

Shire of Irwin

Strategic Resource Plan

2022-2037

Adopted by Council: 26 April 2022
Council Resolution: 070422

Contents

CONTENTS	2
1.0 FOREWORD	3
2.0 KEY INFORMATION	4
3.0 EXECUTIVE SUMMARY	5
4.0 COMMUNITY PROFILE, VISION AND OBJECTIVE	6
5.0 LONG TERM FINANCIAL PLANNING OVERVIEW	7
6.0 ASSET MANAGEMENT PLANNING OVERVIEW	10
7.0 WORKFORCE PLANNING OVERVIEW	14
8.0 SCENARIO MODELLING	16
9.0 STRATEGIC PLANNING AND POLICIES WITH OTHER PLANS	17
10.0 RISK MANAGEMENT	18
11.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY	19
12.0 MONITORING AND PERFORMANCE	25
13.0 IMPROVEMENT PLAN	26

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1.0 Foreword

We are pleased to present the Shire of Irwin Strategic Resource Plan for 2022-2037.

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

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

Council welcomes community participation in the planning process as we 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 Irwin's Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Irwin Strategic Community Plan 2021 - 2031.

This Plan will be used with the Corporate Business Plan to achieve our goals and drive the Shire in achieving its vision of "A safe place to live, an exciting place to visit, and a progressive place to work".

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











Michael Smith
President

Shane Ivers
Chief Executive Officer

Our Vision

A safe place to live, an exciting
place to visit, and a
progressive place to work

2.0 Key Information

ASSUMPTIONS	STATISTICS ^{1 12}	FINANCIAL INFORMATION ³
 2.25% Inflation Rate	 8 Elected Members	\$5,360,772 Rates Revenue
 Stable Population	 42 Employees	\$1,541,105 Fees and Charges
 Stable Levels of Service	 2,746 Electors	\$8,108,284 Operating Revenue
 Stable Operations	 2,049 Dwellings	\$11,586,291 Operating Expenditure
 Balanced Annual Budget	 355km Distance from Perth	\$94,092,939 Net Assets
 4.25% → Rates	 2,223km Area	\$1,292,763 Cash Backed Reserves
 2.75% → Fees and Charges	 3,569 Population	\$4,446,787 Borrowings
 2.25% → Employee Costs		

¹WALGA Online Local Government Directory 2020/21, Shire of Irwin

²Australian Bureau of Statistics Irwin (S) (LA54060) 2016 Census of Population and Housing, viewed 28 March 2022

³Shire of Irwin 2019/20 Annual Financial Report

3.0 Executive Summary

The following information provides a brief summary of the Strategic Resource Plan 2022-2037, this should be read in conjunction with the underlying assumptions detailed in this Plan.

3.1 Planning for a Sustainable and Stable Future

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

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

3.2 Significant Issues

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

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

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

Due to the current world-wide COVID-19 pandemic, and the subsequent restrictions put in place by the Federal and State Governments, the economic forecast has an increased level of uncertainty.

Rate revenue is forecast to increase at 4.25% (2.25% CPI + 2%) per year from 2022/23 for the duration of the Plan. These increases are to assist in the long term financial stability of the Shire and to increase the level of asset renewal to the community. These increases will be reviewed annually when setting future budgets.

3.3 Forecast Capital Projects

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

Project by Asset Class	2022-2037 Amount (\$)
Infrastructure – Roads	
Regional Road Group	21,005,569
Roads to Recovery	3,456,280
Local Roadworks renewals	32,100,000
Footpath renewals	1,136,212
Infrastructure - Roads Total	57,698,061
Infrastructure Other	
Council Priority Projects	6,000,000
Parks and Gardens	1,661,118
Other Works	192,911
Infrastructure Other Total	7,854,029
Plant and Equipment	
Plant replacement program	4,790,000
Plant and Equipment Total	4,790,000
Buildings	
Council Priority Projects	2,000,000
Building renewals	1,502,921
Buildings Total	3,502,921
Furniture and equipment	
Furniture and Equipment renewals	496,355
Furniture and equipment Total	496,355
Grand Total	74,341,366

4.0 Community Profile, Vision and Objective

4.1 Location

Located on the Batavia Coast 360kms north of Perth, are the historical twin towns of Dongara and Port Denison which form part of the Shire of Irwin.

4.2 Heritage

In 1839, an expedition led by George Grey left the Swan River Colony by ship, bound for the area north of the Murchison River. His boats and supplies destroyed in a cyclone, his only alternative was a gruelling 700km trek south to the colony. Captain Grey and his party thus became the first Europeans to traverse the Irwin District and note the extent of the lush pastoral country in the Irwin Basin.

The Aboriginal people of this region (the Wattandee) saw the first permanent European settlement of Irwin in 1850. In 1852, a townsite was surveyed and named "Dhungarra" - a name given to the area by local tribal natives to indicate a "meeting place of seals". From this time on, the area gradually became settled. By 1866, the small settlement was beginning to flex its community muscle and a jetty was built at Port Irwin; at the same time, an Inn was built, which is still in use today.

In 1871, the Irwin Road Board was formed. It stretched to the South Australian border and covered 89,000 square miles. In its early years, meetings were held in the Courthouse which was built around the same time, along with a School and Police Station. This progress continued as surely as the gradual growth of the majestic trees lining the main street.

4.3 People

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

Population	2011		2016
Shire of Irwin	3,567	↑	3,569
WA	2.24m	↑	2.47m

The age demographic of the districts population is reflected by the green (2011 Census) and blue (2016 Census) lines in the chart below.

The West Australian population is reflected by the dotted lines, it is apparent the Shire of Irwin has a lower percentage of younger (under 30 years) residents than the State average.

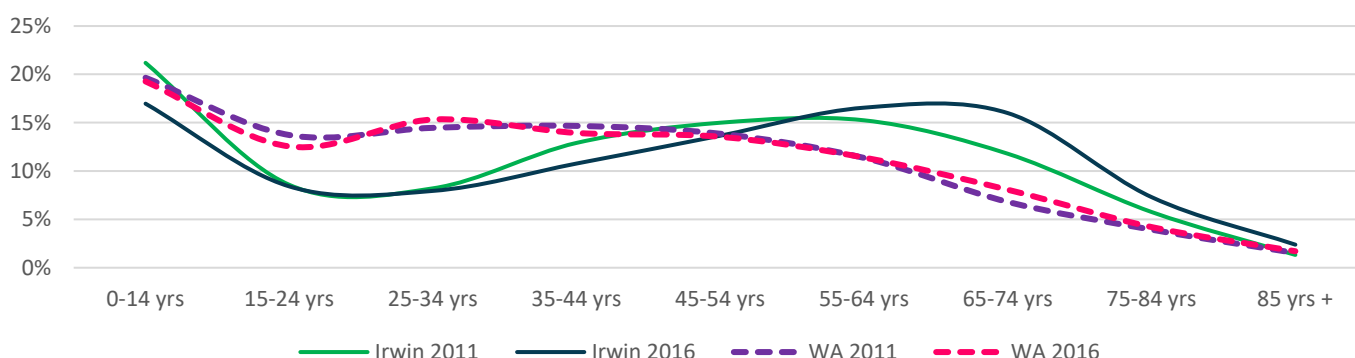
4.4 Vision

The Shire's strategic vision, as stated in the adopted Strategic Community Plan 2021-2031: **A safe place to live, an exciting place to visit, and a progressive place to work**

4.5 Strategic Objectives

The following key themes are identified in the Shire's Strategic Community Plan 2021-2031 and considered within the Strategic Resource Plan:

- **Economic:** A prosperous, diverse and thriving economy
- **Environment:** To be custodians of our natural and built environment
- **Social:** A friendly, safe and inclusive community enjoying a high quality lifestyle
- **Leadership:** Leading the community with engaged and progressive governance

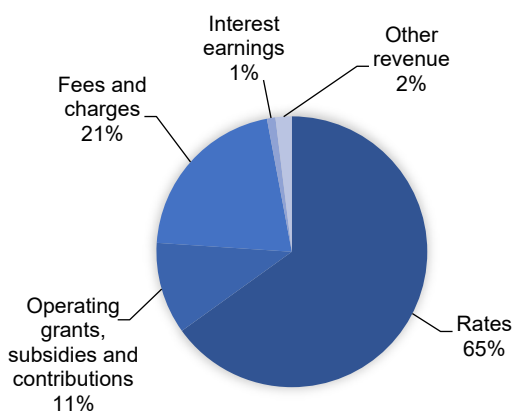


5.0 Long Term Financial Planning Overview

5.1 Forecast Revenue

Rates are expected to increase from 2021/22, with anticipated rates revenue of \$5.6m, at 4.25% (2.25% CPI + 2%) per annum to \$10.5m in 2036/37, and comprise 65% of operating revenue over the term of the Plan. The Shire is reliant on receiving \$20.3m over the next 15 years in operating grants, subsidies and contributions to maintain the current level of operations and services. Non operating grants for road renewals are expected to remain relatively stable.

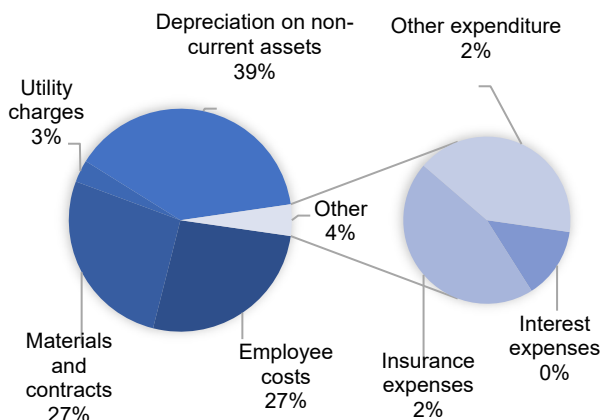
5.2 Revenue Composition Year 1 to 15



5.3 Forecast Expenditure

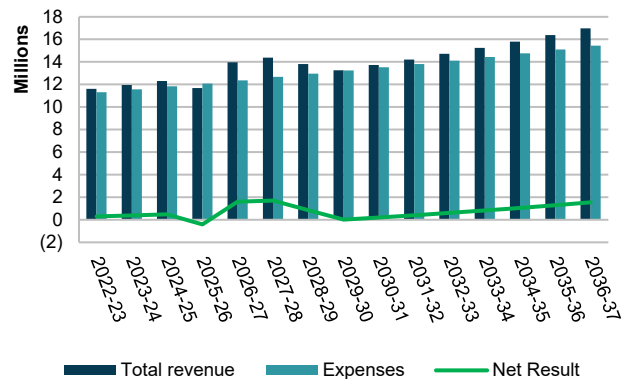
Expenditure is forecast to increase on average in line with inflation with the exception of depreciation expense, which is impacted by the addition of assets over the term of the Plan.

5.4 Expenditure Composition Year 1 to 15



5.5 Net Result

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



A positive net result over the long term indicates net asset values will increase faster than depreciation expenses erodes asset values. This may be masked by continuous revaluation of assets. Improved asset funding or changes to expected useful life of assets as they are better understood may impact the net result.

5.6 Depreciation Expense

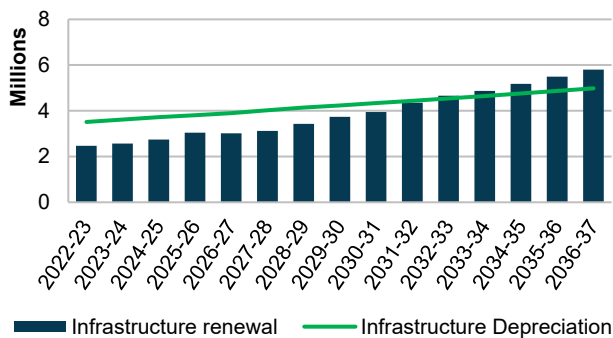
Ideally, the average asset renewal should be in line with depreciation expense over the long term, to ensure the value of assets is maintained. On average, the Shire is planning to renew its infrastructure assets at a slightly lower level than they are depreciating over the term of the Plan. However, increasing investment over the life of the Plan will see infrastructure renewals surpass depreciation in year 2032/33.

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

5.0 Long Term Financial Planning Overview (Continued)

5.7 Infrastructure Depreciation Expense -v- Asset Renewal Expenditure

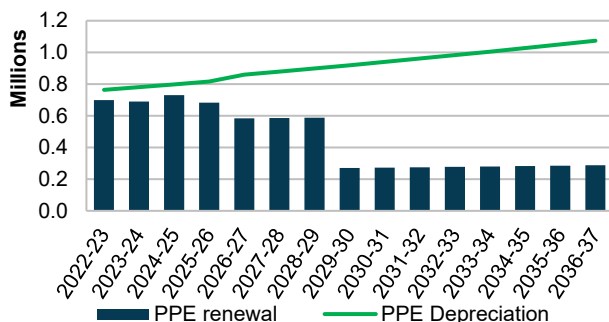
Depreciation expense increases throughout the Plan from \$3.5 in year 1 to \$5.0m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$63.5m, shown by the green line in the chart below. The planned level of infrastructure asset renewal expenditure at \$58.4m (reflected by the blue columns) increases over the term of the Plan to above the level of depreciation.



Increases in rate revenue higher than CPI over the life of the Plan, allows for increased expenditure for road renewals. This will decrease the funding gap in the initial years and allow for adequate renewal of roads in the later years. Further review of asset useful lives for infrastructure assets may be required as changes in the construction techniques occur and traffic loads vary.

