



Long Term Financial Plan

2025/26 to 2034/35



The City of Swan acknowledges the Traditional Custodians of this region, the Whadjuk people of the Noongar Nation and their continuing connection to the land, waters and community. We pay our respects to Elders past and present, and their descendants.



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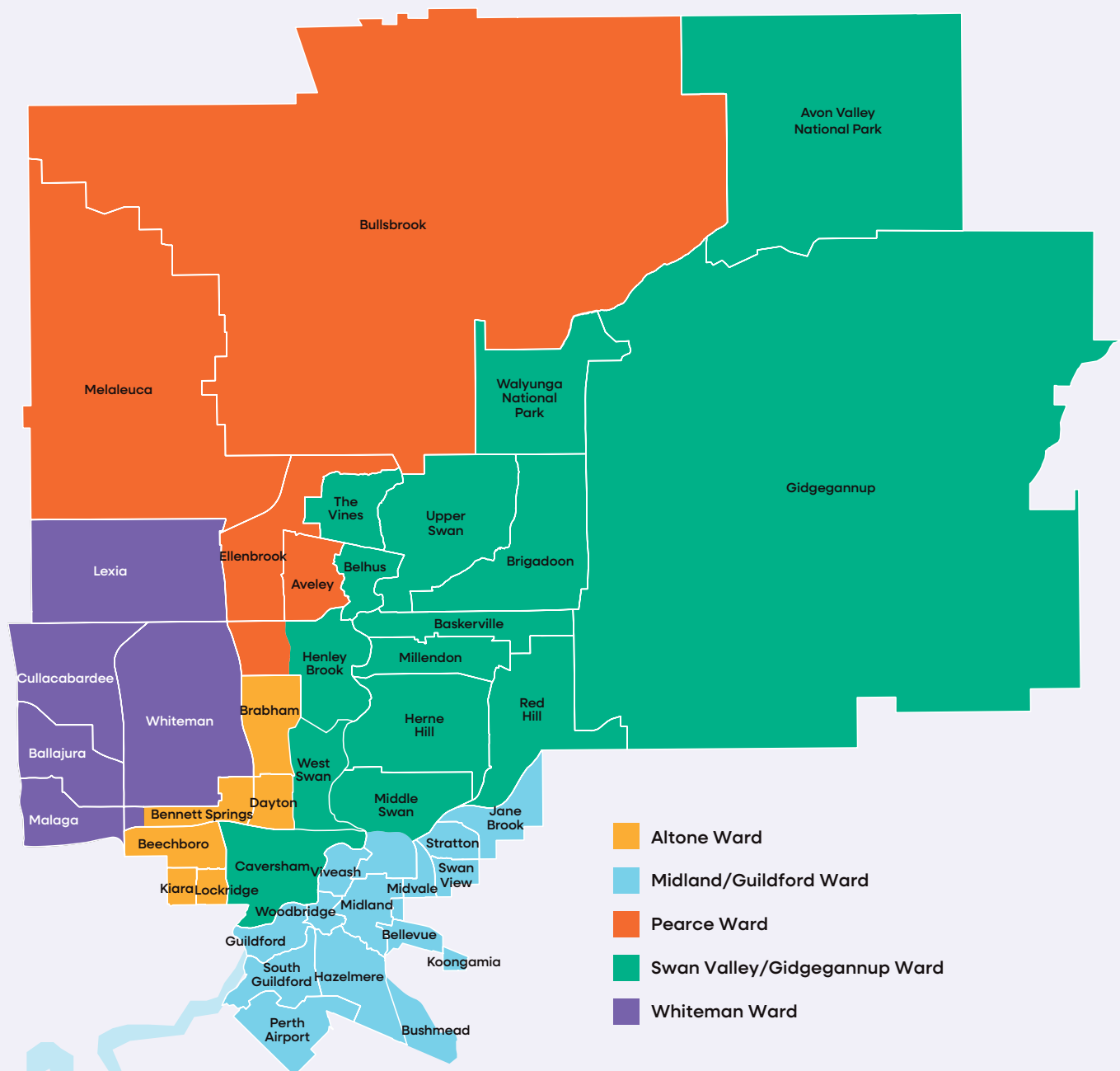
City profile

The City of Swan is the largest local government area in the Perth metropolitan region, covering 1,042 square kilometres. It is also one of Western Australia's fastest-growing urban corridors.

Located 20km north-east of the Perth CBD, Midland serves as a key gateway to the northern and eastern Wheatbelt, giving the City access to a wide customer base and workforce. The area features a mix of industrial, commercial, and residential land uses.

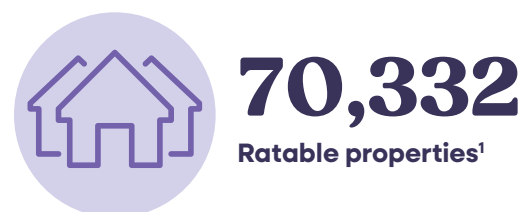
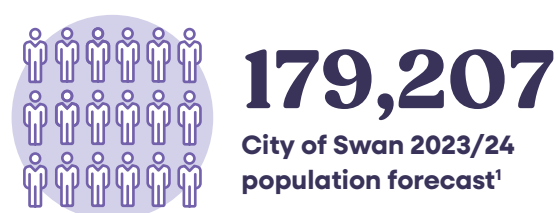
The City includes a variety of regions, from the Swan Valley and coastal plains in the west to Ellenbrook and Lower Chittering in the north, the Hills District in the east, and the historic towns of Midland and Guildford in the south. It offers a wide range of business opportunities, from rural industries to high-tech manufacturing, supported by a diverse workforce.

The City's origins date back to the Guildford Town Trust and the Swan Districts Roads Committee, making it a historically significant local government with deep roots in Western Australia's development.

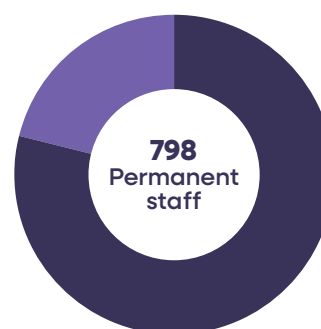


Key statistics

General statistics



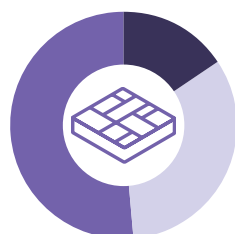
Employees



- Full time employees (**631**)
- Part time employees (**167**)

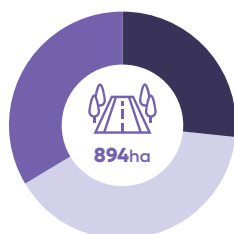
Assets/facilities

Land assets



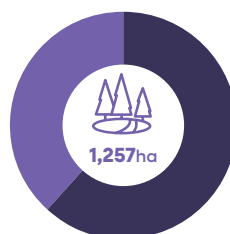
- Freehold land parcels (**393**)
- Crown reserve parcels (**835**)
- Easements (**1,287**)

Parks and streetscapes



- 35 active reserves (**243ha**)
- 316 passive reserves (**360ha**)
- Verges, medians, roundabouts (**302ha**)

Natural resource management



- 53 natural reserves (**778ha**)
- 79 foreshore reserves (**479ha**)

Bridges



- 96 footbridges
- 3 jetties/weirs
- 52 road bridges
- 62 culverts



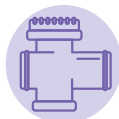
314
building
assets



3,530
roads
(1,678km)



1,015km
of footpaths



902km
of drainage
pipes



143
off street
carparks



1,245
on street
parking zones



205
Public Art



203
Moveable
Art

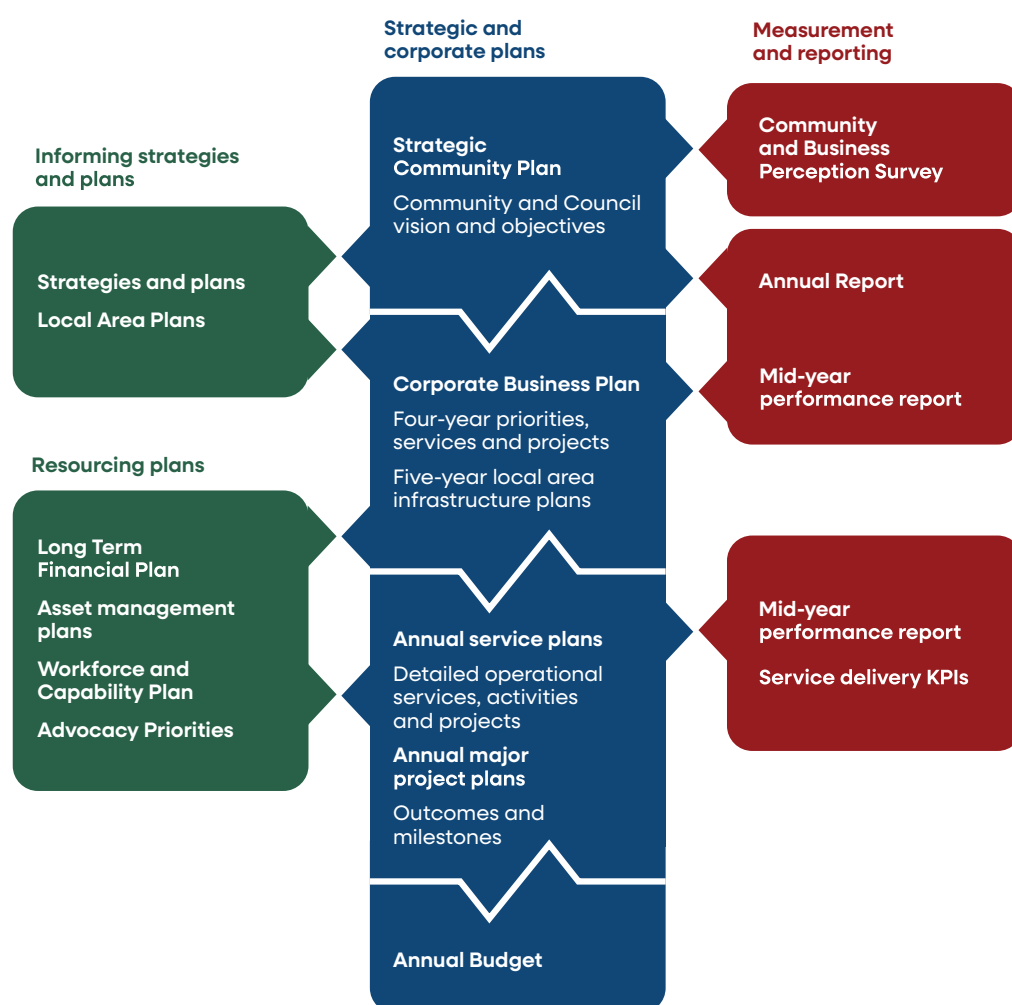
¹ City of Swan as of May 2025

² WA Electoral Commission

Integrated Planning Framework

Long-term financial planning is a key element of the Integrated Planning and Reporting Framework. It enables the City to set priorities, based on its resourcing capabilities, for the delivery of short, medium and long-term community priorities. The Long Term Financial Plan (LTFP) is a 10-year rolling plan that informs the Corporate Business Plan to activate Strategic Community Plan (SCP) priorities. In this reporting year, and subsequent to follow, the City will use the data from the Workforce and Capability Plan to inform the LTFP with respect to full time equivalent (FTE) growth. The Annual Budget is developed from these planning processes and is aligned with the organisational strategic objectives.

