



Shire of Narembeen

Draft Strategic Resource Plan

(Incorporating Asset Management Planning and Long Term Financial Planning)

2018 - 2033

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1.0 Foreword

We are pleased to present to the community the Shire of Narembeen Draft Strategic Resource Plan for 2018 - 2033.

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

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

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

The Shire of Narembeen's Draft Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Narembeen Strategic Community Plan 2017-2027.

This Plan will be used with the Corporate Business Plan and Workforce Plan to achieve our goals and drive the Shire in achieving its vision of "Together we create the opportunity to grow".

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

Rhonda Cole
Shire President

Chris Jackson
Chief Executive Officer

2.0 Executive Summary

The following information provides a brief summary of the Strategic Resource Plan 2018 – 2033, this should be read in conjunction with the underlying assumptions detailed in this Plan.

2.1 Planning for a Sustainable and Stable Future

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

Long term maintenance and renewal of the districts road infrastructure remains a significant challenge and requires external funding to ensure the economic benefits of the district’s road network to Western Australia’s agricultural output are not lost.

2.2 Critical Assets

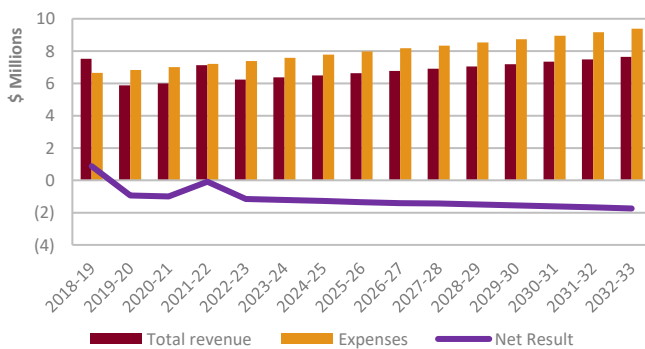
The following assets were identified as critical:

- Regional and Local Distributor Roads;
- Shire Administration Building;
- Recreation Centre;
- Emergency Services Facility; and
- Shire Depot.

Where resources are limited, critical assets have been prioritised (except for grain haulage roads) in the planning process to help minimise the risk of sudden unexpected failure of these assets.

2.3 Forecast Revenue, Expenses and Net Result

The Shire is reliant on receiving more than \$44.8m over the next 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. A steady increase in operating revenue and expenditure is forecast over the 15 years of the Plan.



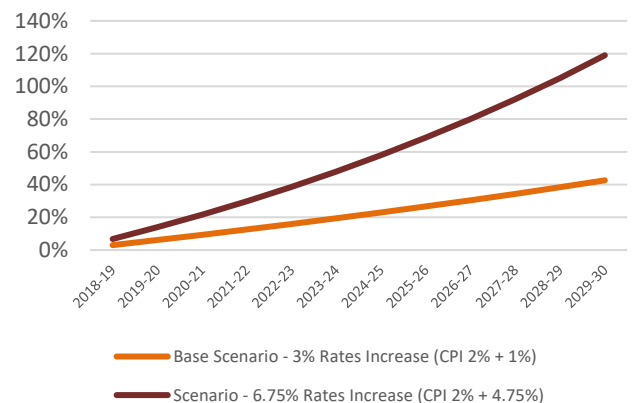
2.4 Rates Revenue

Rate revenue is forecast to increase by 3.0% (CPI 2% + 1%) over the term of the Plan. These increases are to assist in the long term financial stability of the Shire and to maintain the level of service to the community in the face of forecast reductions in external grants and contributions. Rates are expected to generate \$1.65m in 2018-19 increasing to \$2.49m in 2032-33.

2.5 Significant Issues

The continued provision of the road network remains one of the key priorities and major expenditure items for the Shire. Funding renewal of strategic grain haulage roads to a standard capable of carrying the forecast traffic loads is likely to be a significant financial challenge beyond the Shires forecast capacity should external funding not be received for renewal of these roads.

Planned asset expenditure is currently unable to meet the forecast cost of renewing grain haulage roads. Rates increase of 6.75% per year over the next 12 years would be required to meet these costs in the absence of additional external funding. This increase will result in a significant cumulative increase in rates to \$3.5 million, 120% higher than current rates over the next 12 years as reflected in the chart below showing the percentage above 2017-18 budgeted rates forecast rates will be each year. Forecast 3% increase in rates is shown for comparison.

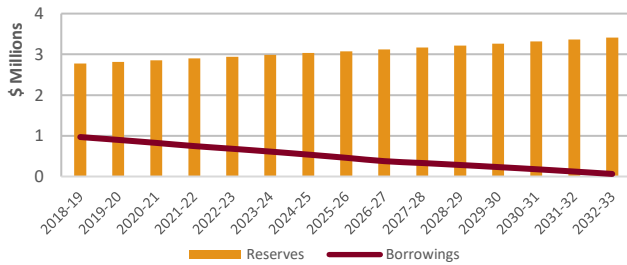


Given the strategic economic benefit of the Grain freight roads to Western Australia and the exemption of CBH Group from rating, a decision was made not to impose the cost of renewing these roads onto the districts ratepayers over the next 10 years. Renewal of these roads remain unfunded within the plan and external contributions or ex-gratia rates will be required to ensure the maintenance of service levels from these strategic roads.

2.0 Executive Summary (Continued)

2.6 Forecast Borrowings and Cash Reserves

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



2.7 Planned Asset Expenditure

Combined new and renewal asset expenditure of \$45.73m has been planned per the table below. New asset expenditure comprises \$3.4m of the total asset expenditure and asset renewal expenditure of \$42.33m.

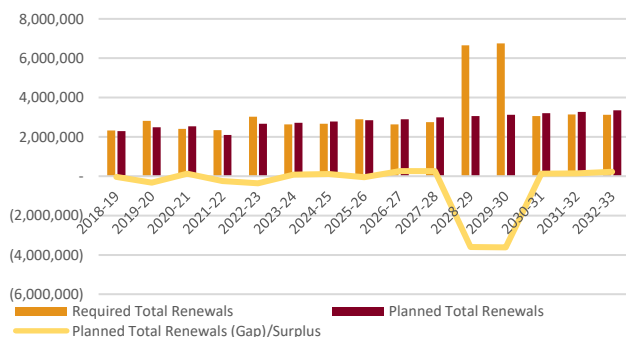
2.8 Planned Capital Expenditure

Project	Total Expenditure (2018-2033)
Lesser Hall Interpretation Centre	\$200,000
Building Renewal	\$750,000
Plant Replacement	\$7,500,000
Furniture and Equipment Renewal	\$750,000
Heavy freight town bypass	\$1,700,000
Road Renewal	\$33,031,020
Hockey/Tennis multi-use turf	\$1,500,000
Infrastructure Renewal	\$300,000
Total	\$45,731,020

2.9 Required Renewal Expenditure

Asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$49.2m are forecast to be required over the 15 years of the plan. For these renewals to occur a further \$6.9 m is required from external contributions as shown below.

2.10 Required v Planned Asset Renewal Expenditure



The significant gap in 2028-29 and 2029-30 is due to the forecast renewal of grain freight roads. Given the strategic economic benefit of the Grain freight roads to Western Australia a decision was made not to impose the cost of renewing these roads onto the districts ratepayers over the next 10 years.

2.11 Forecast Ratios 2018-2033

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

	Current	Operating Surplus	Own Source Revenue Coverage	Debt Service Cover
Target Range	1.0 - 1.2	1% - 15%	40% - 60%	3 - 5
Average	0.64	(76.75%)	35.20%	25.09
2018-19	0.61	(73.74%)	34.93%	14.06
2019-20	0.61	(74.51%)	34.91%	14.45
2020-21	0.61	(75.00%)	34.95%	14.88
2021-22	0.63	(76.01%)	34.92%	15.31
2022-23	0.63	(76.39%)	34.96%	18.08
2023-24	0.63	(76.73%)	35.01%	18.62
2024-25	0.63	(77.02%)	35.07%	19.16
2025-26	0.63	(77.26%)	35.14%	19.73
2026-27	0.65	(77.44%)	35.21%	20.31
2027-28	0.65	(77.57%)	35.29%	34.31
2028-29	0.65	(77.74%)	35.36%	35.33
2029-30	0.65	(77.87%)	35.43%	36.37
2030-31	0.65	(77.96%)	35.52%	37.44
2031-32	0.65	(78.00%)	35.61%	38.55
2032-33	0.65	(78.00%)	35.70%	39.69

The operating ratios above highlight the Shires dependence on external funding.

	Asset Sustainability	Asset Consumption	Asset Renewal Funding
Target Range	90% - 110%	50% - 60%	75% - 95%
Average	66.63%	79.57%	86.28%
2018-19	68.07%	89.65%	99.01%
2019-20	71.54%	88.28%	88.48%
2020-21	70.68%	86.90%	80.89%
2021-22	56.19%	85.25%	80.89%
2022-23	69.27%	83.86%	82.13%
2023-24	68.55%	82.45%	N/A
2024-25	67.88%	81.03%	N/A
2025-26	67.25%	79.60%	N/A
2026-27	66.66%	78.15%	N/A
2027-28	66.83%	76.72%	N/A
2028-29	66.28%	75.27%	N/A
2029-30	65.77%	73.82%	N/A
2030-31	65.29%	72.35%	N/A
2031-32	64.84%	70.88%	N/A
2032-33	64.42%	69.40%	N/A

The asset sustainability ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio averages at 66.63% over the term of the Plan which is below the guideline level of 90% indicating the Shire is generally not renewing assets in line with their depreciation expense over the 15 years of the plan.

3.0 Planning Overview

3.1 Planning for a Sustainable and Stable Future

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

Long term maintenance and renewal of the districts road infrastructure remains a significant challenge and requires external funding to ensure the economic benefits of the district's road network to Western Australia's agricultural output are not lost.

3.2 Planning Process

Based on the 2017 audited Annual Financial Report and 2017-18 Annual Budget, a financial baseline was determined for operating revenue and expenditure. Modifications to this baseline were made over the 15 year term to predict forecast changes in operating revenue and expenditure.

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

Modelling was undertaken to determine the long term funding required for asset maintenance and renewal. By adjusting the estimated useful life of assets, the balance between the risk of loss asset service and the financial costs of asset renewal and maintenance was determined. Initial modelling highlighted the inability of the Shire to fund the future renewal of Grain Freight Roads due to the higher construction standard and forecast shorter useful lives of these roads. A scenario was developed to determine the level of rating increase which would be required to cover the future renewal of these key economic roads. Given the economic benefit of these roads to Western Australia as a whole the Shire sees no reason for the cost of funding renewal of Grain Freight roads to be met by ratepayers in the district and has developed the plan on the basis of these renewals being unfunded.

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

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

3.3 Critical Assets

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

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

- Regional and Local Distributor Roads;
- Shire Administration Building;
- Recreation Centre
- Emergency Services Facility; and
- Shire Depot.

Where resources are limited, critical assets have been prioritised (except for grain haulage roads) in the planning process to help minimise the risk of sudden unexpected failure of these assets.

4.0 Strategic Overview

4.1 Forecast Significant Events

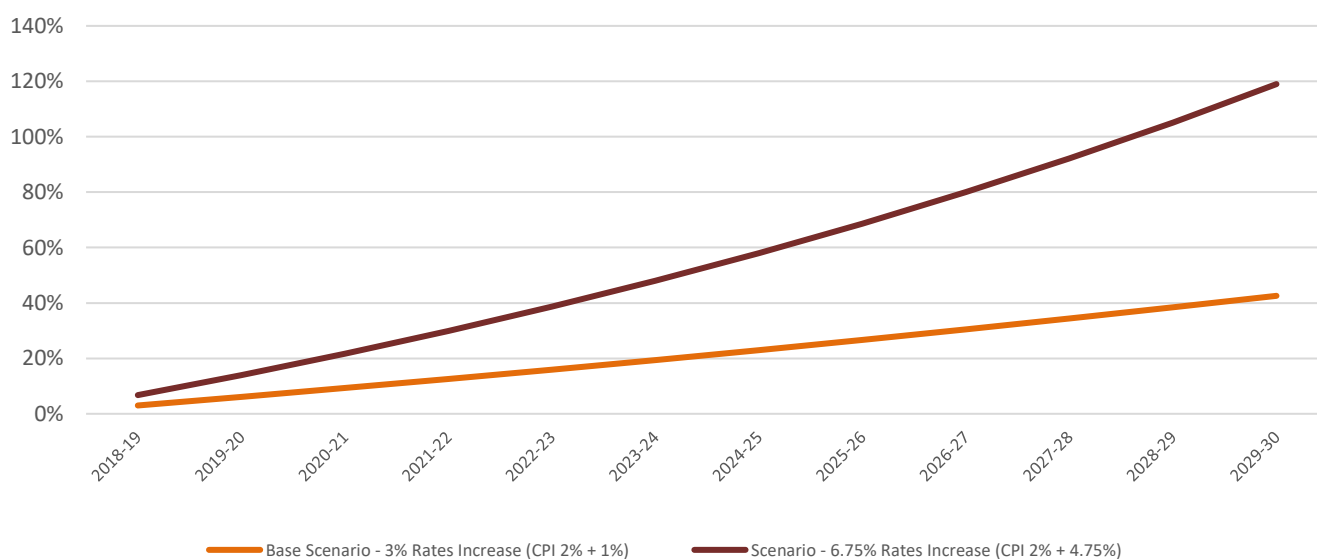
Road maintenance and road renewal remain a high priority for the Shire due to the strategic economic benefit the road network provides to the district. Road renewals are prioritised based on a road hierarchy with regional and local distributor roads taking priority over local access roads. High traffic volumes and loads on grain haulage roads results a shorter estimated useful life and higher construction specification than would otherwise be the case.

Funding renewal of strategic grain haulage roads to a standard capable of carrying the forecast traffic loads is likely to be a significant financial challenge beyond the Shires forecast capacity should external funding not be received for renewal of these roads. Adequate maintenance, renewal and upgrading of the road network remains highly dependent on the receipt of external grants and contributions. A scenario was developed to determine the level of rates increase required to meet the forecast road renewal requirement in the absence of external funding.

4.2 Asset Management Strategy

Recognising a large proportion of assets have been constructed with the assistance of external financial contributions, the Shire seeks to, within its financial capacity, maintain these assets into the future. A strategy of alignment of estimated asset useful lives with the forecast financial capacity aims to ensure the long term affordability of Shire assets. By focusing resources and efforts on a small number of key critical assets, the Shire has achieved targeted asset management outcomes integrated with financial planning within its forecast financial capacity based on an annual rate increase of 3% (CPI of 2% + 1%).

Renewal of grain freight roads in years 11 and 12 of the Plan requires a rate increase of 6.75% (CPI of 2% + 4.75%) each year for the first 12 years. Funds from the additional annual 3.75% rate increase would be required to be accumulated within cash backed reserves over the 10 years to ensure adequate funding in years 11 and 12. Rates increases at this higher level result in total rate yield in year 12 of the Plan rising to 53.6% higher than the rates modelled within this Plan and the accumulation of \$7.8 million in cash backed reserves by year 10. This increase will result in a significant cumulative increase in rates to \$3.5 million, 120% higher than current rates over the next 12 years as reflected in the chart below, showing the percentage above 2017-18 budgeted rates forecast rates will be each year. Forecast 3% increase in rates is shown for comparison.



Given the strategic economic benefit of the grain freight roads to Western Australia and the exemption of CBH Group from rating, a decision was made not to impose the cost of renewing these roads onto the districts ratepayers over the next 10 years. Renewal of these roads remain unfunded within the plan and external contributions or ex-gratia rates will be required to ensure the maintenance of service levels from these strategic roads.

4.0 Strategic Overview (Continued)

4.3 Financial Management Strategy

With the Structuring operational revenues and expenditure to ensure adequate provision for asset renewal into the future is a cornerstone of the Shire's overall financial strategy. To achieve this strategy, rate increases marginally higher than the consumer price index (CPI) are forecast to occur combined with the maintenance of operating expenditure in line with the CPI forecast.

Forecast planned asset renewals for the term of the Plan are provided in the table below along with the forecast required asset renewals to maintain services in future. Forecast asset renewals requirements are arrived at based on current estimates of replacement cost and remaining useful life of each asset, assessed from the asset's condition or age. These are provided in the table on the following page with the asset renewal surplus/(deficit) column representing the difference between the planned and required asset renewals. A number of assumptions and estimates have been utilised in arriving at these values and actual events may vary significantly from those provided.

Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/(Deficit) \$
2018-19	2,291,199	2,329,501	(38,302)
2019-20	2,488,786	2,820,543	(331,757)
2020-21	2,540,652	2,408,903	131,749
2021-22	2,094,066	2,337,003	(242,937)
2022-23	2,664,809	3,018,363	(353,554)
2023-24	2,721,478	2,635,850	85,628
2024-25	2,779,823	2,674,243	105,580
2025-26	2,839,940	2,899,022	(59,082)
2026-27	2,901,867	2,641,942	259,925
2027-28	2,998,217	2,745,479	252,738
2028-29	3,063,479	6,662,627	(3,599,148)
2029-30	3,130,727	6,750,450	(3,619,723)
2030-31	3,199,977	3,066,219	133,758
2031-32	3,271,287	3,132,034	139,253
2032-33	3,344,713	3,117,099	227,614
Total	42,331,020	49,239,279	(6,908,259)

The Shire has not forecast any additional borrowings for the duration of this Plan as part of its strategy to allow flexibility to respond to sudden or unexpected expenditure requirements or the loss of planned external grant contributions. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available. The strategy also includes the use of cash backed reserves to save for significant future asset renewal spikes.

4.4 Key Assumptions

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

- The Shire population is forecast to remain stable;
- The Shire will maintain its current service levels and, where financially prudent, increase services;
- The level of grants and contributions for capital projects and operations will remain relatively stable over the term of the Plan;
- The region and State economy will remain stable for the long term; and
- With the exception of Grain Freight Routes 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.

5.0 Community Profile, Vision and Objectives

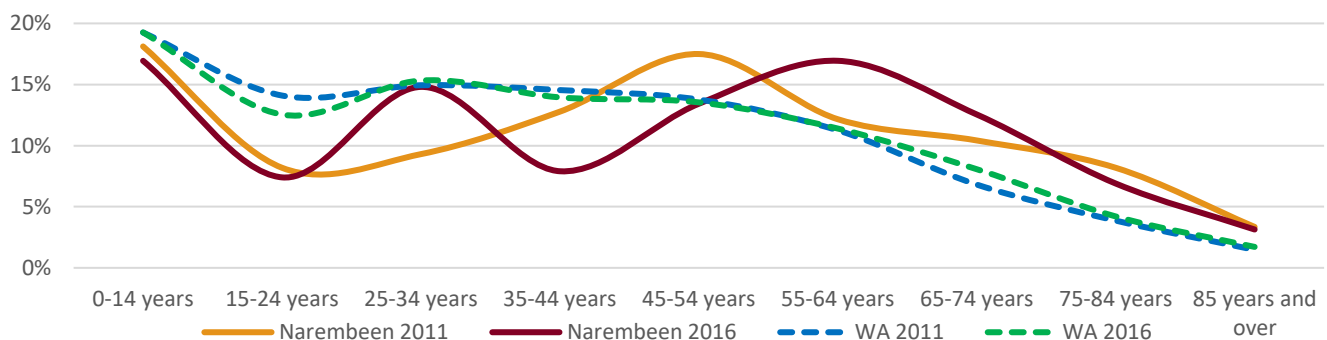
5.1 Community

Narembeen is located in the heart of the Wheatbelt, 286km east of Perth and covers 3,809 square kilometres¹. The town has evolved from its traditional rural history and today plays an important role within the Wheatbelt in cereal cropping, cattle and sheep production, agricultural innovation as well as support from industry such as engineering, auto works and tourism. The Shire continues to maintain a number of assets to service the community and visitors. Narembeen is a vibrant community offering high-quality infrastructure, fantastic services and endless opportunities.

The town itself has a medical centre, district high school, supermarket, post office, pharmacy, hardware, hotel, hairdresser, bank, newsagency, police station, voluntary emergency services, caravan park, motel, transport, engineering and agriculture related businesses, carpenter, panel beater, roadhouse and the well-recognised IRE Agricultural Worldwide. Narembeen boasts great recreation facilities, including a Recreation Centre which was officially opened in April 2016.

5.1.1 Shire of Narembeen Resident Population by Age Group

In 2016, the Shire of Narembeen's population on the night of the census was 809¹. The age distribution trends from 2011 to 2016 for both the Shire of Narembeen (reflected by the burgundy and gold lines) and the state of Western Australia are indicated in the chart below.



When comparing the Shire's demographic to Western Australia (reflected by the dotted blue and green lines), the Shire has a lower proportion of residents under 54 years, with many in the younger group leaving for schooling and early career opportunities. In 2016 the percentage of the population 25-34 year age group was in line with the state average a significant increase from 2011. Making up 16.9% of the resident population, children under 14 are one of the largest demographic, indicating an ongoing requirement for childhood related services. The percentage of the resident population 55 years and over is noticeably higher than the State average, with the percentage of the 55 - 74 year old age bracket increasing from 2011 to 2016 by 6.9%.

5.2 Vision

The Shire's strategic vision: *"Together we create the opportunity to grow"*

5.3 Strategic Objectives

The following key goals are captured in the Shire's Strategic Community Plan 2017-2027 and considered within the Strategic Resource Plan:

1. Focus upon our local economic drivers to retain and grow existing businesses, employment and to attract new industry;
2. Internal and external relationships actively grow our Shire population and positive financial position; and
3. We contribute to a healthy community.