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

Planned property, plant and equipment asset renewals of \$6.8m (reflected by the blue columns) over the 15 years is less than the depreciation expense of \$13.8m (reflected by the green line) over the same period as shown in the chart below.



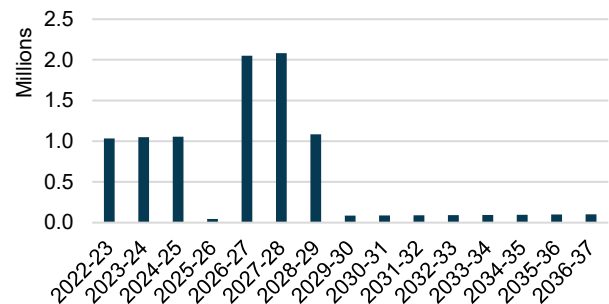
Further improvements in asset management data and the estimation of depreciation expense, along with the future renewal of long lived assets may result in a closer alignment between asset renewals and depreciation expense.

5.9 Maintenance Expenditure

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

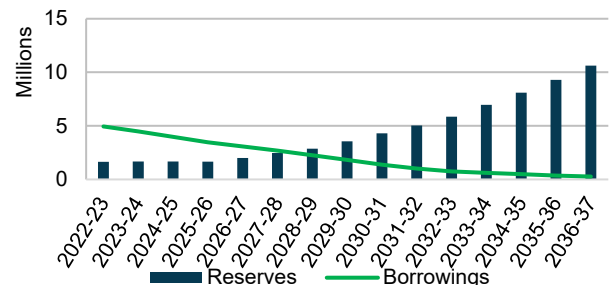
5.10 Forecast New/Upgrade Asset Expenditure

As the Shire seeks to complete its strategic objectives in providing road and other infrastructure to its community, a significant spend is currently planned to upgrade existing sheeted roads, either through sealing the roads or raising the road levels and improving drainage to minimise the impact of flooding. A significant spend is currently planned for key council priority projects and the development and upgrade of the footpath network. Forecast new/upgrade asset expenditure is shown in the chart below, .



5.11 Forecast Borrowings and Cash Reserves

In general, the funding finances of the Shire are expected to improve over the long term. Reserves will be utilised to save for major forecast asset renewals and then utilised to fund asset renewals. The increase in reserves over the life of the Plan will strengthen the position of the Shire to handle future capital works or manage future risks.



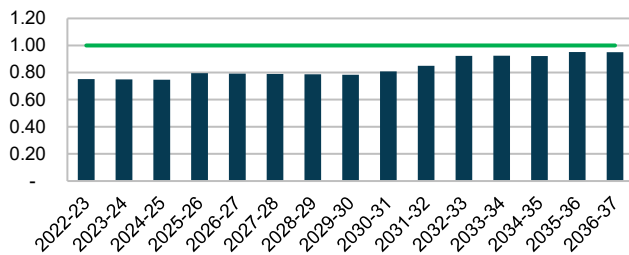
No new borrowings are planned to be taken up during the life of the Plan, allowing for the repayment and significant decrease of borrowing levels. This is part of the strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available and includes the use of cash backed reserves to save for significant future asset renewal spikes.

5.0 Long Term Financial Planning Overview (Continued)

5.12 Forecast Operating Ratios 2022-2037

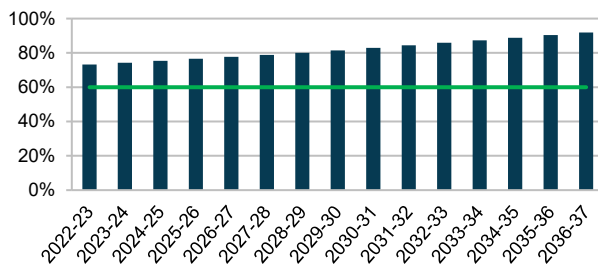
Monitoring the Shire's financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The green line reflects the Department of Local Government, Sport and Cultural Industries' (the Department) minimum target level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

5.13 Current Ratio



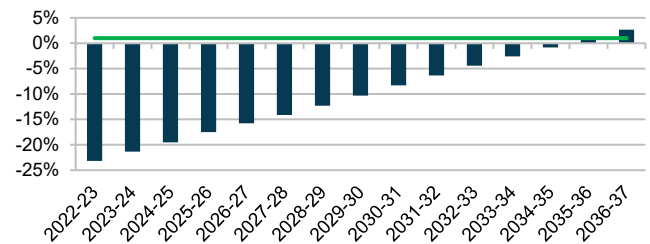
As expected for a Shire with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0 until the borrowings are repaid. The trend is not considered to indicate a threat to the Shire's long term financial position.

5.14 Own Source Revenue Coverage Ratio



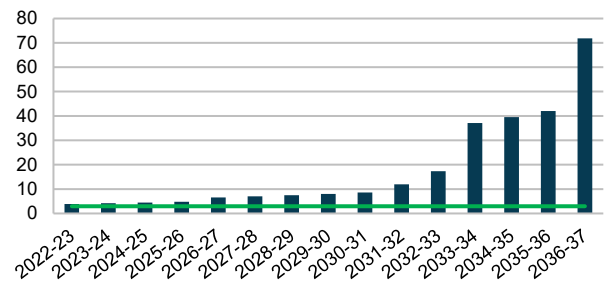
The ratio is trending up over the term of the Plan, indicating the Shire's reducing reliance on grants and contributions.

5.15 Operating Surplus Ratio



The ratio above highlights how the cumulative impact of the rates increases are intended to address the Operating Surplus Ratio over the long term.

5.16 Debt Service Cover Ratio



The ratio indicates the Shire has an increasing capacity to take up borrowings if required.

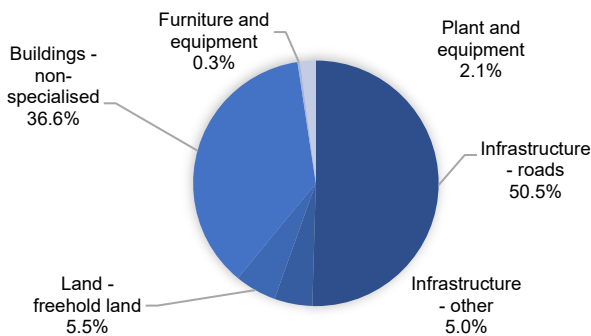
An explanation of all ratios is provided at Section 12.

6.0 Asset Management Planning Overview

6.1 Key Asset Information

The Shire controls an asset network with a written down value of \$97.4m¹, of which roads infrastructure constitutes the largest component values as reflected in the chart below.

6.1.1 Written Down Value by Asset Class



6.2 Asset Management Policy

The purpose of an asset management policy is to:

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

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

6.3 Asset Management Strategy

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

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

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

the financial costs of asset renewal and maintenance was determined.

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

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

Recognising a proportion of assets have been constructed with the assistance of external financial contributions, the Shire seeks to, within its financial capacity, maintain these assets into the future. A strategy of alignment of estimated asset useful lives with the forecast financial capacity aims to ensure the long term affordability of Shire assets. By focusing resources and efforts on a small number of key critical assets, the Shire has achieved its targeted asset management outcomes, integrated with financial planning within its forecast financial capacity based on an annual rate increase of 4.25% (CPI of 2.25% + 2.0%) from year 1 of the Plan onwards.

6.4 Level of Service

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

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

¹ 2019/20 Annual Financial Report - Shire of Irwin

6.0 Asset Management Planning Overview (Continued)

6.5 Financial Management Strategy for Assets

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

Impacts of the COVID-19 Pandemic and worldwide supply chain issues have created a level of uncertainty. Revenue and expenditure for 2022/23 are expected to align with 2021/22. Should the need arise for additional funding to meet the impacts of COVID-19 these will be drawn from Reserve. Structuring operational revenues and expenditure to ensure adequate provision for asset renewal into the future is a cornerstone of the Shire's overall financial strategy. To achieve this strategy, rate increases higher than the consumer price index (CPI) are forecast to occur from year 1 onwards, combined with the maintenance of operating expenditure in line with the CPI forecast.

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

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

6.6 Forecast Planned and Required Asset Renewals

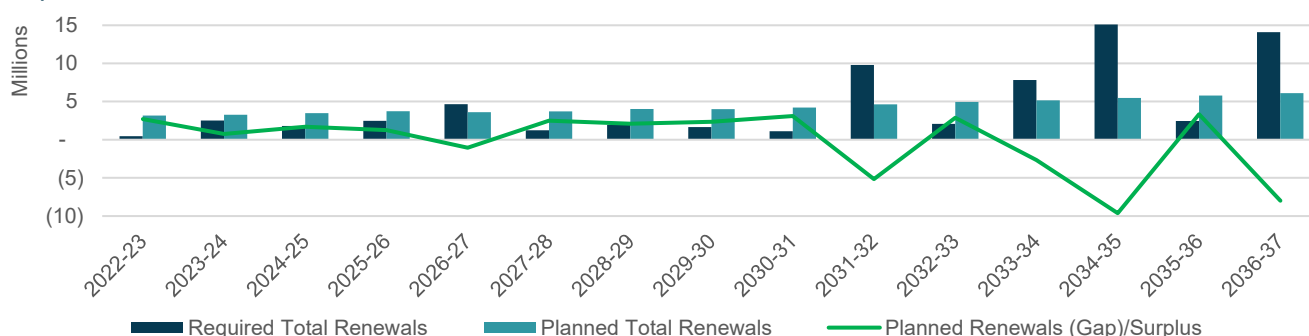
Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/ (Deficit) \$
2022/23	3,167,000	464,392	2,702,608
2023/24	3,258,000	2,506,316	751,684
2024/25	3,473,000	1,788,432	1,684,568
2025/26	3,726,000	2,465,894	1,260,106
2026/27	3,602,000	4,655,987	(1,053,987)
2027/28	3,704,000	1,225,021	2,478,979
2028/29	4,014,442	1,931,798	2,082,644
2029/30	4,005,116	1,657,977	2,347,139
2030/31	4,216,031	1,110,175	3,105,856
2031/32	4,627,192	9,786,285	(5,159,093)
2032/33	4,938,605	2,071,046	2,867,559
2033/34	5,150,275	7,821,585	(2,671,310)
2034/35	5,462,206	15,081,733	(9,619,527)
2035/36	5,774,406	2,444,167	3,330,239
2036/37	6,086,881	14,080,218	(7,993,337)
Total	65,205,154	69,091,027	(3,885,873)

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

The spike in 2034/35 is a result of a large amount of road renewal required at that time, while the spike in 2036/37 is due from a combination of building and road renewal requirements. Further review and update of this asset information should address this theoretical renewal requirement.

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

Required v Planned Asset Renewals - All Assets

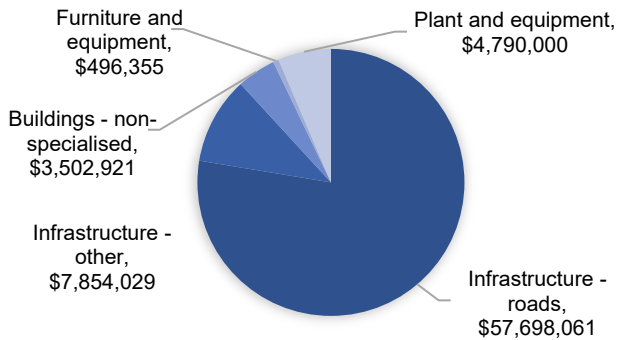


6.0 Asset Management Planning Overview (Continued)

6.7 Planned Asset Expenditure

Renewal asset expenditure of \$65.2m has been planned as per the previous table, with \$9.1m of new and expansion of assets planned.

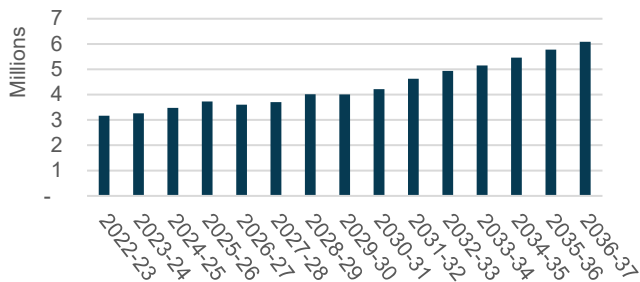
6.7.1 Planned Capital Expenditure 2022-2037



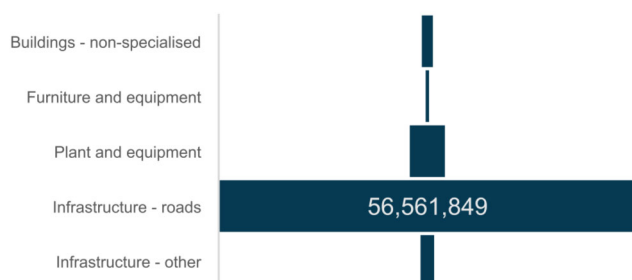
6.8 Planned Asset Renewal

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

6.8.1 Planned Asset Renewal Expenditure



6.8.2 Planned Asset Renewal Expenditure by Class



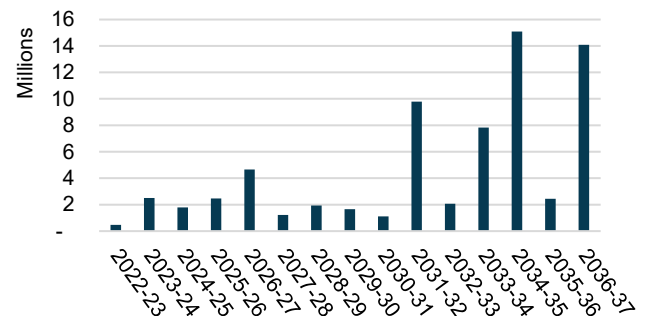
Planned asset renewals by asset class over the 15 years of the Plan, reflected in the chart above, shows the major renewal spend relates to road infrastructure.

