



MORAWA

SHIRE OF MORAWA

**STRATEGIC RESOURCE PLAN
2022-2037**

**Incorporating Asset Management and
Long Term Financial Planning**



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1.0 Foreword

We are pleased to present the Shire of Morawa Strategic Resource Plan for 2022-2037.

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

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

Council welcomes community participation in the planning process as we continue to follow the strategic direction for a promising future for our district.

The Shire of Morawa’s Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Morawa Strategic Community Plan 2022-2032.

This Plan will be used with the Corporate Business Plan to achieve our goals and drive the Shire in achieving its vision of "Morawa is a welcoming and inclusive community that embraces what makes it unique, offering livability, variety, and opportunity for all".

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.

Karen Chappel
President

Scott Wildgoose
Chief Executive Officer
















Our Vision

Morawa is a welcoming and inclusive community that embraces what makes it unique, offering livability, variety, and opportunity for all



Taken from the Strategic Community Plan 2022-2032

2.0 Key Information

ASSUMPTIONS	STATISTICS ^{1 2}	FINANCIAL INFORMATION ³
 <p>3.5% Inflation Rate</p>	 <p>7 Elected Members</p>	<p>\$1,981,711 Rates Revenue</p>
 <p>Stable Population</p>	 <p>34 Employees</p>	<p>\$736,361 Fees and Charges</p>
 <p>Stable Levels of Service</p>	 <p>402 Electors</p>	<p>\$5,217,040 Operating Revenue</p>
 <p>Stable Operations</p>	 <p>405 Dwellings</p>	<p>\$6,002,819 Operating Expenditure</p>
 <p>Balanced Annual Budget</p>	 <p>370km Distance from Perth</p>	<p>\$81,479,486 Net Assets</p>
 <p>6% 2022-23 4.5% → Rates</p>	 <p>3,517km Area</p>	<p>\$5,536,472 Cash Backed Reserves</p>
 <p>3.5% → Fees and Charges</p>	 <p>698 Population</p>	<p>\$473,164 Borrowings</p>
 <p>3.5% → Employee Costs</p>		

¹WALGA Online Local Government Directory 2020-21, Shire of Morawa

²Australian Bureau of Statistics Morawa (S) (LGA55670) 2016 Census of Population and Housing, viewed 17 December 2019

³Shire of Morawa 2019-20 Annual Financial Report

3.0 Executive Summary

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

3.1 Planning for a Sustainable and Stable Future

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

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

3.2 Significant Issues

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

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

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

Due to current global events, the economic forecast has an increased level of uncertainty.

Rate revenue increased by 6% in 2022-23 and is forecast to increase at 4.5% (3.5% CPI + 1%) per year from 2024-25 for the duration of the Plan. These increases are to assist in the long term financial stability of the Shire and to increase the level of asset renewal to the community. These increases will be reviewed annually when setting future budgets.

3.3 Forecast Capital Projects

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

Project by Asset Class	2022-2037 Amount (\$)
Infrastructure – Roads	
Regional Road Group	10,080,057
Roads to Recovery	4,895,416
Widen and re-seals	1,836,753
Gravel re-sheeting	1,086,000
Infrastructure - Roads Total	17,898,226
Infrastructure - Footpaths	
Footpath Renewals	590,989
Infrastructure - Footpaths Total	590,989
Infrastructure Other	
General Renewal	415,000
Infrastructure Other Total	415,000
Infrastructure – Playground Equipment	
General renewal	185,000
Infrastructure - Playground Equipment Total	185,000
Infrastructure - Airfields	
General renewal	585,000
Infrastructure - Airfields Total	585,000
Infrastructure - Dams	
General renewal	420,000
Infrastructure - Dams Total	420,000
Plant and Equipment	
Plant replacement program	6,416,949
Plant and Equipment Total	6,416,949
Buildings	
Building renewals	1,500,000
Old Town Hall Stage 3	175,000
Buildings Total	1,675,000
Furniture and equipment	
Furniture and Equipment renewals	110,000
Furniture and equipment Total	110,000
Grand Total	28,296,164

4.0 Community Profile, Vision and Objective

4.1 Location

Located in the north midlands region of Western Australia, 370kms north of Perth is the town of Morawa.

4.2 Heritage

The first European occupation of the Morawa district was by pastoralists, shepherds, sandalwood cutters and miners in the latter part of the 19th century.

The Assistant Surveyor Mr A C Gregory travelled through the Morawa area in 1846. Later, in 1869, Mr John Forrest (later Lord Forrest) and Mr E Giles in 1876 carried out exploratory trips in and around the present district of Morawa.

There is ample evidence through sites and artefacts of Aboriginal occupation of this district. The pastoralists, shepherds and sandalwood cutters followed, making use of Aboriginal guides and their watering places.

In 1870 alluvial gold was found at Peterwangey, and a small deposit of copper was mined at Wooltana.

Agriculture came into the district in the early 1900's, and Morawa was declared a townsite in 1912 with the railway coming through in 1913.

The Upper Irwin Road Board, created in 1901, administered the town but in 1916 the Perenjori-Morawa Road Board was formed. The Morawa Road Board was excised from Perenjori in 1928 and formed their own Board of Administration.

For eight years following 1966 iron ore was mined by Western Mining Corporation at the Koolanooka Hills and exported through the Port of Geraldton to Japan. The total of 5.1 million tons was the first iron ore to be exported from Australia. Significantly, mining of Koolanooka Hills recommenced in 2006, this time by Midwest Corporation Limited.

4.3 People

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

Population	2011		2016
Shire of Morawa	891	↓	750
WA	2.24m	↑	2.47m

The age demographic of the districts population is reflected by the orange (2011 Census) and green (2016 Census) lines in the chart below.

The West Australian population is reflected by the dotted lines, it is apparent the Shire of Morawa has a lower percentage of younger (under 30 years) residents than the State average.

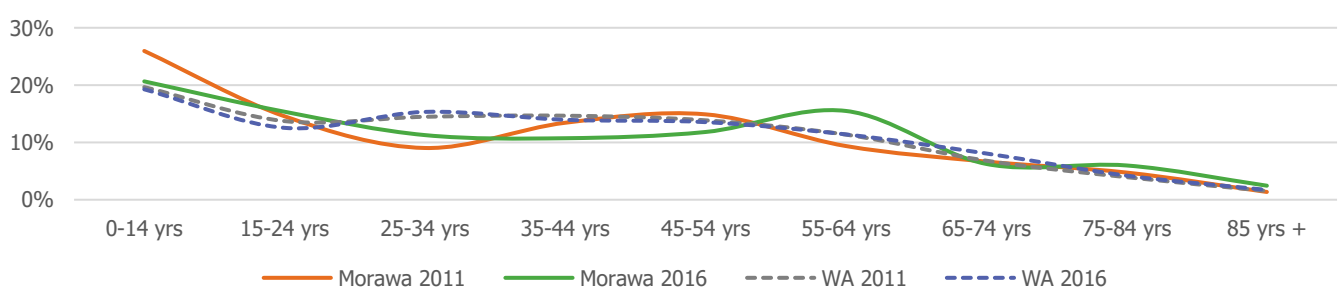
4.4 Vision

The Shire's strategic vision, as stated in the adopted Strategic Community Plan 2022-2032: Morawa is a welcoming and inclusive community that embraces what makes it unique, offering livability, variety, and opportunity for all.

4.5 Strategic Objectives

The following focus areas are identified in the Shire's Strategic Community Plan 2022-2032:

- Create a sense of place for visitors
- Activate a vibrant small business sector
- Take pride in our community and an aesthetically appealing townsite
- Embrace cultural and social diversity
- Cement strong foundations for growth and prosperity
- Occupy a safe and healthy living space
- Be future focussed in all we do

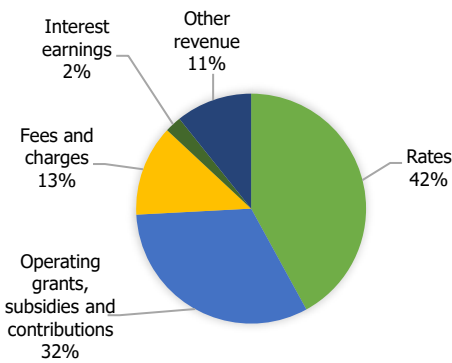


5.0 Long Term Financial Planning Overview

5.1 Forecast Revenue

Rates are expected to increase from 2022-23, with anticipated rates revenue of \$2.6m, at 6% for the first two years of the Plan and 4.5% (3.5% CPI + 1%) per annum for the remainder of the Plan, to \$4.9m in 2036-37, comprising 42% of operating revenue over the term of the Plan. The Shire is reliant on receiving \$42.6m over the next 15 years in operating grants, subsidies and contributions to maintain the current level of operations and services. Non operating grants for road renewals are expected to remain relatively stable.

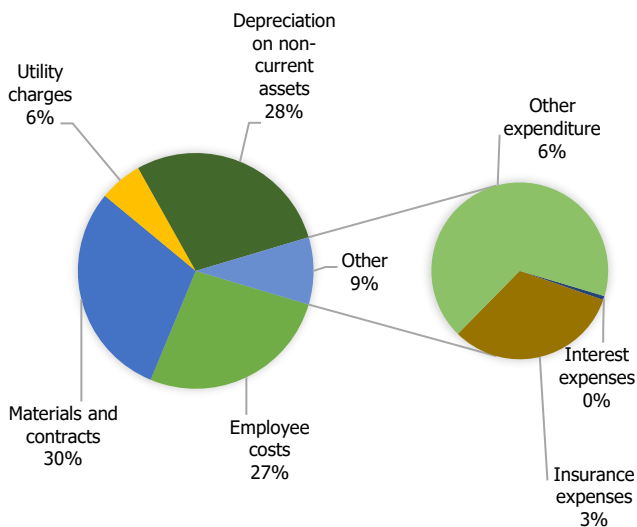
5.1.1 Revenue Composition Year 1 to 15



5.2 Forecast Expenditure

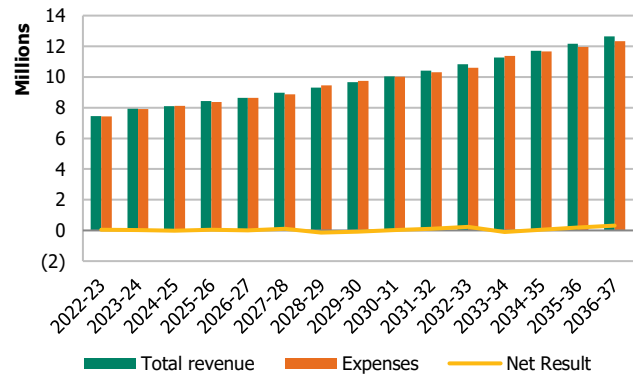
Expenditure is forecast to increase on average in line with inflation with the exception of depreciation expense, which is impacted by the addition of assets over the term of the Plan.

5.2.1 Expenditure Composition Year 1 to 15



5.3 Net Result

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



A positive net result over the long term indicates net asset values will increase faster than depreciation expenses erodes asset values. This may be masked by continuous revaluation of assets. Improved asset funding or changes to expected useful life of assets as they are better understood may impact the net result.

5.4 Depreciation Expense

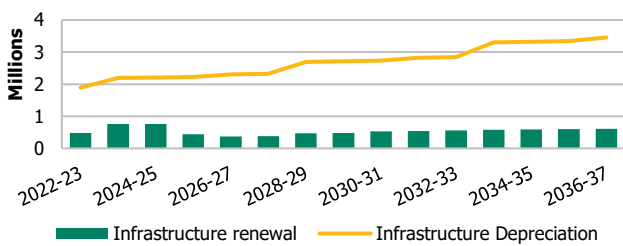
Ideally, the average asset renewal should be in line with depreciation expense over the long term, to ensure the value of assets is maintained. On average, the Shire is planning to renew its infrastructure assets at a significantly lower level than they are depreciating over the term of the Plan.

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

5.0 Long Term Financial Planning Overview (Continued)

5.4.1 Infrastructure Depreciation Expense -v- Asset Renewal Expenditure

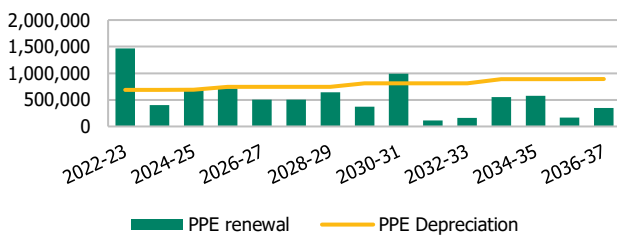
Depreciation expense increases throughout the Plan from \$2.6 in year 1 to \$4.3m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$40.4m, shown by the yellow line in the chart below. The planned level of infrastructure asset renewal expenditure at \$8.2m (reflected by the green columns) is significantly below the level of depreciation for the duration of the Plan and requires further analysis.



Increases in rate revenue higher than CPI over the life of the Plan, allows for increased expenditure for road renewals. This will decrease the funding gap in the initial years and allow for adequate renewal of roads in the later years. Further review of asset useful lives for infrastructure assets may be required as changes in the construction techniques occur and traffic loads vary.

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

Planned property, plant and equipment asset renewals of \$8.2m (reflected by the green columns) over the 15 years is less than the depreciation expense of \$11.8m (reflected by the yellow line) over the same period as shown in the chart below.



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

5.4.3 Maintenance Expenditure

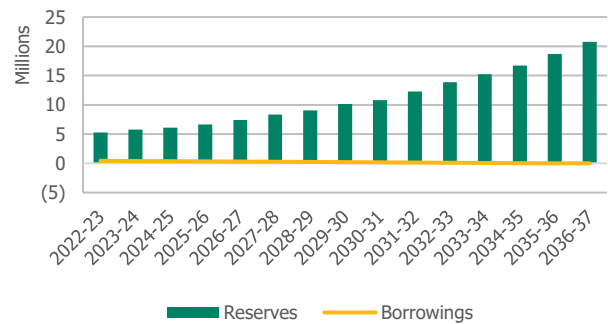
The current maintenance expenditure allocated in the annual operating budget is expected to continue at current levels, with inflationary increases occurring each year.

5.4.4 Forecast New/Upgrade Asset Expenditure

As the Shire seeks to complete its strategic objectives in providing road and other infrastructure to its community, an \$11.9m spend is currently planned to upgrade existing roads, either through sealing the roads or raising the road levels and improving drainage to minimise the impact of flooding.

5.5 Forecast Borrowings and Cash Reserves

In general, the funding finances of the Shire are expected to improve over the long term. Reserves will be utilised to save for major forecast asset renewals and then utilised to fund asset renewals. The increase in reserves over the life of the Plan will strengthen the position of the Shire to handle future capital works or manage future risks.



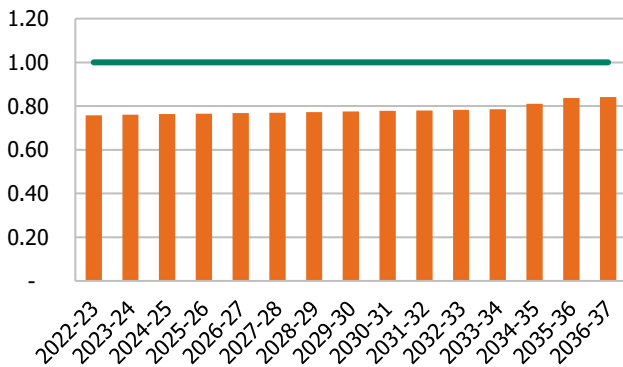
No new borrowings are planned to be taken up during the life of the Plan, allowing for the repayment and significant decrease of borrowing levels. This is part of the strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available and includes the use of cash backed reserves to save for significant future asset renewal spikes.

