



Long Term Financial Plan

2024/25 – 2031/32



ACKNOWLEDGEMENT OF COUNTRY

Mindarie Regional Council acknowledges the continuing connection of Aboriginal people to Country, culture and community. We embrace the vast Aboriginal cultural diversity throughout Western Australia, including the Whadjuk Noongar People where Mindarie Regional Council is located, and we acknowledge and pay respect to Elders past and present.

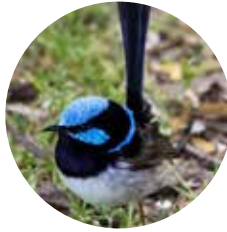


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Vision, Mission and Values

Our Vision

Collaborating for a regional Circular Economy

Our Mission

To deliver sustainable waste management options for members

Our Values

Teamwork: Is how we achieve

Innovation: Is how we create

Positive: Is what we are



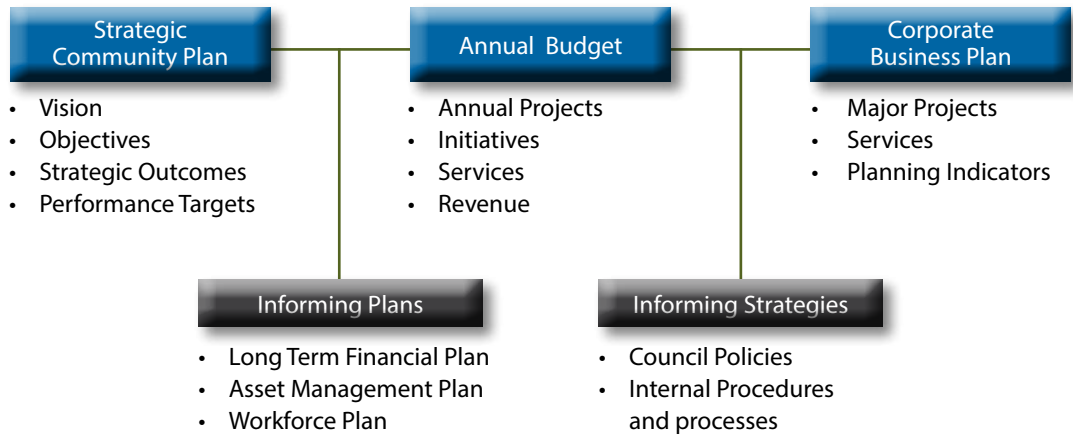
Integrated Planning Framework

The Long Term Financial Plan 2023-2032 (LTFP) is an informing strategy within the Integrated Planning Framework (IPF). The LTFP is a planning tool developed to estimate the financial effect of the activities/services the MRC proposes to undertake over the longer term to achieve its strategic objectives. It ensures the MRC is optimising its resource allocation and maximising its benefit to its members and the general public. Such a document will safeguard the MRC's financial assets through control of its capital investments, as well as its revenue and expenditure, and enforce accountability through transparency of future decisions. It is a dynamic tool encompassing both its operating activities and capital outlays over the 10-year period. Price and growth drivers are used to ensure the LTFP is in line with industry wide assumptions and the future social and economic environment.

The LTFP is based upon the MRC's Strategic Community Plan 2023 – 2032 (SCP). Aligning the LTFP needs around the MRC's service delivery, future endorsed projects and initiatives and the asset life cycle will ensure asset needs are met as service and project requirements change.

This LTFP will be reviewed annually to make necessary changes in order to ensure continuity and compliance with the requirements under the existing IPF.

The chart below represents the relationships between the Strategic Community Plan, Corporate Plan, Long term Financial Plan, the Annual Budget and other informing plans including this AMP.



The Long-Term Financial Plan

The Long-Term Financial Plan (LTFP) is a planning tool developed to estimate the financial effect of the activities/services the Mindarie Regional Council (MRC) proposes to undertake over the longer term to achieve its strategic objectives. It ensures the MRC is optimising its resource allocation and maximising its benefit to its members and the general public. Such a document will safeguard the MRC's financial assets through control of its capital investments, as well as its revenue and expenditure, and enforce accountability through transparency of future decisions. It is a dynamic tool encompassing both its operating activities and capital outlays over the 10-year period. Price and growth drivers are used to ensure the LTFP is in line with industry wide assumptions and the future social and economic environment.

The financial information in the LTFP is based on the best available information at the time of writing the report and will be subject to changes throughout the year as more current market data is released.

Federal Government 2024/25 Budget

"Australia is not immune from global developments and the combination of moderating but high inflation and higher interest rates have resulted in lower growth over the past year. Real GDP is forecast to grow by 1¾ per cent in 2023–24. The Australian economy is well placed to navigate these economic challenges, with moderating inflation, a resilient labour market, a return to annual real wage growth and a solid pipeline of business investment.

Although inflation remains elevated, it has moderated substantially and is now less than half of its peak in 2022.

Nominal wage growth has picked up and is growing at its fastest rate in nearly 15 years. The moderation in inflation and pick up in wage growth have contributed to an improvement in real wages. Real wages have risen for three consecutive quarters and returned to annual growth at the end of 2023, which is earlier than previously forecast. Real wages are expected to rise further and grow by ½ per cent through-the-year to the June quarter 2024."

