



Shire of Jerramungup

Long Term Financial Plan

2025 – 2040

Contents

1.0 Foreword	3
2.0 Shire of Jerramungup	4
3.0 Key Information	5
4.0 Executive Summary	6
5.0 Long Term Financial Planning Overview	7
6.0 Scenario Modelling	10
7.0 Strategic Planning and Policies	11
8.0 Risk Management	12
9.0 Assumptions, Risks, Uncertainties and Sensitivity	13
10.0 Monitoring and Performance	19
Appendix A1 Forecast Financial Statements	20
Appendix A2 Forecast Statement of Comprehensive Income 2025 – 2040	21
Appendix A3 Forecast Statement of Financial Position 2025 – 2040	22
Appendix A4 Forecast Statement of Changes in Equity 2025 – 2040	23
Appendix A5 Forecast Statement of Cashflows 2025 – 2040	24
Appendix A6 Forecast Statement of Financial Activity 2025 – 2040	25
Appendix A7 Forecast Statement of Net Current Asset Composition 2025 – 2040	26
Appendix A8 Forecast Statement of Fixed Asset Movements 2025 – 2040	27
Appendix A9 Forecast Statement of Capital Funding 2025 – 2040	28
Appendix A10 Forecast Ratios 2025 – 2040	29
Appendix A11 Forecast Significant Accounting Policies	30
Other Matters	33

Shire of Jerramungup
8 Vasey Street
PO Box 92
Jerramungup WA 6337

T: (08) 9835 1022
E: council@jerramungup.wa.gov.au
jerramungup.wa.gov.au

1.0 Foreword

We are pleased to present the Shire of Jerramungup Long Term Financial Plan 2025 – 2040.

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 globally, the Plan provides the council and the community with a picture of the Shire's long term financial management. The Plan has been developed to assist the Shire meet its strategic outcomes and objectives, both during and beyond current global uncertainties and other considerations which may impact the community.

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 continue to follow 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 Jerramungup's Long Term Financial Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Jerramungup Strategic Community Plan 2021-2031.

This Plan will be used with the Corporate Business Plan to drive the Shire in achieving its vision of "Progressive, Prosperous and a Premium Place to Live and Visit".

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

Joanne Iffla
President

Martin Cuthbert
Chief Executive Officer

2.0 Shire of Jerramungup

2.1 Location

The Shire of Jerramungup is located within the Great Southern region of Western Australia, 180 kilometres northeast of Albany and 440 kilometres southeast of the state capital, Perth. The Shire covers an area of 6,507 square kilometres and has a population of approximately 1,133. The area is recognised as a strong agricultural region for grain and livestock production, with high biodiversity values, strong tourism potential and various mining prospects. The Shire is recognised internationally for its biodiversity and human interaction with the landscape.

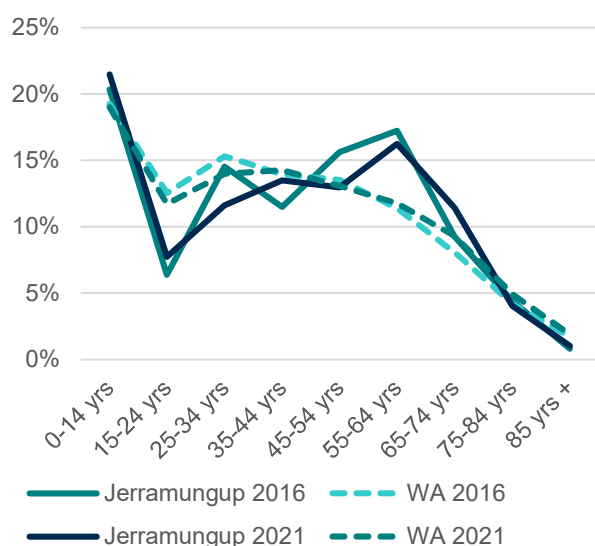
2.2 People

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

Population	2016		2021
Jerramungup	1,109	↑	1,160
WA	2.47m	↑	2.66m

The Shire had an estimate resident population of 1,160 people (Australian Bureau of Statistics Census, 2021) on the night of the 2021 census. With the Shire population growing slower than the state since 2016.

This chart reflects the percentage of the estimated resident population within each age grouping for the Shire of Jerramungup (solid lines) and Western Australia (dotted lines) on the night of the 2016 and 2021 census.



In comparison to the Western Australia demographic, the Shire has a lower proportion of residents in the 15-24 ages and 35-44 ages. The proportion of people aged from 55-64 years is higher than the State average.

2.3 Strategic Objectives

The following core performance areas are identified in the Shire's Strategic Community Plan 2021-2031 and are considered within this Long Term Financial Plan.

- **Community**
 - Deliver programs and services that bring people together and support community health and wellbeing
 - Maintain facilities that connect people, and promote an active and healthy lifestyle
 - Encourage and support volunteers and community groups to grow an active volunteer base
- **Economy**
 - Work with the business community to attract investment, create jobs and support small business growth
 - Use the natural beauty and the heritage of the region to promote the Shire as a great place to visit
 - Advocate for improved road and communication connectivity to support rural and agricultural businesses and environmental tourism
- **Environment Built**
 - Deliver sustainable long-term planning for the built environment that meets the needs of the community
 - Design, construct and maintain infrastructure in a manner that maximise its life, capacity, and function
 - Advocate for strategic projects that will benefit residents, workers and visitors to the Shire
- **Environment Natural**
 - Work with relevant stakeholders to promote and manage sustainable tourism within the Fitzgerald Biosphere
 - Support and promote the conservation values and the unique attractions in the Shire
 - Deliver a sustainable and progressive approach to natural resource and waste management
- **Govenance and Leadership**
 - Work cohesively with groups from across the community to improve engagement and to promote community participation
 - Provide informed and transparent decision making that meets our legal obligations, and the needs of our diverse community
 - Implement systems and processes that meet our legal and audit obligations

3.0 Key Information

Assumptions

	3.0% Inflation Rate
	Stable Population
	Stable Levels of Service
	Stable Operations
	Balanced Annual Budget
	5%→ Rates
	3%→ Fees and Charges
	3%→ Employee Costs

Statistics¹ | ²

	7 Council Members ¹
	31 Employees ¹
	834 Electors ¹
	964 Dwellings ¹
	430km Distance from Perth ¹
	6,540km² Area ¹
	1,160 Population ²
¹ WALGA Online Local Government Directory 2023/24, Shire of Jerramungup ² Australian Bureau of Statistics 2021 Census of Population and Housing, Jerramungup (LGA54130)	

4.0 Executive Summary

The following information provides a brief summary of the Long Term Financial Plan 2025 – 2040, this should be read in conjunction with the underlying assumptions detailed in this Plan.

4.1 Planning for a Progressive and Stable Future

The Shire of Jerramungup is planning for a positive future with strong growth in the district. The Shire seeks to 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.

4.2 Significant Issues

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

Road maintenance and renewal remain a high priority for the Shire due to the strategic economic benefit the road network provides to the district and broader region. Associated with the road network is the maintenance and renewal of drainage infrastructure.

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

Provision of adequate and appropriate housing for staff to continue to supply services is a major issue for the Shire and requires significant expenditure.

Due to development within the district and an increase in rateable assessments, rate revenue is forecast to increase at 5% (CPI 3%+2%) for the length of the Plan. These increases are to assist in the long term financial stability of the Shire and to increase the level of services to the community. These increases will be reviewed annually when setting future budgets.

4.3 Forecast Capital Projects

A capital works program has been planned over the term of the Plan with a mixture of new, upgrade and assets renewals aimed at ensuring the continued provision of high quality community infrastructure to residents of the Shire.

The capital works program has been developed in response to the strategic priorities identified in the Strategic Community Plan. Funding for these projects has been sourced through general revenue, utilising reserves and external grants and contributions. External funding is required to undertake these works.

The table on the following page shows the capital works currently planned over the period of this Plan.

4.3.1 Forecast Capital Projects by Asset Class

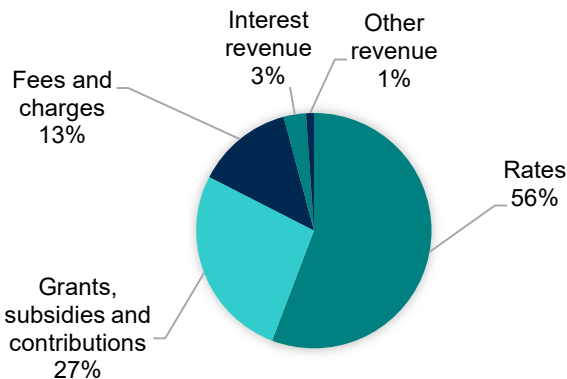
Project by Asset Class	2025 – 2040 Amount (\$)
Land - freehold land	
Key Worker Accommodation – Bremer Bay	257,500
Plant and Equipment	
Plant Replacement Program	12,329,548
Buildings – non-specialised	
Men's Shed - Bremer Bay	300,000
Key Worker Accommodation - Bremer Bay	5,064,790
Bremer Bay Cultural Precinct/Multipurpose facility	8,195,453
History Project	84,872
Infrastructure - roads	
Road Construction Council Funded	3,831,376
Road Construction - R2R	14,897,352
Road Construction - MRWA	2,375,452
Road Construction - RRG	16,886,197
Infrastructure - aerodromes	
Construction of Bremer Bay Airstrip Cross Runway	2,400,000
Infrastructure - parks & ovals	
Bird Hide - Bremer Bay	154,500
Infrastructure - other	
Jerramungup townsite revitalisation	371,315
Grand Total	67,148,355

5.0 Long Term Financial Planning Overview

5.1 Forecast Revenue

Rates are expected to generate \$4.8m in 2025/26 increasing at 5% per annum to \$9.5m in 2039/40 and comprise 56% 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. Capital grants are expected to remain relatively stable for road renewal with significant additional grants required as council seeks to increase the level of service of community infrastructure.

