

# MINUTES

**Audit, Risk and Improvement Committee Meeting**  
**Wednesday, 01 October 2025**

**These Minutes are Subject to Confirmation**

Prior to acting on any resolution of the Council contained in these minutes, a check should be made of the Ordinary Meeting of Council following this meeting to ensure that there has not been a correction made to any resolution.



## Information

Committee Meeting Agenda are run in accordance with the City of Nedlands Standing Orders 2016. If you have any questions in relation to the agenda, procedural matters, addressing the Committee or attending these meetings please contact the Governance Officer on 9273 3500 or [governance@nedlands.wa.gov.au](mailto:governance@nedlands.wa.gov.au)

## Public Question Time

Public question time at a Committee Meeting is available for members of the public to ask a question about items on the agenda. Questions asked by members of the public are not to be accompanied by any statement reflecting adversely upon any Committee Member or Employee.

Questions should be submitted via the online form available on the City's website: [Public question time | City of Nedlands](#)

Questions may be taken on notice to allow adequate time to prepare a response, and all answers will be published in the minutes of the meeting.

## Addresses by Members of the Public

Members of the public may make presentations or ask questions on items contained within the agenda. Presentations are limited to 3 minutes. Members of the public must complete the online registration form available on the City's website: [Public Address Registration Form | City of Nedlands](#)

The Presiding Member will determine the order of speakers to address the Council, and the number of speakers is to be limited to 2 in support and 2 against any item on a Committee Meeting Agenda. The Public address session will be restricted to 15 minutes unless the Council, by resolution decides otherwise.

## Disclaimer

Members of the public who attend Committee Meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council's position. For example, by reference to the confirmed Minutes of Committee Meeting. Members of the public are also advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

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## Table of Contents

1.	DECLARATION OF OPENING .....	4
2.	PRESENT AND APOLOGIES AND LEAVE OF ABSENCE (PREVIOUSLY APPROVED).....	4
3.	PUBLIC QUESTION TIME.....	4
4.	ADDRESSES BY MEMBERS OF THE PUBLIC .....	4
5.	DISCLOSURES OF FINANCIAL INTEREST .....	5
6.	DISCLOSURES OF INTERESTS AFFECTING IMPARTIALITY.....	5
7.	DECLARATIONS BY MEMBERS THAT THEY HAVE NOT GIVEN DUE CONSIDERATION TO PAPERS.....	5
8.	CONFIRMATION OF MINUTES .....	5
9.	AUDIT .....	6
9.1	Update on 2024/25 Financial Audit .....	6
9.2	OAG – Audit Issues Log.....	9
9.3	Long Term Financial Plan Review.....	11
10.	MAJOR PROJECTS .....	59
11.	RISK .....	60
11.1	Operational Risk Register Update.....	60
12.	CONFIDENTIAL ITEMS.....	62
13.	ANY OTHER BUSINESS.....	63
14.	DATE OF NEXT MEETING.....	64
15.	DECLARATION OF CLOSURE .....	65



## 1. DECLARATION OF OPENING

I am now pleased to declare this Audit Risk and Improvement Committee Meeting of the City of Nedlands open at 12.01pm.

The City of Nedlands acknowledges the traditional custodians of this land, the Whadjuk people of the Nyoongar Nation, and pay our respects to culture and Elders, past and present. The City of Nedlands also values the contributions made to the community over the years by people of diverse backgrounds and cultures, including those who have served and sacrificed.

## 2. PRESENT AND APOLOGIES AND LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

### **Members**

Mr D Caddy  
Ms B Sandri  
Ms C Hart  
Mr C Murphy  
Mr C Adams

Chair Commissioner  
Deputy Chair Commissioner (Online)  
Commissioner (Online)  
Independent Member (Chair)  
Independent Member

### **Staff**

Ms K Shannon  
Mr J Vojkovich  
Mr J Allen  
Ms T Douglas  
Mr M Ponton  
Mr S Liyange

Chief Executive Officer  
Acting Director Corporate Services  
Coordinator Governance, Legal and Risk  
Executive Officer to CEO (Minutes)  
Accountant (Online)  
Accountant (Online)

Ms A Walsh

Principal Consultant (DLGIRS)

### **Public**

0

### **Media**

0

## 3. PUBLIC QUESTION TIME

Nil

## 4. ADDRESSES BY MEMBERS OF THE PUBLIC

Nil



**5. DISCLOSURES OF FINANCIAL INTEREST**

Nil

**6. DISCLOSURES OF INTERESTS AFFECTING IMPARTIALITY**

Nil

**7. DECLARATIONS BY MEMBERS THAT THEY HAVE NOT GIVEN DUE CONSIDERATION TO PAPERS**

Nil

**8. CONFIRMATION OF MINUTES**

**Officer Recommendation**

The Minutes of the Audit Risk and Improvement Committee Meeting held 03 September 2025 are to be RECEIVED.

Moved: C Adams

Seconded: Commissioner Caddy

**CARRIED: UNANIMOUSLY 5-0**

**For: Commissioner Caddy, Commissioner Sandri, Commissioner Hart, C Murphy, C Adams**

**Against: Nil**



## 9. AUDIT

### 9.1 Update on 2024/25 Financial Audit

<b>Report Number</b>	<b>ARC92.10.25</b>
<b>Applicant</b>	City of Nedlands
<b>Disclosure of Interest</b>	Nil
<b>Voting Requirements</b>	Simple Majority
<b>Authority/Discretion</b>	Information
<b>Contributing Officer</b>	Mark Ponton – Acting Coordinator Accounting Services
<b>Responsible Officer</b>	John Vojkovich - Acting Director Corporate Services
<b>Director</b>	Keri Shannon - Chief Executive Officer
<b>Attachments</b>	Attachment 1 – CONFIDENTIAL

### Purpose

This report is for the Committee to be updated on key correspondence and preparation relating to the audit of the City's financial report for the year ended 30 June 2025.

### Officer Recommendation

The Committee **RECEIVES** the report on the status update on the 2024/25 Financial Audit.

**Moved:** C Adams

**Seconded:** Commissioner Caddy

**CARRIED: UNANIMOUSLY 5-0**

**For:** Commissioner Caddy, Commissioner Sandri, Commissioner Hart, C Murphy, C Adams

**Against:** Nil

### Background

The Office of Auditor General (OAG) has held responsibility for auditing the financial statements of the City since 2018/2019. The 2022/23 audit was contracted to RSM and that relationship continues to the current financial year. For the current financial year an audit fee of \$156,000 is being proposed to complete the work.

The Administration has been working with RSM on the interim audit activities which were substantially completed during June 2025, with some further progress being made since that time. The status can be found in Attachment 1.

### Discussion



Outstanding interim audit items have now been rolled into the final audit items schedule. Attachment 1 contains the status of audit activities. Activities relating to Property, Plant and Equipment are nearing completion and along with most other accounting activities are expected to be complete by the first week of October 2025.

RSM had scheduled final audit field work to commence on 13 October 2025. However, the OAG has requested that the ARIC review the draft financial report before it is provided to the auditor, which should occur before the commencement of the audit field work. The draft financial report is expected to be available in late October 2025 and will be provided to the ARIC at the meeting scheduled for 5 November 2025. These dates align with Report CEO44.09.25 relating to the request for extension of time to submit an Annual Financial Report to the Auditor, as presented to the Council on 17 September 2025. At the time of writing this report, the draft submission had been prepared and sent to the auditor for feedback. It is anticipated that the request will be submitted to the Minister on 26 September 2025.

Given the delay in preparing the financial report, it is expected an entrance meeting will be scheduled sometime in early November 2025, with the date to be determined based upon availability of OAG and ARIC members.

## Consultation

It is anticipated that planning for the implementation of the 2024/25 OAG Audit will be conducted by RSM with the result being a Planning Memorandum provided to the Committee in early November 2025 in advance of an entrance meeting being conducted with the Committee.

Relevant Officers and Directors will be engaged to prepare the draft Annual Report 2024-25. The draft Annual Report 2024-25 will be reviewed by the Executive Management Team, before it is tabled at the Audit Risk and Improvement Committee and for Council acceptance

## Strategic Implications

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

<b>Vision</b>	<b>Sustainable and responsible for a bright future</b>
<b>Pillar</b>	<b>Performance</b>
<b>Outcome</b>	11. Effective leadership and governance.

## Budget/Financial Implications

Nil



## **Legislative and Policy Implications**

In terms of Section 5.53. of the Local Government Act 1995 (Act) local governments are required to prepare an Annual Report for each financial year. The preparation of an Annual Report not only meets regulatory requirements and reflects good governance but is also one of the fundamental ways in which the local government communicates with community and stakeholders about the City's' performance over the financial year.

The Act and other Regulations set out the statutory content and the high-level processes and timeframes for the acceptance of the Annual Report by the local government, and for communication and engagement with the electorate, community and stakeholders, through notice, publishing and engagement at an Electors Meeting.

## **Decision Implications**

Nil

## **Conclusion**

Nil

## **Further Information**

Nil





## 9.2 OAG – Audit Issues Log

<b>Report Number</b>	<b>ARC93.10.25</b>
<b>Applicant</b>	City of Nedlands
<b>Disclosure of Interest</b>	Nil
<b>Voting Requirements</b>	Simple Majority
<b>Authority/Discretion</b>	Information
<b>Contributing Officer</b>	Jessica Han – Personal Assistant to Directors Andrew Van Rooyen – Chief Information Officer
<b>Responsible Officer</b>	John Vojkovich - Acting Director Corporate Services
<b>Director</b>	John Vojkovich - Acting Director Corporate Services
<b>Attachments</b>	Attachment 1 – CONFIDENTIAL Attachment 2 – CONFIDENTIAL

### Purpose

The purpose of this report is to provide the Audit Risk and Improvement Committee (ARIC) with an update on progress with remediating the audit observations made by the OAG during the audit of the Financial Report for 2023/24.

### Officer Recommendation

**That the Committee RECEIVES the report on the status update on the City's OAG Audit Issues Log.**

**Moved: Caddy Commissioner Caddy**

**Seconded: C Adams**

**CARRIED: UNANIMOUSLY 5-0**

**For: Commissioner Caddy, Commissioner Sandri, Commissioner Hart, C Murphy, C Adams**

**Against: Nil**

### Background

At the ARIC meeting held on 06 August 2025 (Report ARC79.08.25) resolved to request that a report be provided to the September 2025 ARIC meeting for an audit log with all observations to be included, a status update, responsible position and expected completion date.

The issues have been transferred to a schedule and progress will be reported to each ARIC meeting.

### Discussion



The Administration has prepared the schedule containing all observations from the 2023/24 audit which includes items from prior years that were not observed by the auditor to be complete. Attachment 1 (Finance) and Attachment 2 (Information Systems) each contain a schedule which describes the observation, risk rating, current status, actual completion date, target completion date and due date. As at the date of this report, none of the 7 issues for Finance were complete and 2 of the 7 ICT general observations were complete. The remaining items are in progress or under review to determine appropriate actions.

## Strategic Implications

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

<b>Vision</b>	<b>Sustainable and responsible for a bright future</b>
<b>Pillar Outcome</b>	<b>Performance</b>
	11. Effective leadership and governance.

## Budget/Financial Implications

Nil

## Legislative and Policy Implications

Nil

## Decision Implications

Nil

## Conclusion

Nil

## Further Information

Nil



### 9.3 Long Term Financial Plan Review

<b>Report Number</b>	<b>ARC94.10.25</b>
<b>Applicant</b>	City of Nedlands
<b>Disclosure of Interest</b>	Nil
<b>Voting Requirements</b>	Simple Majority
<b>Authority/Discretion</b>	Information
<b>Contributing Officer</b>	Saman Liyanage – Management Accountant Vicky Van Heerden – Strategy and Performance Coordinator Santosh Amasi – Director Technical Services
<b>Responsible Officer</b>	John Vojkovich - Acting Director Corporate Services
<b>Director</b>	John Vojkovich - Acting Director Corporate Services
<b>Attachments</b>	Attachment 1 – Council Report considering LTFP

#### Purpose

To provide the Committee with the current Long Term Financial Plan (LTFP) and general observations from the Administration on its suitability for decision making.

#### Officer Recommendation

The Committee **RECEIVES** the report on the current Long Term Financial Plan.

*Chris Adams proposed an Alternative Recommendation*

#### Alternative Recommendation

The Committee:

1. **NOTES** the report and;
2. **REQUESTS** the administration prepare a report for the November Audit Risk and Improvement Committee Meeting that outlines the financial assumptions that are proposed to frame the development of an updated Long Term Financial Plan.

Moved: C Adams

Seconded: Commissioner Sandri

**CARRIED: UNANIMOUSLY 5-0**

**For:** Commissioner Caddy, Commissioner Sandri, Commissioner Hart, C Murphy, C Adams

**Against:** Nil

#### Background



The Long-Term Financial Plan was not considered when adopting the Annual Budget for 2025/26.

At the Special Council Meeting held on 27 August 2025 to consider the Annual Budget for Financial Year 2025/26 the Council requested that the current Long Term Financial Plan be presented to the next Committee meeting.

## Discussion

The current Long Term Financial Plan has not been published on the City's website. The matter was last considered at a meeting held on 28 March 2023 when a draft of the LTFP for 2023-2038 (LTFP 2023-2038) was presented to the Council. That draft was adopted subject to the amendments specified by the Council. Attachment 1 contains the minutes of the Council meeting for CPS11.03.2023 including the LTFP 2023-2038.

The model used to create the financial reports contained in the LTFP 2023-38 has been located and reviewed. The model is Excel based and developed by Moore Australia; it is widely used throughout the local government sector. The Administration understands that Moore Australia was engaged by the City to update the LTFP 2023–2038 and produce the financial reports. Although there are some economic assumptions contained in the model, the broader data inputs are unsubstantiated and therefore cannot be assessed. Since the data inputs are over 2 years old and there is no support information on file describing how they were determined, there is limited value continuing further evaluation of the model.

An update of the LTFP to reflect the 2025/26 budget and future forecasts has not commenced due to the following matters:

- The precedent current documents required to update the LTFP require update:
  - The Council adopted “Our Plan for the Future – City of Nedlands: Council Plan 2023-33” (Council Plan) on 28 November 2023. The City's Council Plan 2023-33 combines the City's Strategic Community Plan (SCP) and Corporate Business Plan (CBP):
    - The SCP components include an overview of the community (demographics), the City vision and objectives, and has regard to future resources and capacity, and strategic performance measurement.
    - The CBP outlines the priorities to address the vision, in accordance with local government capacities and resources, through supporting services and actions.
    - The Integrated Planning and Reporting Framework (IPRF) highlights the integrated nature of local government strategic planning and reporting and reflects the iterative and interactive nature of the Council Plan and City resourcing plans, the LTFP, Asset Management Plans and Workforce Plan.
    - The City's SCP (vision and objectives) are current, with a minor review (advised every 2 years) and planned for this financial year (for 2026-27 forward) and major review required every 4 years.
    - reporting progress:
      - the City measures strategic performance through regular community surveys, with the last survey undertaken in 2023 and the next review proposed to inform the next SCP major review (to be confirmed);



- reports on progress with Council Plan Actions were prepared for 2023-24 and 2024-25
- service and organisational capacity reporting to be developed and to start as part of the Council Plan (CBP) consolidation for 2025-26 and to be further developed through the Council Plan minor review (in 2025-26 for 2026-27 forward).
- The CBP and resourcing plans are rolling plans and as such should be reviewed annually, with minor and major reviews of these plans occurring in tandem, with those of the SCP.
- The CBP and resourcing plans were not reviewed in 2023-24 (annual review) for 24/25 forward; the City is currently preparing the consolidation of the CBP (Council Plan) for the year 2025-26 forward.
- The last review/ update of the City's resourcing plans are as follows:
  - Financial Model for Long term financial plan (March 2023)
  - Workforce Plan 2022-32 (OCM 26 July 2022) and a review is planned in 2025-26
  - Assets Management Plan – Building, Drainage, Parks, Paths, Roads (OCM 23 August 2022).
  - Asset Management Plans (AMPs) are currently being developed for road infrastructure, buildings and parks. The 2025/26 budget allocation has been directed towards the preparation of the Asset Management Plan for buildings, with completion scheduled by the end of FY2026, subject to resource availability. In addition, condition assessments have been completed for road infrastructure, buildings, and parks. The outcomes of these assessments will be able to inform the development of the Capital Works Program and the LTFP.
- Lack of available expertise within the Finance department to complete the model update may require support from external parties (which is dependent on when the work is required to be completed). The Administration will seek guidance from the Commissioners to determine whether similar services should be sought from external consultants.

## Consultation

Nil

## Strategic Implications

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

<b>Vision</b>	<b>Sustainable and responsible for a bright future</b>
<b>Pillar Outcome</b>	<b>Performance</b>
	11. Effective leadership and governance.



