



# **Shire of Ashburton**

## Draft Long Term Financial Plan

2017 - 2032

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## 1.0 FOREWORD

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

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

The LTFP covers the period 2017/18 to 2031/32. There is a higher level of detail in the first 2 years of the LTFP, however this is underpinned by a number of assumptions. The remaining years of the LTFP are shown as an overview using reasonable estimates. The Shire undertakes a focused review of its Strategic Community Plan every two years and a full review is planned every four years. This LTFP will be assessed in conjunction with these Strategic Community Plan reviews and reviews of other key strategic plans. Annual Budgets are developed from the LTFP, however there may be some variations between the LTFP and budget, where these arise they will be explained in the Annual Budget.

## 2.0 PLANNING OVERVIEW

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### 2.1 PLANNING FOR A SUSTAINABLE AND STABLE FUTURE

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

### 2.2 PLANNING PROCESS

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

An important element of long term financial planning is planning for the future renewal of Shire assets. The Shire's Asset Management Plan applied a condition based estimation of remaining useful life when possible. Where condition information was unavailable, an age based estimation of remaining useful life was applied within the planning process.

Detailed planning is required for buildings due to the scale of renewal expenditure for these assets and the likelihood of usage/design upgrades when renewal occurs. Unfortunately, planning for the renewal of long lived assets is problematic due to the uncertainty of receiving future external contributions which are often subject to sudden unexpected change. It is important to note, capital works identified in this Plan where external contributions are a source of funding may be postponed if this funding does not eventuate. If renewal is postponed past its estimated useful life and optimum intervention point, there is an increased risk of sudden asset failure resulting in a possible loss of service level.

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

### 2.3 ASSUMPTIONS

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

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

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

## 3.0 FINANCIAL STRATEGIC OVERVIEW

### 3.1 FORECAST SIGNIFICANT EVENTS

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

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

PROJECTS	2017-18 \$	2018-19 \$	2019-20 \$	2020-21 \$
<b>Infrastructure - Other</b>				
New Onslow Waste Management Facility	884,826	570,000	12,300,000	
Onslow Town Centre	3,000,000			
Onslow Underground Power (PUP)	1,775,000			
<b>Land and Buildings</b>				
Aged Persons Units		1,200,000	1,200,000	
Ocean View Caravan Park Refurbishment Stage 2				2,710,000
Onslow Infrastructure				1,500,000
Paraburdoo CHUB	15,700,000			
Staff Housing	2,000,000	455,338	820,000	286,581
Tom Price Child Care		5,100,000		
Tom Price Emergency Services Precinct		6,000,000		
Tom Price Youth and Community			7,100,000	
<b>Roads</b>				
Karratha Tom Price Road (KTP3)		50,000,000		
Road Renewals	992,156	2,413,919	1,494,986	4,097,786
Roebourne -Wittenoom Road Reconstruction and Seal	1,350,000	1,350,000		
Rural Road Resheeting Program	1,500,000	1,500,000	1,500,000	1,500,000
Sealed Road Renewals	449,000	400,000	499,281	498,645
Unsealed Road Renewals				1,117,600

The timing and extent of these projects is highly dependent on the timing and level of external grant funding, should this not be available when planned, the project may be postponed until such time as funding is available.

## 3.0 FINANCIAL STRATEGIC OVERVIEW (Continued)

### 3.2 FINANCIAL MANAGEMENT STRATEGY

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

FINANCIAL CONSTRAINT	LONG TERM FINANCIAL STRATEGY
Borrowings – Purpose	The Shire’s plan is to use funds from borrowings for the following purposes: <ul style="list-style-type: none"> <li>(a) The acquisition of community assets that have a long service life (10 years and above) and will set the term of the repayments to be no more than the estimated useful life of the asset; or</li> <li>(b) The financing of commercial activities and land developments that offer net positive future cash flow with low financial risk.</li> </ul>
Borrowings – Level	The Shire plans to constrain the level of borrowing for community assets to results in a debt service coverage ratio not less than 5 and a borrowing to revenue ratio of no more than 50%.
Asset Renewal	The Shire will structure its operating revenue and expenditure with the goal of achieving the future renewal of its assets within a planned useful life. The level and timing of asset renewal may be subject to the receipt of external grants and contributions.
Services	The Shire plans to maintain current service levels and where possible, improve levels where funds are available into the future while maintaining a healthy financial position. The range and level of services will be considered annually within the Shire’s corporate business planning process.
Operating Surplus	The Shire acknowledges the operating surplus ratio will remain negative, however it plans to achieve an improved operating surplus ratio over the term of the Plan.
Rates	The Shire plans to maintain a smooth and predictable approach to the movement in rates revenue referenced to movements in expenditure over the term. To achieve its overall financial strategy, the Shire plans to increase rate revenue by the CPI inflator used in this Plan (2%).

## 3.0 FINANCIAL STRATEGIC OVERVIEW (Continued)

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### 3.3 FINANCIAL SUSTAINABILITY

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

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

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

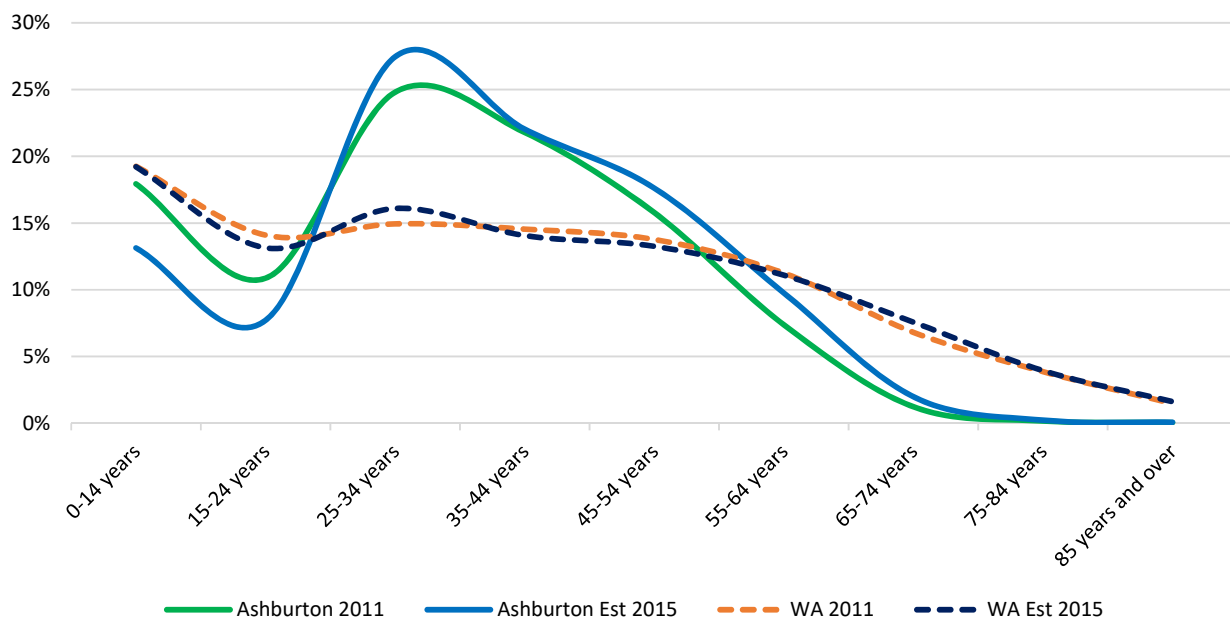
## 4.0 COMMUNITY PROFILE, VISION AND OBJECTIVES

### 4.1 COMMUNITY

The Shire of Ashburton is located in the resource rich Pilbara region of Western Australia comprising 100,959 km<sup>2</sup> from 'reef to range'. The main population centres are the towns of Onslow, Pannawonica, Paraburdoo and the administration centre Tom Price. Bindi Bindi, Wakthuni, Bellary, Youngaleena and Ngurawaana aboriginal communities are also located within the Shire.

A large scale Liquefied Natural Gas (LNG) and other mining projects within the Shire result in a significant Fly In Fly Out (FIFO) population. The age distribution trends from 2011 to 2015 for the state of Western Australia show minor change, as indicated by the orange dotted line (2011 demographic) and black dotted line (2015 demographic) in the chart below. The Shire of Ashburton had a greater change in age distribution from 2011 to 2015 as reflected by the green (2011 demographic) and blue (2015 demographic) lines.

#### SHIRE OF ASHBURTON PERCENTAGE OF RESIDENT POPULATION BY AGE GROUP



Compared to the State population average, the Shire has a substantially higher percentage of working adults 20-54 and a lower percentage of residents in other age groups. A decrease in the percentage of young people (under 24) occurred between 2011 and 2015 with a corresponding increase in the percentage of people between 24 and 74.



## 4.0 COMMUNITY PROFILE, VISION AND OBJECTIVES (Continued)

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### 4.2 VISION

The Shire's strategic vision adopted in the Strategic Community Plan 2017-2027 is:

*We will embrace our unique Pilbara environment and lifestyle through the development of vibrant, connected and active communities that have access to quality services, exceptional amenities and economic vitality.*

### 4.3 GOALS

The goals included in the Strategic Community Plan are the broad outcomes which in the long term will ensure that the vision is achieved. They are the broad description of how the Shire will set about achieving the vision. The Shire's goals provide the foundation for ensuring alignment between the Community's vision and the activities which are approved and undertaken. By constantly seeking alignment of all actions with the vision, Council will ensure the Strategic Community Plan is implemented over the long term.

The following five goals will guide the achievement of the Strategic Community Plan.

#### GOAL 1:

Vibrant and active communities

#### GOAL 2:

Economic prosperity

#### GOAL 3:

Unique heritage and environment

#### GOAL 4:

Quality services and infrastructure

#### GOAL 5:

Inspiring governance

## 5.0 KEY CURRENT INFORMATION

### 5.1 KEY STATISTICS: SHIRE OF ASHBURTON 2017<sup>1</sup>

Number of Elected Members	9
Number of Employees	204
Number of Electors	2,936
Number of Dwellings	2,802
Distance from Perth (km)	1,577
Area (sq. km)	105,647
Population (Est.)	11,017

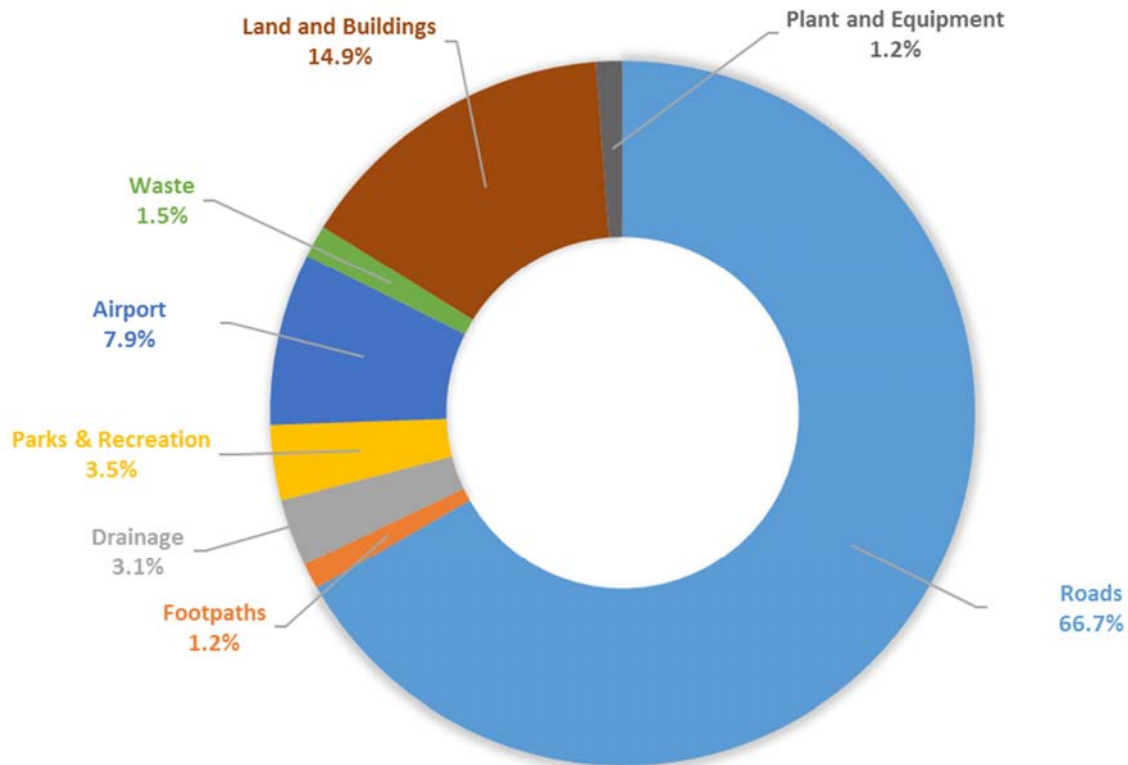
### 5.2 KEY FINANCIAL INFORMATION<sup>2</sup>

Rates Revenue	\$23,976,191
Fees and Charges	\$15,553,512
Operating Revenue	\$47,465,742
Operating Expenditure	\$52,414,258
Net Assets	\$690,140,062
Cash Backed Reserves	\$28,279,955
Long Term Borrowings	\$5,224,075

### 5.3 KEY ASSET INFORMATION

The Shire controls an asset network with a written down value of over \$671m<sup>2</sup>, of which Roads and Land and Buildings constitute the largest component values, as reflected in the chart below.

#### 5.3.1 ASSET VALUE BY CLASS SHIRE OF ASHBURTON 2016



<sup>1</sup> WALGA Local Government Directory 2017

<sup>2</sup> Shire of Ashburton, Audited Annual Financial Report 2016

## 6.0 STRATEGIC PLANNING AND POLICIES

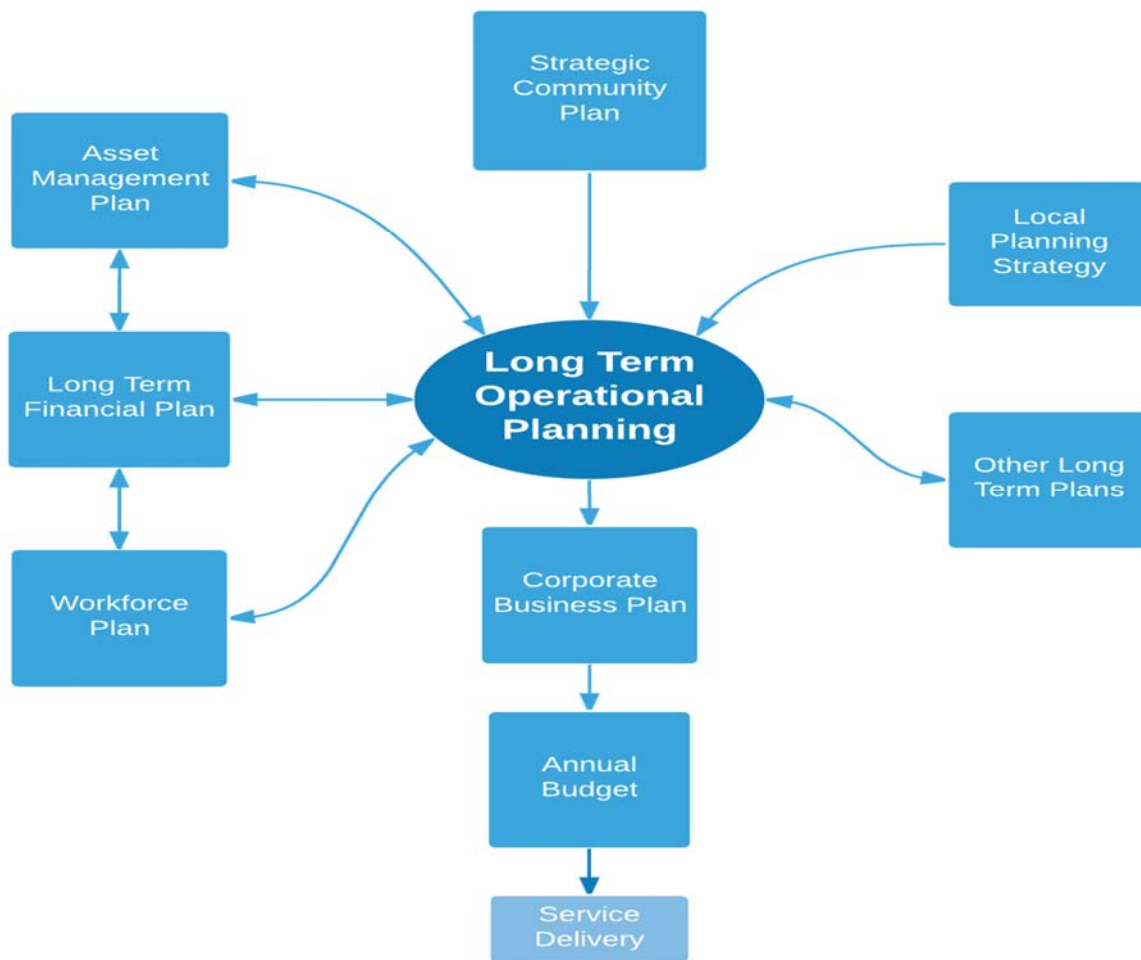
### 6.1 LINKAGE WITH OTHER PLANS

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

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

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

### 6.2 STRATEGIC DOCUMENTS LINKAGE



## 6.0 STRATEGIC PLANNING AND POLICIES (Continued)

The Strategic Community Plan was prepared to cover at least the next 10+ years and sets out the community's goals, aspirations and values. To achieve these goals a series of outcomes and strategies were developed. Many strategies may be required to achieve a single outcome and many outcomes needed to achieve a single objective as represented in the diagram to follow.