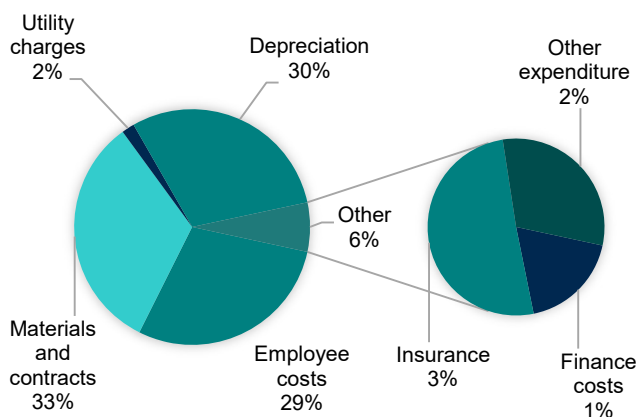
5.1.1 Revenue Composition Year 1 to 15



5.2 Forecast Expenditure

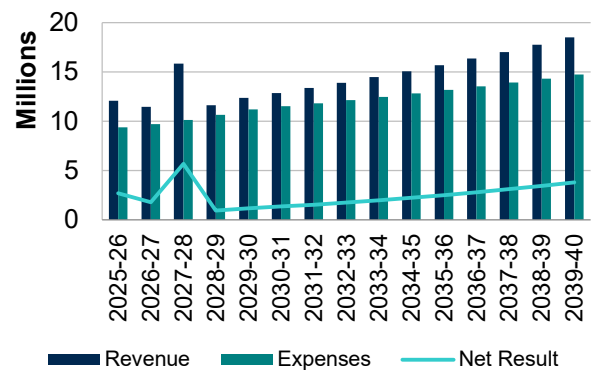
Expenditure for operating activities is forecast to increase in line with inflation with the exception of insurance which will increase by 5% per annum until 2034/35 thereafter increasing in line with inflation and depreciation which is impacted by the addition of assets over the term of the Plan.

5.2.1 Expenditure Composition Year 1 to 15



5.3 Net Result

The chart below reflects in the dark blue columns, fluctuating revenue in the first three years of the Plan as significant capital grants are forecast to be received in these years, thereafter there is a steady increase in revenue and expenditure for the remainder of the Plan, with the light blue line reflecting the net result.



A positive net result over the long term indicates net asset values will increase faster than depreciation expenses erode asset values. This indicates an increase in the level of service provision to the community from assets. Improved asset funding or changes to expected useful life of assets as they are better understood may impact the net result.

5.4 Depreciation

Ideally, the average asset renewal should be in line with depreciation over the long term, to ensure the value of assets is maintained. Given a number of assets have a life exceeding the term of the plan asset renewal and depreciation are not expected to align exactly.

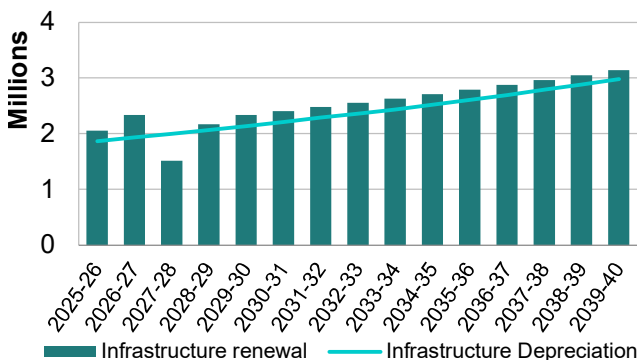
Where the planned asset renewals are higher than depreciation, the written down value of these assets will increase over time as depreciation erodes the value of the assets at a lower rate than they are renewed. Revaluation of assets in line with inflation may mask a real decrease in value where planned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

Depreciation expense increases throughout the Plan from \$2.7m in year 1 to \$4.6m in year 15 as assets are revalued and renewed.

5.0 Long Term Financial Planning Overview (Continued)

5.4.1 Infrastructure Depreciation -V- Asset Renewal Expenditure

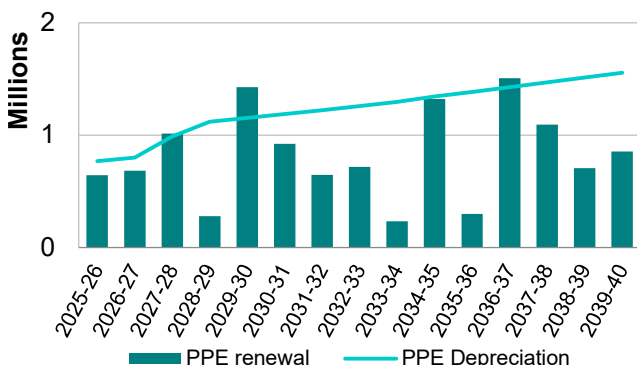
Depreciation of infrastructure over the 15 years is \$35.7m, shown by the light blue line in the chart below. The planned level of infrastructure asset renewal expenditure at \$38m (reflected by the columns) is over the term of the Plan above the level of depreciation. There is \$16.8m in expenditure on new infrastructure and property, plant and equipment assets not included in the above renewal.



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

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

Planned property, plant and equipment asset renewals of \$12.3m (reflected by the columns) over the 15 years is less than the depreciation of \$18.5m (reflected by the light blue line) over the same period as shown in the chart below. \$13.9m in expenditure on new property, plant and equipment assets is not included in the above renewal.



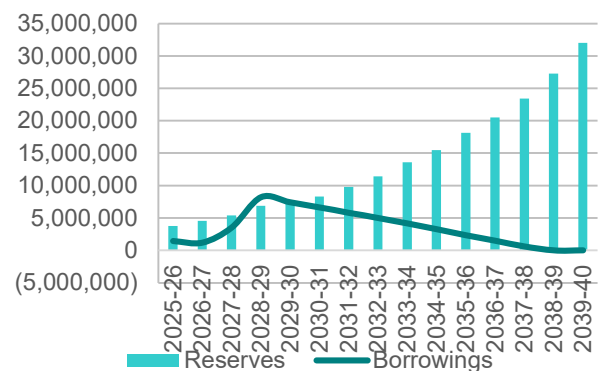
Further improvements in asset management data and the estimation of depreciation along with the future renewal of long lived assets may result in a closer alignment between asset renewals and depreciation.

5.5 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.

5.6 Forecast Borrowings and Reserves

In general, the finances of the Shire are expected to remain stable over the long term. Reserves will be utilised to fund asset renewals initially resulting in the decrease in reserve levels before increasing as the Shire saves for major forecast future asset renewals and in line with the priorities identified in the Strategic Community Plan, as shown in the chart below.



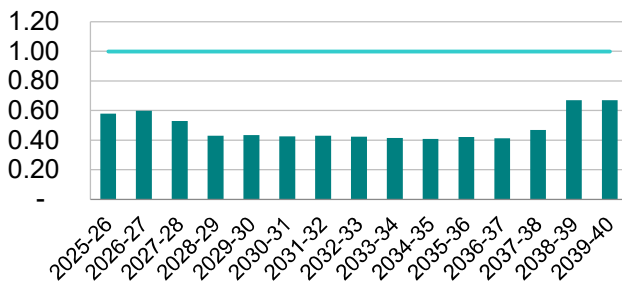
Borrowings are reduced to nil by 30 June 2039, this is part of the Shire's strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available. The strategy also includes the use of reserve accounts to save for significant future asset renewal spikes.

5.0 Long Term Financial Planning Overview (Continued)

5.7 Forecast Operating Ratios 2025 – 2040

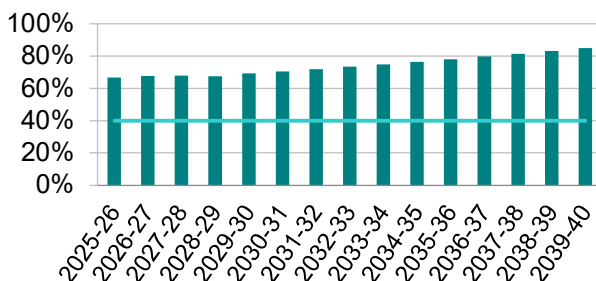
Monitoring the Shire's financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The green line reflects the Department of Local Government, Industry Regulation and Safety's (the Department) minimum target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

5.7.1 Current Ratio



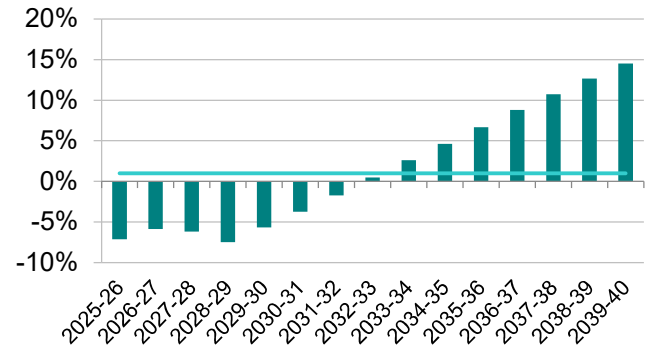
As expected for a Shire with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0. The ratio increase as current loan liabilities are reduced in the outer years of the Plan. The trend is not considered to indicate a threat to the Shire's long term financial position.

5.7.2 Own Source Revenue Coverage Ratio



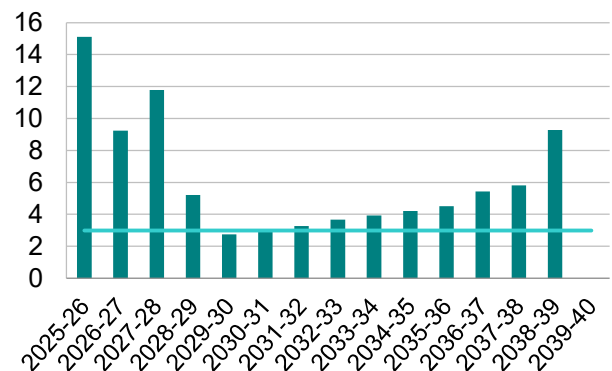
The ratio stays well above the target indicating the Shire independence from reliance on grants and contributions for operations.

