



Strategic Resource Plan

(Incorporating Asset Management and Long Term Financial Planning)

2021 - 2036

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1.0 Foreword

Our Vision

“A safe, inclusive and growing community embracing opportunity”

We are pleased to present the Shire of Lake Grace Strategic Resource Plan for 2021 - 2036.

As part of the Shire’s ongoing commitment to an integrated approach to planning for the future, 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.

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 for our Shire. We invite members of the community to contact a Councillor or Senior Council staff members if they have any questions.

The Shire of Lake Grace’s Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Lake Grace Strategic Community Plan 2017-2027.

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.

This Plan will be used with our Corporate Business Plan and Workforce Plan to achieve our goals and drive the Shire in achieving its vision of “A safe, inclusive and growing community embracing opportunity”.

Alan George
Chief Executive Officer

2.0 Key Information

ASSUMPTIONS

 **1.5%**
Inflation Rate

 **Stable**
Population

 **Stable**
Levels of Service

 **Stable**
Operations

 **Balanced**
Annual Budget

 **1.5%**
(CPI 1.5%)
Rates

 **1.5%**
(CPI 1.5%)
Employee Costs

STATISTICS¹ ²

 **9**
Elected
Members

 **50**
Employees

 **908**
Electors

 **745**
Dwellings

 **345 km**
Distance from
Perth

 **11,890 km²**
Area

 **1,268**
Population

FINANCIAL INFORMATION³

\$4,166,075
Rates Revenue

\$440,647
Fees and Charges

\$8,201,149
Operating Revenue

\$8,836,066
Operating Expenditure

\$208,132,060
Net Assets

\$5,704,901
Cash Backed Reserves

\$1,435,947
Long Term Borrowings

¹WALGA Online Local Government Directory 2019/20, Shire of Lake Grace

²Australian Bureau of Statistics Lake Grace (S) (LGAS4900) 2016 Census of Population and Housing, viewed 5 June 2019

³Shire of Lake Grace 2019-20 Annual Financial Report

3.0 Executive Summary

The following information provides a brief summary of the Strategic Resource Plan 2021 - 2036, 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 Lake Grace is planning for a positive and stable future. 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.

Renewal of road infrastructure and other community infrastructure remains a high priority due to the social, community and economic benefit these assets provide.

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.

Rate revenue along with fees and charges are forecast to increase by 1.5% (CPI 1.5%) from 2021-22 for the remainder 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.

3.3 Forecast Capital Projects

An extensive 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. Total planned asset expenditure per asset class over the 15 year term of the Plan is shown in the table below.

Planned expenditure by Asset Class	Amount (\$)
New assets	
Furniture and Equipment	165,000
Infrastructure - Roads	1,263,532
New Assets Total	1,428,532
Asset Renewals	
Buildings	2,692,196
Plant and Equipment	10,973,672
Infrastructure - Roads	40,724,242
Infrastructure – Sewerage	525,000
Infrastructure – Urban	750,000
Infrastructure – Parks, Gardens and Recreational Facilities	2,920,000
Asset Renewals Total	58,585,110
Grand Total	60,013,642

4.0 Community Profile, Vision and Objectives

4.1 Location and Heritage

The Shire of Lake Grace covers an area of 11,890 square kilometres, situated in the south-east of Western Australia and is one of the largest agricultural Shires in the State. The Shire administration centre is located in the town of Lake Grace, 340 km from Perth and 250 km from Albany.

There are a number of museums, showcasing the rich history of the district and one of three remaining Australian Inland Mission hospitals - and the only one in WA. Visitors experience this early twentieth century rural hospital that, in its time, serviced approximately 16,000 km².

Today, there are two medical centres in the district, located in Lake Grace and Newdegate. High quality sport and recreation facilities are located throughout the district, servicing the sporting clubs and community groups.

4.2 Vision

The Shire's strategic vision: *"A safe, inclusive and growing community embracing opportunity"*

4.3 Strategic Objectives

The following key strategic priority areas and principles are captured in the Shire's Strategic Community Plan 2017-2027 and considered within the Strategic Resource Plan.

Strategic Priorities:

- Economic: A prosperous agricultural based economy, supporting diversification of industry;
- Environment: Protect and enhance our natural and built environment;
- Social: A valued, healthy and inclusive community and life-style; and
- Leadership: Strong governance and leadership, demonstrating fair and equitable community values.

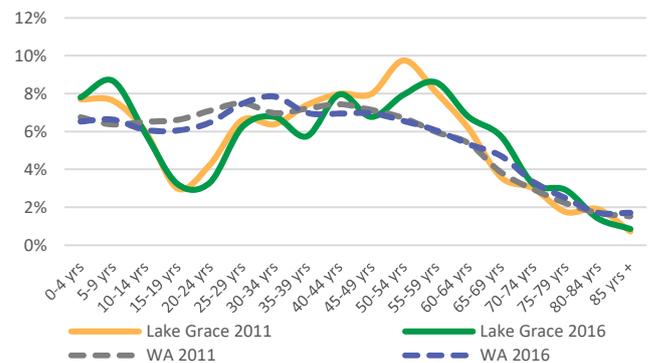
4.4 People

The Shire has a strong cultural heritage with many clubs, associations and community groups.

Geographically, the Shire of Lake Grace incorporates the communities of Lake Grace, Newdegate, Lake King, Varley and part of Pingaring.

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

	2011	2016
 Population Lake Grace WA	1,363 2.39m	↓ 1,268 ↑ 2.47m

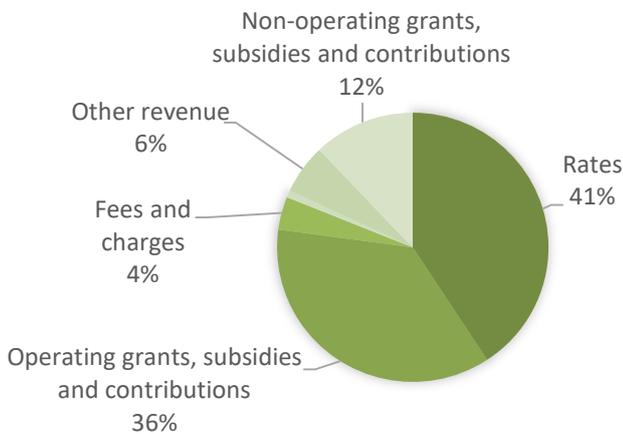


5.0 Long Term Financial Planning Overview

5.1 Forecast Revenue

Comprising 41% of total revenue in year 1, rates are expected to generate \$4.3m in 2021-22, increasing to \$5.3m in 2035-36. The Shire is reliant on receiving more than \$64m over the next 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. Non operating grants are expected to be received for the renewal of assets and construction of new community infrastructure.

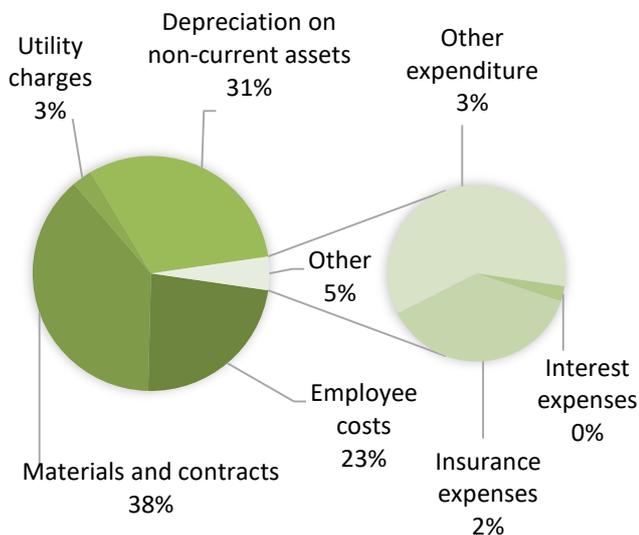
5.1.1 Revenue Composition Year 1 to 15



5.2 Forecast Expenditure

Expenditure is forecast to increase roughly in line with inflation, with the exception of depreciation expense impacted by the addition of assets and interest expense impacted by borrowing levels.

5.2.1 Expenditure Composition Year 1 to 15

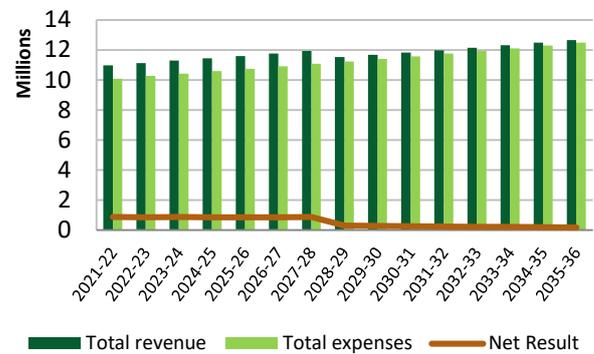


5.3 Net Result

The chart below reflects in the columns the steady increase in operating revenue and expenditure forecast over the 15 years, with the brown line reflecting the net result. Changes in non-operating grants result in the changes in 2028-29 reflected in the chart.

5.3.1 Forecast Net Result Year 1 to 15

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



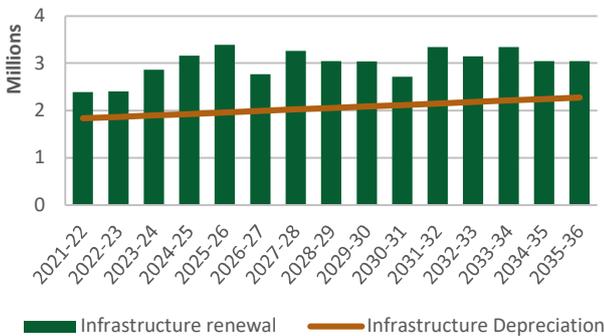
5.0 Long Term Financial Planning Overview (Continued)

5.4 Depreciation Expense

Depreciation expense increases throughout the Plan from \$3.1m in year 1 to \$3.9m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$30.8m, shown by the brown line in the chart below. The planned level of infrastructure asset renewal expenditure at \$44.9m (shown by the green columns) is over the term of the Plan above the level of depreciation.

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 higher level than they are depreciating over the term of the Plan. The average lifespan of infrastructure assets is greater than 15 years and as such a number of assets may require renewal during the term of the Plan with lower renewals required beyond the term of the Plan.

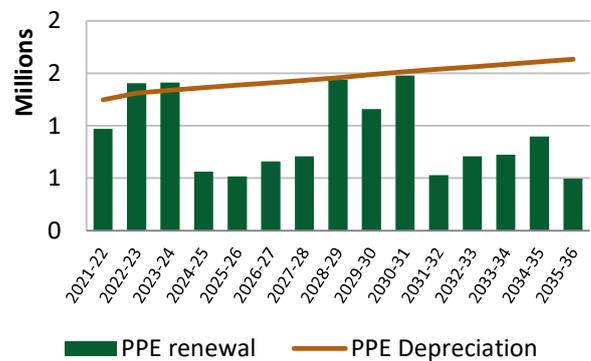
5.4.1 Infrastructure Depreciation Expense - V- Asset Renewal Expenditure



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.

Planned property, plant and equipment asset renewals of \$13.7m (reflected by the green columns) over the 15 years is below depreciation expense of \$21.9m (reflected by the brown line) over the same period as shown in the chart below.

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



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.

5.5 Maintenance Expenditure

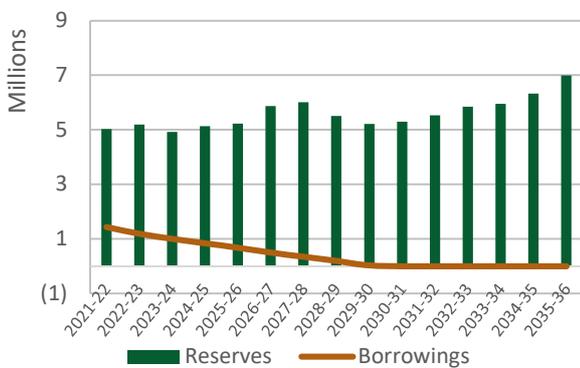
The current maintenance expenditure allocated in the annual operating budget is expected to continue at current levels, with inflationary increases occurring each year. Longer term maintenance costs may increase as new assets are constructed, these have not been included within this model as they are unknown.

5.0 Long Term Financial Planning Overview (Continued)

5.6 Forecast Borrowings and Cash Reserves

In general, the finances of the Shire are expected to remain stable over the long term. Reserves will be utilised to save for major forecast asset renewals and subsequently to fund the renewals, resulting in the variations in reserve levels as shown in the chart below.

5.6.1 Forecast Borrowings and Cash Reserve levels



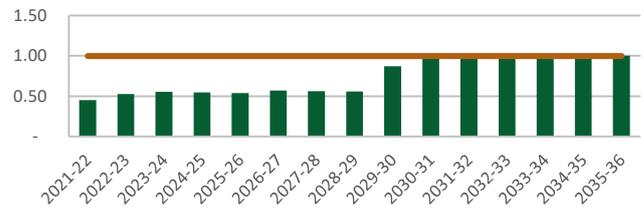
The Shire has no forecast new borrowings. This limitation on borrowings is part of its strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available. The strategy also includes the use of cash backed reserves to save for significant future asset renewal spikes.

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

5.7 Forecast Operating Ratios 2021-2036

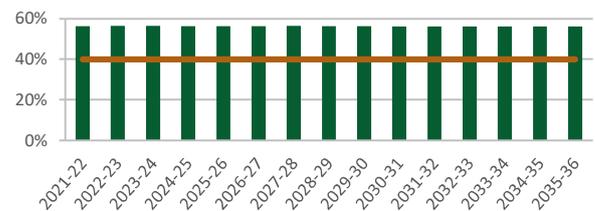
Monitoring the Shire’s financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The brown lines indicate the Department of Local Government, Sport and Cultural Industries’ (the Department) minimum target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

5.7.1 Forecast Current Ratio 2021-2036



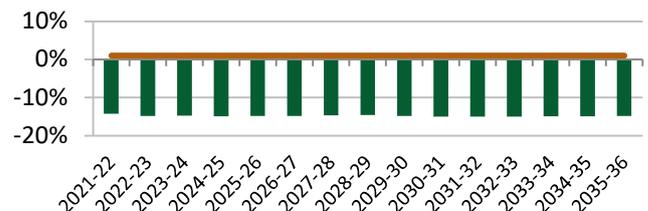
The Shire does not achieve a current ratio equal to the target of 1 until the final years of the Plan, when all borrowings are settled. This trend is not considered to indicate a threat to the Shire’s long term financial position as the current ratio is a short term indicator not a long term indicator.

5.7.2 Forecast Own Source Revenue Ratio 2021-2036



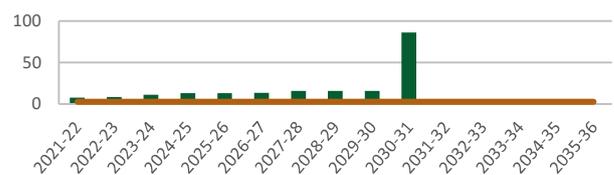
The ratio is above the target indicating, the Shire is not reliant on grants and contributions.

5.7.3 Forecast Operating Surplus Ratio 2021-2036



The ratio remains relatively stable as additional sustained rate increases would be required to address the ratio.

5.7.4 Forecast Debt Service Cover Ratio 2021-2036



The debt service coverage ratio is above the target throughout the term of the Plan.

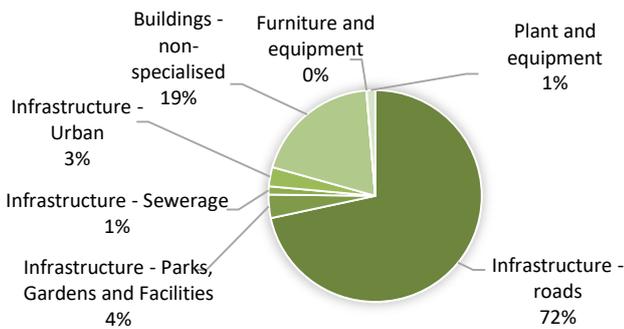
An explanation of all ratios is provided at Section 11.0.

