



## ORDINARY MEETING OF COUNCIL

21 MARCH 2024

### ATTACHMENT PROVIDED UNDER SEPARATE COVER

**ATTACHMENT 14.03.24.04A– Shire of Brookton Strategic Resource Plan  
2024/25 – 2038/39**



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**Strategic Resource Plan**  
2024 - 2039

**DRAFT**

# Contents

|             |  |           |
|-------------|--|-----------|
| <b>1.0</b>  | <b>FOREWORD</b>  | <b>3</b>  |
| <b>2.0</b>  | <b>KEY INFORMATION</b>                                   | <b>4</b>  |
| <b>3.0</b>  | <b>EXECUTIVE SUMMARY</b>                                 | <b>5</b>  |
| <b>4.0</b>  | <b>COMMUNITY PROFILE, VISION AND OBJECTIVE</b>           | <b>6</b>  |
| <b>5.0</b>  | <b>LONG TERM FINANCIAL PLANNING OVERVIEW</b>             | <b>7</b>  |
| <b>6.0</b>  | <b>ASSET MANAGEMENT PLANNING OVERVIEW</b>                | <b>10</b> |
| <b>7.0</b>  | <b>SCENARIO MODELLING</b>                                | <b>14</b> |
| <b>8.0</b>  | <b>STRATEGIC PLANNING AND POLICIES</b>                   | <b>15</b> |
| <b>9.0</b>  | <b>RISK MANAGEMENT</b>                                   | <b>16</b> |
| <b>10.0</b> | <b>ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY</b> | <b>17</b> |
| <b>11.0</b> | <b>MONITORING AND PERFORMANCE</b>                        | <b>23</b> |
| <b>12.0</b> | <b>IMPROVEMENT PLAN</b>                                  | <b>24</b> |

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# 1.0 Foreword

We are pleased to present the 3BShire of Brookton Strategic Resource Plan for 2024 - 2039.

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

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

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

The 3BShire of Brookton's Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the 3BShire of Brookton Strategic Community Plan 2022-2032.

This Plan will be used with the Corporate Business Plan and Workforce Plan to achieve our goals and drive the Shire in achieving its vision of Brookton being;

- a well-recognised business and agricultural hub
- a flourishing stop-over destination, and
- a celebrated place to live

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

Katrina Crute  
President

Gary Sherry  
Chief Executive Officer

## Our Vision

"BROOKTON is a **well-recognised** business and agricultural hub, a **flourishing** stop-over destination, and a **celebrated** place to live".

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# 2.0 Key Information

## ASSUMPTIONS

**3%**  
 Inflation Rate

**Stable**  
 Population

**Stable**  
 Levels of Service

**Stable**  
 Operations


**Balanced**  
 Annual Budget

**1% over inflation**  
 from 2024-25 →  
 Rates

**In line**  
 with inflation  
 Fees and Charges

**In line**  
 with inflation  
 Employee Costs

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

**7**  
 Elected Members

**30**  
 Employees

**668**  
 Electors

**776**  
 Dwellings

**138km**  
 Distance from Perth

**1,601m<sup>2</sup>**  
 Area

**929**  
 Population

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

**\$2,571,698**

Rates Revenue

**\$916,742**

Fees and Charges

**\$6,412,388**

Operating Revenue

**\$6,526,604**

Operating Expenditure

**\$104,588,162**

Net Assets

**\$12,754,602**

Cash Backed Reserves

**\$668,983**

Long Term Borrowings

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<sup>1</sup>WALGA Online Local Government Directory 2022/23, 3BShire of Brookton

<sup>2</sup>Australian Bureau of Statistics Somewhere (S) (LGA50910) 2021 Census of Population and Housing, viewed 22 January 2024

<sup>3</sup>3BShire of Brookton 2022-2023 Annual Financial Report

## 3.0 Executive Summary

The following information provides a brief summary of the Strategic Resource Plan 2024 - 2039, this should be read in conjunction with the underlying assumptions detailed in this Plan.

### 3.1 Planning for a Sustainable and Stable Future

The 3BShire of Brookton is planning for a positive and stable future where the Shire seeks to maintain, and where possible, improve service levels into the future while ensuring a healthy financial position.

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

### 3.2 Significant Issues

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

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

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

Rate revenue is forecast to increase at 6% per year from 2024/25 for the first 2 years and at 4% for the duration of the Plan. These increases are to assist in the long term financial stability of the Shire and to increase the level of services to the community where possible. These increases will be reviewed annually when setting future budgets.

### 3.3 Forecast Capital Projects

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

| Project by Asset Class                        | 2024 - 2039 Amount (\$) |
|---|-------------------------|
| <b>Infrastructure - Roads</b>                 |                         |
| Road upgrades and renewal program             | 17,917,063              |
| <b>Infrastructure - Roads Total</b>           | <b>17,917,063</b>       |
| <b>Infrastructure - Footpaths</b>             |                         |
| Footpaths renewals                            | 1,125,000               |
| <b>Infrastructure - Footpaths Total</b>       | <b>1,125,000</b>        |
| <b>Infrastructure - Parks and Ovals</b>       |                         |
| Brookton Aquatic Centre                       | 3,726,029               |
| Playground Equipment                          | 750,000                 |
| Parks & Oval Infrastructure Renewal           | 375,000                 |
| <b>Infrastructure - Parks and Ovals Total</b> | <b>4,851,029</b>        |
| <b>Infrastructure - Sewerage</b>              |                         |
| Sewerage renewals                             | 1,750,000               |
| <b>Infrastructure - Sewerage Total</b>        | <b>1,750,000</b>        |
| <b>Plant and Equipment</b>                    |                         |
| Plant replacement program                     | 9,264,733               |
| Plant replacement - bushfire                  | 1,300,000               |
| <b>Plant and Equipment Total</b>              | <b>10,564,733</b>       |
| <b>Furniture and Equipment</b>                |                         |
| Recreation centre                             | 375,000                 |
| Administration offices                        | 375,000                 |
| <b>Plant and Equipment Total</b>              | <b>750,000</b>          |
| <b>Land &amp; Buildings</b>                   |                         |
| Rental Housing Program                        | 1,975,000               |
| Multipurpose Function Centre                  | 1,800,000               |
| Caravan Park Renewals                         | 1,500,000               |
| Building Renewals                             | 1,175,000               |
| Commercial/ Industrial Hub                    | 1,000,000               |
| Railway Station                               | 130,000                 |
| Memorial Hall                                 | 130,000                 |
| <b>Land &amp; Buildings Total</b>             | <b>7,710,000</b>        |
| <b>Grand Total</b>                            | <b>44,667,825</b>       |

# 4.0 Community Profile, Vision and Objective

## 4.1 Location

The 3BShire of Brookton covers an area of 1,601km<sup>2</sup>, situated in the central region of Western Australia, incorporating the communities and localities of Brookton, Aldersyde and Kweda. The Shire administration centre is located in the town of Brookton, 138 km south east of Perth.

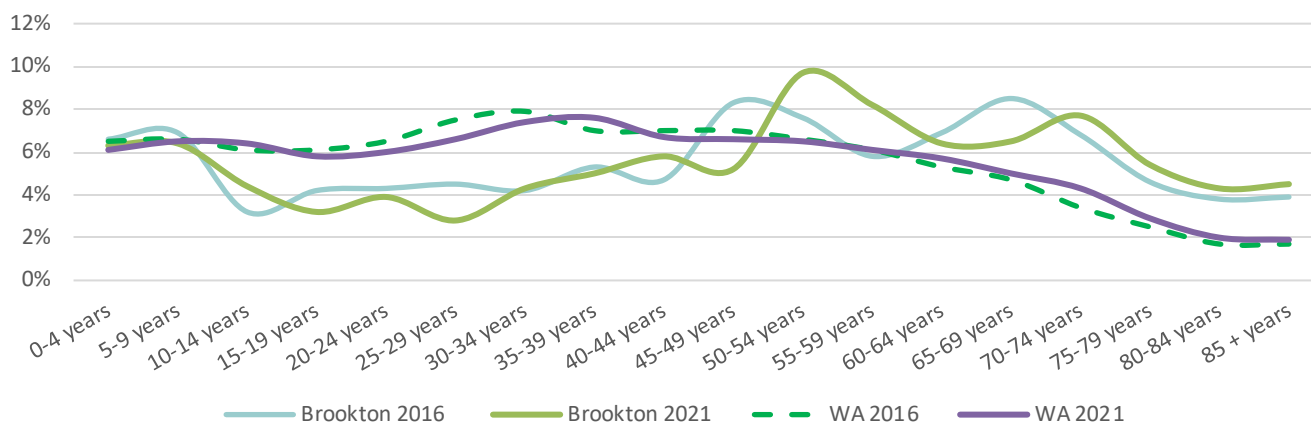
## 4.2 Heritage

Before the arrival of European settlers Brookton was inhabited by Noongar people. The local Noongar speak the southwestern dialect Kongal-marawar, of the Noongar language. Since time immemorial, the Noongar people have maintained a living cultural, spiritual, familial, and social relationship with Noongar boodja.

The first settler and founder of the Brookton district, John Seabrook (1818-1891), moved to the area in 1846 soon after marrying, and named his property "Brookton House". He remained the only European in the area, aside from itinerant sandalwood cutters, until his stepson, A.W. Robinson, took up adjacent land in 1864. During the 1860s and 1870s, more settlers moved into the area, and took on sandalwood cutting (it sold for £9 per ton) as well as wheat and sheep farming.

In June 1889, when the Great Southern Railway opened, Brookton was one of the original stations. The station proved to be the catalyst that created a centre for the isolated farms, and the government gazetted a townsite here in 1895 and named it "Seabrook" but local acceptance of the station name and confusion with another Seabrook near York resulted in the townsite's name being changed to Brookton in 1899. The townsite attracted a few businesses and by 1903, the tiny settlement comprised a school, hotel, bank and a few shops.

### Percentage of Population by Age



## 4.3 People

The following statistics reflect the Shire's population in comparison to the population of the state of Western Australia. The age demographic of the districts population is reflected by the blue (2016 Census) and green (2021 Census) lines in the chart at the bottom of the page. When compared to the age demographic of the West Australian population reflected by the dotted lines, it is apparent the 3BShire of Brookton has a higher percentage of older residents.

## 4.4 Vision

The Shire's strategic vision:

**A well-recognised business and agricultural hub, a flourishing stop-over destination, and a celebrated place to live.**

## 4.5 Strategic Objectives

The following key themes are identified in the Shire's Strategic Community Plan 2022 - 2032 and considered within the Strategic Resource Plan:

Brookton 15:

- Business and Agricultural hub
- Stop-over destination
- Community Spirit
- Celebrated life
- Celebrated place

| Population        | 2016 |   | 2021 |
|-------------------|------|---|------|
| Shire of Brookton | 975  | ↓ | 929  |
| WA                | 2.5m | ↑ | 2.7m |

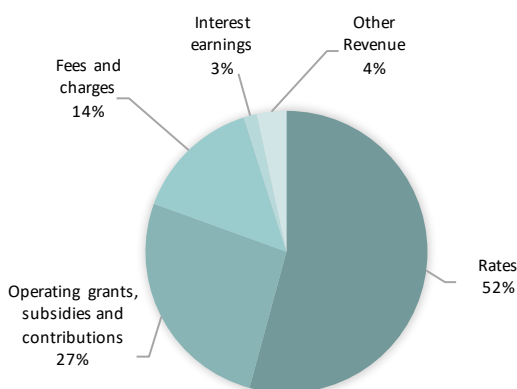
# 5.0 Long Term Financial Planning Overview

## 5.1 Forecast Revenue

Rates are expected to increase from current levels in 2023-24 and generate \$2.71m before increasing at between 3% to 6% per annum to \$5.17m in 2038-39 and comprise 52% of operating revenue over the term of the Plan. The Shire is reliant on receiving more than \$31m over the next 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services.

After the initial Wheatbelt Secondary Freight Network funding received in the early stages of the Plan, non operating grants are expected to remain relatively stable for road renewals.

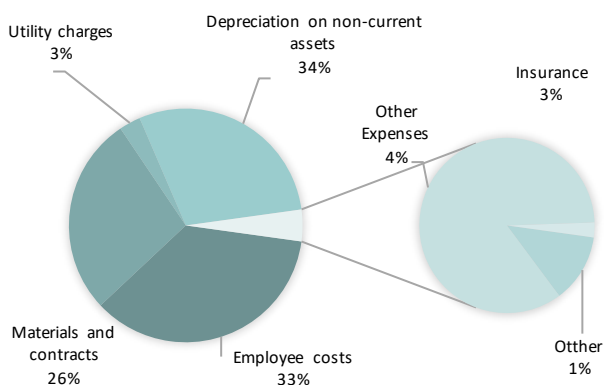
## 5.2 Revenue Composition Year 1 to 15



## 5.3 Forecast Expenditure

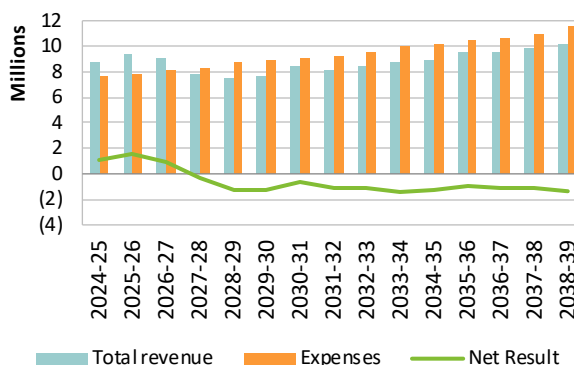
Expenditure is forecast to increase in line with inflation with the exception of depreciation expense which is impacted by the addition of assets over the term of the Plan.

## 5.4 Expenditure Composition Year 1 to 15



## 5.5 Net Result

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



A negative net result over the long term indicates inflation adjusted asset values may decrease due to a shortfall in asset funding. This may be masked by continuous revaluation of assets. Improved asset funding or changes to expected useful life of assets as they are better understood may impact the net result.

## 5.6 Depreciation Expense

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

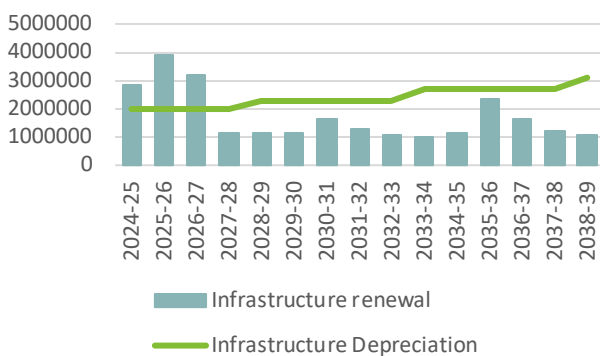
Where the planned asset renewals are lower than depreciation, the written down value of these assets will decrease over time as depreciation erodes the value of the assets. Revaluation of assets in line with inflation may mask a real decrease in value where planned asset renewals are lower than depreciation.



# 5.0 Long Term Financial Planning Overview (Continued)

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

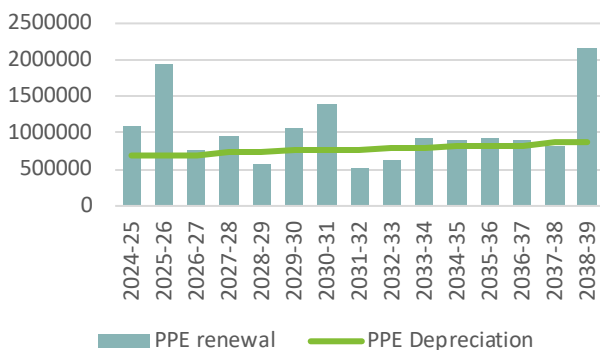
Depreciation expense increases throughout the Plan from \$2.68m in year 1 to \$3.97m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$35.94m, shown by the green line in the chart below. The planned level of infrastructure asset renewal expenditure is at \$25.64m (reflected by the blue columns) is over the term of the Plan well below the level of depreciation.



Further review of asset useful lives for infrastructure assets in future may be required as changes occur in the construction techniques of road pavements occur and traffic loads vary.

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

Planned property, plant and equipment asset renewals of \$15.62m (reflected by the blue columns) over the 15 years is greater than the depreciation expense of \$11.63m (reflected by the green line) over the same period as shown in the chart below.



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

## 5.9 Maintenance Expenditure

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

## 5.10 Forecast Borrowings and Cash Reserves

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



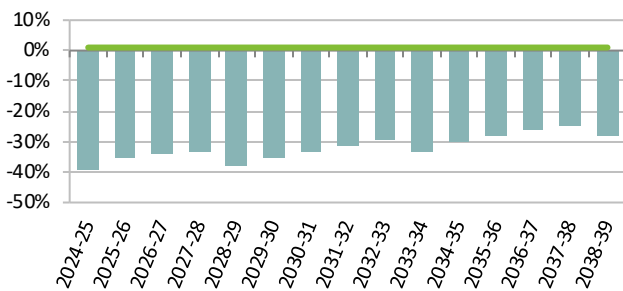
Existing borrowings are paid down over the life of the plan as part of its strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. New borrowings of \$1m are expected to be utilised for the development of commercial/industrial land.

# 5.0 Long Term Financial Planning Overview (Continued)

## 5.11 Forecast Operating Ratios 2024 - 2039

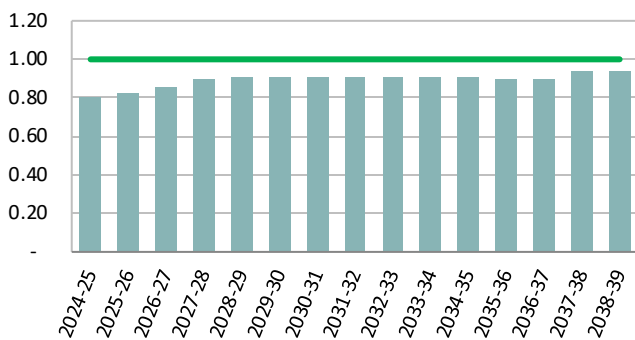
Monitoring the Shire’s financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The green line reflects the Department of Local Government, Sport and Cultural Industries’ (the Department) minimum target level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

### 5.12 Operating Surplus Ratio



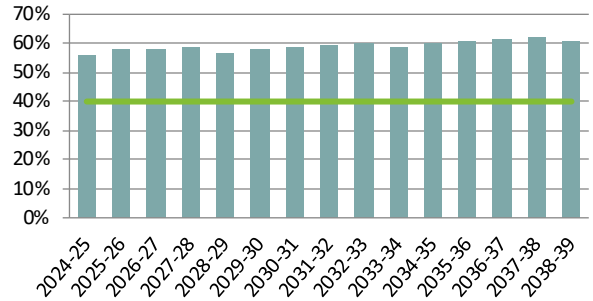
The ratio above highlights how the cumulative impact of the rates increases is intended to address the Operating Surplus Ratio.

### 5.13 Current Ratio



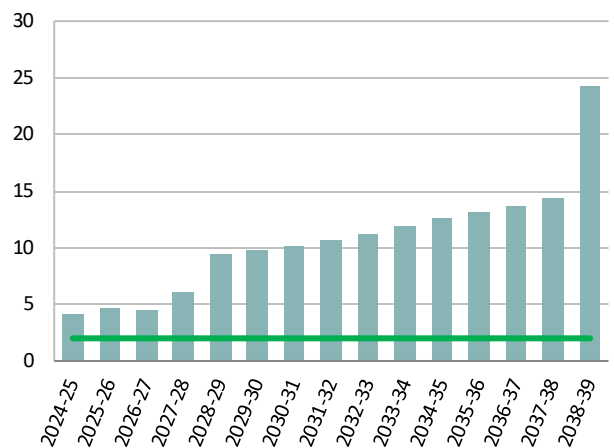
As expected for a Shire with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0 until the borrowings are repaid. The trend is not considered to indicate a threat to the Shire’s long term financial position.

## 5.14 Own Source Revenue Coverage Ratio



The ratio being above the target indicates a lower reliance on grants and contributions.

## 5.15 Debt Service Cover Ratio



The ratio indicates the Shire has an increasing capacity to take up borrowings if required, with ratio above the minimum level target range throughout the duration of the plan and exceeding the best practise target range of 5.0 from 2027-28 on.

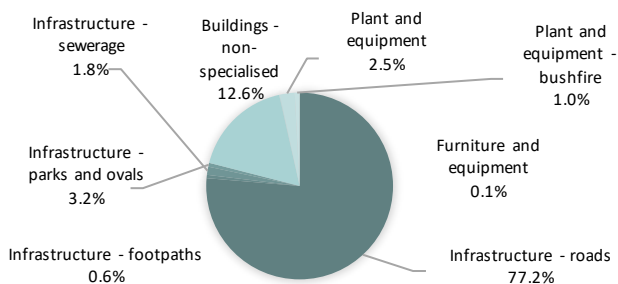
An explanation of all ratios is provided at Section 11.1.

