



Shire of **Ngaanyatjaraku**

ON A JOURNEY

Strategic Resource Plan

(Integrated Long Term Financial and Asset Management Plan)

2022 – 2037

Our vision:

**The Shire of Ngaanyatjaraku
– on a journey**



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1.0 Foreword

We are pleased to present the Shire of Ngaanyatjarraku Strategic Resource Plan for 2022 – 2037.

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

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

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

The Shire of Ngaanyatjarraku's Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Ngaanyatjarraku Plan for the Future: Strategic Community Plan and Corporate Business Plan 2021 - 2031.

This Plan will be used with the Plan for the Future and Workforce Plan to achieve our goals and drive the Shire in achieving its vision of "The Shire of Ngaanyatjarraku – on a journey".

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

(John) Damian McLean Kevin Hannagan
President Chief Executive Officer



2.0 Key Information

ASSUMPTIONS



3%
Inflation Rate



Stable
Population



Stable
Levels of Service



Stable
Operations



Balanced
Annual Budget



5% 2022/23; 4% 2023/24
3% from 2025/26 →
Rates | Fees and Charges



5% 2022/23; 8% 2023/24
3% CPI 2024/25 →
Employee Costs

STATISTICS ^{1|2}



8
Elected
Members



23
Employees



917
Electors



494
Dwellings



1,542km
Distance from
Perth



159,948km²
Area



1,358
Population

FINANCIAL INFORMATION³

\$172,589
Rates Revenue

\$543,481
Fees and Charges

\$6,818,017
Operating Revenue

\$5,655,172
Operating Expenditure

\$121,897,365
Net Assets

\$4,862,136
Cash Backed Reserves

\$0
Long Term Borrowings

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

²Australian Bureau of Statistics
Ngaanyatjaraku (S) (LGA56620) 2021
Census of Population and Housing, viewed
12 July 2022

³Shire of Ngaanyatjaraku 2020/21
Annual Financial Report

3.0 Executive Summary

The following information provides a brief summary of the Strategic Resource Plan 2022 – 2037, this should be read in conjunction with the underlying assumptions detailed in this Plan.

3.1 Planning for a Sustainable and Stable Future

The Shire of Ngaanyatjaraku is planning to maintain current services to its community, despite the current uncertainty arising from COVID-19, global economic uncertainty and dependence on state government funding. The Shire seeks to maintain, and where possible, improve service levels into the future while trying to maintain a healthy financial position.

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

This Plan highlights the current long term financial capacity shortage to maintain current services and community asset provision.

3.2 Significant Issues

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

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

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

Rate revenue is forecast to increase at 5% in 2022/23; 4% in 2023/24; 51.33% in 2024/25 with an expected increase in mining rates and 3% per year from 2025/26 for the remainder of the Plan. The Shire has a low rate revenue base given the lack of economic activity. Rate increases have negligible impact on the long term financial position of the Shire, which remains highly dependent on its annual Financial Assistance Grant allocation. The general economic forecast has an increased level of uncertainty due to current global uncertainties.

3.3 Forecast Capital Projects

A capital works program has been planned over the term of the Plan, with only two building upgrades planned and asset renewals, to try and ensure the continued provision of current community infrastructure to residents of the Shire. External funding is required to undertake these works.

Project by Asset Class	2022 – 2037 Amount (\$)
Infrastructure – Roads	
Road Renewals	8,325,000
Road Renewals RTR Funded	6,241,785
Road Renewals Special Projects	6,200,000
Road Renewals AAR Funded	4,147,000
Grants - Stimulus Funding	1,253,831
Infrastructure – Roads Total	26,167,616
Infrastructure – Recreation	
Recreation Infrastructure Renewals	17,025,000
Infrastructure – Recreation Total	17,025,000
Plant and Equipment	
Plant replacement program	2,345,277
Plant and Equipment Total	2,345,277
Buildings	
Buildings Renewals	4,356,000
Warburton Roadhouse / Civic Centre upgrade	2,600,000
Tjulyuru extension	300,000
Buildings Total	7,256,000
Grand Total	52,793,893

Capital renewal requirements are contained within the asset management plan component of this Plan and have been planned for to the extent the financial and workforce resources are available to enable the renewals to occur.

The Shire has been keeping detailed records of 'unit rates' and has been progressively updating its Road Asset Maintenance Management System as higher unit rates will affect future funding requirements. The Shire is aware of the year 2000 asset construction component standards for the four community sealed road networks affecting future funding requirements.

4.0 Community Profile, Vision and Objective

4.1 Location

The Shire of Ngaanyatjaraku is situated within the traditional lands of the Ngaanyatjarra people of the Central Desert of Western Australia, covering an area of 159,821 km².

The 99-year leases held by the Ngaanyatjarra Land Council on behalf of the traditional owners also form the boundaries of the Shire of Ngaanyatjaraku. The neighbouring local governments are the Shires of Wiluna, Laverton, and East Pilbara. Permission is required to travel on the lands of Ngaanyatjaraku by the Ngaanyatjarra Council in Alice Springs.

The town of Warburton is the centre of administration for the Shire, located 1,542 km northeast of Perth and 320 km west of the Northern Territory border, on the Gunbarrel Highway and the Great Central Road.

4.2 Heritage

The Shire of Ngaanyatjaraku was formed on 1 July 1993 by the division of the Shire of Wiluna, with the eastern area becoming the new Shire of Ngaanyatjaraku. The first local government elections were held in October 1993 and eight Councillors were elected. The communities are committed to mainstream local government and the delivery of services by the Shire rather than any other organisation.

The Shire steadily improved and extended the range of services provided to the communities. However, changes in Federal and State funding arrangements have resulted in the Shire needing to reduce services such as Sport and Recreation, rubbish collection, early years programs and the aboriginal environmental health program, to address financial sustainability.

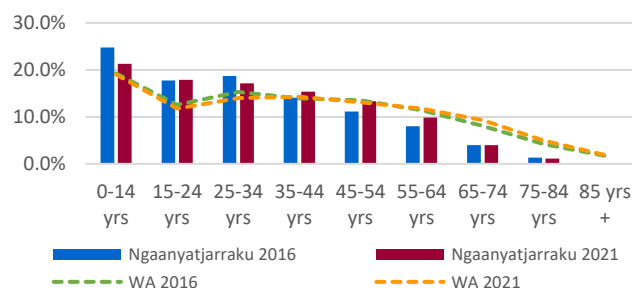
Since the establishment of the Shire there have been extensive improvements to the communications, road infrastructure and services provided to the communities within the Shire. The Shire continues to represent and be an advocate for improved community services.

4.3 People

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

Population	2016		2021
Shire of Ngaanyatjaraku	1,606	↓	1,358
WA	2.5m	↑	2.6m

The chart below reflects the percentage of the estimated resident population within each age grouping for the district of the Shire of Ngaanyatjaraku and Western Australia.



In comparison to the Western Australia demographic, the district has a higher proportion of younger residents in the 0-44 year age ranges, with a lower proportion in all age groups over 45 years than the State average.

4.4 Vision

The Shire's strategic vision: **The Shire of Ngaanyatjaraku – on a journey.**

4.5 Strategic Objectives

The following key themes are identified in the Shire's Plan for the Future 2021 - 2031 and considered within this Strategic Resource Plan 2022 – 2037:

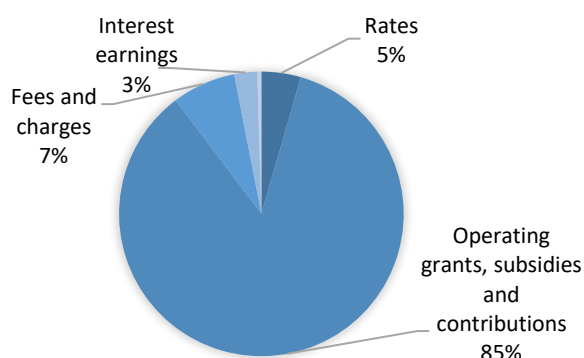
- **Our People:** Looking after our people - our communities are healthy, happy and informed
- **Our Land:** Looking after our land - which we all depend upon and love living on, and want to keep good for our children and grandchildren; and
- **Our Leadership:** Showing the way for our communities - doing the right things to look after our people and land.

5.0 Long Term Financial Planning Overview

5.1 Forecast Revenue

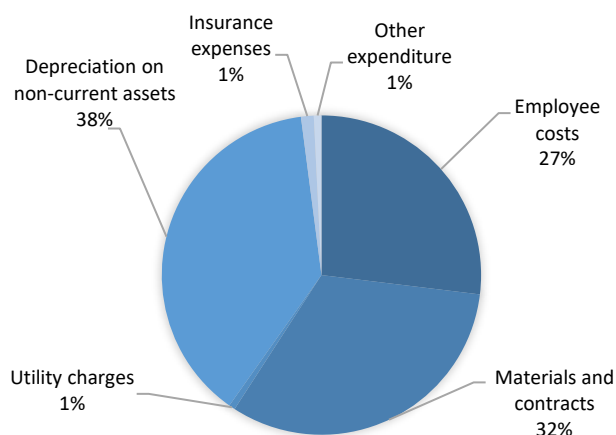
Rates are expected to generate \$198,956 in 2022/23 before increasing at 4% in 2023/24, the expected commencement of new mining operations is estimated to yield an additional \$100,000 in rates revenue in 2024/25. Thereafter rates are planned to increase in line with forecast inflation of 3% per annum to \$446,437 in 2036/37 and comprise 5% of operating revenue over the term of the Plan. The Shire is reliant on receiving more than \$100m over the next 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. Capital grants are forecast to reduce in real terms due to the lack of indexation. This will impact severely on road renewal and service levels over the long term.

5.1.1 Revenue Composition Year 1 to 15 Forecast Expenditure



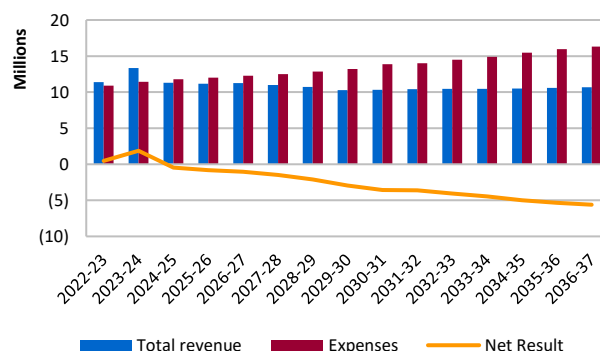
Expenditure is forecast to increase in line with inflation with the exception of depreciation expense which is impacted by the addition of assets over the term of the Plan.

5.1.2 Expenditure Composition Year 1 to 15



5.2 Net Result

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



A positive net result occurs during the first two years due to the forecast level of capital grants before becoming negative for the balance of the Plan due to reducing Government funding, rising costs and very limited alternative revenue sources. A negative net result over the long term indicates net asset values will decrease as depreciation expenses erode asset values with assets not being adequately replaced.

Improved asset funding or changes to expected useful life's of assets as they are better understood may impact the net result.

5.3 Depreciation Expense

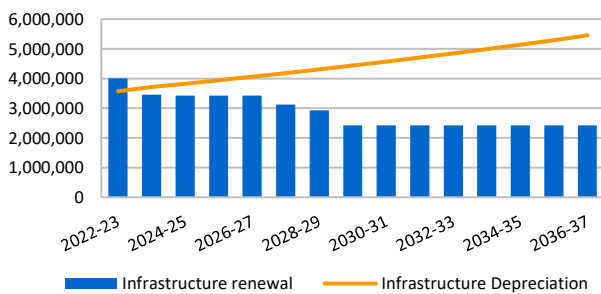
Ideally, the average asset renewal should be in line with depreciation expense over the long term, to ensure the value of assets is maintained. On average, the Shire is only able to renew its infrastructure assets at a slightly lower level than they are depreciating over the term of the Plan due to restricted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

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

5.0 Long Term Financial Planning Overview (Continued)

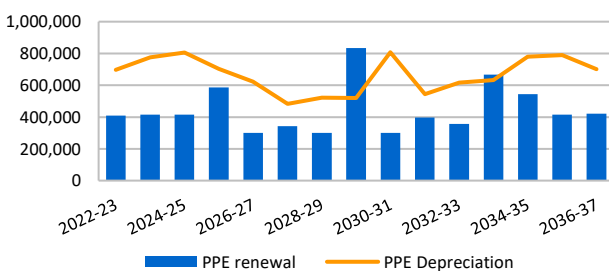
5.3.1 Infrastructure Depreciation Expense -V- Asset Renewal Expenditure

Depreciation expense increases significantly in the first year of the Plan as a recent asset revaluation is captured in 2022/23, resulting in a significant increase in depreciation to \$4.3m in year 1. This increases to \$6.2m in year 15 as assets are revalued with inflation and renewed. Depreciation of infrastructure over the 15 years is \$67.0m, shown by the gold line in the chart below. The planned level of infrastructure asset renewal expenditure at \$43.2m, reflected by the blue columns, is over the term of the Plan below the level of depreciation, highlighting the lack of adequate asset renewal.



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

Planned property, plant and equipment asset renewals of \$6.7m, reflected by the blue columns, over the 15 years is less than the depreciation expense of \$10.0m, reflected by the gold line, over the same period as shown in the chart below.



