



RESOURCING WAROONA 2030

Long Term Financial Plan 2021 – 2031

About this document

The Long Term Financial Plan is the Shire's ten year planning document and is an integral part of the Integrated Planning and Reporting Framework.

This plan is a dynamic modelling tool which analyses financial trends over a ten-year period on a range of assumptions and provides information to assess the impacts of current decisions and budgets, on future financial sustainability.

This plan is available in alternative formats such as large print, electronic, audio or Braille, on request.



“The Shire of Waroona stretches from sea to scarp between the Indian Ocean and the Darling Scarp, featuring pristine beaches, coastal lakes, fertile farmlands and peaceful jarrah forests. Covering a total area of 835km², the Shire includes the localities of Waroona, Hamel, Lake Clifton and Preston Beach”.

Document Control		
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Waroona – Past, Present & Into The Future

Waroona has provided a home for generations, from the days when Indigenous Australians roamed the coastal areas in spring and summer, and the hills in autumn and winter.

Settlers began to arrive in the area in the late 1830's, although Drakesbrook (later to be known as Waroona) did not come into its own until the Pinjarra to Picton railway line was opened in 1893. The town catered to the needs of the mill workers with a post office, general store, blacksmith, a number of hotels come boarding houses, churches, doctor and dentist.

The farms supplied butter, fruit and vegetables for the men of the mills, and chaff for the horse teams that hauled the logs. As is many of the small towns of the time, dances, picnics and football formed the core of social life within the community and to this day Waroona still proves to be a successful sporting and extremely social community.

Today, agriculture, mining, manufacturing and tourism are important contributors to the local economy.

Waroona is an evolving district that services the diverse, social and economic needs of a growing community. The strong agricultural heritage will continue to guide any future district developments, particularly in Waroona and Hamel, and its enviable location on the Indian Ocean and along with the Yalgorup National Park will, influence future considerations for Preston Beach and Lake Clifton.

The population is expected to grow over the next thirty years. With this growth comes challenges, but smart planning and a focus on broadening the economic base will open up significant opportunities for tourism, commercial investment, employment and education.

The long term vision for Waroona is to create a district distinctive by its creativity, liveliness, activity and vibrancy, attracting new investment, seizing opportunities to develop and expand its business sector, and encourage innovation and collaboration, while providing an enticing array of lifestyle attractions.

The Shire of Waroona is excited about its future.

Chief Executive Officer's Message

Meeting the financial challenges of a difficult economic environment, exacerbated by the COVID-19 pandemic, and meeting the increasing needs of the community, requires the highest level financial planning.

To meet these needs, we need to be prudent, embrace innovation and where possible, resource share with our neighbouring councils.

This document illustrates how the Shire of Waroona will continue to provide quality of service, develop important assets and maintain very good value for money for our ratepayers.

We will continue to monitor our service levels and gauge the highest priorities of our community to ensure Council can allocate the funds for maximum value.

Dean Unsworth
Chief Executive Officer





About the Long Term Financial Plan

The Long Term Financial Plan is the Shire's ten year planning document and is an integral part of the Integrated Planning and Reporting Framework. This plan is a dynamic modelling tool which analyses financial trends over a ten-year period on a range of assumptions and provides information to assess the impacts of current decisions and budgets, on future financial sustainability.

Integrated Planning & Reporting Framework	
Strategic Community Plan	Community vision, strategic direction, long and medium term priorities and resourcing implications with a horizon of 10 years.
Corporate Business Plan	Four year delivery program, aligned to the Strategic Community Plan and accompanied by four year financial projections.
Annual Budget	Financial plan for the current year.

Informing Strategies	
Long Term Financial Plan	10 year financial plan.
Asset Management Plan	Approach to managing assets to deliver chosen service levels.
Workforce Plan	Shaping the workforce to deliver organisational objectives now and in the future.
Place & Area Specific Plans	Any other informing strategies.

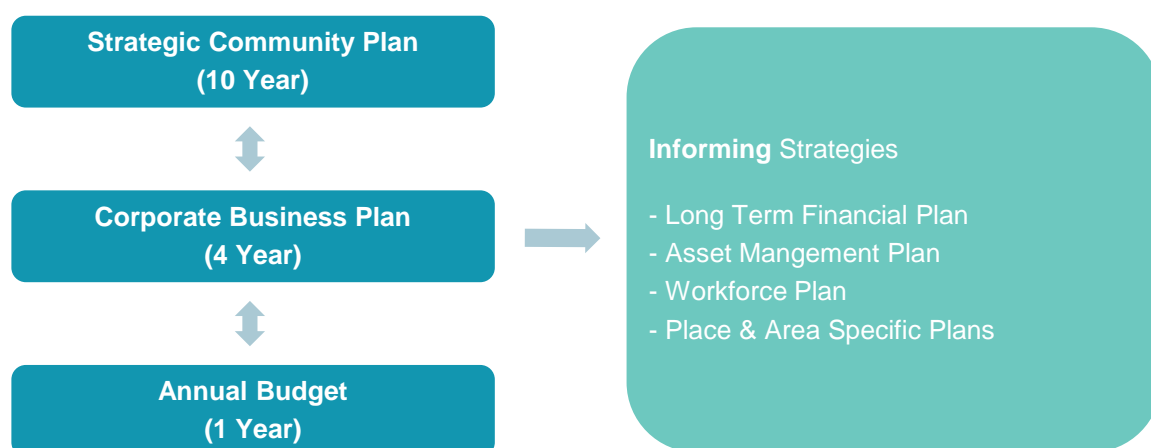


Figure 1: Elements of the Integrated Planning & Reporting Framework. Source: Department of Local Government, Sport & Cultural Industries.

Our Shire

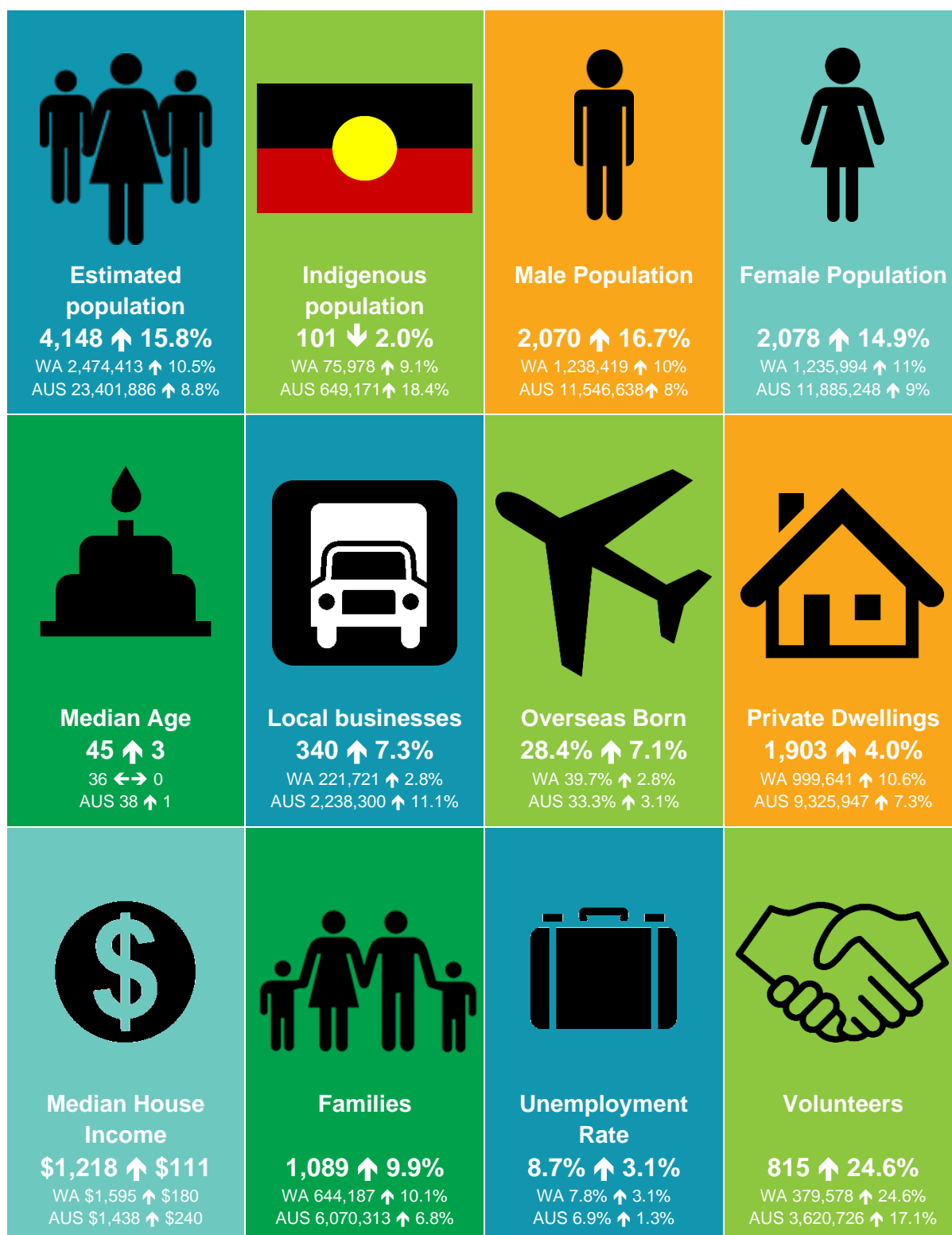


Figure 2: Shire of Waroona Statistics. Source: Australian Bureau of Statistics 2016 Census.

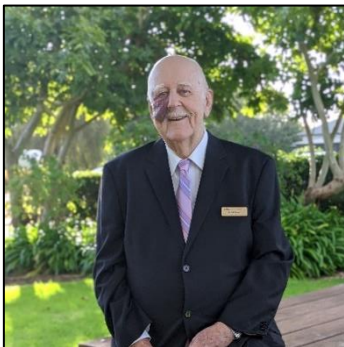
Our Council



Cr Mike Walmsley
Shire President



Cr Naomi Purcell
Deputy Shire President



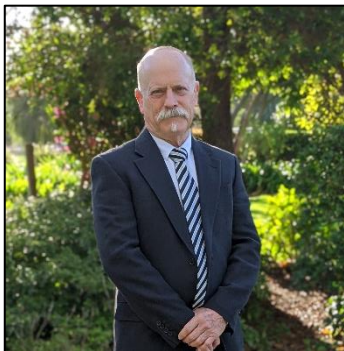
Cr Noel Dew



Cr John Mason



Cr Karen Odorisio



Cr Larry Scott



Cr Laurie Snell



Cr Vince Vitale



Our Staff



DEAN UNSWORTH
Chief Executive Officer

- Leadership & organisational strategy
- Elected member liaison
- Employee management
- Communications & marketing
- Partnerships management
- Investment attraction
- Emergency management



ASHLEIGH NUTTALL

Director Corporate Services

- Finance
- Governance
- Human resources
- Record keeping
- IT
- Customer service
- Library services
- Ranger services
- Licensing services



PATRICK STEINBACHER

Director Infrastructure Services

- Infrastructure services
- Technical services
- Operations
- Parks & gardens
- Waste services
- Environmental services



ROD PEAKE

Director Planning & Sustainability

- Strategic town planning
- Statutory town planning
- Building
- Health



LIZ STORR

Director Place, Community & Economic Development

- Place & community
- Economic development
- Recreation services
- Tourism

Vision, Mission & Values

Vision

The Shire of Waroona will create a sense of place and identity, embracing creativity, our natural environment and a strong and diverse economy.

Mission

We will be an organisation, with a can-do attitude that strives for service excellence, continued improvement and a commitment to outcomes.

Values

Our values are A REALITY:

A – Accountable

R – Respect

E – Excellence

A – Accessible

L – Leadership

I – Innovative

T – Transparent

Y – Yours

Focus Areas & Aspirations to 2030



Introduction

The Long Term Financial Plan (LTFP) is a planning tool that has been developed to map and ensure the financial sustainability of the Shire into the future. The LTFP is designed as a high-level summary document that outlines the future planning of Council's financial outcomes – particularly in relation to key components such as rate levels, service levels to the community, major infrastructure asset replacement/renewal, loan borrowings and cash reserves.

