

Shire OF
Wiluna



*One proud, inclusive sustainable community
welcoming growth and opportunities*

A close-up photograph of a traditional Aboriginal artwork, likely a bark painting, featuring a large, intricate circular motif with concentric rings and a central figure.



Strategic Resource Plan 2018 – 2033

(Incorporating Asset Management Planning and
Long Term Financial Planning)

Contents

1.0	Foreword.....	3
2.0	Planning Overview	4
3.0	Strategic Overview	5
4.0	Community Profile, Vision and Objectives	7
5.0	Key Current Information	8
6.0	Strategic Planning and Policies.....	9
7.0	Operations Overview	11
8.0	Capital Overview	14
9.0	Forecast Capital Projects.....	17
10.0	Financing Overview	19
11.0	Scenario Modelling	20
12.0	Risk Management	21
13.0	Assumptions, Risks, Uncertainties and Sensitivity.....	22
14.0	Monitoring and Performance.....	28
15.0	Improvement Plan.....	33

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1.0 Foreword

We are pleased to present the Shire of Wiluna Strategic Resource Plan for 2018 – 2033.

This Plan is part of the Shire's ongoing commitment to an integrated approach to planning for the District's future. It provides the Council and community with a picture of the Shire's long term financial and asset management circumstances and assists us to meet our strategic outcomes and objectives.

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

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

The Shire of Wiluna's Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Wiluna Strategic Community Plan 2018-2028.

This Plan will be used with the Corporate Business Plan and Workforce Plan to achieve our goals and drive the Shire in achieving its vision of "One proud, inclusive sustainable community welcoming growth and opportunities".

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.

Jim Quadrio
Shire President

Colin Bastow
Chief Executive Officer

2.0 Planning Overview

2.1 Planning for a Sustainable and Stable Future

The Shire of Wiluna is planning for a positive and stable future. The Shire seeks to maintain, and where possible, improve service levels into the future while ensuring a healthy financial position.

2.2 Planning Process

Based on the 2016-17 audited Annual Financial Report and 2017-18 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.

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.

By adjusting the estimated useful life of assets, modelling was undertaken to ensure adequate long term funding for asset maintenance and renewal.

Detailed long term planning is required for the renewal of building assets (particularly those identified by the Shire as critical) 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 utilising 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.

Estimated useful lives of infrastructure assets such as roads and the airport is linked to future traffic volumes and weights, accurate forecasts of these are not available and subject to a high degree of uncertainty. Current usage has been used as an approximate indicator in the absence of reliable forecasts.

2.3 Critical Assets

Selected assets have been classified in the Plan as 'critical' to the Shire's capacity to meet community service expectations, achieve the community vision and comply with statutory obligations. Ensuring adequate future funding for the appropriate maintenance and renewal of critical assets is a key asset management challenge facing the Shire and was a significant planning consideration in the development of this Plan.

As part of the planning process, the following assets were identified as critical:

- Depot;
- Shire Administration Building; and
- Regional and Local Distributor Roads.

Where resources are limited, critical assets have been prioritised in the planning process to help minimise the risk of sudden unexpected failure of these assets.

3.0 Strategic Overview

3.1 Forecast Significant Events

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. Road renewals are prioritised based on a road hierarchy with regional and local distributor roads taking priority over local access roads. Although of high importance, adequate maintenance, renewal and upgrading of the road network remains highly dependent on the receipt of external grants and contributions.

Buildings classified as critical in the Plan have been prioritised for maintenance expenditure with the expected completion of the new administration building currently a priority.

3.2 Asset Management Strategy

Recognising a large 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 targeted asset management outcomes integrated with financial planning within its forecast financial capacity.

3.3 Financial Management Strategy

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 are provided in the table below along with the forecast required asset renewals to maintain services in future. 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. These are provided in the table below with the asset renewal surplus/(deficit) column representing the difference between the planned and required asset renewals. A number of assumptions and estimates have been utilised in arriving at these values and actual events may vary significantly from those provided.

Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/(Deficit) \$
2018-19	5,144,700	3,309,360	1,835,340
2019-20	5,019,646	3,444,883	1,574,763
2020-21	3,028,838	1,667,514	1,361,324
2021-22	3,708,367	1,713,922	1,994,445
2022-23	3,277,867	1,993,898	1,283,969
2023-24	4,259,774	1,769,579	2,490,195
2024-25	4,208,493	4,698,644	(490,151)
2025-26	4,707,653	9,993,336	(5,285,683)
2026-27	4,900,589	4,991,321	(90,732)
2027-28	5,128,130	1,948,250	3,179,880
2028-29	5,295,219	3,559,970	1,735,249
2029-30	5,503,336	3,787,997	1,715,339
2030-31	5,868,639	2,032,690	3,835,949
2031-32	6,081,123	10,828,546	(4,747,423)
2032-33	6,295,459	2,307,000	3,988,459
Total	72,427,833	58,046,909	14,380,924

3.0 Strategic Overview (Continued)

3.3 Financial Management Strategy (Continued)

The Shire took up two new loans in 2017-18 for \$1.4m for construction of housing and \$1m for the Administration Office project. Included in this plan is a new borrowing of \$700k in 2018-19 for the main street streetscaping project. No further borrowings are forecast in this Plan as part of the Shire's strategy to allow flexibility to respond to sudden or unexpected expenditure requirements or the loss of planned external grant contributions. 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.

3.4 Key Assumptions

The Plan has been prepared based on the following broad assumptions:

- The Shire population is forecast to remain stable;
- The Shire will maintain its current service levels and, where financially prudent, increase services;
- The level of grants and contributions for capital projects and operations will remain relatively stable over the term of the Plan;
- The region and State economy will remain stable for the long term; and
- Assets are expected to be adequately maintained and continue to provide existing levels of service.

For a detailed analysis of all assumptions and their associated risks please refer to section 13.0.

4.0 Community Profile, Vision and Objectives

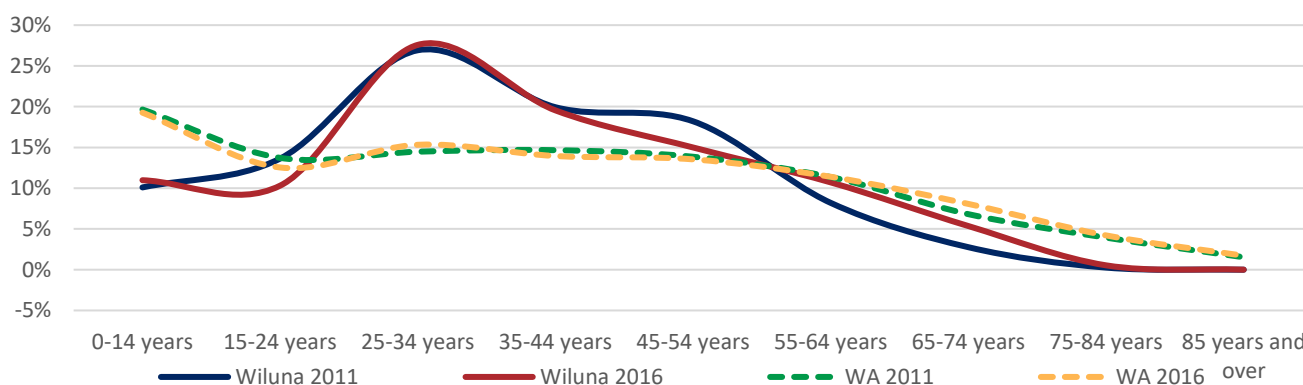
4.1 Community

Wiluna is located 966 kilometres northeast of Perth and is situated on the edge of the desert at the gateway to the Canning Stock Route and Gunbarrel Highway. The Shire of Wiluna covers 181,297.3 sq km¹.

Wiluna had its beginnings in 1896 with the discovery of gold - the catalyst to the establishment of the Wiluna Township in 1909. The gold rush of the 1930's saw the population soar to more than 9,000. Gold mining still exists to this day with nickel and lead operations also in the area. Mining continues to present challenges and opportunities for the community with recent discoveries of uranium deposits.

4.2 Shire of Wiluna Resident Population by Age Group

In 2016, the Shire of Wiluna's population on the night of the census was 742¹, this is a decrease from the 1,159² estimated population at the time of the 2011 census. Utilising the census date, the chart below reflects the percentage of the estimated resident population within each age grouping for the Shire of Wiluna (represented by the blue (2011) and red (2016) lines) and Western Australia (represented by the green (2011) and yellow (2016) dotted lines).



dotted lines).

In comparison to the Western Australia demographic (reflected by the dotted green and yellow lines), the Shire has a lower proportion of younger residents in the 0-24 age range. The number of people aged from 25 - 54 years is higher than the State average, mainly due to the high level of mining activity in the region and associated employment.

4.3 Vision

The Shire's strategic vision: *"One proud, inclusive sustainable community welcoming growth and opportunities".*

4.4 Strategic Objectives

The following key goals are captured in the Shire's Strategic Community Plan 2018-2028 and considered within the Strategic Resource Plan:

- **People:** An inclusive and healthy community, celebrating our rich cultural diversity and heritage;
- **Economic Development:** Strong, diverse and sustainable economy;
- **Environment:** Responsible management of our natural environment;
- **Infrastructure:** Safe, attractive and connected Wiluna; and
- **Leadership:** Deliver strong leadership and governance.

¹ Australian Bureau of Statistics Wiluna (S) (LGA59250) 2016 Census of Population

² Australian Bureau of Statistics Wiluna (S) (LGA59250) 2011 Census of Population

5.0 Key Current Information

5.1 Key Statistics: Shire of Wiluna 2016³

Number of Elected Members	7
Number of Employees	29
Number of Electors	284
Number of Dwellings	367
Distance from Perth (km)	966
Area (sq km) ²	181,297
Population (Est.) ⁴	747

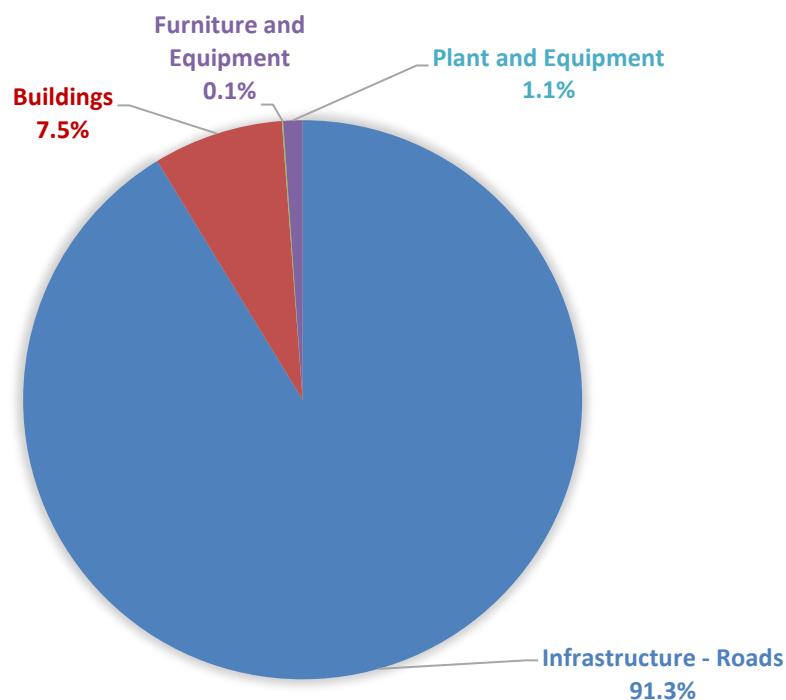
5.2 Key Financial Information 2016-17⁵

Rates Revenue	\$3,710,948
Fees and Charges	\$734,557
Operating Revenue	\$8,921,336
Operating Expenditure	\$7,476,531
Net Assets	\$197,087,409
Cash Backed Reserves	\$7,298,795
Long Term Borrowings	\$1,098,709

5.3 Key Asset Information

The Shire controls an asset network with a written down value of over \$197m, of which Roads constitute the largest component value as reflected in the chart below.

5.3.1 Asset Value by Class: Shire of Wiluna 2017



³ WALGA Online Local Government Director 2015/2016, Shire of Wiluna

⁴ Australian Bureau of Statistics Wiluna (S) (LGA59250)) 2016 Census of Population and Housing, viewed 4 October 2017

⁵ Shire of Wiluna, Annual Financial Report 2016-17

6.0 Strategic Planning and Policies

6.1 Linkage with Other Plans

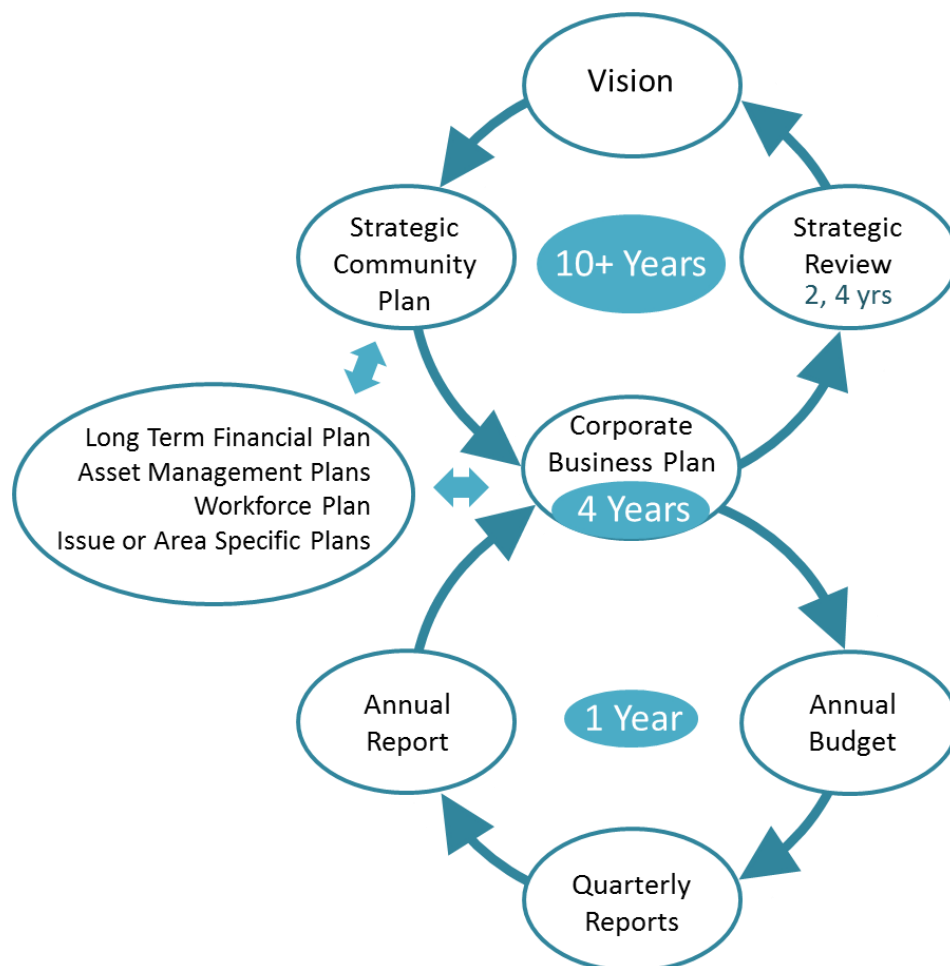
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other 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 of Local Government, Sport and Cultural Industries (the Department) Integrated Planning Framework and Guidelines.

6.2 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.

6.2.1 Diagram: Integrated Planning and Reporting Cycle⁶



⁶ Department of Local Government, Sport and Cultural Industries, Integrated Planning and Reporting: Framework and Guidelines, September 2016

6.0 Strategic Planning and Policies (Continued)

6.3 Strategic Community Plan

The Strategic Community Plan has been prepared to cover a minimum period of 15 years and set out the community's vision, aspirations and objectives for the district. To achieve the vision, a series of outcomes and strategies are developed. Many strategies may be required to achieve a single outcome and many outcomes needed to achieve a single objective.

Individual strategies all require actions involving extra human, physical and financial resources. In addition, achieving these strategies may require a series of actions over time as they may not be able to be achieved concurrently taking into account limited resources.

Achieving the Shire's strategic outcomes requires careful operational planning and prioritisation. This planning process is formalised as a Corporate Business Plan which operates on a rolling four-year basis.

6.4 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 long term financial 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.

6.5 Workforce and Other Strategic Plans

The Workforce Plan and other strategic plans, integrate with the Strategic Resource Plan through 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, but where resources are not included, the Plan identifies when the required resources may be available to inform future review activities in relation to these plans.

6.6 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.

An 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.

6.7 Asset Management Strategy

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.

6.8 Borrowing Policy

As part of its financial strategy, the Council intends to minimise the level of borrowings to provide the capacity to borrow in the event of an emergency or funding of last resort. No formal borrowing policy has been adopted by Council.

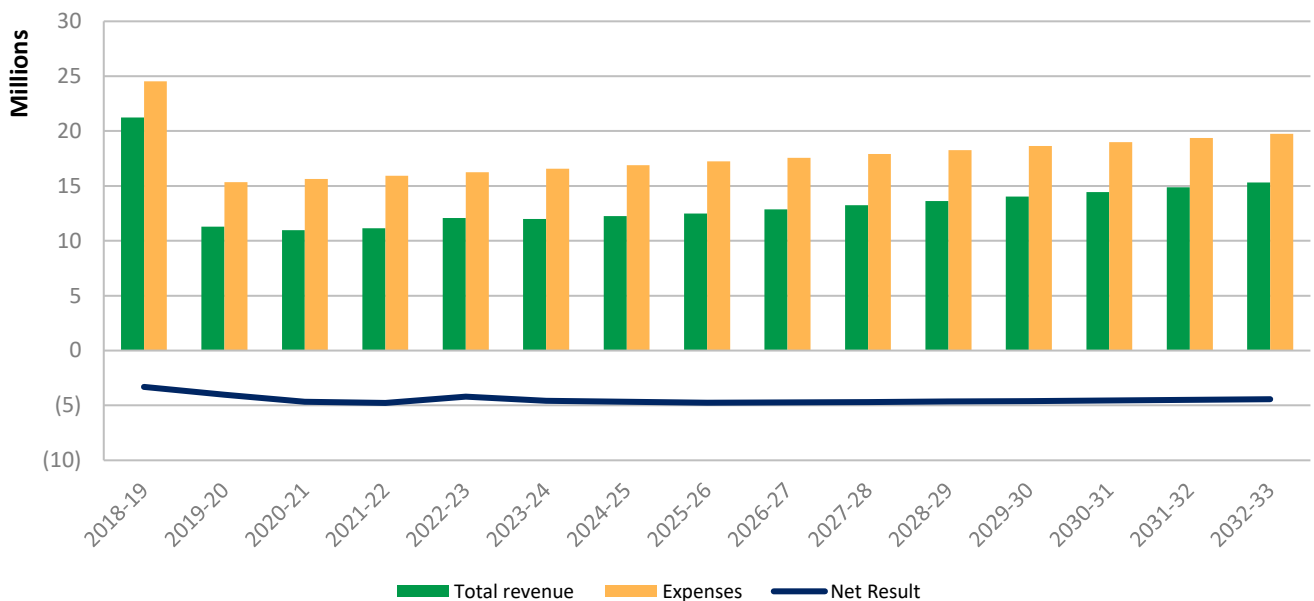
7.0 Operations Overview

7.1 Operations

The Shire is reliant on receiving more than \$59m over the next 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. A steady increase in operating revenue and expenditure is forecast over the 15 years of the Plan. Fluctuations to the level of non-operating grants and contributions received, produce changes to the net result.

The chart below shows the operating revenues and expenses over time, represented as columns and the net result (revenues less expenses excluding asset revaluation adjustments) as a line.

7.1.1 Forecast Revenue, Expenses and Net Result



7.2 Rates Revenue

Rate revenue is forecast to increase by 6.0% (CPI 2% + 4%) in the first year of the Plan and then by 4.0% (CPI 2% + 2%) for the remainder of the Plan. These increases are to assist in the long term financial stability of the Shire and to maintain the level of service to the community in the face of and increasing risk of reductions in external grants and contributions. Rates are expected to generate \$4.76m in 2018-19 increasing to \$9.06m in 2032-33.

