

DRAFT

Draft Strategic Resource Plan  
2020-2035

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# 1.0 Foreword

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

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

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

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

The Shire of Laverton's Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Laverton Strategic Community Plan 2020-2035.

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 "The Shire of Laverton will strive to work with the community to fulfil their needs and support their aspirations while acting with fairness and demonstrating leadership".

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.

Patrick Hill  
President

Peter Naylor  
Chief Executive Officer



## Our Vision

***The Shire of Laverton will strive to work with the community to fulfil their needs and support their aspirations while acting with fairness and demonstrating leadership.***

## 2.0 Key Information

### ASSUMPTIONS

**2.5%**



Inflation Rate



**Stable**  
Population



**Stable**  
Levels of Service



**Stable**  
Operations



**Balanced**  
Annual Budget



**CPI 2.5%**  
Rates | Fees and Charges



**2.5% CPI**  
Employee Costs

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



**7**  
Elected  
Members



**33**  
Employees



**367**  
Electors



**163**  
Dwellings



**956km**  
Distance from  
Perth



**179,984m<sup>2</sup>**  
Area



**1,153**  
Population

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

**\$5,386,900**  
Rates Revenue

**\$630,450**  
Fees and Charges

**\$9,345,073**  
Operating Revenue

**\$14,656,198**  
Operating Expenditure

**\$151,317,345**  
Net Assets

**\$3,899,103**  
Cash Backed Reserves

**\$1,156,303**  
Long Term Borrowings

<sup>1</sup>WALGA Online Local Government Directory 2019/20, Shire of Laverton

<sup>2</sup>Australian Bureau of Statistics Laverton (S) (LGA54970) 2016 Census of Population and Housing, viewed 25 September 2019

<sup>3</sup>Shire of Laverton 2019-20 Annual Financial Report

## 3.0 Executive Summary

The following information provides a brief summary of the Draft Strategic Resource Plan 2020-2035, this should be read in conjunction with the underlying assumptions detailed in this Plan.

### 3.1 Planning for a Sustainable and Stable Future

The Shire of Laverton is planning for a positive and stable future, despite the current uncertainty arising from COVID-19. The Shire seeks to maintain, and where possible, improve service levels into the future while ensuring a healthy financial position.

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

### 3.2 Significant Issues

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

Road maintenance and road renewal remain a high priority for the Shire due to the strategic economic benefit the road network provides to the district 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 in line with CPI at 2.5% per year 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 and once the impacts of the COVID-19 Pandemic are more apparent.

### 3.3 Forecast Capital Projects

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

Project by Asset Class	2020-2035 Amount (\$)
<b>Infrastructure - Roads</b>	
Road renewal program	7,840,000
Reconstructions and seal	1,056,000
Gravel re-sheeting	9,661,557
Heavy patching - gravel roads	650,000
Widen shoulders and seal	312,528
Resealing bitumen roads	545,000
<b>Infrastructure - Roads Total</b>	<b>20,065,085</b>
<b>Infrastructure - Footpaths</b>	
Footpaths renewals	80,000
<b>Infrastructure - Footpaths Total</b>	<b>80,000</b>
<b>Plant and Equipment</b>	
Plant replacement program	8,248,062
Plant and equipment other	250,000
<b>Plant and Equipment Total</b>	<b>8,498,062</b>
<b>Infrastructure - Other</b>	
Other Infrastructure	620,000
Airport renewals	300,000
<b>Infrastructure - Other Total</b>	<b>920,000</b>
<b>Buildings</b>	
Building Upgrade	300,000
Building additions	3,030,000
Airport Terminal	7,000,000
<b>Buildings Total</b>	<b>10,330,000</b>
<b>Grand Total</b>	<b>39,893,147</b>

## 4.0 Community Profile, Vision and Objective

### 4.1 Location

The Shire of Laverton covers 183,198 square kilometres in the far northern goldfields of Western Australia. The town of Laverton is the centre of administration and community services in the Shire, with 4,442 km of unsealed road servicing the pastoral and mining communities.

### 4.2 Heritage

Home to the Wongi people, collectively known as Wongutha or Wankatja people, the Laverton region has a rich cultural history. The first European explorers, including Sir John Forrest, began to traverse the region in the nineteenth century. Named in 1900 after Dr Charles Laver, a keen prospector who rode his bicycle from Coolgardie to the area, Laverton was a booming gold mining town with a reputation of being 'the wildest town in the west'. It developed as the centre for commercial (both mining and pastoral) and social activity in the area until the late 1950's, when the train-line closed and many of the mines followed, leading to a population decline.

However, in 1969 a huge nickel deposit was discovered in the Laverton area, prompting the famous Poseidon Nickel stock market boom. This deposit was developed by Western Mining Corporation (WMC) into the Windarra Nickel Project, which mined and processed nickel for over 20 years. During this period, the town site was completely redesigned by WMC.

The mining and processing of mineral resources remain the primary industry within the Shire, with major gold mines Granny Smith, Sunrise Dam, Regis Resources, Gruyere Joint Venture, Dacian Mt Morgans, and numerous junior miners. Nickel mining is also strong, with the Murrin Murrin mine site being Australia's largest nickel producer. The Mount Weld Rare Earths mine is said to be one of the world's richest rare earth deposits.

### 4.3 People

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

Population	2011		2016
Shire of Laverton	1,226	↓	1,153
WA	2.35m	↑	2.47m

Approximately 1,150 people create the current resident community of the Shire, and the Shire is host to a large number of Fly in Fly out (FIFO) workers with an estimated FIFO workforce in excess of 3,000.

The chart below reflects the percentage of the estimated resident population within each age grouping for the Shire of Laverton and Western Australia on the night of the 2011 and 2016 census.

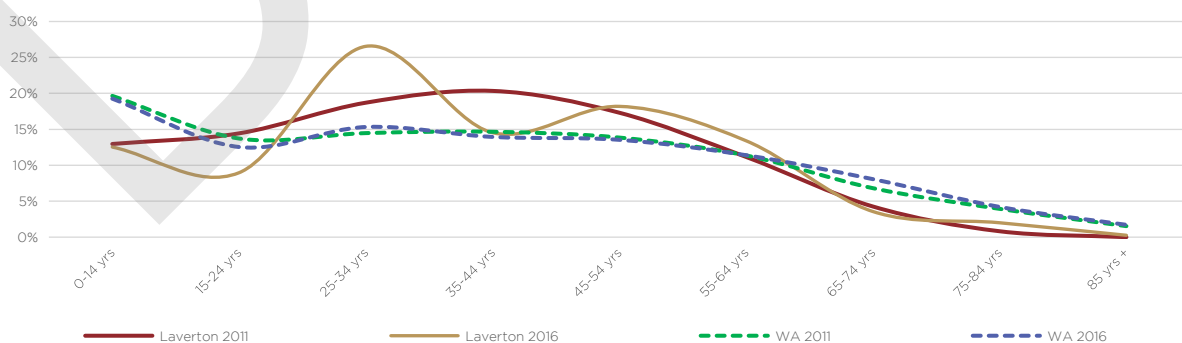
### 4.4 Vision

The Shire's strategic vision: **The Shire of Laverton will strive to work with the community to fulfil their needs and support their aspirations while acting with fairness and demonstrating leadership**

### 4.5 Strategic Objectives

The following key themes are identified in the Shire's Plan for the Future 2020 - 2030 (Strategic Community Plan and Corporate Business Plan) and considered within this Strategic Resource Plan:

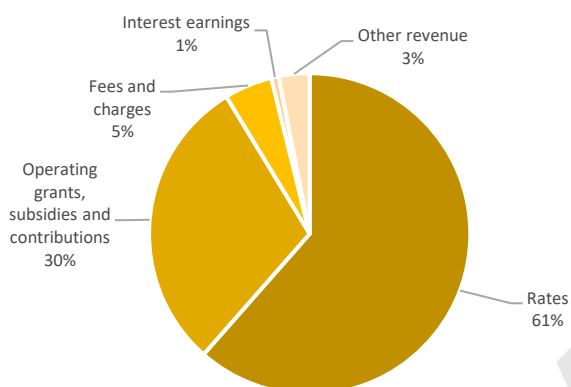
- **Social:** Proud, spirited, harmonious and connected community
- **Economic:** Prosperous local economy attracting businesses, opportunities and people
- **Environment:** Welcoming and safe natural and built environment; and
- **Leadership:** Responsible financial management and governance, leading an empowered community



## 5.0 Long Term Financial Planning Overview

### 5.1 Forecast Revenue

Rates are expected to generate \$5.7m in 2021/22 before increasing in line with CPI at 2.5% per annum to \$8.1m in 2034-35 and comprise 61% of operating revenue over the term of the Plan. The Shire is reliant on receiving more than \$49.6m over the next 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. Non operating grants are expected to remain relatively stable for road renewal with fluctuations relating to new building grants.

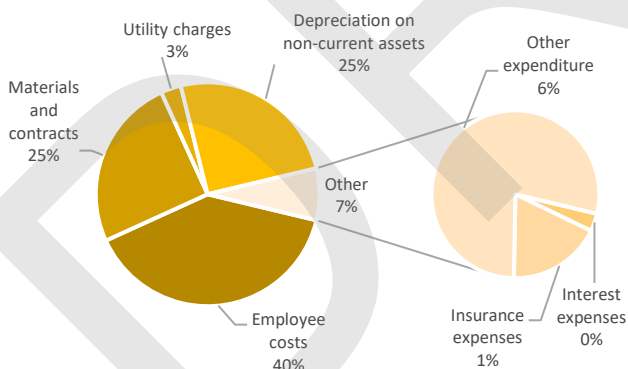


#### 5.1.1 Revenue Composition Year 1 to 15

### 5.2 Forecast Expenditure

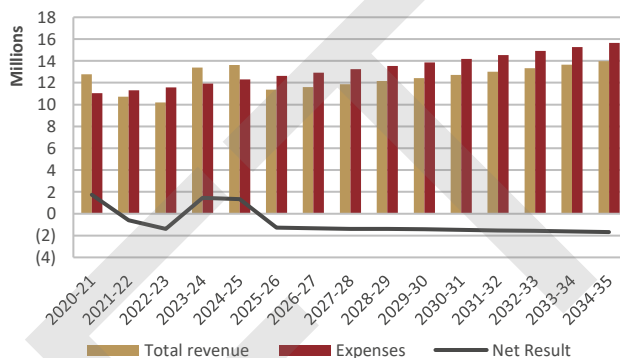
Expenditure is forecast to increase in line with inflation with the exception of interest expense and depreciation expense which is impacted by the addition of assets over the term of the Plan.

#### 5.2.1 Expenditure Composition Year 1 to 15



### 5.3 Net Result

Operating revenue fluctuates during the first five years of the Plan due to fluctuations in the level of non-operating grants, as shown in the chart below, with a steady increase in expenditure forecast over the 15 years. The grey line indicates the net result.



A negative net result over the long term indicates net asset values will increase at a slower rate than depreciation expenses is eroding asset values. Improved asset funding or changes to expected useful life of assets as they are better understood may impact the net result.

### 5.4 Depreciation Expense

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

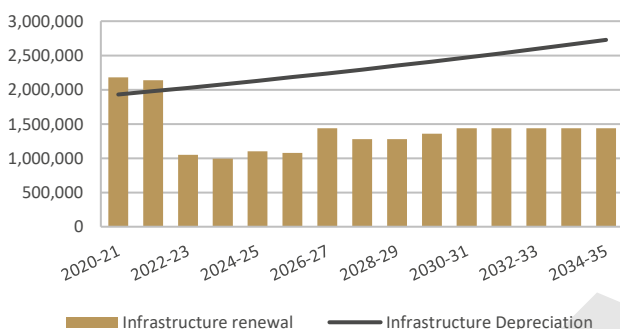
Where the planned asset renewals are lower than depreciation, the written down value of these assets will decrease over time as depreciation erodes the value of the assets. Revaluation of assets in line with inflation may mask a real decrease in value where planned asset renewals are lower than depreciation.



## 5.0 Long Term Financial Planning Overview (Continued)

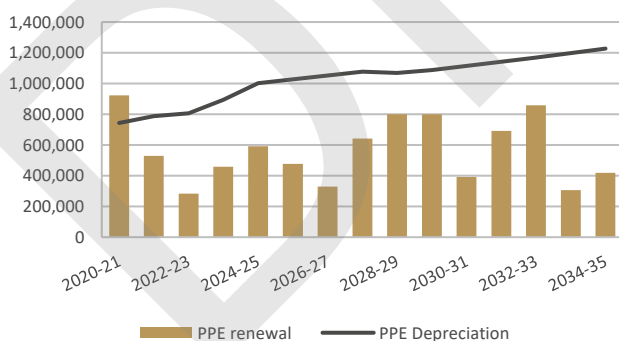
### 5.5 Infrastructure Depreciation Expense -V- Asset Renewal Expenditure

Depreciation expense increases throughout the Plan from \$2.7m in 2021/22 to \$3.9m in 2034/35 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$34.6m, shown by the grey line in the chart below. The planned level of infrastructure asset renewal expenditure at \$21.1m (reflected by the gold columns) is over the term of the Plan 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. Planned property, plant and equipment asset renewals of \$8.5m (reflected by the gold columns) over the 15 years is less than the depreciation expense of \$15.4m (reflected by the grey line) over the same period as shown in the chart below.

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



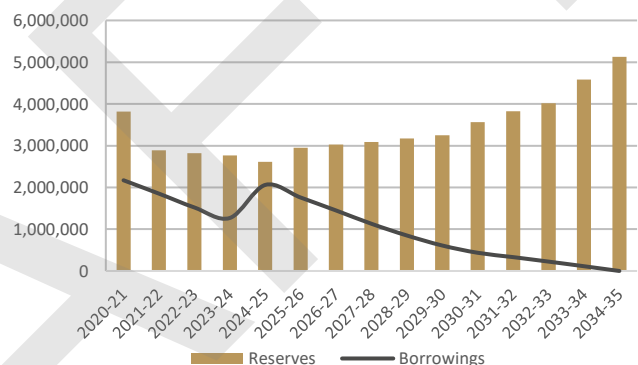
Further improvements in asset management data and the estimation of asset useful lives along with the future renewal of long lived assets may result in a closer alignment between asset renewals and depreciation expense.

### 5.7 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.

### 5.8 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 major new projects during the initial years of the plan before being used to save for forecast asset renewals beyond the term of the plan resulting in the variations in reserve levels as shown in the chart below.



Borrowings are generally reducing over the life of the Plan, with a new borrowing planned in 2024/25 for the airport terminal which will only occur if grant funding for the project is received also. Reducing borrowings is part of the Shire's strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available. The strategy also includes the use of cash backed reserves to save for significant future asset renewal spikes.

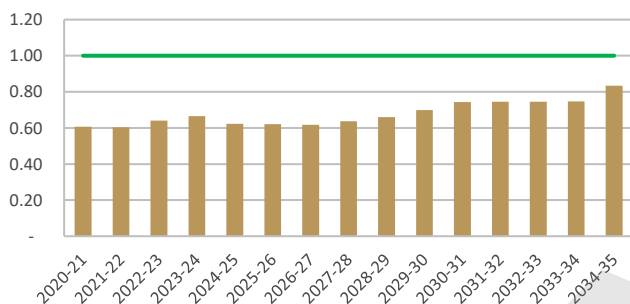


## 5.0 Long Term Financial Planning Overview (Continued)

### 5.9 Forecast Operating Ratios 2020-2035

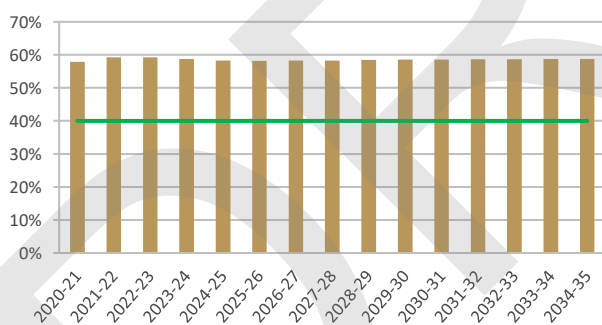
Monitoring the Shire's financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The green line reflects the Department of Local Government, Sport and Cultural Industries' (the Department) minimum target level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

#### 5.9.1 Current Ratio



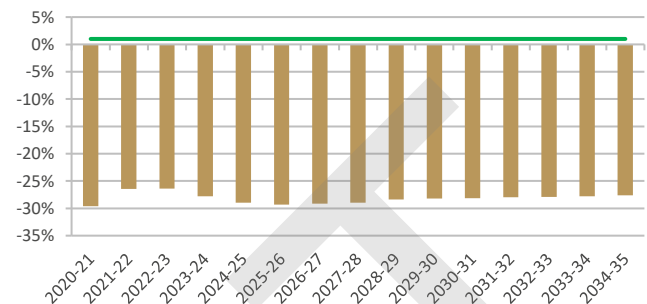
As expected for a Shire with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0 and fluctuates due to changes in current borrowing liabilities. The trend is not considered to indicate a threat to the Shire's long term financial position.

#### 5.9.2 Own Source Revenue Coverage Ratio



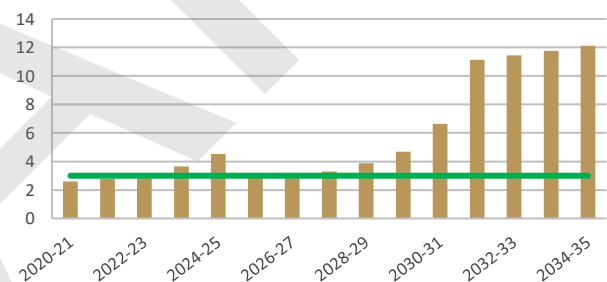
The ratio remains above the target indicating the Shire reduced reliance on grants and contributions for operations.

#### 5.9.3 Operating Surplus Ratio



The ratio above highlights how changes in the level of depreciation expense impact the Surplus Ratio as new assets are added. For a Shire which receives significant external funding for the renewal of assets a target operating surplus ratio of zero is not viewed as appropriate. Increases in revenue and decreases in expenditure may address the ratio overtime.

#### 5.9.4 Debt Service Cover Ratio



The ratio indicates the Shire has an limited capacity to take up borrowings if required during the initial years of the plan, with new borrowings planned in the fifth year of the plan.

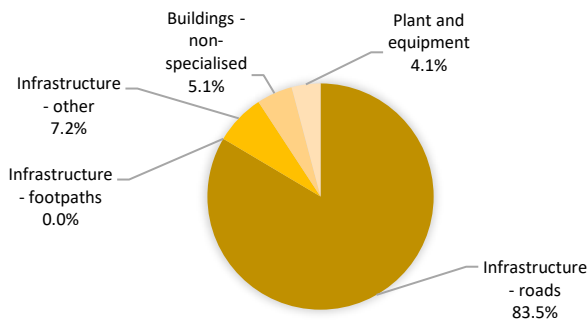
An explanation of all ratios is provided at Section 12.

## 6.0 Asset Management Planning Overview

### 6.1 Key Asset Information

The Shire controls an asset network with a written down value of \$147.7m<sup>1</sup>, of which roads infrastructure constitutes the largest component values as reflected in the chart below.

#### 6.1.1 Written Down Value by Asset Class<sup>1</sup>



### 6.2 Asset Management Policy

The purpose of an asset management policy is to:

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

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

### 6.3 Asset Management Strategy

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

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

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

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

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

Recognising a proportion of assets have been constructed with the assistance of external financial contributions, the Shire seeks to, within its financial capacity, maintain these assets into the future. A strategy of alignment of estimated asset useful lives with the forecast financial capacity aims to ensure the long term affordability of Shire assets. By focusing resources and efforts on a small number of key critical assets, the Shire has achieved its targeted asset management outcomes, integrated with financial planning within its forecast financial capacity based on an annual rate increase in line with CPI of 2.5% for the duration of the Plan onwards.

### 6.4 Level of Service

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

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

<sup>1</sup> 2019/20 Annual Financial Report - Shire of Laverton

# 6.0 Asset Management Planning Overview (Continued)

## 6.5 Financial Management Strategy for Assets

Based on the 2019/20 Annual Financial Statements and 2020/21 Annual Budget, a financial baseline was determined for operating revenue and expenditure. Modifications to this baseline were made over the 15 year term to predict forecast changes in operating revenue and expenditure.

