



## **Kalamunda Accountable:** **Long Term Financial Plan to 2036**

*A Plan to shape a financially sustainable future*

28/06/2021

Kalamunda Accountable: Long Term Financial Plan to 2036

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### Acknowledgement of Country

We respectfully acknowledge the Traditional Owners, the Whadjuk Noongar People as the Custodians of this land. We also pay respect to all Aboriginal community Elders, past, present and future who have and continue to reside in the area and have been an integral part of the history of this region.

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## Executive Summary

The City of Kalamunda Long Term Financial Plan (LTFP) is a key component of the Integrated Planning and Reporting Framework that has been developed to map and ensure the financial sustainability of the City into the future. It incorporates financial projections for the period 2021/22 to 2035/36. The City has a legacy of many aged or ageing community assets and the LTFP will ensure that those assets can be adequately maintained and renewed for future generations to enjoy.

The City has net assets of more than \$532 Million which require a carefully planned and well considered asset maintenance and renewal strategy. In response, the City is committed to driving efficiencies, maintaining tight control over expenditure, maximising revenues through other than rate increases whilst continuing to meet the needs of our community. The provision of significant new assets will require heavy emphasis on advocacy, strategic use of borrowings and rationalisation of assets, so as to ensure the City's long term financial sustainability.

The LTFP has been prepared based on several assumptions and scenarios outlined within this document. Operating in an increasingly complex environment, strategies, issues, priorities, and risks are all dynamic factors influencing the City's planning and the LTFP is reviewed and adjusted annually to identify any material changes.

The immediate financial outlook is challenging characterised by relatively low unemployment rates, significant demand for housing and rising house prices and a retail sector experiencing financial stress. In addition, the uncertainty associated with the COVID-19 pandemic remains a threat.

The long-term financial estimates are an integral piece of Council's strategic planning process, informing the Corporate Business Plan which gives life to the Strategic Community Plan priorities. It identifies the City's long term financial sustainability, enables early identification of financial issues, and their potential longer- term impacts.

The City has maintained an operating surplus during the past few years enabling the growth of our reserves which will assist the City in building capacity to meet both current and future needs.

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## **Purpose of a Long-Term Financial Plan**

The purpose of the LTFP is to present a financial analysis of the strategic objectives and goals outlined in the integrated planning framework documents over a fifteen-year period. A fifteen-year planning horizon was chosen to enable the delivery of the significant new and renewal infrastructure and service delivery. This decision ensures the City can deliver within acceptable financial parameters and constraints.

It is a core component of the City's strategic planning process, and it is aligned to other core planning documents, including the Kalamunda Advancing - Strategic Community Plan, the Kalamunda Achieving - Corporate Business Plan. Information contained in other strategic documents including the Asset Management and Workforce Plans have informed the LTFP providing the basis for preparation of the City's Annual Budget.

The use of financial, economic, and social indicators is fundamental in predicting future values, costs, service delivery demands. Some of the primary considerations used by the City in developing robust financial projections, includes, the consumer prices index, local government cost index, interest rates, unemployment rates, population growth and demographic trends. Through the analysis of financial trends over a fifteen-year horizon, the City is equipped with information to assess resourcing requirements to achieve its strategic objectives whilst enabling the City to operate in a financially sustainable manner. Finally, the LTFP assists the City in ensuring that an appropriate maintenance, replacement and renewal of community infrastructure can be delivered.

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## Financial Principles

### Sustainability

Ensuring the City can afford to pay for all its services and manage its assets over the long term.

### Responsibility

Making financial decisions that provide the greatest level of efficacy for the City and its community.

### Accountability

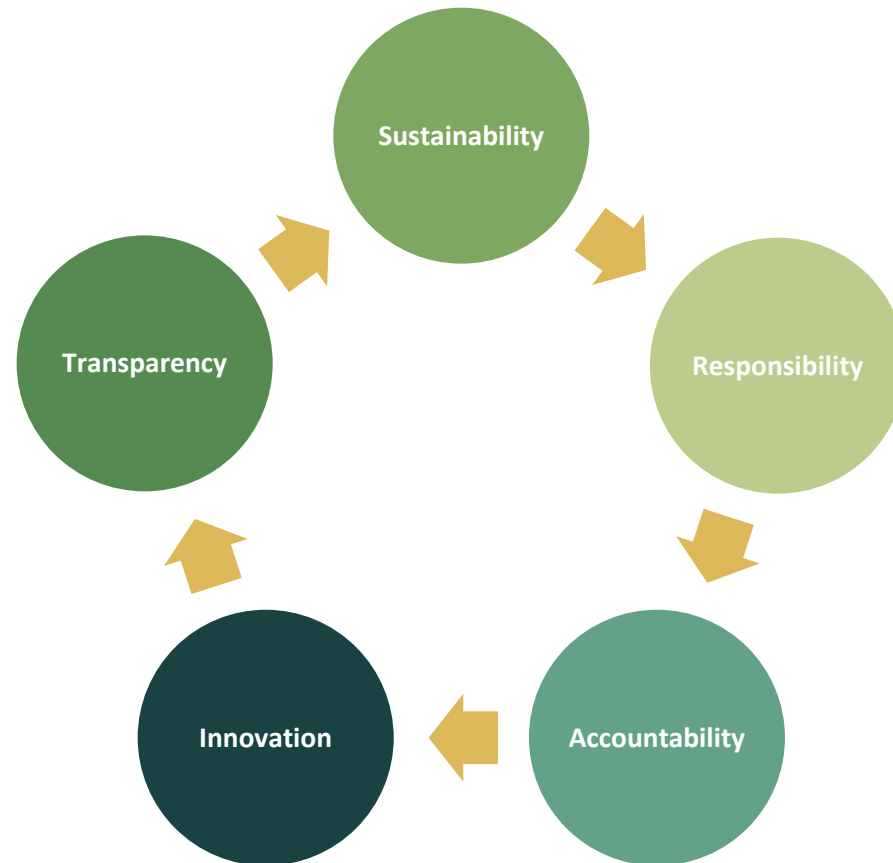
Being compliant with all required financial management regulations.

### Transparency

Ensuring full and proper disclosure of the City's financial arrangements at all times.

### Innovation

To find creative ways and take calculated risks to maximise opportunities to increase revenue or reduce costs.





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## City Profile

The City of Kalamunda is situated on the eastern fringe of the metropolitan area, 24 kilometres from Perth. The City covers 324 square kilometres in area, predominantly consisting of state forest, national parks, regional open space and water catchment areas. With a long history, proud artistic identity, fresh produce, and an abundance of recreational opportunities such as bush walks and mountain bike trails, the City of Kalamunda offers a unique lifestyle for its residents.

The name Kalamunda comes from local Aboriginal words Cala (home or fire) and Munnda (forest – also associated with Munday – the fire of Munday). The City of Kalamunda is located in Perth's south-eastern suburbs, about 24 kilometres from the Perth CBD. The City of Kalamunda is bounded by the City of Swan in the north, the Shire of Mundaring in the east, the Cities of Armadale and Gosnells in the south, and the Cities of Canning and Belmont in the west. Town site of Kalamunda was approved in 1902.

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## Key Statistics

### Population

Forecast Population	2021	2036	Increase Figure	Increase %
Maida Vale	4,650	6,588	+1,938	41.68%
High Wycombe	13,931	14,255	+324	2.32%
Forrestfield	13,931	15,540	+1,609	11.55%
Wattle Grove	6,236	8,120	+1,884	30.21%
Gooseberry Hill	3,466	3,681	+215	6.20%
Kalamunda	7,474	8,367	+893	11.95%
Walliston Rural East	3,439	3,767	+328	9.54%
Lesmurdie	8,531	8,727	+196	2.30%
Total:	61,658	69,045	+7,387	11.98%

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**Rateable Properties**

23,531

**Eligible Voters**

Ward	Suburbs	Electors	% Electors
North Ward	Kalamunda, Gooseberry Hill, Maida Vale	9,804	23.78%
South East Ward	Kalamunda, Lesmurdie, Bickley, Canning Mills, Carmel, Hacketts Gully, Pickering Brook, Piesse Brook, Pauls Valley, Walliston	9,997	24.25%
North West Ward	High Wycombe, Maida Vale, Forrestfield	11,102	26.93%
South West Ward	Forrestfield, Wattle Grove	10,330	25.05%
<b>District Total:</b>		<b>41,233</b>	<b>100.00%</b>

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## Assets and Facilities

### Infrastructure Roads & Carparks

Asset Category	Asset Details	Total Measure
Roads	Includes road surfaces, pavements and formations within road reserves. 12.5km of City roads are gravel roads (unsurfaced). Excludes private roads and roads located within private properties.	617 km
Kerbs	Kerbs located along the edge of the roads and car parks	884 km
Bridges	Includes bridges located on roads for vehicle traffic.	4
Bus Shelters	Bus stop shelters maintained by the City. The concrete boarding pads at bus stops are excluded as they are managed by the Public Transport Authority (PTA)	190 shelters
Car Parks	Includes on street and off street car parks managed by the City. Privately managed car parks within shopping centres and other car parks within private properties are excluded.	273 assets covering area of 225,000m <sup>2</sup>
Road Safety Barriers	Semi rigid and flexible barriers erected on roadsides to prevent accidental damage to properties and people. Bollards and fences are included in the Parks AMP.	94 barriers with total length of 7.5km

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### Infrastructure Footpaths

Material	Area (1,000 m <sup>2</sup> )	Length (km)	Length (% of pathway network)
Cement Concrete	581	347	94.0
Gravel	21	11.2	2.9
Asphalt	21	9.4	2.4
Brick	5.6	2.6	0.7
Cement Slabs	0.3	0.2	0.1
Limestone (special)	0.3	0.2	0.04
<b>TOTAL</b>	<b>630</b>	<b>371</b>	<b>100</b>

### Infrastructure Drains

Drainage Asset Category	Quantity	Average Age (years)
Drains	220 km	22
Pits	15,708 pits	31
Basins	195,817m <sup>2</sup> (86 basins)	20
<b>All Categories</b>		<b>24</b>

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**Infrastructure – Parks and Ovals**

<b>Asset Category</b>	<b>Asset Details</b>	<b>Total Measure</b>
Fences	Fences have numerous types based on material and fence height.	73 km
Irrigation	Irrigation assets are categorised into six system types: <ul style="list-style-type: none"> <li>• Bore and Pump Systems (65 assets)</li> <li>• Controller Systems (77 assets)</li> <li>• Pond Aerator Systems (10 assets)</li> <li>• Reticulation Pipe Systems (196 assets, 102 hectares irrigated)</li> <li>• Tank Systems (24 assets)</li> <li>• Pump Systems (20 assets)</li> </ul>	392 assets, 102 irrigated hectares
Lighting	Lighting assets have several types of poles / lamps. <ul style="list-style-type: none"> <li>• Malls (10 assets)</li> <li>• Parks and Reserves (111 assets)</li> <li>• Public Access Ways (8 assets)</li> <li>• Security (24 assets)</li> <li>• Sports Courts (81 assets)</li> <li>• Sports Fields (91 assets)</li> </ul>	325 assets
Open Space Furniture	Includes all bench seats and picnic settings	291 assets
Park Infrastructure	Includes the following six asset types: <ul style="list-style-type: none"> <li>• Barbeques (17 assets)</li> <li>• Bike Racks (3 assets)</li> <li>• Drinking Fountains (14 assets)</li> </ul>	123 assets

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Asset Category	Asset Details	Total Measure
	<ul style="list-style-type: none"> <li>• Dry Stone Walls (1 asset)</li> <li>• Parklets (1 asset)</li> <li>• Sand Pits (1 asset)</li> <li>• Shelters (65 assets)</li> <li>• Sports Goals (22 assets)</li> </ul>	
Sports Surfaces	These are: <ul style="list-style-type: none"> <li>• Outdoor Sport Hard Courts (61 tennis courts, basketball courts etc., covering 62,200 m<sup>2</sup>)</li> <li>• Park Turf (6 items covering 1.89 hectares of grassed areas in parks)</li> <li>• Sport Field Turf (19 items covering 40.1 hectares)</li> </ul>	6 hectares of hard courts, 42 hectares of turf
Playground Equipment	Playground Equipment including soft falls and shade sails located within 86 playground sites: <ul style="list-style-type: none"> <li>• Camp Sites (3 assets)</li> <li>• Fitness Equipment (24 assets)</li> <li>• Play Equipment (237 assets)</li> <li>• Shade Sails (70 assets)</li> <li>• Skate Parks (5 assets)</li> <li>• Softfall (155 assets)</li> </ul>	494 assets, 86 playgrounds

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**Buildings**

Type of Building	Number
Amenities Blocks	32
Communications Towers	3
Community Facilities (General)	44
Emergency Service/Facility	4
Heritage Buildings	17
Minor Buildings	112
Municipal Buildings	15
Sporting Facilities	35
<b>Total</b>	<b>262</b>



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### Integrated Planning Framework

The LTFP is a key component of the Integrated Planning and Reporting Framework enabling the city to establish priorities aligning them with available resources to enable the delivery of short term and long-term priorities. The LTFP is a rolling fifteen-year plan informing the Corporate Business Plan to activate Strategic Community Plan priorities.



