4	0.3	0.4	0.4	0.3	0.4	0.4	0.4	0.4
Canning Vale Specified Area Rate Reserve	-	-	-	-	-	-	-	-	-	-
Underground Power Service Charge Reserve	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Efficiency Investment Reserve	0.6	0.7	0.8	1.0	1.1	1.2	1.4	1.5	1.7	1.9
Golf Course Reserve	0.9	1.5	2.1	2.7	3.3	3.9	4.6	5.5	6.5	7.4
Plant Replacement Reserve	1.0	1.0	1.2	1.1	1.1	1.0	1.3	1.5	1.7	1.7
Community & Sporting Funding Reserve	0.4	0.7	1.0	1.3	1.6	1.9	2.2	2.6	2.9	3.2
Rossmoyne Retirement Village Reserve	0.5	0.6	0.7	0.8	0.9	1.4	1.9	2.6	3.3	4.1
Wilson Retirement Village Reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HVAC Reserve	0.4	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Legislative Expenses Reserve	0.6	0.4	0.5	0.7	0.1	0.4	0.5	0.3	0.5	0.8
Asset Replacement Reserve	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Contaminated Sites Reserve	-	3.2	1.3	0.0	0.3	0.2	0.1	0.1	0.1	0.1
TPS33	-	1.0	0.5	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Employee Entitlements Reserve	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Town Planning Scheme Reserve	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
<b>Balance 30 June</b>	<b>32.8</b>	<b>31.5</b>	<b>27.5</b>	<b>23.5</b>	<b>23.3</b>	<b>26.6</b>	<b>30.7</b>	<b>34.8</b>	<b>39.3</b>	<b>44.3</b>

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<b>Total Reserves</b>																				
Opening Balance	25.3	32.8	31.5	27.6	23.6	23.4	26.8	30.9	35.1	39.7										
<b>Transfer to Reserve</b>	-	-	-	-	-	-	-	-	-	-										
Interest Earned on Reserve Funds	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2										
Other Income Transferred to Reserve	26.3	17.5	15.9	21.4	13.2	18.5	12.9	12.6	11.2	11.1										
<b>Total Transfer to Reserve</b>	<b>26.4</b>	<b>17.6</b>	<b>16.0</b>	<b>21.5</b>	<b>13.3</b>	<b>18.7</b>	<b>13.2</b>	<b>12.8</b>	<b>11.4</b>	<b>11.8</b>										
<b>Transfer From Reserve</b>	-	-	-	-	-	-	-	-	-	-										
Planned Expenditure	(18.9)	(18.9)	(20.0)	(25.5)	(13.5)	(15.3)	(9.1)	(8.6)	(6.8)	(6.7)										
<b>Total Transfer From Reserve</b>	<b>(18.9)</b>	<b>(18.9)</b>	<b>(20.0)</b>	<b>(25.5)</b>	<b>(13.5)</b>	<b>(15.3)</b>	<b>(9.1)</b>	<b>(8.6)</b>	<b>(6.8)</b>	<b>(6.7)</b>										
<b>Balance 30 June</b>	<b>32.8</b>	<b>31.5</b>	<b>27.5</b>	<b>23.5</b>	<b>23.3</b>	<b>26.6</b>	<b>30.7</b>	<b>34.8</b>	<b>39.3</b>	<b>44.3</b>										

**CITY OF CANNING**  
Long Term Financial Plan Beginning 1 July 2021

New Borrowings	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million
City Centre	5.3	3.2	3.3	3.5	1.3	5.9	4.3	3.1	1.4	1.2	<b>32.3</b>
Kent St Weir Precinct Plan	-	-	1.6	-	2.7	-	4.1	-	-	-	<b>8.4</b>
Accessibility upgrades	-	1.0	-	1.1	-	1.5	-	-	-	-	<b>3.6</b>
Queens Park Open Space Plan	-	6.8	-	-	-	-	-	-	-	-	<b>6.8</b>
Shelley Beach	-	-	1.0	1.0	1.0	-	-	-	-	-	<b>3.0</b>
LED Street Light Conversion	-	5.4	-	-	-	-	-	-	-	-	<b>5.4</b>
St James Underground Power (NRUPP)	0.4	-	-	-	-	-	-	-	-	-	<b>0.4</b>
Shelley East Underground Power	0.5	2.8	-	-	-	-	-	-	-	-	<b>3.3</b>
Shelley West Underground Power (SUPP)	2.3	-	-	-	-	-	-	-	-	-	<b>2.3</b>
Infrastructure Renewals	3.6	-	-	-	-	-	-	-	-	-	<b>3.6</b>
<b>Total Proposed to be Raised</b>	<b>12.1</b>	<b>19.3</b>	<b>5.9</b>	<b>5.6</b>	<b>5.0</b>	<b>7.4</b>	<b>8.4</b>	<b>3.1</b>	<b>1.4</b>	<b>1.2</b>	<b>69.2</b>