# 6.0 Asset Management Planning Overview

## 6.1 Key Asset Information

The Shire controls an asset network with a written down value of \$90.67m<sup>1</sup>, of which roads infrastructure constitutes the largest component values as reflected in the chart below.

## 6.2 Written Down Value by Asset Class



## 6.3 Asset Management Policy

The purpose of an asset management policy is to:

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

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

## 6.4 Asset Management Strategy

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

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

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

between the risk of loss of asset service and the financial costs of asset renewal and maintenance was determined.

Detailed long term planning is required for the renewal of building assets due to the scale of expenditure in relation to these assets and the likelihood of usage/design upgrades when renewal occurs.

Unfortunately, planning for the renewal of long lived assets carries with it a high level of uncertainty. This is due to the vagary associated with the allocation of future external contributions and the potential for a sudden and unexpected change in grant funding.

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

Recognising a proportion of assets have been constructed with the assistance of external financial contributions, the Shire seeks to, within its financial capacity, maintain these assets into the future. A strategy of alignment of estimated asset useful lives with the forecast financial capacity aims to ensure the long term affordability of Shire assets. By focusing resources and efforts on a small number of key critical assets, the Shire has achieved its targeted asset management outcomes, integrated with financial planning within its forecast financial capacity based on an annual rate increase of 6% (CPI of 3% + 3%) for the first 3 years and 4% (CPI of 3% + 1%) for the remainder of the Plan.

## 6.5 Level of Service

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

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

<sup>1</sup> Shire of Brookton 2022-23 Annual Financial Report

# 6.0 Asset Management Planning Overview (Continued)

## 6.6 Financial Management Strategy for Assets

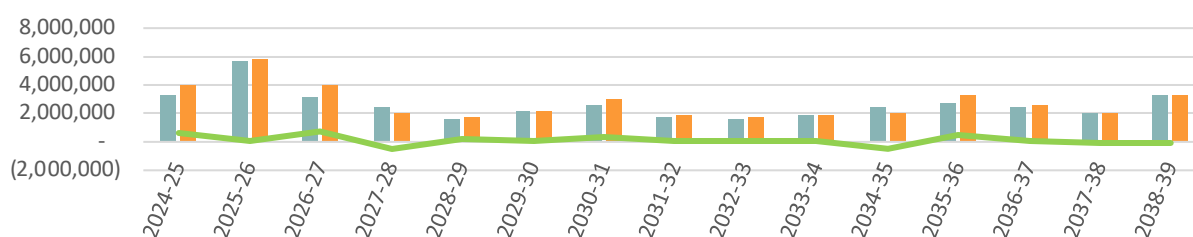
Based on the 2023-24 Annual Budget, a financial baseline was determined for operating revenue and expenditure. Modifications to this baseline were made over the 15 year term to predict forecast changes in operating revenue and expenditure.

Revenue and expenditure for 2023-24 is expected to align with 2022-23. Structuring operational revenues and expenditure to ensure adequate provision for asset renewal into the future is a cornerstone of the Shire's overall financial strategy. To achieve this strategy, rate increases marginally higher than the consumer price index (CPI) is forecast to occur from year 1 onwards combined with the maintenance of operating expenditure in line with the CPI forecast.

Forecast planned asset renewals for the term of the Plan, along with the forecast required asset renewals to maintain services in the future are shown as columns in the chart below with the values in the table on the right. Forecast asset renewals requirements are arrived at based on current estimates of replacement cost and remaining useful life of each asset, assessed from the asset's condition or age. The Shire is planning for renewal of all assets at the end of their useful life, except for buildings. Buildings are to be maintained so they may be used beyond their standard useful life. Further useful life information is required for road assets to better determine the remaining useful life of road assets

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

## 6.7 Forecast Planned and Required Asset Renewals



## 6.8 Planned Asset Expenditure

Renewal asset expenditure of \$41.27m has been planned as per the table on the right.

| Year         | Planned Asset Renewal \$ | Required Asset Renewal \$ | Asset Renewal Surplus/(Deficit) \$ |
|--------------|--------------------------|---------------------------|------------------------------------|
| 2024-25      | 3,946,993                | 3,346,171                 | 600,822                            |
| 2025-26      | 5,836,136                | 5,719,416                 | 116,720                            |
| 2026-27      | 3,939,637                | 3,206,936                 | 732,701                            |
| 2027-28      | 2,060,387                | 2,508,032                 | (447,645)                          |
| 2028-29      | 1,712,940                | 1,579,103                 | 133,837                            |
| 2029-30      | 2,190,809                | 2,191,029                 | (220)                              |
| 2030-31      | 3,018,817                | 2,636,689                 | 382,128                            |
| 2031-32      | 1,826,556                | 1,769,696                 | 56,860                             |
| 2032-33      | 1,710,941                | 1,634,996                 | 75,945                             |
| 2033-34      | 1,936,244                | 1,823,202                 | 113,042                            |
| 2034-35      | 2,024,097                | 2,513,435                 | (489,338)                          |
| 2035-36      | 3,244,230                | 2,759,077                 | 485,153                            |
| 2036-37      | 2,537,614                | 2,446,407                 | 91,207                             |
| 2037-38      | 2,035,692                | 2,100,682                 | (64,990)                           |
| 2038-39      | 3,246,732                | 3,307,653                 | (60,921)                           |
| <b>Total</b> | <b>41,267,825</b>        | <b>39,542,524</b>         | <b>1,725,301</b>                   |

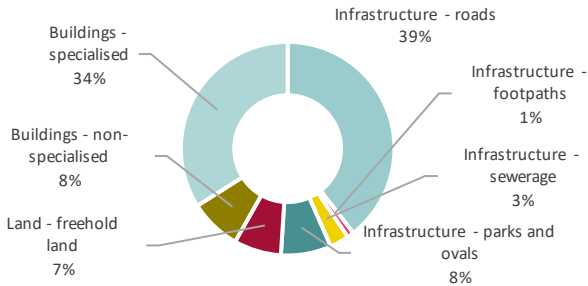
A number of assumptions and estimates have been utilised in arriving at these values and actual events may vary significantly from those provided.

The required asset renewal spikes in 2025-26 is primarily a result of road data reflecting a requirement to renew multiple roads and bridges in the single year. Other spikes can be attributed to multiple separate road sector renewals forecast as required over the period.

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

# 6.0 Asset Management Planning Overview (Continued)

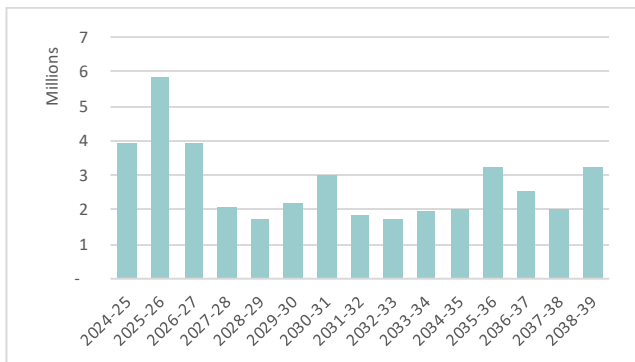
## 6.8.1 Planned Capital Expenditure 2024-39



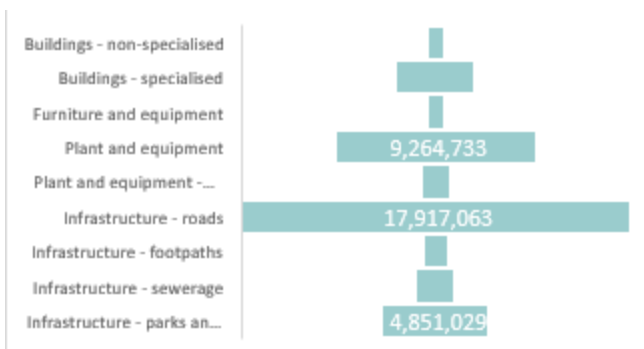
## 6.9 Planned Asset Renewal

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

### 6.9.1 Planned Asset Renewal Expenditure



### 6.9.2 Planned Asset Renewal Expenditure by Class



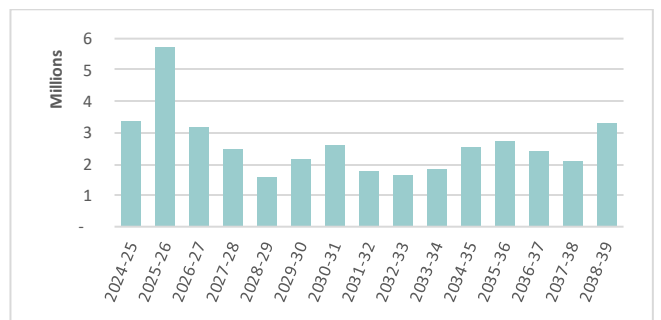
Planned asset renewals by asset class over the 15 years of the Plan reflected in the chart above shows the major renewal spend relates to roads and plant and equipment.

## 6.10 Required Renewal Expenditure

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

Required asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$41.27m are forecast to be required over the 15 years of the Plan based on existing asset data.

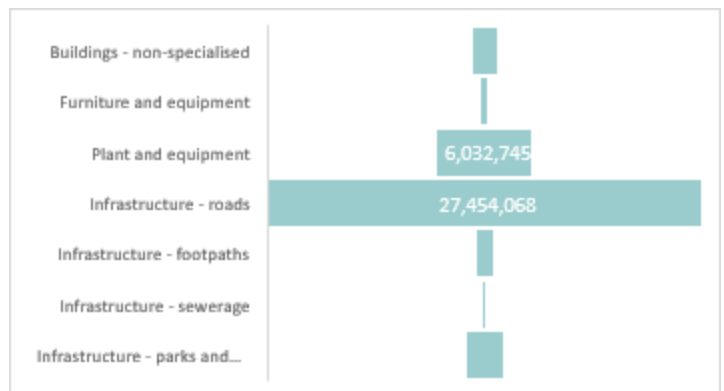
### 6.10.1 Required Asset Renewal Expenditure



Regular reviews of the useful lives and condition assessments are required to ensure the undertakes the renewal of assets in a timely manner.

### 6.10.2 Required Asset Renewal Expenditure by Asset Class

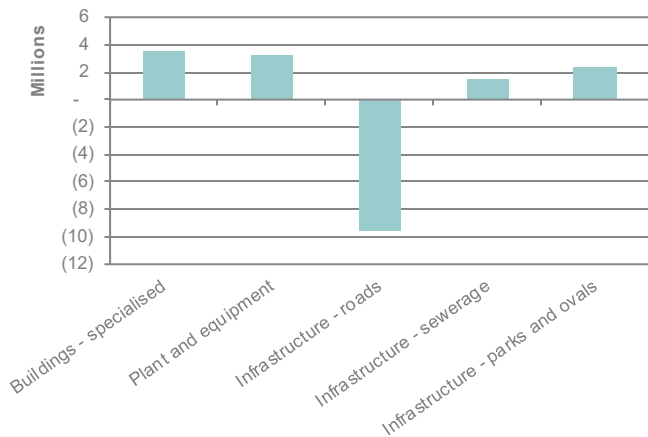
Renewal of roads dominate the forecast required asset renewals.



# 6.0 Asset Management Planning Overview (Continued)

## 6.10.3 Asset Renewal Funding Surplus/(Gap)

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



The shortfalls in planned asset expenditure are not considered to be of long-term significance provided the Shire undertakes the planned renewals and asset maintenance. Further analysis and revision of asset valuation information and associated underlying assumptions and estimates is required to confirm true required asset renewal expenditure. Required renewal expenditure for road assets will also be heavily influenced by future road usage and maintenance.

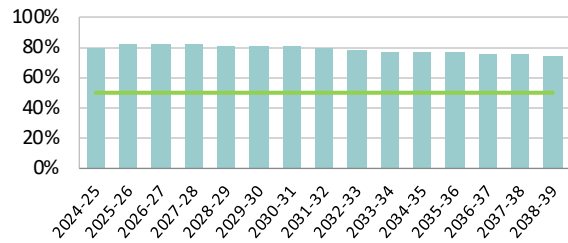
Standard useful life estimates used within the infrastructure valuations were not considered to be appropriate or relevant for the 3BShire of Brookton and were modified to align to historical asset lives and renewal cycles. This is discussed further in Section 7.1

## 6.11 Upgrade/New Expenditure

Significant upgrades are planned to occur over the next 15 years in response to community expectation. These include \$3.73m at the Brookton Aquatic Centre, \$1.80m for a Multipurpose Function Centre, \$1.98m for Rental Housing and \$1.50m on the caravan park facilities.

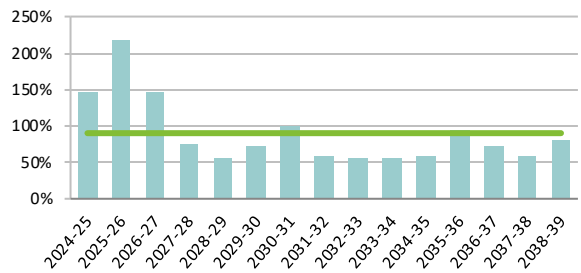
## 6.12 Forecast Asset Ratios 2024 - 2039

### Asset Consumption Ratio



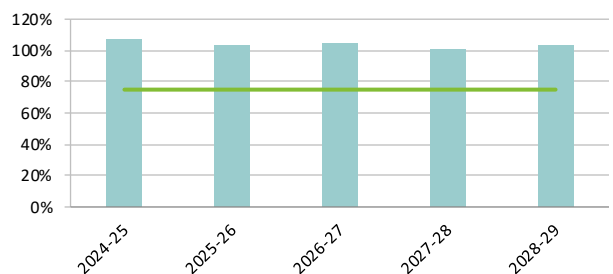
The asset consumption ratio is above the target range and remains so throughout the term of the Plan, with assets being renewed at adequate levels to maintain the average age of assets.

### Asset Sustainability Ratio



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

### Asset Renewal Funding Ratio



The above ratio is above the target ratio, with planned asset renewal expenditure being above required asset renewal expenditure as set out in this Plan.

# 7.0 Scenario Modelling

## 7.1 Scenario Modelling

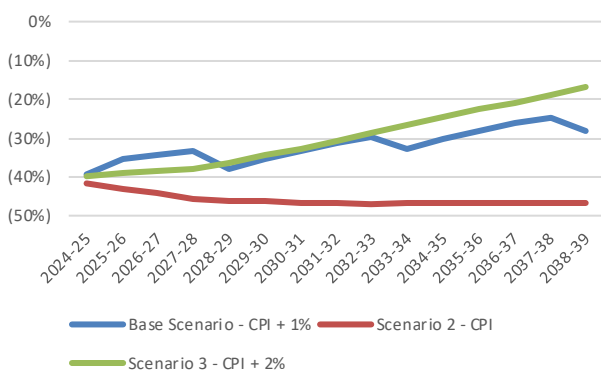
Scenarios were developed to test the financial impact of increased levels of operating funding from rates. To ascertain the effect of increased funding levels, modelling of various scenarios was undertaken. To ascertain the effect of reduced funding levels, modelling of various scenarios was undertaken.

A base scenario was developed with rates yield 1% above inflation (3%) from 2024/25 for the remainder of the Plan. Two alternative scenarios were also developed from this base as shown in the table below. All other assumptions remained the same across the three scenarios.

| Scenario      | Rates Increase above CPI (3%) | Total Increase |
|---------------|-------------------------------|----------------|
| Base Scenario | 1%                            | 4% - 7%        |
| Scenario 2    | 0%                            | 3% - 6%        |
| Scenario 3    | 2%                            | 5% - 8%        |

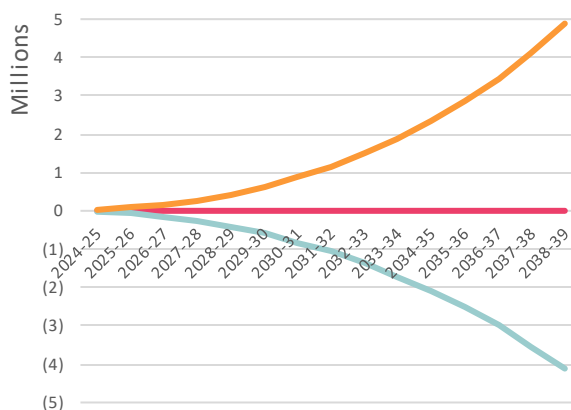
The base scenario was selected as the most appropriate and has been used for the Plan. The base scenario includes levels of rate revenue and fees and charges to ensure the current levels of service are maintained.

### 7.1.1 Scenario Comparison - Operating Surplus Ratio



The chart above shows the impact of the same change in total rates yield on the Shire's Operating Surplus Ratio (other assumptions remaining the same). The base scenario was selected as it maintains existing rating levels.

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



### 7.1.2 Scenario Comparison

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

|         | Estimated Surplus/(Deficit) |                         |                              |
|---------|-----------------------------|-------------------------|------------------------------|
|         | Base Scenario               | Scenario 2<br>CPI<br>\$ | Scenario 3<br>CPI + 2%<br>\$ |
| 2024-25 | 0                           | (24,106)                | 24,106                       |
| 2025-26 | 0                           | (75,452)                | 75,933                       |
| 2026-27 | 0                           | (157,454)               | 159,477                      |
| 2027-28 | 0                           | (270,967)               | 277,094                      |
| 2028-29 | 0                           | (416,975)               | 431,928                      |
| 2029-30 | 0                           | (597,333)               | 627,332                      |
| 2030-31 | 0                           | (813,975)               | 866,880                      |
| 2031-32 | 0                           | (1,068,922)             | 1,154,381                    |
| 2032-33 | 0                           | (1,364,285)             | 1,493,887                    |
| 2033-34 | 0                           | (1,702,268)             | 1,889,714                    |
| 2034-35 | 0                           | (2,085,173)             | 2,346,452                    |
| 2035-36 | 0                           | (2,515,400)             | 2,868,983                    |
| 2036-37 | 0                           | (2,995,454)             | 3,462,497                    |
| 2037-38 | 0                           | (3,527,950)             | 4,132,508                    |
| 2038-39 | 0                           | (4,115,617)             | 4,884,872                    |

# 8.0 Strategic Planning and Policies

## 8.1 Linkage with Other Plans

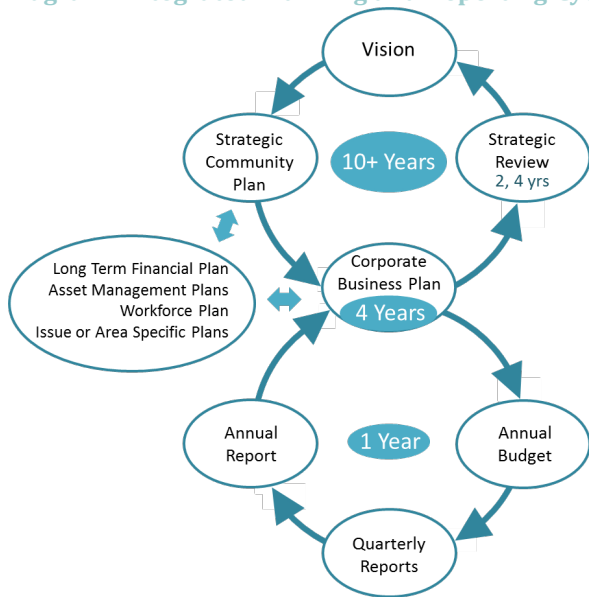
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other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

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

## 8.2 Strategic Documents Linkage

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

Diagram: Integrated Planning and Reporting Cycle<sup>2</sup>



### 8.2.1 Strategic Community Plan 2022 - 2032

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

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

### 8.2.2 Corporate Business Plan

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

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

### 8.2.3 Workforce and Other Strategic Plans

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

The Shire’s Workforce Plan has been considered in the development of this Strategic Resource Plan. No financial impacts are expected from the Workforce Plan with employee costs forecast to in line with inflation.