5.0 Long Term Financial Planning Overview (Continued)

5.6 Forecast Operating Ratios 2022-2037

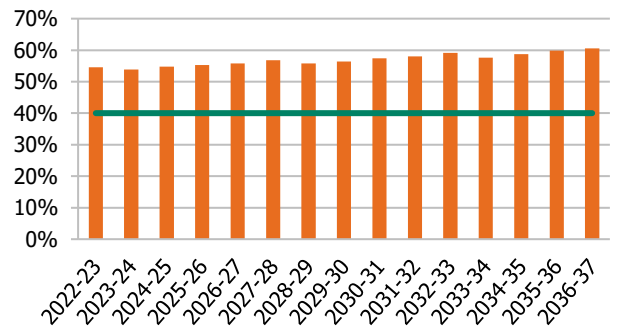
Monitoring the Shire’s financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The green line reflects the Department of Local Government, Sport and Cultural Industries’ (the Department) minimum target level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

5.6.1 Current Ratio



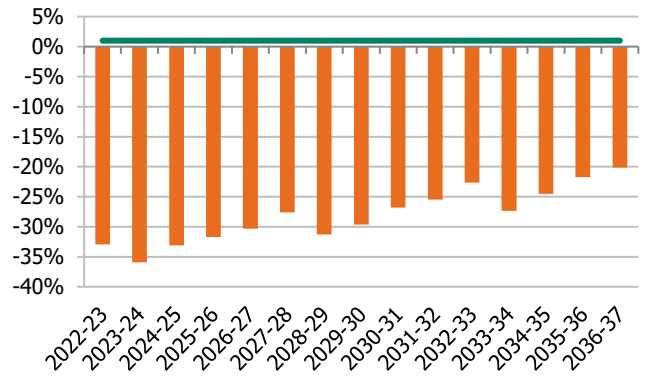
As expected for a Shire with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0 until the borrowings are repaid. The trend is not considered to indicate a threat to the Shire’s long term financial position.

5.6.2 Own Source Revenue Coverage Ratio



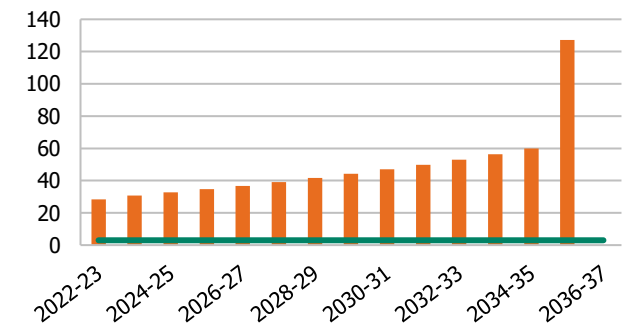
The ratio is trending up over the term of the Plan, indicating the Shire’s reducing reliance on grants and contributions.

5.6.3 Operating Surplus Ratio



The ratio above highlights how the cumulative impact of the rates increases are intended to address the Operating Surplus Ratio over the long term.

5.6.4 Debt Service Cover Ratio



The ratio indicates the Shire has an increasing capacity to take up borrowings if required.

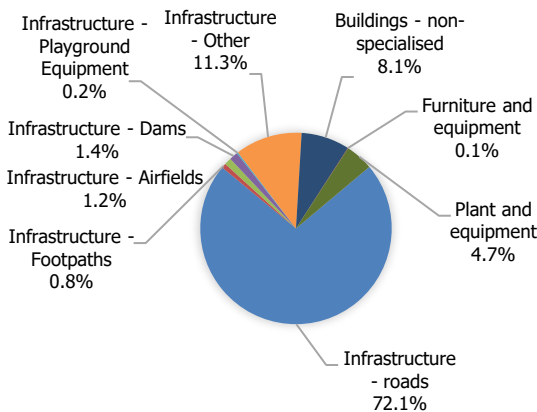
An explanation of all ratios is provided at Section 11.

6.0 Asset Management Planning Overview

6.1 Key Asset Information

The Shire controls an asset network with a written down value of \$74.7m¹, of which roads infrastructure constitutes the largest component values as reflected in the chart below.

6.1.1 Written Down Value by Asset Class



6.2 Asset Management Policy

The purpose of an asset management policy is to:

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

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

6.3 Asset Management Strategy

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

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

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

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

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

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

¹ 2019-20 Annual Financial Report - Shire of Morawa

6.0 Asset Management Planning Overview (Continued)

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.

6.5 Financial Management Strategy for Assets

This Plan is based on the 2020-21 Annual Financial Statements and 2021-22 Annual Budget, determining the financial baseline 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.

Impacts of the COVID-19 Pandemic and worldwide supply chain issues have created a level of uncertainty. Revenue and expenditure for 2022-23 are expected to align with 2021-22. Should the need arise for additional funding to meet the impacts of COVID-19 these will be drawn from Reserve accounts. 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 higher than the consumer price index (CPI) are forecast to occur from year 1 onwards, 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 below 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 not currently planning for renewal of all assets at the end of their useful life, with further analysis required of valuation and useful life data to ascertain appropriate renewal timing. Buildings are to be maintained so they may be used beyond their standard useful life. Further useful life information is required for road assets to better determine the remaining useful life of road assets.

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



6.0 Asset Management Planning Overview (Continued)

6.6 Forecast Planned and Required Asset Renewals

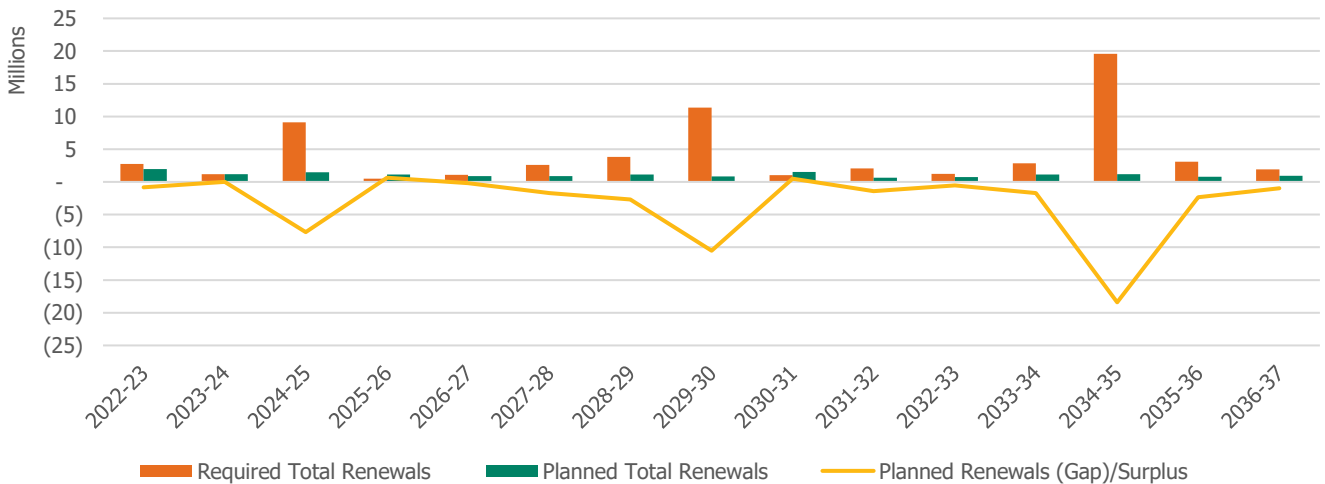
Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/ (Deficit) \$
2022-23	1,950,355	2,768,694	(818,339)
2023-24	1,162,599	1,168,356	(5,757)
2024-25	1,456,816	9,117,914	(7,661,098)
2025-26	1,153,351	511,661	641,690
2026-27	874,237	1,070,092	(195,855)
2027-28	889,336	2,605,578	(1,716,242)
2028-29	1,116,698	3,811,392	(2,694,694)
2029-30	849,500	11,347,267	(10,497,767)
2030-31	1,518,421	1,021,438	496,983
2031-32	646,050	2,068,931	(1,422,881)
2032-33	725,370	1,246,714	(521,344)
2033-34	1,132,376	2,831,272	(1,698,896)
2034-35	1,167,267	19,573,030	(18,405,763)
2035-36	766,587	3,090,612	(2,324,025)
2036-37	955,057	1,930,572	(975,515)
Total	16,364,020	64,163,523	(47,799,503)

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

Further review and update of this asset information should address this theoretical renewal requirement. As assets approach their initial estimated asset renewal, the timing and need for renewal will be re-assessed and may well vary, enabling the reallocation of limited resources between asset classes and years, using cash backed reserves.



6.6.1 Required Asset Renewal Expenditure by Asset Class

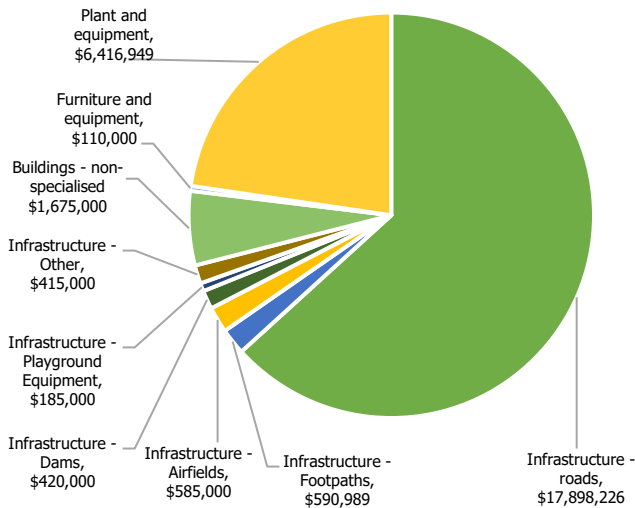


6.0 Asset Management Planning Overview (Continued)

6.7 Planned Asset Expenditure

Renewal asset expenditure of \$16.3m has been planned as per the previous table, with \$11.9m of new and expansion of assets planned.

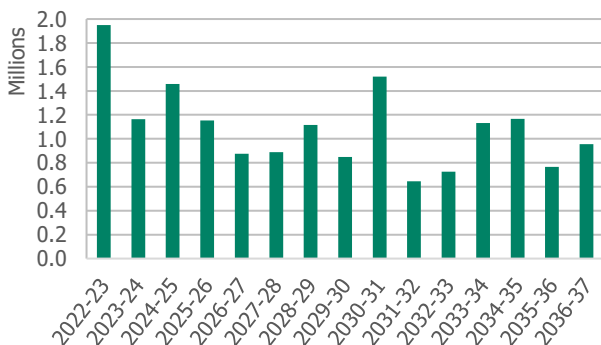
6.7.1 Planned Capital Expenditure 2022-2037



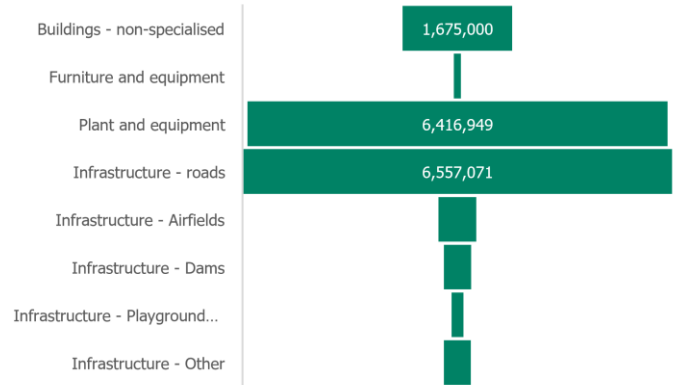
6.8 Planned Asset Renewal

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 charts below.

6.8.1 Planned Asset Renewal Expenditure



6.8.2 Planned Asset Renewal Expenditure by Class



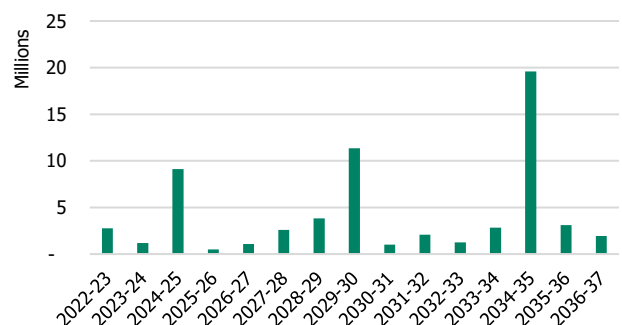
Planned asset renewals by asset class over the 15 years of the Plan, reflected in the chart above, shows the major renewal spend relates to road infrastructure.

6.9 Required Renewal Expenditure

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

Required asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$64.1m are forecast to be required over the 15 years of the Plan, based on existing asset data.

6.9.1 Required Asset Renewal Expenditure

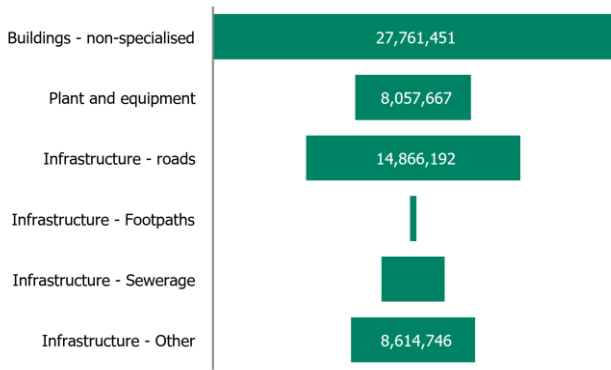


Renewal of roads infrastructure dominate the forecast required asset renewals over the 15 years.

6.0 Asset Management Planning Overview (Continued)

6.10 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 exist, as shown in the chart below.



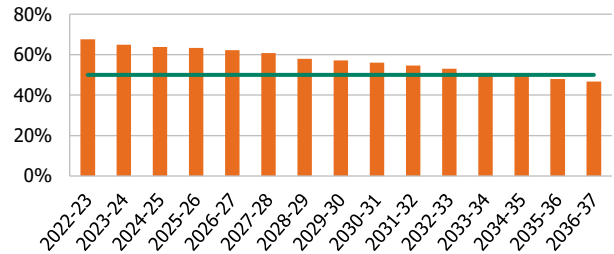
These differences in planned asset expenditure are significant and the Shire needs to undertake the planned renewals and asset maintenance. Further analysis and revision of asset valuation information and associated underlying assumptions and estimates is required to confirm true required asset renewal expenditure. Required renewal expenditure for road assets will also be heavily influenced by future road usage and maintenance.

6.11 Upgrade/New Expenditure

Road infrastructure upgrades 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.

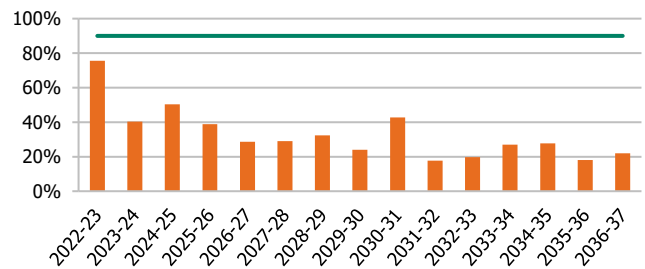
6.12 Forecast Asset Ratios 2022-2037

6.12.1 Asset Consumption Ratio



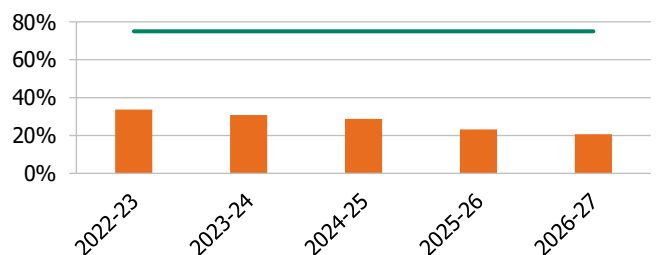
The asset consumption ratio is above the target range for the initial years of the Plan, however is decreasing as assets are not being renewed at adequate levels to maintain the average age of assets.

