

DRAFT



TOWN OF CLAREMONT

Plan for the Future 2008-2013

Adopted 20 June 2006

Reviewed November 2008

Table of Contents

MAYOR’S INTRODUCTION.....	1
EXECUTIVE SUMMARY	3
VISION, MISSION AND VALUES	6
FOCUS AREAS	8
RUN CLAREMONT	9
RENEW CLAREMONT	13
FUTURE CLAREMONT.....	17
PERFORMANCE MEASURES	21
COMMUNITY CONSULTATION	22
SUMMARY – LONG TERM FINANCIAL PLAN.....	23
LONG TERM FINANCIAL PLAN - MAJOR ELEMENTS	24
PROJECTED BALANCE OF RESERVES.....	28
DETAILED LONG TERM FINANCIAL PLAN	29
DETAILED LONG TERM FINANCIAL PLAN	ERROR! BOOKMARK NOT DEFINED.
LONG TERM FINANCIAL PLAN ASSUMPTIONS.....	30
ORGANISATIONAL STRUCTURE	ERROR! BOOKMARK NOT DEFINED.

Mayor's Introduction



Claremont Council is 2 years into what is probably the most exciting five years of its one hundred years plus existence. The Plan for the Future is a bold vision to rejuvenate the Town and confirm its premiere status in Western Australia. This is the first two-yearly review of the Plan, which is a statutory requirement.

The Council has recognised that, for decades, the replacement of major assets has been neglected. Few Councils, both within and outside Western Australia, have been in a position to put money aside to be able to address the deterioration of infrastructure. In 2006 we adopted a plan to redress that difficult issue, and this review continues to build on that foresight. We are in a strong position of having a diversified and very strong revenue stream which can be applied to enhancing our capability to deliver on this plan, once the land at the Lakeway residential sub-division has been sold and the Town Centre redevelopment has been finished.

This Plan places a greater emphasis on achieving effective co-operation on a regional basis, and I am very pleased that all of our neighbouring western suburbs councils have indicated that they are embracing this initiative with great enthusiasm.

At a time when sustainability has been identified as the most important strategic thrust by governments throughout the world, the Town of Claremont stands out with this sustainable vision for the future. Our Council's small size is an advantage to its residents and ratepayers, as every citizen will be able to directly see and enjoy the benefits of an improved community environment.

This plan is an investment in our future. It is not only about spending today, it is also about wealth creation for future generations. Ratepayers will reap the benefit of an increase in the value of their properties and the recognition across WA that to live in the Town of Claremont is to live in an attractive, vibrant, enlightened, diverse and "happy" community.

Peter J Olson JP
MAYOR

Executive Summary

This Plan for the Future identifies three strategic thrusts:

Run an efficient and effective Council business;

Renew the Town's infrastructure;

Manage the future development of the Town.

In summary, our three programme areas are Run; Renew; Future.

In order to achieve the outcomes stated in this plan we will provide the resources and align the organisational structure to deliver both medium and long term benefits to the community.

The major components of this Plan for the Future are as follows. Further details are shown at page 21.

The following sections are under review and will be inserted in due course.

THE DEVELOPMENT AND SALE OF THE LAKEWAY DRIVE-IN SITE

INFRASTRUCTURE RENEWAL PROGRAMME

Expenditure had been allowed of \$1m in each year of the initial plan, to fund the Infrastructure Renewal programme, which is a programme to improve the appearance of the Town.

PROGRAMMED INFRASTRUCTURE MAINTENANCE (PIM)

This objective of this programme is to accelerate the repair and replacement of the Town's ageing infrastructure. A gradually increasing amount is being expended in each of the five years, as follows:

2008/09
2009/10
2010/11

Total

INVESTMENT OF RESERVES

Council has an investment policy (#CS45) which provides guidance on how the reserve balances are invested. This policy has recently been reviewed, to ensure that there is a mechanism to manage the significant capital revenue that is expected to be received from the sale of the Lakeway land sub-division in Narla Road, Swanbourne. Put simply, the philosophy is to preserve the capital for future generations by investing it in long-term assets and to expend the earnings on that capital (after reinvesting a portion back into the capital account) on infrastructure projects, to benefit current generations.

