



Shire of  
**Dalwallinu**

*Place of wheat and wattle*

## **Strategic Resource Plan**

2020 - 2035

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# 1.0 Foreword

We are pleased to present the Shire of Dalwallinu Strategic Resource Plan for 2020 - 2035.

This Plan is part of the Shire's ongoing commitment to an integrated approach to planning for the District's future. Despite the current uncertain times, it provides the Council and the community with a picture of the Shire's long term financial and asset management circumstances and assists us to meet our strategic outcomes and objectives, both during and beyond the COVID-19 Pandemic.

The Shire will encounter many challenges and opportunities over the next 15 years. Changes in population levels and demographics bring with them changing community needs and expectations. The Council will require a clear understanding of its capacity to meet these service expectations as it maintains a strong focus on sound financial management.



Council welcomes community participation in the planning process as we develop the strategic direction for a promising future of our district. We invite members of the community to contact a Councillor or Senior Council staff member if they have any questions.

The Shire of Dalwallinu's Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Dalwallinu Strategic Community Plan 2017-2027. The Strategic Community Plan is currently under major review, which may result in new strategies and direction.

This Plan will be used with the Corporate Business Plan and Workforce Plan to achieve our goals and drive the Shire in achieving its vision of "Social and economic stability and well planned sustainable towns. A high standard of living, promoting business growth and nurturing agriculture in balance with the environment. A place of opportunity, acceptance of all people, strong health/aged care, educational services and a community favourable to extend families".

The Shire has recently devoted significant resources to improving its strategic planning. This work continues as we constantly seek to improve our systems and service delivery.

Steven Carter  
President

Jean Knight  
Chief Executive Officer

## 2.0 Key Information

### ASSUMPTIONS



**1.5%**  
Inflation Rate



**Stable**  
Population



**Stable**  
Levels of Service



**Stable**  
Operations



**Balanced**  
Annual Budget



**2% from 2021-22 →**  
(0.5% + CPI 1.5%)

Rates | Fees and Charges  
**\*No increase in 2020-21 due to COVID-19**



**0.0%**  
Employee Costs

### STATISTICS <sup>1|2</sup>



**8**  
Elected  
Members



**33**  
Employees



**804**  
Electors



**635**  
Dwellings



**250km**  
Distance from  
Perth



**7,224km<sup>2</sup>**  
Area



**1,429**  
Population

### FINANCIAL INFORMATION<sup>3</sup>

**\$3,204,366**  
Rates Revenue

**\$1,276,962**  
Fees and Charges

**\$8,426,729**  
Operating Revenue

**\$11,920,611**  
Operating Expenditure

**\$313,331,392**  
Net Assets

**\$2,892,808**  
Cash Backed Reserves

**\$3,459,413**  
Long Term Borrowings

<sup>1</sup>WALGA Online Local Government Directory 2019/2020, Shire of Dalwallinu

<sup>2</sup>Australian Bureau of Statistics Dalwallinu (S) (LGA2520) 2016 Census of Population and Housing, viewed 30 October 2020

<sup>3</sup>Shire of Dalwallinu 2018-19 Annual Financial Report

## 3.0 Executive Summary

The following information provides a brief summary of the Strategic Resource Plan 2020 - 2035, this should be read in conjunction with the underlying assumptions detailed in this Plan.

### 3.1 Planning for a Sustainable and Stable Future

The Shire of Dalwallinu is planning for a positive and stable future, despite the current uncertainty arising from COVID-19. The Shire seeks to maintain, and where possible, improve service levels into the future while ensuring a healthy financial position.

Long term maintenance and renewal of the Shire's infrastructure remains a significant challenge and requires external funding to ensure the economic and social benefits of the Shire's infrastructure to the broader region and Western Australia are not impacted.

### 3.2 Significant Issues

The continued provision of community infrastructure remains one of the key priorities and major expenditure items for the Shire.

Road maintenance and road renewal remain a high priority for the Shire due to the strategic economic benefit the road network provides to the district.

Adequate maintenance, renewal and upgrading of the road network remains highly dependent on the receipt of external grants and contributions. Construction of aged care units is planned for year 5 of the Plan, subject to receipt of grant funding.

Due to the current world-wide COVID-19 Pandemic, and the subsequent restrictions put in place by the Federal and State Governments, the economic forecast has an increased level of uncertainty. In line with the State Government's direction, the Shire of Dalwallinu has not increased rates or fees and charges revenue in 2020/21.

Rate revenue is forecast to increase by 2.0% (CPI 1.5% + 0.5%) from 2021/22 for the duration of the Plan. These increases are to assist in the long term financial stability of the Shire and to increase the level of services to the community. These will be reviewed in the future once the impacts of the COVID-19 Pandemic are more apparent.

### 3.3 Forecast Capital Projects

A capital works program has been planned over the term of the Plan with a mixture of new/upgrade assets and asset renewals aimed at ensuring the continued provision of high quality community infrastructure to residents of the Shire. External funding is required to undertake these works.

Project by Asset Class	2020 - 2035 Amount (\$)
<b>New/Upgrade</b>	
Buildings	1,015,000
Infrastructure - other	2,320,000
Land - freehold land	1,548,927
<b>New/Upgrade Total</b>	<b>4,883,927</b>
<b>Renewal</b>	
Buildings	1,973,505
Furniture and equipment	9,750
Plant and equipment	10,149,939
Infrastructure - roads	37,033,473
Infrastructure - footpaths	380,700
Infrastructure - other	566,779
Land - freehold land	121,983
<b>Renewal Total</b>	<b>50,236,129</b>
<b>Grand Total</b>	<b>55,120,056</b>

# 4.0 Community Profile

## 4.1 Location

The Shire of Dalwallinu is located approximately 254kms from Perth CBD and covers an area of some 7,224 square kilometres.

There are five gazetted townships in the Shire, Dalwallinu (where the Shire offices are located), Kalannie 54km to the East, Wubin 20km to the north of Dalwallinu, Buntine 16km north of Wubin and Pithara 13kms south of Dalwallinu.

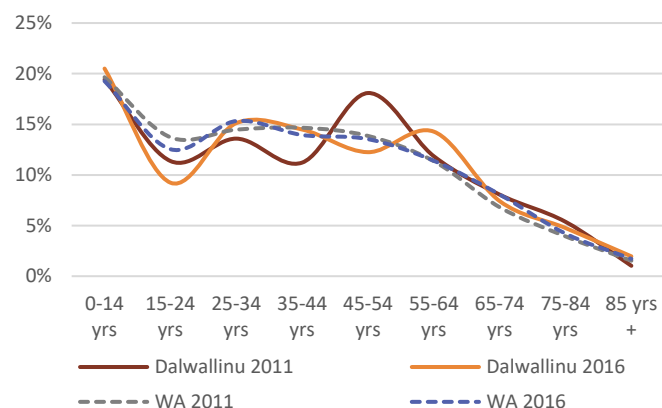
The Shire of Dalwallinu borders the Shires of Yalgoo, Perenjori, Wongan - Ballidu, Koorda, Moora and Coorow.

## 4.2 People

The following statistics reflect the Shire's population in comparison to the population of the state of Western Australia.

Population	2011		2016
Dalwallinu	1266	↑	1429
WA	2.35m	↑	2.47m

The chart below shows the percentage of the total population for each age group with the dotted lines reflected WA as a whole and the solid lines the population of the Shire of Dalwallinu. The orange and brown lines reflect the growth in the population aged between 25 and 40 between the two Census years, 2011 and 2016.



## 4.3 Vision

The Shire's strategic vision:

*Social and economic stability and well planned sustainable towns.*

*A high standard of living, promoting business growth and nurturing agriculture in balance with the environment.*

*A place of opportunity, acceptance of all people, strong health/aged care, educational services and a community favourable to extend families.*

### Strategic Objectives

Our vision will be achieved by:

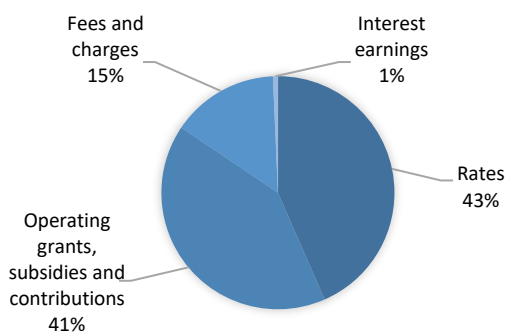
- Consolidation of current facilities
- Multi-functional and flexible facilities
- Working together through partnerships, teamwork, and collaboration
- Maintaining a holistic approach to planning
- Being realistic in our endeavours

# 5.0 Long Term Financial Planning Overview

## 5.1 Forecast Revenue

Rates are expected to remain at current levels in 2020/21 and generate \$3.27m before gradually increasing to \$4.31m in 2034/35 and comprise 43% of operating revenue over the term of the Plan. The Shire is reliant on receiving more than \$53.39m over the next 15 years in operating grants, subsidies and contributions to maintain the current level of operations and services. Non operating grants are expected to remain stable for road renewal.

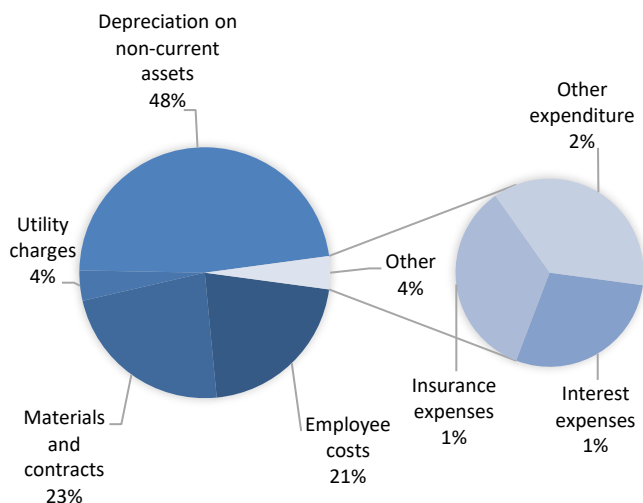
## 5.2 Revenue Composition Year 1 to 15



## 5.3 Forecast Expenditure

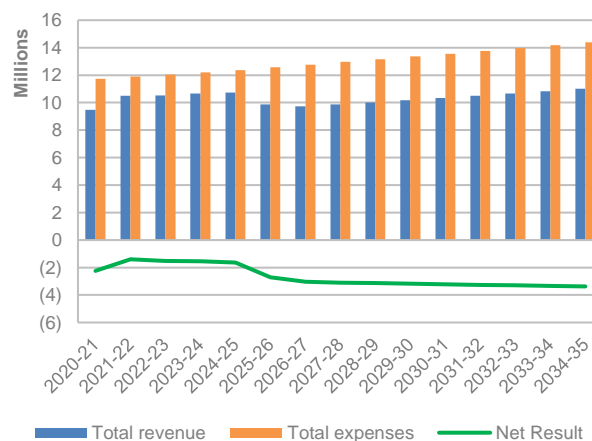
Expenditure is forecast to increase in line with inflation with the exception of depreciation expense which is impacted by the addition of assets over the term of the Plan.

## 5.4 Expenditure Composition Year 1 to 15



## 5.5 Net Result

The chart below reflects in the columns the steady increase in operating revenue and expenditure forecast over the 15 years, with the green line reflecting the net result.



A negative net result over the long term indicates net asset values will decline as depreciation expenses erode asset values. This may be masked by continuous revaluation of assets. Improved asset funding or changes to expected useful life of assets as they are better understood may address the negative net result.

## 5.6 Depreciation Expense

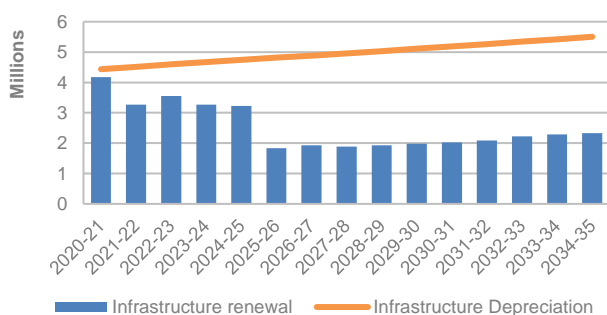
Ideally, the average asset renewal should be in line with depreciation expense over the long term, to ensure the value of assets is maintained. On average, the Shire is planning to renew its infrastructure assets at a lower level than they are depreciating over the term of the Plan.

Where the planned asset renewals are lower than depreciation, the written down value of these assets will decrease over time as depreciation erodes the value of the assets. Revaluation of assets in line with inflation may mask a real decrease in value where planned asset renewals are lower than depreciation.

## 5.0 Long Term Financial Planning Overview (Continued)

### 5.7 Infrastructure Depreciation Expense -V- Asset Renewal Expenditure

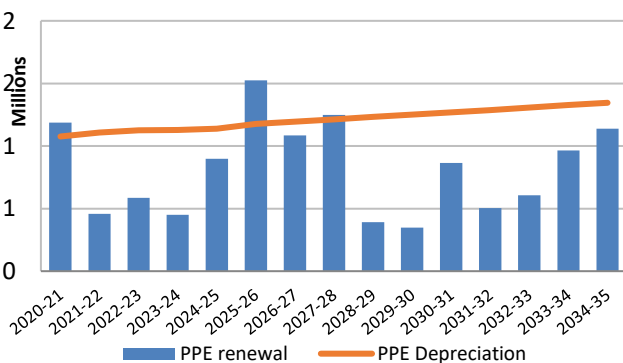
Depreciation expense increases throughout the Plan from \$5.5 m in year 1 to \$6.8 m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$74.5m, shown by the orange line in the chart below. The planned level of infrastructure asset renewal expenditure at \$38.0m (reflected by the blue columns) is over the term of the Plan below the level of depreciation.



Further review of asset useful lives for infrastructure assets is required as changes in construction of road pavements providing a longer useful life. Changes in future road funding will directly impact the level of future infrastructure renewals.

### 5.8 Property, Plant and Equipment Depreciation Expense -V- Asset Renewal Expenditure

Planned property, plant and equipment asset renewals of \$12.3m (reflected by the blue columns) over the 15 years is less than the depreciation expense of \$18.2m (reflected by the orange line) over the same period as shown in the chart below.



Further improvements in asset management data and the estimation of depreciation expense along with the future renewal of long lived assets may result in a closer alignment between asset renewals and depreciation expense.

### 5.9 Maintenance Expenditure

The current maintenance expenditure allocated in the annual operating budget is expected to continue at current levels, with inflationary increases occurring each year.

### 5.10 Forecast Borrowings and Cash Reserves

In general, the finances of the Shire are expected to improve over the long term. Borrowings are planned to be taken up in 2021/22 (\$0.5m), 2022/23 (\$1.1m) and 2025/26 (\$0.7m) to fund sewerage upgrades and asset replacements.

Reserves will be utilised initially for forecast asset renewals and then accumulate in the later years to fund asset renewals beyond the term of the Plan, resulting in the variations in reserve levels (blue columns) in the chart below.



This is part of the Shire's strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available. The strategy also includes the use of cash backed reserves to save for significant future asset renewal spikes.

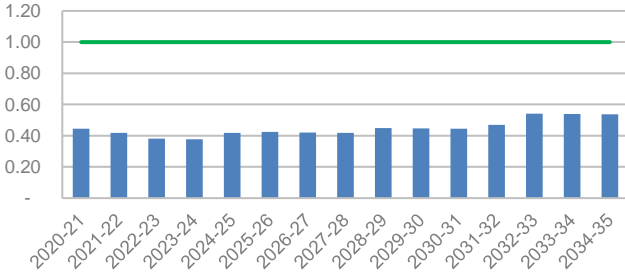


# 5.0 Long Term Financial Planning Overview (Continued)

## 5.11 Forecast Operating Ratios 2020 - 2035

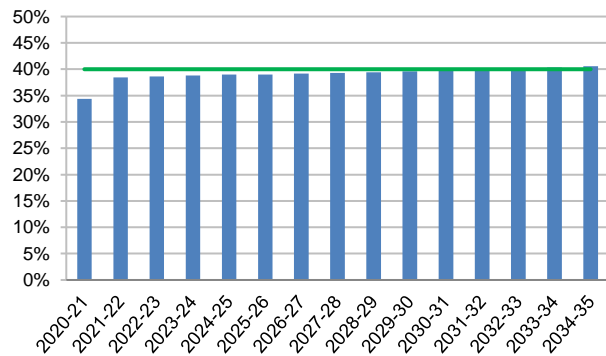
Monitoring the Shire’s financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The green line reflects the Department of Local Government, Sport and Cultural Industries’ (the Department) minimum target level of the ratio.

Current Ratio



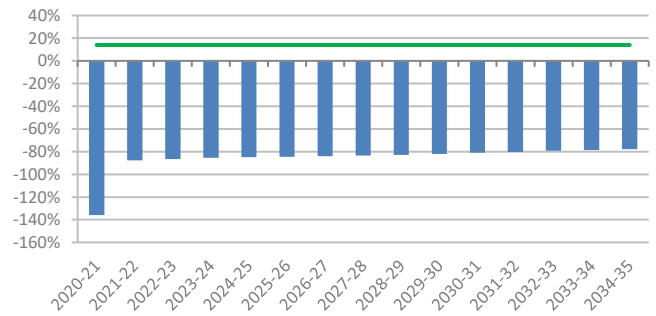
As expected for a Shire with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0. The trend is not considered to indicate a threat to the Shire’s long term financial position.

Own Source Revenue Coverage Ratio



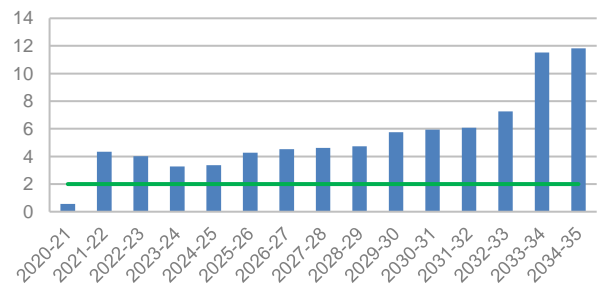
The ratio is below the target in the initial years, indicating the Shire is overly reliant on grants and contributions.

Operating Surplus Ratio



The ratio above highlights the Shire does not raise enough revenue from normal operations to cover depreciation expense. Whilst non-operating grants for the renewal of assets may address some of this deficiency, this is insufficient over the long term. The cumulative impact of the rates increases above inflation are intended to address the Operating Surplus Ratio however, significant rate increases would be required to fully address the issue.

Debt Service Cover Ratio



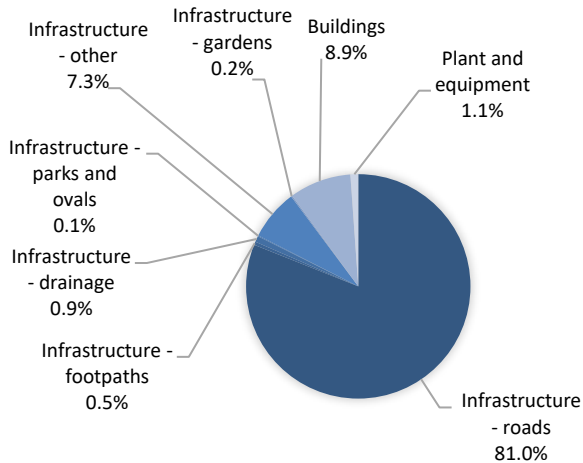
The ratio indicates the Shire has a limited capacity to take up borrowings during the initial years of the plan, if required, beyond those modelled in the Plan during the initial years of the Plan.

An explanation of all ratios is provided at Section 11.0.

# 6.0 Asset Management Planning Overview

## 6.1 Key Asset Information

The Shire controls an asset network with a written down value of \$310m, of which Roads and Buildings constitute the largest component values as reflected in the chart below.



## 6.2 Asset Management Policy

The purpose of an asset management policy is to:

- Provide a framework for the sustainable management of the Shire's asset portfolio;
- Ensure an organisation wide and inclusive approach is taken to asset management; and
- Ensure adequate provision is made for the maintenance and replacement of assets in accordance with the assessed levels of service.

The asset management policy is intended to provide clear direction in relation to the Council's expectations for the sustainable management of its assets and applies to Elected Members, Employees and Contractors/Consultants engaged by the Shire.

## 6.3 Asset Management Strategy

Developing an asset management strategy is a planned process of continuous improvement across all its components. Key improvements for each class of asset are discussed at the end of each section in Appendix A.

When planning for the future renewal of Shire assets, a condition-based estimation of remaining useful life was applied (where possible) as it was viewed as the most appropriate methodology. Where condition information was unavailable, an age based estimation of remaining useful life was applied.

Modelling was undertaken to determine the long term funding required for asset maintenance and renewal. By adjusting the estimated useful life of assets, the balance between the risk of loss of asset service and the financial costs of asset renewal and maintenance was determined.

Detailed long term planning is required for the renewal of building assets due to the scale of expenditure in relation to these assets and the likelihood of usage/design upgrades when renewal occurs. Unfortunately, planning for the renewal of long lived assets carries with it a high level of uncertainty. This is due to the vagary associated with the allocation of future external contributions and the potential for a sudden and unexpected change in grant funding.

It is important to note, capital works identified in this Plan funded by external contributions may be postponed or reduced in scale should external funding not eventuate. Postponing asset renewal past forecast estimated useful life and an optimum intervention point increases the risk associated with sudden unexpected asset failure bringing with it the potential for a loss of service.

Recognising a proportion of assets have been constructed with the assistance of external financial contributions, the Shire seeks to, within its financial capacity, maintain these assets into the future. A strategy of alignment of estimated asset useful lives with the forecast financial capacity aims to ensure the long term affordability of Shire assets. By focusing resources and efforts on a small number of key critical assets, the Shire has achieved its targeted asset management outcomes, integrated with financial planning within its forecast financial capacity based on an annual rate increase of 2% (CPI of 1.5% + 0.5%) from year 2 of the Plan onwards.

## 6.4 Level of Service

The level of service for roads, at its most basic, is reflected in the speed and weight ratings across the road network. As a measure, the lengths of sealed and unsealed road for each speed and weight rating is viewed as the most appropriate indicator of the level of service of the road network and will continue to be monitored into the future.

Level of service measures are defined for most asset classes within Appendix A.

