



Shire of  
**Bruce Rock**

*Where friends become family*



# Strategic Resource Plan

2018 - 2033

# Contents

1.0	Foreword.....	3
3.0	Executive Summary .....	5
4.0	Community Profile, Vision and Objectives .....	6
5.0	Long Term Financial Planning Overview.....	7
6.0	Asset Management Planning Overview.....	9
7.0	Scenario Modelling.....	13
8.0	Strategic Planning and Policies.....	14
9.0	Risk Management.....	15
10.0	Assumptions, Risks, Uncertainties and Sensitivity.....	16
11.0	Monitoring and Performance .....	21
12.0	Improvement Plan.....	22

Shire of Bruce Rock  
54 Johnson Street  
PO Box 113  
Bruce Rock WA 6418  
P: 08 9061 1377  
F: 08 9061 1340  
E: [admin@brucerock.wa.gov.au](mailto:admin@brucerock.wa.gov.au)

## Document Management

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# 1.0 Foreword

We are pleased to present the Shire of Bruce Rock Strategic Resource Plan for 2018 - 2033.

As part of the Shire's ongoing commitment to an integrated approach to planning for the 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 demand 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 Shire. We invite members of the community to contact a Councillor or Senior Council staff members if they have any questions.

The Shire of Bruce Rock's Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Bruce Rock Strategic Community Plan 2013-2023.

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.

This Plan will be used with our Corporate Business Plan and Workforce Plan to achieve our goals and drive the Shire in achieving its vision of "Leads the way".

**Stephen Strange**  
Shire President

**Darren Mollenoyux**  
Chief Executive Officer

Our Vision  
*"Leads  
the way"*

## 2.0 Key Information

### ASSUMPTIONS

 **2%**  
Inflation Rate

 **Stable**  
Population

 **Stable**  
Levels of Service

 **Stable**  
Operations

 **Balanced**  
Annual Budget

 **4.5%**  
(2.5% + CPI 2%)  
Rates

 **2%**  
Employee Costs


### STATISTICS <sup>1 | 2</sup>

 **9**  
Elected  
Members

 **45**  
Employees

 **624**  
Electors

 **569**  
Dwellings

 **244km**  
Distance from  
Perth

 **2,724km<sup>2</sup>**  
Area

 **930**  
Population

### FINANCIAL INFORMATION<sup>3</sup>

**\$1,367,910**  
Rates Revenue

**\$790,305**  
Fees and Charges

**\$3,970,738**  
Operating Revenue

**\$8,266,728**  
Operating Expenditure

**\$97,549,723**  
Net Assets

**\$1,328,789**  
Cash Backed Reserves

**\$139,764**  
Long Term Borrowings

<sup>1</sup>WALGA Online Local Government Directory 2017/2018, Shire of Bruce Rock

<sup>2</sup>Australian Bureau of Statistics Bruce Rock (S) (LGA51120) 2016 Census of Population and Housing, viewed 6 December 2017

<sup>3</sup>Shire of Bruce Rock 2017-18 Annual Financial Report



## 3.0 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.

### 3.1 Planning for a Sustainable and Stable Future

The Shire of Bruce Rock 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 Shire's infrastructure remains a significant challenge and requires external funding to ensure the economic and social benefits of the Shire's infrastructure to the broader Wheatbelt region and Western Australia are not impacted.

### 3.2 Significant Issues

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

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

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

Rate revenue is forecast to increase by 4.5% (CPI 2% + 2.5%) over the term of the Plan. These increases are to assist in the long term financial stability of the Shire and to potentially increase the level of services to the community.

### 3.3 Forecast Capital Projects

An extensive capital works program has been planned over the term of the plan with a mixture of new/upgrade assets and asset renewals aimed at ensuring the continued provision of high quality community infrastructure to residents of the Shire.

Project by Asset Class	2018-2033 Amount (\$)
<b>Buildings</b>	
Building Renewal	560,000
Subdivision Housing	412,000
Aquatic Centre Upgrade	400,000
Bruce Rock Caravan Park Accommodation	150,000
Bruce Rock Caravan Park Ablutions Upgrade	120,000
<b>Buildings Total</b>	<b>1,642,000</b>
<b>Plant and Equipment</b>	
Plant Replacement	11,072,652
Install alternative energy infrastructure	70,000
Telecommunications Upgrade	120,000
<b>Plant and Equipment Total</b>	<b>11,262,652</b>
<b>Roads</b>	
Roads to Recovery	7,500,000
Regional Road Group	4,780,500
Dunstall Street Upgrade	80,000
Road Renewals	7,632,146
<b>Roads Total</b>	<b>19,992,646</b>
<b>Bridges</b>	
Bridges	2,250,000
<b>Bridges Total</b>	<b>2,250,000</b>
<b>Other</b>	
Main Street Revitalisation	190,000
Bowl Green Surface Replacement	150,000
Tennis Court Resurface	80,000
Lighting Upgrade	200,000
Hockey Turf Surface Renewal	300,000
Upgrade of Apex Park/Amphitheatre Precinct/Visitor Facilities	100,000
<b>Other Total</b>	<b>1,020,000</b>
<b>Grand Total</b>	<b>36,167,298</b>

# 4.0 Community Profile, Vision and Objectives

## 4.1 Location and Heritage

Bruce Rock is located in the heart of the West Australian Wheatbelt, 244km east of Perth. The Shire of Bruce Rock covers 2,724 square kilometres. In 2016, the Shire of Bruce Rock’s population on the night of the census was 930.

Settlers had been allocated land around Bruce Rock township commencing in 1860, with the town of Bruce Rock gazetted in 1913. The Shire comprises of five town sites, Ardath, Babakin, Bruce Rock, Kwolyin and Shackleton.

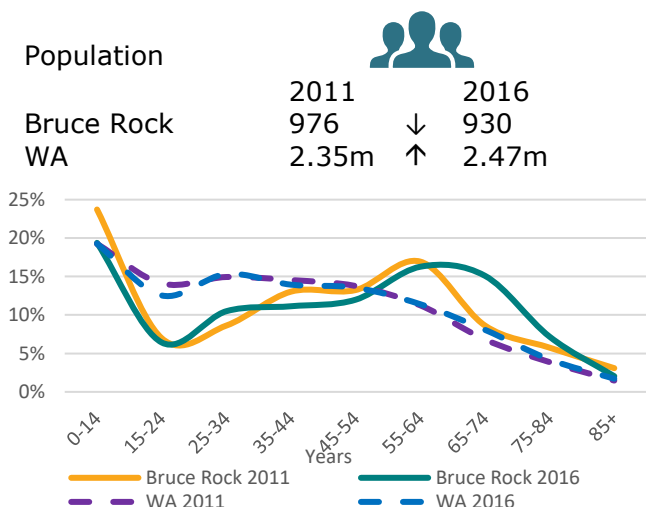
The Shire continues to maintain a number of assets to service the community, and welcome visitors to enjoy the picturesque main street, gardens, amphitheatre and sculpture park, historic buildings, museums, federation style verandas and great facilities.

With a great community spirit, rich agricultural history and plenty of services and facilities on offer, the Shire of Bruce Rock is an ideal country area to raise a family.

## 4.2 People

The Shire has a strong cultural heritage and approximately 13 sporting clubs and associations.

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



## 4.3 Vision

The Shire’s strategic vision: ***“Leads the way”***

## 4.4 Strategic Objectives

The following key strategic priority areas are captured in the Shire’s Strategic Community Plan 2017-2027 and considered within the Strategic Resource Plan:

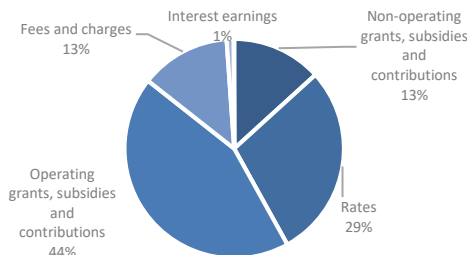
- Improving the economic and financial return on Shire owned or managed infrastructure, services and ultimately the Shire’s financial position;
- Improving the economic return of Shire led projects to businesses within the Shire;
- Improving the level of community commitment and leadership in local projects and therefore investing into the capacity of our people; and
- Ensuring our investments return a social, economic and environmental benefit/s.

# 5.0 Long Term Financial Planning Overview

## 5.1 Forecast Revenue

Rates are expected to generate \$1.4m in 2018-19 increasing to \$2.7m in 2032-33 and comprise 29% of operating revenue over the term of the Plan. The Shire is reliant on receiving more than \$46.05m over the next 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. Non operating grants are expected to remain stable for the term of the Plan.

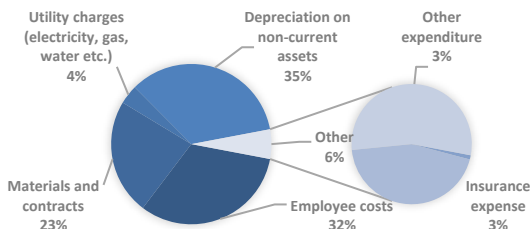
## 5.2 Revenue Composition Year 1 to 15



## 5.3 Forecast Expenditure

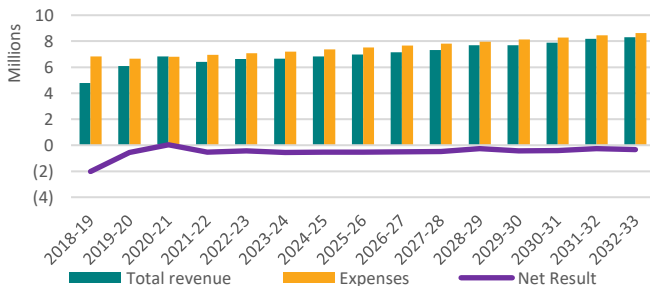
Expenditure is forecast to increase in line with inflation with the exception of depreciation expense which is impacted by the addition of assets.

## 5.4 Expenditure Composition Year 1 to 15



## 5.5 Net Result

The chart below reflects (in the columns) the steady increase in operating revenue and expenditure forecast over the 15 years, with the purple line reflecting the net result. Changes in non-operating grants result in the revenue spikes shown in the chart.

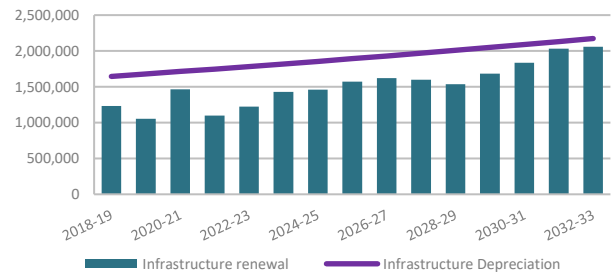


## 5.6 Depreciation Expense

Depreciation expense increases throughout the Plan from \$2.2m in year 1 to \$2.9m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$28.5m, shown by the purple line in the chart below. The planned level of infrastructure asset renewal expenditure at \$22.9m (reflected by the green columns) is over the term of the Plan below the level of depreciation.

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

## 5.7 Infrastructure Depreciation Expense -V- Asset Renewal Expenditure

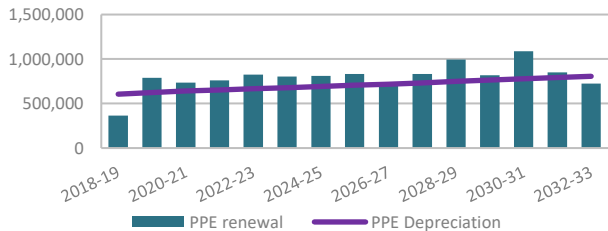


Further improvements in asset management data and the estimation of depreciation expense along with the future renewal of long lived assets may result in a closer alignment between asset renewals and depreciation expense.

Planned property, plant and equipment asset renewals of \$11.4m (reflected by the columns) over the 15 years is above depreciation expense of \$10.6m (reflected by the purple line) over the same period as shown in the chart on the following page at 5.8.

# 5.0 Long term Financial Planning Overview (Continued)

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



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

## 5.9 Maintenance Expenditure

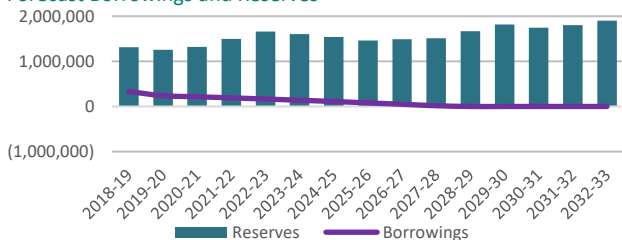
The current maintenance expenditure allocated in the annual operating budget is expected to continue at current levels, with inflationary increases occurring each year.

## 5.10 Forecast Borrowings and Cash Reserves

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

Borrowings will be required to fund the major community asset renewals in year 5 of the plan and then paid down over the remaining term of the Plan.

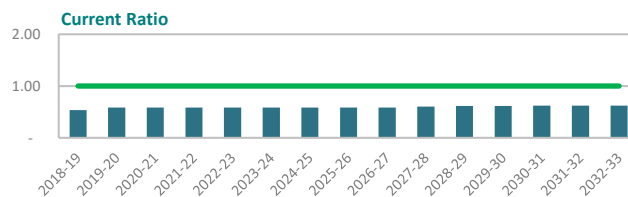
Forecast Borrowings and Reserves



The Shire has budgeted one new borrowing of \$272k in 2018-19. This is part of its strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. 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.

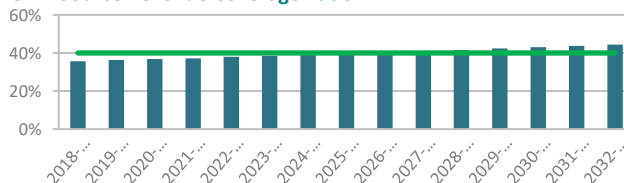
## 5.11 Forecast Operating Ratios 2018-2033

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



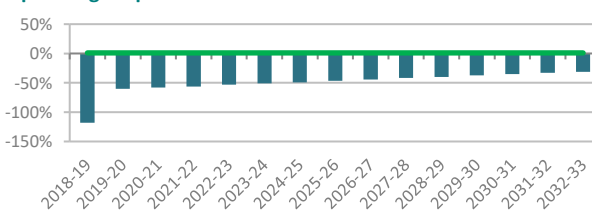
As expected for a Shire with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0. This trend is not considered to indicate a threat to the Shire’s long term financial position.

Own Source Revenue Coverage Ratio



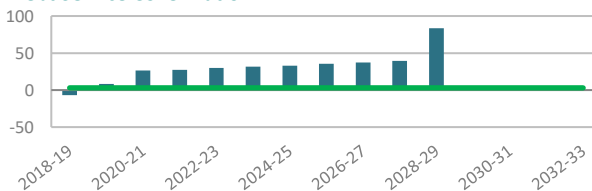
The ratio is improving over the term of the Plan, indicating a reducing reliance on grants and contributions due to the planned rate increases.

Operating Surplus Ratio



The ratios above highlights how the cumulative impact of the rates increases are intended to address the Operating Surplus Ratio.

Debt Service Cover Ratio



The ratio above reflects the increasing capacity of the Shire to take up borrowings as all borrowings forecast to be settled by 2027-28. An explanation of all ratios is provided at Section 11.0.

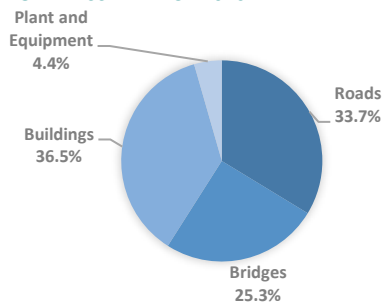


# 6.0 Asset Management Planning Overview

## 6.1 Key Asset Information

The Shire controls an asset network with a written down value of just under \$90m, of which roads, buildings and bridges constitute the largest component value as reflected in the chart below.

WRITTEN DOWN ASSET VALUE 2016-17



## 6.2 Asset Management Policy

The purpose of an asset management policy is to:

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

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

## 6.3 Asset Management Strategy

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

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

Modelling was undertaken to determine the long term funding required for asset maintenance and renewal. By adjusting the estimated useful

life of assets, the balance between the risk of loss of asset service and the financial costs of asset renewal and maintenance was determined.

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

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

Recognising a proportion of assets have been constructed with the assistance of external financial contributions, the Shire seeks to, within its financial capacity, maintain these assets into the future. A strategy of alignment of estimated asset useful lives with the forecast financial capacity aims to ensure the long term affordability of Shire assets. 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 4.5% (CPI 2% + 2.5%).

## 6.4 Level of Service

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

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

# 6.0 Asset Management Planning Overview (Continued)

## 6.5 Financial Management Strategy for Assets

Based on the 2016-17 Annual Financial Statements 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.