6.9 Required Renewal Expenditure

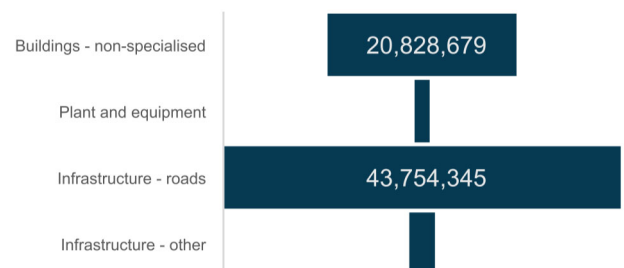
Required asset renewal expenditure for the road network has been estimated based on road conditions and forecast estimated standard useful lives. For other asset classes, forecast asset renewals have been based on the age of the assets and their estimated remaining useful life (determined during recent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

Required asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$69.1m are forecast to be required over the 15 years of the Plan, based on existing asset data.

6.9.1 Required Asset Renewal Expenditure



6.9.2 Required Asset Renewal Expenditure by Asset Class

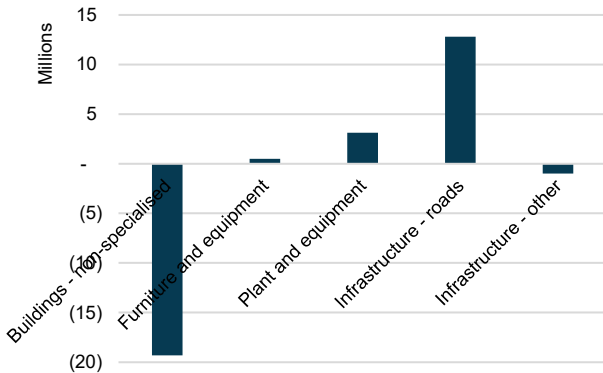


Renewal of roads infrastructure dominate the forecast required asset renewals over the 15 years.

6.0 Asset Management Planning Overview (Continued)

6.10 Asset Renewal Funding Surplus/(Gap)

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



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

With most major roads being upgraded the requirement to renew assets in the 15 years of the Plan is minimised.

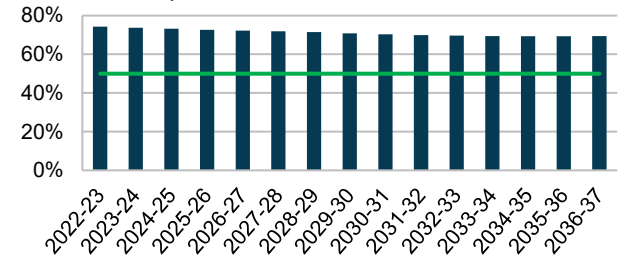
6.11 Upgrade/New Expenditure

Road infrastructure upgrades are planned to occur over the next 15 years in response to community expectation. Where funds are available after undertaking essential renewal works, funds will be utilised for improvement and new works. Detailed annual planning will be undertaken for asset upgrade/new expenditure prior to each project.

Asset expenditure for key Council priority projects of \$9.1m for the upgrade and development of assets which have been modelled over the 15 years of the Plan.

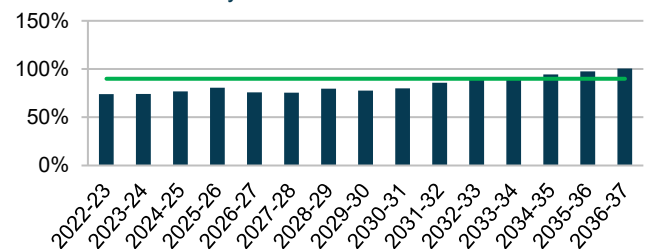
6.12 Forecast Asset Ratios 2022-2037

Asset Consumption Ratio



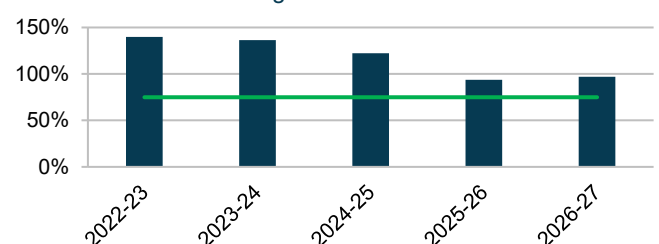
The asset consumption ratio is above the target range and remains so throughout the term of the Plan, with assets being renewed at adequate levels to maintain the average age of assets.

Asset Sustainability Ratio



The ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio average is below the guideline level until 2033/34 and indicates the Shire is generally not renewing assets in line with their forecast depreciation expense until this point. Due to the strengthening of the Shire's financial position from 2033/34 the Shire is in a position to meet depreciation levels.

Asset Renewal Funding Ratio



The ratio is above the target ratio, with planned asset renewal expenditure being above required asset renewal expenditure as set out in this Plan. Further improvements in forecasting the remaining useful lives of assets may result in changes to this ratio. No concerns currently exist in relation to the ratio being above the target due to the lack of required asset renewal forecast data with most roads being upgraded.

7.0 Workforce Planning Overview

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

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

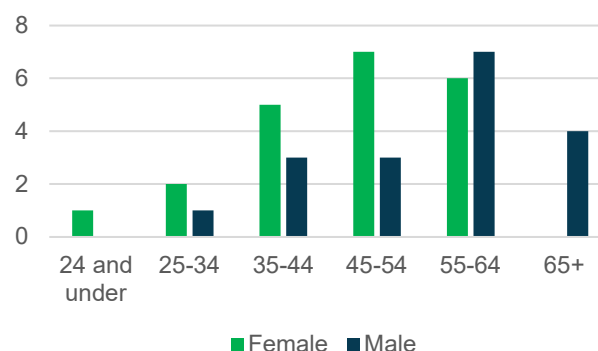
7.1 Workforce Profile

Information	Shire of Irwin - as at 26 October 2021	
Number of employees	40	
Status of employment	23 Full Time 6 Part Time 11 Casual	
Gender	54% (21) female 46% (18) male	
Total annual salaries and wages	\$3m	
Employment type	There is a range of full time, part time, fixed term contract and casual staff employed	
Annual/LSL liability ²	Current	\$416,446
	Non-Current	\$7,528
Awards and Agreements	Local Government Officers (Western Australia) Interim Award 2011	
Age profile	The average age of current employees is 50 years	
Years of Service	The average length of service is 4.3 years	

7.2 Workforce Demographics

The current age distribution is mostly within the 35-64 age range with four employees under 34 years, as shown in the chart below. This includes full time, part time and casual staff.

7.3 Workforce by Age and Gender



7.4 Turnover Rate

Over the period 2015/16 to 2019/20 the average annual turnover rate is 22%. This includes full time, part time and casual staff.

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

7.5 Workforce Supply Demand Analysis

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

²Shire of Irwin 2019/20 Annual Financial Statements

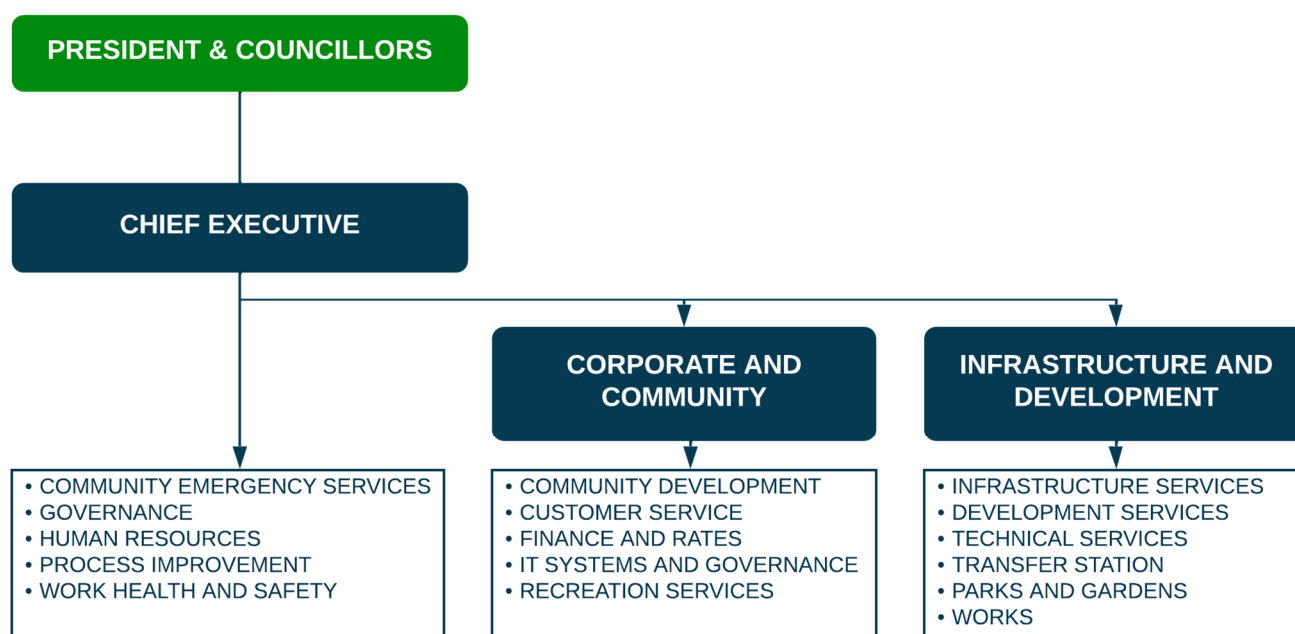
7.0 Workforce Planning Overview (Continued)

7.6 Organisation Structure

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

7.8 Planning for the Future

Workforce planning is further detailed in Appendix D, including risk mitigation strategies and future planning. The Shire has a key focus on maintaining and where possible increasing service levels. Due to the significant service provision and major projects planned for the duration of this Plan, and beyond, this planning is key to delivery.



7.7 Workforce Risk Assessment

Risk Issues	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequences	Risk Category ³
Knowledge loss due to staff turnover	Likely	Minor	Major	Major	High
Physical and financial constraints limit staff numbers	Likely	Minor	Major	Major	High
Sudden unplanned loss of a high number of key staff	Possible	Major	Major	Major	Moderate
Organisational capacity insufficient to meet future needs	Possible	Major	Major	Major	Moderate
High staff turnover due to organisational cultural issues	Possible	Major	Major	Major	Moderate
Selection, recruitment and training costs increase	Possible	Insignificant	Minor	Minor	Moderate
Operational procedures not followed due to lack of staff training	Unlikely	Minor	Major	Major	Low
Long leave absences of key staff due to large accrued leave entitlement	Unlikely	Minor	Minor	Minor	Low

³ Appendix A – Risk Assessment Methodology

8.0 Scenario Modelling

8.1 Scenario Modelling

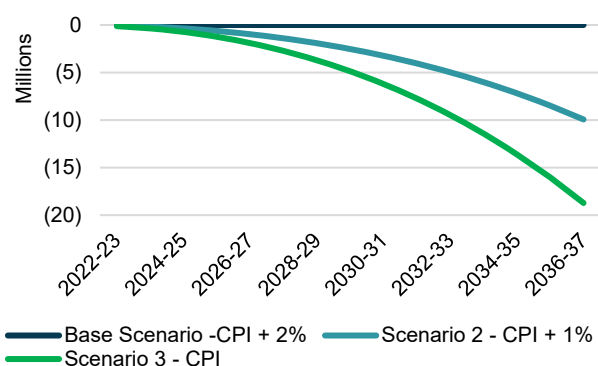
Scenarios were developed to test the financial impact of increased levels of operating funding from rates. To ascertain the effect of increased and decreased funding levels, modelling of various scenarios was undertaken.

A base scenario was developed with rates yield 2.0% above inflation (2.25%) from 2022/23 for the remainder of the Plan. Two alternative scenarios were also developed from this base as shown in the table below. All other assumptions remained the same across the three scenarios.

Scenario	Rates	
	Increase above CPI (2.25%)	Total Increase
Base Scenario	2.0%	4.25%
Scenario 2	1.0%	3.25%
Scenario 3	0.0%	2.25%

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 and assets are able to be renewed.

8.1.1 Scenario Comparison – Operating Surplus Ratio



The chart above shows the impact of the same change in total rates yield on the Shire's Operating Surplus Ratio (other assumptions remaining the same). The base scenario was selected as it strengthen the Shire's financial position and allows the Shire to meet it's asset renewal expectations.