## 6.0 Asset Management Planning Overview (Continued)

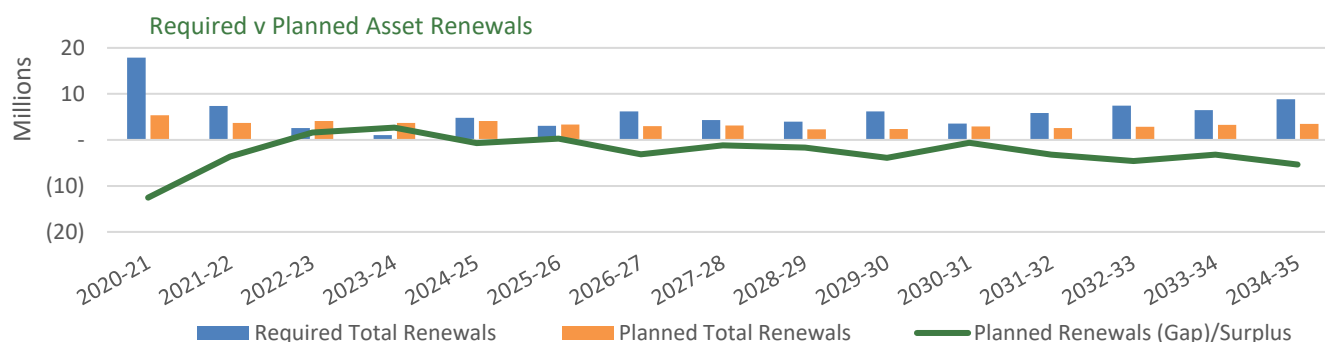
### 6.5 Financial Management Strategy for Assets

Based on the 2018/19 Annual Financial Statements and 2019/20 Annual Budget, a financial baseline was determined for operating revenue and expenditure. Modifications to this baseline were made initially in year 1 to align to the 2020/21 Annual Budget, and subsequently for the remaining term of the Plan to predict forecast changes in operating revenue and expenditure.

Impacts of the COVID-19 Pandemic have created a large amount of uncertainty. Should the need arise for additional funding to meet the impacts of COVID-19 these will be drawn from Reserves. Structuring operational revenues and expenditure to ensure adequate provision for asset renewal into the future is a cornerstone of the Shire's overall financial strategy. To achieve this strategy, rate increases marginally higher than the consumer price index (CPI) are forecast to occur combined with the maintenance of operating expenditure in line with the CPI forecast.

Forecast planned asset renewals for the term of the Plan, along with the forecast required asset renewals to maintain services in the future are shown as columns in the chart below with the values in the table on the right. Forecast asset renewals requirements are arrived at based on current estimates of replacement cost and remaining useful life of each asset, assessed from the asset's condition or age. The Shire is planning for renewal of all assets at the end of their useful life, except for buildings. Buildings are to be maintained so they may be used beyond their standard useful life. Further useful life information is required for road assets to better determine the remaining useful life of road assets.

The annual budget cycle and resource limitations result in differences between the planned and required renewal expenditure, referred to as an asset renewal funding surplus/(deficit). The asset renewal funding surplus/(deficit) representing the difference between the planned and required asset renewals is represented by the line in the chart below with values provided in the table to the right.



### 6.6 Forecast Planned and Required Asset Renewals

Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/ (Deficit) \$
2020-21	5,363,165	17,912,558	(12,549,393)
2021-22	4,221,101	7,356,284	(3,635,183)
2022-23	4,139,421	2,572,058	1,567,363
2023-24	3,713,248	1,037,297	2,675,951
2024-25	4,122,204	4,824,495	(702,291)
2025-26	2,660,720	3,068,498	292,222
2026-27	3,009,732	6,168,151	(3,158,419)
2027-28	3,132,274	4,315,318	(1,183,044)
2028-29	2,316,829	3,954,598	(1,637,769)
2029-30	2,332,619	6,219,150	(3,886,531)
2030-31	2,890,737	3,520,701	(629,964)
2031-32	2,589,872	5,814,344	(3,224,472)
2032-33	2,831,747	7,450,992	(4,619,245)
2033-34	3,248,284	6,471,053	(3,222,769)
2034-35	3,464,176	8,808,234	(5,344,058)
<b>Total</b>	<b>50,036,129</b>	<b>89,493,733</b>	<b>(39,257,604)</b>

A number of assumptions and estimates have been utilised in arriving at these values and actual events may vary significantly from those provided.

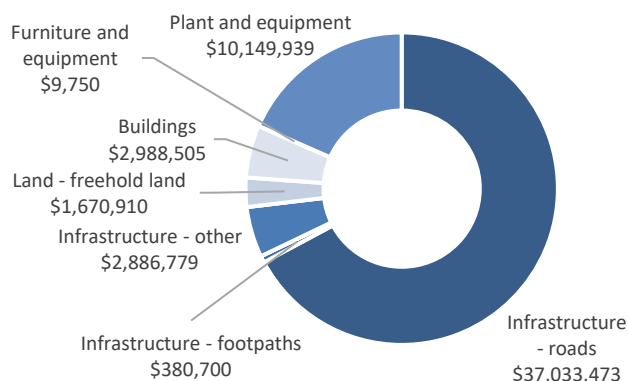
As assets approach their initial estimated asset renewal, the timing and need for renewal will be re-assessed and may well vary, enabling the reallocation of limited resources between asset classes and between years through the use of cash backed reserves.

# 6.0 Asset Management Planning Overview (Continued)

## 6.7 Planned Asset Expenditure

Renewal asset expenditure of \$50.2m has been planned as per the previous table. New, upgrade or expansion of asset of \$4.8m are planned.

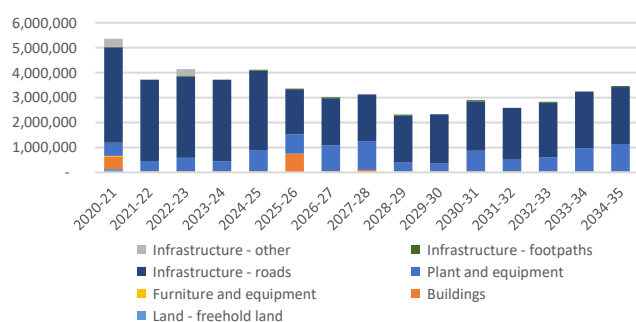
## 6.8 Planned Capital Expenditure 2020 - 2035



## 6.9 Planned Asset Renewal

Planned asset renewal expenditure has been determined by allocating the expected funds available for capital expenditure. Allocation of these funds between the various asset classes was undertaken to best match the required asset renewal expenditure. The timing and level of planned asset renewal expenditure for each asset class is summarised in the chart below.

## 6.10 Planned Asset Renewal Expenditure by Class



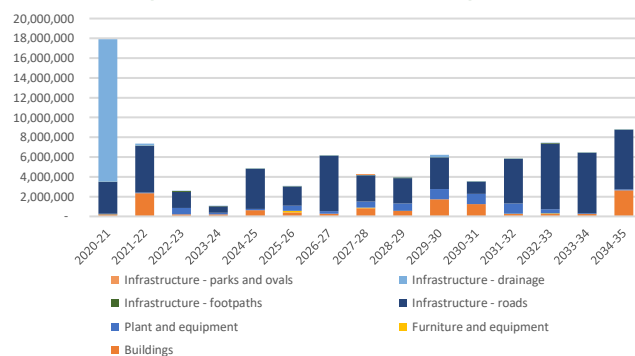
Planned asset renewals by asset class over the 15 years of the Plan, reflected in the chart above, shows the major renewal spend relates to roads and plant and equipment.

## 6.11 Required Renewal Expenditure

Asset renewal expenditure for the road network has been estimated based on road conditions and forecast usage. For other asset classes, forecast asset renewals have been based on the age of the assets and their estimated remaining useful life (determined during recent revaluations) combined with the current replacement costs.

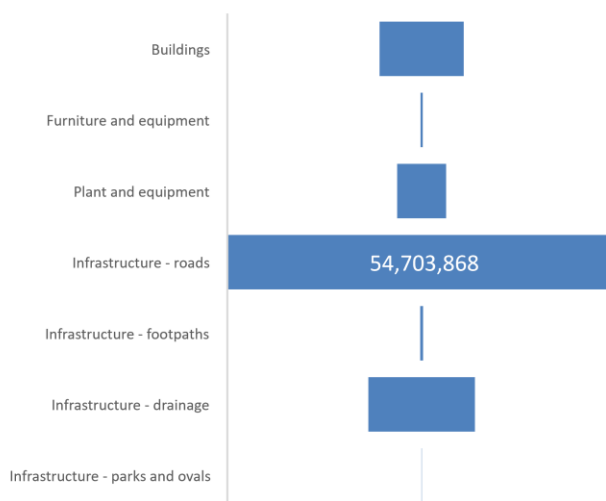
Asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$77.6m are forecast to be required over the 15 years of the Plan.

## 6.12 Required Asset Renewal Expenditure



## 6.13 Required Asset Renewal Expenditure by Asset Class

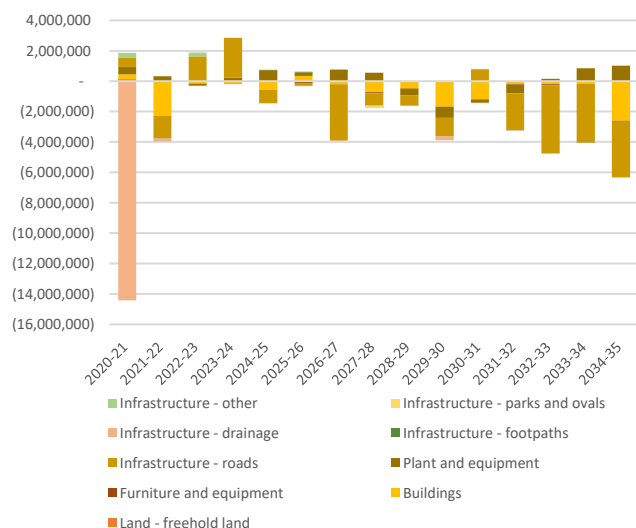
Renewal of roads dominate the forecast required asset renewals.



# 6.0 Asset Management Planning Overview (Continued)

## 6.14 Asset Renewal Funding Surplus/(Gap)

Differences between the forecast planned and required asset renewals for each asset class over the 15 years of the Plan exist, as shown in the chart below.



## 6.15 Upgrade/New Expenditure

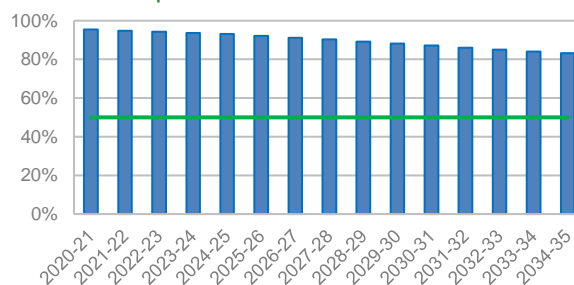
Upgrades to infrastructure are planned to occur over the next 15 years in response to community expectation. Where funds are available after undertaking essential renewal works, funds will be utilised for improvement and new works. Detailed annual planning will be undertaken for asset upgrade/new expenditure prior to each project.

Asset expenditure for upgrade/new assets modelled over the 15 years of the Plan are shown in the table below.

Year	Project	Expenditure
2021-22	Sewerage Upgrade	\$320,000
2022-23	Sewerage Upgrade	\$1,100,000
2023-24	Sewerage Upgrade	\$400,000
2020-21	Bell Street Subdivision	\$1,548,927
2021-22	Stormwater harvest dam	\$500,000
2021-22	Housing replacement	\$500,000
2022-23	Solar Upgrade	\$15,000
2025-26	Kindergarten	\$500,000
		<b>\$4,883,927</b>

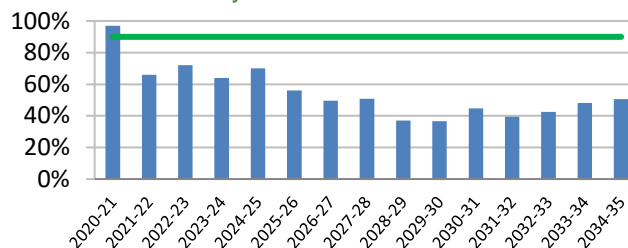
## 6.16 Forecast Asset Ratios 2020 - 2035

### Asset Consumption Ratio



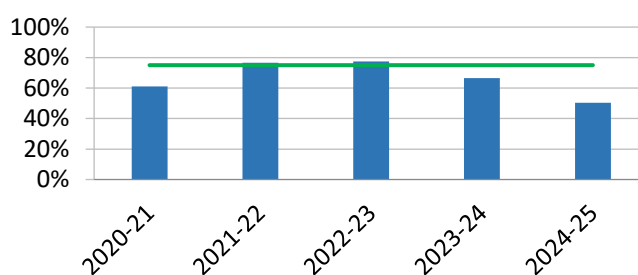
The asset consumption ratio is above the target range and remains so throughout the term of the Plan, though the average age of assets declines over the term of the plan due to assets not being renewed in line with depreciation expense.

### Asset Sustainability Ratio



The ratio highlights how asset renewal expenditure relative to depreciation fluctuates as expected. The ratio average is below the guideline level and indicates the Shire is generally not renewing assets in line with their forecast depreciation expense due to the average useful life of assets exceeding the 15 years of the Plan and road asset depreciation requiring further review.

### Asset Renewal Funding Ratio



The ratio is below the target in year 1, with the initial 10 years of planned asset renewal expenditure being below required asset renewal expenditure as set out in this Plan. Further improvements in forecasting the remaining useful lives of assets may result in an improvement in this ratio.

# 7.0 Scenario Modelling

## 7.1 Scenario Modelling

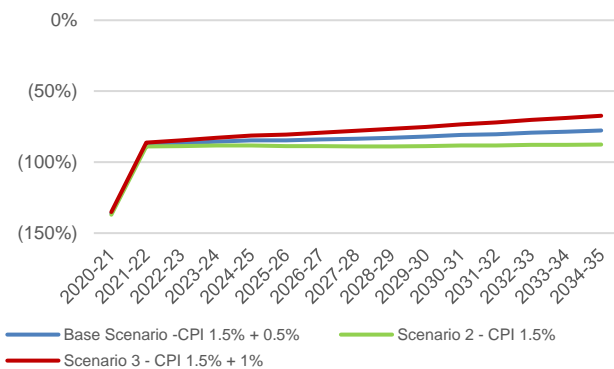
Scenarios were developed to test the financial impact of reduced levels of operating funding with modelling for the impact on the Shire of various reduced funding levels.

To ascertain the effect of reduced funding levels, a base scenario was developed with a rate yield increase of 0.5% above inflation (1.5%). Two alternative scenarios were also developed from this base as reflected in the table below. All other assumptions remained the same across the three scenarios.

Scenario	Increase above CPI (1.5%)	Total Increase
Base Scenario	0.5%	2%
Scenario 2	0%	1.5%
Scenario 3	1%	2.5%

The base scenario was selected as the most appropriate and has been used for the Plan. The base scenario includes levels of rate revenue and fees and charges to ensure the current levels of service are maintained.

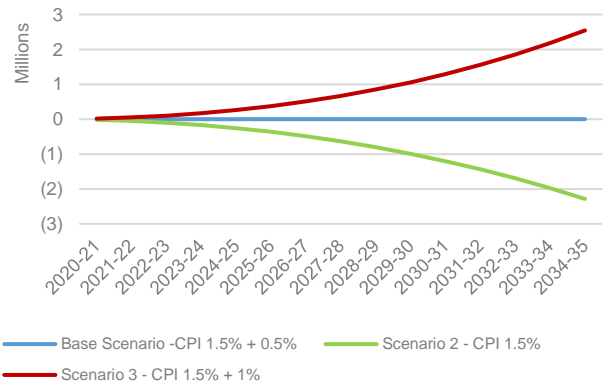
## 7.2 Scenario Comparison – Operating Surplus Ratio



The chart above shows the impact of the change in total rates yield on the Shire’s Operating Surplus Ratio (other assumptions remaining the same). The base scenario was selected as the most appropriate scenario.

## 7.3 Estimated Surplus (Deficit) June 30 Carried Forward

The following chart shows the impact of a change in total rates yield on the estimated surplus (deficit) at June 30 from the base scenario (other assumptions remaining the same).



The cumulative impact of the changes in rates along with fees and charges results in the surplus (deficit) shown in the table below.

Year	Scenario 2 CPI 1.5%	Scenario 3 CPI 1.5% + 1%
2020-21	(16,343)	16,341
2021-22	(49,525)	49,681
2022-23	(100,373)	101,022
2023-24	(169,402)	171,405
2024-25	(256,796)	261,912
2025-26	(363,178)	373,669
2026-27	(489,185)	507,846
2027-28	(635,472)	665,658
2028-29	(802,714)	848,367
2029-30	(991,601)	1,057,286
2030-31	(1,202,840)	1,293,779
2031-32	(1,437,158)	1,559,260
2032-33	(1,695,299)	1,855,199
2033-34	(1,978,027)	2,183,122
2034-35	(\$2,286,125)	\$2,544,613

# 8.0 Strategic Planning and Policies

## 8.1 Linkage with Other Plans

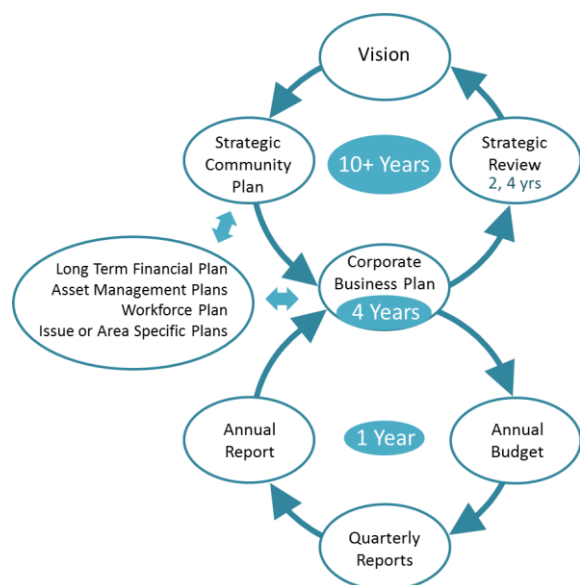
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other key strategic plans. This Strategic Resource Plan has been prepared to achieve compliance with the *Local Government (Administration) Regulations 1996*.

Development of the Plan has also been influenced by the Department's Integrated Planning Framework and Guidelines.

## 8.2 Strategic Documents Linkage

This Plan includes, and influences, other strategic planning activities as a mechanism to action the strategies contained in the Shire's Strategic Community Plan, as illustrated in the diagram below.

Diagram: Integrated Planning and Reporting Cycle<sup>1</sup>



## 8.3 Strategic Community Plan 2017 - 2027

The Strategic Community Plan has been prepared to cover a minimum period of 10 years and set out the community's vision, aspirations and objectives for the Shire. To achieve the vision, a series of priorities, objectives and strategies were developed. Many strategies may be required to achieve a single objective and many objectives needed to achieve a single priority.

Individual strategies all require actions involving extra human, physical and financial resources. Achieving the Shire's strategic priorities requires careful operational planning and prioritisation. This planning process is formalised as a Corporate Business Plan which operates on a rolling four-year basis.

## 8.4 Corporate Business Plan

The Corporate Business Plan contains details of the actions and resources (human, asset and financial) to achieve each strategy and acts as an organisational guide for the Council and management.

The financial capacity and asset management practices to support the Corporate Business Plan are set out in the Strategic Resource Plan for the period. This planning provides an assurance the actions contained in the Corporate Business Plan can be adequately resourced over the next four years and highlights the long term consequences of the application of resources to undertake various projects.

## 8.5 Workforce and Other Strategic Plans

The Workforce Plan and other strategic plans integrate with the Strategic Resource Plan through the workforce requirement for assets and financial resources along with the requirements for a workforce to manage the Shire's assets and financial resources. As far as possible, these requirements are met in the Plan.

The Shire's Workforce Plan has been considered in the development of this Strategic Resource Plan. No financial impacts are expected from the Workforce Plan, with employee costs forecast to rise in line with forecast inflation of 1.5%.

<sup>1</sup> Department of Local Government, Sport and Cultural Industries, Integrated Planning and Reporting: Framework and Guidelines, September 2016

## 9.0 Risk Management

### 9.1 Risk Management

The Shire provides a diverse range of services and facilities to the general public which exposes it to risks. As part of the implementation of Integrated Planning and Reporting, the Shire intends to formalise its risk based management practices to improve the management of identified risks.

The Shire has a practice of conducting a regular review of insurance levels of assets by the Chief Executive Officer to ensure the level is adequate. The Shire's insurer is LGIS.

The Financial Management Regulations require the investment of surplus funds (including cash reserves) to be in term deposits held by authorised deposit taking institutions or Treasury bonds.

The Shire seeks to engage experienced and qualified personnel in areas of high risk and provides them with appropriate ongoing training and equipment to ensure they are able to undertake their roles with minimal risk to the community and the Shire.

### 9.2 Certainty of Assumptions

Included in the Plan is a detailed analysis of the assumptions used as part of the planning process and the level of risk associated with each assumption.

The impact of the assumptions applied to issues identified as carrying a high risk have been separately disclosed, as has the sensitivity of movements in these assumptions on the financial forecasts set out in this Plan.

### 9.3 Sensitivity Analysis

Where an assessment has been made that a high level of uncertainty applies to the assumptions, sensitivity analysis has been used to help quantify the potential financial impact of a change in the assumption.

Assumptions with a high level of uncertainty and a higher dollar value present the greatest risk that a movement will result in unexpected and detrimental consequences. The details of this analysis are shown adjacent to each assumption on the following pages.



# 10.0 Assumptions, Risks, Uncertainties and Sensitivity

## 10.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>District Growth in Population:</b> The number of residents in the Shire is expected to remain stable.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Rates Level Increase:</b> Annual rates have been based on an increase in the total rate yield of 2% from 2021/22 onwards, being 0.5% higher than forecast inflation rate of 1.5%.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Operating Grants and Contributions:</b> Increases in line with inflation forecast.	High	The road maintenance program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$22,029 to the value of operating grants and contributions per 1% movement in the value in the first year of the Plan.
<b>Non-operating Grants and Contributions:</b> Remain in line with funding requirements identified for various capital works.	High	The forecast capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$251,783 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
<b>Fees and Charges:</b> Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Interest Earnings:</b> Interest earning of an average rate of 1.5% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Other Revenue:</b> Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Profit on Asset Disposal:</b> Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

## 10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

### 10.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Employee Costs:</b> Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Materials and Contracts:</b> Increased annually by forecast inflation.	High	The road preservation program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$446,657 to the value of materials and contracts per 1% movement in the value over the life of the Plan. A high level of uncertainty exists in relation to the costs to address impacts of the COVID-19 Pandemic.
<b>Depreciation:</b> Depreciation has been calculated using an average depreciation rate based on the estimated useful lives on individual assets.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Insurance:</b> Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Other Expenditure:</b> Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Loss on Asset Disposal:</b> A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

## 10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

### 10.3 Assets – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Revaluations:</b> In line with annual inflation.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	±\$357,408 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$3,059,907 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
<b>Impairment of Assets:</b> No impairment of assets has been assumed over the life of the Plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.	Medium	Unable to be quantified.
<b>Infrastructure Assets:</b> Expenditure has been based on historical levels escalated by inflation.	High	The capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately on service levels.	High	±\$251,783 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
<b>Property, Plant and Equipment:</b> Building expenditure is in accordance with the 10 Year Capital Plan, and plant expenditure is based on the Plant Replacement Program.	Medium	Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.