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

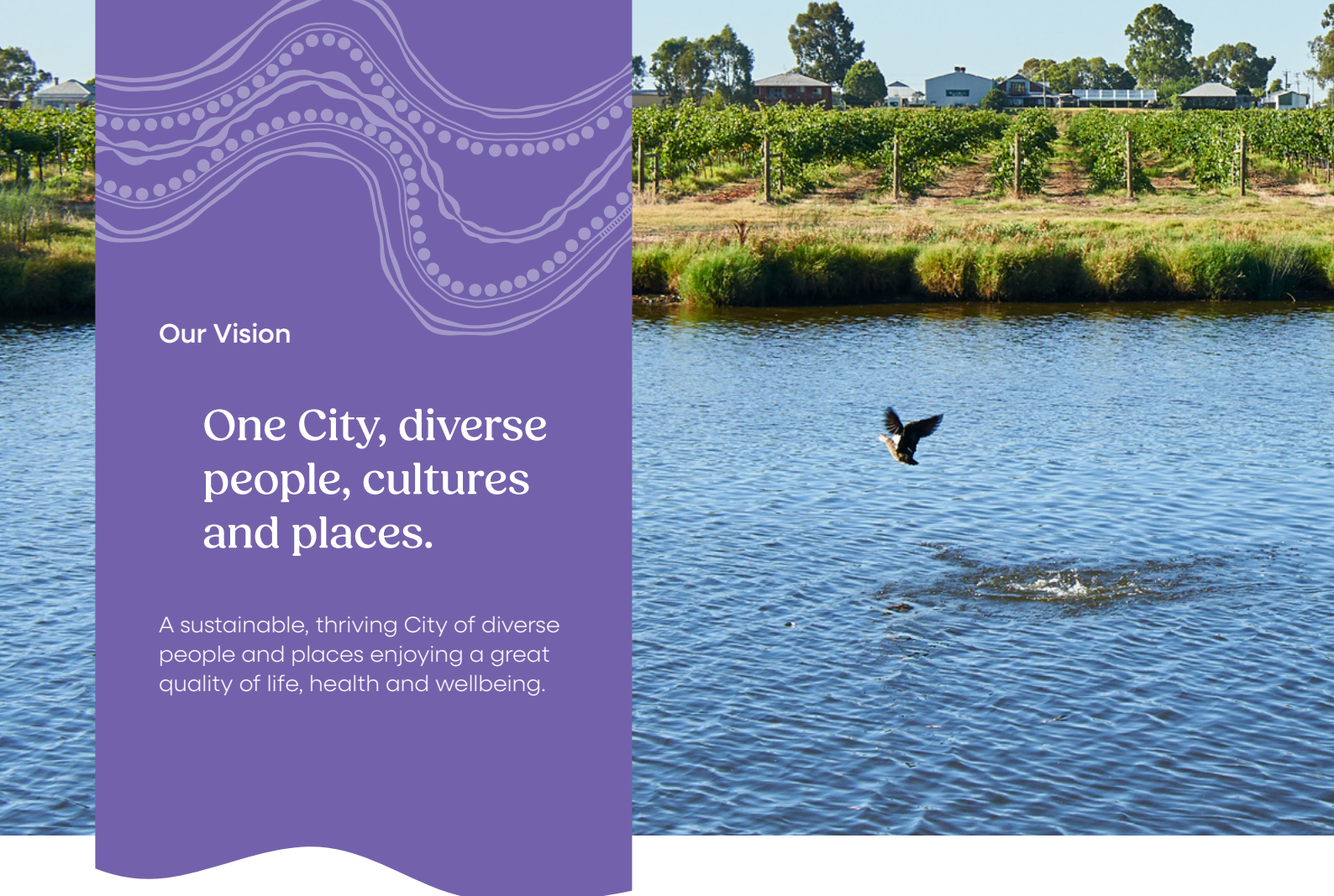




Strategic Community Plan

The predominant strategic direction for the City is provided by the City of Swan Strategic Community Plan (SCP). The SCP was originally developed in 2012 and underwent major reviews in 2016 and 2020. It has once again been through another major review with the process for the 2025-2035 SCP running simultaneously with and complementing the LTFP process, to ensure that it remains relevant and reflective of community requirements. The new SCP was adopted at the August 2025 Ordinary Council Meeting along with the LTFP.

The SCP sets out our vision, aspirations and objectives for our community over the next 10 years and is our principal strategy document. This means that it governs all of the work that the City conducts, either through direct service delivery, partnership arrangements or advocacy on behalf of our community. The direction set through the SCP ensures infrastructure and service provision are focused on meeting the requirements of our community, now and into the future.



Our Vision

One City, diverse people, cultures and places.

A sustainable, thriving City of diverse people and places enjoying a great quality of life, health and wellbeing.

Natural environment

Our vision: Sustainable, green and peaceful.

Our City is proud of the green, rural nature of Swan, blessed with many natural assets, including high-value natural lands, open spaces, the Swan River, wetlands and waterways.

The natural environment, ecology and biodiversity of our ecosystems are preserved and protected.

Our City is committed to enhancing our environmental performance and sustainability through our actions, services and partnerships.

Economic

Our vision: Thriving and vibrant.

The City will be nationally and globally recognised as a great place and strategic location to invest, visit and establish local business centres.

Our local businesses will provide job and employment opportunities for our growing population and community, who will have access to local services, shopping, health and education.

The City will have developed partnerships with government and business to ensure local businesses are supported and sustainable.

Social

Our vision: Diverse, engaged and safe.

Our communities are inclusive and connected, and have a sense of belonging, building the community together within safe and supportive environments.

Our sense of place, culture and local identity reflect both our diversity and sense of belonging.

Our community resilience and wellbeing is enhanced through recreation and active participation.

Our diversity enhances and differentiates our community and supported through engagement, services, facilities and service partnership in local areas.



Built Environment

Our vision: Modern and connected.

Our City will lead the State in providing diverse and connected places, providing housing options for our growing and diverse population, young and old.

Our growth will be supported by adaptable and flexible planning to ensure our vision and actions match our rate of growth.

Our places will reflect our local identities providing safe, central community hubs, with open spaces and facilities, such as libraries and community centres to meet, connect and recreate.

Our community will take pride in its places, with attractive, safe and maintained built assets, roads and streetscapes, while protecting our local heritage.

Our City will be accessible, providing integrated transport solutions, including public, pedestrian and cycle access.

Governance

Our vision: Progressive and responsible.

The City of Swan is regarded as a leader across Local Government, proactive and focused on improvement.

The City provides good governance, displayed through our accountable, transparent and fiscally responsible management of competing community demands.

The City is strengthened to deliver community outcomes through community partnerships, engagement and communication.

Successful advocacy and ongoing collaborative partnerships with government, industry, service providers and community strengthen City outcomes.

Our services

Service programs

The City delivers a wide range of services and facilities to the community. The revenues and expenditures of the City are required to be classified in accordance with legislation. The Local Government (Financial Management) Regulations 1996 (Schedule 1 Part 1) specify the minimum program classifications to be disclosed.



General purpose funding

Objective: To collect revenue to allow for the provision of services.

Activities: Rates, general purpose government grants and interest revenue.

Governance

Objective: To provide a decision-making process for the efficient allocation of scarce resources.

Activities: Administration and operation of facilities and services to members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific City services.

Venues/Facilities: Administration Building, Midland Town Hall.

Law order and public safety

Objective: To provide services to ensure a safe community.

Activities: Supervision of various by-laws, fire prevention, emergency services and animal control.

Venues/Facilities: Swan Emergency Services Facility, West Swan Fire Station.

Health

Objective: To provide an operational framework for good community health.

Activities: Food and water quality, pest control, immunisation services, child health services and health education.

Venues/Facilities: Beechboro Family Centre, Midland Health Campus.

Education and welfare

Objective: To meet the needs of the community in these areas.

Activities: Management and support for families, children, youth and the aged within the community by providing Youth, Aged and Family Centres, Home and Community Aged Care Program, Junior Council and assistance to schools.

Venues/Facilities: Alice Daveron Centre, Swan Child Care Centre.

Housing

Objective: To help ensure adequate housing.

Activities: Maintain and administer Elvire Chalets.

Venues/Facilities: Elvire Chalets.



Community amenities

Objective: Provide services required by the community.

Activities: Rubbish collection services and disposal of waste, urban stormwater drainage, protection of the environment, town planning and regional development and other community amenities (bus shelters, public toilets).

Venues/Facilities: recycling centres in Bullsbrook and Malaga

Recreation and culture

Objective: To establish and manage efficiently the infrastructure and resources that will help the social wellbeing of the community.

Activities: Public halls, civic centre, recreation and aquatic centres, parks and reserves, libraries, heritage and culture.

Venues/Facilities: Midland Town Hall, Swan Park Leisure Centre, Swan Active leisure centres Altone Park Complex, Lilac Hill.

Transport

Objective: To provide effective and efficient transport services to the community.

Activities: Construction and maintenance of roads, footpaths, bridges; street cleaning and lighting, road verges, street scaping and depot maintenance.

Venues/Facilities: Operations Centre.

Economic services

Objective: To help promote the municipality and improve its economic wellbeing.

Activities: The regulation and provision of tourism, area promotion, building control, noxious weeds and vermin control.

Venues/Facilities: Swan Valley Visitor Centre and Guildford Visitor Centre.

Other property and services

Activities: Private works, public works overheads, plant and equipment operations and activities not reported in the above programs.

Service levels

It is proposed that existing service levels will be maintained for all operational areas in formulating this plan. A key objective in the Corporate Business Plan is to improve existing service levels in the longer term whilst continuing to achieve annual operating surpluses each year to fund the provision of infrastructure.



Asset management

Asset management is the combination of management, financial, economic, engineering, and other practices applied to physical assets to provide the required level of service most cost-effectively. The City records information about the location, acquisition, condition, useful life and construction characteristics of its asset base along with current levels of service in an asset register.

As part of our Integrated Planning Framework, the City has developed asset management plans for each of our major asset classes, including, but not limited to, roads, buildings, drainage, paths and parks infrastructure. The plans initiate with the asset register and involve demand forecasting, influenced by population and demographic trend forecasting, risk management strategies and financial information such as asset values, depreciation rates, depreciated values, capital expenditure projections for new assets as a result of growth, or to renew, upgrade and extend assets. Furthermore, asset management plans document considerations of alternative service delivery solutions, strategies to manage funding gaps and information on 'whole of life' costing, including changes in service potential for assets.