6.12.2 Asset Sustainability Ratio



The ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio average is below the guideline and indicates the Shire is generally not renewing assets in line with their forecast depreciation expense until this point.

6.12.3 Asset Renewal Funding Ratio



The ratio is below the target ratio, with planned asset renewal expenditure being below required asset renewal expenditure as set out in this Plan. Further improvements in forecasting the remaining useful lives of assets may result in changes to this ratio.

7.0 Scenario Modelling

7.1 Scenario Modelling

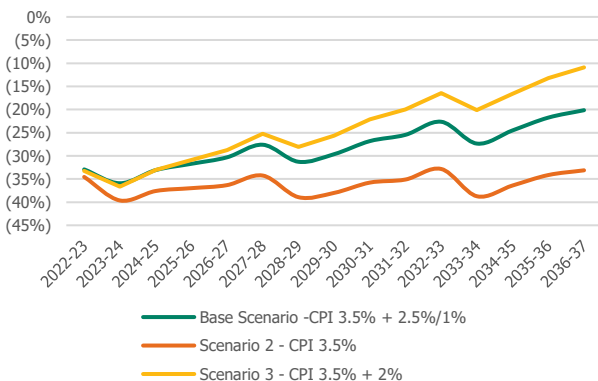
Scenarios were developed to test the financial impact of increased levels of operating funding from rates. To ascertain the effect of increased and decreased funding levels, modelling of various scenarios was undertaken.

A base scenario was developed with rates yield 2.5% above inflation (3.5%) in 2022-23 and 2023-24 and 1% above inflation from 2024-25 for the remainder of the Plan. Two alternative scenarios were also developed from this base as shown in the table below. All other assumptions remained the same across the three scenarios.

Scenario	Rates	
	Increase above CPI (3.5%) %	Total Increase
Base Scenario	2.5 1	6% 4.5%
Scenario 2	0.0	3.5%
Scenario 3	2.0	5.5%

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

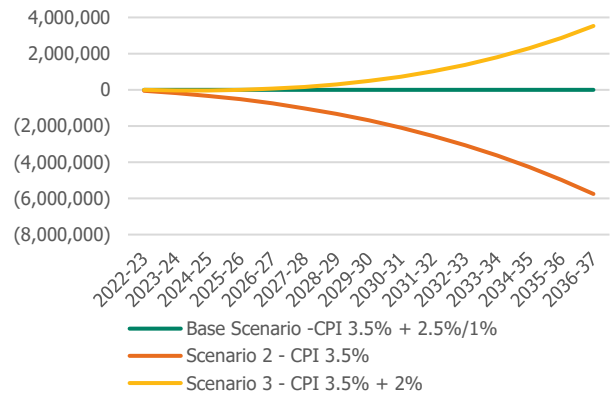
7.1.1 Scenario Comparison – Operating Surplus Ratio



The chart above shows the impact of the same change in total rates yield on the Shire’s Operating Surplus Ratio (other assumptions remaining the same). The base scenario was selected as it strengthen the Shire’s financial position and allows the Shire to meet it’s asset renewal expectations.

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

7.1.2 Estimated Surplus (Deficit) June 30 Carried Forward



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

	Estimated Surplus/(Deficit)		
	Base Scenario CPI + 2.5 1%	Scenario 2 CPI \$	Scenario 3 CPI + 2% \$
2022-23	0	(52,937)	(10,587)
2023-24	0	(174,898)	(35,192)
2024-25	0	(331,498)	(33,599)
2025-26	0	(522,750)	(2,555)
2026-27	0	(751,189)	61,464
2027-28	0	(1,019,491)	162,276
2028-29	0	(1,330,490)	304,009
2029-30	0	(1,687,186)	491,125
2030-31	0	(2,092,751)	728,444
2031-32	0	(2,550,536)	1,021,169
2032-33	0	(3,064,087)	1,374,909
2033-34	0	(3,637,148)	1,795,713
2034-35	0	(4,273,678)	2,290,096
2035-36	0	(4,977,855)	2,865,073
2036-37	0	(5,754,098)	3,528,191

8.0 Strategic Planning and Policies with Other Plans

8.1 Linkage

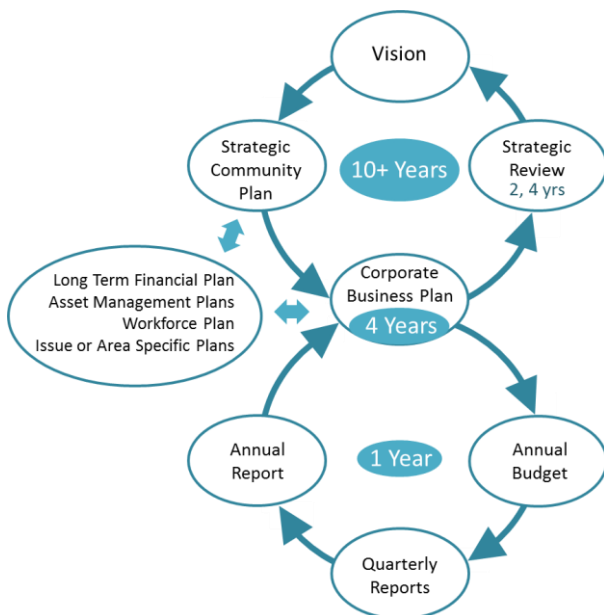
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other 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 Cycle²



8.2.1 Strategic Community Plan 2022-2032

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

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

8.2.2 Corporate Business Plan

The Corporate Business Plan contains details of the actions and resources (human, asset and financial) to achieve each strategy and acts as an organisational guide for the Council and management. The financial capacity and asset management practices to support the Corporate Business Plan are set out in the Strategic Resource Plan for the period. This planning provides an assurance the actions contained in the Corporate Business Plan can be adequately resourced over the next four years and highlights the long term consequences of the application of resources to undertake various projects.

8.2.3 Workforce and Other Strategic Plans

The Workforce Plan and other strategic plans integrate with the Strategic Resource Plan through the workforce requirement for assets and financial resources along with the requirements for a workforce to manage the Shire's assets and financial resources. As far as possible, these requirements are met in the Plan.

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 of 3.5%.

² Department of Local Government, Sport and Cultural Industries, Integrated Planning and Reporting: Framework and Guidelines, September 2016

9.0 Risk Management

9.1 Risk Management

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

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

The Financial Management Regulations require the investment of surplus funds (including cash reserves) to be 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
District Growth in Population: The number of residents in the Shire is expected to remain stable.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Rates Level Increase: Annual rates have been based on an increase in the total rate yield of 6% for 2022-23 and 4.5% from 2024-25 onwards.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Operating Grants and Contributions: Increases in line with inflation forecast.	High	The road maintenance program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$426,175 to the value of operating grants and contributions per 1% movement in the value of the Plan.
Non-operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	High	The forecast capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$149,664 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
Fees and Charges: Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Interest Earnings: Interest earning of an average rate of 2.0% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Revenue: Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Profit on Asset Disposal: Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Employee Costs: Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Materials and Contracts: Increased annually by forecast inflation.	High	The road preservation program and general operations of the Shire are dependent on levels of revenue. Changes in the levels of operating revenue would impact directly on the Shire's ability to meet projected service levels.	High	± \$436,516 to the value of materials and contracts per 1% movement in the value over the life of the Plan. A high level of uncertainty exists in relation to the costs to address impacts of the worldwide.
Depreciation: Depreciation has been calculated using an average depreciation rate based on the estimated useful lives on individual assets.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Insurance: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Expenditure: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Loss on Asset Disposal: A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.3 Assets – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Revaluations: In line with annual inflation.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	±\$292,719 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$612,896 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
Impairment of Assets: No impairment of assets has been assumed over the life of the Plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.	Medium	Unable to be quantified.
Infrastructure Assets: Expenditure has been based on historical levels escalated by inflation.	High	The capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately on service levels.	High	±\$149,664 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
Property, Plant and Equipment: Building expenditure is in accordance with the 10 Year Capital Plan, and plant expenditure is based on the Plant Replacement Program.	Medium	Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.



10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.4 Liabilities – Assumptions, Risks, Uncertainties and Sensitivity

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



10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.5 Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Cash Backed Reserves: It has been assumed the Shire will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Revaluation Surplus: Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their High 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	±\$292,719 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$612,896 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
Ownership of Strategic Assets: The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
Inflators: Forecast inflation at 3.5% per annum.	Medium	Not assessed as high financial risk.	High	± \$1,475,553 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$1,571,742 to operating expenditure per 1% movement in the inflators over the life of the Plan.
Commercial Activities: The Shire has no plans to undertake a significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
General Economic Forecasts for State: The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for Region: Historically, the region's economy is heavily dependent on agriculture, mining and tourism 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.

Road Asset data: Road asset data requires review to better reflect the estimated remaining life of each unsealed road sector.

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).

Standard Useful Life Estimates: Improvements in road asset records should enable better estimation of standard useful lives of road assets components based on the method of construction used.

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.

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Appendix A1 Critical Assets

1.1 Description

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

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

Asset	Current Replacement Cost (\$)
Shire office	2,360,000
Sewerage system	1,500,000
Morawa airport	1,620,000
Landfill	
Medical centre	405,000
Plant and equipment	4,767,600

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

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



Appendix A2 Infrastructure - Roads

2.1 Significant Matters

The continued provision of the road network remains one of the key priorities for the Shire. A number of rural roads within the Shire are currently utilised as key remote access and tourist routes. This has resulted in these roads requiring a higher level of design than currently exists. The continued planning for future road infrastructure renewals, influenced by condition based estimation of the remaining useful life, is not currently considered important due to the extent of road upgrades currently planned. These upgrades to provide better service to the community, will be given funding prioritisation over other road assets.

2.2 Road Inventory

The Shire of Morawa has a road network servicing an area of 3,510.6¹ square kilometres.

Road assets within this Plan include the following components:

- Culverts
- Floodways
- Formed subgrade
- Kerbing
- Sealed pavement
- Signs
- Surfacing
- Underground pipe
- Unformed subgrade
- Unsealed pavement

Road asset information is recorded within a road inventory database and was extracted from the valuation undertaken as at 30 June 2019, verification of the accuracy of the valuation data is not within the scope of this Plan and has not been undertaken. The extent of road works significantly modifying the road inventory has resulted in limited reliance on the road asset data to guide planning outcomes.

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

2.2.1 Composition of Estimated Current Replacement Cost of Road Infrastructure Assets

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

Infrastructure Roads Assets	Current Replacement Cost (\$)
Asphalt	503,624
Culverts	3,791,075
Floodways	1,703,641
Formed Subgrade	22,930,507
Grids	16,096
Kerbing	951,578
Seal	6,130,652
Sealed Pavement	13,153,201
Signs	219,546
Slurry Seal	23,191
Underground Drainage	392,735
Unformed Subgrade	79,491
Unsealed Pavement	19,482,971
Infrastructure Roads Total	69,378,309



¹ Australian Bureau of Statistics Morawa (S) (LGA55670) 2016 Census of Population and Housing, viewed 7 December 2019

Appendix A2 Infrastructure - Roads (Continued)

2.3 Financial Summary

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

2.3.1 Maintenance Expenditure

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

Road maintenance expenditure is comprised of the following estimated costs in 2022-23.

2.3.2 Maintenance Expenditure by Nature or Type

Expenditure Nature or Type	\$
Materials and contracts	(450,209)
Operating grants, subsidies and contributions	340,515
Insurance expenses	(8,390)
Employee costs	(477,397)
Utility charges	(13,383)
Road Maintenance Total	(608,864)

2.3.3 New Expenditure

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

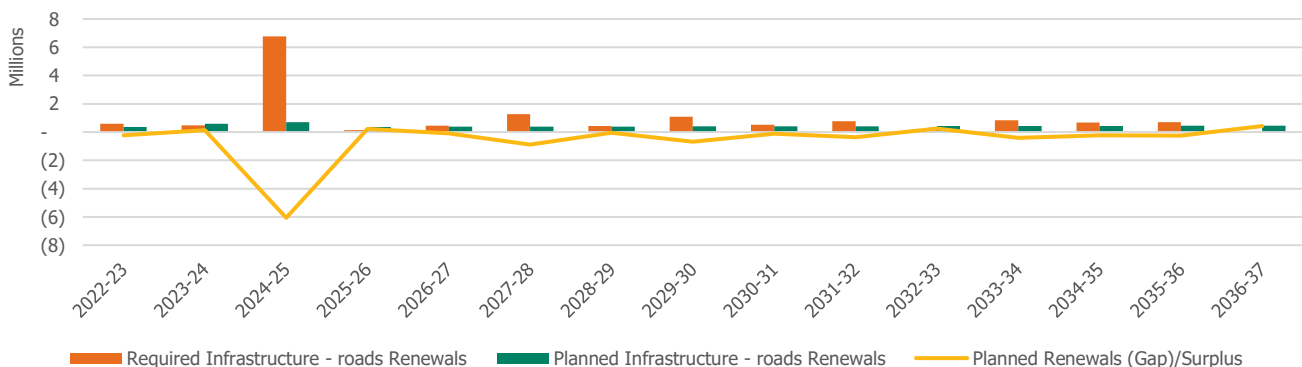
2.3.4 Renewal Expenditure

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

In the chart below, planned road expenditure is shown as green columns, with required road renewals as the orange columns. The yellow line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$6.5m. Required road renewal is calculated at \$14.8m for the term, overall there is a \$8.3m renewal deficit for the Shire's road assets.

The required renewals spike in 2024-25 is due to 183km of sheeted roads theoretically requiring renewal.

2.4 Required v Planned Asset Renewals – Roads Infrastructure



Appendix A2 Infrastructure - Roads (Continued)

2.4.1 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 once current upgrade works are complete 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 on the previous page are detailed in the table below.

	Required Roads Renewals \$	Planned Roads Renewals \$	Roads Renewal Funding (Gap)/Surplus \$
2022-23	594,842	362,000	(232,842)
2023-24	464,217	592,655	128,438
2024-25	6,770,600	707,000	(6,063,600)
2025-26	132,690	365,000	232,310
2026-27	453,938	372,300	(81,638)
2027-28	1,259,296	379,746	(879,550)
2028-29	439,337	387,341	(51,996)
2029-30	1,081,625	395,088	(686,537)
2030-31	512,042	402,990	(109,052)
2031-32	768,714	411,050	(357,664)
2032-33	166,643	419,271	252,628
2033-34	833,242	427,656	(405,586)
2034-35	669,747	436,209	(233,538)
2035-36	691,528	444,933	(246,595)
2036-37	27,731	453,832	426,101
Total	14,866,192	6,557,071	(8,309,121)

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

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



Appendix A2 Infrastructure - Roads (Continued)

2.5 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.

2.5.1 Road Construction

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

Appendix A2 Infrastructure - Roads (Continued)

2.5.2 Road Maintenance

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

Appendix A2 Infrastructure - Roads (Continued)

2.6 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.

