

# TOWN OF CAMBRIDGE

2023/24 – 2037/38  
Strategic Resource Plan



Town of  
Cambridge

# Message

FROM THE MAYOR AND CHIEF EXECUTIVE OFFICER

The Town of Cambridge acknowledges the Traditional Custodians of the land we are working on, the Whadjuk people. We would like to pay respect to the Elders of the Noongar nation, past, present and future, who have walked and cared for the land and we acknowledge and respect their continuing culture and the contributions made to the life of this Town and this region.

## We are pleased to present the Town of Cambridge Strategic Resource Plan for 2024 – 2038.

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

As the next 15 years unfold, the Town will encounter many challenges and opportunities. In the face of economic uncertainty, we strive to maintain a strong focus on sound financial management and a clear understanding of our capacity to meet evolving community needs and expectations.

We continue to work with our community and stakeholders to develop the Town's strategic direction and ensure our planning is both comprehensive and responsive to community needs. Should you have any inquiries, we welcome members of the community to contact a Councillor or Senior Council staff members.

The Town of Cambridge's Strategic Resource Plan is an important planning tool as we strive to achieve the outcomes and objectives of the Town's Strategic Community Plan and Corporate Business Plan. This integrated reporting process drives the Town to achieve its vision of:

*Cambridge: a naturally beautiful town that connects our vibrant community and thriving local economy from inner city to beach.*

With the implementation of this strategic plan, the Town of Cambridge promotes a sustainable future and an ongoing commitment to providing quality services to complement the needs of the community.

**Gary Mack**  
Mayor

**Gary Tuffin**  
Chief Executive Officer



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# 1 Executive Summary

The following information provides a summary of the 2024 – 2038 Strategic Resource Plan and should be read in conjunction with the underlying assumptions detailed in this Plan.



## Planning for a Sustainable and Stable Future

The Town of Cambridge is strategically planning for a positive and stable future. The Town seeks to maintain, and where possible enhance, service levels in the long term while maintaining a healthy financial position.



## Forecast Revenue, Expenses and Net Result

The Town is forecast to receive steady income from both rate revenue and fees and charges. A substantial return on the investment in Catalina Estate is anticipated within the first six years of the Plan. Significant revenue from the sale of land is also projected for the fiscal year 2025/26. Regarding the Town's financial performance, the Town plans to deliver a sustainable financial position over the forecast period.



## Rates Revenue

The Plan includes a 2.0% rate increase in 2023/24, and rate revenue has been modelled to increase by 3.0% p.a. from 2024/25 onwards for the duration of the Plan, taking into account the Town's financial performance from normal operations and the scenario analysis completed in section 14. This will contribute to the Town's long-term financial stability and help maintain the required level of service to the community. Rates are expected to generate \$27.1m in 2023/24, increasing to \$40.9m in 2037/38.



## Significant Issues

A key priority for the Town is to sustain an operational surplus amid the economic headwinds forecast in the short term. Currently, contracts for goods and services, as well as employee wages, are experiencing notable increases. Therefore, it is critical this SRP is revised annually. This will accommodate for changes in the Town's underlying cost drivers and impact (if any) on future rate adjustments which are required for maintaining a positive net result.



## Forecast Borrowings and Cash Reserves

The Town has no outstanding borrowings, and this is projected to remain stable for the duration of the Plan. Cash backed reserves decrease slightly over the term of the Plan. The strategy for funding major projects includes leveraging funds from operations to minimise the reliance on reserve funding.



## Planned Asset Expenditure

A total planned expenditure of \$255.3m is forecast for new, renewal and upgrade asset expenditure over the term of the Plan. New asset expenditure comprises of \$46.3m for the 15-year forecast.



## Required Renewal and Upgrade Expenditure

Required expenditure for asset renewals and upgrades has been estimated by considering forecast renewal costs and the Town's Strategic Asset Management Plan. Total asset renewals and upgrades of \$209.0m are forecast over the term of the Plan.



## Required v Planned Asset Renewal and Upgrade Expenditure

The Town's Strategic Asset Management Plan estimates required asset renewals of \$205.4m over the duration of the Plan. Accordingly, a modest renewal funding deficit of \$3.6m is forecast, primarily driven by planned renewal and upgrade expenditures in 2032/33 and beyond.



## Forecast Ratios 2024 – 2038

Monitoring the Town's financial flexibility, financial position and asset management performance involves preparing and monitoring various statutory ratios:

- Current Ratio exceeds the standard target for the term of the Plan.
- Operating Surplus Ratio falls below the target. This is due to the impact of the projected rise in operational costs and depreciation expense on the Town.
- Rates Cover Ratio aligns with the standard target.
- Asset Sustainability Ratio falls marginally below the standard as the Plan progresses. This is due to the long remaining useful life of the Town's assets.

Detailed analysis of each ratio is provided in section 13 of this Plan.



# 2 Overview

The following overview summarises the Town's long term strategic planning processes, forecast significant events, asset management, financial management strategy and key assumptions.

## 2.1 Planning Process

A financial baseline was established by leveraging the 2022/23 Annual Financial Report and the 2023/24 Annual Budget. Financial assumptions were established and forecast based on various metrics, including operating revenue and expenditure as indicated by CPI and LGCI expectations.

For asset renewal planning, a condition-based estimate for future renewal demand considers factors such as where and when an asset is constructed, its decay over time and rehabilitation requirements. Modelling determined the long-term funding necessary for future asset renewal and upgrade requirements.

It is important to note that specific capital works forecast in this Plan, and intended to be funded by external contributions, may face postponement or a reduction in scale if external funding does not materialise.

## 2.2 Forecast Significant Events

Maintaining roads, lanes and community facilities is a priority for the Town due to high community demand. Significant renewal and upgrade expenditure is anticipated for 2024/25 and 2026/27 for the Town's major community buildings. The long remaining useful life of these assets results in annual depreciation expense being higher than forecast asset renewal and upgrade expenditure. This is not considered to be indicative of any threat to the financial management of the Town.

Notable projects in this Plan include the Floreat Surf Life Saving Club construction upgrade and significant expenditure on disability access improvement for many of the Town's facilities. Capital projects forecast for 2025/26 and 2026/27 currently include significant capital expenditure for the development and construction of the Lake Monger hockey facilities.

In compliance with the Town's Coastal Hazard Risk Management and Adaptation Plan (CHRMAP), \$4m in capital expenditure has been allocated in 2029/2030. These funds are currently designated for the Floreat foreshore, however, specific details regarding the expenditure allocation are yet to be determined as the Town manages the naturally changing coastline.

In 2023/24, the Town received a deposit for the sale of land at Ocean Village, with proceeds from the sale expected in 2025/26. Investments in regional councils provide a substantial cash injection for the Town from 2023/24 to 2028/29, with an anticipated \$16m from profit on investment and the sale of land at Catalina Estate forecast over this period.

## 2.3 Asset Management

Asset Management provides detailed information on the type, condition, and anticipated renewal requirements of assets. The Town's Strategic Asset Management Plan (SAMP) captures and presents the Town's asset management policies, principles, and practices. This ensures that physical assets maintain the required level of service in the most cost-effective manner.

Asset management plans have been developed for each major asset class, including, but not limited to urban roads, pathways, storm water, buildings and parks. The SAMP and the Asset Management Policy inform the Town's Strategic Resource Plan, demonstrating financial and asset sustainability.

Whilst acknowledging that a large proportion of assets have been constructed with external financial contributions and previous rates payments, the Town endeavours, within its financial capacity, to maintain these assets into the future. A strategic approach aligning estimated asset useful lives within the forecast financial capacity aims to ensure the long-term affordability of Town assets.

To ensure funding is available for the renewal of assets beyond the term of the current Plan, the Town aims to accumulate funds in cash backed reserves.

## 2.4 Financial Management Strategy

Aligning operational revenues and expenditures to ensure sufficient provision for future asset renewals is a fundamental aspect of the Town's overarching financial strategy. To implement this strategy, 3% p.a. rate increases are modelled from 2024/25 onwards. Maintaining operating expenditures in accordance with CPI and LGCI forecasts is crucial to achieving this financial strategy.

The Town has not anticipated any borrowings for the duration of this Plan. This approach provides flexibility to respond to sudden or unforeseen expenditure requirements or the loss of planned external grant contributions.

## 2.5 Key Assumptions

The Plan has been prepared based on the following broad assumptions:

- Existing assets are projected to be adequately maintained, ensuring the continuation of current service levels;
- A commitment to maintaining or enhancing current service levels;
- Maintenance of cash reserves for future commitments; and
- Long term stability of both the Perth Metropolitan Region and State economy.

For a detailed analysis of the specific financial assumptions please refer to section 11.



# 3 Town Profile

## *About the Town of Cambridge*

The Town is an inner-city urban district where coastal living seamlessly merges with urban charm.

The Town is a prosperous region, shaped by a commitment to sustaining our locality for future generations through careful preservation of natural spaces, increasing digitisation and implementation of next generation technologies, and a strong sense of the unique identities of our neighbourhoods.

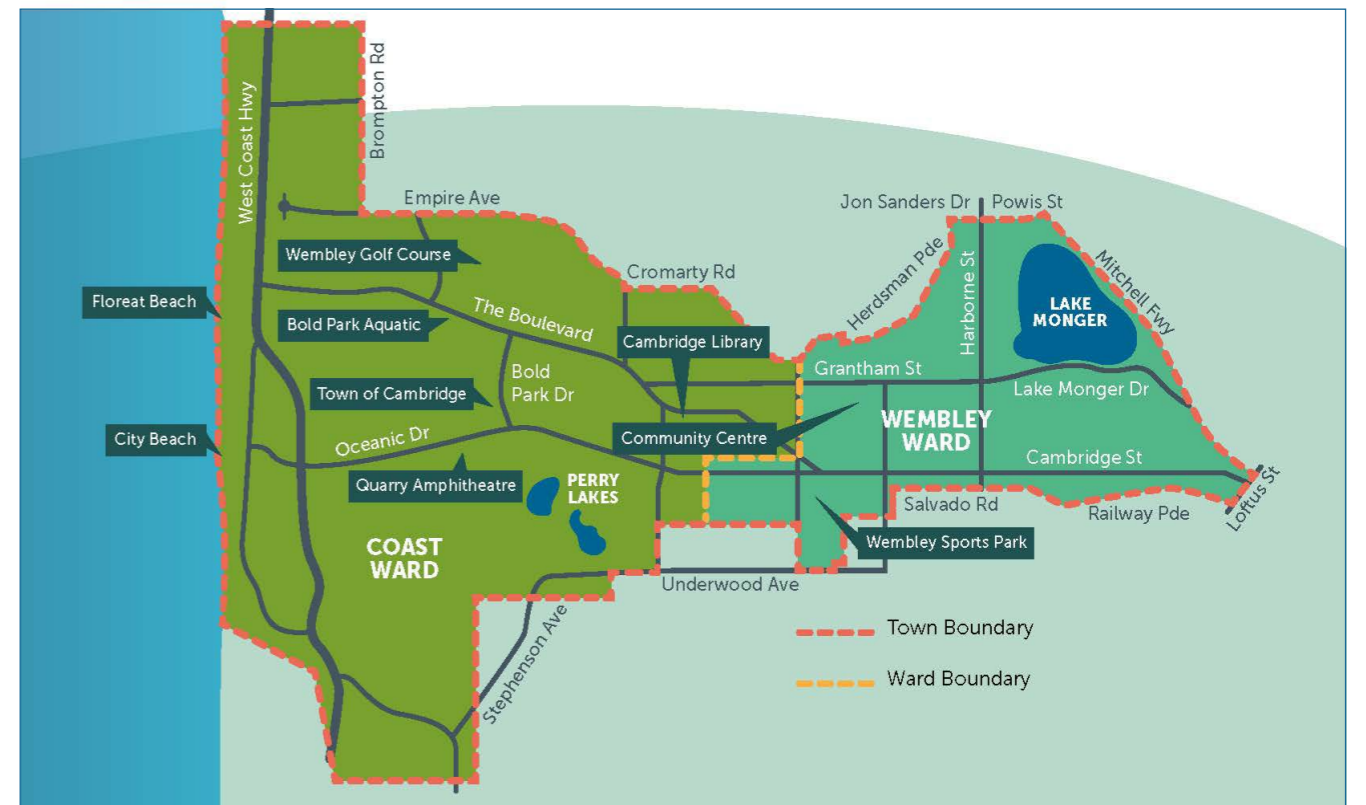
The district boasts some of metropolitan Perth's finest natural spaces, from stunning coastal stretches to lush bushland and beautiful open reserves.

A vital contributor to the State's economic output and tourism industry, the Town's boundaries encompass important attractions and iconic scenery, including the popular City Beach and Lake Monger precincts, Perry Lakes, Bold Park and the Quarry Amphitheatre.

Situated in Perth's western suburbs, just eight kilometres west of the Perth CBD, the Town covers an area of approximately 22 square kilometres. It includes the neighbourhoods of City Beach, Floreat, Wembley, West Leederville, and small sections of Mt Claremont and Wembley Downs.



The district boasts some of metropolitan Perth's finest natural spaces, from stunning coastal stretches to lush bushland and beautiful open reserves.



# 4 Key Statistics

*Our town, our community*



**30,119**  
Population

**21.97Km<sup>2</sup>**  
Land Area

**477Ha**  
Managed Open Space

**12,196**  
Rateable Properties

**18,828**  
Number of Electors

**9**  
Elected Members

**387**  
Employees

## Recreation Facilities

- 3 Bowling Clubs
- 3 Tennis Clubs
- 1 Croquet Club
- Bold Park Aquatic Centre
- Bold Park Botanic Gardens
- 40 Sporting Clubs
- Bridge Club
- 48 Community Associations who use our many sporting fields, community buildings & facilities
- Scout and Guide Groups
- 15 Bushland Conservation Areas
- Bold Park and Reabold Hill

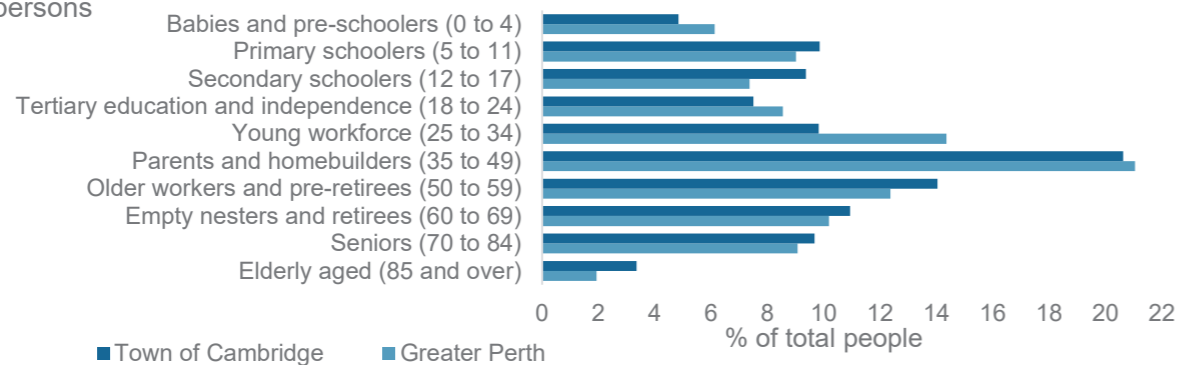
## Schools

- City Beach Primary
- Floreat Park Primary
- Holy Spirit Primary
- Kapinara Primary
- Lake Monger Primary
- Wembley Primary
- West Leederville Primary

## Age Structure Service Age Groups

Total persons

Service age group (years)





# 5 Strategic Direction

*Vision & Values*

## OUR VISION

A naturally beautiful Town that connects our vibrant community and thriving local economy from inner city to beach.

## OUR MISSION

We will maintain and enhance our very liveable suburbs, their streetscapes and character and our vibrant activity centres through strategic, cost-effective management of resources and an enhanced community experience based on a locals first philosophy.

## OUR VALUES

### Respect

We will acknowledge an individual's uniqueness and will treat them in a dignified and positive manner.

### Friendly & Helpful

We value our customers and work colleagues and will assist them in the best way we can.

### Teamwork

We believe teamwork is essential for improving our services and achieving our goals.

### Creativity

We can improve the way we do business by challenging the status quo.

### Integrity

We will act responsibly, place trust in each other and will be accountable for our actions.

## STRATEGIC OUTCOMES



OUR PEOPLE



OUR ECONOMY



OUR TOWN



OUR ENVIRONMENT

# 6 Integrated Planning

## *& Reporting Framework*

The Strategic Resource Plan forms a part of the Town's Integrated Planning and Reporting Framework and combines the Town's asset management and long-term financial plans. It provides a comprehensive overview of the resources required to achieve the outcomes and objectives of the Town's Strategic Community Plan and Corporate Business Plan that are a requirement of the Local Government (Administration) Regulations 1996. Alongside other key strategic initiatives, this Plan considers and influences workforce planning.