**CITY OF CANNING**  
Long Term Financial Plan Beginning 1 July 2021

Loan Borrowings Summary	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million
Opening Outstanding Loan Principal	13.8	20.8	36.1	36.8	36.6	35.4	38.4	42.3	40.2	36.1	
Principal Drawdown	12.1	19.3	5.9	5.6	5.0	7.4	8.4	3.1	1.4	1.2	<b>69.2</b>
Principal Repayment	5.0	4.1	5.2	5.7	6.2	4.4	4.4	5.2	5.4	5.7	<b>51.3</b>
Interest Expense	0.3	0.3	0.8	0.9	0.9	0.9	1.0	1.1	1.1	1.0	<b>8.3</b>
<b>Closing Balance</b>	<b>31.2</b>	<b>44.5</b>	<b>48.0</b>	<b>48.9</b>	<b>48.7</b>	<b>48.1</b>	<b>52.1</b>	<b>51.8</b>	<b>48.0</b>	<b>44.0</b>	

**CITY OF CANNING**  
Long Term Financial Plan Beginning 1 July 2021

City of Canning Ratio Results	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Operating Surplus	(2.1%)	(3.4%)	0.1%	(3.4%)	4.4%	4.6%	5.4%	4.9%	5.9%	6.8%
Current	1.2	1.5	1.5	1.5	1.6	1.7	1.7	1.7	1.7	2.1
Own Source Revenue	93%	92%	92%	89%	98%	100%	100%	100%	101%	102%
Debt Service Coverage	3.9	4.4	4.2	3.2	4.5	6.2	6.5	5.6	5.8	6.0
Asset Sustainability	77%	84%	91%	88%	90%	94%	88%	91%	96%	98%
Asset Consumption	63%	63%	64%	65%	65%	66%	66%	67%	67%	68%
Asset Renewal	94%	101%	91%	55%	172%	56%	169%	130%	55%	91%
<b>Standardised Scores (0 to 10)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
Operating Surplus	-	-	0.7	-	7.7	7.8	7.9	7.8	8.0	8.2
Current	8.5	9.8	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Own Source Revenue	10.0	10.0	10.0	9.9	10.0	10.0	10.0	10.0	10.0	10.0
Debt Service Coverage	8.9	9.4	9.2	8.2	9.5	10.0	10.0	10.0	10.0	10.0
Asset Sustainability	1.1	4.3	7.1	6.2	7.0	7.4	6.0	7.1	7.6	7.8
Asset Consumption	8.5	8.6	8.7	8.7	8.8	8.9	9.0	9.0	9.0	9.1
Asset Renewal	8.6	9.2	8.4	1.3	10.0	1.6	10.0	10.0	1.5	8.4
<b>Financial Health Indicator</b>	<b>63</b>	<b>70</b>	<b>74</b>	<b>65</b>	<b>91</b>	<b>87</b>	<b>91</b>	<b>92</b>	<b>87</b>	<b>93</b>

**CITY OF CANNING**  
Long Term Financial Plan Beginning 1 July 2021

Financial Ratios		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Forecast \$ Million		Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million	Forecast \$ Million
<b>Operating Surplus Ratio</b>											
Ratio Target - (+ve) Between 0% and 15%		(2.1%)	(5.2%)	(0.6%)	(4.5%)	3.4%	4.1%	4.6%	3.5%	4.8%	5.6%
<b>Current Ratio</b>											
Ratio Target > or = to 1:1		1.2	1.5	1.5	1.5	1.6	1.7	1.7	1.7	1.7	2.1
<b>Own Source Revenue Coverage Ratio</b>											
Ratio Target > or = to 40%		92.7%	90.4%	91.0%	88.2%	97.3%	99.2%	99.2%	98.8%	100.2%	101.0%
<b>Debt Service Coverage Ratio</b>											
Ratio Target > or = 2		3.9	3.9	4.0	3.0	4.3	6.1	6.3	5.3	5.6	5.8
<b>Asset Sustainability Ratio</b>											
Ratio Target 90% to 110%		77.3%	84.3%	90.9%	88.3%	90.5%	93.6%	87.8%	91.1%	96.1%	98.3%
<b>Asset Consumption Ratio**</b>											
Ratio Target 50% to 75%		62.8%	63.4%	64.1%	64.5%	65.2%	65.8%	66.3%	66.7%	67.1%	67.5%
<b>Asset Renewal Funding Ratio</b>											
Ratio Target 95% to 105%		102.6%									

**The LTFP will deliver long term financial sustainability for the City.**





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