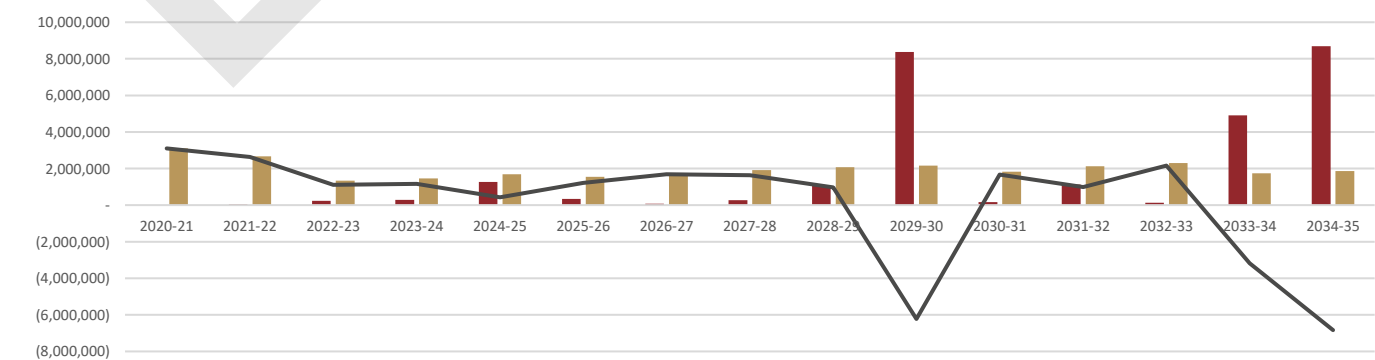
Impacts of the COVID-19 Pandemic have created a large amount of uncertainty. Revenue and expenditure for 2020-21 were expected to align with 2019-20. Should the need arise for additional funding to meet the impacts of COVID-19 these will be drawn from Reserve. Structuring operational revenues and expenditure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

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.

Required v Planned Asset Renewals



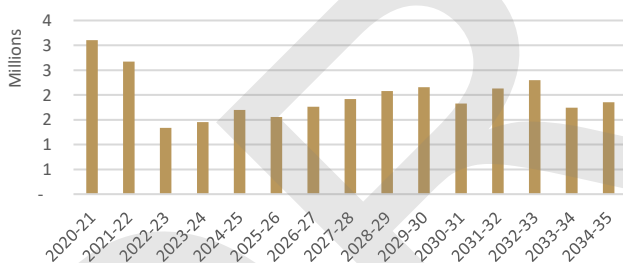
## 6.0 Asset Management Planning Overview (Continued)

### 6.6 Forecast Planned and Required Asset Renewals

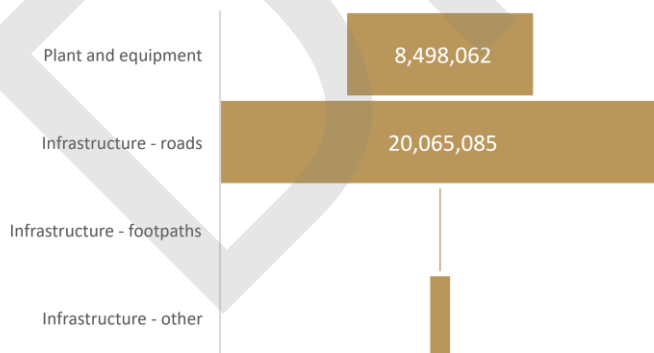
Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/ (Deficit) \$
2020-21	3,101,300	0	3,101,300
2021-22	2,669,985	38,873	2,631,112
2022-23	1,333,223	230,992	1,102,231
2023-24	1,452,186	281,141	1,171,045
2024-25	1,695,291	1,267,742	427,549
2025-26	1,552,634	335,151	1,217,483
2026-27	1,764,078	77,501	1,686,577
2027-28	1,916,879	277,918	1,638,961
2028-29	2,076,000	1,099,748	976,252
2029-30	2,156,000	8,376,729	(6,220,729)
2030-31	1,827,002	156,796	1,670,206
2031-32	2,127,273	1,133,875	993,398
2032-33	2,294,812	126,134	2,168,678
2033-34	1,741,201	4,914,323	(3,173,122)
2034-35	1,855,283	8,689,925	(6,834,642)

### 6.7 Planned Asset Expenditure

Renewal asset expenditure of \$29.6m has been planned as per the previous table. New, upgrade or expansion of building asset are planned in



2021-22, 2023-24 and 2024-25.



### 6.7.1 Planned Capital Expenditure 2020-2035

### 6.8 Planned Asset Renewal

Planned asset renewal expenditure has been determined by allocating the expected funds available for capital expenditure. Allocation of these funds between the various asset classes

<b>Total</b>	<b>29,563,147</b>	<b>27,006,848</b>	<b>2,556,299</b>
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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 spike in 2029-30 is a result of building valuation data reflecting a requirement to renew substantial assets in the single year at a future cost of \$7.4m. These building renewals are not considered appropriate and provided adequate building maintenance is undertaken are unlikely to be required within this timeframe. Further review and update of this asset information should address this theoretical renewal requirement.

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

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.

### 6.8.1 Planned Asset Renewal Expenditure

### 6.8.2 Planned Asset Renewal Expenditure by Class

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

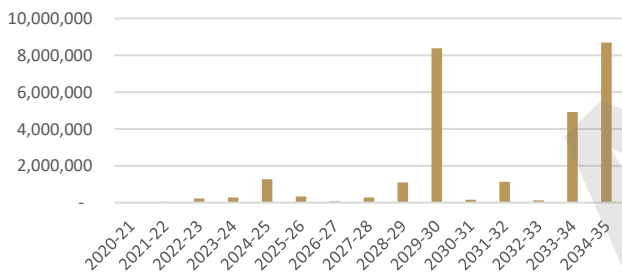
# 6.0 Asset Management Planning Overview (Continued)

## 6.9 Required Renewal Expenditure

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

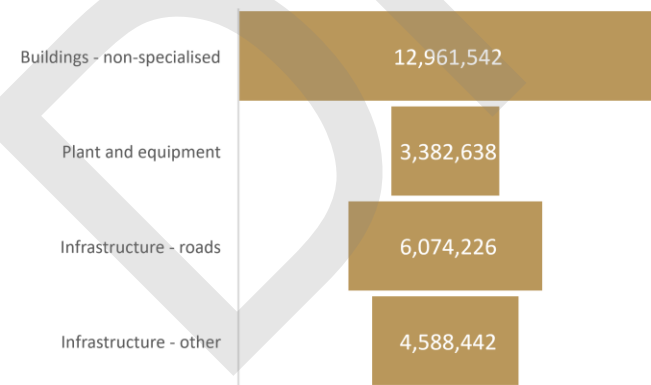
Required asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$27.0m are forecast to be required over the 15 years of the Plan based on existing asset data.

### 6.9.1 Required Asset Renewal Expenditure



As discussed at 6.6, the required asset renewal spike in 2029-30 is a result of building valuation data reflecting a requirement to renew substantial assets in the single year at a future cost of \$7.4m. This is not considered to be a reasonable expectation and the Shire is not planning to undertake the renewal of these assets in line with the valuations timing.

### 6.9.2 Required Asset Renewal Expenditure by Asset Class



Renewal of buildings dominate the forecast required asset renewals.

## 6.0 Asset Management Planning Overview (Continued)

### 6.10 Asset Renewal Funding Surplus/(Gap)

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

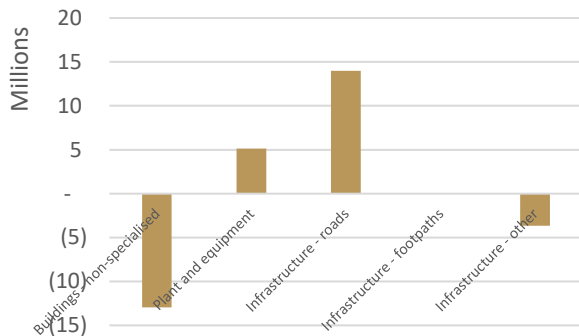


chart below.

These shortfalls in planned asset expenditure are not considered to be of long term significance given the level of net asset expenditure 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.

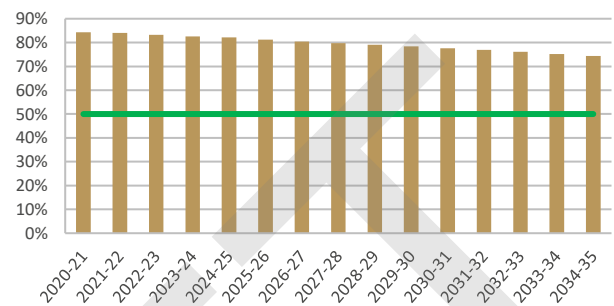
Standard useful life estimates used within the infrastructure valuations were not considered to be appropriate or relevant for the Shire of Laverton and were modified to align to historical asset lives and renewal cycles.

### 6.11 Upgrade/New Expenditure

Significant upgrades to building infrastructure are planned to occur in 2021-22, 2023-24 and 2024-25, primarily in relation to construction of airport terminal facilities, which will be highly dependent on grant funding. Where funds are available after undertaking essential renewal works, funds will be utilised for improvement and new works. Detailed annual planning will be undertaken for asset upgrade/new expenditure prior to each project.

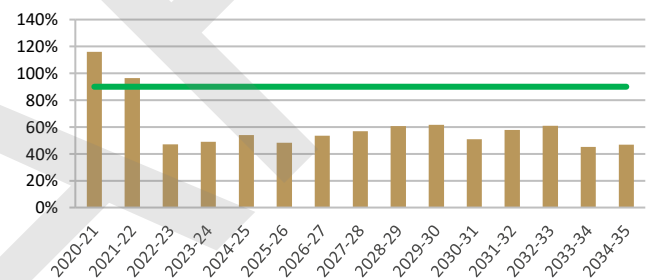
### 6.12 Forecast Asset Ratios 2020-2035

#### Asset Consumption Ratio



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

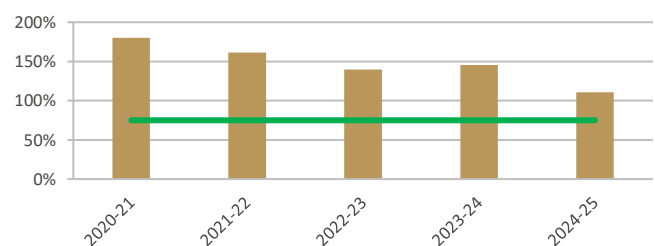
#### Asset Sustainability Ratio



The ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio average is below the guideline level 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 and road asset depreciation requiring further review.

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

#### Asset Renewal Funding Ratio





## 7.0 Workforce Planning Overview

The Shire faces a range of workforce opportunities and challenges with a diverse mix of demographics in the workplace.

The Shire continues striving to meet the changing service demands of its community. This requires a skilled, flexible and productive workforce across the organisation to deliver the Shire's Strategic Community Plan objectives.

### 7.1 Workforce Profile

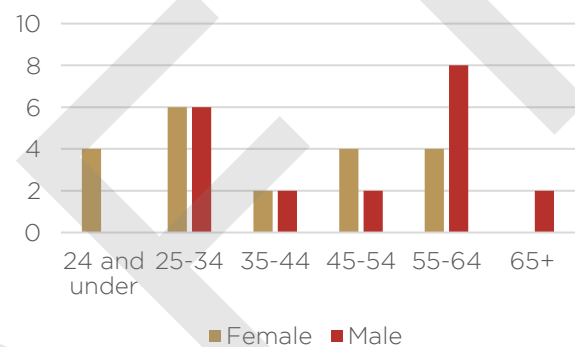
Information	Shire of Laverton - as at August 2020
Number of employees	40
Full time equivalent employees	32.92
Gender	50% female 50% male
Total annual salaries and wages	\$3.8m (2019-20)
Employment type	There is a range of full time, part time, fixed term contract and casual staff employed
Annual/LSL liability <sup>2</sup>	Current \$470,950 Non-Current \$65,619
Awards and Agreements	Local Government Officers (Western Australia) Interim Award 2011 and Shire of Laverton Enterprise Bargaining Agreement 2017
Age profile	The average age of current employees is 44 years
Years of Service	The average length of service is 4 years

### 7.2 Workforce Demographics<sup>3</sup>

The current age distribution is fairly evenly spread with the largest demographic being males between 55 and 64 (8 employees) comprise 20% of the total workforce in the Shire, as shown in the chart below. This includes full time, part time and casual staff.

Detailed levels of staff by directorate and functional area are included at Appendix D.

### 7.3 Workforce by Age and Gender



### 7.4 Turnover Rate

Over the period 2015/16 to 2019/20 the average annual turnover rate is 16%, this does not include fixed term contract and casual employees.

In light of the remote location and size of the workforce this rate is not considered to be of concern. Ongoing monitoring of this rate will assist the organisation with future planning.

### 7.5 Workforce Supply Demand Analysis

In meeting future challenges, the Shire continually reviews its core functions in terms of potential outsourcing, insourcing and collaborations. This is further discussed in Appendix D.

<sup>2</sup>Shire of Laverton 2019-20 Annual Financial Statements

<sup>3</sup>Shire of Laverton, Payroll Information provided 25 August 2020



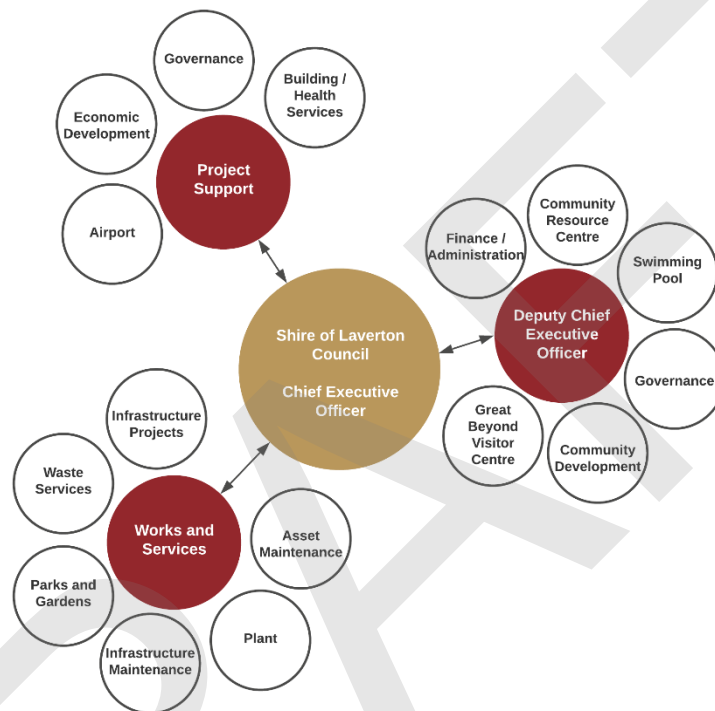
## 7.0 Workforce Planning (Continued)

### 7.6 Organisation Structure

The organisational structure is a dynamic process and needs to be developed in accordance with changing priorities and considering the difficulty in attracting and retaining suitably qualified employees to the Shire, however the current structure is not expected to change significantly during the term of this Plan.

### 7.8 Planning for the Future

Workforce planning is further detailed in Appendix D, including risk mitigation strategies and future planning. Due to the significant service provision and major projects planned for the duration of this Plan, and beyond, this planning is key to delivery.



### 7.7 Workforce Risk Assessment

Risk Issues	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequences	Risk Category
Knowledge loss due to staff turnover	Likely	Minor	Major	Major	High
Physical and financial constraints limit staff numbers	Likely	Minor	Major	Major	High
Sudden unplanned loss of a high number of key staff	Possible	Major	Major	Major	Moderate
Organisational capacity insufficient to meet future needs	Possible	Major	Major	Major	Moderate
High staff turnover due to organisational cultural issues	Possible	Major	Major	Major	Moderate
Selection, recruitment and training costs increase	Possible	Insignificant	Minor	Minor	Moderate
Operational procedures not followed due to lack of staff training	Unlikely	Minor	Major	Major	Low
Long leave absences of key staff due to large accrued leave entitlement	Unlikely	Minor	Minor	Minor	Low

## 8.0 Scenario Modelling

### 8.1 Scenario Modelling

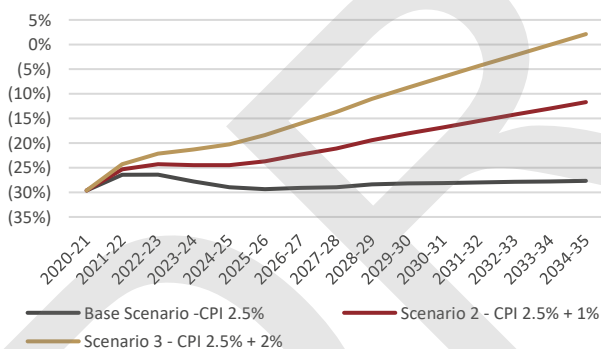
Scenarios were developed to test the financial impact of increased levels of operating funding from rates. To ascertain the effect of increased funding levels, modelling of various scenarios was undertaken. To ascertain the effect of reduced funding levels, modelling of various scenarios was undertaken.

A base scenario was developed with a rates yield in line with inflation of 2.5%. 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 (2.5%)	Total Increase
Base Scenario	0%	2.5%
Scenario 2	1%	3.5%
Scenario 3	2%	4.5%

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

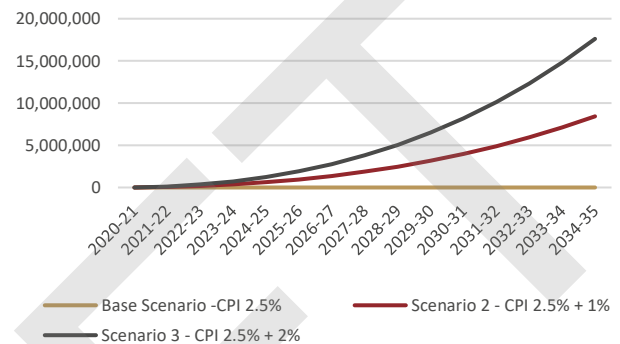
#### 8.1.1 Scenario Comparison - Operating Surplus Ratio



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).

#### 8.1.2 Estimated Surplus (Deficit) June 30 Carried Forward



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

	Estimated Surplus/(Deficit)		
	Base Scenario	Scenario 2 CPI 2.5% + 1% \$	Scenario 3 CPI 2.5% + 2% \$
2020-21	0	0	0
2021-22	0	56,989	113,979
2022-23	0	175,527	352,194
2023-24	0	360,417	725,538
2024-25	0	616,724	1,245,573
2025-26	0	949,781	1,924,568
2026-27	0	1,365,201	2,775,532
2027-28	0	1,868,895	3,812,257
2028-29	0	2,467,078	5,049,355
2029-30	0	3,166,288	6,502,304
2030-31	0	3,973,400	8,187,494
2031-32	0	4,895,638	10,122,270
2032-33	0	5,940,591	12,324,986
2033-34	0	7,116,234	14,815,056
2034-35	0	8,430,938	17,613,009

## 9.0 Strategic Planning and Policies

### 9.1 Linkage with Other Plans

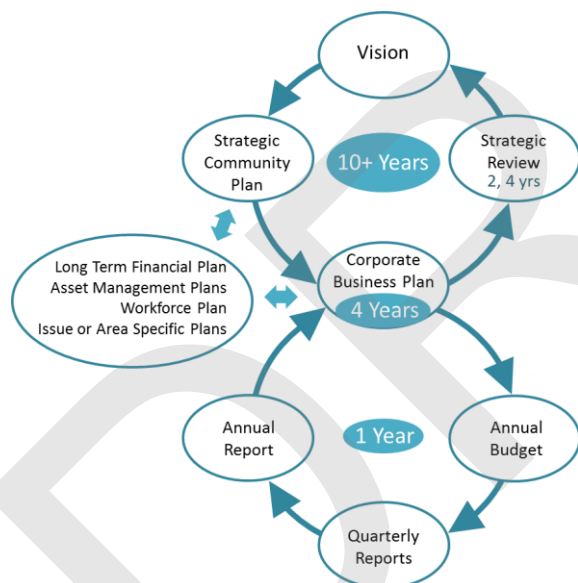
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other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

### 9.2 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>4</sup>



### 9.3 Strategic Community Plan 2020-2035

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.

### 9.4 Corporate Business Plan

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

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

### 9.5 Workforce and Other Strategic Plans

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

The Shire's Workforce Plan has been considered in the development of this Strategic Resource Plan. No financial impacts are expected from the Workforce Plan with employee costs forecast to rise in line with forecast inflation of 2.5%.

<sup>4</sup> Department of Local Government, Sport and Cultural Industries, Integrated Planning and Reporting: Framework and Guidelines, September 2016

# 10.0 Risk Management

## 10.1 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.

## 10.2 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.

## 10.3 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.

# 11.0 Assumptions, Risks, Uncertainties and Sensitivity

## 11.1 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 2.5% from 2021/22 onwards, being in line with 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	\$27,648 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	\$206,997 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 2% 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.

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

## 11.2 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	\$497,425 to the value of materials and contracts per 1% movement in the value over the life of the Plan. A high level of uncertainty exists in relation to the costs to address impacts of the COVID-19 Pandemic.
<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.

