



Shire of
Koorda

Special Meeting of Council

Attachments

Monday, 29 June 2020

5.00pm



Shire of
Koorda

Drive in, stay awhile



Draft Strategic Resource Plan

2020 - 2035

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1.0 Foreword

We are pleased to present the Shire of Koorda Draft Strategic Resource Plan 2020 - 2035.

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

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



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

The Shire of Koorda's Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Koorda Strategic Community Plan 2018 - 2028.

This Plan will be used with the Corporate Business Plan and Workforce Plan to achieve our goals and drive the Shire in achieving its vision "Build a vibrant and sustainable community, with shared social values, in which we can live and work in harmony with our environment."

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.

Jannah Stratford
President

Darren Simmons
Chief Executive Officer

2.0 Key Information

ASSUMPTIONS



2%
Inflation Rate



Stable
Population



Stable
Levels of Service



Stable
Operations



Balanced
Annual Budget



2.5% per annum →
(0.5% + CPI 2%)
Rates



2.0% (CPI)
Employee Costs

STATISTICS ¹²



7
Elected
Members



19
Employees



267
Electors



227
Dwellings



238 km
Distance from
Perth



2,832km²
Area



414
Population

FINANCIAL INFORMATION³

\$1,048,309
Rates Revenue

\$548,331
Fees and Charges

\$3,991,353
Operating Revenue

\$4,300,411
Operating Expenditure

\$93,127,448
Net Assets

\$5,623,122
Cash Backed Reserves

Nil
Long Term Borrowings

¹WALGA Online Local Government Directory 2017/2018, Shire of Koorda viewed 21 June 2020

²Australian Bureau of Statistics Koorda (S) (LGA54690) 2016 Census of Population and Housing, viewed 21 June 2020

³Shire of Koorda 2018-19 Annual Financial Report

3.0 Executive Summary

The following information provides a brief summary of the Draft Strategic Resource Plan 2020 - 2035, 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 Koorda is planning for a positive and stable future, despite the current uncertainty arising from COVID-19. The Shire seeks to maintain, and where possible, improve service levels into the future while ensuring a healthy financial position.

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

3.2 Significant Issues

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

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

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

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

Rate revenue is forecast to increase by 2.5% (CPI 2% + 0.5%) from 2021/22 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 services to the community. These will be reviewed in the future once the impacts of the COVID-19 Pandemic are more apparent.

3.3 Forecast Capital Projects

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

Project by Asset Class	2020 - 2035 Amount (\$)
Infrastructure – Roads Other	
Road upgrades and renewal program	11,243,181
Infrastructure - Drainage	
Drainage renewals	150,000
Infrastructure - Streetscapes	
Streetscape renewals	138,172
Plant and Equipment	
Plant replacement program	11,040,393
Furniture and equipment	
Furniture and Equipment renewals	491,532
Grand Total	23,063,278

Building works are currently planned to be undertaken as part of routine planned building maintenance with no planned building renewals.

4.0 Community Profile, Vision and Objective

4.1 Location

Located north-east of Perth, Koorda is situated along the popular 'Wheatbelt Way' self-drive trail. Koorda's main industries include wheat, coarse grain and sheep farming. During springtime, experience remarkable wildflower displays with some species unique to the area.

Koorda saw a re-branding in 2019 which welcomed the catch phrase "Drive In, Stay Awhile" which both incorporates our iconic Drive In which runs on a month basis and showcases our town as a great place to live, work and travel in. Previously Koorda was famously referred to as 'Corn Dolly Country,' attracting sightseers wanting to learn more about the ancient tradition of creating 'dollies' from stalks and husks of wheat. The town offers great facilities for visitors to enjoy, from its wonderful Wheatbelt scenery, local attractions, museums and Drive In theatre, to sporting recreational services such as a golf course, tennis courts, lawn bowls, children's playgrounds, skate park and much, much more. There are numerous scenic areas to stop at, most with public BBQ and toilet facilities. Mollerin Rock, Redcliff, Newcarlbeon, Koorda Native Flora Reserve and Badgerin Rock are popular spots to enjoy the surroundings and perhaps catch some of the local inhabitants.

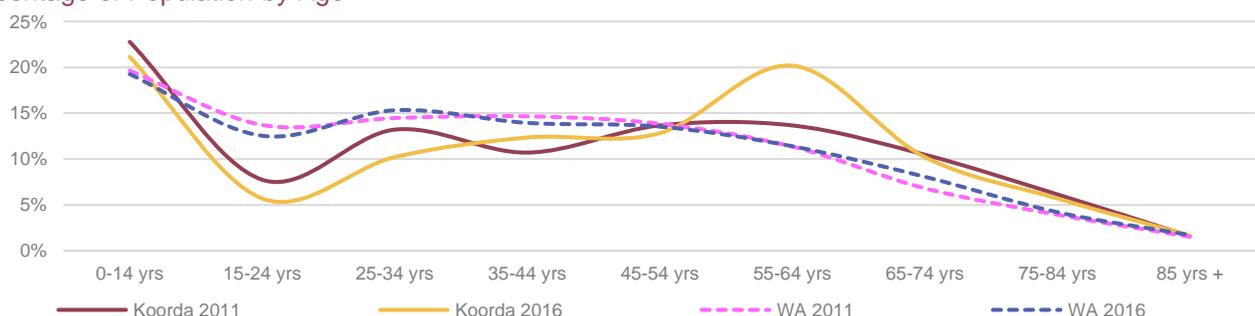
4.2 People

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

Population	2011		2016
Koorda	434	↓	414
WA	2.35m	↑	2.47m

The age demographic of the districts population is reflected by the red (2011 Census) and gold (2016 Census) lines in the chart at the bottom of the page. When compared to the age demographic of the West Australian population reflected by the dotted lines, it is apparent Koorda has a lower percentage of 15-54 resident population and higher percentage of 55-64 year old residents.

Percentage of Population by Age



4.3 Vision

The Shire's strategic vision: *Build a vibrant and sustainable community, with shared social values, in which we can live and work in harmony with our environment.*

4.4 Strategic Objectives

The following key themes are identified in the Shire's Strategic Community Plan 2018 - 2028 and considered within the Strategic Resource Plan:

Social: to be a dynamic, passionate and safe community valuing our natural and unique heritage;

Economic: a diverse and innovative economy with a range of local employment opportunities;

Environmental: to have a balance respect for our environment and heritage, both natural and built;

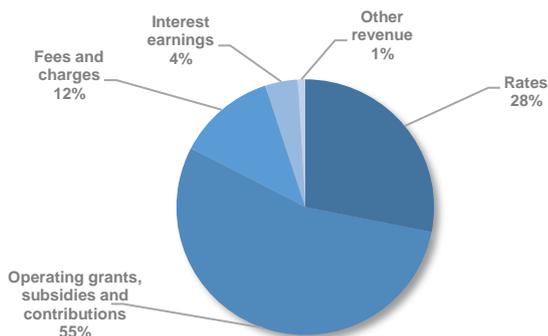
Civic Leadership: to provide exceptional leadership, working with our community towards a sustainable future.

5.0 Long Term Financial Planning Overview

5.1 Forecast Revenue

Rates are expected to remain at current levels in 2020-21 and generate \$1.09m before gradually increasing to \$1.54m in 2034-35 and comprise 28% of operating revenue (excluding non-operating grants) over the term of the Plan. The Shire is reliant on receiving more than \$36.62m over the next 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. Non operating grants are expected to remain stable for road renewal.

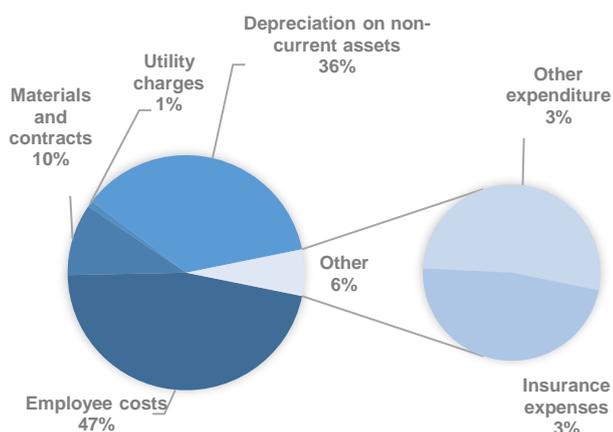
5.2 Revenue Composition Year 1



5.3 Forecast Expenditure

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

5.4 Expenditure Composition Year 1



5.5 Net Result

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



A positive net result over the long term indicates net asset values will increase despite depreciation expenses eroding asset values. Changes to asset funding or expected useful life of assets as they are better understood may change the net result.

5.6 Depreciation Expense

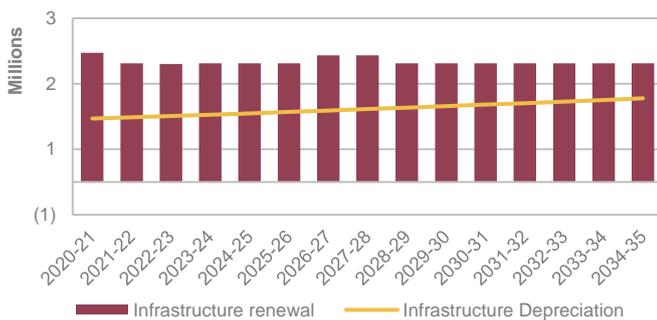
Ideally, the average asset renewal should be in line with depreciation expense over the long term, to ensure the value of assets is maintained. On average, the Shire is planning to renew its infrastructure assets at a higher level than they are depreciating over the term of the Plan.

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

5.0 Long Term Financial Planning Overview (Continued)

5.7 Infrastructure Depreciation Expense -V- Asset Renewal Expenditure

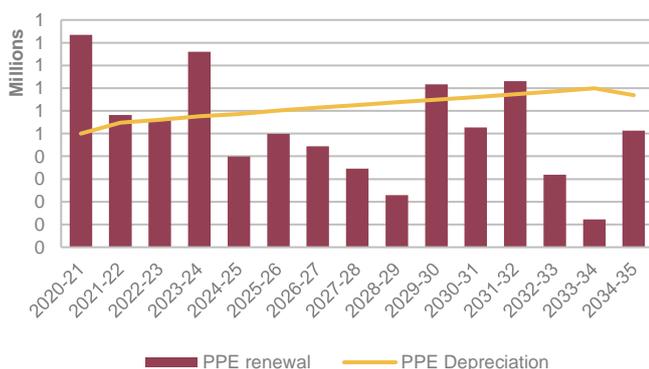
Depreciation expense increases throughout the Plan from \$1.0m in year 1 to \$1.3m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$16.8m, shown by the gold line in the chart below. The planned level of infrastructure asset renewal expenditure at \$27.6m (reflected by the red columns) is over the term of the Plan above the level of depreciation.



Further review of asset useful lives for infrastructure assets is required given changes in the construction of road pavements providing a longer useful life.

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

Planned property, plant and equipment asset renewals of \$7.8m (reflected by the red columns) over the 15 years is greater than the depreciation expense of \$9.3m (reflected by the gold line) over the same period as shown in the chart below.



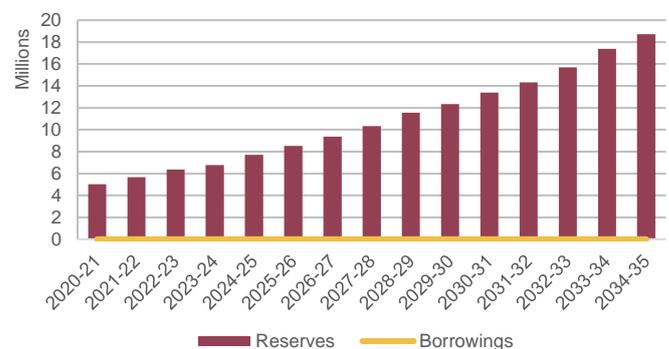
Further improvements in asset management data and the estimation of depreciation expense along with the future renewal of long-lived assets may result in a closer alignment between asset renewals and depreciation expense.

5.9 Maintenance Expenditure

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

5.10 Forecast Borrowings and Cash Reserves

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



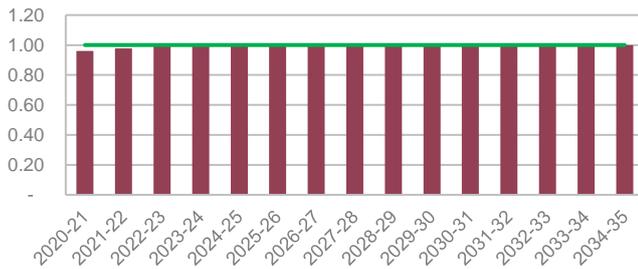
This is part of its strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available. The strategy also includes the use of cash backed reserves to save for significant future asset renewal spikes.

