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Executive Summary

The 10 Year Long Term Financial Plan is a high-level strategic document that assists in aligning our community aspirations, strategic intent and organisational capacity. It guides our approach to delivering infrastructure and services to the community in a responsible and affordable way. The plan demonstrates the City’s commitment to managing its operations in a responsible and sustainable manner.

This plan presents a $2.60 Billion financial blueprint for the City for the 2020/21 to 2029/30 period.

With its focus on making the City more financially sustainable into the future, this plan drives structural reform of the City’s finances. Previously burgeoning operating expenses have been constrained and brought back to sustainable levels, expenditure focus has shifted from discretionary projects back to core service and there is increased commitment to appropriate asset renewal and new or upgraded community infrastructure as part of the City’s stewardship responsibilities.

Reduction of staff numbers by around 100 FTE and re-balancing the allocation of staff against prioritised services has resulted in a $100M saving over ten years. With an agile, service based resource allocation model, the City believes that it can deliver quality, targeted services that offer a value for money proposition to our ratepayers whilst ensuring that our capital city is efficiently run and that service levels are responsive to our community’s needs. The proportion of rates that is expended on staff costs under this plan is now back within industry benchmark parameters for the first time in many years.

Re-prioritising some discretionary operating project expenditure and redirecting those funds to areas where they can provide greater value has allowed an additional $100M investment in asset renewal and community infrastructure creation.

The Long Term Financial Plan expenditure profile over the ten year period in broad terms is:

<table>
<thead>
<tr>
<th>Expenditure Type</th>
<th>Amount $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Service Delivery</td>
<td>1,581M</td>
</tr>
<tr>
<td>Discretionary Operating Projects</td>
<td>141M</td>
</tr>
<tr>
<td>Asset Renewal &amp; Community Infrastructure</td>
<td>630M</td>
</tr>
<tr>
<td>Financing Activities &amp; Closing Balance (Surplus)</td>
<td>251M</td>
</tr>
<tr>
<td><strong>Total Allocation</strong></td>
<td><strong>2,602M</strong></td>
</tr>
</tbody>
</table>

This plan is developed in a time when our state is emerging from Covid 19 and the anticipated financial impacts of that event have been responsibly modelled into the plan - especially in the first two years. To support the post Covid 19 economic rebound, an allocation of $18.0M has been made for 2020/21 and other funding may be provisioned in future years if appropriate.

The Covid 19 pandemic has also adversely impacted the City’s revenue streams. Forfeited revenues from parking operations and the provision of financial relief for property rentals, refunded event fees from cancelled events, waiving of certain fees and charges, 2020/21 rates freeze, zero percent increase to fees and charges and significant reduction in investment revenues have created a challenging short term financial environment and this is reflected in the early years of the proposed funding model.
The Long Term Financial Plan presents a balanced funding model incorporating a responsible mix of funding sources over the ten year period as indicated below:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Amount $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rates</td>
<td>1,243M</td>
</tr>
<tr>
<td>Parking Operations</td>
<td>652M</td>
</tr>
<tr>
<td>Fees &amp; Charges</td>
<td>211M</td>
</tr>
<tr>
<td>Other Revenues &amp; Grant Funds</td>
<td>180M</td>
</tr>
<tr>
<td>Financing Activities - Cash Reserves &amp; Borrowings</td>
<td>316M</td>
</tr>
<tr>
<td><strong>Total Funding</strong></td>
<td><strong>2,602M</strong></td>
</tr>
</tbody>
</table>

The funding model acknowledges that other opportunities may arise through extra-ordinary grants from other levels of government or non-government sources or from asset rationalisations. These have not been incorporated into the model due to their uncertainty, but the financial model can readily be adapted to respond to such opportunities should they arise.

The Long Term Plan also references our financial ratios against industry benchmarks across each of the plan’s ten years to identify periods of financial challenge. Whilst a specific indicator may not be met in a given year, the Long Term Financial Plan presents a responsible and realistic plan to ensure that trends and average ratios across the life of the plan meet or exceed preferred industry benchmarks.

Long Term Financial Plan alignment to City of Perth Corporate Values

| Commitment - Deliver a responsible, sustainable financial model to deliver on our commitments to our community. |
| Teamwork - Work with our external facing service units to secure the financial resources to enable them to deliver service excellence to our stakeholders. |
| Courage - Lead the move to a contemporary service based resource allocation model that maximises value for money outputs. |
| Respect - Be a forward thinking, trusted financial advisor and business partner that anticipates and proactively supports our customers’ business and financial needs. |
1.0 Introduction

1.1 Integrated Planning & Reporting Framework

The City of Perth uses the Integrated Planning Model to provide a clear structure that guides a coordinated and collaborative process to develop our strategic direction and subsequent organisational activities.

Figure 1 - City of Perth Integrated Planning & Reporting Framework
1.2 Purpose of the Long Term Financial Plan (LTFP)

The 10 Year Long Term Financial Plan is a high-level strategic document that assists in aligning our community aspirations, strategic intent and organisational capacity. It guides our approach to delivering infrastructure and services to the community in a financially sustainable and affordable way. The plan demonstrates the City’s commitment to managing its operations in a responsible and sustainable manner, avoiding dramatic fluctuations in rates whilst building a legacy of quality community infrastructure and social capital for our community.

The 10 Year Long Term Financial Plan supports this objective by projecting our financial position over a 10 year time horizon using a series of realistic, conservative financial assumptions. This financial modelling provides the City with reliable, robust information to assess our capacity to maintain overall financial sustainability into the long term and, most importantly, to ensure that we have in place the necessary funding arrangements to support proposed capital replacement programs and new capital projects.

The 10 Year Long Term Financial Plan is underpinned by the following principles:

- Financial sustainability
- Prudence
- Financial accountability
- Responsible stewardship
- Alignment with strategic aspirations

2.0 City of Perth Context

2.1 Our Community

Figure 2 - Snapshot of the City’s Residential Profile
To adequately plan, the City must understand its current state and anticipated future population growth, economic fluctuations, environmental trends and social and community needs in the future.

The Long Term Financial Plan has been developed in consideration of the City’s anticipated population growth profile as shown in the infographic below. Given the period covered by the Long Term Financial Plan, it can be seen the more significant impact of residential growth will occur in the later few years of this plan. This will impact on servicing costs, infrastructure needs and revenue from rates although the most significant impacts are expected to occur after the period covered by the plan.