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

## 11.3 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	\$227,177 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. \$1,773,174 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	\$206,997 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.



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

## 11.4 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.

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

## 11.5 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	\$227,177 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. \$1,773,174 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

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

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

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Ownership of Strategic Assets:</b> The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
<b>Inflators:</b> Forecast inflation at 2.5% per annum.	Medium	Not assessed as high financial risk.	High	\$1,662,048 to operating revenue per 1% movement in the inflators over the life of the Plan. \$1,986,879 to operating expenditure per 1% movement in the inflators over the life of the Plan.
<b>Commercial Activities:</b> The Shire has no plans to undertake a significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>General Economic Forecasts for State:</b> The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>General Economic Forecasts for Region:</b> Historically, the region's economy is heavily dependent on mining, and this remains the assumption for the term of this Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

## 12.0 Monitoring and Performance

### 12.1 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.

### 12.2 Ratio Targets

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

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

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

Ratio	Calculation	Indication	Minimum target
Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets minus current liabilities associated with long term borrowings}}$	A measure of the Shire's immediate liquidity and the capacity to meet short term financial obligations from unrestricted current assets.	1.
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$	A measure of the extent to which own source revenues raised cover operational expenses.	1%
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$	A measure of the extent of the Shire's ability to cover costs using only discretionary revenue.	40%
Debt Service Coverage Ratio	$\frac{\text{Annual operating surplus before interest and depreciation}}{\text{principal and interest}}$	A measure of the extent of the Shire's capacity to generate sufficient cash to cover debt payments.	3
Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciation assets}}$	A measure of the aged condition of the Shire's physical assets.	50%
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$	A measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives.	90%
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$	The Shire's financial capacity to fund asset renewal to support existing service levels. (This ratio is based on the ten years forecast expenditure and as such is only able to be calculated of the first five years of the Plan).	75%

# 13.0 Improvement Plan

## 13.1 Strategic Resource Improvement Plan

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

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

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

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

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

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

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

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

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

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

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

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# Appendix A1 – Critical Assets

## 1.1 Description

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

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

Asset	Current Replacement Cost (\$)
Administration Building	2,430,000
Swimming Pool	3,580,000
Depot	832,000
Airport	7,015,000

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

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



# Appendix A2- Infrastructure - Roads

## 2.1 Significant Matters

The continued provision of the road network remains one of the key priorities for the Shire. A number of rural roads within the Shire are currently utilised as mine access 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 Laverton has a road network servicing an area of 179,984<sup>1</sup> square kilometres.

Road assets within this Plan include the following components:

- Culverts
- Flood ways
- Formed Subgrade
- Kerbing
- Sealed Pavement
- Signs
- Surfacing
- Underground Pipe
- Unformed Subgrade
- Unsealed Pavement

Road asset information is recorded within a road inventory database by an external consultant and was extracted in December 2020, this forms the basis of the measurements and current replacement cost estimates. This information has been updated by management subsequent to the valuation. Verification of the accuracy of the valuation data is not within the scope of this Plan and has not been undertaken.

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

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

Infrastructure Roads Assets	Length (m)	Current Replacement Cost (\$)
<b>Drainage</b>		
Culvert<=300		41,223
Culvert>1000		127,734
Culvert>300<=500		370,900
Culvert>500<=800		400,623
Culvert>800<=1000		154,174
<b>Sign</b>		
Sign		255,600
<b>Surface Water Channel</b>		
SW Channel Kerbing	13,858	640,240
SW Channel Table Drain	2,490,294	6,126,123
<b>Gravel Sheetting</b>		
Gravel Sheet	616,867	24,164,409
<b>Sealed Pavement</b>		
Sealed Pavement Access Road	30,871	8,413,947
Sealed Pavement Local Distributor	7,727	2,740,079
Sealed Pavement Regional Distributor	92,212	31,496,135
<b>Subgrade</b>		
Built	747,677	49,719,624
Formed	501,674	13,255,811
Unformed	3,227,790	24,850,100
<b>Surface</b>		
Asphalt	1,228	456,756
Brick Paving	23	27,957
Concrete	10	6,791
Double Spray Seal	29,085	5,241,372
Other	60,739	
Spray Seal	39,725	3,968,143
<b>Grand Total</b>	<b>7,859,780</b>	<b>172,457,741</b>

<sup>1</sup> Australian Bureau of Statistics Laverton (S) (LGA54970) 2016 Census of Population and Housing, viewed 25 September 2019

# Appendix A2 – Infrastructure - Roads (Continued)

## 2.3 Financial Summary

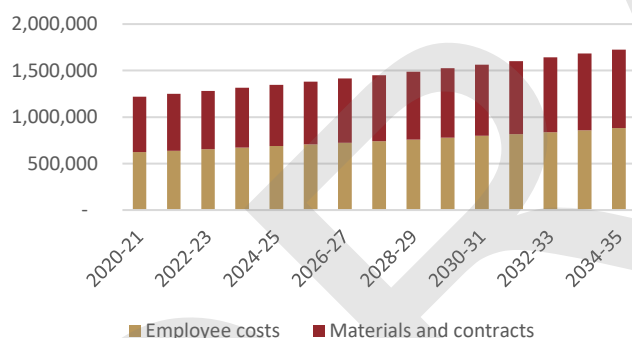
Financial impacts of managing the Shire road assets are broken down into maintenance, new and renewal expenditure, each of which is examined separately as follows.

### 2.3.1 Maintenance Expenditure

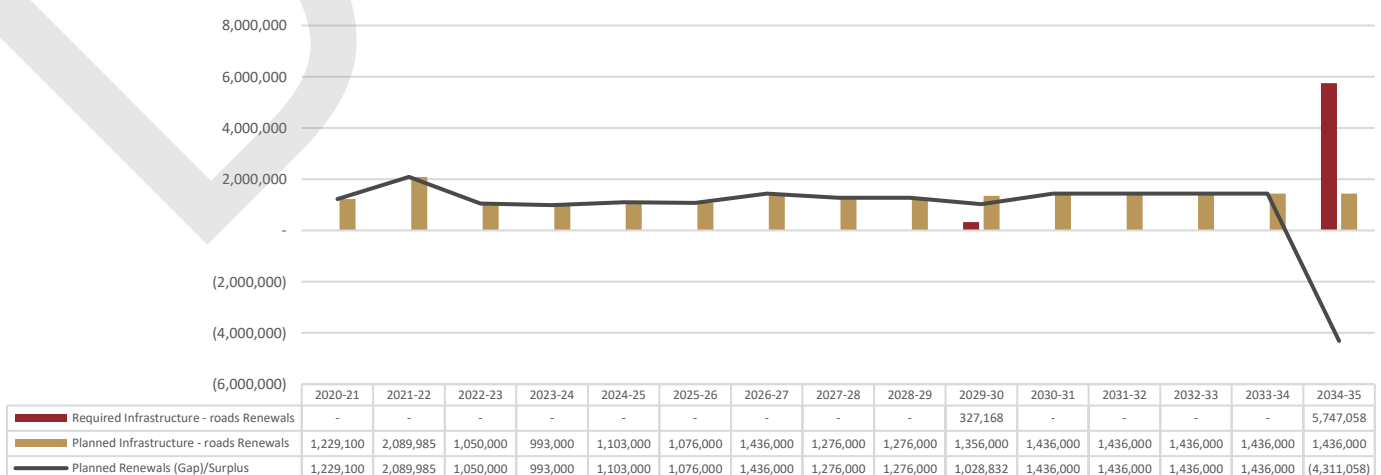
Road maintenance expenditure includes maintenance of associated infrastructure such as drainage and footpaths. Road maintenance expenditure is primarily related to the grading of unsealed roads and associated drainage clearing within the district along with a low level of reactionary minor repair works. 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 2020-21:

### 2.3.2 Maintenance Expenditure by Nature and Type



### Required v Planned Asset Renewals



### 2.3.3 New Expenditure

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

### 2.3.4 Renewal Expenditure

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

In the chart below, planned road expenditure is shown as gold columns, with required road renewals as the red columns. The grey line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$20.1m. Required road renewal is calculated at \$6.1m for the term, overall there is a \$14.0m renewal surplus for the Shire's road assets.

The chart is dominated by the \$5.7m required renewals in 2034-35 which largely relates to the sealed road surface. This is discussed further over the page.

### 2.3.5 Forecast Planned and Required Road Renewal Expenditure

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

# Appendix A2 – Infrastructure - Roads (Continued)

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

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

	Required Roads Renewals \$	Planned Roads Renewals \$	Roads Renewal Funding (Gap)/Surp lus \$
2020-21	0	1,229,100	1,229,100
2021-22	0	2,089,985	2,089,985
2022-23	0	1,050,000	1,050,000
2023-24	0	993,000	993,000
2024-25	0	1,103,000	1,103,000
2025-26	0	1,076,000	1,076,000
2026-27	0	1,436,000	1,436,000
2027-28	0	1,276,000	1,276,000
2028-29	0	1,276,000	1,276,000
2029-30	327,168	1,356,000	1,028,832
2030-31	0	1,436,000	1,436,000
2031-32	0	1,436,000	1,436,000
2032-33	0	1,436,000	1,436,000
2033-34	0	1,436,000	1,436,000
2034-35	5,747,058	1,436,000	(4,311,058)
<b>Total</b>	<b>6,074,226</b>	<b>20,065,085</b>	<b>13,990,859</b>

Many assumptions have been utilised in arriving at the remaining useful life of each individual road asset by the external valuers. Remaining useful life of sheeted roads has not been determined by measurement of the remaining level of sheeted material with an annual rate of where applied but has rather been based on a worst-case estimate. For this reason, management has not planned to replace the unsealed roads in accordance with the valuation information. The sealed road surface renewals constitute the \$5.7m of the required renewals for 2034-35.

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.

## 2.4 Level of Service

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

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

# Appendix A2 – Infrastructure - Roads (Continued)

## 2.4.1 Road Construction

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

# Appendix A2 – Infrastructure - Roads (Continued)

## 2.4.2 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)

## 2.5 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.

## 2.6 Improvement

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

Continued improvement in the knowledge of the road network (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 valuation consultants in June 2018 with all road infrastructure assets. The current replacement cost is \$726,151.

## 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.

### 3.3.1 Maintenance Expenditure

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

### 3.3.2 New Asset Expenditure

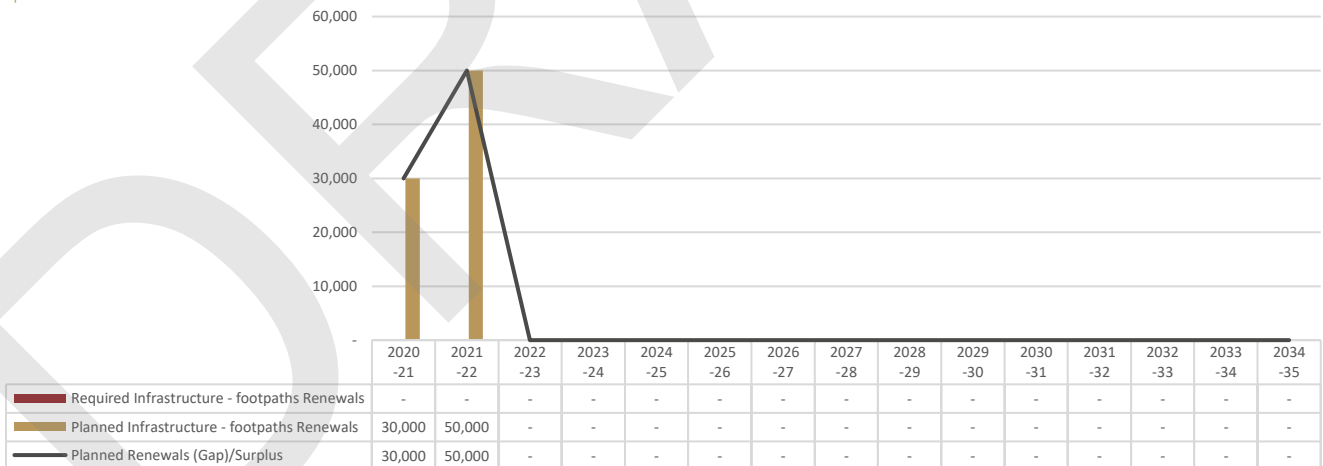
No new footpath asset expenditure is planned. External grant funding would be essential to achieve any upgrades.

### 3.3.3 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 gold columns, with required footpaths renewals as the red columns. The grey line indicates the difference between the two expenditure levels. Planned footpaths renewal over the term totals \$80,000. Required footpaths renewal as per the valuation remaining useful life are not forecast for the term, however in line with community expectation renewals will occur in the initial years of the Plan.

Required v Planned Asset Renewals





# Appendix A3 – Infrastructure - Footpaths (Continued)

## 3.4 Level of Service

Levels of service have 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.

## 3.5 Risk Management

An assessment of risks associated with holding furniture and equipment items 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.

## 3.6 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 2020, based on an inspection undertaken. The replacement costs of major buildings contained within the valuation report is shown in the table to the right. A building inventory is maintained within the Shire's financial management system.

### 4.2.1 Composition of Estimated Current Replacement Cost of Building Assets

Buildings	Current Replacement Cost (\$)
Airport	460,000
Great Beyond	2,686,000
Historical Police Complex	1,025,000
Kindergarten/ Community Health	995,000
Long Vehicle Parking Bay	105,000
Mt Morgans	635,000
Race Course	613,000
Sports Oval	955,000
Swimming Pool	840,000
Townsite	15,812,000
Under 4yr Old Education	280,000
Works Depot	832,000
<b>Buildings Total</b>	<b>25,238,000</b>

# Appendix A4 – Buildings (Continued)

## 4.3 Financial Summary

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

### 4.3.1 Maintenance Expenditure by Program

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

### 4.3.2 New/Upgrade Asset Expenditure

New building asset expenditure is forecast for 2023-24 and 2024-25 for the Airport terminal, this is subject to funding availability. No additional items are forecast to be required over the life of this Plan.

### 4.3.3 Renewal Expenditure

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

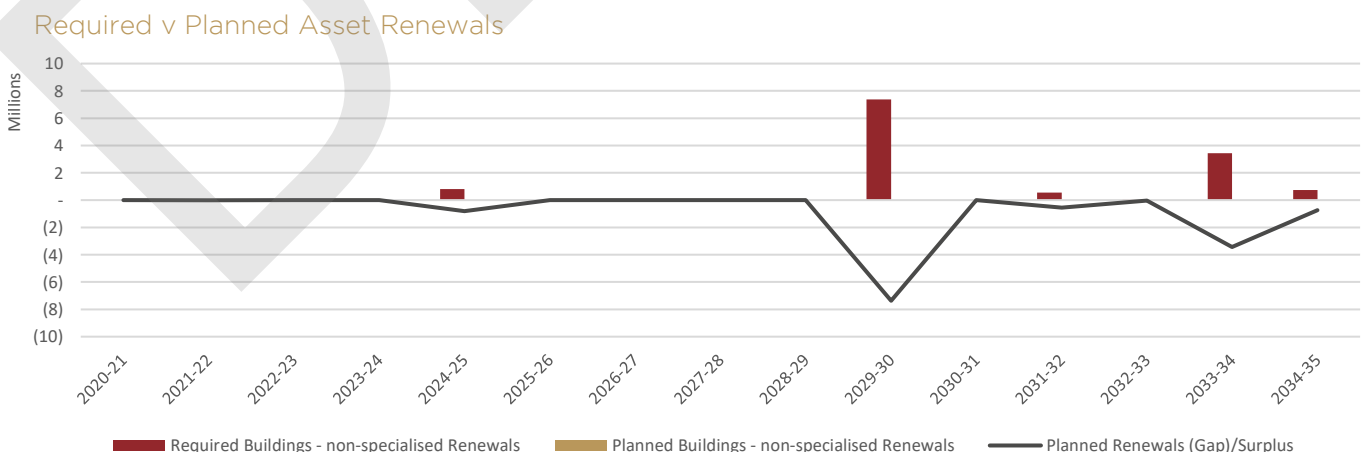
Maintaining borrowing capacity or funds in an appropriate reserve is important to ensure funds are available in future years when buildings are required to be renewed due to the high level of expenditure in renewing building assets.

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

The table below details the required building renewal as per the latest building valuations. Renewals will be undertaken in line with annual budget considerations and assessed need.

	Required Building Renewals \$	Planned Building Renewals \$	Building Renewal Funding (Deficit)/Surplus \$
2020-21	0	0	0
2021-22	18,911	0	(18,911)
2022-23	0	0	0
2023-24	0	0	0
2024-25	815,745	0	(815,745)
2025-26	0	0	0
2026-27	0	0	0
2027-28	0	0	0
2028-29	0	0	0
2029-30	7,369,448	0	(7,369,448)
2030-31	0	0	0
2031-32	558,129	0	(558,129)
2032-33	35,841	0	(35,841)
2033-34	3,433,526	0	(3,433,526)
2034-35	729,942	0	(729,942)
<b>Total</b>	<b>12,961,542</b>	<b>0</b>	<b>(12,961,542)</b>

### 4.3.4 Forecast Planned and Required Building Renewal Expenditure



# Appendix A4 – Buildings (Continued)

## 4.4 Level of Service

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

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Condition	The building's meets the expectations of the community.	Customer complaints.	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.

## 4.5 Risk Management

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

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

## 4.6 Improvement

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

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

# Appendix A5- Infrastructure - Other

## 5.1 Significant Matters

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

This asset class includes following key assets:

- Visitor and community furniture
- Play equipment
- Sport and recreation facilities and equipment
- Airport infrastructure

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

## 5.2 Inventory

The Shire's Infrastructure - Other assets current replacement cost at the time of valuation at 30 June 2020 was \$14.1m.

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

Infrastructure - Other Assets	Estimated Current Replacement Cost (\$)
AFL goal posts	10,500
Airport taxiway, apron, runways	5,238,500
Artificial Grass	219,000
Basketball court, backboards	28,600
Benches	8,100
Cricket net	20,500
Dog Pound	40,500
Dump Ezy	15,500
Entry Statement	49,000
Fencing	615,200
Furniture	20,500
Gates	181,500
Gazebo	41,000
Grass	40,500
Hardstands	290,000
Lighting	591,000
Oil recycling unit	61,000
PAL	460,000
PAPI	63,000
Picnic benches, tables, shelters	24,750
Pits	40,500
Play equipment	254,000
Pump Track	47,000
Reticulation	192,600
Shade structures	58,500
Shelters	77,600
Swimming/Leisure Pools	4,580,000
Tourist Info sign	30,500
Transmission tower and hut	101,500
War Memorial	51,000
Water tanks	577,600
Wind sock	21,000
<b>Infrastructure - Other Assets Total</b>	<b>14,050,450</b>

# Appendix A5 – Infrastructure - Other (Continued)

## 5.3 Financial Summary

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

### 5.3.1 Maintenance Expenditure

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

### 5.3.2 New Expenditure

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

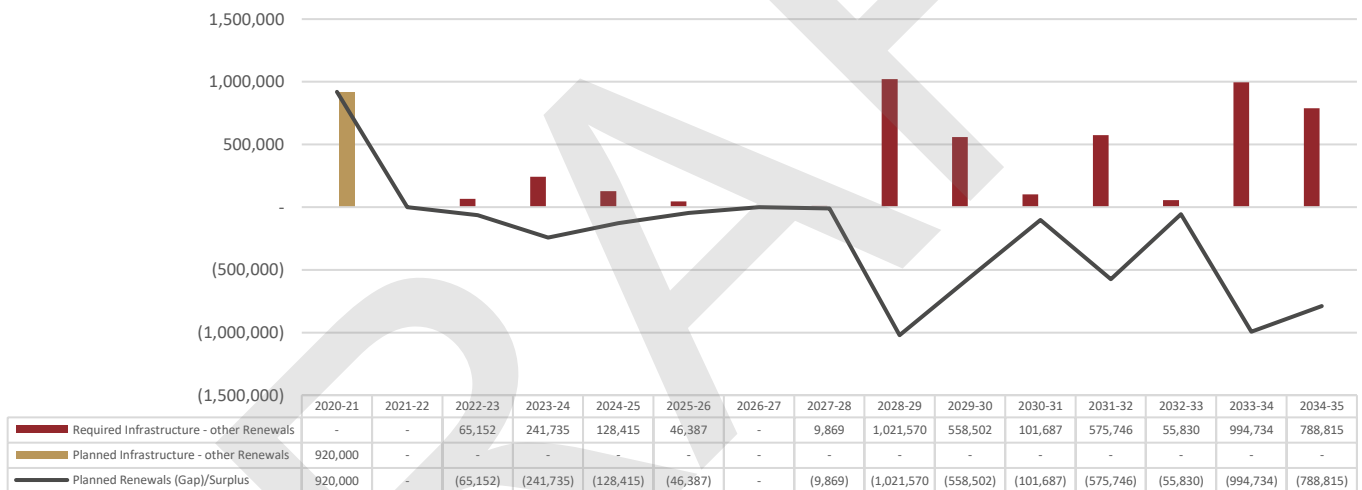
### 5.3.3 Renewal Expenditure

Required Infrastructure - Other 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 - Other assets will be considered on a case by case basis Other 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 grey line shows the variation between the two levels.

