

Long Term Financial Plan

2025-2035



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1 Our Long Term Financial Plan

The City of Karratha is committed to transparent, responsible, and accountable financial management. To achieve this, in 2009 the City implemented the Integrated Planning and Reporting Framework introduced by the Department of Local Government, which requires all Western Australian local governments to prepare a long term financial plan linked to the City's Council Plan (combined Strategic Community Plan and Corporate Business Plan).

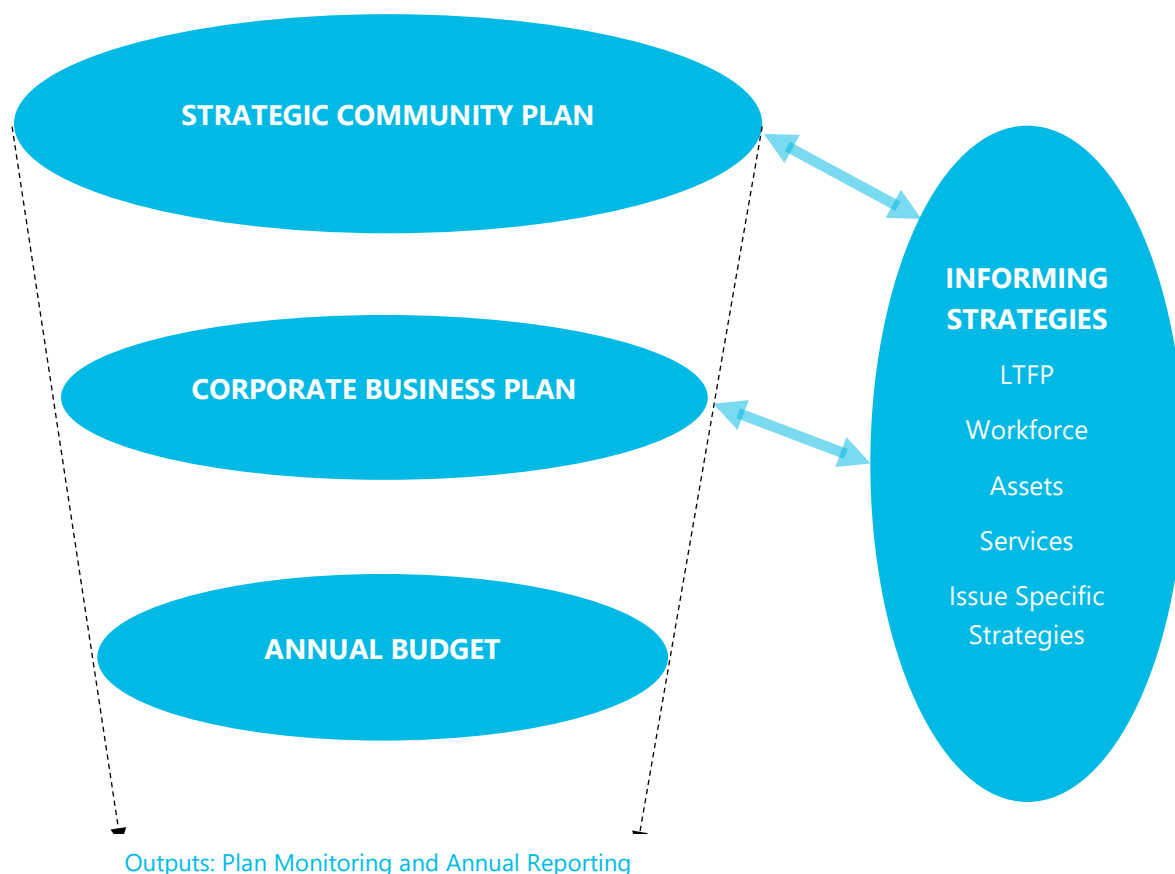
The City of Karratha's Long Term Financial Plan (LTFP) is a key resource that facilitates the delivery of the identified priorities made in our Council Plan. It enables the City to set priorities based on its financial resources.

As such, the LTFP is a critical document that underpins and influences the direction of the City's spending and investment now and going forward.

The LTFP, along with information contained in other strategic plans including the Strategic Asset Management Plan and Workforce Planning Strategy, form the basis for preparation of the City's Annual Budgets. The LTFP is reviewed annually, updating the current forecasts out to 2035.

The following plan provides an overview of the City's LTFP including our current financial position, approach to financial planning, revenue sources and the long-term projects we are working to deliver to benefit our community over the next 10 years to ensure the City's long term sustainability.

The following figure illustrates how the LTFP informs the Integrated Planning and Reporting Framework.



2 Message from the CEO

At the City of Karratha, we are committed to becoming *Australia's most liveable regional city. The place we are proud to call home*—a vision guided by our Council Plan. Over the years, we have made great strides, delivering key upgrades to infrastructure and facilities while improving our services.

The Council Plan sets out the framework for this vision, with the Long Term Financial Plan outlining how we will allocate resources over the next decade. It details major infrastructure projects, our financial position, and future projections.

While we are proud of the progress achieved so far, it is vital that we continue to tackle the challenges to liveability in Karratha—particularly in the face of a unique and unpredictable housing market.

Addressing the shortage of residential properties and finding ways to strengthen the local construction industry is a priority, particularly given the billions in infrastructure investment and anticipated population growth in the coming years.

To support this vision, we are progressing a range of projects designed to enhance the liveability of our region. These include initiatives like Project Dorothy and the Mulataga subdivision to expand housing availability, along with major infrastructure works such as the Coolawanyah Road upgrade, the Hillview/Balmoral Road improvements, and the Roebourne Streetscape Masterplan.

In addition, the City remains committed to maintaining and enhancing facilities and services across the district. Over the next decade, planned works will include upgrades to sporting and recreation facilities, townsite amenities, road, footpath and kerbing renewals, as well as improvements to key assets such as the Red Earth Arts Precinct, Karratha Leisureplex, and Karratha Airport.

One of the main challenges for the Council in the coming years will be to remain prominent in the minds of key decision-makers and funding partners, ensuring that the improvements we have made continue rather than become the only changes we see in the City.

The City of Karratha is in a strong financial position, with a solid framework in place. However, responding to changing circumstances through prudent financial management remains essential.

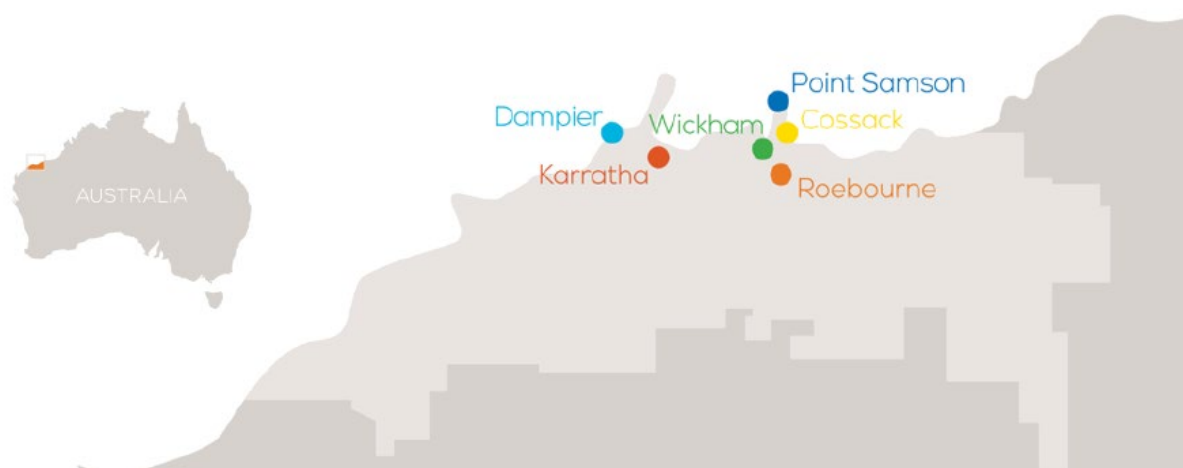
Virginia Miltrup

CEO, City of Karratha

3 City Profile

3.1 Our Region

The City of Karratha (the City) is located approximately 1,535km north of Perth in the dynamic Pilbara region of Western Australia. The City encompasses a total land area of 15,882 square kilometres and is home to approximately 24,237 residents across the five town sites of Karratha, Dampier, Roebourne, Wickham and Point Samson, plus the historic village of Cossack.



The northwest Australian coastline between Broome and Exmouth is the most cyclone-prone region of the Australian coastline and has the highest frequency of coastal crossings, according to the Bureau of Meteorology. The Australian cyclone season extends from November 1 to April 30. On average, five tropical cyclones occur during each season over waters off the northwest coast. Due to the City's location within the cyclone zone, it is critical for the City to be able to swiftly respond to damage sustained by severe impacts.

The City of Karratha is a growing regional centre within the Pilbara, with residents enjoying a myriad of outdoor activities, festivals and community events year-round, as they make the most of the warm weather and coastal location.

Over the past 40 years the City of Karratha has been a powerhouse of economic growth for Western Australia and the nation. The City of Karratha has a robust economy that includes contributions to Australia's world leading exports of both iron ore and liquefied natural gas (LNG).

Future levels of population growth in the City of Karratha are largely dependent on the performance of the mining sector, new projects, improved liveability and the size of the Fly In Fly Out (FIFO) workforce.

3.2 Key Statistics

Key General Statistics		Key Financial Statistics (2024/2025)	
Distance from Perth	1,535km	Rates revenue	57,404,202
Area	15,882km	Fees and charges	61,466,650
Estimated residential population	24,716	Operating revenue	137,686,019
Employed residents	15,136	Operating expenditure	128,668,407
Number of City employees (FTE)	398	Net assets	880,231,473
Rateable properties	10,233	Cash backed reserves	116,629,888

4 Integrated Strategic Planning

4.1 Background

The Integrated Planning and Reporting Framework outlines the method to achieve a sustainable local government through adopting a holistic approach to planning and reporting.

It involves improving integration of various statutory planning and reporting processes undertaken by the local government through streamlining business and reporting processes with the involvement of the community.

A key element of the Integrated Planning and Reporting Framework is the Long Term Financial Plan. It enables the City to set priorities, based on resourcing capabilities for short, medium and long term delivery of the community's requirements.

4.2 Strategic Directions

Our Vision: Australia's most liveable regional city. A place we are proud to call home.

The principal guidelines for the Long Term Financial Plan are provided by the City of Karratha Council Plan.

The Council Plan 2025-2035 outlines the future of the City of Karratha over a 10-year period, focusing on the development and support of our local community, the growth of our economy and building a sustainable, attractive and exciting place to live, work and play.

The objective of a Council Plan is to engage the community in planning for the future of the local government area. It involves setting priorities with the community for the future through aligning the community's vision with a clear strategic direction for the City.

The Council Plan comprises seven key strategic goals. These themes form the basis of the identified priorities and include :

Our Goals and Priority Focus Areas for achieving the 2035 Vision

1 We respect Aboriginal peoples' Cultural Authority and connection to Ngurra (Country) <ul style="list-style-type: none">• Recognition of Aboriginal leadership• Genuine and meaningful engagement with the Aboriginal community• Reconciliation and truth telling• Support for on Ngurra (Country) activities• Support for Aboriginal peoples' self-determination, prosperity and wellbeing• Culture, art and heritage recognition and celebration, led by Traditional Owners and Ngarda-ngarli (Aboriginal people)		
2 Our community is welcoming, connected, vibrant, healthy, and safe <ul style="list-style-type: none">• Community infrastructure• Water play and indoor leisure and recreation• Opportunities to make new connections, especially for newcomers• Access to health services• Family and domestic violence	3 Everyone is included <ul style="list-style-type: none">• Lifestyle Village and aged care facilities• Improve Disability Access and Inclusion throughout the City• Celebration of our diverse community, and addressing discrimination	4 Our places and spaces are functional, attractive and reflect our unique identity <ul style="list-style-type: none">• Planting, public art, shade, seating, water stations, signage, public toilets• Public transport solutions within and between towns• Land use planning
5 We respect and care for the natural environment <ul style="list-style-type: none">• Waste management and resource recovery• Foreshore protection and enhancement• Environmental sustainability, including decarbonisation	6 The local economy is diverse and thriving, with opportunities for all <ul style="list-style-type: none">• Affordable and diverse housing• Higher education, training and innovation• Tourism development• Small to medium business support and diversification• Aboriginal economic participation• Interstate and inter-national connections	7 Our civic leaders are innovative, listening and balanced in meeting community needs <ul style="list-style-type: none">• Proactive community engagement with all segments of the community• Industry and government advocacy and partnerships• Equalise townscape standards across the towns

The Long Term Financial Plan is an informing strategy to assist with recognising financial resources required for achieving the vision of being *Australia's most liveable regional city. A place we are proud to call home.*

5 Our Services

5.1 Service Programs

The City of Karratha is responsible for providing a range of infrastructure and services to the community which fall into the following programs prescribed under the *Local Government Regulations 1996*.

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established on an overall basis, reflected by the City's Community Vision, by Directorate, and for each of its broad activities/programs and business units.

Estimates of expenditure and income have been calculated for each of these programs in the Long Term Financial Plan and allocated across the various business units that make up the City.