Source: 2024/25 Federal Budget - Statement 2: Economic Outlook



State Government Budget 2024/25

“Notwithstanding strength in the domestic economy, total economic growth (Gross State Product or GSP) is expected to slow to 1.75% in 2023-24 and to 2% in 2024-25 following growth of 3.5% in 2022-23 – a nine-year high. This reflects subdued growth in the external sector, with resource producers operating at close to capacity, agricultural exports normalising after a record harvest in 2022-23, and goods imports picking up in support of business investment. In addition, a gradual return to pre-pandemic international travel patterns (with more Western Australians travelling overseas) is also expected to detract from net exports.

As employment growth moderates, the unemployment rate is forecast to lift slightly to 4% in 2024-25, from 3.75% in 2023-24. In the outyears, the unemployment rate is expected to slowly rise as labour demand is outpaced by additions to labour supply, reaching 4.75% by 2027-28. This remains well below the long-run average unemployment rate of 6%.

Western Australia’s Wage Price Index (WPI) grew by 4.7% in year-ended terms to December 2023 – the strongest rate of growth since June 2012. The combination of rising wages and slowing inflation has seen real wage growth return to positive territory. A situation that is forecast to be maintained across the forward estimates period.”

Source 2024/25 Budget - Economic and Fiscal Outlook - Budget Paper No. 3 Table 1

Inflation as portrayed in the movements in the Consumer Price Index will be the focus in the community in the coming year. The Reserve Bank’s efforts in trying to slow consumer consumption through interest rates has not had the desired outcome.

The financial model uses the economic forecasts included in the State and Federal Budgets. It should be noted that both Federal and State forecasts changed their respective growth and cost indicators provided for the 2024/25 Budgets.

Forward Estimates

FEDERAL GOVERNMENT					
Federal Budget 2024/25	2023/24	2024/25	2025/26	2026/27	2027/28
Real gross domestic product	1.75%	2.00%	2.25%	2.50%	2.75%
Consumer Price Index	3.50%	2.75%	2.75%	2.50%	2.50%
Wage price index	4.00%	3.25%	3.25%	3.50%	3.50%
Unemployment rate	4.00%	4.50%	4.50%	4.50%	4.25%

2024/25 Federal Budget - Statement 2: Economic Outlook - Table 1: Domestic economy forecasts

STATE GOVERNMENT					
State Budget 2024/25	2023/24	2024/25	2025/26	2026/27	2027/28
Gross State Product	1.75%	2.00%	2.00%	2.25%	2.25%
Consumer Price Index	4.00%	3.00%	2.50%	2.50%	2.50%
Wage Price Index	4.25%	3.75%	3.50%	3.00%	3.00%
Unemployment Rate	3.75%	4.00%	4.25%	4.50%	4.75%
Population	2.80%	1.80%	1.70%	1.70%	1.70%

2024/25 Budget - Economic And Fiscal Outlook - Budget Paper No. 3 Table 1

Price Drivers

Preliminary Key Price Drivers applied are shown below.

Economic Assumptions

Price Drivers	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Consumer Price Index Australia	2.8%	2.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Consumer Price Index Perth	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
WALGA - Local Government Cost Index	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Wage Price Index	3.3%	3.3%	3.5%	3.5%	3.4%	3.4%	3.4%	3.4%
Wage Price Index WA	3.8%	3.5%	3.0%	3.0%	3.3%	3.2%	3.1%	3.2%
Population Australia	1.6%	1.5%	1.4%	1.3%	1.3%	1.2%	1.1%	1.1%
Population WA	1.7%	1.6%	1.6%	1.2%	1.1%	1.1%	1.0%	1.0%
Population - Mindarie Regional Council	1.6%	1.5%	1.3%	1.2%	1.2%	1.1%	1.0%	1.0%

NATIONAL ECONOMIC AND SOCIAL INDICATORS

Gross Domestic Product (GDP)	2.0%	2.3%	2.5%	2.8%	2.4%	2.5%	2.5%	2.5%
Gross State Product WA	2.0%	2.0%	2.3%	2.3%	2.1%	2.2%	2.2%	2.2%
Unemployment Australia	4.5%	4.5%	4.5%	4.3%	4.4%	4.4%	4.4%	4.4%
Unemployment Western Australia	4.0%	4.3%	4.5%	4.8%	4.4%	4.5%	4.5%	4.5%

OTHER PRICE DRIVERS

Workers Compensation Insurance	3.3%	3.3%	3.5%	3.5%	3.4%	3.4%	3.5%	3.4%
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INTEREST RATES - BORROWING AND EARNINGS

RBA Cash Management Rate	3.4%	3.3%	3.1%	3.1%	3.2%	3.2%	3.1%	3.2%
1 Month Banks' term deposits (\$10 000)	3.1%	3.0%	2.8%	2.8%	2.9%	2.9%	2.9%	2.9%
3 months Banks' term deposits (\$10 000)	4.3%	4.1%	3.9%	3.9%	4.0%	4.0%	3.9%	4.0%

Exclusions

There are projects and facilities from the Council adopted Strategic Community Plan (SCP) that are not sufficiently detailed at this stage and therefore are not included in these estimates. They will be incorporated into future plans once transparency around timing, revenue, expenditure and capital is known.

These include -

- Details of the full potential liability for site mitigation post the closure of the landfill cell,
- Potential ongoing costs for site maintenance post closure,
- The extent of staff terminations post closure of landfill site,
- Options for the Resource Recovery Facility (RRF),
- Alternative revenue streams from the Tamala Park site,
- Potential waste initiatives and other revenue generating options subject to Council endorsement.

The Corporate Business Plan (CBP) identifies a number of strategic activities to be complied in the next two years. These activities will identify the extent of the Council's financial obligations going forward.



