



TOWN OF  
VICTORIA PARK



# DRAFT LONG TERM FINANCIAL PLAN

2021 to 2036



**WE'RE OPEN**  
**VIC PARK**

## Table of Contents

Executive Summary	2
Context	6
Global megatrends	7
Strategic alignment and sustainability	9
Economic Commentary	13
Key projects	17
Appendices	24



## Executive Summary

### **Overview**

The Town of Victoria Park has prepared this Long-Term Financial Plan (LTFP) detailing activities and initiatives the Town proposes to do over the next 15 years, ultimately demonstrating that the Town is moving towards financial sustainability. The LTFP is aligned to other core planning documents - the Strategic Community Plan and Corporate Business Plan - by which the Town is accountable to the community.

*Please note - The Town is undertaking its 4 yearly major review of the Strategic Community Plan during 2021 which is proposed to be presented to Council for adoption by December 2021. Any changes to this LTFP arising as a result of the new Strategic Community will be reflected in the next revision of this LTFP.*

Other documents have also informed the LTFP, including the Workforce Plan as well as several Asset Management Plans, which cover each of the asset classes included in the Town's financial reporting.

The LTFP has relied on a range of assumptions and provides the community and Council with information designed to inform workplace and asset management practices to meet strategic objectives.

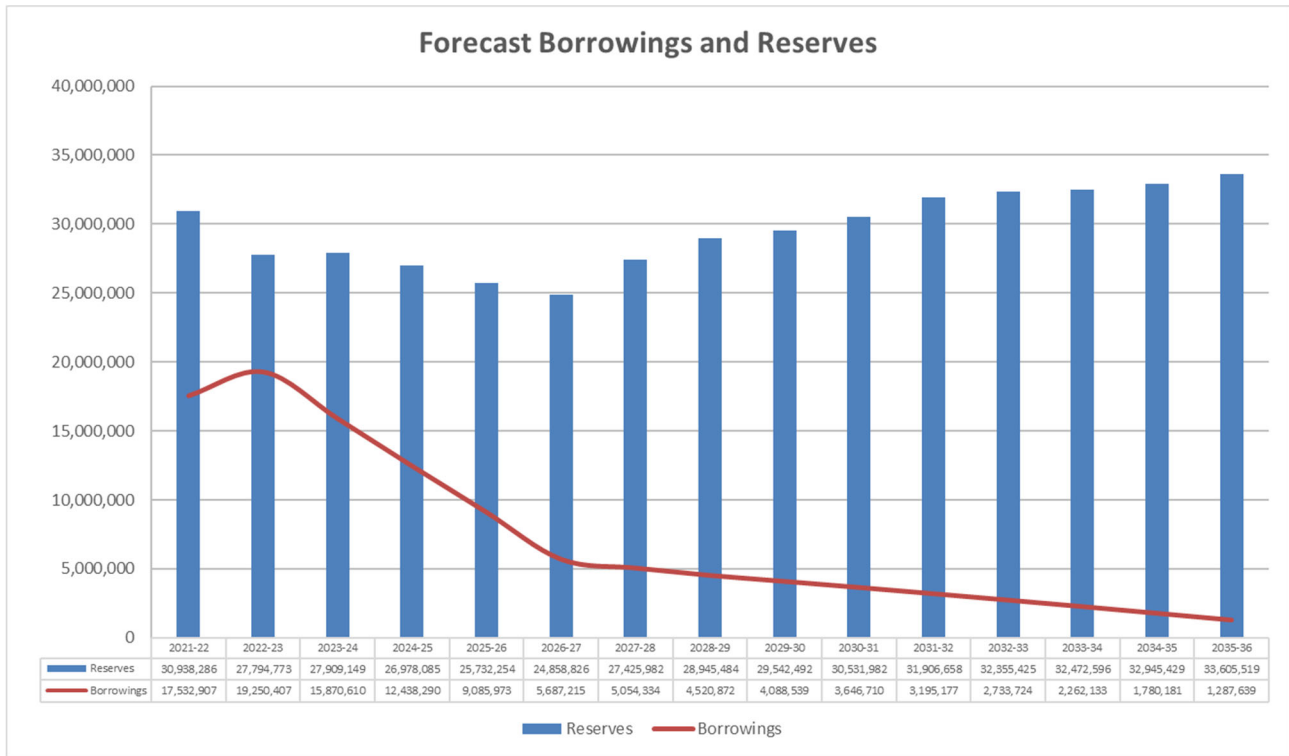
The LTFP covers the financial years 2021 through to 2036 inclusive. The term of 15 years was chosen to provide an initial period of significant accuracy for the first five years, a little less accuracy for the next five years, and then reasonable estimates for the remaining five years. The Town intends to review the LTFP annually to inform the preparation of each Annual Budget.

Key characteristics of the LTFP include -

- Growth in Reserve Funds
- Prudent management of debt
- Significantly costed Asset Management Plans
- Fully accommodated Workforce Plan requirements
- Moving towards financial sustainability

### Growth in Reserve Funds

Driving the growth in Reserve Funds is the Town's commitment to ensure dividends received through land sales at Catalina Estate in Tamala Park, of which the Town is a 1/12 stakeholder, are available for future revenue generation initiatives and not used to simply assist in the general operation of the organisation. The Town anticipates receiving over \$30 million over a decade.

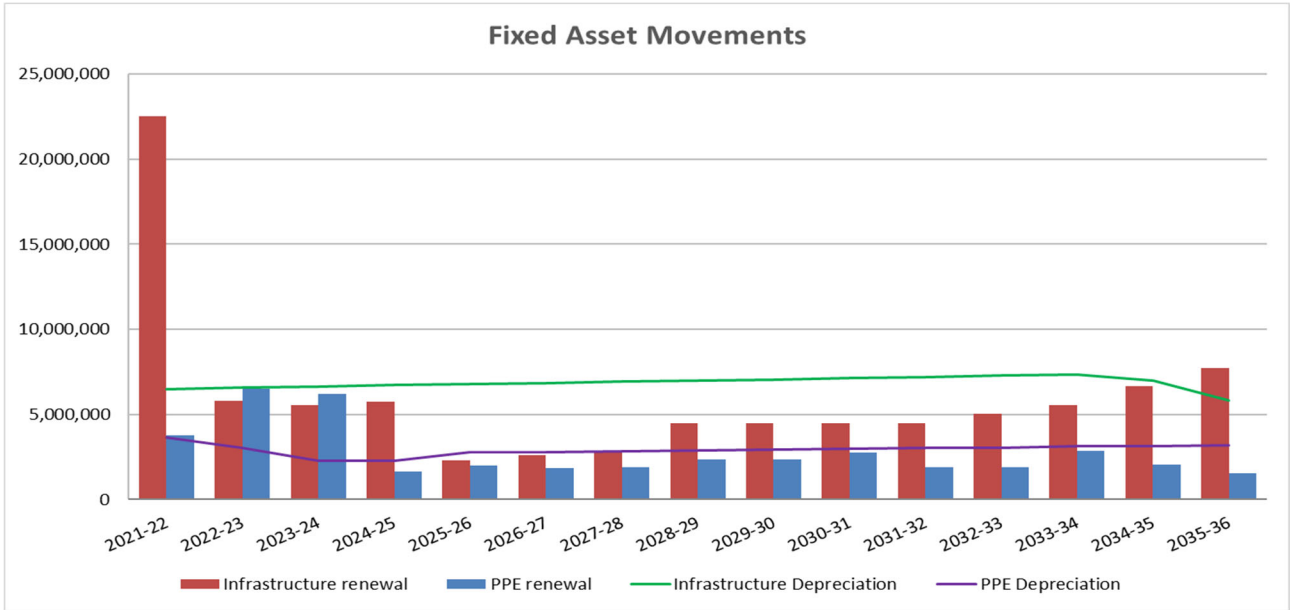


### Prudent management of debt

The Town is committed to prudent management of debt, while grants and contributions will continue to be explored for major projects. Council endorsed new loans to fund the three underground power projects for Carlisle North, Victoria Park East and Victoria Park West. The LTFP includes the repayment of these loan funds by ratepayers that directly benefit from the underground power scheme over a seven-year period.