The Plan is a mechanism to determine financial projections for the period 2021/22 to 2030/31 and has been prepared based on numerous objectives and assumptions. Strategies, priorities, issues and risk are all dynamic influences in relation to any planning, and as such, the LTFP is reviewed and adjusted annually to reflect material changes. The Shire is challenged by growing community demands and expectations, and recognises the importance of growth, sustainability and liveability. It is committed to effective governance and providing infrastructure and services that meet the needs of all user groups.

The long term financial estimates are an integral part of Council's strategic planning process, informing the Corporate Business Plan which activates the Strategic Community Plan priorities. It indicates the long term financial sustainability and allows early identification of financial issues and their longer term impacts.

This Plan addresses the operating and capital needs placed on the Shire over the next 10 years and is driven by a range of strategic documents endorsed by the Council including:

- Strategic Community Plan 2020 – 2030;
- Corporate Business Plan 2021 – 2025;
- Asset Management Plan 2021 – 2031; and
- Workforce Plan 2021 – 2025.

Financial risks are a key focus of the Plan, in particular:

- Management and renewal of assets;
- Management of current and future liabilities;
- Decreasing income sources including grant funding; and
- Demand for new infrastructure.

The overall objectives of Council's LTFP are to:

- Achieve a balance between meeting the service needs of the community and remaining financially sustainable;
- Ensure loan borrowings are able to be serviced;
- Ensure rates and fees are prudent and based on sound analysis that are both manageable and sustainable;
- Maintain a positive cash position;
- Maintain a positive liquidity ratio;
- Achieve and maintain an underlying operational surplus; and
- Progressively reduce the asset renewal gap

The LTFP is a dynamic document that will be regularly updated as part of Council's annual strategic planning and budget process. While the LTFP is a financial plan for the next 10 years, it has been developed with a current state of knowledge. There are several factors that could influence the Plan significantly, including rating income fluctuations, and the timing of population growth, which could impact Waroona in the medium term.

Service Areas

The Shire of Waroona is responsible for a range of functions, facilities and services including:

- Services to properties and the community;
- Regulatory services;
- General administration; and
- Process of government

Office of the Chief Executive Officer		
Department	Services	
Chief Executive Office	<ul style="list-style-type: none"> • Elected member liaison • Strategic planning 	<ul style="list-style-type: none"> • Stakeholder partnerships • Employee management
Organisational Strategy	<ul style="list-style-type: none"> • Strategic Leadership Group management 	<ul style="list-style-type: none"> • Resource sharing management
Communications & Marketing	<ul style="list-style-type: none"> • Media and public relations • Corporate website and social media 	<ul style="list-style-type: none"> • Advertising and promotion • Internal and stakeholder communication
Emergency Services	<ul style="list-style-type: none"> • Emergency management and services 	<ul style="list-style-type: none"> • Bush fire prevention and preparedness
Corporate Services		
Department	Services	
Finance	<ul style="list-style-type: none"> • Accounting • Regulatory compliance 	<ul style="list-style-type: none"> • Rates • Payroll
Governance	<ul style="list-style-type: none"> • Property management and leases • Policy management • Compliance 	<ul style="list-style-type: none"> • Local laws and legislation • Delegations and authorisations • Elections
Human Resources	<ul style="list-style-type: none"> • Human resource management • Occupational safety and health 	<ul style="list-style-type: none"> • Employee training and development • Employee health and wellbeing
Information Services	<ul style="list-style-type: none"> • Hardware and software management • Customer service 	<ul style="list-style-type: none"> • Regulatory compliance of records • Freedom of Information
Integrated Planning & Reporting	<ul style="list-style-type: none"> • Corporate and strategic planning and reporting 	<ul style="list-style-type: none"> • Asset management • Risk management
Library Services	<ul style="list-style-type: none"> • Library service delivery • Information provision 	<ul style="list-style-type: none"> • Community learning • Online services
Licensing Services	<ul style="list-style-type: none"> • Agent for Department of Transport 	<ul style="list-style-type: none"> • Vehicle licensing • Boat licensing
Ranger Services	<ul style="list-style-type: none"> • Regulatory compliance • Animal control • Littering / illegal dumping 	<ul style="list-style-type: none"> • Abandoned vehicles • Off-road vehicles • Enforcement of legislation

Infrastructure Services		
Department	Services	
Infrastructure Services	<ul style="list-style-type: none"> • Management of contract and capital works projects • Road design 	<ul style="list-style-type: none"> • Traffic management • Strategic planning for infrastructure
Operations	<ul style="list-style-type: none"> • Road construction and maintenance • Drainage construction and maintenance • Operations centre and stores management • Major equipment maintenance 	<ul style="list-style-type: none"> • Workshop management • Parks and gardens maintenance • Graffiti and illegal dumping • Reticulation management • Signage • Works requests management
Technical Services	<ul style="list-style-type: none"> • Kerbside and bulk waste collection • Waste transfer station 	<ul style="list-style-type: none"> • Fleet management • Cemetery management
Place, Community & Economic Development		
Department	Services	
Place & Community	<ul style="list-style-type: none"> • Place making and activation 	<ul style="list-style-type: none"> • Events management • Trails
Economic Development	<ul style="list-style-type: none"> • Economic development and planning 	<ul style="list-style-type: none"> • Investment engagement and facilitation
Recreation Services	<ul style="list-style-type: none"> • Sporting club development • Recreation and fitness • Aquatic 	<ul style="list-style-type: none"> • Waroona Recreation & Aquatic Centre and crèche management
Tourism	<ul style="list-style-type: none"> • Strategic tourism planning and marketing 	<ul style="list-style-type: none"> • Waroona Visitor Centre management
Planning & Sustainability		
Department	Services	
Town Planning	<ul style="list-style-type: none"> • Development approvals • Subdivision referrals 	<ul style="list-style-type: none"> • Local structure planning • Town Planning Scheme
Building	<ul style="list-style-type: none"> • Building and demolition approvals 	<ul style="list-style-type: none"> • Council building maintenance
Health	<ul style="list-style-type: none"> • Environmental health approvals 	<ul style="list-style-type: none"> • Environmental health programs

Assumptions

The assumptions used in the preparation of the Long Term Financial Plan can significantly influence the outcome of the plan. Information as to the major financial assumptions has been included to provide context around how the plan was developed.

The Long Term Financial Plan has been prepared using a high level grouping of operating income and expenditure accounts based upon a nature and type analysis. The information used was from the 2021/22 Annual Budget and financial statements.

While the Long Term Financial Plan uses specific assumptions to calculate future years estimated operating income and expenditure it will not remove the need for Council to continue to achieve operational efficiencies.

The Long Term Financial Plan has been prepared on the assumption that the growth in rate base will increase by 8 lots for 2021/22. Note that with any increase in community will require an equal and offset expenditure to ensure service levels are maintained across the shire. The plan has been based upon a 'business as usual' scenario with current service level delivery being maintained. The Corporate Business Plan requires service levels to be reviewed over the next four years which may affect operational expenditure. Where further efficiencies can be achieved, funds will be directed to asset renewal, maintenance or improved service provisions where identified and required.

Rates Revenue

Rate yield is set to increase by 2% for 2021/22. This will reach a peak of 3.25% in 2023/24, and will decrease to 3% in 2028/29 for the remaining life of the plan. Increases in rates are required to provide for the future growth of the shire, allowing the provision of services and infrastructure to meet community needs and expectations. It is estimated that the additional income that is generated that is higher than normal operational requirements will be allocated to closing the asset management gap that the Shire currently has. Rating increases will be reviewed on an annual basis to consider the various economic drivers.

Operating Grants, Subsidies & Contributions

An increase of 4.1% has been allowed for in 2021/22, decreasing to 2% by the end of the plan. Although this funding source is somewhat unknown as political and economic factors can influence any increases that the different levels of government may offer, a small increase has been assumed to cater for general inflation increased. In accordance with the financial sustainability strategy to maximise funding opportunities, the Shire will continue to pursue grant funding or strategic capital works from the State and Federal Government, as well as other funding bodies, as opportunities become available.

Fees & Charges

Fees and charges have decreased by 2.8% for 2021/22. State controlled fees such as application fees for building licences and planning and development approvals are limited by regulations preventing full cost recovery of these services.

Interest Earnings

Interest earnings for 2021/22 have been forecast at -2%, which is anticipated to increase to 1.5% during the life of the plan. This is for both the unrestricted municipal fund and the reserve accounts balances.

Other Revenue

Other revenue accounts for a small portion of the Shire's total revenue, however a basic growth allowance of 5% has been allocated for 2021/22. This figure will decrease incrementally across the life of the plan, dropping to 3.5% by the final year.

Employee Costs

An increase of 8% has been allowed for employee costs in 2021/22. Estimates for employee costs are based on requirements outlined in the Workforce Plan and estimates associated with economic drivers. Increases in employment costs have three main elements - increases contained in the enterprise agreement; increases and movements of levels within the current workforce; additional positions that are required to meet the strategic direction of the Council and the growth of the community. The plan has allowed for employee costs to decrease to a 1.5% increase in 2022/23 and remains relatively at this rate for the remainder of the plan.

Materials & Contracts

An increase of 22% has been forecast for 2021/22, however this decreases significantly in 2022/23 and for the remainder of the plan.

Utility Charges

Utility charges have been predicted to increase by 10% in 2021/22, however will stabilise around an increase of no more than 3% for the life of the plan.

Depreciation

All fixed assets including buildings but excluding freehold land are depreciated on a straight line bases over the individual asset's useful life from the time the asset is held ready for use. There are different depreciation rates for each asset class, as well as specific depreciation rates for particular assets within an asset class. All depreciations are influenced by the estimated life of those assets in accordance with the application of fair value as per the *Local Government (Financial Management) Regulations 1996*. This is a legislative requirement and causes the total of depreciation expenses to increase each year. This is a book figure and has a significant impact on sustainability.

Insurance Expense

The insurance expense for 2021/22 is forecast at 5% based on information provided by the Shire's insurance provider.

Levels of Service

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

Financial Strategies

A principle aim of long term financial planning is to ensure that the Shire remains financially sustainable. Whilst there are many definitions of sustainability, the definition of financial sustainability can be found in the report entitled National Financial Sustainability Study of Local Government for the Australian Local Government Association as follows:

“The financial sustainability of a council is determined by its ability to manage expected financial requirements and financial risks and shocks over the long term without the use of disruptive revenue or expenditure measures; which is determined by:

- *Healthy finances in the current period and long term outlook based on continuation of the council’s present spending and funding policies and given likely economic and demographic developments, and*
- *Ensuring infrastructure renewals/replacement expenditure matches forward looking asset management plan expenditure needs.”*

It is important that sound financial strategies and principles are developed and continually reviewed in line with the changing economic and demographic outlook of the Waroona community. These strategies inform the Long Term Financial Plan and determine future financial focus areas for the Shire.

The Shire of Waroona has the following high level financial strategies:

- Maintain strong financial position;
- Work towards achieving an underlying operating surplus;
- Match long term expenditure to meet the relevant asset management plans;
- Maintain a sustainable and responsible level of debt (as per Council Policy FP012 – Borrowing - Debt Management); and
- Maintain existing operational costs with an additional increase based on the Local Government Cost Index, fair work agreements and the Workforce Plan.

Revenue Structure

The rating strategy determined by the Council has a direct impact on the long term financial sustainability and thus the ability to continue the delivery of services to meet the requirements of the Strategic Community Plan and Corporate Business Plan. As part of the Long Term Financial Plan process, the Shire has entered the proposed budget and amount to be raised by rates which will allow the Council to determine if the current rating strategy will meet needs now and in the future.

When the current rating strategy does not raise enough funds to cover annual expenditure requirements, a funding gap is identified. An inability to reduce or eliminate this funding gap can create longer term issues, such as:

- Infrastructure will begin to fail and this will impact on the economic prosperity of the community; and
- Increasing amounts of cash will be required to fund maintenance activities in an attempt to prolong infrastructure life – which may significantly reduce the ability to fund existing and/or new services.