## 10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

### 10.4 Liabilities – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Borrowings:</b> New borrowings to be considered for capital works where required.	High	If the Shire is not able to secure borrowings in the future, the likely impact will be the cancellation or postponement of related asset acquisitions leading to a reduction in service levels over the short to medium term.	Low	Not assessed as high level of uncertainty.
<b>Employee Entitlements:</b> It has been assumed the Shire will be in a position to meet its obligations in relation to employee entitlements.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

# 10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

## 10.5 Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Cash Backed Reserves:</b> It has been assumed the Shire will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Revaluation Surplus:</b> Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluations of assets will have no impact on Cashflows.	High	±\$357,408 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$3,059,907 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

# 10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

## 10.6 Other – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Ownership of Strategic Assets:</b> The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
<b>Inflators:</b> Forecast inflation at 1.5% per annum.	Medium	Not assessed as high financial risk.	High	± \$1,297,315 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$1,948,755 to operating expenditure per 1% movement in the inflators over the life of the Plan.
<b>Commercial Activities:</b> The Shire has no plans to undertake a significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>General Economic Forecasts for State:</b> The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>General Economic Forecasts for Region:</b> Historically, the region's economy is heavily dependent on local industry as well as agriculture, and this remains the assumption for the term of this Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

# 11.0 Monitoring and Performance

## 11.1 Monitoring

The Plan will be the subject of a desktop review each year to consider changing circumstances, with a full revision scheduled every two years in line with the review of the Strategic Community Plan.

Monitoring the Shire's financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios.

## 11.2 Ratio Targets

A series of performance indicators, in the form of financial ratios set out in the table below, have been used to assess the financial performance of the Shire.

To maintain comparability across the industry, these ratios and their respective target ranges, have been derived from the Department's Long Term Financial Planning guidelines and *Regulation 50 of Local Government (Financial Management) Regulation 1996*.

The Department's Advisory Standard also provides target levels for each of the ratios.

Ratio	Calculation	Indication	Minimum target
Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets minus current liabilities associated with long term borrowings}}$	A measure of the Shire's immediate liquidity and the capacity to meet short term financial obligations from unrestricted current assets.	1.
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$	A measure of the extent to which own source revenues raised cover operational expenses.	1%
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$	A measure of the extent of the Shire's ability to cover costs using only discretionary revenue.	40%
Debt Service Coverage Ratio	$\frac{\text{Annual operating surplus before interest and depreciation}}{\text{principal and interest}}$	A measure of the extent of the Shire's capacity to generate sufficient cash to cover debt payments.	3
Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciation assets}}$	A measure of the aged condition of the Shire's physical assets.	50%
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$	A measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives.	90%
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$	The Shire's financial capacity to fund asset renewal to support existing service levels. (This ratio is based on the ten years forecast expenditure and as such is only able to be calculated of the first five years of the Plan).	75%

# 12.0 Improvement Plan

## 12.1 Strategic Resource Improvement Plan

All strategic plans require continuous development in order to improve the quality of planning. The following asset management areas are suggested as worthy of focus in the future.

*Road Asset data:* Road asset data requires review to better reflect the estimated remaining life of each unsealed road sector.

*Hierarchy:* A hierarchy exists for road assets and should be further developed for other asset classes.

*Level of Service:* Level of service measures were defined within the previous Asset Management Plan. No systems are currently in place to record and report against these levels of service.

*Risk Management:* Risk management is used as a decision making tool to define and treat risks facing the Shire when seeking to meet its defined objectives. The Shire is in the very early stages of utilising risk techniques. As risk management is developed, a greater understanding of risks will be formalised.

*Operation and Maintenance:* The Shire does not have a current documented Operation and Maintenance Strategy.

*Renewal and Replacement:* A key component of understanding long term asset funding requirements is determination of the extent and timing of likely costs to refurbish or replace an asset in future in order to maintain a consistent level of service to the community. Constant review and improvement to these forecasts is likely to result in improved planning outcomes.

*New, Upgrade and Disposal:* The Shire does not have a current documented Capital Investment Plan to address future asset demands or Asset Disposal Plan (other than the disposal of plant and equipment).

*Standard Useful Life Estimates:* Improvements in road asset records should enable better estimation of standard useful lives of road assets components based on the method of construction used.

There are a number of improvement actions as per the Asset Management Improvement Plan, some key improvement actions resulting from this Strategic Resourcing Plan are to:

- Report levels of service for key assets;
- Improve the accuracy of future financial forecasts through improved forecasting of operational, maintenance, renewal, new and upgrade costs; and
- Maintain formal asset maintenance and renewal programs for all assets.



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# Appendix A1 – Critical Assets

## 1.1 Description

Along with regional and local distributor roads, a number of other assets have been nominated as critical to the Shire providing services to the community. These assets will be prioritised when allocating annual funding to help ensure they are maintained to an acceptable condition.

A list of these assets (excluding roads) is provided below along with their relevant estimated current replacement cost.

Maintenance requirements for these assets will be identified annually and prioritised through the Annual Budget cycle.

Road assets are discussed further in Appendix A2 with regional and local distributor roads being given funding prioritisation over other road assets as required.

Asset	Current Replacement Cost (\$)
Shire depot	1,474,407
Sewerage Scheme	1,362,144
Heavy plant	2,949,042
<b>Total</b>	<b>5,785,593</b>

# Appendix A2 – Roads

## 2.1 Significant Matters

The continued provision of the road network remains one of the key priorities for the Shire. The continued planning for future road infrastructure renewals influenced by condition based estimation of the remaining useful life is essential to reducing the risk of sudden unexpected road failure. Regional and local distributor roads, due to their strategic importance, will be given funding prioritisation over other road assets.

## 2.2 Road Inventory

The Shire of Dalwallinu has a road network servicing an area of 7,224<sup>1</sup> square kilometres.

Road assets within this Plan include the following components:

- Subgrade;
- Pavement; and
- Surface.

Road asset information is recorded within a road inventory database and was updated in March 2018, this forms the basis of the measurements and current replacement cost estimates. This information has been updated by management subsequent to the valuation. Verification of the accuracy of the valuation data is not within the scope of this Plan and has not been undertaken.

Utilising the dimension data held in the Shire's road asset database along with standard unit rates, the current replacement cost provided in the road infrastructure inventory system, has been estimated by management below.

Road Assets	Length (m)	Current Replacement Cost (\$)
Roads	5,897,217	\$283,935,464
<b>Grand Total</b>		<b>\$283,935,464</b>

The following tables detail the components segregated by the type of seal.

Roads Assets	Length (m)	Current Replacement Cost (\$)
<b>Structural Asphaltic Concrete Seal</b>		
Subgrade Structure	1,460	146,088
Pavement Structure	1,460	434,020
Surface Structure	1,460	528,385
<b>Thin Surfaced Flexible Seal</b>		
Subgrade Structure	499,956	26,922,653
Pavement Structure	499,956	81,431,580
Surface Structure	499,956	9,326,460
<b>Unsealed</b>		
Subgrade Structure	1,464,323	78,378,163
Pavement Structure	1,464,323	86,768,114
<b>Roads Total</b>		<b>283,935,464</b>

<sup>1</sup> Australian Bureau of Statistics Dalwallinu (S) (LGA2520) 2016 Census of Population and Housing, viewed 30 October 2020

# Appendix A2 – Roads (Continued)

## 2.3 Financial Summary

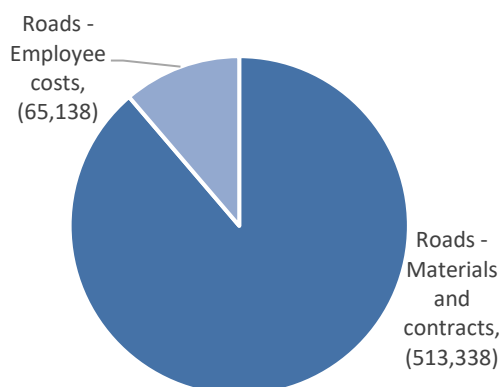
Financial impacts of managing the Shire road assets are broken down into maintenance, new and renewal expenditure, each of which is examined separately as follows.

### 2.3.1 Maintenance Expenditure

Road maintenance expenditure includes maintenance of associated infrastructure such as drainage and footpaths. Road maintenance expenditure is primarily related to the grading of unsealed roads and associated drainage clearing within the district along with a low level of reactionary minor repair works. As far as possible the road maintenance program is scheduled annually, based on staff knowledge of road conditions and expected traffic volumes.

Road maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2020-21:

#### Maintenance Expenditure by Nature and Type



### 2.3.2 New Expenditure

Road safety related projects will be prioritised where issues are identified. External grant funding would be essential to achieve any upgrades.

### 2.3.3 Renewal Expenditure

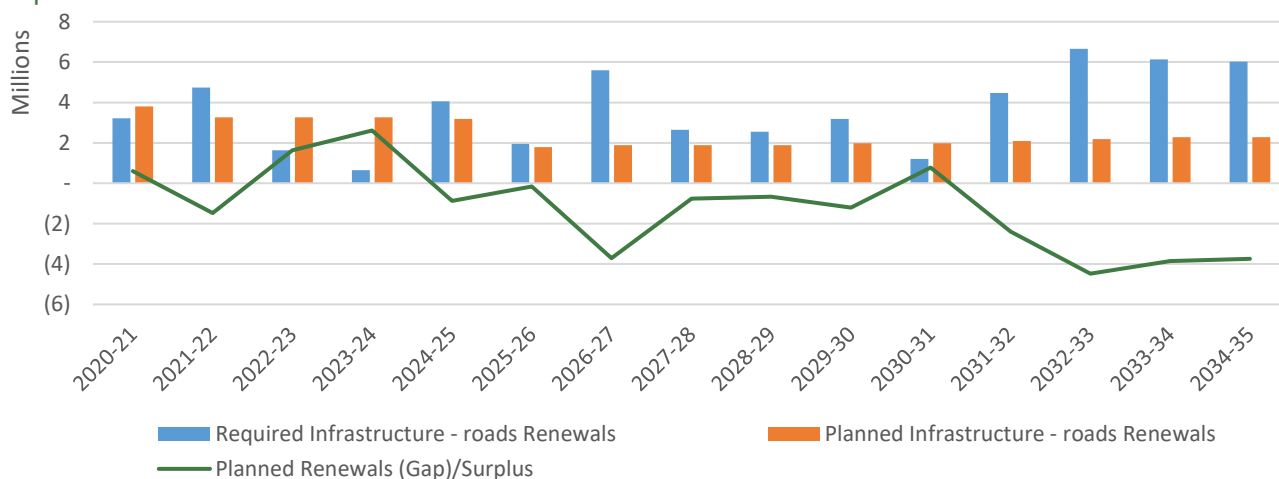
Road works are prioritised based on staff knowledge of the conditions of roads and expected usage patterns and is conducted during the budget process. All planned works are funded through a combination of internal funds and external grants.

In the chart below, planned road expenditure is shown as orange columns, with required road renewals as the blue columns. The green line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$37m. Required road renewal is calculated at \$54.7m for the term, overall there is a \$17.7m renewal deficit for the Shire's road assets.

### 2.3.4 Forecast Planned and Required Road Renewal Expenditure

The level and extent of the renewal surplus is dependent on the accuracy of unit cost estimates and remaining useful life estimates for each road component. An improvement in this information will result in improved planning outcomes and enable the scheduling of works to minimise the negative impact of renewal spikes.

#### Required v Planned Asset Renewals - Roads



# Appendix A2 – Roads (Continued)

## 2.3.5 Forecast Planned and Required Road Renewal Expenditure (continued)

One of the largest impacts on road component lives is the volume and weight of traffic traversing a road length. Where this exceeds the roads construction capabilities sudden unexpected road failure may occur prior to the end of the normal useful life. Whilst road renewals may be forecast based on the age and condition of the asset, expected traffic volumes and weights are an important factor and difficult to forecast within Western Australian rural areas. The values represented in the chart on previous page are detailed in the table below.

	Required Roads Renewals \$	Planned Roads Renewals \$	Roads Renewal Funding (Gap)/Surplus \$
2020-21	3,215,367	3,808,677	593,310
2021-22	4,731,790	3,263,699	(1,468,091)
2022-23	1,631,405	3,263,699	1,632,294
2023-24	650,970	3,263,699	2,612,729
2024-25	4,048,867	3,183,699	(865,168)
2025-26	1,941,669	1,785,000	(156,669)
2026-27	5,593,980	1,885,000	(3,708,980)
2027-28	2,647,162	1,885,000	(762,162)
2028-29	2,550,921	1,885,000	(665,921)
2029-30	3,185,882	1,985,000	(1,200,882)
2030-31	1,208,097	1,985,000	776,903
2031-32	4,474,082	2,085,000	(2,389,082)
2032-33	6,661,961	2,185,000	(4,476,961)
2033-34	6,133,717	2,285,000	(3,848,717)
2034-35	6,027,998	2,285,000	(3,742,998)
<b>Total</b>	<b>54,703,868</b>	<b>37,033,473</b>	<b>(17,670,395)</b>

## 2.4 Level of Service

Level of service measures have not been routinely recorded or reported on. Detailed performance measures and performance targets for road construction and maintenance have been developed through the review of the previously identified road level of service indicators and are shown in the following tables.

Speed and weight ratings of the road network are considered the best overall indicator of the level of service of the road network as a whole.

## Appendix A2 – Roads (Continued)

### 2.5 Road Construction

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<b>Gravel Road Construction</b>			
Condition	Gravel roads are constructed to a high standard.	Customer complaints.	Two complaints per road per year.
Safety	To ensure that all roads are being constructed in a safe manner and road is made safe and signed correctly when unmanned.	Customer complaints.	Two per road.
		Number of damage/injury claims.	0 claims.
Cost Effectiveness	Efficient capital works program.	Projects completed within the timeframe and on budget.	100% completed within timeframe and on budget.
<b>Bitumen Road Construction</b>			
Condition	Bitumen roads are constructed to a high standard.	Customer complaints.	Two complaints per road per year.
Safety	To ensure that all roads are being constructed in a safe manner and road is made safe and signed correctly when unmanned.	Customer complaints.	One per road.
		Number of damage/injury claims.	0 claims.
Cost Effectiveness	Efficient capital works program.	Projects completed within the timeframe and on budget.	100% completed within timeframe and on budget.

## Appendix A2 – Roads (Continued)

### 2.6 Road Maintenance

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<b>Gravel Road Maintenance</b>			
Condition	Gravel roads are maintained to a high standard and on a regular basis. Drainage is also assessed in order to minimise the risk of flooding and damage.	Customer complaints.	Two complaints per road per year.
		Routine road inspection.	Two per year with managers.
Function	To ensure that all gravel roads are maintained in order to provide a useable and safe transport network for users in all weather conditions.	Customer complaints.	Two complaints per road per year.
	To ensure that any maintenance issues that arise are dealt with promptly.	Within 2 working days of notification.	95% addressed.
Safety	To provide a gravel road network that is free of hazards.	Hazard removed within 2 hours of notification.	95% addressed.
Cost Effectiveness	Efficient roads maintenance program.	Maintenance program completed within timeframe and on budget.	100% completed within timeframe and on budget.
<b>Bitumen Road Maintenance/Drainage</b>			
Condition	Bitumen roads are maintained to a high standard and on a regular basis. Drainage is also to be assessed and drains cleaned in order to minimise the risk of flooding and damage.	Customer complaints.	Two complaints per road per year.
		Routine road inspection.	Two per year with managers.
Function	To ensure that all bituminised roads are maintained in order to provide a useable and safe transport network for users in all weather conditions.	Customer complaints.	Two complaints per road per year.
	To ensure that any maintenance issues that arise are dealt with promptly.	Within 2 working days of notification.	95% addressed.
Safety	To provide a bituminised road network that is free of hazards.	Hazard removed within 2 hours of notification.	95% addressed.
Cost Effectiveness	Efficient roads maintenance program.	Maintenance program completed within timeframe and on budget.	100% completed within timeframe and on budget.

# Appendix A2 – Roads (Continued)

## 2.7 Risk Management

An assessment of risks associated with the delivery from road assets has identified the following risks and treatment strategies.

Risk	Consequence	Risk Rating	Risk Treatment
Asset condition decreases due to flood damage.	Desired level of service not maintained.	Medium	Ensure adequate drainage in road design and maintenance to mitigate risk of flood damage.
Climate change.	Likelihood of severe storm damage increases.	Medium	Consider climate change when managing assets.
Significant unforeseen increases in maintenance or renewal costs.	Desired level of service not maintained.	Medium	Monitor costs and adjust long-term plans accordingly.
Asset condition decreases due to inadequate renewal program.	Desired level of service not maintained.	Medium	Determine maintenance priorities based on lifecycle cost.
Sudden significant changes in population.	Sudden increase in level of service requirements.	Medium	Monitor population trends and industry developments in the region.
Asset condition decreases due to inadequate maintenance program.	Desired level of service not maintained.	Low	Determine maintenance priorities based risk assessment and lifecycle cost.
Traffic incident attributable to sub-standard road conditions or road layout.	Liability risk.	Low	Ensure road network is maintained in compliance with applicable standards.
Health and safety incident whilst working on assets causing fatality or serious injury.	Prosecution risk.	Low	Ensure Council has compliant Health and Safety policy. Ensure staff and contractors are trained in policy and all procedures are complied with.
Trip incident attributable to sub-standard footpath conditions.	Liability risk.	Low	Footpath network is maintained in compliance with applicable standards and inspected annually.

## 2.8 Improvement

Monitoring and reporting of the key performance measures is important to help ensure levels of service are maintained.

Continued improvement in the knowledge of the road network (including road conditions) and forecasting of road renewal timing and costs is essential for managing the road network. As renewal timing and cost forecasting improves, opportunities for efficiency gains may be identified and included within future plans.

Monitoring of actual renewal costs against estimated renewal costs will improve the accuracy of future unit cost estimates. Routine monitoring of traffic volumes and road conditions will further improve the ability of the Shire to forecast future road renewal priorities.



# Appendix A3 – Drainage

## 3.1 Significant Matters

The Shire provides a network of stormwater drainage infrastructure which includes culverts, drains, and kerbing.

The determination of appropriate intervention points for renewal work, along with forecasting the timing and amount of funding required, is important to ensure this work can be undertaken prior to any asset failure. A current assessment reflects drainage and kerbing with a current replacement cost of \$17.5m. Further detailed investigation of these assets is required to confirm the timing and costs of the required renewal intervals.

Asset renewal of drainage and kerbing prior to its failure helps prevent damage to other assets including roads.

## 3.2 Inventory

The Shire is developing a basic drainage asset inventory which is maintained within the road asset inventory system (RAMM). Utilising the dimension data held in RAMM and the unit rates provided by the Shire, a current replacement cost has been estimated \$4.8m and includes the following components:

- Kerbing
- Open and Table drains
- Grated Gully Pits
- Culverts

## 3.3 Financial Summary

Financial impacts of managing the Shire drainage assets are broken down into maintenance, new and renewal expenditure, each of which is examined separately as follows.

### 3.3.1 Maintenance Expenditure

Drainage maintenance expenditure is included as a standard part of roads maintenance shown at Appendix A2.

### 3.3.2 New Expenditure

No specific planning has been undertaken for the development of new drainage or kerbing. The construction of these assets will be undertaken in conjunction with the planning for the construction of new road assets.

### 3.3.3 Renewal Expenditure

The Plan has a nominal amount forecast for kerbing and drainage renewal expenditure. The timing of kerbing renewals should be aligned to the renewal of the road pavements of kerbed roads and requires further detailed analysis and planning.

There are no drainage renewals planned over the term of the Plan, with required drainage renewals calculated at \$15m for the term of the Plan.

### 3.3.4 Forecast Planned and Required Drainage Renewal Expenditure

Major drainage renewals are forecast to be required in 2020/21. Further assessment is required to determine the true requirement for drainage renewals. Minor surface drain renewals will be undertaken as part of the renewal of pavements where these works are undertaken and have been included in the costs of pavement renewals. Drainage asset renewals will be planned to coincide with road infrastructure renewals as required.

# Appendix A3 – Drainage (Continued)

## 3.4 Level of Service

Level of service measures have not been routinely recorded or reported on. Detailed performance measures and performance targets for drainage construction and maintenance have been developed and are shown in the following tables.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<b>Road Maintenance/Drainage</b>			
Condition	Drainage is to be assessed and drains cleaned in order to minimise the risk of flooding and damage.	Customer complaints.	Two complaints per road per year.
		Routine road inspection.	Two per year with managers.
Function	To ensure that all roads are maintained in order to provide a useable and safe transport network for users in all weather conditions.	Customer complaints.	Two complaints per road per year.
Function	To ensure that any maintenance issues that arise are dealt with promptly.	Within 2 working days of notification.	95% addressed.
Safety	To provide a road network that is free of hazards.	Hazard removed within 2 hours of notification.	95% addressed.
Cost Effectiveness	Efficient roads maintenance program.	Maintenance program completed within timeframe and on budget.	100% completed within timeframe and on budget.

## Appendix A3 – Drainage (Continued)

### 3.5 Risk Management

An assessment of risks associated with the delivery from road drainage assets has identified the following risks and treatment strategies.

Risk	Consequence	Risk Rating	Risk Treatment
Asset condition decreases due to flood damage.	Desired level of service not maintained.	Medium	Ensure adequate drainage in road design and maintenance to mitigate risk of flood damage.
Climate change.	Likelihood of severe storm damage increases.	Medium	Consider climate change when managing assets.
Significant unforeseen increases in maintenance or renewal costs.	Desired level of service not maintained.	Medium	Monitor costs and adjust long-term plans accordingly.
Asset condition decreases due to inadequate renewal program.	Desired level of service not maintained.	Medium	Determine maintenance priorities based on lifecycle cost.
Sudden significant changes in population.	Sudden increase in level of service requirements.	Medium	Monitor population trends and industry developments in the region.
Asset condition decreases due to inadequate maintenance program.	Desired level of service not maintained.	Low	Determine maintenance priorities based risk assessment and lifecycle cost.
Traffic incident attributable to sub-standard road conditions or road layout.	Liability risk.	Low	Ensure road network is maintained in compliance with applicable standards.
Health and safety incident whilst working on assets causing fatality or serious injury.	Prosecution risk.	Low	Ensure Council has compliant Health and Safety policy. Ensure staff and contractors are trained in policy and all procedures are complied with.