¹ Australian Bureau of Statistics Narembeen (S) (LGA56370) 2016 Census of Population and Housing, viewed 17 January 2018

6.0 Key Current Information

6.1 Key Statistics: Shire of Narembeen 2016²

Number of Elected Members	8
Number of Employees	27
Number of Electors	610
Number of Dwellings	435
Distance from Perth (km)	286
Area (sq km) ³	3,809
Population (Est.) ³	809

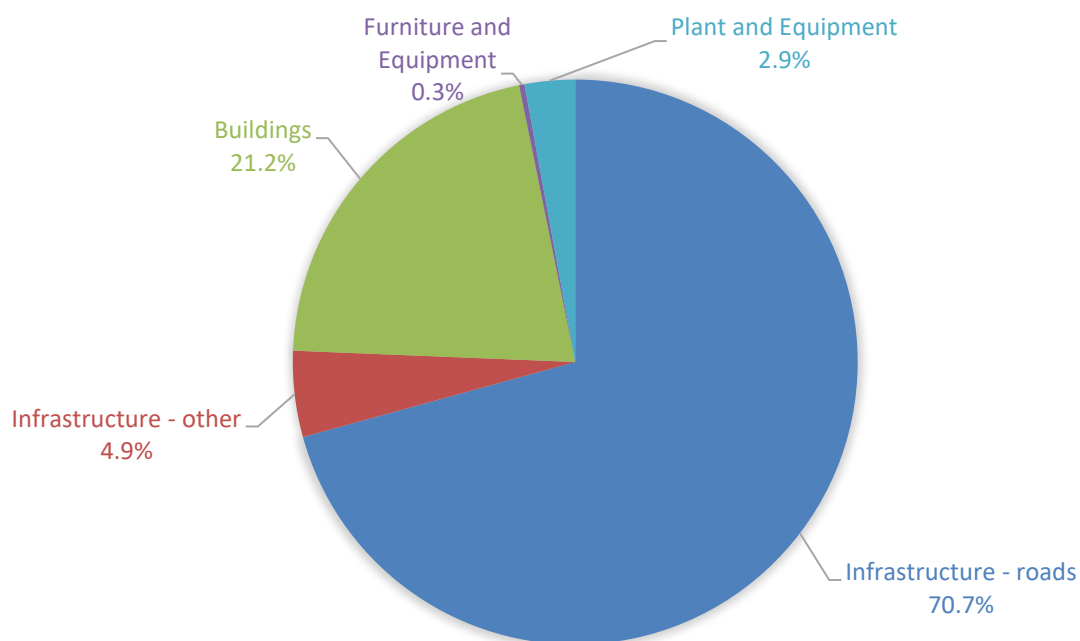
6.2 Key Financial Information 2016-17⁴

Rates Revenue	\$1,556,994
Fees and Charges	\$1,272,011
Operating Revenue	\$7,421,880
Operating Expenditure	\$8,886,638
Net Assets	\$92,585,554
Cash Backed Reserves	\$2,047,260
Long Term Borrowings	\$1,062,606

6.3 Key Asset Information

The Shire controls an asset network with a written down value of over \$92.5m, of which Roads and Buildings constitute the largest component value as reflected in the chart below.

6.3.1 Asset Value by Class: Shire of Narembeen 2017⁴



² WALGA Online Local Government Director 2015/2016, Shire of Narembeen

⁴ Shire of Narembeen, Audited Annual Financial Report 2016-17

³ Australian Bureau of Statistics Narembeen (S) (LGA56370) 2016 Census of Population and Housing, viewed 17 January 2018

7.0 Strategic Planning and Policies

7.1 Linkage with Other Plans

The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other key strategic plans. This Strategic Resource Plan has been prepared to achieve compliance with the *Local Government (Administration) Regulations 1996*.

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

7.2 Strategic Documents Linkage

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

7.2.1 Diagram: Integrated Planning and Reporting Cycle⁵



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

7.0 Strategic Planning and Policies (Continued)

7.3 Strategic Community Plan

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

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

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

7.4 Corporate Business Plan

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

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

7.5 Workforce and Other Strategic Plans

The Workforce Plan and other strategic plans, integrate with the Strategic Resource Plan through the workforce requirement for assets and financial resources along with the requirements for a workforce to manage the Shire's assets and financial resources. As far as possible, these requirements are met in the Plan, but where resources are not included, the Plan identifies when the required resources may be available to inform future review activities in relation to these plans.

7.6 Asset Management Policy

The purpose of an asset management policy is to:

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

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

7.7 Asset Management Strategy

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

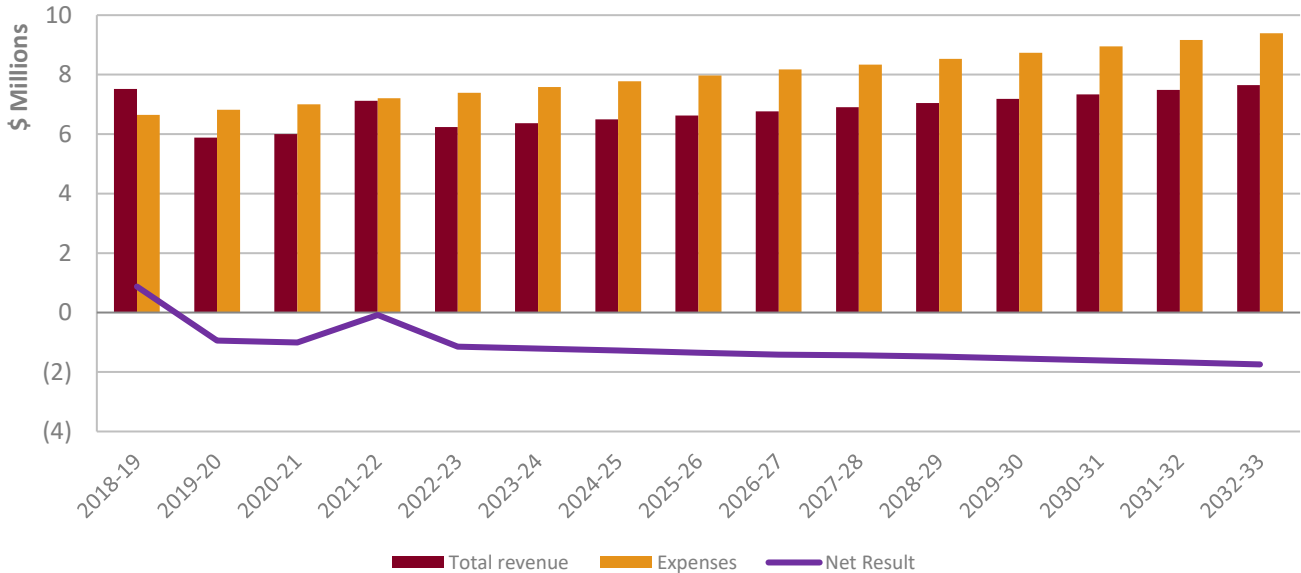
7.8 Borrowing Policy

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

8.0 Operations Overview

8.1 Operations

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



8.2 Forecast Revenue, Expenses and Net Result

The Shire is reliant on receiving more than \$44.8m over the next 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. A steady increase in operating revenue and expenditure is forecast over the 15 years of the Plan. Fluctuations to the level of non-operating grants and contributions received, produce changes to the net result.

8.3 Rates Revenue

Rate revenue is forecast to increase by 3.0% (CPI 2% + 1%) over the term of the Plan. These increases are to assist in the long term financial stability of the Shire and to maintain the level of service to the community in the face of forecast reductions in external grants and contributions. Rates are expected to generate \$1.65m in 2018-19 increasing to \$2.49m in 2032-33.

8.4 Non-Operating Grants and Contributions

Non-operating grants and contributions are forecast to reduce after year one of the plan, and remain stable for the remainder of the Plan.

8.5 Operating Grants and Contributions

Over the term of the Plan, the operating grants and contributions are forecast to increase in line with inflation of 2%.

8.0 Operations Overview (Continued)

8.6 Workforce Planning

The Shire currently employs 27 full time equivalent employees to deliver a range of services to the community and maintain assets.

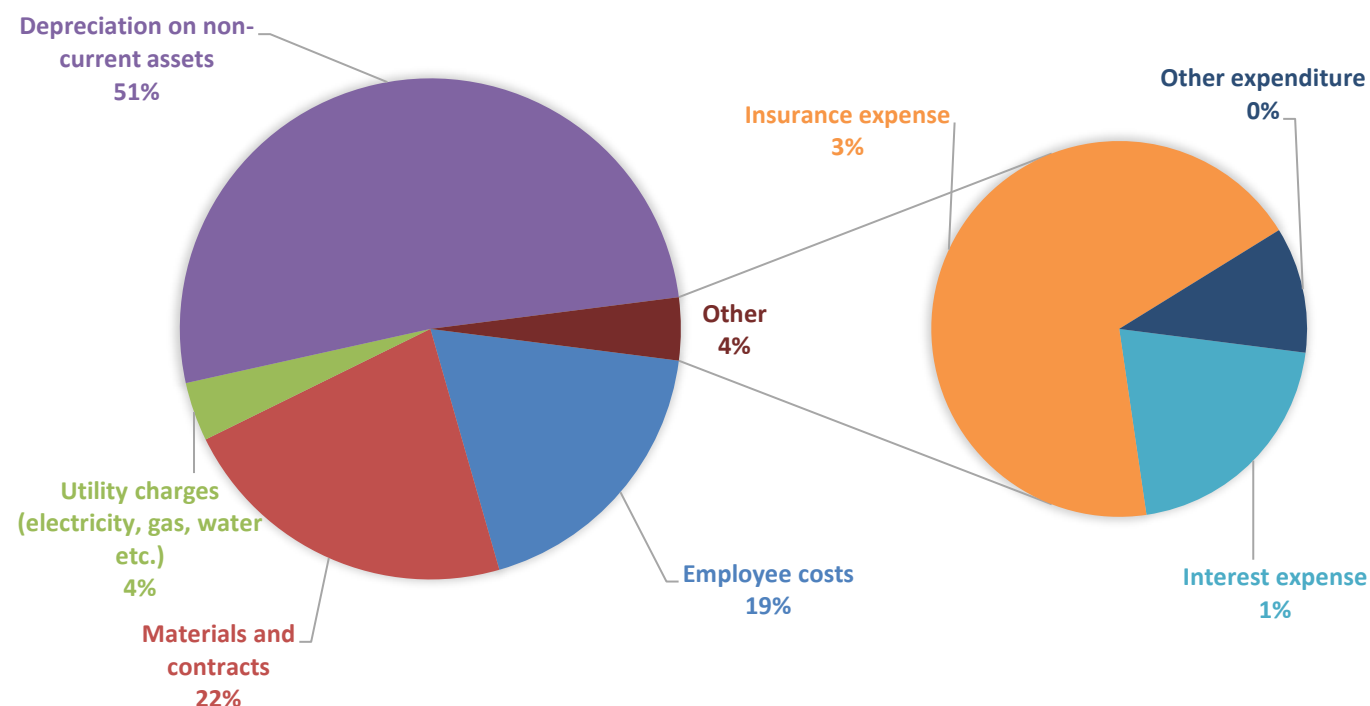
The Shire's Workforce Plan has been considered in the development of this Strategic Resource Plan. No financial impacts are expected from the Workforce Plan with employee costs forecast to rise in line with CPI at 2%, as per the Shire of Narembeen Enterprise Bargaining Agreement.

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

8.7 Operating Expenditure

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

8.7.1 Composition of Forecast Operating Expenditure 2018-19 (Total Operating Expenditure \$6.59m)



8.8 Maintenance Expenditure

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

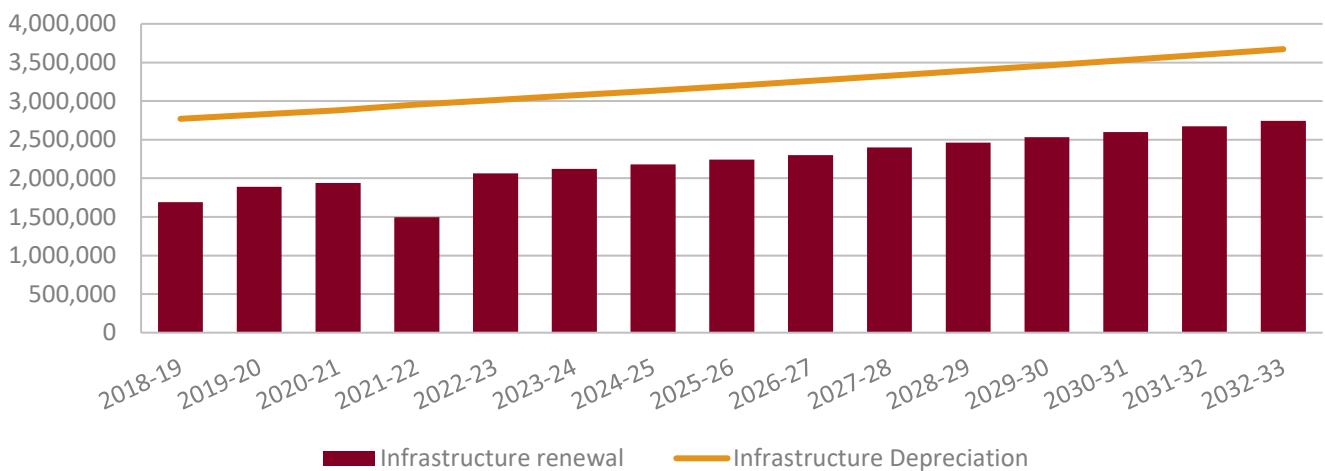
8.0 Operations Overview (Continued)

8.9 Depreciation Expense

Depreciation expense increases throughout the Plan from \$3.36m in year 1 to \$5.19m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$48.09m, shown by the gold line in the chart below. The planned level of infrastructure asset renewal expenditure at \$33.33m (reflected by the burgundy columns) is below the estimated infrastructure depreciation for all years, as shown in the chart below.

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

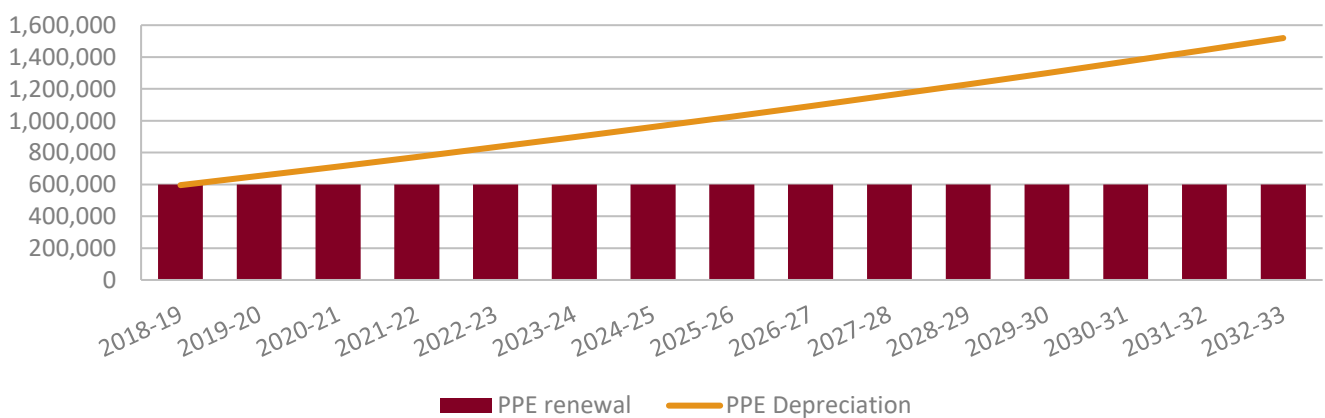
8.9.1 Infrastructure Depreciation Expense -V- Asset Renewal Expenditure



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

Planned property, plant and equipment asset renewals of \$9.0m (reflected by the burgundy columns) over the 15 years is below depreciation expense of \$15.5m (reflected by the gold line) over the same period as shown in the chart below.

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



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

9.0 Capital Overview

9.1 Community Demand

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

Upgrade of recreation facilities and maintaining the roads were identified within the Strategic Community Plan and have been included within the Plan.

9.2 Upgrade/New Expenditure

Upgrades to buildings and infrastructure are planned to occur over the next 15 years in response to community expectation. Where funds are available after undertaking essential renewal works, funds will be utilised for improvement and new works. Detailed annual planning will be undertaken for asset upgrade/new expenditure in the year the project occurs.

9.2.1 New Capital Projects

Asset Class Project	2018-19 \$	2021-22 \$
Buildings		
Lesser Hall Interpretation Centre	200,000	
Infrastructure		
Heavy freight town bypass	1,700,000	
Hockey/tennis multi-use turf		1,500,000
Grand Total	1,900,000	1,500,000

9.3 Level of Service

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

Council has adopted a new standard for roads, planned renewals and upgrades to have an 8m seal with a 2m shoulder each side (except where existing roadside vegetation prevents the widening of the road).

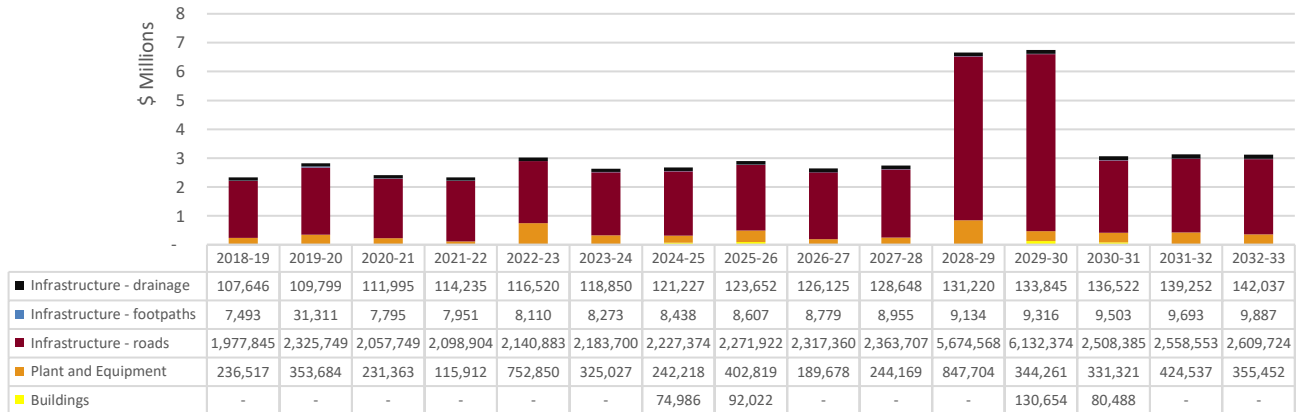
Level of service measures are defined for most asset classes within Appendix A.

9.0 Capital Overview (Continued)

9.4 Renewal Expenditure

Asset renewal expenditure for the road network has been estimated based on road conditions and forecast usage. For other asset classes, forecast asset renewals have been based on the age of the assets and their estimated remaining useful life (determined during recent revaluations) combined with the current replacement costs.

9.4.1 Required Asset Renewal Expenditure by Asset Class

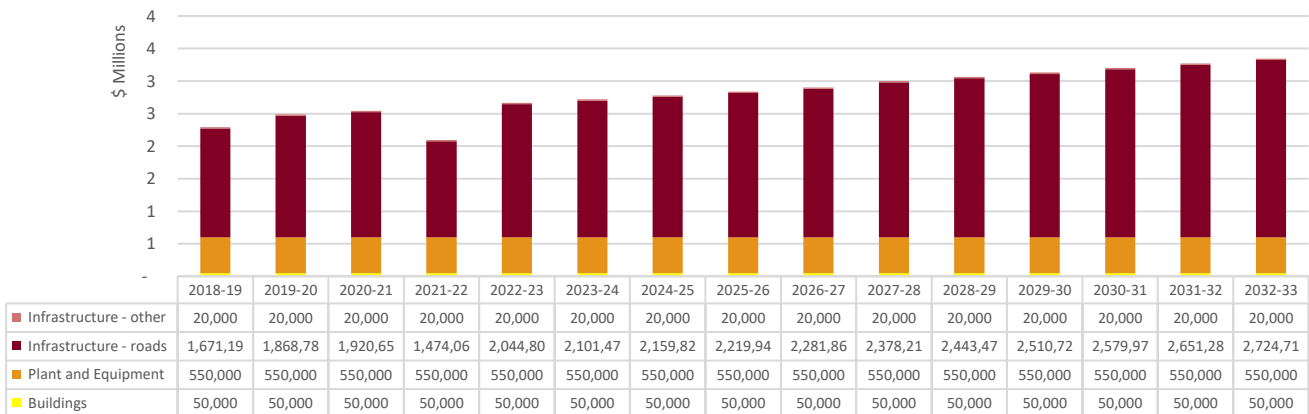


Renewal of roads dominate the forecast required asset renewals.