Essentially, there are only three ways to close a funding gap:

1. Reduce the asset base by rationalising assets.
2. Reduce the level of service / operating expenditure.
3. Secure more funds via targeting funding and increasing rates.

Increasing rates is ideally a last resort strategy, nonetheless is it important that prudent rate increases form part of the multi-prong approach to financial management. The Shire has limited control over other funding sources which are often not indexed and can in some instances decline from year to year.

In order to deliver the same level of service, current expenditure levels need to be retained in the longer term. Everything the Shire spends money on is subject to inflation, often in excess of the Consumer Price Index (CPI). If CPI increases 2% and 50% of the Shire's revenue is from non-indexed sources, rates need to be increased by double CPI in order to deliver the same level of service as that delivered in the previous year.

Hence, a critical review of service levels and well considered rate increases are an important aspect of long term financial planning.

Fees & Charges

The fees and charges determined by the Council has an impact on the financial sustainability and ability to deliver particular levels of service. Council intends to keep fees and charges as low as possible to enable the community to access services at an affordable rate.

Alternative Revenue Sources

In an effort to minimise increases in rates and fees and charges, local governments are now seeking alternative revenue sources. Some examples of these include leasing assets and owning businesses such as restaurants and shopping centres. The Shire has a number of leases with local community groups to utilise Council owned assets, however the revenue from these leases have a relatively negligible impact on long term financial sustainability. Any alternative revenue sources must consider and comply with the National Competition Policy.

Pursuit of Grants

In accordance with the financial sustainability strategy to maximise funding opportunities, the Shire will continue to pursue grant funding for strategic capital works from the State and Federal Government, as well as other funding bodies, as opportunities become available. The Shire receives the following annual funding:

Funding Source	Project
Alcoa Australia	Annual contribution
Department of Fire and Emergency Services	Local Government Bushfire Brigade Operating Grant
Federal Government	Federal Assistance Grant – Untied
	Federal Assistance Grant – Roads
	Roads to Recovery
Main Roads WA	Regional Road Group
	Special Commodities Funding

Reserves

Cash reserves are maintained by the Shire to support the construction, operation and/or development of community assets and services. As the growth in the operating revenue base provides increases in net revenue, the reserves are utilised to accumulate funds for major capital refurbishment and replacement. The reserves proposed as a part of this Plan are:

Reserve Name	Purpose
Emergency Assistance Reserve	To provide funds to assist in emergency situations.
Sports Reserve	To provide funds for sporting facilities and equipment as determined by Council together with low interest loan applications.
Staff Leave Reserve	To be used to fund annual and long service leave requirements.
Waste Management Reserve	To be used to maintain operations at Buller Road Refuse Site.
Recreation Centre Building Reserve	To be used for future building asset maintenance items at Recreation Centre, particularly plant.
Plant Replacement Reserve	To be used for the purchase and replacement of major plant.
Depot Redevelopment Reserve	To provide funds for the provision of vehicle storage bays at Works Depot.
Council Building Maintenance Reserve	To be used to fund works associated with significant maintenance for Council buildings and work associated with emergency repairs.
Strategic Planning Reserve	To provide funds for the future requirements of Council's strategic planning.
Council Building Construction Reserve	To be used to fund capital work in accordance with projects within Council's Long Term Financial Plan and works associated with emergency repairs.
Preston Beach Volunteer Reserve	To provide funds to assist in the operation of the volunteer ranger functions including replacement of equipment.
Information Technology Reserve	To be used to ensure that the network computer system is maintained including external site connections.
Footpath Construction Reserve	To provide funds for future extension of dual use path network.
History Book Reprint Reserve	To be used to fund the update reprint of the 'Drakesbrook Days & Waroona Years' historical book.
Risk & Insurance Reserve	To be used for expenses associated with risk assessments and insurance adjustments or unforeseen expenses.
Drakesbrook Cemetery Reserve	To be used for expenses associated with the Drakesbrook Cemetery.

Debt Funding

Council has adopted Policy FP012 – Borrowing - Debt Management, to set out the circumstances in which Council may consider borrowings to fund the acquisition, renewal or construction of specified assets, and to provide guidance as to the appropriate terms of any such borrowing.

This policy recognises that loan borrowings for capital works are an important funding source for local government and that the full costs of infrastructure should not always be borne by present day ratepayers, but be contributed to by future ratepayers who will also benefit and use such infrastructure – this is known as “Intergenerational Equity”. The Council will restrict all borrowings to expenditure on identified capital projects or purchases that are considered to be of the highest priority, which cannot be fully funded from other sources and accordingly have been identified in the Council’s Corporate Business Plan and Long Term Financial Plan. The following principles will apply in regards to the use of borrowings as a funding source and are to be considered in the formulation of annual budgets:

- In no circumstances will Council borrow funds for operating expenditure.
- Term of the loan must not exceed the expected life of the asset being funded. Borrowings will only be considered for projects within identified strategic objectives of Council (Strategic Community Plan and supporting documents).
- Borrowings will not be considered as a funding source if the borrowing will increase Council’s Debt Service Ratio to more than 10%.
- Council may during budget deliberations elect to pay outstanding debt early with the use of untied surplus funds at year end (if available).

Asset Disposal

Council has adopted policies AP007 – Asset Management and AP011 – Asset Disposal, to ensure that services delivered by the Shire continue to be sustainably delivered. This will be achieved by ensuring that the infrastructure assets used to support the service delivery continue to function to the level of service determined by Council, and assets not required are disposed of appropriately.

Disposal of an asset refers to its decommissioning, whether by sale, demolition or relocation. A key component of an asset management plan is the identification and disposal of surplus assets. This involves assessment of strategic goals and the recognition that some assets may be under-performing or surplus to operating requirements. Some disposals will attract no costs as they will either be transferred to a user group or the costs of demolition will be covered by the value of the building materials.

A disposal strategy is based around the following principles:

1. If Council has a particular asset that is not aligned to a core service then that asset should be considered for disposal, or opportunities taken for the transfer of responsibility to a relevant separate entity should be investigated.
2. Council should look for opportunities to appropriately dispose of assets that are surplus to current and anticipated future requirements. The use of facilities should be the paramount consideration. Any under utilised asset identified as being surplus should be disposed of by consulting the relevant parties and investigations for options of possible consolidation and co-location of services and/or user groups.
3. Assets that are underperforming or are unsafe, or assessed as too expensive to renew/replace, should be demolished and not replaced if there is no demonstrated ongoing need.

The disposal of assets will result in financial and resource savings for the community. The vast majority of the disposals will attract no cost, as they will either be transferred to a user group, or the costs of demolition will be covered by the value of the building materials.

Asset Disposal Process

Surplus asset disposal is a three step process, whereby the asset is (1) evaluated from a strategic perspective, (2) a disposal process has been implemented where required, and (3) the disposal process is reviewed. The emphasis should be on ensuring that under-performing and/or non-essential assets are identified and disposed of.

Investment Policy

Council has an Investment of Surplus Funds policy to provide guidelines and limitations to staff to be used when investing surplus funds. The policy is as follows:

The Chief Executive Officer, Director Corporate Services, Manager Corporate Services, and/or such other staff who are delegated the responsibility for investing funds, shall have regard to the following:

- 1. That the highest consideration must be given to the security of the principal/capital of the investment, and therefore all investments are to be placed with Australian Banks, which are majority owned by Australian Shareholders.*
- 2. No investments are to be placed for a period beyond 12 months in length.*
- 3. No investments are to be made outside the 1st criteria mentioned above, and no investments are to be placed with any Building Society or Credit Union.*
- 4. No investments will involve any “structured financial products”, “sub-prime mortgage market products”, complex financial instruments, currency risks, or any similar such matters.*
- 5. All investments must be jointly authorised by two (2) authorised persons/staff.*
- 6. All relevant details relating to each investment shall be included in the monthly reports to Council.*
- 7. Allowing for the above restrictions, the provisions of the Department of Local Government, Sport & Cultural Industries’ Operational Guidelines (No. 19) “Investment Policy”, shall apply.*

Sensitivity Analysis

Sensitivity testing is used to test the financial impact of variations in the factors or assumptions underlying the Long Term Financial Plan. Analysing the sensitivity of variations such as Consumer Price Index estimates, employee costs, interest rates, utility charges, rates increases, recurrent grants and others, will indicate those assumptions which have the greatest impact when varied. The Long Term Financial Plan has the ability to change the assumptions and during the preparation of the plan, a number of assumptions were tested to determine the optimal solution. This sensitivity analysis showed that small changes to the assumptions can have significant impact on the financial position of the Shire in the longer term. Regular review and refinement of the assumptions is required to ensure the Long Term Financial Plan is relevant and accurate.

Financial Forecast

The financial projections in this plan have been developed in a format that complies with the *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards. The statutory schedules include:

- Statement of Comprehensive Income;
- Statement of Cash Flows;
- Statement of Financial Position;
- Statement of Changes in Equity; and
- Rate Setting Statement.

The Statement of Comprehensive Income shows what is expected to happen during the year in terms of revenue, expenses and other adjustments from all activities.

The Statement of Cash Flows shows what is expected to happen during the year in terms of cash. The net cash provided by operating activities shows how much cash is expected to remain after paying for the services provided to the community. This can be used to fund other activities such as capital works and infrastructure. The information in this statement assists in the assessment of the ability to generate cash flows and meet financial commitments as they fall due, including debt repayments.

The Statement of Financial Position is a snapshot of the expected financial position of the Shire at the end of the financial year. It reports what is expected to be owned (assets) and what is expected to be owed (liabilities). The bottom line 'Net Assets' represents the net worth of the Council. The assets and liabilities are separated into current and non-current. Current means those which will fall due in the next twelve months, and non-current means those that fall due over a period longer than twelve months.

The Statement of Changes in Equity consists of three sections – 'retained surplus', 'cash backed reserves' and 'asset revaluation reserve'. It shows an overall balance of equity growth across the life of the plan.

The Rate Setting Statement shows that if the assumptions of the plan are adhered to, Council will be able to fund the proposed services. However, if a shortfall results, Council may need to defer works or services, increase debt, or increase rates to cover the cost of planned service provision.

The statements are supported by schedules of:

- Loan borrowings and repayments;
- Cash reserves;
- Capital Works;
- Assumptions used in the Long Term Financial Plan;
- Calculation and measurement of key performance indicators; and
- Depreciation schedule.