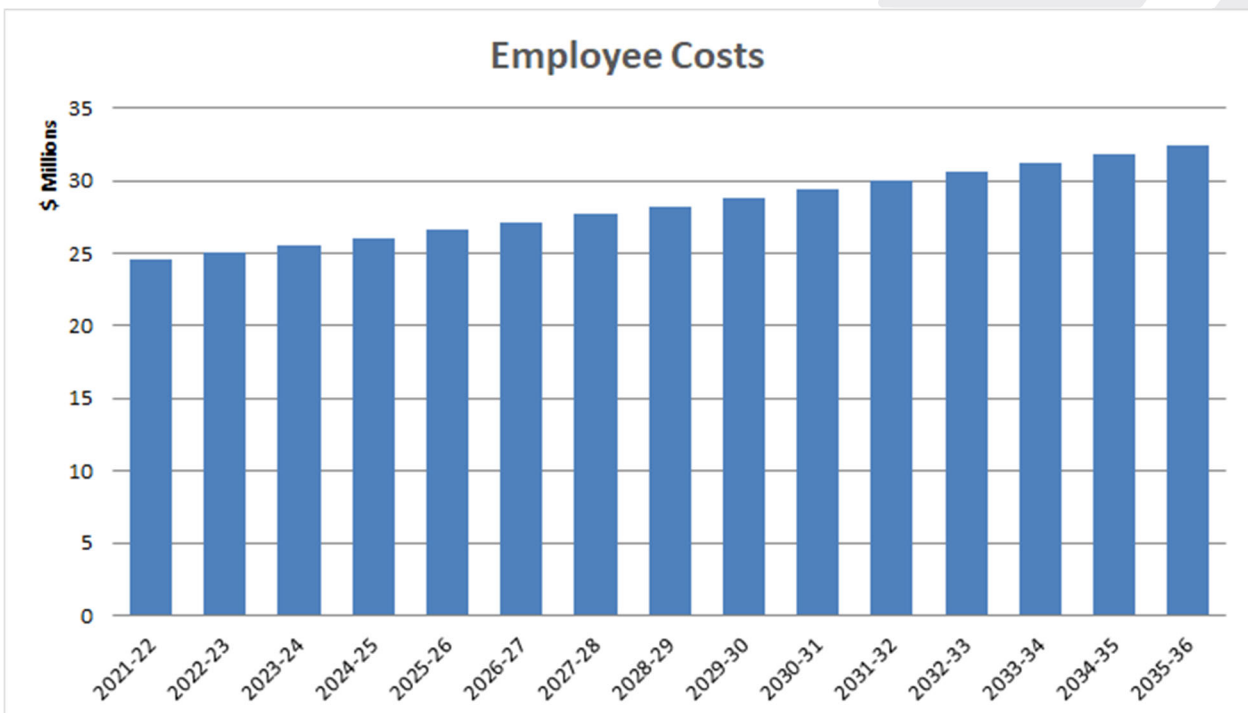
### Significantly costed asset management plans

Owing mainly to budget constraints and increasing service levels, the asset renewal program has for some years received insufficient funding allocation to meet appropriate recommended levels. This has resulted in low condition ratings, and deteriorating assets, across many of the Town's asset classes. The LTFP highlights the need to increase the focus on asset renewal in the District.



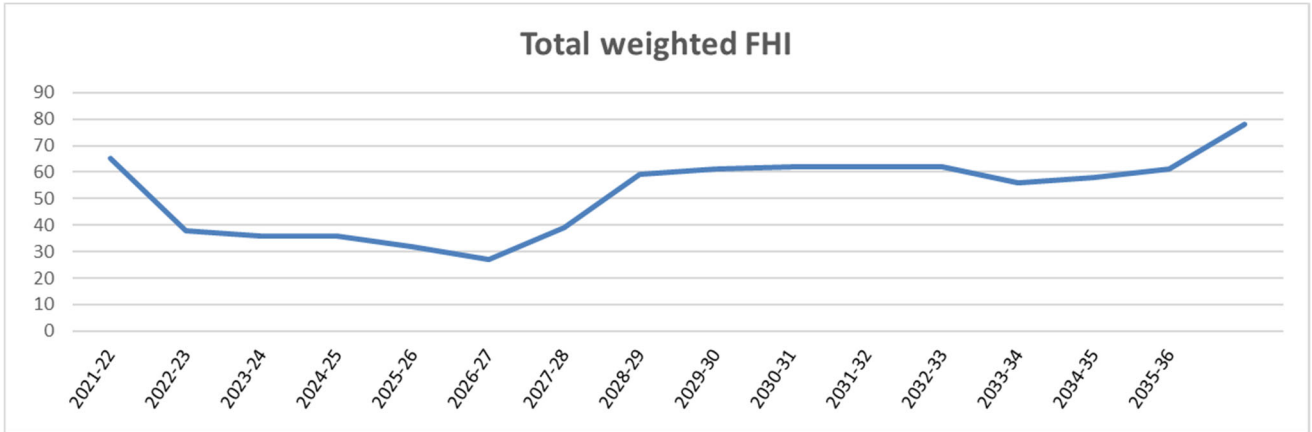
**Fully accommodated workforce plan requirement**

Employment Costs are a significant expense for the Town. Accounting for approximately 35% of operating expenses, the imperative is to ensure that the total number of employees is minimised, without negatively impacting service levels, is a high priority. The Workforce Plan, which was adopted by Council in December 2020 allows for an additional 35.3 (FTE) employees over the life of the LTFP. This represents an annual position percent growth rate of 1.1%. Comparatively, the population percent growth rate over the same period is estimated at 2.1%. This may present some challenges in the future and the emphasis on efficiencies and automation will be required to maintain service levels for the growing population.



### Moving towards financial sustainability

At present, the Town is required to measure itself against seven financial ratios which, when collectively assessed against pre-set criteria, provide a Financial Health Indicator. The Financial Health Indicator was developed by the Western Australian Treasury Corporation (WATC) and is an indication of overall financial health and is one factor to consider in assessing overall performance. Other factors include the range of services offered, efficiency of services delivered, and client satisfaction.



## Context

### Location

- Super close to the Perth Central Business District: One of the Town's competitive advantages is that it is located only four kilometres from the Perth Central Business District.
- Home to some major attractors and stakeholders: Curtin University, Crown Casino Perth, Optus Stadium, John Hughes Perth, Technology Park, West Coast Eagles Football Club, Belmont Park Racecourse and Perth Football Club are some of the major attractors and stakeholders that are located within the Town.
- Quite a lot of the Swan River foreshore: The Town has approximately six kilometres of river foreshore and needs some long-term planning.
- Old school Main Street: Albany Highway (the Town of Victoria Park bit) is an old school main street. It's one of the longest main streets in the southern hemisphere and is a significant local and regional attractor.
- Lots of train stations! The Armadale/Thornlie railway line runs through the Town. It means that there are five train stations in the Town, including the new Perth Stadium special events train station.