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

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

Appendix A3 Buildings

3.1 Significant Matters

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

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

3.2 Inventory

Land and buildings were valued by independent professional valuers in 2017, based on an inspection undertaken. The replacement costs of major buildings contained within the valuation report is shown in the table to the right.

3.2.1 Composition of Estimated Current Replacement Cost of Building Assets

Buildings	Current Replacement Cost (\$)
Aged Care Units	1,740,000
Airport	340,000
Business Units	2,800,000
Caravan Park	1,032,000
Dwelling	6,330,000
Men's Shed	197,000
Gutha Hall	762,000
Hairdressers	160,000
Infant Health Clinic/Child Care Centre	450,000
Koolanooka Springs Public Toilets	41,000
Medical centre	465,000
Morawa Golf and Bowling Club	2,839,000
Morawa Christian Centre Hall	779,000
Morawa Shire Administration Offices and Library	2,360,000
Morawa Old Road Board Building	1,120,000
Morawa Sporting Complex	4,080,000
Morawa Town Hall	4,720,000
Old Morawa Hospital	3,829,600
Old Police Station Museum	702,000
Pioneer Park	325,000
Public Conveniences	78,000
Recreation Grounds	4,080,000
Shire Depot	996,000
Swimming Pool	605,000
Tourist Information Bay	509,000
Transfer Station Office and Shed	71,000
Buildings Total	41,410,600



Appendix A3 Buildings (Continued)

3.3 Financial Summary

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

3.3.1 Maintenance Expenditure

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

3.3.2 New/Upgrade Asset Expenditure

No new/upgrade projects are forecast to be required over the life of this Plan.

3.3.3 Renewal Expenditure

The valuation indicates the required renewal timings, however management assessment is applied to planning maintenance with building assets expected to last well beyond the indicated renewal timings.

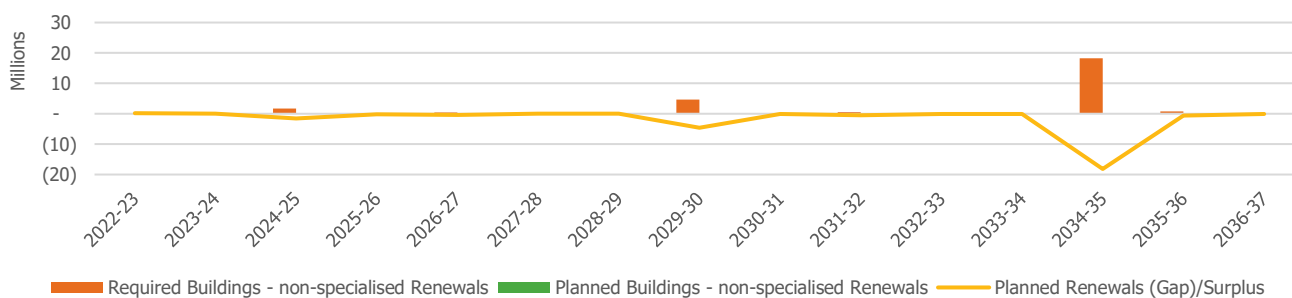
Maintaining borrowing capacity or funds in an appropriate reserve is important to ensure funds are available in future years when buildings are required to be renewed due to the high level of expenditure in renewing building assets.

The table adjacent details the planned and required building renewals, as detailed the required renewals as per the latest building valuation information is indicating a significant renewal requirement. Further analysis and planning is required to verify these assumptions.

3.3.4 Forecast Planned and Required Building Renewal Expenditure

	Required Building Renewals \$	Planned Building Renewals \$	Building Renewal Funding (Deficit)/Surplus \$
2022-23	93,389	275,000	181,611
2023-24	96,658	100,000	3,342
2024-25	1,661,777	100,000	(1,561,777)
2025-26	237,107	100,000	(137,107)
2026-27	468,280	100,000	(368,280)
2027-28	110,917	100,000	(10,917)
2028-29	114,799	100,000	(14,799)
2029-30	4,707,463	100,000	(4,607,463)
2030-31	184,485	100,000	(84,485)
2031-32	596,378	100,000	(496,378)
2032-33	194,157	100,000	(94,157)
2033-34	136,345	100,000	(36,345)
2034-35	18,266,497	100,000	(18,166,497)
2035-36	742,031	100,000	(642,031)
2036-37	151,168	100,000	(51,168)
Total	27,761,451	1,675,000	(26,086,451)

Substantial renewal requirements are forecast in 2024-25 of \$1.6m relating to the swimming pool facilities, Frosty's yard, and two residences; in 2029-30 of \$4.7m for the old Shire office and public library, Depot office and workshop, Gutha Hall, the infant health clinic, airport building and carport and the hairdressers building (scheduled for demolition in 2022-23); and in 2034-35 of \$18.3m for the Morawa Town Hall, golf and bowling club, tourist bureau, caravan park ablution block, Frosty's yard workshop, and four residences. Renewal of these assets would require specific planning and assessment through the annual budget process.



Appendix A3 Buildings (Continued)

3.4 Level of Service

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

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

3.5 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.

3.6 Improvement

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

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

Appendix A4 Infrastructure - Footpaths

4.1 Significant Matters

The Shire controls a number of footpath infrastructure assets which are significant to our community.

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

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

4.2 Inventory

The Shire's footpath infrastructure assets current replacement cost at the time of valuation in 2020 was \$1.1m.

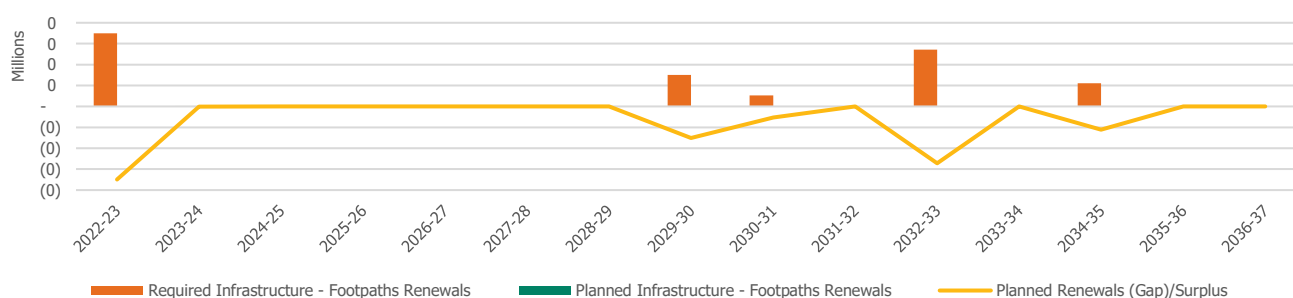
4.2.1 Composition of Estimated Current Replacement Cost of Footpath Infrastructure Assets

Assets	Current Replacement Cost (\$)
Black Asphalt	11,106
Brick Paving	169,971
Concrete Slabs	51,657
Gravel	408,187
Insitu Concrete	484,884
Footpaths Assets Total	1,125,804

4.3 Financial Summary

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

4.3.1 Required v Planned Footpaths Infrastructure Renewals



4.3.2 Maintenance Expenditure

Other infrastructure assets maintenance expenditure is forecast to increase in line with inflation.

4.3.3 New Expenditure

The following new footpath infrastructure upgrades are planned.

Footpath Project	\$
Granville St (Solomon to Davis)	71,204
Manning St (Richter to Grove)	65,584
Granville St (Valentine to Grove)	153,653
Prater St (Croot to Dreghorn)	139,120
Stokes Rd (Valentine to Richter)	80,714
Stokes Rd (Richter to Grove)	80,714
Footpath Upgrade Expenditure	590,989

4.3.4 Renewal Expenditure

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

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

Appendix A4 Infrastructure – Footpaths (Continued)

4.4 Level of Service

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

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

4.5 Risk Management

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

4.6 Improvement

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

Appendix A5 Infrastructure - Other

5.1 Significant Matters

The Shire controls a number of other infrastructure assets which are significant to our community.

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

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

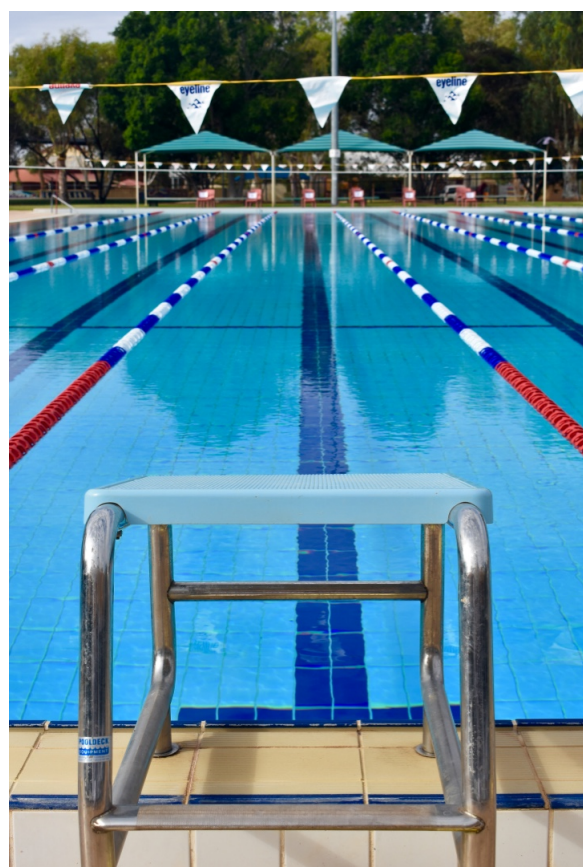
5.2 Inventory

The Shire's other infrastructure assets current replacement cost at the time of valuation in 2017 was \$19.1m and is detailed in the adjacent table.

5.2.1 Composition of Estimated Current Replacement Cost of Other Infrastructure Assets

Other Assets	Current Replacement Cost (\$)
Sewerage - wet well	118,500
Sewerage - storage tank	145,100
Sewerage – plant equipment	295,600
Sewerage - fencing	381,500
Sewerage - reticulation network	1,500,000
Sewerage - ponds	1,518,000
Sewerage - dam	1,883,000
Airport	1,620,000
BBQ	85,300
Bus shelter	20,000
Caravan park	49,000
Clock tower	103,500
Community amenities	19,000
Entry statement, wall and kiosk	196,400
Fencing	703,350
Flagpole	7,300
Garden installations	1,780,000
Information walls	44,000
Junior pool	88,000
Lighting	694,050
Loading ramp	13,500
Parking	272,000
Pedestrian bridge	22,000

Other Assets	Current Replacement Cost (\$)
Playground	230,650
Retaining walls	83,000
Reticulation	147,000
Shade structures	176,800
Sheds	10,400
Shelter	21,700
Sporting facilities	64,900
Sporting furniture and equipment	99,500
Sporting playing surfaces	2,002,500
Store	9,500
Swimming pool	4,160,000
Town furniture and equipment	5,300
Transfer station	76,000
Water tanks	335,400
Wind sock	53,000
Fuel storage tank	73,000
Infrastructure - Other Assets Total	19,107,750



Appendix A5 Infrastructure – Other (Continued)

5.3 Financial Summary

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

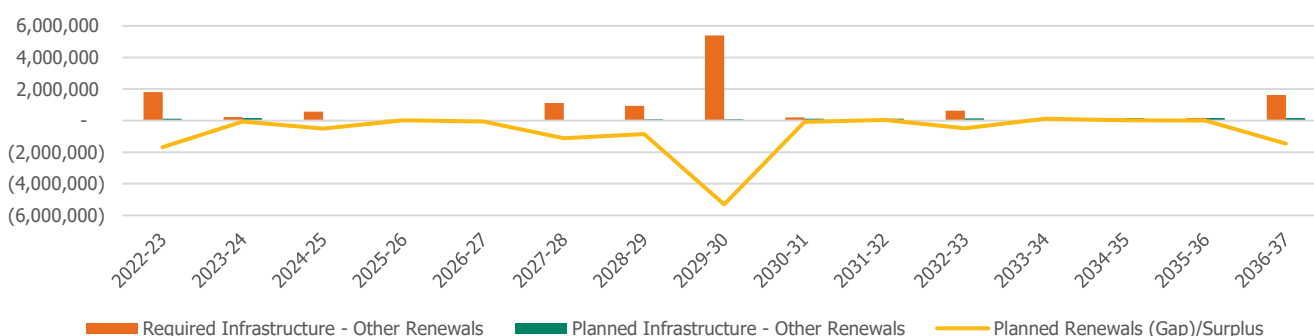
5.3.1 Maintenance Expenditure

Other infrastructure assets maintenance expenditure is forecast to increase in line with inflation.

5.3.2 New Expenditure

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

5.3.3 Required v Planned Infrastructure Renewals -Other



5.3.4 Renewal Expenditure

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

In the chart below, planned expenditure is shown as the orange columns (as detailed above planned renewals are not currently modelled, however will be considered as required), with forecast required renewals shown as the black columns. The blue line shows the variation between the two levels.

5.4 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

5.5 Improvement

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

Appendix A6 Plant and Equipment

6.1 Significant Matters

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

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

6.2 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.

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

Asset	Current Replacement Cost \$
Dolly	60,000
Fire Truck	450,000
Furniture Equipment	386,000
Grader	810,000
Loader	80,000
Mower	59,000
Prime Mover	260,000
Road Sweeper	330,000
Roller	40,000
Signs	30,000
Small Plant Equipment	633,600
Station Wagon	35,000
Tractor	150,000
Trailer	528,000
Truck	815,000
Utility	101,000
Total	4,767,600

6.3 Financial Summary

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

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

6.4 New Expenditure

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

6.5 Renewal Expenditure

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

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

In the chart on the following page at 6.7.1, planned expenditure is shown as the green columns with required renewals shown as the orange columns. The yellow line shows the variation between the two expenditure levels.

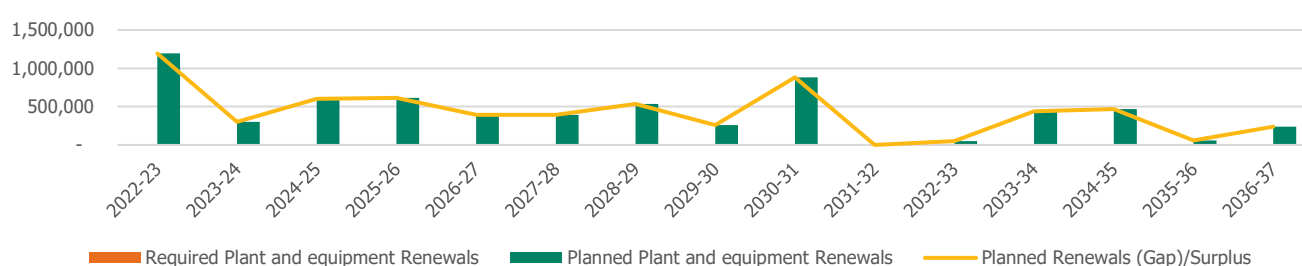


Appendix A6 Plant and Equipment (Continued)

6.6 Forecast Planned and Required Plant and Equipment Renewal Expenditure

The chart below reflects the Plant Replacement Program including within this plan. Required plant and equipment renewal has not been determined due to the required information not being available.

6.6.1 Required v Planned Asset Renewals - Plant and Equipment



6.7 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.

6.8 Level of Service

Level of service measures are defined below.

