



Shire of **Ngaanyatjarraku**

ON A JOURNEY

Long Term Financial Plan

2021 – 2036

Our vision:

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



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1.0 Foreword

We are pleased to present the Shire of Ngaanyatjarraku Long Term Financial Plan for 2021 – 2036.

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

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

Council welcomes community participation in the planning process as we develop the strategic direction for a promising future 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 Strategic Community Plan 2021 - 2031.

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

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

(John) Damian McLean Kevin Hannagan
President Chief Executive Officer



2.0 Key Information

ASSUMPTIONS



1%
Inflation Rate



Stable
Population



Stable
Levels of Service



Stable
Operations



Balanced
Annual Budget



1% from 2021-22 →
(CPI 1%)
Rates | Fees and Charges
*** No increase in 2020-21 due to COVID-19**



1% in 2021-22
1% CPI 2021-22 →
Employee Costs

STATISTICS ^{1|2}



8
Elected
Members



23
Employees



917
Electors



494
Dwellings



1,542km
Distance from
Perth



159,948km²
Area



1,606
Population

FINANCIAL INFORMATION³

\$260,272
Rates Revenue

\$488,860
Fees and Charges

\$6,513,786
Operating Revenue

\$5,611,546
Operating Expenditure

\$118,222,645
Net Assets

\$3,838,873
Cash Backed Reserves

\$0
Long Term Borrowings

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

²Australian Bureau of Statistics
Ngaanyatjarraku (S) (LGA56620) 2016
Census of Population and Housing, viewed
20 January 2021

³Shire of Ngaanyatjarraku 2019-20
Annual Financial Report

3.0 Executive Summary

The following information provides a brief summary of the Long Term Financial Plan 2021 – 2036, this should be read in conjunction with the underlying assumptions detailed in this Plan.

3.1 Planning for a Sustainable and Stable Future

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

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

3.2 Significant Issues

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

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

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

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

Rate revenue is forecast to increase at 1% per year from 2021/22 for the duration of the Plan. The Shire has very little rate revenue, as such this 1% increase only equates to \$4,000 per year. These increases are to assist in the long term financial stability of the Shire and to increase the level of services to the community where possible. These increases will be reviewed annually when setting future budgets and once the impacts of the COVID-19 Pandemic are more apparent.

3.3 Forecast Capital Projects

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

Project by Asset Class	2021 – 2036 Amount (\$)
Infrastructure – Roads	
Road renewal program	28,098,744
Infrastructure - Roads Total	28,098,744
Infrastructure - other	
Infrastructure - other renewals	1,826,780
Infrastructure - other Total	1,826,780
Plant and Equipment	
Plant replacement program	1,951,865
Plant and Equipment Total	1,951,865
Buildings	
Building renewals	5,340,000
Building improvements	9,000,000
Buildings Total	14,340,000
Grand Total	46,217,389

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

The current Asset Management Plan was adopted in November 2018 and contained Fair Value valuations as at 30 June 2018 for Road Infrastructure. Since then 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 also now aware of the year 2000 asset construction component standards for the four community sealed road networks that may affect future funding requirements. As such the Shire may be required to generate more funds to transfer to its Reserve for future Infrastructure Renewal. The Shire is developing (due to be completed in late 2021) a revised asset management plan for major asset classes in accordance with Council's Asset Management Policy.

Community Profile, Vision and Objective

4.1 Location

The Shire of Ngaanyatjarraku 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 Ngaanyatjarraku. The neighbouring local governments are the Shires of Wiluna, Laverton, and East Pilbara. Permission is required to travel on the lands of Ngaanyatjarraku 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 Ngaanyatjarraku was formed on 1 July 1993 by the division of the Shire of Wiluna with the eastern area becoming the new Shire. 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.

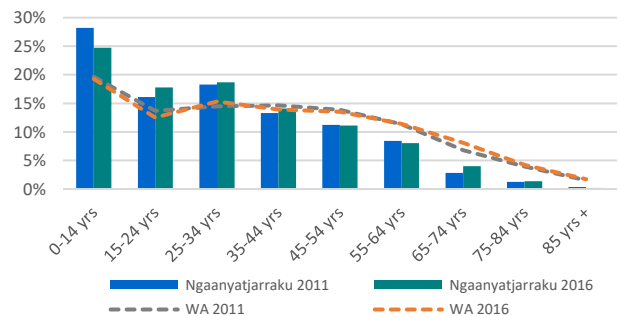
Since the establishment of the Shire there have been extensive improvements to the communications, road infrastructure and services provided to the communities within the Shire. The Shire continues to represent and be an advocate for improved community services.

4.3 People

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

Population	2011		2016
Shire of Ngaanyatjarraku	1,437	↑	1,606
WA	2.4m	↑	2.5m

The chart below reflects the percentage of the estimated resident population within each age grouping for the district of the Shire of Ngaanyatjarraku 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 Ngaanyatjarraku – on a journey**

4.5 Strategic Objectives

The following key themes are identified in the Shire's Strategic Community Plan 2021 - 2031 and considered within the Long Term Financial Plan:

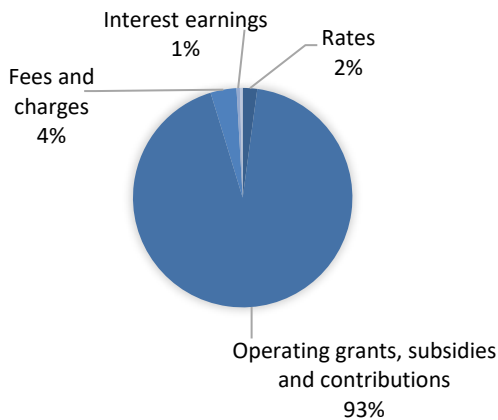
- **Our People:** Looking after our people - our communities are healthy, happy and informed
- **Our Land:** Looking after our land - which we all depend upon and love living on, and want to keep good for our children and grandchildren; and
- **Our Leadership:** Showing the way for our communities - 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 remain at current levels in 2021-22 and generate \$172k before increasing at 1% per annum to \$198k in 2035-36 and comprise 2.1% of operating revenue over the term of the Plan. The Shire is reliant on receiving more than \$121m over the next 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. Non operating grants are expected to remain relatively stable for road renewal.

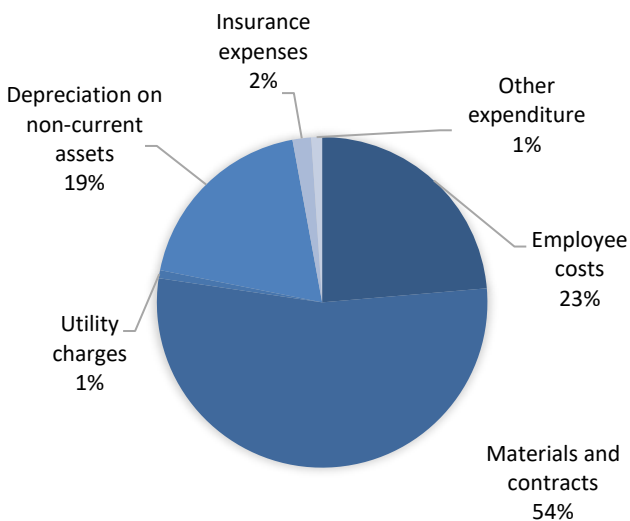
5.1.1 Revenue Composition Year 1 to 15



5.2 Forecast Expenditure

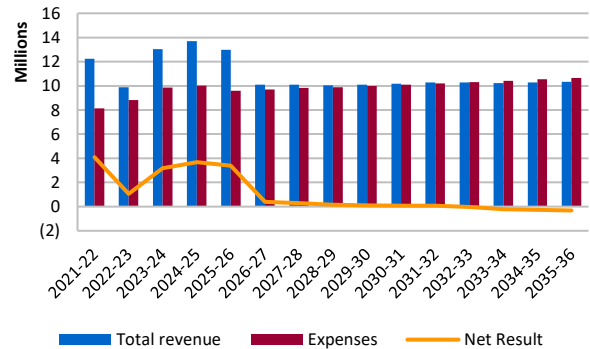
Expenditure is forecast to increase in line with inflation with the exception of depreciation expense which is impacted by the addition of assets over the term of the Plan.

