



Shire of Capel

Long Term Financial Plan

2019 - 2034

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Shire of Capel
31 Forrest Road
PO Box 369
Capel WA 6271

P: 08 9727 0222
F: 08 9727 0223

E: info@capel.wa.gov.au
www.capel.wa.gov.au

1.0 FOREWORD

The Shire of Capel's Long Term Financial Plan 2019 - 2034 details the Shire's intended actions over the next fifteen years as a means of ensuring the Shire's financial sustainability. It is aligned to other core planning documents by which the Shire is accountable to the community, including the Strategic Community Plan and the Shire's Corporate Business Plan. Information obtained in developing other strategic plans including the Asset Management Plan and Workforce Plan have informed the Long Term Financial Plan, which will lay the foundation for preparation of the Shire's future Annual Budgets.

The Long Term Financial Plan is a dynamic tool which analyses financial trends over a fifteen year period based on a range of assumptions and provides the Shire with information to assess resourcing requirements to achieve its strategic objectives.

The Long Term Financial Plan covers the period 2019/20 to 2033/34. There is a higher level of detail in the first 4 years of the Long Term Financial Plan. The first year of this plan will form the base for the 2019/20 budget. All years of the plan are underpinned by a number of assumptions and reasonable estimates which inherently contain varying levels of risk of inaccuracy.

The Shire undertakes a focused review of its Strategic Community Plan every two years and a full review is planned every four years. This Long Term Financial Plan will be assessed in conjunction with these Strategic Community Plan reviews and reviews of other key strategic plans. Annual Budgets are developed from the Long Term Financial Plan, however there may be some variations between the Long Term Financial Plan and budget, where these arise they will be explained in the Annual Budget.

2.0 PLANNING OVERVIEW

2.1 PLANNING FOR A SUSTAINABLE AND STABLE FUTURE

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

2.2 PLANNING PROCESS

Built on the most recent audited Annual Financial Report and the adopted 2018-19 Annual Budget, a baseline was determined for operating revenue and expenditure. Modifications to this baseline were made over the 15 year term of the Plan to forecast operating revenue and expenditure based on the assumptions and forecasts utilised with the first year of the plan aligned to the 2018-19 adopted Annual Budget.

An important element of long term financial planning is planning for the future renewal of Shire assets. The Shire's Asset Management Plans are progressing with available asset information being considered within this plan. Unfortunately, planning for the renewal of long lived assets is problematic due to the uncertainty of receiving future external contributions which are often subject to sudden unexpected change. It is important to note, capital works identified in this Plan where external contributions are a source of funding may be postponed if this funding does not eventuate. If renewal is postponed past its estimated useful life and optimum intervention point, there is an increased risk of sudden asset failure resulting in a possible loss of service level.

A combination of financing techniques involving the use of cash backed reserves and long-term borrowings has been utilised in the Plan to provide for asset expenditure requirements.

2.3 ASSUMPTIONS

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

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

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

3.0 FINANCIAL STRATEGIC OVERVIEW

3.1 FORECAST SIGNIFICANT EVENTS

Road maintenance and road renewal remains a high priority for the Shire due to the strategic economic benefit the road network provides to the district. Although of high importance, adequate maintenance, renewal and upgrading of the road network remains highly dependent on the receipt of external grants and contributions.

The following significant projects have been identified within the Plan and are considered of high importance to the community and are planned to be undertaken within the first four years of the Plan.

ASSET CLASS	PROJECTS	2019-20 \$	2020-21 \$	2021-22 \$	2022-23 \$
Buildings	Recreation & Culture - Land & Buildings	122,770	1,616,707	283,021	1,780,496
Footpaths	Dual Use Paths	671,720	455,618	467,425	760,571
Furniture and Equipment	Governance	121,505	44,353	46,515	104,081
Parks & Ovals	Recreation & Culture - Infrastructure	728,764	1,259,274	792,240	582,280
	Developer Infrastructure	50,000	50,000	50,000	50,000
Plant and Equipment	Plant Replacement	772,140	661,694	693,399	437,303
	Law, Order & Public Safety		110,000		350,000
Drainage	Drainage	545,910	431,576	603,997	443,685
Roads	Road Renewal Projects	1,813,507	1,878,293	1,985,630	2,115,970
	Road Upgrades	73,063	24,100	25,185	26,318
	Developer Infrastructure	300,000	300,000	300,000	300,000
Infrastructure	Transport - Infrastructure	57,058	59,626	62,309	65,113

Additional smaller projects are planned to be undertaken in conjunction with the projects above to maintain services to the community, these are listed in the table provided in Section 9.1. The timing and extent of all projects is highly dependent on the timing and level of external grant funding, should this not be available when planned, the project may be postponed until funding is available.

3.0 FINANCIAL STRATEGIC OVERVIEW (CONTINUED)

3.2 FINANCIAL MANAGEMENT STRATEGY

In the process of developing the Long Term Financial Plan the Shire of Capel considered its overall financial strategy for the term of the Plan. The Plan was prepared considering the specific financial constraints set out in the following table and the inherent financial constraints within the local, state and national economy.

FINANCIAL CONSTRAINT	LONG TERM FINANCIAL STRATEGY
Borrowings – Purpose	<p>The Shire does not have a formal financial strategy in relation to the use of borrowings, however the following approach has been utilised:</p> <ul style="list-style-type: none"> (a) Debt funding may be used for capital works and the purchase of development of assets and infrastructure assets; or (b) Debt funding may not be used to finance operating activities or recurrent expenditure. (c) Before borrowing funds, the Shire would generally consider using existing surplus funds in the first instance.
Borrowings – Level	<p>The Shire plans to constrain the level of borrowing for community assets to result in a debt service coverage ratio not less than 5 and a borrowing to revenue ratio of no more than 50%. It is acknowledged the debt service coverage ratio is less than 5 for the first two years of the plan as existing debt is repaid.</p>
Asset Renewal	<p>The Shire will structure its operating revenue and expenditure with the goal of achieving the future renewal of its assets within a planned useful life. The level and timing of asset renewal may be subject to the receipt of external grants and contributions.</p>
Services	<p>The Shire plans to maintain current service levels and where possible, improve levels where funds are available into the future while maintaining a healthy financial position. The range and level of services will be considered annually within the Shire’s corporate business planning process.</p>
Operating Surplus	<p>The Shire acknowledges the operating surplus ratio is negative in the first six years of the Plan, however it plans to achieve an improved operating surplus ratio over the term of the Plan through the improved planning of remaining asset lives and associated reduction in depreciation expense.</p>
Rates	<p>The Shire plans to maintain a smooth and predictable approach to the movement in rates revenue referenced to movements in expenditure over the term. Future increases in total rate yield comprise elements associated with predicted growth in lot yield and increases required to achieve the Shire’s overall financial strategy.</p>

3.0 FINANCIAL STRATEGIC OVERVIEW (CONTINUED)

3.3 FINANCIAL SUSTAINABILITY

As a local government, the Shire provides essential infrastructure facilities and services to support the local community. To undertake this role the Shire has in the past and expects in the future to receive grants and contributions from external bodies including the State and Federal Governments. In the absence of this external assistance the Shire would not be able to rely on property rate revenue alone to support the extent of the facilities and services it currently provides to the community.

Recognising that the current levels of services and facilities were established and are maintained with external contributions, the Shire is not in a position to be independently financially sustainable. Although not expecting to achieve an independent financial status, the Shire considers it can maintain the long term sustainability of its current service levels, providing it continues to receive external support in line with past levels, for both operations and the renewal of significant community assets.

It is within this context that the Shire plans for a stable financial future and applies its overall financial strategy.

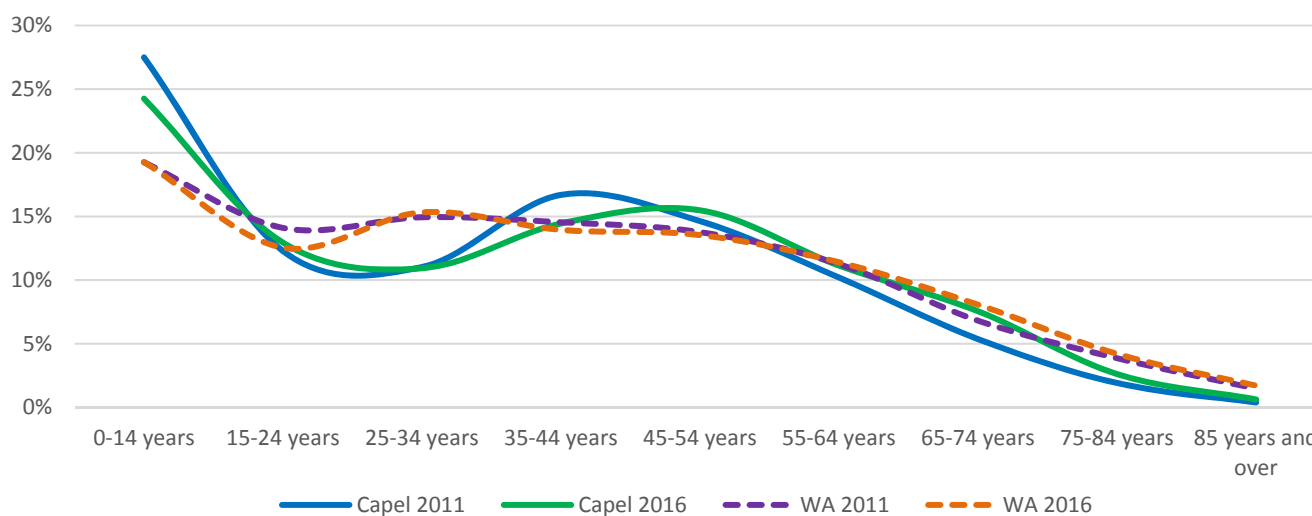
4.0 COMMUNITY PROFILE, VISION AND OBJECTIVES

4.1 COMMUNITY

The Shire of Capel is a predominantly rural municipality situated on the Indian Ocean coast 180 kilometres south of Perth in the south west of WA. The Shire is located between the regional centres of Bunbury and Busselton and comprises valuable agricultural and mineral resources while also accommodating significant population growth within the greater Bunbury region.

The estimated resident population has increased over the past five years. The Shire has opportunities for all ages to participate in sport and recreation and strategies are being formulated to ensure that facilities are available to service the growing population. It is important the Shire retains services and infrastructure to continue to sustain these highly valued social qualities.

4.1.1 SHIRE OF CAPEL PERCENTAGE OF RESIDENT POPULATION BY AGE GROUP¹



In comparison to the Western Australia demographic (reflected by the dotted orange and purple lines), the Shire has a higher proportion of younger residents in the 0-24 year old age. Making up 24.3% of the population, children under 14 are the largest demographic, indicating an ongoing need for childhood related services. In contrast, the number of people aged from 65 years and older is lower than the State.

¹ Australian Bureau of Statistics Census 2016, Capel (S) (LGA51400) General Community Profile, downloaded 24 October 2017

4.0 COMMUNITY PROFILE, VISION AND OBJECTIVES (CONTINUED)

4.2 VISION, MISSION AND VALUES

The Shire's strategic vision expressed in the Strategic Community Plan is:

"A Lifestyle of Choice: Where we work together to achieve a positive future; economically, socially and environmentally."

In line with the community vision and aspirations, the following mission and values have been approved.

Mission: Facilitating our Communities Choice:

1. Bringing community together, creating opportunities
2. Enhancing local places, helping community enjoy positive lifestyles

Values: Values of the organisation are demonstrated through the way employees behave, interact and think. Defining values and clearly articulating what these values look and feel like is very important and are the building blocks to ensuring a consistent customer and staff experience is delivered at all times.

Commitment: Customer Focus, Engagement and Accountability

Adaptability: Resilience, Innovation and Sustainability

People focus: Community, Safety, Fairness and Respect

Excellence: Continuous Improvement and Teamwork

Leadership: Openness, Courage, and Trust

4.3 STRATEGIC KEY FOCUS AREAS

The following 5 key focus areas and aspirations are captured in the Shire's Strategic Community Plan and considered within this Plan.

1. *Decide - The Leadership Experience:* Open, transparent, and effective good governance;
2. *People - The Community Experience:* Facilities and services that accommodate the diverse needs of the community and providing a safe place to live, work and visit;
3. *Prosper - The Economic Experience:* Responsible and progressive local economic development;
4. *Clean and Green - The Environmental Experience:* Preserve and enhance the natural and built environment;
5. *Build - The Infrastructure Experience:* To ensure safe, sustainable and efficient infrastructure and transport networks.

5.0 KEY CURRENT INFORMATION

5.1 KEY STATISTICS: SHIRE OF CAPEL 2019²

Number of Elected Members	9
Number of Employees ⁴	82.64
Number of Electors	11,202
Number of Dwellings	6,956
Distance from Perth (km)	200
Area (sq. km) ³	558
Population (Est.) ⁴	17,738

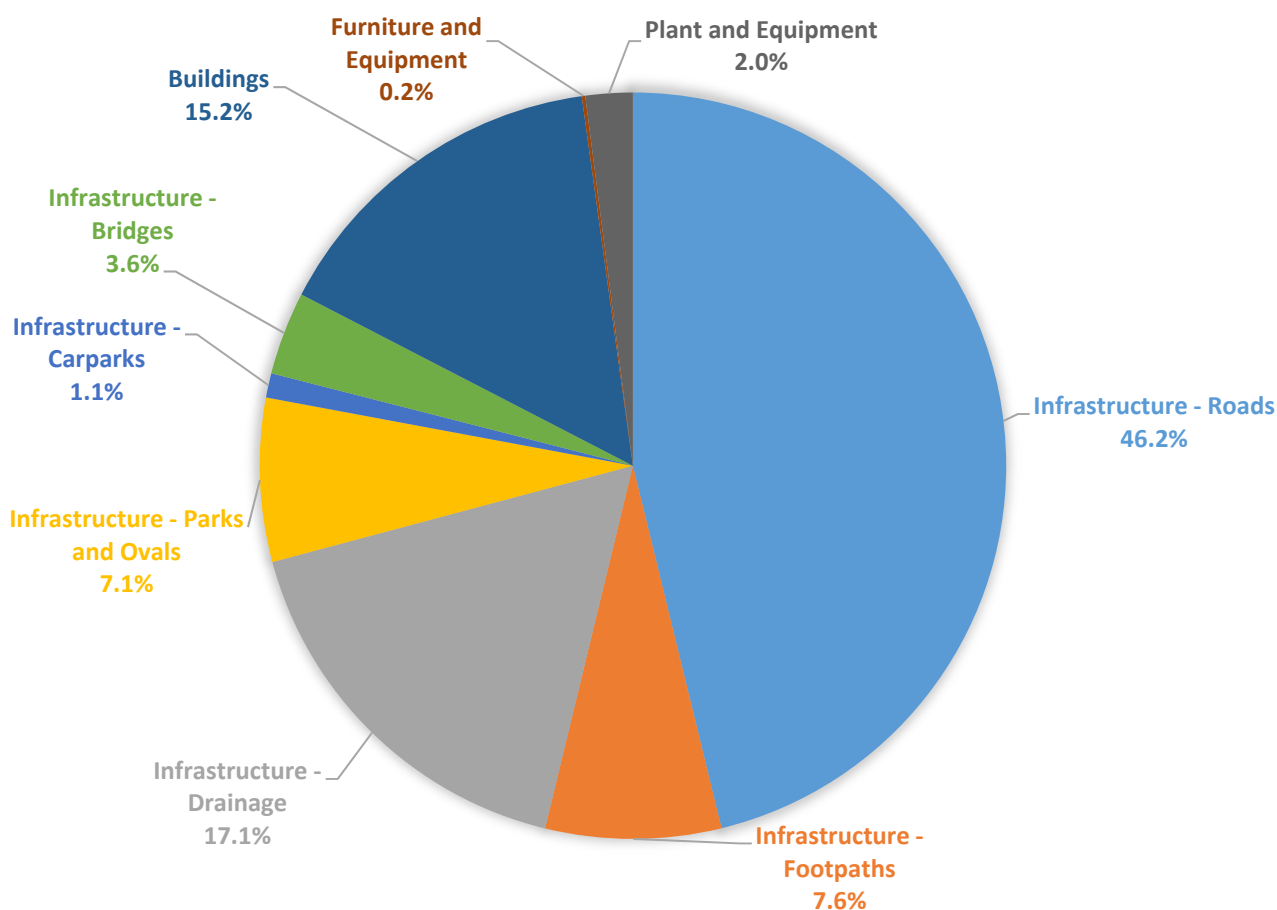
5.2 KEY FINANCIAL INFORMATION⁴

Rates Revenue	\$12,265,628
Fees and Charges	\$3,069,304
Operating Revenue	\$18,135,950
Operating Expenditure	\$18,634,270
Net Assets	\$181,026,932
Cash Backed Reserves	\$13,361,590
Long Term Borrowings	\$6,029,923

5.3 KEY ASSET INFORMATION

The Shire controls an asset network with a written down value of over \$174m, of which Roads and Buildings constitute the largest component values, as reflected in the chart below.