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The LTFP illustrates the City's financial sustainability, allowing early identification of financial challenges and their longer- term impact, showing linkages between specific plans and strategies and enhances transparency and accountability of the City to its community.

## Strategic Directions

**Vision: Connected Communities, Valuing Nature and Creating our future together**

The City's Strategic Community Plan – *Kalamunda Advancing 2031* is the highest - level plan that the City prepares. Its purpose is to document the community's key priorities, expectations, and aspirations and to plan strategies to achieve them.

The City of Kalamunda has identified the following four core priority areas to guide the Strategic Community Plan:

- Kalamunda Cares and Interacts – Looking after our people and providing our people with social and cultural enjoyment.
- Kalamunda Clean and Green – Delivering environmental sustainability and maintaining the integrity of the natural environment.
- Kalamunda Develops – Supporting our local economy and using our land and assets sustainably, diversely and effectively.
- Kalamunda Leads – Providing good government and leadership.

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### **Kalamunda Cares and Interacts**

The City of Kalamunda is committed to looking after our people and providing people with social and cultural enjoyment. Through our focus on being a community that advocates, facilitates, and provides quality lifestyle choices, the City will:

- Facilitate inclusion of the ageing population and people living with disability to have improved access to services, facilities, and information.
- Empower, support, and engage with young people, families and our culturally diverse community.
- Facilitate opportunities to pursue learning.

The City is committed to providing safe and healthy environments for our community to enjoy. To achieve this, we will focus on:

- Facilitating a safe community environment
- Promoting healthy lifestyle choices through advocacy and encouraging the community to become more physically active.
- Provision of high quality and accessible recreational and social spaces and facilities

The City is committed to supporting the active participation of local communities, which will be achieved by:

- Supporting local communities to connect, grow, and shape the future of Kalamunda.
- Encouraging and promoting the active participation in social and cultural events in the City of Kalamunda
- Empowering community groups and sporting organisations to provide for their communities.

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### **Kalamunda Clean and Green**

The City of Kalamunda is proud of its natural environment and is strongly committed delivering environmental sustainability and maintaining the integrity of the natural environment. Through our focus on protecting and enhancing the environmental values of the City, we will:

- Implement the Local Environment Strategy
- Develop and implement the Urban Forest Strategy
- Develop and implement the Local Biodiversity Strategy
- Increase and protect local biodiversity wherever possible, through integrating ecosystems and biodiversity protection into planning processes including schemes, policies and strategies
- Enhance our bushland, natural areas, waterways, and reserves.
- Encourage community engagement and education in environmental management.

With a commitment to achieve environmental sustainability through effective natural resource management, the City will:

- Manage the forecast impacts of a changed climate on the environment.
- Work towards a Carbon Neutral Footprint of City operated areas.
- Produce cost effective solutions to reduce the reliance and volume of potable and ground water used by the City.

Through a commitment to reduce the amount of waste produced and increase reuse and recycling of waste, there will be a strong focus on:

- Implementing the City's Waste Plan aligned to the State Waste Avoidance and Resource Recovery Strategy

So as to ensure the effective management of contaminated sites, the City will:

- Identify, examine, and manage risk associated with contaminated sites.

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### **Kalamunda Develops**

The City of Kalamunda is committed to supporting sustainable urban development that strengthens our local economy and community and manages and protects our diverse natural environment.

Through our focus on planning for sustainable population growth, the City will:

- Plan for diverse and sustainable activity centres, housing community facilities and industrial development to meet future growth, changing social, economic, and environmental needs.

In committing to connect the community to key centres of activity, employment and quality amenities, the City will:

- Ensure that existing assets are maintained to meet community expectations.
- Develop improvement plans for City assets such as parks, community facilities, playgrounds to meet the changing needs of the community.
- Provide and advocate for improved transport solutions and better connectivity through integrated transport planning.

With a focus on developing and enhancing the City's economy, the City will:

- Facilitate and support the success and growth of businesses.
- Attract and enable new investment opportunities.
- Plan for strong activity centres and employment areas to meet the future needs of the community, industry and commerce.

Finally, the City strives to be recognised as a preferred tourism destination by:

- Facilitating support and promoting activities and places to visit
- Advocating and facilitating Agri Tourism opportunities for rural properties to flourish

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### **Kalamunda Leads**

The City of Kalamunda is firmly committed to providing good government and leadership. To provide leadership through transparent governance, we will:

- Provide good governance.
- Build an effective and efficient service-based organisation.

The City values engagement and partnerships for the communities' benefit, in supporting this the City will:

- Actively engage with the community in innovative ways.
- Increase advocacy activities and develop partnerships to support growth and reputation.

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## Our Services

The City delivers a wide range of services and facilities to the community. The revenues and expenditures of the city are required to be classified in accordance with the legislation. The Local Government (Financial Management Regulations) 1996 specify the minimum program classifications for disclosure.

Program Name	Objective	Activities
Governance	To provide a decision-making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
General Purpose Funding	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
Law, Order and Public Safety	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
Health	To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance
Education and Welfare	To provide services to disadvantaged persons, the elderly, children, and youth.	Provision and maintenance of senior citizen and disability services, youth services and other voluntary services.
Community Amenities	To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes and public conveniences.
Recreation and Culture	To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.	Maintenance of public halls, civic centres, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens, and playgrounds. Operation of library, museum, and other cultural facilities.
Transport	To provide safe, effective, and efficient transport services to the community.	Construction and maintenance of roads, footpaths, bridges, lighting, and cleaning of streets.
Economic Services	To help promote the City and its economic wellbeing.	Tourism and area promotion, rural services and building control.
Other Property and Services	To monitor and control Council's overheads operating accounts.	Provide works operation, plant repair and operation costs and engineering operation costs.

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## Long Term Financial Forecasts

### Strategies and Prices Indicators

The LTFP has been prepared to support the City's strategic planning process. The plan is an informing strategy demonstrating the City's approach to delivering infrastructure assets and community services to the community in a financially sustainable manner during the next 15 years.

The plan is set in an environment of economic uncertainty and is reviewed every twelve months to reflect changes in economic conditions and changes in community demands placed on the City.

Within the plan, the City has identified the key economic drivers that will influence the future cost of providing infrastructure, services and facilities, and revenue estimates generated from rates, fees and charges and, asset sales for the period 2021/22 to 2035/36

The plan provides a financial roadmap informing the City's capacity to meet the competing demands of services and facilities required by the community. The plan identifies a variety of measures available to enable the City to achieve its objectives. This plan balances the funding needs for renewal and new infrastructure assets, current service levels, rating expectations, fees and charges aligned to CPI, appropriate use of debt, use of funds held in reserve and strategic sale of assets.

### Financial Strategies and Principles

The LTFP is underpinned by the following principles:

- Strengthening operating results to ensure long term financial sustainability.
- Strategic use of borrowings to fund intergenerational assets or those assets with the capacity to produce an income stream.
- Maintaining tight control over expenditure growth
- Building cash reserves to meet future needs.
- Maintaining a fair and equitable rating structure
- New discretionary services, should be offset with an appropriate revenue stream.
- Regular review of service levels balancing community needs and affordability.
- Use of Developer Contribution Schemes to fund key infrastructure in subject areas.
- Advocacy to generate government funding support for capital works.
- Focus on continuous improvement to drive efficiencies (smart technologies)



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- Use of benchmarking to achieve best practice
- Strategic management of assets ensuring underutilised assets are reviewed
- Revenue diversification

### Scenario Modelling

The Long-Term Financial Plan has been modelled around three scenarios:

- Subdued
- Growth
- Aspirational

Council confirmed with the City that their preferred scenario to guide modelling was the Moderate Growth scenario. Each of the scenarios including the base assumptions are described in broad terms below.

### Subdued Scenario

- The Western Australian economy is growing slowly with inflation between 1.5% and 1.8% between 2021/22 and 2023/24 and increasing to 2% from 2024/25 over the LTFP.
- Rate rises capped at CPI.
- Total Capital Works program \$265 Million over the LTFP term
- New capital works of \$83 Million over the LTFP term
- Renewal capital works of \$182 Million over the LTFP term.
- Very slight increase in FTE due to increase in service demand
- Total capital works grants of \$60 Million.
- Reserve Balances maintained at approximately \$4 Million over the LTFP term.
- No new borrowings
- Financial Health Index – average 83
- Population growth within the City remains static

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### Impacts on Revenue and Funding

- Rates under a subdued scenario will not be increased beyond CPI. This would include a moderate increase of 1% to allow for Asset Management and 1% being minimal growth in properties assessable.
- Fees and charges will remain static as the utilisation of services remain low and development of properties and land are minimal.
- Grants from state and federal government agencies will be steady with minimal growth as budgets will be constrained all around. It is noted that the amounts do not decline as the Commonwealth and State Governments would want to maintain an adequate level of stimulus in the economy.
- Interest income remains at a minimal level within a subdued economy.
- Funding from reserves will be drawn upon to maintain momentum in the initial years however this source will tapered in the outer years as capacity to save is constrained.

### Impacts on Expenditure

- Employments costs will be steady at 0.38% above CPI, which equates to minimal increase in FTE (less than one per year) as the City looks to restrict any increase in this type of cost.
- Non-core services would be considered for rationalisation.
- All non-recurrent projects will be scrutinised and rationalised.
- The City will explore greater use of leasing assets rather than outright purchase of IT Infrastructure and Plant equipment. This will reduce outlays on Capital expenditure but result in a higher operational leasing charge.

### Impacts on Capital Expenditure

- Major capital new projects will be deferred as the City restricts itself from additional loan borrowings.
- The City will focus on spending its limited funds in maintaining existing assets and “New” Capital expenditure will be placed in greater scrutiny.
- New capital works projects only considered with significant funding sources outside the City with acceptable levels of net operating expenditure.
- The Asset Sustainability Ratio will be maintained at the middle of the range as funds on renewal capital expenditure are restricted.
- Assets will be renewed where they have reached conditions similar to what is experienced at present.

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- Assets which have the greatest decline in use or have deteriorated beyond repair will be considered for rationalisation.

## Growth Scenario

- The Western Australian economy is growing moderately with inflation between 1.5% and 1.8% between 2021/22 and 2023/24 before increasing to 3% from 2024/25 over the LTFP
- Rate rises capped at CPI plus an additional 0.5% per annum
- Total Capital Works program \$292 Million over the LTFP term
- New capital works of \$51.8 Million over the LTFP term
- Slight increase in FTE due to increase in service demand
- Renewal capital works of \$240 Million over the LTFP term.
- Total capital works grants of \$133.2 Million.
- Reserve Balances maintained at approximately \$10.8 Million over the LTFP term.
- Limited new borrowings proposed
- Financial Health Index – average 77
- Population growth within the City is modest

## Impacts on Revenue and Funding

- Rates under the growth scenario will not be increased beyond 0.5% above CPI over the life of the plan. This would allow for a moderate increase due to growth in assessable properties.
- Fees and charges will be aligned with growth in inflations as the community utilises the services reduces and development of properties and land are growing steadily.
- Grants from state and federal government agencies will be steady with moderate growth as the economy recovers and the Commonwealth and State Governments would increase spending to stimulate the economy.
- Interest income increases slightly with the improvement in the economy resulting in slightly higher rates.
- No borrowings required for the level of capital works planned.
- Sufficient cashflow to build reserves over the fifteen-year plan.