5.2.1 Expenditure Composition Year 1 to 15



5.3 Net Result

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



A positive net result over the long term indicates net asset values will increase faster than depreciation expenses erode asset values. This may be masked by continuous revaluation of assets. Improved asset funding or changes to expected useful life of assets as they are better understood may impact the net result. The net result is positive over the first five years due to non-operating grants and contributions forecast to be received. Thereafter the net result continues to decrease and becomes negative in year 12 due to rising costs and stagnant revenues.

5.4 Depreciation Expense

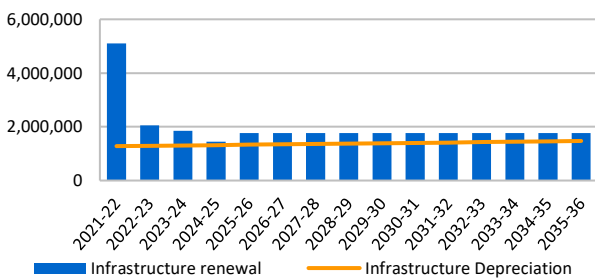
Ideally, the average asset renewal should be in line with depreciation expense over the long term, to ensure the value of assets is maintained. On average, the Shire is planning to renew its infrastructure assets at a slightly higher level than they are depreciating over the term of the Plan.

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

5.0 Long Term Financial Planning Overview (Continued)

5.4.1 Infrastructure Depreciation Expense -V- Asset Renewal Expenditure

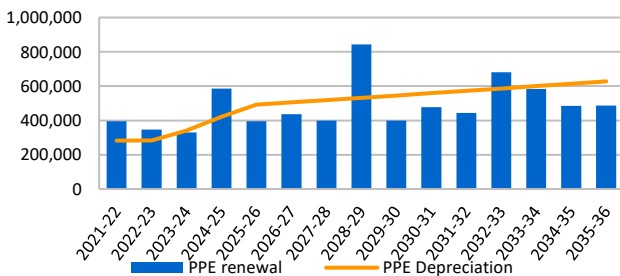
Depreciation expense increases throughout the Plan from \$1.6m in year 1 to \$2.1m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$20.6m, shown by the gold line in the chart below. The planned level of infrastructure asset renewal expenditure at \$29.9m, reflected by the blue columns, is over the term of the Plan above the level of depreciation indicating depreciation rates may require review.



The spike in 2021/22 is due to planned expenditure of \$1.8m for Emergency Waste Program and additional \$1.2m on road projects. Further review of asset useful lives for infrastructure assets in future may be required as changes occur in the construction techniques of road pavements and traffic loads vary.

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

Planned property, plant and equipment asset renewals of \$7.3m, reflected by the blue columns, over the 15 years is less than the depreciation expense of \$7.5m, reflected by the gold line, over the same period as shown in the chart below.



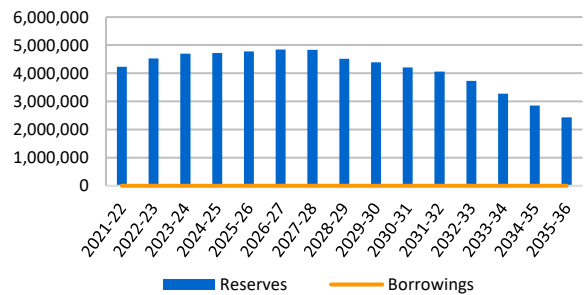
Further improvements in asset management data and the estimation of depreciation expense along with the future renewal of long lived assets may result in a closer alignment between asset renewals and depreciation expense. As the Shire has no ratepayers or grant programs of this type, it has no income stream to renew these classes of assets.

5.5 Maintenance Expenditure

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

5.6 Forecast Borrowings and Cash Reserves

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



Borrowings are nil, and this remains the assumption of the Plan due to low level of rate and discretionary income resulting in no capacity to borrow. This strategy provides scope to leverage off future grant funding opportunities when, and if, they become available. The strategy also includes the use of cash backed reserves to save for significant future asset renewal spikes.

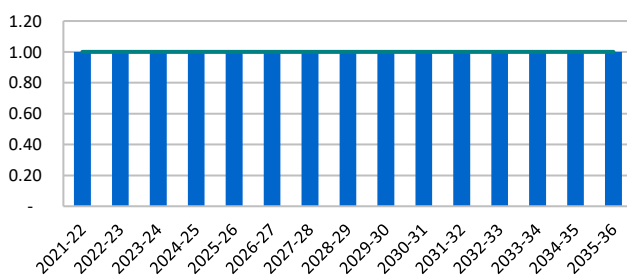
However, in the later years of the Plan reserves are forecast to be exhausted as planned renewals are undertaken. There is limited income to replenish and build these reserves, along with pressure from the State to provide contributions towards waste and sport and recreation services to reduce their funding contribution as our ratepayer.

5.0 Long Term Financial Planning Overview (Continued)

5.7 Forecast Operating Ratios 2021 – 2036

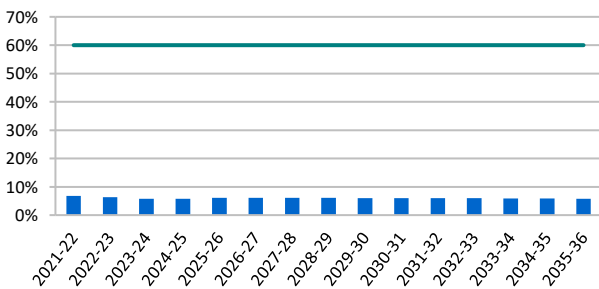
Monitoring the Shire’s financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The green line reflects the Department of Local Government, Sport and Cultural Industries’ (the Department) minimum target level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

5.7.1 Current Ratio



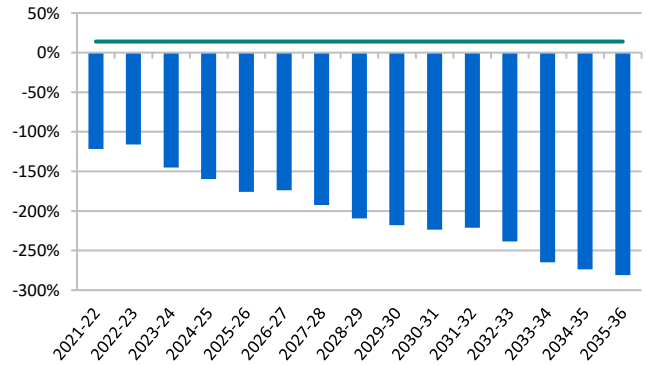
As expected for a Shire with a forecast balanced funding surplus position and no borrowing liabilities, the ratio is 1.0. The ratio is not considered to indicate a threat to the Shire’s long term financial position.

5.7.2 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.

5.7.3 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.

5.7.4 Debt Service Cover Ratio

The Shire’s heavy reliance on grants and contributions limits the Shire’s capacity and appetite for borrowings. With no 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 Scenario Modelling

6.1 Scenario Modelling

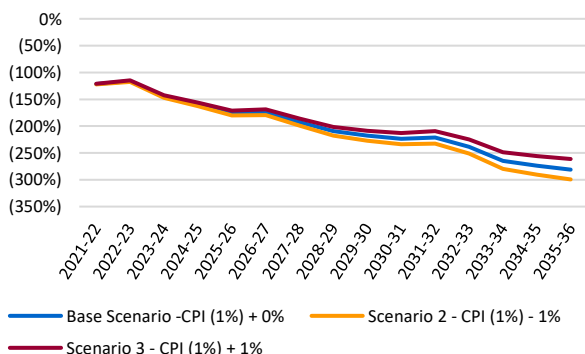
Scenarios were developed to test the financial impact of reduced levels of operating funding. To ascertain the effect of reduced funding levels, modelling of various scenarios was undertaken.

A base scenario was developed with a rates yield of 1% inline with inflation (1.0%) throughout the life of the Plan. Two alternative scenarios were also developed from this base as shown in the table below. All other assumptions remained the same across the three scenarios.