Statement of Comprehensive Income by Nature & Type

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
INCOME: REVENUES FROM ORDINARY ACTIVITIES										
EXCLUDING PROFITS ON ASSET DISPOSALS; NON-OPERATING GRANTS										
Rates	5,130,352	5,284,263	5,456,001	5,633,321	5,816,404	6,005,437	6,200,614	6,386,632	6,578,231	6,775,578
Rates Growth	9,343	14,152	14,187	14,187	17,733	17,733	17,733	17,690	17,690	18,870
Operating Grants, Subsidies, & Op Contributions	1,783,536	1,337,652	1,357,717	1,378,083	1,398,754	1,426,729	1,455,263	1,484,369	1,514,056	1,544,337
Op Grants-Federal Fin. Assist. Grant-GP & Rds	631,761	1,238,079	1,256,650	1,269,216	1,281,908	1,294,728	1,307,675	1,320,752	1,333,959	1,347,299
User Charges	1,505,297	1,520,350	1,535,553	1,566,265	1,612,590	1,659,842	1,708,038	1,765,739	1,780,739	1,795,739
Interest Income	21,900	31,043	31,251	31,759	31,691	37,402	38,334	35,000	45,000	50,000
Other Revenue	101,700	104,751	107,894	111,130	115,020	119,046	123,212	127,525	127,525	127,525
Total Revenue	9,183,889	9,530,289	9,759,252	10,003,960	10,274,100	10,560,916	10,850,870	11,137,707	11,397,201	11,659,348
EXPENDITURE: EXPENSES FROM ORDINARY ACTIVITIES										
EXCLUDING LOSSES ON ASSET DISPOSALS										
Employee Costs	(3,213,126)	(3,261,323)	(3,310,243)	(3,376,448)	(3,443,977)	(3,512,856)	(3,565,549)	(3,619,032)	(3,673,318)	(3,728,417)
Materials & Contracts	(4,027,660)	(3,886,692)	(3,983,859)	(4,103,375)	(4,226,476)	(4,374,403)	(4,461,891)	(4,595,748)	(4,733,620)	(4,875,629)
Utilities	(421,435)	(431,971)	(442,770)	(456,053)	(469,735)	(483,827)	(498,342)	(513,292)	(528,691)	(544,551)
Depreciation	(3,451,314)	(3,681,856)	(3,686,865)	(3,718,815)	(3,731,202)	(3,731,978)	(3,735,176)	(3,731,669)	(3,727,891)	(3,738,858)
Interest Expenses	(22,720)	(22,859)	(19,145)	(15,837)	(14,343)	(13,532)	(12,708)	(11,871)	(11,020)	(10,156)
Insurance	(241,373)	(248,614)	(256,073)	(265,035)	(274,311)	(283,912)	(293,849)	(304,134)	(314,779)	(325,796)
Other Expenditure	(306,906)	(313,044)	(320,870)	(328,892)	(337,114)	(345,542)	(354,181)	(363,035)	(372,111)	(381,414)
Total Expenditure	(11,684,534)	(11,846,359)	(12,019,825)	(12,264,454)	(12,497,159)	(12,746,050)	(12,921,696)	(13,138,781)	(13,361,429)	(13,604,822)
Sub-total	(2,500,645)	(2,316,070)	(2,260,573)	(2,260,494)	(2,223,058)	(2,185,135)	(2,070,826)	(2,001,074)	(1,964,228)	(1,945,474)
Non-Operating Grants, Subsidies & Contributions	4,932,073	1,972,829	2,564,678	3,847,017	2,115,859	2,221,652	1,666,239	1,582,927	1,741,220	2,611,830
Profit on Asset Disposals	38,470	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320
Loss on Asset Disposals	(957)	(26,806)	(79,974)	(67,345)	(47,736)	(11,258)	(32,000)	(52,050)	(32,250)	(49,250)
Sub-total [NON CASH ITEMS]	4,969,586	1,947,343	2,486,024	3,780,992	2,069,443	2,211,714	1,635,559	1,532,197	1,710,290	2,563,900
NET RESULT	2,468,941	(368,727)	225,451	1,520,497	(153,615)	26,579	(435,267)	(468,877)	(253,938)	618,426
Other Comprehensive Income Items										
Changes in Valuation of non-current assets	-	687,623	-	-	-	345,821	825,148	-	-	-
Total Other Comprehensive Income	-	687,623	-	-	-	345,821	825,148	-	-	-
TOTAL COMPREHENSIVE INCOME	2,468,941	318,896	225,451	1,520,497	(153,615)	372,400	389,880	(468,877)	(253,938)	618,426

Statement of Cash Flows

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
CASH FLOWS FROM OPERATING ACTIVITIES										
RECEIPTS										
Rates	5,155,352	5,298,415	5,470,188	5,647,508	5,834,137	6,023,170	6,218,347	6,404,323	6,595,922	6,794,448
Operating Grants, & Subsidies	2,490,297	2,575,731	2,614,367	2,647,299	2,680,662	2,721,456	2,762,938	2,805,120	2,848,015	2,891,636
Fees & Charges	1,505,297	1,520,350	1,535,553	1,566,265	1,612,590	1,659,842	1,708,038	1,765,739	1,780,739	1,795,739
Interest Earnings	21,900	31,043	31,251	31,759	31,691	37,402	38,334	35,000	45,000	50,000
Goods and Services Tax	-	-	-	-	-	-	-	-	-	-
Other Revenue	106,876	104,751	107,894	111,130	115,020	119,046	123,212	127,525	127,525	127,525
Sub-total	9,279,722	9,530,289	9,759,252	10,003,960	10,274,100	10,560,916	10,850,870	11,137,707	11,397,201	11,659,348
PAYMENTS										
Employee Costs	(3,154,526)	(3,261,323)	(3,310,243)	(3,376,448)	(3,443,977)	(3,512,856)	(3,565,549)	(3,619,032)	(3,673,318)	(3,728,417)
Materials & Contracts	(3,951,560)	(3,886,692)	(3,983,859)	(4,103,375)	(4,226,476)	(4,374,403)	(4,461,891)	(4,595,748)	(4,733,620)	(4,875,629)
Utilities	(421,435)	(431,971)	(442,770)	(456,053)	(469,735)	(483,827)	(498,342)	(513,292)	(528,691)	(544,551)
Insurance	(241,373)	(248,614)	(256,073)	(265,035)	(274,311)	(283,912)	(293,849)	(304,134)	(314,779)	(325,796)
Interest	(24,220)	(22,859)	(19,145)	(15,837)	(14,343)	(13,532)	(12,708)	(11,871)	(11,020)	(10,156)
Goods and Services Tax	-	-	-	-	-	-	-	-	-	-
Other Expenditure	(306,906)	(313,044)	(320,870)	(328,892)	(337,114)	(345,542)	(354,181)	(363,035)	(372,111)	(381,414)
Sub-total	(8,100,020)	(8,164,503)	(8,332,960)	(8,545,640)	(8,765,956)	(9,014,072)	(9,186,519)	(9,407,112)	(9,633,538)	(9,865,963)
Net Cash Provided by (Used in) Operating Activities	1,179,702	1,365,786	1,426,292	1,458,320	1,508,144	1,546,843	1,664,350	1,730,595	1,763,662	1,793,385
CASH FLOWS FROM INVESTING ACTIVITIES										
Payments - Development of Land Held for Resale	-	-	-	-	-	-	-	-	-	-
Payments - Purchase of Property, Plant & Equipment	(1,283,775)	(843,400)	(865,100)	(898,100)	(926,800)	(683,300)	(776,600)	(534,300)	(897,000)	(934,100)
Payments - Construction of Infrastructure	(6,604,372)	(2,682,029)	(2,812,529)	(3,786,500)	(3,154,500)	(3,096,500)	(3,160,500)	(2,884,500)	(3,460,500)	(2,752,001)
Advances to Community Groups	-	-	-	-	-	-	-	-	-	-
Non Op Grants / Contributions-Develop Assets	4,932,073	1,972,829	2,564,678	3,847,017	2,115,859	2,221,652	1,666,239	1,582,927	1,741,220	2,611,830
Proceeds from Sales	208,950	227,450	161,100	273,300	223,800	269,850	355,500	192,300	272,500	254,500
Net Cash Provided by (Used in) Investing Activities	(2,747,124)	(1,325,150)	(951,851)	(564,283)	(1,741,641)	(1,288,298)	(1,915,361)	(1,643,573)	(2,343,780)	(819,771)
CASH FLOWS FROM FINANCING ACTIVITIES										
Repayment of Debentures	(104,742)	(117,770)	(121,485)	(80,951)	(50,590)	(51,401)	(52,225)	(53,062)	(53,913)	(54,777)
Proceeds from Low Interest Loans	-	-	-	-	-	-	-	-	-	-
Advances: Low Interest Loans	-	-	-	-	-	-	-	-	-	-
Proceeds from Self Supporting Loans	-	-	-	-	-	-	-	-	-	-
Proceeds from New Debentures	450,000	-	-	-	-	-	-	-	-	-
Net Cash Provided by (Used in) Financing Activities	345,258	(117,770)	(121,485)	(80,951)	(50,590)	(51,401)	(52,225)	(53,062)	(53,913)	(54,777)
NET INCREASE (DECREASE) IN CASH HELD	(1,222,164)	(77,134)	352,957	813,086	(284,086)	207,145	(303,236)	33,960	(634,030)	918,837
Cash at Beginning of Year	3,878,053	2,655,889	2,578,756	2,931,712	3,744,799	3,460,712	3,667,857	3,364,622	3,398,582	2,764,552
Cash at the End of Year	2,655,889	2,578,756	2,931,712	3,744,799	3,460,712	3,667,857	3,364,622	3,398,582	2,764,552	3,683,388

Statement of Financial Position

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ASSETS										
CURRENT ASSETS										
Cash and Cash Equivalents	238,252	67,550	217,466	1,057,483	488,843	323,222	160,323	241,304	305,674	1,309,822
Cash Reserves	2,417,637	2,511,206	2,714,247	2,687,315	2,971,869	3,344,635	3,204,299	3,157,278	2,458,878	2,373,566
Receivables	370,614	374,320	378,063	385,624	393,337	401,204	409,228	419,458	429,945	440,694
Inventories	9,000	15,000	13,000	5,800	3,549	2,454	5,784	4,887	4,887	4,887
Inventories - Land Held for Resale	-	-	-	-	-	-	-	-	-	-
Total Current Assets	3,035,503	2,968,076	3,322,776	4,136,223	3,857,598	4,071,515	3,779,633	3,822,927	3,199,384	4,128,969
NON-CURRENT ASSETS										
Receivables	-	-	-	-	-	-	-	-	-	-
Property, Plant and Equipment	40,316,535	40,045,635	39,876,332	39,609,973	39,428,068	38,963,934	38,512,202	38,013,450	37,809,142	37,654,975
Infrastructure	95,038,487	95,613,134	95,612,100	96,570,945	96,879,147	97,121,253	98,244,557	98,238,139	98,799,556	98,646,466
Total Non-Current Assets	135,355,022	135,658,768	135,488,432	136,180,918	136,307,215	136,085,187	136,756,758	136,251,589	136,608,698	136,301,441
TOTAL ASSETS	138,390,525	138,626,844	138,811,208	140,317,141	140,164,814	140,156,702	140,536,392	140,074,517	139,808,082	140,430,410
LIABILITIES										
CURRENT LIABILITIES										
Payables	498,621	481,169	493,199	507,995	523,234	541,548	552,379	568,950	586,018	603,599
Current Portion of Long Term Borrowings	104,742	117,770	121,485	80,951	50,590	51,401	52,225	53,062	-	-
Provisions	830,644	843,103	855,750	868,586	881,615	894,839	908,262	921,885	935,714	949,749
Total Current Liabilities	1,434,006	1,442,042	1,470,433	1,457,531	1,455,439	1,487,787	1,512,865	1,543,897	1,521,732	1,553,348
NON-CURRENT LIABILITIES										
Long Term Borrowings	1,231,091	1,113,321	991,836	910,885	860,295	808,895	(51,401)	(52,225)	(53,062)	-
Provisions	56,966	56,966	56,966	56,966	56,966	56,966	56,966	56,966	56,966	56,966
Total Non-Current Liabilities	1,288,056	1,170,286	1,048,802	967,851	917,261	865,860	5,565	4,741	3,904	56,966
TOTAL LIABILITIES	2,722,062	2,612,329	2,519,235	2,425,382	2,372,700	2,353,647	1,518,430	1,548,638	1,525,636	1,610,314
NET POSITION	135,668,463	136,014,515	136,291,973	137,891,758	137,792,114	137,803,055	139,017,962	138,525,878	138,282,446	138,820,096