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

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

Appendix A6 Plant and Equipment (Continued)

6.9 Risk Management

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

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

6.10 Improvement Plan

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



Appendix A7 Estimated Asset Life and Residual Value

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

Asset Class	Asset Sub-Class	Pavement Type	Estimated Useful Life	Estimated Residual Value
Infrastructure - roads	Asphalt		20	
Infrastructure - roads	Culverts	Circular	80	
Infrastructure - roads	Culverts	Box shaped	80	
Infrastructure - roads	Culverts	Circular	30	
Infrastructure - roads	Culverts	Circular	80	
Infrastructure - roads	Culverts	Circular	30	
Infrastructure - roads	Floodways	Concrete floodway	80	
Infrastructure - roads	Floodways	Sealed floodway	80	
Infrastructure - roads	Floodways	Gravel floodway	10	
Infrastructure - roads	Floodways	Concrete floodway w/cut-off wall	10	
Infrastructure - roads	Floodways	Sealed floodway w/rock protection	30	
Infrastructure - roads	Floodways	Gravel floodway w/rock protection	30	
Infrastructure - roads	Floodways	Gravel floodway w/cut-off wall	30	
Infrastructure - roads	Floodways	Sealed floodway w/cut-off wall	10	
Infrastructure - roads	Formed subgrade		100	100%
Infrastructure - roads	Grids		80	
Infrastructure - roads	Kerbing	Kerb mountable	50	
Infrastructure - roads	Kerbing	Kerb semi barrier	50	
Infrastructure - roads	Kerbing	Kerb barrier	50	
Infrastructure - roads	Kerbing	Kerb semi mountable	50	
Infrastructure - roads	Seal	Reseal	20	
Infrastructure - roads	Seal	1st coat	20	
Infrastructure - roads	Seal	2nd coat	20	
Infrastructure - roads	Sealed pavement		80	
Infrastructure - roads	Signs	Default regulatory sign	40	
Infrastructure - roads	Signs	Default advisory sign	40	
Infrastructure - roads	Slurry seal		20	
Infrastructure - roads	Underground drainage		80	
Infrastructure - roads	Unformed subgrade		100	100%
Infrastructure - roads	Unsealed pavement		25	



Appendix A7 Estimated Asset Life and Residual Value (Continued)

Asset Class	Asset Sub-Class	Estimated Useful Life
Buildings		50
Infrastructure - footpaths	Footpath	50
Infrastructure - footpaths	Footpath	40
Infrastructure - footpaths	Footpath	10
Infrastructure - footpaths	Footpath	50
Infrastructure - footpaths	Footpath	30
Infrastructure - other		50
Infrastructure - sewerage		40
Land - freehold land		100
Plant and equipment		10
Plant and equipment	Backhoe	17
Plant and equipment	Bus	20
Plant and equipment	Compressor	10
Plant and equipment	Dolly	17
Plant and equipment	Fire truck	20
Plant and equipment	Grader	10
Plant and equipment	Loader	10
Plant and equipment	Mower	15
Plant and equipment	Prime mover	17
Plant and equipment	Road sweeper	20
Plant and equipment	Roller	15
Plant and equipment	Station wagon	5
Plant and equipment	Tractor	10
Plant and equipment	Trailer	20
Plant and equipment	Truck	15
Plant and equipment	Utility	5



Appendix B1 Forecast Financial Statements

Financial Statements

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

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

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

Statements of Comprehensive Income

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

Statement of Financial Position

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

Statement of Changes in Equity

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

Statement of Cashflows

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

Statement of Funding

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

Statement of Net Current Asset Composition

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

Statement of Fixed Asset Movements

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

Statement of Fixed Asset Funding

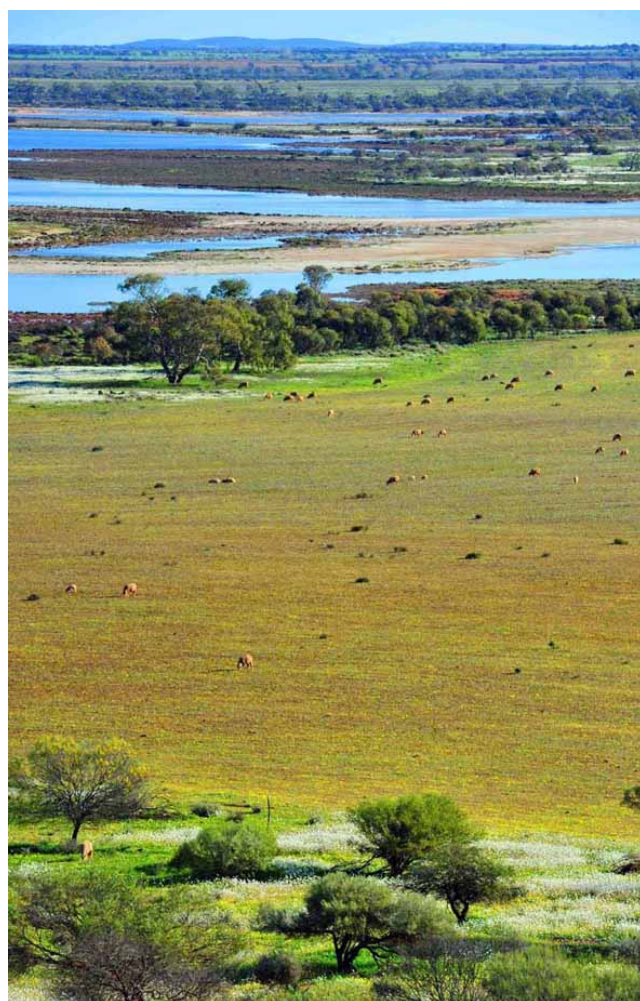
A summary of the capital expenditure by asset class and the source of funding for each class.

Forecast Ratios

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

Nature or Type

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



Appendix B1 Forecast Financial Statements (Continued)

Service Programs

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

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

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

Appendix B2 Forecast Statement of Comprehensive Income by Nature or Type 2022-2037

	2018-19	2019-20	2020-21	Base	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenues																				
Rates	1,831,043	1,892,644	1,981,711	2,117,418	2,644,463	2,803,131	2,929,273	3,061,090	3,198,841	3,342,789	3,493,214	3,650,409	3,814,677	3,986,337	4,165,722	4,353,180	4,549,074	4,753,782	4,967,703	
Operating grants, subsidies and contributions	4,361,996	1,902,277	1,929,359	1,290,180	2,208,662	2,285,966	2,365,972	2,448,780	2,534,487	2,623,192	2,715,002	2,810,027	2,908,380	3,010,173	3,115,527	3,224,568	3,337,429	3,454,239	3,575,138	
Fees and charges	812,972	745,758	736,361	849,017	878,745	909,501	941,325	974,273	1,008,365	1,043,662	1,080,194	1,118,000	1,157,131	1,197,633	1,239,550	1,282,936	1,327,836	1,374,302	1,422,403	
Interest earnings	159,078	90,609	58,452	59,300	114,200	108,627	118,232	125,542	135,927	151,717	169,767	184,401	205,994	219,608	249,350	280,346	308,316	338,149	377,511	
Other revenue	252,003	125,697	511,157	711,735	736,647	762,429	789,113	816,732	845,318	874,906	905,529	937,224	970,027	1,003,979	1,039,118	1,075,487	1,113,126	1,152,085	1,192,408	
	7,417,092	4,756,985	5,217,040	5,027,650	6,582,717	6,869,654	7,143,915	7,426,417	7,722,938	8,036,266	8,363,706	8,700,061	9,056,209	9,417,730	9,809,267	10,216,517	10,635,781	11,072,557	11,535,163	
Expenses																				
Employee costs	(1,657,664)	(1,783,901)	(1,720,425)	(1,957,582)	(2,026,097)	(2,097,011)	(2,170,411)	(2,246,375)	(2,324,993)	(2,406,372)	(2,490,601)	(2,577,770)	(2,667,999)	(2,761,379)	(2,858,026)	(2,958,056)	(3,061,581)	(3,168,735)	(3,279,647)	
Materials and contracts	(3,858,161)	(1,685,401)	(1,209,255)	(2,185,743)	(2,262,269)	(2,341,446)	(2,423,375)	(2,508,196)	(2,595,971)	(2,686,828)	(2,780,873)	(2,878,216)	(2,978,957)	(3,083,228)	(3,191,134)	(3,302,825)	(3,418,416)	(3,538,056)	(3,661,896)	
Utility charges	(295,280)	(360,377)	(340,711)	(432,192)	(447,327)	(462,971)	(479,181)	(495,959)	(513,304)	(531,263)	(549,854)	(569,103)	(589,026)	(609,641)	(630,964)	(653,055)	(675,915)	(699,565)	(724,042)	
Depreciation on non-current assets	(1,876,499)	(1,917,260)	(2,009,922)	(1,991,517)	(2,577,802)	(2,881,877)	(2,894,613)	(2,972,273)	(3,053,364)	(3,070,319)	(3,445,432)	(3,528,380)	(3,546,411)	(3,641,398)	(3,659,229)	(4,196,354)	(4,214,905)	(4,233,827)	(4,346,277)	
Interest expenses	(14,017)	(11,808)	(17,465)	(15,706)	(13,247)	(12,361)	(11,533)	(10,676)	(9,790)	(8,873)	(7,925)	(6,945)	(5,932)	(4,881)	(3,796)	(2,672)	(1,510)	(306)	0	
Insurance expenses	(183,175)	(216,375)	(188,931)	(216,872)	(224,469)	(232,327)	(240,457)	(248,878)	(257,595)	(266,614)	(275,947)	(285,606)	(295,604)	(305,954)	(316,664)	(327,752)	(339,221)	(351,089)	(363,381)	
Other expenditure	(195,306)	(120,509)	(516,110)	(455,750)	(471,704)	(488,213)	(505,300)	(522,987)	(541,289)	(560,233)	(579,841)	(600,137)	(621,141)	(642,882)	(665,383)	(688,670)	(712,772)	(737,719)	(763,539)	
	(8,080,102)	(6,095,631)	(6,002,819)	(7,255,362)	(8,022,915)	(8,516,206)	(8,724,870)	(9,005,344)	(9,296,306)	(9,530,502)	(10,130,473)	(10,446,157)	(10,705,070)	(11,049,363)	(11,325,196)	(12,129,384)	(12,424,320)	(12,729,297)	(13,138,782)	
	(663,010)	(1,338,646)	(785,779)	(2,227,712)	(1,440,198)	(1,646,552)	(1,580,955)	(1,578,927)	(1,573,368)	(1,494,236)	(1,766,767)	(1,746,096)	(1,648,861)	(1,631,633)	(1,515,929)	(1,912,867)	(1,788,539)	(1,656,740)	(1,603,619)	
Non-operating grants, subsidies and contributions	542,444	868,767	1,469,848	1,335,970	877,937	1,053,166	954,179	1,001,757	913,364	931,031	949,052	967,433	986,182	1,005,306	1,024,812	1,044,708	1,065,002	1,085,702	1,106,817	
Fair value adjustments to financial assets at fair value through profit or loss	0	865	1,939	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Profit on asset disposals	9,978	0	0	10,531	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Loss on asset disposal	(303,685)	(85,184)	(17,396)	(92,564)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
NET RESULT	(414,273)	(554,198)	668,612	(973,775)	(562,261)	(593,386)	(626,776)	(577,170)	(660,004)	(563,205)	(817,715)	(778,663)	(662,679)	(626,327)	(491,117)	(868,159)	(723,537)	(571,038)	(496,802)	
Other comprehensive income	479,751	5,535	4,645,000	0	0	7,526,644	3,031	2,973,604	1,882,882	3,118	8,275,885	3,206,705	4,039	1,928,510	0	12,256,585	0	0	1,979,039	
TOTAL COMPREHENSIVE INCOME	65,478	(548,663)	5,313,612	(973,775)	(562,261)	6,933,258	(623,745)	2,396,434	1,222,878	(560,087)	7,458,170	2,428,042	(658,640)	1,302,183	(491,117)	11,388,426	(723,537)	(571,038)	1,482,237	