Scenario	Rates and Fees & Charges	
	Increase above CPI (1.0%)	Total Increase
Base Scenario	0%	1%
Scenario 2	-1%	0%
Scenario 3	1%	2%

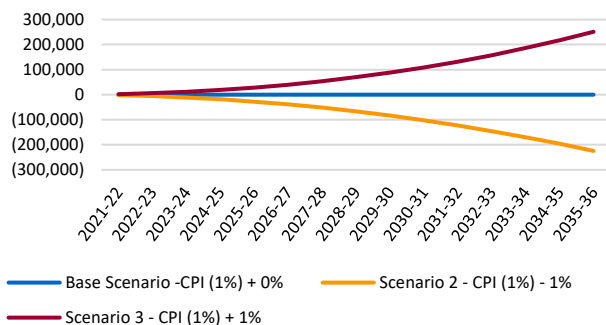
The base scenario was selected as the most appropriate and has been used for the Plan. The base scenario includes levels of rate revenue and fees and charges to ensure the current levels of service are maintained.

6.1.1 Scenario Comparison – Operating Surplus Ratio



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

The 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).



6.1.2 Estimated Surplus (Deficit) June 30 Carried Forward

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

Scenario 1 CPI 1% +0% \$	Estimated Surplus/(Deficit)	
	Scenario 2 CPI 1% - 1% \$	Scenario 3 CPI 1%+ 1% \$
0	(1,977)	1,976
0	(5,694)	5,730
0	(11,185)	11,334
0	(18,485)	18,860
0	(27,630)	28,381
0	(38,657)	39,973
0	(51,601)	53,715
0	(66,500)	69,687
0	(83,392)	87,970
0	(102,147)	108,650
0	(122,783)	131,814
0	(145,319)	157,551
0	(169,774)	185,952
0	(196,167)	217,111
0	(224,517)	251,126

Strategic Planning and Policies

7.1 Linkage with Other Plans

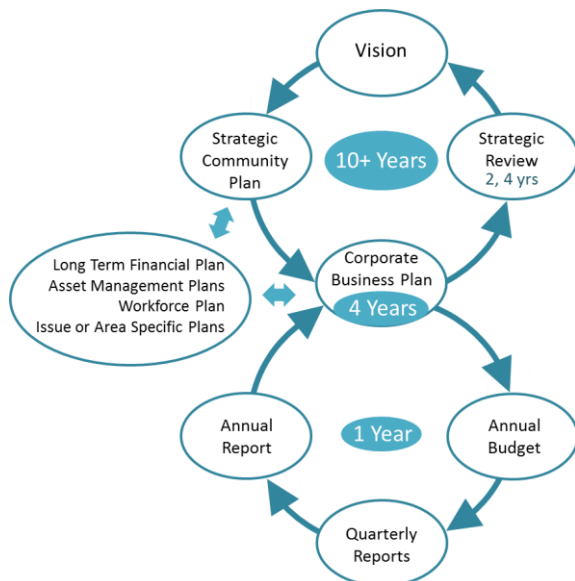
The Long Term Financial Plan is one component of a number of integrated strategic planning practices the Shire has developed which considers, and influences, workforce planning along with other key strategic plans. This Long Term Financial Plan has been prepared to achieve compliance with the *Local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

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

7.2 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.

7.2.1 Diagram: Integrated Planning and Reporting Cycle¹



7.2.2 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.

7.2.3 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.

7.2.4 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.

7.2.5 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 1%.

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

8.0 Risk Management

8.1 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.

8.2 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.

8.3 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.

9.0 Assumptions, Risks, Uncertainties and Sensitivity

9.1 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 1% from 2021/22 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	± \$69,072 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	± \$337,605 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 1% 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.

9.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

9.2 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	± \$794,494 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.

9.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

9.3 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	±\$176,855 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$1,348,024 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	±\$337,605 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.

9.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

9.4 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.

9.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

9.5 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	±\$176,855 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan.

9.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

9.6 Other – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Ownership of Strategic Assets: The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
Inflators: Forecast inflation at 1% per annum.	Medium	Not assessed as high financial risk.	High	± \$1,299,187 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$1,479,821 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.

10.0 Monitoring and Performance

10.1 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.

10.2 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%

Appendix A1 – 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 A1 – 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 Ngaanyatjarraku.

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
Transport	Other culture
	Streets, roads, bridges, depots
	Construction (not capitalised)
	Maintenance
	Road plant purchase (if not capitalised)
	Parking facilities
	Traffic control
	Aerodromes
	Water transport facilities
	Other economic services
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 A2 – Forecast Statement of Comprehensive Income by Nature or Type 2021 – 2036

	2017-18	2018-19	2019-20	Base	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenues																				
Rates	239,238	256,220	260,272	197,656	171,976	173,696	175,433	177,187	178,959	180,749	182,556	184,382	186,226	188,088	189,969	191,869	193,788	195,726	197,683	
Operating grants, subsidies and contributions	6,371,628	5,459,889	5,604,524	3,567,284	6,907,213	7,607,953	8,456,035	8,504,368	7,982,985	8,091,887	8,081,080	8,020,563	8,070,342	8,130,418	8,240,795	8,231,476	8,172,464	8,223,761	8,285,372	
Fees and charges	325,368	368,094	488,860	416,055	308,744	311,832	314,951	318,102	321,284	324,498	327,744	331,022	334,332	337,674	341,051	344,462	347,906	351,385	354,900	
Interest earnings	16,927	37,987	61,100	52,150	40,654	42,974	45,981	47,594	47,860	48,481	49,115	49,022	45,807	44,578	42,747	41,298	38,012	33,398	29,252	
Other revenue	98,729	91,727	99,030	92,416	32,740	33,067	33,397	33,730	34,066	34,408	34,753	35,102	35,454	35,809	36,167	36,529	36,894	37,262	37,634	
	7,051,890	6,213,917	6,513,786	4,325,561	7,461,327	8,169,522	9,025,797	9,080,981	8,565,154	8,680,023	8,675,248	8,620,091	8,672,161	8,736,567	8,850,729	8,845,634	8,789,064	8,841,532	8,904,841	
Expenses																				
Employee costs	(2,152,613)	(2,297,876)	(1,653,127)	(2,172,956)	(2,079,392)	(2,100,187)	(2,231,186)	(2,253,502)	(2,276,037)	(2,298,801)	(2,321,787)	(2,345,006)	(2,368,457)	(2,392,142)	(2,416,061)	(2,440,220)	(2,464,622)	(2,489,266)	(2,514,154)	
Materials and contracts	(2,512,758)	(2,428,878)	(2,178,796)	(3,304,215)	(4,154,384)	(4,803,131)	(5,628,277)	(5,658,552)	(5,135,127)	(5,197,111)	(5,259,806)	(5,263,673)	(5,316,307)	(5,369,473)	(5,423,163)	(5,477,393)	(5,532,169)	(5,587,491)	(5,643,348)	
Utility charges	(77,758)	(111,528)	(47,146)	(71,993)	(72,713)	(73,441)	(74,176)	(74,918)	(75,666)	(76,425)	(77,190)	(77,962)	(78,742)	(79,530)	(80,325)	(81,128)	(81,939)	(82,757)	(83,583)	
Depreciation on non-current assets	(1,449,056)	(1,420,559)	(1,512,133)	(1,501,660)	(1,564,110)	(1,577,921)	(1,648,586)	(1,741,468)	(1,826,802)	(1,853,056)	(1,879,587)	(1,906,204)	(1,933,268)	(1,960,568)	(1,988,156)	(2,015,926)	(2,044,012)	(2,072,417)	(2,101,105)	
Interest expenses	0	0	0	(500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Insurance expenses	(116,021)	(150,951)	(153,038)	(168,121)	(167,500)	(169,176)	(170,865)	(172,572)	(174,297)	(176,042)	(177,803)	(179,582)	(181,376)	(183,192)	(185,023)	(186,873)	(188,740)	(190,627)	(192,535)	
Other expenditure	(133,928)	(70,002)	(67,306)	(96,079)	(97,038)	(98,008)	(98,987)	(99,977)	(100,976)	(101,989)	(103,009)	(104,038)	(105,079)	(106,132)	(107,194)	(108,266)	(109,351)	(110,442)	(111,543)	
	(6,442,134)	(6,479,794)	(5,611,546)	(7,315,524)	(8,135,137)	(8,821,864)	(9,852,077)	(10,000,989)	(9,588,905)	(9,703,424)	(9,819,182)	(9,876,465)	(9,983,229)	(10,091,037)	(10,199,922)	(10,309,806)	(10,420,833)	(10,533,000)	(10,646,268)	
	609,756	(265,877)	902,240	(2,989,963)	(673,810)	(652,342)	(826,280)	(920,008)	(1,023,751)	(1,023,401)	(1,143,934)	(1,256,374)	(1,311,068)	(1,354,470)	(1,349,193)	(1,464,172)	(1,631,769)	(1,691,468)	(1,741,427)	
Non-operating grants, subsidies and contributions	562,047	4,488,897	2,755,744	3,408,055	4,765,858	1,706,119	4,006,119	4,606,119	4,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119
Fair value adjustments to financial assets at fair value through profit or loss	4,100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Loss on revaluation	0	(260,888)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Profit on asset disposals	3,490	87,202	20,630	1,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Loss on asset disposal	(17,814)	(11,946)	(57,282)	(23,500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
NET RESULT	1,161,579	4,037,388	3,621,332	395,592	4,092,048	1,053,777	3,179,839	3,686,111	3,401,368	401,718	281,185	168,745	114,051	70,649	75,926	(39,053)	(206,650)	(266,349)	(316,308)	
Other comprehensive income	(4,468,830)	0	0	0	1,145,892	1,198,005	1,218,222	1,258,841	1,310,646	1,356,793	1,374,135	1,386,373	1,409,587	1,425,299	1,442,436	1,456,721	1,475,190	1,493,492	1,509,910	
TOTAL COMPREHENSIVE INCOME	(3,307,251)	4,037,388	3,621,332	395,592	5,237,940	2,251,782	4,398,061	4,944,952	4,712,014	1,758,511	1,655,320	1,555,118	1,523,638	1,495,948	1,518,362	1,417,668	1,268,540	1,227,143	1,193,602	