RATE REVENUE

Additional rate revenue will be derived over the life of the plan, and beyond, from three major developments: the "Claremont Quarter" Town Centre development, the Lakeway land sale and the "Saint Quentins" development at the corner of Stirling Highway and Stirling Road. This additional revenue will gradually increase from 2008/09 onwards, reaching an estimated total of over \$1.7m per year by the year 2011/12. No allowance has been made for the additional rate revenue that will be received once the North East Precinct project is completed, which may be in 2011/12.

BORROWINGS

Borrowings have been allowed in 2008/09, in order to fund the cost of constructing the Lakeway sub-division, to fund last year's acceleration of the "renew" programme, and to fund the operating deficits, pending receipt of revenue from the sale of the Lakeway.

ORGANISATIONAL ALIGNMENT & STAFF COSTS

In order to ensure that Council achieved its ambitious agenda, an organisational restructure was undertaken in 2006/07, which aligned focus area responsibility with Directorates. Contemporary management theory and practice supports focus area (or programme area) responsibility being allocated to senior officers and functional areas. The revised organisational structure achieved this alignment.

A small number of additional staff have been employed to properly manage this huge level of development activity in Claremont. Some of these positions are not permanent, as they will be project-based, and will finish at the end of the relevant project.

OPERATING BUDGET

SUSTAINABILITY

Council intends to increase its commitment to educating its community about the part we can all play to redress the global warming crisis; it will encourage the community to embrace sustainability principles, and, where appropriate, it will mandate sustainable development and will lead by example.

REGIONAL CO-OPERATION

Council has always embraced co-operative initiatives with its neighbouring Western Suburbs councils. Following the release of the WA Local Government Association's Systemic

Sustainability Study, Council intends to actively facilitate significantly increased regional cooperation with members of the Western Suburbs Regional Organisation of Councils (WESROC), for the delivery of services and resource-sharing on a regional basis

Vision, Mission and Values

VISION

We are proud of our Town and our achievements and we will continue to work to:

- Be a positive example to other communities of integration between built and natural environments.
- Develop a beautiful, green environment which presents a clear identity for the Town.
- Ensure our Town will be accessible and safe.
- Welcome diversity in our community and have a harmonious, enjoyable and active community where our residents will have a strong sense of belonging.
- Encourage the business community to be vibrant, successful and integrated into the life of the Town.
- Be an open and accountable government, which encourages community involvement and strives to keep its community well-informed.
- Develop and manage the assets of the Town to the best of our ability and preserve our heritage for the enjoyment of the community.
- Be a dynamic, achievement-oriented, forward looking and caring organisation, that strives for excellence. We are committed to sound financial management.
- We will strive to create a community based around a village concept.

MISSION

To maintain and improve our vibrant and harmonious Village...

Embracing the future, respecting the past

VALUES

Integrity

We will be ethical and honest in the way we work.

Quality Communication

We will keep our community involved in, and informed of, Council services and developments that may have an impact on them.

Customer Service

We will deliver services that are valued by our community, whilst building positive relationships.

Excellence

We will strive to achieve excellence in all that we do.

Sustainability

The services we provide will be economically, socially and environmentally sustainable.

Accomplishment

We will finish everything we start, within budget and on time.

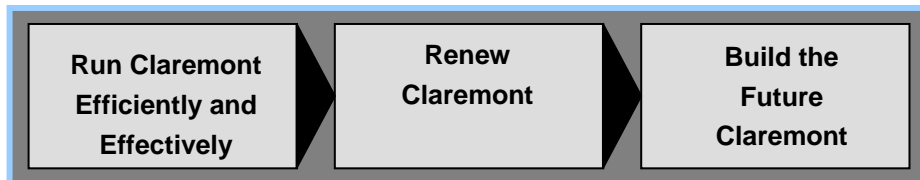
Contribution to Community

We will enhance the sense of belonging within the community.

Focus Areas

The Town of Claremont is focusing on three important areas in the next 5 years.