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### Impacts on Expenditure

- Employments costs will be steady, with a FTE's increase of 17 for increase in services or increase demand place on existing resources;
- Expenditure growth assumed to align with inflation levels.
- The City will explore greater use of leasing assets rather than outright purchase of IT Infrastructure and Plant equipment. This will reduce outlays on Capital expenditure but result in a higher operational leasing charge.

### Impacts on Capital Expenditure

- Major capital new projects will be considered if significant external funding for the project exists, and the net operating expenditure is acceptable.
- The Asset Sustainability Ratio will be maintained at the middle of the range as funds on "new" capital is restricted.
- The increase proportion spend on assets renewal will see a modest increase in standards of assets available to the community.

### Aspirational Scenario

- The Western Australian economy is growing rapidly with inflation between 1.5% and 1.8% between 2021/22 and 2023/24 before increasing to 4% from 2024/25 over the LTFP
- Rate rises capped at CPI plus an additional 2% - 3% per annum
- Total Capital Works program \$502 Million over the LTFP term
- New capital works of \$331 Million over the LTFP term
- Renewal capital works of \$171 Million over the LTFP term.
- Increase in FTE due to increase in service demand
- Total capital works grants of \$193 Million.
- Reserve Balances maintained at approximately \$2 Million over the LTFP term.
- New borrowings of \$30 Million over the LTFP term
- Financial Health Index – average 35
- Population growth within the City is modest

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#### Impacts on Revenue and Funding:

- Rates predicted to increase up to 4% above inflation to be able to fund the aspirational level of capital expenditure.
- Fees and charges will be aligned to inflation with the utilisation of services.
- Grants from state and federal government agencies will be slightly higher and do not increase by a significant amount as the Commonwealth and State Governments would still want to maintain a growth outlook.
- Interest income will be higher mainly due to improvement in interest rates as high as 4% in outer years.
- Loan borrowing of \$30m projected to fund a significant capital works plan.
- Overdraft funding will have to be a sufficient contingency plan, as the maximum borrowing capacity will be reached.
- Funding from reserves will be drawn to minimal levels at the end of the plan.

#### Impacts on Expenditure

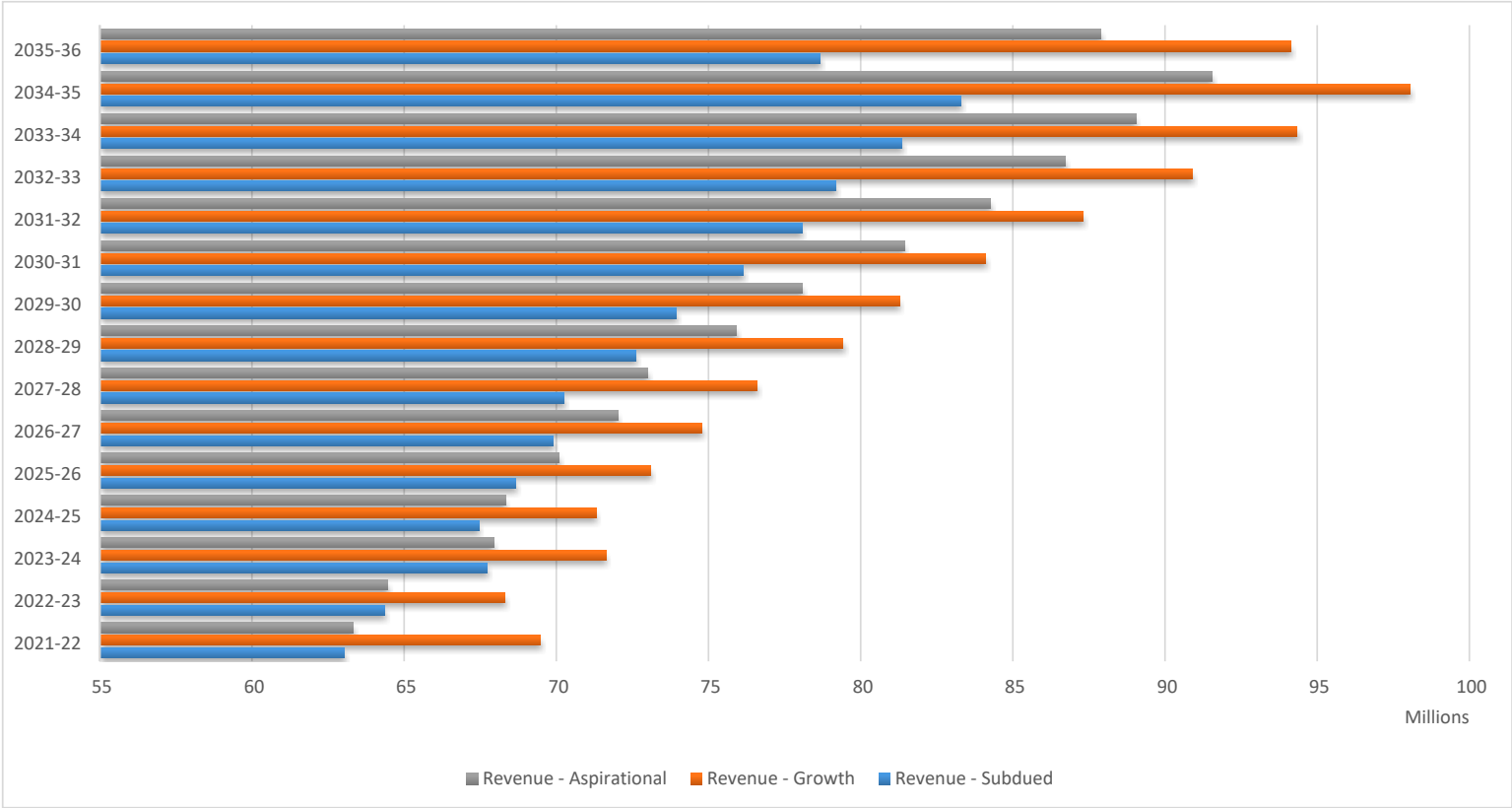
- Employment costs will rise to allow for increased asset management and service levels. Where the service increase is considered to be short term or cyclical, casuals and contractors will be utilised to allow the City greater flexibility in how it delivers its services.
- Remaining expenditure to grow aligned to inflation.

#### Impacts on Capital Expenditure:

- The Asset Sustainability Ratio will be at a minimal level as spending will be focused on “new” capital projects with a minimal spend on asset renewals compared to the overall growing asset base.
- The available funding for asset renewal will result in existing assets deteriorating below current standards, prior to renewal works being undertaken.

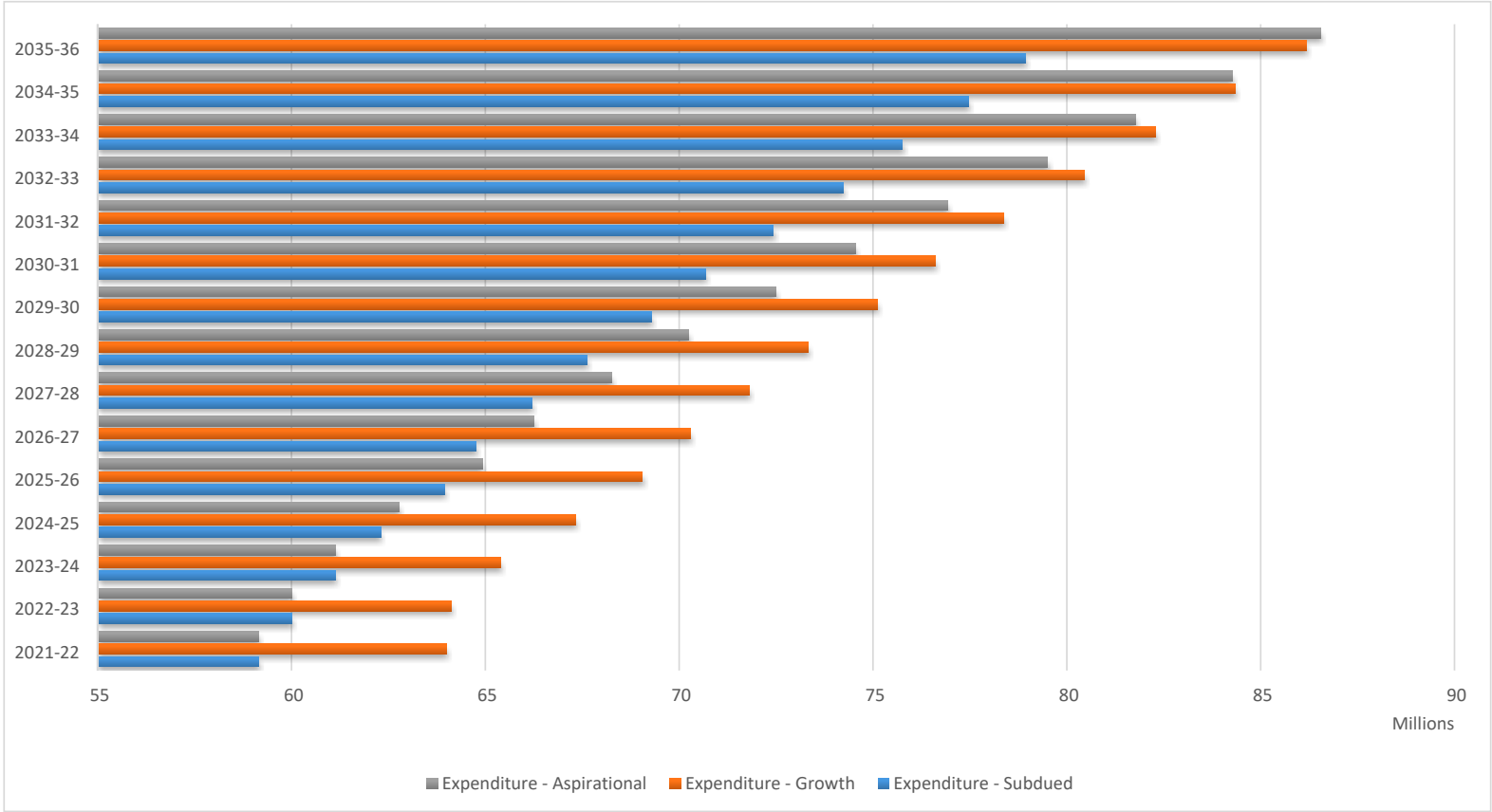
Kalamunda Accountable: Long Term Financial Plan to 2036