### 3.6 Improvement

Monitoring and reporting of the key performance measures is important to help ensure levels of service are maintained.

Continued improvement in the knowledge of the road network and associated infrastructure (including road conditions) and forecasting of road renewal timing and costs is essential for managing the road network. As renewal timing and cost forecasting improves, opportunities for efficiency gains may be identified and included within future plans.

Monitoring of actual renewal costs against estimated renewal costs will improve the accuracy of future unit cost estimates. Routine monitoring of traffic volumes and road conditions will further improve the ability of the Shire to forecast future road and associated infrastructure renewal priorities.

# Appendix A4 – Footpaths

## 4.1 Significant Matters

The Shire provides a network of footpaths for pedestrians and other users and has developed a basic footpath asset inventory and is developing and implementing an annual assessment process for related infrastructure. A footpath program has been identified to be established and implemented in the future.

## 4.2 Inventory

Footpath asset information is recorded within the Shire’s road inventory database (RAMM). The assets within the asset class were valued in 2018 with all road infrastructure assets.

## 4.3 Financial Summary

The financial impact of managing the Shire footpaths is broken down into maintenance, new and renewal expenditure each of which is examined separately.

### 4.3.1 Maintenance Expenditure

Routine maintenance expenditure is currently forecast based on historical data and staff experience and is considered during the annual budget process. It is comprised of a number of expenditure items including employee cost and materials and contracts.

### 4.3.2 New Asset Expenditure

New footpath asset expenditure will be undertaken as part of the planned asset renewals. External grant funding would be essential to undertake any additional new footpath construction.

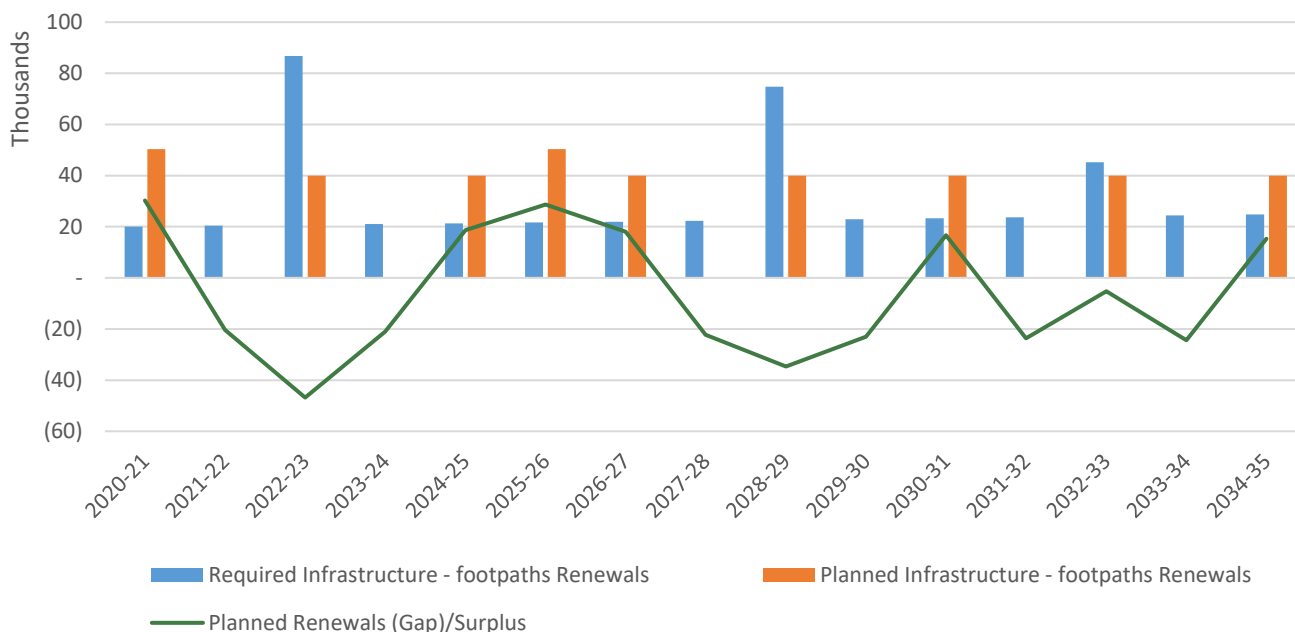
### 4.3.3 Required & Planned Renewal Expenditure

There is no detailed forecast required renewal expenditure for Footpaths. Work is prioritised using staff knowledge of the conditions of the footpaths.

In the following chart, planned footpaths expenditure is shown by the orange columns, with required footpaths renewals as the blue columns. The green line indicates the difference between the two expenditure levels. Required footpath renewal expenditure for the term of the Plan is \$475k, with \$381k planned expenditure for the term of the Plan.

Timing of planned renewals has not been aligned to estimated asset intervention timing due to financial constraints and a lack of confidence in the required asset renewal forecasts.

Required v Planned Asset Renewals - Footpaths



# Appendix A4 – Footpaths

## 4.4 Level of Service

Levels of service have not been previously monitored. Detailed performance measures and performance targets for footpaths are defined in the table below.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Condition	Footpaths are maintained to a reasonable standard and on a regular basis.	Customer complaints.	Two complaints per year.
		Routine footpath inspection.	Two per year with managers.
Function	To ensure that all footpaths are maintained in order to provide a useable and safe footpaths network for users.	Customer complaints.	Two complaints per year.
	To ensure that any maintenance issues that arise are dealt with promptly.	Within 2 working days of notification.	95% addressed.
Safety	To provide a footpath network that is free of hazards.	Hazard removed within 2 hours of notification.	95% addressed.
Cost Effectiveness	Efficient footpath maintenance program.	Maintenance program completed within timeframe and on budget.	100% completed within timeframe and on budget.

## 4.5 Risk Management

An assessment of risks associated with holding footpath items has identified the following risks and the treatment strategy for each risk.

Risk	Consequence	Risk Rating	Risk Treatment Plan
Climate Change.	Likelihood of severe storm damage increases.	Medium	Consider climate change when managing assets.
Significant unforeseen increases in maintenance or renewal costs.	Desired level of service not maintained.	Medium	Monitor costs and adjust long-term plans accordingly.
Asset condition decreases due to inadequate renewal program.	Desired level of service not maintained.	Medium	Determine maintenance priorities based on lifecycle cost.
Sudden significant changes in population.	Sudden increase in level of service requirements.	Medium	Monitor population trends and industry developments in the region.
Asset condition decreases due to inadequate maintenance program.	Desired level of service not maintained.	Low	Determine maintenance priorities based risk assessment and lifecycle cost.
Traffic incident attributable to sub-standard road conditions or road layout.	Liability risk.	Low	Footpath network is maintained in compliance with applicable standards.
Health and safety incident whilst working on assets causing fatality or serious injury.	Prosecution risk.	Low	Ensure Council has compliant H&S policy.
			Ensure staff and contractors are trained in policy and all procedures are complied with.

## 4.6 Improvement Plan

Allocating resources to improving asset management planning for footpaths is not currently viewed as a priority as the associated risks are able to be managed through annual operational planning.

# Appendix A5 – Buildings

## 5.1 Significant Matters

The Shire controls building assets which are vital to the provision of administrative and recreational facilities to the community.

The long life and high cost of renewing buildings results in significant spikes in future funding requirements as a building reaches a stage in its lifecycle when it can no longer provide the desired level of service. New design criteria usually result in buildings being constructed to a different standard on renewal which often results in the need for additional funding. Planning for adequate future funding of building renewals is one of the most significant long-term challenges for the Shire.

## 5.2 Inventory

Land and buildings were valued in 2017, based on an inspection undertaken. The replacement costs of major buildings contained within the valuation report is shown in the table to the right. A building inventory is maintained within the Shire's financial management system.

### 5.2.1 Composition of Estimated Current Replacement Cost of Building Assets

Buildings	Current Replacement Cost (\$)
Ablution Block	287,000
Aged Care	1,791,000
Airport	214,000
Caravan Parks	1,161,300
Commercial	910,000
Community Buildings	2,815,800
Discovery Centre	4,770,000
Early Learning Centre	420,700
Emergency Services	166,000
Medical Centre	875,000
Recreation Facility	17,188,500
Residential	11,410,000
Shire Administration Building	2,453,000
Town Halls	8,761,000
Works Depot	1,511,000
<b>Buildings Total</b>	<b>54,734,300</b>

# Appendix A5 – Buildings (Continued)

## 5.3 Financial Summary

The financial impacts of managing the Shire building assets has been broken down into maintenance, new and renewal expenditure, each of which is examined separately.

### 5.3.1 Maintenance Expenditure by Program

Routine maintenance expenditure is forecast to increase in line with inflation. A detailed building maintenance plan has been developed to help ensure buildings are maintained at a level to maximise their useful life and minimise the need to renew entire building structures.

### 5.3.2 New/Upgrade Asset Expenditure

New/upgrade building works planned within the term of the plan are reflected in the table below.

Year	Project	Expenditure
2021-22	Housing replacement	\$500,000
2022-23	Solar Upgrade	\$15,000
2025-26	Kindergarten	\$500,000
		<b>\$1,015,000</b>

### 5.3.3 Renewal Expenditure

Using the estimated remaining useful life and the 'reinstatement with new' values provided in the independent valuation report, the timing and extent of future required property renewals has been forecast (adjusted for inflation). Whilst the valuation indicates the required renewal timings given the forecast level of planned maintenance building assets are expected to last well beyond the indicated renewal timings.

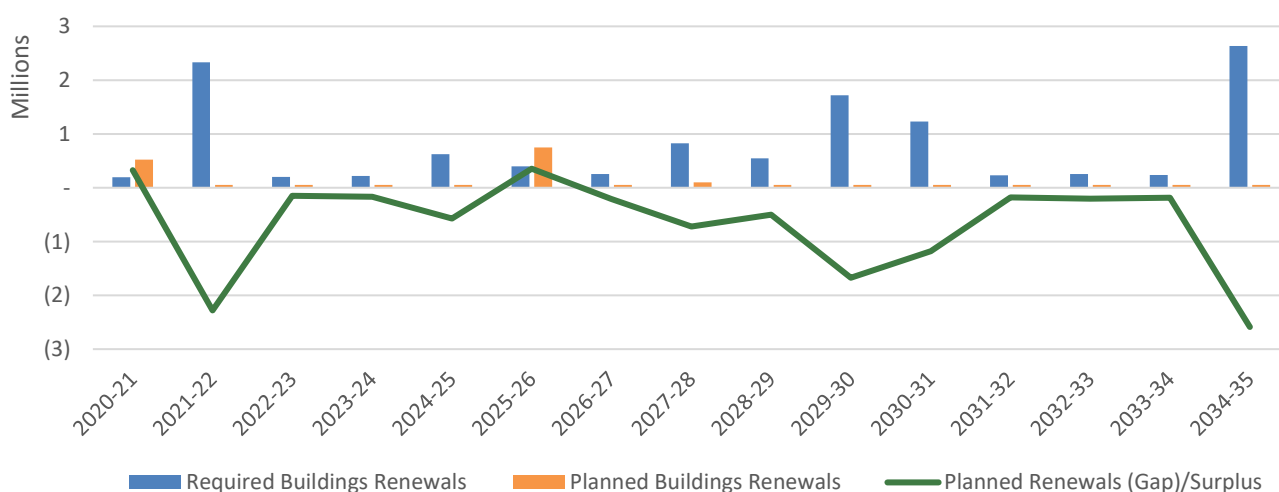
### 5.3.4 Forecast Planned and Required Building Renewal Expenditure

Due to the current COVID-19 situation and level of uncertainty, limited building renewals are planned. Funds will continue to be saved within reserves to address future building renewals, based on a detailed assessment at the time of the building requires renewal.

The table below details the required building renewal as per the latest building valuations.

	Required Building Renewals \$	Planned Building Renewals \$	Building Renewal Funding (Deficit)/Surplus \$
2020-21	195,444	523,505	328,061
2021-22	2,331,397	50,000	(2,281,397)
2022-23	201,351	50,000	(151,351)
2023-24	216,579	50,000	(166,579)
2024-25	622,550	50,000	(572,550)
2025-26	395,777	750,000	354,223
2026-27	256,647	50,000	(206,647)
2027-28	823,556	100,000	(723,556)
2028-29	548,961	50,000	(498,961)
2029-30	1,720,627	50,000	(1,670,627)
2030-31	1,230,701	50,000	(1,180,701)
2031-32	230,223	50,000	(180,223)
2032-33	253,980	50,000	(203,980)
2033-34	237,181	50,000	(187,181)
2034-35	2,637,748	50,000	(2,587,748)
<b>Total</b>	<b>11,902,722</b>	<b>1,973,505</b>	<b>(9,929,217)</b>

Required v Planned Asset Renewals



## Appendix A5 – Buildings (Continued)

### 5.4 Level of Service

Detailed performance measures and performance targets for buildings are defined in the table below.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Condition	The building's meets the expectations of the community.	Customer complaints.	Two per year per building.
Function	To provide the communities with a facility that can be utilised for the purpose it was designed for.	Customer complaints.	Two per year per building.
Safety	The building is safe and suitable for its intended use.	Number of injury claims	0 claims.

### 5.5 Risk Management

An assessment of risks associated with maintaining an inventory of building assets has identified the following risks and the treatment strategy for each risk.

Risk	Consequence	Risk Rating	Risk Treatment Plan
Public Liability incident attributable to sub-standard property conditions or property layout.	Liability Risk.	Medium	Ensure property assets are maintained in compliance with applicable standards.
Climate Change.	Likelihood of severe storm damage increases.	Medium	Consider climate change impacts when designing and managing assets.
Significant unforeseen increases in maintenance or renewal costs.	Desired level of service not maintained.	Medium	Monitor costs and adjust long-term plans accordingly.
Asset condition decreases due to inadequate renewal program.	Desired level of service not maintained.	Medium	Determine maintenance priorities based risk and on lifecycle cost.
Asset condition decreases due to inadequate maintenance program.	Desired level of service not maintained.	Low	Determine maintenance priorities based risk assessment and lifecycle cost.
Sudden significant increase in population.	Sudden increase in level of service requirements.	Low	Monitor population trends and industry developments in the region.
Health and safety incident whilst working on assets causing fatality or serious injury.	Prosecution risk.	Low	Ensure council has compliant Health and Safety policy. Ensure staff and contractors are trained in policy and all procedures are complied with.

### 5.6 Improvement

Improving asset management planning for buildings is not currently viewed as a priority, as risks are able to be managed through annual planning and improvements are limited by funding availability. Demand for building assets is expected to remain relatively stable into the future.

Enhanced monitoring and reporting of the key performance measures is important to help ensure the adequate maintenance of the Shire's building assets.



# Appendix A6 – Furniture and Equipment

## 6.1 Significant Matters

The Shire has furniture and equipment for its internal use as well as providing furniture and equipment for community use.

## 6.2 Inventory

The Shire's furniture and equipment current replacement cost at the time of valuation at 30 June 2019 was \$309k.

## 6.3 Financial Summary

The financial impact of managing the Shire furniture and equipment is broken down into maintenance, new and renewal expenditure, each of which is examined separately.

### 6.3.1 Maintenance Expenditure

Furniture and equipment maintenance expenditure is forecast to increase in line with inflation.

### 6.3.2 New Expenditure

No additional items are forecast to be required over the life of this Plan.

### 6.3.3 Renewal Expenditure

Required furniture and equipment renewals over the next 15 years have been forecast. Minor asset renewals will be determined and funded within the annual budget cycle. Renewal of furniture and equipment will be considered on a case by case basis at the time the furniture and equipment is viewed as requiring renewal.

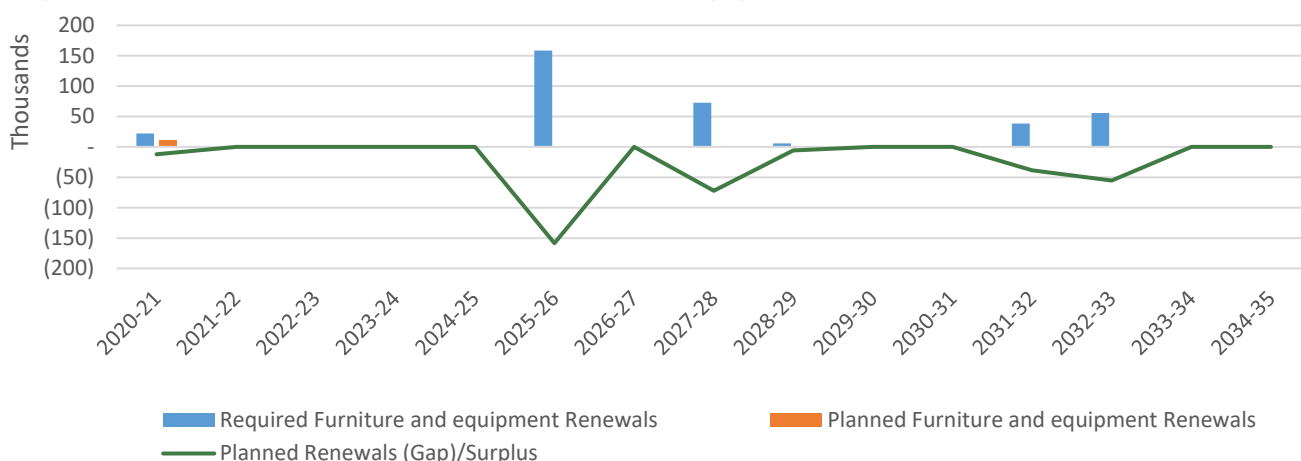
## 6.3.4 Forecast Planned and Required Furniture and Equipment Renewal Expenditure

The table below details the required building renewal as per the latest furniture and equipment valuations.

	Required Furniture and Equipment Renewals \$	Planned Furniture and Equipment Renewals \$	Furniture and Equipment Renewal Funding (Deficit)/Surplus \$
2020-21	21,793	9,750	(12,043)
2021-22	-	-	-
2022-23	-	-	-
2023-24	-	-	-
2024-25	-	-	-
2025-26	158,450	-	(158,450)
2026-27	-	-	-
2027-28	72,489	-	(72,489)
2028-29	5,803	-	(5,803)
2029-30	-	-	-
2030-31	-	-	-
2031-32	38,306	-	(38,306)
2032-33	55,630	-	(55,630)
2033-34	-	-	-
2034-35	-	-	-
<b>Total</b>	<b>352,471</b>	<b>9,750</b>	<b>(342,721)</b>

In the chart below, planned expenditure is shown as the orange columns, with forecast required renewals shown as the blue columns. The green line shows the variation between the two levels.

Required v Planned Asset Renewals - Furniture and Equipment



## Appendix A6 – Furniture and Equipment (Continued)

### 6.4 Level of Service

Detailed performance measures and performance targets for furniture and equipment are defined in the table below

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Condition	Well maintained community facilities.	Customer complaints.	Under 5 per year
	Community satisfaction with asset.	Community survey.	90% satisfaction
Function	Fit for purpose.	Customer complaints.	Under 5 per year
	Community importance with asset.	Customer survey.	90% satisfaction
Safety	To ensure that any maintenance issues or hazards are dealt with promptly.	Issue or hazard is dealt with within one working day of notification. If hazard is serious to be addressed within 2 hours of notification.	95% addressed

### 6.5 Improvement

The improvement of asset management planning for furniture and equipment is not currently viewed as a priority as risks are able to be managed through annual operational planning.

# Appendix A7 – Plant and Equipment

## 7.1 Significant Matters

The Shire has a large plant and equipment portfolio which includes items such as graders, prime movers and passenger vehicles.

A 15 year plant replacement program is updated on an annual basis as part of the Shire’s annual budget process. Heavy plant is considered a critical asset, given the part it plays in responding to any natural emergency within the Shire.

## 7.2 Inventory

The table below separates the Shire’s plant and equipment into the asset types and shows the current replacement cost. A register of plant and equipment is maintained within the financial reporting system.

Asset Type	Current Replacement Cost at valuation \$
Backhoe	151,960
Fire vehicle	1,270,301
Generator	27,460
Grader	695,081
Loader	438,900
Low loader	55,000
Mower	83,491
Prime mover	263,114
Roller	210,697
Sundry	458,701
Tipper	821,830
Tractor	44,113
Trailer	36,061
Truck	421,906
Vehicle	718,867
Water Tanker	163,472
<b>Grand Total</b>	<b>5,860,952</b>

## Financial Summary

The financial impacts of managing the Shire plant and equipment assets is broken down into maintenance, new and renewal expenditure, each of which is examined separately.

Maintenance is undertaken in accordance with manufacturers’ guidelines and is provided for within the annual budget and this Plan. No significant changes to maintenance or operating expenditure are forecast.

### 7.2.1 New Expenditure

The current fleet of plant and equipment is forecast to maintain the requirements of the Shire and no additional items are forecast to be required over the life of this Plan.

### 7.2.2 Renewal Expenditure

The plant replacement program is updated annually and is expected to remain fully funded by annual allocations to the Plant Replacement Cash Reserve.

The Plan has annual allocations for plant replacement expenditure based on the adopted program. In the chart at 7.3.3, planned expenditure is shown as the orange columns with required renewals shown as the blue columns. The green line shows the variation between the two expenditure levels.