### 5.3.4 Forecast Planned and Required Infrastructure - Other

Required v Planned Infrastructure -Other Asset Renewals



## Appendix A5 – Other (Continued)

### 5.4 Level of Service

Detailed performance measures and performance targets for Infrastructure – Other Assets are defined in the table below

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

### 5.5 Improvement

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



# Appendix A6– 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.

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

Asset	Current Replacement Cost \$
Equipment	36,000
Furniture and Equipment	1,110,600
Mobile Plant	2,708,000
Sundry Plant	819,200
<b>Total</b>	<b>4,673,800</b>

## 7.3 Financial Summary

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

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

### 7.3.1 New Expenditure

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

### 7.3.2 Renewal Expenditure

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

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

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 gold columns with required renewals shown as the red columns. The grey line shows the variation between the two expenditure levels.

# Appendix A6 – Plant and Equipment (Continued)

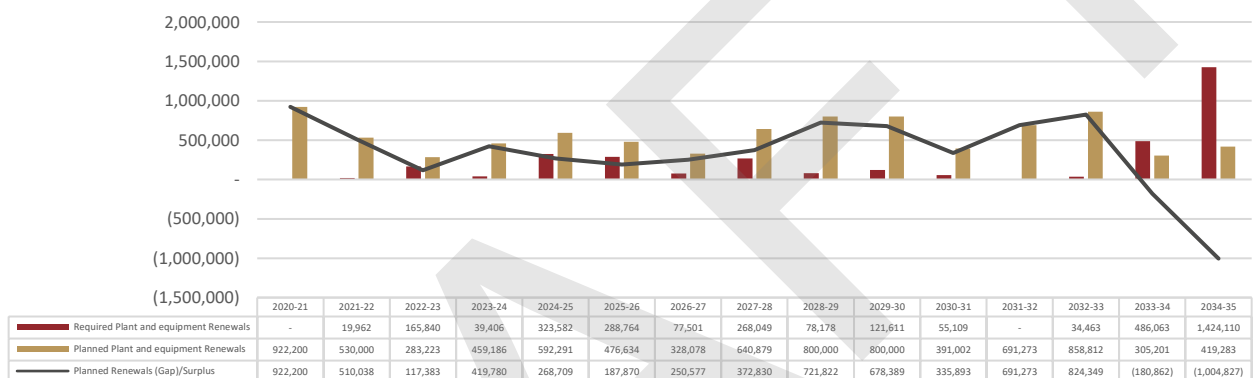
## 7.3.3 Forecast Planned and Required Plant and Equipment Renewal Expenditure

The chart reflects a lack of correlation between the Plant Replacement Program and the estimated useful life of plant and equipment provided by the valuers as the plant replacement program has been modified to available financial resources. The Plan overall has a surplus of \$5.1m over the term of the Plan with planned renewals of \$8.5m and required asset renewals of \$3.4m.

## 7.3.4 Plant Disposals

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

### Required v Planned Asset Renewals



# Appendix A6 – Plant and Equipment (Continued)

## 7.4 Level of Service

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

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

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<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.

## 7.5 Risk Management

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

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

## 7.6 Improvement Plan

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

# Appendix A7 – Estimated Asset Life and Residual Value

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

Asset Class	Asset Sub-Class	Pavement Type	Estimated Useful Life	Materials Remaining in-situ
Infrastructure - roads	Drainage	Culvert>300<=500	80	
Infrastructure - roads	Drainage	Culvert>800<=1000	80	
Infrastructure - roads	Drainage	Culvert>1000	80	
Infrastructure - roads	Drainage	Culvert<=300	80	
Infrastructure - roads	Drainage	Culvert>500<=800	80	
Infrastructure - roads	Sign	Sign	10	
Infrastructure - roads	Surface Water Channel	SW Channel Table Drain	40	
Infrastructure - roads	Surface Water Channel	SW Channel Kerbing	60	
Infrastructure - roads	Valuation Gravel Sheet	Gravel Sheet	100	
Infrastructure - roads	Valuation Sealed Pavement	Sealed Pavement Access Road	80	
Infrastructure - roads	Valuation Sealed Pavement	Sealed Pavement Regional Distributor	60	
Infrastructure - roads	Valuation Sealed Pavement	Sealed Pavement Local Distributor	60	
Infrastructure - roads	Valuation Subgrade	Unformed	100	100%
Infrastructure - roads	Valuation Subgrade	Built	100	100%
Infrastructure - roads	Valuation Subgrade	Formed	100	100%
Infrastructure - roads	Valuation Surface	Double Spray Seal	20	
Infrastructure - roads	Valuation Surface	Brick Paving	60	
Infrastructure - roads	Valuation Surface	Other	60	
Infrastructure - roads	Valuation Surface	Asphalt	25	
Infrastructure - roads	Valuation Surface	Spray Seal	15	
Infrastructure - roads	Valuation Surface	Concrete	60	
Infrastructure - footpaths	Footpath	Footpath Brick Paving	60	
Infrastructure - footpaths	Footpath	Footpath Other	60	
Infrastructure - footpaths	Footpath	Footpath Concrete	80	
Infrastructure - footpaths	Footpath	Footpath Asphalt	60	
Infrastructure - footpaths	Footpath	Footpath Spray Seal	40	

Asset Class	Asset Sub-Class	Estimated Useful Life	Estimated Residual Value %
Buildings - non-specialised		45	
Infrastructure - other		25	
Infrastructure - other	Play Equipment	15	
Land - freehold land		100	100%
Land - freehold land	Golf Course	100	100%
Land - freehold land	Race Club	21	0%
Plant and equipment		15	
Plant and equipment	Mobile Plant	20	

# 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 Laverton.

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

Objectives	Services
Recreation and culture	Public halls, civic centre Swimming areas Other recreation and sport Television and radio re-broadcasting Libraries Other culture
Transport	Streets, roads, bridges, depots - Construction (not capitalised) - Maintenance Road plant purchase (if not capitalised) Parking facilities Traffic control Aerodromes Water transport facilities
Economic services	Rural services Tourism and area promotion Building control Sale yards and markets Plant nursery Other economic services
Other property and services	Private works Public works overheads Plant operation Salaries and wages Unclassified Town Planning Schemes

Appendix B2 – Forecast Statement of Comprehensive Income by Nature or Type 2020-2035

	2016-17	2017-18	2018-19	Base	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																			
Rates	3,701,653	3,917,366	4,648,007	5,386,900	5,698,900	5,841,372	5,987,406	6,137,092	6,290,519	6,447,782	6,608,977	6,774,201	6,943,556	7,117,145	7,295,073	7,477,450	7,664,387	7,855,997	8,052,397
Operating grants, subsidies and contributions	4,064,318	2,950,883	6,431,616	2,665,090	2,764,870	2,833,994	2,904,844	2,977,465	3,051,902	3,128,198	3,206,403	3,286,564	3,368,726	3,452,944	3,539,266	3,627,748	3,718,442	3,811,400	3,906,683
Fees and charges	862,525	1,337,835	573,456	630,450	448,550	459,768	471,262	483,046	495,125	507,502	520,194	533,201	546,530	560,193	574,197	588,550	603,268	618,345	633,805
Interest earnings	292,926	203,627	168,542	120,200	45,197	106,320	99,830	68,841	68,088	65,258	72,339	74,289	75,897	77,838	79,721	86,430	92,010	96,157	107,967
Other revenue	202,336	1,683,956	496,739	542,433	288,500	295,713	303,105	310,683	318,452	326,412	334,573	342,939	351,513	360,301	369,308	378,542	388,006	397,704	407,646
	9,123,758	10,093,667	12,318,360	9,345,073	9,246,017	9,537,167	9,766,447	9,977,127	10,224,086	10,475,152	10,742,486	11,011,194	11,286,222	11,568,421	11,857,565	12,158,720	12,466,113	12,779,603	13,108,498
Expenses																			
Employee costs	(2,625,425)	(3,299,198)	(3,628,460)	(4,465,315)	(4,378,838)	(4,488,315)	(4,600,527)	(4,715,546)	(4,833,441)	(4,954,276)	(5,078,139)	(5,205,092)	(5,335,211)	(5,468,589)	(5,605,301)	(5,745,431)	(5,889,072)	(6,036,290)	(6,187,199)
Materials and contracts	(1,670,323)	(2,694,494)	(6,494,122)	(6,695,962)	(2,773,960)	(2,843,320)	(2,914,397)	(2,987,251)	(3,061,953)	(3,138,484)	(3,216,960)	(3,297,397)	(3,379,817)	(3,464,303)	(3,550,908)	(3,639,678)	(3,730,673)	(3,823,926)	(3,919,529)
Utility charges	(327,177)	(323,137)	(280,611)	(309,300)	(324,400)	(332,508)	(340,824)	(349,344)	(358,080)	(367,029)	(376,206)	(385,614)	(395,250)	(405,130)	(415,257)	(425,639)	(436,279)	(447,181)	(458,361)
Depreciation on non-current assets	(2,633,113)	(2,136,109)	(2,512,865)	(2,579,495)	(2,673,086)	(2,765,386)	(2,834,118)	(2,970,982)	(3,133,301)	(3,210,954)	(3,290,761)	(3,372,116)	(3,420,661)	(3,498,424)	(3,585,328)	(3,673,976)	(3,764,600)	(3,858,282)	(3,954,141)
Interest expenses	(42,739)	(35,394)	(54,034)	(54,335)	(96,500)	(58,679)	(48,165)	(38,158)	(31,064)	(54,917)	(46,638)	(38,127)	(29,379)	(22,527)	(16,208)	(12,305)	(9,157)	(5,912)	(2,570)
Insurance expenses	(187,529)	(174,870)	(118,195)	(159,672)	(150,145)	(153,900)	(157,743)	(161,683)	(165,727)	(169,871)	(174,119)	(178,470)	(182,928)	(187,502)	(192,189)	(196,992)	(201,914)	(206,959)	(212,136)
Other expenditure	(475,797)	(2,047,088)	(123,712)	(392,119)	(649,878)	(666,131)	(682,781)	(699,857)	(717,359)	(735,293)	(753,690)	(772,525)	(791,845)	(811,629)	(831,909)	(852,719)	(874,043)	(895,903)	(918,293)
	(7,962,103)	(10,710,290)	(13,211,999)	(14,656,198)	(11,046,807)	(11,308,239)	(11,578,555)	(11,922,821)	(12,300,925)	(12,630,824)	(12,936,513)	(13,249,341)	(13,535,091)	(13,858,104)	(14,197,100)	(14,546,740)	(14,905,738)	(15,274,453)	(15,652,229)
	1,161,655	(616,623)	(893,639)	(5,311,125)	(1,800,790)	(1,771,072)	(1,812,108)	(1,945,694)	(2,076,839)	(2,155,672)	(2,194,027)	(2,238,147)	(2,248,869)	(2,289,683)	(2,339,535)	(2,388,020)	(2,439,625)	(2,494,850)	(2,543,731)
Non-operating grants, subsidies and contributions	3,375,104	12,333,032	9,036,541	5,729,805	3,632,170	1,183,535	420,000	3,402,000	3,402,000	884,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000
Loss on revaluation	0	(2,020,529)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on asset disposals	41,860	32,660	22,673	135,000	(92,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(142,280)	(1,433,738)	(1,610,255)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	4,436,339	8,294,802	6,555,320	553,680	1,739,380	(587,537)	(1,392,108)	1,456,306	1,325,161	(1,271,672)	(1,330,027)	(1,374,147)	(1,384,869)	(1,425,683)	(1,475,535)	(1,524,020)	(1,575,625)	(1,630,850)	(1,679,731)
Other comprehensive income	0	69,068,903	0	0	3,683,404	3,857,066	3,951,909	4,004,857	4,133,077	4,296,137	4,359,480	4,417,631	4,465,391	4,545,391	4,628,518	4,687,573	4,753,367	4,839,267	4,899,594
TOTAL COMPREHENSIVE INCOME	4,436,339	77,363,705	6,555,320	553,680	5,422,784	3,269,529	2,559,801	5,461,163	5,458,238	3,024,465	3,029,453	3,043,484	3,080,522	3,119,708	3,152,983	3,163,553	3,177,742	3,208,417	3,219,863



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

	2016-17	2017-18	2018-19	Base	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue																			
Governance	3,064	2,027	170	100	100	103	106	109	112	115	118	121	124	127	130	133	136	139	143
General purpose funding	7,682,995	6,397,875	7,160,444	6,636,800	6,846,597	7,077,755	7,245,550	7,393,205	7,575,560	7,760,418	7,959,878	8,159,017	8,362,743	8,571,857	8,786,090	9,010,458	9,239,139	9,471,963	9,718,169
Law, order, public safety	36,754	48,479	9,468	12,283	13,170	13,500	13,837	14,183	14,538	14,901	15,274	15,657	16,047	16,448	16,859	17,281	17,714	18,155	18,609
Health	105,495	105,541	104,574	3,500	3,130	3,209	3,289	3,371	3,456	3,542	3,631	3,722	3,814	3,910	4,008	4,107	4,210	4,315	4,423
Education and welfare	93,081	161,973	267,098	245,107	180,600	185,115	189,743	194,487	199,349	204,332	209,441	214,677	220,043	225,544	231,183	236,963	242,888	248,960	255,184
Housing	75,115	42,863	142,338	50,000	50,000	51,251	52,532	53,845	55,191	56,570	57,985	59,435	60,921	62,444	64,005	65,605	67,245	68,926	70,649
Community amenities	104,535	157,649	136,431	141,050	134,200	137,555	140,994	144,519	148,133	151,837	155,633	159,524	163,513	167,601	171,790	176,084	180,487	184,998	189,623
Recreation and culture	102,223	159,080	67,960	74,600	73,050	74,878	76,750	78,668	80,636	82,652	84,719	86,837	89,008	91,232	93,512	95,850	98,246	100,702	103,219
Transport	342,240	2,359,780	3,805,429	1,661,000	1,572,970	1,612,294	1,652,602	1,693,917	1,736,263	1,779,669	1,824,162	1,869,766	1,916,512	1,964,423	2,013,533	2,063,872	2,115,469	2,168,356	2,222,565
Economic services	381,249	487,304	387,324	415,133	267,200	273,881	280,726	287,746	294,942	302,313	309,873	317,622	325,561	333,702	342,044	350,595	359,362	368,343	377,550
Other property and services	197,007	171,096	237,124	105,500	105,000	107,626	110,318	113,077	115,906	118,803	121,772	124,816	127,936	131,133	134,411	137,772	141,217	144,746	148,364
	9,123,758	10,093,667	12,318,360	9,345,073	9,246,017	9,537,167	9,766,447	9,977,127	10,224,086	10,475,152	10,742,486	11,011,194	11,286,222	11,568,421	11,857,565	12,158,720	12,466,113	12,779,603	13,108,498
Expenses excluding finance costs																			
Governance	(796,624)	(939,638)	(477,165)	(666,337)	(700,446)	(717,969)	(735,918)	(754,343)	(773,238)	(792,567)	(812,382)	(832,692)	(853,495)	(874,827)	(896,697)	(919,113)	(942,090)	(965,642)	(989,783)
General purpose funding	(386,861)	(523,067)	(402,875)	(715,528)	(694,636)	(712,002)	(729,802)	(748,047)	(766,749)	(785,918)	(805,567)	(825,708)	(846,348)	(867,508)	(889,194)	(911,424)	(934,210)	(957,565)	(981,505)
Law, order, public safety	(231,154)	(182,035)	(272,798)	(308,707)	(264,588)	(271,295)	(278,073)	(285,269)	(292,723)	(300,036)	(307,536)	(315,223)	(322,969)	(331,015)	(339,287)	(347,766)	(356,457)	(365,365)	(374,498)
Health	(289,636)	(335,062)	(293,038)	(356,176)	(342,438)	(351,074)	(359,850)	(369,037)	(378,522)	(387,982)	(397,679)	(407,620)	(417,706)	(428,125)	(438,824)	(449,791)	(461,032)	(472,555)	(484,366)
Education and welfare	(189,276)	(244,173)	(578,767)	(693,692)	(567,083)	(581,393)	(595,920)	(611,153)	(626,880)	(642,543)	(658,610)	(675,072)	(691,757)	(709,009)	(726,731)	(744,890)	(763,514)	(782,588)	(802,154)
Housing	(59,395)	(42,559)	(92,157)	(70,785)	(125,349)	(129,199)	(132,420)	(137,590)	(143,510)	(147,077)	(150,741)	(154,485)	(157,340)	(161,058)	(165,068)	(169,166)	(173,360)	(177,680)	(182,106)
Community amenities	(384,636)	(379,837)	(555,192)	(623,366)	(655,108)	(672,125)	(688,920)	(707,795)	(727,699)	(745,877)	(764,515)	(783,599)	(802,293)	(822,154)	(842,695)	(863,741)	(885,307)	(907,431)	(930,103)
Recreation and culture	(933,493)	(2,253,056)	(924,748)	(1,292,612)	(1,227,195)	(1,260,643)	(1,292,118)	(1,331,571)	(1,374,411)	(1,408,692)	(1,443,870)	(1,479,868)	(1,512,985)	(1,549,963)	(1,588,646)	(1,628,259)	(1,668,835)	(1,710,504)	(1,753,199)
Transport	(3,308,947)	(4,716,161)	(8,394,175)	(8,387,857)	(4,995,850)	(5,137,257)	(5,265,424)	(5,439,845)	(5,632,910)	(5,773,291)	(5,917,321)	(6,064,665)	(6,193,104)	(6,342,903)	(6,501,110)	(6,663,004)	(6,828,779)	(6,999,219)	(7,173,810)
Economic services	(1,251,484)	(1,290,732)	(1,227,864)	(1,457,097)	(1,320,753)	(1,355,585)	(1,389,447)	(1,428,875)	(1,470,857)	(1,507,577)	(1,545,241)	(1,583,805)	(1,620,861)	(1,660,826)	(1,702,307)	(1,744,797)	(1,788,333)	(1,833,008)	(1,878,795)
Other property and services	(87,858)	231,424	60,814	(29,706)	(56,861)	(61,018)	(62,498)	(71,138)	(82,362)	(84,347)	(86,413)	(88,477)	(86,854)	(88,189)	(90,333)	(92,484)	(94,664)	(96,984)	(99,340)
	(7,919,364)	(10,674,896)	(13,157,965)	(14,601,863)	(10,950,307)	(11,249,560)	(11,530,390)	(11,884,663)	(12,269,861)	(12,575,907)	(12,889,875)	(13,211,214)	(13,505,712)	(13,835,577)	(14,180,892)	(14,534,435)	(14,896,581)	(15,268,541)	(15,649,659)
Finance costs																			
General purpose funding	0	0	(1,423)	(6,000)	(27,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing	(22,529)	(14,449)	(23,486)	(20,600)	(22,500)	(11,827)	(8,981)	(6,012)	(3,511)	(2,725)	(1,914)	(1,080)	(218)	0	0	0	0	0	0
Recreation and culture	0	0	(11,623)	(15,630)	(18,000)	(12,611)	(11,031)	(9,403)	(7,724)	(5,995)	(4,212)	(2,374)	(481)	0	0	0	0	0	0
Transport	0	0	0	0	0	0	0	0	0	(29,351)	(26,718)	(24,004)	(21,209)	(18,329)	(15,361)	(12,305)	(9,157)	(5,912)	(2,570)
Economic services	(20,210)	(17,492)	(17,502)	(12,105)	(29,000)	(34,241)	(28,153)	(22,743)	(19,829)	(16,846)	(13,794)	(10,669)	(7,471)	(4,198)	(847)	0	0	0	0
Other property and services	0	(3,453)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(42,739)	(35,394)	(54,034)	(54,335)	(96,500)	(58,679)	(48,165)	(38,158)	(31,064)	(54,917)	(46,638)	(38,127)	(29,379)	(22,527)	(16,208)	(12,305)	(9,157)	(5,912)	(2,570)

Appendix B1 - Forecast Statement of Comprehensive Income by Program 2020-2035 (Continued)