Refer to Appendix B13 – Forecast Significant Accounting Policies

Appendix B3 Forecast Statement of Comprehensive Income by Program 2022-2037

	2018-19	2019-20	2020-21	Base	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue																			
Governance	935	2,680	43	50	52	54	56	58	60	62	64	66	68	70	72	74	76	78	80
General purpose funding	3,702,744	3,727,247	3,716,327	3,121,018	4,627,968	4,846,488	5,049,950	5,259,162	5,479,837	5,714,652	5,960,831	6,213,085	6,482,186	6,753,614	7,051,909	7,362,653	7,682,036	8,015,438	8,371,045
Law, order, public safety	22,663	29,376	28,907	30,180	31,237	32,329	33,459	34,631	35,843	37,098	38,397	39,742	41,133	42,574	44,063	45,604	47,201	48,853	50,564
Health	7,537	4,235	10,664	14,100	14,593	15,104	15,632	16,180	16,746	17,333	17,939	18,567	19,218	19,892	20,588	21,308	22,054	22,826	23,625
Education and welfare	5,319	9,050	6,193	6,200	6,418	6,643	6,876	7,117	7,365	7,622	7,890	8,167	8,453	8,750	9,056	9,372	9,700	10,039	10,391
Housing	100,715	83,430	78,631	106,600	110,333	114,196	118,188	122,328	126,607	131,039	135,624	140,372	145,287	150,370	155,634	161,081	166,719	172,552	178,592
Community amenities	434,933	435,461	439,293	454,620	470,535	487,003	504,045	521,686	539,943	558,841	578,402	598,648	619,601	641,289	663,733	686,964	711,007	735,892	761,647
Recreation and culture	114,726	46,725	57,421	50,000	51,751	53,562	55,435	57,374	59,381	61,460	63,611	65,839	68,142	70,527	72,995	75,550	78,194	80,930	83,763
Transport	2,699,055	155,812	572,950	681,710	686,941	710,984	735,868	761,623	788,279	815,869	844,424	873,977	904,567	936,226	968,993	1,002,907	1,038,009	1,074,340	1,111,942
Economic services	157,365	95,413	168,263	152,272	157,607	163,124	168,833	174,739	180,853	187,185	193,740	200,516	207,534	214,798	222,316	230,099	238,150	246,482	255,107
Other property and services	171,100	167,556	138,348	410,900	425,282	440,167	455,573	471,519	488,024	505,105	522,784	541,082	560,020	579,620	599,908	620,905	642,635	665,127	688,407
	7,417,092	4,756,985	5,217,040	5,027,650	6,582,717	6,869,654	7,143,915	7,426,417	7,722,938	8,036,266	8,363,706	8,700,061	9,056,209	9,417,730	9,809,267	10,216,517	10,635,781	11,072,557	11,535,163
Expenses excluding finance costs																			
Governance	(417,674)	(391,490)	(425,956)	(509,921)	(527,771)	(546,241)	(565,362)	(585,149)	(605,629)	(626,825)	(648,766)	(671,473)	(694,972)	(719,298)	(744,470)	(770,528)	(797,496)	(825,406)	(854,297)
General purpose funding	(162,306)	(173,424)	(179,332)	(264,844)	(274,114)	(283,708)	(293,637)	(303,915)	(314,553)	(325,562)	(336,957)	(348,750)	(360,958)	(373,592)	(386,668)	(400,202)	(414,209)	(428,706)	(443,711)
Law, order, public safety	(104,801)	(86,363)	(86,531)	(107,595)	(116,341)	(122,475)	(125,913)	(130,092)	(134,423)	(138,262)	(145,681)	(150,420)	(154,670)	(159,802)	(164,339)	(174,034)	(178,888)	(183,909)	(189,999)
Health	(181,815)	(137,006)	(198,423)	(196,441)	(206,899)	(215,622)	(222,555)	(230,182)	(238,078)	(245,790)	(256,248)	(264,962)	(273,504)	(282,878)	(292,017)	(305,070)	(314,859)	(324,989)	(336,118)
Education and welfare	(120,701)	(198,862)	(174,151)	(191,041)	(201,826)	(210,589)	(217,258)	(224,674)	(232,355)	(239,774)	(250,289)	(258,749)	(266,971)	(276,085)	(284,878)	(298,094)	(307,508)	(317,253)	(328,078)
Housing	(260,382)	(231,479)	(205,732)	(239,422)	(269,600)	(288,046)	(294,417)	(303,733)	(313,389)	(320,563)	(343,071)	(353,503)	(361,429)	(372,852)	(381,272)	(411,876)	(420,872)	(430,173)	(443,724)
Community amenities	(528,128)	(573,453)	(516,849)	(717,347)	(758,388)	(791,524)	(816,510)	(844,356)	(873,195)	(900,985)	(940,774)	(972,541)	(1,003,332)	(1,037,547)	(1,070,484)	(1,120,565)	(1,155,822)	(1,192,305)	(1,232,931)
Recreation and culture	(1,458,828)	(1,559,716)	(1,367,229)	(1,590,522)	(1,750,264)	(1,854,606)	(1,901,756)	(1,963,554)	(2,027,653)	(2,080,508)	(2,207,247)	(2,276,918)	(2,335,366)	(2,411,233)	(2,473,544)	(2,642,521)	(2,709,162)	(2,778,073)	(2,868,107)
Transport	(4,056,915)	(2,040,699)	(1,974,167)	(2,226,821)	(2,530,432)	(2,712,422)	(2,768,855)	(2,855,435)	(2,945,355)	(3,009,163)	(3,231,410)	(3,328,064)	(3,398,476)	(3,504,698)	(3,579,476)	(3,883,456)	(3,963,319)	(4,045,855)	(4,171,852)
Economic services	(650,364)	(680,948)	(658,089)	(788,860)	(853,833)	(899,173)	(924,272)	(954,913)	(986,672)	(1,014,702)	(1,069,575)	(1,104,283)	(1,135,314)	(1,172,949)	(1,206,066)	(1,277,865)	(1,313,307)	(1,349,968)	(1,394,630)
Other property and services	(124,171)	(10,383)	(198,895)	(406,842)	(520,200)	(579,439)	(582,802)	(598,665)	(615,214)	(619,495)	(692,530)	(709,549)	(714,146)	(733,548)	(738,186)	(842,501)	(847,368)	(852,354)	(875,335)
	(8,066,085)	(6,083,823)	(5,985,354)	(7,239,656)	(8,009,668)	(8,503,845)	(8,713,337)	(8,994,668)	(9,286,516)	(9,521,629)	(10,122,548)	(10,439,212)	(10,699,138)	(11,044,482)	(11,321,400)	(12,126,712)	(12,422,810)	(12,728,991)	(13,138,782)
Finance costs																			
Housing	(14,017)	(11,808)	(11,307)	(12,000)	(10,254)	(9,651)	(9,024)	(8,372)	(7,695)	(6,990)	(6,257)	(5,496)	(4,704)	(3,880)	(3,024)	(2,133)	(1,208)	(245)	0
Recreation and culture	0	0	(6,158)	(3,706)	(2,993)	(2,710)	(2,509)	(2,304)	(2,095)	(1,883)	(1,668)	(1,449)	(1,228)	(1,001)	(772)	(539)	(302)	(61)	0
	(14,017)	(11,808)	(17,465)	(15,706)	(13,247)	(12,361)	(11,533)	(10,676)	(9,790)	(8,873)	(7,925)	(6,945)	(5,932)	(4,881)	(3,796)	(2,672)	(1,510)	(306)	0
Non operating grants, subsidies and contributions																			
Community amenities	0	80,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	4,348	11,000	211,750	368,919	200,000	130,000	30,000	55,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Transport	538,096	777,767	1,170,811	917,051	677,937	923,166	924,179	946,757	883,364	901,031	919,052	937,433	956,182	975,306	994,812	1,014,708	1,035,002	1,055,702	1,076,817
Economic services	0	0	87,287	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	542,444	868,767	1,469,848	1,335,970	877,937	1,053,166	954,179	1,001,757	913,364	931,031	949,052	967,433	986,182	1,005,306	1,024,812	1,044,708	1,065,002	1,085,702	1,106,817
Profit/(loss) on disposal of assets																			
Health	(50)	(8,987)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community amenities	0	(8,037)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	(39,622)	(68,160)	(17,396)	(11,976)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other property and services	(19,991)	0	0	(70,057)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(293,707)	(85,184)	(17,396)	(82,033)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fair value adjustments to financial assets at fair value through profit or loss	0	865	1,939	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	(414,273)	(554,198)	668,612	(973,775)	(562,261)	(593,386)	(626,776)	(577,170)	(660,004)	(563,205)	(817,715)	(778,663)	(662,679)	(626,327)	(491,117)	(868,159)	(723,537)	(571,038)	(496,802)
Other comprehensive income	479,751	5,535	4,645,000	0	0	7,526,644	3,031	2,973,604	1,882,882	3,118	8,275,885	3,206,705	4,039	1,928,510	0	12,256,585	0	0	1,979,039
TOTAL COMPREHENSIVE INCOME	65,478	(548,663)	5,313,612	(973,775)	(562,261)	6,933,258	(623,745)	2,396,434	1,222,878	(560,087)	7,458,170	2,428,042	(658,640)	1,302,183	(491,117)	11,388,426	(723,537)	(571,038)	1,482,237

Refer to Appendix B13 – Forecast Significant Accounting Policies

Appendix B4 Forecast Statement of Financial Position 2022-2037

	2019	2020	2021	Base	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																			
Unrestricted cash and cash equivalents	1,545,390	1,912,067	2,031,732	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626
Restricted cash and cash equivalent	5,561,381	5,202,521	5,536,472	5,538,380	5,259,645	5,740,010	6,105,416	6,624,660	7,414,159	8,316,708	9,048,461	10,127,925	10,808,765	12,295,768	13,845,777	15,244,060	16,735,749	18,703,941	20,747,648
Trade and other receivables	665,517	523,228	764,200	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140
Inventories	10,168	12,307	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879
Other assets	0	4,147	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127
TOTAL CURRENT ASSETS	7,782,456	7,654,270	8,351,410	6,147,152	5,868,417	6,348,782	6,714,188	7,233,432	8,022,931	8,925,480	9,657,233	10,736,697	11,417,537	12,904,540	14,454,549	15,852,832	17,344,521	19,312,713	21,356,420
NON-CURRENT ASSETS																			
Financial assets	52,551	53,416	55,355	55,355	55,355	55,355	55,355	55,355	55,355	55,355	55,355	55,355	55,355	55,355	55,355	55,355	55,355	55,355	55,355
Other receivables	28,961	28,157	26,076	26,076	26,076	26,076	26,076	26,076	26,076	26,076	26,076	26,076	26,076	26,076	26,076	26,076	26,076	26,076	26,076
Property plant and equipment	22,360,809	22,339,038	24,281,467	24,635,067	25,195,630	24,876,101	24,774,468	27,495,391	27,183,923	26,846,777	26,693,731	29,430,854	29,431,870	28,728,319	28,068,567	31,046,882	30,627,709	29,895,824	29,271,995
Infrastructure	47,450,053	47,444,292	50,397,216	51,190,122	50,289,760	57,034,027	56,117,526	55,243,953	55,958,074	54,800,941	61,647,814	60,225,698	58,850,616	59,333,713	57,915,618	64,889,602	63,054,542	61,227,248	61,289,607
TOTAL NON-CURRENT ASSETS	69,892,374	69,864,903	74,760,114	75,906,620	75,566,821	81,991,559	80,973,425	82,820,775	83,223,428	81,729,149	88,422,976	89,737,983	88,363,917	88,143,463	86,065,616	96,017,915	93,763,682	91,204,503	90,643,033
TOTAL ASSETS	77,674,830	77,519,173	83,111,524	82,053,772	81,435,238	88,340,341	87,687,613	90,054,207	91,246,359	90,654,629	98,080,209	100,474,680	99,781,454	101,048,003	100,520,165	111,870,747	111,108,203	110,517,216	111,999,453
CURRENT LIABILITIES																			
Trade and other payables	399,612	550,934	405,548	405,548	405,548	405,548	405,548	405,548	405,548	405,548	405,548	405,548	405,548	405,548	405,548	405,548	405,548	405,548	405,548
Contract liabilities	0	62,324	203,224	203,224	203,224	203,224	203,224	203,224	203,224	203,224	203,224	203,224	203,224	203,224	203,224	203,224	203,224	203,224	203,224
Lease liabilities	0	0	57,413	28,920	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current portion of long-term liabilities	25,432	293,127	26,580	27,353	28,155	28,983	29,840	30,726	31,643	32,590	33,571	34,586	35,634	36,721	37,844	39,007	19,949	0	0
Provisions	331,893	370,554	325,811	325,811	325,811	325,811	325,811	325,811	325,811	325,811	325,811	325,811	325,811	325,811	325,811	325,811	325,811	325,811	325,811
TOTAL CURRENT LIABILITIES	756,937	1,276,939	1,018,576	990,856	962,738	963,566	964,423	965,309	966,226	967,173	968,154	969,169	970,217	971,304	972,427	973,590	954,532	934,583	934,583
NON-CURRENT LIABILITIES																			
Lease liabilities	0	0	28,922	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-term borrowings	281,208	0	446,584	419,249	391,094	362,111	332,271	301,545	269,902	237,312	203,741	169,155	133,521	96,800	58,956	19,949	0	0	0
Provisions	35,487	76,363	137,956	137,956	137,956	137,956	137,956	137,956	137,956	137,956	137,956	137,956	137,956	137,956	137,956	137,956	137,956	137,956	137,956
TOTAL NON-CURRENT LIABILITIES	316,695	76,363	613,462	557,205	529,050	500,067	470,227	439,501	407,858	375,268	341,697	307,111	271,477	234,756	196,912	157,905	137,956	137,956	137,956
TOTAL LIABILITIES	1,073,632	1,353,302	1,632,038	1,548,061	1,491,788	1,463,633	1,434,650	1,404,810	1,374,084	1,342,441	1,309,851	1,276,280	1,241,694	1,206,060	1,169,339	1,131,495	1,092,488	1,072,539	1,072,539
NET ASSETS	76,601,198	76,165,871	81,479,486	80,505,711	79,943,450	86,876,708	86,252,963	88,649,397	89,872,275	89,312,188	96,770,358	99,198,400	98,539,760	99,841,943	99,350,826	110,739,252	110,015,715	109,444,677	110,926,914
EQUITY																			
Retained surplus	34,755,490	34,659,817	34,994,479	34,018,796	33,735,270	32,661,519	31,669,337	30,572,923	29,123,420	27,657,666	26,108,198	24,250,071	22,906,552	20,793,222	18,752,096	16,485,654	14,270,428	11,731,198	9,190,689
Reserves - cash backed	5,540,310	5,202,521	5,536,472	5,538,380	5,259,645	5,740,010	6,105,416	6,624,660	7,414,159	8,316,708	9,048,461	10,127,925	10,808,765	12,295,768	13,845,777	15,244,060	16,735,749	18,703,941	20,747,648
Asset revaluation surplus	36,305,398	36,303,533	40,948,535	40,948,535	40,948,535	48,475,179	48,478,210	51,451,814	53,334,696	53,337,814	61,613,699	64,820,404	64,824,443	66,752,953	66,752,953	79,009,538	79,009,538	79,009,538	80,988,577
TOTAL EQUITY	76,601,198	76,165,871	81,479,486	80,505,711	79,943,450	86,876,708	86,252,963	88,649,397	89,872,275	89,312,188	96,770,358	99,198,400	98,539,760	99,841,943	99,350,826	110,739,252	110,015,715	109,444,677	110,926,914

Refer to Appendix B13 – Forecast Significant Accounting Policies

Appendix B5 Forecast Statement of Changes in Equity 2022-2037

	2019	2020	2021	Base	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening balance	35,169,763	34,876,226	34,659,818	34,994,479	34,018,796	33,735,270	32,661,519	31,669,337	30,572,923	29,123,420	27,657,666	26,108,198	24,250,071	22,906,552	20,793,222	18,752,096	16,485,654	14,270,428	11,731,198
Net result	(414,273)	(554,198)	668,612	(973,775)	(562,261)	(593,386)	(626,776)	(577,170)	(660,004)	(563,205)	(817,715)	(778,663)	(662,679)	(626,327)	(491,117)	(868,159)	(723,537)	(571,038)	(496,802)
Amount transferred (to)/from reserves		337,789	(333,951)	(1,908)	278,735	(480,365)	(365,406)	(519,244)	(789,499)	(902,549)	(731,753)	(1,079,464)	(680,840)	(1,487,003)	(1,550,009)	(1,398,283)	(1,491,689)	(1,968,192)	(2,043,707)
Closing balance	34,755,490	34,659,817	34,994,479	34,018,796	33,735,270	32,661,519	31,669,337	30,572,923	29,123,420	27,657,666	26,108,198	24,250,071	22,906,552	20,793,222	18,752,096	16,485,654	14,270,428	11,731,198	9,190,689
RESERVES - CASH/INVESTMENT BACKED																			
Opening balance	5,540,310	5,540,310	5,202,521	5,536,472	5,538,380	5,259,645	5,740,010	6,105,416	6,624,660	7,414,159	8,316,708	9,048,461	10,127,925	10,808,765	12,295,768	13,845,777	15,244,060	16,735,749	18,703,941
Amount transferred to/(from) retained surplus	0	(337,789)	333,951	1,908	(278,735)	480,365	365,406	519,244	789,499	902,549	731,753	1,079,464	680,840	1,487,003	1,550,009	1,398,283	1,491,689	1,968,192	2,043,707
Closing balance	5,540,310	5,202,521	5,536,472	5,538,380	5,259,645	5,740,010	6,105,416	6,624,660	7,414,159	8,316,708	9,048,461	10,127,925	10,808,765	12,295,768	13,845,777	15,244,060	16,735,749	18,703,941	20,747,648
ASSET REVALUATION SURPLUS																			
Opening balance	36,305,398	36,303,533	40,948,535	40,948,535	40,948,535	40,948,535	48,475,179	48,478,210	51,451,814	53,334,696	53,337,814	61,613,699	64,820,404	64,824,443	66,752,953	66,752,953	79,009,538	79,009,538	79,009,538
Total other comprehensive income	0	0	0	0	0	7,526,644	3,031	2,973,604	1,882,882	3,118	8,275,885	3,206,705	4,039	1,928,510	0	12,256,585	0	0	1,979,039
Closing balance	36,305,398	36,303,533	40,948,535	40,948,535	40,948,535	48,475,179	48,478,210	51,451,814	53,334,696	53,337,814	61,613,699	64,820,404	64,824,443	66,752,953	66,752,953	79,009,538	79,009,538	79,009,538	80,988,577
TOTAL EQUITY	76,601,198	76,165,871	81,479,486	80,505,711	79,943,450	86,876,708	86,252,963	88,649,397	89,872,275	89,312,188	96,770,358	99,198,400	98,539,760	99,841,943	99,350,826	110,739,252	110,015,715	109,444,677	110,926,914