Program	Explanation
Governance	<p>Objective: To provide a decision-making process for the efficient allocation of scarce resources.</p> <p>Activities: Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district.</p>
General Purpose Funding	<p>Objective: To collect revenue to allow for the provision of services.</p> <p>Activities: Rates (including ex-gratia contributions), general purpose government grants and interest and investment revenue.</p>
Law, Order, Public Safety	<p>Objective: To provide services to help ensure a safer and environmentally conscious community.</p> <p>Activities: Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
Health	<p>Objective: To provide an operational framework for environmental and community health.</p> <p>Activities: Inspection of food outlets and their control, provision of meat inspection services, noise control, mosquito control and waste disposal compliance.</p>
Education and Welfare	<p>Objective: To provide services to disadvantaged persons, the elderly, children, and youth.</p> <p>Activities: Maintenance of childminding centres, playgroup centres, senior citizen centres and aged care centres.</p>
Housing	<p>Objective: To provide and maintain staff housing.</p> <p>Activities: Maintenance and operational expenses associated with the provision of staff housing.</p>
Community Amenities	<p>Objective: To provide services required by the community.</p> <p>Activities: Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of storm water drainage, protection of the environment and administration of town planning schemes, cemeteries and public toilets.</p>

Program	Explanation
Recreation and Culture	<p>Objective: To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.</p> <p>Activities: Maintenance of public halls, civic centres, aquatic centres, beaches, recreation centres and various sporting facilities.</p>
Transport	<p>Objective: To provide safe, effective and efficient transport services to the community.</p> <p>Activities: Construction and maintenance of roads, streets, footpaths and cycleways, drainage, depots, parking facilities and traffic control. Includes operation and maintenance of the Karratha and Roebourne Airports.</p>
Economic Services	<p>Objective: To help promote the local government and its economic wellbeing.</p> <p>Activities: Tourism and area promotion including the maintenance and operation of visitor services and camping grounds.</p>
Other Property and Services	<p>Objective: To monitor and control operating accounts.</p> <p>Activities: Private works operations on properties and services not under the care, control and management of the City. Plant operations, technical services and unclassified works.</p>

5.2 Service Levels

The City has produced major projects to greatly improve the level of service and amenities across our town. While there have been significant improvements to our service levels, it is proposed that service levels will continue to grow particularly with the changes to service levels over the next 10 years to achieve the objectives of the Council Plan.

Significant projects on the horizon to greatly improve the level of service and amenity across our towns include:

Facilities:

- Upgrades and enhancements to Karratha Airport
- Upgrades and improvements to sporting facilities, in particular Kevin Richards Memorial Oval
- Foreshore and streetscape developments throughout the district, such as:
 - Roebourne Streetscape Masterplan
 - Dampier Townsite enhancement
 - Point Samson Masterplan
- Facility refurbishments and enhancements.
 - Roebourne Recreation Precinct
 -
 - Karratha Golf Course
 - Karratha Leisureplex
 - Red Earth Arts Precinct
 - Construction of Cell III at 7 Mile Waste Facility

Services:

- Ensuring we continuously improve the level and quality of our services to all of the community.
-

Growth:

- Supporting industry growth in multiple sectors.
- Actively engaging in initiatives that diversify our economic base.

- Advocacy Strategy driving initiatives that reduce the cost of living in our district (examples include airfares, insurance, reasonable house, land and rental prices)
- Providing quality, timely approvals and advice to businesses and developers.

Housing

- Improving housing availability and affordability.
- Aiming to ensure sufficient land and housing available to meet community and business demand.

Implementation of 'Project Dorothy' to relieve the housing burden and promote residential housing growth

Infrastructure

- New and upgraded footpaths and cycleways
- New and ungraded bus shelters
- New and upgraded lighting
- Upgrades and improvements to existing roads
- Conzinc Bay Road (Murujuga National Park Entry Road)

Community Infrastructure Plan

The 10-year Community Infrastructure Plan includes further upgrades, expansions and new projects. This plan is underway with priority projects to be presented to Council and included in next revision of the LTFP.

5.3 Managing Our Assets

Review of services is a continual process that is undertaken along with the associated impact to the annual budget and Long Term Financial Plan.

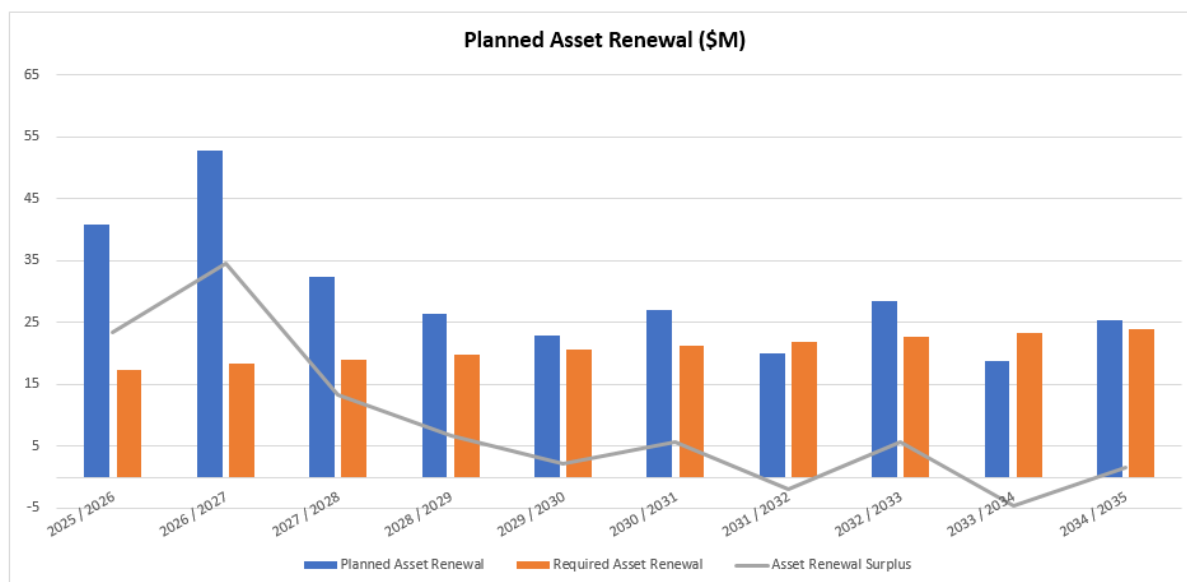
The City has developed a strategic approach to manage local government assets to ensure they meet the community's current and future requirements and expectations. The Strategic Asset Management framework consists of several documents, systems and processes that address an organisation's asset management responsibilities. These documents, systems and processes are coordinated to translate the organisation's strategic goals, as identified in the Council Plan, into day-to-day activities.

Resilient and sustainable infrastructure assets act as a platform for economic development and meet the social and recreational needs of our local community, allowing us to deliver key services such as:

- Airport and other transport infrastructure
- Community and recreational facilities
- Waste and storm water management
- Council administration buildings

Long term maintenance and renewal of the City's infrastructure and community assets remains a significant challenge, with increasing community expectations. The Asset Management Plan will assist the City in predicting infrastructure consumption and asset renewal needs and identify costs required to renew, upgrade or maintain the asset.

The difference between what the City spends on renewing its assets and what it needs to spend to maintain the current average condition and service level of its assets is called the renewal gap. In 2025/2026 to 2030/2031, planned asset renewal exceeds required asset renewal. The renewal gap is addressed in the LTFP and will be considered in future annual budgets.



The continued funding allocated towards the renewal of assets as well as asset maintenance and upgrades, will result in a positive investment for the community in the future and ensure long term sustainability. New assets and capital works projects are funded from cash reserves, rates, airport and waste revenue, or Government grants such as Roads to Recovery.

6 Key Financial Strategies and Policies

The City of Karratha's Long Term Financial Plan is informed by a number of financial policies and strategies to ensure an accurate prediction of our financial position and our resourcing capability, to deliver on identified priorities made in our Council Plan.

6.1 Rating Income Strategy

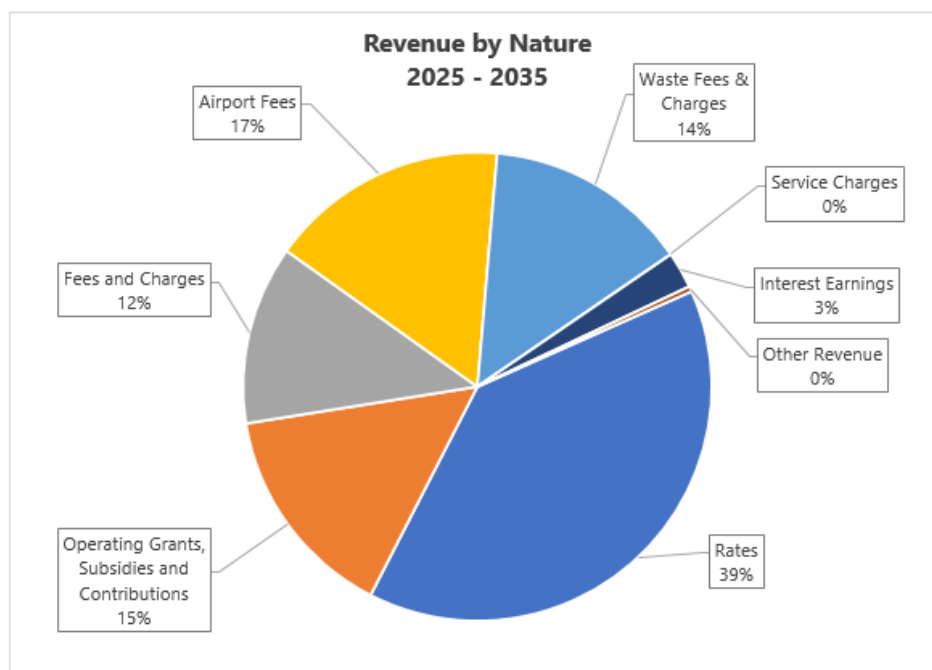
The City provides services to a diverse region consisting of residential, commercial, industrial, pastoral, mining and workforce accommodation. The City utilises differential rating on all properties within the City, based on the zoning of the property under the Town Planning Scheme. Differential rates in the dollar are set for different rating categories.

Based on the City's rating strategy, the City applies for Ministerial Approval annually, to impose differential rating for all Gross Rental Value (GRV) properties and Unimproved Value (UV) properties.

The LTFP reflects a rate increase of 2.40% for 2025/26 and 2026/27, 3.56% for 2027/28 then and decreases to 3.00% for 2028/29. The rate forecast is derived from the forecasted Consumer Price Index (CPI). It is supplemented by additional rates revenue from residential land releases in Madigan, Baynton West and Bulgarra, Transient Workforce Accommodation (TWA) rates growth including Bechtel, Civeo and Perdaman camps and the increase in UV rates for the Woodside Interconnector Development.

As per the LTFP, the City will receive approximately 39% of its total funding from rates. To be sustainable, 40% of the City of Karratha's expenditure each year should be met by rates revenue, as identified using the Rates Coverage Ratio.

Going forward, a key challenge identified in the LTFP is to reduce Council's reliance on projected rate increases, and the continued rapid expansion of its rate base as revenue. Any decrease in rates revenue significantly impacts the City's ability to deliver the required level of services and infrastructure.



6.2 Cash Reserves

The establishment and funding of cash reserves is a financial management strategy to ensure sufficient funds exist for future expenditure that cannot otherwise be financed during a single year, without having a material impact on the budget.

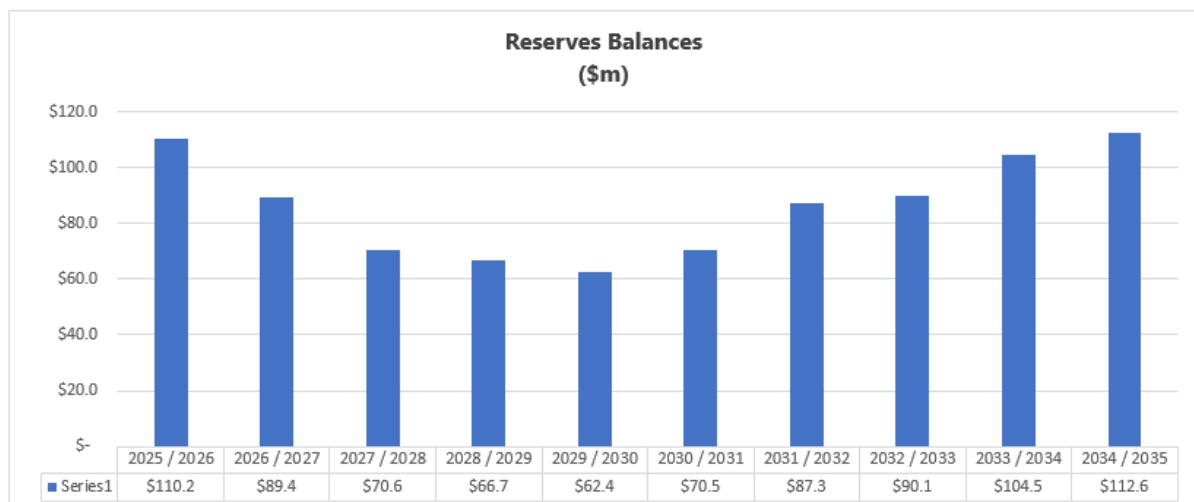
The table below outlines the various reserves the Council has established and their respective purpose.

Name of Reserve	Purpose of the reserve
Aerodrome Reserve	The purpose of this reserve is to fund the development, operation and maintenance of the Karratha Airport, inclusive of any repayments of borrowings and the funding of employee entitlements.
Dampier Drainage Reserve	This reserve is maintained as part of an agreement between the Council and Rio Tinto (formerly Hamersley Iron). The purpose of the reserve is to ensure funds are available for the maintenance of drainage in Dampier. Rio Tinto pay to the City each year a \$10,000 contribution towards this maintenance with any additional works required being drawn from this reserve and similarly, any funds remaining unspent being transferred to this reserve.
Economic Development Reserve	To fund economic development activities within the City, including destination marketing, business attraction, property development and tourism.
Employee Entitlement Reserve	To fund employee leave entitlements when on extended leave, including long service leave as well as periods of annual leave for periods greater than 4 weeks duration, thereby retaining salary and wages budgets for the funding of replacement staffing during extended periods of leave.