## **Budget/Financial Implications**

The Long-Term Financial Plan (LTFP) serves as a strategic framework that guides future budget preparation and underpins sustainable development initiatives. By projecting financial trends over a multiyear horizon typically ten years, it enables decision makers to align organisational policies with long term community goals. The LTFP helps identify funding gaps, assess the financial viability of proposed projects, and ensure that resources are allocated efficiently to support infrastructure, services, and environmental resilience. Ultimately, it fosters transparency, accountability, and informed governance, laying the foundation for economic stability and sustainable growth

## **Legislative and Policy Implications**

Nil

## **Decision Implications**

Nil

## **Conclusion**

Nil

## **Further Information**

Nil

## 17. Divisional Reports - Corporate & Strategy Report No's CPS11.03.23 to CPS15.03.23

### 17.1 CPS11.03.23 City of Nedlands Long Term Financial Plan 2023 - 2028

<b>Meeting &amp; Date</b>	Council Meeting – 28 March 2023
<b>Applicant</b>	City of Nedlands
<b>Employee Disclosure under section 5.70 Local Government Act 1995</b>	Nil.
<b>Report Author</b>	Stuart Billingham – Manager Financial Services
<b>Director</b>	Michael Cole – Director Corporate Services
<b>Attachments</b>	1. Draft Long Term Financial Plan 2023-2038.

#### **Regulation 11(da) – Not Applicable – Recommendation Adopted**

Moved – Councillor Senathirajah  
Seconded – Councillor McManus

**That the Recommendation be adopted.**  
(Printed below for ease of reference)

#### Amendment

Moved - Councillor Mangano  
Seconded - Councillor Coghlan

Adds the following after the words “attachment 1”:

with the following changes:

1. Removal of all items involving the installation of speed humps anywhere in the City of Nedlands;
2. Add \$1M or more to cover the cost to widen the (Un)Safe Active Street to 5.5m Austroads/Main Roads minimum road width;
3. Add \$0.5M per annum to cover the cost of replacement of slab footpaths until all slab footpaths have been replaced;
4. Add item to cover the costing of laneway sealing across the City as a service charge funded item; and
5. Add \$0.5M per annum to cover the cost of delivering the Foreshore Management Plan.

The AMENDMENT was PUT and was

Councillor Hodsdon left the room at 9.11 pm and returned at 9.12pm.

Lost 2/11  
(Against: Mayor Argyle Crs. Brackenridge Senathirajah Amiry McManus Smyth Youngman  
Basson Combes & Hodsdon)

The Original was PUT and was

**CARRIED 12/1**  
**(Against: Cr. Mangano)**

### **Council Resolution / Recommendation**

**That Council adopts the City of Nedlands Long Term Financial Plan 2023-2038 as presented in attachment 1.**

### **Purpose**

To present to Council the Draft Long Term Financial Plan 2023-2038 for consideration.

### **Voting Requirement**

Simple Majority.

### **Background**

The City of Nedlands Draft Long-Term Financial Plan (LTFP) 2023-2038 has been prepared as required by s5.56 'Planning for the future' of the *Local Government Act 1995*. The Draft LTFP 2023-2038 has been prepared based on a number of assumptions and objectives, that are outlined in this report and supporting attachments.

The LTFP is a 15-year rolling plan that informs the Council, assisting to plan and allocate the necessary resources to ensure that the City's priorities are achieved. From these planning processes, annual budgets that are aligned with strategic objectives can be developed. It provides the basis for the preparation of the annual budget and reflects the known impacts of projects included in the informing plans and strategies.

The LTFP takes into account known economic factors and will be reviewed every 12 months to reflect the prevailing economic conditions and impacts from factors such as COVID19 and changing community expectations placed on the City. Consideration has been given to the economic drivers that will influence the future cost of providing infrastructure, facilities



and services for the period 2023 to 2038. Strategies, priorities, issues, and risks are all dynamic influences in relation to any planning and as such the LTFP is reviewed and adjusted annually to reflect material changes.

## Discussion

The draft LTFP includes the major significant item of Underground powering of the remaining three project areas within the City of Nedlands in three stages over 4 years. The three stages loans for underground power also included over a 4 years repayment term. Service charges for underground power also included for affected ratepayers' contribution to their share of the costs.

The impact of planned delivery of underground power stages in four years, in the LTFP, is demonstrated by a single line-item of a reduction in available funding for Roads Infrastructure renewal in the first 4 years. Approximately a \$4 million reduction in available funding over the first four (4) years of the LTFP. In reality this reduction in available funding will be spread over several different classes of infrastructure assets.

Figures from the City's Draft Long Term Financial Plan were entered into WATC's Indicative Additional Debt Capacity Calculator. The calculations show that, in addition to the loans raised for the underground power projects, the City would have the capacity to borrow:

- \$5,281,018 in the 2023/24 financial year
- \$2,260,726 in the 2024/25 financial year

In the 2025/26 financial year, the City reaches borrowing capacity. This means that WATC may not approve the 2025/26 year requested loan amount of \$4.115M as this loan amount would put the City at capacity. If this happened, the project may need to be cancelled or postponed leading to financial loss related to having started but not completed the project and very high levels of community dissatisfaction.

It is worth noting here that the City currently has an estimated infrastructure backlog of \$43 million. The City's asset renewal funding gap/challenges best represented in the LTFP by the Asset renewal ratio as shown below, with the first two years of the LTFP not meeting the minimum acceptable benchmark of 75% and improving in years 3 – 5.

	Target Range		Average	2023-24	2024-25	2025-26	2026-27	2027-28
FIXED ASSET RATIOS								
Asset sustainability ratio	> 90.00%	> 110.00%	203.24%	104.42%	112.86%	143.81%	176.68%	172.14%
Asset consumption ratio	> 50.00%	> 60.00%	79.41%	70.14%	70.31%	71.00%	72.23%	73.38%
Asset renewal funding ratio	> 75.00%	> 95.00%	94.49%	63.41%	73.82%	90.21%	109.81%	135.20%

The values disclosed in this plan represent estimated average future prices and costs. The LTFP is a modelling tool to project the City's financial commitments over the next fifteen years as a means of helping to ensure long term financial sustainability. It is a dynamic tool which analyses financial trends over a fifteen-year period on a range of assumptions and

provides information to assess the impacts of current decisions and budgets on future financial sustainability.

The Draft LTFP constructed an operating baseline by using the 2022/23 budget and removing one off expenditure and carry-overs to obtain a minimum level of revenue and expenditure that the City requires to operate at current service levels.

Capital and new operating initiatives with accompanying funding sources were then incorporated with key consideration for renewal requirements and meeting the initiatives of the recently revised Council Plan.

Strategic decisions have been made to distribute funds to new capital and operating projects or changes to existing services, repayment of loan debt or transfers to/from reserves., with particular focus on the significant item, completion of the three remaining Underground Power projects areas in the City of Nedlands, commencing in FY 2023/24.

The future years of the LTFP estimates the future impacts of current decisions and identify the available options to close the gap between revenues and expenditure. Forecasting informs decision making and priority setting and assists in the management of the local government's response to community growth or contraction. It will also assist in the management of cash flows and funding requirements, community assets and risk.

There is a high level of accuracy in the forecasts for the first 2 – 3 years, a good level of accuracy for years 4 and 5 and a reasonable level of accuracy for the following 10 years of the plan.

This LTFP indicates our long-term financial sustainability, allowing for early identification of financial issues and their longer-term impacts, shows the linkages between specific plans and strategies, and enhances the transparency and accountability of the Council to the community.

## **Assumptions**

In preparing the LTFP the following assumptions and variables have been applied:

- Unless otherwise indicated through new proposals, service delivery levels are maintained at current levels
- All income and expenditures throughout the LTFP have been escalated based on relevant index rate of 2.5%
- Rate revenue is proposed to increase by 4.5%pa, ie 2.5% inflation plus 2% growth for each year over the 15 years of the plan,
- Superannuation Guarantee is budgeted at 10.5% for 2022/23 with annual increments of 0.5% until reaching a rate of 12% on 1 July 2025 for the life of the plan.
- Perth Consumer Price Index (CPI) and Local Government Cost Index (LGCI) have been estimated conservatively and used for the remainder of the costs.

## **Employment Expenses**

Employment expenses have four main elements. These are:

- Reduction in staff numbers as identified in the Workforce Plan adopted by Council in June 2022
- Increases contained in the enterprise agreement
- Increases and movements of levels within the current workforce and;
- Additional positions that may be required to meet the strategic direction of the Council and the growth of the community.

Employee costs for the first three years of the Plan are in line with Workforce Plan (Organisation Review) changes then costs are estimated to increase in line with the relevant employment awards and any new enterprise agreement at 2.50% inflation index. Factors affecting this decision include the difficulties of attracting and retaining staff; and the challenges associated with one of the lowest rates of unemployment experienced in the state. The employment market is still tightening.

## **Materials and Contracts**

Increases in Materials and contracts are forecast at an average of 2.5% inflation index each year and does not take into consideration the Local Government Cost Index (LGCI). It is worth noting Perth CPI Dec qtr 2022 at 8.3%.

However, certain materials have increased well above the LGCI inflation rate. For example, the increase in world oil prices and fuel prices escalated plant operating costs by 20%, and the supply of bitumen for road works has risen by 50%.

This puts pressure on the City's ability to maintain service delivery standards and the extent of capital works within the predicted funding levels. A conservative approach has been taken that this is a transitional situation which will correct in future years. Material and Contracts rates will be closely monitored in future reviews of the plan.

## **Utility Charges**

Utility charges have been factored in to increase by an average of 2.5% for the life of the plan. Western power confirming a 5.9% increase in Street Lighting in the 2022/23 year. A conservative approach has been taken that this is a transitional situation which will correct in future years. Utility rates will be closely monitored in future reviews of the plan.

## **Loan Borrowings and Repayments**

Loan repayments are calculated on loan schedules that are currently in existence and the estimation of any future loan borrowings.

The LTFP has proposed loan borrowings of:

- \$1.409M for Stage 1 Nedlands North UGP project (Floreat), (City share \$691,757/Resident Share \$717,408) and

- \$3.767M for Stage 2 Hollywood West UGP project (Mt Claremont) (City share \$2,078,859/Resident Share \$1,688,235) and
- \$4.748M for Stage 3 Hollywood West UGP project (Hollywood) (City share \$2,748,435/Resident Share \$1,999,866).

The ratepayer's portion is also being raised but is treated similar to a self-supporting loan with ratepayer contributions being recovered over a four-year period by way of service charges.

These loans effectively limit the ability of the City to borrow for any other projects as the City will be at its borrowing capacity in year 3 (2025/26) of the Long-Term Financial Plan.

### **Reserve Transfers**

Transfer to Reserves is in line with existing reserve calculations that are contained within the 2022/23 budget and increased by 2.5% to take into account inflation factors. In areas such as waste management these transfers could change if their net operating results changed. Continual scrutiny and review of the fees being charged in these areas are essential to ensure sufficient money is being captured in the reserves to pay for large capital expenditure in future years. Interest on Reserve holdings has been calculated at 2.5% and interest is reinvested back into the reserve fund.

### **Rate Revenue**

Rate revenue increases are forecast for 4.5% per annum (2.5% plus 2% growth) for each year of the plan. It is estimated that the additional income that is generated that is higher than normal operational requirements will be spent on increased material costs of new capital and reducing the asset management funding gap challenges.

### **Operating Grants**

Operating grants, subsidies and contributions indexed at 2.5% for the life of the LTFP. Although this funding source is somewhat unknown as political and economic factors can influence any increases that the different levels of government may offer, a small increase has been assumed to cater for general inflation increases.

### **Fees and Charges**

Fees and Charges that Council has discretion over are indexed by inflation at an average of 2.5% over the life of the plan.

### **Capital Grants**

Road grants from the Metropolitan Regional Roads Group have been estimated at the existing levels, averaged from the past two years. Regional Road Group is a competitive process and application must be made each year for specific projects; the allocations can therefore fluctuate significantly. Roads to Recovery grants have been maintained for the life of this plan.

A large number of the capital projects are reliant upon grants from external sources. If the funding from these sources does not eventuate the projects may need to be reviewed or alternate funding sourced.

### **Capital Expenditure**

Capital Expenditure is in line with existing City Asset Management Plans and has been increased by 2.5% in line with depreciation estimates.

Road expenditure is in line with existing annual allocations and increased by 2.5% in line with expected inflation. Additional expenditure is expected to be increased over the life of the plan to help address the asset renewal gap in the transport area.

The 10-year capital works program has been developed with consideration to the funding source and if the asset is renewal, upgrade or new. As identified in the capital grants section a number of key infrastructure projects are heavily reliant upon external grant funds. If external funding from these projects does not eventuate to the amounts as indicated in the plan then the scope of each capital project will need to be revisited or the project postponed until further funding is sourced.

### **Consultation**

The Draft Long Term Financial Plan 2023-2038 has been developed in consultation with City Staff and Elected Members.

The Draft Long Term Financial Plan was informed by City of Nedlands Integrated Planning and Reporting Framework (IPRF) documents :

- City of Nedlands - Asset Management Plans 2022
- City of Nedlands - Workforce Plan 2022 (Incl Organisational Review)
- City of Nedlands - Strategic Community Plan Nedlands 2028
- City of Nedlands – Nedlands 2023 ‘Making it Happen’ - Corporate Business Plan
- City of Nedlands – Asset Management Strategy 2019-2029
- City of Nedlands – Urban Forest Strategy 2018-2023
- City of Nedlands – Disability Access Inclusion Plan 2018-19 - 2023-24

Consideration was given to other IPRF documents.

A number of Long-Term Financial Plan concept forums were held with Council to go through a number of scenarios and assumptions.

### **Strategic Implications**

This item relates to the following elements from the City’s Strategic Community Plan.

**Vision**                      Our city will be an environmentally-sensitive, beautiful and inclusive place.

## Values

### **Great Natural and Built Environment**

We protect our enhanced, engaging community spaces, heritage, the natural environment and our biodiversity through well-planned and managed development.

### **High standard of services**

We have local services delivered to a high standard that take the needs of our diverse community into account.

### **Great Governance and Civic Leadership**

We value our Council's quality decision-making, effective and innovative leadership, transparency, accountability, equity, integrity and wise stewardship of the community's assets and resources. We have an involved community and collaborate with others, valuing respectful debate and deliberation.

### **Great Communities**

We enjoy places, events and facilities that bring people together. We are inclusive and connected, caring and support volunteers. We are strong for culture, arts, sport and recreation. We have protected amenity, respect our history and have strong community leadership.

### **Reflects Identities**

We value our precinct character and charm. Our neighbourhoods are family-friendly with a strong sense of place.

## Priority Area

- Renewal of community infrastructure such as roads, footpaths, community and sports facilities
- Underground power
- Retaining remnant bushland and cultural heritage
- Providing for sport and recreation

## Budget/Financial Implications

The adoption of the Long-Term Financial Plan does not have any immediate direct financial implications; however, the 2023/24 annual budget will be drafted, firstly giving consideration to the appropriate year of the Long-Term Financial Plan.

The LTFP also documents the implications of sustainability for the City over a 15-year period and the implications from a financial perspective of the assumptions that underpin the plan. The draft LTFP includes the major significant item of underground power to the remaining three project areas within the City of Nedlands in three stages over 4 years. The three stages loans for underground power also included over a 4 years repayment term. Service charges for underground power also included for affected ratepayers' contribution to their share of the costs.

The Impact of planned delivery of underground power stages in four years, in the LTFP, is demonstrated by a single line-item of a reduction in available funding for Roads Infrastructure renewal in the first 4 years. Approximately a \$4 million reduction in available funding over the first four (4) years of the LTFP. In reality this reduction in available funding will be spread over several different classes of infrastructure assets.

## Legislative and Policy Implications

Section 5.56(1) and (2) of the *Local Government Act 1995* requires that each local government is 'to plan for the future of the district', by developing plans in accordance with the regulations. *Local Government (Administration) Regulations 1996*, Regulation 19 outlines what is required of planning for future documents.

## Decision Implications

It is a statutory requirement that local governments 'plan for the future'

Council adopts or rejects the Draft City of Nedlands Long-Term Financial Plan 2023-2038 review. Accepting the LTFP review will allow the City to plan and progress with its service delivery across multiple operational and infrastructure areas.

Council not adopting the long-term financial plan 2023-2038 review would affect the City planning and forecasting abilities to ensure long term sustainability of the City finances.

TREAT risk by Council Adopting the Draft City of Nedlands Long-Term Financial Plan 2023-2038.

## Conclusion

It is recommended Council adopts the Draft City of Nedlands Long Term Financial Plan 2023-2038 as presented.

## Further Information

### Question

Councillor Amiry – Can future versions include additional scenario planning?

### Officer Response

The Long Term Financial Plan will be reviewed and updated annually. Future versions of the LTFP can include additional scenarios.

### Question

Councillor Amiry - Can the Risk Assessment be expanded to provide more detail?

**Officer Response**

The Risk Assessment can be reviewed as part of the next iteration of the LTFP.

**Question**

Councillor Amiry - Can Councillors be provided with an excel version of the LTFP?

**Officer Response**

The LTFP model has been prepared for the City by Moore Australia. Once adopted by Council the City will receive a version in Excel format. This can then be provided to Elected Members.

**Question**

Councillor Senathirajah – Can other sources of revenue in addition to rates be included for future years?