6.0 Asset Management Planning Overview

6.1 Key Asset Information

The Shire controls an asset network with a written down value of just over \$199.5m¹, of which Roads and Buildings constitute the largest component value as shown in the chart below.

6.1.1 Written Down Asset Value 2020



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, due to the vagary associated with the allocation of future external contributions and the potential for a sudden and unexpected change in grant funding.

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.

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.

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.

The Shire seeks to, within its financial capacity, maintain its 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.

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.

¹ 2019-20 Annual Financial Report – Shire of Lake Grace

6.0 Asset Management Planning Overview (Continued)

6.5 Financial Management Strategy for Assets

Based on the 2019-20 Annual Financial Statements and 2020-21 Annual Budget, a financial baseline was determined for operating revenue and expenditure. Modifications to this baseline were made over the 15 year term to predict forecast changes in operating revenue and expenditure.

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 above CPI would be required to occur from year 1 throughout the life of the Plan, 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. 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) is represented by the line in the chart below, with values provided in the table to the right.

Forecast Planned and Required Asset Renewals

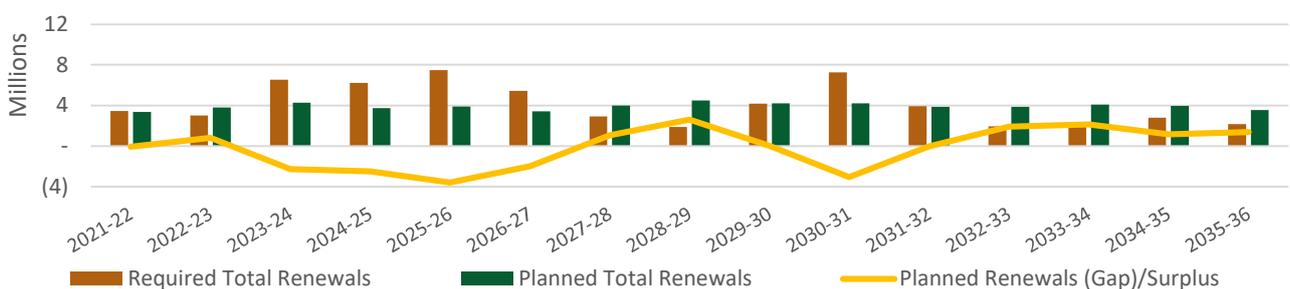
Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/ (Deficit) \$
2021-22	3,362,870	3,443,631	(80,761)
2022-23	3,806,993	2,997,920	809,073
2023-24	4,272,512	6,538,468	(2,265,956)
2024-25	3,720,328	6,216,714	(2,496,386)
2025-26	3,900,618	7,483,031	(3,582,413)
2026-27	3,425,996	5,433,767	(2,007,771)
2027-28	3,970,750	2,911,502	1,059,248
2028-29	4,480,641	1,871,502	2,609,139
2029-30	4,195,175	4,170,928	24,247
2030-31	4,189,859	7,268,009	(3,078,150)
2031-32	3,869,501	3,906,798	(37,297)
2032-33	3,848,843	1,954,087	1,894,756
2033-34	4,065,987	1,940,296	2,125,691
2034-35	3,938,700	2,794,928	1,143,772
2035-36	3,536,337	2,174,520	1,361,817
Total	58,585,110	61,106,103	(2,520,993)

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

The data shows the spikes in required asset renewals over the next 15 years have been largely met through the annual planned renewal of assets over the same period.

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 years, through the use of cash backed reserves.

6.6 Required v Planned Asset Renewals 2021-2036

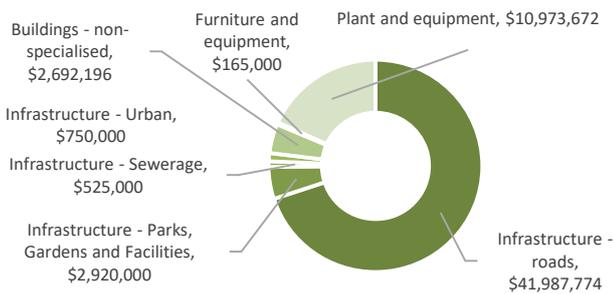


6.0 Asset Management Planning Overview (Continued)

6.8 Planned Asset Expenditure

Combined new and renewal asset expenditure of \$60.0m has been planned. New and upgrade asset expenditure comprises \$1.4m of the total asset expenditure and asset renewal expenditure of \$58.6m.

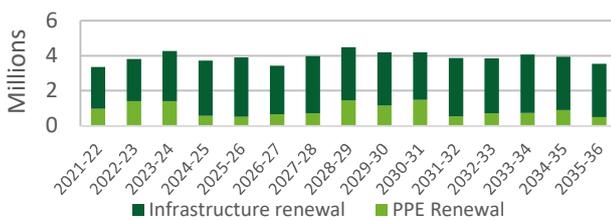
6.8.1 Planned Capital Expenditure 2021-2036



6.9 Planned Asset Renewal

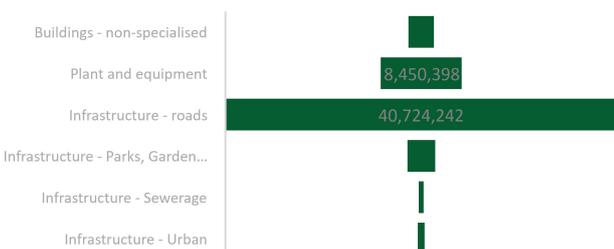
Planned asset renewal expenditure has been determined by allocating the expected funds available for capital expenditure. The timing and level of planned asset renewal expenditure is summarised in the chart below.

6.9.1 Planned Asset Renewal Expenditure 2021-2036



6.9.2 Planned Asset Renewal Expenditure by Class 2021-2036

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

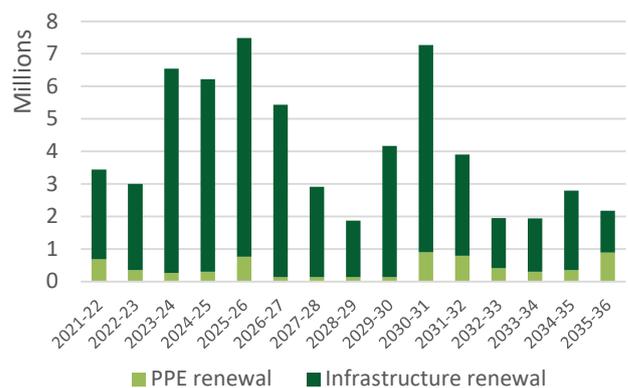


6.10 Required Renewal Expenditure

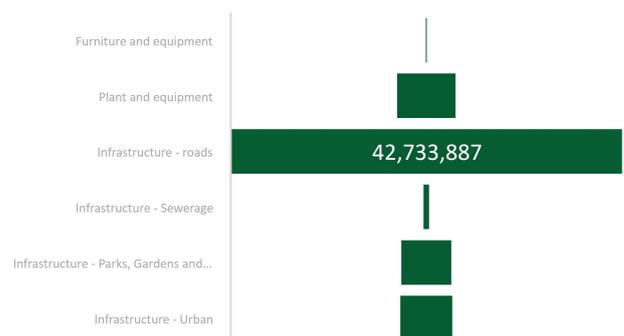
Asset renewal expenditure for the road network has been estimated based on road conditions and forecast usage. For other asset classes, forecast asset renewals have been based on the age of the assets and their estimated remaining useful life (determined during recent revaluations) combined with the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

Asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$57.5m are forecast to be required over the 15 years of the Plan.

6.10.1 Required Asset Renewal Expenditure 2021-2036



6.10.2 Required Asset Renewal Expenditure by class 2021-2036



Renewal of roads dominate the forecast required asset renewals.

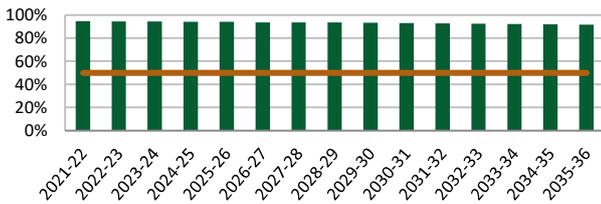
Renewal forecasts for footpaths were not available and this asset class was not included in the required renewal forecasts.

6.0 Asset Management Planning Overview (Continued)

6.11 Forecast Asset Ratios 2021-2036

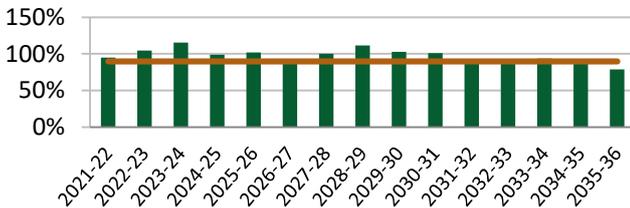
6.11.1 Forecast Asset Consumption Ratio 2021-2036

Reflecting the average age of assets, the asset consumption ratio shows how the Shire’s average asset age will be maintained as the Shire uses its resources to renew assets.



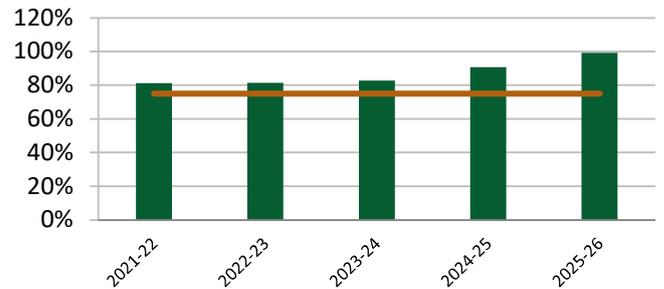
6.11.2 Forecast Asset Sustainability Ratio 2021-2036

Use of funds for renewal of assets results in the asset sustainability ratio being above the target for all years of the Plan, as reflected in the chart below.



6.11.3 Forecast Asset Renewal Funding Ratio 2021-2036

The asset renewal funding ratio shown in the chart below reflects assets are being renewed in line with their estimated remaining useful life.



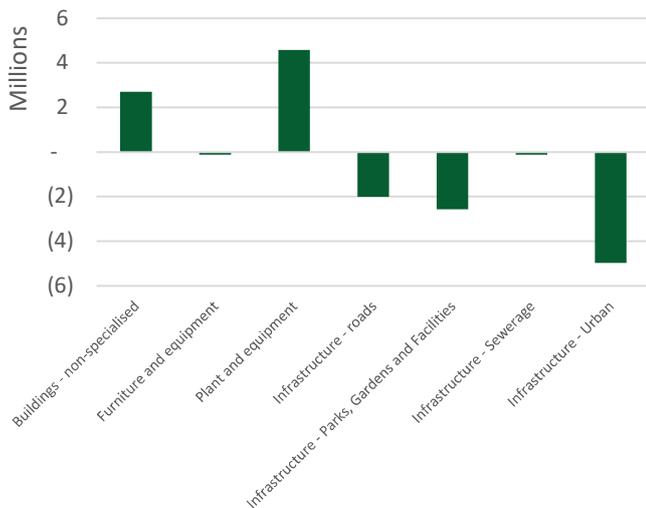
As the asset renewal funding ratio requires 10 years of planned and required asset renewals it is only able to be calculated for the first five years of the Plan.

6.0 Asset Management Planning Overview (Continued)

6.12 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. These differences are referred to as the asset renewal funding surplus/(gap) and are shown in the chart below.

6.12.1 Asset Renewal Funding Surplus/(gap) 2021-2036



Asset renewals will be further amended and aligned to required asset renewals as further asset information is obtained and validated. Determination of optimum intervention points for the renewal of assets requires a detailed understanding of asset conditions and their inter-relationship with asset lives for each type of asset.

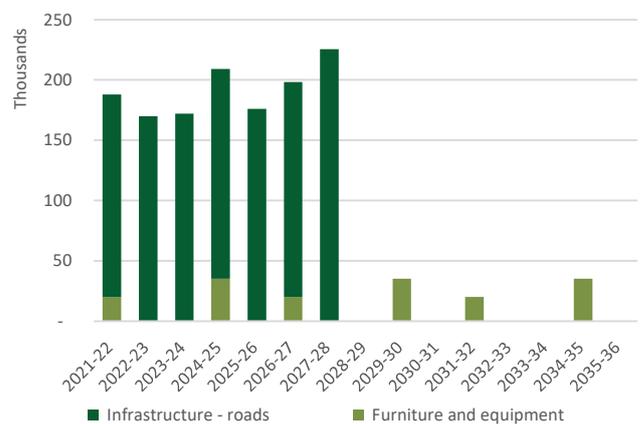
Should grant revenues and other revenue increases not be received as forecast or operating expenditure savings not occur as planned, the asset renewal funding surplus/(gap) will be impacted and funding surpluses not achieved.

6.13 Upgrade/New Expenditure

Upgrades to property, plant and equipment and infrastructure assets 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.

Upgrade/new asset expenditure by asset class over the 15 years of the Plan is shown in the table below.

6.13.1 Forecast Upgrade/New Expenditure 2021-2036



7.0 Scenario Modelling

7.1 Scenario Modelling

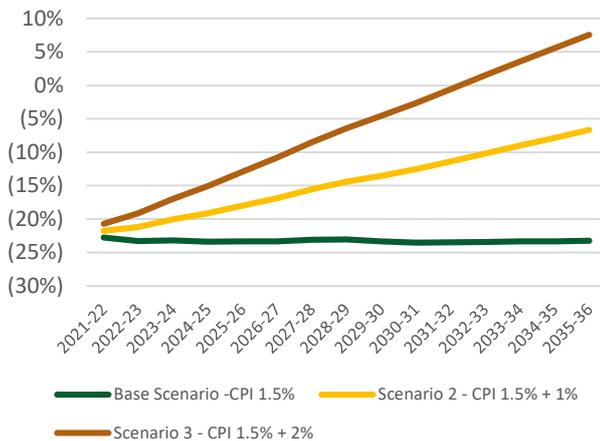
Scenarios were developed to test the financial impact of reduced levels of operating funding. To ascertain the effect of reduced funding levels, modelling of various scenarios was undertaken.

A base scenario was developed with a rates yield in line with inflation (1.5%) throughout the life of the Plan. Two alternative scenarios were also developed from this base as shown in the table below. All other assumptions remained the same across the three scenarios.

Scenario	Rates and Fees & Charges	
	Increase above CPI (1.5%)	Total Increase
Base Scenario	0%	1.5%
Scenario 2	1%	2.5%
Scenario 3	2%	3.5%

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.

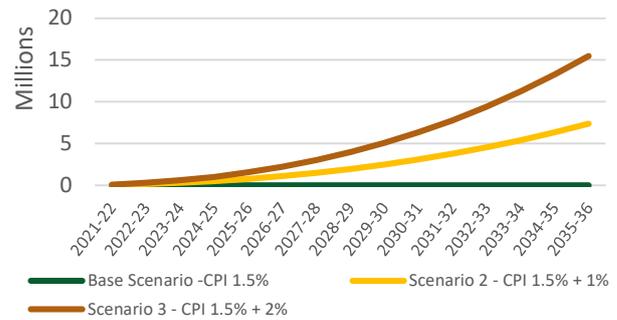
7.2 Scenario Comparison – Operating Surplus Ratio



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

The charts below reflect 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).

7.3 Estimated Surplus (Deficit) June 30 Carried Forward



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

Scenario 1 CPI 1.5%	Estimated Surplus/(Deficit)	
	Scenario 2 CPI 1.5% + 1% \$	Scenario 3 CPI 1.5% + 2% \$
0	46,642	93,282
0	142,728	286,375
0	291,165	586,122
0	494,982	999,697
0	757,329	1,534,604
0	1,081,481	2,198,721
0	1,470,844	3,000,289
0	1,928,954	3,947,935
0	2,459,484	5,050,682
0	3,066,250	6,317,974
0	3,753,221	7,759,691
0	4,524,518	9,386,158
0	5,384,411	11,208,176
0	6,337,338	13,237,040
0	7,387,912	15,484,549

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.

