

SHIRE OF SHARK BAY
STRATEGIC RESOURCE PLAN
(Incorporating Asset Management Planning
and Long Term Financial Planning)
2021-2036



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The Shire of Shark would like to acknowledge the Malgana Peoples as the traditional custodians of the land and sea in and around the Shire of Shark Bay.

They pay their respects to their Elders past, present and emerging.



OUR VISION

An aerial photograph of Shark Bay, Australia, showing a wide, sandy beach curving along a rugged coastline of red sandstone cliffs. The water is a pale, milky turquoise color. In the distance, a group of about six people is walking along the beach. The sky is a clear, bright blue.

Shark Bay is a proud, unified community, respecting and sharing our pristine environment and great lifestyle

1.0 Foreword

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

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

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

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

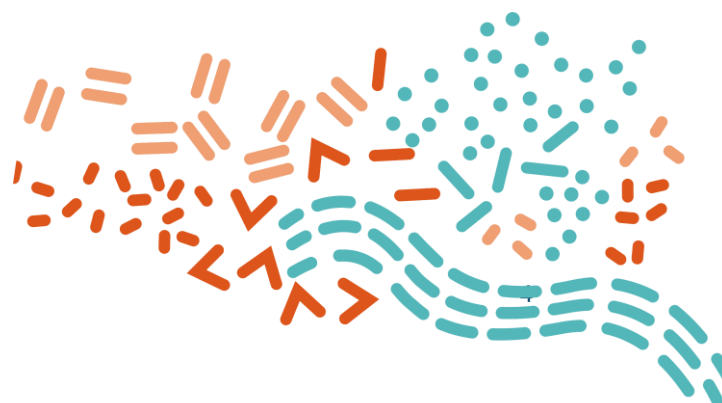
The Shire of Shark Bay's Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Shark Bay Strategic Community Plan 2020 - 2030.

"Shark Bay is a proud, unified community, respecting and sharing our pristine environment and great lifestyle". This Plan will be used with the Corporate Business Plan and Workforce Plan as the Shire seeks to achieve this vision and its associated goals.

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.

Cheryl Cowell
President

Paul Anderson
Chief Executive Officer



2.0 Key Information

ASSUMPTIONS



1.5%
Inflation Rate



Stable
Population



Stable
Levels of Service



Stable
Operations



Balanced
Annual Budget



2.5% from 2023-24 →
(1% + CPI 1.5%)
Rates | Fees and Charges



1.5%
Employee Costs

STATISTICS ^{1 2}



7
Elected
Members



33
Employees



538
Electors



530
Dwellings



832km
Distance from
Perth



24,201km²
Area



946
Population

FINANCIAL INFORMATION³

\$1,446,352
Rates Revenue

\$1,663,496
Fees and Charges

\$5,860,636
Operating Revenue

\$4,322,605
Operating Expenditure

\$95,694,929
Net Assets

\$2,922,352
Cash Backed Reserves

\$912,865
Long Term Borrowings

¹WALGA Online Local Government Directory 2019/2020, Shire of Shark Bay'

²Australian Bureau of Statistics Shark Bay (S) (LGA57770) 2016 Census of Population and Housing, viewed 20 March 2018

³Shire of Shark Bay 2019-20 Annual Financial Report

3.0 Executive

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

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

3.2 Significant Issues

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

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

Adequate maintenance, renewal and upgrading of the road network remains highly dependent on the receipt of external grants and contributions.

Due to the current world-wide COVID-19 pandemic, and the subsequent restrictions put in place by the Federal and State Governments, the economic forecast has an increased level of uncertainty. In line with the State Government's direction, the Shire of Shark Bay did not increase rates or fees and charges revenue in 2020/21. Given the current improvement in the local economy the Shire is planning to increase rates by 4.0% (CPI 1.5% + 2.5%) in 2021/22 to ensure adequate future funding for the renewal of assets.

Rate revenue is forecast to increase by 2.5% (CPI 1.5% + 1%) from 2022/23 for the remaining duration of the Plan. These increases are to assist in the long term financial stability of the Shire and to increase the level of services to the community. These will be reviewed in the future once the long term impacts of the COVID-19 pandemic on the local economy are more apparent.

3.3 Forecast Capital Projects

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

Project by Asset Class	2021-2036 Amount (\$)
Infrastructure – Roads Other	
Road upgrades and renewal program	10,920,287
Infrastructure - Drainage	
Drainage renewals	150,000
Infrastructure - Streetscapes	
Streetscape renewals	151,237
Infrastructure - Footpaths	
Dual use Footpaths Plan	700,000
Infrastructure - public facilities	
Trails Program	120,000
Buildings	
Staff housing	1,000,000
Plant and Equipment	
Plant replacement program	10,193,203
Furniture and equipment	
Furniture and Equipment renewals	532,133
Grand Total	23,766,860

Building works are currently planned to be undertaken as part of routine planned building maintenance with no planned buildign renewals.

4.0 Community Profile, Vision and Objective

4.1 Location

The distinctive Edel Land and Peron peninsulas form the two bays of Shark Bay, enclosing a truly unique World Heritage listed area covering 2.2 million hectares. Stretching from the western most point of Western Australia at Steep Point to approximately 200 km inland, the Shire covers 24,170 km² of land with a coastline of over 1,500 km.

Shark Bay was inscribed on the World Heritage list in 1991. From the ancient Stromatolites at Hamelin Pool, to the world's largest sea grass meadows and spectacular annual whale migrations, the marine environment in the Shire of Shark Bay is truly deserving of its World Heritage listing.

4.2 Heritage

Shark Bay is the traditional country of three Aboriginal language groups: Malgana, Nhanda and Yingkarta. The first recorded European landing in Western Australia was by Dirk Hartog in 1616.

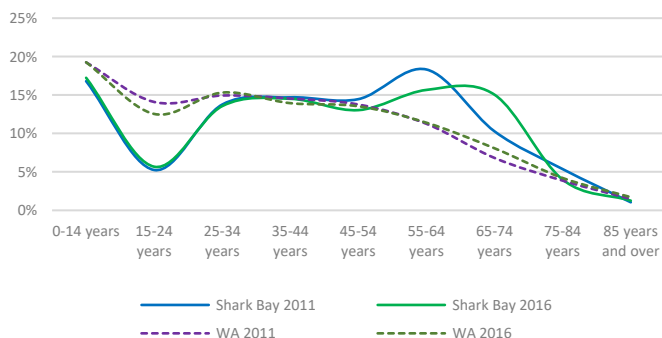
Workers came from Asia and the Pacific to share in the natural resources of the region with guano mining, pearling, pastoralism, sandalwood cutting and fishing all featuring in the rich cultural and economic heritage of the Shire.

4.3 People

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

Population	2011		2016
Shark Bay	857	↑	946
WA	2.35m	↑	2.47m

Reflecting the percentage of the population within each age demographic the chart below shows the Shire of Shark Bay population demographic as solid lines and WA as dotted lines. With a lower percentage of persons aged 15-24 there is a corresponding higher percentage aged 55-75.



4.4 Vision

The Shire's strategic vision: *"Shark Bay is a proud, unified community, respecting and sharing our pristine environment and great lifestyle."*

4.5 Strategic Objectives

The following key themes are identified in the Shire's Strategic Community Plan 2020-2030 and considered within the Strategic Resource Plan:

Economic: A progressive, resilient and diverse economy

Environment: Help protect our unique natural and built environment

Social: A safe, welcoming and inclusive community

Leadership: A transparent, resilient organisation demonstrating leadership and governance

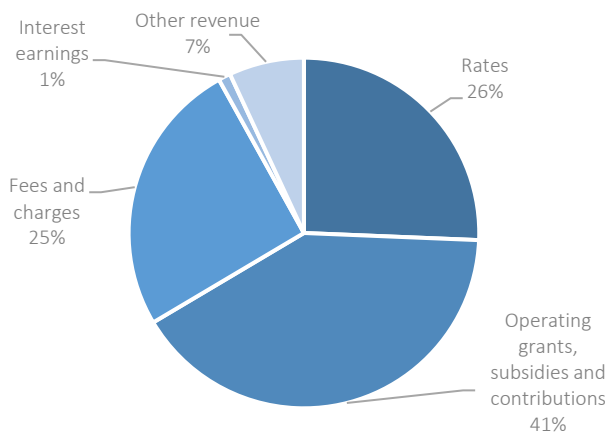
5.0 Long Term Financial Planning Overview

5.1 Forecast Revenue

Rates are expected to increase by 4% (CPI 1.5% + 2.5%) in 2021/22 and generate \$1.47m. In year 2 the specified area rate and associated loan repayments will finish, reducing overall rate revenue despite an annual forecast rate increase of 2.5% (CPI 1.5% + 2.5%) from 2022 to the end of the Plan where rates are forecast to raise revenue \$2.03m in 2035-36.

Rates comprise 26% of operating revenue over the term of the Plan. The Shire is reliant on receiving more than \$41.07m 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 remain stable for road renewal.

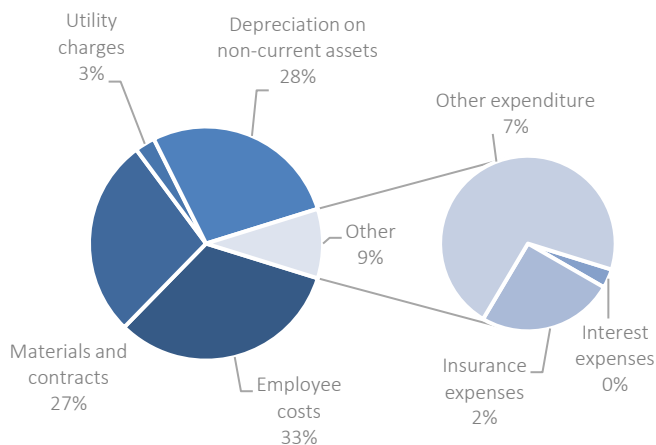
5.1.1. Revenue Composition Year 1 to 15



5.2 Forecast Expenditure

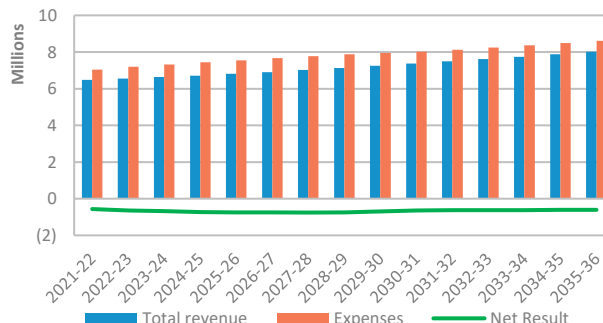
Expenditure is forecast to increase in line with inflation with the exception of depreciation expense which is impacted by the addition of assets over the term of the Plan.

5.1.2. 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 green line reflecting the net result.



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

5.4 Depreciation Expense

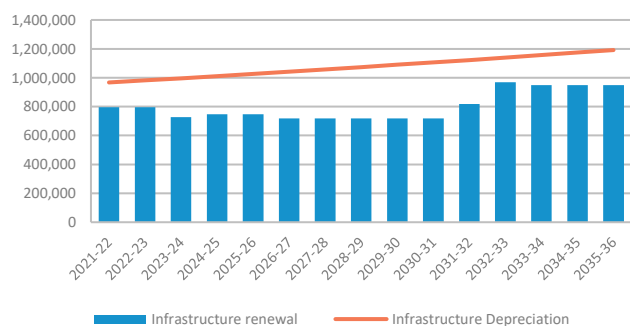
Ideally, the average asset renewal should be in line with depreciation expense over the long term, to ensure the value of assets is maintained. On average, the Shire is planning to renew its infrastructure assets at a lower level than they are depreciating over the term of the Plan.

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

5.0 Long term financial planning overview

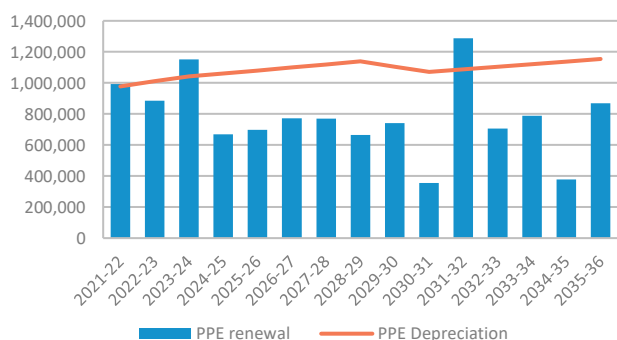
5.5 Infrastructure Depreciation Expense -V- Asset Renewal Expenditure

Depreciation expense increases throughout the Plan from \$1.9m in year 1 to \$2.3m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$16.1m, shown by the orange line in the chart below. The planned level of infrastructure asset renewal expenditure at \$12.0m (reflected by the blue columns) is over the term of the Plan below the level of depreciation.



Further review of asset useful lives for infrastructure assets is required given the recent use of polymers in the construction of road pavements providing a longer useful life. Planned property, plant and equipment asset renewals of \$11.7m (reflected by the blue columns) over the 15 years is greater than the depreciation expense of \$16.3m (reflected by the orange line) over the same period as shown in the chart below.

5.6 Property, Plant and Equipment 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.

5.7 Maintenance Expenditure

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

5.8 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 then utilised to fund the renewals resulting in the variations in reserve levels as shown in the chart below.



New borrowings for staff housing of \$1.0 million split over years 2 and 3 result in an increase in borrowings in these years as shown by the orange line. The loan associated with the specified area rate will be fully repaid in year 2 of the Plan.

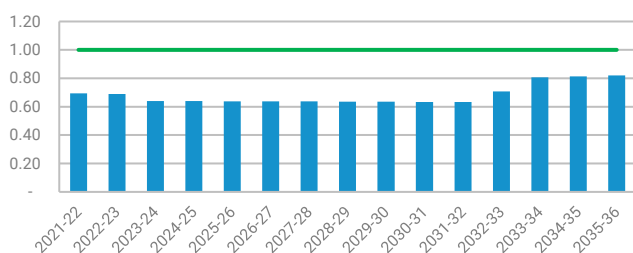
This is part of its strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available. The strategy also includes the use of cash backed reserves to save for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

5.0 Long term financial planning overview

5.9 Forecast Operating Ratios 2021-2036

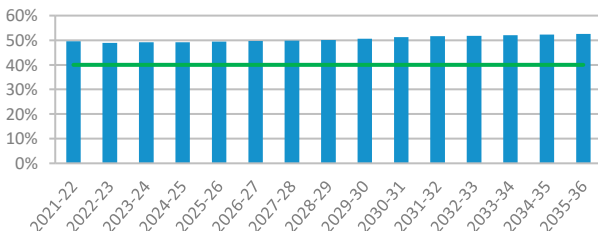
Monitoring the Shire’s financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The green line reflects the Department of Local Government, Sport and Cultural Industries’ (the Department) minimum target level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

Current Ratio



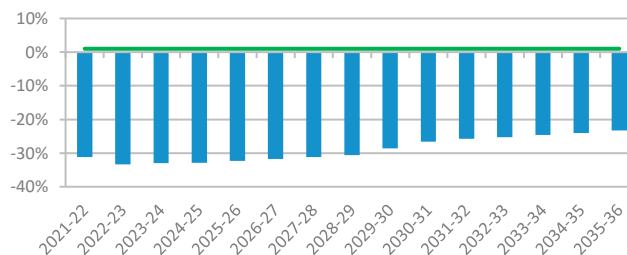
As expected for a Shire with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0. The trend is not considered to indicate a threat to the Shire’s long term financial position.