**Officer Response**

Future versions of the LTFP can include other sources of revenue once those potential sources have been further identified, ie grant income, alternate revenue streams, asset rationalisation etc





City of Nedlands



# **DRAFT LONG TERM FINANCIAL PLAN**

**2023 - 2038**

# Contents

1.0	Foreword	1
2.0	Key Information	2
3.0	Executive Summary	3
4.0	Community Profile, Vision and Objective	4
5.0	Long Term Financial Planning Overview	5
6.0	Scenario Modelling	8
7.0	Strategic Planning and Policies	9
8.0	Risk Management	10
9.0	Assumptions, Risks, Uncertainties and Sensitivity	11
Appendix A1	Forecast Financial Statements	17
Appendix A2	Forecast Statement of Comprehensive Income by Nature or Type 2023 - 2038	19
Appendix A3	Forecast Statement of Comprehensive Income by Program 2023 - 2038	20
Appendix A4	Forecast Statement of Financial Position 2023 - 2038	21
Appendix A5	Forecast Statement of Changes in Equity 2023 - 2038	22
Appendix A6	Forecast Statement of Cashflows 2023 - 2038	23
Appendix A7	Forecast Statement of Funding 2023 - 2038	24
Appendix A8	Forecast Statement of Net Current Asset Composition 2023 - 2038	25
Appendix A9	Forecast Statement of Fixed Asset Movements 2023 - 2038	26
Appendix A10	Forecast Statement of Capital Funding 2023 - 2038	27
Appendix A11	Forecast Ratios 2023 - 2038	28
Appendix A12	Forecast Significant Accounting Policies	29
10.0	Other Matters	32



# 1.0 Foreword

We are pleased to present the City of Nedlands Draft Long Term Financial Plan for 2023 - 2038.

This Plan is part of the City's ongoing commitment to an integrated approach to planning for the City's future. It provides the Council and the community with a picture of the City's long term financial circumstances and assists us to meet our strategic outcomes and objectives.

The City will encounter many challenges and opportunities over the next 15 years. Changes in population levels and demographics bring with them changing community needs and expectations. The Council will require a clear understanding of its capacity to meet these service expectations as it maintains a strong focus on sound financial management.

Council welcomes community participation in the planning process as we develop the strategic direction for a promising future for our district. We invite members of the community to contact a Councillor or Senior Council staff member if they have any questions.

The City of Nedlands' Draft Long Term Financial Plan is an important planning tool as we strive to achieve the strategies set out in the City of Nedlands Strategic Community Plan 2018 - 2028.

This Plan will be used with the Corporate Business Plan and Workforce Plan to achieve our goals and drive the City in achieving its vision of "Our city will be an environmentally-sensitive, beautiful and inclusive place".

The City has recently devoted significant resources to improving its strategic planning. This work continues as we constantly seek to improve our systems and service delivery.

Fiona Argyle  
Mayor

William Parker  
Chief Executive Officer

## Our Vision

**Our city will be an environmentally-sensitive, beautiful and inclusive place.**

## Our Values

- Healthy and Safe
- Great Natural and Built Environment
- High Standard of Services
- Great Governance and Civic Leadership
- Great Communities
- Reflects Identities
- Great for Business
- Easy to Get Around

## 2.0 Key Information

### ASSUMPTIONS

 **2.5%**  
Inflation Rate

 **2% Growth**  
Rate Base

 **Stable**  
Levels of Service

 **Stable**  
Operations

 **Balanced**  
Annual Budget

 **4.5% from 2023-24**  
(CPI 2.5% plus 2% rate  
base growth)  
Rates

 **In line**  
**with inflation**  
Fees and Charges

 **In line**  
**with inflation**  
Employee Costs

### STATISTICS<sup>1</sup>

 **13**  
Elected  
Members

 **169**  
Employees

 **15,595**  
Electors

 **8,398**  
Dwellings

 **7km**  
Distance from  
Perth

 **20km<sup>2</sup>**  
Area

 **21,121**  
Population

### FINANCIAL INFORMATION<sup>2</sup>

**\$24,724,235**  
Rates Revenue

**\$7,699,409**  
Fees and Charges

**\$34,967,420**  
Operating Revenue

**\$31,909,207**  
Operating Expenditure

**\$252,607,848**  
Net Assets

**\$5,317,090**  
Cash Backed Reserves

**\$4,114,485**  
Long Term Borrowings

<sup>1</sup>WALGA Online Local Government Directory 2022/23, City of Nedlands

<sup>2</sup>City of Nedlands 2020-21 Annual Financial Report



## 3.0 Executive Summary

The following information provides a brief summary of the Draft Long Term Financial Plan 2023 - 2038, this should be read in conjunction with the underlying assumptions detailed in this Plan.

### 3.1 Planning for a Sustainable and Stable Future

The City of Nedlands is planning for a positive and stable future, despite the current uncertainty arising from inflation and global supply storages. The City seeks to maintain, and where possible, improve service levels into the future while ensuring a healthy financial position.

Long term maintenance and renewal of the City's infrastructure remains a significant challenge, with limited external funding available, to ensure the economic and social benefits of the City's infrastructure to the broader community and Perth are not impacted.

### 3.2 Significant Issues

The continued provision of community infrastructure remains one of the key priorities and major expenditure items for the City.

Installation of underground power and the City's contribution to the costs of this dominate the early years of the plan. Significant borrowings are also required to finance the roll-out of underground power.

Road maintenance and road renewal remain a high priority for the City due to the benefit the road network provides to the district and broader metropolitan region.

Rate revenue is forecast to increase at 4.5% (CPI 2.5% + 2%) per year from 2023/24 for the duration of the Plan. These increases are to assist in the long term financial stability of the City and to increase the level of services to the community where possible. These increases will be reviewed annually when setting future budgets and once the impacts of the inflation and current global supply storages are more apparent.

### 3.3 Forecast Capital Projects

A capital works program has been planned over the term of the Plan with asset renewals aimed at ensuring the continued provision of high quality community infrastructure to residents of the City. Revenue from rates and external funding is required to undertake these works.

Project by Asset Class	2023 - 2038 Amount (\$)
<b>Infrastructure – Roads</b>	
Road upgrades and renewal program	157,823,542
<b>Infrastructure - Roads Total</b>	<b>157,823,542</b>
<b>Infrastructure - Footpaths</b>	
Footpaths renewals	6,674,150
<b>Infrastructure - Footpaths Total</b>	<b>6,674,150</b>
<b>Infrastructure – Street Furniture</b>	
Street Furniture and Bus Shelters renewal	806,192
<b>Infrastructure - Street Furniture Total</b>	<b>806,192</b>
<b>Infrastructure - Drainage</b>	
Drainage	10,778,120
<b>Infrastructure - Drainage Total</b>	<b>10,778,120</b>
<b>Plant and Equipment</b>	
Plant replacement program	9,122,051
<b>Plant and Equipment Total</b>	<b>9,122,051</b>
<b>Buildings</b>	
Building renewals	40,309,334
<b>Buildings Total</b>	<b>40,309,334</b>
<b>Grand Total</b>	<b>225,513,389</b>



## 4.0 Community Profile, Vision and Objective

### 4.1 Location

The City of Nedlands covers an area of 20km<sup>2</sup>, situated in the western suburbs of Perth, incorporating the communities and localities of Dalkeith, Karrakatta, Mt Claremont, Nedlands and parts of Floreat, Shenton Park and Swanbourne. The city administration centre is located in the heart of Nedlands, 7km west of Perth.

### 4.2 Establishment of the City

Significant events and dates listed below contributed to the development of the City of Nedlands:

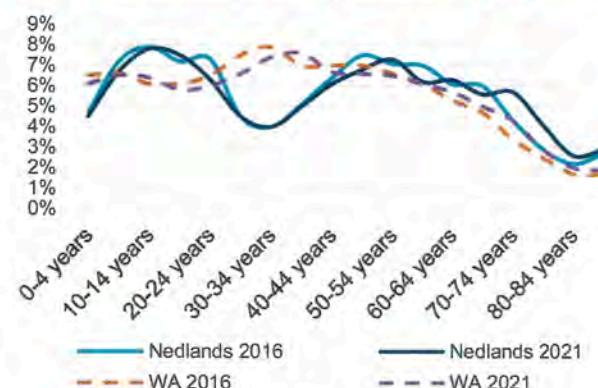
- 1893: The first move to establish Local Government in our area with the creation of the Claremont Road Board on 31 March, 1893, governing a total area of ten square miles; forty years after the death of Adam Armstrong, Nedlands' first resident.
- 1898: Approximately two square miles excised to form the Municipality of Claremont.
- 1932: Name changed from port Road Board to Nedlands Road Board.
- 1956: Name changed from Nedlands Road Board to the Municipality of Nedlands.
- 1959: One hundred and thirty years after the first British settlement around the Swan River, Nedlands achieved City status. Name changed from Nedlands Road Board to the City of Nedlands while under the guidance of Mayor John Charles Smith Esq., JP Mayor.

### 4.3 People

The following statistics reflect the City's population in comparison to the population of the state of Western Australia.

Population	2016		2021
City of Nedlands	21,121	↑	22,132
WA	2.47m	↑	2.66m

### 4.4 Percentage of Population by Age



The age demographic of the district's population is reflected by the blue (2021 Census) and green (2016 Census) lines in the chart above. When compared to the age demographic of the West Australian population reflected by the dotted lines.

### 4.5 Vision

The City's strategic vision: Our city will be an environmentally-sensitive, beautiful and inclusive place.

### 4.6 Strategic Objectives

The following key themes are identified in the City's Strategic Community Plan 2018 - 2028 and considered within the Long Term Financial Plan:

- Urban form - protecting our quality living environment;
- Renewal of community infrastructure such as roads, footpaths, community and sports facilities;
- Underground power;
- Encouraging sustainable building;
- Retaining remnant bushland and cultural heritage;
- Providing for sport and recreation;
- Managing parking; and
- Working with neighbouring Councils to achieve the best outcomes for the western suburbs as a whole.

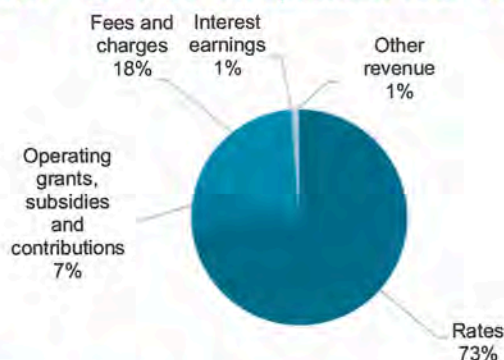


## 5.0 Long Term Financial Planning Overview

### 5.1 Forecast Revenue

Rates are expected to increase at CPI (2.5%) plus 2.0% growth in the rate base in 2023-24 and generate \$26.98m and continue to increase by 4.5% per annum to \$49.97m in 2037-38. Rates comprise 73% of operating revenue over the term of the Plan. The City also plans on receiving more than \$141.22m over the next 15 years in Fees and Charges for services provided to the community.

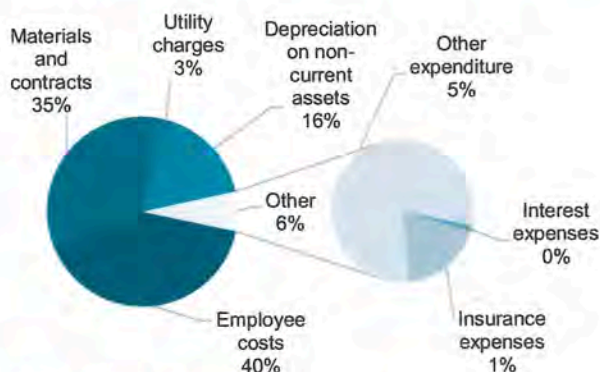
### 5.2 Revenue Composition Year 1 to 15



### 5.3 Forecast Expenditure

Expenditure is forecast to increase in line with inflation with the exception of depreciation expense which is impacted by the revaluation and addition of assets over the term of the Plan.

### 5.4 Expenditure Composition Year 1 to 15

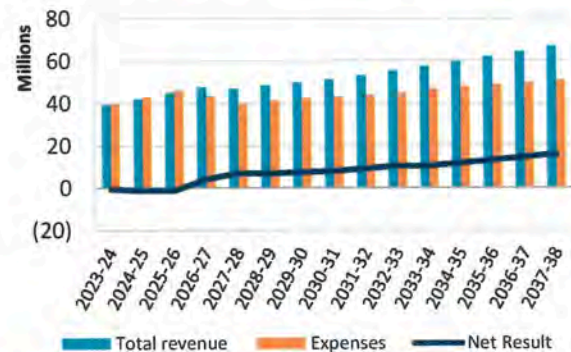


### 5.5 Net Result

The chart below reflects in the columns the steady increase in operating revenue and expenditure

forecast over the 15 years, with the blue line reflecting the net result.

A positive net result over the long term indicates



net asset values will increase faster than depreciation expenses erode asset values. Improved asset funding or changes to expected useful life of assets as they are better understood may impact the net result.

### 5.6 Depreciation Expense

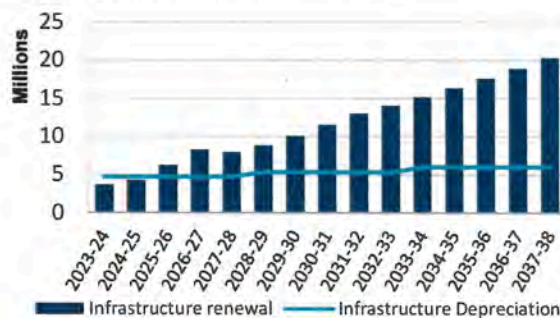
Ideally, the average asset renewal should be in line with depreciation expense over the long term, to ensure the value of assets is maintained. On average, the City is planning to renew its infrastructure assets at a slightly higher level than they are depreciating over the term of the Plan.

Where the planned asset renewals are higher than depreciation, the written down value of these assets will increase over time. Revaluation of assets in line with inflation may additionally increase the value where planned asset renewals are higher than depreciation.



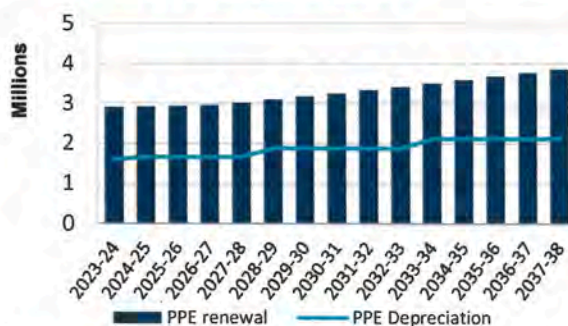
### 5.7 Infrastructure Depreciation Expense -V- Asset Renewal Expenditure

Depreciation expense increases throughout the Plan from \$6.30m in year 1 to \$8.14m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$80.10m, shown by the green line in the chart below. The planned level of infrastructure asset renewal expenditure at \$176.08m (reflected by the blue columns) is over the term of the Plan, above the level of depreciation.



Further review of asset useful lives for infrastructure assets in the future may be required as changes occur in the construction techniques of road pavements occur and traffic loads vary. Planned property, plant and equipment asset renewals of \$49.43m (reflected by the blue columns) over the 15 years is more than the depreciation expense of \$28.19m (reflected by the green line) over the same period as shown in the chart below.

### 5.8 Property, Plant and Equipment Depreciation Expense -V- Asset Renewal Expenditure



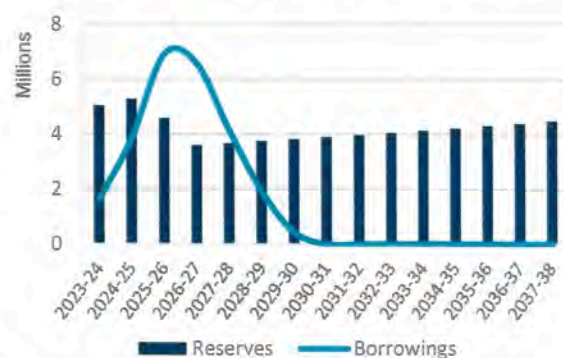
Further improvements in asset management data and the estimation of depreciation expense along with the future renewal of long-lived assets may result in a closer alignment between asset renewals and depreciation expense.

### 5.9 Maintenance Expenditure

The current maintenance expenditure allocated in the annual operating budget is expected to continue at current levels, with inflationary increases occurring each year.

### 5.10 Forecast Borrowings and Cash Reserves

The finances of the City are impacted heavily in the initial years by the implementation of underground power before stabilising over the long term. Reserves and borrowings will be utilised to fund underground power projects resulting in the variations in the initial years of the plan as shown in the chart below.



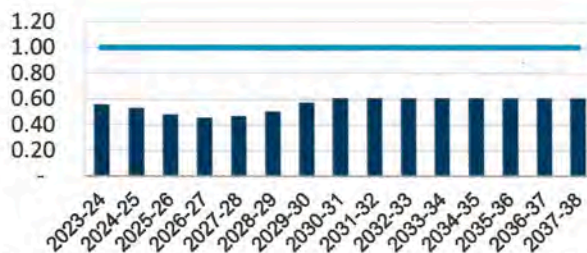
Borrowing and reserves are used for the 3 phases of underground power projects in 2023/24, 2024/25 and 2025/26. All borrowings incurred for underground power projects will be repaid after 4 years. Service charges will be used to pay for the borrowings with ratepayers given up to 4 years to pay the service charges.