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 along with the forecast required asset renewals to maintain services in the future are shown as columns in the chart adjacent with the values in the table on the right. Forecast asset renewals requirements are arrived at based on current estimates of replacement cost and remaining useful life of each asset, assessed from the asset’s condition or age.

The Shire is planning for renewal of all assets at the end of their useful life. The annual budget cycle and resource limitations result in differences between the planned and required renewal expenditure, referred to as an asset renewal funding surplus/(deficit). The asset renewal funding surplus/(deficit) representing the difference between the planned and required asset renewals is represented by the line in the chart below with values provided in the table to the right.

## Forecast Planned and Required Asset Renewals

Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/ (Deficit) \$
2018-19	1,495,960	1,885,544	(389,584)
2019-20	1,742,272	1,290,920	451,352
2020-21	1,698,952	1,551,299	147,653
2021-22	1,760,900	2,355,869	(594,969)
2022-23	1,949,093	1,345,259	603,834
2023-24	1,741,119	1,552,599	188,520
2024-25	1,842,166	1,366,696	475,470
2025-26	1,811,720	1,473,129	338,591
2026-27	1,680,789	1,414,852	265,937
2027-28	1,755,870	891,860	864,010
2028-29	1,939,667	1,746,351	193,316
2029-30	1,667,433	1,544,830	122,603
2030-31	1,980,485	1,208,720	771,765
2031-32	2,064,803	1,687,206	377,597
2032-33	1,694,455	1,459,300	235,155
<b>Total</b>	<b>26,825,684</b>	<b>22,774,435</b>	<b>4,051,249</b>

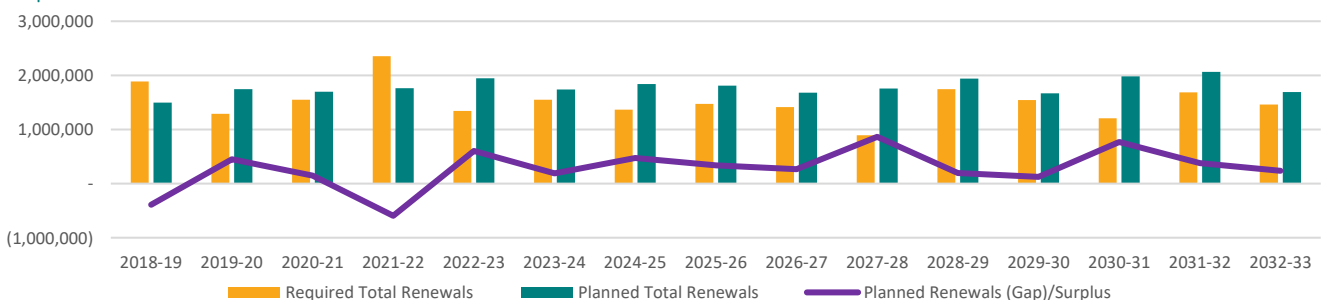
A number of assumptions and estimates have been utilised in arriving at these values and actual events may vary significantly from those provided.

The data reflects the spikes in required asset renewals over the next 15 years have been met through the annual planned renewal of assets over the same period.

Planned renewal of plant and equipment does not correlate to the timing of the remaining useful life expectancy, leading to the excess of planned renewal costs over required renewal costs reflected in the table above.

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

Required v Planned Asset Renewals

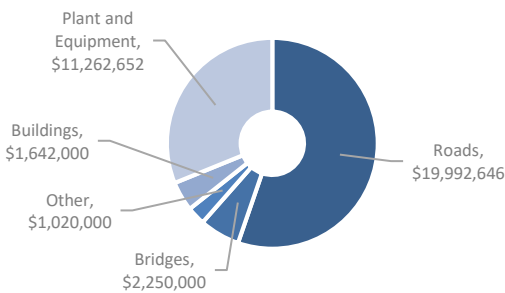


# 6.0 Asset Management Planning Overview (Continued)

## 6.6 Planned Asset Expenditure

Combined new and renewal asset expenditure of \$36.16m has been planned. New and upgrade asset expenditure comprises \$1.33m of the total asset expenditure and asset renewal expenditure of \$34.83m.

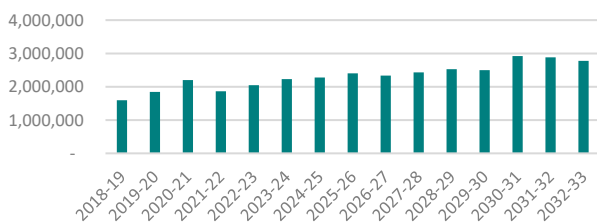
## 6.7 Planned Capital Expenditure 2018-2033



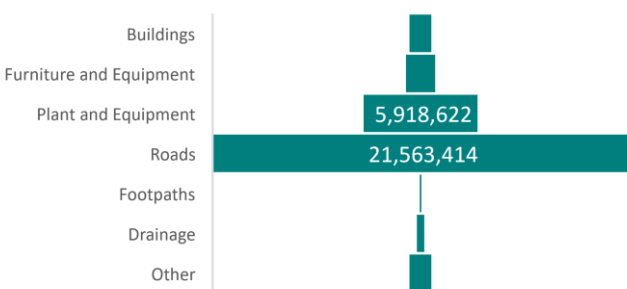
## 6.8 Planned Asset Renewal

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

## 6.9 Planned Asset Renewal Expenditure



## 6.10 Planned Asset Renewal Expenditure by Class



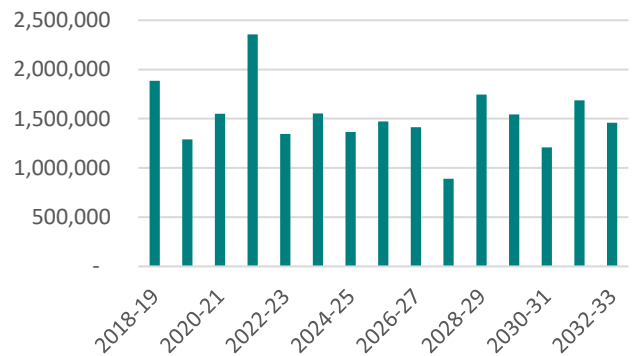
Planned asset renewals by asset class over the 15 years of the Plan reflected in the chart above shows the major renewal spend relates to roads.

## 6.11 Required Renewal Expenditure

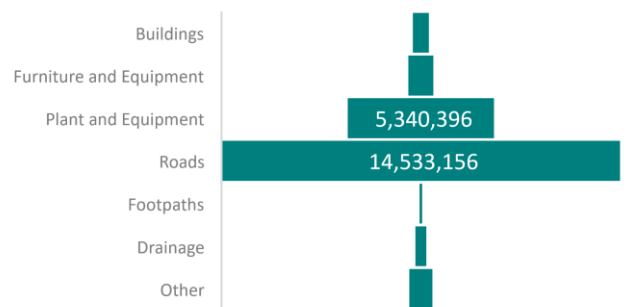
Asset renewal expenditure for the road network has been estimated based on road conditions and forecast usage. For other asset classes, forecast asset renewals have been based on the age of the assets and their estimated remaining useful life (determined during recent revaluations) combined with the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

Asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$22.7m are forecast to be required over the 15 years of the Plan.

## 6.12 Required Asset Renewal Expenditure



## 6.13 Required Asset Renewal Expenditure by Class

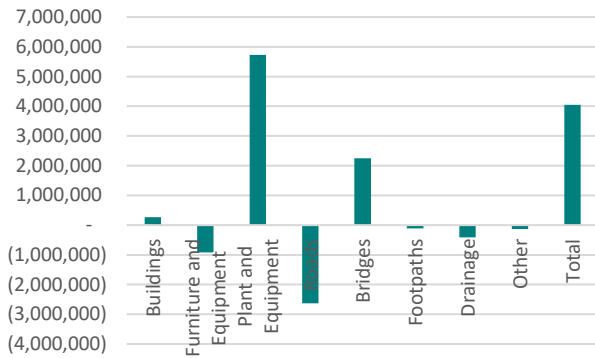


Renewal of roads dominate the forecast required asset renewals.

# 6.0 Asset Management Planning Overview (Continued)

## 6.14 Asset Renewal Funding Surplus/(Gap)

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



Asset renewals for buildings and public facilities are to occur as part of the significant upgrade of these assets and associated expenditure has been classified as upgrade/new expenditure and not renewal.

## 6.15 Upgrade/New Expenditure

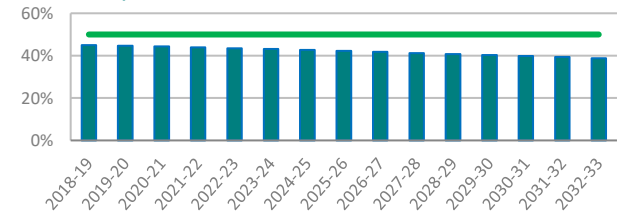
Upgrades to buildings and infrastructure are planned to occur over the next 15 years in response to community expectation. Where funds are available after undertaking essential renewal works, funds will be utilised for improvement and new works. Detailed annual planning will be undertaken for asset upgrade/new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

Upgrade/new asset expenditure by asset class over the 15 years of the Plan is reflected in the table below.

Asset Class	Upgrade New Expenditure
Buildings	772,000
Plant and Equipment	190,000
Roads	80,000
<b>Total new capital expenditure</b>	<b>1,042,000</b>

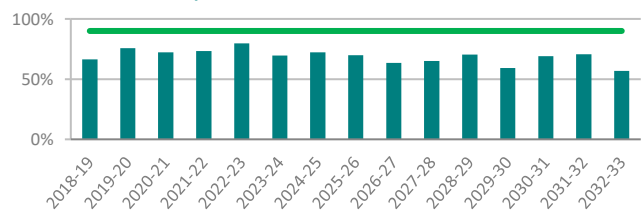
## 6.16 Forecast Asset Ratios 2018-2033

Asset Consumption Ratio



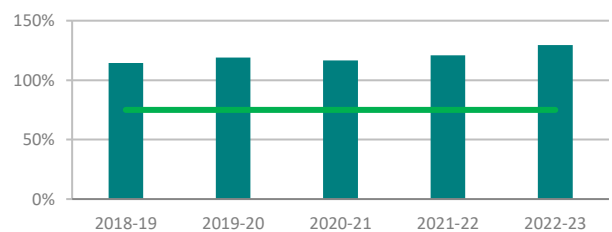
The asset consumption ratio is below the target range and remains so throughout the term of the Plan with assets average age increasing as they are depreciating faster than being renewed.

Asset Sustainability Ratio



The asset sustainability ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio average is below the guideline level and indicates the Shire is generally not renewing assets in line with their forecast useful lives due to the average useful life of assets exceeding the 15 years of the Plan.

Asset Renewal Funding Ratio



The asset renewal funding 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.

# 7.0 Scenario Modelling

## 7.1 Scenario Modelling

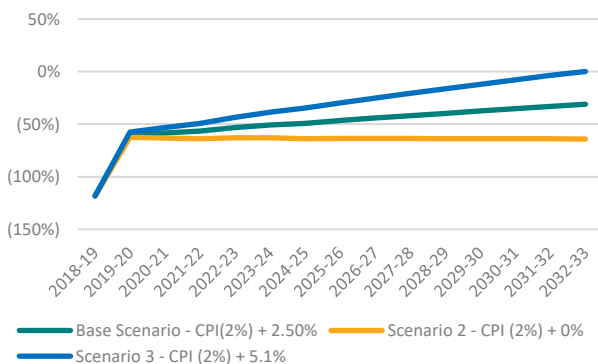
Scenarios were developed to test the financial impact of reduced levels of operating funding with modelling for the impact on the Shire of various reduced funding levels.

To ascertain the effect of reduced funding levels, a base scenario was developed with a yield increase of 2% above inflation (2%) in 2018-19 and 2.5% above inflation for the remainder of the Plan. Three alternative scenarios were also developed from this base as reflected in the table below. All other assumptions remained the same across the three scenarios.

Scenario	Increase above CPI (2%)	Total Increase 2019-20 →
Base Scenario	2.5%	4.5%
Scenario 2	0%	2%
Scenario 3	5.1%	7.1%

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

## 7.2 Scenario Comparison – Operating Surplus Ratio



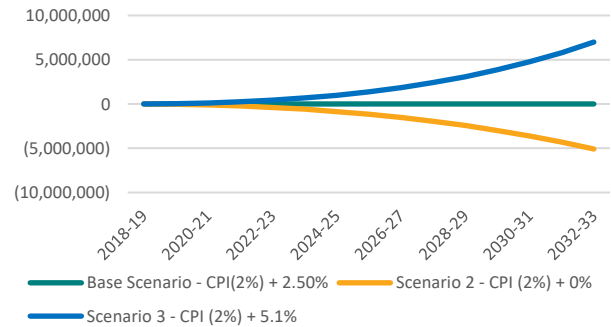
The chart above reflects the impact of the same change in total rates yield on the Shire’s Operating Surplus Ratio (other assumptions remaining the same).

Scenario 3 shows the required rate increase of 5.1% above inflation to achieve the operating surplus ratio target.

The base scenario was selected as it improved the operating surplus ratio.

The chart 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).

## 7.3 Estimated Surplus (Deficit) June 30 Carried Forward



The cumulative impact of the changes in rates results in the surplus (deficit) shown in the table below.

	Scenario 2 CPI 2% \$	Scenario 3 CPI 2% + 5.1% \$
2018-19	(36,410)	37,867
2019-20	(111,788)	118,562
2020-21	(228,430)	247,508
2021-22	(388,952)	430,630
2022-23	(596,102)	674,393
2023-24	(852,764)	985,851
2024-25	(1,161,971)	1,372,689
2025-26	(1,526,908)	1,843,278
2026-27	(1,950,919)	2,406,727
2028-29	(2,437,516)	3,072,944
2029-30	(2,990,385)	3,852,699
2030-31	(3,613,396)	4,757,693
2031-32	(4,310,611)	5,800,631
2032-33	(5,086,293)	6,995,303



# 8.0 Strategic Planning and Policies

## 8.1 Linkage with Other Plans

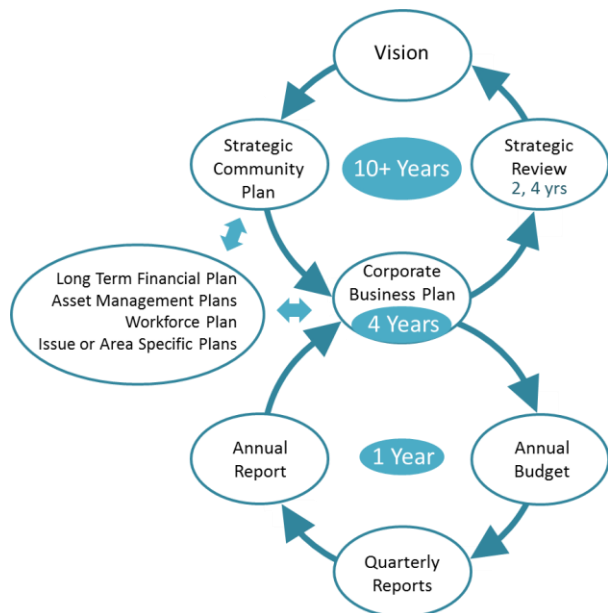
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other 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’s Integrated Planning Framework and Guidelines.

## 8.2 Strategic Documents Linkage

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

Diagram: Integrated Planning and Reporting Cycle<sup>1</sup>



## 8.3 Strategic Community Plan 2017-2027

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

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

## 8.4 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 planning provides an assurance the actions contained in the Corporate Business Plan can be adequately resourced over the next four years and highlights the long term consequences of the application of resources to undertake various projects.

## 8.5 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.

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 forecast inflation at 2%.

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

## 9.0 Risk Management

### 9.1 Risk Management

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

The Shire has a practice of conducting a regular review of insurance levels of assets by the Chief Executive Officer and Executive Managers 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.

### 9.2 Certainty of Assumptions

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

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

### 9.3 Sensitivity Analysis

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

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

# 10.0 Assumptions, Risks, Uncertainties and Sensitivity

## 10.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Shire Growth in Population:</b> The number of residents in the Shire is expected to grow.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Rates Level Increase:</b> Annual rates have been based on an increase in the total rate yield of 2.5% higher than forecast inflation rate of 2%.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Operating Grants and Contributions:</b> Increases in line with inflation forecast.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Non-operating Grants and Contributions:</b> Remain in line with funding requirements identified for various capital works.	High	The forecast new 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	± \$139,800 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
<b>Fees and Charges:</b> Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Interest Earnings:</b> Interest earning of an average rate of 2.50% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Other Revenue:</b> Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Profit on Asset Disposal:</b> Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

# 10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

## 10.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Employee Costs:</b> Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Materials and Contracts:</b> Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	High	± \$264,416 to the value of materials and contracts per 1% movement in the value over the life of the Plan.
<b>Depreciation:</b> 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.
<b>Insurance:</b> Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Other Expenditure:</b> Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Loss on Asset Disposal:</b> A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

# 10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

## 10.3 Assets – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Revaluations:</b> 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	±\$438,392 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$754,534 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
<b>Impairment of Assets:</b> 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.
<b>Infrastructure Assets:</b> Expenditure has been based on historical levels escalated by inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Property, Plant and Equipment:</b> Building expenditure is in accordance with the asset valuations and plant expenditure is based on the Plant Replacement Program.	High	Planned expenditure is highly dependent on receipt of capital grants for buildings.	Medium	Not assessed as high level of uncertainty.