Own Source Revenue Coverage Ratio



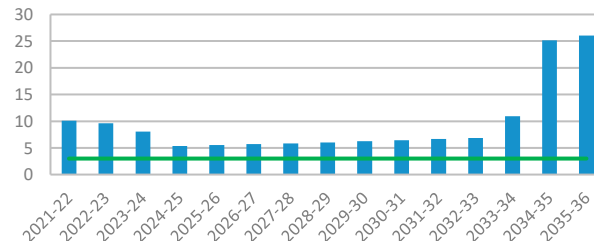
The ratio is above the target indicating the Shire is not reliant on grants and contributions.

Operating Surplus Ratio



The ratio above highlights how the cumulative impact of the rates increases are intended to address the Operating Surplus Ratio.

Debt Service Cover Ratio



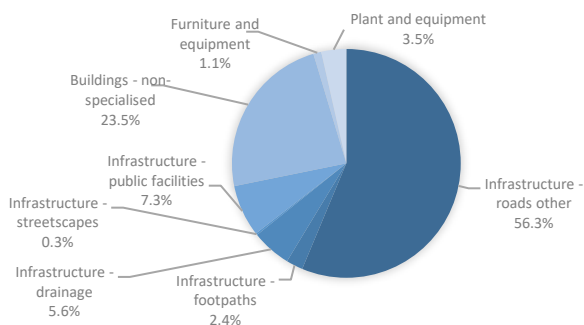
The ratio initially worsens as new borrowings are taken up and improves in the last three years as the borrowings are repaid. Indicating the Shire has the capacity to take up borrowings in the initial years, providing underlying assumptions remain valid.

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 \$83.3m, of which Roads and Buildings constitute the largest component values as reflected in the chart below.



6.2 Asset Management Policy

The purpose of an asset management policy is to:

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

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

6.3 Asset Management Strategy

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

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

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

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

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

Recognising a proportion of assets have been constructed with the assistance of external financial contributions, the Shire seeks to, within its financial capacity, maintain these assets into the future. A strategy of alignment of estimated asset useful lives with the forecast financial capacity aims to ensure the long term affordability of Shire assets. By focusing resources and efforts on a small number of key critical assets, the Shire has achieved its targeted asset management outcomes, integrated with financial planning within its forecast financial capacity based on an annual rate increase of 2.5% (CPI of 1.5% + 1%) from year 3 of the Plan onwards.

6.4 Level of Service

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

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

6.0 Asset Management Planning Overview (continued)

6.5 Financial Management Strategy for Assets

Based on the 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.

Impacts of the COVID-19 Pandemic have created a large amount of uncertainty. Revenue and expenditure for 2021/22 are expected to align with 2020/21. Should the need arise for additional funding to meet the impacts of COVID-19 these will be drawn from Reserve. Structuring operational revenues and expenditure to ensure adequate provision for asset renewal into the future is a cornerstone of the Shire's overall financial strategy. To achieve this strategy, rate increases marginally higher than the consumer price index (CPI) are forecast to occur combined with the maintenance of operating expenditure in line with the CPI forecast.

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

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

6.6 Forecast Planned and Required Asset Renewals

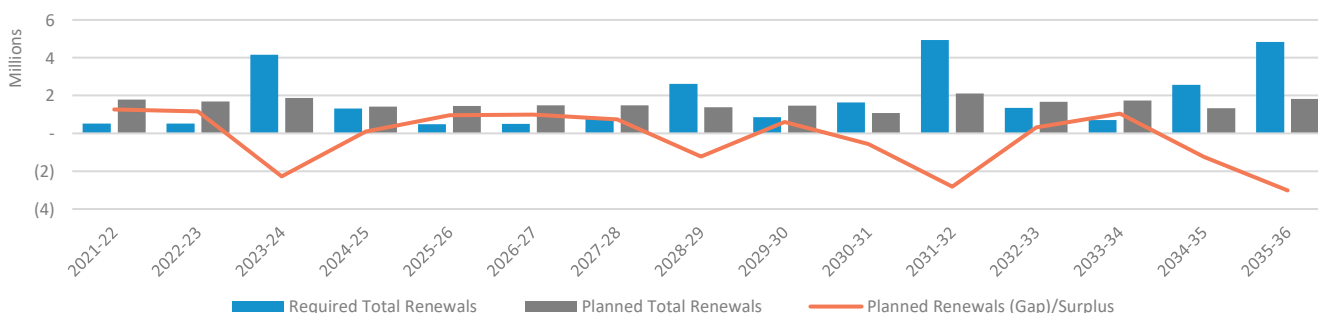
Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/ (Deficit) \$
2021-22	1,788,221	522,699	1,265,522
2022-23	1,682,029	521,249	1,160,780
2023-24	1,877,604	4,155,858	(2,278,254)
2024-25	1,415,715	1,313,274	102,441
2025-26	1,445,505	481,825	963,680
2026-27	1,488,683	493,619	995,064
2027-28	1,487,318	750,370	736,948
2028-29	1,383,226	2,616,395	(1,233,169)
2029-30	1,459,923	855,866	604,057
2030-31	1,073,393	1,633,646	(560,253)
2031-32	2,107,359	4,930,843	(2,823,282)
2032-33	1,675,717	1,352,585	323,132
2033-34	1,737,140	698,083	1,039,056
2034-35	1,326,911	2,569,694	(1,242,783)
2035-36	1,818,116	4,834,578	(3,016,462)
Total	23,766,860	27,730,587	(3,963,727)

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

The required asset renewal spike in 2023-24 is a result of road data reflecting a requirement to re-sheet all 359,803m of the unsealed road network in the single year. Further review and update of this asset information should address this theoretical renewal requirement.

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

Required v Planned Asset Renewals - All Assets

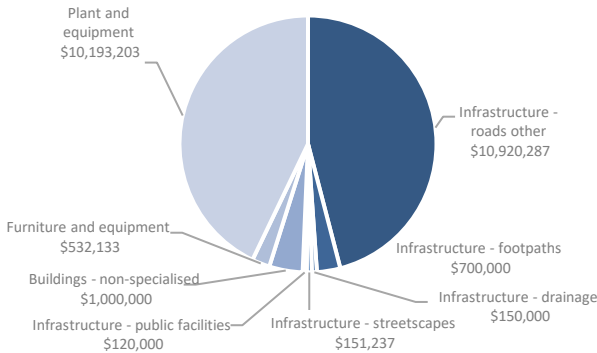


6.0 Asset Management Planning Overview (continued)

6.7 Planned Asset Expenditure

Renewal asset expenditure of \$23.8m has been planned as per the previous table. No new, upgrade or expansion of asset are planned.

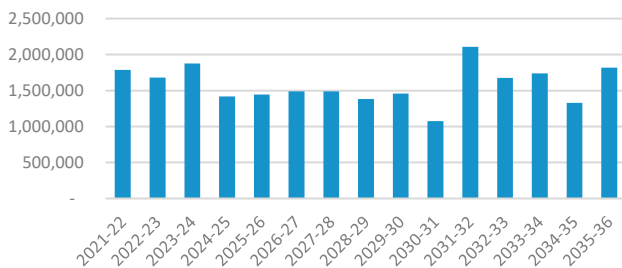
6.8 Planned Capital Expenditure 2021-2036



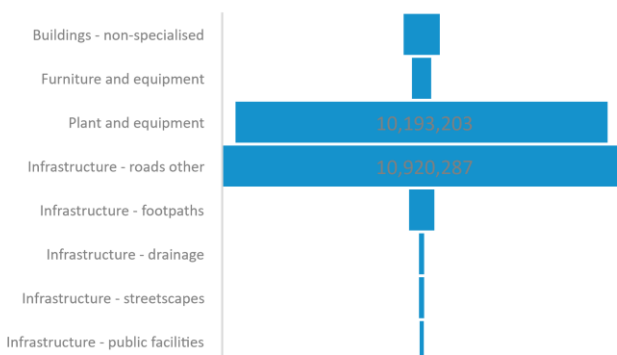
6.9 Planned Asset Renewal

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

6.10 Planned Asset Renewal Expenditure



6.11 Planned Asset Renewal Expenditure by Class



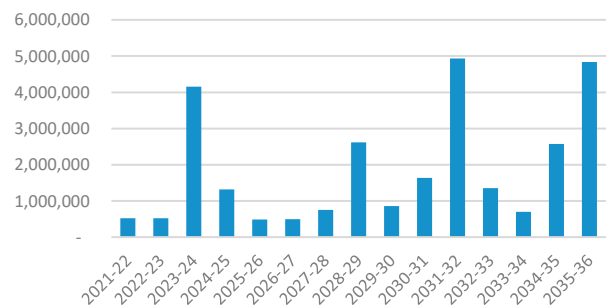
Planned asset renewals by asset class over the 15 years of the Plan reflected in the chart above shows the major renewal spend relates to roads and plant and equipment.

6.12 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.

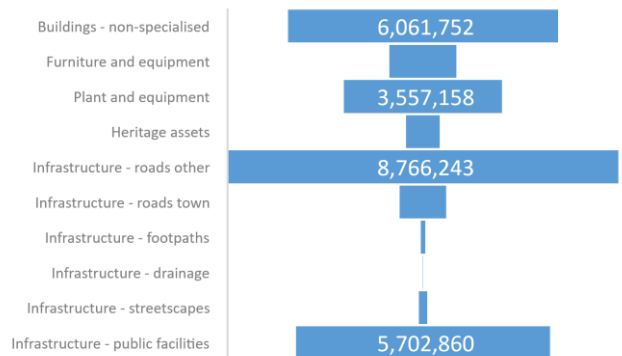
Asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$27.7m are forecast to be required over the 15 years of the Plan.

6.13 Required Asset Renewal Expenditure



As discussed at 6.6 the spike in 2023-24 is a result of the asset data indicating a need to re-sheet all the sheeted roads in one year.

6.14 Required Asset Renewal Expenditure by Asset Class

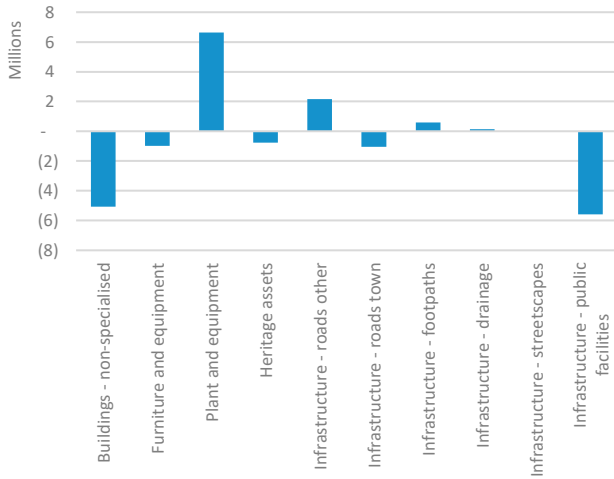


Renewal of roads dominate the forecast required asset renewals.

6.0 Asset Management Planning Overview (continued)

6.15 Asset Renewal Funding Surplus/(Gap)

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



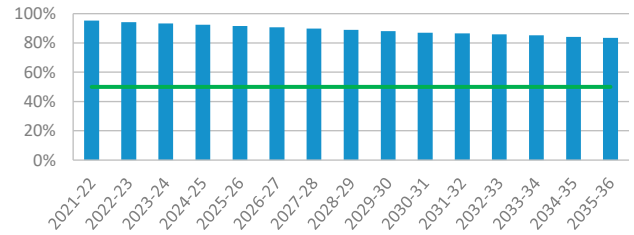
6.16 Upgrade/New Expenditure

No significant upgrades to infrastructure are planned to occur over the next 15 years in response to community expectation. Where funds are available after undertaking essential renewal works, funds will be utilised for improvement and new works. Detailed annual planning will be undertaken for asset upgrade/new expenditure prior to each project.

Asset expenditure for upgrade/new assets are not modelled over the 15 years of the Plan.

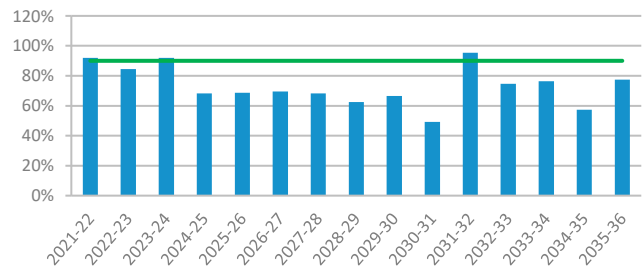
6.17 Forecast Asset Ratios 2021-2036

Asset Consumption Ratio



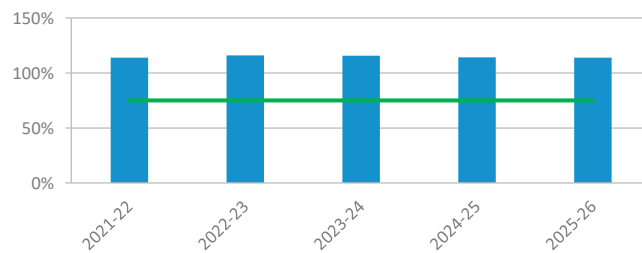
The asset consumption ratio is above the target range and remains so throughout the term of the Plan, with assets being renewed at adequate levels to maintain the average age of assets.

Asset Sustainability Ratio



The ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio average is below the guideline level and indicates the Shire is generally renewing assets at a level below their forecast depreciation expense.

Asset Renewal Funding Ratio



The ratio is above the target ratio, with planned asset renewal expenditure being above required asset renewal expenditure as set out in this Plan.