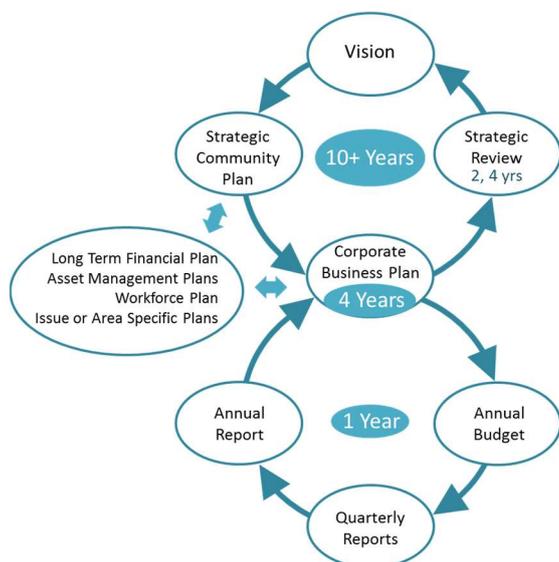
This Strategic Resource Plan has been prepared to achieve compliance with the *Local Government (Administration) Regulations 1996*.

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 Cycle²



8.3 Strategic Community Plan 2017-2027

The Strategic Community Plan has been prepared to cover a minimum period of 10 years and details 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, operating on a rolling four-year basis.

8.4 Corporate Business Plan

The Corporate Business Plan (CBP) 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 CBP are set out in the Strategic Resource Plan for the period. This planning provides an assurance the actions contained in the CBP 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 at 1.5%.

² 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 and Deputy Chief Executive Officer to ensure the level is adequate. The Shire's insurer is LGIS.

The Shire's investment policy requires 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
Shire Growth in Population: 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.
Rates Level Increase: Annual rates have been based on an increase in the total rate yield in line with forecast inflation rate of 1.5%.	Low	Renewal of assets is dependent on these rates increases being imposed for the term of this Plan.	Medium	There is a medium level of uncertainty, as the rates increase is reassessed each year.
Operating Grants and Contributions: Increases in line with inflation forecast.	Low	Not assessed as high financial risk.	Medium	± \$641,701 to the value of operating grants and contributions per 1% movement in the value over the life of the Plan.
Non-operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	High	The forecast new 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	± \$213,646 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
Fees and Charges: Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Interest Earnings: Interest earning of an average rate of 2.0% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Revenue: Increase in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Profit on Asset Disposal: 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
Employee Costs: Increase annually by forecast inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Materials and Contracts: Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	High	± \$647,690 to the value of materials and contracts per 1% movement in the value over the life of the Plan.
Depreciation: Depreciation has been calculated using an average rate for each asset class based on the weighted average estimated remaining useful life of assets in the class.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Insurance: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Expenditure: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Loss on Asset Disposal: 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
Revaluations: In line with annual inflation.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciation, leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	±\$431,536 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$2,085,331 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
Impairment of Assets: 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.
Infrastructure Assets: Expenditure has been based on historical levels escalated by inflation and infrastructure additions.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Property, Plant and Equipment: Building expenditure is in accordance with planned projects and plant expenditure is based on the Plant Replacement Program.	High	Planned expenditure is highly dependent on receipt of capital grants for buildings.	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
Borrowings: New borrowings to be considered for capital works where required. Two new borrowings are planned.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Employee Entitlements: 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.	Medium	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
Cash Backed Reserves: 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.
Revaluation Surplus: 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	±\$431,536 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$2,085,331 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
Ownership of Strategic Assets: 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.
Inflators: Forecast inflation at 1.5% per annum.	Medium	Not assessed as high financial risk.	High	± \$1,553,654 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$1,765,990 to operating expenditure per 1% movement in the inflators over the life of the Plan.
Commercial Activities: 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.
General Economic Forecasts for State: 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.
General Economic Forecasts for Region: Historically, the region's economy is heavily dependent on 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.

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 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).

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 - Infrastructure - Roads

1.1. Significant Matters

The continued provision of the road network remains one of the key priorities and major expenditure items 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.

1.2. Road Inventory

The Shire of Lake Grace has a road network servicing an area of 11,890¹ square kilometres. Road assets within this Plan include the following components:

- Kerbing;
- Surface Structure; and
- Subgrade, Pavement and Seal.

Road asset information is recorded within a road inventory database. In 2019, a road infrastructure condition report and valuation were undertaken by an external consultant which forms the basis of the measurements and current replacement cost estimates. 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.

The table below details the road asset components.

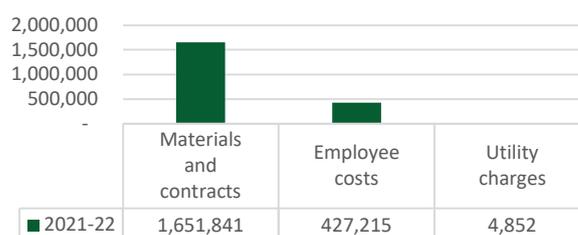
Roads Assets	Current Replacement Cost (\$)
Kerb Flush Edge	1,440
Kerb Mountable	398,365
Kerb Semi Mountable	63,077
Pavement Structure	43,912,714
Subgrade Structure	82,809,664
Surface Structure	8,770,411
Road Assets Total	135,955,671

1.3. 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.

1.3.1. Maintenance Expenditure by Nature or Type

Road maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2021-22:



Road maintenance includes trimming of roadside vegetation and clearing of drains road maintenance operations 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.

1.3.2. New Expenditure

Road infrastructure upgrades of \$1.26m are planned through the first seven years of this Plan.

1.3.3. 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.

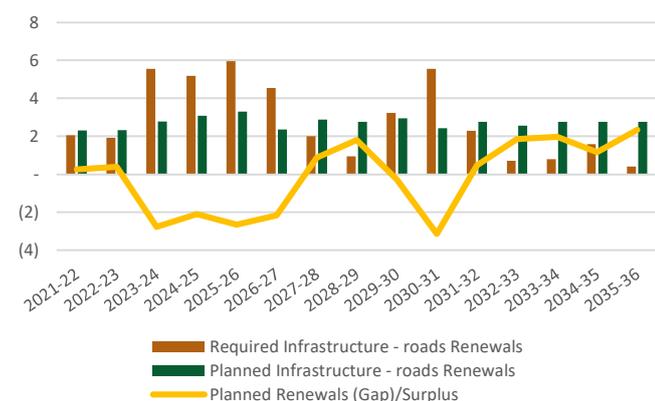
In the chart on the following page, planned road expenditure is shown as green columns, with required road renewals as the brown columns. The orange line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$40.7m, with required road renewals of \$42.7m for the term of this Plan. Currently the Shire is planning to renew road assets below forecast requirements.

¹ Australian Bureau of Statistics Shire of Lake Grace (S) LGA54900 (LGA) 2016 Census of Population and Housing, viewed 5 June 2019

Appendix A1 – Infrastructure - Roads (Continued)

1.3.4. 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 future renewal spikes.



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. 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. The values represented in the chart above are detailed in the adjacent table.

	Required Roads Renewals \$	Planned Roads Renewals \$	Roads Renewal Funding (Gap)/Surplu s \$
2021-22	2,051,187	2,306,300	255,113
2022-23	1,927,127	2,316,552	389,425
2023-24	5,547,201	2,777,059	(2,770,142)
2024-25	5,175,121	3,072,829	(2,102,292)
2025-26	5,962,713	3,298,869	(2,663,844)
2026-27	4,537,960	2,360,184	(2,177,776)
2027-28	2,002,258	2,876,782	874,524
2028-29	948,619	2,756,253	1,807,634
2029-30	3,234,202	2,952,364	(281,838)
2030-31	5,559,166	2,425,785	(3,133,381)
2031-32	2,290,810	2,756,253	465,443
2032-33	711,390	2,556,253	1,844,863
2033-34	789,890	2,756,253	1,966,363
2034-35	1,586,116	2,756,253	1,170,137
2035-36	410,127	2,756,253	2,346,126
Total	42,733,887	40,724,242	(2,009,645)

Based on the above, the Shire is planning to under service road renewals.

Appendix A1 – Infrastructure - Roads (Continued)

1.4. 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.

1.4.1. Road Construction

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Sealed Road Construction			
Condition	Sealed roads are constructed to a high standard.	Customer complaints.	One complaint per road per year.
Safety	To ensure all roads are being constructed in a safe manner and road is made safe and signed correctly when unmanned.	Customer complaints. Number of damage/injury claims.	One per road. 0 claims.
Cost Effectiveness	Efficient capital works program.	Projects completed within the timeframe and on budget.	100% completed within timeframe and on budget.
Gravel Road Construction			
Condition	Sealed roads are constructed to a high standard.	Customer complaints.	One complaint per road per year.
Safety	To provide a gravel road network that is free of hazards. To ensure all roads are being constructed in a safe manner and road is made safe and signed correctly when unmanned.	Hazard removed within 1 day of notification. Customer complaints Number of damage/injury claims.	95% addressed. One per road. 0 claims.
Cost Effectiveness	Efficient capital works program.	Projects completed within the timeframe and on budget.	100% completed within timeframe and on budget.

Appendix A1 – Infrastructure - Roads (Continued)

1.4.2. Road Maintenance

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Sealed Road Maintenance/Drainage			
Condition	Sealed 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.	One complaint per road per year.
		Routine road inspection.	Two per year with managers.
Function	To ensure that all sealed roads are maintained in order to provide a useable and safe transport network for users in all weather conditions.	Customer complaints.	One complaint 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 sealed road network 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.
Gravel Road Maintenance			
Condition	Gravel roads are maintained to a high standard and on a regular basis. Drainage is also assessed in order to prohibit the risk of flooding and damage.	Customer complaints.	One complaint 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.	One complaint per road per year.
Function	To ensure that any maintenance issues that arise are dealt with promptly.	Within 3 working days of notification.	95% addressed.
Safety	To provide a gravel road network that is free of hazards.	Hazard removed within 1 day 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 A1 – Infrastructure - Roads (Continued)

1.5. 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.
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.

1.6. 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 (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 A2 – Urban Infrastructure

2.1 Significant Matters

The Shire provides a network of drainage infrastructure, as well as footpaths, aerodrome and water supply infrastructure within the asset class, Urban Infrastructure. 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 urban infrastructure with a current replacement cost of \$31.6m. Further detailed investigation of these assets is required to confirm the timing and costs of the required renewal intervals.

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

2.2 Inventory

The Shire is developing a basic drainage asset inventory which is maintained within the road asset inventory system. Utilising the dimension data held and the unit rates provided by the Shire, a current replacement cost has been estimated as set out below.

Urban Infrastructure Asset	Current Replacement Cost (\$)
Drainage	5,766,957
Kerb Barrier	110,348
Open Drain (Excavated)	10,980,746
Table Drain (Shallow)	10,316,790
Underground Pipe	1,521,600
Water Supply	249,158
Footpaths	858,063
Aerodrome	1,824,181
Urban Infrastructure Assets Total	31,627,843

2.3 Financial Summary

The financial impacts of managing the Shire's urban infrastructure assets are broken down into maintenance, new and renewal expenditure, each of which is examined separately as follows.

2.3.1 Maintenance Expenditure

Maintenance is undertaken through routine assessments and is provided for within the annual budget and this Plan. No significant changes to maintenance or operating expenditure are forecast.

2.3.2 New/Upgrade Expenditure

No additional new expenditure for urban infrastructure is forecast for the term of this Plan.

2.3.3 Renewal Expenditure

The table below highlights urban infrastructure asset projects to be undertaken during the term of this Plan.

Year	Project	Planned Expenditure \$
2021-22	Footpath Renewal	50,000
2022-23	Footpath Renewal	50,000
2023-24	Footpath Renewal	50,000
2024-25	Footpath Renewal	50,000
2025-26	Footpath Renewal	50,000
2026-27	Footpath Renewal	50,000
2027-28	Footpath Renewal	50,000
2028-29	Footpath Renewal	50,000
2029-30	Footpath Renewal	50,000
2030-31	Footpath Renewal	50,000
2031-32	Footpath Renewal	50,000
2032-33	Footpath Renewal	50,000
2033-34	Footpath Renewal	50,000
2034-35	Footpath Renewal	50,000
2035-36	Footpath Renewal	50,000
Total		750,000

Renewal works are prioritised based on staff knowledge of the condition of various urban infrastructure assets and is conducted during the budget process. All planned works are funded through a combination of internal and reserve funds.

Road drainage is renewed in conjunction with the renewal of the pavement for the related road and the associated costs are included in the pavement renewal.

Appendix A2 – Urban Infrastructure (Continued)

2.4 Level of Service

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

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Drainage			
Condition	Drains 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.	One complaint per road per year.
		Routine drainage inspection.	Two per year with managers.
Function	To ensure that all drains are maintained in order to provide a useable and safe transport network for users in all weather conditions.	Customer complaints.	One complaint 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 drain network that is free of hazards.	Hazard removed within 2 hours of notification.	95% addressed.
Cost Effectiveness	Efficient drainage maintenance program.	Maintenance program completed within timeframe and on budget.	100% completed within timeframe and on budget.
Footpath Construction			
Condition	Footpaths are constructed and maintained to a high standard.	Customer Complaints	Under 5 per year
Function	To provide a useable footpath network in the townsite for the community.	Community Survey	90% satisfaction
Safety	To provide a footpath network that is free of hazards.	Hazard removed within 2 hours of notification	95% addressed
Accessibility	The footpath network is accessible to all members of the community and provides access to major facilities.	Community Survey	95% satisfaction

Appendix A2 – Urban Infrastructure (Continued)

2.5 Risk Management

An assessment of risks associated with the delivery from urban infrastructure 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 drainage 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.
Asset condition decreases due to inadequate maintenance program.	Desired level of service not maintained.	Low	Determine maintenance priorities based risk assessment and lifecycle cost.
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.

2.6 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 drainage asset network (including road conditions) and forecasting of road renewal timing and costs is essential for managing the road and drainage 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 drainage and other urban infrastructure renewal priorities.

Appendix A3 – Buildings

3.1 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.

3.1 Inventory

Land and buildings were valued by independent professional valuers in 2018, based on an inspection undertaken. The replacement costs of the various types of buildings contained within the valuation report is presented in the table below. A building inventory is maintained within the Shire's financial management system.

Appendix A3 – Buildings (Continued)

3.1.1 Composition of Estimated Current Replacement Cost of Building Assets

Buildings by Category	No. of Structures	Current Replacement Cost (\$)
Community / Visitor Infrastructure	3	126,235
Community Hall	6	4,350,013
Daycare Facilities	1	448,772
Depot Infrastructure	5	575,705
Emergency Services Infrastructure	4	565,723
Heritage	8	1,111,721
Landfill Infrastructure	1	23,223
Medical Centre	2	1,898,241
Men's Shed	2	162,753
Museum	1	50,063
Newdegate Field Day Infrastructure	2	199,771
Office Buildings	3	1,521,242
Playgroup	1	194,916
Public Toilets	4	376,147
Recreation Infrastructure	26	13,922,132
Residence	35	9,115,924
Resource Centre/Library	1	306,680
Saleyards	2	68,094
Visitor Centre	1	197,931
Independent Living Units	11	3,794,488
Buildings Total		39,009,775

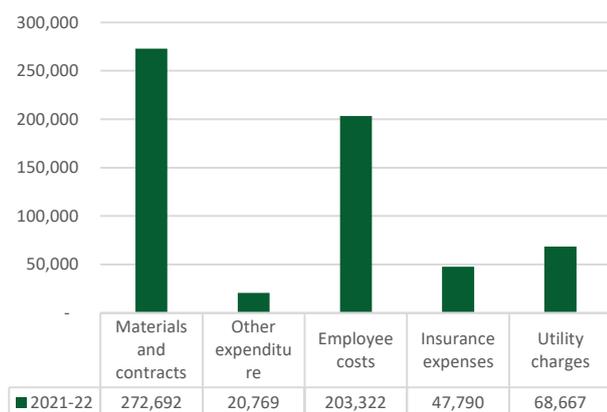
Appendix A3 – Buildings (Continued)

3.2 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.