### Demographics

- Growing population: The current population is 37,784 and is expected to grow to 48,318 by 2031.
- Young(ish) population: The largest age cohort in the Town is the 25 to 34 demographic. The second largest age grouping in the Town is the 35 to 49 demographic.
- Increasingly multicultural: The Town is becoming more and more multicultural. Twenty-seven per cent of people speak a language other than English at home. Mandarin, Italian and Cantonese are the top three of these languages.
- Well educated: Compared to the rest of Greater Perth there is a higher proportion of people in the Town holding formal qualifications (Bachelor or higher degree; Advanced Diploma or Diploma; or Vocational qualifications), and a lower proportion of people with no formal qualifications.
- 1 or 2 people households dominate: Over 67% of people living in the Town live in a one or two-person household.
- Live relatively closely together: In the Town of Victoria Park, 47.8% of the dwellings were medium or high density, compared to 25% in Greater Perth.
- Likely to work as either a professional, in administrative work or as a technician/trade worker: 54% of Town residents work in one of these three jobs.
- Homogeneously socio-economic: Wage categories are equally distributed across the population i.e. no one category dominates.
- Lots of workers from the south-eastern corridor: 88% of people who work in the Town come from outside of the Town.

## **State and Regional Context**

From time-to-time State Government planning has a significant impact on how local governments plan and operate. This section briefly summarises some of the key State Government strategies that are likely to impact the Town.

State Planning Strategy 2050: The Strategy is a guide from which public and local authorities can express or frame their legislative responsibilities in land-use planning, land development, transport planning and related matters.

Perth and Peel @ 3.5 million: This document plans the future of the Perth and Peel metropolitan region up to 2050. The Town is one of 19 local government authorities identified within the central sub-region. By 2050, it is projected that this region will have 1.2 million people, 780,000 jobs and has an infill target of 215,000 homes. This document has identified that the Town needs to plan for 19,400 new dwellings by 2050.

Two major initiatives of the State government to be aware of are:

- a) Metronet – A public transport plan for Perth based on substantial investment in heavy rail north and south of the Perth central business direct. The objective will be to enable east-west movement across the Perth metropolitan region.
- b) State Infrastructure Strategy – The government identified that it would publish a State Infrastructure Strategy that will establish priorities for infrastructure planning and investment across Western Australia for the next 20 years.

## Global megatrends

### **Changing Demographics**

Population boom – The population of the Town is expected to grow exponentially in the next thirty years. By 2036, it is estimated that the Town's population will be 56,000. By 2050, it is possible that the Town's population could exceed 100,000. The age structure of the population is expected to remain similar to what it is now. The Town will continue to become more and more multicultural.

### **Urbanisation**

Growing cities – It is expected that by 2050, 70% of the world's people will live in the world's major urban areas. In Perth, there will be increased pressure on inner metropolitan areas to increase residential densities in the context of the state's population being expected to increase to between 4.4 and 5.6 million by 2056. An increase in population will result in an increased demand on the Town's services, facilities and infrastructure.



### **Social Inclusion and Expectations**

Sustainable community – Greater emphasis on the notion of being part of a sustainable community in the context of having access to housing; employment; education; health; public and active transport; and opportunities to establish and maintain social networks. It is expected that one in five older people will be from a culturally and linguistic diverse background. Mental and physical health will become an increasingly important consideration.

### **Global Economy**

Trade, tourism and collaborative consumption – The Town's proximity to Perth's CBD offers an opportunity to take advantage of tourism and business opportunities for local businesses and entrepreneurs. More people will be swapping, sharing, bartering, trading and renting using the latest technologies and peer-to-peer marketplaces.

### **Technological Advances**

The internet, crowdsourcing and the big cloud – There will be a massive increase in data usage and our ability to use the internet to communicate with each other. Services will be improved by having the public identify these improvements through interactive ways. As more data is hosted online affordable scales of computational problem solving becomes available to local governments.

Artificial intelligence and machine learning – Artificial intelligence will have strong impacts on the running of businesses, the framework of human labour, the demand for skilled ICT workers and the nature of start-up investments.

Automated vehicles – It could be that in the near future the vast amount of space (lanes, car parks etc.) in our cities dedicated to private cars becomes increasingly redundant.

Smart cities – In 2021, it is estimated that 300 billion sensors are making lifestyle enhancements in our daily lives. These sensors will become integral to the digital ecosystem of Local Governments worldwide to gain first-hand evidence of usage and requirements. Buildings, roads, vehicles and renewable energy grids will be connected by smart grids to optimise connectivity, energy, space and time.

### **Climate Change**

Costly water features – The consequences of reduced rainfall and declining groundwater tables could include higher costs to the Town around managing water features in parks and reserves.

Infrastructure failure – A changing climate will mean increased risks to major infrastructure due to natural events such as floods, storms and heat waves. These impacts may potentially interrupt rail and road operations, water and energy supplies, and cause damage to private and public assets.

Swan River – A significant portion of the Swan River passes through the District. This means the Town will need to plan for and respond to watercourse damage, drought, acid sulphate soils and

potential flooding.

Loss of ecosystems and public open space – A changing climate may mean that the Town's flora and fauna within its bushland areas may be lost.

Population health – Increasing temperatures combined with potential increased urban heat island effect could make things harder for elderly people.

### **Resource Constraints**

City resilience – It will become more important to develop the capacity of cities to survive and thrive if and when available resources are constrained. This means that the Town will need to consider short, medium and long term planning for its assets and resources.

### **Engagement process and themes**

During 2021 the Town has been undertaking a major review of the Strategic Community Plan – Vic Vision. Work on the new Strategic Community Plan is still progressing is expected to be presented to Council for adoption in late 2021.

For this LTFP, the current Strategic Community Plan has been used.

### **Council's Mission, in support of the Vision is -**

"We will communicate with, empower and support the community and promote social, economic and environmental sustainability to create our vision."

Details on the Council's Strategic Outcomes can be found in the Strategic Community Plan.

## Strategic alignment and sustainability

### **Integrated Planning and Reporting Framework**

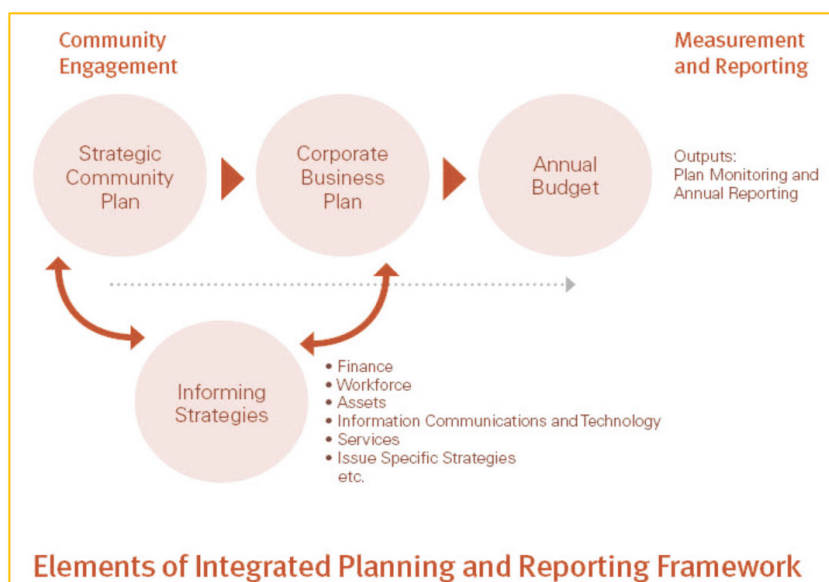
The State Government's Integrated Planning and Reporting Framework provides local governments with a framework for establishing local priorities and to link this information to operational functions. Three major parties are involved in the development of an integrated plan: the local government administration, the Council and the community. Each party has a unique role and responsibilities for effective and sustainable integrated planning and reporting, with the Local Government (Administration) Regulations 1996 requiring each local government to adopt a Strategic Community Plan and a Corporate Business Plan.