	2016-17	2017-18	2018-19	Base	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Non operating grants, subsidies and contributions																			
General purpose funding	0	80,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Law, order, public safety	109,382	69,382	0	22,000	670,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	0	50,000	1,315,762	40,000	90,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	3,253,500	11,800,797	7,720,779	5,630,805	1,604,170	1,183,535	420,000	3,402,000	3,402,000	884,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000
Economic services	12,222	332,853	0	37,000	1,268,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	3,375,104	12,333,032	9,036,541	5,729,805	3,632,170	1,183,535	420,000	3,402,000	3,402,000	884,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000
Profit/(loss) on disposal of assets																			
Education and welfare	0	4,318	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community amenities	0	(1,230,425)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	0	(17,841)	(48,328)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	(114,824)	(145,878)	(24,121)	135,000	(92,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic services	0	(2,869)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other property and services	14,404	(8,383)	(1,515,133)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(100,420)	(1,401,078)	(1,587,582)	135,000	(92,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on revaluation	0	(2,020,529)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	4,436,339	8,294,802	6,555,320	553,680	1,739,380	(587,537)	(1,392,108)	1,456,306	1,325,161	(1,271,672)	(1,330,027)	(1,374,147)	(1,384,869)	(1,425,683)	(1,475,535)	(1,524,020)	(1,575,625)	(1,630,850)	(1,679,731)
Other comprehensive income	0	69,068,903	0	0	3,683,404	3,857,066	3,951,909	4,004,857	4,133,077	4,296,137	4,359,480	4,417,631	4,465,391	4,545,391	4,628,518	4,687,573	4,753,367	4,839,267	4,899,594
TOTAL COMPREHENSIVE INCOME	4,436,339	77,363,705	6,555,320	553,680	5,422,784	3,269,529	2,559,801	5,461,163	5,458,238	3,024,465	3,029,453	3,043,484	3,080,522	3,119,708	3,152,983	3,163,553	3,177,742	3,208,417	3,219,863

# Appendix B4 – Forecast Statement of Financial Position 2020-2035

	2017	2018	2019	Base	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CURRENT ASSETS</b>																			
Unrestricted cash and cash equivalents	3,763,107	1,906,141	(745,335)	594,644	686	686	686	686	686	686	686	686	686	686	686	686	686	686	686
Restricted cash and cash equivalent	8,887,550	6,211,432	4,681,909	3,899,103	3,817,893	2,885,724	2,821,058	2,767,892	2,610,547	2,948,315	3,029,128	3,092,410	3,171,843	3,248,062	3,565,014	3,825,127	4,013,166	4,583,818	5,130,491
Trade and other receivables	2,748,445	2,408,280	1,384,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029
Inventories	116,641	175,760	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287
<b>TOTAL CURRENT ASSETS</b>	<b>15,515,743</b>	<b>10,701,613</b>	<b>5,459,890</b>	<b>5,342,063</b>	<b>4,666,895</b>	<b>3,734,726</b>	<b>3,670,060</b>	<b>3,616,894</b>	<b>3,459,549</b>	<b>3,797,317</b>	<b>3,878,130</b>	<b>3,941,412</b>	<b>4,020,845</b>	<b>4,097,064</b>	<b>4,414,016</b>	<b>4,674,129</b>	<b>4,862,168</b>	<b>5,432,820</b>	<b>5,979,493</b>
<b>NON-CURRENT ASSETS</b>																			
Other receivables	1,574	1,574	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687
Property plant and equipment	13,204,889	11,774,469	14,937,892	15,543,892	18,784,732	19,085,513	18,848,471	21,623,835	25,423,801	25,217,330	24,894,322	24,736,274	24,623,908	24,501,739	24,146,204	23,913,766	23,751,958	23,223,755	22,717,762
Infrastructure	42,446,654	124,062,595	133,339,041	133,187,272	136,766,050	140,346,934	142,877,898	145,364,444	147,971,193	150,562,852	153,524,712	156,344,663	159,177,759	162,102,895	165,120,900	168,152,592	171,196,768	174,252,157	177,317,416
<b>TOTAL NON-CURRENT ASSETS</b>	<b>55,653,117</b>	<b>135,838,638</b>	<b>148,280,620</b>	<b>148,734,851</b>	<b>155,554,469</b>	<b>159,436,134</b>	<b>161,730,056</b>	<b>166,991,966</b>	<b>173,398,681</b>	<b>175,783,869</b>	<b>178,422,721</b>	<b>181,084,624</b>	<b>183,805,354</b>	<b>186,608,321</b>	<b>189,270,791</b>	<b>192,070,045</b>	<b>194,952,413</b>	<b>197,479,599</b>	<b>200,038,865</b>
<b>TOTAL ASSETS</b>	<b>71,168,860</b>	<b>146,540,251</b>	<b>153,740,510</b>	<b>154,076,914</b>	<b>160,221,364</b>	<b>163,170,860</b>	<b>165,400,116</b>	<b>170,608,860</b>	<b>176,858,230</b>	<b>179,581,186</b>	<b>182,300,851</b>	<b>185,026,036</b>	<b>187,826,199</b>	<b>190,705,385</b>	<b>193,684,807</b>	<b>196,744,174</b>	<b>199,814,581</b>	<b>202,912,419</b>	<b>206,018,358</b>
<b>CURRENT LIABILITIES</b>																			
Trade and other payables	2,617,626	903,360	849,002	849,002	849,002	849,002	849,002	849,002	849,002	849,002	849,002	849,002	849,002	849,002	849,002	849,002	849,002	849,002	849,002
Contract liabilities	0	0	0	293,958	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current portion of long-term liabilities	133,839	140,087	1,373,579	1,156,303	320,033	330,545	252,419	208,868	301,509	309,788	318,299	280,359	240,522	173,561	104,186	107,335	110,579	113,924	0
Provisions	471,644	295,410	420,699	420,699	420,699	420,699	420,699	420,699	420,699	420,699	420,699	420,699	420,699	420,699	420,699	420,699	420,699	420,699	420,699
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,223,109</b>	<b>1,338,857</b>	<b>2,643,280</b>	<b>2,719,962</b>	<b>1,589,734</b>	<b>1,600,246</b>	<b>1,522,120</b>	<b>1,478,569</b>	<b>1,571,210</b>	<b>1,579,489</b>	<b>1,588,000</b>	<b>1,550,060</b>	<b>1,510,223</b>	<b>1,443,262</b>	<b>1,373,887</b>	<b>1,377,036</b>	<b>1,380,280</b>	<b>1,383,625</b>	<b>1,269,701</b>
<b>NON-CURRENT LIABILITIES</b>																			
Long-term borrowings	748,195	608,108	0	0	1,851,894	1,521,349	1,268,930	1,060,062	1,758,553	1,448,765	1,130,466	850,107	609,585	436,024	331,838	224,503	113,924	0	0
Provisions	58,958	90,983	39,607	39,607	39,607	39,607	39,607	39,607	39,607	39,607	39,607	39,607	39,607	39,607	39,607	39,607	39,607	39,607	39,607
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>807,153</b>	<b>699,091</b>	<b>39,607</b>	<b>39,607</b>	<b>1,891,501</b>	<b>1,560,956</b>	<b>1,308,537</b>	<b>1,099,669</b>	<b>1,798,160</b>	<b>1,488,372</b>	<b>1,170,073</b>	<b>889,714</b>	<b>649,192</b>	<b>475,631</b>	<b>371,445</b>	<b>264,110</b>	<b>153,531</b>	<b>39,607</b>	<b>39,607</b>
<b>TOTAL LIABILITIES</b>	<b>4,030,262</b>	<b>2,037,948</b>	<b>2,682,887</b>	<b>2,759,569</b>	<b>3,481,235</b>	<b>3,161,202</b>	<b>2,830,657</b>	<b>2,578,238</b>	<b>3,369,370</b>	<b>3,067,861</b>	<b>2,758,073</b>	<b>2,439,774</b>	<b>2,159,415</b>	<b>1,918,893</b>	<b>1,745,332</b>	<b>1,641,146</b>	<b>1,533,811</b>	<b>1,423,232</b>	<b>1,309,308</b>
<b>NET ASSETS</b>	<b>67,138,598</b>	<b>144,502,303</b>	<b>151,057,623</b>	<b>151,317,345</b>	<b>156,740,129</b>	<b>160,009,658</b>	<b>162,569,459</b>	<b>168,030,622</b>	<b>173,488,860</b>	<b>176,513,325</b>	<b>179,542,778</b>	<b>182,586,262</b>	<b>185,666,784</b>	<b>188,786,492</b>	<b>191,939,475</b>	<b>195,103,028</b>	<b>198,280,770</b>	<b>201,489,187</b>	<b>204,709,050</b>
<b>EQUITY</b>																			
Retained surplus	59,663,170	68,557,638	75,616,922	74,239,913	76,060,503	76,405,135	75,077,693	76,587,165	78,069,671	76,460,231	75,049,391	73,611,962	72,147,660	70,645,758	68,853,271	67,069,138	65,305,474	63,103,972	60,877,568
Reserves - cash backed	3,366,001	2,766,336	2,262,372	3,899,103	3,817,893	2,885,724	2,821,058	2,767,892	2,610,547	2,948,315	3,029,128	3,092,410	3,171,843	3,248,062	3,565,014	3,825,127	4,013,166	4,583,818	5,130,491
Asset revaluation surplus	4,109,427	73,178,329	73,178,329	73,178,329	76,861,733	80,718,799	84,670,708	88,675,565	92,808,642	97,104,779	101,464,259	105,881,890	110,347,281	114,892,672	119,521,190	124,208,763	128,962,130	133,801,397	138,700,991
<b>TOTAL EQUITY</b>	<b>67,138,598</b>	<b>144,502,303</b>	<b>151,057,623</b>	<b>151,317,345</b>	<b>156,740,129</b>	<b>160,009,658</b>	<b>162,569,459</b>	<b>168,030,622</b>	<b>173,488,860</b>	<b>176,513,325</b>	<b>179,542,778</b>	<b>182,586,262</b>	<b>185,666,784</b>	<b>188,786,492</b>	<b>191,939,475</b>	<b>195,103,028</b>	<b>198,280,770</b>	<b>201,489,187</b>	<b>204,709,050</b>

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

	2017	2018	2019	Base	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>RETAINED SURPLUS</b>																			
Opening balance	55,226,831	59,663,171	68,557,638	75,322,964	74,239,913	76,060,503	76,405,135	75,077,693	76,587,165	78,069,671	76,460,231	75,049,391	73,611,962	72,147,660	70,645,758	68,853,271	67,069,138	65,305,474	63,103,972
Net result	4,436,339	8,294,802	6,555,320	553,680	1,739,380	(587,537)	(1,392,108)	1,456,306	1,325,161	(1,271,672)	(1,330,027)	(1,374,147)	(1,384,869)	(1,425,683)	(1,475,535)	(1,524,020)	(1,575,625)	(1,630,850)	(1,679,731)
Amount transferred (to)/from reserves		599,665	503,964	(1,636,731)	81,210	932,169	64,666	53,166	157,345	(337,768)	(80,813)	(63,282)	(79,433)	(76,219)	(316,952)	(260,113)	(188,039)	(570,652)	(546,673)
Closing balance	59,663,170	68,557,638	75,616,922	74,239,913	76,060,503	76,405,135	75,077,693	76,587,165	78,069,671	76,460,231	75,049,391	73,611,962	72,147,660	70,645,758	68,853,271	67,069,138	65,305,474	63,103,972	60,877,568
<b>RESERVES - CASH/INVESTMENT BACKED</b>																			
Opening balance	3,366,001	3,366,001	2,766,336	2,262,372	3,899,103	3,817,893	2,885,724	2,821,058	2,767,892	2,610,547	2,948,315	3,029,128	3,092,410	3,171,843	3,248,062	3,565,014	3,825,127	4,013,166	4,583,818
Amount transferred to/(from) retained surplus	0	(599,665)	(503,964)	1,636,731	(81,210)	(932,169)	(64,666)	(53,166)	(157,345)	337,768	80,813	63,282	79,433	76,219	316,952	260,113	188,039	570,652	546,673
Closing balance	3,366,001	2,766,336	2,262,372	3,899,103	3,817,893	2,885,724	2,821,058	2,767,892	2,610,547	2,948,315	3,029,128	3,092,410	3,171,843	3,248,062	3,565,014	3,825,127	4,013,166	4,583,818	5,130,491
<b>ASSET REVALUATION SURPLUS</b>																			
Opening balance	4,109,427	73,178,329	73,178,329	73,178,329	73,178,329	76,861,733	80,718,799	84,670,708	88,675,565	92,808,642	97,104,779	101,464,259	105,881,890	110,347,281	114,892,672	119,521,190	124,208,763	128,962,130	133,801,397
Total other comprehensive income	0	0	0	0	3,683,404	3,857,066	3,951,909	4,004,857	4,133,077	4,296,137	4,359,480	4,417,631	4,465,391	4,545,391	4,628,518	4,687,573	4,753,367	4,839,267	4,899,594
Closing balance	4,109,427	73,178,329	73,178,329	73,178,329	76,861,733	80,718,799	84,670,708	88,675,565	92,808,642	97,104,779	101,464,259	105,881,890	110,347,281	114,892,672	119,521,190	124,208,763	128,962,130	133,801,397	138,700,991
<b>TOTAL EQUITY</b>																			
	67,138,598	144,502,303	151,057,623	151,317,345	156,740,129	160,009,658	162,569,459	168,030,622	173,488,860	176,513,325	179,542,778	182,586,262	185,666,784	188,786,492	191,939,475	195,103,028	198,280,770	201,489,187	204,709,050

# Appendix B6 – Forecast Statement of Cashflows 2020-2035

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash flows from operating activities</b>															
<b>Receipts</b>															
Rates	5,698,900	5,841,372	5,987,406	6,137,092	6,290,519	6,447,782	6,608,977	6,774,201	6,943,556	7,117,145	7,295,073	7,477,450	7,664,387	7,855,997	8,052,397
Operating grants, subsidies and contributions	2,764,870	2,833,994	2,904,844	2,977,465	3,051,902	3,128,198	3,206,403	3,286,564	3,368,726	3,452,944	3,539,266	3,627,748	3,718,442	3,811,400	3,906,683
Fees and charges	448,550	459,768	471,262	483,046	495,125	507,502	520,194	533,201	546,530	560,193	574,197	588,550	603,268	618,345	633,805
Interest earnings	45,197	106,320	99,830	68,841	68,088	65,258	72,339	74,289	75,897	77,838	79,721	86,430	92,010	96,157	107,967
Other revenue	288,500	295,713	303,105	310,683	318,452	326,412	334,573	342,939	351,513	360,301	369,308	378,542	388,006	397,704	407,646
	9,246,017	9,537,167	9,766,447	9,977,127	10,224,086	10,475,152	10,742,486	11,011,194	11,286,222	11,568,421	11,857,565	12,158,720	12,466,113	12,779,603	13,108,498
<b>Payments</b>															
Employee costs	(4,378,838)	(4,488,315)	(4,600,527)	(4,715,546)	(4,833,441)	(4,954,276)	(5,078,139)	(5,205,092)	(5,335,211)	(5,468,589)	(5,605,301)	(5,745,431)	(5,889,072)	(6,036,290)	(6,187,199)
Materials and contracts	(2,773,960)	(2,843,320)	(2,914,397)	(2,987,251)	(3,061,953)	(3,138,484)	(3,216,960)	(3,297,397)	(3,379,817)	(3,464,303)	(3,550,908)	(3,639,678)	(3,730,673)	(3,823,926)	(3,919,529)
Utility charges	(324,400)	(332,508)	(340,824)	(349,344)	(358,080)	(367,029)	(376,206)	(385,614)	(395,250)	(405,130)	(415,257)	(425,639)	(436,279)	(447,181)	(458,361)
Interest expenses	(96,500)	(58,679)	(48,165)	(38,158)	(31,064)	(54,917)	(46,638)	(38,127)	(29,379)	(22,527)	(16,208)	(12,305)	(9,157)	(5,912)	(2,570)
Insurance expenses	(150,145)	(153,900)	(157,743)	(161,683)	(165,727)	(169,871)	(174,119)	(178,470)	(182,928)	(187,502)	(192,189)	(196,992)	(201,914)	(206,959)	(212,136)
Other expenditure	(649,878)	(666,131)	(682,781)	(699,857)	(717,359)	(735,293)	(753,690)	(772,525)	(791,845)	(811,629)	(831,909)	(852,719)	(874,043)	(895,903)	(918,293)
	(8,373,721)	(8,542,853)	(8,744,437)	(8,951,839)	(9,167,624)	(9,419,870)	(9,645,752)	(9,877,225)	(10,114,430)	(10,359,680)	(10,611,772)	(10,872,764)	(11,141,138)	(11,416,171)	(11,698,088)
<b>Net cash provided by (used in) operating activities</b>	872,296	994,314	1,022,010	1,025,288	1,056,462	1,055,282	1,096,734	1,133,969	1,171,792	1,208,741	1,245,793	1,285,956	1,324,975	1,363,432	1,410,410
<b>Cash flows from investing activities</b>															
Payments for purchase of property, plant & equipment	(3,952,200)	(830,000)	(283,223)	(3,459,186)	(4,592,291)	(476,634)	(328,078)	(640,879)	(800,000)	(800,000)	(391,002)	(691,273)	(858,812)	(305,201)	(419,283)
Payments for construction of infrastructure	(2,179,100)	(2,139,985)	(1,050,000)	(993,000)	(1,103,000)	(1,076,000)	(1,436,000)	(1,276,000)	(1,276,000)	(1,356,000)	(1,436,000)	(1,436,000)	(1,436,000)	(1,436,000)	(1,436,000)
Proceeds from non-operating grants, subsidies and contributions	3,338,212	1,183,535	420,000	3,402,000	3,402,000	884,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000
Proceeds from sale of plant & equipment	230,000	180,000	157,092	224,151	288,352	252,629	193,945	300,491	400,000	400,000	207,722	341,616	401,211	195,000	241,470
<b>Net cash provided by (used in) investing activities</b>	(2,563,088)	(1,606,450)	(756,131)	(826,035)	(2,004,939)	(416,005)	(706,133)	(752,388)	(812,000)	(892,000)	(755,280)	(921,657)	(1,029,601)	(682,201)	(749,813)
<b>Cash flows from financing activities</b>															
Repayment of debentures	(284,376)	(320,033)	(330,545)	(252,419)	(208,868)	(301,509)	(309,788)	(318,299)	(280,359)	(240,522)	(173,561)	(104,186)	(107,335)	(110,579)	(113,924)
Proceeds from new debentures	1,300,000	0	0	0	1,000,000	0	0	0	0	0	0	0	0	0	0
<b>Net cash provided by (used in) financing activities</b>	1,015,624	(320,033)	(330,545)	(252,419)	791,132	(301,509)	(309,788)	(318,299)	(280,359)	(240,522)	(173,561)	(104,186)	(107,335)	(110,579)	(113,924)
<b>Net increase (decrease) in cash held</b>	(675,168)	(932,169)	(64,666)	(53,166)	(157,345)	337,768	80,813	63,282	79,433	76,219	316,952	260,113	188,039	570,652	546,673
Cash at beginning of year	4,493,747	3,818,579	2,886,410	2,821,744	2,768,578	2,611,233	2,949,001	3,029,814	3,093,096	3,172,529	3,248,748	3,565,700	3,825,813	4,013,852	4,584,504
<b>Cash and cash equivalents at the end of year</b>	3,818,579	2,886,410	2,821,744	2,768,578	2,611,233	2,949,001	3,029,814	3,093,096	3,172,529	3,248,748	3,565,700	3,825,813	4,013,852	4,584,504	5,131,177