3.2.1 Maintenance Expenditure by Nature or Type

Routine maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2021-22:



3.2.2 New/Upgrade Asset Expenditure

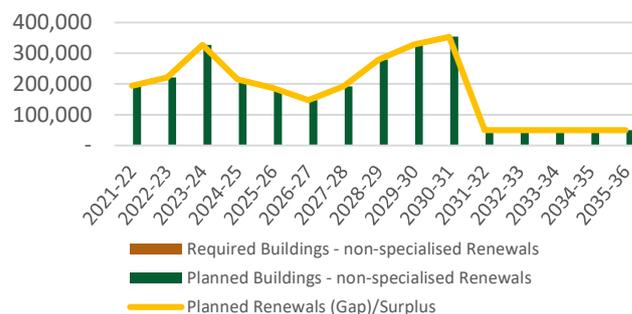
No additional new expenditure for buildings is forecast for the term of this Plan.

3.2.3 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 property renewals has been forecast (adjusted for inflation).

In the chart below, planned expenditure is shown as the green columns, with the yellow line showing the variation between planned and required expenditure.

3.2.4 Forecast Planned and Required Building Renewal Expenditure



3.2.5 Forecast Planned and Required Building Renewal Expenditure

The values represented in the chart above are detailed in the table below. Planned building renewals are above the forecast required renewals.

	Required Building Renewals	Planned Building Renewals	Buildings Renewal Funding (Gap)/Surplus
	\$	\$	\$
2021-22	0	194,080	194,080
2022-23	0	220,680	220,680
2023-24	0	327,130	327,130
2024-25	0	214,370	214,370
2025-26	0	187,100	187,100
2026-27	0	146,893	146,893
2027-28	0	191,780	191,780
2028-29	0	279,100	279,100
2029-30	0	327,710	327,710
2030-31	0	353,350	353,350
2031-32	0	50,000	50,000
2032-33	0	50,000	50,000
2033-34	0	50,000	50,000
2034-35	0	50,001	50,001
2035-36	0	50,002	50,002
Total	0	2,692,196	2,692,196

Appendix A3 – Buildings (Continued)

3.3 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.	One 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.	One per year per building.
Safety	The building is safe and suitable for its intended use.	Number of injury claims	0 claims.

3.4 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.

3.5 Improvement

Improving asset management planning for building could be undertaken by refining data for building assets to improve planning and forecasting of renewal timing and costs. Previously this has not been viewed as a priority,

as risks are able to be managed through annual planning. With demand for building assets forecast to remain relatively stable into the future, improving the data for required asset renewals will assist with establishing long term to help ensure adequate maintenance of the Shire's building assets.

Appendix A4 – Infrastructure – Sewerage

4.1 Significant Matters

The Shire provides a network of sewerage infrastructure which includes rising mains, gravity mains, access chambers, pump stations and ponds.

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. Further detailed investigation of this asset group is required to confirm the timing and costs of the required renewal intervals.

Asset renewal of sewerage infrastructure prior to its failure helps prevent damage to other associated assets.

4.2 Inventory

The Shire’s sewerage infrastructure assets current replacement cost at the time of valuation at 30 June 2018 was \$2.6m.

4.2.1 Composition of Estimated Current Replacement Cost of Other Infrastructure Assets

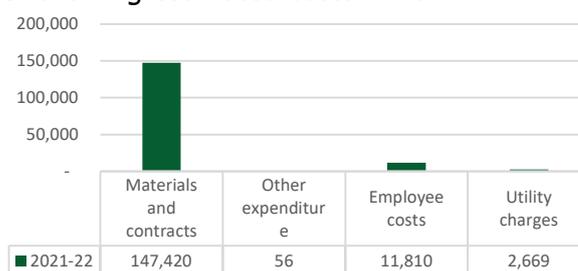
Infrastructure - Sewerage Asset	Current Replacement Cost (\$)
Access Chamber	311,526
Civil Works Formation	22,500
Civil Works Pavement	14,063
Effluent Reuse	23,104
Fencing	25,000
Imhoff Tank	224,820
Pipes	1,665,800
Pump Stations	118,279
Secondary Pond	199,310
Sludge Drying Bed	28,556
Infrastructure - Sewerage Total	2,632,958

4.3 Financial Summary

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

4.3.1 Maintenance Expenditure by Nature or Type

Routine maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2021-22:



4.3.2 New/Upgrade Asset Expenditure

No additional new expenditure for sewerage infrastructure is forecast for the term of this Plan.

4.3.3 Renewal Expenditure

The table below reflects sewerage infrastructure renewal projects currently planned within the Long Term Financial Plan. These projects are forecasted to be funded from general purpose funding.

Year	Project	Planned Expenditure (\$)
2021-22	Sewerage Renewal	35,000
2022-23	Sewerage Renewal	35,000
2023-24	Sewerage Renewal	35,000
2024-25	Sewerage Renewal	35,000
2025-26	Sewerage Renewal	35,000
2026-27	Sewerage Renewal	35,000
2027-28	Sewerage Renewal	35,000
2028-29	Sewerage Renewal	35,000
2029-30	Sewerage Renewal	35,000
2030-31	Sewerage Renewal	35,000
2031-32	Sewerage Renewal	35,000
2032-33	Sewerage Renewal	35,000
2033-34	Sewerage Renewal	35,000
2034-35	Sewerage Renewal	35,000
2035-36	Sewerage Renewal	35,000
Total		525,000

Appendix A4 – Infrastructure – Sewerage (Continued)

4.4 Level of Service

Level of service measures have not been defined for sewerage.

Risk	Consequence	Risk Rating	Risk Treatment Plan
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.
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.

4.5 Risk Management

An assessment of risks associated with the delivery from sewerage infrastructure has identified the following risks and the treatment strategy for each risk.

4.6 Improvement

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

Appendix A5 – Infrastructure – Parks, Gardens and Recreation Facilities

5.1 Significant Matters

The Shire controls a network of parks, gardens and recreational facilities made up of the following:

- Sporting grounds;
- Sporting facilities;
- Lighting;
- Dams;
- Active and passive reserves; and
- Other minor recreational facilities.

The nature of these assets is one of changing requirements due to both community expectations and climatic conditions and will require further analysis to fully consider future funding requirements.

5.2 Inventory

The Shire’s parks, gardens and recreational facilities current replacement cost at the time of valuation at 30 June 2018 was \$8.1m.

5.2.1 Composition of Estimated Current Replacement Cost of Infrastructure – Parks, Gardens and Recreation Facilities Assets

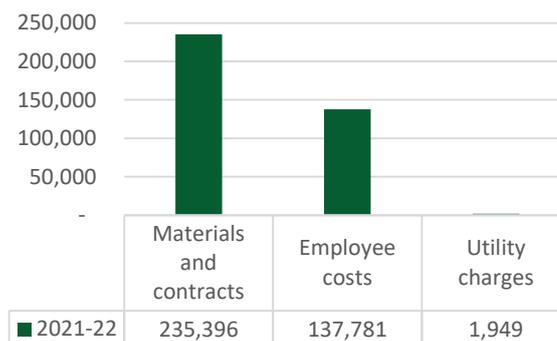
Parks, Gardens and Recreation Facilities Assets	Estimated Current Replacement Cost (\$)
Playground Equipment	364,075
Sporting Infrastructure	5,553,208
Parks Infrastructure	933,904
Water Supply Infrastructure	589,616
Other Infrastructure	684,421
Total	8,105,224

5.3 Financial Summary

The financial impact of managing the Shire’s parks, gardens and recreational facilities assets is broken down into maintenance, new and renewal expenditure.

5.3.1 Maintenance Expenditure by Nature or Type

Parks, gardens and recreational facilities maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2021-22:



Appendix A5 – Infrastructure – Parks, Gardens and Recreation Facilities (Continued)

5.3.2 New/Upgrade Asset Expenditure

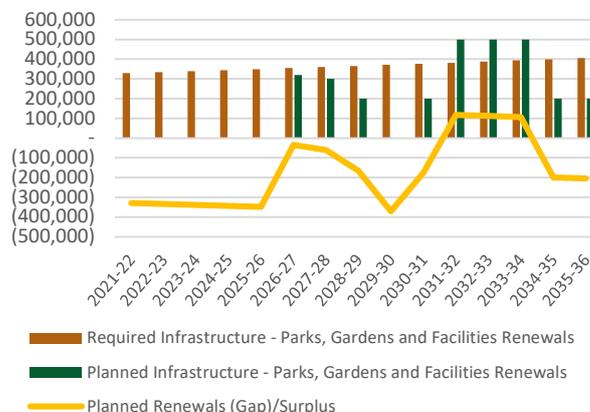
No additional new expenditure for parks, gardens and recreational facilities is forecast for the term of this Plan.

5.3.3 Renewal Expenditure

Required parks, gardens and recreational facilities asset renewals over the next 15 years have been forecast based on the estimated remaining useful life of the assets per the valuation. Minor asset renewals will be determined and funded within the annual budget cycle.

In the adjacent chart, planned expenditure is shown as the green columns, with forecast required renewals shown as the brown columns. The yellow line shows the variation between the two levels.

5.3.4 Forecast Planned and Required Parks and Ovals Asset



5.4 Level of Service

Detailed performance measures and performance targets for Infrastructure- Parks, Gardens and Recreational Facilities are defined in the table below.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Parks and Gardens			
Condition	Parks and gardens are maintained to a high standard with regular mowing, watering, pruning and other maintenance tasks being carried out.	Customer complaints. Community survey.	Under 5 per year. 90% satisfaction
Function	Provide the community and tourists with attractive natural and playground recreation facilities.	Customer complaints. Customer survey.	Under 5 per year. 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.
All parks and gardens are clean, well maintained.	Customer complaints	Under 5 per year	All parks and gardens are clean, well maintained.
Recreation Facilities			
Condition	The facility meets the expectations of the community.	Customer complaints	1 per year
Function	To provide the communities with a facility that can be utilised for the purpose it was designed for.	Customer complaints	1 per year
Safety	The facility is safe and suitable for its intended use.	Number of injury claims	0 claims

Appendix A5 – Infrastructure – Parks, Gardens and Recreation Facilities (Continued)

5.5 Improvement

The improvement of asset management planning for Infrastructure – Parks, Gardens and Recreational Facilities is not currently viewed as a priority as risks are able to be managed through annual operational planning.

5.6 Risk Management

An assessment of risks associated with the delivery from parks, gardens and recreational facilities infrastructure has identified the following risks and the treatment strategy for each risk.

Risk	Consequence	Risk Rating	Risk Treatment Plan
Inadequate funding for renewal and maintenance resulting in deterioration of structures and decrease in levels of service	High	High	Ensure priority given through budget process. Ensure that inspection of park assets become part of the budget processes to allow funding for assets requiring renewal/maintenance.
Inappropriate technical practices employed for maintenance and renewal resulting in an increased rate of deterioration of asset	High	High	Document best practice technical standards and monitoring procedure to ensure these standards are maintained and used through employee change.
Inadequate values and/or incomplete list of assets used for insurance purposes	High	High	Include internal consultation with asset managers within insurance renewal procedures.
Inappropriate renewal and maintenance methods expose work personnel to unacceptable risks	High	High	Compliance with requirements of OSH legislation. Adoption and documentation of safe systems of work. Staff training.
Reserves contain hazards that may injure employees or community members	High	High	Formalise and document inspection frequency and findings. Formalise elevation flowchart for risks to ensure high and extreme risks are brought to the attention of senior management.

Appendix A6 – Plant and Equipment

6.1 Significant Matters

The Shire has a large plant and equipment portfolio which includes items such as graders, tractors, 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.

6.2 Inventory

The Shire’s plant and equipment assets current replacement cost at the time of valuation at 30 June 2018 was \$3.3m.

6.2.1 Composition of Estimated Current Replacement Cost of Infrastructure – Plant and Equipment Assets

Plant and Equipment Assets	Current Replacement Cost (\$)
Plant (heavy, light and miscellaneous)	3,185,103
Furniture and equipment	136,892
Assets Total	3,321,996

6.3 Financial Summary

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

6.3.1 Maintenance Expenditure

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.

6.3.2 New/Upgrade Asset Expenditure

The current fleet of plant and equipment is forecast to meet the requirements of the Shire and no additional items are forecast to be required over the life of this Plan. Some upgrades to furniture are equipment are forecast, mainly relating to ICT assets, which are detailed in the table below.

Year	Project	Planned Expenditure \$
2021-22	Upgrade Office Equipment	20,000.00
2024-25	Upgrade Admin Server	35,000.00
2026-27	Upgrade Office Equipment	20,000.00
2029-30	Upgrade Admin Server	35,000.00
2031-32	Upgrade Office Equipment	20,000.00
2034-35	Upgrade Admin Server	35,000.00
Total		165,000

6.3.3 Renewal Expenditure

The plant replacement program is updated annually and is expected to remain partially funded by general purpose revenue and if required, allocations from the Plant Replacement Cash Reserve. The table below summarises the annual expenditure throughout the term of the Plan.

Year	Project	Planned Expenditure \$
2021-22	Plant Replacement Program	\$777,490
2022-23	Plant Replacement Program	\$1,184,761
2023-24	Plant Replacement Program	\$1,083,323
2024-25	Plant Replacement Program	\$348,129
2025-26	Plant Replacement Program	\$329,649
2026-27	Plant Replacement Program	\$513,919
2027-28	Plant Replacement Program	\$517,188
2028-29	Plant Replacement Program	\$1,160,288
2029-30	Plant Replacement Program	\$830,101
2030-31	Plant Replacement Program	\$1,125,724
2031-32	Plant Replacement Program	\$478,248
2032-33	Plant Replacement Program	\$657,590
2033-34	Plant Replacement Program	\$674,734
2034-35	Plant Replacement Program	\$847,446
2035-36	Plant Replacement Program	\$445,082
Total		10,973,672

Appendix A6 – Plant and Equipment (Continued)

6.4 Level of Service

Level of service measures have not been previously defined for plant and equipment. The following table contains target service levels according to function. These levels will need to be refined in the future by the Shire.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
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	One per year

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

6.6 Improvement

The improvement of 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 A7 – 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	Hierarchy	Pavement Type	Estimated Useful Life	Materials Remaining in-situ
Infrastructure - Roads	Kerb Flush Edge		Structural Asphaltic Concrete	80	
Infrastructure - Roads	Kerb Mountable		Thin Surfaced Flexible	80	
Infrastructure - Roads	Kerb Mountable		Structural Asphaltic Concrete	80	
Infrastructure - Roads	Kerb Semi Mountable		Structural Asphaltic Concrete	80	
Infrastructure - Roads	Kerb Semi Mountable		Thin Surfaced Flexible	80	
Infrastructure - Roads	Pavement Structure		Unsealed	120	25%
Infrastructure - Roads	Pavement Structure	Regional Distributor	Thin Surfaced Flexible	120	20%
Infrastructure - Roads	Pavement Structure	Access Road	Structural Asphaltic Concrete	30	15%
Infrastructure - Roads	Pavement Structure	Regional Distributor	Unsealed	20	10%
Infrastructure - Roads	Pavement Structure	Local Distributor	Thin Surfaced Flexible	120	25%
Infrastructure - Roads	Pavement Structure	Local Distributor	Unsealed	30	10%
Infrastructure - Roads	Pavement Structure	Regional Distributor	Structural Asphaltic Concrete	120	10%
Infrastructure - Roads	Pavement Structure	Access Road	Thin Surfaced Flexible	120	15%
Infrastructure - Roads	Pavement Structure	Access Road	Unsealed	30	25%
Infrastructure - Roads	Subgrade Structure	Access Road	Structural Asphaltic Concrete	100	100%
Infrastructure - Roads	Subgrade Structure	Local Distributor	Unsealed	100	100%
Infrastructure - Roads	Subgrade Structure	Local Distributor	Thin Surfaced Flexible	100	100%
Infrastructure - Roads	Subgrade Structure	Regional Distributor	Unsealed	100	100%
Infrastructure - Roads	Subgrade Structure	Access Road	Unsealed	100	100%
Infrastructure - Roads	Subgrade Structure	Regional Distributor	Thin Surfaced Flexible	100	100%
Infrastructure - Roads	Subgrade Structure	Regional Distributor	Structural Asphaltic Concrete	100	100%
Infrastructure - Roads	Subgrade Structure	Access Road	Thin Surfaced Flexible	100	100%
Infrastructure - Roads	Surface Structure	Access Road	Unsealed	15	10%
Infrastructure - Roads	Surface Structure	Regional Distributor	Unsealed	20	5%
Infrastructure - Roads	Surface Structure	Access Road	Thin Surfaced Flexible	15	10%
Infrastructure - Roads	Surface Structure		Unsealed	15	5%
Infrastructure - Roads	Surface Structure	Local Distributor	Thin Surfaced Flexible	20	10%
Infrastructure - Roads	Surface Structure	Access Road	Structural Asphaltic Concrete	20	30%
Infrastructure - Roads	Surface Structure	Local Distributor	Unsealed	15	5%
Infrastructure - Roads	Surface Structure	Regional Distributor	Thin Surfaced Flexible	15	5%
Infrastructure - Roads	Surface Structure	Regional Distributor	Structural Asphaltic Concrete	15	30%