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

To achieve the Shire's strategic outcomes requires careful operational planning and prioritisation. This planning process is formalised as a Corporate Business Plan which operates on a rolling 4 years basis.



### 6.4 CORPORATE BUSINESS PLAN

The Corporate Business Plan contains details of the actions and resources (human and financial) to achieve each strategy. It is a 4 year plan which acts as an organisational guide to the Council and management.

The financial capacity to undertake these tasks is evidenced in the LTFP for the period. This long term financial planning provides an assurance the actions contained in the Corporate Business Plan can be adequately resourced over the next 4 years and highlight the long term consequences of the application of human and financial resources to undertaking various projects.

The first year of the 2018-2022 Corporate Business Plan will be 'sliced off' to form the draft annual budget for consideration by the Council.

### 6.5 WORKFORCE AND OTHER STRATEGIC PLANS

The Workforce Plan and other strategic plans, integrate with the LTFP through their requirement for assets and financial resources. As far as possible, these requirements are met in the Plan.

## 6.0 STRATEGIC PLANNING AND POLICIES (Continued)

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### 6.6 ASSET MANAGEMENT PLANNING

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

- Buildings;
- Roads;
- Stormwater Drainage;
- Footpaths;
- Parks and Recreation; and
- Town Infrastructure.

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

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

#### BORROWING POLICY

In 2017-18 there will be two loans raised, \$1,000,000 for Onslow Underground Power (PUP) and \$1,100,000 for the Paraburdoo CHUB. After 2017-18 there are no new loans raised for the term of the Plan, and all borrowings are forecasted to have been paid out by 2030-31.

No formal borrowing policy has been adopted by Council.

## 7.0 OPERATIONS OVERVIEW

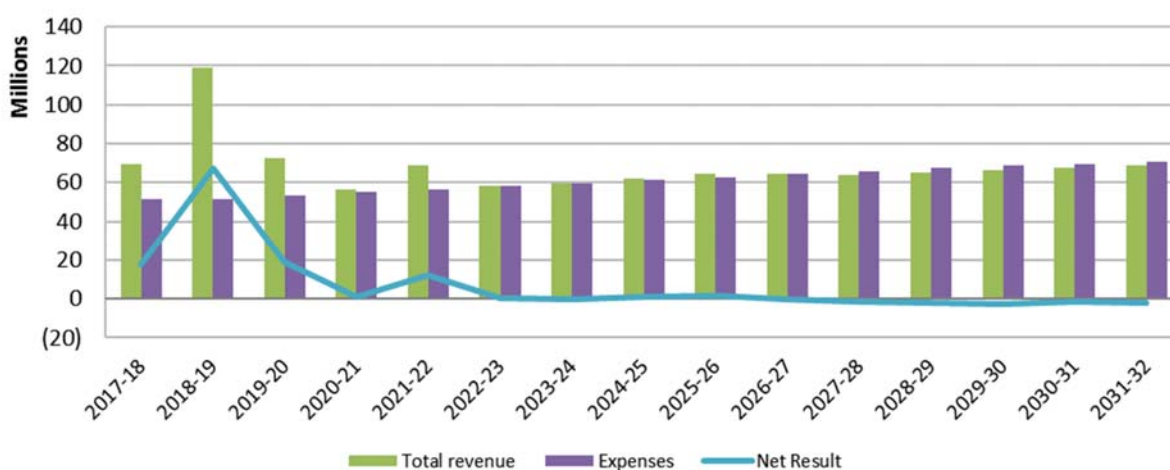
### 7.1 OPERATIONS

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

Large movements in the forecast level of capital grants during the first five years result in corresponding fluctuations in total revenue and the net result. From 2027 to the end of the Plan the net result for the Shire is forecasted to be marginally negative due to a decrease in the forecast level of capital grants and contributions.

The Shire is reliant on receiving more than \$120m over the 15 years in untied operating grants, subsidies and contributions to maintain its current level of operations and services.

#### 7.1.1 FORECAST REVENUE, EXPENSES AND NET RESULT



### 7.2 RATES REVENUE

General rate revenue is forecast to increase by CPI 2% from 2017-18 through to 2031-32. These increases are to assist in the long term financial sustainability of the Shire and to maintain the level of service to the community in the face of forecast reductions in external grants and contributions. Rates are expected to generate \$29.9m in 2017-18, increasing to \$39.4m in 2031-2032. A concession granted to a single ratepayer of \$3.5 million in 2016-17 is forecast to be discontinued.

### 7.3 NON-OPERATING GRANTS AND CONTRIBUTIONS

Non-operating grants and contributions for the renewal of road assets are forecast to continue through the life of the plan and are essential to ensure the appropriate renewal of road assets. Significant grants are expected to be received from community stakeholders for the development of community infrastructure in the district.

## 7.0 OPERATIONS OVERVIEW (Continued)

### 7.4 WORKFORCE PLANNING

The Shire currently employs 154 full time equivalent (FTE) employees to deliver a range of services to the community and maintain existing assets.

The Shire's Workforce Plan has been considered in the development of this LTFP. No financial impacts are expected from the Workforce Plan, with employee costs forecast to rise in line with CPI at 2%.

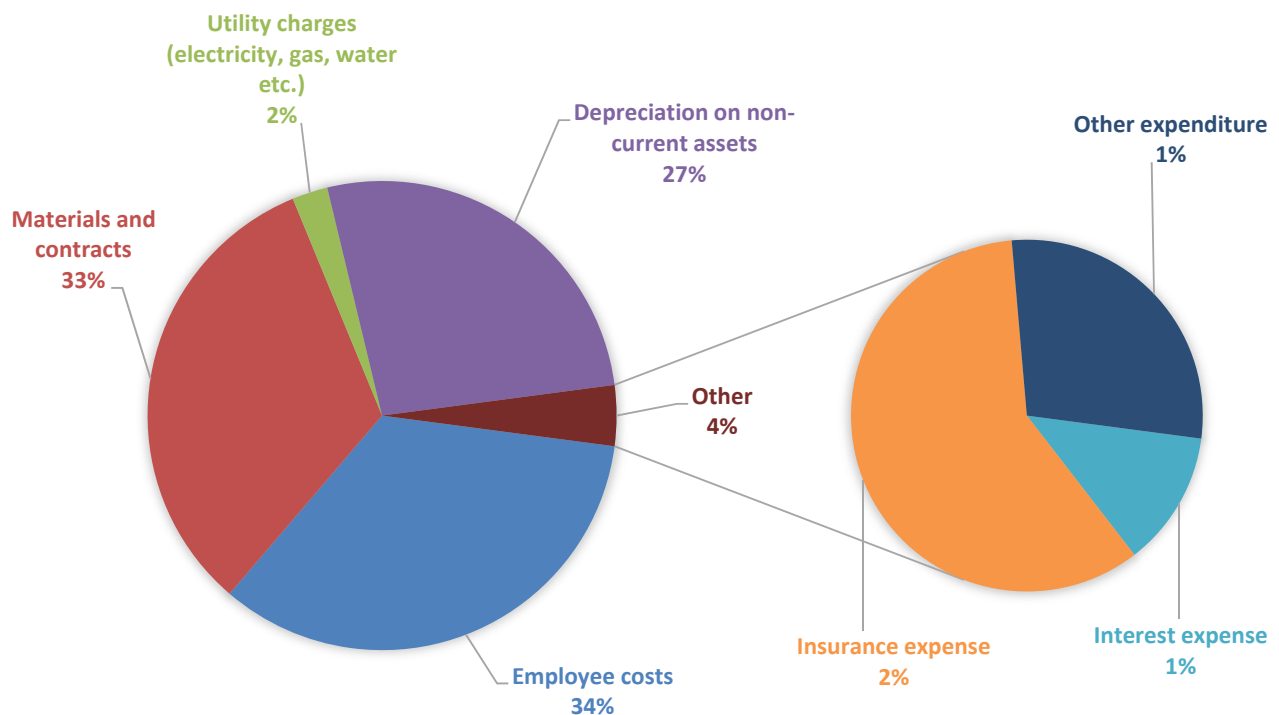
Council encourages a work life balance, multi skilling, flexibility and effective application of staff capability.

### 7.5 OPERATING EXPENDITURE

Over the duration of the Plan the operating expenditure components are forecast to remain relatively stable, with the most significant change in the mix resulting from the decrease in interest expense as borrowings are repaid. An increase in employee costs and materials and contracts have been forecasted in 2020-21 due to the opening of a new waste site and transfer station in Onslow.

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

#### 7.5.1 COMPOSITION OF FORECAST OPERATING EXPENDITURE 2017-18 (TOTAL OPERATING EXPENDITURE \$50.6M)



### 7.6 MAINTENANCE EXPENDITURE

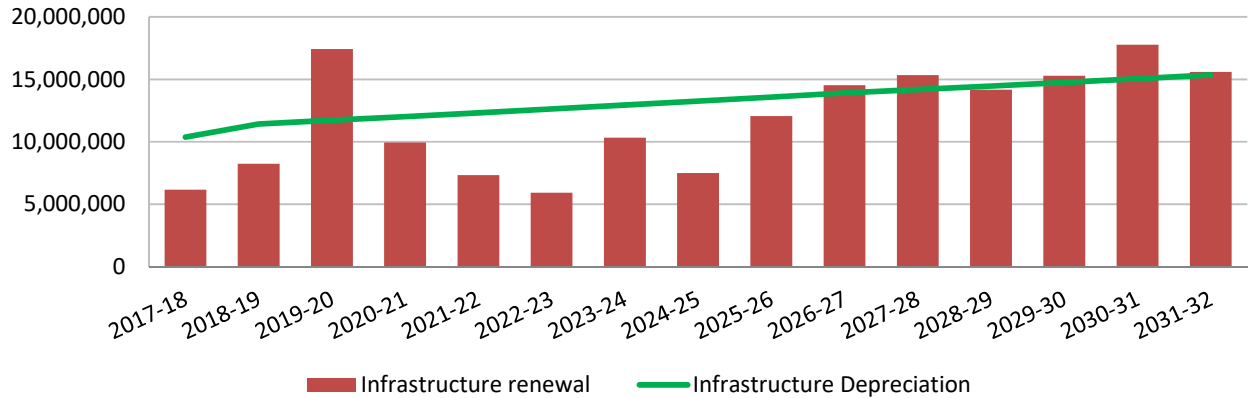
The current maintenance expenditure allocated in the annual operating budget is expected to continue at present levels with inflationary increases occurring each year.

## 7.0 OPERATIONS OVERVIEW (Continued)

### 7.7 DEPRECIATION EXPENSE

Depreciation expense increases throughout the Plan from \$13.5m in year 1 to \$22.7m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$198m, shown by the green line in the chart below. The planned level of infrastructure asset renewal expenditure at \$179m is shown by the red columns in the chart below and is lower than estimated infrastructure depreciation in all years except 2019-20 and the last six years of the Plan.

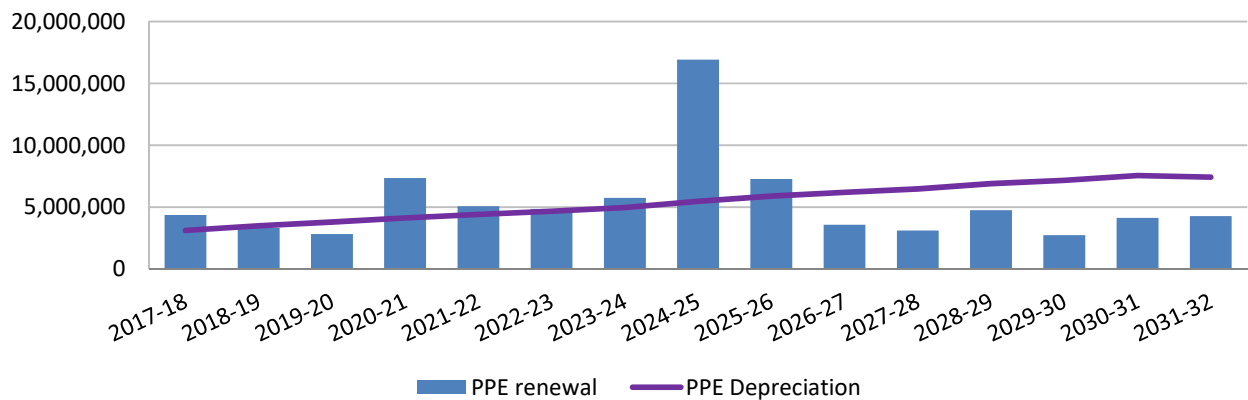
#### 7.7.1 INFRASTRUCTURE DEPRECIATION EXPENSE V ASSET RENEWAL EXPENDITURE



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

Planned Property, Plant and Equipment asset renewals of \$80.4m (reflected by the blue columns) over the 15 years is aligned to depreciation expense of \$82m (reflected by the purple line) over the same period as shown in the chart below.

#### 7.7.2 PROPERTY PLANT AND EQUIPMENT DEPRECIATION EXPENSE V ASSET RENEWAL EXPENDITURE



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



## 8.0 CAPITAL OVERVIEW

### 8.1 COMMUNITY DEMAND

There is community demand to maintain good facilities and for further development of community infrastructure. Under the Goal of 'Quality Services and Infrastructure' the Shire has set the following three desired outcomes within its Strategic Community Plan which reflect the community demand:

- Adequate, accessible and sustainable public infrastructure;
- Transportation into and throughout towns are improved; and
- Distinctive and well-functioning towns.

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

### 8.2 UPGRADE/NEW EXPENDITURE

A large number of new assets are planned to be constructed over the next 15 years in response to demand and need.

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

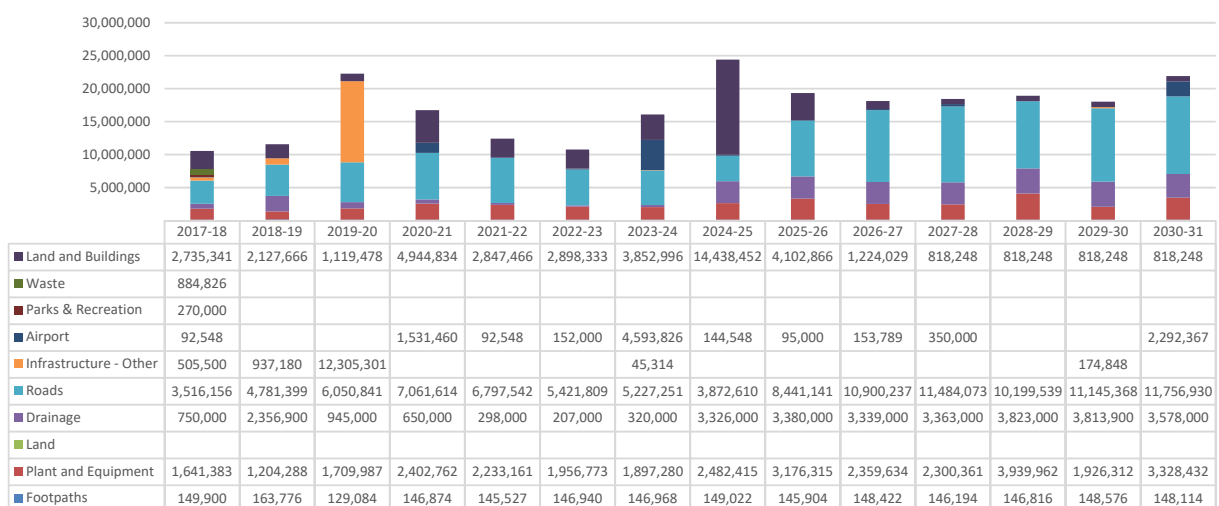
### 8.3 LEVEL OF SERVICE

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

### 8.4 RENEWAL EXPENDITURE

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

#### 8.4.1 PLANNED ASSET RENEWAL EXPENDITURE BY ASSET CLASS

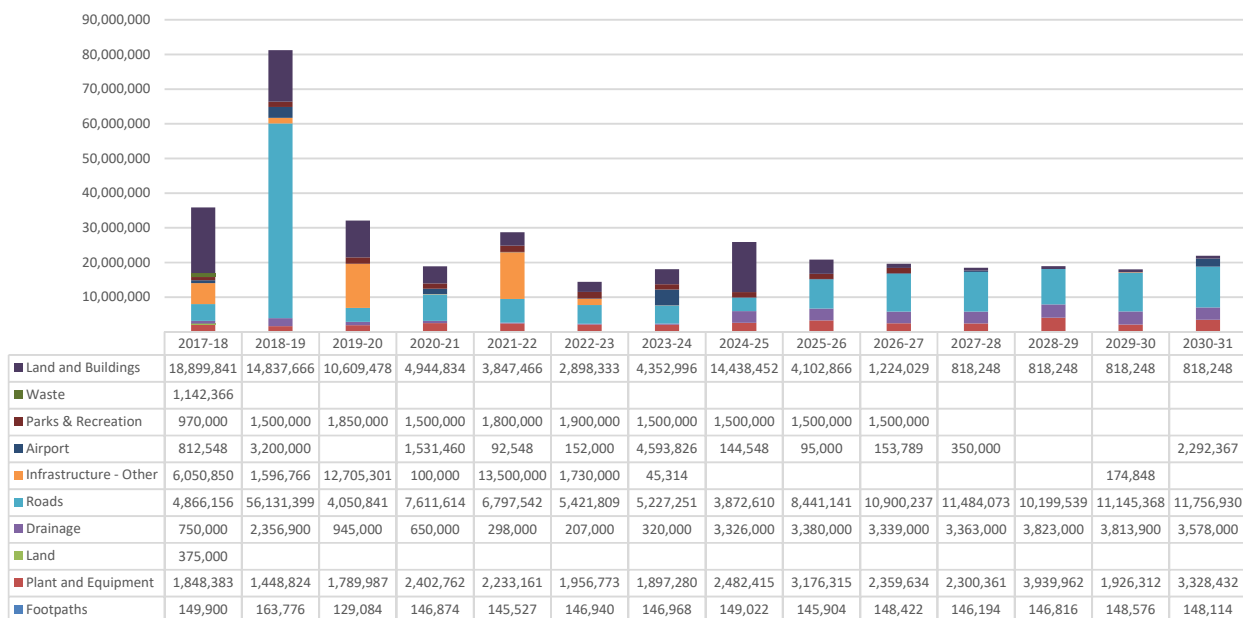


Achieving the planned asset renewals is reliant on continued receipt of grants for the renewal of assets along with grant funding for operations.