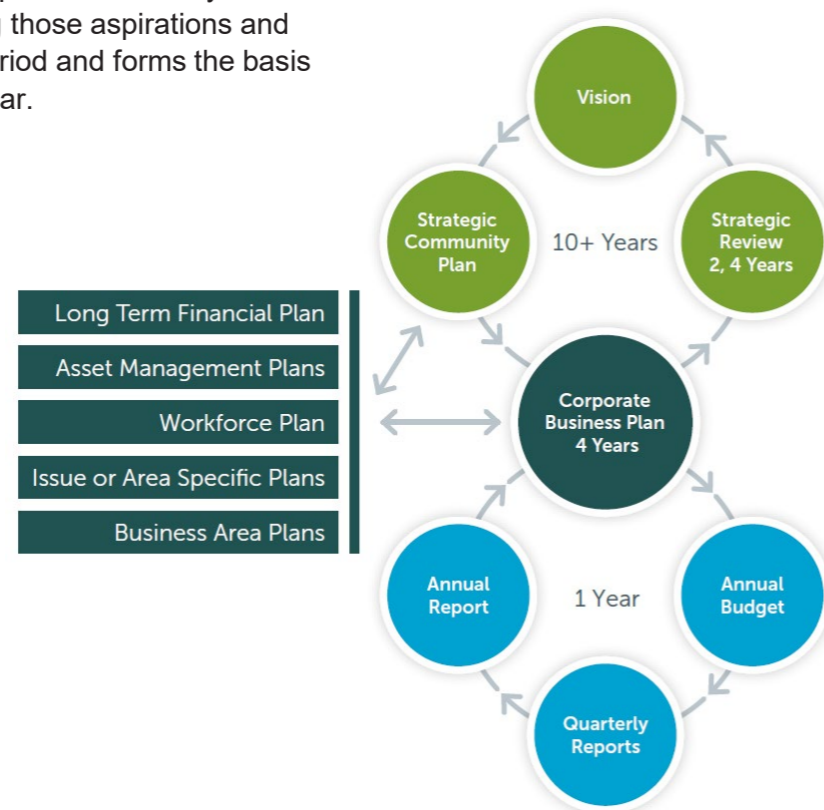
All local governments in Western Australia must comply with the Integrated Planning and Reporting (IPR) Framework. The entirety of the framework takes into consideration the community's aspirations alongside available resources to deliver the best possible result.

Within this, the Strategic Community Plan sets out the vision, aspirations and objectives of the community over a 10-year period. To remain consistent with community needs, the Strategic Community Plan acts as a "rolling" plan which is reviewed every two years. These reviews alternate between a minor and major review.

The Corporate Business Plan details priorities and key actions to be taken towards achieving those aspirations and objectives over a shorter four-year period and forms the basis of the Town's Annual Budget each year.

The LTFP, Asset Management Plans and Workforce Plan collectively shape the Strategic Community Plan and the Corporate Business Plan. The LTFP analyses the goals and strategic objectives outlined in the Integrated Planning and Reporting Framework, spanning a 15-year period.

The Annual Report offers an opportunity for the Town to provide updates on its progress against the Strategic Community Plan and Corporate Business Plan.





# 7 Strategic Asset

## Management Strategy

**The Strategic Asset Management Strategy consists of an efficient and reliable Strategic Asset Management Plan (SAMP) and Asset Management Policy.**

The development of a SAMP is a key requirement of the IPR Framework and communicates detailed information on the type, condition and expected renewal requirements of the Town's assets.

The asset management strategies capture and present the Town's asset management policies, principles and practices. This informs the Town's SRP and demonstrates financial and asset sustainability.

Asset management includes identifying needs, new infrastructure, operations, renewal, disposal of assets and maintenance programs. Good asset management identifies needs, financial implications, risks, and performance trade-offs, whilst considering the whole life of an asset.

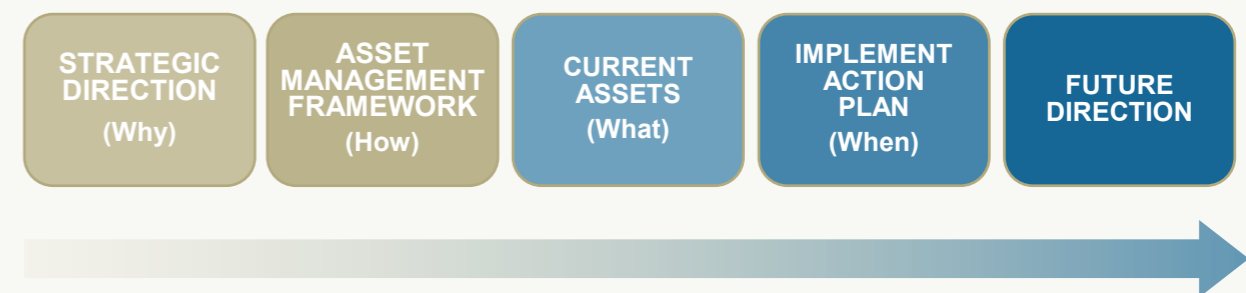
Asset Management Plans (AMPs) are developed for individual facilities or areas including urban roads, pathways, stormwater drains, bus shelters and parks and reserves. The comprehensive AMPs can be found on the Town's website and summaries are outlined in Annexures A1 to A7.

The Town's strategic asset management strategy is based on the following process and is underpinned by guiding documents, principles and objectives.



**This Strategic Resource Plan has been prepared to achieve compliance with the Local Government (Administration) Regulations 1996.**

### Strategic Asset Management Strategy





# 8 Our Services

 <b>OUR PEOPLE</b>	 <b>OUR ENVIRONMENT</b>	 <b>OUR TOWN</b>
<ul style="list-style-type: none"> <li>• Bold Park Aquatic Centre</li> <li>• Community Services</li> <li>• Welfare Services</li> <li>• Wembley Community Centre, Leederville</li> <li>• Town Hall &amp; Holyrood Pavilion</li> <li>• Senior Services</li> <li>• Library Services</li> <li>• Wembley Golf Course</li> <li>• Ranger and Community Safety Services</li> <li>• Parking Services</li> <li>• Beach Safety Services</li> <li>• Emergency Management</li> <li>• Street Lighting</li> <li>• Building Management Services</li> <li>• Ocean Beaches (City Beach and Floreat Beach)</li> <li>• Parks and Reserves</li> </ul>	<ul style="list-style-type: none"> <li>• Waste Management</li> <li>• Sustainability Services</li> <li>• Parks and Reserves</li> <li>• Lake Monger</li> <li>• Perry Lakes</li> <li>• Environmental Health and Building Safety Services</li> <li>• Development Assessments</li> <li>• Building Assessments</li> <li>• Strategic Town Planning Services</li> <li>• Roads and Lanes</li> <li>• Footpaths and Cycle Paths</li> <li>• Drainage</li> <li>• Street Furniture (bus shelters, seating, signage, bins, fencing etc.)</li> <li>• Car Parks</li> <li>• Road Reserves - Street Trees and Landscaping</li> <li>• Infrastructure Design and Assessment Services</li> </ul>	<ul style="list-style-type: none"> <li>• Governance Management</li> <li>• Financial Planning and Reporting</li> <li>• General Accounting</li> <li>• Payroll</li> <li>• Revenue Collection</li> <li>• Information</li> <li>• Technology</li> <li>• Customer Services</li> <li>• Corporate Communications</li> <li>• Organisation Planning and Performance</li> <li>• Organisation Development and Human Resources Management</li> <li>• Property Management</li> <li>• Contract Assurance</li> <li>• Document Management</li> <li>• Fleet, Plant and Depot Management</li> <li>• Asset Management Services</li> <li>• Grant Applications</li> </ul>
 <b>OUR ECONOMY</b>	<ul style="list-style-type: none"> <li>• Economic Development</li> <li>• Quarry Amphitheatre</li> <li>• The Boulevard Centre</li> </ul>	

Note: While the services have been grouped according to their primary focus area, the Town is mindful that many services contribute to more than one area.

## 8.1 Service Programs

The Town provides a wide variety of services to the community 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 Town of Cambridge.

	<b>General Purpose Funding</b> General rate revenue, interest for late payment, ex gratia rates, general purpose grants, untied road grants, interest on deferred rates, investment returns
	<b>Governance</b> Members of Council, civic receptions and functions, public relations, electoral, administration, finance.
	<b>Law, Order and Public Safety</b> Fire prevention, including the Emergency Services Levy, clearing for fire hazards, animal control, dog pound, local law control, public security, civil emergency services, beach inspections, surf lifesaving clubs, neighbourhood watch
	<b>Health</b> Maternal and infant health, food control, health inspections
	<b>Education and Welfare</b> Pre-schools, child care centres, aged and disabled services, welfare administration, youth services, donations to welfare organisations
	<b>Community Amenities</b> Rubbish collection, recycling, refuse site operations, public litter bins, town planning control/studies, environmental management
	<b>Recreation and Culture</b> Public halls, civic centres, beaches and swimming pool, golf course, parks, sports grounds, sports clubs, community recreation programs, library, community arts program, amphitheatre
	<b>Transport</b> Roads, footpaths, rights of way, drainage, road verges, median strips, underpasses, street lighting, street cleaning, street trees, traffic surveys, traffic management, depot, underground power
	<b>Economic Services</b> Building control, swimming pool inspections
	<b>Other Property and Services</b> Public works overheads, plant/vehicle operations, underground power, other property



# 9 Financial Overview

Financial Performance 23/24 – 37/38	Financial Position as at 37/38	Cash Flow 23/24 – 37/38
<b>\$1.04b</b> Operating Revenue	<b>\$41.4m</b> Working Capital	<b>\$161m</b> INFLOW Operational Cashflow
<b>\$504m</b> Rate Revenue	<b>\$653m</b> Net Assets	<b>(\$158m)</b> OUTFLOW Investing Cashflow
<b>(\$1.11b)</b> Operating Expenses	<b>\$46.3m</b> New Asset Expenditure	<b>(\$3.7m)</b> OUTFLOWS Financing Cashflow
<b>\$20.4m</b> Net Result	<b>\$209.0m</b> Planned Renewal & Upgrade Expenditure	

# 10 Risk Management

## 10.1 Risk Management

The Town offers a diverse range of services and facilities to the general public, exposing it to various risks considered in the preparation of this Plan. As part of the implementation of Integrated Planning and Reporting, the Town aims to formalise its risk-based management practices to enhance the management of identified risks.

Users of the information in this Plan should be aware that inherent risks are associated with the outcomes. Certain circumstances may result in changes that could materially impact the Plan's outcomes and projected results.

The Plan is formulated amid economic uncertainty and will undergo review every 12 months to align with prevailing economic conditions and changing community demands. Consideration has been given to the economic indicators influencing the cost of future capital expenditure and service requirements for the Town. The Plan details a financial solution to competing community demands.

This plan balances the funding needs of new, renewal and upgrade capital projects and existing service levels with rates and fees expectations, and the use of reserve funding. The Plan projects \$255.3m of capital expenditure over the 15-year forecast period. This will require consistent rate increases and substantial use of accumulated reserves in the initial four years to deliver its proposed outcome.

The Town's Endowment Lands Account is restricted under the Cambridge Endowment Lands Act 1920 and is not available for general use.

Detailed risk management assessments for each asset class are detailed in Appendix A1 to A7.

## 10.2 Certainty of Assumptions

A detailed analysis of the key assumptions utilised in the planning process is included in section 11. For specific projects, the accuracy in quantifying financial risks over a long period is hampered by uncertainties surrounding the availability of funding such as State and Federal government grants and contributions.

## 10.3 Sensitivity Analysis

In instances where a determination indicates a high degree of uncertainty in the assumptions, sensitivity analysis has been employed to assist in quantifying the potential financial impact of a change in the assumption. Assumptions characterised by both high uncertainty and substantial dollar value present the greatest risk, as movement will result in unexpected and adverse consequences.

The sensitivity analysis is detailed in section 14.



# 11 Key Assumptions

The following assumptions underpin the Long Term Financial Plan



## Rates

Aligned with the current budget, the Plan includes an increase of 2.0% in 2023/24. Forward estimates of 3.0% p.a. for the remainder of the Plan aims to ensure that the Town maintains operational stability and current service levels.



## Grants, Subsidies and Contributions

It is anticipated that operating and capital grants, subsidies and contributions will increase in alignment with CPI indicators and capital expenditure expectations.



## Fees and Charges

Fees and charges are expected to increase in line with CPI indicators. The anticipated growth is forecast to be driven by the increased utilisation of the Town's sporting and community facilities.



## Interest Earnings

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. Sustained high interest rates are factored into the short term.



## Materials and Contracts

Materials and contracts are expected to increase conservatively with LGCI forecasts and persistent short-term CPI expectations.



## Utilities (electricity, gas, water)

Utilities are expected to increase conservatively with LGCI forecasts and persistent short-term CPI expectations.



## Interest Expense

The Town has no borrowings forecast for the duration of the Plan. Forecast lease (interest) costs are based on the lease terms and interest rate expectations.



## Employee Costs

It is anticipated employee costs will rise in accordance with wage growth expectations, ensuring the Town's ability to deliver its services and capital works.



## Insurance Expense

The LGCI has been utilised as an indicator to forecast insurance expense growth over the period.



## Depreciation

Depreciation has been calculated on a straight-line basis by employing an average depreciation rate for each asset class. Property, plant, equipment and infrastructure are reported at fair value. Asset revaluations have been forecast to align with historical trends based on useful life, asset characteristics and CPI indicators.

The Plan has been prepared having regard to the following operating assumptions.

## Operational Indicators

Fiscal Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34 2037/38
<b>Operating Revenues</b>										
Rates	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Grants, Subsidies and Contributions	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.50%
Fees and Charges	2.90%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.50%
Interest Earnings	3.50%	3.00%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.50%
Other revenue	2.90%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.50%
<b>Operating Expenses</b>										
Employee Costs	3.80%	3.50%	3.25%	3.00%	2.75%	2.75%	2.75%	2.75%	2.75%	2.50%
Materials and Contracts	5.00%	4.50%	4.00%	3.50%	3.00%	2.75%	2.75%	2.75%	2.75%	2.50%
Utility Charges	5.00%	4.50%	4.00%	3.50%	3.00%	2.75%	2.75%	2.75%	2.75%	2.50%
Insurance Expense	5.00%	4.50%	4.00%	3.50%	3.00%	2.75%	2.75%	2.75%	2.75%	2.50%
Other Expenditure	2.80%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.50%



# 12 Financial Statements

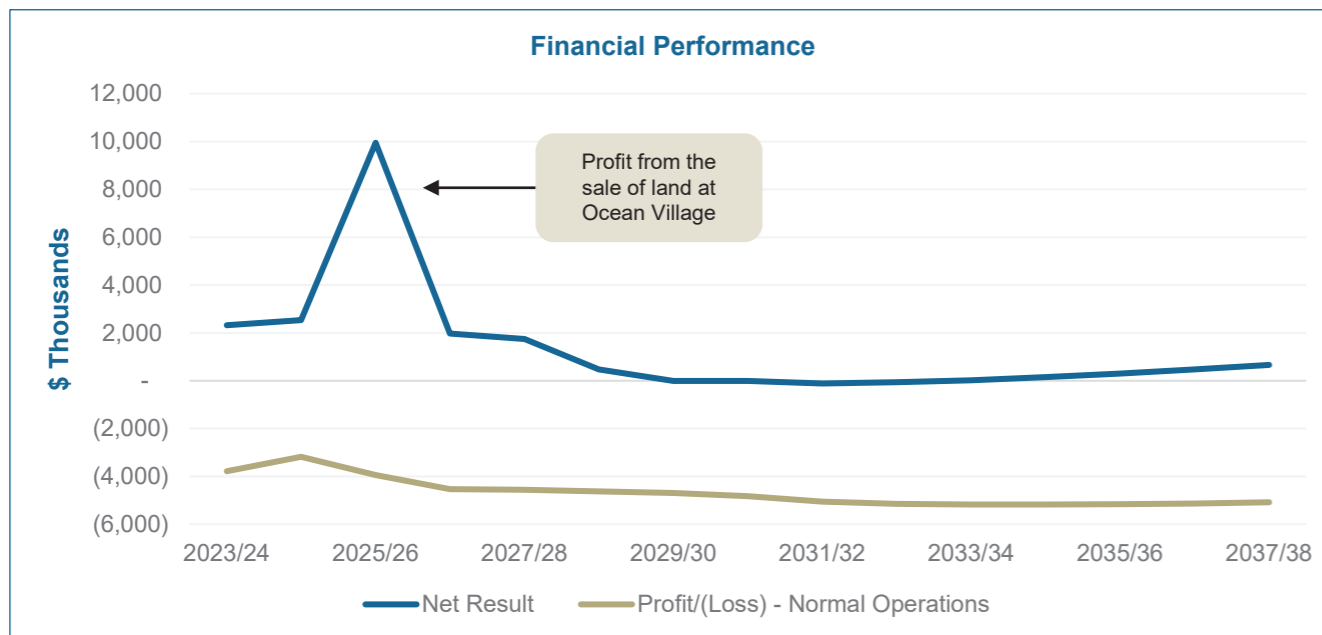
## 12.1 Statement of Comprehensive Income

The Statement of Comprehensive Income is prepared on an accrual basis, recognising income as it is earned and expenses as they are incurred. This involves adjustments for credit sales, unearned income, pre-payments, accrued expenses and non-cash provisions (i.e. depreciation and leave entitlements).