Statement of Changes in Equity

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
EQUITY										
RETAINED SURPLUS										
Balance 1 July	6,153,385	8,661,250	8,198,954	8,221,365	9,768,794	9,330,625	8,984,439	8,689,508	8,267,652	8,712,113
Transfer from / (to) Reserve	38,924	(93,569)	(203,041)	26,932	(284,554)	(372,766)	140,336	47,021	698,400	85,312
Net Result	2,468,941	(368,727)	225,451	1,520,497	(153,615)	26,579	(435,267)	(468,877)	(253,938)	618,426
Balance 30 June	8,661,250	8,198,954	8,221,365	9,768,794	9,330,625	8,984,439	8,689,508	8,267,652	8,712,113	9,415,851
CASH BACKED RESERVES										
Balance 1 July	2,286,021	2,417,637	2,511,206	2,714,247	2,687,315	2,971,869	3,344,635	3,204,299	3,157,278	2,458,878
Transfer (from) / to Reserve	(38,924)	93,569	203,041	(26,932)	284,554	372,766	(140,336)	(47,021)	(698,400)	(85,312)
Balance 30 June	2,247,097	2,511,206	2,714,247	2,687,315	2,971,869	3,344,635	3,204,299	3,157,278	2,458,878	2,373,566
ASSET REVALUATION RESERVE										
Balance 1 July	124,210,010	124,760,117	125,304,355	125,356,362	125,435,649	125,489,619	125,473,981	127,124,155	127,100,949	127,111,455
Changes on Revaluation of Non-Current Assets	550,107	544,238	52,007	79,287	53,970	(15,638)	1,650,174	(23,206)	10,506	(80,777)
Balance 30 June	124,760,117	125,304,355	125,356,362	125,435,649	125,489,619	125,473,981	127,124,155	127,100,949	127,111,455	127,030,678
TOTAL EQUITY										
Overall Total/Balance of Equity- As at 30 June	135,668,463	136,014,515	136,291,974	137,891,758	137,792,113	137,803,055	139,017,962	138,525,879	138,282,447	138,820,096

Rate Setting Statement

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
REVENUES										
Rate Levies	5,130,352	5,284,263	5,456,001	5,633,321	5,816,404	6,005,437	6,200,614	6,386,632	6,578,231	6,775,578
Operating Grants, Subsidies & Contributions	2,415,297	2,575,731	2,614,367	2,647,299	2,680,662	2,721,456	2,762,938	2,805,120	2,848,015	2,891,636
Other Revenue	1,667,367	1,657,464	1,676,018	1,710,473	1,760,621	1,817,609	1,870,904	1,929,584	1,954,584	1,974,584
Revenues Sub-total	9,213,016	9,517,457	9,746,386	9,991,093	10,257,687	10,544,502	10,834,456	11,121,337	11,380,830	11,641,798
EXPENSES										
Operating Expenses	(11,685,491)	(11,873,165)	(12,099,799)	(12,331,799)	(12,544,895)	(12,757,308)	(12,953,696)	(13,190,831)	(13,393,679)	(13,654,072)
Net Operating Profit/(Loss)	(2,472,475)	(2,355,708)	(2,353,413)	(2,340,706)	(2,287,207)	(2,212,806)	(2,119,240)	(2,069,494)	(2,012,849)	(2,012,274)
NON CASH ITEMS										
(Profit)/Loss on Asset Disposals	(37,513)	(33,289)	92,924	(36,700)	48,886	171,828	(163,640)	54,650	(76,950)	-
Movements in Provisions and Accruals	52,273	25,000	(50,000)	(50,000)	15,000	25,000	(50,000)	(49,999)	(49,998)	(49,997)
Write-Back of Depreciation on Assets	3,451,314	3,681,856	3,686,865	3,718,815	3,731,202	3,731,978	3,735,176	3,731,669	3,727,891	3,738,858
Sub-total	3,466,074	3,673,567	3,729,789	3,632,115	3,795,088	3,928,806	3,521,536	3,736,320	3,600,943	3,688,861
CAPITAL EXPENDITURE AND REVENUE										
INVESTING ACTIVITIES										
Development of Land Held for Resale	-	-	-	-	-	-	-	-	-	-
Purchase Land and Buildings	(690,075)	(310,000)	(204,000)	(277,000)	(275,000)	(57,500)	(171,000)	(125,000)	(219,500)	(268,000)
Purchase Plant and Equipment	(574,800)	(463,900)	(447,100)	(555,900)	(604,300)	(619,300)	(553,600)	(377,800)	(571,000)	(652,600)
Purchase Furniture and Equipment	(18,900)	(69,500)	(214,000)	(65,200)	(47,500)	(6,500)	(52,000)	(31,500)	(106,500)	(13,500)
Infrastructure Assets - Roads	(2,380,756)	(2,196,029)	(2,350,029)	(2,101,500)	(2,402,500)	(2,436,500)	(2,710,500)	(2,444,500)	(2,748,500)	(2,040,000)
Infrastructure Assets - Bridges	-	-	-	-	-	-	-	-	-	-
Infrastructure Assets - Parks & Ovals	(3,243,366)	(181,000)	(130,000)	(30,000)	(25,000)	(30,000)	(10,000)	(20,000)	(12,000)	(12,001)
Infrastructure Assets - Drainage	(20,000)	(10,000)	(80,000)	(65,000)	(50,000)	(100,000)	(30,000)	(80,000)	(80,000)	(80,000)
Infrastructure Assets - Footpaths	(72,250)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(75,000)	(55,000)	(55,000)
Infrastructure Assets - Other	(888,000)	(240,000)	(197,500)	(1,535,000)	(622,000)	(475,000)	(355,000)	(265,000)	(565,000)	(565,000)
	(7,888,147)	(3,525,429)	(3,677,629)	(4,684,600)	(4,081,300)	(3,779,800)	(3,937,100)	(3,418,800)	(4,357,500)	(3,686,101)
Non-Operating Grants, Subsidies & Contributions	4,932,073	1,972,829	2,564,678	3,847,017	2,115,859	2,221,652	1,666,239	1,582,927	1,741,220	2,611,830
Revenue: Proceeds on Disposal of Assets	208,950	227,450	161,100	273,300	223,800	269,850	355,500	192,300	272,500	254,500
FINANCING ACTIVITIES										
New Loans Taken Up	450,000	-	-	-	-	-	-	-	-	-
Repayment of Debentures-Loan Principal	(104,742)	(117,770)	(121,485)	(80,951)	(50,590)	(51,401)	(52,225)	(53,062)	(53,913)	(54,777)
Non-Operating Revenue-Low Interest Loan	-	-	-	-	-	-	-	-	-	-
Unspent Grants Brought Forward	-	-	-	-	-	-	-	-	-	-
Unspent Grants Carried Forward	-	-	-	-	-	-	-	-	-	-
Transfers to Reserves	(145,260)	(232,006)	(373,720)	(358,507)	(486,563)	(558,931)	(144,897)	(153,564)	(118,735)	(250,000)
Transfers from Reserves	190,325	144,480	176,930	392,197	208,700	193,567	293,567	208,567	825,000	341,431
ESTIMATED SURPLUS/(DEFICIT) JULY 1 B/FWD	1,363,202	750,000	537,413	643,664	1,323,529	761,317	772,254	355,635	380,830	277,497
ESTIMATED SURPLUS/(DEFICIT) JUNE 30 C/FWD	-	537,413	643,664	1,323,529	761,317	772,254	355,635	380,830	277,497	1,170,968
OVERALL RESULT	0	0	(0)	(0)	(0)	0	0	(0)	(0)	(0)

Capital Works Program

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
LAND AND BUILDINGS										
Land Purchased for Resale	-	-	-	-	-	-	-	-	-	-
Existing Buildings - Renewals & Upgrades	677,575	310,000	204,000	277,000	275,000	57,500	171,000	125,000	219,500	268,000
New, Additions & Extensions	12,500	-	-	-	-	-	-	-	-	-
Total Land and Buildings	690,075	310,000	204,000	277,000	275,000	57,500	171,000	125,000	219,500	268,000
<u>Proceeds from Sale of Land</u>	-	-	-	-	-	-	-	-	-	-
Book Value Assets Sold	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) on Sale	-	-	-	-	-	-	-	-	-	-
MOTOR VEHICLES										
Existing Fleet - Replacements	145,300	207,300	250,100	293,300	306,300	204,200	210,000	321,800	213,000	245,000
Additional Vehicles	-	-	-	-	-	-	-	-	-	-
Total Motor Vehicle Purchases	145,300	207,300	250,100	293,300	306,300	204,200	210,000	321,800	213,000	245,000
<u>Proceeds of Sale</u>	115,950	122,450	105,100	123,300	172,800	139,850	125,500	189,300	127,500	134,500
Book Value Assets Sold	(116,907)	(149,256)	(185,074)	(190,645)	(220,536)	(151,108)	(157,500)	(241,350)	(159,750)	(183,750)
Profit / (Loss) on Sale	(957)	(26,806)	(79,974)	(67,345)	(47,736)	(11,258)	(32,000)	(52,050)	(32,250)	(49,250)
PLANT AND MINOR EQUIPMENT										
Existing Heavy Plant - Replacements	195,000	245,000	175,000	210,000	238,000	400,000	330,000	10,000	350,000	405,000
Existing Small Plant - Replacements	234,500	11,600	22,000	52,600	60,000	15,100	13,600	46,000	8,000	2,600
Existing Heavy Plant - Upgrade	-	-	-	-	-	-	-	-	-	-
Additional Heavy Plant	-	-	-	-	-	-	-	-	-	-
Total Plant and Equipment	429,500	256,600	197,000	262,600	298,000	415,100	343,600	56,000	358,000	407,600
<u>Proceeds of Sale</u>	93,000	105,000	56,000	150,000	51,000	130,000	230,000	3,000	145,000	120,000
Book Value Assets Sold	(54,530)	(44,905)	(68,950)	(45,955)	(52,150)	(290,570)	(34,360)	(5,600)	(35,800)	(40,760)
Profit / (Loss) on Sale	38,470	60,095	(12,950)	104,045	(1,150)	(160,570)	195,640	(2,600)	109,200	79,240
FURNITURE AND EQUIPMENT										
Furniture & Equipment - Replacements/Renewals	18,900	69,500	214,000	65,200	47,500	6,500	52,000	31,500	106,500	13,500
Furniture & Equipment - Additional Items	-	-	-	-	-	-	-	-	-	-
Total Furniture and Equipment	18,900	69,500	214,000	65,200	47,500	6,500	52,000	31,500	106,500	13,500

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
INFRASTRUCTURE - ROADS										
Regional Road Group Projects	1,704,017	1,350,000	1,200,000	1,200,000	1,200,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
MRWA Direct Funding Projects	103,210	106,000	110,000	114,000	120,000	124,000	128,000	132,000	136,000	140,000
MRWA Blackspot Projects	321,000		300,000		270,000		270,000		300,000	-
Roads to Recovery Projects	252,529	252,529	252,529	300,000	300,000	300,000	300,000	300,000	300,000	300,000
MRWA Commodity Projects	-	412,500	412,500	412,500	412,500	412,500	412,500	412,500	412,500	-
Local Road Network - Renewal	-	75,000	75,000	75,000	100,000	100,000	100,000	100,000	100,000	100,000
Local Road Network - New/Expansion	-									
Total Infrastructure Roads	2,380,756	2,196,029	2,350,029	2,101,500	2,402,500	2,436,500	2,710,500	2,444,500	2,748,500	2,040,000
INFRASTRUCTURE										
Bridge - Renew	-	-	-	-	-	-	-	-	-	-
Bridge - Expansion/Addition	-	-	-	-	-	-	-	-	-	-
Parks & Ovals - Renew	151,145	181,000	130,000	30,000	25,000	30,000	10,000	20,000	12,000	12,001
Parks & Ovals - Expansion/Addition	3,092,221	-	-	-	-	-	-	-	-	-
Drainage - Renew	20,000	10,000	80,000	65,000	50,000	100,000	30,000	80,000	80,000	80,000
Drainage - Expansion/Addition	-	-	-	-	-	-	-	-	-	-
Footpaths - Renew	72,250	55,000	55,000	55,000	55,000	55,000	55,000	75,000	55,000	55,000
Footpaths - Expansion/Addition	-	-	-	-	-	-	-	-	-	-
Other - Renew	818,000	30,000	135,000	275,000	222,000	225,000	105,000	115,000	115,000	115,000
Other - Expansion/Addition	70,000	210,000	62,500	1,260,000	400,000	250,000	250,000	150,000	450,000	450,000
	4,223,616	486,000	462,500	1,685,000	752,000	660,000	450,000	440,000	712,000	712,001
CAPITAL WORKS - OVERALL TOTALS	7,888,147	3,525,429	3,677,629	4,684,600	4,081,300	3,779,800	3,937,100	3,418,800	4,357,500	3,686,101
TOTAL: RENEWAL/REPLACEMENT OF EXISTING ASSETS	4,713,426	3,315,429	3,615,129	3,424,600	3,681,300	3,529,800	3,687,100	3,268,800	3,907,500	3,236,101
TOTAL: NEW/ADDITIONAL ASSETS	3,174,721	210,000	62,500	1,260,000	400,000	250,000	250,000	150,000	450,000	450,000
	7,888,147	3,525,429	3,677,629	4,684,600	4,081,300	3,779,800	3,937,100	3,418,800	4,357,500	3,686,101
TOTAL PROCEEDS OF SALE	208,950	227,450	161,100	273,300	223,800	269,850	355,500	192,300	272,500	254,500
TOTAL BOOK VALUE OF ASSETS SOLD	171,437	194,161	254,024	236,600	272,686	441,678	191,860	246,950	195,550	224,510
TOTAL PROFIT ON SALE	38,470	60,095	(12,950)	104,045	(1,150)	(160,570)	195,640	(2,600)	109,200	79,240
TOTAL (LOSS) ON SALE	(957)	(26,806)	(79,974)	(67,345)	(47,736)	(11,258)	(32,000)	(52,050)	(32,250)	(49,250)
	37,513	33,289	(92,924)	36,700	(48,886)	(171,828)	163,640	(54,650)	76,950	29,990
NPV RATE 2% (BELOW)										
0.02										
NPV OF CAPITAL WORKS-EXISTING ASSETS	4,621,006	3,250,421	3,544,244	3,357,451	3,609,118	3,460,588	3,614,804	3,204,706	3,830,882	3,172,648
NPV OF CAPITAL WORKS-NEW	3,112,472	205,882	61,275	1,235,294	392,157	245,098	245,098	147,059	441,176	441,176
NPV OF CAPITAL WORKS-ALL	7,733,477	3,456,303	3,605,519	4,592,745	4,001,275	3,705,686	3,859,902	3,351,765	4,272,059	3,613,825