Refer to Appendix A12 – Forecast Significant Accounting Policies

Appendix A3 – Forecast Statement of Comprehensive Income by Program 2021 – 2036

	2017-18	2018-19	2019-20	Base	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenue																				
Governance	2,668	5,639	45,178	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
General purpose funding	3,375,997	3,511,267	3,450,613	1,804,833	3,390,905	3,394,945	3,399,689	3,403,056	3,405,094	3,407,505	3,409,946	3,411,679	3,410,308	3,410,941	3,410,991	3,411,442	3,410,075	3,407,399	3,405,210	
Law, order, public safety	3,536	408	416	416	420	424	428	432	436	441	446	451	456	461	466	471	476	481	486	
Health	108,779	110,108	1,426	1,400	1,414	1,428	1,442	1,456	1,470	1,485	1,500	1,515	1,530	1,545	1,560	1,575	1,590	1,606	1,622	
Education and welfare	505,357	283,710	204,195	48,000	48,480	48,965	49,455	49,950	50,450	50,955	51,465	51,980	52,500	53,025	53,555	54,091	54,632	55,178	55,730	
Housing	11,086	22,209	147,854	95,590	96,546	97,511	98,486	99,471	100,466	101,471	102,486	103,511	104,546	105,591	106,647	107,713	108,790	109,878	110,977	
Community amenities	93,647	110,973	95,734	71,265	1,240,011	1,240,681	2,171,117	2,191,728	2,212,545	2,233,570	2,254,806	2,276,253	2,297,916	2,319,794	2,341,893	2,364,212	2,386,755	2,409,522	2,432,518	
Recreation and culture	269,466	276,279	241,158	230,000	217,300	959,298	968,891	978,580	988,366	998,249	1,008,232	1,018,315	1,028,498	1,038,783	1,049,170	1,059,663	1,070,259	1,080,961	1,091,771	
Transport	2,632,633	1,750,807	2,326,062	2,071,257	2,463,442	2,423,452	2,333,462	2,353,472	1,803,482	1,883,493	1,843,504	1,753,515	1,773,526	1,803,537	1,883,548	1,843,559	1,753,570	1,773,581	1,803,592	
Economic services	7,766	14,275	1,150	800	809	818	827	836	845	854	863	872	881	890	899	908	917	926	935	
Other property and services	40,955	128,242	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	7,051,890	6,213,917	6,513,786	4,325,561	7,461,327	8,169,522	9,025,797	9,080,981	8,565,154	8,680,023	8,675,248	8,620,091	8,672,161	8,736,567	8,850,729	8,845,634	8,789,064	8,841,532	8,904,841	
Expenses excluding finance costs																				
Governance	(30,004)	(75,028)	(158,923)	(136,531)	(138,828)	(140,184)	(142,658)	(145,587)	(148,370)	(150,022)	(151,679)	(153,352)	(155,042)	(156,755)	(158,478)	(160,219)	(161,975)	(163,746)	(165,526)	
General purpose funding	(163,470)	(34,533)	(250)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Law, order, public safety	(84,998)	(60,426)	(6,219)	(11,970)	(12,146)	(12,266)	(12,455)	(12,672)	(12,881)	(13,021)	(13,161)	(13,302)	(13,445)	(13,590)	(13,735)	(13,882)	(14,029)	(14,178)	(14,328)	
Health	(414,541)	(464,038)	(270,545)	(253,488)	(236,261)	(238,606)	(241,555)	(244,758)	(247,903)	(250,468)	(253,056)	(255,669)	(258,310)	(260,975)	(263,666)	(266,382)	(269,127)	(271,898)	(274,697)	
Education and welfare	(1,011,754)	(733,404)	(346,056)	(43,230)	(44,471)	(44,886)	(46,271)	(48,037)	(49,675)	(50,309)	(50,948)	(51,590)	(52,242)	(52,899)	(53,563)	(54,233)	(54,912)	(55,596)	(56,288)	
Housing	(311,605)	(305,636)	(339,255)	(266,875)	(272,439)	(275,048)	(281,150)	(288,622)	(295,652)	(299,095)	(302,575)	(306,077)	(309,626)	(313,211)	(316,829)	(320,478)	(324,162)	(327,891)	(331,659)	
Community amenities	(458,691)	(443,769)	(603,952)	(600,213)	(1,536,783)	(1,540,382)	(2,474,978)	(2,501,349)	(2,527,804)	(2,553,252)	(2,578,955)	(2,604,909)	(2,631,129)	(2,657,610)	(2,684,354)	(2,711,363)	(2,738,646)	(2,766,200)	(2,794,030)	
Recreation and culture	(891,956)	(834,993)	(623,525)	(774,516)	(795,833)	(1,599,413)	(1,586,313)	(1,578,695)	(1,596,728)	(1,623,581)	(1,650,805)	(1,618,841)	(1,635,291)	(1,651,906)	(1,668,688)	(1,685,639)	(1,702,762)	(1,720,053)	(1,737,510)	
Transport	(2,899,529)	(3,234,955)	(3,243,085)	(4,967,025)	(4,836,338)	(4,883,172)	(4,977,910)	(5,091,595)	(4,619,321)	(4,672,200)	(4,725,613)	(4,779,412)	(4,833,899)	(4,888,903)	(4,944,468)	(5,000,507)	(5,057,145)	(5,114,382)	(5,172,184)	
Economic services	(126,821)	(130,491)	(19,635)	(261,176)	(262,038)	(87,907)	(88,787)	(89,674)	(90,571)	(91,476)	(92,390)	(93,313)	(94,245)	(95,188)	(96,141)	(97,103)	(98,075)	(99,056)	(100,046)	
Other property and services	(48,765)	(162,521)	(101)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	(6,442,134)	(6,479,794)	(5,611,546)	(7,315,024)	(8,135,137)	(8,821,864)	(9,852,077)	(10,000,989)	(9,588,905)	(9,703,424)	(9,819,182)	(9,876,465)	(9,983,229)	(10,091,037)	(10,199,922)	(10,309,806)	(10,420,833)	(10,533,000)	(10,646,268)	
Finance costs																				
Governance	0	0	0	(500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	(500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non operating grants, subsidies and contributions																				
Community amenities	0	0	0	0	1,826,780	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	0	0	0	0	0	0	2,500,000	3,500,000	3,000,000	0	0	0	0	0	0	0	0	0	0	0
Transport	562,047	4,488,897	2,755,744	3,408,055	2,939,078	1,706,119	1,506,119	1,106,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119
	562,047	4,488,897	2,755,744	3,408,055	4,765,858	1,706,119	4,006,119	4,606,119	4,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119
Profit/(loss) on disposal of assets																				
Governance	0	0	20,630	(22,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Education and welfare	0	16,485	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community amenities	0	10,473	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	(14,324)	49,529	(57,282)	(500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic services	0	10,715	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other property and services	0	(11,946)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(14,324)	75,256	(36,652)	(22,500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on revaluation	0	(260,888)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	1,161,579	4,037,388	3,621,332	395,592	4,092,048	1,053,777	3,179,839	3,686,111	3,401,368	401,718	281,185	168,745	114,051	70,649	75,926	(39,053)	(206,650)	(266,349)	(316,308)	
Other comprehensive income	(4,468,830)	0	0	0	1,145,892	1,198,005	1,218,222	1,258,841	1,310,646	1,356,793	1,374,135	1,386,373	1,409,587	1,425,299	1,442,436	1,456,721	1,475,190	1,493,492	1,509,910	
TOTAL COMPREHENSIVE INCOME	(3,307,251)	4,037,388	3,621,332	395,592	5,237,940	2,251,782	4,398,061	4,944,952	4,712,014	1,758,511	1,655,320	1,555,118	1,523,638	1,495,948	1,518,362	1,417,668	1,268,540	1,227,143	1,193,602	