# 10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

## 10.4 Liabilities – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Borrowings:</b> 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.
<b>Employee Entitlements:</b> It has been assumed the Shire will be in a position to meet its obligations in relation to employee entitlements.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

## 10.5 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
<b>Cash Backed Reserves:</b> 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.
<b>Revaluation Surplus:</b> 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	±\$438,392 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$754,534 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

# 10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

## 10.6 Other – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Ownership of Strategic Assets:</b> 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.
<b>Inflators:</b> Forecast inflation at 2% per annum.	Medium	Not assessed as high financial risk.	High	± \$914,716 to operating revenue per 1% movement in the inflators over the life of the Plan.  ± \$1,133,499 to operating expenditure per 1% movement in the inflators over the life of the Plan.
<b>Commercial Activities:</b> 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.
<b>General Economic Forecasts for State:</b> 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.
<b>General Economic Forecasts for Region:</b> Historically, the region's economy is heavily dependent on agriculture 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.

# 11.0 Monitoring and Performance

## 11.1 Monitoring

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

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

## 11.2 Ratio Targets

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

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

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

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

## 12.0 Improvement Plan

### 12.1 Strategic Resource Improvement Plan

All strategic plans require continuous development 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:

- 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; and
- Maintain formal asset maintenance and renewal programs for all assets.

# List of Appendices

Appendix A1 -	Critical Assets .....	2
Appendix A2 -	Roads Infrastructure.....	3
Appendix A3 -	Drainage.....	10
Appendix A4 -	Buildings.....	13
Appendix A5 -	Plant and Equipment.....	17
Appendix A6 -	Footpaths.....	20
Appendix A7 -	Other.....	22
Appendix A8 -	Estimated Asset Life and Residual Value.....	24
Appendix B1 -	Forecast Financial Statements.....	26
Appendix B2 -	Forecast Statement of Comprehensive Income by Nature or Type 2018-2033.....	28
Appendix B3 -	Forecast Statement of Comprehensive Income by Program 2018-2033.....	29
Appendix B4 -	Forecast Statement of Financial Position 2018-2033.....	30
Appendix B5 -	Forecast Statement of Changes in Equity 2018-2033.....	31
Appendix B6 -	Forecast Statement of Cashflows 2018-2033.....	32
Appendix B7 -	Forecast Statement of Funding 2018-2033.....	33
Appendix B8 -	Forecast Statement of Net Current Asset Composition 2018-2033.....	34
Appendix B9 -	Forecast Statement of Fixed Asset Movements 2018-2033.....	35
Appendix B10 -	Forecast Statement of Capital Funding 2018-2033.....	36
Appendix B11 -	Forecast Ratios 2018-2033.....	37
Appendix B12 -	Forecast Planned and Required Asset Renewals 2018-2033.....	38
Appendix B13 -	Forecast Significant Accounting Policies.....	39
Appendix C1 -	Glossary.....	43
Other Matters	.....	45



# Appendix A1 - Critical Assets

## Description

Along with regional and local distributor 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 Buildings	2,580,000
Recreation Centre and District Club	5,570,000
Shire Depot	1,595,000

None of the above assets are forecast to require renewal within the term of this Plan. 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 Infrastructure

## 2.1 Significant Matters

The continued provision of the road network remains one of the key priorities and major expenditure items for the Shire. A number of rural roads within the Shire are currently utilised as grain freight roads following the closure of the rural rail network. This has resulted in these roads requiring a higher level of technical design and an increased frequency of maintenance and renewal. 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.

## 2.2 Road Inventory

The Shire of Bruce Rock has a road network servicing an area of 2,724<sup>1</sup> square kilometres. Road assets within this Plan include the following components:

- Kerbing;
- Subgrade;
- Surface;
- Pavement; and
- Unsealed Roads.

Road asset information is recorded within a road inventory database. In 2018, a road infrastructure condition report and valuation were undertaken by an external consultant which forms the basis of the measurements and current replacement cost estimates. Verification of the accuracy of the valuation data is not within the scope of this Plan and has not been undertaken.

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

<sup>1</sup> Australian Bureau of Statistics Bruce Rock (S) (LGA51120) 2016 Census of Population and Housing, viewed 6 December 2017

## Appendix A2 - Roads (Continued)

### 2.2 Road Inventory (Continued)

The table below details the road asset components.

Roads Assets	Length (m)	Current Replacement Cost \$
<b>Kerbing</b>	<b>861,338</b>	<b>460,125</b>
Kerb Barrier	977	14,264
Kerb Mountable	1,230	17,958
Kerb Semi Mountable	29,802	427,903
Open Drain (Excavated)	24	0
Table Drain (Shallow)	829,305	0
<b>Pavement Structure</b>	<b>20</b>	<b>61,866,429</b>
Concrete		11,761
Pavement Structure	20	12,520
Structural Asphaltic Concrete		21,919
Thin Surfaced Flexible		35,452,737
Unsealed		26,367,492
<b>Pavement Surface</b>		<b>10,954</b>
Pavement Surface		10,954
<b>Subgrade Structure</b>		<b>19,376,984</b>
Concrete		2,963
Structural Asphaltic Concrete		5,014
Thin Surfaced Flexible		7,857,692
Unsealed		11,511,314
<b>Surface Structure</b>		<b>18,103,718</b>
Concrete		7,766
Structural Asphaltic Concrete		11,562
Thin Surfaced Flexible		18,084,390
Unsealed		0
<b>Grand Total</b>	<b>881,235</b>	<b>208,585,757</b>

# Appendix A2 - Roads (Continued)

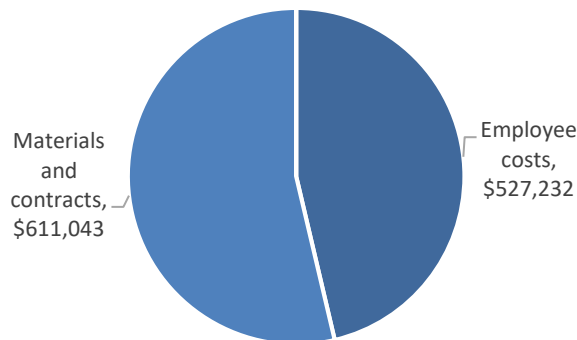
## 2.3 Financial Summary

Financial impacts of managing the Shire's 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 Nature and Type

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 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.

### 2.3.2 New Expenditure

Upgrade works are planned for Dunstall Street in 2018-19. Road safety related projects will be prioritised where issues are identified. External grant funding would be essential to achieve any upgrades.

### 2.3.3 Renewal Expenditure

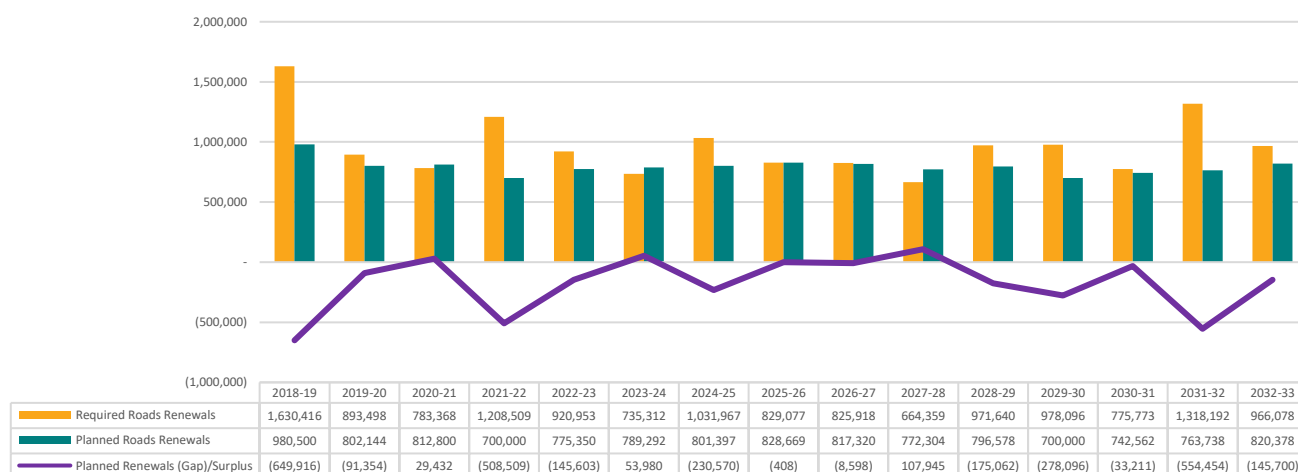
Road works are prioritised based on staff knowledge of the conditions of roads and expected usage patterns and is conducted during the budget process. All planned works are funded through a combination of internal funds and external grants.

In the chart on the following page, planned road expenditure is shown as green columns, with required road renewals as the yellow columns. The purple line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$11.9m, with required road renewal calculated at \$14.5m for the term. Currently the Shire is planning to renew road assets below the forecast required level. Achieving the planned road renewals is dependent on continued receipt of external funding.

## Appendix A2 - Roads (Continued)

### 2.3.4 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.



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	1,630,416	980,500	(649,916)
2019-20	893,498	802,144	(91,354)
2020-21	783,368	812,800	29,432
2021-22	1,208,509	700,000	(508,509)
2022-23	920,953	775,350	(145,603)
2023-24	735,312	789,292	53,980
2024-25	1,031,967	801,397	(230,570)
2025-26	829,077	828,669	(408)
2026-27	825,918	817,320	(8,598)
2027-28	664,359	772,304	107,945
2028-29	971,640	796,578	(175,062)
2029-30	978,096	700,000	(278,096)
2030-31	775,773	742,562	(33,211)
2031-32	1,318,192	763,738	(554,454)
2032-33	966,078	820,378	(145,700)
<b>Total</b>	<b>14,533,156</b>	<b>11,903,032</b>	<b>(2,630,124)</b>

## Appendix A2 - Roads (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 Construction

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<b>Gravel Road Construction</b>			
Condition	Gravel roads are constructed to a high standard.	Customer complaints	No more than 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. Number of damage/injury claims.	One per road. 0 claims.
Cost Effectiveness	Efficient capital works program.	Projects completed within the timeframe and on budget.	100% completed within timeframe and on budget.
<b>Bitumen Road Construction</b>			
Condition	Bitumen roads are constructed to a high standard.	Customer complaints.	No more than 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. Number of damage/injury claims.	One per road. 0 claims.
Cost Effectiveness	Efficient capital works program.	Projects completed within the timeframe and on budget.	100% completed within timeframe and on budget.



## Appendix A2 - Roads (Continued)

### 2.4.2 Maintenance

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<b>Gravel Road Maintenance</b>			
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.	No more than 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.	No more than 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.
<b>Bitumen Road Maintenance/Drainage</b>			
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.	No more than 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.	No more than one complaint per road per year.
Function	To ensure that any maintenance issues that arise are dealt with promptly.	Within 2 working days of notification.	95% addressed.
Safety	To provide a bituminised road network that is free of hazards.	Hazard removed within 2 hours of notification.	95% addressed.
Cost Effectiveness	Efficient roads maintenance program.	Maintenance program completed within timeframe and on budget.	100% completed within timeframe and on budget.

## Appendix A2 - Roads (Continued)

### 2.5 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 - Drainage

### 3.1 Significant Matters

The Shire provides a network of stormwater drainage infrastructure which includes culverts, drainage basins, pipes and pits. The determination of appropriate intervention points for renewal work, along with forecasting the timing and amount of funding required, is important to ensure this work can be undertaken prior to any asset failure. A current assessment shows drainage infrastructure with a current replacement cost of \$8.6m. Further detailed investigation of these assets is required to confirm the timing and costs of the required renewal intervals.

Asset renewal of drainage prior to its failure helps prevent damage to other assets including roads.

### 3.2 Inventory

The Shire is developing a basic drainage asset inventory which is maintained within the road asset inventory system. Utilising the dimension data held and the unit rates provided by the Shire, a current replacement cost has been estimated as set out below.

Drainage Asset	Length (m)	Current Replacement Cost \$
<b>Culvert</b>		
Box shaped	1,027	\$2,096,335
Circular	8,829	\$2,979,457
<b>Headwall</b>		
Box shaped		\$996,956
Circular		\$2,334,835
<b>Open Drain</b>		
Open Drain (Excavated)	770	\$130,220
<b>Pit</b>		
Bubble up pit		\$2,126
Double side entry pit		\$8,504
Gully pit		\$17,540
Junction pit		\$14,060
Side entry pit		\$12,756
<b>Drainage Assets Total</b>		<b>\$8,592,789</b>

### 3.3 Forecast Planned and Required Drainage Renewals

Table drains will be maintained and renewed as part of the renewal of road pavements. Pipe drains will be assessed as part of road pavement works and replaced where required when undertaking these works.

## Appendix A3 - Drainage (Continued)

### 3.4 Financial Summary

The financial impacts of managing the Shire's drainage assets including the maintenance and renewal costs are included under Appendix A2 Roads Infrastructure.

### 3.5 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.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<b>Drainage Maintenance</b>			
Condition	Drains are maintained to a high standard and on a regular basis. Drainage is to be assessed and drains cleaned in order to minimise the risk of flooding and damage.	Customer complaints.	No more than one complaint per road per year.
		Routine drainage inspection.	Two per year with managers.
Function	To ensure that all drains are maintained in order to provide a useable and safe transport network for users in all weather conditions.	Customer complaints.	No more than 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 drainage network that is free of hazards.	Hazard removed within 2 hours of notification.	95% addressed.
Cost Effectiveness	Efficient drainages maintenance program.	Maintenance program completed within timeframe and on budget.	100% completed within timeframe and on budget.

## Appendix A3 - Drainage (Continued)

### 3.6 Risk Management

An assessment of risks associated with the delivery from drainage 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.
Asset condition decreases due to inadequate maintenance program.	Desired level of service not maintained.	Low	Determine maintenance priorities based risk assessment and lifecycle cost.
Health and safety incident whilst working on assets causing fatality or serious injury.	Prosecution risk.	Low	Ensure Council has compliant health and safety policy. Ensure staff and contractors are trained in policy and all procedures are complied with.

### 3.7 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 drainage asset network (including road conditions) and forecasting of road renewal timing and costs is essential for managing the road and drainage 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 drainage renewal priorities.

# Appendix A4 - Buildings

## 4.1 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 requires additional funding. Planning for adequate future funding of building renewals is one of the most significant long-term challenges for the Shire.

Current plans are for buildings with limited community demand to be demolished when they become unsafe to occupy or are no longer required by the community. Other building renewals are planned to be delayed through ensuring adequate levels of maintenance until such time as external funding is available for their renewal or replacement.

## 4.2 Inventory

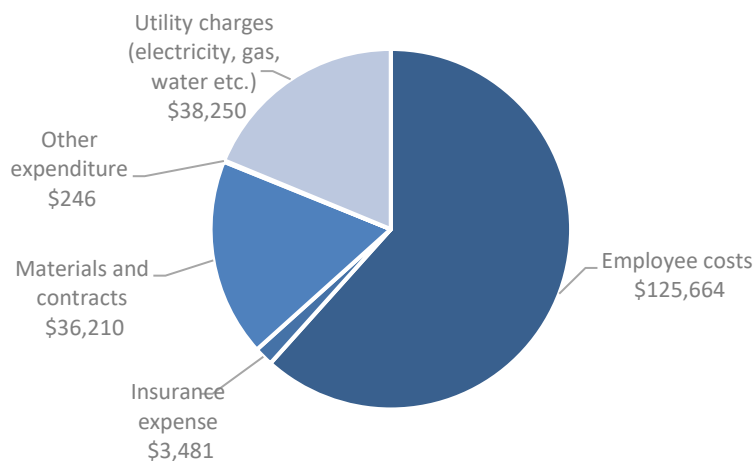
Land and buildings were valued by independent professional valuers in 2017. The replacement costs of the buildings contained within the valuation report (that remain in Shire ownership) is \$50.5 million.