5.0 Long Term Financial Planning Overview (Continued)

5.11 Forecast Operating Ratios 2020 - 2035

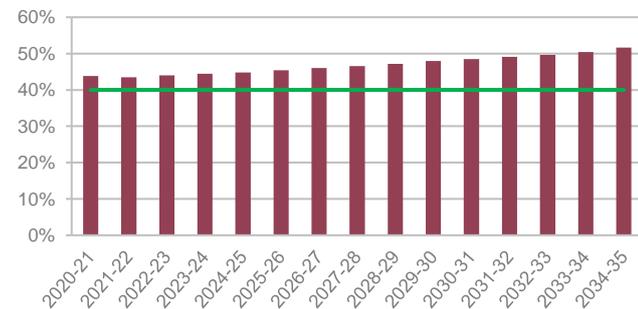
Monitoring the Shire’s financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The green line reflects the Department of Local Government, Sport and Cultural Industries’ (the Department) minimum target level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

Current Ratio



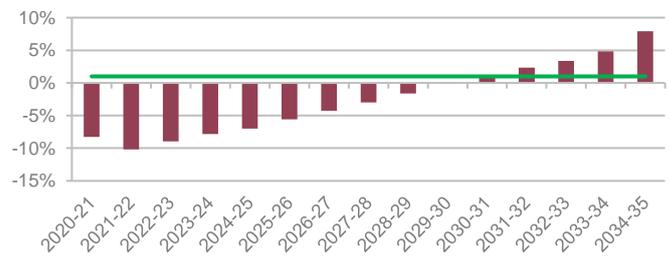
As expected for a Shire with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is not greater than 1.0. The trend is not considered to indicate a threat to the Shire’s long term financial position.

Own Source Revenue Coverage Ratio



The ratio is above the target indicating the Shire is not reliant on grants and contributions.

Operating Surplus Ratio



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

Debt Service Coverage Ratio

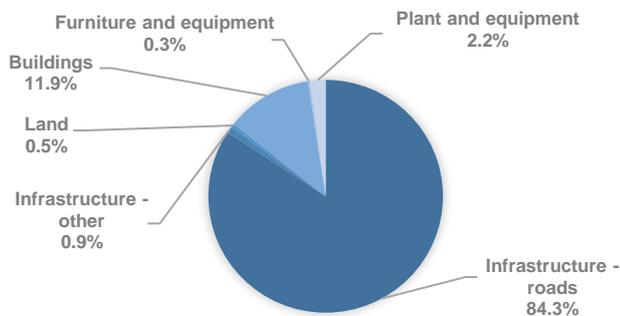
With no current borrowings the ratio indicates the Shire has capacity to take up borrowings if required, providing underlying assumptions remain valid.

An explanation of all ratios is provided at Section 11.0.

6.0 Asset Management Planning Overview

6.1 Key Asset Information

The Shire controls an asset network with a written down value of \$86.6m¹, of which roads infrastructure constitutes the largest component values as reflected in the chart below.



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. By focusing resources and efforts on a small number of key critical assets, the Shire has achieved its targeted asset management outcomes, integrated with financial planning within its forecast financial capacity based on an annual rate increase of 2.5% (CPI of 2% + 0.5%) throughout the Plan.

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.

¹ Shire of Koorda Annual Financial Report 30 June 2019

6.0 Asset Management Planning Overview (Continued)

6.5 Financial Management Strategy for Assets

Based on the 2018-19 Annual Financial Statements and 2019-20 Annual Budget, a financial baseline was determined for operating revenue and expenditure. Modifications to this baseline were made over the 15 year term to predict forecast changes in operating revenue and expenditure.

Impacts of the COVID-19 Pandemic have created a large amount of uncertainty. Revenue and expenditure for 2020-21 are expected to align with 2019-20. Should the need arise for additional funding to meet the impacts of COVID-19 these will be drawn from Reserve. Structuring operational revenues and expenditure to ensure adequate provision for asset renewal into the future is a cornerstone of the Shire's overall financial strategy. To achieve this strategy, rate increases marginally higher than the consumer price index (CPI) are forecast to occur combined with the maintenance of operating expenditure in line with the CPI forecast.

Forecast planned asset renewals for the term of the Plan, along with the forecast required asset renewals to maintain services in the future are shown as columns in the chart 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 planning for renewal of all assets at the end of their useful life, except for buildings. 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 to the right.

6.6 Forecast Planned and Required Asset Renewals

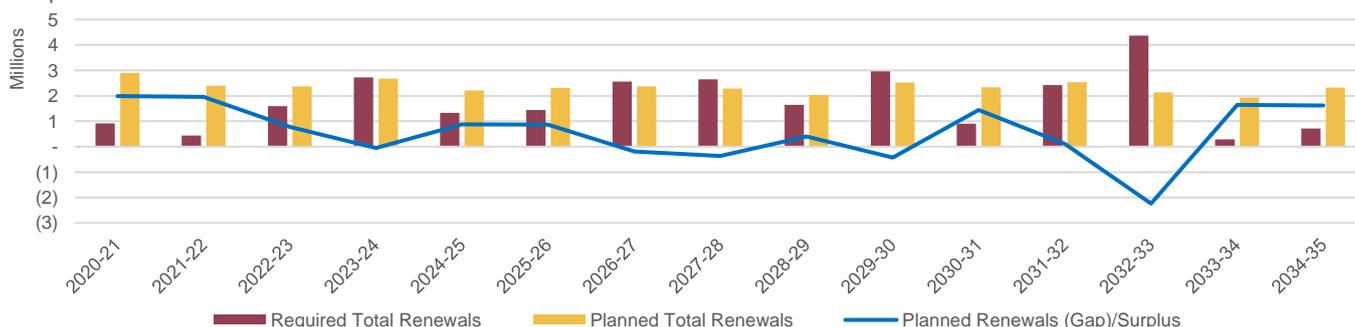
Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/ (Deficit) \$
2020-21	2,904,960	915,300	1,989,660
2021-22	2,394,150	434,088	1,960,062
2022-23	2,365,851	1,594,507	771,344
2023-24	2,671,517	2,719,325	(47,808)
2024-25	2,210,636	1,335,318	875,318
2025-26	2,311,194	1,440,822	870,372
2026-27	2,375,865	2,564,500	(188,635)
2027-28	2,278,267	2,644,544	(366,277)
2028-29	2,038,703	1,638,705	399,998
2029-30	2,526,769	2,956,326	(429,557)
2030-31	2,337,192	900,449	1,436,743
2031-32	2,540,508	2,424,561	115,947
2032-33	2,129,520	4,366,864	(2,237,344)
2033-34	1,932,713	292,824	1,639,889
2034-35	2,322,774	710,396	1,612,378
Total	35,340,619	26,938,530	8,402,089

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

The required asset renewal spike in 2032-33 is a result of road data reflecting a requirement to re-seal 71.5km of road in the single year. 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 between years through the use of cash backed reserves.

Required v Planned Asset Renewals

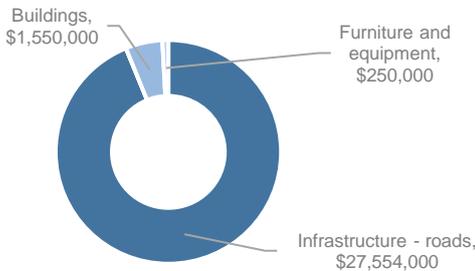


6.0 Asset Management Planning Overview (Continued)

6.7 Planned Asset Expenditure

Renewal asset expenditure of \$35.3m has been planned as per the previous table. No new, upgrade or expansion of asset are planned.

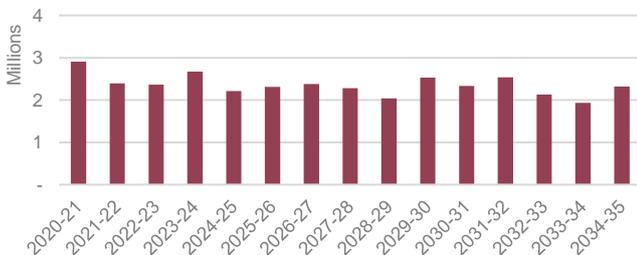
6.8 Planned Capital Expenditure 2020 - 2035



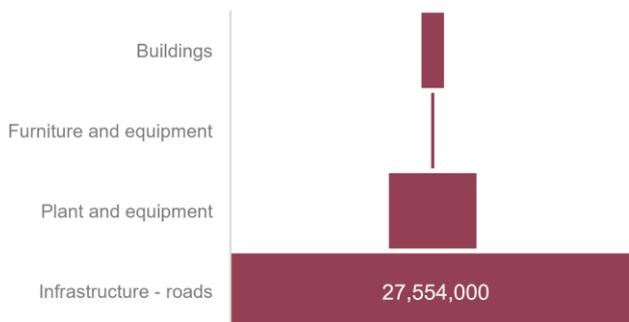
6.9 Planned Asset Renewal

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

6.10 Planned Asset Renewal Expenditure



6.11 Planned Asset Renewal Expenditure by Class



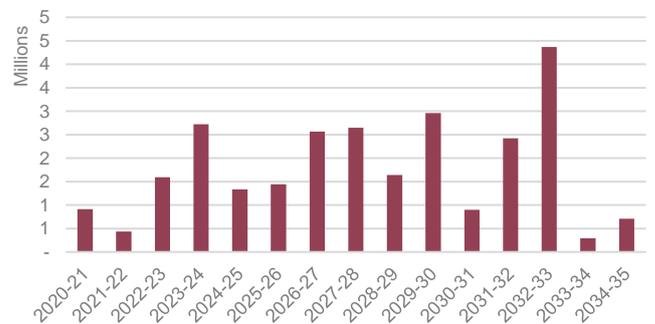
Planned asset renewals by asset class over the 15 years of the Plan reflected in the chart above shows the major renewal spend relates to roads and plant and equipment.

6.12 Required Renewal Expenditure

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

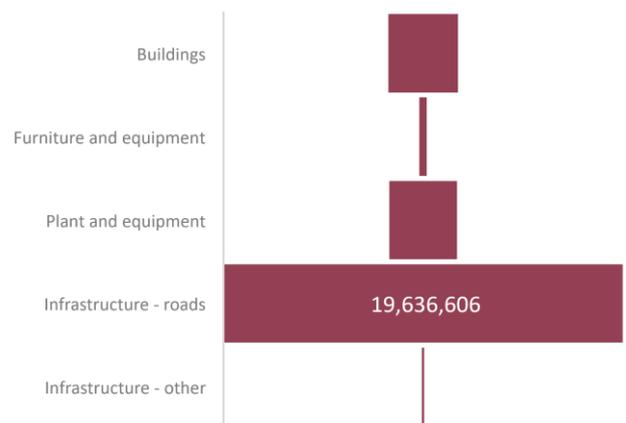
Asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$26.9m are forecast to be required over the 15 years of the Plan.

6.13 Required Asset Renewal Expenditure



As discussed at Section 6.6 the spike in 2032-33 is a result of the asset data indicating a need to re-sheet all the sheeted roads in one year.

6.14 Required Asset Renewal Expenditure by Asset Class

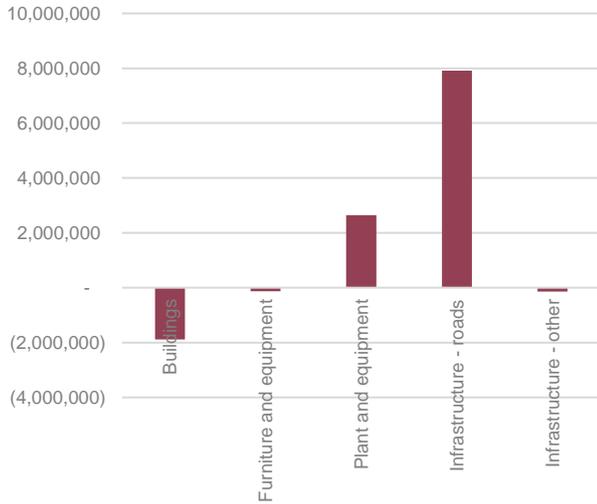


Renewal of roads dominate the forecast required asset renewals.

6.0 Asset Management Planning Overview (Continued)

6.15 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.



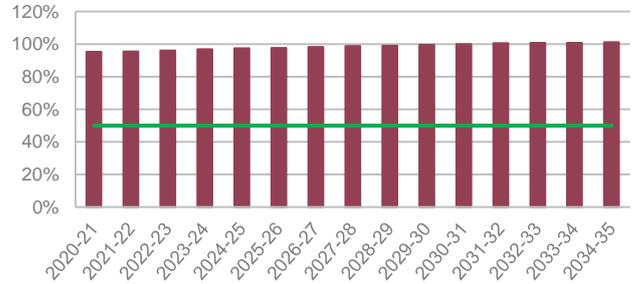
6.16 Upgrade/New Expenditure

No significant upgrades to infrastructure are planned to occur over the next 15 years in response to community expectation. Where funds are available after undertaking essential renewal works, funds will be utilised for improvement and new works. Detailed annual planning will be undertaken for asset upgrade/new expenditure prior to each project.

Asset expenditure for upgrade/new assets are not modelled over the 15 years of the Plan.

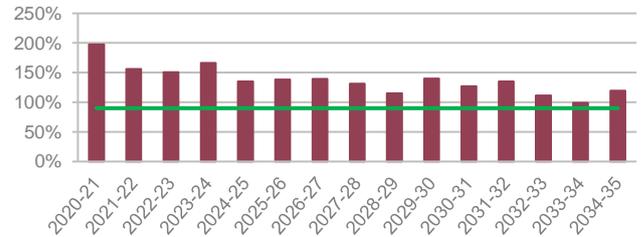
6.17 Forecast Asset Ratios 2020 - 2035

Asset Consumption Ratio



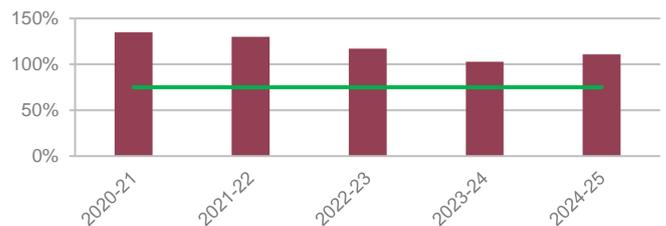
The asset consumption ratio is above the target range and remains so throughout the term of the Plan, with assets being renewed at adequate levels to maintain the average age of assets.