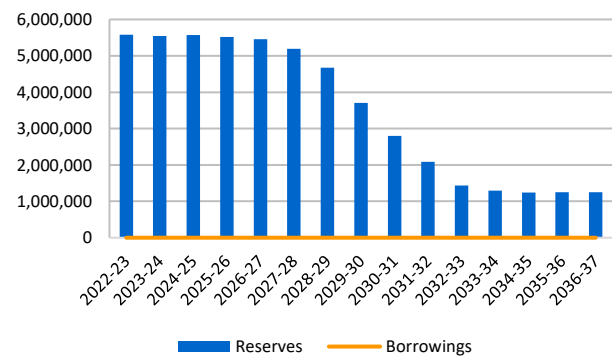
The low net book value of plant and equipment, and inadequate asset renewals results in the value of plant and equipment dropping to zero and fluctuations in depreciation as assets are renewed. As the Shire has no significant ratepayers or grant programs of this type, it has no income stream to renew these classes of assets. Traditionally the Shire has used its Financial Assistance Grants (general) to fund this class of assets however, as the State expects the Shire to use these grants to reduce their contribution to waste management, this is no longer possible.

5.4 Maintenance Expenditure

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

5.5 Forecast Borrowings and Cash Reserves

In general, the finances of the Shire are expected to decrease significantly over the long term. Reserves will be utilised as far as possible to cover required asset renewals, resulting in the decrease in reserve levels as shown in the chart below.



There is limited income to replenish and rebuild these reserves, along with pressure from the State to provide contributions towards waste and sport and recreation services to reduce their funding contribution.

Borrowings are nil, and this remains the assumption of the Plan. The low level of rate and discretionary income results in the Shire having no capacity to borrow.

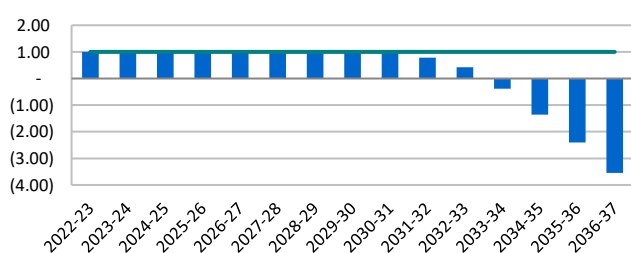
The lack of borrowing capacity and forecast low level of reserves over the long term results in a limitation of the Shire's capacity to deal with any unexpected asset failures, natural disasters or emergencies.

5.0 Long Term Financial Planning Overview (Continued)

5.6 Forecast Operating Ratios 2022 – 2037

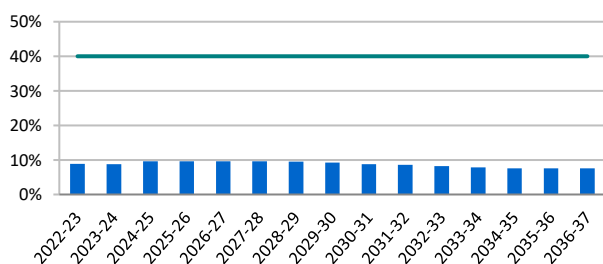
Monitoring the Shire's financial rigidity and position, along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The green line reflects the Department of Local Government, Sport and Cultural Industries' (the Department) minimum target level of the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

5.6.1 Current Ratio



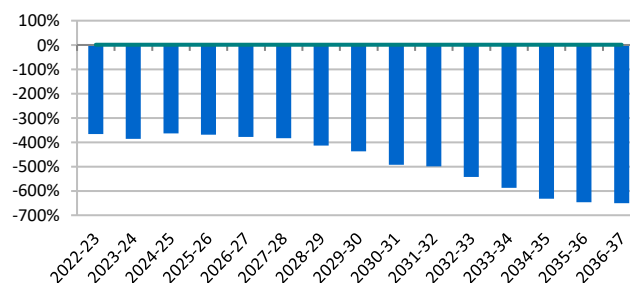
As expected for a Shire with a forecast balanced funding surplus position and no borrowing liabilities, the ratio is 1.0 for the initial 9 years. From year 10 a lack of sufficient funds to cover asset renewals results in the ratio decreasing and highlights the threat to the Shire's long term financial position.

5.6.2 Own Source Revenue Coverage Ratio



The ratio being well below the target indicates the Shire's heavy reliance on government grants and contributions as the Shire does not have a normal ratepayer base, with all housing exempt as it is government owned. This is considered a serious threat and challenge for the Shire with limited alternative sources of revenue and increasing cost shifting from Federal and State governments.

5.6.3 Operating Surplus Ratio



The ratio being below the target indicates the heavy reliance on grants and contributions and impact of rising costs of operations including asset renewal in the face of stagnant or decreasing grant funding.

5.6.4 Debt Service Cover Ratio

The Shire's heavy reliance on grants and contributions limits the Shire's capacity and appetite for borrowings. With no finance capacity and no alternative revenue sources the Shire has not planned to take up any borrowings.

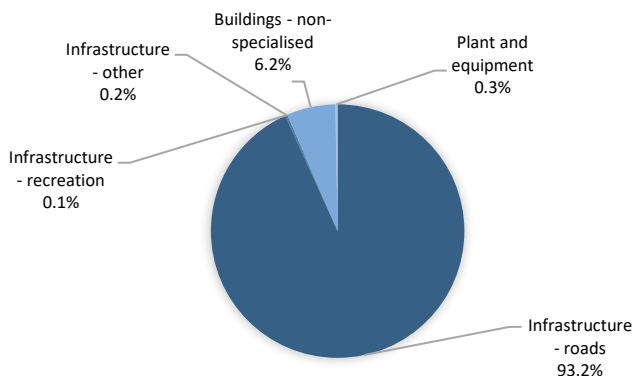
An explanation of all ratios is provided at Section 10.2.

6.0 Asset Management Planning Overview

6.1 Key Asset Information

The Shire controls an asset network with a written down value of \$118.1m, expected to increase to \$256.9m in 2022/23 when assets are revalued. Road infrastructure constitutes the largest component of current asset values as reflected in the chart below.

6.1.1 Written Down Value by Asset Class



6.2 Asset Management Policy

The purpose of an asset management policy is to:

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

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

6.3 Asset Management Strategy

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

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

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

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

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

Recognising a proportion of assets have been constructed with the assistance of external financial contributions, the Shire seeks to, within its financial capacity, maintain these assets into the future. A strategy of alignment of estimated asset useful lives with the forecast financial capacity aims to ensure the long term affordability of Shire assets.

The Shire has focused resources and efforts on maintaining current asset service levels in the face of expected reductions in real term government funding and an expectation to provide services to the community on behalf of the state government.

6.4 Level of Service

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

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

6.0 Asset Management Planning Overview (Continued)

6.5 Financial Management Strategy for Assets

Based on the 2020/21 Annual Financial Statements and 2021/22 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.

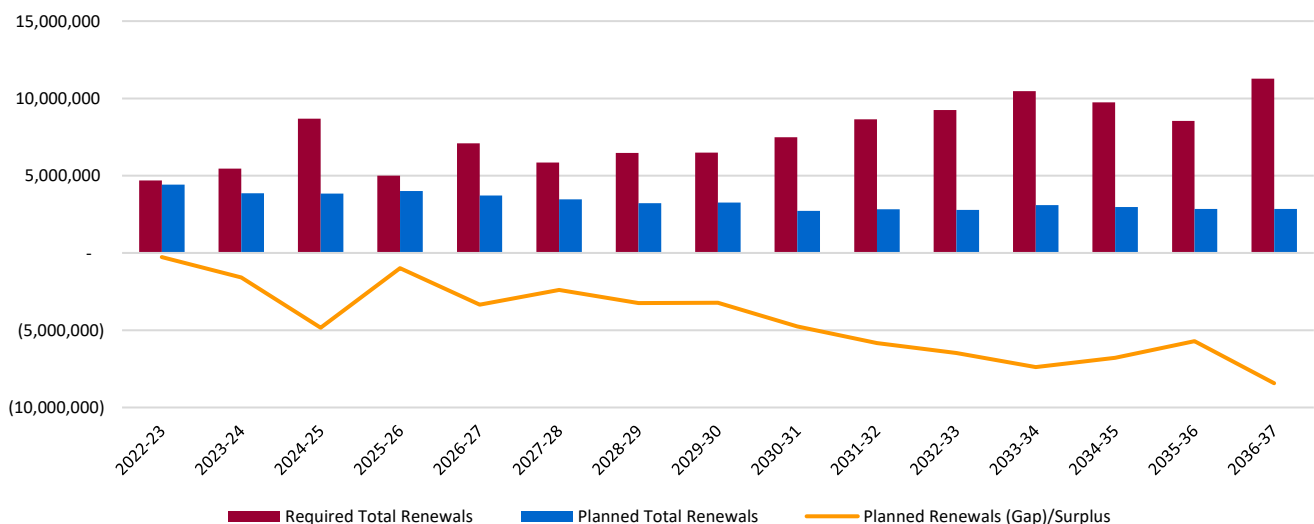
Shire controlled revenue streams such as rates and fees and charges have negligible impact on the financial capacity of the Shire given their low levels. In the face of decreasing real term government funding and increasing service expectations, the Shire has no choice but to utilise its asset reserve to fund future required asset renewals. This will result in the Shire's capacity to deal with unexpected asset failures or natural disasters being reduced to nil over the first 10 years of the Plan.

The Shire does not forecast having adequate funds to meet planned asset renewal levels from years 10 to 15 and will require additional funding for these works to be undertaken.

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

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

6.5.1 Required v Planned Asset Renewals



6.0 Asset Management Planning Overview (Continued)

6.6 Forecast Planned and Required Asset Renewals

Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus / (Deficit) \$
2022-23	4,421,491	4,690,316	(268,825)
2023-24	3,868,246	5,457,989	(1,589,743)
2024-25	3,841,225	8,682,315	(4,841,090)
2025-26	4,010,744	4,995,697	(984,953)
2026-27	3,725,119	7,081,963	(3,356,844)
2027-28	3,468,136	5,858,351	(2,390,215)
2028-29	3,225,119	6,470,482	(3,245,363)
2029-30	3,258,415	6,488,348	(3,229,933)
2030-31	2,725,119	7,482,390	(4,757,271)
2031-32	2,821,951	8,645,472	(5,823,521)
2032-33	2,782,111	9,249,246	(6,467,135)
2033-34	3,092,009	10,472,045	(7,380,036)
2034-35	2,968,484	9,744,926	(6,776,442)
2035-36	2,840,332	8,552,079	(5,711,747)
2036-37	2,845,392	11,276,776	(8,431,384)
Total	49,893,893	115,148,395	(65,254,502)

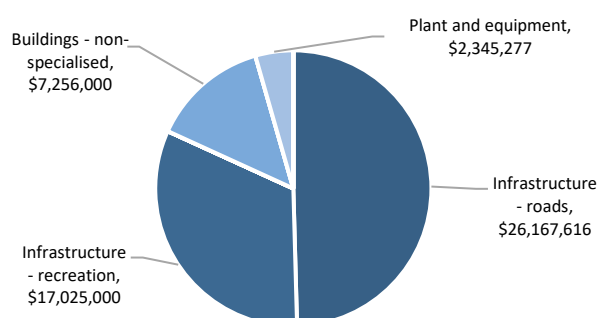
A number of assumptions and estimates have been utilised in arriving at these values and actual events may vary significantly from those provided. Impacts of current global events have created a level of uncertainty.

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

6.7 Planned Asset Expenditure

Renewal asset expenditure of \$49.9m has been planned as per the table to the left, with \$2.9m new/upgrades planned for the Warburton Roadhouse/Civic centre upgrade and Tjulyuru extension.

6.7.1 Planned Capital Expenditure 2022 – 2037

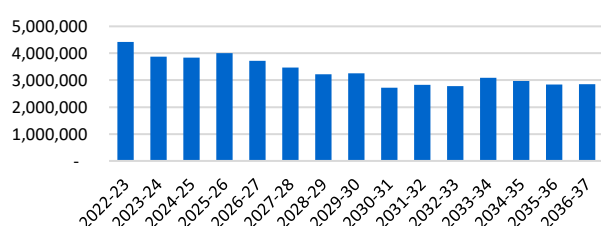


6.0 Asset Management Planning Overview (Continued)

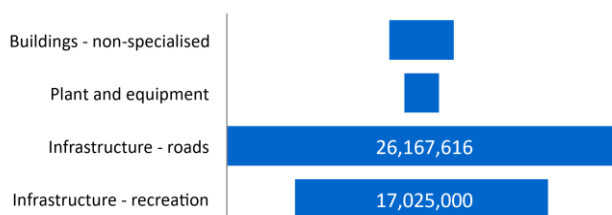
6.8 Planned Asset Renewal

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 and reflects a minimum level of asset renewals. The timing and level of planned asset renewal expenditure for each asset class is summarised in the chart below.

6.8.1 Planned Asset Renewal Expenditure



6.8.2 Planned Asset Renewal Expenditure by Class



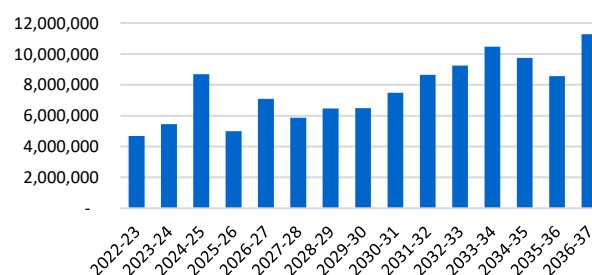
Planned asset renewals by asset class over the 15 years of the Plan reflected in the chart above shows the major renewal spend relates to roads and recreation infrastructure.

6.9 Required Renewal Expenditure

Required asset renewal expenditure for the road network has been estimated based on road conditions and forecast estimated standard useful lives. 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 current replacement costs.

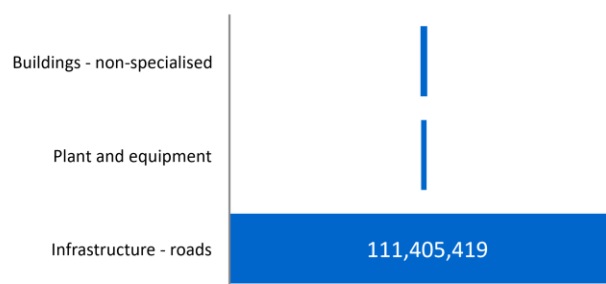
Required asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$115.1m are forecast to be required over the 15 years of the Plan, based on existing asset data.