1. Revenue Model - Revenues under subdued, growth and aspirational Scenarios



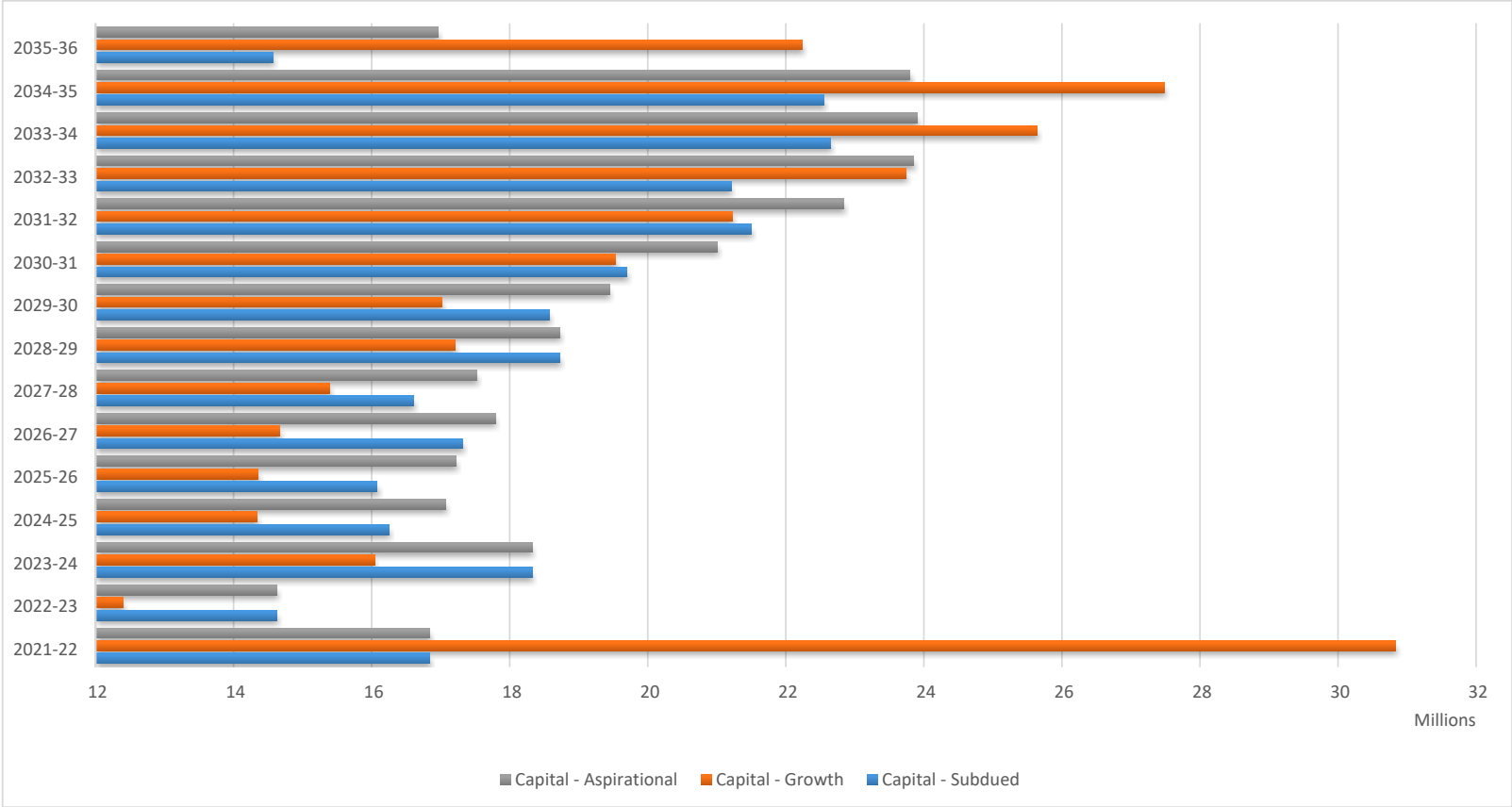
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2. Cost Model - Operating Expenditure under subdued, growth and aspirational scenarios



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3. Capital Model - Capital Expenditure under subdued, growth and aspirational scenarios





Kalamunda Accountable: Long Term Financial Plan to 2036

## Summary of the Long-Term Financial Plan

Commentary The plan delivers the infrastructure and services from the Strategic Community Plan in a financially sustainable manner and is based on the growth scenario. The Growth Scenario was chosen by Council in its strategic direction setting. This approach was considered as the most financially sustainable scenario across the term of the LTFP, forming the basis of this document.

The key outcomes of the plan:

- Achieve a Financial Health Indicator of 77 indicating a sound financial position.
- Funding of \$292 Million in capital works projects
- Achieve a surplus budget within compliance parameter for each of the years in the plan.
- Maintain high cash balances for unforeseen circumstances in the future.
- Adequate funding of asset renewal and replacement requirements to the amount of \$240 Million over the plan
- Total Net Assets to increase from \$555 Million to \$771 Million by the year 2035/2036
- Maintaining financial position
- Maintaining a fair and equitable rating structure
- Using advocacy to leverage funding from state and federal governments.
- Make strategic use of borrowings to fund intergenerational assets.

It should be acknowledged that there will be projects and facilities that are not included within this plan as they are not sufficiently detailed. Such projects will be incorporated in future plans once more certainty is gained in terms of project timing, expenditure and revenues and capital requirements are understood.

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## Risk Management

The City manages risk in accordance with AS/NZS /ISO 31000 and the City's Integrated Risk Management Framework.

In preparing the LTFP, the City has considered the likely impact of material risks. Risk events may arise from several areas, including legislative changes, extreme environmental events, cyber security events, significant changes to economic and financial conditions, major health, and safety risks. The quantification of financial and economic risks over longer periods of time is hampered by uncertainty; however, the City regularly reviews its risk profile to mitigate against new and emerging risks.

The key risks and opportunities identified within the Plan are:

- Economic conditions, locally and at the state and federal level.
- High levels of unemployment.
- Adopt rate percentage increases lower than projected.
- Employment costs increases higher than projected.
- Increases in service levels.
- Major projects do not attract grant funding.
- Major projects are introduced that are not within the Plan.
- Record low interest on investments continue.
- Major asset revaluations.
- Further COVID – 19 restrictions.

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## Risk Assessment

When long term planning is undertaken, the key risks to projects are:

- **Approvals** – projects may require approvals from agencies such as the Department of Environment and Conservation or the Western Australian Planning Commission. When a project is some years away, it is not always possible to determine the outcome of such applications in advance, particularly where the future extent of activities such as land clearing is not well defined.
- **Land acquisition** – if a project relies on land acquisition, its viability can be affected by land price movements.
- **Funding** – many projects are funded through grants. It is often not possible to submit grant applications several years in advance, and a subsequent failure to receive grant funding may severely affect the ability of the local government to deliver a project.

The timescale of a long-term plan makes it impractical to attempt to identify and manage all risks for all projects included in the plan. Risks will be identified and treated using AS/NZS /ISO 31000 and the risk appetite and tolerance levels of the City of Kalamunda as a guideline.

The following financial risks profiles for the City have been identified:

Nature of Risk	Risk Level Low/Medium, High or Extreme	Implication/Impact	Consequence	Mitigation/Action
<b>Risk of Economic Slowdown</b> Decline in New Home Starts by first home buyers/ decline in anticipated population growth due to decline in economic activity	Low	Decline in land sales medium to long term	Reduction in land sale and land development Income	Defer land sales development projects until market improves
		Slowdown in anticipated growth in population and employment demands from the mining sector	Reduction in income based on growth and development of Industrial land	Reduction in operating and capital expenditure/ and or deferment of projects
		Reduction in early cash flows from rates	Projects may need to be rescheduled to better align with cash flows	Align major works and capital expenditure with availability of funds and grant funded projects. Spend grant money first preserving municipal funds.
		Higher costs in recovery of debts and bad debts write offs	Increase in operating expenditure	Recovery of income from unpaid rates after 3 years

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Nature of Risk	Risk Level Low/Medium, High or Extreme	Implication/Impact	Consequence	Mitigation/Action
Risk that delivery of major projects may be compromised as a result of inability to attract Community Support	Medium	Project is not delivered	Community dissatisfaction and missed opportunities.	Strong focus on Community consultation for key projects.
Risk that Interest Rates will Increase. Advice is to lock into fixed rates as rates have never been so low. Interest rates long term to rise.	Medium	Borrowing costs increasing Homeowners facing mortgage stress	Less attractive to fund works through borrowings.	Utilise reserves to reduce the level of loan borrowings as interest rates start to increase in future years Closely monitor rate increases and offer flexible rates repayment arrangements.
Risk that Proposed Rate Increases are not Affordable. Ensure that rating level reflects the current economic climate.	Low	Rate increases may need to be reviewed and adjusted for reduction in anticipated growth	Reduction in income and adverse impact on the City's cashflow.	Reduction in expenditure and deferral of capital projects
Risk that Recurrent Grants decline General Purpose and Road Grants from WA Grants Commission has tended to remain at constant levels with slight increases	Low	Low impact on General Purpose and Road Grants received from WA Grants Commission as these are per capita grants linked to population and other predetermined criteria	Grant increases may not keep abreast with inflation and CPI	Reduction in expenditure based on reduction in anticipated income growth. City will continue to advocate strongly. Need for higher level of rates funding for necessary road renewal projects to offset lost Road Grants.

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Nature of Risk	Risk Level Low/Medium, High or Extreme	Implication/Impact	Consequence	Mitigation/Action
<p>Risk that Capital Grants will decline Commonwealth and State Governments will probably reign in their deficits by reducing funds to local governments</p>	Medium	Decline in tied capital grants	<p>Will need to consider alternative funding streams, such as borrowings and reserves.  Decrease in Capital contributions Decline in asset sustainability</p>	<p>Deferment of New Projects Rationalisation of Assets Deferment of Expenditure City will continue to advocate strongly</p>
<p>Risk that Salary and Wages will increase at or above CPI.  Operating budgets under stress as a result of increasing employee costs.</p>	Medium	Increasing inflation places upward pressure on the City's cost base.	<p>Wages to be reviewed considering reduced income.  Loss of staff to other sectors offering more competitive remuneration.  Reduction in service levels</p>	<p>Reduction in services and maintenance expenses  City to develop creative measures for the retention of staff.</p>
<p>Land and Building Rationalisation  Strong community consultation required and relocation strategy for affected user groups.</p>	Medium	<p>Reduction in building maintenance costs.  Inability to obtain community support for the rationalisation of buildings.  Rationalisation of land and buildings enables the City to build and construct higher amenity facilities.</p>	<p>Difficulty in providing suitable relocation option for user groups.  Cost savings arise from lower maintenance and depreciation costs.</p>	<p>Obtain Council endorsement for a land and building rationalisation program.  Allocate funding for the decommissioning of certain buildings.  Several large community infrastructure projects will be postponed. Strong engagement with the community</p>

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Nature of Risk	Risk Level Low/Medium, High or Extreme	Implication/Impact	Consequence	Mitigation/Action
Major projects are requested that don't have a funding source	Medium	City financial sustainability placed at risk. Projects may be considered without full understanding of community benefits.	Adverse trend in Financial Health Index  Workforce capacity stretched affecting timely project delivery	All major projects included within the plan must have a funding source.
COVID - 19 outbreaks leading to COVID restrictions impacting the economy	Medium	Closure of facilities.  Increasing levels of unemployment and financial stress within the community.	Loss of revenue through financial stress on the community and through closure of City services and facilities.	Closely monitor cash flow. Undertake budget adjustment deferring some projects and providing COVID- 19 funding assistance.

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## Financial Health Index

The Financial Health Index is derived from seven financial performance indicators which are required to be included in the City's annual financial report in accordance with section 6.4(2) of the Local Government Act 1995 and Regulation 50 of the Local Government (Financial Management) Regulations 1996.

### Key Financial Indicators

Ratio	Average over the Plan
Operating Surplus Ratio	2.51
Own Source Revenue Coverage Ratio	9.94
Debt Service Coverage Ratio	10.00
Current Ratio	7.20
Asset Sustainability Ratio	9.93
Asset Consumption Ratio	10.00
Asset Renewal Funding Ratio	10.00
Financial Health Index	77.20

**Operating Surplus Ratio** – Measures the extent to which revenue raised not only covers operational expenses, but also provides for capital funding. The basic standard is between 0% and 15% and the advanced standard is with a ratio greater than 15%.

**Own Source Revenue Coverage Ratio** – Measures revenues derived from local governments operations that exclude third party grants and subsidies. The basic standard is achieved if the ratio is between 40% and 60% (or 0.4 and 0.6), intermediate standard is achieved if the ratio is between 60% and 90% and the advanced standard is achieved if the ratio is above 90%.

**Debt Service Coverage Ratio** – Measures the City's ability to generate sufficient cash to cover its debt payments. A basic standard is achieved if the ratio is greater than or equal to 2. An advanced standard is achieved if the ratio is greater than 5.

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**Current Ratio** – Measures the City's ability to meet its short-term financial obligations out of unrestricted current assets. The standard is met if the ratio is 90% (0.90). Standard is exceeded if the ratio is between 90% and 110% (or 0.90 and 1.10).

**Asset Sustainability Ratio** – Measures the rate at which the City spends capital expenditure on replacement versus depreciation.