7.0 Scenario Modelling

7.1 Scenario Modelling

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

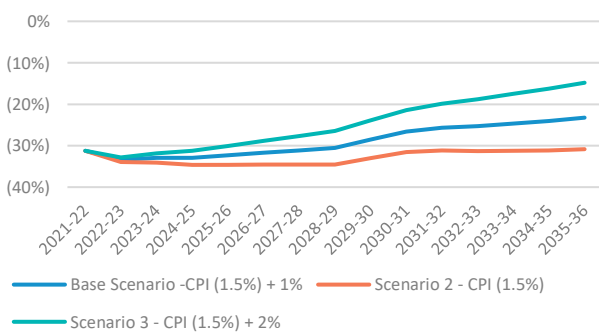
To ascertain the effect of reduced funding levels, a base scenario was developed with a rate yield increase of 1% above inflation (1.5%) from 2022/23 onwards. Two alternative scenarios were also developed from this base as reflected in the table below. All other assumptions remained the same across the three scenarios.

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

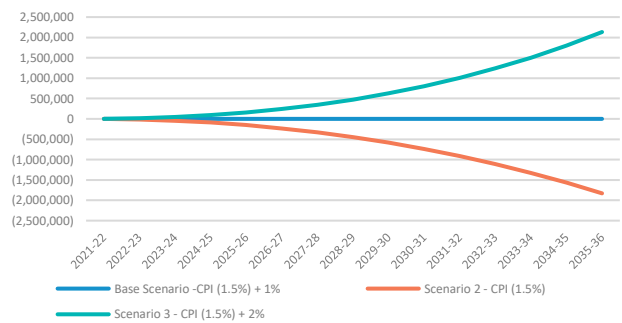
7.2 Scenario Comparison – Operating Surplus Ratio

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 improved the operating surplus ratio.



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

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.

Year	Scenario 2 CPI 1.5%	Scenario 3 CPI 1.5% + 2%
2021-22	0	0
2022-23	(14,731)	14,730
2023-24	(44,705)	44,998
2024-25	(90,821)	92,014
2025-26	(154,008)	157,057
2026-27	(234,659)	241,471
2027-28	(332,739)	346,673
2028-29	(448,914)	474,152
2029-30	(583,869)	625,478
2030-31	(738,320)	802,298
2031-32	(912,997)	1,006,343
2032-33	(1,108,648)	1,239,438
2033-34	(1,326,047)	1,503,500
2034-35	(1,565,994)	1,800,542
2035-36	(1,829,303)	2,132,676

8.0 Strategic Planning and Policies

8.1 Linkage with Other Plans

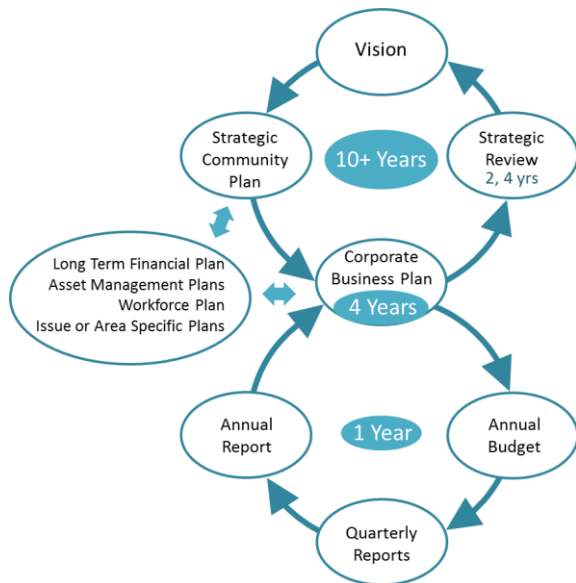
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other 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 Cycle¹



8.3 Strategic Community Plan 2020 - 2030

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

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

8.4 Corporate Business Plan

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

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

8.5 Workforce and Other Strategic Plans

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

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

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

9.0 Risk Management

9.1 Risk Management

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

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

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

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

9.2 Certainty of Assumptions

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

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

9.3 Sensitivity Analysis

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

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

10.0 Assumptions, Risks, Uncertainties and Sensitivity

10.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
District 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 general rate yield of 2.5% from 2022/23 onwards, being 1% higher than forecast inflation rate of 1.5%.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Operating Grants and Contributions: Increases in line with inflation forecast.	High	The road maintenance program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$24,619 to the value of operating grants and contributions per 1% movement in the value in the first year of the Plan.
Non-operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	High	The forecast capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$69,953 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% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Revenue: Increases 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: Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Materials and Contracts: Increased annually by forecast inflation. A high level of uncertainty exists in relation to the costs to address impacts of the COVID-19 Pandemic.	High	The road preservation program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$323,748 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 depreciation rate based on the estimated useful lives on individual assets.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
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 depreciations leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	±\$222,871 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$792,744 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.	High	The capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately on service levels.	High	±\$69,953 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
Property, Plant and Equipment: Building expenditure is in accordance with the 10 Year Capital Plan, and plant expenditure is based on the Plant Replacement Program.	Medium	Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (continued)

10.4 Liabilities – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Borrowings: New borrowings to be considered for capital works where required.	High	If the Shire is not able to secure borrowings in the future, the likely impact will be the cancellation or postponement of related asset acquisitions leading to a reduction in service levels over the short to medium term.	Low	Not assessed as high level of uncertainty.
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.	Low	Not assessed as high level of uncertainty.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (continued)

10.5 Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
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	±\$222,871 to the value of property, plant and equipment 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
<p>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.</p>	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.
<p>Inflators: Forecast inflation at 1.5% per annum.</p>	Medium	Not assessed as high financial risk.	High	<p>± \$1,005,913 to operating revenue per 1% movement in the inflators over the life of the Plan.</p> <p>± \$1,176,591 to operating expenditure per 1% movement in the inflators over the life of the Plan.</p>
<p>Commercial Activities: The Shire has no plans to undertake a significant commercial activity during the period of the Plan.</p>	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<p>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.</p>	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<p>General Economic Forecasts for Region: Historically, the region's economy is heavily dependent on fishing and tourism and this remains the assumption for the term of this Plan.</p>	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

11.0 Monitoring and Performance

11.1 Monitoring

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

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

11.2 Ratio Targets

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

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

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

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

12.0 Improvement Plan

12.1 Strategic Resource Improvement Plan

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

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

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

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

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

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

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

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

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

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

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

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Appendix A1 – Critical Assets

1.1 Description

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

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

Asset	Current Replacement Cost (\$)
Shire depot	837,706
Recreation centre	4,811,531
Heavy plant	2,839,296
Total	8,488,533

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

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

Appendix A2 – Roads

2.1 Significant Matters

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

2.2 Road Inventory

The Shire of Shark Bay has a road network servicing an area of 24,201¹ square kilometres.

Road assets within this Plan include the following components:

- Subgrade;
- Pavement; and
- Seal.

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

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

Road Assets	Length (m)	Current Replacement Cost (\$)
Other Roads	568,720	47,470,314
Town Roads	17,867	6,739,727
Grand Total		54,210,042

The following tables detail the components in two sections, town roads and all other roads, segregated by the type of seal.

Other Roads Assets	Length (m)	Current Replacement Cost (\$)
Structural Asphaltic Concrete Seal		
Subgrade Structure	560	32,229
Pavement Structure	560	120,931
Surface Structure	560	117,810
Spray Sealed		
Subgrade Structure	36,567	2,380,076
Pavement Structure	36,567	8,512,536
Surface Structure	36,567	3,028,923
Unsealed		
Subgrade Structure	531,593	25,732,963
Pavement Structure	359,803	7,544,844
Other Roads Total	568,720	47,470,314

Town Roads Assets	Length (m)	Current Replacement Cost (\$)
Structural Asphaltic Concrete Seal		
Subgrade Structure	8,450	505,945
Pavement Structure	8,450	1,766,597
Surface Structure	8,450	2,066,515
Spray Sealed		
Subgrade Structure	6,357	370,565
Pavement Structure	6,357	1,319,632
Surface Structure	6,357	508,283
Unsealed		
Subgrade Structure	3,060	154,049
Pavement Structure	3,060	48,140
Other Roads Total	17,867	6,739,727

¹ Australian Bureau of Statistics Shark Bay (S) (LGA57770) 2016 Census of Population and Housing, viewed 20 March 2018

Appendix A2 – Roads (continued)

2.3 Financial Summary

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

2.3.1 Maintenance Expenditure

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

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

2.3.2 Maintenance Expenditure by Nature and Type

Road Maintenance	Cost \$
Materials and contracts	811,303
Employee costs	219,999
Total Infrastructure - roads	1,031,302

2.3.3 New Expenditure

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

2.3.4 Renewal Expenditure

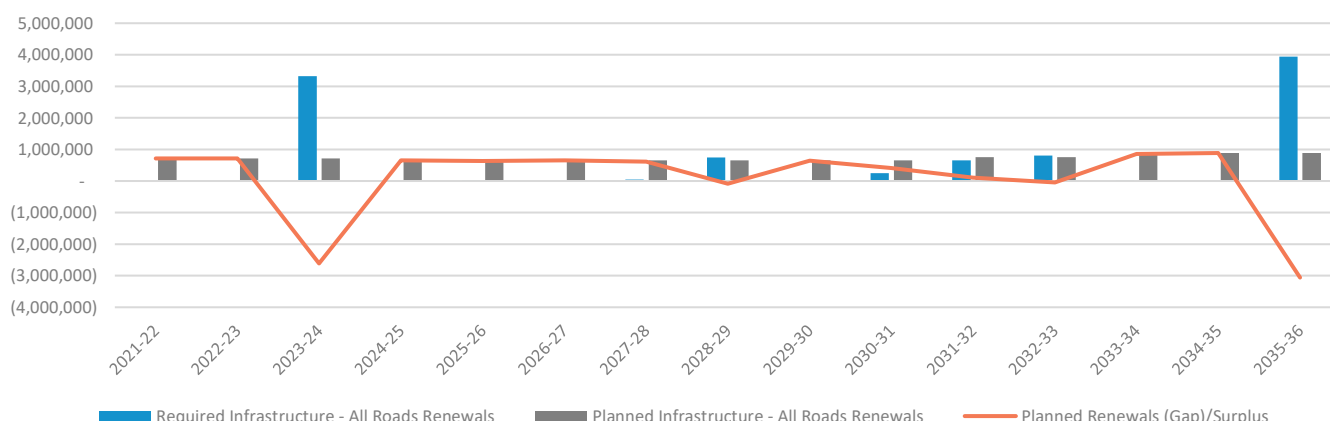
Road works are prioritised based on staff knowledge of the conditions of roads and expected usage patterns and is conducted during the budget process. All planned works are funded through a combination of internal funds and external grants.

In the chart below, planned road expenditure is shown as grey columns, with required road renewals as the blue columns. The orange line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$10.9m. Required road renewal is calculated at \$9.8m for the term, overall there is a \$1.1m renewal surplus for the Shire's road assets.

2.3.5 Forecast Planned and Required Road Renewal Expenditure

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

Required v Planned Asset Renewals - All Roads



Appendix A2 – Roads (continued)

2.3.5 Forecast Planned and Required Road Renewal Expenditure (continued)

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

	Required Roads Renewals \$	Planned Roads Renewals \$	Roads Renewal Funding (Gap)/Surplus \$
2021-22	0	716,245	716,245
2022-23	0	716,245	716,245
2023-24	3,322,759	716,245	(2,606,514)
2024-25	0	656,796	656,796
2025-26	22,607	656,796	634,189
2026-27	0	656,796	656,796
2027-28	42,377	656,796	614,419
2028-29	744,015	656,796	(87,219)
2029-30	14,865	656,796	641,931
2030-31	244,275	656,796	412,521
2031-32	649,689	756,796	107,107
2032-33	807,078	756,796	(50,282)
2033-34	24,436	886,796	862,360
2034-35	0	886,796	886,796
2035-36	3,945,473	886,796	(3,058,677)
Total	9,817,574	10,920,287	1,102,713

2.4 Level of Service

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

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

Appendix A2 – Roads (continued)

2.5 Road Construction

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

Appendix A2 – Roads (continued)

2.6 Road Maintenance

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

Appendix A2 – Roads (continued)

2.7 Risk Management

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

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

2.8 Improvement

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

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

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

Appendix A3 – Drainage

3.1 Significant Matters

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

The determination of appropriate intervention points for renewal work, along with forecasting the timing and amount of funding required, is important to ensure this work can be undertaken prior to any asset failure. A current assessment reflects drainage and kerbing with a current replacement cost of \$4.6m. Further detailed investigation of these assets is required to confirm the timing and costs of the required renewal intervals.

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

3.2 Inventory

The Shire is developing a basic drainage asset inventory which is maintained within the road asset inventory system (RAMM). Utilising the dimension data held in RAMM and the unit rates provided by the Shire, a current replacement cost has been estimated \$4.6m and includes the following components:

- Kerbing
- Open and Table drains
- Concrete pits
- Culverts
- Piping

3.3 Financial Summary

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

3.3.1 Maintenance Expenditure

Drainage maintenance expenditure is included with Roads maintenance at Appendix A2.

3.3.2 New Expenditure

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

3.3.3 Renewal Expenditure

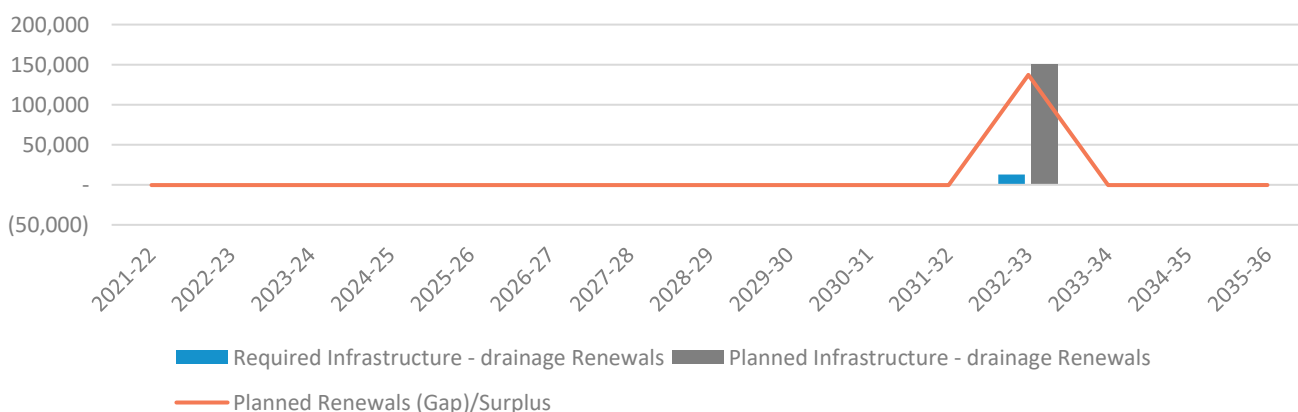
The Plan has a nominal amount forecast for kerbing and drainage renewal expenditure. The timing of kerbing renewals should be aligned to the renewal of the road pavements of kerbed roads and requires further detailed analysis and planning.