7.3 Non-Operating Grants and Contributions

Non-operating grants and contributions are forecast to be high in the first two years of the Plan as specific projects are planned to be undertaken, before dropping to slightly over \$1.2m for the remainder of the Plan.

7.4 Operating Grants and Contributions

Operating grants, subsidies and contributions fluctuate between the base year and first year of the Plan due to the Federal Government paying half of the 2017/18 Financial Assistance Grant allocation to local governments in advance within the 2016/17 financial year, resulting in a low level of operating grants in 2017/18. Grants are expected to rise in line with inflation over the duration of the Plan.

7.0 Operations Overview (Continued)

7.5 Workforce Planning

The Shire employs 20⁷ full time equivalent employees to deliver a range of services to the community and maintain assets.

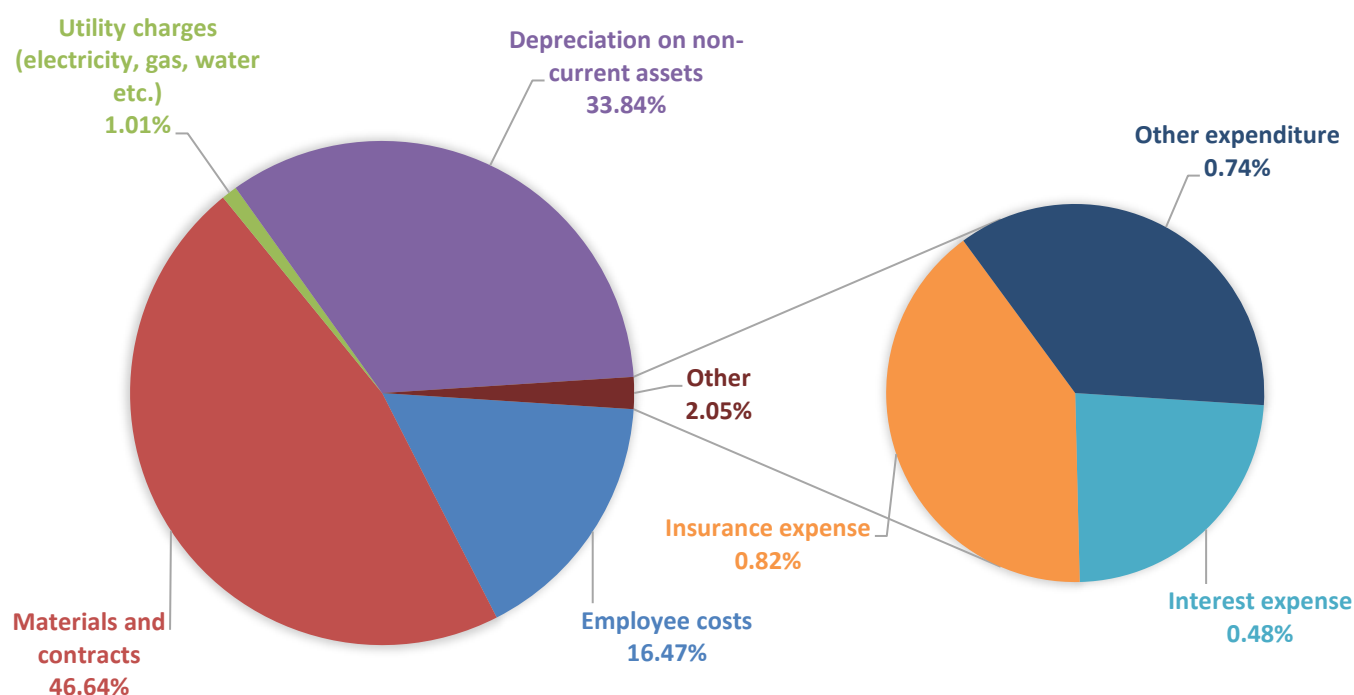
The Shire's Workforce Plan has been considered in the development of this Strategic Resource Plan. No financial impacts are expected from the Workforce Plan, with employee costs forecast to rise in line with CPI at 2%.

Council encourages a work life balance, multi skilling, flexibility and effective application of staff capability.

7.6 Operating Expenditure

Over the term of the Plan, the operating expenditure components are forecast to remain relatively stable. Materials and contracts and depreciation remain the dominant operating expenditure components as reflected in the chart below.

7.6.1 Composition of Forecast Operating Expenditure 2018-19 (Total Operating Expenditure \$24.5m)



7.7 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.

⁷ Shire of Wiluna Annual Financial Statements 2016-17

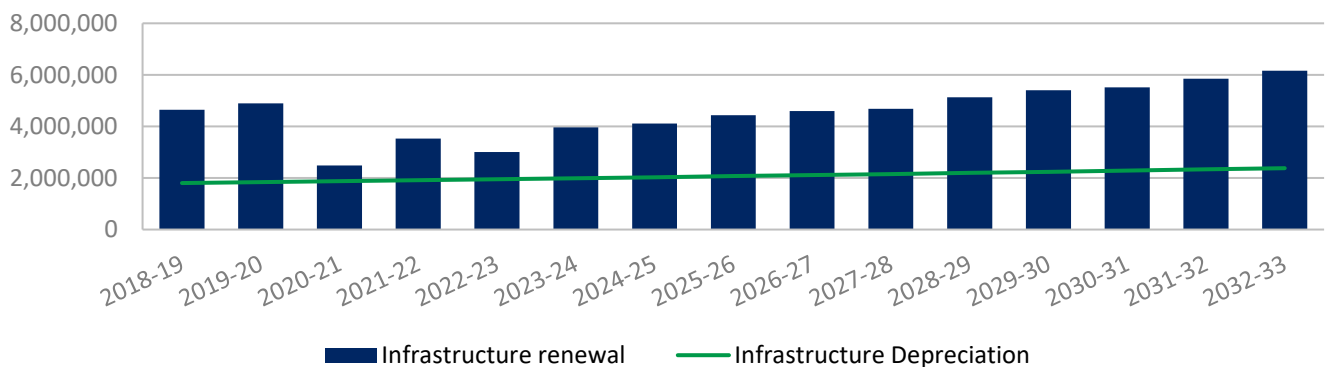
7.0 Operations Overview (Continued)

7.8 Depreciation Expense

Depreciation expense increase throughout the Plan from \$3.3m in year 1 to \$4.3m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$45.5m, shown by the green line in the chart below. The planned level of infrastructure asset renewal expenditure at \$68.4m (reflected by the blue columns) is above the estimated infrastructure depreciation for all years, as shown in the chart below.

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 assets at a higher level than they are depreciating over the term of the Plan in order to provide an improved service to the community. A portion of this renewal spend may be reclassified as upgrade expenditure when the associated detailed planning is undertaken in the future.

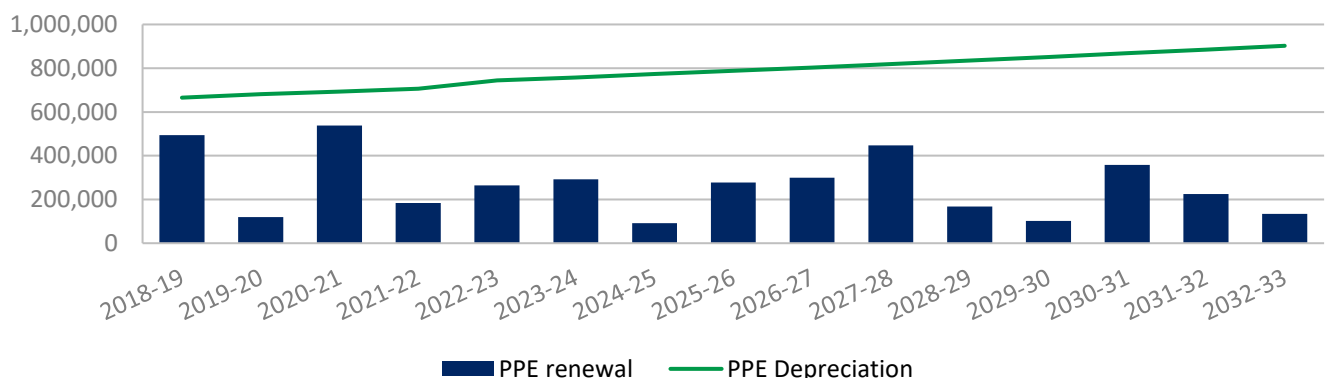
7.8.1 Infrastructure Depreciation Expense -V- Asset Renewal Expenditure



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

Planned property, plant and equipment asset renewals of \$4m (reflected by the blue columns) over the 15 years is below depreciation expense of \$11.7m (reflected by the green line) over the same period as shown in the chart below.

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



The long lived nature of buildings and the recent renewal of a significant number of buildings in the townsites results in the future renewal expenditure falling outside of the term of the Plan whilst depreciation expense is incurred throughout the term of the Plan. Where the planned asset renewals are greater than depreciation, the written down value of these assets will increase over time as existing assets are renewed. Revaluation of assets in line with inflation will compound this increase and may mask a real decrease in value where planned asset renewals are lower than depreciation.

8.0 Capital Overview

8.1 Community Demand

User demand for community buildings changes over time due to changing community interests and lifestyle.

Community demand for upgrade of parks and recreation facilities and maintaining the town landscaping were identified within the Strategic Community Plan and have been included within the Plan.

8.2 Upgrade/New Expenditure

Upgrades to buildings and 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 in the year the project occurs.

8.2.1 New Capital Projects

Asset Class Project	2018-19 \$	2020-21 \$	2022-23 \$	2023-24 \$	2024-25 \$
Buildings					
Industrial Units			1,200,000		
Furniture and Equipment					
Community Resource Centre (CRC)				200,000	
Infrastructure - Other					
Anti-social behaviour & sense of community	100,000				
Facility Renovations/Upgrade					300,000
Local Meeting Places		250,000			
Water Source (Wiluna)	200,000				
Community Art		100,000			
Banner Poles				20,000	
Picnic Spot/Shade Area/Water/Dump Point		50,000			
Parks & Gardens (Green Space)		150,000			
Amphitheatre	100,000				
Grand Total	400,000	550,000	1,200,000	220,000	300,000

8.3 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.

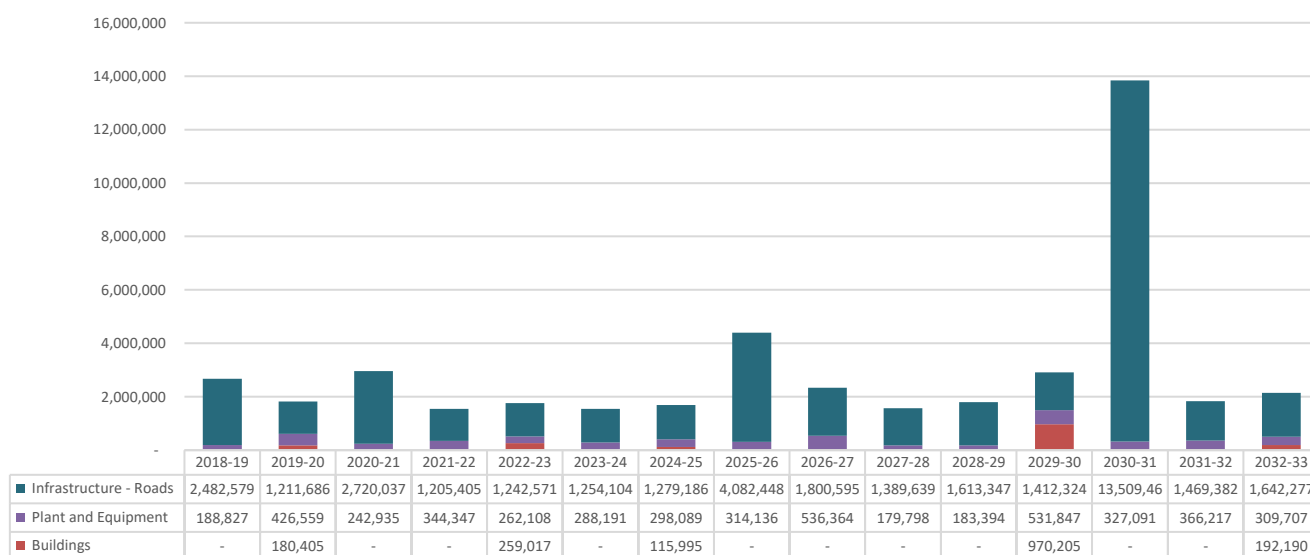
Level of service measures are defined for most asset classes within Appendix A.

8.0 Capital Overview (Continued)

8.4 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.

8.4.1 Required Asset Renewal Expenditure by Asset Class



8.4.2 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.

8.4.3 Planned Asset Renewal Expenditure by Asset Class



As with the required forecast asset renewals, roads dominate the planned asset renewals expenditure.

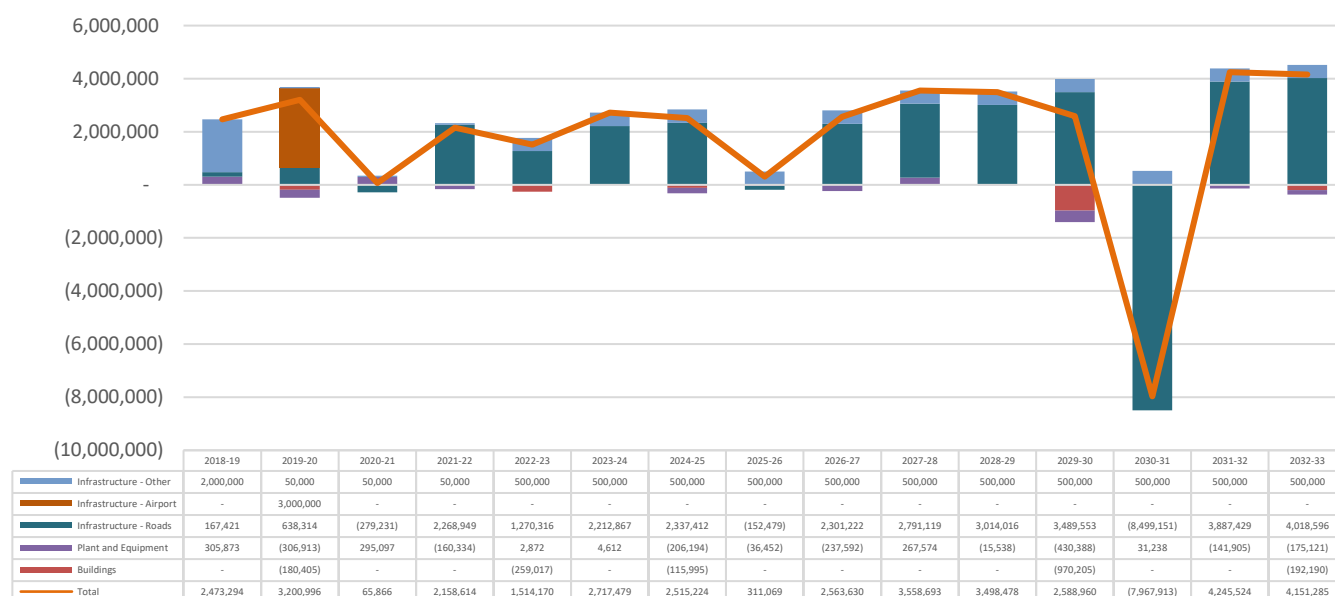
8.0 Capital Overview (Continued)

8.4.4 Asset Renewal Funding Surplus/(Deficit)

The Shire is planning for renewal of all assets at the end of their useful life. The annual budget cycle and resource limitations result in differences between the planned and required renewal expenditure, referred to as an asset Renewal Funding Surplus/(Deficit). The surplus or (deficit) for each asset class is shown by the columns in the chart below with the orange line reflecting the net asset renewal funding surplus/(deficit) for each year.

The chart below reflects the asset renewal funding surplus/(deficit) varies throughout the term of the Plan and the overall surplus of \$55.2m. Improvements in the estimation of the required asset renewals may significantly impact the level of this surplus.

8.4.5 Asset Renewal Funding Surplus/(Deficit)



As future detailed works planning is undertaken based on improved asset information and confirmed revenue forecasts, surplus planned asset renewals will be changed into asset upgrades in an effort to improve the overall level of service of assets.

9.0 Forecast Capital Projects

9.1 Key Asset Renewal Timeline

Renewal of road infrastructure represents the bulk of the planned asset renewals.

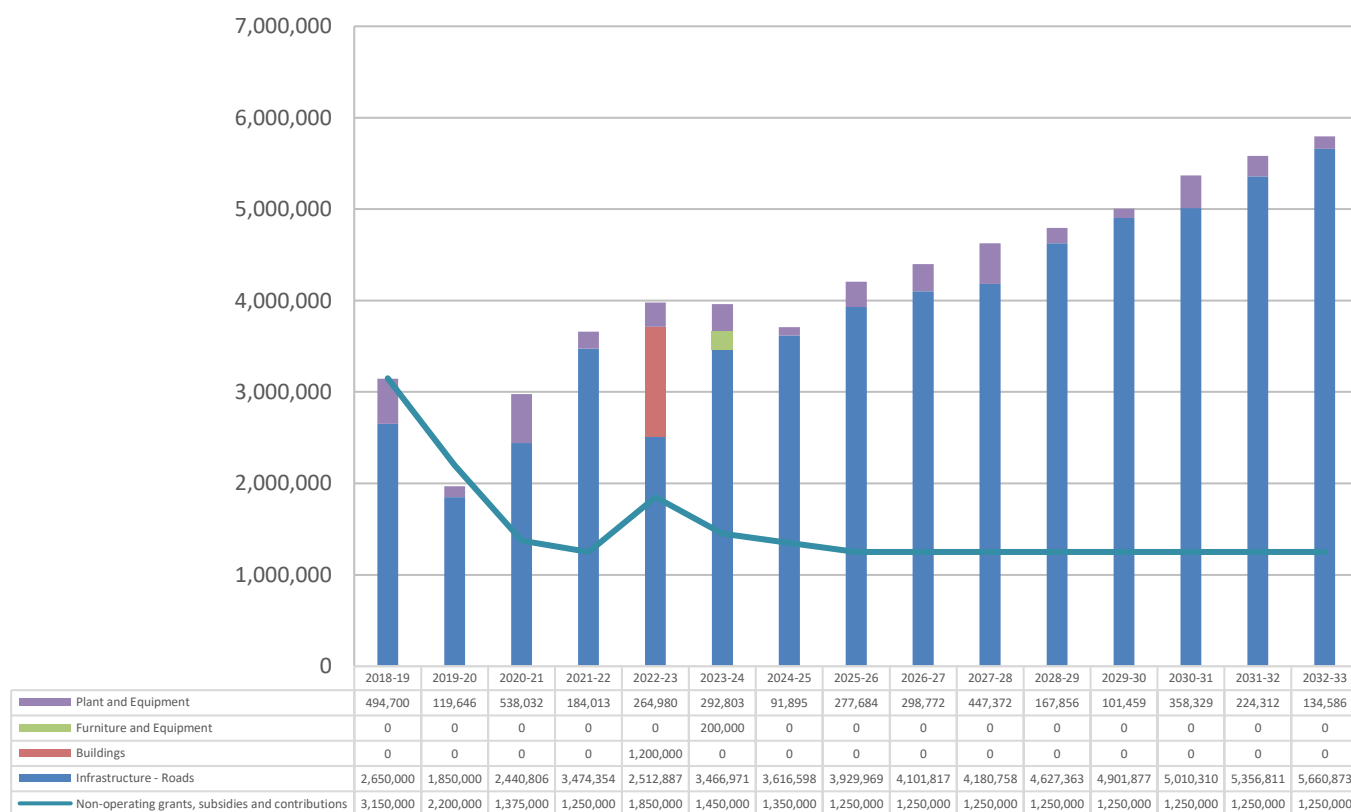
Planned asset expenditure (by asset class) is reflected in the chart below, with the level of capital grants reflected by the blue line.

The following major projects are forecast to occur in the Plan:

- Road Renewals;
- Building Renewals;
- Caravan Park;
- Industrial Units; and
- Runway Renewal.

Combined new and renewal asset expenditure of \$75m has been planned. New asset expenditure comprises \$2.6m of the total asset expenditure and asset renewal expenditure of \$72.5m. Total asset expenditure by class is reflected in the chart below by the columns with the level of non-operating grants shown by the blue line.