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



# 9.0 Risk Management

## 9.1 Risk Management

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

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

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

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

## 9.2 Certainty of Assumptions

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

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

## 9.3 Sensitivity Analysis

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

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

# 10.0 Assumptions, Risks, Uncertainties and Sensitivity

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

| Disclosure/Assumption   | Assessed Financial Risk | Impact of High Financial Risk Assumptions   | Level of Uncertainty | Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk  |
|---|-------------------------|---|----------------------|--|
| <b>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 3% to 6% from 2024/25 to 2026/27, being as much as 3% higher than forecast inflation rate.  | 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. | High                 | ± \$310,349 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 forecast capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.                         | High                 | ± \$172,447 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan. |
| <b>Fees and Charges:</b> Increases in line with inflation forecast.   | Medium                  | Not assessed as high financial risk.  | Medium               | Not assessed as high level of uncertainty.   |
| <b>Interest Earnings:</b> Interest earning of an average rate of 4% per annum.  | Low                     | Not assessed as high financial risk.  | Medium               | Not assessed as high level of uncertainty.   |
| <b>Other Revenue:</b> Increases in line with inflation.   | Low                     | Not assessed as high financial risk.  | Low                  | Not assessed as high level of uncertainty.   |
| <b>Profit on Asset Disposal:</b> Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included. | Low                     | Not assessed as high financial risk.  | Low                  | Not assessed as high level of uncertainty.   |

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

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

| Disclosure/Assumption   | Assessed Financial Risk | Impact of High Financial Risk Assumptions  | Level of Uncertainty | Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk                         |
|---|-------------------------|--|----------------------|---|
| <b>Employee Costs:</b> Increased annually by forecast inflation.  | Medium                  | Not assessed as high financial risk.   | Low                  | Not assessed as high level of uncertainty.  |
| <b>Materials and Contracts:</b> Increased annually by forecast inflation.   | High                    | The road preservation program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels. | High                 | ± \$362,324 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 the estimated useful lives on individual assets.  | Low                     | Not assessed as high financial risk.   | Low                  | Not assessed as high level of uncertainty.  |
| <b>Insurance:</b> Base year increased in line with inflation.   | Medium                  | Not assessed as high financial risk.   | Medium               | Not assessed as high level of uncertainty.  |
| <b>Other Expenditure:</b> Base year increased in line with inflation.   | Medium                  | Not assessed as high financial risk.   | Medium               | Not assessed as high level of uncertainty.  |
| <b>Loss on Asset Disposal:</b> A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan. | Low                     | Not assessed as high financial risk.   | Low                  | Not assessed as high level of uncertainty.  |

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

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

| Disclosure/Assumption   | Assessed Financial Risk | Impact of High Financial Risk Assumptions   | Level of Uncertainty | Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk  |
|---|-------------------------|---|----------------------|--|
| <b>Revaluations:</b> In line with annual inflation.   | Low                     | The revaluation of assets may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.                  | High                 | ±\$113,453 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan.<br>±\$425,276 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                 | ±\$446,678 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 in accordance with the 10 Year Capital Plan, and plant expenditure is based on the Plant Replacement Program.                           | Medium                  | Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.         | Medium               | Not assessed as high level of uncertainty.   |

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

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

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

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

## 10.5 Equity Risks, Uncertainties and Sensitivity

| Disclosure/Assumption  | Assessed Financial Risk | Impact of High Financial Risk Assumptions  | Level of Uncertainty | Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk  |
|--|-------------------------|--|----------------------|--|
| <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                 | ±\$113,453 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan.<br>±\$425,276 to the value of infrastructure assets per 1% movement in the value over the life of the Plan. |

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

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

| Disclosure/Assumption   | Assessed Financial Risk | Impact of High Financial Risk Assumptions  | Level of Uncertainty | Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk  |
|---|-------------------------|--|----------------------|--|
| <p><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.</p>  | 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.   |
| <p><b>Inflators:</b> Forecast inflation at 3% per annum.</p>  | Medium                  | Not assessed as high financial risk.   | High                 | ± \$1,148,864 to operating revenue per 1% movement in the inflators over the life of the Plan.<br>± \$1,412,946 to operating expenditure per 1% movement in the inflators over the life of the Plan. |
| <p><b>Commercial Activities:</b> The Shire has no plans to undertake a significant commercial activity during the period of the Plan.</p>   | Medium                  | Not assessed as high financial risk.   | Low                  | Not assessed as high level of uncertainty.   |
| <p><b>General Economic Forecasts for State:</b> The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.</p> | Medium                  | Not assessed as high financial risk.   | Medium               | Not assessed as high level of uncertainty.   |
| <p><b>General Economic Forecasts for Region:</b> Historically, the region's economy is heavily dependent on agriculture and this remains the assumption for the term of this Plan.</p>  | Low                     | Not assessed as high financial risk.   | Medium               | Not assessed as high level of uncertainty.   |

# 11.0 Monitoring and Performance

## 11.1 Monitoring

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

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

## 11.2 Ratio Targets

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

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

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

| Ratio                             | Calculation   | Indication  | Minimum target |
|-----------------------------------|---|---|----------------|
| Current Ratio                     | $\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets minus current liabilities associated with long term borrowings}}$ | A measure of the Shire’s immediate liquidity and the capacity to meet short term financial obligations from unrestricted current assets.  | 1              |
| Operating Surplus Ratio           | $\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$  | A measure of the extent to which own source revenues raised cover operational expenses.   | 1%             |
| Own Source Revenue Coverage Ratio | $\frac{\text{own source operating revenue}}{\text{operating expense}}$  | A measure of the extent of the Shire’s ability to cover costs using only discretionary revenue.   | 40%            |
| Debt Service Coverage Ratio       | $\frac{\text{Annual operating surplus before interest and depreciation}}{\text{principal and interest}}$  | A measure of the extent of the Shire’s capacity to generate sufficient cash to cover debt payments.   | 2              |
| Asset Consumption Ratio           | $\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciation assets}}$  | A measure of the aged condition of the Shire’s physical assets.   | 50%            |
| Asset Sustainability Ratio        | $\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$  | A measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives.  | 90%            |
| Asset Renewal Funding Ratio       | $\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$   | The Shire’s financial capacity to fund asset renewal to support existing service levels. (This ratio is based on the ten years forecast expenditure and as such is only able to be calculated of the first five years of the Plan). | 75%            |



# 12.0 Improvement Plan

## 12.1 Strategic Resource Improvement Plan

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

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

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

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

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

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

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

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

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

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

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

# List of Appendices

|                           |   |           |
|---------------------------|---|-----------|
| <b>APPENDIX A1</b>        | <b>CRITICAL ASSETS.....</b>   | <b>2</b>  |
| <b>APPENDIX A2</b>        | <b>INFRASTRUCTURE - ROADS.....</b>                                  | <b>3</b>  |
| <b>APPENDIX A3</b>        | <b>INFRASTRUCTURFOOTPE - FOOTPATHS.....</b>                         | <b>9</b>  |
| <b>APPENDIX A4</b>        | <b>BUILDINGS.....</b>   | <b>11</b> |
| <b>APPENDIX A5</b>        | <b>INFRASTRUCTURE - PARKS AND OVALS.....</b>                        | <b>14</b> |
| <b>APPENDIX A6</b>        | <b>INFRASTRUCTURE - SEWERAGE.....</b>                               | <b>16</b> |
| <b>APPENDIX A7</b>        | <b>PLANT AND EQUIPMENT.....</b>                                     | <b>18</b> |
| <b>APPENDIX A8</b>        | <b>ESTIMATED ASSET LIFE AND RESIDUAL VALUE.....</b>                 | <b>20</b> |
| <b>APPENDIX B1</b>        | <b>FORECAST FINANCIAL STATEMENTS.....</b>                           | <b>22</b> |
| <b>APPENDIX B2</b>        | <b>STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE 2024-39</b>  | <b>24</b> |
| <b>APPENDIX B3</b>        | <b>STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM 2024-39.....</b>    | <b>25</b> |
| <b>APPENDIX B4</b>        | <b>FORECAST STATEMENT OF FINANCIAL POSITION 2024-39.....</b>        | <b>26</b> |
| <b>APPENDIX B5</b>        | <b>FORECAST STATEMENT OF CHANGES IN EQUITY 2024-39.....</b>         | <b>27</b> |
| <b>APPENDIX B6</b>        | <b>FORECAST STATEMENT OF CASHFLOWS 2024-39.....</b>                 | <b>28</b> |
| <b>APPENDIX B7</b>        | <b>FORECAST STATEMENT OF FUNDING 2024-39.....</b>                   | <b>29</b> |
| <b>APPENDIX B8</b>        | <b>FORECAST STATEMENT OF NET CURRENT ASSET COMPOSITION 2024-39.</b> | <b>30</b> |
| <b>APPENDIX B9</b>        | <b>FORECAST STATEMENT OF FIXED ASSET MOVEMENTS 2024-39.....</b>     | <b>31</b> |
| <b>APPENDIX B10</b>       | <b>FORECAST STATEMENT OF CAPITAL FUNDING 2024-39.....</b>           | <b>32</b> |
| <b>APPENDIX B11</b>       | <b>FORECAST RATIOS 2024-39.....</b>                                 | <b>33</b> |
| <b>APPENDIX B12</b>       | <b>ASSET RENEWALS 2024-39.....</b>                                  | <b>34</b> |
| <b>APPENDIX B13</b>       | <b>FORECAST SIGNIFICANT ACCOUNTING POLICIES.....</b>                | <b>35</b> |
| <b>APPENDIX C1</b>        | <b>- GLOSSARY.....</b>  | <b>39</b> |
| <b>OTHER MATTERS.....</b> |   | <b>42</b> |

# Appendix A1 Critical Assets

## 1.1 Description

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

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

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

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

| Asset                                     | Current Replacement Cost (\$) |
|---|-------------------------------|
| WB Eva Pavilion                           | 2,717,534                     |
| Swimming Pool                             | 1,433,316                     |
| Brookton Country Club                     | 1,204,183                     |
| Independent Living Units - White St       | 934,216                       |
| Shire Office & Council Chambers           | 919,073                       |
| Caravan Park                              | 908,756                       |
| Town Hall                                 | 844,828                       |
| Independent Living Units - Whittington St | 520,417                       |
| Bowling Green                             | 420,116                       |
| Tennis Courts                             | 326,757                       |
| Depot                                     | 313,897                       |
| <b>Total</b>                              | <b>10,543,093</b>             |

# Appendix A2 Infrastructure - Roads

## 2.1 Significant Matters

The continued provision of the road network remains one of the key priorities for the Shire. A number of rural roads within the Shire are currently utilised as grain freight routes. This has resulted in these roads requiring a higher level of technical design and an increased frequency of maintenance and renewal. The continued planning for future road infrastructure renewals, influenced by condition based estimation of the remaining useful life, is essential to reducing the risk of sudden unexpected road failure. Regional and local distributor roads, due to their strategic importance, will be given funding prioritisation over other road assets.

## 2.2 Road Inventory

The Shire of Brookton has a road network servicing an area of 1,601 square kilometres.

Road assets within this Plan include the following components:

- Drainage
- Bridges
- Pavement Structure
- Subgrade Structure
- Surface Structure

Road asset information is recorded within the Shire's Road inventory database (RAMM). The assets within the asset class were valued by an independent valuation in June 2022. The current replacement cost (adjusted for CPI) for Road Infrastructure is \$96,797,697

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

| Infrastructure Roads Assets               | Length (m) | Current Estimated Replacement Cost (\$) |
|---|------------|---|
| <b>Structural Asphaltic Concrete Seal</b> |            |   |
| Subgrade Structure                        | 117,612    | 5,484,269                               |
| Pavement Structure                        | 117,572    | 22,841,604                              |
| Surface Structure                         | 117,347    | 6,728,471                               |
| <b>Unsealed</b>                           |            |   |
| Subgrade Structure                        | 428,812    | 19,449,905                              |
| Pavement Structure                        | 1,225,782  | 12,312,186                              |
| <b>Drainage</b>                           |            |   |
| Circular                                  | 9,332      | 5,010,093                               |
| Box Shaped                                | 816        | 1,290,435                               |
| <b>Bridges</b>                            |            |   |
| Reinforced Concrete                       | 6          | 499,960                                 |
| Timber                                    | 360        | 23,180,774                              |
| <b>Infrastructure Roads Total</b>         |            | <b>96,797,697</b>                       |

# Appendix A2 Infrastructure - Roads (Continued)

## 2.3 Financial Summary

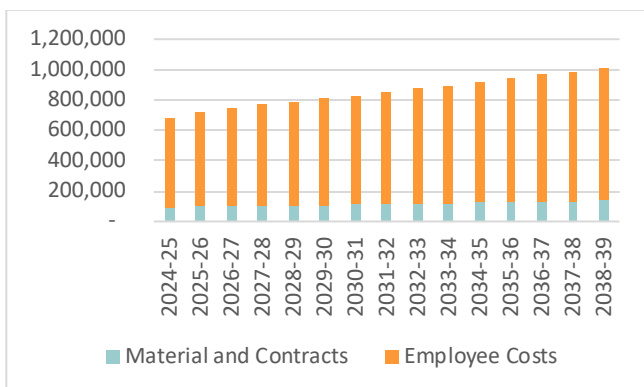
Financial impacts of managing the Shire road assets are broken down into maintenance, new and renewal expenditure, each of which is examined separately as follows.

## 2.4 Maintenance Expenditure

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

Road maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2024-25:

### 2.4.1 Maintenance Expenditure by Nature and Type



## 2.5 New Expenditure

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

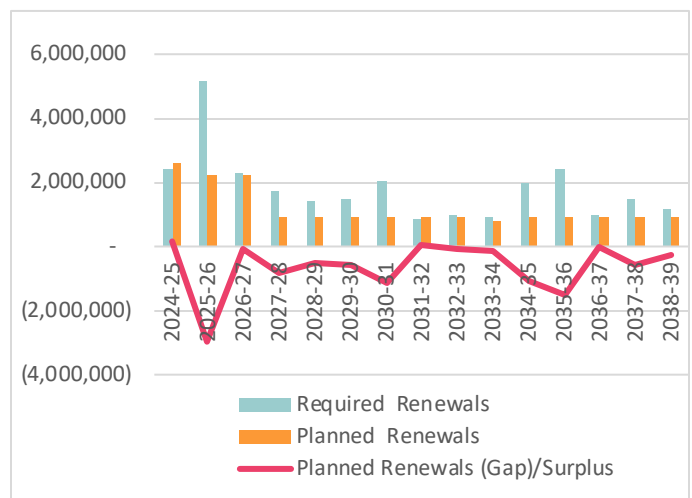
## 2.6 Renewal Expenditure

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

In the chart below, planned road expenditure is shown as orange columns, with required road renewals as the blue columns. The red line shows the difference between the two expenditure levels.

Planned road renewal over the term of the 15 year plan totals \$17.92m. Required Road renewal is calculated at \$27.45m for the term. Overall, there is a \$9.53m renewal deficit for the Shire’s Road assets.

### 2.7 Forecast Planned and Required Road Renewal Expenditure



The level and extent of the renewal requirements are dependent on the accuracy of unit cost estimates and remaining useful life estimates for each road component.

Accurate road information will result in improved planning outcomes and enable the scheduling of works.

# Appendix A2 Infrastructure - Roads (Continued)

## 2.8 Required v Planned Asset Renewals

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

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

|              | Required Roads Renewals<br>\$ | Planned Roads Renewals<br>\$ | Roads Renewal Funding (Gap)/Surplus<br>\$ |
|--------------|-------------------------------|------------------------------|---|
| 2024-25      | 2,446,178                     | 2,603,810                    | 157,632                                   |
| 2025-26      | 5,172,323                     | 2,201,513                    | (2,970,810)                               |
| 2026-27      | 2,298,175                     | 2,231,210                    | (66,965)                                  |
| 2027-28      | 1,733,405                     | 911,296                      | (822,109)                                 |
| 2028-29      | 1,410,308                     | 912,769                      | (497,539)                                 |
| 2029-30      | 1,461,153                     | 905,201                      | (555,952)                                 |
| 2030-31      | 2,053,355                     | 910,770                      | (1,142,585)                               |
| 2031-32      | 874,303                       | 915,079                      | 40,776                                    |
| 2032-33      | 1,006,309                     | 905,413                      | (100,896)                                 |
| 2033-34      | 931,460                       | 808,347                      | (123,113)                                 |
| 2034-35      | 2,011,250                     | 911,295                      | (1,099,955)                               |
| 2035-36      | 2,413,449                     | 917,222                      | (1,496,227)                               |
| 2036-37      | 967,012                       | 945,872                      | (21,140)                                  |
| 2037-38      | 1,498,215                     | 918,633                      | (579,582)                                 |
| 2038-39      | 1,177,173                     | 918,633                      | (258,540)                                 |
| <b>Total</b> | <b>27,454,068</b>             | <b>17,917,063</b>            | <b>(9,537,005)</b>                        |

Many assumptions have been utilised in arriving at the remaining useful life of each individual road asset by the external valuers.

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

## 2.9 Level of Service

Detailed performance measures and performance targets for road construction and maintenance have been developed through the review of the previously identified road level of service indicators and are shown in the following tables.

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

# Appendix A2 Infrastructure - Roads (Continued)

## 2.10 Road Construction

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

# Appendix A2 Infrastructure - Roads (Continued)

## 2.11 Road Maintenance

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



# Appendix A2 Infrastructure - Roads (Continued)

## 2.12 Risk Management

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

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

## 2.13 Improvement

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

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

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

# Appendix A3 Infrastructure - Footpaths

## 3.1 Significant Matters

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

## 3.2 Inventory

Footpath asset information is recorded within the Shire's Road inventory database (RAMM). The assets within the asset class were valued by an independent valuation in June 2022 and has a current replacement cost (adjusted for CPI) of \$621,217.

## 3.3 Financial Summary

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

## 3.4 Maintenance Expenditure

Routine maintenance expenditure is currently forecast based on historical data and staff experience and is considered during the annual budget process. It is comprised of a number of expenditure items including employee cost and materials and contracts.

## 3.5 New Asset Expenditure

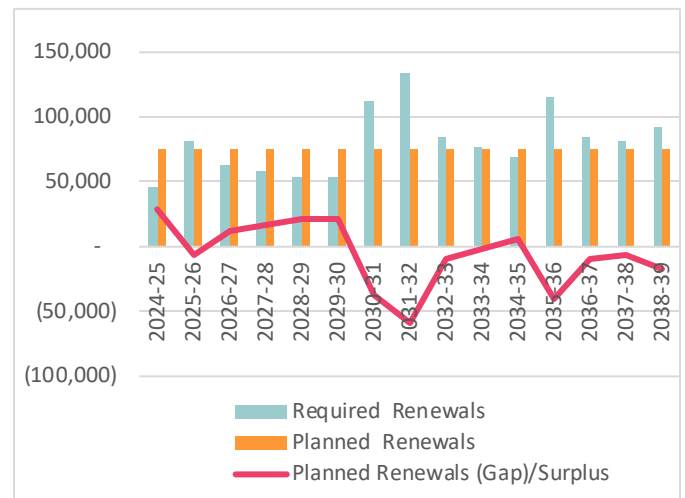
No new footpath asset expenditure is planned. External grant funding would be essential to achieve any upgrades.

## 3.6 Renewal Expenditure

Footpath renewal works are prioritised using staff knowledge of the conditions of the footpaths, current usage levels at the time of preparing the annual budget.

In the following chart, forecast planned footpaths expenditure is shown by the orange columns, with required footpaths renewals as the blue columns. The green line indicates the difference between the two expenditure levels. Planned footpaths renewal over the term totals \$1.125.000. Required footpaths renewal is calculated at \$1,207,904. Overall, there is a \$82,904 renewal deficit for the Shire's footpath assets.

## 3.7 Required v Planned Asset Renewals - Footpaths



# Appendix A3 Infrastructure - Footpaths (Continued)

## 3.8 Level of Service

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

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

## 3.9 Risk Management

An assessment of risks associated with the delivery from footpath assets has identified the following risks and the treatment strategy for each risk.

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

## 3.10 Improvement Plan

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

# Appendix A4 Buildings

## 4.1 Significant Matters

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

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

## 4.2 Inventory

Land and buildings were valued by independent professional valuers in June 2022, based on an independent valuation. The current replacement cost (adjusted for CPI) for Land and Buildings is \$12,078,122.

The replacement costs of major buildings contained within the valuation report is shown in the table to the right. A building inventory is maintained within the Shire's financial management system.

## 4.3 Composition of Estimated Current Replacement Cost of Major Building Assets

| Buildings   | Current Replacement Cost (\$) |
|---|-------------------------------|
| WB Eva Pavilion   | 2,717,534                     |
| Brookton Country Club                                     | 1,204,183                     |
| Independent Living Units (8) - 40 White St Brookton       | 934,216                       |
| Shire Office   Council Chamber                            | 919,073                       |
| Caravan Park Facilities                                   | 908,756                       |
| Memorial Town Hall  | 844,828                       |
| Independent Living Units (3) - 33 Whittington St Brookton | 520,417                       |
| Residence - 10 Marsh Ave                                  | 505,498                       |
| Depot Garage and Workshop                                 | 313,897                       |
| Residence - 23 Whittington St                             | 325,130                       |
| Residence - 25 Whittington St                             | 318,960                       |
| Residence - Unit 1 - 4 Matthew St                         | 306,939                       |
| Residence - Unit 2 - 4 Matthew St                         | 305,681                       |
| Kweda Hall  | 230,819                       |
| Unit 5 - 28 Williams St                                   | 170,903                       |
| Unit 6 - 28 Williams St                                   | 169,344                       |
| Other Facilities  | 1,381,944                     |
| <b>Buildings Total</b>                                    | <b>12,078,122</b>             |

# Appendix A4 – Buildings (Continued)

## 4.4 Financial Summary

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

## 4.5 Maintenance Expenditure by Program

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

## 4.6 New/Upgrade Asset Expenditure

Additional housing, caravan chalets and proposed commercial and industrial land developments have been allowed for over the life of this Plan.