Asset Sustainability Ratio



The ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio average is above the guideline level and indicates the Shire is generally renewing assets in line with their forecast depreciation expense due to the average useful life of assets exceeding the 15 years of the Plan.

Asset Renewal Funding Ratio



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

7.0 Scenario Modelling

7.1 Scenario Modelling

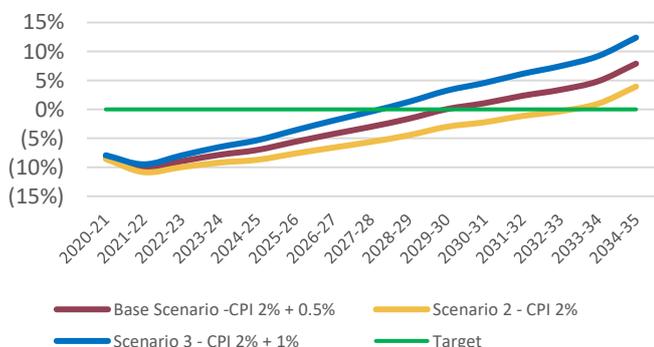
Scenarios were developed to test the financial impact of reduced levels of operating funding with modelling for the impact on the Shire of various reduced funding levels.

To ascertain the effect of reduced funding levels, a base scenario was developed with a rate yield increase of 2% above inflation (2%). Two alternative scenarios were also developed from this base as reflected in the table below. All other assumptions remained the same across the three scenarios.

Scenario	Increase above CPI (2%)	Total Increase
Base Scenario	0.5%	2.5%
Scenario 2	0%	2.0%
Scenario 3	1%	3%

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.

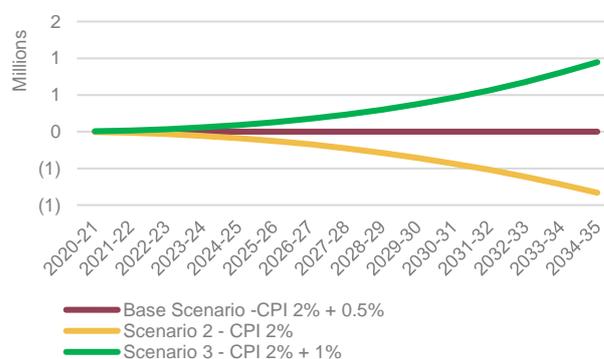
7.2 Scenario Comparison – Operating Surplus Ratio



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 improved the operating surplus ratio.

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

7.3 Estimated Surplus (Deficit) June 30 Carried Forward



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

Year	Scenario 2 CPI 2%	Scenario 3 CPI 2% + 1%
2020-21	(5,330)	5,329
2021-22	(16,389)	16,439
2022-23	(33,597)	33,812
2023-24	(57,397)	57,953
2024-25	(88,253)	89,395
2025-26	(126,646)	128,702
2026-27	(173,089)	176,468
2027-28	(226,930)	233,321
2028-29	(288,264)	299,921
2029-30	(357,400)	376,963
2030-31	(434,663)	465,180
2031-32	(520,383)	565,346
2032-33	(614,907)	678,271
2033-34	(718,588)	804,812
2034-35	(831,795)	945,865

8.0 Strategic Planning and Policies

8.1 Linkage with Other Plans

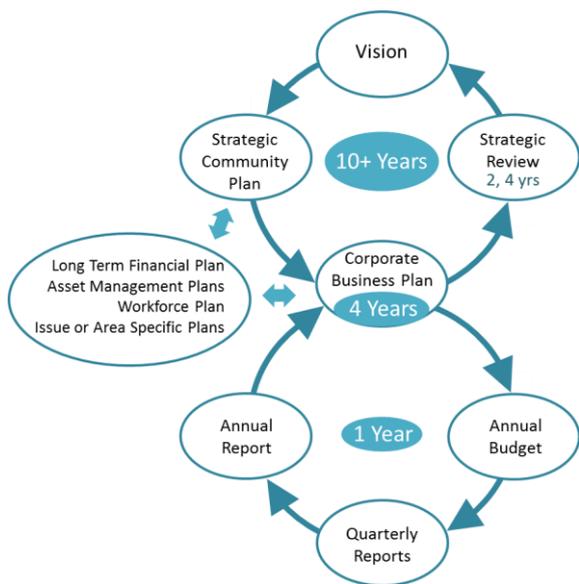
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other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

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

8.2 Strategic Documents Linkage

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

Diagram: Integrated Planning and Reporting Cycle²



8.3 Strategic Community Plan 2018 - 2028

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

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

8.4 Corporate Business Plan

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

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

8.5 Workforce and Other Strategic Plans

The Workforce Plan and other strategic plans integrate with the Strategic Resource Plan through the workforce requirement for assets and financial resources along with the requirements for a workforce to manage the Shire's assets and financial resources. 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 0.5% above forecast inflation of 2%.

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 2.5% per annum, being 0.5% higher than forecast inflation rate of 2%.	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	± \$21,179 to the value of operating grants and contributions per 1% movement in the value in the first year of the Plan.
Non-operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	High	The forecast capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$234,440 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% 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 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	± \$68,028 to the value of materials and contracts per 1% movement in the value over the life of the Plan. A high level of uncertainty exists in relation to the costs to address impacts of the COVID-19 Pandemic.
Depreciation: Depreciation has been calculated using an average depreciation rate based on the estimated useful lives on individual assets.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Insurance: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Expenditure: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Loss on Asset Disposal: A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

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	±\$158,715 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$1,122,873 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	±\$234,440 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 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	±\$158,715 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$1,122,873 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 2% per annum.	Medium	Not assessed as high financial risk.	High	± \$697,055 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$702,780 to operating expenditure per 1% movement in the inflators over the life of the Plan.
Commercial Activities: The Shire has no plans to undertake a significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
General Economic Forecasts for State: The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for Region: Historically, the region's economy is heavily dependent on agriculture, and 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.

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.

Asset	Current Replacement Cost (\$)
Administration Building	1,720,000
Health Centre	615,000
Workshop / Depot	385,000
Total	2,720,000

Appendix A2 – Infrastructure - Roads

2.1 Significant Matters

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

2.2 Road Inventory

The Shire of Koorda has a road network servicing an area of 24,201¹ square kilometres.

Infrastructure - Road assets within this Plan include the following components:

- Subgrade;
- Pavement; and
- Seal.

Road infrastructure asset information is recorded within a road inventory database and was updated 25 June 2018, forming the basis of the measurements and current replacement cost estimates. Verification of the accuracy of the valuation data is not within the scope of this Plan and has not been undertaken.

Utilising the dimension data held in the Shire's road asset database along with standard unit rates, the current replacement cost provided in the road

infrastructure inventory system, has been estimated by management.

Infrastructure - Roads Assets	Length (m)	Current Replacement Cost (\$)
Pavement Structure		
Access Road	897,420	24,096,955
Local Distributor	98,880	11,737,387
Regional Distributor	113,030	12,491,580
Subgrade Structure		
Access Road	897,420	22,328,557
Local Distributor	98,880	6,275,217
Regional Distributor	113,030	6,880,880
Surface Structure		
Access Road	897,420	1,169,176
Local Distributor	98,880	3,979,885
Regional Distributor	113,030	4,749,954
Roads Total	3,327,990	93,709,591

¹ Australian Bureau of Statistics Koorda (S) (LGA54690) 2016 Census of Population and Housing, viewed 21 June 2020

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 infrastructure 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 a low level of reactionary minor repair works. As far as possible the road maintenance program is scheduled annually, based on staff knowledge of road conditions and expected traffic volumes.

Road infrastructure maintenance expenditure is forecast to increase in line with inflation and is comprised of \$306,000 in estimated expenses per year.

2.3.2 New Expenditure

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

2.3.3 Renewal Expenditure

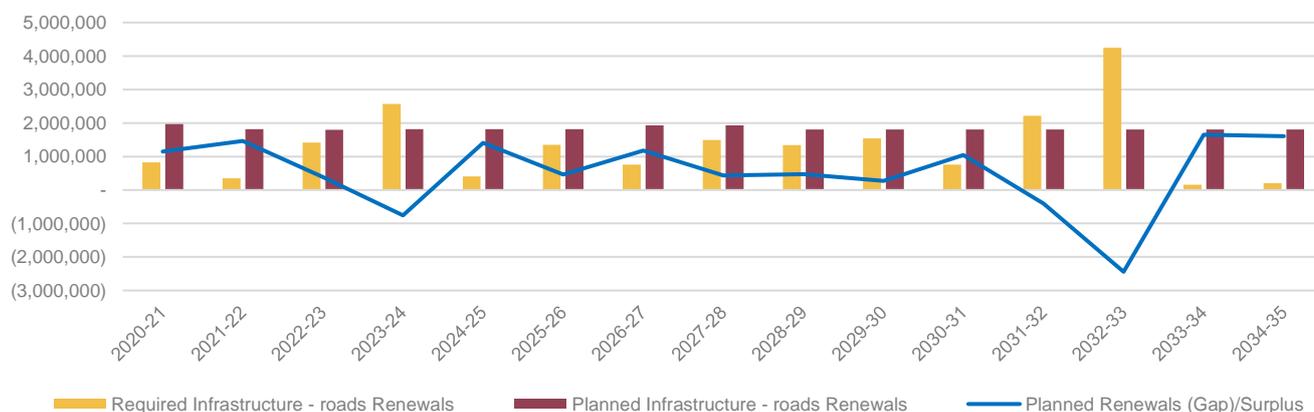
Road works are prioritised based on staff knowledge of the conditions of roads and expected usage patterns and is conducted during the budget process. All planned works are funded through a combination of internal funds and external grants.

In the chart below, planned road expenditure is shown as red columns, with required road renewals as the gold columns. The blue line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$27.56m. Required road renewal is calculated at \$19.64m for the term, overall there is a \$7.92m renewal surplus for the Shire’s road infrastructure assets.

2.3.4 Forecast Planned and Required Road Renewal Expenditure

The level and extent of the renewal surplus is dependent on the accuracy of unit cost estimates and remaining useful life estimates for each road component. An improvement in this information will result in improved planning outcomes and enable the scheduling of works to minimise the negative impact of renewal spikes.

Required v Planned Asset Renewals - Roads



Appendix A2 – Infrastructure - Roads (Continued)

2.3.5 Forecast Planned and Required Road Renewal Expenditure (continued)

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

	Required Roads Renewals \$	Planned Roads Renewals \$	Roads Renewal Funding (Gap)/Surplus \$
2020-21	821,549	1,970,000	1,148,451
2021-22	351,949	1,812,000	1,460,051
2022-23	1,419,263	1,802,000	382,737
2023-24	2,572,335	1,812,000	(760,335)
2024-25	404,556	1,812,000	1,407,444
2025-26	1,349,101	1,812,000	462,899
2026-27	756,605	1,932,000	1,175,395
2027-28	1,493,080	1,932,000	438,920
2028-29	1,335,513	1,810,000	474,487
2029-30	1,539,681	1,810,000	270,319
2030-31	761,548	1,810,000	1,048,452
2031-32	2,216,250	1,810,000	(406,250)
2032-33	4,251,615	1,810,000	(2,441,615)
2033-34	159,630	1,810,000	1,650,370
2034-35	203,931	1,810,000	1,606,069
Total	19,636,606	27,554,000	7,917,394

2.4 Level of Service

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

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

Appendix A2 – Infrastructure - Roads (Continued)

2.5 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.	Two complaints 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.	Two 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.	Two complaints 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)

2.6 Road Maintenance

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

Appendix A2 – Infrastructure - Roads (Continued)

2.7 Risk Management

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

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

2.8 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 – Infrastructure - Other

3.1 Significant Matters

The Shire controls the following other infrastructure assets which are significant to our community:

- Sealed Carparks
- Collection Dam
- Refuse Site
- Aerodrome
- Sewerage
- Tourist Area Infrastructure

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. Further detailed investigation of these assets is required to confirm the timing and costs of the required renewal intervals.

3.2 Inventory

The Shire's other infrastructure asset current replacement cost at the time of valuation at April 2018 was \$0.93m.

3.3 Financial Summary

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

3.3.1 Maintenance Expenditure

Routine maintenance expenditure is currently forecast based on historical data and staff experience and is considered during the annual budget process. It is comprised of a number of expenditure items including employee cost and materials and contracts. Currently maintenance expenditure is forecast to be \$91,800 in 2020-21 and then is forecast to escalate in line with inflation.

3.3.2 New Expenditure

No specific planning has been undertaken for the development of new other infrastructure assets.