Integrated planning and reporting is a framework for local governments to -

- Articulate the community's vision, outcomes and priorities.
- Allocate resources to achieve the vision, striking a considered balance between aspirations and affordability.
- Monitor and report progress.

The framework, pictured below, consists of the following "suite" of plans -

- A Strategic Community Plan that clearly shows the community vision, strategic direction, long and medium-term priorities and resourcing implications with a horizon of 10+ years.
- A Corporate Business Plan that contains a 4+ year delivery program, aligned to the Strategic Community Plan, and accompanied by 4+ year financial projections.
- Informing Strategies, consisting of the core Informing Strategies (Long Term Financial Plan, Asset Management Plan/s and Workforce Plan) and any other issue or area specific Town plans that inform the Strategic Community Plan and Corporate Business Plan. The core Informing Strategies play a vital role in prioritisation and integration.



### Long-Term Financial Planning

The LTFP is a 15-year rolling plan that informs the Corporate Business Plan in the activation of Strategic Community Plan priorities. The LTFP includes forecasts for the years accompanying the Corporate Business Plan. From these planning processes, annual budgets, that are aligned with strategic objectives, can be developed.

The Integrated Planning and Reporting Cycle is shown below -



### Workforce Planning

Workforce Planning is a continuous process of shaping the workforce to ensure that it is capable of delivering organisational objectives now and in the future.

Costs associated with the workforce have been initially increased each year of the LTFP and are designed to cover all base costs as well as those ancillary costs (such as higher duties, overtime etc.). Future increases will be factored in as part of the next iteration of the Enterprise Agreement.

All expenses associated with the Workforce Plan have been included within the LTFP. This includes, but is not limited to, initial service levels estimated on a 'business-as-usual' approach, with a view to improved services throughout the life of the LTFP. Area growth requirements are also considered and included.

### Asset Management Planning

Asset Management is a process for ensuring that a local government's assets and infrastructure such as roads, drains, bridges, footpaths and public buildings provide an appropriate level of service to the community. Although a range of terminology is used to describe its components and processes, asset management broadly involves the development and delivery of –

- 1) An asset management policy – one or more documents outlining the Town's asset management objectives, levels of service and integration with the Town's corporate business

and financial planning, governance arrangements, data systems, and evaluation processes

- 2) An asset management strategy – one or more documents demonstrating how the Town’s assets will meet the service delivery needs of the community through integration with long-term strategic planning, and
- 3) An asset management plan – one or more documents that define and record all of the Town’s assets, the particular actions required to provide the defined level of service and incorporates financial information and risk management processes for the cost-effective delivery of services.

The Town has developed a number of Asset Management Plans as part of the Integrated Planning and Reporting Framework. These Asset Management Plans identify all assets and the rate at which money should be spent on them in order to meet certain service levels. This LTFP provides funding towards the renewal of assets, as well as some additional works. The Town will continue to monitor and review the plans to ensure assets are regularly renewed to ensure service provision and long-term affordability align.

### **Sustainability - Measured by the Financial Health Indicator**

The Financial Health Indicator is a measurement of a local government’s overall financial health. The methodology was developed by the Western Australian Treasury Corporation (WATC) with input from financial professionals working in local governments across Western Australia.

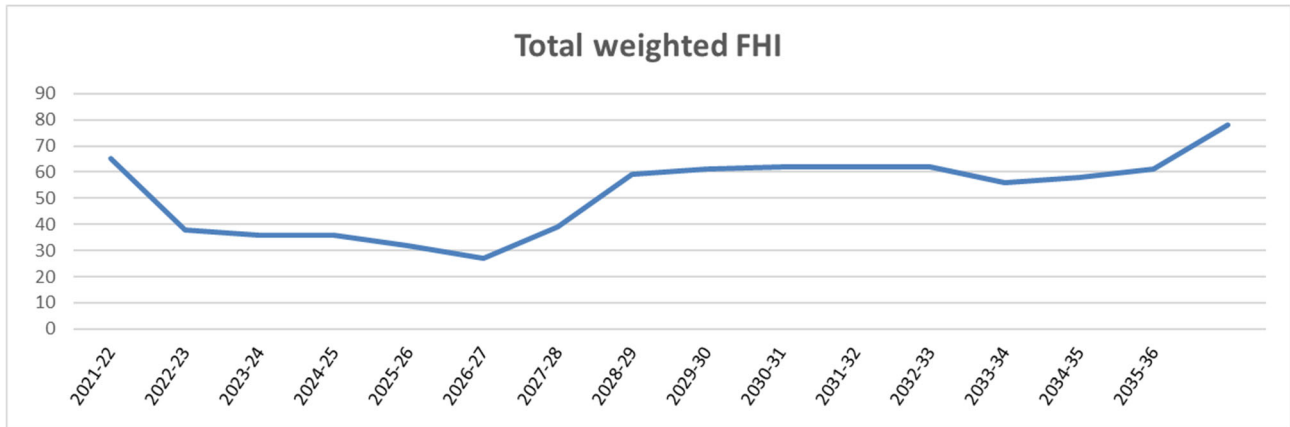
The result is calculated from the seven financial ratios that local governments are required to report annually. The approach awards a score out of 10 for each financial ratio. The weighted average of the ratios is used to calculate the overall result.

Local governments that perform better across the seven areas tend to have greater financial health.

The Financial Health Indicator is an indication of overall financial health and is one factor to consider in assessing overall performance. Other factors include: the range of services offered; efficiency of services delivered; and client satisfaction.

What is considered a good Financial Health Indicator result? A score of 70 and above indicates sound financial health.

Below is a summary of the Financial Health Indicator score against each year of the LTFP -



## Economic Commentary

The following information helps to provide a brief context regarding the setting of this LTFP -

### Federal Government Budget Implications and Opportunities for Local Government

Grants and other assistance from the Federal Government is a significant funding source for local government infrastructure projects.

Key sources are:

- Federal Assistance Grants
- Roads to Recovery Program
- Local Sporting Champions Program
- Community Sporting Infrastructure Grants
- Safer Communities Fund
- Local Roads and Community Infrastructure Grant LRCI

### State Government Budget Implications and Opportunities for Local Government

Similarly, the State Government budget impacts delivery of services and infrastructure of the Town. It also impacts on our residents via increases in State Government household charges such as electricity, water, vehicle licences and the Emergency Services Levy.

Some of the key issues for the Town stemming from the State Budget, include -

#### Metronet

The Metronet project is progressing with the major feature for the Town being the removal of level crossings at Mint and Oats St via the proposed elevation of the line between Miller and Oats Street and with new elevated stations at Carlisle and Oats Street. The elevation of the line will result in open space and public spaces for our community. While the capital cost of this open space is being funded by the Metronet Project, the ongoing maintenance will likely fall on the Town. This cost is

yet to be determined and will be included in future revisions of this LTFP.

The Town's Local Planning Strategy identifies the need to prepare station precinct structure plans around both stations to enable growth and development opportunities.

### **Street Lighting Tariffs**

Local Government street lighting tariffs are expected to increase by 3.2% per annum.