9.5 Planned Asset Renewal

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

9.5.1 Planned Asset Renewal Expenditure by Asset Class



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

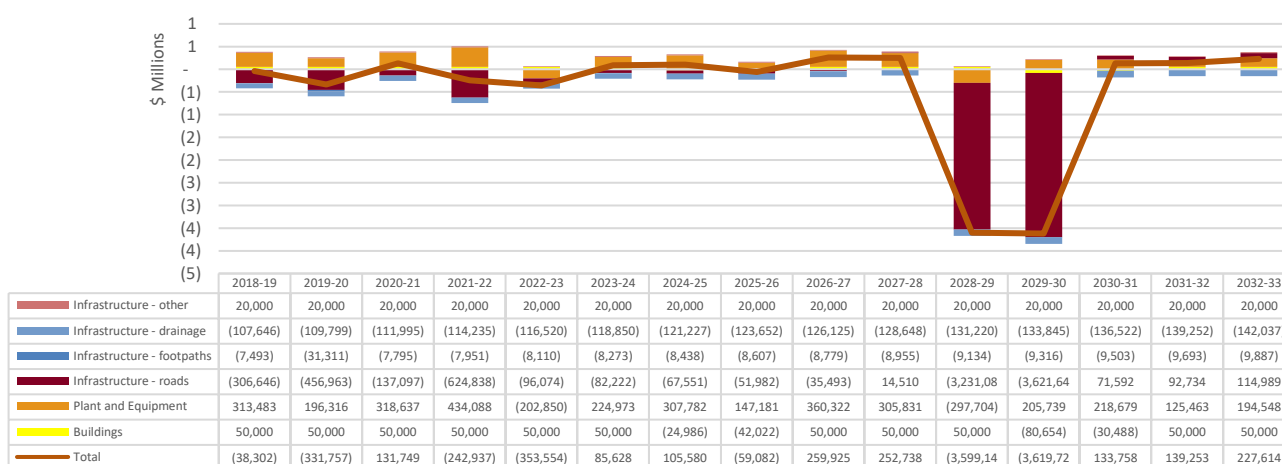
9.0 Capital Overview (Continued)

9.6 Asset Renewal Funding Surplus/(Deficit)

The Shire is planning for renewal of all assets at the end of their useful life. Unless significant external funding is received major grain haulage roads are unlikely to be renewed at the end of their forecast useful life in 2028-2030 resulting in a significant renewal deficit in these 2 years. The annual budget cycle and resource limitations result in differences between the planned and required renewal expenditure, referred to as an asset renewal funding surplus/(deficit). The surplus or (deficit) for each asset class is shown by the columns in the chart below with the orange line reflecting the net asset renewal funding surplus/(deficit) for each year.

The chart below reflects the asset renewal funding surplus varies throughout the term of the Plan and the overall deficit of \$6.9m. Improvements in the estimation of the required asset renewals may significantly impact the level of this surplus.

9.6.1 Asset Renewal Funding Surplus/(Deficit)



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

10.0 Forecast Capital Projects

10.1 Key Asset Renewal Timeline

Renewal of road infrastructure and plant and equipment represents the bulk of the planned asset renewals.

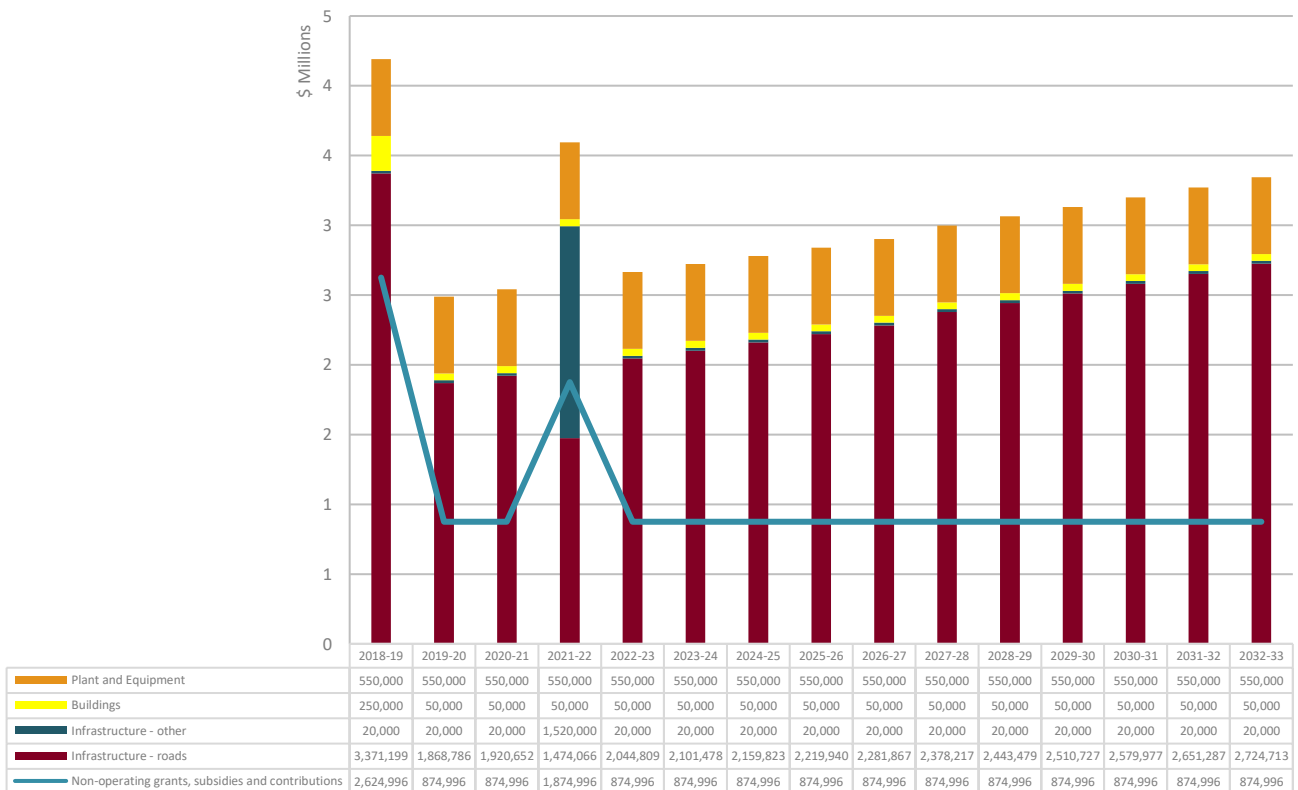
Planned asset expenditure (by asset class) is reflected in the chart below, with the level of capital grants reflected by the blue line.

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

- Road Renewals;
- Hockey/Tennis multi-use turf; and
- Heavy freight town bypass.

Combined new and renewal asset expenditure of \$45.73m has been planned. New asset expenditure comprises \$3.4m of the total asset expenditure and asset renewal expenditure of \$42.33m. Total asset expenditure by class is reflected in the chart below by the columns with the level of non-operating grants shown by the blue line.

10.1.1 Total Planned Asset Expenditure by Asset Class



10.0 Forecast Capital Projects (Continued)

10.2 Planned Capital Expenditure

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

Asset Class	Project	Total Expenditure (2018-2033) \$
Buildings		
	Lesser Hall Interpretation Centre	200,000
	Building Renewal	750,000
Buildings Total		950,000
Plant and Equipment		
	Plant Replacement	7,500,000
	Furniture and Equipment Renewal	750,000
Plant and Equipment Total		8,250,000
Infrastructure - Roads		
	Heavy freight town bypass	1,700,000
	Road Renewal	33,031,020
Infrastructure - Roads Total		34,731,020
Infrastructure - Other		
	Hockey/Tennis multi-use turf	1,500,000
	Infrastructure Renewal	300,000
Infrastructure – Other Total		1,800,000
Grand Total		45,731,020

11.0 Financing Overview

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

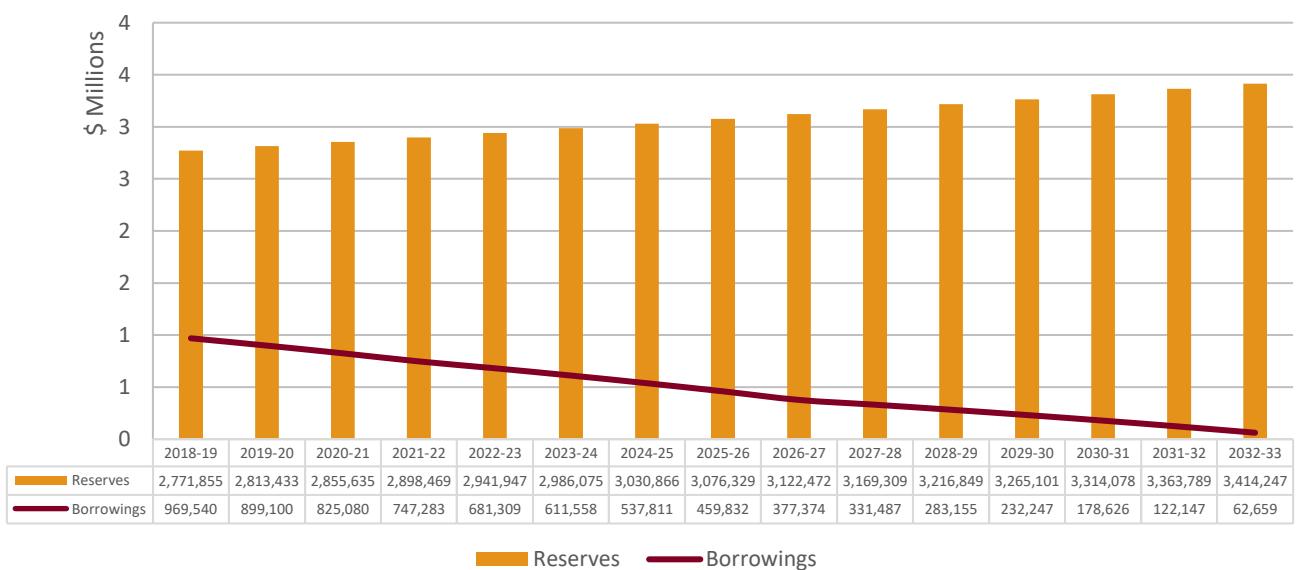
11.1 Borrowings

There are no new loans forecast and modelled in the Plan. The principal outstanding on borrowings reduces from \$1.03m in 2017-18 to \$0.06m in 2032-33. This provides the Shire with increasing capacity to borrow in reaction to unplanned events or urgent issues over the life of the Plan.

11.2 Cash Reserves

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

11.2.1 Forecast Borrowings and Cash Reserves



12.0 Scenario Modelling

12.1 Scenario Modelling

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

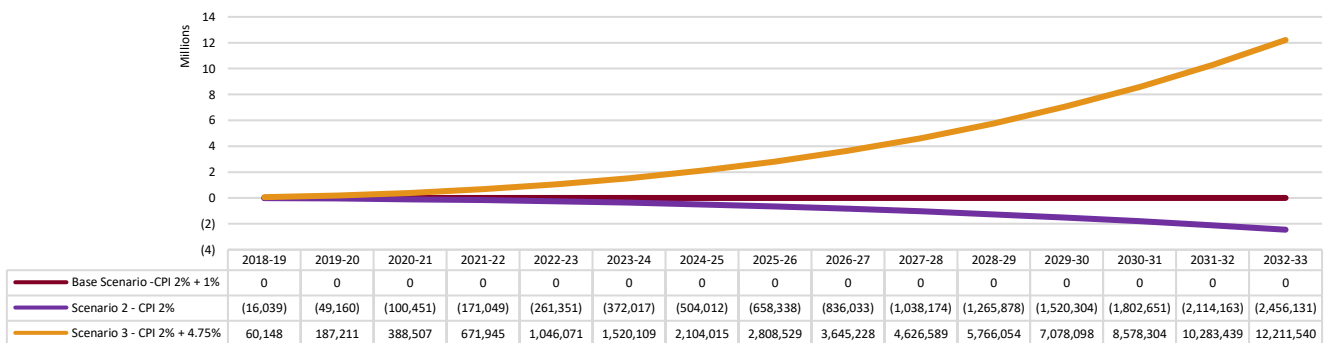
To ascertain the effect of reduced funding levels, a base scenario was developed with a rate yield increase of 1% above inflation of 2%. Two alternative scenarios were also developed from this base, in scenario two the rates yield increase is in line with inflation for the term of the Plan and for scenario three calculations reflect an increase of 4.75% above inflation for the term of the Plan to fund renewal of grain freight roads.

All other assumptions remained the same across the three scenarios.

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

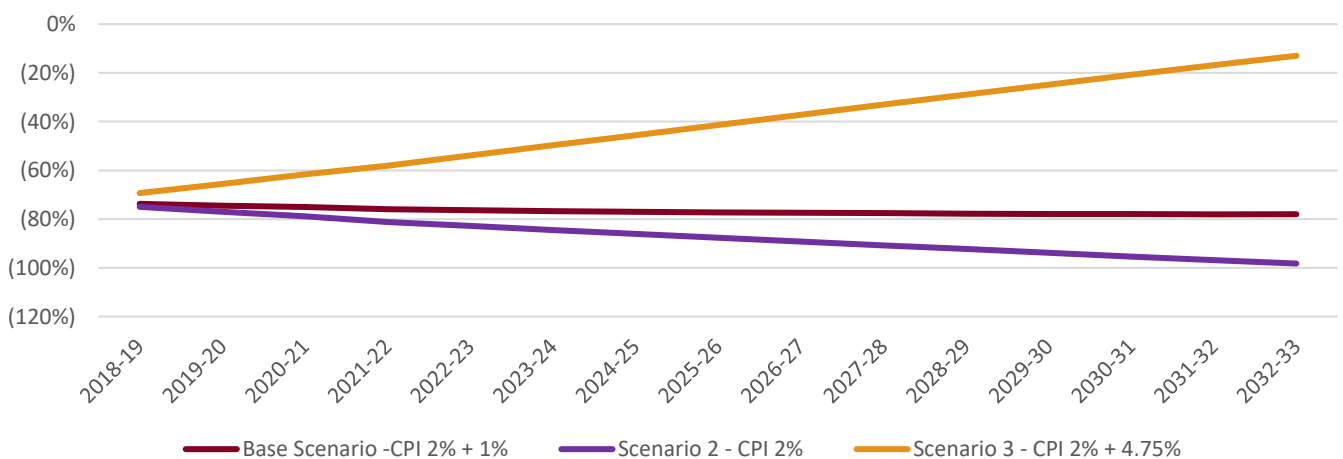
The charts below reflect the impact of a change in total rates yield on the estimated surplus (deficit) at June 30 from the base scenario (other assumptions remaining the same).

12.1.1 Estimated Surplus (Deficit) June 30 Carried Forward



The chart below reflects the impact of the same change in total rates yield on the Shire’s Operating Surplus Ratio (other assumptions remaining the same). The base scenario was selected as it maintained the operating surplus ratio. A further 1% increase is required to move the ratio toward the target ratios levels set out in the Department’s published Advisory Standard.

12.1.2 Scenario Comparison – Operating Surplus Ratio



13.0 Risk Management

13.1 Risk Management

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

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

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

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

13.2 Certainty of Assumptions

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

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

13.3 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.

14.0 Assumptions, Risks, Uncertainties and Sensitivity

14.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
District Growth in Population: The number of residents in the Shire is expected to remain stable.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Rates Level Increase: Annual rates have been based on an increase in the total rate yield of 1% higher than forecast inflation rate of 2%.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Operating Grants and Contributions: Increases in line with inflation forecast.	High	The road maintenance program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$25,920 to the value of operating grants and contributions per 1% movement in the value in the first year of the Plan.
Non-operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	High	The forecast capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$158,749 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
Fees and Charges: Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Interest Earnings: Interest earning of an average rate of 1.50% 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.

14.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

14.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Employee Costs: Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Materials and Contracts: Increased annually by forecast inflation.	High	The road preservation program and general operations of the Shire are dependent on levels of 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	± \$254,718 to the value of materials and contracts per 1% movement in the value over the life of the Plan.
Depreciation: Depreciation has been calculated using an average rate for each asset class based on the weighted average estimated remaining useful life of assets in the class.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Insurance: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Expenditure: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Loss on Asset Disposal: A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

14.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

14.3 Assets – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Revaluations: In line with annual inflation.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	±\$240,270 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$834,930 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
Impairment of Assets: No impairment of assets has been assumed over the life of the Plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.	Medium	Unable to be quantified.
Infrastructure Assets: Expenditure has been based on historical levels escalated by inflation.	High	The capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately on service levels.	High	±\$158,749 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
Property, Plant and Equipment: Building expenditure is in accordance with the 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.

14.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

14.4 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.

14.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

14.5 Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Cash Backed Reserves: It has been assumed the Shire will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Revaluation Surplus: Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluations of assets will have no impact on Cashflows.	High	±\$240,270 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$834,930 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

14.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

14.6 Other – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Ownership of Strategic Assets: The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
Inflators: Forecast inflation at 2% per annum.	Medium	Not assessed as high financial risk.	High	± \$867,249 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$1,189,406 to operating expenditure per 1% movement in the inflators over the life of the Plan.
Commercial Activities: The Shire has no plans to undertake a significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
General Economic Forecasts for State: The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for Region: Historically, the region's economy is heavily dependent on agriculture and processing of agricultural produce and this remains the assumption for the term of this Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

15.0 Monitoring and Performance

15.1 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.

15.2 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.

15.3 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.

15.0 Monitoring and Performance (Continued)

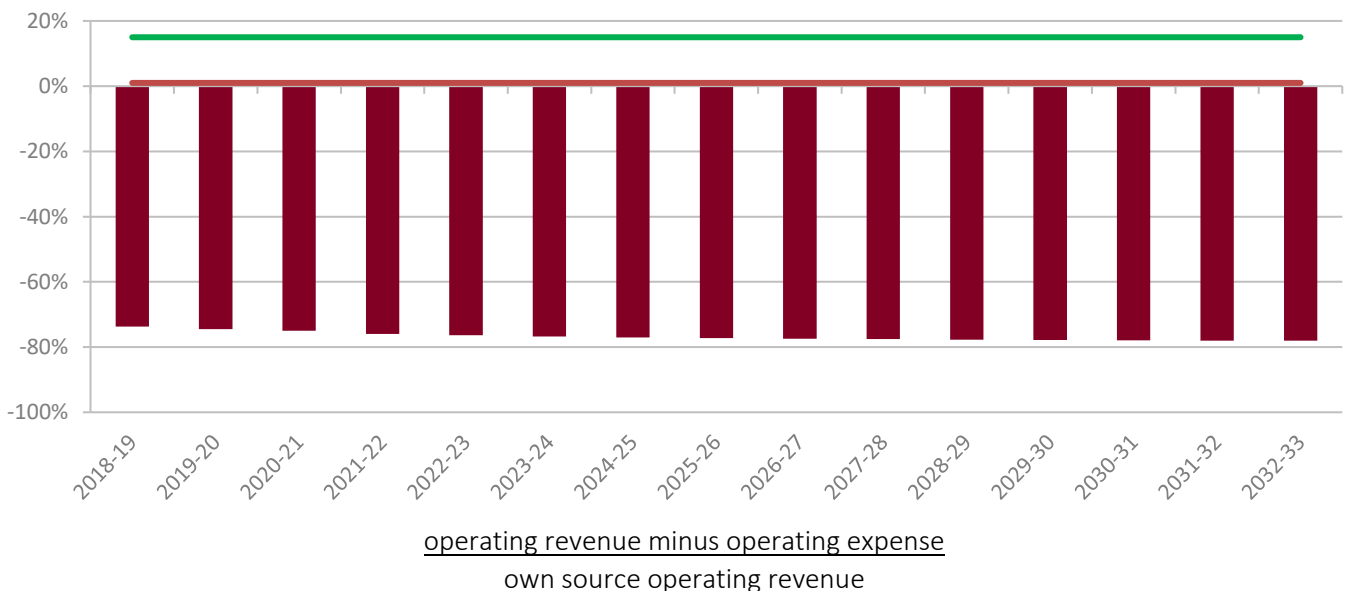
15.4 Forecast Ratio Analysis – Current Ratio



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

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

15.5 Forecast Ratio Analysis – Operating Surplus Ratio

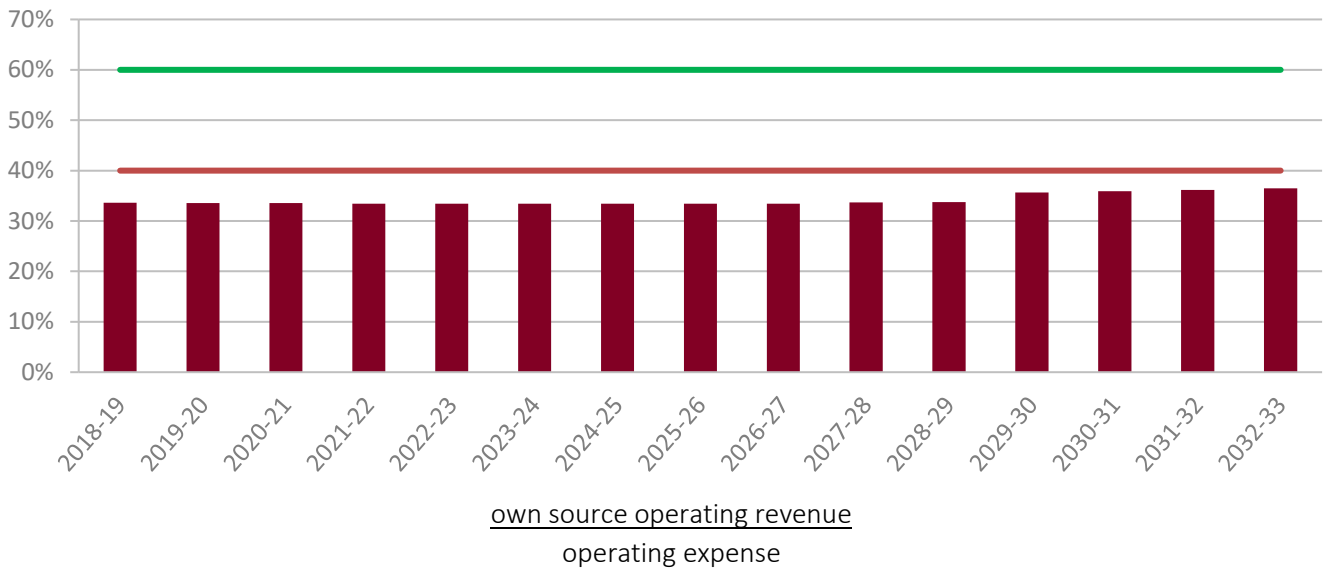


Indication: A measure of the extent to which own source revenues raised cover operational expenses.