# Appendix B7 – Forecast Statement of Funding 2020-2035

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>FUNDING FROM OPERATIONAL ACTIVITIES</b>															
<b>Revenues</b>															
Rates	5,698,900	5,841,372	5,987,406	6,137,092	6,290,519	6,447,782	6,608,977	6,774,201	6,943,556	7,117,145	7,295,073	7,477,450	7,664,387	7,855,997	8,052,397
Operating grants, subsidies and contributions	2,764,870	2,833,994	2,904,844	2,977,465	3,051,902	3,128,198	3,206,403	3,286,564	3,368,726	3,452,944	3,539,266	3,627,748	3,718,442	3,811,400	3,906,683
Profit on asset disposal	(92,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	448,550	459,768	471,262	483,046	495,125	507,502	520,194	533,201	546,530	560,193	574,197	588,550	603,268	618,345	633,805
Interest earnings	45,197	106,320	99,830	68,841	68,088	65,258	72,339	74,289	75,897	77,838	79,721	86,430	92,010	96,157	107,967
Other revenue	288,500	295,713	303,105	310,683	318,452	326,412	334,573	342,939	351,513	360,301	369,308	378,542	388,006	397,704	407,646
	9,154,017	9,537,167	9,766,447	9,977,127	10,224,086	10,475,152	10,742,486	11,011,194	11,286,222	11,568,421	11,857,565	12,158,720	12,466,113	12,779,603	13,108,498
<b>Expenses</b>															
Employee costs	(4,378,838)	(4,488,315)	(4,600,527)	(4,715,546)	(4,833,441)	(4,954,276)	(5,078,139)	(5,205,092)	(5,335,211)	(5,468,589)	(5,605,301)	(5,745,431)	(5,889,072)	(6,036,290)	(6,187,199)
Materials and contracts	(2,773,960)	(2,843,320)	(2,914,397)	(2,987,251)	(3,061,953)	(3,138,484)	(3,216,960)	(3,297,397)	(3,379,817)	(3,464,303)	(3,550,908)	(3,639,678)	(3,730,673)	(3,823,926)	(3,919,529)
Utility charges (electricity, gas, water etc.)	(324,400)	(332,508)	(340,824)	(349,344)	(358,080)	(367,029)	(376,206)	(385,614)	(395,250)	(405,130)	(415,257)	(425,639)	(436,279)	(447,181)	(458,361)
Depreciation on non-current assets	(2,673,086)	(2,765,386)	(2,834,118)	(2,970,982)	(3,133,301)	(3,210,954)	(3,290,761)	(3,372,116)	(3,420,661)	(3,498,424)	(3,585,328)	(3,673,976)	(3,764,600)	(3,858,282)	(3,954,141)
Interest expense	(96,500)	(58,679)	(48,165)	(38,158)	(31,064)	(54,917)	(46,638)	(38,127)	(29,379)	(22,527)	(16,208)	(12,305)	(9,157)	(5,912)	(2,570)
Insurance expense	(150,145)	(153,900)	(157,743)	(161,683)	(165,727)	(169,871)	(174,119)	(178,470)	(182,928)	(187,502)	(192,189)	(196,992)	(201,914)	(206,959)	(212,136)
Other expenditure	(649,878)	(666,131)	(682,781)	(699,857)	(717,359)	(735,293)	(753,690)	(772,525)	(791,845)	(811,629)	(831,909)	(852,719)	(874,043)	(895,903)	(918,293)
	(11,046,807)	(11,308,239)	(11,578,555)	(11,922,821)	(12,300,925)	(12,630,824)	(12,936,513)	(13,249,341)	(13,535,091)	(13,858,104)	(14,197,100)	(14,546,740)	(14,905,738)	(15,274,453)	(15,652,229)
	(1,892,790)	(1,771,072)	(1,812,108)	(1,945,694)	(2,076,839)	(2,155,672)	(2,194,027)	(2,238,147)	(2,248,869)	(2,289,683)	(2,339,535)	(2,388,020)	(2,439,625)	(2,494,850)	(2,543,731)
<b>Funding position adjustments</b>															
Depreciation on non-current assets	2,673,086	2,765,386	2,834,118	2,970,982	3,133,301	3,210,954	3,290,761	3,372,116	3,420,661	3,498,424	3,585,328	3,673,976	3,764,600	3,858,282	3,954,141
Net profit and losses on disposal	92,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net funding from operational activities</b>	<b>872,296</b>	<b>994,314</b>	<b>1,022,010</b>	<b>1,025,288</b>	<b>1,056,462</b>	<b>1,055,282</b>	<b>1,096,734</b>	<b>1,133,969</b>	<b>1,171,792</b>	<b>1,208,741</b>	<b>1,245,793</b>	<b>1,285,956</b>	<b>1,324,975</b>	<b>1,363,432</b>	<b>1,410,410</b>
<b>FUNDING FROM CAPITAL ACTIVITIES</b>															
<b>Inflows</b>															
Proceeds on disposal	230,000	180,000	157,092	224,151	288,352	252,629	193,945	300,491	400,000	400,000	207,722	341,616	401,211	195,000	241,470
Non-operating grants, subsidies and contributions	3,632,170	1,183,535	420,000	3,402,000	3,402,000	884,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000
<b>Outflows</b>															
Purchase of property plant and equipment	(3,952,200)	(830,000)	(283,223)	(3,459,186)	(4,592,291)	(476,634)	(328,078)	(640,879)	(800,000)	(800,000)	(391,002)	(691,273)	(858,812)	(305,201)	(419,283)
Purchase of infrastructure	(2,179,100)	(2,139,985)	(1,050,000)	(993,000)	(1,103,000)	(1,076,000)	(1,436,000)	(1,276,000)	(1,276,000)	(1,356,000)	(1,436,000)	(1,436,000)	(1,436,000)	(1,436,000)	(1,436,000)
<b>Net funding from capital activities</b>	<b>(2,269,130)</b>	<b>(1,606,450)</b>	<b>(756,131)</b>	<b>(826,035)</b>	<b>(2,004,939)</b>	<b>(416,005)</b>	<b>(706,133)</b>	<b>(752,388)</b>	<b>(812,000)</b>	<b>(892,000)</b>	<b>(755,280)</b>	<b>(921,657)</b>	<b>(1,029,601)</b>	<b>(682,201)</b>	<b>(749,813)</b>
<b>FUNDING FROM FINANCING ACTIVITIES</b>															
<b>Inflows</b>															
Transfer from reserves	228,254	1,008,528	125,000	500,000	500,000	0	0	0	0	0	0	0	0	0	0
New borrowings	1,300,000	0	0	0	1,000,000	0	0	0	0	0	0	0	0	0	0
<b>Outflows</b>															
Transfer to reserves	(147,044)	(76,359)	(60,334)	(446,834)	(342,655)	(337,768)	(80,813)	(63,282)	(79,433)	(76,219)	(316,952)	(260,113)	(188,039)	(570,652)	(546,673)
Repayment of past borrowings	(284,376)	(320,033)	(330,545)	(252,419)	(208,868)	(301,509)	(309,788)	(318,299)	(280,359)	(240,522)	(173,561)	(104,186)	(107,335)	(110,579)	(113,924)
<b>Net funding from financing activities</b>	<b>1,096,834</b>	<b>612,136</b>	<b>(265,879)</b>	<b>(199,253)</b>	<b>948,477</b>	<b>(639,277)</b>	<b>(390,601)</b>	<b>(381,581)</b>	<b>(359,792)</b>	<b>(316,741)</b>	<b>(490,513)</b>	<b>(364,299)</b>	<b>(295,374)</b>	<b>(681,231)</b>	<b>(660,597)</b>
Estimated surplus/deficit July 1 B/Fwd	300,000	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 2020-2035

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated surplus/deficit July 1 B/Fwd	300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Unrestricted cash and equivalents	686	686	686	686	686	686	686	686	686	686	686	686	686	686	686
Restricted cash and cash equivalent	3,817,893	2,885,724	2,821,058	2,767,892	2,610,547	2,948,315	3,029,128	3,092,410	3,171,843	3,248,062	3,565,014	3,825,127	4,013,166	4,583,818	5,130,491
Trade and other receivables	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029	709,029
Inventories	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287	139,287
CURRENT LIABILITIES															
Trade and other payables	(849,002)	(849,002)	(849,002)	(849,002)	(849,002)	(849,002)	(849,002)	(849,002)	(849,002)	(849,002)	(849,002)	(849,002)	(849,002)	(849,002)	(849,002)
Reserves	(3,817,893)	(2,885,724)	(2,821,058)	(2,767,892)	(2,610,547)	(2,948,315)	(3,029,128)	(3,092,410)	(3,171,843)	(3,248,062)	(3,565,014)	(3,825,127)	(4,013,166)	(4,583,818)	(5,130,491)
Estimated surplus/deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



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

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CAPITAL WORKS - INFRASTRUCTURE</b>															
Infrastructure - roads	1,229,100	2,089,985	1,050,000	993,000	1,103,000	1,076,000	1,436,000	1,276,000	1,276,000	1,356,000	1,436,000	1,436,000	1,436,000	1,436,000	1,436,000
Infrastructure - footpaths	30,000	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - other	920,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total capital works - infrastructure</b>	<b>2,179,100</b>	<b>2,139,985</b>	<b>1,050,000</b>	<b>993,000</b>	<b>1,103,000</b>	<b>1,076,000</b>	<b>1,436,000</b>	<b>1,276,000</b>	<b>1,276,000</b>	<b>1,356,000</b>	<b>1,436,000</b>	<b>1,436,000</b>	<b>1,436,000</b>	<b>1,436,000</b>	<b>1,436,000</b>
<b>Represented by:</b>															
Additions - renewal	2,179,100	2,139,985	1,050,000	993,000	1,103,000	1,076,000	1,436,000	1,276,000	1,276,000	1,356,000	1,436,000	1,436,000	1,436,000	1,436,000	1,436,000
<b>Total Capital Works - Infrastructure</b>	<b>2,179,100</b>	<b>2,139,985</b>	<b>1,050,000</b>	<b>993,000</b>	<b>1,103,000</b>	<b>1,076,000</b>	<b>1,436,000</b>	<b>1,276,000</b>	<b>1,276,000</b>	<b>1,356,000</b>	<b>1,436,000</b>	<b>1,436,000</b>	<b>1,436,000</b>	<b>1,436,000</b>	<b>1,436,000</b>
<b>Asset movement reconciliation</b>															
Total capital works infrastructure	2,179,100	2,139,985	1,050,000	993,000	1,103,000	1,076,000	1,436,000	1,276,000	1,276,000	1,356,000	1,436,000	1,436,000	1,436,000	1,436,000	1,436,000
Depreciation infrastructure	(1,930,003)	(1,978,253)	(2,027,710)	(2,078,402)	(2,130,362)	(2,183,621)	(2,238,212)	(2,294,167)	(2,351,521)	(2,410,309)	(2,470,568)	(2,532,331)	(2,595,639)	(2,660,531)	(2,727,045)
Revaluation of infrastructure assets (inflation)	3,329,681	3,419,152	3,508,674	3,571,948	3,634,111	3,699,280	3,764,072	3,838,118	3,908,617	3,979,445	4,052,573	4,128,023	4,203,815	4,279,920	4,356,304
<b>Net movement in infrastructure assets</b>	<b>3,578,778</b>	<b>3,580,884</b>	<b>2,530,964</b>	<b>2,486,546</b>	<b>2,606,749</b>	<b>2,591,659</b>	<b>2,961,860</b>	<b>2,819,951</b>	<b>2,833,096</b>	<b>2,925,136</b>	<b>3,018,005</b>	<b>3,031,692</b>	<b>3,044,176</b>	<b>3,055,389</b>	<b>3,065,259</b>
<b>CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT</b>															
Buildings - non-specialised	3,030,000	300,000	0	3,000,000	4,000,000	0	0	0	0	0	0	0	0	0	0
Plant and equipment	922,200	530,000	283,223	459,186	592,291	476,634	328,078	640,879	800,000	800,000	391,002	691,273	858,812	305,201	419,283
<b>Total capital works property, plant and equipment</b>	<b>3,952,200</b>	<b>830,000</b>	<b>283,223</b>	<b>3,459,186</b>	<b>4,592,291</b>	<b>476,634</b>	<b>328,078</b>	<b>640,879</b>	<b>800,000</b>	<b>800,000</b>	<b>391,002</b>	<b>691,273</b>	<b>858,812</b>	<b>305,201</b>	<b>419,283</b>
<b>Represented by:</b>															
Additions - expansion, upgrades and new	3,030,000	300,000	0	3,000,000	4,000,000	0	0	0	0	0	0	0	0	0	0
Additions - renewal	922,200	530,000	283,223	459,186	592,291	476,634	328,078	640,879	800,000	800,000	391,002	691,273	858,812	305,201	419,283
<b>Total capital works property, plant and equipment</b>	<b>3,952,200</b>	<b>830,000</b>	<b>283,223</b>	<b>3,459,186</b>	<b>4,592,291</b>	<b>476,634</b>	<b>328,078</b>	<b>640,879</b>	<b>800,000</b>	<b>800,000</b>	<b>391,002</b>	<b>691,273</b>	<b>858,812</b>	<b>305,201</b>	<b>419,283</b>
<b>Asset movement reconciliation</b>															
Total capital works property, plant and equipment	3,952,200	830,000	283,223	3,459,186	4,592,291	476,634	328,078	640,879	800,000	800,000	391,002	691,273	858,812	305,201	419,283
Depreciation property, plant and equipment	(743,083)	(787,133)	(806,408)	(892,580)	(1,002,939)	(1,027,333)	(1,052,549)	(1,077,949)	(1,069,140)	(1,088,115)	(1,114,760)	(1,141,645)	(1,168,961)	(1,197,751)	(1,227,096)
Net book value of disposed/written off assets	(322,000)	(180,000)	(157,092)	(224,151)	(288,352)	(252,629)	(193,945)	(300,491)	(400,000)	(400,000)	(207,722)	(341,616)	(401,211)	(195,000)	(241,470)
Revaluation of property, plant and equipment (inflation)	353,723	437,914	443,235	432,909	498,966	596,857	595,408	579,513	556,774	565,946	575,945	559,550	549,552	559,347	543,290
<b>Net movement in property, plant and equipment</b>	<b>3,240,840</b>	<b>300,781</b>	<b>(237,042)</b>	<b>2,775,364</b>	<b>3,799,966</b>	<b>(206,471)</b>	<b>(323,008)</b>	<b>(158,048)</b>	<b>(112,366)</b>	<b>(122,169)</b>	<b>(355,535)</b>	<b>(232,438)</b>	<b>(161,808)</b>	<b>(528,203)</b>	<b>(505,993)</b>
<b>CAPITAL WORKS - TOTALS</b>															
<b>Capital works</b>															
Total capital works infrastructure	2,179,100	2,139,985	1,050,000	993,000	1,103,000	1,076,000	1,436,000	1,276,000	1,276,000	1,356,000	1,436,000	1,436,000	1,436,000	1,436,000	1,436,000
Total capital works property, plant and equipment	3,952,200	830,000	283,223	3,459,186	4,592,291	476,634	328,078	640,879	800,000	800,000	391,002	691,273	858,812	305,201	419,283
<b>Total capital works</b>	<b>6,131,300</b>	<b>2,969,985</b>	<b>1,333,223</b>	<b>4,452,186</b>	<b>5,695,291</b>	<b>1,552,634</b>	<b>1,764,078</b>	<b>1,916,879</b>	<b>2,076,000</b>	<b>2,156,000</b>	<b>1,827,002</b>	<b>2,127,273</b>	<b>2,294,812</b>	<b>1,741,201</b>	<b>1,855,283</b>
<b>Fixed asset movement</b>															
Net movement in infrastructure assets	3,578,778	3,580,884	2,530,964	2,486,546	2,606,749	2,591,659	2,961,860	2,819,951	2,833,096	2,925,136	3,018,005	3,031,692	3,044,176	3,055,389	3,065,259
Net movement in property, plant and equipment	3,240,840	300,781	(237,042)	2,775,364	3,799,966	(206,471)	(323,008)	(158,048)	(112,366)	(122,169)	(355,535)	(232,438)	(161,808)	(528,203)	(505,993)
<b>Net movement in fixed assets</b>	<b>6,819,618</b>	<b>3,881,665</b>	<b>2,293,922</b>	<b>5,261,910</b>	<b>6,406,715</b>	<b>2,385,188</b>	<b>2,638,852</b>	<b>2,661,903</b>	<b>2,720,730</b>	<b>2,802,967</b>	<b>2,662,470</b>	<b>2,799,254</b>	<b>2,882,368</b>	<b>2,527,186</b>	<b>2,559,266</b>

# Appendix B10 – Forecast Statement of Capital Funding 2020-2035

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Capital expenditure</b>															
Infrastructure - roads	1,229,100	2,089,985	1,050,000	993,000	1,103,000	1,076,000	1,436,000	1,276,000	1,276,000	1,356,000	1,436,000	1,436,000	1,436,000	1,436,000	1,436,000
Infrastructure - footpaths	30,000	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - other	920,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	3,030,000	300,000	0	3,000,000	4,000,000	0	0	0	0	0	0	0	0	0	0
Plant and equipment	922,200	530,000	283,223	459,186	592,291	476,634	328,078	640,879	800,000	800,000	391,002	691,273	858,812	305,201	419,283
<b>Total - Capital expenditure</b>	<b>6,131,300</b>	<b>2,969,985</b>	<b>1,333,223</b>	<b>4,452,186</b>	<b>5,695,291</b>	<b>1,552,634</b>	<b>1,764,078</b>	<b>1,916,879</b>	<b>2,076,000</b>	<b>2,156,000</b>	<b>1,827,002</b>	<b>2,127,273</b>	<b>2,294,812</b>	<b>1,741,201</b>	<b>1,855,283</b>
<b>Funded by:</b>															
<b>Capital grants &amp; contributions</b>															
Infrastructure - roads	1,229,100	1,183,535	420,000	902,000	902,000	884,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000	864,000
Infrastructure - footpaths	30,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - other	560,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	1,518,000	0	0	2,500,000	2,500,000	0	0	0	0	0	0	0	0	0	0
Plant and equipment	295,070	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total - Capital grants &amp; contributions</b>	<b>3,632,170</b>	<b>1,183,535</b>	<b>420,000</b>	<b>3,402,000</b>	<b>3,402,000</b>	<b>884,000</b>	<b>864,000</b>	<b>864,000</b>	<b>864,000</b>	<b>864,000</b>	<b>864,000</b>	<b>864,000</b>	<b>864,000</b>	<b>864,000</b>	<b>864,000</b>
<b>Own source funding</b>															
Infrastructure - roads	0	906,450	630,000	91,000	201,000	192,000	572,000	412,000	412,000	492,000	572,000	572,000	572,000	572,000	572,000
Infrastructure - footpaths	0	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - other	360,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	1,186,045	300,000	0	500,000	500,000	0	0	0	0	0	0	0	0	0	0
Plant and equipment	397,130	350,000	126,131	235,035	303,939	224,005	134,133	340,388	400,000	400,000	183,280	349,657	457,601	110,201	177,813
<b>Total - Own source funding</b>	<b>1,943,175</b>	<b>1,606,450</b>	<b>756,131</b>	<b>826,035</b>	<b>1,004,939</b>	<b>416,005</b>	<b>706,133</b>	<b>752,388</b>	<b>812,000</b>	<b>892,000</b>	<b>755,280</b>	<b>921,657</b>	<b>1,029,601</b>	<b>682,201</b>	<b>749,813</b>
<b>Borrowings</b>															
Buildings - non-specialised	1,300,000	0	0	0	1,000,000	0	0	0	0	0	0	0	0	0	0
<b>Total - Borrowings</b>	<b>1,300,000</b>	<b>0</b>	<b>0</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>Other (disposals &amp; C/Fwd)</b>															
Buildings - non-specialised	293,955	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	230,000	180,000	157,092	224,151	288,352	252,629	193,945	300,491	400,000	400,000	207,722	341,616	401,211	195,000	241,470
<b>Total - Other (disposals &amp; C/Fwd)</b>	<b>523,955</b>	<b>180,000</b>	<b>157,092</b>	<b>224,151</b>	<b>288,352</b>	<b>252,629</b>	<b>193,945</b>	<b>300,491</b>	<b>400,000</b>	<b>400,000</b>	<b>207,722</b>	<b>341,616</b>	<b>401,211</b>	<b>195,000</b>	<b>241,470</b>
<b>Total Capital Funding</b>	<b>7,399,300</b>	<b>2,969,985</b>	<b>1,333,223</b>	<b>4,452,186</b>	<b>5,695,291</b>	<b>1,552,634</b>	<b>1,764,078</b>	<b>1,916,879</b>	<b>2,076,000</b>	<b>2,156,000</b>	<b>1,827,002</b>	<b>2,127,273</b>	<b>2,294,812</b>	<b>1,741,201</b>	<b>1,855,283</b>

## Appendix B11 – Forecast Ratios 2020-2035

	Target Range		Average	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
LIQUIDITY RATIOS																		
Current ratio	> 1.00	> 1.20	0.68	0.61	0.60	0.64	0.67	0.62	0.62	0.62	0.64	0.66	0.70	0.74	0.74	0.75	0.75	0.83
OPERATING RATIOS																		
Operating surplus ratio	> 1.00%	> 15.00%	(28.18%)	(29.63%)	(26.42%)	(26.41%)	(27.80%)	(28.96%)	(29.34%)	(29.11%)	(28.97%)	(28.40%)	(28.21%)	(28.13%)	(27.99%)	(27.89%)	(27.82%)	(27.64%)
Own source revenue coverage ratio	> 40.00%	> 60.00%	58.57%	57.84%	59.28%	59.26%	58.71%	58.31%	58.17%	58.25%	58.30%	58.50%	58.56%	58.59%	58.65%	58.69%	58.71%	58.79%
BORROWINGS RATIOS																		
Debt service cover ratio	> 3	> 5	5.85	2.59	2.78	2.83	3.66	4.53	3.11	3.21	3.29	3.88	4.68	6.65	11.14	11.45	11.75	12.13
FIXED ASSET RATIOS																		
Asset sustainability ratio	> 90.00%	> 110.00%	60.37%	116.02%	96.55%	47.04%	48.88%	54.11%	48.35%	53.61%	56.84%	60.69%	61.63%	50.96%	57.90%	60.96%	45.13%	46.92%
Asset consumption ratio	> 50.00%	> 60.00%	79.71%	84.36%	84.09%	83.23%	82.62%	82.12%	81.24%	80.46%	79.68%	79.13%	78.43%	77.62%	76.86%	76.13%	75.24%	74.37%
Asset renewal funding ratio	> 75.00%	> 95.00%	147.52%	180.22%	161.27%	139.87%	145.61%	110.64%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