Refer to Appendix A12 – Forecast Significant Accounting Policies

Appendix A4 – Forecast Statement of Financial Position 2021 – 2036

	2018	2019	2020	Base	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																			
Unrestricted cash and cash equivalents	2,292,823	1,443,040	3,063,698	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561
Restricted cash and cash equivalent	877,024	3,493,937	3,838,873	3,998,873	4,230,793	4,531,583	4,692,828	4,719,416	4,781,467	4,844,892	4,835,545	4,514,057	4,391,257	4,208,170	4,063,084	3,734,619	3,273,258	2,858,630	2,426,869
Financial assets	35,034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trade and other receivables	1,464,885	317,516	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092
Inventories	72,199	71,223	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497
Other assets	0	27,535	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525
TOTAL CURRENT ASSETS	4,741,965	5,353,251	7,018,685	4,181,548	4,413,468	4,714,258	4,875,503	4,902,091	4,964,142	5,027,567	5,018,220	4,696,732	4,573,932	4,390,845	4,245,759	3,917,294	3,455,933	3,041,305	2,609,544
NON-CURRENT ASSETS																			
Financial assets	0	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034
Property plant and equipment	8,547,956	7,832,952	7,505,771	7,498,014	7,612,300	7,685,198	10,238,083	13,868,752	16,912,348	16,998,342	17,051,297	17,313,679	17,343,494	17,403,618	17,445,984	17,568,983	17,673,817	17,688,712	17,685,517
Infrastructure	98,337,950	102,035,164	104,335,934	107,259,283	112,151,017	114,029,111	115,713,042	117,000,737	118,607,104	120,216,196	121,827,908	123,442,132	125,058,755	126,677,666	128,298,748	129,921,882	131,546,949	133,173,825	134,802,383
TOTAL NON-CURRENT ASSETS	106,885,906	109,903,150	111,876,739	114,792,331	119,798,351	121,749,343	125,986,159	130,904,523	135,554,486	137,249,572	138,914,239	140,790,845	142,437,283	144,116,318	145,779,766	147,525,899	149,255,800	150,897,571	152,522,934
TOTAL ASSETS	111,627,871	115,256,401	118,895,424	118,973,879	124,211,819	126,463,601	130,861,662	135,806,614	140,518,628	142,277,139	143,932,459	145,487,577	147,011,215	148,507,163	150,025,525	151,443,193	152,711,733	153,938,876	155,132,478
CURRENT LIABILITIES																			
Trade and other payables	453,939	172,862	182,675	182,675	182,675	182,675	182,675	182,675	182,675	182,675	182,675	182,675	182,675	182,675	182,675	182,675	182,675	182,675	182,675
Contract liabilities	0	0	317,137	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provisions	335,733	201,390	154,226	154,226	154,226	154,226	154,226	154,226	154,226	154,226	154,226	154,226	154,226	154,226	154,226	154,226	154,226	154,226	154,226
TOTAL CURRENT LIABILITIES	789,672	374,252	654,038	336,901	336,901	336,901	336,901	336,901	336,901	336,901	336,901	336,901	336,901	336,901	336,901	336,901	336,901	336,901	336,901
NON-CURRENT LIABILITIES																			
Provisions	17,700	24,262	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741
TOTAL NON-CURRENT LIABILITIES	17,700	24,262	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741	18,741
TOTAL LIABILITIES	807,372	398,514	672,779	355,642	355,642	355,642	355,642	355,642	355,642	355,642	355,642	355,642	355,642	355,642	355,642	355,642	355,642	355,642	355,642
NET ASSETS	110,820,499	114,857,887	118,222,645	118,618,237	123,856,177	126,107,959	130,506,020	135,450,972	140,162,986	141,921,497	143,576,817	145,131,935	146,655,573	148,151,521	149,669,883	151,087,551	152,356,091	153,583,234	154,776,836
EQUITY																			
Retained surplus	56,699,578	59,546,363	61,116,185	61,351,777	65,211,905	65,964,892	68,983,486	72,643,009	75,982,326	76,320,619	76,611,151	77,101,384	77,338,235	77,591,971	77,812,983	78,102,395	78,357,106	78,505,385	78,620,838
Reserves - cash backed	853,334	2,043,937	3,838,873	3,998,873	4,230,793	4,531,583	4,692,828	4,719,416	4,781,467	4,844,892	4,835,545	4,514,057	4,391,257	4,208,170	4,063,084	3,734,619	3,273,258	2,858,630	2,426,869
Asset revaluation surplus	53,267,587	53,267,587	53,267,587	53,267,587	54,413,479	55,611,484	56,829,706	58,088,547	59,399,193	60,755,986	62,130,121	63,516,494	64,926,081	66,351,380	67,793,816	69,250,537	70,725,727	72,219,219	73,729,129
TOTAL EQUITY	110,820,499	114,857,887	118,222,645	118,618,237	123,856,177	126,107,959	130,506,020	135,450,972	140,162,986	141,921,497	143,576,817	145,131,935	146,655,573	148,151,521	149,669,883	151,087,551	152,356,091	153,583,234	154,776,836