## 4.7 Renewal Expenditure

The timing and extent of future required property renewals has been forecast using the estimated remaining useful life values provided in the independent valuation report. Whilst the valuation indicates the required renewal timings given the forecast level of some planned maintenance building assets are expected to last well beyond the indicated renewal timings. It is important to ensure funds are available in future years when buildings are required to be renewed due to the high level of expenditure in renewing building assets.

## 4.8 Forecast Planned and Required Building Renewal Expenditure

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

|              | Required Building Renewals<br>\$ | Planned Building Renewals<br>\$ | Building Renewal Funding (Deficit)/Surplus<br>\$ |
|--------------|----------------------------------|---------------------------------|--|
| 2024-25      | 0                                | 600,000                         | 600,000  |
| 2025-26      | 0                                | 600,000                         | 600,000  |
| 2026-27      | 320,299                          | 170,000                         | (150,299)  |
| 2027-28      | 298,031                          | 145,000                         | (153,031)  |
| 2028-29      | 0                                | 170,000                         | 170,000  |
| 2029-30      | 0                                | 145,000                         | 145,000  |
| 2030-31      | 0                                | 170,000                         | 170,000  |
| 2031-32      | 0                                | 170,000                         | 170,000  |
| 2032-33      | 42,171                           | 170,000                         | 127,829  |
| 2033-34      | 0                                | 170,000                         | 170,000  |
| 2034-35      | 15,925                           | 145,000                         | 129,075  |
| 2035-36      | 0                                | 170,000                         | 170,000  |
| 2036-37      | 127,070                          | 170,000                         | 42,930   |
| 2037-38      | 0                                | 170,000                         | 170,000  |
| 2038-39      | 808,539                          | 1,145,000                       | 336,461  |
| <b>Total</b> | <b>1,612,035</b>                 | <b>4,310,000</b>                | <b>2,697,965</b>                                 |

# Appendix A4 – Buildings (Continued)

## 4.9 Level of Service

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

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

## 4.10 Risk Management

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

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

## 4.11 Improvement

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

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

# Appendix A5 Infrastructure - Parks and Ovals

## 5.1 Significant Matters

The Shire controls parks and ovals which are significant to our community. The nature of these assets is one of changing requirements due to community expectations and will require further analysis to fully consider future funding requirements as individual assets require expenditure.

Availability of grant funding will significantly impact the timing and extent of expenditure on parks and ovals.

## 5.2 Inventory

Parks and Ovals were valued by independent professional valuers in June 2022, the current replacement cost (adjusted for CPI) for Parks and Ovals is \$5,365,368.

## 5.3 Composition of Estimated Current Replacement Cost of Other Infrastructure Assets

| Infrastructure - Parks and Ovals Assets              | Estimated Current Replacement Cost (\$) |
|--|---|
| Swimming Pool (Main)                                 | 1,433,316                               |
| Brookton Country Club                                | 1,204,183                               |
| Old Tennis Courts                                    | 466,796                                 |
| Bowling Green  | 420,116                                 |
| Tennis Courts (Brookton Town Oval)                   | 326,757                                 |
| Swimming Pool (Kids)                                 | 232,464                                 |
| Caravan Parth - Other Infrastructure                 | 225,924                                 |
| Netball Courts - Floodlights                         | 168,047                                 |
| Netball Courts - Hardcourt                           | 140,039                                 |
| Brookton Refuse Site - Fencing                       | 137,238                                 |
| Brookton Town Oval - Reticulation                    | 118,344                                 |
| Robinson Rd Townscape - Lighting                     | 87,524                                  |
| Brookton Town Oval - Effluent Tank                   | 79,355                                  |
| Brookton Aquatic Centre - Paving                     | 74,722                                  |
| Sewerage - Water Tanks                               | 65,351                                  |
| Brookton Sports Ground - Cricket Nets                | 53,506                                  |
| Youth Precinct - Flying Fox                          | 51,348                                  |
| Other  | 80,338                                  |
| <b>Infrastructure - Parks and Ovals Assets Total</b> | <b>5,365,368</b>                        |

## 5.4 Financial Summary

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

## 5.5 Maintenance Expenditure

Infrastructure - Parks and Ovals assets maintenance expenditure is forecast to increase in line with inflation.

## 5.6 New Expenditure

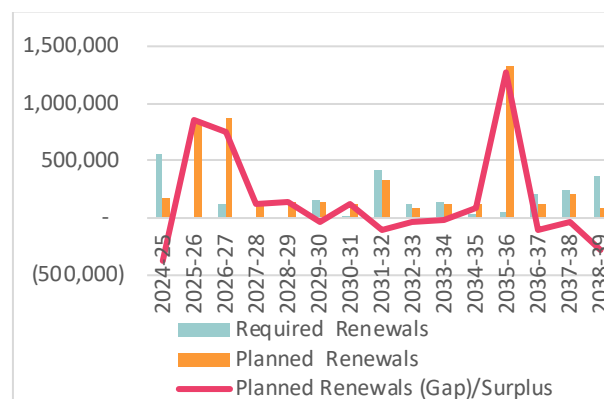
No additional items are forecast to be required over the life of this Plan.

## 5.7 Renewal Expenditure

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

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

## 5.8 Forecast Planned and Required Infrastructure - Parks and Ovals Renewal Expenditure



The Plan overall has a funding surplus of \$2.38m over the term of the Plan with planned renewals of \$4.85m and required asset renewals of \$2.47m.

# Appendix A5 Infrastructure - Parks and Ovals (Continued)

## 5.9 Level of Service

Detailed performance measures and performance targets for Infrastructure – Parks and Ovals Assets are defined in the table below.

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

## 5.10 Improvement

The improvement of asset management planning for Infrastructure – Parks and Ovals assets is not currently viewed as a priority as risks are able to be managed through annual operational planning.



# Appendix A6 Infrastructure - Sewerage

## 6.1 Significant Matters

The Shire provides a network of sewerage infrastructure which includes rising mains, gravity mains, access chambers, pump stations and ponds.

The determination of appropriate intervention points for renewal work, along with forecasting the timing and amount of funding required, is important to ensure this work can be undertaken prior to any asset failure. Further detailed investigation of this asset group is required to confirm the timing and costs of the required renewal intervals.

Asset renewal of sewerage infrastructure prior to its failure helps prevent damage to other associated assets.

## 6.2 Inventory

Sewerage assets were valued by way of an independent valuation in June 2022. The current replacement cost (adjusted for CPI) for all Sewerage assets is \$1,034,224.

## 6.3 Financial Summary

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

## 6.4 Maintenance Expenditure

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

## 6.5 New Expenditure

Although no additional new expenditure for sewerage infrastructure is forecast for the term of this Plan, the Plan has allowed for significant upgrades to be completed during the course of the next 15 years.

## 6.6 Renewal Expenditure

The table below reflects sewerage infrastructure renewal projects currently planned within the Strategic Resource Plan. These projects are forecasted to be funded from reserves and grant funding

| Year         | Required Sewerage Renewals \$ | Planned Sewerage Renewals \$ | Sewerage Renewal Funding (Deficit)/ Surplus \$ |
|--------------|-------------------------------|------------------------------|--|
| 2024-25      | 0                             | 0                            | 0  |
| 2025-26      | 0                             | 750,000                      | 750,000  |
| 2026-27      | 109,202                       | 0                            | (109,202)                                      |
| 2027-28      | 0                             | 0                            | 0  |
| 2028-29      | 0                             | 0                            | 0  |
| 2029-30      | 0                             | 0                            | 0  |
| 2030-31      | 0                             | 500,000                      | 500,000  |
| 2031-32      | 0                             | 0                            | 0  |
| 2032-33      | 0                             | 0                            | 0  |
| 2033-34      | 0                             | 0                            | 0  |
| 2034-35      | 0                             | 0                            | 0  |
| 2035-36      | 0                             | 0                            | 0  |
| 2036-37      | 146,750                       | 500,000                      | 353,240  |
| 2037-38      | 0                             | 0                            | 0  |
| 2038-39      | 0                             | 0                            | 0  |
| <b>Total</b> | <b>255,962</b>                | <b>1,750,000</b>             | <b>1,494,038</b>                               |

# Appendix A6 Infrastructure – Sewerage (Continued)

## 6.7 Level of Service

Level of service measures have not been defined for sewerage.

## 6.8 Risk Management

An assessment of risks associated with the delivery from sewerage infrastructure has identified the following risks and the treatment strategy for each risk.

| Risk  | Consequence                                       | Risk Rating | Risk Treatment Plan   |
|---|---|-------------|---|
| Significant unforeseen increases in maintenance or renewal costs.                       | Desired level of service not maintained.          | Medium      | Monitor costs and adjust long term plans accordingly.   |
| Asset condition decreases due to inadequate renewal program.                            | Desired level of service not maintained.          | Medium      | Determine maintenance priorities based on lifecycle cost.   |
| Sudden significant changes in population.   | Sudden increase in level of service requirements. | Medium      | Monitor population trends and industry developments in the region.  |
| Asset condition decreases due to inadequate maintenance program.                        | Desired level of service not maintained.          | Low         | Determine maintenance priorities based risk assessment and lifecycle cost.  |
| Health and safety incident whilst working on assets causing fatality or serious injury. | Prosecution risk.                                 | Low         | Ensure Council has compliant H&S policy. Ensure staff and contractors are trained in policy and all procedures are complied with. |

## 6.9 Improvement

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

# Appendix A7 Plant and Equipment

## 7.1 Significant Matters

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

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

## 7.2 Inventory

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

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

| Asset                         | Current Replacement Cost \$ |
|-------------------------------|-----------------------------|
| Machinery and Heavy Vehicle   | 1,981,370                   |
| Bushfire Vehicles   Equipment | 1,104,253                   |
| Light Vehicles                | 370,363                     |
| Plant and Trailers            | 590,347                     |
| Furniture and Equipment       | 138,785                     |
| <b>Total</b>                  | <b>4,185,118</b>            |

## 7.4 Financial Summary

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

No significant changes to maintenance or operating expenditure are forecast.

## 7.5 New Expenditure

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

## 7.6 Renewal Expenditure

The Shire has a 15 year replacement maintenance program for furniture and equipment. The program is updated on an annual basis as part of the Shire’s annual budget process.

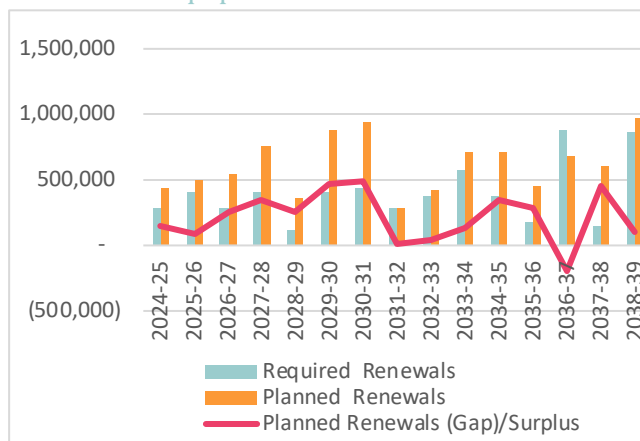
The plant replacement program is updated annually and is expected to remain fully funded by annual allocations to the Plant Replacement Cash Reserve.

The Plan has annual allocations for plant replacement expenditure based on the adopted program. In the chart below at 7.3.3, planned expenditure is shown as the orange columns with required renewals shown as the blue columns. The red line shows the variation between the two expenditure levels.

## 7.7 Forecast Planned and Required Plant and Equipment Renewal Expenditure

The chart reflects a lack of correlation between the Plant Replacement Program and the estimated useful life of plant and equipment provided by the valuers as the plant replacement program has been modified to available financial resources. The Plan overall has a funding surplus of \$3.23m over the term of the Plan with planned renewals of \$9.26m and required asset renewals of \$6.03m.

### 7.7.1 Required v Planned Asset Renewals – Plant and Equipment



## 7.8 Plant Disposals

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

# Appendix A7 Plant and Equipment (Continued)

## 7.9 Level of Service

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

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

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

## 7.10 Risk Management

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

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

## 7.11 Improvement Plan

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

# Appendix A8 Estimated Asset Life and Residual

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

| Asset Class            | Asset Sub-Class    | Pavement Type        | Estimated Useful Life | Materials Remaining in-situ |
|------------------------|--------------------|----------------------|-----------------------|-----------------------------|
| Infrastructure - roads | Pavement Structure | Double Seal          | 25                    |                             |
| Infrastructure - roads | Pavement Structure | Unsealed             | 20                    |                             |
| Infrastructure - roads | Pavement Structure | Single Seal          | 25                    |                             |
| Infrastructure - roads | Pavement Structure | Asphalt (obsolete))  | 20                    |                             |
| Infrastructure - roads | Pavement Structure | Cement Concrete      | 80                    |                             |
| Infrastructure - roads | Pavement Structure | Dense Graded Asphalt | 20                    |                             |
| Infrastructure - roads | Subgrade Structure | Unsealed             |                       | 100%                        |
| Infrastructure - roads | Subgrade Structure | Cement Concrete      |                       | 100%                        |
| Infrastructure - roads | Subgrade Structure | Double Seal          |                       | 100%                        |
| Infrastructure - roads | Subgrade Structure | Asphalt (obsolete))  |                       | 100%                        |
| Infrastructure - roads | Subgrade Structure | Dense Graded Asphalt |                       | 100%                        |
| Infrastructure - roads | Subgrade Structure | Single Seal          |                       | 100%                        |
| Infrastructure - roads | Surface Structure  | Single Seal          | 20                    |                             |
| Infrastructure - roads | Surface Structure  | Double Seal          | 25                    |                             |
| Infrastructure - roads | Surface Structure  | Asphalt (obsolete))  | 80                    |                             |
| Infrastructure - roads | Surface Structure  | Cement Concrete      | 20                    |                             |
| Infrastructure - roads | Surface Structure  | Dense Graded Asphalt | 20                    |                             |
| Land - freehold land   |                    |                      |                       | 100%                        |

# Appendix A8 Estimated Asset Life and Residual

| Asset Class                      | Asset Sub-Class      | Estimated Useful Life | Estimated Residual Value % |
|----------------------------------|----------------------|-----------------------|----------------------------|
| Buildings - non-specialised      | Administration       | 77                    |                            |
| Buildings - non-specialised      | Change Room          | 100                   |                            |
| Buildings - non-specialised      | Civic                | 90                    |                            |
| Buildings - non-specialised      | Depot                | 98                    |                            |
| Buildings - non-specialised      | House                | 70                    |                            |
| Buildings - non-specialised      | Netball Courts       | 60                    |                            |
| Buildings - non-specialised      | Pavilion             | 70                    |                            |
| Buildings - non-specialised      | Pool Large           | 90                    |                            |
| Buildings - non-specialised      | Pool Small           | 75                    |                            |
| Buildings - non-specialised      | Recreational         | 100                   |                            |
| Buildings - non-specialised      | Shed/Shelter         | 40                    |                            |
| Buildings - non-specialised      | Tennis Courts        | 40                    |                            |
| Buildings - non-specialised      | Toilet Block         | 70                    |                            |
| Buildings - non-specialised      | Transportable        | 70                    |                            |
| Buildings - non-specialised      | Unit                 | 50                    |                            |
| Furniture and equipment          | Furniture & Fittings | 10                    |                            |
| Infrastructure - footpaths       | Asphalt              | 40                    |                            |
| Infrastructure - footpaths       | Brick Paving         | 80                    |                            |
| Infrastructure - footpaths       | Concrete Slabs       | 40                    |                            |
| Infrastructure - footpaths       | Insitu Concrete      | 60                    |                            |
| Infrastructure - footpaths       | Red Asphalt          | 30                    |                            |
| Infrastructure - parks and ovals |                      | 10                    |                            |
| Infrastructure - sewerage        | Vitrified Clay       | 50                    |                            |
| Infrastructure - sewerage        | Asbestos Cement      | 50                    |                            |
| Infrastructure - sewerage        | PVC                  | 90                    |                            |
| Plant and equipment              | Bushfire Equipment   | 10                    | 15%                        |
| Plant and equipment              | Heavy Fleet          | 7                     | 15%                        |
| Plant and equipment              | Light Fleet          | 6                     | 38%                        |
| Plant and equipment              | Trailers & Machinery | 10                    | 15%                        |

# Appendix B1 Forecast Financial Statements

## Financial Statements

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

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

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

## Statements of Comprehensive Income

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

## Statement of Financial Position

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

## Statement of Changes in Equity

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

## Statement of Cashflows

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

## Statement of Funding

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

## Statement of Net Current Asset Composition

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

## Statement of Fixed Asset Movements

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

## Statement of Fixed Asset Funding

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

## Forecast Ratios

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

## Nature or Type

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

# Appendix B1 Forecast Financial Statements (Continued)

## Service Programs

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

| 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                  |
|                                  | - Immunisation                         |
|                                  | - Meat inspection                      |
|                                  | - Administration and inspection        |
|                                  | - Pest control                         |
|                                  | - Other                                |
| Other health                     |  |
| <b>Education and welfare</b>     | Pre-school                             |
|                                  | Other education                        |
|                                  | Care of families and children          |
|                                  | Aged and disabled                      |
|                                  | - Senior citizens centres              |
|                                  | - Meals on wheels                      |
|                                  | Other welfare                          |
| <b>Housing</b>                   | Staff housing                          |
|                                  | Other housing                          |
| <b>Community amenities</b>       | Sanitation                             |
|                                  | - Household refuse                     |
|                                  | - Other                                |
|                                  | Sewerage                               |
|                                  | Urban stormwater drainage              |
|                                  | Protection of environment              |
|                                  | Town planning and regional development |
|                                  | Other community amenities              |

| Objectives                         | Services                                 |
|------------------------------------|--|
| <b>Recreation and culture</b>      | Public halls, civic centre               |
|                                    | Swimming areas                           |
|                                    | Other recreation and sport               |
|                                    | Television and radio re-broadcasting     |
|                                    | Libraries                                |
| <b>Transport</b>                   | Other culture                            |
|                                    | Streets, roads, bridges, depots          |
|                                    | - Construction (not capitalised)         |
|                                    | - Maintenance                            |
|                                    | 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                         |
|                                    | Sale yards and markets                   |
|                                    | Plant nursery                            |
|                                    | 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 Statement of Comprehensive Income by Nature or Type 2024-39