9.1.1 Total Planned Asset Expenditure by Asset Class



9.0 Forecast Capital Projects (Continued)

9.2 Planned Capital Expenditure

The table below sets out the total value of planned capital expenditure, detailed by project:

Asset Class	Project	Total Expenditure (2018-2033) \$
Buildings		
	Industrial Units	1,200,000
Furniture and Equipment		
	Community Resource Centre (CRC)	200,000
Plant and Equipment		
	Plant Replacement	3,996,439
Infrastructure - Roads		
	Road Renewals	56,581,394
	Main Street / Streetscape	1,200,000
Infrastructure - Other		
	Caravan Park	2,000,000
	Other Infrastructure Renewals	5,650,000
	Anti Social Behaviour & Sense of Community	100,000
	Facility Renovations/Upgrade	300,000
	Local Meeting Places	250,000
	Water Source (Wiluna)	200,000
	Community Art	100,000
	Banner Poles	20,000
	Picnic Spot/Shade Area/Water/Dump Point	50,000
	Parks, Gardens (Green Space)	150,000
	Amphitheatre	100,000
Infrastructure - Airport		
	Runway Renewal	2,500,000
	Terminal Renewal	500,000
Grand Total		75,097,833

10.0 Financing Overview

In general, the finances of the Shire are expected to remain stable over the term as represented in the graph below.

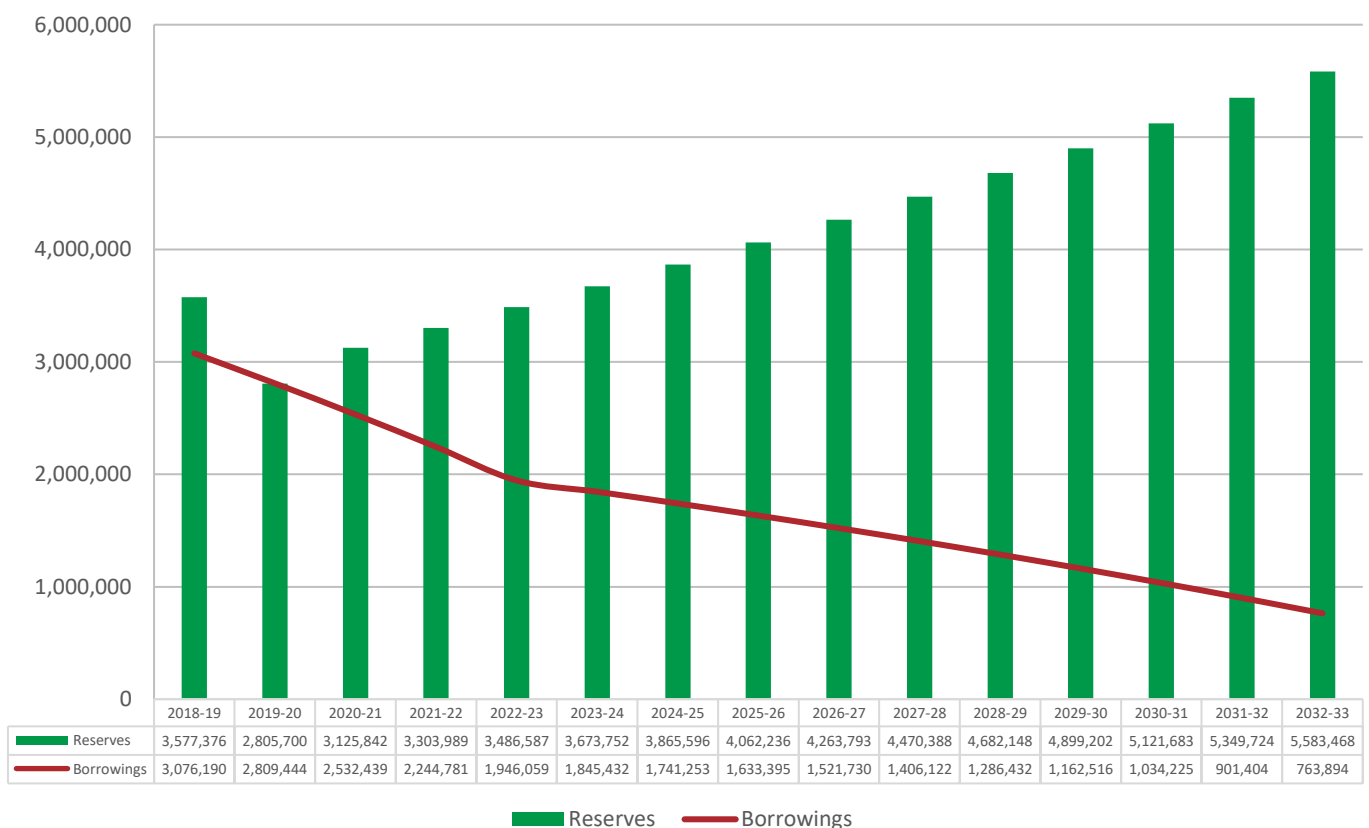
10.1 Borrowings

No new borrowings are forecast in this Plan, with the principal outstanding on borrowings reducing over the life of the Plan. This provides the Shire with increasing capacity to borrow in reaction to unplanned events or urgent issues over the life of the Plan.

10.2 Cash Reserves

The balance of cash reserves is forecast to fluctuate over the initial three years of the Plan as funds are used to renew assets and thereafter generally trend upwards in line with inflation.

10.2.1 Forecast Borrowings and Cash Reserves



11.0 Scenario Modelling

11.1 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.

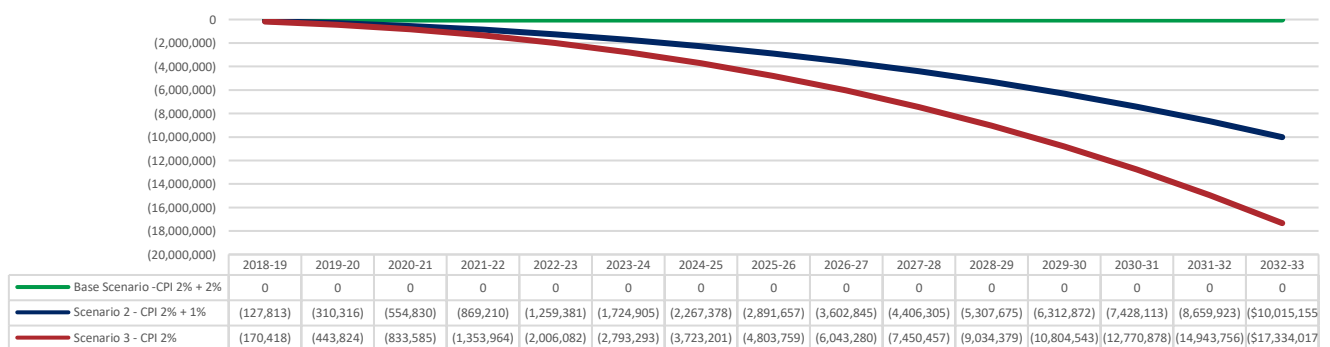
To ascertain the effect of reduced funding levels, a base scenario was developed with a rate yield increase of 6% (inflation of 2% plus 4%) in year 1 and 4% (inflation of 2% plus 2%) above inflation for the remainder of the Plan. Two alternative scenarios were also developed from this base, in scenario two calculations reflect an increase of 1% above inflation for the term of the Plan and for scenario three the rates yield increase is in line with inflation for the term of the Plan.

All other assumptions remained the same across the three scenarios.

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

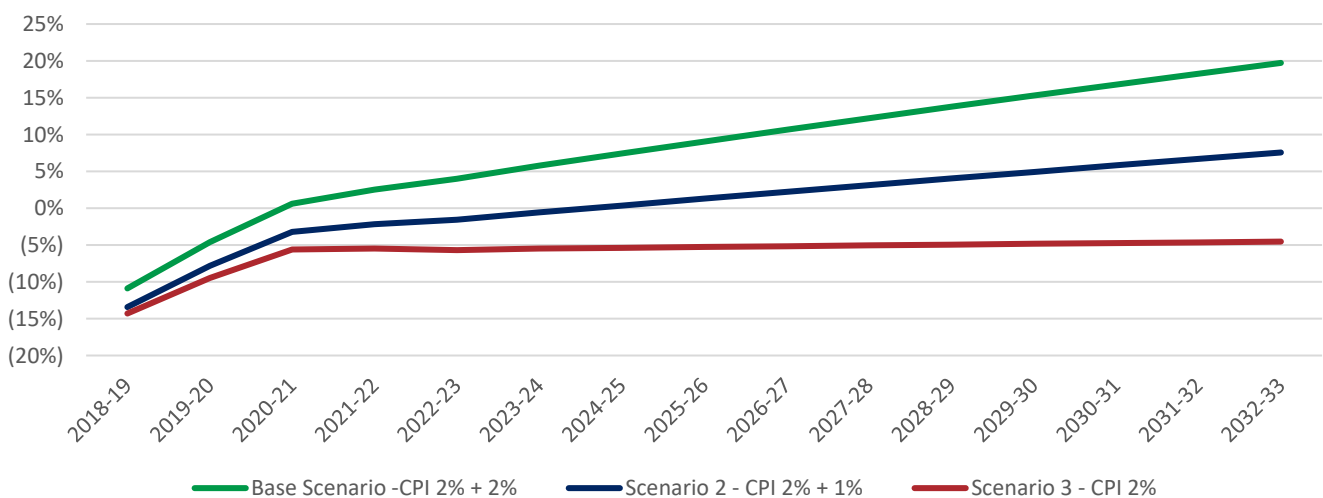
The charts below reflect the impact of a change in total rates yield on the estimated surplus (deficit) at June 30 from the base scenario (other assumptions remaining the same).

11.2 Estimated Surplus (Deficit) June 30 Carried Forward



The chart below reflects 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 achieved an improvement in the operating surplus ratio toward the target ratios levels set out in the Department's published Advisory Standard.

11.2.1 Scenario Comparison – Operating Surplus Ratio



12.0 Risk Management

12.1 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.

12.2 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.

12.3 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.

13.0 Assumptions, Risks, Uncertainties and Sensitivity

13.1 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.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Rates Level Increase: Annual rates have been based on an increase in the total rate yield of 4% higher than forecast inflation rate of 2% in year 1 and 2% above inflation for the remainder of the plan.	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.	Medium	± \$123,625 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.	Medium	± \$226,250 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 of 2% are based on inflation. This level will be reviewed annually.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Interest Earnings: Interest earnings have been aligned with historical levels including an average rate of 2.5% per annum on year end balances.	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.

13.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

13.2 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 2% based on forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Materials and Contracts: Increased annually by 2% based on forecast inflation.	High	The road preservation program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	Medium	± \$431,567 to the value of materials and contracts per 1% movement in the value over the life of the Plan.
Utilities: Increased annually by 2% based on forecast inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Depreciation: Depreciation has been calculated using an average depreciation rate based on estimated useful life of 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: There is no other expenditure forecast.	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.

13.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

13.3 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	±\$231,159 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$1,511,648 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	±\$226,250 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.

13.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

13.4 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.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Employee Entitlements: It has been assumed the Shire will be in a position to meet its obligations in relation to employee entitlements.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

13.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

13.5 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	±\$231,159 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$1,511,648 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

13.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

13.6 Other – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Ownership of Strategic Assets: The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
Inflators: Forecast inflation at 2% per annum.	Medium	Not assessed as high financial risk.	High	± \$1,792,217 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$1,679,119 to operating expenditure per 1% movement in the inflators over the life of the Plan.
Commercial Activities: The Shire has no plans to undertake a significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
General Economic Forecasts for State: The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to decline in the short term with a corresponding tightening of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for Region: Historically, the region's economy is heavily dependent on mining and pastoral enterprises and this remains the assumption for the term of this Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

14.0 Monitoring and Performance

14.1 Monitoring

The Plan will be the subject of a desktop review each year to take into account 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.

14.2 Performance Assessment

A series of performance indicators, in the form of financial ratios, 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*.

Graphs of these financial ratios are presented on the following pages together with the formula used to calculate the ratio, a brief description of what the ratio indicates and an assessment of the impact of the ratio on the Shire's finances in the future.

14.3 Ratio Targets

The Department's Advisory Standard provides target levels for each of the ratios. These target levels are represented on the ratio graphs as a red or green line. The red line represents the level at which a 'basic standard' is met, the green line representing the level at which an 'advanced standard' is met.

14.0 Monitoring and Performance (Continued)

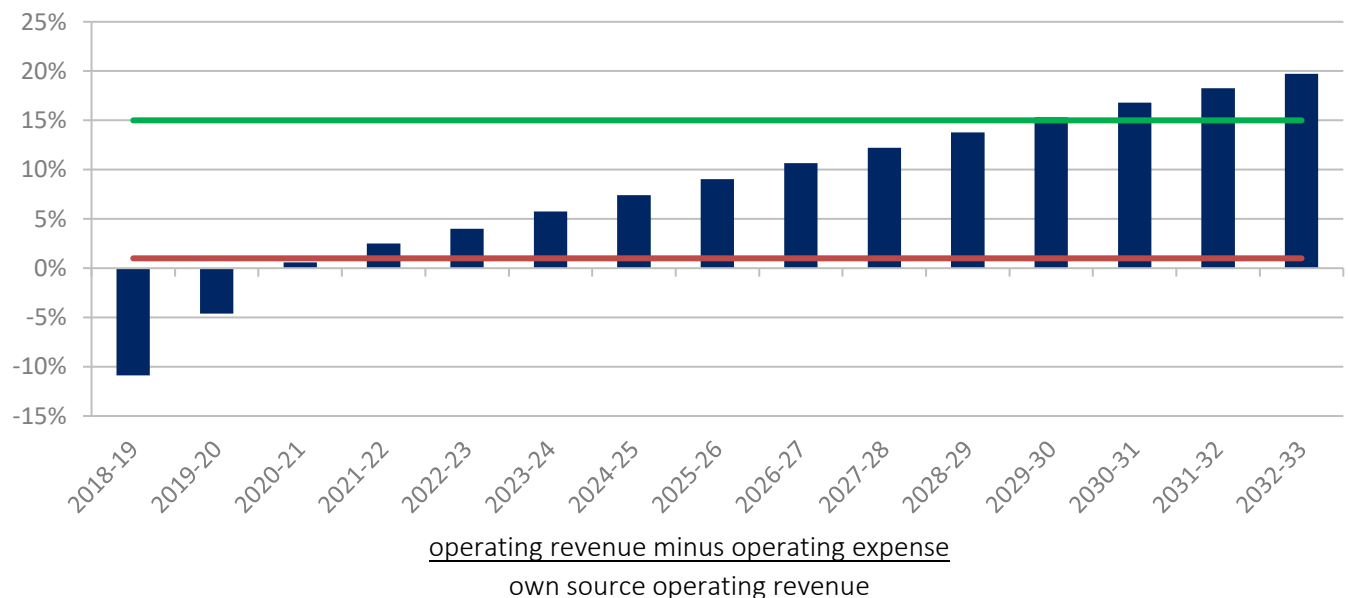
14.4 Forecast Ratio Analysis – Current Ratio



Indication: A measure of the Shire’s immediate liquidity and the capacity to meet short term financial obligations from unrestricted current assets.

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

14.5 Forecast Ratio Analysis – Operating Surplus Ratio

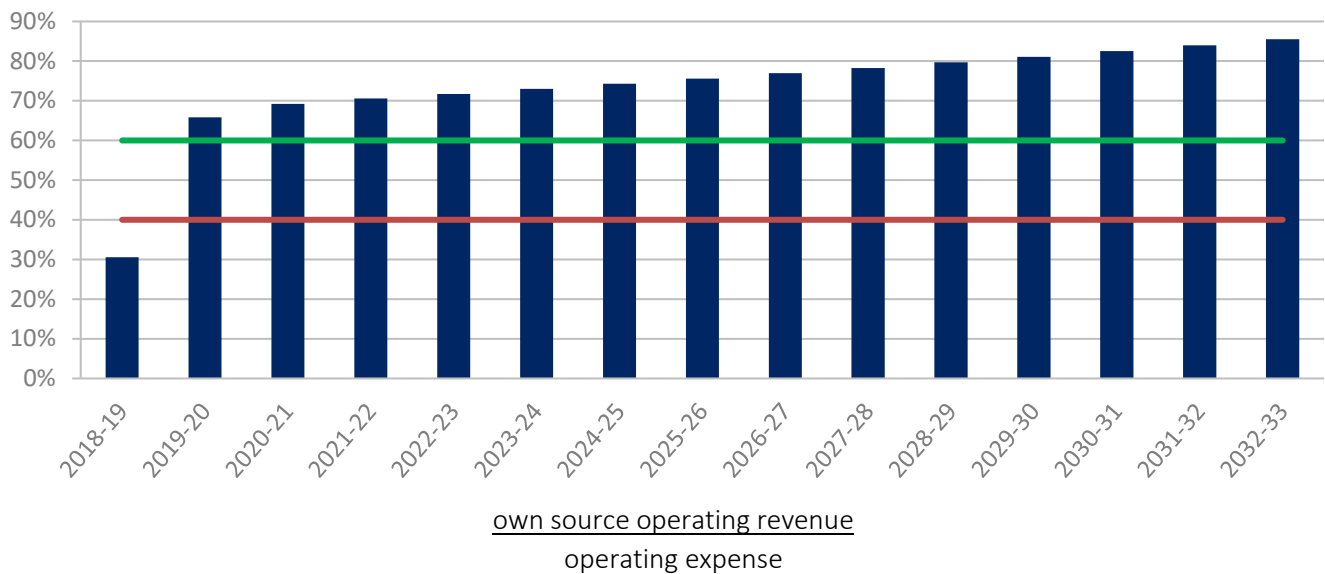


Indication: A measure of the extent to which own source revenues raised cover operational expenses.

Commentary: While the ratio is below the target for the initial years, the ratio is improving over the term of the Plan, indicating an increased capacity to renew assets into the future with forecast operating revenues increasing at a greater rate than forecast operating expenditure.

14.0 Monitoring and Performance (Continued)

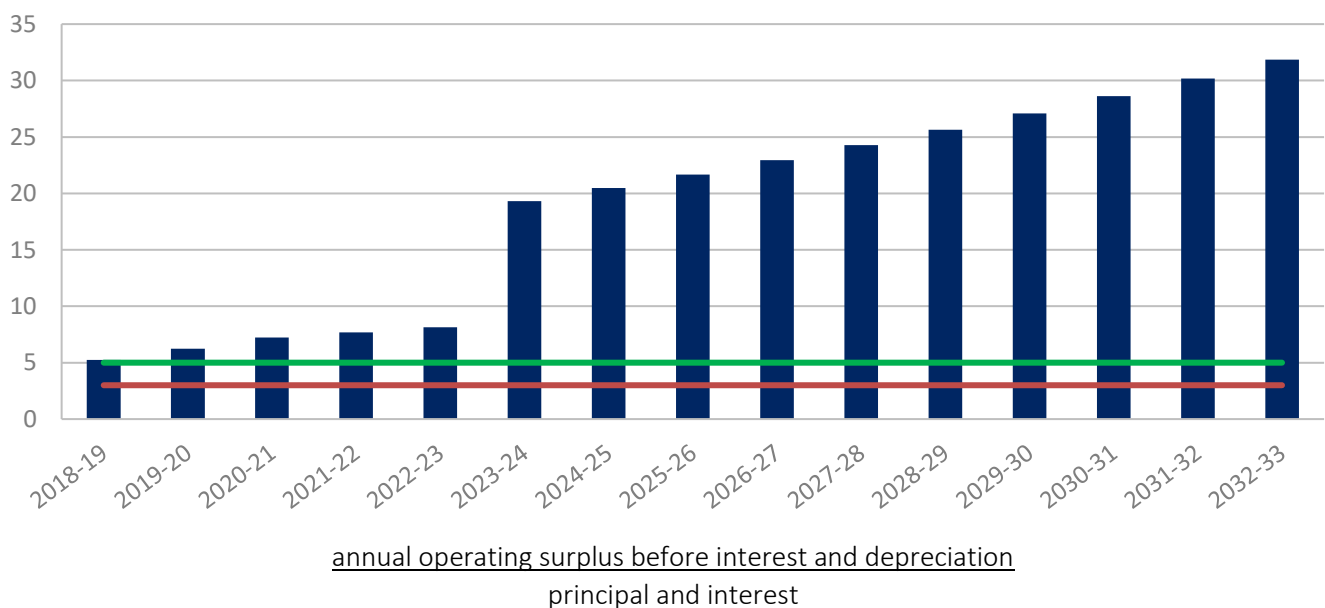
14.6 Forecast Ratio Analysis – Own Source Revenue Coverage Ratio



Indication: A measure of the extent of the Shire’s ability to cover costs using only discretionary revenue.