3.3.3 Renewal Expenditure

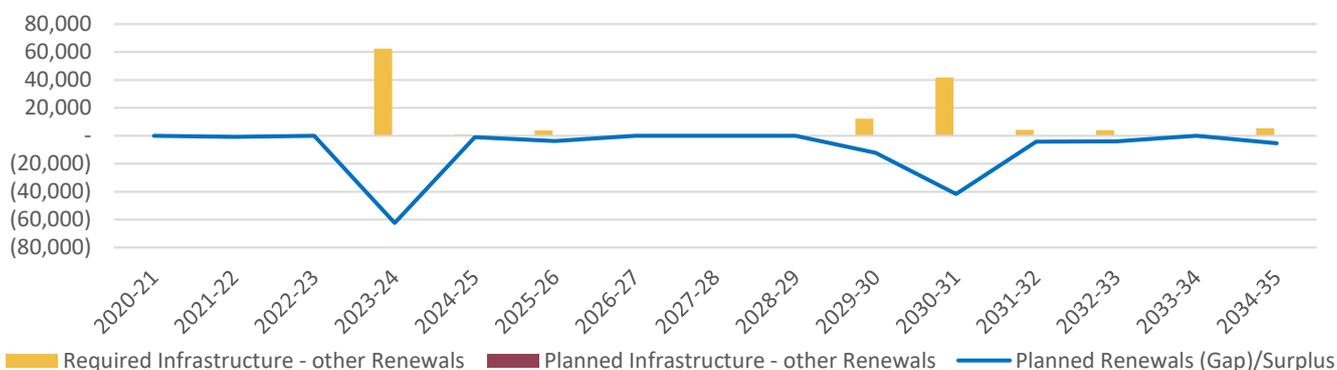
The Plan has a nominal amount forecast for other infrastructure asset renewal expenditure.

In the chart below, forecast planned infrastructure – other expenditure is shown by the red columns, with required other infrastructure renewals as the gold columns. The blue line indicates the difference between the two expenditure levels. No renewal is planned for other infrastructure assets over the term of the Plan. Required other infrastructure asset renewal is calculated at \$135k for the term of the Plan, with a renewal deficit of \$135k currently forecast. Minor renewals of other infrastructure will be assessed and planned as part of the annual budget cycle.

3.3.4 Forecast Planned and Required Drainage Renewal Expenditure

Major other infrastructure asset renewals are not forecast to be required until 2023-24.

Required v Planned Asset Renewals - Infrastructure - Other



Appendix A3 – Infrastructure - Other (Continued)

3.4 Level of Service

Level of service measures have not been routinely recorded or reported on. Detailed performance measures and performance targets for drainage construction and maintenance have been developed and are shown in the following tables.

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

Appendix A3 – Infrastructure - Other (Continued)

3.5 Risk Management

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

Risk	Consequence	Risk Rating	Risk Treatment
Asset condition decreases due to flood damage.	Desired level of service not maintained.	Medium	Ensure adequate drainage in road design and maintenance to mitigate risk of flood damage.
Climate change.	Likelihood of severe storm damage increases.	Medium	Consider climate change when managing assets.
Significant unforeseen increases in maintenance or renewal costs.	Desired level of service not maintained.	Medium	Monitor costs and adjust long-term plans accordingly.
Asset condition decreases due to inadequate renewal program.	Desired level of service not maintained.	Medium	Determine maintenance priorities based on lifecycle cost.
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.

3.6 Improvement

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

Continued improvement in the knowledge of the road network and associated infrastructure (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 A4 – Buildings

4.1 Significant Matters

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

The long life and high cost of renewing buildings results in significant spikes in future funding requirements as a building reaches a stage in its lifecycle when it can no longer provide the desired level of service. New design criteria usually result in buildings being constructed to a different standard on renewal which often 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.

4.2 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. A building inventory is maintained within the Shire's financial management system.

4.2.1 Composition of Estimated Current Replacement Cost of Building Assets

Buildings	Current Replacement Cost (\$)
Ablution Block	\$132,651
Administration Building	\$2,110,000
Brownie Hall	\$190,000
Gymnasium	\$765,000
Home Units	\$1,733,700
Joint Venture Units	\$740,000
Kiosk, Changerooms and Plant Room	\$365,000
Koorda Health Centre	\$615,000
Koorda Kindergarten	\$350,000
Koorda Memorial Hall	\$2,650,000
Koorda Music and Drama Club	\$330,000
LGCHP Home Units	\$720,000
Machinery Shed	\$140,000
Machinery Shed #3	\$210,000
Men's Shed	\$400,000
Museum	\$1,120,000
Old Bank Building	\$325,000
Old School Building	\$135,000
Projector Room & Kiosk	\$120,000
Social Function Building	\$2,500,000
Sports Club	\$1,000,000
Staff Houses	\$2,095,200
Staff House - CEO	\$540,000
Staff House - GROH Lease	\$450,000
Tennis Clubrooms	\$300,000
Workshop	\$385,000
Buildings Total	\$20,421,551

Appendix A4 – Buildings (Continued)

4.3 Financial Summary

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

4.3.1 Maintenance Expenditure by Program

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

4.3.2 New/Upgrade Asset Expenditure

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

4.3.3 Renewal Expenditure

Using the estimated remaining useful life and the 'reinstatement with new' values provided in the independent valuation report, the timing and extent of future required property renewals has been forecast (adjusted for inflation). Whilst the valuation indicates the required renewal timings given the forecast level of planned maintenance building assets are expected to last well beyond the indicated renewal timings.

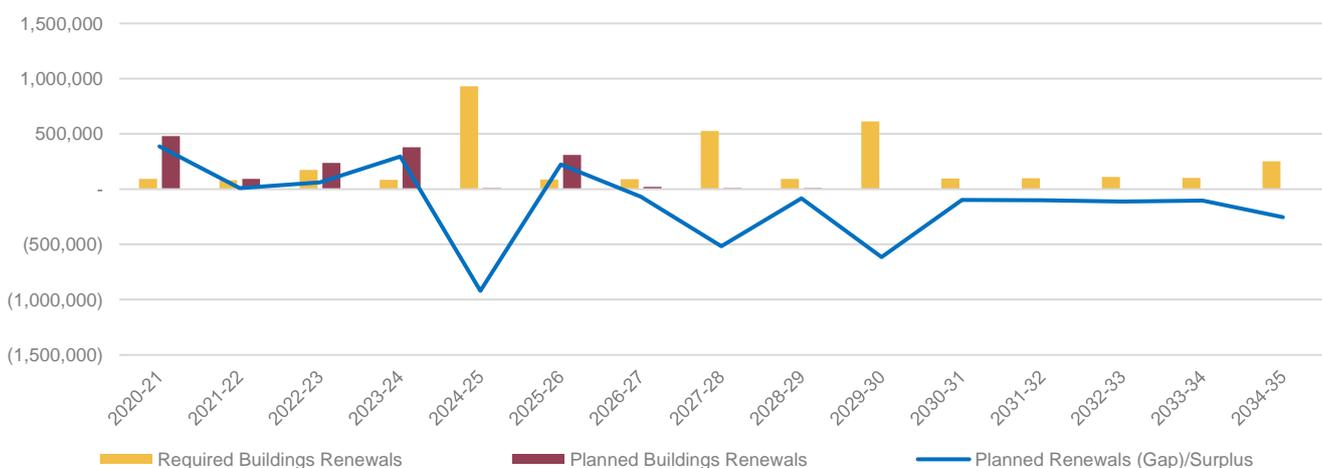
4.3.4 Forecast Planned and Required Building Renewal Expenditure

Due to the current COVID-19 situation and level of uncertainty, no building renewals are planned. Funds will continue to be saved within reserves to address future building renewals, based on a detailed assessment at the time of the building requires renewal.

The table below details the required building renewal as per the latest building valuations.

	Required Building Renewals \$	Planned Building Renewals \$	Building Renewal Funding (Deficit)/Surplus \$
2020-21	93,751	481,000	387,249
2021-22	81,273	92,000	10,727
2022-23	175,244	237,000	61,756
2023-24	84,556	380,000	295,444
2024-25	929,843	10,000	(919,843)
2025-26	87,972	310,000	222,028
2026-27	89,732	20,000	(69,732)
2027-28	526,707	10,000	(516,707)
2028-29	93,357	10,000	(83,357)
2029-30	613,961	-	(613,961)
2030-31	97,128	-	(97,128)
2031-32	99,071	-	(99,071)
2032-33	111,211	-	(111,211)
2033-34	103,074	-	(103,074)
2034-35	252,244	-	(252,244)
Total	3,439,125	1,550,000	(1,889,125)

Required v Planned Asset Renewals - Buildings



Appendix A4 – Buildings (Continued)

4.4 Level of Service

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

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Condition	The building's meets the expectations of the community.	Customer complaints.	Two 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.	Two per year per building.
Safety	The building is safe and suitable for its intended use.	Number of injury claims	0 claims.

4.5 Risk Management

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

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

4.6 Improvement

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

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

Appendix A5 – Furniture and Equipment

5.1 Significant Matters

The Shire controls furniture and equipment 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.

5.2 Inventory

The Shire's furniture and equipment current replacement cost at the time of valuation at 30 June 2016 was \$0.28m.

5.2.1 Composition of Estimated Current Replacement Cost of Furniture and Equipment

Furniture and Equipment	Estimated Current Replacement Cost (\$)
Rec Ground Gymnasium Equipment	34,487
Chamber Curtains	10,500
Marque	4,000
Playground Equipment	4,000
Rate Book Online (RBO)	3,000
UHF TV Transmitter 15W	2,000
Digital Retransmission Equipment	35,000
Digital Retransmission Equipment	10,000
Photocopier - Ricoh 2016	8,000
ATM Machine Hyosung TTW 2700	22,827
New Office Server (2019)	26,775
Drive In Smart Laser Projector	108,175
Altus ECM Electronic Content Management System	15,500
Heritage Assets Total	\$284,264

5.3 Financial Summary

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

5.3.1 Maintenance Expenditure

Furniture and equipment 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.

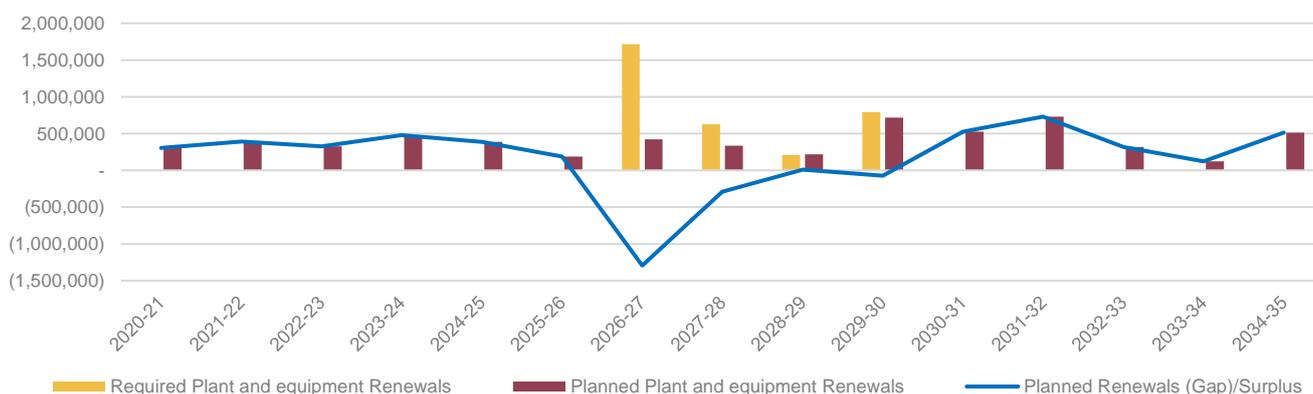
5.3.3 Renewal Expenditure

Required furniture and equipment renewals over the next 15 years have been forecast. Minor asset renewals will be determined and funded within the annual budget cycle. Renewal of furniture and equipment 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 red columns, with forecast required renewals shown as the gold columns. The blue line shows the variation between the two levels.

5.3.4 Forecast Planned and Required Furniture and Equipment Renewal Expenditure

Required v Planned Asset Renewals - Furniture and Equipment



Appendix A5 – Furniture and Equipment (Continued)

5.4 Level of Service

Detailed performance measures and performance targets for Furniture and Equipment 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 furniture and equipment 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 plant and equipment portfolio which includes items such as graders, tractors, prime movers and passenger vehicles.

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 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 \$
Bus	100,909
Fire Vehicle	50,000
Heavy Plant	1,595,401
Heavy Vehicle	232,120
Motor Vehicle	393,126
Mower	46,500
Prime Mover	471,630
Sundry	23,250
Tanker	73,383
Trailer	50,000
Total	3,036,320

6.3 Financial Summary

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

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

6.3.1 New Expenditure

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

6.3.2 Renewal Expenditure

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

The Plan has annual allocations for plant replacement expenditure based on the adopted program. In the chart below at 6.3.3, planned expenditure is shown as the red columns with required renewals shown as the gold columns. The blue line shows the variation between the two expenditure levels.

Appendix A6 – Plant and Equipment (Continued)

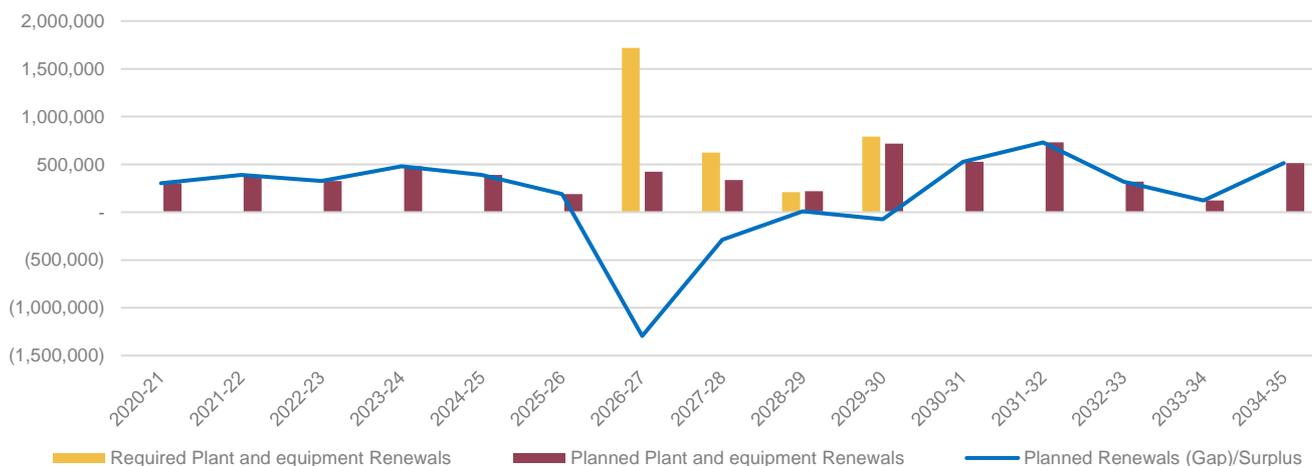
6.3.3 Forecast Planned and Required Plant and Equipment Renewal Expenditure

The chart reflects a lack of correlation between the Plant Replacement Program and the estimated useful life of plant and equipment provided by the valuers as the plant replacement program has been modified to available financial resources. The Plan overall has a funding surplus of \$2.64m over the term of the Plan with planned renewals of \$5.99m and required asset renewals of \$3.34m.