Appendix A7 – Estimated Asset Life and Residual Value (Continued)

Asset Class	Asset Sub-Class	Hierarchy	Pavement Type	Estimated Useful Life	Materials Remaining in-situ
Infrastructure - Urban	Aerodrome			80	
Infrastructure - Urban	Drainage	500mm < Culvert < 800mm	Unsealed	80	
Infrastructure - Urban	Drainage			80	
Infrastructure - Urban	Drainage	NULL culverts	Thin Surfaced Flexible	100	
Infrastructure - Urban	Drainage	500mm < Culvert < 800mm	Thin Surfaced Flexible	80	
Infrastructure - Urban	Drainage	1000mm < Culvert	Unsealed	80	
Infrastructure - Urban	Drainage	Culvert < 300mm	Unsealed	80	
Infrastructure - Urban	Drainage	800mm < Culvert < 1000mm	Unsealed	80	
Infrastructure - Urban	Drainage	300mm < Culvert < 500mm	Structural Asphaltic Concrete	100	
Infrastructure - Urban	Drainage	Culvert < 300mm	Thin Surfaced Flexible	80	
Infrastructure - Urban	Drainage	300mm < Culvert < 500mm	Unsealed	80	
Infrastructure - Urban	Drainage	NULL culverts	Unsealed	80	
Infrastructure - Urban	Drainage	300mm < Culvert < 500mm	Thin Surfaced Flexible	80	
Infrastructure - Urban	Drainage	1000mm < Culvert	Thin Surfaced Flexible	80	
Infrastructure - Urban	Drainage	800mm < Culvert < 1000mm	Thin Surfaced Flexible	80	
Infrastructure - Urban	Footpaths			50	
Infrastructure - Urban	Kerb Barrier		Thin Surfaced Flexible	80	50%
Infrastructure - Urban	Kerb Barrier		Structural Asphaltic Concrete	80	50%
Infrastructure - Urban	Open Drain (Excavated)		Structural Asphaltic Concrete	80	20%
Infrastructure - Urban	Open Drain (Excavated)		Unsealed	80	20%
Infrastructure - Urban	Open Drain (Excavated)		Thin Surfaced Flexible	80	20%
Infrastructure - Urban	Table Drain (Shallow)		Structural Asphaltic Concrete	80	20%
Infrastructure - Urban	Table Drain (Shallow)		Unsealed	80	20%
Infrastructure - Urban	Table Drain (Shallow)		Thin Surfaced Flexible	80	20%
Infrastructure - Urban	Underground Pipe		Structural Asphaltic Concrete	80	60%
Infrastructure - Urban	Underground Pipe		Thin Surfaced Flexible	80	60%
Infrastructure - Urban	Water Supply			80	

Appendix A7 – Estimated Asset Life and Residual Value (Continued)

Asset Class	Asset Sub-Class	Estimated Useful Life	Estimated Residual Value %
Infrastructure - Sewerage	Access Chamber	80	
Infrastructure - Sewerage	Civil Works Formation	100	
Infrastructure - Sewerage	Civil Works Pavement	25	
Infrastructure - Sewerage	Effluent Reuse	30	
Infrastructure - Sewerage	Fencing	50	
Infrastructure - Sewerage	Imhoff Tank	50	
Infrastructure - Sewerage	Pipes	80	
Infrastructure - Sewerage	Pump Stations	30	
Infrastructure - Sewerage	Secondary Pond	100	
Infrastructure - Sewerage	Sludge Drying Bed	50	
Infrastructure - Parks, Gardens and Recreational Facilities	Other Infrastructure	25	
Infrastructure - Parks, Gardens and Recreational Facilities	Parks Infrastructure	25	
Infrastructure - Parks, Gardens and Recreational Facilities	Playground	25	
Infrastructure - Parks, Gardens and Recreational Facilities	Sporting Infrastructure	25	
Infrastructure - Parks, Gardens and Recreational Facilities	Water Supply	25	
Buildings - non-specialised		50	
Buildings - specialised		50	
Furniture and equipment		20	
Land Held for Sale		100	100%
Land - freehold land		100	100%
Land - vested in and under the control of Council		100	100%
Plant and equipment		100	100%

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.

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.

Objectives	Services
Governance	Members of Council Governance – general
General purpose funding	Rates Other general purpose funding
Law, order, public safety	Fire prevention Animal control Other law, order, public safety
Health	Maternal and infant health Preventative services <ul style="list-style-type: none"> - Immunisation - Meat inspection - Administration and inspection - Pest control - Other Other health
Education and welfare	Pre-school Other education Care of families and children Aged and disabled <ul style="list-style-type: none"> - Senior citizens centres - Meals on wheels Other welfare
Housing	Staff housing Other housing
Community amenities	Sanitation <ul style="list-style-type: none"> - Household refuse - Other Sewerage Urban stormwater drainage Protection of environment Town planning and regional development Other community amenities

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 Lake Grace.

Objectives	Services
Recreation and culture	Public halls, civic centre Swimming areas Other recreation and sport Television and radio re-broadcasting Libraries Other culture
Transport	Streets, roads, bridges, depots <ul style="list-style-type: none"> - Construction (not capitalised) - Maintenance Road plant purchase (if not capitalised) Parking facilities Traffic control Aerodromes Water transport facilities
Economic services	Rural services Tourism and area promotion Building control Sale yards and markets Plant nursery Other economic services
Other property and services	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 2021-2036

	2017-18	2018-19	2019-20	Base	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	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																			
Rates	4,113,864	4,175,836	4,166,075	4,252,757	4,316,548	4,381,296	4,447,016	4,513,721	4,581,427	4,650,149	4,719,901	4,790,699	4,862,559	4,935,497	5,009,529	5,084,673	5,160,943	5,238,357	5,316,932
Operating grants, subsidies and contributions	2,686,422	3,268,143	3,263,453	3,063,094	3,846,634	3,904,333	3,962,897	4,022,343	4,082,679	4,143,919	4,206,077	4,269,170	4,333,208	4,398,207	4,464,180	4,531,145	4,599,112	4,668,098	4,738,118
Fees and charges	351,373	585,925	440,647	411,340	417,515	423,777	430,133	436,586	443,140	449,787	456,532	463,380	470,329	477,384	484,543	491,810	499,189	506,674	514,272
Interest earnings	122,649	155,673	104,379	120,000	92,382	100,669	103,811	98,473	102,638	104,464	117,477	120,299	110,090	104,306	105,919	110,532	116,827	119,068	126,643
Other revenue	5,713,116	3,866,250	226,595	225,257	634,643	644,167	653,831	663,641	673,600	683,703	693,960	704,370	714,935	725,661	736,546	747,594	758,809	770,190	781,741
	12,987,424	12,051,827	8,201,149	8,072,448	9,307,722	9,454,242	9,597,688	9,734,764	9,883,484	10,032,022	10,193,947	10,347,918	10,491,121	10,641,055	10,800,717	10,965,754	11,134,880	11,302,387	11,477,706
Expenses																			
Employee costs	(2,056,481)	(2,146,748)	(2,107,470)	(2,350,632)	(2,335,890)	(2,370,925)	(2,406,488)	(2,442,583)	(2,479,220)	(2,516,414)	(2,554,162)	(2,592,472)	(2,631,362)	(2,670,826)	(2,710,892)	(2,751,549)	(2,792,823)	(2,834,715)	(2,877,242)
Materials and contracts	(6,955,330)	(5,694,520)	(2,444,525)	(4,022,228)	(3,882,580)	(3,940,820)	(3,999,917)	(4,059,923)	(4,120,828)	(4,182,637)	(4,245,351)	(4,309,018)	(4,373,629)	(4,439,228)	(4,505,807)	(4,573,394)	(4,641,989)	(4,711,609)	(4,782,254)
Utility charges	(245,993)	(296,584)	(329,910)	(276,250)	(280,398)	(284,605)	(288,873)	(293,207)	(297,605)	(302,065)	(306,599)	(311,202)	(315,870)	(320,608)	(325,417)	(330,298)	(335,257)	(340,284)	(345,391)
Depreciation on non-current assets	(2,965,441)	(3,369,006)	(3,356,075)	(3,388,657)	(3,548,527)	(3,648,006)	(3,709,690)	(3,772,923)	(3,834,862)	(3,897,134)	(3,961,336)	(4,022,707)	(4,090,107)	(4,156,838)	(4,220,471)	(4,283,794)	(4,348,039)	(4,414,736)	(4,481,291)
Interest expenses	(86,378)	(71,657)	(60,553)	(58,810)	(49,350)	(40,896)	(33,207)	(27,757)	(22,911)	(17,844)	(12,931)	(8,998)	(4,903)	(1,302)	0	0	0	0	0
Insurance expenses	(161,122)	(172,395)	(166,153)	(172,119)	(174,702)	(177,322)	(179,984)	(182,685)	(185,425)	(188,203)	(191,025)	(193,890)	(196,795)	(199,749)	(202,746)	(205,787)	(208,874)	(212,007)	(215,183)
Other expenditure	(182,976)	(222,290)	(223,802)	(275,212)	(279,346)	(283,534)	(287,782)	(292,091)	(296,478)	(300,920)	(305,430)	(310,011)	(314,659)	(319,375)	(324,165)	(329,027)	(333,965)	(338,973)	(344,052)
	(12,653,721)	(11,973,200)	(8,688,488)	(10,543,908)	(10,550,793)	(10,746,108)	(10,905,941)	(11,071,169)	(11,237,329)	(11,405,217)	(11,576,834)	(11,748,298)	(11,927,325)	(12,107,926)	(12,289,498)	(12,473,849)	(12,660,947)	(12,852,324)	(13,045,413)
	333,703	78,627	(487,339)	(2,471,460)	(1,243,071)	(1,291,866)	(1,308,253)	(1,336,405)	(1,353,845)	(1,373,195)	(1,382,887)	(1,400,380)	(1,436,204)	(1,466,871)	(1,488,781)	(1,508,095)	(1,526,067)	(1,549,937)	(1,567,707)
Non-operating grants, subsidies and contributions	3,037,344	1,606,350	834,548	2,360,000	1,666,778	1,678,979	1,691,484	1,704,303	1,717,441	1,730,909	1,744,713	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753
Profit on asset disposals	17,933	3,817	0	10,166	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(251,860)	(23,710)	(69,084)	(42,100)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	3,137,120	1,665,084	278,125	(143,394)	423,707	387,113	383,231	367,898	363,596	357,714	361,826	(221,627)	(257,451)	(288,118)	(310,028)	(329,342)	(347,314)	(371,184)	(388,954)
Other comprehensive income	17,331,130	0	0	0	3,026,551	3,066,557	3,107,686	3,172,338	3,220,143	3,267,157	3,309,200	3,349,919	3,407,370	3,452,100	3,507,612	3,549,428	3,592,749	3,637,160	3,686,501
TOTAL COMPREHENSIVE INCOME	20,468,250	1,665,084	278,125	(143,394)	3,450,258	3,453,670	3,490,917	3,540,236	3,583,739	3,624,871	3,671,026	3,128,292	3,149,919	3,163,982	3,197,584	3,220,086	3,245,435	3,265,976	3,297,547

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B3 – Forecast Statement of Comprehensive Income by Program 2021-2036