6.9.1 Required Asset Renewal Expenditure



The level of required asset renewals based on the asset data is not considered achievable given the Shire's financial position. The Shire is not currently planning to undertake the renewal of these assets in line with the valuations timing.

6.9.2 Required Asset Renewal Expenditure by Asset Class

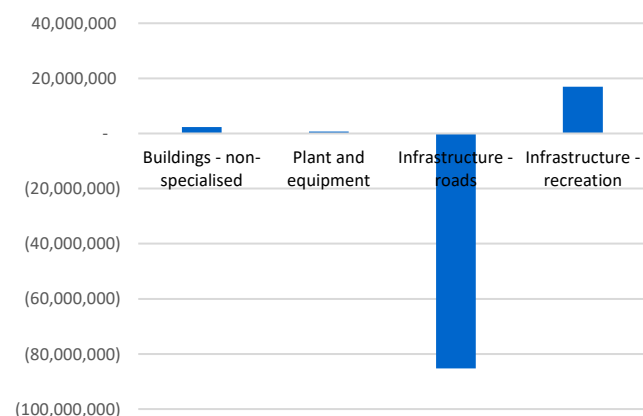


Renewal of roads dominate the forecast required asset renewals over the 15 years. Recreation infrastructure is not included as these assets are not on Shire or Crown land and are not recognised as Shire assets.

6.0 Asset Management Planning Overview (Continued)

6.10 Asset Renewal Funding Surplus/(Gap)

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



Current forecast funding levels are unable to fund these required road renewals, and this may result in a decline in road conditions within the district over the long term. Required renewal expenditure for road assets will be heavily influenced by future road usage and maintenance.

Standard useful life estimates used within the infrastructure valuations were not considered to be appropriate or relevant for the Shire of Ngaanyatjarraku and were modified to align to historical asset lives and renewal cycles.

6.11 Upgrade/New Expenditure

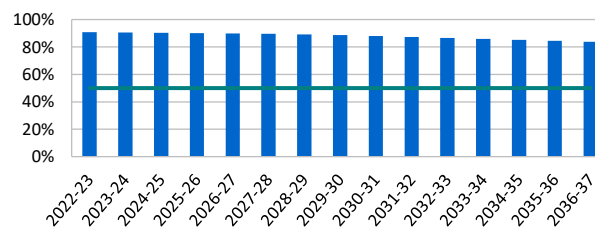
Building upgrades are planned to occur over the next 15 years in response to community expectations. Detailed annual planning will be undertaken for asset upgrade/new expenditure prior to each project and upgrades will be entirely dependent on receipt of grant funding.

Asset expenditure of \$2.9m for upgrade/new assets are modelled over the 15 years of the Plan.

Project	Expenditure \$
Warburton Roadhouse / Civic Centre upgrade	2,600,000
Tjulyuru extension	300,000
Total Expenditure	2,900,000

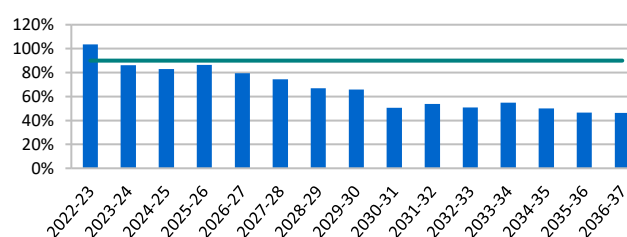
6.12 Forecast Asset Ratios 2022 – 2037

6.12.1 Asset Consumption Ratio



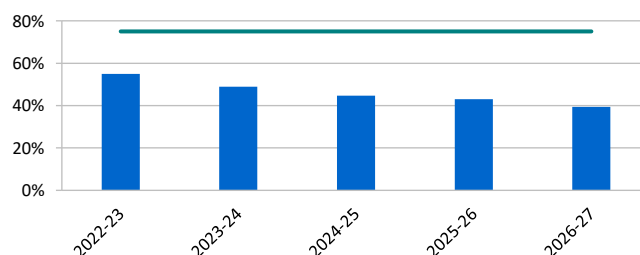
The asset consumption ratio is above the target range and remains so throughout the term of the Plan, this is dominated by road assets which depreciate over a longer term than the 15 years of the Plan.

6.12.2 Asset Sustainability Ratio



The ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio average is below the guideline level and indicates the Shire is generally not renewing assets in line with their forecast depreciation expense due to the lack of available funding.

6.12.3 Asset Renewal Funding Ratio



The ratio is below the target ratio, with planned asset renewal expenditure being below required asset renewal expenditure as set out in this Plan. This is due to a lack of funding for asset renewals and the inability of the Shire to source its own funding streams.

7.0 Scenario Modelling

7.1 Scenario Modelling

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

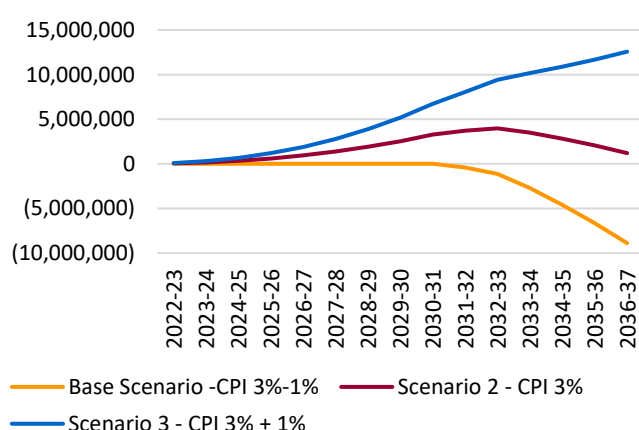
A base scenario was developed with the expected annual decrease in operating grants of 1.0% below inflation throughout the life of the Plan. Two alternative scenarios were also developed from this base, as shown in the table below. All other assumptions remained the same across the three scenarios.

Scenario	Operating Grants, Subsidies and Contributions	
	Increase above CPI (3.0%)	Total Increase
Base Scenario	-1%	2%
Scenario 2	0%	3%
Scenario 3	1%	4%

The base scenario was selected as the most appropriate given expectations in relation to Financial Assistance Grant levels and has been used for the Plan.

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

7.1.1 Estimated Surplus (Deficit) June 30 Carried Forward



The cumulative impact of the changes operating grants subsidies and contributions results in the surplus (deficit) shown in the table below.

Estimated Surplus/(Deficit)		
Base Scenario CPI 3% -1%	Scenario 2 CPI 3%	Scenario 3 CPI 3%+ 1%
\$	\$	\$
0	41,470	82,941
0	150,270	301,369
0	332,244	668,353
0	592,254	1,195,169
0	935,938	1,894,804
0	1,369,445	2,781,447
0	1,898,960	3,869,560
0	2,529,700	5,171,873
0	3,268,609	6,704,773
0	3,699,166	8,061,792
0	3,971,322	9,403,887
0	3,499,777	10,157,174
0	2,819,068	10,868,334
0	2,063,858	11,684,936
0	1,179,593	12,566,148

Should operating grants subsidies and contributions increase in line with the alternative scenarios the additional funds would be utilised to renew assets.

Strategic Planning and Policies

8.1 Linkage with Other Plans

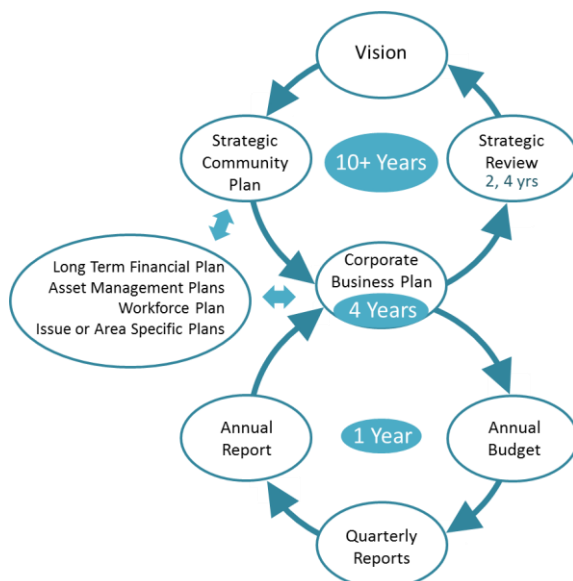
The Long Term Financial Plan is one component of a number of integrated strategic planning practices the Shire has developed which considers, and influences, workforce planning along with other key strategic plans. This Long Term Financial Plan has been prepared to achieve compliance with the *Local Government (Administration) Regulations 1996*.

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

8.2 Strategic Documents Linkage

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

8.2.1 Diagram: Integrated Planning and Reporting Cycle¹



8.2.2 Strategic Community Plan 2021 - 2031

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

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

8.2.3 Corporate Business Plan

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

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

8.2.4 Asset Management Plan

The Asset Management Plan sets service standards and work schedules to apply financial resources to the renewal of assets over the term of the Plan. These estimates have been supplied as a basis for forecasting capital expenditure to inform the Long Term Financial Plan and the Corporate Business Plan.

8.2.5 Workforce and Other Strategic Plans

The Workforce Plan and other strategic plans integrate with the Long Term Financial Plan through the workforce requirement for assets and financial resources along with the requirements for a workforce to manage the Shire's assets and financial resources. As far as possible, these requirements are met in the Plan. The Shire's Workforce Plan has been considered in the development of this Long Term Financial Plan. No financial impacts are expected from the Workforce Plan with employee costs forecast in line with forecast inflation of 3%.

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

9.0 Risk Management

9.1 Risk Management

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

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

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

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

9.2 Certainty of Assumptions

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

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

9.3 Sensitivity Analysis

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

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

10.0 Assumptions, Risks, Uncertainties and Sensitivity

10.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
District Growth in Population: The number of residents in the Shire is expected to remain stable.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Rates Level Increase: Annual rates have been based on an increase in the total rate yield of 5% in 2022/23; 4% in 2023/24 and 51% in 2024/25 and 3% from 2025/26 onwards, being in line with forecast inflation rate.	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 highly dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$64,010 to the value of operating grants and contributions per 1% movement in the value in the first year of the Plan.
Non-operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	High	The forecast capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$456,926 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
Fees and Charges: Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Interest Earnings: Interest earning of an average rate of 4% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Revenue: Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Profit on Asset Disposal: Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Employee Costs: Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Materials and Contracts: Increased annually by forecast inflation.	High	The road preservation program and general operations of the Shire are dependent on levels of State and Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$650,600 to the value of materials and contracts per 1% movement in the value over the life of the Plan. A high level of uncertainty exists in relation to the costs to address impacts of the COVID-19 Pandemic, with COVID related stimulus incentives already driving up prices of raw materials.
Depreciation: Depreciation has been calculated using an average depreciation rate based on the estimated useful lives on individual assets.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Insurance: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Expenditure: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Loss on Asset Disposal: A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.3 Assets – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Revaluations: In line with annual inflation.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	± \$245,210 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ± \$3,412,540 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	± \$456,926 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.4 Liabilities – Assumptions, Risks, Uncertainties and Sensitivity

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

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.5 Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Cash Backed Reserves: It has been assumed the Shire will invest cash reserves in authorised deposit taking 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	±\$245,210 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.6 Other – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
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 3% per annum.	Medium	Not assessed as high financial risk.	High	± \$1,181,574 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$2,019,083 to operating expenditure per 1% movement in the inflators over the life of the Plan.
Commercial Activities: The Shire has no plans to undertake a significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
General Economic Forecasts for State: The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for Region: The Lands' economy is heavily dependent on funding from the Federal and State Governments 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.
Climate Change / Weather Events: The impact of climate change and extreme weather events is unknown but may have severe impact.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

11.0 Monitoring and Performance

11.1 Monitoring

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

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

11.2 Ratio Targets

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

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

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

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

12.0 Improvement Plan

12.1 Strategic Resource Improvement Plan

All strategic plans require continuous development to improve the quality of planning and account for changes over time. Whilst significant work has occurred in relation to resource planning the following resource management areas are suggested as worthy of continued focus in the future.

Revenue: As the single greatest resource constraint continued focus on increasing revenue is essential.

Road Asset data: Road asset data requires continuous update to reflect the estimated remaining life of each unsealed road sector based on available future funding and changes in road usage information. Major reviews of this information should occur every five years as a minimum.

Level of Service: Continue to maintain and improve systems to record and report against levels of service.

Risk Management: As part of the Shires overall risk management activities, identified risks will continue to be recorded and appropriately treated within financial constraints.

Operation and Maintenance: The Shire will maintain and continuously update a 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 and particularly to revenue 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). This is primarily due to the current funding constraints, should this constraint change these Plans would be developed.

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Appendix A1 Critical Assets

1.1 Description

Along with 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 Office	3,725,000
Housing	7,060,000
CRC Warburton	1,760,000
Tjulyuru Cultural Centre	1,515,000
EYL Centre Warburton	1,320,000
TV/Radio Transmitters	188,513

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 a key priorities for the Shire. A number of rural roads within the Shire are currently utilised as key remote access and tourist routes. This has resulted in these roads requiring a higher level of design than currently exists. The continued planning for future road infrastructure renewals, influenced by condition based estimation of the remaining useful life, is not currently considered appropriate given the lack of current long term funding availability.

2.2 Road Inventory

The Shire of Ngaanyatjaraku has a road network servicing an area of 159,816¹ square kilometres.

Road assets within this Plan include the following components:

- Formed subgrade
- Kerbing
- Sealed pavement
- Unsealed pavement
- Drainage

Road asset information is recorded within a road inventory database and was extracted in September 2021, 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 in the table on the right.