5.7.3 Operating Surplus Ratio



The ratio reflects the Shire has a significant operating surplus, used to fund asset renewals.

5.7.4 Debt Service Cover Ratio



The Shire will reach the limit of its borrowing capacity in year 5 unless additional revenue is received.

An explanation of all ratios is provided at Section 10.

6.0 Scenario Modelling

6.1 Scenario Modelling

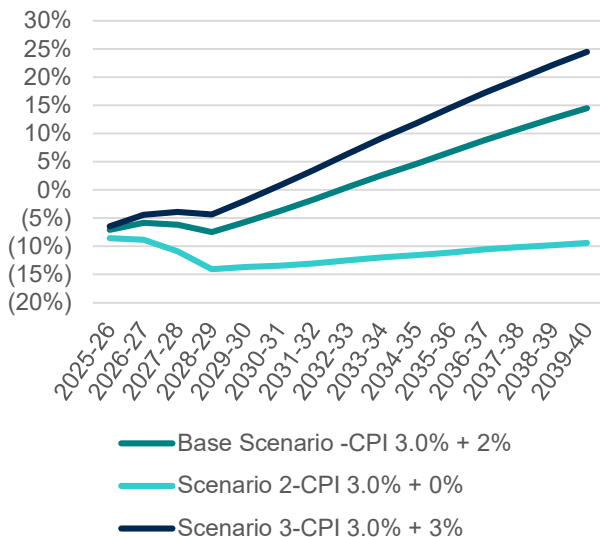
Scenarios were developed to test the financial impact of increased levels of operating funding from rates. To ascertain the effect of increased funding levels, modelling of various scenarios was undertaken. To ascertain the effect of reduced funding levels, modelling of various scenarios was undertaken.

A base scenario was developed with a rates yield 2% above inflation for the length of the Plan. Two alternative scenarios were also developed from this base as shown in the table below. All other assumptions remained the same across the three scenarios.

Scenario	Rates increase above CPI (3.0%)	Rates total increase
Base Scenario	2%	5%
Scenario 2	0%	3%
Scenario 3	3%	6%

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.

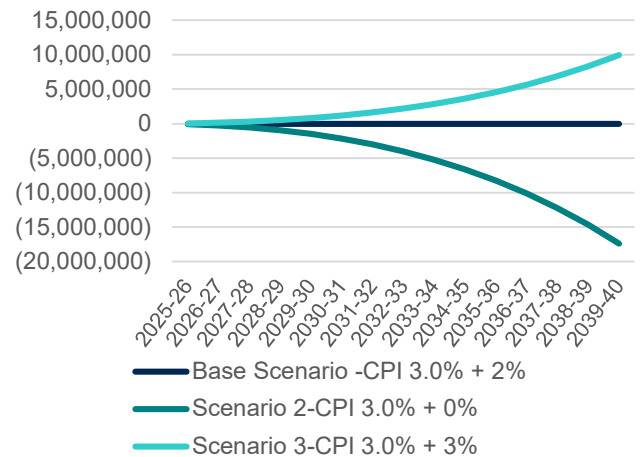
6.1.1 Scenario Comparison – Operating Surplus Ratio



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 service 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).

6.1.2 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 3% \$	Scenario 3 CPI 3%+ 3% \$
0	(81,067)	40,533
0	(261,398)	131,916
0	(550,968)	280,697
0	(960,620)	494,103
0	(1,501,960)	780,011
0	(2,187,401)	1,147,005
0	(3,030,214)	1,604,426
0	(4,044,583)	2,162,426
0	(5,245,654)	2,832,039
0	(6,649,589)	3,625,248
0	(8,273,641)	4,555,047
0	(10,136,205)	5,635,528
0	(12,256,888)	6,881,962
0	(14,656,583)	8,310,878
0	(17,357,547)	9,940,167

7.0 Strategic Planning and Policies

7.1 Linkage with Other Plans

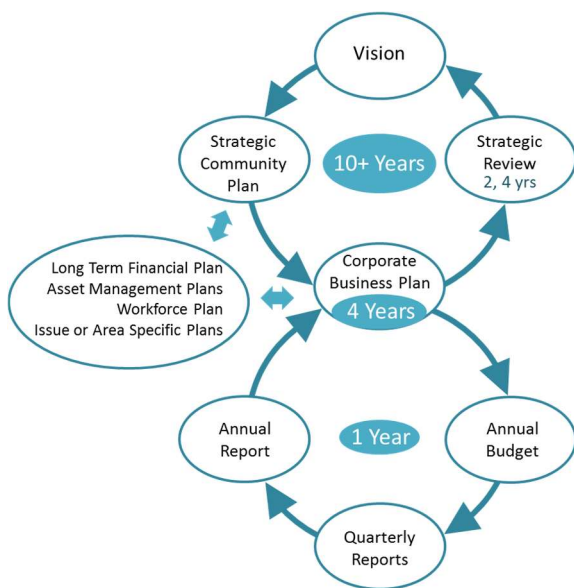
The Long Term Financial Plan is one component of a number of integrated strategic planning practices the Shire has developed. The Long Term Financial Plan considers, and influences, asset management and workforce planning along with other key strategic plans. This Long Term Financial Plan has been prepared 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.

7.2 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.

7.2.1 Diagram: Integrated Planning and Reporting Cycle¹



7.3 Strategic Community Plan

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.

7.4 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 Long Term Financial 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.

7.5 Other Strategic Plans

The Asset Management Plan, Workforce Plan and other strategic plans integrate with the Long Term Financial 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.

¹ Department of Local Government, Industry Regulation and Safety, Integrated Planning and Reporting: Framework and Guidelines, September 2016

8.0 Risk Management

8.1 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 reserve accounts) 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.

8.2 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.

8.3 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.

9.0 Assumptions, Risks, Uncertainties and Sensitivity

9.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
District Growth in Population: The number of residents in the Shire is expected to remain at current levels.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Rates Level Increase: Annual rates revenue has been based on an increase in the total rate yield of 5% (CPI 3% + 2%) per annum from 2025-26 until the end of the plan.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Grants, Subsidies and Contributions: Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	High	Not assessed as high level of uncertainty.
Capital Grants, Subsidies and Contributions: Remain in line with funding requirements identified for various capital works.	High	The forecast capital works program is highly dependent on external grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$325,710 to the value of capital grants, subsidies and contributions per 1% movement in the value over the life of the Plan.
Fees and Charges: Increases at forecast inflation of 3%.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Interest Earnings: Interest earning of an average rate of 2.5% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Revenue: Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Profit on Asset Disposal: Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

9.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

9.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Employee Costs: Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Materials and Contracts: Increased annually by forecast inflation.	High	The road preservation program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$591,070 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 costs due to the impacts of the mining sector and the current global economic uncertainty.
Depreciation: Depreciation has been calculated using an average depreciation rate based on the estimated useful lives on individual assets.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Insurance: Increased 5% (2% + 3.0% forecast inflation) for the first 10 years of the Plan.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Expenditure: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Loss on Asset Disposal: A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

9.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

9.3 Assets – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Revaluations: In line with annual inflation.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on cashflows.	High	±\$442,468 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$2,906,212 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
Impairment of Assets: No impairment of assets has been assumed over the life of the Plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.	Medium	Unable to be quantified.
Infrastructure Assets: Expenditure has been based on historical levels escalated by inflation.	High	The capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately on service levels.	High	±\$325,710 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
Property, Plant and Equipment: Building expenditure is in accordance with the Corporate Business 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.

9.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

9.4 Liabilities – Assumptions, Risks, Uncertainties and Sensitivity

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

9.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

9.5 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
Reserve accounts: It has been assumed the Shire will invest reserve accounts in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Revaluation Surplus: Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluations of assets will have no impact on Cashflows.	High	±\$442,468 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$2,906,212 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

9.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

9.6 Other – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Ownership of Strategic Assets: The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
Inflators: Forecast inflation at 3.0% per annum.	Medium	Not assessed as high financial risk.	High	± \$1,856,556 to operating revenue per 1% movement in the inflators over the life of the Plan. ± (\$1,271,658) to operating expenditure per 1% movement in the inflators over the life of the Plan.
Commercial Activities: The Shire has no plans to undertake a significant commercial activity during the period the of the Plan.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for State: The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for Region: The region's economy is heavily dependent on pastoral, cropping and livestock industries. 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.

10.0 Monitoring and Performance

10.1 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.