## 4.3 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.

### 4.3.1 Maintenance Expenditure by Nature and Type

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



### 4.3.2 New/Upgrade Asset Expenditure

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



# Appendix A4 - Buildings (Continued)

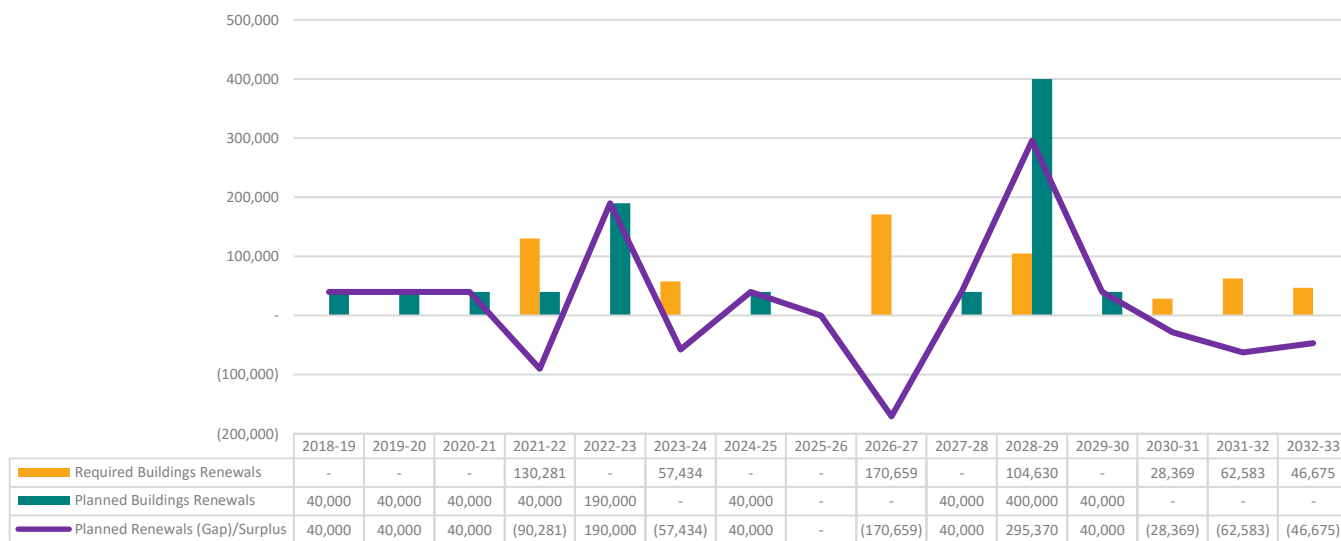
## 4.3.3 Renewal Expenditure

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).

Several buildings currently utilised by community groups are not planned to be renewed. Should the relevant groups no longer require use of the buildings they will be demolished based on insufficient demand.

In the chart below, planned expenditure is shown as the green columns, with forecast required renewals shown as the yellow columns. The purple line shows the variation between the two levels.

## 4.3.4 Forecast Planned and Required Building Renewal Expenditure



The timing and extent of building renewals in the later years of the Plan will be subject to condition based assessments closer to the estimated renewal timing, along with further assessment of demand. Both the timing and costs associated with building renewals are highly variable and, in many instances, dependent on the level of building maintenance.

## Appendix A4 - Buildings (Continued)

### 4.3.5 Forecast Planned and Required Building Renewal Expenditure

The values represented in the chart on the previous page are detailed in the table below. Planned building renewals are in line with the forecast required renewals.

	Required Building Renewals \$	Planned Building Renewals \$	Planned Renewals (Gap)/Surplus
2018-19	0	40,000	40,000
2019-20	0	40,000	40,000
2020-21	0	40,000	40,000
2021-22	130,281	40,000	(90,281)
2022-23	0	190,000	190,000
2023-24	57,434	0	(57,434)
2024-25	0	40,000	40,000
2025-26	0	0	-
2026-27	170,659	0	(170,659)
2027-28	0	40,000	40,000
2028-29	104,630	400,000	295,370
2029-30	0	40,000	40,000
2030-31	28,369	0	(28,369)
2031-32	62,583	0	(62,583)
2032-33	46,675	0	(46,675)
<b>Total</b>	<b>600,631</b>	<b>870,000</b>	<b>269,369</b>

### 4.4 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 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 A4 - Buildings (Continued)

### 4.5 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.

### 4.6 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 A5 - Plant and Equipment

## 5.1 Significant Matters

The Shire has a large plant and equipment portfolio, including 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.

## 5.2 Inventory

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

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

Asset	Current Replacement Cost \$
Furniture and Equipment	252,746
Batching Plant	55,000
Boom Lift	20,000
Bus	110,000
Car	339,482
Crane	1,000
Depot Yard	1,500
Dolly	25,000
Dozer	95,000
Fire Vehicle	106,500
Forklift	11,000
Grader	955,000
Hydraulic Platforms for Tipper Body	6,800
Line Marker	600
Loader	518,200
Sundry Plant	309,400
Mower	61,179
Portable Toilets	4,800
Pump	33,639
Roller	329,700
Soil Compactor	3,200
Sweeper	79,582
Tank	5,950
Tractor	89,000
Trailer	135,600
Tray	43,950
Tri Axle Side Tipper	55,000
Truck	1,219,721
Utility	196,504
<b>Total</b>	<b>5,065,053</b>

## 5.3 Financial Summary

The financial impacts of managing the Shire's plant and equipment assets is separated 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.

# Appendix A5 - Plant and Equipment (Continued)

## 5.3.1 New Expenditure

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

## 5.3.2 Renewal Expenditure

The 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 green columns with required renewals shown as the yellow columns. The purple line shows the variation between the two expenditure levels.

## 5.3.3 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 in some years. The Plan overall has a funding surplus of \$5.7m over the term of the Plan, with planned renewals of \$11.1m and required asset renewals of \$5.3m.

## 5.3.4 Plant Disposals

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



# Appendix A5 - Plant and Equipment (Continued)

## 5.4 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 below.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<b>Fleet Management</b>			
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.

## 5.5 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.

## 5.6 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 A6 - Footpaths

## 6.1 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.

## 6.2 Inventory

Footpath asset information is recorded within the Shire's road inventory database (RAMM). The assets within the asset class were valued in 2018 with all road infrastructure assets. The current replacement cost at the time of the last valuation was \$1.5m.

### 6.2.1 Composition of Estimated Current Replacement Cost of Footpaths

Footpath Type	Length	Current Replacement Cost \$
Footpath	8,504	1,493,535

## 6.3 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.

### 6.3.1 Maintenance Expenditure

Routine maintenance expenditure will be undertaken where required in line with the road maintenance program.

### 6.3.2 New Asset Expenditure

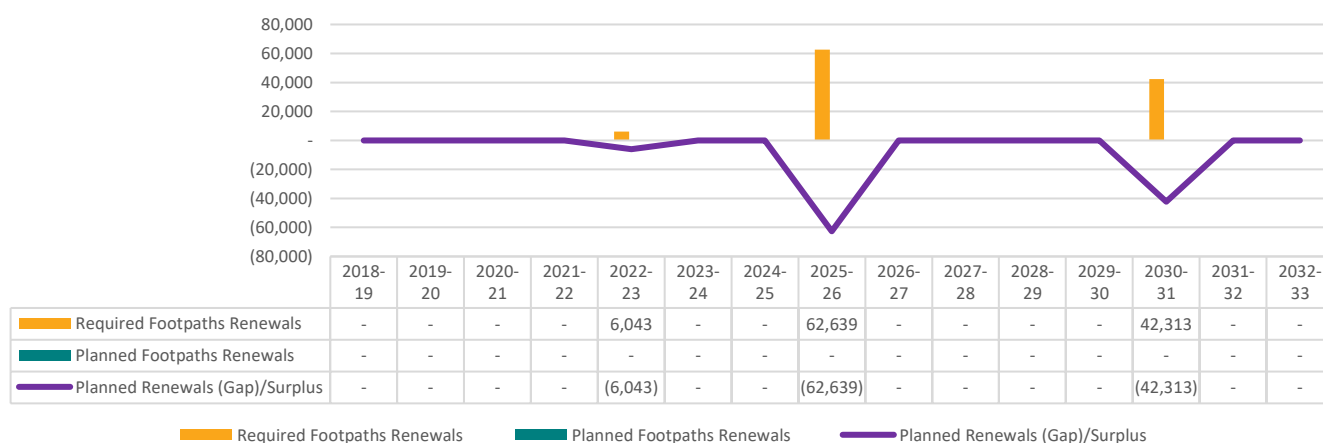
Upgrade to existing footpath assets is not currently planned. Projects will be prioritised where issues are identified. External grant funding would be essential to achieve these upgrades.

### 6.3.3 Renewal Expenditure

Footpaths renewals are planned to occur in line with required renewal timing. Work is prioritised using staff knowledge of the conditions of the footpaths.

In the chart below, forecast planned footpaths expenditure is shown by the green columns, with required footpaths renewals as the yellow columns. The purple line indicates the difference between the two expenditure levels. Required footpaths renewal is calculated at \$111k for the term of the Plan, however footpath renewals have not been allocated funding for the term of this Plan.

### 6.3.4 Forecast Planned and Required Footpath Renewal Expenditure



## Appendix A6 - Footpaths (Continued)

### 6.4 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.	No more than one complaint per year.
		Routine footpath inspection.	Two per year with managers.
Function	To ensure that all footpaths are maintained in order to provide a useable and safe footpaths network for users.	Customer complaints.	No more than 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.

### 6.5 Risk Management

An assessment of risks associated with footpath infrastructure 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 health and safety policy. Ensure staff and contractors are trained in policy and all procedures are complied with.

### 6.6 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 A7 - Other

## 7.1 Significant Matters

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

- Sporting grounds;
- Active and passive reserves;
- Sporting facilities;
- Airport;
- Lighting;
- Dams; 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.

## 7.2 Inventory

The Shire's other infrastructure asset's current replacement cost at the time of valuation at 2018 was \$3.5m.

A register of other infrastructure assets is maintained within the financial reporting system. Conditions of most other infrastructure assets were recorded at the time of valuation.

## 7.3 Financial Summary

The financial impact of managing the Shire's other infrastructure assets is broken down into new and renewal expenditure.

### 7.3.1 New Expenditure

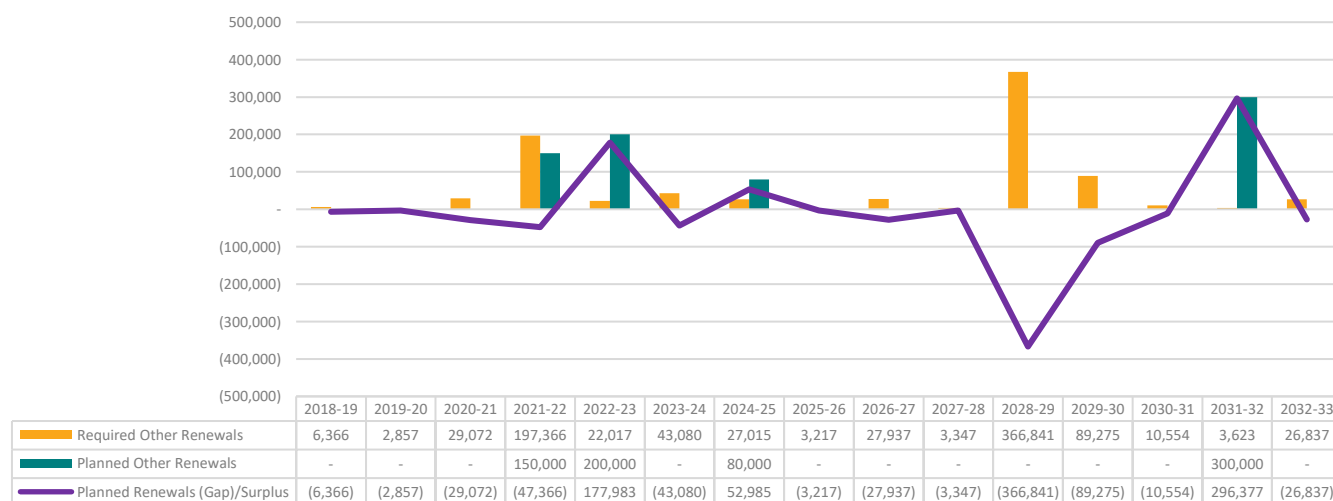
No additional items are forecast to be required over the life of this Plan.

### 7.3.2 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 green columns, with forecast required renewals shown as the yellow columns. The purple line shows the variation between the two levels.

### 7.3.3 Forecast Planned and Required Other Infrastructure Renewal Expenditure



## Appendix A7 - Other (Continued)

### 7.4 Level of Service

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

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

### 7.5 Improvement

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

## Appendix A8 - 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
Roads	Pavement Structure	Thin Surfaced Flexible - Local Distributor	80	50%
Roads	Pavement Structure	Thin Surfaced Flexible - Access Road	100	50%
Roads	Pavement Structure	Thin Surfaced Flexible - Regional Distributor	50	50%
Roads	Pavement Structure	Unsealed - Local Distributor	20	
Roads	Pavement Structure	Unsealed - Access Road	50	
Roads	Pavement Structure	Concrete - Access Road	50	50%
Roads	Pavement Structure	Structural Asphaltic Concrete - Access Road	100	50%
Roads	Pavement Structure	Structural Asphaltic Concrete - Regional Distributor	30	50%
Roads	Pavement Structure	Pavement Structure - Road	30	50%
Roads	Subgrade Structure	Thin Surfaced Flexible - Local Distributor	100	100%
Roads	Subgrade Structure	Thin Surfaced Flexible - Access Road	100	100%
Roads	Subgrade Structure	Thin Surfaced Flexible - Regional Distributor	100	100%
Roads	Subgrade Structure	Unsealed - Local Distributor	100	100%
Roads	Subgrade Structure	Unsealed - Access Road	100	100%
Roads	Subgrade Structure	Concrete - Access Road	100	100%
Roads	Subgrade Structure	Structural Asphaltic Concrete - Access Road	100	100%
Roads	Subgrade Structure	Structural Asphaltic Concrete - Regional Distributor	100	100%
Roads	Surface Structure	Thin Surfaced Flexible - Local Distributor	25	
Roads	Surface Structure	Thin Surfaced Flexible - Access Road	25	
Roads	Surface Structure	Thin Surfaced Flexible - Regional Distributor	20	
Roads	Surface Structure	Unsealed - Local Distributor	100	100%
Roads	Surface Structure	Unsealed - Access Road	100	100%
Roads	Surface Structure	Concrete - Access Road	20	
Roads	Surface Structure	Structural Asphaltic Concrete - Access Road	20	
Roads	Surface Structure	Structural Asphaltic Concrete - Regional Distributor	20	
Roads	Pavement Surface	Pavement Surface	20	
Roads	Kerbing	Open Drain (Excavated)	50	
Roads	Kerbing	Kerb Barrier	50	
Roads	Kerbing	Kerb Mountable	50	
Roads	Kerbing	Kerb Semi Mountable	50	
Roads	Kerbing	Table Drain (Shallow)	50	
Drainage	Culvert	Box Shaped	60	
Drainage	Culvert	Circular	60	
Drainage	Headwall	Box Shaped	60	
Drainage	Headwall	Circular	60	
Drainage	Pit	Bubble Up Pit	60	
Drainage	Pit	Double Side Entry Pit	60	
Drainage	Pit	Gully Pit	60	
Drainage	Pit	Junction Pit	60	
Drainage	Pit	Side Entry Pit	60	
Drainage	Open Drain	Open Drain (Excavated)	60	
Bridges		Reinforced Concrete	80	80%
Bridges		Culvert	80	80%
Bridges			80	80%
Footpaths			40	
Footpaths	Path		30	
Buildings			80	50%
Buildings	Bunkers		60	