**Figure 3 - Anticipated Residential Growth**

![Residential Growth infographic]

At this growth rate, by 2035 Perth city’s density will be on par with the City of Melbourne of today, and by 2050, the City of Sydney.

**Figure 4 - Snapshot of the City’s Economic Profile**

<table>
<thead>
<tr>
<th>Economic Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total office floor space</td>
<td>1,935,300m²</td>
</tr>
<tr>
<td>Gross regional product</td>
<td>$45.5 billion</td>
</tr>
<tr>
<td>Economic output</td>
<td>$83.1 billion</td>
</tr>
<tr>
<td>Daily workforce population</td>
<td>149,474</td>
</tr>
</tbody>
</table>

Top industry sectors by economic output:
- **33%** Mining
- **13.6%** Finance and Insurance
- **10.9%** Professional, Scientific, Technical
2.2 Our Locality

Figure 4 - Snapshot of our Local Environment

3.0 Strategic Context

3.1 Strategic Community Plan
The principal guiding document for the City is the Strategic Community Plan. The plan is developed through research and an understanding of the external environment and the constraints faced by the City of Perth. It sets a vision for the city and articulates the aspirational outcomes, objectives and measures for the City of Perth to work towards over the next ten years.

The Corporate Business Plan sets out the City’s services, projects and activities over four years. Critical supporting plans such as the City’s Long Term Financial Plan and its Workforce and Asset Management Plans ensure that aspirations can be matched with organisational capacity. The Corporate Business Plan also guides, and is guided by, the development of issue specific strategies, which then inform Service Plans and the City of Perth’s Annual Budget.

3.2 Strategic Aspirations
Perth is a young and constantly evolving city in comparison to other capital cities throughout the world. The feedback received from the community indicated that it wants to be a part of a city that is a great place for people to live, work, visit, study and invest. The community wants the city to be perceived as a beautiful and connected place that provides vibrant, diverse and friendly experiences.

Perth should be seen not only as a city that is bold and progressive in its way of life, but also have a sense of distinctiveness that people can confidently promote.
Our City - Vibrant, connected, progressive.

Figure 5 - Our Aspirations

1. People
A safe, activated and welcoming city that celebrates its diversity and sense of community, providing unique educational, cultural, sporting and lifestyle offerings.

2. Place
A well-planned and functional built form environment, promoting world class architecture, appreciation of heritage, diversity of land use and a sustainable, affordable and accessible integrated transport system.

3. Planet
A city that respects, protects and fosters its natural environment, embraces the principles of sustainability and acknowledges the impacts of our changing climate.

4. Prosperity
A city with a diverse and resilient economy capitalising upon its unique competitive advantages and creative reputation, attracting sustainable investment in education, tourism, entertainment, commerce, technology and trade.

5. Performance
A city led by a Council and supported by an administration that is committed to sound strategy and governance, excellence in customer service and effective and sincere engagement with all stakeholders.

6. Partnership
A City that has earned the respect and support of the local industry through strong partnerships with state bodies, industry and community groups and other key stakeholders.
3.3 Vision
Vibrant, connected, progressive. This is the community's aspiration for Perth. At the City of Perth, we are proud to use the community's aspirations as the guiding principle for the delivery of our services. By developing a clear and strong connection to the community's needs, we can focus on creating meaningful differences in our neighbourhoods and for Perth as one of the most liveable cities in the world.

3.4 Our Services
The City provides an extensive range of external facing services to our community including:

- Strategic leadership
- Advocacy on behalf of our community
- Strategy development
- Economic development
- Community capacity building
- Community support services
- Cultural development
- Cultural and heritage collections management
- Events and activation
- Library services
- Customer service
- Community safety
- Public health
- City planning
- Development approvals
- Transport and urban design
- Infrastructure asset strategy and design
- Infrastructure maintenance
- Project delivery
- Parks maintenance
- Waste and cleaning
- Parking management

These services are supported and empowered by internal facing services including:

- Marketing and communications
- Financial management
- ICT services
- Human resource management
- Governance
- Information and records management
- Property management services

In developing the 10 Year Long Term Financial Plan, the City has carefully considered the resource and funding requirements necessary to deliver ongoing services and programs, statutory and governance activities, asset network renewal expenditures and opportunities for major discretionary capital expenditure initiatives.
Over the life of the plan, the range and scope of our services may be re-evaluated, or service levels re-assessed in the light of changing circumstances to ensure that there is alignment between community expectations, financial and organisational capacity and agreed service levels.

In regularly reviewing the plan, where such changes occur and the impact is significant, the financial modelling will be adjusted to reflect these changes. This iterative approach is an essential aspect of the Integrated Planning and Reporting Framework and reflects responsible business practice.

4.0 Service Based Resource Allocation Approach

4.1 Challenging the Paradigm
The City has moved from a traditional local government resourcing model to a service based resource allocation model designed to emphasise agile and flexible assignment of employee, financial and equipment resources around services rather than organisational structure. Services prioritised through community feedback and agreed community outcomes and service levels will determine the allocation of resources each year rather than a traditional incremental increase to the existing service unit budgets. The new approach clearly identifies and separates core service delivery activities from discretionary operating projects to ensure that the community enjoys value for money outcomes and the City is accountable for delivery of agreed service levels and measurable outcomes.

The Long Term Financial Plan plays a critical role in ensuring that the City has appropriate allocations of financial resources and that they can be deployed with agility to support the identified priorities as they evolve over time.

It is acknowledged that such a shift in financial management approach is a journey and that fully embedding this practice into our operations will take time, but we firmly believe that we can exercise more effective stewardship of the city’s financial resources through such an approach.

5.0 Long Term Financial Plan Modelling

5.1 Context for the Long Term Financial Plan
The Long Term Financial Plan is a significant informing document for the City’s integrated planning framework as it provides information regarding the resourcing requirements and financial capacity of our local government to achieve its stated objectives and priorities.

The 10 Year Long Term Financial Plan supports this objective by projecting our financial position over a 10 year time horizon using a series of realistic, conservative financial assumptions. This financial modelling provides the City with reliable, robust information to assess our capacity to maintain overall financial sustainability into the long term and, most importantly, to ensure that we have in place the necessary funding arrangements to support proposed capital replacement programs and new capital projects.

The City’s Long Term Financial Plan is consistent with all the requirements of the Department of Local Government’s guidelines on the development of long term financial management plans.
5.2 Assumptions & Modelling Parameters

As with any financial model having a future focus over a ten year time horizon, it is very important to understand and fully appreciate qualifications and / or limitations that may relate to the outputs of the model.