5.3.1 ASSET VALUE BY CLASS - SHIRE OF CAPEL 2018



² WALGA Local Government Directory 2019

⁴ Shire of Capel, Audited Annual Financial Report 2017-18

³ Australian Bureau of Statistics Census 2016, Capel (S) (LGA51400) General Community Profile, downloaded 24 October 2017

6.0 STRATEGIC PLANNING AND POLICIES

6.1 LINKAGE WITH OTHER PLANS

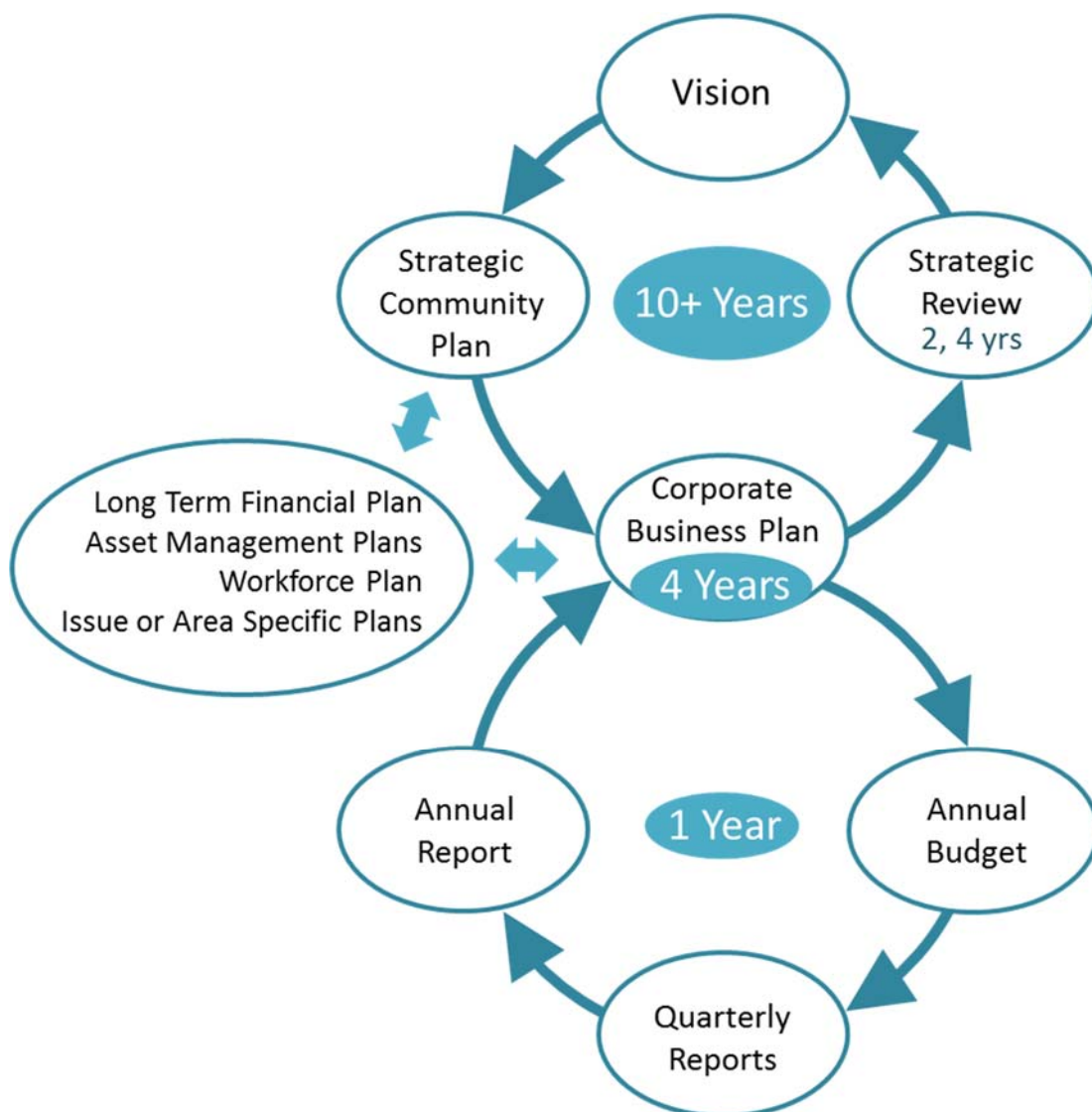
The Long Term Financial Plan is one component of a number of integrated strategic planning practices the Shire has developed and has been prepared to achieve compliance with the Local Government (Administration) Regulations 1996.

Development of the Long Term Financial Plan has been influenced by the Department of Local Government, Sport and Cultural Industries (the Department) Integrated Planning Framework and Guidelines.

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

6.2 STRATEGIC DOCUMENTS LINKAGE

DIAGRAM: INTEGRATED PLANNING AND REPORTING CYCLE⁵



⁵ Department of Local Government, Sport and Cultural Industries, Integrated Planning and Reporting Framework and Guidelines, September 2016

6.0 STRATEGIC PLANNING AND POLICIES (CONTINUED)

The Strategic Community Plan was prepared to cover a minimum period of 10 years and sets out the community's vision, aspirations and objectives. To achieve the vision, a series of outcomes and strategies were developed. Many strategies may be required to achieve a single outcome and many outcomes needed to achieve a single objective as represented in the diagram to follow.

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

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



6.3 CORPORATE BUSINESS PLAN

The Corporate Business Plan contains details of the actions and resources (human and financial) to achieve each strategy. It is a four-year plan which acts as an organisational guide to the Council and management.

The financial capacity to undertake these tasks is evidenced in the Long Term Financial Plan for the period. This long term financial planning provides an assurance the actions contained in the Corporate Business Plan can be adequately resourced over the next four years and highlight the long term consequences of the application of human and financial resources to undertaking various projects.

6.4 WORKFORCE AND OTHER STRATEGIC PLANS

The Workforce Plan and other strategic plans, integrate with the Long Term Financial Plan through their requirement for assets and financial resources. As far as possible, these requirements are met in the Plan. The Workforce Plan for the Shire of Capel will be reviewed in the 2019-20 financial year.

6.0 STRATEGIC PLANNING AND POLICIES (CONTINUED)

6.5 ASSET MANAGEMENT PLANNING

The Shire of Capel has developed an initial formal Asset Management Plan incorporating the following asset classes:

- Buildings;
- Footpaths;
- Furniture and Equipment;
- Parks and Ovals;
- Plant and Equipment;
- Drainage; and
- Roads.

The Plan sets service standards for assets and contains work schedules applying financial resources to the renewal of assets over the next 10+ years.

These renewal schedules inform the Shire's Long Term Financial Plan and Corporate Business Plan and are used as a basis for forecasting capital expenditure.

6.6 BORROWING POLICY

The Shire does not have a formal Borrowing Policy. In line with the financial strategy, the Council intends to minimise the level of borrowings to provide the capacity to borrow in the event of an emergency.

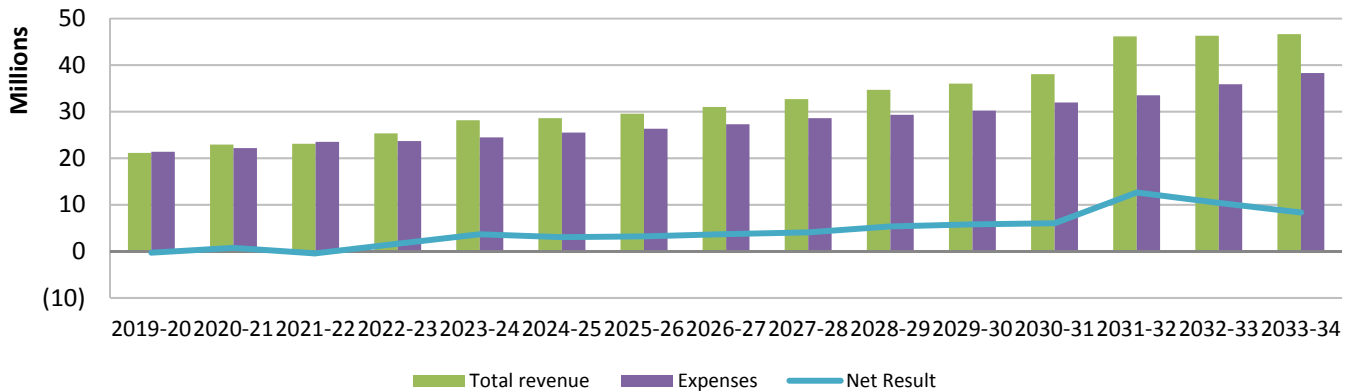
7.0 OPERATIONS OVERVIEW

7.1 OPERATIONS

The Shire is reliant on receiving more than \$35.9m over the 15 years in untied operating grants, subsidies and contributions to maintain its current level of operations and services.

Significant movements in the forecast level of capital grants result in corresponding fluctuations in total revenue and the net result.

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



FORECAST REVENUE, EXPENSES AND NET RESULT.

7.2 RATES REVENUE

The Shire’s current Rating Strategy forms the basis of rates revenue projections. The Plan has assumed a 4% increase in the 2019-20 financial year with a 4% increase annually until 2028-29. A 3% increase is assumed thereafter however this may be adjusted as growth fluctuates. These increases are to assist in the long term financial sustainability of the Shire, to assist in funding proposed strategic projects and also to maintain the level of service to the community. Growth in lot yield of between 0.70% and 3.53% has been assumed over the period and will continue to be reviewed and adjusted as part of the on-going planning process. Rates are expected to generate \$13.7m in 2019-20, increasing to \$32.9m in 2033-34. This revenue stream will be adjusted in line with any change in lot yield growth assumptions.

7.3 NON-OPERATING GRANTS AND CONTRIBUTIONS

Non-operating grants and contributions for the renewal of road assets are forecast to continue through the life of the Plan and are essential to ensure the appropriate renewal of road assets.

7.4 WORKFORCE PLANNING

The Shire currently employs 82.64 full time equivalent (FTE) employees to deliver a range of services to the community and maintain existing assets.

The Shire’s Workforce Plan will be revised in the 2019-20 financial year. Resource levels will continue to be assessed and considered in the development of this Long Term Financial Plan. For this Long Term Financial Plan, employee costs are forecast to rise an average of 5.47% for the duration of Plan. This increase allows for an estimate of new staff required to maintain service levels, comply with statutory and legislative requirements and manage new infrastructure outlined in the Plan.

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

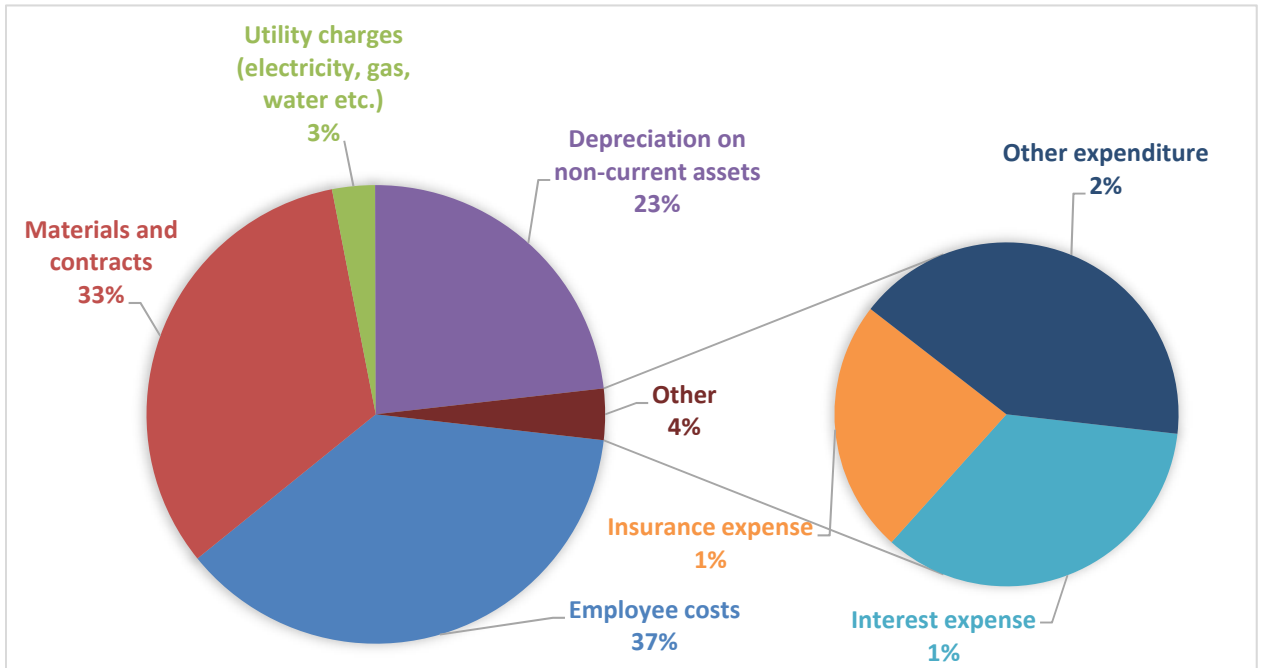
7.0 OPERATIONS OVERVIEW (CONTINUED)

7.5 OPERATING EXPENDITURE

Over the duration of the Plan the operating expenditure components are forecast to remain relatively stable, with the most significant change resulting from the decrease in interest expense as borrowings are repaid.

Employee costs, materials and contracts and depreciation remain the dominant operating expenditure components as reflected in the chart below.

7.5.1 COMPOSITION OF FORECAST OPERATING EXPENDITURE 2019-20 (TOTAL OPERATING EXPENDITURE \$21.4M)



7.6 MAINTENANCE EXPENDITURE

The current maintenance expenditure allocated in the annual operating budget is expected to continue at present levels with inflationary increases occurring each year. This will be incremented by expenditure identified as required through the Asset Management process. Allowance has been made for new expenditure items resulting from Council decisions on Reserve Management, Drainage Management and improvements in the Shire's building maintenance program.

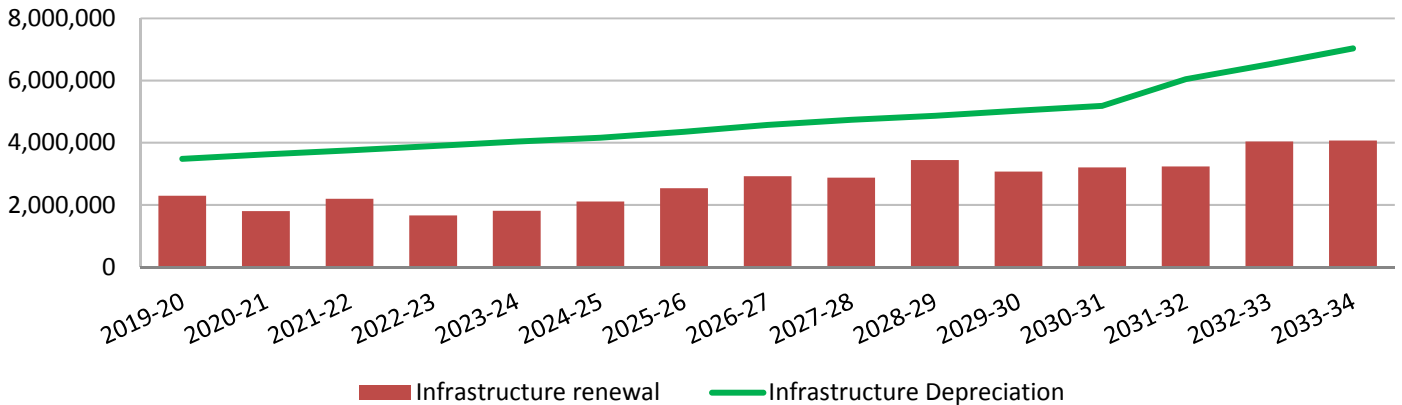
7.0 OPERATIONS OVERVIEW (CONTINUED)

7.7 DEPRECIATION EXPENSE

Depreciation expense increases throughout the Plan from \$4.9m in year 1 to \$8.9m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$70.9m, shown by the green line in the chart below.

The planned level of infrastructure asset renewal expenditure at \$41.2m is shown by the red columns in the chart below and is lower than estimated infrastructure depreciation for the duration of the Plan.