These are:



FOCUS AREAS	WHAT DOES THIS MEAN?
<p>Run Claremont</p>	<p>Run Council's day to day business, operations and infrastructure efficiently and effectively. This requires two types of activity:</p> <ul style="list-style-type: none"> ○ Provide services to meet community needs; ○ Update infrastructure, facilities and practices to comply with legal requirements and contemporary standards.
<p>Renew Claremont</p>	<ul style="list-style-type: none"> ○ Enhance the infrastructure and appearance of the Town. ○ Remedy the backlog of infrastructure maintenance work
<p>Future Claremont</p>	<p>Develop and implement policies and plans to ensure appropriate future development of the Town.</p>

Run Claremont

BACKGROUND

For the Town of Claremont to be an exemplary local government, we need to run our operations efficiently and effectively. This involves continuing to run the current services of Council.

Over the past several years, we have developed a number of plans and processes that are guiding our operations. These include plans to address:

- Youth needs
- Seniors needs
- Community and Cultural Development
- Infrastructure Assets
- Traffic management
- Lake Claremont
- Quality Systems Review
- Occupational Safety & Health
- Stirling Highway Reserve
- Stephenson Highway
- Shenton Road Integrated Transport
- Waste Management
- Balanced Transport options
- Environmental Management
- Greening the Town
- Community Safety
- Disability Access
- Emergency Management
- Performance Achievement
- Finance Management
- Risk Management
- Activity Based Costing
- Town Centre
- Residential Design Guidelines
- Heritage Management
- Museum Interpretation and Conservation

The plans are being implemented within the current resource levels.

In order to continue to meet service expectations, the Town must continue to invest in the day-to-day running of Council. Management should continue to evaluate service costs and productivity levels in order to achieve the best level of service for dollars spent.

Council needs to invest in the means of delivering services to the community. This requires the continual replacement of assets that are at the end of their useful lives, in a planned and systematic way.

OBJECTIVES

- Build a proud, positive and safe community by continuing to deliver cost effective statutory*, and discretionary** services and activities.
- Work in partnership, with an increased commitment, with other western suburbs councils (WESROC †) in addressing regional issues and improving local government services.
- Appropriately resource the services delivered by the Council's business units.
- Comply with statutory obligations.

STRATEGIES

Statutory and Discretionary Services

- Appropriately resource the delivery of efficient and effective discretionary and statutory services to meet community needs.
- Continue annual performance monitoring of services and the quarterly review of service delivery support processes.
- Continue to review operational business unit plans, present them to Council Members prior to the budget process, then implement and monitor progress on a quarterly basis.

Positive and Safe Community

- Continue to implement the Community Safety and Crime Prevention Plan and address the impact of the operation of licensed premises through the Licensed Premises Community Group, by an improved monitoring regime.
- Plan for, and, where necessary, respond to, emergencies in conjunction with the western suburbs councils.
- Undertake a review of the risk management strategies of Council's operations and for external community events.

Social and Demographic Pressures

Continue to implement social and cultural programs generated by the needs of the changing demographic of Claremont, focusing on the following areas:

- Aging population and aging in place;
- Young people;
- Housing provision, affordability and diversity; and

- Building the social capital in the Town, by fostering an engaging sense of place that will enhance interaction opportunities within the community.

STRATEGIES (CONT.)**Capacity to Deliver Services**

- Ensure that each service delivery point has staff with appropriate skills, information and management systems, organisation and facilities to meet community needs.
- Improve the customer service and work conditions in the following facilities:
 - Pool
 - Library
 - Museum
 - Council chambers
 - Depot
 - Golf Course
 - Community-use buildings and venues

Regional Cooperation

- Participate in regional resource sharing
- Actively engage in resource sharing and other regional cooperation initiatives in order to achieve cost efficient service delivery

Run Claremont Budget

The following section is under review and will be inserted in due course.

Renew Claremont

BACKGROUND

The Town of Claremont represents a prime place in the minds of many Western Australians as a highly desirable shopping and residential destination. However, the Town looks tired and rundown. Our roads, paths, streetscapes and buildings require urgent improvement. The infrastructure that is not visible (such as drains, bores, pumps and reticulation) is, in most cases, many decades old.