In the chart below, forecast planned drainage expenditure is shown by the grey columns, with required drainage renewals as the blue columns. The orange line indicates the difference between the two expenditure levels. Planned drainage renewal over the term of the Plan is \$150k. Required drainage renewal is calculated at \$16k for the term of the Plan, with a renewal surplus of \$133k currently forecast.

3.3.4 Forecast Planned and Required Drainage Renewal Expenditure

Major drainage renewals are not forecast to be required until 2032-33. Minor surface drain renewals will be undertaken as part of the renewal of pavements where these works are undertaken.

Required v Planned Asset Renewals - Drainage



Appendix A3 – Drainage (continued)

3.4 Level of Service

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

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

Appendix A3 – Drainage (continued)

3.5 Risk Management

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

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

3.6 Improvement

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

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

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

Appendix A4 – Footpaths

4.1 Significant Matters

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

4.2 Inventory

Footpath asset information is recorded within the Shire’s road inventory database (RAMM). The assets within the asset class were valued by management in 2018 with all road infrastructure assets. The current replacement cost is not currently recorded.

4.3 Financial Summary

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

4.3.1 Maintenance Expenditure

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

4.3.2 Renewal Expenditure

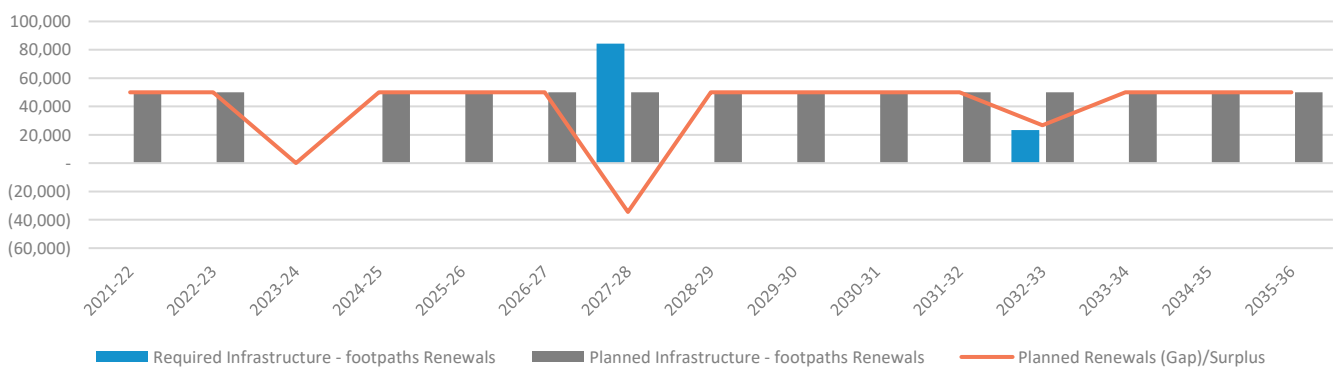
From the last valuation report, footpaths have forecast required renewal expenditure in 2027-28 and 2032-33, to mitigate these spikes Council has adopted a five year renewal plan, prioritising renewal using staff knowledge of the conditions of the footpaths. These footpath renewals may contain an element of upgrade, however the associated upgrade costs have not been separately identified.

In the following chart, forecast planned footpaths expenditure is shown by the grey columns, with required footpaths renewals as the blue columns. The orange line indicates the difference between the two expenditure levels. Required footpaths for the term of the Plan is \$107k, with planned renewals of \$700k for the term of the Plan.

4.3.3 New Asset Expenditure

New footpath asset expenditure is not currently planned. External grant funding would be essential to achieve any upgrades or new asset expenditure.

Required v Planned Asset Renewals - Footpaths



Appendix A4 – Footpaths

4.4 Level of Service

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

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

4.5 Risk Management

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

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

4.6 Improvement Plan

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

Appendix A5 – Buildings

5.1 Significant Matters

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

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

5.2 Inventory

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

5.2.1 Composition of Estimated Current Replacement Cost of Building Assets

Buildings	Current Replacement Cost (\$)
Aged Persons Centre	1,096,030
Community Resource Centre	558,885
Denham Community Hall	613,248
Depot Infrastructure	837,706
Emergency Services Precinct	1,156,574
Fish Cleaning Facility	34,067
George Wear Public Infrastructure	116,960
Golf Course Infrastructure	118,486
Information Bay	18,000
Little Lagoon Infrastructure	253,040
Mortuary	7,518
Multi Purpose Sport and Recreation Centre	5,212,529
Nettas Gazebo	25,940
Overlander Community Centre	285,634
Picnic Shelters and BBQ Facilities	351,710
Public Toilets	335,474
Refuse Site Infrastructure	195,631
Shire Office & Commercial Rentals	479,192
Tamala Camp Accommodation and Camp Kitchen	140,502
Townsite Residences	2,068,240
World Heritage Interpretation Centre	6,644,582
Buildings Total	20,549,947

Appendix A5 – Buildings (continued)

5.3 Financial Summary

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

5.3.1 Maintenance Expenditure by Program

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

5.3.2 New/Upgrade Asset Expenditure

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

5.3.3 Renewal Expenditure

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

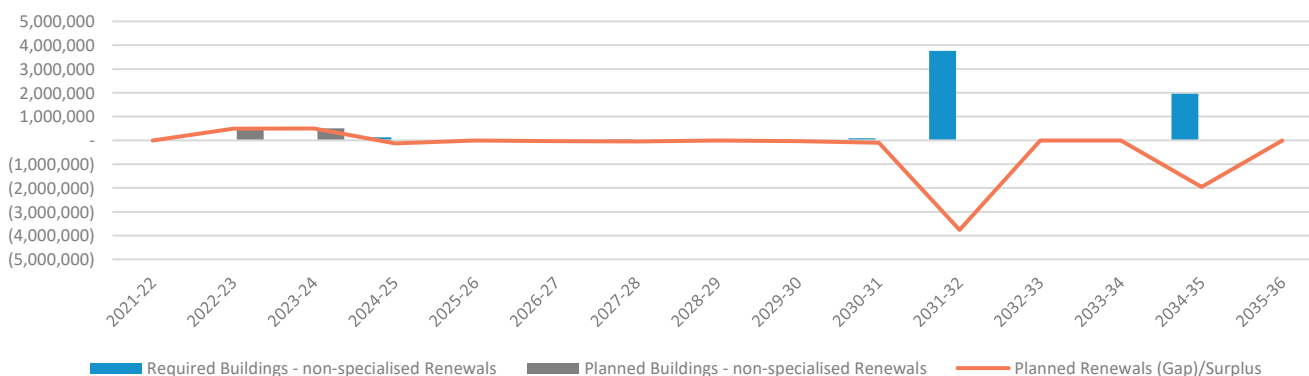
5.3.4 Forecast Planned and Required Building Renewal Expenditure

Due to the current COVID-19 situation and level of uncertainty, no building renewals are planned. Funds will continue to be saved within reserves to address future building renewals, based on a detailed assessment at the time of the building requires renewal.

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

	Required Building Renewals \$	Planned Building Renewals \$	Building Renewal Funding (Deficit)/Surplus \$
2021-22	142	0	(142)
2022-23	5,393	500,000	494,607
2023-24	146	500,000	499,854
2024-25	127,988	0	(127,988)
2025-26	150	0	(150)
2026-27	26,427	0	(26,427)
2027-28	51,985	0	(51,985)
2028-29	157	0	(157)
2029-30	28,038	0	(28,038)
2030-31	93,332	0	(93,332)
2031-32	3,763,898	0	(3,763,898)
2032-33	167	0	(167)
2033-34	169	0	(169)
2034-35	1,963,586	0	(1,963,586)
2035-36	174	0	(174)
Total	6,061,752	0	(5,061,752)

Required v Planned Asset Renewals - Buildings



Appendix A5 – Buildings (continued)

5.4 Level of Service

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

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

5.5 Risk Management

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

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

5.6 Improvement

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

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

Appendix A6 – Heritage Assets

6.1 Significant Matters

The Shire controls heritage assets which are significant to our community and country's heritage.

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

Availability of grant funding will significantly impact the timing and extent of expenditure on heritage assets.

6.2 Inventory

The Shire's heritage assets current replacement cost at the time of valuation at 30 June 2017 was \$1.3m.

6.3 Financial Summary

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

6.3.1 Maintenance Expenditure

Heritage assets maintenance expenditure is forecast to increase in line with inflation.

6.3.2 New Expenditure

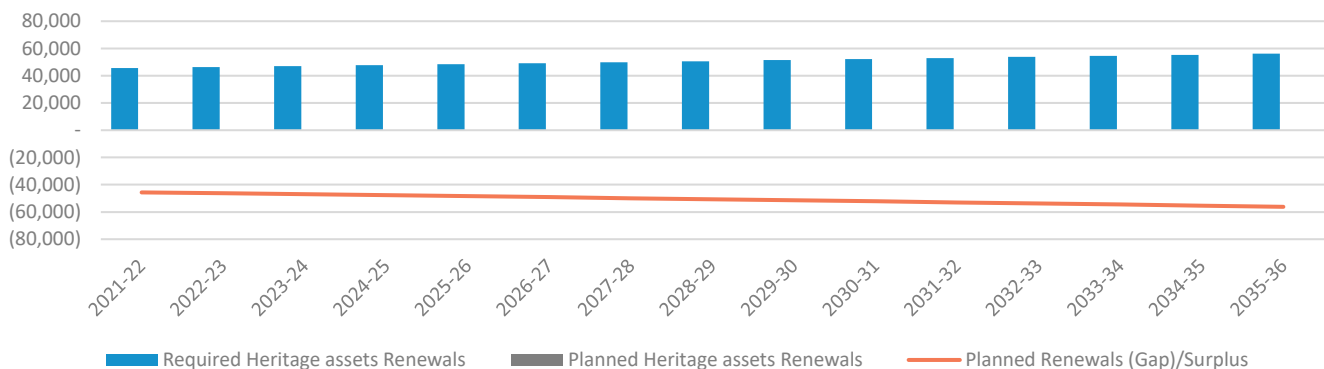
No additional items are forecast to be required over the life of this Plan.

6.3.3 Renewal Expenditure

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

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

Required v Planned Asset Renewals - Heritage Assets



Appendix A6 – Heritage Assets (continued)

6.4 Level of Service

Detailed performance measures and performance targets for Heritage Assets are defined in the table below

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

6.5 Improvement

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

Appendix A7 – Plant and Equipment

7.1 Significant Matters

The Shire has a large plant and equipment portfolio which includes items such as graders, tractors, prime movers and passenger vehicles. It also owns an extensive listing of furniture and equipment, such as office furniture, IT and communication equipment, to support operations.

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

7.2 Inventory

The table below separates the Shire's plant and equipment into the major asset types and shows the current replacement cost as per the Shire's internally produced plant replacement program. A register of plant and equipment is maintained within the financial reporting system.

7.2.1 Composition of Estimated Current Replacement Cost of Plant and Equipment Assets

Asset	Current Replacement Cost \$
Heavy Plant	1,207,500
Sundry	598,246
Truck	12,000
Heavy vehicle	507,000
Trailer	242,550
Light vehicle	272,000
Total	2,839,296

7.3 Financial Summary

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

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

7.3.1 New Expenditure

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

7.3.2 Renewal Expenditure

The Shire does not have a replacement/renewal or maintenance program for furniture and equipment. Furniture and equipment purchases are considered on an annual basis as part of the Shire's annual budget allocations and are not planned in detail. The exception to this is significant expenditure such as IT upgrades or expansion, which is considered within this Plan.

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

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

Appendix A7 – Plant and Equipment (continued)

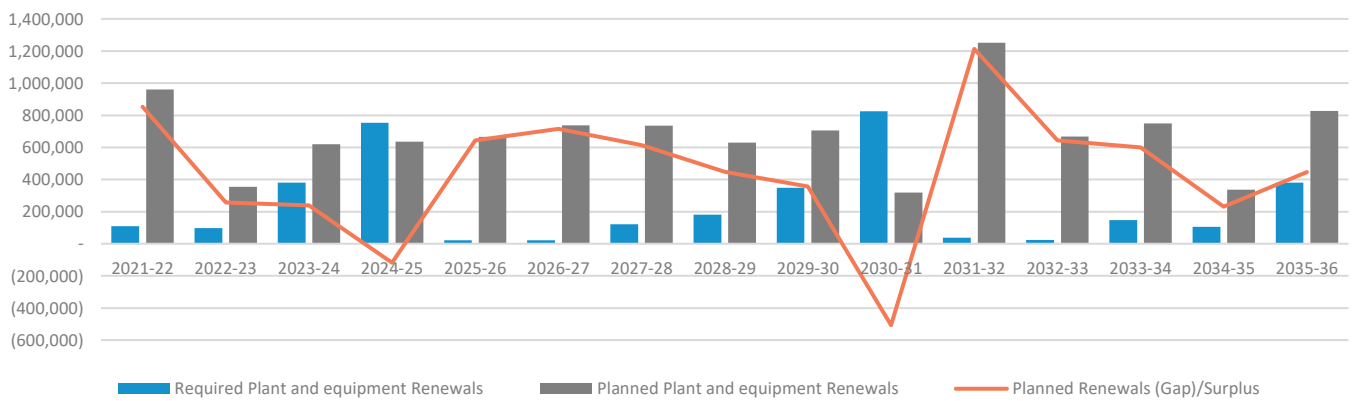
7.3.3 Forecast Planned and Required Plant and Equipment Renewal Expenditure

The chart reflects a lack of correlation between the Plant Replacement Program and the estimated useful life of plant and equipment provided by the valuers as the plant replacement program has been modified to available financial resources. The Plan overall has a funding surplus of \$6.6m over the term of the Plan with planned renewals of \$10.1m and required asset renewals of \$3.3m.