Infrastructure Reserve	The purpose of this reserve is to allow for the use of these reserve funds for the enhancement, replacement, refurbishment and purchase of infrastructure assets or project works of the City inclusive of the associated repayment of borrowings on infrastructure. Project works funded from this reserve may not necessarily belong to the City but must be carried out for the benefit of the City of Karratha.
Medical Services Assistance Package Reserve	The purpose of this reserve is to fund future assistance to Medical Services in accordance with Council's participation in the Medical Services Incentive Scheme. This is inclusive of retention payments to general practitioners and allied health providers in accordance with the Medical Services Incentive Scheme.
Rio Tinto Partnership Reserve	This reserve is maintained as part of the Community Partnership Agreement (the Partnership) and the related funding agreements between the City and Rio Tinto Iron Ore. The purpose of the reserve is to preserve funds received under each funding agreement under the partnership and restrict the funds for the purpose of each funding agreement.
Public Open Space Reserve	The purpose of this reserve is to fund future developments of public open space funded by contributions received in line with the <i>Planning and Development Act 2005</i> . Public open space is identified as land set aside for the purpose of public enjoyment and protection of unique environmental, social and cultural values for existing and future generations.
Waste Management Reserve	The purpose of this reserve is to fund development, rehabilitation, operation and maintenance of the City's waste management facilities inclusive of repayments of borrowings and the funding of employee entitlements.
Strategic Reserve	The purpose of this reserve is to quarantine revenue funds that relate to contentious issues, projects or programs. The funds are placed into reserve whilst an outcome or timing is established and released upon resolution of these.
Woodside Partnership Reserve	This reserve is maintained as part of the City of Karratha Community Development Partnership agreement between the City and Woodside. The purpose of the reserve is to preserve funds received under the funding agreement for the purpose outlined within the agreement.

Over the life of the Long Term Financial Plan, cash reserves are projected to increase from \$110.2 million at the end of 2025/26 to \$112.6 million in 2034/35. Reserve funds provide funding capacity for future asset renewal requirements.

As additional expenditure is known in the capital program, reserve funds will potentially be utilised.



6.3 Balancing the Budget

Generating sufficient revenue to balance the annual budget is a constant challenge, with continual improvement to the Council's long-term financial position reliant on growth in its rates base and fees and charges revenue.

The income gap is addressed through productivity gains and efficiency savings, pursuing grants, working collaboratively with neighbouring councils and carefully managing income and expenditure through sound financial reporting systems and regular budgetary monitoring.

The LTFP reflects this approach, however further cost efficiencies or alternative revenue sources are required to reduce the City of Karratha's long-term reliance on projected rate increases and the continued rapid expansion of its rate base.

6.4 Cost Recovery of Services

The adoption of a fee or charge for services and facilities is a means to recover the cost of the service provided and maintain infrastructure in a fit-for-purpose state.

The fees and charges which the City can charge fall into two categories:

- Regulatory fees - determined by State Government legislation and primarily relate to building, development, or compliance activities. Council has no control over the calculation, and any annual increases in these fees and charges.
- Discretionary fees - Council has the capacity to determine the charge or fee for discretionary works of services such as the use of community facilities and access to community services.

The general principles by which Council sets its fees and charges are that:

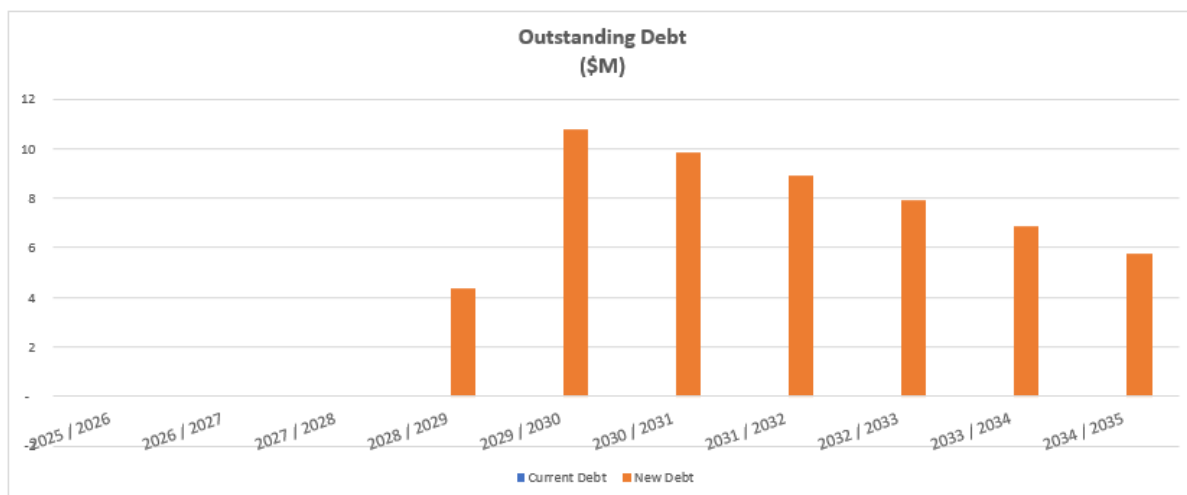
- Council does not intend to 'profit' from the setting of fees and charges;
- Fees recover the cost of services provided; and
- Fees maintain community infrastructure in a fit-for-purpose state wherein they are able to achieve the expected service delivery standards.

6.5 Prudent Investment and Use of Debt Finance

The City of Karratha's objective around borrowing is the use of debt if appropriate to fund the cost of major new community assets or to ease the cost of major asset renewals.

Borrowings of \$11.1 million are proposed in the Long Term Financial Plan for the Roebourne Recreational Precinct. As further capital projects commence, the option is available to the City to utilise additional borrowings to limit the reliance on Reserve funding.

Irrespective of projected and potential borrowings, the debt service coverage ratio remains high, and the City will have a strong capacity to repay debt within thirteen years.



7 Workforce Planning Strategy

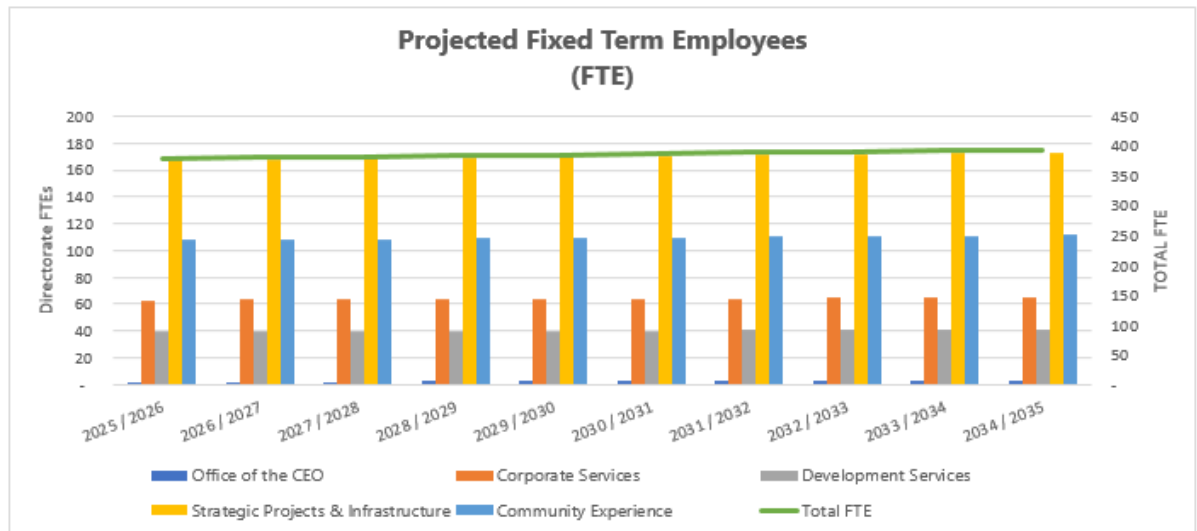
Our Workforce Planning Strategy identifies workforce requirements and strategies for current and future operations. It is an essential component supporting the delivery of our Corporate Business Plan.

Our Workforce Plan, through recruitment, attraction and retention, succession planning, process mapping, training and housing strategies, will enable the City to plan and address, rather than just react to, business, sustainability and environmental challenges.

At May 2025, the City of Karratha employed 398 full time equivalent (FTE) employees. FTE increased in 2024/25 due to the continuing expansion of the ERP project team implementing a new IT system, the expansion of operational teams to meet increased organisational strategic objectives, and the addition of traineeship opportunities surplus to operational requirements to meet capability requirements.

All new positions are subject to a business case review and the organisational structure is reviewed annually prior to adoption of each annual budget.

The below graph illustrates the projected staff until 2034/35. (Numbers are FTE only and do not take into consideration the number of casual employees or services the City of Karratha outsources to external contractors/organisations).



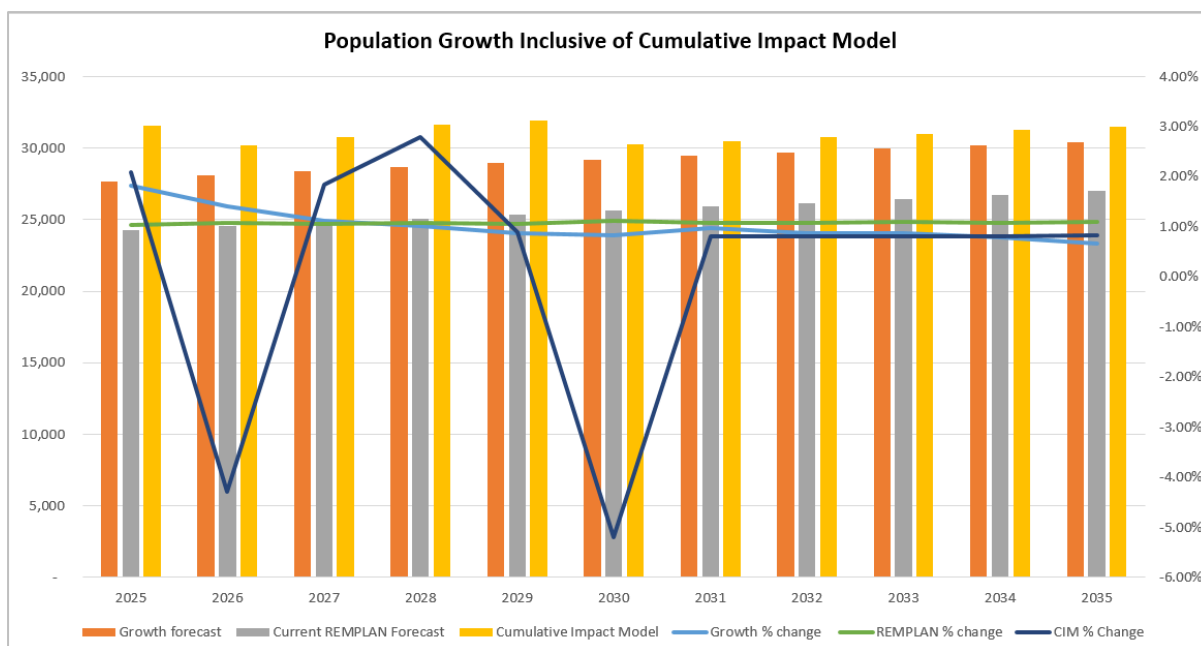
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Scenario Modelling and Sensitivity Analysis

Scenario modelling has been undertaken to determine the level of flexibility in the LTFP, to enable alternative considerations when meeting community expectations should variations occur in a range of factors or assumptions.

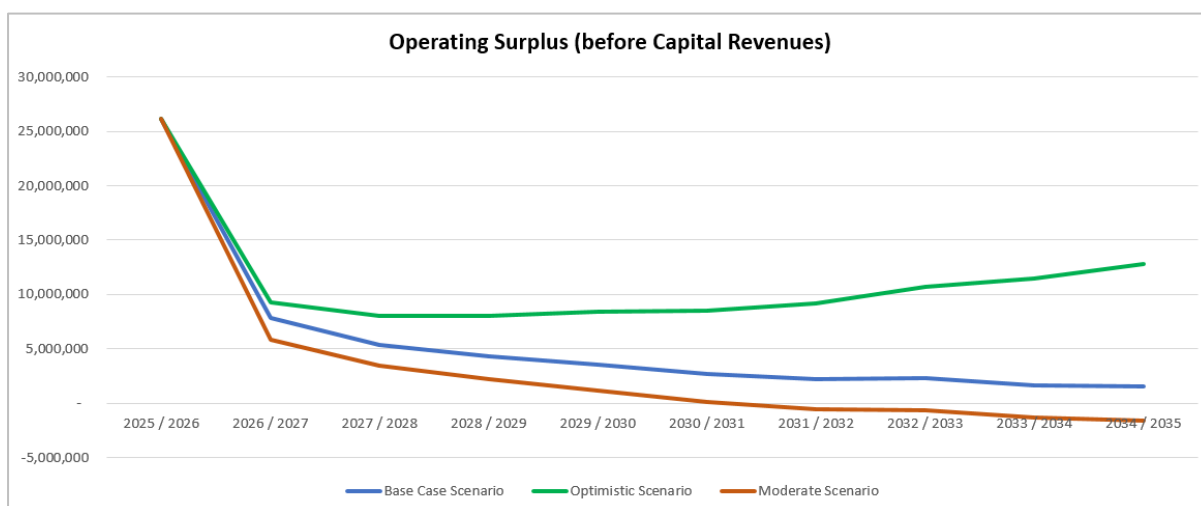
Three growth scenarios based on population growth were tested on each assumption to determine the City of Karratha's capacity to deliver services and assets to the community in line with strategies outlined in the City's Council Plan.