**Asset Consumption Ratio** – Measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.

The average Financial Health Index score over the fifteen-year term of the LTFP is 77.



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### Strategic Workforce Plan

The development of the Workforce Plan is a requirement of the Department of Local Government Integrated Planning and Reporting Framework. The Workforce Plan – Kalamunda Working will used to inform the Long-Term Financial Plan what costs and associated activities are required for the City to manage its workforce over the next ten years.

#### Resourcing Projections - 15 year Fulltime Equivalent model

The City's Workforce Plan allows for workforce management and required growth. The City's ten-year Workforce Plan projections average at an extra 1.14 Fulltime Equivalent (FTE) per year. Budgetary constraints may continue to restrict the growth of the City's workforce and therefore increase the importance of alternative resourcing and restructuring solutions, such as job redesign and redeployment together with strong consideration of service delivery models.

Outlined below is the planned workforce increase/decrease over the next fifteen-year period:

Year	Fulltime Equivalent (FTE)	Total Cost (\$) Estimated/Forecast
2021-22	254.89	25,962,724.
2022-23	256.09	26,673,984
2023-24	258.51	27,346,662
2024-25	263.07	28,385,637
2025-26	264.07	28,947,070
2026-27	267.07	29,748,138
2027-28	267.07	30,341,509
2028-29	267.07	30,811,357
2029-30	267.07	31,233,038
2030-31	267.07	31,639,849

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Year	Fulltime Equivalent (FTE)	Total Cost (\$) Estimated/Forecast
2031-32	268.07	32,114,449
2032-33	269.07	32,596,175
2033-34	270.07	33,085,123
2034-35	271.07	33,581,403
2035-36	272.07	34,085,120

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**Rates Collection**

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Rates collection (\$)	9,137,784	39,920,540	40,718,951	41,940,520	3,198,736	44,494,698	5,829,539	47,204,425	8,620,557	50,079,173
Rates Increase (\$)	782,756	798,411	1,221,569	1,258,216	1,295,962	1,334,841	1,374,886	1,416,132	1,458,616	2,003,167

The City uses differential rates to derive the optimal rates yield. It is envisaged that as the development of the Forrestfield North and the Train station come on stream, the rates yield from infill will supplement overall rates increases.

The rate in the dollar for the various differential categories adopted by Council is shown in the following table. This rate in the dollar will be used as the baseline for the life of the LTFP. Every three years the Valuer General will revalue properties with the next revaluation due in the 2023/24 year. Each revaluation cycle will impact on the rate in the dollar, as property values increase or decrease in line with the economy of the State, the City must adjust the rate in the dollar in order to maintain an increase in total rate yield.

Category/Levy	Rate in Dollar 2021/2022
General GRV	0.070843
Industrial/Commercial GRV	0.074927
Vacant GRV	0.088164
General UV	0.003533
Commercial UV	0.004180

Note: GRV = Gross rental value/UV = Unimproved value

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### Economic Outlook

In 2020 COVID-19 inflicted a significant economic blow on the State's economy cutting domestic economic activity to levels recorded in 2010. However, although our economy remains well below the levels of a year ago, it has rebounded quickly. Notwithstanding, there are two vastly different views when we segment our analysis into the mining and non-mining sectors.

Let us consider the factors driving the economic rebound, which has essentially been fueled by two key factors:

- Success of the mining sector
- Federal Government Stimulus

Global commodity markets have worked in the State's favour with China's recovery and global stimulus fueling record demand for iron ore and underlying consumer fear and uncertainty driving demand for commodities such as gold.

The Federal Government Stimulus initiatives injected an estimated \$17 billion into the local economy. Additionally, the estimated \$6 billion that Western Australians usually spend overseas, has because of travel restrictions, largely remained in the local economy. This stimulus, together with looser restrictions within the state, has enabled household spending to support the economy.

It is expected that global commodity markets will continue working in the State's favour since the rest of the world does not produce enough iron ore to meet China's needs. In addition, other factors working in our favour – ongoing global uncertainty will underpin the gold sector, continued investment in low-carbon products and infrastructure will likely drive demand for copper and nickel.

Complementing these trends, WA households are well placed to manage the withdrawal of Federal Government stimulus payments. Western Australians have spent heavily on lifestyle and recreational goods to adapt to working at home and to make up for reduced spending during the lockdown periods. The big spending has been in household goods, vehicles, and take away food and alcohol.

In contrast to the Global Financial Crisis, household savings have significantly grown. A further significant factor highlighting the resilience of our local economy is that following several years of increasing mortgage arrears rates, we are now seeing those arrears rates declining.

An additional support for our economy over the next 18 months, is the pipeline of housing construction which has been driven by record support from the Federal and State Governments. This is coupled with net interstate migration to the state, turning positive for the first time in seven years.

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It is projected that the domestic economy will grow this financial year by approximately 0.7% and the overall economy (including imports and exports), by 2.7%.

Whilst there is some encouraging signs around the State's economic recovery, many of our businesses still face great uncertainty. Ongoing border restrictions will impact significantly, particularly those businesses that rely on skilled workers, supply chain (especially air freight) and travel to other states. At a local level, tourism, travel, hospitality and events businesses will continue to struggle until there is a return to normal travel.

### **Economic Assumptions**

The below economic assumptions as per the Western Australian Government as part of the 2021-22 Pre-election financial projections statement and can be found on their website at <https://www.wa.gov.au/sites/default/files/2021-02/2020-21-pfps.pdf>

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Table 1

**ECONOMIC FORECASTS**  
Western Australia, Annual Growth (%)

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Mid-year Review	PFPS Revision	Forward Estimate	Forward Estimate	Forward Estimate
<b>Demand and Output <sup>(a)</sup></b>						
Household Consumption	-2.3	-1.0	0.25	3.0	2.5	2.5
Dwelling Investment	-13.2	0.75	0.75	21.75	-13.25	-2.0
Business Investment	9.5	2.5	2.5	2.5	3.25	4.75
Government Consumption	4.9	3.5	3.5	1.5	2.5	2.5
Government Investment	-0.1	18.0	18.0	13.0	2.5	0.75
State Final Demand	0.8	1.75	2.25	3.75	2.25	3.0
Merchandise Exports	0.4	0.0	0.0	1.5	1.0	0.25
Merchandise Imports	1.3	-1.25	0.25	1.0	2.25	2.5
Net Exports <sup>(b)</sup>	2.4	2.75	2.25	1.0	-0.25	-1.75
Gross State Product <sup>(c)</sup>	1.4	2.0	2.0	2.75	1.25	1.5
<b>Labour market</b>						
Employment	0.4	1.0	1.5	1.5	1.75	1.5
Unemployment Rate <sup>(d)</sup>	6.1	7.0	6.5	6.0	5.5	5.5
Participation Rate <sup>(d)</sup>	67.5	68.2	68.2	68.2	68.2	68.3
<b>Population</b>						
Population	1.4	0.8	0.8	0.7	1.0	1.3
Working Age Population (15-64)	0.7	0.2	0.2	0.5	0.9	1.2
<b>Prices</b>						
Consumer Price Index <sup>(e)</sup>	1.3	1.5	1.5	1.75	1.75	2.0
Wage Price Index	1.7	1.5	1.5	1.75	2.0	2.25
Median House Price	-2.5	0.7	1.3	1.2	4.1	4.3
<b>Other key parameters <sup>(d)</sup></b>						
Exchange Rate \$US/\$A (US cents)	67.1	72.6	74.8	77.3	77.3	77.3
Iron Ore Price (\$US/t) cost and freight inclusive (CFR)	92.9	103.7	134.3	65.6	64.0	64.0
Crude Oil Price (\$US/barrel)	51.3	40.8	46.0	53.5	51.7	50.9

(a) Based on 2019-20 annual State Accounts data, updated with the latest State Final Demand and Balance of Payments data for the September quarter 2020.

(b) Net exports refer to international trade in both goods and services.

(c) Forecasts for ownership transfer costs, international trade in services and the balancing item are not separately reported.

(d) Data expressed as an annual average during the financial year.

(e) CPI growth rates in 2020-21 and 2021-22 are based on the total index excluding the electricity sub-index.

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### What does it mean?

Obtaining economic projections for future years in a COVID – 19 environment is very challenging. Whilst current analysis shows that the state of the economy has rebounded quicker than expected, and is expected to continue in an upwards trend, the real worry is that our greatest strength is undoubtedly our biggest risk; and that is, an unhealthy reliance on the mining sector. We are seeing many businesses that are continuing to struggle in the face of COVID- 19 restrictions.

To mitigate the risk associated with our unhealthy reliance on the mining sector, calls are on the State Government to introduce reforms that are aimed at strengthening and diversifying the economy. Industry groups such as the Chamber of Commerce and Industry are calling for the Government to:

- Further reductions in the levels of payroll tax, with many WA businesses facing the highest payroll tax burden in Australia.
- In line with many other states, provide funding for the delivery of Kindy services to centre-based childcare centres.
- Relax restrictions on shopping hours.
- Fast track the return of international students as soon as it is safe to do so.
- Push hard into international markets to secure trade and investment opportunities.

The economic recovery is fragile with economic growth remaining below the long-term average. The lack of certainty around the extent of Government stimulus packages and the significant uncertainty in the tourism, hospitality and transport sectors are significant for Local Government, particularly the City of Kalamunda.

In the short term the Local Government Cost Index is expected to increase by 3.2% in 2021/22 and 2.8% in 2022/23, this is driven by anticipated wage increases, and increases in the costs for construction, machinery and equipment. This will have a significant impact on in terms of construction and infrastructure projects resulting in the delivery of a smaller number of projects within the same budget.

Finally, the Reserve Bank of Australia, has committed not to increase the cash rate until the economy is showing strong employment growth, and confidence that inflation is sustainably within the 2-3% target band. Furthermore, the Reserve Bank has indicated that it does not expect to increase the cash rate for at least three years. For the City of Kalamunda, the low cash rate presents a good opportunity for the City to strategically use borrowings to fund large intergenerational projects. Conversely, the low cash rates have a negative impact on the City interest earnings.

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## Detailed Financial Statements

The following Financial Statements have been prepared for the fifteen-year period of this plan. These estimates have been prepared giving due consideration to the assumptions shown previously in this document. These statements are based on the growth scenario.

### Statement of Comprehensive Income by Program

Identifies the cost of goods and services and the extent to which costs are recovered against revenues. The classification of programs are defined within the provisions of the Local Government Act WA 1995.

### Statement of Comprehensive Income by Nature and Type

Identifies the inputs by nature/type of revenue or expense. Descriptions are defined within the provisions of the Local Government Act WA 1995.

This statement is prepared on an accrual basis and recognises income as it is earned and expenses as they are incurred providing a more accurate reflection of the transactions occurring during the accounting period. Depreciation, is an expense charged in the Statement of Comprehensive Income, reflect the value of capital assets consumed during the accounting period.

Australian Accounting Standard AASB 1004 Contributions requires contributions to be recognised as revenue when the City obtains control over the assets comprising the contributions, notwithstanding that those contributions may be for a capital item. Based on this requirement, grants for capital works have the potential significantly affect the operating result for a particular year.

### Rate Setting Statement (Financial Activity Statement)

This statement summarises the operating, capital, debt and reserves transactions. Importantly, it utilises the same reporting procedures required in the formulation of the City's Annual Budget under the Local Government Act WA 1995. The Statement identifies the funds necessary to balance the budget in each financial year through the collection of rates.



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### **Statement of Financial Position Balance Sheet**

The purpose of the Statement of Financial Position is to provide a snapshot of the overall financial position of the City. This statement is constructed according to defined accounting principles embodied in the Australian Accounting Standards. The Ratepayer equity in the City can be calculated by deducting the total liabilities from the total assets.

### **Statement of Equity**

The purpose of this Statement is to report the changes in equity over an accounting period. The LTFP uses this to show changes in accumulated funds and reserves over the next fifteen years.