These are enunciated below for the purpose of providing clarity around the Long Term Financial Plan Model outputs and to ensure shared understanding of what the inclusion of a notional funding allocation in the plan actually means. The plan is expected to exert persuasive influence on the City’s Annual Budget each year - but it is recognised that the plan is a dynamic and evolving document that responds to changing strategic priorities, service level expectations and economic conditions.

5.2.1 Qualifications & Limitations

The 10 Year Long Term Financial Plan is a high-level strategic document that is used to assist in planning for the future and aligning our community aspirations, strategic intent and organisational capacity.

It is necessarily based on a number of financial assumptions relating to the quantum of and anticipated movements in both revenues and expenditures, the anticipated timeframes for cash flows into and out of the organisation and expectations of the continuation of (at least), existing funding initiatives by both commonwealth and state governments.

Included in the financial assumptions are anticipated movements in both the consumer price index, wages growth and interest rates as they relate to both investment returns and borrowing costs across the ten year horizon of the plan. Unanticipated changes in any of these parameters - or indeed in government policy directions are likely to have an impact on the financial modelling.

Indicative funding or cost estimates included in this plan may relate to broad proposals that:

- Have been approved by Council and are in progress
- Have been considered by Council but have yet to be given final approval to proceed
- Have only been considered by Council at a strategic or conceptual level
- Have only been considered by City Administration officers
- Are operational in nature and based on the continued delivery of existing services
- Are operational in nature and relate to the maintenance of City assets in accordance with management plans and maintenance plans.

Adoption of the 10 Year Long Term Financial Plan by Council does not constitute an irrevocable commitment to any particular project or service referenced in the plan, nor to its timing. Similarly, it does not preclude the possible subsequent inclusion of further service or capital initiatives in future years if the financial modelling and strategic direction of Council indicate that it aligns with that strategic direction and could be supported without adversely impacting on the City’s financial sustainability.

Any assumptions in relation to either the financial modelling parameters, projects or service proposals may subsequently be shown to be less than fully accurate in respect to likely funding requirement, timing, or financial estimates - or they may not eventuate at all. However, the Long Term Financial Plan is prepared on a basis of the best available information and knowledge to hand.
5.2.2 Extraordinary Factors Impacting the Long Term Financial Plan

### Covid 19 Impacts

The 2020/21 - 2029/30 Long Term Financial Plan has been formulated within a Covid 19 environment. It is acknowledged that there are significant financial and economic impacts arising from Covid 19 on the City across (potentially) the first three years of the plan. These are articulated below.

Potential financial impacts on the City of the Post Covid 19 environment have been modelled under three different impact scenarios and the most likely one selected. Covid 19 financial impacts will continue to be monitored and the City’s response amended as appropriate.

These financial impacts fall into three categories:

**Lost Revenues**

The Long Term Financial Plan has been developed on the premise that revenues from the City’s parking business will be significantly adversely affected in the 2020/21 year and may progressively recover to a slightly less that pre Covid 19 level over the 2021/22 year and into 2022/23. This revenue modelling has been informed by careful analysis of the business during the affected period to date.

**Rebound Expenditure to help Re-establish the Capital City’s Economy**

The City recognises its responsibility to our business and retail community to make significant investment in activating, promoting and marketing Perth as a destination of choice for tourism, retail, cultural experience, food and beverage and entertainment experiences post Covid 19.

The Long Term Financial Plan has been developed in recognition of the that responsibility to both directly invest and to facilitate a favourable economic and planning climate that encourages other sectors to invest in rebuilding our capital city. A Covid 19 Rebound Strategy developed by City leadership will guide the deployment of the funds allocated to this critical initiative.

**Windfall Government Funding Opportunities**

Although not directly factored into the Long Term Financial Plan at this time, City leadership recognises the high likelihood of major funding injections from the Commonwealth government into infrastructure and construction projects that will create jobs and stimulate the economy. The City has shovel-ready identified projects ready to take advantage of such funding opportunities and the Long Term Financial Plan has been designed to be readily adapted to incorporate such opportunities.

### Local Government Inquiry

Funds have been prudently accumulated in a Reserve Fund in the event that the City is required to contribute to the cost of the Local Government Inquiry into the City of Perth called in 2018. The 2020/21 - 2029/30 Long Term Financial Plan has been formulated with provision for the drawdown of those funds and payment of the contribution.
5.4 Long Term Financial Plan

The narrative and analysis provided in Sections 5 & 6 of this document are intended to facilitate a shared understanding of the financial schedules underpinning the 2019/20 - 2029/30 Long Term Financial Plan.

5.4.1 LTFP Financial Schedules

The published version of the 10 Year Long Term Financial Plan is presented as five summarised Financial Statements. These are:

- Long Term Financial Plan Summary Statement (FS1)
- Income Statement (FS2)
- Cash Flow Statement (FS3)
- Rate Setting Statement (FS4)
- Statement of Financial Position (FS5)
- Statement of Changes in Equity (FS6)

An explanation of the purpose of each of these statements is provided below. Each statement provided in the plan is accompanied by a table explaining each major line item on the statements.

**FS1 - 10 Year Financial Summary Statement**

This financial statement is a high level summarised statement that aggregates the estimates of both operating and non-operating revenues and expenditures as well as incorporating loan proceeds, transfers to or from cash-backed reserves, repayments of loan principal, capital expenditure items and movements in accrual funding that are expected to occur over the 10 year period covered by the plan. It provides a single consolidated view of all of the aspects of the Long Term Financial Plan.

**FS2 - Income Statement**

This financial statement includes estimates of all revenues and expenditures that are included in the operating (normal day to day) activities of the City. This also includes non-cash items such as depreciation and interest payments on loans. It excludes repayments of loan principal, proceeds from loan borrowings and capital expenditure items - those are all reflected in the aggregated Financial Summary FS1. It also allows for estimated (book entry) movements in the value of the City’s non-current assets. Information from the Income Statement is used to calculate the Operating Surplus Ratio which is one of the statutory measures of financial sustainability.

**FS3 - Cash Flow Statement**

This financial statement demonstrates the projected impact on the overall cash position of the City of the planned financial transactions. It is derived from the Operating Position which is then adjusted for the impact of the non-cash transactions and non-operating items.