## Appendix A8 - Estimated Asset Life and Residual Value (Continued)

Asset Class	Asset Sub-Class	Estimated Useful Life	Materials Remaining In-Situ
Plant and Equipment		0	20%
Plant and Equipment	Grader	35	20%
Plant and Equipment	Trailer	10	20%
Plant and Equipment	Crane	0	20%
Plant and Equipment	Dozer	0	20%
Plant and Equipment	Roller	15	20%
Plant and Equipment	Mower	0	20%
Plant and Equipment	Batching Plant	0	20%
Plant and Equipment	Truck	15	20%
Plant and Equipment	Loader	25	20%
Plant and Equipment	Sweeper	35	20%
Plant and Equipment	Tank	0	20%
Plant and Equipment	Soil Compactor	0	20%
Plant and Equipment	Tractor	17	20%
Plant and Equipment	Dolly	5	20%
Plant and Equipment	Boom Lift	10	20%
Plant and Equipment	Forklift	0	20%
Plant and Equipment	Sundry	20	20%
Plant and Equipment	Low Value Pool	0	20%
Plant and Equipment	Utility	10	20%
Plant and Equipment	Line Marker	0	20%
Plant and Equipment	Bus	10	20%
Plant and Equipment	Car	3	20%
Plant and Equipment	Fire Vehicle	0	20%
Plant and Equipment	Tray	0	20%
Plant and Equipment	Hydraulic Platforms for Tipper Body	0	20%
Plant and Equipment	Depot Yard	0	20%
Plant and Equipment	Pump	0	20%
Plant and Equipment	Tri Axle Side Tipper	0	20%
Plant and Equipment	Portable Toilets	0	20%
Furniture and Equipment		30	40%
Other	Airport	50	
Other	Bin	25	
Other	Irrigation - Rainwater Tank	50	
Other	Irrigation - Electrical Cabinet	15	
Other	Irrigation - Water Tank	10	
Other	Irrigation - Pump	25	
Other	Irrigation - Water Feature	20	
Other	Irrigation - Tap	50	
Other	Irrigation - Water Trough	10	
Other	Irrigation - Water Meter	50	
Other	Irrigation - Tap (Double)	25	
Other	Irrigation - Drain	80	
Other	Irrigation - Power Box	10	
Other	Art	10	
Other	Signs - Park Name	10	
Other	Signs - Facility Information	10	
Other	Signs - Directional	10	
Other	Signs - Warning	10	
Other	Signs - Parking	10	
Other	Signs - Advertising Sign	10	
Other	Signs - Interpretive	10	
Other	Signs - Entry Sign	100	
Other	Signs - Unknown	100	
Other	Softscape - Garden Bed - Tended	100	100%
Other	Softscape - Turf	50	100%
Other	Softscape - Garden Bed - Natural	25	100%



# 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 Bruce Rock.

Objectives	Services	Objectives	Services
<b>Governance</b>	Members of Council Governance – general	<b>Recreation and culture</b>	Public halls, civic centre Swimming areas Other recreation and sport Television and radio re-broadcasting Libraries Other culture
<b>General purpose funding</b>	Rates Other general purpose funding	<b>Transport</b>	Streets, roads, bridges, depots - Construction (not capitalised) - Maintenance Road plant purchase (if not capitalised) Parking facilities Traffic control Aerodromes Water transport facilities
<b>Law, order, public safety</b>	Fire prevention Animal control Other law, order, public safety	<b>Economic services</b>	Rural services Tourism and area promotion Building control Sale yards and markets Plant nursery Other economic services
<b>Health</b>	Maternal and infant health Preventative services - Immunisation - Meat inspection - Administration and inspection - Pest control - Other Other health	<b>Other property and services</b>	Private works Public works overheads Plant operation Salaries and wages Unclassified Town Planning Schemes
<b>Education and welfare</b>	Pre-school Other education Care of families and children Aged and disabled - Senior citizens centres - Meals on wheels Other welfare		
<b>Housing</b>	Staff housing Other housing		
<b>Community amenities</b>	Sanitation - Household refuse - Other Sewerage Urban stormwater drainage Protection of environment Town planning and regional development Other community amenities		

## 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>																			
Rates	1,097,169	1,153,757	1,233,012	1,367,910	1,436,206	1,521,966	1,590,454	1,662,024	1,736,815	1,814,972	1,896,645	1,981,994	2,071,183	2,164,386	2,261,783	2,363,563	2,469,923	2,581,070	2,697,218
Operating grants, subsidies and contributions	1,466,354	3,756,469	1,510,060	1,741,212	1,516,021	2,787,917	2,843,675	2,900,547	2,958,559	3,017,729	3,078,083	3,139,641	3,202,435	3,266,486	3,331,815	3,398,451	3,466,422	3,535,751	3,606,467
Fees and charges	4,115,961	545,948	2,033,361	790,305	862,860	822,232	838,677	855,444	872,550	889,999	907,794	925,948	944,467	963,361	982,626	1,002,273	1,022,318	1,042,766	1,063,624
Interest earnings	127,680	77,502	71,574	70,311	75,007	69,871	69,074	69,968	72,618	75,095	80,105	84,210	90,521	99,506	108,921	119,066	133,035	145,415	158,035
Other revenue	112,820	86,217	109,021	1,000	55,000	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195	1,219	1,243	1,268	1,293	1,319	1,345
	6,919,984	5,619,893	4,957,028	3,970,738	3,945,094	5,203,026	5,342,941	5,489,065	5,641,646	5,798,921	5,963,776	6,132,965	6,309,801	6,494,958	6,686,388	6,884,621	7,092,991	7,306,321	7,526,689
<b>Expenses</b>																			
Employee costs	(1,886,801)	(1,841,201)	(1,933,872)	(2,057,478)	(2,478,915)	(2,140,576)	(2,183,357)	(2,227,038)	(2,271,587)	(2,317,004)	(2,363,344)	(2,410,586)	(2,458,802)	(2,507,996)	(2,558,149)	(2,609,291)	(2,661,495)	(2,714,739)	(2,769,021)
Materials and contracts	(1,485,171)	(1,131,105)	(1,056,369)	(1,870,089)	(1,471,940)	(1,542,124)	(1,582,944)	(1,634,604)	(1,646,898)	(1,679,805)	(1,733,415)	(1,757,866)	(1,793,022)	(1,828,917)	(1,875,490)	(1,912,984)	(1,951,261)	(1,990,307)	(2,040,106)
Utility charges (electricity, gas, water etc.)	(286,457)	(255,923)	(247,669)	(251,100)	(235,300)	(261,232)	(266,447)	(271,773)	(277,202)	(282,736)	(288,391)	(294,153)	(300,041)	(306,048)	(312,168)	(318,403)	(324,767)	(331,273)	(337,898)
Depreciation on non-current assets	(1,850,396)	(2,729,705)	(4,237,623)	(3,737,016)	(2,249,619)	(2,301,460)	(2,353,827)	(2,401,096)	(2,449,560)	(2,497,630)	(2,546,957)	(2,596,963)	(2,648,100)	(2,700,424)	(2,756,277)	(2,810,781)	(2,865,778)	(2,922,138)	(2,979,770)
Interest expense	0	0	(10,151)	(4,589)	(9,346)	(13,296)	(10,952)	(9,837)	(8,668)	(7,445)	(6,163)	(4,820)	(3,413)	(1,939)	(395)	0	0	0	0
Insurance expense	(120,768)	(192,716)	(177,887)	(169,883)	(168,385)	(176,740)	(180,279)	(183,882)	(187,560)	(191,310)	(195,137)	(199,040)	(203,023)	(207,086)	(211,228)	(215,453)	(219,762)	(224,161)	(228,645)
Other expenditure	(64,140)	(64,171)	(62,279)	(176,573)	(204,505)	(217,549)	(221,910)	(226,358)	(230,891)	(235,516)	(240,233)	(245,045)	(249,949)	(254,950)	(260,048)	(265,247)	(270,549)	(275,958)	(281,470)
	(5,693,733)	(6,214,821)	(7,725,850)	(8,266,728)	(6,818,010)	(6,652,977)	(6,799,716)	(6,954,588)	(7,072,366)	(7,211,446)	(7,373,640)	(7,508,473)	(7,656,350)	(7,807,360)	(7,973,755)	(8,132,159)	(8,293,612)	(8,458,576)	(8,636,910)
	1,226,251	(594,928)	(2,768,822)	(4,295,990)	(2,872,916)	(1,449,951)	(1,456,775)	(1,465,523)	(1,430,720)	(1,412,525)	(1,409,864)	(1,375,508)	(1,346,549)	(1,312,402)	(1,287,367)	(1,247,538)	(1,200,621)	(1,152,255)	(1,110,221)
Non-operating grants, subsidies and contributions	1,123,007	1,066,570	2,051,759	1,276,873	750,000	800,000	990,000	830,000	885,000	750,000	775,000	750,000	750,000	750,000	950,000	750,000	750,000	850,000	750,000
Loss on Revaluation	0	(390,716)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on disposal of assets	122,657	1,256	36,964	2,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(97,733)	(102,954)	(171,789)	(79,636)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>NET RESULT</b>	2,374,182	(20,772)	(851,888)	(3,096,753)	(2,122,916)	(649,951)	(466,775)	(635,523)	(545,720)	(662,525)	(634,864)	(625,508)	(596,549)	(562,402)	(337,367)	(497,538)	(450,621)	(302,255)	(360,221)
<b>Other Comprehensive Income</b>	19,873,781	36,410,733	17,813	0	1,861,832	1,891,010	1,915,840	1,942,673	1,966,538	1,987,778	2,007,691	2,027,865	2,049,300	2,064,150	2,084,992	2,102,396	2,109,661	2,131,071	2,153,358
<b>TOTAL COMPREHENSIVE INCOME</b>	22,247,963	36,389,961	(834,075)	(3,096,753)	(261,084)	1,241,059	1,449,065	1,307,150	1,420,818	1,325,253	1,372,827	1,402,357	1,452,751	1,501,748	1,747,625	1,604,858	1,659,040	1,828,816	1,793,137

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	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Revenue</b>																				
Governance	57,524	99,627	65,840	51,945	52,984	54,044	55,125	56,229	57,354	58,501	59,671	60,863	62,081	63,323	64,589	65,879	67,198	68,541	69,912	
General purpose funding	2,018,400	3,966,683	2,113,953	2,671,821	2,746,110	4,093,007	4,210,722	4,334,209	4,463,694	4,597,412	4,738,243	4,882,927	5,034,761	5,194,410	5,359,832	5,531,540	5,712,847	5,898,571	6,090,781	
Law, order, public safety	23,180	26,864	31,034	25,450	25,959	26,478	27,007	27,546	28,096	28,659	29,232	29,817	30,414	31,023	31,643	32,275	32,920	33,578	34,251	
Health	117,335	80,083	71,893	266,400	67,728	69,082	70,463	71,872	73,309	74,774	76,268	77,794	79,350	80,937	82,556	84,207	85,891	87,610	89,362	
Education and welfare	15,538	5,196	7,745	5,200	5,304	5,410	5,517	5,628	5,741	5,856	5,973	6,092	6,214	6,339	6,465	6,594	6,726	6,861	6,998	
Housing	132,327	117,990	134,273	163,100	166,362	169,690	173,083	176,544	180,076	183,678	187,349	191,095	194,918	198,816	202,793	206,849	210,987	215,206	219,511	
Community amenities	108,182	112,053	118,057	131,045	133,666	136,338	139,063	141,844	144,680	147,572	150,524	153,534	156,604	159,738	162,932	166,189	169,513	172,903	176,361	
Recreation and culture	74,716	88,041	120,235	92,575	61,789	63,022	64,284	65,567	66,877	68,214	69,576	70,964	72,381	73,832	75,306	76,811	78,346	79,915	81,514	
Transport	3,818,548	808,589	1,889,865	134,549	247,966	139,985	142,785	145,639	148,551	151,522	154,552	157,643	160,796	164,013	167,294	170,641	174,054	177,535	181,086	
Economic services	204,518	155,060	187,677	177,790	181,346	184,973	188,675	192,447	196,296	200,222	204,227	208,312	212,479	216,728	221,063	225,483	229,993	234,595	239,288	
Other property and services	349,715	208,963	216,453	250,863	255,880	260,997	266,217	271,540	276,972	282,511	288,161	293,924	299,803	305,799	311,915	318,153	324,516	331,006	337,625	
	6,919,983	5,669,149	4,957,025	3,970,738	3,945,094	5,203,026	5,342,941	5,489,065	5,641,646	5,798,921	5,963,776	6,132,965	6,309,801	6,494,958	6,686,388	6,884,621	7,092,991	7,306,321	7,526,689	
<b>Expenses Excluding Finance Costs</b>																				
Governance	(678,999)	(625,691)	(665,892)	(664,614)	(656,527)	(669,694)	(693,122)	(706,987)	(721,124)	(735,538)	(770,246)	(775,446)	(790,949)	(806,768)	(832,916)	(849,574)	(866,562)	(883,889)	(911,563)	
General purpose funding	(105,981)	(154,479)	(104,076)	(72,190)	(106,784)	(108,920)	(111,097)	(113,319)	(115,584)	(117,897)	(120,256)	(122,662)	(125,115)	(127,616)	(130,168)	(132,770)	(135,427)	(138,137)	(140,900)	
Law, order, public safety	(89,677)	(121,431)	(119,430)	(180,598)	(166,346)	(169,747)	(173,210)	(176,679)	(180,218)	(183,809)	(187,479)	(191,215)	(195,029)	(198,924)	(202,924)	(206,972)	(211,098)	(215,312)	(219,607)	
Health	(349,402)	(301,247)	(302,973)	(520,355)	(505,398)	(415,613)	(424,030)	(432,511)	(441,169)	(449,974)	(458,963)	(468,125)	(477,476)	(487,019)	(496,788)	(506,713)	(516,826)	(527,148)	(537,676)	
Education and welfare	(54,063)	(99,339)	(111,142)	(113,715)	(90,750)	(92,672)	(94,628)	(96,525)	(98,464)	(100,417)	(102,424)	(104,456)	(106,530)	(108,654)	(110,855)	(113,061)	(115,301)	(117,597)	(119,933)	
Housing	(181,261)	(333,809)	(385,799)	(473,816)	(380,259)	(388,301)	(396,471)	(404,431)	(412,562)	(420,750)	(429,121)	(437,619)	(446,333)	(455,227)	(464,441)	(473,672)	(483,075)	(492,682)	(502,467)	
Community amenities	(170,403)	(178,394)	(184,624)	(215,622)	(211,901)	(216,173)	(220,527)	(224,938)	(229,437)	(234,016)	(238,698)	(243,464)	(248,326)	(253,295)	(258,373)	(263,538)	(268,802)	(274,176)	(279,656)	
Recreation and culture	(1,090,454)	(1,549,351)	(1,473,398)	(1,646,452)	(1,374,419)	(1,403,231)	(1,432,512)	(1,461,204)	(1,490,513)	(1,520,130)	(1,550,411)	(1,581,225)	(1,612,693)	(1,644,839)	(1,678,088)	(1,711,506)	(1,745,509)	(1,780,246)	(1,815,690)	
Transport	(2,078,834)	(1,982,214)	(3,667,349)	(3,473,638)	(2,621,952)	(2,471,352)	(2,524,399)	(2,594,998)	(2,626,753)	(2,678,761)	(2,731,981)	(2,786,086)	(2,841,350)	(2,897,813)	(2,956,821)	(3,018,602)	(3,075,220)	(3,136,183)	(3,198,441)	
Economic services	(520,690)	(662,468)	(648,347)	(634,984)	(566,452)	(572,918)	(584,503)	(596,197)	(608,134)	(620,269)	(632,666)	(645,296)	(658,189)	(671,351)	(684,820)	(698,496)	(712,444)	(726,677)	(741,192)	
Other property and services	(373,968)	(255,654)	(52,666)	(266,155)	(127,876)	(131,060)	(134,265)	(136,962)	(139,740)	(142,440)	(145,232)	(148,059)	(150,947)	(153,915)	(157,166)	(160,255)	(163,348)	(166,529)	(169,785)	
	(5,693,732)	(6,264,077)	(7,715,696)	(8,262,139)	(6,808,664)	(6,639,681)	(6,788,764)	(6,944,751)	(7,063,698)	(7,204,001)	(7,367,477)	(7,503,653)	(7,652,937)	(7,805,421)	(7,973,360)	(8,132,159)	(8,293,612)	(8,458,576)	(8,636,910)	
<b>Finance Costs</b>																				
Housing	0	0	0	0	(6,392)	(12,016)	(10,952)	(9,837)	(8,668)	(7,445)	(6,163)	(4,820)	(3,413)	(1,939)	(395)	0	0	0	0	
Recreation and culture	0	0	(2,626)	(1,187)	(2,954)	(1,280)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Economic services	0	0	(7,525)	(3,402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	0	0	(10,151)	(4,589)	(9,346)	(13,296)	(10,952)	(9,837)	(8,668)	(7,445)	(6,163)	(4,820)	(3,413)	(1,939)	(395)	0	0	0	0	
<b>Non Operating Grants, Subsidies and Contributions</b>																				
Health	6,381	9,900	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Housing	269,840	67,524	302,401	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Recreation and culture	0	0	10,000	29,950	0	0	120,000	50,000	135,000	0	25,000	0	0	0	200,000	0	0	100,000	0	
Transport	726,369	989,146	1,739,358	1,246,923	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	
Economic services	0	0	0	0	0	50,000	120,000	30,000	0	0	0	0	0	0	0	0	0	0	0	
	1,123,007	1,066,570	2,051,759	1,276,873	750,000	800,000	990,000	830,000	885,000	750,000	775,000	750,000	750,000	750,000	950,000	750,000	750,000	850,000	750,000	
<b>Profit/(Loss) on Disposal of Assets</b>																				
Governance	(13,663)	0	(7,594)	2,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Law, order, public safety	0	0	(32,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Health	(6,569)	0	(4,911)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Housing	0	0	(83,203)	(75,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Recreation and culture	(16,451)	1,256	(240)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Transport	(17,431)	(102,954)	(6,877)	(1,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Economic services	83,386	0	0	(3,636)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	24,924	(101,698)	(134,825)	(77,636)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Loss on Revaluation of Assets</b>	0	(390,716)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>NET RESULT</b>	2,374,182	(20,772)	(851,888)	(3,096,753)	(2,122,916)	(649,951)	(466,775)	(635,523)	(545,720)	(662,525)	(634,864)	(625,508)	(596,549)	(562,402)	(337,367)	(497,538)	(450,621)	(302,255)	(360,221)	
<b>Other Comprehensive Income</b>	19,873,781	36,410,733	17,813	0	1,861,832	1,891,010	1,915,840	1,942,673	1,966,538	1,987,778	2,007,691	2,027,865	2,049,300	2,064,150	2,084,992	2,102,396	2,109,661	2,131,071	2,153,358	
<b>TOTAL COMPREHENSIVE INCOME</b>	22,247,963	36,389,961	(834,075)	(3,096,753)	(261,084)	1,241,059	1,449,065	1,307,150	1,420,818	1,325,253	1,372,827	1,402,357	1,452,751	1,501,748	1,747,625	1,604,858	1,659,040	1,828,816	1,793,137	