### 5.11 Forecast Operating Ratios 2023 - 2038

Monitoring the City's financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The green line reflects the Department of Local Government, Sport and Cultural Industries' (the Department) minimum target level of the ratio.

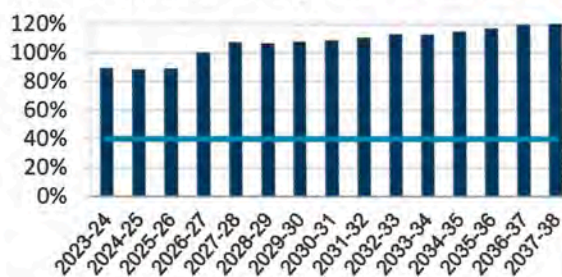
### 5.12 Current Ratio



As expected for a City with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0 until the borrowings are repaid. The trend is not considered to indicate a threat to the City's long term financial position.

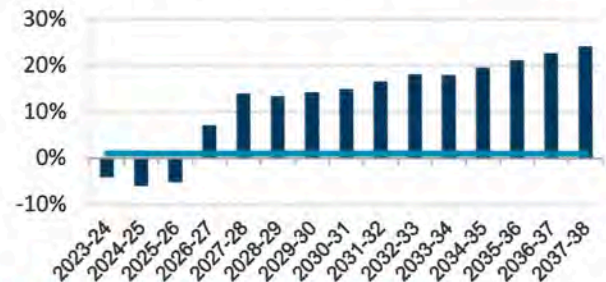
### 5.13 Own Source Revenue Coverage Ratio

The ratio moves above the target indicating the City has low reliance on grants and contributions.



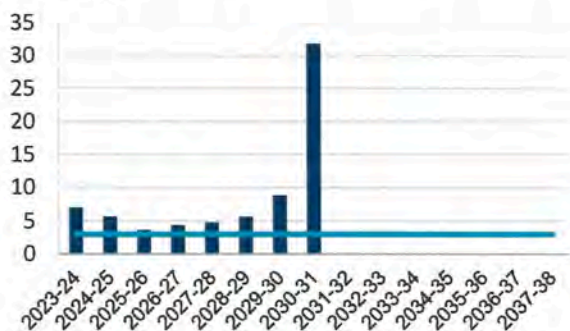
### 5.14 Operating Surplus Ratio

The ratio above highlights how the cumulative impact of the rates increases are intended to address the Operating Surplus Ratio.



### 5.15 Debt Service Cover Ratio

The ratio indicates the City's varying capacity to take up borrowings due to the planned borrowings for the planned underground power projects, with the capacity growing towards the middle of the plan in line with the repayment of the planned borrowings.





## 6.0 Scenario Modelling

### 6.1 Scenario Modelling

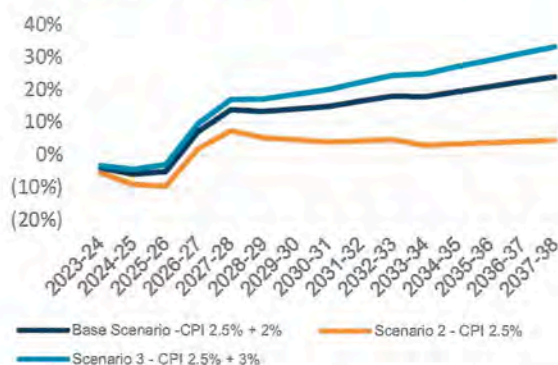
Scenarios were developed to test the financial impact of varying levels of operating funding. To ascertain the effect of varying funding levels, modelling of various scenarios was undertaken.

A base scenario was developed with a rates revenue of 2% above inflation (2.5%) throughout the life of the Plan. Two alternative scenarios were also developed from this base as shown in the table below. All other assumptions remained the same across the three scenarios.

Scenario	Rates, Fees and Charges Increase above CPI (2.5%)	Total Increase
Base Scenario	2%	4.5%
Scenario 2	0%	2.5%
Scenario 3	3%	5.5%

The base scenario was selected as the most appropriate and has been used for the Plan. The base scenario includes levels of rate revenue and fees and charges to ensure the current levels of service are maintained.

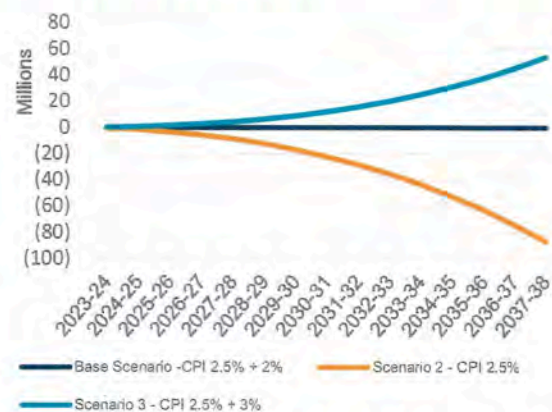
### 6.2 Scenario Comparison - Operating Surplus Ratio



The chart above shows the impact of the same change in total rates revenue on the City's Operating Surplus Ratio (other assumptions remaining the same). The base scenario was selected as it maintains existing rating levels.

The chart below reflects the impact of a change in total rates revenue on the estimated surplus (deficit) at June 30 from the base scenario (other assumptions remaining the same).

### 6.3 Estimated Surplus (Deficit) June 30 Carried Forward



The cumulative impact of the changes in rates along results in the surplus (deficit) shown in the table below.

Estimated Surplus/(Deficit)			
Scenario 1 CPI 2.5% + 2%	Scenario 2 CPI 2.5% + 0%	Scenario 3 CPI 2.5% + 3%	
\$	\$	\$	
0	(516,388)	258,194	
0	(1,595,639)	805,565	
0	(3,287,107)	1,675,659	
0	(5,617,364)	2,904,766	
0	(8,620,682)	4,532,113	
0	(12,341,597)	6,600,073	
0	(16,827,009)	9,154,380	
0	(22,126,291)	12,244,366	
0	(28,291,412)	15,923,209	
0	(35,377,065)	20,248,196	
0	(43,440,795)	25,281,010	
0	(52,543,141)	31,088,023	
0	(62,747,780)	37,740,619	
0	(74,121,677)	45,315,534	
0	(\$86,735,244)	\$53,895,214	



## 7.0 Strategic Planning and Policies

### 7.1 Linkage with Other Plans

The Long Term Financial Plan is one component of a number of integrated strategic planning practices the City has developed. The Plan considers, and influences, asset management and workforce planning along with other key strategic plans. This Long Term Financial Plan has been prepared to achieve compliance with the *Local Government (Administration) Regulations 1996*. Development of the Plan has also been influenced by the Department's Integrated Planning Framework and Guidelines.

### 7.2 Strategic Documents Linkage

This Plan includes, and influences, other strategic planning activities as a mechanism to action the strategies contained in the City's Strategic Community Plan

### 7.3 Strategic Community Plan 2018 - 2028

The Strategic Community Plan has been prepared to cover a minimum period of 10 years and set out the community's vision, aspirations and objectives for the City. To achieve the vision, a series of priorities, objectives and strategies were developed. Many strategies may be required to achieve a single objective and many objectives needed to achieve a single priority.

Individual strategies all require actions involving extra human, physical and financial resources. Achieving the City's strategic priorities requires careful operational planning and prioritisation. This planning process is formalised as a Corporate Business Plan which operates on a rolling four-year basis.

### 7.4 Corporate Business Plan

The Corporate Business Plan contains details of the actions and resources (human, asset and financial) to achieve each strategy and acts as an organisational guide for the Council and management.

The financial capacity and asset management practices to support the Corporate Business Plan are set out in the Long Term Financial Plan for the period. This planning provides an assurance the actions contained in the Corporate Business Plan can be adequately resourced over the next four years and highlights the long term consequences of the application of resources to undertake various projects.

### 7.5 Asset Management Plan

The City has recently reviewed the asset management plans, these plans set service standards for assets and contain work schedules applying financial resources to the renewal of assets over the next 10+ years. These renewal schedules inform the Long Term Financial Plan.

### 7.6 Workforce and Other Strategic Plans

The Workforce Plan and other strategic plans integrate with the Long Term Financial Plan through the workforce requirement for assets and financial resources along with the requirements for a workforce to manage the City of Nedlands assets and financial resources. As far as possible, these requirements are met in the Plan. The City of Nedlands Workforce Plan has been considered in the development of this long-term financial plan. No financial impacts are expected from the Workforce Plan with employee costs forecast to rise at the forecast inflation rate of 2.5%.

## 8.0 Risk Management

### 8.1 Risk Management

The City provides a diverse range of services and facilities to the general public which exposes it to risks. As part of the implementation of Integrated Planning and Reporting, the City intends to formalise its risk based management practices to improve the management of identified risks.

The City has a practice of conducting a regular review of insurance levels of assets by the Chief Executive Officer to ensure the level is adequate.

The Financial Management Regulations require the investment of surplus funds (including cash reserves) to be in term deposits held by authorised deposit taking institutions or Treasury bonds.

The City seeks to engage experienced and qualified personnel in areas of high risk and provides them with appropriate ongoing training and equipment to ensure they are able to undertake their roles with minimal risk to the community and the City.

### 8.2 Certainty of Assumptions

Included in the Plan is a detailed analysis of the assumptions used as part of the planning process and the level of risk associated with each assumption.

The impact of the assumptions applied to issues identified as carrying a high risk have been separately disclosed, as has the sensitivity of movements in these assumptions on the financial forecasts set out in this Plan.

### 8.3 Sensitivity Analysis

Where an assessment has been made that a high level of uncertainty applies to the assumptions, sensitivity analysis has been used to help quantify the potential financial impact of a change in the assumption.

Assumptions with a high level of uncertainty and a higher dollar value present the greatest risk that a movement will result in unexpected and detrimental consequences. The details of this analysis are shown adjacent to each assumption on the following pages.



## 9.0 Assumptions, Risks, Uncertainties and Sensitivity

### 9.1 Revenue - Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>District Growth in Population:</b> The number of residents in the City is expected to grow in line with the increase in the rate base.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Rates Level Increase:</b> Annual rates have been based on an increase in the total rate revenue of 4.5% from 2023/24 onwards, being in line with forecast inflation rate (2.5%) plus 2.0% growth in the rate base.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Service Charges:</b> Imposed for each phase of underground power projects to fund the repayment of borrowings.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Operating Grants and Contributions:</b> Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	± \$28,664 to the value of operating grants and contributions per 1% movement in the value in the first year of the Plan.
<b>Non-operating Grants and Contributions:</b> Remain in line with funding requirements identified for various capital works.	Medium	Not assessed as high financial risk.	Medium	± \$149,230 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
<b>Fees and Charges:</b> Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Interest Earnings:</b> Interest earning of an average rate of 2.0% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Other Revenue:</b> Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Profit on Asset Disposal:</b> Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

## 9.2 Expenditure - Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Employee Costs:</b> Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Materials and Contracts:</b> Increased annually by forecast inflation.	High	Changes in these levels would impact directly on the City's ability to meet projected service levels. Changes in inflation during the year significantly impact on materials and contracts.	High	± \$2,328,423 to the value of materials and contracts per 1% movement in the value over the life of the Plan. A high level of uncertainty exists due to current good and labour storages
<b>Depreciation:</b> Depreciation has been calculated using an average depreciation rate based on historical depreciation expense.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Insurance:</b> Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Other Expenditure:</b> Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Loss on Asset Disposal:</b> A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.



### 9.3 Assets - Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Revaluations:</b> Occur every five years in line with statutory requirements.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	±\$1,909,639 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$2,502,947 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
<b>Impairment of Assets:</b> No impairment of assets has been assumed over the life of the Plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.	Medium	Unable to be quantified.
<b>Infrastructure Assets:</b> Expenditure has been based on historical levels escalated by inflation.	High	The capital works program is highly dependent on Government grants and contributions and rates revenue. Changes in these levels would impact directly on the amount spent on capital projects and ultimately on service levels.	High	±\$149,230 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
<b>Property, Plant and Equipment:</b> Building expenditure and the Plant Replacement Program is in accordance with the asset management plan.	Medium	Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.

#### 9.4 Liabilities - Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Borrowings:</b> New borrowings are planned to partially fund 3 phases of Underground Power Projects.	High	If the City is not able to secure borrowings in the future, the likely impact will be the cancellation or postponement of the Underground Power Projects leading to a reduction in service levels over the short to medium term.	Low	Not assessed as high level of uncertainty.
<b>Employee Entitlements:</b> It has been assumed the City will be in a position to meet its obligations in relation to employee entitlements.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.



### 9.5 Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Cash Backed Reserves:</b> It has been assumed the City will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Revaluation Surplus:</b> Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluations of assets will have no impact on Cashflows.	High	±\$1,909,639 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$2,502,947 to the value of infrastructure assets per 1% movement in the value over the life of the Plan

## 9.6 Other - Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Ownership of Strategic Assets:</b> The City has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
<b>Inflators:</b> Forecast inflation at 2.5% per annum.	Medium	Not assessed as high financial risk.	High	± \$7,733,715 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$6,728,188 to operating expenditure per 1% movement in the inflators over the life of the Plan.
<b>Commercial Activities:</b> The City has no plans to undertake a significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>General Economic Forecasts for State:</b> The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>General Economic Forecasts for Region:</b> Historically, the metropolitan region's economy is heavily dependent on the economy of the State as a whole and this remains the assumption for the term of this Plan.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.



# Appendix A1 Forecast Financial Statements

## Financial Statements

The following forecast financial statements have been prepared and are included at the end of the Plan.

These forecast statements have been prepared within a framework which accords with the Australian Accounting Standards.

The statements have been prepared based on a number of forecasts and estimates, and readers should ensure they have read and understood the reliance section under Other Matters at the end of the document.

## Statements of Comprehensive Income

Often referred to as the operating statement, it shows the revenues and expenses over the periods classified by two methods (by Program and Nature or Type) to disclose a net result.

## Statement of Financial Position

More commonly referred to as the Balance Sheet, this statement discloses the forecast changes in the balance of assets and liability accounts over the periods.

## Statement of Changes in Equity

This statement discloses the changes in equity over the forecast period. It shows the impact of operations on net assets and the movement in cash backed and revaluation reserves.

## Statement of Cashflows

Represents the forecast cash inflows and outflows and discloses the changes to the balance of cash over the period.

## Statement of Funding

A statement combining operating and capital revenues and expenses and discloses the opening and closing net current forecast surplus (deficit) funding position for each year.

## Statement of Net Current Asset Composition

A statement showing how the closing estimated surplus/deficit has been calculated.

## Statement of Fixed Asset Movements

A summary of the impact of the Plan on the value of fixed assets over the period. It discloses the movements in the net value of property, plant, and equipment and infrastructure.

## Statement of Fixed Asset Funding

A summary of the capital expenditure by asset class and the source of funding for each class.

## Forecast Capital Works

Details planned capital projects by asset class by year.

## Forecast Capital Works Funding

A summary of the percentage of external funding anticipated for each capital project.

## Nature or Type

A number of statements in the Plan are disclosed using nature or type descriptors of revenue and expenditure (for example Rates and Employee Costs). This classification is in accordance with Schedule 1 of the *Local Government (Financial Management) Regulation 1996*.



### Service Programs

The City provides a wide variety of services to the community in order to achieve its vision and objectives. The following service program descriptions as per the *Local Government (Financial Management) Regulations 1996* are used in the Plan to represent these services, however not all services listed may be provided by the City of Nedlands.