Over the past 20 years, the Town (like most councils and State and Federal levels of government) has not invested sufficient funds to maintain the way it looks and functions. This has left us many years behind in our replacement of assets, resulting in the need for a significant programme of investment, to keep the assets serviceable and to raise the Town's profile and appearance. Due to the significance of this backlog their renewal cannot be a gradual process, but requires an immediate injection of significant funds.

Also, in any renewal programme, there is an opportunity to enhance *existing* infrastructure, and not to simply replace old with new. However, any renewal must be sustainable and viable. It should also be costed on a whole-of-life basis, and any capital investment in assets that have a long life span should be maintained on a planned, fully-funded basis, in order to prolong their life.

OBJECTIVES

- Maximise the contribution to community amenity and to the character of the Town by upgrading our:
 - Infrastructure and Streetscapes
 - Parks & Reserves
 - Community use buildings
- Invest in the appearance of the Town Centre and shopping precincts in Claremont Crescent, Shenton Road, Ashton Avenue, Davies Road and Stirling Highway.
- Protect the natural environment.

STRATEGIES

Infrastructure and Streetscapes

- Implement fully-funded infrastructure replacement programs, based on the asset life cycle, in accordance with the infrastructure management plans of Council.
- Significantly reduce the backlog of core Town infrastructure maintenance and upgrade all aspects of streetscapes at the same time, where appropriate, so that residents see a significant improvement in amenity. This comprehensive approach will address:

- Road surface, kerb and verges
- Paths
- Trees
- Lighting
- Undergrounding of powerlines
- Street signs
- Drainage
- Furniture such as bins, bollards, seats etc.
- Vehicle crossovers
- Traffic management/road width

STRATEGIES (CONT.)

Parks and Reserves

Implement plans to improve the parks and reserves of the Town by:

- Completing the park lighting program
- Preserving and planting trees
- Strategically installing up-lighting of trees
- Replacing playground equipment and furniture
- Replacing BBQs
- Replacing bores, pumps and reticulation systems
- Replacing fencing

Buildings

Implement the Asset Management plan for community-use buildings.

Prepare a long term plan for the Claremont Pool including:

- Main entrance upgrade
- Kiosk enlargement
- Decking
- Major maintenance of 25 metre and toddlers' pool, with options

Town Centre and Business Area Improvement

Develop and implement plans to improve the Town Centre and the strip shopping areas of Claremont Crescent, Shenton Road, Davies Road, Ashton Ave and Stirling Highway by:

- Replacing existing street furniture
- Rationalising street signage
- Replacing existing trees, tree grates and tree guards.
- Creating plantings in paths
- Laying new road surfaces
- Replacing paving
- Implement underground power in all areas
- Installing CCTV in strategic locations to address crime and antisocial behaviour

Protect the Natural Environment

- Review and Implement the Lake Claremont Management Plan which addresses:
 - Weed control
 - Rehabilitation of the lake edge and embankments
 - Pollution reduction
 - Restoration of lake and surrounding environment
 - Wildlife protection
 - Revegetation
- Implement the Swan River Foreshore Plan which addresses:
 - Weed control
 - Nutrient stripping from storm water run-off
 - Planting of native seedlings
 - Seats and bins
 - Erosion management
 - Planting of trees and landscaping
 - Tide and storm-surge management
 - Year round accessibility
- Implement the Environmental Management Plan priorities
- Implement the WESROC Greening Plan



Renew Claremont Budget

The following section is under review and will be inserted in due course.