# Appendix B12 – Asset Renewals 2020-2035

## Required Asset Renewals

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Class</b>															
Buildings - non-specialised	0	18,911	0	0	815,745	0	0	0	0	7,369,448	0	558,129	35,841	3,433,526	729,942
Plant and equipment	0	19,962	165,840	39,406	323,582	288,764	77,501	268,049	78,178	121,611	55,109	0	34,463	486,063	1,424,110
Infrastructure - roads	0	0	0	0	0	0	0	0	0	327,168	0	0	0	0	5,747,058
Infrastructure - other	0	0	65,152	241,735	128,415	46,387	0	9,869	1,021,570	558,502	101,687	575,746	55,830	994,734	788,815
<b>Total</b>	<b>0</b>	<b>38,873</b>	<b>230,992</b>	<b>281,141</b>	<b>1,267,742</b>	<b>335,151</b>	<b>77,501</b>	<b>277,918</b>	<b>1,099,748</b>	<b>8,376,729</b>	<b>156,796</b>	<b>1,133,875</b>	<b>126,134</b>	<b>4,914,323</b>	<b>8,689,925</b>

## Planned Asset Renewals

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Class</b>															
Plant and equipment	922,200	530,000	283,223	459,186	592,291	476,634	328,078	640,879	800,000	800,000	391,002	691,273	858,812	305,201	419,283
Infrastructure - roads	1,229,100	2,089,985	1,050,000	993,000	1,103,000	1,076,000	1,436,000	1,276,000	1,276,000	1,356,000	1,436,000	1,436,000	1,436,000	1,436,000	1,436,000
Infrastructure - footpaths	30,000	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - other	920,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3,101,300</b>	<b>2,669,985</b>	<b>1,333,223</b>	<b>1,452,186</b>	<b>1,695,291</b>	<b>1,552,634</b>	<b>1,764,078</b>	<b>1,916,879</b>	<b>2,076,000</b>	<b>2,156,000</b>	<b>1,827,002</b>	<b>2,127,273</b>	<b>2,294,812</b>	<b>1,741,201</b>	<b>1,855,283</b>

## Asset Renewal Funding Surplus (Deficit)

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Class</b>															
Buildings - non-specialised	0	(18,911)	0	0	(815,745)	0	0	0	0	(7,369,448)	0	(558,129)	(35,841)	(3,433,526)	(729,942)
Plant and equipment	922,200	510,038	117,383	419,780	268,709	187,870	250,577	372,830	721,822	678,389	335,893	691,273	824,349	(180,862)	(1,004,827)
Infrastructure - roads	1,229,100	2,089,985	1,050,000	993,000	1,103,000	1,076,000	1,436,000	1,276,000	1,276,000	1,028,832	1,436,000	1,436,000	1,436,000	1,436,000	(4,311,058)
Infrastructure - footpaths	30,000	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - other	920,000	0	(65,152)	(241,735)	(128,415)	(46,387)	0	(9,869)	(1,021,570)	(558,502)	(101,687)	(575,746)	(55,830)	(994,734)	(788,815)
<b>Total</b>	<b>3,101,300</b>	<b>2,631,112</b>	<b>1,102,231</b>	<b>1,171,045</b>	<b>427,549</b>	<b>1,217,483</b>	<b>1,686,577</b>	<b>1,638,961</b>	<b>976,252</b>	<b>(6,220,729)</b>	<b>1,670,206</b>	<b>993,398</b>	<b>2,168,678</b>	<b>(3,173,122)</b>	<b>(6,834,642)</b>

# Appendix B13 – Forecast Significant Accounting Policies

## Basis of Preparation

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

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

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

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

## Critical Accounting Estimates

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

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

## The Local Government Reporting Entity

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

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

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

## Base Year Balances

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

## Rounding Off Figures

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

## Comparative Figures

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

# Appendix B13 – Forecast Significant Accounting Policies (Continued)

## 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.

## Rates, Grants, Donations and Other Contributions

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

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

## Goods and Services Tax (GST)

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

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

## Superannuation

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

## Cash and Cash Equivalents

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

## Trade and Other Receivables

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

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.



# Appendix B13 – Forecast Significant Accounting Policies (Continued)

## Inventories

### General

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

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

### Land held for resale

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

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

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

### Fixed Assets

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

### Revaluation

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

## 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
Buildings	2.22%
Plant and equipment	5.7%
Infrastructure - roads	0.97%
Infrastructure - footpaths	1.69%
Infrastructure - other	4.05%

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

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



# Appendix B13 – Forecast Significant Accounting Policies (Continued)

## Employee Benefits

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

### *Short-Term Employee Benefits*

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

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

### *Other Long-Term Employee Benefits*

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

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

## Borrowing Costs

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

## Trade and Other Payables

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

## Provisions

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

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

## Current and Non-Current Classification

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

# Appendix C1 – Glossary

## Funding Gap

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

## Infrastructure Assets

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

## Key Performance Indicator

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

## Level of Service

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

## Maintenance

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

## Planned Maintenance

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

## Reactive Maintenance

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

## Significant Maintenance

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

## Unplanned Maintenance

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

## Maintenance Expenditure

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

## Materiality

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

## Modern Equivalent Asset

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

# Appendix C1 – Glossary (Continued)

## Net Present Value (NPV)

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

## Non-Revenue Generating Investments

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

## Operations Expenditure

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

## Pavement Management System

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

## Recoverable Amount

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

## Recurrent Expenditure

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

## Recurrent Funding

Funding to pay for recurrent expenditure.

## Remaining Useful Life

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

## Renewal

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

## Residual Value

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

## Revenue Generating Investments

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

## Risk Management

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

## Section or Segment

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

## Service Potential

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

## Service Potential Remaining

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

## Specific Maintenance

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

## Sub-Component

Smaller individual parts that make up a component part.

## Useful Life

May be expressed as either:

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

# Appendix D1 – Workforce Planning

## 1.1 Introduction

The Shire of Laverton Draft Workforce Plan 2021 – 2025 forms an integral part of our integrated Strategic Resource Plan 2021-2036. The Plan assists the Shire to respond to its workforce challenges in a strategic way as we work with the community to build a bright future and a capable workforce.

The Shire's Plan for the Future, an integrated Strategic Community Plan and Corporate Business Plan outline the community's hopes and aspirations and the Workforce Plan plays an important part as we seek to ensure the Shire has the right people, in the right place, at the right time, to meet the needs of our community.

The Shire continues on its journey to meet the changing service demands of its community. This requires a skilled, flexible and productive workforce across the organisation to deliver the Shire's Strategic Community Plan objectives. It also requires the organisation to build a culture of discipline, innovation and continual improvement to make it happen.

The Shire of Laverton, as an organisation has the following values, underpinning the way it operates and delivers services to our community:

- Honest, open and accountable with effective leadership;
- Working and engaging with our community;
- Respecting our character and diversity; and
- Forward thinking and innovative.

## 1.2 What is workforce planning?

Workforce planning is a process of analysis to ensure the Shire has the right people, in the right place, at the right time to achieve the objectives set out in the Shire's Strategic Community Plan.

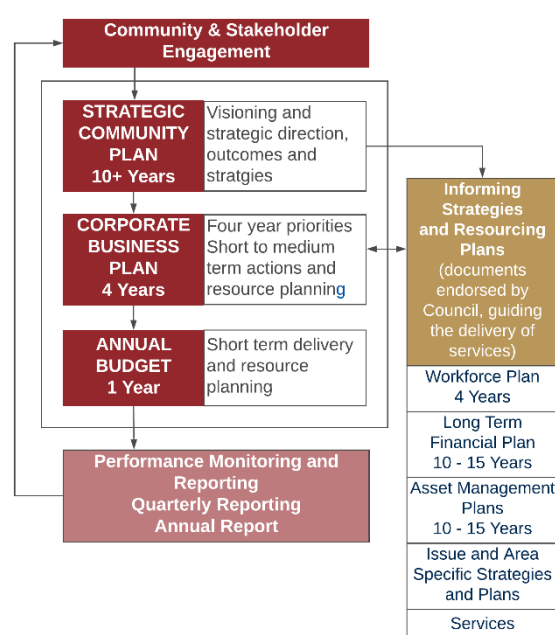
Workforce planning assists management to anticipate change, identify the important issues driving workforce activity and implement the strategies to support positive workforce development and strategic outcomes.

## 1.3 Key principles of workforce planning

- Building workforce strategies aligned to and supporting the Shire's strategic direction and values;
- Ensuring the workforce planning process is part of the Shire's Integrated Planning Process;
- Actively involve managers and employees in developing, communicating and implementing the workforce strategies;
- Utilising a risk management approach to workforce planning and identifying 'mission critical' areas of operations;
- Establishing effective implementation processes to ensure the successful execution of core strategies; and
- Continually monitoring and evaluating the progress towards implementing the workforce strategies and measuring its contribution towards meeting the Shire's strategic goals.

## 1.4 Integration with the Integrated Planning and Reporting Framework

Workforce planning responds to the requirements under the State Integrated Planning and Reporting Framework which is a planning obligation on all local governments in Western Australia. The key elements of the framework are reflected in the diagram below<sup>2</sup>:



<sup>2</sup> Department of Local Government Integrated Planning and Reporting Framework and Guidelines p. 17

# Appendix D2- Shire of Laverton Analysis

## 2.1 The External Environment

There are a range of external trends and challenges that influence and determine the key strategies developed in this Workforce Plan. These key trends include:

### 2.1.1 Socio Demographic Trends

- A multi-generational workforce, each with their own needs, aspirations, and expectations;
- High percentage of 25-34 year old's within the district;
- Greater work/life balance expectations; and
- Remote location.

### 2.1.2 Competition

- Projected talent and skill shortage; and
- Demand for mining workforce competing for talent.

### 2.1.3 Economic

- Cost of living and inflationary pressures within WA; and
- Global and national economic uncertainty resulting in a reducing availability of external grants and contributions.

### 2.1.4 Political

- The implementation of initiatives in relation to the Integrated and Reporting Framework may require additional local resources as well as new capabilities;
- Increasing expectation in relation to corporate governance standards and transparency of decision making, bringing with it a range of workforce considerations;
- Ongoing increasing statutory requirements for local government

### 2.1.5 Technology

- The pace of change and emerging technology trends present local governments with both challenges and opportunities in managing information, delivering services, improving processes and decision making;
- Technology provides a range of tools to assist workforce management including communicating with employees, e-learning, employee monitoring and connecting employees across locations; and
- Trends such as social media, cloud based applications, robotic automation will be of particular importance and application in the future.

### 2.1.6 Industry

- There is an increasing lack of sustainability in financing renewal of assets, with ageing community infrastructure playing a major role. There is a heavy reliance on state or federal funding; and
- Significant cost shifting from other levels of government to the local level without the associated resources.

### 2.1.7 Customers

- Many customers are becoming better informed and assertive about their rights.



# Appendix D2 - Shire of Laverton Analysis (Continued)

## 2.2 The External Labour Market

The external labour market demand indicates difficulties in attracting and retaining skilled staff in key occupations across the State, due mainly to continuing labour demand in the mining, construction and professional services, scientific and technical service, public service, community and health sectors. This is based on the occupations in high and medium demand in the WA State Priorities Occupation List 2019 produced by the Department of Training and Workforce Development. However there is the additional challenges of location remoteness and undesirability that further impact recruitment and retention to the district.

Some of the specific positions that are regarded as being in high demand in Western Australia, which may impact the Shire in regards recruitment and retention include:

- Chief executive;
- Environmental health officer;
- Accountant / finance manager;
- Plant Operators; and
- Engineers.

It is noted, the external market is somewhat volatile due to changing economic conditions in the mining, manufacturing and construction industries. There have been significant impacts from the COVID-19 Pandemic, still to be recognised through the data collection process.

The Shire identified the following skills as challenging to source, and if the current shared services with the Northern Goldfields Collaborative Group for Environmental Health and Building services are unavailable.

- Accounting /Finance;
- Plant operators / labourers;
- Works supervisors;
- Combined Environmental health professionals and building surveying (currently stable with contracted shared service);
- Rangers, (stable while current contract service available); and
- Governance / compliance (currently stable with contracted shared service).

Due to the remote location, it is challenging to attract and retain skilled staff in all areas. As needs arise, identifying alternative opportunities include potential for shared services, virtual or remote options.

## 2.3 Shire of Laverton Internal Operating Environment

### 2.3.1 Service Delivery

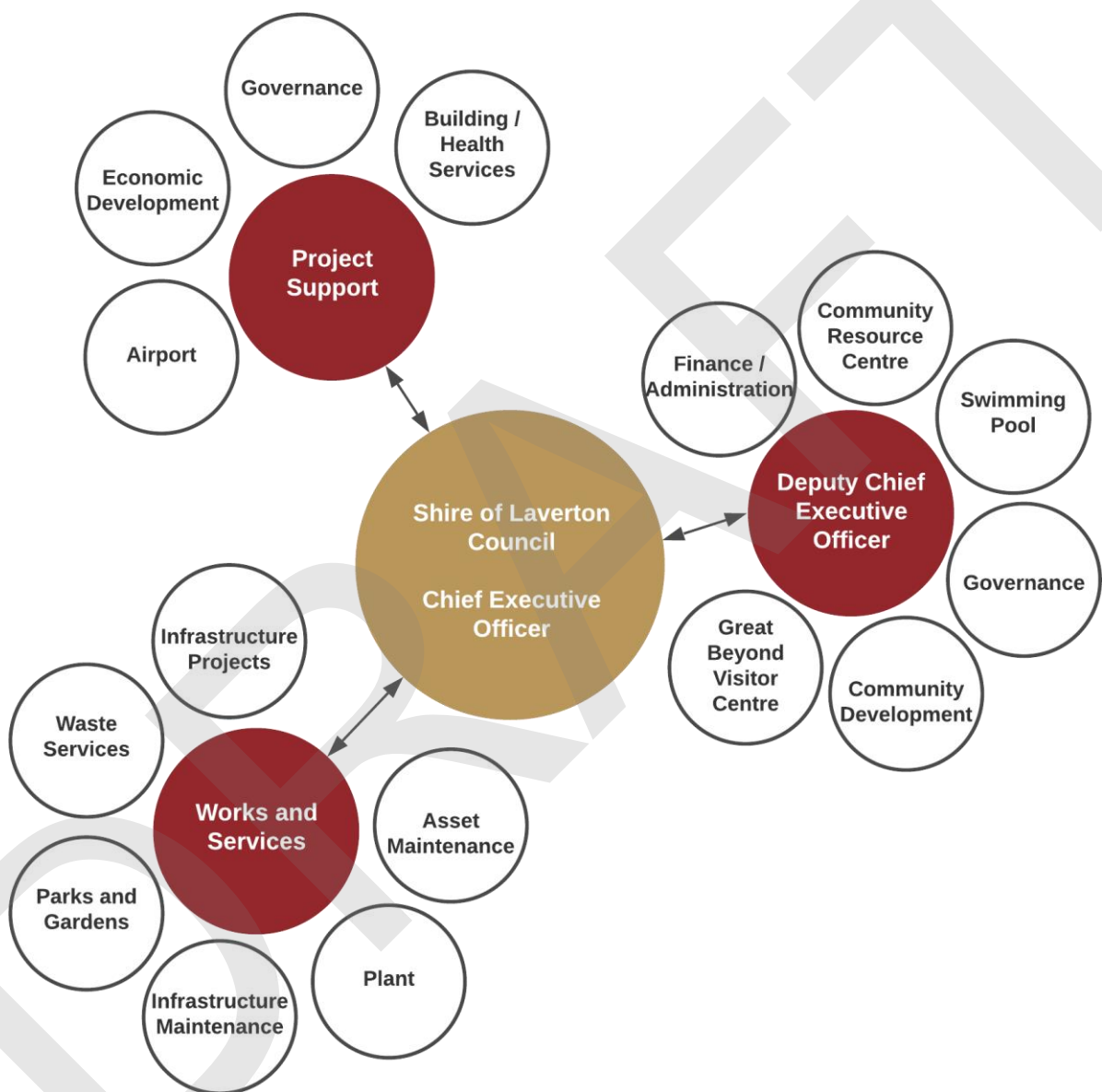
The Shire provides a number of services to the community as listed below, including collaborative services with the Shire's of Leonora, Wiluna and Menzies, for the mutual benefit of our communities:

- Co-ordination of Council activities and functions;
- Co-ordination of management functions;
- Liaison with Government and Ministerial offices;
- Corporate | strategic planning;
- Business | economic development;
- Statutory compliance;
- Executive support to Council;
- Special projects;
- Financial administration;
- Human resources | occupational health | safety;
- Information | communication;
- Community development (inc. youth services);
- Library | information services;
- Procurement;
- Asset management
- Sport | recreation;
- Caravan park;
- Support for volunteers;
- Information | tourism services | CRC;
- Event support.
- Roads | streets;
- Shire buildings maintenance | heritage assets;
- Parks | gardens | reserves;
- Cleaning;
- Ranger services;
- Emergency services;
- Cemetery;
- Health administration | inspection services;
- Building | planning services; and
- Private works.

# Appendix D2 - Shire of Laverton Analysis (Continued)

## 2.4 Organisation Structure

The organisational structure is a dynamic process and needs to be developed in accordance with changing priorities and considering the difficulty in attracting and retaining suitably qualified employees to the Shire, however the current structure is not expected to change significantly during the term of this Plan.





# Appendix D2 - Shire of Laverton Analysis (Continued)

## 2.5 Workforce Profile

Information	Shire of Laverton - as at August 2020
Number of employees	40
Full time equivalent employees	32.92
Gender	50% female 50% male
Total annual salaries and wages	\$3.8m (2019-20)
Employment type	There is a range of full time, part time, fixed term contract and casual staff employed
Annual/LSL liability <sup>3</sup>	Current \$470,950 Non-Current \$65,619
Awards and Agreements	Local Government Officers (Western Australia) Interim Award 2011 and Shire of Laverton Enterprise Bargaining Agreement 2017
Age profile	The average age of current employees is 44 years
Years of Service	The average length of service is 4 years

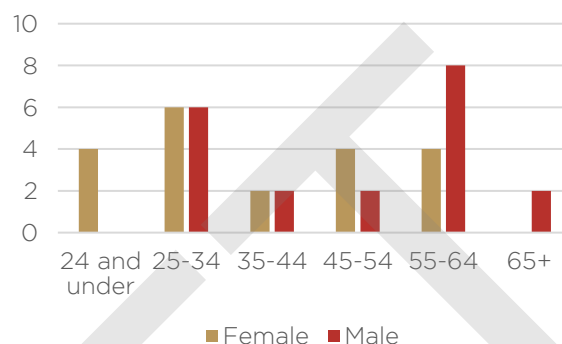
## 2.6 Workforce Demographics

This section contains an analysis of some key workforce metrics such as age, gender and terminations. Included in this analysis are full time, part time and casual staff as well as those on leave, including long service and maternity leave, however contractors, agency staff and group apprentices are excluded.

There is a good workforce gender balance with the composition at August 2020 including 50% female and 50% male. As indicated above, this composition includes full time, part time and casual staff.

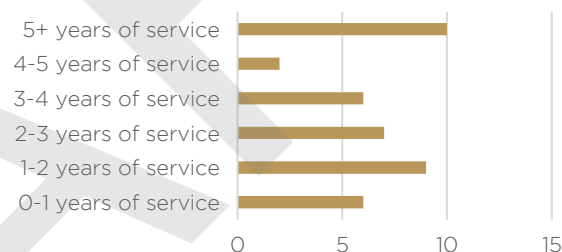
A considerable proportion (40%) of employees are under 35 years of age. Attracting and retaining younger employees is an important challenge as this cohort are often a source of innovation as well as representing the talent pool for the future.

## 2.7 Workforce by Age and Gender



## 2.8 Length of Service

The chart below reflects the length of service of current employees at 25 August 2020.