Commentary: While the ratio is below the target, the ratio remains relatively stable, decreasing marginally over the term of the Plan. This indicates a level of capital grants such as Regional Road Group funding will be required to maintain assets at current levels into the future.

15.0 Monitoring and Performance (Continued)

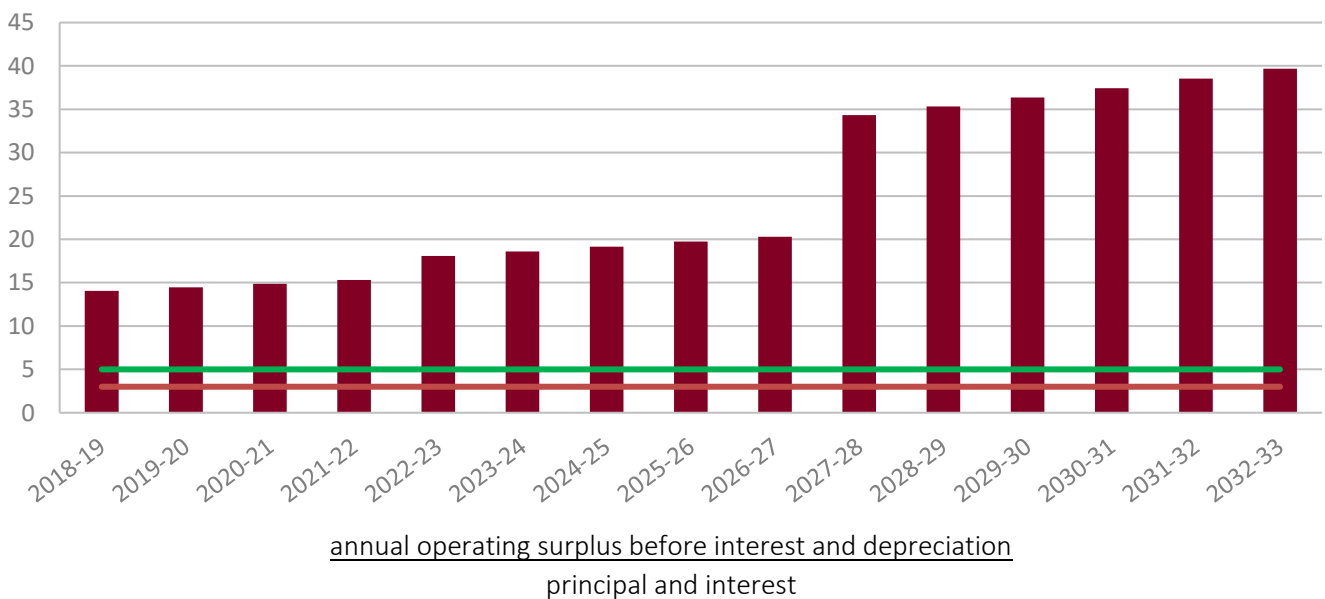
15.6 Forecast Ratio Analysis – Own Source Revenue Coverage Ratio



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

Commentary: The ratio is below the target range indicating that the Shire is reliant on external funding to continue to operate.

15.7 Forecast Ratio Analysis – Debt Service Coverage Ratio



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

Commentary: The ratio is in the advanced range and continues to improve over time as existing borrowings are paid off. After 2032-33, there are no longer any borrowings forecast. The ratio indicates the Shire has a capacity to borrow in the short term with increasing capacity for the term of the Plan.

15.0 Monitoring and Performance (Continued)

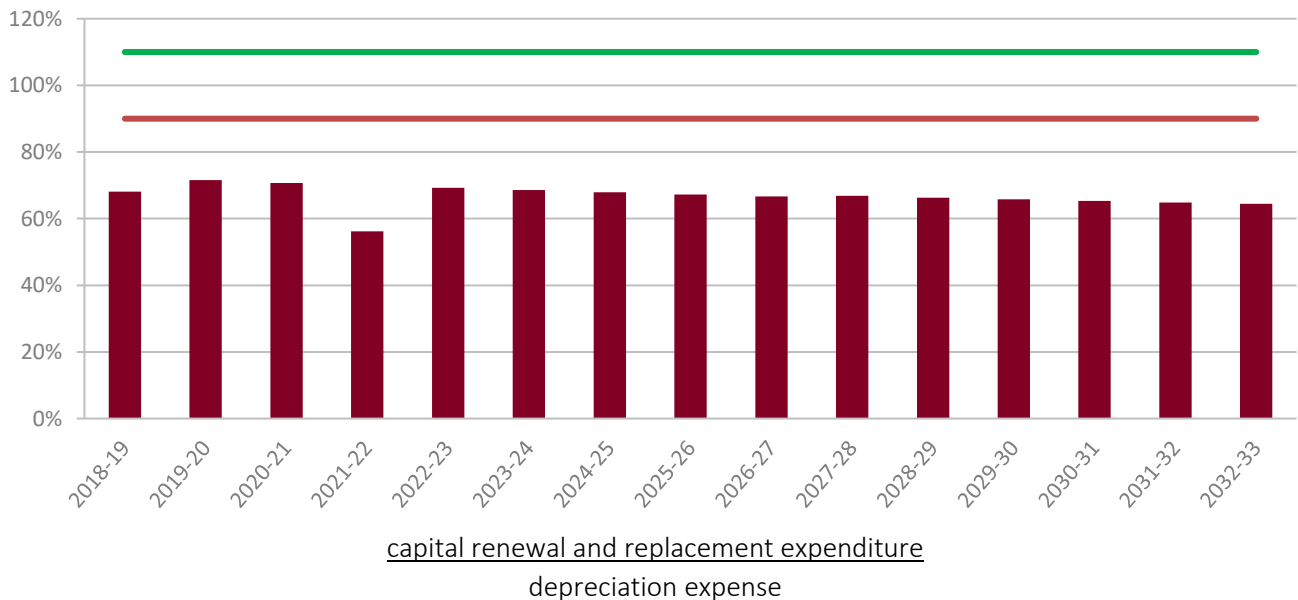
15.8 Forecast Ratio Analysis – Asset Consumption Ratio



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

Commentary: The ratio is above the target range and remains so throughout the term of the Plan with assets being renewed at adequate levels to maintain the average age of assets, however the ratio is declining steadily over the term of the Plan indicating a potential risk in the years following the Plan.

15.9 Forecast Ratio Analysis –Asset Sustainability Ratio

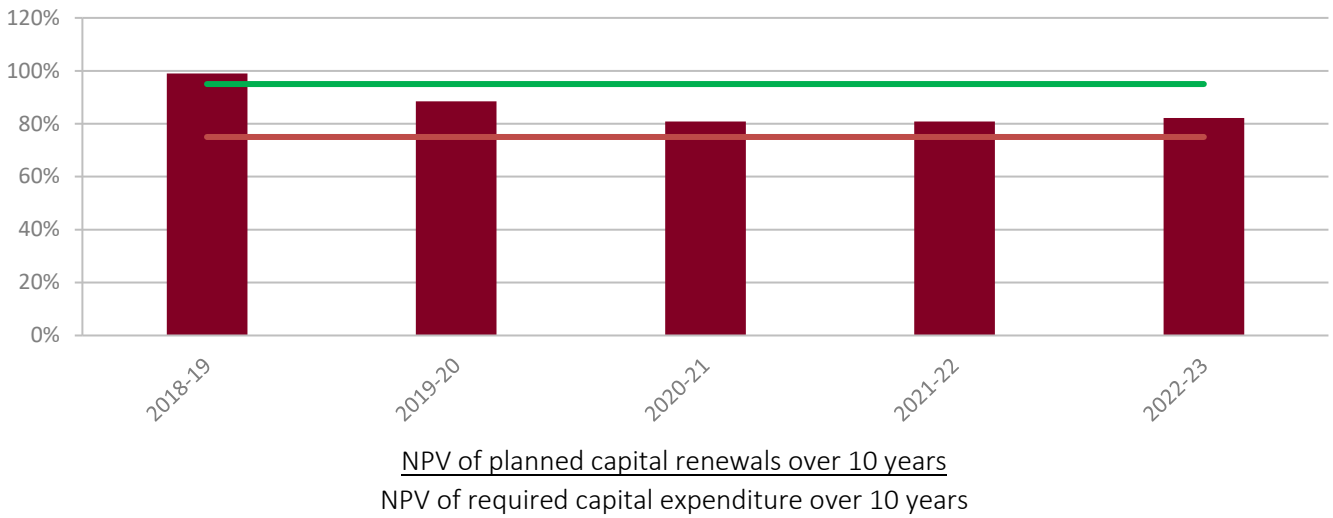


Indication: A measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives.

Commentary: The ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio averages at 66.63% over the term of the Plan which is below the guideline level of 90% and indicates the Shire is generally not renewing assets in line with their forecast useful lives.

15.0 Monitoring and Performance (Continued)

15.10 Forecast Ratio Analysis – Asset Renewal Funding Ratio



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

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

16.0 Improvement Plan

16.1 Strategic Resource Improvement Plan

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

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

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

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

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

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

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

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

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

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Appendix A1 – Critical Assets

1.1 Description

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

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

Asset	Current Replacement Cost (\$)
Administration Offices	1,330,000
Public Hall	3,000,000
Community Centre	975,000
Recreation Centre	4,810,000
Swimming Pool	1,950,230
Emergency Services Facility	\$750,000
Total	12,815,230

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

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

Appendix A2 – Roads and Drainage

2.1 Significant Matters

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

Due to Council adopting a new standard for roads to have an 8m seal with 2m shoulder each side for future road works, considerable funding will be allocated to these projects.

2.2 Road Inventory

The Shire of Narembeen has a road network servicing an area of 3,809¹ square kilometres.

Road assets within this Plan include the following components:

- Kerbing
- Subgrade, Pavement and Seal; and
- Drainage.

Road asset information is recorded within a road inventory database. In 2015, a road infrastructure condition report and valuation was undertaken by an external consultant which forms the basis of the measurements and current replacement cost estimates. This information has been updated by management subsequent to the valuation. Verification of the accuracy of the valuation data is not within the scope of this Plan and has not been undertaken.

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

Road Assets	Length (m)	Current Replacement Cost (\$)
Grain Freight Roads	443,370	27,647,816
Roads (excl. grain freight)	1,264,850	63,696,453
Grand Total	1,708,220	91,344,269

The tables on the following page detail the components in two sections, grain freight roads and all other roads.

¹ Australian Bureau of Statistics Narembeen (S) (LGA56370) 2016 Census of Population and Housing, viewed 17 January 2018

Appendix A2 – Roads and Drainage (Continued)

Grain Freight Road Assets	Length (m)	Current Replacement Cost (\$)
Structural Asphaltic Concrete		
Subgrade Structure	100	1,694
Pavement Structure	100	14,071
Surface Structure	100	33,000
Primer Seal		
Subgrade Structure	140	2372
Pavement Structure	140	15154
Surface Structure	140	3773
Single Chip Seal		
Subgrade Structure	147,550	1,946,098
Pavement Structure	147,550	13,789,245
Surface Structure	147,550	11,842,408
Grain Freight Roads Total	443,370	27,647,816

Roads (excluding grain freight) Assets	Length (m)	Current Replacement Cost (\$)
Structural Asphaltic Concrete		
Subgrade Structure	1,140	12,440
Pavement Structure	1,140	106,627
Surface Structure	1,140	241,643
Double Chip Seal		
Subgrade Structure	20	294
Pavement Structure	20	2,630
Surface Structure	20	4,637
Single Chip Seal		
Subgrade Structure	143,460	1,681,124
Pavement Structure	143,460	12,278,031
Surface Structure	143,330	10,553,727
Unsealed sheeted roads		
Subgrade Structure	825,630	7,213,967
Pavement Structure	825,630	26,559,979
Unsealed formed roads		
Subgrade Structure	294,600	2,744,545
Pavement Structure	294,600	2,296,809
Roads Total (excl. grain freight)	1,264,850	63,696,453

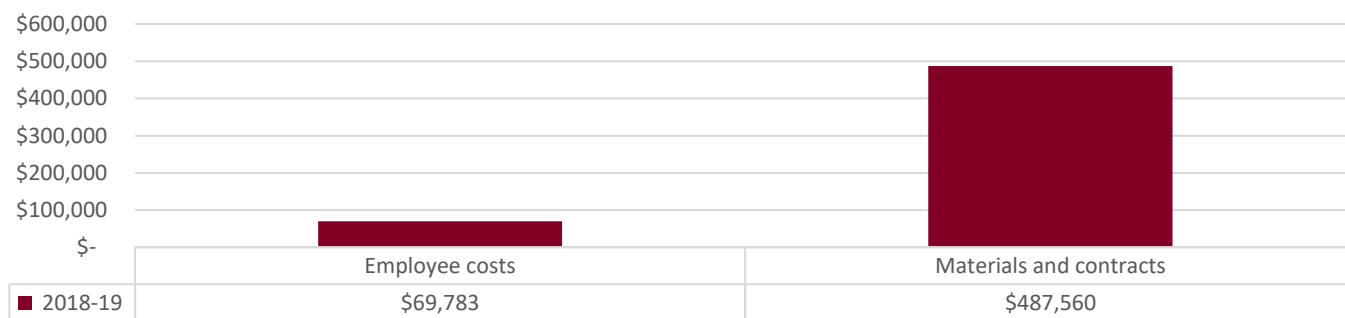
Appendix A2 – Roads and Drainage (Continued)

2.3 Financial Summary

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

2.3.1 Maintenance Expenditure by Program

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



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

2.3.1 New Expenditure

The heavy freight town bypass is planned to be undertaken in 2018-19 at a cost of \$1,700,000. Road safety related projects will be prioritised where issues are identified. External grant funding would be essential to achieve any upgrades.

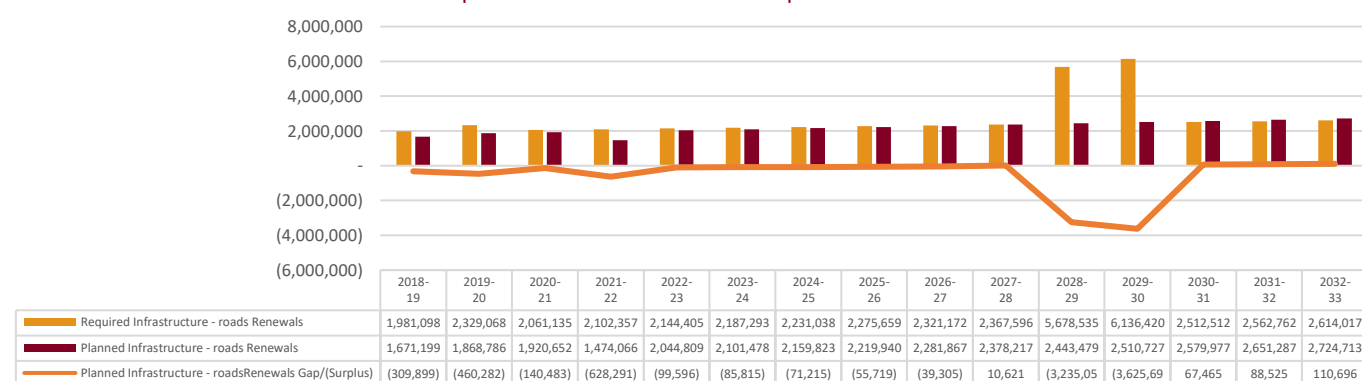
Appendix A2 – Roads and Drainage (Continued)

2.3.2 Renewal Expenditure

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

In the chart below, planned road expenditure is shown as burgundy columns, with required road renewals as the gold columns. The orange line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$33.0m. Required road renewal is calculated at \$41.5m for the term, overall there is a \$8.4m renewal deficit for the Shire's road assets.

2.3.3 Forecast Planned and Required Road Renewal Expenditure



The level and extent of the renewal surplus is dependent on the accuracy of unit cost estimates and remaining useful life estimates for each road component. An improvement in this information will result in improved planning outcomes and enable the scheduling of works to minimise the negative impact of renewal spikes. The spike in 2028-29 and 2029-30 is due to planned grain freight roads renewal.

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

	Required Roads Renewals \$	Planned Roads Renewals \$	Roads Renewal Funding (Gap)/Surplus \$
2018-19	1,977,845	1,671,199	(306,646)
2019-20	2,325,749	1,868,786	(456,963)
2020-21	2,057,749	1,920,652	(137,097)
2021-22	2,098,904	1,474,066	(624,838)
2022-23	2,140,883	2,044,809	(96,074)
2023-24	2,183,700	2,101,478	(82,222)
2024-25	2,227,374	2,159,823	(67,551)
2025-26	2,271,922	2,219,940	(51,982)
2026-27	2,317,360	2,281,867	(35,493)
2027-28	2,363,707	2,378,217	14,510
2028-29	5,674,568	2,443,479	(3,231,089)
2029-30	6,132,374	2,510,727	(3,621,647)
2030-31	2,508,385	2,579,977	71,592
2031-32	2,558,553	2,651,287	92,734
2032-33	2,609,724	2,724,713	114,989
Total	41,448,798	33,031,020	(8,417,778)

Appendix A2 – Roads and Drainage (Continued)

2.4 Level of Service

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

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

2.4.1 Road Construction

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

Appendix A2 – Roads and Drainage (Continued)

2.4.2 Road Maintenance

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

Appendix A2 – Roads and Drainage (Continued)

2.5 Risk Management

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

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

2.6 Improvement

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

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

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

Appendix A3 – Footpaths

3.1 Significant Matters

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

3.2 Inventory

Footpath asset information is recorded within the Shire’s road inventory database (RAMM). The assets within the asset class were valued by management in 2015 with all road infrastructure assets. The current replacement cost at the time of the last valuation was \$954k.

3.2.1 Composition of Estimated Current Replacement Cost of Footpaths

Footpath Type	Current Replacement Cost \$
Asphalt	121,176
Brick Paving	232,573
Concrete	66,597
Concrete Slabs	7,128
Gravel	527,419
Footpaths Total	954,894

3.3 Financial Summary

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

3.3.1 Maintenance Expenditure

Routine maintenance expenditure is currently forecast based on historical data and staff experience. It is currently estimated at \$10k per annum and is comprised of a number of expenditure items including employee cost and materials and contracts.

3.3.2 New Asset Expenditure

Upgrades to existing footpath assets is not currently planned. Projects will be prioritised where issues are identified. External grant funding would be essential to achieve these upgrades.

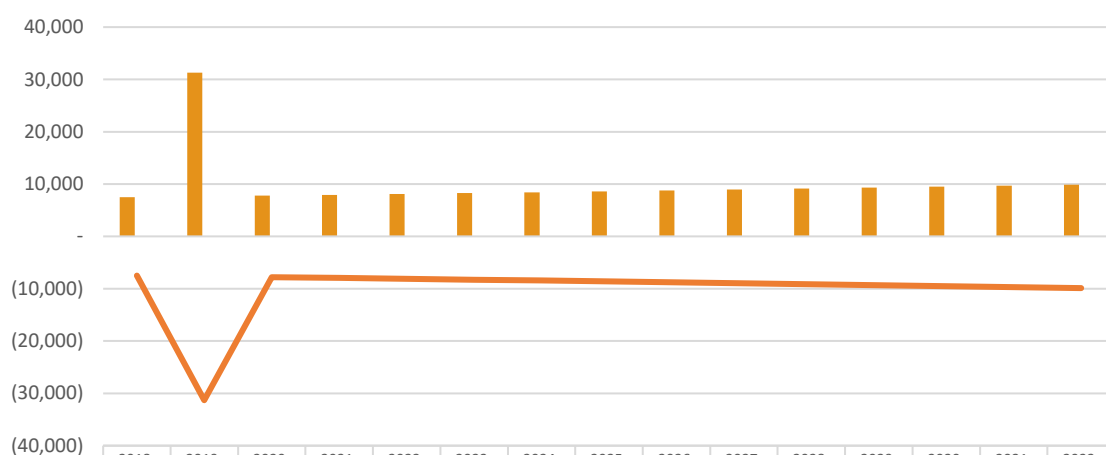
Appendix A3 – Footpaths (Continued)

3.3.3 Renewal Expenditure

Footpaths have no detailed forecast renewal expenditure. Work is prioritised using staff knowledge of the conditions of the footpaths.

In the chart below, forecast planned footpaths expenditure is shown by the burgundy columns, with required footpaths renewals as the gold columns. The orange line indicates the difference between the two expenditure levels. Required footpaths renewal is calculated at \$153k for the term of the Plan, however footpaths renewal have not been allocated funding for the term of the Plan.

3.3.4 Forecast Planned and Required Footpath Renewal Expenditure



	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Required Infrastructure - footpaths Renewals	7,493	31,311	7,795	7,951	8,110	8,273	8,438	8,607	8,779	8,955	9,134	9,316	9,503	9,693	9,887
Planned Infrastructure - footpaths Renewals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planned Renewals Gap/(Surplus)	(7,493)	(31,311)	(7,795)	(7,951)	(8,110)	(8,273)	(8,438)	(8,607)	(8,779)	(8,955)	(9,134)	(9,316)	(9,503)	(9,693)	(9,887)

3.4 Level of Service

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

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

Appendix A3 – Footpaths (Continued)

3.5 Risk Management

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

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

3.6 Improvement Plan

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

Appendix A4 – Infrastructure - Other

4.1 Significant Matters

The Shire controls a network of other infrastructure made up of the following:

- Swimming pool;
- Recreation grounds;
- Active and passive reserves; and
- Other minor facilities.