7.3.4 Plant Disposals

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

Required v Planned Asset Renewals - Plant and Equipment



Appendix A7 – Plant and Equipment (continued)

7.4 Level of Service

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

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

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

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

7.6 Improvement Plan

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

Appendix A8 – 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	Pavement Type	Estimated Useful Life	Materials Remaining in-situ
Infrastructure - Roads Other	Gravel Sheet	Unsealed	12	60%
Infrastructure - Roads Other	Sealed Pavement	Asphalt	60	60%
Infrastructure - Roads Other	Sealed Pavement	Spray Seal	60	60%
Infrastructure - Roads Other	Sealed Pavement	Spray Seal	80	60%
Infrastructure - Roads Other	Subgrade	Asphalt	100	100%
Infrastructure - Roads Other	Subgrade	Spray Seal	100	100%
Infrastructure - Roads Other	Subgrade	Unsealed	100	100%
Infrastructure - Roads Other	Surface	Spray Seal	100	100%
Infrastructure - Roads Other	Surface	Spray Seal	15	60%
Infrastructure - Roads Town	Gravel Sheet	Unsealed	10	60%
Infrastructure - Roads Town	Sealed Pavement	Spray Seal	80	60%
Infrastructure - Roads Town	Sealed Pavement	Asphalt	80	60%
Infrastructure - Roads Town	Sealed Pavement	Spray Seal	60	60%
Infrastructure - Roads Town	Sealed Pavement	Asphalt	60	60%
Infrastructure - Roads Town	Subgrade	Asphalt	100	100%
Infrastructure - Roads Town	Subgrade	Spray Seal	100	100%
Infrastructure - Roads Town	Subgrade	Unsealed	100	100%
Infrastructure - Roads Town	Surface	Spray Seal	15	60%
Infrastructure - Roads Town	Surface	Asphalt	20	60%
Infrastructure - Drainage	SW Channel	Table Drain	45	60%
Infrastructure - Drainage	SW Channel	Kerbing	45	60%
Infrastructure - Drainage	SW Drainage	Pipe	80	60%
Infrastructure - Drainage	SW Drainage	Pit	45	60%
Infrastructure - Drainage	SW Drainage	Sump	80	60%
Infrastructure - Footpaths	Footpath	Brick Paving	60	30%
Infrastructure - Footpaths	Footpath	Asphalt	60	30%
Infrastructure - Footpaths	Footpath	Concrete	80	30%
Infrastructure - Footpaths	Footpath	Gravel	40	30%
Infrastructure - Public Facilities			17	
Infrastructure - Public Facilities	Playground		20	
Infrastructure - Streetscapes			21	

Asset Class	Asset Sub-Class	Estimated Useful Life	Estimated Residual Value %
Buildings		40	
Buildings	Picnic Shelter	15	
Buildings	Shed	15	
Buildings	Solar Panels	15	
Buildings	Toilet	15	
Furniture and Equipment		10	
Furniture and equipment	IT equipment	5	
Plant and Equipment	Heavy vehicle	6	20%
Plant and Equipment	Heavy Plant	6	20%
Plant and Equipment	Light vehicle	6	20%
Plant and Equipment	Sundry	20	0%
Plant and Equipment	Trailer	6	20%
Plant and Equipment	Truck	6	20%
Heritage Assets		28	

Refer to Appendix B12 – Forecast Significant Accounting Policies

Appendix B1 – Forecast Financial Statements

Financial Statements

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

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

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

Statements of Comprehensive Income

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

Statement of Financial Position

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

Statement of Changes in Equity

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

Statement of Cashflows

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

Statement of Funding

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

Statement of Net Current Asset Composition

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

Statement of Fixed Asset Movements

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

Statement of Fixed Asset Funding

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

Forecast Ratios

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

Nature or Type

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

Appendix B1 – Forecast Financial Statements (continued)

Service Programs

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

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
	- 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
	- Senior citizens centres
	- Meals on wheels
	Other welfare
Housing	Staff housing
	Other housing
Community amenities	Sanitation
	- Household refuse
	- Other
	Sewerage
	Urban stormwater drainage
	Protection of environment
	Town planning and regional development
	Other community amenities

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	
	- Construction (not capitalised)	
	- Maintenance	
	Road plant purchase (if not capitalised)	
	Parking facilities	
	Traffic control	
	Aerodromes	
	Water transport facilities	
	Rural services	
	Tourism and area promotion	
Economic services	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	1,285,748	1,315,134	1,446,352	1,416,289	1,472,939	1,472,659	1,509,477	1,547,214	1,585,894	1,625,540	1,666,179	1,707,835	1,750,530	1,794,295	1,839,156	1,885,136	1,932,263	1,980,570	2,030,081	
Operating grants, subsidies and contributions	2,457,458	2,430,128	2,544,097	1,434,024	2,461,958	2,498,889	2,536,371	2,574,418	2,613,034	2,652,229	2,692,011	2,732,391	2,773,377	2,814,978	2,857,202	2,900,059	2,943,561	2,987,717	3,032,535	
Fees and charges	1,509,057	1,587,992	1,663,496	1,512,891	1,535,595	1,558,630	1,582,006	1,605,738	1,629,820	1,654,266	1,679,080	1,704,263	1,729,830	1,755,775	1,782,108	1,808,845	1,835,982	1,863,512	1,891,459	
Interest earnings	64,093	64,894	25,944	9,650	68,147	64,167	69,257	70,854	70,823	71,983	71,482	72,234	74,394	77,783	86,477	79,986	79,304	81,521	90,602	
Other revenue	151,133	295,193	180,747	411,927	418,107	424,378	430,743	437,206	443,763	450,419	457,176	464,033	470,994	478,059	485,229	492,508	499,895	507,391	515,003	
	5,467,489	5,693,341	5,860,636	4,784,781	5,956,746	6,018,723	6,127,854	6,235,430	6,343,334	6,454,437	6,565,928	6,680,756	6,799,125	6,920,890	7,050,172	7,166,534	7,291,005	7,420,711	7,559,680	
Expenses																				
Employee costs	(2,126,678)	(2,133,740)	(2,101,211)	(2,260,080)	(2,294,002)	(2,328,420)	(2,363,343)	(2,398,797)	(2,434,783)	(2,471,301)	(2,508,372)	(2,545,995)	(2,584,182)	(2,622,938)	(2,662,278)	(2,702,217)	(2,742,755)	(2,783,894)	(2,825,649)	
Materials and contracts	(2,041,576)	(1,787,850)	(1,698,481)	(1,910,483)	(1,939,176)	(1,993,274)	(1,997,805)	(2,027,772)	(2,058,196)	(2,089,066)	(2,120,390)	(2,152,195)	(2,184,455)	(2,217,229)	(2,250,488)	(2,284,264)	(2,318,541)	(2,353,313)	(2,388,609)	
Utility charges	(198,833)	(158,128)	(170,879)	(194,240)	(197,166)	(200,128)	(203,133)	(206,183)	(209,279)	(212,419)	(215,607)	(218,842)	(222,124)	(225,454)	(228,832)	(232,266)	(235,750)	(239,286)	(242,879)	
Depreciation on non-current assets	(2,004,033)	(2,201,594)	(1,882,880)	(1,886,365)	(1,944,684)	(1,992,315)	(2,039,670)	(2,072,990)	(2,106,847)	(2,141,200)	(2,176,140)	(2,211,799)	(2,193,611)	(2,177,801)	(2,209,813)	(2,242,967)	(2,276,544)	(2,311,098)	(2,345,640)	
Interest expenses	(14,337)	(10,331)	(12,040)	(31,159)	(19,517)	(17,370)	(35,111)	(52,246)	(48,029)	(43,656)	(39,120)	(34,416)	(29,537)	(24,478)	(19,229)	(13,783)	(8,745)	(5,992)	(5,004)	
Insurance expenses	(151,514)	(147,871)	(153,625)	(168,073)	(170,596)	(173,159)	(175,756)	(178,391)	(181,065)	(183,780)	(186,537)	(189,338)	(192,176)	(195,059)	(197,985)	(200,954)	(203,968)	(207,028)	(210,133)	
Other expenditure	(160,185)	(187,818)	(186,369)	(474,876)	(482,000)	(489,230)	(496,570)	(504,018)	(511,579)	(519,251)	(527,039)	(534,945)	(542,965)	(551,111)	(559,379)	(567,769)	(576,286)	(584,931)	(593,704)	
	(6,697,156)	(6,627,332)	(6,205,485)	(6,925,276)	(7,047,141)	(7,193,896)	(7,311,388)	(7,440,397)	(7,549,778)	(7,660,673)	(7,773,205)	(7,887,530)	(7,949,050)	(8,014,070)	(8,128,004)	(8,244,220)	(8,362,589)	(8,485,542)	(8,611,618)	
	(1,229,667)	(933,991)	(344,849)	(2,140,495)	(1,090,395)	(1,175,173)	(1,183,534)	(1,204,967)	(1,206,444)	(1,206,236)	(1,207,277)	(1,206,774)	(1,149,925)	(1,093,180)	(1,077,832)	(1,077,686)	(1,071,584)	(1,064,831)	(1,051,938)	
Non-operating grants, subsidies and contributions	857,238	519,673	539,520	887,763	524,912	524,912	509,912	465,463	465,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463
Fair value adjustments to financial assets at fair value through profit or loss	0	30,933	4,678	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on asset disposals	0	21,608	2,909	502	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(15,787)	(73,403)	(866,916)	(139,632)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	(388,216)	(435,180)	(664,658)	(1,391,862)	(565,483)	(650,261)	(673,622)	(739,504)	(740,981)	(755,773)	(756,814)	(756,311)	(699,462)	(642,717)	(627,369)	(627,223)	(621,121)	(614,368)	(601,475)	
Other comprehensive income	(20,518,210)	0	3,034,388	0	1,340,881	1,363,530	1,372,753	1,388,150	1,395,670	1,401,675	1,409,846	1,418,659	1,445,140	1,459,056	1,449,466	1,474,031	1,484,609	1,501,504	1,500,985	
TOTAL COMPREHENSIVE INCOME	(20,906,426)	(435,180)	2,369,730	(1,391,862)	775,398	713,269	699,131	648,646	654,689	645,902	653,032	662,348	745,678	816,339	822,097	846,808	863,488	887,136	899,510	

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	3,252	63,712	7,939	2,000	2,030	2,060	2,091	2,122	2,154	2,186	2,219	2,252	2,286	2,320	2,355	2,390	2,426	2,462	2,499
General purpose funding	3,275,156	3,337,405	3,452,045	2,364,335	3,499,977	3,525,100	3,596,831	3,666,437	3,735,811	3,807,804	3,879,596	3,954,134	4,031,600	4,111,855	4,199,006	4,272,595	4,353,652	4,439,308	4,533,558
Law, order, public safety	121,296	55,792	119,048	67,340	68,352	69,378	70,418	71,476	72,548	73,637	74,741	75,862	77,001	78,156	79,328	80,519	81,725	82,950	84,194
Health	1,782	2,039	1,657	1,800	1,829	1,858	1,887	1,916	1,945	1,974	2,003	2,033	2,063	2,094	2,125	2,156	2,188	2,220	2,254
Housing	83,460	107,917	133,534	126,780	128,688	130,619	132,572	134,562	136,575	138,623	140,707	142,815	144,960	147,128	149,333	151,575	153,854	156,158	158,499
Community amenities	320,339	326,586	343,861	308,876	313,510	318,212	322,985	327,830	332,747	337,738	342,805	347,948	353,167	358,464	363,841	369,299	374,839	380,460	386,166
Recreation and culture	325,710	322,088	256,520	552,130	560,414	568,820	577,353	586,015	594,806	603,727	612,781	621,971	631,300	640,771	650,383	660,141	670,043	680,092	690,292
Transport	432,486	556,245	520,525	522,620	530,460	538,417	546,492	554,689	563,008	571,453	580,024	588,725	597,557	606,521	615,619	624,852	634,224	643,737	653,394
Economic services	846,140	880,949	937,303	798,900	810,886	823,050	835,398	847,929	860,649	873,558	886,659	899,957	913,457	927,161	941,066	955,184	969,514	984,056	998,817
Other property and services	57,868	40,608	88,204	40,000	40,600	41,209	41,827	42,454	43,091	43,737	44,393	45,059	45,734	46,420	47,116	47,823	48,540	49,268	50,007
	5,467,489	5,693,341	5,860,636	4,784,781	5,956,746	6,018,723	6,127,854	6,235,430	6,343,334	6,454,437	6,565,928	6,680,756	6,799,125	6,920,890	7,050,172	7,166,534	7,291,005	7,420,711	7,559,680
Expenses excluding finance costs																			
Governance	(280,261)	(237,720)	(286,160)	(240,173)	(244,244)	(247,961)	(251,728)	(255,515)	(259,358)	(263,253)	(267,205)	(271,227)	(275,146)	(279,137)	(283,324)	(287,577)	(291,895)	(296,274)	(300,719)
General purpose funding	(107,211)	(101,229)	(97,135)	(123,220)	(125,069)	(126,945)	(128,850)	(130,783)	(132,746)	(134,738)	(136,760)	(138,811)	(140,893)	(143,006)	(145,151)	(147,328)	(149,537)	(151,779)	(154,056)
Law, order, public safety	(315,135)	(323,167)	(258,446)	(259,359)	(266,516)	(270,895)	(275,319)	(279,505)	(283,754)	(288,067)	(292,448)	(296,895)	(300,293)	(303,806)	(308,354)	(312,980)	(317,676)	(322,449)	(327,279)
Health	(69,937)	(62,082)	(62,601)	(87,889)	(89,210)	(90,548)	(91,905)	(93,281)	(94,679)	(96,101)	(97,543)	(99,006)	(100,491)	(101,997)	(103,528)	(105,083)	(106,659)	(108,258)	(109,881)
Housing	(205,567)	(222,560)	(198,269)	(224,065)	(236,724)	(241,351)	(245,985)	(249,833)	(253,745)	(257,711)	(261,735)	(265,837)	(266,831)	(267,998)	(271,978)	(276,057)	(280,196)	(284,426)	(288,683)
Community amenities	(655,063)	(695,784)	(544,950)	(698,626)	(712,464)	(723,545)	(734,764)	(745,843)	(757,087)	(768,499)	(780,090)	(791,849)	(802,648)	(813,665)	(825,856)	(838,243)	(850,820)	(863,585)	(876,538)
Recreation and culture	(2,291,340)	(2,069,487)	(2,010,313)	(2,537,345)	(2,499,698)	(2,543,438)	(2,587,492)	(2,627,232)	(2,667,583)	(2,708,520)	(2,750,097)	(2,792,373)	(2,816,906)	(2,842,711)	(2,885,125)	(2,928,414)	(2,972,324)	(3,017,046)	(3,062,258)
Transport	(1,611,670)	(1,757,313)	(1,718,919)	(1,640,980)	(1,730,164)	(1,763,583)	(1,797,106)	(1,825,164)	(1,853,660)	(1,882,581)	(1,911,962)	(1,941,862)	(1,950,219)	(1,959,774)	(1,988,901)	(2,018,743)	(2,048,997)	(2,079,895)	(2,111,044)
Economic services	(1,019,133)	(1,109,589)	(968,217)	(1,042,960)	(1,064,492)	(1,106,141)	(1,098,003)	(1,114,573)	(1,131,392)	(1,148,462)	(1,165,789)	(1,183,386)	(1,199,237)	(1,215,431)	(1,233,636)	(1,252,145)	(1,270,926)	(1,290,005)	(1,309,349)
Other property and services	(127,502)	(38,070)	(48,435)	(39,500)	(59,043)	(62,119)	(65,125)	(66,422)	(67,745)	(69,085)	(70,456)	(71,868)	(66,849)	(62,067)	(62,922)	(63,867)	(64,814)	(65,833)	(66,807)
	(6,682,819)	(6,617,001)	(6,193,445)	(6,894,117)	(7,027,624)	(7,176,526)	(7,276,277)	(7,388,151)	(7,501,749)	(7,617,017)	(7,734,085)	(7,853,114)	(7,919,513)	(7,989,592)	(8,108,775)	(8,230,437)	(8,353,844)	(8,479,550)	(8,606,614)
Finance costs																			
Governance	(5,854)	(3,203)	(1,552)	(289)	0	0	(19,588)	(37,497)	(34,071)	(30,506)	(26,797)	(22,938)	(18,923)	(14,747)	(10,402)	(5,880)	(1,787)	0	0
Recreation and culture	0	0	(4,823)	(26,716)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic services	(8,483)	(7,128)	(5,665)	(4,154)	(17,018)	(16,279)	(15,523)	(14,749)	(13,958)	(13,150)	(12,323)	(11,478)	(10,614)	(9,731)	(8,827)	(7,903)	(6,958)	(5,992)	(5,004)
Other property and services	0	0	0	0	(2,499)	(1,091)	0	0	0	0	0	0	0	0	0	0	0	0	0
	(14,337)	(10,331)	(12,040)	(31,159)	(19,517)	(17,370)	(35,111)	(52,246)	(48,029)	(43,656)	(39,120)	(34,416)	(29,537)	(24,478)	(19,229)	(13,783)	(8,745)	(5,992)	(5,004)
Non operating grants, subsidies and contributions																			
Recreation and culture	3,636	75,480	16,766	12,500	15,000	15,000	0	15,000	15,000	0	0	0	0	0	0	0	0	0	0
Transport	853,602	438,068	522,754	875,263	509,912	509,912	509,912	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463
Economic services	0	6,125	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	857,238	519,673	539,520	887,763	524,912	524,912	509,912	465,463	465,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463
Profit/(loss) on disposal of assets																			
Governance	(2,846)	(9,806)	(2,636)	502	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Law, order, public safety	0	(8,460)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	0	(4,016)	(823,734)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	(12,941)	(29,513)	(34,364)	(139,632)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic services	0	0	(3,273)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(15,787)	(51,795)	(864,007)	(139,130)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fair value adjustments to financial assets at fair value through profit or loss	0	30,933	4,678	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	(388,216)	(435,180)	(664,658)	(1,391,862)	(565,483)	(650,261)	(673,622)	(739,504)	(740,981)	(755,773)	(756,814)	(756,311)	(699,462)	(642,717)	(627,369)	(627,223)	(621,121)	(614,368)	(601,475)
Other comprehensive income	(20,518,210)	0	3,034,388	0	1,340,881	1,363,530	1,372,753	1,388,150	1,395,670	1,401,675	1,409,846	1,418,659	1,445,140	1,459,056	1,449,466	1,474,031	1,484,609	1,501,504	1,500,985
TOTAL COMPREHENSIVE INCOME	(20,906,426)	(435,180)	2,369,730	(1,391,862)	775,398	713,269	699,131	648,646	654,689	645,902	653,032	662,348	745,678	816,339	822,097	846,808	863,488	887,136	899,510