Future Claremont

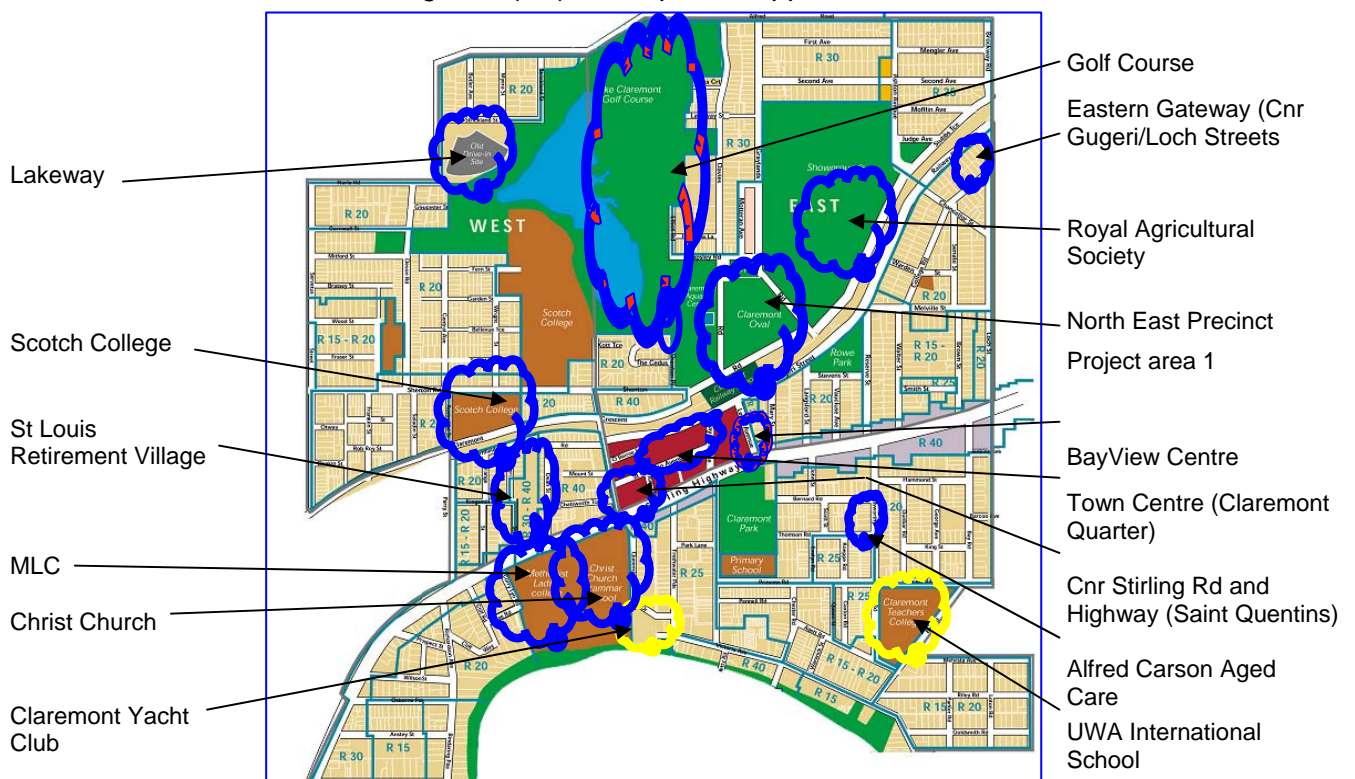
BACKGROUND

The Town is in an exciting position in its long history. Never before has the Town been challenged by so many, and such a diversity of, development challenges. These challenges are chiefly driven by local social needs, private development demands and the State Government's plans, policies and strategies.

The extent of development areas is illustrated by the blue clouds in the plan below. Potential development sites are marked by a yellow cloud.

This level of current and potential development is large in such a small local authority area. This makes it critical that we continue to position ourselves to properly manage this development, by good planning and adequate allocation of resources.

Image 1 – (Re)Development Opportunities



BACKGROUND (CONT.)

In anticipating the exciting range of development opportunities, the Town will continue to adopt a future-focused approach to decision making, with the intention of facilitating outcomes that are consistent with the Town's Vision and Mission.

Critical issues facing the Town and its residents relate to:

- The impacts of global warming and climate change, and the Town's role in mitigating the impacts by ensuring, as far as practicable, that sustainability factors are a consideration in any actions, works or other activity within the Town over which Council can have any influence;
- Planning for and managing the consequences of the large number of vehicles travelling in and through the Town;
- Planning of the Town so it is an example of a pedestrian friendly place;
- Managing development trends and State Government policy directions;
- Managing the competing interests between commercial and residential areas;
- Managing the impacts associated with the activities of major stakeholders in the Town; and
- Significant development projects underway and proposed.

OBJECTIVES

- Current and anticipated demographic changes and development activity in the Town is guided by modern, clear statutory instruments, resulting in positive development outcomes;
- Encourage appropriate economic development;
- Commit to regional co-operation
- Prepare and implement a comprehensive and integrated Traffic Management Plan for the entire Town that protects the lifestyle of residents; and.
- Encourage sustainable practices and development.