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

4.2 Inventory

The Shire's other infrastructure current replacement cost at the time of valuation at 14 August 2015 was \$3.04m.

4.2.1 Composition of Estimated Current Replacement Cost of Other Infrastructure Assets

Infrastructure - Other	Estimated Current Replacement Cost (\$)
Swimming Pool	1,974,293
Recreation Ground	189,397
Reticulation	252,034
Narembeen Tennis Club Fence	42,818
Recreation Reserve	38,524
Netball Courts Lighting	13,773
Entrance Signs	43,768
Town Clock	12,342
Fencing	309,725
Caravan Park	5,567
Waste Transfer Station	15,033
ANZAC Memorial	28,733
Multipurpose Hard Courts	114,062
Infrastructure - Other Total	3,040,070

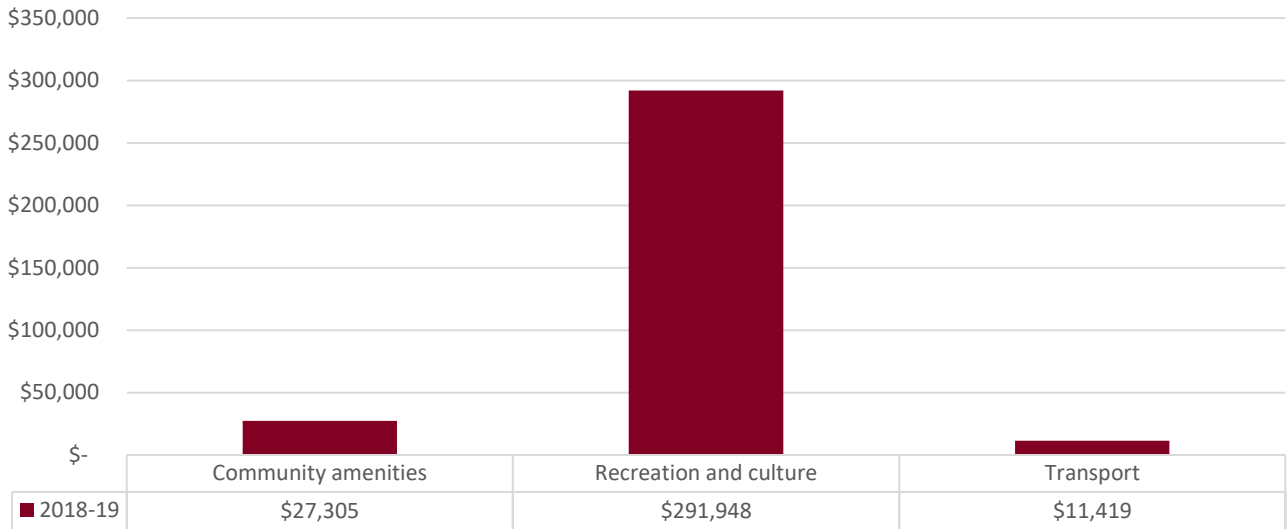
4.3 Financial Summary

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

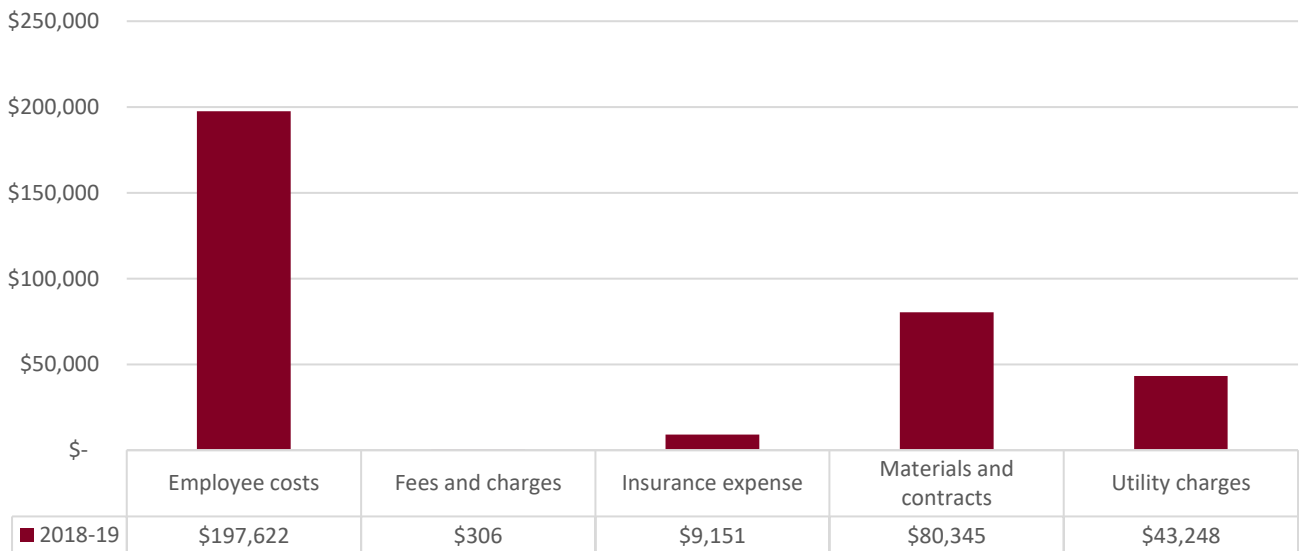
Appendix A4 – Infrastructure - Other (Continued)

4.3.1 Maintenance Expenditure by Program

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



4.3.2 Maintenance Expenditure by Nature and Type



4.3.3 New Expenditure

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

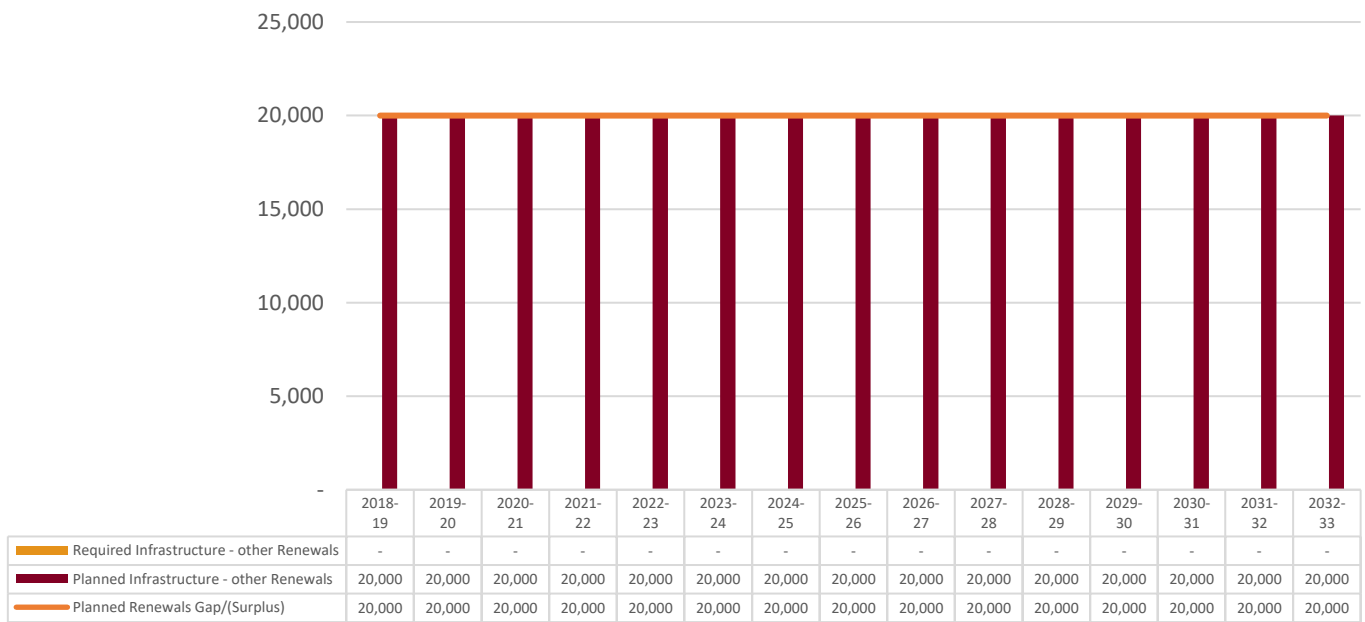
Appendix A4 – Infrastructure - Other (Continued)

4.3.4 Renewal Expenditure

Required other infrastructure renewals over the next 15 years have not been forecast with no major asset renewals currently forecast as being required. Minor asset renewals will be determined and funded within the annual budget cycle.

The Plan has allocations for the renewal of other infrastructure. In the chart below, planned expenditure is shown as the burgundy columns, with forecast required renewals shown as the gold columns (no required expenditure forecast). The orange line shows the variation between the two levels.

4.3.5 Forecast Planned and Required Other Infrastructure Renewal Expenditure



4.4 Level of Service

Detailed performance measures and performance targets for Infrastructure-Other are defined in the table below

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

4.5 Improvement

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

Appendix A5 – Buildings

5.1 Significant Matters

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

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

5.2 Inventory

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

5.2.1 Composition of Estimated Current Replacement Cost of Building Assets

Buildings	Current Replacement Cost (\$)
Administration Offices & Chambers	1,545,000
Apex Park	195,000
Aquatic Centre	538,000
Caravan Park	834,000
Cemetery	73,000
Community Shed and Gallery	749,000
E.M. Jones Park	285,000
Karemberrin Court	797,000
Mt Arrowsmith Tennis Club	561,000
Narembeen Airport	121,000
Refuse Site	54,000
Sale Yards	17,000
Recreation Centre	4,883,000
Townsite	12,736,000
Works Depot	956,000
Buildings Total	24,344,000

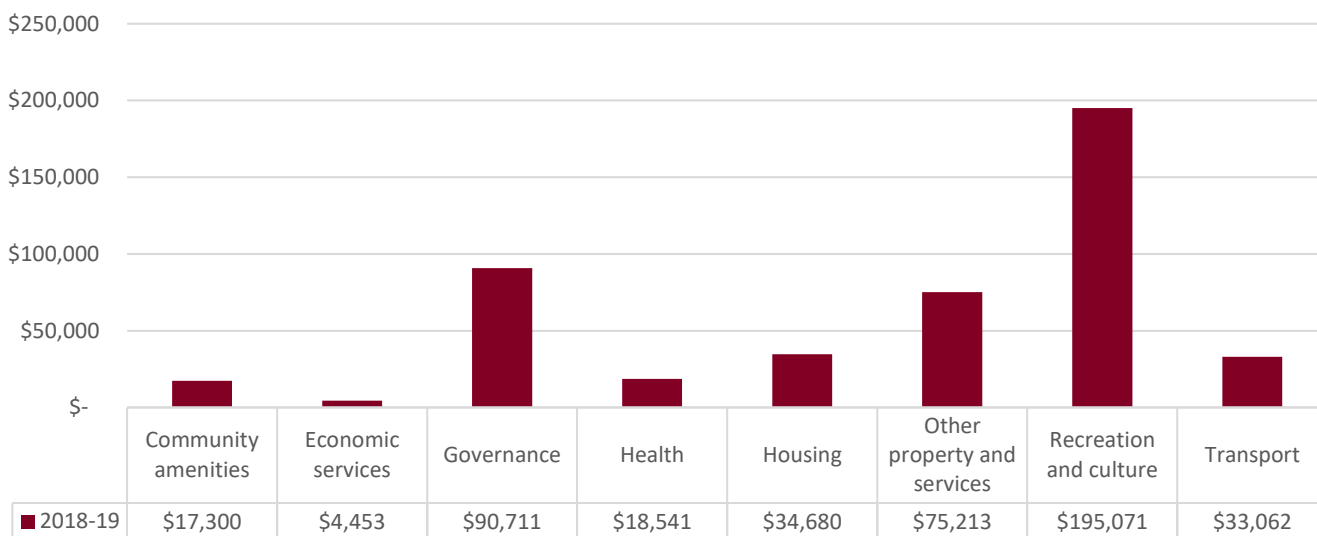
Appendix A5 – Buildings (Continued)

5.3 Financial Summary

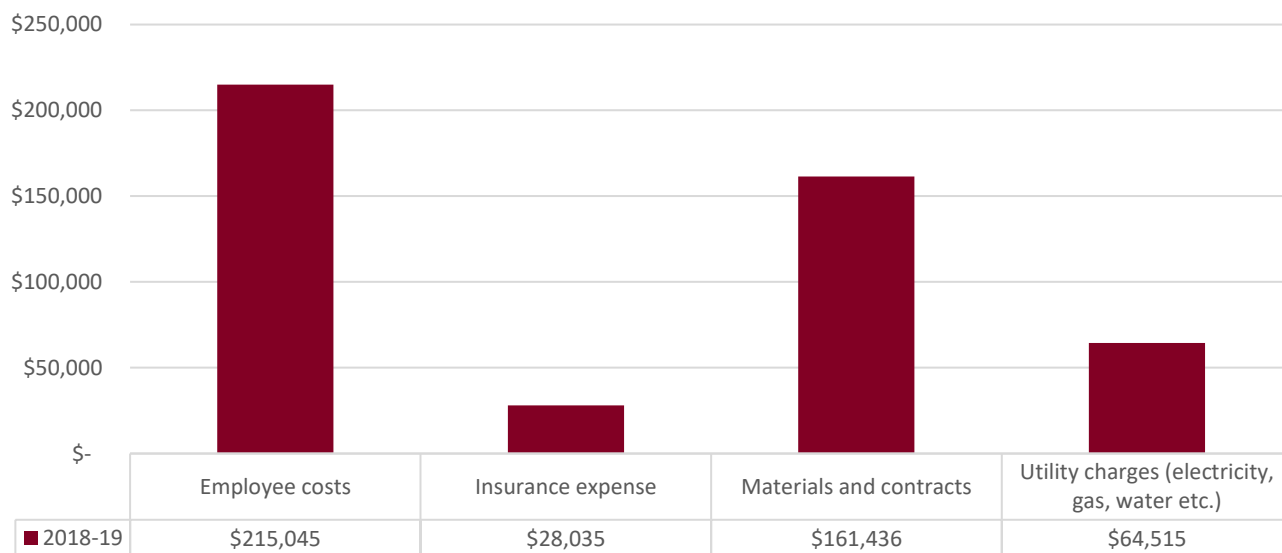
The financial impacts of managing the Shire building assets has been broken down into maintenance, new and renewal expenditure, each of which is examined separately.

5.3.1 Maintenance Expenditure by Program

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



5.3.2 Maintenance Expenditure by Nature and Type



Appendix A5 – Buildings (Continued)

5.3.3 New/Upgrade Asset Expenditure

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

Year	Project	Planned Expenditure \$
2018-19	Lesser Hall Interpretation Centre	200,000
Total		200,000

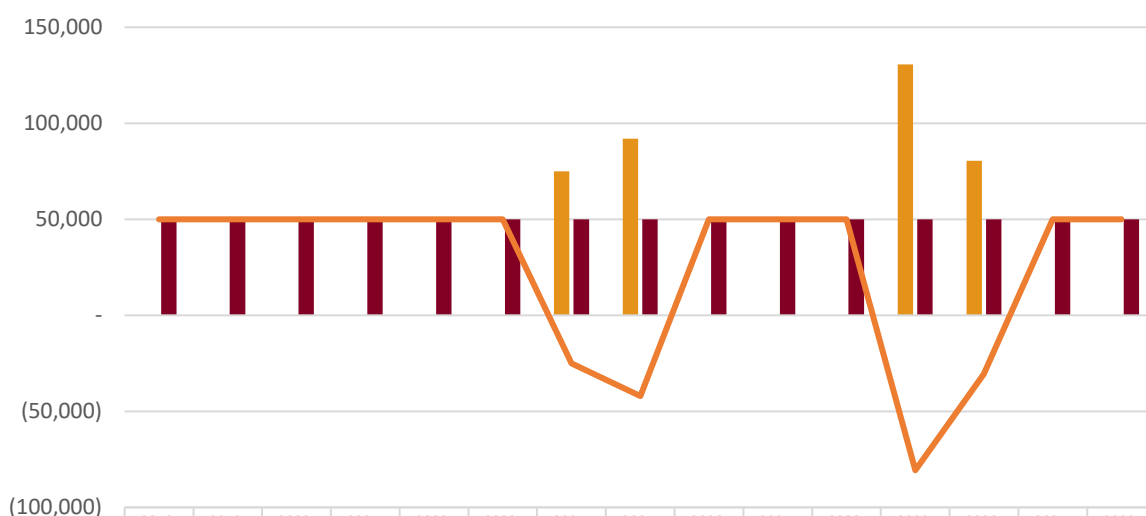
The building is forecasted to be funded partially from external contributions, with the balance being sourced from general purpose funding.

5.3.4 Renewal Expenditure

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

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

5.3.5 Forecast Planned and Required Building Renewal Expenditure



	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Required Buildings Renewals	-	-	-	-	-	-	74,986	92,022	-	-	-	130,654	80,488	-	-
Planned Buildings Renewals	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Planned Renewals Gap/(Surplus)	50,000	50,000	50,000	50,000	50,000	50,000	(24,986)	(42,022)	50,000	50,000	50,000	(80,654)	(30,488)	50,000	50,000

The timing and extent of building renewals in the later years of the Plan will be subject to condition based assessments closer to the estimated renewal timing, along with further assessment of demand. All funds currently allocated to building renewals in the Plan will be placed in the building cash reserves if not required for the renewal of minor building components. Both the timing and costs associated with building renewals are highly variable and in many instances dependent on the level of building maintenance.

Appendix A5 – Buildings (Continued)

5.3.6 Forecast Planned and Required Building Renewal Expenditure

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

	Required Building Renewals \$	Planned Building Renewals \$	Building Renewal Funding (Deficit)/Surplus \$
2018-19	-	50,000	50,000
2019-20	-	50,000	50,000
2020-21	-	50,000	50,000
2021-22	-	50,000	50,000
2022-23	-	50,000	50,000
2023-24	-	50,000	50,000
2024-25	74,986	50,000	(24,986)
2025-26	92,022	50,000	(42,022)
2026-27	-	50,000	50,000
2027-28	-	50,000	50,000
2028-29	-	50,000	50,000
2029-30	130,654	50,000	(80,654)
2030-31	80,488	50,000	(30,488)
2031-32	-	50,000	50,000
2032-33	-	50,000	50,000
Total	378,150	750,000	371,850

5.4 Level of Service

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

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

Appendix A5 – Buildings (Continued)

5.5 Risk Management

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

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

5.6 Improvement

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

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

Appendix A6 – Plant and Equipment

6.1 Significant Matters

The Shire has a large plant and equipment portfolio which includes items such as graders, tractors, prime movers, passenger vehicles and furniture. A 15 year plant replacement program is updated on an annual basis as part of the Shire’s annual budget process.

6.2 Inventory

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

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

Asset	Current Replacement Cost \$
Furniture and Equipment	462,100
Heavy Vehicle and Plant	3,039,153
Light Vehicle and Plant	57,031
Sundry Plant and Equipment	77,500
Total	3,635,783

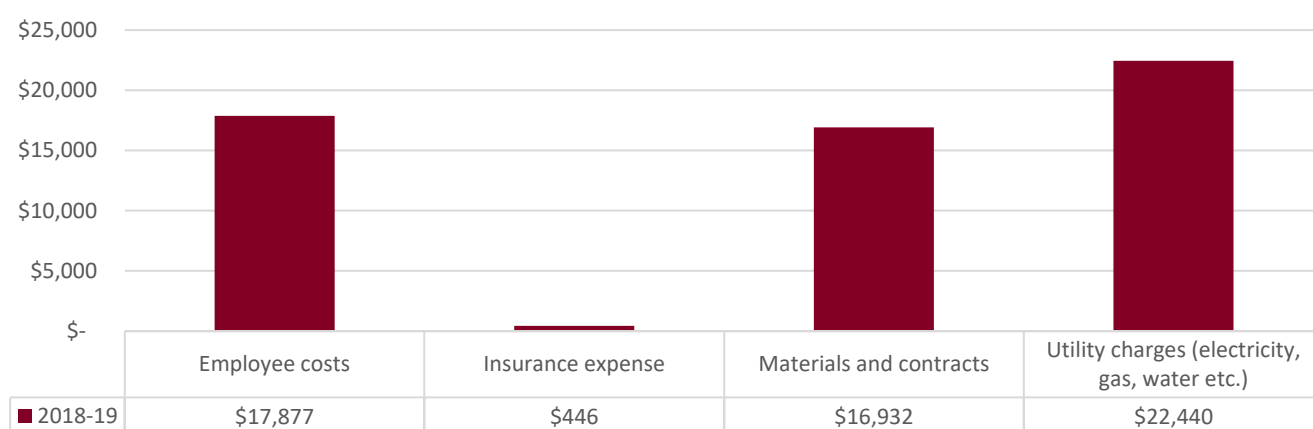
6.3 Financial Summary

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

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

6.3.1 Maintenance Expenditure

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



Appendix A6 – Plant and Equipment (Continued)

6.3.2 New Expenditure

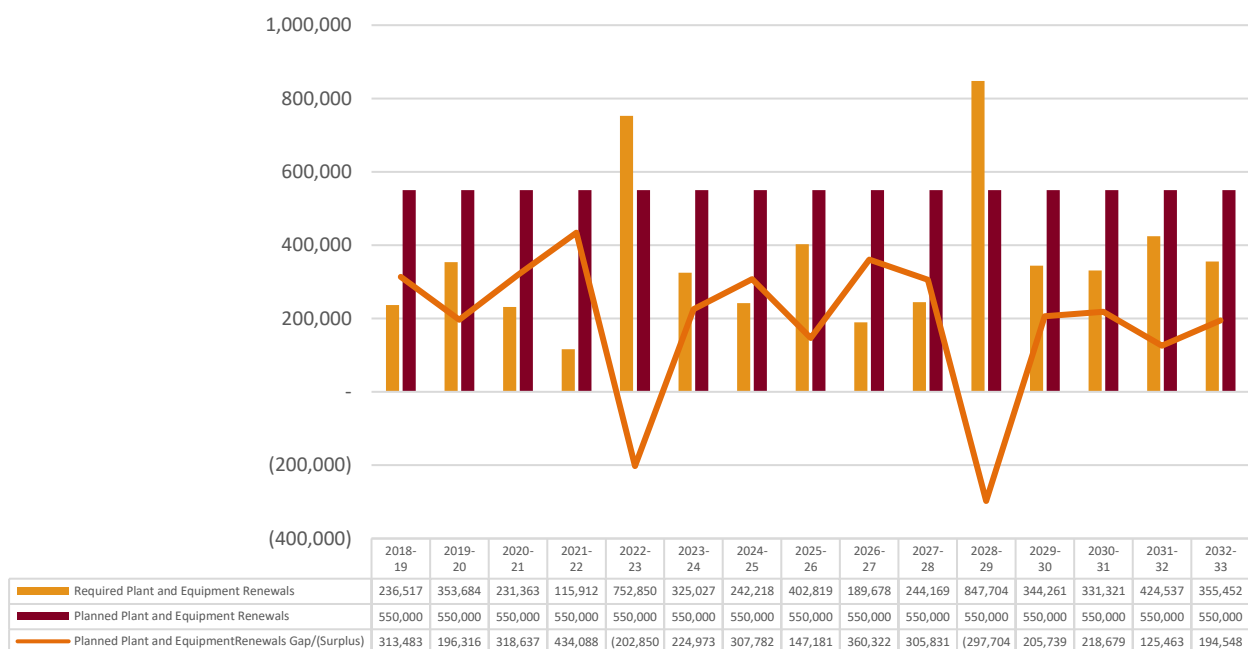
The current fleet of plant and equipment is forecast to maintain the requirements of the Shire and no additional items are forecast to be required over the life of this Plan.