Financial risks

These estimates are sensitive to movements on price and supply chain issues. The current rising inflation and upward moving of interest rates means the impact of price and interest drivers is far greater on upward movements, as opposed to reductions. These potential rapid upward movements create a financial risk to the MRC and the projects in these estimates.

These estimates have a negative impact arising from prices movements however, the impact of the overall position is negated as many revenue streams use CPI as the determination of increases which offsets the downside on costs. It is considered that price movements will be more volatile than interest rates.

Many of the potential projects which at this stage cannot be quantified pose a substantial financial risk to the MRC. Caution should be exercised in reducing funds from the MRC which would be required to fund a number of projects, which at this stage are excluded from these estimates. This would also ensure members do not make further contributions.

Long Term Forecasts

These estimates reflect a high-level forecast based on the 2024/25 budget and extrapolated in future years using the economic and known useful life assumptions.

Financial Strategies and Principles

The forecasts assist the MRS's SCP by advising the financial capabilities of the MRC to deliver infrastructure and services to the member's and the general public. The CBP assists in the realisation of the MRC's vision in the medium term; it details the actions, services, operations and projects the MRC will deliver within a five-year period.

Other critical informing strategies associated with this LTFP are the Asset Management and Workforce Plans.

These estimates underpin the following principles:

- Continuous improvement in the financial capacity and sustainability of the MRC through:
 - Strengthening results to ensure long term financial sustainability.
 - No use of debt
 - Accumulate funds to meet cash flow demands.
- The maintenance of a fair and equitable fee structure.
- Maintaining or improving service level standards.
- Maintenance of cash reserves for future commitments.
- Maintaining/increasing funding for asset maintenance and renewal.
- Fees and charges are determined upon an equitable basis. A key element of the financial strategy is to achieve a lower gate fee and to minimise the financial burden placed on members whilst also maintaining tight control of costs so as to achieve zero deficit year on year.

These estimates draw out issues associated with the volume of funds required to balance budgets in future years and the financial structure arising from those estimates.

Basis of Preparation

Base premise

- Land lease expires in 2031/32,
- Land fill operations are estimated to conclude in 2027/28,
- No decision has been made as to the post closure strategies, both landfill and lease at this stage,
- No estimates are available for the site rehabilitation.

Operating Revenues

Operating grants/subsidies/contributions

This revenue represents the cost recovery from members for administration costs incurred by the MRC. An offset in determining these charges is the interest earning on "municipal funds". These charges are materially reduced with the termination of the landfill site as at 2027/28.

Fees and Charges

Non-member tipping fees are estimated to conclude in 2027/28. However, it is expected that revenue from waste to energy, the processing of mattresses and other recyclable material, both members and the general public, will continue through to 2031/32.

Gas generation services

It is anticipated the current arrangements will continue through to 2031/32.

Interest earnings

Non reserve interest projections are dependent on the level of unrestricted cash and cash equivalents/other financial assets. At this stage these are maintained until 2031/32. These returns are to offset against cost in order to reduce member contributions.

Other Revenue

These revenues relate to LGIS Dividend/Insurance Rebate and Diesel Fuel Rebate. These revenues will reduce as the site is diminished.

Operating Expenditures

Employee costs

Costs post the site closure are expected to diminish 2028/29 towards the end of the existing lease. The estimates are constructed on the basis the operation will winddown by 2031/32.

Material and Contracts

A number of costs will be incurred post 2027/28 relating to recycling, waste to energy, site rehabilitation and overhead costs on administration.

Utilities, Insurance, Other expenses

These costs will continue through to 2031/32.

Depreciation/Amortisation

Depreciation expenses will continue on the asset base through to 2031/32. Amortisation of the landfill site will conclude in 2028/29. At this stage estimates have not included impaired assets arising from the change in operations over the period of the plan.

Finance/borrowing costs

This amount relates to the unwinding portion of rehabilitation provision over the period of the plan.

Net current assets

The overall financial position is usually reflected in the net current assets reported in the annual financial report. This is usually referred to as the annual surplus/(deficit) as it arises from all of the financial transactions of the MRC in any one financial year. That end result includes funds raised in the year that are not applied and carried forward (both operating and capital) into the next budget.

Subject these activities it is recommended that the Council act conservatively and defer any decision on the surplus allocation for the near future. This will ensure the Council has sufficient funds and will not be required to seek funding from the members.

Financial Statements

The following Financial Statements have been prepared for the ten years covered in this LTFP. These estimates have been prepared on the basis of the assumptions addressed previously in this document.

Statement of Comprehensive Income by Nature

Identifies the inputs by nature of the 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 makes adjustments 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 which actually occurred during the accounting period and is a better reflection of the actual business activities undertaken by the MRC. Depreciation, which is an expense charged in the Statement of Comprehensive Income, reflects the value of capital assets consumed during the accounting period.