Commentary: The ratio is above the target range, indicating the Shire is not overly reliant on external funding to continue to operate.

14.7 Forecast Ratio Analysis – Debt Service Coverage Ratio

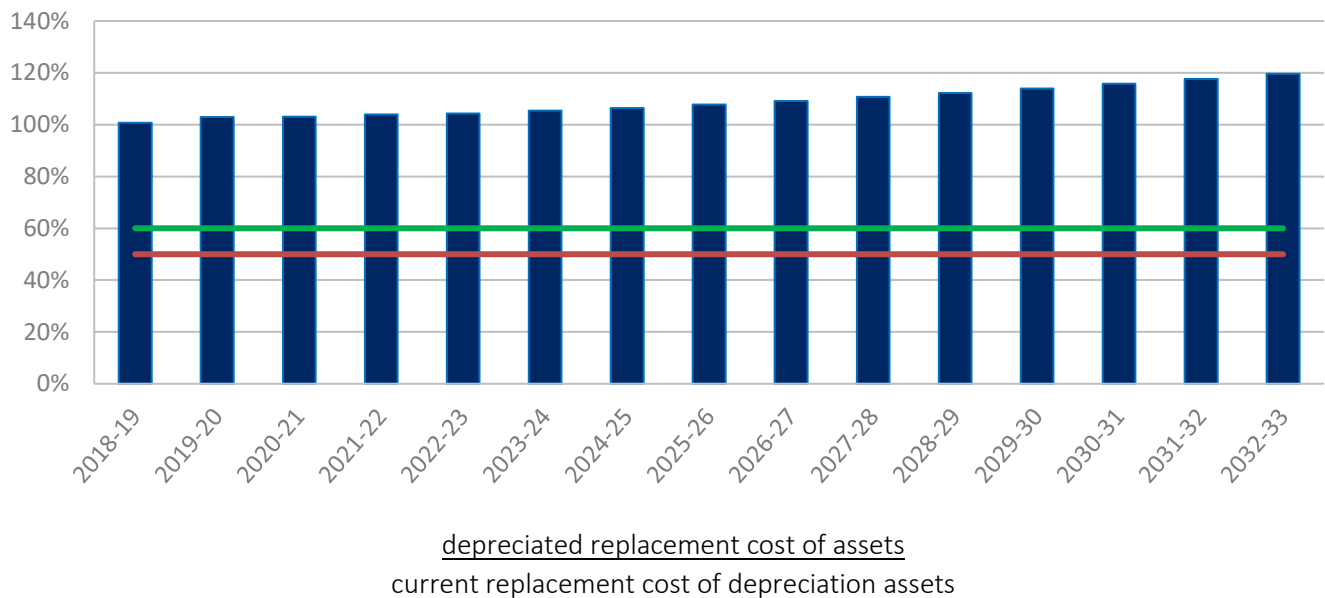


Indication: A measure of the extent of the Shire’s capacity to generate sufficient cash to cover debt payments.

Commentary: The ratio is in the advanced range and continues to improve over time as existing borrowings are paid off. The ratio indicates the Shire has a capacity to borrow in the short term with increasing capacity for the term of the Plan.

14.0 Monitoring and Performance (Continued)

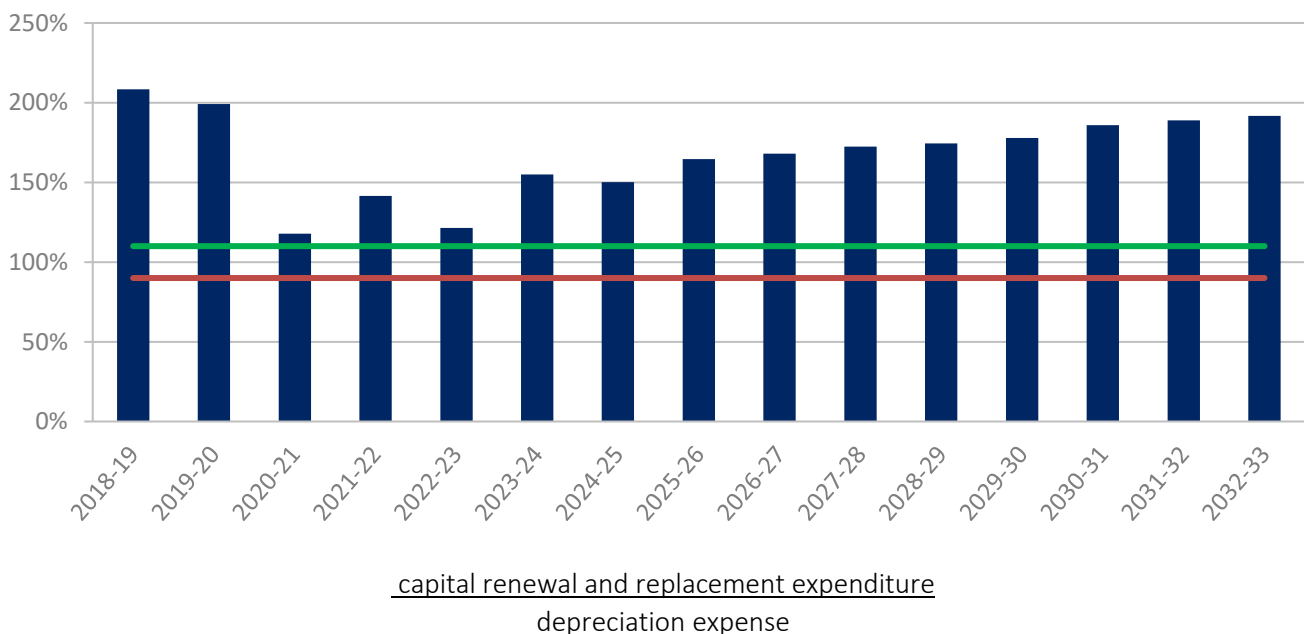
14.8 Forecast Ratio Analysis – Asset Consumption Ratio



Indication: A measure of the aged condition of the Shire’s physical assets.

Commentary: The 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.

14.9 Forecast Ratio Analysis –Asset Sustainability Ratio

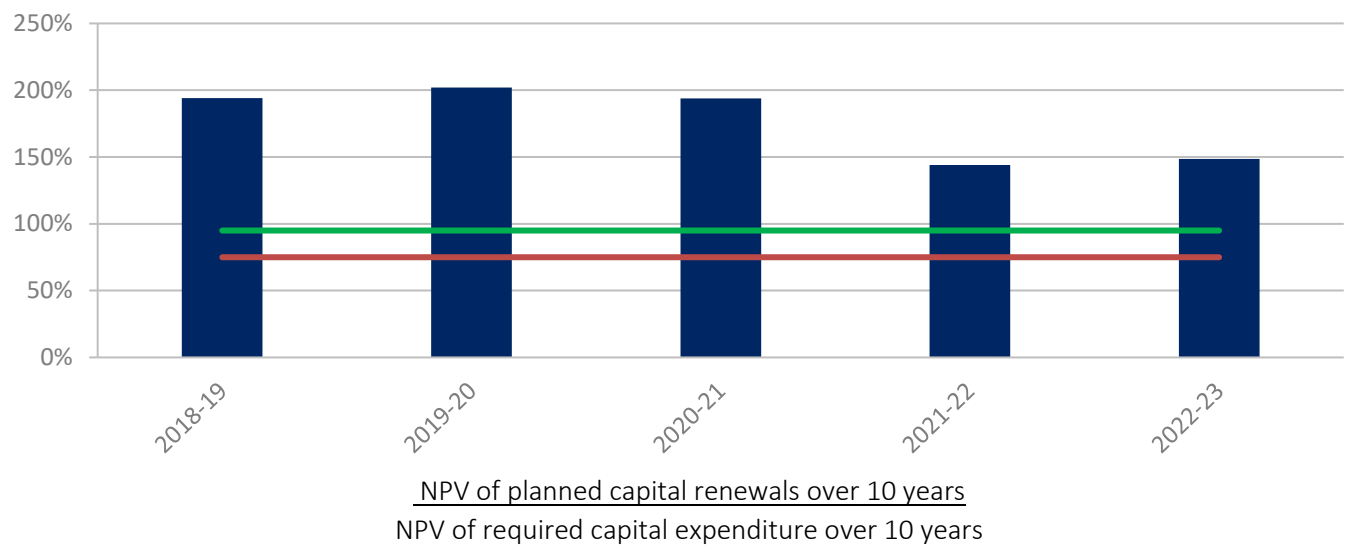


Indication: A measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives.

Commentary: The ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio averages at 167.82% over the term of the Plan which is above the guideline level of 90%.

14.0 Monitoring and Performance (Continued)

14.10 Forecast Ratio Analysis – Asset Renewal Funding Ratio



Indication: 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).

Commentary: The ratio is above the target ratio with planned asset renewal expenditure being above required asset renewal expenditure as set out in this Plan. Further improvements in forecasting the remaining useful lives of assets may result in a decrease in this ratio.

15.0 Improvement Plan

15.1 Strategic Resource Improvement Plan

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

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

Level of Service: Level of service measures are defined within this Plan. No systems are currently in place to record and report against these levels of service.

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

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

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

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

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

- Undertake routine condition inspections.
- 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.
- Maintain formal asset maintenance and renewal programs for all assets.

List of Appendices

Appendix A1 – Critical Assets	2
Appendix A2 – Infrastructure - Roads	3
Appendix A3 – Buildings.....	10
Appendix A4 – Plant and Equipment.....	15
Appendix A5 –Infrastructure - Other	18
Appendix A6 – Infrastructure - Airport.....	21
Appendix A7 – Estimated Asset Life and Residual Value	23
Appendix B1 – Forecast Financial Statements	25
Appendix B2 – Forecast Statement of Comprehensive Income by Nature or Type 2018-2033.....	27
Appendix B3 – Forecast Statement of Comprehensive Income by Program 2018-2033	28
Appendix B4 – Forecast Statement of Financial Position 2018-2033.....	29
Appendix B5 – Forecast Statement of Changes in Equity 2018-2033	30
Appendix B6 – Forecast Statement of Cashflows 2018-2033	31
Appendix B7 – Forecast Statement of Funding 2018-2033.....	32
Appendix B8 – Forecast Statement of Net Current Asset Composition 2018-2033.....	33
Appendix B9 – Forecast Statement of Fixed Asset Movements 2018-2033	34
Appendix B10 – Forecast Statement of Capital Funding 2018-2033.....	35
Appendix B11 – Forecast Ratios 2018-2033.....	36
Appendix B12 – Required Asset Renewals 2018-2033.....	37
Appendix B13 – Planned Asset Renewals 2018-2033	38
Appendix B14 –Asset Renewal Funding Surplus (Deficit) 2018-2033.....	39
Appendix B15 – Forecast Significant Accounting Policies	40
Appendix C1 – Glossary.....	47

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 (\$)
Administration Building (Former Wiluna Club Hotel)	7,700,000
Depot	1,090,000
Total	16,730,000

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 – Infrastructure - Roads

2.1 Significant Matters

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

Whilst renewal of road assets is planned based on road condition the impact of flooding may impact on both the timing and extent of unsealed road renewals.

2.2 Road Inventory

The Shire of Wiluna has a road network servicing an area of 181,297.3¹ square kilometres.

Road assets within this Plan include the components detailed in the table below.

Road asset information is recorded within a road inventory database. In December 2017, a road infrastructure condition report and valuation was undertaken by an external consultant which 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)	Area (m ²)	Current Replacement Cost (\$)
Culverts	403.7	6.7	107,511
Floodways	21,325.0	213,250.0	2,456,933
Footpath	6,277.0	112,42.6	617,050
Formed Subgrade	1,630,787.0	13,439,296.0	35,392,386
Sealed Pavement	27,878.0	229,933.2	3,358,174
Seals	27,878.0	187,719.2	1,144,149
Signs			105,600
Stock Grids			1,300,000
Unformed Subgrade	552,850.0	2,948,777.0	1,695,547
Unsealed Pavement	848,982.0	6,432,265.8	28,109,002
Total	3,116,380.7	23,462,490.57	74,286,352

¹ Australian Bureau of Statistics Wiluna (S) (LGA59250) 2016 Census of Population and Housing, viewed 4 October 2017

Appendix A2 – Roads (Continued)

2.3 Financial Summary

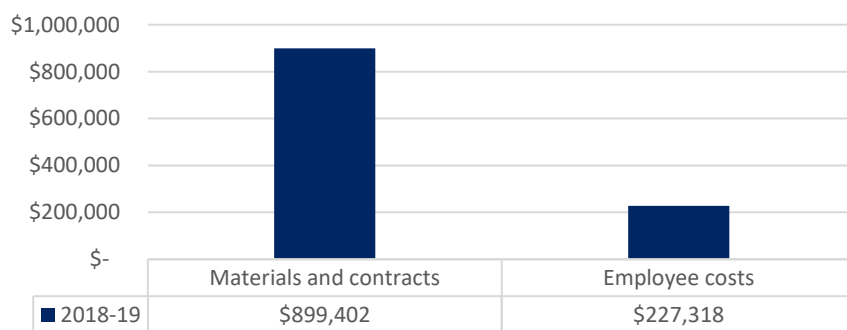
Financial impacts of managing the Shire road assets are broken down into maintenance, new and renewal expenditure, each of which is examined separately as follows.

2.3.1 Maintenance Expenditure

Routine maintenance expenditure is currently forecast based on historical data and staff experience. It is currently estimated at \$1.3m per annum and is comprised of a number of expenditure items as reflected in the charts below.

2.3.2 Composition of Budgeted Road Maintenance Expenditure

Road maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2018-19:



Road maintenance expenditure is primarily related to the grading of unsealed roads and associated drainage clearing within the district. Trimming of roadside vegetation is another routine road maintenance operation 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.

2.3.3 New Expenditure

Upgrades to existing road infrastructure is not currently planned and no significant increase in community demand is forecast to occur. Road safety related projects will be prioritised where issues are identified. External grant funding would be essential to achieve any upgrades.

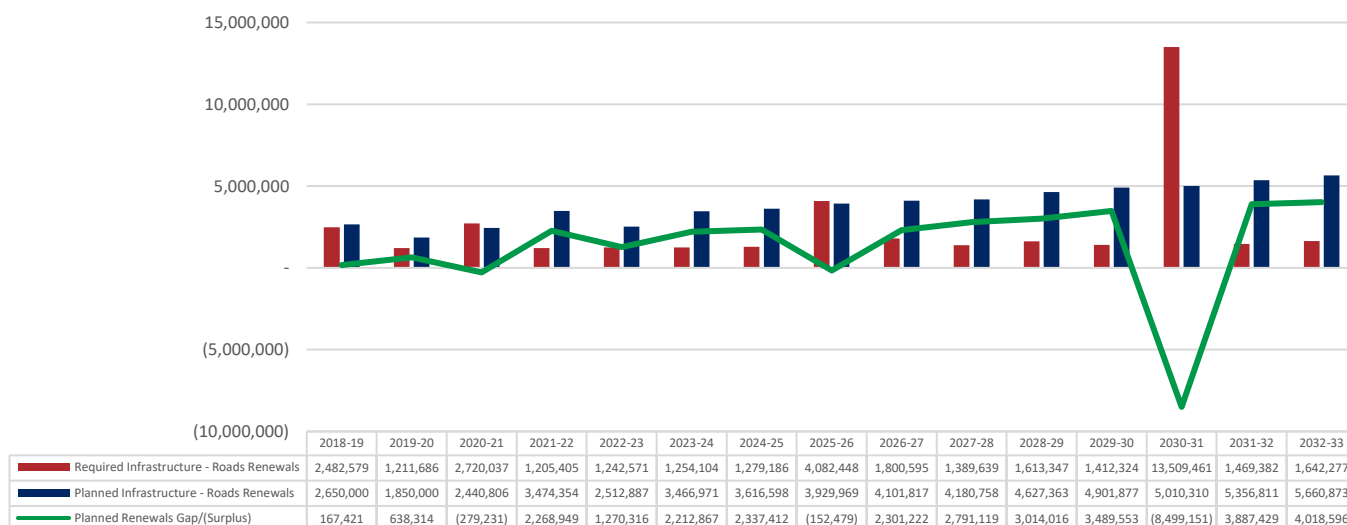
2.3.4 Renewal Expenditure

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 on the following page, planned road expenditure is shown as blue columns, with required road renewals as the red columns. The green line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$57.8m. Required road renewal is calculated at \$38.3m for the term, overall there is a \$19.5m renewal surplus for the Shire's road assets.

Appendix A2 – Roads (Continued)

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 such as occurs in 2030-31.

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 regional 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 \$
2018-19	2,482,579	2,650,000	167,421
2019-20	1,211,686	1,850,000	638,314
2020-21	2,720,037	2,440,806	(279,231)
2021-22	1,205,405	3,474,354	2,268,949
2022-23	1,242,571	2,512,887	1,270,316
2023-24	1,254,104	3,466,971	2,212,867
2024-25	1,279,186	3,616,598	2,337,412
2025-26	4,082,448	3,929,969	(152,479)
2026-27	1,800,595	4,101,817	2,301,222
2027-28	1,389,639	4,180,758	2,791,119
2028-29	1,613,347	4,627,363	3,014,016
2029-30	1,412,324	4,901,877	3,489,553
2030-31	13,509,461	5,010,310	(8,499,151)
2031-32	1,469,382	5,356,811	3,887,429
2032-33	1,642,277	5,660,873	4,018,596
Total	38,315,041	57,781,394	19,466,353

Appendix A2 – Roads (Continued)

2.4 Level of Service

Level of service measures have not been routinely recorded or reported on in the past. Detailed performance measures and performance targets for road construction and maintenance have been developed 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.

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	One complaint 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.
Bitumen Road Construction			
Condition	Bitumen roads are constructed to a high standard.	Customer complaints.	One complaint 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.	One complaint per road per year.
		Routine road inspection.	Two per year with managers.
Function	To ensure that all gravel roads are maintained in order to provide a useable and safe transport network for users in all weather conditions.	Customer complaints.	One complaint per road per year.
Function	To ensure that any maintenance issues that arise are dealt with promptly.	Within 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			
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.	One complaint 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.	One complaint per road per year.
Function	To ensure that any maintenance issues that arise are dealt with promptly.	Within 2 working days of notification.	95% addressed.
Safety	To provide a 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)

2.6 Road Maintenance (continued)

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Footpath Maintenance			
Condition	Footpaths are maintained to a reasonable standard and on a regular basis.	Customer complaints.	One complaint per year.
		Routine footpath inspection.	Two per year with managers.
Function	To ensure that all footpaths are maintained in order to provide a useable and safe footpaths network for users.	Customer complaints.	One complaint 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 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.

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.

Appendix A2 – Roads (Continued)

2.7 Risk Management (continued)

Risk	Consequence	Risk Rating	Risk Treatment
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 – Buildings

3.1 Significant Matters

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

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

3.2 Inventory

Land and buildings were valued by independent professional valuers in 2014, based on an inspection undertaken. The replacement costs of the various types of buildings contained within the valuation report is presented in the chart. A building inventory is maintained within the Shire's financial management system.

In recent years a number of significant changes have occurred to the Shire's building inventory with the acquisition of an historic building (Wiluna Club Hotel) and renovation of this building into a new Shire Administration Centre and renovation of the former hospital complex.