This method provides an accurate representation of the transactions occurring during the accounting period, providing a better reflection of the actual business activities undertaken by the Town.

Depreciation, accounted for as an expense in the Statement of Comprehensive Income, reflects the value of capital assets consumed during the accounting period.

The Town is committed to generating a sustainable net result to support its long-term financial viability. As outlined in the graph below, the net result over the term of the Plan reflects this position and is expected to generate a cumulative net result of \$20.4m.



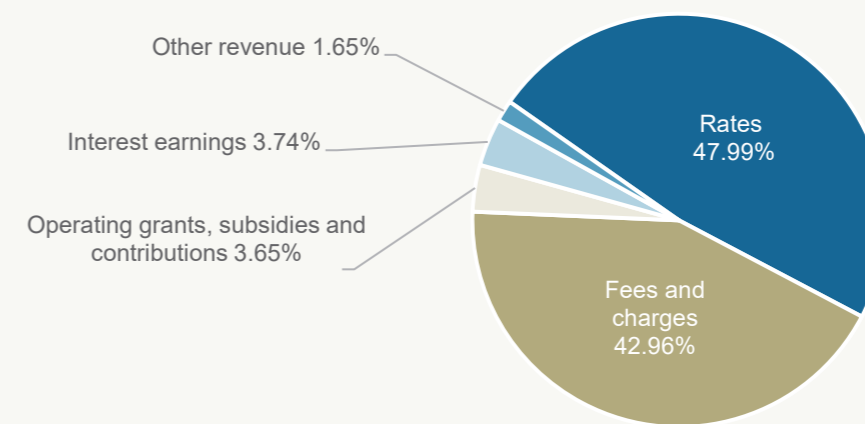
Although the Town is forecast to achieve a positive net result over the term of the Plan, there is a \$70m operating loss during the same period. The financial viability of the Town, essential for delivering the required level of service to the community and a positive net result, is currently reliant on income from non-operating funding sources. These sources primarily include non-operating grants, subsidies and contributions, as well as proceeds from investments and the sale of land.

The Town is anticipated to generate significant profits on investments in Catalina Estate from the commencement of the forecast until 2028/29. A deposit for the sale of land at Ocean Village has been received for 2023/24, with the remaining proceeds expected in 2025/26. Currently, non-operating funding sources are predicted to be utilised to fund the Town's planned capital expenditure.

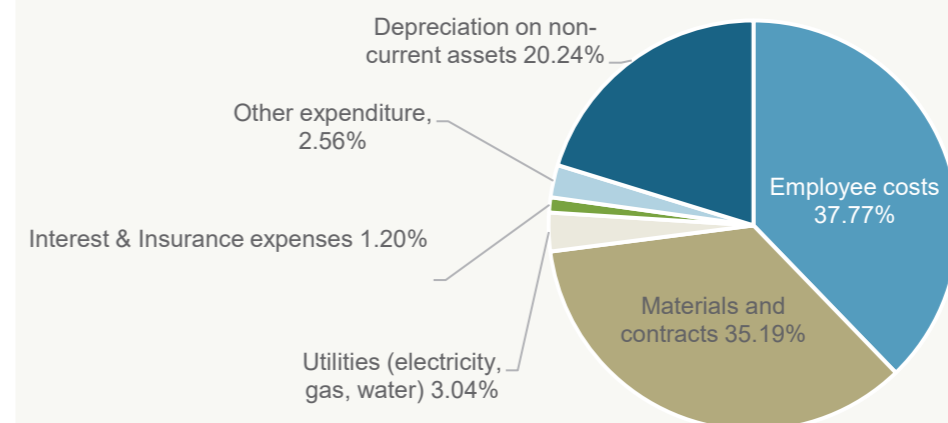
## Statement of Comprehensive Income by Nature/Type

This statement identifies the inputs by nature or type of the revenue or expense. Descriptions are defined by Regulation under the Local Government Act WA 1995.

### Average Forecast Income By Nature/Type (2023/24-2037/38)



### Average Forecast Expenses By Nature/Type (2023/24-2037/38)



The above charts illustrate the percentage of operating revenues and operating expenses over the duration of the Plan. The Town's primary sources of revenue encompass rates revenue, and fees and charges. These two categories total 90.95% of total operating revenues. The Town's largest expenses are employee costs and materials and contracts, totalling 72.96%. The quantum of these costs is required to maintain service levels to the community.



### 12.2 Rate Setting Statement

This statement combines operating and capital revenues and expenses to present net current forecast surplus (deficit) funding position for each year.

The Town's balanced rate setting statement illustrates the funding sources, predicted transfers from reserves, to finance the capital program. Transfers from reserves to finance the Town's planned capital expenditure totals \$35.6m over the duration of the Plan.

Please refer to Appendix B2 for further details.

### 12.3 Statement of Financial Position

The purpose of this Statement is to provide a "snap-shot" of the Town's overall financial position. The Town's total equity is calculated by deducting total liabilities from total assets. Over the term of the Plan, the Town is expected to maintain both sustainable working capital and net assets, being \$41.3m and \$653m as at 2038 respectively. The Town maintains a sustainable balance sheet with no debt and sufficient short-term assets to discharge its lease (debt) obligations.

Please refer to Appendix B3 for further details.

### 12.4 Statement of Cash Flows

This statement presents the forecast inflows and outflows of cash from the Town's operating, investing and financing activities and presents the changes to the closing cash balance over the period.

The Town is expected to generate \$161.0m in net cash provided by operating activities over the term of the Plan. This positive net cash flow is anticipated to be utilised primarily for capital expenditure investing activities. Over the 15-year duration of the plan, net cash used in investing activities totals \$157.7m. This includes the purchase of property, plant and equipment and infrastructure assets.

As outlined previously, the Town does not have borrowings and accordingly, financing activities are limited to the repayment of lease liabilities totalling \$3.7m. This primarily relates to the digital driving range upgrade, which is anticipated to rollover for the duration of the Plan.

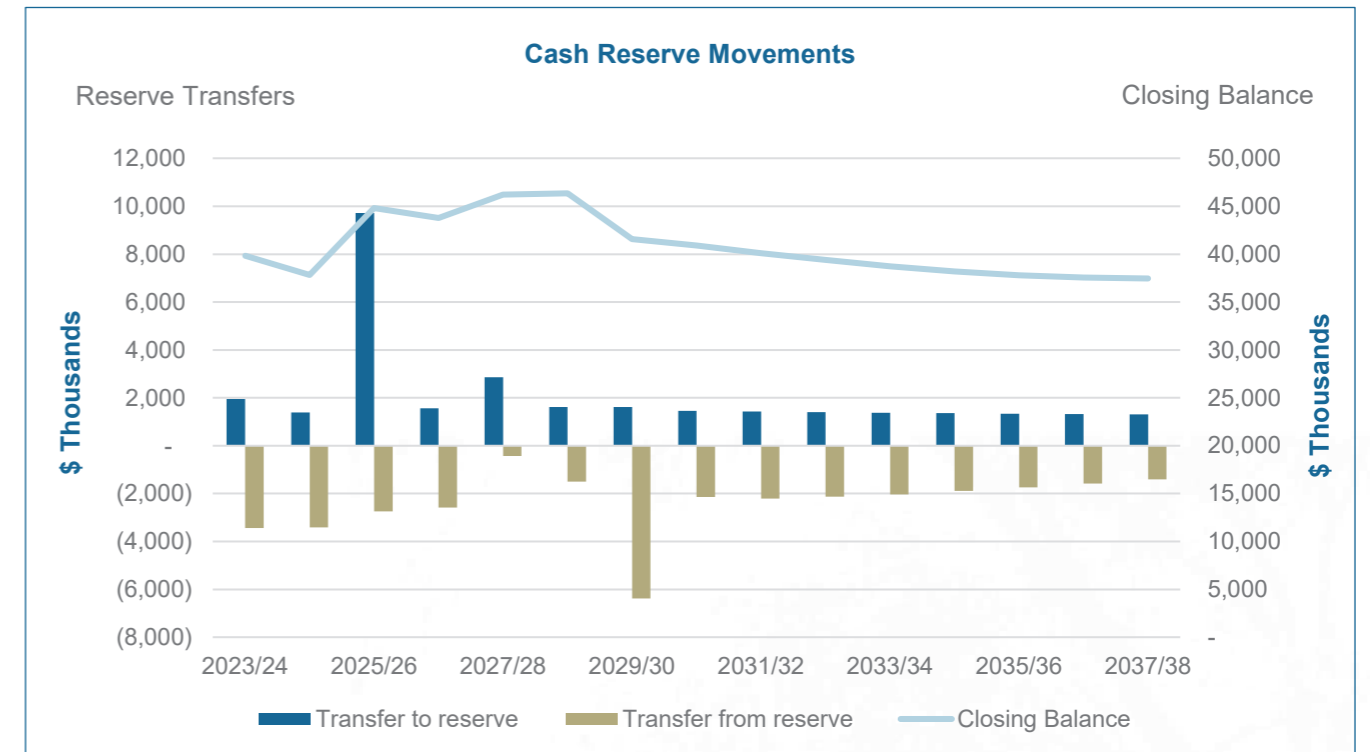
Please refer to Appendix B4 for further details.

### 12.5 Statement of Equity

This Statement discloses the changes in equity over the forecast period. The SRP uses this to show the impact of operations on net assets and the movement in cash backed and revaluation reserves. The Town's equity increases by 31.7% over the duration of the Plan. This is primarily driven by asset revaluations and positive net results.

Cash reserves, comprising of both cash/investment backed reserves and the Endowment Lands Account are anticipated to fall marginally over the period from \$39.8m to \$37.4m. This is an area of concern for the Town as sustainable cash reserves should convey a steadily increasing long-term trend to fund specific capital projects. Despite substantial expected receipts from previously outlined investments and land sales, cash reserves are being utilised to fund a portion of forecast capital projects throughout the duration of the Plan. The Town is working towards a more sustainable model in funding routine capital projects through operations, rather than solely utilising reserves.

Please refer to Appendix B5 for further details.



The Town's asset revaluation surplus reserve is forecast to increase significantly over the duration of the Plan. An overarching fair value adjustment of 2.0% on the existing and planned growth in assets is modelled for the 15-year period.



# 13 Forecast Ratios

Monitoring the Town's financial flexibility, financial position and asset management performance involves preparing and monitoring various statutory ratios. Each ratio analysed is defined in the Plan's Glossary. The extensive 15-year ratio calculations are provided in Appendix B6.

## Measuring Sustainability

The financial stability of the Town is measured by its ability to be financially viable whilst upholding community expectations. Over the forecast period, the Town aims to slowly increase the services provided and service levels to meet community expectations.

	Target Range	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Operating Surplus Ratio	<span style="color: red;">●</span>	-6.93%	-5.63%	-6.82%	-7.62%	-7.42%	-7.33%	-7.22%	-7.22%	-7.39%	-7.31%
Current Ratio	<span style="color: green;">●</span>	1.39	1.32	1.26	1.19	1.18	1.13	1.12	1.11	1.10	1.11
Own Source Revenue Coverage Ratio	<span style="color: orange;">●</span>	45.87%	45.18%	44.82%	44.63%	44.62%	44.76%	44.83%	44.91%	45.04%	45.16%
Debt Service Cover Ratio	<span style="color: green;">●</span>	15.82	23.79	22.92	22.39	28.50	49.08	50.58	52.19	52.99	54.57

## Operating Surplus Ratio

The basic standard is between 1% and 15%. The advanced standard is greater than 15%. The Town's Operating Surplus Ratio is negative and below standard for the duration of the Plan. This restricts the Town's ability to fund capital projects from operating revenue, after covering operational costs. As a result, proceeds from investment, sale of land and cash reserves are forecast to make up this capital expenditure funding shortfall. Whilst this does not threaten the Town's viability, this is an area of consideration for planning sustainable utilisation of reserves.

## Current Ratio

The standard is not met if the ratio is lower than 1:1 (100% or less). The standard is met if the ratio is greater than 1:1 (100% or greater). The Town's Current Ratio meets the standard. The notable deterioration between 2023/24 and 2028/29 is attributable to the diminishing value of land held for sale at Catalina Estate. This is not a cause of concern for the Town.

## Own Source Revenue Cover Ratio

A basic standard is achieved if the ratio is between 40% and 60%. An intermediate standard is achieved if the ratio is between 60% and 90%. An advanced standard is achieved if the ratio is greater than 90%. The Town's Own Source Coverage Ratio sits within the basic standard for the duration of the Plan. This demonstrates the Town's liquidity position.

## Debt Service Coverage Ratio

A basic standard is achieved if the ratio is greater than or equal to two. An advanced standard is achieved if the ratio is greater than five. As there are no borrowings forecast during the period, the Town's Debt Service Cover Ratio significantly exceeds the advanced standard.

## Asset Sustainability Ratio

Standard is met if the ratio can be measured and is at least 90%. Standard is improving if the ratio is between 90% and 110%. The Town's Asset Sustainability Ratio exceeds 100% in the initial stages of the Plan, declining over time towards 87% and marginally below standard. As previously outlined, the long remaining useful life of the Town's assets results in annual depreciation expense being higher than forecast asset renewal expenditure as the Plan progresses. This is not considered to indicate any threat to the financial management of the Town.

## Asset Consumption Ratio

Standard is met if the ratio can be measured and is 50% or greater. Standard is improving if the ratio is between 60% and 75%. The Town's Consumption Ratio exceeds the improving standard for the duration of the Plan. 100% in the initial stages of the Plan. This highlights the Town's commitment to reasonably maintaining and renewing its asset base in line with the SAMP.

## Asset Renewal Funding Ratio

Standard is met if the ratio is between 75% and 95%. Standard is improving if the ratio is between 95% and 105%, the Asset Sustainability Ratio falls within the range of 90% to 110%, and the Asset Consumption Ratio falls within the range of 50% to 75%. Coupled with the results of the two previous asset ratios, the Town's Asset Renewal Funding Ratio meets the standard. This ratio indicates the Town's planned asset renewals are lower than required asset renewals on a net present value basis. This is not an area of concern for the Town as there is an overarching asset renewal funding surplus of \$3.6m forecast over the 15-year period.