The base case scenario being a business as usual approach is based on an assessment of demand created by known resource projects, housing initiatives and expected population growth. The moderate growth scenario is based on nominal average population growth of 1.05% (Current REMPLAN Forecast) and higher than expected CPI, which increases costs for goods and services due to decreased demand. The high growth scenario reflects increased expectations around major project employment and lower than expected CPI, which increases consumer spending, lowering the cost of goods and services through increased demand. The high growth scenario is aspirational and assumes all local operational employees of new resources projects will require a residential property.



The base case scenario results in a positive operating surplus, sound capacity to meet short-term financial obligations, an improving trend in rates coverage and ability to generate sufficient cash to cover debt payments.

Higher growth will allow for additional rates and airport revenues while the increasing demand will put pressure on facilities and services to meet the rapid population increase. Lower growth will allow for slower implementation of services and upgrades of facilities however will result in less revenue to expand.



As per the graph, illustrating the operating surplus, by adopting the base case scenario as the foundation for the LTFP, we can make financially sustainable decisions, while continuing to seek additional revenue sources, to improve the standard of infrastructure and services available to the community.

The most sensitive criterion in the adopted model is a variation in the level of proposed rate increases. A 1% decrease in the proposed rate assumptions over the ten years of the LTFP results in \$37.8 million movement in revenue. Current ratio calculations would be less than the target of 1 from 2033/34 which measures the City's ability to meet its short-term financial obligations. The cash short fall would result in additional borrowings required to deliver services and assets to the community.

Airport fees and charges are a significant and complimentary revenue source to rates revenue. Should council wish to alter its growth assumption, for every 1% variation the likely impact is approximately \$15.9 million in the 10-year plan.

In 2017, Council purchased The Quarter HQ, an investment property operated on a commercial basis to supplement and support the City's revenue sources. For a change in the assumptions of 1% occur, the resulting impact is approximately \$2.5 million over the ten year period of the long term financial plan.

9 Measuring Sustainability

The City of Karratha's financial sustainability is measured by its ability to fund ongoing service delivery and the renewal and replacement of assets without imposing excessive debt or rate increases on future generations.

The following Key Performance Indicators (KPI) have been prescribed in the *Local Government (Financial Management) Regulations 1996* to measure the financial sustainability of local governments. The City's LTFP 2025-35 has been assessed against these KPI's and are outlined below.

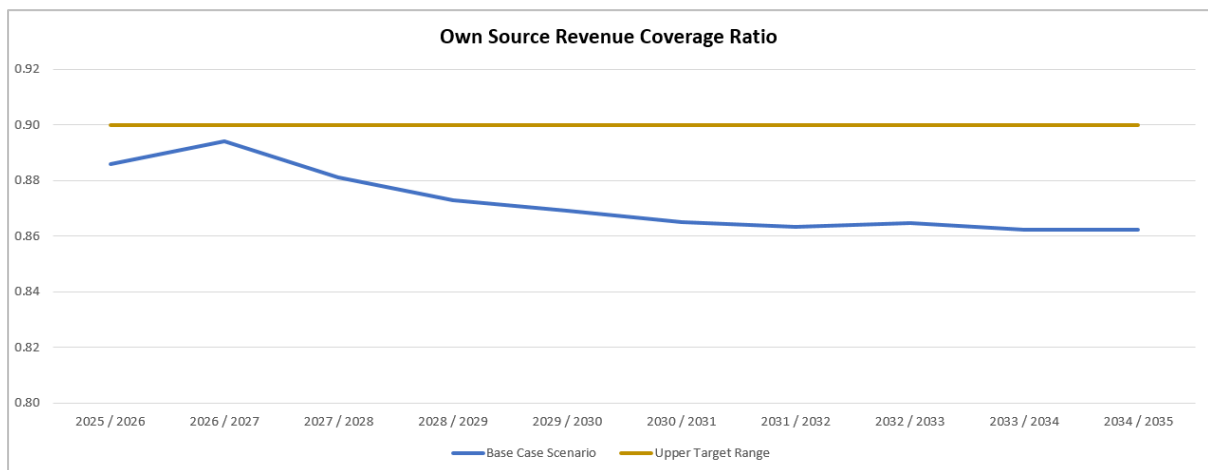
9.1 Key Performance Indicators

Own Source Revenue Coverage Ratio

Indication - A measure of a local government's ability to cover its costs through its own revenue efforts.

Target - Intermediate 60% - 90%, Advanced >90%

Commentary - The intermediate target of between 60% - 90% is achieved over the 20-year period. Revenue derived from the City's operations can cover the City's operational costs.

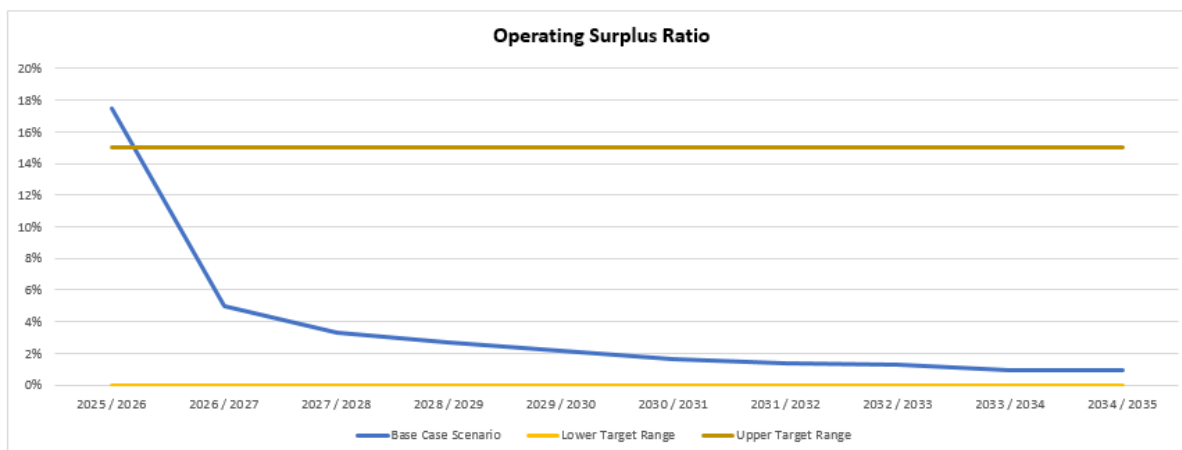


Operating Surplus Ratio

Indication - An indicator of the extent to which revenue raised not only covers operational expenses, but also provides for capital funding.

Target – Between 0% and 15%

Commentary - The target of an operating surplus is achieved each year of the LTFP. This indicates that surplus operational funds are available for capital works.

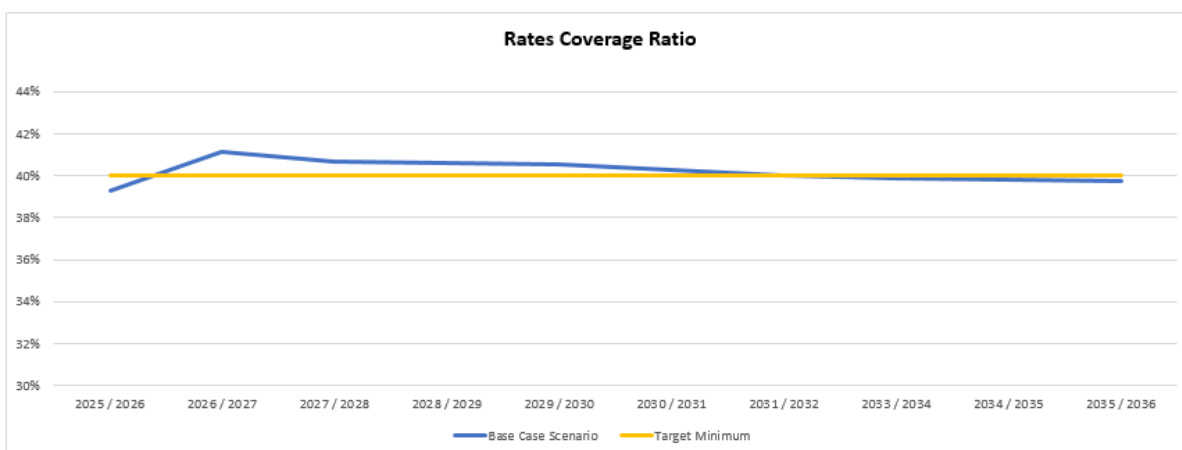


Rates Coverage

Indication - An indicator of a local government's ability to cover its costs through its own revenue efforts.

Target – Greater than or equal to 40%

Commentary - 2025/26 shows ratio below target, recovering from 2026/27 through to 2031/32 then falling slightly below target for 2032/33 to 2034/35 due to a higher growth in expenditure compared to rates revenue.

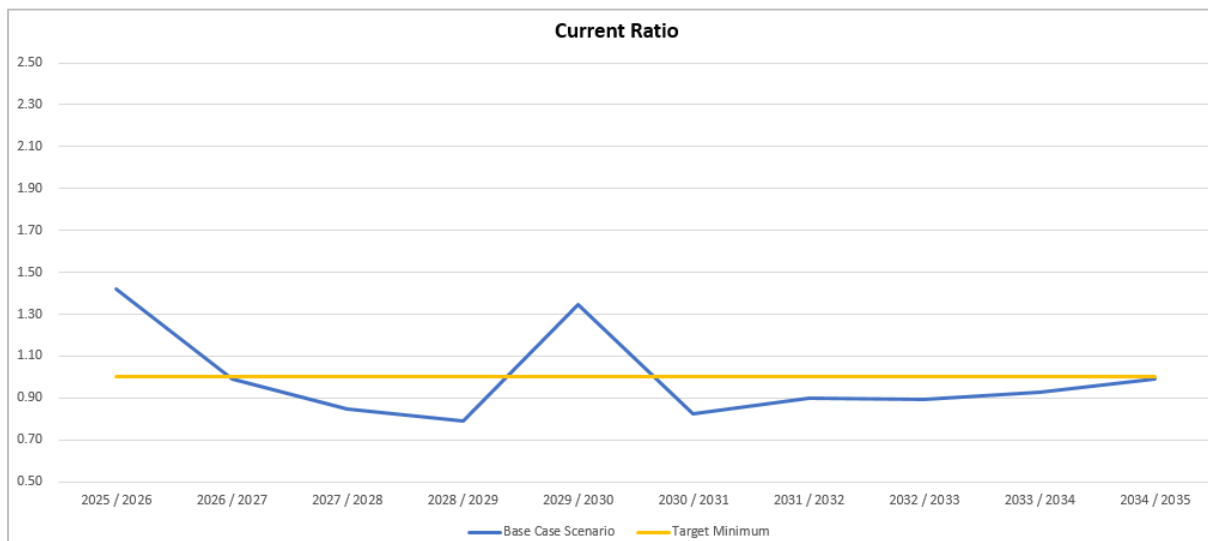


Current Ratio

Indication - A measure of a local government's liquidity and its ability to meet its short term financial obligations from unrestricted current assets.

Target – Great than or equal to 1

Commentary - The target of greater than 1 is reached or exceeded for 25/26, 26/27 and 34/35, for the other financial years the ratio falls slightly below target due to proposed capital projects and there impacts on underlying factors of this ratio. The ratio shows a positive trend back up to target at end of the plan.

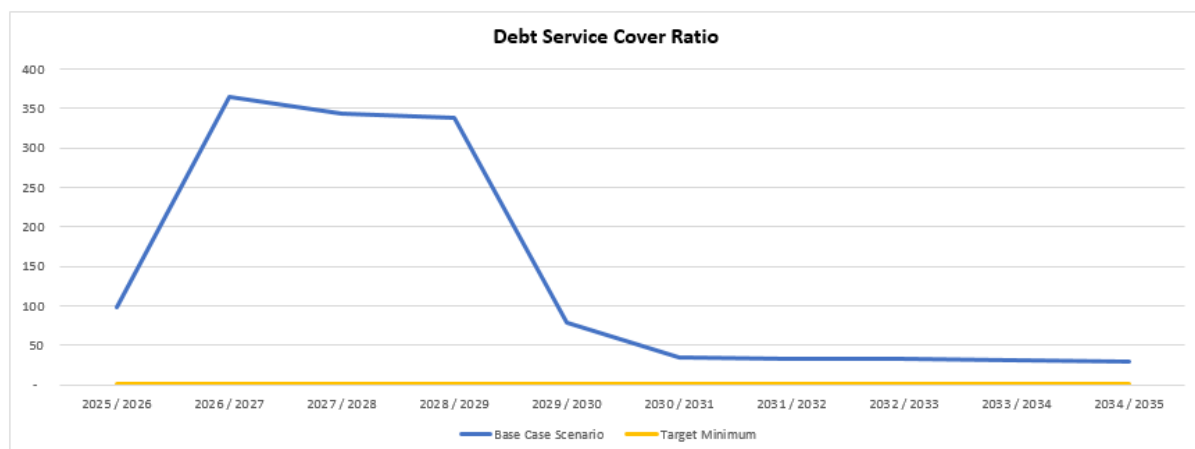


Debt Service Cover Ratio

Indication - An indicator of a local government's ability to generate sufficient cash to cover its debt payment.