Loan Repayment Schedule

		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
INTEREST REPAYMENTS ON LOANS											
COUNCIL LOANS											
<u>Basketball Stadium</u>	Loan 117 - \$215,000	3,176	2,085	921	-	-	-	-	-	-	-
<u>Aquatic Centre</u>	Loan 120 - \$200,000	2,459	1,595	696	-	-	-	-	-	-	-
<u>Memorial Hall Upgrade</u>	Loan 121 - \$200,000	3,333	2,480	1,601	696	-	-	-	-	-	-
<u>Purchase of Land - Precinct</u>	Loan 122 - \$660,000	10,159	9,744	9,280	8,809	8,330	7,843	7,349	6,847	6,336	5,818
<u>Town Centre Precinct</u>	Loan 123 - \$450,000	3,593	6,956	6,647	6,333	6,013	5,689	5,359	5,024	4,684	4,338
Total Interest on Council Loans		22,720	22,859	19,145	15,837	14,343	13,532	12,708	11,871	11,020	10,156
Total - Interest Payable		22,720	22,859	19,145	15,837	14,343	13,532	12,708	11,871	11,020	10,156
PRINCIPAL REPAYMENTS ON LOANS											
COUNCIL LOANS											
<u>Basketball Stadium</u>	Loan 117 - \$215,000										
Principal Paid		16,309	17,400	18,564	-	-	-	-	-	-	-
Principal Outstanding		35,964	18,564	-	-	-	-	-	-	-	-
<u>Aquatic Centre</u>	Loan 120 - \$200,000										
Principal Paid		21,897	22,762	23,661	-	-	-	-	-	-	-
Principal Outstanding		46,422	23,661	-	-	-	-	-	-	-	-
<u>Memorial Hall Upgrade</u>	Loan 121 - \$200,000										
Principal Paid		28,522	29,375	30,254	31,159	-	-	-	-	-	-
Principal Outstanding		90,789	61,413	31,159	-	-	-	-	-	-	-
<u>Purchase of Land - Precinct</u>	Loan 122 - \$660,000										
Principal Paid		28,479	28,936	29,400	29,871	30,350	30,836	31,331	31,833	32,343	32,862
Principal Outstanding		617,450	588,514	559,114	529,244	498,894	468,058	436,727	404,894	372,551	339,689
<u>Town Centre Precinct</u>	Loan 123 - \$450,000										
Principal Paid		9,534	19,297	19,606	19,921	20,240	20,565	20,894	21,229	21,570	21,915
Principal Outstanding		440,466	421,169	401,562	381,642	361,402	340,837	319,943	298,714	277,144	255,229
Total New Council Loans		450,000									
Total - Principal Paid		104,742	117,770	121,485	80,951	50,590	51,401	52,225	53,062	53,913	54,777
Principal Outstanding - Council Loans		1,231,091	1,113,321	991,836	910,885	860,295	808,895	756,670	703,608	649,695	594,918
Total All New Loans		450,000									
Total - Principal Payable		104,742	117,770	121,485	80,951	50,590	51,401	52,225	53,062	53,913	54,777
Principal Outstanding		1,231,091	1,113,321	991,836	910,885	860,295	808,895	756,670	703,608	649,695	594,918

Depreciation Schedule

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
LAND AND BUILDINGS										
Land Purchased for Resale										
Book Value of Land										
Land Acquisition										
Land Disposed										
Total Land	18,593,625	18,593,625	18,593,625	18,593,625	18,593,625	18,593,625	18,593,625	18,593,625	18,593,625	18,593,625
Book Value of Buildings	17,024,567	16,907,709	16,658,133	16,314,114	16,051,903	15,796,278	15,684,352	15,340,053	14,962,438	14,688,525
Adjustment for Fair Value	-	-	-	-	-	345,821	-	-	-	-
Buildings Acquired	690,075	310,000	204,000	277,000	275,000	57,500	171,000	125,000	219,500	268,000
Buildings Disposed	-	-	-	-	-	-	-	-	-	-
Total Buildings	17,714,642	17,217,709	16,862,133	16,591,114	16,326,903	16,199,599	15,855,352	15,465,053	15,181,938	14,956,525
Depreciation	(806,933)	(559,576)	(548,019)	(539,211)	(530,624)	(515,248)	(515,299)	(502,614)	(493,413)	(486,087)
Book Value of Buildings	16,907,709	16,658,133	16,314,114	16,051,903	15,796,278	15,684,352	15,340,053	14,962,438	14,688,525	14,470,438
MOTOR VEHICLES										
Existing Fleet										
Vehicle Acquisition	145,300	207,300	250,100	293,300	306,300	204,200	210,000	321,800	213,000	245,000
Vehicle Disposal	(115,950)	(122,450)	(105,100)	(123,300)	(172,800)	(139,850)	(125,500)	(189,300)	(127,500)	(134,500)
PLANT AND EQUIPMENT										
Existing Heavy Plant										
Plant & Equipment Acquisition	429,500	256,600	197,000	262,600	298,000	415,100	343,600	56,000	358,000	407,600
Plant & Equipment Disposal	(93,000)	(105,000)	(56,000)	(150,000)	(51,000)	(130,000)	(230,000)	(3,000)	(145,000)	(120,000)
Total Plant & Equipment	3,060,201	3,072,747	3,051,922	3,035,575	3,112,983	3,158,969	3,045,152	2,918,267	2,924,600	3,031,540
Depreciation	(223,904)	(306,825)	(298,947)	(303,093)	(303,463)	(311,917)	(312,385)	(292,167)	(291,160)	(295,974)
Book Value of Vehicles Plant & Equipment	2,836,297	2,765,922	2,752,975	2,732,483	2,809,519	2,847,052	2,732,767	2,626,100	2,633,440	2,735,566

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
FURNITURE AND EQUIPMENT										
Existing Furniture & Equipment										
Furniture and Equipment Acquired	18,900	69,500	214,000	65,200	47,500	6,500	52,000	31,500	106,500	13,500
Furniture and Equipment Disposed										
Total Furniture & Equipment	216,067	239,917	433,467	472,331	470,975	426,658	428,239	414,590	475,120	444,385
Depreciation	(45,650)	(20,450)	(26,336)	(48,856)	(50,817)	(50,419)	(45,149)	(45,971)	(44,234)	(51,706)
Book Value of Furniture & Equipment	170,417	219,467	407,131	423,475	420,158	376,239	383,090	368,620	430,885	392,679
TOTAL PROPERTY PLANT AND EQUIPMENT										
New Property Plant and Equipment	1,074,825	615,950	704,000	624,800	703,000	413,450	421,100	342,000	624,500	679,600
Total	41,393,022	40,932,485	40,749,635	40,501,132	40,312,973	39,841,518	39,385,034	38,854,202	38,637,950	38,488,742
Depreciation	(1,076,487)	(886,850)	(873,303)	(891,159)	(884,905)	(877,584)	(872,833)	(840,752)	(828,807)	(833,767)
Fair Value Adjustment	-	-	-	-	-	-	-	-	-	-
Book Value	40,316,535	40,045,635	39,876,332	39,609,973	39,428,068	38,963,934	38,512,202	38,013,450	37,809,142	37,654,975
INFRASTRUCTURE (ALL)										
Existing Infrastructure										
New Infrastructure Developed	6,604,372	2,682,029	2,812,529	3,786,500	3,154,500	3,096,500	3,160,500	2,884,500	3,460,500	2,752,001
Total Infrastructure	97,413,314	97,720,516	98,425,663	99,398,600	99,725,445	99,975,647	100,281,753	101,129,057	101,698,639	101,551,557
Depreciation	(2,374,827)	(2,795,006)	(2,813,563)	(2,827,655)	(2,846,298)	(2,854,395)	(2,862,344)	(2,890,917)	(2,899,083)	(2,905,091)
Fair Value Adjustment		687,623					825,148	-	-	-
Book Value Infrastructure	95,038,487	95,613,134	95,612,100	96,570,945	96,879,147	97,121,253	98,244,557	98,238,139	98,799,556	98,646,466
Total Assets	135,355,022	135,658,768	135,488,432	136,180,918	136,307,215	136,085,187	136,756,758	136,251,589	136,608,698	136,301,441
Total Depreciation	(3,451,314)	(3,681,856)	(3,686,865)	(3,718,815)	(3,731,202)	(3,731,978)	(3,735,176)	(3,731,669)	(3,727,891)	(3,738,858)
Depreciation on New Assets	(1,838,174)	(714,961)	(739,073)	(1,027,420)	(841,563)	(833,805)	(850,410)	(791,663)	(927,645)	(724,433)