Refer to Appendix A12 – Forecast Significant Accounting Policies

Appendix A5 – Forecast Statement of Changes in Equity 2021 – 2036

	2018	2019	2020	Base	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening balance	55,537,999	56,699,578	59,289,789	61,116,185	61,351,777	65,211,905	65,964,892	68,983,486	72,643,009	75,982,326	76,320,619	76,611,151	77,101,384	77,338,235	77,591,971	77,812,983	78,102,395	78,357,106	78,505,385
Net result	1,161,579	4,037,388	3,621,332	395,592	4,092,048	1,053,777	3,179,839	3,686,111	3,401,368	401,718	281,185	168,745	114,051	70,649	75,926	(39,053)	(206,650)	(266,349)	(316,308)
Amount transferred (to)/from reserves		(1,190,603)	(1,794,936)	(160,000)	(231,920)	(300,790)	(161,245)	(26,588)	(62,051)	(63,425)	9,347	321,488	122,800	183,087	145,086	328,465	461,361	414,628	431,761
Closing balance	56,699,578	59,546,363	61,116,185	61,351,777	65,211,905	65,964,892	68,983,486	72,643,009	75,982,326	76,320,619	76,611,151	77,101,384	77,338,235	77,591,971	77,812,983	78,102,395	78,357,106	78,505,385	78,620,838
RESERVES - CASH/INVESTMENT BACKED																			
Opening balance	853,334	853,334	2,043,937	3,838,873	3,998,873	4,230,793	4,531,583	4,692,828	4,719,416	4,781,467	4,844,892	4,835,545	4,514,057	4,391,257	4,208,170	4,063,084	3,734,619	3,273,258	2,858,630
Amount transferred to/(from) retained surplus	0	1,190,603	1,794,936	160,000	231,920	300,790	161,245	26,588	62,051	63,425	(9,347)	(321,488)	(122,800)	(183,087)	(145,086)	(328,465)	(461,361)	(414,628)	(431,761)
Closing balance	853,334	2,043,937	3,838,873	3,998,873	4,230,793	4,531,583	4,692,828	4,719,416	4,781,467	4,844,892	4,835,545	4,514,057	4,391,257	4,208,170	4,063,084	3,734,619	3,273,258	2,858,630	2,426,869
ASSET REVALUATION SURPLUS																			
Opening balance	53,267,587	53,267,587	53,267,587	53,267,587	53,267,587	54,413,479	55,611,484	56,829,706	58,088,547	59,399,193	60,755,986	62,130,121	63,516,494	64,926,081	66,351,380	67,793,816	69,250,537	70,725,727	72,219,219
Total other comprehensive income	0	0	0	0	1,145,892	1,198,005	1,218,222	1,258,841	1,310,646	1,356,793	1,374,135	1,386,373	1,409,587	1,425,299	1,442,436	1,456,721	1,475,190	1,493,492	1,509,910
Closing balance	53,267,587	53,267,587	53,267,587	53,267,587	54,413,479	55,611,484	56,829,706	58,088,547	59,399,193	60,755,986	62,130,121	63,516,494	64,926,081	66,351,380	67,793,816	69,250,537	70,725,727	72,219,219	73,729,129
TOTAL EQUITY	110,820,499	114,857,887	118,222,645	118,618,237	123,856,177	126,107,959	130,506,020	135,450,972	140,162,986	141,921,497	143,576,817	145,131,935	146,655,573	148,151,521	149,669,883	151,087,551	152,356,091	153,583,234	154,776,836

Appendix A6 – Forecast Statement of Cashflows 2021 – 2036

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities															
Receipts															
Rates	171,976	173,696	175,433	177,187	178,959	180,749	182,556	184,382	186,226	188,088	189,969	191,869	193,788	195,726	197,683
Operating grants, subsidies and contributions	6,907,213	7,607,953	8,456,035	8,504,368	7,982,985	8,091,887	8,081,080	8,020,563	8,070,342	8,130,418	8,240,795	8,231,476	8,172,464	8,223,761	8,285,372
Fees and charges	308,744	311,832	314,951	318,102	321,284	324,498	327,744	331,022	334,332	337,674	341,051	344,462	347,906	351,385	354,900
Interest earnings	40,654	42,974	45,981	47,594	47,860	48,481	49,115	49,022	45,807	44,578	42,747	41,298	38,012	33,398	29,252
Other revenue	32,740	33,067	33,397	33,730	34,066	34,408	34,753	35,102	35,454	35,809	36,167	36,529	36,894	37,262	37,634
	7,461,327	8,169,522	9,025,797	9,080,981	8,565,154	8,680,023	8,675,248	8,620,091	8,672,161	8,736,567	8,850,729	8,845,634	8,789,064	8,841,532	8,904,841
Payments															
Employee costs	(2,079,392)	(2,100,187)	(2,231,186)	(2,253,502)	(2,276,037)	(2,298,801)	(2,321,787)	(2,345,006)	(2,368,457)	(2,392,142)	(2,416,061)	(2,440,220)	(2,464,622)	(2,489,266)	(2,514,154)
Materials and contracts	(4,154,384)	(4,803,131)	(5,628,277)	(5,658,552)	(5,135,127)	(5,197,111)	(5,259,806)	(5,263,673)	(5,316,307)	(5,369,473)	(5,423,163)	(5,477,393)	(5,532,169)	(5,587,491)	(5,643,348)
Utility charges	(72,713)	(73,441)	(74,176)	(74,918)	(75,666)	(76,425)	(77,190)	(77,962)	(78,742)	(79,530)	(80,325)	(81,128)	(81,939)	(82,757)	(83,583)
Insurance expenses	(167,500)	(169,176)	(170,865)	(172,572)	(174,297)	(176,042)	(177,803)	(179,582)	(181,376)	(183,192)	(185,023)	(186,873)	(188,740)	(190,627)	(192,535)
Other expenditure	(97,038)	(98,008)	(98,987)	(99,977)	(100,976)	(101,989)	(103,009)	(104,038)	(105,079)	(106,132)	(107,194)	(108,266)	(109,351)	(110,442)	(111,543)
	(6,571,027)	(7,243,943)	(8,203,491)	(8,259,521)	(7,762,103)	(7,850,368)	(7,939,595)	(7,970,261)	(8,049,961)	(8,130,469)	(8,211,766)	(8,293,880)	(8,376,821)	(8,460,583)	(8,545,163)
Net cash provided by (used in) operating activities	890,300	925,579	822,306	821,460	803,051	829,655	735,653	649,830	622,200	606,098	638,963	551,754	412,243	380,949	359,678
Cash flows from investing activities															
Payments for purchase of property, plant & equipment	(396,100)	(346,095)	(2,829,455)	(4,085,150)	(3,396,000)	(437,153)	(400,000)	(842,889)	(400,000)	(477,324)	(444,627)	(681,706)	(583,232)	(485,061)	(487,073)
Payments for construction of infrastructure	(5,100,858)	(2,051,119)	(1,851,119)	(1,451,119)	(1,770,119)	(1,770,119)	(1,770,119)	(1,770,119)	(1,770,119)	(1,770,119)	(1,770,119)	(1,770,119)	(1,770,119)	(1,770,119)	(1,770,119)
Proceeds from non-operating grants, subsidies and contributions	4,765,858	1,706,119	4,006,119	4,606,119	4,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119
Proceeds from sale of plant & equipment	72,720	66,306	13,394	135,278	0	15,923	0	216,571	0	33,139	5,578	146,487	54,628	34,484	40,634
Net cash provided by (used in) investing activities	(658,380)	(624,789)	(661,061)	(794,872)	(741,000)	(766,230)	(745,000)	(971,318)	(745,000)	(789,185)	(784,049)	(880,219)	(873,604)	(795,577)	(791,439)
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	231,920	300,790	161,245	26,588	62,051	63,425	(9,347)	(321,488)	(122,800)	(183,087)	(145,086)	(328,465)	(461,361)	(414,628)	(431,761)
Cash at beginning of year	4,065,434	4,297,354	4,598,144	4,759,389	4,785,977	4,848,028	4,911,453	4,902,106	4,580,618	4,457,818	4,274,731	4,129,645	3,801,180	3,339,819	2,925,191
Cash and cash equivalents at the end of year	4,297,354	4,598,144	4,759,389	4,785,977	4,848,028	4,911,453	4,902,106	4,580,618	4,457,818	4,274,731	4,129,645	3,801,180	3,339,819	2,925,191	2,493,430