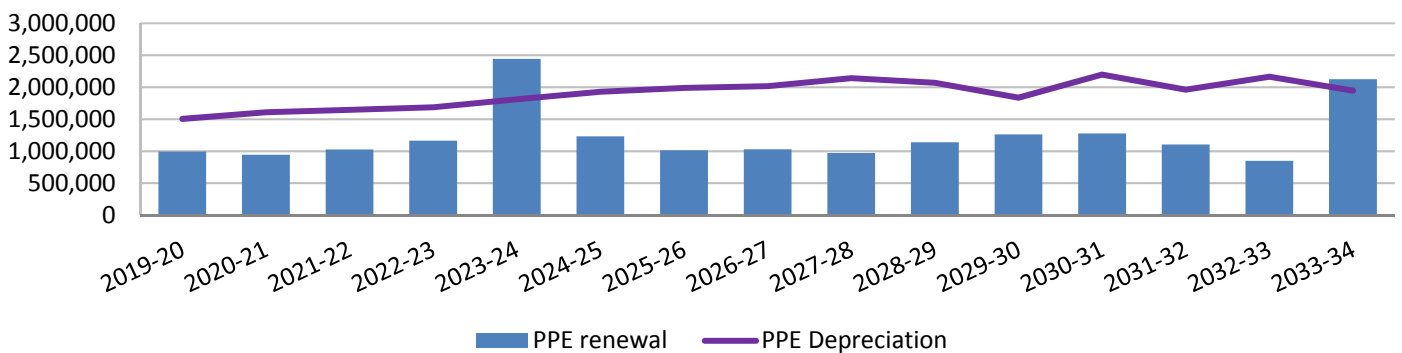
7.7.1 INFRASTRUCTURE DEPRECIATION EXPENSE V ASSET RENEWAL EXPENDITURE



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

Planned Property, Plant and Equipment asset renewals totalling \$18.6m over the 15 years is reflected by the blue columns, with corresponding depreciation expense totalling \$28.6m shown by the purple line in the chart below.

7.7.2 PROPERTY PLANT AND EQUIPMENT DEPRECIATION EXPENSE V ASSET RENEWAL EXPENDITURE



Where the planned asset renewals are greater than depreciation, the written down value of these assets will increase over time as existing assets are renewed. Revaluation of assets in line with inflation will compound this increase and may mask real decreases in value where planned asset renewals are lower than depreciation.

8.0 CAPITAL OVERVIEW

8.1 COMMUNITY DEMAND

There is community demand to maintain good facilities and for further development of community infrastructure. Community demand for maintaining the roads, maintaining and developing community and visitor infrastructure were identified within the Strategic Community Plan.

This Plan seeks to meet this demand as far as is possible, with available resources.

8.2 UPGRADE/NEW EXPENDITURE

New assets are planned to be constructed over the next 15 years in response to demand and need.

The exact timing and extent of the construction of these projects is dependent on the receipt of grants and contributions to undertake this work. In several instances, should the funding not be received it is unlikely the project would be undertaken.

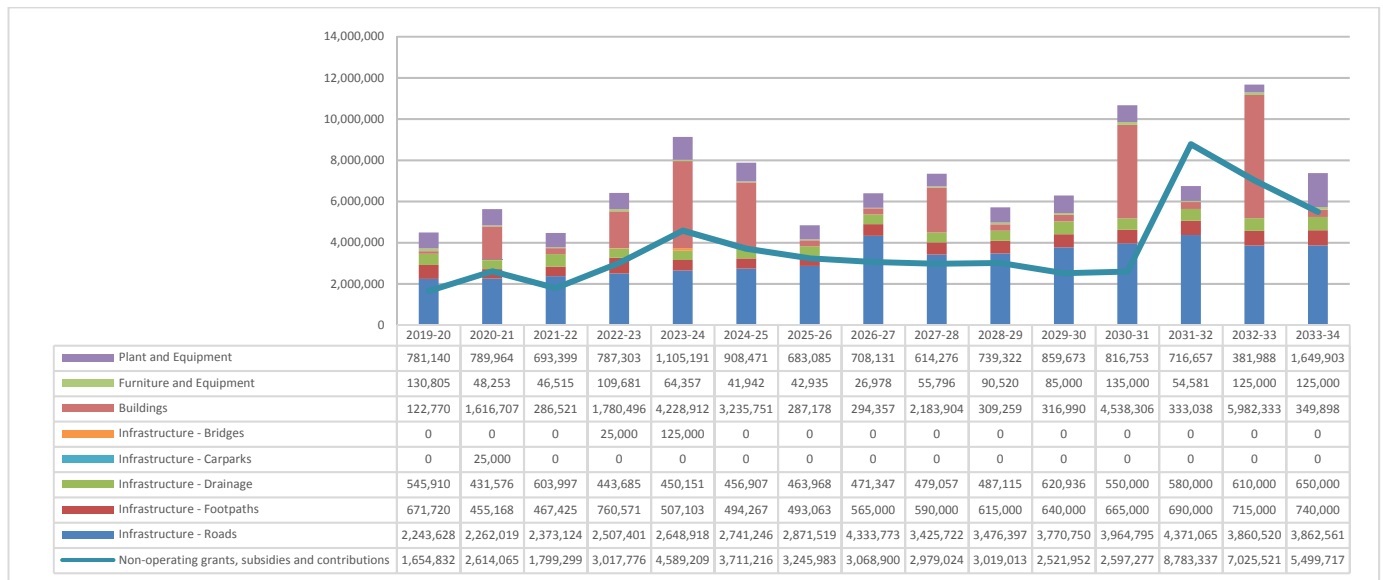
8.3 LEVEL OF SERVICE

The level of service of assets is forecast to be maintained over the long term, however this is dependent on receipt of forecast grants and contributions both for maintenance of assets and for renewal of assets. Changes to the level of these grants may directly impact on forecast service levels.

8.4 RENEWAL EXPENDITURE

Planned asset renewal expenditure has been determined by allocating the funds available after operating requirements to asset renewals. Allocation of these has been undertaken to best meet the asset renewal expenditure required. The timing and level of planned asset renewal expenditure for each asset class is summarised in the chart below.

8.4.1 PLANNED ASSET RENEWAL EXPENDITURE BY ASSET CLASS



Achieving the planned asset renewals is reliant on continued receipt of grants for the renewal of assets along with grant funding for operations.

9.0 FORECAST CAPITAL PROJECTS

9.1 PLANNED CAPITAL EXPENDITURE

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

ASSET CLASS	PROJECT	TOTAL EXPENDITURE (2019-2034) \$
Buildings	Governance - Buildings (Acct 0634)	3,500
	Recreation & Culture - Land & Buildings (Acct 2544)	19,782,341
	Recreation & Culture - Land & Buildings (Acct 2834)	51,000
	Other Property & Services (Acct 4664)	7,000
	Other Property & Services (Acct 4644)	6,095,579
Buildings Total		25,939,420
Footpaths	Dual Use Paths (Acct 3574)	9,535,804
Footpaths Total		9,535,804
Furniture and Equipment	Governance (Acct 0644)	967,807
	Governance (Acct 0664)	47,353
	Recreation & Culture (Acct 2534)	300,503
	Other Property & Services (Acct 4664)	8,500
Furniture and Equipment Total		1,324,163
Parks & Ovals	Recreation & Culture - Infrastructure (Acct 2854)	52,738,558
	Infrastructure (Acct 7704)	16,021
	Reserve Management Capital Cost	740,554
	Other – Infrastructure (Acct 3524)	750,000
Parks & Ovals Total		54,245,133
Plant and Equipment	Plant Replacement	10,897,986
	Governance (Acct 0664)	33,540
	Law, Order & Public Safety (Acct 0784)	1,310,000
	Recreation & Culture (Acct 2844)	73,150
Plant and Equipment Total		12,314,676
Drainage	Drainage (Acct 3514)	8,178,638
	Infrastructure (Acct 7704)	166,500
Drainage Total		8,345,138
Roads	Transport - Infrastructure (Acct 3524)	3,097,269
	Road Renewal Projects	42,112,024
	Road Upgrades	1,605,064
	Developer Infrastructure	4,800,000
Roads Total		51,614,357
Infrastructure	Recreation & Culture - Infrastructure (Acct 2854)	25,000
	Transport – Infrastructure Bridges (Acct 3544)	150,000
Infrastructure Total		175,000
Grand Total		163,493,691

10.0 FINANCING OVERVIEW

In general, the finances of the Shire are expected to improve over the term of the Plan with a reduction in the level of outstanding borrowings and an increase in cash savings (reserves) as represented in the graph below.

10.1 BORROWINGS

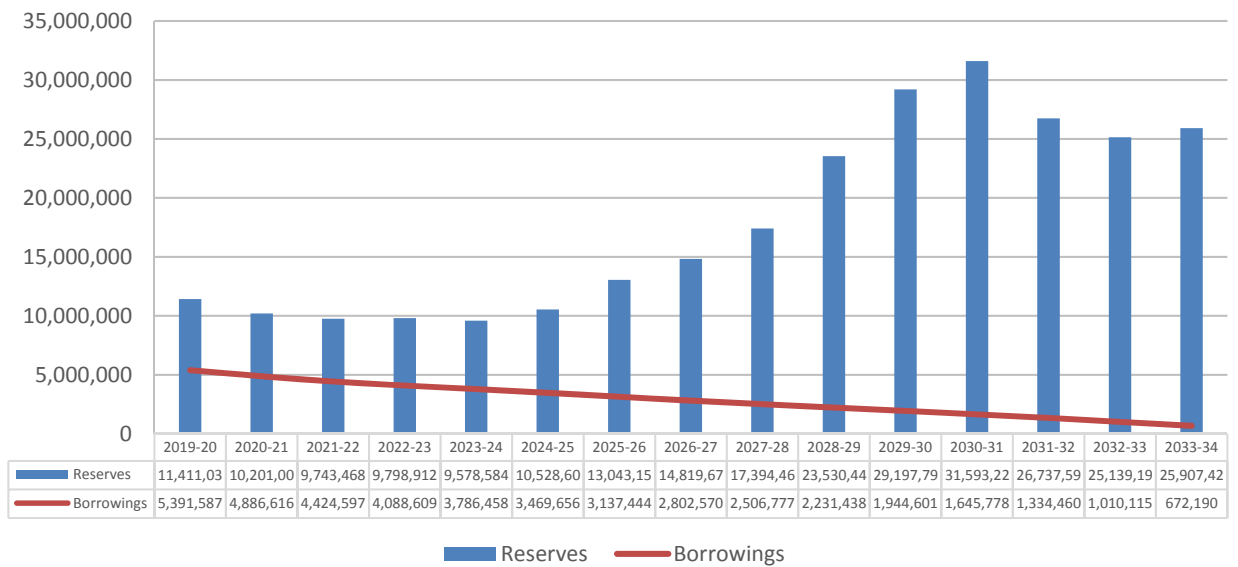
The principal outstanding on borrowings reduces from \$5.4m in 2019-20 to \$0.7m in 2033-34.

There are no new loans forecast and modelled in this Plan.

10.2 CASH RESERVES

The balance of cash reserves is forecast to fluctuate over the term of the Plan as they are used to fund the renewals of assets, whilst trending upward.

10.2.1 FORECAST BORROWINGS AND CASH RESERVES



11.0 SCENARIO MODELLING

11.1 SCENARIO MODELLING

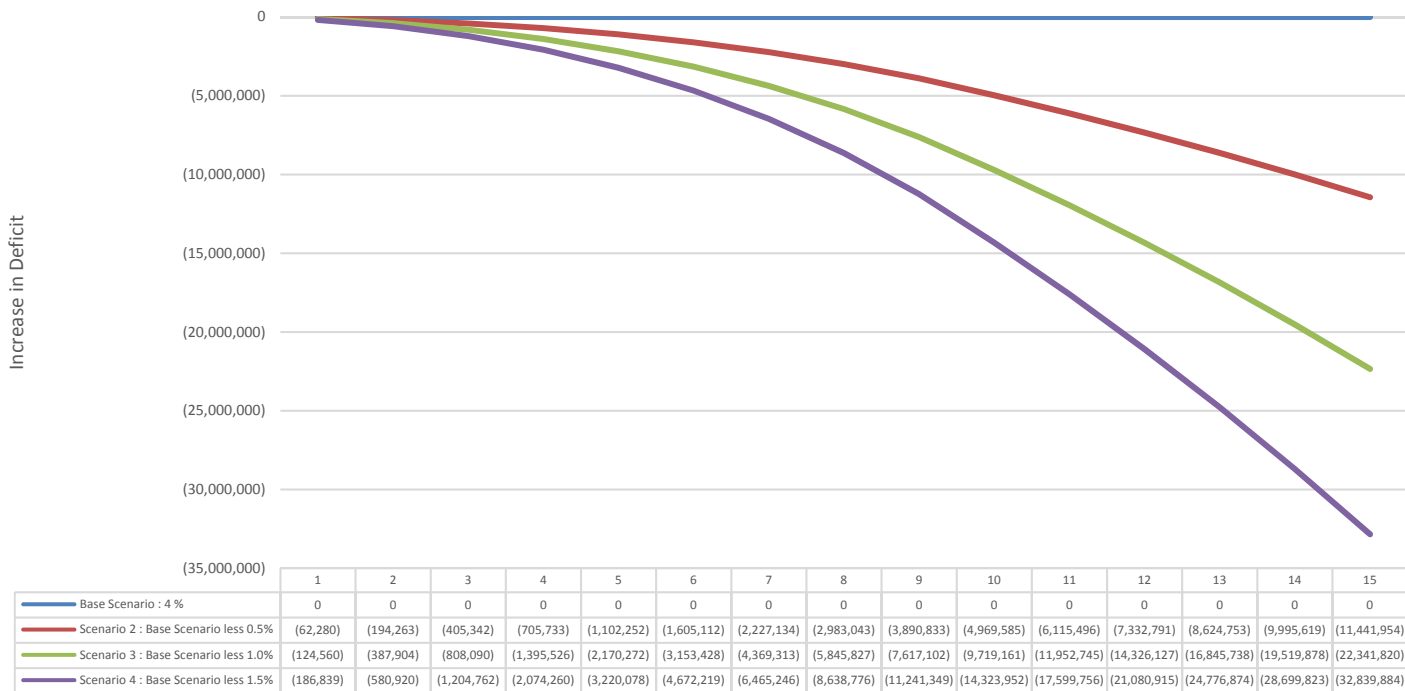
Scenarios were developed to test the financial impact of reduced levels of operating funding, with modelling occurring to consider the impact on the Shire of various reduced funding levels.

To ascertain the effect of reduced funding levels through scenario modelling, a base scenario was developed with a rate yield increase of 4%, allowing for increase in lot yield and service level improvements for the initial 10 years of the Plan. The base scenario includes levels of rate revenue to ensure the current levels of service are maintained.

Three alternative scenarios were developed from the base scenario, all keeping the same assumptions and each with a 0.5% lower rate yield increase. Over the initial ten years of the Plan the change in the estimated surplus/(deficit) as a consequence of lower rate revenue is shown in the chart below.

11.1.1 SCENARIO COMPARISON – LOSS OF FUNDS FROM OPERATIONS

A decrease in expenditure or receipt of revenue from alternative sources approximately equivalent to the decrease in rate yield would be required to maintain rates within statutory limits, all other assumptions remaining the same.



12.0 RISK MANAGEMENT

12.1 RISK MANAGEMENT

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

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

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

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

12.2 CERTAINTY OF ASSUMPTIONS

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

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

12.3 SENSITIVITY ANALYSIS

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

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

13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

13.1 REVENUE – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

DISCLOSURE/ASSUMPTION	ASSESSED FINANCIAL RISK	IMPACT OF HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT AND SENSITIVITY FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY/RISK
District Growth in Population: The number of residents in the Shire is expected to steadily increase.	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 initial rate yield increase of 4%, allowing for increase in lot yield and service level improvements for the initial 10 years of the Plan.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Operating Grants and Contributions: Increases in line with inflation forecast.	High	The road maintenance program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	Medium	± \$358,801 represents a 1% movement in the value of operating grants and contributions 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 capital works program is highly dependent on Government grants and contributions. Change in these levels would impact directly on the amount spent on capital projects.	Medium	± \$561,271 represents 1% movement in the value of non-operating grants and contributions over the life of the Plan.
Fees and Charges: Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	± \$574,004 represents a 1% movement in the value of fees and charges over the life of the Plan.
Interest Earnings: Interest earning of an average rate of 2.5% 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.

13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (CONTINUED)

13.2 EXPENDITURE – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

DISCLOSURE/ASSUMPTION	ASSESSED FINANCIAL RISK	IMPACT OF HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT AND SENSITIVITY FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY/RISK
Employee Costs: The base cost is increased annually by forecast inflation then augmented by any forecast additional requirements over the life of the plan.	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 Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	Medium	± \$1,353,892 represents 1% movement in the value of materials and contracts over the life of the Plan.
Depreciation: Depreciation has been calculated using an average depreciation rate based on historical rates.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Insurance: An increase to the base year of 4% has been applied.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Expenditure: Increased annually by forecast 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.