	2017-18	2018-19	2019-20	Base	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	2035-36	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenue																				
Governance	33,536	22,803	32,245	27,550	7,665	7,781	7,898	8,018	8,140	8,262	8,386	8,514	8,642	8,771	8,902	9,036	9,173	9,311	9,450	
General purpose funding	5,438,272	6,023,066	6,992,343	5,582,327	7,181,161	7,295,779	7,406,848	7,511,056	7,626,411	7,741,093	7,868,656	7,987,745	8,095,548	8,209,547	8,332,738	8,460,753	8,592,301	8,721,674	8,858,286	
Law, order, public safety	63,583	147,466	179,963	157,772	160,139	162,541	164,979	167,453	169,965	172,514	175,102	177,729	180,395	183,100	185,846	188,633	191,463	194,335	197,250	
Health	36,791	9,952	6,832	9,960	10,110	10,261	10,414	10,572	10,732	10,894	11,057	11,223	11,391	11,561	11,733	11,909	12,087	12,269	12,454	
Education and welfare	0	4,357	1,995	2,000	2,030	2,060	2,090	2,122	2,154	2,186	2,218	2,252	2,286	2,320	2,354	2,390	2,426	2,462	2,498	
Housing	21,022	20,857	19,914	23,000	23,345	23,695	24,051	24,411	24,777	25,148	25,525	25,908	26,297	26,691	27,092	27,498	27,911	28,329	28,754	
Community amenities	291,481	342,466	324,141	299,618	304,113	308,674	313,303	318,003	322,774	327,616	332,529	337,517	342,579	347,719	352,935	358,230	363,604	369,057	374,593	
Recreation and culture	1,140,529	1,132,232	32,331	36,100	36,645	37,196	37,754	38,322	38,899	39,482	40,074	40,675	41,285	41,905	42,533	43,172	43,821	44,478	45,143	
Transport	5,704,023	3,913,085	343,790	1,685,462	1,330,120	1,350,072	1,370,323	1,390,878	1,411,741	1,432,917	1,454,411	1,476,227	1,498,370	1,520,846	1,543,659	1,566,815	1,590,316	1,614,170	1,638,383	
Economic services	117,990	310,638	174,196	155,150	157,482	159,848	162,249	164,684	167,157	169,666	172,212	174,795	177,417	180,080	182,783	185,524	188,307	191,130	193,997	
Other property and services	140,197	124,905	93,399	93,509	94,912	96,335	97,779	99,245	100,734	102,244	103,777	105,333	106,911	108,515	110,142	111,794	113,471	115,172	116,898	
	12,987,424	12,051,827	8,201,149	8,072,448	9,307,722	9,454,242	9,597,688	9,734,764	9,883,484	10,032,022	10,193,947	10,347,918	10,491,121	10,641,055	10,800,717	10,965,754	11,134,880	11,302,387	11,477,706	
Expenses excluding finance costs																				
Governance	(273,379)	(335,363)	(337,162)	(405,533)	(413,734)	(420,830)	(427,282)	(433,837)	(440,450)	(447,143)	(453,956)	(460,808)	(467,852)	(474,977)	(482,122)	(489,353)	(496,691)	(504,171)	(511,737)	
General purpose funding	(155,301)	(156,529)	(159,188)	(179,368)	(182,060)	(184,792)	(187,563)	(190,377)	(193,233)	(196,130)	(199,070)	(202,056)	(205,085)	(208,163)	(211,285)	(214,455)	(217,673)	(220,938)	(224,251)	
Law, order, public safety	(262,072)	(258,710)	(320,113)	(359,849)	(366,128)	(371,994)	(377,630)	(383,357)	(389,152)	(395,025)	(400,993)	(407,024)	(413,185)	(419,430)	(425,730)	(432,115)	(438,599)	(445,188)	(451,865)	
Health	(251,954)	(285,175)	(312,388)	(370,869)	(377,668)	(383,855)	(389,690)	(395,625)	(401,623)	(407,699)	(413,872)	(420,101)	(426,479)	(432,938)	(439,445)	(446,038)	(452,730)	(459,534)	(466,427)	
Education and welfare	(33,835)	(34,676)	(39,120)	(79,162)	(80,663)	(82,004)	(83,253)	(84,523)	(85,805)	(87,105)	(88,427)	(89,758)	(91,125)	(92,506)	(93,894)	(95,302)	(96,731)	(98,183)	(99,656)	
Housing	(160,621)	(170,789)	(180,996)	(206,223)	(213,771)	(218,870)	(222,438)	(226,085)	(229,692)	(233,330)	(237,065)	(240,695)	(244,591)	(248,478)	(252,260)	(256,046)	(259,892)	(263,853)	(267,827)	
Community amenities	(676,510)	(695,741)	(940,235)	(1,077,786)	(1,097,187)	(1,115,012)	(1,131,941)	(1,149,141)	(1,166,535)	(1,184,175)	(1,202,106)	(1,220,195)	(1,238,708)	(1,257,447)	(1,276,346)	(1,295,484)	(1,314,917)	(1,334,687)	(1,354,717)	
Recreation and culture	(1,573,603)	(2,039,281)	(2,132,231)	(2,680,458)	(2,752,498)	(2,807,289)	(2,851,418)	(2,896,406)	(2,941,419)	(2,986,926)	(3,033,408)	(3,079,479)	(3,127,730)	(3,176,205)	(3,224,224)	(3,272,591)	(3,321,672)	(3,371,926)	(3,422,596)	
Transport	(8,613,585)	(7,166,737)	(3,570,702)	(4,303,913)	(4,305,646)	(4,394,482)	(4,464,050)	(4,534,987)	(4,605,814)	(4,677,392)	(4,750,564)	(4,822,842)	(4,898,884)	(4,975,187)	(5,050,484)	(5,126,252)	(5,203,140)	(5,281,960)	(5,361,362)	
Economic services	(432,448)	(635,814)	(602,441)	(730,155)	(613,019)	(623,022)	(632,488)	(642,110)	(651,835)	(661,694)	(671,717)	(681,821)	(692,164)	(702,634)	(713,201)	(723,899)	(734,755)	(745,799)	(756,983)	
Other property and services	(134,035)	(122,728)	(33,359)	(91,782)	(99,069)	(103,062)	(104,981)	(106,964)	(108,860)	(110,754)	(112,725)	(114,521)	(116,619)	(118,659)	(120,507)	(122,314)	(124,147)	(126,085)	(127,992)	
	(12,567,343)	(11,901,543)	(8,627,935)	(10,485,098)	(10,501,443)	(10,705,212)	(10,872,734)	(11,043,412)	(11,214,418)	(11,387,373)	(11,563,903)	(11,739,300)	(11,922,422)	(12,106,624)	(12,289,498)	(12,473,849)	(12,660,947)	(12,852,324)	(13,045,413)	
Finance costs																				
Governance	(19,907)	(18,107)	(16,779)	(14,548)	(13,301)	(12,250)	(11,138)	(9,962)	(8,716)	(7,397)	(6,001)	(4,524)	(2,959)	(1,302)	0	0	0	0	0	
General purpose funding	0	(27)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Health	(4,755)	(3,178)	(1,511)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Housing	(1,755)	(90)	0	(6,227)	(5,625)	(5,014)	(4,394)	(3,766)	(3,131)	(2,488)	(1,836)	(1,176)	(507)	0	0	0	0	0	0	
Recreation and culture	(31,100)	(26,685)	(21,872)	(15,939)	(12,299)	(8,918)	(5,980)	(3,901)	(2,558)	(1,129)	0	0	0	0	0	0	0	0	0	
Transport	(12,384)	(10,450)	(8,442)	(5,562)	(3,445)	(1,503)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Economic services	(14,110)	(11,536)	(11,197)	(16,534)	(14,680)	(13,211)	(11,695)	(10,128)	(8,506)	(6,830)	(5,094)	(3,298)	(1,437)	0	0	0	0	0	0	
Other property and services	(2,367)	(1,584)	(752)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	(86,378)	(71,657)	(60,553)	(58,810)	(49,350)	(40,896)	(33,207)	(27,757)	(22,911)	(17,844)	(12,931)	(8,998)	(4,903)	(1,302)	0	0	0	0	0	
Non operating grants, subsidies and contributions																				
Law, order, public safety	0	0	0	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Community amenities	0	0	0	70,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Recreation and culture	691,074	1,350	246,528	2,190,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Transport	1,965,279	1,605,000	588,020	0	1,666,778	1,678,979	1,691,484	1,704,303	1,717,441	1,730,909	1,744,713	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	
Economic services	0	0	0	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	3,037,344	1,606,350	834,548	2,360,000	1,666,778	1,678,979	1,691,484	1,704,303	1,717,441	1,730,909	1,744,713	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	
Profit/(loss) on disposal of assets																				
Governance	(92,537)	(23,710)	(16,207)	10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Law, order, public safety	0	0	(42,381)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Transport	(32,177)	3,817	(10,496)	(41,934)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	(233,927)	(19,893)	(69,084)	(31,934)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
NET RESULT	3,137,120	1,665,084	278,125	(143,394)	423,707	387,113	383,231	367,898	363,596	357,714	361,826	(221,627)	(257,451)	(288,118)	(310,028)	(329,342)	(347,314)	(371,184)	(388,954)	
Other comprehensive income	17,331,130	0	0	0	3,026,551	3,066,557	3,107,686	3,172,338	3,220,143	3,267,157	3,309,200	3,349,919	3,407,370	3,452,100	3,507,612	3,549,428	3,592,749	3,637,160	3,686,501	
TOTAL COMPREHENSIVE INCOME	20,468,250	1,665,084	278,125	(143,394)	3,450,258	3,453,670	3,490,917	3,540,236	3,583,739	3,624,871	3,671,026	3,128,292	3,149,919	3,163,982	3,197,584	3,220,086	3,245,435	3,265,976	3,297,547	

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B4 – Forecast Statement of Financial Position 2021-2036

	2018	2019	2020	Base	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	30 June 36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																			
Unrestricted cash and cash equivalents	1,867,287	3,797,154	4,544,078	6,775	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852
Restricted cash and cash equivalent	3,979,655	5,687,313	6,152,856	4,612,232	5,030,695	5,187,723	4,920,791	5,129,050	5,220,336	5,871,064	6,012,068	5,501,688	5,212,414	5,293,090	5,523,707	5,838,550	5,950,467	6,329,490	6,995,511
Financial assets	0	27,930	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trade and other receivables	4,161,034	303,169	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192
Inventories	9,896	4,585	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534
Other assets	0	71,703	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL CURRENT ASSETS	10,017,872	9,891,854	10,896,660	4,818,733	5,233,273	5,390,301	5,123,369	5,331,628	5,422,914	6,073,642	6,214,646	5,704,266	5,414,992	5,495,668	5,726,285	6,041,128	6,153,045	6,532,068	7,198,089
NON-CURRENT ASSETS																			
Financial assets	0	77,334	77,334	77,334	77,334	77,334	77,334	77,334	77,334	77,334	77,334	77,334	77,334	77,334	77,334	77,334	77,334	77,334	77,334
Other receivables	34,019	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268	6,268
Inventories	300,000	300,000	679,162	679,162	679,162	679,162	679,162	679,162	679,162	679,162	679,162	679,162	679,162	679,162	679,162	679,162	679,162	679,162	679,162
Property plant and equipment	43,778,545	43,124,430	42,753,423	45,372,293	45,495,624	45,871,499	46,306,223	46,027,397	45,662,602	45,374,481	45,111,972	45,383,459	45,445,592	45,600,929	45,035,535	44,595,666	44,174,736	43,795,373	43,153,662
Infrastructure	157,178,968	157,053,817	156,718,570	159,901,137	162,560,033	165,234,503	168,374,518	171,821,795	175,510,670	178,599,495	182,238,462	185,448,146	188,663,611	191,561,673	195,094,034	198,439,146	201,993,594	205,259,910	208,533,147
TOTAL NON-CURRENT ASSETS	201,291,532	200,561,849	200,234,757	206,036,194	208,818,421	211,868,766	215,443,505	218,611,956	221,936,036	224,736,740	228,113,198	231,594,369	234,871,967	237,925,366	240,892,333	243,797,576	246,931,094	249,818,047	252,449,573
TOTAL ASSETS	211,309,404	210,453,703	211,131,417	210,854,927	214,051,694	217,259,067	220,566,874	223,943,584	227,358,950	230,810,382	234,327,844	237,298,635	240,286,959	243,421,034	246,618,618	249,838,704	253,084,139	256,350,115	259,647,662
CURRENT LIABILITIES																			
Trade and other payables	2,525,375	464,471	142,578	202,578	202,578	202,578	202,578	202,578	202,578	202,578	202,578	202,578	202,578	202,578	202,578	202,578	202,578	202,578	202,578
Contract liabilities	0	0	447,955	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current portion of long-term liabilities	250,052	244,473	1,435,947	1,690,803	246,297	183,110	163,526	168,373	173,439	153,564	157,501	161,595	29,907	0	0	0	0	0	0
Provisions	332,469	329,272	230,175	230,175	230,175	230,175	230,175	230,175	230,175	230,175	230,175	230,175	230,175	230,175	230,175	230,175	230,175	230,175	230,175
TOTAL CURRENT LIABILITIES	3,107,896	1,038,216	2,256,655	2,123,556	679,050	615,863	596,279	601,126	606,192	586,317	590,254	594,348	462,660	432,753	432,753	432,753	432,753	432,753	432,753
NON-CURRENT LIABILITIES																			
Long-term borrowings	1,080,421	835,948	0	0	1,191,015	1,007,905	844,379	676,006	502,567	349,003	191,502	29,907	0	0	0	0	0	0	0
Provisions	42,387	26,026	43,124	43,124	43,124	43,124	43,124	43,124	43,124	43,124	43,124	43,124	43,124	43,124	43,124	43,124	43,124	43,124	43,124
TOTAL NON-CURRENT LIABILITIES	1,122,808	861,974	43,124	43,124	1,234,139	1,051,029	887,503	719,130	545,691	392,127	234,626	73,031	43,124						
TOTAL LIABILITIES	4,230,704	1,900,190	2,299,779	2,166,680	1,913,189	1,666,892	1,483,782	1,320,256	1,151,883	978,444	824,880	667,379	505,784	475,877	475,877	475,877	475,877	475,877	475,877
NET ASSETS	207,078,700	208,553,513	208,831,638	208,688,247	212,138,505	215,592,175	219,083,092	222,623,328	226,207,067	229,831,938	233,502,964	236,631,256	239,781,175	242,945,157	246,142,741	249,362,827	252,608,262	255,874,238	259,171,785
EQUITY																			
Retained surplus	150,192,617	150,171,641	150,346,626	151,295,904	151,301,148	151,531,233	152,181,396	152,341,035	152,613,345	152,320,331	152,541,153	152,829,906	152,861,729	152,492,935	151,952,290	151,308,105	150,848,874	150,098,667	149,043,692
Reserves - cash backed	3,929,074	5,601,761	5,704,901	4,612,232	5,030,695	5,187,723	4,920,791	5,129,050	5,220,336	5,871,064	6,012,068	5,501,688	5,212,414	5,293,090	5,523,707	5,838,550	5,950,467	6,329,490	6,995,511
Asset revaluation surplus	52,957,009	52,780,111	52,780,111	52,780,111	55,806,662	58,873,219	61,980,905	65,153,243	68,373,386	71,640,543	74,949,743	78,299,662	81,707,032	85,159,132	88,666,744	92,216,172	95,808,921	99,446,081	103,132,582
TOTAL EQUITY	207,078,700	208,553,513	208,831,638	208,688,247	212,138,505	215,592,175	219,083,092	222,623,328	226,207,067	229,831,938	233,502,964	236,631,256	239,781,175	242,945,157	246,142,741	249,362,827	252,608,262	255,874,238	259,171,785

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B5 – Forecast Statement of Changes in Equity 2021-2036

	2018	2019	2020	Base	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	30 June 36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening balance	147,055,497	150,179,244	150,171,641	150,346,629	151,295,904	151,301,148	151,531,233	152,181,396	152,341,035	152,613,345	152,320,331	152,541,153	152,829,906	152,861,729	152,492,935	151,952,290	151,308,105	150,848,874	150,098,667
Net result	3,137,120	1,665,084	278,125	(143,394)	423,707	387,113	383,231	367,898	363,596	357,714	361,826	(221,627)	(257,451)	(288,118)	(310,028)	(329,342)	(347,314)	(371,184)	(388,954)
Amount transferred (to)/from reserves	0	(1,672,687)	(103,140)	1,092,669	(418,463)	(157,028)	266,932	(208,259)	(91,286)	(650,728)	(141,004)	510,380	289,274	(80,676)	(230,617)	(314,843)	(111,917)	(379,023)	(666,021)
Closing balance	150,192,617	150,171,641	150,346,626	151,295,904	151,301,148	151,531,233	152,181,396	152,341,035	152,613,345	152,320,331	152,541,153	152,829,906	152,861,729	152,492,935	151,952,290	151,308,105	150,848,874	150,098,667	149,043,692
RESERVES - CASH/INVESTMENT BACKED																			
Opening balance	3,929,074	3,929,074	5,601,761	5,704,901	4,612,232	5,030,695	5,187,723	4,920,791	5,129,050	5,220,336	5,871,064	6,012,068	5,501,688	5,212,414	5,293,090	5,523,707	5,838,550	5,950,467	6,329,490
Amount transferred to/(from) retained surplus	0	1,672,687	103,140	(1,092,669)	418,463	157,028	(266,932)	208,259	91,286	650,728	141,004	(510,380)	(289,274)	80,676	230,617	314,843	111,917	379,023	666,021
Closing balance	3,929,074	5,601,761	5,704,901	4,612,232	5,030,695	5,187,723	4,920,791	5,129,050	5,220,336	5,871,064	6,012,068	5,501,688	5,212,414	5,293,090	5,523,707	5,838,550	5,950,467	6,329,490	6,995,511
ASSET REVALUATION SURPLUS																			
Opening balance	52,957,009	52,780,111	52,780,111	52,780,111	52,780,111	55,806,662	58,873,219	61,980,905	65,153,243	68,373,386	71,640,543	74,949,743	78,299,662	81,707,032	85,159,132	88,666,744	92,216,172	95,808,921	99,446,081
Total other comprehensive income	0	0	0	0	3,026,551	3,066,557	3,107,686	3,172,338	3,220,143	3,267,157	3,309,200	3,349,919	3,407,370	3,452,100	3,507,612	3,549,428	3,592,749	3,637,160	3,686,501
Closing balance	52,957,009	52,780,111	52,780,111	52,780,111	55,806,662	58,873,219	61,980,905	65,153,243	68,373,386	71,640,543	74,949,743	78,299,662	81,707,032	85,159,132	88,666,744	92,216,172	95,808,921	99,446,081	103,132,582
TOTAL EQUITY	207,078,700	208,553,513	208,831,638	208,688,247	212,138,505	215,592,175	219,083,092	222,623,328	226,207,067	229,831,938	233,502,964	236,631,256	239,781,175	242,945,157	246,142,741	249,362,827	252,608,262	255,874,238	259,171,785

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B6 – Forecast Statement of Cashflows 2021-2036