The City has nine Asset Management Plans. These plans contain high-level details on each asset class. A snapshot of information for each class can be found below:

Land

The management of the City's 'land assets' differentiates itself from other asset classes as it relates more to procedures and legislation dealing with land that is owned by the City. The management of Land Assets excludes any infrastructure or improvements located over the land parcel, including bushland, parks and buildings, which are referenced and included in other asset groups.

Buildings

The City has a number of 'building' assets that support the delivery of community services and act as focal points for community life. This contributes to the social, cultural and economic development of the local community.

The City's building portfolio consists of a variety of building categories that have been constructed over many years and to varying building standards and codes.

Parks and streetscapes

The City provides 'parks and street scaping' that is visually attractive and well-maintained. Quality public open space is an important element of a community's urban fabric and enhances the quality of life. Public open space assists in defining a community's identity and provides social, environmental and economic benefits. Public open space is provided in several different ways, which include sporting grounds, neighbourhood parks and landscaped medians, verges and roundabouts.



Natural Resource Management

The City's 'natural resource management' covers the bushland and foreshore reserves that the City manages for fauna and flora conservation and public recreation. The City currently manages 45 nature reserves and 73 foreshore reserves. The Asset Management Plan for the natural areas does not currently include information on any roadside vegetation, compensation basins, Unallocated Crown Land (UCL), unmade road reserves or bridle trails that have ecological value.

Roads

The City provides and maintains a working 'road network' in partnership with Main Roads WA, to enable effective transport of road users through the City of Swan. This includes all roads from district distributors and through to access roads. The City does not maintain highways and arterial roads, such as Great Eastern, Great Northern, Reid and Roe Highways. These roads are the responsibility of Main Roads WA.

Footpaths

The City's 'path network' supports the delivery of community services and acts as a focal point for community life, contributing to the social, cultural and economic development of the local community. The path network portfolio consists of a variety of asset categories and surface types that have been constructed over many years and to varying standards, codes and quality.

Bridges

The City's 'bridge Infrastructure' provides the community with safe access across obstacles and includes both vehicle and pedestrian bridges. Bridges enhance the efficiency of vehicle and pedestrian movements. In some cases, bridges are so fundamental as to be the determining factor in whether those movements are indeed possible. Main Roads WA has input into the management and maintenance of the City's bridges.

Drainage

The City's 'stormwater drainage' infrastructure ensures the removal of stormwater arising from rain events. The drainage infrastructure protects residents' property from damage and also protects the surrounding services from damage or deterioration, which allows infrastructure such as roads, footpaths, car parks etc., to achieve their intended useful lives. In addition, the drainage infrastructure protects the environment by including devices that improve the water quality before it is discharged into the waterways.

Car parks

The City's 'car park' infrastructure supports the community by allowing access to facilities and areas after travelling by vehicle. Car park assets enhance the road infrastructure for users other than through traffic and those with privately or commercially provided parking facilities. The parking lots (on road and off road) enhance the amenity of the Council area and support commerce and leisure.

Workforce and Capability Plan

The City of Swan is predicted to grow in population by 2.13 per cent annually, reaching an estimated population growth of 294,483 and dwelling growth of 113,750 by 2050.

With this in mind, it is critical to ensure that:

- The City has the requisite workforce to ensure service continuity via workforce forecasting
- That workforce has the necessary skills, competencies and attributes to deliver the services required in the short, medium and long term via capability planning.

The 2025-26 revised FTE Forecasting submissions from managers reflected an average growth rate of 2.60 per cent (1.66 per cent excluding Swan Active Ellenbrook) with FTE forecast to increase from 897.22 in 2025/26 to 1,081.29 by 2034/35.



Forward financial estimates

Strategies and price indicators

The LTFP has been prepared to support the strategic planning process for the City of Swan. The plan is an informing strategy that outlines the City's approach to delivering infrastructure and services to the community in a financially sustainable and affordable manner for the next 10 years.

This plan is set against economic uncertainty and will be reviewed annually to reflect the prevailing economic conditions and changing community demands placed on the City. Consideration has been given to the economic drivers that will influence the future cost of providing infrastructure, facilities and services for the period 2025/26 to 2034/35. The values disclosed in this plan represent estimated future prices and costs, representing a financial solution to meeting the competing demands of services and facilities to the community. There are numerous ways in which the City can achieve its objectives. This plan balances the funding needs of renewal and new infrastructure assets, existing services against rating expectations, reasonable fees, debt leverage and the use of accumulated funds held in reserve accounts.

Plans and policies

The LTFP assists the City's Strategic Community Plan by advising on the financial capabilities of the City to deliver infrastructure and services to the community. The Corporate Business Plan assists in the realisation of our community's vision in the medium term; it details the actions, services, operations and projects the City will deliver within five years. Other critical informing strategies associated with this plan are the Asset Management and Workforce Plans.

The LTFP will guide the City's financial management responsibly and sustainably. The City's financial sustainability is fostered by maintaining adequate financial reserves to meet long-term needs, seeking alternative funding sources and partnerships with the community and other levels of government. The City will continue to explore funding innovations to improve services and infrastructure.

Financial strategies and principles

The LTFP is supported by the following principles:

- Continuous improvement in the financial capacity and sustainability of the City through:
 - Strengthening results to ensure long-term financial sustainability
 - Prudent use of debt
 - Accumulate funds to meet cash flow demands
- The maintenance of a fair and equitable rating structure
- Maintaining or improving service level standards
- Maintenance of cash reserves for future commitments
- Maintaining/increasing funding for asset maintenance and renewal
- Continuous development of Developer Contribution Plans and Specified Area Rate modelling to fund specific capital works
- Fees, charges and rates are determined on an equitable basis. A key element of the financial strategy is to minimise the financial burden placed on ratepayers while also maintaining tight control of costs to achieve zero deficit year on year.



Economic and social environment indicators

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

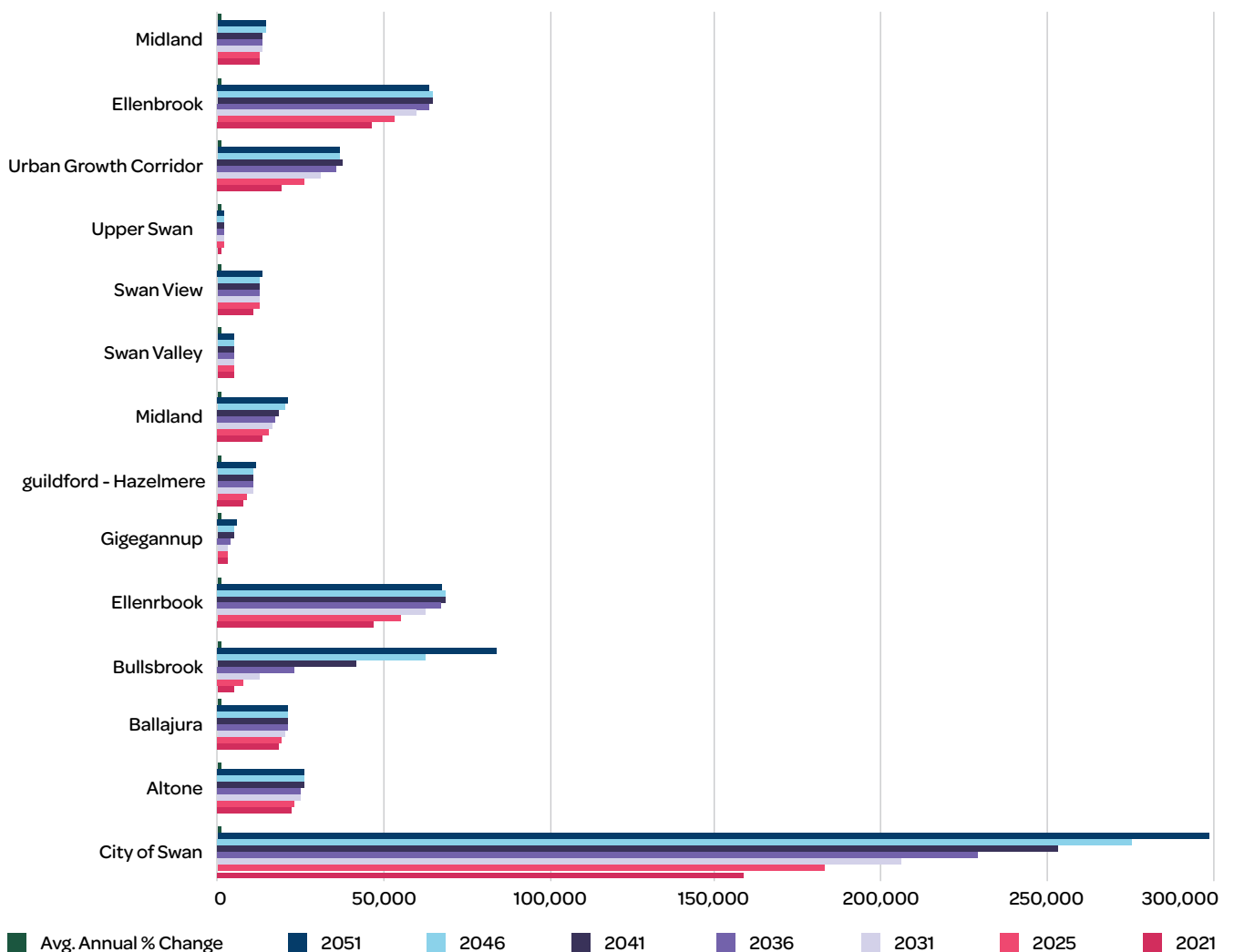
Economic Assumptions	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Gross Domestic Product (GDP) 2024/25 Mid-Year Economic and Fiscal Outlook (MYEFO) Part 1: Overview - Updated economic outlook Table 1.1: Major economic parameters	2.3%	2.3%	2.8%	2.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Gross State Product WA 2024/25 Government Mid-year Financial Projections Statement - Chapter 1 - Table 1 Key Assumptions	2.5%	2.5%	2.0%	3.1%	3.1%	3.1%	3.2%	4.0%	4.0%	4.0%
Population WA 2024/25 Government Mid-year Financial Projections Statement - Chapter 1 - Table 1 Key Assumptions, Western Australia Tomorrow report No 10	1.8%	1.8%	1.7%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Population - City of Swan Forecast.id	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Consumer Price Index Australia 2024/25 Mid-Year Economic and Fiscal Outlook (MYEFO) Part 1: Overview - Updated economic outlook Table 1.1: Major economic parameters	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Consumer Price Index Perth 2024/25 Government Mid-year Financial Projections Statement - Chapter 1 - Table 1 Key Assumptions	2.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Utility - Street Lighting 2024/25 State Budget - Economic and Fiscal Outlook - Table 8.8 BUDGET ELECTRICITY TARIFF PRICE PATH - South West Interconnected System (SWIS)	4.3%	4.3%	4.3%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Wage Price Index WA 2024/25 Government Mid-year Financial Projections Statement - Chapter 1 - Table 1 Key Assumptions	3.8%	3.0%	3.0%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
General Insurance 2025/26 & 2026/27 Sourced from WALGA LGCI Table Dec24 release. Following years are Consumer Price Index Australia	6.0%	4.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
RBA Cash Management Rate Current trends in Reserve Bank cash rate & National Bank Interest Rate Forecasts	3.1%	3.1%	3.0%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
10 Year Bond Rate National Bank Interest Rate Forecasts	4.1%	4.1%	4.1%	4.1%	4.1%	3.9%	3.7%	3.5%	3.4%	3.3%
WATC 10 year borrowing rate WA Treasury Corporation	5.9%	5.7%	5.4%	5.2%	5.0%	4.8%	4.6%	4.4%	4.1%	4.1%



Population

Between 2021 and 2051, the population of the City of Swan is forecast to increase by 140,262 people (88.38 per cent growth), at an average annual change of 2.13 per cent.