### **Local Government Rates Rebate**

The State Government will continue to cap the Rates Rebate and remove indexation from the calculation. Savings generated by this scheme will be used to assist in funding the Hardship Utilities Grant Scheme.

### **Financial Assumptions and Strategies**

The estimates in the LTFP are based on a number of key assumptions and strategies.

The base point for the modelling is the 2020-2021 financial year and assumptions have been applied from this year onwards. The assumptions include -

- Service levels have initially been estimated on a 'business-as-usual' approach, with a view to improving services throughout the life of the LTFP.
- A balanced budget will be achieved for each year of the LTFP.
- Costs associated with the workforce are designed to cover all base costs of employment as well as those ancillary costs (such as higher duties, overtime etc.). Future increases, following this current Enterprise Agreement have an average of 2.0% increase over the remaining life of the LTFP.
- Within the LTFP, rate growth has been forecast at an average 1.0% as a sound approach to the predicted population and residential development growth of the area.
- Rates increases have been estimated at 1.0% for each year of the LTFP and will be reviewed each year as part of an annual review of this LTFP.
- All estimates contained within this LTFP are based on information known today and are subject to change.
- Loans will be paid as, and when, they fall due.
- Funds received from the sale of land by Tamala Park Regional Council are transferred into Reserve Funds designed for future revenue diversification.



- All significant projects requiring the inclusion of 'new' or 'upgrade' works will have included in the LTFP, as part of the total cost of supplying the project, a renewal allocation that will be closely aligned to the forecasted annual depreciation of those additional works.

### Assumptions/Financial Parameters – First 5 years of the LTFP

The table below summarises the parameters used for the first 5 years of the LTFP. Years 6 to 15 are similar. This is in addition to estimated inflation (CPI) of 1% pa. These parameters will be reviewed annually.

**Town of Victoria Park**  
**Commencing Year ended 30 June 2021**  
**Draft Base Scenario**

Nature or Type	1	2	3	4	5
	2021-22	2022-23	2023-24	2024-25	2025-26
Rates	2.61%	1.50%	2.00%	2.00%	2.00%
Operating grants, subsidies and contributions	1.00%	1.00%	1.00%	1.00%	1.00%
Fees and charges	1.00%	1.00%	1.00%	1.00%	1.00%
Service charges	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%
Other revenue	0.00%	0.00%	0.00%	0.00%	0.00%
Employee costs	1.00%	1.00%	1.00%	1.00%	1.00%
Materials and contracts	1.00%	0.00%	0.00%	0.00%	0.00%
Utility charges (electricity, gas, water etc.)	1.00%	1.00%	1.00%	1.00%	1.00%
Insurance expense	6.60%	1.00%	1.00%	1.00%	1.00%
Other expenditure	0.00%	0.00%	0.00%	0.00%	0.00%

Other points of note include -

#### Rate Increases

The Town is forecast to exceed 100,000 residents in the final 'build out'. With this additional growth will come additional service requirements. In the past, Council has for a number of years applied an 8% rate increase each year. However, recent economic conditions and the impacts of COVID-19 mean that the proposed rate increases have been reduced to an average of 2.0% per annum. This places pressure on the Town to find more effective and efficient ways of delivering the services the community desires.

#### Balanced Budget

The LTFP has been prepared on the basis that each year will return a balanced year-end financial position, i.e. the sum of all revenue equals the sum of all expense, with minimal or no year-end surplus or deficit.

#### Current Day Estimates

All estimates contained within the LTFP are estimated with information that is known today. Where



known increases, or decreases, are scheduled to occur, these are included and adjusted where required.

Each year, as part of the review of the LTFP and before the setting of the Annual Budget, estimates will be individually assessed for the adequacy of inflationary effects and adjusted where required. "

### Debt Management

The extent to which loan borrowings will be used for initiatives will be limited to annual loan repayments, as a percentage of ordinary revenue (more commonly known as a debt service ratio), to not more than 10%.

### Cost Recovery of Services

Revenue from discretionary fees and charges has been frozen for each year of the LTFP at the value applicable to today. Recent economic conditions mean that reliance on annual increases in fees and charges does not necessarily return an increase in revenue. Each subsequent year will be adjusted closer to the setting of fees and charges in order that appropriate inflationary impacts are incorporated.

Some fees and charges administered by the Town are set via legislation and are prevented from adjustment.

### Risk management and scenario modelling

The major risks associated with the LTFP relate to delays in approvals for major projects, the viability of a project if it relies on land acquisition or disposal (which may be affected by land price movements) and the movement in construction prices at a rate greater than that which has been allowed for.

It has been forecast that interest rates on borrowings and on investments are likely to remain relatively constant throughout the life of this LTFP.

Past discussion at the State Government level around possible boundary changes to the District has some risk to the Town associated with it. The discussion has focused on the Burswood Peninsula, and more directly Crown Casino Perth, The Camfield and Optus Stadium, being included in the City of Perth and not within the current boundary of the District. In order to mitigate this risk, the Town has a program whereby an increasing portion of rate revenue is being transferred to Reserve Funds so as to reduce, and eventually remove, any reliance on the rate revenue derived from the commercial ventures on the Burswood Peninsula to help fund service delivery.

Additional risks currently being assessed for likely impact to the Town include works and outcomes associated with Metronet (the State Government's new public transport program connecting suburbs and reducing road congestion) and potential new facilities being created in adjoining local governments that may have an adverse impact on the successful operation of the Town's current

facilities.

Finally, the LTFP assumes levels of non-operating grants and funding over the life of the LTFP. There is a risk that some projects will not proceed if these levels of non-operating grants are not received.

## Key projects

### **Lathlain Redevelopment (Zone 1) also known as the Perth Football Club Zone.**

This zone includes the present Perth Football Club building and immediate surrounds. The building fulfils a variety of roles including football administration, training, functions and spectator facilities. The building was built in the late 1950s and is now out-of-step with contemporary facilities of its kind across metropolitan Perth. This project will see the redevelopment of the site to complement the overall precinct redevelopment, achieving more multi-purpose and community focussed outcomes than is possible from the existing building.

Funding for the project has been secured from the State and Federal Government as well as a contribution from the West Coast Eagles. Works are scheduled to commence in 2021/22 with the first phase being the demolition of the existing grandstand and clubrooms.

### **Edward Millen House and Landscape Redevelopment**

The Edward Millen Adaptive Heritage and Landscape Redevelopment project is being delivered under the Land Asset Optimisation Strategy. The project aims to realise the full potential of the State heritage-listed buildings and the expansive 4.7 hectare Edward Millen Reserve to minimise the on-going cost to maintain the precinct and preserve the heritage assets as well as delivering maximum community benefits.

Approximately \$3.1M has already been spent by the Town on Edward Millen since 2003/2004 towards maintenance and repair. The Town also maintains an Edward Millen Reserve Fund "to be used to assist in improving and / or maintaining the Edward Millen Site, including the associated grounds". Currently the Town has approximately \$2M in this reserve.

Included in this LTFP is a proposal for a ground lease of that includes the historical buildings and a portion of the surrounding grounds to allow for the control and ownership necessary to invest the significant capital anticipated to bring the State Heritage listed assets back to life.

This LTFP also includes a proposal to upgrade the balance of the Edward Millen Reserve.

### **Underground Power - Carlisle North, Victoria Park East, and Victoria Park West**

The State Underground Power Program (SUPP) is an initiative that replaces overhead power lines in established areas with underground power infrastructure. The Program is a partnership between the Government of Western Australia, Western Power and local governments. Funding for projects is shared between program partners.