Appendix B6 Forecast Statement of Cashflows 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities															
Receipts															
Rates	2,644,463	2,803,131	2,929,273	3,061,090	3,198,841	3,342,789	3,493,214	3,650,409	3,814,677	3,986,337	4,165,722	4,353,180	4,549,074	4,753,782	4,967,703
Operating grants, subsidies and contributions	2,208,662	2,285,966	2,365,972	2,448,780	2,534,487	2,623,192	2,715,002	2,810,027	2,908,380	3,010,173	3,115,527	3,224,568	3,337,429	3,454,239	3,575,138
Fees and charges	878,745	909,501	941,325	974,273	1,008,365	1,043,662	1,080,194	1,118,000	1,157,131	1,197,633	1,239,550	1,282,936	1,327,836	1,374,302	1,422,403
Interest earnings	114,200	108,627	118,232	125,542	135,927	151,717	169,767	184,401	205,994	219,608	249,350	280,346	308,316	338,149	377,511
Other revenue	736,647	762,429	789,113	816,732	845,318	874,906	905,529	937,224	970,027	1,003,979	1,039,118	1,075,487	1,113,126	1,152,085	1,192,408
	6,582,717	6,869,654	7,143,915	7,426,417	7,722,938	8,036,266	8,363,706	8,700,061	9,056,209	9,417,730	9,809,267	10,216,517	10,635,781	11,072,557	11,535,163
Payments															
Employee costs	(2,026,097)	(2,097,011)	(2,170,411)	(2,246,375)	(2,324,993)	(2,406,372)	(2,490,601)	(2,577,770)	(2,667,999)	(2,761,379)	(2,858,026)	(2,958,056)	(3,061,581)	(3,168,735)	(3,279,647)
Materials and contracts	(2,262,269)	(2,341,446)	(2,423,375)	(2,508,196)	(2,595,971)	(2,686,828)	(2,780,873)	(2,878,216)	(2,978,957)	(3,083,228)	(3,191,134)	(3,302,825)	(3,418,416)	(3,538,056)	(3,661,896)
Utility charges	(447,327)	(462,971)	(479,181)	(495,959)	(513,304)	(531,263)	(549,854)	(569,103)	(589,026)	(609,641)	(630,964)	(653,055)	(675,915)	(699,565)	(724,042)
Interest expenses	(13,247)	(12,361)	(11,533)	(10,676)	(9,790)	(8,873)	(7,925)	(6,945)	(5,932)	(4,881)	(3,796)	(2,672)	(1,510)	(306)	0
Insurance expenses	(224,469)	(232,327)	(240,457)	(248,878)	(257,595)	(266,614)	(275,947)	(285,606)	(295,604)	(305,954)	(316,664)	(327,752)	(339,221)	(351,089)	(363,381)
Other expenditure	(471,704)	(488,213)	(505,300)	(522,987)	(541,289)	(560,233)	(579,841)	(600,137)	(621,141)	(642,882)	(665,383)	(688,670)	(712,772)	(737,719)	(763,539)
	(5,445,113)	(5,634,329)	(5,830,257)	(6,033,071)	(6,242,942)	(6,460,183)	(6,685,041)	(6,917,777)	(7,158,659)	(7,407,965)	(7,665,967)	(7,933,030)	(8,209,415)	(8,495,470)	(8,792,505)
Net cash provided by (used in) operating activities	1,137,604	1,235,325	1,313,658	1,393,346	1,479,996	1,576,083	1,678,665	1,782,284	1,897,550	2,009,765	2,143,300	2,283,487	2,426,366	2,577,087	2,742,658
Cash flows from investing activities															
Payments for purchase of property, plant & equipment	(1,468,355)	(399,944)	(699,816)	(713,351)	(501,937)	(504,590)	(644,357)	(369,412)	(990,431)	(110,000)	(161,099)	(549,720)	(576,058)	(166,654)	(346,225)
Payments for construction of infrastructure	(990,103)	(1,412,163)	(1,290,048)	(1,352,993)	(1,138,896)	(1,166,674)	(1,269,908)	(1,293,606)	(1,357,778)	(1,382,434)	(1,427,583)	(1,463,234)	(1,489,399)	(1,516,087)	(1,543,309)
Proceeds from non-operating grants, subsidies and contributions	877,937	1,053,166	954,179	1,001,757	913,364	931,031	949,052	967,433	986,182	1,005,306	1,024,812	1,044,708	1,065,002	1,085,702	1,106,817
Proceeds from sale of plant & equipment	220,455	32,136	116,416	220,325	67,698	98,342	50,891	26,336	179,903	0	7,300	120,886	104,785	8,093	83,766
Net cash provided by (used in) investing activities	(1,360,066)	(726,805)	(919,269)	(844,262)	(659,771)	(641,891)	(914,322)	(669,249)	(1,182,124)	(487,128)	(556,570)	(847,360)	(895,670)	(588,946)	(698,951)
Cash flows from financing activities															
Repayment of debentures	(27,353)	(28,155)	(28,983)	(29,840)	(30,726)	(31,643)	(32,590)	(33,571)	(34,586)	(35,634)	(36,721)	(37,844)	(39,007)	(19,949)	0
Repayment of leases	(28,920)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash provided by (used in) financing activities	(56,273)	(28,155)	(28,983)	(29,840)	(30,726)	(31,643)	(32,590)	(33,571)	(34,586)	(35,634)	(36,721)	(37,844)	(39,007)	(19,949)	0
Net increase (decrease) in cash held	(278,735)	480,365	365,406	519,244	789,499	902,549	731,753	1,079,464	680,840	1,487,003	1,550,009	1,398,283	1,491,689	1,968,192	2,043,707
Cash at beginning of year	5,710,006	5,431,271	5,911,636	6,277,042	6,796,286	7,585,785	8,488,334	9,220,087	10,299,551	10,980,391	12,467,394	14,017,403	15,415,686	16,907,375	18,875,567
Cash and cash equivalents at the end of year	5,431,271	5,911,636	6,277,042	6,796,286	7,585,785	8,488,334	9,220,087	10,299,551	10,980,391	12,467,394	14,017,403	15,415,686	16,907,375	18,875,567	20,919,274

Appendix B7 Forecast Statement of Funding 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
FUNDING FROM OPERATIONAL ACTIVITIES																
Revenues																
Rates	2,644,463	2,803,131	2,929,273	3,061,090	3,198,841	3,342,789	3,493,214	3,650,409	3,814,677	3,986,337	4,165,722	4,353,180	4,549,074	4,753,782	4,967,703	
Operating grants, subsidies and contributions	2,208,662	2,285,966	2,365,972	2,448,780	2,534,487	2,623,192	2,715,002	2,810,027	2,908,380	3,010,173	3,115,527	3,224,568	3,337,429	3,454,239	3,575,138	
Fees and charges	878,745	909,501	941,325	974,273	1,008,365	1,043,662	1,080,194	1,118,000	1,157,131	1,197,633	1,239,550	1,282,936	1,327,836	1,374,302	1,422,403	
Interest earnings	114,200	108,627	118,232	125,542	135,927	151,717	169,767	184,401	205,994	219,608	249,350	280,346	308,316	338,149	377,511	
Other revenue	736,647	762,429	789,113	816,732	845,318	874,906	905,529	937,224	970,027	1,003,979	1,039,118	1,075,487	1,113,126	1,152,085	1,192,408	
	6,582,717	6,869,654	7,143,915	7,426,417	7,722,938	8,036,266	8,363,706	8,700,061	9,056,209	9,417,730	9,809,267	10,216,517	10,635,781	11,072,557	11,535,163	
Expenses																
Employee costs	(2,026,097)	(2,097,011)	(2,170,411)	(2,246,375)	(2,324,993)	(2,406,372)	(2,490,601)	(2,577,770)	(2,667,999)	(2,761,379)	(2,858,026)	(2,958,056)	(3,061,581)	(3,168,735)	(3,279,647)	
Materials and contracts	(2,262,269)	(2,341,446)	(2,423,375)	(2,508,196)	(2,595,971)	(2,686,828)	(2,780,873)	(2,878,216)	(2,978,957)	(3,083,228)	(3,191,134)	(3,302,825)	(3,418,416)	(3,538,056)	(3,661,896)	
Utility charges (electricity, gas, water etc.)	(447,327)	(462,971)	(479,181)	(495,959)	(513,304)	(531,263)	(549,854)	(569,103)	(589,026)	(609,641)	(630,964)	(653,055)	(675,915)	(699,565)	(724,042)	
Depreciation on non-current assets	(2,577,802)	(2,881,877)	(2,894,613)	(2,972,273)	(3,053,364)	(3,070,319)	(3,445,432)	(3,528,380)	(3,546,411)	(3,641,398)	(3,659,229)	(4,196,354)	(4,214,905)	(4,233,827)	(4,346,277)	
Interest expense	(13,247)	(12,361)	(11,533)	(10,676)	(9,790)	(8,873)	(7,925)	(6,945)	(5,932)	(4,881)	(3,796)	(2,672)	(1,510)	(306)	0	
Insurance expense	(224,469)	(232,327)	(240,457)	(248,878)	(257,595)	(266,614)	(275,947)	(285,606)	(295,604)	(305,954)	(316,664)	(327,752)	(339,221)	(351,089)	(363,381)	
Other expenditure	(471,704)	(488,213)	(505,300)	(522,987)	(541,289)	(560,233)	(579,841)	(600,137)	(621,141)	(642,882)	(665,383)	(688,670)	(712,772)	(737,719)	(763,539)	
	(8,022,915)	(8,516,206)	(8,724,870)	(9,005,344)	(9,296,306)	(9,530,502)	(10,130,473)	(10,446,157)	(10,705,070)	(11,049,363)	(11,325,196)	(12,129,384)	(12,424,320)	(12,729,297)	(13,138,782)	
	(1,440,198)	(1,646,552)	(1,580,955)	(1,578,927)	(1,573,368)	(1,494,236)	(1,766,767)	(1,746,096)	(1,648,861)	(1,631,633)	(1,515,929)	(1,912,867)	(1,788,539)	(1,656,740)	(1,603,619)	
Funding position adjustments																
Depreciation on non-current assets	2,577,802	2,881,877	2,894,613	2,972,273	3,053,364	3,070,319	3,445,432	3,528,380	3,546,411	3,641,398	3,659,229	4,196,354	4,214,905	4,233,827	4,346,277	
Net funding from operational activities	1,137,604	1,235,325	1,313,658	1,393,346	1,479,996	1,576,083	1,678,665	1,782,284	1,897,550	2,009,765	2,143,300	2,283,487	2,426,366	2,577,087	2,742,658	
FUNDING FROM CAPITAL ACTIVITIES																
Inflows																
Proceeds on disposal	220,455	32,136	116,416	220,325	67,698	98,342	50,891	26,336	179,903	0	7,300	120,886	104,785	8,093	83,766	
Non-operating grants, subsidies and contributions	877,937	1,053,166	954,179	1,001,757	913,364	931,031	949,052	967,433	986,182	1,005,306	1,024,812	1,044,708	1,065,002	1,085,702	1,106,817	
Outflows																
Purchase of property plant and equipment	(1,468,355)	(399,944)	(699,816)	(713,351)	(501,937)	(504,590)	(644,357)	(369,412)	(990,431)	(110,000)	(161,099)	(549,720)	(576,058)	(166,654)	(346,225)	
Purchase of infrastructure	(990,103)	(1,412,163)	(1,290,048)	(1,352,993)	(1,138,896)	(1,166,674)	(1,269,908)	(1,293,606)	(1,357,778)	(1,382,434)	(1,427,583)	(1,463,234)	(1,489,399)	(1,516,087)	(1,543,309)	
Net funding from capital activities	(1,360,066)	(726,805)	(919,269)	(844,262)	(659,771)	(641,891)	(914,322)	(669,249)	(1,182,124)	(487,128)	(556,570)	(847,360)	(895,670)	(588,946)	(698,951)	
FUNDING FROM FINANCING ACTIVITIES																
Inflows																
Transfer from reserves	471,502	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Outflows																
Transfer to reserves	(192,767)	(480,365)	(365,406)	(519,244)	(789,499)	(902,549)	(731,753)	(1,079,464)	(680,840)	(1,487,003)	(1,550,009)	(1,398,283)	(1,491,689)	(1,968,192)	(2,043,707)	
Repayment of past borrowings	(27,353)	(28,155)	(28,983)	(29,840)	(30,726)	(31,643)	(32,590)	(33,571)	(34,586)	(35,634)	(36,721)	(37,844)	(39,007)	(19,949)	0	
Principal elements of finance lease payments	(28,920)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net funding from financing activities	222,462	(508,520)	(394,389)	(549,084)	(820,225)	(934,192)	(764,343)	(1,113,035)	(715,426)	(1,522,637)	(1,586,730)	(1,436,127)	(1,530,696)	(1,988,141)	(2,043,707)	
Estimated surplus/deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Estimated surplus/deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