The following table details the components, segregated by the type of seal.

Infrastructure Roads Asset	Current Replacement Cost \$
Drainage	18,080
Formation	73,394,762
Kerb	651,600
Sealed	11,529,847
Unsealed	153,495,723
Infrastructure Roads Total	239,090,011

Unsealed roads are the most significant Shire asset and utilise the majority of the Shire's resources.

¹ Australian Bureau of Statistics Ngaanyatjaraku (S) (LGA56620) 2021 Census of Population and Housing, viewed 12 July 2022

Appendix A2 Infrastructure - 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.

2.4 Maintenance Expenditure

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

Road maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2022/23.

2.4.1 Maintenance Expenditure by Nature or Type

Expenditure Nature or Type	\$
Employee costs	459,614
Materials and contracts	3,430,416
Insurance expenses	2,705
Utility charges	26,250
Road Maintenance Total	3,918,985

2.5 New Expenditure

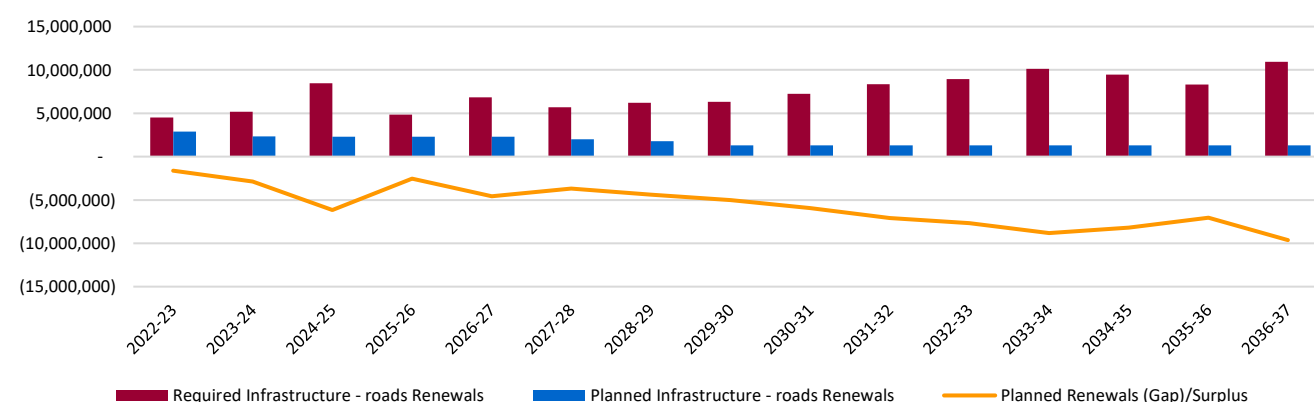
Road safety related projects will be prioritised where issues are identified. External grant funding is essential to achieve any safety upgrades and road upgrades.

2.6 Renewal Expenditure

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

In the chart below, planned road expenditure is shown as blue columns, with required road renewals as the red columns. The gold line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$26.2m. Required road renewal is calculated at \$111.4m for the term, overall there is a \$85.2m renewal deficit for the Shire's road assets.

2.6.1 Required v Planned Asset Renewals



Appendix A2 Infrastructure - Roads (Continued)

2.7 Forecast Planned and Required Road Renewal Expenditure

The level and extent of the renewal deficit is dependent on the accuracy of unit cost estimates and remaining useful life estimates for each road component. An improvement in this information and alignment to planned asset renewal expenditure will result in improved planning outcomes.

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 remote areas.

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

	Required Road Renewals \$	Planned Road Renewals \$	Road Renewal Funding (Gap)/Surplu s \$
2022-23	4,498,506	2,876,991	(1,621,515)
2023-24	5,191,583	2,319,078	(2,872,505)
2024-25	8,446,183	2,290,119	(6,156,064)
2025-26	4,834,790	2,290,119	(2,544,671)
2026-27	6,854,137	2,290,119	(4,564,018)
2027-28	5,680,265	1,990,119	(3,690,146)
2028-29	6,192,045	1,790,119	(4,401,926)
2029-30	6,307,246	1,290,119	(5,017,127)
2030-31	7,239,410	1,290,119	(5,949,291)
2031-32	8,366,307	1,290,119	(7,076,188)
2032-33	8,950,121	1,290,119	(7,660,002)
2033-34	10,122,828	1,290,119	(8,832,709)
2034-35	9,471,450	1,290,119	(8,181,331)
2035-36	8,326,485	1,290,119	(7,036,366)
2036-37	10,924,063	1,290,119	(9,633,944)
Total	111,405,419	26,167,616	(85,237,803)

Many assumptions have been utilised in arriving at the remaining useful life of each individual road asset by the external valuers. Remaining useful life of sheeted roads has not been determined by measurement of the remaining level of sheeted material with an annual rate of where applied but has rather been based on a worst-case estimate. For this reason, management has not planned to replace the unsealed roads in accordance with the valuation information.

Asset preservation for the road network remains a key priority for the Council and ensuring appropriate funds are available to renew the road network when required is a key consideration of all planning.

Appendix A2 Infrastructure - Roads (Continued)

2.8 Level of Service

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

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

2.9 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 Infrastructure - Roads (Continued)

2.10 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.	One complaint 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.
	To ensure that any maintenance issues that arise are dealt with promptly.	Within 2 working days of notification.	95% addressed.
Safety	To provide a gravel road network that is free of hazards.	Hazard removed within 2 hours of notification.	95% addressed.
Cost Effectiveness	Efficient roads maintenance program.	Maintenance program completed within timeframe and on budget.	100% completed within timeframe and on budget.
Bitumen Road Maintenance/Drainage			
Condition	Bitumen roads are maintained to a high standard and on a regular basis. Drainage is also to be assessed and drains cleaned in order to minimise the risk of flooding and damage.	Customer complaints.	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.
		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.
		To ensure that any maintenance issues that arise are dealt with promptly.	Within 2 working days of notification.
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 Infrastructure - Roads (Continued)

2.11 Risk Management

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

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

2.12 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 as it seeks to preserve assets for future generations.

3.2 Inventory

Land and buildings were valued by independent professional valuers in 2021, based on an inspection undertaken. The replacement costs of major buildings contained within the valuation report is shown in the table to the right. A building inventory is maintained within the Shire's financial management system.

3.2.1 Composition of Estimated Current Replacement Cost of Building Assets

Buildings	Current Replacement Cost \$
Community	3,080,000
Community Centre/Hall	1,515,000
Housing	7,060,000
Office/Administration Centre	3,725,000
Transmitter	188,513
Buildings Total	15,568,513

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.

3.4 Maintenance Expenditure by Program

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

Expenditure Nature or Type	\$
Employee costs	62,536
Materials and contracts	100,800
Insurance expenses	14,262
Utility charges	17,115
Building Maintenance Total	194,713

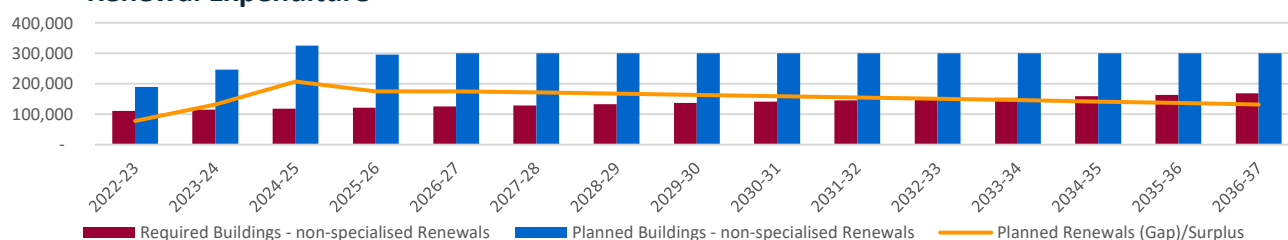
3.5 New/Upgrade Asset Expenditure

Upgrades are planned for the Warburton Roadhouse/ Civic Centre in 2023/24 of \$2.6m and extension of Tjulyuru in 2024/25 at \$300,000.

3.6 Renewal Expenditure

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

3.7 Forecast Planned and Required Building Renewal Expenditure



Maintaining borrowing capacity or funds in an appropriate reserve is important to ensure funds are available in future years when buildings are required to be renewed due to the high level of expenditure in renewing building assets. The shortage of funding does not currently provide for this to occur and funds are allocated for building renewals annually which if not utilised will be held in reserves for future renewals.

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

	Required Building Renewals \$	Planned Building Renewals \$	Building Renewal Funding (Gap)/Surplus \$
2022-23	111,182	189,000	77,818
2023-24	114,518	246,000	131,482
2024-25	117,953	325,000	207,047
2025-26	121,492	296,000	174,508
2026-27	125,137	300,000	174,863
2027-28	128,891	300,000	171,109
2028-29	132,758	300,000	167,242
2029-30	136,740	300,000	163,260
2030-31	140,842	300,000	159,158
2031-32	145,068	300,000	154,932
2032-33	149,420	300,000	150,580
2033-34	153,902	300,000	146,098
2034-35	158,519	300,000	141,481
2035-36	163,275	300,000	136,725
2036-37	168,173	300,000	131,827
Total	2,067,870	4,356,000	2,288,130

Appendix A3 Buildings (Continued)

3.8 Level of Service

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

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

3.9 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
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.

3.10 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 Infrastructure - Recreation

4.1 Significant Matters

The Shire controls recreation infrastructure assets, which are significant to our communities. These assets are not located on Shire or vested land.

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

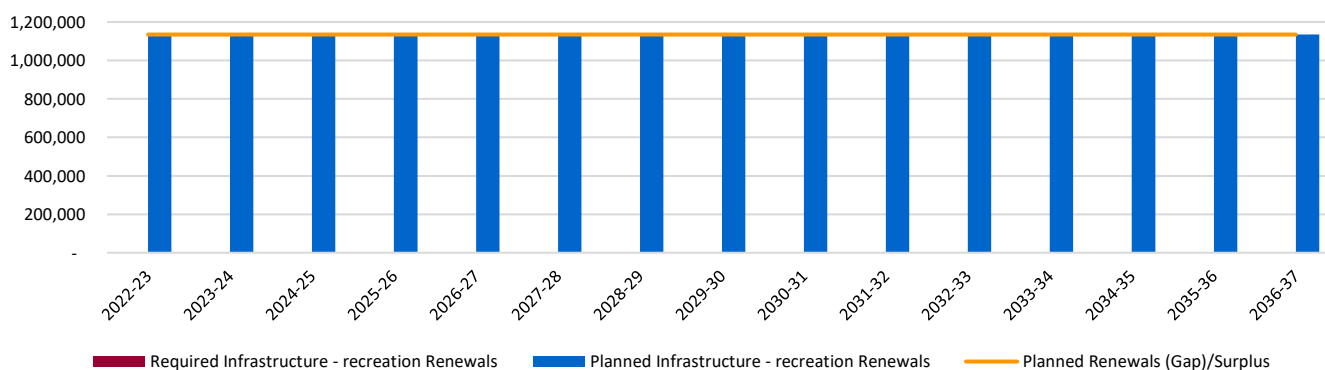
Availability of grant funding will significantly impact the timing and extent of expenditure on these assets.

4.2 Inventory

The recreation infrastructure assets the Shire is maintaining do not belong to the Shire and therefore have no valuation or current replacement cost estimates. The Shire maintains the following recreation assets:

- Warburton Football Oval
- Warburton Recreational Oval - Floodlights
- Warburton Playground Equipment
- Kanpa Playground Equipment
- Warburton Drop In Centre Park
- Wanarn Basketball Courts
- Warburton Park
- Warburton Roadhouse Park
- Warburton Oval and Recreation - BMX Track
- Skate Park Development
- Warburton Oval Shade Structure

4.2.1 Required v Planned Recreation Infrastructure Renewals



4.3 Financial Summary

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

4.3.1 Maintenance Expenditure

Recreation infrastructure assets maintenance expenditure budgeted at \$202,000 in 2021/22 and is forecast to increase in line with inflation.

4.3.2 New Expenditure

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

4.3.3 Renewal Expenditure

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

In the chart below, planned expenditure is shown as the blue columns, with forecast required renewals not shown as valuation information is not available given these assets are not on Shire land.

Appendix A4 Infrastructure – Recreation (Continued)

4.4 Level of Service

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

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

4.5 Improvement

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

Appendix A5 Plant and Equipment

5.1 Significant Matters

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

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

5.2 Inventory

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

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

Assets	Current Replacement Cost \$
Heavy Plant	91,000
Light Vehicles	510,000
Utility	97,000
Assets Total	698,000

5.3 Financial Summary

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

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

5.3.1 New Expenditure

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

5.3.2 Renewal Expenditure

The Shire does not have a replacement/renewal or maintenance program for furniture and equipment. Furniture and equipment purchases are considered on an annual basis as part of the Shire's annual budget allocations and are not planned in detail.