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**Statement of Comprehensive Income by Nature / Type**

	1	2	3	4	5	6	7
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>							
Rates	39,137,784	39,920,540	40,718,951	41,940,520	43,198,736	44,494,698	45,829,539
Operating grants, subsidies and contributions	3,675,236	3,737,721	3,804,994	3,919,146	4,036,718	4,157,821	4,282,556
Fees and charges	15,542,522	15,806,742	16,091,263	16,574,000	17,071,213	17,583,358	18,110,854
Interest earnings	479,175	322,745	351,443	383,091	413,262	444,817	479,838
Other revenue	45,600	46,376	47,211	48,627	50,086	51,587	53,134
	58,880,317	59,834,124	61,013,862	62,865,384	64,770,015	66,732,281	68,755,921
<b>Expenses</b>							
Employee costs	( 25,962,725)	( 26,673,985)	( 27,346,657)	( 28,385,637)	( 28,947,068)	( 29,748,140)	( 30,341,506)
Materials and contracts	( 22,885,136)	( 22,865,821)	( 23,177,379)	( 23,822,717)	( 24,987,388)	( 25,357,008)	( 26,017,692)
Utility charges	( 2,017,443)	( 2,047,704)	( 2,078,419)	( 2,109,602)	( 2,141,247)	( 2,173,365)	( 2,205,963)
Depreciation on non-current assets	(11,858,611)	( 11,396,673)	( 11,684,837)	( 11,909,735)	( 11,906,528)	( 11,957,633)	( 12,212,810)
Interest expenses	( 282,193)	( 309,371)	( 275,085)	( 239,548)	( 204,050)	( 168,905)	( 132,535)
Insurance expenses	( 636,026)	( 645,566)	( 655,249)	( 665,076)	( 675,051)	( 685,177)	( 695,453)
Other expenditure	( 1,156,700)	( 185,405)	( 188,187)	( 191,009)	( 193,876)	( 196,784)	( 199,736)
	( 64,798,884)	( 64,124,525)	( 65,405,813)	( 67,323,324)	( 69,055,208)	( 70,287,012)	( 71,805,695)
	( 6,916,975)	( 4,290,401)	( 4,391,951)	( 4,457,940)	( 4,285,193)	( 3,554,731)	( 3,049,774)
Non-operating grants, subsidies and contributions	11,326,966	8,486,915	10,616,067	8,445,731	8,324,069	8,045,798	7,846,401
Share of net profit of associates and joint ventures accounted for using the equity method	998,408	1,013,384	1,028,585	1,044,014	1,059,674	1,075,569	1,091,703
<b>NET RESULT</b>	5,408,399	5,209,898	7,252,701	5,031,805	5,098,550	5,566,636	5,888,330

## Kalamunda Accountable: Long Term Financial Plan to 2036

	8	9	10	11	12	13	14	15
	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$
Rates	47,204,425	48,620,557	50,079,173	52,082,340	54,165,633	56,332,259	58,585,549	60,928,970
Operating grants, subsidies and contributions	4,411,032	4,543,366	4,679,664	4,820,056	4,964,660	5,113,603	5,267,012	5,425,024
Fees and charges	18,654,179	19,213,803	19,790,221	20,383,925	20,995,450	21,625,315	22,274,071	22,942,296
Interest earnings	512,320	546,824	585,323	619,440	658,241	692,622	730,461	771,521
Other revenue	54,727	56,369	58,059	59,801	61,595	63,443	65,347	67,307
	70,836,683	72,980,919	75,192,440	77,965,562	80,845,579	83,827,242	86,922,440	90,135,118
Employee costs	( 30,811,353)	( 31,233,030)	( 31,639,846)	( 32,114,449)	( 32,596,175)	( 33,085,123)	( 33,581,403)	( 34,085,120)
Materials and contracts	( 26,748,228)	( 27,800,669)	( 28,434,695)	( 29,257,724)	( 30,265,491)	( 31,023,474)	( 31,954,176)	( 32,912,828)
Utility charges	( 2,239,051)	( 2,272,640)	( 2,306,730)	( 2,341,334)	( 2,376,453)	( 2,412,100)	( 2,448,284)	( 2,485,009)
Depreciation on non-current assets	( 12,516,375)	( 12,813,729)	( 13,240,402)	( 13,666,441)	( 14,222,531)	( 14,767,028)	( 15,355,998)	( 15,680,062)
Interest expenses	( 98,326)	( 70,608)	( 45,068)	( 29,200)	( 23,240)	( 20,666)	( 18,028)	( 15,326)
Insurance expenses	( 705,886)	( 716,474)	( 727,222)	( 738,130)	( 749,202)	( 760,441)	( 771,850)	( 783,429)
Other expenditure	( 202,732)	( 205,772)	( 208,860)	( 211,992)	( 215,172)	( 218,400)	( 221,675)	( 224,999)
	( 73,321,951)	( 75,112,922)	( 76,602,823)	( 78,359,270)	( 80,448,264)	( 82,287,232)	( 84,351,414)	( 86,186,773)
	( 2,485,268)	( 2,132,003)	( 1,410,383)	( 393,708)	397,315	1,540,010	2,571,026	3,948,345
Non-operating grants, subsidies and contributions	8,580,615	8,301,492	8,916,393	9,325,200	10,043,573	10,515,533	11,140,866	4,000,000
Share of net profit of associates and joint ventures accounted for using the equity method	1,108,079	1,124,700	1,141,571	1,158,695	1,176,075	1,193,716	1,211,622	1,229,796
<b>NET RESULT</b>	7,203,426	7,294,189	8,647,581	10,090,187	11,616,963	13,249,259	14,923,514	9,178,141

Kalamunda Accountable: Long Term Financial Plan to 2036

**Statement of Comprehensive Income by Program**

	1	2	3	4	5	6	7
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>							
Governance	0	0	0	0	0	0	0
General purpose funding	40,971,022	42,803,382	43,676,573	45,007,977	46,385,027	47,802,556	49,259,860
Law, order, public safety	508,499	529,862	539,400	555,584	572,250	589,419	607,101
Health	635,617	903,484	919,747	947,337	975,757	1,005,032	1,035,184
Education and welfare	30,750	31,743	32,314	33,283	34,282	35,311	36,370
Community amenities	13,721,580	13,583,964	13,828,474	14,243,328	14,670,628	15,110,747	15,564,069
Recreation and culture	1,489,832	1,390,819	1,415,851	1,458,328	1,502,071	1,547,137	1,593,547
Transport	54,800	46,246	47,078	48,491	49,946	51,444	52,987
Economic services	209,080	238,097	242,382	249,653	257,142	264,856	272,801
Other property and services	260,729	306,527	312,043	321,403	331,045	340,978	351,207
	57,881,909	59,834,124	61,013,862	62,865,384	64,778,148	66,747,480	68,773,126
<b>Expenses excluding finance costs</b>							
Governance	(3,037,893)	( 7,170,062)	( 7,316,770)	( 7,556,136)	( 7,755,985)	( 7,982,260)	( 8,194,199)
General purpose funding	(679,300)	( 638,565)	( 652,327)	( 674,476)	( 691,290)	( 711,234)	( 729,043)
Law, order, public safety	(2,185,295)	( 2,198,636)	( 2,247,312)	( 2,322,561)	( 2,374,953)	( 2,439,536)	( 2,496,905)
Health	(1,842,687)	( 1,693,932)	( 1,732,330)	( 1,793,237)	( 1,835,075)	( 1,887,305)	( 1,931,636)
Education and welfare	(363,808)	( 326,239)	( 333,394)	( 344,134)	( 351,572)	( 360,681)	( 369,279)
Community amenities	(16,864,816)	( 16,181,140)	( 16,398,957)	( 16,870,321)	( 17,785,413)	( 18,008,639)	( 18,407,470)
Recreation and culture	(19,912,675)	( 18,972,370)	( 19,371,182)	( 19,946,158)	( 20,360,958)	( 20,853,198)	( 21,358,176)
Transport	(13,843,755)	( 13,421,661)	( 13,732,187)	( 14,058,186)	( 14,206,940)	( 14,408,028)	( 14,744,583)
Economic services	(1,274,380)	( 1,425,379)	( 1,458,312)	( 1,510,326)	( 1,544,661)	( 1,588,457)	( 1,624,802)
Other property and services	(4,512,081)	( 1,787,170)	( 1,887,957)	( 2,008,241)	( 1,944,311)	( 1,878,769)	( 1,817,067)
	(64,516,690)	( 63,815,154)	( 65,130,728)	( 67,083,776)	( 68,851,158)	( 70,118,107)	( 71,673,160)

## Kalamunda Accountable: Long Term Financial Plan to 2036

	1	2	3	4	5	6	7
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	\$	\$	\$	\$	\$	\$	\$
<b>Finance costs</b>	( 282,193)	( 282,193)	( 309,371)	( 275,085)	( 239,548)	( 204,050)	( 168,905)
Recreation and culture	943,968	1,909,309	4,262,500	2,487,971	2,375,575	1,689,850	312,734
Transport	6,747,876	7,566,250	6,353,567	5,957,760	6,262,267	6,541,367	7,533,667
Other property and services	3,635,122	( 988,644)	0	0	0	0	0
	11,326,966	8,486,915	10,616,067	8,445,731	8,637,842	8,231,217	7,846,401
Share of net profit of associates and joint ventures accounted for using the equity method	998,408	1,013,384	1,028,585	1,044,014	1,059,674	1,075,569	1,091,703
<b>NET RESULT</b>	5,408,399	5,209,898	7,252,701	5,033,993	5,413,951	5,762,154	5,900,357

## Kalamunda Accountable: Long Term Financial Plan to 2036

	8	9	10	11	12	13	14	15
	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>								
Governance	0	0	0	0	0	0	0	0
General purpose funding	50,738,022	52,279,297	53,869,770	56,003,211	58,224,349	60,527,371	62,923,574	65,416,282
Law, order, public safety	625,313	644,073	663,396	683,298	703,798	724,913	746,659	769,058
Health	1,066,238	1,098,226	1,131,172	1,165,108	1,200,062	1,236,064	1,273,147	1,311,340
Education and welfare	37,461	38,585	39,742	40,934	42,162	43,427	44,730	46,072
Community amenities	16,030,990	16,511,921	17,007,278	17,517,496	18,043,022	18,584,314	19,141,843	19,716,098
Recreation and culture	1,641,354	1,690,595	1,741,313	1,793,550	1,847,361	1,902,783	1,959,865	2,018,666
Transport	54,576	56,213	57,899	59,636	61,425	63,268	65,166	67,121
Economic services	280,984	289,412	298,095	307,039	316,251	325,739	335,511	345,577
Other property and services	361,745	372,597	383,775	395,290	407,149	419,363	431,945	444,904
	70,836,683	72,980,919	75,192,440	77,965,562	80,845,579	83,827,242	86,922,440	90,135,118
<b>Expenses excluding finance costs</b>								
Governance	( 8,399,575)	( 8,605,398)	( 8,814,932)	( 9,035,832)	( 9,262,770)	( 9,495,837)	( 9,735,232)	( 9,980,999)
General purpose funding	( 745,723)	( 762,168)	( 778,784)	( 796,552)	( 814,772)	( 833,452)	( 852,605)	( 872,245)
Law, order, public safety	( 2,549,793)	( 2,601,278)	( 2,653,922)	( 2,710,579)	( 2,769,465)	( 2,829,560)	( 2,891,309)	( 2,952,453)
Health	( 1,971,507)	( 2,010,016)	( 2,048,572)	( 2,090,565)	( 2,133,543)	( 2,177,509)	( 2,222,501)	( 2,268,490)
Education and welfare	( 377,430)	( 385,420)	( 393,828)	( 402,769)	( 412,264)	( 421,923)	( 431,903)	( 441,347)
Community amenities	( 18,849,042)	( 19,595,285)	( 19,910,535)	( 20,412,811)	( 21,089,557)	( 21,505,522)	( 22,083,050)	( 22,675,981)
Recreation and culture	( 21,855,876)	( 22,349,984)	( 22,883,032)	( 23,441,189)	( 24,044,103)	( 24,655,933)	( 25,291,336)	( 25,871,752)
Transport	( 15,112,608)	( 15,477,827)	( 15,935,963)	( 16,400,802)	( 16,960,322)	( 17,516,343)	( 18,107,898)	( 18,520,421)
Economic services	( 1,656,892)	( 1,687,590)	( 1,718,165)	( 1,751,760)	( 1,786,094)	( 1,821,183)	( 1,857,049)	( 1,893,710)
Other property and services	( 1,705,179)	( 1,567,348)	( 1,420,022)	( 1,287,211)	( 1,152,134)	( 1,009,304)	( 860,503)	( 694,049)
	( 73,223,625)	( 75,042,314)	( 76,557,755)	( 78,330,070)	( 80,425,024)	( 82,266,566)	( 84,333,386)	( 86,171,447)