3.2.1 Composition of Estimated Current Replacement Cost of Building Assets

Buildings	Current Replacement Cost (\$)
Accommodation	1,490,000
Administration Complex	2,540,000
Airport	140,000
Amenities Blocks	545,000
Art Gallery	1,800,000
Community Facilities	44,000
Heritage Buildings	979,000
Hotel	6,500,000
Housing	8,572,000
Sporting Facilities	5,010,000
Wiluna Fire Station	170,000
Works Depot	550,000
Buildings Total	28,340,000

3.2.2 Composition of Fair Value of Land Assets

Land	Fair Value (\$)
Golf Course & Race Course	15,000
Vacant Land	75,000
Buildings Total	90,000

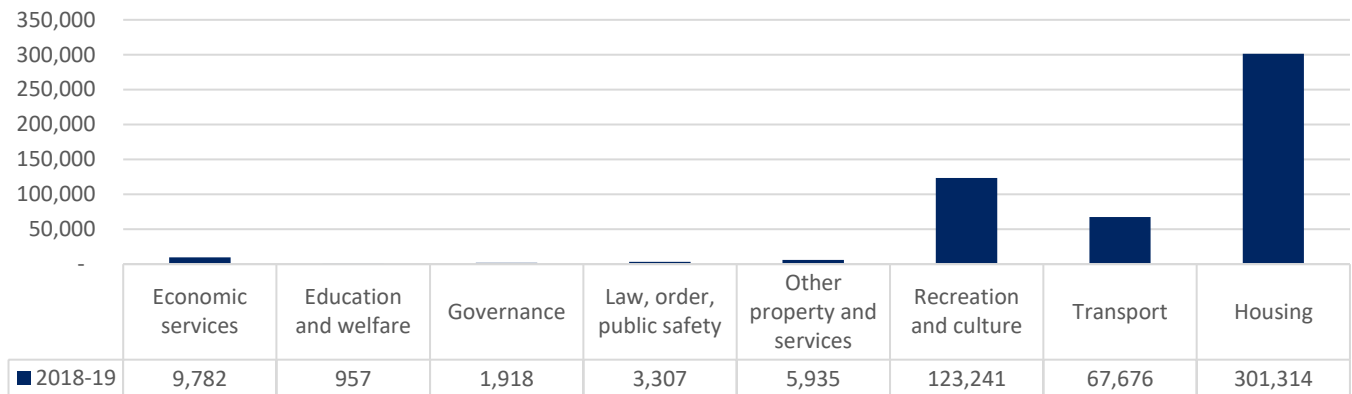
Appendix A3 – Buildings (Continued)

3.3 Financial Summary

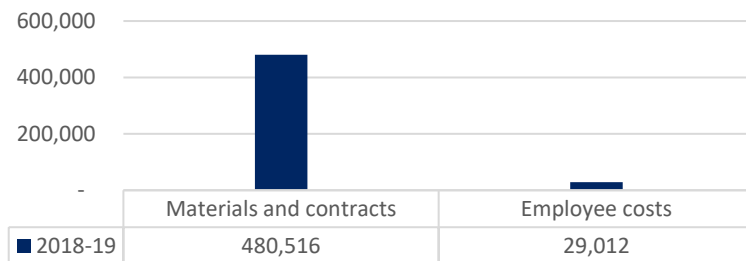
The financial impacts of managing the Shire building assets has been broken down into maintenance, new and renewal expenditure, each of which is examined separately.

3.3.1 Maintenance Expenditure by Program

Routine maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2018-19:



3.3.2 Maintenance Expenditure by Nature and Type



3.3.3 New/Upgrade Asset Expenditure

The table below reflects new/upgrade building projects currently planned within the Long Term Financial Plan. These projects are forecasted to be funded partially from external contributions, reserves with the balance being sourced from general purpose funding.

Year	Project	Planned Expenditure \$
2022-23	Industrial Units	1,200,000
Total		1,200,000

The buildings are forecasted to be funded partially from external contributions, with the balance being sourced from general purpose funding.

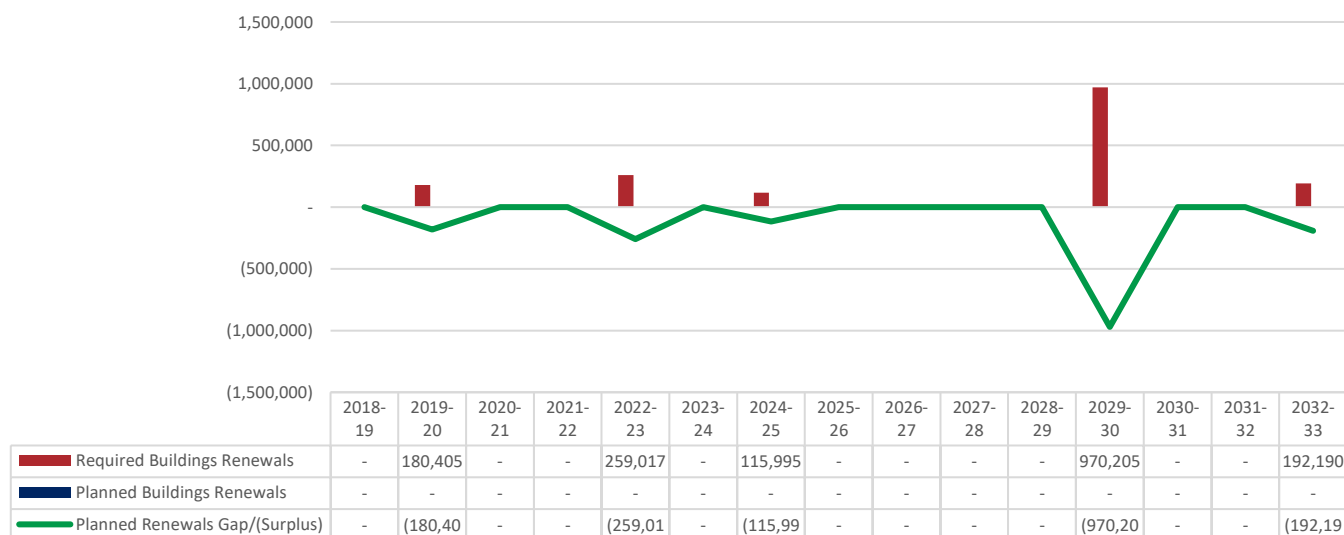
Appendix A3 – Buildings (Continued)

3.3.4 Renewal Expenditure

Using the estimated remaining useful life and the 'reinstatement with new' values provided in the independent valuation report, the timing and extent of future property renewals has been forecast (adjusted for inflation).

In the chart below, planned expenditure is shown as the blue columns (no planned expenditure forecast), with forecast required renewals shown as the red columns. The green line shows the variation between the two levels.

3.3.5 Forecast Planned and Required Building Renewal Expenditure



The timing and extent of building renewals in the later years of the Plan will be subject to condition based assessments closer to the estimated renewal timing, along with further assessment of demand. No funds are currently allocated to building renewals in the Plan due to the high level of spending on renewing most Shire buildings over the last few years. Should any building require minor refurbishment in the future, this will be funded through the normal budget process. Both the timing and costs associated with building renewals are highly variable and in many instances dependent on the level of building maintenance.

Appendix A3 – Buildings (Continued)

3.3.6 Forecast Planned and Required Building Renewal Expenditure

The values represented in the chart on the previous page are detailed in the table below.

	Required Building Renewals \$	Planned Building Renewals \$	Building Renewal Funding (Deficit)/Surplus \$
2018-19	-	-	-
2019-20	180,405	-	(180,405)
2020-21	-	-	-
2021-22	-	-	-
2022-23	259,017	-	(259,017)
2023-24	-	-	-
2024-25	115,995	-	(115,995)
2025-26	-	-	-
2026-27	-	-	-
2027-28	-	-	-
2028-29	-	-	-
2029-30	970,205	-	(970,205)
2030-31	-	-	-
2031-32	-	-	-
2032-33	192,190	-	(192,190)
Total	1,717,812	-	(1,717,812)

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

Appendix A3 – Buildings (Continued)

3.5 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.

3.6 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 A4 – Plant and Equipment

4.1 Significant Matters

The Shire has a large plant and equipment portfolio which includes items such as trucks, tractors and passenger vehicles. A plant replacement program is updated on an annual basis as part of the Shire's annual budget process.

4.2 Inventory

The chart 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.

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

Plant & Equipment	Current Replacement Cost \$
Small Plant Equipment	809,200
Trailers	32,000
Other	745,000
Sedans Wagons	397,000
Exec Vehicle	80,000
Utilities	35,000
Trucks Bus	150,000
Tractor	80,000
Plant & Equipment Total	2,328,200

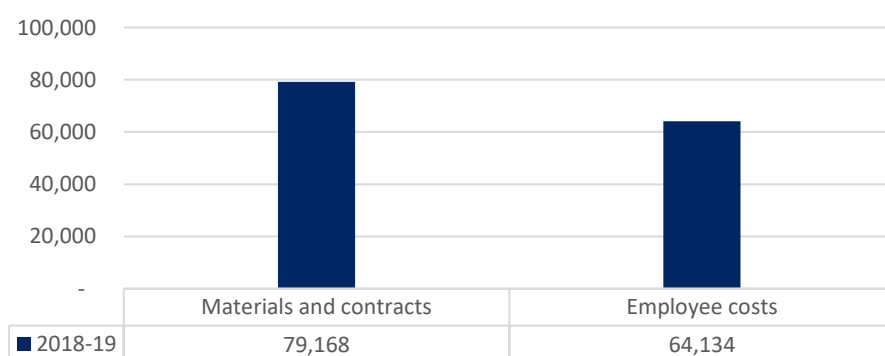
4.4 Financial Summary

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.

4.4.1 Maintenance Expenditure

Plant and equipment maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2018-19:



Appendix A4 – Plant and Equipment (Continued)

4.4.2 New Expenditure

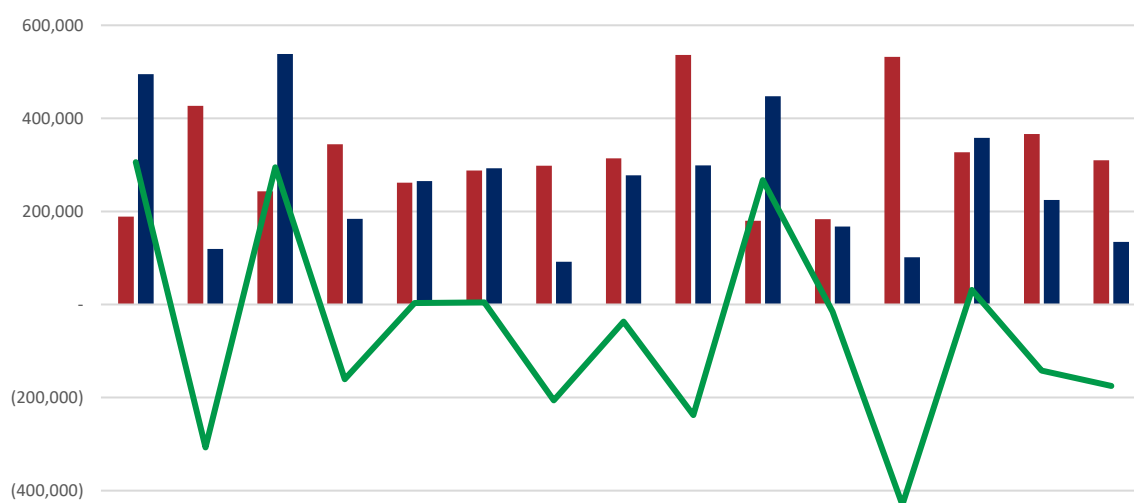
The current fleet of plant and equipment is forecast to maintain the requirements of the Shire and no additional items are forecast to be required over the life of this Plan.

4.4.3 Renewal Expenditure

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

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

4.4.4 Forecast Planned and Required Plant and Equipment Renewal Expenditure



	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Required Plant and Equipment Renewals	188,827	426,559	242,935	344,347	262,108	288,191	298,089	314,136	536,364	179,798	183,394	531,847	327,091	366,217	309,707
Planned Plant and Equipment Renewals	494,700	119,646	538,032	184,013	264,980	292,803	91,895	277,684	298,772	447,372	167,856	101,459	358,329	224,312	134,586
Planned Renewals Gap/(Surplus)	305,873	(306,913)	295,097	(160,334)	2,872	4,612	(206,194)	(36,452)	(237,592)	267,574	(15,538)	(430,388)	31,238	(141,905)	(175,121)

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. The Plan overall has a funding deficit of \$800k over the term of the Plan with planned renewals of \$4.0m and required asset renewals of \$4.8m.

4.4.5 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.

Appendix A4 – Plant and Equipment (Continued)

4.5 Level of Service

Levels of service have not been previously monitored.

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

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.	One per year.

4.6 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.

4.7 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 A5 –Infrastructure - Other

5.1 Significant Matters

The Shire controls assets classed as other infrastructure, made up of active and passive reserves, sporting facilities, lighting and other minor recreational facilities.

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

5.2 Inventory

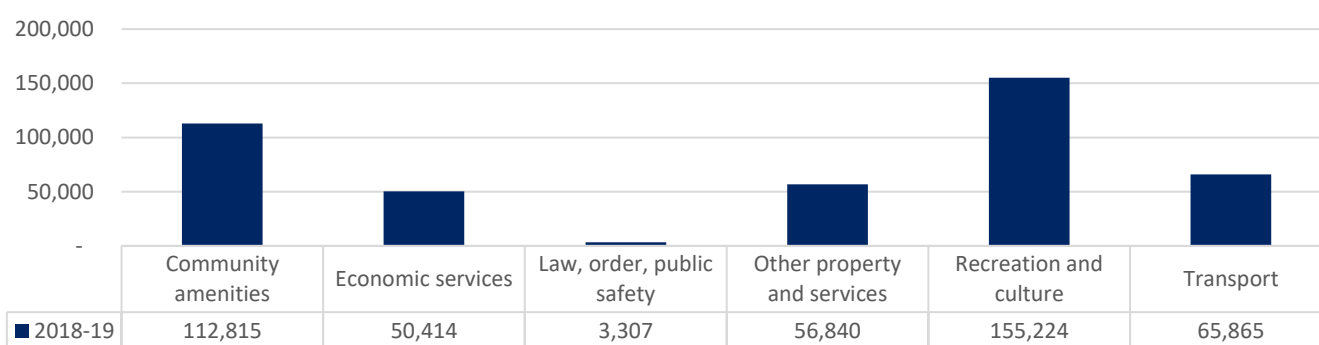
Other infrastructure current replacement costs are not currently captured.

5.3 Financial Summary

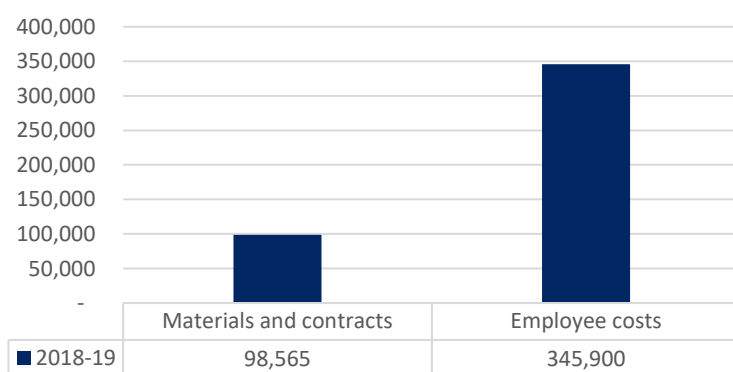
The financial impact of managing the Shire other infrastructure assets is broken down into maintenance, new and renewal expenditure, each of which is examined separately.

5.3.1 Maintenance Expenditure by Program

Maintenance expenditure for other infrastructure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2018-19:



5.3.2 Maintenance Expenditure by Nature and Type



Appendix A5 –Infrastructure - Other (Continued)

5.3.3 New/Upgrade Asset Expenditure

The table below reflects new/upgrade other infrastructure projects currently planned within the Long Term Financial Plan. These projects are forecasted to be funded partially from external contributions, reserves with the balance being sourced from general purpose funding.

Year	Project	Planned Expenditure \$
2018-19	Anti-Social Behaviour & Sense of Community	100,000
2018-19	Water Source (Wiluna)	200,000
2018-19	Amphitheatre	100,000
2020-21	Local Meeting Places	250,000
2020-21	Community Art	100,000
2020-21	Picnic Spot/Shade Area/Water/Dump Point	50,000
2020-21	Parks, Gardens (Green Space)	150,000
2023-24	Banner Poles	20,000
2024-25	Facility Renovations/Upgrade	300,000
Total		1,270,000

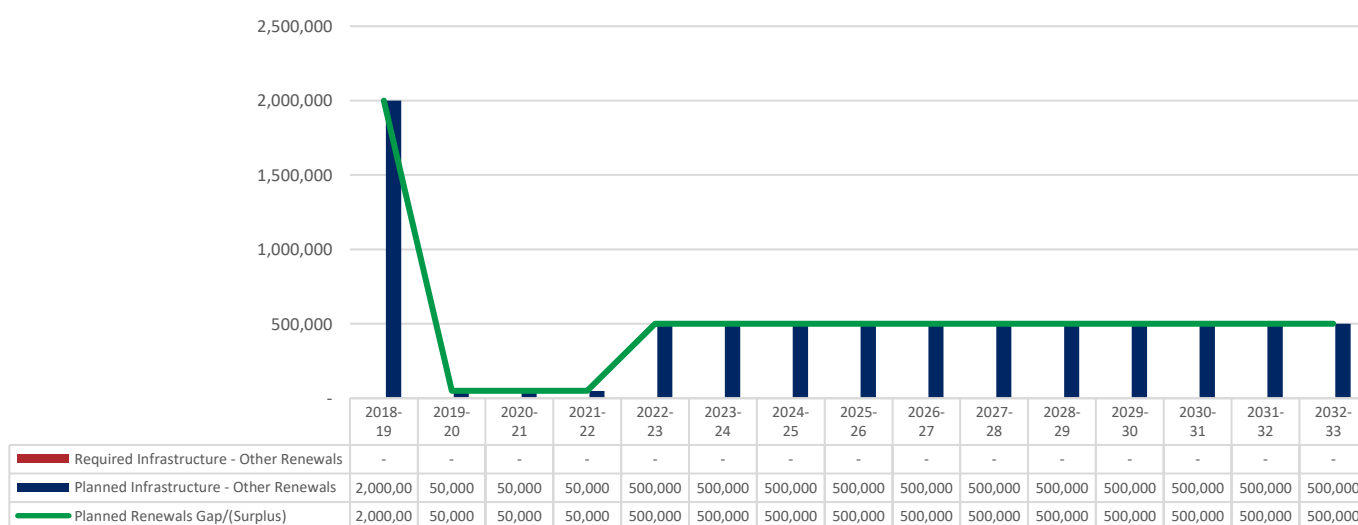
The projects are forecasted to be funded partially from external contributions, with the balance being sourced from general purpose funding.

5.3.4 Renewal Expenditure

Based on Shire estimates of the current replacement cost and remaining useful life, renewal estimates have been generated. These estimates will require further review to align them to the estimates contained in the current Plan.

The Plan has planned allocations for the renewal of other infrastructure. There is currently no data to inform the required renewal expenditure. In the chart below, planned expenditure is shown as the blue columns, with forecast required renewals shown as the red columns. The green line shows the variation between the two levels.

5.3.5 Forecast Planned and Required Other Infrastructure Renewal Expenditure



Appendix A5 –Infrastructure - Other (Continued)

5.4 Level of Service

The identified level of service indicators are provided in the table below.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Parks and Gardens			
Condition	Parks and gardens are maintained to a high standard with regular mowing, watering, pruning and other maintenance tasks being carried out.	Customer complaints. Community Survey.	Under 5 per year. 90% satisfaction.
Function	Provide the community and tourists with attractive natural and playground recreation facilities.	Customer 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.
All parks and gardens are clean, well maintained	Customer complaints.	Under 5 per year.	All parks and gardens are clean, well maintained.

5.5 Improvement

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

Appendix A6 – Infrastructure - Airport

6.1 Significant Matters

The Shire maintains infrastructure associated with the Airport. The nature of these assets is one of changing requirements due to both community expectations and climatic conditions and will require further analysis to fully consider future funding requirements.

6.2 Inventory

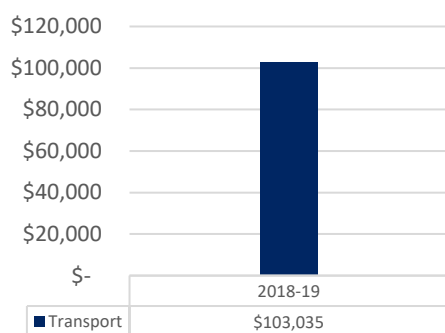
Airport infrastructure current replacement costs were not available.