STRATEGIES

Development Pressures and Demographic Trends

- Manage the current and anticipated development activity in the Town, and their consequences, in a planned way;
- Prepare a Local Planning Strategy for the whole district and review Town Planning Scheme No.3, resulting in a new Town Planning Scheme No.4 that responds to State Government plans and policies including -
 - Affordable housing
 - Transit-oriented development
 - Higher densities
 - Network City
 - Heritage values
 - Aboriginal Heritage Act
 - Swan River Trust policies
 - Development on the river foreshore
 - Public Transport Authority policies
 - Stirling Highway review results

Economic Development

- Develop the “Claremont” brand; and
- Develop and implement the ‘Streets and Laneways Activation Plan’ for the Town Centre.

Regional Cooperation

- Work with our WESROC colleagues to implement the recommendations of the sector’s Systemic Sustainability Study;
- Seek to increase and actively be involved in regional cooperation with member Councils of WESROC, for the delivery of services and resource-sharing on a regional basis;

STRATEGIES (CONT.)

Traffic Management Planning

Develop and implement movement network plans (for pedestrians and vehicles) that:

- Address known traffic trouble spots;

- Provide the means to assess the movement network impact of potential (re)development;
- Align with best-practise movement network policies and plans;
- Provide for, and encourage, alternative modes of transport as a convenient option to the private car as the primary mode of transport; and
- Consider the impacts of development in the Town and regional traffic strategies.

Sustainability

Develop a “Sustainable Claremont” plan that mandates requirements for land uses and occupiers to achieve sustainability outcomes.

Future Claremont Budget

The following section is under review and will be inserted in due course.

Performance Measures

RUN CLAREMONT	RENEW CLAREMONT	FUTURE CLAREMONT
<p>The extent to which</p> <p>1. ...ratepayers feel safe and are overall satisfied with the services of Council</p>	<p>The extent to which.....</p> <p>1. ...ratepayers are satisfied with the amenity, character and appearance of the:</p> <ul style="list-style-type: none"> - Town on the whole - Shopping precincts 	<p>The extent to which</p> <p>1. ... the Town has prepared plans, policies and guidelines to guide development</p>
<p>2. ...value for money services are delivered</p>	<p>2. ...we implement our environmental management plans and the WESROC greening plan</p>	<p>2. ...plans, policies and guidelines foster a sustainable local economy</p>
<p>3. ...we comply with statutory obligations</p>	<p>3. ...we implement Programmed Infrastructure Maintenance</p>	<p>3. ...actions result in increased regional cooperation and resource sharing.</p>
<p>4. ...regional initiatives are developed and implemented</p>		<p>4. ...the Town improves local movement networks.</p>
		<p>5. ...the Council has encouraged land users and owners of property to implement sustainable practices.</p>

Community Consultation

The review of this plan commenced in early 2008. It has involved input at several workshops, with Councillors, people in the community who are members of Council's several Committees and Senior Staff. All Council staff have also had the opportunity of making input.

A special meeting of residents and ratepayers was held on 17 July 2008, at which a presentation of the proposed changes to the plan was made. This meeting was advertised in the local newspaper.

The draft plan was placed on Council's website, and notices were inserted in Council's August and October 2008 newsletter "Town Talk", which is delivered to every household in the district, requesting submissions from the public. The notice referred to the 2 major additions to the plan (an increased focus on sustainability and on regional co-operation) and also stated that the full version of the draft plan could be inspected at Council Chambers and Library and could be viewed on Council's website.

The following section will be amended following closure of the public submission period.

Comments were requested by 30 November 2008. xxx submissions were received, of which xxx expressed support for the plan, xxx were neutral in that they simply requested information or suggested the inclusion of specific capital works, and xx were negative.

The plan has/has not been amended as a result of any of the submissions.