Objectives	Services	Objectives	Services
Governance	Members of Council	Recreation and culture	Public halls, civic centre
	Governance – general		Swimming areas
General purpose funding	Rates		Other recreation and sport
	Other general purpose funding		Television and radio re-broadcasting
Law, order, public safety	Fire prevention		Libraries
	Animal control		Other culture
	Other law, order, public safety	Transport	Streets, roads, bridges, depots
Health	Maternal and infant health		- Construction (not capitalised)
	Preventative services		- Maintenance
	- Immunisation		Road plant purchase (if not capitalised)
	- Meat inspection		Parking facilities
	- Administration and inspection		Traffic control
	- Pest control		Aerodromes
	- Other		Water transport facilities
	Other health	Economic services	Rural services
Education and welfare	Pre-school		Tourism and area promotion
	Other education		Building control
	Care of families and children		Sale yards and markets
	Aged and disabled		Plant nursery
	- Senior citizens centres		Other economic services
	- Meals on wheels	Other property and services	Private works
	Other welfare		Public works overheads
Housing	Staff housing		Plant operation
	Other housing		Salaries and wages
Community amenities	Sanitation		Unclassified
	- Household refuse		Town Planning Schemes
	- Other		
	Sewerage		
	Urban stormwater drainage		
	Protection of environment		
	Town planning and regional development		
	Other community amenities		

# Appendix A2 Forecast Statement of Comprehensive Income by Nature or Type 2023 - 2038

	2019-20	2020-21	2021-22	Base	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>																			
Rates	24,367,185	24,724,235	25,305,927	25,819,393	26,981,266	28,195,423	29,464,217	30,790,107	32,175,662	33,623,566	35,136,627	36,717,775	38,370,075	40,096,729	41,901,081	43,786,629	45,757,028	47,816,094	49,967,818
Operating grants, subsidies and contributions	2,293,237	2,162,126	2,305,116	2,374,464	2,866,416	2,938,077	3,011,529	3,086,819	3,163,990	3,243,090	3,324,169	3,407,273	3,492,453	3,579,765	3,669,258	3,760,987	3,855,011	3,951,385	4,050,170
Fees and charges	7,099,852	7,699,409	7,543,064	7,999,894	7,875,194	8,072,076	8,273,880	8,480,726	8,692,750	8,910,069	9,132,824	9,361,147	9,595,175	9,835,054	10,080,931	10,332,953	10,591,274	10,856,049	11,127,449
Service charges	(204,464)	(19,966)	22,147	0	0	1,120,950	2,568,961	3,470,735	1,248,662	1,024,472	555,518	0	0	0	0	0	0	0	0
Interest earnings	500,063	268,905	237,227	373,371	385,299	359,101	364,182	350,595	331,436	333,363	335,332	337,344	339,394	341,491	343,634	345,818	348,051	350,333	352,658
Other revenue	490,161	132,711	472,764	326,560	265,785	272,430	279,242	286,225	293,382	300,717	308,236	315,944	323,842	331,939	340,236	348,742	357,460	366,396	375,556
	34,546,034	34,967,420	35,886,245	36,893,682	38,373,960	40,958,057	43,962,011	46,465,207	48,905,882	51,435,277	54,000,000	56,600,000	59,240,000	61,915,000	64,620,000	67,360,000	70,130,000	72,935,000	75,770,000
<b>Expenses</b>																			
Employee costs	(13,890,564)	(14,396,659)	(16,394,946)	(16,400,146)	(16,410,159)	(15,790,409)	(15,635,167)	(16,026,047)	(16,426,699)	(16,837,377)	(17,258,315)	(17,689,768)	(18,132,017)	(18,585,312)	(19,049,949)	(19,526,203)	(20,014,361)	(20,514,714)	(21,027,589)
Materials and contracts	(10,139,596)	(11,089,161)	(12,081,475)	(12,668,047)	(12,984,776)	(13,309,394)	(13,642,131)	(13,983,187)	(14,332,774)	(14,691,102)	(15,058,378)	(15,434,849)	(15,820,711)	(16,216,238)	(16,621,637)	(17,037,181)	(17,463,109)	(17,899,683)	(18,347,177)
Utility charges	(881,896)	(882,938)	(938,783)	(943,574)	(967,166)	(991,344)	(1,016,128)	(1,041,530)	(1,067,568)	(1,094,257)	(1,121,614)	(1,149,654)	(1,178,396)	(1,207,858)	(1,238,054)	(1,269,004)	(1,300,730)	(1,333,247)	(1,366,579)
Depreciation on non-current assets	(4,128,897)	(4,288,831)	(4,491,610)	(6,538,604)	(6,296,579)	(6,351,068)	(6,351,068)	(6,351,068)	(6,351,068)	(7,185,649)	(7,185,649)	(7,185,649)	(7,185,649)	(7,185,649)	(8,129,903)	(8,129,903)	(8,129,903)	(8,129,903)	(8,140,193)
Interest expenses	(241,893)	(169,430)	(114,275)	(77,770)	(44,682)	(43,351)	(106,749)	(193,744)	(180,996)	(108,772)	(47,172)	(9,821)	0	0	0	0	0	0	0
Insurance expenses	(412,313)	(375,901)	(380,169)	(466,808)	(478,487)	(490,444)	(502,701)	(515,269)	(528,152)	(541,354)	(554,880)	(568,750)	(582,967)	(597,536)	(612,474)	(627,787)	(643,478)	(659,563)	(676,056)
Other expenditure	(937,514)	(706,287)	(771,133)	(928,551)	(2,643,525)	(6,246,179)	(8,827,247)	(5,273,388)	(1,050,576)	(1,076,842)	(1,103,764)	(1,131,356)	(1,159,639)	(1,188,630)	(1,218,347)	(1,248,808)	(1,280,028)	(1,312,028)	(1,344,831)
	(30,632,673)	(31,909,207)	(35,172,391)	(38,023,500)	(39,825,374)	(43,222,189)	(46,081,191)	(43,384,233)	(39,937,833)	(41,535,353)	(42,329,772)	(43,169,847)	(44,059,379)	(44,981,223)	(46,870,364)	(47,838,886)	(48,831,609)	(49,849,138)	(50,902,425)
	3,913,361	3,058,213	713,854	(1,129,818)	(1,451,414)	(2,264,132)	(2,119,180)	3,080,974	5,968,049	5,899,924	6,462,934	6,969,636	8,061,560	9,203,755	9,464,776	10,736,243	12,077,215	13,491,119	14,971,226
Non-operating grants, subsidies and contributions	2,174,522	2,256,281	344,208	3,669,804	853,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000
Fair value adjustments to financial assets at fair value through profit or loss	2,305	5,172	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on asset disposals	77,691	35,067	17,938	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(24,217)	0	(3,262)	(44,871)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>NET RESULT</b>	<b>6,143,662</b>	<b>5,354,733</b>	<b>1,072,738</b>	<b>2,485,115</b>	<b>(598,414)</b>	<b>(1,259,132)</b>	<b>(1,114,180)</b>	<b>4,085,974</b>	<b>6,973,049</b>	<b>6,904,924</b>	<b>7,467,934</b>	<b>7,974,636</b>	<b>9,066,560</b>	<b>10,208,755</b>	<b>10,469,776</b>	<b>11,741,243</b>	<b>13,082,215</b>	<b>14,496,119</b>	<b>15,976,226</b>
Other comprehensive income	0	0	0	0	18,638,445	0	0	0	0	23,457,101	0	0	0	0	32,293,421	0	0	0	0
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>6,143,662</b>	<b>5,354,733</b>	<b>1,072,738</b>	<b>2,485,115</b>	<b>18,040,031</b>	<b>(1,259,132)</b>	<b>(1,114,180)</b>	<b>4,085,974</b>	<b>6,973,049</b>	<b>30,362,025</b>	<b>7,467,934</b>	<b>7,974,636</b>	<b>9,066,560</b>	<b>10,208,755</b>	<b>42,763,197</b>	<b>11,741,243</b>	<b>13,082,215</b>	<b>14,496,119</b>	<b>15,976,226</b>



# Appendix A3 Forecast Statement of Comprehensive Income by Program 2023 - 2038

	2019-20	2020-21	2021-22	Base	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>																			
Governance	253,900	104,963	122,033	35,000	35,875	36,772	37,691	38,633	39,599	40,589	41,604	42,644	43,710	44,803	45,923	47,071	48,248	49,454	50,690
General purpose funding	25,787,306	25,830,794	26,708,052	26,797,192	28,430,095	29,644,642	30,945,771	32,286,009	33,681,039	35,160,219	36,705,332	38,319,327	40,005,282	41,766,428	43,606,128	45,527,895	47,535,413	49,632,518	51,823,219
Law, order, public safety	400,106	377,391	324,802	430,592	441,357	452,392	463,703	475,296	487,181	499,361	511,846	524,643	537,757	551,202	564,982	579,107	593,585	608,423	623,632
Health	159,281	59,545	98,327	74,008	75,858	77,754	79,698	81,691	83,734	85,827	87,973	90,173	92,427	94,737	97,105	99,534	102,022	104,572	107,186
Education and welfare	1,943,721	2,083,015	2,850,575	2,814,220	2,884,577	2,956,691	3,030,609	3,106,374	3,184,034	3,263,635	3,345,226	3,428,857	3,514,579	3,602,445	3,692,507	3,784,818	3,879,439	3,976,424	4,075,835
Community amenities	3,618,105	3,993,694	4,063,014	4,332,508	4,440,823	4,551,844	4,665,638	4,782,278	4,901,834	5,024,380	5,149,989	5,278,740	5,410,707	5,545,974	5,684,623	5,826,736	5,972,403	6,121,712	6,274,754
Recreation and culture	1,400,353	935,369	237,297	795,395	803,878	823,976	844,577	865,692	887,336	909,518	932,257	955,565	979,455	1,003,941	1,029,040	1,054,764	1,081,132	1,108,158	1,135,862
Transport	153,415	165,454	185,445	25,272	25,904	26,552	27,216	27,896	28,594	29,309	30,042	30,793	31,562	32,351	33,160	33,989	34,838	35,709	36,602
Economic services	889,132	1,347,474	718,479	885,064	907,191	2,050,821	3,522,079	4,447,682	2,250,034	2,050,879	1,607,588	1,078,370	1,105,330	1,132,963	1,161,286	1,190,318	1,220,075	1,250,576	1,281,841
Other property and services	(59,285)	69,721	596,159	704,431	328,402	336,613	345,029	353,656	362,497	371,560	380,849	390,371	400,130	410,134	420,386	430,897	441,669	452,711	464,030
	34,546,034	34,967,420	35,904,183	36,893,682	38,373,960	40,958,057	43,962,011	46,465,207	49,905,882	47,435,277	48,792,706	50,139,483	52,120,939	54,184,978	56,335,140	58,575,129	60,908,824	63,340,257	65,873,651
<b>Expenses excluding finance costs</b>																			
Governance	(2,597,806)	(3,318,649)	(3,362,678)	(2,479,999)	(2,542,006)	(2,555,558)	(2,569,448)	(2,633,686)	(2,699,531)	(2,767,027)	(2,836,202)	(2,907,104)	(2,979,782)	(3,054,275)	(3,130,630)	(3,208,899)	(3,289,123)	(3,371,346)	(3,455,637)
General purpose funding	(667,253)	(458,156)	(489,599)	(645,210)	(661,342)	(577,874)	(492,321)	(504,629)	(517,244)	(530,177)	(543,430)	(557,014)	(570,939)	(585,213)	(599,843)	(614,839)	(630,211)	(645,965)	(662,116)
Law, order, public safety	(1,000,422)	(916,601)	(933,834)	(1,039,068)	(1,065,046)	(991,670)	(916,465)	(939,377)	(962,860)	(986,935)	(1,011,610)	(1,036,901)	(1,062,823)	(1,089,394)	(1,116,627)	(1,144,543)	(1,173,154)	(1,202,482)	(1,232,544)
Health	(661,509)	(671,243)	(841,826)	(822,802)	(843,372)	(864,456)	(886,069)	(908,220)	(930,926)	(954,201)	(978,056)	(1,002,507)	(1,027,571)	(1,053,260)	(1,079,590)	(1,106,581)	(1,134,244)	(1,162,600)	(1,191,667)
Education and welfare	(2,441,082)	(2,465,249)	(3,455,954)	(3,810,716)	(3,597,791)	(3,305,647)	(3,385,074)	(3,466,482)	(3,549,935)	(3,632,361)	(3,714,038)	(3,799,905)	(3,889,905)	(3,922,021)	(4,016,436)	(4,132,315)	(4,231,514)	(4,333,193)	(4,437,411)
Community amenities	(4,766,093)	(5,804,452)	(6,403,517)	(6,421,495)	(6,582,033)	(6,646,582)	(6,712,749)	(6,880,569)	(7,052,585)	(7,228,905)	(7,409,627)	(7,594,871)	(7,784,743)	(7,979,362)	(8,178,844)	(8,383,313)	(8,592,893)	(8,807,717)	(9,027,912)
Recreation and culture	(8,878,439)	(7,840,095)	(8,096,352)	(9,675,971)	(9,742,704)	(9,904,500)	(10,103,094)	(10,306,651)	(10,515,304)	(10,986,815)	(11,206,029)	(11,430,730)	(11,661,034)	(11,897,104)	(12,430,580)	(12,678,604)	(12,932,822)	(13,193,393)	(13,463,663)
Transport	(4,478,937)	(4,362,998)	(4,649,645)	(6,724,035)	(6,686,604)	(6,801,599)	(6,891,158)	(6,982,959)	(7,077,050)	(7,596,524)	(7,695,382)	(7,796,709)	(7,900,570)	(8,007,031)	(8,594,771)	(8,706,619)	(8,821,265)	(8,938,777)	(9,064,440)
Economic services	(4,727,977)	(4,686,349)	(2,323,097)	(2,381,811)	(4,133,114)	(7,773,007)	(10,392,244)	(6,877,508)	(2,694,804)	(2,762,173)	(2,831,226)	(2,902,007)	(2,974,560)	(3,048,922)	(3,125,144)	(3,203,271)	(3,283,353)	(3,365,435)	(3,449,569)
Other property and services	(171,262)	(1,215,985)	(4,504,876)	(3,944,623)	(3,926,680)	(3,757,945)	(3,625,820)	(3,690,408)	(3,756,598)	(3,961,463)	(4,031,000)	(4,102,278)	(4,175,336)	(4,250,226)	(4,482,020)	(4,560,703)	(4,641,351)	(4,724,012)	(4,810,434)
	(30,390,780)	(31,739,777)	(35,061,378)	(37,945,730)	(39,780,692)	(43,178,838)	(45,974,442)	(43,190,489)	(39,756,837)	(41,426,581)	(42,282,600)	(43,160,026)	(44,059,379)	(44,981,223)	(46,870,364)	(47,838,886)	(48,831,609)	(49,849,138)	(50,902,425)
<b>Finance costs</b>																			
Community amenities	(80,107)	(59,286)	(38,847)	(23,924)	(12,922)	(10,475)	(7,961)	(5,379)	(2,726)	0	0	0	0	0	0	0	0	0	0
Recreation and culture	(119,126)	(81,583)	(48,490)	(35,919)	(23,934)	(11,584)	(1,372)	0	0	0	0	0	0	0	0	0	0	0	0
Transport	(36,079)	(28,561)	(22,224)	(14,159)	(5,597)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic services	0	0	0	0	0	(19,522)	(95,971)	(187,251)	(177,496)	(108,344)	(47,084)	(9,821)	0	0	0	0	0	0	0
Other property and services	(6,581)	0	(4,714)	(3,768)	(2,229)	(1,770)	(1,445)	(1,114)	(774)	(428)	(88)	0	0	0	0	0	0	0	0
	(241,893)	(169,430)	(114,275)	(77,770)	(44,682)	(43,351)	(106,749)	(193,744)	(180,996)	(108,772)	(47,172)	(9,821)	0	0	0	0	0	0	0
<b>Non operating grants, subsidies and contributions</b>																			
Community amenities	0	0	0	19,050	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	58,670	0	0	2,018,400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	2,115,852	2,256,281	344,208	1,632,354	853,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000
	2,174,522	2,256,281	344,208	3,669,804	853,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000
<b>Profit/(loss) on disposal of assets</b>																			
Other property and services	53,853	35,067	0	(44,871)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	53,853	35,067	0	(44,871)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Fair value adjustments to financial assets at fair value through profit or loss</b>																			
	2,305	5,172	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>NET RESULT</b>	<b>6,143,662</b>	<b>5,354,733</b>	<b>1,072,738</b>	<b>2,495,115</b>	<b>(598,414)</b>	<b>(1,259,132)</b>	<b>(1,114,180)</b>	<b>4,085,974</b>	<b>6,973,049</b>	<b>6,904,924</b>	<b>7,467,934</b>	<b>7,974,636</b>	<b>9,066,560</b>	<b>10,208,755</b>	<b>10,469,776</b>	<b>11,741,243</b>	<b>13,082,215</b>	<b>14,496,119</b>	<b>15,976,226</b>
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,638,445</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,457,101</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,293,421</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>6,143,662</b>	<b>5,354,733</b>	<b>1,072,738</b>	<b>2,495,115</b>	<b>18,040,031</b>	<b>(1,259,132)</b>	<b>(1,114,180)</b>	<b>4,085,974</b>	<b>6,973,049</b>	<b>30,362,025</b>	<b>7,467,934</b>	<b>7,974,636</b>	<b>9,066,560</b>	<b>10,208,755</b>	<b>42,763,197</b>	<b>11,741,243</b>	<b>13,082,215</b>	<b>14,496,119</b>	<b>15,976,226</b>