# Appendix A7 – Plant and Equipment (Continued)

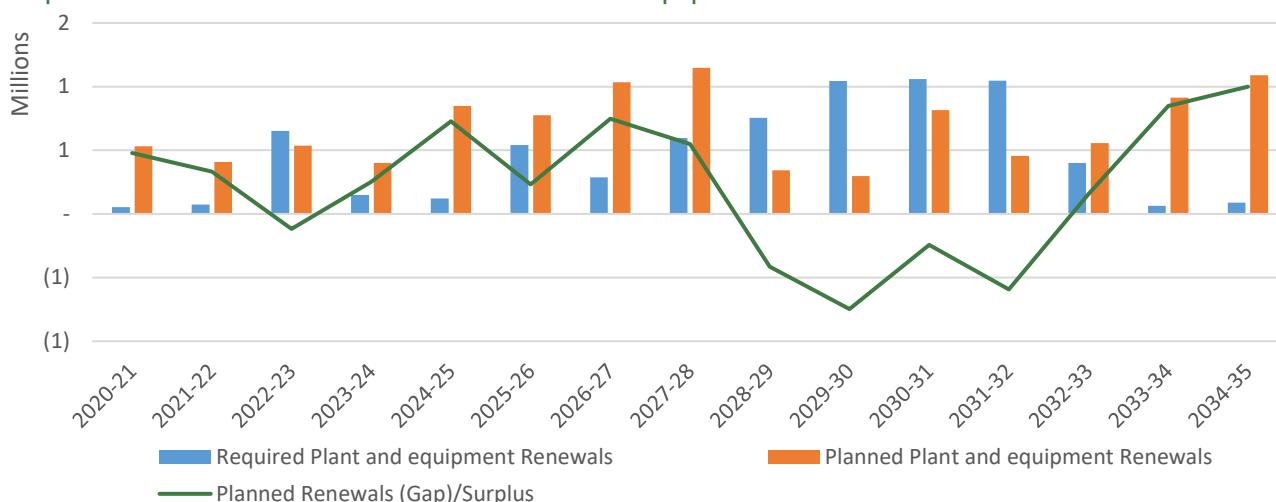
## 7.2.3 Forecast Planned and Required Plant and Equipment Renewal Expenditure

The chart reflects a lack of correlation between the Plant Replacement Program and the estimated useful life of plant and equipment provided by the valuers as the plant replacement program has been modified to available financial resources. The Plan overall has a funding surplus of \$3.2m over the term of the Plan with planned renewals of \$10.1m and required asset renewals of \$6.9m.

## 7.3.4 Plant Disposals

This Plan incorporates the Shire's 15 year Plant Replacement Program. The Plant Replacement Program outlines the purchase, disposal and funding elements for plant and equipment.

Required v Planned Asset Renewals - Plant and Equipment



# Appendix A7 – Plant and Equipment (Continued)

## 7.3 Level of Service

Level of service measures were defined within the Shire’s previously adopted Asset Management Plan.

Detailed performance measures and performance targets for plant and equipment replacement and maintenance are defined in the following table.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<b>Fleet Management</b>			
Function	To ensure Council employees are able to meet Council requirements.	Council plant and equipment is serviceable for all Council programs.	90% satisfaction.
	To ensure that Councils Capital Works Program is completed.	Capital Works Program completed on time and within budget.	100% completed and within budget.
	To ensure that any maintenance requirements are carried out.	Maintenance schedule adhered to.	100% completed and on time.
Compliance	All vehicles and plant are operated as they have been designed to do and in a safe manner.	Number of complaints/number of fines.	Two per year.

## 7.4 Risk Management

An assessment of risks associated with holding plant and equipment items has identified the following risks and the treatment strategy for each risk.

Risk Details	Consequence	Risk Rating	Treatment Strategy
Inadequate funding for renewal and maintenance resulting in deterioration of plant and equipment and an increase in maintenance and operating costs.	Desired level of service not maintained.	High	Ensure funding for renewals included within the plant replacement program and budgets.
Existing plant and equipment assets do not comply with regulations.	Prosecution risk.	High	Regular scheduled inspection and maintenance on all plant and equipment. Ensure safety systems in line with regulations.

## 7.5 Improvement Plan

Improving asset management planning for plant and equipment is not currently viewed as a priority as risks are able to be managed through annual operational planning. Demand for plant and equipment assets is expected to remain relatively stable into the future.

# Appendix A8 – Parks and Ovals

## 8.1 Significant Matters

The Shire controls parks, gardens and ovals which are significant to our community.

The nature of these assets is one of changing requirements due to community expectations and will require further analysis to fully consider future funding requirements as individual assets require expenditure.

Availability of grant funding will significantly impact the timing and extent of expenditure on parks and ovals.

## 8.2 Inventory

The Shire's parks, gardens and ovals current replacement cost at the time of valuation at 30 June 2019 was \$977k.

## 8.3 Financial Summary

The financial impact of managing the Shire parks and ovals is broken down into maintenance, new and renewal expenditure, each of which is examined separately.

### 8.3.1 Maintenance Expenditure

Parks and ovals maintenance expenditure is forecast to increase in line with inflation.

### 8.3.2 New Expenditure

No additional items are forecast to be required over the life of this Plan.

### 8.3.3 Renewal Expenditure

There are no significant required renewals forecast and any which the valuation indicate are required would need verification before being planned. Minor asset renewals will be determined and funded within the annual budget cycle. Renewal of parks and ovals will be considered on a case by case basis.

## 8.4 Level of Service

Detailed performance measures and performance targets for parks and ovals are defined in the table below.

## 8.5 Improvement

The improvement of asset management planning for parks and ovals is not currently viewed as a priority as risks are able to be managed through annual operational planning.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Condition	Well maintained community facilities.	Customer complaints.	Under 5 per year
	Community satisfaction with asset.	Community survey.	90% satisfaction
Function	Fit for purpose.	Customer complaints.	Under 5 per year
	Community importance with asset.	Customer survey.	90% satisfaction
Safety	To ensure that any maintenance issues or hazards are dealt with promptly.	Issue or hazard is dealt with within one working day of notification. If hazard is serious to be addressed within 2 hours of notification.	95% addressed

# Appendix A9 – Infrastructure-Other

## 9.1 Inventory

The Shire's looks after a variety of other infrastructure, including the following:

- sport and recreation facilities
- airstrips
- refuse sites
- loading ramps
- car parks
- shade structures

These assets are included in the asset class Infrastructure – Other and have a current replacement cost at the time of valuation at 30 June 2019 was \$9.1m.

## 9.2 Financial Summary

The financial impact of managing the Shire infrastructure - other is broken down into maintenance, new and renewal expenditure, each of which is examined separately.

### 9.2.1 Maintenance Expenditure

Infrastructure - other maintenance expenditure is forecast to increase in line with inflation.

### 9.2.2 New Expenditure

Two additional items are forecast to be required over the life of this Plan. A sewerage upgrade is planned over the years 2021-2024 with a cost of \$1.8m and a stormwater harvest dam is planned with a cost of \$500k. External grant funding would be essential to achieve any upgrades.

## 9.2.3 Renewal Expenditure

Required infrastructure - other renewals over the next 15 years have been forecast. Minor asset renewals will be determined and funded within the annual budget cycle. Renewal of infrastructure - other will be considered on a case by case basis at the time the infrastructure - other is viewed as requiring renewal. Planned renewals amount to \$316k in 2020-21 for various projects and \$250k in 2022-2023 for the aquatic centre.

### 9.2.4 Forecast Planned and Required Infrastructure - Other Renewal Expenditure

There are no required renewals of infrastructure – other forecast over the term of the Plan. Planned renewals are \$566k over the term of the Plan.

## 9.3 Level of Service

Detailed performance measures and performance targets for infrastructure - other are defined in the table below.

### 9.4 Level of Service

Detailed performance measures and performance targets for infrastructure - other are defined in the table below.

### 9.5 Improvement

The improvement of asset management planning for infrastructure - other is not currently viewed as a priority as risks are able to be managed through annual operational planning.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<b>Condition</b>	Well maintained community facilities.	Customer complaints.	Under 5 per year
	Community satisfaction with asset.	Community survey.	90% satisfaction
<b>Function</b>	Fit for purpose.	Customer complaints.	Under 5 per year
	Community importance with asset.	Customer survey.	90% satisfaction
<b>Safety</b>	To ensure that any maintenance issues or hazards are dealt with promptly.	Issue or hazard is dealt with within one working day of notification. If hazard is serious to be addressed within 2 hours of notification.	95% addressed

# Appendix A10 – Estimated Asset Life and Residual Value

The table below lists the estimated useful life and residual value of assets to sub-class level. These values were used to calculate the planned renewal and depreciation of an asset.

Asset Class	Asset Sub-Class	Heirarchy	Pavement Type	Estimated Useful Life	Materials Remaining in-situ
Infrastructure - roads	Pavement Structure	Access Road	Unsealed	30	
Infrastructure - roads	Pavement Structure	Regional Distributor	Unsealed	25	
Infrastructure - roads	Pavement Structure	Local Distributor	Thin Surfaced Flexible	90	
Infrastructure - roads	Pavement Structure	Access Road	Thin Surfaced Flexible	110	
Infrastructure - roads	Pavement Structure	Local Distributor	Unsealed	25	
Infrastructure - roads	Pavement Structure	Distributor A	Structural Asphaltic Concrete	90	
Infrastructure - roads	Pavement Structure	Regional Distributor	Thin Surfaced Flexible	65	
Infrastructure - roads	Pavement Structure	Local Distributor	Structural Asphaltic Concrete	30	
Infrastructure - roads	Pavement Structure	Distributor A	Unsealed	25	
Infrastructure - roads	Pavement Structure	Access Road	Structural Asphaltic Concrete	110	
Infrastructure - roads	Pavement Structure	Regional Distributor	Structural Asphaltic Concrete	65	
Infrastructure - roads	Pavement Structure	Distributor A	Thin Surfaced Flexible	90	
Infrastructure - roads	Subgrade Structure	Local Distributor	Structural Asphaltic Concrete	100	100%
Infrastructure - roads	Subgrade Structure	Regional Distributor	Thin Surfaced Flexible	100	100%
Infrastructure - roads	Subgrade Structure	Local Distributor	Unsealed	100	100%
Infrastructure - roads	Subgrade Structure	Regional Distributor	Structural Asphaltic Concrete	100	100%
Infrastructure - roads	Subgrade Structure	Distributor A	Thin Surfaced Flexible	100	100%
Infrastructure - roads	Subgrade Structure	Distributor A	Structural Asphaltic Concrete	100	100%
Infrastructure - roads	Subgrade Structure	Access Road	Thin Surfaced Flexible	100	100%
Infrastructure - roads	Subgrade Structure	Local Distributor	Thin Surfaced Flexible	100	100%
Infrastructure - roads	Subgrade Structure	Distributor A	Unsealed	100	100%
Infrastructure - roads	Subgrade Structure	Access Road	Structural Asphaltic Concrete	100	100%
Infrastructure - roads	Subgrade Structure	Access Road	Unsealed	100	100%
Infrastructure - roads	Subgrade Structure	Regional Distributor	Unsealed	100	100%
Infrastructure - roads	Surface Structure	Access Road	Unsealed	20	
Infrastructure - roads	Surface Structure	Access Road	Thin Surfaced Flexible	30	
Infrastructure - roads	Surface Structure	Access Road	Structural Asphaltic Concrete	50	
Infrastructure - roads	Surface Structure	Regional Distributor	Thin Surfaced Flexible	30	
Infrastructure - roads	Surface Structure	Distributor A	Unsealed	20	
Infrastructure - roads	Surface Structure	Regional Distributor	Unsealed	20	
Infrastructure - roads	Surface Structure	Local Distributor	Thin Surfaced Flexible	30	
Infrastructure - roads	Surface Structure	Distributor A	Structural Asphaltic Concrete	50	
Infrastructure - roads	Surface Structure	Local Distributor	Unsealed	20	
Infrastructure - roads	Surface Structure	Distributor A	Thin Surfaced Flexible	30	
Infrastructure - roads	Surface Structure	Local Distributor	Structural Asphaltic Concrete	50	
Infrastructure - roads	Surface Structure	Regional Distributor	Structural Asphaltic Concrete	30	



## Appendix A10 – Estimated Asset Life and Residual Value (Continued)

Asset Class	Asset Sub-Class	Estimated Useful Life	Estimated Residual Value %
Buildings	30Kw Roof mounted PV solar panels	30	
Buildings	Fibro clad buildings	50	
Buildings	Metal Clad buildings	50	
Buildings	Weatherboard and metal clad buildings	50	
Buildings	Brick and metal clad buildings	55	
Buildings	Weatherboard and metal clad buildings on concrete slab	55	
Buildings	Masonry and metal clad buildings	55	
Buildings	Administration building	55	
Buildings	Terra cotta tile clad buildings	55	
Buildings	Brick and metal clad buildings on concrete slab	60	
Furniture and equipment		15	
Plant and equipment		13	
Plant and equipment	Heavy	15	
Land - freehold land		100	100
Infrastructure - parks and ovals		30	
Infrastructure - other		71	
Infrastructure - gardens		100	100
Infrastructure - drainage	Culvert	70	
Infrastructure - drainage	Open Drain (Excavated)	50	
Infrastructure - drainage	Table Drain (Shallow)	50	
Infrastructure - drainage	Kerb Barrier	50	
Infrastructure - drainage	Kerb Semi Mountable	50	
Infrastructure - drainage	Grated gully pit	50	
Infrastructure - footpaths	Footpath - Gravel	10	
Infrastructure - footpaths	Footpath - asphalt	18	
Infrastructure - footpaths	Footpath - brick paving	18	
Infrastructure - footpaths	Footpath - slabs	15	
Infrastructure - footpaths	Footpath - concrete	35	

# Appendix B1 – Forecast Financial Statements

## Financial Statements

The following forecast financial statements have been prepared and are included at the end of the Plan.

These forecast statements have been prepared within a framework which accords with the Australian Accounting Standards.

The statements have been prepared based on a number of forecasts and estimates, and readers should ensure they have read and understood the reliance section on page 44 under Other Matters.

## Statements of Comprehensive Income

Often referred to as the operating statement, it shows the revenues and expenses over the periods classified by two methods (by Program and Nature or Type) to disclose a net result.

## Statement of Financial Position

More commonly referred to as the Balance Sheet, this statement discloses the forecast changes in the balance of assets and liability accounts over the periods.

## Statement of Changes in Equity

This statement discloses the changes in equity over the forecast period. It shows the impact of operations on net assets and the movement in cash backed and revaluation reserves.

## Statement of Cashflows

Represents the forecast cash inflows and outflows and discloses the changes to the balance of cash over the period.

## Statement of Funding

A statement combining operating and capital revenues and expenses and discloses the opening and closing net current forecast surplus (deficit) funding position for each year.

## Statement of Net Current Asset Composition

A statement showing how the closing estimated surplus/deficit has been calculated.

## Statement of Fixed Asset Movements

A summary of the impact of the Plan on the value of fixed assets over the period. It discloses the movements in the net value of property, plant, and equipment and infrastructure.

## Statement of Fixed Asset Funding

A summary of the capital expenditure by asset class and the source of funding for each class.

## Forecast Ratios

The forecast ratios required by the regulations and discussed earlier under monitoring and performance.

## Nature or Type

A number of statements in the Plan are disclosed using nature or type descriptors of revenue and expenditure (for example Rates and Employee Costs). This classification is in accordance with Schedule 1 of the Local Government (Financial Management) Regulation 1996.

# Appendix B1 – Forecast Financial Statements (Continued)

## Service Programs

The Shire provides a wide variety of services to the community in order to achieve its vision and objectives. The following service program descriptions as per the *Local Government (Financial Management) Regulations 1996* are used in the Plan to represent these services, however not all services listed may be provided by the Shire of Dalwallinu.

Objectives	Services
<b>Governance</b>	Members of Council
	Governance – general
<b>General purpose funding</b>	Rates
	Other general purpose funding
<b>Law, order, public safety</b>	Fire prevention
	Animal control
	Other law, order, public safety
<b>Health</b>	Maternal and infant health
	Preventative services
	- Immunisation
	- Meat inspection
	- Administration and inspection
	- Pest control
	- Other
	Other health
<b>Education and welfare</b>	Pre-school
	Other education
	Care of families and children
	Aged and disabled
	- Senior citizens centres
	- Meals on wheels
	Other welfare
<b>Housing</b>	Staff housing
	Other housing
<b>Community amenities</b>	Sanitation
	- Household refuse
	- Other
	Sewerage
	Urban stormwater drainage
	Protection of environment
	Town planning and regional development
	Other community amenities

Objectives	Services
<b>Recreation and culture</b>	Public halls, civic centre
	Swimming areas
	Other recreation and sport
	Television and radio re-broadcasting
	Libraries
	Other culture
<b>Transport</b>	Streets, roads, bridges, depots
	- Construction (not capitalised)
	- Maintenance
	Road plant purchase (if not capitalised)
	Parking facilities
	Traffic control
	Aerodromes
	Water transport facilities
<b>Economic services</b>	Rural services
	Tourism and area promotion
	Building control
	Sale yards and markets
	Plant nursery
	Other economic services
<b>Other property and services</b>	Private works
	Public works overheads
	Plant operation
	Salaries and wages
	Unclassified
	Town Planning Schemes

# Appendix B2 – Forecast Statement of Comprehensive Income by Nature or Type 2020 - 2035

	2016-17	2017-18	2018-19	Base	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>																			
Rates	3,041,331	3,117,581	3,204,366	3,268,453	3,269,323	3,334,710	3,401,404	3,469,433	3,538,822	3,609,599	3,681,791	3,755,427	3,830,536	3,907,148	3,985,291	4,064,998	4,146,298	4,229,224	4,313,809
Operating grants, subsidies and contributions	5,000,065	3,826,998	3,664,999	2,380,984	2,202,932	3,312,908	3,362,602	3,413,040	3,464,236	3,516,199	3,568,944	3,622,476	3,676,812	3,731,965	3,787,945	3,844,765	3,902,436	3,960,976	4,020,387
Fees and charges	1,778,638	1,720,770	1,276,962	1,249,112	1,160,284	1,177,691	1,195,358	1,213,293	1,231,496	1,249,970	1,268,722	1,287,752	1,307,067	1,326,674	1,346,571	1,366,770	1,387,270	1,408,078	1,429,200
Interest earnings	152,653	171,370	137,746	92,590	53,897	61,666	54,672	52,702	49,746	48,973	48,720	48,216	44,803	53,546	63,626	67,771	76,411	82,863	86,798
Other revenue	93	17	36	100	100	102	104	106	108	110	112	114	116	118	120	122	124	126	128
	9,972,780	8,836,736	8,284,109	6,991,239	6,686,536	7,887,077	8,014,140	8,148,574	8,284,408	8,424,851	8,568,289	8,713,985	8,859,334	9,019,451	9,183,553	9,344,426	9,512,539	9,681,267	9,850,322
<b>Expenses</b>																			
Employee costs	(3,141,256)	(3,383,197)	(2,830,290)	(2,451,518)	(2,493,877)	(2,531,285)	(2,569,257)	(2,607,797)	(2,646,918)	(2,686,626)	(2,726,925)	(2,767,830)	(2,809,343)	(2,851,481)	(2,894,253)	(2,937,664)	(2,981,726)	(3,026,454)	(3,071,851)
Materials and contracts	(1,700,421)	(2,284,641)	(2,667,499)	(2,727,361)	(2,750,784)	(2,752,987)	(2,748,243)	(2,795,417)	(2,831,307)	(2,879,728)	(2,916,883)	(2,966,594)	(3,005,048)	(3,056,075)	(3,095,871)	(3,148,266)	(3,189,453)	(3,243,240)	(3,285,845)
Utility charges	(435,400)	(405,231)	(455,009)	(522,824)	(454,878)	(461,698)	(468,625)	(475,659)	(482,797)	(490,040)	(497,389)	(504,850)	(512,425)	(520,112)	(527,916)	(535,834)	(543,872)	(552,032)	(560,308)
Depreciation on non-current assets	(5,005,686)	(5,168,510)	(5,371,282)	(5,197,645)	(5,534,673)	(5,644,704)	(5,743,488)	(5,798,660)	(5,879,979)	(5,990,424)	(6,080,060)	(6,171,839)	(6,264,960)	(6,359,338)	(6,453,351)	(6,550,573)	(6,649,139)	(6,748,790)	(6,848,325)
Interest expenses	(74,173)	(63,955)	(77,633)	(106,618)	(142,626)	(144,766)	(146,938)	(149,142)	(151,379)	(153,650)	(155,955)	(158,295)	(160,670)	(163,079)	(165,526)	(168,010)	(170,530)	(173,089)	(175,686)
Insurance expenses	(152,368)	(132,542)	(155,982)	(162,262)	(171,231)	(173,803)	(176,412)	(179,058)	(181,744)	(184,468)	(187,234)	(190,042)	(192,894)	(195,788)	(198,725)	(201,706)	(204,732)	(207,801)	(210,918)
Other expenditure	(121,748)	(167,645)	(179,979)	(151,281)	(183,662)	(186,418)	(189,216)	(192,054)	(194,935)	(197,856)	(200,824)	(203,838)	(206,893)	(209,997)	(213,149)	(216,344)	(219,590)	(222,885)	(226,227)
	(10,631,052)	(11,605,721)	(11,737,674)	(11,319,509)	(11,731,731)	(11,895,661)	(12,042,179)	(12,197,787)	(12,369,059)	(12,582,792)	(12,765,270)	(12,963,288)	(13,152,233)	(13,355,870)	(13,548,791)	(13,758,397)	(13,959,042)	(14,174,291)	(14,379,160)
	(658,272)	(2,768,985)	(3,453,565)	(4,328,270)	(5,045,195)	(4,008,584)	(4,028,039)	(4,049,213)	(4,084,651)	(4,157,941)	(4,196,981)	(4,249,303)	(4,292,899)	(4,336,419)	(4,365,238)	(4,413,971)	(4,446,503)	(4,493,024)	(4,528,838)
Non-operating grants, subsidies and contributions	5,695,736	4,551,374	4,142,241	1,499,148	3,245,121	2,609,123	2,509,123	2,509,123	2,455,790	1,455,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000
Fair value adjustments to financial assets at fair value through profit or loss	0	0	122,620	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on asset disposals	2,191	18,000	20,000	70,841	(447,229)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(87,067)	(46,109)	(182,937)	(67,721)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>NET RESULT</b>	4,952,588	1,754,280	648,359	(2,826,002)	(2,247,303)	(1,399,461)	(1,518,916)	(1,540,090)	(1,628,861)	(2,702,941)	(3,041,981)	(3,094,303)	(3,137,899)	(3,181,419)	(3,210,238)	(3,258,971)	(3,291,503)	(3,338,024)	(3,373,838)
<b>Other comprehensive income</b>	(5,329,504)	3,348,649	32,466	0	4,584,567	4,649,525	4,705,095	4,773,244	4,810,435	4,853,592	4,887,162	4,908,307	4,945,577	4,959,048	4,963,084	4,986,319	4,997,386	5,007,221	5,023,126
<b>TOTAL COMPREHENSIVE INCOME</b>	(376,916)	5,102,929	680,825	(2,826,002)	2,337,264	3,250,064	3,186,179	3,233,154	3,181,574	2,150,651	1,845,181	1,814,004	1,807,678	1,777,629	1,752,846	1,727,348	1,705,883	1,669,197	1,649,288