Target – Greater than or equal to 2

Commentary - The City's debt ratio being higher than 2 indicates the ability to fund the proposed levels of debt

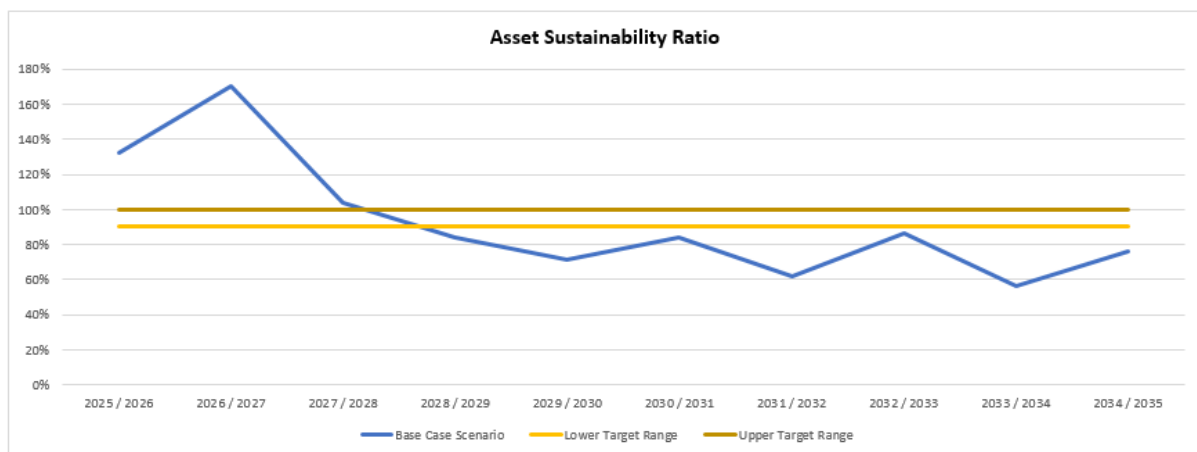


Asset Sustainability Ratio

Indication - An indicator of the extent to which assets managed by a local government are being renewed or replaced as they reach the end of their useful lives.

Target – Between 90% and 100%

Commentary - The City does not expect to achieve a ratio within the target range in 28/29, due to the increase in new asset spend which includes the Roebourne Recreation Precinct, the Windy Ridge Sporting Precinct and Dampier Masterplan, and the Karratha Airport runway upgrade. The ratio begins the return back to asset renewals, thereafter, moving downwards again in 2031/32 due to additional new asset spend for the Karratha Airport taxiway extension. It is anticipated that future revisions of the LTFP will identify further asset renewal requirements, which will alleviate the downward trend as new capital works are planned and approved in the future.

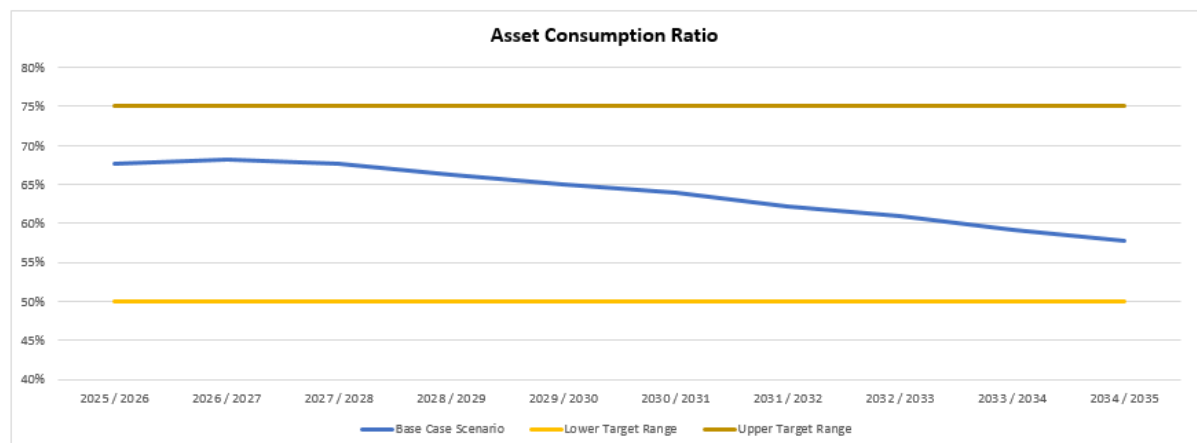


Asset Consumption Ratio

Indication - Highlights the aged condition of a local government's physical assets.

Target – Between 50% and 75%

Commentary - This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement value. The City's ratio is achieved and maintained within the target band over the life of the LTFP.

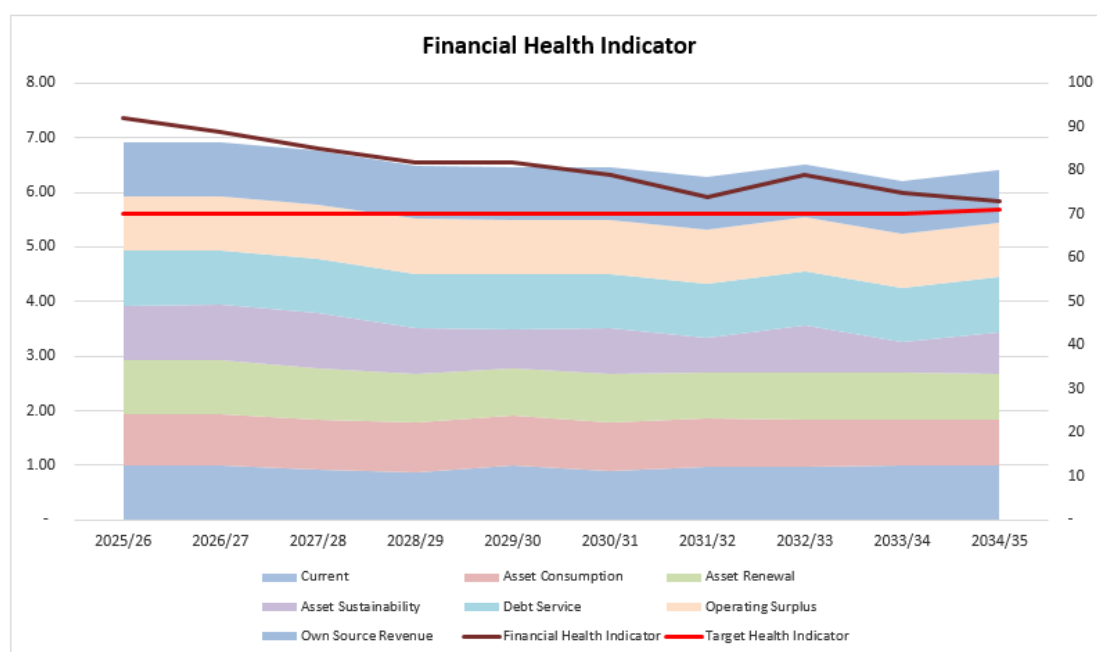


Financial Health Indicator (FHI)

Indication - The Financial Health Indicator is a measurement of a local government's overall financial health.

Target – Greater than or equal to 70

Commentary - The City is forecast to be in good financial health.



10 Key Assumptions underpinning our LTFP

10.1 Operational Revenue and Expenditure

The City's Long Term Financial Plan projections are based on a number of assumptions regarding operational revenue and expenditure. The first five years of our LTFP contain a higher level of accuracy, however, the capacity to accurately predict the Council's financial position for the remaining period is diminished and includes reasonable estimates only.

The key assumptions are detailed in the table below.

Base Case Key Assumptions	
Rates revenue	The LTFP is based on a residential increase of 3.5% over twenty years rates incorporating Madigan, Baynton West, Gregory and Hancock Way, supplemented by additional rates revenue from commercial, plus an annual increase of 2.5%-6.65% based on Consumer Price Index forecast. Conservative estimates for property growth have been utilised pending resource and industry project announcements.
Other fees and charges	2.5%-5.2% increase per year to reflect projected Consumer Price Index (CPI).
Airport fees and charges	Current projects and construction activity in Karratha will drive higher revenues between 2024 - 2028 with a tapering off effect after that.

	Passenger numbers will also rise with the additional activity increasing revenue.
Grants and contributions	CPI used as an indicator to forecast Operating Grants and Contributions. Roads to Recovery funding will continue into 2025-26.
Employee costs	4% growth rate as per the City of Karratha Industrial Agreement 2023 in effect August 2023 with (10%) vacancy rate and 0.5% skill step movement.
Materials and contracts	CPI increase for maintenance and operation of existing services and infrastructure. Rawlinsons Building Price Index (BPI) for the Pilbara region has been included to recognize the increased cost of goods and services in the area.
% of OPEX on new capital	Assumption that 7.5% of major and 2.5% of minor costs of new infrastructure will be incurred in maintenance and operating costs.
Insurance	2.8%-3.6% increase per year to reflect projected CPI.

10.2 Economic Assumptions

The following economic drivers have been used to develop this plan:

Economic Assumptions	
Consumer Price Index Australia (CPI) <i>RBA, Forecast table - May 2025</i>	2.00% - 3.00%
Western Australian Treasury Corporation (WATC) fixed rate semi-annual interest rate <i>WATC Indicative Local Government Interest Rates, May 2025</i>	3.69% - 5.17%
Term Deposit interest rates	4.56% - 5.44%
Western Australia Local Government (WALGA) Local Government Cost Index <i>WALGA Economic Briefing, May 2025</i>	3.63% - 5.00%
Rawlinsons Regional Indices Western Australia <i>Rawlinsons 2023 Edition 41</i>	55.0%
Regional Price Index (RPI) <i>Department of Primary Industries and Regional Development 2023</i>	11.1%

10.3 Capital Works Program

Delivering major infrastructure projects to provide long-term benefits to our community for generations to come is the key focus for the City of Karratha as we continue our transformation into Australia's most liveable regional city. The creation of new assets and renewal or upgrade of existing infrastructure have been included in developing the LTFP.

This plan outlines a capital works program of \$370 million over the 10-year period.

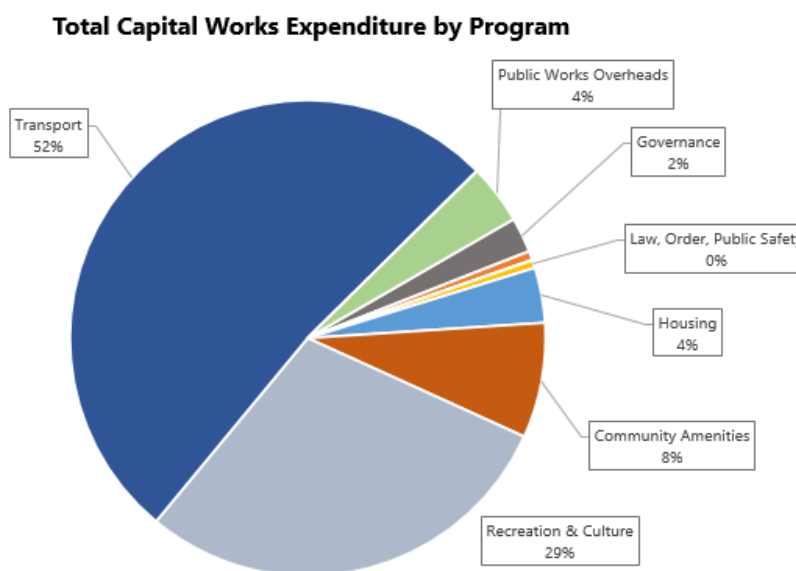
Capital Works by Program and Schedule

The following graph illustrates capital expenditure by program for the period of the LTFP 2025-2035. The table outlines the capital expenditure by Schedule, the method developed by the City to categorise its Capital Works.

Due to the remote location and large geographical size of the City, transport is a key priority which is demonstrated at 52% of total capital expenditure. Contained within the transport program, Karratha Airport is the City's largest asset and provides a significant revenue stream. It is essential to the City's capital portfolio accounting for \$46.5 million in the 10-year Capital Program. Roads, footpaths and kerbing infrastructure are another priority with \$50.1 million of capital expenditure.

Recreation & Culture and Community Amenities are the next greatest capital expenditures, representing a combined 37% of the capital works expenditure over the next ten years. Community feedback resulted in improved sporting and recreation facilities and townsite aesthetics.

As per the 2024 Community Survey, the results also highlighted housing affordability and availability were regarded as high importance when living in the City of Karratha. Therefore, the City recognises the value of significant expenditure dedicated to new housing initiatives, expected to be \$18 million over the next ten years. This estimate does not include the anticipated expenditure likely to arise from 'Project Dorothy', as the initiative is still passing through the formal expression of interest process at the time of adopting this iteration of the LTFP.



Total Capital Works Expenditure by Schedule

Schedule	Total Amount*	%
Airport	\$ 46,458,437	12.5%
Campgrounds, Foreshores, Jetties, Parks & Public Toilets	\$ 20,285,000	5.5%
City Offices and Admin Buildings	\$ 6,813,350	1.8%
City Owned Housing	\$ 18,235,000	4.9%
Community Facilities	\$ 30,155,061	8.1%
Drainage & Reuse Schemes	\$ 4,950,000	1.3%
Fleet, Plant & Equipment Replacement	\$ 28,515,919	7.7%
ICT Asset Replacement Program	\$ 9,440,751	2.5%
Investments	\$ 15,533,000	4.2%
Karratha Leisureplex	\$ 21,265,358	5.7%
Red Earth Arts Precinct	\$ 11,298,947	3.1%
Roads, Footpaths and Kerbing	\$ 50,152,913	13.5%
Sporting & Recreation	\$ 65,915,000	17.8%
Townsie Aesthetics	\$ 21,557,102	5.8%
Waste Facility	\$ 19,697,100	5.3%
Total	\$ 370,272,937	100.0%

* Amounts not indexed

10.4 Housing Initiatives

The City is currently experiencing a shortage of properties to buy and/or rent and future resource sector growth is expected to intensify this issue. Without a rapid development of additional dwelling stock, it is likely that there will be a spike in house and rental prices. Given this situation, the City is proposing a Housing Investment Program to alleviate this problem.