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		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
<b>CURRENT ASSETS</b>																					
Unrestricted Cash and Equivalents	2,461,087	3,101,638	2,513,438	1,905,069	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	
Restricted Cash and Cash Equivalent	0	0	1,575,235	1,328,790	1,312,021	1,258,887	1,318,388	1,495,082	1,660,366	1,994,293	2,268,014	2,688,736	3,287,844	3,915,463	4,591,759	5,522,922	6,348,261	7,189,670	8,361,059	8,361,059	
Trade and Other Receivables	738,609	366,378	1,018,744	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228
Inventories	14,141	28,760	39,599	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
<b>TOTAL CURRENT ASSETS</b>	<b>3,213,837</b>	<b>3,496,776</b>	<b>5,147,016</b>	<b>3,652,087</b>	<b>1,742,975</b>	<b>1,689,841</b>	<b>1,749,342</b>	<b>1,926,036</b>	<b>2,091,320</b>	<b>2,425,247</b>	<b>2,698,968</b>	<b>3,119,690</b>	<b>3,718,798</b>	<b>4,346,417</b>	<b>5,022,713</b>	<b>5,953,876</b>	<b>6,779,215</b>	<b>7,620,624</b>	<b>8,792,013</b>	<b>8,792,013</b>	
<b>NON-CURRENT ASSETS</b>																					
Other Receivables	8,469	9,161	8,460	8,460	8,460	8,460	8,460	8,460	8,460	8,460	8,460	8,460	8,460	8,460	8,460	8,460	8,460	8,460	8,460	8,460	8,460
Property Plant and Equipment	35,683,888	35,073,069	36,832,986	34,301,910	35,363,642	36,061,962	36,690,769	37,252,095	37,876,048	38,444,170	39,055,133	39,627,912	40,112,896	40,693,753	41,497,352	42,051,840	42,762,349	43,344,703	43,839,275	43,839,275	
Infrastructure	23,158,893	60,447,055	60,415,636	60,609,742	61,388,183	61,890,949	62,628,254	63,172,817	63,778,662	64,174,907	64,634,809	65,014,081	65,351,749	65,612,556	65,863,479	65,982,686	66,105,878	66,510,931	66,638,107	66,638,107	
<b>TOTAL NON-CURRENT ASSETS</b>	<b>58,851,250</b>	<b>95,529,285</b>	<b>97,257,082</b>	<b>94,920,112</b>	<b>96,760,285</b>	<b>97,961,371</b>	<b>99,327,483</b>	<b>100,433,372</b>	<b>101,663,170</b>	<b>102,627,537</b>	<b>103,698,402</b>	<b>104,650,453</b>	<b>105,473,105</b>	<b>106,314,769</b>	<b>107,369,291</b>	<b>108,042,986</b>	<b>108,876,687</b>	<b>109,864,094</b>	<b>110,485,842</b>	<b>110,485,842</b>	
<b>TOTAL ASSETS</b>	<b>62,065,087</b>	<b>99,026,061</b>	<b>102,404,098</b>	<b>98,572,199</b>	<b>98,503,260</b>	<b>99,651,212</b>	<b>101,076,825</b>	<b>102,359,408</b>	<b>103,754,490</b>	<b>105,052,784</b>	<b>106,397,370</b>	<b>107,770,143</b>	<b>109,191,903</b>	<b>110,661,186</b>	<b>112,392,004</b>	<b>113,996,862</b>	<b>115,655,902</b>	<b>117,484,718</b>	<b>119,277,855</b>	<b>119,277,855</b>	
<b>CURRENT LIABILITIES</b>																					
Trade and Other Payables	255,711	472,072	1,119,247	430,955	430,955	430,955	430,955	430,955	430,955	430,955	430,955	430,955	430,955	430,955	430,955	430,955	430,955	430,955	430,955	430,955	430,955
Current Portion of Long-term Liabilities	0	64,257	207,174	89,201	93,107	23,452	24,567	25,736	26,959	28,241	29,584	30,991	32,465	16,807	0	0	0	0	0	0	0
Provisions	299,571	317,074	379,444	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>555,282</b>	<b>853,403</b>	<b>1,705,865</b>	<b>920,156</b>	<b>924,062</b>	<b>854,407</b>	<b>855,522</b>	<b>856,691</b>	<b>857,914</b>	<b>859,196</b>	<b>860,539</b>	<b>861,946</b>	<b>863,420</b>	<b>847,762</b>	<b>830,955</b>	<b>830,955</b>	<b>830,955</b>	<b>830,955</b>	<b>830,955</b>	<b>830,955</b>	<b>830,955</b>
<b>NON-CURRENT LIABILITIES</b>																					
Long-term Borrowings	0	272,988	0	50,563	238,802	215,350	190,783	165,047	138,088	109,847	80,263	49,272	16,807	0	0	0	0	0	0	0	0
Provisions	35,852	35,758	51,757	51,757	51,757	51,757	51,757	51,757	51,757	51,757	51,757	51,757	51,757	51,757	51,757	51,757	51,757	51,757	51,757	51,757	51,757
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>35,852</b>	<b>308,746</b>	<b>51,757</b>	<b>102,320</b>	<b>290,559</b>	<b>267,107</b>	<b>242,540</b>	<b>216,804</b>	<b>189,845</b>	<b>161,604</b>	<b>132,020</b>	<b>101,029</b>	<b>68,564</b>	<b>51,757</b>	<b>51,757</b>	<b>51,757</b>	<b>51,757</b>	<b>51,757</b>	<b>51,757</b>	<b>51,757</b>	<b>51,757</b>
<b>TOTAL LIABILITIES</b>	<b>591,134</b>	<b>1,162,149</b>	<b>1,757,622</b>	<b>1,022,476</b>	<b>1,214,621</b>	<b>1,121,514</b>	<b>1,098,062</b>	<b>1,073,495</b>	<b>1,047,759</b>	<b>1,020,800</b>	<b>992,559</b>	<b>962,975</b>	<b>931,984</b>	<b>899,519</b>	<b>882,712</b>	<b>882,712</b>	<b>882,712</b>	<b>882,712</b>	<b>882,712</b>	<b>882,712</b>	<b>882,712</b>
<b>NET ASSETS</b>	<b>61,473,953</b>	<b>97,863,912</b>	<b>100,646,476</b>	<b>97,549,723</b>	<b>97,288,639</b>	<b>98,529,698</b>	<b>99,978,763</b>	<b>101,285,913</b>	<b>102,706,731</b>	<b>104,031,984</b>	<b>105,404,811</b>	<b>106,807,168</b>	<b>108,259,919</b>	<b>109,761,667</b>	<b>111,509,292</b>	<b>113,114,150</b>	<b>114,773,190</b>	<b>116,602,006</b>	<b>118,395,143</b>	<b>118,395,143</b>	
<b>EQUITY</b>																					
Retained Surplus	39,824,760	39,757,615	38,663,482	35,532,368	33,426,221	32,829,404	32,303,128	31,490,911	30,779,907	29,783,455	28,874,870	27,828,640	26,632,983	25,442,962	24,429,299	23,000,598	21,724,638	20,580,974	19,049,364	19,049,364	
Reserves - Cash Backed	1,147,301	1,193,672	1,294,428	1,328,789	1,312,020	1,258,886	1,318,387	1,495,081	1,660,365	1,994,292	2,268,013	2,688,735	3,287,843	3,915,462	4,591,758	5,522,921	6,348,260	7,189,669	8,361,058	8,361,058	
Asset Revaluation Surplus	20,501,892	56,912,625	60,688,566	60,688,566	62,550,398	64,441,408	66,357,248	68,299,921	70,266,459	72,254,237	74,261,928	76,289,793	78,339,093	80,403,243	82,488,235	84,590,631	86,700,292	88,831,363	90,984,721	90,984,721	
<b>TOTAL EQUITY</b>	<b>61,473,953</b>	<b>97,863,912</b>	<b>100,646,476</b>	<b>97,549,723</b>	<b>97,288,639</b>	<b>98,529,698</b>	<b>99,978,763</b>	<b>101,285,913</b>	<b>102,706,731</b>	<b>104,031,984</b>	<b>105,404,811</b>	<b>106,807,168</b>	<b>108,259,919</b>	<b>109,761,667</b>	<b>111,509,292</b>	<b>113,114,150</b>	<b>114,773,190</b>	<b>116,602,006</b>	<b>118,395,143</b>	<b>118,395,143</b>	

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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>RETAINED SURPLUS</b>																			
Opening Balance	37,450,578	39,824,758	39,616,126	38,663,482	35,532,368	33,426,221	32,829,404	32,303,128	31,490,911	30,779,907	29,783,455	28,874,870	27,828,640	26,632,983	25,442,962	24,429,299	23,000,598	21,724,638	20,580,974
Net Result	2,374,182	(20,772)	(851,888)	(3,096,753)	(2,122,916)	(649,951)	(466,775)	(635,523)	(545,720)	(662,525)	(634,864)	(625,508)	(596,549)	(562,402)	(337,367)	(497,538)	(450,621)	(302,255)	(360,221)
Amount transferred (to)/from Reserves		(46,371)	(100,756)	(34,361)	16,769	53,134	(59,501)	(176,694)	(165,284)	(333,927)	(273,721)	(420,722)	(599,108)	(627,619)	(676,296)	(931,163)	(825,339)	(841,409)	(1,171,389)
Closing Balance	39,824,760	39,757,615	38,663,482	35,532,368	33,426,221	32,829,404	32,303,128	31,490,911	30,779,907	29,783,455	28,874,870	27,828,640	26,632,983	25,442,962	24,429,299	23,000,598	21,724,638	20,580,974	19,049,364
<b>RESERVES - CASH/INVESTMENT BACKED</b>																			
Opening Balance	1,147,301	1,147,301	1,193,672	1,294,428	1,328,789	1,312,020	1,258,886	1,318,387	1,495,081	1,660,365	1,994,292	2,268,013	2,688,735	3,287,843	3,915,462	4,591,758	5,522,921	6,348,260	7,189,669
Amount transferred to/(from) Retained Surplus	0	46,371	100,756	34,361	(16,769)	(53,134)	59,501	176,694	165,284	333,927	273,721	420,722	599,108	627,619	676,296	931,163	825,339	841,409	1,171,389
Closing Balance	1,147,301	1,193,672	1,294,428	1,328,789	1,312,020	1,258,886	1,318,387	1,495,081	1,660,365	1,994,292	2,268,013	2,688,735	3,287,843	3,915,462	4,591,758	5,522,921	6,348,260	7,189,669	8,361,058
<b>ASSET REVALUATION SURPLUS</b>																			
Opening Balance	628,111	20,501,892	60,670,753	60,688,566	60,688,566	62,550,398	64,441,408	66,357,248	68,299,921	70,266,459	72,254,237	74,261,928	76,289,793	78,339,093	80,403,243	82,488,235	84,590,631	86,700,292	88,831,363
Total Other Comprehensive Income	19,873,781	36,410,733	17,813	0	1,861,832	1,891,010	1,915,840	1,942,673	1,966,538	1,987,778	2,007,691	2,027,865	2,049,300	2,064,150	2,084,992	2,102,396	2,109,661	2,131,071	2,153,358
Closing Balance	20,501,892	56,912,625	60,688,566	60,688,566	62,550,398	64,441,408	66,357,248	68,299,921	70,266,459	72,254,237	74,261,928	76,289,793	78,339,093	80,403,243	82,488,235	84,590,631	86,700,292	88,831,363	90,984,721
<b>TOTAL EQUITY</b>	<b>61,473,953</b>	<b>97,863,912</b>	<b>100,646,476</b>	<b>97,549,723</b>	<b>97,288,639</b>	<b>98,529,698</b>	<b>99,978,763</b>	<b>101,285,913</b>	<b>102,706,731</b>	<b>104,031,984</b>	<b>105,404,811</b>	<b>106,807,168</b>	<b>108,259,919</b>	<b>109,761,667</b>	<b>111,509,292</b>	<b>113,114,150</b>	<b>114,773,190</b>	<b>116,602,006</b>	<b>118,395,143</b>