|  | 2020-21     | 2021-22     | 2022-23     | Base        | 2024-25     | 2025-26     | 2026-27     | 2027-28     | 2028-29     | 2029-30     | 2030-31     | 2031-32     | 2032-33     | 2033-34      | 2034-35      | 2035-36      | 2036-37      | 2037-38      | 2038-39      |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$           | \$           | \$           | \$           | \$           | \$           |
| <b>Revenues</b>  |             |             |             |             |             |             |             |             |             |             |             |             |             |              |              |              |              |              |              |
| Rates  | 2,329,557   | 2,412,055   | 2,571,698   | 2,711,103   | 2,873,769   | 3,046,195   | 3,228,967   | 3,358,127   | 3,492,452   | 3,632,150   | 3,777,436   | 3,928,534   | 4,085,675   | 4,249,101    | 4,419,065    | 4,595,828    | 4,779,661    | 4,970,847    | 5,169,681    |
| Operating grants, subsidies and contributions  | 1,168,354   | 1,733,722   | 2,305,083   | 2,199,065   | 1,668,639   | 1,718,698   | 1,770,260   | 1,823,368   | 1,878,070   | 1,934,413   | 1,992,445   | 2,052,220   | 2,113,786   | 2,177,199    | 2,242,515    | 2,309,792    | 2,379,085    | 2,450,459    | 2,523,972    |
| Fees and charges   | 656,393     | 848,124     | 915,260     | 846,688     | 872,091     | 898,255     | 925,203     | 952,961     | 981,550     | 1,010,997   | 1,041,327   | 1,072,568   | 1,104,746   | 1,137,887    | 1,172,023    | 1,207,184    | 1,243,400    | 1,280,697    | 1,319,119    |
| Interest earnings  | 143,477     | 44,427      | 300,686     | 161,449     | 356,877     | 345,109     | 274,321     | 260,854     | 228,639     | 231,289     | 204,673     | 187,890     | 191,719     | 206,797      | 219,407      | 201,039      | 175,624      | 174,708      | 194,678      |
| Other revenue  | 253,734     | 198,386     | 318,178     | 237,641     | 244,768     | 252,111     | 259,673     | 267,462     | 275,486     | 283,750     | 292,262     | 301,031     | 310,062     | 319,364      | 328,945      | 338,815      | 348,979      | 359,448      | 370,232      |
|  | 4,551,515   | 5,236,714   | 6,410,905   | 6,155,946   | 6,016,144   | 6,260,368   | 6,458,424   | 6,662,772   | 6,856,197   | 7,092,599   | 7,308,143   | 7,542,243   | 7,805,988   | 8,090,348    | 8,381,955    | 8,652,658    | 8,926,749    | 9,236,159    | 9,577,682    |
| <b>Expenses</b>  |             |             |             |             |             |             |             |             |             |             |             |             |             |              |              |              |              |              |              |
| Employee costs   | (1,852,539) | (1,897,250) | (2,142,462) | (2,425,436) | (2,498,197) | (2,573,145) | (2,650,340) | (2,729,849) | (2,811,745) | (2,896,100) | (2,982,984) | (3,072,474) | (3,164,647) | (3,259,588)  | (3,357,375)  | (3,458,096)  | (3,561,841)  | (3,668,694)  | (3,778,753)  |
| Materials and contracts  | (1,299,405) | (1,373,347) | (1,681,847) | (3,876,751) | (1,948,064) | (2,006,514) | (2,066,711) | (2,128,724) | (2,192,594) | (2,258,377) | (2,326,129) | (2,395,919) | (2,467,798) | (2,541,830)  | (2,618,080)  | (2,696,629)  | (2,777,528)  | (2,860,844)  | (2,946,673)  |
| Utility charges  | (153,257)   | (181,994)   | (217,021)   | (225,310)   | (232,070)   | (239,035)   | (246,207)   | (253,594)   | (261,207)   | (269,046)   | (277,117)   | (285,432)   | (293,994)   | (302,814)    | (311,896)    | (321,253)    | (330,889)    | (340,815)    | (351,042)    |
| Depreciation on non-current assets   | (3,066,960) | (2,916,899) | (2,032,148) | (2,176,012) | (2,681,081) | (2,681,081) | (2,681,081) | (2,737,799) | (3,054,501) | (3,061,549) | (3,061,549) | (3,061,549) | (3,110,699) | (3,476,559)  | (3,486,427)  | (3,486,427)  | (3,486,427)  | (3,545,914)  | (3,971,532)  |
| Interest expenses  | (67,234)    | (62,275)    | (58,832)    | (72,257)    | (48,681)    | (36,991)    | (80,062)    | (68,915)    | (63,929)    | (61,003)    | (57,945)    | (54,745)    | (51,399)    | (47,898)     | (44,263)     | (40,505)     | (36,573)     | (32,456)     | (28,508)     |
| Insurance expenses   | (174,637)   | (193,514)   | (222,323)   | (233,965)   | (240,986)   | (248,216)   | (255,664)   | (263,335)   | (271,233)   | (279,369)   | (287,750)   | (296,385)   | (305,275)   | (314,434)    | (323,867)    | (333,583)    | (343,586)    | (353,893)    | (364,510)    |
| Other expenditure  | (118,842)   | (3,167)     | (99,821)    | (76,305)    | (78,595)    | (80,953)    | (83,382)    | (85,883)    | (88,459)    | (91,112)    | (93,846)    | (96,661)    | (99,560)    | (102,547)    | (105,624)    | (108,794)    | (112,057)    | (115,419)    | (118,883)    |
|  | (6,732,874) | (6,628,446) | (6,454,454) | (9,086,036) | (7,727,674) | (7,865,935) | (8,063,447) | (8,268,099) | (8,743,668) | (8,916,556) | (9,087,320) | (9,263,165) | (9,493,372) | (10,045,670) | (10,247,532) | (10,445,287) | (10,648,901) | (10,918,035) | (11,559,901) |
|  | (2,181,359) | (1,391,732) | (43,549)    | (2,930,090) | (1,711,530) | (1,605,567) | (1,605,023) | (1,605,327) | (1,887,471) | (1,823,957) | (1,779,177) | (1,720,922) | (1,687,384) | (1,955,322)  | (1,865,577)  | (1,792,629)  | (1,722,152)  | (1,681,876)  | (1,982,219)  |
| Non-operating grants, subsidies and contributions  | 1,547,479   | 1,165,876   | 1,886,623   | 4,343,445   | 2,740,085   | 3,164,494   | 2,595,239   | 1,213,738   | 614,724     | 609,678     | 1,113,391   | 616,263     | 609,816     | 611,772      | 613,738      | 867,689      | 636,793      | 618,633      | 618,633      |
| Share of net profit of associates and joint ventures accounted for using the equity method | 0           | 3,353       | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            | 0            | 0            | 0            |
| Profit on asset disposals  | 0           | 15,972      | 9,780       | 845         | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            | 0            | 0            | 0            |
| Loss on asset disposal   | (125,995)   | (105,315)   | 0           | (82,068)    | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>NET RESULT</b>  | (759,875)   | (311,846)   | 1,852,854   | 1,332,132   | 1,028,555   | 1,558,927   | 990,216     | (391,589)   | (1,272,747) | (1,214,279) | (665,786)   | (1,104,659) | (1,077,568) | (1,343,550)  | (1,251,839)  | (924,940)    | (1,085,359)  | (1,063,243)  | (1,363,586)  |
| <b>Other comprehensive income</b>  | 0           | 5,851,811   | 25,529      | 0           | 0           | 0           | 0           | 3,157,945   | 12,942,868  | 0           | 0           | 0           | 3,815,543   | 14,144,271   | 0            | 0            | 0            | 4,371,859    | 15,440,464   |
| <b>TOTAL COMPREHENSIVE INCOME</b>  | (759,875)   | 5,539,965   | 1,878,383   | 1,332,132   | 1,028,555   | 1,558,927   | 990,216     | 2,766,356   | 11,670,121  | (1,214,279) | (665,786)   | (1,104,659) | 2,737,975   | 12,800,721   | (1,251,839)  | (924,940)    | (1,085,359)  | 3,308,616    | 14,076,878   |



# Appendix B4 Forecast Statement of Financial Position 2024-39

|  | 2021              | 2022               | 2023               | Base               | 30 June 25         | 30 June 26         | 30 June 27         | 30 June 28         | 30 June 29         | 30 June 30         | 30 June 31         | 30 June 32         | 30 June 33         | 30 June 34         | 30 June 35         | 30 June 36         | 30 June 37         | 30 June 38         | 30 June 39         |
|--|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | \$                | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 |
| <b>CURRENT ASSETS</b>                    |                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Unrestricted cash and cash equivalents   | 1,132,706         | 1,462,415          | 2,275,301          | 776,084            | 578,983            | 578,983            | 578,983            | 578,983            | 578,983            | 578,983            | 578,983            | 578,983            | 578,983            | 578,983            | 578,983            | 578,983            | 578,983            | 578,983            | 578,983            |
| Restricted cash and cash equivalent      | 11,626,742        | 12,518,616         | 12,754,601         | 7,959,745          | 7,915,607          | 6,202,663          | 5,926,687          | 5,136,979          | 5,203,297          | 4,537,849          | 4,118,260          | 4,214,015          | 4,590,943          | 4,906,222          | 4,447,015          | 3,811,642          | 3,788,766          | 4,288,025          | 3,839,286          |
| Financial assets                         | 24,414            | 26,140             | 27,988             | 27,988             | 27,988             | 27,988             | 27,988             | 27,988             | 27,988             | 27,988             | 27,988             | 27,988             | 27,988             | 27,988             | 27,988             | 27,988             | 27,988             | 27,988             | 27,988             |
| Trade and other receivables              | 120,462           | 159,297            | 198,801            | 235,970            | 238,090            | 240,358            | 224,083            | 206,004            | 206,004            | 206,004            | 206,004            | 206,004            | 206,004            | 206,004            | 206,004            | 206,004            | 206,004            | 206,004            | 206,004            |
| Inventories                              | 239,610           | 71,379             | 32,367             | 52,809             | 52,809             | 52,809             | 52,809             | 52,809             | 52,809             | 52,809             | 52,809             | 52,809             | 52,809             | 52,809             | 52,809             | 52,809             | 52,809             | 52,809             | 52,809             |
| <b>TOTAL CURRENT ASSETS</b>              | <b>13,143,934</b> | <b>14,237,847</b>  | <b>15,289,058</b>  | <b>9,052,596</b>   | <b>5,403,633</b>   | <b>4,984,044</b>   | <b>5,079,799</b>   | <b>5,456,727</b>   | <b>5,772,006</b>   | <b>5,312,799</b>   | <b>4,677,426</b>   | <b>4,654,550</b>   | <b>5,153,809</b>   | <b>4,705,070</b>   | <b>5,403,633</b>   | <b>4,984,044</b>   | <b>5,079,799</b>   | <b>5,456,727</b>   | <b>5,772,006</b>   |
| <b>NON-CURRENT ASSETS</b>                |                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Financial assets                         | 228,614           | 205,827            | 182,838            | 154,850            | 154,850            | 154,850            | 154,850            | 154,850            | 154,850            | 154,850            | 154,850            | 154,850            | 154,850            | 154,850            | 154,850            | 154,850            | 154,850            | 154,850            | 154,850            |
| Other receivables                        | 44,270            | 50,405             | 49,934             | 49,934             | 17,848             | (16,506)           | (34,585)           | (34,585)           | (34,585)           | (34,585)           | (34,585)           | (34,585)           | (34,585)           | (34,585)           | (34,585)           | (34,585)           | (34,585)           | (34,585)           | (34,585)           |
| Property plant and equipment             | 17,961,637        | 15,446,310         | 15,611,285         | 21,878,227         | 22,111,586         | 24,309,179         | 24,237,528         | 28,558,805         | 28,327,339         | 28,898,741         | 29,267,816         | 28,978,389         | 32,488,862         | 32,405,825         | 33,088,785         | 33,062,547         | 32,938,296         | 37,110,263         | 38,160,722         |
| Infrastructure                           | 67,261,760        | 74,480,773         | 75,265,760         | 77,052,839         | 77,923,682         | 79,822,795         | 81,010,948         | 80,133,844         | 91,899,379         | 90,706,487         | 90,015,498         | 89,025,595         | 87,793,906         | 100,276,622        | 98,713,672         | 98,359,414         | 97,326,321         | 95,864,732         | 109,285,336        |
| <b>TOTAL NON-CURRENT ASSETS</b>          | <b>85,496,281</b> | <b>90,183,315</b>  | <b>91,109,817</b>  | <b>99,135,850</b>  | <b>100,207,966</b> | <b>104,270,318</b> | <b>105,368,741</b> | <b>108,812,914</b> | <b>120,346,983</b> | <b>119,725,493</b> | <b>119,403,579</b> | <b>118,124,249</b> | <b>120,403,033</b> | <b>132,802,712</b> | <b>131,922,722</b> | <b>131,542,226</b> | <b>130,384,882</b> | <b>133,095,260</b> | <b>147,566,323</b> |
| <b>TOTAL ASSETS</b>                      | <b>98,640,215</b> | <b>104,421,162</b> | <b>106,398,875</b> | <b>108,188,446</b> | <b>109,021,443</b> | <b>111,373,119</b> | <b>112,179,291</b> | <b>114,815,677</b> | <b>126,416,064</b> | <b>125,129,126</b> | <b>124,387,623</b> | <b>123,204,048</b> | <b>125,859,760</b> | <b>138,574,718</b> | <b>137,235,521</b> | <b>136,219,652</b> | <b>135,039,432</b> | <b>138,249,069</b> | <b>152,271,393</b> |
| <b>CURRENT LIABILITIES</b>               |                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Trade and other payables                 | 123,977           | 266,112            | 327,235            | 388,358            | 388,358            | 388,358            | 388,358            | 388,358            | 388,358            | 388,358            | 388,358            | 388,358            | 388,358            | 388,358            | 388,358            | 388,358            | 388,358            | 388,358            | 388,358            |
| Contract Liabilities                     | 0                 | 295,020            | 477,426            | 477,426            | 477,426            | 477,426            | 477,426            | 477,426            | 477,426            | 477,426            | 477,426            | 477,426            | 477,426            | 477,426            | 477,426            | 477,426            | 477,426            | 477,426            | 477,426            |
| Lease liabilities                        | 1,419             | 1,467              | 1,515              | 0                  | 1,661              | 1,718              | 1,778              | 1,840              | 1,903              | 1,969              | 2,036              | 2,106              | 2,178              | 185                | 0                  | 0                  | 0                  | 0                  | 0                  |
| Current portion of long-term liabilities | 133,671           | 142,462            | 151,836            | 549,668            | 205,590            | 182,326            | 128,192            | 67,894             | 70,756             | 73,748             | 76,880             | 80,157             | 83,585             | 87,173             | 90,929             | 94,861             | 98,979             | 54,554             | 57,596             |
| Provisions                               | 250,466           | 199,079            | 199,079            | 199,079            | 199,079            | 199,079            | 199,079            | 199,079            | 199,079            | 199,079            | 199,079            | 199,079            | 199,079            | 199,079            | 199,079            | 199,079            | 199,079            | 199,079            | 199,079            |
| <b>TOTAL CURRENT LIABILITIES</b>         | <b>509,533</b>    | <b>904,140</b>     | <b>1,157,091</b>   | <b>1,614,531</b>   | <b>1,272,114</b>   | <b>1,248,907</b>   | <b>1,194,833</b>   | <b>1,134,597</b>   | <b>1,137,522</b>   | <b>1,140,580</b>   | <b>1,143,779</b>   | <b>1,147,126</b>   | <b>1,150,626</b>   | <b>1,152,221</b>   | <b>1,155,792</b>   | <b>1,159,724</b>   | <b>1,163,842</b>   | <b>1,119,417</b>   | <b>1,122,459</b>   |
| <b>NON-CURRENT LIABILITIES</b>           |                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Lease liabilities                        | 22,019            | 20,552             | 19,037             | 19,037             | 15,769             | 14,051             | 12,273             | 10,433             | 8,530              | 6,561              | 4,525              | 2,419              | 241                | 56                 | 56                 | 56                 | 56                 | 56                 | 56                 |
| Long-term borrowings                     | 811,445           | 668,983            | 517,147            | 517,147            | 667,274            | 1,484,948          | 1,356,756          | 1,288,862          | 1,218,106          | 1,144,358          | 1,067,478          | 987,321            | 903,736            | 816,563            | 725,634            | 630,773            | 531,794            | 477,240            | 419,644            |
| Provisions                               | 59,233            | 49,537             | 49,537             | 49,537             | 49,537             | 49,537             | 49,537             | 49,537             | 49,537             | 49,537             | 49,537             | 49,537             | 49,537             | 49,537             | 49,537             | 49,537             | 49,537             | 49,537             | 49,537             |
| <b>TOTAL NON-CURRENT LIABILITIES</b>     | <b>892,697</b>    | <b>739,072</b>     | <b>585,721</b>     | <b>585,721</b>     | <b>732,580</b>     | <b>1,548,536</b>   | <b>1,418,566</b>   | <b>1,348,832</b>   | <b>1,276,173</b>   | <b>1,200,456</b>   | <b>1,121,540</b>   | <b>1,039,277</b>   | <b>953,514</b>     | <b>866,156</b>     | <b>775,227</b>     | <b>680,366</b>     | <b>581,387</b>     | <b>526,833</b>     | <b>469,237</b>     |
| <b>TOTAL LIABILITIES</b>                 | <b>1,402,230</b>  | <b>1,643,212</b>   | <b>1,742,812</b>   | <b>2,200,252</b>   | <b>2,004,694</b>   | <b>2,797,443</b>   | <b>2,613,399</b>   | <b>2,483,429</b>   | <b>2,413,695</b>   | <b>2,341,036</b>   | <b>2,265,319</b>   | <b>2,186,403</b>   | <b>2,104,140</b>   | <b>2,018,377</b>   | <b>1,931,019</b>   | <b>1,840,090</b>   | <b>1,745,229</b>   | <b>1,646,250</b>   | <b>1,591,696</b>   |
| <b>NET ASSETS</b>                        | <b>97,237,985</b> | <b>102,777,950</b> | <b>104,656,063</b> | <b>105,988,194</b> | <b>107,016,749</b> | <b>108,575,676</b> | <b>109,565,892</b> | <b>112,332,248</b> | <b>124,002,369</b> | <b>122,788,090</b> | <b>122,122,304</b> | <b>121,017,645</b> | <b>123,755,620</b> | <b>136,556,341</b> | <b>135,304,502</b> | <b>134,379,562</b> | <b>133,294,203</b> | <b>136,602,819</b> | <b>150,679,697</b> |
| <b>EQUITY</b>                            |                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Retained surplus                         | 13,634,841        | 12,431,121         | 14,047,990         | 20,174,977         | 21,247,670         | 24,519,541         | 25,785,733         | 26,183,852         | 24,844,787         | 24,295,956         | 24,049,759         | 22,849,345         | 21,394,849         | 19,736,020         | 18,943,388         | 18,653,821         | 17,591,338         | 16,028,836         | 15,113,989         |
| Reserves - cash backed                   | 11,626,742        | 12,518,616         | 12,754,601         | 7,959,745          | 7,915,607          | 6,202,663          | 5,926,687          | 5,136,979          | 5,203,297          | 4,537,849          | 4,118,260          | 4,214,015          | 4,590,943          | 4,906,222          | 4,447,015          | 3,811,642          | 3,788,766          | 4,288,025          | 3,839,286          |
| Asset revaluation surplus                | 71,976,402        | 77,828,213         | 77,853,472         | 77,853,472         | 77,853,472         | 77,853,472         | 77,853,472         | 81,011,417         | 93,954,285         | 93,954,285         | 93,954,285         | 93,954,285         | 97,769,828         | 111,914,099        | 111,914,099        | 111,914,099        | 111,914,099        | 116,285,958        | 131,726,422        |
| <b>TOTAL EQUITY</b>                      | <b>97,237,985</b> | <b>102,777,950</b> | <b>104,656,063</b> | <b>105,988,194</b> | <b>107,016,749</b> | <b>108,575,676</b> | <b>109,565,892</b> | <b>112,332,248</b> | <b>124,002,369</b> | <b>122,788,090</b> | <b>122,122,304</b> | <b>121,017,645</b> | <b>123,755,620</b> | <b>136,556,341</b> | <b>135,304,502</b> | <b>134,379,562</b> | <b>133,294,203</b> | <b>136,602,819</b> | <b>150,679,697</b> |

# Appendix B5 Forecast Statement of Changes in Equity 2024-39

|   | 2021              | 2022               | 2023               | Base               | 30 June 25         | 30 June 26         | 30 June 27         | 30 June 28         | 30 June 29         | 30 June 30         | 30 June 31         | 30 June 32         | 30 June 33         | 30 June 34         | 30 June 35         | 30 June 36         | 30 June 37         | 30 June 38         | 30 June 39         |
|---|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | \$                | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 |
| <b>RETAINED SURPLUS</b>                       |                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Opening balance                               | 14,394,716        | 13,634,841         | 12,431,120         | 14,047,989         | 20,174,977         | 21,247,670         | 24,519,541         | 25,785,733         | 26,183,852         | 24,844,787         | 24,295,956         | 24,049,759         | 22,849,345         | 21,394,849         | 19,736,020         | 18,943,388         | 18,653,821         | 17,591,338         | 16,028,836         |
| Net result                                    | ( 759,875)        | ( 311,846)         | 1,852,854          | 1,332,132          | 1,028,555          | 1,558,927          | 990,216            | ( 391,589)         | ( 1,272,747)       | ( 1,214,279)       | ( 665,786)         | ( 1,104,659)       | ( 1,077,568)       | ( 1,343,550)       | ( 1,251,839)       | ( 924,940)         | ( 1,085,359)       | ( 1,063,243)       | ( 1,363,586)       |
| Amount transferred (to)/from reserves         | 0                 | ( 891,874)         | ( 235,985)         | 4,794,856          | 44,138             | 1,712,944          | 275,976            | 789,708            | ( 66,318)          | 665,448            | 419,589            | ( 95,755)          | ( 376,928)         | ( 315,279)         | 459,207            | 635,373            | 22,876             | ( 499,259)         | 448,739            |
| Closing balance                               | 13,634,841        | 12,431,121         | 14,047,989         | 20,174,977         | 21,247,670         | 24,519,541         | 25,785,733         | 26,183,852         | 24,844,787         | 24,295,956         | 24,049,759         | 22,849,345         | 21,394,849         | 19,736,020         | 18,943,388         | 18,653,821         | 17,591,338         | 16,028,836         | 15,113,989         |
| <b>RESERVES - CASH/INVESTMENT BACKED</b>      |                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Opening balance                               | 11,626,742        | 11,626,742         | 12,518,616         | 12,754,601         | 7,959,745          | 7,915,607          | 6,202,663          | 5,926,687          | 5,136,979          | 5,203,297          | 4,537,849          | 4,118,260          | 4,214,015          | 4,590,943          | 4,906,222          | 4,447,015          | 3,811,642          | 3,788,766          | 4,288,025          |
| Amount transferred to/(from) retained surplus | 0                 | 891,874            | 235,985            | ( 4,794,856)       | ( 44,138)          | ( 1,712,944)       | ( 275,976)         | ( 789,708)         | 66,318             | ( 665,448)         | ( 419,589)         | 95,755             | 376,928            | 315,279            | ( 459,207)         | ( 635,373)         | ( 22,876)          | 499,259            | ( 448,739)         |
| Closing balance                               | 11,626,742        | 12,518,616         | 12,754,601         | 7,959,745          | 7,915,607          | 6,202,663          | 5,926,687          | 5,136,979          | 5,203,297          | 4,537,849          | 4,118,260          | 4,214,015          | 4,590,943          | 4,906,222          | 4,447,015          | 3,811,642          | 3,788,766          | 4,288,025          | 3,839,286          |
| <b>ASSET REVALUATION SURPLUS</b>              |                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Opening balance                               | 71,976,402        | 77,828,213         | 77,853,472         | 77,853,472         | 77,853,472         | 77,853,472         | 77,853,472         | 81,011,417         | 93,954,285         | 93,954,285         | 93,954,285         | 93,954,285         | 97,769,828         | 111,914,099        | 111,914,099        | 111,914,099        | 111,914,099        | 111,914,099        | 116,285,958        |
| Total other comprehensive income              | 0                 | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 3,157,945          | 12,942,868         | 0                  | 0                  | 0                  | 3,815,543          | 14,144,271         | 0                  | 0                  | 0                  | 4,371,859          | 15,440,464         |
| Closing balance                               | 71,976,402        | 77,828,213         | 77,853,472         | 77,853,472         | 77,853,472         | 77,853,472         | 81,011,417         | 93,954,285         | 93,954,285         | 93,954,285         | 93,954,285         | 97,769,828         | 111,914,099        | 111,914,099        | 111,914,099        | 111,914,099        | 111,914,099        | 116,285,958        | 131,726,422        |
| <b>TOTAL EQUITY</b>                           | <b>97,237,985</b> | <b>102,777,950</b> | <b>104,656,062</b> | <b>105,988,194</b> | <b>107,016,749</b> | <b>108,575,676</b> | <b>109,565,892</b> | <b>112,332,248</b> | <b>124,002,369</b> | <b>122,788,090</b> | <b>122,122,304</b> | <b>121,017,645</b> | <b>123,755,620</b> | <b>136,556,341</b> | <b>135,304,502</b> | <b>134,379,562</b> | <b>133,294,203</b> | <b>136,602,819</b> | <b>150,679,697</b> |