Addressing the Region's Housing Shortfall

The City's Cumulative Impact Modelling has identified a current shortfall of approximately 900 residential dwellings, with projections indicating this gap could grow to around 2,000 over the next five years. This anticipated shortfall is driven by increased housing demand from operational workforces, supporting industries, their families, and additional service workers associated with major developments such as:

- Woodside's Pluto Train 2
- Perdaman's Urea Plant
- BCI Minerals' Mardie Salt Project
- The Pilbara Hydrogen Hub

In response to this critical housing need, the City launched a Housing Development Expression of Interest (EOI), known as Project Dorothy, aimed at rapidly delivering high-yield housing on undeveloped, development-ready land—particularly land owned by the City. Two projects have been shortlisted under this initiative, proposing the delivery of over 150 dwellings at a combined cost of \$82 million. Funding will be sourced from the City's Infrastructure Reserve, external debt financing, and developer contributions.

Additionally, the City has secured \$22.1 million from the Federal Government's Housing Support Program – Community Enabling Infrastructure Stream to support the initial stages of the new Mulataga housing estate. This project will be delivered in partnership with DevelopmentWA, the State Government's land development authority, which is also making a significant financial contribution.

As part of its broader housing strategy, the City is also advancing several complementary initiatives, including:

- Service Worker Accommodation (SWA)
- Hancock Way Development
- Warriar Street Refurbishment
- Walgu Housing Development
- Partnership agreements with external parties to expand housing supply

10.5 Exclusions

Prospective projects and facilities that are not sufficiently detailed at this stage, have not been included in the plan. They will be incorporated into future plans once timing, revenue, expenditure and capital are known.

At this time of economic uncertainty, costs will continue to change. Therefore, it is necessary to effectively draw a line in the sand when preparing the capital program for the LTFP. The values disclosed in this plan represent estimated future prices and costs and will be reviewed regularly.

11 Key Risks to Long Term Sustainability

The LTFP has identified the below key risks that present substantial challenges for the City of Karratha's long term sustainability given the current and future demands anticipated for facilities and services.

Key risks	Challenge
Population uncertainty	Population growth forecasts vary significantly, making it difficult to calculate market demand for facilities and services in our long term financial planning.
Dispersed population	Population spread across five distinct towns requires duplication of facilities and services in each town, creating financial pressure.
Resource expansion	Resource projects' State Agreements create inequity in our rating process across business and industry and severely limit our ability to source additional capital and operational funding to offset Fly-In, Fly-Out (FIFO) impacts on community facilities and services.
Cost pressure increase	Local government costs continually increase at a higher rate than CPI, with additional costs associated with the remoteness of the Pilbara compounding the issue.
Reduction in State and Federal Government grants	Grants and contributions are received from State and Federal Governments based on their population and capacity to generate rates and revenues. As the City progresses, it is anticipated that grants and contributions from Governments will decrease.
Cost shifting from other levels of government	The City's service delivery requirements are beyond typical local government responsibility due to our remote location. These services include a range of community, health, environmental and planning services, tourism, heritage, entertainment and so forth, with funding that does not always account for substantial distances to service localities and higher costs associated with being in the Pilbara.
Organisational capacity	Attracting and retaining staff with requisite skills is a constant challenge due to remoteness, cost of living, housing affordability and salary competition from the resource sector.
Asset management planning	The ability to accurately quantify the financial risks over a prolonged period is difficult as the Asset Management Plan is a five-year plan.

To address these risks, the Long Term Financial Plan is reviewed and updated regularly.

12 Financial Projections

Our financial projections for the LTFP conform to the *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards.

We have followed a format within our LTFP that allows our projections to feed into the statutory format of our Annual Budgets, as well as allowing the key performance measures outlined in our LTFP to be compared with our Annual Budgets and Annual Reports.

12.1 Financial Statements

The financial statements as per Appendix A, have been prepared for the 10 years covered in the LTFP. These estimates have been prepared based on the assumptions shown previously in the document.

Our statutory statements include:

- Statement of Comprehensive Income by Nature
- Statement of Cash Flows
- Statement of Financial Activity
- Statement of Financial Position
- Statement of Changes in Equity

Statement of Comprehensive Income by Nature

Identifies the cost of goods and services provided, and the extent to which costs are recovered from revenues. A surplus is estimated for each year of the LTFP.

Statement of Cash Flows

The purpose of this statement is to show how changes in balance sheet accounts and income affect cash and cash equivalents, breaking the analysis down to operating, investing and financing activities. Net cash provided by operating activities illustrates how much cash is expected to remain after funding the services provided to the community. This can be used to fund other activities such as infrastructure and capital works. Information provided by the Statement of Cash Flows can assist in recognising the ability to generate cash and meet financial commitments, including repayments of debt.

Statement of Financial Activities

This statement, formerly known as the Rate Setting Statement, summarises the operating, capital, debt and reserve transactions. The plan identifies the funds necessary to balance the budget in each financial year through the collection of rates. The format of the Statement of Financial Activity in the LTFP varies from the Annual Budget. The Annual Budgets bottom line represents the amount required from rates. In the LTFP, rates are assessed in accordance with relevant assumptions to the plan. If a surplus results, this can be used to fund other services however, where a shortfall results this indicates that the Council is unable to fund the services proposed at the planned rating levels. The LTFP shows a budget deficit, however the new borrowings included in the plan will cover the cost of planned service requirements within the LTFP.

Statement of Financial Position

This statement summarises the expected financial position of the City at the end of the financial year. It reports what is expected to be owned (assets) and what is expected to be owed (liabilities). The statement discloses transactions as current and non-current assets, and current and non-current liabilities (net assets) and equity.

Statement of Equity

The purpose of this statement is to report the changes in equity over an accounting period. The LTFP uses this to show the changes in accumulated funds and reserves over the next 10 years.

These statements are supported by the following schedules:

- Ten Year Capital Works Program
- Loan Repayment Schedule
- Cash Reserves
- Sustainability Ratios

13 Implementation and Review of the Long Term Financial Plan

Council considers the content of our long term financial plans when preparing the City of Karratha's Annual Budget.

Since the creation of our first long term financial plan in 2012, adopted Annual Budgets have been aligned with the proposals made in the plan and the underlying assumptions.

Reviews of the LTFP have been conducted each year as part of our Operational Plan and Annual Budget development to account for performance information and any changing circumstances.

The City is confident the modelling in the LTFP provides clear guidance on the financial impacts of various activities, initiatives, service levels and programs, allowing the City to set priorities within its resourcing capabilities, to sustainably deliver the infrastructure and services our community needs.

14 Appendices

14.1 Appendix A - Financial Statements

Statement of Comprehensive Income by Nature

	2025 / 2026 \$'000	2026 / 2027 \$'000	2027 / 2028 \$'000	2028 / 2029 \$'000	2029 / 2030 \$'000	2030 / 2031 \$'000	2031 / 2032 \$'000	2032 / 2033 \$'000	2033 / 2034 \$'000	2034 / 2035 \$'000
REVENUE										
Rates	66,388	71,667	73,817	76,374	78,986	81,356	83,797	86,645	89,463	92,373
Operating Grants, Subsidies and Contributions	45,434	26,291	26,932	28,303	29,108	29,935	30,785	31,659	32,557	33,480
Fees and Charges	22,349	23,172	23,900	23,937	24,655	25,372	26,110	26,868	27,649	28,452
Airport Fees	28,066	29,273	30,502	31,722	32,928	34,146	35,375	36,613	37,895	39,221
Waste Fees & Charges	24,664	25,689	26,613	27,571	28,536	29,509	30,515	31,556	32,632	33,745
Service Charges	-	-	-	-	-	-	-	-	-	-
Interest Earnings	7,595	5,436	4,483	3,599	3,765	3,947	4,567	5,195	5,349	5,897
Other Revenue	581	602	620	1,138	657	675	694	714	734	754
	195,077	182,129	186,867	192,645	198,635	204,940	211,844	219,250	226,279	233,923
EXPENSES										
Employee Costs	56,272	59,315	62,472	65,631	69,015	72,748	76,722	80,820	85,064	89,350
Materials and Contracts	69,573	71,173	74,562	77,405	80,013	82,755	85,356	87,890	90,492	93,106
Utility Charges	6,153	6,372	6,563	6,760	6,956	7,151	7,352	7,559	7,771	7,990
Depreciation	30,743	31,050	31,361	31,674	31,991	32,311	32,634	32,960	33,290	33,623
Interest Expenses	116	107	107	107	107	107	107	107	107	107
Insurance Expenses	3,664	3,796	3,910	4,027	4,144	4,260	4,380	4,503	4,629	4,759
Other Expenditure	2,402	2,488	2,562	2,639	2,716	2,792	2,870	2,951	3,034	3,119
	168,924	174,301	181,536	188,243	194,942	202,124	209,421	216,790	224,387	232,054
Surplus (Deficit) before Capital Funding	26,153	7,828	5,331	4,402	3,693	2,816	2,423	2,460	1,891	1,869
Non-Operating Grants, Subsidies and Contributions	2,628	47,990	19,335	6,600	4,717	5,427	3,206	2,075	2,134	3,485
Profit on Asset Disposals	-	-	-	-	-	-	-	-	-	-
Loss on Asset Disposals	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
Other	-	-	-	-	-	-	-	-	-	-
NET RESULT	28,773	55,811	24,659	10,995	8,403	8,237	5,622	4,529	4,018	5,347
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	28,773	55,811	24,659	10,995	8,403	8,237	5,622	4,529	4,018	5,347

Statement of Cash Flows

	2025 / 2026	2026 / 2027	2027 / 2028	2028 / 2029	2029 / 2030	2030 / 2031	2031 / 2032	2032 / 2033	2033 / 2034	2034 / 2035
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities										
Receipts										
Rates	66,355	71,631	73,780	76,336	78,947	81,315	83,755	86,601	89,418	92,327
Operating Grants, Subsidies and Contributions	45,126	24,676	26,183	27,537	28,303	29,108	29,935	30,785	31,659	32,557
Fees and Charges	22,180	22,916	23,655	23,684	24,403	25,120	25,848	26,596	27,365	28,156
Airport Fees	28,066	29,273	30,502	31,722	32,928	34,146	35,375	36,613	37,895	39,221
Waste Fees & Charges	24,664	25,689	26,613	27,571	28,536	29,509	30,515	31,556	32,632	33,745
Service Charges	-	-	-	-	-	-	-	-	-	-
Interest Earnings	8,228	6,069	5,116	4,232	4,398	4,580	5,200	5,828	5,982	6,530
Goods and Services Tax	-	-	-	-	-	-	-	-	-	-
Other Revenue	581	602	620	1,138	657	675	694	714	734	754
	195,201	180,854	186,469	192,221	198,172	204,453	211,323	218,693	225,685	233,290
Payments										
Employee Costs	56,026	59,101	62,250	65,415	68,786	72,510	76,471	80,554	84,792	89,070
Materials & Contracts	69,546	66,571	74,823	80,126	79,889	82,587	81,215	88,006	90,536	95,105
Utility Charges	6,153	6,372	6,563	6,760	6,956	7,151	7,352	7,559	7,771	7,990
Insurance Expenses	3,664	3,796	3,910	4,027	4,144	4,260	4,380	4,503	4,629	4,759
Interest expenses	116	107	107	107	107	107	107	107	107	107
Goods and Services Tax	-	-	-	-	-	-	-	-	-	-
Other Expenditure	2,402	2,488	2,562	2,639	2,716	2,792	2,870	2,951	3,034	3,119
	137,907	138,435	150,215	159,074	162,598	169,407	172,396	183,680	190,869	200,150
Net Cash from Operating Activities	57,293	42,420	36,254	33,147	35,574	35,046	38,927	35,013	34,815	33,139
Cash Flows from Investing Activities										
Receipts										
Non-operating Grants, Subsidies & Contributions	2,628	47,990	19,335	6,600	4,717	5,427	3,206	2,075	2,134	3,485
Proceeds from sale of property, plant & equipment	1,898	1,966	2,025	2,085	2,146	2,206	2,268	2,332	2,397	2,465
Proceeds from financial assets	-	-	-	-	-	4,100	-	-	-	-
	4,526	49,956	21,359	8,685	6,863	11,734	5,474	4,407	4,531	5,949
Payments										
Payments for property, plant and equipment	19,379	14,430	14,821	12,305	11,010	10,812	7,233	10,896	7,819	9,114
Payments for construction of infrastructure	43,720	103,789	63,480	27,000	33,446	33,870	17,169	24,362	15,007	18,560
Payments for financial assets	300	-	-	10,923	-	-	-	-	-	-
Payments for investment property	-	-	-	-	-	-	-	-	-	-
	63,399	118,218	78,301	50,229	44,456	44,682	24,403	35,258	22,826	27,673
Non-Cash Exclusions	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Investing Activities	(58,873)	(68,262)	(56,942)	(41,543)	(37,593)	(32,948)	(18,929)	(30,851)	(18,295)	(21,724)