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

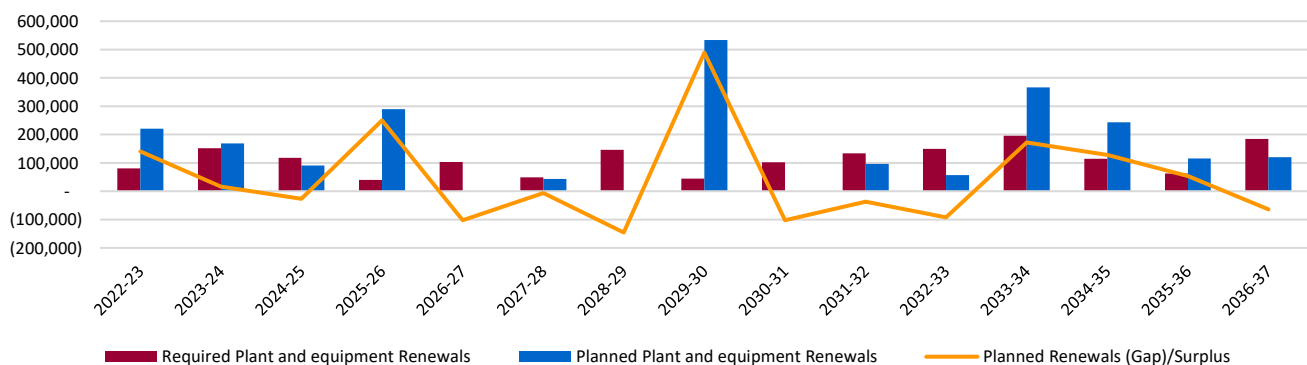
The Plan has annual allocations for plant replacement expenditure based on the adopted program. In the chart on the following page, planned expenditure is shown as the blue columns with required renewals shown as the red columns. The gold line shows the variation between the two expenditure levels.

Appendix A5 Plant and Equipment (Continued)

5.4 Forecast Planned and Required Plant and Equipment Renewal Expenditure

The chart below reflects the Plant Replacement Program has been aligned with the estimated useful life of plant and equipment.

5.4.1 Required v Planned Asset Renewals - Plant



and Equipment

5.5 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 A5 Plant and Equipment (Continued)

5.6 Level of Service

Level of service measures are defined below.

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

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

5.7 Risk Management

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

Risk	Consequence	Risk Rating	Risk Treatment
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.

5.8 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 A6 Estimated Asset Life and Residual Value

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

Asset Class	Asset Sub Class	Hierarchy	Estimated Useful Life	Estimated Residual Value
Infrastructure - roads	Drainage	Circular	60	
Infrastructure - roads	Drainage	Box	60	
Infrastructure - roads	Formation	Local Distributor	100	100%
Infrastructure - roads	Formation	Access	100	100%
Infrastructure - roads	Formation	Regional Distributor	100	100%
Infrastructure - roads	Kerb	Regional Distributor	30	
Infrastructure - roads	Kerb	Access	40	
Infrastructure - roads	Kerb	Local Distributor	50	
Infrastructure - roads	Sealed	Pavement	45	
Infrastructure - roads	Unsealed	Distributor	50	
Infrastructure - roads	Unsealed	Arterial	50	
Infrastructure - roads	Unsealed	Local Access	50	

Asset Class	Asset Sub Class	Estimated Useful Life	Estimated Residual Value
Infrastructure - other		20	
Infrastructure - recreation		50	
Buildings - non-specialised	Community	50	
Buildings - non-specialised	Community Centre/Hall	50	
Buildings - non-specialised	Container	50	
Buildings - non-specialised	Depot	50	
Buildings - non-specialised	Housing	50	
Buildings - non-specialised	Office/Administration Centre	50	
Buildings - non-specialised	Transmitter	50	
Plant and equipment	Heavy Plant	10	
Plant and equipment	Truck	10	
Plant and equipment	Utility	10	13%
Plant and equipment	Light Vehicle	4	50%

Appendix B1 Forecast Financial Statements

Financial Statements

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

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

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

Statements of Comprehensive Income

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

Statement of Financial Position

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

Statement of Changes in Equity

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

Statement of Cashflows

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

Statement of Funding

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

Statement of Net Current Asset Composition

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

Statement of Fixed Asset Movements

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

Statement of Fixed Asset Funding

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

Forecast Ratios

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

Nature or Type

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

Appendix B1 Forecast Financial Statements (Continued)

Service Programs

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

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

Objectives	Services
Recreation and culture	Public halls, civic centre Swimming areas Other recreation and sport Television and radio re-broadcasting Libraries Other culture
Transport	Streets, roads, bridges, depots - Construction (not capitalised) - Maintenance Road plant purchase (if not capitalised) Parking facilities Traffic control Aerodromes Water transport facilities
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 2022-2037

	2018-19	2019-20	2020-21	Base	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																			
Rates	256,220	260,272	172,589	189,482	198,956	206,915	313,122	322,516	332,192	342,158	352,422	362,994	373,884	385,101	396,654	408,554	420,810	433,434	446,437
Operating grants, subsidies and contributions	5,459,889	5,604,524	5,949,564	4,147,035	6,401,088	6,560,720	6,547,805	6,587,222	6,647,427	6,678,435	6,580,062	6,629,723	6,680,378	6,762,046	6,814,748	6,868,502	6,923,331	6,979,258	7,036,303
Fees and charges	368,094	488,860	543,481	433,290	454,957	473,156	487,350	501,970	517,030	532,542	548,517	564,975	581,926	599,384	617,365	635,886	654,962	674,610	694,848
Interest earnings	37,987	61,100	33,982	25,150	280,390	296,855	295,422	296,643	294,605	292,124	281,396	260,846	222,070	185,923	140,377	86,061	51,750	49,829	49,884
Other revenue	91,727	99,030	118,401	27,426	28,798	29,950	30,849	31,775	32,729	33,711	34,722	35,763	36,836	37,942	39,080	40,253	41,461	42,705	43,987
	6,213,917	6,513,786	6,818,017	4,822,383	7,364,189	7,567,596	7,674,548	7,740,126	7,823,983	7,878,970	7,797,119	7,854,301	7,895,094	7,970,396	8,008,224	8,039,256	8,092,314	8,179,836	8,271,459
Expenses																			
Employee costs	(2,297,876)	(1,653,127)	(1,767,951)	(2,663,915)	(2,797,113)	(3,018,998)	(3,109,567)	(3,202,856)	(3,298,941)	(3,397,908)	(3,499,842)	(3,604,841)	(3,712,986)	(3,824,371)	(3,939,104)	(4,057,277)	(4,178,993)	(4,304,359)	(4,433,492)
Materials and contracts	(2,428,878)	(2,178,796)	(2,076,295)	(3,287,940)	(3,532,337)	(3,640,433)	(3,723,154)	(3,834,103)	(3,958,386)	(4,086,090)	(4,162,321)	(4,287,201)	(4,415,817)	(4,548,285)	(4,684,732)	(4,825,275)	(4,970,027)	(5,119,127)	(5,272,712)
Utility charges	(111,528)	(47,146)	(33,657)	(64,550)	(67,778)	(70,488)	(72,603)	(74,782)	(77,026)	(79,338)	(81,718)	(84,170)	(86,696)	(89,297)	(91,975)	(94,735)	(97,577)	(100,504)	(103,519)
Depreciation on non-current assets	(1,420,559)	(1,512,133)	(1,642,048)	(1,794,452)	(4,268,181)	(4,490,909)	(4,631,637)	(4,643,281)	(4,682,124)	(4,663,561)	(4,828,028)	(4,954,967)	(5,375,883)	(5,249,709)	(5,463,980)	(5,624,304)	(5,921,200)	(6,084,715)	(6,156,411)
Interest expenses	0	0	(1,614)	(1,500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance expenses	(150,951)	(153,038)	(108,928)	(132,163)	(138,770)	(144,319)	(148,648)	(153,106)	(157,699)	(162,430)	(167,303)	(172,320)	(177,489)	(182,813)	(188,298)	(193,946)	(199,764)	(205,758)	(211,931)
Other expenditure	(70,002)	(67,306)	(24,679)	(78,740)	(82,677)	(85,984)	(88,565)	(91,225)	(93,965)	(96,786)	(99,689)	(102,681)	(105,761)	(108,933)	(112,202)	(115,570)	(119,036)	(122,608)	(126,289)
	(6,479,794)	(5,611,546)	(5,655,172)	(8,023,260)	(10,886,856)	(11,451,131)	(11,774,174)	(11,999,353)	(12,268,141)	(12,486,113)	(12,838,901)	(13,206,180)	(13,874,632)	(14,003,408)	(14,480,291)	(14,911,107)	(15,486,597)	(15,937,071)	(16,304,354)
	(265,877)	902,240	1,162,845	(3,200,877)	(3,522,667)	(3,883,535)	(4,099,626)	(4,259,227)	(4,444,158)	(4,607,143)	(5,041,782)	(5,351,879)	(5,979,538)	(6,033,012)	(6,472,067)	(6,871,851)	(7,394,283)	(7,757,235)	(8,032,895)
Non-operating grants, subsidies and contributions	4,488,897	2,755,744	2,472,913	4,395,093	4,011,991	5,754,078	3,625,119	3,425,119	3,425,119	3,125,119	2,925,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119
Loss on revaluation	(260,888)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on asset disposals	87,202	20,630	60,572	15,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(11,946)	(57,282)	(21,610)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	4,037,388	3,621,332	3,674,720	1,209,216	489,324	1,870,543	(474,507)	(834,108)	(1,019,039)	(1,482,024)	(2,116,663)	(2,926,760)	(3,554,419)	(3,607,893)	(4,046,948)	(4,446,732)	(4,969,164)	(5,332,116)	(5,607,776)
Other comprehensive income	0	0	0	0	138,710,747	10,428,311	8,192,153	8,423,772	8,648,941	8,871,437	9,094,427	9,312,347	9,524,822	9,732,705	9,950,443	10,172,075	10,395,383	10,613,421	10,832,958
TOTAL COMPREHENSIVE INCOME	4,037,388	3,621,332	3,674,720	1,209,216	139,200,071	12,298,854	7,717,646	7,589,664	7,629,902	7,389,413	6,977,764	6,385,587	5,970,403	6,124,812	5,903,495	5,725,343	5,426,219	5,281,305	5,225,182

Appendix B3

Forecast Statement of Comprehensive Income by Program 2022-2037

	2018-19	2019-20	2020-21	Base	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue																			
Governance	5,639	45,178	52,007	4,250	4,443	4,600	4,717	4,837	4,961	5,087	5,216	5,349	5,485	5,625	5,768	5,916	6,067	6,222	6,382
General purpose funding	3,511,267	3,450,613	3,467,605	1,707,968	3,656,425	3,676,161	3,780,783	3,791,303	3,798,844	3,806,230	3,805,665	3,795,584	3,767,593	3,742,556	3,708,454	3,665,926	3,643,757	3,654,344	3,667,284
Law, order, public safety	408	416	2,289	426	448	466	480	494	509	524	539	555	572	590	608	626	645	664	684
Health	110,108	1,426	2,267	320	337	350	361	372	383	395	407	419	432	445	458	472	486	500	515
Education and welfare	283,710	204,195	102,857	102,000	107,100	111,384	114,726	118,168	121,713	125,364	129,125	132,999	136,989	141,099	145,332	149,692	154,183	158,808	163,572
Housing	22,209	147,854	180,418	140,000	147,000	152,880	157,466	162,190	167,056	172,068	177,230	182,547	188,023	193,664	199,474	205,458	211,622	217,971	224,510
Community amenities	110,973	95,734	71,520	129,125	528,782	654,957	668,380	682,082	696,068	710,344	724,915	739,790	754,974	770,472	786,294	802,443	818,928	835,756	852,934
Recreation and culture	276,279	241,158	248,571	185,000	244,250	253,520	208,081	214,324	220,754	227,377	234,199	241,225	248,462	255,916	263,593	271,501	279,646	288,036	296,677
Transport	1,750,807	2,326,062	2,690,483	2,552,294	2,674,353	2,712,184	2,738,428	2,765,197	2,812,501	2,830,351	2,718,557	2,754,528	2,791,219	2,858,644	2,896,817	2,935,753	2,975,467	3,015,977	3,057,296
Economic services	14,275	1,150	0	1,000	1,051	1,094	1,126	1,159	1,194	1,230	1,266	1,305	1,345	1,385	1,426	1,469	1,513	1,558	1,605
	6,213,917	6,513,786	6,818,017	4,822,383	7,364,189	7,567,596	7,674,548	7,740,126	7,823,983	7,878,970	7,797,119	7,854,301	7,895,094	7,970,396	8,008,224	8,039,256	8,092,314	8,179,836	8,271,459
Expenses excluding finance costs																			
Governance	(75,028)	(158,923)	(320,659)	(179,729)	(252,236)	(263,709)	(271,785)	(276,548)	(282,174)	(286,404)	(295,651)	(304,046)	(320,422)	(322,371)	(333,558)	(343,472)	(357,185)	(367,522)	(375,598)
General purpose funding	(34,533)	(250)	(2,883)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Law, order, public safety	(60,426)	(6,219)	(5,744)	(41,975)	(46,507)	(48,420)	(49,880)	(51,247)	(52,682)	(54,101)	(55,747)	(57,402)	(59,402)	(60,890)	(62,775)	(64,656)	(66,726)	(68,715)	(70,664)
Health	(464,038)	(270,545)	(252,815)	(220,831)	(253,655)	(264,277)	(272,262)	(279,268)	(286,730)	(293,881)	(302,923)	(311,847)	(323,689)	(330,772)	(341,215)	(351,419)	(363,132)	(373,896)	(384,102)
Education and welfare	(733,404)	(346,056)	(37,230)	(61,278)	(98,553)	(103,242)	(106,426)	(107,792)	(109,584)	(110,591)	(114,262)	(117,433)	(124,862)	(124,483)	(129,035)	(132,853)	(138,679)	(142,636)	(145,324)
Housing	(305,636)	(339,255)	(241,645)	(459,641)	(604,994)	(631,863)	(651,126)	(664,126)	(678,893)	(691,096)	(713,090)	(733,566)	(769,548)	(777,880)	(804,130)	(828,071)	(859,492)	(884,552)	(905,400)
Community amenities	(443,769)	(603,952)	(245,038)	(526,099)	(585,056)	(719,170)	(740,827)	(761,310)	(782,773)	(804,077)	(828,532)	(853,145)	(882,470)	(905,006)	(932,933)	(960,872)	(991,453)	(1,021,005)	(1,050,118)
Recreation and culture	(834,993)	(623,525)	(539,429)	(747,825)	(930,867)	(936,335)	(938,093)	(961,983)	(997,331)	(1,031,821)	(1,017,100)	(1,047,124)	(1,086,033)	(1,110,695)	(1,145,580)	(1,179,849)	(1,218,772)	(1,254,944)	(1,289,545)
Transport	(3,234,955)	(3,243,085)	(3,955,641)	(5,470,927)	(7,785,861)	(8,141,823)	(8,391,215)	(8,533,942)	(8,703,944)	(8,828,891)	(9,114,789)	(9,372,905)	(9,887,233)	(9,937,710)	(10,284,456)	(10,589,908)	(11,017,352)	(11,335,781)	(11,580,943)
Economic services	(130,491)	(19,635)	(52,474)	(313,455)	(329,127)	(342,292)	(352,560)	(363,137)	(374,030)	(385,251)	(396,807)	(408,712)	(420,973)	(433,601)	(446,609)	(460,007)	(473,806)	(488,020)	(502,660)
Other property and services	(162,521)	(101)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(6,479,794)	(5,611,546)	(5,653,558)	(8,021,760)	(10,886,856)	(11,451,131)	(11,774,174)	(11,999,353)	(12,268,141)	(12,486,113)	(12,838,901)	(13,206,180)	(13,874,632)	(14,003,408)	(14,480,291)	(14,911,107)	(15,486,597)	(15,937,071)	(16,304,354)
Finance costs																			
Governance	0	0	(1,614)	(1,500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	(1,614)	(1,500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non operating grants, subsidies and contributions																			
Recreation and culture	0	0	0	0	1,135,000	3,435,000	1,335,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000
Transport	4,488,897	2,755,744	2,472,913	4,395,093	2,876,991	2,319,078	2,290,119	2,290,119	2,290,119	1,990,119	1,790,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119
	4,488,897	2,755,744	2,472,913	4,395,093	4,011,991	5,754,078	3,625,119	3,425,119	3,425,119	3,125,119	2,925,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119
Profit/(loss) on disposal of assets																			
Governance	0	20,630	21,172	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Health	0	0	39,400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community amenities	10,473	0	(21,610)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	49,529	(57,282)	0	15,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	75,256	(36,652)	38,962	15,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	4,037,388	3,621,332	3,674,720	1,209,216	489,324	1,870,543	(474,507)	(834,108)	(1,019,039)	(1,482,024)	(2,116,663)	(2,926,760)	(3,554,419)	(3,607,893)	(4,046,948)	(4,446,732)	(4,969,164)	(5,332,116)	(5,607,776)
Other comprehensive income	0	0	0	0	138,710,747	10,428,311	8,192,153	8,423,772	8,648,941	8,871,437	9,094,427	9,312,347	9,524,822	9,732,705	9,950,443	10,172,075	10,395,383	10,613,421	10,832,958
TOTAL COMPREHENSIVE INCOME	4,037,388	3,621,332	3,674,720	1,209,216	139,200,071	12,298,854	7,717,646	7,589,664	7,629,902	7,389,413	6,977,764	6,385,587	5,970,403	6,124,812	5,903,495	5,725,343	5,426,219	5,281,305	5,225,182