## 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	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Cash Flows From Operating Activities</b>																
<b>Receipts</b>																
Rates	1,436,206	1,521,966	1,590,454	1,662,024	1,736,815	1,814,972	1,896,645	1,981,994	2,071,183	2,164,386	2,261,783	2,363,563	2,469,923	2,581,070	2,697,218	
Operating grants, subsidies and contributions	1,516,021	2,787,917	2,843,675	2,900,547	2,958,559	3,017,729	3,078,083	3,139,641	3,202,435	3,266,486	3,331,815	3,398,451	3,466,422	3,535,751	3,606,467	
Fees and charges	862,860	822,232	838,677	855,444	872,550	889,999	907,794	925,948	944,467	963,361	982,626	1,002,273	1,022,318	1,042,766	1,063,624	
Interest earnings	75,007	69,871	69,074	69,968	72,618	75,095	80,105	84,210	90,521	99,506	108,921	119,066	133,035	145,415	158,035	
Other revenue	55,000	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195	1,219	1,243	1,268	1,293	1,319	1,345	
	3,945,094	5,203,026	5,342,941	5,489,065	5,641,646	5,798,921	5,963,776	6,132,965	6,309,801	6,494,958	6,686,388	6,884,621	7,092,991	7,306,321	7,526,689	
<b>Payments</b>																
Employee costs	(2,478,915)	(2,140,576)	(2,183,357)	(2,227,038)	(2,271,587)	(2,317,004)	(2,363,344)	(2,410,586)	(2,458,802)	(2,507,996)	(2,558,149)	(2,609,291)	(2,661,495)	(2,714,739)	(2,769,021)	
Materials and contracts	(1,471,940)	(1,542,124)	(1,582,944)	(1,634,604)	(1,646,898)	(1,679,805)	(1,733,415)	(1,757,866)	(1,793,022)	(1,828,917)	(1,875,490)	(1,912,984)	(1,951,261)	(1,990,307)	(2,040,106)	
Utility charges	(235,300)	(261,232)	(266,447)	(271,773)	(277,202)	(282,736)	(288,391)	(294,153)	(300,041)	(306,048)	(312,168)	(318,403)	(324,767)	(331,273)	(337,898)	
Interest expenses	(9,346)	(13,296)	(10,952)	(9,837)	(8,668)	(7,445)	(6,163)	(4,820)	(3,413)	(1,939)	(395)	0	0	0	0	
Insurance expenses	(168,385)	(176,740)	(180,279)	(183,882)	(187,560)	(191,310)	(195,137)	(199,040)	(203,023)	(207,086)	(211,228)	(215,453)	(219,762)	(224,161)	(228,645)	
Other expenditure	(204,505)	(217,549)	(221,910)	(226,358)	(230,891)	(235,516)	(240,233)	(245,045)	(249,949)	(254,950)	(260,048)	(265,247)	(270,549)	(275,958)	(281,470)	
	(4,568,391)	(4,351,517)	(4,445,889)	(4,553,492)	(4,622,806)	(4,713,816)	(4,826,683)	(4,911,510)	(5,008,250)	(5,106,936)	(5,217,478)	(5,321,378)	(5,427,834)	(5,536,438)	(5,657,140)	
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>(623,297)</b>	<b>851,509</b>	<b>897,052</b>	<b>935,573</b>	<b>1,018,840</b>	<b>1,085,105</b>	<b>1,137,093</b>	<b>1,221,455</b>	<b>1,301,551</b>	<b>1,388,022</b>	<b>1,468,910</b>	<b>1,563,243</b>	<b>1,665,157</b>	<b>1,769,883</b>	<b>1,869,549</b>	
<b>Cash Flows from Investing Activities</b>																
Payments for purchase of property, plant & equipment	(1,017,460)	(910,128)	(866,152)	(820,900)	(823,743)	(801,827)	(810,769)	(833,051)	(713,469)	(833,566)	(993,089)	(817,433)	(1,087,923)	(851,065)	(724,077)	
Payments for construction of infrastructure	(1,210,500)	(952,144)	(1,212,800)	(1,040,000)	(1,125,350)	(939,292)	(1,031,397)	(978,669)	(967,320)	(922,304)	(946,578)	(850,000)	(892,562)	(1,213,738)	(970,378)	
Non-operating grants, subsidies and contributions	750,000	800,000	990,000	830,000	885,000	750,000	775,000	750,000	750,000	750,000	950,000	750,000	750,000	850,000	750,000	
Proceeds from sale of plant & equipment	0	250,736	274,853	296,588	236,273	266,900	232,035	290,571	259,337	277,932	213,860	285,353	390,667	286,329	246,295	
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>(1,477,960)</b>	<b>(811,536)</b>	<b>(814,099)</b>	<b>(734,312)</b>	<b>(827,820)</b>	<b>(724,219)</b>	<b>(835,131)</b>	<b>(771,149)</b>	<b>(671,452)</b>	<b>(727,938)</b>	<b>(775,807)</b>	<b>(632,080)</b>	<b>(839,818)</b>	<b>(928,474)</b>	<b>(698,160)</b>	
<b>Cash Flows from Financing Activities</b>																
Repayment of debentures	(79,855)	(93,107)	(23,452)	(24,567)	(25,736)	(26,959)	(28,241)	(29,584)	(30,991)	(32,465)	(16,807)	0	0	0	0	
Proceeds from new debentures	272,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b>192,145</b>	<b>(93,107)</b>	<b>(23,452)</b>	<b>(24,567)</b>	<b>(25,736)</b>	<b>(26,959)</b>	<b>(28,241)</b>	<b>(29,584)</b>	<b>(30,991)</b>	<b>(32,465)</b>	<b>(16,807)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Increase (Decrease) in Cash Held</b>	<b>(1,909,112)</b>	<b>(53,134)</b>	<b>59,501</b>	<b>176,694</b>	<b>165,284</b>	<b>333,927</b>	<b>273,721</b>	<b>420,722</b>	<b>599,108</b>	<b>627,619</b>	<b>676,296</b>	<b>931,163</b>	<b>825,339</b>	<b>841,409</b>	<b>1,171,389</b>	
Cash at beginning of year	3,233,859	1,324,747	1,271,613	1,331,114	1,507,808	1,673,092	2,007,019	2,280,740	2,701,462	3,300,570	3,928,189	4,604,485	5,535,648	6,360,987	7,202,396	
<b>Cash and Cash Equivalents at the End of Year</b>	<b>1,324,747</b>	<b>1,271,613</b>	<b>1,331,114</b>	<b>1,507,808</b>	<b>1,673,092</b>	<b>2,007,019</b>	<b>2,280,740</b>	<b>2,701,462</b>	<b>3,300,570</b>	<b>3,928,189</b>	<b>4,604,485</b>	<b>5,535,648</b>	<b>6,360,987</b>	<b>7,202,396</b>	<b>8,373,785</b>	
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>																
Net Result	(2,122,916)	(649,951)	(466,775)	(635,523)	(545,720)	(662,525)	(634,864)	(625,508)	(596,549)	(562,402)	(337,367)	(497,538)	(450,621)	(302,255)	(360,221)	
Depreciation	2,249,619	2,301,460	2,353,827	2,401,096	2,449,560	2,497,630	2,546,957	2,596,963	2,648,100	2,700,424	2,756,277	2,810,781	2,865,778	2,922,138	2,979,770	
Grants/Contributions for the development of assets	(750,000)	(800,000)	(990,000)	(830,000)	(885,000)	(750,000)	(775,000)	(750,000)	(750,000)	(750,000)	(950,000)	(750,000)	(750,000)	(850,000)	(750,000)	
<b>Net Cash from Operating Activities</b>	<b>(623,297)</b>	<b>851,509</b>	<b>897,052</b>	<b>935,573</b>	<b>1,018,840</b>	<b>1,085,105</b>	<b>1,137,093</b>	<b>1,221,455</b>	<b>1,301,551</b>	<b>1,388,022</b>	<b>1,468,910</b>	<b>1,563,243</b>	<b>1,665,157</b>	<b>1,769,883</b>	<b>1,869,549</b>	

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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>FUNDING FROM OPERATIONAL ACTIVITIES</b>															
<b>Revenues</b>															
Rates	1,436,206	1,521,966	1,590,454	1,662,024	1,736,815	1,814,972	1,896,645	1,981,994	2,071,183	2,164,386	2,261,783	2,363,563	2,469,923	2,581,070	2,697,218
Operating grants, subsidies and contributions	1,516,021	2,787,917	2,843,675	2,900,547	2,958,559	3,017,729	3,078,083	3,139,641	3,202,435	3,266,486	3,331,815	3,398,451	3,466,422	3,535,751	3,606,467
Fees and charges	862,860	822,232	838,677	855,444	872,550	889,999	907,794	925,948	944,467	963,361	982,626	1,002,273	1,022,318	1,042,766	1,063,624
Interest earnings	75,007	69,871	69,074	69,968	72,618	75,095	80,105	84,210	90,521	99,506	108,921	119,066	133,035	145,415	158,035
Other revenue	55,000	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195	1,219	1,243	1,268	1,293	1,319	1,345
	3,945,094	5,203,026	5,342,941	5,489,065	5,641,646	5,798,921	5,963,776	6,132,965	6,309,801	6,494,958	6,686,388	6,884,621	7,092,991	7,306,321	7,526,689
<b>Expenses</b>															
Employee costs	(2,478,915)	(2,140,576)	(2,183,357)	(2,227,038)	(2,271,587)	(2,317,004)	(2,363,344)	(2,410,586)	(2,458,802)	(2,507,996)	(2,558,149)	(2,609,291)	(2,661,495)	(2,714,739)	(2,769,021)
Materials and contracts	(1,471,940)	(1,542,124)	(1,582,944)	(1,634,604)	(1,646,898)	(1,679,805)	(1,733,415)	(1,757,866)	(1,793,022)	(1,828,917)	(1,875,490)	(1,912,984)	(1,951,261)	(1,990,307)	(2,040,106)
Utility charges (electricity, gas, water etc.)	(235,300)	(261,232)	(266,447)	(271,773)	(277,202)	(282,736)	(288,391)	(294,153)	(300,041)	(306,048)	(312,168)	(318,403)	(324,767)	(331,273)	(337,898)
Depreciation on non-current assets	(2,249,619)	(2,301,460)	(2,353,827)	(2,401,096)	(2,449,560)	(2,497,630)	(2,546,957)	(2,596,963)	(2,648,100)	(2,700,424)	(2,756,277)	(2,810,781)	(2,865,778)	(2,922,138)	(2,979,770)
Interest expense	(9,346)	(13,296)	(10,952)	(9,837)	(8,668)	(7,445)	(6,163)	(4,820)	(3,413)	(1,939)	(395)	0	0	0	0
Insurance expense	(168,385)	(176,740)	(180,279)	(183,882)	(187,560)	(191,310)	(195,137)	(199,040)	(203,023)	(207,086)	(211,228)	(215,453)	(219,762)	(224,161)	(228,645)
Other expenditure	(204,505)	(217,549)	(221,910)	(226,358)	(230,891)	(235,516)	(240,233)	(245,045)	(249,949)	(254,950)	(260,048)	(265,247)	(270,549)	(275,958)	(281,470)
	(6,818,010)	(6,652,977)	(6,799,716)	(6,954,588)	(7,072,366)	(7,211,446)	(7,373,640)	(7,508,473)	(7,656,350)	(7,807,360)	(7,973,755)	(8,132,159)	(8,293,612)	(8,458,576)	(8,636,910)
	(2,872,916)	(1,449,951)	(1,456,775)	(1,465,523)	(1,430,720)	(1,412,525)	(1,409,864)	(1,375,508)	(1,346,549)	(1,312,402)	(1,287,367)	(1,247,538)	(1,200,621)	(1,152,255)	(1,110,221)
<b>Funding Position Adjustments</b>															
Depreciation on non-current assets	2,249,619	2,301,460	2,353,827	2,401,096	2,449,560	2,497,630	2,546,957	2,596,963	2,648,100	2,700,424	2,756,277	2,810,781	2,865,778	2,922,138	2,979,770
<b>Net Funding From Operational Activities</b>	(623,297)	851,509	897,052	935,573	1,018,840	1,085,105	1,137,093	1,221,455	1,301,551	1,388,022	1,468,910	1,563,243	1,665,157	1,769,883	1,869,549
<b>FUNDING FROM CAPITAL ACTIVITIES</b>															
<b>Inflows</b>															
Proceeds on disposal	0	250,736	274,853	296,588	236,273	266,900	232,035	290,571	259,337	277,932	213,860	285,353	390,667	286,329	246,295
Non-operating grants, subsidies and contributions	750,000	800,000	990,000	830,000	885,000	750,000	775,000	750,000	750,000	750,000	950,000	750,000	750,000	850,000	750,000
<b>Outflows</b>															
Purchase of property plant and equipment	(1,017,460)	(910,128)	(866,152)	(820,900)	(823,743)	(801,827)	(810,769)	(833,051)	(713,469)	(833,566)	(993,089)	(817,433)	(1,087,923)	(851,065)	(724,077)
Purchase of infrastructure	(1,210,500)	(952,144)	(1,212,800)	(1,040,000)	(1,125,350)	(939,292)	(1,031,397)	(978,669)	(967,320)	(922,304)	(946,578)	(850,000)	(892,562)	(1,213,738)	(970,378)
<b>Net Funding From Capital Activities</b>	(1,477,960)	(811,536)	(814,099)	(734,312)	(827,820)	(724,219)	(835,131)	(771,149)	(671,452)	(727,938)	(775,807)	(632,080)	(839,818)	(928,474)	(698,160)
<b>FUNDING FROM FINANCING ACTIVITIES</b>															
<b>Inflows</b>															
Transfer from reserves	240,000	594,254	480,822	424,312	397,470	581,213	586,331	605,714	493,491	515,634	379,229	492,080	697,256	564,736	477,782
New borrowings	272,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Outflows</b>															
Transfer to reserves	(223,231)	(541,120)	(540,323)	(601,006)	(562,754)	(915,140)	(860,052)	(1,026,436)	(1,092,599)	(1,143,253)	(1,055,525)	(1,423,243)	(1,522,595)	(1,406,145)	(1,649,171)
Repayment of past borrowings	(79,855)	(93,107)	(23,452)	(24,567)	(25,736)	(26,959)	(28,241)	(29,584)	(30,991)	(32,465)	(16,807)	0	0	0	0
<b>Net Funding From Financing Activities</b>	208,914	(39,973)	(82,953)	(201,261)	(191,020)	(360,886)	(301,962)	(450,306)	(630,099)	(660,084)	(693,103)	(931,163)	(825,339)	(841,409)	(1,171,389)
Estimated Surplus/Deficit July 1 B/Fwd	1,892,343	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Estimated Surplus/Deficit June 30 C/Fwd</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Refer to Appendix B15 – Forecast Significant Accounting Policies



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

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Estimated Surplus/Deficit July 1 B/Fwd</b>	1,892,343	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>CURRENT ASSETS</b>															
Unrestricted Cash and Equivalents	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726	12,726
Restricted Cash and Cash Equivalent	1,312,021	1,258,887	1,318,388	1,495,082	1,660,366	1,994,293	2,268,014	2,688,736	3,287,844	3,915,463	4,591,759	5,522,922	6,348,261	7,189,670	8,361,059
Trade and Other Receivables	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228	378,228
Inventories	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
<b>CURRENT LIABILITIES</b>															
Trade and Other Payables	(430,955)	(430,955)	(430,955)	(430,955)	(430,955)	(430,955)	(430,955)	(430,955)	(430,955)	(430,955)	(430,955)	(430,955)	(430,955)	(430,955)	(430,955)
Reserves	(1,312,020)	(1,258,886)	(1,318,387)	(1,495,081)	(1,660,365)	(1,994,292)	(2,268,013)	(2,688,735)	(3,287,843)	(3,915,462)	(4,591,758)	(5,522,921)	(6,348,260)	(7,189,669)	(8,361,058)
<b>Estimated Surplus/Deficit June 30 C/Fwd</b>	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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CAPITAL WORKS - INFRASTRUCTURE</b>															
Roads	1,060,500	802,144	812,800	700,000	775,350	789,292	801,397	828,669	817,320	772,304	796,578	700,000	742,562	763,738	820,378
Bridges	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Other	0	0	250,000	190,000	200,000	0	80,000	0	0	0	0	0	0	300,000	0
<b>Total Capital Works - Infrastructure</b>	<b>1,210,500</b>	<b>952,144</b>	<b>1,212,800</b>	<b>1,040,000</b>	<b>1,125,350</b>	<b>939,292</b>	<b>1,031,397</b>	<b>978,669</b>	<b>967,320</b>	<b>922,304</b>	<b>946,578</b>	<b>850,000</b>	<b>892,562</b>	<b>1,213,738</b>	<b>970,378</b>
<b>Represented by:</b>															
Additions - Expansion, Upgrades and New	80,000	0	250,000	40,000	0	0	0	0	0	0	0	0	0	0	0
Additions - Renewal	1,130,500	952,144	962,800	1,000,000	1,125,350	939,292	1,031,397	978,669	967,320	922,304	946,578	850,000	892,562	1,213,738	970,378
<b>Total Capital Works - Infrastructure</b>	<b>1,210,500</b>	<b>952,144</b>	<b>1,212,800</b>	<b>1,040,000</b>	<b>1,125,350</b>	<b>939,292</b>	<b>1,031,397</b>	<b>978,669</b>	<b>967,320</b>	<b>922,304</b>	<b>946,578</b>	<b>850,000</b>	<b>892,562</b>	<b>1,213,738</b>	<b>970,378</b>
<b>Asset Movement Reconciliation</b>															
Total Capital Works Infrastructure	1,210,500	952,144	1,212,800	1,040,000	1,125,350	939,292	1,031,397	978,669	967,320	922,304	946,578	850,000	892,562	1,213,738	970,378
Depreciation Infrastructure	(1,644,254)	(1,677,141)	(1,713,313)	(1,748,002)	(1,782,961)	(1,818,621)	(1,854,993)	(1,892,093)	(1,929,934)	(1,968,533)	(2,007,905)	(2,048,062)	(2,089,024)	(2,130,803)	(2,173,420)
Revaluation of Infrastructure assets (Inflation)	1,212,195	1,227,763	1,237,818	1,252,565	1,263,456	1,275,574	1,283,498	1,292,696	1,300,282	1,307,036	1,312,250	1,317,269	1,319,654	1,322,118	1,330,218
<b>Net Movement in Infrastructure Assets</b>	<b>778,441</b>	<b>502,766</b>	<b>737,305</b>	<b>544,563</b>	<b>605,845</b>	<b>396,245</b>	<b>459,902</b>	<b>379,272</b>	<b>337,668</b>	<b>260,807</b>	<b>250,923</b>	<b>119,207</b>	<b>123,192</b>	<b>405,053</b>	<b>127,176</b>
<b>CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT</b>															
Buildings	692,000	40,000	100,000	100,000	190,000	0	40,000	0	0	40,000	400,000	40,000	0	0	0
Plant and Equipment	325,460	870,128	766,152	720,900	633,743	801,827	770,769	833,051	713,469	793,566	593,089	777,433	1,087,923	851,065	724,077
<b>Total Capital Works Property, Plant and Equipment</b>	<b>1,017,460</b>	<b>910,128</b>	<b>866,152</b>	<b>820,900</b>	<b>823,743</b>	<b>801,827</b>	<b>810,769</b>	<b>833,051</b>	<b>713,469</b>	<b>833,566</b>	<b>993,089</b>	<b>817,433</b>	<b>1,087,923</b>	<b>851,065</b>	<b>724,077</b>
<b>Represented by:</b>															
Additions - Expansion, Upgrades and New	652,000	120,000	130,000	60,000	0	0	0	0	0	0	0	0	0	0	0
Additions - Renewal	365,460	790,128	736,152	760,900	823,743	801,827	810,769	833,051	713,469	833,566	993,089	817,433	1,087,923	851,065	724,077
<b>Total Capital Works Property, Plant and Equipment</b>	<b>1,017,460</b>	<b>910,128</b>	<b>866,152</b>	<b>820,900</b>	<b>823,743</b>	<b>801,827</b>	<b>810,769</b>	<b>833,051</b>	<b>713,469</b>	<b>833,566</b>	<b>993,089</b>	<b>817,433</b>	<b>1,087,923</b>	<b>851,065</b>	<b>724,077</b>
<b>Asset Movement Reconciliation</b>															
Total Capital Works Property, Plant and Equipment	1,017,460	910,128	866,152	820,900	823,743	801,827	810,769	833,051	713,469	833,566	993,089	817,433	1,087,923	851,065	724,077
Depreciation Property, Plant and Equipment	(605,365)	(624,319)	(640,514)	(653,094)	(666,599)	(679,009)	(691,964)	(704,870)	(718,166)	(731,891)	(748,372)	(762,719)	(776,754)	(791,335)	(806,350)
Net Book Value of disposed/Written Off assets	0	(250,736)	(274,853)	(296,588)	(236,273)	(266,900)	(232,035)	(290,571)	(259,337)	(277,932)	(213,860)	(285,353)	(390,667)	(286,329)	(246,295)
Revaluation of Property, Plant and Equipment (Inflation)	649,637	663,247	678,022	690,108	703,082	712,204	724,193	735,169	749,018	757,114	772,742	785,127	790,007	808,953	823,140
<b>Net Movement in Property, Plant and Equipment</b>	<b>1,061,732</b>	<b>698,320</b>	<b>628,807</b>	<b>561,326</b>	<b>623,953</b>	<b>568,122</b>	<b>610,963</b>	<b>572,779</b>	<b>484,984</b>	<b>580,857</b>	<b>803,599</b>	<b>554,488</b>	<b>710,509</b>	<b>582,354</b>	<b>494,572</b>
<b>CAPITAL WORKS - TOTALS</b>															
<b>Capital Works</b>															
Total Capital Works Infrastructure	1,210,500	952,144	1,212,800	1,040,000	1,125,350	939,292	1,031,397	978,669	967,320	922,304	946,578	850,000	892,562	1,213,738	970,378
Total Capital Works Property, Plant and Equipment	1,017,460	910,128	866,152	820,900	823,743	801,827	810,769	833,051	713,469	833,566	993,089	817,433	1,087,923	851,065	724,077
<b>Total Capital Works</b>	<b>2,227,960</b>	<b>1,862,272</b>	<b>2,078,952</b>	<b>1,860,900</b>	<b>1,949,093</b>	<b>1,741,119</b>	<b>1,842,166</b>	<b>1,811,720</b>	<b>1,680,789</b>	<b>1,755,870</b>	<b>1,939,667</b>	<b>1,667,433</b>	<b>1,980,485</b>	<b>2,064,803</b>	<b>1,694,455</b>
<b>Fixed Asset Movement</b>															
Net Movement in Infrastructure Assets	778,441	502,766	737,305	544,563	605,845	396,245	459,902	379,272	337,668	260,807	250,923	119,207	123,192	405,053	127,176
Net Movement in Property, Plant and Equipment	1,061,732	698,320	628,807	561,326	623,953	568,122	610,963	572,779	484,984	580,857	803,599	554,488	710,509	582,354	494,572
<b>Net Movement in Fixed Assets</b>	<b>1,840,173</b>	<b>1,201,086</b>	<b>1,366,112</b>	<b>1,105,889</b>	<b>1,229,798</b>	<b>964,367</b>	<b>1,070,865</b>	<b>952,051</b>	<b>822,652</b>	<b>841,664</b>	<b>1,054,522</b>	<b>673,695</b>	<b>833,701</b>	<b>987,407</b>	<b>621,748</b>