10.2 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.	1.0
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

Appendix A1 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 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 Financial Activity

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 Capital 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

A number of statements in the Plan are disclosed using nature 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 A2 Forecast Statement of Comprehensive Income 2025 – 2040

	2021-22	2022-23	2023-24	Base	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																			
Rates	3,515,613	3,693,547	3,891,717	4,053,360	4,800,384	5,040,403	5,292,423	5,557,044	5,834,896	6,126,640	6,432,972	6,754,621	7,092,352	7,446,969	7,819,318	8,210,284	8,620,798	9,051,838	9,504,430
Grants, subsidies and contributions	2,395,438	3,080,074	2,390,530	1,075,347	2,667,153	2,747,169	2,829,586	2,914,473	3,001,907	3,091,966	3,184,724	3,280,267	3,378,675	3,480,035	3,584,435	3,691,969	3,802,730	3,916,812	4,034,318
Fees and charges	831,360	936,969	971,094	1,002,867	1,192,955	1,228,747	1,265,608	1,303,574	1,542,683	1,588,963	1,636,629	1,685,730	1,736,301	1,788,388	1,842,041	1,897,304	1,954,225	2,012,851	2,073,236
Interest revenue	27,906	88,928	282,384	218,658	157,217	180,087	199,580	220,771	257,468	269,123	293,327	330,185	370,839	425,713	472,462	539,486	597,976	670,647	767,047
Other revenue	443,364	699,756	144,928	102,458	105,531	108,697	111,959	115,319	118,778	122,343	126,015	129,794	133,688	137,699	141,832	146,087	150,470	154,984	159,633
	7,213,681	8,499,274	7,680,653	6,452,690	8,923,240	9,305,103	9,699,156	10,111,181	10,755,732	11,199,035	11,673,667	12,180,597	12,711,855	13,278,804	13,860,088	14,485,130	15,126,199	15,807,132	16,538,664
Expenses																			
Employee costs	(1,962,115)	(1,860,795)	(2,373,647)	(2,894,791)	(2,831,634)	(2,916,579)	(3,004,076)	(3,094,197)	(3,187,025)	(3,282,637)	(3,381,118)	(3,482,549)	(3,587,026)	(3,694,638)	(3,805,481)	(3,919,646)	(4,037,233)	(4,158,350)	(4,283,100)
Materials and contracts	(2,337,754)	(2,724,862)	(2,660,583)	(3,634,257)	(3,177,984)	(3,273,329)	(3,371,528)	(3,472,671)	(3,576,850)	(3,684,152)	(3,794,673)	(3,908,516)	(4,025,765)	(4,146,545)	(4,270,945)	(4,399,076)	(4,531,040)	(4,666,967)	(4,806,976)
Utility charges	(199,003)	(221,213)	(181,890)	(164,259)	(169,191)	(174,267)	(179,496)	(184,878)	(190,426)	(196,140)	(202,029)	(208,092)	(214,335)	(220,765)	(227,383)	(234,205)	(241,228)	(248,459)	(255,914)
Depreciation	(2,130,749)	(2,431,123)	(3,147,791)	(3,093,050)	(2,672,223)	(2,751,748)	(2,980,272)	(3,180,187)	(3,286,144)	(3,395,475)	(3,508,286)	(3,614,316)	(3,727,536)	(3,860,893)	(3,985,546)	(4,118,417)	(4,254,352)	(4,394,452)	(4,538,990)
Finance costs	(21,962)	(57,603)	(66,757)	(62,738)	(20,002)	(55,550)	(48,477)	(155,039)	(367,578)	(332,279)	(296,049)	(258,662)	(221,118)	(181,825)	(140,707)	(98,975)	(59,272)	(21,340)	0
Insurance	(263,645)	(290,051)	(274,772)	(281,209)	(295,268)	(310,036)	(325,536)	(341,816)	(358,907)	(376,853)	(395,697)	(415,481)	(436,256)	(458,070)	(471,811)	(485,968)	(500,546)	(515,567)	(531,035)
Other expenditure	(369,370)	(508,073)	(200,849)	(196,845)	(202,751)	(208,833)	(215,098)	(221,552)	(228,198)	(235,045)	(242,096)	(249,358)	(256,838)	(264,543)	(272,476)	(280,650)	(289,071)	(297,743)	(306,677)
	(7,284,598)	(8,093,720)	(8,906,289)	(10,327,149)	(9,369,053)	(9,690,342)	(10,124,483)	(10,650,340)	(11,195,128)	(11,502,581)	(11,819,948)	(12,136,974)	(12,468,874)	(12,827,279)	(13,174,349)	(13,536,937)	(13,912,742)	(14,302,878)	(14,722,692)
	(70,917)	405,554	(1,225,636)	(3,874,459)	(445,813)	(385,239)	(425,327)	(539,159)	(439,396)	(303,546)	(146,281)	43,623	242,981	451,525	685,739	948,193	1,213,457	1,504,254	1,815,972
Capital grants, subsidies and contributions	4,302,456	3,170,511	967,730	3,854,416	3,145,971	2,158,679	6,131,362	1,487,405	1,617,779	1,648,513	1,680,168	1,712,773	1,746,356	1,780,947	1,816,576	1,853,273	1,891,072	1,930,004	1,970,104
Fair value adjustments to financial assets at fair value through profit or loss	2,998	2,764	1,261	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on asset disposals	7,711	35,526	29,530	20,356	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	0	(37,561)	(22,651)	(6,234)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	4,242,248	3,576,794	(249,766)	(5,921)	2,700,158	1,773,440	5,706,035	948,246	1,178,383	1,344,967	1,533,887	1,756,396	1,989,337	2,232,472	2,502,315	2,801,466	3,104,529	3,434,258	3,786,076
Other comprehensive income	1,535,133	(48,815,438)	0	0	6,242,517	6,510,263	6,705,414	7,131,432	7,497,693	7,713,614	7,925,512	8,146,158	8,362,435	8,601,674	8,830,357	9,087,510	9,343,354	9,596,720	9,859,542
TOTAL COMPREHENSIVE INCOME	5,777,381	(45,238,644)	(249,766)	(5,921)	8,942,675	8,283,703	12,411,449	8,079,678	8,676,076	9,058,581	9,459,399	9,902,554	10,351,772	10,834,146	11,332,672	11,888,976	12,447,883	13,030,978	13,645,618

Appendix A3 Forecast Statement of Financial Position 2025 – 2040

	2022	2023	2024	Base	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37	30 June 38	30 June 39	30 June 40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																			
Cash and cash equivalents	3,488,896	5,357,240	6,402,210	2,288,663	3,203,491	3,983,212	4,830,854	6,298,720	6,764,923	7,733,097	9,207,416	10,833,541	13,028,524	14,898,468	17,579,444	19,919,043	22,825,881	26,681,879	31,448,500
Trade and other receivables	668,545	715,505	419,963	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676
Inventories	32,315	36,995	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667
Other assets	0	0	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286
TOTAL CURRENT ASSETS	4,189,756	6,109,740	7,086,126	3,828,292	4,743,120	5,522,841	6,370,483	7,838,349	8,304,552	9,272,726	10,747,045	12,373,170	14,568,153	16,438,097	19,119,073	21,458,672	24,365,510	28,221,508	32,988,129
NON-CURRENT ASSETS																			
Financial assets	58,353	61,117	62,378	62,378	62,378	62,378	62,378	62,378	62,378	62,378	62,378	62,378	62,378	62,378	62,378	62,378	62,378	62,378	62,378
Property plant and equipment	26,174,976	26,280,698	25,685,483	25,327,213	25,856,817	26,614,471	35,063,510	40,151,035	41,059,327	41,675,013	41,951,367	42,321,115	42,317,274	42,865,339	42,837,393	43,549,969	43,979,262	44,077,318	44,246,792
Infrastructure	224,479,039	178,169,544	177,729,704	181,068,554	189,302,298	195,824,783	201,267,079	207,475,538	213,971,471	220,659,688	227,545,677	234,645,448	241,961,622	249,494,011	257,248,784	265,232,282	273,451,027	281,911,719	290,621,242
TOTAL NON-CURRENT ASSETS	250,712,368	204,511,359	203,477,565	206,458,145	215,221,493	222,501,632	236,392,967	247,688,951	255,093,176	262,397,079	269,559,422	277,028,941	284,341,274	292,421,728	300,148,555	308,844,629	317,492,667	326,051,415	334,930,412
TOTAL ASSETS	254,902,124	210,621,099	210,563,691	210,286,437	219,964,613	228,024,473	242,763,450	255,527,300	263,397,728	271,669,805	280,306,467	289,402,111	298,909,427	308,859,825	319,267,628	330,303,301	341,858,177	354,272,923	367,918,541
CURRENT LIABILITIES																			
Trade and other payables	507,517	661,605	623,668	962,951	962,951	962,951	962,951	962,951	962,951	962,951	962,951	962,951	962,951	962,951	962,951	962,951	962,951	962,951	962,951
Other liabilities	326,216	90,516	432,653	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lease liabilities	15,100	4,023	32,689	34,218	17,169	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current portion of long-term borrowings	183,273	183,351	145,275	130,281	206,674	172,472	380,618	805,648	786,504	822,737	806,910	844,456	883,748	924,869	853,303	893,007	616,232	0	0
Employee provisions	451,042	469,566	475,807	475,807	475,807	475,807	475,807	475,807	475,807	475,807	475,807	475,807	475,807	475,807	475,807	475,807	475,807	475,807	475,807
TOTAL CURRENT LIABILITIES	1,483,148	1,409,061	1,710,092	1,603,257	1,662,601	1,611,230	1,819,376	2,244,406	2,225,262	2,261,495	2,245,668	2,283,214	2,322,506	2,363,627	2,292,061	2,331,765	2,054,990	1,438,758	1,438,758
NON-CURRENT LIABILITIES																			
Lease liabilities	1,272	11,432	51,386	17,169	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-term borrowings	553,794	807,944	662,669	532,388	1,225,714	1,053,242	3,172,624	7,431,766	6,645,262	5,822,525	5,015,615	4,171,159	3,287,411	2,362,542	1,509,239	616,232	0	0	0
Employee provisions	45,988	47,718	48,441	48,441	48,441	48,441	48,441	48,441	48,441	48,441	48,441	48,441	48,441	48,441	48,441	48,441	48,441	48,441	48,441
Other provisions	233,942	999,608	995,533	995,533	995,533	995,533	995,533	995,533	995,533	995,533	995,533	995,533	995,533	995,533	995,533	995,533	995,533	995,533	995,533
TOTAL NON-CURRENT LIABILITIES	834,996	1,866,702	1,758,029	1,593,531	2,269,688	2,097,216	4,216,598	8,475,740	7,689,236	6,866,499	6,059,589	5,215,133	4,331,385	3,406,516	2,553,213	1,660,206	1,043,974	1,043,974	1,043,974
TOTAL LIABILITIES	2,318,144	3,275,763	3,468,121	3,196,788	3,932,289	3,708,446	6,035,974	10,720,146	9,914,498	9,127,994	8,305,257	7,498,347	6,653,891	5,770,143	4,845,274	3,991,971	3,098,964	2,482,732	2,482,732
NET ASSETS	252,583,980	207,345,336	207,095,570	207,089,649	216,032,324	224,316,027	236,727,476	244,807,154	253,483,230	262,541,811	272,001,210	281,903,764	292,255,536	303,089,682	314,422,354	326,311,330	338,759,213	351,790,191	365,435,809
EQUITY																			
Retained surplus	63,973,625	67,074,536	66,096,927	66,087,625	67,872,955	68,866,674	73,725,067	73,205,447	73,917,627	74,294,420	74,353,988	74,484,259	74,278,613	74,641,141	74,462,480	74,924,347	75,122,038	74,700,298	73,719,753
Reserves - cash backed	1,658,234	2,134,117	2,861,960	2,865,341	3,780,169	4,559,890	5,407,532	6,875,398	7,341,601	8,309,775	9,784,094	11,410,219	13,605,202	15,475,146	18,156,122	20,495,721	23,402,559	27,258,557	32,025,178
Asset revaluation surplus	186,952,121	138,136,683	138,136,683	138,136,683	144,379,200	150,889,463	157,594,877	164,726,309	172,224,002	179,937,616	187,863,128	196,009,286	204,371,721	212,973,395	221,803,752	230,891,262	240,234,616	249,831,336	259,690,878
TOTAL EQUITY	252,583,980	207,345,336	207,095,570	207,089,649	216,032,324	224,316,027	236,727,476	244,807,154	253,483,230	262,541,811	272,001,210	281,903,764	292,255,536	303,089,682	314,422,354	326,311,330	338,759,213	351,790,191	365,435,809