## 9.0 FORECAST CAPITAL PROJECTS

### 9.1 PLANNED CAPITAL EXPENDITURE

The chart below sets out the total value of planned capital expenditure as included over the 15 years of the Plan.



The significant road expenditure in 2018-19 includes \$50m for the construction of the Karratha - Tom Price Road, which is entirely grant funded. Like many other new capital projects, should funding not be available, the project will be deferred until funding is available.

Projects with a planned cost greater than \$1m over the 15 years of the Plan are listed on the following page by asset class, along with the forecast grants and contributions required to undertake the capital works.

## 9.0 FORECAST CAPITAL PROJECTS (Continued)

### 9.2 PLANNED CAPITAL PROJECTS GREATER THAN \$1MILLION

PROJECT	CAPITAL EXPENDITURE (15 YEARS) \$	GRANTS/CONTRIBUTIONS (15 YEARS) \$
<b>Airport</b>		
Onslow Airport Renewals	8,405,538	
Tom Price RFDS Airstrip	3,400,000	3,400,000
<b>Drainage</b>		
Drainage	8,250,920	
Drainage Renewals	24,000,000	24,000,000
Tom Price Primary School Drain Upgrade	1,500,000	1,500,000
<b>Footpaths</b>		
Footpaths	2,210,231	
<b>Infrastructure - Other</b>		
New Onslow Waste Management Facility	13,754,826	12,685,000
Onslow Marina	10,685,000	10,685,000
Onslow Town Centre	3,000,000	3,000,000
Onslow Underground Power (PUP)	1,775,000	375,000
<b>Land and Buildings</b>		
Aged Persons Units	2,400,000	2,400,000
Building Renewals	4,931,228	3,000,000
Community Building Renewal Program	9,857,167	
Ocean View Caravan Park Refurbishment Stage 2	2,710,000	
Onslow Infrastructure	4,500,000	4,500,000
Paraburdoo CHUB	15,700,000	11,000,000
Staff Housing	4,861,345	
Staff Housing	2,000,000	
Tom Price Child Care	5,100,000	4,800,000
Tom Price Emergency Services Precinct	6,000,000	6,000,000
Tom Price Youth and Community	7,100,000	5,200,000
Tom Price Admin Office Renewal	13,000,000	
<b>Parks &amp; Recreation</b>		
Projects to be identified	14,200,000	14,200,000
<b>Plant and Equipment</b>		
Park & Playgrounds	10,490,519	
Plant Replacement	25,248,114	
<b>Roads</b>		
Floodway Renewal Program	3,760,000	
Karratha Tom Price Road (KTP3)	50,000,000	50,000,000
Kerb Renewals	2,136,097	
Road Renewals	79,966,083	
Roebourne -Wittenoom Road Reconstruction and Seal	2,700,000	1,800,000
Rural Road Resheeting Program	22,560,000	20,092,690
Sealed Road Renewals	7,345,101	
Unsealed Road Renewals	2,110,400	1,600,000

## 10.0 FINANCING OVERVIEW

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

### 10.1 BORROWINGS

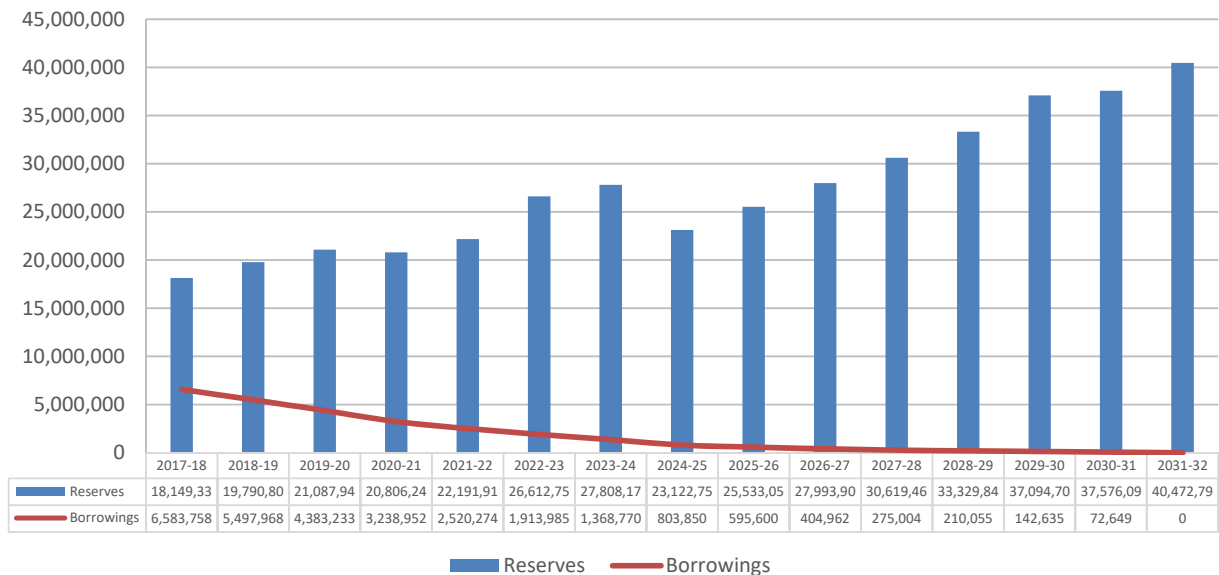
The principal outstanding on borrowings reduces from \$6.6m in 2018-19 through the life of the Plan, with all loans paid out by 30 June 2032.

As existing loans come to an end, no new borrowings have been specifically identified. This provides the Shire with increasing capacity to borrow in reaction to unplanned events or urgent issues over the life of the Plan.

### 10.2 CASH RESERVES

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

#### 10.2.1 FORECAST BORROWINGS AND CASH RESERVES



## 11.0 SCENARIO MODELLING

### 11.1 SCENARIO MODELLING

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

To ascertain the affect of reduced funding levels through scenario modelling, a base scenario was developed with a rate yield increase in line with inflation (2%). Two alternative scenarios were also developed from this base. In scenario one the rates yield increase is 1% above inflation for the life of the Plan and for scenario two the rates yield increase is 0.5% above inflation for the duration of the Plan.

All other assumptions remained the same across the two scenarios.

Over the fifteen years of the Plan the increase in the estimated surplus/(deficit) as a consequence of increased rate revenue is shown in the table at 11.2.

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

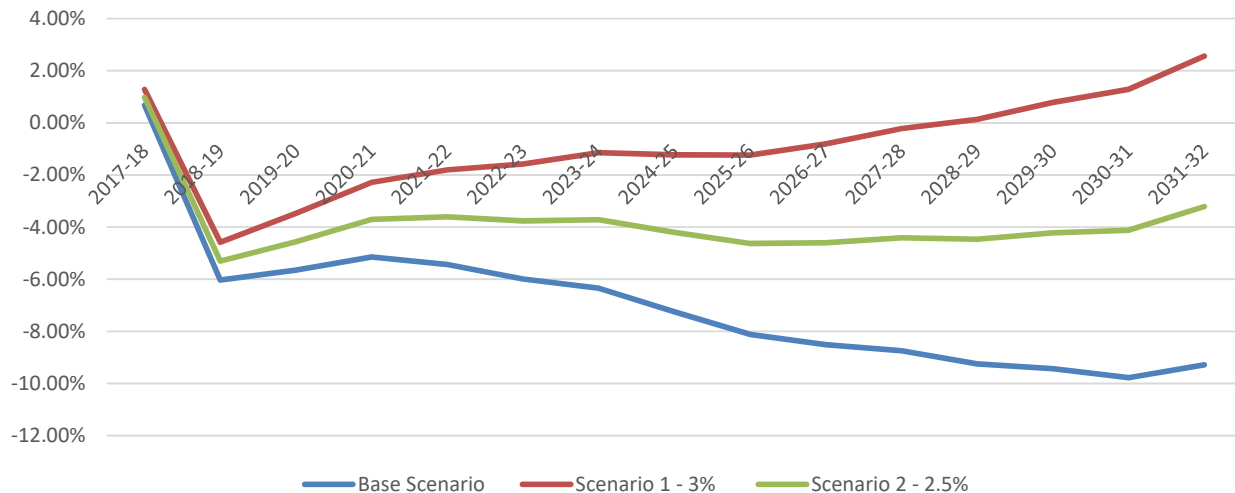
The table below reflects the impact of a change in total rates yield and the total effect of a 3% change in rate yield per annum (other assumptions remaining the same).

### 11.2 ESTIMATED SURPLUS/DEFICIT AT 30 JUNE CARRIED FORWARD

Funding Level	Variance from Base Level in Year 15	Average Variance per Annum
Scenario 1 – 3% Increase	\$46,783,192	\$16,333,769
Scenario 2 – 2.5% Increase	\$22,855,917	\$8,024,208

#### 11.2.1 SCENARIO COMPARISON – OPERATING SURPLUS RATIO

The chart below reflects the impact of the same change in total rates yield on the Operating Surplus Ratio (other assumptions remaining the same). The base scenario was selected despite not achieving an improvement in the operating surplus ratio toward the target ratios levels set out in the Department’s published Advisory Standard.



## 12.0 RISK MANAGEMENT

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### 12.1 RISK MANAGEMENT

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

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

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

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

### 12.2 CERTAINTY OF ASSUMPTIONS

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

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

### 12.3 SENSITIVITY ANALYSIS

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

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

## 13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

### 13.1 REVENUE – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

DISCLOSURE/ASSUMPTION	ASSESSED FINANCIAL RISK	IMPACT OF HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT AND SENSITIVITY FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY/RISK
<b>District Growth in Population:</b> 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.
<b>Rates Level Increase:</b> Annual rates have been based on an increase in the total rate yield of the forecast inflation rate of 2%.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Operating Grants and Contributions:</b> Increases in line with inflation forecast.	High	The road maintenance program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	Medium	± 89,130 to the value of operating grants and contributions per 1% movement in the value in the first year of the Plan.
<b>Non-operating Grants and Contributions:</b> Remain in line with funding requirements identified for various capital works.	High	The capital works program is highly dependent on Government grants and contributions. Change in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	Medium	± \$1,815,725 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
<b>Fees and Charges:</b> Increases in line with inflation forecast.	High	The level of fees and charges is highly dependent on the level of mining (Waste fees) and oil and gas (Airport Fees) activity.	Medium	± \$1,766,220 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
<b>Interest Earnings:</b> Interest earning of an average rate of 2.5% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Other Revenue:</b> Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Profit on Asset Disposal:</b> Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

## 13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (Continued)

### 13.2 EXPENDITURE – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

DISCLOSURE/ASSUMPTION	ASSESSED FINANCIAL RISK	IMPACT OF HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT AND SENSITIVITY FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY/RISK
<b>Employee Costs:</b> Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Materials and Contracts:</b> Increased annually by forecast inflation.	High	The road preservation program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	Medium	± \$2,510,452 to the value of materials and contracts per 1% movement in the value over the life of the Plan.
<b>Depreciation:</b> Depreciation has been calculated using an average depreciation rate based on historical rates.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Insurance:</b> Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Other Expenditure:</b> Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Loss on Asset Disposal:</b> A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan, no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.



## 13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (Continued)

### 13.3 ASSETS – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

DISCLOSURE/ASSUMPTION	ASSESSED FINANCIAL RISK	IMPACT OF HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT AND SENSITIVITY FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY/RISK
<b>Revaluations:</b> In line with annual inflation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation, leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	±\$1,991,463 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$8,677,807 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
<b>Impairment of Assets:</b> No impairment of assets has been assumed over the life of the Plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.	Medium	Unable to be quantified.
<b>Infrastructure Assets:</b> Expenditure has been based on historical levels escalated by inflation.	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	± \$1,815,725 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
<b>Property, Plant and Equipment:</b> Building expenditure is based on the level of available funds and plant expenditure is based on the Plant Replacement Program.	Medium	Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.

## 13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (Continued)

### 13.4 LIABILITIES – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

DISCLOSURE/ASSUMPTION	ASSESSED FINANCIAL RISK	IMPACT OF HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT AND SENSITIVITY FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY/RISK
<b>Borrowings:</b> No New borrowings have been considered for capital works.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Employee Entitlements:</b> It has been assumed the Shire will be in a position to meet its obligations in relation to employee entitlements.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

## 13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (Continued)

### 13.5 EQUITY RISKS, UNCERTAINTIES AND SENSITIVITY

DISCLOSURE/ASSUMPTION	ASSESSED FINANCIAL RISK	IMPACT OF HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT AND SENSITIVITY FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY
<b>Cash Backed Reserves:</b> It has been assumed the Shire will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Revaluation Surplus:</b> Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluations of assets will have no impact on Cashflows.	High	±\$1,991,463 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$8,677,807 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

## 13.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (Continued)

### 13.6 OTHER – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

DISCLOSURE/ASSUMPTION	ASSESSED FINANCIAL RISK	IMPACT OF HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT AND SENSITIVITY FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY/RISK
<b>Ownership of Strategic Assets:</b> The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
<b>Inflators:</b> Forecast inflation at 2% per annum.	Medium	Not assessed as high financial risk.	High	± \$8,450,366 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$8,973,638 to operating expenditure per 1% movement in the inflators over the life of the Plan.
<b>Commercial Activities:</b> The Shire has no plans to undertake a significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>General Economic Forecasts for State:</b> The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain volatile with a corresponding volatility of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>General Economic Forecasts for Region:</b> The region's economy is heavily dependent on mining. This remains the assumption for the term of this Plan.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

## 14.0 MONITORING AND PERFORMANCE

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### 14.1 MONITORING

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

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

### 14.2 PERFORMANCE ASSESSMENT

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

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

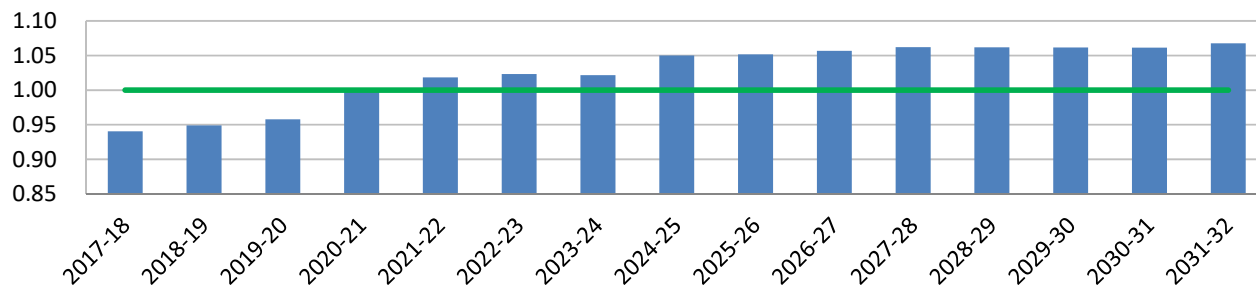
Graphs of these financial ratios are presented on the following pages together with the formula used to calculate the ratio, a brief description of what the ratio indicates and an assessment of the impact of the ratio on the Shire's finances in the future.