# Appendix B6 Forecast Statement of Cashflows 2024-39

|   | 2024-25            | 2025-26            | 2026-27            | 2027-28            | 2028-29            | 2029-30            | 2030-31            | 2031-32            | 2032-33          | 2033-34            | 2034-35            | 2035-36            | 2036-37            | 2037-38            | 2038-39            |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$               | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 |
| <b>Cash flows from operating activities</b>                     |                    |                    |                    |                    |                    |                    |                    |                    |                  |                    |                    |                    |                    |                    |                    |
| <b>Receipts</b>   |                    |                    |                    |                    |                    |                    |                    |                    |                  |                    |                    |                    |                    |                    |                    |
| Rates   | 2,873,769          | 3,046,195          | 3,228,967          | 3,358,127          | 3,492,452          | 3,632,150          | 3,777,436          | 3,928,534          | 4,085,675        | 4,249,101          | 4,419,065          | 4,595,828          | 4,779,661          | 4,970,847          | 5,169,681          |
| Operating grants, subsidies and contributions                   | 1,668,639          | 1,718,698          | 1,770,260          | 1,823,368          | 1,878,070          | 1,934,413          | 1,992,445          | 2,052,220          | 2,113,786        | 2,177,199          | 2,242,515          | 2,309,792          | 2,379,085          | 2,450,459          | 2,523,972          |
| Fees and charges  | 872,091            | 898,255            | 925,203            | 952,961            | 981,550            | 1,010,997          | 1,041,327          | 1,072,568          | 1,104,746        | 1,137,887          | 1,172,023          | 1,207,184          | 1,243,400          | 1,280,697          | 1,319,119          |
| Interest earnings   | 356,877            | 345,109            | 274,321            | 260,854            | 228,639            | 231,289            | 204,673            | 187,890            | 191,719          | 206,797            | 219,407            | 201,039            | 175,624            | 174,708            | 194,678            |
| Other revenue   | 244,768            | 252,111            | 259,673            | 267,462            | 275,486            | 283,750            | 292,262            | 301,031            | 310,062          | 319,364            | 328,945            | 338,815            | 348,979            | 359,448            | 370,232            |
|   | 6,016,144          | 6,260,368          | 6,458,424          | 6,662,772          | 6,856,197          | 7,092,599          | 7,308,143          | 7,542,243          | 7,805,988        | 8,090,348          | 8,381,955          | 8,652,658          | 8,926,749          | 9,236,159          | 9,577,682          |
| <b>Payments</b>   |                    |                    |                    |                    |                    |                    |                    |                    |                  |                    |                    |                    |                    |                    |                    |
| Employee costs  | (2,498,197)        | (2,573,145)        | (2,650,340)        | (2,729,849)        | (2,811,745)        | (2,896,100)        | (2,982,984)        | (3,072,474)        | (3,164,647)      | (3,259,588)        | (3,357,375)        | (3,458,096)        | (3,561,841)        | (3,668,694)        | (3,778,753)        |
| Materials and contracts   | (1,948,064)        | (2,006,514)        | (2,066,711)        | (2,128,724)        | (2,192,594)        | (2,258,377)        | (2,326,129)        | (2,395,919)        | (2,467,798)      | (2,541,830)        | (2,618,080)        | (2,696,629)        | (2,777,528)        | (2,860,844)        | (2,946,673)        |
| Utility charges   | (232,070)          | (239,035)          | (246,207)          | (253,594)          | (261,207)          | (269,046)          | (277,117)          | (285,432)          | (293,994)        | (302,814)          | (311,896)          | (321,253)          | (330,889)          | (340,815)          | (351,042)          |
| Interest expenses   | (48,681)           | (36,991)           | (80,062)           | (68,915)           | (63,929)           | (61,003)           | (57,945)           | (54,745)           | (51,399)         | (47,898)           | (44,263)           | (40,505)           | (36,573)           | (32,456)           | (28,508)           |
| Insurance expenses  | (240,986)          | (248,216)          | (255,664)          | (263,335)          | (271,233)          | (279,369)          | (287,750)          | (296,385)          | (305,275)        | (314,434)          | (323,867)          | (333,583)          | (343,586)          | (353,893)          | (364,510)          |
| Other expenditure   | (78,595)           | (80,953)           | (83,382)           | (85,883)           | (88,459)           | (91,112)           | (93,846)           | (96,661)           | (99,560)         | (102,547)          | (105,624)          | (108,794)          | (112,057)          | (115,419)          | (118,883)          |
|   | (5,046,593)        | (5,184,854)        | (5,382,366)        | (5,530,300)        | (5,689,167)        | (5,855,007)        | (6,025,771)        | (6,201,616)        | (6,382,673)      | (6,569,111)        | (6,761,105)        | (6,958,860)        | (7,162,474)        | (7,372,121)        | (7,588,369)        |
| <b>Net cash provided by (used in) operating activities</b>      | <b>969,551</b>     | <b>1,075,514</b>   | <b>1,076,058</b>   | <b>1,132,472</b>   | <b>1,167,030</b>   | <b>1,237,592</b>   | <b>1,282,372</b>   | <b>1,340,627</b>   | <b>1,423,315</b> | <b>1,521,237</b>   | <b>1,620,850</b>   | <b>1,693,798</b>   | <b>1,764,275</b>   | <b>1,864,038</b>   | <b>1,989,313</b>   |
| <b>Cash flows from investing activities</b>                     |                    |                    |                    |                    |                    |                    |                    |                    |                  |                    |                    |                    |                    |                    |                    |
| Payments for purchase of property, plant & equipment            | (1,087,750)        | (2,948,623)        | (763,084)          | (2,149,091)        | (585,171)          | (1,578,599)        | (1,404,704)        | (511,357)          | (637,528)        | (925,554)          | (1,614,802)        | (926,243)          | (898,462)          | (825,036)          | (2,168,729)        |
| Payments for construction of infrastructure                     | (2,859,243)        | (3,887,513)        | (3,176,553)        | (1,111,296)        | (1,127,769)        | (1,112,210)        | (1,614,113)        | (1,315,199)        | (1,073,413)      | (1,010,690)        | (1,109,295)        | (2,317,987)        | (1,639,152)        | (1,210,656)        | (1,078,003)        |
| Proceeds from non-operating grants, subsidies and contributions | 2,740,085          | 3,164,494          | 2,595,239          | 1,213,738          | 614,724            | 609,678            | 1,113,391          | 616,263            | 609,816          | 611,772            | 613,738            | 867,689            | 636,793            | 618,633            | 618,633            |
| Proceeds from self supporting loans                             | 29,966             | 32,086             | 34,354             | 18,079             | 0                  | 0                  | 0                  | 0                  | 0                | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Proceeds from sale of plant & equipment                         | 161,710            | 58,349             | 142,054            | 236,360            | 67,238             | 250,750            | 279,182            | 44,337             | 137,001          | 204,277            | 117,660            | 138,299            | 208,531            | 151,259            | 244,601            |
| <b>Net cash provided by (used in) investing activities</b>      | <b>(1,015,232)</b> | <b>(3,581,207)</b> | <b>(1,167,990)</b> | <b>(1,792,210)</b> | <b>(1,030,978)</b> | <b>(1,830,381)</b> | <b>(1,626,244)</b> | <b>(1,165,956)</b> | <b>(964,124)</b> | <b>(1,120,195)</b> | <b>(1,992,699)</b> | <b>(2,238,242)</b> | <b>(1,692,290)</b> | <b>(1,265,800)</b> | <b>(2,383,498)</b> |
| <b>Cash flows from financing activities</b>                     |                    |                    |                    |                    |                    |                    |                    |                    |                  |                    |                    |                    |                    |                    |                    |
| Repayment of debentures   | (193,951)          | (205,590)          | (182,326)          | (128,192)          | (67,894)           | (70,756)           | (73,748)           | (76,880)           | (80,157)         | (83,585)           | (87,173)           | (90,929)           | (94,861)           | (98,979)           | (54,554)           |
| Repayment of leases   | (1,607)            | (1,661)            | (1,718)            | (1,778)            | (1,840)            | (1,903)            | (1,969)            | (2,036)            | (2,106)          | (2,178)            | (185)              | 0                  | 0                  | 0                  | 0                  |
| Proceeds from new debentures                                    | 0                  | 1,000,000          | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| <b>Net cash provided by (used in) financing activities</b>      | <b>(195,558)</b>   | <b>792,749</b>     | <b>(184,044)</b>   | <b>(129,970)</b>   | <b>(69,734)</b>    | <b>(72,659)</b>    | <b>(75,717)</b>    | <b>(78,916)</b>    | <b>(82,263)</b>  | <b>(85,763)</b>    | <b>(87,358)</b>    | <b>(90,929)</b>    | <b>(94,861)</b>    | <b>(98,979)</b>    | <b>(54,554)</b>    |
| <b>Net increase (decrease) in cash held</b>                     | <b>(241,239)</b>   | <b>(1,712,944)</b> | <b>(275,976)</b>   | <b>(789,708)</b>   | <b>66,318</b>      | <b>(665,448)</b>   | <b>(419,589)</b>   | <b>95,755</b>      | <b>376,928</b>   | <b>315,279</b>     | <b>(459,207)</b>   | <b>(635,373)</b>   | <b>(22,876)</b>    | <b>499,259</b>     | <b>(448,739)</b>   |
| Cash at beginning of year                                       | 8,735,829          | 8,494,590          | 6,781,646          | 6,505,670          | 5,715,962          | 5,782,280          | 5,116,832          | 4,697,243          | 4,792,998        | 5,169,926          | 5,485,205          | 5,025,998          | 4,390,625          | 4,367,749          | 4,867,008          |
| <b>Cash and cash equivalents at the end of year</b>             | <b>8,494,590</b>   | <b>6,781,646</b>   | <b>6,505,670</b>   | <b>5,715,962</b>   | <b>5,782,280</b>   | <b>5,116,832</b>   | <b>4,697,243</b>   | <b>4,792,998</b>   | <b>5,169,926</b> | <b>5,485,205</b>   | <b>5,025,998</b>   | <b>4,390,625</b>   | <b>4,367,749</b>   | <b>4,867,008</b>   | <b>4,418,269</b>   |

# Appendix B7 Forecast Statement of Funding 2024-39

|   | 2024-25      | 2025-26      | 2026-27      | 2027-28      | 2028-29      | 2029-30      | 2030-31      | 2031-32      | 2032-33      | 2033-34       | 2034-35       | 2035-36       | 2036-37       | 2037-38       | 2038-39       |  |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|--|
|   | \$           | \$           | \$           | \$           | \$           | \$           | \$           | \$           | \$           | \$            | \$            | \$            | \$            | \$            | \$            |  |
| <b>FUNDING FROM OPERATIONAL ACTIVITIES</b>        |              |              |              |              |              |              |              |              |              |               |               |               |               |               |               |  |
| <b>Revenues</b>                                   |              |              |              |              |              |              |              |              |              |               |               |               |               |               |               |  |
| Rates   | 2,873,769    | 3,046,195    | 3,228,967    | 3,358,127    | 3,492,452    | 3,632,150    | 3,777,436    | 3,928,534    | 4,085,675    | 4,249,101     | 4,419,065     | 4,595,828     | 4,779,661     | 4,970,847     | 5,169,681     |  |
| Operating grants, subsidies and contributions     | 1,668,639    | 1,718,698    | 1,770,260    | 1,823,368    | 1,878,070    | 1,934,413    | 1,992,445    | 2,052,220    | 2,113,786    | 2,177,199     | 2,242,515     | 2,309,792     | 2,379,085     | 2,450,459     | 2,523,972     |  |
| Fees and charges                                  | 872,091      | 898,255      | 925,203      | 952,961      | 981,550      | 1,010,997    | 1,041,327    | 1,072,568    | 1,104,746    | 1,137,887     | 1,172,023     | 1,207,184     | 1,243,400     | 1,280,697     | 1,319,119     |  |
| Interest earnings                                 | 356,877      | 345,109      | 274,321      | 260,854      | 228,639      | 231,289      | 204,673      | 187,890      | 191,719      | 206,797       | 219,407       | 201,039       | 175,624       | 174,708       | 194,678       |  |
| Other revenue                                     | 244,768      | 252,111      | 259,673      | 267,462      | 275,486      | 283,750      | 292,262      | 301,031      | 310,062      | 319,364       | 328,945       | 338,815       | 348,979       | 359,448       | 370,232       |  |
|   | 6,016,144    | 6,260,368    | 6,458,424    | 6,662,772    | 6,856,197    | 7,092,599    | 7,308,143    | 7,542,243    | 7,805,988    | 8,090,348     | 8,381,955     | 8,652,658     | 8,926,749     | 9,236,159     | 9,577,682     |  |
| <b>Expenses</b>                                   |              |              |              |              |              |              |              |              |              |               |               |               |               |               |               |  |
| Employee costs                                    | ( 2,498,197) | ( 2,573,145) | ( 2,650,340) | ( 2,729,849) | ( 2,811,745) | ( 2,896,100) | ( 2,982,984) | ( 3,072,474) | ( 3,164,647) | ( 3,259,588)  | ( 3,357,375)  | ( 3,458,096)  | ( 3,561,841)  | ( 3,668,694)  | ( 3,778,753)  |  |
| Materials and contracts                           | ( 1,948,064) | ( 2,006,514) | ( 2,066,711) | ( 2,128,724) | ( 2,192,594) | ( 2,258,377) | ( 2,326,129) | ( 2,395,919) | ( 2,467,798) | ( 2,541,830)  | ( 2,618,080)  | ( 2,696,629)  | ( 2,777,528)  | ( 2,860,844)  | ( 2,946,673)  |  |
| Utility charges (electricity, gas, water etc.)    | ( 232,070)   | ( 239,035)   | ( 246,207)   | ( 253,594)   | ( 261,207)   | ( 269,046)   | ( 277,117)   | ( 285,432)   | ( 293,994)   | ( 302,814)    | ( 311,896)    | ( 321,253)    | ( 330,889)    | ( 340,815)    | ( 351,042)    |  |
| Depreciation on non-current assets                | ( 2,681,081) | ( 2,681,081) | ( 2,681,081) | ( 2,737,799) | ( 3,054,501) | ( 3,061,549) | ( 3,061,549) | ( 3,061,549) | ( 3,110,699) | ( 3,476,559)  | ( 3,486,427)  | ( 3,486,427)  | ( 3,486,427)  | ( 3,545,914)  | ( 3,971,532)  |  |
| Interest expense                                  | ( 48,681)    | ( 36,991)    | ( 80,062)    | ( 68,915)    | ( 63,929)    | ( 61,003)    | ( 57,945)    | ( 54,745)    | ( 51,399)    | ( 47,898)     | ( 44,263)     | ( 40,505)     | ( 36,573)     | ( 32,456)     | ( 28,508)     |  |
| Insurance expense                                 | ( 240,986)   | ( 248,216)   | ( 255,664)   | ( 263,335)   | ( 271,233)   | ( 279,369)   | ( 287,750)   | ( 296,385)   | ( 305,275)   | ( 314,434)    | ( 323,867)    | ( 333,583)    | ( 343,586)    | ( 353,893)    | ( 364,510)    |  |
| Other expenditure                                 | ( 78,595)    | ( 80,953)    | ( 83,382)    | ( 85,883)    | ( 88,459)    | ( 91,112)    | ( 93,846)    | ( 96,661)    | ( 99,560)    | ( 102,547)    | ( 105,624)    | ( 108,794)    | ( 112,057)    | ( 115,419)    | ( 118,883)    |  |
|   | ( 7,727,674) | ( 7,865,935) | ( 8,063,447) | ( 8,268,099) | ( 8,743,668) | ( 8,916,556) | ( 9,087,320) | ( 9,263,165) | ( 9,493,372) | ( 10,045,670) | ( 10,247,532) | ( 10,445,287) | ( 10,648,901) | ( 10,918,035) | ( 11,559,901) |  |
|   | ( 1,711,530) | ( 1,605,567) | ( 1,605,023) | ( 1,605,327) | ( 1,887,471) | ( 1,823,957) | ( 1,779,177) | ( 1,720,922) | ( 1,687,384) | ( 1,955,322)  | ( 1,865,577)  | ( 1,792,629)  | ( 1,722,152)  | ( 1,681,876)  | ( 1,982,219)  |  |
| <b>Funding position adjustments</b>               |              |              |              |              |              |              |              |              |              |               |               |               |               |               |               |  |
| Depreciation on non-current assets                | 2,681,081    | 2,681,081    | 2,681,081    | 2,737,799    | 3,054,501    | 3,061,549    | 3,061,549    | 3,061,549    | 3,110,699    | 3,476,559     | 3,486,427     | 3,486,427     | 3,486,427     | 3,545,914     | 3,971,532     |  |
| <b>Net funding from operational activities</b>    | 969,551      | 1,075,514    | 1,076,058    | 1,132,472    | 1,167,030    | 1,237,592    | 1,282,372    | 1,340,627    | 1,423,315    | 1,521,237     | 1,620,850     | 1,693,798     | 1,764,275     | 1,864,038     | 1,989,313     |  |
| <b>FUNDING FROM CAPITAL ACTIVITIES</b>            |              |              |              |              |              |              |              |              |              |               |               |               |               |               |               |  |
| <b>Inflows</b>                                    |              |              |              |              |              |              |              |              |              |               |               |               |               |               |               |  |
| Proceeds on disposal                              | 161,710      | 58,349       | 142,054      | 236,360      | 67,238       | 250,750      | 279,182      | 44,337       | 137,001      | 204,277       | 117,660       | 138,299       | 208,531       | 151,259       | 244,601       |  |
| Non-operating grants, subsidies and contributions | 2,740,085    | 3,164,494    | 2,595,239    | 1,213,738    | 614,724      | 609,678      | 1,113,391    | 616,263      | 609,816      | 611,772       | 613,738       | 867,689       | 636,793       | 618,633       | 618,633       |  |
| <b>Outflows</b>                                   |              |              |              |              |              |              |              |              |              |               |               |               |               |               |               |  |
| Purchase of property plant and equipment          | ( 1,087,750) | ( 2,948,623) | ( 763,084)   | ( 2,149,091) | ( 585,171)   | ( 1,578,599) | ( 1,404,704) | ( 511,357)   | ( 637,528)   | ( 925,554)    | ( 1,614,802)  | ( 926,243)    | ( 898,462)    | ( 825,036)    | ( 2,168,729)  |  |
| Purchase of infrastructure                        | ( 2,859,243) | ( 3,887,513) | ( 3,176,553) | ( 1,111,296) | ( 1,127,769) | ( 1,112,210) | ( 1,614,113) | ( 1,315,199) | ( 1,073,413) | ( 1,010,690)  | ( 1,109,295)  | ( 2,317,987)  | ( 1,639,152)  | ( 1,210,656)  | ( 1,078,003)  |  |
| <b>Net funding from capital activities</b>        | ( 1,045,198) | ( 3,613,293) | ( 1,202,344) | ( 1,810,289) | ( 1,030,978) | ( 1,830,381) | ( 1,626,244) | ( 1,165,956) | ( 964,124)   | ( 1,120,195)  | ( 1,992,699)  | ( 2,238,242)  | ( 1,692,290)  | ( 1,265,800)  | ( 2,383,498)  |  |
| <b>FUNDING FROM FINANCING ACTIVITIES</b>          |              |              |              |              |              |              |              |              |              |               |               |               |               |               |               |  |
| <b>Inflows</b>                                    |              |              |              |              |              |              |              |              |              |               |               |               |               |               |               |  |
| Transfer from reserves                            | 555,433      | 2,249,568    | 1,270,343    | 1,195,000    | 260,000      | 993,578      | 721,103      | 445,120      | 211,632      | 222,343       | 2,325,455     | 1,550,765     | 1,195,341     | 172,290       | 1,959,370     |  |
| New borrowings                                    | 0            | 1,000,000    | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0             | 0             | 0             | 0             | 0             | 0             |  |
| Self supporting loan                              | 29,966       | 32,086       | 34,354       | 18,079       | 0            | 0            | 0            | 0            | 0            | 0             | 0             | 0             | 0             | 0             | 0             |  |
| <b>Outflows</b>                                   |              |              |              |              |              |              |              |              |              |               |               |               |               |               |               |  |
| Transfer to reserves                              | ( 511,295)   | ( 536,624)   | ( 994,367)   | ( 405,292)   | ( 326,318)   | ( 328,130)   | ( 301,514)   | ( 540,875)   | ( 588,560)   | ( 537,622)    | ( 1,866,248)  | ( 915,392)    | ( 1,172,465)  | ( 671,549)    | ( 1,510,631)  |  |
| Repayment of past borrowings                      | ( 193,951)   | ( 205,590)   | ( 182,326)   | ( 128,192)   | ( 67,894)    | ( 70,756)    | ( 73,748)    | ( 76,880)    | ( 80,157)    | ( 83,585)     | ( 87,173)     | ( 90,929)     | ( 94,861)     | ( 98,979)     | ( 54,554)     |  |
| Principal elements of finance lease payments      | ( 1,607)     | ( 1,661)     | ( 1,718)     | ( 1,778)     | ( 1,840)     | ( 1,903)     | ( 1,969)     | ( 2,036)     | ( 2,106)     | ( 2,178)      | ( 185)        | 0             | 0             | 0             | 0             |  |
| <b>Net funding from financing activities</b>      | ( 121,454)   | 2,537,779    | 126,286      | 677,817      | ( 136,052)   | 592,789      | 343,872      | ( 174,671)   | ( 459,191)   | ( 401,042)    | 371,849       | 544,444       | ( 71,985)     | ( 598,238)    | 394,185       |  |
| Estimated surplus/deficit July 1 B/Fwd            | 197,101      | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0             | 0             | 0             | 0             | 0             | 0             |  |
| <b>Estimated surplus/deficit June 30 C/Fwd</b>    | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      |  |