The table below summarises the population for the City of Swan and each of its small areas. This enables you to see how population change is affecting different parts of the local government area in different ways. Some small areas may be rapidly growing while others are stable or even declining in population.





Financial statements

The following financial statements have been prepared for the ten years covered in this plan. These estimates have been prepared on the basis of the assumptions shown previously in this document.

Statement of Comprehensive Income by nature/type

Identifies the inputs by nature/type of revenue or expense. Descriptions are defined by Regulation under the *Local Government Act WA 1995*.

The Statement of Comprehensive Income is prepared on an accrual basis. This process recognises income as it is earned and expenses as they are incurred. In addition, it adjusts for unearned income, credit sales, pre-payments, accrued expenses and non-cash provisions (i.e. depreciation and leave entitlements). This method provides a more accurate reflection of the transactions that occurred during the accounting period and the actual business activities conducted by the City. Depreciation, which is an expense charged in the Statement of Comprehensive Income, reflects the value of capital assets consumed during the accounting period.

This financial statement includes estimates of all revenues and expenditures that are included in the operating (normal day-to-day) activities of the City. This also includes non-cash items such as depreciation, as well as interest payments on loans. It excludes repayments of loan principal, proceeds from loan borrowings and capital expenditure items.

Statement of Financial Activity

This statement summarises the operating, capital, debt and reserves transactions. It uses the same reporting procedures required for formulating the City's Annual Budget under the *Local Government Act WA 1995*. The plan identifies the funds necessary to balance the budget in each financial year through the collection of rates.

The purpose of the statement is to demonstrate the calculation of the amount of rates expected to be required to fund the budget each year.

Statement of Financial Position (balance sheet)

The purpose of the Statement of Financial Position is to provide a snapshot of the overall financial position of the City. This statement is constructed according to well-defined accounting principles, which are embodied in the Australian Accounting Standards. The ratepayer equity in the City can be calculated by deducting total liabilities from total assets.

The statement discloses transactions as current and non-current assets, current and non-current liabilities and equity.

This financial statement demonstrates the impact of the proposals in the Long Term Financial Plan on the assets and liabilities of the City. The financial plan should indicate maintenance or improvement in the value of the City's equity (net assets).

Operating estimates

Statement of Comprehensive Income

The plan achieves a balanced budget for each financial year. Operating income and efficiency are projected to have steady growth over the next 10 years. The operating surplus will provide funds for expenditure on Capital growth, renewal, replacement and provision of new assets, enhancing the long-term financial sustainability of the City.

Rates

The plan includes a 3.8 per cent increase in 2025/26 and then forward estimates based on Consumer Price Index plus 1 per cent for 2025/26 to 2027/28, then CPI. Potential rate revenue for Henley Brook and Bullsbrook DCP is based on DCP projections for contributions arising from subdivision approvals.

The plan allows for additional transfers of one per cent above CPI for the years 2029/30 to 2034/35 to the City Asset Replacement Reserve to meet the City's rapidly growing renewal needs. While this rating strategy is sufficient for the City's current asset renewal needs, the City will need to consider a rating strategy that includes an above CPI increase for a longer period to ensure it appropriately manages any forecast asset renewal funding gap.

Fees and charges

Increases for fees and charges are based on the CPI Perth indicators, statutory charges and the projected increase in population. Discretionary fees and charges will be increased by CPI to match estimated additional costs in service delivery. The City is working towards full cost recovery for providing services such as waste collection.

Grants and contributions

In developing this long-term model, it is anticipated that using a combination of both CPI Australia and CPI Perth as an indicator to forecast operating grants and contributions to be a reasonable estimate over the 10 years. The City will get an increased allocation arising from population and road length over the period.

The City will continue to pursue grant funding for strategic capital works from the State and Federal Government.

Interest earnings

Forecasts on Council's investment portfolio are based on the 90-day Bank Bill index in line with the Council's Investment Policy and Strategy. Interest rates are not expected to rise materially in the next 24 months.

Employee costs

Estimates for employee costs are based on requirements outlined in the Workforce Capability Plan and associated growth drivers.

Material and contracts

Various price drivers have been used to escalate materials and contracts on a case-by-case basis. Real increases are based on growth drivers expected over the next 10 years.

Utilities (gas, electricity and water)

State Government Budget, tariffs will escalate by the Consumer Price Index beyond 2025/26.

Street lighting: electricity tariffs for residential, community, charitable and small business customers will increase by less than forecast inflation in 2024/25, and are forecast to remain below or in line with inflation across the remainder of the forward estimates period. All other tariffs have been adjusted to achieve or maintain cost-reflectivity on a smoothed basis across the budget period. Taking account of the results of that review, the proposed price list includes an increase of 4.3 per cent to streetlight asset charges. Similar increases are forecast for the 2025/26 and 2026/27 price lists.

Insurance

A higher-than-CPI increase is estimated for insurance expenses for the 10 years.

Depreciation

Property, plant, equipment, vehicles, infrastructure and land are valued at fair value in the balance sheet of the City. Depreciable assets have been depreciated on a straight-line method using current depreciation rates.

Interest expense

Forecast borrowing (interest) costs are based on the forecast 10-year Western Australian Treasury Corporation Indicative Rates.

Statement of Comprehensive Income (indexed values)

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Operating Revenue	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rate Revenue	162,866	172,214	181,688	191,608	201,950	212,815	224,047	235,641	247,561	259,810
Specified Area Rates	3,630	3,757	3,888	4,025	4,165	4,311	4,462	4,618	2,171	2,247
Operating grants/subsidies/ contributions	13,864	14,404	14,968	15,556	16,170	16,811	17,479	18,177	18,905	19,666
Service Charges	522	540	559	1,075	1,096	1,117	1,138	1,161	1,184	1,208
Fees and Charges	60,930	63,018	71,367	74,378	77,617	80,943	83,441	86,031	88,715	91,499
Interest earnings	18,912	18,602	15,862	15,090	14,837	14,196	14,093	14,523	14,872	15,687
Other Revenue	3,737	3,190	3,244	3,299	3,355	3,413	3,472	3,532	3,594	3,658
Operating Revenue	264,461	275,726	291,577	305,032	319,189	333,604	348,132	363,682	377,003	393,774
Operating Expenses										
Employee costs	(115,176)	(125,794)	(129,549)	(134,519)	(139,667)	(144,838)	(150,126)	(155,532)	(161,060)	(166,713)
Material and Contracts	(50,412)	(57,260)	(60,844)	(64,613)	(67,585)	(70,349)	(72,545)	(74,902)	(77,196)	(79,817)
Utilities (gas elect water)	(9,410)	(9,751)	(10,104)	(10,373)	(10,649)	(10,933)	(11,223)	(11,522)	(11,829)	(12,144)
Depreciation	(62,723)	(65,348)	(69,567)	(71,603)	(73,791)	(75,551)	(77,355)	(79,041)	(80,784)	(82,439)
Insurance	(4,038)	(4,166)	(4,250)	(4,335)	(4,422)	(4,512)	(4,604)	(4,698)	(4,794)	(4,893)
Finance costs	(1,928)	(2,239)	(4,107)	(4,192)	(3,671)	(3,381)	(3,378)	(3,250)	(2,890)	(2,332)
Other expenses	(2,644)	(2,126)	(2,779)	(2,237)	(2,920)	(2,353)	(3,068)	(2,475)	(3,224)	(2,604)
Operating Expenses	(246,332)	(266,685)	(281,200)	(291,872)	(302,706)	(311,917)	(322,299)	(331,420)	(341,777)	(350,942)
Profit(Loss) - normal operations	18,129	9,041	10,377	13,160	16,483	21,687	25,833	32,262	35,226	42,832
Other										
Non-operating grants/contributions	36,228	54,074	30,200	19,485	15,329	14,557	36,517	25,364	16,381	54,510
DCP Contributions	16,039	19,234	24,055	20,916	27,770	32,386	28,301	18,480	15,564	15,564
Gifted Assets from Developers										
Asset contributed/gifted	43,171	58,124	49,106	43,782	31,845	31,454	30,750	24,750	24,750	24,750
Profit on asset disposals	665	0	0	0	0	0	0	0	0	0
Loss on asset disposals	0	0	0	0	0	0	0	0	0	0
Land ceded to the Crown	(3,173)	0	0	0	0	0	0	0	0	0
Contributions for State Owned Assets	0	0	0	0	0	0	0	0	0	0
Unrealised gain from EMRC	0	0	0	0	0	0	0	0	0	0
Unrealised gain from WALGA House	5	3	3	3	3	3	3	3	3	3
Fair value adjustments to financial assets at fair value through profit/ loss	0	0	0	0	0	0	0	0	0	0
Other	92,935	131,436	103,363	84,186	74,947	78,400	95,570	68,597	56,698	94,828
Profit/(Loss)	111,064	140,477	113,740	97,346	91,430	100,087	121,404	100,859	91,924	137,660
Other Comprehensive Income										
Changes on revaluation of non-current assets	0	0	0	0	0	0	0	0	0	0
Other Comprehensive Income	0	0	0	0	0	0	0	0	0	0
Profit/(Loss)	111,064	140,477	113,740	97,346	91,430	100,087	121,404	100,859	91,924	137,660