6.3 Financial Summary

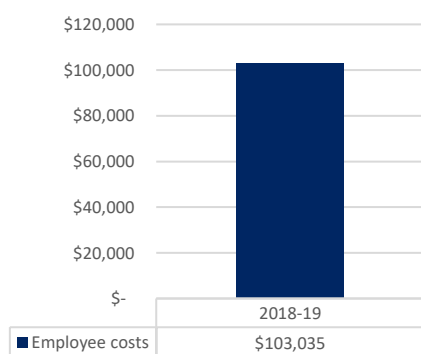
The financial impact of managing the Shire airport infrastructure assets is broken down into maintenance, new and renewal expenditure, each of which is examined separately.

6.3.1 Maintenance Expenditure by Program

Airport infrastructure maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2018-19:



6.3.2 Maintenance Expenditure by Nature and Type



Appendix A6 – Infrastructure – Airport (Continued)

6.3.3 New/Upgrade Asset Expenditure

Upgrade of the runway to carry heavier aircraft is planned within the Long Term Financial Plan as part of the renewal of the runway.

6.3.4 Renewal Expenditure

Based on Shire estimates of the current replacement cost and remaining useful life, renewal estimates have been generated. These estimates will require further review to align them to the estimates contained in the current Plan.

There is currently no data to inform the required renewal expenditure. In 2019-20 planned renewal of the runway has been forecast at a cost of \$3m.

6.4 Level of Service

The identified level of service indicators are provided in the table below.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Airport			
Condition	Airport building and runway are maintained to CASA required standard.	CASA approval.	100% satisfaction.
Function	Provide the community and tourists with air transport facilities.	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.	100% addressed.

6.5 Improvement

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

Appendix A7 – Estimated Asset Life and Residual Value

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

Asset Class	Asset Sub-Class	Pavement Type	Estimated Useful Life	Materials Remaining in-situ
Infrastructure - roads	Culverts	Circular		
Infrastructure - roads	Culverts	Circular		
Infrastructure - roads	Culverts	Box shaped		
Infrastructure - roads	Culverts	Circular		
Infrastructure - roads	Floodways	Sealed Floodway		
Infrastructure - roads	Floodways	Unsealed Floodway w/rock protection		
Infrastructure - roads	Floodways	Unsealed Floodway		
Infrastructure - roads	Footpath	Concrete		
Infrastructure - roads	Footpath	Asphalt		
Infrastructure - roads	Formed Subgrade	Subgrade Structure		100%
Infrastructure - roads	Sealed Pavement	Pavement Structure		80%
Infrastructure - roads	Seals	Seals Structure		
Infrastructure - roads	Signs	Signs		
Infrastructure - roads	Signs	Signs		
Infrastructure - roads	Stock Grids	Stock Grids		100%
Infrastructure - roads	Unformed Subgrade	Subgrade Structure		100%
Infrastructure - roads	Unsealed Pavement	Pavement Structure		100%
Infrastructure - roads	Unsealed Pavement	Pavement Structure		

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

Asset Class	Asset Sub-Class	Estimated Useful Life	Estimated Residual Value %
Buildings	Brick and metal clad	0	
Buildings	Fibro & metal clad	0	
Buildings	Metal and metal clad	0	
Buildings	Metal clad	25	
Buildings	Metal clad metal framed	45	
Buildings	Metal framed metal clad	45	
Buildings	Steel framed metal & metal clad	0	
Buildings	Timber framed fibro & metal clad	0	
Buildings	Timber framed metal clad	45	
Land	Irregular shaped lot		
Land	Rectangular fairly regular shaped vacant allotment		
Plant and Equipment		25	
Plant and Equipment	Exec Vehicle	1	80%
Plant and Equipment	Other	10	10%
Plant and Equipment	Sedans & Wagons	5	45%
Plant and Equipment	Tractor	15	15%
Plant and Equipment	Trailers	10	5%
Plant and Equipment	Trucks/Bus	10	10%
Plant and Equipment	Utilities	15	15%

Appendix B1 – Forecast Financial Statements

Financial Statements

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

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

Statements of Comprehensive Income

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

Statement of Financial Position

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

Statement of Changes in Equity

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

Statement of Cashflows

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

Statement of Funding

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

Statement of Net Current Asset Composition

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

Statement of Fixed Asset Movements

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

Statement of Fixed Asset Funding

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

Forecast Ratios

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

Nature or Type

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

Refer to Appendix B12 – Forecast Significant Accounting Policies

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 Wiluna

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

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

Appendix B2 – Forecast Statement of Comprehensive Income by Nature or Type 2018-2033

	2014-15	2015-16	2016-17	Base	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																			
Rates	3,324,172	3,486,575	3,710,948	4,260,474	4,766,102	5,206,746	5,665,017	5,891,617	6,127,283	6,372,375	6,627,271	6,892,363	7,168,057	7,454,778	7,752,970	8,063,089	8,385,614	8,721,038	9,069,879
Operating grants, subsidies and contributions	5,107,098	12,251,421	4,129,147	4,761,921	12,362,518	2,919,768	2,978,163	3,037,727	3,098,482	3,160,452	3,223,661	3,288,134	3,353,896	3,420,975	3,489,394	3,559,181	3,630,365	3,702,972	3,777,032
Fees and charges	295,553	218,940	734,557	556,060	659,259	672,442	685,887	699,602	713,591	727,856	742,409	757,254	772,402	787,851	803,607	819,675	836,067	852,789	869,844
Interest earnings	279,679	205,948	253,084	209,926	179,835	178,294	144,898	152,903	157,354	161,921	166,600	171,396	176,313	181,351	186,516	191,810	197,237	202,797	208,500
Other revenue	81,417	97,205	93,600	388,280	115,464	117,772	120,125	122,525	124,974	127,473	130,021	132,620	135,272	137,977	140,735	143,546	146,415	149,345	152,334
	9,087,919	16,260,089	8,921,336	10,176,661	18,083,178	9,095,022	9,594,090	9,904,374	10,221,684	10,550,077	10,889,962	11,241,767	11,605,940	11,982,932	12,373,222	12,777,301	13,195,698	13,628,941	14,077,589
Expenses																			
Employee costs	(1,555,238)	(1,315,889)	(1,618,661)	(3,801,973)	(4,041,550)	(4,122,385)	(4,204,831)	(4,288,922)	(4,374,700)	(4,462,193)	(4,551,441)	(4,642,472)	(4,735,321)	(4,830,026)	(4,926,632)	(5,025,165)	(5,125,674)	(5,228,190)	(5,332,758)
Materials and contracts	(4,069,867)	(12,565,017)	(2,334,608)	(6,173,122)	(11,446,229)	(1,985,147)	(2,024,845)	(2,065,341)	(2,106,639)	(2,148,770)	(2,191,743)	(2,235,582)	(2,280,294)	(2,325,909)	(2,372,439)	(2,419,884)	(2,468,290)	(2,517,657)	(2,568,014)
Utility charges (electricity, gas, water etc.)	(165,992)	(148,832)	(135,714)	(141,521)	(246,789)	(251,727)	(256,760)	(261,896)	(267,135)	(272,479)	(277,930)	(283,489)	(289,161)	(294,943)	(300,840)	(306,856)	(312,993)	(319,255)	(325,638)
Depreciation on non-current assets	(2,210,691)	(5,947,104)	(2,727,092)	(6,616,791)	(2,469,401)	(2,520,708)	(2,570,070)	(2,621,183)	(2,697,155)	(2,749,903)	(2,804,758)	(2,860,420)	(2,917,162)	(2,974,809)	(3,034,042)	(3,094,566)	(3,155,897)	(3,218,666)	(3,282,830)
Interest expense	(58,807)	(52,550)	(83,463)	(41,885)	(118,527)	(108,652)	(98,393)	(87,740)	(76,676)	(67,239)	(63,687)	(60,008)	(56,201)	(52,258)	(48,176)	(43,950)	(39,575)	(35,045)	(30,356)
Insurance expense	(203,205)	(212,415)	(202,928)	(210,700)	(202,445)	(206,494)	(210,622)	(214,835)	(219,130)	(223,511)	(227,981)	(232,539)	(237,190)	(241,935)	(246,774)	(251,708)	(256,743)	(261,878)	(267,116)
Other expenditure	(137,854)	(127,452)	(374,065)	(12,700)	(181,345)	(184,971)	(188,670)	(192,443)	(196,290)	(200,216)	(204,221)	(208,305)	(212,470)	(216,721)	(221,056)	(225,477)	(229,988)	(234,588)	(239,280)
	(8,401,654)	(20,369,259)	(7,476,531)	(16,998,692)	(18,706,286)	(9,380,084)	(9,554,191)	(9,732,360)	(9,937,725)	(10,124,311)	(10,321,761)	(10,522,815)	(10,727,799)	(10,936,601)	(11,149,959)	(11,367,606)	(11,589,160)	(11,815,279)	(12,045,992)
	686,265	(4,109,170)	1,444,805	(6,822,031)	(623,108)	(285,062)	39,899	172,014	283,959	425,766	568,201	718,952	878,141	1,046,331	1,223,263	1,409,695	1,606,538	1,813,662	2,031,597
Non-operating grants, subsidies and contributions	1,754,414	1,487,033	513,903	2,309,261	3,150,000	2,200,000	1,375,000	1,250,000	1,850,000	1,450,000	1,350,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Loss on Revaluation	(976,524)	(8,618)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on disposal of assets	2,083	20,256	42,737	10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(96,934)	0	0	(5,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	1,369,304	(2,610,499)	2,001,445	(4,507,770)	2,526,892	1,914,938	1,414,899	1,422,014	2,133,959	1,875,766	1,918,201	1,968,952	2,128,141	2,296,331	2,473,263	2,659,695	2,856,538	3,063,662	3,281,597
Other Comprehensive Income	162,342,756	370,292	(2,124,234)	0	2,070,260	2,175,782	2,258,741	2,327,405	2,391,462	2,471,601	2,556,996	2,636,863	2,722,466	2,810,243	2,911,521	3,013,918	3,115,432	3,230,534	3,350,997
TOTAL COMPREHENSIVE INCOME	163,712,060	(2,240,207)	(122,789)	(4,507,770)	4,597,152	4,090,720	3,673,640	3,749,419	4,525,421	4,347,367	4,475,197	4,605,815	4,850,607	5,106,574	5,384,784	5,673,613	5,971,970	6,294,196	6,632,594

Refer to Appendix B12 – Forecast Significant Accounting Policies

Appendix B3 – Forecast Statement of Comprehensive Income by Program 2018-2033

	2014-15	2015-16	2016-17	Base	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue																			
Governance	1,218	391	63	500	510	520	530	540	550	560	570	582	594	606	618	630	642	655	668
General purpose funding	7,277,898	4,915,502	7,766,596	(1,515,895)	7,542,746	8,033,785	8,511,634	8,800,274	9,095,506	9,401,382	9,718,298	10,046,674	10,386,942	10,739,553	11,104,979	11,483,702	11,876,231	12,283,083	12,704,812
Law, order, public safety	11,961	4,284	9,780	17,170	17,513	17,863	18,219	18,583	18,954	19,332	19,717	20,111	20,514	20,925	21,343	21,769	22,204	22,649	23,102
Health	401	191	763	780	796	812	828	844	860	878	896	914	932	950	969	988	1,008	1,028	1,049
Education and welfare	0	1,195	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing	2,072	1,480	3,588	20,500	20,910	21,328	21,754	22,189	22,633	23,086	23,547	24,017	24,498	24,988	25,488	25,997	26,517	27,047	27,588
Community amenities	60,075	67,781	72,093	86,513	88,243	90,008	91,808	93,644	95,517	97,426	99,375	101,361	103,388	105,457	107,567	109,718	111,912	114,151	116,434
Recreation and culture	278,428	190,094	219,523	237,900	242,658	247,510	252,458	257,507	262,656	267,908	273,265	278,729	284,305	289,991	295,789	301,702	307,735	313,891	320,170
Transport	1,374,250	11,011,673	806,953	11,260,323	10,099,555	611,546	623,777	636,252	648,977	661,955	675,193	688,697	702,471	716,520	730,850	745,466	760,375	775,582	791,094
Economic services	25,877	12,696	15,575	37,650	38,403	39,170	39,953	40,751	41,566	42,397	43,244	44,108	44,991	45,890	46,807	47,742	48,696	49,670	50,663
Other property and services	55,740	54,802	26,402	31,220	31,844	32,480	33,129	33,790	34,465	35,153	35,857	36,574	37,305	38,052	38,812	39,587	40,378	41,185	42,009
	9,087,920	16,260,089	8,921,336	10,176,661	18,083,178	9,095,022	9,594,090	9,904,374	10,221,684	10,550,077	10,889,962	11,241,767	11,605,940	11,982,932	12,373,222	12,777,301	13,195,698	13,628,941	14,077,589
Expenses Excluding Finance Costs																			
Governance	(982,273)	(976,928)	(1,205,421)	(1,731,890)	(1,750,102)	(1,785,109)	(1,820,806)	(1,857,216)	(1,894,451)	(1,932,336)	(1,970,982)	(2,010,400)	(2,050,608)	(2,091,621)	(2,133,456)	(2,176,122)	(2,219,644)	(2,264,034)	(2,309,317)
General purpose funding	(227,367)	(206,093)	(520,256)	6,617,020	(207,114)	(211,265)	(215,484)	(219,793)	(224,284)	(228,764)	(233,340)	(238,005)	(242,764)	(247,616)	(252,569)	(257,618)	(262,768)	(268,023)	(273,384)
Law, order, public safety	(121,284)	(129,307)	(113,771)	(232,738)	(228,089)	(232,654)	(237,307)	(242,052)	(246,945)	(251,882)	(256,921)	(262,058)	(267,298)	(272,641)	(278,091)	(283,654)	(289,326)	(295,110)	(301,012)
Health	(78,328)	(74,462)	(85,762)	(135,649)	(138,362)	(141,130)	(143,952)	(146,832)	(149,769)	(152,764)	(155,819)	(158,935)	(162,113)	(165,356)	(168,664)	(172,036)	(175,478)	(178,987)	(182,565)
Education and welfare	(47,855)	(56,620)	(15,606)	(63,002)	(63,537)	(64,807)	(66,104)	(67,426)	(68,778)	(70,153)	(71,557)	(72,988)	(74,447)	(75,935)	(77,453)	(79,002)	(80,582)	(82,193)	(83,838)
Housing	0	0	(154,000)	(143,819)	(53,680)	(54,795)	(55,868)	(56,980)	(58,632)	(59,781)	(60,973)	(62,184)	(63,417)	(64,671)	(65,961)	(67,273)	(68,609)	(69,977)	(71,368)
Community amenities	(577,454)	(565,470)	(519,723)	(676,212)	(683,271)	(696,940)	(710,875)	(725,093)	(739,630)	(754,418)	(769,507)	(784,898)	(800,597)	(816,607)	(832,940)	(849,598)	(866,590)	(883,922)	(901,598)
Recreation and culture	(1,318,795)	(1,100,370)	(957,421)	(1,852,679)	(1,784,425)	(1,820,160)	(1,856,533)	(1,893,653)	(1,932,102)	(1,970,707)	(2,010,118)	(2,050,313)	(2,091,304)	(2,133,116)	(2,175,774)	(2,219,288)	(2,263,666)	(2,308,933)	(2,355,107)
Transport	(4,719,788)	(16,971,466)	(3,571,846)	(17,906,877)	(13,067,056)	(3,640,100)	(3,711,971)	(3,785,955)	(3,882,555)	(3,959,146)	(4,038,203)	(4,118,584)	(4,200,541)	(4,283,933)	(4,369,379)	(4,456,628)	(4,545,264)	(4,635,861)	(4,728,397)
Economic services	(250,641)	(231,354)	(271,035)	(470,575)	(473,455)	(482,927)	(492,583)	(502,434)	(512,517)	(522,767)	(533,220)	(543,882)	(554,760)	(565,855)	(577,173)	(588,717)	(600,489)	(612,499)	(624,749)
Other property and services	(19,063)	(4,639)	21,773	(360,386)	(138,668)	(141,545)	(144,315)	(147,186)	(151,386)	(154,354)	(157,434)	(160,560)	(163,749)	(166,992)	(170,323)	(173,720)	(177,169)	(180,695)	(184,301)
	(8,342,848)	(20,316,709)	(7,393,068)	(16,956,807)	(18,587,759)	(9,271,432)	(9,455,798)	(9,644,620)	(9,861,049)	(10,057,072)	(10,258,074)	(10,462,807)	(10,671,598)	(10,884,343)	(11,101,783)	(11,323,656)	(11,549,585)	(11,780,234)	(12,015,636)
Finance Costs																			
Governance	0	0	0	0	(34,694)	(33,450)	(32,161)	(30,827)	(29,446)	(28,016)	(26,536)	(25,003)	(23,417)	(21,774)	(20,073)	(18,312)	(16,489)	(14,602)	(12,648)
Housing	0	0	0	0	(48,572)	(46,830)	(45,026)	(43,158)	(41,225)	(39,223)	(37,151)	(35,005)	(32,784)	(30,484)	(28,103)	(25,638)	(23,086)	(20,443)	(17,708)
Recreation and culture	(17,295)	(12,562)	(27,442)	(12,319)	(35,261)	(28,372)	(21,206)	(13,755)	(6,005)	0	0	0	0	0	0	0	0	0	0
Economic services	(41,512)	(39,988)	(56,021)	(29,566)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(58,807)	(52,550)	(83,463)	(41,885)	(118,527)	(108,652)	(98,393)	(87,740)	(76,676)	(67,239)	(63,687)	(60,008)	(56,201)	(52,258)	(48,176)	(43,950)	(39,575)	(35,045)	(30,356)
Non Operating Grants, Subsidies and Contributions																			
General purpose funding	0	0	0	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Law, order, public safety	0	0	0	0	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	0	0	14,700	0	0	0	125,000	0	0	200,000	100,000	0	0	0	0	0	0	0	0
Transport	336,998	1,487,033	419,376	2,289,261	2,050,000	2,200,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Economic services	1,000,000	0	79,827	0	1,000,000	0	0	0	600,000	0	0	0	0	0	0	0	0	0	0
	1,754,414	1,487,033	513,903	2,309,261	3,150,000	2,200,000	1,375,000	1,250,000	1,850,000	1,450,000	1,350,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Profit/(Loss) on Disposal of Assets																			
Governance	0	0	35,749	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General purpose funding	0	0	0	53,660	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	(37,489)	(8,618)	0	(12,479)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other property and services	(57,362)	20,256	6,988	(36,181)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(94,851)	11,638	42,737	5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	1,369,304	(2,610,499)	2,001,445	(4,507,770)	2,526,892	1,914,938	1,414,899	1,422,014	2,133,959	1,875,766	1,918,201	1,968,952	2,128,141	2,296,331	2,473,263	2,659,695	2,856,538	3,063,662	3,281,597
Other Comprehensive Income	162,342,756	370,292	(2,124,234)	0	2,070,260	2,175,782	2,258,741	2,327,405	2,391,462	2,471,601	2,556,996	2,636,863	2,722,466	2,810,243	2,911,521	3,013,918	3,115,432	3,230,534	3,350,997
TOTAL COMPREHENSIVE INCOME	163,712,060	(2,240,207)	(122,789)	(4,507,770)	4,597,152	4,090,720	3,673,640	3,749,419	4,525,421	4,347,367	4,475,197	4,605,815	4,850,607	5,106,574	5,384,784	5,673,613	5,971,970	6,294,196	6,632,594