Statement of Cash Flows Continued

Cash Flows from Financing Activities										
Receipts										
Proceeds from Self Supporting Loans	-	-	-	-	-	-	-	-	-	-
Proceeds from Local Group Loans	-	-	-	-	-	-	-	-	-	-
Proceeds from new borrowings	-	-	-	4,369	6,739	-	-	-	-	-
Payments										
Repayment of borrowings	-	-	-	-	350	906	950	996	1,045	1,095
Payments for principal portion of lease liabilities	127	134	140	148	155	103	0	-	-	-
Net Cash provided by (or used in) Financing Activities	(127)	(134)	(140)	4,222	6,233	(1,010)	(950)	(996)	(1,045)	(1,095)
Net Increase (Decrease) in cash held	(1,707)	(25,976)	(20,828)	(4,175)	4,214	1,088	19,048	3,166	15,476	10,320
Cash at the beginning of reporting period	114,768	113,062	87,085	66,257	62,082	66,297	67,385	86,433	89,599	105,075
Cash at the end of reporting period	113,062	87,085	66,257	62,082	66,297	67,385	86,433	89,599	105,075	115,395

Statement of Financial Activity

	2025 / 2026 \$'000	2026 / 2027 \$'000	2027 / 2028 \$'000	2028 / 2029 \$'000	2029 / 2030 \$'000	2030 / 2031 \$'000	2031 / 2032 \$'000	2032 / 2033 \$'000	2033 / 2034 \$'000	2034 / 2035 \$'000
REVENUE										
Office of the CEO	67	70	72	74	76	78	80	82	85	87
Corporate Services	18,107	16,211	15,491	15,346	15,348	15,868	16,837	17,823	18,346	19,273
Development Services	959	994	1,024	1,055	1,086	1,116	1,148	1,180	1,214	1,248
Strategic Projects & Infrastructure	94,397	77,488	80,303	83,161	86,024	88,921	91,882	94,907	98,032	101,260
Community Experience	15,158	15,700	16,161	16,636	17,115	17,601	18,100	18,612	19,139	19,681
	128,689	110,462	113,050	116,271	119,649	123,584	128,047	132,605	136,816	141,550
EXPENSES										
Office of the CEO	2,625	993	1,183	1,375	1,589	1,834	2,098	2,371	2,653	2,941
Corporate Services	8,094	8,624	9,128	9,596	10,066	10,576	11,116	11,673	12,250	12,830
Development Services	9,747	10,192	10,621	11,054	11,511	12,005	12,526	13,063	13,618	14,180
Strategic Projects & Infrastructure	105,691	109,828	113,847	117,546	121,302	125,366	129,477	133,594	137,832	142,092
Community Experience	42,775	44,671	46,763	48,679	50,480	52,350	54,211	56,096	58,041	60,017
	168,931	174,308	181,543	188,250	194,949	202,131	209,428	216,797	224,394	232,061
Net Operating Result Excluding Rates	(40,242)	(63,846)	(68,493)	(71,979)	(75,300)	(78,547)	(81,381)	(84,192)	(87,579)	(90,511)
Adjustments for Cash Budget Requirements:										
Non-Cash Expenditure and Revenue										
(Profit)/Loss on asset disposals	7	7	7	7	7	7	7	7	7	7
Depreciation on assets	30,743	31,050	31,361	31,674	31,991	32,311	32,634	32,960	33,290	33,623
Movement in employee benefit provisions	14	12	12	12	13	13	14	15	15	15
Movement in investment property	-	-	-	-	-	-	-	-	-	-
Movement in Accruals	200	(776)	40	26	(1)	(12)	(32)	(54)	(77)	(102)
Contributions of Gifted Assets	-	-	-	-	-	-	-	-	-	-
Adjustments to fixed assets	-	-	-	-	-	-	-	-	-	-
Amounts Set Aside to Provisions	(349)	4,104	(699)	(3,171)	(339)	(307)	3,651	(619)	(561)	(2,531)
Amount attributable to Operating Activities	(9,628)	(29,449)	(37,772)	(43,431)	(43,629)	(46,535)	(45,107)	(51,882)	(54,905)	(59,498)
Capital Expenditure and Revenue										
Investing Activities										
Non-operating grants & subsidies	2,628	47,990	19,335	6,600	4,717	5,427	3,206	2,075	2,134	3,485
Purchase property, plant & equipment	(19,379)	(14,430)	(14,821)	(12,305)	(11,010)	(10,812)	(7,233)	(10,896)	(7,819)	(9,114)
Purchase infrastructure assets	(43,720)	(103,789)	(63,480)	(27,000)	(33,446)	(33,870)	(17,169)	(24,362)	(15,007)	(18,560)
Payments for investment property	-	-	-	-	-	-	-	-	-	-
Proceeds from disposal of assets	1,898	1,966	2,025	2,085	2,146	2,206	2,268	2,332	2,397	2,465
Proceeds from financial asset	-	-	-	-	-	4,100	-	-	-	-
Advances to community groups	(300)	-	-	(10,923)	-	4,735	-	-	-	-
<i>Non-cash amounts excluded from investing activities</i>	-	-	-	-	-	-	-	-	-	-
Amount attributable to Investing Activities	(58,873)	(68,262)	(56,942)	(41,543)	(37,593)	(28,213)	(18,929)	(30,851)	(18,295)	(21,724)

Statement of Financial Activity Continued.

Financing Activities

Repayment of borrowings	-	-	-	-	(350)	(906)	(950)	(996)	(1,045)	(1,095)
Proceeds from new borrowings	-	-	-	4,369	6,739	-	-	-	-	-
Other loan principal income	-	-	-	-	-	-	-	-	-	-
Payment for principal portion of lease liabilities	(127)	(134)	(140)	(148)	(155)	(103)	(0)	-	-	-
Transfers to reserves (restricted assets)	(52,700)	(47,088)	(34,638)	(35,741)	(28,537)	(52,243)	(40,499)	(39,062)	(36,021)	(31,576)
Transfers from reserves (restricted assets)	59,097	67,945	53,447	39,601	32,874	44,161	23,662	36,283	21,622	23,481
Amount attributable to Financing Activities	6,270	20,724	18,669	8,081	10,570	(9,091)	(17,788)	(3,775)	(15,443)	(9,190)

Income Set Aside as Restricted Funds - Income	-	-	-	-	-	-	-	-	-	-
Income Set Aside as Restricted Funds - Expense	-	-	-	-	-	-	-	-	-	-

ADD Estimated Surplus/(Deficit) July 1 B/fwd	1,370	5,527	205	(2,024)	(2,542)	5,792	3,309	5,282	5,418	6,238
Amount Attributable to Operating Activities	(9,628)	(29,449)	(37,772)	(43,431)	(43,629)	(46,535)	(45,107)	(51,882)	(54,905)	(59,498)
Amount Attributable to Investing Activities	(58,873)	(68,262)	(56,942)	(41,543)	(37,593)	(28,213)	(18,929)	(30,851)	(18,295)	(21,724)
Amount Attributable to Financing Activities	6,270	20,724	18,669	8,081	10,570	(9,091)	(17,788)	(3,775)	(15,443)	(9,190)
Surplus/(Deficit) before imposition of general rates	(60,862)	(71,461)	(75,840)	(78,916)	(73,194)	(78,047)	(78,515)	(81,226)	(83,225)	(84,175)
Rates as per Statement of Income	66,388	71,667	73,817	76,374	78,986	81,356	83,797	86,645	89,463	92,373
LESS Estimated Restricted Surplus/(Deficit) June 30 C/fwd	-	-	-	-	-	-	-	-	-	-
LESS Estimated Surplus/(Deficit) June 30 C/fwd	-	-	-	-	-	-	-	-	-	-

Amount required to be raised from rates	(60,862)	(71,461)	(75,840)	(78,916)	(73,194)	(78,047)	(78,515)	(81,226)	(83,225)	(84,175)
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Budgeted Surplus/(Deficit) after imposition of general rates	5,527	205	(2,024)	(2,542)	5,792	3,309	5,282	5,418	6,238	8,199
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Statement of Financial Position

Workbook last saved: Just now 26
\$'000

	2025 / 2026 \$'000	2025 / 2026 \$'000	2025 / 2026 \$'000	2025 / 2026 \$'000	2025 / 2026 \$'000	2025 / 2026 \$'000	2025 / 2026 \$'000	2025 / 2026 \$'000	2025 / 2026 \$'000	2025 / 2026 \$'000
CURRENT ASSETS										
Cash & Cash Equivalents	3,968	(1,360)	(2,861)	(3,254)	7,082	493	3,545	4,072	5,869	8,499
Cash Backed Reserves	109,130	88,482	69,155	65,373	59,251	66,929	82,924	85,564	99,243	106,933
Trade and other receivables	8,220	9,399	9,713	10,052	10,426	10,823	11,251	11,712	12,208	12,739
Other financial assets	6,937	6,937	6,937	6,937	11,037	6,937	6,937	6,937	6,937	6,937
Inventories	2,864	2,959	3,043	3,128	3,217	3,307	3,401	3,496	3,595	3,696
Total Current Assets	131,119	106,417	85,987	82,236	91,014	88,489	108,059	111,782	127,852	138,805
NON-CURRENT ASSETS										
Other Receivables										
Other Financial Assets	3,946	3,946	3,946	14,869	10,769	10,769	10,769	10,769	10,769	10,769
Inventories	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	298,003	296,199	294,583	290,246	284,405	278,066	267,891	261,163	251,139	242,189
Infrastructure	455,385	542,522	589,185	599,200	615,491	632,034	631,703	638,390	635,545	636,074
Investment Property	46,350	46,350	46,350	46,350	46,350	46,350	46,350	46,350	46,350	46,350
Right of Use Assets	598	460	322	184	46	(1)	(1)	(1)	(1)	(1)
Total Non-Current Assets	804,281	889,477	934,386	950,848	957,060	967,218	956,711	956,670	943,802	935,381
Total Assets	935,401	995,894	1,020,373	1,033,084	1,048,074	1,055,707	1,064,770	1,068,452	1,071,654	1,074,186
CURRENT LIABILITIES										
Trade and other payables	15,012	15,510	15,948	16,397	16,880	17,335	17,824	18,327	18,844	19,375
Contract and lease liabilities	134	140	148	155	103	0	-	-	-	-
Borrowings	-	-	-	350	906	950	996	1,045	1,095	1,148
Provisions	5,080	5,282	5,492	5,696	5,913	6,138	6,375	6,626	6,883	7,148
Total current liabilities	20,225	20,932	21,587	22,599	23,782	24,423	25,195	25,997	26,822	27,671
NON-CURRENT LIABILITIES										
Lease Liabilities	547	406	258	103	0	-	-	-	-	-
Borrowings	(0)	(0)	(0)	4,019	9,851	8,901	7,905	6,860	5,765	4,616
Provisions	5,624	9,739	9,052	5,894	5,568	5,274	8,939	8,335	7,789	5,273
Total Non-Current Liabilities	6,170	10,145	9,311	10,016	15,419	14,174	16,843	15,195	13,553	9,890
Total Liabilities	26,396	31,077	30,898	32,615	39,201	38,598	42,039	41,192	40,376	37,561
NET ASSETS	909,005	964,816	989,475	1,000,470	1,008,873	1,017,110	1,022,731	1,027,260	1,031,278	1,036,625
EQUITY										
Retained Surplus	512,520	589,188	632,656	647,510	660,251	660,406	649,190	650,940	640,559	637,811
Reserves - Cash Backed	110,233	89,376	70,567	66,707	62,370	70,451	87,289	90,067	104,466	112,561
Reserves - Asset Revaluation	286,253	286,253	286,253	286,253	286,253	286,253	286,253	286,253	286,253	286,253
TOTAL EQUITY	909,005	964,816	989,475	1,000,470	1,008,873	1,017,110	1,022,731	1,027,260	1,031,278	1,036,625

Statement of Changes in Equity

	2025 / 2026 \$'000	2026 / 2027 \$'000	2027 / 2028 \$'000	2028 / 2029 \$'000	2029 / 2030 \$'000	2030 / 2031 \$'000	2031 / 2032 \$'000	2032 / 2033 \$'000	2033 / 2034 \$'000	2034 / 2035 \$'000
RETAINED SURPLUS										
Balance at beginning of year (1 July)	477,349	512,520	589,188	632,656	647,510	660,251	660,406	649,190	650,940	640,559
Net Surplus (deficit) for the year	28,773	55,811	24,659	10,995	8,403	8,237	5,622	4,529	4,018	5,347
Transfers from (to) Cash Backed Reserves	6,397	20,857	18,809	3,860	4,337	(8,082)	(16,837)	(2,778)	(14,399)	(8,095)
Transfers from (to) Asset Revaluation Reserves	-	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-
Balance at end of year (30 June)	512,520	589,188	632,656	647,510	660,251	660,406	649,190	650,940	640,559	637,811
RESERVES - CASH BACKED										
Balance at beginning of year (1 July)	116,630	110,233	89,376	70,567	66,707	62,370	70,451	87,289	90,067	104,466
Transfers from (to) Retained Surplus	(6,397)	(20,857)	(18,809)	(3,860)	(4,337)	8,082	16,837	2,778	14,399	8,095
Balance at end of year (30 June)	110,233	89,376	70,567	66,707	62,370	70,451	87,289	90,067	104,466	112,561
RESERVES - ASSET REVALUATION										
Balance at beginning of year (1 July)	286,253	286,253	286,253	286,253	286,253	286,253	286,253	286,253	286,253	286,253
Transfers from (to) Retained Surplus	-	-	-	-	-	-	-	-	-	-
Balance at end of year (30 June)	286,253	286,253	286,253	286,253	286,253	286,253	286,253	286,253	286,253	286,253