Key Performance Indicators

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
OPERATING SURPLUS RATIO										
Operating Revenue	9,183,889	9,530,289	9,759,252	10,003,960	10,274,100	10,560,916	10,850,870	11,137,707	11,397,201	11,659,348
Less: Operating Exp incl interest & depreciation	(11,684,534)	(11,846,359)	(12,019,825)	(12,264,454)	(12,497,159)	(12,746,050)	(12,921,696)	(13,138,781)	(13,361,429)	(13,604,822)
Net Operating Surplus	(2,500,645)	(2,316,070)	(2,260,573)	(2,260,494)	(2,223,058)	(2,185,135)	(2,070,826)	(2,001,074)	(1,964,228)	(1,945,474)
Divided by Own Source Revenue	6,768,592	6,954,559	7,144,886	7,356,661	7,593,438	7,839,459	8,087,931	8,332,587	8,549,186	8,767,712
Ratio Target - (+ve) Between 0% and 15%	-36.94%	-33.30%	-31.64%	-30.73%	-29.28%	-27.87%	-25.60%	-24.02%	-22.98%	-22.19%
CURRENT RATIO										
Current Assets	3,035,503	2,968,076	3,322,776	4,136,223	3,857,598	4,071,515	3,779,633	3,822,927	3,199,384	4,128,969
Less Restricted Assets	(2,417,637)	(2,511,206)	(2,714,247)	(2,687,315)	(2,971,869)	(3,344,635)	(3,204,299)	(3,157,278)	(2,458,878)	-
= Net Current Assets	617,866	456,870	608,529	1,448,908	885,729	726,880	575,334	665,649	740,505	4,128,969
Divided by:										
Current Liabilities (less below)	1,434,006	1,442,042	1,470,433	1,457,531	1,455,439	1,487,787	1,512,865	1,543,897	1,521,732	1,553,348
Less: Current Liabilities ass'd with Restricted Assets	(129,253)	(145,096)	(148,029)	(145,119)	(145,482)	(175,846)	(176,588)	(177,333)	(178,079)	-
= Net Current Liabilities	1,304,753	1,296,946	1,322,404	1,312,412	1,309,957	1,311,942	1,336,277	1,366,565	1,343,653	1,553,348
Ratio Target > or = to 1:1	0.47	0.35	0.46	1.10	0.68	0.55	0.43	0.49	0.55	2.66
OWN SOURCE REVENUE COVERAGE RATIO										
Total Rates Revenue	5,139,695	5,298,415	5,470,188	5,647,508	5,834,137	6,023,170	6,218,347	6,404,323	6,595,922	6,794,448
Other Council Revenue	1,628,897	1,656,144	1,674,698	1,709,153	1,759,301	1,816,289	1,869,584	1,928,264	1,953,264	1,973,264
	6,768,592	6,954,559	7,144,886	7,356,661	7,593,438	7,839,459	8,087,931	8,332,587	8,549,186	8,767,712
Divided by Total Expenses	11,684,534	11,846,359	12,019,825	12,264,454	12,497,159	12,746,050	12,921,696	13,138,781	13,361,429	13,604,822
Ratio Target > or = to 40%	57.9%	58.7%	59.4%	60.0%	60.8%	61.5%	62.6%	63.4%	64.0%	64.4%
DEBT SERVICE COVERAGE RATIO										
Operating Surplus before Interest & Depreciation										
= Operating Revenue	9,183,889	9,530,289	9,759,252	10,003,960	10,274,100	10,560,916	10,850,870	11,137,707	11,397,201	11,659,348
Less Operating Expenses	(11,684,534)	(11,846,359)	(12,019,825)	(12,264,454)	(12,497,159)	(12,746,050)	(12,921,696)	(13,138,781)	(13,361,429)	(13,604,822)
Less: Interest Expense and Depreciation	3,474,034	3,704,715	3,706,010	3,734,652	3,745,545	3,745,510	3,747,884	3,743,540	3,738,911	3,749,014
= Operating Surplus Before Interest & Dep'n	973,389	1,388,645	1,445,437	1,474,157	1,522,487	1,560,375	1,677,058	1,742,466	1,774,683	1,803,540
Principal and Interest Expenses	127,462	140,629	140,630	96,788	64,933	64,933	64,933	64,933	64,933	64,933
Ratio Target >= 2	8	10	10	15	23	24	26	27	27	28

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ASSET SUSTAINABILITY RATIO										
Capital Renewal Expenditure	4,713,426	3,315,429	3,615,129	3,424,600	3,681,300	3,529,800	3,687,100	3,268,800	3,907,500	3,236,101
Divided by Depreciation Expense	3,451,314	3,681,856	3,686,865	3,718,815	3,731,202	3,731,978	3,735,176	3,731,669	3,727,891	3,738,858
Minimum Standard Ratio Target 90% to 100%	136.6%	90.0%	98.1%	92.1%	98.7%	94.6%	98.7%	87.6%	104.8%	86.6%
ASSET CONSUMPTION RATIO										
Depreciated Replacement Cost Assets (Current Written Down Value)	135,355,022	135,658,768	135,488,432	136,180,918	136,307,215	136,085,187	136,756,758	136,251,589	136,608,698	136,301,441
Divided by Current Replacement Cost	174,905,952	178,116,876	181,454,195	185,507,475	189,141,493	192,477,127	195,948,939	198,956,211	202,764,158	206,102,376
Minimum Standard Ratio Target 50% to 75%	77.4%	76.2%	74.7%	73.4%	72.1%	70.7%	69.8%	68.5%	67.4%	66.1%
Assumed Current Replacement Cost										
New Assets Acquired at Cost	7,888,147	3,525,429	3,677,629	4,684,600	4,081,300	3,779,800	3,937,100	3,418,800	4,357,500	3,686,101
Depreciation on new Assets	(1,838,174)	(714,961)	(739,073)	(1,027,420)	(841,563)	(833,805)	(850,410)	(791,663)	(927,645)	(724,433)
Fair Value Revaluations (1% to 3% increase Annually)	403,165	400,456	398,763	396,100	394,281	389,639	385,122	380,134	378,091	376,550
New Current Replacement Cost	174,905,952	178,116,876	181,454,195	185,507,475	189,141,493	192,477,127	195,948,939	198,956,211	202,764,158	206,102,376
ASSET RENEWAL FUNDING RATIO										
Net Present Value of Planned Renewal Expenditure	4,621,006	-	-	-	-	-	-	-	-	-
Divided by NPV of Asset Mgmt Plans-Minimum Needs	2,841,417	-	-	-	-	-	-	-	-	-
Minimum Standard Ratio Target 95% to 105%	162.6%									

Cash Reserves

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SPORTING RESERVE										
Opening Balance	77,953	78,148	78,343	78,539	78,735	78,932	79,130	79,327	79,526	79,725
Transfer to Reserve	0	0	0	0	0	0	0	0	0	0
Transfer to Reserve - Interest Earnings	195	195	196	196	197	197	198	198	199	199
Transfer From Reserve	0	0	0	0	0	0	0	0	0	0
Balance 30 June	78,148	78,343	78,539	78,735	78,932	79,130	79,327	79,526	79,725	79,924
COUNCIL BUILDING MAINTENANCE										
Opening Balance	98,101	93,921	44,156	44,266	44,377	109,488	294,762	306,799	318,866	319,663
Transfer to Reserve	0	0	0	0	100,000	200,000	11,300	11,300	0	0
Transfer to Reserve - Interest Earnings	245	235	110	111	111	274	737	767	797	799
Transfer From Reserve	(4,425)	(50,000)	0	0	(35,000)	(15,000)	0	0	0	0
Balance 30 June	93,921	44,156	44,266	44,377	109,488	294,762	306,799	318,866	319,663	320,462
REC CENTRE BUILD MTCE RESERVE										
Opening Balance	124,753	70,065	72,740	122,922	143,229	173,587	174,021	114,456	117,242	137,536
Transfer to Reserve	0	2,500	50,000	20,000	30,000	0	0	2,500	20,000	0
Transfer to Reserve - Interest Earnings	312	175	182	307	358	434	435	286	293	344
Transfer From Reserve	(55,000)	0	0	0	0	0	(60,000)	0	0	0
Balance 30 June	70,065	72,740	122,922	143,229	173,587	174,021	114,456	117,242	137,536	137,879
EMERGENCY RESERVE										
Opening Balance	105,957	106,222	106,486	126,752	143,529	163,886	210,728	207,687	204,638	205,149
Transfer to Reserve	0	0	20,000	20,000	20,000	50,000	0	0	0	0
Transfer to Reserve - Interest Earnings	265	265	265	316	358	409	526	518	511	512
Transfer From Reserve	0	0	0	(3,539)	0	(3,567)	(3,567)	(3,567)	0	0
Balance 30 June	106,222	106,486	126,752	143,529	163,886	210,728	207,687	204,638	205,149	205,661
PRESTON VOLUNTEER RANGERS EQUIPMENT										
Opening Balance	43,027	43,745	40,560	52,566	64,804	47,279	59,919	27,804	40,825	54,099
Transfer to Reserve	11,510	11,706	11,905	12,107	12,313	12,522	12,735	12,952	13,172	0
Transfer to Reserve - Interest Earnings	108	109	101	131	162	118	150	70	102	135
Transfer From Reserve	(10,900)	(15,000)	0	0	(30,000)	0	(45,000)	0	0	0
Balance 30 June	43,745	40,560	52,566	64,804	47,279	59,919	27,804	40,825	54,099	54,234

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
COUNCIL BUILDING CONSTRUCTION RESERVE										
Opening Balance	169,474	169,898	95,322	195,561	281,050	431,752	472,832	454,014	435,149	401,237
Transfer to Reserve	0	0	100,000	150,000	150,000	75,000	15,000	15,000	0	0
Transfer to Reserve - Interest Earnings	424	425	238	489	703	1,079	1,182	1,135	1,088	1,003
Transfer From Reserve	0	(75,000)	0	(65,000)	0	(35,000)	(35,000)	(35,000)	(35,000)	0
Balance 30 June	169,898	95,322	195,561	281,050	431,752	472,832	454,014	435,149	401,237	402,240
INFORMATION TECHNOLOGY & EQUIPMENT										
Opening Balance	143,487	143,846	144,205	4,176	8,686	28,708	78,780	98,977	119,224	119,522
Transfer to Reserve	0	0	9,610	4,500	20,000	50,000	20,000	20,000	0	0
Transfer to Reserve - Interest Earnings	359	360	361	10	22	72	197	247	298	299
Transfer From Reserve	0	0	(150,000)	0	0	0	0	0	0	0
Balance 30 June	143,846	144,205	4,176	8,686	28,708	78,780	98,977	119,224	119,522	119,821
PLANT										
Opening Balance	381,066	262,019	312,674	353,955	309,840	410,615	461,641	432,796	483,878	165,087
Transfer to Reserve	0	50,000	50,000	100,000	100,000	50,000	50,000	50,000	0	200,000
Transfer to Reserve - Interest Earnings	953	655	782	885	775	1,027	1,154	1,082	1,210	413
Transfer From Reserve	(120,000)	0	(9,500)	(145,000)	0	0	(80,000)	0	(320,000)	0
Balance 30 June	262,019	312,674	353,955	309,840	410,615	461,641	432,796	483,878	165,087	365,500
STAFF LEAVE RESERVE										
Opening Balance	128,931	129,253	145,096	148,029	145,119	145,482	175,846	176,588	177,333	178,079
Transfer to Reserve	0	20,000	20,000	20,000	20,000	50,000	20,303	20,303	20,303	0
Transfer to Reserve - Interest Earnings	322	323	363	370	363	364	440	441	443	445
Transfer From Reserve	0	(4,480)	(17,430)	(23,280)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	0
Balance 30 June	129,253	145,096	148,029	145,119	145,482	175,846	176,588	177,333	178,079	178,524
WASTE MANAGEMENT										
Opening Balance	960,658	1,096,060	1,231,800	1,334,853	1,218,164	1,101,184	983,911	936,345	788,659	340,605
Transfer to Reserve	133,000	133,000	100,000	0	0	0	0	0	0	0
Transfer to Reserve - Interest Earnings	2,402	2,740	3,053	3,311	3,019	2,727	2,434	2,315	1,946	826
Transfer From Reserve	0	0	0	(120,000)	(120,000)	(120,000)	(50,000)	(150,000)	(450,000)	(341,431)
Balance 30 June	1,096,060	1,231,800	1,334,853	1,218,164	1,101,184	983,911	936,345	788,659	340,605	(0)