Appendix B4 Forecast Statement of Financial Position 2022-2037

	2019	2020	2021	Base	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																			
Unrestricted cash and cash equivalents	1,443,040	3,063,698	5,197,762	2,045,972	1,844,806	1,844,806	1,844,806	1,844,806	1,844,806	1,844,806	1,844,806	1,844,806	1,844,806	1,420,961	715,209	(865,899)	(2,761,767)	(4,804,183)	(7,048,258)
Restricted cash and cash equivalent	3,493,937	3,838,873	4,862,136	4,963,792	5,576,572	5,540,758	5,571,285	5,520,319	5,458,285	5,190,122	4,676,368	3,706,941	2,803,286	2,088,495	1,436,292	1,293,745	1,245,721	1,247,112	1,250,557
Trade and other receivables	317,516	62,092	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312
Inventories	71,223	50,497	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029
Other assets	27,535	3,525	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600
TOTAL CURRENT ASSETS	5,353,251	7,018,685	10,171,839	7,121,705	7,533,319	7,497,505	7,528,032	7,477,066	7,415,032	7,146,869	6,633,115	5,663,688	4,760,033	3,621,397	2,263,442	539,787	(1,404,105)	(3,445,130)	(5,685,760)
NON-CURRENT ASSETS																			
Financial assets	35,034	35,034	36,903	36,903	36,903	36,903	36,903	36,903	36,903	36,903	36,903	36,903	36,903	36,903	36,903	36,903	36,903	36,903	36,903
Property plant and equipment	7,832,952	7,505,771	7,424,104	7,727,985	16,309,906	19,142,773	19,624,846	19,959,055	20,243,599	20,702,327	21,110,452	21,813,755	21,969,606	22,450,350	22,866,778	23,410,800	23,818,544	24,123,884	24,521,075
Infrastructure	102,035,164	104,335,934	106,438,593	110,394,062	240,600,598	250,102,399	257,307,445	264,613,866	272,021,258	279,220,106	286,303,499	292,955,210	299,673,417	306,456,121	313,301,143	320,206,119	327,168,486	334,185,476	341,254,097
TOTAL NON-CURRENT ASSETS	109,903,150	111,876,739	113,899,600	118,158,950	256,947,407	269,282,075	276,969,194	284,609,824	292,301,760	299,959,336	307,450,854	314,805,868	321,679,926	328,943,374	336,204,824	343,653,822	351,023,933	358,346,263	365,812,075
TOTAL ASSETS	115,256,401	118,895,424	124,071,439	125,280,655	264,480,726	276,779,580	284,497,226	292,086,890	299,716,792	307,106,205	314,083,969	320,469,556	326,439,959	332,564,771	338,468,266	344,193,609	349,619,828	354,901,133	360,126,315
CURRENT LIABILITIES																			
Trade and other payables	172,862	182,675	452,494	452,494	452,494	452,494	452,494	452,494	452,494	452,494	452,494	452,494	452,494	452,494	452,494	452,494	452,494	452,494	452,494
Contract liabilities	0	317,137	1,504,253	1,504,253	1,504,253	1,504,253	1,504,253	1,504,253	1,504,253	1,504,253	1,504,253	1,504,253	1,504,253	1,504,253	1,504,253	1,504,253	1,504,253	1,504,253	1,504,253
Provisions	201,390	154,226	203,536	203,536	203,536	203,536	203,536	203,536	203,536	203,536	203,536	203,536	203,536	203,536	203,536	203,536	203,536	203,536	203,536
TOTAL CURRENT LIABILITIES	374,252	654,038	2,160,283	2,160,283	2,160,283	2,160,283	2,160,283	2,160,283	2,160,283	2,160,283	2,160,283	2,160,283	2,160,283	2,160,283	2,160,283	2,160,283	2,160,283	2,160,283	2,160,283
NON-CURRENT LIABILITIES																			
Provisions	24,262	18,741	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791
TOTAL NON-CURRENT LIABILITIES	24,262	18,741	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791	13,791
TOTAL LIABILITIES	398,514	672,779	2,174,074	2,174,074	2,174,074	2,174,074	2,174,074	2,174,074	2,174,074	2,174,074	2,174,074	2,174,074	2,174,074	2,174,074	2,174,074	2,174,074	2,174,074	2,174,074	2,174,074
NET ASSETS	114,857,887	118,222,645	121,897,365	123,106,581	262,306,652	274,605,506	282,323,152	289,912,816	297,542,718	304,932,131	311,909,895	318,295,482	324,265,885	330,390,697	336,294,192	342,019,535	347,445,754	352,727,059	357,952,241
EQUITY																			
Retained surplus	59,546,363	61,116,185	63,767,642	64,875,202	64,751,746	66,658,103	66,153,069	65,369,927	64,412,922	63,199,061	61,596,152	59,638,819	56,988,055	54,094,953	50,700,208	46,396,023	41,474,883	36,141,376	30,530,155
Reserves - cash backed	2,043,937	3,838,873	4,862,136	4,963,792	5,576,572	5,540,758	5,571,285	5,520,319	5,458,285	5,190,122	4,676,368	3,706,941	2,803,286	2,088,495	1,436,292	1,293,745	1,245,721	1,247,112	1,250,557
Asset revaluation surplus	53,267,587	53,267,587	53,267,587	53,267,587	191,978,334	202,406,645	210,598,798	219,022,570	227,671,511	236,542,948	245,637,375	254,949,722	264,474,544	274,207,249	284,157,692	294,329,767	304,725,150	315,338,571	326,171,529
TOTAL EQUITY	114,857,887	118,222,645	121,897,365	123,106,581	262,306,652	274,605,506	282,323,152	289,912,816	297,542,718	304,932,131	311,909,895	318,295,482	324,265,885	330,390,697	336,294,192	342,019,535	347,445,754	352,727,059	357,952,241

Appendix B5 Forecast Statement of Changes in Equity 2022-2037

	2019	2020	2021	Base	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening balance	55,508,975	59,289,789	61,116,185	63,767,642	64,875,202	64,751,746	66,658,103	66,153,069	65,369,927	64,412,922	63,199,061	61,596,152	59,638,819	56,988,055	54,094,953	50,700,208	46,396,023	41,474,883	36,141,376
Net result	4,037,388	3,621,332	3,674,720	1,209,216	489,324	1,870,543	(474,507)	(834,108)	(1,019,039)	(1,482,024)	(2,116,663)	(2,926,760)	(3,554,419)	(3,607,893)	(4,046,948)	(4,446,732)	(4,969,164)	(5,332,116)	(5,607,776)
Amount transferred (to)/from reserves		(1,794,936)	(1,023,263)	(101,656)	(612,780)	35,814	(30,527)	50,966	62,034	268,163	513,754	969,427	903,655	714,791	652,203	142,547	48,024	(1,391)	(3,445)
Closing balance	59,546,363	61,116,185	63,767,642	64,875,202	64,751,746	66,658,103	66,153,069	65,369,927	64,412,922	63,199,061	61,596,152	59,638,819	56,988,055	54,094,953	50,700,208	46,396,023	41,474,883	36,141,376	30,530,155
RESERVES - CASH/INVESTMENT BACKED																			
Opening balance	2,043,937	2,043,937	3,838,873	4,862,136	4,963,792	5,576,572	5,540,758	5,571,285	5,520,319	5,458,285	5,190,122	4,676,368	3,706,941	2,803,286	2,088,495	1,436,292	1,293,745	1,245,721	1,247,112
Amount transferred to/(from) retained surplus	0	1,794,936	1,023,263	101,656	612,780	(35,814)	30,527	(50,966)	(62,034)	(268,163)	(513,754)	(969,427)	(903,655)	(714,791)	(652,203)	(142,547)	(48,024)	1,391	3,445
Closing balance	2,043,937	3,838,873	4,862,136	4,963,792	5,576,572	5,540,758	5,571,285	5,520,319	5,458,285	5,190,122	4,676,368	3,706,941	2,803,286	2,088,495	1,436,292	1,293,745	1,245,721	1,247,112	1,250,557
ASSET REVALUATION SURPLUS																			
Opening balance	53,267,587	53,267,587	53,267,587	53,267,587	53,267,587	191,978,334	202,406,645	210,598,798	219,022,570	227,671,511	236,542,948	245,637,375	254,949,722	264,474,544	274,207,249	284,157,692	294,329,767	304,725,150	315,338,571
Total other comprehensive income	0	0	0	0	138,710,747	10,428,311	8,192,153	8,423,772	8,648,941	8,871,437	9,094,427	9,312,347	9,524,822	9,732,705	9,950,443	10,172,075	10,395,383	10,613,421	10,832,958
Closing balance	53,267,587	53,267,587	53,267,587	53,267,587	191,978,334	202,406,645	210,598,798	219,022,570	227,671,511	236,542,948	245,637,375	254,949,722	264,474,544	274,207,249	284,157,692	294,329,767	304,725,150	315,338,571	326,171,529
TOTAL EQUITY																			
	114,857,887	118,222,645	121,897,365	123,106,581	262,306,652	274,605,506	282,323,152	289,912,816	297,542,718	304,932,131	311,909,895	318,295,482	324,265,885	330,390,697	336,294,192	342,019,535	347,445,754	352,727,059	357,952,241