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	1,826,239	1,986,809	1,956,555	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	
Restricted cash and cash equivalent	1,731,502	1,921,160	2,955,840	3,282,395	3,083,338	3,337,889	3,417,749	3,416,205	3,474,215	3,449,116	3,486,700	3,594,698	3,764,146	4,198,851	3,874,388	3,840,162	3,951,082	4,405,150	4,555,158	4,555,158	
Trade and other receivables	144,909	130,800	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121
Inventories	125,216	129,611	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990
Other assets	0	4,876	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554
TOTAL CURRENT ASSETS	3,827,866	4,173,256	5,145,060	3,640,032	3,440,975	3,695,526	3,775,386	3,773,842	3,831,852	3,806,753	3,844,337	3,952,335	4,121,783	4,556,488	4,232,025	4,197,799	4,308,719	4,762,787	4,912,795	4,912,795	
NON-CURRENT ASSETS																					
Financial assets	0	30,933	35,611	35,611	35,611	35,611	35,611	35,611	35,611	35,611	35,611	35,611	35,611	35,611	35,611	35,611	35,611	35,611	35,611	35,611	35,611
Other receivables	14,545	5,597	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688
Property plant and equipment	24,732,817	24,169,921	25,534,693	25,103,437	25,176,127	25,232,922	25,515,592	25,267,944	24,965,861	24,767,291	24,512,928	24,197,355	23,903,676	23,415,542	23,592,605	23,353,047	23,063,556	22,515,969	22,287,129	22,287,129	22,287,129
Infrastructure	66,162,103	65,726,267	66,576,124	67,045,589	67,880,222	68,712,865	69,473,573	70,251,498	71,026,129	71,767,196	72,503,967	73,236,146	73,963,432	74,685,517	75,502,080	76,464,295	77,404,097	78,340,898	79,274,398	79,274,398	79,274,398
TOTAL NON-CURRENT ASSETS	90,909,465	89,932,718	92,154,116	92,192,325	93,099,648	93,989,086	95,032,464	95,562,741	96,035,289	96,577,786	97,060,194	97,476,800	97,910,407	98,144,358	99,137,984	99,860,641	100,510,952	100,900,166	101,604,826	101,604,826	
TOTAL ASSETS	94,737,331	94,105,974	97,299,176	95,832,357	96,540,623	97,684,612	98,807,850	99,336,583	99,867,141	100,384,539	100,904,531	101,429,135	102,032,190	102,700,846	103,370,009	104,058,440	104,819,671	105,662,953	106,517,621	106,517,621	
CURRENT LIABILITIES																					
Trade and other payables	384,702	289,012	324,150	324,149	324,149	324,149	324,149	324,149	324,149	324,149	324,149	324,149	324,149	324,149	324,149	324,149	324,149	324,149	324,149	324,149	324,149
Contract liabilities	0	0	33,488	33,488	33,488	33,488	33,488	33,488	33,488	33,488	33,488	33,488	33,488	33,488	33,488	33,488	33,488	33,488	33,488	33,488	33,488
Current portion of long-term liabilities	70,599	50,599	912,865	837,909	69,280	75,893	119,913	124,131	128,504	133,040	137,744	142,623	147,683	152,934	158,377	102,257	43,854	44,842	45,853	45,853	45,853
Provisions	249,539	209,632	263,385	263,385	263,385	263,385	263,385	263,385	263,385	263,385	263,385	263,385	263,385	263,385	263,385	263,385	263,385	263,385	263,385	263,385	263,385
TOTAL CURRENT LIABILITIES	704,840	549,243	1,533,888	1,458,931	690,302	696,915	740,935	745,153	749,526	754,062	758,766	763,645	768,705	773,956	779,399	723,279	664,876	665,864	666,875	666,875	
NON-CURRENT LIABILITIES																					
Long-term borrowings	163,463	112,864	0	0	701,497	1,125,604	1,505,691	1,381,560	1,253,056	1,120,016	982,272	839,649	691,966	539,032	380,655	278,398	234,544	189,702	143,849	143,849	143,849
Provisions	81,883	91,902	70,359	70,359	70,359	70,359	70,359	70,359	70,359	70,359	70,359	70,359	70,359	70,359	70,359	70,359	70,359	70,359	70,359	70,359	70,359
TOTAL NON-CURRENT LIABILITIES	245,346	204,766	70,359	70,359	771,856	1,195,963	1,576,050	1,451,919	1,323,415	1,190,375	1,052,631	910,008	762,325	609,391	451,014	348,757	304,903	260,061	214,208	214,208	
TOTAL LIABILITIES	950,186	754,009	1,604,247	1,529,290	1,462,158	1,892,878	2,316,985	2,197,072	2,072,941	1,944,437	1,811,397	1,673,653	1,531,030	1,383,347	1,230,413	1,072,036	969,779	925,925	881,083	881,083	
NET ASSETS	93,787,145	93,351,965	95,694,929	94,303,067	95,078,465	95,791,734	96,490,865	97,139,511	97,794,200	98,440,102	99,093,134	99,755,482	100,501,160	101,317,499	102,139,596	102,986,404	103,849,892	104,737,028	105,636,538	105,636,538	
EQUITY																					
Retained surplus	40,886,937	40,247,898	38,548,516	36,796,611	36,430,185	35,525,373	34,771,891	34,033,931	33,234,940	32,504,266	31,709,868	30,845,559	29,976,649	28,899,227	28,596,321	28,003,324	27,271,283	26,202,847	25,451,364	25,451,364	25,451,364
Reserves - cash backed	1,700,535	1,904,394	2,922,352	3,282,395	3,083,338	3,337,889	3,417,749	3,416,205	3,474,215	3,449,116	3,486,700	3,594,698	3,764,146	4,198,851	3,874,388	3,840,162	3,951,082	4,405,150	4,555,158	4,555,158	4,555,158
Asset revaluation surplus	51,199,673	51,199,673	54,224,061	54,224,061	55,564,942	56,928,472	58,301,225	59,689,375	61,085,045	62,486,720	63,896,566	65,315,225	66,760,365	68,219,421	69,668,887	71,142,918	72,627,527	74,129,031	75,630,016	75,630,016	75,630,016
TOTAL EQUITY	93,787,145	93,351,965	95,694,929	94,303,067	95,078,465	95,791,734	96,490,865	97,139,511	97,794,200	98,440,102	99,093,134	99,755,482	100,501,160	101,317,499	102,139,596	102,986,404	103,849,892	104,737,028	105,636,538	105,636,538	

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	41,275,153	40,886,937	40,231,132	38,548,516	36,796,611	36,430,185	35,525,373	34,771,891	34,033,931	33,234,940	32,504,266	31,709,868	30,845,559	29,976,649	28,899,227	28,596,321	28,003,324	27,271,283	26,202,847
Net result	(388,216)	(435,180)	(664,658)	(1,391,862)	(565,483)	(650,261)	(673,622)	(739,504)	(740,981)	(755,773)	(756,814)	(756,311)	(699,462)	(642,717)	(627,369)	(627,223)	(621,121)	(614,368)	(601,475)
Amount transferred (to)/from reserves		(203,859)	(1,017,958)	(360,043)	199,057	(254,551)	(79,860)	1,544	(58,010)	25,099	(37,584)	(107,998)	(169,448)	(434,705)	324,463	34,226	(110,920)	(454,068)	(150,008)
Closing balance	40,886,937	40,247,898	38,548,516	36,796,611	36,430,185	35,525,373	34,771,891	34,033,931	33,234,940	32,504,266	31,709,868	30,845,559	29,976,649	28,899,227	28,596,321	28,003,324	27,271,283	26,202,847	25,451,364
RESERVES - CASH/INVESTMENT BACKED																			
Opening balance	1,700,535	1,700,535	1,904,394	2,922,352	3,282,395	3,083,338	3,337,889	3,417,749	3,416,205	3,474,215	3,449,116	3,486,700	3,594,698	3,764,146	4,198,851	3,874,388	3,840,162	3,951,082	4,405,150
Amount transferred to/(from) retained surplus	0	203,859	1,017,958	360,043	(199,057)	254,551	79,860	(1,544)	58,010	(25,099)	37,584	107,998	169,448	434,705	(324,463)	(34,226)	110,920	454,068	150,008
Closing balance	1,700,535	1,904,394	2,922,352	3,282,395	3,083,338	3,337,889	3,417,749	3,416,205	3,474,215	3,449,116	3,486,700	3,594,698	3,764,146	4,198,851	3,874,388	3,840,162	3,951,082	4,405,150	4,555,158
ASSET REVALUATION SURPLUS																			
Opening balance	51,199,673	51,199,673	54,224,061	54,224,061	54,224,061	55,564,942	56,928,472	58,301,225	59,689,375	61,085,045	62,486,720	63,896,566	65,315,225	66,760,365	68,219,421	69,668,887	71,142,918	72,627,527	74,129,031
Total other comprehensive income	0	0	0	0	1,340,881	1,363,530	1,372,753	1,388,150	1,395,670	1,401,675	1,409,846	1,418,659	1,445,140	1,459,056	1,449,466	1,474,031	1,484,609	1,501,504	1,500,985
Closing balance	51,199,673	51,199,673	54,224,061	54,224,061	55,564,942	56,928,472	58,301,225	59,689,375	61,085,045	62,486,720	63,896,566	65,315,225	66,760,365	68,219,421	69,668,887	71,142,918	72,627,527	74,129,031	75,630,016
TOTAL EQUITY	93,787,145	93,351,965	95,694,929	94,303,067	95,078,465	95,791,734	96,490,865	97,139,511	97,794,200	98,440,102	99,093,134	99,755,482	100,501,160	101,317,499	102,139,596	102,986,404	103,849,892	104,737,028	105,636,538