Appendix A4 Forecast Statement of Changes in Equity 2025 – 2040

	2022	2023	2024	Base	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37	30 June 38	30 June 39	30 June 40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening balance	59,731,377	63,973,625	67,074,536	66,096,927	66,087,625	67,872,955	68,866,674	73,725,067	73,205,447	73,917,627	74,294,420	74,353,988	74,484,259	74,278,613	74,641,141	74,462,480	74,924,347	75,122,038	74,700,298
Net result	4,242,248	3,576,794	(249,766)	(5,921)	2,700,158	1,773,440	5,706,035	948,246	1,178,383	1,344,967	1,533,887	1,756,396	1,989,337	2,232,472	2,502,315	2,801,466	3,104,529	3,434,258	3,786,076
Amount transferred (to)/from reserves	0	(475,883)	(727,843)	(3,381)	(914,828)	(779,721)	(847,642)	(1,467,866)	(466,203)	(968,174)	(1,474,319)	(1,626,125)	(2,194,983)	(1,869,944)	(2,680,976)	(2,339,599)	(2,906,838)	(3,855,998)	(4,766,621)
Closing balance	63,973,625	67,074,536	66,096,927	66,087,625	67,872,955	68,866,674	73,725,067	73,205,447	73,917,627	74,294,420	74,353,988	74,484,259	74,278,613	74,641,141	74,462,480	74,924,347	75,122,038	74,700,298	73,719,753
RESERVES ACCOUNTS																			
Opening balance	1,658,234	1,658,234	2,134,117	2,861,960	2,865,341	3,780,169	4,559,890	5,407,532	6,875,398	7,341,601	8,309,775	9,784,094	11,410,219	13,605,202	15,475,146	18,156,122	20,495,721	23,402,559	27,258,557
Amount transferred to/(from) retained surplus	0	475,883	727,843	3,381	914,828	779,721	847,642	1,467,866	466,203	968,174	1,474,319	1,626,125	2,194,983	1,869,944	2,680,976	2,339,599	2,906,838	3,855,998	4,766,621
Closing balance	1,658,234	2,134,117	2,861,960	2,865,341	3,780,169	4,559,890	5,407,532	6,875,398	7,341,601	8,309,775	9,784,094	11,410,219	13,605,202	15,475,146	18,156,122	20,495,721	23,402,559	27,258,557	32,025,178
ASSET REVALUATION SURPLUS																			
Opening balance	185,416,988	186,952,121	138,136,683	138,136,683	138,136,683	144,379,200	150,889,463	157,594,877	164,726,309	172,224,002	179,937,616	187,863,128	196,009,286	204,371,721	212,973,395	221,803,752	230,891,262	240,234,616	249,831,336
Total other comprehensive income	1,535,133	(48,815,438)	0	0	6,242,517	6,510,263	6,705,414	7,131,432	7,497,693	7,713,614	7,925,512	8,146,158	8,362,435	8,601,674	8,830,357	9,087,510	9,343,354	9,596,720	9,859,542
Closing balance	186,952,121	138,136,683	138,136,683	138,136,683	144,379,200	150,889,463	157,594,877	164,726,309	172,224,002	179,937,616	187,863,128	196,009,286	204,371,721	212,973,395	221,803,752	230,891,262	240,234,616	249,831,336	259,690,878
TOTAL EQUITY																			
	252,583,980	207,345,336	207,095,570	207,089,649	216,032,324	224,316,027	236,727,476	244,807,154	253,483,230	262,541,811	272,001,210	281,903,764	292,255,536	303,089,682	314,422,354	326,311,330	338,759,213	351,790,191	365,435,809

Appendix A5 Forecast Statement of Cashflows 2025 – 2040

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities															
Receipts															
Rates	4,800,384	5,040,403	5,292,423	5,557,044	5,834,896	6,126,640	6,432,972	6,754,621	7,092,352	7,446,969	7,819,318	8,210,284	8,620,798	9,051,838	9,504,430
Grants, subsidies and contributions	2,667,153	2,747,169	2,829,586	2,914,473	3,001,907	3,091,966	3,184,724	3,280,267	3,378,675	3,480,035	3,584,435	3,691,969	3,802,730	3,916,812	4,034,318
Fees and charges	1,192,955	1,228,747	1,265,608	1,303,574	1,542,683	1,588,963	1,636,629	1,685,730	1,736,301	1,788,388	1,842,041	1,897,304	1,954,225	2,012,851	2,073,236
Interest revenue	157,217	180,087	199,580	220,771	257,468	269,123	293,327	330,185	370,839	425,713	472,462	539,486	597,976	670,647	767,047
Other revenue	105,531	108,697	111,959	115,319	118,778	122,343	126,015	129,794	133,688	137,699	141,832	146,087	150,470	154,984	159,633
	8,923,240	9,305,103	9,699,156	10,111,181	10,755,732	11,199,035	11,673,667	12,180,597	12,711,855	13,278,804	13,860,088	14,485,130	15,126,199	15,807,132	16,538,664
Payments															
Employee costs	(2,831,634)	(2,916,579)	(3,004,076)	(3,094,197)	(3,187,025)	(3,282,637)	(3,381,118)	(3,482,549)	(3,587,026)	(3,694,638)	(3,805,481)	(3,919,646)	(4,037,233)	(4,158,350)	(4,283,100)
Materials and contracts	(3,177,984)	(3,273,329)	(3,371,528)	(3,472,671)	(3,576,850)	(3,684,152)	(3,794,673)	(3,908,516)	(4,025,765)	(4,146,545)	(4,270,945)	(4,399,076)	(4,531,040)	(4,666,967)	(4,806,976)
Utility charges	(169,191)	(174,267)	(179,496)	(184,878)	(190,426)	(196,140)	(202,029)	(208,092)	(214,335)	(220,765)	(227,383)	(234,205)	(241,228)	(248,459)	(255,914)
Finance costs	(20,002)	(55,550)	(48,477)	(155,039)	(367,578)	(332,279)	(296,049)	(258,662)	(221,118)	(181,825)	(140,707)	(98,975)	(59,272)	(21,340)	0
Insurance	(295,268)	(310,036)	(325,536)	(341,816)	(358,907)	(376,853)	(395,697)	(415,481)	(436,256)	(458,070)	(471,811)	(485,968)	(500,546)	(515,567)	(531,035)
Other expenditure	(202,751)	(208,833)	(215,098)	(221,552)	(228,198)	(235,045)	(242,096)	(249,358)	(256,838)	(264,543)	(272,476)	(280,650)	(289,071)	(297,743)	(306,677)
	(6,696,830)	(6,938,594)	(7,144,211)	(7,470,153)	(7,908,984)	(8,107,106)	(8,311,662)	(8,522,658)	(8,741,338)	(8,966,386)	(9,188,803)	(9,418,520)	(9,658,390)	(9,908,426)	(10,183,702)
Net cash provided by (used in) operating activities	2,226,410	2,366,509	2,554,945	2,641,028	2,846,748	3,091,929	3,362,005	3,657,939	3,970,517	4,312,418	4,671,285	5,066,610	5,467,809	5,898,706	6,354,962
Cash flows from investing activities															
Payments for purchase of property, plant & equipment	(899,190)	(1,067,137)	(9,208,411)	(5,341,665)	(1,425,907)	(920,614)	(645,684)	(715,725)	(230,945)	(1,321,070)	(297,610)	(1,507,029)	(1,092,589)	(706,379)	(852,208)
Payments for construction of infrastructure	(4,609,044)	(2,706,025)	(1,515,073)	(2,167,398)	(2,335,972)	(2,406,051)	(2,478,233)	(2,552,579)	(2,629,157)	(2,708,032)	(2,789,273)	(2,872,950)	(2,959,140)	(3,047,914)	(3,139,351)
Proceeds from capital grants, subsidies and contributions	3,145,971	2,158,679	6,131,362	1,487,405	1,617,779	1,648,513	1,680,168	1,712,773	1,746,356	1,780,947	1,816,576	1,853,273	1,891,072	1,930,004	1,970,104
Proceeds from sale of plant & equipment	315,180	251,538	557,291	164,324	569,203	340,901	378,800	330,627	182,668	689,429	204,867	652,998	492,693	397,813	433,114
Net cash provided by (used in) investing activities	(2,047,083)	(1,362,945)	(4,034,831)	(5,857,334)	(1,574,897)	(1,337,251)	(1,064,949)	(1,224,904)	(931,078)	(1,558,726)	(1,065,440)	(1,873,708)	(1,667,964)	(1,426,476)	(1,588,341)
Cash flows from financing activities															
Repayment of debentures	(130,281)	(206,674)	(172,472)	(380,618)	(805,648)	(786,504)	(822,737)	(806,910)	(844,456)	(883,748)	(924,869)	(853,303)	(893,007)	(616,232)	0
Repayment of leases	(34,218)	(17,169)	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from new debentures	900,000	0	2,500,000	5,064,790	0	0	0	0	0	0	0	0	0	0	0
Net cash provided by (used in) financing activities	735,501	(223,843)	2,327,528	4,684,172	(805,648)	(786,504)	(822,737)	(806,910)	(844,456)	(883,748)	(924,869)	(853,303)	(893,007)	(616,232)	0
Net increase (decrease) in cash held	914,828	779,721	847,642	1,467,866	466,203	968,174	1,474,319	1,626,125	2,194,983	1,869,944	2,680,976	2,339,599	2,906,838	3,855,998	4,766,621
Cash at beginning of year	2,288,663	3,203,491	3,983,212	4,830,854	6,298,720	6,764,923	7,733,097	9,207,416	10,833,541	13,028,524	14,898,468	17,579,444	19,919,043	22,825,881	26,681,879
Cash and cash equivalents at the end of year	3,203,491	3,983,212	4,830,854	6,298,720	6,764,923	7,733,097	9,207,416	10,833,541	13,028,524	14,898,468	17,579,444	19,919,043	22,825,881	26,681,879	31,448,500
Reconciliation of net cash provided by operating activities to net result															
Net result	2,700,158	1,773,440	5,706,035	948,246	1,178,383	1,344,967	1,533,887	1,756,396	1,989,337	2,232,472	2,502,315	2,801,466	3,104,529	3,434,258	3,786,076
Depreciation	2,672,223	2,751,748	2,980,272	3,180,187	3,286,144	3,395,475	3,508,286	3,614,316	3,727,536	3,860,893	3,985,546	4,118,417	4,254,352	4,394,452	4,538,990
Grants/contributions for the development of assets	(3,145,971)	(2,158,679)	(6,131,362)	(1,487,405)	(1,617,779)	(1,648,513)	(1,680,168)	(1,712,773)	(1,746,356)	(1,780,947)	(1,816,576)	(1,853,273)	(1,891,072)	(1,930,004)	(1,970,104)
Net cash from operating activities	2,226,410	2,366,509	2,554,945	2,641,028	2,846,748	3,091,929	3,362,005	3,657,939	3,970,517	4,312,418	4,671,285	5,066,610	5,467,809	5,898,706	6,354,962