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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Capital Expenditure</b>															
Roads	1,160,500	902,144	1,312,800	800,000	875,350	1,279,528	1,231,535	1,421,086	1,469,589	1,447,111	1,384,037	1,532,909	1,686,741	1,582,388	1,906,928
Bridges	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Other	0	0	250,000	190,000	200,000	0	80,000	0	0	0	0	0	0	300,000	0
Buildings	692,000	40,000	100,000	100,000	190,000	0	40,000	0	0	40,000	400,000	40,000	0	0	0
Plant and Equipment	325,460	870,128	766,152	720,900	633,743	801,827	770,769	833,051	713,469	793,566	593,089	777,433	1,087,923	851,065	724,077
<b>Total - Capital Expenditure</b>	<b>2,327,960</b>	<b>1,962,272</b>	<b>2,578,952</b>	<b>1,960,900</b>	<b>2,049,093</b>	<b>2,231,355</b>	<b>2,272,304</b>	<b>2,404,137</b>	<b>2,333,058</b>	<b>2,430,677</b>	<b>2,527,126</b>	<b>2,500,342</b>	<b>2,924,664</b>	<b>2,883,453</b>	<b>2,781,005</b>
<b>Funded By:</b>															
<b>Capital Grants &amp; Contributions</b>															
Roads	700,000	700,000	1,100,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Bridges	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Other	0	0	170,000	70,000	135,000	0	25,000	0	0	0	0	0	0	100,000	0
Buildings	0	0	20,000	10,000	0	0	0	0	0	0	200,000	0	0	0	0
Plant and Equipment	0	50,000	50,000	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total - Capital Grants &amp; Contributions</b>	<b>850,000</b>	<b>900,000</b>	<b>1,490,000</b>	<b>930,000</b>	<b>985,000</b>	<b>850,000</b>	<b>875,000</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>1,050,000</b>	<b>850,000</b>	<b>850,000</b>	<b>950,000</b>	<b>850,000</b>
<b>Own Source Funding</b>															
Roads	460,500	202,144	212,800	100,000	175,350	579,528	531,535	721,086	769,589	747,111	684,037	832,909	986,741	882,388	1,206,928
Other	0	0	80,000	120,000	65,000	0	55,000	0	0	0	0	0	0	200,000	0
Buildings	420,000	40,000	80,000	90,000	190,000	0	40,000	0	0	40,000	200,000	40,000	0	0	0
Plant and Equipment	325,460	569,392	441,299	424,312	397,470	534,927	538,734	542,480	454,132	515,634	379,229	492,080	697,256	564,736	477,782
<b>Total - Own Source Funding</b>	<b>1,205,960</b>	<b>811,536</b>	<b>814,099</b>	<b>734,312</b>	<b>827,820</b>	<b>1,114,455</b>	<b>1,165,269</b>	<b>1,263,566</b>	<b>1,223,721</b>	<b>1,302,745</b>	<b>1,263,266</b>	<b>1,364,989</b>	<b>1,683,997</b>	<b>1,647,124</b>	<b>1,684,710</b>
<b>Borrowings</b>															
Buildings	272,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total - Borrowings</b>	<b>272,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other (Disposals &amp; C/Fwd)</b>															
Plant and Equipment	0	250,736	274,853	296,588	236,273	266,900	232,035	290,571	259,337	277,932	213,860	285,353	390,667	286,329	246,295
<b>Total - Other (Disposals &amp; C/Fwd)</b>	<b>0</b>	<b>250,736</b>	<b>274,853</b>	<b>296,588</b>	<b>236,273</b>	<b>266,900</b>	<b>232,035</b>	<b>290,571</b>	<b>259,337</b>	<b>277,932</b>	<b>213,860</b>	<b>285,353</b>	<b>390,667</b>	<b>286,329</b>	<b>246,295</b>
<b>Total Capital Funding</b>	<b>2,327,960</b>	<b>1,962,272</b>	<b>2,578,952</b>	<b>1,960,900</b>	<b>2,049,093</b>	<b>2,231,355</b>	<b>2,272,304</b>	<b>2,404,137</b>	<b>2,333,058</b>	<b>2,430,677</b>	<b>2,527,126</b>	<b>2,500,342</b>	<b>2,924,664</b>	<b>2,883,453</b>	<b>2,781,005</b>

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
<b>LIQUIDITY RATIOS</b>																		
<b>Current Ratio</b>	> 1.00	> 1.20	0.59	0.53	0.58	0.58	0.58	0.58	0.58	0.59	0.59	0.59	0.60	0.62	0.62	0.62	0.62	0.62
<b>OPERATING RATIOS</b>																		
<b>Operating Surplus Ratio</b>	> 1.00%	> 15.00%	(50.37%)	(118.27%)	(60.04%)	(58.29%)	(56.62%)	(53.32%)	(50.79%)	(49.16%)	(46.49%)	(44.19%)	(41.84%)	(39.88%)	(37.52%)	(35.18%)	(32.99%)	(31.02%)
<b>Own Source Revenue Coverage Ratio</b>	> 40.00%	> 60.00%	39.85%	35.63%	36.30%	36.76%	37.22%	37.94%	38.57%	39.06%	39.72%	40.34%	41.01%	41.62%	42.33%	43.06%	43.76%	44.45%
<b>BORROWINGS RATIOS</b>																		
<b>Debt Service Cover Ratio</b>	> 3	> 5	31.41	-6.88	8.13	26.39	27.48	29.87	31.76	33.06	35.33	37.39	39.62	83.32	-	-	-	-
<b>FIXED ASSET RATIOS</b>																		
<b>Asset Sustainability Ratio</b>	> 90.00%	> 110.00%	68.93%	66.50%	75.70%	72.18%	73.34%	79.57%	69.71%	72.33%	69.76%	63.47%	65.02%	70.37%	59.32%	69.11%	70.66%	56.87%
<b>Asset Consumption Ratio</b>	> 50.00%	> 60.00%	42.10%	45.01%	44.65%	44.31%	43.91%	43.55%	43.10%	42.70%	42.26%	41.76%	41.27%	40.81%	40.26%	39.78%	39.36%	38.81%
<b>Asset Renewal Funding Ratio</b>	> 75.00%	> 95.00%	120.12%	114.54%	119.08%	116.57%	120.86%	129.53%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

# Appendix B12 - Forecast Planned and Required Asset Renewals 2018-2033

## 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Class</b>															
Buildings	0	0	0	130,281	0	57,434	0	0	170,659	0	104,630	0	28,369	62,583	46,675
Furniture and Equipment	53,350	54,417	55,505	56,615	57,748	58,903	60,081	61,282	62,508	63,758	65,033	66,334	67,661	69,014	70,394
Plant and Equipment	194,945	339,672	677,221	370,114	337,993	657,354	247,107	516,377	327,283	159,837	237,637	410,544	283,458	233,189	347,664
Roads	1,630,416	893,498	783,368	1,208,509	920,953	735,312	1,031,967	829,077	825,918	664,359	971,640	978,096	775,773	1,318,192	966,078
Footpaths	0	0	0	0	6,043	0	0	62,639	0	0	0	0	42,313	0	0
Drainage	467	477	6,133	392,983	506	516	526	537	547	558	570	581	593	604	1,652
Other	6,366	2,857	29,072	197,366	22,017	43,080	27,015	3,217	27,937	3,347	366,841	89,275	10,554	3,623	26,837
<b>Total</b>	<b>1,885,544</b>	<b>1,290,920</b>	<b>1,551,299</b>	<b>2,355,869</b>	<b>1,345,259</b>	<b>1,552,599</b>	<b>1,366,696</b>	<b>1,473,129</b>	<b>1,414,852</b>	<b>891,860</b>	<b>1,746,351</b>	<b>1,544,830</b>	<b>1,208,720</b>	<b>1,687,206</b>	<b>1,459,300</b>

## 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Class</b>															
Buildings	40,000	40,000	40,000	40,000	190,000	0	40,000	0	0	40,000	400,000	40,000	0	0	0
Plant and Equipment	325,460	750,128	696,152	720,900	633,743	801,827	770,769	833,051	713,469	793,566	593,089	777,433	1,087,923	851,065	724,077
Roads	980,500	802,144	812,800	700,000	775,350	789,292	801,397	828,669	817,320	772,304	796,578	700,000	742,562	763,738	820,378
Bridges	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Other		0	0	150,000	200,000	0	80,000	0	0	0	0	0	0	300,000	0
<b>Total</b>	<b>1,495,960</b>	<b>1,742,272</b>	<b>1,698,952</b>	<b>1,760,900</b>	<b>1,949,093</b>	<b>1,741,119</b>	<b>1,842,166</b>	<b>1,811,720</b>	<b>1,680,789</b>	<b>1,755,870</b>	<b>1,939,667</b>	<b>1,667,433</b>	<b>1,980,485</b>	<b>2,064,803</b>	<b>1,694,455</b>

## Asset Renewal Funding Surplus (Deficit) 2019-2034

	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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Class</b>															
Buildings	40,000	40,000	40,000	(90,281)	190,000	(57,434)	40,000	0	(170,659)	40,000	295,370	40,000	(28,369)	(62,583)	(46,675)
Furniture and Equipment	(53,350)	(54,417)	(55,505)	(56,615)	(57,748)	(58,903)	(60,081)	(61,282)	(62,508)	(63,758)	(65,033)	(66,334)	(67,661)	(69,014)	(70,394)
Plant and Equipment	130,515	410,456	18,931	350,786	295,750	144,473	523,662	316,674	386,186	633,729	355,452	366,889	804,465	617,876	376,413
Roads	(649,916)	(91,354)	29,432	(508,509)	(145,603)	53,980	(230,570)	(408)	(8,598)	107,945	(175,062)	(278,096)	(33,211)	(554,454)	(145,700)
Bridges	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Footpaths	0	0	0	0	(6,043)	0	0	(62,639)	0	0	0	0	(42,313)	0	0
Drainage	(467)	(477)	(6,133)	(392,983)	(506)	(516)	(526)	(537)	(547)	(558)	(570)	(581)	(593)	(604)	(1,652)
Other	(6,366)	(2,857)	(29,072)	(47,366)	177,983	(43,080)	52,985	(3,217)	(27,937)	(3,347)	(366,841)	(89,275)	(10,554)	296,377	(26,837)
<b>Total</b>	<b>(389,584)</b>	<b>451,352</b>	<b>147,653</b>	<b>(594,969)</b>	<b>603,834</b>	<b>188,520</b>	<b>475,470</b>	<b>338,591</b>	<b>265,937</b>	<b>864,010</b>	<b>193,316</b>	<b>122,603</b>	<b>771,765</b>	<b>377,597</b>	<b>235,155</b>

Refer to Appendix B15 – Forecast Significant Accounting Policies

# Appendix B13 - Forecast Significant Accounting Policies

## Basis of Preparation

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

The Local Government (Financial Management) Regulations 1996 take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this Plan. This is not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.

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

## Critical Accounting Estimates

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

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

## The Local Government Reporting Entity

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

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

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

### (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 B13 - 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.

## (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.



# Appendix B13 - Forecast Significant Accounting Policies (Continued)

## 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	0.63%
Plant and equipment	5.60%
Furniture and equipment	2.00%
Roads	1.30%
Bridges	0.25%
Footpaths	2.55%
Drainage	1.67%
Other	1.05%

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) 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.

## (m) 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.



# Appendix B13 - Forecast Significant Accounting Policies (Continued)

## (n) 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.

## (o) 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.

## (p) Provisions

Provisions are recognised when the Town 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.

## (q) 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.

## (r) 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.

## 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.

## 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.

# Appendix C1 - Glossary (Continued)

## 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 are on the other hand included in operating expenses.

## Pavement Management System

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

## Recoverable Amount

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

## Recurrent Expenditure

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

## Recurrent Funding

Funding to pay for recurrent expenditure.

## Remaining Useful Life

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

## Renewal

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

## Residual Value

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

## Revenue Generating Investments

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

## Risk Management

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

## Section or Segment

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

## Service Potential

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

## Service Potential Remaining

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

## Specific Maintenance

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

## Sub-Component

Smaller individual parts that make up a component part.

## Useful Life

May be expressed as either:

(a) The period over which a depreciable asset is expected to be used; or

(b) The number of production or similar units (ie intervals, cycles) that is expected to be obtained from the asset.

# Other Matters

## Preparation

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

## Reliance

This Plan has been prepared for the exclusive use of the Shire of Bruce Rock and for the purposes specified in our letter of engagement and is not to be used for any other purpose or distributed to any other party without Moore Stephen's prior consent. This Plan is supplied in good faith and reflects the knowledge, expertise and experience of the engagement consultant and is based on the information and representations provided by the Shire of Bruce Rock. 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 Bruce Rock.

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

## Disclaimer

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## Document Management

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