The objectives of the Program are to:

- Improve reliability and security of electricity supply for consumers.
- Enhance streetscapes and visual amenity.
- Reduce street tree maintenance costs for local governments.
- Improve street lighting and community safety.
- Reduce maintenance costs for Western Power.

Works were commenced in 2019/20 and are due for completion in 2021/22. Residents benefitting from the program have been given the option to pay their contribution in one instalment or over a term of seven years. Funds for the Town's contribution to the program, including ratepayer's contribution, have been met by a loan from WA Treasury Corporation over a term of 7 years. The loan repayment and instalment repayments by ratepayers are factored into the LTFP.

### **Network Renewal Underground Program Pilot (NRUPP)**

Western Power have a pilot project for residents in St James. For this pilot project, Western Power is replacing the current overhead power infrastructure, which is due for replacement, but they will be updated with underground supply. Residents will be required to meet the cost of connection to their homes.

Like the Underground Power Projects, residents will be given the option to pay their contribution in one payment or by instalments over a 7-year term. Funds will be secured from WA Treasury Corporation. Payment for the program as well as loan repayment and instalment repayments by ratepayers are factored into the LTFP.

### **Asset Management**

The Town has responsibility for a vast number of items of property, plant, and equipment (assets) within the District.

A key feature of these items is that the Town is mindful of the responsibility to ensure these items are maintained for safety, aesthetics and fit-for-purpose reasons.

Assets in the District are broken down into the following categories -

- Buildings
- Plant and machinery
- Furniture and equipment
- Information Technology

Some brief information on each of the categories follows -

### **Buildings**

The Town has responsibility for 99 buildings within the District, with a collective current replacement cost of approximately \$89.8 million.

The type and quantity of buildings include -

- 40 community buildings
- 2 halls
- 16 minor buildings
- 11 operations buildings
- 9 public toilets
- 21 sporting buildings

### **Plant and Machinery**

The Town has responsibility for 151 items of plant and machinery, with a collective current replacement cost of approximately \$2.8 million.

The type and quantity of plant and machinery items include -

- 45 light fleet items
- 29 major plant items
- 57 minor plant items

### **Information Technology**

The Town has responsibility for, and ownership of, 173 items of information technology, with a collective current replacement cost of approximately \$2.0 million.

The type and quantity of information technology items include -

- 24 audio and visual items
- 82 computers
- 30 server and network items
- 7 telecommunications items
- 30 other minor items

### **Furniture and Equipment**

The Town does not currently have a Furniture and Equipment Asset Management Plan. Furniture and equipment items owned by the Town have an approximate current replacement cost of \$3.6 million. These are replaced on an “as needed” basis.

### **Infrastructure Assets**

The Town has responsibility for a vast number of items of infrastructure within the District.

A key feature of these items is that the Town is mindful of the responsibility to ensure these items are maintained for safety, aesthetics and fit-for-purpose reasons.

Infrastructure in the District is broken down into the following categories -

- Roads
- Pathways
- Drainage
- Parks
- Other Infrastructure (items such a street lighting, street furniture, car parks etc.)

### **Roads**

The Town has responsibility for approximately 196 kilometres of road network within the District, with a collective current replacement cost of approximately \$191.6 million.

The type and quantity of roads include -

- 13.4 kilometres of district distributor A
- 12.5 kilometres of district distributor B
- 14.6 kilometres of local distributor
- 155.5 kilometres of access road

### **Drainage**

The Town has responsibility for approximately 22.8 kilometres of drainage network within the District worth \$48.0 million.

### **Pathways**

The Town has responsibility for approximately 234.4 kilometres of pathway network within the District, with a collective current replacement cost of approximately \$36.1 million.

The type and quantity of pathways include -

- 17.5 kilometres of asphalt path
- 18.6 kilometres of brick paved path
- 196.1 kilometres of concrete path

### **Parks**

The Town has responsibility for 71 recreation places (parks) within the District, with a collective current replacement cost of approximately \$10.6 million.

The type and quantity of parks include -

- 8 active reserves (playing fields)
- 10 facility gardens
- 48 passive reserves

### **Other Infrastructure**

The Town has responsibility for 3,870 items of Other Infrastructure within the District, with a collective current replacement cost of approximately \$20.5 million. The type and quantity of other infrastructure include -

- 3,170 Signs
- 23 Car parks
- 903 Street-related furniture (bus shelters, seats, medians and guard rails, decorative street lighting).

### **Workforce Plan - Employment Growth Provisioning**

The Town will be experiencing increasing population growth over the life of this LTFFP.

The Town is cognisant of feedback from the community, regarding the operation of the Town, and is seeking innovative ways of delivering the strategic outcomes for the community - a 'more for less (or at least a 'more with the same')' delivery approach.

It is therefore proposed only a relatively small increase in full-time equivalent employees over the next fifteen years be included with the modelling.

The proposed increase has been influenced using future population projections to ensure the staff establishment-to-population ratio remains relatively constant.

The Council adopted the Workforce Plan in December 2020.

### **Land Asset Optimisation**

In 2013 the Town commissioned the development of a Land Asset Optimisation Strategy. This strategy was commissioned so as to consider property and land assets held in reservation or owned by the Town, and to determine what opportunities (if any) were available as result of these properties and assets.

The Land Asset Optimisation Strategy (the Strategy) concluded that there were a considerable number of properties that, whilst not providing essential services or facilities to the community, had the potential to generate substantial income from sale or recurrent income from leasing if developed in an appropriate manner.

The Town considers the Land Optimisation Strategy and the potential income generation from its land and property assets as critical to part of the vision for long term financial sustainability and revenue diversification. It is therefore considered that delays in implementing the recommendations of the Strategy create opportunity costs to the Town and delay its achievement of financial diversification and sustainability.

Land and property assets are one of the largest asset groups owned or controlled by the Town. It is

recognised that the development of such assets and realising their full potential for income generation is a complicated and complex process, involving detailed financial modelling, joint venture negotiations and market analysis in order to achieve the best possible result.

In addition, the Town must be cognisant of the need for risk aversion and for ensuring that any actions do not impact on the strong financial position achieved to date of Council.

The Town has engaged a resource specifically to implement recommendations from the Strategy, and to pursue additional opportunities that may not have yet been considered from a land optimisation perspective.

This engagement was undertaken having regard for research that identified the Town will not likely realise the full potential of its land and property assets unless its commits to resourcing this specialist area and seeking to actively implement the recommendations of the Land Asset Optimisation Strategy.

Funds generated from the optimisation of land are transferred into a Reserve Fund to assist in funding future optimisation projects.

### **Strategic Projects Provisioning**

During the determination of this LTFP, Elected Members considered several significant projects for the District.

Some of these projects include, although were not limited to -

- John Macmillan precinct upgrade
- Aqualife and Leisurelife Centre renovation
- Higgins Park master planning and redevelopment
- McCallum Park active area

Council felt it important to determine a scope of works and suitable estimations to deliver the various initiatives before committing any funds.

Awaiting this process to be enacted, a provisioning allowance has been created for strategic projects and initiatives so that funds will be available once scoping has been completed and the projects / initiatives are ready to commence.

### **Tamala Park Dividend**

The Tamala Park Regional Council is the corporate entity representing the interests of seven local governments in the urban development of 180 hectares of land in Clarkson and Mindarie in Perth's northern suburbs.

The Tamala Park Regional Council is a regional local government formed in 2006 specifically to implement the urban development of the Tamala Park Project.