Refer to Appendix B12 – Forecast Significant Accounting Policies

Appendix B4 – Forecast Statement of Financial Position 2018-2033

	2015	2016	2017	Base	30 June 19	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																			
Unrestricted Cash and Equivalents	4,304,061	3,909,735	5,615,874	1,590,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241
Restricted Cash and Cash Equivalent	6,484,301	7,311,543	7,298,795	3,603,134	3,577,376	2,805,700	3,125,842	3,303,989	3,486,587	3,673,752	3,865,596	4,062,236	4,263,793	4,470,388	4,682,148	4,899,202	5,121,683	5,349,724	5,583,468
Trade and Other Receivables	1,400,065	1,528,695	515,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595
Inventories	42,433	42,458	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861
TOTAL CURRENT ASSETS	12,230,860	12,792,431	13,441,125	5,319,831	4,694,073	3,922,397	4,242,539	4,420,686	4,603,284	4,790,449	4,982,293	5,178,933	5,380,490	5,587,085	5,798,845	6,015,899	6,238,380	6,466,421	6,700,165
NON-CURRENT ASSETS																			
Property Plant and Equipment	15,370,280	15,681,739	15,731,408	24,430,205	24,553,860	24,396,358	24,520,635	24,346,979	25,414,418	25,502,769	25,241,504	25,040,836	24,855,794	24,786,622	24,485,856	24,126,785	23,878,864	23,524,956	23,115,921
Infrastructure	174,886,720	171,054,321	169,675,555	79,820,974	84,663,358	89,416,510	92,368,726	95,825,996	98,802,658	102,773,882	107,214,321	111,716,306	116,438,733	121,292,276	126,646,376	132,338,090	138,207,209	144,494,451	151,164,826
TOTAL NON-CURRENT ASSETS	190,257,000	186,736,060	185,406,963	104,251,179	109,217,218	113,812,868	116,889,361	120,172,975	124,217,076	128,276,651	132,455,825	136,757,142	141,294,527	146,078,898	151,132,232	156,464,875	162,086,073	168,019,407	174,280,747
TOTAL ASSETS	202,487,860	199,528,491	198,848,088	109,571,010	113,911,291	117,735,265	121,131,900	124,593,661	128,820,360	133,067,100	137,438,118	141,936,075	146,675,017	151,665,983	156,931,077	162,480,774	168,324,453	174,485,828	180,980,912
CURRENT LIABILITIES																			
Trade and Other Payables	1,486,652	866,749	516,697	1,116,697	1,116,697	1,116,697	1,116,697	1,116,697	1,116,697	1,116,697	1,116,697	1,116,697	1,116,697	1,116,697	1,116,697	1,116,697	1,116,697	1,116,697	1,116,697
Current Portion of Long-term Liabilities	153,152	159,277	165,646	1,275,398	266,746	277,005	287,658	298,722	100,627	104,179	107,858	111,665	115,608	119,690	123,916	128,291	132,821	137,510	142,365
Provisions	127,574	150,658	110,649	110,649	110,649	110,649	110,649	110,649	110,649	110,649	110,649	110,649	110,649	110,649	110,649	110,649	110,649	110,649	110,649
TOTAL CURRENT LIABILITIES	1,767,378	1,176,684	792,992	2,502,744	1,494,092	1,504,351	1,515,004	1,526,068	1,327,973	1,331,525	1,335,204	1,339,011	1,342,954	1,347,036	1,351,262	1,355,637	1,360,167	1,364,856	1,369,711
NON-CURRENT LIABILITIES																			
Long-term Borrowings	1,257,985	1,098,709	933,062	2,057,663	2,809,444	2,532,439	2,244,781	1,946,059	1,845,432	1,741,253	1,633,395	1,521,730	1,406,122	1,286,432	1,162,516	1,034,225	901,404	763,894	621,529
Provisions	12,092	42,900	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625
TOTAL NON-CURRENT LIABILITIES	1,270,077	1,141,609	967,687	2,092,288	2,844,069	2,567,064	2,279,406	1,980,684	1,880,057	1,775,878	1,668,020	1,556,355	1,440,747	1,321,057	1,197,141	1,068,850	936,029	798,519	656,154
TOTAL LIABILITIES	3,037,455	2,318,293	1,760,679	4,595,032	4,338,161	4,071,415	3,794,410	3,506,752	3,208,030	3,107,403	3,003,224	2,895,366	2,783,701	2,668,093	2,548,403	2,424,487	2,296,196	2,163,375	2,025,865
NET ASSETS	199,450,405	197,210,198	197,087,409	104,975,978	109,573,130	113,663,850	117,337,490	121,086,909	125,612,330	129,959,697	134,434,894	139,040,709	143,891,316	148,997,890	154,382,674	160,056,287	166,028,257	172,322,453	178,955,047
EQUITY																			
Retained Surplus	26,520,022	22,810,096	21,950,207	21,138,099	23,690,749	26,377,363	27,472,120	28,715,987	30,667,348	32,355,949	34,082,306	35,854,618	37,781,202	39,870,938	42,132,441	44,575,082	47,209,139	50,044,760	53,092,613
Reserves - Cash Backed	3,338,034	4,437,462	7,298,795	3,603,134	3,577,376	2,805,700	3,125,842	3,303,989	3,486,587	3,673,752	3,865,596	4,062,236	4,263,793	4,470,388	4,682,148	4,899,202	5,121,683	5,349,724	5,583,468
Asset Revaluation Surplus	169,592,349	169,962,640	167,838,407	80,234,745	82,305,005	84,480,787	86,739,528	89,066,933	91,458,395	93,929,996	96,486,992	99,123,855	101,846,321	104,656,564	107,568,085	110,582,003	113,697,435	116,927,969	120,278,966
TOTAL EQUITY	199,450,405	197,210,198	197,087,409	104,975,978	109,573,130	113,663,850	117,337,490	121,086,909	125,612,330	129,959,697	134,434,894	139,040,709	143,891,316	148,997,890	154,382,674	160,056,287	166,028,257	172,322,453	178,955,047

Refer to Appendix B12 – Forecast Significant Accounting Policies

Appendix B5 – Forecast Statement of Changes in Equity 2018-2033

	2015	2016	2017	Base	30 June 19	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening Balance	25,150,718	26,520,023	22,810,095	21,950,208	21,138,099	23,690,749	26,377,363	27,472,120	28,715,987	30,667,348	32,355,949	34,082,306	35,854,618	37,781,202	39,870,938	42,132,441	44,575,082	47,209,139	50,044,760
Net Result	1,369,304	(2,610,499)	2,001,445	(4,507,770)	2,526,892	1,914,938	1,414,899	1,422,014	2,133,959	1,875,766	1,918,201	1,968,952	2,128,141	2,296,331	2,473,263	2,659,695	2,856,538	3,063,662	3,281,597
Amount transferred (to)/from Reserves		(1,099,428)	(2,861,333)	3,695,661	25,758	771,676	(320,142)	(178,147)	(182,598)	(187,165)	(191,844)	(196,640)	(201,557)	(206,595)	(211,760)	(217,054)	(222,481)	(228,041)	(233,744)
Closing Balance	26,520,022	22,810,096	21,950,207	21,138,099	23,690,749	26,377,363	27,472,120	28,715,987	30,667,348	32,355,949	34,082,306	35,854,618	37,781,202	39,870,938	42,132,441	44,575,082	47,209,139	50,044,760	53,092,613
RESERVES - CASH/INVESTMENT BACKED																			
Opening Balance	3,338,034	3,338,034	4,437,462	7,298,795	3,603,134	3,577,376	2,805,700	3,125,842	3,303,989	3,486,587	3,673,752	3,865,596	4,062,236	4,263,793	4,470,388	4,682,148	4,899,202	5,121,683	5,349,724
Amount transferred to/(from) Retained Surplus	0	1,099,428	2,861,333	(3,695,661)	(25,758)	(771,676)	320,142	178,147	182,598	187,165	191,844	196,640	201,557	206,595	211,760	217,054	222,481	228,041	233,744
Closing Balance	3,338,034	4,437,462	7,298,795	3,603,134	3,577,376	2,805,700	3,125,842	3,303,989	3,486,587	3,673,752	3,865,596	4,062,236	4,263,793	4,470,388	4,682,148	4,899,202	5,121,683	5,349,724	5,583,468
ASSET REVALUATION SURPLUS																			
Opening Balance	7,249,593	169,592,348	169,962,641	167,838,407	80,234,745	82,305,005	84,480,787	86,739,528	89,066,933	91,458,395	93,929,996	96,486,992	99,123,855	101,846,321	104,656,564	107,568,085	110,582,003	113,697,435	116,927,969
Total Other Comprehensive Income	162,342,756	370,292	(2,124,234)	(87,603,662)	2,070,260	2,175,782	2,258,741	2,327,405	2,391,462	2,471,601	2,556,996	2,636,863	2,722,466	2,810,243	2,911,521	3,013,918	3,115,432	3,230,534	3,350,997
Closing Balance	169,592,349	169,962,640	167,838,407	80,234,745	82,305,005	84,480,787	86,739,528	89,066,933	91,458,395	93,929,996	96,486,992	99,123,855	101,846,321	104,656,564	107,568,085	110,582,003	113,697,435	116,927,969	120,278,966
TOTAL EQUITY																			
	199,450,405	197,210,198	197,087,409	104,975,978	109,573,130	113,663,850	117,337,490	121,086,909	125,612,330	129,959,697	134,434,894	139,040,709	143,891,316	148,997,890	154,382,674	160,056,287	166,028,257	172,322,453	178,955,047

Refer to Appendix B12 – Forecast Significant Accounting Policies

Appendix B6 – Forecast Statement of Cashflows 2018-2033

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows From Operating Activities															
Receipts															
Rates	4,766,102	5,206,746	5,665,017	5,891,617	6,127,283	6,372,375	6,627,271	6,892,363	7,168,057	7,454,778	7,752,970	8,063,089	8,385,614	8,721,038	9,069,879
Operating grants, subsidies and contributions	12,362,518	2,919,768	2,978,163	3,037,727	3,098,482	3,160,452	3,223,661	3,288,134	3,353,896	3,420,975	3,489,394	3,559,181	3,630,365	3,702,972	3,777,032
Fees and charges	659,259	672,442	685,887	699,602	713,591	727,856	742,409	757,254	772,402	787,851	803,607	819,675	836,067	852,789	869,844
Interest earnings	179,835	178,294	144,898	152,903	157,354	161,921	166,600	171,396	176,313	181,351	186,516	191,810	197,237	202,797	208,500
Other revenue	115,464	117,772	120,125	122,525	124,974	127,473	130,021	132,620	135,272	137,977	140,735	143,546	146,415	149,345	152,334
	18,083,178	9,095,022	9,594,090	9,904,374	10,221,684	10,550,077	10,889,962	11,241,767	11,605,940	11,982,932	12,373,222	12,777,301	13,195,698	13,628,941	14,077,589
Payments															
Employee costs	(4,041,550)	(4,122,385)	(4,204,831)	(4,288,922)	(4,374,700)	(4,462,193)	(4,551,441)	(4,642,472)	(4,735,321)	(4,830,026)	(4,926,632)	(5,025,165)	(5,125,674)	(5,228,190)	(5,332,758)
Materials and contracts	(11,446,229)	(1,985,147)	(2,024,845)	(2,065,341)	(2,106,639)	(2,148,770)	(2,191,743)	(2,235,582)	(2,280,294)	(2,325,909)	(2,372,439)	(2,419,884)	(2,468,290)	(2,517,657)	(2,568,014)
Utility charges	(246,789)	(251,727)	(256,760)	(261,896)	(267,135)	(272,479)	(277,930)	(283,489)	(289,161)	(294,943)	(300,840)	(306,856)	(312,993)	(319,255)	(325,638)
Interest expenses	(118,527)	(108,652)	(98,393)	(87,740)	(76,676)	(67,239)	(63,687)	(60,008)	(56,201)	(52,258)	(48,176)	(43,950)	(39,575)	(35,045)	(30,356)
Insurance expenses	(202,445)	(206,494)	(210,622)	(214,835)	(219,130)	(223,511)	(227,981)	(232,539)	(237,190)	(241,935)	(246,774)	(251,708)	(256,743)	(261,878)	(267,116)
Other expenditure	(181,345)	(184,971)	(188,670)	(192,443)	(196,290)	(200,216)	(204,221)	(208,305)	(212,470)	(216,721)	(221,056)	(225,477)	(229,988)	(234,588)	(239,280)
	(16,236,885)	(6,859,376)	(6,984,121)	(7,111,177)	(7,240,570)	(7,374,408)	(7,517,003)	(7,662,395)	(7,810,637)	(7,961,792)	(8,115,917)	(8,273,040)	(8,433,263)	(8,596,613)	(8,763,162)
Net Cash Provided By (Used In) Operating Activities	1,846,293	2,235,646	2,609,969	2,793,197	2,981,114	3,175,669	3,372,959	3,579,372	3,795,303	4,021,140	4,257,305	4,504,261	4,762,435	5,032,328	5,314,427
Cash Flows from Investing Activities															
Payments for purchase of property, plant & equipment	(494,700)	(119,646)	(538,032)	(184,013)	(1,464,980)	(492,803)	(91,895)	(277,684)	(298,772)	(447,372)	(167,856)	(101,459)	(358,329)	(224,312)	(134,586)
Payments for construction of infrastructure	(5,050,000)	(4,900,000)	(3,040,806)	(3,524,354)	(3,012,887)	(3,986,971)	(4,416,598)	(4,429,969)	(4,601,817)	(4,680,758)	(5,127,363)	(5,401,877)	(5,510,310)	(5,856,811)	(6,160,873)
Non-operating grants, subsidies and contributions	3,150,000	2,200,000	1,375,000	1,250,000	1,850,000	1,450,000	1,350,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Proceeds from sale of plant & equipment	179,520	79,070	191,016	130,975	128,073	141,897	81,557	182,779	168,508	179,193	119,364	90,045	206,976	159,657	102,286
Net Cash Provided By (Used In) Investing Activities	(2,215,180)	(2,740,576)	(2,012,822)	(2,327,392)	(2,499,794)	(2,887,877)	(3,076,936)	(3,274,874)	(3,482,081)	(3,698,937)	(3,925,855)	(4,163,291)	(4,411,663)	(4,671,466)	(4,943,173)
Cash Flows from Financing Activities															
Repayment of debentures	(256,871)	(266,746)	(277,005)	(287,658)	(298,722)	(100,627)	(104,179)	(107,858)	(111,665)	(115,608)	(119,690)	(123,916)	(128,291)	(132,821)	(137,510)
Net Cash Provided By (Used In) Financing Activities	(256,871)	(266,746)	(277,005)	(287,658)	(298,722)	(100,627)	(104,179)	(107,858)	(111,665)	(115,608)	(119,690)	(123,916)	(128,291)	(132,821)	(137,510)
Net Increase (Decrease) in Cash Held	(625,758)	(771,676)	320,142	178,147	182,598	187,165	191,844	196,640	201,557	206,595	211,760	217,054	222,481	228,041	233,744
Cash at beginning of year	5,193,375	4,567,617	3,795,941	4,116,083	4,294,230	4,476,828	4,663,993	4,855,837	5,052,477	5,254,034	5,460,629	5,672,389	5,889,443	6,111,924	6,339,965
Cash and Cash Equivalents at the End of Year	4,567,617	3,795,941	4,116,083	4,294,230	4,476,828	4,663,993	4,855,837	5,052,477	5,254,034	5,460,629	5,672,389	5,889,443	6,111,924	6,339,965	6,573,709
Reconciliation of Net Cash Provided By Operating Activities to Net Result															
Net Result	2,526,892	1,914,938	1,414,899	1,422,014	2,133,959	1,875,766	1,918,201	1,968,952	2,128,141	2,296,331	2,473,263	2,659,695	2,856,538	3,063,662	3,281,597
Depreciation	2,469,401	2,520,708	2,570,070	2,621,183	2,697,155	2,749,903	2,804,758	2,860,420	2,917,162	2,974,809	3,034,042	3,094,566	3,155,897	3,218,666	3,282,830
Grants/Contributions for the development of assets	(3,150,000)	(2,200,000)	(1,375,000)	(1,250,000)	(1,850,000)	(1,450,000)	(1,350,000)	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)
Net Cash from Operating Activities	1,846,293	2,235,646	2,609,969	2,793,197	2,981,114	3,175,669	3,372,959	3,579,372	3,795,303	4,021,140	4,257,305	4,504,261	4,762,435	5,032,328	5,314,427

Refer to Appendix B12 – Forecast Significant Accounting Policies

Appendix B7 – Forecast Statement of Funding 2018-2033

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES															
Revenues															
Rates	4,766,102	5,206,746	5,665,017	5,891,617	6,127,283	6,372,375	6,627,271	6,892,363	7,168,057	7,454,778	7,752,970	8,063,089	8,385,614	8,721,038	9,069,879
Operating grants, subsidies and contributions	12,362,518	2,919,768	2,978,163	3,037,727	3,098,482	3,160,452	3,223,661	3,288,134	3,353,896	3,420,975	3,489,394	3,559,181	3,630,365	3,702,972	3,777,032
Profit on asset disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	659,259	672,442	685,887	699,602	713,591	727,856	742,409	757,254	772,402	787,851	803,607	819,675	836,067	852,789	869,844
Interest earnings	179,835	178,294	144,898	152,903	157,354	161,921	166,600	171,396	176,313	181,351	186,516	191,810	197,237	202,797	208,500
Other revenue	115,464	117,772	120,125	122,525	124,974	127,473	130,021	132,620	135,272	137,977	140,735	143,546	146,415	149,345	152,334
	18,083,178	9,095,022	9,594,090	9,904,374	10,221,684	10,550,077	10,889,962	11,241,767	11,605,940	11,982,932	12,373,222	12,777,301	13,195,698	13,628,941	14,077,589
Expenses															
Employee costs	(4,041,550)	(4,122,385)	(4,204,831)	(4,288,922)	(4,374,700)	(4,462,193)	(4,551,441)	(4,642,472)	(4,735,321)	(4,830,026)	(4,926,632)	(5,025,165)	(5,125,674)	(5,228,190)	(5,332,758)
Materials and contracts	(11,446,229)	(1,985,147)	(2,024,845)	(2,065,341)	(2,106,639)	(2,148,770)	(2,191,743)	(2,235,582)	(2,280,294)	(2,325,909)	(2,372,439)	(2,419,884)	(2,468,290)	(2,517,657)	(2,568,014)
Utility charges (electricity, gas, water etc.)	(246,789)	(251,727)	(256,760)	(261,896)	(267,135)	(272,479)	(277,930)	(283,489)	(289,161)	(294,943)	(300,840)	(306,856)	(312,993)	(319,255)	(325,638)
Depreciation on non-current assets	(2,469,401)	(2,520,708)	(2,570,070)	(2,621,183)	(2,697,155)	(2,749,903)	(2,804,758)	(2,860,420)	(2,917,162)	(2,974,809)	(3,034,042)	(3,094,566)	(3,155,897)	(3,218,666)	(3,282,830)
Loss on asset disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest expense	(118,527)	(108,652)	(98,393)	(87,740)	(76,676)	(67,239)	(63,687)	(60,008)	(56,201)	(52,258)	(48,176)	(43,950)	(39,575)	(35,045)	(30,356)
Insurance expense	(202,445)	(206,494)	(210,622)	(214,835)	(219,130)	(223,511)	(227,981)	(232,539)	(237,190)	(241,935)	(246,774)	(251,708)	(256,743)	(261,878)	(267,116)
Other expenditure	(181,345)	(184,971)	(188,670)	(192,443)	(196,290)	(200,216)	(204,221)	(208,305)	(212,470)	(216,721)	(221,056)	(225,477)	(229,988)	(234,588)	(239,280)
	(18,706,286)	(9,380,084)	(9,554,191)	(9,732,360)	(9,937,725)	(10,124,311)	(10,321,761)	(10,522,815)	(10,727,799)	(10,936,601)	(11,149,959)	(11,367,606)	(11,589,160)	(11,815,279)	(12,045,992)
	(623,108)	(285,062)	39,899	172,014	283,959	425,766	568,201	718,952	878,141	1,046,331	1,223,263	1,409,695	1,606,538	1,813,662	2,031,597
Funding Position Adjustments															
Depreciation on non-current assets	2,469,401	2,520,708	2,570,070	2,621,183	2,697,155	2,749,903	2,804,758	2,860,420	2,917,162	2,974,809	3,034,042	3,094,566	3,155,897	3,218,666	3,282,830
Net profit and losses on disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Movement in employee benefit provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Funding From Operational Activities	1,846,293	2,235,646	2,609,969	2,793,197	2,981,114	3,175,669	3,372,959	3,579,372	3,795,303	4,021,140	4,257,305	4,504,261	4,762,435	5,032,328	5,314,427
FUNDING FROM CAPITAL ACTIVITIES															
Inflows															
Proceeds on disposal	179,520	79,070	191,016	130,975	128,073	141,897	81,557	182,779	168,508	179,193	119,364	90,045	206,976	159,657	102,286
Non-operating grants, subsidies and contributions	3,150,000	2,200,000	1,375,000	1,250,000	1,850,000	1,450,000	1,350,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Outflows															
Purchase of property plant and equipment	(494,700)	(119,646)	(538,032)	(184,013)	(1,464,980)	(492,803)	(91,895)	(277,684)	(298,772)	(447,372)	(167,856)	(101,459)	(358,329)	(224,312)	(134,586)
Purchase of infrastructure	(5,050,000)	(4,900,000)	(3,040,806)	(3,524,354)	(3,012,887)	(3,986,971)	(4,416,598)	(4,429,969)	(4,601,817)	(4,680,758)	(5,127,363)	(5,401,877)	(5,510,310)	(5,856,811)	(6,160,873)
Net Funding From Capital Activities	(2,215,180)	(2,740,576)	(2,012,822)	(2,327,392)	(2,499,794)	(2,887,877)	(3,076,936)	(3,274,874)	(3,482,081)	(3,698,937)	(3,925,855)	(4,163,291)	(4,411,663)	(4,671,466)	(4,943,173)
FUNDING FROM FINANCING ACTIVITIES															
Inflows															
Transfer from reserves	500,000	1,200,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Outflows															
Transfer to reserves	(474,242)	(428,324)	(320,142)	(178,147)	(182,598)	(187,165)	(191,844)	(196,640)	(201,557)	(206,595)	(211,760)	(217,054)	(222,481)	(228,041)	(233,744)
Repayment of past borrowings	(256,871)	(266,746)	(277,005)	(287,658)	(298,722)	(100,627)	(104,179)	(107,858)	(111,665)	(115,608)	(119,690)	(123,916)	(128,291)	(132,821)	(137,510)
Net Funding From Financing Activities	(231,113)	504,930	(597,147)	(465,805)	(481,320)	(287,792)	(296,023)	(304,498)	(313,222)	(322,203)	(331,450)	(340,970)	(350,772)	(360,862)	(371,254)
Estimated Surplus/Deficit July 1 B/Fwd	600,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Surplus/Deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Refer to Appendix B12 – Forecast Significant Accounting Policies