Key indicators

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
ANALYSIS	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Revenue										
Rate Revenue	6.1%	5.7%	5.5%	5.5%	5.4%	5.4%	5.3%	5.2%	5.1%	4.9%
Operating grants/subsidies/ contributions	0.6%	3.9%	3.9%	3.9%	3.9%	4.0%	4.0%	4.0%	4.0%	4.0%
Service Charges	7.1%	3.5%	3.5%	92.3%	1.9%	1.9%	1.9%	2.0%	2.0%	2.0%
Fees and Charges	11.8%	3.4%	13.2%	4.2%	4.4%	4.3%	3.1%	3.1%	3.1%	3.1%
Interest earnings	7.6%	-1.6%	-14.7%	-4.9%	-1.7%	-4.3%	-0.7%	3.0%	2.4%	5.5%
Other Revenue	-13.1%	-14.6%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.8%	1.8%
Operating Revenue	6.8%	4.3%	5.7%	4.6%	4.6%	4.5%	4.4%	4.5%	3.7%	4.4%
Operating Expenses										
Employee costs	7.7%	9.2%	3.0%	3.8%	3.8%	3.7%	3.7%	3.6%	3.6%	3.5%
Material and Contracts	9.8%	13.6%	6.3%	6.2%	4.6%	4.1%	3.1%	3.2%	3.1%	3.4%
Utilities (gas elect water)	18.0%	3.6%	3.6%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
Depreciation	-2.6%	4.2%	6.5%	2.9%	3.1%	2.4%	2.4%	2.2%	2.2%	2.0%
Insurance	12.7%	3.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.1%	2.1%
Finance costs	-11.0%	16.2%	83.4%	2.1%	-12.4%	-7.9%	-0.1%	-3.8%	-11.1%	-19.3%
Operating Expenses	5.7%	8.3%	5.4%	3.8%	3.7%	3.0%	3.3%	2.8%	3.1%	2.7%
Profit(Loss) - normal operations	24.9%	-50.1%	14.8%	26.8%	25.3%	31.6%	19.1%	24.9%	9.2%	21.6%
Excluding Depreciation	2.4%	-8.0%	7.5%	6.0%	6.5%	7.7%	6.1%	7.9%	4.2%	8.0%
Excluding Reserve Interest	56.2%	4.8%	-21.5%	-10.6%	-12.2%	-14.6%	-11.0%	11.1%	0.2%	15.4%
Key Performance Indicators										
Operating Surplus Ratio	7.5%	3.5%	3.8%	4.5%	5.4%	6.8%	7.8%	9.3%	9.8%	11.4%
Own Source Revenue Coverage Ratio	102.0%	98.0%	98.4%	99.2%	100.1%	101.6%	102.6%	104.2%	104.8%	106.6%
Debt Service Coverage Ratio	9.8	7.9	5.8	5.7	5.9	6.5	6.7	6.7	8.1	9.5

Operating Surplus Ratio – An indicator of the extent to which revenue raised not only covers operational expenses, but also provides for capital funding.

Basic Standard between 0 per cent and 15 per cent and advanced with ratio greater than 15%.

Own Source Revenue Coverage Ratio - Revenues derived from local governments operations that exclude third party grants and subsidies.

A Basic Standard is achieved if the ratio is between 40 per cent and 60 per cent (or 0.4 and 0.6), intermediate between 60 per cent and 90 per cent and advanced greater than 90 per cent.

Debt Service Coverage Ratio – An indicator of a local government's ability to generate sufficient cash to cover its debt payments.

A Basic Standard is achieved if the ratio is greater than or equal to two. An Advanced Standard is achieved if the ratio is greater than five.

Statement of Financial Activity (indexed values)

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Operating Revenue	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General rate revenue	162,866	172,214	181,688	191,608	201,950	212,815	224,047	235,641	247,561	259,810
Specified area rates	3,630	3,757	3,888	4,025	4,165	4,311	4,462	4,618	2,171	2,247
Operating grants/subsidies/ contributions	13,864	14,404	14,968	15,556	16,170	16,811	17,479	18,177	18,905	19,666
Service Charges	522	540	559	1,075	1,096	1,117	1,138	1,161	1,184	1,208
Fees and Charges	60,930	63,018	71,367	74,378	77,617	80,943	83,441	86,031	88,715	91,499
Interest earnings	18,912	18,602	15,862	15,090	14,837	14,196	14,093	14,523	14,872	15,687
Other Revenue	3,737	3,190	3,244	3,299	3,355	3,413	3,472	3,532	3,594	3,658
Profit on asset disposals	665	0	0	0	0	0	0	0	0	0
Unrealised gain from WALGA House	5	3	3	3	3	3	3	3	3	3
Unrealised gain from EMRC	0	0	0	0	0	0	0	0	0	0
Operating revenues	265,131	275,729	291,580	305,035	319,192	333,607	348,135	363,685	377,006	393,777
Operating Expenses										
Employee costs	(115,176)	(125,794)	(129,549)	(134,519)	(139,667)	(144,838)	(150,126)	(155,532)	(161,060)	(166,713)
Material and Contracts	(50,412)	(57,260)	(60,844)	(64,613)	(67,585)	(70,349)	(72,545)	(74,902)	(77,196)	(79,817)
Utilities (gas elect water)	(9,410)	(9,751)	(10,104)	(10,373)	(10,649)	(10,933)	(11,223)	(11,522)	(11,829)	(12,144)
Depreciation	(62,723)	(65,348)	(69,567)	(71,603)	(73,791)	(75,551)	(77,355)	(79,041)	(80,784)	(82,439)
Insurance	(4,038)	(4,166)	(4,250)	(4,335)	(4,422)	(4,512)	(4,604)	(4,698)	(4,794)	(4,893)
Finance costs	(1,928)	(2,239)	(4,107)	(4,192)	(3,671)	(3,381)	(3,378)	(3,250)	(2,890)	(2,332)
Other expenses	(2,644)	(2,126)	(2,779)	(2,237)	(2,920)	(2,353)	(3,068)	(2,475)	(3,224)	(2,604)
Land ceded to the Crown	(3,173)	0	0	0	0	0	0	0	0	0
Fair value adjustments to financial assets at fair value through profit/loss	0	0	0	0	0	0	0	0	0	0
Contributions for State Owned Assets	0	0	0	0	0	0	0	0	0	0
Loss on asset disposals	0	0	0	0	0	0	0	0	0	0
Operating Expenses	(249,505)	(266,685)	(281,200)	(291,872)	(302,706)	(311,917)	(322,299)	(331,420)	(341,777)	(350,942)
Profit(Loss) - normal operations	15,626	9,044	10,380	13,163	16,486	21,690	25,836	32,265	35,229	42,835
Movement in Non Cash Assets/ Liabilities	80,283	65,975	70,216	72,274	74,485	76,269	78,097	79,809	81,578	82,436
	95,909	75,019	80,596	85,437	90,971	97,959	103,933	112,074	116,807	125,272

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Capital Transactions										
Non-operating grants/contributions	36,228	54,074	30,200	19,485	15,329	14,557	36,517	25,364	16,381	54,510
DCP Contributions	16,039	19,234	24,055	20,916	27,770	32,386	28,301	18,480	15,564	15,564
Gifted Assets from Developers	0	0	0	0	0	0	0	0	0	0
Asset contributed/gifted	43,171	58,124	49,106	43,782	31,845	31,454	30,750	24,750	24,750	24,750
Proceeds from Sale of Non-Current Assets	5,177	13,502	12,830	9,943	3,670	2,315	2,373	2,426	2,487	2,549
Land	(6,153)	(9,224)	(182)	(3,783)	(10,372)	(4,231)	0	(802)	0	0
Outlays on Property Plant & Equipment	(80,217)	(162,997)	(59,095)	(51,405)	(39,743)	(48,719)	(35,501)	(34,468)	(34,785)	(35,996)
Outlays on Infrastructure	(68,647)	(95,307)	(113,143)	(111,379)	(101,872)	(102,080)	(113,896)	(108,021)	(72,426)	(110,887)
Assets contributed by developers	(43,171)	(58,124)	(49,106)	(43,782)	(31,845)	(31,454)	(30,750)	(24,750)	(24,750)	(24,750)
Net Capital	(97,573)	(180,718)	(105,336)	(116,224)	(105,218)	(105,773)	(82,206)	(97,021)	(72,779)	(74,259)
Reserve/Trust Transactions										
Transfers (to) Reserves	(84,130)	(67,177)	(73,391)	(68,785)	(69,012)	(74,453)	(72,082)	(69,322)	(61,295)	(62,484)
Transfers from Reserves	86,159	127,460	96,782	109,070	88,896	85,506	46,029	59,498	29,682	23,541
Transfer from Trust Fund	10	0	0	0	0	0	0	0	0	0
Net Transfers (to)/From Reserves	2,039	60,283	23,391	40,285	19,883	11,054	(26,053)	(9,825)	(31,612)	(38,943)
Debt Management and Other Financing Activities										
Proceeds from New Debentures	0	53,256	12,077	2,207	6,944	9,370	17,373	9,251	0	0
Repayment of Debentures	(6,559)	(7,458)	(10,270)	(11,360)	(12,141)	(12,026)	(12,462)	(13,894)	(11,725)	(11,117)
Proceeds from Self Supporting Loans	0	0	0	0	0	0	0	0	0	0
Repayment of Leases	(527)	(381)	(457)	(345)	(439)	(583)	(586)	(586)	(691)	(953)
Financing Activities	(7,086)	45,417	1,349	(9,498)	(5,636)	(3,240)	4,325	(5,229)	(12,416)	(12,070)
1 July Surplus/(Deficit)	6,711	0	0	0	0	0	0	0	0	0
LESS 30 June Surplus/(Deficit)	0	0	0	0	0	0	0	0	0	0
	6,711	0	0	0	0	0	0	0	0	0
Budget (Deficit)/Surplus	0	0	0	0	0	0	0	0	0	0

Summary of Financial Position (indexed values)