13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (CONTINUED)

13.3 ASSETS – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

DISCLOSURE/ASSUMPTION	ASSESSED FINANCIAL RISK	IMPACT OF HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT AND SENSITIVITY FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY/RISK
Revaluations: In line with annual inflation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation, leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	±\$101,679 represents a 1% movement in the revaluation value of property, plant and equipment over the life of the Plan. ±\$534,995 represents a 1% movement in the revaluation value of infrastructure assets 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	± \$489,682 represents 1% of the value of capital grants received for infrastructure projects over the life of the Plan.
Property, Plant and Equipment: Building expenditure is based on the level of available funds and plant expenditure is based on the Plant Replacement Program.	Medium	Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.

13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (CONTINUED)

13.4 LIABILITIES – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

DISCLOSURE/ASSUMPTION	ASSESSED FINANCIAL RISK	IMPACT OF HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT AND SENSITIVITY FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY/RISK
Borrowings: New borrowings to be considered for capital works where required.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Employee Entitlements: It has been assumed the Shire will be in a position to meet its obligations in relation to employee entitlements.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (CONTINUED)

13.5 EQUITY RISKS, UNCERTAINTIES AND SENSITIVITY

DISCLOSURE/ASSUMPTION	ASSESSED FINANCIAL RISK	IMPACT OF HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT AND SENSITIVITY FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY
Cash Backed Reserves: It has been assumed the Shire will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Revaluation Surplus: Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluations of assets will have no impact on Cashflows.	High	±\$101,679 represents a 1% movement in the revaluation value of property, plant and equipment over the life of the Plan. ±\$534,995 represents a 1% movement in the revaluation value of infrastructure assets over the life of the Plan.

13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (CONTINUED)

13.6 OTHER – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

DISCLOSURE/ASSUMPTION	ASSESSED FINANCIAL RISK	IMPACT OF HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT AND SENSITIVITY FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY/RISK
Ownership of Strategic Assets: The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
Inflators: Forecast inflation is assumed between 2% and 2.5% per annum.	Medium	Not assessed as high financial risk.	High	± \$4,342,955 represents 1% of the value of operating revenue over the life of the Plan. ± \$4,221,960 represents 1 % of the value of operating expenditure 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, while improving, is forecast to remain volatile with a corresponding volatility 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 region's economy is heavily dependent on agriculture and tourism. This remains the assumption for the term of this Plan.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

14.0 MONITORING AND PERFORMANCE

14.1 MONITORING

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

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

14.2 PERFORMANCE ASSESSMENT

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

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

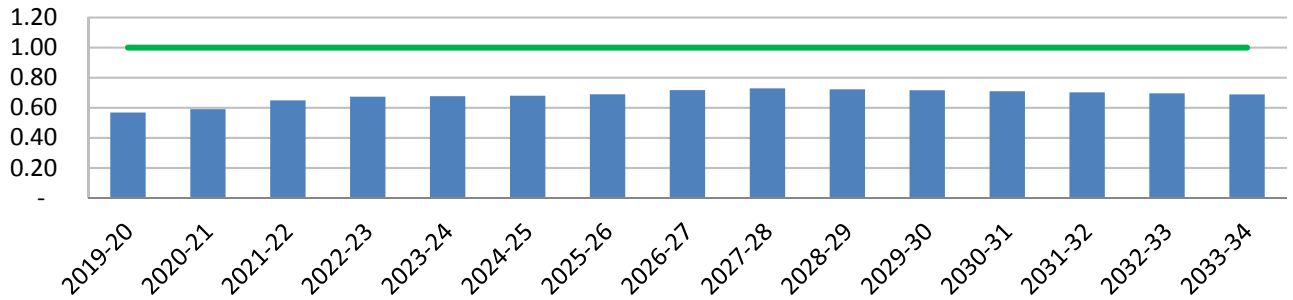
Graphs of these financial ratios are presented on the following pages together with the formula used to calculate the ratio, a brief description of what the ratio indicates and an assessment of the impact of the ratio on the Shire's finances in the future.

14.3 RATIO TARGETS

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

14.0 MONITORING AND PERFORMANCE (CONTINUED)

14.4 FORECAST RATIO ANALYSIS – CURRENT RATIO

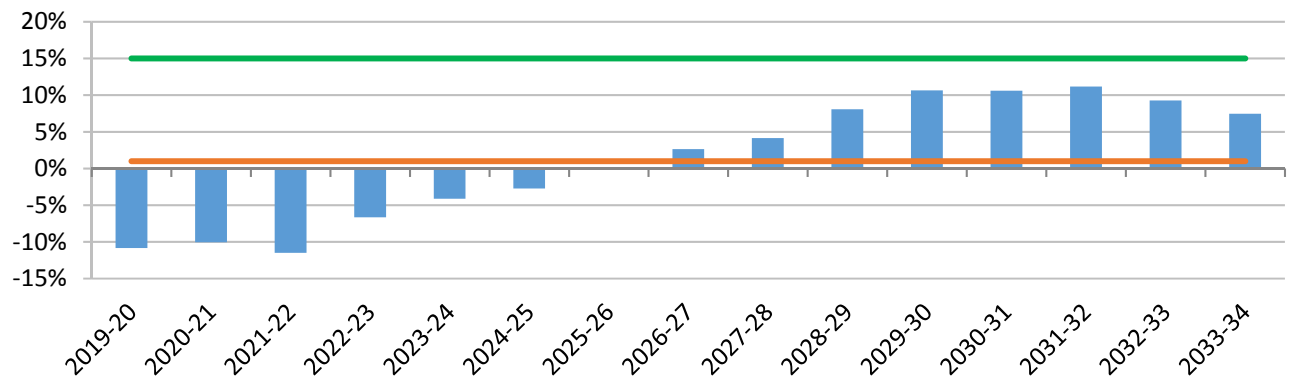


$$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets minus current liabilities associated with long term borrowings}}$$

Indication: A measure of the Shire’s immediate liquidity and the capacity to meet short term financial obligations from unrestricted current assets. The current ratio is not considered to be relevant to Long Term Financial Planning as it is a short-term performance ratio.

Commentary: A Shire with a forecast balanced funding surplus position and current borrowing liabilities, will have a ratio less than 1.0. Maintaining a balanced surplus position each year results in ratio which is below 1, as borrowings are settled the ratio improves. The target is not considered to indicate a threat to the Shire’s long term financial position as it only measures short term liquidity.

14.5 FORECAST RATIO ANALYSIS – OPERATING SURPLUS RATIO



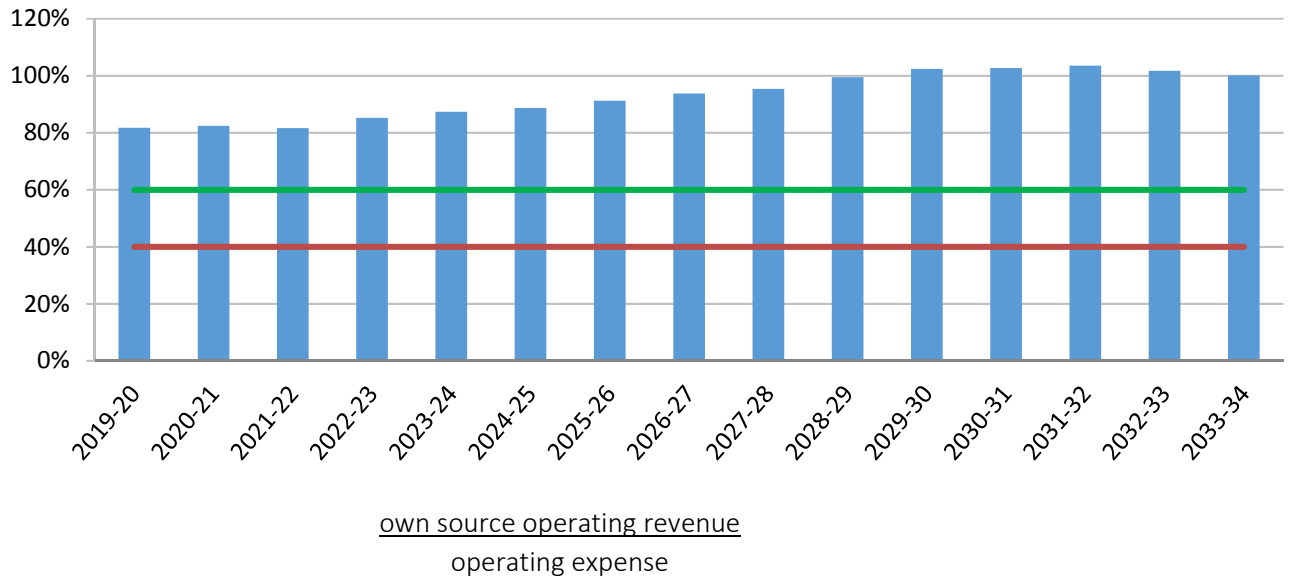
$$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$$

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

Commentary: As the Shire receives grant funding for the renewal of assets a negative ratio is not viewed as an adverse position. While the ratio is below the target initially, this improves over the term of the Plan, indicating an increased capacity to renew assets into the future. The forecast level of depreciation expense has the most significant impact on the level of the ratio. Increases in operating revenues at a greater rate than increases in operating expenditure results in the desired improvements in the ratio over the term of the Plan.

14.0 MONITORING AND PERFORMANCE (CONTINUED)

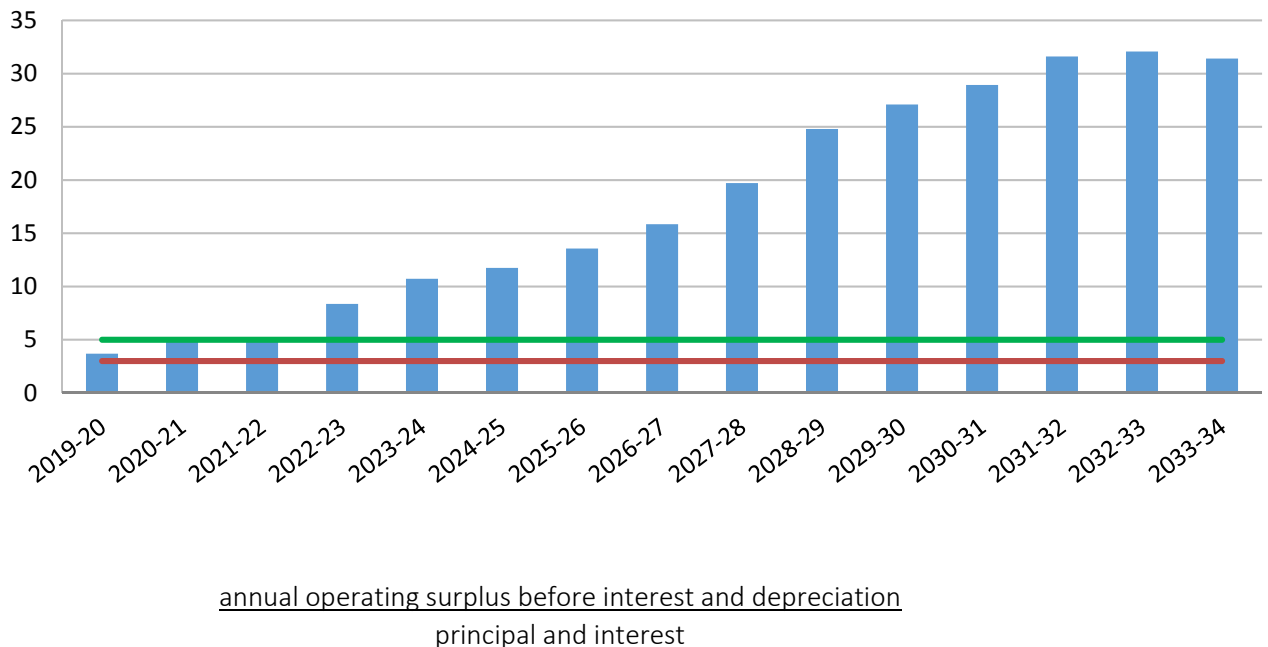
14.6 FORECAST RATIO ANALYSIS – OWN SOURCE REVENUE COVERAGE RATIO



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

Commentary: The ratio is above the target range and relatively stable throughout the term of the Plan indicating the Shire is able to continue to operate in the event of a minor loss of external grants and contributions.

14.7 FORECAST RATIO ANALYSIS – DEBT SERVICE COVERAGE RATIO

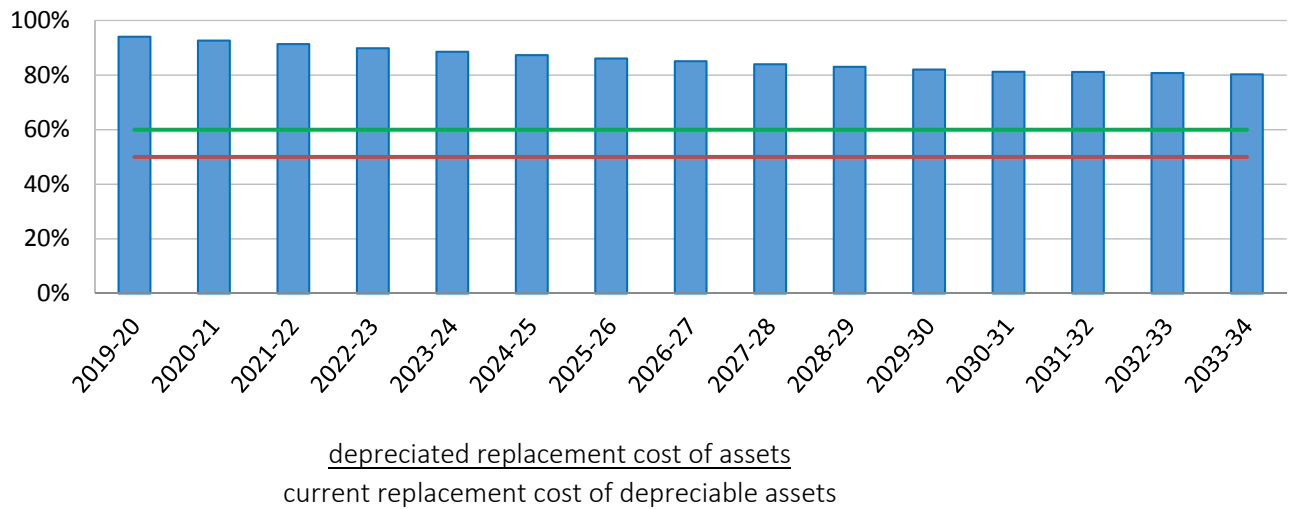


Indication: A measure of the extent of the Shire’s capacity to generate sufficient cash to cover debt payments.

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

14.0 MONITORING AND PERFORMANCE (CONTINUED)

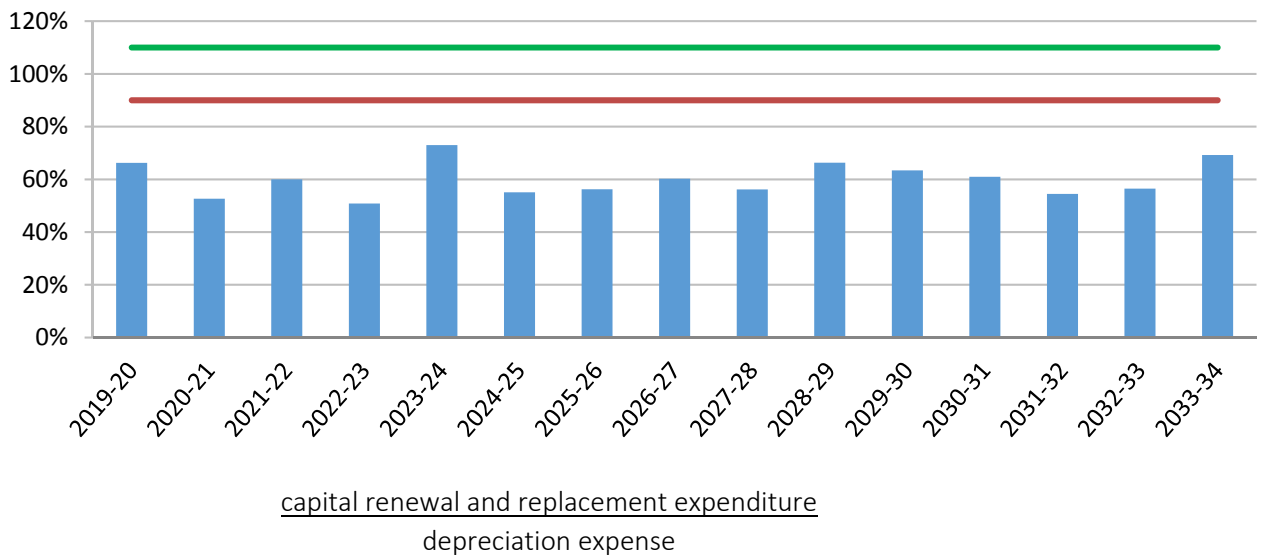
14.8 FORECAST RATIO ANALYSIS – ASSET CONSUMPTION RATIO



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

Commentary: The ratio is above the target range and remains so throughout the term of the Plan. A lack of accurate information in relation to the current replacement costs of certain asset classes and use of the fair value as the current replacement cost, results in the ratio being significantly higher than would be reasonably expected.