	Target Range	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Asset Sustainability Ratio	<span style="color: orange;">●</span>	106.53%	133.30%	113.70%	85.48%	87.87%	88.59%	87.96%	87.42%	87.27%	87.16%
Asset Consumption Ratio	<span style="color: green;">●</span>	76.90%	78.42%	79.38%	79.81%	79.85%	79.90%	80.11%	80.15%	80.18%	80.23%
Asset Renewal Funding Ratio	<span style="color: green;">●</span>	94.07%	90.06%	89.41%	90.42%	90.70%	-	-	-	-	-



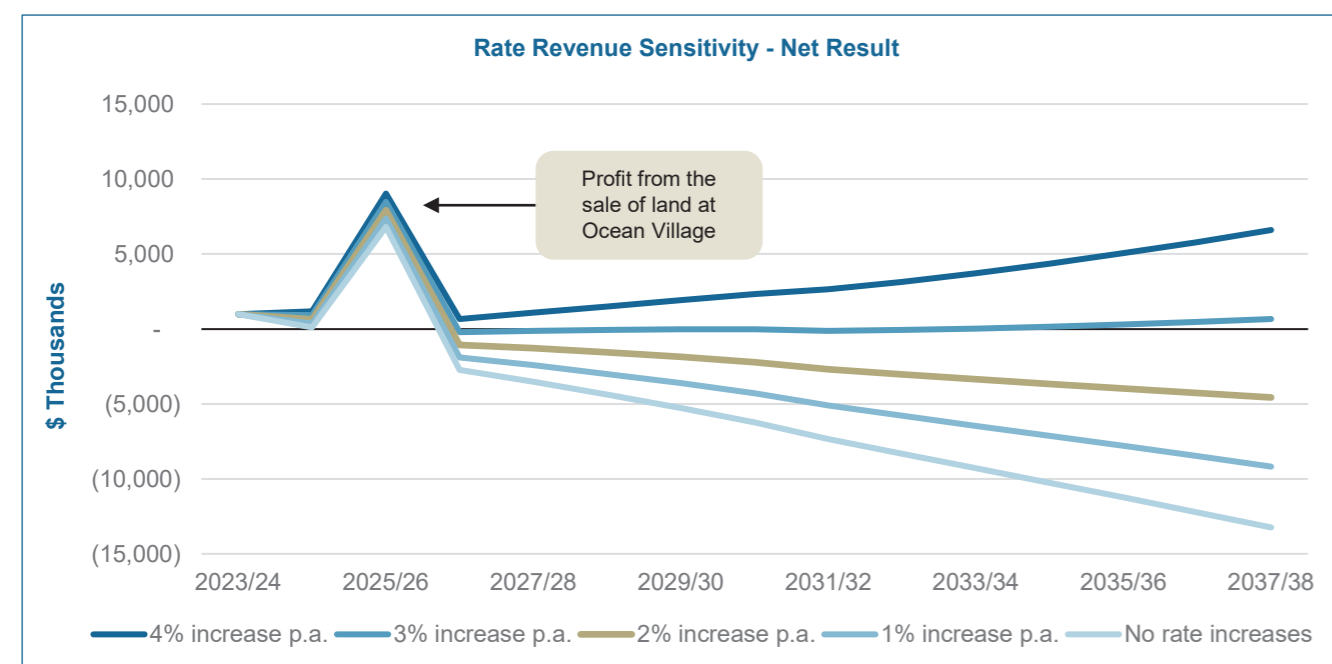
# 14 Scenario Modelling

## Sensitivity Analysis

Scenario modelling has been developed to assess the flexibility of the SRP and analyse alternate considerations. The outcomes of the Plan have been modelled for changes in key inputs. A key element of long term financial planning is to minimise the financial burden on ratepayers whilst evaluating the Town's ability to meet community expectations and uphold service levels.

The following graphs visualise the financial impact of increased or decreased rate increases from 2024/25 and beyond. All other assumptions have been kept constant. Whilst this analysis guides the Town's SRP, any rate rises will ultimately be determined by the Council at the relevant time, based on the information available at that time.

BASE CASE	UPSIDE CASE	DOWNSIDE CASES
<ul style="list-style-type: none"> <li>Rate increases of 3% p.a. for 2024/25 and beyond.</li> </ul>	<ul style="list-style-type: none"> <li>4% p/a rate increases for 2024/25 and beyond.</li> </ul>	<ul style="list-style-type: none"> <li>2% p/a rate increases for 2024/25 and beyond.</li> <li>1% p.a. rate increases for 2024/25 and beyond.</li> <li>No rate increases for 2024/25 and beyond.</li> </ul>



The results of the sensitivity analysis demonstrate that the base case scenario, a 3% rate increase per annum, is the minimum annual increase required to generate a breakeven annual net result based on the current forecast capital project spend.

The downside cases illustrate an increasingly negative net result that places pressure on the Town's financial sustainability to meet community expectations and maintain service levels.

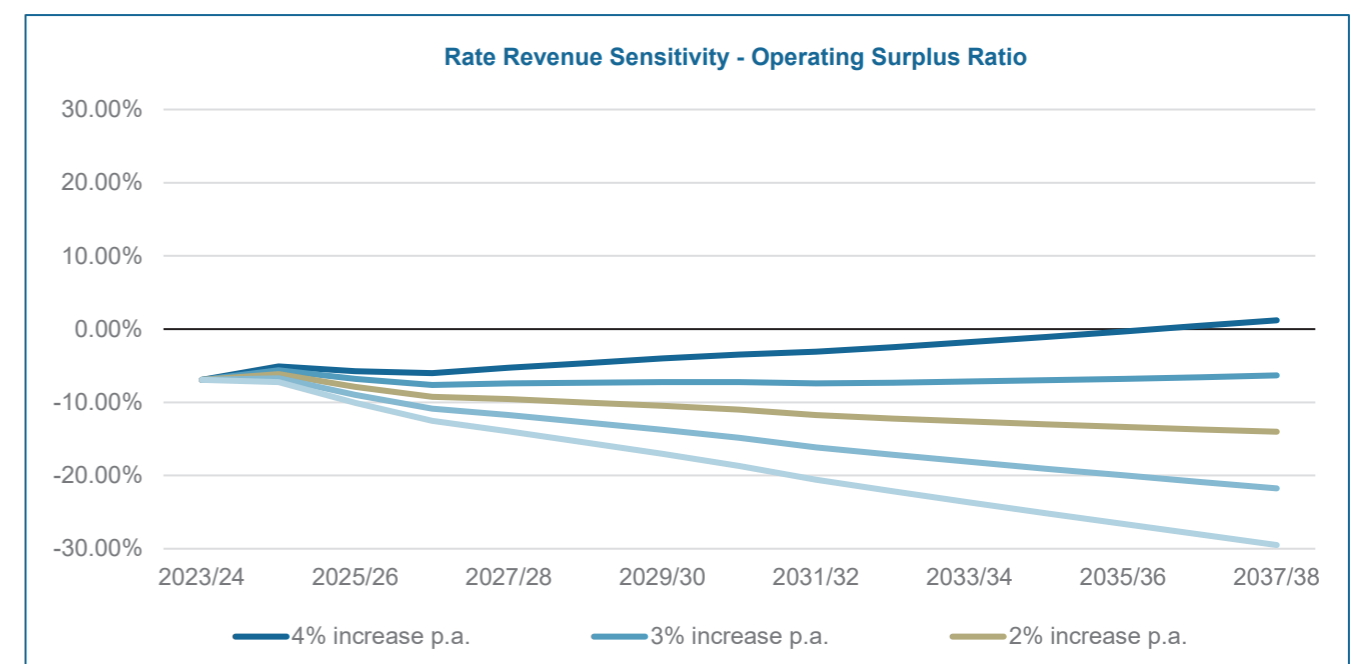
## Rate Revenue Sensitivity – Operating Surplus Ratio

The rate revenue sensitivity analysis is important in determining the Town's long term outlook on rate increases over the term of the Plan, ensuring a sustainable operating profit.

As outlined in the analysis of the Operating Surplus Ratio in section 13, the Town's ability to fund capital projects from operating revenue after covering operational costs is limited.

Whilst the base case preserves the operating surplus ratio at a consistent level, the compounding impact of the downside cases places further pressure on the Town's non-operating revenue sources and transfers from reserves to preserve the planned capital spend.

Furthermore, as outlined in the below graph, the upside case, a 4% rate increase per annum, is anticipated to be a driving factor in returning to a positive operating surplus by 2037/38.





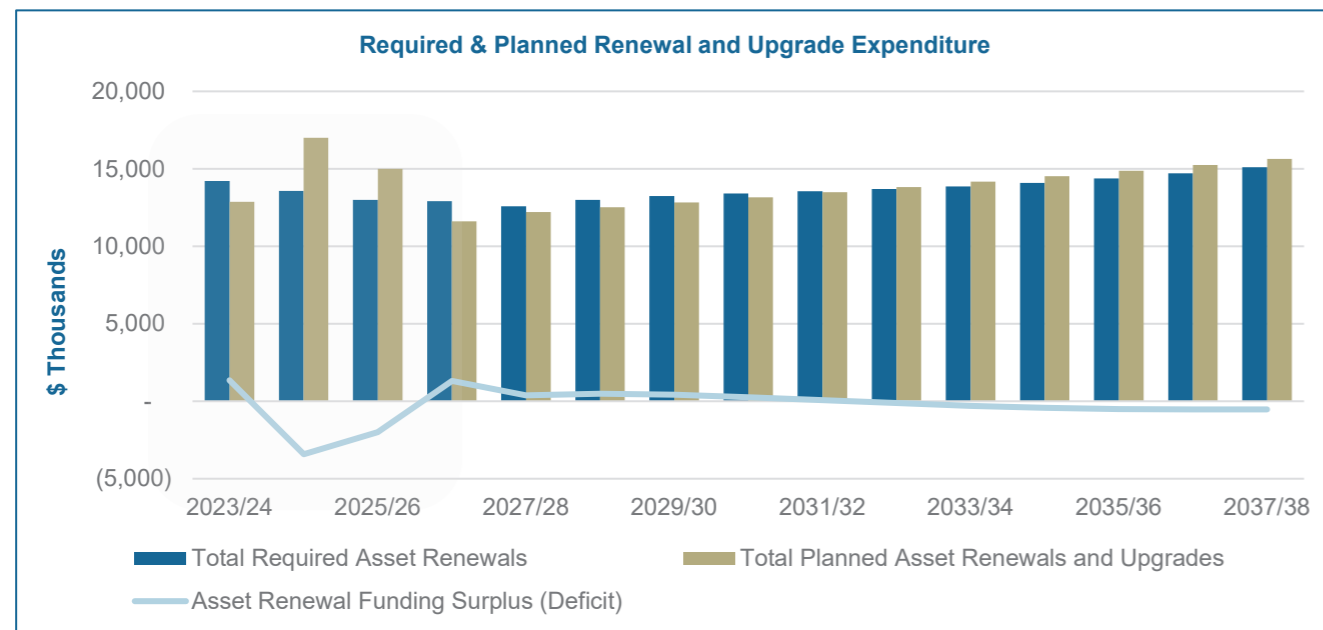
# 15 Capital Overview

## 15.1 Community Demand

Community demand for the Town's facilities changes over time due to evolving community interests and lifestyles. Regular review and revitalisation of community facilities, retaining heritage and charm, and maintaining the transport infrastructure have been identified as key focus areas within the Town's Strategic Community Plan. This has informed the capital planning of the SRP.

## 15.2 Planned Asset Renewals and Upgrades

Planned asset renewal and upgrade expenditure over the term of the Plan is expected to total \$209.0m, compared to required asset renewals of \$205.4m. Accordingly, there is a renewal funding surplus of \$3.6m.



Planned renewal and upgrade projects are based on the Town's 4-year service unit plans. This plan details specific capital projects the Town is anticipating to undertake in the next 4 years, outlined in the graph above. Following this, planned asset renewals are based on the Town's SAMP and indexed to CPI indicators.

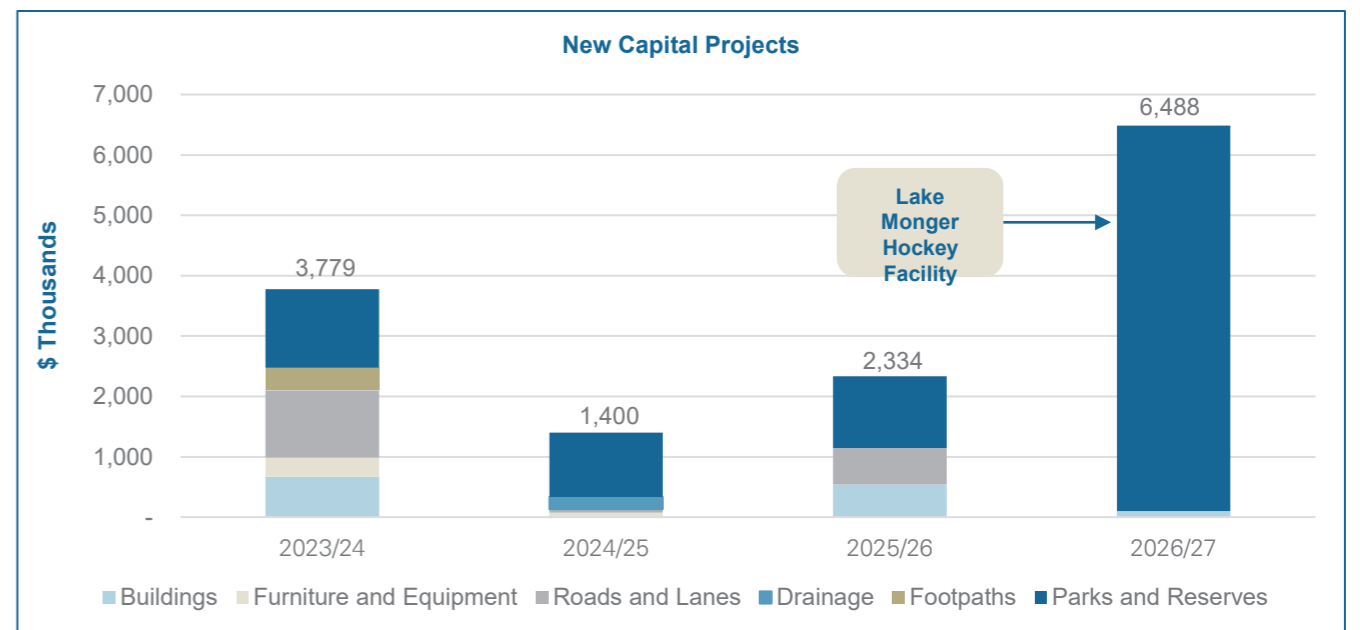
Planned asset renewals average of \$13.9m p.a. over the duration of the Plan. Whilst lower capital expenditure than required is anticipated for 2023/24 and 2026/27, the 4-year service unit period presents a net planned surplus of \$2.8m.

Further information regarding planned asset renewals and upgrades is detailed in Appendix B7 and B8.

## 15.3 New Asset Expenditure

The Town's forecast for new capital projects is derived from the Town's 4-year service unit plans. Following this, new capital projects have been modelled based on historical trends, CPI indicators and specific required projects informed by the Town's other long term planning strategies, including CHRMAP.

Following essential renewal and upgrade capital planning, the Town has allocated funding for specific new projects to steadily increase service level offerings. Detailed annual planning will be undertaken for each new project in the year it is forecast to occur. As a result, anticipated new capital projects detailed in the Plan are subject to review and approval.



New capital projects expenditure of \$46.3m is expected to be incurred over the 15-year term of the Plan. A total of 83.7% is expected to be invested across parks and reserves, footpaths, and roads and lanes.

Within the 4-year service unit period graphed above, the development and construction of the Lake Monger hockey facility is anticipated to amount to \$7.0m. Beyond 2026/27, \$4.0m has been allocated for CHRMAP projects. The forecast Coastal Hazard Risk Adaptation and Management Plan can be found on the Town's website. New asset expenditure from 2027/28 to 2037/38 is expected to total \$32.2m.

Further information regarding new capital projects is detailed in Appendix B8.



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# A1 Roads & Lanes

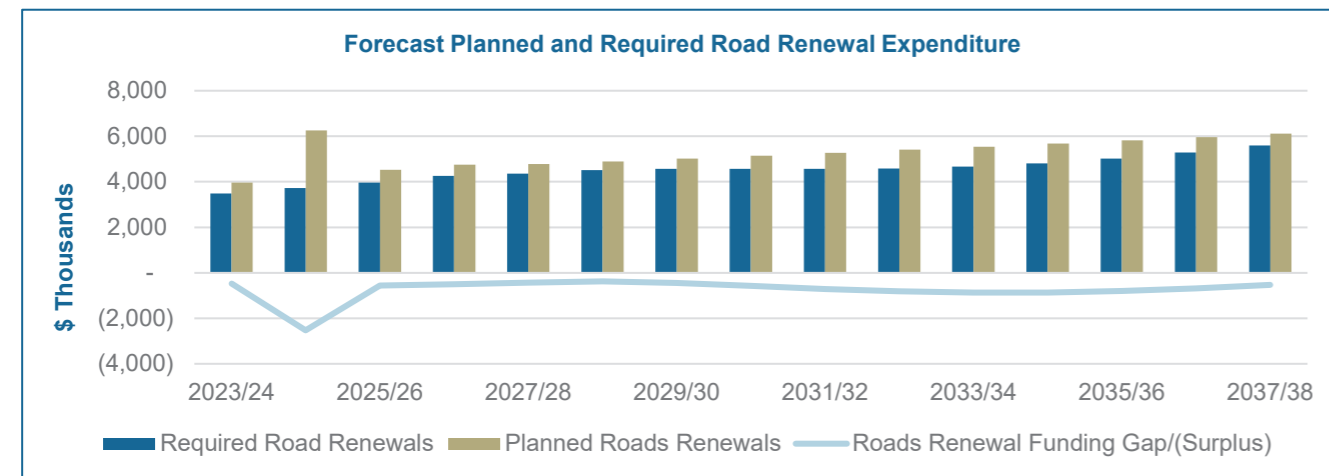
Managing the Town's roads and lanes is categorised into renewals, upgrades and new projects.

## Renewal and Upgrade Expenditure

Roads and lanes renewals and upgrades are prioritised based on staff knowledge of the conditions, expected usage patterns and required levels of service. Evaluated during the budget process, all planned works are funded through a combination of internal funding and non-operating grants including MRWA Rehabilitation and Blackspot.