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	1,472,939	1,472,659	1,509,477	1,547,214	1,585,894	1,625,540	1,666,179	1,707,835	1,750,530	1,794,295	1,839,156	1,885,136	1,932,263	1,980,570	2,030,081
Operating grants, subsidies and contributions	2,461,958	2,498,889	2,536,371	2,574,418	2,613,034	2,652,229	2,692,011	2,732,391	2,773,377	2,814,978	2,857,202	2,900,059	2,943,561	2,987,717	3,032,535
Fees and charges	1,535,595	1,558,630	1,582,006	1,605,738	1,629,820	1,654,266	1,679,080	1,704,263	1,729,830	1,755,775	1,782,108	1,808,845	1,835,982	1,863,512	1,891,459
Interest earnings	68,147	64,167	69,257	70,854	70,823	71,983	71,482	72,234	74,394	77,783	86,477	79,986	79,304	81,521	90,602
Other revenue	418,107	424,378	430,743	437,206	443,763	450,419	457,176	464,033	470,994	478,059	485,229	492,508	499,895	507,391	515,003
	5,956,746	6,018,723	6,127,854	6,235,430	6,343,334	6,454,437	6,565,928	6,680,756	6,799,125	6,920,890	7,050,172	7,166,534	7,291,005	7,420,711	7,559,680
Payments															
Employee costs	(2,294,002)	(2,328,420)	(2,363,343)	(2,398,797)	(2,434,783)	(2,471,301)	(2,508,372)	(2,545,995)	(2,584,182)	(2,622,938)	(2,662,278)	(2,702,217)	(2,742,755)	(2,783,894)	(2,825,649)
Materials and contracts	(1,939,176)	(1,993,274)	(1,997,805)	(2,027,772)	(2,058,196)	(2,089,066)	(2,120,390)	(2,152,195)	(2,184,455)	(2,217,229)	(2,250,488)	(2,284,264)	(2,318,541)	(2,353,313)	(2,388,609)
Utility charges	(197,166)	(200,128)	(203,133)	(206,183)	(209,279)	(212,419)	(215,607)	(218,842)	(222,124)	(225,454)	(228,832)	(232,266)	(235,750)	(239,286)	(242,879)
Interest expenses	(19,517)	(17,370)	(35,111)	(52,246)	(48,029)	(43,656)	(39,120)	(34,416)	(29,537)	(24,478)	(19,229)	(13,783)	(8,745)	(5,992)	(5,004)
Insurance expenses	(170,596)	(173,159)	(175,756)	(178,391)	(181,065)	(183,780)	(186,537)	(189,338)	(192,176)	(195,059)	(197,985)	(200,954)	(203,968)	(207,028)	(210,133)
Other expenditure	(482,000)	(489,230)	(496,570)	(504,018)	(511,579)	(519,251)	(527,039)	(534,945)	(542,965)	(551,111)	(559,379)	(567,769)	(576,286)	(584,931)	(593,704)
	(5,102,457)	(5,201,581)	(5,271,718)	(5,367,407)	(5,442,931)	(5,519,473)	(5,597,065)	(5,675,731)	(5,755,439)	(5,836,269)	(5,918,191)	(6,001,253)	(6,086,045)	(6,174,444)	(6,265,978)
Net cash provided by (used in) operating activities	854,289	817,142	856,136	868,023	900,403	934,964	968,863	1,005,025	1,043,686	1,084,621	1,131,981	1,165,281	1,204,960	1,246,267	1,293,702
Cash flows from investing activities															
Payments for purchase of property, plant & equipment	(529,380)	(991,976)	(885,784)	(1,151,057)	(668,411)	(697,991)	(770,954)	(769,371)	(665,056)	(741,525)	(354,763)	(1,288,492)	(706,609)	(787,786)	(377,306)
Payments for construction of infrastructure	(796,245)	(796,245)	(726,547)	(747,304)	(747,514)	(717,729)	(717,947)	(718,170)	(718,398)	(718,630)	(818,867)	(969,108)	(949,354)	(949,605)	(949,861)
Proceeds from non-operating grants, subsidies and contributions	524,912	524,912	509,912	465,463	465,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463
Proceeds from sale of plant & equipment	277,095	163,806	167,309	200,598	261,780	206,661	238,616	173,480	277,845	120,697	353,386	184,124	294,894	128,103	268,801
Net cash provided by (used in) investing activities	(986,214)	(993,311)	(1,200,383)	(749,654)	(718,262)	(831,559)	(798,239)	(759,283)	(731,615)	(502,233)	(1,303,510)	(1,041,130)	(991,783)	(748,345)	(1,098,852)
Cash flows from financing activities															
Repayment of debentures	(67,132)	(69,280)	(75,893)	(119,913)	(124,131)	(128,504)	(133,040)	(137,744)	(142,623)	(147,683)	(152,934)	(158,377)	(102,257)	(43,854)	(44,842)
Net cash provided by (used in) financing activities	0	500,000	500,000	0	0	0	0	0	0	0	0	0	0	0	0
	(67,132)	430,720	424,107	(119,913)	(124,131)	(128,504)	(133,040)	(137,744)	(142,623)	(147,683)	(152,934)	(158,377)	(102,257)	(43,854)	(44,842)
Net increase (decrease) in cash held															
Cash at beginning of year	(199,057)	254,551	79,860	(1,544)	58,010	(25,099)	37,584	107,998	169,448	434,705	(324,463)	(34,226)	110,920	454,068	150,008
Cash and cash equivalents at the end of year	3,407,367	3,208,310	3,462,861	3,542,721	3,541,177	3,599,187	3,574,088	3,611,672	3,719,670	3,889,118	4,323,823	3,999,360	3,965,134	4,076,054	4,530,122

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	1,472,939	1,472,659	1,509,477	1,547,214	1,585,894	1,625,540	1,666,179	1,707,835	1,750,530	1,794,295	1,839,156	1,885,136	1,932,263	1,980,570	2,030,081
Operating grants, subsidies and contributions	2,461,958	2,498,889	2,536,371	2,574,418	2,613,034	2,652,229	2,692,011	2,732,391	2,773,377	2,814,978	2,857,202	2,900,059	2,943,561	2,987,717	3,032,535
Fees and charges	1,535,595	1,558,630	1,582,006	1,605,738	1,629,820	1,654,266	1,679,080	1,704,263	1,729,830	1,755,775	1,782,108	1,808,845	1,835,982	1,863,512	1,891,459
Interest earnings	68,147	64,167	69,257	70,854	70,823	71,983	71,482	72,234	74,394	77,783	86,477	79,986	79,304	81,521	90,602
Other revenue	418,107	424,378	430,743	437,206	443,763	450,419	457,176	464,033	470,994	478,059	485,229	492,508	499,895	507,391	515,003
	5,956,746	6,018,723	6,127,854	6,235,430	6,343,334	6,454,437	6,565,928	6,680,756	6,799,125	6,920,890	7,050,172	7,166,534	7,291,005	7,420,711	7,559,680
Expenses															
Employee costs	(2,294,002)	(2,328,420)	(2,363,343)	(2,398,797)	(2,434,783)	(2,471,301)	(2,508,372)	(2,545,995)	(2,584,182)	(2,622,938)	(2,662,278)	(2,702,217)	(2,742,755)	(2,783,894)	(2,825,649)
Materials and contracts	(1,939,176)	(1,993,274)	(1,997,805)	(2,027,772)	(2,058,196)	(2,089,066)	(2,120,390)	(2,152,195)	(2,184,455)	(2,217,229)	(2,250,488)	(2,284,264)	(2,318,541)	(2,353,313)	(2,388,609)
Utility charges (electricity, gas, water etc.)	(197,166)	(200,128)	(203,133)	(206,183)	(209,279)	(212,419)	(215,607)	(218,842)	(222,124)	(225,454)	(228,832)	(232,266)	(235,750)	(239,286)	(242,879)
Depreciation on non-current assets	(1,944,684)	(1,992,315)	(2,039,670)	(2,072,990)	(2,106,847)	(2,141,200)	(2,176,140)	(2,211,799)	(2,193,611)	(2,177,801)	(2,209,813)	(2,242,967)	(2,276,544)	(2,311,098)	(2,345,640)
Interest expense	(19,517)	(17,370)	(35,111)	(52,246)	(48,029)	(43,656)	(39,120)	(34,416)	(29,537)	(24,478)	(19,229)	(13,783)	(8,745)	(5,992)	(5,004)
Insurance expense	(170,596)	(173,159)	(175,756)	(178,391)	(181,065)	(183,780)	(186,537)	(189,338)	(192,176)	(195,059)	(197,985)	(200,954)	(203,968)	(207,028)	(210,133)
Other expenditure	(482,000)	(489,230)	(496,570)	(504,018)	(511,579)	(519,251)	(527,039)	(534,945)	(542,965)	(551,111)	(559,379)	(567,769)	(576,286)	(584,931)	(593,704)
	(7,047,141)	(7,193,896)	(7,311,388)	(7,440,397)	(7,549,778)	(7,660,673)	(7,773,205)	(7,887,530)	(7,949,050)	(8,014,070)	(8,128,004)	(8,244,220)	(8,362,589)	(8,485,542)	(8,611,618)
	(1,090,395)	(1,175,173)	(1,183,534)	(1,204,967)	(1,206,444)	(1,206,236)	(1,207,277)	(1,206,774)	(1,149,925)	(1,093,180)	(1,077,832)	(1,077,686)	(1,071,584)	(1,064,831)	(1,051,938)
Funding position adjustments															
Depreciation on non-current assets	1,944,684	1,992,315	2,039,670	2,072,990	2,106,847	2,141,200	2,176,140	2,211,799	2,193,611	2,177,801	2,209,813	2,242,967	2,276,544	2,311,098	2,345,640
Net funding from operational activities	745,378	854,289	817,142	856,136	868,023	900,403	934,964	968,863	1,005,025	1,043,686	1,084,621	1,131,981	1,165,281	1,204,960	1,246,267
FUNDING FROM CAPITAL ACTIVITIES															
Inflows															
Proceeds on disposal	277,095	163,806	167,309	200,598	261,780	206,661	238,616	173,480	277,845	120,697	353,386	184,124	294,894	128,103	268,801
Non-operating grants, subsidies and contributions	524,912	524,912	509,912	465,463	465,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463
Outflows															
Purchase of property plant and equipment	(991,976)	(885,784)	(1,151,057)	(668,411)	(697,991)	(770,954)	(769,371)	(665,056)	(741,525)	(354,763)	(1,288,492)	(706,609)	(787,786)	(377,306)	(868,255)
Purchase of infrastructure	(796,245)	(796,245)	(726,547)	(747,304)	(747,514)	(717,729)	(717,947)	(718,170)	(718,398)	(718,630)	(818,867)	(969,108)	(949,354)	(949,605)	(949,861)
Net funding from capital activities	(532,733)	(986,214)	(993,311)	(1,200,383)	(749,654)	(718,262)	(831,559)	(798,239)	(759,283)	(731,615)	(502,233)	(1,303,510)	(1,041,130)	(991,783)	(748,345)
FUNDING FROM FINANCING ACTIVITIES															
Inflows															
Transfer from reserves	280,000	0	0	90,000	30,000	95,000	35,000	0	0	0	450,000	115,000	0	0	0
Outflows															
Transfer to reserves	0	0	500,000	500,000	0	0	0	0	0	0	0	0	0	0	0
Repayment of past borrowings	(80,943)	(254,551)	(79,860)	(88,456)	(88,010)	(69,901)	(72,584)	(107,998)	(169,448)	(434,705)	(125,537)	(80,774)	(110,920)	(454,068)	(150,008)
Net funding from financing activities	(216,009)	(67,132)	(69,280)	(75,893)	(119,913)	(124,131)	(128,504)	(133,040)	(137,744)	(142,623)	(147,683)	(152,934)	(158,377)	(102,257)	(43,854)
	131,925	176,169	344,247	(118,369)	(182,141)	(103,405)	(170,624)	(245,742)	(312,071)	(582,388)	171,529	(124,151)	(213,177)	(497,922)	(194,850)
Estimated surplus/deficit July 1 B/Fwd															
Estimated surplus/deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Unrestricted cash and equivalents	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972	124,972
Restricted cash and cash equivalent	3,083,338	3,337,889	3,417,749	3,416,205	3,474,215	3,449,116	3,486,700	3,594,698	3,764,146	4,198,851	3,874,388	3,840,162	3,951,082	4,405,150	4,555,158
Trade and other receivables	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121	101,121
Inventories	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990	129,990
Other assets	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554
CURRENT LIABILITIES															
Trade and other payables	(324,149)	(324,149)	(324,149)	(324,149)	(324,149)	(324,149)	(324,149)	(324,149)	(324,149)	(324,149)	(324,149)	(324,149)	(324,149)	(324,149)	(324,149)
Contract liabilities	(33,488)	(33,488)	(33,488)	(33,488)	(33,488)	(33,488)	(33,488)	(33,488)	(33,488)	(33,488)	(33,488)	(33,488)	(33,488)	(33,488)	(33,488)
Reserves	(3,083,338)	(3,337,889)	(3,417,749)	(3,416,205)	(3,474,215)	(3,449,116)	(3,486,700)	(3,594,698)	(3,764,146)	(4,198,851)	(3,874,388)	(3,840,162)	(3,951,082)	(4,405,150)	(4,555,158)
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 other	716,245	716,245	716,245	656,796	656,796	656,796	656,796	656,796	656,796	656,796	756,796	756,796	886,796	886,796	886,796
Infrastructure - footpaths	50,000	50,000	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Infrastructure - drainage	0	0	0	0	0	0	0	0	0	0	0	150,000	0	0	0
Infrastructure - streetscapes	0	0	10,302	10,508	10,718	10,933	11,151	11,374	11,602	11,834	12,071	12,312	12,558	12,809	13,065
Infrastructure - public facilities	30,000	30,000	0	30,000	30,000	0	0	0	0	0	0	0	0	0	0
Total capital works - infrastructure	796,245	796,245	726,547	747,304	747,514	717,729	717,947	718,170	718,398	718,630	818,867	969,108	949,354	949,605	949,861
Represented by:															
Additions - renewal	796,245	796,245	726,547	747,304	747,514	717,729	717,947	718,170	718,398	718,630	818,867	969,108	949,354	949,605	949,861
Total Capital Works - Infrastructure	796,245	796,245	726,547	747,304	747,514	717,729	717,947	718,170	718,398	718,630	818,867	969,108	949,354	949,605	949,861
Asset movement reconciliation															
Total capital works infrastructure	796,245	796,245	726,547	747,304	747,514	717,729	717,947	718,170	718,398	718,630	818,867	969,108	949,354	949,605	949,861
Depreciation infrastructure	(967,296)	(981,806)	(996,533)	(1,011,481)	(1,026,655)	(1,042,054)	(1,057,684)	(1,073,550)	(1,089,653)	(1,105,998)	(1,122,587)	(1,139,425)	(1,156,516)	(1,173,865)	(1,191,473)
Revaluation of infrastructure assets (inflation)	1,005,684	1,018,204	1,030,694	1,042,102	1,053,772	1,065,392	1,076,508	1,087,559	1,098,541	1,109,453	1,120,283	1,132,532	1,146,964	1,161,061	1,175,112
Net movement in infrastructure assets	834,633	832,643	760,708	777,925	774,631	741,067	736,771	732,179	727,286	722,085	816,563	962,215	939,802	936,801	933,500
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings - non-specialised	0	500,000	500,000	0	0	0	0	0	0	0	0	0	0	0	0
Furniture and equipment	30,771	31,386	32,014	32,654	33,307	33,974	34,653	35,346	36,053	36,774	37,510	38,260	39,025	39,805	40,601
Plant and equipment	961,205	354,398	619,043	635,757	664,684	736,980	734,718	629,710	705,472	317,989	1,250,982	668,349	748,761	337,501	827,654
Total capital works property, plant and equipment	991,976	885,784	1,151,057	668,411	697,991	770,954	769,371	665,056	741,525	354,763	1,288,492	706,609	787,786	377,306	868,255
Represented by:															
Additions - renewal	991,976	885,784	1,151,057	668,411	697,991	770,954	769,371	665,056	741,525	354,763	1,288,492	706,609	787,786	377,306	868,255
Total capital works property, plant and equipment	991,976	885,784	1,151,057	668,411	697,991	770,954	769,371	665,056	741,525	354,763	1,288,492	706,609	787,786	377,306	868,255
Asset movement reconciliation															
Total capital works property, plant and equipment	991,976	885,784	1,151,057	668,411	697,991	770,954	769,371	665,056	741,525	354,763	1,288,492	706,609	787,786	377,306	868,255
Depreciation property, plant and equipment	(977,388)	(1,010,509)	(1,043,137)	(1,061,509)	(1,080,192)	(1,099,146)	(1,118,456)	(1,138,249)	(1,103,958)	(1,071,803)	(1,087,226)	(1,103,542)	(1,120,028)	(1,137,233)	(1,154,167)
Net book value of disposed/written off assets	(277,095)	(163,806)	(167,309)	(200,598)	(261,780)	(206,661)	(238,616)	(173,480)	(277,845)	(120,697)	(353,386)	(184,124)	(294,894)	(128,103)	(268,801)
Revaluation of property, plant and equipment (inflation)	335,197	345,326	342,059	346,048	341,898	336,283	333,338	331,100	346,599	349,603	329,183	341,499	337,645	340,443	325,873
Net movement in property, plant and equipment	72,690	56,795	282,670	(247,648)	(302,083)	(198,570)	(254,363)	(315,573)	(293,679)	(488,134)	177,063	(239,558)	(289,491)	(547,587)	(228,840)
Capital works															
Total capital works infrastructure	796,245	796,245	726,547	747,304	747,514	717,729	717,947	718,170	718,398	718,630	818,867	969,108	949,354	949,605	949,861
Total capital works property, plant and equipment	991,976	885,784	1,151,057	668,411	697,991	770,954	769,371	665,056	741,525	354,763	1,288,492	706,609	787,786	377,306	868,255
Total capital works	1,788,221	1,682,029	1,877,604	1,415,715	1,445,505	1,488,683	1,487,318	1,383,226	1,459,923	1,073,393	2,107,359	1,675,717	1,737,140	1,326,911	1,818,116
Fixed asset movement															
Net movement in infrastructure assets	834,633	832,643	760,708	777,925	774,631	741,067	736,771	732,179	727,286	722,085	816,563	962,215	939,802	936,801	933,500
Net movement in property, plant and equipment	72,690	56,795	282,670	(247,648)	(302,083)	(198,570)	(254,363)	(315,573)	(293,679)	(488,134)	177,063	(239,558)	(289,491)	(547,587)	(228,840)
Net movement in fixed assets	907,323	889,438	1,043,378	530,277	472,548	542,497	482,408	416,606	433,607	233,951	993,626	722,657	650,311	389,214	704,660