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

8.2.1 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 CPI +2%	Scenario 2 CPI +1 % \$	Scenario 3 CPI \$
2022/23	0	(56,456)	(112,912)
2023/24	0	(175,013)	(348,899)
2024/25	0	(361,699)	(718,745)
2025/26	0	(622,943)	(1,233,893)
2026/27	0	(965,597)	(1,901,413)
2027/28	0	(1,396,965)	(2,722,406)
2028/29	0	(1,915,687)	(3,706,234)
2029/30	0	(2,525,981)	(4,862,721)
2030/31	0	(3,234,034)	(6,202,174)
2031/32	0	(4,046,370)	(7,735,405)
2032/33	0	(4,969,867)	(9,473,751)
2033/34	0	(6,011,777)	(11,429,105)
2034/35	0	(7,179,740)	(13,613,934)
2035/36	0	(8,481,807)	(16,041,309)
2036/37	0	(9,926,459)	(18,724,931)

9.0 Strategic Planning and Policies with Other Plans

9.1 Linkage

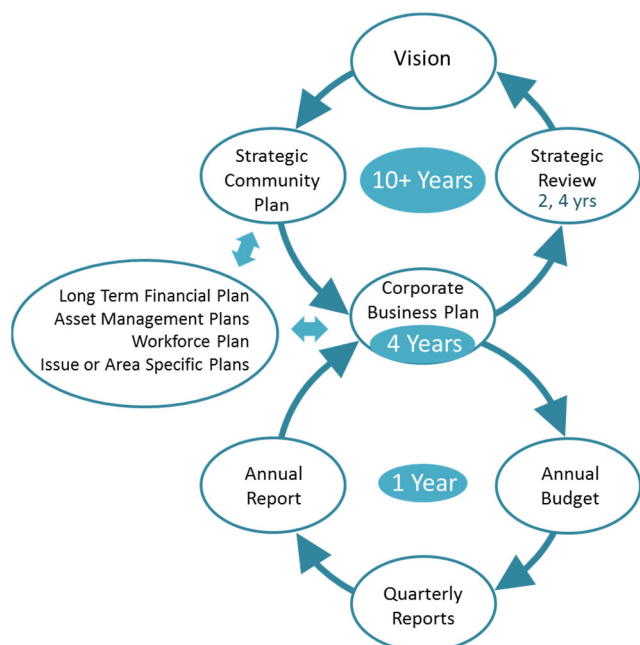
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other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

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

9.2 Strategic Documents Linkage

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

Diagram: Integrated Planning and Reporting Cycle⁴



9.2.1 Strategic Community Plan 2021 - 2031

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

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

9.2.2 Corporate Business Plan

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

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

9.2.3 Workforce and Other Strategic Plans

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

The Shire's Workforce Plan has been considered in the development of this Strategic Resource Plan. No financial impacts are expected from the Workforce Plan with employee costs forecast to rise in line with forecast inflation of 2.25%.

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

10.0 Risk Management

10.1 Risk Management

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

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

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

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

10.2 Certainty of Assumptions

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

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

10.3 Sensitivity Analysis

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

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

11.0 Assumptions, Risks, Uncertainties and Sensitivity

11.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
District Growth in Population: The number of residents in the Shire is expected to remain stable.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Rates Level Increase: Annual rates have been based on an increase in the total rate yield of 4.25% from 2022/23.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Operating Grants and Contributions: Increases in line with inflation forecast.	High	The road maintenance program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$202,629 to the value of operating grants and contributions per 1% movement in the value of the Plan.
Non-operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	High	The forecast capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$253,563 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
Fees and Charges: Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Interest Earnings: Interest earning of an average rate of 2.25% 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.

11.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

11.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
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	± \$531,839 to the value of materials and contracts per 1% movement in the value over the life of the Plan. A high level of uncertainty exists in relation to the costs to address impacts of the worldwide.
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: Base year increased in line with inflation.	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.

11.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

11.3 Assets – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Assumptions	Risk Level of Uncertainty	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	±\$151,343 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$236,748 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	±\$655,521 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 10 Year Capital Plan, and plant expenditure is based on the Plant Replacement Program.	Medium	Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.

11.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

11.4 Liabilities – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Level Uncertainty	of 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.

11.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

11.5 Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Cash Backed Reserves: It has been assumed the Shire will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
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	±\$388,091 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan.

11.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

11.6 Other – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Risk Level Uncertainty	of 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 2.25% per annum.	Medium	Not assessed as high financial risk.	High	± \$1,844,995 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$1,990,795 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 of the Plan.	Medium	Not assessed as high financial risk.	Low	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: Historically, the region's economy is heavily dependent on agriculture, oil and gas and tourism and this remains the assumption for the term of this Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

12.0 Monitoring and Performance

12.1 Monitoring

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

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

12.2 Ratio Targets

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

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

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

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

13.0 Improvement Plan

13.1 Strategic Resource Improvement Plan

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

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

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

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

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

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

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

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

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

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

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

List of Appendices

APPENDIX A1	CRITICAL ASSETS	A1
APPENDIX A2	INFRASTRUCTURE - ROADS.....	A2
APPENDIX A3	BUILDINGS	A8
APPENDIX A4	INFRASTRUCTURE - OTHER.....	A11
APPENDIX A5	PLANT AND EQUIPMENT	A14
APPENDIX A6	ESTIMATED ASSET LIFE AND RESIDUAL VALUE.....	A17
APPENDIX B1	FORECAST FINANCIAL STATEMENTS	B1
APPENDIX B2	FORECAST STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE 2022-2037	B3
APPENDIX B3	FORECAST STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM 2022-2037.....	B4
APPENDIX B4	FORECAST STATEMENT OF FINANCIAL POSITION 2022-2037	B5
APPENDIX B5	FORECAST STATEMENT OF CHANGES IN EQUITY 2022-2037.....	B6
APPENDIX B6	FORECAST STATEMENT OF CASHFLOWS 2022-2037	B7
APPENDIX B7	FORECAST STATEMENT OF FUNDING 2022-2037	B8
APPENDIX B8	FORECAST STATEMENT OF NET CURRENT ASSET COMPOSITION 2022-2037	B9
APPENDIX B9	FORECAST STATEMENT OF FIXED ASSET MOVEMENTS 2022-2037	B10
APPENDIX B10	FORECAST STATEMENT OF CAPITAL FUNDING 2022-2037.....	B11
APPENDIX B11	FORECAST RATIOS 2022-2037	B12
APPENDIX B12	ASSET RENEWALS 2022-2037	B13
APPENDIX B13	FORECAST SIGNIFICANT ACCOUNTING POLICIES.....	B14
APPENDIX C1	GLOSSARY	C1
APPENDIX D1	WORKFORCE PLANNING	D1
APPENDIX D2	SHIRE OF IRWIN ANALYSIS	D2
APPENDIX D3	STRATEGIC COMMUNITY PLAN WORKFORCE IMPLICATIONS	D7
APPENDIX D4	STRATEGIES TO MEET FUTURE WORKFORCE NEEDS.....	D9
APPENDIX D5	MONITORING AND EVALUATION OF OUTCOMES	D14
APPENDIX D6	RISK ASSESSMENT METHODOLOGY	D15
OTHER MATTERS		17

Appendix A1 Critical Assets

1.1 Description

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

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

Asset	Current Replacement Cost (\$)
Shire Offices and Council Chambers	1,831,000
Recreation Centre	15,560,000
Depot Infrastructure	2,315,800

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

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

Appendix A2 Infrastructure - Roads

2.1 Significant Matters

The continued provision of the road network remains one of the key priorities for the Shire. A number of rural roads within the Shire are currently utilised as key remote access and tourist routes. This has resulted in these roads requiring a higher level of design than currently exists. The continued planning for future road infrastructure renewals, influenced by condition based estimation of the remaining useful life, is not currently considered important due to the extent of road upgrades currently planned. These upgrades to provide better service to the community, will be given funding prioritisation over other road assets.

2.2 Road Inventory

The Shire of Irwin has a road network servicing an area of 2,369.3¹ square kilometres.

Road assets within this Plan include the following components:

- Culverts
- Flood ways
- Formed subgrade
- Kerbing
- Sealed pavement
- Signs
- Surfacing
- Underground pipe
- Unformed subgrade
- Unsealed pavement

Road asset information is recorded within a road inventory database and was extracted from the valuation undertaken as at 30 June 2020, verification of the accuracy of the valuation data is not within the scope of this Plan and has not been undertaken. The extent of road works significantly modifying the road inventory has resulted in limited reliance on the road asset data to guide planning outcomes.

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

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

Infrastructure Roads Assets	Current Replacement Cost (\$)
Culvert	557,393
Double Side Entry Pit	62,414
Footpath	5,546,112
Grated Pit	469,745
Gravel Sheet	7,191,063
Junction Pit	62,370
Kerbing	7,839,819
Sealed Pavement	8,486,082
Side Entry Pit	637,711
Sign	55,800
Subgrade	12,386,803
Surface	9,942,602
Table Drain	2,105,437
SW Drainage	5,748,884
Infrastructure Roads Total	61,092,243

¹ Australian Bureau of Statistics Irwin (S) (LGA54060) 2016 Census of Population and Housing, viewed 14 February 2022

Appendix A2 Infrastructure - Roads (Continued)

2.3 Financial Summary

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

2.3.1 Maintenance Expenditure

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

Road maintenance expenditure is comprised of the following estimated costs in 2022/23.

2.3.2 Maintenance Expenditure by Nature or Type

Expenditure Nature or Type	\$
Employee costs	48,792
Materials and contracts	338,993
Other expenditure	3,068
Insurance expenses	11,601
Utility charges	99,183
Interest expenses	17,739
Road Maintenance Total	519,376

2.3.3 New Expenditure

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

Road Project	\$
Local Roadworks - Footpaths	1,136,212
Road Upgrade Expenditure	1,136,212

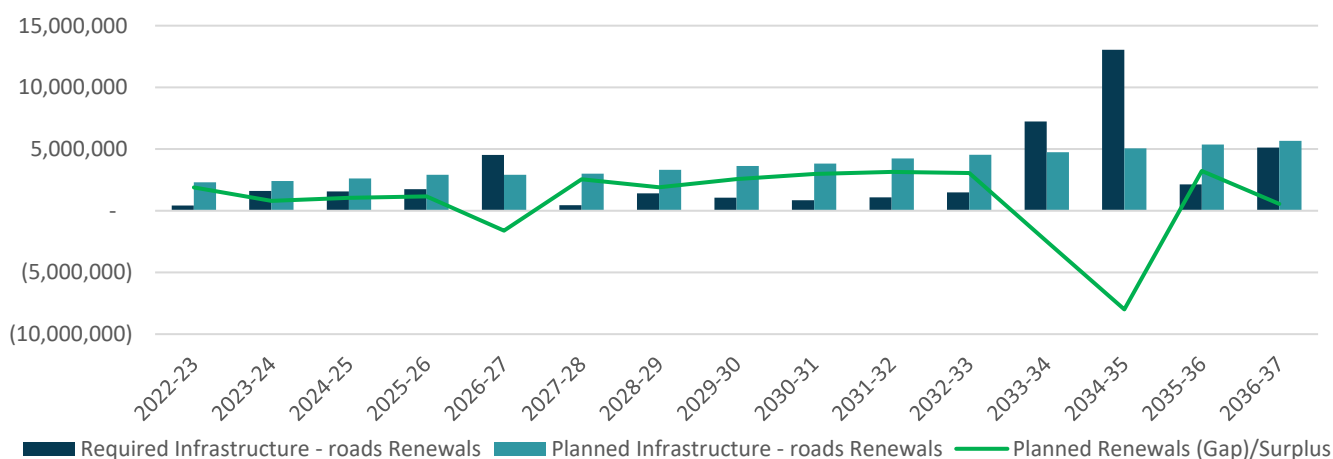
2.3.4 Renewal Expenditure

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

In the chart below, planned road expenditure is shown as light blue columns, with required road renewals as the dark blue columns. The green line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$56.6m. Required road renewal is calculated at \$43.8m for the term, overall there is a \$12.8m renewal surplus for the Shire's road assets.

The chart below reflects the required road asset renewals be undertaken in 2026-27, 2033-34 and 2035-36. Planned renewal is spread across the term to mitigate this spike. This is discussed further over the page.

2.3.5 Required v Planned Asset Renewals – Roads Infrastructure



Appendix A2 Infrastructure - Roads (Continued)

2.3.6 Forecast Planned and Required Road Renewal Expenditure

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

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

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

	Required Roads Renewals \$	Planned Roads Renewals \$	Roads Renewal Funding (Gap)/Surplus \$
2022/23	419,252	2,312,000	2,092,748
2023/24	1,609,787	2,412,000	1,002,213
2024/25	1,565,215	2,612,000	1,246,785
2025/26	1,749,114	2,912,000	1,162,886
2026/27	4,519,155	2,912,000	(1,607,155)
2027/28	456,264	3,012,000	2,555,736
2028/29	1,416,303	3,317,896	1,901,593
2029/30	1,061,793	3,623,923	2,562,130
2030/31	852,676	3,830,087	2,977,411
2031/32	1,082,808	4,236,389	3,153,581
2032/33	1,488,135	4,542,833	3,054,698
2033/34	7,230,829	4,749,422	(2,281,407)
2034/35	13,050,156	5,056,159	(7,693,997)
2035/36	2,137,151	5,363,048	3,625,897
2036/37	5,115,707	5,670,092	1,054,385
Total	43,754,345	56,561,849	14,807,504

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

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

Appendix A2 Infrastructure - Roads (Continued)

2.4 Level of Service

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

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

2.5 Road Construction

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

Appendix A2 Infrastructure - Roads (Continued)

2.6 Road Maintenance

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

Appendix A2 Infrastructure - Roads (Continued)

2.7 Risk Management

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

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

2.8 Improvement

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

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

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

Appendix A3 Buildings

3.1 Significant Matters

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

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

3.2 Inventory

Land and buildings were valued by independent professional valuers in 2017, based on an inspection undertaken. The replacement costs of major buildings contained within the valuation report is shown in the table to the right.