Following lower renewal funding in the first year, the Town plans to allocate funding beyond the required rate of renewals to ensure the roads are renewed and kept to a suitable standard.

The below graph shows the forecast 15-year spend for maintaining the Town's roads and lanes.



## Asset Service Levels

Detailed service level objectives developed for the Town's roads and lanes are provided below.

Key Performance Measure	Expectation	Performance Measure Process	Performance Target	Service Level Performance
Quality	Well maintained, safe and accessible roads and lanes with little to no cracking	Frequency of road sweeping	6 weeks	Maintain
		% of roads and lanes rated as 5 (very poor)	10% of roads rated as 5 (very poor)	Maintain
		Frequency of road and lane inspections	5 years	Maintain
Function	Responsive to maintenance requests by the community	Average time to respond to requests	Within 5 working days of request	Maintain
		Renewal of surface in accordance with asset management principles	Frequency of resurfacing	25 years

## Risk Management

An assessment of the risks associated with delivery of the Town's roads and lanes has led to development of the following risk management strategies.

Risk	What Can Happen	Risk Rating	Risk Treatment Plan	Residual Risk
Personnel injured during employment	Lost time, productivity	High	Review and update staff SWMS and Procedures	Medium
	Lost time injuries, disability or death		Ensure staff and contractors are trained in policy and procedures	
	Workers Compensation claims Prosecution risk		Ensure Council has compliant Health and Safety policy	
We do not manage the lifecycle and ageing assets adequately	Poorly maintained and/or unsafe assets	High	Develop Asset management strategy and plans	Low
	Safety and amenity risk to visitors and users of infrastructure facilities		Implement 4 year budget processes	
	Reputation damage Unplanned reactive work Cost of rework or rectification		Ensure adequate funding for sustainable asset renewal	
Significant unforeseen increases in maintenance or renewal costs	Desired level of service not maintained	Medium	Monitor costs and adjust long-term plans accordingly	Low
Public Liability Claim within publicly accessible road reserve	Claims by Public for Injury and Property Damage on footpaths, verges, kerbs, drains, bus shelters, signs and median islands	High	Ensure road network is maintained in compliance with applicable standards	Medium

## Asset Service Levels – Carparks

Detailed service level objectives for carparks developed by the Town are provided below.

Key Performance Measure	Expectation	Performance Measure Process	Performance Target	Service Level Performance
Quality	Well maintained car parks with legible parking line marking	Average age of resurfacing carparks	30 years	Maintain
		Parking lines are renewed	3 years	Maintain
Capacity/Use	Well-lit at night	Number of inspections each year	2 per year	Maintain



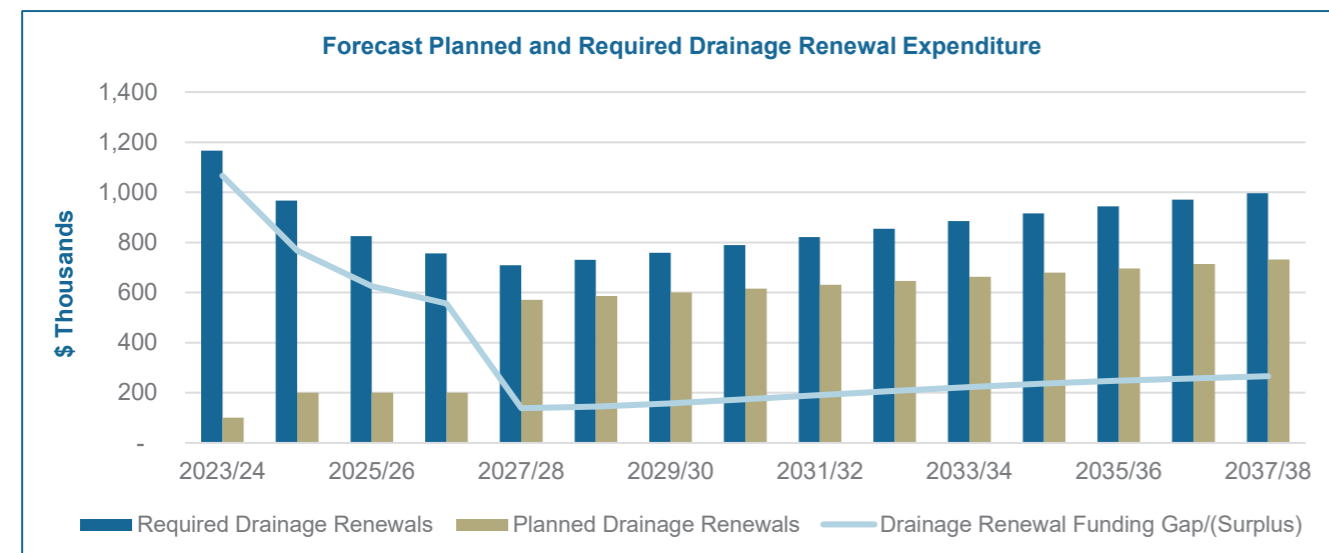
# A2 Drainage

Managing the Town's drainage is categorised into renewals and new projects.

## Renewal Expenditure

The Town's stormwater drainage and sewerage infrastructure assets protect residential properties and surrounding assets from damage. The Town has not been allocating sufficient budget for this asset group and additional funding will be required to manage drainage assets over the next four years. Anticipated future renewals are projected to lead to a decrease in expenditure for drainage assets, resulting in reduced costs.

The below graph shows the forecast 15-year spend for maintaining the Town's drainage assets.



## Asset Service Levels

Detailed service level objectives developed for the Town's drainage assets are provided below.

Key Performance Measure	Expectation	Performance Measure Process	Performance Target	Service Level Performance
Quality	Network are cleaned and maintained to a high standard to minimise the risk of flooding and damage	% of pits educated each year	100% of pits	Maintain
		Time to respond to requests	5 days	Increase
Capacity/Use	Efficient replacement program of old drainage pits, covers and pipes	Replacement of drainage infrastructure occurs before useful life is reached	80 years	Maintain
		Timely intervention to optimise costs over the life cycle	Maintenance program completed within timeframe and on budget	100% completed within the timeframe and on budget

## Risk Management

An assessment of the risks associated with delivery of the Town's roads and lanes has led to development of the following risk management strategies.

Risk	What can Happen	Risk Rating	Risk Treatment Plan	Residual Risk
Personnel injured during employment	Lost time, productivity	High	Review and update staff SWMS and Procedures	Medium
	Lost time injuries, disability or death		Ensure staff and contractors are trained in policy and procedures	
	Workers Compensation claims		Ensure Council has compliant Health and Safety policy	
	Prosecution risk			
We do not manage the lifecycle and ageing assets adequately	Poorly maintained and/or unsafe assets	High	Develop Asset management strategy and plans	Low
	Safety and amenity risk to visitors and users of infrastructure facilities		Implement 4 year budget processes	
	Reputation damage		Ensure adequate funding for sustainable asset renewal	
	Unplanned reactive work			
Significant unforeseen increases in maintenance or renewal costs	Cost of rework or rectification	Medium	Monitor costs and adjust long-term plans accordingly	Low
	Desired level of service not maintained			
Trip incident attributable to substandard footpath conditions	Claims by Public for Injury and Property Damage on footpaths, verges, kerbs, drains, bus shelters, signs, median islands	High	Ensure footpath network is maintained in compliance with applicable standards	Medium
Non-complying verges or vegetation	Hazard to public caused by a verge development and private vegetation overhanging footpath and lane	High	Ensure vegetation is maintained in compliance with applicable standards	Medium



# A3 Footpaths

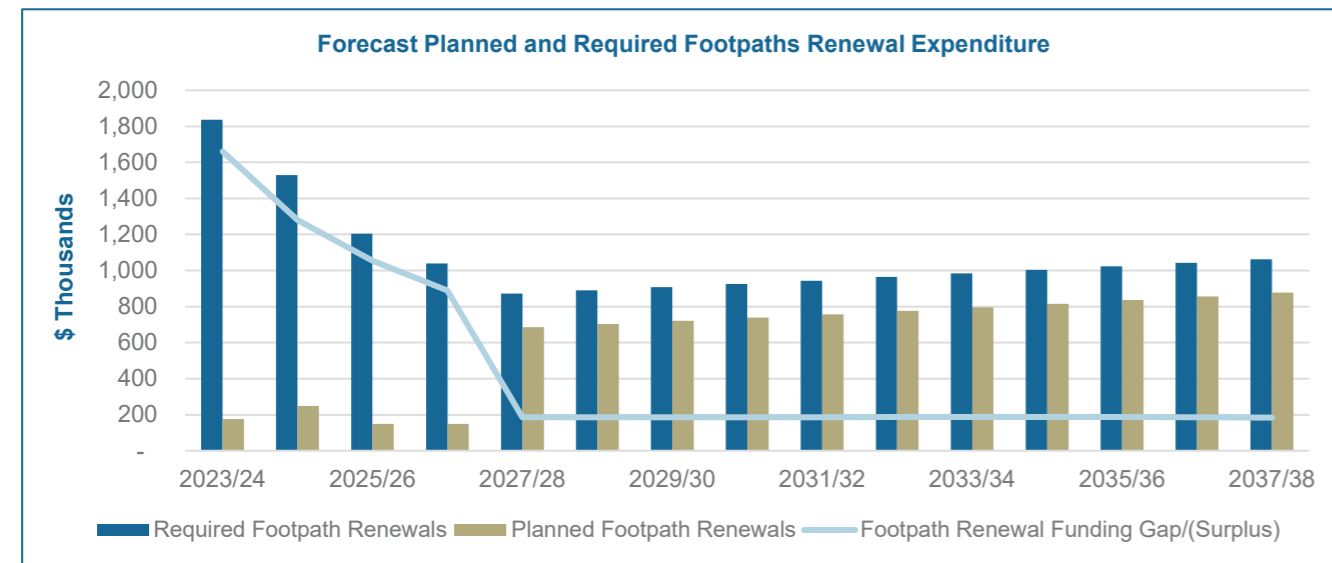
Managing the Town's footpaths are categorised into renewals and new projects.

## Renewal Expenditure

The Town's network of footpaths for the benefit of pedestrians and other users contributes to the social, cultural and economic development of the local community.

Additional funding may be required for the footpaths group to ensure the asset's condition is kept to a suitable standard, particularly within the first four years of the Plan. This is due to the short life cycle of paths.

The below graph shows the forecast 15-year spend for maintaining the Town's footpaths, which include pedestrian footpaths, shared paths, boardwalks and tracks.



## Asset Service Levels

Detailed service level objectives developed for the Town's footpaths are provided below.

Key Performance Measure	Expectation	Performance Measure Process	Performance Target	Service Level Performance
Quality	Paths are kept smooth, clean and with no obstructions from overhanging vegetation	Number of tripping hazards inspected and removed proactively	500	Maintain
		Inspections per year	1 per year	Maintain
Function	Timely intervention to optimise costs over the life cycle	Time to respond to hazard requests	< 5 hours	Increase

## Risk Management

An assessment of the risks associated with delivery of the Town's footpaths has led to development of the following risk management strategies.

Risk	What can Happen	Risk Rating	Risk Treatment Plan	Residual Risk
Personnel injured during employment	Lost time, productivity	High	Review and update staff SWMS and Procedures	Medium
	Lost time injuries, disability or death		Ensure staff and contractors are trained in policy and procedures	
	Workers Compensation claims		Ensure Council has compliant Health and Safety policy	
	Prosecution risk			
We do not manage the lifecycle and ageing assets adequately	Poorly maintained and/or unsafe assets	High	Develop Asset management strategy and plans	Low
	Safety and amenity risk to visitors and users of infrastructure facilities		Implement 4 year budget processes	
	Reputation damage		Ensure adequate funding for sustainable asset renewal	
	Unplanned reactive work			
Significant unforeseen increases in maintenance or renewal costs	Cost of rework or rectification	Medium	Monitor costs and adjust long-term plans accordingly	Low
	Desired level of service not maintained			
	Trip incident attributable to substandard footpath conditions		Ensure footpath network is maintained in compliance with applicable standards	
Non-complying verges or vegetation	Hazard to public caused by a verge development and private vegetation overhanging footpath and lane	High	Ensure vegetation is maintained in compliance with applicable standards	Medium

# A4 Parks & Reserves

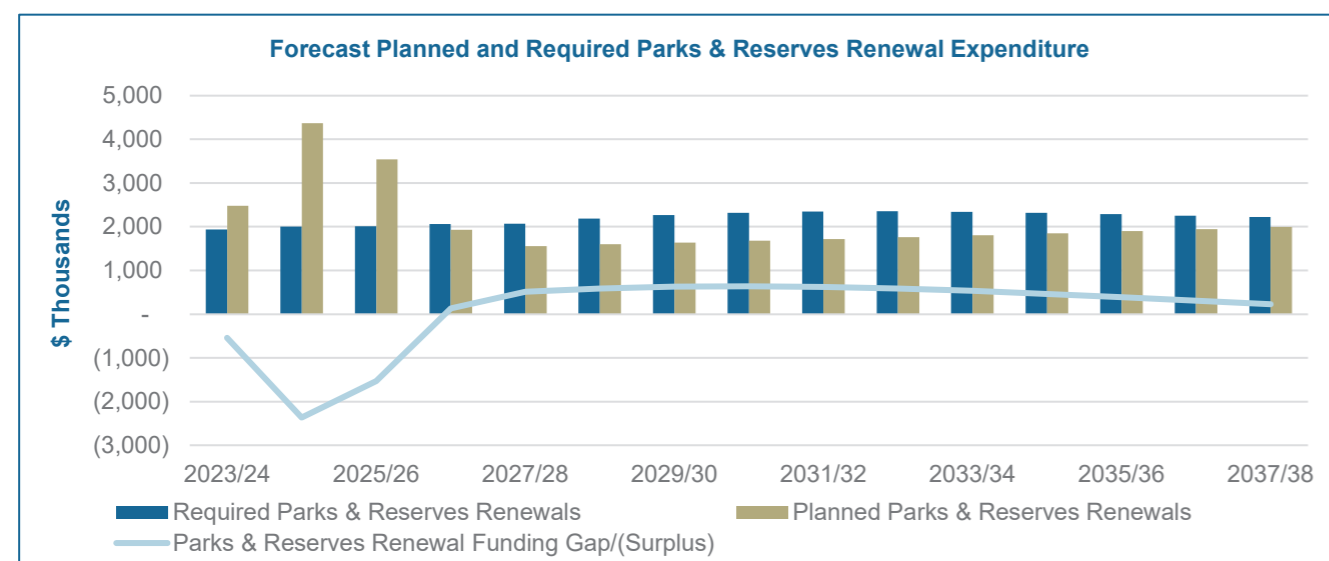
Managing the Town's footpaths are categorised into renewals and new projects.

## Renewal Expenditure

The Town's network of sports and recreation facilities and reserves contribute to the social, cultural and economic development of the local community. Careful preservation of natural spaces enhances the Town's identity.

Additional funding may be required for the urban roads group after the first three years to ensure the roads are renewed and kept to a suitable standard.

The below graph shows the forecast 15-year spend for maintaining the Town's parks and reserves.



## Asset Service Levels

Detailed service level objectives developed for the Town's parks and gardens are provided below.

Key Performance Measure	Expectation	Performance Measure Process	Performance Target	Service Level Performance
Quality	Well maintained active and passive parks, floral displays and natural areas	Customer complaints	< 5 per year	Maintain
	Well maintained built assets that provide amenity to our parks for passive and active recreation to increase activation and participation in open spaces.	Community Survey	90% satisfaction	Maintain
Capacity/Use	Waterwise irrigation systems in line with our water allocation and Waterwise accreditation	Irrigation system checks	Weekly	Maintain



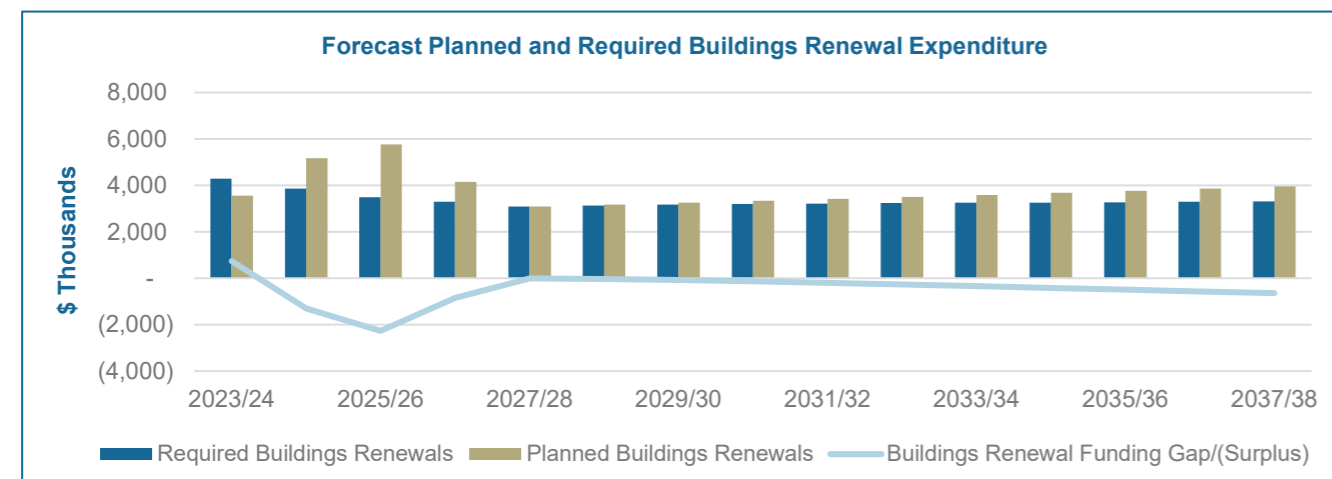


# A5 Buildings

Managing the Town's buildings are categorised into renewals, upgrades and new projects.