**FS4 - Rate Setting Statement**

This is another statutory financial statement. It includes estimates of all operating and non-operating revenues and expenditures as well as repayments of loan principal, proceeds from loan borrowings, capital expenditure items and transfers to or from cash backed reserves. It does, however, exclude all non-cash items. The purpose of the statement is to demonstrate the calculation of the amount of Rates revenue expected to be raised to fund the Budget each year.
FS5 - Statement of Financial Position
This financial statement demonstrates the impact of the proposals in the Long Term Financial Plan on the assets and liabilities of the City and therefore, shows any improvement or decline in the City’s financial position.

FS6 - Statement of Changes in Equity
This financial statement demonstrates the cumulative impact on the City’s Net Equity from the proposals in the Long Term Financial Plan. It also contains a reconciliation back to the Opening Position - which is a critical component in the development of the Rate Setting Statement.

The primary Financial Schedules are supplemented by a series of Supporting Schedules (SS1 to SS6) which provide further details of the 10 Year Long Term Financial Plan.

5.4.2 LTFP Supporting Schedules
There are numerous supporting schedules which provide financial inputs for the Long Term Financial Plan model. A number of these schedules contributing to this plan are simply supporting worksheets that are intended for internal use and are not published in this document.

Supporting Schedules (SS1 to SS6) are included in this document and provide details of major financial parameters and assumptions that have been used to produce the 10 Year Long Term Financial Plan:

- Key Performance Indicators Calculations (SS1)
- Funding Assumptions - Reserves (SS2)
- Funding Assumptions - Loans (SS3)
- Capital Expenditure & Capital Revenues (SS4)
- Modelling Parameters (SS5)
- Explanatory Notes for Financial Statements (SS6)

The remaining worksheets hold the calculations used to derive the model and as such are not published.

5.4.3 Key Financial Indicators
Projected Key Financial Indicators required by the Department of Local Government Advisory Standard have been calculated from the data in the Long Term Financial Plan Financial Statements. An additional Indicator for Annual Rates % Increase has been included although not required by the Advisory Standard.

The Key Financial Indicators calculated are:

- Operating Surplus Ratio
- Own Source Revenue Ratio
- Debt Service Ratio
- Gross Debt to Operating Revenue Ratio
- Current Ratio
- Asset Consumption Ratio
- Asset Sustainability Ratio
- Asset Renewal Funding Ratio
Explanations and commentary on the Key Financial Indicators are provided at Section 6.3 of this plan. The calculations of the Key Indicators are provided in SS1. That schedule also indicates the source of the calculations by providing the line reference to the Financial Statements. Each indicator is compared to a local government industry benchmark to help inform future financial decisions.

There is no one indicator, or single financial year, that can be used to judge the financial sustainability of the City. Spikes in indicators can occur for a number of reasons. However, indicative financial ratio calculations can help Councils identify potential future financial challenges.

In the Key Performance Indicator Schedule (SS1):

- ☢ Indicates that the projected indicator exceeds the target.
- ☥ Indicates that the projected indicator is an intermediate achievement but is still under the target.
- ☢ Indicates that the projected indicator does not meet the target.

5.4.4 Loan Borrowings

The use of borrowings to support the funding of long life capital projects where appropriate is an important part of a balanced local government funding package. Introducing borrowings into the funding mix helps to smooth the spikes in rating from year to year - addressing the challenge of inter-generational equity. This means that those who will benefit from the use of the newly created asset in future years help to pay for the asset through paying rates to service the loan repayments each year.

With local governments able to borrow at fixed interest rates and interest rates at historic lows, the opportunity to embrace borrowings as part of the funding package cannot be overlooked in formulating the Long Term Financial Plan. In doing so, it is important to ensure that the City’s Debt Service Ratios remain within acceptable benchmarks (as this will be assessed before WA Treasury Corporation accepts our loan applications).

It is also important that the City ensures that its planned financial model meets its own debt covenants such as ensuring that its Gross Debt to Operating Revenue sits below the threshold of 40% across all ten years covered by the plan.

New borrowings have been included in the City’s 2020/21 - 2029/30 Long Term Financial Plan to support the overall funding package with the City’s current loan profile showing that all existing borrowings will be cleared by July 2022.

The Long Term Financial Plan includes $45M worth of loan borrowings over the life of the 10 Year Long Term Financial Plan. These borrowings are heavily ‘front end loaded’ with $30M of these borrowings in the first three years of the plan as the City responds to and rebounds from the financial impacts of the Covid 19 pandemic.

Analysis of the City’s borrowings profile and commentary on financial ratios relating to the use of debt is provided at Section 6.3 of this document.
5.4.5 Reserve Funds

Cash backed Reserve Funds are also a vital part of the Long Term Financial Plan funding package. Funds accumulated in cash backed reserves can be used to smooth fluctuations in rates needing to be raised during years when larger capital programs are being delivered.

The City currently has 18 Cash Reserves classified as:

- Asset Acquisition & Renewal Reserves
- Strategic Reserves
- Parking Related Reserves
- Waste Management Reserves
- Other Purpose Reserves

The 2020/21 - 2029/30 Long Term Financial Plan makes extensive, but responsible, use of previously accumulated cash reserves. Analysis and commentary on the use of Cash Reserves is provided at Section 6.2 of this document.

6.0 LTFP Analysis & Commentary

6.1 Overall Commentary

The Long Term Financial Plan represents a financial commitment of around 2.6 billion dollars over the next 10 years. These funds are applied to towards delivering a program of relevant services to our community whilst maintaining and renewing our infrastructure and creating new community facilities that leave a legacy for our community.

The Long Term Financial Plan has been presented using a balanced budget philosophy. That is, whatever is proposed to be expended is fully funded by the funding options included in the plan. The financial modelling in the earlier years of the plan is necessarily more certain than the later years - but adequate flexibility has been allowed in the later years of the plan to cope with new or emerging project opportunities.

In addition to continuing to deliver the comprehensive range of customer focused services and maintaining and renewing our community infrastructure, the City is embarking on an ambitious program to create and enhance major community infrastructure and new community facilities. These transactions have been modelled into the 10 Year Long Term Financial Plan to ensure that the new community facilities can be funded in a sustainable manner without unreasonable impost on ratepayers.

The Long Term Financial Plan presents the optimum financial model to meet the City’s financial needs over the next ten years in a way that respects and works towards achieving the Key Financial Indicators that have been set as benchmarks for local government to aspire to. Where an indicator may not be attained in a given year, the plan presents a responsible strategy to move the City towards the preferred industry benchmark.
The Long Term Financial Plan is, therefore, a financial blueprint for the City's future.