### 14.3 RATIO TARGETS

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

## 14.0 MONITORING AND PERFORMANCE (Continued)

### 14.4 FORECAST RATIO ANALYSIS – CURRENT RATIO

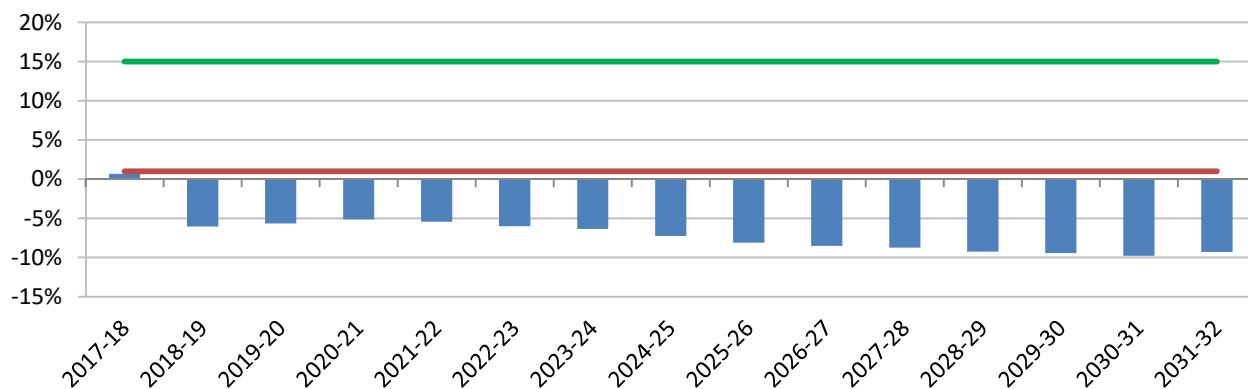


$$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets minus current liabilities associated with long term borrowings}}$$

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

**Commentary:** A Shire with a forecast balanced funding surplus position and current borrowing liabilities, will have a ratio less than 1.0. Maintaining a surplus of \$0.85m each year results in ratio which is initially below 1, as borrowings are settled the ratio improves to above the target of 1. The target is not considered to indicate a threat to the Shire’s long term financial position as it only measures short term liquidity.

### 14.5 FORECAST RATIO ANALYSIS – OPERATING SURPLUS RATIO



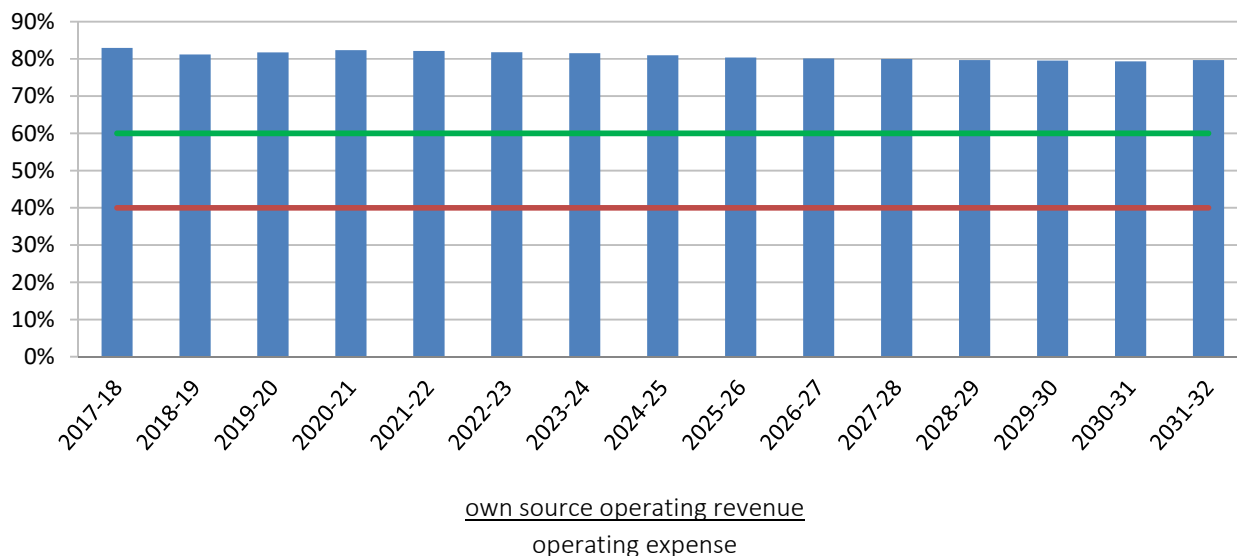
$$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$$

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

**Commentary:** As the Shire receives grant funding for the renewal of assets a negative ratio is not viewed as an adverse position. The ratio decreases in the second year due to increased depreciation expense from new assets and a decrease in fees and charges. The ratio then improves for three years before the increase in depreciation expense exceeds the growth in operating revenue as new assets are constructed. When examined in conjunction with the asset ratios, the ratio indicates the level of depreciation expense exceeds the level of required asset renewals and requires further detailed analysis.

## 14.0 MONITORING AND PERFORMANCE (Continued)

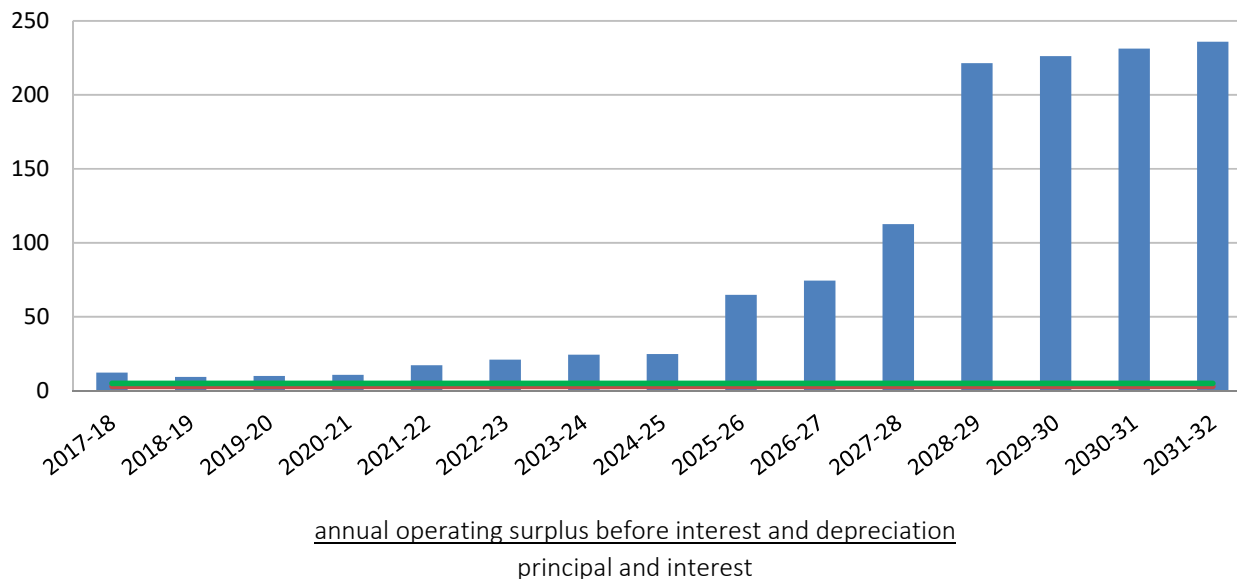
### 14.6 FORECAST RATIO ANALYSIS – OWN SOURCE REVENUE COVERAGE RATIO



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

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

### 14.7 FORECAST RATIO ANALYSIS – DEBT SERVICE COVERAGE RATIO

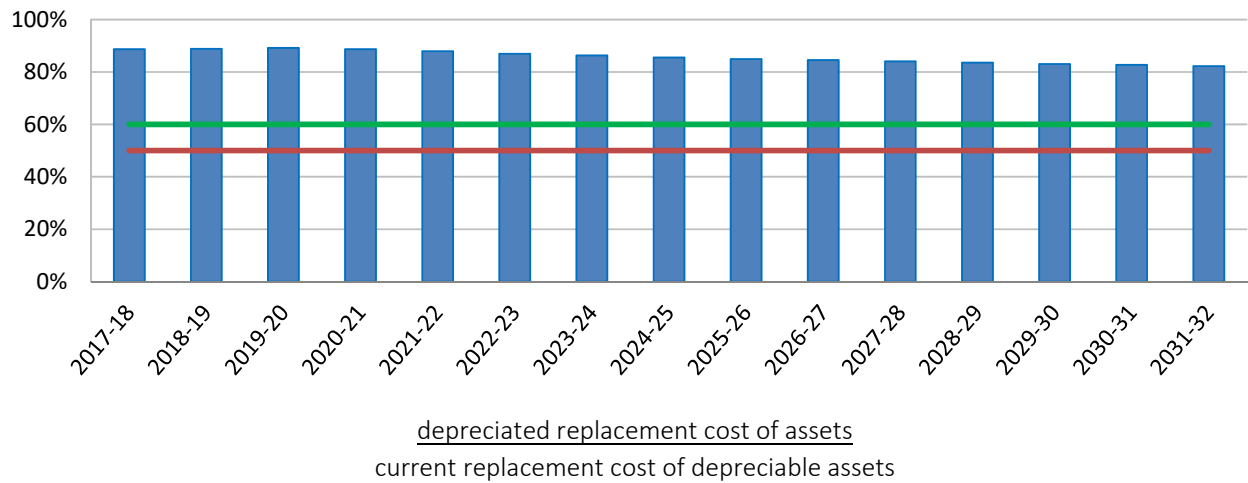


**Indication:** A measure of the extent of the Shire’s capacity to generate sufficient cash to cover debt payments.

**Commentary:** The ratio is in the advanced range dropping to its lowest level of 9.41 in 2018-19 before improving over time as existing borrowings are paid off. This indicates the Shire has some capacity to borrow in the short term with increasing capacity from year 5 onwards.

## 14.0 MONITORING AND PERFORMANCE (Continued)

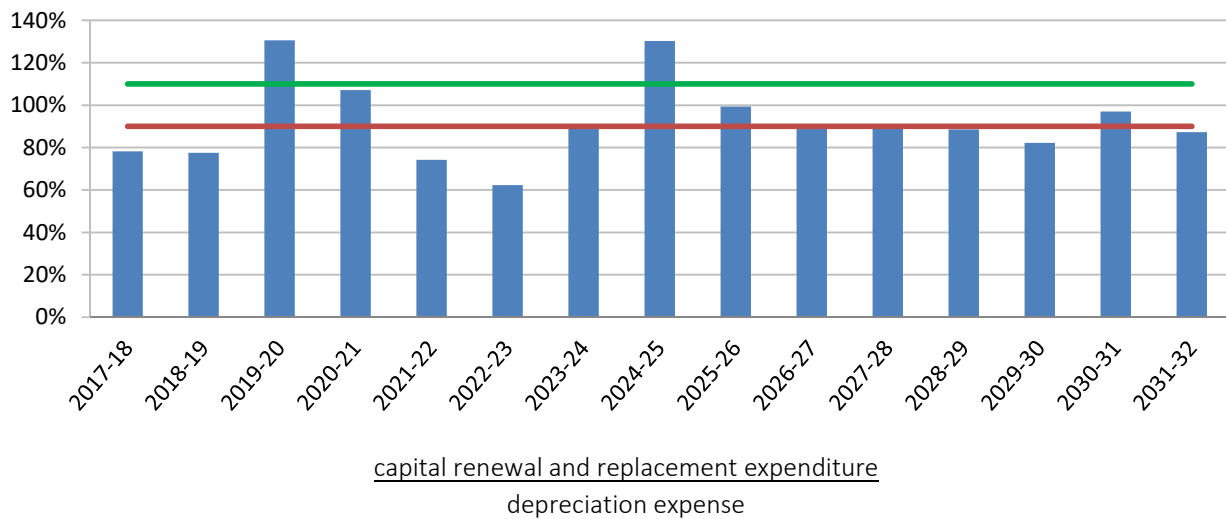
### 14.8 FORECAST RATIO ANALYSIS – ASSET CONSUMPTION RATIO



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

**Commentary:** The ratio is above the target range indicating the majority of assets are relatively new. Unfortunately, this ratio is somewhat distorted by a lack of information on the Current Replacement Cost of assets. The true level of the ratio is unknown without this information however, importantly the ratio is maintained throughout the Plan.

### 14.9 FORECAST RATIO ANALYSIS –ASSET SUSTAINABILITY RATIO



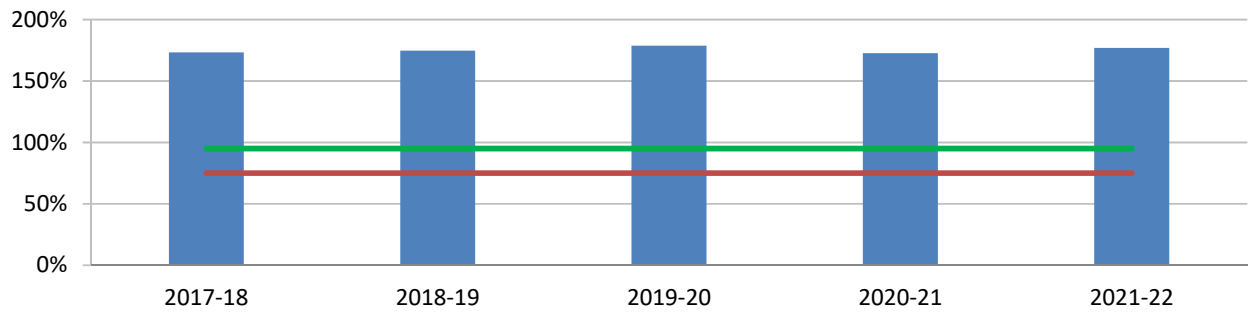
**Indication:** A measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives.

**Commentary:** The ratio highlights asset renewal expenditure relative to depreciation and fluctuates as expected. The ratio averages at 92.25% over the term of the Plan which is within the guideline level and indicates the Shire is able to renew assets in line with their forecast useful lives.



## 14.0 MONITORING AND PERFORMANCE (Continued)

### 14.10 FORECAST RATIO ANALYSIS – ASSET RENEWAL FUNDING RATIO



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

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

**Commentary:** The ratio indicates the planned asset renewals are greater than the required asset renewals detailed within the Shire’s asset management plans. When considered in conjunction with the other ratios it highlights the lack of alignment between the depreciation expense within the Long Term Financial Plan and the required asset renewals within the Asset Management Plans.

## APPENDIX B1 – FORECAST FINANCIAL STATEMENTS

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### FINANCIAL STATEMENTS

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

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

### STATEMENTS OF COMPREHENSIVE INCOME

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

### STATEMENT OF FINANCIAL POSITION

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

### STATEMENT OF CHANGES IN EQUITY

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

### STATEMENT OF CASHFLOWS

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

### STATEMENT OF FUNDING

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

### STATEMENT OF NET CURRENT ASSET COMPOSITION

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

### STATEMENT OF FIXED ASSET MOVEMENTS

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

### STATEMENT OF FIXED ASSET FUNDING

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

### FORECAST RATIOS

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

### NATURE OR TYPE

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

## APPENDIX 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 are used in the Plan to represent these services.

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

Objectives	Services
<b>Recreation and culture</b>	Public halls, civic centre Swimming areas and beaches Other recreation and sport Television and radio re-broadcasting Libraries Other culture
<b>Transport</b>	Streets, roads, bridges, depots <ul style="list-style-type: none"> <li>- Construction (not capitalised)</li> <li>- Maintenance</li> </ul> Road plant purchase (if not capitalised) Parking facilities Traffic control Aerodromes Water transport facilities
<b>Economic services</b>	Rural services Tourism and area promotion Building control Other economic services
<b>Other property and services</b>	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 2017-2032