14.2 Appendix B – Supporting Schedules

Ten Year Capital Works Program

	2025 / 2026	2026 / 2027	2027 / 2028	2028 / 2029	2029 / 2030	2030 / 2031	2031 / 2032	2032 / 2033	2033 / 2034	2034 / 2035
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENDITURE										
Capital Funding										
Capital Grants & Subsidies	2,628	48,248	19,335	6,600	4,717	5,427	3,206	2,075	2,134	3,485
Proceeds from Asset Sales	1,898	1,966	2,025	2,085	2,146	2,206	2,268	2,332	2,397	2,465
Funded Depreciation	-	-	-	-	-	-	-	-	-	-
Developer Contributions - Cash	-	-	-	-	-	-	-	-	-	-
Transfer from Reserve	-	-	-	-	-	-	-	-	-	-
Aerodrome Reserve	14,000	3,000	1,800	3,300	3,500	4,700	4,600	8,200	4,700	3,300
Plant Replacement Reserve	-	-	-	-	-	-	-	-	-	-
Workers Compensation Reserve	-	-	-	-	-	-	-	-	-	-
Dampier Drainage	10	10	10	10	10	10	10	10	10	10
Infrastructure Reserve	25,559	48,330	33,840	16,559	13,856	19,641	10,432	15,195	11,367	13,998
Public Open Space Reserve	-	-	-	-	-	-	-	-	-	-
Mosquito Control Reserve	-	-	-	-	-	-	-	-	-	-
Employee Entitlements Reserve	500	500	500	500	500	-	500	500	-	500
Waste Management Reserve	9,415	3,366	3,700	-	-	4,900	1,957	6,957	-	-
Housing Reserve	-	-	-	-	-	-	-	-	-	-
Walkington Theatre Reserve	-	-	-	-	-	-	-	-	-	-
Junior Sport Reserve	-	-	-	-	-	-	-	-	-	-
Community Development Reserve	-	-	-	-	-	-	-	-	-	-
Carry Forward Reserve	-	-	-	-	-	-	-	-	-	-
Medical Services Reserve	39	-	-	-	-	-	-	-	-	-
Economic Development Reserve	-	-	-	-	-	-	-	-	-	-
Partnership Reserve	8,573	11,481	12,098	10,233	5,372	5,015	5,163	4,421	4,545	4,673
Pilbara Underground Power Reserve	-	-	-	-	-	-	-	-	-	-
Restricted Funds Reserve	-	-	-	-	-	-	-	-	-	-
Loans - Borrowing	-	-	-	4,369	6,739	-	-	-	-	-
Loans - Community/Other Groups	-	-	-	-	-	4,100	-	-	-	-
Total Capital funding	62,622	116,901	73,307	43,656	36,839	45,999	28,135	39,690	25,153	28,430

Ten Year Capital Works Program Continued.

	2025 / 2026	2026 / 2027	2027 / 2028	2028 / 2029	2029 / 2030	2030 / 2031	2031 / 2032	2032 / 2033	2033 / 2034	2034 / 2035	2035 / 2036
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital Expenditure											
Infrastructure											
Renewals	27,535	42,152	24,630	15,214	12,792	17,483	13,085	17,598	11,065	16,701	24,060
New Assets	11,874	57,617	38,850	12,004	20,205	15,636	1,947	1,880	2,059	2,052	2,176
New Assets - Airport	500	2,066	-	-	449	231	2,375	2,442	-	-	929
Asset Expansion/Upgrade	2,510	2,160	-	-	-	58	-	-	-	65	-
Asset Expansion/Upgrade - Airport	1,300	-	-	-	-	462	-	2,442	1,883	-	-
Property Plant and Equipment											
Renewals	13,229	10,803	7,821	11,442	10,011	9,553	7,127	10,786	7,706	8,997	9,188
New Assets - Major Community	-	-	-	-	-	-	-	-	-	-	-
New Assets - Minor Community	6,150	3,627	7,001	863	1,000	104	107	110	113	116	119
Asset Expansion/Upgrade - Major	-	-	-	-	-	-	-	-	-	-	-
Asset Expansion/Upgrade - Minor	-	-	-	-	-	1,155	-	-	-	-	-
Loan to Property Groups	300	-	-	10,923	-	-	4,735	-	-	-	-
Loan Repayments	-	-	-	-	350	906	950	996	1,045	1,095	1,148
Total Capital Expenditure	63,399	118,425	78,301	50,447	44,807	40,853	25,590	36,254	23,870	29,027	37,621

Loan Repayment Schedule

	2025 / 2026	2026 / 2027	2027 / 2028	2028 / 2029	2029 / 2030	2030 / 2031	2031 / 2032	2032 / 2033	2033 / 2034	2034 / 2035
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Debt General Funds										
Total Debt Funds										
Opening Balance					4,369,218	10,757,420	9,851,083	8,900,828	7,904,526	6,859,947
Less Repayments					(350,465)	(906,337)	(950,255)	(996,302)	(1,044,579)	(1,095,197)
Add New Loans				4,369,218	6,738,667					
Closing Balance				4,369,218	10,757,420	9,851,083	8,900,828	7,904,526	6,859,947	5,764,750

Cash reserves

	2025 / 2026	2026 / 2027	2027 / 2028	2028 / 2029	2029 / 2030	2030 / 2031	2031 / 2032	2032 / 2033	2033 / 2034	2034 / 2035
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Reserves Balances (End of Year)										
Infrastructure Reserve	47,440,078	25,988,678	10,179,584	21,662,570	25,794,147	38,395,343	49,654,795	54,052,535	62,604,833	69,047,421
Aerodrome Reserve	14,228,121	14,175,667	12,854,805	9,989,297	10,103,302	18,644,781	21,640,262	22,354,761	22,275,720	23,720,742
Waste Management Reserve	13,988,535	11,095,724	7,770,760	8,033,412	8,304,941	3,685,648	6,645,366	3,954,740	9,509,051	9,830,457
Public Open Space Reserve	152,358	157,507	162,831	168,335	174,025	179,907	185,987	192,274	198,773	205,491
Economic Development Reserve	1,571,880	1,625,010	1,679,935	1,736,717	1,795,418	1,856,103	1,918,840	1,983,696	2,050,745	2,120,061
Medical Service Assistance Package Reserve	678	701	725	749	774	801	828	856	884	914
Employee Entitlements Reserve	5,380,795	5,062,665	4,733,783	4,393,785	4,042,295	4,178,925	3,820,173	3,449,294	3,565,881	3,186,407
Partnership Reserve	19,200,181	14,242,272	7,086,095	1,641,705	965,648	737,746	456,761	913,072	887,196	862,759
Woodside Partnership Reserve	270,165	379,296	492,116	608,750	729,326	853,977	982,841	1,116,061	1,253,784	1,396,162
Strategic Reserve	8,000,000	16,906,473	25,873,066	18,747,576	10,745,171	2,213,203	2,288,010	2,365,344	2,445,293	2,527,944
	110,232,791	89,633,994	70,833,700	66,982,895	62,655,047	70,746,433	87,593,861	90,382,633	104,792,159	112,898,358

Sustainability Ratios

Ratio	Description of Ratio	Budget 2024 / 2025	Projected 2025 / 2026	Projected 2026 / 2027	Projected 2027 / 2028	Projected 2028 / 2029	Projected 2029 / 2030	Projected 2030 / 2031	Projected 2031 / 2032	Projected 2032 / 2033	Projected 2033 / 2034	Projected 2034 / 2035
Coverage Ratio												
Own Source Revenue Coverage Ratio	A measure of a local government's ability to cover its costs through its own revenue efforts Intermediate is between 60% and 90% Advanced is above 90%	97.04%	88.58%	89.40%	88.10%	87.30%	86.96%	86.58%	86.46%	86.53%	86.34%	86.38%
Financial Performance Ratio												
Operating Surplus Ratio	An indicator of the extent to which revenue raised not only covers operational expenses, but also provides for capital funding Advanced Standard >15% Target between 0% and 15%	7.21%	17.47%	5.02%	3.33%	2.68%	2.18%	1.61%	1.34%	1.31%	0.98%	0.93%
Rates Coverage	An indicator of a local government's ability to cover its costs through its own tax revenue efforts Target - Greater than or equal to 40%	44.61%	39.30%	41.12%	40.66%	40.57%	40.52%	40.25%	40.01%	39.97%	39.87%	39.81%
Liquidity Ratios												
Current Ratio	A measure of a local government's liquidity and its ability to meet its short term financial obligations from unrestricted current assets Target - greater than or equal to 1	1.15	1.40	1.07	0.91	0.85	1.45	0.89	0.97	0.96	1.00	1.07
Debt Ratios												
Debt Service Cover Ratio	An indicator of a local government's ability to generate sufficient cash to cover its debt payments Target - more than 2 - The higher the better	282.52	489.94	364.28	343.93	338.18	78.24	34.77	33.26	32.20	30.65	29.61
Asset Management Ratios												
Asset Sustainability Ratio	An indicator of the extent to which assets managed by a local government are being renewed or replaced as they reach the end of their useful lives. Target - between 90% and 100%	115%	133%	170%	103%	83%	71%	84%	61%	86%	56%	76%
Asset Consumption Ratio	Highlights the aged condition of a local government's physical assets Target between 50% and 75%	69%	68%	68%	68%	66%	65%	64%	62%	61%	59%	58%
Asset Renewal Funding Ratio	Indicates whether the local government has the financial capacity to fund asset renewal at existing revenue and service levels Target - between 95% and 100%	106%	102%	97%	89%	85%	83%	83%	81%	81%	79%	81%

14.3 Appendix C - Important Documents and Policies

This document should be read in conjunction with the following City documents:

- Council Policy CF-03 Investment Policy
- Council Policy CF-10 Rating Equity Policy
- Council Policy CF-13 Asset Management Policy
- Council Policy CF-14 Reserve Funding Policy
- Council Policy CF-16 Budget Review Policy
- Council Policy CG-01 Risk Management Policy
-
- Council Plan Asset Management Plan
- Annual Budget
- Workforce Plan
- Integrated Strategic Plan?

14.4 Appendix D - Glossary

Term	Definition
Annual Budget	A statutory requirement outlining the financial estimates to deliver the Corporate Business Plan.
Annual operating surplus	Operating revenue minus net operating expense before interest and depreciation.

Term	Definition
Asset Management Plans	Plans that guide the use, acquisition and disposal of assets to make the most beneficial use of their services delivery potential and to manage related risks and costs over their entire life.
Asset consumption ratio (ACR)	The Asset Consumption Ratio seeks to highlight the aged condition of a local government's stock of physical assets. The ratio can be calculated by dividing the depreciated replacement cost of assets by the current replacement cost. Standard is met if the ratio can be measured and is 50% or greater, the standard is improving if the ratio is between 60% and 75%.
Asset renewal funding ratio	Means the ratio determined by depreciated replacement cost of assets divided by current replacement cost of depreciable assets.
Asset sustainability ratio	Means the ratio determined by capital renewal and replacement expenditure divided by depreciation expense.
Capital funding	Funding available to pay for capital expenditure.
Capital grants/contributions	Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.
Capital new expenditure	Capital expenditure that creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.
Capital renewal expenditure	Capital expenditure on an existing asset that returns the service potential or the life of the asset, up to, that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue but may reduce future operating and maintenance expenditure if completed at the optimum time. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project costs need to be allocated accordingly.
Capital upgrade expenditure	Expenditure, which enhances an existing asset to provide a higher level of service, and expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project costs need to be allocated accordingly.
Corporate Business Plan Council Plan	A local government's internal business planning tool that translates Council priorities into operations, within the resources available. The Corporate Business Plan details the services, operations and projects a local government will deliver over a defined period.
Current ratio	This is a modified commercial ratio designed to focus on the liquidity position of a local government that has arisen from past year's transactions. (Current Assets MINUS Restricted Assets) divided by (Current Liabilities MINUS Liabilities Associated with Restricted Assets)
Depreciation/amortisation	The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.
Infrastructure assets	Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services, e.g. roads, drainage, footpaths and shared paths. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally, the components and hence the assets have long lives. They are fixed in place and often have no market value.
Integrated Planning and Reporting	A framework for establishing community priorities and linking these to different areas of a local government's functions.

Term	Definition
Level of service	The defined service quality for a particular service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost.
Liquidity ratio	Liquidity refers to how quickly and cheaply an asset can be converted into cash. A local government's liquidity is measured by the 'Current Ratio'. This ratio provides information on the ability of a local government to meet its short-term financial obligations out of unrestricted current assets.
Loans / borrowings	Loans result in funds being received which are then repaid over a period of time with interest (an additional cost). Their primary benefit is in 'spreading the burden' of capital expenditure over time. Although loans enable works to be completed sooner, they are only ultimately cost effective where the capital works funded (generally renewals) result in operating and maintenance cost savings, which are greater than the cost of the loan (interest and charges).
Operating expenditure	Recurrent expenditure continuously required to enable the asset to operate excluding maintenance and depreciation, e.g. electricity, water and fuel. It relates to operations and not the condition of the asset.
Operating revenue	Means the revenue that is operating revenue for the purposes of the Australian Accounting Standards, excluding grants and contributions for the development or acquisition of assets.
Risk management	The application of a formal process to the range of possible values relating to key factors associated with a risk to determine the resultant ranges of outcomes and their probability of occurrence.
Scenario modelling	Preparation of forecast or estimates in the LTFP on optimistic, conservative and worse case scenarios to understand the impact of variations in factors or assumptions.
Sensitivity analysis	Determines those factors or assumptions that if varied have greater impacts on the LTFP.
Workforce Plan	A coordinated plan that addresses the human resourcing requirements to deliver local government operations.