Chart 1 - 10 Year Funding Mix by Source

Chart 1 (above) indicates the respective contributions of the various different funding sources to the total funding mix over the ten year period covered by the plan. The major elements of the funding model are Rates (48%), Fees & Charges (8%), Parking Revenues (25%), Reserves (11%), Fines (3%), Borrowings (2%), Grants (2%), and Other Revenues (1%).

Over the life of the plan, funds will be applied towards meeting the costs of operational service delivery (premised on the agreed range and scope of services and agreed service levels) as well as expenditure on infrastructure renewals, new community asset creation and debt servicing.

The uses of those funds are shown below in Graph 2 titled 10 Year Fund Use by Type.

The proposed expenditure program reflects approximately 65% of funds being applied to operational expenditure, 8% on infrastructure maintenance and renewals and 16% for new asset creation. A further 1% is used for debt servicing. Some 8% of available funds are used for creation of Reserve Funds and the remaining 2% is the Closing Balance.

Fund uses described in Chart 2 (below) as Reserves Created reflect the transfer of funds to cash backed reserves, largely relating to provision of funds for Covid 19 Rebound and funding for the Parking Bay Levy payable each year, in advance, to the state government.
Non-cash operating expenditure items such as depreciation have been excluded from the graph above and book gains such as revaluation increases relating to infrastructure assets, land and buildings are also not included in the LTFP model.

Over the life of the plan, the City aims to draw down approximately $68M (net) of Cash Backed Reserves and Borrowings of $45.0M in total to supplement the City’s other funding sources. The projected Opening Balance each year of the plan averages around $5.6M whilst the Closing Balance represents, on average, around 2.5% of Operating Revenues.

The 10 Year Long Term Financial Plan model reflects a responsible, balanced, and sustainable financial strategy for the City. The plan will of course be subject to ongoing monitoring, review and updating in future years.

6.2 Commentary on Reserve Funds

Reserve funds are strategic in nature and, informed by future cash requirements identified in the Long Term Financial Plan, are generally accumulated to provide funding for identified future major community infrastructure projects. Discretionary reserves may also be funded from municipal funds to provide for future replacements of items including plant and equipment, technology, or reticulation systems.

Over the life of the plan the City will draw down a net $68M of Cash Backed Reserves. The composition and balances of the City’s Reserve Funds is shown in Charts 3 & 4 below.
Chart 3 - Projected Reserve Fund Balances

Chart 4 - Projected Reserve Fund Categories 10 Year Average
6.3 Commentary on Loan Borrowings

The Long Term Financial Plan uses a responsible funding mix to support investment in asset renewals and new community infrastructure. Proposed borrowings of $45M over the life of the plan are detailed in Schedule SS3 - Borrowings. The new borrowings are largely at the front end of the plan when the City will be charged with responsibility for driving the city’s economic rebound in a post Covid 19 environment.

**Chart 5 - 10 Year Projected Loan Balances Outstanding**

### Debt Service Ratio

This indicator shows how much of the City’s annual surplus (before interest and depreciation) is being applied to service debt obligations. It demonstrates that the City has sufficient operating surplus to service repayments of principal and interest on borrowings. The industry benchmark for the Debt Service Ratio is 5.0 times coverage.

**Table 1 - Projected Debt Service Ratio**

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.38</td>
<td>5.09</td>
<td>12.57</td>
<td>14.45</td>
<td>15.55</td>
<td>16.05</td>
<td>14.87</td>
<td>14.52</td>
<td>12.33</td>
<td>11.03</td>
</tr>
</tbody>
</table>

The ten year average for the Debt Service Ratio is 11.88 which comfortably exceeds the industry benchmark of 5.0 times. The City meets the basic standard of more than 2.0 times coverage in the first year and the advanced standard of 5 times in the remaining nine years.
**Gross Debt to Operating Revenue Ratio**

This indicator shows the relationship between outstanding debt and the annual operating revenue (less operating and capital grants). The preferred benchmark for the Gross Debt to Operating Revenue Ratio is less than 20%.

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<tr>
<td>Ratio</td>
<td>13.8%</td>
<td>9.6%</td>
<td>12.4%</td>
<td>10.5%</td>
<td>8.9%</td>
<td>7.3%</td>
<td>7.9%</td>
<td>6.2%</td>
<td>8.5%</td>
<td>6.5%</td>
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The ten year average for this is 9.1% which is comfortably within the upper bound of 20%. The City meets the standard of less than 20% in all ten years covered by the plan.

**6.4 Commentary on the Financial Statements**

The financial statements contained within the Long Term Financial Plan 2020/21-2029/30 present a responsible and sustainable financial blueprint for the City’s future. These statements indicate a steady improvement in the City’s financial position over the life of the plan with the annual net funding requirement before Reserves & Borrowings reaching an almost neutral position by year ten of the plan. This shows a positively correlated relationship between revenues and expenses and a well-balanced mix of funding options. The plan also demonstrates consistent progression towards equaling or bettering industry benchmarks for all of the key financial indicators.

The overall Long Term Financial Plan Summary (FS1) reflects a single integrated view of the Long Term Financial Plan. It shows the City moving from a challenging Covid 19 impacted operating position in 2019/20 and 2020/21 to a sound and sustainable operating result across the ten year period out to 2029/30. The Closing Position remains within preferred benchmarks of approximately 1% to 3% of Operating Revenue over all ten years of the plan and averages a very sound $5.51M or 2.5% over the life of the plan.

The Operating Surplus Ratio is positive for all but the first and second year - but this is entirely attributable to the City’s investment in Covid 19 rebound and meeting the cost of the City of Perth Inquiry. Without these two extra-ordinary expenditures, the operating surplus would have been positive and within the industry benchmark range. This demonstrates the very successful efforts of City leadership’s efforts over the second half of 2018/19 and throughout 2019/20 year in particular, to reign in operating expenditures and bring them back with financially sustainable parameters.

The Long Term Financial Plan is relatively robust in the first half of the plan - but is necessarily less rigid in the later years, so additional funding allocations have been provided to allow for new or emerging projects that arise during the later years of the plan. These future opportunity funding allocations are included in the Long Term Financial Plan Summary.