## Renewal and Upgrade Expenditure

The Town's building assets support the delivery of community services, enhancing the community's sense of belonging. The Town plans to allocate renewal and upgrade expenditure largely beyond the required rate of renewal in years three to five of the plan, following renewal funding gaps in the first year. Allocating funding at/above the required levels beyond this will ensure buildings are maintained to a suitable standard. The below graph shows the forecast 15-year spend for maintaining the Town's buildings.



## Asset Service Levels

Detailed service level objectives developed for the Town's buildings are provided below.

Key Performance Measure	Expectation	Performance Measure Process	Performance Target	Service Level Performance
Quality	Ensure that buildings are clean, inviting and safe for user groups and are free from major defects and faults including vandalism and graffiti related issues	No. of customer requests relating to building maintenance	80% customer satisfaction	Maintain
Function	Buildings are suitable for their current use - fit for purpose.	Customer service requests relating to usage and availability	< 5 per annum	Increase
Safety	Facilities are maintained in a safe condition and hazards are identified and managed	Buildings meet regulatory standards and provide the facilities for their intended use.	Buildings are 100% compliant	Maintain
		Number of reported injuries linked to Council Buildings	< 5 injury per annum	Increase
Availability	Buildings are available in terms of condition for public use all year round	No. of buildings closure due to degraded asset condition	< 2 per annum	Increase
Responsiveness	Response time to customer requests	Time taken to close requests	> 80% of all requests adequately responded to within target	Maintain

## Risk Management

An assessment of the risks associated with delivery of the Town's buildings has led to development of the following risk management strategies.

Service or asset at risk	What can happen	Risk rating	Risk Treatment Plan	Residual risk
Total loss of building due to climate change	Likelihood of severe storm damage increases	High	Maintain insurances and <i>Business Continuity Plan</i> .	Medium
	Increase to fire risk in fire prone areas		Ensure assets are maintained in compliance with applicable standards	
Assets contain asbestos due to historical construction	Asbestos may be dissw1turbed during building maintenance causing dangerous particles to be released into the air	High	Ensure correct identification, storage, and treatment of hazardous materials.	Medium
			Training and use of standard work practices to minimise disturbance	
We do not manage the lifecycle and aging assets adequately	Structural failure	High	Undertake structural audits	Low
			Regular property inspections	
Health and safety incident whilst working on assets causing fatality or serious injury	Legislative non-compliance	High	Inspection and maintenance contracts for fire and safety provisions and other legislative compliance.	Medium
	Personal injury		Condition of buildings to be regularly audited and necessary works identified	
			Ensure staff and contractors are trained in policy and all procedures are complied with	



# A6 Property, plant & equipment

Managing the Town's property, plant and equipment are categorised into renewals, upgrades and new projects.

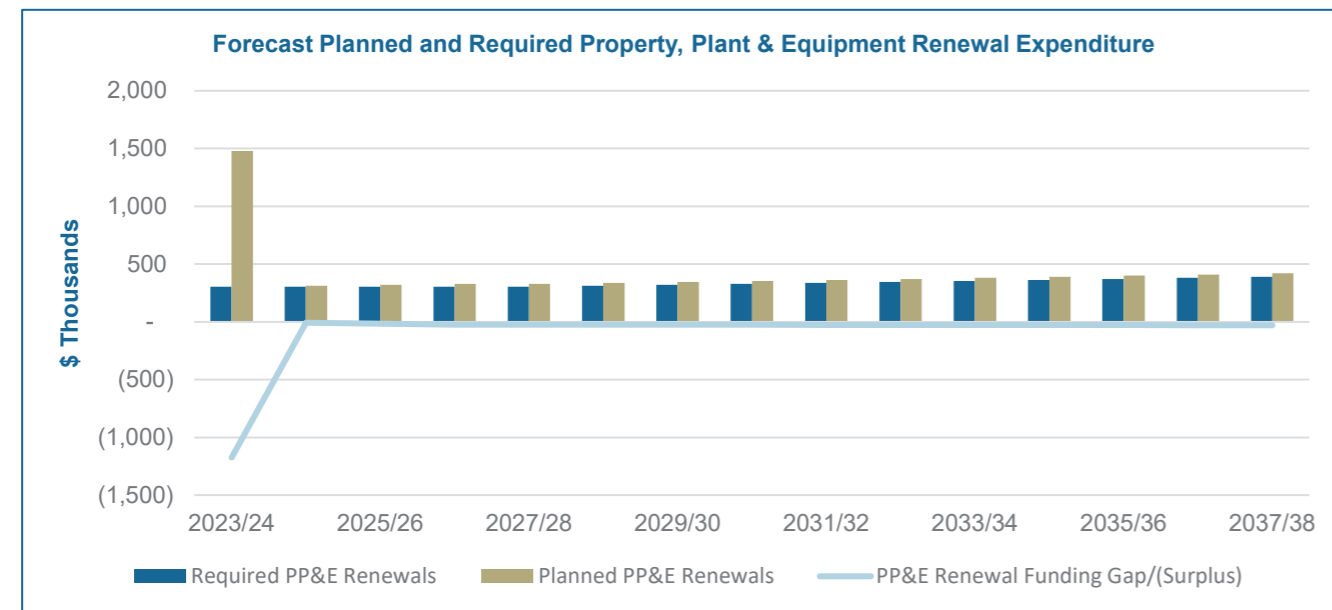
## Renewal and Upgrade Expenditure

The Town's property, plant and equipment portfolio supports the surrounding infrastructure and levels of service to the community. This helps maintain the Town's facilities and lush natural landscapes.

The Town plans to allocate renewal and upgrade expenditure largely beyond the required rate of renewal in the initial year of the plan.

Allocating funding at/above the required levels beyond this will ensure sufficient property, plant and equipment are maintained to a suitable standard to uphold community service levels.

The below graph shows the forecast 15-year spend for maintaining the Town's property, plant and equipment.



# A7 Furniture & equipment

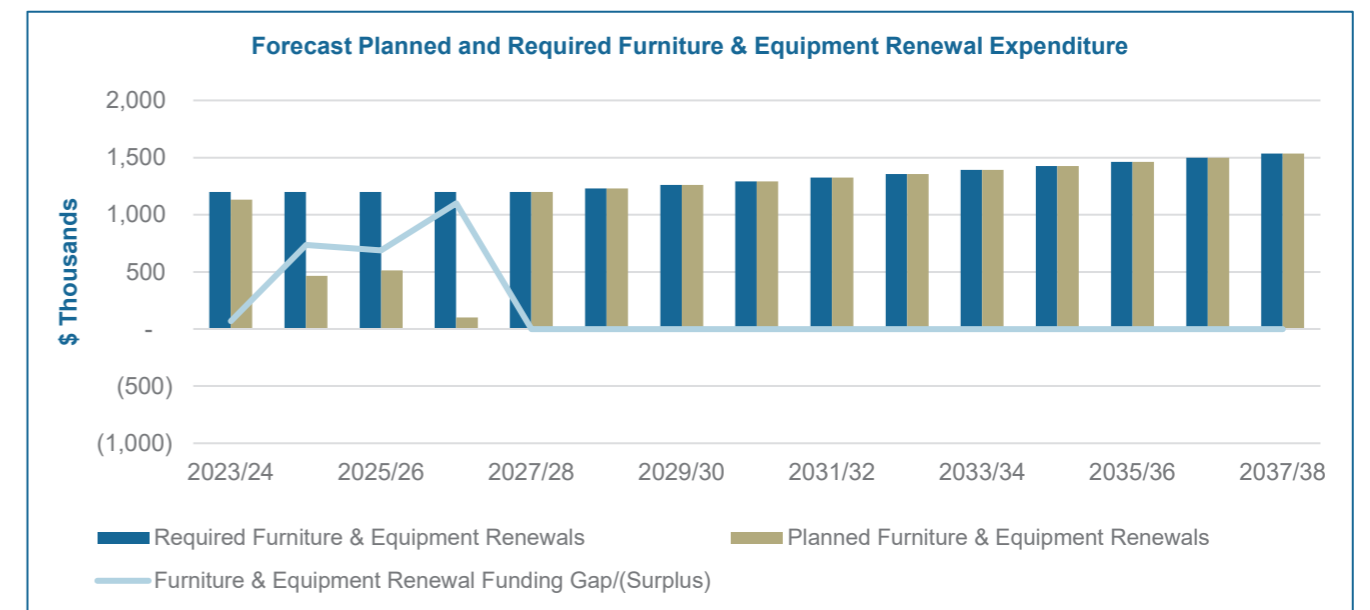
Managing the Town's furniture and equipment are categorised into renewals, upgrades and new projects.

## Renewal and Upgrade Expenditure

The Town's commitment to renewing and upgrading its furniture and equipment is a strategic effort to maintain a well equipped and technologically advanced supporting infrastructure, ensuring efficient and effective operations. This proactive approach enables the Town to support the needs of the surrounding community.

Following significant expenditure in prior years, the initial four years of the plan exhibit an asset renewal funding gap. To address this, the Town plans to allocate expenditures for renewals and upgrades in alignment with the required rate of renewal. This will ensure sufficient furniture and equipment are maintained to a suitable standard to service the community.

The below graph shows the forecast 15-year spend for maintaining the Town's furniture and equipment.





# B1 Statement of Comprehensive Income by Nature/Type

	2022/23A	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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenues</b>																
Rates	26,457	27,087	27,900	28,737	29,599	30,487	31,402	32,344	33,314	34,314	35,343	36,403	37,495	38,620	39,779	40,972
Operating grants, subsidies and contributions	2,179	680	2,239	2,300	2,364	2,429	2,495	2,564	2,635	2,707	2,781	2,851	2,922	2,995	3,070	3,147
Service charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	26,328	24,589	25,303	25,998	26,713	27,448	28,203	28,978	29,775	30,594	31,435	32,221	33,027	33,853	34,699	35,566
Interest earnings	2,247	2,218	2,423	2,400	2,360	2,635	2,632	2,750	2,788	2,656	2,668	2,678	2,691	2,707	2,729	2,757
Other revenue	5,608	694	714	734	754	775	796	818	841	864	888	910	933	956	980	1,004
<b>Total Revenue</b>	<b>62,818</b>	<b>55,269</b>	<b>58,579</b>	<b>60,170</b>	<b>61,790</b>	<b>63,774</b>	<b>65,528</b>	<b>67,454</b>	<b>69,353</b>	<b>71,135</b>	<b>73,116</b>	<b>75,063</b>	<b>77,068</b>	<b>79,131</b>	<b>81,257</b>	<b>83,447</b>
<b>Expenses</b>																
Employee costs	(23,246)	(22,550)	(23,407)	(24,226)	(25,013)	(25,764)	(26,472)	(27,200)	(27,948)	(28,717)	(29,506)	(30,244)	(31,000)	(31,775)	(32,570)	(33,384)
Materials and contracts	(19,121)	(20,498)	(21,523)	(22,491)	(23,391)	(24,210)	(24,936)	(25,622)	(26,326)	(27,050)	(27,794)	(28,489)	(29,201)	(29,931)	(30,679)	(31,446)
Utilities (electricity, gas, water etc.)	(1,663)	(1,772)	(1,861)	(1,945)	(2,023)	(2,093)	(2,156)	(2,215)	(2,276)	(2,339)	(2,403)	(2,463)	(2,525)	(2,588)	(2,653)	(2,719)
Interest expenses	(57)	(76)	(62)	(45)	(27)	(8)	(37)	(33)	(24)	(15)	(6)	(42)	(37)	(27)	(17)	(7)
Insurance expenses	(581)	(674)	(708)	(740)	(769)	(796)	(820)	(843)	(866)	(890)	(914)	(937)	(960)	(984)	(1,009)	(1,034)
Other expenditure	(4,683)	(1,389)	(1,428)	(1,467)	(1,507)	(1,549)	(1,591)	(1,635)	(1,680)	(1,726)	(1,774)	(1,818)	(1,864)	(1,910)	(1,958)	(2,007)
Depreciation	(11,352)	(12,094)	(12,764)	(13,201)	(13,588)	(13,904)	(14,137)	(14,594)	(15,052)	(15,455)	(15,860)	(16,247)	(16,658)	(17,076)	(17,500)	(17,931)
<b>Total Expenditure</b>	<b>(60,702)</b>	<b>(59,054)</b>	<b>(61,752)</b>	<b>(64,114)</b>	<b>(66,318)</b>	<b>(68,324)</b>	<b>(70,149)</b>	<b>(72,142)</b>	<b>(74,173)</b>	<b>(76,192)</b>	<b>(78,258)</b>	<b>(80,241)</b>	<b>(82,245)</b>	<b>(84,292)</b>	<b>(86,386)</b>	<b>(88,528)</b>
<b>Profit/(Loss) - Normal Operations</b>	<b>2,116</b>	<b>(3,785)</b>	<b>(3,173)</b>	<b>(3,944)</b>	<b>(4,528)</b>	<b>(4,550)</b>	<b>(4,621)</b>	<b>(4,687)</b>	<b>(4,820)</b>	<b>(5,057)</b>	<b>(5,142)</b>	<b>(5,177)</b>	<b>(5,177)</b>	<b>(5,161)</b>	<b>(5,129)</b>	<b>(5,081)</b>
Non-operating grants, subsidies and contributions	3,737	3,976	4,085	4,198	4,313	4,432	4,554	4,679	4,808	4,940	5,076	5,203	5,333	5,466	5,603	5,743
Gain on disposal of assets	-	806	-	8,213	-	-	-	-	-	-	-	-	-	-	-	-
Loss on disposal of assets	(4)	(8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in equity of investment	124	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit distributions from investments	-	1,334	1,620	1,477	2,192	1,859	541	-	-	-	-	-	-	-	-	-
<b>Net Result</b>	<b>5,973</b>	<b>2,323</b>	<b>2,532</b>	<b>9,944</b>	<b>1,978</b>	<b>1,741</b>	<b>473</b>	<b>(9)</b>	<b>(12)</b>	<b>(117)</b>	<b>(66)</b>	<b>25</b>	<b>155</b>	<b>305</b>	<b>474</b>	<b>661</b>
<b>Other Comprehensive Income</b>																
Other comprehensive income	35,997	7,958	8,372	8,659	8,919	9,195	9,397	9,602	9,890	10,102	10,318	10,539	10,764	10,995	11,230	11,470
<b>Other Comprehensive Income</b>	<b>35,997</b>	<b>7,958</b>	<b>8,372</b>	<b>8,659</b>	<b>8,919</b>	<b>9,195</b>	<b>9,397</b>	<b>9,602</b>	<b>9,890</b>	<b>10,102</b>	<b>10,318</b>	<b>10,539</b>	<b>10,764</b>	<b>10,995</b>	<b>11,230</b>	<b>11,470</b>
<b>Total Comprehensive Income</b>	<b>41,970</b>	<b>10,282</b>	<b>10,904</b>	<b>18,603</b>	<b>10,896</b>	<b>10,935</b>	<b>9,870</b>	<b>9,593</b>	<b>9,877</b>	<b>9,985</b>	<b>10,252</b>	<b>10,564</b>	<b>10,920</b>	<b>11,300</b>	<b>11,703</b>	<b>12,132</b>