Refer to Appendix B15 – Forecast Significant Accounting Policies

# Appendix B3 – Forecast Statement of Comprehensive Income by Program 2020 - 2035

	2016-17	2017-18	2018-19	Base	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Revenue</b>																				
Governance	319	220	219	459	467	475	483	491	499	507	515	523	531	539	547	556	565	574	583	
General purpose funding	7,172,243	5,938,817	6,170,203	4,821,463	5,039,016	6,214,839	6,316,816	6,425,786	6,535,774	6,649,985	6,766,795	6,885,470	7,003,394	7,135,670	7,271,517	7,403,709	7,542,712	7,681,891	7,820,958	
Law, order, public safety	31,681	731,479	11,535	192,213	29,330	29,771	30,218	30,672	31,132	31,599	32,074	32,555	33,043	33,538	34,041	34,552	35,071	35,597	36,131	
Health	555,400	494,547	120,180	21,082	21,398	21,718	22,043	22,374	22,710	23,051	23,397	23,748	24,104	24,466	24,832	25,205	25,583	25,967	26,357	
Education and welfare	3,493	4,354	3,929	3,501	3,554	3,607	3,661	3,716	3,771	3,828	3,886	3,944	4,003	4,063	4,124	4,186	4,249	4,313	4,377	
Housing	300,086	304,516	328,926	355,352	360,683	366,094	371,585	377,159	382,817	388,559	394,388	400,302	406,307	412,401	418,587	424,865	431,236	437,706	444,271	
Community amenities	526,745	525,619	602,478	595,078	604,005	613,065	622,260	631,594	641,069	650,685	660,446	670,354	680,410	690,615	700,974	711,489	722,161	732,994	743,987	
Recreation and culture	206,758	115,057	237,109	265,330	76,164	77,309	78,469	79,647	80,842	82,054	83,285	84,534	85,800	87,089	88,396	89,722	91,068	92,434	93,821	
Transport	303,420	209,409	301,533	313,176	147,354	149,565	151,809	154,086	156,397	158,743	161,124	163,541	165,994	168,484	171,012	173,577	176,181	178,824	181,506	
Economic services	714,147	283,814	239,173	260,554	239,089	242,676	246,318	250,014	253,765	257,573	261,437	265,358	269,338	273,379	277,479	281,641	285,864	290,151	294,504	
Other property and services	158,488	228,904	268,824	163,031	165,476	167,958	170,478	173,035	175,632	178,267	180,942	183,656	186,410	189,207	192,044	194,924	197,849	200,816	203,827	
	9,972,780	8,836,736	8,284,109	6,991,239	6,686,536	7,887,077	8,014,140	8,148,574	8,284,408	8,424,851	8,568,289	8,713,985	8,859,334	9,019,451	9,183,553	9,344,426	9,512,539	9,681,267	9,850,322	
<b>Expenses excluding finance costs</b>																				
Governance	(743,449)	(752,624)	(606,772)	(801,108)	(813,126)	(825,322)	(837,702)	(850,265)	(863,016)	(875,957)	(889,097)	(902,434)	(915,971)	(929,710)	(943,656)	(957,808)	(972,175)	(986,758)	(1,001,559)	
General purpose funding	(206,347)	(190,668)	(264,051)	(220,279)	(558,501)	(305,484)	(270,142)	(274,030)	(278,110)	(282,400)	(286,636)	(290,939)	(295,305)	(299,736)	(304,225)	(308,791)	(313,423)	(318,124)	(322,887)	
Law, order, public safety	(143,147)	(130,640)	(203,849)	(170,136)	(172,688)	(178,236)	(181,052)	(183,451)	(186,144)	(189,162)	(191,996)	(194,882)	(197,810)	(200,780)	(203,777)	(206,836)	(209,944)	(213,092)	(216,271)	
Health	(921,445)	(939,949)	(446,513)	(259,103)	(302,992)	(413,826)	(420,097)	(426,263)	(432,631)	(439,221)	(445,810)	(452,502)	(459,292)	(466,184)	(473,170)	(480,270)	(487,475)	(494,788)	(502,201)	
Education and welfare	(12,929)	(27,188)	(74,888)	(79,576)	(80,771)	(82,136)	(83,376)	(84,610)	(85,878)	(87,177)	(88,485)	(89,814)	(91,162)	(92,531)	(93,919)	(95,329)	(96,760)	(98,213)	(99,683)	
Housing	(289,390)	(279,903)	(315,045)	(360,299)	(365,702)	(379,314)	(385,400)	(390,314)	(396,010)	(402,575)	(408,608)	(414,751)	(420,988)	(427,315)	(433,687)	(440,204)	(446,815)	(453,515)	(460,265)	
Community amenities	(560,924)	(640,356)	(673,194)	(711,924)	(722,606)	(736,106)	(747,277)	(758,203)	(769,525)	(781,278)	(792,993)	(804,895)	(816,974)	(829,231)	(841,657)	(854,284)	(867,101)	(880,109)	(893,298)	
Recreation and culture	(1,559,195)	(1,657,267)	(1,852,788)	(1,936,290)	(1,936,407)	(1,994,261)	(2,025,580)	(2,052,885)	(2,083,118)	(2,116,572)	(2,148,296)	(2,180,582)	(2,213,342)	(2,246,577)	(2,280,138)	(2,314,385)	(2,349,132)	(2,384,359)	(2,419,949)	
Transport	(5,214,938)	(5,474,876)	(6,428,383)	(5,703,129)	(5,788,677)	(5,944,382)	(6,044,205)	(6,111,485)	(6,198,885)	(6,308,661)	(6,403,121)	(6,499,604)	(6,597,507)	(6,696,775)	(6,796,186)	(6,898,447)	(7,002,153)	(7,107,123)	(7,212,447)	
Economic services	(958,933)	(1,229,346)	(659,466)	(812,541)	(686,745)	(707,813)	(712,625)	(728,752)	(733,552)	(750,873)	(756,093)	(773,396)	(778,961)	(796,603)	(802,489)	(820,486)	(826,758)	(845,106)	(851,716)	
Other property and services	53,818	(218,949)	(135,092)	(158,506)	(160,890)	(184,015)	(187,785)	(188,387)	(190,811)	(195,266)	(198,180)	(201,194)	(204,251)	(207,349)	(210,361)	(213,547)	(216,776)	(220,015)	(223,198)	
	(10,556,879)	(11,541,766)	(11,660,041)	(11,212,891)	(11,589,105)	(11,750,895)	(11,895,241)	(12,048,645)	(12,217,680)	(12,429,142)	(12,609,315)	(12,804,993)	(12,991,563)	(13,192,791)	(13,383,265)	(13,590,387)	(13,788,512)	(14,001,202)	(14,203,474)	
	)	)	)	)	)	)	)	)	)	)	)	)	)	)	)	)	)	)	)	
<b>Finance costs</b>																				
Community amenities	(15,270)	(14,008)	(12,616)	(11,805)	(9,393)	(9,534)	(9,677)	(9,822)	(9,969)	(10,119)	(10,271)	(10,426)	(10,582)	(10,740)	(10,902)	(11,066)	(11,232)	(11,401)	(11,572)	
Recreation and culture	(50,233)	(44,976)	(63,428)	(94,813)	(110,666)	(112,326)	(114,011)	(115,721)	(117,457)	(119,219)	(121,007)	(122,822)	(124,665)	(126,535)	(128,433)	(130,360)	(132,315)	(134,300)	(136,315)	
Other property and services	(8,670)	(4,971)	(1,589)	0	(22,567)	(22,906)	(23,250)	(23,599)	(23,953)	(24,312)	(24,677)	(25,047)	(25,423)	(25,804)	(26,191)	(26,584)	(26,983)	(27,388)	(27,799)	
	(74,173)	(63,955)	(77,633)	(106,618)	(142,626)	(144,766)	(146,938)	(149,142)	(151,379)	(153,650)	(155,955)	(158,295)	(160,670)	(163,079)	(165,526)	(168,010)	(170,530)	(173,089)	(175,686)	
<b>Non operating grants, subsidies and contributions</b>																				
Law, order, public safety	0	0	0	0	163,318	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Community amenities	0	0	10,483	0	174,823	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
Recreation and culture	418,333	744,978	354,828	332,363	160,055	0	0	0	0	300,000	0	0	0	0	0	0	0	0	0	
Transport	5,277,403	3,806,396	3,776,930	1,166,785	2,731,925	2,509,123	2,509,123	2,509,123	2,455,790	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	
Economic services	0	0	0	0	15,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	5,695,736	4,551,374	4,142,241	1,499,148	3,245,121	2,609,123	2,509,123	2,509,123	2,455,790	1,455,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	
<b>Profit/(loss) on disposal of assets</b>																				
Law, order, public safety	0	18,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Health	0	(1,924)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Housing	(5,018)	(9,078)	0	69,766	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Recreation and culture	(725)	(17,136)	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Transport	(56,506)	(17,971)	(182,937)	(66,646)	(39,771)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other property and services	(22,627)	0	0	0	(407,458)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	(84,876)	(28,109)	(162,937)	3,120	(447,229)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Fair value adjustments to financial assets at fair value through profit or loss	0	0	122,620	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>NET RESULT</b>	4,952,588	1,754,280	648,359	(2,826,002)	(2,247,303)	(1,399,461)	(1,518,916)	(1,540,090)	(1,628,861)	(2,702,941)	(3,041,981)	(3,094,303)	(3,137,899)	(3,181,419)	(3,210,238)	(3,258,971)	(3,291,503)	(3,338,024)	(3,373,838)	
<b>Other comprehensive income</b>	(5,329,504)	3,348,649	32,466	0	4,584,567	4,649,525	4,705,095	4,773,244	4,810,435	4,853,592	4,887,162	4,908,307	4,945,577	4,959,048	4,963,084	4,986,319	4,997,386	5,007,221	5,023,126	
<b>TOTAL COMPREHENSIVE INCOME</b>	(376,916)	5,102,929	680,825	(2,826,002)	2,337,264	3,250,064	3,186,179	3,233,154	3,181,574	2,150,651	1,845,181	1,814,004	1,807,678	1,777,629	1,752,846	1,727,348	1,705,883	1,669,197	1,649,288	

Refer to Appendix B15 – Forecast Significant Accounting Policies

# Appendix B4 – Forecast Statement of Financial Position 2020 - 2035

	2017	2018	2019	Base	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
<b>CURRENT ASSETS</b>																					
Unrestricted cash and cash equivalents	1,413,012	3,019,352	2,078,484	2,933,402	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684	
Restricted cash and cash equivalent	4,963,304	2,996,824	2,892,808	3,299,421	4,033,400	3,567,140	3,435,823	3,238,684	3,187,165	3,170,316	3,136,760	2,909,231	3,492,118	4,164,096	4,440,434	5,016,393	5,446,517	5,708,905	5,915,939	5,915,939	
Trade and other receivables	1,896,785	668,049	1,348,906	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424
Inventories	4,374	13,889	10,947	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214
<b>TOTAL CURRENT ASSETS</b>	<b>8,277,475</b>	<b>6,698,114</b>	<b>6,331,145</b>	<b>6,552,461</b>	<b>4,430,722</b>	<b>3,964,462</b>	<b>3,833,145</b>	<b>3,636,006</b>	<b>3,584,487</b>	<b>3,567,638</b>	<b>3,534,082</b>	<b>3,306,553</b>	<b>3,889,440</b>	<b>4,561,418</b>	<b>4,837,756</b>	<b>5,413,715</b>	<b>5,843,839</b>	<b>6,106,227</b>	<b>6,313,261</b>	<b>6,313,261</b>	
<b>NON-CURRENT ASSETS</b>																					
Financial assets	0	0	122,620	122,620	122,620	122,620	122,620	122,620	122,620	122,620	122,620	122,620	122,620	122,620	122,620	122,620	122,620	122,620	122,620	122,620	122,620
Other receivables	18,838	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560
Other assets	0	0	816	816	816	816	816	816	816	816	816	816	816	816	816	816	816	816	816	816	816
Property plant and equipment	33,106,138	30,607,765	33,419,224	35,947,640	37,095,469	37,254,480	37,013,725	36,694,570	36,626,849	37,713,228	37,785,742	38,106,756	37,619,080	37,073,432	36,910,490	36,415,581	36,012,034	35,850,284	35,740,829	35,740,829	35,740,829
Infrastructure	268,469,440	277,614,949	277,941,617	274,251,046	278,104,990	281,846,451	286,130,697	289,414,566	292,237,615	293,643,532	295,087,992	296,440,840	297,779,607	299,122,961	300,449,842	301,778,851	303,188,853	304,599,881	305,990,747	305,990,747	305,990,747
<b>TOTAL NON-CURRENT ASSETS</b>	<b>301,594,416</b>	<b>308,239,274</b>	<b>311,500,837</b>	<b>310,338,682</b>	<b>315,340,455</b>	<b>319,240,927</b>	<b>323,284,418</b>	<b>326,249,132</b>	<b>329,004,460</b>	<b>331,496,756</b>	<b>333,013,730</b>	<b>334,687,592</b>	<b>335,538,683</b>	<b>336,336,389</b>	<b>337,500,328</b>	<b>338,334,428</b>	<b>339,340,883</b>	<b>340,590,161</b>	<b>341,871,572</b>	<b>341,871,572</b>	<b>341,871,572</b>
<b>TOTAL ASSETS</b>	<b>309,871,891</b>	<b>314,937,388</b>	<b>317,831,982</b>	<b>316,891,143</b>	<b>319,771,177</b>	<b>323,205,389</b>	<b>327,117,563</b>	<b>329,885,138</b>	<b>332,588,947</b>	<b>335,064,394</b>	<b>336,547,812</b>	<b>337,994,145</b>	<b>339,428,123</b>	<b>340,897,807</b>	<b>342,338,084</b>	<b>343,748,143</b>	<b>345,184,722</b>	<b>346,696,388</b>	<b>348,184,833</b>	<b>348,184,833</b>	<b>348,184,833</b>
<b>CURRENT LIABILITIES</b>																					
Trade and other payables	758,273	752,577	534,812	397,322	397,322	397,322	397,322	397,322	397,322	397,322	397,322	397,322	397,322	397,322	397,322	397,322	397,322	397,322	397,322	397,322	397,322
Lease liabilities	0	0	0	23,053	23,632	24,228	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current portion of long-term liabilities	110,206	752,753	3,459,413	3,329,740	292,220	349,777	465,579	477,765	375,204	361,763	367,671	373,700	307,945	312,569	317,289	269,304	157,531	160,843	164,240	164,240	164,240
Provisions	524,236	604,588	458,666	459,652	434,677	434,677	434,677	434,677	434,677	434,677	434,677	434,677	434,677	434,677	434,677	434,677	434,677	434,677	434,677	434,677	434,677
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,392,715</b>	<b>2,109,918</b>	<b>4,452,891</b>	<b>4,209,767</b>	<b>1,147,851</b>	<b>1,206,004</b>	<b>1,297,578</b>	<b>1,309,764</b>	<b>1,207,203</b>	<b>1,193,762</b>	<b>1,199,670</b>	<b>1,205,699</b>	<b>1,139,944</b>	<b>1,144,568</b>	<b>1,149,288</b>	<b>1,101,303</b>	<b>989,530</b>	<b>992,842</b>	<b>996,239</b>	<b>996,239</b>	<b>996,239</b>
<b>NON-CURRENT LIABILITIES</b>																					
Lease liabilities	0	0	0	47,860	24,228	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-term borrowings	876,646	123,755	0	0	3,628,318	3,778,541	4,412,962	3,935,197	3,559,993	3,898,230	3,530,559	3,156,859	2,848,914	2,536,345	2,219,056	1,949,752	1,792,221	1,631,378	1,467,138	1,467,138	1,467,138
Provisions	54,892	53,148	47,699	47,699	47,699	47,699	47,699	47,699	47,699	47,699	47,699	47,699	47,699	47,699	47,699	47,699	47,699	47,699	47,699	47,699	47,699
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>931,538</b>	<b>176,903</b>	<b>47,699</b>	<b>95,559</b>	<b>3,700,245</b>	<b>3,826,240</b>	<b>4,460,661</b>	<b>3,982,896</b>	<b>3,607,692</b>	<b>3,945,929</b>	<b>3,578,258</b>	<b>3,204,558</b>	<b>2,896,613</b>	<b>2,584,044</b>	<b>2,266,755</b>	<b>1,997,451</b>	<b>1,839,920</b>	<b>1,679,077</b>	<b>1,514,837</b>	<b>1,514,837</b>	<b>1,514,837</b>
<b>TOTAL LIABILITIES</b>	<b>2,324,253</b>	<b>2,286,821</b>	<b>4,500,590</b>	<b>4,305,326</b>	<b>4,848,096</b>	<b>5,032,244</b>	<b>5,758,239</b>	<b>5,292,660</b>	<b>4,814,895</b>	<b>5,139,691</b>	<b>4,777,928</b>	<b>4,410,257</b>	<b>4,036,557</b>	<b>3,728,612</b>	<b>3,416,043</b>	<b>3,098,754</b>	<b>2,829,450</b>	<b>2,671,919</b>	<b>2,511,076</b>	<b>2,511,076</b>	<b>2,511,076</b>
<b>NET ASSETS</b>	<b>307,547,638</b>	<b>312,650,567</b>	<b>313,331,392</b>	<b>312,585,817</b>	<b>314,923,081</b>	<b>318,173,145</b>	<b>321,359,324</b>	<b>324,592,478</b>	<b>327,774,052</b>	<b>329,924,703</b>	<b>331,769,884</b>	<b>333,583,888</b>	<b>335,391,566</b>	<b>337,169,195</b>	<b>338,922,041</b>	<b>340,649,389</b>	<b>342,355,272</b>	<b>344,024,469</b>	<b>345,673,757</b>	<b>345,673,757</b>	<b>345,673,757</b>
<b>EQUITY</b>																					
Retained surplus	43,305,119	46,348,859	46,986,602	45,834,414	42,853,132	41,919,931	40,532,332	39,189,381	37,612,039	34,925,947	31,917,522	29,050,748	25,329,962	21,476,565	17,989,989	14,155,059	10,433,432	6,833,020	3,252,148	3,252,148	3,252,148
Reserves - cash backed	4,171,653	2,882,192	2,892,808	3,299,421	4,033,400	3,567,140	3,435,823	3,238,684	3,187,165	3,170,316	3,136,760	2,909,231	3,492,118	4,164,096	4,440,434	5,016,393	5,446,517	5,708,905	5,915,939	5,915,939	5,915,939
Asset revaluation surplus	260,070,866	263,419,516	263,451,982	263,451,982	268,036,549	272,686,074	277,391,169	282,164,413	286,974,848	291,828,440	296,715,602	301,623,909	306,569,486	311,528,534	316,491,618	321,477,937	326,475,323	331,482,544	336,505,670	336,505,670	336,505,670
<b>TOTAL EQUITY</b>	<b>307,547,638</b>	<b>312,650,567</b>	<b>313,331,392</b>	<b>312,585,817</b>	<b>314,923,081</b>	<b>318,173,145</b>	<b>321,359,324</b>	<b>324,592,478</b>	<b>327,774,052</b>	<b>329,924,703</b>	<b>331,769,884</b>	<b>333,583,888</b>	<b>335,391,566</b>	<b>337,169,195</b>	<b>338,922,041</b>	<b>340,649,389</b>	<b>342,355,272</b>	<b>344,024,469</b>	<b>345,673,757</b>	<b>345,673,757</b>	<b>345,673,757</b>

Refer to Appendix B15 – Forecast Significant Accounting Policies

## Appendix B5 – Forecast Statement of Changes in Equity 2020 - 2035

	2017	2018	2019	Base	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>RETAINED SURPLUS</b>																			
Opening balance	38,352,531	43,305,118	46,348,859	49,067,029	45,834,414	42,853,132	41,919,931	40,532,332	39,189,381	37,612,039	34,925,947	31,917,522	29,050,748	25,329,962	21,476,565	17,989,989	14,155,059	10,433,432	6,833,020
Net result	4,952,588	1,754,280	648,359	(2,826,002)	(2,247,303)	(1,399,461)	(1,518,916)	(1,540,090)	(1,628,861)	(2,702,941)	(3,041,981)	(3,094,303)	(3,137,899)	(3,181,419)	(3,210,238)	(3,258,971)	(3,291,503)	(3,338,024)	(3,373,838)
Amount transferred(to)/from reserves		1,289,461	(10,616)	(406,613)	(733,979)	466,260	131,317	197,139	51,519	16,849	33,556	227,529	(582,887)	(671,978)	(276,338)	(575,959)	(430,124)	(262,388)	(207,034)
Closing balance	43,305,119	46,348,859	46,986,602	45,834,414	42,853,132	41,919,931	40,532,332	39,189,381	37,612,039	34,925,947	31,917,522	29,050,748	25,329,962	21,476,565	17,989,989	14,155,059	10,433,432	6,833,020	3,252,148
<b>RESERVES - CASH/INVESTMENT BACKED</b>																			
Opening balance	4,171,653	4,171,653	2,882,192	2,892,808	3,299,421	4,033,400	3,567,140	3,435,823	3,238,684	3,187,165	3,170,316	3,136,760	2,909,231	3,492,118	4,164,096	4,440,434	5,016,393	5,446,517	5,708,905
Amount transferred to/(from) retained surplus	0	(1,289,461)	10,616	406,613	733,979	(466,260)	(131,317)	(197,139)	(51,519)	(16,849)	(33,556)	(227,529)	582,887	671,978	276,338	575,959	430,124	262,388	207,034
Closing balance	4,171,653	2,882,192	2,892,808	3,299,421	4,033,400	3,567,140	3,435,823	3,238,684	3,187,165	3,170,316	3,136,760	2,909,231	3,492,118	4,164,096	4,440,434	5,016,393	5,446,517	5,708,905	5,915,939
<b>ASSET REVALUATION SURPLUS</b>																			
Opening balance	260,070,866	263,419,516	263,451,982	263,451,982	263,451,982	268,036,549	272,686,074	277,391,169	282,164,413	286,974,848	291,828,440	296,715,602	301,623,909	306,569,486	311,528,534	316,491,618	321,477,937	326,475,323	331,482,544
Total other comprehensive income	0	0	0	0	4,584,567	4,649,525	4,705,095	4,773,244	4,810,435	4,853,592	4,887,162	4,908,307	4,945,577	4,959,048	4,963,084	4,986,319	4,997,386	5,007,221	5,023,126
Closing balance	260,070,866	263,419,516	263,451,982	263,451,982	268,036,549	272,686,074	277,391,169	282,164,413	286,974,848	291,828,440	296,715,602	301,623,909	306,569,486	311,528,534	316,491,618	321,477,937	326,475,323	331,482,544	336,505,670
<b>TOTAL EQUITY</b>	<b>307,547,638</b>	<b>312,650,567</b>	<b>313,331,392</b>	<b>312,585,817</b>	<b>314,923,081</b>	<b>318,173,145</b>	<b>321,359,324</b>	<b>324,592,478</b>	<b>327,774,052</b>	<b>329,924,703</b>	<b>331,769,884</b>	<b>333,583,888</b>	<b>335,391,566</b>	<b>337,169,195</b>	<b>338,922,041</b>	<b>340,649,389</b>	<b>342,355,272</b>	<b>344,024,469</b>	<b>345,673,757</b>