Tamala Park Regional Council comprises the following seven local government members:

- Town of Cambridge
- City of Joondalup
- City of Perth
- City of Stirling
- Town of Victoria Park
- City of Vincent
- City of Wanneroo

The Tamala Park Project, marketed as Catalina Estate, will be a new urban development in the suburbs of Clarkson and Mindarie and will comprise around 2,500 lots. It is anticipated to be developed at a rate of 150 lots per annum.







# Appendix 2

**Town of Victoria Park**  
**Forecast Statement of Comprehensive Income - by Nature or Type**  
For the period 2021 - 2036  
*Draft Base Scenario - Version 3*

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Base	2021-22	2022-23	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	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Revenues</b>	2,025,660	46,391,068														
Rates	43,588,067	44,365,408	46,039,663	47,420,853	48,843,478	50,308,783	51,818,046	53,372,588	54,973,765	56,348,109	57,756,811	59,200,731	60,680,750	62,197,770	63,752,715	65,346,533
Operating grants, subsidies and contributions	1,433,000	861,664	878,896	896,474	914,404	932,691	951,345	970,373	989,779	1,009,573	1,029,765	1,050,360	1,071,367	1,092,796	1,114,651	1,136,943
Fees and charges	7,486,677	9,465,033	9,654,329	9,847,406	10,044,349	10,245,235	10,450,131	10,659,139	10,872,314	11,089,765	11,311,566	11,537,800	11,768,557	12,003,929	12,244,012	12,488,894
Service charges	0	11,409,187	1,554,800	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earnings	1,165,100	343,521	313,864	282,440	283,594	274,293	261,847	253,122	278,806	294,009	299,989	309,897	323,655	328,153	329,335	334,074
Other revenue	424,450	560,426	566,027	571,684	577,399	583,168	589,002	594,892	600,838	606,840	612,900	619,029	625,221	631,476	637,792	644,166
	54,097,294	67,005,239	59,007,579	59,018,857	60,663,224	62,344,170	64,070,371	65,850,114	67,715,502	69,348,296	71,011,031	72,717,817	74,469,550	76,254,124	78,078,505	79,950,610
<b>Expenses</b>																
Employee costs	(22,648,251)	(24,597,222)	(25,089,137)	(25,590,903)	(26,102,722)	(26,624,774)	(27,157,241)	(27,700,414)	(28,254,405)	(28,819,494)	(29,395,909)	(29,983,831)	(30,583,506)	(31,195,160)	(31,819,082)	(32,455,464)
Materials and contracts	(27,501,699)	(49,041,924)	(29,549,197)	(29,202,728)	(30,377,763)	(31,554,659)	(32,233,274)	(32,550,593)	(32,871,056)	(33,194,726)	(33,521,723)	(33,851,969)	(34,185,501)	(34,522,371)	(34,862,525)	(35,206,150)
Utility charges	(1,565,814)	(1,581,472)	(1,597,287)	(1,613,260)	(1,629,393)	(1,645,687)	(1,662,144)	(1,678,765)	(1,695,553)	(1,712,509)	(1,729,634)	(1,746,930)	(1,764,399)	(1,782,043)	(1,799,863)	(1,817,862)
Depreciation on non-current assets	(9,565,650)	(10,119,177)	(9,605,168)	(8,895,252)	(8,960,096)	(9,537,233)	(9,644,132)	(9,752,044)	(9,861,111)	(9,970,708)	(10,100,692)	(10,213,177)	(10,326,742)	(10,456,492)	(10,145,612)	(9,015,134)
Interest expenses	(309,199)	(267,091)	(310,963)	(308,098)	(255,576)	(203,897)	(157,453)	(119,248)	(107,611)	(97,680)	(88,184)	(78,479)	(68,559)	(58,422)	(48,060)	(37,471)
Insurance expenses	(257,500)	(310,651)	(313,749)	(316,880)	(320,043)	(323,251)	(326,493)	(329,761)	(333,058)	(336,383)	(339,744)	(343,130)	(346,575)	(350,044)	(353,545)	(357,082)
Other expenditure	(149,500)	(259,700)	(262,296)	(264,918)	(267,565)	(270,238)	(272,942)	(275,672)	(278,429)	(281,215)	(284,028)	(286,867)	(289,737)	(292,633)	(295,558)	(298,511)
	(61,997,613)	(86,177,237)	(66,727,797)	(66,192,039)	(67,913,158)	(70,159,739)	(71,453,679)	(72,406,497)	(73,401,223)	(74,412,715)	(75,459,914)	(76,504,383)	(77,565,019)	(78,657,165)	(79,324,245)	(79,187,674)
	(7,900,319)	(19,171,998)	(7,720,218)	(7,173,182)	(7,249,934)	(7,815,569)	(7,383,308)	(6,556,383)	(5,685,721)	(5,064,419)	(4,448,883)	(3,786,566)	(3,095,469)	(2,403,041)	(1,245,740)	762,936
Non-operating grants, subsidies and contributions	2,414,149	7,234,966	5,837,607	13,432,916	8,057,107	4,487,607	4,487,607	4,487,607	4,440,534	2,650,128	2,594,963	1,487,607	487,607	487,607	487,607	487,607
Fair value adjustments to financial assets at fair value through profit or loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Share of net profit of associates and joint ventures accounted for using the equity method	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on revaluation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on asset disposals	1,704,507	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(70,884)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>NET RESULT</b>	(3,852,547)	(11,937,032)	(1,882,611)	6,259,734	807,173	(3,327,962)	(2,895,701)	(2,068,776)	(1,245,187)	(2,414,291)	(1,853,920)	(2,298,959)	(2,607,862)	(1,915,434)	(758,133)	1,250,543
<b>Other comprehensive income</b>	0	2,210,645	2,408,467	2,499,919	2,559,359	2,568,440	2,547,007	2,523,494	2,497,046	2,494,931	2,489,599	2,494,358	2,483,686	2,471,589	2,744,509	2,779,313
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>(3,852,547)</u>	<u>(9,726,387)</u>	<u>525,856</u>	<u>8,759,653</u>	<u>3,366,532</u>	<u>(759,522)</u>	<u>(348,694)</u>	<u>454,718</u>	<u>1,251,859</u>	<u>80,640</u>	<u>635,679</u>	<u>195,399</u>	<u>(124,176)</u>	<u>556,155</u>	<u>1,986,376</u>	<u>4,029,856</u>

# Appendix 3

**Town of Victoria Park**  
**Forecast Statement of Financial Position**  
For the period 2021 - 2036  
*Draft Base Scenario - Version 3*