## Kalamunda Accountable: Long Term Financial Plan to 2036

	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
	<b>2028-29</b>	<b>2029-30</b>	<b>2030-31</b>	<b>2031-32</b>	<b>2032-33</b>	<b>2033-34</b>	<b>2034-35</b>	<b>2035-36</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Finance costs</b>	( 98,326)	( 70,608)	( 45,068)	( 29,200)	( 23,240)	( 20,666)	( 18,028)	( 15,326)
Recreation and culture	1,319,748	461,192	0	0	0	0	0	0
Transport	7,260,867	7,840,300	8,916,393	9,325,200	10,043,573	10,515,533	11,140,866	4,000,000
Other property and services	0	0	0	0	0	0	0	0
	8,580,615	8,301,492	8,916,393	9,325,200	10,043,573	10,515,533	11,140,866	4,000,000
Share of net profit of associates and joint ventures accounted for using the equity method	1,108,079	1,124,700	1,141,571	1,158,695	1,176,075	1,193,716	1,211,622	1,229,796
<b>NET RESULT</b>	<b>7,203,426</b>	<b>7,294,189</b>	<b>8,647,581</b>	<b>10,090,187</b>	<b>11,616,963</b>	<b>13,249,259</b>	<b>14,923,514</b>	<b>9,178,141</b>

Kalamunda Accountable: Long Term Financial Plan to 2036

**Summarised Statement of Financial Activity (Rate Setting Statement)**

	1	2	3	4	5	6	7
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	\$	\$	\$	\$	\$	\$	\$
<b>FUNDING FROM OPERATIONAL ACTIVITIES</b>							
<b>Revenues</b>		782,756	798,411	1,221,569	1,258,216	1,295,962	1,334,841
Rates	39,137,784	39,920,540	40,718,951	41,940,520	43,198,736	44,494,698	45,829,539
All other operating revenue	19,742,533	19,913,584	20,294,911	20,924,864	21,571,279	22,237,583	22,926,382
	58,880,317	59,834,124	61,013,862	62,865,384	64,770,015	66,732,281	68,755,921
<b>Expenses</b>							
Cash operating expenditure	(53,580,683)	(52,727,852)	(53,720,976)	(55,413,589)	(57,148,680)	(58,329,379)	(59,592,885)
<b>Net funding available from operational activities</b>	<b>5,299,634</b>	<b>7,106,272</b>	<b>7,292,886</b>	<b>7,451,795</b>	<b>7,621,335</b>	<b>8,402,902</b>	<b>9,163,036</b>
<b>Net capital program (excluding carry over projects)</b>	<b>(23,234,478)</b>	<b>(3,915,504)</b>	<b>(5,288,703)</b>	<b>(5,728,964)</b>	<b>(5,867,799)</b>	<b>(6,283,978)</b>	<b>(7,336,562)</b>
<b>Net borrowings</b>	<b>(1,027,997)</b>	<b>(978,695)</b>	<b>(1,011,823)</b>	<b>(992,202)</b>	<b>(900,002)</b>	<b>(934,094)</b>	<b>(911,067)</b>
<b>Net reserve transfers</b>	<b>14,605,032</b>	<b>(980,542)</b>	<b>(1,447,375)</b>	<b>(639,074)</b>	<b>(608,506)</b>	<b>(714,592)</b>	<b>(621,739)</b>
Opening surplus/(deficit) July 1	4,424,345	202,679	1,129,210	364,195	140,750	65,778	211,016
<b>Estimated surplus/(deficit) for the year ended 30 June</b>	<b>66,535</b>	<b>1,434,210</b>	<b>674,195</b>	<b>455,750</b>	<b>385,778</b>	<b>536,016</b>	<b>504,684</b>



## Kalamunda Accountable: Long Term Financial Plan to 2036

	8	9	10	11	12	13	14	15
	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>	1,374,886	1,416,132	1,458,616	2,003,167	2,083,293	2,166,626	2,253,290	2,343,421
Rates	47,204,425	48,620,557	50,079,173	52,082,340	54,165,633	56,332,259	58,585,549	60,928,970
All other operating revenue	23,632,258	24,360,362	25,113,267	25,883,222	26,679,946	27,494,983	28,336,891	29,206,148
	70,836,683	72,980,919	75,192,440	77,965,562	80,845,579	83,827,242	86,922,440	90,135,118
<b>Expenses</b>								
Cash operating expenditure	(60,805,576)	(62,299,193)	(63,362,421)	(64,692,829)	(66,225,733)	(67,520,204)	(68,995,416)	(70,506,711)
<b>Net funding available from operational activities</b>	<b>10,031,107</b>	<b>10,681,726</b>	<b>11,830,019</b>	<b>13,272,733</b>	<b>14,619,846</b>	<b>16,307,038</b>	<b>17,927,024</b>	<b>19,628,407</b>
<b>Net capital program (excluding carry over projects)</b>	<b>(8,398,874)</b>	<b>(8,638,618)</b>	<b>(10,466,325)</b>	<b>(11,568,179)</b>	<b>(13,494,653)</b>	<b>(14,851,264)</b>	<b>(16,164,640)</b>	<b>(18,173,001)</b>
<b>Net borrowings</b>	<b>( 531,043)</b>	<b>( 558,621)</b>	<b>( 334,017)</b>	<b>( 223,952)</b>	<b>( 103,976)</b>	<b>( 106,549)</b>	<b>( 109,187)</b>	<b>( 111,890)</b>
<b>Net reserve transfers</b>	<b>( 727,955)</b>	<b>( 835,236)</b>	<b>( 1,043,588)</b>	<b>( 1,054,022)</b>	<b>( 1,064,564)</b>	<b>( 1,075,211)</b>	<b>( 1,385,962)</b>	<b>( 899,820)</b>
Opening surplus/(deficit) July 1	174,684	212,919	522,170	163,259	239,839	( 158,508)	( 244,494)	( 342,259)
<b>Estimated surplus/(deficit) for the year ended 30 June</b>	<b>547,919</b>	<b>862,170</b>	<b>508,259</b>	<b>589,839</b>	<b>196,492</b>	<b>115,506</b>	<b>22,741</b>	<b>101,437</b>

Kalamunda Accountable: Long Term Financial Plan to 2036

**Statement of Financial Position**

	1	2	3	4	5	6	7
	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28
	\$	\$	\$	\$	\$	\$	\$
<b>CURRENT ASSETS</b>							
Unrestricted cash and cash equivalents	1,191,087	2,635,436	3,900,940	5,820,943	7,902,579	10,217,820	12,365,125
Restricted cash and cash equivalent	1,423,992	2,404,534	3,851,909	4,490,983	5,099,489	5,814,081	6,435,820
Financial assets	311,257	311,257	311,257	311,257	311,257	311,257	311,257
Trade and other receivables	3,396,443	3,397,599	3,396,268	3,394,777	3,395,834	3,396,953	3,381,618
Inventories	116,822	116,822	116,822	116,822	116,822	116,822	116,822
Other assets	403,636	503,636	603,636	603,636	603,636	603,636	603,636
<b>TOTAL CURRENT ASSETS</b>	<b>6,843,237</b>	<b>9,369,284</b>	<b>12,180,832</b>	<b>14,738,418</b>	<b>17,429,617</b>	<b>20,460,569</b>	<b>23,214,278</b>
<b>NON-CURRENT ASSETS</b>							
Financial assets	226,335	226,335	226,335	226,335	226,335	226,335	226,335
Other receivables	1,005,589	985,244	966,230	948,707	930,127	910,428	906,064
Inventories	386,067	386,067	386,067	386,067	386,067	386,067	386,067
Other assets	28,756,019	27,251,019	25,741,019	24,226,019	22,706,019	21,181,019	19,651,019
Property plant and equipment	138,914,046	140,351,424	141,983,378	142,260,625	143,153,342	144,393,437	145,547,945
Infrastructure	402,191,015	408,198,463	417,327,180	426,007,155	434,300,419	442,460,485	451,460,693
Intangible assets	865,958	865,958	865,958	865,958	865,958	865,958	865,958
<b>TOTAL NON-CURRENT ASSETS</b>	<b>572,345,029</b>	<b>578,264,510</b>	<b>587,496,167</b>	<b>594,920,866</b>	<b>602,568,267</b>	<b>610,423,729</b>	<b>619,044,081</b>
<b>TOTAL ASSETS</b>	<b>579,188,266</b>	<b>587,633,794</b>	<b>599,676,999</b>	<b>609,659,284</b>	<b>619,997,884</b>	<b>630,884,298</b>	<b>642,258,359</b>
<b>CURRENT LIABILITIES</b>							
Trade and other payables	8,776,832	7,274,332	7,269,332	7,261,832	7,251,832	7,239,332	7,224,332
Contract liabilities	2,214,705	2,214,705	2,214,705	2,214,705	2,214,705	2,214,705	2,214,705
Current portion of long-term liabilities	997,884	1,032,168	1,011,216	917,525	952,674	930,766	535,407
Provisions	3,896,505	3,591,505	3,281,505	2,966,505	2,646,505	2,321,505	1,991,505
<b>TOTAL CURRENT LIABILITIES</b>	<b>15,885,926</b>	<b>14,112,710</b>	<b>13,776,758</b>	<b>13,360,567</b>	<b>13,065,716</b>	<b>12,706,308</b>	<b>11,965,949</b>

Kalamunda Accountable: Long Term Financial Plan to 2036

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
	<b>30 June 22</b>	<b>30 June 23</b>	<b>30 June 24</b>	<b>30 June 25</b>	<b>30 June 26</b>	<b>30 June 27</b>	<b>30 June 28</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NON-CURRENT LIABILITIES</b>							
Long-term borrowings	7,466,734	6,434,566	5,423,350	4,505,825	3,553,151	2,622,385	2,086,978
Provisions	362,263	362,263	362,263	362,263	362,263	362,263	362,263
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>7,828,997</b>	<b>6,796,829</b>	<b>5,785,613</b>	<b>4,868,088</b>	<b>3,915,414</b>	<b>2,984,648</b>	<b>2,449,241</b>
<b>TOTAL LIABILITIES</b>	<b>23,714,923</b>	<b>20,909,539</b>	<b>19,562,371</b>	<b>18,228,655</b>	<b>16,981,130</b>	<b>15,690,956</b>	<b>14,415,190</b>
<b>NET ASSETS</b>	<b>555,473,343</b>	<b>566,724,255</b>	<b>580,114,628</b>	<b>591,430,629</b>	<b>603,016,754</b>	<b>615,193,342</b>	<b>627,843,169</b>