# Appendix B6 – Forecast Statement of Cashflows 2020 - 2035

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash flows from operating activities</b>															
<b>Receipts</b>															
Rates	3,269,323	3,334,710	3,401,404	3,469,433	3,538,822	3,609,599	3,681,791	3,755,427	3,830,536	3,907,148	3,985,291	4,064,998	4,146,298	4,229,224	4,313,809
Operating grants, subsidies and contributions	2,202,932	3,312,908	3,362,602	3,413,040	3,464,236	3,516,199	3,568,944	3,622,476	3,676,812	3,731,965	3,787,945	3,844,765	3,902,436	3,960,976	4,020,387
Fees and charges	1,160,284	1,177,691	1,195,358	1,213,293	1,231,496	1,249,970	1,268,722	1,287,752	1,307,067	1,326,674	1,346,571	1,366,770	1,387,270	1,408,078	1,429,200
Interest earnings	53,897	61,666	54,672	52,702	49,746	48,973	48,720	48,216	44,803	53,546	63,626	67,771	76,411	82,863	86,798
Other revenue	100	102	104	106	108	110	112	114	116	118	120	122	124	126	128
	6,686,536	7,887,077	8,014,140	8,148,574	8,284,408	8,424,851	8,568,289	8,713,985	8,859,334	9,019,451	9,183,553	9,344,426	9,512,539	9,681,267	9,850,322
<b>Payments</b>															
Employee costs	(2,518,852)	(2,531,285)	(2,569,257)	(2,607,797)	(2,646,918)	(2,686,626)	(2,726,925)	(2,767,830)	(2,809,343)	(2,851,481)	(2,894,253)	(2,937,664)	(2,981,726)	(3,026,454)	(3,071,851)
Materials and contracts	(2,750,784)	(2,752,987)	(2,748,243)	(2,795,417)	(2,831,307)	(2,879,728)	(2,916,883)	(2,966,594)	(3,005,048)	(3,056,075)	(3,095,871)	(3,148,266)	(3,189,453)	(3,243,240)	(3,285,845)
Utility charges	(454,878)	(461,698)	(468,625)	(475,659)	(482,797)	(490,040)	(497,389)	(504,850)	(512,425)	(520,112)	(527,916)	(535,834)	(543,872)	(552,032)	(560,308)
Interest expenses	(142,626)	(144,766)	(146,938)	(149,142)	(151,379)	(153,650)	(155,955)	(158,295)	(160,670)	(163,079)	(165,526)	(168,010)	(170,530)	(173,089)	(175,686)
Insurance expenses	(171,231)	(173,803)	(176,412)	(179,058)	(181,744)	(184,468)	(187,234)	(190,042)	(192,894)	(195,788)	(198,725)	(201,706)	(204,732)	(207,801)	(210,918)
Other expenditure	(183,662)	(186,418)	(189,216)	(192,054)	(194,935)	(197,856)	(200,824)	(203,838)	(206,893)	(209,997)	(213,149)	(216,344)	(219,590)	(222,885)	(226,227)
	(6,222,033)	(6,250,957)	(6,298,691)	(6,399,127)	(6,489,080)	(6,592,368)	(6,685,210)	(6,791,449)	(6,887,273)	(6,996,532)	(7,095,440)	(7,207,824)	(7,309,903)	(7,425,501)	(7,530,835)
<b>Net cash provided by (used in) operating activities</b>	464,503	1,636,120	1,715,449	1,749,447	1,795,328	1,832,483	1,883,079	1,922,536	1,972,061	2,022,919	2,088,113	2,136,602	2,202,636	2,255,766	2,319,487
<b>Cash flows from investing activities</b>															
Payments for purchase of property, plant & equipment	(2,736,286)	(957,402)	(600,722)	(449,549)	(898,505)	(2,025,370)	(1,084,732)	(1,247,274)	(391,829)	(347,619)	(865,737)	(504,872)	(606,747)	(963,284)	(1,139,176)
Payments for construction of infrastructure	(4,175,806)	(4,083,699)	(4,653,699)	(3,663,699)	(3,223,699)	(1,835,350)	(1,925,000)	(1,885,000)	(1,925,000)	(1,985,000)	(2,025,000)	(2,085,000)	(2,225,000)	(2,285,000)	(2,325,000)
Proceeds from non-operating grants, subsidies and contributions	3,245,121	2,609,123	2,509,123	2,509,123	2,455,790	1,455,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000
Proceeds from sale of plant & equipment	512,984	145,450	172,537	123,118	297,332	231,592	299,860	194,880	146,355	134,623	236,531	191,518	173,539	257,437	357,566
<b>Net cash provided by (used in) investing activities</b>	(3,153,987)	(2,286,528)	(2,572,761)	(1,481,007)	(1,369,082)	(2,174,128)	(1,554,872)	(1,782,394)	(1,015,474)	(1,042,996)	(1,499,206)	(1,243,354)	(1,503,208)	(1,835,847)	(1,951,610)
<b>Cash flows from financing activities</b>															
Repayment of debentures	(209,202)	(292,220)	(349,777)	(465,579)	(477,765)	(375,204)	(361,763)	(367,671)	(373,700)	(307,945)	(312,569)	(317,289)	(269,304)	(157,531)	(160,843)
Repayment of leases	(23,053)	(23,632)	(24,228)	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from new debentures	800,000	500,000	1,100,000	0	0	700,000	0	0	0	0	0	0	0	0	0
<b>Net cash provided by (used in) financing activities</b>	567,745	184,148	725,995	(465,579)	(477,765)	324,796	(361,763)	(367,671)	(373,700)	(307,945)	(312,569)	(317,289)	(269,304)	(157,531)	(160,843)
<b>Net increase (decrease) in cash held</b>	(2,121,739)	(466,260)	(131,317)	(197,139)	(51,519)	(16,849)	(33,556)	(227,529)	582,887	671,978	276,338	575,959	430,124	262,388	207,034
Cash at beginning of year	6,232,823	4,111,084	3,644,824	3,513,507	3,316,368	3,264,849	3,248,000	3,214,444	2,986,915	3,569,802	4,241,780	4,518,118	5,094,077	5,524,201	5,786,589
<b>Cash and cash equivalents at the end of year</b>	4,111,084	3,644,824	3,513,507	3,316,368	3,264,849	3,248,000	3,214,444	2,986,915	3,569,802	4,241,780	4,518,118	5,094,077	5,524,201	5,786,589	5,993,623
<b>Reconciliation of net cash provided by operating activities to net result</b>															
Net result	(2,247,303)	(1,399,461)	(1,518,916)	(1,540,090)	(1,628,861)	(2,702,941)	(3,041,981)	(3,094,303)	(3,137,899)	(3,181,419)	(3,210,238)	(3,258,971)	(3,291,503)	(3,338,024)	(3,373,838)
Non-cash flows in net result															
Depreciation	5,534,673	5,644,704	5,743,488	5,798,660	5,879,979	5,990,424	6,080,060	6,171,839	6,264,960	6,359,338	6,453,351	6,550,573	6,649,139	6,748,790	6,848,325
(Profit)/loss on sale of asset	447,229	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Changes in assets and liabilities															
Increase/(decrease) in provisions	(24,975)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants/contributions for the development of assets	(3,245,121)	(2,609,123)	(2,509,123)	(2,509,123)	(2,455,790)	(1,455,000)	(1,155,000)	(1,155,000)	(1,155,000)	(1,155,000)	(1,155,000)	(1,155,000)	(1,155,000)	(1,155,000)	(1,155,000)
<b>Net cash from operating activities</b>	464,503	1,636,120	1,715,449	1,749,447	1,795,328	1,832,483	1,883,079	1,922,536	1,972,061	2,022,919	2,088,113	2,136,602	2,202,636	2,255,766	2,319,487



# Appendix B7 – Forecast Statement of Funding 2020 - 2035

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>FUNDING FROM OPERATIONAL ACTIVITIES</b>															
<b>Revenues</b>															
Rates	3,269,323	3,334,710	3,401,404	3,469,433	3,538,822	3,609,599	3,681,791	3,755,427	3,830,536	3,907,148	3,985,291	4,064,998	4,146,298	4,229,224	4,313,809
Operating grants, subsidies and contributions	2,202,932	3,312,908	3,362,602	3,413,040	3,464,236	3,516,199	3,568,944	3,622,476	3,676,812	3,731,965	3,787,945	3,844,765	3,902,436	3,960,976	4,020,387
Profit on asset disposal	(447,229)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,160,284	1,177,691	1,195,358	1,213,293	1,231,496	1,249,970	1,268,722	1,287,752	1,307,067	1,326,674	1,346,571	1,366,770	1,387,270	1,408,078	1,429,200
Interest earnings	53,897	61,666	54,672	52,702	49,746	48,973	48,720	48,216	44,803	53,546	63,626	67,771	76,411	82,863	86,798
Other revenue	100	102	104	106	108	110	112	114	116	118	120	122	124	126	128
	6,239,307	7,887,077	8,014,140	8,148,574	8,284,408	8,424,851	8,568,289	8,713,985	8,859,334	9,019,451	9,183,553	9,344,426	9,512,539	9,681,267	9,850,322
<b>Expenses</b>															
Employee costs	(2,493,877)	(2,531,285)	(2,569,257)	(2,607,797)	(2,646,918)	(2,686,626)	(2,726,925)	(2,767,830)	(2,809,343)	(2,851,481)	(2,894,253)	(2,937,664)	(2,981,726)	(3,026,454)	(3,071,851)
Materials and contracts	(2,750,784)	(2,752,987)	(2,748,243)	(2,795,417)	(2,831,307)	(2,879,728)	(2,916,883)	(2,966,594)	(3,005,048)	(3,056,075)	(3,095,871)	(3,148,266)	(3,189,453)	(3,243,240)	(3,285,845)
Utility charges (electricity, gas, water etc.)	(454,878)	(461,698)	(468,625)	(475,659)	(482,797)	(490,040)	(497,389)	(504,850)	(512,425)	(520,112)	(527,916)	(535,834)	(543,872)	(552,032)	(560,308)
Depreciation on non-current assets	(5,534,673)	(5,644,704)	(5,743,488)	(5,798,660)	(5,879,979)	(5,990,424)	(6,080,060)	(6,171,839)	(6,264,960)	(6,359,338)	(6,453,351)	(6,550,573)	(6,649,139)	(6,748,790)	(6,848,325)
Interest expense	(142,626)	(144,766)	(146,938)	(149,142)	(151,379)	(153,650)	(155,955)	(158,295)	(160,670)	(163,079)	(165,526)	(168,010)	(170,530)	(173,089)	(175,686)
Insurance expense	(171,231)	(173,803)	(176,412)	(179,058)	(181,744)	(184,468)	(187,234)	(190,042)	(192,894)	(195,788)	(198,725)	(201,706)	(204,732)	(207,801)	(210,918)
Other expenditure	(183,662)	(186,418)	(189,216)	(192,054)	(194,935)	(197,856)	(200,824)	(203,838)	(206,893)	(209,997)	(213,149)	(216,344)	(219,590)	(222,885)	(226,227)
	(11,731,731)	(11,895,661)	(12,042,179)	(12,197,787)	(12,369,059)	(12,582,792)	(12,765,270)	(12,963,288)	(13,152,233)	(13,355,870)	(13,548,791)	(13,758,397)	(13,959,042)	(14,174,291)	(14,379,160)
	(5,492,424)	(4,008,584)	(4,028,039)	(4,049,213)	(4,084,651)	(4,157,941)	(4,196,981)	(4,249,303)	(4,292,899)	(4,336,419)	(4,365,238)	(4,413,971)	(4,446,503)	(4,493,024)	(4,528,838)
<b>Funding position adjustments</b>															
Depreciation on non-current assets	5,534,673	5,644,704	5,743,488	5,798,660	5,879,979	5,990,424	6,080,060	6,171,839	6,264,960	6,359,338	6,453,351	6,550,573	6,649,139	6,748,790	6,848,325
Net profit and losses on disposal	447,229	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Movement in employee benefit provisions	(24,975)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net funding from operational activities</b>	464,503	1,636,120	1,715,449	1,749,447	1,795,328	1,832,483	1,883,079	1,922,536	1,972,061	2,022,919	2,088,113	2,136,602	2,202,636	2,255,766	2,319,487
<b>FUNDING FROM CAPITAL ACTIVITIES</b>															
<b>Inflows</b>															
Proceeds on disposal	512,984	145,450	172,537	123,118	297,332	231,592	299,860	194,880	146,355	134,623	236,531	191,518	173,539	257,437	357,566
Non-operating grants, subsidies and contributions	3,245,121	2,609,123	2,509,123	2,509,123	2,455,790	1,455,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000
<b>Outflows</b>															
Purchase of property plant and equipment	(2,736,286)	(957,402)	(600,722)	(449,549)	(898,505)	(2,025,370)	(1,084,732)	(1,247,274)	(391,829)	(347,619)	(865,737)	(504,872)	(606,747)	(963,284)	(1,139,176)
Purchase of infrastructure	(4,175,806)	(4,083,699)	(4,653,699)	(3,663,699)	(3,223,699)	(1,835,350)	(1,925,000)	(1,885,000)	(1,925,000)	(1,985,000)	(2,025,000)	(2,085,000)	(2,225,000)	(2,285,000)	(2,325,000)
<b>Net funding from capital activities</b>	(3,153,987)	(2,286,528)	(2,572,761)	(1,481,007)	(1,369,082)	(2,174,128)	(1,554,872)	(1,782,394)	(1,015,474)	(1,042,996)	(1,499,206)	(1,243,354)	(1,503,208)	(1,835,847)	(1,951,610)
<b>FUNDING FROM FINANCING ACTIVITIES</b>															
<b>Inflows</b>															
Transfer from reserves	186,377	1,011,952	648,185	726,431	581,173	573,778	734,872	952,394	195,474	162,996	629,206	263,354	383,208	655,847	731,610
New borrowings	800,000	500,000	1,100,000	0	0	700,000	0	0	0	0	0	0	0	0	0
<b>Outflows</b>															
Transfer to reserves	(920,356)	(545,692)	(516,868)	(529,292)	(529,654)	(556,929)	(701,316)	(724,865)	(778,361)	(834,974)	(905,544)	(839,313)	(813,332)	(918,235)	(938,644)
Repayment of past borrowings	(209,202)	(292,220)	(349,777)	(465,579)	(477,765)	(375,204)	(361,763)	(367,671)	(373,700)	(307,945)	(312,569)	(317,289)	(269,304)	(157,531)	(160,843)
Principal elements of finance lease payments	(23,053)	(23,632)	(24,228)	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net funding from financing activities</b>	(166,234)	650,408	857,312	(268,440)	(426,246)	341,645	(328,207)	(140,142)	(956,587)	(979,923)	(588,907)	(893,248)	(699,428)	(419,919)	(367,877)
Estimated surplus/deficit July 1 B/Fwd	2,855,718	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Estimated surplus/deficit June 30 C/Fwd</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Appendix B8 – Forecast Statement of Net Current Asset Composition 2020 - 2035

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Estimated surplus/deficit July 1 B/Fwd</b>	2,855,718	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>CURRENT ASSETS</b>															
Unrestricted cash and equivalents	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684	77,684
Restricted cash and cash equivalent	4,033,400	3,567,140	3,435,823	3,238,684	3,187,165	3,170,316	3,136,760	2,909,231	3,492,118	4,164,096	4,440,434	5,016,393	5,446,517	5,708,905	5,915,939
Trade and other receivables	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424	314,424
Inventories	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214	5,214
<b>CURRENT LIABILITIES</b>															
Trade and other payables	(397,322)	(397,322)	(397,322)	(397,322)	(397,322)	(397,322)	(397,322)	(397,322)	(397,322)	(397,322)	(397,322)	(397,322)	(397,322)	(397,322)	(397,322)
Reserves	(4,033,400)	(3,567,140)	(3,435,823)	(3,238,684)	(3,187,165)	(3,170,316)	(3,136,760)	(2,909,231)	(3,492,118)	(4,164,096)	(4,440,434)	(5,016,393)	(5,446,517)	(5,708,905)	(5,915,939)
<b>Estimated surplus/deficit June 30 C/Fwd</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## Appendix B9 – Forecast Statement of Fixed Asset Movements 2020 - 2035

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CAPITAL WORKS - INFRASTRUCTURE</b>															
Infrastructure - roads	3,808,677	3,263,699	3,263,699	3,263,699	3,183,699	1,785,000	1,885,000	1,885,000	1,885,000	1,985,000	1,985,000	2,085,000	2,185,000	2,285,000	2,285,000
Infrastructure - footpaths	50,350	0	40,000	0	40,000	50,350	40,000	0	40,000	0	40,000	0	40,000	0	40,000
Infrastructure - other	316,779	820,000	1,350,000	400,000	0	0	0	0	0	0	0	0	0	0	0
<b>Total capital works - infrastructure</b>	<b>4,175,806</b>	<b>4,083,699</b>	<b>4,653,699</b>	<b>3,663,699</b>	<b>3,223,699</b>	<b>1,835,350</b>	<b>1,925,000</b>	<b>1,885,000</b>	<b>1,925,000</b>	<b>1,985,000</b>	<b>2,025,000</b>	<b>2,085,000</b>	<b>2,225,000</b>	<b>2,285,000</b>	<b>2,325,000</b>
<b>Represented by:</b>															
Additions - assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - expansion, upgrades and new	0	820,000	1,100,000	400,000	0	0	0	0	0	0	0	0	0	0	0
Additions - renewal	4,175,806	3,263,699	3,553,699	3,263,699	3,223,699	1,835,350	1,925,000	1,885,000	1,925,000	1,985,000	2,025,000	2,085,000	2,225,000	2,285,000	2,325,000
<b>Total Capital Works - Infrastructure</b>	<b>4,175,806</b>	<b>4,083,699</b>	<b>4,653,699</b>	<b>3,663,699</b>	<b>3,223,699</b>	<b>1,835,350</b>	<b>1,925,000</b>	<b>1,885,000</b>	<b>1,925,000</b>	<b>1,985,000</b>	<b>2,025,000</b>	<b>2,085,000</b>	<b>2,225,000</b>	<b>2,285,000</b>	<b>2,325,000</b>
<b>Asset movement reconciliation</b>															
Total capital works infrastructure	4,175,806	4,083,699	4,653,699	3,663,699	3,223,699	1,835,350	1,925,000	1,885,000	1,925,000	1,985,000	2,025,000	2,085,000	2,225,000	2,285,000	2,325,000
Depreciation infrastructure	(4,435,627)	(4,513,812)	(4,597,151)	(4,671,792)	(4,741,868)	(4,812,997)	(4,885,193)	(4,958,471)	(5,032,846)	(5,108,339)	(5,184,964)	(5,262,739)	(5,341,680)	(5,421,805)	(5,503,133)
Net book value of disposed/written off assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation of infrastructure assets (inflation)	4,113,765	4,171,574	4,227,698	4,291,962	4,341,218	4,383,564	4,404,653	4,426,319	4,446,613	4,466,693	4,486,845	4,506,748	4,526,682	4,547,833	4,568,999
<b>Net movement in infrastructure assets</b>	<b>3,853,944</b>	<b>3,741,461</b>	<b>4,284,246</b>	<b>3,283,869</b>	<b>2,823,049</b>	<b>1,405,917</b>	<b>1,444,460</b>	<b>1,352,848</b>	<b>1,338,767</b>	<b>1,343,354</b>	<b>1,326,881</b>	<b>1,329,009</b>	<b>1,410,002</b>	<b>1,411,028</b>	<b>1,390,866</b>
<b>CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT</b>															
Land - freehold land	1,670,910	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	523,505	550,000	65,000	50,000	50,000	1,250,000	50,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Furniture and equipment	9,750	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	532,121	407,402	535,722	399,549	848,505	775,370	1,034,732	1,147,274	341,829	297,619	815,737	454,872	556,747	913,284	1,089,176
<b>Total capital works property, plant and equipment</b>	<b>2,736,286</b>	<b>957,402</b>	<b>600,722</b>	<b>449,549</b>	<b>898,505</b>	<b>2,025,370</b>	<b>1,084,732</b>	<b>1,247,274</b>	<b>391,829</b>	<b>347,619</b>	<b>865,737</b>	<b>504,872</b>	<b>606,747</b>	<b>963,284</b>	<b>1,139,176</b>
<b>Represented by:</b>															
Additions - assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - expansion, upgrades and new	1,548,927	0	15,000	0	0	0	0	0	0	0	0	0	0	0	0
Additions - renewal	1,187,359	957,402	585,722	449,549	898,505	2,025,370	1,084,732	1,247,274	391,829	347,619	865,737	504,872	606,747	963,284	1,139,176
<b>Total capital works property, plant and equipment</b>	<b>2,736,286</b>	<b>957,402</b>	<b>600,722</b>	<b>449,549</b>	<b>898,505</b>	<b>2,025,370</b>	<b>1,084,732</b>	<b>1,247,274</b>	<b>391,829</b>	<b>347,619</b>	<b>865,737</b>	<b>504,872</b>	<b>606,747</b>	<b>963,284</b>	<b>1,139,176</b>
<b>Asset movement reconciliation</b>															
Total capital works property, plant and equipment	2,736,286	957,402	600,722	449,549	898,505	2,025,370	1,084,732	1,247,274	391,829	347,619	865,737	504,872	606,747	963,284	1,139,176
Depreciation property, plant and equipment	(1,075,992)	(1,107,838)	(1,124,270)	(1,126,868)	(1,138,111)	(1,177,427)	(1,194,867)	(1,213,368)	(1,232,114)	(1,250,999)	(1,268,387)	(1,287,834)	(1,307,459)	(1,326,985)	(1,345,192)
Net book value of disposed/written off assets	(960,213)	(145,450)	(172,537)	(123,118)	(297,332)	(231,592)	(299,860)	(194,880)	(146,355)	(134,623)	(236,531)	(191,518)	(173,539)	(257,437)	(357,566)
Revaluation of property, plant and equipment (inflation)	470,802	477,951	477,397	481,282	469,217	470,028	482,509	481,988	498,964	492,355	476,239	479,571	470,704	459,388	454,127
<b>Net movement in property, plant and equipment</b>	<b>1,170,883</b>	<b>182,065</b>	<b>(218,688)</b>	<b>(319,155)</b>	<b>(67,721)</b>	<b>1,086,379</b>	<b>72,514</b>	<b>321,014</b>	<b>(487,676)</b>	<b>(545,648)</b>	<b>(162,942)</b>	<b>(494,909)</b>	<b>(403,547)</b>	<b>(161,750)</b>	<b>(109,455)</b>
<b>CAPITAL WORKS - RIGHT OF USE ASSETS</b>															
<b>Total capital works right of use assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Asset movement reconciliation</b>															
Depreciation right of use assets	(23,054)	(23,054)	(22,067)	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net movement in right of use assets</b>	<b>(23,054)</b>	<b>(23,054)</b>	<b>(22,067)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL WORKS - TOTALS</b>															
<b>Capital works</b>															
Total capital works infrastructure	4,175,806	4,083,699	4,653,699	3,663,699	3,223,699	1,835,350	1,925,000	1,885,000	1,925,000	1,985,000	2,025,000	2,085,000	2,225,000	2,285,000	2,325,000
Total capital works property, plant and equipment	2,736,286	957,402	600,722	449,549	898,505	2,025,370	1,084,732	1,247,274	391,829	347,619	865,737	504,872	606,747	963,284	1,139,176
Total capital works right of use assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total capital works</b>	<b>6,912,092</b>	<b>5,041,101</b>	<b>5,254,421</b>	<b>4,113,248</b>	<b>4,122,204</b>	<b>3,860,720</b>	<b>3,009,732</b>	<b>3,132,274</b>	<b>2,316,829</b>	<b>2,332,619</b>	<b>2,890,737</b>	<b>2,589,872</b>	<b>2,831,747</b>	<b>3,248,284</b>	<b>3,464,176</b>
<b>Fixed asset movement</b>															
Net movement in infrastructure assets	3,853,944	3,741,461	4,284,246	3,283,869	2,823,049	1,405,917	1,444,460	1,352,848	1,338,767	1,343,354	1,326,881	1,329,009	1,410,002	1,411,028	1,390,866
Net movement in property, plant and equipment	1,170,883	182,065	(218,688)	(319,155)	(67,721)	1,086,379	72,514	321,014	(487,676)	(545,648)	(162,942)	(494,909)	(403,547)	(161,750)	(109,455)
Net movement in right of use assets	(23,054)	(23,054)	(22,067)	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net movement in fixed assets</b>	<b>5,001,773</b>	<b>3,900,472</b>	<b>4,043,491</b>	<b>2,964,714</b>	<b>2,755,328</b>	<b>2,492,296</b>	<b>1,516,974</b>	<b>1,673,862</b>	<b>851,091</b>	<b>797,706</b>	<b>1,163,939</b>	<b>834,100</b>	<b>1,006,455</b>	<b>1,249,278</b>	<b>1,281,411</b>