	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	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities															
Receipts															
Rates	4,316,548	4,381,296	4,447,016	4,513,721	4,581,427	4,650,149	4,719,901	4,790,699	4,862,559	4,935,497	5,009,529	5,084,673	5,160,943	5,238,357	5,316,932
Operating grants, subsidies and contributions	3,846,634	3,904,333	3,962,897	4,022,343	4,082,679	4,143,919	4,206,077	4,269,170	4,333,208	4,398,207	4,464,180	4,531,145	4,599,112	4,668,098	4,738,118
Fees and charges	417,515	423,777	430,133	436,586	443,140	449,787	456,532	463,380	470,329	477,384	484,543	491,810	499,189	506,674	514,272
Interest earnings	92,382	100,669	103,811	98,473	102,638	104,464	117,477	120,299	110,090	104,306	105,919	110,532	116,827	119,068	126,643
Other revenue	634,643	644,167	653,831	663,641	673,600	683,703	693,960	704,370	714,935	725,661	736,546	747,594	758,809	770,190	781,741
	9,307,722	9,454,242	9,597,688	9,734,764	9,883,484	10,032,022	10,193,947	10,347,918	10,491,121	10,641,055	10,800,717	10,965,754	11,134,880	11,302,387	11,477,706
Payments															
Employee costs	(2,335,890)	(2,370,925)	(2,406,488)	(2,442,583)	(2,479,220)	(2,516,414)	(2,554,162)	(2,592,472)	(2,631,362)	(2,670,826)	(2,710,892)	(2,751,549)	(2,792,823)	(2,834,715)	(2,877,242)
Materials and contracts	(3,882,580)	(3,940,820)	(3,999,917)	(4,059,923)	(4,120,828)	(4,182,637)	(4,245,351)	(4,309,018)	(4,373,629)	(4,439,228)	(4,505,807)	(4,573,394)	(4,641,989)	(4,711,609)	(4,782,254)
Utility charges	(280,398)	(284,605)	(288,873)	(293,207)	(297,605)	(302,065)	(306,599)	(311,202)	(315,870)	(320,608)	(325,417)	(330,298)	(335,257)	(340,284)	(345,391)
Interest expenses	(49,350)	(40,896)	(33,207)	(27,757)	(22,911)	(17,844)	(12,931)	(8,998)	(4,903)	(1,302)	0	0	0	0	0
Insurance expenses	(174,702)	(177,322)	(179,984)	(182,685)	(185,425)	(188,203)	(191,025)	(193,890)	(196,795)	(199,749)	(202,746)	(205,787)	(208,874)	(212,007)	(215,183)
Other expenditure	(279,346)	(283,534)	(287,782)	(292,091)	(296,478)	(300,920)	(305,430)	(310,011)	(314,659)	(319,375)	(324,165)	(329,027)	(333,965)	(338,973)	(344,052)
	(7,002,266)	(7,098,102)	(7,196,251)	(7,298,246)	(7,402,467)	(7,508,083)	(7,615,498)	(7,725,591)	(7,837,218)	(7,951,088)	(8,069,027)	(8,190,055)	(8,312,908)	(8,437,588)	(8,564,122)
Net cash provided by (used in) operating activities	2,305,456	2,356,140	2,401,437	2,436,518	2,481,017	2,523,939	2,578,449	2,622,327	2,653,903	2,689,967	2,731,690	2,775,699	2,821,972	2,864,799	2,913,584
Cash flows from investing activities															
Payments for purchase of property, plant & equipment	(991,570)	(1,405,441)	(1,410,453)	(597,499)	(516,749)	(680,812)	(708,968)	(1,439,388)	(1,192,811)	(1,479,074)	(548,248)	(707,590)	(724,734)	(932,447)	(495,084)
Payments for construction of infrastructure	(2,559,278)	(2,571,479)	(3,033,984)	(3,331,803)	(3,559,942)	(2,943,409)	(3,487,212)	(3,041,253)	(3,037,364)	(2,710,785)	(3,341,253)	(3,141,253)	(3,341,253)	(3,041,253)	(3,041,253)
Proceeds from non-operating grants, subsidies and contributions	1,666,778	1,678,979	1,691,484	1,704,303	1,717,441	1,730,909	1,744,713	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753
Proceeds from sale of plant & equipment	246,645	345,126	267,694	160,266	137,892	193,540	167,586	326,682	269,840	431,722	209,675	209,234	177,179	309,171	110,021
Net cash provided by (used in) investing activities	(1,637,425)	(1,952,815)	(2,485,259)	(2,064,733)	(2,221,358)	(1,699,772)	(2,283,881)	(2,975,206)	(2,781,582)	(2,579,384)	(2,501,073)	(2,460,856)	(2,710,055)	(2,485,776)	(2,247,563)
Cash flows from financing activities															
Repayment of debentures	(253,491)	(246,297)	(183,110)	(163,526)	(168,373)	(173,439)	(153,564)	(157,501)	(161,595)	(29,907)	0	0	0	0	0
Net cash provided by (used in) financing activities	(253,491)	(246,297)	(183,110)	(163,526)	(168,373)	(173,439)	(153,564)	(157,501)	(161,595)	(29,907)	0	0	0	0	0
Net increase (decrease) in cash held	414,540	157,028	(266,932)	208,259	91,286	650,728	141,004	(510,380)	(289,274)	80,676	230,617	314,843	111,917	379,023	666,021
Cash at beginning of year	4,619,007	5,033,547	5,190,575	4,923,643	5,131,902	5,223,188	5,873,916	6,014,920	5,504,540	5,215,266	5,295,942	5,526,559	5,841,402	5,953,319	6,332,342
Cash and cash equivalents at the end of year	5,033,547	5,190,575	4,923,643	5,131,902	5,223,188	5,873,916	6,014,920	5,504,540	5,215,266	5,295,942	5,526,559	5,841,402	5,953,319	6,332,342	6,998,363
Reconciliation of net cash provided by operating activities to net result															
Net result	423,707	387,113	383,231	367,898	363,596	357,714	361,826	(221,627)	(257,451)	(288,118)	(310,028)	(329,342)	(347,314)	(371,184)	(388,954)
Depreciation	3,548,527	3,648,006	3,709,690	3,772,923	3,834,862	3,897,134	3,961,336	4,022,707	4,090,107	4,156,838	4,220,471	4,283,794	4,348,039	4,414,736	4,481,291
Grants/contributions for the development of assets	(1,666,778)	(1,678,979)	(1,691,484)	(1,704,303)	(1,717,441)	(1,730,909)	(1,744,713)	(1,178,753)	(1,178,753)	(1,178,753)	(1,178,753)	(1,178,753)	(1,178,753)	(1,178,753)	(1,178,753)
Net cash from operating activities	2,305,456	2,356,140	2,401,437	2,436,518	2,481,017	2,523,939	2,578,449	2,622,327	2,653,903	2,689,967	2,731,690	2,775,699	2,821,972	2,864,799	2,913,584

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B7 – Forecast Statement of Funding 2021-2036

	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	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES															
Revenues															
Rates	4,316,548	4,381,296	4,447,016	4,513,721	4,581,427	4,650,149	4,719,901	4,790,699	4,862,559	4,935,497	5,009,529	5,084,673	5,160,943	5,238,357	5,316,932
Operating grants, subsidies and contributions	3,846,634	3,904,333	3,962,897	4,022,343	4,082,679	4,143,919	4,206,077	4,269,170	4,333,208	4,398,207	4,464,180	4,531,145	4,599,112	4,668,098	4,738,118
Fees and charges	417,515	423,777	430,133	436,586	443,140	449,787	456,532	463,380	470,329	477,384	484,543	491,810	499,189	506,674	514,272
Interest earnings	92,382	100,669	103,811	98,473	102,638	104,464	117,477	120,299	110,090	104,306	105,919	110,532	116,827	119,068	126,643
Other revenue	634,643	644,167	653,831	663,641	673,600	683,703	693,960	704,370	714,935	725,661	736,546	747,594	758,809	770,190	781,741
	9,307,722	9,454,242	9,597,688	9,734,764	9,883,484	10,032,022	10,193,947	10,347,918	10,491,121	10,641,055	10,800,717	10,965,754	11,134,880	11,302,387	11,477,706
Expenses															
Employee costs	(2,335,890)	(2,370,925)	(2,406,488)	(2,442,583)	(2,479,220)	(2,516,414)	(2,554,162)	(2,592,472)	(2,631,362)	(2,670,826)	(2,710,892)	(2,751,549)	(2,792,823)	(2,834,715)	(2,877,242)
Materials and contracts	(3,882,580)	(3,940,820)	(3,999,917)	(4,059,923)	(4,120,828)	(4,182,637)	(4,245,351)	(4,309,018)	(4,373,629)	(4,439,228)	(4,505,807)	(4,573,394)	(4,641,989)	(4,711,609)	(4,782,254)
Utility charges (electricity, gas, water etc.)	(280,398)	(284,605)	(288,873)	(293,207)	(297,605)	(302,065)	(306,599)	(311,202)	(315,870)	(320,608)	(325,417)	(330,298)	(335,257)	(340,284)	(345,391)
Depreciation on non-current assets	(3,548,527)	(3,648,006)	(3,709,690)	(3,772,923)	(3,834,862)	(3,897,134)	(3,961,336)	(4,022,707)	(4,090,107)	(4,156,838)	(4,220,471)	(4,283,794)	(4,348,039)	(4,414,736)	(4,481,291)
Interest expense	(49,350)	(40,896)	(33,207)	(27,757)	(22,911)	(17,844)	(12,931)	(8,998)	(4,903)	(1,302)	0	0	0	0	0
Insurance expense	(174,702)	(177,322)	(179,984)	(182,685)	(185,425)	(188,203)	(191,025)	(193,890)	(196,795)	(199,749)	(202,746)	(205,787)	(208,874)	(212,007)	(215,183)
Other expenditure	(279,346)	(283,534)	(287,782)	(292,091)	(296,478)	(300,920)	(305,430)	(310,011)	(314,659)	(319,375)	(324,165)	(329,027)	(333,965)	(338,973)	(344,052)
	(10,550,793)	(10,746,108)	(10,905,941)	(11,071,169)	(11,237,329)	(11,405,217)	(11,576,834)	(11,748,298)	(11,927,325)	(12,107,926)	(12,289,498)	(12,473,849)	(12,660,947)	(12,852,324)	(13,045,413)
	(1,243,071)	(1,291,866)	(1,308,253)	(1,336,405)	(1,353,845)	(1,373,195)	(1,382,887)	(1,400,380)	(1,436,204)	(1,466,871)	(1,488,781)	(1,508,095)	(1,526,067)	(1,549,937)	(1,567,707)
Funding position adjustments															
Depreciation on non-current assets	3,548,527	3,648,006	3,709,690	3,772,923	3,834,862	3,897,134	3,961,336	4,022,707	4,090,107	4,156,838	4,220,471	4,283,794	4,348,039	4,414,736	4,481,291
Net funding from operational activities	2,305,456	2,356,140	2,401,437	2,436,518	2,481,017	2,523,939	2,578,449	2,622,327	2,653,903	2,689,967	2,731,690	2,775,699	2,821,972	2,864,799	2,913,584
FUNDING FROM CAPITAL ACTIVITIES															
Inflows															
Proceeds on disposal	246,645	345,126	267,694	160,266	137,892	193,540	167,586	326,682	269,840	431,722	209,675	209,234	177,179	309,171	110,021
Non-operating grants, subsidies and contributions	1,666,778	1,678,979	1,691,484	1,704,303	1,717,441	1,730,909	1,744,713	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753
Outflows															
Purchase of property plant and equipment	(991,570)	(1,405,441)	(1,410,453)	(597,499)	(516,749)	(680,812)	(708,968)	(1,439,388)	(1,192,811)	(1,479,074)	(548,248)	(707,590)	(724,734)	(932,447)	(495,084)
Purchase of infrastructure	(2,559,278)	(2,571,479)	(3,033,984)	(3,331,803)	(3,559,942)	(2,943,409)	(3,487,212)	(3,041,253)	(3,037,364)	(2,710,785)	(3,341,253)	(3,141,253)	(3,341,253)	(3,041,253)	(3,041,253)
Net funding from capital activities	(1,637,425)	(1,952,815)	(2,485,259)	(2,064,733)	(2,221,358)	(1,699,772)	(2,283,881)	(2,975,206)	(2,781,582)	(2,579,384)	(2,501,073)	(2,460,856)	(2,710,055)	(2,485,776)	(2,247,563)
FUNDING FROM FINANCING ACTIVITIES															
Inflows															
Transfer from reserves	447,000	357,940	405,686	129,519	353,901	27,068	151,089	845,336	673,915	357,227	214,232	136,727	314,709	0	0
Outflows															
Transfer to reserves	(865,463)	(514,968)	(138,754)	(337,778)	(445,187)	(677,796)	(292,093)	(334,956)	(384,641)	(437,903)	(444,849)	(451,570)	(426,626)	(379,023)	(666,021)
Repayment of past borrowings	(253,491)	(246,297)	(183,110)	(163,526)	(168,373)	(173,439)	(153,564)	(157,501)	(161,595)	(29,907)	0	0	0	0	0
Net funding from financing activities	(671,954)	(403,325)	83,822	(371,785)	(259,659)	(824,167)	(294,568)	352,879	127,679	(110,583)	(230,617)	(314,843)	(111,917)	(379,023)	(666,021)
Estimated surplus/deficit July 1 B/Fwd	3,923	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated surplus/deficit June 30 C/Fwd	0														
Funding available/(to be sourced)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B8 – Forecast Statement of Net Current Asset Composition 2021-2036

	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	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated surplus/deficit July 1 B/Fwd	3,923	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Unrestricted cash and equivalents	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852
Restricted cash and cash equivalent	5,030,695	5,187,723	4,920,791	5,129,050	5,220,336	5,871,064	6,012,068	5,501,688	5,212,414	5,293,090	5,523,707	5,838,550	5,950,467	6,329,490	6,995,511
Trade and other receivables	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192	191,192
Inventories	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534	6,534
Other assets	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
CURRENT LIABILITIES															
Trade and other payables	(202,578)	(202,578)	(202,578)	(202,578)	(202,578)	(202,578)	(202,578)	(202,578)	(202,578)	(202,578)	(202,578)	(202,578)	(202,578)	(202,578)	(202,578)
Reserves	(5,030,695)	(5,187,723)	(4,920,791)	(5,129,050)	(5,220,336)	(5,871,064)	(6,012,068)	(5,501,688)	(5,212,414)	(5,293,090)	(5,523,707)	(5,838,550)	(5,950,467)	(6,329,490)	(6,995,511)
Estimated surplus/deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix B9 – Forecast Statement of Fixed Asset Movements 2021-2036