## Kalamunda Accountable: Long Term Financial Plan to 2036

	8	9	10	11	12	13	14	15
	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36
	\$	\$	\$	\$	\$	\$	\$	\$
<b>CURRENT ASSETS</b>								
Unrestricted cash and cash equivalents	14,600,873	17,121,758	18,988,852	21,306,061	23,163,223	25,347,887	27,536,178	29,911,604
Restricted cash and cash equivalent	7,163,775	7,999,011	9,042,599	10,096,621	11,161,185	12,236,396	13,622,358	14,522,178
Financial assets	311,257	311,257	311,257	311,257	311,257	311,257	311,257	311,257
Trade and other receivables	3,377,254	3,377,254	3,377,254	3,377,254	3,377,254	3,377,254	3,377,254	3,377,254
Inventories	116,822	116,822	116,822	116,822	116,822	116,822	116,822	116,822
Other assets	603,636	603,636	603,636	603,636	603,636	603,636	603,636	603,636
<b>TOTAL CURRENT ASSETS</b>	<b>26,173,617</b>	<b>29,529,738</b>	<b>32,440,420</b>	<b>35,811,651</b>	<b>38,733,377</b>	<b>41,993,252</b>	<b>45,567,505</b>	<b>48,842,751</b>
Financial assets	226,335	226,335	226,335	226,335	226,335	226,335	226,335	226,335
Other receivables	906,064	906,064	906,064	906,064	906,064	906,064	906,064	906,064
Inventories	386,067	386,067	386,067	386,067	386,067	386,067	386,067	386,067
Other assets	18,116,019	16,576,019	15,031,019	13,481,019	11,926,019	10,366,019	8,801,019	7,231,019
Property plant and equipment	146,597,688	147,344,217	149,455,984	151,858,806	154,712,670	157,997,259	161,212,950	161,586,661
Infrastructure	462,207,662	473,112,772	484,835,394	497,555,796	512,145,340	527,845,695	545,257,853	560,381,729
Intangible assets	865,958	865,958	865,958	865,958	865,958	865,958	865,958	865,958
<b>TOTAL NON-CURRENT ASSETS</b>	<b>629,305,793</b>	<b>639,417,432</b>	<b>651,706,821</b>	<b>665,280,045</b>	<b>681,168,453</b>	<b>698,593,397</b>	<b>717,656,246</b>	<b>731,583,833</b>
<b>TOTAL ASSETS</b>	<b>655,479,410</b>	<b>668,947,170</b>	<b>684,147,241</b>	<b>701,091,696</b>	<b>719,901,830</b>	<b>740,586,649</b>	<b>763,223,751</b>	<b>780,426,584</b>

## Kalamunda Accountable: Long Term Financial Plan to 2036

	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
	<b>30 June 29</b>	<b>30 June 30</b>	<b>30 June 31</b>	<b>30 June 32</b>	<b>30 June 33</b>	<b>30 June 34</b>	<b>30 June 35</b>	<b>30 June 36</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>CURRENT LIABILITIES</b>								
Trade and other payables	7,206,832	7,186,832	7,164,332	7,139,332	7,111,832	7,081,832	7,049,332	7,014,332
Contract liabilities	2,214,705	2,214,705	2,214,705	2,214,705	2,214,705	2,214,705	2,214,705	2,214,705
Current portion of long-term liabilities	558,621	334,017	223,952	103,976	106,549	109,187	111,890	114,661
Provisions	1,656,505	1,316,505	971,505	621,505	266,505	( 93,495)	( 458,495)	( 828,495)
<b>TOTAL CURRENT LIABILITIES</b>	<b>11,636,663</b>	<b>11,052,059</b>	<b>10,574,494</b>	<b>10,079,518</b>	<b>9,699,591</b>	<b>9,312,229</b>	<b>8,917,432</b>	<b>8,515,203</b>
Long-term borrowings	1,528,357	1,194,340	970,388	866,412	759,863	650,676	538,786	424,125
Provisions	362,263	362,263	362,263	362,263	362,263	362,263	362,263	362,263
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,890,620</b>	<b>1,556,603</b>	<b>1,332,651</b>	<b>1,228,675</b>	<b>1,122,126</b>	<b>1,012,939</b>	<b>901,049</b>	<b>786,388</b>
<b>TOTAL LIABILITIES</b>	<b>13,527,283</b>	<b>12,608,662</b>	<b>11,907,145</b>	<b>11,308,193</b>	<b>10,821,717</b>	<b>10,325,168</b>	<b>9,818,481</b>	<b>9,301,591</b>
<b>NET ASSETS</b>	<b>641,952,127</b>	<b>656,338,508</b>	<b>672,240,096</b>	<b>689,783,503</b>	<b>709,080,113</b>	<b>730,261,481</b>	<b>753,405,270</b>	<b>771,124,993</b>

Kalamunda Accountable: Long Term Financial Plan to 2036

## Statement of Equity

	1	2	3	4	5	6	7
	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28
	\$	\$	\$	\$	\$	\$	\$
<b>RETAINED SURPLUS</b>							
Opening balance	237,084,126	254,068,533	258,297,889	264,103,215	268,495,946	272,985,990	277,838,034
Net result	5,408,399	5,209,898	7,252,701	5,031,805	5,098,550	5,566,636	5,888,330
Amount transferred (to)/from reserves	11,576,008	( 980,542)	( 1,447,375)	( 639,074)	( 608,506)	( 714,592)	( 621,739)
Closing balance	<u>254,068,533</u>	<u>258,297,889</u>	<u>264,103,215</u>	<u>268,495,946</u>	<u>272,985,990</u>	<u>277,838,034</u>	<u>283,104,625</u>
<b>RESERVES - CASH/INVESTMENT BACKED</b>							
Opening balance	9,359,702	( 2,216,306)	( 1,235,764)	211,611	850,685	1,459,191	2,173,783
Amount transferred to/(from) retained surplus	( 11,576,008)	980,542	1,447,375	639,074	608,506	714,592	621,739
Closing balance	<u>( 2,216,306)</u>	<u>( 1,235,764)</u>	<u>211,611</u>	<u>850,685</u>	<u>1,459,191</u>	<u>2,173,783</u>	<u>2,795,522</u>
<b>ASSET REVALUATION SURPLUS</b>							
Opening balance	296,462,604	303,621,116	309,662,130	315,799,802	322,083,998	328,571,573	335,181,525
Movement	7,158,512	6,041,014	6,137,672	6,284,196	6,487,575	6,609,952	6,761,497
Closing balance	<u>303,621,116</u>	<u>309,662,130</u>	<u>315,799,802</u>	<u>322,083,998</u>	<u>328,571,573</u>	<u>335,181,525</u>	<u>341,943,022</u>
<b>TOTAL EQUITY</b>	<u>555,473,343</u>	<u>566,724,255</u>	<u>580,114,628</u>	<u>591,430,629</u>	<u>603,016,754</u>	<u>615,193,342</u>	<u>627,843,169</u>

## Kalamunda Accountable: Long Term Financial Plan to 2036

	8	9	10	11	12	13	14	15
	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36
	\$	\$	\$	\$	\$	\$	\$	\$
<b>RETAINED SURPLUS</b>								
Opening balance	283,104,625	289,580,096	296,039,049	303,643,042	312,679,207	323,231,606	335,405,654	348,943,206
Net result	7,203,426	7,294,189	8,647,581	10,090,187	11,616,963	13,249,259	14,923,514	9,178,141
Amount transferred (to)/from reserves	(727,955)	(835,236)	(1,043,588)	(1,054,022)	(1,064,564)	(1,075,211)	(1,385,962)	( 899,820)
Closing balance	289,580,096	296,039,049	303,643,042	312,679,207	323,231,606	335,405,654	348,943,206	357,221,527
<b>RESERVES - CASH/INVESTMENT BACKED</b>								
Opening balance	2,795,522	3,523,477	4,358,713	5,402,301	6,456,323	7,520,887	8,596,098	9,982,060
Amount transferred to/(from) retained surplus	727,955	835,236	1,043,588	1,054,022	1,064,564	1,075,211	1,385,962	899,820
Closing balance	3,523,477	4,358,713	5,402,301	6,456,323	7,520,887	8,596,098	9,982,060	10,881,880
<b>ASSET REVALUATION SURPLUS</b>								
Opening balance	341,943,022	348,848,554	355,940,746	363,194,753	370,647,973	378,327,620	386,259,729	394,480,004
Movement	6,905,532	7,092,192	7,254,007	7,453,220	7,679,647	7,932,109	8,22,275	8,541,582
Closing balance	348,848,554	355,940,746	363,194,753	370,647,973	378,327,620	386,259,729	394,480,004	403,021,586
<b>TOTAL EQUITY</b>	<b>641,952,127</b>	<b>656,338,508</b>	<b>672,240,096</b>	<b>689,783,503</b>	<b>709,080,113</b>	<b>730,261,481</b>	<b>753,405,270</b>	<b>771,124,993</b>

Kalamunda Accountable: Long Term Financial Plan to 2036

## Conclusion

The City is rich in diversity, characterised by the unique tourism opportunities on offer in the Bickley Valley, the spectacular views from the hills, the amazing bike trails, the freight and logistics opportunities in High Wycombe and the new housing developments within Wattle Grove. The plan provides a financial solution to meeting the competing demands for the provision of services and facilities to the community.

At the time of developing the plan, economic uncertainty is a constant theme which demands that the City is agile and responsive to changing economic conditions. The plan will be reviewed every 12 months to reflect the prevailing economic conditions and changes in community demands. Careful consideration has been given to the economic drivers that will influence the future costs of providing infrastructure, facilities, and services for the period 2021/22 to 2035/36.

The plan is focused on financial sustainability which is underpinned by the following principles:

### Sustainability

Ensuring the City can afford to pay for all its services and manage its assets over the long term.

### Responsibility

Making financial decisions that provide the greatest level of efficacy for the City and its community.

### Accountability

Being compliant with all required financial management regulations.

### Transparency

Ensuring full and proper disclosure of the City's financial arrangements at all times.

### Innovation

To find creative ways and take calculated risks to maximise opportunities to increase revenue or reduce costs.



## Kalamunda Accountable: Long Term Financial Plan to 2036

The City's financial sustainability is measured by the Financial Health Index (FHI) which is formulated annually via a series of financial ratios. To this extent the City places strong emphasis on:

- Strengthening operating results to ensure long term financial sustainability
- Strategic use of borrowings to fund intergenerational assets or those assets with the capacity to produce an income stream
- Maintaining tight control over expenditure growth
- Building cash reserves to meet future needs
- Maintaining a fair and equitable rating structure, with rate increases tied to CPI where possible
- No new discretionary services, unless a corresponding revenue stream is identified
- Regular review of service levels balancing community needs and affordability
- Use of Developer Contribution Schemes to fund key infrastructure
- Advocacy to generate government funding support
- Focusing on continuous improvement to drive efficiencies (smart technologies)
- Use of benchmarking to achieve best practice
- Strategic management of assets ensuring underutilized assets are reviewed
- Revenue diversification
- Consideration of lease, buy, borrow funding sources

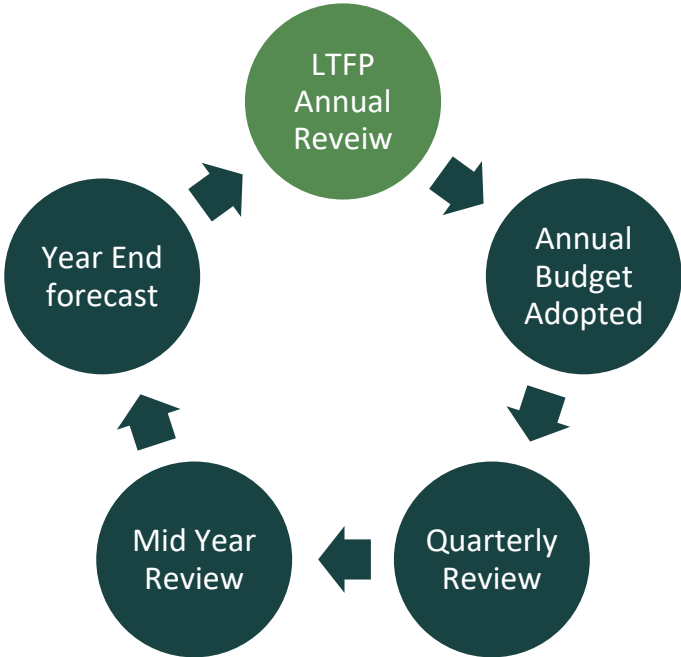
It is projected that the City will maintain a positive FHI averaged at 77 over the life of the Plan.

The plan is particularly sensitive to price movements and potentially movements in interest rates. The current climate of low inflation and low interest rates means that the impact of price and interest drivers is likely to see upward movements in many economic indicators.

Kalamunda Accountable: Long Term Financial Plan to 2036

**Implementation and Review**

The City's LTFP will be reviewed each year in conjunction with the approval of the Annual Budget. The current year of the LTFP will be removed and a new outer year will be added. Council will review an adopted the LTFP alongside of the annual budget.



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