# B2 Rate Setting Statement

	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>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Rates	27,087	27,900	28,737	29,599	30,487	31,402	32,344	33,314	34,314	35,343	36,403	37,495	38,620	39,779	40,972
Operating grants, subsidies and contributions	680	2,239	2,300	2,364	2,429	2,495	2,564	2,635	2,707	2,781	2,851	2,922	2,995	3,070	3,147
Service charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	24,589	25,303	25,998	26,713	27,448	28,203	28,978	29,775	30,594	31,435	32,221	33,027	33,853	34,699	35,566
Interest earnings	2,218	2,423	2,400	2,360	2,635	2,632	2,750	2,788	2,656	2,668	2,678	2,691	2,707	2,729	2,757
Other revenue	694	714	734	754	775	796	818	841	864	888	910	933	956	980	1,004
<b>Total Revenue</b>	<b>55,269</b>	<b>58,579</b>	<b>60,170</b>	<b>61,790</b>	<b>63,774</b>	<b>65,528</b>	<b>67,454</b>	<b>69,353</b>	<b>71,135</b>	<b>73,116</b>	<b>75,063</b>	<b>77,068</b>	<b>79,131</b>	<b>81,257</b>	<b>83,447</b>
<b>Less: Expenditure</b>															
Employee costs	(22,550)	(23,407)	(24,226)	(25,013)	(25,764)	(26,472)	(27,200)	(27,948)	(28,717)	(29,506)	(30,244)	(31,000)	(31,775)	(32,570)	(33,384)
Materials and contracts	(20,498)	(21,523)	(22,491)	(23,391)	(24,210)	(24,936)	(25,622)	(26,326)	(27,050)	(27,794)	(28,489)	(29,201)	(29,931)	(30,679)	(31,446)
Utilities (electricity, gas, water etc.)	(1,772)	(1,861)	(1,945)	(2,023)	(2,093)	(2,156)	(2,215)	(2,276)	(2,339)	(2,403)	(2,463)	(2,525)	(2,588)	(2,653)	(2,719)
Interest expenses	(76)	(62)	(45)	(27)	(8)	(37)	(33)	(24)	(15)	(6)	(42)	(37)	(27)	(17)	(7)
Insurance expenses	(674)	(708)	(740)	(769)	(796)	(820)	(843)	(866)	(890)	(914)	(937)	(960)	(984)	(1,009)	(1,034)
Other expenditure	(1,389)	(1,428)	(1,467)	(1,507)	(1,549)	(1,591)	(1,635)	(1,680)	(1,726)	(1,774)	(1,818)	(1,864)	(1,910)	(1,958)	(2,007)
Depreciation	(12,094)	(12,764)	(13,201)	(13,588)	(13,904)	(14,137)	(14,594)	(15,052)	(15,455)	(15,860)	(16,247)	(16,658)	(17,076)	(17,500)	(17,931)
<b>Total Expenditure</b>	<b>(59,054)</b>	<b>(61,752)</b>	<b>(64,114)</b>	<b>(66,318)</b>	<b>(68,324)</b>	<b>(70,149)</b>	<b>(72,142)</b>	<b>(74,173)</b>	<b>(76,192)</b>	<b>(78,258)</b>	<b>(80,241)</b>	<b>(82,245)</b>	<b>(84,292)</b>	<b>(86,386)</b>	<b>(88,528)</b>
<b>Net Operating Profit/(Loss)</b>	<b>(3,785)</b>	<b>(3,173)</b>	<b>(3,944)</b>	<b>(4,528)</b>	<b>(4,550)</b>	<b>(4,621)</b>	<b>(4,687)</b>	<b>(4,820)</b>	<b>(5,057)</b>	<b>(5,142)</b>	<b>(5,177)</b>	<b>(5,177)</b>	<b>(5,161)</b>	<b>(5,129)</b>	<b>(5,081)</b>
<b>Add:</b>															
Non-operating grants, subsidies and contributions	3,737	3,976	4,085	4,198	4,313	4,432	4,554	4,679	4,808	4,940	5,076	5,203	5,333	5,466	5,603
Proceeds from sale of assets	798	-	8,400	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation written back	12,094	12,764	13,201	13,588	13,904	14,137	14,594	15,052	15,455	15,860	16,247	16,658	17,076	17,500	17,931
	<b>16,629</b>	<b>16,740</b>	<b>25,686</b>	<b>17,786</b>	<b>18,217</b>	<b>18,569</b>	<b>19,148</b>	<b>19,731</b>	<b>20,262</b>	<b>20,800</b>	<b>21,323</b>	<b>21,861</b>	<b>22,408</b>	<b>22,966</b>	<b>23,533</b>
<b>Less: Capital Program</b>															
Purchase of buildings	4,227	5,166	6,310	4,250	3,382	3,467	3,553	3,642	3,733	3,826	3,922	4,020	4,121	4,224	4,329
Purchase of furniture and equipment	1,451	539	512	100	1,324	1,357	1,391	1,426	1,462	1,498	1,536	1,574	1,613	1,654	1,695
Purchase of plant and equipment	1,479	313	321	329	329	337	345	354	363	372	381	391	400	410	421
Purchase of infrastructure															
- Roads and Lanes	5,073	6,316	5,124	4,756	5,149	5,278	5,409	5,545	5,683	5,825	5,971	6,120	6,273	6,430	6,591
- Drainage	100	400	200	200	611	627	642	658	675	692	709	727	745	763	783
- Footpaths	552	250	150	150	1,181	1,211	1,241	1,272	1,304	1,337	1,370	1,404	1,439	1,475	1,512
- Parks and Reserves	3,782	5,430	4,726	8,318	2,508	2,571	6,635	2,701	2,769	2,838	2,909	2,982	3,056	3,133	3,211
Repayment of Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of Catalina Estate Investment	(2,333)	(2,833)	(2,583)	(3,833)	(3,250)	(1,019)	-	-	-	-	-	-	-	-	-
Transfers to Reserves	1,335	1,277	1,216	1,177	2,474	1,230	1,236	1,212	1,195	1,176	1,160	1,147	1,139	1,136	1,139
Transfers to Endowment Lands Account	611	117	8,507	391	390	388	386	244	236	228	219	209	198	187	175
	<b>16,276</b>	<b>16,974</b>	<b>24,483</b>	<b>15,838</b>	<b>14,098</b>	<b>15,445</b>	<b>20,840</b>	<b>17,054</b>	<b>17,420</b>	<b>17,792</b>	<b>18,176</b>	<b>18,573</b>	<b>18,985</b>	<b>19,412</b>	<b>19,855</b>
<b>Plus: Funding Sources</b>															
Transfer from Reserve Funds	2,988	3,008	2,331	2,160	-	1,057	1,927	1,679	1,739	1,647	1,531	1,378	1,212	1,037	852
Transfer from Endowment Lands Account	443	400	410	420	431	442	4,453	464	475	487	500	512	525	538	551
	<b>3,432</b>	<b>3,408</b>	<b>2,741</b>	<b>2,580</b>	<b>431</b>	<b>1,498</b>	<b>6,379</b>	<b>2,143</b>	<b>2,214</b>	<b>2,134</b>	<b>2,030</b>	<b>1,890</b>	<b>1,737</b>	<b>1,575</b>	<b>1,403</b>
<b>Budget (Deficit)/Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# B3 Statement of Financial Position

	2022/23A	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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current Assets</b>																
Cash and cash equivalents	8,933	7,821	6,279	13,437	12,545	15,114	15,483	10,951	10,491	9,937	9,439	8,994	8,668	8,477	8,433	8,551
Trade and other receivables	2,344	2,102	2,164	2,227	2,291	2,357	2,425	2,494	2,566	2,640	2,716	2,791	2,868	2,947	3,029	3,113
Other assets	709	636	654	673	693	713	733	754	776	798	821	844	867	891	916	941
Financial assets	47,049	47,049	47,049	47,049	47,049	47,049	47,049	47,049	47,049	47,049	47,049	47,049	47,049	47,049	47,049	47,049
Inventories	3,367	2,977	2,488	2,043	1,368	840	631	648	666	685	703	721	739	757	776	796
<b>Total Current Assets</b>	<b>62,401</b>	<b>60,585</b>	<b>58,634</b>	<b>65,428</b>	<b>63,945</b>	<b>66,072</b>	<b>66,320</b>	<b>61,896</b>	<b>61,548</b>	<b>61,109</b>	<b>60,728</b>	<b>60,399</b>	<b>60,192</b>	<b>60,122</b>	<b>60,203</b>	<b>60,449</b>
<b>Non-Current Assets</b>																
Trade and other receivables	2,105	1,888	1,944	2,000	2,058	2,117	2,178	2,241	2,305	2,371	2,440	2,507	2,576	2,648	2,721	2,796
Property, plant and equipment	163,878	163,110	168,462	174,846	178,846	183,169	187,519	191,909	196,345	200,837	205,392	210,017	214,719	219,504	224,377	229,344
Infrastructure	241,729	255,477	264,490	271,080	280,893	286,666	292,579	302,580	308,752	315,076	321,558	328,200	335,007	341,984	349,135	356,465
Right-of-use assets	1,097	1,410	1,067	706	327	7	717	553	381	199	9	812	627	432	226	11
Financial assets	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339
Intangible assets	710	710	710	710	710	710	710	710	710	710	710	710	710	710	710	710
Investments	15,292	14,717	14,020	13,384	12,440	11,639	11,388	11,388	11,388	11,388	11,388	11,388	11,388	11,388	11,388	11,388
Inventories	11,861	11,861	11,861	11,861	11,861	11,819	11,819	11,819	11,819	11,819	11,819	11,819	11,819	11,819	11,819	11,819
<b>Total Non-Current Assets</b>	<b>437,010</b>	<b>449,513</b>	<b>462,892</b>	<b>474,926</b>	<b>487,473</b>	<b>496,465</b>	<b>507,250</b>	<b>521,538</b>	<b>532,039</b>	<b>542,740</b>	<b>553,655</b>	<b>565,793</b>	<b>577,186</b>	<b>588,824</b>	<b>600,716</b>	<b>612,872</b>
<b>Total Assets</b>	<b>499,411</b>	<b>510,098</b>	<b>521,527</b>	<b>540,354</b>	<b>551,419</b>	<b>562,537</b>	<b>573,570</b>	<b>583,434</b>	<b>593,586</b>	<b>603,850</b>	<b>614,383</b>	<b>626,192</b>	<b>637,378</b>	<b>648,946</b>	<b>660,919</b>	<b>673,321</b>
<b>Current Liabilities</b>																
Trade and other payables	9,540	10,227	10,738	11,221	11,670	12,079	12,441	12,783	13,135	13,496	13,867	14,214	14,569	14,933	15,307	15,689
Contract and capital grant liabilities	364	114	374	384	395	406	417	429	440	452	465	477	488	501	513	526
Employee related provisions	1,973	1,914	1,986	2,056	2,123	2,186	2,247	2,308	2,372	2,437	2,504	2,567	2,631	2,697	2,764	2,833
Lease liabilities	327	343	361	379	320	14	164	172	181	191	16	186	195	205	216	18
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other provisions	267	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>12,471</b>	<b>12,597</b>	<b>13,460</b>	<b>14,041</b>	<b>14,508</b>	<b>14,685</b>	<b>15,269</b>	<b>15,692</b>	<b>16,128</b>	<b>16,576</b>	<b>16,852</b>	<b>17,442</b>	<b>17,883</b>	<b>18,336</b>	<b>18,799</b>	<b>19,067</b>
<b>Non-Current Liabilities</b>																
Employee related provisions	631	612	636	658	679	700	719	739	759	780	801	821	842	863	885	907
Lease liabilities	778	1,075	714	335	14	-	560	388	207	16	-	634	439	234	18	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>1,409</b>	<b>1,687</b>	<b>1,349</b>	<b>993</b>	<b>694</b>	<b>700</b>	<b>1,279</b>	<b>1,127</b>	<b>966</b>	<b>796</b>	<b>801</b>	<b>1,456</b>	<b>1,281</b>	<b>1,097</b>	<b>903</b>	<b>907</b>
<b>Total Liabilities</b>	<b>13,880</b>	<b>14,284</b>	<b>14,809</b>	<b>15,033</b>	<b>15,202</b>	<b>15,385</b>	<b>16,548</b>	<b>16,819</b>	<b>17,094</b>	<b>17,372</b>	<b>17,654</b>	<b>18,898</b>	<b>19,164</b>	<b>19,433</b>	<b>19,702</b>	<b>19,973</b>
<b>Net Assets</b>	<b>485,532</b>	<b>495,814</b>	<b>506,718</b>	<b>525,320</b>	<b>536,217</b>	<b>547,152</b>	<b>557,022</b>	<b>566,615</b>	<b>576,493</b>	<b>586,477</b>	<b>596,729</b>	<b>607,294</b>	<b>618,213</b>	<b>629,513</b>	<b>641,216</b>	<b>653,348</b>
<b>Equity</b>																
Retained surplus	258,769	262,578	267,124	270,085	273,075	272,383	272,736	277,485	278,160	278,825	279,489	280,166	280,855	281,561	282,287	283,037
Reserves - Cash backed	38,140	36,487	34,756	33,641	32,659	35,133	35,306	34,615	34,148	33,604	33,134	32,763	32,532	32,458	32,557	32,844
Cambridge Endowment Lands Account	3,178	3,345	3,063	11,160	11,130	11,089	11,035	6,969	6,749	6,510	6,250	5,970	5,667	5,340	4,989	4,612
Reserves – Revaluation	185,445	193,403	201,775	210,434	219,353	228,547	237,944	247,546	257,436	267,538	277,856	288,395	299,159	310,154	321,384	332,854
<b>Total Equity</b>	<b>485,532</b>	<b>495,814</b>	<b>506,718</b>	<b>525,320</b>	<b>536,217</b>	<b>547,152</b>	<b>557,022</b>	<b>566,615</b>	<b>576,493</b>	<b>586,477</b>	<b>596,729</b>	<b>607,294</b>	<b>618,213</b>	<b>629,513</b>	<b>641,216</b>	<b>653,348</b>