Summary – Long Term Financial Plan

NET OPERATING REQUIREMENTS	2006/07	2007/08	2008/09	2009/10	2010/11
	\$	\$	\$	\$	\$
Run					
Operating Income (Excluding Rates)					
Less Operating Expenditure					
Net Operating Expenditure - Run					
Renew					
Operating Income (Excluding Rates)					
Less Operating Expenditure					
Net Operating Expenditure - Renew					
Future					
Operating Income (Excluding Rates)					
Less Operating Expenditure					
Net Operating Expenditure - Future					
Rates Revenue					
Annual Operating Surplus / (Deficit)					
Capital Expenditure Program					
Run					
Renew					
Future					
TOTAL CAPITAL EXPENDITURE					

The above section is under review and will be inserted in due course.

Long Term Financial Plan - Major Elements

This plan includes some very significant revenues and expenditures for Claremont. A more detailed explanation of these major elements appears below.

The following sections are under review and will be inserted in due course.

LAKEWAY RESIDENTIAL SUB-DIVISION

The following amounts have been allowed for the development and sale of the Lakeway residential sub-division in 2008/09 (\$ millions):

	Total
Gross revenue	
Development/other costs	
Net Revenue/(Cost)	
Borrowings	
Repay borrowings	

RENEW PROGRAMME

PROGRAMMED INFRASTRUCTURE MAINTENANCE (PIM)

The objective of this programme is to accelerate the repair and replacement of the Town’s ageing infrastructure.

The programme is being phased-in so as not to overly impact on Council’s financial and labour resources, reaching the desired level of \$1.4m per year by 2010/11. More expenditure has been allowed in the latter years, as Infrastructure Directorate resources will be more focused on the renewal programme in the first two or three years. Also, it will take time to plan and gear-up for the additional works.

2008/09	
2009/10	
2010/11	
Total	

These amounts are expressed in today’s dollars, but the long term plan adjusts them for inflation. A total of \$xxxxx has therefore been allowed over five years for PIM (2008/09 to 2013/14). These costs are included in Operating Expenditure in the Renew focus area. In the detailed Long Term Financial Plan, these costs are included in the relevant programme, with the majority being in “Transport”.

RATE REVENUE

Additional rate revenue has been allowed from the following 3 major developments:

Lakeway	2008/09	\$28,000	(15 blocks)
Lakeway	2009/10	\$48,000	(25 blocks)
Lakeway	2010/11	\$76,000	and each year thereafter
Claremont Quarter	2009/10	\$695,000	
Claremont Quarter	2010/11	\$878,000	
Claremont Quarter	2011/12	\$1,574,000	and each year thereafter
Saint Quentins	2009/10	\$90,000	and each year thereafter

Total additional on-going rate revenue will be maximised by 2011/12 is therefore \$1,740,000 per year.

The estimated rates are based on estimates of the Gross Rental Value ("GRV") of each of the developments. These are not able to be confirmed at this point in time, and the financial plan may need to be reviewed when the GRVs are assessed by the State Valuer General's Office.

STAFF COSTS

The structure of the organisation reflects the three focus areas of the plan.

There are three directorates, aligned with these three focus areas:

- **Services** – to run Claremont;
- **Infrastructure** – to maintain and renew infrastructure; and
- **Strategic Planning** – to plan for and implement the developments and projects outlined in the plan.

Services Directorate

This directorate is responsible for running all of the operational, day to day business of Claremont, in the following business units: planning, health, building, heritage, community services, finance, information technology, records, governance, customer service, library, pool, museum and golf course.

STAFF COSTS (CONT.)

Infrastructure Directorate

Much of the plan revolves around the renewal task, which will be managed by the Infrastructure Directorate. The Town of Claremont represents a prime place in the minds of many Western Australians as highly desirable shopping and residential precincts. However, many parts of the Town look tired and rundown. Many roads, paths, streetscapes and buildings require urgent improvement. The infrastructure that is not visible (such as drains, bores, pumps and reticulation) is, in most cases, many decades old.

Over the past 20 years, the Town has not invested sufficient funds to maintain the way it looks and functions. This has left us many years behind our replacement of assets, in order to raise the Town's profile and appearance. Due to the significance of this backlog the renewal cannot be a gradual process, but rather requires an immediate injection of significant funds.