Appendix A6 Forecast Statement of Financial Activity 2025 – 2040

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES															
Revenues															
Rates	4,800,384	5,040,403	5,292,423	5,557,044	5,834,896	6,126,640	6,432,972	6,754,621	7,092,352	7,446,969	7,819,318	8,210,284	8,620,798	9,051,838	9,504,430
Grants, subsidies and contributions	2,667,153	2,747,169	2,829,586	2,914,473	3,001,907	3,091,966	3,184,724	3,280,267	3,378,675	3,480,035	3,584,435	3,691,969	3,802,730	3,916,812	4,034,318
Fees and charges	1,192,955	1,228,747	1,265,608	1,303,574	1,542,683	1,588,963	1,636,629	1,685,730	1,736,301	1,788,388	1,842,041	1,897,304	1,954,225	2,012,851	2,073,236
Interest revenue	157,217	180,087	199,580	220,771	257,468	269,123	293,327	330,185	370,839	425,713	472,462	539,486	597,976	670,647	767,047
Other revenue	105,531	108,697	111,959	115,319	118,778	122,343	126,015	129,794	133,688	137,699	141,832	146,087	150,470	154,984	159,633
	8,923,240	9,305,103	9,699,156	10,111,181	10,755,732	11,199,035	11,673,667	12,180,597	12,711,855	13,278,804	13,860,088	14,485,130	15,126,199	15,807,132	16,538,664
Expenses															
Employee costs	(2,831,634)	(2,916,579)	(3,004,076)	(3,094,197)	(3,187,025)	(3,282,637)	(3,381,118)	(3,482,549)	(3,587,026)	(3,694,638)	(3,805,481)	(3,919,646)	(4,037,233)	(4,158,350)	(4,283,100)
Materials and contracts	(3,177,984)	(3,273,329)	(3,371,528)	(3,472,671)	(3,576,850)	(3,684,152)	(3,794,673)	(3,908,516)	(4,025,765)	(4,146,545)	(4,270,945)	(4,399,076)	(4,531,040)	(4,666,967)	(4,806,976)
Utility charges (electricity, gas, water etc.)	(169,191)	(174,267)	(179,496)	(184,878)	(190,426)	(196,140)	(202,029)	(208,092)	(214,335)	(220,765)	(227,383)	(234,205)	(241,228)	(248,459)	(255,914)
Depreciation	(2,672,223)	(2,751,748)	(2,980,272)	(3,180,187)	(3,286,144)	(3,395,475)	(3,508,286)	(3,614,316)	(3,727,536)	(3,860,893)	(3,985,546)	(4,118,417)	(4,254,352)	(4,394,452)	(4,538,990)
Finance costs	(20,002)	(55,550)	(48,477)	(155,039)	(367,578)	(332,279)	(296,049)	(258,662)	(221,118)	(181,825)	(140,707)	(98,975)	(59,272)	(21,340)	0
Insurance	(295,268)	(310,036)	(325,536)	(341,816)	(358,907)	(376,853)	(395,697)	(415,481)	(436,256)	(458,070)	(471,811)	(485,968)	(500,546)	(515,567)	(531,035)
Other expenditure	(202,751)	(208,833)	(215,098)	(221,552)	(228,198)	(235,045)	(242,096)	(249,358)	(256,838)	(264,543)	(272,476)	(280,650)	(289,071)	(297,743)	(306,677)
	(9,369,053)	(9,690,342)	(10,124,483)	(10,650,340)	(11,195,128)	(11,502,581)	(11,819,948)	(12,136,974)	(12,468,874)	(12,827,279)	(13,174,349)	(13,536,937)	(13,912,742)	(14,302,878)	(14,722,692)
	(445,813)	(385,239)	(425,327)	(539,159)	(439,396)	(303,546)	(146,281)	43,623	242,981	451,525	685,739	948,193	1,213,457	1,504,254	1,815,972
Funding position adjustments															
Depreciation	2,672,223	2,751,748	2,980,272	3,180,187	3,286,144	3,395,475	3,508,286	3,614,316	3,727,536	3,860,893	3,985,546	4,118,417	4,254,352	4,394,452	4,538,990
Net funding from operational activities	2,226,410	2,366,509	2,554,945	2,641,028	2,846,748	3,091,929	3,362,005	3,657,939	3,970,517	4,312,418	4,671,285	5,066,610	5,467,809	5,898,706	6,354,962
FUNDING FROM CAPITAL ACTIVITIES															
Inflows															
Proceeds on disposal	315,180	251,538	557,291	164,324	569,203	340,901	378,800	330,627	182,668	689,429	204,867	652,998	492,693	397,813	433,114
Capital grants, subsidies and contributions	3,145,971	2,158,679	6,131,362	1,487,405	1,617,779	1,648,513	1,680,168	1,712,773	1,746,356	1,780,947	1,816,576	1,853,273	1,891,072	1,930,004	1,970,104
Outflows															
Purchase of property plant and equipment	(899,190)	(1,067,137)	(9,208,411)	(5,341,665)	(1,425,907)	(920,614)	(645,684)	(715,725)	(230,945)	(1,321,070)	(297,610)	(1,507,029)	(1,092,589)	(706,379)	(852,208)
Purchase of infrastructure	(4,609,044)	(2,706,025)	(1,515,073)	(2,167,398)	(2,335,972)	(2,406,051)	(2,478,233)	(2,552,579)	(2,629,157)	(2,708,032)	(2,789,273)	(2,872,950)	(2,959,140)	(3,047,914)	(3,139,351)
Net funding from capital activities	(2,047,083)	(1,362,945)	(4,034,831)	(5,857,334)	(1,574,897)	(1,337,251)	(1,064,949)	(1,224,904)	(931,078)	(1,558,726)	(1,065,440)	(1,873,708)	(1,667,964)	(1,426,476)	(1,588,341)
FUNDING FROM FINANCING ACTIVITIES															
Inflows															
Transfer from reserves	281,010	430,727	455,667	112,551	856,704	579,713	266,884	385,098	48,277	631,641	92,743	854,031	599,896	308,566	419,094
New borrowings	900,000	0	2,500,000	5,064,790	0	0	0	0	0	0	0	0	0	0	0
Outflows															
Transfer to reserves	(1,195,838)	(1,210,448)	(1,303,309)	(1,580,417)	(1,322,907)	(1,547,887)	(1,741,203)	(2,011,223)	(2,243,260)	(2,501,585)	(2,773,719)	(3,193,630)	(3,506,734)	(4,164,564)	(5,185,715)
Repayment of past borrowings	(130,281)	(206,674)	(172,472)	(380,618)	(805,648)	(786,504)	(822,737)	(806,910)	(844,456)	(883,748)	(924,869)	(853,303)	(893,007)	(616,232)	0
Principal elements of finance lease payments	(34,218)	(17,169)	0	0	0	0	0	0	0	0	0	0	0	0	0
Net funding from financing activities	(179,327)	(1,003,564)	1,479,886	3,216,306	(1,271,851)	(1,754,678)	(2,297,056)	(2,433,035)	(3,039,439)	(2,753,692)	(3,605,845)	(3,192,902)	(3,799,845)	(4,472,230)	(4,766,621)
Estimated surplus/deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated surplus/deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix A7 Forecast Statement of Net Current Asset Composition 2025 – 2040