3.3 Composition of Estimated Current Replacement Cost of Building Assets

Buildings	Current Replacement Cost (\$)
Administration Centre	1,461,000
Beach Shelters	100,000
Community Building	596,000
Council Chambers	1,611,000
Denison Bowling Club	2,469,200
Denison Fisherman's Hall	1,044,000
Denison House	1,536,000
Denison Tourist Caravan Park	1,380,700
Depot	1,865,800
Dongara Charities Centre	887,000
Dongara Community Resource Centre	699,000
Dongara Denison Beach Caravan Park	925,200
Dongara Fire Shed	224,000
Dongara Golf Course	2,291,600
Dongara Pavilion	659,000
Dongara Pistol Club	159,700
Dongara Public Library and Visitor Centre	1,245,000
Dongara Racecourse	800,900
Drive-in Theatre	627,800
Foreshore Amenities	290,600
Irwin Centre Senior Citizens	1,120,000
Irwin Fire Shed	200,000

Buildings	Current Replacement Cost (\$)
Old Ambulance RSL Building	448,800
Old Police Station Museum	1,154,000
Playgroup	384,400
Port Denison Retirement Village	7,969,600
Port Denison Volunteer Sea Rescue Group	914,000
Public Amenities	671,500
Public Hall	1,100,000
Recreation Centre	15,809,000
Recreational Boat-ramp Marina	698,000
Recreational Jetty Port Denison	1,069,000
Residences	1,315,400
Russ Cottage	171,800
Seaspray Caravan Park	349,300
Shelters	83,400
South Beach Amenities	256,200
Transfer Station and Recycling Centre	100,000
Transfer Station Office	6,200
Old Irwin School and Toilet	287,400
Buildings Total	54,981,500

Appendix A3 Buildings (Continued)

3.4 Financial Summary

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

3.4.1 Maintenance Expenditure by Program

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

3.4.2 New/Upgrade Asset Expenditure

Planned upgrades to the surf club of \$2m during 2025/26 and 2026/27 are forecast. No further additional items are forecast to be required over the life of this Plan.

3.4.3 Renewal Expenditure

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

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

The table below details the required building renewal as per the latest building valuations. The spikes in required renewals in 2031/32 and 2036/37 are due to a number of older community buildings estimated remaining useful life, as detailed in the valuation report, reflecting a requirement to renew at these times.

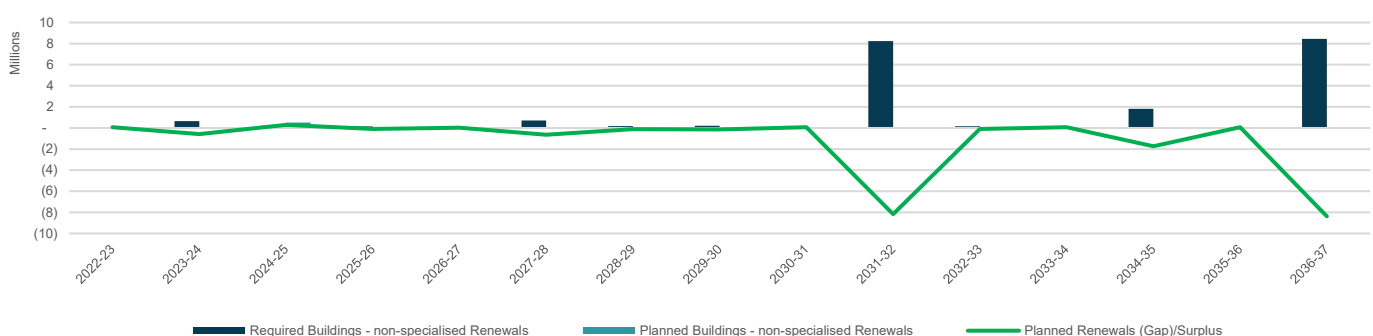
	Required Building Renewals \$	Planned Building Renewals \$	Building Renewal Funding (Deficit)/Surplus \$
2022-23	300	78,000	77,700
2023-24	654,689	70,000	(584,689)
2024-25	214,667	510,000	295,333
2025-26	155,722	62,000	(93,722)
2026-27	36,930	63,000	26,070
2027-28	710,520	65,000	(645,520)
2028-29	173,525	66,463	(107,062)
2029-30	214,021	67,958	(146,063)
2030-31	358	69,487	69,129
2031-32	8,235,754	71,050	(8,164,704)
2032-33	163,552	72,649	(90,903)
2033-34	383	74,284	73,901
2034-35	1,811,049	75,955	(1,735,094)
2035-36	401	77,664	77,263
2036-37	8,456,810	79,411	(8,377,399)
Total	20,828,679	1,502,921	(19,325,758)

The most significant required building renewals in these two spike years are for the following:

- Public Hall
- Local Newspaper
- Pottery Club
- Old Police Station Museum
- Dongara Golf Clubhouse
- Irwin Senior Citizens Centre
- Denison Bowling Club Pavilion
- Dongara Charities Centre
- Dongara Community Resource Centre

These building renewals have not been planned at this stage and would require external funding to be undertaken.

3.4.4 Forecast Planned and Required Building Renewal Expenditure



Appendix A3 Buildings (Continued)

3.5 Level of Service

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

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

3.6 Risk Management

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

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

3.7 Improvement

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

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

Appendix A4 Infrastructure - Other

4.1 Significant Matters

The Shire controls a number of other infrastructure assets which are significant to our community.

The nature of these assets is one of changing requirements due to community expectations and will require further analysis to fully consider future funding requirements as individual assets require expenditure.

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

4.2 Inventory

The Shire's other infrastructure assets current replacement cost at the time of valuation at 30 June 2018 was \$6.3m.

4.2.1 Composition of Estimated Current Replacement Cost of Other Infrastructure Assets

Other Assets	Current Replacement Cost (\$)
AFL Posts	14,550
Anzac Sculptures	15,000
BBQs	36,872
Billboard Signage	24,000
Bins	3,881
Bird Hyde	18,000
Boardwalk, Stairs and Lookout	345,000
Boat Entry	64,688
Bollards	30,685
Bores and Pumps	28,765
Bush Shelter	51,855
Canoe Ramp	4,000
Cricket Nets and Pitch	46,575
Disabled Fishing Platform	90,000
Drinking Fountains	22,479
Electronic Information Sign	46,575
Entry Statement	14,000
Fencing	272,085
Fire Bit	7,310
Fish Sculpture	13,000
Foreshore Flexi-mats	74,455
Gate	11,817
Lighting	373,118
Limestone wall	29,756
Log Rail (oval)	9,700
Mooring Platform	10,350
Netball / Basketball Courts	77,625
Niche Wall	25,000

Other Assets	Current Replacement Cost (\$)
Obelisk Tower & Nest	62,100
Outdoor Shower	4,500
Picnic Tables	40,122
Play Equipment	361,293
Recreational Jetty Chafer	38,295
Reticulation	142,301
Runway	1,374,609
RV Dump Point	28,463
Scoreboard	19,950
Sea Wall	1,293,750
Seating	20,195
Shade Domes	34,155
Shade Structures	116,979
Signage	2,070
Skatepark	144,900
Stairs and Outlook Platform	40,000
Tennis Courts	300,150
TV Re-transmission Tower and Equipment	300,000
Water Tanks	116,928
Wind Sock	46,575
Infrastructure - Other Assets Total	6,248,472

Appendix A4 Infrastructure – Other (Continued)

4.3 Financial Summary

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

4.3.1 Maintenance Expenditure

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

4.3.2 New Expenditure

The following new/upgrade projects are planned during the term of this Plan. These projects will be reassessed during the annual budget process and will require external funding to be undertaken.

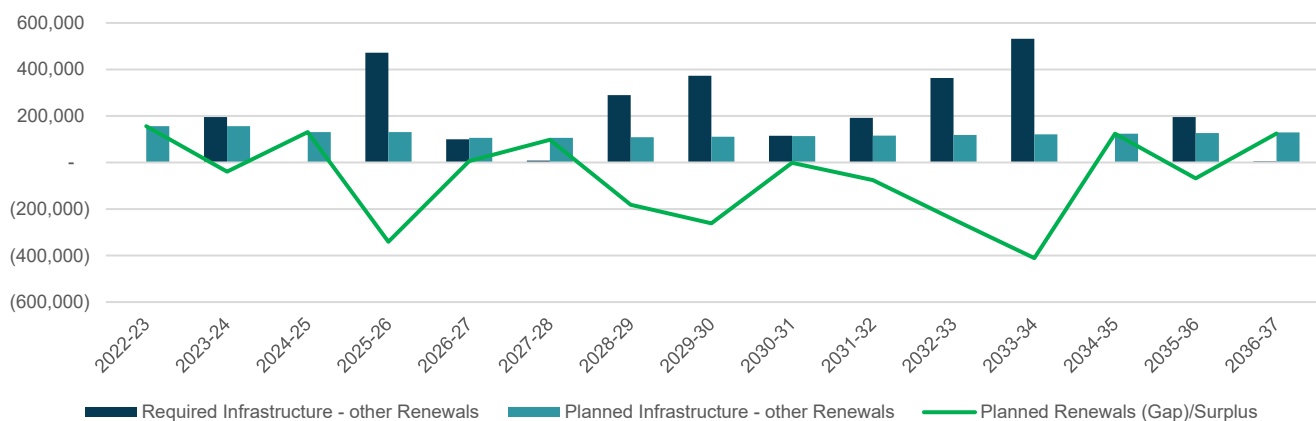
Project	2022-2037 \$
Foreshore central playground	1,000,000
Improve recreational boating facilities	2,000,000
Trails Plan	1,000,000
Bridge	1,000,000
Foreshore upgrade	1,000,000
Total	6,000,000

4.3.3 Renewal Expenditure

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

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

4.3.4 Required v Planned Infrastructure Renewals -Other



Appendix A4 Infrastructure – Other (Continued)

4.4 Level of Service

Detailed performance measures and performance targets for other infrastructure assets are defined in the table below.

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

4.5 Improvement

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

Appendix A5 Plant and Equipment

5.1 Significant Matters

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

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

5.2 Inventory

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

5.2.1 Composition of Estimated Current Replacement Cost of Plant and Equipment Assets

Asset	Current Replacement Cost \$
Community Bus	130,000
Fuel Storage Tank	12,000
Light Vehicle	505,000
Mower	75,000
Prime Mover	380,000
Roller	252,000
Semi Trailer	261,000
Telehandler	92,000
Tip Truck	143,000
Tractor Mower	90,000
Trailer	87,000
Truck	68,000
Wheel Loader	290,000
Total	2,385,000

5.3 Financial Summary

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

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

5.3.1 New Expenditure

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

5.3.2 Renewal Expenditure

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

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

In the chart on the following page at 5.3.4, planned expenditure is shown as the light blue columns with required renewals shown as the dark blue columns. The green line shows the variation between the two expenditure levels.

Appendix A5 Plant and Equipment (Continued)

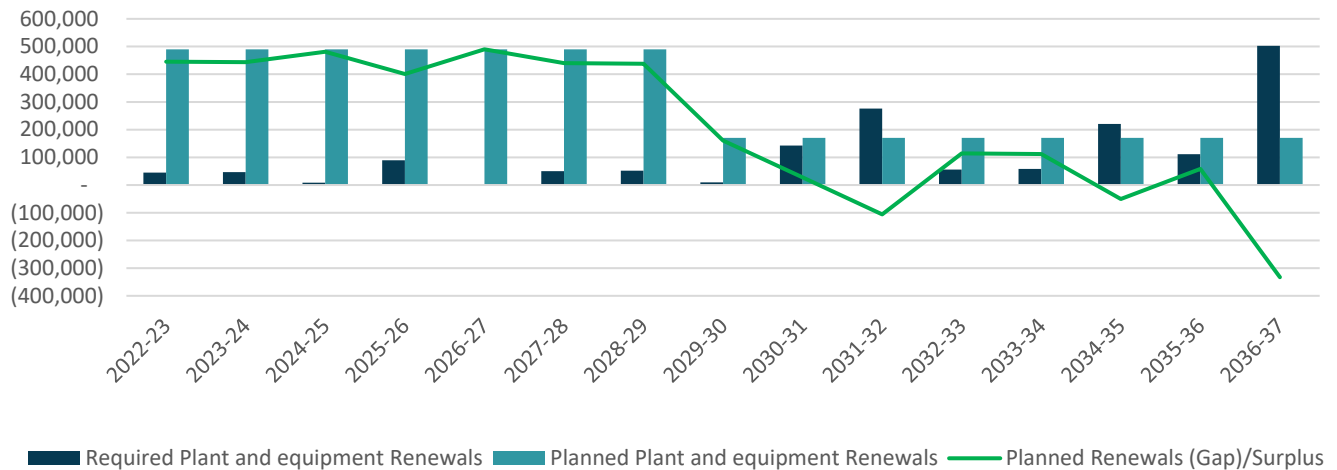
5.3.3 Forecast Planned and Required Plant and Equipment Renewal Expenditure

The chart below reflects the Plant Replacement Program including within this plan.

5.3.4 Required v Planned Asset Renewals - Plant and Equipment

5.3.5 Plant Disposals

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



Appendix A5 Plant and Equipment (Continued)

5.4 Level of Service

Level of service measures are defined below.