6.3.3 Renewal Expenditure

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

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

6.3.4 Forecast Planned and Required Plant and Equipment Renewal Expenditure



The chart reflects a lack of correlation between the Plant Replacement Program and the estimated useful life of plant and equipment provided by the valuers. The Plan overall has a funding surplus of \$2.8m over the term of the Plan with planned renewals of \$8.2m and required asset renewals of \$5.4m.

6.3.5 Plant Disposals

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

Appendix A6 – Plant and Equipment (Continued)

6.4 Level of Service

Levels of service have not been previously monitored.

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

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

6.5 Risk Management

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

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

6.6 Improvement Plan

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

Appendix A7 – Estimated Asset Life and Residual Value

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

Asset Class	Asset Sub-Class	Pavement Type	Estimated Useful Life	Materials Remaining in-situ
Infrastructure - Roads	Pavement Structure	Asphalt	180	25%
Infrastructure - Roads	Pavement Structure	Asphalt	30	25%
Infrastructure - Roads	Pavement Structure	Asphalt	20	25%
Infrastructure - Roads	Pavement Structure	Asphalt	25	25%
Infrastructure - Roads	Pavement Structure	Single Chip Seal	180	25%
Infrastructure - Roads	Pavement Structure	Single Chip Seal	20	25%
Infrastructure - Roads	Pavement Structure	Single Chip Seal	30	25%
Infrastructure - Roads	Pavement Structure	Single Chip Seal	20	25%
Infrastructure - Roads	Pavement Structure	Single Chip Seal	25	25%
Infrastructure - Roads	Pavement Structure	Unsealed	20	
Infrastructure - Roads	Pavement Structure	Unsealed	90	
Infrastructure - Roads	Pavement Structure	Unsealed	115	100%
Infrastructure - Roads	Pavement Structure	Double Chip Seal	180	25%
Infrastructure - Roads	Pavement Structure	Primer Seal	20	25%
Infrastructure - Roads	Subgrade Structure	Asphalt	200	100%
Infrastructure - Roads	Subgrade Structure	Asphalt	200	100%
Infrastructure - Roads	Subgrade Structure	Asphalt	200	100%
Infrastructure - Roads	Subgrade Structure	Single Chip Seal	200	100%
Infrastructure - Roads	Subgrade Structure	Single Chip Seal	200	100%
Infrastructure - Roads	Subgrade Structure	Single Chip Seal	200	100%
Infrastructure - Roads	Subgrade Structure	Unsealed	200	100%
Infrastructure - Roads	Subgrade Structure	Unsealed	200	100%
Infrastructure - Roads	Subgrade Structure	Unsealed	200	100%
Infrastructure - Roads	Subgrade Structure	Unsealed	200	100%
Infrastructure - Roads	Subgrade Structure	Unsealed	299	100%
Infrastructure - Roads	Subgrade Structure	Unsealed	200	100%
Infrastructure - Roads	Subgrade Structure	Double Chip Seal	200	100%
Infrastructure - Roads	Subgrade Structure	Primer Seal	200	100%
Infrastructure - Roads	Surface Structure	Asphalt	20	
Infrastructure - Roads	Surface Structure	Asphalt	20	
Infrastructure - Roads	Surface Structure	Asphalt	20	
Infrastructure - Roads	Surface Structure	Asphalt	20	
Infrastructure - Roads	Surface Structure	Single Chip Seal	20	
Infrastructure - Roads	Surface Structure	Single Chip Seal	20	
Infrastructure - Roads	Surface Structure	Single Chip Seal	20	
Infrastructure - Roads	Surface Structure	Single Chip Seal	20	
Infrastructure - Roads	Surface Structure	Single Chip Seal	20	
Infrastructure - Roads	Surface Structure	Unsealed	100	100%
Infrastructure - Roads	Surface Structure	Unsealed	100	100%
Infrastructure - Roads	Surface Structure	Unsealed	100	100%
Infrastructure - Roads	Surface Structure	Double Chip Seal	20	
Infrastructure - Roads	Surface Structure	Primer Seal	20	

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

Asset Class	Asset Sub-Class	Pavement Type	Estimated Useful Life	Materials Remaining in-situ
Infrastructure - Drainage	Drainage	>1000mm	115	
Infrastructure - Drainage	Drainage	>300mm<500mm	115	
Infrastructure - Drainage	Drainage	>500mm<800mm	115	
Infrastructure - Drainage	Drainage	<300mm	115	
Infrastructure - Drainage	Drainage	>800mm<1000mm	115	
Infrastructure - Drainage	Drainage		115	
Infrastructure - Drainage	SW Channel	Open Drain	115	
Infrastructure - Drainage	SW Channel	Barrier	139	
Infrastructure - Drainage	SW Channel	Table Drains	115	
Infrastructure - Drainage	Storm Water Pipe	>450mm diam	149	
Infrastructure - Drainage	Storm Water Pipe	<=450mm diam	149	
Infrastructure - Drainage	Storm Water Pit	Grated Footpath Pit >1.2	159	
Infrastructure - Drainage	Storm Water Pit	Grated Pit <=1.2	159	
Infrastructure - Drainage	Storm Water Pit	Grated Top and Side <=1.2	159	
Infrastructure - Drainage	Storm Water Pit	Grated Top and Side >1.2	159	
Infrastructure - Drainage	Storm Water Pit	Junction Pit	159	
Infrastructure - Drainage	Storm Water Pit	Side Entry	159	
Infrastructure - Drainage	Storm Water Pit	Manhole <=1.2	159	
Infrastructure - Drainage	Storm Water Pit	Grated Footpath Pit <=1.2	159	
Infrastructure - Drainage	Storm Water Pit	SEP + Gully(combination) <=1.2	159	
Infrastructure - Drainage	Storm Water Pit	Headwall <=1m	149	
Infrastructure - Footpaths	Footpath	Brick Paving	80	
Infrastructure - Footpaths	Footpath	Gravel	100	
Infrastructure - Footpaths	Footpath	Concrete Slabs	80	
Infrastructure - Footpaths	Footpath	Asphalt	57	
Infrastructure - Footpaths	Footpath	Concrete	80	

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

Asset Class	Asset Sub-Class	Estimated Useful Life	Estimated Residual Value %
Infrastructure - other	Parks and Reserves Infrastructure	105	
Buildings		70	
Plant and Equipment	Wagon	6	55%
Plant and Equipment	Trailer	6	55%
Plant and Equipment	Forklift	6	55%
Plant and Equipment	Utility	6	55%
Plant and Equipment	Tractor	6	55%
Plant and Equipment	Prime Mover	6	55%
Plant and Equipment	Truck	6	55%
Plant and Equipment	Loader	6	55%
Plant and Equipment	Bus	6	55%
Plant and Equipment	Fire Truck	6	55%
Plant and Equipment	Mover	6	55%
Plant and Equipment	Roller	6	55%
Plant and Equipment	Sedan	6	55%
Plant and Equipment	Grader	6	55%
Plant and Equipment	Other	6	55%
Plant and Equipment	Van	6	55%
Plant and Equipment	Prime Mover	6	55%
Plant and Equipment	Scrubber	6	
Plant and Equipment	Compressor	10	
Plant and Equipment	Water Tank	15	
Plant and Equipment	Reception Counter	15	
Plant and Equipment	Photocopier	5	
Plant and Equipment	Telephone System	5	
Plant and Equipment	Library Stock	5	
Plant and Equipment	Server	5	
Plant and Equipment	IT Equipment	5	
Plant and Equipment	Compactus	20	
Plant and Equipment	Notebook	3	
Plant and Equipment	PA System	7	
Plant and Equipment	Security Surveillance	7	
Plant and Equipment	Dishwasher	10	
Plant and Equipment	Exhaust	20	
Plant and Equipment	Deep Fryer	10	
Plant and Equipment	Range	10	
Plant and Equipment	Refrigerator	10	
Plant and Equipment	Beer Post	15	
Plant and Equipment	Coffee Machine	10	
Plant and Equipment	X-ray Machine	10	
Plant and Equipment	Autoclave	10	
Plant and Equipment	Pool Cover	10	
Plant and Equipment	Printer	5	

Appendix B1 – Forecast Financial Statements

Financial Statements

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

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

Statements of Comprehensive Income

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

Statement of Financial Position

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

Statement of Changes in Equity

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

Statement of Cashflows

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

Statement of Funding

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

Statement of Net Current Asset Composition

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

Statement of Fixed Asset Movements

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

Statement of Fixed Asset Funding

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

Forecast Ratios

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

Nature or Type

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

Appendix B1 – Forecast Financial Statements (Continued)

Service Programs

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

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

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

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

	2014-15	2015-16	2016-17	Base	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																			
Rates	1,361,608	1,460,613	1,556,994	1,603,936	1,652,054	1,701,615	1,752,663	1,805,243	1,859,400	1,915,182	1,972,637	2,031,816	2,092,771	2,155,554	2,220,221	2,286,828	2,355,433	2,426,096	2,498,879
Operating grants, subsidies and contributions	3,709,485	1,807,281	4,539,288	7,044,732	2,592,046	2,643,888	2,696,765	2,750,698	2,805,712	2,861,827	2,919,063	2,977,444	3,036,992	3,097,733	3,159,688	3,222,885	3,287,344	3,353,091	3,420,151
Fees and charges	352,974	681,582	1,272,011	593,023	604,883	616,980	629,316	641,901	654,737	667,827	681,184	694,808	708,706	722,884	737,343	752,089	767,132	782,476	798,128
Interest earnings	81,567	82,058	53,587	55,300	45,517	43,355	43,979	44,611	45,255	45,905	46,568	47,240	47,920	48,614	49,317	50,029	50,754	51,488	52,235
Other revenue	75,618	10,045	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	5,581,252	4,041,579	7,421,880	9,296,991	4,894,500	5,005,838	5,122,723	5,242,453	5,365,104	5,490,741	5,619,452	5,751,308	5,886,389	6,024,785	6,166,569	6,311,831	6,460,663	6,613,151	6,769,393
Expenses																			
Employee costs	(1,712,208)	(1,808,620)	(2,162,146)	(1,207,716)	(1,231,871)	(1,256,504)	(1,281,629)	(1,307,261)	(1,333,403)	(1,360,077)	(1,387,278)	(1,415,031)	(1,443,330)	(1,472,200)	(1,501,650)	(1,531,681)	(1,562,313)	(1,593,556)	(1,625,427)
Materials and contracts	(1,165,658)	(1,484,433)	(2,369,729)	(6,944,061)	(1,472,950)	(1,502,405)	(1,532,445)	(1,563,086)	(1,594,331)	(1,626,205)	(1,658,739)	(1,691,907)	(1,725,733)	(1,760,265)	(1,795,485)	(1,831,393)	(1,868,027)	(1,905,394)	(1,943,518)
Utility charges (electricity, gas, water etc.)	(173,236)	(233,131)	(228,528)	(247,900)	(252,858)	(257,913)	(263,066)	(268,327)	(273,684)	(279,152)	(284,739)	(290,424)	(296,228)	(302,160)	(308,207)	(314,365)	(320,652)	(327,077)	(333,628)
Depreciation on non-current assets	(1,565,616)	(3,330,157)	(3,861,774)	(3,516,500)	(3,365,828)	(3,479,048)	(3,594,532)	(3,726,609)	(3,847,044)	(3,969,888)	(4,095,187)	(4,222,993)	(4,353,356)	(4,486,325)	(4,621,956)	(4,760,295)	(4,901,404)	(5,045,335)	(5,192,145)
Interest expense	(74,696)	(69,521)	(60,553)	(59,056)	(55,544)	(52,150)	(48,570)	(44,793)	(40,914)	(37,137)	(33,141)	(28,909)	(24,430)	(19,254)	(16,809)	(14,233)	(11,520)	(8,662)	(5,653)
Insurance expense	(153,976)	(207,473)	(191,717)	(180,587)	(184,202)	(187,882)	(191,645)	(195,480)	(199,388)	(203,376)	(207,445)	(211,595)	(215,829)	(220,141)	(224,546)	(229,041)	(233,621)	(238,292)	(243,061)
Other expenditure	(22,764)	(61,580)	(12,191)	(28,565)	(29,136)	(29,719)	(30,313)	(30,919)	(31,537)	(32,168)	(32,811)	(33,467)	(34,137)	(34,820)	(35,517)	(36,227)	(36,951)	(37,689)	(38,443)
	(4,868,154)	(7,194,915)	(8,886,638)	(12,184,385)	(6,592,389)	(6,765,621)	(6,942,200)	(7,136,475)	(7,320,301)	(7,508,003)	(7,699,340)	(7,894,326)	(8,093,043)	(8,295,165)	(8,504,170)	(8,717,235)	(8,934,488)	(9,156,005)	(9,381,875)
	713,098	(3,153,336)	(1,464,758)	(2,887,394)	(1,697,889)	(1,759,783)	(1,819,477)	(1,894,022)	(1,955,197)	(2,017,262)	(2,079,888)	(2,143,018)	(2,206,654)	(2,270,380)	(2,337,601)	(2,405,404)	(2,473,825)	(2,542,854)	(2,612,482)
Non-operating grants, subsidies and contributions	3,766,248	1,915,615	2,432,306	4,585,359	2,624,996	874,996	874,996	1,874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996
Loss on Revaluation	(82,793)	(63,206)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on disposal of assets	0	3,178	41,116	5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(79,747)	(153,893)	(7,281)	(49,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	4,316,806	(1,451,642)	1,001,383	1,653,965	927,107	(884,787)	(944,481)	(19,026)	(1,080,201)	(1,142,266)	(1,204,892)	(1,268,022)	(1,331,658)	(1,395,384)	(1,462,605)	(1,530,408)	(1,598,829)	(1,667,858)	(1,737,486)
Other Comprehensive Income	42,656,344	(730,276)	(4,295,113)	0	1,831,083	1,884,211	1,902,092	1,919,055	1,954,784	1,970,236	1,984,673	1,998,058	2,010,358	2,021,535	2,032,204	2,041,678	2,049,922	2,056,891	2,062,547
TOTAL COMPREHENSIVE INCOME	46,973,150	(2,181,918)	(3,293,730)	1,653,965	2,758,190	999,424	957,611	1,900,029	874,583	827,970	779,781	730,036	678,700	626,151	569,599	511,270	451,093	389,033	325,061

Refer to Appendix B15 – Forecast Significant Accounting Policies

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

	2014-15	2015-16	2016-17	Base	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue																			
Governance	41,559	46,424	43,447	43,500	44,370	45,258	46,163	47,085	48,026	48,986	49,966	50,966	51,985	53,026	54,087	55,169	56,273	57,399	58,547
General purpose funding	4,389,342	2,490,342	4,599,182	2,717,730	3,741,060	3,829,329	3,922,688	4,018,421	4,116,593	4,217,264	4,320,506	4,426,383	4,534,965	4,646,328	4,760,541	4,877,681	4,997,828	5,121,058	5,247,457
Law, order, public safety	19,635	70,486	70,724	77,300	78,846	80,424	82,032	83,672	85,346	87,052	88,793	90,569	92,381	94,230	96,115	98,038	100,000	102,001	104,041
Housing	79,814	73,557	91,194	79,881	81,479	83,109	84,771	86,465	88,195	89,959	91,758	93,593	95,465	97,375	99,323	101,310	103,336	105,402	107,510
Community amenities	302,200	423,672	349,869	457,175	383,252	390,916	398,735	406,710	414,845	423,141	431,604	440,236	449,040	458,021	467,183	476,528	486,058	495,779	505,695
Recreation and culture	93,664	70,332	118,452	64,005	32,645	33,297	33,962	34,642	35,335	36,042	36,762	37,497	38,246	39,010	39,790	40,585	41,397	42,225	43,069
Transport	288,900	506,446	1,147,671	5,517,000	185,640	189,353	193,140	197,002	200,942	204,961	209,060	213,241	217,506	221,856	226,293	230,819	235,436	240,145	244,948
Economic services	223,822	221,496	227,849	242,800	247,656	252,610	257,661	262,815	268,070	273,431	278,899	284,476	290,166	295,970	301,890	307,927	314,085	320,367	326,775
Other property and services	142,316	138,824	773,492	97,600	99,552	101,542	103,571	105,641	107,752	109,905	112,104	114,347	116,635	118,969	121,347	123,774	126,250	128,775	131,351
	5,581,252	4,041,579	7,421,880	9,296,991	4,894,500	5,005,838	5,122,723	5,242,453	5,365,104	5,490,741	5,619,452	5,751,308	5,886,389	6,024,785	6,166,569	6,311,831	6,460,663	6,613,151	6,769,393
Expenses Excluding Finance Costs																			
Governance	(266,144)	(309,542)	(264,398)	(319,325)	(321,235)	(328,589)	(336,086)	(344,024)	(351,829)	(359,797)	(367,925)	(376,213)	(384,670)	(393,300)	(402,101)	(411,075)	(420,227)	(429,561)	(439,087)
General purpose funding	(93,431)	(158,201)	(91,787)	(105,342)	(107,449)	(109,598)	(111,789)	(114,024)	(116,304)	(118,631)	(121,003)	(123,423)	(125,891)	(128,410)	(130,979)	(133,598)	(136,270)	(138,994)	(141,775)
Law, order, public safety	(68,995)	(105,376)	(167,953)	(167,768)	(167,807)	(171,853)	(175,976)	(180,399)	(184,696)	(189,079)	(193,550)	(198,111)	(202,764)	(207,509)	(212,348)	(217,283)	(222,317)	(227,454)	(232,692)
Health	(166,484)	(191,627)	(169,372)	(162,978)	(164,509)	(168,156)	(171,878)	(175,789)	(179,665)	(183,616)	(187,649)	(191,761)	(195,953)	(200,235)	(204,600)	(209,049)	(213,587)	(218,218)	(222,943)
Housing	(284,898)	(144,730)	(199,822)	(165,495)	(163,882)	(168,182)	(172,570)	(177,363)	(181,923)	(186,577)	(191,336)	(196,181)	(201,124)	(206,172)	(211,330)	(216,579)	(221,930)	(227,399)	(232,978)
Community amenities	(508,727)	(703,188)	(694,380)	(720,590)	(732,792)	(747,902)	(763,319)	(779,183)	(795,221)	(811,581)	(828,274)	(845,297)	(862,659)	(880,374)	(898,445)	(916,873)	(935,669)	(954,841)	(974,398)
Recreation and culture	(826,275)	(1,127,031)	(1,110,036)	(1,148,906)	(1,147,670)	(1,175,653)	(1,204,191)	(1,234,870)	(1,264,590)	(1,294,913)	(1,325,837)	(1,357,382)	(1,389,557)	(1,422,381)	(1,455,864)	(1,490,007)	(1,524,836)	(1,560,366)	(1,596,610)
Transport	(2,090,793)	(3,904,165)	(5,222,539)	(8,800,628)	(3,218,301)	(3,313,475)	(3,410,555)	(3,519,162)	(3,620,355)	(3,723,571)	(3,828,851)	(3,936,238)	(4,045,772)	(4,157,496)	(4,271,456)	(4,387,697)	(4,506,264)	(4,627,202)	(4,750,558)
Economic services	(300,623)	(379,764)	(413,341)	(436,438)	(440,843)	(450,559)	(460,469)	(470,855)	(481,170)	(491,689)	(502,424)	(513,370)	(524,532)	(535,922)	(547,540)	(559,389)	(571,475)	(583,801)	(596,377)
Other property and services	(187,088)	(101,770)	(492,457)	(97,859)	(72,357)	(79,504)	(86,797)	(96,013)	(103,634)	(111,412)	(119,350)	(127,441)	(135,691)	(144,112)	(152,698)	(161,452)	(170,393)	(179,507)	(188,804)
	(4,793,458)	(7,125,394)	(8,826,085)	(12,125,329)	(6,536,845)	(6,713,471)	(6,893,630)	(7,091,682)	(7,279,387)	(7,470,866)	(7,666,199)	(7,865,417)	(8,068,613)	(8,275,911)	(8,487,361)	(8,703,002)	(8,922,968)	(9,147,343)	(9,376,222)
Finance Costs																			
Governance	0	0	(576)	(1,871)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing	(8,044)	(7,730)	(4,406)	(3,881)	(2,775)	(2,507)	(2,227)	(1,936)	(1,632)	(1,315)	(984)	(639)	(280)	0	0	0	0	0	0
Community amenities	(1,893)	(1,255)	(334)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	(60,507)	(58,950)	(55,237)	(53,304)	(52,769)	(49,643)	(46,343)	(42,857)	(39,282)	(35,822)	(32,157)	(28,270)	(24,150)	(19,254)	(16,809)	(14,233)	(11,520)	(8,662)	(5,653)
Other property and services	(4,252)	(1,586)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(74,696)	(69,521)	(60,553)	(59,056)	(55,544)	(52,150)	(48,570)	(44,793)	(40,914)	(37,137)	(33,141)	(28,909)	(24,430)	(19,254)	(16,809)	(14,233)	(11,520)	(8,662)	(5,653)