Also, in any renewal programme, there is an opportunity to enhance existing infrastructure, not only to simply replace old with new. Any renewal must be sustainable and viable. It should also be costed on a whole-of-life basis, and any capital investment should be maintained on a planned basis in order to prolong its life.

Strategic Planning Directorate

This directorate is responsible for undertaking many of the numerous strategic projects outlined in the plan. It also implements some of them, if appropriate.

Projects under the directorate's control include:

- Lakeway residential sub-division development
- "Claremont Quarter" major Town Centre development
- "Saint Quentins" major development, cnr. Stirling Highway & Stirling Road
- North-east Precinct urban renewal project planning and implementation
- Development of a Local Planning Strategy, as a precursor to a Town Planning Scheme No.3 review
- Town-wide traffic management planning
- Strategic Asset Review

It is anticipated that this Directorate will either significantly reduce in size, or not be required at all, once the above large projects are completed in about 3 years.

BORROWINGS

Borrowings of \$xxm have been allowed in 2008/09 (interest only, paid annually) in order to accelerate the "renew" programme, and to be able to carry out additional capital works, pending receipt of revenue from the sale of the Lakeway residential sub-division.

INVESTMENT OF RESERVES

Council has an investment policy (#CS45) which provides guidance on how the reserve balances are invested. This policy has recently been reviewed, to ensure that there is a mechanism to manage the significant capital revenue that is expected to be received from the sale of the Lakeway land sub-division in Narla Road, Swanbourne.

Council has created 2 new Reserve accounts for this purpose. The "Capital Investment Reserve" will be the account into which the net revenue from Lakeway sub-division is placed and the "The Major Projects Reserve" will be the account into which the investment earnings (net of investment costs) are placed.

The revised policy ensures that the "real" value of the funds invested is not only maintained but is actually increased; this will be achieved by allocating some of the investment earnings back into the principal sum invested – the amount of the allocation is to be the inflation rate plus a margin of x%.

OPERATING BUDGET

The major economic assumptions used in the estimates are:

- Cost increases % pa
- Employee costs increases (same as State Govt.) %
- Interest earnings on investments % pa
- Rate revenue growth (in addition to additional revenue flowing from the major developments above) allowed %
- Non-rate and non-statutory revenue growth, conservatively allowed a minimum of % pa, but higher in some areas such as parking.
- Statutory revenue growth - no growth allowed in the statutory fee levels, but growth allowed due to increases in value-based fees, such as DA fees.

Projected Balance of Reserves



	30/06/2008	30/06/2009	30/06/2010	30/06/2011
	\$	\$	\$	\$
Infrastructure				
Parking				
Plant				
Replacement				
Automation				
Pool Upgrade				
Other				

Detailed Long Term Financial Plan



2008/09

2009/10

2010/11

Long Term Financial Plan Assumptions

The following assumptions have been used when preparing the Detailed Long Term Financial Plan:

Budget Item	Source	2008/09	2009/10	2010/11
Population	ABS/WAPC			
CPI Forecast				
Construction Materials	Estimate			
Plant & Equipment	Estimate			
Employee Costs	State Govt.			
Utility Costs	Estimate			
Energy costs	Estimate			
Insurance Costs	Estimate			
ISR	Estimate			
Public Liability Insurance	Estimate			
Waste Management Savings				
Interest Revenue				
General Interest earnings	Nab			
Drive In Site Proceeds Interest/Return Earnings				
Grants commission	per capita			
Revenue Growth				
Statutory Revenue				
Non Statutory Revenue	Estimate			
Rates Revenue (CPI + 1%)	Estimate			

The figures used for the growth in expenditure due to inflation (as measured by the Perth Consumer Price Index) and employee costs are based on the State Government's forward estimates, as at xxx 2008. The CPI for expenditure items has not been adjusted in this document. Employee costs have been increased to . Rates have been increased by % plus %, as this amount is required to keep the budget in surplus each year; further, it will better enable Council to have adequate funds with which to meet operating costs which may well exceed the CPI. However, local government costs comprise a different mix of goods and services, with a greater emphasis on construction costs. The WA Local Government Association index shows that WA councils' costs increased by % in the year to June 2008.

Other estimates are based on various sources, including Council's insurance broker and utility providers' commitments regarding future price increases