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets										
Cash and cash equivalents	360,070	302,139	276,775	237,079	215,167	204,634	228,600	238,892	268,376	307,737
Trade and other receivables	23,343	14,443	14,944	15,792	16,353	17,267	17,892	18,856	19,529	20,539
Inventories	2,595	2,738	2,588	2,730	2,580	2,722	2,572	2,713	2,564	2,705
Other assets	760	802	758	799	755	797	753	795	751	792
Current Assets	386,768	320,122	295,064	256,400	234,855	225,420	249,817	261,257	291,220	331,774
Other Non Current Assets										
Trade and other receivables	3,426	3,585	3,774	3,997	4,261	4,576	4,950	5,396	5,929	6,564
Other financial assets	176	179	182	185	188	191	194	197	200	203
Investment in associates	90,581	90,581	90,581	90,581	90,581	90,581	90,581	90,581	90,581	90,581
Inventories	2,262	2,241	2,220	2,199	2,178	2,155	2,133	2,110	2,087	2,063
Land	267,230	272,544	267,088	263,126	272,081	277,627	277,627	278,429	278,429	278,429
Property, plant and equipment	446,471	588,306	617,768	643,355	655,852	672,510	678,675	683,084	686,812	691,030
Infrastructure	1,875,621	1,988,758	2,089,320	2,177,857	2,271,668	2,301,009	2,411,864	2,465,137	2,519,819	2,612,468
Intangible assets	1,187	593	2,498	1,904	1,309	3,215	2,620	2,026	3,931	3,337
Right-of-use assets	777	753	2,402	1,663	831	2,354	1,375	396	1,811	465
Other Non Current Assets	2,687,731	2,947,541	3,075,834	3,184,868	3,298,948	3,354,219	3,470,021	3,527,356	3,589,599	3,685,140
TOTAL ASSETS	3,074,500	3,267,663	3,370,897	3,441,268	3,533,804	3,579,639	3,719,838	3,788,613	3,880,819	4,016,913
Current Liabilities										
Trade and other payables	37,130	30,744	29,053	30,651	28,965	30,558	28,877	30,466	28,790	30,373
Contract liabilities	14,157	45,158	48,024	45,786	50,340	24,439	29,089	4,103	86	-
Lease liabilities	381	457	345	439	583	586	586	691	953	994
Borrowings	7,458	10,270	11,360	12,141	12,026	12,462	13,894	11,725	11,117	11,445
Employee related provisions	18,053	18,504	18,967	19,441	19,927	20,425	20,936	21,459	21,995	22,545
Current Liabilities	77,178	105,133	107,749	108,458	111,841	88,470	93,382	68,443	62,940	65,358
Non Current Liabilities										
Contract liabilities	88,645	69,801	53,321	35,683	38,728	11,165	18,601	14,223	31,660	39,679
Lease liabilities	431	724	3,055	2,615	2,033	1,447	4,037	3,346	2,393	1,399
Borrowings	28,681	71,666	72,382	62,448	57,366	54,273	57,753	55,279	44,162	32,717
Employee related provisions	2,162	2,459	2,770	3,097	3,440	3,800	4,179	4,576	4,993	5,431
Non Current Liabilities	119,918	144,650	131,528	103,843	101,567	70,685	84,569	77,423	83,208	79,225
TOTAL LIABILITIES	197,096	249,783	239,276	212,301	213,407	159,155	177,951	145,866	146,149	144,583
NET ASSETS	2,877,404	3,017,880	3,131,621	3,228,967	3,320,397	3,420,484	3,541,887	3,642,746	3,734,670	3,872,330
Equity										
Retained surplus	1,479,306	1,680,066	1,817,197	1,954,828	2,066,141	2,177,282	2,272,633	2,363,667	2,423,979	2,522,696
Reserves	348,736	288,453	265,062	224,777	204,894	193,840	219,893	229,718	261,330	300,273
Revaluation reserves	1,049,361	1,049,361	1,049,361	1,049,361	1,049,361	1,049,361	1,049,361	1,049,361	1,049,361	1,049,361
Equity	2,877,404	3,017,880	3,131,621	3,228,967	3,320,397	3,420,484	3,541,887	3,642,746	3,734,670	3,872,330



Capital Works Program

The Capital Works Program is designed to meet the City's current and future infrastructure needs. It includes renewing and upgrading existing assets, as well as building new ones.

The City covers a large and diverse area with a mix of economic and cultural needs, which can lead to competing priorities in planning. This program focuses on delivering essential infrastructure and identifying how it will be funded.

The plan includes a 10-year capital works program valued at \$1.578 billion (indexed), excluding gifted assets of \$362.4 million. To deliver this program, the City expects to borrow \$81.5 million.

It also includes infrastructure projects for the Bullsbrook and Henley Brook Development Contribution Plans (DCPs). If grants and contributions do not eventuate, these projects could pose a significant financial risk to the City.

The overall scale of the program relies heavily on State and Federal government funding. If this funding is not secured, the City may need to reassess the size and scope of its capital works to avoid placing a financial burden on ratepayers.

As the population grows, so does the need for more community, sport, and recreation facilities. Projects like Swan Active Ellenbrook are part of the City's broader goal to support inclusion, health, and wellbeing for the growing community.

Capital acquisitions

Asset acquisitions can be classified according to the following categories:

- New – acquisition/construction of new assets by the City to meet additional service level requirements
- Renewal – works to upgrade, refurbish or replace existing facilities with facilities of equivalent capacity or performance capability
- Upgrade – works to improve facilities, which may include a proportion that is required to meet additional service levels
- Gifted assets – assets that have been constructed and transferred to the City by developers
- Gifted assets (DCP) – assets that have been constructed and transferred to the City by developers under Developer Contributions Plans (DCP) within the City.

The table below summarises the total works program over the 10 years and the application by asset type.

Capital Works Program – (Indexed Values)

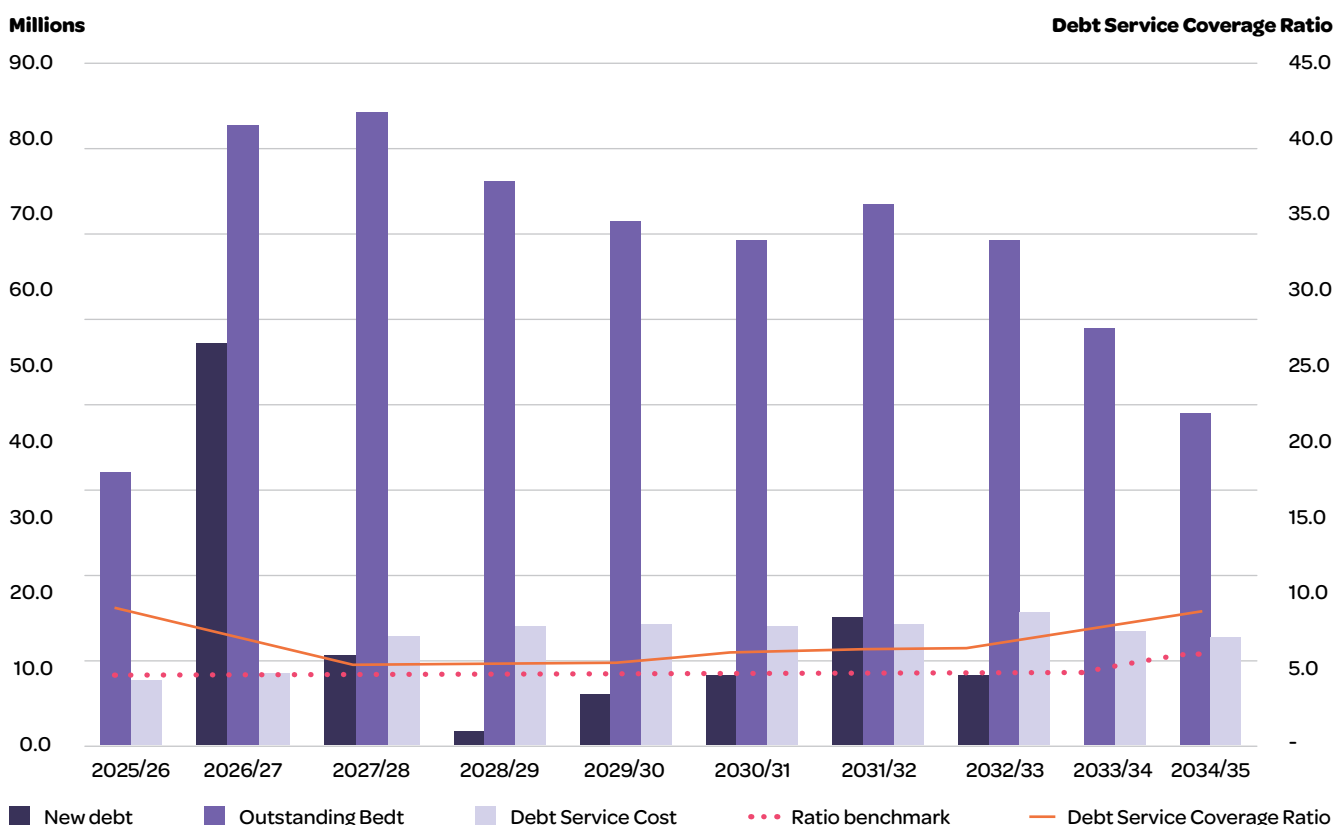
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Capital Outlays	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gifted Assets	43,171	58,124	49,106	43,782	31,845	31,454	30,750	24,750	24,750	24,750
Non Depreciable Assets (e.g. Land)	9,155	16,490	5,217	3,768	10,351	5,528	0	802	0	0
New Outlays	96,544	191,963	111,090	101,961	83,496	94,151	79,913	81,758	35,102	79,188
Renewal Outlays	49,318	59,076	56,113	60,840	58,140	55,351	69,484	60,731	72,108	67,694
Total	198,189	325,653	221,526	210,351	183,832	186,485	180,146	168,040	131,960	171,633
Total CAPEX	198,189	325,653	221,526	210,351	183,832	186,485	180,146	168,040	131,960	171,633
Funding Sources										
Grants	34,967	53,574	25,257	18,985	14,829	14,057	36,017	24,864	15,881	54,010
Asset Sale	3,754	11,405	10,685	7,746	1,418	0	0	0	0	0
Trade-in	1,423	2,097	2,144	2,198	2,253	2,315	2,373	2,426	2,487	2,549
Contribution	1,050	500	4,943	500	500	500	500	500	500	500
Developers Contributions	28,637	19,234	24,055	20,916	27,770	32,386	28,301	18,480	15,564	15,564
Gifted Assets	24,750	24,750	24,750	24,750	24,750	24,750	24,750	24,750	24,750	24,750
Gifted Assets (DCP)	18,421	33,374	24,356	19,032	7,095	6,704	6,000	0	0	0
Net Funding Sources	113,002	144,935	116,190	94,127	78,614	80,712	97,940	71,020	59,182	97,373
City Direct Funding										
- Transfers from cash reserves	35,407	87,141	47,058	69,283	50,752	45,123	10,336	32,017	7,856	6,441
- Rates	43,069	40,322	46,201	44,734	47,521	51,280	54,496	55,753	64,923	67,818
- Cfwd Funds	6,711									
- Loan	0	53,256	12,077	2,207	6,944	9,370	17,373	9,251	0	0
Total	198,189	325,653	221,526	210,351	183,832	186,485	180,146	168,040	131,960	171,633
OUTLAYS by ASSET CLASS										
Land	9,155	16,719	5,229	3,783	10,372	5,547	0	802	0	0
Buildings	63,868	145,352	44,940	28,155	27,184	35,985	21,614	20,469	20,791	21,740
Furniture and equipment	4,016	7,519	4,470	2,674	2,724	2,688	3,632	3,530	3,264	3,258
Plant and Equipment	13,019	10,127	9,685	20,576	9,834	10,045	10,255	10,468	10,730	10,998
Road Infrastructure	70,243	80,336	92,736	92,772	76,191	77,421	97,778	98,151	67,853	107,504
Drainage Infrastructure	11,583	12,090	12,557	13,198	18,249	16,895	12,124	11,132	12,296	11,163
Pathways/Cycleways	4,434	6,293	6,622	5,264	3,506	3,395	3,530	3,847	4,650	3,835
Recreation/Parks Infrastructure	20,698	40,915	40,132	40,854	32,615	31,270	21,882	11,298	8,877	9,544
Other Infrastructure	1,172	6,303	5,155	3,074	3,155	3,238	9,332	8,344	3,499	3,591
Total	198,189	325,653	221,526	210,351	183,832	186,485	180,146	168,040	131,960	171,633

Debt management

Loan borrowings are a legitimate financing facility available to local governments to sustainably meet the long-term needs of their community, particularly concerning major capital works projects. The Act empowers the City to borrow within a financial strategy as part of a balanced funding package and is included in the City's Long Term Financial Plan, where appropriate.