	2013-14	2014-15	2015-16	Base	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>																		
Rates	24,562,810	24,432,503	23,976,190	25,857,134	29,874,277	30,471,763	31,081,199	31,702,824	32,336,881	32,983,618	33,643,292	34,316,158	35,002,481	35,702,530	36,416,580	37,144,914	37,887,812	38,645,569
Operating grants, subsidies and contributions	4,245,291	10,159,670	6,496,383	7,257,094	8,913,056	7,050,116	7,129,917	7,272,517	7,417,968	7,566,326	7,717,652	7,872,004	8,029,442	8,190,036	8,353,837	8,520,916	8,691,339	8,865,169
Fees and charges	19,110,703	14,337,181	15,553,512	13,868,650	10,460,768	9,178,923	9,962,496	10,961,741	11,180,969	11,404,584	11,632,680	11,865,334	12,102,644	12,344,708	12,591,601	12,843,429	13,100,304	13,362,310
Service charges	0	0	0	0	250,000	505,000	765,100	1,030,402	1,051,010	1,072,030	1,093,471	1,115,340	1,137,647	1,160,400	1,183,608	1,207,280	1,231,426	1,256,055
Interest earnings	395,079	1,056,050	702,494	452,724	392,591	390,322	414,944	434,402	430,175	450,960	517,272	535,205	464,924	501,078	537,990	577,372	618,030	674,504
Other revenue	5,297,195	478,081	737,162	464,417	473,706	483,180	492,843	502,698	512,753	523,008	533,469	544,138	555,021	566,121	577,445	588,995	600,777	612,794
	53,611,078	50,463,485	47,465,741	47,900,019	50,364,398	48,079,304	49,846,499	51,904,584	52,929,756	54,000,526	55,137,836	56,248,179	57,292,159	58,464,873	59,661,061	60,882,906	62,129,688	63,416,401
<b>Expenses</b>																		
Employee costs	(12,123,340)	(13,825,631)	(15,653,564)	(18,283,757)	(17,285,518)	(17,743,615)	(18,105,048)	(19,317,153)	(19,703,488)	(20,097,545)	(20,499,491)	(20,909,468)	(21,327,661)	(21,754,234)	(22,189,327)	(22,633,108)	(23,085,760)	(23,547,502)
Materials and contracts	(13,004,881)	(15,079,945)	(20,262,640)	(20,304,515)	(16,446,888)	(14,491,103)	(15,231,031)	(15,325,622)	(15,530,087)	(15,892,656)	(16,210,534)	(16,534,714)	(16,865,385)	(17,202,756)	(17,546,829)	(17,897,756)	(18,255,730)	(18,620,886)
Utility charges (electricity, gas, water etc.)	(880,107)	(863,963)	(866,520)	(1,216,529)	(1,240,858)	(1,241,660)	(1,263,470)	(1,288,729)	(1,314,492)	(1,340,776)	(1,367,610)	(1,394,969)	(1,422,872)	(1,451,326)	(1,480,368)	(1,509,969)	(1,540,170)	(1,570,993)
Depreciation on non-current assets	(7,843,834)	(9,848,414)	(13,313,208)	(13,108,550)	(13,492,989)	(14,922,852)	(15,518,540)	(16,140,096)	(16,733,326)	(17,315,845)	(17,914,054)	(18,740,706)	(19,473,730)	(20,099,204)	(20,660,915)	(21,371,643)	(21,931,747)	(22,609,804)
Interest expense	(203,448)	(192,457)	(245,026)	(252,491)	(263,237)	(265,849)	(215,321)	(164,192)	(116,198)	(90,602)	(68,270)	(48,565)	(30,991)	(21,885)	(13,658)	(9,761)	(7,290)	(4,724)
Insurance expense	(1,062,522)	(1,293,405)	(1,258,783)	(1,225,721)	(1,250,239)	(1,275,253)	(1,300,761)	(1,326,774)	(1,353,312)	(1,380,385)	(1,407,999)	(1,436,158)	(1,464,881)	(1,494,184)	(1,524,076)	(1,554,565)	(1,585,653)	(1,617,366)
Other expenditure	(391,431)	(621,608)	(814,516)	(590,685)	(602,501)	(614,551)	(626,840)	(639,375)	(652,164)	(665,205)	(678,517)	(692,092)	(705,941)	(720,059)	(734,457)	(749,141)	(764,128)	(779,412)
	(35,509,563)	(41,725,423)	(52,414,257)	(54,982,248)	(50,582,230)	(50,554,883)	(52,261,011)	(54,201,941)	(55,403,067)	(56,783,014)	(58,146,475)	(59,756,672)	(61,291,461)	(62,743,648)	(64,149,630)	(65,725,943)	(67,170,478)	(68,750,687)
	18,101,515	8,738,062	(4,948,516)	(7,082,229)	(217,832)	(2,475,579)	(2,414,512)	(2,297,357)	(2,473,311)	(2,782,488)	(3,008,639)	(3,508,493)	(3,999,302)	(4,278,775)	(4,488,569)	(4,843,037)	(5,040,790)	(5,334,286)
Non-operating grants, subsidies and contributions	19,997,557	14,663,290	20,526,836	21,840,817	18,767,690	71,251,667	20,850,000	5,368,142	15,835,000	4,350,000	4,350,000	5,850,000	7,350,000	5,850,000	4,350,000	4,350,000	4,350,000	4,350,000
Profit on disposal of assets	4,181,158	36,130	1,009	9,200	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(229,177)	(3,685,912)	(1,022,471)	(100,266)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>NET RESULT</b>	42,051,053	19,751,570	14,556,858	14,667,522	19,049,858	68,776,088	18,435,488	3,070,785	13,361,689	1,567,512	1,341,361	2,341,507	3,350,698	1,571,225	(138,569)	(493,037)	(690,790)	(984,286)
<b>Other Comprehensive Income</b>	681,905	0	(5,571,152)	0	13,140,337	13,856,356	15,450,752	16,080,615	16,443,116	17,000,887	17,271,901	17,606,961	18,090,292	18,467,782	18,814,221	19,130,516	19,452,355	19,746,851
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>42,732,958</b>	<b>19,751,570</b>	<b>8,985,706</b>	<b>14,667,522</b>	<b>32,190,195</b>	<b>82,632,444</b>	<b>33,886,240</b>	<b>19,151,400</b>	<b>29,804,805</b>	<b>18,568,399</b>	<b>18,613,262</b>	<b>19,948,468</b>	<b>21,440,990</b>	<b>20,039,007</b>	<b>18,675,652</b>	<b>18,637,479</b>	<b>18,761,565</b>	<b>18,762,565</b>

# APPENDIX B3 – FORECAST STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM 2017-2032

	2013-14	2014-15	2015-16	Base	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>																				
Governance	5,129,459	789,542	1,207,513	879,448	4,059,107	4,140,289	4,223,093	4,307,554	4,393,705	4,481,579	4,571,212	4,662,636	4,755,889	4,851,007	4,948,027	5,046,988	5,147,927	5,250,884	5,355,902	
General purpose funding	27,228,806	32,658,940	26,999,898	30,787,292	31,336,400	31,953,008	32,608,883	33,272,221	33,924,750	34,615,426	35,365,028	36,079,916	36,720,531	37,481,798	38,258,326	39,052,117	39,862,271	40,703,631	41,511,433	
Law, order, public safety	130,386	128,900	118,855	123,219	125,684	128,198	130,763	133,377	136,044	138,764	141,539	144,369	147,257	150,204	153,210	156,275	159,401	162,590	165,843	
Health	252,112	266,262	328,473	234,182	233,666	238,340	243,107	247,969	252,929	257,988	263,148	268,411	273,779	279,255	284,840	290,537	296,347	302,275	308,319	
Education and welfare	130,948	183,130	145,577	139,050	130,431	131,839	73,276	74,742	76,237	77,762	79,318	80,904	82,522	84,173	85,856	87,573	89,325	91,112	92,934	
Housing	309,807	323,341	424,767	468,622	484,994	494,694	504,589	514,681	524,975	535,474	546,184	557,106	568,248	579,613	591,206	603,029	615,090	627,391	639,940	
Community amenities	3,987,246	4,296,025	4,504,143	4,038,355	4,473,822	5,163,299	5,866,565	6,783,898	6,919,577	7,057,970	7,199,130	7,343,113	7,489,973	7,639,772	7,792,567	7,948,418	8,107,388	8,269,536	8,434,929	
Recreation and culture	1,377,017	1,315,568	1,268,620	1,215,897	1,210,832	1,235,041	1,259,737	1,284,927	1,310,619	1,336,827	1,363,567	1,390,840	1,418,654	1,447,037	1,475,975	1,505,491	1,535,605	1,566,318	1,597,644	
Transport	6,628,413	6,676,260	10,064,397	7,620,580	6,409,371	2,406,504	2,454,632	2,503,726	2,553,802	2,604,877	2,656,974	2,710,113	2,764,316	2,819,603	2,875,995	2,933,515	2,992,187	3,052,032	3,113,073	
Economic services	6,375,161	3,346,910	2,094,807	2,118,787	1,645,963	1,928,881	2,217,459	2,511,807	2,562,041	2,613,281	2,665,547	2,718,858	2,773,239	2,828,705	2,885,279	2,942,987	3,001,851	3,061,890	3,123,128	
Other property and services	2,061,723	478,607	309,005	274,587	254,128	259,211	264,395	269,682	275,077	280,578	286,189	291,913	297,751	303,706	309,780	315,976	322,296	328,742	335,317	
	53,611,078	50,463,485	47,466,055	47,900,019	50,364,398	48,079,304	49,846,499	51,904,584	52,929,756	54,000,526	55,137,836	56,248,179	57,292,159	58,464,873	59,661,061	60,882,906	62,129,688	63,416,401	64,678,462	
<b>Expenses Excluding Finance Costs</b>																				
Governance	(4,217,807)	(5,249,804)	(6,044,929)	(7,162,044)	(5,907,525)	(5,974,019)	(6,121,534)	(6,250,269)	(6,380,756)	(6,513,394)	(6,648,776)	(6,791,259)	(6,934,351)	(7,077,832)	(7,222,631)	(7,373,122)	(7,523,279)	(7,678,601)	(7,826,489)	
General purpose funding	(125,958)	(1,346,947)	(104,633)	(52,330)	(53,377)	(54,444)	(55,532)	(56,642)	(57,774)	(58,929)	(60,107)	(61,310)	(62,536)	(63,787)	(65,063)	(66,365)	(67,693)	(69,047)	(70,428)	
Law, order, public safety	(1,030,751)	(855,318)	(873,292)	(1,035,639)	(1,056,806)	(1,082,240)	(1,104,993)	(1,128,242)	(1,151,809)	(1,175,754)	(1,200,209)	(1,225,944)	(1,251,786)	(1,277,702)	(1,303,851)	(1,331,033)	(1,358,144)	(1,386,201)	(1,412,888)	
Health	(765,678)	(652,100)	(643,956)	(996,168)	(975,341)	(995,301)	(1,015,325)	(1,085,752)	(1,005,574)	(1,077,802)	(1,099,458)	(1,121,630)	(1,144,202)	(1,167,178)	(1,190,583)	(1,214,514)	(1,238,855)	(1,263,728)	(1,288,893)	
Education and welfare	(393,449)	(365,777)	(342,942)	(1,063,553)	(442,379)	(452,688)	(462,118)	(471,753)	(481,532)	(491,475)	(501,623)	(512,246)	(522,943)	(533,700)	(544,577)	(555,843)	(567,127)	(578,770)	(589,992)	
Housing	(560,355)	(879,278)	(707,262)	(937,440)	(958,406)	(998,590)	(1,023,909)	(1,050,019)	(1,075,905)	(1,101,909)	(1,128,537)	(1,159,593)	(1,189,272)	(1,217,336)	(1,244,591)	(1,274,846)	(1,302,732)	(1,333,147)	(1,354,740)	
Community amenities	(5,009,724)	(6,040,767)	(13,002,260)	(9,950,704)	(9,090,616)	(9,280,291)	(9,967,914)	(10,759,384)	(10,976,400)	(11,197,602)	(11,423,263)	(11,654,904)	(11,890,427)	(12,129,837)	(12,373,516)	(12,623,007)	(12,876,368)	(13,135,530)	(13,396,339)	
Recreation and culture	(5,794,376)	(7,859,368)	(8,632,440)	(10,421,705)	(11,114,002)	(11,463,249)	(11,725,030)	(11,993,577)	(12,263,025)	(12,535,393)	(12,813,683)	(13,121,198)	(13,422,835)	(13,717,166)	(14,009,005)	(14,321,748)	(14,622,721)	(14,941,407)	(15,209,566)	
Transport	(8,188,258)	(9,732,805)	(15,681,029)	(15,091,962)	(17,548,788)	(16,813,148)	(17,380,139)	(17,965,574)	(18,531,563)	(19,091,617)	(19,665,973)	(20,417,264)	(21,099,386)	(21,701,759)	(22,257,876)	(22,930,416)	(23,490,429)	(24,143,240)	(24,411,862)	
Economic services	(3,255,017)	(6,019,286)	(3,652,653)	(4,445,251)	535,871	540,394	649,616	660,951	672,732	684,869	697,223	708,670	720,932	734,084	747,905	761,279	775,793	790,023	807,318	
Other property and services	(5,964,742)	(2,531,516)	(2,483,836)	(3,572,961)	(3,707,624)	(3,715,458)	(3,838,812)	(3,937,488)	(4,035,263)	(4,133,406)	(4,233,799)	(4,351,429)	(4,463,664)	(4,569,550)	(4,672,184)	(4,786,567)	(4,891,633)	(5,006,315)	(5,086,722)	
	(35,306,115)	(41,532,966)	(52,169,232)	(54,729,757)	(50,318,993)	(50,289,034)	(52,045,690)	(54,037,749)	(55,286,869)	(56,692,412)	(58,078,205)	(59,708,107)	(61,260,470)	(62,721,763)	(64,135,972)	(65,716,182)	(67,163,188)	(68,745,963)	(69,840,601)	
<b>Finance Costs</b>																				
Governance	0	0	0	0	(31,643)	(30,004)	(28,303)	(26,537)	(24,703)	(22,800)	(20,825)	(18,774)	(16,646)	(14,436)	(12,142)	(9,761)	(7,290)	(4,724)	(2,061)	
Housing	0	(140,728)	(120,990)	(120,676)	(167,853)	(138,949)	(108,580)	(76,666)	(48,132)	(33,508)	(19,481)	(8,471)	0	0	0	0	0	0	0	
Community amenities	(163,905)	(15,898)	(95,294)	(107,297)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Recreation and culture	0	(11,212)	(9,006)	(7,339)	(52,473)	(86,627)	(69,231)	(52,914)	(36,492)	(28,706)	(23,741)	(18,550)	(13,123)	(7,449)	(1,516)	0	0	0	0	
Transport	(11,048)	(24,619)	(19,736)	(17,179)	(11,268)	(10,269)	(9,207)	(8,075)	(6,871)	(5,588)	(4,223)	(2,770)	(1,222)	0	0	0	0	0	0	
	(203,448)	(192,457)	(245,026)	(252,491)	(263,237)	(265,849)	(215,321)	(164,192)	(116,198)	(90,602)	(68,270)	(48,565)	(30,991)	(21,885)	(13,658)	(9,761)	(7,290)	(4,724)	(2,061)	
<b>Non Operating Grants, Subsidies and Contributions</b>																				
Governance	0	0	0	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Law, order, public safety	422,658	0	0	0	0	6,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
Health	0	0	20,526,836	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Education and welfare	1,500,000	1,923,652	0	500,000	0	0	5,200,000	0	0	0	0	0	0	0	0	0	0	0	0	
Housing	0	0	0	0	0	1,200,000	1,200,000	0	0	0	0	0	0	0	0	0	0	0	0	
Community amenities	300,927	1,074,568	0	175,188	800,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Recreation and culture	4,185,954	874,977	0	15,082,000	12,250,000	6,866,667	1,500,000	1,718,142	1,500,000	1,500,000	3,000,000	1,500,000	3,000,000	1,500,000	0	0	0	0	0	
Transport	13,568,018	10,790,093	0	4,183,629	5,717,690	57,185,000	12,950,000	3,650,000	14,335,000	2,850,000	1,350,000	4,350,000	4,350,000	4,350,000	4,350,000	4,350,000	4,350,000	4,350,000	4,350,000	
Economic services	20,000	0	0	900,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	19,997,557	14,663,290	20,526,836	21,840,817	18,767,690	71,251,667	20,850,000	5,368,142	15,835,000	4,350,000	4,350,000	5,850,000	7,350,000	5,850,000	4,350,000	4,350,000	4,350,000	4,350,000	4,350,000	
<b>Profit/(Loss) on Disposal of Assets</b>	3,951,981	( 3,649,782)	( 1,021,775)	( 91,066)	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>NET RESULT</b>	42,051,053	19,751,570	14,556,858	14,667,522	19,049,858	68,776,088	18,435,488	3,070,785	13,361,689	1,567,512	1,341,361	2,341,507	3,350,698	1,571,225	( 138,569)	( 493,037)	( 690,790)	( 984,286)	( 814,200)	
<b>Other Comprehensive Income</b>	681,905	0	( 5,571,152)	0	13,140,337	13,856,356	15,450,752	16,080,615	16,443,116	17,000,887	17,271,901	17,606,961	18,090,292	18,467,782	18,814,221	19,130,516	19,452,355	19,746,851	20,981,177	
<b>TOTAL COMPREHENSIVE INCOME</b>	42,732,958	19,751,570	8,985,706	14,667,522	32,190,195	82,632,444	33,886,240	19,151,400	29,804,805	18,568,399	18,613,262	19,948,468	21,440,990	20,039,007	18,675,652	18,637,479	18,761,565	18,762,565	20,166,977	