# Appendix B8 Forecast Statement of Net Current Asset Composition 2024-39

|  | 2024-25      | 2025-26      | 2026-27      | 2027-28      | 2028-29      | 2029-30      | 2030-31      | 2031-32      | 2032-33      | 2033-34      | 2034-35      | 2035-36      | 2036-37      | 2037-38      | 2038-39      |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | \$           | \$           | \$           | \$           | \$           | \$           | \$           | \$           | \$           | \$           | \$           | \$           | \$           | \$           | \$           |
| <b>Estimated surplus/deficit July 1 B/Fwd</b>  | 197,101      | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>CURRENT ASSETS</b>                          |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Unrestricted cash and equivalents              | 578,983      | 578,983      | 578,983      | 578,983      | 578,983      | 578,983      | 578,983      | 578,983      | 578,983      | 578,983      | 578,983      | 578,983      | 578,983      | 578,983      | 578,983      |
| Restricted cash and cash equivalent            | 7,915,607    | 6,202,663    | 5,926,687    | 5,136,979    | 5,203,297    | 4,537,849    | 4,118,260    | 4,214,015    | 4,590,943    | 4,906,222    | 4,447,015    | 3,811,642    | 3,788,766    | 4,288,025    | 3,839,286    |
| Financial assets                               | 27,988       | 27,988       | 27,988       | 27,988       | 27,988       | 27,988       | 27,988       | 27,988       | 27,988       | 27,988       | 27,988       | 27,988       | 27,988       | 27,988       | 27,988       |
| Trade and other receivables                    | 238,090      | 240,358      | 224,083      | 206,004      | 206,004      | 206,004      | 206,004      | 206,004      | 206,004      | 206,004      | 206,004      | 206,004      | 206,004      | 206,004      | 206,004      |
| Inventories                                    | 52,809       | 52,809       | 52,809       | 52,809       | 52,809       | 52,809       | 52,809       | 52,809       | 52,809       | 52,809       | 52,809       | 52,809       | 52,809       | 52,809       | 52,809       |
| <b>CURRENT LIABILITIES</b>                     |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Trade and other payables                       | ( 388,358)   | ( 388,358)   | ( 388,358)   | ( 388,358)   | ( 388,358)   | ( 388,358)   | ( 388,358)   | ( 388,358)   | ( 388,358)   | ( 388,358)   | ( 388,358)   | ( 388,358)   | ( 388,358)   | ( 388,358)   | ( 388,358)   |
| Contract liabilities                           | ( 477,426)   | ( 477,426)   | ( 477,426)   | ( 477,426)   | ( 477,426)   | ( 477,426)   | ( 477,426)   | ( 477,426)   | ( 477,426)   | ( 477,426)   | ( 477,426)   | ( 477,426)   | ( 477,426)   | ( 477,426)   | ( 477,426)   |
| Reserves                                       | ( 7,915,607) | ( 6,202,663) | ( 5,926,687) | ( 5,136,979) | ( 5,203,297) | ( 4,537,849) | ( 4,118,260) | ( 4,214,015) | ( 4,590,943) | ( 4,906,222) | ( 4,447,015) | ( 3,811,642) | ( 3,788,766) | ( 4,288,025) | ( 3,839,286) |
| Current self supporting loans receivable       | ( 32,086)    | ( 34,354)    | ( 18,079)    | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>Estimated surplus/deficit June 30 C/Fwd</b> | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     |

# Appendix B9 Forecast Statement of Fixed Asset Movements 2024-39

|  | 2024-25          | 2025-26          | 2026-27          | 2027-28           | 2028-29           | 2029-30             | 2030-31           | 2031-32             | 2032-33             | 2033-34           | 2034-35             | 2035-36           | 2036-37             | 2037-38             | 2038-39           |
|--|------------------|------------------|------------------|-------------------|-------------------|---------------------|-------------------|---------------------|---------------------|-------------------|---------------------|-------------------|---------------------|---------------------|-------------------|
|  | \$               | \$               | \$               | \$                | \$                | \$                  | \$                | \$                  | \$                  | \$                | \$                  | \$                | \$                  | \$                  | \$                |
| <b>CAPITAL WORKS - INFRASTRUCTURE</b>                    |                  |                  |                  |                   |                   |                     |                   |                     |                     |                   |                     |                   |                     |                     |                   |
| Infrastructure - roads                                   | 2,603,810        | 2,201,513        | 2,231,210        | 911,296           | 912,769           | 905,201             | 910,770           | 915,079             | 905,413             | 808,347           | 911,295             | 917,222           | 945,872             | 918,633             | 918,633           |
| Infrastructure - footpaths                               | 75,000           | 75,000           | 75,000           | 75,000            | 75,000            | 75,000              | 75,000            | 75,000              | 75,000              | 75,000            | 75,000              | 75,000            | 75,000              | 75,000              | 75,000            |
| Infrastructure - sewerage                                | 0                | 750,000          | 0                | 0                 | 0                 | 0                   | 500,000           | 0                   | 0                   | 0                 | 0                   | 0                 | 500,000             | 0                   | 0                 |
| Infrastructure - parks and ovals                         | 180,433          | 861,000          | 870,343          | 125,000           | 140,000           | 132,009             | 128,343           | 325,120             | 93,000              | 127,343           | 123,000             | 1,325,765         | 118,280             | 217,023             | 84,370            |
| <b>Total capital works - infrastructure</b>              | <b>2,859,243</b> | <b>3,887,513</b> | <b>3,176,553</b> | <b>1,111,296</b>  | <b>1,127,769</b>  | <b>1,112,210</b>    | <b>1,614,113</b>  | <b>1,315,199</b>    | <b>1,073,413</b>    | <b>1,010,690</b>  | <b>1,109,295</b>    | <b>2,317,987</b>  | <b>1,639,152</b>    | <b>1,210,656</b>    | <b>1,078,003</b>  |
| <b>Represented by:</b>                                   |                  |                  |                  |                   |                   |                     |                   |                     |                     |                   |                     |                   |                     |                     |                   |
| Additions - renewal                                      | 2,859,243        | 3,887,513        | 3,176,553        | 1,111,296         | 1,127,769         | 1,112,210           | 1,614,113         | 1,315,199           | 1,073,413           | 1,010,690         | 1,109,295           | 2,317,987         | 1,639,152           | 1,210,656           | 1,078,003         |
| <b>Total Capital Works - Infrastructure</b>              | <b>2,859,243</b> | <b>3,887,513</b> | <b>3,176,553</b> | <b>1,111,296</b>  | <b>1,127,769</b>  | <b>1,112,210</b>    | <b>1,614,113</b>  | <b>1,315,199</b>    | <b>1,073,413</b>    | <b>1,010,690</b>  | <b>1,109,295</b>    | <b>2,317,987</b>  | <b>1,639,152</b>    | <b>1,210,656</b>    | <b>1,078,003</b>  |
| <b>Asset movement reconciliation</b>                     |                  |                  |                  |                   |                   |                     |                   |                     |                     |                   |                     |                   |                     |                     |                   |
| Total capital works infrastructure                       | 2,859,243        | 3,887,513        | 3,176,553        | 1,111,296         | 1,127,769         | 1,112,210           | 1,614,113         | 1,315,199           | 1,073,413           | 1,010,690         | 1,109,295           | 2,317,987         | 1,639,152           | 1,210,656           | 1,078,003         |
| Depreciation infrastructure                              | ( 1,988,400)     | ( 1,988,400)     | ( 1,988,400)     | ( 1,988,400)      | ( 2,305,102)      | ( 2,305,102)        | ( 2,305,102)      | ( 2,305,102)        | ( 2,305,102)        | ( 2,672,245)      | ( 2,672,245)        | ( 2,672,245)      | ( 2,672,245)        | ( 2,672,245)        | ( 3,097,863)      |
| Revaluation of infrastructure assets (inflation)         | 0                | 0                | 0                | 0                 | 12,942,868        | 0                   | 0                 | 0                   | 0                   | 14,144,271        | 0                   | 0                 | 0                   | 0                   | 15,440,464        |
| <b>Net movement in infrastructure assets</b>             | <b>870,843</b>   | <b>1,899,113</b> | <b>1,188,153</b> | <b>( 877,104)</b> | <b>11,765,535</b> | <b>( 1,192,892)</b> | <b>( 690,989)</b> | <b>( 989,903)</b>   | <b>( 1,231,689)</b> | <b>12,482,716</b> | <b>( 1,562,950)</b> | <b>( 354,258)</b> | <b>( 1,033,093)</b> | <b>( 1,461,589)</b> | <b>13,420,604</b> |
| <b>CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT</b>     |                  |                  |                  |                   |                   |                     |                   |                     |                     |                   |                     |                   |                     |                     |                   |
| Land - freehold land                                     | 0                | 1,000,000        | 0                | 0                 | 0                 | 0                   | 0                 | 0                   | 0                   | 0                 | 0                   | 0                 | 0                   | 0                   | 0                 |
| Buildings - non-specialised                              | 50,000           | 50,000           | 50,000           | 50,000            | 50,000            | 50,000              | 50,000            | 50,000              | 50,000              | 50,000            | 50,000              | 50,000            | 50,000              | 50,000              | 50,000            |
| Buildings - specialised                                  | 550,000          | 550,000          | 120,000          | 1,295,000         | 120,000           | 595,000             | 120,000           | 120,000             | 120,000             | 120,000           | 795,000             | 120,000           | 120,000             | 120,000             | 1,095,000         |
| Plant and equipment                                      | 50,000           | 50,000           | 50,000           | 50,000            | 50,000            | 50,000              | 50,000            | 50,000              | 50,000              | 50,000            | 50,000              | 50,000            | 50,000              | 50,000              | 50,000            |
| Plant and equipment - bushfire                           | 437,750          | 498,623          | 543,084          | 754,091           | 365,171           | 883,599             | 934,704           | 291,357             | 417,528             | 705,554           | 719,802             | 456,243           | 678,462             | 605,036             | 973,729           |
| <b>Total capital works property, plant and equipment</b> | <b>1,087,750</b> | <b>2,948,623</b> | <b>763,084</b>   | <b>2,149,091</b>  | <b>585,171</b>    | <b>1,578,599</b>    | <b>1,404,704</b>  | <b>511,357</b>      | <b>637,528</b>      | <b>925,554</b>    | <b>1,614,802</b>    | <b>926,243</b>    | <b>898,462</b>      | <b>825,036</b>      | <b>2,168,729</b>  |
| <b>Represented by:</b>                                   |                  |                  |                  |                   |                   |                     |                   |                     |                     |                   |                     |                   |                     |                     |                   |
| Additions - expansion, upgrades and new                  | 0                | 1,000,000        | 0                | 1,200,000         | 0                 | 500,000             | 0                 | 0                   | 0                   | 0                 | 700,000             | 0                 | 0                   | 0                   | 0                 |
| Additions - renewal                                      | 1,087,750        | 1,948,623        | 763,084          | 949,091           | 585,171           | 1,078,599           | 1,404,704         | 511,357             | 637,528             | 925,554           | 914,802             | 926,243           | 898,462             | 825,036             | 2,168,729         |
| <b>Total capital works property, plant and equipment</b> | <b>1,087,750</b> | <b>2,948,623</b> | <b>763,084</b>   | <b>2,149,091</b>  | <b>585,171</b>    | <b>1,578,599</b>    | <b>1,404,704</b>  | <b>511,357</b>      | <b>637,528</b>      | <b>925,554</b>    | <b>1,614,802</b>    | <b>926,243</b>    | <b>898,462</b>      | <b>825,036</b>      | <b>2,168,729</b>  |
| <b>Asset movement reconciliation</b>                     |                  |                  |                  |                   |                   |                     |                   |                     |                     |                   |                     |                   |                     |                     |                   |
| Total capital works property, plant and equipment        | 1,087,750        | 2,948,623        | 763,084          | 2,149,091         | 585,171           | 1,578,599           | 1,404,704         | 511,357             | 637,528             | 925,554           | 1,614,802           | 926,243           | 898,462             | 825,036             | 2,168,729         |
| Depreciation property, plant and equipment               | ( 690,590)       | ( 690,590)       | ( 690,590)       | ( 747,308)        | ( 747,308)        | ( 754,356)          | ( 754,356)        | ( 754,356)          | ( 804,314)          | ( 804,314)        | ( 814,182)          | ( 814,182)        | ( 814,182)          | ( 873,669)          | ( 873,669)        |
| Net book value of disposed/written off assets            | ( 161,710)       | ( 58,349)        | ( 142,054)       | ( 236,360)        | ( 67,238)         | ( 250,750)          | ( 279,182)        | ( 44,337)           | ( 137,001)          | ( 204,277)        | ( 117,660)          | ( 138,299)        | ( 208,531)          | ( 151,259)          | ( 244,601)        |
| Revaluation of property, plant and equipment (inflation) | 0                | 0                | 0                | 3,157,945         | 0                 | 0                   | 0                 | 0                   | 3,815,543           | 0                 | 0                   | 0                 | 0                   | 4,371,859           | 0                 |
| <b>Net movement in property, plant and equipment</b>     | <b>235,450</b>   | <b>2,199,684</b> | <b>( 69,560)</b> | <b>4,323,368</b>  | <b>( 229,375)</b> | <b>573,493</b>      | <b>371,166</b>    | <b>( 287,336)</b>   | <b>3,511,756</b>    | <b>( 83,037)</b>  | <b>682,960</b>      | <b>( 26,238)</b>  | <b>( 124,251)</b>   | <b>4,171,967</b>    | <b>1,050,459</b>  |
| <b>CAPITAL WORKS - RIGHT OF USE ASSETS</b>               |                  |                  |                  |                   |                   |                     |                   |                     |                     |                   |                     |                   |                     |                     |                   |
| <b>Total capital works right of use assets</b>           | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>          | <b>0</b>          | <b>0</b>            | <b>0</b>          | <b>0</b>            | <b>0</b>            | <b>0</b>          | <b>0</b>            | <b>0</b>          | <b>0</b>            | <b>0</b>            | <b>0</b>          |
| <b>Asset movement reconciliation</b>                     |                  |                  |                  |                   |                   |                     |                   |                     |                     |                   |                     |                   |                     |                     |                   |
| Depreciation right of use assets                         | ( 2,091)         | ( 2,091)         | ( 2,091)         | ( 2,091)          | ( 2,091)          | ( 2,091)            | ( 2,091)          | ( 2,091)            | ( 1,283)            | 0                 | 0                   | 0                 | 0                   | 0                   | 0                 |
| <b>Net movement in right of use assets</b>               | <b>( 2,091)</b>  | <b>( 2,091)</b>  | <b>( 2,091)</b>  | <b>( 2,091)</b>   | <b>( 2,091)</b>   | <b>( 2,091)</b>     | <b>( 2,091)</b>   | <b>( 2,091)</b>     | <b>( 1,283)</b>     | <b>0</b>          | <b>0</b>            | <b>0</b>          | <b>0</b>            | <b>0</b>            | <b>0</b>          |
| <b>CAPITAL WORKS - TOTALS</b>                            |                  |                  |                  |                   |                   |                     |                   |                     |                     |                   |                     |                   |                     |                     |                   |
| <b>Capital works</b>                                     |                  |                  |                  |                   |                   |                     |                   |                     |                     |                   |                     |                   |                     |                     |                   |
| Total capital works infrastructure                       | 2,859,243        | 3,887,513        | 3,176,553        | 1,111,296         | 1,127,769         | 1,112,210           | 1,614,113         | 1,315,199           | 1,073,413           | 1,010,690         | 1,109,295           | 2,317,987         | 1,639,152           | 1,210,656           | 1,078,003         |
| Total capital works property, plant and equipment        | 1,087,750        | 2,948,623        | 763,084          | 2,149,091         | 585,171           | 1,578,599           | 1,404,704         | 511,357             | 637,528             | 925,554           | 1,614,802           | 926,243           | 898,462             | 825,036             | 2,168,729         |
| <b>Total capital works</b>                               | <b>3,946,993</b> | <b>6,836,136</b> | <b>3,939,637</b> | <b>3,260,387</b>  | <b>1,712,940</b>  | <b>2,690,809</b>    | <b>3,018,817</b>  | <b>1,826,556</b>    | <b>1,710,941</b>    | <b>1,936,244</b>  | <b>2,724,097</b>    | <b>3,244,230</b>  | <b>2,537,614</b>    | <b>2,035,692</b>    | <b>3,246,732</b>  |
| <b>Fixed asset movement</b>                              |                  |                  |                  |                   |                   |                     |                   |                     |                     |                   |                     |                   |                     |                     |                   |
| Net movement in infrastructure assets                    | 870,843          | 1,899,113        | 1,188,153        | ( 877,104)        | 11,765,535        | ( 1,192,892)        | ( 690,989)        | ( 989,903)          | ( 1,231,689)        | 12,482,716        | ( 1,562,950)        | ( 354,258)        | ( 1,033,093)        | ( 1,461,589)        | 13,420,604        |
| Net movement in property, plant and equipment            | 235,450          | 2,199,684        | ( 69,560)        | 4,323,368         | ( 229,375)        | 573,493             | 371,166           | ( 287,336)          | 3,511,756           | ( 83,037)         | 682,960             | ( 26,238)         | ( 124,251)          | 4,171,967           | 1,050,459         |
| Net movement in right of use assets                      | ( 2,091)         | ( 2,091)         | ( 2,091)         | ( 2,091)          | ( 2,091)          | ( 2,091)            | ( 2,091)          | ( 2,091)            | ( 1,283)            | 0                 | 0                   | 0                 | 0                   | 0                   | 0                 |
| <b>Net movement in fixed assets</b>                      | <b>1,104,202</b> | <b>4,096,706</b> | <b>1,116,502</b> | <b>3,444,173</b>  | <b>11,534,069</b> | <b>( 621,490)</b>   | <b>( 321,914)</b> | <b>( 1,279,330)</b> | <b>2,278,784</b>    | <b>12,399,679</b> | <b>( 879,990)</b>   | <b>( 380,496)</b> | <b>( 1,157,344)</b> | <b>2,710,378</b>    | <b>14,471,063</b> |