The use of long-term borrowings is strongly influenced by the competing needs of building new community assets, upgrading infrastructure, investment decisions, and funding urban growth corridor projects, where insufficient funds are available to meet the capital outlays. This plan requires borrowings of \$74.5 million in the first five years of this plan. Of this \$74.5 million, some \$53.3 million will be required in 2026/27.

New Debt and Long-Term Debt Balance (indexed values)



The plan provides for borrowings for the following over the 10 year period:

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GOVERNANCE										
SWIMMING POOL										
Swan Active Ellenbrook (Regional Leisure Centre)										
Construction Costs	0	35,927,794	0	0	0	0	0	0	0	0
Minor capital - Furniture/Fittings	0	2,714,592	0	0	0	0	0	0	0	0
Swan Active Midland										
Building Upgrade	0	0	0	0	0	0	5,362,137	0	0	0
Sporting Clubs										
Bullsbrook Sports Club	0	1,000,529	0	0	0	0	0	0	0	0
Road Works - Major										
Benara Road	0	0	0	0	0	0	6,009,685	1,850,232	0	0
Gnangara Road Upgrade	0	0	0	0	0	9,369,544	4,807,748	2,466,976	0	0
Marshall Road	0	0	0	0	0	0	0	4,933,952	0	0
DEPOTS										
Operations Centre										
Depot Master Plan	0	8,109,548	9,926,168	2,207,059	0	0	0	0	0	0
Fabrication Workshop	0	1,739,756	0	0	0	0	0	0	0	0
PUBLIC UTILITY SERVICES										
Underground Power (TUPP)										
Midland	0	3,763,417	2,150,524	0	0	0	0	0	0	0
Roadworks - Chittering Road, Bullsbrook	0	0	0	0	6,944,171	0	0	0	0	0
Roadworks - Stock Road	0	0	0	0	0	0	1,193,790	0	0	0
Total Loan	0	53,255,636	12,076,692	2,207,059	6,944,171	9,369,544	17,373,360	9,251,160	0	0

The City does not exceed the base borrowing threshold (factor of 2.0) and at all times exceeds the advanced level of five. This plan will see the City's debt peak at \$83.7 million in 2027/28.

Cash backed reserves

Reserves are established to set aside funds in current and past years to assist in funding future projects/services (reserve purpose). Transferring funds to reserves ensures the community who are benefiting now, will contribute to funding the purpose in the future. Having reserves eases the financial impact of a community when a project is required to be delivered in one year, to be funded by monies collected over time.

Cash reserves hold funds restricted for the purpose for which the Reserves have been established.

Aged Services Asset Replacement Reserve

Purpose - to fund the replacement of assets used for the provision of aged care services.

Funds are maintained by an annual transfer of unspent HACC capital and operating grants and a plant replacement component for the plant used on Aged Care services.

Established in 2001/02.

Midland District Drainage Development Reserve

Purpose - to fund the renewal and upgrade of the stormwater drainage system in Koongamia, Bellevue, Midland, Woodbridge, Middle Swan, Viveash and Midvale.

Funds are collected by a Specified Area Rate matched by a 30c per \$1 contribution by the City, and Developer contributions as per Policy POL-C-040.

Established in 1982/83.

General Insurance Reserve

Purpose – to provide funding to mitigate annual budgetary impacts from unforeseen risks and events, including the City's Contingent Liability under its performance-based Workers Compensation Insurance Policy and to fund the shortfall in general and workers' compensation claims.

Funds – to be funded by yearly allocation from surplus as part of the annual budget process.

Workers' Compensation Insurance contributions to the value of the difference between the estimated maximum and the actual premium paid, varying depending on the number of claims.

Established in 1991/92.

Gravel Pit Rehabilitation Reserve

Purpose - to fund the remediation of the existing quarry and to acquire land for future quarries. Contributions are made to the value of gravel extracted from the quarry for use on the City's works.

Plant and Equipment Reserve

Purpose - to fund motor vehicles, plant and equipment associated with the City's works and services.

Funds are maintained by an allocation to the value of the plant replacement component on all the City's works and services.

Hazelmere/Guildford Drainage Reserve

Purpose - to fund the renewal and upgrade of the stormwater drainage system in Hazelmere and Guildford.

Funds are collected by a Specified Area Rate matched by a 30c per \$1 contribution by the City, and Developer contributions as per Policies POL-C-062 and POL-C-096.

Established in 1982/83.

Ellenbrook DCP Reserve

Purpose - to fund the construction of a bridge over the Ellen Brook (Ellenbrook Bridge) in the vicinity of Lot 9000 Railway Parade, Upper Swan.

Funded by Developers' contributions.

Established in 2013/14.

Waste Management Reserve

Purpose - to fund the operations and development of the City's sanitation service, including capital acquisitions.

Funds are maintained by an annual allocation to the value of the net 'surplus' in the sanitation operations and a plant replacement component for the plant used by Waste Management services.

Established in 1992/93.

City Asset Replacement Reserve

Purpose - to fund the renewal and replacement of the City's infrastructure and capital assets.

Funds are normally maintained by an annual contribution equivalent to 3 per cent of rate revenue. This 2025/26 to 2034/35 model includes an increase from 3 per cent to 8 per cent across the 10-year Capital Plan to meet the City's rapidly growing renewal needs.

Established in 2006/07.

Ellenbrook Community Facilities Reserve

Purpose - to provide community facilities and services within the Ellenbrook Estate.

Contributions from the Ellenbrook Joint Venture were matched 1:1 by City contributions.

Established in 1994/95.

Aveley Community Reserve

Purpose - to provide community facilities and services within Vale and the region.

Contributions from the Developers of Vale were matched 1:1 by City contributions.

Established in 2005/06.

Employee Entitlements Reserve

Purpose - to fund long service leave and annual leave requirements.

Funds are maintained by an annual contribution equivalent to the Long Service Leave and Annual Leave entitlements of the City's employees.

Swan Urban Growth Corridor DCP Reserve

Purpose - to fund land acquisition, construction of infrastructure and administration costs in the Swan Urban Growth Corridor, which comprises the Development Contribution Areas of Brabham, Caversham, Dayton and West Swan West.

Funded by Developers' contributions.

Established in 2010/11.

Bullsbrook Residential DCP Reserve

Purpose - to fund land acquisition, construction of infrastructure and administration costs in the Bullsbrook Residential Development Contribution Area.

Funded by Developers' contributions.

Established in 2019/20.

South Bullsbrook Industrial DCP Reserve

Purpose - to fund land acquisition, construction of infrastructure and administration costs in the South Bullsbrook Development Contribution Area

Funded by Developers' contributions.

Established in 2021/22.

Henley Brook DCP Reserve

Purpose - to fund land acquisition, construction of infrastructure and administration costs in the Henley Brook Development Contribution Area

Funded by Developers' contributions.

Established in 2021/22.

Strategic Development Reserve

Purpose - to fund the acquisition, construction and development of freehold properties for the City's strategic development.

Funds are maintained by contributions from the City and the proceeds from asset sales at the Council's discretion.

Established in 2010/11.

Hazelmere Industrial Area Infrastructure Reserve

Purpose - to fund the renewal and upgrade of infrastructure in the Hazelmere Industrial Area.

Funds are maintained by a Specified Area Rate charged to properties in the area, matched by a \$3 to \$1 City's contribution.

Established in 2013/14.

Deferred Project Reserve

Purpose - to hold the City's collected municipal funds, raised for specified Capital Work projects which have been deferred to a future date.

Funds are maintained by the transfer of contributions.

Established in March 2023.

Strategic Project Reserve

Purpose - to fund the acquisition, construction and development of properties to meet community infrastructure needs of population growth.

Funds are maintained by the transfer of contributions.

Established in March 2023.

Energy Efficiency Reserve

Purpose - to fund CAPEX Initiatives to support the City's Energy Efficiency and Emission Reduction Plan.

Funds are maintained by the transfer of contributions.

Established in June 2023.

Governance Reserve

Purpose - to fund the biennial Councillor elections conducted by the Western Australian Electoral Commission and the City's triennial general valuation – gross rental roll costs supplied by Landgate.

Funds are maintained by annual contributions from the rates revenue.

Election Funds are maintained by an annual contribution of \$300,000 from rates revenue. With an annual contribution for general valuation costs to commence from 2026/27. This annual contribution prevents large fluctuations annually, preventing spikes in rate demand.

Established in 2024/25.

Dayton DOS Synthetic Hockey Surface Replacement Reserve

Purpose - to fund the renewal and replacement of the synthetic hockey surface located at Dayton District Open Space.

Funds are maintained from the contribution of the annual fee from the license agreement for this facility.

Established in 2024/25.

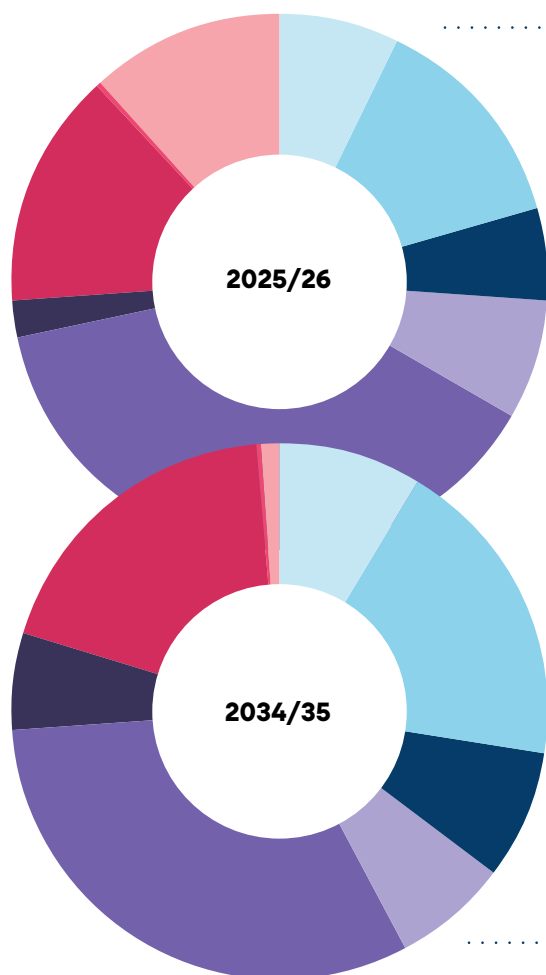
Other Restricted Cash Reserve

Purpose - to hold the City's received restricted cash contributions; to fund works of the same purpose for which the contributions were given.