Appendix B6 Forecast Statement of Cashflows 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities															
Receipts															
Rates	198,956	206,915	313,122	322,516	332,192	342,158	352,422	362,994	373,884	385,101	396,654	408,554	420,810	433,434	446,437
Operating grants, subsidies and contributions	6,401,088	6,560,720	6,547,805	6,587,222	6,647,427	6,678,435	6,580,062	6,629,723	6,680,378	6,762,046	6,814,748	6,868,502	6,923,331	6,979,258	7,036,303
Fees and charges	454,957	473,156	487,350	501,970	517,030	532,542	548,517	564,975	581,926	599,384	617,365	635,886	654,962	674,610	694,848
Interest earnings	280,390	296,855	295,422	296,643	294,605	292,124	281,396	260,846	222,070	185,923	140,377	86,061	51,750	49,829	49,884
Other revenue	28,798	29,950	30,849	31,775	32,729	33,711	34,722	35,763	36,836	37,942	39,080	40,253	41,461	42,705	43,987
	7,364,189	7,567,596	7,674,548	7,740,126	7,823,983	7,878,970	7,797,119	7,854,301	7,895,094	7,970,396	8,008,224	8,039,256	8,092,314	8,179,836	8,271,459
Payments															
Employee costs	(2,797,113)	(3,018,998)	(3,109,567)	(3,202,856)	(3,298,941)	(3,397,908)	(3,499,842)	(3,604,841)	(3,712,986)	(3,824,371)	(3,939,104)	(4,057,277)	(4,178,993)	(4,304,359)	(4,433,492)
Materials and contracts	(3,532,337)	(3,640,433)	(3,723,154)	(3,834,103)	(3,958,386)	(4,086,090)	(4,162,321)	(4,287,201)	(4,415,817)	(4,548,285)	(4,684,732)	(4,825,275)	(4,970,027)	(5,119,127)	(5,272,712)
Utility charges	(67,778)	(70,488)	(72,603)	(74,782)	(77,026)	(79,338)	(81,718)	(84,170)	(86,696)	(89,297)	(91,975)	(94,735)	(97,577)	(100,504)	(103,519)
Insurance expenses	(138,770)	(144,319)	(148,648)	(153,106)	(157,699)	(162,430)	(167,303)	(172,320)	(177,489)	(182,813)	(188,298)	(193,946)	(199,764)	(205,758)	(211,931)
Other expenditure	(82,677)	(85,984)	(88,565)	(91,225)	(93,965)	(96,786)	(99,689)	(102,681)	(105,761)	(108,933)	(112,202)	(115,570)	(119,036)	(122,608)	(126,289)
	(6,618,675)	(6,960,222)	(7,142,537)	(7,356,072)	(7,586,017)	(7,822,552)	(8,010,873)	(8,251,213)	(8,498,749)	(8,753,699)	(9,016,311)	(9,286,803)	(9,565,397)	(9,852,356)	(10,147,943)
Net cash provided by (used in) operating activities	745,514	607,374	532,011	384,054	237,966	56,418	(213,754)	(396,912)	(603,655)	(783,303)	(1,008,087)	(1,247,547)	(1,473,083)	(1,672,520)	(1,876,484)
Cash flows from investing activities															
Payments for purchase of property, plant & equipment	(409,500)	(3,014,168)	(716,106)	(585,625)	(300,000)	(343,017)	(300,000)	(833,296)	(300,000)	(396,832)	(356,992)	(666,890)	(543,365)	(415,213)	(420,273)
Payments for construction of infrastructure	(4,011,991)	(3,454,078)	(3,425,119)	(3,425,119)	(3,425,119)	(3,125,119)	(2,925,119)	(2,425,119)	(2,425,119)	(2,425,119)	(2,425,119)	(2,425,119)	(2,425,119)	(2,425,119)	(2,425,119)
Proceeds from non-operating grants, subsidies and contributions	4,011,991	5,754,078	3,625,119	3,425,119	3,425,119	3,125,119	2,925,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119
Proceeds from sale of plant & equipment	75,600	70,980	14,622	150,605	0	18,436	0	260,781	0	41,499	7,124	190,782	72,556	46,708	56,127
Net cash provided by (used in) investing activities	(333,900)	(643,188)	(501,484)	(435,020)	(300,000)	(324,581)	(300,000)	(572,515)	(300,000)	(355,333)	(349,868)	(476,108)	(470,809)	(368,505)	(364,146)
Cash flows from financing activities															
Net cash provided by (used in) financing activities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net increase (decrease) in cash held	411,614	(35,814)	30,527	(50,966)	(62,034)	(268,163)	(513,754)	(969,427)	(903,655)	(1,138,636)	(1,357,955)	(1,723,655)	(1,943,892)	(2,041,025)	(2,240,630)
Cash at beginning of year	7,009,764	7,421,378	7,385,564	7,416,091	7,365,125	7,303,091	7,034,928	6,521,174	5,551,747	4,648,092	3,509,456	2,151,501	427,846	(1,516,046)	(3,557,071)
Cash and cash equivalents at the end of year	7,421,378	7,385,564	7,416,091	7,365,125	7,303,091	7,034,928	6,521,174	5,551,747	4,648,092	3,509,456	2,151,501	427,846	(1,516,046)	(3,557,071)	(5,797,701)
Reconciliation of net cash provided by operating activities to net result															
Net result	489,324	1,870,543	(474,507)	(834,108)	(1,019,039)	(1,482,024)	(2,116,663)	(2,926,760)	(3,554,419)	(3,607,893)	(4,046,948)	(4,446,732)	(4,969,164)	(5,332,116)	(5,607,776)
Depreciation	4,268,181	4,490,909	4,631,637	4,643,281	4,682,124	4,663,561	4,828,028	4,954,967	5,375,883	5,249,709	5,463,980	5,624,304	5,921,200	6,084,715	6,156,411
Grants/contributions for the development of assets	(4,011,991)	(5,754,078)	(3,625,119)	(3,425,119)	(3,425,119)	(3,125,119)	(2,925,119)	(2,425,119)	(2,425,119)	(2,425,119)	(2,425,119)	(2,425,119)	(2,425,119)	(2,425,119)	(2,425,119)
Net cash from operating activities	745,514	607,374	532,011	384,054	237,966	56,418	(213,754)	(396,912)	(603,655)	(783,303)	(1,008,087)	(1,247,547)	(1,473,083)	(1,672,520)	(1,876,484)

Appendix B7

Forecast Statement of Funding 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES															
Revenues															
Rates	198,956	206,915	313,122	322,516	332,192	342,158	352,422	362,994	373,884	385,101	396,654	408,554	420,810	433,434	446,437
Operating grants, subsidies and contributions	6,401,088	6,560,720	6,547,805	6,587,222	6,647,427	6,678,435	6,580,062	6,629,723	6,680,378	6,762,046	6,814,748	6,868,502	6,923,331	6,979,258	7,036,303
Fees and charges	454,957	473,156	487,350	501,970	517,030	532,542	548,517	564,975	581,926	599,384	617,365	635,886	654,962	674,610	694,848
Interest earnings	280,390	296,855	295,422	296,643	294,605	292,124	281,396	260,846	222,070	185,923	140,377	86,061	51,750	49,829	49,884
Other revenue	28,798	29,950	30,849	31,775	32,729	33,711	34,722	35,763	36,836	37,942	39,080	40,253	41,461	42,705	43,987
	7,364,189	7,567,596	7,674,548	7,740,126	7,823,983	7,878,970	7,797,119	7,854,301	7,895,094	7,970,396	8,008,224	8,039,256	8,092,314	8,179,836	8,271,459
Expenses															
Employee costs	(2,797,113)	(3,018,998)	(3,109,567)	(3,202,856)	(3,298,941)	(3,397,908)	(3,499,842)	(3,604,841)	(3,712,986)	(3,824,371)	(3,939,104)	(4,057,277)	(4,178,993)	(4,304,359)	(4,433,492)
Materials and contracts	(3,532,337)	(3,640,433)	(3,723,154)	(3,834,103)	(3,958,386)	(4,086,090)	(4,162,321)	(4,287,201)	(4,415,817)	(4,548,285)	(4,684,732)	(4,825,275)	(4,970,027)	(5,119,127)	(5,272,712)
Utility charges (electricity, gas, water etc.)	(67,778)	(70,488)	(72,603)	(74,782)	(77,026)	(79,338)	(81,718)	(84,170)	(86,696)	(89,297)	(91,975)	(94,735)	(97,577)	(100,504)	(103,519)
Depreciation on non-current assets	(4,268,181)	(4,490,909)	(4,631,637)	(4,643,281)	(4,682,124)	(4,663,561)	(4,828,028)	(4,954,967)	(5,375,883)	(5,249,709)	(5,463,980)	(5,624,304)	(5,921,200)	(6,084,715)	(6,156,411)
Insurance expense	(138,770)	(144,319)	(148,648)	(153,106)	(157,699)	(162,430)	(167,303)	(172,320)	(177,489)	(182,813)	(188,298)	(193,946)	(199,764)	(205,758)	(211,931)
Other expenditure	(82,677)	(85,984)	(88,565)	(91,225)	(93,965)	(96,786)	(99,689)	(102,681)	(105,761)	(108,933)	(112,202)	(115,570)	(119,036)	(122,608)	(126,289)
	(10,886,856)	(11,451,131)	(11,774,174)	(11,999,353)	(12,268,141)	(12,486,113)	(12,838,901)	(13,206,180)	(13,874,632)	(14,003,408)	(14,480,291)	(14,911,107)	(15,486,597)	(15,937,071)	(16,304,354)
	(3,522,667)	(3,883,535)	(4,099,626)	(4,259,227)	(4,444,158)	(4,607,143)	(5,041,782)	(5,351,879)	(5,979,538)	(6,033,012)	(6,472,067)	(6,871,851)	(7,394,283)	(7,757,235)	(8,032,895)
Funding position adjustments															
Depreciation on non-current assets	4,268,181	4,490,909	4,631,637	4,643,281	4,682,124	4,663,561	4,828,028	4,954,967	5,375,883	5,249,709	5,463,980	5,624,304	5,921,200	6,084,715	6,156,411
Net funding from operational activities	745,514	607,374	532,011	384,054	237,966	56,418	(213,754)	(396,912)	(603,655)	(783,303)	(1,008,087)	(1,247,547)	(1,473,083)	(1,672,520)	(1,876,484)
FUNDING FROM CAPITAL ACTIVITIES															
Inflows															
Proceeds on disposal	75,600	70,980	14,622	150,605	0	18,436	0	260,781	0	41,499	7,124	190,782	72,556	46,708	56,127
Non-operating grants, subsidies and contributions	4,011,991	5,754,078	3,625,119	3,425,119	3,425,119	3,125,119	2,925,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119
Outflows															
Purchase of property plant and equipment	(409,500)	(3,014,168)	(716,106)	(585,625)	(300,000)	(343,017)	(300,000)	(833,296)	(300,000)	(396,832)	(356,992)	(666,890)	(543,365)	(415,213)	(420,273)
Purchase of infrastructure	(4,011,991)	(3,454,078)	(3,425,119)	(3,425,119)	(3,425,119)	(3,125,119)	(2,925,119)	(2,425,119)	(2,425,119)	(2,425,119)	(2,425,119)	(2,425,119)	(2,425,119)	(2,425,119)	(2,425,119)
Net funding from capital activities	(333,900)	(643,188)	(501,484)	(435,020)	(300,000)	(324,581)	(300,000)	(572,515)	(300,000)	(355,333)	(349,868)	(476,108)	(470,809)	(368,505)	(364,146)
FUNDING FROM FINANCING ACTIVITIES															
Inflows															
Transfer from reserves	0	300,000	291,103	273,817	297,704	502,105	721,358	1,156,481	1,051,933	826,922	735,742	200,000	99,774	48,438	46,439
Outflows															
Transfer to reserves	(612,780)	(264,186)	(321,630)	(222,851)	(235,670)	(233,942)	(207,604)	(187,054)	(148,278)	(112,131)	(83,539)	(57,453)	(51,750)	(49,829)	(49,884)
Net funding from financing activities	(612,780)	35,814	(30,527)	50,966	62,034	268,163	513,754	969,427	903,655	714,791	652,203	142,547	48,024	(1,391)	(3,445)
Estimated surplus/deficit July 1 B/Fwd	201,166	0	0	0	0	0	0	0	0	0	(423,845)	(1,129,597)	(2,710,705)	(4,606,573)	(6,648,989)
Estimated surplus/deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	(423,845)	(1,129,597)	(2,710,705)	(4,606,573)	(6,648,989)	(8,893,064)

Appendix B8 Forecast Statement of Net Current Asset Composition 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated surplus/deficit July 1 B/Fwd	201,166	0	0	0	0	0	0	0	0	0	(423,845)	(1,129,597)	(2,710,705)	(4,606,573)	(6,648,989)
CURRENT ASSETS															
Unrestricted cash and equivalents	1,844,806	1,844,806	1,844,806	1,844,806	1,844,806	1,844,806	1,844,806	1,844,806	1,844,806	1,420,961	715,209	(865,899)	(2,761,767)	(4,804,183)	(7,048,258)
Restricted cash and cash equivalent	5,576,572	5,540,758	5,571,285	5,520,319	5,458,285	5,190,122	4,676,368	3,706,941	2,803,286	2,088,495	1,436,292	1,293,745	1,245,721	1,247,112	1,250,557
Financial assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trade and other receivables	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312	41,312
Inventories	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029	57,029
Contract assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other assets	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600
CURRENT LIABILITIES															
Trade and other payables	(452,494)	(452,494)	(452,494)	(452,494)	(452,494)	(452,494)	(452,494)	(452,494)	(452,494)	(452,494)	(452,494)	(452,494)	(452,494)	(452,494)	(452,494)
Contract liabilities	(1,504,253)	(1,504,253)	(1,504,253)	(1,504,253)	(1,504,253)	(1,504,253)	(1,504,253)	(1,504,253)	(1,504,253)	(1,504,253)	(1,504,253)	(1,504,253)	(1,504,253)	(1,504,253)	(1,504,253)
Reserves	(5,576,572)	(5,540,758)	(5,571,285)	(5,520,319)	(5,458,285)	(5,190,122)	(4,676,368)	(3,706,941)	(2,803,286)	(2,088,495)	(1,436,292)	(1,293,745)	(1,245,721)	(1,247,112)	(1,250,557)
Current self supporting loans receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Movement in accrued salaries and wages	0	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	(423,845)	(1,129,597)	(2,710,705)	(4,606,573)	(6,648,989)	(8,893,064)