As a consequence of this responsible financial modelling approach, the Long Term Financial Plan sees the City move to a sustainable financial position over the 10 year life of the plan without unreasonable impost on the City’s ratepayers.
The Income Statement (FS2) focuses on revenues and operating expenses only and reflects in the early years a modest negative operating result as a consequence of the Covid 19 rebound expenditures - but this is offset by responsibly planned use of cash reserves and borrowings. All items shown on the Income Statement reflect growth in line with agreed financial indexing parameters (refer Supporting Schedule SS5) with the exception of grants for the acquisition of assets which are modelled on realistic expectations for external contributions towards specifically identified major capital initiatives. Results reflected on this financial statement are considered to be realistically modelled and are sustainable into the future.

The Cash Flow Statement (FS3) indicates sound cash flows from operating activities over the life of the plan, notwithstanding anticipated Covid 19 impacts in the early years. Projected cash generated from operations each year provides the cash flows that support the financing and investing activities in all years in conjunction with the contribution from previously accumulated cash reserves.

Over the life of the plan, net municipal cash held decreases by only around $2.5M - with an average balance of around $26.6M, although around 45% of this relates to restricted cash that is backing statutory employee entitlements. Reserve Fund cash reduces by around $68M (almost 70%) unless the City takes the opportunity to rationalise some of its land holdings, in which case the funds liberated would be quarantined back in Reserves until re-deployed to support major infrastructure expenditure.

The Rate Setting Statement (FS4) demonstrates the calculation of the amount required to be raised from rates each year (after considering the contribution from all other funding sources excluding rates) - and confirms that the proposed rates increases are both appropriate and sustainable over the life of the plan.

The Long Term Financial Plan endeavours to keep rate increases excluding interim rates from growth and GRV revaluations to within a self-imposed parameter of no more than CPI plus 0.5% per year. The rate setting model used in this preparing the financial plan represents an average annual rate increase of 2.27% excluding interims and rates growth. This is the level required to ensure that the balance between the City's operational expenditures and its operational revenue generating capacity is maintained at a sustainable level - as reflected in the Operating Surplus Ratio. For seven of the ten years covered by the plan, this is achieved and one other is very close to the target, Two of the ten years are outside the target range, but it is considered that the slightly out of range increases reflect a business reality in those years.

The Statement of Financial Position demonstrates the cumulative impact of the financial modelling in this plan on the City’s assets and liabilities. The Long Term Financial Plan shows a generally positive trend in the Net Asset Position each year off the plan. The Current Ratio calculated from the Balance Sheet exceeds, or is extremely close to, the preferred industry benchmarks in all years covered by the plan. The City acknowledges that it would be preferable to have a greater buffer between the industry benchmark and its calculated ratio, but its ratios arguably reflect a tightly controlled and responsible financial model that tries to mitigate the financial imposts on the City of Perth community.

The Opening Position shown on the Long Term Financial Plan Summary is reconciled to the Net Asset Position calculated in accordance with Department of Local Government guidelines using data from the Balance Sheet.

This reconciliation is shown on the Statement of Changes in Equity. As noted above, the Closing Position remains within preferred benchmarks of approximately 1% to 3% of Operating Revenue over all ten years of the plan and averages a very sound $5.5M or 2.5% over the life of the plan. It is $3.6M (1.43%) at 30 June 2030.
6.5 Commentary on Key Financial Indicators

There are a number of statutory financial indicators that a local government must calculate and disclose in both their financial planning and financial reporting documents. The calculation of each indicator - and the specific inclusions in both the denominator and numerator used in the calculation are strictly prescribed in the Local Government Financial Management Regulations (LGFMR). This ensures that financial indicators published by different local governments are comparable.

However, it must be appreciated that there is no single indicator that demonstrates a local government’s financial sustainability, nor does it necessarily mean that it is fatal if the City falls short of the benchmark for a specific indicator in a given year. The circumstances leading to the calculation of an indicator value must be understood to ensure that it is interpreted in context.

The calculation of each of the key financial indicators and detail of the industry benchmarks is provided in Supporting Schedule SS1. Overall, the City’s key financial indicators infer a Financial Health Indicator (FHI) score of 85 versus the industry sound financial management benchmark of greater than 70.

**Operating Surplus Ratio**

This indicator is used as a measure of capacity to meet operational expenses from revenues and the extent to which surpluses are generated to fund capital projects. The preferred ratio for this indicator is a positive value in the range between 0% and 15%. Any ratio over 5% meets or exceeds the industry benchmark.

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<td>(10.2%)</td>
<td>(1.2%)</td>
<td>5.0%</td>
<td>6.7%</td>
<td>7.8%</td>
<td>8.0%</td>
<td>7.6%</td>
<td>8.3%</td>
<td>7.2%</td>
<td>6.9%</td>
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The ten year average for the Operating Surplus Ratio is 4.6% which is close to the preferred industry benchmark of 5.0%. During the first two years, the City falls well short of the standard of 5.0% - but this is entirely due to its heavy investment in activation and economic activities that support the Covid 19 Rebound Strategy that is specifically targeted at revitalising our CBD. In the post Covid 19 era, the City’s Operating Surplus Ratio sits comfortably in a financially responsible range.

**Own Source Revenue Ratio**

This ratio is used to indicate how much of the City’s operating expenditure is covered by revenues directly generated by the City. That is, how financially autonomous is the City without reliance on external funding sources? Revenue used in this calculation does not include external funding such as grants and subsidies.

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<tr>
<td>90.0%</td>
<td>96.3%</td>
<td>102.6%</td>
<td>104.5%</td>
<td>105.8%</td>
<td>106.1%</td>
<td>105.7%</td>
<td>106.5%</td>
<td>105.3%</td>
<td>105.1%</td>
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The ten year average for the Own Source Revenue Ratio is 102.8% which is comfortably in excess of the preferred industry benchmark of 90.0%.
Current Ratio
This indicator is a broadly used ratio in both the public and private sectors to focus on the liquidity (available working capital) of a business at a given point in time. This ratio indicates capacity to meet short term (current) financial obligations as calculated at a given point in time (generally at year end).

The preferred ratio for this indicator is a number greater than 1.00 to 1. This ratio is sometimes disclosed as a percentage value where the preferred value is greater than 100%.