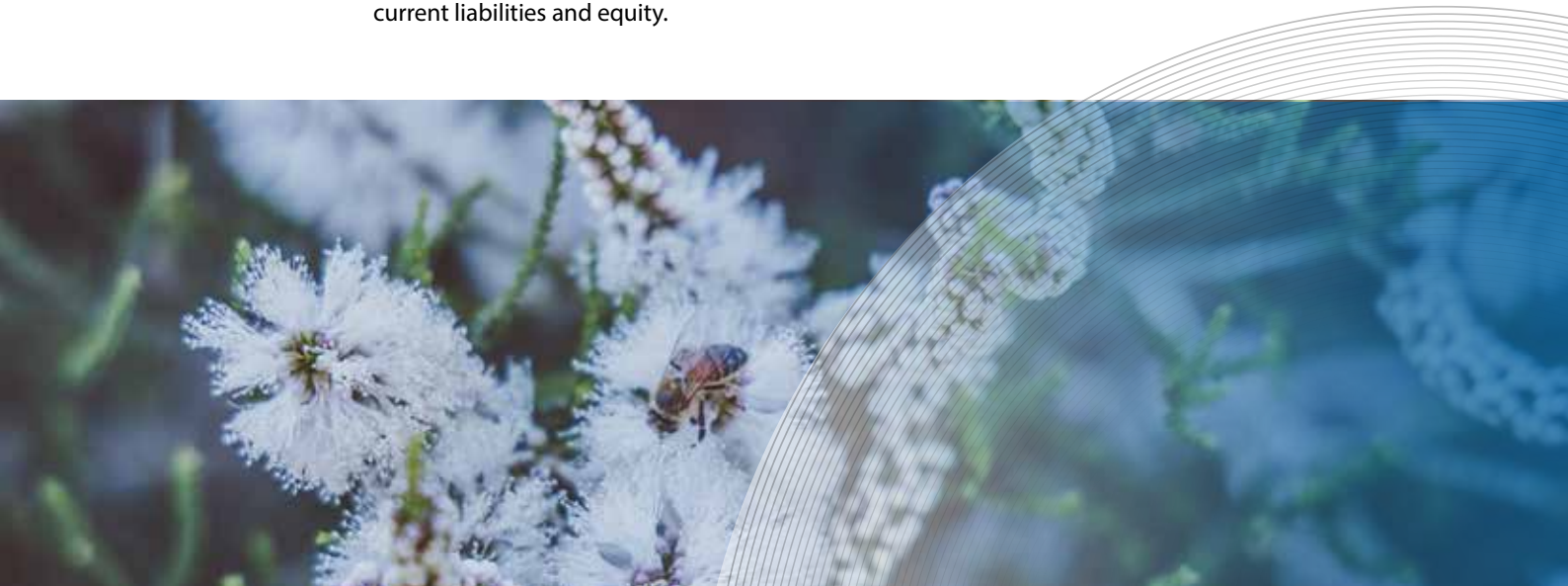
Statement of Financial Activity

This statement summarises the operating, capital, debt and reserves transactions. It utilises the same reporting procedures required formulating the MRC'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 gate fees.

Statement of Financial Position (Balance Sheet)

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

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





STATEMENT OF COMPREHENSIVE INCOME

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
REVENUES	\$	\$	\$	\$	\$	\$	\$	\$
Operating grants/subsidies/contributions	4,364,356	3,938,900	4,096,500	4,219,400	2,953,600	3,048,100	3,143,500	3,242,800
Fees and Charges	39,982,586	40,849,060	41,746,394	42,675,622	34,117,590	34,715,370	35,326,870	35,952,440
Gas generation services	800,000	820,100	840,600	861,700	883,200	905,300	927,900	951,100
Interest earnings	2,984,150	2,981,400	2,802,300	3,026,000	3,366,000	3,355,400	3,234,100	3,254,500
Other Revenue	281,556	281,500	281,500	281,500	28,200	28,200	28,200	28,200
Operating Revenue	48,412,648	48,870,960	49,767,294	51,064,222	41,348,590	42,052,370	42,660,570	43,429,040
EXPENSES								
Employee costs	(6,779,990)	(6,968,400)	(7,157,400)	(7,342,900)	(4,879,500)	(5,005,300)	(5,134,200)	(5,266,300)
Material and Contracts	(28,294,000)	(28,489,325)	(29,271,757)	(30,080,409)	(31,338,107)	(32,560,229)	(33,835,418)	(35,167,860)
Utilities (gas, elect, water)	(818,250)	(838,700)	(859,600)	(881,100)	(903,100)	(925,600)	(948,800)	(972,500)
Depreciation	(7,062,320)	(7,171,490)	(7,296,790)	(7,202,190)	(6,876,190)	(6,494,590)	(6,410,290)	(6,157,846)
Amortisation	(2,119,200)	(2,582,500)	(2,561,500)	(3,058,200)	-	-	-	-
Insurance	(665,100)	(683,500)	(700,600)	(718,100)	(507,800)	(520,400)	(533,300)	(546,400)
Finance/borrowing costs	(1,040,175)	(761,626)	(706,826)	(651,069)	(594,260)	(536,297)	(402,187)	(107,498)
Other expenses	(371,090)	(308,300)	(315,300)	(322,500)	(305,300)	(312,800)	(320,500)	(328,400)
Operating Expenses	(47,150,125)	(47,803,841)	(48,869,773)	(50,256,468)	(45,404,257)	(46,355,216)	(47,584,695)	(48,546,804)
Profit (Loss) - normal operations	1,262,523	1,067,119	897,521	807,754	(4,055,667)	(4,302,846)	(4,924,125)	(5,117,764)
OTHER								
Profit on asset disposals	527,550	-	-	-	-	-	-	-
Loss on asset disposals	(17,070)	-	-	-	-	-	-	-
	510,480	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	1,773,003	1,067,119	897,521	807,754	(4,055,667)	(4,302,846)	(4,924,125)	(5,117,764)

This statement is to be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL ACTIVITY