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
FOOTPATH CONSTRUCTION										
Opening Balance	31,858	31,938	42,017	54,128	64,263	74,424	89,669	104,952	120,273	135,633
Transfer to Reserve	0	10,000	12,005	10,000	10,000	15,059	15,059	15,059	15,059	0
Transfer to Reserve - Interest Earnings	80	80	105	135	161	186	224	262	301	339
Transfer From Reserve	0	0	0	0	0	0	0	0	0	0
Balance 30 June	31,938	42,017	54,128	64,263	74,424	89,669	104,952	120,273	135,633	135,972
WORKS DEPOT REDEVELOPMENT										
Opening Balance	80,262	80,463	80,664	80,865	101,068	121,320	171,624	172,053	172,483	222,914
Transfer to Reserve	0	0	0	20,000	20,000	50,000	0	0	50,000	50,000
Transfer to Reserve - Interest Earnings	201	201	202	202	253	303	429	430	431	557
Transfer From Reserve	0	0	0	0	0	0	0	0	0	0
Balance 30 June	80,463	80,664	80,865	101,068	121,320	171,624	172,053	172,483	222,914	273,471
STRATEGIC PLANNING										
Opening Balance	19,961	20,011	20,061	20,111	9,661	9,686	9,710	9,734	9,758	9,783
Transfer to Reserve	0	0	0	0	0	0	0	0	0	0
Transfer to Reserve - Interest Earnings	50	50	50	50	24	24	24	24	24	24
Transfer From Reserve	0	0	0	(10,500)						
Balance 30 June	20,011	20,061	20,111	9,661	9,686	9,710	9,734	9,758	9,783	9,807
Drakesbrook Cemetery Reserve										
Opening Balance	72,531	72,712	72,894	73,076	62,759	62,916	63,073	63,231	63,389	63,547
Transfer to Reserve	0	0	0	0	0	0	0	0	0	0
Transfer to Reserve - Interest Earnings	181	182	182	183	157	157	158	158	158	159
Transfer From Reserve	0	0	0	(10,500)						
Balance 30 June	72,712	72,894	73,076	62,759	62,916	63,073	63,231	63,389	63,547	63,706
HISTORY BOOK REPRINT RESERVE										
Opening Balance	9,327	10,100	10,426	10,652	0	1,000	1,502	2,004	2,208	2,414
Transfer to Reserve	750	300	200	200	1,000	500	500	200	201	0
Transfer to Reserve - Interest Earnings	23	25	26	27	0	2	3	4	5	5
Transfer From Reserve	0			(10,878)						
Balance 30 June	10,100	10,426	10,652	0	1,000	1,502	2,004	2,208	2,414	2,419
RISK & INSURANCE RESERVE										
Opening Balance	9,215	9,238	13,761	13,796	12,030	11,610	17,489	17,533	23,827	23,886
Transfer to Reserve	0	4,500	0	1,700	3,250	5,850	0	6,250	0	0
Transfer to Reserve - Interest Earnings	23	23	34	34	30	29	44	44	60	60
Transfer From Reserve	0	0	0	(3,500)	(3,700)	0	0	0	0	0
Balance 30 June	9,238	13,761	13,796	12,030	11,610	17,489	17,533	23,827	23,886	23,946
TOTAL RESERVES										
Opening Balance	2,456,561	2,417,637	2,511,206	2,714,247	2,687,315	2,971,869	3,344,635	3,204,299	3,157,278	2,458,878
Transfer to Reserve	145,260	232,006	373,720	358,507	486,563	558,931	144,897	153,564	118,735	250,000
Transfer to Reserve - Interest Earnings	6,141	6,043	6,251	6,759	6,691	7,402	8,334	7,983	7,865	6,119
Transfer From Reserve	(190,325)	(144,480)	(176,930)	(392,197)	(208,700)	(193,567)	(293,567)	(208,567)	(825,000)	(341,431)
Total Reserves 30 June	2,417,637	2,511,206	2,714,247	2,687,315	2,971,869	3,344,635	3,204,299	3,157,278	2,458,878	2,373,566

Variable Assumptions

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
OPERATING REVENUES										
Rates - Annual Increases	2.00%	3.00%	3.25%	3.25%	3.25%	3.25%	3.25%	3.00%	3.00%	3.00%
Rates - Growth in Rate Base per lot	8.00	12.00	12.00	12.00	15.00	15.00	15.00	15.00	15.00	16.00
Operating Grants, Subsidies and Contributions	4.10%	-25.00%	1.50%	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%
Operating Grants-Federal Financial Assistance Grant-GP	1.00%	1.00%	1.50%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Fees and Charges	-2.80%	1.00%	1.00%	2.00%	2.00%	2.00%	2.00%	2.50%	2.50%	2.50%
Service Charges	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest Earnings	-2.00%	0.50%	1.00%	1.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Other revenue	5.0%	3.0%	3.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Non-operating Grants, Subsidies, Contbns	↑	↓	↑	↑	↓	↑	↓	↓	↑	↑
OPERATING EXPENSES										
Employee Costs	8.00%	1.50%	1.50%	2.00%	2.00%	2.00%	1.50%	1.50%	1.50%	1.50%
Materials and Contracts	22.00%	-3.50%	2.50%	3.00%	3.00%	3.50%	2.00%	3.00%	3.00%	3.00%
Utility Charges	10.00%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Depreciation on Non-current Assets (see below)										
Interest Expense (based on estimated borrowings)										
Insurance Expense	5.00%	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Other Expenditure	-5.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Inflation Forecasts	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Interest Rates - Local Government Loan Borrowings	1.58%	1.58%	2.30%	2.30%	3.25%	3.25%	3.75%	3.75%	3.75%	3.75%
DEPRECIATION ON CAPITAL ASSETS										
Average Depreciation - Buildings	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Average Depreciation - Plant	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Average Depreciation - Furniture & Equipment	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Average Depreciation - Roads & Other	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

Resourcing the Long Term Financial Plan

To facilitate the achievement of the community's long term goals and aspirations as expressed in Waroona 2030 and the Corporate Business Plan, informing strategies have been developed to ensure the required financial strategies, infrastructure and workforce are in place.

Long Term Financial Plan

The Long Term Financial Plan is Council's ten year financial planning document with an emphasis on long term financial sustainability.

Financial sustainability is one of the key issues facing local government due to several contributing factors including ageing infrastructure and constraints on revenue growth. This document tests the community aspirations and goals against financial realities. Included within the Long Term Financial Plan are:

- Assumptions used to develop the Plan;
- Projected income and expenditure, balance sheet and cash flow statements; and
- Methods of monitoring financial performance

Balancing expectations, uncertainty of future revenue and expenditure forecasts are some of the most challenging aspects of the financial planning process.

As such, the longer the planning horizon, the more general the plan will be in the later years. Every effort has been taken to present the most current estimates and project scopes to be included in the Plan.

Asset Management Plan

The Asset Management Plan assists Council to provide the required level of service in the most cost effective manner through the creation, acquisition, maintenance, operations, rehabilitation and disposal of assets to provide for present and future generations.

The Plan is part of an overall framework that aims to present information about assets, provide evidence of responsible asset management and compliance with regulatory requirements, and summarise information with regard to funding aimed at maintaining assets at the required levels of service

Council utilises integrated decision making to ensure that built, social, economic and natural impacts of asset provision and maintenance are properly considered throughout the asset management lifecycle.

Council's strategic financial planning will ensure that:

- Funding requirements are assessed; and
- Additional funds are identified where appropriate for the investment in new and upgraded assets.

Workforce Plan

The Workforce Plan provides a framework and strategy to address the human resourcing requirements for Council's Corporate Business Plan, and as such, has a four year horizon.

The Plan recognises that Shire employees need to bring commitment, energy and flexibility to the workplace. In return, staff need clarity regarding how their personal goals align with organisational goals and priorities. This requires an investment in developing leaders, managers and employees with the right skills for our diverse businesses. It also requires clear learning pathways linked to performance development and an ongoing investment in attracting and retaining talented people, while maintaining a focus on workplace health and wellbeing.

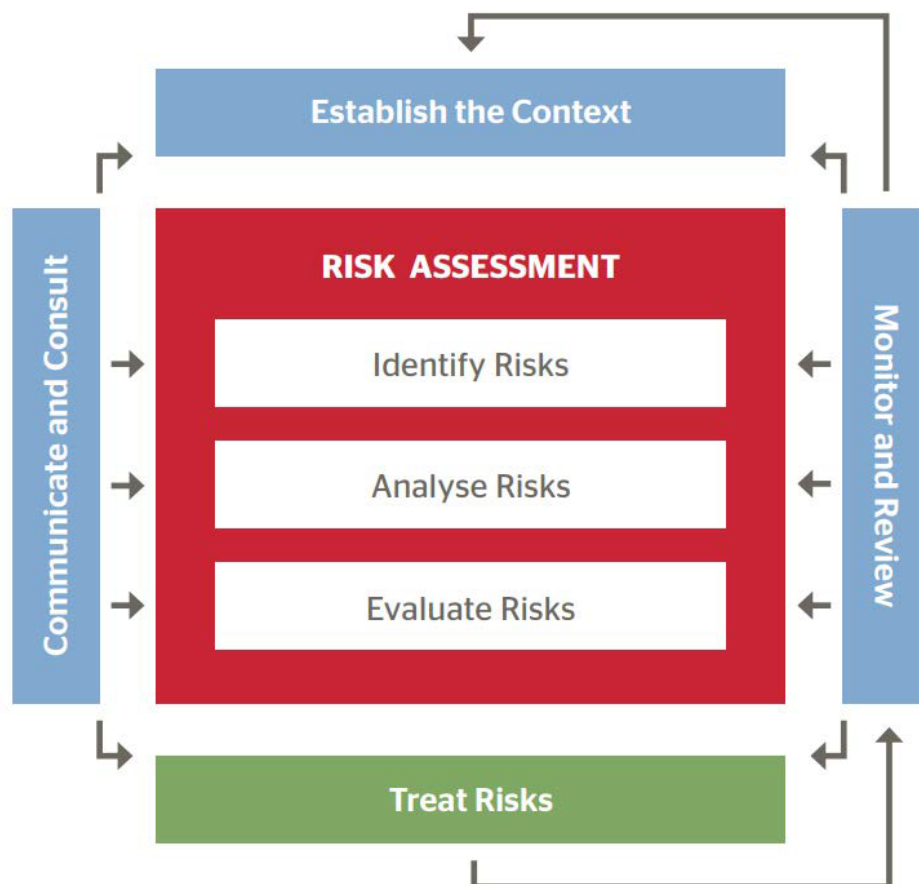
The Shire is committed to the ongoing identification of efficient operating methods and is increasingly using technology to automate processes. The need to minimise financial impact to ratepayers is priority, and therefore, no additions to the workforce are planned over the next four years.

Risk Management

The Shire of Waroona is committed to identifying, measuring and managing risks in order to capitalise on opportunities and achieve the objectives of the Council's strategic plans.

To achieve this, the Shire has adopted a risk management framework aligned to AS/NZS ISO 31000.2018 Risk Management – Principles and Guidelines. The framework, which is comprised of a Risk Management Policy and Strategy, provides a coordinated and systematic process for managing risks, integrating risk management into everyday decision making and business planning.

A Business Continuity Plan also compliments this framework, ensuring that the Shire can continue to provide essential services to stakeholders in the event of a crisis or major incident.



Reviewing & Reporting

The Shire of Waroona has a robust reporting framework in place that tracks key performance indicators at the individual, service area and organisational level. The Chief Executive Officer has targets and objectives that are set and revised by the Council to deliver on key Council priorities.

The Shire's performance data is captured in our corporate database, ensuring that appropriate responsibilities, timeframes, measures and progress are accounted for. Another major performance measure is compliance with the Reporting Advisory Standards.

Ratio	What It Measures	Achieving Standard
Operating Surplus Ratio	An indicator of the extent to which revenue raised not only covers operational expenses, but also provides for capital funding.	Ratio is between 0% and 15%.
Current Ratio	A measure of a local government's liquidity and its ability to meet its short term financial obligations from unrestricted current assets.	Ratio is equal to or greater than an expression of 1:1.
Own Source Revenue Coverage Ratio	An indicator of a local government's ability to cover its costs through its own revenue efforts.	Ratio is between 40% and 90%.
Debt Service Cover Ratio	An indicator of a local government's ability to generate sufficient cash to cover its debt payments.	Ratio is equal to or greater than 2.
Asset Sustainability Ratio	An indicator of the extent to which assets managed by a local government are being renewed or replaced as they reach the end of their useful lives.	Ratio data can be identified and the ratio is 90%.
Asset Consumption Ratio	An indicator of the aged condition of a local government's physical assets.	Ratio data can be identified and ratio is equal to or greater than 50%.
Asset Renewal Funding Ratio	An indicator of whether a local government has the financial capacity to fund asset renewal at existing revenue and service levels.	Ratio data can be identified and ratio is between 75% and 90%.

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