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated surplus/deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Cash and equivalents	3,203,491	3,983,212	4,830,854	6,298,720	6,764,923	7,733,097	9,207,416	10,833,541	13,028,524	14,898,468	17,579,444	19,919,043	22,825,881	26,681,879	31,448,500
Trade and other receivables	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676	1,275,676
Inventories	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667	22,667
Other assets	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286	241,286
CURRENT LIABILITIES															
Trade and other payables	(962,951)	(962,951)	(962,951)	(962,951)	(962,951)	(962,951)	(962,951)	(962,951)	(962,951)	(962,951)	(962,951)	(962,951)	(962,951)	(962,951)	(962,951)
Lease liabilities	(17,169)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current portion of long-term borrowings	(206,674)	(172,472)	(380,618)	(805,648)	(786,504)	(822,737)	(806,910)	(844,456)	(883,748)	(924,869)	(853,303)	(893,007)	(616,232)	0	0
Employee provisions	(475,807)	(475,807)	(475,807)	(475,807)	(475,807)	(475,807)	(475,807)	(475,807)	(475,807)	(475,807)	(475,807)	(475,807)	(475,807)	(475,807)	(475,807)
ADJUSTMENTS TO NET CURRENT ASSETS															
Reserves	(3,780,169)	(4,559,890)	(5,407,532)	(6,875,398)	(7,341,601)	(8,309,775)	(9,784,094)	(11,410,219)	(13,605,202)	(15,475,146)	(18,156,122)	(20,495,721)	(23,402,559)	(27,258,557)	(32,025,178)
Current liabilities not expected to be cleared at end of year															
Add: lease payments	17,169	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Add: current long term borrowings	206,674	172,472	380,618	805,648	786,504	822,737	806,910	844,456	883,748	924,869	853,303	893,007	616,232	0	0
Add: Employee provisions - cash backed by reserve	156,789	160,709	164,727	168,845	173,066	177,393	181,828	186,374	191,033	195,809	200,704	205,722	210,865	216,137	221,540
Add: non cash backed current Leave liability not paid	319,018	315,098	311,080	306,962	302,741	298,414	293,979	289,433	284,774	279,998	275,103	270,085	264,942	259,670	254,267
Estimated surplus/deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix A8 Forecast Statement of Fixed Asset Movements 2025 – 2040

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Infrastructure - roads	2,054,544	2,334,710	1,515,073	2,167,398	2,335,972	2,406,051	2,478,233	2,552,579	2,629,157	2,708,032	2,789,273	2,872,950	2,959,140	3,047,914	3,139,351
Infrastructure - parks & ovals	154,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - other	0	371,315	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - aerodromes	2,400,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total capital works - infrastructure	4,609,044	2,706,025	1,515,073	2,167,398	2,335,972	2,406,051	2,478,233	2,552,579	2,629,157	2,708,032	2,789,273	2,872,950	2,959,140	3,047,914	3,139,351
Represented by:															
Additions - assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - expansion, upgrades and new	2,554,500	371,315	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - renewal	2,054,544	2,334,710	1,515,073	2,167,398	2,335,972	2,406,051	2,478,233	2,552,579	2,629,157	2,708,032	2,789,273	2,872,950	2,959,140	3,047,914	3,139,351
Total Capital Works - Infrastructure	4,609,044	2,706,025	1,515,073	2,167,398	2,335,972	2,406,051	2,478,233	2,552,579	2,629,157	2,708,032	2,789,273	2,872,950	2,959,140	3,047,914	3,139,351
Asset movement reconciliation															
Total capital works infrastructure	4,609,044	2,706,025	1,515,073	2,167,398	2,335,972	2,406,051	2,478,233	2,552,579	2,629,157	2,708,032	2,789,273	2,872,950	2,959,140	3,047,914	3,139,351
Depreciation infrastructure	(1,868,992)	(1,932,651)	(1,992,972)	(2,061,973)	(2,134,383)	(2,209,161)	(2,286,383)	(2,355,756)	(2,431,220)	(2,515,733)	(2,602,999)	(2,693,104)	(2,786,137)	(2,882,191)	(2,981,360)
Net book value of disposed/written off assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation of infrastructure assets (inflation)	5,493,692	5,749,111	5,920,195	6,103,034	6,294,344	6,491,327	6,694,139	6,902,948	7,118,237	7,340,090	7,568,499	7,803,652	8,045,742	8,294,969	8,551,532
Net movement in infrastructure assets	8,233,744	6,522,485	5,442,296	6,208,459	6,495,933	6,688,217	6,885,989	7,099,771	7,316,174	7,532,389	7,754,773	7,983,498	8,218,745	8,460,692	8,709,523
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Land - freehold land	257,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	0	384,872	8,195,453	5,064,790	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	641,690	682,265	1,012,958	276,875	1,425,907	920,614	645,684	715,725	230,945	1,321,070	297,610	1,507,029	1,092,589	706,379	852,208
Total capital works property, plant and equipment	899,190	1,067,137	9,208,411	5,341,665	1,425,907	920,614	645,684	715,725	230,945	1,321,070	297,610	1,507,029	1,092,589	706,379	852,208
Represented by:															
Additions - assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - expansion, upgrades and new	257,500	384,872	8,195,453	5,064,790	0	0	0	0	0	0	0	0	0	0	0
Additions - renewal	641,690	682,265	1,012,958	276,875	1,425,907	920,614	645,684	715,725	230,945	1,321,070	297,610	1,507,029	1,092,589	706,379	852,208
Total capital works property, plant and equipment	899,190	1,067,137	1,012,958	5,341,665	1,425,907	920,614	645,684	715,725	230,945	1,321,070	297,610	1,507,029	1,092,589	706,379	852,208
Asset movement reconciliation															
Total capital works property, plant and equipment	899,190	1,067,137	9,208,411	5,341,665	1,425,907	920,614	645,684	715,725	230,945	1,321,070	297,610	1,507,029	1,092,589	706,379	852,208
Depreciation property, plant and equipment	(768,652)	(799,408)	(987,300)	(1,118,214)	(1,151,761)	(1,186,314)	(1,221,903)	(1,258,560)	(1,296,316)	(1,345,160)	(1,382,547)	(1,425,313)	(1,468,215)	(1,512,261)	(1,557,630)
Net book value of disposed/written off assets	(315,180)	(251,538)	(557,291)	(164,324)	(569,203)	(340,901)	(378,800)	(330,627)	(182,668)	(689,429)	(204,867)	(652,998)	(492,693)	(397,813)	(433,114)
Revaluation of property, plant and equipment (inflation)	748,825	761,152	785,219	785,219	1,028,398	1,203,349	1,222,287	1,231,373	1,243,210	1,244,198	1,261,584	1,261,858	1,283,858	1,297,612	1,301,751
Net movement in property, plant and equipment	564,183	777,343	8,449,039	5,087,525	908,292	615,686	276,354	369,748	(3,841)	548,065	(27,946)	712,576	429,293	98,056	169,474
Asset movement reconciliation															
Depreciation right of use assets	(34,579)	(19,689)	0	0	0	0	0	0	0	0	0	0	0	0	0
Net movement in right of use assets	(34,579)	(19,689)	0	0	0	0	0	0	0	0	0	0	0	0	0
CAPITAL WORKS - TOTALS															
Capital works															
Total capital works infrastructure	4,609,044	2,706,025	1,515,073	2,167,398	2,335,972	2,406,051	2,478,233	2,552,579	2,629,157	2,708,032	2,789,273	2,872,950	2,959,140	3,047,914	3,139,351
Total capital works property, plant and equipment	899,190	1,067,137	9,208,411	5,341,665	1,425,907	920,614	645,684	715,725	230,945	1,321,070	297,610	1,507,029	1,092,589	706,379	852,208
Total capital works right of use assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total capital works	5,508,234	3,773,162	10,723,484	7,509,063	3,761,879	3,326,665	3,123,917	3,268,304	2,860,102	4,029,102	3,086,883	4,379,979	4,051,729	3,754,293	3,991,559
Fixed asset movement															
Net movement in infrastructure assets	8,233,744	6,522,485	5,442,296	6,208,459	6,495,933	6,688,217	6,885,989	7,099,771	7,316,174	7,532,389	7,754,773	7,983,498	8,218,745	8,460,692	8,709,523
Net movement in property, plant and equipment	564,183	777,343	8,449,039	5,087,525	908,292	615,686	276,354	369,748	(3,841)	548,065	(27,946)	712,576	429,293	98,056	169,474
Net movement in right of use assets	(34,579)	(19,689)	0	0	0	0	0	0	0	0	0	0	0	0	0
Net movement in fixed assets	8,763,348	7,280,139	13,891,335	11,295,984	7,404,225	7,303,903	7,162,343	7,469,519	7,312,333	8,080,454	7,726,827	8,696,074	8,648,038	8,558,748	8,878,997