## APPENDIX B4 – FORECAST STATEMENT OF FINANCIAL POSITION 2017-2032

	2014	2015	2016	Base	30 June 18	30 June 19	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CURRENT ASSETS</b>																			
Unrestricted Cash and Equivalents	10,428,231	8,859,194	12,483,338	7,022,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126
Restricted Cash and Cash Equivalent	23,848,396	36,498,051	28,464,923	19,150,538	18,149,337	19,790,802	21,087,947	20,806,245	22,191,910	26,612,750	27,808,170	23,122,750	25,533,057	27,993,907	30,619,461	33,329,849	37,094,707	37,576,096	40,472,796
Trade and Other Receivables	4,803,719	4,557,206	6,866,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484
Inventories	197,818	100,779	170,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857
<b>TOTAL CURRENT ASSETS</b>	<b>39,278,164</b>	<b>50,015,230</b>	<b>47,985,602</b>	<b>31,712,005</b>	<b>31,560,804</b>	<b>33,202,269</b>	<b>34,499,414</b>	<b>34,217,712</b>	<b>35,603,377</b>	<b>40,024,217</b>	<b>41,219,637</b>	<b>36,534,217</b>	<b>38,944,524</b>	<b>41,405,374</b>	<b>44,030,928</b>	<b>46,741,316</b>	<b>50,506,174</b>	<b>50,987,563</b>	<b>53,884,263</b>
<b>NON-CURRENT ASSETS</b>																			
Property Plant and Equipment	86,388,003	89,790,419	107,439,122	128,294,152	145,989,679	160,555,900	170,950,062	176,167,283	179,747,865	182,079,383	185,550,643	199,105,756	202,954,835	202,917,186	202,039,947	202,226,347	200,342,390	199,206,483	199,146,324
Infrastructure	142,036,855	554,852,130	563,653,088	574,890,940	590,755,298	656,094,266	677,174,464	690,246,064	714,365,944	725,575,696	738,977,063	749,490,918	764,464,272	781,889,440	798,686,819	814,362,561	831,175,805	850,522,902	867,780,689
<b>TOTAL NON-CURRENT ASSETS</b>	<b>228,830,514</b>	<b>645,157,882</b>	<b>671,680,910</b>	<b>704,313,792</b>	<b>737,873,677</b>	<b>817,778,866</b>	<b>849,253,226</b>	<b>867,542,047</b>	<b>895,242,509</b>	<b>908,783,779</b>	<b>925,656,406</b>	<b>949,725,374</b>	<b>968,547,807</b>	<b>985,935,326</b>	<b>1,001,855,466</b>	<b>1,017,717,608</b>	<b>1,032,646,895</b>	<b>1,050,858,085</b>	<b>1,068,055,713</b>
<b>TOTAL ASSETS</b>	<b>268,108,678</b>	<b>695,173,112</b>	<b>719,666,512</b>	<b>736,025,797</b>	<b>769,434,481</b>	<b>850,981,135</b>	<b>883,752,640</b>	<b>901,759,759</b>	<b>930,845,886</b>	<b>948,807,996</b>	<b>966,876,043</b>	<b>986,259,591</b>	<b>1,007,492,331</b>	<b>1,027,340,700</b>	<b>1,045,886,394</b>	<b>1,064,458,924</b>	<b>1,083,153,069</b>	<b>1,101,845,648</b>	<b>1,121,939,976</b>
<b>CURRENT LIABILITIES</b>																			
Trade and Other Payables	4,698,812	6,651,075	11,010,267	12,561,467	12,561,467	12,561,467	12,561,467	12,561,467	12,561,467	12,561,467	12,561,467	12,561,467	12,561,467	12,561,467	12,561,467	12,561,467	12,561,467	12,561,467	12,561,467
Current Portion of Long-term Liabilities	1,540,356	5,381,800	4,123,970	144,118	1,085,790	1,114,735	1,144,281	718,678	606,289	545,215	564,920	208,250	190,638	129,958	64,949	67,420	69,986	72,649	0
Provisions	875,693	1,098,506	1,098,506	1,098,506	1,098,506	1,098,506	1,098,506	1,098,506	1,098,506	1,098,506	1,098,506	1,098,506	1,098,506	1,098,506	1,098,506	1,098,506	1,098,506	1,098,506	1,098,506
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,114,861</b>	<b>13,131,381</b>	<b>16,232,743</b>	<b>13,804,091</b>	<b>14,745,763</b>	<b>14,774,708</b>	<b>14,804,254</b>	<b>14,378,651</b>	<b>14,266,262</b>	<b>14,205,188</b>	<b>14,224,893</b>	<b>13,868,223</b>	<b>13,850,611</b>	<b>13,789,931</b>	<b>13,724,922</b>	<b>13,727,393</b>	<b>13,729,959</b>	<b>13,732,622</b>	<b>13,659,973</b>
<b>NON-CURRENT LIABILITIES</b>																			
Long-term Borrowings	3,282,536	1,100,736	1,100,736	5,221,151	5,497,968	4,383,233	3,238,952	2,520,274	1,913,985	1,368,770	803,850	595,600	404,962	275,004	210,055	142,635	72,649	0	0
Provisions	111,672	174,081	174,081	174,081	174,081	174,081	174,081	174,081	174,081	174,081	174,081	174,081	174,081	174,081	174,081	174,081	174,081	174,081	174,081
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,394,208</b>	<b>1,274,817</b>	<b>1,274,817</b>	<b>5,395,232</b>	<b>5,672,049</b>	<b>4,557,314</b>	<b>3,413,033</b>	<b>2,694,355</b>	<b>2,088,066</b>	<b>1,542,851</b>	<b>977,931</b>	<b>769,681</b>	<b>579,043</b>	<b>449,085</b>	<b>384,136</b>	<b>316,716</b>	<b>246,730</b>	<b>174,081</b>	<b>174,081</b>
<b>TOTAL LIABILITIES</b>	<b>10,509,069</b>	<b>14,406,198</b>	<b>17,507,560</b>	<b>19,199,323</b>	<b>20,417,812</b>	<b>19,332,022</b>	<b>18,217,287</b>	<b>17,073,006</b>	<b>16,354,328</b>	<b>15,748,039</b>	<b>15,202,824</b>	<b>14,637,904</b>	<b>14,429,654</b>	<b>14,239,016</b>	<b>14,109,058</b>	<b>14,044,109</b>	<b>13,976,689</b>	<b>13,906,703</b>	<b>13,834,054</b>
<b>NET ASSETS</b>	<b>257,599,609</b>	<b>680,766,914</b>	<b>702,158,952</b>	<b>716,826,474</b>	<b>749,016,669</b>	<b>831,649,113</b>	<b>865,535,353</b>	<b>884,686,753</b>	<b>914,491,558</b>	<b>933,059,957</b>	<b>951,673,219</b>	<b>971,621,687</b>	<b>993,062,677</b>	<b>1,013,101,684</b>	<b>1,031,777,336</b>	<b>1,050,414,815</b>	<b>1,069,176,380</b>	<b>1,087,938,945</b>	<b>1,108,105,922</b>
<b>EQUITY</b>																			
Retained Surplus	186,386,681	188,902,084	217,310,751	241,292,658	261,343,717	328,478,340	345,616,683	348,969,170	360,945,194	358,091,866	358,237,807	365,264,734	366,205,125	365,315,500	362,551,377	359,347,952	354,892,304	353,426,629	349,715,729
Reserves - Cash Backed	23,848,396	35,481,552	28,464,923	19,150,538	18,149,337	19,790,802	21,087,947	20,806,245	22,191,910	26,612,750	27,808,170	23,122,750	25,533,057	27,993,907	30,619,461	33,329,849	37,094,707	37,576,096	40,472,796
Reserves - Revaluation	47,364,532	456,383,278	456,383,278	456,383,278	469,523,615	483,379,971	498,830,723	514,911,338	531,354,454	548,355,341	565,627,242	583,234,203	601,324,495	619,792,277	638,606,498	657,737,014	677,189,369	696,936,220	717,917,397
<b>TOTAL EQUITY</b>	<b>257,599,609</b>	<b>680,766,914</b>	<b>702,158,952</b>	<b>716,826,474</b>	<b>749,016,669</b>	<b>831,649,113</b>	<b>865,535,353</b>	<b>884,686,753</b>	<b>914,491,558</b>	<b>933,059,957</b>	<b>951,673,219</b>	<b>971,621,687</b>	<b>993,062,677</b>	<b>1,013,101,684</b>	<b>1,031,777,336</b>	<b>1,050,414,815</b>	<b>1,069,176,380</b>	<b>1,087,938,945</b>	<b>1,108,105,922</b>

## APPENDIX B5 – FORECAST STATEMENT OF CHANGES IN EQUITY 2017-2032

	2014	2015	2016	Base	30 June 18	30 June 19	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>RETAINED SURPLUS</b>																			
Opening Balance	144,335,628	180,783,670	195,737,264	217,310,751	241,292,658	261,343,717	328,478,340	345,616,683	348,969,170	360,945,194	358,091,866	358,237,807	365,264,734	366,205,125	365,315,500	362,551,377	359,347,952	354,892,304	353,426,629
Net Result	42,051,053	19,751,570	14,556,858	14,667,522	19,049,858	68,776,088	18,435,488	3,070,785	13,361,689	1,567,512	1,341,361	2,341,507	3,350,698	1,571,225	(138,569)	(493,037)	(690,790)	(984,286)	(814,200)
Amount transferred (to)/from Reserves		(11,633,156)	7,016,629	9,314,385	1,001,201	(1,641,465)	(1,297,145)	281,702	(1,385,665)	(4,420,840)	(1,195,420)	4,685,420	(2,410,307)	(2,460,850)	(2,625,554)	(2,710,388)	(3,764,858)	(481,389)	(2,896,700)
Closing Balance	186,386,681	188,902,084	217,310,751	241,292,658	261,343,717	328,478,340	345,616,683	348,969,170	360,945,194	358,091,866	358,237,807	365,264,734	366,205,125	365,315,500	362,551,377	359,347,952	354,892,304	353,426,629	349,715,729
<b>RESERVES - CASH BACKED</b>																			
Opening Balance	23,848,396	23,848,396	35,481,552	28,464,923	19,150,538	18,149,337	19,790,802	21,087,947	20,806,245	22,191,910	26,612,750	27,808,170	23,122,750	25,533,057	27,993,907	30,619,461	33,329,849	37,094,707	37,576,096
Amount transferred to/(from) Retained Surplus	0	11,633,156	(7,016,629)	(9,314,385)	(1,001,201)	1,641,465	1,297,145	(281,702)	1,385,665	4,420,840	1,195,420	(4,685,420)	2,410,307	2,460,850	2,625,554	2,710,388	3,764,858	481,389	2,896,700
Closing Balance	23,848,396	35,481,552	28,464,923	19,150,538	18,149,337	19,790,802	21,087,947	20,806,245	22,191,910	26,612,750	27,808,170	23,122,750	25,533,057	27,993,907	30,619,461	33,329,849	37,094,707	37,576,096	40,472,796
<b>ASSET REVALUATION RESERVES</b>																			
Opening Balance	46,682,627	456,383,278	461,954,430	456,383,278	456,383,278	469,523,615	483,379,971	498,830,723	514,911,338	531,354,454	548,355,341	565,627,242	583,234,203	601,324,495	619,792,277	638,606,498	657,737,014	677,189,369	696,936,220
Total Other Comprehensive Income	681,905	0	(5,571,152)	0	13,140,337	13,856,356	15,450,752	16,080,615	16,443,116	17,000,887	17,271,901	17,606,961	18,090,292	18,467,782	18,814,221	19,130,516	19,452,355	19,746,851	20,981,177
Closing Balance	47,364,532	456,383,278	456,383,278	456,383,278	469,523,615	483,379,971	498,830,723	514,911,338	531,354,454	548,355,341	565,627,242	583,234,203	601,324,495	619,792,277	638,606,498	657,737,014	677,189,369	696,936,220	717,917,397
<b>TOTAL EQUITY</b>	257,599,609	680,766,914	702,158,952	716,826,474	749,016,669	831,649,113	865,535,353	884,686,753	914,491,558	933,059,957	951,673,219	971,621,687	993,062,677	1,013,101,684	1,031,777,336	1,050,414,815	1,069,176,380	1,087,938,945	1,108,105,922

## APPENDIX B6 – FORECAST STATEMENT OF CASHFLOWS 2017-2032

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash Flows From Operating Activities</b>															
<b>Receipts</b>															
Rates	29,874,277	30,471,763	31,081,199	31,702,824	32,336,881	32,983,618	33,643,292	34,316,158	35,002,481	35,702,530	36,416,580	37,144,914	37,887,812	38,645,569	39,418,480
Operating grants, subsidies and contributions	8,913,056	7,050,116	7,129,917	7,272,517	7,417,968	7,566,326	7,717,652	7,872,004	8,029,442	8,190,036	8,353,837	8,520,916	8,691,339	8,865,169	9,042,474
Fees and charges	10,460,768	9,178,923	9,962,496	10,961,741	11,180,969	11,404,584	11,632,680	11,865,334	12,102,644	12,344,708	12,591,601	12,843,429	13,100,304	13,362,310	13,629,559
Service charges	250,000	505,000	765,100	1,030,402	1,051,010	1,072,030	1,093,471	1,115,340	1,137,647	1,160,400	1,183,608	1,207,280	1,231,426	1,256,055	1,281,176
Interest earnings	392,591	390,322	414,944	434,402	430,175	450,960	517,272	535,205	464,924	501,078	537,990	577,372	618,030	674,504	681,722
Other revenue	473,706	483,180	492,843	502,698	512,753	523,008	533,469	544,138	555,021	566,121	577,445	588,995	600,777	612,794	625,051
	50,364,398	48,079,304	49,846,499	51,904,584	52,929,756	54,000,526	55,137,836	56,248,179	57,292,159	58,464,873	59,661,061	60,882,906	62,129,688	63,416,401	64,678,462
<b>Payments</b>															
Employee costs	(17,285,518)	(17,743,615)	(18,105,048)	(19,317,153)	(19,703,488)	(20,097,545)	(20,499,491)	(20,909,468)	(21,327,661)	(21,754,234)	(22,189,327)	(22,633,108)	(23,085,760)	(23,547,502)	(24,018,452)
Materials and contracts	(16,446,888)	(14,491,103)	(15,231,031)	(15,325,622)	(15,530,087)	(15,892,656)	(16,210,534)	(16,534,714)	(16,865,385)	(17,202,756)	(17,546,829)	(17,897,756)	(18,255,730)	(18,620,886)	(18,993,307)
Utility charges	(1,240,858)	(1,241,660)	(1,263,470)	(1,288,729)	(1,314,492)	(1,340,776)	(1,367,610)	(1,394,969)	(1,422,872)	(1,451,326)	(1,480,368)	(1,509,969)	(1,540,170)	(1,570,993)	(1,602,420)
Interest expenses	(263,237)	(265,849)	(215,321)	(164,192)	(116,198)	(90,602)	(68,270)	(48,565)	(30,991)	(21,885)	(13,658)	(9,761)	(7,290)	(4,724)	(2,061)
Insurance expenses	(1,250,239)	(1,275,253)	(1,300,761)	(1,326,774)	(1,353,312)	(1,380,385)	(1,407,999)	(1,436,158)	(1,464,881)	(1,494,184)	(1,524,076)	(1,554,565)	(1,585,653)	(1,617,366)	(1,649,725)
Other expenditure	(602,501)	(614,551)	(626,840)	(639,375)	(652,164)	(665,205)	(678,517)	(692,092)	(705,941)	(720,059)	(734,457)	(749,141)	(764,128)	(779,412)	(795,000)
	(37,089,241)	(35,632,031)	(36,742,471)	(38,061,845)	(38,669,741)	(39,467,169)	(40,232,421)	(41,015,966)	(41,817,731)	(42,644,444)	(43,488,715)	(44,354,300)	(45,238,731)	(46,140,883)	(47,060,965)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>13,275,157</b>	<b>12,447,273</b>	<b>13,104,028</b>	<b>13,842,739</b>	<b>14,260,015</b>	<b>14,533,357</b>	<b>14,905,415</b>	<b>15,232,213</b>	<b>15,474,428</b>	<b>15,820,429</b>	<b>16,172,346</b>	<b>16,528,606</b>	<b>16,890,957</b>	<b>17,275,518</b>	<b>17,617,497</b>
<b>Cash Flows from Investing Activities</b>															
Payments for purchase of property, plant & equipment	(21,123,224)	(16,286,490)	(12,399,465)	(7,347,596)	(6,080,627)	(4,855,106)	(6,250,276)	(16,920,867)	(7,279,181)	(3,583,663)	(3,118,609)	(4,758,210)	(2,744,560)	(4,146,680)	(4,279,816)
Payments for construction of infrastructure	(14,741,820)	(64,948,841)	(19,680,226)	(11,539,948)	(22,633,617)	(9,557,749)	(11,833,359)	(8,992,180)	(13,562,045)	(16,041,448)	(15,343,267)	(14,169,355)	(15,282,692)	(17,775,411)	(15,600,198)
Non-operating grants, subsidies and contributions	18,767,690	71,251,667	20,850,000	5,368,142	15,835,000	4,350,000	4,350,000	5,850,000	7,350,000	5,850,000	4,350,000	4,350,000	4,350,000	4,350,000	4,350,000
Proceeds from sale of plant & equipment	2,452,507	263,646	537,543	539,242	723,572	556,627	568,855	710,334	635,355	606,170	695,042	824,296	618,573	847,948	881,866
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>(14,644,847)</b>	<b>(9,720,018)</b>	<b>(10,692,148)</b>	<b>(12,980,160)</b>	<b>(12,155,672)</b>	<b>(9,506,228)</b>	<b>(13,164,780)</b>	<b>(19,352,713)</b>	<b>(12,855,871)</b>	<b>(13,168,941)</b>	<b>(13,416,834)</b>	<b>(13,753,269)</b>	<b>(13,058,679)</b>	<b>(16,724,143)</b>	<b>(14,648,148)</b>
<b>Cash Flows from Financing Activities</b>															
Repayment of debentures	(881,511)	(1,085,790)	(1,114,735)	(1,144,281)	(718,678)	(606,289)	(545,215)	(564,920)	(208,250)	(190,638)	(129,958)	(64,949)	(67,420)	(69,986)	(72,649)
Proceeds from new debentures	2,100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b>1,218,489</b>	<b>(1,085,790)</b>	<b>(1,114,735)</b>	<b>(1,144,281)</b>	<b>(718,678)</b>	<b>(606,289)</b>	<b>(545,215)</b>	<b>(564,920)</b>	<b>(208,250)</b>	<b>(190,638)</b>	<b>(129,958)</b>	<b>(64,949)</b>	<b>(67,420)</b>	<b>(69,986)</b>	<b>(72,649)</b>
<b>Net Increase (Decrease) in Cash Held</b>	<b>(151,201)</b>	<b>1,641,465</b>	<b>1,297,145</b>	<b>(281,702)</b>	<b>1,385,665</b>	<b>4,420,840</b>	<b>1,195,420</b>	<b>(4,685,420)</b>	<b>2,410,307</b>	<b>2,460,850</b>	<b>2,625,554</b>	<b>2,710,388</b>	<b>3,764,858</b>	<b>481,389</b>	<b>2,896,700</b>
Cash at beginning of year	26,172,664	26,021,463	27,662,928	28,960,073	28,678,371	30,064,036	34,484,876	35,680,296	30,994,876	33,405,183	35,866,033	38,491,587	41,201,975	44,966,833	45,448,222
<b>Cash and Cash Equivalents at the End of Year</b>	<b>26,021,463</b>	<b>27,662,928</b>	<b>28,960,073</b>	<b>28,678,371</b>	<b>30,064,036</b>	<b>34,484,876</b>	<b>35,680,296</b>	<b>30,994,876</b>	<b>33,405,183</b>	<b>35,866,033</b>	<b>38,491,587</b>	<b>41,201,975</b>	<b>44,966,833</b>	<b>45,448,222</b>	<b>48,344,922</b>
<b>Net Result</b>	<b>19,049,858</b>	<b>68,776,088</b>	<b>18,435,488</b>	<b>3,070,785</b>	<b>13,361,689</b>	<b>1,567,512</b>	<b>1,341,361</b>	<b>2,341,507</b>	<b>3,350,698</b>	<b>1,571,225</b>	<b>(138,569)</b>	<b>(493,037)</b>	<b>(690,790)</b>	<b>(984,286)</b>	<b>(814,200)</b>
Depreciation	13,492,989	14,922,852	15,518,540	16,140,096	16,733,326	17,315,845	17,914,054	18,740,706	19,473,730	20,099,204	20,660,915	21,371,643	21,931,747	22,609,804	22,781,697
(Profit)/Loss on sale of asset	(500,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants/Contributions for the development of assets	(18,767,690)	(71,251,667)	(20,850,000)	(5,368,142)	(15,835,000)	(4,350,000)	(4,350,000)	(5,850,000)	(7,350,000)	(5,850,000)	(4,350,000)	(4,350,000)	(4,350,000)	(4,350,000)	(4,350,000)
<b>Net Cash from Operating Activities</b>	<b>13,275,157</b>	<b>12,447,273</b>	<b>13,104,028</b>	<b>13,842,739</b>	<b>14,260,015</b>	<b>14,533,357</b>	<b>14,905,415</b>	<b>15,232,213</b>	<b>15,474,428</b>	<b>15,820,429</b>	<b>16,172,346</b>	<b>16,528,606</b>	<b>16,890,957</b>	<b>17,275,518</b>	<b>17,617,497</b>