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
REVENUES	\$	\$	\$	\$	\$	\$	\$	\$
Operating grants/subsidies/contributions	4,364,356	3,938,900	4,096,500	4,219,400	2,953,600	3,048,100	3,143,500	3,242,800
Fees and Charges	39,982,586	40,849,060	41,746,394	42,675,622	34,117,590	34,715,370	35,326,870	35,952,440
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Interest earnings	2,984,150	2,981,400	2,802,300	3,026,000	3,366,000	3,355,400	3,234,100	3,254,500
Profit on asset disposals	527,550	-	-	-	-	-	-	-
Other Revenue	281,556	281,500	281,500	281,500	28,200	28,200	28,200	28,200
	48,940,198	48,870,960	49,767,294	51,064,222	41,348,590	42,052,370	42,660,570	43,429,040
EXPENSES								
Employee costs	(6,779,990)	(6,968,400)	(7,157,400)	(7,342,900)	(4,879,500)	(5,005,300)	(5,134,200)	(5,266,300)
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Utilities (gas, elect, water)	(818,250)	(838,700)	(859,600)	(881,100)	(903,100)	(925,600)	(948,800)	(972,500)
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Amortisation	(2,119,200)	(2,582,500)	(2,561,500)	(3,058,200)	-	-	-	-
Insurance	(665,100)	(683,500)	(700,600)	(718,100)	(507,800)	(520,400)	(533,300)	(546,400)
Finance/borrowing costs	(1,040,175)	(761,626)	(706,826)	(651,069)	(594,260)	(536,297)	(402,187)	(107,498)
Loss on asset disposals	(17,070)	-	-	-	-	-	-	-
Other expenses	(371,090)	(308,300)	(315,300)	(322,500)	(305,300)	(312,800)	(320,500)	(328,400)
Expenses	(47,167,195)	(47,803,841)	(48,869,773)	(50,256,468)	(45,404,257)	(46,355,216)	(47,584,695)	(48,546,804)
Net	1,773,003	1,067,119	897,521	807,754	(4,055,667)	(4,302,846)	(4,924,125)	(5,117,764)
Movement in Non Cash Assets/Liabilities	10,783,889	10,288,536	10,374,026	10,757,979	7,356,270	6,957,777	6,782,277	6,265,344
	12,556,892	11,355,655	11,271,547	11,565,733	3,300,603	2,654,931	1,858,152	1,147,580
CAPITAL TRANSACTIONS								
Proceeds from Sale of Non-Current Assets	1,370,000	309,495	240,395	108,917	2,749,600	155,663	-	-
Outlays on Property Plant & Equipment	(4,163,366)	(3,113,840)	(1,002,424)	(1,239,456)	(613,129)	(848,001)	(69,792)	-
Outlays on Infrastructure	(11,542,030)	(8,970,000)	(3,850,000)	(4,290,000)	(1,040,000)	(4,500,000)	(320,000)	(45,000)
Net Capital	(14,335,396)	(11,774,345)	(4,612,029)	(5,420,539)	1,096,471	(5,192,338)	(389,792)	(45,000)
RESERVE/TRUST TRANSACTIONS								
Transfers (to) Reserves	(8,054,124)	(9,745,995)	(7,579,795)	(6,524,817)	(9,218,500)	(2,031,763)	(1,675,100)	(1,614,800)
Transfers from Reserves	7,808,366	12,027,447	4,852,424	5,529,456	1,653,129	5,348,001	389,792	45,000
Net Transfers (to)/From Reserves	(245,758)	2,281,452	(2,727,371)	(995,361)	(7,565,371)	3,316,238	(1,285,308)	(1,569,800)
DEBT MANAGEMENT								
Payment of leases liabilities	(665,840)	(953,742)	(719,780)	(752,170)	(786,018)	(821,389)	(858,351)	(603,930)
Net Debt	(665,840)	(953,742)	(719,780)	(752,170)	(786,018)	(821,389)	(858,351)	(603,930)
NET CURRENT ASSETS								
1 July Surplus/(Deficit)	49,252,468	46,562,366	47,471,386	50,683,753	55,081,416	51,127,101	51,084,543	50,409,244
LESS 30 June Surplus/(Deficit)	46,562,366	47,471,386	50,683,753	55,081,416	51,127,101	51,084,543	50,409,244	49,338,094
Movement in Net Current Assets	2,690,102	(909,020)	(3,212,367)	(4,397,663)	3,954,315	42,558	675,299	1,071,150
Budget (Deficit)/Surplus	-	-	-	-	-	-	-	-

This statement is to be read in conjunction with the accompanying notes.

CAPITAL BUDGETS (CURRENT VALUES)