## Appendix A4 Forecast Statement of Financial Position 2023 - 2038

	2020	2021	2022	Base	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37	30 June 38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CURRENT ASSETS</b>																			
Unrestricted cash and cash equivalents	1,052,089	7,039,036	9,851,026	2,462,943	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385
Restricted cash and cash equivalent	9,167,261	8,788,310	8,410,354	5,878,492	5,037,191	5,288,766	4,587,793	3,606,200	3,678,324	3,751,890	3,826,928	3,903,469	3,981,538	4,061,169	4,142,395	4,225,243	4,309,748	4,395,945	4,483,862
Financial assets	6,277,329	4,298,665	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133
Trade and other receivables	2,132,896	1,954,644	2,426,770	2,426,770	2,427,249	2,415,414	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367
Inventories	22,816	34,191	40,738	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328
Contract assets	33,686	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Other assets	341,013	48,312	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287
<b>TOTAL CURRENT ASSETS</b>	<b>19,027,090</b>	<b>22,176,658</b>	<b>20,821,808</b>	<b>10,876,453</b>	<b>9,569,073</b>	<b>9,808,813</b>	<b>9,103,793</b>	<b>8,122,200</b>	<b>8,194,324</b>	<b>8,267,890</b>	<b>8,342,928</b>	<b>8,419,469</b>	<b>8,497,538</b>	<b>8,577,169</b>	<b>8,658,395</b>	<b>8,741,243</b>	<b>8,825,748</b>	<b>8,911,945</b>	<b>8,999,862</b>
<b>NON-CURRENT ASSETS</b>																			
Financial assets	221,257	205,015	195,875	177,369	177,369	177,369	177,369	177,369	177,369	177,369	177,369	177,369	177,369	177,369	177,369	177,369	177,369	177,369	177,369
Other receivables	1,110,860	1,443,370	992,330	992,330	976,448	972,401	972,401	972,401	972,401	972,401	972,401	972,401	972,401	972,401	972,401	972,401	972,401	972,401	972,401
Other assets	493,575	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property plant and equipment	152,326,159	151,704,020	150,822,512	152,046,138	158,287,582	159,432,389	160,587,193	161,752,243	162,987,796	170,590,550	171,754,952	172,995,278	174,313,426	175,711,341	185,180,519	186,497,933	187,901,248	189,392,612	190,963,935
Infrastructure	90,302,381	92,642,616	92,518,530	99,725,656	112,282,429	111,832,513	113,335,233	116,912,344	120,127,756	140,578,434	145,287,118	151,509,458	159,179,801	167,911,010	201,123,803	211,464,784	223,059,179	235,977,737	250,294,723
Intangible assets	0	0	973,400	2,807,598	2,807,598	2,807,598	2,807,598	2,807,598	2,807,598	2,807,598	2,807,598	2,807,598	2,807,598	2,807,598	2,807,598	2,807,598	2,807,598	2,807,598	2,807,598
<b>TOTAL NON-CURRENT ASSETS</b>	<b>244,454,232</b>	<b>245,995,021</b>	<b>245,502,647</b>	<b>255,749,091</b>	<b>274,531,426</b>	<b>275,222,270</b>	<b>277,879,794</b>	<b>282,621,955</b>	<b>287,072,920</b>	<b>315,126,352</b>	<b>320,999,438</b>	<b>328,462,104</b>	<b>337,450,595</b>	<b>347,579,719</b>	<b>390,261,690</b>	<b>401,920,085</b>	<b>414,917,795</b>	<b>429,327,717</b>	<b>445,216,026</b>
<b>TOTAL ASSETS</b>	<b>263,481,322</b>	<b>268,171,679</b>	<b>266,324,455</b>	<b>266,625,544</b>	<b>284,100,499</b>	<b>285,031,083</b>	<b>286,983,587</b>	<b>290,744,155</b>	<b>295,267,244</b>	<b>323,394,242</b>	<b>329,342,366</b>	<b>336,881,573</b>	<b>345,948,133</b>	<b>356,156,888</b>	<b>398,920,085</b>	<b>410,661,328</b>	<b>423,743,543</b>	<b>438,239,662</b>	<b>454,215,888</b>
<b>CURRENT LIABILITIES</b>																			
Trade and other payables	6,186,122	7,573,268	4,516,000	4,516,000	4,516,000	4,516,000	4,516,000	4,516,000	4,516,000	4,516,000	4,516,000	4,516,000	4,516,000	4,516,000	4,516,000	4,516,000	4,516,000	4,516,000	4,516,000
Contract liabilities	1,022,659	671,023	1,458,554	466,558	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lease liabilities	52,999	64,310	65,506	49,384	15,582	15,907	16,239	16,580	16,925	11,480	0	0	0	0	0	0	0	0	0
Current portion of long-term liabilities	1,750,166	1,405,492	1,138,739	647,710	680,645	1,072,707	1,975,722	2,433,380	2,218,102	1,508,330	435,429	0	0	0	0	0	0	0	0
Provisions	2,652,371	2,678,769	2,923,409	2,923,409	2,923,409	2,923,409	2,923,409	2,923,409	2,923,409	2,923,409	2,923,409	2,923,409	2,923,409	2,923,409	2,923,409	2,923,409	2,923,409	2,923,409	2,923,409
<b>TOTAL CURRENT LIABILITIES</b>	<b>11,664,317</b>	<b>12,392,862</b>	<b>10,102,208</b>	<b>8,603,061</b>	<b>8,135,636</b>	<b>8,528,023</b>	<b>9,431,370</b>	<b>9,889,369</b>	<b>9,674,436</b>	<b>8,959,219</b>	<b>7,874,838</b>	<b>7,439,409</b>	<b>7,439,409</b>	<b>7,439,409</b>	<b>7,439,409</b>	<b>7,439,409</b>	<b>7,439,409</b>	<b>7,439,409</b>	<b>7,439,409</b>
<b>NON-CURRENT LIABILITIES</b>																			
Contract liabilities	0	0	93,181	93,181	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lease liabilities	137,163	207,605	142,100	92,713	77,131	61,224	44,985	28,405	11,480	0	0	0	0	0	0	0	0	0	0
Non-current liabilities	47,251	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-term borrowings	4,114,485	2,708,993	1,570,254	924,762	935,874	2,749,110	4,928,686	4,161,861	1,943,759	435,429	0	0	0	0	0	0	0	0	0
Provisions	264,987	254,371	254,371	254,371	254,371	254,371	254,371	254,371	254,371	254,371	254,371	254,371	254,371	254,371	254,371	254,371	254,371	254,371	254,371
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>4,563,886</b>	<b>3,170,969</b>	<b>2,059,906</b>	<b>1,365,027</b>	<b>1,267,376</b>	<b>3,064,705</b>	<b>5,228,042</b>	<b>4,444,637</b>	<b>2,209,610</b>	<b>689,800</b>	<b>254,371</b>	<b>254,371</b>	<b>254,371</b>	<b>254,371</b>	<b>254,371</b>	<b>254,371</b>	<b>254,371</b>	<b>254,371</b>	<b>254,371</b>
<b>TOTAL LIABILITIES</b>	<b>16,228,203</b>	<b>15,563,831</b>	<b>12,162,114</b>	<b>9,968,088</b>	<b>9,403,012</b>	<b>11,592,728</b>	<b>14,659,412</b>	<b>14,334,006</b>	<b>11,884,046</b>	<b>9,649,019</b>	<b>8,129,209</b>	<b>7,693,780</b>	<b>7,693,780</b>	<b>7,693,780</b>	<b>7,693,780</b>	<b>7,693,780</b>	<b>7,693,780</b>	<b>7,693,780</b>	<b>7,693,780</b>
<b>NET ASSETS</b>	<b>247,253,119</b>	<b>252,607,848</b>	<b>254,162,341</b>	<b>256,657,456</b>	<b>274,697,487</b>	<b>273,438,355</b>	<b>272,324,175</b>	<b>276,410,149</b>	<b>283,383,198</b>	<b>313,745,223</b>	<b>321,213,157</b>	<b>329,187,793</b>	<b>338,254,353</b>	<b>348,463,108</b>	<b>391,226,305</b>	<b>402,967,548</b>	<b>416,049,763</b>	<b>430,545,882</b>	<b>446,522,108</b>
<b>EQUITY</b>																			
Retained surplus	81,399,623	87,333,105	85,794,334	90,821,311	91,064,198	89,553,491	89,140,284	94,207,851	101,108,776	107,940,134	115,333,030	123,231,125	132,219,616	142,348,740	152,737,290	164,395,685	177,393,395	191,803,317	207,691,626
Reserves - cash backed	5,895,843	5,317,090	8,410,354	5,878,492	5,037,191	5,288,766	4,587,793	3,606,200	3,678,324	3,751,890	3,826,928	3,903,469	3,981,538	4,061,169	4,142,395	4,225,243	4,309,748	4,395,945	4,483,862
Asset revaluation surplus	159,957,653	159,957,653	159,957,653	159,957,653	178,596,098	178,596,098	178,596,098	178,596,098	178,596,098	178,596,098	202,053,199	202,053,199	202,053,199	202,053,199	234,346,620	234,346,620	234,346,620	234,346,620	234,346,620
<b>TOTAL EQUITY</b>	<b>247,253,119</b>	<b>252,607,848</b>	<b>254,162,341</b>	<b>256,657,456</b>	<b>274,697,487</b>	<b>273,438,355</b>	<b>272,324,175</b>	<b>276,410,149</b>	<b>283,383,198</b>	<b>313,745,223</b>	<b>321,213,157</b>	<b>329,187,793</b>	<b>338,254,353</b>	<b>348,463,108</b>	<b>391,226,305</b>	<b>402,967,548</b>	<b>416,049,763</b>	<b>430,545,882</b>	<b>446,522,108</b>

## Appendix A5 Forecast Statement of Changes in Equity 2023 - 2038

	2020	2021	2022	Base	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37	30 June 38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>RETAINED SURPLUS</b>																			
Opening balance	75,255,961	81,399,619	87,814,860	85,794,334	90,821,311	91,064,198	89,553,491	89,140,284	94,207,851	101,108,776	107,940,134	115,333,030	123,231,125	132,219,616	142,348,740	152,737,290	164,395,685	177,393,395	191,803,317
Net result	6,143,662	5,354,733	1,072,738	2,495,115	(598,414)	(1,259,132)	(1,114,180)	4,085,974	6,973,049	6,904,924	7,467,934	7,974,636	9,066,560	10,208,755	10,469,776	11,741,243	13,082,215	14,496,119	15,976,226
Amount transferred (to)/from reserves	0	578,753	(3,093,264)	2,531,862	841,301	(251,575)	700,973	981,593	(72,124)	(73,566)	(75,038)	(76,541)	(78,069)	(79,631)	(81,226)	(82,848)	(84,505)	(86,197)	(87,917)
Closing balance	81,399,623	87,333,105	85,794,334	90,821,311	91,064,198	89,553,491	89,140,284	94,207,851	101,108,776	107,940,134	115,333,030	123,231,125	132,219,616	142,348,740	152,737,290	164,395,685	177,393,395	191,803,317	207,691,626
<b>RESERVES - CASH/INVESTMENT BACKED</b>																			
Opening balance	5,895,843	5,895,843	5,317,090	8,410,354	5,878,492	5,037,191	5,288,766	4,587,793	3,606,200	3,678,324	3,751,890	3,826,928	3,903,469	3,981,538	4,061,169	4,142,395	4,225,243	4,309,748	4,395,945
Amount transferred to/(from) retained surplus	0	(578,753)	3,093,264	(2,531,862)	(841,301)	251,575	(700,973)	(981,593)	72,124	73,566	75,038	76,541	78,069	79,631	81,226	82,848	84,505	86,197	87,917
Closing balance	5,895,843	5,317,090	8,410,354	5,878,492	5,037,191	5,288,766	4,587,793	3,606,200	3,678,324	3,751,890	3,826,928	3,903,469	3,981,538	4,061,169	4,142,395	4,225,243	4,309,748	4,395,945	4,483,862
<b>ASSET REVALUATION SURPLUS</b>																			
Opening balance	159,957,653	159,957,653	159,957,653	159,957,653	159,957,653	178,596,098	178,596,098	178,596,098	178,596,098	178,596,098	202,053,199	202,053,199	202,053,199	202,053,199	202,053,199	234,346,620	234,346,620	234,346,620	234,346,620
Total other comprehensive income	0	0	0	0	18,638,445	0	0	0	0	23,457,101	0	0	0	0	32,293,421	0	0	0	0
Closing balance	159,957,653	159,957,653	159,957,653	159,957,653	178,596,098	178,596,098	178,596,098	178,596,098	178,596,098	202,053,199	202,053,199	202,053,199	202,053,199	202,053,199	234,346,620	234,346,620	234,346,620	234,346,620	234,346,620
<b>TOTAL EQUITY</b>	<b>247,253,119</b>	<b>252,607,848</b>	<b>254,162,341</b>	<b>256,657,456</b>	<b>274,697,487</b>	<b>273,438,355</b>	<b>272,324,175</b>	<b>276,410,149</b>	<b>283,383,198</b>	<b>313,745,223</b>	<b>321,213,157</b>	<b>329,187,793</b>	<b>338,254,353</b>	<b>348,463,108</b>	<b>391,226,305</b>	<b>402,967,548</b>	<b>416,049,763</b>	<b>430,545,882</b>	<b>446,522,108</b>



## Appendix A6 Forecast Statement of Cashflows 2023 - 2038

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash flows from operating activities</b>															
<b>Receipts</b>															
Rates	26,981,266	28,195,423	29,464,217	30,790,107	32,175,662	33,623,566	35,136,627	36,717,775	38,370,075	40,096,729	41,901,081	43,786,629	45,757,028	47,816,094	49,967,818
Operating grants, subsidies and contributions	2,866,416	2,938,077	3,011,529	3,086,819	3,163,990	3,243,090	3,324,169	3,407,273	3,492,453	3,579,765	3,669,258	3,760,987	3,855,011	3,951,385	4,050,170
Fees and charges	7,875,194	8,072,076	8,273,880	8,480,726	8,692,750	8,910,069	9,132,824	9,361,147	9,595,175	9,835,054	10,080,931	10,332,953	10,591,274	10,856,049	11,127,449
Service charges	0	1,120,950	2,568,961	3,470,735	1,248,662	1,024,472	555,518	0	0	0	0	0	0	0	0
Interest earnings	385,299	359,101	364,182	350,595	331,436	333,363	335,332	337,344	339,394	341,491	343,634	345,818	348,051	350,333	352,658
Other revenue	265,785	272,430	279,242	286,225	293,382	300,717	308,236	315,944	323,842	331,939	340,236	348,742	357,460	366,396	375,556
	38,373,960	40,958,057	43,962,011	46,465,207	49,905,882	47,435,277	48,792,706	50,139,483	52,120,939	54,184,978	56,335,140	58,575,129	60,908,824	63,340,257	65,873,651
<b>Payments</b>															
Employee costs	(16,410,159)	(15,790,409)	(15,635,167)	(16,026,047)	(16,426,699)	(16,837,377)	(17,258,315)	(17,689,768)	(18,132,017)	(18,585,312)	(19,049,949)	(19,526,203)	(20,014,361)	(20,514,714)	(21,027,589)
Materials and contracts	(12,984,776)	(13,309,394)	(13,642,131)	(13,983,187)	(14,332,774)	(14,691,102)	(15,058,378)	(15,434,849)	(15,820,711)	(16,216,238)	(16,621,637)	(17,037,181)	(17,463,109)	(17,899,683)	(18,347,177)
Utility charges	(967,166)	(991,344)	(1,016,128)	(1,041,530)	(1,067,568)	(1,094,257)	(1,121,614)	(1,149,654)	(1,178,396)	(1,207,858)	(1,238,054)	(1,269,004)	(1,300,730)	(1,333,247)	(1,366,579)
Interest expenses	(44,682)	(43,351)	(106,749)	(193,744)	(180,996)	(108,772)	(47,172)	(9,821)	0	0	0	0	0	0	0
Insurance expenses	(478,487)	(490,444)	(502,701)	(515,269)	(528,152)	(541,354)	(554,880)	(568,750)	(582,967)	(597,536)	(612,474)	(627,787)	(643,478)	(659,563)	(676,056)
Other expenditure	(2,643,525)	(6,246,179)	(8,827,247)	(5,273,388)	(1,050,576)	(1,076,842)	(1,103,764)	(1,131,356)	(1,159,639)	(1,188,630)	(1,218,347)	(1,248,808)	(1,280,028)	(1,312,028)	(1,344,831)
	(33,528,795)	(36,871,121)	(39,730,123)	(37,033,165)	(33,586,765)	(34,349,704)	(35,144,123)	(35,984,198)	(36,873,730)	(37,795,574)	(38,740,461)	(39,708,983)	(40,701,706)	(41,719,235)	(42,762,232)
<b>Net cash provided by (used in) operating activities</b>	<b>4,845,165</b>	<b>4,086,936</b>	<b>4,231,888</b>	<b>9,432,042</b>	<b>12,319,117</b>	<b>13,085,573</b>	<b>13,648,583</b>	<b>14,155,285</b>	<b>15,247,209</b>	<b>16,389,404</b>	<b>17,594,679</b>	<b>18,866,146</b>	<b>20,207,118</b>	<b>21,621,022</b>	<b>23,111,419</b>
<b>Cash flows from investing activities</b>															
Payments for purchase of property, plant & equipment	(2,908,704)	(2,921,422)	(2,934,458)	(2,947,819)	(3,021,515)	(3,097,052)	(3,174,479)	(3,253,841)	(3,335,187)	(3,418,567)	(3,504,032)	(3,591,632)	(3,681,423)	(3,773,459)	(3,867,795)
Payments for construction of infrastructure	(3,666,239)	(4,246,094)	(6,198,730)	(8,273,121)	(7,911,422)	(8,819,105)	(10,021,787)	(11,535,443)	(12,983,446)	(14,044,312)	(15,166,229)	(16,352,270)	(17,605,684)	(18,929,847)	(20,328,275)
Proceeds from non-operating grants, subsidies and contributions	293,261	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000
Proceeds from self supporting loans	15,403	15,882	4,047	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from sale of plant & equipment	118,592	121,557	124,596	127,711	130,904	134,177	137,531	140,969	144,493	148,106	151,808	155,604	159,494	163,481	167,568
<b>Net cash provided by (used in) investing activities</b>	<b>(6,147,687)</b>	<b>(6,025,077)</b>	<b>(7,999,545)</b>	<b>(10,088,229)</b>	<b>(9,797,033)</b>	<b>(10,776,980)</b>	<b>(12,053,735)</b>	<b>(13,643,315)</b>	<b>(15,169,140)</b>	<b>(16,309,773)</b>	<b>(17,513,453)</b>	<b>(18,783,298)</b>	<b>(20,122,613)</b>	<b>(21,534,825)</b>	<b>(23,023,502)</b>
<b>Cash flows from financing activities</b>															
Repayment of debentures	(647,710)	(680,645)	(1,072,707)	(1,975,722)	(2,433,380)	(2,218,102)	(1,508,330)	(435,429)	0	0	0	0	0	0	0
Repayment of leases	(49,384)	(15,582)	(15,907)	(16,239)	(16,580)	(16,925)	(11,480)	0	0	0	0	0	0	0	0
Proceeds from new debentures	691,757	2,885,943	4,155,298	1,666,555	0	0	0	0	0	0	0	0	0	0	0
<b>Net cash provided by (used in) financing activities</b>	<b>(5,337)</b>	<b>2,189,716</b>	<b>3,066,684</b>	<b>(325,406)</b>	<b>(2,449,960)</b>	<b>(2,235,027)</b>	<b>(1,519,810)</b>	<b>(435,429)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,307,859)</b>	<b>251,575</b>	<b>(700,973)</b>	<b>(981,593)</b>	<b>72,124</b>	<b>73,566</b>	<b>75,038</b>	<b>76,541</b>	<b>78,069</b>	<b>79,631</b>	<b>81,226</b>	<b>82,848</b>	<b>84,505</b>	<b>86,197</b>	<b>87,917</b>
Cash at beginning of year	8,341,435	7,033,576	7,285,151	6,584,178	5,602,585	5,674,709	5,748,275	5,823,313	5,899,854	5,977,923	6,057,554	6,138,780	6,221,628	6,306,133	6,392,330
<b>Cash and cash equivalents at the end of year</b>	<b>7,033,576</b>	<b>7,285,151</b>	<b>6,584,178</b>	<b>5,602,585</b>	<b>5,674,709</b>	<b>5,748,275</b>	<b>5,823,313</b>	<b>5,899,854</b>	<b>5,977,923</b>	<b>6,057,554</b>	<b>6,138,780</b>	<b>6,221,628</b>	<b>6,306,133</b>	<b>6,392,330</b>	<b>6,480,247</b>