6.3.4 Plant Disposals

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

Required v Planned Asset Renewals - Plant and Equipment



Appendix A6 – Plant and Equipment (Continued)

6.4 Level of Service

Level of service measures were defined within the Shire’s previously adopted Asset Management Plan.

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.	100% completed and within budget.
	To ensure that any maintenance requirements are carried out.	Maintenance schedule adhered to.	100% completed and on time.
Compliance	All vehicles and plant are operated as they have been designed to do and in a safe manner.	Number of complaints/number of fines.	Two per year.

6.5 Risk Management

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

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

6.6 Improvement Plan

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

Appendix A7 – Estimated Asset Life and Residual Value

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

Asset Class	Asset Sub-Class	Hierarchy	Pavement Type	Estimated Useful Life	Materials Remaining in-situ
Infrastructure - roads	Pavement Structure	Access Road	Double Seal	80	10%
Infrastructure - roads	Pavement Structure	Regional Distributor	Double Seal	80	10%
Infrastructure - roads	Pavement Structure	Local Distributor	Single Seal	80	10%
Infrastructure - roads	Pavement Structure	Access Road		80	10%
Infrastructure - roads	Pavement Structure	Local Distributor	Dense Graded Asphalt	80	10%
Infrastructure - roads	Pavement Structure	Local Distributor	Double Seal	80	10%
Infrastructure - roads	Pavement Structure	Access Road	Single Seal	80	10%
Infrastructure - roads	Pavement Structure	Regional Distributor	Single Seal	80	10%
Infrastructure - roads	Subgrade Structure	Local Distributor	Dense Graded Asphalt	90	100%
Infrastructure - roads	Subgrade Structure	Local Distributor	Single Seal	90	100%
Infrastructure - roads	Subgrade Structure	Local Distributor	Double Seal	90	100%
Infrastructure - roads	Subgrade Structure	Access Road	Double Seal	90	100%
Infrastructure - roads	Subgrade Structure	Access Road		90	100%
Infrastructure - roads	Subgrade Structure	Regional Distributor	Single Seal	90	100%
Infrastructure - roads	Subgrade Structure	Regional Distributor	Double Seal	90	100%
Infrastructure - roads	Subgrade Structure	Access Road	Single Seal	90	100%
Infrastructure - roads	Surface Structure	Local Distributor	Single Seal	15	
Infrastructure - roads	Surface Structure	Local Distributor	Double Seal	20	
Infrastructure - roads	Surface Structure	Regional Distributor	Double Seal	20	
Infrastructure - roads	Surface Structure	Access Road	Single Seal	15	
Infrastructure - roads	Surface Structure	Local Distributor	Dense Graded Asphalt	30	
Infrastructure - roads	Surface Structure	Regional Distributor	Single Seal	15	
Infrastructure - roads	Surface Structure	Access Road		5	
Infrastructure - roads	Surface Structure	Access Road	Double Seal	20	

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

Asset Class	Asset Sub-Class	Estimated Useful Life
Infrastructure - other	Access Rd Entry Sealed Area	60
Infrastructure - other	Access Rd Pavement	20
Infrastructure - other	Carpark	30
Infrastructure - other	Concrete Firepit	10
Infrastructure - other	Concrete Footpath	80
Infrastructure - other	Concrete Table and Benches	80
Infrastructure - other	Earthen Dam	50
Infrastructure - other	Formation Area	110
Infrastructure - other	Hockey Oval Fence	60
Infrastructure - other	Information Bay Signage	15
Infrastructure - other	Information Bay Structure	40
Infrastructure - other	Information Shelter	40
Infrastructure - other	Oval Reticulation System	60
Infrastructure - other	Parking Apron Pavement	30
Infrastructure - other	Parking Apron Sealed Area	60
Infrastructure - other	Putrescible Waste Trench	6
Infrastructure - other	Sealed Carpark	60
Infrastructure - other	Sealed Carpark	20
Infrastructure - other	Shelter Over Timber Table / Bench	50
Infrastructure - other	Surround Boundary Fence	50
Infrastructure - other	Surround Security Fence	50
Infrastructure - other	Timber Table / Bench	20
Infrastructure - other	Toilet Building	50
Infrastructure - other	Underground Sewer System	80
Plant and equipment		10
Buildings		80
Furniture and equipment		15

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

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 on page 44 under Other Matters.

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 Koorda.

Objectives	Services
Governance	Members of Council
	Governance – general
General purpose funding	Rates
	Other general purpose funding
Law, order, public safety	Fire prevention
	Animal control
	Other law, order, public safety
Health	Maternal and infant health
	Preventative services
	- Immunisation
	- Meat inspection
	- Administration and inspection
	- Pest control
	- Other
	Other health
Education and welfare	Pre-school
	Other education
	Care of families and children
	Aged and disabled
	- Senior citizens centres
	- Meals on wheels
	Other welfare
Housing	Staff housing
	Other housing
Community amenities	Sanitation
	- Household refuse
	- Other
	Sewerage
	Urban stormwater drainage
	Protection of environment
	Town planning and regional development
	Other community amenities

Objectives	Services
Recreation and culture	Public halls, civic centre
	Swimming areas
	Other recreation and sport
	Television and radio re-broadcasting
	Libraries
	Other culture
Transport	Streets, roads, bridges, depots
	- 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 2020 - 2035

	2016-17	2017-18	2018-19	Base	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenues																				
Rates	987,670	1,025,406	1,048,309	1,066,030	1,092,681	1,119,999	1,147,999	1,176,699	1,206,118	1,236,270	1,267,178	1,298,857	1,331,329	1,364,612	1,398,728	1,433,695	1,469,538	1,506,275	1,543,932	
Operating grants, subsidies and contributions	3,026,772	1,942,899	2,102,629	1,204,333	2,117,900	2,160,258	2,203,463	2,247,533	2,292,483	2,338,332	2,385,098	2,432,799	2,481,455	2,531,084	2,581,705	2,633,340	2,686,008	2,739,728	2,794,522	
Fees and charges	591,844	474,529	548,331	470,794	480,208	489,814	499,607	509,598	519,790	530,180	540,784	551,599	562,630	573,890	585,370	597,076	609,017	621,200	633,623	
Service charges	3,159	3,205	3,205	3,450	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest earnings	142,564	149,537	163,880	148,500	158,972	154,716	174,244	194,599	207,322	235,182	260,027	284,658	313,958	350,489	374,521	406,035	433,497	475,244	525,304	
Other revenue	17,529	49,038	124,999	35,870	36,587	37,318	38,064	38,826	39,602	40,394	41,202	42,027	42,867	43,724	44,599	45,491	46,401	47,329	48,275	
	4,769,538	3,644,614	3,991,353	2,928,977	3,886,348	3,962,105	4,063,377	4,167,255	4,265,315	4,380,358	4,494,289	4,609,940	4,732,239	4,863,799	4,984,923	5,115,637	5,244,461	5,389,776	5,545,656	
Expenses																				
Employee costs	(1,669,395)	(1,649,019)	(1,625,543)	(1,837,387)	(1,874,135)	(1,911,618)	(1,949,850)	(1,988,847)	(2,028,622)	(2,069,196)	(2,110,580)	(2,152,791)	(2,195,846)	(2,239,764)	(2,284,560)	(2,330,253)	(2,376,859)	(2,424,397)	(2,472,885)	
Materials and contracts	(370,208)	(304,392)	(535,562)	(320,189)	(398,631)	(401,252)	(408,968)	(416,596)	(425,030)	(433,017)	(441,745)	(450,645)	(459,704)	(469,093)	(478,621)	(488,379)	(498,231)	(508,226)	(524,636)	
Utility charges	(29,646)	(54,182)	(38,719)	(32,500)	(33,150)	(33,813)	(34,489)	(35,179)	(35,882)	(36,600)	(37,332)	(38,078)	(38,840)	(39,617)	(40,410)	(41,219)	(42,043)	(42,884)	(43,742)	
Depreciation on non-current assets	(2,196,265)	(2,278,710)	(1,943,077)	(1,946,506)	(1,468,914)	(1,536,033)	(1,568,886)	(1,604,152)	(1,635,457)	(1,671,701)	(1,704,623)	(1,738,236)	(1,772,734)	(1,806,899)	(1,842,089)	(1,877,618)	(1,914,596)	(1,952,667)	(1,947,735)	
Insurance expenses	(96,966)	(92,725)	(101,126)	(120,000)	(122,400)	(124,847)	(127,343)	(129,890)	(132,488)	(135,138)	(137,840)	(140,596)	(143,408)	(146,276)	(149,201)	(152,185)	(155,229)	(158,334)	(161,501)	
Other expenditure	(78,363)	(85,953)	(56,384)	(132,250)	(134,895)	(137,593)	(140,345)	(143,151)	(146,013)	(148,932)	(151,909)	(154,948)	(158,049)	(161,211)	(164,436)	(167,724)	(171,079)	(174,499)	(177,990)	
	(4,440,843)	(4,464,981)	(4,300,411)	(4,388,832)	(4,032,125)	(4,145,156)	(4,229,881)	(4,317,815)	(4,403,492)	(4,494,584)	(4,584,029)	(4,675,294)	(4,768,581)	(4,862,860)	(4,959,317)	(5,057,378)	(5,158,037)	(5,261,007)	(5,328,489)	
	328,695	(820,367)	(309,058)	(1,459,855)	(145,777)	(183,051)	(166,504)	(150,560)	(138,177)	(114,226)	(89,740)	(65,354)	(36,342)	939	25,606	58,259	86,424	128,769	217,167	
Non-operating grants, subsidies and contributions	1,032,991	941,872	922,158	694,971	1,440,000	1,692,000	1,642,000	1,642,000	1,642,000	1,582,000	1,582,000	1,582,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	
Profit on asset disposals	8,029	3,327	39,868	2,287	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Loss on asset disposal	(102,022)	(15,746)	(133,131)	(77,488)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
NET RESULT	1,267,693	109,086	519,837	(840,085)	1,294,223	1,508,949	1,475,496	1,491,440	1,503,823	1,467,774	1,492,260	1,516,646	1,483,658	1,520,939	1,545,606	1,578,259	1,606,424	1,648,769	1,737,167	
Other comprehensive income	429,204	(17,623,146)	0	0	1,733,921	1,796,198	1,843,816	1,893,632	1,954,626	2,009,254	2,057,536	2,113,862	2,169,291	2,208,036	2,270,386	2,321,631	2,389,539	2,461,332	2,504,534	
TOTAL COMPREHENSIVE INCOME	1,696,897	(17,514,060)	519,837	(840,085)	3,028,144	3,305,147	3,319,312	3,385,072	3,458,449	3,477,028	3,549,796	3,630,508	3,652,949	3,728,975	3,815,992	3,899,890	3,995,963	4,110,101	4,241,701	