Appendix A9 Forecast Statement of Capital Funding 2025 – 2040

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital expenditure															
Infrastructure - roads	2,054,544	2,334,710	1,515,073	2,167,398	2,335,972	2,406,051	2,478,233	2,552,579	2,629,157	2,708,032	2,789,273	2,872,950	2,959,140	3,047,914	3,139,351
Infrastructure - parks & ovals	154,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - other	0	371,315	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - aerodromes	2,400,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Land - freehold land	257,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	0	384,872	8,195,453	5,064,790	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	641,690	682,265	1,012,958	276,875	1,425,907	920,614	645,684	715,725	230,945	1,321,070	297,610	1,507,029	1,092,589	706,379	852,208
Total - Capital expenditure	5,508,234	3,773,162	10,723,484	7,509,063	3,761,879	3,326,665	3,123,917	3,268,304	2,860,102	4,029,102	3,086,883	4,379,979	4,051,729	3,754,293	3,991,559
Funded by:															
Capital grants & contributions															
Infrastructure - roads	1,445,971	1,668,679	1,131,362	1,487,405	1,617,779	1,648,513	1,680,168	1,712,773	1,746,356	1,780,947	1,816,576	1,853,273	1,891,072	1,930,004	1,970,104
Infrastructure - parks & ovals	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - other	0	200,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - aerodromes	1,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	0	290,000	5,000,000	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total - Capital grants & contributions	3,145,971	2,158,679	6,131,362	1,487,405	1,617,779	1,648,513	1,680,168	1,712,773	1,746,356	1,780,947	1,816,576	1,853,273	1,891,072	1,930,004	1,970,104
Own source funding															
Infrastructure - roads	608,573	666,031	383,711	679,993	718,193	757,538	798,065	839,806	882,801	927,085	972,697	1,019,677	1,068,068	1,117,910	1,169,247
Infrastructure - parks & ovals	54,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - other	0	171,315	0	0	0	0	0	0	0	0	0	0	0	0	0
Land - freehold land	257,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	0	94,872	695,453	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	226,510	430,727	455,667	112,551	856,704	579,713	266,884	385,098	48,277	631,641	92,743	854,031	599,896	308,566	419,094
Total - Own source funding	1,147,083	1,362,945	1,534,831	792,544	1,574,897	1,337,251	1,064,949	1,224,904	931,078	1,558,726	1,065,440	1,873,708	1,667,964	1,426,476	1,588,341
Borrowings															
Infrastructure - aerodromes	900,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	0	0	2,500,000	5,064,790	0	0	0	0	0	0	0	0	0	0	0
Total - Borrowings	900,000	0	2,500,000	5,064,790	0	0	0	0	0	0	0	0	0	0	0
Other (disposals & C/Fwd)															
Plant and equipment	315,180	251,538	557,291	164,324	569,203	340,901	378,800	330,627	182,668	689,429	204,867	652,998	492,693	397,813	433,114
Total - Other (disposals & C/Fwd)	315,180	251,538	557,291	164,324	569,203	340,901	378,800	330,627	182,668	689,429	204,867	652,998	492,693	397,813	433,114
Total Capital Funding	5,508,234	3,773,162	10,723,484	7,509,063	3,761,879	3,326,665	3,123,917	3,268,304	2,860,102	4,029,102	3,086,883	4,379,979	4,051,729	3,754,293	3,991,559
Unfunded - capital works															
Total - Unfunded - capital works	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix A10 Forecast Ratios 2025 – 2040

	Target Range		Average	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
LIQUIDITY RATIOS																		
Current ratio	> 1.00	> 1.20	0.49	0.58	0.60	0.53	0.43	0.43	0.43	0.43	0.42	0.41	0.41	0.42	0.41	0.47	0.67	0.67
OPERATING RATIOS																		
Operating surplus ratio	> 1.00%	> 15.00%	1.55%	(7.13%)	(5.87%)	(6.19%)	(7.49%)	(5.67%)	(3.74%)	(1.72%)	0.49%	2.60%	4.61%	6.67%	8.79%	10.72%	12.65%	14.52%
Own source revenue coverage ratio	> 40.00%	> 60.00%	74.21%	66.77%	67.67%	67.85%	67.57%	69.26%	70.48%	71.82%	73.33%	74.85%	76.39%	78.00%	79.73%	81.39%	83.13%	84.93%
BORROWINGS RATIOS																		
Debt service cover ratio	> 3	> 5	6.23	15.11	9.24	11.78	5.22	2.74	3.06	3.27	3.68	3.93	4.22	4.52	5.42	5.80	9.29	-
FIXED ASSET RATIOS																		
Asset sustainability ratio	> 90.00%	> 110.00%	93.18%	100.90%	109.64%	84.83%	76.86%	114.48%	97.97%	89.04%	90.43%	76.73%	104.36%	77.45%	106.35%	95.24%	85.43%	87.94%
Asset consumption ratio	> 50.00%	> 60.00%	93.37%	96.29%	96.29%	95.95%	95.40%	95.05%	94.60%	94.03%	93.51%	92.88%	92.38%	91.76%	91.36%	90.90%	90.35%	89.84%
Asset renewal funding ratio	> 75.00%	> 95.00%	238.12%	372.47%	287.58%	229.75%	169.61%	131.20%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Appendix A11 Forecast Significant Accounting Policies

Basis of Preparation

The Long Term Financial Plan (the Plan) comprises forecast 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 and is considered a zero cost concessionary lease. 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.

The Local Government (Financial Management) Regulations 1996 provide that: land and buildings classified as property, plant and equipment; or infrastructure; or vested improvements that the local government controls; and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 Property, Plant and Equipment, which would have required the City to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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

Judgements, Estimates and Assumptions

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

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

The Local Government Reporting Entity

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

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

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

Base Year Balances

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

Rounding Off Figures

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

Comparative Figures

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

Forecast Fair Value Adjustments

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

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

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

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.

Appendix A11 Forecast Significant Accounting Policies (Continued)

Goods and Services Tax (GST)

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

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

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

Trade and Other Receivables

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

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

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

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

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

Inventories

General

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

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

Land held for resale

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

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

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

Fixed Assets

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

Revaluation

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

Gains and Losses on Disposal

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

Appendix A11 Forecast Significant Accounting Policies (Continued)

Depreciation

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

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

Asset Class	Effective average depreciation rates
Right of use - plant and equipment	32.03%
Buildings - non-specialised	2.00%
Buildings - specialised	2.00%
Furniture and equipment	6.35%
Plant and equipment	5.42%
Infrastructure - roads	1.09%
Infrastructure - footpaths	5.08%
Infrastructure - parks & ovals	2.93%
Infrastructure - other	1.71%
Infrastructure - drainage	0.24%
Infrastructure - sewerage	1.44%
Infrastructure - aerodromes	0.84%
Infrastructure - landfill assets	7.96%
Infrastructure - swimming pool decommission cost	2.57%
Infrastructure - leasehold improvements	1.71%

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.

Employee Benefits

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

Short-Term Employee Benefits

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

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a

part of current trade and other payables in the statement of financial position.

Other Long-Term Employee Benefits

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

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

Borrowing Costs

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

Trade and Other Payables

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

Provisions

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

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

Current and Non-Current Classification

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

Other Matters

Preparation

This Plan was prepared in collaboration with the Shire of Jerramungup by Moore Australia (WA) Pty Ltd.

Reliance

This Plan has been prepared for the exclusive use of the Shire of Jerramungup 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 Jerramungup. 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 Jerramungup.

This Plan contains quantitative and qualitative statements, including projections, estimates, opinions and forecasts concerning the anticipated future performance of Shire of Jerramungup 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 Jerramungup. 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 Jerramungup and the impact that a variation in future outcomes may have on the Plan and the Shire of Jerramungup.

Please refer to the attached compilation report.

Document Management

Version	2025 – 2040 V2
Status	Final
Date	20 August 2025

References

Reference to the following documents or sources were made during the preparation of the Long Term Financial Plan.

- Shire of Jerramungup Strategic Community Plan 2021 – 2031;
- Shire of Jerramungup Corporate Business Plan 2021-2025;
- Shire of Jerramungup Annual Financial Report 2022-23;
- Shire of Jerramungup Annual Financial Report 2023-24;
- Shire of Jerramungup Adopted Annual Budget 2024-25;
- Australian Bureau of Statistics 2021 Census of Population and Housing, Jerramungup (LGA54130);
- WALGA Online Local Government Directory 2021/22, Shire of Jerramungup; and
- Council website: www.jerramungup.wa.gov.au

Disclaimer

Liability limited by a scheme approved under Professional Standards Legislation. The services provided in terms of this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standard Board and, consequently no opinions or conclusions are intended to convey assurance either expressed or implied.

Moore Australia Western Australia, a Perth based partnership of trusts ("the firm"), carries on business separately and independently from other Moore Australia member firms around Australia and Moore Global firms worldwide. Services provided under this engagement are provided by the Firm and not by any other independent Moore Global member firm. No other independent Moore Australia or Moore Global member has any liability for services provided by other members. Throughout this document, a reference to Moore Australia refers to Moore Australia (WA) Pty Ltd trading as agent ABN 99 433 544 961, an independent member of Moore Global Network Limited – member in principal cities throughout the world. Moore Australia WA is not a partner or agent of any other Moore Australia or Moore Global member firm.

20 August 2025

Martin Cuthbert
Chief Executive Officer
Shire of Jerramungup
PO BOX 92
Jerramungup WA 6337

Dear Martin

COMPILATION REPORT TO SHIRE OF JERRAMUNGUP

We have compiled the accompanying Shire of Jerramungup Long Term Financial Plan 2025 – 2040 based on information you have provided.

THE RESPONSIBILITY OF SHIRE OF JERRAMUNGUP

The Chief Executive Officer of the Shire of Jerramungup is solely responsible for the information contained in the Long Term Financial Plan 2025 – 2040, the reliability, accuracy and completeness of the information and for the determination that the statutory financial reporting framework used is appropriate to meet their needs and for the purpose that the forward looking financial statements were prepared.

This Long Term Financial Plan 2025 – 2040 and the reliability, accuracy and completeness of the information used to compile it are your responsibility.

OUR RESPONSIBILITY

On the basis of information provided by the Shire of Jerramungup we have compiled the accompanying special purpose financial statements in accordance with the statutory *financial reporting framework* and APES 315 *Compilation of Financial Information*.

We have applied our professional expertise in accounting and financial reporting to assist management in the preparation and presentation of these forward looking financial statements on the basis of accounting described in Appendix A11 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

ASSURANCE DISCLAIMER

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information you provided to us to compile the Schedule. Accordingly, we do not express an audit opinion or a review conclusion¹ on whether the Long Term Financial Plan 2025 – 2040 is prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

As stated in Appendix A11, the Long Term Financial Plan 2025 – 2040 is prepared and presented on the basis prescribed by *Local Government Act 1995* and accompanying regulations in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), for the purpose of the Shire of Jerramungup's compliance with the *Local Government Act 1995* and accompanying regulations. Accordingly, the Long Term Financial Plan 2025 – 2040 is for use only in connection with that purpose and may not be suitable for any other purpose.

Our compilation report is intended solely for the use of the Shire of Jerramungup and should not be distributed to parties other than the Shire of Jerramungup without our prior written consent.

Russell Barnes
Director
Moore Australia (WA) Pty Ltd