Refer to Appendix B15 – Forecast Significant Accounting Policies

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

	2014-15	2015-16	2016-17	Base	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Non Operating Grants, Subsidies and Contributions																			
Law, order, public safety	0	0	0	450,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Health	0	0	0	477,200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community amenities	0	0	0	660,400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	1,028,024	0	0	100,000	50,000	0	0	1,000,000	0	0	0	0	0	0	0	0	0	0	0
Transport	579,224	1,915,615	2,432,306	2,897,759	2,574,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996
	3,766,248	1,915,615	2,432,306	4,585,359	2,624,996	874,996	874,996	1,874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996
Profit/(Loss) on Disposal of Assets																			
Community amenities	0	3,178	41,116	(5,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other property and services	0	(153,893)	(7,281)	(39,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(79,747)	(150,715)	33,835	(44,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on Revaluation of Assets	(82,793)	(63,206)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	4,316,806	(1,451,642)	1,001,383	1,653,965	927,107	(884,787)	(944,481)	(19,026)	(1,080,201)	(1,142,266)	(1,204,892)	(1,268,022)	(1,331,658)	(1,395,384)	(1,462,605)	(1,530,408)	(1,598,829)	(1,667,858)	(1,737,486)
Other Comprehensive Income	42,656,344	(730,276)	(4,295,113)	0	1,831,083	1,884,211	1,902,092	1,919,055	1,954,784	1,970,236	1,984,673	1,998,058	2,010,358	2,021,535	2,032,204	2,041,678	2,049,922	2,056,891	2,062,547
TOTAL COMPREHENSIVE INCOME	46,973,150	(2,181,918)	(3,293,730)	1,653,965	2,758,190	999,424	957,611	1,900,029	874,583	827,970	779,781	730,036	678,700	626,151	569,599	511,270	451,093	389,033	325,061

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B4 – Forecast Statement of Financial Position 2018-2033

	2015	2016	2017	Base	30 June 19	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																			
Unrestricted Cash and Equivalents	1,612,605	3,029,316	1,614,842	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440
Restricted Cash and Cash Equivalent	2,664,883	0	2,819,997	2,730,890	2,771,855	2,813,433	2,855,635	2,898,469	2,941,947	2,986,075	3,030,866	3,076,329	3,122,472	3,169,309	3,216,849	3,265,101	3,314,078	3,363,789	3,414,247
Trade and Other Receivables	213,664	182,708	372,007	134,306	134,574	134,854	135,145	135,449	135,766	136,097	136,442	136,801	128,031	128,031	128,031	128,031	128,031	128,031	128,031
Inventories	377,016	389,457	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513
TOTAL CURRENT ASSETS	4,868,168	3,601,481	4,822,359	2,999,149	3,040,382	3,082,240	3,124,733	3,167,871	3,211,666	3,256,125	3,301,261	3,347,083	3,384,456	3,431,293	3,478,833	3,527,085	3,576,062	3,625,773	3,676,231
NON-CURRENT ASSETS																			
Other Receivables	130,921	91,580	85,946	85,946	79,403	72,580	65,466	58,048	50,313	42,247	33,836	25,066	25,066	25,066	25,066	25,066	25,066	25,066	25,066
Property Plant and Equipment	22,926,761	22,527,238	22,350,411	24,040,401	24,642,055	24,997,926	25,301,944	25,551,893	25,745,487	25,880,375	25,954,128	25,964,246	25,908,157	25,783,206	25,586,662	25,315,713	24,967,461	24,538,921	24,027,019
Infrastructure	75,347,414	74,639,925	70,235,143	71,691,242	73,746,042	74,284,120	74,828,314	76,364,877	76,943,832	77,530,770	78,126,326	78,731,213	79,346,171	80,004,549	80,674,820	81,357,879	82,054,626	82,766,009	83,493,026
TOTAL NON-CURRENT ASSETS	98,405,096	97,258,743	93,041,500	96,187,589	98,837,500	99,724,626	100,565,724	102,344,818	103,109,632	103,823,392	104,484,290	105,090,525	105,649,394	106,182,821	106,656,548	107,068,658	107,417,153	107,699,996	107,915,111
TOTAL ASSETS	103,273,264	100,860,224	97,863,859	99,186,738	101,877,882	102,806,866	103,690,457	105,512,689	106,321,298	107,079,517	107,785,551	108,437,608	109,033,850	109,614,114	110,135,381	110,595,743	110,993,215	111,325,769	111,591,342
CURRENT LIABILITIES																			
Trade and Other Payables	289,461	249,511	465,984	261,984	261,984	261,984	261,984	261,984	261,984	261,984	261,984	261,984	261,984	261,984	261,984	261,984	261,984	261,984	261,984
Current Portion of Long-term Liabilities	96,596	76,405	1,128,672	96,570	63,897	67,197	70,683	58,556	62,016	65,681	69,568	73,688	45,887	48,332	50,908	53,621	56,479	59,488	62,659
Provisions	316,334	243,258	302,889	267,889	267,889	267,889	267,889	267,889	267,889	267,889	267,889	267,889	267,889	267,889	267,889	267,889	267,889	267,889	267,889
TOTAL CURRENT LIABILITIES	702,391	569,174	1,897,545	626,443	593,770	597,070	600,556	588,429	591,889	595,554	599,441	603,561	575,760	578,205	580,781	583,494	586,352	589,361	592,532
NON-CURRENT LIABILITIES																			
Long-term Borrowings	1,158,235	1,053,552	0	940,016	905,643	831,903	754,397	688,727	619,293	545,877	468,243	386,144	331,487	283,155	232,247	178,626	122,147	62,659	0
Provisions	24,648	31,425	53,971	53,971	53,971	53,971	53,971	53,971	53,971	53,971	53,971	53,971	53,971	53,971	53,971	53,971	53,971	53,971	53,971
TOTAL NON-CURRENT LIABILITIES	1,182,883	1,084,977	53,971	993,987	959,614	885,874	808,368	742,698	673,264	599,848	522,214	440,115	385,458	337,126	286,218	232,597	176,118	116,630	53,971
TOTAL LIABILITIES	1,885,274	1,654,151	1,951,516	1,620,430	1,553,384	1,482,944	1,408,924	1,331,127	1,265,153	1,195,402	1,121,655	1,043,676	961,218	915,331	866,999	816,091	762,470	705,991	646,503
NET ASSETS	101,387,990	99,206,073	95,912,343	97,566,308	100,324,498	101,323,922	102,281,533	104,181,562	105,056,145	105,884,115	106,663,896	107,393,932	108,072,632	108,698,783	109,268,382	109,779,652	110,230,745	110,619,778	110,944,839
EQUITY																			
Retained Surplus	48,146,643	46,559,384	47,339,491	48,309,826	49,195,968	48,269,603	47,282,920	47,221,060	46,097,381	44,910,987	43,661,304	42,347,819	40,970,018	39,527,797	38,017,652	36,438,992	34,791,186	33,073,617	31,285,673
Reserves - Cash Backed	1,690,366	1,825,984	2,047,260	2,730,890	2,771,855	2,813,433	2,855,635	2,898,469	2,941,947	2,986,075	3,030,866	3,076,329	3,122,472	3,169,309	3,216,849	3,265,101	3,314,078	3,363,789	3,414,247
Asset Revaluation Surplus	51,550,981	50,820,705	46,525,592	46,525,592	48,356,675	50,240,886	52,142,978	54,062,033	56,016,817	57,987,053	59,971,726	61,969,784	63,980,142	66,001,677	68,033,881	70,075,559	72,125,481	74,182,372	76,244,919
TOTAL EQUITY	101,387,990	99,206,073	95,912,343	97,566,308	100,324,498	101,323,922	102,281,533	104,181,562	105,056,145	105,884,115	106,663,896	107,393,932	108,072,632	108,698,783	109,268,382	109,779,652	110,230,745	110,619,778	110,944,839

Refer to Appendix B15 – Forecast Significant Accounting Policies

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

	2015	2016	2017	Base	30 June 19	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
RETAINED SURPLUS																				
Opening Balance	43,829,837	48,146,644	46,559,384	47,339,491	48,309,826	49,195,968	48,269,603	47,282,920	47,221,060	46,097,381	44,910,987	43,661,304	42,347,819	40,970,018	39,527,797	38,017,652	36,438,992	34,791,186	33,073,617	
Net Result	4,316,806	(1,451,642)	1,001,383	1,653,965	927,107	(884,787)	(944,481)	(19,026)	(1,080,201)	(1,142,266)	(1,204,892)	(1,268,022)	(1,331,658)	(1,395,384)	(1,462,605)	(1,530,408)	(1,598,829)	(1,667,858)	(1,737,486)	
Amount transferred (to)/from Reserves		(135,618)	(221,276)	(683,630)	(40,965)	(41,578)	(42,202)	(42,834)	(43,478)	(44,128)	(44,791)	(45,463)	(46,143)	(46,837)	(47,540)	(48,252)	(48,977)	(49,711)	(50,458)	
Closing Balance	48,146,643	46,559,384	47,339,491	48,309,826	49,195,968	48,269,603	47,282,920	47,221,060	46,097,381	44,910,987	43,661,304	42,347,819	40,970,018	39,527,797	38,017,652	36,438,992	34,791,186	33,073,617	31,285,673	
RESERVES - CASH/INVESTMENT BACKED																				
Opening Balance	1,690,366	1,690,366	1,825,984	2,047,260	2,730,890	2,771,855	2,813,433	2,855,635	2,898,469	2,941,947	2,986,075	3,030,866	3,076,329	3,122,472	3,169,309	3,216,849	3,265,101	3,314,078	3,363,789	
Amount transferred to/(from) Retained Surplus	0	135,618	221,276	683,630	40,965	41,578	42,202	42,834	43,478	44,128	44,791	45,463	46,143	46,837	47,540	48,252	48,977	49,711	50,458	
Closing Balance	1,690,366	1,825,984	2,047,260	2,730,890	2,771,855	2,813,433	2,855,635	2,898,469	2,941,947	2,986,075	3,030,866	3,076,329	3,122,472	3,169,309	3,216,849	3,265,101	3,314,078	3,363,789	3,414,247	
ASSET REVALUATION SURPLUS																				
Opening Balance	8,894,637	51,550,981	50,820,705	46,525,592	46,525,592	48,356,675	50,240,886	52,142,978	54,062,033	56,016,817	57,987,053	59,971,726	61,969,784	63,980,142	66,001,677	68,033,881	70,075,559	72,125,481	74,182,372	
Total Other Comprehensive Income	42,656,344	(730,276)	(4,295,113)	0	1,831,083	1,884,211	1,902,092	1,919,055	1,954,784	1,970,236	1,984,673	1,998,058	2,010,358	2,021,535	2,032,204	2,041,678	2,049,922	2,056,891	2,062,547	
Closing Balance	51,550,981	50,820,705	46,525,592	46,525,592	48,356,675	50,240,886	52,142,978	54,062,033	56,016,817	57,987,053	59,971,726	61,969,784	63,980,142	66,001,677	68,033,881	70,075,559	72,125,481	74,182,372	76,244,919	
TOTAL EQUITY	101,387,990	99,206,073	95,912,343	97,566,308	100,324,498	101,323,922	102,281,533	104,181,562	105,056,145	105,884,115	106,663,896	107,393,932	108,072,632	108,698,783	109,268,382	109,779,652	110,230,745	110,619,778	110,944,839	

Appendix B6 – Forecast Statement of Cashflows 2018-2033

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Cash Flows From Operating Activities																
Receipts																
Rates	1,652,054	1,701,615	1,752,663	1,805,243	1,859,400	1,915,182	1,972,637	2,031,816	2,092,771	2,155,554	2,220,221	2,286,828	2,355,433	2,426,096	2,498,879	
Operating grants, subsidies and contributions	2,592,046	2,643,888	2,696,765	2,750,698	2,805,712	2,861,827	2,919,063	2,977,444	3,036,992	3,097,733	3,159,688	3,222,885	3,287,344	3,353,091	3,420,151	
Fees and charges	604,883	616,980	629,316	641,901	654,737	667,827	681,184	694,808	708,706	722,884	737,343	752,089	767,132	782,476	798,128	
Interest earnings	45,517	43,355	43,979	44,611	45,255	45,905	46,568	47,240	47,920	48,614	49,317	50,029	50,754	51,488	52,235	
	4,894,500	5,005,838	5,122,723	5,242,453	5,365,104	5,490,741	5,619,452	5,751,308	5,886,389	6,024,785	6,166,569	6,311,831	6,460,663	6,613,151	6,769,393	
Payments																
Employee costs	(1,231,871)	(1,256,504)	(1,281,629)	(1,307,261)	(1,333,403)	(1,360,077)	(1,387,278)	(1,415,031)	(1,443,330)	(1,472,200)	(1,501,650)	(1,531,681)	(1,562,313)	(1,593,556)	(1,625,427)	
Materials and contracts	(1,472,950)	(1,502,405)	(1,532,445)	(1,563,086)	(1,594,331)	(1,626,205)	(1,658,739)	(1,691,907)	(1,725,733)	(1,760,265)	(1,795,485)	(1,831,393)	(1,868,027)	(1,905,394)	(1,943,518)	
Utility charges	(252,858)	(257,913)	(263,066)	(268,327)	(273,684)	(279,152)	(284,739)	(290,424)	(296,228)	(302,160)	(308,207)	(314,365)	(320,652)	(327,077)	(333,628)	
Interest expenses	(55,544)	(52,150)	(48,570)	(44,793)	(40,914)	(37,137)	(33,141)	(28,909)	(24,430)	(19,254)	(16,809)	(14,233)	(11,520)	(8,662)	(5,653)	
Insurance expenses	(184,202)	(187,882)	(191,645)	(195,480)	(199,388)	(203,376)	(207,445)	(211,595)	(215,829)	(220,141)	(224,546)	(229,041)	(233,621)	(238,292)	(243,061)	
Other expenditure	(29,136)	(29,719)	(30,313)	(30,919)	(31,537)	(32,168)	(32,811)	(33,467)	(34,137)	(34,820)	(35,517)	(36,227)	(36,951)	(37,689)	(38,443)	
	(3,226,561)	(3,286,573)	(3,347,668)	(3,409,866)	(3,473,257)	(3,538,115)	(3,604,153)	(3,671,333)	(3,739,687)	(3,808,840)	(3,882,214)	(3,956,940)	(4,033,084)	(4,110,670)	(4,189,730)	
Net Cash Provided By (Used In) Operating Activities	1,667,939	1,719,265	1,775,055	1,832,587	1,891,847	1,952,626	2,015,299	2,079,975	2,146,702	2,215,945	2,284,355	2,354,891	2,427,579	2,502,481	2,579,663	
Cash Flows from Investing Activities																
Payments for purchase of property, plant & equipment	(800,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	
Payments for construction of infrastructure	(3,391,199)	(1,888,786)	(1,940,652)	(2,994,066)	(2,064,809)	(2,121,478)	(2,179,823)	(2,239,940)	(2,301,867)	(2,398,217)	(2,463,479)	(2,530,727)	(2,599,977)	(2,671,287)	(2,744,713)	
Non-operating grants, subsidies and contributions	2,624,996	874,996	874,996	1,874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	
Net Cash Provided By (Used In) Investing Activities	(1,566,203)	(1,613,790)	(1,665,656)	(1,719,070)	(1,789,813)	(1,846,482)	(1,904,827)	(1,964,944)	(2,026,871)	(2,123,221)	(2,188,483)	(2,255,731)	(2,324,981)	(2,396,291)	(2,469,717)	
Cash Flows from Financing Activities																
Repayment of debentures	(67,046)	(70,440)	(74,020)	(77,797)	(65,974)	(69,751)	(73,747)	(77,979)	(82,458)	(45,887)	(48,332)	(50,908)	(53,621)	(56,479)	(59,488)	
Proceeds from self supporting loans	6,275	6,543	6,823	7,114	7,418	7,735	8,066	8,411	8,770	0	0	0	0	0	0	
Net Cash Provided By (Used In) Financing Activities	(60,771)	(63,897)	(67,197)	(70,683)	(58,556)	(62,016)	(65,681)	(69,568)	(73,688)	(45,887)	(48,332)	(50,908)	(53,621)	(56,479)	(59,488)	
Net Increase (Decrease) in Cash Held	40,965	41,578	42,202	42,834	43,478	44,128	44,791	45,463	46,143	46,837	47,540	48,252	48,977	49,711	50,458	
Cash at beginning of year	2,849,330	2,890,295	2,931,873	2,974,075	3,016,909	3,060,387	3,104,515	3,149,306	3,194,769	3,240,912	3,287,749	3,335,289	3,383,541	3,432,518	3,482,229	
Cash and Cash Equivalents at the End of Year	2,890,295	2,931,873	2,974,075	3,016,909	3,060,387	3,104,515	3,149,306	3,194,769	3,240,912	3,287,749	3,335,289	3,383,541	3,432,518	3,482,229	3,532,687	
Reconciliation of Net Cash Provided By Operating Activities to Net Result																
Net Result	927,107	(884,787)	(944,481)	(19,026)	(1,080,201)	(1,142,266)	(1,204,892)	(1,268,022)	(1,331,658)	(1,395,384)	(1,462,605)	(1,530,408)	(1,598,829)	(1,667,858)	(1,737,486)	
Depreciation	3,365,828	3,479,048	3,594,532	3,726,609	3,847,044	3,969,888	4,095,187	4,222,993	4,353,356	4,486,325	4,621,956	4,760,295	4,901,404	5,045,335	5,192,145	
Grants/Contributions for the development of assets	(2,624,996)	(874,996)	(874,996)	(1,874,996)	(874,996)	(874,996)	(874,996)	(874,996)	(874,996)	(874,996)	(874,996)	(874,996)	(874,996)	(874,996)	(874,996)	
Net Cash from Operating Activities	1,667,939	1,719,265	1,775,055	1,832,587	1,891,847	1,952,626	2,015,299	2,079,975	2,146,702	2,215,945	2,284,355	2,354,891	2,427,579	2,502,481	2,579,663	

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B7 – Forecast Statement of Funding 2018-2033