Appendix B3 – Forecast Statement of Comprehensive Income by Program 2020 - 2035

	2016-17	2017-18	2018-19	Base	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenue																				
Governance	0	51	0	84,952	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General purpose funding	3,882,530	2,978,462	3,123,993	2,151,400	3,194,611	3,256,532	3,343,696	3,433,180	3,516,560	3,616,634	3,715,291	3,815,363	3,921,773	4,037,117	4,141,706	4,255,557	4,367,179	4,494,946	4,632,931	
Law, order, public safety	24,548	26,489	22,709	17,707	18,062	18,424	18,792	19,169	19,552	19,942	20,340	20,746	21,162	21,586	22,018	22,458	22,908	23,366	23,833	
Health	132,303	7,046	6,987	7,060	7,201	7,345	7,492	7,642	7,795	7,951	8,110	8,272	8,437	8,606	8,778	8,954	9,133	9,316	9,502	
Housing	199,547	191,993	204,148	198,676	202,649	206,702	210,835	215,051	219,352	223,738	228,212	232,777	237,431	242,179	247,022	251,961	256,999	262,141	267,382	
Community amenities	185,754	184,449	188,034	189,792	193,587	197,459	201,408	205,436	209,544	213,733	218,008	222,367	226,815	231,354	235,981	240,700	245,513	250,423	255,432	
Recreation and culture	59,070	39,452	59,617	37,650	23,664	24,138	24,620	25,112	25,614	26,124	26,647	27,180	27,723	28,280	28,847	29,424	30,014	30,614	31,227	
Transport	142,534	83,888	143,462	144,000	146,880	149,818	152,814	155,870	158,987	162,167	165,410	168,718	172,092	175,534	179,045	182,626	186,279	190,005	193,805	
Economic services	78,959	61,148	43,018	30,740	31,354	31,981	32,620	33,272	33,938	34,617	35,310	36,016	36,736	37,472	38,222	38,987	39,766	40,562	41,373	
Other property and services	64,293	71,636	199,385	67,000	68,340	69,706	71,100	72,523	73,973	75,452	76,961	78,501	80,070	81,671	83,304	84,970	86,670	88,403	90,171	
	4,769,538	3,644,614	3,991,353	2,928,977	3,886,348	3,962,105	4,063,377	4,167,255	4,265,315	4,380,358	4,494,289	4,609,940	4,732,239	4,863,799	4,984,923	5,115,637	5,244,461	5,389,776	5,545,656	
Expenses excluding finance costs																				
Governance	(349,585)	(310,893)	(345,830)	(525,166)	(535,669)	(546,382)	(557,310)	(568,456)	(579,823)	(591,418)	(603,245)	(615,311)	(627,619)	(640,174)	(652,979)	(666,039)	(679,360)	(692,946)	(706,806)	
General purpose funding	(109,785)	(105,222)	(104,536)	(109,923)	(112,122)	(114,364)	(116,651)	(118,984)	(121,364)	(123,791)	(126,267)	(128,792)	(131,368)	(133,995)	(136,675)	(139,408)	(142,196)	(145,040)	(147,941)	
Law, order, public safety	(85,545)	(68,736)	(70,430)	(95,703)	(92,515)	(94,738)	(96,654)	(98,624)	(100,589)	(102,635)	(104,681)	(106,771)	(108,905)	(111,071)	(113,284)	(115,535)	(117,841)	(120,195)	(122,164)	
Health	(249,931)	(143,586)	(140,976)	(171,075)	(168,715)	(172,511)	(175,984)	(179,548)	(183,129)	(186,831)	(190,561)	(194,367)	(198,253)	(202,203)	(206,237)	(210,348)	(214,549)	(218,837)	(222,722)	
Education and welfare	(158,975)	(36,386)	(28,166)	(46,892)	(44,482)	(45,616)	(46,541)	(47,498)	(48,443)	(49,435)	(50,419)	(51,423)	(52,451)	(53,491)	(54,555)	(55,636)	(56,746)	(57,880)	(58,752)	
Housing	(282,634)	(251,342)	(277,523)	(286,896)	(238,634)	(247,353)	(252,525)	(257,981)	(263,061)	(268,689)	(274,009)	(279,442)	(285,005)	(290,572)	(296,287)	(302,075)	(308,059)	(314,197)	(315,882)	
Community amenities	(271,559)	(248,010)	(267,716)	(315,127)	(311,176)	(318,150)	(324,553)	(331,121)	(337,726)	(344,551)	(351,431)	(358,450)	(365,613)	(372,903)	(380,343)	(387,924)	(395,672)	(403,581)	(410,780)	
Recreation and culture	(987,126)	(969,167)	(1,052,291)	(981,774)	(917,552)	(942,031)	(961,217)	(981,073)	(1,000,565)	(1,021,147)	(1,041,485)	(1,062,235)	(1,083,437)	(1,104,898)	(1,126,844)	(1,149,168)	(1,172,059)	(1,195,465)	(1,212,235)	
Transport	(1,689,870)	(2,088,080)	(1,771,255)	(1,598,435)	(1,358,218)	(1,405,269)	(1,434,496)	(1,465,235)	(1,494,130)	(1,525,872)	(1,556,121)	(1,586,989)	(1,618,589)	(1,650,283)	(1,682,788)	(1,715,752)	(1,749,763)	(1,784,643)	(1,797,159)	
Economic services	(299,437)	(239,392)	(217,900)	(252,828)	(249,126)	(254,749)	(259,879)	(265,143)	(270,431)	(275,899)	(281,407)	(287,024)	(292,761)	(298,595)	(304,552)	(310,621)	(316,822)	(323,155)	(328,875)	
Other property and services	43,604	(4,167)	(23,788)	(5,013)	(3,916)	(3,993)	(4,071)	(4,152)	(4,231)	(4,316)	(4,403)	(4,490)	(4,580)	(4,675)	(4,773)	(4,872)	(4,970)	(5,068)	(5,173)	
	(4,440,843)	(4,464,981)	(4,300,411)	(4,388,832)	(4,032,125)	(4,145,156)	(4,229,881)	(4,317,815)	(4,403,492)	(4,494,584)	(4,584,029)	(4,675,294)	(4,768,581)	(4,862,860)	(4,959,317)	(5,057,378)	(5,158,037)	(5,261,007)	(5,328,489)	
Non operating grants, subsidies and contributions																				
Governance	0	0	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	32,934	0	199,913	62,971	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	1,000,057	941,872	622,245	632,000	1,440,000	1,692,000	1,642,000	1,642,000	1,642,000	1,582,000	1,582,000	1,582,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
	1,032,991	941,872	922,158	694,971	1,440,000	1,692,000	1,642,000	1,642,000	1,642,000	1,582,000	1,582,000	1,582,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Profit/(loss) on disposal of assets																				
Transport	(53,228)	0	0	(76,431)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other property and services	(4,111)	(12,419)	(93,263)	1,230	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(93,993)	(12,419)	(93,263)	(75,201)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	1,267,693	109,086	519,837	(840,085)	1,294,223	1,508,949	1,475,496	1,491,440	1,503,823	1,467,774	1,492,260	1,516,646	1,483,658	1,520,939	1,545,606	1,578,259	1,606,424	1,648,769	1,737,167	
Other comprehensive income	429,204	(17,623,146)	0	0	1,733,921	1,796,198	1,843,816	1,893,632	1,954,626	2,009,254	2,057,536	2,113,862	2,169,291	2,208,036	2,270,386	2,321,631	2,389,539	2,461,332	2,504,534	
TOTAL COMPREHENSIVE INCOME	1,696,897	(17,514,060)	519,837	(840,085)	3,028,144	3,305,147	3,319,312	3,385,072	3,458,449	3,477,028	3,549,796	3,630,508	3,652,949	3,728,975	3,815,992	3,899,890	3,995,963	4,110,101	4,241,701	

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B4 – Forecast Statement of Financial Position 2020 - 2035

	2017	2018	2019	Base	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																			
Unrestricted cash and cash equivalents	1,524,255	1,231,184	1,181,079	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680
Restricted cash and cash equivalent	4,833,261	5,618,500	5,833,914	5,165,417	5,023,594	5,674,426	6,352,957	6,777,032	7,705,676	8,533,957	9,354,975	10,331,590	11,549,279	12,350,348	13,400,851	14,316,220	15,707,720	17,376,443	18,738,571
Financial assets	0	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Trade and other receivables	245,042	134,758	183,004	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644
Inventories	7,420	23,421	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987
TOTAL CURRENT ASSETS	6,609,978	7,007,863	7,217,984	5,503,728	5,361,905	6,012,737	6,691,268	7,115,343	8,043,987	8,872,268	9,693,286	10,669,901	11,887,590	12,688,659	13,739,162	14,654,531	16,046,031	17,714,754	19,076,882
NON-CURRENT ASSETS																			
Financial assets	0	0	67,551	67,551	67,551	67,551	67,551	67,551	67,551	67,551	67,551	67,551	67,551	67,551	67,551	67,551	67,551	67,551	67,551
Other receivables	12,685	26,071	19,996	19,996	19,996	19,996	19,996	19,996	19,996	19,996	19,996	19,996	19,996	19,996	19,996	19,996	19,996	19,996	19,996
Property plant and equipment	13,365,379	12,701,145	12,866,313	13,077,758	13,765,502	14,065,329	14,334,296	14,886,204	14,979,301	15,163,581	15,279,996	15,291,103	15,174,981	15,523,181	15,680,528	16,028,364	15,967,504	15,714,827	15,871,530
Infrastructure	90,538,868	73,357,966	73,800,818	74,055,156	76,537,379	78,891,867	81,263,681	83,672,770	86,109,478	88,573,945	91,186,308	93,829,094	96,380,476	98,960,182	101,568,324	104,205,009	106,870,332	109,564,387	112,287,257
TOTAL NON-CURRENT ASSETS	103,916,932	86,085,182	86,754,678	87,220,461	90,390,428	93,044,743	95,685,524	98,646,521	101,176,326	103,825,073	106,553,851	109,207,744	111,643,004	114,570,910	117,336,399	120,320,920	122,925,383	125,366,761	128,246,334
TOTAL ASSETS	110,526,910	93,093,045	93,972,662	92,724,189	95,752,333	99,057,480	102,376,792	105,761,864	109,220,313	112,697,341	116,247,137	119,877,645	123,530,594	127,259,569	131,075,561	134,975,451	138,971,414	143,081,515	147,323,216
CURRENT LIABILITIES																			
Trade and other payables	189,722	201,256	541,613	319,263	319,263	319,263	319,263	319,263	319,263	319,263	319,263	319,263	319,263	319,263	319,263	319,263	319,263	319,263	319,263
Contract liabilities	0	0	0	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048
Provisions	189,495	213,977	220,118	220,118	220,118	220,118	220,118	220,118	220,118	220,118	220,118	220,118	220,118	220,118	220,118	220,118	220,118	220,118	220,118
TOTAL CURRENT LIABILITIES	379,217	415,233	761,731	558,429	558,429	558,429	558,429	558,429	558,429	558,429	558,429	558,429	558,429	558,429	558,429	558,429	558,429	558,429	558,429
NON-CURRENT LIABILITIES																			
Contract liabilities	0	0	0	(31,115)	(31,115)	(31,115)	(31,115)	(31,115)	(31,115)	(31,115)	(31,115)	(31,115)	(31,115)	(31,115)	(31,115)	(31,115)	(31,115)	(31,115)	(31,115)
Provisions	24,826	69,005	83,483	83,483	83,483	83,483	83,483	83,483	83,483	83,483	83,483	83,483	83,483	83,483	83,483	83,483	83,483	83,483	83,483
TOTAL NON-CURRENT LIABILITIES	24,826	69,005	83,483	52,368	52,368	52,368	52,368	52,368	52,368	52,368	52,368	52,368	52,368	52,368	52,368	52,368	52,368	52,368	52,368
TOTAL LIABILITIES	404,043	484,238	845,214	610,797	610,797	610,797	610,797	610,797	610,797	610,797	610,797	610,797	610,797	610,797	610,797	610,797	610,797	610,797	610,797
NET ASSETS	110,122,867	92,608,807	93,127,448	92,113,392	95,141,536	98,446,683	101,765,995	105,151,067	108,609,516	112,086,544	115,636,340	119,266,848	122,919,797	126,648,772	130,464,764	134,364,654	138,360,617	142,470,718	146,712,419
EQUITY																			
Retained surplus	50,021,621	49,372,720	49,851,175	49,294,824	50,730,870	51,588,987	52,385,952	53,453,317	54,028,496	54,667,989	55,339,231	55,879,262	56,145,231	56,865,101	57,360,204	58,023,094	58,238,018	58,218,064	58,593,103
Reserves - cash backed	4,824,949	5,582,936	5,623,122	5,165,417	5,023,594	5,674,426	6,352,957	6,777,032	7,705,676	8,533,957	9,354,975	10,331,590	11,549,279	12,350,348	13,400,851	14,316,220	15,707,720	17,376,443	18,738,571
Asset revaluation surplus	55,276,297	37,653,151	37,653,151	37,653,151	39,387,072	41,183,270	43,027,086	44,920,718	46,875,344	48,884,598	50,942,134	53,055,996	55,225,287	57,433,323	59,703,709	62,025,340	64,414,879	66,876,211	69,380,745
TOTAL EQUITY	110,122,867	92,608,807	93,127,448	92,113,392	95,141,536	98,446,683	101,765,995	105,151,067	108,609,516	112,086,544	115,636,340	119,266,848	122,919,797	126,648,772	130,464,764	134,364,654	138,360,617	142,470,718	146,712,419

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B5 – Forecast Statement of Changes in Equity 2020 - 2035