## APPENDIX B7 – FORECAST STATEMENT OF FUNDING 2017-2032

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>FUNDING FROM OPERATIONAL ACTIVITIES</b>																
<b>Revenues</b>																
Rates	29,874,277	30,471,763	31,081,199	31,702,824	32,336,881	32,983,618	33,643,292	34,316,158	35,002,481	35,702,530	36,416,580	37,144,914	37,887,812	38,645,569	39,418,480	
Operating grants, subsidies and contributions	8,913,056	7,050,116	7,129,917	7,272,517	7,417,968	7,566,326	7,717,652	7,872,004	8,029,442	8,190,036	8,353,837	8,520,916	8,691,339	8,865,169	9,042,474	
Profit on asset disposal	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	
Fees and charges	10,460,768	9,178,923	9,962,496	10,961,741	11,180,969	11,404,584	11,632,680	11,865,334	12,102,644	12,344,708	12,591,601	12,843,429	13,100,304	13,362,310	13,629,559	
Service charges	250,000	505,000	765,100	1,030,402	1,051,010	1,072,030	1,093,471	1,115,340	1,137,647	1,160,400	1,183,608	1,207,280	1,231,426	1,256,055	1,281,176	
Interest earnings	392,591	390,322	414,944	434,402	430,175	450,960	517,272	535,205	464,924	501,078	537,990	577,372	618,030	674,504	681,722	
Other revenue	473,706	483,180	492,843	502,698	512,753	523,008	533,469	544,138	555,021	566,121	577,445	588,995	600,777	612,794	625,051	
	50,864,398	48,079,304	49,846,499	51,904,584	52,929,756	54,000,526	55,137,836	56,248,179	57,292,159	58,464,873	59,661,061	60,882,906	62,129,688	63,416,401	64,678,462	
<b>Expenses</b>																
Employee costs	(17,285,518)	(17,743,615)	(18,105,048)	(19,317,153)	(19,703,488)	(20,097,545)	(20,499,491)	(20,909,468)	(21,327,661)	(21,754,234)	(22,189,327)	(22,633,108)	(23,085,760)	(23,547,502)	(24,018,452)	
Materials and contracts	(16,446,888)	(14,491,103)	(15,231,031)	(15,325,622)	(15,530,087)	(15,892,656)	(16,210,534)	(16,534,714)	(16,865,385)	(17,202,756)	(17,546,829)	(17,897,756)	(18,255,730)	(18,620,886)	(18,993,307)	
Utility charges (electricity, gas, water etc.)	(1,240,858)	(1,241,660)	(1,263,470)	(1,288,729)	(1,314,492)	(1,340,776)	(1,367,610)	(1,394,969)	(1,422,872)	(1,451,326)	(1,480,368)	(1,509,969)	(1,540,170)	(1,570,993)	(1,602,420)	
Depreciation on non-current assets	(13,492,989)	(14,922,852)	(15,518,540)	(16,140,096)	(16,733,326)	(17,315,845)	(17,914,054)	(18,740,706)	(19,473,730)	(20,099,204)	(20,660,915)	(21,371,643)	(21,931,747)	(22,609,804)	(22,781,697)	
Loss on asset disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest expense	(263,237)	(265,849)	(215,321)	(164,192)	(116,198)	(90,602)	(68,270)	(48,565)	(30,991)	(21,885)	(13,658)	(9,761)	(7,290)	(4,724)	(2,061)	
Insurance expense	(1,250,239)	(1,275,253)	(1,300,761)	(1,326,774)	(1,353,312)	(1,380,385)	(1,407,999)	(1,436,158)	(1,464,881)	(1,494,184)	(1,524,076)	(1,554,565)	(1,585,653)	(1,617,366)	(1,649,725)	
Other expenditure	(602,501)	(614,551)	(626,840)	(639,375)	(652,164)	(665,205)	(678,517)	(692,092)	(705,941)	(720,059)	(734,457)	(749,141)	(764,128)	(779,412)	(795,000)	
	(50,582,230)	(50,554,883)	(52,261,011)	(54,201,941)	(55,403,067)	(56,783,014)	(58,146,475)	(59,756,672)	(61,291,461)	(62,743,648)	(64,149,630)	(65,725,943)	(67,170,478)	(68,750,687)	(69,842,662)	
	282,168	(2,475,579)	(2,414,512)	(2,297,357)	(2,473,311)	(2,782,488)	(3,008,639)	(3,508,493)	(3,999,302)	(4,278,775)	(4,488,569)	(4,843,037)	(5,040,790)	(5,334,286)	(5,164,200)	
<b>Funding Position Adjustments</b>																
Depreciation on non-current assets	13,492,989	14,922,852	15,518,540	16,140,096	16,733,326	17,315,845	17,914,054	18,740,706	19,473,730	20,099,204	20,660,915	21,371,643	21,931,747	22,609,804	22,781,697	
Net profit and losses on disposal	(500,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Movement in employee benefit provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Initial Recognition of Land	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Net Funding From Operational Activities</b>	13,275,157	12,447,273	13,104,028	13,842,739	14,260,015	14,533,357	14,905,415	15,232,213	15,474,428	15,820,429	16,172,346	16,528,606	16,890,957	17,275,518	17,617,497	
<b>FUNDING FROM CAPITAL ACTIVITIES</b>																
<b>Inflows</b>																
Proceeds on disposal	2,452,507	263,646	537,543	539,242	723,572	556,627	568,855	710,334	635,355	606,170	695,042	824,296	618,573	847,948	881,866	
Non-operating grants, subsidies and contributions	18,767,690	71,251,667	20,850,000	5,368,142	15,835,000	4,350,000	4,350,000	5,850,000	7,350,000	5,850,000	4,350,000	4,350,000	4,350,000	4,350,000	4,350,000	
<b>Outflows</b>																
Purchase of land held for resale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Purchase of property plant and equipment	(21,123,224)	(16,286,490)	(12,399,465)	(7,347,596)	(6,080,627)	(4,855,106)	(6,250,276)	(16,920,867)	(7,279,181)	(3,583,663)	(3,118,609)	(4,758,210)	(2,744,560)	(4,146,680)	(4,279,816)	
Purchase of infrastructure	(14,741,820)	(64,948,841)	(19,680,226)	(11,539,948)	(22,633,617)	(9,557,749)	(11,833,359)	(8,992,180)	(13,562,045)	(16,041,448)	(15,343,267)	(14,169,355)	(15,282,692)	(17,775,411)	(15,600,198)	
<b>Net Funding From Capital Activities</b>	(14,644,847)	(9,720,018)	(10,692,148)	(12,980,160)	(12,155,672)	(9,506,228)	(13,164,780)	(19,352,713)	(12,855,871)	(13,168,941)	(13,416,834)	(13,753,269)	(13,058,679)	(16,724,143)	(14,648,148)	
<b>FUNDING FROM FINANCING ACTIVITIES</b>																
<b>Inflows</b>																
Transfer from reserves	5,519,424	315,642	837,444	2,651,784	1,165,361	1,329,407	5,796,063	7,916,629	1,052,643	1,268,897	1,361,610	1,689,414	858,493	3,500,429	1,256,384	
New borrowings	2,100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Self supporting loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Outflows</b>																
Transfer to reserves	(4,518,223)	(1,957,107)	(2,134,589)	(2,370,082)	(2,551,026)	(5,750,247)	(6,991,483)	(3,231,209)	(3,462,950)	(3,729,747)	(3,987,164)	(4,399,802)	(4,623,351)	(3,981,818)	(4,153,084)	
Advances to community groups	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Repayment of past borrowings	(881,511)	(1,085,790)	(1,114,735)	(1,144,281)	(718,678)	(606,289)	(545,215)	(564,920)	(208,250)	(190,638)	(129,958)	(64,949)	(67,420)	(69,986)	(72,649)	
<b>Net Funding From Financing Activities</b>	2,219,690	(2,727,255)	(2,411,880)	(862,579)	(2,104,343)	(5,027,129)	(1,740,635)	4,120,500	(2,618,557)	(2,651,488)	(2,755,512)	(2,775,337)	(3,832,278)	(551,375)	(2,969,349)	
Estimated Surplus/Deficit July 1 B/Fwd	0	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	
<b>Estimated Surplus/Deficit June 30 C/Fwd</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	

## APPENDIX B8 – FORECAST STATEMENT OF NET CURRENT ASSET COMPOSITION 2017-2032

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Estimated Surplus/Deficit July 1 B/Fwd</b>	0	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000
<b>CURRENT ASSETS</b>															
Unrestricted Cash and Equivalents	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126	7,872,126
Restricted Cash and Cash Equivalent	18,149,337	19,790,802	21,087,947	20,806,245	22,191,910	26,612,750	27,808,170	23,122,750	25,533,057	27,993,907	30,619,461	33,329,849	37,094,707	37,576,096	40,472,796
Non-Cash Investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trade and Other Receivables	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484	5,468,484
Inventories	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857	70,857
<b>CURRENT LIABILITIES</b>															
Trade and Other Payables	(12,561,467)	(12,561,467)	(12,561,467)	(12,561,467)	(12,561,467)	(12,561,467)	(12,561,467)	(12,561,467)	(12,561,467)	(12,561,467)	(12,561,467)	(12,561,467)	(12,561,467)	(12,561,467)	(12,561,467)
Reserves	(18,149,337)	(19,790,802)	(21,087,947)	(20,806,245)	(22,191,910)	(26,612,750)	(27,808,170)	(23,122,750)	(25,533,057)	(27,993,907)	(30,619,461)	(33,329,849)	(37,094,707)	(37,576,096)	(40,472,796)
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
<b>Estimated Surplus/Deficit June 30 C/Fwd</b>	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000