14.9 FORECAST RATIO ANALYSIS –ASSET SUSTAINABILITY RATIO



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

Commentary: The ratio highlights asset renewal expenditure relative to depreciation and fluctuates as expected. The ratio averages at 60.05% over the term of the Plan which is below the guideline level and indicates the Shire is not planning to renew assets in line with their forecast useful lives. Improved capturing and reporting of renewal costs would improve this ratio.

14.0 MONITORING AND PERFORMANCE (CONTINUED)

14.10 FORECAST RATIO ANALYSIS – ASSET RENEWAL FUNDING RATIO

$$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$$

Indication: The Shire’s financial capacity to fund asset renewal to support existing service levels. (This ratio is based on the ten years forecast expenditure and as such is only able to be calculated for the first five years of the Plan).

Commentary: The Asset Management Plan contains insufficient data to enable the calculation of the ratio.

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.

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 budget 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 Capel.

OBJECTIVES	SERVICES	OBJECTIVES	SERVICES
Governance	Members of Council Governance – general	Recreation and culture	Public halls, civic centre Swimming areas and beaches Other recreation and sport Television and radio re-broadcasting Libraries Other culture
General purpose funding	Rates Other general purpose funding	Transport	Streets, roads, bridges, depots - Construction (not capitalised) - Maintenance Road plant purchase (if not capitalised) Parking facilities Traffic control Aerodromes Water transport facilities
Law, order, public safety	Fire prevention Animal control Other law, order, public safety	Economic services	Rural services Tourism and area promotion Building control Other economic services
Health	Maternal and infant health Preventative services - Immunisation - Meat inspection - Administration and inspection - Pest control - Other Other health	Other property and services	Private works Public works overheads Plant operation Salaries and wages Unclassified Town Planning Schemes
Education and welfare	Pre-school Other education Care of families and children Aged and disabled 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		

APPENDIX A2 – FORECAST STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE 2019-2034

	2017-18	Base	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																	
Rates	12,265,626	13,127,790	13,744,796	14,462,274	15,331,457	16,248,278	17,345,036	18,514,091	19,786,009	21,180,923	22,748,311	24,461,259	25,999,872	27,635,264	29,345,887	31,153,594	32,882,618
Operating grants, subsidies and contributions	2,002,328	1,117,908	2,005,565	2,055,049	2,105,760	2,157,722	2,210,970	2,265,536	2,321,452	2,378,754	2,437,471	2,497,644	2,559,304	2,622,488	2,687,237	2,753,588	2,821,583
Fees and charges	3,069,304	3,148,981	3,211,962	3,290,725	3,371,423	3,454,113	3,538,833	3,625,637	3,714,586	3,805,721	3,899,094	3,994,769	4,092,803	4,193,254	4,296,175	4,401,631	4,509,680
Service charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earnings	520,534	484,808	315,101	293,938	263,688	252,247	253,634	248,128	271,877	334,742	379,156	443,525	596,924	738,609	798,493	677,103	637,142
Other revenue	278,158	203,802	207,876	212,634	217,498	222,474	227,563	232,768	238,101	243,556	249,136	254,844	260,689	266,668	272,784	279,038	285,443
	18,135,950	18,083,289	19,485,300	20,314,620	21,289,826	22,334,834	23,576,036	24,886,160	26,332,025	27,943,696	29,713,168	31,652,041	33,509,592	35,456,283	37,400,576	39,264,954	41,136,466
Expenses																	
Employee costs	(7,049,558)	(7,529,590)	(7,991,204)	(8,302,299)	(8,623,974)	(8,956,415)	(9,299,787)	(9,654,255)	(10,161,773)	(10,543,363)	(11,010,392)	(11,493,457)	(12,069,264)	(12,664,888)	(13,281,660)	(13,919,289)	(14,572,345)
Materials and contracts	(5,969,280)	(7,148,115)	(7,000,159)	(7,207,001)	(8,045,173)	(7,689,453)	(7,828,867)	(8,246,620)	(8,267,080)	(8,560,518)	(9,081,145)	(9,208,185)	(9,560,139)	(10,152,297)	(10,398,971)	(11,374,884)	(12,768,792)
Utility charges (electricity, gas, water etc.)	(537,366)	(623,130)	(647,082)	(672,205)	(698,559)	(726,213)	(755,241)	(785,721)	(817,734)	(851,362)	(886,702)	(923,846)	(962,895)	(1,003,961)	(1,047,159)	(1,092,608)	(1,140,436)
Depreciation on non-current assets	(4,189,168)	(4,402,370)	(4,988,681)	(5,237,055)	(5,399,969)	(5,582,837)	(5,852,809)	(6,093,561)	(6,344,920)	(6,590,388)	(6,879,063)	(6,938,641)	(6,871,579)	(7,385,745)	(8,010,398)	(8,691,271)	(8,986,272)
Interest expense	(332,498)	(342,018)	(268,845)	(237,315)	(213,082)	(192,493)	(176,961)	(162,310)	(146,899)	(130,899)	(115,609)	(102,875)	(91,377)	(79,391)	(66,896)	(53,869)	(40,289)
Insurance expense	(162,676)	(178,110)	(183,944)	(189,983)	(196,243)	(202,719)	(209,431)	(216,377)	(223,575)	(231,030)	(238,756)	(246,761)	(255,052)	(263,651)	(272,558)	(281,789)	(291,359)
Other expenditure	(393,723)	(322,376)	(318,628)	(326,385)	(334,328)	(342,469)	(350,810)	(359,350)	(368,100)	(377,065)	(387,898)	(402,432)	(417,525)	(433,200)	(449,489)	(466,407)	(483,981)
	(18,634,269)	(20,545,709)	(21,398,543)	(22,172,243)	(23,511,328)	(23,692,599)	(24,473,906)	(25,518,194)	(26,330,081)	(27,284,625)	(28,599,565)	(29,316,197)	(30,227,831)	(31,983,133)	(33,527,131)	(35,880,117)	(38,283,474)
	(498,319)	(2,462,420)	(1,913,243)	(1,857,623)	(2,221,502)	(1,357,765)	(897,870)	(632,034)	1,944	659,071	1,113,603	2,335,844	3,281,761	3,473,150	3,873,445	3,384,837	2,852,992
Non-operating grants, subsidies and contributions	3,521,788	3,983,609	1,654,832	2,614,065	1,799,299	3,017,776	4,589,209	3,711,216	3,245,983	3,068,900	2,979,024	3,019,013	2,521,952	2,597,277	8,783,337	7,025,521	5,499,717
Loss on Revaluation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on disposal of assets	5,395	25,219	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(123,275)	(42,111)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	2,905,589	1,504,297	(258,411)	756,442	(422,203)	1,660,011	3,691,339	3,079,182	3,247,927	3,727,971	4,092,627	5,354,857	5,803,713	6,070,427	12,656,782	10,410,358	8,352,709
Other Comprehensive Income	1,231,809	0	3,422,583	3,493,094	3,603,523	3,674,617	3,768,641	3,920,589	4,040,313	4,127,412	4,245,474	4,478,393	4,554,740	4,650,410	4,820,263	5,273,069	5,594,412
TOTAL COMPREHENSIVE INCOME	4,137,398	1,504,297	3,164,172	4,249,536	3,181,320	5,334,628	7,459,980	6,999,771	7,288,240	7,855,383	8,338,101	9,833,250	10,358,453	10,720,837	17,477,045	15,683,427	13,947,121

APPENDIX A3 – FORECAST STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM 2019-2034

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
	2017-18	Base	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue																	
Governance	37,587	73,067	74,528	76,391	78,300	80,258	82,265	84,321	86,429	88,590	90,804	93,075	95,403	97,789	100,235	102,741	105,310
General purpose funding	13,902,928	13,938,354	15,239,327	15,945,994	16,788,693	17,696,607	18,789,313	19,944,992	21,228,823	22,669,803	24,257,344	26,004,351	27,676,407	29,430,044	31,174,768	32,831,878	34,497,343
Law, order, public safety	213,638	241,640	246,470	252,597	258,874	265,306	271,894	278,646	285,572	292,670	299,939	307,389	315,030	322,860	330,882	339,101	347,529
Health	26,011	19,372	19,759	20,253	20,760	21,280	21,812	22,358	22,917	23,490	24,077	24,679	25,296	25,929	26,578	27,243	27,924
Education and welfare	54,488	28,820	29,397	30,102	30,823	31,561	32,317	33,091	33,884	34,696	35,529	36,381	37,253	38,146	39,062	39,998	40,958
Community amenities	2,487,819	2,488,128	2,537,891	2,601,338	2,666,371	2,733,030	2,801,355	2,871,387	2,943,172	3,016,751	3,092,169	3,169,472	3,248,711	3,329,931	3,413,179	3,498,510	3,585,973
Recreation and culture	779,987	790,024	823,965	863,697	911,267	961,355	1,020,729	1,083,881	1,152,384	1,227,266	1,311,060	1,402,395	1,484,901	1,572,453	1,663,951	1,760,516	1,853,155
Transport	11,208	3,300	3,366	3,439	3,514	3,590	3,668	3,748	3,831	3,915	3,999	4,086	4,174	4,266	4,358	4,454	4,551
Economic services	455,862	423,186	431,651	440,284	449,088	458,069	467,230	476,574	486,108	495,832	505,751	515,867	526,185	536,709	547,444	558,392	569,559
Other property and services	166,422	77,398	78,946	80,525	82,136	83,778	85,453	87,162	88,905	90,683	92,496	94,346	96,232	98,156	100,119	102,121	104,164
	18,135,950	18,083,289	19,485,300	20,314,620	21,289,826	22,334,834	23,576,036	24,886,160	26,332,025	27,943,696	29,713,168	31,652,041	33,509,592	35,456,283	37,400,576	39,264,954	41,136,466
Expenses Excluding Finance Costs																	
Governance	(886,612)	(3,533,431)	(3,924,883)	(4,091,196)	(4,233,014)	(4,423,584)	(4,525,375)	(4,729,471)	(4,958,899)	(5,177,371)	(5,397,110)	(5,675,358)	(5,942,513)	(6,299,222)	(6,622,355)	(7,011,676)	(7,338,357)
General purpose funding	(245,346)	(228,611)	(17,428)	(17,863)	(225,246)	(18,768)	(19,237)	(239,320)	(20,211)	(20,716)	(254,380)	(22,190)	(23,078)	(271,308)	(24,961)	(25,960)	(289,442)
Law, order, public safety	(847,706)	(856,880)	(1,000,116)	(1,042,296)	(1,083,101)	(1,125,741)	(1,172,261)	(1,219,176)	(1,282,629)	(1,332,767)	(1,394,834)	(1,455,013)	(1,521,562)	(1,608,184)	(1,700,848)	(1,797,900)	(1,885,463)
Health	(560,931)	(379,662)	(396,361)	(413,993)	(432,231)	(451,122)	(470,693)	(490,925)	(520,294)	(542,158)	(569,660)	(599,159)	(634,264)	(670,857)	(708,880)	(748,299)	(788,662)
Education and welfare	(282,151)	(203,546)	(245,060)	(254,235)	(263,307)	(272,744)	(282,846)	(293,106)	(306,426)	(317,393)	(330,842)	(344,905)	(360,397)	(379,037)	(398,794)	(419,433)	(438,922)
Community amenities	(3,314,450)	(3,133,187)	(3,242,977)	(3,360,049)	(3,533,301)	(3,588,111)	(3,716,346)	(3,837,050)	(4,000,540)	(4,141,302)	(4,303,751)	(4,500,409)	(4,727,890)	(4,923,535)	(5,165,990)	(5,424,399)	(5,674,834)
Recreation and culture	(4,317,573)	(4,573,421)	(4,650,645)	(4,839,154)	(5,049,530)	(5,153,632)	(5,412,401)	(5,695,114)	(5,992,394)	(6,243,456)	(6,556,374)	(6,804,710)	(7,055,178)	(7,412,361)	(7,796,952)	(8,757,346)	(9,843,779)
Transport	(6,316,050)	(5,995,066)	(6,446,652)	(6,681,899)	(7,203,705)	(7,169,166)	(7,348,510)	(7,474,165)	(7,672,984)	(7,920,824)	(8,163,283)	(8,286,917)	(8,324,627)	(8,736,664)	(9,347,735)	(9,875,356)	(10,157,751)
Economic services	(1,339,218)	(1,176,994)	(1,031,467)	(1,042,109)	(1,073,140)	(1,084,209)	(1,116,494)	(1,128,013)	(1,161,599)	(1,173,585)	(1,208,529)	(1,221,000)	(1,257,355)	(1,270,324)	(1,308,151)	(1,321,646)	(1,360,998)
Other property and services	(191,734)	(122,893)	(174,109)	(192,134)	(201,671)	(213,029)	(232,782)	(249,544)	(267,206)	(284,154)	(305,193)	(303,661)	(289,590)	(332,250)	(385,569)	(444,233)	(464,977)
	(18,301,771)	(20,203,691)	(21,129,698)	(21,934,928)	(23,298,246)	(23,500,106)	(24,296,945)	(25,355,884)	(26,183,182)	(27,153,726)	(28,483,956)	(29,213,322)	(30,136,454)	(31,903,742)	(33,460,235)	(35,826,248)	(38,243,185)
Finance Costs																	
Governance	(86,394)	(95,235)	(77,827)	(74,193)	(70,412)	(66,479)	(62,388)	(58,132)	(53,704)	(49,098)	(44,306)	(39,321)	(34,135)	(28,740)	(23,128)	(17,289)	(11,216)
Community amenities	(11,031)	(10,782)	(7,509)	(5,625)	(3,657)	(1,600)	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	(133,189)	(129,638)	(101,134)	(86,106)	(74,804)	(65,700)	(59,172)	(52,219)	(44,811)	(37,131)	(30,491)	(26,750)	(24,600)	(22,333)	(19,942)	(17,420)	(14,760)
Transport	(17,000)	(12,690)	(6,379)	(1,161)	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic services	(84,884)	(93,673)	(75,996)	(70,230)	(64,209)	(58,714)	(55,401)	(51,959)	(48,384)	(44,670)	(40,812)	(36,804)	(32,642)	(28,318)	(23,826)	(19,160)	(14,313)
	(332,498)	(342,018)	(268,845)	(237,315)	(213,082)	(192,493)	(176,961)	(162,310)	(146,899)	(130,899)	(115,609)	(102,875)	(91,377)	(79,391)	(66,896)	(53,869)	(40,289)
Non Operating Grants, Subsidies and Contributions																	
Law, order, public safety	136,297	460,000	0	110,000	0	350,000	350,000	150,000	110,000	110,000	0	0	0	130,000	0	0	0
Education and welfare	0	500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	1,659,876	1,047,663	(100,240)	1,081,904	272,259	1,106,929	2,392,269	1,469,785	867,461	914,186	634,425	708,400	827,848	727,750	6,864,175	5,275,521	3,749,717
Transport	1,725,615	2,475,446	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other property and services	0	0	1,755,072	1,422,161	1,527,040	1,560,847	1,846,940	2,091,431	2,268,522	2,044,714	2,344,599	2,310,613	1,694,104	1,739,527	1,919,162	1,750,000	1,750,000
	3,521,788	3,983,609	1,654,832	2,614,065	1,799,299	3,017,776	4,589,209	3,711,216	3,245,983	3,068,900	2,979,024	3,019,013	2,521,952	2,597,277	8,783,337	7,025,521	5,499,717

APPENDIX A3 – FORECAST STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM 2019-2034 (CONTINUED)

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
	2017-18	Base	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Profit/(Loss) on Disposal of Assets																	
Governance	0	(272,892)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Law, order, public safety	(55,536)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other property and services	(62,344)	256,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(117,880)	(16,892)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	2,905,589	1,504,297	(258,411)	756,442	(422,203)	1,660,011	3,691,339	3,079,182	3,247,927	3,727,971	4,092,627	5,354,857	5,803,713	6,070,427	12,656,782	10,410,358	8,352,709
Other Comprehensive Income	1,231,809	0	3,422,583	3,493,094	3,603,523	3,674,617	3,768,641	3,920,589	4,040,313	4,127,412	4,245,474	4,478,393	4,554,740	4,650,410	4,820,263	5,273,069	5,594,412
TOTAL COMPREHENSIVE INCOME	4,137,398	1,504,297	3,164,172	4,249,536	3,181,320	5,334,628	7,459,980	6,999,771	7,288,240	7,855,383	8,338,101	9,833,250	10,358,453	10,720,837	17,477,045	15,683,427	13,947,121