	2017	2018	2019	Base	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening balance	48,753,928	50,021,621	49,371,524	49,677,204	49,294,824	50,730,870	51,588,987	52,385,952	53,453,317	54,028,496	54,667,989	55,339,231	55,879,262	56,145,231	56,865,101	57,360,204	58,023,094	58,238,018	58,218,064
Net result	1,267,693	109,086	519,837	(840,085)	1,294,223	1,508,949	1,475,496	1,491,440	1,503,823	1,467,774	1,492,260	1,516,646	1,483,658	1,520,939	1,545,606	1,578,259	1,606,424	1,648,769	1,737,167
Amount transferred (to)/from reserves		(757,987)	(40,186)	457,705	141,823	(650,832)	(678,531)	(424,075)	(928,644)	(828,281)	(821,018)	(976,615)	(1,217,689)	(801,069)	(1,050,503)	(915,369)	(1,391,500)	(1,668,723)	(1,362,128)
Closing balance	50,021,621	49,372,720	49,851,175	49,294,824	50,730,870	51,588,987	52,385,952	53,453,317	54,028,496	54,667,989	55,339,231	55,879,262	56,145,231	56,865,101	57,360,204	58,023,094	58,238,018	58,218,064	58,593,103
RESERVES - CASH/INVESTMENT BACKED																			
Opening balance	4,824,949	4,824,949	5,582,936	5,623,122	5,165,417	5,023,594	5,674,426	6,352,957	6,777,032	7,705,676	8,533,957	9,354,975	10,331,590	11,549,279	12,350,348	13,400,851	14,316,220	15,707,720	17,376,443
Amount transferred to/(from) retained surplus	0	757,987	40,186	(457,705)	(141,823)	650,832	678,531	424,075	928,644	828,281	821,018	976,615	1,217,689	801,069	1,050,503	915,369	1,391,500	1,668,723	1,362,128
Closing balance	4,824,949	5,582,936	5,623,122	5,165,417	5,023,594	5,674,426	6,352,957	6,777,032	7,705,676	8,533,957	9,354,975	10,331,590	11,549,279	12,350,348	13,400,851	14,316,220	15,707,720	17,376,443	18,738,571
ASSET REVALUATION SURPLUS																			
Opening balance	55,276,297	37,653,151	37,653,151	37,653,151	37,653,151	39,387,072	41,183,270	43,027,086	44,920,718	46,875,344	48,884,598	50,942,134	53,055,996	55,225,287	57,433,323	59,703,709	62,025,340	64,414,879	66,876,211
Total other comprehensive income	0	0	0	0	1,733,921	1,796,198	1,843,816	1,893,632	1,954,626	2,009,254	2,057,536	2,113,862	2,169,291	2,208,036	2,270,386	2,321,631	2,389,539	2,461,332	2,504,534
Closing balance	55,276,297	37,653,151	37,653,151	37,653,151	39,387,072	41,183,270	43,027,086	44,920,718	46,875,344	48,884,598	50,942,134	53,055,996	55,225,287	57,433,323	59,703,709	62,025,340	64,414,879	66,876,211	69,380,745
TOTAL EQUITY	110,122,867	92,608,807	93,127,448	92,113,392	95,141,536	98,446,683	101,765,995	105,151,067	108,609,516	112,086,544	115,636,340	119,266,848	122,919,797	126,648,772	130,464,764	134,364,654	138,360,617	142,470,718	146,712,419

Appendix B6 – Forecast Statement of Cashflows 2020 - 2035

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities															
Receipts															
Rates	1,092,681	1,119,999	1,147,999	1,176,699	1,206,118	1,236,270	1,267,178	1,298,857	1,331,329	1,364,612	1,398,728	1,433,695	1,469,538	1,506,275	1,543,932
Operating grants, subsidies and contributions	2,117,900	2,160,258	2,203,463	2,247,533	2,292,483	2,338,332	2,385,098	2,432,799	2,481,455	2,531,084	2,581,705	2,633,340	2,686,008	2,739,728	2,794,522
Fees and charges	480,208	489,814	499,607	509,598	519,790	530,180	540,784	551,599	562,630	573,890	585,370	597,076	609,017	621,200	633,623
Interest earnings	158,972	154,716	174,244	194,599	207,322	235,182	260,027	284,658	313,958	350,489	374,521	406,035	433,497	475,244	525,304
Other revenue	36,587	37,318	38,064	38,826	39,602	40,394	41,202	42,027	42,867	43,724	44,599	45,491	46,401	47,329	48,275
	3,886,348	3,962,105	4,063,377	4,167,255	4,265,315	4,380,358	4,494,289	4,609,940	4,732,239	4,863,799	4,984,923	5,115,637	5,244,461	5,389,776	5,545,656
Payments															
Employee costs	(1,874,135)	(1,911,618)	(1,949,850)	(1,988,847)	(2,028,622)	(2,069,196)	(2,110,580)	(2,152,791)	(2,195,846)	(2,239,764)	(2,284,560)	(2,330,253)	(2,376,859)	(2,424,397)	(2,472,885)
Materials and contracts	(398,631)	(401,252)	(408,968)	(416,596)	(425,030)	(433,017)	(441,745)	(450,645)	(459,704)	(469,093)	(478,621)	(488,379)	(498,231)	(508,226)	(524,636)
Utility charges	(33,150)	(33,813)	(34,489)	(35,179)	(35,882)	(36,600)	(37,332)	(38,078)	(38,840)	(39,617)	(40,410)	(41,219)	(42,043)	(42,884)	(43,742)
Insurance expenses	(122,400)	(124,847)	(127,343)	(129,890)	(132,488)	(135,138)	(137,840)	(140,596)	(143,408)	(146,276)	(149,201)	(152,185)	(155,229)	(158,334)	(161,501)
Other expenditure	(134,895)	(137,593)	(140,345)	(143,151)	(146,013)	(148,932)	(151,909)	(154,948)	(158,049)	(161,211)	(164,436)	(167,724)	(171,079)	(174,499)	(177,990)
	(2,563,211)	(2,609,123)	(2,660,995)	(2,713,663)	(2,768,035)	(2,822,883)	(2,879,406)	(2,937,058)	(2,995,847)	(3,055,961)	(3,117,228)	(3,179,760)	(3,243,441)	(3,308,340)	(3,380,754)
Net cash provided by (used in) operating activities	1,323,137	1,352,982	1,402,382	1,453,592	1,497,280	1,557,475	1,614,883	1,672,882	1,736,392	1,807,838	1,867,695	1,935,877	2,001,020	2,081,436	2,164,902
Cash flows from investing activities															
Payments for purchase of property, plant & equipment	(934,960)	(582,150)	(563,851)	(859,517)	(398,636)	(499,194)	(443,865)	(346,267)	(228,703)	(716,769)	(527,192)	(730,508)	(319,520)	(122,713)	(512,774)
Payments for construction of infrastructure	(1,970,000)	(1,812,000)	(1,802,000)	(1,812,000)	(1,812,000)	(1,812,000)	(1,932,000)	(1,932,000)	(1,810,000)	(1,810,000)	(1,810,000)	(1,810,000)	(1,810,000)	(1,810,000)	(1,810,000)
Proceeds from non-operating grants, subsidies and contributions	1,440,000	1,692,000	1,642,000	1,642,000	1,642,000	1,582,000	1,582,000	1,582,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Net cash provided by (used in) investing activities	(1,464,960)	(702,150)	(723,851)	(1,029,517)	(568,636)	(729,194)	(793,865)	(696,267)	(518,703)	(1,006,769)	(817,192)	(1,020,508)	(609,520)	(412,713)	(802,774)
Cash flows from financing activities															
Net cash provided by (used in) financing activities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net increase (decrease) in cash held	(141,823)	650,832	678,531	424,075	928,644	828,281	821,018	976,615	1,217,689	801,069	1,050,503	915,369	1,391,500	1,668,723	1,362,128
Cash at beginning of year	5,299,097	5,157,274	5,808,106	6,486,637	6,910,712	7,839,356	8,667,637	9,488,655	10,465,270	11,682,959	12,484,028	13,534,531	14,449,900	15,841,400	17,510,123
Cash and cash equivalents at the end of year	5,157,274	5,808,106	6,486,637	6,910,712	7,839,356	8,667,637	9,488,655	10,465,270	11,682,959	12,484,028	13,534,531	14,449,900	15,841,400	17,510,123	18,872,251

Appendix B7 – Forecast Statement of Funding 2020 - 2035

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES															
Revenues															
Rates	1,092,681	1,119,999	1,147,999	1,176,699	1,206,118	1,236,270	1,267,178	1,298,857	1,331,329	1,364,612	1,398,728	1,433,695	1,469,538	1,506,275	1,543,932
Operating grants, subsidies and contributions	2,117,900	2,160,258	2,203,463	2,247,533	2,292,483	2,338,332	2,385,098	2,432,799	2,481,455	2,531,084	2,581,705	2,633,340	2,686,008	2,739,728	2,794,522
Fees and charges	480,208	489,814	499,607	509,598	519,790	530,180	540,784	551,599	562,630	573,890	585,370	597,076	609,017	621,200	633,623
Interest earnings	158,972	154,716	174,244	194,599	207,322	235,182	260,027	284,658	313,958	350,489	374,521	406,035	433,497	475,244	525,304
Other revenue	36,587	37,318	38,064	38,826	39,602	40,394	41,202	42,027	42,867	43,724	44,599	45,491	46,401	47,329	48,275
	3,886,348	3,962,105	4,063,377	4,167,255	4,265,315	4,380,358	4,494,289	4,609,940	4,732,239	4,863,799	4,984,923	5,115,637	5,244,461	5,389,776	5,545,656
Expenses															
Employee costs	(1,874,135)	(1,911,618)	(1,949,850)	(1,988,847)	(2,028,622)	(2,069,196)	(2,110,580)	(2,152,791)	(2,195,846)	(2,239,764)	(2,284,560)	(2,330,253)	(2,376,859)	(2,424,397)	(2,472,885)
Materials and contracts	(398,631)	(401,252)	(408,968)	(416,596)	(425,030)	(433,017)	(441,745)	(450,645)	(459,704)	(469,093)	(478,621)	(488,379)	(498,231)	(508,226)	(524,636)
Utility charges (electricity, gas, water etc.)	(33,150)	(33,813)	(34,489)	(35,179)	(35,882)	(36,600)	(37,332)	(38,078)	(38,840)	(39,617)	(40,410)	(41,219)	(42,043)	(42,884)	(43,742)
Depreciation on non-current assets	(1,468,914)	(1,536,033)	(1,568,886)	(1,604,152)	(1,635,457)	(1,671,701)	(1,704,623)	(1,738,236)	(1,772,734)	(1,806,899)	(1,842,089)	(1,877,618)	(1,914,596)	(1,952,667)	(1,947,735)
Insurance expense	(122,400)	(124,847)	(127,343)	(129,890)	(132,488)	(135,138)	(137,840)	(140,596)	(143,408)	(146,276)	(149,201)	(152,185)	(155,229)	(158,334)	(161,501)
Other expenditure	(134,895)	(137,593)	(140,345)	(143,151)	(146,013)	(148,932)	(151,909)	(154,948)	(158,049)	(161,211)	(164,436)	(167,724)	(171,079)	(174,499)	(177,990)
	(4,032,125)	(4,145,156)	(4,229,881)	(4,317,815)	(4,403,492)	(4,494,584)	(4,584,029)	(4,675,294)	(4,768,581)	(4,862,860)	(4,959,317)	(5,057,378)	(5,158,037)	(5,261,007)	(5,328,489)
	(145,777)	(183,051)	(166,504)	(150,560)	(138,177)	(114,226)	(89,740)	(65,354)	(36,342)	939	25,606	58,259	86,424	128,769	217,167
Funding position adjustments															
Depreciation on non-current assets	1,468,914	1,536,033	1,568,886	1,604,152	1,635,457	1,671,701	1,704,623	1,738,236	1,772,734	1,806,899	1,842,089	1,877,618	1,914,596	1,952,667	1,947,735
Net funding from operational activities	1,323,137	1,352,982	1,402,382	1,453,592	1,497,280	1,557,475	1,614,883	1,672,882	1,736,392	1,807,838	1,867,695	1,935,877	2,001,020	2,081,436	2,164,902
FUNDING FROM CAPITAL ACTIVITIES															
Inflows															
Non-operating grants, subsidies and contributions	1,440,000	1,692,000	1,642,000	1,642,000	1,642,000	1,582,000	1,582,000	1,582,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Outflows															
Purchase of property plant and equipment	(934,960)	(582,150)	(563,851)	(859,517)	(398,636)	(499,194)	(443,865)	(346,267)	(228,703)	(716,769)	(527,192)	(730,508)	(319,520)	(122,713)	(512,774)
Purchase of infrastructure	(1,970,000)	(1,812,000)	(1,802,000)	(1,812,000)	(1,812,000)	(1,812,000)	(1,932,000)	(1,932,000)	(1,810,000)	(1,810,000)	(1,810,000)	(1,810,000)	(1,810,000)	(1,810,000)	(1,810,000)
Net funding from capital activities	(1,464,960)	(702,150)	(723,851)	(1,029,517)	(568,636)	(729,194)	(793,865)	(696,267)	(518,703)	(1,006,769)	(817,192)	(1,020,508)	(609,520)	(412,713)	(802,774)
FUNDING FROM FINANCING ACTIVITIES															
Inflows															
Transfer from reserves	706,000	192,000	237,000	380,000	10,000	310,000	20,000	10,000	10,000	0	0	0	0	0	0
Outflows															
Transfer to reserves	(564,177)	(842,832)	(915,531)	(804,075)	(938,644)	(1,138,281)	(841,018)	(986,615)	(1,227,689)	(801,069)	(1,050,503)	(915,369)	(1,391,500)	(1,668,723)	(1,362,128)
Net funding from financing activities	141,823	(650,832)	(678,531)	(424,075)	(928,644)	(828,281)	(821,018)	(976,615)	(1,217,689)	(801,069)	(1,050,503)	(915,369)	(1,391,500)	(1,668,723)	(1,362,128)
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 2020 - 2035

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680	133,680
Restricted cash and cash equivalent	5,023,594	5,674,426	6,352,957	6,777,032	7,705,676	8,533,957	9,354,975	10,331,590	11,549,279	12,350,348	13,400,851	14,316,220	15,707,720	17,376,443	18,738,571
Financial assets	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Trade and other receivables	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644	184,644
Inventories	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987
Other assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT LIABILITIES															
Trade and other payables	(319,263)	(319,263)	(319,263)	(319,263)	(319,263)	(319,263)	(319,263)	(319,263)	(319,263)	(319,263)	(319,263)	(319,263)	(319,263)	(319,263)	(319,263)
Reserves	(5,023,594)	(5,674,426)	(6,352,957)	(6,777,032)	(7,705,676)	(8,533,957)	(9,354,975)	(10,331,590)	(11,549,279)	(12,350,348)	(13,400,851)	(14,316,220)	(15,707,720)	(17,376,443)	(18,738,571)
Current self supporting loans receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Movement in accrued salaries and wages	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated surplus/deficit June 30 C/Fwd	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048	19,048