## APPENDIX B9 – FORECAST STATEMENT OF FIXED ASSET MOVEMENTS 2017-2032

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CAPITAL WORKS - INFRASTRUCTURE</b>															
Roads	4,866,156	56,131,399	4,050,841	7,611,614	6,797,542	5,421,809	5,227,251	3,872,610	8,441,141	10,900,237	11,484,073	10,199,539	11,145,368	11,756,930	11,850,964
Footpaths	149,900	163,776	129,084	146,874	145,527	146,940	146,968	149,022	145,904	148,422	146,194	146,816	148,576	148,114	148,114
Drainage	750,000	2,356,900	945,000	650,000	298,000	207,000	320,000	3,326,000	3,380,000	3,339,000	3,363,000	3,823,000	3,813,900	3,578,000	3,601,120
Parks & Recreation	970,000	1,500,000	1,850,000	1,500,000	1,800,000	1,900,000	1,500,000	1,500,000	1,500,000	1,500,000	0	0	0	0	0
Airport	812,548	3,200,000	0	1,531,460	92,548	152,000	4,593,826	144,548	95,000	153,789	350,000	0	0	2,292,367	0
Waste	1,142,366	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other	6,050,850	1,596,766	12,705,301	100,000	13,500,000	1,730,000	45,314	0	0	0	0	0	174,848	0	0
<b>Total Capital Works - Infrastructure</b>	<b>14,741,820</b>	<b>64,948,841</b>	<b>19,680,226</b>	<b>11,539,948</b>	<b>22,633,617</b>	<b>9,557,749</b>	<b>11,833,359</b>	<b>8,992,180</b>	<b>13,562,045</b>	<b>16,041,448</b>	<b>15,343,267</b>	<b>14,169,355</b>	<b>15,282,692</b>	<b>17,775,411</b>	<b>15,600,198</b>
<b>Represented by:</b>															
Additions - Assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - Expansion, Upgrades and New	8,572,890	56,709,586	2,250,000	1,600,000	15,300,000	3,630,000	1,500,000	1,500,000	1,500,000	1,500,000	0	0	0	0	0
Additions - Renewal	6,168,930	8,239,255	17,430,226	9,939,948	7,333,617	5,927,749	10,333,359	7,492,180	12,062,045	14,541,448	15,343,267	14,169,355	15,282,692	17,775,411	15,600,198
<b>Total Capital Works - Infrastructure</b>	<b>14,741,820</b>	<b>64,948,841</b>	<b>19,680,226</b>	<b>11,539,948</b>	<b>22,633,617</b>	<b>9,557,749</b>	<b>11,833,359</b>	<b>8,992,180</b>	<b>13,562,045</b>	<b>16,041,448</b>	<b>15,343,267</b>	<b>14,169,355</b>	<b>15,282,692</b>	<b>17,775,411</b>	<b>15,600,198</b>
<b>Asset Movement Reconciliation</b>															
Total Capital Works Infrastructure	14,741,820	64,948,841	19,680,226	11,539,948	22,633,617	9,557,749	11,833,359	8,992,180	13,562,045	16,041,448	15,343,267	14,169,355	15,282,692	17,775,411	15,600,198
Depreciation Infrastructure	(10,375,282)	(11,424,979)	(11,721,913)	(12,011,838)	(12,318,658)	(12,635,315)	(12,943,507)	(13,257,864)	(13,578,510)	(13,905,566)	(14,183,678)	(14,467,351)	(14,756,697)	(15,051,831)	(15,352,868)
Net Book Value of disposed/Written Off assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation of Infrastructure assets (Inflation)	11,497,820	11,815,106	13,121,885	13,543,490	13,804,921	14,287,318	14,511,515	14,779,539	14,989,819	15,289,286	15,637,790	15,973,738	16,287,249	16,623,517	17,010,457
<b>Net Movement in Infrastructure Assets</b>	<b>15,864,358</b>	<b>65,338,968</b>	<b>21,080,198</b>	<b>13,071,600</b>	<b>24,119,880</b>	<b>11,209,752</b>	<b>13,401,367</b>	<b>10,513,855</b>	<b>14,973,354</b>	<b>17,425,168</b>	<b>16,797,379</b>	<b>15,675,742</b>	<b>16,813,244</b>	<b>19,347,097</b>	<b>17,257,787</b>
<b>CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT</b>															
Land	375,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Land and Buildings	18,899,841	14,837,666	10,609,478	4,944,834	3,847,466	2,898,333	4,352,996	14,438,452	4,102,866	1,224,029	818,248	818,248	818,248	818,248	818,248
Plant and Equipment	1,848,383	1,448,824	1,789,987	2,402,762	2,233,161	1,956,773	1,897,280	2,482,415	3,176,315	2,359,634	2,300,361	3,939,962	1,926,312	3,328,432	3,461,568
<b>Total Capital Works Property, Plant and Equipment</b>	<b>21,123,224</b>	<b>16,286,490</b>	<b>12,399,465</b>	<b>7,347,596</b>	<b>6,080,627</b>	<b>4,855,106</b>	<b>6,250,276</b>	<b>16,920,867</b>	<b>7,279,181</b>	<b>3,583,663</b>	<b>3,118,609</b>	<b>4,758,210</b>	<b>2,744,560</b>	<b>4,146,680</b>	<b>4,279,816</b>
<b>Represented by:</b>															
Additions - Assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - Expansion, Upgrades and New	16,746,500	12,954,536	9,570,000	0	1,000,000	0	500,000	0	0	0	0	0	0	0	0
Additions - Renewal	4,376,724	3,331,954	2,829,465	7,347,596	5,080,627	4,855,106	5,750,276	16,920,867	7,279,181	3,583,663	3,118,609	4,758,210	2,744,560	4,146,680	4,279,816
<b>Total Capital Works Property, Plant and Equipment</b>	<b>21,123,224</b>	<b>16,286,490</b>	<b>12,399,465</b>	<b>7,347,596</b>	<b>6,080,627</b>	<b>4,855,106</b>	<b>6,250,276</b>	<b>16,920,867</b>	<b>7,279,181</b>	<b>3,583,663</b>	<b>3,118,609</b>	<b>4,758,210</b>	<b>2,744,560</b>	<b>4,146,680</b>	<b>4,279,816</b>
<b>Asset Movement Reconciliation</b>															
Total Capital Works Property, Plant and Equipment	21,123,224	16,286,490	12,399,465	7,347,596	6,080,627	4,855,106	6,250,276	16,920,867	7,279,181	3,583,663	3,118,609	4,758,210	2,744,560	4,146,680	4,279,816
Depreciation Property, Plant and Equipment	(3,117,707)	(3,497,873)	(3,796,627)	(4,128,258)	(4,414,668)	(4,680,530)	(4,970,547)	(5,482,842)	(5,895,220)	(6,193,638)	(6,477,237)	(6,904,292)	(7,175,050)	(7,557,973)	(7,428,829)
Net Book Value of disposed/Written Off assets	(1,952,507)	(263,646)	(537,543)	(539,242)	(723,572)	(556,627)	(568,855)	(710,334)	(635,355)	(606,170)	(695,042)	(824,296)	(618,573)	(847,948)	(881,866)
Revaluation of Property, Plant and Equipment (Inflation)	1,642,517	2,041,250	2,328,867	2,537,125	2,638,195	2,713,569	2,760,386	2,827,422	3,100,473	3,178,496	3,176,431	3,156,778	3,165,106	3,123,334	3,970,720
<b>Net Movement in Property, Plant and Equipment</b>	<b>17,695,527</b>	<b>14,566,221</b>	<b>10,394,162</b>	<b>5,217,221</b>	<b>3,580,582</b>	<b>2,331,518</b>	<b>3,471,260</b>	<b>13,555,113</b>	<b>3,849,079</b>	<b>(37,649)</b>	<b>(877,239)</b>	<b>186,400</b>	<b>(1,883,957)</b>	<b>(1,135,907)</b>	<b>(60,159)</b>
<b>CAPITAL WORKS - TOTALS</b>															
<b>Capital Works</b>															
Total Capital Works Infrastructure	14,741,820	64,948,841	19,680,226	11,539,948	22,633,617	9,557,749	11,833,359	8,992,180	13,562,045	16,041,448	15,343,267	14,169,355	15,282,692	17,775,411	15,600,198
Total Capital Works Property, Plant and Equipment	21,123,224	16,286,490	12,399,465	7,347,596	6,080,627	4,855,106	6,250,276	16,920,867	7,279,181	3,583,663	3,118,609	4,758,210	2,744,560	4,146,680	4,279,816
<b>Total Capital Works</b>	<b>35,865,044</b>	<b>81,235,331</b>	<b>32,079,691</b>	<b>18,887,544</b>	<b>28,714,244</b>	<b>14,412,855</b>	<b>18,083,635</b>	<b>25,913,047</b>	<b>20,841,226</b>	<b>19,625,111</b>	<b>18,461,876</b>	<b>18,927,565</b>	<b>18,027,252</b>	<b>21,922,091</b>	<b>19,880,014</b>
<b>Fixed Asset Movement</b>															
Net Movement in Infrastructure Assets	15,864,358	65,338,968	21,080,198	13,071,600	24,119,880	11,209,752	13,401,367	10,513,855	14,973,354	17,425,168	16,797,379	15,675,742	16,813,244	19,347,097	17,257,787
Net Movement in Property, Plant and Equipment	17,695,527	14,566,221	10,394,162	5,217,221	3,580,582	2,331,518	3,471,260	13,555,113	3,849,079	(37,649)	(877,239)	186,400	(1,883,957)	(1,135,907)	(60,159)
<b>Net Movement in Fixed Assets</b>	<b>33,559,885</b>	<b>79,905,189</b>	<b>31,474,360</b>	<b>18,288,821</b>	<b>27,700,462</b>	<b>13,541,270</b>	<b>16,872,627</b>	<b>24,068,968</b>	<b>18,822,433</b>	<b>17,387,519</b>	<b>15,920,140</b>	<b>15,862,142</b>	<b>14,929,287</b>	<b>18,211,190</b>	<b>17,197,628</b>

## APPENDIX B10 – FORECAST STATEMENT OF CAPITAL FUNDING 2016-2031

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Capital Expenditure</b>															
Roads	4,866,156	56,131,399	4,050,841	7,611,614	6,797,542	5,421,809	5,227,251	3,872,610	8,441,141	10,900,237	11,484,073	10,199,539	11,145,368	11,756,930	11,850,964
Footpaths	149,900	163,776	129,084	146,874	145,527	146,940	146,968	149,022	145,904	148,422	146,194	146,816	148,576	148,114	148,114
Drainage	750,000	2,356,900	945,000	650,000	298,000	207,000	320,000	3,326,000	3,380,000	3,339,000	3,363,000	3,823,000	3,813,900	3,578,000	3,601,120
Parks & Recreation	970,000	1,500,000	1,850,000	1,500,000	1,800,000	1,900,000	1,500,000	1,500,000	1,500,000	1,500,000	0	0	0	0	0
Airport	812,548	3,200,000	0	1,531,460	92,548	152,000	4,593,826	144,548	95,000	153,789	350,000	0	0	2,292,367	0
Waste	1,142,366	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other	6,050,850	1,596,766	12,705,301	100,000	13,500,000	1,730,000	45,314	0	0	0	0	0	174,848	0	0
Land	375,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Land and Buildings	18,899,841	14,837,666	10,609,478	4,944,834	3,847,466	2,898,333	4,352,996	14,438,452	4,102,866	1,224,029	818,248	818,248	818,248	818,248	818,248
Plant and Equipment	1,848,383	1,448,824	1,789,987	2,402,762	2,233,161	1,956,773	1,897,280	2,482,415	3,176,315	2,359,634	2,300,361	3,939,962	1,926,312	3,328,432	3,461,568
<b>Total - Capital Expenditure</b>	<b>35,865,044</b>	<b>81,235,331</b>	<b>32,079,691</b>	<b>18,887,544</b>	<b>28,714,244</b>	<b>14,412,855</b>	<b>18,083,635</b>	<b>25,913,047</b>	<b>20,841,226</b>	<b>19,625,111</b>	<b>18,461,876</b>	<b>18,927,565</b>	<b>18,027,252</b>	<b>21,922,091</b>	<b>19,880,014</b>
<b>Funded By:</b>															
<b>Capital Grants &amp; Contributions</b>															
Roads	2,142,690	52,200,000	1,350,000	2,150,000	2,150,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Drainage	0	1,500,000	0	0	0	0	0	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Parks & Recreation	700,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	0	0	0	0	0
Airport	200,000	3,200,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Waste	800,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other	3,375,000	285,000	11,600,000	0	10,685,000	0	0	0	0	0	0	0	0	0	0
Land and Buildings	11,550,000	12,566,667	6,400,000	1,718,142	1,500,000	1,500,000	1,500,000	0	1,500,000	0	0	0	0	0	0
<b>Total - Capital Grants &amp; Contributions</b>	<b>18,767,690</b>	<b>71,251,667</b>	<b>20,850,000</b>	<b>5,368,142</b>	<b>15,835,000</b>	<b>4,350,000</b>	<b>4,350,000</b>	<b>5,850,000</b>	<b>7,350,000</b>	<b>5,850,000</b>	<b>4,350,000</b>	<b>4,350,000</b>	<b>4,350,000</b>	<b>4,350,000</b>	<b>4,350,000</b>
<b>Own Source Funding</b>															
Roads	2,732,466	3,931,399	2,700,841	5,461,614	4,647,542	4,071,809	3,877,251	2,522,610	7,091,141	9,550,237	10,134,073	8,849,539	9,795,368	10,406,930	10,500,964
Footpaths	149,900	163,776	129,084	146,874	145,527	146,940	146,968	149,022	145,904	148,422	146,194	146,816	148,576	148,114	148,114
Drainage	750,000	856,900	945,000	650,000	298,000	207,000	320,000	326,000	380,000	339,000	363,000	823,000	813,900	578,000	601,120
Parks & Recreation	270,000	0	350,000	0	300,000	400,000	0	0	0	0	0	0	0	0	0
Airport	612,548	0	0	1,531,460	92,548	152,000	4,593,826	144,548	95,000	153,789	350,000	0	0	2,292,367	0
Waste	342,366	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other	1,675,850	1,311,766	1,105,301	100,000	2,815,000	1,730,000	45,314	0	0	0	0	0	174,848	0	0
Land	375,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Land and Buildings	4,249,841	2,270,999	4,209,478	3,226,692	2,347,466	1,398,333	2,852,996	14,438,452	2,602,866	1,224,029	818,248	818,248	818,248	818,248	818,248
Plant and Equipment	1,395,876	1,185,178	1,252,444	1,863,520	1,509,589	1,400,146	1,328,425	1,772,081	2,540,960	1,753,464	1,605,319	3,115,666	1,307,739	2,480,484	2,579,702
<b>Total - Own Source Funding</b>	<b>12,544,847</b>	<b>9,720,018</b>	<b>10,692,148</b>	<b>12,980,160</b>	<b>12,155,672</b>	<b>9,506,228</b>	<b>13,164,780</b>	<b>19,352,713</b>	<b>12,855,871</b>	<b>13,168,941</b>	<b>13,416,834</b>	<b>13,753,269</b>	<b>13,058,679</b>	<b>16,724,143</b>	<b>14,648,148</b>
<b>Borrowings</b>															
Infrastructure - Other	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Land and Buildings	1,100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total - Borrowings</b>	<b>2,100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other (Disposals &amp; C/Fwd)</b>															
Land and Buildings	2,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and Equipment	452,507	263,646	537,543	539,242	723,572	556,627	568,855	710,334	635,355	606,170	695,042	824,296	618,573	847,948	881,866
<b>Total - Other (Disposals &amp; C/Fwd)</b>	<b>2,452,507</b>	<b>263,646</b>	<b>537,543</b>	<b>539,242</b>	<b>723,572</b>	<b>556,627</b>	<b>568,855</b>	<b>710,334</b>	<b>635,355</b>	<b>606,170</b>	<b>695,042</b>	<b>824,296</b>	<b>618,573</b>	<b>847,948</b>	<b>881,866</b>
<b>Total Capital Funding</b>	<b>35,865,044</b>	<b>81,235,331</b>	<b>32,079,691</b>	<b>18,887,544</b>	<b>28,714,244</b>	<b>14,412,855</b>	<b>18,083,635</b>	<b>25,913,047</b>	<b>20,841,226</b>	<b>19,625,111</b>	<b>18,461,876</b>	<b>18,927,565</b>	<b>18,027,252</b>	<b>21,922,091</b>	<b>19,880,014</b>

## APPENDIX B11 – FORECAST RATIOS 2016-2031

	Target Range		Average	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	>	>																
<b>LIQUIDITY RATIOS</b>																		
Current Ratio	> 1.00	> 1.20	1.03	0.94	0.95	0.96	1.00	1.02	1.02	1.02	1.05	1.05	1.06	1.06	1.06	1.06	1.06	1.07
<b>OPERATING RATIOS</b>																		
Operating Surplus Ratio	> 1.00%	> 15.00%	(6.95%)	0.67%	(6.03%)	(5.65%)	(5.15%)	(5.43%)	(5.99%)	(6.34%)	(7.25%)	(8.12%)	(8.51%)	(8.75%)	(9.25%)	(9.43%)	(9.78%)	(9.28%)
Own Source Revenue Coverage Ratio	> 40.00%	> 60.00%	80.89%	82.94%	81.16%	81.74%	82.34%	82.15%	81.77%	81.55%	80.96%	80.37%	80.13%	79.98%	79.67%	79.56%	79.35%	79.66%
<b>BORROWINGS RATIOS</b>																		
Debt Service Cover Ratio	> 3	> 5	86.44	12.26	9.41	10.01	10.70	17.22	20.98	24.41	24.91	64.81	74.54	112.70	221.37	226.18	231.30	235.84
<b>FIXED ASSET RATIOS</b>																		
Asset Sustainability Ratio	> 90.00%	> 110.00%	92.25%	78.16%	77.54%	130.55%	107.11%	74.19%	62.27%	89.78%	130.27%	99.32%	90.18%	89.36%	88.56%	82.20%	96.96%	87.26%
Asset Consumption Ratio	> 50.00%	> 60.00%	85.81%	88.68%	88.84%	89.20%	88.65%	87.94%	86.94%	86.31%	85.50%	84.95%	84.52%	84.09%	83.54%	83.03%	82.68%	82.23%
Asset Renewal Funding Ratio	> 75.00%	> 95.00%	175.25%	173.22%	174.75%	178.77%	172.60%	176.90%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## APPENDIX B12 – FORECAST SIGNIFICANT ACCOUNTING POLICIES

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### BASIS OF PREPARATION

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

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

### THE LOCAL GOVERNMENT REPORTING ENTITY

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

### 2015/16 BALANCES

Balances shown in this plan as 2015/16 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

### ROUNDING OFF FIGURES

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

### 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.

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

## APPENDIX B12 – FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### 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 held at call with banks, 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.

Bank overdrafts are shown as short term borrowings in current liabilities in the statement of financial position.

### 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.

### 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.

### INVENTORIES - 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 as indicated less, where applicable, any accumulated depreciation and impairment losses.

## APPENDIX B12 – FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### REVALUATION

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

### LAND UNDER ROADS

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

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

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

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail. Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

### DEPRECIATION

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual 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.

The assets residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. 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. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

### CAPITALISATION THRESHOLD

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.



## APPENDIX B12 – FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### FAIR VALUE OF ASSETS AND LIABILITIES

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide: Fair Value is the price that Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs). For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

### FAIR VALUE HEIRARCHY

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

#### **Level 1**

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

#### **Level 2**

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

#### **Level 3**

Measurements based on unobservable inputs for the asset or liability.

### FAIR VALUE HEIRARCHY (CONTINUED)

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

## APPENDIX B12 – FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### VALUATION TECHNIQUES

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

#### **Market approach**

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

#### **Income approach**

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

#### **Cost approach**

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity. Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable. As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

### FINANCIAL INSTRUMENTS - INITIAL RECOGNITION AND MEASUREMENT

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

## APPENDIX B12 – FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### FINANCIAL INSTRUMENTS - CLASSIFICATION AND SUBSEQUENT MEASUREMENT

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

- (i) Financial assets at fair value through profit and loss

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

- (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

- (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council’s management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss. Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

## APPENDIX B12 – FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### FINANCIAL INSTRUMENTS - CLASSIFICATION AND SUBSEQUENT MEASUREMENT (CONTINUED)

#### (iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

#### (v) Financial liabilities

Non-derivative financial liabilities (excl. financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.

### FINANCIAL INSTRUMENTS - IMPAIRMENT

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s). In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point. In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults. For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

## APPENDIX B12 – FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### FINANCIAL INSTRUMENTS - DERECOGNITION

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the Council no longer has any significant continual involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

### IMPAIRMENT OF ASSETS

In accordance with Australian Accounting Standards the Council'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 adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2016. In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

### TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council 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.

### EMPLOYEE BENEFITS - SHORT-TERM EMPLOYEE BENEFITS

Provision is made for the Council'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 Council'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 Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

## APPENDIX B12 – FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### EMPLOYEE BENEFITS - OTHER LONG-TERM EMPLOYEE BENEFITS

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

### LEASES

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases. Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

## APPENDIX B12 – FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### INTERESTS IN JOINT ARRANGEMENTS

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required. Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting. Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

### 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 Council's operational cycle. In the case of liabilities where the Council 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 Council's intentions to release for sale.

### COMPARATIVE FIGURES

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