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

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

5.5 Risk Management

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

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

5.6 Improvement Plan

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

Appendix A6 Estimated Asset Life and Residual

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

Asset Class	Asset Sub-Class	Estimated Useful Life	Estimated Residual Value
Infrastructure - roads	SW Drainage >300<450mm	80	
Infrastructure - roads	SW Drainage >450<600mm	80	
Infrastructure - roads	Culvert	60	
Infrastructure - roads	Double Side Entry Pit	80	
Infrastructure - roads	Footpath	20	
Infrastructure - roads	Footpath	15	
Infrastructure - roads	Footpath	30	
Infrastructure - roads	Footpath	30	
Infrastructure - roads	Footpath	10	
Infrastructure - roads	Footpath	30	
Infrastructure - roads	Grated Pit	80	
Infrastructure - roads	Gravel Sheet	10	
Infrastructure - roads	Gravel Sheet	10	
Infrastructure - roads	Junction Pit	80	
Infrastructure - roads	Kerbing	20	
Infrastructure - roads	Sealed Pavement	15	
Infrastructure - roads	Sealed Pavement	25	
Infrastructure - roads	Sealed Pavement	15	
Infrastructure - roads	Sealed Pavement	20	
Infrastructure - roads	Sealed Pavement	25	
Infrastructure - roads	Sealed Pavement	20	
Infrastructure - roads	Side Entry Pit	80	
Infrastructure - roads	Sign	20	
Infrastructure - roads	Subgrade	100	100%
Infrastructure - roads	Subgrade	100	100%
Infrastructure - roads	Subgrade	100	100%
Infrastructure - roads	Subgrade	100	100%
Infrastructure - roads	Subgrade	100	100%
Infrastructure - roads	Subgrade	100	100%
Infrastructure - roads	Subgrade	100	100%
Infrastructure - roads	Subgrade	100	100%
Infrastructure - roads	Surface	25	
Infrastructure - roads	Surface	25	
Infrastructure - roads	Surface	15	
Infrastructure - roads	Surface	25	
Infrastructure - roads	Surface	25	
Infrastructure - roads	Surface	15	
Infrastructure - roads	Table Drain	10	
Infrastructure - other		50	
Buildings - non-specialised		80	
Plant and equipment	Mobile Plant		
Plant and equipment	Mowers & Turf Equipment		
Plant and equipment	Other		
Plant and equipment	Passenger Vehicles		
Plant and equipment	Trailers		
Plant and equipment	Trucks		
Plant and equipment	Utilities		
Land - freehold land		100	100%

Appendix B1 Forecast Financial Statements

Financial Statements

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

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

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

Statements of Comprehensive Income

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

Statement of Financial Position

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

Statement of Changes in Equity

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

Statement of Cashflows

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

Statement of Funding

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

Statement of Net Current Asset Composition

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

Statement of Fixed Asset Movements

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

Statement of Fixed Asset Funding

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

Forecast Ratios

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

Nature or Type

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

Appendix B1 Forecast Financial Statements (Continued)

Service Programs

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

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

Objectives	Services
Recreation and culture	Public halls, civic centre Swimming areas Other recreation and sport Television and radio re-broadcasting Libraries Other culture
Transport	Streets, roads, bridges, depots <ul style="list-style-type: none"> - Construction (not capitalised) - Maintenance Road plant purchase (if not capitalised) Parking facilities Traffic control Aerodromes Water transport facilities
Economic services	Rural services Tourism and area promotion Building control Sale yards and markets Plant nursery Other economic services
Other property and services	Private works Public works overheads Plant operation Salaries and wages Unclassified Town Planning Schemes

Appendix B2 Forecast Statement of Comprehensive Income by Nature or Type 2022-2037

	2018-19	2019-20	2020-21	Base	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																			
Rates	5,174,481	5,360,772	5,384,429	5,645,606	5,885,545	6,135,681	6,396,448	6,668,298	6,951,701	7,247,148	7,555,152	7,876,246	8,210,987	8,559,954	8,923,751	9,303,011	9,698,388	10,110,569	10,540,268
Operating grants, subsidies and contributions	1,098,123	819,180	847,884	791,224	1,109,581	1,140,094	1,171,448	1,203,662	1,236,763	1,270,774	1,305,721	1,341,629	1,378,525	1,416,434	1,455,386	1,495,410	1,536,534	1,578,789	1,622,205
Fees and charges	1,622,278	1,541,105	1,990,824	2,063,150	2,119,897	2,178,191	2,238,091	2,299,640	2,362,883	2,427,864	2,494,624	2,563,224	2,633,713	2,706,139	2,780,555	2,857,019	2,935,585	3,016,314	3,099,262
Interest earnings	124,749	87,173	57,598	45,478	72,840	70,635	70,916	70,666	69,572	77,899	88,812	98,353	114,779	133,083	151,254	172,088	199,548	228,039	257,979
Other revenue	259,454	300,054	235,319	191,000	196,255	201,651	207,196	212,896	218,751	224,768	230,948	237,299	243,824	250,528	257,415	264,493	271,767	279,242	286,920
	8,279,085	8,108,284	8,516,054	8,736,458	9,384,118	9,726,252	10,084,099	10,455,162	10,839,670	11,248,453	11,675,257	12,116,751	12,581,828	13,066,138	13,568,361	14,092,021	14,641,822	15,212,953	15,806,634
Expenses																			
Employee costs	(3,053,105)	(2,718,377)	(2,956,052)	(2,947,371)	(3,013,689)	(3,081,498)	(3,150,833)	(3,221,726)	(3,294,215)	(3,368,335)	(3,444,122)	(3,521,613)	(3,600,849)	(3,681,868)	(3,764,711)	(3,849,413)	(3,936,024)	(4,024,582)	(4,115,136)
Materials and contracts	(3,411,187)	(3,251,820)	(3,183,806)	(2,953,769)	(3,020,250)	(3,088,197)	(3,157,687)	(3,228,740)	(3,301,385)	(3,375,657)	(3,451,608)	(3,529,270)	(3,608,675)	(3,689,867)	(3,772,880)	(3,857,758)	(3,944,561)	(4,033,295)	(4,124,033)
Utility charges	(472,743)	(483,180)	(516,330)	(356,800)	(364,834)	(373,042)	(381,440)	(390,018)	(398,795)	(407,765)	(416,939)	(426,319)	(435,912)	(445,719)	(455,747)	(466,000)	(476,487)	(487,203)	(498,165)
Depreciation on non-current assets	(4,335,292)	(4,407,387)	(4,485,327)	(4,373,611)	(4,282,645)	(4,401,102)	(4,522,448)	(4,626,034)	(4,757,218)	(4,907,826)	(5,041,904)	(5,159,083)	(5,278,985)	(5,401,672)	(5,527,210)	(5,655,664)	(5,787,102)	(5,921,594)	(6,059,211)
Interest expenses	(161,132)	(196,332)	(222,307)	(228,839)	(192,947)	(177,170)	(160,916)	(143,868)	(126,712)	(110,879)	(94,166)	(76,508)	(57,844)	(38,521)	(21,049)	(15,201)	(12,507)	(9,757)	(7,225)
Insurance expenses	(179,961)	(189,264)	(191,782)	(210,188)	(217,019)	(224,070)	(231,353)	(238,873)	(246,632)	(254,647)	(262,923)	(271,471)	(280,293)	(289,402)	(298,806)	(308,517)	(318,542)	(328,892)	(339,585)
Other expenditure	(400,104)	(339,931)	(211,475)	(206,417)	(211,065)	(215,814)	(220,671)	(225,633)	(230,710)	(235,900)	(241,208)	(246,636)	(252,187)	(257,861)	(263,662)	(269,596)	(275,660)	(281,861)	(288,202)
	(12,013,524)	(11,586,291)	(11,767,079)	(11,276,995)	(11,302,449)	(11,560,893)	(11,825,348)	(12,074,892)	(12,355,667)	(12,661,009)	(12,952,870)	(13,230,900)	(13,514,745)	(13,804,910)	(14,104,065)	(14,422,149)	(14,750,883)	(15,087,184)	(15,431,557)
	(3,734,439)	(3,478,007)	(3,251,025)	(2,540,537)	(1,918,331)	(1,834,641)	(1,741,249)	(1,619,730)	(1,515,997)	(1,412,556)	(1,277,613)	(1,114,149)	(932,917)	(738,772)	(535,704)	(330,128)	(109,061)	125,769	375,077
Non-operating grants, subsidies and contributions	2,098,017	2,027,594	2,981,947	3,396,931	2,215,000	2,215,000	2,215,000	1,215,000	3,115,000	3,115,000	2,119,838	1,124,784	1,129,842	1,135,013	1,140,301	1,145,708	1,151,236	1,156,889	1,162,669
Fair value adjustments to financial assets at fair value through profit or loss	0	865	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on asset disposals	71,071	25,349	12,524	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(133,276)	(478,686)	(189,002)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	(1,698,627)	(1,902,885)	(445,556)	956,394	296,669	380,359	473,751	(404,730)	1,599,003	1,702,444	842,225	10,635	196,925	396,241	604,597	815,580	1,042,175	1,282,658	1,537,746
Other comprehensive income	0	0	0	0	2,198,880	2,248,632	2,302,033	2,359,711	2,390,818	2,467,102	2,549,443	2,607,951	2,647,428	2,694,387	2,746,698	2,802,166	2,863,059	2,929,434	3,001,359
TOTAL COMPREHENSIVE INCOME	(1,698,627)	(1,902,885)	(445,556)	956,394	2,495,549	2,628,991	2,775,784	1,954,981	3,989,821	4,169,546	3,391,668	2,618,586	2,844,353	3,090,628	3,351,295	3,617,746	3,905,234	4,212,092	4,539,105