Appendix B8 – Forecast Statement of Net Current Asset Composition 2018-2033

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated Surplus/Deficit July 1 B/Fwd	600,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Unrestricted Cash and Equivalents	990,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241	990,241
Restricted Cash and Cash Equivalent	3,577,376	2,805,700	3,125,842	3,303,989	3,486,587	3,673,752	3,865,596	4,062,236	4,263,793	4,470,388	4,682,148	4,899,202	5,121,683	5,349,724	5,583,468
Trade and Other Receivables	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595	115,595
Inventories	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861	10,861
CURRENT LIABILITIES															
Trade and Other Payables	(1,116,697)	(1,116,697)	(1,116,697)	(1,116,697)	(1,116,697)	(1,116,697)	(1,116,697)	(1,116,697)	(1,116,697)	(1,116,697)	(1,116,697)	(1,116,697)	(1,116,697)	(1,116,697)	(1,116,697)
Reserves	(3,577,376)	(2,805,700)	(3,125,842)	(3,303,989)	(3,486,587)	(3,673,752)	(3,865,596)	(4,062,236)	(4,263,793)	(4,470,388)	(4,682,148)	(4,899,202)	(5,121,683)	(5,349,724)	(5,583,468)
Estimated Surplus/Deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Refer to Appendix B12 – Forecast Significant Accounting Policies

Appendix B9 – Forecast Statement of Fixed Asset Movements 2018-2033

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Infrastructure - Roads	2,650,000	1,850,000	2,440,806	3,474,354	2,512,887	3,466,971	3,616,598	3,929,969	4,101,817	4,180,758	4,627,363	4,901,877	5,010,310	5,356,811	5,660,873
Infrastructure - Airport	0	3,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other	2,400,000	50,000	600,000	50,000	500,000	520,000	800,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total Capital Works - Infrastructure	5,050,000	4,900,000	3,040,806	3,524,354	3,012,887	3,986,971	4,416,598	4,429,969	4,601,817	4,680,758	5,127,363	5,401,877	5,510,310	5,856,811	6,160,873
Represented by:															
Additions - Expansion, Upgrades and New	400,000	0	550,000	0	0	20,000	300,000	0	0	0	0	0	0	0	0
Additions - Renewal	4,650,000	4,900,000	2,490,806	3,524,354	3,012,887	3,966,971	4,116,598	4,429,969	4,601,817	4,680,758	5,127,363	5,401,877	5,510,310	5,856,811	6,160,873
Total Capital Works - Infrastructure	5,050,000	4,900,000	3,040,806	3,524,354	3,012,887	3,986,971	4,416,598	4,429,969	4,601,817	4,680,758	5,127,363	5,401,877	5,510,310	5,856,811	6,160,873
Asset Movement Reconciliation															
Total Capital Works Infrastructure	5,050,000	4,900,000	3,040,806	3,524,354	3,012,887	3,986,971	4,416,598	4,429,969	4,601,817	4,680,758	5,127,363	5,401,877	5,510,310	5,856,811	6,160,873
Depreciation Infrastructure	(1,804,036)	(1,840,116)	(1,876,919)	(1,914,457)	(1,952,746)	(1,991,801)	(2,031,637)	(2,072,270)	(2,113,715)	(2,155,990)	(2,199,109)	(2,243,092)	(2,287,953)	(2,333,713)	(2,380,387)
Revaluation of Infrastructure assets (Inflation)	1,596,420	1,693,268	1,788,329	1,847,373	1,916,521	1,976,054	2,055,478	2,144,286	2,234,325	2,328,775	2,425,846	2,532,929	2,646,762	2,764,144	2,889,889
Net Movement in Infrastructure Assets	4,842,384	4,753,152	2,952,216	3,457,270	2,976,662	3,971,224	4,440,439	4,501,985	4,722,427	4,853,543	5,354,100	5,691,714	5,869,119	6,287,242	6,670,375
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings	0	0	0	0	1,200,000	0	0	0	0	0	0	0	0	0	0
Furniture and Equipment	0	0	0	0	0	200,000	0	0	0	0	0	0	0	0	0
Plant and Equipment	494,700	119,646	538,032	184,013	264,980	292,803	91,895	277,684	298,772	447,372	167,856	101,459	358,329	224,312	134,586
Total Capital Works Property, Plant and Equipment	494,700	119,646	538,032	184,013	1,464,980	492,803	91,895	277,684	298,772	447,372	167,856	101,459	358,329	224,312	134,586
Represented by:															
Additions - Expansion, Upgrades and New	0	0	0	0	1,200,000	200,000	0	0	0	0	0	0	0	0	0
Additions - Renewal	494,700	119,646	538,032	184,013	264,980	292,803	91,895	277,684	298,772	447,372	167,856	101,459	358,329	224,312	134,586
Total Capital Works Property, Plant and Equipment	494,700	119,646	538,032	184,013	1,464,980	492,803	91,895	277,684	298,772	447,372	167,856	101,459	358,329	224,312	134,586
Asset Movement Reconciliation															
Total Capital Works Property, Plant and Equipment	494,700	119,646	538,032	184,013	1,464,980	492,803	91,895	277,684	298,772	447,372	167,856	101,459	358,329	224,312	134,586
Depreciation Property, Plant and Equipment	(665,365)	(680,592)	(693,151)	(706,726)	(744,409)	(758,102)	(773,121)	(788,150)	(803,447)	(818,819)	(834,933)	(851,474)	(867,944)	(884,953)	(902,443)
Net Book Value of disposed/Written Off assets	(179,520)	(79,070)	(191,016)	(130,975)	(128,073)	(141,897)	(81,557)	(182,779)	(168,508)	(179,193)	(119,364)	(90,045)	(206,976)	(159,657)	(102,286)
Revaluation of Property, Plant and Equipment (Inflation)	473,840	482,514	470,412	480,032	474,941	495,547	501,518	492,577	488,141	481,468	485,675	480,989	468,670	466,390	461,108
Net Movement in Property, Plant and Equipment	123,655	(157,502)	124,277	(173,656)	1,067,439	88,351	(261,265)	(200,668)	(185,042)	(69,172)	(300,766)	(359,071)	(247,921)	(353,908)	(409,035)
CAPITAL WORKS - TOTALS															
Capital Works															
Total Capital Works Infrastructure	5,050,000	4,900,000	3,040,806	3,524,354	3,012,887	3,986,971	4,416,598	4,429,969	4,601,817	4,680,758	5,127,363	5,401,877	5,510,310	5,856,811	6,160,873
Total Capital Works Property, Plant and Equipment	494,700	119,646	538,032	184,013	1,464,980	492,803	91,895	277,684	298,772	447,372	167,856	101,459	358,329	224,312	134,586
Total Capital Works	5,544,700	5,019,646	3,578,838	3,708,367	4,477,867	4,479,774	4,508,493	4,707,653	4,900,589	5,128,130	5,295,219	5,503,336	5,868,639	6,081,123	6,295,459
Fixed Asset Movement															
Net Movement in Infrastructure Assets	4,842,384	4,753,152	2,952,216	3,457,270	2,976,662	3,971,224	4,440,439	4,501,985	4,722,427	4,853,543	5,354,100	5,691,714	5,869,119	6,287,242	6,670,375
Net Movement in Property, Plant and Equipment	123,655	(157,502)	124,277	(173,656)	1,067,439	88,351	(261,265)	(200,668)	(185,042)	(69,172)	(300,766)	(359,071)	(247,921)	(353,908)	(409,035)
Net Movement in Fixed Assets	4,966,039	4,595,650	3,076,493	3,283,614	4,044,101	4,059,575	4,179,174	4,301,317	4,537,385	4,784,371	5,053,334	5,332,643	5,621,198	5,933,334	6,261,340

Refer to Appendix B12 – Forecast Significant Accounting Policies

Appendix B10 – Forecast Statement of Capital Funding 2018-2033

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital Expenditure															
Infrastructure - Roads	2,650,000	1,850,000	2,440,806	3,474,354	2,512,887	3,466,971	3,616,598	3,929,969	4,101,817	4,180,758	4,627,363	4,901,877	5,010,310	5,356,811	5,660,873
Infrastructure - Airport	0	3,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other	2,400,000	50,000	600,000	50,000	500,000	520,000	800,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Buildings	0	0	0	0	1,200,000	0	0	0	0	0	0	0	0	0	0
Furniture and Equipment	0	0	0	0	0	200,000	0	0	0	0	0	0	0	0	0
Plant and Equipment	494,700	119,646	538,032	184,013	264,980	292,803	91,895	277,684	298,772	447,372	167,856	101,459	358,329	224,312	134,586
Total - Capital Expenditure	5,544,700	5,019,646	3,578,838	3,708,367	4,477,867	4,479,774	4,508,493	4,707,653	4,900,589	5,128,130	5,295,219	5,503,336	5,868,639	6,081,123	6,295,459
Funded By:															
Capital Grants & Contributions															
Infrastructure - Roads	2,050,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Infrastructure - Airport	0	950,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other	1,100,000	0	125,000	0	0	0	100,000	0	0	0	0	0	0	0	0
Buildings	0	0	0	0	600,000	0	0	0	0	0	0	0	0	0	0
Furniture and Equipment	0	0	0	0	0	200,000	0	0	0	0	0	0	0	0	0
Total - Capital Grants & Contributions	3,150,000	2,200,000	1,375,000	1,250,000	1,850,000	1,450,000	1,350,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Own Source Funding															
Infrastructure - Roads	600,000	600,000	1,190,806	2,224,354	1,262,887	2,216,971	2,366,598	2,679,969	2,851,817	2,930,758	3,377,363	3,651,877	3,760,310	4,106,811	4,410,873
Infrastructure - Airport	0	2,050,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other	1,300,000	50,000	475,000	50,000	500,000	520,000	700,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Buildings	0	0	0	0	600,000	0	0	0	0	0	0	0	0	0	0
Plant and Equipment	315,180	40,576	347,016	53,038	136,907	150,906	10,338	94,905	130,264	268,179	48,492	11,414	151,353	64,655	32,300
Total - Own Source Funding	2,215,180	2,740,576	2,012,822	2,327,392	2,499,794	2,887,877	3,076,936	3,274,874	3,482,081	3,698,937	3,925,855	4,163,291	4,411,663	4,671,466	4,943,173
Borrowings															
Total - Borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (Disposals & C/Fwd)															
Plant and Equipment	179,520	79,070	191,016	130,975	128,073	141,897	81,557	182,779	168,508	179,193	119,364	90,045	206,976	159,657	102,286
Total - Other (Disposals & C/Fwd)	179,520	79,070	191,016	130,975	128,073	141,897	81,557	182,779	168,508	179,193	119,364	90,045	206,976	159,657	102,286
Total Capital Funding	5,544,700	5,019,646	3,578,838	3,708,367	4,477,867	4,479,774	4,508,493	4,707,653	4,900,589	5,128,130	5,295,219	5,503,336	5,868,639	6,081,123	6,295,459

Refer to Appendix B12 – Forecast Significant Accounting Policies

Appendix B11 – Forecast Ratios 2018-2033

	Target	Range	Average	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
LIQUIDITY RATIOS																		
Current Ratio	> 1.00	> 1.20	0.87	0.81	0.80	0.80	0.79	0.92	0.91	0.91	0.91	0.91	0.90	0.90	0.90	0.89	0.89	0.89
OPERATING RATIOS																		
Operating Surplus Ratio	> 1.00%	> 15.00%	8.03%	(10.89%)	(4.62%)	0.60%	2.51%	3.99%	5.76%	7.41%	9.04%	10.64%	12.22%	13.77%	15.29%	16.80%	18.27%	19.72%
Own Source Revenue Coverage Ratio	> 40.00%	> 60.00%	73.25%	30.58%	65.83%	69.25%	70.55%	71.68%	72.99%	74.27%	75.58%	76.92%	78.29%	79.68%	81.09%	82.54%	84.01%	85.51%
BORROWINGS RATIOS																		
Debt Service Cover Ratio	> 3	> 5	19.10	5.23	6.24	7.21	7.67	8.15	19.32	20.47	21.68	22.94	24.27	25.65	27.09	28.61	30.19	31.84
FIXED ASSET RATIOS																		
Asset Sustainability Ratio	> 90.00%	> 110.00%	167.82%	208.34%	199.14%	117.85%	141.48%	121.53%	154.91%	150.05%	164.58%	167.99%	172.39%	174.53%	177.84%	185.96%	188.93%	191.77%
Asset Consumption Ratio	> 50.00%	> 60.00%	108.91%	100.73%	102.89%	103.12%	103.95%	104.29%	105.41%	106.46%	107.77%	109.18%	110.67%	112.27%	113.95%	115.75%	117.64%	119.64%
Asset Renewal Funding Ratio	> 75.00%	> 95.00%	176.51%	194.18%	202.11%	193.88%	143.92%	148.47%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Refer to Appendix B12 – Forecast Significant Accounting Policies

Appendix B12 – Required Asset Renewals 2018-2033

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings	0	180,405	0	0	259,017	0	115,995	0	0	0	0	970,205	0	0	192,190
Plant and Equipment	188,827	426,559	242,935	344,347	262,108	288,191	298,089	314,136	536,364	179,798	183,394	531,847	327,091	366,217	309,707
Infrastructure - Roads	2,482,579	1,211,686	2,720,037	1,205,405	1,242,571	1,254,104	1,279,186	4,082,448	1,800,595	1,389,639	1,613,347	1,412,324	13,509,461	1,469,382	1,642,277
Total	2,671,406	1,818,650	2,962,972	1,549,753	1,763,697	1,542,295	1,693,269	4,396,584	2,336,959	1,569,437	1,796,741	2,914,376	13,836,552	1,835,599	2,144,174

Refer to Appendix B12 – Forecast Significant Accounting Policies

Appendix B13 – Planned Asset Renewals 2018-2033

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment	494,700	119,646	538,032	184,013	264,980	292,803	91,895	277,684	298,772	447,372	167,856	101,459	358,329	224,312	134,586
Infrastructure - Roads	2,650,000	1,850,000	2,440,806	3,474,354	2,512,887	3,466,971	3,616,598	3,929,969	4,101,817	4,180,758	4,627,363	4,901,877	5,010,310	5,356,811	5,660,873
Infrastructure - Airport	0	3,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other	2,000,000	50,000	50,000	50,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	5,144,700	5,019,646	3,028,838	3,708,367	3,277,867	4,259,774	4,208,493	4,707,653	4,900,589	5,128,130	5,295,219	5,503,336	5,868,639	6,081,123	6,295,459

Refer to Appendix B12 – Forecast Significant Accounting Policies

Appendix B14 –Asset Renewal Funding Surplus (Deficit) 2018-2033

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings	0	(180,405)	0	0	(259,017)	0	(115,995)	0	0	0	0	(970,205)	0	0	(192,190)
Plant and Equipment	305,873	(306,913)	295,097	(160,334)	2,872	4,612	(206,194)	(36,452)	(237,592)	267,574	(15,538)	(430,388)	31,238	(141,905)	(175,121)
Infrastructure - Roads	167,421	638,314	(279,231)	2,268,949	1,270,316	2,212,867	2,337,412	(152,479)	2,301,222	2,791,119	3,014,016	3,489,553	(8,499,151)	3,887,429	4,018,596
Infrastructure - Airport	0	3,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other	2,000,000	50,000	50,000	50,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	2,473,294	3,200,996	65,866	2,158,614	1,514,170	2,717,479	2,515,224	311,069	2,563,630	3,558,693	3,498,478	2,588,960	(7,967,913)	4,245,524	4,151,285

Refer to Appendix B12 – Forecast Significant Accounting Policies

Appendix B15 – Forecast Significant Accounting Policies

Basis of Preparation

The Long Term Financial Plan (the Plan) comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of the Plan are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the Plan has also 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.

(a) 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.

(b) Rounding Off Figures

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

(c) Comparative Figures

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

(d) Forecast Fair Value Adjustments

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

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

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

Appendix B15 – Forecast Significant Accounting Policies (Continued)

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) Trade and Other Receivables

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

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

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

(j) 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.

Appendix B15 – Forecast Significant Accounting Policies (Continued)

(k) Fixed Assets

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

Revaluation

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

Land under roads

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

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

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

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

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

Depreciation

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

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

Asset Class	Effective average depreciation rate
Buildings	2.00%
Plant and Equipment	7.80%
Roads	2.38%

Appendix B15 – Forecast Significant Accounting Policies (Continued)

(k) Fixed Assets (Continued)

Depreciation (Continued)

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.

(l) Fair Value of Assets and Liabilities

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Fair value is the price that Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Appendix B15 – Forecast Significant Accounting Policies (Continued)

(l) Fair Value of Assets and Liabilities (Continued)

Valuation Techniques

The Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Council are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets to be revalued at least every 3 years. Asset revaluations have been modelled to occur annually within the Plan.

(m) Impairment of Assets

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

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

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

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

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

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Appendix B15 – Forecast Significant Accounting Policies (Continued)

(n) Trade and Other Payables

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

(o) Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other 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 or 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 re-measurements 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.

(p) 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.

(q) 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.

Appendix B15 – Forecast Significant Accounting Policies (Continued)

(r) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(s) 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.

Appendix C1 – Glossary (Continued)

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.

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.

Appendix C1 – Glossary (Continued)

Recurrent Expenditure

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

Recurrent Funding

Funding to pay for recurrent expenditure.

Remaining Useful Life

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

Renewal

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

Residual Value

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

Revenue Generating Investments

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

Risk Management

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

Section or Segment

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

Service Potential

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

Service Potential Remaining

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

Appendix C1 – Glossary (Continued)

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 Wiluna by Moore Stephens.

Reliance

This Plan has been prepared for the exclusive use of the Shire of Wiluna 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 Stephen'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 Wiluna. 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 Wiluna.

This Plan contains quantitative and qualitative statements, including projections, estimates, opinions and forecasts concerning the anticipated future performance of Shire of Wiluna 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 Wiluna. 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 Wiluna and the impact that a variation in future outcomes may have on the Plan and the Shire of Wiluna.

Disclaimer

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