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
FUNDING FROM OPERATIONAL ACTIVITIES																
Revenues																
Rates	1,652,054	1,701,615	1,752,663	1,805,243	1,859,400	1,915,182	1,972,637	2,031,816	2,092,771	2,155,554	2,220,221	2,286,828	2,355,433	2,426,096	2,498,879	
Operating grants, subsidies and contributions	2,592,046	2,643,888	2,696,765	2,750,698	2,805,712	2,861,827	2,919,063	2,977,444	3,036,992	3,097,733	3,159,688	3,222,885	3,287,344	3,353,091	3,420,151	
Fees and charges	604,883	616,980	629,316	641,901	654,737	667,827	681,184	694,808	708,706	722,884	737,343	752,089	767,132	782,476	798,128	
Interest earnings	45,517	43,355	43,979	44,611	45,255	45,905	46,568	47,240	47,920	48,614	49,317	50,029	50,754	51,488	52,235	
	4,894,500	5,005,838	5,122,723	5,242,453	5,365,104	5,490,741	5,619,452	5,751,308	5,886,389	6,024,785	6,166,569	6,311,831	6,460,663	6,613,151	6,769,393	
Expenses																
Employee costs	(1,231,871)	(1,256,504)	(1,281,629)	(1,307,261)	(1,333,403)	(1,360,077)	(1,387,278)	(1,415,031)	(1,443,330)	(1,472,200)	(1,501,650)	(1,531,681)	(1,562,313)	(1,593,556)	(1,625,427)	
Materials and contracts	(1,472,950)	(1,502,405)	(1,532,445)	(1,563,086)	(1,594,331)	(1,626,205)	(1,658,739)	(1,691,907)	(1,725,733)	(1,760,265)	(1,795,485)	(1,831,393)	(1,868,027)	(1,905,394)	(1,943,518)	
Utility charges (electricity, gas, water etc.)	(252,858)	(257,913)	(263,066)	(268,327)	(273,684)	(279,152)	(284,739)	(290,424)	(296,228)	(302,160)	(308,207)	(314,365)	(320,652)	(327,077)	(333,628)	
Depreciation on non-current assets	(3,365,828)	(3,479,048)	(3,594,532)	(3,726,609)	(3,847,044)	(3,969,888)	(4,095,187)	(4,222,993)	(4,353,356)	(4,486,325)	(4,621,956)	(4,760,295)	(4,901,404)	(5,045,335)	(5,192,145)	
Interest expense	(55,544)	(52,150)	(48,570)	(44,793)	(40,914)	(37,137)	(33,141)	(28,909)	(24,430)	(19,254)	(16,809)	(14,233)	(11,520)	(8,662)	(5,653)	
Insurance expense	(184,202)	(187,882)	(191,645)	(195,480)	(199,388)	(203,376)	(207,445)	(211,595)	(215,829)	(220,141)	(224,546)	(229,041)	(233,621)	(238,292)	(243,061)	
Other expenditure	(29,136)	(29,719)	(30,313)	(30,919)	(31,537)	(32,168)	(32,811)	(33,467)	(34,137)	(34,820)	(35,517)	(36,227)	(36,951)	(37,689)	(38,443)	
	(6,592,389)	(6,765,621)	(6,942,200)	(7,136,475)	(7,320,301)	(7,508,003)	(7,699,340)	(7,894,326)	(8,093,043)	(8,295,165)	(8,504,170)	(8,717,235)	(8,934,488)	(9,156,005)	(9,381,875)	
	(1,697,889)	(1,759,783)	(1,819,477)	(1,894,022)	(1,955,197)	(2,017,262)	(2,079,888)	(2,143,018)	(2,206,654)	(2,270,380)	(2,337,601)	(2,405,404)	(2,473,825)	(2,542,854)	(2,612,482)	
Funding Position Adjustments																
Depreciation on non-current assets	3,365,828	3,479,048	3,594,532	3,726,609	3,847,044	3,969,888	4,095,187	4,222,993	4,353,356	4,486,325	4,621,956	4,760,295	4,901,404	5,045,335	5,192,145	
Net Funding From Operational Activities	1,667,939	1,719,265	1,775,055	1,832,587	1,891,847	1,952,626	2,015,299	2,079,975	2,146,702	2,215,945	2,284,355	2,354,891	2,427,579	2,502,481	2,579,663	
FUNDING FROM CAPITAL ACTIVITIES																
Inflows																
Non-operating grants, subsidies and contributions	2,624,996	874,996	874,996	1,874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	
Outflows																
Purchase of property plant and equipment	(800,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	
Purchase of infrastructure	(3,391,199)	(1,888,786)	(1,940,652)	(2,994,066)	(2,064,809)	(2,121,478)	(2,179,823)	(2,239,940)	(2,301,867)	(2,398,217)	(2,463,479)	(2,530,727)	(2,599,977)	(2,671,287)	(2,744,713)	
Net Funding From Capital Activities	(1,566,203)	(1,613,790)	(1,665,656)	(1,719,070)	(1,789,813)	(1,846,482)	(1,904,827)	(1,964,944)	(2,026,871)	(2,123,221)	(2,188,483)	(2,255,731)	(2,324,981)	(2,396,291)	(2,469,717)	
FUNDING FROM FINANCING ACTIVITIES																
Outflows																
Transfer to reserves	(40,965)	(41,578)	(42,202)	(42,834)	(43,478)	(44,128)	(44,791)	(45,463)	(46,143)	(46,837)	(47,540)	(48,252)	(48,977)	(49,711)	(50,458)	
Repayment of past borrowings	(67,046)	(70,440)	(74,020)	(77,797)	(81,574)	(85,351)	(89,128)	(92,905)	(96,682)	(100,459)	(104,236)	(108,013)	(111,790)	(115,567)	(119,344)	
Net Funding From Financing Activities	(101,736)	(105,475)	(109,399)	(113,517)	(102,034)	(106,144)	(110,472)	(115,031)	(119,831)	(92,724)	(95,872)	(99,160)	(102,598)	(106,190)	(109,946)	
Estimated Surplus/Deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Estimated Surplus/Deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B7 – Forecast Statement of Funding 2018-2033 (Continued)

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COMPOSITION OF CLOSING POSITION															
CURRENT ASSETS															
Unrestricted Cash and Equivalents	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440
Restricted Cash and Cash Equivalent	2,771,855	2,813,433	2,855,635	2,898,469	2,941,947	2,986,075	3,030,866	3,076,329	3,122,472	3,169,309	3,216,849	3,265,101	3,314,078	3,363,789	3,414,247
Trade and Other Receivables	134,574	134,854	135,145	135,449	135,766	136,097	136,442	136,801	128,031	128,031	128,031	128,031	128,031	128,031	128,031
Inventories	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513
CURRENT LIABILITIES															
Trade and Other Payables	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)
Reserves	(2,771,855)	(2,813,433)	(2,855,635)	(2,898,469)	(2,941,947)	(2,986,075)	(3,030,866)	(3,076,329)	(3,122,472)	(3,169,309)	(3,216,849)	(3,265,101)	(3,314,078)	(3,363,789)	(3,414,247)
Estimated Surplus/Deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT ASSETS	3,040,382	3,082,240	3,124,733	3,167,871	3,211,666	3,256,125	3,301,261	3,347,083	3,384,456	3,431,293	3,478,833	3,527,085	3,576,062	3,625,773	3,676,231
TOTAL CURRENT LIABILITIES	(593,770)	(597,070)	(600,556)	(588,429)	(591,889)	(595,554)	(599,441)	(603,561)	(575,760)	(578,205)	(580,781)	(583,494)	(586,352)	(589,361)	(592,532)
Reserves	(2,771,855)	(2,813,433)	(2,855,635)	(2,898,469)	(2,941,947)	(2,986,075)	(3,030,866)	(3,076,329)	(3,122,472)	(3,169,309)	(3,216,849)	(3,265,101)	(3,314,078)	(3,363,789)	(3,414,247)
Add: Leave Reserve	155,063	157,389	159,750	162,146	164,578	167,047	169,553	172,096	174,677	177,297	179,956	182,655	185,395	188,176	190,999
Add: Current Long Term Borrowings	63,897	67,197	70,683	58,556	62,016	65,681	69,568	73,688	45,887	48,332	50,908	53,621	56,479	59,488	62,659
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Estimated Surplus/Deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CURRENT ASSETS																
Unrestricted Cash and Equivalents	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440
Restricted Cash and Cash Equivalent	2,771,855	2,813,433	2,855,635	2,898,469	2,941,947	2,986,075	3,030,866	3,076,329	3,122,472	3,169,309	3,216,849	3,265,101	3,314,078	3,363,789	3,414,247	
Trade and Other Receivables	134,574	134,854	135,145	135,449	135,766	136,097	136,442	136,801	128,031	128,031	128,031	128,031	128,031	128,031	128,031	
Inventories	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	15,513	
CURRENT LIABILITIES																
Trade and Other Payables	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)	(261,984)
Reserves	(2,771,855)	(2,813,433)	(2,855,635)	(2,898,469)	(2,941,947)	(2,986,075)	(3,030,866)	(3,076,329)	(3,122,472)	(3,169,309)	(3,216,849)	(3,265,101)	(3,314,078)	(3,363,789)	(3,414,247)	
Estimated Surplus/Deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

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

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Infrastructure - Roads	3,371,199	1,868,786	1,920,652	1,474,066	2,044,809	2,101,478	2,159,823	2,219,940	2,281,867	2,378,217	2,443,479	2,510,727	2,579,977	2,651,287	2,724,713
Infrastructure - Other	20,000	20,000	20,000	1,520,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Capital Works - Infrastructure	3,391,199	1,888,786	1,940,652	2,994,066	2,064,809	2,121,478	2,179,823	2,239,940	2,301,867	2,398,217	2,463,479	2,530,727	2,599,977	2,671,287	2,744,713
Represented by:															
Additions - Expansion, Upgrades and New	1,700,000	0	0	1,500,000	0	0	0	0	0	0	0	0	0	0	0
Additions - Renewal	1,691,199	1,888,786	1,940,652	1,494,066	2,064,809	2,121,478	2,179,823	2,239,940	2,301,867	2,398,217	2,463,479	2,530,727	2,599,977	2,671,287	2,744,713
Total Capital Works - Infrastructure	3,391,199	1,888,786	1,940,652	2,994,066	2,064,809	2,121,478	2,179,823	2,239,940	2,301,867	2,398,217	2,463,479	2,530,727	2,599,977	2,671,287	2,744,713
Asset Movement Reconciliation															
Total Capital Works Infrastructure	3,391,199	1,888,786	1,940,652	2,994,066	2,064,809	2,121,478	2,179,823	2,239,940	2,301,867	2,398,217	2,463,479	2,530,727	2,599,977	2,671,287	2,744,713
Depreciation Infrastructure	(2,770,224)	(2,825,629)	(2,882,142)	(2,954,069)	(3,013,151)	(3,073,415)	(3,134,882)	(3,197,579)	(3,261,532)	(3,326,762)	(3,393,299)	(3,461,163)	(3,530,387)	(3,600,995)	(3,673,015)
Revaluation of Infrastructure assets (Inflation)	1,433,825	1,474,921	1,485,684	1,496,566	1,527,297	1,538,875	1,550,615	1,562,526	1,574,623	1,586,923	1,600,091	1,613,495	1,627,157	1,641,091	1,655,319
Net Movement in Infrastructure Assets	2,054,800	538,078	544,194	1,536,563	578,955	586,938	595,556	604,887	614,958	658,378	670,271	683,059	696,747	711,383	727,017
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings	250,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Plant and Equipment	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Total Capital Works Property, Plant and Equipment	800,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Represented by:															
Additions - Expansion, Upgrades and New	200,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - Renewal	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total Capital Works Property, Plant and Equipment	800,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Asset Movement Reconciliation															
Total Capital Works Property, Plant and Equipment	800,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Depreciation Property, Plant and Equipment	(595,604)	(653,419)	(712,390)	(772,540)	(833,893)	(896,473)	(960,305)	(1,025,414)	(1,091,824)	(1,159,563)	(1,228,657)	(1,299,132)	(1,371,017)	(1,444,340)	(1,519,130)
Revaluation of Property, Plant and Equipment (Inflation)	397,258	409,290	416,408	422,489	427,487	431,361	434,058	435,532	435,735	434,612	432,113	428,183	422,765	415,800	407,228
Net Movement in Property, Plant and Equipment	601,654	355,871	304,018	249,949	193,594	134,888	73,753	10,118	(56,089)	(124,951)	(196,544)	(270,949)	(348,252)	(428,540)	(511,902)
CAPITAL WORKS - TOTALS															
Capital Works															
Total Capital Works Infrastructure	3,391,199	1,888,786	1,940,652	2,994,066	2,064,809	2,121,478	2,179,823	2,239,940	2,301,867	2,398,217	2,463,479	2,530,727	2,599,977	2,671,287	2,744,713
Total Capital Works Property, Plant and Equipment	800,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total Capital Works	4,191,199	2,488,786	2,540,652	3,594,066	2,664,809	2,721,478	2,779,823	2,839,940	2,901,867	2,998,217	3,063,479	3,130,727	3,199,977	3,271,287	3,344,713
Fixed Asset Movement															
Net Movement in Infrastructure Assets	2,054,800	538,078	544,194	1,536,563	578,955	586,938	595,556	604,887	614,958	658,378	670,271	683,059	696,747	711,383	727,017
Net Movement in Property, Plant and Equipment	601,654	355,871	304,018	249,949	193,594	134,888	73,753	10,118	(56,089)	(124,951)	(196,544)	(270,949)	(348,252)	(428,540)	(511,902)
Net Movement in Fixed Assets	2,656,454	893,949	848,212	1,786,512	772,549	721,826	669,309	615,005	558,869	533,427	473,727	412,110	348,495	282,843	215,115

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B10 – Forecast Statement of Capital Funding 2018-2033

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Capital Expenditure																
Infrastructure - Roads	3,371,199	1,868,786	1,920,652	1,474,066	2,044,809	2,101,478	2,159,823	2,219,940	2,281,867	2,378,217	2,443,479	2,510,727	2,579,977	2,651,287	2,724,713	
Infrastructure - Other	20,000	20,000	20,000	1,520,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Buildings	250,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
Plant and Equipment	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	
Total - Capital Expenditure	4,191,199	2,488,786	2,540,652	3,594,066	2,664,809	2,721,478	2,779,823	2,839,940	2,901,867	2,998,217	3,063,479	3,130,727	3,199,977	3,271,287	3,344,713	
Funded By:																
Capital Grants & Contributions																
Infrastructure - Roads	2,574,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	
Infrastructure - Other	0	0	0	1,000,000	0	0	0	0	0	0	0	0	0	0	0	
Buildings	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total - Capital Grants & Contributions	2,624,996	874,996	874,996	1,874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	874,996	
Own Source Funding																
Infrastructure - Roads	796,203	993,790	1,045,656	599,070	1,169,813	1,226,482	1,284,827	1,344,944	1,406,871	1,503,221	1,568,483	1,635,731	1,704,981	1,776,291	1,849,717	
Infrastructure - Other	20,000	20,000	20,000	520,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Buildings	200,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
Plant and Equipment	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	
Total - Own Source Funding	1,566,203	1,613,790	1,665,656	1,719,070	1,789,813	1,846,482	1,904,827	1,964,944	2,026,871	2,123,221	2,188,483	2,255,731	2,324,981	2,396,291	2,469,717	
Other (Disposals & C/Fwd)																
Total - Other (Disposals & C/Fwd)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Capital Funding	4,191,199	2,488,786	2,540,652	3,594,066	2,664,809	2,721,478	2,779,823	2,839,940	2,901,867	2,998,217	3,063,479	3,130,727	3,199,977	3,271,287	3,344,713	

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B11 – Forecast Ratios 2018-2033

	Target Range		Average	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
LIQUIDITY RATIOS																		
Current Ratio	> 1.00	> 1.20	0.64	0.61	0.61	0.61	0.63	0.63	0.63	0.63	0.63	0.65	0.65	0.65	0.65	0.65	0.65	0.65
OPERATING RATIOS																		
Operating Surplus Ratio	> 1.00%	> 15.00%	(76.75%)	(73.74%)	(74.51%)	(75.00%)	(76.01%)	(76.39%)	(76.73%)	(77.02%)	(77.26%)	(77.44%)	(77.57%)	(77.74%)	(77.87%)	(77.96%)	(78.00%)	(78.00%)
Own Source Revenue Coverage Ratio	> 40.00%	> 60.00%	35.20%	34.93%	34.91%	34.95%	34.92%	34.96%	35.01%	35.07%	35.14%	35.21%	35.29%	35.36%	35.43%	35.52%	35.61%	35.70%
BORROWINGS RATIOS																		
Debt Service Cover Ratio	> 3	> 5	25.09	14.06	14.45	14.88	15.31	18.08	18.62	19.16	19.73	20.31	34.31	35.33	36.37	37.44	38.55	39.69
FIXED ASSET RATIOS																		
Asset Sustainability Ratio	> 90.00%	> 110.00%	66.63%	68.07%	71.54%	70.68%	56.19%	69.27%	68.55%	67.88%	67.25%	66.66%	66.83%	66.28%	65.77%	65.29%	64.84%	64.42%
Asset Consumption Ratio	> 50.00%	> 60.00%	79.57%	89.65%	88.28%	86.90%	85.25%	83.86%	82.45%	81.03%	79.60%	78.15%	76.72%	75.27%	73.82%	72.35%	70.88%	69.40%
Asset Renewal Funding Ratio	> 75.00%	> 95.00%	86.28%	99.01%	88.48%	80.89%	80.89%	82.13%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B12 – Required Asset Renewals 2018-2033

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings	0	0	0	0	0	0	74,986	92,022	0	0	0	130,654	80,488	0	0
Plant and Equipment	236,517	353,684	231,363	115,912	752,850	325,027	242,218	402,819	189,678	244,169	847,704	344,261	331,321	424,537	355,452
Infrastructure - roads	1,977,845	2,325,749	2,057,749	2,098,904	2,140,883	2,183,700	2,227,374	2,271,922	2,317,360	2,363,707	5,674,568	6,132,374	2,508,385	2,558,553	2,609,724
Infrastructure - footpaths	7,493	31,311	7,795	7,951	8,110	8,273	8,438	8,607	8,779	8,955	9,134	9,316	9,503	9,693	9,887
Infrastructure - drainage	107,646	109,799	111,995	114,235	116,520	118,850	121,227	123,652	126,125	128,648	131,220	133,845	136,522	139,252	142,037
Total	2,329,501	2,820,543	2,408,903	2,337,003	3,018,363	2,635,850	2,674,243	2,899,022	2,641,942	2,745,479	6,662,627	6,750,450	3,066,219	3,132,034	3,117,099

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B13 – Planned Asset Renewals 2018-2033

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Plant and Equipment	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Infrastructure - Roads	1,671,199	1,868,786	1,920,652	1,474,066	2,044,809	2,101,478	2,159,823	2,219,940	2,281,867	2,378,217	2,443,479	2,510,727	2,579,977	2,651,287	2,724,713
Infrastructure - Other	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total	2,291,199	2,488,786	2,540,652	2,094,066	2,664,809	2,721,478	2,779,823	2,839,940	2,901,867	2,998,217	3,063,479	3,130,727	3,199,977	3,271,287	3,344,713

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

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings	50,000	50,000	50,000	50,000	50,000	50,000	(24,986)	(42,022)	50,000	50,000	50,000	(80,654)	(30,488)	50,000	50,000
Plant and Equipment	313,483	196,316	318,637	434,088	(202,850)	224,973	307,782	147,181	360,322	305,831	(297,704)	205,739	218,679	125,463	194,548
Infrastructure - Roads	(306,646)	(456,963)	(137,097)	(624,838)	(96,074)	(82,222)	(67,551)	(51,982)	(35,493)	14,510	(3,231,089)	(3,621,647)	71,592	92,734	114,989
Infrastructure - Footpaths	(7,493)	(31,311)	(7,795)	(7,951)	(8,110)	(8,273)	(8,438)	(8,607)	(8,779)	(8,955)	(9,134)	(9,316)	(9,503)	(9,693)	(9,887)
Infrastructure - Drainage	(107,646)	(109,799)	(111,995)	(114,235)	(116,520)	(118,850)	(121,227)	(123,652)	(126,125)	(128,648)	(131,220)	(133,845)	(136,522)	(139,252)	(142,037)
Infrastructure - Other	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total	(38,302)	(331,757)	131,749	(242,937)	(353,554)	85,628	105,580	(59,082)	259,925	252,738	(3,599,148)	(3,619,723)	133,758	139,253	227,614

Appendix B15 – Forecast Significant Accounting Policies

Basis of Preparation

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

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

Critical Accounting Estimates

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

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

The Local Government Reporting Entity

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

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

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

(a) Base Year Balances

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

(b) Rounding Off Figures

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

(c) Comparative Figures

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

(d) Forecast Fair Value Adjustments

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

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

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

Appendix B15 – Forecast Significant Accounting Policies (Continued)

(e) Rates, Grants, Donations and Other Contributions

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

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

(f) Goods and Services Tax (GST)

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

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

(g) Superannuation

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

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

(h) Cash and Cash Equivalents

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

(i) Trade and Other Receivables

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

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

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

(j) Inventories

General

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

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

Land held for resale

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

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

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

Appendix B15 – Forecast Significant Accounting Policies (Continued)

(k) Fixed Assets

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

Revaluation

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

Land under roads

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

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

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

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

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

Depreciation

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

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

Asset Class	Effective average depreciation rate
Buildings	1.43%
Plant and Equipment	8.22%
Roads	3.55%
Footpaths	1.18%
Drainage	0.85%
Infrastructure - Other	0.95%

Appendix B15 – Forecast Significant Accounting Policies (Continued)

(k) Fixed Assets (Continued)

Depreciation (Continued)

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

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

(l) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Appendix B15 – Forecast Significant Accounting Policies (Continued)

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

Valuation Techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

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

(m) Impairment of Assets

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

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

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

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

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

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Appendix B15 – Forecast Significant Accounting Policies (Continued)

(n) Trade and Other Payables

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

(o) Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

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

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

(p) Borrowing Costs

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

(q) Provisions

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

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

Appendix B15 – Forecast Significant Accounting Policies (Continued)

(r) Leases

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

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

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

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

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

(s) Current and Non-Current Classification

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

Appendix C1 – Glossary

Funding Gap

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

Infrastructure Assets

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

Key Performance Indicator

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

Level of Service

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

Maintenance

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

Planned Maintenance

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

Reactive Maintenance

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

Significant Maintenance

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

Appendix C1 – Glossary (Continued)

Unplanned Maintenance

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

Maintenance Expenditure

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

Materiality

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

Modern Equivalent Asset

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

Net Present Value (NPV)

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

Non-Revenue Generating Investments

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

Operations Expenditure

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

Pavement Management System

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

Recoverable Amount

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

Appendix C1 – Glossary (Continued)

Recurrent Expenditure

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

Recurrent Funding

Funding to pay for recurrent expenditure.

Remaining Useful Life

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

Renewal

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

Residual Value

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

Revenue Generating Investments

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

Risk Management

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

Section or Segment

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

Service Potential

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

Service Potential Remaining

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

Specific Maintenance

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

Appendix C1 – Glossary (Continued)

Sub-Component

Smaller individual parts that make up a component part.

Useful Life

May be expressed as either:

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

Other Matters

Preparation

This Plan was prepared for the Shire of Narembeen by Moore Stephens.

Reliance

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

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

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

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