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

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated surplus/deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Unrestricted cash and equivalents	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626	171,626
Restricted cash and cash equivalent	5,259,645	5,740,010	6,105,416	6,624,660	7,414,159	8,316,708	9,048,461	10,127,925	10,808,765	12,295,768	13,845,777	15,244,060	16,735,749	18,703,941	20,747,648
Trade and other receivables	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140	418,140
Inventories	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879
Other assets	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127	5,127
CURRENT LIABILITIES															
Trade and other payables	(405,548)	(405,548)	(405,548)	(405,548)	(405,548)	(405,548)	(405,548)	(405,548)	(405,548)	(405,548)	(405,548)	(405,548)	(405,548)	(405,548)	(405,548)
Contract liabilities	(203,224)	(203,224)	(203,224)	(203,224)	(203,224)	(203,224)	(203,224)	(203,224)	(203,224)	(203,224)	(203,224)	(203,224)	(203,224)	(203,224)	(203,224)
Reserves	(5,259,645)	(5,740,010)	(6,105,416)	(6,624,660)	(7,414,159)	(8,316,708)	(9,048,461)	(10,127,925)	(10,808,765)	(12,295,768)	(13,845,777)	(15,244,060)	(16,735,749)	(18,703,941)	(20,747,648)
Estimated surplus/deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix B9 Forecast Statement of Fixed Asset Movements 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
CAPITAL WORKS - INFRASTRUCTURE																
Infrastructure - roads	733,315	1,088,510	1,100,928	1,116,565	1,138,896	1,161,674	1,184,908	1,208,606	1,232,778	1,257,434	1,282,583	1,308,234	1,334,399	1,361,087	1,388,309	
Infrastructure - Footpaths	136,788	153,653	139,120	161,428	0	0	0	0	0	0	0	0	0	0	0	
Infrastructure - Airfields	0	0	0	0	0	0	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	
Infrastructure - Dams	0	0	0	0	0	0	0	0	40,000	40,000	60,000	70,000	70,000	70,000	70,000	
Infrastructure - Playground Equipment	0	0	0	0	0	5,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Infrastructure - Other	120,000	170,000	50,000	75,000	0	0	0	0	0	0	0	0	0	0	0	
Total capital works - infrastructure	990,103	1,412,163	1,290,048	1,352,993	1,138,896	1,166,674	1,269,908	1,293,606	1,357,778	1,382,434	1,427,583	1,463,234	1,489,399	1,516,087	1,543,309	
Represented by:																
Additions - expansion, upgrades and new	508,103	649,508	533,048	912,993	766,596	781,928	797,567	813,518	829,788	846,384	863,312	880,578	898,190	916,154	934,477	
Additions - renewal	482,000	762,655	757,000	440,000	372,300	384,746	472,341	480,088	527,990	536,050	564,271	582,656	591,209	599,933	608,832	
Total Capital Works - Infrastructure	990,103	1,412,163	1,290,048	1,352,993	1,138,896	1,166,674	1,269,908	1,293,606	1,357,778	1,382,434	1,427,583	1,463,234	1,489,399	1,516,087	1,543,309	
Asset movement reconciliation																
Total capital works infrastructure	990,103	1,412,163	1,290,048	1,352,993	1,138,896	1,166,674	1,269,908	1,293,606	1,357,778	1,382,434	1,427,583	1,463,234	1,489,399	1,516,087	1,543,309	
Depreciation infrastructure	(1,890,465)	(2,194,540)	(2,206,549)	(2,226,566)	(2,307,657)	(2,323,807)	(2,698,920)	(2,715,722)	(2,732,860)	(2,827,847)	(2,845,678)	(3,305,908)	(3,324,459)	(3,343,381)	(3,454,733)	
Revaluation of infrastructure assets (inflation)	0	7,526,644	0	0	1,882,882	0	8,275,885	0	0	1,928,510	0	8,816,658	0	0	1,973,783	
Net movement in infrastructure assets	(900,362)	6,744,267	(916,501)	(873,573)	714,121	(1,157,133)	6,846,873	(1,422,116)	(1,375,082)	483,097	(1,418,095)	6,973,984	(1,835,060)	(1,827,294)	62,359	
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT																
Buildings - non-specialised	275,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
Furniture and equipment	0	0	0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Plant and equipment	1,193,355	299,944	599,816	613,351	391,937	394,590	534,357	259,412	880,431	0	51,099	439,720	466,058	56,654	236,225	
Total capital works property, plant and equipment	1,468,355	399,944	699,816	713,351	501,937	504,590	644,357	369,412	990,431	110,000	161,099	549,720	576,058	166,654	346,225	
Represented by:																
Additions - renewal	1,468,355	399,944	699,816	713,351	501,937	504,590	644,357	369,412	990,431	110,000	161,099	549,720	576,058	166,654	346,225	
Total capital works property, plant and equipment	1,468,355	399,944	699,816	713,351	501,937	504,590	644,357	369,412	990,431	110,000	161,099	549,720	576,058	166,654	346,225	
Asset movement reconciliation																
Total capital works property, plant and equipment	1,468,355	399,944	699,816	713,351	501,937	504,590	644,357	369,412	990,431	110,000	161,099	549,720	576,058	166,654	346,225	
Depreciation property, plant and equipment	(687,337)	(687,337)	(688,064)	(745,707)	(745,707)	(746,512)	(746,512)	(812,658)	(813,551)	(813,551)	(813,551)	(890,446)	(890,446)	(890,446)	(891,544)	
Net book value of disposed/written off assets	(220,455)	(32,136)	(116,416)	(220,325)	(67,698)	(98,342)	(50,891)	(26,336)	(179,903)	0	(7,300)	(120,886)	(104,785)	(8,093)	(83,766)	
Revaluation of property, plant and equipment (inflation)	0	0	3,031	2,973,604	0	3,118	0	3,206,705	4,039	0	0	3,439,927	0	0	5,256	
Net movement in property, plant and equipment	560,563	(319,529)	(101,633)	2,720,923	(311,468)	(337,146)	(153,046)	2,737,123	1,016	(703,551)	(659,752)	2,978,315	(419,173)	(731,885)	(623,829)	
CAPITAL WORKS - TOTALS																
Capital works																
Total capital works infrastructure	990,103	1,412,163	1,290,048	1,352,993	1,138,896	1,166,674	1,269,908	1,293,606	1,357,778	1,382,434	1,427,583	1,463,234	1,489,399	1,516,087	1,543,309	
Total capital works property, plant and equipment	1,468,355	399,944	699,816	713,351	501,937	504,590	644,357	369,412	990,431	110,000	161,099	549,720	576,058	166,654	346,225	
Total capital works	2,458,458	1,812,107	1,989,864	2,066,344	1,640,833	1,671,264	1,914,265	1,663,018	2,348,209	1,492,434	1,588,682	2,012,954	2,065,457	1,682,741	1,889,534	
Fixed asset movement																
Net movement in infrastructure assets	(900,362)	6,744,267	(916,501)	(873,573)	714,121	(1,157,133)	6,846,873	(1,422,116)	(1,375,082)	483,097	(1,418,095)	6,973,984	(1,835,060)	(1,827,294)	62,359	
Net movement in property, plant and equipment	560,563	(319,529)	(101,633)	2,720,923	(311,468)	(337,146)	(153,046)	2,737,123	1,016	(703,551)	(659,752)	2,978,315	(419,173)	(731,885)	(623,829)	
Net movement in fixed assets	(339,799)	6,424,738	(1,018,134)	1,847,350	402,653	(1,494,279)	6,693,827	1,315,007	(1,374,066)	(220,454)	(2,077,847)	9,952,299	(2,254,233)	(2,559,179)	(561,470)	

Appendix B10 Forecast Statement of Capital Funding 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital expenditure															
Infrastructure - roads	733,315	1,088,510	1,100,928	1,116,565	1,138,896	1,161,674	1,184,908	1,208,606	1,232,778	1,257,434	1,282,583	1,308,234	1,334,399	1,361,087	1,388,309
Infrastructure - Footpaths	136,788	153,653	139,120	161,428	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Airfields	0	0	0	0	0	0	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Infrastructure - Dams	0	0	0	0	0	0	0	0	40,000	40,000	60,000	70,000	70,000	70,000	70,000
Infrastructure - Playground Equipment	0	0	0	0	0	5,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Infrastructure - Other	120,000	170,000	50,000	75,000	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	275,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Furniture and equipment	0	0	0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Plant and equipment	1,193,355	299,944	599,816	613,351	391,937	394,590	534,357	259,412	880,431	0	51,099	439,720	466,058	56,654	236,225
Total - Capital expenditure	2,458,458	1,812,107	1,989,864	2,066,344	1,640,833	1,671,264	1,914,265	1,663,018	2,348,209	1,492,434	1,588,682	2,012,954	2,065,457	1,682,741	1,889,534
Funded by:															
Capital grants & contributions															
Infrastructure - roads	609,543	846,340	854,619	866,043	883,364	901,031	919,052	937,433	956,182	975,306	994,812	1,014,708	1,035,002	1,055,702	1,076,817
Infrastructure - Footpaths	68,394	76,826	69,560	80,714	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other	70,000	100,000	0	25,000	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	130,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Total - Capital grants & contributions	877,937	1,053,166	954,179	1,001,757	913,364	931,031	949,052	967,433	986,182	1,005,306	1,024,812	1,044,708	1,065,002	1,085,702	1,106,817
Own source funding															
Infrastructure - roads	123,772	242,170	246,309	250,522	255,532	260,643	265,856	271,173	276,596	282,128	287,771	293,526	299,397	305,385	311,492
Infrastructure - Footpaths	68,394	76,827	69,560	80,714	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Airfields	0	0	0	0	0	0	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Infrastructure - Dams	0	0	0	0	0	0	0	0	40,000	40,000	60,000	70,000	70,000	70,000	70,000
Infrastructure - Playground Equipment	0	0	0	0	0	5,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Infrastructure - Other	50,000	70,000	50,000	50,000	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	145,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Furniture and equipment	0	0	0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Plant and equipment	972,900	267,808	483,400	393,026	324,239	296,248	483,466	233,076	700,528	0	43,799	318,834	361,273	48,561	152,459
Total - Own source funding	1,360,066	726,805	919,269	844,262	659,771	641,891	914,322	669,249	1,182,124	487,128	556,570	847,360	895,670	588,946	698,951
Borrowings															
Total - Borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (disposals & C/Fwd)															
Plant and equipment	220,455	32,136	116,416	220,325	67,698	98,342	50,891	26,336	179,903	0	7,300	120,886	104,785	8,093	83,766
Total - Other (disposals & C/Fwd)	220,455	32,136	116,416	220,325	67,698	98,342	50,891	26,336	179,903	0	7,300	120,886	104,785	8,093	83,766
Total Capital Funding	2,458,458	1,812,107	1,989,864	2,066,344	1,640,833	1,671,264	1,914,265	1,663,018	2,348,209	1,492,434	1,588,682	2,012,954	2,065,457	1,682,741	1,889,534

Appendix B11 Forecast Ratios 2022-2037

	Target Range		Average	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
LIQUIDITY RATIOS																		
Current ratio	> 1.00	> 1.20	0.78	0.76	0.76	0.76	0.77	0.77	0.77	0.77	0.78	0.78	0.78	0.78	0.79	0.81	0.84	0.84
OPERATING RATIOS																		
Operating surplus ratio	> 1.00%	> 15.00%	(28.08%)	(32.93%)	(35.92%)	(33.09%)	(31.72%)	(30.32%)	(27.60%)	(31.28%)	(29.64%)	(26.82%)	(25.46%)	(22.65%)	(27.36%)	(24.51%)	(21.75%)	(20.15%)
Own source revenue coverage ratio	> 40.00%	> 60.00%	56.97%	54.52%	53.82%	54.76%	55.27%	55.81%	56.80%	55.76%	56.38%	57.43%	57.99%	59.10%	57.64%	58.74%	59.85%	60.58%
BORROWINGS RATIOS																		
Debt service cover ratio	> 3	> 5	48.68	28.40	30.79	32.71	34.65	36.77	39.12	41.63	44.16	46.98	49.73	52.99	56.43	59.92	127.25	-
FIXED ASSET RATIOS																		
Asset sustainability ratio	> 90.00%	> 110.00%	32.96%	75.66%	40.34%	50.33%	38.80%	28.63%	28.97%	32.41%	24.08%	42.82%	17.74%	19.82%	26.98%	27.69%	18.11%	21.97%
Asset consumption ratio	> 50.00%	> 60.00%	57.11%	67.66%	64.93%	63.85%	63.29%	62.21%	60.73%	57.94%	57.16%	55.98%	54.66%	53.09%	50.97%	49.54%	47.95%	46.68%
Asset renewal funding ratio	> 75.00%	> 95.00%	27.40%	33.61%	30.79%	28.75%	23.21%	20.65%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Appendix B12 Asset Renewals 2022-2037

Required Asset Renewals

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings	93,389	96,658	1,661,777	237,107	468,280	110,917	114,799	4,707,463	184,485	596,378	194,157	136,345	18,266,497	742,031	151,168
Plant and equipment	96,770	379,620	120,749	89,861	96,167	115,341	2,329,223	91,438	94,638	620,312	120,318	1,825,510	447,768	1,494,301	135,653
Infrastructure - roads	594,842	464,217	6,770,600	132,690	453,938	1,259,296	439,337	1,081,625	512,042	768,714	166,643	833,242	669,747	691,528	27,731
Infrastructure - footpaths	174,710	369	0	0	0	0	0	75,228	26,225	0	136,145	0	55,730	0	0
Infrastructure - other	1,808,982	227,493	564,788	52,003	51,707	1,120,024	928,033	5,391,513	204,048	83,528	629,451	36,175	133,288	162,753	1,616,020
Total	2,768,694	1,168,356	9,117,914	511,661	1,070,092	2,605,578	3,811,392	11,347,267	1,021,438	2,068,931	1,246,714	2,831,272	19,573,030	3,090,612	1,930,572

Planned Asset Renewals

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings	275,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Furniture and equipment	0	0	0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Plant and equipment	1,193,355	299,944	599,816	613,351	391,937	394,590	534,357	259,412	880,431	0	51,099	439,720	466,058	56,654	236,225
Infrastructure - roads	362,000	592,655	707,000	365,000	372,300	379,746	387,341	395,088	402,990	411,050	419,271	427,656	436,209	444,933	453,832
Infrastructure - other	120,000	170,000	50,000	75,000	0	5,000	85,000	85,000	125,000	125,000	145,000	155,000	155,000	155,000	155,000
Total	1,950,355	1,162,599	1,456,816	1,153,351	874,237	889,336	1,116,698	849,500	1,518,421	646,050	725,370	1,132,376	1,167,267	766,587	955,057

Asset Renewal Funding Surplus (Deficit)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings	181,611	3,342	(1,561,777)	(137,107)	(368,280)	(10,917)	(14,799)	(4,607,463)	(84,485)	(496,378)	(94,157)	(36,345)	(18,166,497)	(642,031)	(51,168)
Furniture and equipment	0	0	0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Plant and equipment	1,096,585	(79,676)	479,067	523,490	295,770	279,249	(1,794,866)	167,974	785,793	(620,312)	(69,219)	(1,385,790)	18,290	(1,437,647)	100,572
Infrastructure - roads	(232,842)	128,438	(6,063,600)	232,310	(81,638)	(879,550)	(51,996)	(686,537)	(109,052)	(357,664)	252,628	(405,586)	(233,538)	(246,595)	426,101
Infrastructure - footpaths	(174,710)	(369)	0	0	0	0	0	(75,228)	(26,225)	0	(136,145)	0	(55,730)	0	0
Infrastructure - other	(1,688,982)	(57,493)	(514,788)	22,997	(51,707)	(1,115,024)	(843,033)	(5,306,513)	(79,048)	41,472	(484,451)	118,825	21,712	(7,753)	(1,461,020)
Total	(818,339)	(5,757)	(7,661,098)	641,690	(195,855)	(1,716,242)	(2,694,694)	(10,497,767)	496,983	(1,422,881)	(521,344)	(1,698,896)	(18,405,763)	(2,324,025)	(975,515)

Appendix B13 Forecast Significant Accounting Policies

Basis of Preparation

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

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

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

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

Judgements, Estimates and Assumptions

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

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

The Local Government Reporting Entity

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

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

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

Base Year Balances

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

Rounding Off Figures

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

Comparative Figures

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

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.

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.

Appendix B13 Forecast Significant Accounting Policies (Continued)

Goods and Services Tax (GST) (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

Superannuation

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

Cash and Cash Equivalents

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

Trade and Other Receivables

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

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

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

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

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

Inventories

General

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

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

Land held for resale

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

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

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

Fixed Assets

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

Revaluation

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

Depreciation

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

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

Appendix B13 Forecast Significant Accounting Policies (Continued)

Depreciation (continued)

Asset Class	Effective average depreciation rate
Buildings - non-specialised	2.00%
Buildings - specialised	1.81%
Furniture and equipment	11.31%
Plant and equipment	8.03%
Infrastructure - roads	2.07%
Infrastructure - footpaths	2.78%
Infrastructure - parks and ovals	4.49%
Infrastructure - sewerage	2.50%
Infrastructure - airfields	6.41%
Infrastructure - dams	6.18%
Infrastructure - playground equipment	6.15%
Infrastructure - other	2.00%

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 Disposal

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.

Employee Benefits

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

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market

yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations.

Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Borrowing Costs

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

Trade and Other Payables

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

Provisions

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

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

Current and Non-Current Classification

An asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the 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.

Materiality

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

Modern Equivalent Asset

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

Appendix C1 Glossary (Continued)

Net Present Value (NPV)

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

Non-Revenue Generating Investments

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

Operations Expenditure

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

Pavement Management System

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

Recoverable Amount

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

Recurrent Expenditure

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

Recurrent Funding

Funding to pay for recurrent expenditure.

Remaining Useful Life

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

Renewal

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

Residual Value

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already

of the age and in the condition expected at the end of its useful life.

Revenue Generating Investments

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

Risk Management

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

Section or Segment

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

Service Potential

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

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

Document Management

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References

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

- Shire of Morawa Strategic Community Plan 2022-2032;
- Shire of Morawa Annual Financial Report 2019-20;
- Shire of Morawa Annual Financial Report 2020-21;
- Shire of Morawa Adopted Annual Budget 2021-22; and
- Council website: www.morawa.wa.gov.au