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CURRENT ASSETS</b>															
Unrestricted cash and cash equivalents	1,952,107	1,952,107	1,952,107	1,952,107	1,952,107	1,952,107	1,952,107	1,952,107	1,952,107	1,952,107	1,952,107	1,952,107	1,952,107	1,952,107	1,952,107
Restricted cash and cash equivalent	24,115,945	20,972,432	21,086,808	20,155,744	18,909,913	18,036,485	20,603,641	22,123,143	22,720,151	23,709,641	25,084,317	25,533,084	25,650,255	26,123,088	26,783,178
Financial assets	6,146,196	6,146,196	6,146,196	6,146,196	6,146,196	6,146,196	6,146,196	6,146,196	6,146,196	6,146,196	6,146,196	6,146,196	6,146,196	6,146,196	6,146,196
Trade and other receivables	3,242,408	3,242,408	3,242,408	3,242,408	3,242,408	3,242,408	3,242,408	3,242,408	3,242,408	3,242,408	3,242,408	3,242,408	3,242,408	3,242,408	3,242,408
Inventories	32,331	32,331	32,331	32,331	32,331	32,331	32,331	32,331	32,331	32,331	32,331	32,331	32,331	32,331	32,331
Other assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL CURRENT ASSETS</b>	<b>35,488,987</b>	<b>32,345,474</b>	<b>32,459,850</b>	<b>31,528,786</b>	<b>30,282,955</b>	<b>29,409,527</b>	<b>31,976,683</b>	<b>33,496,185</b>	<b>34,093,193</b>	<b>35,082,683</b>	<b>36,457,359</b>	<b>36,906,126</b>	<b>37,023,297</b>	<b>37,496,130</b>	<b>38,156,220</b>
<b>NON-CURRENT ASSETS</b>															
Financial assets	3,679,794	3,679,794	3,679,794	3,679,794	3,679,794	3,679,794	3,679,794	3,679,794	3,679,794	3,679,794	3,679,794	3,679,794	3,679,794	3,679,794	3,679,794
Other receivables	308,982	308,982	308,982	308,982	308,982	308,982	308,982	308,982	308,982	308,982	308,982	308,982	308,982	308,982	308,982
Inventories	508,546	508,546	508,546	508,546	508,546	508,546	508,546	508,546	508,546	508,546	508,546	508,546	508,546	508,546	508,546
Other assets	517,971	517,971	517,971	517,971	517,971	517,971	517,971	517,971	517,971	517,971	517,971	517,971	517,971	517,971	517,971
Property plant and equipment	468,596,619	472,512,291	476,898,691	476,962,729	476,842,392	476,533,888	476,274,819	476,340,193	476,378,534	476,650,363	476,168,958	475,771,219	475,955,130	475,474,792	474,574,561
Infrastructure	166,203,472	167,674,669	168,553,749	169,354,987	166,609,316	164,043,796	161,557,546	160,691,067	159,704,025	158,636,556	157,487,151	156,850,494	156,633,976	158,145,905	161,923,360
<b>TOTAL NON-CURRENT ASSETS</b>	<b>639,815,384</b>	<b>645,202,253</b>	<b>650,467,733</b>	<b>651,333,009</b>	<b>648,467,001</b>	<b>645,592,977</b>	<b>642,847,658</b>	<b>642,046,553</b>	<b>641,097,852</b>	<b>640,302,212</b>	<b>638,671,402</b>	<b>637,637,006</b>	<b>637,604,399</b>	<b>638,635,990</b>	<b>641,513,214</b>
<b>TOTAL ASSETS</b>	<b>675,304,371</b>	<b>677,547,727</b>	<b>682,927,583</b>	<b>682,861,795</b>	<b>678,749,956</b>	<b>675,002,504</b>	<b>674,824,341</b>	<b>675,542,738</b>	<b>675,191,045</b>	<b>675,384,895</b>	<b>675,128,761</b>	<b>674,543,132</b>	<b>674,627,696</b>	<b>676,132,120</b>	<b>679,669,434</b>
<b>CURRENT LIABILITIES</b>															
Trade and other payables	6,015,378	6,015,378	6,015,378	6,015,378	6,015,378	6,015,378	6,015,378	6,015,378	6,015,378	6,015,378	6,015,378	6,015,378	6,015,378	6,015,378	6,015,378
Contract liabilities	1,388,797	1,388,797	1,388,797	1,388,797	1,388,797	1,388,797	1,388,797	1,388,797	1,388,797	1,388,797	1,388,797	1,388,797	1,388,797	1,388,797	1,388,797
Lease liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current portion of long-term liabilities	3,282,500	3,379,797	3,432,320	3,352,317	3,398,758	632,881	533,462	432,333	441,829	451,533	461,453	471,591	481,952	492,542	503,365
Provisions	4,205,658	4,205,658	4,205,658	4,205,658	4,205,658	4,205,658	4,205,658	4,205,658	4,205,658	4,205,658	4,205,658	4,205,658	4,205,658	4,205,658	4,205,658
<b>TOTAL CURRENT LIABILITIES</b>	<b>14,892,333</b>	<b>14,989,630</b>	<b>15,042,153</b>	<b>14,962,150</b>	<b>15,008,591</b>	<b>12,242,714</b>	<b>12,143,295</b>	<b>12,042,166</b>	<b>12,051,662</b>	<b>12,061,366</b>	<b>12,071,286</b>	<b>12,081,424</b>	<b>12,091,785</b>	<b>12,102,375</b>	<b>12,113,198</b>
<b>NON-CURRENT LIABILITIES</b>															
Lease liabilities	102,680	102,680	102,680	102,680	102,680	102,680	102,680	102,680	102,680	102,680	102,680	102,680	102,680	102,680	102,680
Long-term borrowings	14,250,407	15,870,610	12,438,290	9,085,973	5,687,215	5,054,334	4,520,872	4,088,539	3,646,710	3,195,177	2,733,724	2,262,133	1,780,181	1,287,639	784,274
Provisions	364,321	364,321	364,321	364,321	364,321	364,321	364,321	364,321	364,321	364,321	364,321	364,321	364,321	364,321	364,321
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>14,717,408</b>	<b>16,337,611</b>	<b>12,905,291</b>	<b>9,552,974</b>	<b>6,154,216</b>	<b>5,521,335</b>	<b>4,987,873</b>	<b>4,555,540</b>	<b>4,113,711</b>	<b>3,662,178</b>	<b>3,200,725</b>	<b>2,729,134</b>	<b>2,247,182</b>	<b>1,754,640</b>	<b>1,251,275</b>
<b>TOTAL LIABILITIES</b>	<b>29,609,741</b>	<b>31,327,241</b>	<b>27,947,444</b>	<b>24,515,124</b>	<b>21,162,807</b>	<b>17,764,049</b>	<b>17,131,168</b>	<b>16,597,706</b>	<b>16,165,373</b>	<b>15,723,544</b>	<b>15,272,011</b>	<b>14,810,558</b>	<b>14,338,967</b>	<b>13,857,015</b>	<b>13,364,473</b>
<b>NET ASSETS</b>	<b>645,694,630</b>	<b>646,220,486</b>	<b>654,980,139</b>	<b>658,346,671</b>	<b>657,587,149</b>	<b>657,238,455</b>	<b>657,693,173</b>	<b>658,945,032</b>	<b>659,025,672</b>	<b>659,661,351</b>	<b>659,856,750</b>	<b>659,732,574</b>	<b>660,288,729</b>	<b>662,275,105</b>	<b>666,304,961</b>
<b>EQUITY</b>															
Retained surplus	110,388,174	111,649,076	117,794,434	119,532,671	117,450,540	115,428,267	110,792,335	108,027,646	105,016,347	102,172,937	98,499,302	95,442,673	93,410,068	92,179,102	92,769,555
Reserves - cash backed	30,938,286	27,794,773	27,909,149	26,978,085	25,732,254	24,858,826	27,425,982	28,945,484	29,542,492	30,531,982	31,906,658	32,355,425	32,472,596	32,945,429	33,605,519
Asset revaluation surplus	507,029,957	509,438,424	511,938,343	514,497,702	517,066,142	519,613,149	522,136,643	524,633,689	527,128,620	529,618,219	532,112,577	534,596,263	537,067,852	539,812,361	542,591,674
<b>TOTAL EQUITY</b>	<b>648,356,417</b>	<b>648,882,273</b>	<b>657,641,926</b>	<b>661,008,458</b>	<b>660,248,936</b>	<b>659,900,242</b>	<b>660,354,960</b>	<b>661,606,819</b>	<b>661,687,459</b>	<b>662,323,138</b>	<b>662,518,537</b>	<b>662,394,361</b>	<b>662,950,516</b>	<b>664,936,892</b>	<b>668,966,748</b>