Refer to Appendix A12 – Forecast Significant Accounting Policies

Appendix A7 – Forecast Statement of Funding 2021 – 2036

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
FUNDING FROM OPERATIONAL ACTIVITIES																
Revenues																
Rates	171,976	173,696	175,433	177,187	178,959	180,749	182,556	184,382	186,226	188,088	189,969	191,869	193,788	195,726	197,683	
Operating grants, subsidies and contributions	6,907,213	7,607,953	8,456,035	8,504,368	7,982,985	8,091,887	8,081,080	8,020,563	8,070,342	8,130,418	8,240,795	8,231,476	8,172,464	8,223,761	8,285,372	
Fees and charges	308,744	311,832	314,951	318,102	321,284	324,498	327,744	331,022	334,332	337,674	341,051	344,462	347,906	351,385	354,900	
Interest earnings	40,654	42,974	45,981	47,594	47,860	48,481	49,115	49,022	45,807	44,578	42,747	41,298	38,012	33,398	29,252	
Other revenue	32,740	33,067	33,397	33,730	34,066	34,408	34,753	35,102	35,454	35,809	36,167	36,529	36,894	37,262	37,634	
	7,461,327	8,169,522	9,025,797	9,080,981	8,565,154	8,680,023	8,675,248	8,620,091	8,672,161	8,736,567	8,850,729	8,845,634	8,789,064	8,841,532	8,904,841	
Expenses																
Employee costs	(2,079,392)	(2,100,187)	(2,231,186)	(2,253,502)	(2,276,037)	(2,298,801)	(2,321,787)	(2,345,006)	(2,368,457)	(2,392,142)	(2,416,061)	(2,440,220)	(2,464,622)	(2,489,266)	(2,514,154)	
Materials and contracts	(4,154,384)	(4,803,131)	(5,628,277)	(5,658,552)	(5,135,127)	(5,197,111)	(5,259,806)	(5,263,673)	(5,316,307)	(5,369,473)	(5,423,163)	(5,477,393)	(5,532,169)	(5,587,491)	(5,643,348)	
Utility charges (electricity, gas, water etc.)	(72,713)	(73,441)	(74,176)	(74,918)	(75,666)	(76,425)	(77,190)	(77,962)	(78,742)	(79,530)	(80,325)	(81,128)	(81,939)	(82,757)	(83,583)	
Depreciation on non-current assets	(1,564,110)	(1,577,921)	(1,648,586)	(1,741,468)	(1,826,802)	(1,853,056)	(1,879,587)	(1,906,204)	(1,933,268)	(1,960,568)	(1,988,156)	(2,015,926)	(2,044,012)	(2,072,417)	(2,101,105)	
Insurance expense	(167,500)	(169,176)	(170,865)	(172,572)	(174,297)	(176,042)	(177,803)	(179,582)	(181,376)	(183,192)	(185,023)	(186,873)	(188,740)	(190,627)	(192,535)	
Other expenditure	(97,038)	(98,008)	(98,987)	(99,977)	(100,976)	(101,989)	(103,009)	(104,038)	(105,079)	(106,132)	(107,194)	(108,266)	(109,351)	(110,442)	(111,543)	
	(8,135,137)	(8,821,864)	(9,852,077)	(10,000,989)	(9,588,905)	(9,703,424)	(9,819,182)	(9,876,465)	(9,983,229)	(10,091,037)	(10,199,922)	(10,309,806)	(10,420,833)	(10,533,000)	(10,646,268)	
	(673,810)	(652,342)	(826,280)	(920,008)	(1,023,751)	(1,023,401)	(1,143,934)	(1,256,374)	(1,311,068)	(1,354,470)	(1,349,193)	(1,464,172)	(1,631,769)	(1,691,468)	(1,741,427)	
Funding position adjustments																
Depreciation on non-current assets	1,564,110	1,577,921	1,648,586	1,741,468	1,826,802	1,853,056	1,879,587	1,906,204	1,933,268	1,960,568	1,988,156	2,015,926	2,044,012	2,072,417	2,101,105	
Net funding from operational activities	890,300	925,579	822,306	821,460	803,051	829,655	735,653	649,830	622,200	606,098	638,963	551,754	412,243	380,949	359,678	
FUNDING FROM CAPITAL ACTIVITIES																
Inflows																
Proceeds on disposal	72,720	66,306	13,394	135,278	0	15,923	0	216,571	0	33,139	5,578	146,487	54,628	34,484	40,634	
Non-operating grants, subsidies and contributions	4,765,858	1,706,119	4,006,119	4,606,119	4,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	
Outflows																
Purchase of property plant and equipment	(396,100)	(346,095)	(2,829,455)	(4,085,150)	(3,396,000)	(437,153)	(400,000)	(842,889)	(400,000)	(477,324)	(444,627)	(681,706)	(583,232)	(485,061)	(487,073)	
Purchase of infrastructure	(5,100,858)	(2,051,119)	(1,851,119)	(1,451,119)	(1,770,119)	(1,770,119)	(1,770,119)	(1,770,119)	(1,770,119)	(1,770,119)	(1,770,119)	(1,770,119)	(1,770,119)	(1,770,119)	(1,770,119)	
Net funding from capital activities	(658,380)	(624,789)	(661,061)	(794,872)	(741,000)	(766,230)	(745,000)	(971,318)	(745,000)	(789,185)	(784,049)	(880,219)	(873,604)	(795,577)	(791,439)	
FUNDING FROM FINANCING ACTIVITIES																
Inflows																
Transfer from reserves	0	0	0	20,340	0	0	57,796	369,844	167,941	226,999	187,167	400,000	499,774	448,438	460,347	
Outflows																
Transfer to reserves	(231,920)	(300,790)	(161,245)	(46,928)	(62,051)	(63,425)	(48,449)	(48,356)	(45,141)	(43,912)	(42,081)	(71,535)	(38,413)	(33,810)	(28,586)	
Net funding from financing activities	(231,920)	(300,790)	(161,245)	(26,588)	(62,051)	(63,425)	9,347	321,488	122,800	183,087	145,086	328,465	461,361	414,628	431,761	
Estimated surplus/deficit July 1 B/Fwd	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	0	0	0	0	0	0	

Refer to Appendix A12 – Forecast Significant Accounting Policies

Appendix A8 – Forecast Statement of Net Current Asset Composition 2021 – 2036

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated surplus/deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Unrestricted cash and equivalents	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561	66,561
Restricted cash and cash equivalent	4,230,793	4,531,583	4,692,828	4,719,416	4,781,467	4,844,892	4,835,545	4,514,057	4,391,257	4,208,170	4,063,084	3,734,619	3,273,258	2,858,630	2,426,869
Financial assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trade and other receivables	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092	62,092
Inventories	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497	50,497
Contract assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other assets	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525
CURRENT LIABILITIES															
Trade and other payables	(182,675)	(182,675)	(182,675)	(182,675)	(182,675)	(182,675)	(182,675)	(182,675)	(182,675)	(182,675)	(182,675)	(182,675)	(182,675)	(182,675)	(182,675)
Contract liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserves	(4,230,793)	(4,531,583)	(4,692,828)	(4,719,416)	(4,781,467)	(4,844,892)	(4,835,545)	(4,514,057)	(4,391,257)	(4,208,170)	(4,063,084)	(3,734,619)	(3,273,258)	(2,858,630)	(2,426,869)
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	0	0	0	0	0	0