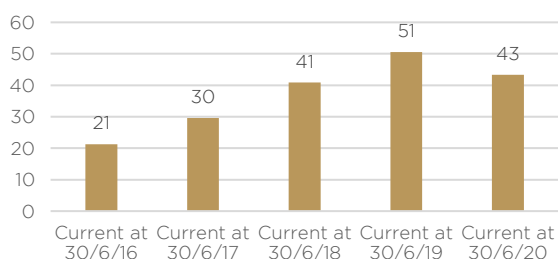


<sup>3</sup>Shire of Laverton 2019-20 Annual Financial Statements

# Appendix D2 - Shire of Laverton Analysis (Continued)

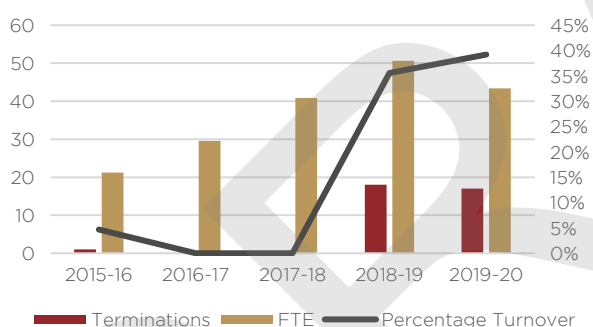
## 2.9 Historical Employee Information

Employee levels fluctuate during the year as staff are terminated and recruited, with the total number of full time equivalent (FTE) employees on 30 June each year steadily increasing from 21 FTE in 2016 to 51 FTE in 2019. At 30 June 2020 there were 43 FTE, as show in the chart below.



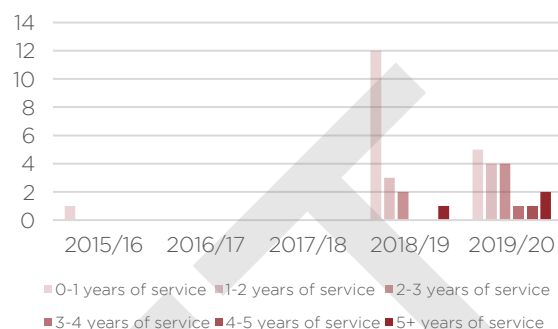
## 2.10 Turnover Rate

Below are graphs showing the exit rates for the Shire of Laverton by age and length of service for the period 2015/16 to 2019/20. These need to be considered in the context of the size of the workforce and overall length of service. Over this period the average annual turnover rate is 16%.

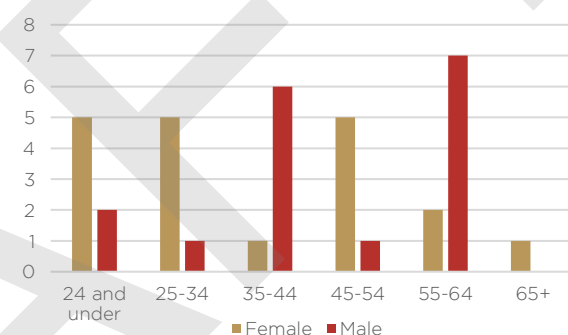


In light of the remote location and size of the workforce this rate is not considered to be of concern. Ongoing monitoring of this rate will assist the organisation with future planning.

## 2.11 Termination Rates by Years of Service



## 2.12 Termination Rates by Age and Gender



# Appendix D3- Strategic Community Plan Workforce Implications

## 3.1 Overview

This section addresses:

- The Strategic Community Plan and Corporate Business Plan;
- Key risk areas;
- Future workforce demand and requirements; and
- Workforce Supply Demand Analysis.

## 3.2 Strategic Community Plan and Corporate Business Plan

During 2020, the Shire reviewed and updated its ten-year Strategic Community Plan and Corporate Business Plan (Plan for the Future). As an integral part of this review process, the community were consulted, and their feedback used to clarify community expectations and guide the strategies detailed in the updated Strategic Community Plan.

The Workforce Plan is part of a broader integrated planning framework aimed at achieving the Shire's Vision as identified in the Strategic Community Plan. This Plan identifies four key objectives:

- **Social:** Proud, spirited, harmonious and connected community
- **Economic:** Prosperous local economy attracting businesses, opportunities and people
- **Environment:** Welcoming and safe natural and built environment; and
- **Leadership:** Responsible financial management and governance, leading an empowered community

There are a range of challenges impacting on the Shire and potential strategic shifts in business operations that may occur which will directly impact the way services are delivered and resourced.

## 3.3 Core Business and Service Delivery

Over a number of years, the Shire has been subject to a considerable increase in the number of core and non-core services it is required to deliver. This increase has occurred through a variety of means including natural growth, higher ratepayer expectations and significant cost shifting to local government. Not only has this placed pressure on current resources to deliver existing services, it further limits the opportunity to focus resources on emerging areas of strategic

importance such as community development, economic development and increasing an advocacy and strategic leadership and facilitation role.

As part of the overall planning process, elected members and the executive have redefined the range of core and non-core areas that form the basis of its delivery of its services to its community. They have also identified core and non-core services that potentially could be:

- Outsourced to an external provider;
- Insourced from other Shires; and
- Open to collaborative opportunities with other Shires to provide services on one another's behalf.

The above strategic issues have significant implications for workforce planning including:

- Reallocation of resources as collaborative, insourcing and outsourcing arrangements are identified and acted upon;
- New or enhanced skill requirements to operate in a more collaborative manner, manage projects and contracts in future insourced or outsourced delivery models; and
- Management of staff during associated change processes.

## 3.4 Key Risk Areas

An analysis of the current workforce identified the following risks areas. These risks have been assessed using the risk based approach as set out in Appendix A. A scoring system was used to determine a risk category of extreme, high, moderate, low or very low.

The risk events are scored according to their likelihood, and consequence and risk mitigation strategic actions have been developed.

The result of the assessment is presented in the table below, with the last column being cross referenced to the primary mitigation strategies set out in Appendix D4 of this Plan.

## Appendix D3 - Strategic Community Plan Workforce Implications (Continued)

### Workforce Risk Assessment

Risk Issues	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequences	Risk Category <sup>4</sup>	Cross Ref: Appendix D4 - 4.8 Workforce Strategies and Objectives
Knowledge loss due to staff turnover	Likely	Minor	Major	Major	High	3.2.2
Physical and financial constraints limit staff numbers	Likely	Minor	Major	Major	High	3.1.1   3.1.2
Sudden unplanned loss of a high number of key staff	Possible	Major	Major	Major	Moderate	3.2.2
Organisational capacity insufficient to meet future needs	Possible	Major	Major	Major	Moderate	1.1.1   3.1.1
High staff turnover due to organisational cultural issues	Possible	Major	Major	Major	Moderate	1.3.1   1.5.1   2.2.2   2.3.1
Selection, recruitment and training costs increase	Possible	Insignificant	Minor	Minor	Moderate	1.1.1   1.5.1
Operational procedures not followed due to lack of staff training	Unlikely	Minor	Major	Major	Low	1.3.1   2.2.1   3.2.2
Long leave absences of key staff due to large accrued leave entitlement	Unlikely	Minor	Minor	Minor	Low	3.2.1   3.2.2

<sup>4</sup> Appendix A - Risk Assessment Methodology

# Appendix D4 - Strategies to Meet Future Workforce Needs

## 4.1 Workforce Supply Demand Analysis

In meeting future challenges, the Shire continually reviews its core functions in terms of potential outsourcing, insourcing and collaborations.

The initiatives identified below will have an impact upon the corporate services section, in terms of:

- Reviewing internal processes and procedures with the goal of gaining greater transactional efficiencies; and
- Providing strong reporting outcomes and operational advice to the Elected Members and the executive.

The staffing resource for corporate services remains relatively unchanged over the term of the Plan, with no forecast increases or decreases. There is ongoing review of services provision and demand, with potential for the Shire to provide the cashless debit service in the future.

Requirement for project management roles fluctuate and are addressed as required. There is a focus on tailoring staffing numbers to community service level requirements, appropriate employee numbers and correct cultural fit to the organisation.

Community services are predicted to see a continuation of current levels of demand for services and consideration will need to be given to maintaining current resources.

The Shire currently participates in a regional collaborative group with the Shire of Leonora, Menzies and Wiluna for the provision of a range of outsourced statutory compliance services to assist with the increasing levels of compliance requirements being placed on local governments.

Infrastructure services are stable, although of note due to the remote location, attracting and retaining employees in this area is an ongoing challenge. Utilising a mix of workforce of both local contractors and permanent staff as required.

Required resource capacity is forecast to be adequately maintained at current levels. With the move to a full contracted service for management of the airport, there is a reduction in the Shire's workforce providing day to day maintenance and operating services.

## 4.2 Strategic Shifts

There has been a significant shift over the last few years in the delivery of core and non-core business of Local Government, due to federal and state government cost shifting and this is being evidenced within the Shire.

As part of the workforce planning process, the Shire has redefined its core and non-core services, this is an ongoing process, with constant review and development required.

Whilst the core businesses of the Shire still take precedence as a fundamental service delivery priority, there has been growth in what has been considered non-core services such as community development, economic development and tourism.

These changes bring with them a significant shift in the role of the Shire - a more facilitative, advocacy, project manager role than a "doer" or direct deliverer of services.

This will have significant implications for the Shire in the mid-term. It may result in new or changing job roles, skills and additional allocation of resources to meet some of the changing requirements. Some of the emerging capability requirements will be in areas such as project management, economic development, community development, asset managers and specialized planning.

## 4.3 Service Delivery Models

Along with the business shifts and growth opportunities identified in the Strategic Community Plan, there is a significant need and opportunity for the Shire to analyse how it delivers services to add to efficiency and effectiveness. This may include the review and updating of processes for greater efficiency, automating, considering alternative delivery models and collaborative approaches. This will have significant implications for the corporate and community services area as they will be required to drive these processes. It will also impact on infrastructure services that have a significant number of projects to deliver.

Some of the strategies to be considered include systematically reviewing job roles and functions to gain greater efficiencies and effectiveness, realigning resources and redesigning jobs and delivery structures.

# Appendix D4 - Strategies to Meet Future Workforce Needs (Continued)

## 4.4 Succession Management

Currently, succession planning is managed by developing multi-skilled employees to ensure in the event of sudden loss of staff, key positions are covered to limit service delivery impact. Some succession gaps are evident, and a formal succession management process is not currently active. Permanent on the job training and skills development of young staff is required to cover the succession of senior operational staff. Due to the remote location of the Shire, long term retention of staff is limited, however the Shire is keen to increase attractiveness and retention of employees.

## 4.5 Developing Young Local Talent

The Shire, where possible, identifies and is open to developing local talent. Traineeship and apprenticeship opportunities are made available.

The Shire has a history of sourcing local talent, representing not only a valuable workforce pool but it also contributing to the economic development of the district. Workforce strategies available to promote this aim include providing student work experience opportunities and offering apprenticeships and traineeships where opportunities arise.

## 4.6 Additional Incentives

The Shire currently offers subsidised accommodation for all employees. During development of the new EBA the following benefits are identified, the loyalty benefit through housing subsidy is set to increase, an additional superannuation of 7% matching available, service leave, a relocation allowance and opportunity for additional annual leave purchase.

## 4.7 Performance Outcomes and Measures

The following diagram identifies the Shire's strategic objectives and how the Shire intends to assess the effectiveness of the actions.

### 4.7.1 Diagram: Workforce Plan Performance Measurement

The key strategic objectives identified above drive the core strategies of the Workforce Plan, these are in the tables following.



The prioritisation of the actions identified in the following tables are reflected by the following symbols, indicating when the action is planned to be undertaken.

Ongoing	∞
Short - Medium Term   2021-2024	■
Longer Term   2024 onwards	➔

## Appendix D4 - Strategies to Meet Future Workforce Needs (Continued)

### 4.8 Workforce Objectives and Strategies

#### Objective 1. Attracting and selecting the right people

##### Attracting and retaining people with the capability and commitment to contribute to the Shire of Laverton

Strategy	Action	Timing
1.1 Customised recruitment strategies that meet the needs and expectations of the organisation	1.1.1 As vacancies arise consider opportunities within organisation structure and bespoke recruitment to the new role requirements	∞
1.2 Identify and market the benefits of working for the Shire of Laverton	1.2.1 Maintain list of financial and non-financial rewards and benefits offered to employees	∞
1.3 Ensure an appropriate induction and orientation process	1.3.1 Review the current induction and orientation process	■
1.4 Continue to focus on local employment where opportunities exist	1.4.1 Promote the Shire as an employer to the local community and to educational institutions	■
1.5 Improve selection outcomes	1.5.1 Review the selection process to ensure people with the right skills sets and most suitable candidate are selected for the future needs and growth of the Shire	■

#### Objective 2. Retaining and engaging our valued workforce

##### Building and retaining a highly engaged workforce, committed and connected to our Shire and community

2.1 Improve skills in day to day leadership	2.1.1 Identify relevant training needs and opportunities	■
2.2 Provide sufficient job role clarity, work direction, workload management, feedback on performance and support in role	2.2.1 Ensure current job descriptions are in place and provided at commencement in roles	■
	2.2.2 Undertake performance reviews as per policy and employment agreements	■
2.3 Regular communication with the workforce	2.3.1 Continue regular meetings between executive and supervisors	■



## Appendix D4 - Strategies to Meet Future Workforce Needs (Continued)

### Objective 3. A strategic workforce, with the capability and capacity to meet strategic objectives

#### Building a flexible, innovative, and capable workforce

Strategy	Action	Timing
3.1 Appropriate organisational structure	3.1.1 Regular assessment of organisation structure, seeking to meet the needs of the organisation whilst recognising the funding restrictions	∞
	3.1.2 Continue to seek external funding where possible and look for opportunities for resource sharing where appropriate	∞
3.2 Recognised critical positions and critical position management	3.2.1 Recruit skilled personnel as required, recognising opportunities for FIFO and off-site employees or contractors to meet essential skills if appropriate	∞
	3.2.2 Ensure appropriate policies and procedures documented to assist in mitigating knowledge loss risk due to staff turnover	■
3.3 Ensure appropriate job descriptions	3.3.1 Job descriptions reviews conducted as part of the induction and performance review process	∞

## Appendix D4 - Strategies to Meet Future Workforce Needs (Continued)

### 4.9 Key Performance Indicators

Key performance indicators are listed below.

Strategic Workforce Objective	Workforce Outcomes	Assessment	Ratio Or Measure
Attracting and selecting a capable and committed workforce	Adequate staff levels with appropriate skills	Effectiveness of recruitment processes	Average number of vacancies annually
Retaining and engaging our valued workforce	Staff turnover	The percentage of employee initiated separation rate	Gross number of staff resignations divided by total staff
	Employee leave	Accrued leave liability	Number of employees with accrued annual leave exceeding 150 hours
	Sick leave	The number of workplace absences due to health related reasons	Number of sick day absences divided by number of available working days
	Training and development	The average level of investment in training	Training expense divided by number of FTE employees
A strategic workforce, with the capability and capacity to meet strategic objectives	Appropriate policies and procedures in place	Review of policies and procedures (Audit Regulation 17 Review)	Non-compliance noted
	Occupational Health and Safety	Frequency and cost of lost time injuries	Total hours lost due to injury divided by number of work hours available

# Appendix D5 - Monitoring and Evaluation of Outcomes

## 5.1 Evaluation

The ongoing evaluation of the Workforce Plan is required to address the following:

- The progress towards meeting the performance indicator targets; and
- The progress towards meeting strategic actions of the Workforce Plan.

## 5.2 Implementation

Implementation of the Workforce Plan may be impacted by competitive priorities and the need for the application of dedicated resources. For a return to be achieved on the current planning investment, these matters will need to continue to be a focus in the future.

## 5.3 Review

Regular review of the Workforce Plan, particularly the strategies and actions contained in the tables, is required to ensure they are being achieved. The preferred timing is a review at least annually. The Strategic Resource Plan will need to be reviewed annually and its financial impact included in the Corporate Business Plan and Annual Budget.

## Appendix D6 - Risk Assessment Methodology

Probability of Occurrence or Likelihood			
Likelihood	Definition	Frequency Of Noted Occurrences	Score
Almost Certain	Expected to occur in most circumstances or occurs regularly. A clear opportunity already apparent, which can easily be achieved.	More than once per year.	5
Likely	Occurrence is noticeable or is likely to occur, an opportunity that has been explored and may be achievable.	At least once per year.	4
Possible	Occurs occasionally or may occur, possible opportunity identified.	At least once in 5 years.	3
Unlikely	Occurs infrequently or is not likely to occur, opportunity that is unlikely to happen.	At least once in 10 years.	2
Rare	Only occurs in exceptional circumstances, opportunity that is very unlikely to happen.	Less than once in 20 years.	1

Likelihood		Consequence				
	Score	Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Moderate	High	High	Extreme/Exceptional	Extreme/Exceptional
Likely	4	Moderate	Moderate	High	High	Extreme/Exceptional
Possible	3	Low	Moderate	Moderate	High	High
Unlikely	2	Low	Low	Moderate	Moderate	High
Rare	1	Very Low	Low	Low	Moderate	Moderate

Action Required	
Extreme/Exceptional	Immediate corrective action required
High	Prioritised action required
Moderate	Planned action required
Low	Planned action required
Very Low	Manage by routine procedures

# Appendix D1 - Risk Assessment Methodology (Continued)

Area Impacted	Impact	Consequence				
		Catastrophic	Major	Moderate	Minor	Insignificant
Service Delivery/ Business Disruption	Loss of service.	Major including several important areas of service and/or a protracted period.	Complete loss of an important service area for a short period.	Major effect to an important service area for a short period, brief impact on multiple areas.	Brief disruption of important service area, Noticeable effect to non-crucial service area.	Negligible impact on the effectiveness of the organisation's processes.
	Improvement to service(s).	Exceptional.	Major.	Moderate.	Minor.	Negligible.
	Disruption in business processes.	Ongoing loss of business systems.	Major.	Moderate.	Minor.	Negligible.
Financial	Loss of assets.	>15% of asset value.	5%-15% of asset value.	2%-5% of asset value.	< 2 of asset value.	Insignificant.
	Impact on annual revenues or costs (Adverse or positive).	> 15% deviation from budget.	5%→15% deviation from budget.	2%→5% deviation from budget.	<2% deviation from budget.	Negligible income and/or savings.
	External Audit issues.	Audit unable to be completed.	Audit qualification on the report and accounts.	Management letter contains significant issues.	Management letter contains minor issues.	Matters discussed with management not reported.
Physical	Level of Incident.	Extreme affecting organisation's survival.	Significant affecting multiple locations.	Localised significant effect on operations.	Localised no effect on operations.	Not notifiable or reportable.
	Regulatory non-compliance.	Criminal.	Major Revenue or cost implications. Individuals at risk of harm.	Minor Revenue or cost implications.		
Legislative/ Regulatory/ Policy/ OSH	Code of Conduct.	Extreme.	Significant.	Breach.	Minor breach.	Little or no impact.
	Personal details compromised/ revealed.	All.	Many.	Some.	Isolated.	An individual's.
	Level of Injury.	Death.	Multiple serious injuries.	Serious injury and /or illness.	First aid or minor lost time injury.	Incident with or without minor injury.
Performance	Ability to achieve key objectives.	Unable to achieve.	Major impact.	Moderate impact.	Minor impact.	Negligible impact.
	Improvement on the delivery of key strategic objectives.	Exceptional improvement.	Major improvement.	Moderate improvement.	Minor improvement.	Negligible improvement.
	Ability to be managed with the current resources.	External resources required.	Impact cannot be managed.	Significant adjustment to resource allocation.	Additional internal management efforts required.	Impact can be managed through routine activities.
	Loss of Infrastructure.	Ongoing loss of critical infrastructure.	Long-term loss of critical infrastructure.	Loss of support infrastructure.	Interruption to support infrastructure.	Negligible interruption to support infrastructure.
Environmental	Environmental harm	Catastrophic long term environmental harm.	Significant long-term environmental harm.	Significant short-term environmental harm.	Minor transient environmental harm.	Negligible transient environmental harm
	Improvement to environment	Exceptional improvement and/or national environment.	Major improvement.	Moderate improvement.	Minor improvement.	Negligible improvement.

# Other Matters

## Preparation

This Plan was prepared for the Shire of Laverton by Moore Australia (WA) Pty Ltd.

## Reliance

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

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

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

## Document Management

Version	2020-2035   V1.0
Status	Draft
Date	13 August 2021

## References

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

- Shire of Laverton Plan for the Future 2021-2031;
- Shire of Laverton Employee information, extracted August 2020;
- Shire of Laverton Annual Financial Report 2019-20;
- Shire of Laverton Adopted Annual Budget 2020-21; and
- Council website: [www.laverton.wa.gov.au](http://www.laverton.wa.gov.au)

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