Table 5 - Projected Current Ratio

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<tr>
<td>Ratio</td>
<td>1.04</td>
<td>0.99</td>
<td>1.18</td>
<td>1.13</td>
<td>1.04</td>
<td>1.00</td>
<td>1.07</td>
<td>0.98</td>
<td>1.11</td>
<td>1.00</td>
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Projections for the Current Ratio range from a low of 0.98 in 2027/28 to a high of 1.18 in year 2022/23. Over the life of the plan, the average value is 1.05. The ratio exceeds the benchmark in eight of the ten years and is only marginally below in the other two. The ratio is balanced over the life of the plan to avoid excessive accumulation of cash whilst ensuring adequate ongoing investment in community infrastructure and services.

Asset Consumption Ratio
This ratio measures the condition of a local government’s physical assets, by comparing their age with their replacement cost. The ratio highlights the aged condition of a local government’s stock of physical assets. The benchmark standard for this ratio is between 50% and 75%.

Table 6 - Projected Asset Consumption Ratio

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<tr>
<td>Ratio</td>
<td>74.4%</td>
<td>74.9%</td>
<td>75.4%</td>
<td>75.9%</td>
<td>76.4%</td>
<td>76.8%</td>
<td>77.2%</td>
<td>77.6%</td>
<td>78.0%</td>
<td>78.4%</td>
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The indicated ratios in the plan suggest that the City’s physical depreciable assets are being maintained to a level that is consistent with industry benchmarks. The proportions of upgrade versus renewal expenditures on major capital initiatives can cause some inconsistency in individual years - but the average of 76.5% across the ten years is a healthy indicator.

Asset Sustainability Ratio
This ratio indicates the extent to which the City’s assets are being replaced as they reach the end of their economic life. The industry benchmark standard for this ratio is between 90% and 110%. This is an area for further focus as the City is generally close to; but does not exceed the industry standard.

Table 7 - Projected Asset Sustainability Ratio

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<tr>
<td>Ratio</td>
<td>79.5%</td>
<td>93.6%</td>
<td>83.0%</td>
<td>86.9%</td>
<td>87.6%</td>
<td>89.8%</td>
<td>86.1%</td>
<td>93.7%</td>
<td>91.9%</td>
<td>89.6%</td>
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Projected ratios for the Asset Sustainability Ratio range between 79.5% and 93.7% over the life of the plan. The basic industry standard for this indicator is a value of 90% and the ratio should not exceed 110% as a value greater than that upper limit suggests that assets may be being replaced too early.

**Asset Renewal Funding Ratio**
This ratio indicates the capacity of a local government to fund asset renewals as required to continue to deliver the existing service levels.

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<tr>
<td>Ratio</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
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Projected ratios for the Asset Renewal Funding Ratio range show as 100% as the Asset Management Plan projections are setting the funding level for this plan. The basic standard for this indicator is a value of between 75% and 95%. The advanced standard for this indicator is a value of between 95% and 105%.

Based on this standard, the City is meeting the standard benchmark in all of the ten years covered by this Long Term Financial Plan if it fully delivers on the intent of this financial model.

### 6.6 Exclusions

The Long Term Financial Plan is built from known or anticipated financial and resourcing requirements informed by the Strategic Community Plan, Workforce Plan, Asset Management Plans and other informing strategies and financial models. As such, the plan represents realistic modelling of the likely funding opportunities and anticipated financial commitments.

However, the plan excludes possible extra-ordinary funding opportunities such as additional financial stimulus funding from the Commonwealth government via Infrastructure Australia or Council of Capital City Lord Mayors (CCCLM) or the proceeds of any future property transactions should the City take opportunities to rationalise its property portfolio. As the realisation of such opportunities cannot be pre-emptively assumed or modelled with confidence, they have not been included in the plan. In the event that such an opportunity does arise in future, the Long Term Financial Plan model can easily incorporate such inputs and re-model the outcomes accordingly.

### 7.0 Risk Analysis

Financial sustainability was recognised as a key strategic risk for the City of Perth in 2018/19. A major transformation initiative is currently underway to reposition our capital city’s finances for a sustainable future. Ensuring the City’s long term financial sustainability is the primary objective of this Long Term Financial Plan. To support the attainment of that objective, a risk analysis was undertaken as part of the financial modelling to develop this Long Term Financial Plan.

Risks that may impact on a successful outcome have been classified into themes and are detailed below.
### Risk Category: LTFP Model Fundamentals

**Effectiveness**

#### Risk Description:
1. Model assumptions and indexation factors may not be accurate.
2. Population growth and Rates growth projections may not be realised.

#### Risk Rating:
- 1. Low
- 2. Medium

#### Risk Mitigation Treatment:
1. Modelling parameters are guided by principles of prudence and conservatism and informed by known or reasonably expected index changes, Reserve Bank, WA Treasury Corporation, state government and industry indicators. They represent the best available information at the time of modelling. The plan is subject to ongoing review and modification to respond to changing economic conditions.
2. Population growth is aligned to projections supporting the Strategic Community Plan and rates growth is based on conservatively deflated rates returns from major commercial, residential buildings known to be the subject of active or proposed development applications or future development opportunity. Whilst certainty is greater in the first half of the ten year plan time horizon, the model is sufficiently fluid as to be able to be updated and remodelled as is appropriate.

### Risk Category: Funding Uncertainty & Cash Flow Management

**Effectiveness**

#### Risk Description:
3. Capital grant targets may not be achieved.
4. Parking revenue targets may not be fully realised.
5. Investment rates or borrowing rates may change.
6. Cash inflows may be slower than historical patterns in early years - Post Covid 19.

#### Risk Rating:
- 3. Low
- 4. High
- 5. Low
- 6. Medium

#### Risk Mitigation Treatment:
3. The capital grant targets are conservatively modelled and with a good strategy, a Community Infrastructure Plan (CIP), ‘shovel ready projects’ and good relationships with government and other funding partners, the City should be able to secure more than current targets. In the event that an external funding target was not met, the delivery program would be adjusted accordingly. All major CIP projects over a nominated threshold value, will (in future) have an individual funding plan.
4. Proactive and agile management of parking business assets and parking operations should ensure that the business meets profitability expectations whilst balancing community and business imperatives. Post-Covid 19 recovery was conservatively modelled and will be closely monitored.
5. Investment rates are already at historical lows so there is little potential downside to investment returns. With borrowing rates also at historical lows, and the City able to undertake fixed rate borrowings through WA Treasury, use of debt at this time is safe and entirely appropriate.
6. A detailed cash flow risk analysis reveals that the nature of local govt rates (secured against the property), property rental income, and most other revenues payable at time of transaction means that the revenue streams are essentially not at risk - but the timing of the cash inflows may be deferred. The LTFP contains a comprehensive ten year Cash Flow Model that indicates that, with regular monitoring and proactive management, deferred cashflow impacts are manageable.
## Risk Category: Changing Community Priorities or Government Direction

### Effectiveness

### Risk Description:

1. Council strategic direction changes.
2. Community priorities shift.
3. State Government policy direction changes

### Risk Rating:

1. Medium
2. Medium
3. Medium

### Risk Mitigation Treatment:

1. The Long Term Financial Plan is a dynamic document and can be periodically reviewed and modified to respond to changing Council strategic priorities.
2. The Long Term Financial Plan recognises the likelihood of shifts in community priorities over the lifetime of the model. It is designed to be sufficiently fluid as to be able to be updated and remodelled as is appropriate when new or changed community priorities emerge.
3. It is also acknowledged that local government is subject to the impacts of state government policy changes and, hence, the financial model is created with an expectation of the need to review and adapt to respond to such policy changes.