## Appendix A7 Forecast Statement of Funding 2023 - 2038

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>FUNDING FROM OPERATIONAL ACTIVITIES</b>															
<b>Revenues</b>															
Rates	26,981,266	28,195,423	29,464,217	30,790,107	32,175,662	33,623,566	35,136,627	36,717,775	38,370,075	40,096,729	41,901,081	43,786,629	45,757,028	47,816,094	49,967,818
Operating grants, subsidies and contributions	2,866,416	2,938,077	3,011,529	3,086,819	3,163,990	3,243,090	3,324,169	3,407,273	3,492,453	3,579,765	3,669,258	3,760,987	3,855,011	3,951,385	4,050,170
Fees and charges	7,875,194	8,072,076	8,273,880	8,480,726	8,692,750	8,910,069	9,132,824	9,361,147	9,595,175	9,835,054	10,080,931	10,332,953	10,591,274	10,856,049	11,127,449
Service charges	0	1,120,950	2,568,961	3,470,735	1,248,662	1,024,472	555,518	0	0	0	0	0	0	0	0
Interest earnings	385,299	359,101	364,182	350,595	331,436	333,363	335,332	337,344	339,394	341,491	343,634	345,818	348,051	350,333	352,658
Other revenue	265,785	272,430	279,242	286,225	293,382	300,717	308,236	315,944	323,842	331,939	340,236	348,742	357,460	366,396	375,556
	38,373,960	40,958,057	43,962,011	46,465,207	49,905,882	47,435,277	48,792,706	50,139,483	52,120,939	54,184,978	56,335,140	58,575,129	60,908,824	63,340,257	65,873,651
<b>Expenses</b>															
Employee costs	(16,410,159)	(15,790,409)	(15,635,167)	(16,026,047)	(16,426,699)	(16,837,377)	(17,258,315)	(17,689,768)	(18,132,017)	(18,585,312)	(19,049,949)	(19,526,203)	(20,014,361)	(20,514,714)	(21,027,589)
Materials and contracts	(12,984,776)	(13,309,394)	(13,642,131)	(13,983,187)	(14,332,774)	(14,691,102)	(15,058,378)	(15,434,849)	(15,820,711)	(16,216,238)	(16,621,637)	(17,037,181)	(17,463,109)	(17,899,683)	(18,347,177)
Utility charges (electricity, gas, water etc.)	(967,166)	(991,344)	(1,016,128)	(1,041,530)	(1,067,568)	(1,094,257)	(1,121,614)	(1,149,654)	(1,178,396)	(1,207,858)	(1,238,054)	(1,269,004)	(1,300,730)	(1,333,247)	(1,366,579)
Depreciation on non-current assets	(6,296,579)	(6,351,068)	(6,351,068)	(6,351,068)	(6,351,068)	(7,185,649)	(7,185,649)	(7,185,649)	(7,185,649)	(7,185,649)	(8,129,903)	(8,129,903)	(8,129,903)	(8,129,903)	(8,140,193)
Interest expense	(44,682)	(43,351)	(106,749)	(193,744)	(180,996)	(108,772)	(47,172)	(9,821)	0	0	0	0	0	0	0
Insurance expense	(478,487)	(490,444)	(502,701)	(515,269)	(528,152)	(541,354)	(554,880)	(568,750)	(582,967)	(597,536)	(612,474)	(627,787)	(643,478)	(659,563)	(676,056)
Other expenditure	(2,643,525)	(6,246,179)	(8,827,247)	(5,273,388)	(1,050,576)	(1,076,842)	(1,103,764)	(1,131,356)	(1,159,639)	(1,188,630)	(1,218,347)	(1,248,808)	(1,280,028)	(1,312,028)	(1,344,831)
	(39,825,374)	(43,222,189)	(46,081,191)	(43,384,233)	(39,937,833)	(41,535,353)	(42,329,772)	(43,169,847)	(44,059,379)	(44,981,223)	(46,870,364)	(47,838,886)	(48,831,609)	(49,849,138)	(50,902,425)
	(1,451,414)	(2,264,132)	(2,119,180)	3,080,974	5,968,049	5,899,924	6,462,934	6,969,636	8,061,560	9,203,755	9,464,776	10,736,243	12,077,215	13,491,119	14,971,226
<b>Funding position adjustments</b>															
Depreciation on non-current assets	6,296,579	6,351,068	6,351,068	6,351,068	6,351,068	7,185,649	7,185,649	7,185,649	7,185,649	7,185,649	8,129,903	8,129,903	8,129,903	8,129,903	8,140,193
Movement in non current liabilities	(93,181)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net funding from operational activities</b>	<b>4,751,984</b>	<b>4,086,936</b>	<b>4,231,888</b>	<b>9,432,042</b>	<b>12,319,117</b>	<b>13,085,573</b>	<b>13,648,583</b>	<b>14,155,285</b>	<b>15,247,209</b>	<b>16,389,404</b>	<b>17,594,679</b>	<b>18,866,146</b>	<b>20,207,118</b>	<b>21,621,022</b>	<b>23,111,419</b>
<b>FUNDING FROM CAPITAL ACTIVITIES</b>															
<b>Inflows</b>															
Proceeds on disposal	118,592	121,557	124,596	127,711	130,904	134,177	137,531	140,969	144,493	148,106	151,808	155,604	159,494	163,481	167,568
Non-operating grants, subsidies and contributions	853,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000
<b>Outflows</b>															
Purchase of property plant and equipment	(2,908,704)	(2,921,422)	(2,934,458)	(2,947,819)	(3,021,515)	(3,097,052)	(3,174,479)	(3,253,841)	(3,335,187)	(3,418,567)	(3,504,032)	(3,591,632)	(3,681,423)	(3,773,459)	(3,867,795)
Purchase of infrastructure	(3,666,239)	(4,246,094)	(6,198,730)	(8,273,121)	(7,911,422)	(8,819,105)	(10,021,787)	(11,535,443)	(12,983,446)	(14,044,312)	(15,166,229)	(16,352,270)	(17,605,684)	(18,929,847)	(20,328,275)
<b>Net funding from capital activities</b>	<b>(5,603,351)</b>	<b>(6,040,959)</b>	<b>(8,003,592)</b>	<b>(10,088,229)</b>	<b>(9,797,033)</b>	<b>(10,776,980)</b>	<b>(12,053,735)</b>	<b>(13,643,315)</b>	<b>(15,169,140)</b>	<b>(16,309,773)</b>	<b>(17,513,453)</b>	<b>(18,783,298)</b>	<b>(20,122,613)</b>	<b>(21,534,825)</b>	<b>(23,023,502)</b>
<b>FUNDING FROM FINANCING ACTIVITIES</b>															
<b>Inflows</b>															
Transfer from reserves	691,757	2,885,943	4,155,298	1,666,555	0	0	0	0	0	0	0	0	0	0	0
New borrowings	15,403	15,882	4,047	0	0	0	0	0	0	0	0	0	0	0	0
Self supporting loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Outflows</b>															
Transfer to reserves	(437,370)	(428,538)	(441,763)	(436,146)	(72,124)	(73,566)	(75,038)	(76,541)	(78,069)	(79,631)	(81,226)	(82,848)	(84,505)	(86,197)	(87,917)
Repayment of past borrowings	(647,710)	(680,645)	(1,072,707)	(1,975,722)	(2,433,380)	(2,218,102)	(1,508,330)	(435,429)	0	0	0	0	0	0	0
Principal elements of finance lease payments	(49,384)	(15,582)	(15,907)	(16,239)	(16,580)	(16,925)	(11,480)	0	0	0	0	0	0	0	0
<b>Net funding from financing activities</b>	<b>851,367</b>	<b>1,954,023</b>	<b>3,771,704</b>	<b>656,187</b>	<b>(2,522,084)</b>	<b>(2,308,593)</b>	<b>(1,594,848)</b>	<b>(511,970)</b>	<b>(78,069)</b>	<b>(79,631)</b>	<b>(81,226)</b>	<b>(82,848)</b>	<b>(84,505)</b>	<b>(86,197)</b>	<b>(87,917)</b>
<b>Estimated surplus/deficit July 1 B/Fwd</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Estimated surplus/deficit June 30 C/Fwd</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Appendix A8 Forecast Statement of Net Current Asset Composition 2023 - 2038

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated surplus/deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>CURRENT ASSETS</b>															
Unrestricted cash and equivalents	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385	1,996,385
Restricted cash and cash equivalent	5,037,191	5,288,766	4,587,793	3,606,200	3,678,324	3,751,890	3,826,928	3,903,469	3,981,538	4,061,169	4,142,395	4,225,243	4,309,748	4,395,945	4,483,862
Financial assets	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133	17,133
Trade and other receivables	2,427,249	2,415,414	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367	2,411,367
Inventories	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328	15,328
Contract assets	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Other assets	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287	62,287
<b>CURRENT LIABILITIES</b>															
Trade and other payables	(4,516,000)	(4,516,000)	(4,516,000)	(4,516,000)	(4,516,000)	(4,516,000)	(4,516,000)	(4,516,000)	(4,516,000)	(4,516,000)	(4,516,000)	(4,516,000)	(4,516,000)	(4,516,000)	(4,516,000)
Reserves	(5,037,191)	(5,288,766)	(4,587,793)	(3,606,200)	(3,678,324)	(3,751,890)	(3,826,928)	(3,903,469)	(3,981,538)	(4,061,169)	(4,142,395)	(4,225,243)	(4,309,748)	(4,395,945)	(4,483,862)
Current self supporting loans receivable	(15,882)	(4,047)	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated surplus/deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## Appendix A9 Forecast Statement of Fixed Asset Movements 2023 - 2038

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CAPITAL WORKS - INFRASTRUCTURE</b>															
Infrastructure - roads	2,428,175	3,271,891	5,421,890	7,031,250	6,728,270	7,816,064	9,023,101	10,507,375	11,963,377	12,761,817	13,802,645	14,880,300	15,989,336	17,254,635	18,943,416
Infrastructure - footpaths	53,904	161,563	128,840	593,871	518,952	322,236	300,861	312,798	286,917	531,014	593,316	682,446	807,086	845,718	534,628
Infrastructure - drainage	1,136,160	764,640	600,000	600,000	615,000	630,375	646,134	662,287	678,844	695,815	713,210	731,040	749,316	768,049	787,250
Infrastructure - street furniture	48,000	48,000	48,000	48,000	49,200	50,430	51,691	52,983	54,308	55,666	57,058	58,484	59,946	61,445	62,981
<b>Total capital works - infrastructure</b>	<b>3,666,239</b>	<b>4,246,094</b>	<b>6,198,730</b>	<b>8,273,121</b>	<b>7,911,422</b>	<b>8,819,105</b>	<b>10,021,787</b>	<b>11,535,443</b>	<b>12,983,446</b>	<b>14,044,312</b>	<b>15,166,229</b>	<b>16,352,270</b>	<b>17,605,684</b>	<b>18,929,847</b>	<b>20,328,275</b>
<b>Represented by:</b>															
Additions - renewal	3,666,239	4,246,094	6,198,730	8,273,121	7,911,422	8,819,105	10,021,787	11,535,443	12,983,446	14,044,312	15,166,229	16,352,270	17,605,684	18,929,847	20,328,275
<b>Total Capital Works - Infrastructure</b>	<b>3,666,239</b>	<b>4,246,094</b>	<b>6,198,730</b>	<b>8,273,121</b>	<b>7,911,422</b>	<b>8,819,105</b>	<b>10,021,787</b>	<b>11,535,443</b>	<b>12,983,446</b>	<b>14,044,312</b>	<b>15,166,229</b>	<b>16,352,270</b>	<b>17,605,684</b>	<b>18,929,847</b>	<b>20,328,275</b>
<b>Asset movement reconciliation</b>															
Total capital works infrastructure	3,666,239	4,246,094	6,198,730	8,273,121	7,911,422	8,819,105	10,021,787	11,535,443	12,983,446	14,044,312	15,166,229	16,352,270	17,605,684	18,929,847	20,328,275
Depreciation infrastructure	(4,696,010)	(4,696,010)	(4,696,010)	(4,696,010)	(4,696,010)	(5,313,103)	(5,313,103)	(5,313,103)	(5,313,103)	(5,313,103)	(6,011,289)	(6,011,289)	(6,011,289)	(6,011,289)	(6,011,289)
Revaluation of infrastructure assets (inflation)	13,586,544	0	0	0	0	16,944,676	0	0	0	0	24,057,853	0	0	0	0
<b>Net movement in infrastructure assets</b>	<b>12,556,773</b>	<b>(449,916)</b>	<b>1,502,720</b>	<b>3,577,111</b>	<b>3,215,412</b>	<b>20,450,678</b>	<b>4,708,684</b>	<b>6,222,340</b>	<b>7,670,343</b>	<b>8,731,209</b>	<b>33,212,793</b>	<b>10,340,981</b>	<b>11,594,395</b>	<b>12,918,558</b>	<b>14,316,986</b>
<b>CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT</b>															
Buildings - specialised	2,400,000	2,400,000	2,400,000	2,400,000	2,460,000	2,521,500	2,584,538	2,649,151	2,715,380	2,783,265	2,852,847	2,924,168	2,997,272	3,072,204	3,149,009
Plant and equipment	508,704	521,422	534,458	547,819	561,515	575,552	589,941	604,690	619,807	635,302	651,185	667,464	684,151	701,255	718,786
<b>Total capital works property, plant and equipment</b>	<b>2,908,704</b>	<b>2,921,422</b>	<b>2,934,458</b>	<b>2,947,819</b>	<b>3,021,515</b>	<b>3,097,052</b>	<b>3,174,479</b>	<b>3,253,841</b>	<b>3,335,187</b>	<b>3,418,567</b>	<b>3,504,032</b>	<b>3,591,632</b>	<b>3,681,423</b>	<b>3,773,459</b>	<b>3,867,795</b>
<b>Represented by:</b>															
Additions - renewal	2,908,704	2,921,422	2,934,458	2,947,819	3,021,515	3,097,052	3,174,479	3,253,841	3,335,187	3,418,567	3,504,032	3,591,632	3,681,423	3,773,459	3,867,795
<b>Total capital works property, plant and equipment</b>	<b>2,908,704</b>	<b>2,921,422</b>	<b>2,934,458</b>	<b>2,947,819</b>	<b>3,021,515</b>	<b>3,097,052</b>	<b>3,174,479</b>	<b>3,253,841</b>	<b>3,335,187</b>	<b>3,418,567</b>	<b>3,504,032</b>	<b>3,591,632</b>	<b>3,681,423</b>	<b>3,773,459</b>	<b>3,867,795</b>
<b>Asset movement reconciliation</b>															
Total capital works property, plant and equipment	2,908,704	2,921,422	2,934,458	2,947,819	3,021,515	3,097,052	3,174,479	3,253,841	3,335,187	3,418,567	3,504,032	3,591,632	3,681,423	3,773,459	3,867,795
Depreciation property, plant and equipment	(1,600,569)	(1,655,058)	(1,655,058)	(1,655,058)	(1,655,058)	(1,872,546)	(1,872,546)	(1,872,546)	(1,872,546)	(1,872,546)	(2,118,614)	(2,118,614)	(2,118,614)	(2,118,614)	(2,128,904)
Net book value of disposed/written off assets	(118,592)	(121,557)	(124,596)	(127,711)	(130,904)	(134,177)	(137,531)	(140,969)	(144,493)	(148,106)	(151,808)	(155,604)	(159,494)	(163,481)	(167,568)
Revaluation of property, plant and equipment (inflation)	5,051,901	0	0	0	0	6,512,425	0	0	0	0	8,235,568	0	0	0	0
<b>Net movement in property, plant and equipment</b>	<b>6,241,444</b>	<b>1,144,807</b>	<b>1,154,804</b>	<b>1,165,050</b>	<b>1,235,553</b>	<b>7,602,754</b>	<b>1,164,402</b>	<b>1,240,326</b>	<b>1,318,148</b>	<b>1,397,915</b>	<b>9,469,178</b>	<b>1,317,414</b>	<b>1,403,315</b>	<b>1,491,364</b>	<b>1,571,323</b>
<b>CAPITAL WORKS - TOTALS</b>															
<b>Capital works</b>															
Total capital works infrastructure	3,666,239	4,246,094	6,198,730	8,273,121	7,911,422	8,819,105	10,021,787	11,535,443	12,983,446	14,044,312	15,166,229	16,352,270	17,605,684	18,929,847	20,328,275
Total capital works property, plant and equipment	2,908,704	2,921,422	2,934,458	2,947,819	3,021,515	3,097,052	3,174,479	3,253,841	3,335,187	3,418,567	3,504,032	3,591,632	3,681,423	3,773,459	3,867,795
<b>Total capital works</b>	<b>6,574,943</b>	<b>7,167,516</b>	<b>9,133,188</b>	<b>11,220,940</b>	<b>10,932,937</b>	<b>11,916,157</b>	<b>13,196,266</b>	<b>14,789,284</b>	<b>16,318,633</b>	<b>17,462,879</b>	<b>18,670,261</b>	<b>19,943,902</b>	<b>21,287,107</b>	<b>22,703,306</b>	<b>24,196,070</b>
<b>Fixed asset movement</b>															
Net movement in infrastructure assets	12,556,773	(449,916)	1,502,720	3,577,111	3,215,412	20,450,678	4,708,684	6,222,340	7,670,343	8,731,209	33,212,793	10,340,981	11,594,395	12,918,558	14,316,986
Net movement in property, plant and equipment	6,241,444	1,144,807	1,154,804	1,165,050	1,235,553	7,602,754	1,164,402	1,240,326	1,318,148	1,397,915	9,469,178	1,317,414	1,403,315	1,491,364	1,571,323
<b>Net movement in fixed assets</b>	<b>18,798,217</b>	<b>694,891</b>	<b>2,657,524</b>	<b>4,742,161</b>	<b>4,450,965</b>	<b>28,053,432</b>	<b>5,873,086</b>	<b>7,462,666</b>	<b>8,988,491</b>	<b>10,129,124</b>	<b>42,681,971</b>	<b>11,658,395</b>	<b>12,997,710</b>	<b>14,409,922</b>	<b>15,888,309</b>