## Appendix B10 – Forecast Statement of Capital Funding 2020 - 2035

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Capital expenditure</b>															
Infrastructure - roads	3,808,677	3,263,699	3,263,699	3,263,699	3,183,699	1,785,000	1,885,000	1,885,000	1,885,000	1,985,000	1,985,000	2,085,000	2,185,000	2,285,000	2,285,000
Infrastructure - footpaths	50,350	0	40,000	0	40,000	50,350	40,000	0	40,000	0	40,000	0	40,000	0	40,000
Infrastructure - other	316,779	820,000	1,350,000	400,000	0	0	0	0	0	0	0	0	0	0	0
Land - freehold land	1,670,910	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	523,505	550,000	65,000	50,000	50,000	1,250,000	50,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Furniture and equipment	9,750	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	532,121	407,402	535,722	399,549	848,505	775,370	1,034,732	1,147,274	341,829	297,619	815,737	454,872	556,747	913,284	1,089,176
<b>Total - Capital expenditure</b>	<b>6,912,092</b>	<b>5,041,101</b>	<b>5,254,421</b>	<b>4,113,248</b>	<b>4,122,204</b>	<b>3,860,720</b>	<b>3,009,732</b>	<b>3,132,274</b>	<b>2,316,829</b>	<b>2,332,619</b>	<b>2,890,737</b>	<b>2,589,872</b>	<b>2,831,747</b>	<b>3,248,284</b>	<b>3,464,176</b>
<b>Funded by:</b>															
<b>Capital grants &amp; contributions</b>															
Infrastructure - roads	2,731,925	2,509,123	2,509,123	2,509,123	2,455,790	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000	1,155,000
Infrastructure - other	174,055	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	339,141	0	0	0	0	300,000	0	0	0	0	0	0	0	0	0
<b>Total - Capital grants &amp; contributions</b>	<b>3,245,121</b>	<b>2,609,123</b>	<b>2,509,123</b>	<b>2,509,123</b>	<b>2,455,790</b>	<b>1,455,000</b>	<b>1,155,000</b>	<b>1,155,000</b>	<b>1,155,000</b>	<b>1,155,000</b>	<b>1,155,000</b>	<b>1,155,000</b>	<b>1,155,000</b>	<b>1,155,000</b>	<b>1,155,000</b>
<b>Own source funding</b>															
Infrastructure - roads	1,076,752	754,576	754,576	754,576	727,909	630,000	730,000	730,000	730,000	830,000	830,000	930,000	1,030,000	1,130,000	1,130,000
Infrastructure - footpaths	50,350	0	40,000	0	40,000	50,350	40,000	0	40,000	0	40,000	0	40,000	0	40,000
Infrastructure - other	142,724	720,000	250,000	400,000	0	0	0	0	0	0	0	0	0	0	0
Land - freehold land	499,017	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	184,364	50,000	65,000	50,000	50,000	250,000	50,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Furniture and equipment	9,750	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	391,030	261,952	363,185	276,431	551,173	543,778	734,872	952,394	195,474	162,996	579,206	263,354	383,208	655,847	731,610
<b>Total - Own source funding</b>	<b>2,353,987</b>	<b>1,786,528</b>	<b>1,472,761</b>	<b>1,481,007</b>	<b>1,369,082</b>	<b>1,474,128</b>	<b>1,554,872</b>	<b>1,782,394</b>	<b>1,015,474</b>	<b>1,042,996</b>	<b>1,499,206</b>	<b>1,243,354</b>	<b>1,503,208</b>	<b>1,835,847</b>	<b>1,951,610</b>
<b>Borrowings</b>															
Infrastructure - other	0	0	1,100,000	0	0	0	0	0	0	0	0	0	0	0	0
Land - freehold land	800,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	0	500,000	0	0	0	700,000	0	0	0	0	0	0	0	0	0
<b>Total - Borrowings</b>	<b>800,000</b>	<b>500,000</b>	<b>1,100,000</b>	<b>0</b>	<b>0</b>	<b>700,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other (disposals &amp; C/Fwd)</b>															
Land - freehold land	371,893	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	141,091	145,450	172,537	123,118	297,332	231,592	299,860	194,880	146,355	134,623	236,531	191,518	173,539	257,437	357,566
<b>Total - Other (disposals &amp; C/Fwd)</b>	<b>512,984</b>	<b>145,450</b>	<b>172,537</b>	<b>123,118</b>	<b>297,332</b>	<b>231,592</b>	<b>299,860</b>	<b>194,880</b>	<b>146,355</b>	<b>134,623</b>	<b>236,531</b>	<b>191,518</b>	<b>173,539</b>	<b>257,437</b>	<b>357,566</b>
<b>Total Capital Funding</b>	<b>6,912,092</b>	<b>5,041,101</b>	<b>5,254,421</b>	<b>4,113,248</b>	<b>4,122,204</b>	<b>3,860,720</b>	<b>3,009,732</b>	<b>3,132,274</b>	<b>2,316,829</b>	<b>2,332,619</b>	<b>2,890,737</b>	<b>2,589,872</b>	<b>2,831,747</b>	<b>3,248,284</b>	<b>3,464,176</b>
<b>Unfunded - capital works</b>															
<b>Total - Unfunded - capital works</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Appendix B11 – Forecast Ratios 2020 - 2035

	Target Range		Average	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
<b>LIQUIDITY RATIOS</b>																		
Current ratio	> 1.00	> 1.20	0.45	0.45	0.42	0.38	0.38	0.42	0.42	0.42	0.42	0.45	0.45	0.44	0.47	0.54	0.54	0.54
<b>OPERATING RATIOS</b>																		
Operating surplus ratio	> 1.00%	> 15.00%	(86.28%)	(136.07%)	(87.64%)	(86.60%)	(85.51%)	(84.74%)	(84.71%)	(83.95%)	(83.46%)	(82.83%)	(82.01%)	(80.90%)	(80.26%)	(79.26%)	(78.55%)	(77.68%)
Own source revenue coverage ratio	> 40.00%	> 60.00%	39.11%	34.41%	38.45%	38.63%	38.82%	38.97%	39.01%	39.16%	39.28%	39.40%	39.59%	39.82%	39.97%	40.19%	40.36%	40.54%
<b>BORROWINGS RATIOS</b>																		
Debt service cover ratio	> 3	> 5	5.48	0.57	4.34	4.03	3.28	3.37	4.28	4.52	4.61	4.73	5.76	5.94	6.07	7.26	11.52	11.83
<b>FIXED ASSET RATIOS</b>																		
Asset sustainability ratio	> 90.00%	> 110.00%	54.98%	96.90%	65.92%	72.07%	64.04%	70.11%	56.10%	49.50%	50.75%	36.98%	36.68%	44.79%	39.54%	42.59%	48.13%	50.58%
Asset consumption ratio	> 50.00%	> 60.00%	89.87%	95.50%	94.86%	94.35%	93.71%	93.12%	92.14%	91.21%	90.31%	89.21%	88.11%	87.12%	86.05%	85.04%	84.10%	83.18%
Asset renewal funding ratio	> 75.00%	> 95.00%	66.38%	61.03%	76.69%	77.51%	66.44%	50.25%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

# Appendix B12 – Asset Renewals 2020 - 2035

## Required Asset Renewals

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Class</b>															
Buildings	195,444	2,331,397	201,351	216,579	622,550	395,777	256,647	823,556	548,961	1,720,627	1,230,701	230,223	253,980	237,181	2,637,748
Furniture and equipment	21,793	0	0	0	0	158,450	0	72,489	5,803	0	0	38,306	55,630	0	0
Plant and equipment	53,324	73,762	652,185	148,445	120,322	542,327	286,194	597,353	755,241	1,044,898	1,058,260	1,047,736	400,192	64,712	89,514
Infrastructure - roads	3,215,367	4,731,790	1,631,405	650,970	4,048,867	1,941,669	5,593,980	2,647,162	2,550,921	3,185,882	1,208,097	4,474,082	6,661,961	6,133,717	6,027,998
Infrastructure - footpaths	20,093	20,394	86,829	21,011	21,326	21,646	21,970	22,300	74,697	22,974	23,319	23,668	45,229	24,384	24,750
Infrastructure - drainage	14,406,537	198,941	288	292	11,430	8,629	9,360	66,793	18,975	244,768	324	329	34,000	11,059	28,225
Infrastructure - parks and ovals	0	0	0	0	0	0	0	85,665	0	0	0	0	0	0	0
<b>Total</b>	<b>17,912,558</b>	<b>7,356,284</b>	<b>2,572,058</b>	<b>1,037,297</b>	<b>4,824,495</b>	<b>3,068,498</b>	<b>6,168,151</b>	<b>4,315,318</b>	<b>3,954,598</b>	<b>6,219,150</b>	<b>3,520,701</b>	<b>5,814,344</b>	<b>7,450,992</b>	<b>6,471,053</b>	<b>8,808,234</b>

## Planned Asset Renewals

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Class</b>															
Land - freehold land	121,983	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	523,505	50,000	50,000	50,000	50,000	750,000	50,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Furniture and equipment	9,750	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	532,121	407,402	535,722	399,549	848,505	775,370	1,034,732	1,147,274	341,829	297,619	815,737	454,872	556,747	913,284	1,089,176
Infrastructure - roads	3,808,677	3,263,699	3,263,699	3,263,699	3,183,699	1,785,000	1,885,000	1,885,000	1,885,000	1,985,000	1,985,000	2,085,000	2,185,000	2,285,000	2,285,000
Infrastructure - footpaths	50,350	0	40,000	0	40,000	50,350	40,000	0	40,000	0	40,000	0	40,000	0	40,000
Infrastructure - other	316,779	0	250,000	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>5,363,165</b>	<b>3,721,101</b>	<b>4,139,421</b>	<b>3,713,248</b>	<b>4,122,204</b>	<b>3,360,720</b>	<b>3,009,732</b>	<b>3,132,274</b>	<b>2,316,829</b>	<b>2,332,619</b>	<b>2,890,737</b>	<b>2,589,872</b>	<b>2,831,747</b>	<b>3,248,284</b>	<b>3,464,176</b>

## Asset Renewal Funding Surplus (Deficit)

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Class</b>															
Land - freehold land	121,983	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	328,061	(2,281,397)	(151,351)	(166,579)	(572,550)	354,223	(206,647)	(723,556)	(498,961)	(1,670,627)	(1,180,701)	(180,223)	(203,980)	(187,181)	(2,587,748)
Furniture and equipment	(12,043)	0	0	0	0	(158,450)	0	(72,489)	(5,803)	0	0	(38,306)	(55,630)	0	0
Plant and equipment	478,797	333,640	(116,463)	251,104	728,183	233,043	748,538	549,921	(413,412)	(747,279)	(242,523)	(592,864)	156,555	848,572	999,662
Infrastructure - roads	593,310	(1,468,091)	1,632,294	2,612,729	(865,168)	(156,669)	(3,708,980)	(762,162)	(665,921)	(1,200,882)	776,903	(2,389,082)	(4,476,961)	(3,848,717)	(3,742,998)
Infrastructure - footpaths	30,257	(20,394)	(46,829)	(21,011)	18,674	28,704	18,030	(22,300)	(34,697)	(22,974)	16,681	(23,668)	(5,229)	(24,384)	15,250
Infrastructure - drainage	(14,406,537)	(198,941)	(288)	(292)	(11,430)	(8,629)	(9,360)	(66,793)	(18,975)	(244,768)	(324)	(329)	(34,000)	(11,059)	(28,225)
Infrastructure - parks and ovals	0	0	0	0	0	0	0	(85,665)	0	0	0	0	0	0	0
Infrastructure - other	316,779	0	250,000	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>(12,549,393)</b>	<b>(3,635,183)</b>	<b>1,567,363</b>	<b>2,675,951</b>	<b>(702,291)</b>	<b>292,222</b>	<b>(3,158,419)</b>	<b>(1,183,044)</b>	<b>(1,637,769)</b>	<b>(3,886,531)</b>	<b>(629,964)</b>	<b>(3,224,472)</b>	<b>(4,619,245)</b>	<b>(3,222,769)</b>	<b>(5,344,058)</b>

# Appendix B15 – Forecast Significant Accounting Policies

## Basis of Preparation

The Long Term Financial Plan (the Plan) comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretation of the Australian Accounting Standards Board, and the Local Government Act 1995 and accompanying regulations.

The Local Government (Financial Management) Regulations 1996 take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this Plan. This is not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.

Accounting policies which have been adopted in the preparation of this Plan have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

## Critical Accounting Estimates

The preparation of the Plan in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

## The Local Government Reporting Entity

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of the Plan.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the trust fund are excluded from the forecast financial statements.

## Base Year Balances

Balances shown in the Plan as Base Year are as forecast at the time of preparation of the Plan and are based on the current budget and prior year annual financial reporting and may be subject to variation.

## Rounding Off Figures

All figures shown in the Plan are rounded to the nearest dollar.

## Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation.

## Forecast Fair Value Adjustments

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time preparation.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur and have not been estimated within the Plan.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such have been estimated as an inflation adjustment to Other Comprehensive Income, based on the value of the non-current assets forecasted to be held by the Shire.

# Appendix B15 – Forecast Significant Accounting Policies (Continued)

## Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

## Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

## Superannuation

The Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

## Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

## Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.



# Appendix B15 – Forecast Significant Accounting Policies (Continued)

## Inventories

### **General**

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### **Land held for resale**

Land purchased for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land held for sale is classified as current except where it is held as non-current based on Council's intention to release for sale.

## Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

### **Revaluation**

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

## **Land under roads**

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 - Land Under Roads* and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

# Appendix B15 – Forecast Significant Accounting Policies (Continued)

## Fixed Assets (Continued)

### Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

An effective average depreciation rate for each class of asset has been utilised to estimate the forecast depreciation expense for each year. These are provided in the table below:

Asset Class	Effective average depreciation rate
Buildings	1.85%
Furniture and equipment	6.53%
Plant and equipment	7.38%
Infrastructure - roads	1.53%
Infrastructure - footpaths	4.93%
Infrastructure - drainage	1.97%
Infrastructure - parks and ovals	3.51%
Infrastructure - other	1.42%
Infrastructure - gardens	0.00%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

## Impairment of Assets

In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116) whereby any impairment loss of a revaluation decrease in accordance with that other standard.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of the preparation of the Plan, it is not possible to estimate the amount of impairment losses.

### Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

# Appendix B15 – Forecast Significant Accounting Policies (Continued)

## Employee Benefits

### **Short-Term Employee Benefits**

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

### **Other Long-Term Employee Benefits**

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

## Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

## Provisions

Provisions are recognised when the Shire has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Shire's intentions to release for sale.

# Appendix C1 – Glossary

## Funding Gap

A funding gap exists whenever an entity has insufficient capacity to fund asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of services its existing asset stock was originally designed and intended to deliver. The service capability of the existing asset stock should be determined assuming no additional operating revenue, productivity improvements, or net financial liabilities above levels currently planned or projected. A current funding gap means service levels have already or are currently falling. A projected funding gap if not addressed will result in a future diminution of existing service levels.

## Infrastructure Assets

Physical assets that contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services, eg. properties, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally, the components and hence the assets have long lives. They are fixed in place and often have no separate market value.

## Key Performance Indicator

A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.

## Level of Service

The defined service quality for a particular activity or service area (ie street lighting) against which service performance can be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environment, acceptability and cost.

## Maintenance

All actions necessary for retaining an asset as near as practicable to its original condition, but excluding rehabilitation or renewal. Maintenance occurs on a routine (at least annual) basis.

## Planned Maintenance

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

## Reactive Maintenance

Unplanned repair work that is carried out in response to service requests and management/supervisory directions.

## Significant Maintenance

Maintenance work to repair components or replace sub-components that need to be identified as a specific maintenance item in the maintenance budget.

## Unplanned Maintenance

Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

## Maintenance Expenditure

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure which was anticipated in determining the asset's useful life.

# Appendix C1 – Glossary (Continued)

## Materiality

The notion of materiality guides the margin of error acceptable, the degree of precision required and the extent of the disclosure required when preparing general purpose financial reports. Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to influence the economic decisions of users taken on the basis of the financial report or affect the discharge of accountability by the management or governing body of the entity.

## Modern Equivalent Asset

Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost efficient, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technology changes and improvements and efficiencies in production and installation techniques

## Net Present Value (NPV)

The value to the organisation of the cash flows associated with an asset, liability, activity or event calculated using a discount rate to reflect the time value of money. It is the net amount of discounted total cash inflows after deducting the value of the discounted total cash outflows arising from the continued use and subsequent disposal of the asset after deducting the value of the discounted total cash outflows.

## Non-Revenue Generating Investments

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, for example parks and playgrounds, footpaths, properties and bridges, libraries, etc.

## Operations Expenditure

Recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes power, fuel, staff, plant equipment, on-costs and overheads but excludes maintenance and depreciation. Maintenance and depreciation is on the other hand included in operating expenses.

## Pavement Management System

A systematic process for measuring and predicting the condition of property pavements and wearing surfaces over time and recommending corrective actions.

## Recoverable Amount

The higher of an asset's fair value, less costs to sell and its value in use.

## Recurrent Expenditure

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operations and maintenance expenditure.

## Recurrent Funding

Funding to pay for recurrent expenditure.

## Remaining Useful Life

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining useful life is useful life.

## Renewal

Works to upgrade refurbish or replace existing facilities with facilities of equivalent capacity or performance capability.

## Residual Value

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

## Revenue Generating Investments

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

## Risk Management

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

## Section or Segment

A self-contained part or piece of an infrastructure asset.

## Service Potential

The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset. A measure of service potential is used in the not-for-profit sector/public sector to value assets, particularly those not producing a cash flow.

# Appendix C1 – Glossary (Continued)

## Service Potential Remaining

A measure of the future economic benefits remaining in assets. It may be expressed in dollar values (Fair Value) or as a percentage of total anticipated future economic benefits. It is also a measure of the percentage of the asset's potential to provide services that are still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

## Specific Maintenance

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, replacement of air conditioning equipment, etc. This work generally falls below the capital/maintenance threshold and needs to be identified in a specific maintenance budget allocation.

## Sub-Component

Smaller individual parts that make up a component part.

## Useful Life

May be expressed as either:

- (a) The period over which a depreciable asset is expected to be used; or
- (b) The number of production or similar units (ie intervals, cycles) that is expected to be obtained from the asset.

# Other Matters

## Preparation

This Plan was prepared for the Shire of Dalwallinu by Moore Australia (WA) Pty Ltd.

## Reliance

This Plan has been prepared for the exclusive use of the Shire of Dalwallinu and for the purposes specified in our letter of engagement and is not to be used for any other purpose or distributed to any other party without Moore Australia WA's prior consent. This Plan is supplied in good faith and reflects the knowledge, expertise and experience of the engagement consultant and is based on the information and representations provided by the Shire of Dalwallinu. We accept no responsibility for any loss occasioned by any person acting or refraining from action as a result of reliance on the report, other than the Shire of Dalwallinu.

This Plan contains quantitative and qualitative statements, including projections, estimates, opinions and forecasts concerning the anticipated future performance of Shire of Dalwallinu and the environment in which it operates ('Forward Looking Statements').

None of these Forward Looking Statements are or will be representations as to future matters. The Forward Looking Statements are, and will be, based on a large number of assumptions and are, and will be, subject to significant uncertainties and contingencies, many, if not all, of which are outside the control of the Shire of Dalwallinu. Actual future events may vary significantly from the Forward Looking Statements. Recipients should make their own investigations and enquiries regarding assumptions, uncertainties and contingencies which may affect the Shire of Dalwallinu and the impact that a variation in future outcomes may have on the Plan and the Shire of Dalwallinu.

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## Document Management

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