Funds are maintained by the transfer of contributions.

Established in 1994/95.

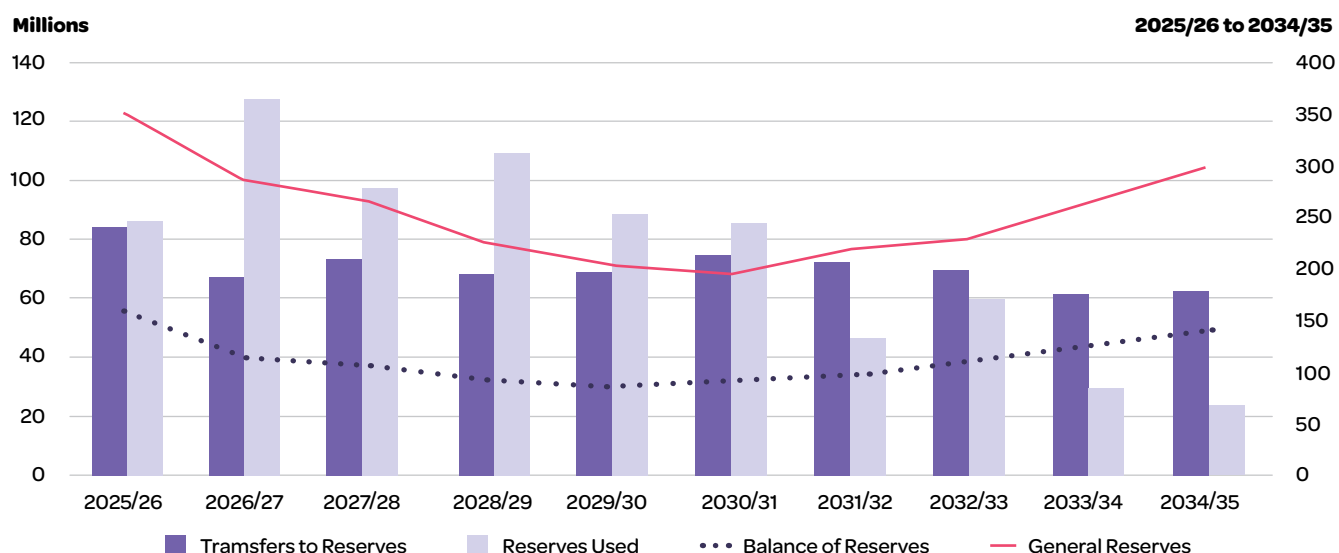
The accumulation of funds in reserve accounts over 10 years provides the City with the capacity to meet community demands into the future.



Reserve Balances

	2024/2025	2023/2024
Operating Liabilities	25,389,700	26,045,194
Asset Replacement/Renewal	46,917,358	55,873,052
Waste Services	19,184,750	23,486,825
Restricted contributions	25,090,506	20,081,816
Developer Contribution Plans	133,599,930	94,992,076
Strategic development	8,296,752	18,234,220
Specified area rates	49,472,550	57,291,160
Public open space	94,000	94,000
Other	40,690,612	4,174,619

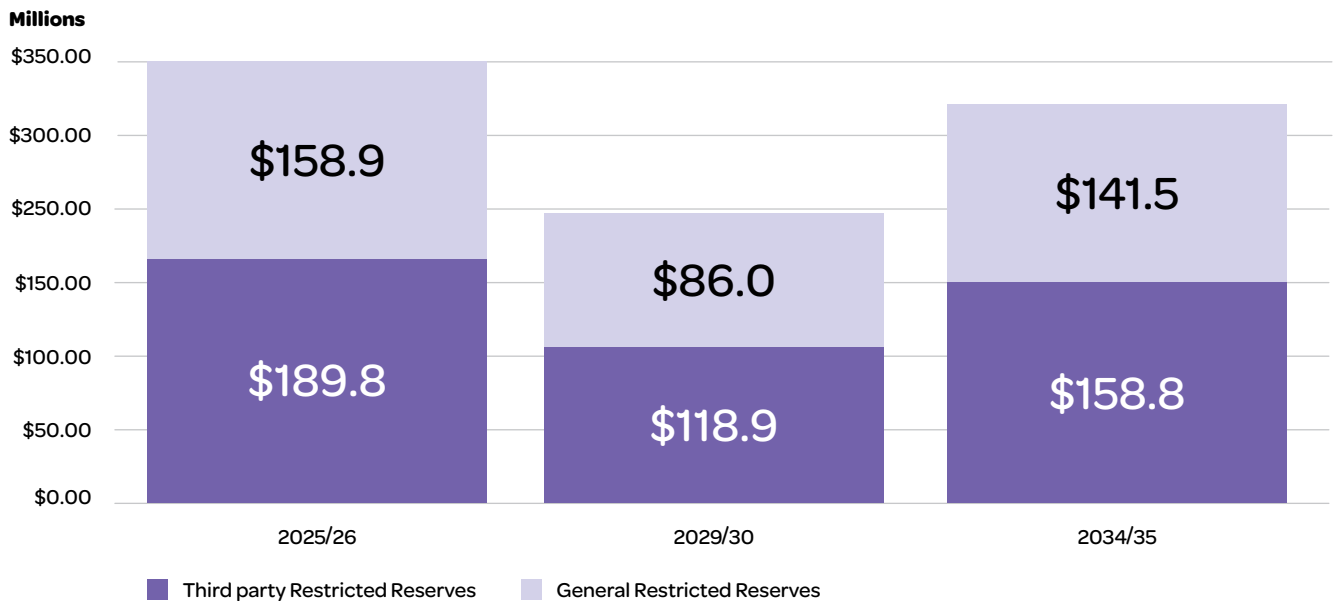
Reserve Accounts - transfers and balances



A significant number of the reserves are restricted under DCP legislation and are not generally available for use. Currently, \$189.8 million (54.4 per cent) of all relate to reserves held, which are restricted by third-party conditions (eg DCP and Specified Area Rates).

This plan requires substantial use of general reserves in the initial five years to fund asset renewal programs.

At the end of the 10 years the reserves are for the following purpose at five-year intervals:



Sensitivity analysis

The LTFP has been tested against changes in key cost drivers such as CPI, employee wages, interest rates, and annual rate increases. These changes affect the projected surplus or deficit each year.

Sensitivity analysis shows the LTFP is moderately affected by borrowing costs but highly sensitive to increases in CPI. With current economic volatility, rising inflation and interest rates pose a greater risk – especially if CPI is underestimated.

These conditions create financial risks for both the City and the projects included in this plan.

There is also a significant risk due to uncertainty in the broader economy, global events, and the City's reliance on State and Federal funding. Given current financial pressures on higher levels of government, there is a high chance of reduced grant funding. This may require a full review of the capital works program's size and scope.

As mentioned earlier, rising construction and material costs also pose a risk, especially if they exceed the estimates used in this plan.





Summary

The Long Term Financial Plan (LTFP) is a key planning tool that helps guide decisions about the City's future services, infrastructure, and financial sustainability. It supports Council's strategic goals by aligning long-term community aspirations with financial realities.

This updated LTFP builds on the previous version reviewed in 2024 and outlines financial projections over the next 10 years. It is not fixed but reviewed and adjusted annually to respond to economic conditions and community needs.

The LTFP:

- Maps out how the City will fund and deliver services and infrastructure
- Reflects expected future costs and revenues based on factors such as inflation, interest rates, population growth, and other economic drivers
- Helps identify future financial risks and resource requirements
- Supports other key plans, including the Strategic Community Plan, Corporate Business Plan (2025/26), Asset Management Plans, and Workforce Capability Plan.

The LTFP assumes increasing demand for services and infrastructure due to population growth and rising community expectations. It includes a capital works program of \$1.95 billion (indexed) over 10 years, requiring a mix of borrowings, reserves, and revenue to fund delivery.

While the plan proposes greater use of long-term borrowings, it remains within industry borrowing limits. Some reserves are restricted and only available for specific purposes under the Development Contribution Plan (DCP) legislation.

Financial outcomes projected in the plan include:

- Balanced annual budgets (Statement of Financial Activity)
- A stronger net operating result in 2025/26, supported by a 3.8 per cent rate increase
- Ongoing challenges from rising costs, higher depreciation from new assets, and inflationary pressures – partially offset by revenue streams linked to CPI.

The City is committed to responsible financial management that balances service delivery, infrastructure investment, and ratepayer expectations.

Key financial goals of the LTFP:

- Achieve operating surpluses
- Improve financial performance
- Maintain positive unrestricted cash flow
- Develop alternative revenue streams
- Sustain and enhance service levels
- Fund asset renewal and replacement
- Maintain a fair and equitable rating system.

This plan is essential to securing a prosperous and sustainable future for our growing community and local economy.



Exclusions

Some projects and facilities are not included in this plan due to a lack of detail. They will be added once there is more certainty around their timing, costs and funding.

Initial rate projections for the Bullsbrook and Henley Brook Development Contribution Plans (DCPs) are based on current contribution forecasts. However, population growth and land development estimates from these areas are not yet included.

As more information becomes available, future versions of the LTFP will include projected revenue from property development. This growth is also expected to increase demand for new community facilities.

Risk management

At the time of this report, global events continue to affect the economy, and the pace of local economic recovery remains uncertain. Ongoing supply chain disruptions are increasing financial risks now and into the near future.

The City faces a range of risks that have been considered in preparing the LTFP. It's important to note that future outcomes may change due to factors such as new legislation or policy changes, which could significantly impact the assumptions and projections in this plan.

Asset Management Plans identify key assets and outline risk management strategies (as per policy POL-C-067). For long-term projects, estimating financial risks is challenging due to uncertainty around funding sources, such as government grants and contributions. The City is currently conducting condition surveys to finalise Asset Management Plans across all asset types.

The City of Swan covers a large and diverse area, with varying economic and community needs that can create challenges for consistent planning. A core focus of the financial strategy is to reduce the financial impact on ratepayers while maintaining strong cost controls to deliver a balanced budget each year.

Implementation and review of the Long-Term Financial Plan

There is no current legislative requirement to prepare, adopt or commit to an LTFP prepared by local governments. Subject to the advice from the Department of Local Government and Communities this document will be reassessed to ensure it is consistent with the proposed changes under consideration as part of the LG reform process.

The Council considered the content of the LTFP when preparing the Annual Budget for 2025/26 and will for subsequent years. The adopted 2025/26 budget is included in this plan as the first year of the 10 years.

A review of the LTFP will occur each year as the Annual Budget is prepared to account for performance information and changing circumstances.

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