## Appendix A10 Forecast Statement of Capital Funding 2023 - 2038

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Capital expenditure</b>															
Infrastructure - roads	2,428,175	3,271,891	5,421,890	7,031,250	6,728,270	7,816,064	9,023,101	10,507,375	11,963,377	12,761,817	13,802,645	14,880,300	15,989,336	17,254,635	18,943,416
Infrastructure - footpaths	53,904	161,563	128,840	593,871	518,952	322,236	300,861	312,798	286,917	531,014	593,316	682,446	807,086	845,718	534,628
Infrastructure - drainage	1,136,160	764,640	600,000	600,000	615,000	630,375	646,134	662,287	678,844	695,815	713,210	731,040	749,316	768,049	787,250
Infrastructure - street furniture	48,000	48,000	48,000	48,000	49,200	50,430	51,691	52,983	54,308	55,666	57,058	58,484	59,946	61,445	62,981
Buildings - specialised	2,400,000	2,400,000	2,400,000	2,400,000	2,460,000	2,521,500	2,584,538	2,649,151	2,715,380	2,783,265	2,852,847	2,924,168	2,997,272	3,072,204	3,149,009
Plant and equipment	508,704	521,422	534,458	547,819	561,515	575,552	589,941	604,690	619,807	635,302	651,185	667,464	684,151	701,255	718,786
<b>Total - Capital expenditure</b>	<b>6,574,943</b>	<b>7,167,516</b>	<b>9,133,188</b>	<b>11,220,940</b>	<b>10,932,937</b>	<b>11,916,157</b>	<b>13,196,266</b>	<b>14,789,284</b>	<b>16,318,633</b>	<b>17,462,879</b>	<b>18,670,261</b>	<b>19,943,902</b>	<b>21,287,107</b>	<b>22,703,306</b>	<b>24,196,070</b>
<b>Funded by:</b>															
<b>Capital grants &amp; contributions</b>															
Infrastructure - roads	853,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000
Buildings - specialised	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total - Capital grants &amp; contributions</b>	<b>853,000</b>	<b>1,005,000</b>	<b>1,005,000</b>	<b>1,005,000</b>	<b>1,005,000</b>	<b>1,005,000</b>	<b>1,005,000</b>	<b>1,005,000</b>	<b>1,005,000</b>	<b>1,005,000</b>	<b>1,005,000</b>	<b>1,005,000</b>	<b>1,005,000</b>	<b>1,005,000</b>	<b>1,005,000</b>
<b>Own source funding</b>															
Infrastructure - roads	1,575,175	2,266,891	4,416,890	6,026,250	5,723,270	6,811,064	8,018,101	9,502,375	10,958,377	11,756,817	12,797,645	13,875,300	14,984,336	16,249,635	17,938,416
Infrastructure - footpaths	53,904	161,563	128,840	593,871	518,952	322,236	300,861	312,798	286,917	531,014	593,316	682,446	807,086	845,718	534,628
Infrastructure - drainage	1,136,160	764,640	600,000	600,000	615,000	630,375	646,134	662,287	678,844	695,815	713,210	731,040	749,316	768,049	787,250
Infrastructure - street furniture	48,000	48,000	48,000	48,000	49,200	50,430	51,691	52,983	54,308	55,666	57,058	58,484	59,946	61,445	62,981
Buildings - specialised	2,400,000	2,400,000	2,400,000	2,400,000	2,460,000	2,521,500	2,584,538	2,649,151	2,715,380	2,783,265	2,852,847	2,924,168	2,997,272	3,072,204	3,149,009
Plant and equipment	390,112	399,865	409,862	420,108	430,611	441,375	452,410	463,721	475,314	487,196	499,377	511,860	524,657	537,774	551,218
<b>Total - Own source funding</b>	<b>5,603,351</b>	<b>6,040,959</b>	<b>8,003,592</b>	<b>10,088,229</b>	<b>9,797,033</b>	<b>10,776,980</b>	<b>12,053,735</b>	<b>13,643,315</b>	<b>15,169,140</b>	<b>16,309,773</b>	<b>17,513,453</b>	<b>18,783,298</b>	<b>20,122,613</b>	<b>21,534,825</b>	<b>23,023,502</b>
<b>Borrowings</b>															
<b>Total - Borrowings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other (disposals &amp; C/Fwd)</b>															
Plant and equipment	118,592	121,557	124,596	127,711	130,904	134,177	137,531	140,969	144,493	148,106	151,808	155,604	159,494	163,481	167,568
<b>Total - Other (disposals &amp; C/Fwd)</b>	<b>118,592</b>	<b>121,557</b>	<b>124,596</b>	<b>127,711</b>	<b>130,904</b>	<b>134,177</b>	<b>137,531</b>	<b>140,969</b>	<b>144,493</b>	<b>148,106</b>	<b>151,808</b>	<b>155,604</b>	<b>159,494</b>	<b>163,481</b>	<b>167,568</b>
<b>Total Capital Funding</b>	<b>6,574,943</b>	<b>7,167,516</b>	<b>9,133,188</b>	<b>11,220,940</b>	<b>10,932,937</b>	<b>11,916,157</b>	<b>13,196,266</b>	<b>14,789,284</b>	<b>16,318,633</b>	<b>17,462,879</b>	<b>18,670,261</b>	<b>19,943,902</b>	<b>21,287,107</b>	<b>22,703,306</b>	<b>24,196,070</b>

## Appendix A11 Forecast Ratios 2023 - 2038

	Target Range		Average	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
LIQUIDITY RATIOS																		
Current ratio	> 1.00	> 1.20	0.56	0.56	0.53	0.48	0.46	0.47	0.50	0.57	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61
OPERATING RATIOS																		
Operating surplus ratio	> 1.00%	> 15.00%	12.58%	(4.09%)	(5.96%)	(5.17%)	7.10%	13.96%	13.35%	14.21%	14.91%	16.58%	18.19%	17.97%	19.59%	21.17%	22.72%	24.22%
Own source revenue coverage ratio	> 40.00%	> 60.00%	106.82%	89.16%	87.96%	88.87%	99.99%	107.02%	106.40%	107.42%	108.25%	110.37%	112.50%	112.36%	114.58%	116.84%	119.14%	121.45%
BORROWINGS RATIOS																		
Debt service cover ratio	> 3	> 5	9.00	7.09	5.72	3.68	4.44	4.78	5.67	8.81	31.81	-	-	-	-	-	-	-
FIXED ASSET RATIOS																		
Asset sustainability ratio	> 90.00%	> 110.00%	203.24%	104.42%	112.86%	143.81%	176.68%	172.14%	165.83%	183.65%	205.82%	227.10%	243.02%	229.65%	245.32%	261.84%	279.26%	297.24%
Asset consumption ratio	> 50.00%	> 60.00%	79.41%	70.14%	70.31%	71.00%	72.23%	73.38%	73.89%	75.29%	77.06%	79.19%	81.60%	83.78%	86.31%	89.13%	92.26%	95.60%
Asset renewal funding ratio	> 75.00%	> 95.00%	94.49%	63.41%	73.82%	90.21%	109.81%	135.20%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



# Appendix A12 Forecast Significant Accounting Policies

## Basis of Preparation

The Long Term Financial Plan (the Plan) comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the Local Government Act 1995 and accompanying regulations.

The Local Government Act 1995 and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The Local Government (Financial Management) Regulations 1996 specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this Plan have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

## Judgements, Estimates and Assumptions

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

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

## The Local Government Reporting Entity

All funds through which the City controls resources to carry on its functions have been included in the financial statements forming part of the Plan.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the trust fund are excluded from the forecast financial statements.

## Base Year Balances

Balances shown in the Plan as Base Year are as forecast at the time of preparation of the Plan and are based on the current budget and prior year annual financial reporting and may be subject to variation.

## Rounding Off Figures

All figures shown in the Plan are rounded to the nearest dollar.

## Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation.

## Forecast Fair Value Adjustments

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time preparation.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur and have not been estimated within the Plan.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such have been estimated as an inflation adjustment to Other Comprehensive Income, based on the value of the non-current assets forecasted to be held by the City.



### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

### Superannuation

The Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

### Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and Goods and Services Tax (GST) services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

The City applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

### Inventories

#### General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### Land Held for Resale

Land purchased for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land held for sale is classified as current except where it is held as non-current based on Council's intention to release for sale.

#### Fixed Assets

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

#### Revaluation

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

#### Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

An effective average depreciation rate for each class of asset has been utilised to estimate the forecast depreciation expense for each year. These are provided in the table on the following page.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



### Gains and Losses on Disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

### Employee Benefits

The City's obligations for employees' annual leave, long service leave and isolation leave entitlements are recognised as provisions in the statement of financial position.

Asset Class	Effective average depreciation rate
Buildings non specialised	4.69%
Buildings specialised	2.07%
Furniture and equipment	1.00%
Plant and equipment	5.00%
Infrastructure - roads	1.91%
Infrastructure - footpaths	2.63%
Infrastructure - parks and ovals	3.50%
Infrastructure - street furniture	4.03%
Infrastructure - drainage	2.44%

### Short-Term Employee Benefits

Provision is made for the City's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The City's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

### Other Long Term Employee Benefits

Long term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The City's obligations for long term employee benefits are presented as non-current provisions in its statement of financial position, except where the City does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

### Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

### Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

### Provisions

Provisions are recognised when the City has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### Current and Non-Current Classification

An asset or liability is classified as current if it is expected to be settled within the next 12 months, being the City's operational cycle. In the case of liabilities where the City does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the City's intentions to release for sale.



## 10.0 Other Matters

### Preparation

This Plan was prepared for the City of Nedlands by Moore Australia (WA) Pty Ltd.

### Reliance

This Plan has been prepared for the exclusive use of the City of Nedlands and for the purposes specified in our letter of engagement and is not to be used for any other purpose or distributed to any other party without Moore Australia WA's prior consent. This Plan is supplied in good faith and reflects the knowledge, expertise and experience of the engagement consultant and is based on the information and representations provided by the City of Nedlands. We accept no responsibility for any loss occasioned by any person acting or refraining from action as a result of reliance on the report, other than the City of Nedlands.

This Plan contains quantitative and qualitative statements, including projections, estimates, opinions and forecasts concerning the anticipated future performance of City of Nedlands and the environment in which it operates ('Forward Looking Statements').

None of these Forward Looking Statements are or will be representations as to future matters. The Forward Looking Statements are, and will be, based on a large number of assumptions and are, and will be, subject to significant uncertainties and contingencies, many, if not all, of which are outside the control of the City of Nedlands. Actual future events may vary significantly from the Forward Looking Statements. Recipients should make their own investigations and enquiries regarding assumptions, uncertainties and contingencies which may affect the City of Nedlands and the impact that a variation in future outcomes may have on the Plan and the City of Nedlands.

### Document Management

Version: 2023 - 2038 | V4.1

Status: Draft

Date: 7 March 2023

### References

Reference to the following documents made during the preparation of the Long Term Financial Plan.

- City of Nedlands Strategic Community Plan 2028
- City of Nedlands Annual Report 2020/2021
- Australia Bureau of Statistics 2021 Census
- Council website: [www.nedlands.wa.gov.au](http://www.nedlands.wa.gov.au)

### Disclaimer

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## 10. MAJOR PROJECTS

Nil



## 11. RISK

### 11.1 Operational Risk Register Update

<b>Report Number</b>	<b>ARC95.10.25</b>
<b>Applicant</b>	City of Nedlands
<b>Disclosure of Interest</b>	Nil
<b>Voting Requirements</b>	Simple Majority
<b>Authority/Discretion</b>	Information
<b>Contributing Officer</b>	Mikayla Chambers – Senior Governance Officer
<b>Responsible Officer</b>	Jonathan Allen – Coordinator Governance, Legal and Risk
<b>Director</b>	Keri Shannon - Chief Executive Officer
<b>Attachments</b>	Attachment 1 – CONFIDENTIAL

#### Purpose

The purpose of this report is to provide the Audit Risk and Improvement Committee (ARIC) with an update on operational risks within the City.

#### Officer Recommendation

That the Committee **RECEIVES** the report on the status update on the City's Operational Risks.

**Moved: Commissioner Caddy**

**Seconded: C Adams**

**CARRIED: UNANIMOUSLY 5-0**

**For: Commissioner Caddy, Commissioner Sandri, Commissioner Hart, C Murphy, C Adams**

**Against: Nil**

#### Background

ARIC requested amendments to the Operational Risk Register at the 3 September 2025 ARIC Meeting. The changes have been reflected in Confidential Attachment 1.

#### Discussion

Confidential Attachment 1 is for confidential discussion. The next Operational Risk Register Update will be provided to ARIC in February 2026.

#### Consultation





Nil

## Strategic Implications

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

**Vision**                      **Sustainable and responsible for a bright future**

**Pillar**                      **Performance**  
Outcome                      11. Effective leadership and governance.

## Budget/Financial Implications

Nil

## Legislative and Policy Implications

Nil

## Decision Implications

Nil

## Conclusion

Nil

## Further Information

Nil



## 12. CONFIDENTIAL ITEMS

Nil



**13. ANY OTHER BUSINESS**

Nil



#### **14. DATE OF NEXT MEETING**

##### **Officer Recommendation**

The date of the next meeting of the Audit, Risk and Improvement Committee Meeting is Wednesday, 05 November 2025 at 12.00pm

Moved: Commissioner Caddy

Seconded: C Adams

**CARRIED: UNANIMOUSLY 5-0**

**For: Commissioner Caddy, Commissioner Sandri, Commissioner Hart, C Murphy, C Adams**

**Against: Nil**





## 15. DECLARATION OF CLOSURE

There being no further business, the Presiding Member declared the meeting closed at 12.27pm.