Appendix B9 Forecast Statement of Fixed Asset Movements 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Infrastructure - roads	2,876,991	2,319,078	2,290,119	2,290,119	2,290,119	1,990,119	1,790,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119
Infrastructure - recreation	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000
Total capital works - infrastructure	4,011,991	3,454,078	3,425,119	3,425,119	3,425,119	3,125,119	2,925,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119
Represented by:															
Additions - renewal	4,011,991	3,454,078	3,425,119	3,425,119	3,425,119	3,125,119	2,925,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119
Total Capital Works - Infrastructure	4,011,991	3,454,078	3,425,119	3,425,119	3,425,119	3,125,119	2,925,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119
Asset movement reconciliation															
Total capital works infrastructure	4,011,991	3,454,078	3,425,119	3,425,119	3,425,119	3,125,119	2,925,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119
Depreciation infrastructure	(3,571,600)	(3,714,464)	(3,825,899)	(3,940,675)	(4,058,896)	(4,180,662)	(4,306,083)	(4,435,266)	(4,568,322)	(4,705,372)	(4,846,534)	(4,991,931)	(5,141,687)	(5,295,938)	(5,454,816)
Revaluation of infrastructure assets (inflation)	129,766,145	9,762,187	7,605,826	7,821,977	8,041,169	8,254,391	8,464,357	8,661,858	8,861,410	9,062,957	9,266,437	9,471,788	9,678,935	9,887,809	10,098,318
Net movement in infrastructure assets	130,206,536	9,501,801	7,205,046	7,306,421	7,407,392	7,198,848	7,083,393	6,651,711	6,718,207	6,782,704	6,845,022	6,904,976	6,962,367	7,016,990	7,068,621
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings - non-specialised	189,000	2,846,000	625,000	296,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Plant and equipment	220,500	168,168	91,106	289,625	0	43,017	0	533,296	0	96,832	56,992	366,890	243,365	115,213	120,273
Total capital works property, plant and equipment	409,500	3,014,168	716,106	585,625	300,000	343,017	300,000	833,296	300,000	396,832	356,992	666,890	543,365	415,213	420,273
Represented by:															
Additions - expansion, upgrades and new	0	2,600,000	300,000	0	0	0	0	0	0	0	0	0	0	0	0
Additions - renewal	409,500	414,168	416,106	585,625	300,000	343,017	300,000	833,296	300,000	396,832	356,992	666,890	543,365	415,213	420,273
Total capital works property, plant and equipment	409,500	3,014,168	716,106	585,625	300,000	343,017	300,000	833,296	300,000	396,832	356,992	666,890	543,365	415,213	420,273
Asset movement reconciliation															
Total capital works property, plant and equipment	409,500	3,014,168	716,106	585,625	300,000	343,017	300,000	833,296	300,000	396,832	356,992	666,890	543,365	415,213	420,273
Depreciation property, plant and equipment	(696,581)	(776,445)	(805,738)	(702,606)	(623,228)	(482,899)	(521,945)	(519,701)	(807,561)	(544,337)	(617,446)	(632,373)	(779,513)	(788,777)	(701,595)
Net book value of disposed/written off assets	(75,600)	(70,980)	(14,622)	(150,605)	0	(18,436)	0	(260,781)	0	(41,499)	(7,124)	(190,782)	(72,556)	(46,708)	(56,127)
Revaluation of property, plant and equipment (inflation)	8,944,602	666,124	586,327	601,795	607,772	617,046	630,070	650,489	663,412	669,748	684,006	700,287	716,448	725,612	734,640
Net movement in property, plant and equipment	8,581,921	2,832,867	482,073	334,209	284,544	458,728	408,125	703,303	155,851	480,744	416,428	544,022	407,744	305,340	397,191
CAPITAL WORKS - TOTALS															
Capital works															
Total capital works infrastructure	4,011,991	3,454,078	3,425,119	3,425,119	3,425,119	3,125,119	2,925,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119
Total capital works property, plant and equipment	409,500	3,014,168	716,106	585,625	300,000	343,017	300,000	833,296	300,000	396,832	356,992	666,890	543,365	415,213	420,273
Total capital works	4,421,491	6,468,246	4,141,225	4,010,744	3,725,119	3,468,136	3,225,119	3,258,415	2,725,119	2,821,951	2,782,111	3,092,009	2,968,484	2,840,332	2,845,392
Fixed asset movement															
Net movement in infrastructure assets	130,206,536	9,501,801	7,205,046	7,306,421	7,407,392	7,198,848	7,083,393	6,651,711	6,718,207	6,782,704	6,845,022	6,904,976	6,962,367	7,016,990	7,068,621
Net movement in property, plant and equipment	8,581,921	2,832,867	482,073	334,209	284,544	458,728	408,125	703,303	155,851	480,744	416,428	544,022	407,744	305,340	397,191
Net movement in fixed assets	138,788,457	12,334,668	7,687,119	7,640,630	7,691,936	7,657,576	7,491,518	7,355,014	6,874,058	7,263,448	7,261,450	7,448,998	7,370,111	7,322,330	7,465,812

Appendix B10 Forecast Statement of Capital Funding 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital expenditure															
Infrastructure - roads	2,876,991	2,319,078	2,290,119	2,290,119	2,290,119	1,990,119	1,790,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119
Infrastructure - recreation	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000
Buildings - non-specialised	189,000	2,846,000	625,000	296,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Plant and equipment	220,500	168,168	91,106	289,625	0	43,017	0	533,296	0	96,832	56,992	366,890	243,365	115,213	120,273
Total - Capital expenditure	4,421,491	6,468,246	4,141,225	4,010,744	3,725,119	3,468,136	3,225,119	3,258,415	2,725,119	2,821,951	2,782,111	3,092,009	2,968,484	2,840,332	2,845,392
Funded by:															
Capital grants & contributions															
Infrastructure - roads	2,876,991	2,319,078	2,290,119	2,290,119	2,290,119	1,990,119	1,790,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119
Infrastructure - recreation	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000
Buildings - non-specialised	0	2,300,000	200,000	0	0	0	0	0	0	0	0	0	0	0	0
Total - Capital grants & contributions	4,011,991	5,754,078	3,625,119	3,425,119	3,425,119	3,125,119	2,925,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119	2,425,119
Own source funding															
Buildings - non-specialised	189,000	546,000	425,000	296,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Plant and equipment	144,900	97,188	76,484	139,020	0	24,581	0	272,515	0	55,333	49,868	176,108	170,809	68,505	64,146
Total - Own source funding	333,900	643,188	501,484	435,020	300,000	324,581	300,000	572,515	300,000	355,333	349,868	476,108	470,809	368,505	364,146
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	75,600	70,980	14,622	150,605	0	18,436	0	260,781	0	41,499	7,124	190,782	72,556	46,708	56,127
Total - Other (disposals & C/Fwd)	75,600	70,980	14,622	150,605	0	18,436	0	260,781	0	41,499	7,124	190,782	72,556	46,708	56,127
Total Capital Funding	4,421,491	6,468,246	4,141,225	4,010,744	3,725,119	3,468,136	3,225,119	3,258,415	2,725,119	2,821,951	2,782,111	3,092,009	2,968,484	2,840,332	2,845,392

Appendix B11 Forecast Ratios 2022-2037

	Target Range		Average	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
LIQUIDITY RATIOS																		
Current ratio	> 1.00	> 1.20	0.17	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.78	0.42	(0.39)	(1.35)	(2.40)	(3.54)
OPERATING RATIOS																		
Operating surplus ratio	> 1.00%	> 15.00%	(476.49%)	(365.76%)	(385.70%)	(363.85%)	(369.43%)	(377.73%)	(383.76%)	(414.26%)	(437.04%)	(492.26%)	(499.28%)	(542.29%)	(586.96%)	(632.54%)	(646.13%)	(650.35%)
Own source revenue coverage ratio	> 40.00%	> 60.00%	8.73%	8.85%	8.79%	9.57%	9.61%	9.59%	9.61%	9.48%	9.27%	8.75%	8.63%	8.24%	7.85%	7.55%	7.53%	7.58%
BORROWINGS RATIOS																		
Debt service cover ratio	> 3	> 5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIXED ASSET RATIOS																		
Asset sustainability ratio	> 90.00%	> 110.00%	66.59%	103.59%	86.14%	82.93%	86.38%	79.56%	74.37%	66.80%	65.76%	50.69%	53.75%	50.92%	54.98%	50.13%	46.68%	46.22%
Asset consumption ratio	> 50.00%	> 60.00%	88.02%	90.70%	90.60%	90.39%	90.17%	89.91%	89.58%	89.15%	88.62%	87.92%	87.29%	86.61%	85.95%	85.24%	84.48%	83.73%
Asset renewal funding ratio	> 75.00%	> 95.00%	46.18%	54.95%	48.90%	44.61%	43.06%	39.37%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Appendix B12 Asset Renewals 2022-2037

Required Asset Renewals

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised	111,182	114,518	117,953	121,492	125,137	128,891	132,758	136,740	140,842	145,068	149,420	153,902	158,519	163,275	168,173
Plant and equipment	80,628	151,888	118,179	39,415	102,689	49,195	145,679	44,362	102,138	134,097	149,705	195,315	114,957	62,319	184,540
Infrastructure - roads	4,498,506	5,191,583	8,446,183	4,834,790	6,854,137	5,680,265	6,192,045	6,307,246	7,239,410	8,366,307	8,950,121	10,122,828	9,471,450	8,326,485	10,924,063
Total	4,690,316	5,457,989	8,682,315	4,995,697	7,081,963	5,858,351	6,470,482	6,488,348	7,482,390	8,645,472	9,249,246	10,472,045	9,744,926	8,552,079	11,276,776

Planned Asset Renewals

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised	189,000	246,000	325,000	296,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Plant and equipment	220,500	168,168	91,106	289,625	-	43,017	-	533,296	-	96,832	56,992	366,890	243,365	115,213	120,273
Infrastructure - roads	2,876,991	2,319,078	2,290,119	2,290,119	2,290,119	1,990,119	1,790,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119	1,290,119
Infrastructure - recreation	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1135000	1135000	1135000	1135000	1135000
Total	4,421,491	3,868,246	3,841,225	4,010,744	3,725,119	3,468,136	3,225,119	3,258,415	2,725,119	2,821,951	2,782,111	3,092,009	2,968,484	2,840,332	2,845,392

Asset Renewal Funding Surplus (Deficit)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised	77,818	131,482	207,047	174,508	174,863	171,109	167,242	163,260	159,158	154,932	150,580	146,098	141,481	136,725	131,827
Plant and equipment	139,872	16,280	(27,073)	250,210	(102,689)	(6,178)	(145,679)	488,934	(102,138)	(37,265)	(92,713)	171,575	128,408	52,894	(64,267)
Infrastructure - roads	(1,621,515)	(2,872,505)	(6,156,064)	(2,544,671)	(4,564,018)	(3,690,146)	(4,401,926)	(5,017,127)	(5,949,291)	(7,076,188)	(7,660,002)	(8,832,709)	(8,181,331)	(7,036,366)	(9,633,944)
Infrastructure - recreation	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000
Total	(268,825)	(1,589,743)	(4,841,090)	(984,953)	(3,356,844)	(2,390,215)	(3,245,363)	(3,229,933)	(4,757,271)	(5,823,521)	(6,467,135)	(7,380,036)	(6,776,442)	(5,711,747)	(8,431,384)

Appendix B13 Forecast Significant Accounting Policies

Basis of Preparation

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

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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

Critical Accounting Estimates

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

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

The Local Government Reporting Entity

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

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

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

Base Year Balances

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

Rounding Off Figures

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

Comparative Figures

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

Appendix B13 Forecast Significant Accounting Policies (Continued)

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.

Rates, Grants, Donations and Other Contributions

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

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

Goods and Services Tax (GST)

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

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

Superannuation

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

Cash and Cash Equivalents

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

Trade and Other Receivables

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

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

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

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

Appendix B13 Forecast Significant Accounting Policies (Continued)

Inventories

General

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

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

Land held for resale

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

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

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

Fixed Assets

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

Revaluation

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

Depreciation

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

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

Asset Class	Effective average depreciation rate
Buildings - non-specialised	2.00%
Furniture and equipment	4.31%
Plant and equipment	11.65%
Infrastructure - roads	1.36%
Infrastructure - recreation	0.62%
Infrastructure - other	5.03%

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

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

Appendix B13 Forecast Significant Accounting Policies (Continued)

Employee Benefits

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

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

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

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

Borrowing Costs

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

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.

Provisions

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

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

Current and Non-Current Classification

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

Appendix C1 Glossary

Funding Gap

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

Infrastructure Assets

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

Key Performance Indicator

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

Level of Service

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

Maintenance

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

Planned Maintenance

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

Reactive Maintenance

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

Significant Maintenance

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

Unplanned Maintenance

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

Maintenance Expenditure

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

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.

Appendix C1 Glossary (Continued)

Modern Equivalent Asset

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

Net Present Value (NPV)

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

Non-Revenue Generating Investments

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

Operations Expenditure

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

Pavement Management System

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

Recoverable Amount

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

Recurrent Expenditure

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

Recurrent Funding

Funding to pay for recurrent expenditure.

Remaining Useful Life

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

Renewal

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

Residual Value

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

Revenue Generating Investments

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

Risk Management

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

Section or Segment

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

Service Potential

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

Appendix C1 Glossary (Continued)

Service Potential Remaining

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

Specific Maintenance

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

Sub-Component

Smaller individual parts that make up a component part.

Useful Life

May be expressed as either:

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

Other Matters

References

Reference to the following documents or sources were made during the preparation of the Strategic Resource Plan.

- Shire of Ngaanyatjarraku Plan for the Future: Strategic Community Plan 2021-2031;
- Shire of Ngaanyatjarraku Plan for the Future: Corporate Business Plan 2021-2025;
- Shire of Ngaanyatjarraku Annual Financial Report 2020/21;
- Shire of Ngaanyatjarraku Adopted Annual Budget 2021/22; and
- Council website:
www.ngaanyatjarraku.wa.gov.au

Document Management

Version	2022-2037 V2
Status	Final
Date	28 July 2022
Date of Adoption	27 July 2022