APPENDIX A4 – FORECAST STATEMENT OF FINANCIAL POSITION 2019-2034

	2018	Base	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																	
Unrestricted Cash and Equivalents	2,214,430	271,083	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044
Restricted Cash and Cash Equivalent	13,361,590	12,332,890	11,492,470	10,282,439	9,824,904	9,880,348	9,660,020	10,610,043	13,124,586	14,901,110	17,475,903	23,611,884	29,279,227	31,674,665	26,819,034	25,220,631	25,910,864
Non-Cash Investments	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Trade and Other Receivables	932,039	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859
Inventories	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418
TOTAL CURRENT ASSETS	16,594,477	13,297,250	12,450,791	11,240,760	10,783,225	10,838,669	10,618,341	11,568,364	14,082,907	15,859,431	18,434,224	24,570,205	30,237,548	32,632,986	27,777,355	26,178,952	26,869,185
NON-CURRENT ASSETS																	
Other Receivables	12,063	12,063	12,063	12,063	12,063	12,063	12,063	12,063	12,063	12,063	12,063	12,063	12,063	12,063	12,063	12,063	12,063
Inventories	340,884	340,884	340,884	340,884	340,884	340,884	340,884	340,884	340,884	340,884	340,884	340,884	340,884	340,884	340,884	340,884	340,884
Property Plant and Equipment	30,309,783	30,847,684	30,521,845	31,606,357	31,157,513	32,462,179	36,181,276	38,765,462	38,145,101	37,508,703	38,533,620	38,085,685	37,917,244	41,722,964	41,375,633	46,393,418	46,843,436
Infrastructure	143,770,655	147,042,707	150,740,841	154,610,925	158,236,605	161,875,135	165,534,195	168,682,955	173,744,801	180,125,184	184,567,782	188,437,647	193,010,361	197,231,217	219,599,906	231,539,606	244,008,551
TOTAL NON-CURRENT ASSETS	174,433,385	178,243,338	181,615,633	186,570,229	189,747,065	194,690,261	202,068,418	207,801,364	212,242,849	217,986,834	223,454,349	226,876,279	231,280,552	239,307,128	261,328,486	278,285,971	291,204,934
TOTAL ASSETS	191,027,862	191,540,588	194,066,424	197,810,989	200,530,290	205,528,930	212,686,759	219,369,728	226,325,756	233,846,265	241,888,573	251,446,484	261,518,100	271,940,114	289,105,841	304,464,923	318,074,119
CURRENT LIABILITIES																	
Trade and Other Payables	2,130,438	1,039,757	1,039,757	1,039,757	1,039,757	1,039,757	1,039,757	1,039,757	1,039,757	1,039,757	1,039,757	1,039,757	1,039,757	1,039,757	1,039,757	1,039,757	1,039,757
Current Portion of Long-term Liabilities	6,708,638	907,181	504,971	462,019	335,988	302,151	316,802	332,212	334,874	295,793	275,339	286,837	298,823	311,318	324,345	337,925	352,085
Provisions	1,053,840	893,251	893,251	893,251	893,251	893,251	893,251	893,251	893,251	893,251	893,251	893,251	893,251	893,251	893,251	893,251	893,251
TOTAL CURRENT LIABILITIES	9,892,916	2,840,189	2,437,979	2,395,027	2,268,996	2,235,159	2,249,810	2,265,220	2,267,882	2,228,801	2,208,347	2,219,845	2,231,831	2,244,326	2,257,353	2,270,933	2,285,093
NON-CURRENT LIABILITIES																	
Long-term Borrowings	0	5,122,742	4,886,616	4,424,597	4,088,609	3,786,458	3,469,656	3,137,444	2,802,570	2,506,777	2,231,438	1,944,601	1,645,778	1,334,460	1,010,115	672,190	320,105
Deferred Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provisions	108,014	108,014	108,014	108,014	108,014	108,014	108,014	108,014	108,014	108,014	108,014	108,014	108,014	108,014	108,014	108,014	108,014
TOTAL NON-CURRENT LIABILITIES	108,014	5,230,756	4,994,630	4,532,611	4,196,623	3,894,472	3,577,670	3,245,458	2,910,584	2,614,791	2,339,452	2,052,615	1,753,792	1,442,474	1,118,129	780,204	428,119
TOTAL LIABILITIES	10,000,930	8,070,945	7,432,609	6,927,638	6,465,619	6,129,631	5,827,480	5,510,678	5,178,466	4,843,592	4,547,799	4,272,460	3,985,623	3,686,800	3,375,482	3,051,137	2,713,212
NET ASSETS	181,026,932	183,469,643	186,633,815	190,883,351	194,064,671	199,399,299	206,859,279	213,859,050	221,147,290	229,002,673	237,340,774	247,174,024	257,532,477	268,253,314	285,730,359	301,413,786	315,360,907
EQUITY																	
Retained Surplus	85,560,741	89,113,588	89,695,597	91,662,070	91,697,402	93,301,969	97,213,636	99,342,795	100,076,179	102,027,626	103,545,460	102,764,336	102,900,706	106,575,695	124,088,108	136,096,869	143,759,345
Reserves - Cash Backed	13,361,590	12,251,454	11,411,034	10,201,003	9,743,468	9,798,912	9,578,584	10,528,607	13,043,150	14,819,674	17,394,467	23,530,448	29,197,791	31,593,229	26,737,598	25,139,195	25,829,428
Asset Revaluation Surplus	82,104,601	82,104,601	85,527,184	89,020,278	92,623,801	96,298,418	100,067,059	103,987,648	108,027,961	112,155,373	116,400,847	120,879,240	125,433,980	130,084,390	134,904,653	140,177,722	145,772,134
TOTAL EQUITY	181,026,932	183,469,643	186,633,815	190,883,351	194,064,671	199,399,299	206,859,279	213,859,050	221,147,290	229,002,673	237,340,774	247,174,024	257,532,477	268,253,314	285,730,359	301,413,786	315,360,907

APPENDIX A5 – FORECAST STATEMENT OF CHANGES IN EQUITY 2019-2034

	2018	Base	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																	
Opening Balance	82,994,102	86,499,155	89,113,588	89,695,597	91,662,070	91,697,402	93,301,969	97,213,636	99,342,795	100,076,179	102,027,626	103,545,460	102,764,336	102,900,706	106,575,695	124,088,108	136,096,869
Net Result	2,905,589	1,504,297	(258,411)	756,442	(422,203)	1,660,011	3,691,339	3,079,182	3,247,927	3,727,971	4,092,627	5,354,857	5,803,713	6,070,427	12,656,782	10,410,358	8,352,709
Amount transferred (to)/from Reserves	(338,950)	1,110,136	840,420	1,210,031	457,535	(55,444)	220,328	(950,023)	(2,514,543)	(1,776,524)	(2,574,793)	(6,135,981)	(5,667,343)	(2,395,438)	4,855,631	1,598,403	(690,233)
Closing Balance	85,560,741	89,113,588	89,695,597	91,662,070	91,697,402	93,301,969	97,213,636	99,342,795	100,076,179	102,027,626	103,545,460	102,764,336	102,900,706	106,575,695	124,088,108	136,096,869	143,759,345
RESERVES - CASH/INVESTMENT BACKED																	
Opening Balance	13,022,640	13,361,590	12,251,454	11,411,034	10,201,003	9,743,468	9,798,912	9,578,584	10,528,607	13,043,150	14,819,674	17,394,467	23,530,448	29,197,791	31,593,229	26,737,598	25,139,195
Amount transferred to/(from) Retained Surplus	338,950	(1,110,136)	(840,420)	(1,210,031)	(457,535)	55,444	(220,328)	950,023	2,514,543	1,776,524	2,574,793	6,135,981	5,667,343	2,395,438	(4,855,631)	(1,598,403)	690,233
Closing Balance	13,361,590	12,251,454	11,411,034	10,201,003	9,743,468	9,798,912	9,578,584	10,528,607	13,043,150	14,819,674	17,394,467	23,530,448	29,197,791	31,593,229	26,737,598	25,139,195	25,829,428
ASSET REVALUATION SURPLUS																	
Opening Balance	87,116,092	82,104,601	82,104,601	85,527,184	89,020,278	92,623,801	96,298,418	100,067,059	103,987,648	108,027,961	112,155,373	116,400,847	120,879,240	125,433,980	130,084,390	134,904,653	140,177,722
Total Other Comprehensive Income	(5,011,491)	0	3,422,583	3,493,094	3,603,523	3,674,617	3,768,641	3,920,589	4,040,313	4,127,412	4,245,474	4,478,393	4,554,740	4,650,410	4,820,263	5,273,069	5,594,412
Closing Balance	82,104,601	82,104,601	85,527,184	89,020,278	92,623,801	96,298,418	100,067,059	103,987,648	108,027,961	112,155,373	116,400,847	120,879,240	125,433,980	130,084,390	134,904,653	140,177,722	145,772,134
TOTAL EQUITY	181,026,932	183,469,643	186,633,815	190,883,351	194,064,671	199,399,299	206,859,279	213,859,050	221,147,290	229,002,673	237,340,774	247,174,024	257,532,477	268,253,314	285,730,359	301,413,786	315,360,907

APPENDIX A6 – FORECAST STATEMENT OF CASHFLOWS 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows From Operating Activities															
Receipts															
Rates	13,744,796	14,462,274	15,331,457	16,248,278	17,345,036	18,514,091	19,786,009	21,180,923	22,748,311	24,461,259	25,999,872	27,635,264	29,345,887	31,153,594	32,882,618
Operating grants, subsidies and contributions	2,005,565	2,055,049	2,105,760	2,157,722	2,210,970	2,265,536	2,321,452	2,378,754	2,437,471	2,497,644	2,559,304	2,622,488	2,687,237	2,753,588	2,821,583
Fees and charges	3,211,962	3,290,725	3,371,423	3,454,113	3,538,833	3,625,637	3,714,586	3,805,721	3,899,094	3,994,769	4,092,803	4,193,254	4,296,175	4,401,631	4,509,680
Interest earnings	315,101	293,938	263,688	252,247	253,634	248,128	271,877	334,742	379,156	443,525	596,924	738,609	798,493	677,103	637,142
Other revenue	207,876	212,634	217,498	222,474	227,563	232,768	238,101	243,556	249,136	254,844	260,689	266,668	272,784	279,038	285,443
	19,485,300	20,314,620	21,289,826	22,334,834	23,576,036	24,886,160	26,332,025	27,943,696	29,713,168	31,652,041	33,509,592	35,456,283	37,400,576	39,264,954	41,136,466
Payments															
Employee costs	(7,991,204)	(8,302,299)	(8,623,974)	(8,956,415)	(9,299,787)	(9,654,255)	(10,161,773)	(10,543,363)	(11,010,392)	(11,493,457)	(12,069,264)	(12,664,888)	(13,281,660)	(13,919,289)	(14,572,345)
Materials and contracts	(7,000,159)	(7,207,001)	(8,045,173)	(7,689,453)	(7,828,867)	(8,246,620)	(8,267,080)	(8,560,518)	(9,081,145)	(9,208,185)	(9,560,139)	(10,152,297)	(10,398,971)	(11,374,884)	(12,768,792)
Utility charges	(647,082)	(672,205)	(698,559)	(726,213)	(755,241)	(785,721)	(817,734)	(851,362)	(886,702)	(923,846)	(962,895)	(1,003,961)	(1,047,159)	(1,092,608)	(1,140,436)
Interest expenses	(268,845)	(237,315)	(213,082)	(192,493)	(176,961)	(162,310)	(146,899)	(130,899)	(115,609)	(102,875)	(91,377)	(79,391)	(66,896)	(53,869)	(40,289)
Insurance expenses	(183,944)	(189,983)	(196,243)	(202,719)	(209,431)	(216,377)	(223,575)	(231,030)	(238,756)	(246,761)	(255,052)	(263,651)	(272,558)	(281,789)	(291,359)
Other expenditure	(318,628)	(326,385)	(334,328)	(342,469)	(350,810)	(359,350)	(368,100)	(377,065)	(387,898)	(402,432)	(417,525)	(433,200)	(449,489)	(466,407)	(483,981)
	(16,409,862)	(16,935,188)	(18,111,359)	(18,109,762)	(18,621,097)	(19,424,633)	(19,985,161)	(20,694,237)	(21,720,502)	(22,377,556)	(23,356,252)	(24,597,388)	(25,516,733)	(27,188,846)	(29,297,202)
Net Cash Provided By (Used In) Operating Activities	3,075,438	3,379,432	3,178,467	4,225,072	4,954,939	5,461,527	6,346,864	7,249,459	7,992,666	9,274,485	10,153,340	10,858,895	11,883,843	12,076,108	11,839,264
Cash Flows from Investing Activities															
Payments for purchase of property, plant & equipment	(1,034,715)	(2,454,924)	(1,026,435)	(2,677,480)	(5,398,460)	(4,186,164)	(1,013,198)	(1,029,466)	(2,853,976)	(1,139,101)	(1,261,663)	(5,490,059)	(1,104,276)	(6,489,321)	(2,124,801)
Payments for construction of infrastructure	(4,240,022)	(4,483,037)	(4,286,786)	(4,368,937)	(4,460,646)	(4,000,842)	(6,041,674)	(7,477,473)	(5,576,218)	(5,047,192)	(5,837,857)	(5,547,847)	(24,472,982)	(14,072,386)	(14,876,397)
Non-operating grants, subsidies and contributions	1,654,832	2,614,065	1,799,299	3,017,776	4,589,209	3,711,216	3,245,983	3,068,900	2,979,024	3,019,013	2,521,952	2,597,277	8,783,337	7,025,521	5,499,717
Proceeds from sale of plant & equipment	336,344	239,404	339,939	195,001	396,781	281,088	308,780	299,978	329,090	304,115	378,408	275,995	365,765	186,020	690,375
Net Cash Provided By (Used In) Investing Activities	(3,283,561)	(4,084,492)	(3,173,983)	(3,833,640)	(4,873,116)	(4,194,702)	(3,500,109)	(5,138,061)	(5,122,080)	(2,863,165)	(4,199,160)	(8,164,634)	(16,428,156)	(13,350,166)	(10,811,106)
Cash Flows from Financing Activities															
Repayment of debentures	(638,336)	(504,971)	(462,019)	(335,988)	(302,151)	(316,802)	(332,212)	(334,874)	(295,793)	(275,339)	(286,837)	(298,823)	(311,318)	(324,345)	(337,925)
Net Cash Provided By (Used In) Financing Activities	(638,336)	(504,971)	(462,019)	(335,988)	(302,151)	(316,802)	(332,212)	(334,874)	(295,793)	(275,339)	(286,837)	(298,823)	(311,318)	(324,345)	(337,925)
Net Increase (Decrease) in Cash Held	(846,459)	(1,210,031)	(457,535)	55,444	(220,328)	950,023	2,514,543	1,776,524	2,574,793	6,135,981	5,667,343	2,395,438	(4,855,631)	(1,598,403)	690,233
Cash at beginning of year	12,603,973	11,757,514	10,547,483	10,089,948	10,145,392	9,925,064	10,875,087	13,389,630	15,166,154	17,740,947	23,876,928	29,544,271	31,939,709	27,084,078	25,485,675
Cash and Cash Equivalents at the End of Year	11,757,514	10,547,483	10,089,948	10,145,392	9,925,064	10,875,087	13,389,630	15,166,154	17,740,947	23,876,928	29,544,271	31,939,709	27,084,078	25,485,675	26,175,908
Reconciliation of Net Cash Provided By Operating Activities to Net Result															
Net Result	(258,411)	756,442	(422,203)	1,660,011	3,691,339	3,079,182	3,247,927	3,727,971	4,092,627	5,354,857	5,803,713	6,070,427	12,656,782	10,410,358	8,352,709
Depreciation	4,988,681	5,237,055	5,399,969	5,582,837	5,852,809	6,093,561	6,344,920	6,590,388	6,879,063	6,938,641	6,871,579	7,385,745	8,010,398	8,691,271	8,986,272
Grants/Contributions for the development of assets	(1,654,832)	(2,614,065)	(1,799,299)	(3,017,776)	(4,589,209)	(3,711,216)	(3,245,983)	(3,068,900)	(2,979,024)	(3,019,013)	(2,521,952)	(2,597,277)	(8,783,337)	(7,025,521)	(5,499,717)
Net Cash from Operating Activities	3,075,438	3,379,432	3,178,467	4,225,072	4,954,939	5,461,527	6,346,864	7,249,459	7,992,666	9,274,485	10,153,340	10,858,895	11,883,843	12,076,108	11,839,264