	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	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Infrastructure - roads	2,474,278	2,486,479	2,948,984	3,246,803	3,474,942	2,538,409	3,102,212	2,756,253	2,952,364	2,425,785	2,756,253	2,556,253	2,756,253	2,756,253	2,756,253
Infrastructure - Parks, Gardens and Facilities	0	0	0	0	0	320,000	300,000	200,000	0	200,000	500,000	500,000	500,000	200,000	200,000
Infrastructure - Sewerage	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Infrastructure - Urban	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total capital works - infrastructure	2,559,278	2,571,479	3,033,984	3,331,803	3,559,942	2,943,409	3,487,212	3,041,253	3,037,364	2,710,785	3,341,253	3,141,253	3,341,253	3,041,253	3,041,253
Represented by:															
Additions - expansion, upgrades and new	167,978	169,927	171,925	173,974	176,073	178,225	225,430	0	0	0	0	0	0	0	0
Additions - renewal	2,391,300	2,401,552	2,862,059	3,157,829	3,383,869	2,765,184	3,261,782	3,041,253	3,037,364	2,710,785	3,341,253	3,141,253	3,341,253	3,041,253	3,041,253
Total Capital Works - Infrastructure	2,559,278	2,571,479	3,033,984	3,331,803	3,559,942	2,943,409	3,487,212	3,041,253	3,037,364	2,710,785	3,341,253	3,141,253	3,341,253	3,041,253	3,041,253
Asset movement reconciliation															
Total capital works infrastructure	2,559,278	2,571,479	3,033,984	3,331,803	3,559,942	2,943,409	3,487,212	3,041,253	3,037,364	2,710,785	3,341,253	3,141,253	3,341,253	3,041,253	3,041,253
Depreciation infrastructure	(2,298,900)	(2,335,408)	(2,372,486)	(2,410,145)	(2,448,395)	(2,487,244)	(2,527,237)	(2,565,145)	(2,603,622)	(2,642,677)	(2,682,316)	(2,722,552)	(2,763,391)	(2,804,840)	(2,846,914)
Revaluation of infrastructure assets (inflation)	2,398,518	2,438,399	2,478,517	2,525,619	2,577,328	2,632,660	2,678,992	2,733,576	2,781,723	2,829,954	2,873,424	2,926,411	2,976,586	3,029,903	3,078,898
Net movement in infrastructure assets	2,658,896	2,674,470	3,140,015	3,447,277	3,688,875	3,088,825	3,638,967	3,209,684	3,215,465	2,898,062	3,532,361	3,345,112	3,554,448	3,266,316	3,273,237
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings - non-specialised	194,080	220,680	327,130	214,370	187,100	146,893	191,780	279,100	327,710	353,350	50,000	50,000	50,000	50,001	50,002
Furniture and equipment	20,000	0	0	35,000	0	20,000	0	0	35,000	0	20,000	0	0	35,000	0
Plant and equipment	777,490	1,184,761	1,083,323	348,129	329,649	513,919	517,188	1,160,288	830,101	1,125,724	478,248	657,590	674,734	847,446	445,082
Total capital works property, plant and equipment	991,570	1,405,441	1,410,453	597,499	516,749	680,812	708,968	1,439,388	1,192,811	1,479,074	548,248	707,590	724,734	932,447	495,084
Represented by:															
Additions - expansion, upgrades and new	20,000	0	0	35,000	0	20,000	0	0	35,000	0	20,000	0	0	35,000	0
Additions - renewal	971,570	1,405,441	1,410,453	562,499	516,749	660,812	708,968	1,439,388	1,157,811	1,479,074	528,248	707,590	724,734	897,447	495,084
Total capital works property, plant and equipment	991,570	1,405,441	1,410,453	597,499	516,749	680,812	708,968	1,439,388	1,192,811	1,479,074	548,248	707,590	724,734	932,447	495,084
Asset movement reconciliation															
Total capital works property, plant and equipment	991,570	1,405,441	1,410,453	597,499	516,749	680,812	708,968	1,439,388	1,192,811	1,479,074	548,248	707,590	724,734	932,447	495,084
Depreciation property, plant and equipment	(1,249,627)	(1,312,598)	(1,337,204)	(1,362,778)	(1,386,467)	(1,409,890)	(1,434,099)	(1,457,562)	(1,486,485)	(1,514,161)	(1,538,155)	(1,561,242)	(1,584,648)	(1,609,896)	(1,634,377)
Net book value of disposed/written off assets	(246,645)	(345,126)	(267,694)	(160,266)	(137,892)	(193,540)	(167,586)	(326,682)	(269,840)	(431,722)	(209,675)	(209,234)	(177,179)	(309,171)	(110,021)
Revaluation of property, plant and equipment (inflation)	628,033	628,158	629,169	646,719	642,815	634,497	630,208	616,343	625,647	622,146	634,188	623,017	616,163	607,257	607,603
Net movement in property, plant and equipment	123,331	375,875	434,724	(278,826)	(364,795)	(288,121)	(262,509)	271,487	62,133	155,337	(565,394)	(439,869)	(420,930)	(379,363)	(641,711)
CAPITAL WORKS - TOTALS															
Capital works															
Total capital works infrastructure	2,559,278	2,571,479	3,033,984	3,331,803	3,559,942	2,943,409	3,487,212	3,041,253	3,037,364	2,710,785	3,341,253	3,141,253	3,341,253	3,041,253	3,041,253
Total capital works property, plant and equipment	991,570	1,405,441	1,410,453	597,499	516,749	680,812	708,968	1,439,388	1,192,811	1,479,074	548,248	707,590	724,734	932,447	495,084
Total capital works	3,550,848	3,976,920	4,444,437	3,929,302	4,076,691	3,624,221	4,196,180	4,480,641	4,230,175	4,189,859	3,889,501	3,848,843	4,065,987	3,973,700	3,536,337
Fixed asset movement															
Net movement in infrastructure assets	2,658,896	2,674,470	3,140,015	3,447,277	3,688,875	3,088,825	3,638,967	3,209,684	3,215,465	2,898,062	3,532,361	3,345,112	3,554,448	3,266,316	3,273,237
Net movement in property, plant and equipment	123,331	375,875	434,724	(278,826)	(364,795)	(288,121)	(262,509)	271,487	62,133	155,337	(565,394)	(439,869)	(420,930)	(379,363)	(641,711)
Net movement in fixed assets	2,782,227	3,050,345	3,574,739	3,168,451	3,324,080	2,800,704	3,376,458	3,481,171	3,277,598	3,053,399	2,966,967	2,905,243	3,133,518	2,886,953	2,631,526

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B10 – Forecast Statement of Capital Funding 2021-2036

	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	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital expenditure															
Infrastructure - roads	2,474,278	2,486,479	2,948,984	3,246,803	3,474,942	2,538,409	3,102,212	2,756,253	2,952,364	2,425,785	2,756,253	2,556,253	2,756,253	2,756,253	2,756,253
Infrastructure - Parks, Gardens and Facilities	0	0	0	0	0	320,000	300,000	200,000	0	200,000	500,000	500,000	500,000	200,000	200,000
Infrastructure - Sewerage	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Infrastructure - Urban	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Buildings - non-specialised	194,080	220,680	327,130	214,370	187,100	146,893	191,780	279,100	327,710	353,350	50,000	50,000	50,000	50,001	50,002
Furniture and equipment	20,000	0	0	35,000	0	20,000	0	0	35,000	0	20,000	0	0	35,000	0
Plant and equipment	777,490	1,184,761	1,083,323	348,129	329,649	513,919	517,188	1,160,288	830,101	1,125,724	478,248	657,590	674,734	847,446	445,082
Total - Capital expenditure	3,550,848	3,976,920	4,444,437	3,929,302	4,076,691	3,624,221	4,196,180	4,480,641	4,230,175	4,189,859	3,889,501	3,848,843	4,065,987	3,973,700	3,536,337
Funded by:															
Capital grants & contributions															
Infrastructure - roads	1,666,778	1,678,979	1,691,484	1,704,303	1,717,441	1,730,909	1,744,713	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753	1,178,753
Total - Capital grants & contributions	1,666,778	1,678,979	1,691,484	1,704,303	1,717,441	1,730,909	1,744,713	1,178,753							
Own source funding															
Infrastructure - roads	807,500	807,500	1,257,500	1,542,500	1,757,501	807,500	1,357,499	1,577,500	1,773,611	1,247,032	1,577,500	1,377,500	1,577,500	1,577,500	1,577,500
Infrastructure - Parks, Gardens and Facilities	0	0	0	0	0	320,000	300,000	200,000	0	200,000	500,000	500,000	500,000	200,000	200,000
Infrastructure - Sewerage	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Infrastructure - Urban	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Buildings - non-specialised	194,080	220,680	327,130	214,370	187,100	146,893	191,780	279,100	327,710	353,350	50,000	50,000	50,000	50,001	50,002
Furniture and equipment	20,000	0	0	35,000	0	20,000	0	0	35,000	0	20,000	0	0	35,000	0
Plant and equipment	530,845	839,635	815,629	187,863	191,757	320,379	349,602	833,606	560,261	694,002	268,573	448,356	497,555	538,275	335,061
Total - Own source funding	1,637,425	1,952,815	2,485,259	2,064,733	2,221,358	1,699,772	2,283,881	2,975,206	2,781,582	2,579,384	2,501,073	2,460,856	2,710,055	2,485,776	2,247,563
Borrowings															
Total - Borrowings	0														
Other (disposals & C/Fwd)															
Plant and equipment	246,645	345,126	267,694	160,266	137,892	193,540	167,586	326,682	269,840	431,722	209,675	209,234	177,179	309,171	110,021
Total - Other (disposals & C/Fwd)	246,645	345,126	267,694	160,266	137,892	193,540	167,586	326,682	269,840	431,722	209,675	209,234	177,179	309,171	110,021
Total Capital Funding	3,550,848	3,976,920	4,444,437	3,929,302	4,076,691	3,624,221	4,196,180	4,480,641	4,230,175	4,189,859	3,889,501	3,848,843	4,065,987	3,973,700	3,536,337
Unfunded - capital works															
Total - Unfunded - capital works	0														

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B11 – Forecast Ratios 2021-2036

	Target Range		Average	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	2035-36
LIQUIDITY RATIOS																		
Current ratio	> 1.00	> 1.20	0.74	0.45	0.53	0.55	0.55	0.54	0.57	0.56	0.56	0.87	1.00	1.00	1.00	1.00	1.00	1.00
OPERATING RATIOS																		
Operating surplus ratio	> 1.00%	> 15.00%	(23.28%)	(22.76%)	(23.28%)	(23.22%)	(23.39%)	(23.34%)	(23.32%)	(23.09%)	(23.04%)	(23.32%)	(23.50%)	(23.50%)	(23.44%)	(23.35%)	(23.36%)	(23.26%)
Own source revenue coverage ratio	> 40.00%	> 60.00%	51.64%	51.76%	51.65%	51.67%	51.60%	51.62%	51.63%	51.72%	51.74%	51.63%	51.56%	51.56%	51.58%	51.62%	51.62%	51.66%
BORROWINGS RATIOS																		
Debt service cover ratio	> 3	> 5	20.02	7.78	8.35	11.25	12.88	13.09	13.29	15.56	15.80	15.97	86.23	-	-	-	-	-
FIXED ASSET RATIOS																		
Asset sustainability ratio	> 90.00%	> 110.00%	97.38%	94.77%	104.36%	115.17%	98.61%	101.71%	87.91%	100.24%	111.38%	102.57%	100.79%	91.68%	89.85%	93.51%	89.22%	78.91%
Asset consumption ratio	> 50.00%	> 60.00%	93.23%	94.55%	94.20%	94.20%	94.03%	93.92%	93.59%	93.46%	93.41%	93.22%	92.94%	92.70%	92.44%	92.25%	91.94%	91.54%
Asset renewal funding ratio	> 75.00%	> 95.00%	87.04%	81.28%	81.35%	82.66%	90.73%	99.17%	N/A									

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B12 – Forecast Planned and Required Asset Renewals 2021-2036

Required Asset Renewals 2021-2036

	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	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Furniture and equipment	7,484	7,596	7,710	7,826	7,943	8,063	8,184	8,306	8,431	8,557	8,686	8,816	8,948	9,082	9,219
Plant and equipment	674,835	342,419	251,968	291,205	758,674	122,739	124,580	126,448	128,345	888,336	783,173	397,391	292,420	337,956	880,474
Infrastructure - roads	2,051,187	1,927,127	5,547,201	5,175,121	5,962,713	4,537,960	2,002,258	948,619	3,234,202	5,559,166	2,290,810	711,390	789,890	1,586,116	410,127
Infrastructure - Parks, Gardens and Facilities	329,072	334,008	339,018	344,104	349,265	354,504	359,822	365,219	370,697	376,258	381,902	387,630	393,445	399,346	405,336
Infrastructure - Sewerage	38,344	38,919	39,503	40,096	40,697	41,308	41,927	42,556	43,194	43,842	44,500	45,167	45,845	46,533	47,231
Infrastructure - Urban	342,708	347,849	353,067	358,363	363,738	369,194	374,732	380,353	386,059	391,849	397,727	403,693	409,748	415,895	422,133
Total	3,443,631	2,997,920	6,538,468	6,216,714	7,483,031	5,433,767	2,911,502	1,871,502	4,170,928	7,268,009	3,906,798	1,954,087	1,940,296	2,794,928	2,174,520

Planned Asset Renewals 2021-2036

	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	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised	194,080	220,680	327,130	214,370	187,100	146,893	191,780	279,100	327,710	353,350	50,000	50,000	50,000	50,001	50,002
Plant and equipment	777,490	1,184,761	1,083,323	348,129	329,649	513,919	517,188	1,160,288	830,101	1,125,724	478,248	657,590	674,734	847,446	445,082
Infrastructure - roads	2,306,300	2,316,552	2,777,059	3,072,829	3,298,869	2,360,184	2,876,782	2,756,253	2,952,364	2,425,785	2,756,253	2,556,253	2,756,253	2,756,253	2,756,253
Infrastructure - Parks, Gardens and Facilities	-	-	-	-	-	320,000	300,000	200,000	-	200,000	500,000	500,000	500,000	200,000	200,000
Infrastructure - Sewerage	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Infrastructure - Urban	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total	3,362,870	3,806,993	4,272,512	3,720,328	3,900,618	3,425,996	3,970,750	4,480,641	4,195,175	4,189,859	3,869,501	3,848,843	4,065,987	3,938,700	3,536,337

Asset Renewal Funding Surplus (Deficit) 2021-2036

	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	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised	194,080	220,680	327,130	214,370	187,100	146,893	191,780	279,100	327,710	353,350	50,000	50,000	50,000	50,001	50,002
Furniture and equipment	(7,484)	(7,596)	(7,710)	(7,826)	(7,943)	(8,063)	(8,184)	(8,306)	(8,431)	(8,557)	(8,686)	(8,816)	(8,948)	(9,082)	(9,219)
Plant and equipment	102,655	842,342	831,355	56,924	(429,025)	391,180	392,608	1,033,840	701,756	237,388	(304,925)	260,199	382,314	509,490	(435,392)
Infrastructure - roads	255,113	389,425	(2,770,142)	(2,102,292)	(2,663,844)	(2,177,776)	874,524	1,807,634	(281,838)	(3,133,381)	465,443	1,844,863	1,966,363	1,170,137	2,346,126
Infrastructure - Parks, Gardens and Facilities	(329,072)	(334,008)	(339,018)	(344,104)	(349,265)	(34,504)	(59,822)	(165,219)	(370,697)	(176,258)	118,098	112,370	106,555	(199,346)	(205,336)
Infrastructure - Sewerage	(3,344)	(3,919)	(4,503)	(5,096)	(5,697)	(6,308)	(6,927)	(7,556)	(8,194)	(8,842)	(9,500)	(10,167)	(10,845)	(11,533)	(12,231)
Infrastructure - Urban	(292,708)	(297,849)	(303,067)	(308,363)	(313,738)	(319,194)	(324,732)	(330,353)	(336,059)	(341,849)	(347,727)	(353,693)	(359,748)	(365,895)	(372,133)
Total	(80,761)	809,073	(2,265,956)	(2,496,386)	(3,582,413)	(2,007,771)	1,059,248	2,609,139	24,247	(3,078,150)	(37,297)	1,894,756	2,125,691	1,143,772	1,361,817

Refer to Appendix B15 – Forecast Significant Accounting Policies

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 Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right of use asset to be measured at cost. All right of use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from *AASB 16* which would have required the Shire to measure any vested improvements at zero cost. The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards.

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.

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 of 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.

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.

Appendix B15 – Forecast Significant Accounting Policies (Continued)

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.

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.

Other financial assets

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

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

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

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.

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
Infrastructure - Roads	1.19%
Buildings	2.00%
Infrastructure - Sewerage	1.43%
Infrastructure - Urban	1.06%

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 decreases 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.

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.

Appendix B15 – Forecast Significant Accounting Policies (Continued)

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.

Leases

At inception of a contract, the contract is assessed to determine if it contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right of use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the incremental borrowing rate is used.

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for right of use assets are secured over the asset being leased.

Right of use assets - valuation

Right of use assets are measured at cost. This means that all right of use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Right of use assets - depreciation

Right of use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right of use asset reflects that the local government anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

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.

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.

Appendix C1 – Glossary (Continued)

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.

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

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