Appendix B9 – Forecast Statement of Fixed Asset Movements 2020 - 2035

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Infrastructure - roads	1,970,000	1,812,000	1,802,000	1,812,000	1,812,000	1,812,000	1,932,000	1,932,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000
Total capital works - infrastructure	1,970,000	1,812,000	1,802,000	1,812,000	1,812,000	1,812,000	1,932,000	1,932,000	1,810,000						
Represented by:															
Additions - renewal	1,970,000	1,812,000	1,802,000	1,812,000	1,812,000	1,812,000	1,932,000	1,932,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000
Total Capital Works - Infrastructure	1,970,000	1,812,000	1,802,000	1,812,000	1,812,000	1,812,000	1,932,000	1,932,000	1,810,000						
Asset movement reconciliation															
Total capital works infrastructure	1,970,000	1,812,000	1,802,000	1,812,000	1,812,000	1,812,000	1,932,000	1,932,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000
Depreciation infrastructure	(968,881)	(988,259)	(1,008,024)	(1,028,185)	(1,048,748)	(1,069,723)	(1,091,117)	(1,112,940)	(1,135,199)	(1,157,903)	(1,181,061)	(1,204,682)	(1,228,776)	(1,253,351)	(1,278,418)
Revaluation of infrastructure assets (inflation)	1,481,104	1,530,747	1,577,838	1,625,274	1,673,456	1,722,190	1,771,480	1,823,726	1,876,581	1,927,609	1,979,203	2,031,367	2,084,099	2,137,406	2,191,288
Net movement in infrastructure assets	2,482,223	2,354,488	2,371,814	2,409,089	2,436,708	2,464,467	2,612,363	2,642,786	2,551,382	2,579,706	2,608,142	2,636,685	2,665,323	2,694,055	2,722,870
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings	481,000	92,000	237,000	380,000	10,000	310,000	20,000	10,000	10,000	0	0	0	0	0	0
Furniture and equipment	150,000	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	303,960	390,150	326,851	479,517	388,636	189,194	423,865	336,267	218,703	716,769	527,192	730,508	319,520	122,713	512,774
Total capital works property, plant and equipment	934,960	582,150	563,851	859,517	398,636	499,194	443,865	346,267	228,703	716,769	527,192	730,508	319,520	122,713	512,774
Represented by:															
Additions - renewal	934,960	582,150	563,851	859,517	398,636	499,194	443,865	346,267	228,703	716,769	527,192	730,508	319,520	122,713	512,774
Total capital works property, plant and equipment	934,960	582,150	563,851	859,517	398,636	499,194	443,865	346,267	228,703	716,769	527,192	730,508	319,520	122,713	512,774
Asset movement reconciliation															
Total capital works property, plant and equipment	934,960	582,150	563,851	859,517	398,636	499,194	443,865	346,267	228,703	716,769	527,192	730,508	319,520	122,713	512,774
Depreciation property, plant and equipment	(500,033)	(547,774)	(560,862)	(575,967)	(586,709)	(601,978)	(613,506)	(625,296)	(637,535)	(648,996)	(661,028)	(672,936)	(685,820)	(699,316)	(669,317)
Revaluation of property, plant and equipment (inflation)	252,817	265,451	265,978	268,358	281,170	287,064	286,056	290,136	292,710	280,427	291,183	290,264	305,440	323,926	313,246
Net movement in property, plant and equipment	687,744	299,827	268,967	551,908	93,097	184,280	116,415	11,107	(116,122)	348,200	157,347	347,836	(60,860)	(252,677)	156,703
CAPITAL WORKS - TOTALS															
Capital works															
Total capital works infrastructure	1,970,000	1,812,000	1,802,000	1,812,000	1,812,000	1,812,000	1,932,000	1,932,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000
Total capital works property, plant and equipment	934,960	582,150	563,851	859,517	398,636	499,194	443,865	346,267	228,703	716,769	527,192	730,508	319,520	122,713	512,774
Total capital works	2,904,960	2,394,150	2,365,851	2,671,517	2,210,636	2,311,194	2,375,865	2,278,267	2,038,703	2,526,769	2,337,192	2,540,508	2,129,520	1,932,713	2,322,774
Fixed asset movement															
Net movement in infrastructure assets	2,482,223	2,354,488	2,371,814	2,409,089	2,436,708	2,464,467	2,612,363	2,642,786	2,551,382	2,579,706	2,608,142	2,636,685	2,665,323	2,694,055	2,722,870
Net movement in property, plant and equipment	687,744	299,827	268,967	551,908	93,097	184,280	116,415	11,107	(116,122)	348,200	157,347	347,836	(60,860)	(252,677)	156,703
Net movement in fixed assets	3,169,967	2,654,315	2,640,781	2,960,997	2,529,805	2,648,747	2,728,778	2,653,893	2,435,260	2,927,906	2,765,489	2,984,521	2,604,463	2,441,378	2,879,573

Appendix B10 – Forecast Statement of Capital Funding 2020 - 2035

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital expenditure															
Infrastructure - roads	1,970,000	1,812,000	1,802,000	1,812,000	1,812,000	1,812,000	1,932,000	1,932,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000
Buildings	481,000	92,000	237,000	380,000	10,000	310,000	20,000	10,000	10,000	0	0	0	0	0	0
Furniture and equipment	150,000	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	303,960	390,150	326,851	479,517	388,636	189,194	423,865	336,267	218,703	716,769	527,192	730,508	319,520	122,713	512,774
Total - Capital expenditure	2,904,960	2,394,150	2,365,851	2,671,517	2,210,636	2,311,194	2,375,865	2,278,267	2,038,703	2,526,769	2,337,192	2,540,508	2,129,520	1,932,713	2,322,774
Funded by:															
Capital grants & contributions															
Infrastructure - roads	1,440,000	1,692,000	1,642,000	1,642,000	1,642,000	1,582,000	1,582,000	1,582,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Total - Capital grants & contributions	1,440,000	1,692,000	1,642,000	1,642,000	1,642,000	1,582,000	1,582,000	1,582,000	1,520,000						
Own source funding															
Infrastructure - roads	530,000	120,000	160,000	170,000	170,000	230,000	350,000	350,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000
Buildings	481,000	92,000	237,000	380,000	10,000	310,000	20,000	10,000	10,000	0	0	0	0	0	0
Furniture and equipment	150,000	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	303,960	390,150	326,851	479,517	388,636	189,194	423,865	336,267	218,703	716,769	527,192	730,508	319,520	122,713	512,774
Total - Own source funding	1,464,960	702,150	723,851	1,029,517	568,636	729,194	793,865	696,267	518,703	1,006,769	817,192	1,020,508	609,520	412,713	802,774
Borrowings															
Total - Borrowings	0														
Other (disposals & C/Fwd)															
Total - Other (disposals & C/Fwd)	0														
Total Capital Funding	2,904,960	2,394,150	2,365,851	2,671,517	2,210,636	2,311,194	2,375,865	2,278,267	2,038,703	2,526,769	2,337,192	2,540,508	2,129,520	1,932,713	2,322,774

Appendix B11 – Forecast Ratios 2020 - 2035

	Target Range		Average	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
LIQUIDITY RATIOS																		
Current ratio	> 1.00	> 1.20	1.00	0.96	0.98	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
OPERATING RATIOS																		
Operating surplus ratio	> 1.00%	> 15.00%	(2.47%)	(8.24%)	(10.16%)	(8.95%)	(7.84%)	(7.00%)	(5.59%)	(4.25%)	(3.00%)	(1.61%)	0.04%	1.07%	2.35%	3.38%	4.86%	7.89%
Own source revenue coverage ratio	> 40.00%	> 60.00%	46.86%	43.86%	43.47%	43.97%	44.46%	44.80%	45.43%	46.01%	46.57%	47.20%	47.97%	48.46%	49.08%	49.60%	50.37%	51.63%
BORROWINGS RATIOS																		
Debt service cover ratio	> 3	> 5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIXED ASSET RATIOS																		
Asset sustainability ratio	> 90.00%	> 110.00%	137.42%	197.76%	155.87%	150.80%	166.54%	135.17%	138.25%	139.38%	131.07%	115.00%	139.84%	126.88%	135.30%	111.23%	98.98%	119.26%
Asset consumption ratio	> 50.00%	> 60.00%	98.50%	95.18%	95.55%	96.12%	96.81%	97.36%	97.67%	98.27%	98.75%	98.98%	99.61%	100.03%	100.58%	100.76%	100.76%	101.07%
Asset renewal funding ratio	> 75.00%	> 95.00%	119.12%	134.70%	130.09%	117.22%	102.82%	110.77%	N/A									

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B12 – Asset Renewals 2020 - 2035

Required Asset Renewals

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings	93,751	81,273	175,244	84,556	929,843	87,972	89,732	526,707	93,357	613,961	97,128	99,071	111,211	103,074	252,244
Furniture and equipment	0	0	0	0	0	0	0	0	0	0	0	105,017	0	30,120	248,901
Plant and equipment	0	0	0	0	0	0	1,718,163	624,757	209,835	790,509	0	0	0	0	0
Infrastructure - roads	821,549	351,949	1,419,263	2,572,335	404,556	1,349,101	756,605	1,493,080	1,335,513	1,539,681	761,548	2,216,250	4,251,615	159,630	203,931
Infrastructure - other	0	866	0	62,434	919	3,749	0	0	0	12,175	41,773	4,223	4,038	0	5,320
Total	915,300	434,088	1,594,507	2,719,325	1,335,318	1,440,822	2,564,500	2,644,544	1,638,705	2,956,326	900,449	2,424,561	4,366,864	292,824	710,396

Planned Asset Renewals

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings	481,000	92,000	237,000	380,000	10,000	310,000	20,000	10,000	10,000	0	0	0	0	0	0
Furniture and equipment	150,000	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	303,960	390,150	326,851	479,517	388,636	189,194	423,865	336,267	218,703	716,769	527,192	730,508	319,520	122,713	512,774
Infrastructure - roads	1,970,000	1,812,000	1,802,000	1,812,000	1,812,000	1,812,000	1,932,000	1,932,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000
Total	2,904,960	2,394,150	2,365,851	2,671,517	2,210,636	2,311,194	2,375,865	2,278,267	2,038,703	2,526,769	2,337,192	2,540,508	2,129,520	1,932,713	2,322,774

Asset Renewal Funding Surplus (Deficit)

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings	387,249	10,727	61,756	295,444	(919,843)	222,028	(69,732)	(516,707)	(83,357)	(613,961)	(97,128)	(99,071)	(111,211)	(103,074)	2,256,539
Furniture and equipment	150,000	100,000	0	0	0	0	0	0	0	0	0	(105,017)	0	(30,120)	39,805
Plant and equipment	303,960	390,150	326,851	479,517	388,636	189,194	(1,294,298)	(288,490)	8,868	(73,740)	527,192	730,508	319,520	122,713	319,350
Infrastructure - roads	1,148,451	1,460,051	382,737	(760,335)	1,407,444	462,899	1,175,395	438,920	474,487	270,319	1,048,452	(406,250)	(2,441,615)	1,650,370	21,181
Infrastructure - other	0	(866)	0	(62,434)	(919)	(3,749)	0	0	0	(12,175)	(41,773)	(4,223)	(4,038)	0	0
Total	1,989,660	1,960,062	771,344	(47,808)	875,318	870,372	(188,635)	(366,277)	399,998	(429,557)	1,436,743	115,947	(2,237,344)	1,639,889	1,612,378

Appendix B15 – Forecast Significant Accounting Policies

Basis of Preparation

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

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

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

Critical Accounting Estimates

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

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

The Local Government Reporting Entity

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

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

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

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.

Appendix B15 – Forecast Significant Accounting Policies (Continued)

Rates, Grants, Donations and Other Contributions

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

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

Goods and Services Tax (GST)

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

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

Superannuation

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

Cash and Cash Equivalents

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

Trade and Other Receivables

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

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

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

Appendix B15 – Forecast Significant Accounting Policies (Continued)

Inventories

General

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

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

Land held for resale

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

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

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

Fixed Assets

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

Revaluation

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

Land under roads

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

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

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

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

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

Appendix B15 – Forecast Significant Accounting Policies (Continued)

Fixed Assets (Continued)

Depreciation

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

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

Asset Class	Effective average depreciation rate
Furniture and equipment	6.67%
Buildings	1.25%
Infrastructure - roads	1.24%
Infrastructure - other	1.86%

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

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

Impairment of Assets

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

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

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

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

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

Trade and Other Payables

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

Appendix B15 – Forecast Significant Accounting Policies (Continued)

Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

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

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.

Provisions

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

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

Current and Non-Current Classification

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

Appendix C1 – Glossary

Funding Gap

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

Infrastructure Assets

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

Key Performance Indicator

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

Level of Service

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

Maintenance

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

Planned Maintenance

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience,

prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Reactive Maintenance

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

Significant Maintenance

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

Unplanned Maintenance

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

Maintenance Expenditure

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

Appendix C1 – Glossary (Continued)

Materiality

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

Modern Equivalent Asset

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

Net Present Value (NPV)

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

Non-Revenue Generating Investments

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

Operations Expenditure

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

Pavement Management System

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

Recoverable Amount

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

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

Appendix C1 – Glossary (Continued)

economic benefits. It is also a measure of the percentage of the asset's potential to provide services that are still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

Specific Maintenance

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

Sub-Component

Smaller individual parts that make up a component part.

Useful Life

May be expressed as either:

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

Other Matters

Preparation

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

Reliance

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

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

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

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