APPENDIX A7 – FORECAST STATEMENT OF FUNDING 2019-2034

	2018-19	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Base	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES																
Revenues																
Rates		13,744,796	14,462,274	15,331,457	16,248,278	17,345,036	18,514,091	19,786,009	21,180,923	22,748,311	24,461,259	25,999,872	27,635,264	29,345,887	31,153,594	32,882,618
Operating grants, subsidies and contributions		2,005,565	2,055,049	2,105,760	2,157,722	2,210,970	2,265,536	2,321,452	2,378,754	2,437,471	2,497,644	2,559,304	2,622,488	2,687,237	2,753,588	2,821,583
Profit on asset disposal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees and charges		3,211,962	3,290,725	3,371,423	3,454,113	3,538,833	3,625,637	3,714,586	3,805,721	3,899,094	3,994,769	4,092,803	4,193,254	4,296,175	4,401,631	4,509,680
Interest earnings		315,101	293,938	263,688	252,247	253,634	248,128	271,877	334,742	379,156	443,525	596,924	738,609	798,493	677,103	637,142
Other revenue		207,876	212,634	217,498	222,474	227,563	232,768	238,101	243,556	249,136	254,844	260,689	266,668	272,784	279,038	285,443
		19,485,300	20,314,620	21,289,826	22,334,834	23,576,036	24,886,160	26,332,025	27,943,696	29,713,168	31,652,041	33,509,592	35,456,283	37,400,576	39,264,954	41,136,466
Expenses																
Employee costs		(7,991,204)	(8,302,299)	(8,623,974)	(8,956,415)	(9,299,787)	(9,654,255)	(10,161,773)	(10,543,363)	(11,010,392)	(11,493,457)	(12,069,264)	(12,664,888)	(13,281,660)	(13,919,289)	(14,572,345)
Materials and contracts		(7,000,159)	(7,207,001)	(8,045,173)	(7,689,453)	(7,828,867)	(8,246,620)	(8,267,080)	(8,560,518)	(9,081,145)	(9,208,185)	(9,560,139)	(10,152,297)	(10,398,971)	(11,374,884)	12,768,792)
Utility charges (electricity, gas, water etc.)		(647,082)	(672,205)	(698,559)	(726,213)	(755,241)	(785,721)	(817,734)	(851,362)	(886,702)	(923,846)	(962,895)	(1,003,961)	(1,047,159)	(1,092,608)	(1,140,436)
Depreciation on non-current assets		(4,988,681)	(5,237,055)	(5,399,969)	(5,582,837)	(5,852,809)	(6,093,561)	(6,344,920)	(6,590,388)	(6,879,063)	(6,938,641)	(6,871,579)	(7,385,745)	(8,010,398)	(8,691,271)	(8,986,272)
Loss on asset disposal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest expense		(268,845)	(237,315)	(213,082)	(192,493)	(176,961)	(162,310)	(146,899)	(130,899)	(115,609)	(102,875)	(91,377)	(79,391)	(66,896)	(53,869)	(40,289)
Insurance expense		(183,944)	(189,983)	(196,243)	(202,719)	(209,431)	(216,377)	(223,575)	(231,030)	(238,756)	(246,761)	(255,052)	(263,651)	(272,558)	(281,789)	(291,359)
Other expenditure		(318,628)	(326,385)	(334,328)	(342,469)	(350,810)	(359,350)	(368,100)	(377,065)	(387,898)	(402,432)	(417,525)	(433,200)	(449,489)	(466,407)	(483,981)
		(21,398,543)	(22,172,243)	(23,511,328)	(23,692,599)	(24,473,906)	(25,518,194)	(26,330,081)	(27,284,625)	(28,599,565)	(29,316,197)	(30,227,831)	(31,983,133)	(33,527,131)	(35,880,117)	(38,283,474)
		(1,913,243)	(1,857,623)	(2,221,502)	(1,357,765)	(897,870)	(632,034)	1,944	659,071	1,113,603	2,335,844	3,281,761	3,473,150	3,873,445	3,384,837	2,852,992
Funding Position Adjustments																
Depreciation on non-current assets		4,988,681	5,237,055	5,399,969	5,582,837	5,852,809	6,093,561	6,344,920	6,590,388	6,879,063	6,938,641	6,871,579	7,385,745	8,010,398	8,691,271	8,986,272
Net profit and losses on disposal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Funding From Operational Activities		3,075,438	3,379,432	3,178,467	4,225,072	4,954,939	5,461,527	6,346,864	7,249,459	7,992,666	9,274,485	10,153,340	10,858,895	11,883,843	12,076,108	11,839,264
FUNDING FROM CAPITAL ACTIVITIES																
Inflows																
Proceeds on disposal		336,344	239,404	339,939	195,001	396,781	281,088	308,780	299,978	329,090	304,115	378,408	275,995	365,765	186,020	690,375
Non-operating grants, subsidies and contributions		1,654,832	2,614,065	1,799,299	3,017,776	4,589,209	3,711,216	3,245,983	3,068,900	2,979,024	3,019,013	2,521,952	2,597,277	8,783,337	7,025,521	5,499,717
Outflows																
Purchase of property plant and equipment		(1,034,715)	(2,454,924)	(1,026,435)	(2,677,480)	(5,398,460)	(4,186,164)	(1,013,198)	(1,029,466)	(2,853,976)	(1,139,101)	(1,261,663)	(5,490,059)	(1,104,276)	(6,489,321)	(2,124,801)
Purchase of infrastructure		(4,240,022)	(4,483,037)	(4,286,786)	(4,368,937)	(4,460,646)	(4,000,842)	(6,041,674)	(7,477,473)	(5,576,218)	(5,047,192)	(5,837,857)	(5,547,847)	(24,472,982)	(14,072,386)	(14,876,397)
Net Funding From Capital Activities		(3,283,561)	(4,084,492)	(3,173,983)	(3,833,640)	(4,873,116)	(4,194,702)	(3,500,109)	(5,138,061)	(5,122,080)	(2,863,165)	(4,199,160)	(8,164,634)	(16,428,156)	(13,350,166)	(10,811,106)

APPENDIX A7 – FORECAST STATEMENT OF FUNDING 2017-2032 (CONTINUED)

	2018-19	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Base	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Inflows																
Transfer from reserves		4,436,290	5,671,863	5,204,415	4,906,410	5,485,129	5,821,621	6,055,904	5,505,159	6,275,977	4,822,412	4,988,566	5,676,082	17,676,194	15,251,288	13,075,154
New borrowings		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outflows																
Transfer to reserves		(3,595,870)	(4,461,832)	(4,746,880)	(4,961,854)	(5,264,801)	(6,771,644)	(8,570,447)	(7,281,683)	(8,850,770)	(10,958,393)	(10,655,909)	(8,071,520)	(12,820,563)	(13,652,885)	(13,765,387)
Repayment of past borrowings		(638,336)	(504,971)	(462,019)	(335,988)	(302,151)	(316,802)	(332,212)	(334,874)	(295,793)	(275,339)	(286,837)	(298,823)	(311,318)	(324,345)	(337,925)
Net Funding From Financing Activities		202,084	705,060	(4,484)	(391,432)	(81,823)	(1,266,825)	(2,846,755)	(2,111,398)	(2,870,586)	(6,411,320)	(5,954,180)	(2,694,261)	4,544,313	1,274,058	(1,028,158)
Estimated Surplus/Deficit July 1 B/Fwd		6,039	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
Funding available/(to be sourced)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
COMPOSITION OF CLOSING POSITION																
CURRENT ASSETS																
Unrestricted Cash and Equivalents	271,083	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044
Restricted Cash and Cash Equivalent	12,332,890	11,492,470	10,282,439	9,824,904	9,880,348	9,660,020	10,610,043	13,124,586	14,901,110	17,475,903	23,611,884	29,279,227	31,674,665	26,819,034	25,220,631	25,910,864
Trade and Other Receivables	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859
Inventories	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418
CURRENT LIABILITIES																
Trade and Other Payables	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)
Reserves	(12,251,454)	(11,411,034)	(10,201,003)	(9,743,468)	(9,798,912)	(9,578,584)	(10,528,607)	(13,043,150)	(14,819,674)	(17,394,467)	(23,530,448)	(29,197,791)	(31,593,229)	(26,737,598)	(25,139,195)	(25,829,428)
Current Self Supporting Loans Receivable	0	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	0
Estimated Surplus/Deficit June 30 C/Fwd	6,039	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT ASSETS		12,450,791	11,240,760	10,783,225	10,838,669	10,618,341	11,568,364	14,082,907	15,859,431	18,434,224	24,570,205	30,237,548	32,632,986	27,777,355	26,178,952	26,869,185
TOTAL CURRENT LIABILITIES		(2,437,979)	(2,395,027)	(2,268,996)	(2,235,159)	(2,249,810)	(2,265,220)	(2,267,882)	(2,228,801)	(2,208,347)	(2,219,845)	(2,231,831)	(2,244,326)	(2,257,353)	(2,270,933)	(2,285,093)
Reserves		(11,411,034)	(10,201,003)	(9,743,468)	(9,798,912)	(9,578,584)	(10,528,607)	(13,043,150)	(14,819,674)	(17,394,467)	(23,530,448)	(29,197,791)	(31,593,229)	(26,737,598)	(25,139,195)	(25,829,428)
Add: Leave Reserve		751,623	771,414	791,699	812,491	833,803	855,648	878,039	893,251	893,251	893,251	893,251	893,251	893,251	893,251	893,251
Add: Current Long Term Borrowings			462,019	335,988	302,151	316,802	332,212	334,874	295,793	275,339	286,837	298,823	311,318	324,345	337,925	352,085
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

APPENDIX A8 – FORECAST STATEMENT OF NET CURRENT ASSET COMPOSITION 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated Surplus/Deficit July 1 B/Fwd.	6,039	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Unrestricted Cash and Equivalents	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044	265,044
Restricted Cash and Cash Equivalent	11,492,470	10,282,439	9,824,904	9,880,348	9,660,020	10,610,043	13,124,586	14,901,110	17,475,903	23,611,884	29,279,227	31,674,665	26,819,034	25,220,631	25,910,864
Trade and Other Receivables	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859	606,859
Inventories	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418	61,418
CURRENT LIABILITIES															
Trade and Other Payables	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)	(1,039,757)
Reserves	(11,411,034)	(10,201,003)	(9,743,468)	(9,798,912)	(9,578,584)	(10,528,607)	(13,043,150)	(14,819,674)	(17,394,467)	(23,530,448)	(29,197,791)	(31,593,229)	(26,737,598)	(25,139,195)	(25,829,428)
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 2019-2034

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Infrastructure - Roads	2,243,628	2,262,019	2,373,124	2,507,401	2,648,918	2,741,246	2,871,519	4,333,773	3,425,722	3,476,397	3,770,750	3,964,795	4,371,065	3,860,520	3,862,561
Infrastructure - Footpaths	671,720	455,168	467,425	760,571	507,103	494,267	493,063	565,000	590,000	615,000	640,000	665,000	690,000	715,000	740,000
Infrastructure - Drainage	545,910	431,576	603,997	443,685	450,151	456,907	463,968	471,347	479,057	487,115	620,936	550,000	580,000	610,000	650,000
Infrastructure - Parks and Ovals	778,764	1,309,274	842,240	632,280	729,474	308,422	2,213,124	2,107,353	1,081,439	468,680	806,171	368,052	18,831,917	8,886,866	9,623,836
Infrastructure - Carparks	0	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Bridges	0	0	0	25,000	125,000	0	0	0	0	0	0	0	0	0	0
Total Capital Works - Infrastructure	4,240,022	4,483,037	4,286,786	4,368,937	4,460,646	4,000,842	6,041,674	7,477,473	5,576,218	5,047,192	5,837,857	5,547,847	24,472,982	14,072,386	14,876,397
Represented by:															
Additions - Assets at no cost	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Additions - Expansion, Upgrades and New	1,199,102	1,936,172	1,342,199	1,962,031	1,904,713	1,143,046	2,755,539	3,807,098	1,954,085	858,611	2,015,957	1,592,949	20,486,215	9,282,866	10,059,836
Additions - Renewal	2,290,920	1,796,865	2,194,587	1,656,906	1,805,933	2,107,796	2,536,135	2,920,375	2,872,133	3,438,581	3,071,900	3,204,898	3,236,767	4,039,520	4,066,561
Total Capital Works - Infrastructure	4,240,022	4,483,037	4,286,786	4,368,937	4,460,646	4,000,842	6,041,674	7,477,473	5,576,218	5,047,192	5,837,857	5,547,847	24,472,982	14,072,386	14,876,397
Asset Movement Reconciliation															
Total Capital Works Infrastructure	4,240,022	4,483,037	4,286,786	4,368,937	4,460,646	4,000,842	6,041,674	7,477,473	5,576,218	5,047,192	5,837,857	5,547,847	24,472,982	14,072,386	14,876,397
Depreciation Infrastructure	(3,482,742)	(3,627,771)	(3,753,324)	(3,895,138)	(4,039,089)	(4,162,766)	(4,353,487)	(4,571,985)	(4,736,123)	(4,868,683)	(5,033,896)	(5,187,197)	(6,048,917)	(6,524,684)	(7,038,243)
Net Book Value of disposed/Written Off assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation of Infrastructure assets (Inflation)	2,940,854	3,014,818	3,092,218	3,164,731	3,237,503	3,310,684	3,373,659	3,474,895	3,602,503	3,691,356	3,768,753	3,860,206	3,944,624	4,391,998	4,630,791
Net Movement in Infrastructure Assets	3,698,134	3,870,084	3,625,680	3,638,530	3,659,060	3,148,760	5,061,846	6,380,383	4,442,598	3,869,865	4,572,714	4,220,856	22,368,689	11,939,700	12,468,945
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings	122,770	1,616,707	286,521	1,780,496	4,228,912	3,235,751	287,178	294,357	2,183,904	309,259	316,990	4,538,306	333,038	5,982,333	349,898
Furniture and Equipment	130,805	48,253	46,515	109,681	64,357	41,942	42,935	26,978	55,796	90,520	85,000	135,000	54,581	125,000	125,000
Plant and Equipment	781,140	789,964	693,399	787,303	1,105,191	908,471	683,085	708,131	614,276	739,322	859,673	816,753	716,657	381,988	1,649,903
Total Capital Works Property, Plant and Equipment	1,034,715	2,454,924	1,026,435	2,677,480	5,398,460	4,186,164	1,013,198	1,029,466	2,853,976	1,139,101	1,261,663	5,490,059	1,104,276	6,489,321	2,124,801
Represented by:															
Additions - Assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - Expansion, Upgrades and New	40,000	1,511,337	0	1,513,823	2,955,572	2,955,572	0	0	1,882,188	0	0	4,213,391	0	5,640,969	0
Additions - Renewal	994,715	943,587	1,026,435	1,163,657	2,442,888	1,230,592	1,013,198	1,029,466	971,788	1,139,101	1,261,663	1,276,668	1,104,276	848,352	2,124,801
Total Capital Works Property, Plant and Equipment	1,034,715	2,454,924	1,026,435	2,677,480	5,398,460	4,186,164	1,013,198	1,029,466	2,853,976	1,139,101	1,261,663	5,490,059	1,104,276	6,489,321	2,124,801
Asset Movement Reconciliation															
Total Capital Works Property, Plant and Equipment	1,034,715	2,454,924	1,026,435	2,677,480	5,398,460	4,186,164	1,013,198	1,029,466	2,853,976	1,139,101	1,261,663	5,490,059	1,104,276	6,489,321	2,124,801
Depreciation Property, Plant and Equipment	(1,505,939)	(1,609,284)	(1,646,645)	(1,687,699)	(1,813,720)	(1,930,795)	(1,991,433)	(2,018,403)	(2,142,940)	(2,069,958)	(1,837,683)	(2,198,548)	(1,961,481)	(2,166,587)	(1,948,029)
Net Book Value of disposed/Written Off assets	(336,344)	(239,404)	(339,939)	(195,001)	(396,781)	(281,088)	(308,780)	(299,978)	(329,090)	(304,115)	(378,408)	(275,995)	(365,765)	(186,020)	(690,375)
Revaluation of Property, Plant and Equipment (Inflation)	481,729	478,276	511,305	509,886	531,138	609,905	666,654	652,517	642,971	787,037	785,987	790,204	875,639	881,071	963,621
Net Movement in Property, Plant and Equipment	(325,839)	1,084,512	(448,844)	1,304,666	3,719,097	2,584,186	(620,361)	(636,398)	1,024,917	(447,935)	(168,441)	3,805,720	(347,331)	5,017,785	450,018