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 other	716,245	716,245	716,245	656,796	656,796	656,796	656,796	656,796	656,796	656,796	756,796	756,796	886,796	886,796	886,796
Infrastructure - footpaths	50,000	50,000	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Infrastructure - drainage	0	0	0	0	0	0	0	0	0	0	0	150,000	0	0	0
Infrastructure - streetscapes	0	0	10,302	10,508	10,718	10,933	11,151	11,374	11,602	11,834	12,071	12,312	12,558	12,809	13,065
Infrastructure - public facilities	30,000	30,000	0	30,000	30,000	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	0	500,000	500,000	0	0	0	0	0	0	0	0	0	0	0	0
Furniture and equipment	30,771	31,386	32,014	32,654	33,307	33,974	34,653	35,346	36,053	36,774	37,510	38,260	39,025	39,805	40,601
Plant and equipment	961,205	354,398	619,043	635,757	664,684	736,980	734,718	629,710	705,472	317,989	1,250,982	668,349	748,761	337,501	827,654
Total - Capital expenditure	1,788,221	1,682,029	1,877,604	1,415,715	1,445,505	1,488,683	1,487,318	1,383,226	1,459,923	1,073,393	2,107,359	1,675,717	1,737,140	1,326,911	1,818,116
Funded by:															
Capital grants & contributions															
Infrastructure - roads other	509,912	509,912	509,912	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463
Infrastructure - public facilities	15,000	15,000	0	15,000	15,000	0	0	0	0	0	0	0	0	0	0
Total - Capital grants & contributions	524,912	524,912	509,912	465,463	465,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463	450,463
Own source funding															
Infrastructure - roads other	206,333	206,333	206,333	206,333	206,333	206,333	206,333	206,333	206,333	206,333	306,333	306,333	436,333	436,333	436,333
Infrastructure - footpaths	50,000	50,000	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Infrastructure - drainage	0	0	0	0	0	0	0	0	0	0	0	150,000	0	0	0
Infrastructure - streetscapes	0	0	10,302	10,508	10,718	10,933	11,151	11,374	11,602	11,834	12,071	12,312	12,558	12,809	13,065
Infrastructure - public facilities	15,000	15,000	0	15,000	15,000	0	0	0	0	0	0	0	0	0	0
Total - Own source funding	986,214	493,311	700,383	749,654	718,262	831,559	798,239	759,283	731,615	502,233	1,303,510	1,041,130	991,783	748,345	1,098,852
Borrowings															
Buildings - non-specialised	0	500,000	500,000	0	0	0	0	0	0	0	0	0	0	0	0
Total - Borrowings	0	500,000	500,000	0	0	0	0	0	0	0	0	0	0	0	0
Other (disposals & C/Fwd)															
Plant and equipment	277,095	163,806	167,309	200,598	261,780	206,661	238,616	173,480	277,845	120,697	353,386	184,124	294,894	128,103	268,801
Total - Other (disposals & C/Fwd)	277,095	163,806	167,309	200,598	261,780	206,661	238,616	173,480	277,845	120,697	353,386	184,124	294,894	128,103	268,801
Total Capital Funding	1,788,221	1,682,029	1,877,604	1,415,715	1,445,505	1,488,683	1,487,318	1,383,226	1,459,923	1,073,393	2,107,359	1,675,717	1,737,140	1,326,911	1,818,116

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	0.68	0.69	0.69	0.64	0.64	0.64	0.64	0.64	0.64	0.63	0.63	0.63	0.71	0.81	0.81	0.82
OPERATING RATIOS																		
Operating surplus ratio	> 1.00%	> 15.00%	(28.95%)	(31.20%)	(33.39%)	(32.95%)	(32.91%)	(32.34%)	(31.72%)	(31.16%)	(30.56%)	(28.56%)	(26.62%)	(25.71%)	(25.26%)	(24.65%)	(24.02%)	(23.24%)
Own source revenue coverage ratio	> 40.00%	> 60.00%	50.52%	49.59%	48.93%	49.12%	49.20%	49.41%	49.63%	49.84%	50.06%	50.64%	51.23%	51.59%	51.75%	51.99%	52.24%	52.57%
BORROWINGS RATIOS																		
Debt service cover ratio	> 3	> 5	9.63	10.08	9.63	8.03	5.35	5.51	5.68	5.85	6.04	6.23	6.44	6.69	6.85	10.93	25.12	26.05
FIXED ASSET RATIOS																		
Asset sustainability ratio	> 90.00%	> 110.00%	73.53%	91.95%	84.43%	92.05%	68.29%	68.61%	69.53%	68.35%	62.54%	66.55%	49.29%	95.36%	74.71%	76.31%	57.41%	77.51%
Asset consumption ratio	> 50.00%	> 60.00%	89.11%	95.20%	94.21%	93.39%	92.53%	91.61%	90.77%	89.88%	88.94%	88.01%	86.92%	86.51%	85.85%	85.13%	84.19%	83.53%
Asset renewal funding ratio	> 75.00%	> 95.00%	114.70%	113.92%	115.86%	115.66%	114.29%	113.79%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B12 – Asset Renewals 2021-2036

Required Asset Renewals

	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	142	5,393	146	127,988	150	26,427	51,985	157	28,038	93,332	3,763,898	167	169	1,963,586	174
Furniture and equipment	14,143	13,187	41,447	13,586	13,790	15,236	14,207	1,247,206	14,636	14,856	16,413	15,305	48,102	15,767	16,004
Plant and equipment	109,190	97,455	380,215	754,238	21,555	21,878	120,826	181,940	348,604	824,714	37,525	23,923	148,056	105,861	381,180
Heritage assets	45,640	46,325	47,019	47,725	48,441	49,167	49,905	50,653	51,413	52,184	52,967	53,762	54,568	55,386	56,217
Infrastructure - roads other	0	0	3,299,944	0	0	0	0	591,413	0	228,946	641,551	58,916	0	0	3,945,473
Infrastructure - roads town	0	0	22,815	0	22,607	0	42,377	152,602	14,865	15,329	8,138	748,162	24,436	0	0
Infrastructure - footpaths	0	0	0	0	0	0	84,446	0	0	0	0	23,338	0	0	0
Infrastructure - drainage	230	234	237	241	245	248	252	256	260	263	267	12,779	275	280	284
Infrastructure - streetscapes	11,500	11,673	11,848	12,026	12,206	12,389	12,575	12,764	12,955	13,149	13,347	13,547	13,750	13,956	14,166
Infrastructure - public facilities	341,854	346,982	352,187	357,470	362,832	368,274	373,798	379,405	385,096	390,873	396,736	402,687	408,727	414,858	421,081
Total	522,699	521,249	4,155,858	1,313,274	481,825	493,619	750,370	2,616,395	855,866	1,633,646	4,930,843	1,352,585	698,084	2,569,694	4,834,578

Planned Asset Renewals

	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	0	500,000	500,000	0	0	0	0	0	0	0	0	0	0	0	0
Furniture and equipment	30,771	31,386	32,014	32,654	33,307	33,974	34,653	35,346	36,053	36,774	37,510	38,260	39,025	39,805	40,601
Plant and equipment	961,205	354,398	619,043	635,757	664,684	736,980	734,718	629,710	705,472	317,989	1,250,982	668,349	748,761	337,501	827,654
Infrastructure - roads other	716,245	716,245	716,245	656,796	656,796	656,796	656,796	656,796	656,796	656,796	756,796	756,796	886,796	886,796	886,796
Infrastructure - footpaths	50,000	50,000	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Infrastructure - drainage	0	0	0	0	0	0	0	0	0	0	0	150,000	0	0	0
Infrastructure - streetscapes	0	0	10,302	10,508	10,718	10,933	11,151	11,374	11,602	11,834	12,071	12,312	12,558	12,809	13,065
Infrastructure - public facilities	30,000	30,000	0	30,000	30,000	0	0	0	0	0	0	0	0	0	0
Total	1,788,221	1,682,029	1,877,604	1,415,715	1,445,505	1,488,683	1,487,318	1,383,226	1,459,923	1,073,393	2,107,359	1,675,717	1,737,140	1,326,911	1,818,116

Asset Renewal Funding Surplus (Deficit)

	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	(142)	494,607	499,854	(127,988)	(150)	(26,427)	(51,985)	(157)	(28,038)	(93,332)	(3,763,898)	(167)	(169)	(1,963,586)	(174)
Furniture and equipment	16,628	18,199	(9,433)	19,068	19,517	18,738	20,446	(1,211,860)	21,417	21,918	21,097	22,955	(9,077)	24,038	24,597
Plant and equipment	852,015	256,943	238,828	(118,481)	643,129	715,102	613,892	447,770	356,868	(506,725)	1,213,457	644,426	600,705	231,640	446,474
Heritage assets	(45,640)	(46,325)	(47,019)	(47,725)	(48,441)	(49,167)	(49,905)	(50,653)	(51,413)	(52,184)	(52,967)	(53,762)	(54,568)	(55,386)	(56,217)
Infrastructure - roads other	716,245	716,245	(2,583,699)	656,796	656,796	656,796	656,796	65,383	656,796	427,850	115,245	697,880	886,796	886,796	(3,058,677)
Infrastructure - roads town	0	0	(22,815)	0	(22,607)	0	(42,377)	(152,602)	(14,865)	(15,329)	(8,138)	(748,162)	(24,436)	0	0
Infrastructure - footpaths	50,000	50,000	0	50,000	50,000	50,000	(34,446)	50,000	50,000	50,000	50,000	26,662	50,000	50,000	50,000
Infrastructure - drainage	(230)	(234)	(237)	(241)	(245)	(248)	(252)	(256)	(260)	(263)	(267)	137,221	(275)	(280)	(284)
Infrastructure - streetscapes	(11,500)	(11,673)	(1,546)	(1,518)	(1,488)	(1,456)	(1,424)	(1,390)	(1,353)	(1,315)	(1,276)	(1,235)	(1,192)	(1,147)	(1,101)
Infrastructure - public facilities	(311,854)	(316,982)	(352,187)	(327,470)	(332,832)	(368,274)	(373,798)	(379,405)	(385,096)	(390,873)	(396,736)	(402,687)	(408,727)	(414,858)	(421,081)
Total	1,265,522	1,160,780	(2,278,254)	102,441	963,680	995,064	736,948	(1,233,169)	604,057	(560,253)	(2,823,484)	323,132	1,039,056	(1,242,783)	(3,016,462)

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B13 – 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 Act 1995 and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

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 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.

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

Critical Accounting Estimates

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

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

The Local Government Reporting Entity

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

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

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

Base Year Balances

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

Rounding Off Figures

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

Comparative Figures

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

Forecast Fair Value Adjustments

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

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

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

Appendix B13 – Forecast Significant Accounting Policies (continued)

Rates, Grants, Donations and Other Contributions

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

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

Goods and Services Tax (GST)

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

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

Superannuation

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

Cash and Cash Equivalents

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

Trade and Other Receivables

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

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

Appendix B13 – Forecast Significant Accounting Policies (continued)

Inventories

General

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

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

Land held for resale

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

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

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

Fixed Assets

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

Revaluation

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

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
Furniture and equipment	10.51%
Buildings	2.96%
Plant and equipment	7.41%
Heritage assets	3.57%
Infrastructure - roads other	0.81%
Infrastructure - roads town	1.25%
Infrastructure - footpaths	1.15%
Infrastructure - drainage	0.84%
Infrastructure - streetscapes	4.76%
Infrastructure - public facilities	5.72%

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.

Appendix B13 – Forecast Significant Accounting Policies (continued)

Employee Benefits

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

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.

Other Long-Term Employee Benefits

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

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

Borrowing Costs

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

Provisions

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

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

Current and Non-Current Classification

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

Appendix C1 – Glossary

Funding Gap

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

Infrastructure Assets

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

Key Performance Indicator

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

Level of Service

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

Maintenance

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

Planned Maintenance

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

Reactive Maintenance

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

Significant Maintenance

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

Unplanned Maintenance

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

Maintenance Expenditure

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

Appendix C1 – Glossary (continued)

Materiality

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

Modern Equivalent Asset

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

Net Present Value (NPV)

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

Non-Revenue Generating Investments

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

Operations Expenditure

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

Pavement Management System

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

Recoverable Amount

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

Recurrent Expenditure

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

Recurrent Funding

Funding to pay for recurrent expenditure.

Remaining Useful Life

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

Renewal

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

Residual Value

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

Revenue Generating Investments

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

Risk Management

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

Section or Segment

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

Service Potential

The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset. A measure of service potential is used in the not-for-profit

Appendix C1 – Glossary (continued)

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

This Plan was prepared for the Shire of Shark Bay by Moore Australia.

Reliance

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

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

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

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