Appendix A9 – Forecast Statement of Fixed Asset Movements 2021 – 2036

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Infrastructure - roads	3,274,078	2,051,119	1,851,119	1,451,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119
Infrastructure - other	1,826,780	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total capital works - infrastructure	5,100,858	2,051,119	1,851,119	1,451,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119
Represented by:															
Additions - renewal	5,100,858	2,051,119	1,851,119	1,451,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119
Total Capital Works - Infrastructure	5,100,858	2,051,119	1,851,119	1,451,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119
Asset movement reconciliation															
Total capital works infrastructure	5,100,858	2,051,119	1,851,119	1,451,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119
Depreciation infrastructure	(1,281,717)	(1,294,535)	(1,307,480)	(1,320,555)	(1,333,760)	(1,347,098)	(1,360,569)	(1,374,174)	(1,387,917)	(1,401,795)	(1,415,813)	(1,429,972)	(1,444,272)	(1,458,714)	(1,473,300)
Revaluation of infrastructure assets (inflation)	1,072,593	1,121,510	1,140,292	1,157,131	1,170,008	1,186,071	1,202,162	1,218,279	1,234,421	1,250,587	1,266,776	1,282,987	1,299,220	1,315,471	1,331,739
Net movement in infrastructure assets	4,891,734	1,878,094	1,683,931	1,287,695	1,606,367	1,609,092	1,611,712	1,614,224	1,616,623	1,618,911	1,621,082	1,623,134	1,625,067	1,626,876	1,628,558
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings - non-specialised	184,000	189,000	2,746,000	3,825,000	3,396,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Plant and equipment	212,100	157,095	83,455	260,150	0	37,153	0	442,889	0	77,324	44,627	281,706	183,232	85,061	87,073
Total capital works property, plant and equipment	396,100	346,095	2,829,455	4,085,150	3,396,000	437,153	400,000	842,889	400,000	477,324	444,627	681,706	583,232	485,061	487,073
Represented by:															
Additions - expansion, upgrades and new	0	0	2,500,000	3,500,000	3,000,000	0	0	0	0	0	0	0	0	0	0
Additions - renewal	396,100	346,095	329,455	585,150	396,000	437,153	400,000	842,889	400,000	477,324	444,627	681,706	583,232	485,061	487,073
Total capital works property, plant and equipment	396,100	346,095	2,829,455	4,085,150	3,396,000	437,153	400,000	842,889	400,000	477,324	444,627	681,706	583,232	485,061	487,073
Asset movement reconciliation															
Total capital works property, plant and equipment	396,100	346,095	2,829,455	4,085,150	3,396,000	437,153	400,000	842,889	400,000	477,324	444,627	681,706	583,232	485,061	487,073
Depreciation property, plant and equipment	(282,393)	(283,386)	(341,106)	(420,913)	(493,042)	(505,958)	(519,018)	(532,030)	(545,351)	(558,773)	(572,343)	(585,954)	(599,740)	(613,703)	(627,805)
Net book value of disposed/written off assets	(72,720)	(66,306)	(13,394)	(135,278)	0	(15,923)	0	(216,571)	0	(33,139)	(5,578)	(146,487)	(54,628)	(34,484)	(40,634)
Revaluation of property, plant and equipment (inflation)	73,299	76,495	77,930	101,710	140,638	170,722	171,973	168,094	175,166	174,712	175,660	173,734	175,970	178,021	178,171
Net movement in property, plant and equipment	114,286	72,898	2,552,885	3,630,669	3,043,596	85,994	52,955	262,382	29,815	60,124	42,366	122,999	104,834	14,895	(3,195)
CAPITAL WORKS - TOTALS															
Capital works															
Total capital works infrastructure	5,100,858	2,051,119	1,851,119	1,451,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119
Total capital works property, plant and equipment	396,100	346,095	2,829,455	4,085,150	3,396,000	437,153	400,000	842,889	400,000	477,324	444,627	681,706	583,232	485,061	487,073
Total capital works	5,496,958	2,397,214	4,680,574	5,536,269	5,166,119	2,207,272	2,170,119	2,613,008	2,170,119	2,247,443	2,214,746	2,451,825	2,353,351	2,255,180	2,257,192
Fixed asset movement															
Net movement in infrastructure assets	4,891,734	1,878,094	1,683,931	1,287,695	1,606,367	1,609,092	1,611,712	1,614,224	1,616,623	1,618,911	1,621,082	1,623,134	1,625,067	1,626,876	1,628,558
Net movement in property, plant and equipment	114,286	72,898	2,552,885	3,630,669	3,043,596	85,994	52,955	262,382	29,815	60,124	42,366	122,999	104,834	14,895	(3,195)
Net movement in fixed assets	5,006,020	1,950,992	4,236,816	4,918,364	4,649,963	1,695,086	1,664,667	1,876,606	1,646,438	1,679,035	1,663,448	1,746,133	1,729,901	1,641,771	1,625,363

Refer to Appendix A12 – Forecast Significant Accounting Policies

Appendix A10 – Forecast Statement of Capital Funding 2021 – 2036

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital expenditure															
Infrastructure - roads	3,274,078	2,051,119	1,851,119	1,451,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119	1,770,119
Infrastructure - other	1,826,780	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	184,000	189,000	2,746,000	3,825,000	3,396,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Plant and equipment	212,100	157,095	83,455	260,150	0	37,153	0	442,889	0	77,324	44,627	281,706	183,232	85,061	87,073
Total - Capital expenditure	5,496,958	2,397,214	4,680,574	5,536,269	5,166,119	2,207,272	2,170,119	2,613,008	2,170,119	2,247,443	2,214,746	2,451,825	2,353,351	2,255,180	2,257,192
Funded by:															
Capital grants & contributions															
Infrastructure - roads	2,939,078	1,706,119	1,506,119	1,106,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119
Infrastructure - other	1,826,780	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	0	0	2,500,000	3,500,000	3,000,000	0	0	0	0	0	0	0	0	0	0
Total - Capital grants & contributions	4,765,858	1,706,119	4,006,119	4,606,119	4,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119	1,425,119
Own source funding															
Infrastructure - roads	335,000	345,000	345,000	345,000	345,000	345,000	345,000	345,000	345,000	345,000	345,000	345,000	345,000	345,000	345,000
Buildings - non-specialised	184,000	189,000	246,000	325,000	396,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Plant and equipment	139,380	90,789	70,061	124,872	0	21,230	0	226,318	0	44,185	39,049	135,219	128,604	50,577	46,439
Total - Own source funding	658,380	624,789	661,061	794,872	741,000	766,230	745,000	971,318	745,000	789,185	784,049	880,219	873,604	795,577	791,439
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	72,720	66,306	13,394	135,278	0	15,923	0	216,571	0	33,139	5,578	146,487	54,628	34,484	40,634
Total - Other (disposals & C/Fwd)	72,720	66,306	13,394	135,278	0	15,923	0	216,571	0	33,139	5,578	146,487	54,628	34,484	40,634
Total Capital Funding	5,496,958	2,397,214	4,680,574	5,536,269	5,166,119	2,207,272	2,170,119	2,613,008	2,170,119	2,247,443	2,214,746	2,451,825	2,353,351	2,255,180	2,257,192

Appendix A11 – Forecast Ratios 2021 – 2036

	Target Range		Average	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
LIQUIDITY RATIOS																		
Current ratio	> 1.00	> 1.20	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
OPERATING RATIOS																		
Operating surplus ratio	> 1.00%	> 15.00%	(200.98%)	(121.60%)	(116.16%)	(145.02%)	(159.55%)	(175.85%)	(174.01%)	(192.53%)	(209.56%)	(217.85%)	(223.45%)	(221.20%)	(238.40%)	(264.64%)	(273.80%)	(281.12%)
Own source revenue coverage ratio	> 40.00%	> 60.00%	6.04%	6.81%	6.37%	5.78%	5.77%	6.07%	6.06%	6.05%	6.07%	6.03%	6.01%	5.98%	5.96%	5.92%	5.87%	5.82%
BORROWINGS RATIOS																		
Debt service cover ratio	> 3	> 5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIXED ASSET RATIOS																		
Asset sustainability ratio	> 90.00%	> 110.00%	135.60%	351.44%	151.92%	132.27%	116.93%	118.57%	119.12%	115.46%	137.08%	112.25%	114.63%	111.40%	121.62%	115.13%	108.82%	107.43%
Asset consumption ratio	> 50.00%	> 60.00%	86.70%	85.64%	86.06%	86.51%	86.74%	87.00%	86.99%	86.96%	87.05%	86.98%	86.92%	86.85%	86.82%	86.76%	86.65%	86.52%
Asset renewal funding ratio	> 75.00%	> 95.00%	120.05%	142.15%	117.62%	114.07%	112.82%	113.59%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Appendix A12 – 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 A12 – 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 A12 – 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	2%
Furniture and equipment	4%
Plant and equipment	4%
Infrastructure - roads	1%
Infrastructure - recreation	1%
Infrastructure - other	1%

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 A12 – Forecast Significant Accounting Policies (Continued)

Employee Benefits

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

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

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

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

Borrowing Costs

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

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 B1 – 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 B1 – 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.

Appendix B1 – Glossary (Continued)

Service Potential

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

Service Potential Remaining

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

Specific Maintenance

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

Sub-Component

Smaller individual parts that make up a component part.

Useful Life

May be expressed as either:

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

Other Matters

Preparation

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

Reliance

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

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

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

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