Refer to Appendix B13 – Forecast Significant Accounting Policies

Appendix B3 Forecast Statement of Comprehensive Income by Program 2022-2037

	2018-19	2019-20	2020-21	Base	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue																			
Governance	217	273	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General purpose funding	5,857,029	6,030,284	6,016,929	6,091,233	6,673,820	6,941,424	7,222,687	7,515,058	7,818,710	8,144,412	8,485,862	8,839,649	9,214,605	9,606,320	10,013,403	10,439,303	10,888,656	11,356,573	11,844,206
Law, order, public safety	500,357	190,657	169,500	187,020	192,166	197,449	202,879	208,457	214,191	220,082	226,133	232,351	238,741	245,306	252,051	258,983	266,104	273,421	280,939
Health	16,591	59,698	91,744	85,700	88,057	90,478	92,966	95,523	98,150	100,850	103,623	106,473	109,401	112,409	115,499	118,675	121,939	125,293	128,738
Education and welfare	15,542	6,102	5,131	3,000	3,083	3,168	3,255	3,345	3,437	3,532	3,629	3,729	3,832	3,937	4,045	4,156	4,270	4,387	4,508
Housing	283,333	280,477	380,237	426,600	438,332	450,386	462,772	475,498	488,574	502,010	515,815	529,999	544,573	559,548	574,936	590,746	606,991	623,682	640,834
Community amenities	845,249	870,996	1,110,874	1,074,600	1,104,154	1,134,518	1,165,718	1,197,776	1,230,715	1,264,559	1,299,334	1,335,065	1,371,780	1,409,504	1,448,265	1,488,093	1,529,015	1,571,064	1,614,268
Recreation and culture	275,593	198,049	282,877	337,478	339,078	348,402	357,983	367,829	377,945	388,339	399,016	409,988	421,263	432,847	444,749	456,978	469,544	482,456	495,722
Transport	129,429	133,317	87,947	234,577	241,029	247,658	254,469	261,467	268,657	276,046	283,637	291,437	299,452	307,686	316,148	324,842	333,775	342,954	352,386
Economic services	252,227	221,923	259,643	245,250	251,995	258,924	266,045	273,362	280,880	288,605	296,540	304,696	313,074	321,684	330,529	339,619	348,960	358,559	368,419
Other property and services	103,518	116,508	111,172	51,000	52,404	53,845	55,325	56,847	58,411	60,018	61,668	63,364	65,107	66,897	68,736	70,626	72,568	74,564	76,614
	8,279,085	8,108,284	8,516,054	8,736,458	9,384,118	9,726,252	10,084,099	10,455,162	10,839,670	11,248,453	11,675,257	12,116,751	12,581,828	13,066,138	13,568,361	14,092,021	14,641,822	15,212,953	15,806,634
Expenses excluding finance costs																			
Governance	(496,038)	(567,650)	(544,800)	(743,696)	(760,449)	(777,690)	(795,323)	(813,345)	(831,789)	(850,661)	(869,950)	(889,670)	(909,838)	(930,466)	(951,561)	(973,136)	(995,200)	(1,017,767)	(1,040,851)
General purpose funding	(223,023)	(644,910)	(621,664)	(761,300)	(778,430)	(795,945)	(813,854)	(832,166)	(850,889)	(870,034)	(889,610)	(909,626)	(930,092)	(951,019)	(972,417)	(994,296)	(1,016,668)	(1,039,542)	(1,062,932)
Law, order, public safety	(895,333)	(507,114)	(510,173)	(546,387)	(555,890)	(568,915)	(582,237)	(595,547)	(609,560)	(624,148)	(638,759)	(653,397)	(668,372)	(683,691)	(699,363)	(715,393)	(731,801)	(748,581)	(765,752)
Health	(160,772)	(565,054)	(450,723)	(436,215)	(446,033)	(456,068)	(466,332)	(476,823)	(487,552)	(498,519)	(509,735)	(521,205)	(532,935)	(544,924)	(557,182)	(569,716)	(582,536)	(595,640)	(609,041)
Education and welfare	(104,860)	(66,523)	(67,832)	(64,931)	(64,487)	(66,180)	(67,918)	(69,486)	(71,345)	(73,415)	(75,329)	(77,087)	(78,885)	(80,726)	(82,607)	(84,533)	(86,504)	(88,520)	(90,584)
Housing	(471,434)	(557,213)	(641,419)	(733,982)	(740,814)	(758,872)	(777,356)	(795,191)	(814,757)	(835,634)	(855,948)	(875,686)	(895,880)	(916,542)	(937,686)	(959,320)	(981,455)	(1,004,104)	(1,027,277)
Community amenities	(1,329,641)	(1,345,648)	(1,434,950)	(1,303,231)	(1,331,524)	(1,361,622)	(1,392,404)	(1,423,766)	(1,455,975)	(1,488,995)	(1,522,650)	(1,556,956)	(1,592,036)	(1,627,901)	(1,664,575)	(1,702,077)	(1,740,424)	(1,779,634)	(1,819,727)
Recreation and culture	(3,127,714)	(2,557,318)	(2,598,753)	(2,843,070)	(2,864,779)	(2,934,761)	(3,006,396)	(3,075,022)	(3,150,918)	(3,232,269)	(3,310,970)	(3,386,956)	(3,464,691)	(3,544,221)	(3,625,586)	(3,708,825)	(3,793,980)	(3,881,093)	(3,970,223)
Transport	(4,401,675)	(4,044,418)	(3,779,686)	(3,082,570)	(3,039,809)	(3,121,418)	(3,204,999)	(3,278,322)	(3,368,272)	(3,470,011)	(3,562,243)	(3,644,746)	(3,729,161)	(3,815,534)	(3,903,908)	(3,994,328)	(4,086,846)	(4,181,506)	(4,278,362)
Economic services	(514,001)	(469,681)	(433,670)	(463,022)	(470,688)	(481,600)	(492,763)	(503,880)	(515,614)	(527,850)	(540,072)	(552,281)	(564,767)	(577,535)	(590,588)	(603,938)	(617,591)	(631,550)	(645,824)
Other property and services	(127,901)	(64,430)	(461,102)	(69,752)	(56,599)	(60,652)	(64,850)	(67,476)	(72,284)	(78,594)	(83,438)	(86,782)	(90,244)	(93,830)	(97,543)	(101,386)	(105,371)	(109,490)	(113,759)
	(11,852,392)	(11,389,959)	(11,544,772)	(11,048,156)	(11,109,502)	(11,383,723)	(11,664,432)	(11,931,024)	(12,228,955)	(12,550,130)	(12,858,704)	(13,154,392)	(13,456,901)	(13,766,389)	(14,083,016)	(14,406,948)	(14,738,376)	(15,077,427)	(15,424,332)
Finance costs																			
Health	0	(6,435)	(40,072)	(38,601)	(28,229)	(26,925)	(25,593)	(24,233)	(22,844)	(21,425)	(19,977)	(18,497)	(16,987)	(15,444)	(13,868)	(12,259)	(10,616)	(8,939)	(7,225)
Housing	0	0	(2,994)	(18,799)	(13,203)	(12,362)	(11,503)	(10,627)	(9,733)	(8,821)	(7,889)	(6,940)	(5,971)	(4,981)	(3,971)	(2,942)	(1,891)	(818)	0
Recreation and culture	(156,429)	(165,666)	(158,630)	(153,842)	(127,840)	(118,379)	(108,502)	(97,963)	(86,721)	(74,723)	(61,923)	(48,258)	(33,669)	(18,096)	(3,210)	0	0	0	0
Transport	0	(23,637)	(20,189)	(17,349)	(23,605)	(19,504)	(15,318)	(11,045)	(7,414)	(5,910)	(4,377)	(2,813)	(1,217)	0	0	0	0	0	0
Other property and services	(4,703)	(594)	(422)	(248)	(70)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(161,132)	(196,332)	(222,307)	(228,839)	(192,947)	(177,170)	(160,916)	(143,868)	(126,712)	(110,879)	(94,166)	(76,508)	(57,844)	(38,521)	(21,049)	(15,201)	(12,507)	(9,757)	(7,225)
Non operating grants, subsidies and contributions																			
Housing	1,455,519	1,652,276	522,449	1,040,774	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	0	0	250,000	0	1,100,000	100,000	1,100,000	100,000	2,000,000	2,000,000	1,000,000	0	0	0	0	0	0	0	0
Transport	589,947	375,318	2,209,498	2,356,157	1,115,000	2,115,000	1,115,000	1,115,000	1,115,000	1,115,000	1,119,838	1,124,784	1,129,842	1,135,013	1,140,301	1,145,708	1,151,236	1,156,889	1,162,669
	2,098,017	2,027,594	2,981,947	3,396,931	2,215,000	2,215,000	2,215,000	1,215,000	3,115,000	3,115,000	2,119,838	1,124,784	1,129,842	1,135,013	1,140,301	1,145,708	1,151,236	1,156,889	1,162,669
Profit/(loss) on disposal of assets																			
Law, order, public safety	396	0	0	30,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing	0	0	(185,966)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	0	(468,644)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	(104,259)	15,307	9,488	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other property and services	35,864	0	0	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(62,205)	(453,337)	(176,478)	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fair value adjustments to financial assets at fair value through profit or loss	0	865	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	(1,698,627)	(1,902,885)	(445,556)	956,394	296,669	380,359	473,751	(404,730)	1,599,003	1,702,444	842,225	10,635	196,925	396,241	604,597	815,580	1,042,175	1,282,658	1,537,746
Other comprehensive income	0	0	0	0	2,198,880	2,248,632	2,302,033	2,359,711	2,390,818	2,467,102	2,549,443	2,607,951	2,647,428	2,694,387	2,746,698	2,802,166	2,863,059	2,929,434	3,001,359
TOTAL COMPREHENSIVE INCOME	(1,698,627)	(1,902,885)	(445,556)	956,394	2,495,549	2,628,991	2,775,784	1,954,981	3,989,821	4,169,546	3,391,668	2,618,586	2,844,353	3,090,628	3,351,295	3,617,746	3,905,234	4,212,092	4,539,105

Refer to Appendix B13 – Forecast Significant Accounting Policies

Appendix B4 Forecast Statement of Financial Position 2022-2037

	2019	2020	2021	Base	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																			
Unrestricted cash and cash equivalents	941,074	374,119	2,960,321	1,235,215	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485
Restricted cash and cash equivalent	2,879,454	3,131,383	2,054,010	1,486,205	1,623,765	1,655,225	1,665,674	1,642,696	1,996,885	2,454,819	2,858,142	3,537,379	4,291,851	5,018,634	5,852,050	6,950,412	8,090,073	9,287,603	10,615,005
Financial assets	7,889	8,097	41,513	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trade and other receivables	672,477	555,596	999,807	571,511	567,774	568,279	568,792	569,311	569,839	570,374	570,917	571,470	533,581	533,581	533,581	533,581	533,581	533,581	533,581
Inventories	20,118	18,521	28,018	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968
Other assets	0	15,302	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT ASSETS	4,521,012	4,103,018	6,083,669	3,318,899	3,248,992	3,280,957	3,291,919	3,269,460	3,624,177	4,082,646	4,486,512	5,166,302	5,882,885	6,609,668	7,443,084	8,541,446	9,681,107	10,878,637	12,206,039
NON-CURRENT ASSETS																			
Financial assets	73,189	65,957	379,454	379,454	379,454	379,454	379,454	379,454	379,454	379,454	379,454	379,454	379,454	379,454	379,454	379,454	379,454	379,454	379,454
Other receivables	60,277	69,322	57,588	57,588	23,395	(11,303)	(46,514)	(82,244)	(118,502)	(155,295)	(192,631)	(230,520)	(230,520)	(230,520)	(230,520)	(230,520)	(230,520)	(230,520)	(230,520)
Property plant and equipment	46,878,104	44,395,006	42,721,864	42,208,626	43,019,714	43,822,762	44,667,304	45,464,919	48,135,978	48,849,930	49,562,470	49,945,969	50,319,820	50,683,392	51,036,035	51,377,070	51,705,792	52,021,473	52,323,360
Infrastructure	54,309,900	52,876,708	53,084,496	56,177,919	57,483,066	58,834,548	60,296,591	61,001,653	61,615,194	64,246,518	66,139,804	67,296,021	68,594,305	70,240,273	72,137,373	74,186,827	76,492,089	79,056,631	81,883,954
TOTAL NON-CURRENT ASSETS	101,321,470	97,406,993	96,243,402	98,823,587	100,905,629	103,025,461	105,296,835	106,763,782	110,012,124	113,320,607	115,889,097	117,390,924	119,063,059	121,072,599	123,322,342	125,712,831	128,346,815	131,227,038	134,356,248
TOTAL ASSETS	105,842,482	101,510,011	102,327,071	102,142,486	104,154,621	106,306,418	108,588,754	110,033,242	113,636,301	117,403,253	120,375,609	122,557,226	124,945,944	127,682,267	130,765,426	134,254,277	138,027,922	142,105,675	146,562,287
CURRENT LIABILITIES																			
Trade and other payables	1,648,164	1,141,360	1,483,761	1,591,034	1,591,034	1,591,034	1,591,034	1,591,034	1,591,034	1,591,034	1,591,034	1,591,034	1,591,034	1,591,034	1,591,034	1,591,034	1,591,034	1,591,034	1,591,034
Contract liabilities	0	1,277,058	1,473,879	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lease liabilities	0	19,930	20,474	17,493	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current portion of long-term liabilities	271,888	341,683	427,905	5,406,210	477,194	493,448	510,493	386,762	402,594	419,312	436,969	455,635	354,305	268,136	128,895	131,589	134,339	82,493	84,242
Provisions	348,465	416,446	415,874	415,874	415,874	415,874	415,874	415,874	415,874	415,874	415,874	415,874	415,874	415,874	415,874	415,874	415,874	415,874	415,874
TOTAL CURRENT LIABILITIES	2,268,517	3,196,477	3,821,893	7,430,611	2,484,102	2,500,356	2,517,401	2,393,670	2,409,502	2,426,220	2,443,877	2,462,543	2,361,213	2,275,044	2,135,803	2,138,497	2,141,247	2,089,401	2,091,150
NON-CURRENT LIABILITIES																			
Lease liabilities	0	37,963	17,489	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-term borrowings	2,996,787	4,105,104	4,732,208	0	4,463,095	3,969,647	3,459,154	3,072,392	2,669,798	2,250,486	1,813,517	1,357,882	1,003,577	735,441	606,546	474,957	340,618	258,125	173,883
Provisions	67,365	77,528	107,091	107,091	107,091	107,091	107,091	107,091	107,091	107,091	107,091	107,091	107,091	107,091	107,091	107,091	107,091	107,091	107,091
TOTAL NON-CURRENT LIABILITIES	3,064,152	4,220,595	4,856,788	107,091	4,570,186	4,076,738	3,566,245	3,179,483	2,776,889	2,357,577	1,920,608	1,464,973	1,110,668	842,532	713,637	582,048	447,709	365,216	280,974
TOTAL LIABILITIES	5,332,669	7,417,072	8,678,681	7,537,702	7,054,288	6,577,094	6,083,646	5,573,153	5,186,391	4,783,797	4,364,485	3,927,516	3,471,881	3,117,576	2,849,440	2,720,545	2,588,956	2,454,617	2,372,124
NET ASSETS	100,509,813	94,092,939	93,648,390	94,604,784	97,100,333	99,729,324	102,505,108	104,460,089	108,449,910	112,619,456	116,011,124	118,629,710	121,474,063	124,564,691	127,915,986	131,533,732	135,438,966	139,651,058	144,190,163
EQUITY																			
Retained surplus	44,857,653	42,138,469	41,505,131	42,456,870	42,615,979	42,964,878	43,428,180	43,046,428	44,291,242	45,535,752	45,974,654	45,306,052	44,748,505	44,417,963	44,189,144	43,906,362	43,808,876	43,894,004	44,104,348
Reserves - cash backed	1,310,453	1,292,763	1,481,550	1,486,205	1,623,765	1,655,225	1,665,674	1,642,696	1,996,885	2,454,819	2,858,142	3,537,379	4,291,851	5,018,634	5,852,050	6,950,412	8,090,073	9,287,603	10,615,005
Asset revaluation surplus	54,341,707	50,661,707	50,661,709	50,661,709	52,860,589	55,109,221	57,411,254	59,770,965	62,161,783	64,628,885	67,178,328	69,786,279	72,433,707	75,128,094	77,874,792	80,676,958	83,540,017	86,469,451	89,470,810
TOTAL EQUITY	100,509,813	94,092,939	93,648,390	94,604,784	97,100,333	99,729,324	102,505,108	104,460,089	108,449,910	112,619,456	116,011,124	118,629,710	121,474,063	124,564,691	127,915,986	131,533,732	135,438,966	139,651,058	144,190,163