APPENDIX A9 – FORECAST STATEMENT OF FIXED ASSET MOVEMENTS 2019-2034 (CONTINUED)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - TOTALS															
Capital Works															
Total Capital Works Infrastructure	4,240,022	4,483,037	4,286,786	4,368,937	4,460,646	4,000,842	6,041,674	7,477,473	5,576,218	5,047,192	5,837,857	5,547,847	24,472,982	14,072,386	14,876,397
Total Capital Works Property, Plant and Equipment	1,034,715	2,454,924	1,026,435	2,677,480	5,398,460	4,186,164	1,013,198	1,029,466	2,853,976	1,139,101	1,261,663	5,490,059	1,104,276	6,489,321	2,124,801
Total Capital Works	5,274,737	6,937,961	5,313,221	7,046,417	9,859,106	8,187,006	7,054,872	8,506,939	8,430,194	6,186,293	7,099,520	11,037,906	25,577,258	20,561,707	17,001,198
Fixed Asset Movement															
Net Movement in Infrastructure Assets	3,698,134	3,870,084	3,625,680	3,638,530	3,659,060	3,148,760	5,061,846	6,380,383	4,442,598	3,869,865	4,572,714	4,220,856	22,368,689	11,939,700	12,468,945
Net Movement in Property, Plant and Equipment	(325,839)	1,084,512	(448,844)	1,304,666	3,719,097	2,584,186	(620,361)	(636,398)	1,024,917	(447,935)	(168,441)	3,805,720	(347,331)	5,017,785	450,018
Net Movement in Fixed Assets	3,372,295	4,954,596	3,176,836	4,943,196	7,378,157	5,732,946	4,441,485	5,743,985	5,467,515	3,421,930	4,404,273	8,026,576	22,021,358	16,957,485	12,918,963
PLANNED CAPITAL EXPENDITURE															
<i>Expansion, Upgrades and New</i>	1,239,102	3,447,509	1,342,199	3,475,854	4,860,285	4,098,618	2,755,539	3,807,098	3,836,273	858,611	2,015,957	5,806,340	20,486,215	14,923,835	10,059,836
<i>Renewal</i>	3,285,635	2,740,452	3,221,022	2,820,563	4,248,821	3,338,388	3,549,333	3,949,841	3,843,921	4,577,682	4,333,563	4,481,566	4,341,043	4,887,872	6,191,362
TOTAL CAPITAL EXPENDITURE	4,524,737	6,187,961	4,563,221	6,296,417	9,109,106	7,437,006	6,304,872	7,756,939	7,680,194	5,436,293	6,349,520	10,287,906	24,827,258	19,811,707	16,251,198

APPENDIX A10 – FORECAST STATEMENT OF CAPITAL FUNDING 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital Expenditure															
Infrastructure - Roads	2,243,628	2,262,019	2,373,124	2,507,401	2,648,918	2,741,246	2,871,519	4,333,773	3,425,722	3,476,397	3,770,750	3,964,795	4,371,065	3,860,520	3,862,561
Infrastructure - Footpaths	671,720	455,168	467,425	760,571	507,103	494,267	493,063	565,000	590,000	615,000	640,000	665,000	690,000	715,000	740,000
Infrastructure - Drainage	545,910	431,576	603,997	443,685	450,151	456,907	463,968	471,347	479,057	487,115	620,936	550,000	580,000	610,000	650,000
Infrastructure - Parks and Ovals	778,764	1,309,274	842,240	632,280	729,474	308,422	2,213,124	2,107,353	1,081,439	468,680	806,171	368,052	18,831,917	8,886,866	9,623,836
Infrastructure - Carparks	0	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Bridges	0	0	0	25,000	125,000	0	0	0	0	0	0	0	0	0	0
Buildings	122,770	1,616,707	286,521	1,780,496	4,228,912	3,235,751	287,178	294,357	2,183,904	309,259	316,990	4,538,306	333,038	5,982,333	349,898
Furniture and Equipment	130,805	48,253	46,515	109,681	64,357	41,942	42,935	26,978	55,796	90,520	85,000	135,000	54,581	125,000	125,000
Plant and Equipment	781,140	789,964	693,399	787,303	1,105,191	908,471	683,085	708,131	614,276	739,322	859,673	816,753	716,657	381,988	1,649,903
Total - Capital Expenditure	5,274,737	6,937,961	5,313,221	7,046,417	9,859,106	8,187,006	7,054,872	8,506,939	8,430,194	6,186,293	7,099,520	11,037,906	25,577,258	20,561,707	17,001,198
Funded By:															
Capital Grants & Contributions															
Infrastructure - Roads	1,305,072	972,161	1,077,040	1,110,847	1,396,940	1,641,431	1,818,522	1,594,714	1,894,599	1,860,613	1,244,104	1,289,527	1,469,162	1,300,000	1,300,000
Infrastructure - Footpaths	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Infrastructure - Drainage	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Infrastructure - Parks and Ovals	75,000	776,000	77,000	78,000	79,000	80,000	435,176	436,176	83,000	84,000	189,823	86,000	6,209,745	2,763,268	3,129,538
Buildings	0	213,429	0	771,941	1,985,190	985,190	0	0	0	0	0	0	0	1,846,077	0
Plant and Equipment	0	110,000	0	350,000	350,000	150,000	110,000	110,000	0	0	0	130,000	0	0	0
Total - Capital Grants & Contributions	1,780,072	2,471,590	1,554,040	2,710,788	4,211,130	3,256,621	2,763,698	2,540,890	2,377,599	2,344,613	1,833,927	1,905,527	8,078,907	6,309,345	4,829,538
Own Source Funding															
Infrastructure - Roads	938,556	1,289,858	1,296,084	1,396,554	1,251,978	1,099,815	1,052,997	2,739,059	1,531,123	1,615,784	2,526,646	2,675,268	2,901,903	2,560,520	2,562,561
Infrastructure - Footpaths	571,720	355,168	367,425	660,571	407,103	394,267	393,063	465,000	490,000	515,000	540,000	565,000	590,000	615,000	640,000
Infrastructure - Drainage	245,910	131,576	303,997	143,685	150,151	156,907	163,968	171,347	179,057	187,115	320,936	250,000	280,000	310,000	350,000
Infrastructure - Parks and Ovals	703,764	533,274	765,240	554,280	650,474	228,422	1,777,948	1,671,177	998,439	384,680	616,348	282,052	12,622,172	6,123,598	6,494,298
Infrastructure - Carparks	0	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Bridges	0	0	0	25,000	125,000	0	0	0	0	0	0	0	0	0	0
Buildings	122,770	1,403,278	286,521	1,008,555	2,243,722	2,250,561	287,178	294,357	2,183,904	309,259	316,990	4,538,306	333,038	4,136,256	349,898
Furniture and Equipment	130,805	48,253	46,515	109,681	64,357	41,942	42,935	26,978	55,796	90,520	85,000	135,000	54,581	125,000	125,000
Plant and Equipment	444,796	440,560	353,460	242,302	358,410	477,383	264,305	298,153	285,186	435,207	481,265	410,758	350,892	195,968	959,528
Total - Own Source Funding	3,158,321	4,226,967	3,419,242	4,140,628	5,251,195	4,649,297	3,982,394	5,666,071	5,723,505	3,537,565	4,887,185	8,856,384	17,132,586	14,066,342	11,481,285
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	336,344	239,404	339,939	195,001	396,781	281,088	308,780	299,978	329,090	304,115	378,408	275,995	365,765	186,020	690,375
Total - Other (Disposals & C/Fwd)	336,344	239,404	339,939	195,001	396,781	281,088	308,780	299,978	329,090	304,115	378,408	275,995	365,765	186,020	690,375
Total Capital Funding	5,274,737	6,937,961	5,313,221	7,046,417	9,859,106	8,187,006	7,054,872	8,506,939	8,430,194	6,186,293	7,099,520	11,037,906	25,577,258	20,561,707	17,001,198

APPENDIX A11 – FORECAST RATIOS 2019-2034

	Target Range		Average	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34		
	>	>																		
LIQUIDITY RATIOS																				
Current Ratio	>	1.00	>	1.20	0.68	0.57	0.59	0.65	0.67	0.68	0.68	0.69	0.72	0.73	0.72	0.72	0.71	0.70	0.70	0.69
OPERATING RATIOS																				
Operating Surplus Ratio	>	1.00%	>	15.00%	1.15%	(10.95%)	(10.17%)	(11.58%)	(6.73%)	(4.20%)	(2.79%)	0.01%	2.58%	4.08%	8.01%	10.60%	10.58%	11.16%	9.27%	7.45%
Own Source Revenue Coverage Ratio	>	40.00%	>	60.00%	93.13%	81.69%	82.35%	81.59%	85.16%	87.30%	88.65%	91.19%	93.70%	95.37%	99.45%	102.39%	102.66%	103.54%	101.76%	100.09%
BORROWINGS RATIOS																				
Debt Service Cover Ratio	>	3	>	5	17.96	3.69	4.87	5.02	8.36	10.71	11.74	13.55	15.85	19.71	24.79	27.09	28.92	31.60	32.07	31.41
FIXED ASSET RATIOS																				
Asset Sustainability Ratio	>	90.00%	>	110.00%	59.77%	65.86%	52.33%	59.65%	50.52%	72.59%	54.79%	55.94%	59.93%	55.88%	65.97%	63.07%	60.68%	54.19%	56.24%	68.92%
Asset Consumption Ratio	>	50.00%	>	60.00%	86.02%	94.14%	92.75%	91.47%	90.00%	88.76%	87.54%	86.30%	85.29%	84.16%	83.21%	82.26%	81.46%	81.38%	81.00%	80.56%
Asset Renewal Funding Ratio	>	75.00%	>	95.00%	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FHI Scores																				
Current Ratio					0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Surplus Ratio					7.03	0.00	0.00	0.00	0.00	0.00	0.00	0.06	7.34	7.66	8.50	9.06	9.05	9.18	8.77	8.38
Own Source Revenue Coverage Ratio					10	9.5	9.54	9.5	9.71	9.84	9.92	10	10	10	10	10	10	10	10	10
Debt Service Cover Ratio					10.00	8.69	9.87	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Asset Sustainability Ratio					0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Asset Consumption Ratio					10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Asset Renewal Funding Ratio					0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Weighted FHI					54	36	38	38	39	39	39	39	55	55	57	58	58	59	58	57

APPENDIX A12 – FORECAST MAJOR PROJECTS – 10 YEAR TIMELINE

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Capital Cost											
Boyanup POS - New Market Site and Open Air Entertainment	-	-	-	-	70,200	-	374,268	374,268	748,537	-	
Boyanup POS - Fettle Park	110,000	-	-	295,800	-	-	-	-	-	-	
South West Highway Streetscape Project	-	-	-	-	80,000	-	-	-	-	-	
Relocate Shire Depot	-	-	-	-	-	-	-	-	1,882,188	-	
Capel Recreation Ground - Remediation	-	-	500,000	-	-	-	-	-	-	-	
Maslin Street Playground	-	-	-	-	82,000	-	-	-	-	-	
Dalyellup Surf Life Saving Clubroom	-	-	-	-	165,000	-	1,416,704	1,416,704	-	-	
Dalyellup Community Centre Civic Precinct, Library and Multipurpose Centre	40,000	709,337	-	2,315,823	2,955,572	2,955,572	-	-	-	-	
Dalyellup Skate Park	-	1,000,000	-	-	-	-	-	-	-	-	
Dalyellup Sports Fields	-	-	-	-	-	-	-	-	-	128,000	
PGB Gazebo and Beach Play Area	70,000	-	-	-	-	-	-	-	-	-	
Playground Shade Sail Program	44,778	53,652	38,583	35,097	45,998	32,828	36,923	35,171	37,403	49,308	
	264,778	1,762,989	538,583	2,646,720	3,398,770	2,988,400	1,827,895	1,826,143	2,668,128	177,308	18,099,715
Grant Funding											
Boyanup POS - New Market Site and Open Air Entertainment	-	-	-	-	-	-	-	-	-	-	
Boyanup POS - Fettle Park	-	-	-	-	-	-	-	-	-	-	
South West Highway Streetscape Project	-	-	-	-	-	-	-	-	-	-	
Relocate Shire Depot	-	-	-	-	-	-	-	-	-	-	
Capel Recreation Ground - Remediation	-	-	-	-	-	-	-	-	-	-	
Maslin Street Playground	-	-	-	-	-	-	-	-	-	-	
Dalyellup Surf Life Saving Clubroom	-	-	-	-	-	-	354,176	354,176	-	-	
Dalyellup Community Centre Civic Precinct, Library and Multipurpose Centre	-	213,249	-	771,941	985,190	985,190	-	-	-	-	
Dalyellup Skate Park	-	700,000	-	-	-	-	-	-	-	-	
Dalyellup Sports Fields	-	-	-	-	-	-	-	-	-	-	
PGB Gazebo and Beach Play Area	-	-	-	-	-	-	-	-	-	-	
Playground Shade Sail Program	-	-	-	-	-	-	-	-	-	-	
	0	913,249	0	771,941	985,190	985,190	354,176	354,176	0	0	4,363,922
Shire Funds											
Boyanup POS - New Market Site and Open Air Entertainment	-	-	-	-	70,200	-	374,268	374,268	748,537	-	
Boyanup POS - Fettle Park	110,000	-	-	295,800	-	-	-	-	-	-	
South West Highway Streetscape Project	-	-	-	-	80,000	-	-	-	-	-	
Relocate Shire Depot	-	-	-	-	-	-	-	-	1,882,188	-	
Capel Recreation Ground - Remediation	-	-	500,000	-	-	-	-	-	-	-	
Maslin Street Playground	-	-	-	-	82,000	-	-	-	-	-	
Dalyellup Surf Life Saving Clubroom	-	-	-	-	165,000	-	1,062,528	1,062,528	-	-	
Dalyellup Community Centre Civic Precinct, Library and Multipurpose Centre	40,000	496,088	-	1,543,882	1,970,382	1,970,382	-	-	-	-	
Dalyellup Skate Park	-	300,000	-	-	-	-	-	-	-	-	
Dalyellup Sports Fields	-	-	-	-	-	-	-	-	-	128,000	
PGB Gazebo and Beach Play Area	70,000	-	-	-	-	-	-	-	-	-	
Playground Shade Sail Program	44,778	53,652	38,583	35,097	45,998	32,828	36,923	35,171	37,403	49,308	
	264,778	849,740	538,583	1,874,779	2,413,580	2,003,210	1,473,719	1,471,967	2,668,128	177,308	13,735,793

APPENDIX A13 – FORECAST SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

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

Except for cash flow and rate setting information, the Plan has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

(a) BASE YEAR BALANCES

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

(b) ROUNDING OFF FIGURES

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

(c) COMPARATIVE FIGURES

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

(d) FORECAST FAIR VALUE ADJUSTMENTS

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

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

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

APPENDIX A13 – FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) RATES, GRANTS, DONATIONS AND OTHER CONTRIBUTIONS

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

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

(f) GOODS AND SERVICES TAX (GST)

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

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

(g) SUPERANNUATION

The Council contributes to a number of superannuation funds on behalf of employees.

All funds to which the Council contributes are defined contribution plans.

(h) CASH AND CASH EQUIVALENTS

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

(i) TRADE AND OTHER RECEIVABLES

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

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

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

(j) INVENTORIES

General

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

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

Land held for resale

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

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

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

APPENDIX A13 – FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) FIXED ASSETS

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

Revaluation

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

Land under roads

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

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

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

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

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

Depreciation

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

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

ASSET CLASS	EFFECTIVE AVERAGE DEPRECIATION RATE
Buildings	2.64%
Furniture and Equipment	24.45%
Plant and Equipment	13.99%
Roads	2.42%
Footpaths	2.40%
Parks and Ovals	3.76%
Drainage	1.37%

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 A13 – FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) FAIR VALUE OF ASSETS AND LIABILITIES

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

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

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

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

APPENDIX A13 – FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) FAIR VALUE OF ASSETS AND LIABILITIES (Continued)

Valuation Techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

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

(m) IMPAIRMENT OF ASSETS

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

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

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

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

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

APPENDIX A13 – FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) TRADE AND OTHER PAYABLES

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

(o) EMPLOYEE BENEFITS

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

(p) BORROWING COSTS

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

(q) PROVISIONS

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

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

APPENDIX A13 – FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) LEASES

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

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

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

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

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

(s) INVESTMENT IN ASSOCIATES

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of the profits once its share of the profits equals the share of the losses not recognised.

(t) INTERESTS IN JOINT ARRANGEMENTS

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(n) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

APPENDIX A13 – FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) CURRENT AND NON-CURRENT CLASSIFICATION

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

OTHER MATTERS

DOCUMENT MANAGEMENT

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