## Risk Category: Organisational Capacity

### Effectiveness

### Risk Description:

1. Inability to successfully deliver the proposed capital program.
2. Inability to deliver the proposed breadth of services to the community

### Risk Rating:

1. Medium
2. Low

### Risk Mitigation Treatment:

10. The longer planning horizon of the Long Term Financial Plan provides greater certainty to proactively develop concepts & designs, consult the community and undertake other critical precursor activities and procurement activities, thereby maximising the project delivery and construction window. It also offers the opportunity for the City to be more scalable in responding to its programs by changing the balance between in-house and external delivery approaches.
11. Through the financial parameters of the Long Term Financial Plan persuasively influencing Service Plans and Workforce Plans, the City can adapt to changing service expectations by adjusting the scope and service levels of its service offerings. The Long Term Financial Plan can itself also adapt to changes coming via the Community Service Plan through regular review and updating as appropriate. This will provide timely visibility of potential future financial challenges.

Overall, it is the capacity of the Long Term Financial Model to be reviewed and adapted to respond to changing community expectations, policy or community priorities that gives it value as an integrated planning tool. As a bespoke creation tailored to the City of Perth’s requirements, it provides an effective mechanism to respond to the potential risk issues acknowledged above.
8.0 Scenario Modelling

The development of this Long Term Financial Plan was an iterative process. Having established key variables, parameters and assumptions that have remained relatively constant across the various models; discretionary funding elements such as Reserve funds and borrowings have then been differentially modelled to create the optimum financial model. Proposed discretionary expenditures such as non-asset renewal capital projects or discretionary operating projects have been included within the specific years where there is capacity to accommodate them in a financially sustainable way. Where this has not been possible, the program is scaled up or down in different iterations of the model accordingly - and then certain projects were rescheduled for a different year.

In developing this financial model, the City has remained cognisant of how its proposed financial model impacts on the local government statutory key financial indicators. By calculating draft financial ratios for each of these indicators across the ten years of the plan, we then proactively identified and responded to years where the proposed financial model indicated an adverse trend or specific financial challenge.

Brief comment on the modelling scenarios is provided below.

8.1 Preferred Scenario

The Long Term Financial Plan as presented represents what is considered to be the optimal model to deliver a responsible and sustainable financial blueprint for the City for the next 10 years. The modelling parameters used are considered to realistically reflect current and anticipated economic conditions and the funding mix is considered to be the most appropriate with respect to community funding capacity, external funding opportunities and responsible use of cash reserves and borrowings. Reliance on rates as a funding source is modelled to remain as close as possible to an annual increment of no more than CPI plus 0.5% - excluding growth from interim property growth.

8.2 Other Scenarios Modelled

In developing the preferred scenario, several alternative scenarios were modelled, particularly in relation to the financial impacts of Covid 19 on parking revenues and cash flows, as well as the trajectory of recovery of parking revenues post Covid 19. Modelling undertaken included a low, medium, high and extreme scenario - which presented quite different results for the first three years of the plan in particular. Following modelling workshops with commissioners, a single agreed scenario model was identified and taken forward.

Using that model as a foundation, sensitivity analysis was undertaken to identify the impact of lesser revenue assumptions. This analysis resulted in an identified need to either significantly reduce capital expenditures and / or asset renewal expenditures to produce a balanced budget model - or alternatively to consider reducing core service levels. Without making such adjustments, the cumulative impact on the closing position (surplus) was a significant deficit over the ten years period covered by the plan. Informed by the alternative model scenarios that showed results that were not fully aligned with City leadership’s desired outcomes, the focus then moved to the best potential outcome that would meet the City’s strategic objectives in a sustainable way.

Accordingly, this Long Term Financial Plan is promoted as the preferred model.
9.0 Future Directions

The development of this Long Term Financial Plan represents an important step in the City’s financial transformation project and will play an essential role in re-positioning our capital city’s finances for a sustainable future. It will be subject to continual refinement and will be regularly updated to reflect changing economic conditions and community priorities.

9.1 Continuous Improvement

The Long Term Financial Plan is subject to a continuous improvement approach. That is, feedback regarding the challenges and successes in accessing supporting information, compiling the model, reviewing the options and preparing the final Long Term Financial Plan will help to refine the process and allow the City to deliver greater sophistication in its plans in future.

In the first few years of effectively implementing the Integrated Planning and Reporting Framework, certain information gaps were identified (particularly in relation to some asset classes and the determination of renewal versus new and upgrade expenditure). Addressing this issue in the current plan necessitated the use of some estimates to complete the datasets and calculations required to create a responsible, complete and sustainable long term financial model. The City’s intention is to further refine the plans and models by reviewing datasets for each asset class and subjecting them to a more rigorous analysis of data and assumptions in future years before completing and integrating the resulting plans.

Similarly, more detailed understanding of our core service delivery and the relationship between resourcing levels, service levels and service scope resulting from each iteration of the service plans will enable us to re-balance the resource requirement versus community outcome equation, thereby ensuring that the community enjoys maximum value for money from our service delivery efforts.

The Long Term Financial Plan is to be reviewed annually by the administration to check alignment with actual performance and to identify any changed or emerging circumstances including strategic or community priorities. It will also be reviewed and updated in accordance with statutory obligations and community feedback on a regular basis to move it towards an industry best practice standard.

The financial schedules detailing the plan are presented in the attached document – City of Perth Long Term Financial Plan 2020/21 - 2029/30.

I commend the 2020/21 - 2029/30 Long Term Financial Plan to you.

Michael J Kent
Chief Financial Officer