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
BUILDINGS	\$	\$	\$	\$	\$	\$	\$	\$
Administration Office	105,000	-	-	-	-	300,000	-	-
Master Distribution Board Upgrade	150,000	-	-	-	-	-	-	-
RECYCLING								
Roof Extension Works	15,000	-	-	-	-	-	-	-
Recycling Facility Upgrade	-	55,000	-	-	-	-	-	-
WORKSHOP								
Building Improvements	10,000	-	-	150,000	-	-	-	-
New facility	-	85,000	-	-	-	-	-	-
PLANT AND EQUIPMENT								
2 way radios	6,500	15,000	-	-	-	15,000	-	-
Air Well Leachate Extraction Pumps	60,000	-	-	-	-	-	-	-
Cardboard compactors	-	380,000	-	-	-	-	-	-
Odour monitoring units / control	80,000	-	-	-	85,000	-	-	-
INFORMATION TECHNOLOGY								
New CCTV cameras (all site CCTV)	-	-	-	125,000	-	-	-	-
Point to point Telemetry & Data System Installation	-	-	-	25,000	-	-	-	-
FURNITURE AND EQUIPMENT								
CCTV cameras/equipment	10,000	10,000	10,000	10,000	10,000	10,000	-	-
DCS Replacements	30,000	-	-	-	-	50,000	-	-
IT Systems Review	-	-	50,000	-	-	-	-	-
Replacement Laptop Computers	27,000	10,000	10,000	10,000	10,000	-	-	-
SAN Replacements	-	150,000	-	-	-	-	-	-
Server Replacements	-	-	-	-	-	125,000	-	-
UPS Replacements	-	-	-	150,000	-	-	-	-
Weighbridge Software Upgrade	150,000	-	-	-	-	-	-	-
Wi-Fi Access Point Replacements	27,866	-	-	-	-	20,000	-	-



CAPITAL BUDGETS (CURRENT VALUES)

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$	\$	\$	\$	\$	\$	\$	\$
PLANT AND VEHICLES								
P.083 Hino Bin Truck - 1EAS815	390,000	-	-	-	-	-	-	-
P.098 Toyota - Forklift	-	75,000	-	-	-	-	-	-
P.105 Compressor/Generator	-	-	-	55,000	-	-	-	-
P.110 ISUZU Fire truck (1GCY662)	-	345,000	-	-	-	-	-	-
P.113 Ford Ranger 1GDD017 (Enviro Ute)	-	42,000	-	-	-	-	-	-
P.117 CAT forklift 2.5t	85,000	-	-	-	-	-	-	-
P.120 ISUZU Bin Truck - 1GJE586	-	-	350,000	-	-	-	-	-
P.121 EPS compactor	-	60,000	-	-	-	-	-	-
P.131 Komatsu Excavator 2018-C22211	385,000	-	-	-	-	-	-	-
P.132 Komatsu Dump Truck HM300-5	-	590,000	-	-	-	-	-	-
P.133 Komatsu Loader 8 Wheel WA470	-	550,000	-	-	-	-	-	-
P.134 Komatsu Loader 8 Wheel WA470	-	550,000	-	-	-	-	-	-
P.136 Ford Ranger Fire Ute 1GVV808	-	-	-	-	55,000	-	-	-
P.137 Caterpillar 2.5T Forklift	-	80,000	-	-	-	-	-	-
P.138 Kubota Svl75-2Cw Track Loader - Skid Steer	12,000	-	-	260,000	-	-	-	-
P.139 Landfill compactor	1,500,000	-	-	-	-	-	-	-
P.140 Hyundai Palisade 75 Elite - 1HKV031 (CEO Vehicle)	-	-	87,500	-	-	90,000	-	-
P.141 Ford Ranger XLS 2021 1HMD978 (OPS Ex Manager)	-	-	82,500	-	-	86,500	-	-
P.142 Ford Ranger 2021 2.2L 1HNE625 (FIRE-UTE)	-	-	55,000	-	-	-	-	-
P.143 Ford Ranger 2021 3.2L 1HNE639 (Workshop Ute)	-	-	55,000	-	-	-	-	-
P.144 Ford Ranger 2021 2.2L 1HNE641 (Enviro Ute)	-	-	55,000	-	-	-	-	-
P.145 Ford Ranger 2021 XL 4x4 1HNE640 (Groundsman)	-	-	55,000	-	-	-	-	-
P.148 Isuzu Bin Truck (1HPY415)	-	-	-	375,000	-	-	-	-
P.150 Toyota Fortuner 2022 Reg 1HNF371 (DCS Vehicle)	-	-	82,500	-	-	86,500	-	-
P.151 Takeuchi Skid Steer Loader T110V2 (2022)	245,000	-	-	-	275,000	-	-	-
P.151e Skid Steer Bucket Replacements x 3	60,000	-	60,000	-	-	-	60,000	-
P.152 Hook lift bins	-	37,000	-	-	-	-	-	-
P.new1 Double Axle trailer	15,000	-	-	-	-	-	-	-
P.new2 New Slow Speed Shredder/Crusher	800,000	-	-	-	120,000	-	-	-

CAPITAL BUDGETS (CURRENT VALUES)

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$	\$	\$	\$	\$	\$	\$	\$
LANDFILL INFRASTRUCTURE								
Footpaths	10,000	-	-	-	-	-	-	-
Capping and revegetation of western batter	5,395,426	4,950,000	-	4,125,000	850,000	4,200,000	-	-
Installation of Piggy Back Liner	3,631,235	-	-	-	-	-	-	-
Leachate Processing Infrastructure	1,683,369	3,850,000	3,850,000	120,000	-	-	-	-
Rehabilitation Works	-	-	-	-	190,000	300,000	320,000	-
Asphalt Hardstand extension works	35,000	-	-	-	-	-	-	-