# B4 Statement of Cash Flows

	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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash Flows from Operating Activities</b>															
<b>Receipts</b>															
Rates	27,087	27,900	28,737	29,599	30,487	31,402	32,344	33,314	34,314	35,343	36,403	37,495	38,620	39,779	40,972
Operating grants, subsidies and contributions	680	2,239	2,300	2,364	2,429	2,495	2,564	2,635	2,707	2,781	2,851	2,922	2,995	3,070	3,147
Fees and charges	25,048	25,185	25,880	26,592	27,323	28,074	28,846	29,639	30,454	31,291	32,079	32,881	33,702	34,544	35,407
Service charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earnings	2,218	2,423	2,400	2,360	2,635	2,632	2,750	2,788	2,656	2,668	2,678	2,691	2,707	2,729	2,757
Other revenue/income	767	696	715	735	755	776	797	819	842	865	887	909	932	955	979
<b>Total Receipts</b>	<b>55,801</b>	<b>58,442</b>	<b>60,033</b>	<b>61,649</b>	<b>63,629</b>	<b>65,379</b>	<b>67,301</b>	<b>69,195</b>	<b>70,972</b>	<b>72,948</b>	<b>74,898</b>	<b>76,898</b>	<b>78,957</b>	<b>81,078</b>	<b>83,262</b>
<b>Payments</b>															
Employee costs	(22,628)	(23,311)	(24,134)	(24,925)	(25,680)	(26,393)	(27,119)	(27,864)	(28,631)	(29,418)	(30,161)	(30,915)	(31,688)	(32,481)	(33,293)
Materials and contracts	(19,846)	(21,037)	(22,033)	(22,965)	(23,822)	(24,592)	(25,297)	(25,992)	(26,707)	(27,442)	(28,160)	(28,864)	(29,585)	(30,325)	(31,083)
Utility charges	(1,772)	(1,861)	(1,945)	(2,023)	(2,093)	(2,156)	(2,215)	(2,276)	(2,339)	(2,403)	(2,463)	(2,525)	(2,588)	(2,653)	(2,719)
Interest expenses	(76)	(62)	(45)	(27)	(8)	(37)	(33)	(24)	(15)	(6)	(42)	(37)	(27)	(17)	(7)
Insurance expenses	(941)	(708)	(740)	(769)	(796)	(820)	(843)	(866)	(890)	(914)	(937)	(960)	(984)	(1,009)	(1,034)
Other expenditure	(1,389)	(1,428)	(1,467)	(1,507)	(1,549)	(1,591)	(1,635)	(1,680)	(1,726)	(1,774)	(1,818)	(1,864)	(1,910)	(1,958)	(2,007)
<b>Total Payments</b>	<b>(46,652)</b>	<b>(48,407)</b>	<b>(50,363)</b>	<b>(52,216)</b>	<b>(53,948)</b>	<b>(55,589)</b>	<b>(57,141)</b>	<b>(58,703)</b>	<b>(60,308)</b>	<b>(61,957)</b>	<b>(63,581)</b>	<b>(65,165)</b>	<b>(66,784)</b>	<b>(68,443)</b>	<b>(70,143)</b>
<b>Net Cash Provided by (used in) Operating Activities</b>	<b>9,148</b>	<b>10,035</b>	<b>9,670</b>	<b>9,433</b>	<b>9,681</b>	<b>9,789</b>	<b>10,159</b>	<b>10,491</b>	<b>10,664</b>	<b>10,992</b>	<b>11,317</b>	<b>11,733</b>	<b>12,173</b>	<b>12,635</b>	<b>13,120</b>
<b>Cash Flows from Investing Activities</b>															
Repayment of investments from Catalina Estate	2,333	2,833	2,583	3,833	3,250	1,019	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment	(7,156)	(6,018)	(7,143)	(4,679)	(5,035)	(5,161)	(5,290)	(5,422)	(5,557)	(5,696)	(5,839)	(5,985)	(6,134)	(6,288)	(6,445)
Payments for construction of infrastructure	(9,507)	(12,396)	(10,200)	(13,424)	(9,450)	(9,686)	(13,928)	(10,176)	(10,431)	(10,692)	(10,959)	(11,233)	(11,514)	(11,801)	(12,096)
Non-operating grants, subsidies and contributions	3,725	4,346	4,208	4,324	4,443	4,565	4,690	4,819	4,952	5,088	5,214	5,345	5,478	5,615	5,755
Proceeds from sale of property, plant and equipment	798	-	8,400	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Provided by (used in) Investing Activities</b>	<b>(9,806)</b>	<b>(11,234)</b>	<b>(2,151)</b>	<b>(9,946)</b>	<b>(6,792)</b>	<b>(9,263)</b>	<b>(14,527)</b>	<b>(10,779)</b>	<b>(11,036)</b>	<b>(11,300)</b>	<b>(11,583)</b>	<b>(11,873)</b>	<b>(12,170)</b>	<b>(12,474)</b>	<b>(12,786)</b>
<b>Cash Flows from Financing Activities</b>															
Payments for principal portion of lease liabilities	(454)	(343)	(361)	(379)	(320)	(158)	(164)	(172)	(181)	(191)	(178)	(186)	(195)	(205)	(216)
<b>Net Cash Provided by (used in) Financing Activities</b>	<b>(454)</b>	<b>(343)</b>	<b>(361)</b>	<b>(379)</b>	<b>(320)</b>	<b>(158)</b>	<b>(164)</b>	<b>(172)</b>	<b>(181)</b>	<b>(191)</b>	<b>(178)</b>	<b>(186)</b>	<b>(195)</b>	<b>(205)</b>	<b>(216)</b>
<b>Net Increase (Decrease) in Cash Held</b>	<b>(1,112)</b>	<b>(1,543)</b>	<b>7,158</b>	<b>(892)</b>	<b>2,569</b>	<b>369</b>	<b>(4,532)</b>	<b>(460)</b>	<b>(553)</b>	<b>(499)</b>	<b>(445)</b>	<b>(325)</b>	<b>(192)</b>	<b>(44)</b>	<b>118</b>
<b>Cash at the Beginning of the Year</b>	<b>8,933</b>	<b>7,821</b>	<b>6,279</b>	<b>13,437</b>	<b>12,545</b>	<b>15,114</b>	<b>15,483</b>	<b>10,951</b>	<b>10,491</b>	<b>9,937</b>	<b>9,439</b>	<b>8,994</b>	<b>8,668</b>	<b>8,477</b>	<b>8,433</b>
<b>Cash at the End of the Year</b>	<b>7,821</b>	<b>6,279</b>	<b>13,437</b>	<b>12,545</b>	<b>15,114</b>	<b>15,483</b>	<b>10,951</b>	<b>10,491</b>	<b>9,937</b>	<b>9,439</b>	<b>8,994</b>	<b>8,668</b>	<b>8,477</b>	<b>8,433</b>	<b>8,551</b>



# B5 Statement of Changes in Equity

	2022/23A	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>Retained Surplus</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance	257,555	258,769	262,578	267,124	270,085	273,075	272,383	272,736	277,485	278,160	278,825	279,489	280,166	280,855	281,561	282,287
Net result	5,973	2,323	2,532	9,944	1,978	1,741	473	(9)	(12)	(117)	(66)	25	155	305	474	661
Transfer to/(from) reserves	(4,759)	1,485	2,014	(6,983)	1,012	(2,433)	(120)	4,757	687	783	730	652	534	400	252	89
<b>Closing Balance</b>	<b>258,769</b>	<b>262,578</b>	<b>267,124</b>	<b>270,085</b>	<b>273,075</b>	<b>272,383</b>	<b>272,736</b>	<b>277,485</b>	<b>278,160</b>	<b>278,825</b>	<b>279,489</b>	<b>280,166</b>	<b>280,855</b>	<b>281,561</b>	<b>282,287</b>	<b>283,037</b>
<b>Cash/Investment Backed Reserves</b>																
Opening balance	33,017	38,140	36,487	34,756	33,641	32,659	35,133	35,306	34,615	34,148	33,604	33,134	32,763	32,532	32,458	32,557
Transfer to/(from) retained surplus	5,124	(1,653)	(1,731)	(1,115)	(982)	2,474	173	(691)	(467)	(543)	(470)	(371)	(231)	(74)	99	287
<b>Closing Balance</b>	<b>38,140</b>	<b>36,487</b>	<b>34,756</b>	<b>33,641</b>	<b>32,659</b>	<b>35,133</b>	<b>35,306</b>	<b>34,615</b>	<b>34,148</b>	<b>33,604</b>	<b>33,134</b>	<b>32,763</b>	<b>32,532</b>	<b>32,458</b>	<b>32,557</b>	<b>32,844</b>
<b>Cambridge Endowment Lands Account</b>																
Opening balance	3,542	3,178	3,345	3,063	11,160	11,130	11,089	11,035	6,969	6,749	6,510	6,250	5,970	5,667	5,340	4,989
Transfer to/(from) ELA	(365)	168	(283)	8,097	(30)	(41)	(53)	(4,066)	(220)	(239)	(260)	(281)	(303)	(327)	(351)	(377)
<b>Closing Balance</b>	<b>3,178</b>	<b>3,345</b>	<b>3,063</b>	<b>11,160</b>	<b>11,130</b>	<b>11,089</b>	<b>11,035</b>	<b>6,969</b>	<b>6,749</b>	<b>6,510</b>	<b>6,250</b>	<b>5,970</b>	<b>5,667</b>	<b>5,340</b>	<b>4,989</b>	<b>4,612</b>
<b>Asset Revaluation Surplus</b>																
Opening balance	149,448	185,445	193,403	201,775	210,434	219,353	228,547	237,944	247,546	257,436	267,538	277,856	288,395	299,159	310,154	321,384
Total other comprehensive income	35,997	7,958	8,372	8,659	8,919	9,195	9,397	9,602	9,890	10,102	10,318	10,539	10,764	10,995	11,230	11,470
<b>Closing Balance</b>	<b>185,445</b>	<b>193,403</b>	<b>201,775</b>	<b>210,434</b>	<b>219,353</b>	<b>228,547</b>	<b>237,944</b>	<b>247,546</b>	<b>257,436</b>	<b>267,538</b>	<b>277,856</b>	<b>288,395</b>	<b>299,159</b>	<b>310,154</b>	<b>321,384</b>	<b>332,854</b>
<b>Total Equity</b>	<b>485,532</b>	<b>495,814</b>	<b>506,718</b>	<b>525,320</b>	<b>536,217</b>	<b>547,152</b>	<b>557,022</b>	<b>566,615</b>	<b>576,493</b>	<b>586,477</b>	<b>596,729</b>	<b>607,294</b>	<b>618,213</b>	<b>629,513</b>	<b>641,216</b>	<b>653,348</b>

# B6 Forecast Ratios

		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>Standard Target</b>															
<b>Operating Surplus Ratio</b>	0% - 15%	-6.93%	-5.63%	-6.82%	-7.62%	-7.42%	-7.33%	-7.22%	-7.22%	-7.39%	-7.31%	-7.17%	-6.98%	-6.78%	-6.56%	-6.33%
<b>Current Ratio</b>	> = 1:1	1.39	1.32	1.26	1.19	1.18	1.13	1.12	1.11	1.10	1.11	1.08	1.07	1.05	1.04	1.05
<b>Own Source Revenue Coverage Ratio</b>	40% - 60%	45.87%	45.18%	44.82%	44.63%	44.62%	44.76%	44.83%	44.91%	45.04%	45.16%	45.37%	45.59%	45.82%	46.05%	46.28%
<b>Debt Service Cover Ratio</b>	> = 2	15.82	23.79	22.92	22.39	28.50	49.08	50.58	52.19	52.99	54.57	50.46	51.80	53.71	55.71	57.82
<b>Asset Sustainability Ratio</b>	90%	106.53%	133.30%	113.70%	85.48%	87.87%	88.59%	87.96%	87.42%	87.27%	87.16%	87.21%	87.19%	87.18%	87.19%	87.23%
<b>Asset Consumption Ratio</b>	50%	76.90%	78.42%	79.38%	79.81%	79.85%	79.90%	80.11%	80.15%	80.18%	80.23%	80.27%	80.33%	80.39%	80.45%	80.52%
<b>Asset Renewal Funding Ratio</b>	95% - 105%	94.07%	90.06%	89.41%	90.42%	90.70%	-	-	-	-	-	-	-	-	-	-



# B8 Capital Projects

Renewal & Upgrade Projects	Amount \$
<b>Service Unit Plan Projects</b>	
Disability Access and Inclusion Plan (DAIP) Projects	3,000,000
Floreat Surf Life Saving Club - Club Upgrade Construction	2,100,000
Lake Monger - Irrigation System Upgrade	1,500,000
Sydney Cheek Pavilion - Toilet & Changerooms (DAIP)	1,417,500
Various Parks – Upgrades	1,400,000
Light Fleet Replacement	1,266,933
Jon Sanders Drive (Powis - Harborne) Intersection	1,025,000
City Beach Tennis Club - Disability Access Construction	1,000,000
Lake Monger Recreation Club - Disability Project Construction	1,000,000
Library Air Condition System – Replacement	1,000,000
<b>Total projects \$1m or more</b>	<b>14,709,433</b>
Total projects less than \$1m	42,052,235
<b>General Capital Works</b>	
Roads and lanes upgrades and renewals	59,675,532
Buildings upgrades and renewals	38,622,246
Parks and reserves upgrades and renewals	19,449,241
Furniture and equipment upgrades and renewals	14,980,160
Footpaths upgrades and renewals	8,565,069
Drainage upgrades and renewals	7,131,881
Plant and equipment upgrades and renewals	4,101,559
<b>Total General Capital Works</b>	<b>152,525,688</b>
<b>Total Renewal and Upgrade Projects</b>	<b>209,047,356</b>

New Projects	Amount \$
<b>Service Unit Plan Projects</b>	
Lake Monger Hockey Facility	7,026,610
Floreat Beach CHRMAP	4,000,000
Lake Monger Reserve - Southern Foreshore Landscaping	965,000
Lake Monger Reserve - Jetties and Boardwalk	550,000
Lake Monger Reserve - South West Carpark	900,000
The Boulevard - Selby Signal Pedestrian Improvement	419,256
Pat Goodridge Reserve - Flood Light Installation	483,200
City Beach Oval Upper - Flood Light Installation	365,000
Ruislip Street - Safe Active Street	300,328
Lake Monger Drive - South West Playground Toilets	320,000
Wembley Golf Course Future Retail/Meeting Space – Construction	300,000
Electric Vehicle Charging Stations	200,000
Quarry Amphitheatre Access Road	200,000
<b>Total projects \$200k or more</b>	<b>16,229,394</b>
Total projects less than \$200k	1,770,756
<b>General Capital Works</b>	
New park and reserve projects	11,862,915
New footpath projects	6,182,395
New road and lane projects	4,599,183
New building projects	3,597,624
New furniture and equipment	1,549,654
New drainage projects	499,339
<b>Total General Capital Works</b>	<b>28,291,110</b>
<b>Total New Projects</b>	<b>46,291,260</b>



# 18 Glossary

**Annual operating surplus** before interest and depreciation means operating revenue minus net operating expense.

**AAS** Australian Accounting Standards.

**AASB** Australian Accounting Standards.

**Asset consumption ratio** means the ratio determined as follows — depreciated replacement cost of assets divided by current replacement cost of depreciable assets.

**Asset renewal funding ratio** means the ratio determined as follows — NPV of planned capital renewals divided by NPV of required capital expenditure.

**Asset sustainability ratio** means the ratio determined as follows — capital renewal and replacement expenditure divided by depreciation expense.

**Capital grants, subsidies and contributions** means payments made to, or “revenues” received for the specified purpose of acquiring, constructing non-current assets. These can be provided by way of grants from governments or contributions from the private sector. Also referred to as non-operating grants, subsidies and contributions.

**Capital renewal and replacement expenditure** means expenditure to renew or replace existing assets.

**CPI** Consumer Price Index for All Australian Capital Cities in Australian Bureau of Statistics publication.

**Current ratio** means the ratio determined as follows — current assets minus restricted assets divided by current liabilities minus liabilities associated with restricted assets.

**Current replacement cost of depreciable assets** means the cost of replacing assets at current prices.

**Debt service cover ratio** means the ratio determined as follows — annual operating surplus before interest and depreciation divided by principal and interest.

**Depreciable amount** is the cost of an asset, or other amount substituted for cost, less its residual value. Accounting Standard AASB 116 Property, Plant and Equipment.

**Depreciable assets** have the meaning given in the AAS.

**Depreciated replacement cost** has the meaning given in the AAS.

**Depreciation** is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciation method used shall reflect the pattern in which the asset’s future economic benefits are expected to be consumed by the entity. Accounting Standard AASB 116.60 Property, Plant and Equipment.

**Depreciation expense** has the meaning given in the AAS.

**Fair value** is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction. Accounting Standard AASB 116 Property, Plant and Equipment.

**General funds** as defined in Section 6.21 of the Local Government Act 1995 means the revenue or income from general rates, Government grants which were not given to the local government for a specific purpose and such other sources as are prescribed.

**General purpose financial statements** (referred to as ‘financial statements’) are those intended to meet the needs of users who are not in a position to require an entity to prepare reports tailored to their particular information needs. Accounting Standard AASB 101 Presentation of Financial Statements.

**Gross Domestic Product (GDP)** means the economic trend series published by the Australian Bureau of Statistics.

**Funding deficit** exists where there is insufficient capacity to fund asset renewal and other expenditure necessary to appropriately maintain the required level of services.

**Funding surplus** exists where there is excess capacity to fund asset renewal and other expenditure necessary to appropriately maintain the required level of services.

**Income Statement** General purpose Financial Statements prepared in accordance with the Australian equivalents to International Financial Reporting Standards, issued by the Australian Accounting Standards Board. Previously referred to as the Statement of Financial Performance, Operating Statement or Profit and Loss Statement.

**Infrastructure assets** are physical assets that contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services. For example, properties, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets.

**Key Performance Indicator** is a qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target.

**Level of service** is the defined service quality for a particular service area against which service performance can be measured.

**LG** Local Government.

**LGCI** Western Australian Local Government Cost Index.

**Liabilities associated with restricted assets** means the lesser value of a current liability or the cash component of restricted assets held to fund that liability.

**LTFP** Long Term Financial Plan.

**Net interest expense** means interest expense less interest received from self-supporting loan.

**Net operating expense** means operating expense excluding net interest expense and depreciation expense.

**NPV** means net present value.

**Operating expense** means the expense that is operating expense for the purposes of the AAS, including net interest expense and depreciation expense.

**Operating revenue** means the revenue that is operating revenue for the purposes of the AAS, excluding • grants for the development or acquisition of assets; and • contributions for the development or acquisition of assets; and • other comprehensive income.

**Operating surplus ratio** means the ratio determined as follows — operating revenue minus operating expense own source operating revenue.

**Other comprehensive income** has the meaning given in the AAS.1 Other comprehensive income comprises items of income and expense (including reclassification adjustments) that is not recognised in profit or loss as required or permitted by other Australian Accounting Standards. Accounting Standard AASB 1017 Presentation of Financial Statements.

**Own source operating revenue** means revenue from rates and service charges, fees and user charges, reimbursements and recoveries, interest income and profit on disposal of assets.

**Own source revenue coverage** ratio means the ratio determined as follows — own source operating revenue operating expense.

**Planned capital renewals** means capital renewal and replacement expenditure as estimated in the Strategic Resource Plan.

**Principal and interest** means all principal and interest expenses for borrowings under section 6.201.

**Quoted year** means all years quoted in this Plan relate to the financial year 1 July to 30 June.

**Required capital expenditure** means capital renewal and replacement expenditure as estimated in the asset management plan.

**SAMP** Strategic Asset Management Plan.

**SRP** Strategic Resource Plan.

**Town** Town of Cambridge.

**UCL** Unallocated Crown Land.

**Useful Life** describes the available life of an asset

**WALGA** Western Australian Local Government Association.

**WALGGC** Western Australian Local Government Grants Commission.



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