# Appendix B10 Forecast Statement of Capital Funding 2024-39

|   | 2024-25          | 2025-26          | 2026-27          | 2027-28          | 2028-29          | 2029-30          | 2030-31          | 2031-32          | 2032-33          | 2033-34          | 2034-35          | 2035-36          | 2036-37          | 2037-38          | 2038-39          |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               |
| <b>Capital expenditure</b>                        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Infrastructure - roads                            | 2,603,810        | 2,201,513        | 2,231,210        | 911,296          | 912,769          | 905,201          | 910,770          | 915,079          | 905,413          | 808,347          | 911,295          | 917,222          | 945,872          | 918,633          | 918,633          |
| Infrastructure - footpaths                        | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           |
| Infrastructure - sewerage                         | 0                | 750,000          | 0                | 0                | 0                | 0                | 500,000          | 0                | 0                | 0                | 0                | 0                | 500,000          | 0                | 0                |
| Infrastructure - parks and ovals                  | 180,433          | 861,000          | 870,343          | 125,000          | 140,000          | 132,009          | 128,343          | 325,120          | 93,000           | 127,343          | 123,000          | 1,325,765        | 118,280          | 217,023          | 84,370           |
| Land - freehold land                              | 0                | 1,000,000        | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Buildings - non-specialised                       | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           |
| Buildings - specialised                           | 550,000          | 550,000          | 120,000          | 1,295,000        | 120,000          | 595,000          | 120,000          | 120,000          | 120,000          | 120,000          | 795,000          | 120,000          | 120,000          | 120,000          | 1,095,000        |
| Plant and equipment                               | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           |
| Plant and equipment - bushfire                    | 437,750          | 498,623          | 543,084          | 754,091          | 365,171          | 883,599          | 934,704          | 291,357          | 417,528          | 705,554          | 719,802          | 456,243          | 678,462          | 605,036          | 973,729          |
| <b>Total - Capital expenditure</b>                | <b>3,946,993</b> | <b>6,836,136</b> | <b>3,939,637</b> | <b>3,260,387</b> | <b>1,712,940</b> | <b>2,690,809</b> | <b>3,018,817</b> | <b>1,826,556</b> | <b>1,710,941</b> | <b>1,936,244</b> | <b>2,724,097</b> | <b>3,244,230</b> | <b>2,537,614</b> | <b>2,035,692</b> | <b>3,246,732</b> |
| <b>Funded by:</b>                                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>Capital grants &amp; contributions</b>         |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Infrastructure - roads                            | 2,240,085        | 1,864,494        | 1,845,239        | 613,738          | 614,724          | 609,678          | 613,391          | 616,263          | 609,816          | 611,772          | 613,738          | 617,689          | 636,793          | 618,633          | 618,633          |
| Infrastructure - sewerage                         | 0                | 250,000          | 0                | 0                | 0                | 0                | 250,000          | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Infrastructure - parks and ovals                  | 0                | 250,000          | 750,000          | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Buildings - specialised                           | 500,000          | 0                | 0                | 600,000          | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Plant and equipment - bushfire                    | 0                | 800,000          | 0                | 0                | 0                | 0                | 250,000          | 0                | 0                | 0                | 0                | 250,000          | 0                | 0                | 0                |
| <b>Total - Capital grants &amp; contributions</b> | <b>2,740,085</b> | <b>3,164,494</b> | <b>2,595,239</b> | <b>1,213,738</b> | <b>614,724</b>   | <b>609,678</b>   | <b>1,113,391</b> | <b>616,263</b>   | <b>609,816</b>   | <b>611,772</b>   | <b>613,738</b>   | <b>867,689</b>   | <b>636,793</b>   | <b>618,633</b>   | <b>618,633</b>   |
| <b>Own source funding</b>                         |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Infrastructure - roads                            | 363,725          | 337,019          | 385,971          | 297,558          | 298,045          | 295,523          | 297,379          | 298,816          | 295,597          | 196,575          | 297,557          | 299,533          | 309,079          | 300,000          | 300,000          |
| Infrastructure - footpaths                        | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           |
| Infrastructure - sewerage                         | 0                | 500,000          | 0                | 0                | 0                | 0                | 250,000          | 0                | 0                | 0                | 0                | 0                | 500,000          | 0                | 0                |
| Infrastructure - parks and ovals                  | 180,433          | 611,000          | 120,343          | 125,000          | 140,000          | 132,009          | 128,343          | 325,120          | 93,000           | 127,343          | 123,000          | 1,325,765        | 118,280          | 217,023          | 84,370           |
| Buildings - non-specialised                       | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           |
| Buildings - specialised                           | 50,000           | 550,000          | 120,000          | 695,000          | 120,000          | 595,000          | 120,000          | 120,000          | 120,000          | 120,000          | 795,000          | 120,000          | 120,000          | 120,000          | 1,070,000        |
| Furniture and equipment                           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           |
| Plant and equipment                               | 276,040          | 440,274          | 401,030          | 517,731          | 297,933          | 632,849          | 655,522          | 247,020          | 280,527          | 501,277          | 602,142          | 317,944          | 469,931          | 453,777          | 729,128          |
| <b>Total - Own source funding</b>                 | <b>1,045,198</b> | <b>2,613,293</b> | <b>1,202,344</b> | <b>1,810,289</b> | <b>1,030,978</b> | <b>1,830,381</b> | <b>1,626,244</b> | <b>1,165,956</b> | <b>964,124</b>   | <b>1,120,195</b> | <b>1,992,699</b> | <b>2,238,242</b> | <b>1,692,290</b> | <b>1,265,800</b> | <b>2,358,498</b> |
| <b>Borrowings</b>                                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Land - freehold land                              | 0                | 1,000,000        | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| <b>Total - Borrowings</b>                         | <b>0</b>         | <b>1,000,000</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>Other (disposals &amp; C/Fwd)</b>              |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Plant and equipment                               | 161,710          | 58,349           | 142,054          | 236,360          | 67,238           | 250,750          | 279,182          | 44,337           | 137,001          | 204,277          | 117,660          | 138,299          | 208,531          | 151,259          | 244,601          |
| <b>Total - Other (disposals &amp; C/Fwd)</b>      | <b>161,710</b>   | <b>58,349</b>    | <b>142,054</b>   | <b>236,360</b>   | <b>67,238</b>    | <b>250,750</b>   | <b>279,182</b>   | <b>44,337</b>    | <b>137,001</b>   | <b>204,277</b>   | <b>117,660</b>   | <b>138,299</b>   | <b>208,531</b>   | <b>151,259</b>   | <b>244,601</b>   |
| <b>Total Capital Funding</b>                      | <b>3,946,993</b> | <b>6,836,136</b> | <b>3,939,637</b> | <b>3,260,387</b> | <b>1,712,940</b> | <b>2,690,809</b> | <b>3,018,817</b> | <b>1,826,556</b> | <b>1,710,941</b> | <b>1,936,244</b> | <b>2,724,097</b> | <b>3,244,230</b> | <b>2,537,614</b> | <b>2,035,692</b> | <b>3,221,732</b> |

# Appendix B11 Forecast Ratios 2024-39

|  | Target Range |        | Average  | 2024-25  | 2025-26  | 2026-27  | 2027-28  | 2028-29  | 2029-30  | 2030-31  | 2031-32  | 2032-33  | 2033-34  | 2034-35  | 2035-36  | 2036-37  | 2037-38  | 2038-39  |
|--|--------------|--------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>LIQUIDITY RATIOS</b>                  |              |        |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| <b>Current ratio</b>                     | > 1.00       | > 1.20 | 0.90     | 0.80     | 0.83     | 0.86     | 0.90     | 0.90     | 0.91     | 0.91     | 0.91     | 0.91     | 0.91     | 0.90     | 0.90     | 0.90     | 0.94     | 0.94     |
| <b>OPERATING RATIOS</b>                  |              |        |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| <b>Operating surplus ratio</b>           | > 1%         | > 15%  | (32.05%) | (39.37%) | (35.35%) | (34.24%) | (33.17%) | (37.92%) | (35.36%) | (33.47%) | (31.35%) | (29.64%) | (33.07%) | (30.39%) | (28.26%) | (26.30%) | (24.79%) | (28.10%) |
| <b>Own source revenue coverage ratio</b> | > 40%        | > 60%  | 59.16%   | 56.26%   | 57.74%   | 58.14%   | 58.53%   | 56.93%   | 57.85%   | 58.50%   | 59.27%   | 59.96%   | 58.86%   | 59.91%   | 60.72%   | 61.49%   | 62.15%   | 61.02%   |
| <b>BORROWINGS RATIOS</b>                 |              |        |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| <b>Debt service cover ratio</b>          | > 3          | > 5    | 10.72    | 4.21     | 4.60     | 4.41     | 6.11     | 9.37     | 9.88     | 10.20    | 10.62    | 11.22    | 11.94    | 12.67    | 13.20    | 13.70    | 14.43    | 24.29    |
| <b>FIXED ASSET RATIOS</b>                |              |        |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| <b>Asset sustainability ratio</b>        | > 90%        | > 110% | 89.78%   | 147.22%  | 217.68%  | 146.94%  | 75.26%   | 56.08%   | 71.56%   | 98.60%   | 59.66%   | 55.00%   | 55.69%   | 58.06%   | 93.05%   | 72.79%   | 57.41%   | 81.75%   |
| <b>Asset consumption ratio</b>           | > 50%        | > 60%  | 78.77%   | 79.15%   | 81.75%   | 82.62%   | 82.53%   | 81.18%   | 80.49%   | 80.27%   | 79.41%   | 78.89%   | 77.37%   | 76.55%   | 76.33%   | 75.65%   | 75.21%   | 74.16%   |
| <b>Asset renewal funding ratio</b>       | > 75%        | > 95%  | 103.99%  | 106.82%  | 102.96%  | 104.78%  | 101.56%  | 103.83%  | N/A      | N/A      | N/A      | N/A      | N/A      | N/A      | N/A      | N/A      | N/A      | N/A      |

# Appendix B12 Asset Renewals 2024-39

## Required Asset Renewals

|                                  | 2024-25          | 2025-26          | 2026-27          | 2027-28          | 2028-29          | 2029-30          | 2030-31          | 2031-32          | 2032-33          | 2033-34          | 2034-35          | 2035-36          | 2036-37          | 2037-38          | 2038-39          |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                  | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               |
| <b>Asset Class</b>               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Buildings - non-specialised      | 0                | 0                | 320,299          | 298,031          | 0                | 0                | 0                | 0                | 42,171           | 0                | 15,925           | 0                | 127,070          | 0                | 808,539          |
| Furniture and equipment          | 14,451           | 56,501           | 8,855            | 15,791           | 0                | 98,279           | 17,256           | 53,772           | 0                | 90,429           | 0                | 0                | 32,504           | 124,496          | 0                |
| Plant and equipment              | 284,776          | 408,795          | 282,464          | 402,527          | 114,672          | 413,424          | 445,238          | 282,987          | 374,923          | 578,004          | 376,341          | 177,406          | 874,261          | 150,303          | 866,624          |
| Infrastructure - roads           | 2,446,178        | 5,172,323        | 2,298,175        | 1,733,405        | 1,410,308        | 1,461,153        | 2,053,355        | 874,303          | 1,006,309        | 931,460          | 2,011,250        | 2,413,449        | 967,012          | 1,498,215        | 1,177,173        |
| Infrastructure - footpaths       | 46,151           | 81,797           | 62,978           | 58,278           | 54,123           | 53,190           | 112,228          | 133,848          | 85,157           | 77,454           | 69,033           | 114,813          | 84,426           | 82,002           | 92,426           |
| Infrastructure - sewerage        | 0                | 0                | 109,202          | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 146,760          | 0                | 0                |
| Infrastructure - parks and ovals | 554,615          | 0                | 124,963          | 0                | 0                | 164,983          | 8,612            | 424,786          | 126,436          | 145,855          | 40,886           | 53,409           | 214,374          | 245,666          | 362,891          |
| <b>Total</b>                     | <b>3,346,171</b> | <b>5,719,416</b> | <b>3,206,936</b> | <b>2,508,032</b> | <b>1,579,103</b> | <b>2,191,029</b> | <b>2,636,689</b> | <b>1,769,696</b> | <b>1,634,996</b> | <b>1,823,202</b> | <b>2,513,435</b> | <b>2,759,077</b> | <b>2,446,407</b> | <b>2,100,682</b> | <b>3,307,653</b> |

## Planned Asset Renewals

|                                  | 2024-25          | 2025-26          | 2026-27          | 2027-28          | 2028-29          | 2029-30          | 2030-31          | 2031-32          | 2032-33          | 2033-34          | 2034-35          | 2035-36          | 2036-37          | 2037-38          | 2038-39          |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                  | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               |
| <b>Asset Class</b>               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Buildings - non-specialised      | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           |
| Buildings - specialised          | 550,000          | 550,000          | 120,000          | 95,000           | 120,000          | 95,000           | 120,000          | 120,000          | 120,000          | 120,000          | 95,000           | 120,000          | 120,000          | 120,000          | 1,095,000        |
| Plant and equipment              | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           |
| Plant and equipment - bushfire   | 437,750          | 498,623          | 543,084          | 754,091          | 365,171          | 883,599          | 934,704          | 291,357          | 417,528          | 705,554          | 719,802          | 456,243          | 678,462          | 605,036          | 973,729          |
| Furniture and equipment          | 0                | 800,000          | 0                | 0                | 0                | 0                | 250,000          | 0                | 0                | 0                | 0                | 250,000          | 0                | 0                | 0                |
| Infrastructure - roads           | 2,603,810        | 2,201,513        | 2,231,210        | 911,296          | 912,769          | 905,201          | 910,770          | 915,079          | 905,413          | 808,347          | 911,295          | 917,222          | 945,872          | 918,633          | 918,633          |
| Infrastructure - footpaths       | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           | 75,000           |
| Infrastructure - sewerage        | 0                | 750,000          | 0                | 0                | 0                | 0                | 500,000          | 0                | 0                | 0                | 0                | 0                | 500,000          | 0                | 0                |
| Infrastructure - parks and ovals | 180,433          | 861,000          | 870,343          | 125,000          | 140,000          | 132,009          | 128,343          | 325,120          | 93,000           | 127,343          | 123,000          | 1,325,765        | 118,280          | 217,023          | 84,370           |
| <b>Total</b>                     | <b>3,946,993</b> | <b>5,836,136</b> | <b>3,939,637</b> | <b>2,060,387</b> | <b>1,712,940</b> | <b>2,190,809</b> | <b>3,018,817</b> | <b>1,826,556</b> | <b>1,710,941</b> | <b>1,936,244</b> | <b>2,024,097</b> | <b>3,244,230</b> | <b>2,537,614</b> | <b>2,035,692</b> | <b>3,246,732</b> |

## Asset Renewal Funding Surplus (Deficit)

|                                  | 2024-25        | 2025-26        | 2026-27        | 2027-28          | 2028-29        | 2029-30      | 2030-31        | 2031-32       | 2032-33       | 2033-34        | 2034-35          | 2035-36        | 2036-37       | 2037-38         | 2038-39         |
|----------------------------------|----------------|----------------|----------------|------------------|----------------|--------------|----------------|---------------|---------------|----------------|------------------|----------------|---------------|-----------------|-----------------|
|                                  | \$             | \$             | \$             | \$               | \$             | \$           | \$             | \$            | \$            | \$             | \$               | \$             | \$            | \$              | \$              |
| <b>Asset Class</b>               |                |                |                |                  |                |              |                |               |               |                |                  |                |               |                 |                 |
| Buildings - non-specialised      | 50,000         | 50,000         | (270,299)      | (248,031)        | 50,000         | 50,000       | 50,000         | 50,000        | 7,829         | 50,000         | 34,075           | 50,000         | (77,070)      | 50,000          | (758,539)       |
| Buildings - specialised          | 550,000        | 550,000        | 120,000        | 95,000           | 120,000        | 95,000       | 120,000        | 120,000       | 120,000       | 120,000        | 95,000           | 120,000        | 120,000       | 120,000         | 1,095,000       |
| Furniture and equipment          | 35,549         | (6,501)        | 41,145         | 34,209           | 50,000         | (48,279)     | 32,744         | (3,772)       | 50,000        | (40,429)       | 50,000           | 50,000         | 17,496        | (74,496)        | 50,000          |
| Plant and equipment              | 152,974        | 89,828         | 260,620        | 351,564          | 250,499        | 470,175      | 489,466        | 8,370         | 42,605        | 127,550        | 343,461          | 278,837        | (195,799)     | 454,733         | 107,105         |
| Plant and equipment - bushfire   | 0              | 800,000        | 0              | 0                | 0              | 0            | 250,000        | 0             | 0             | 0              | 0                | 250,000        | 0             | 0               | 0               |
| Infrastructure - roads           | 157,632        | (2,970,810)    | (66,965)       | (822,109)        | (497,539)      | (555,952)    | (1,142,585)    | 40,776        | (100,896)     | (123,113)      | (1,099,955)      | (1,496,227)    | (21,140)      | (579,582)       | (258,540)       |
| Infrastructure - footpaths       | 28,849         | (6,797)        | 12,022         | 16,722           | 20,877         | 21,810       | (37,228)       | (58,848)      | (10,157)      | (2,454)        | 5,967            | (39,813)       | (9,426)       | (7,002)         | (17,426)        |
| Infrastructure - sewerage        | 0              | 750,000        | (109,202)      | 0                | 0              | 0            | 500,000        | 0             | 0             | 0              | 0                | 0              | 353,240       | 0               | 0               |
| Infrastructure - parks and ovals | (374,182)      | 861,000        | 745,380        | 125,000          | 140,000        | (32,974)     | 119,731        | (99,666)      | (33,436)      | (18,512)       | 82,114           | 1,272,356      | (96,094)      | (28,643)        | (278,521)       |
| <b>Total</b>                     | <b>600,822</b> | <b>116,720</b> | <b>732,701</b> | <b>(447,645)</b> | <b>133,837</b> | <b>(220)</b> | <b>382,128</b> | <b>56,860</b> | <b>75,945</b> | <b>113,042</b> | <b>(489,338)</b> | <b>485,153</b> | <b>91,207</b> | <b>(64,990)</b> | <b>(60,921)</b> |

# Appendix B13 Forecast Significant Accounting Policies

## Basis of Preparation

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

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

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

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

## Judgements, Estimates and Assumptions

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

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

## The Local Government Reporting Entity

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

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

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

## Base Year Balances

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

## Rounding Off Figures

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

## Comparative Figures

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

## Forecast Fair Value Adjustments

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

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

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

# Appendix B13 Forecast Significant Accounting Policies (Continued)

## 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.

## Superannuation

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

## Cash and Cash Equivalents

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

## Trade and Other Receivables

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

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

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

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

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

## Inventories

### General

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

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

### Land held for resale

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

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

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

## Fixed Assets

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

## Revaluation

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

# Appendix B13 Forecast Significant Accounting Policies (Continued)

## Depreciation

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

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

| Asset Class                      | Effective average depreciation rate |
|----------------------------------|-------------------------------------|
| Right of use - buildings         | 5.30%                               |
| Buildings - non-specialised      | 1.46%                               |
| Furniture and equipment          | 5.00%                               |
| Plant and equipment              | 6.36%                               |
| Plant and equipment – bushfire   | 4.36%                               |
| Infrastructure - roads           | 1.73%                               |
| Infrastructure - footpaths       | 2.21%                               |
| Infrastructure - sewerage        | 1.86%                               |
| Infrastructure - parks and ovals | 5.15%                               |

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

## Gains and Losses on Disposal

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

## Employee Benefits

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

## Short-Term Employee Benefits

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

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

## Other Long-Term Employee Benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

## Borrowing Costs

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

# Appendix B13 Forecast Significant Accounting Policies (Continued)

## Trade and Other Payables

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

## Provisions

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

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

## Current and Non-Current Classification

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

# Appendix C1 – Glossary

## Funding Gap

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

## Infrastructure Assets

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

## Key Performance Indicator

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

## Level of Service

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

## Maintenance

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

## Planned Maintenance

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

## Reactive Maintenance

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

## Significant Maintenance

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

## Unplanned Maintenance

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

## Maintenance Expenditure

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

## Materiality

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

## Modern Equivalent Asset

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



# Appendix C1 – Glossary (Continued)

## Net Present Value (NPV)

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

## Non-Revenue Generating Investments

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

## Operations Expenditure

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

## Pavement Management System

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

## Recoverable Amount

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

## Recurrent Expenditure

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

## Recurrent Funding

Funding to pay for recurrent expenditure.

## Remaining Useful Life

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

## Renewal

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

## Residual Value

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

## Revenue Generating Investments

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

## Risk Management

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

## Section or Segment

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

## Service Potential

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

## Service Potential Remaining

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

## Specific Maintenance

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

# Appendix C1 – Glossary (Continued)

## Sub-Component

Smaller individual parts that make up a component part.

## Useful Life

May be expressed as either:

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

# Other Matters

## Document Management

|         |                  |
|---------|------------------|
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## References

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

- Shire of Brookton Strategic Community Plan 2022-2032;
- Shire of Brookton Corporate Business Plan 2022-2032;
- Shire of Brookton Adopted Annual Budget 2023-24; and
- Shire of Brookton Annual Financial Report 2022-23;
- Council website: [www.brookton.wa.gov.au](http://www.brookton.wa.gov.au)