TRANSFER STATION - TAMALA PARK

Building Extensions	65,000	-	-	-	-	-	-	-
Design and Master Plan Works	200,000	-	-	-	-	-	-	-
Facility Signage Upgrade	14,000	-	-	-	-	-	-	-
Fixed Lighting Towers	30,000	-	-	-	-	-	-	-
Leachate Extraction Well Stage2 Phase 2	150,000	-	-	-	-	-	-	-
Leachate Holding Tanks and Pump Station	190,000	-	-	-	-	-	-	-
Line Marking	18,000	-	-	45,000	-	-	-	45,000
Monitoring bores - Marmion Avenue x4 New Facility	55,000	-	-	-	-	-	-	-
	-	45,000	-	-	-	-	-	-
Waste Water Treatment Replacement (Washdown Bay)	65,000	-	-	-	-	-	-	-
Wheel and Body Wash Drive through station	-	125,000	-	-	-	-	-	-
	15,705,396	12,004,000	4,802,500	5,450,000	1,595,000	5,283,000	380,000	45,000

ASSET CLASS

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$	\$	\$	\$	\$	\$	\$	\$
Buildings	280,000	140,000	-	150,000	-	300,000	-	-
Plant and Equipment	3,638,500	2,724,000	882,500	840,000	535,000	278,000	60,000	-
Furniture and equipment	244,866	170,000	70,000	170,000	20,000	205,000	-	-
Infrastructure	11,542,030	8,970,000	3,850,000	4,290,000	1,040,000	4,500,000	320,000	45,000
	15,705,396	12,004,000	4,802,500	5,450,000	1,595,000	5,283,000	380,000	45,000

STATEMENT OF FINANCIAL POSITION

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
CURRENT ASSETS	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	20,296,690	25,989,015	24,056,048	25,051,409	32,616,780	29,300,542	30,585,850	32,155,650
Trade and other receivables	3,668,003	3,668,003	3,668,003	3,668,003	3,668,003	3,668,003	3,668,003	3,668,003
Other financial assets	50,841,764	43,404,316	51,277,021	55,674,684	51,720,369	51,677,811	51,002,512	49,931,362
Inventories	23,762	23,762	23,762	23,762	23,762	23,762	23,762	23,762
Other assets	2,089	2,089	2,089	2,089	2,089	2,089	2,089	2,089
	74,832,308	73,087,185	79,026,923	84,419,947	88,031,003	84,672,207	85,282,216	85,780,866
OTHER NON CURRENT ASSETS								
Property plant and equipment	30,734,856	33,538,721	33,737,075	35,246,489	33,401,793	34,695,806	34,014,648	34,011,148
Infrastructure	66,582,987	67,112,060	62,319,435	59,420,435	56,742,735	57,596,735	55,707,660	53,140,835
Right of use assets	4,656,186	4,004,196	3,352,206	2,700,216	2,048,226	1,396,236	744,246	-
	101,974,029	104,654,977	99,408,716	97,367,140	92,192,754	93,688,777	90,466,554	87,151,983
TOTAL ASSETS	176,806,337	177,742,162	178,435,639	181,787,087	180,223,757	178,360,984	175,748,770	172,932,849
CURRENT LIABILITIES								
Trade and other payables	4,287,122	4,287,122	4,287,122	4,287,122	4,287,122	4,287,122	4,287,122	4,287,122
Lease liabilities	665,840	719,780	752,170	786,018	821,389	858,351	603,930	-
Employee related provisions	1,494,034	1,494,034	1,494,034	1,494,034	1,494,034	1,494,034	1,494,034	1,494,034
	6,446,996	6,500,936	6,533,326	6,567,174	6,602,545	6,639,507	6,385,086	5,781,156
NON CURRENT LIABILITIES								
Lease liabilities	4,541,638	3,821,858	3,069,688	2,283,670	1,462,281	603,930	-	-
Employee related provisions	460,986	460,986	460,986	460,986	460,986	460,986	460,986	460,986
Rehabilitation provisions	21,322,737	21,857,283	22,373,019	22,870,608	23,350,688	23,813,875	24,185,862	24,293,360
	26,325,361	26,140,127	25,903,693	25,615,264	25,273,955	24,878,791	24,646,848	24,754,346
TOTAL LIABILITIES	32,772,357	32,641,063	32,437,019	32,182,438	31,876,500	31,518,298	31,031,934	30,535,502
NET ASSETS	144,033,980	145,101,099	145,998,620	149,604,649	148,347,257	146,842,686	144,716,836	142,397,347
EQUITY								
Retained surplus	(22,691,395)	(19,342,824)	(21,172,674)	(18,562,006)	(27,384,769)	(25,573,102)	(28,984,260)	(32,873,549)
Council Contributions	89,085,726	89,085,726	89,085,726	89,085,726	89,085,726	89,085,726	89,085,726	89,085,726
Reserves	23,610,129	21,328,677	24,056,048	25,051,409	32,616,780	29,300,542	30,585,850	32,155,650
Revaluation reserves	54,029,520	54,029,520	54,029,520	54,029,520	54,029,520	54,029,520	54,029,520	54,029,520
	144,033,980	145,101,099	145,998,620	149,604,649	148,347,257	146,842,686	144,716,836	142,397,347

CASH BACKED RESERVES

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

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
SITE REHABILITATION RESERVE	\$	\$	\$	\$	\$	\$	\$	\$
to be used to fund the rehabilitation following the closure of the landfill.								
Opening Balance	18,102,528	19,453,141	20,767,041	22,090,641	23,451,341	24,683,741	25,832,141	26,988,341
Interest earnings	612,326	573,900	583,600	620,700	682,400	708,400	736,200	771,900
Transfers to	738,287	740,000	740,000	740,000	740,000	740,000	740,000	740,000
Transfers from	-	-	-	-	(190,000)	(300,000)	(320,000)	-
	19,453,141	20,767,041	22,090,641	23,451,341	24,683,741	25,832,141	26,988,341	28,500,241

CAPITAL EXPENDITURE RESERVE

to be used to fund ongoing capital expenditure requirements.

Opening Balance	4,749,771	3,628,273	17,321	1,405,792	1,024,753	7,341,024	2,859,386	2,971,094
Interest earnings	316,868	107,000	500	39,500	29,800	210,700	81,500	85,000
Transfers to	6,370,000	8,309,495	6,240,395	5,108,917	7,749,600	355,663	100,000	-
Transfers from	(7,808,366)	(12,027,447)	(4,852,424)	(5,529,456)	(1,463,129)	(5,048,001)	(69,792)	(45,000)
	3,628,273	17,321	1,405,792	1,024,753	7,341,024	2,859,386	2,971,094	3,011,094

CARBON ABATEMENT RESERVE

to be used to fund carbon abatement projects.

Opening Balance	512,072	528,715	544,315	559,615	575,315	592,015	609,015	626,415
Interest earnings	16,643	15,600	15,300	15,700	16,700	17,000	17,400	17,900
Transfers to	-	-	-	-	-	-	-	-
Transfers from	-	-	-	-	-	-	-	-
	528,715	544,315	559,615	575,315	592,015	609,015	626,415	644,315

SUMMARY

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$	\$	\$	\$	\$	\$	\$	\$
Opening Balance	23,364,371	23,610,129	21,328,677	24,056,048	25,051,409	32,616,780	29,300,542	30,585,850
Interest earnings	945,837	696,500	599,400	675,900	728,900	936,100	835,100	874,800
Transfers to	7,108,287	9,049,495	6,980,395	5,848,917	8,489,600	1,095,663	840,000	740,000
Transfers from	(7,808,366)	(12,027,447)	(4,852,424)	(5,529,456)	(1,653,129)	(5,348,001)	(389,792)	(45,000)
	23,610,129	21,328,677	24,056,048	25,051,409	32,616,780	29,300,542	30,585,850	32,155,650

Summary

The MRC's forward estimates are a planning tool that has been developed to map and maintain the financial sustainability of the MRC into the future. It is a mechanism in determining financial projections for the period 2024/25 to 2031/32.

It has been prepared based on a number of objectives and assumptions that are outlined in this document. Strategies, priorities, issues, and risks are all dynamic influences in relation to any planning and as such the estimates are reviewed and adjusted annually to reflect material changes.

Consideration has been given to the economic drivers that will influence the future cost of providing infrastructure, facilities and services for the period 2024/25 to 2031/32. The values disclosed in this LTFP (unless otherwise stated) represent estimated future prices and costs.

The long-term financial estimates are an integral part of MRC's strategic planning process, informing the CBP which activates SCP objectives. It indicates the MRC's long-term financial sustainability, allows early identification of financial issues and their longer-term impacts.

The purpose of these estimates presents a financial analysis of all strategic objectives and strategies set out in the integrated planning framework documents over the eight-year period.

These estimates address the operating and capital needs placed on the MRC over the next 8 years. It also shows the linkages between specific plans and strategies and enhances the transparency and accountability of the MRC's to its members.

This LTFP is sensitive to movements on price and supply. Increasing inflation and interest rates means the impact of price and interest drivers is far greater on upward movements, as opposed to reductions. These potential rapid upward movements create a financial risk to the MRC and the projects in this LTFP. These estimates have an adverse impact arising from price movements however, the impact of the overall position is negated as many revenue streams use CPI as the determination of increases which offsets the downside on costs.

The LTFP shows a balanced budget for each financial year, shown in Statement of Financial Activity. The net operating result, shown in the Statement of Comprehensive Income, shows a positive result to 2027/28. Post 2027/28 arising from loss of revenues against rising costs, and depreciation on property, plant and equipment. It should be noted that these estimates do not include alternative revenue streams that would reverse these outcomes.



This LTFP represents a financial option to meeting the competing demands of services and facilities to its members and the general public.

There are projects and facilities from the Council adopted Strategic Community Plan (SCP) that are not sufficiently detailed at this stage and therefore are not included in these estimates. They will be incorporated into future plans once transparency around timing, revenue, expenditure and capital is known. These include -

- Details of the full potential liability for site mitigation post the closure of the landfill cell,
- Potential ongoing costs for site maintenance post closure,
- The extent of staff terminations post closure of landfill site,
- Options for the Resource Recovery Facility (RRF). Food Organic Green Organics tender under consideration,
- Alternative revenue streams from the Tamala Park site,
- Potential waste initiatives and other revenue generating options subject to Council endorsement.

The LTFP will be continuously reviewed to reflect the prevailing economic conditions and evolving demands. These will include the quantification of the items detailed above, as decisions and information are forthcoming.

At the time of compiling this report the world is seeing the economic consequences of the pandemic and the “recovery” of the global economies remains an unknown factor. Supply chain issues will increase the financial risks now and in the immediate future.

The MRC’s activities are subject to a variety of risks that have been considered in preparing these estimates. Users of this information should be aware that there are inherent risks associated with the outcomes reported, as circumstances (i.e., change in legislative requirements) may bring about changes that could materially affect the outcome and projected results of the estimates.

These estimates are set against economic uncertainty and will be reviewed every 12 months to reflect the prevailing economic conditions and demands placed on the MRC. Consideration has been given to the economic drivers that will influence the future cost of providing infrastructure, facilities and services for the period 2024/25 to 2031/32. The values disclosed in this LTFP (unless otherwise stated) represent estimated future prices and costs.









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