Refer to Appendix B13 – Forecast Significant Accounting Policies

Appendix B5 Forecast Statement of Changes in Equity 2022-2037

	2019	2020	2021	Base	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening balance	46,556,280	44,023,664	42,139,474	41,505,131	42,456,870	42,615,979	42,964,878	43,428,180	43,046,428	44,291,242	45,535,752	45,974,654	45,306,052	44,748,505	44,417,963	44,189,144	43,906,362	43,808,876	43,894,004
Net result	(1,698,627)	(1,902,885)	(445,556)	956,394	296,669	380,359	473,751	(404,730)	1,599,003	1,702,444	842,225	10,635	196,925	396,241	604,597	815,580	1,042,175	1,282,658	1,537,746
Amount transferred (to)/from reserves		17,690	(188,787)	(4,655)	(137,560)	(31,460)	(10,449)	22,978	(354,189)	(457,934)	(403,323)	(679,237)	(754,472)	(726,783)	(833,416)	(1,098,362)	(1,139,661)	(1,197,530)	(1,327,402)
Closing balance	44,857,653	42,138,469	41,505,131	42,456,870	42,615,979	42,964,878	43,428,180	43,046,428	44,291,242	45,535,752	45,974,654	45,306,052	44,748,505	44,417,963	44,189,144	43,906,362	43,808,876	43,894,004	44,104,348
RESERVES - CASH/INVESTMENT BACKED																			
Opening balance	1,310,453	1,310,453	1,292,763	1,481,550	1,486,205	1,623,765	1,655,225	1,665,674	1,642,696	1,996,885	2,454,819	2,858,142	3,537,379	4,291,851	5,018,634	5,852,050	6,950,412	8,090,073	9,287,603
Amount transferred to/(from) retained surplus	0	(17,690)	188,787	4,655	137,560	31,460	10,449	(22,978)	354,189	457,934	403,323	679,237	754,472	726,783	833,416	1,098,362	1,139,661	1,197,530	1,327,402
Closing balance	1,310,453	1,292,763	1,481,550	1,486,205	1,623,765	1,655,225	1,665,674	1,642,696	1,996,885	2,454,819	2,858,142	3,537,379	4,291,851	5,018,634	5,852,050	6,950,412	8,090,073	9,287,603	10,615,005
ASSET REVALUATION SURPLUS																			
Opening balance	54,341,707	50,661,707	50,661,709	50,661,709	50,661,709	52,860,589	55,109,221	57,411,254	59,770,965	62,161,783	64,628,885	67,178,328	69,786,279	72,433,707	75,128,094	77,874,792	80,676,958	83,540,017	86,469,451
Total other comprehensive income	0	0	0	0	2,198,880	2,248,632	2,302,033	2,359,711	2,390,818	2,467,102	2,549,443	2,607,951	2,647,428	2,694,387	2,746,698	2,802,166	2,863,059	2,929,434	3,001,359
Closing balance	54,341,707	50,661,707	50,661,709	50,661,709	52,860,589	55,109,221	57,411,254	59,770,965	62,161,783	64,628,885	67,178,328	69,786,279	72,433,707	75,128,094	77,874,792	80,676,958	83,540,017	86,469,451	89,470,810
TOTAL EQUITY																			
	100,509,813	94,092,939	93,648,390	94,604,784	97,100,333	99,729,324	102,505,108	104,460,089	108,449,910	112,619,456	116,011,124	118,629,710	121,474,063	124,564,691	127,915,986	131,533,732	135,438,966	139,651,058	144,190,163

Refer to Appendix B13 – Forecast Significant Accounting Policies

Appendix B6 Forecast Statement of Cashflows 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities															
Receipts															
Rates	5,885,545	6,135,681	6,396,448	6,668,298	6,951,701	7,247,148	7,555,152	7,876,246	8,210,987	8,559,954	8,923,751	9,303,011	9,698,388	10,110,569	10,540,268
Operating grants, subsidies and contributions	1,109,581	1,140,094	1,171,448	1,203,662	1,236,763	1,270,774	1,305,721	1,341,629	1,378,525	1,416,434	1,455,386	1,495,410	1,536,534	1,578,789	1,622,205
Fees and charges	2,119,897	2,178,191	2,238,091	2,299,640	2,362,883	2,427,864	2,494,624	2,563,224	2,633,713	2,706,139	2,780,555	2,857,019	2,935,585	3,016,314	3,099,262
Interest earnings	72,840	70,635	70,916	70,666	69,572	77,899	88,812	98,353	114,779	133,083	151,254	172,088	199,548	228,039	257,979
Other revenue	196,255	201,651	207,196	212,896	218,751	224,768	230,948	237,299	243,824	250,528	257,415	264,493	271,767	279,242	286,920
	9,384,118	9,726,252	10,084,099	10,455,162	10,839,670	11,248,453	11,675,257	12,116,751	12,581,828	13,066,138	13,568,361	14,092,021	14,641,822	15,212,953	15,806,634
Payments															
Employee costs	(3,013,689)	(3,081,498)	(3,150,833)	(3,221,726)	(3,294,215)	(3,368,335)	(3,444,122)	(3,521,613)	(3,600,849)	(3,681,868)	(3,764,711)	(3,849,413)	(3,936,024)	(4,024,582)	(4,115,136)
Materials and contracts	(3,020,250)	(3,088,197)	(3,157,687)	(3,228,740)	(3,301,385)	(3,375,657)	(3,451,608)	(3,529,270)	(3,608,675)	(3,689,867)	(3,772,880)	(3,857,758)	(3,944,561)	(4,033,295)	(4,124,033)
Utility charges	(364,834)	(373,042)	(381,440)	(390,018)	(398,795)	(407,765)	(416,939)	(426,319)	(435,912)	(445,719)	(455,747)	(466,000)	(476,487)	(487,203)	(498,165)
Interest expenses	(192,947)	(177,170)	(160,916)	(143,868)	(126,712)	(110,879)	(94,166)	(76,508)	(57,844)	(38,521)	(21,049)	(15,201)	(12,507)	(9,757)	(7,225)
Insurance expenses	(217,019)	(224,070)	(231,353)	(238,873)	(246,632)	(254,647)	(262,923)	(271,471)	(280,293)	(289,402)	(298,806)	(308,517)	(318,542)	(328,892)	(339,585)
Other expenditure	(211,065)	(215,814)	(220,671)	(225,633)	(230,710)	(235,900)	(241,208)	(246,636)	(252,187)	(257,861)	(263,662)	(269,596)	(275,660)	(281,861)	(288,202)
	(7,019,804)	(7,159,791)	(7,302,900)	(7,448,858)	(7,598,449)	(7,753,183)	(7,910,966)	(8,071,817)	(8,235,760)	(8,403,238)	(8,576,855)	(8,766,485)	(8,963,781)	(9,165,590)	(9,372,346)
Net cash provided by (used in) operating activities	2,364,314	2,566,461	2,781,199	3,006,304	3,241,221	3,495,270	3,764,291	4,044,934	4,346,068	4,662,900	4,991,506	5,325,536	5,678,041	6,047,363	6,434,288
Cash flows from investing activities															
Payments for purchase of property, plant & equipment	(699,000)	(690,000)	(730,000)	(683,000)	(2,584,000)	(586,000)	(588,161)	(270,369)	(272,627)	(274,936)	(277,298)	(279,713)	(282,181)	(284,705)	(287,286)
Payments for construction of infrastructure	(3,501,000)	(3,617,000)	(3,797,000)	(3,086,000)	(3,067,000)	(5,200,000)	(4,510,126)	(3,820,479)	(4,031,065)	(4,441,889)	(4,752,957)	(4,964,274)	(5,275,846)	(5,587,678)	(5,899,776)
Proceeds from non-operating grants, subsidies and contributions	2,215,000	2,215,000	2,215,000	1,215,000	3,115,000	3,115,000	2,119,838	1,124,784	1,129,842	1,135,013	1,140,301	1,145,708	1,151,236	1,156,889	1,162,669
Proceeds from self supporting loans	37,930	34,193	34,698	35,211	35,730	36,258	36,793	37,336	37,889	0	0	0	0	0	0
Net cash provided by (used in) investing activities	(1,947,070)	(2,057,807)	(2,277,302)	(2,518,789)	(2,500,270)	(2,634,742)	(2,941,656)	(2,928,728)	(3,135,961)	(3,581,812)	(3,889,954)	(4,098,279)	(4,406,791)	(4,715,494)	(5,024,393)
Cash flows from financing activities															
Repayment of debentures	(465,921)	(477,194)	(493,448)	(510,493)	(386,762)	(402,594)	(419,312)	(436,969)	(455,635)	(354,305)	(268,136)	(128,895)	(131,589)	(134,339)	(82,493)
Repayment of leases	(17,493)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash provided by (used in) financing activities	(483,414)	(477,194)	(493,448)	(510,493)	(386,762)	(402,594)	(419,312)	(436,969)	(455,635)	(354,305)	(268,136)	(128,895)	(131,589)	(134,339)	(82,493)
Net increase (decrease) in cash held	(66,170)	31,460	10,449	(22,978)	354,189	457,934	403,323	679,237	754,472	726,783	833,416	1,098,362	1,139,661	1,197,530	1,327,402
Cash at beginning of year	2,721,420	2,655,250	2,686,710	2,697,159	2,674,181	3,028,370	3,486,304	3,889,627	4,568,864	5,323,336	6,050,119	6,883,535	7,981,897	9,121,558	10,319,088
Cash and cash equivalents at the end of year	2,655,250	2,686,710	2,697,159	2,674,181	3,028,370	3,486,304	3,889,627	4,568,864	5,323,336	6,050,119	6,883,535	7,981,897	9,121,558	10,319,088	11,646,490

Appendix B7 Forecast Statement of Funding 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES															
Revenues															
Rates	5,885,545	6,135,681	6,396,448	6,668,298	6,951,701	7,247,148	7,555,152	7,876,246	8,210,987	8,559,954	8,923,751	9,303,011	9,698,388	10,110,569	10,540,268
Operating grants, subsidies and contributions	1,109,581	1,140,094	1,171,448	1,203,662	1,236,763	1,270,774	1,305,721	1,341,629	1,378,525	1,416,434	1,455,386	1,495,410	1,536,534	1,578,789	1,622,205
Fees and charges	2,119,897	2,178,191	2,238,091	2,299,640	2,362,883	2,427,864	2,494,624	2,563,224	2,633,713	2,706,139	2,780,555	2,857,019	2,935,585	3,016,314	3,099,262
Interest earnings	72,840	70,635	70,916	70,666	69,572	77,899	88,812	98,353	114,779	133,083	151,254	172,088	199,548	228,039	257,979
Other revenue	196,255	201,651	207,196	212,896	218,751	224,768	230,948	237,299	243,824	250,528	257,415	264,493	271,767	279,242	286,920
	9,384,118	9,726,252	10,084,099	10,455,162	10,839,670	11,248,453	11,675,257	12,116,751	12,581,828	13,066,138	13,568,361	14,092,021	14,641,822	15,212,953	15,806,634
Expenses															
Employee costs	(3,013,689)	(3,081,498)	(3,150,833)	(3,221,726)	(3,294,215)	(3,368,335)	(3,444,122)	(3,521,613)	(3,600,849)	(3,681,868)	(3,764,711)	(3,849,413)	(3,936,024)	(4,024,582)	(4,115,136)
Materials and contracts	(3,020,250)	(3,088,197)	(3,157,687)	(3,228,740)	(3,301,385)	(3,375,657)	(3,451,608)	(3,529,270)	(3,608,675)	(3,689,867)	(3,772,880)	(3,857,758)	(3,944,561)	(4,033,295)	(4,124,033)
Utility charges (electricity, gas, water etc.)	(364,834)	(373,042)	(381,440)	(390,018)	(398,795)	(407,765)	(416,939)	(426,319)	(435,912)	(445,719)	(455,747)	(466,000)	(476,487)	(487,203)	(498,165)
Depreciation on non-current assets	(4,282,645)	(4,401,102)	(4,522,448)	(4,626,034)	(4,757,218)	(4,907,826)	(5,041,904)	(5,159,083)	(5,278,985)	(5,401,672)	(5,527,210)	(5,655,664)	(5,787,102)	(5,921,594)	(6,059,211)
Interest expense	(192,947)	(177,170)	(160,916)	(143,868)	(126,712)	(110,879)	(94,166)	(76,508)	(57,844)	(38,521)	(21,049)	(15,201)	(12,507)	(9,757)	(7,225)
Insurance expense	(217,019)	(224,070)	(231,353)	(238,873)	(246,632)	(254,647)	(262,923)	(271,471)	(280,293)	(289,402)	(298,806)	(308,517)	(318,542)	(328,892)	(339,585)
Other expenditure	(211,065)	(215,814)	(220,671)	(225,633)	(230,710)	(235,900)	(241,208)	(246,636)	(252,187)	(257,861)	(263,662)	(269,596)	(275,660)	(281,861)	(288,202)
	(11,302,449)	(11,560,893)	(11,825,348)	(12,074,892)	(12,355,667)	(12,661,009)	(12,952,870)	(13,230,900)	(13,514,745)	(13,804,910)	(14,104,065)	(14,422,149)	(14,750,883)	(15,087,184)	(15,431,557)
	(1,918,331)	(1,834,641)	(1,741,249)	(1,619,730)	(1,515,997)	(1,412,556)	(1,277,613)	(1,114,149)	(932,917)	(738,772)	(535,704)	(330,128)	(109,061)	125,769	375,077
Funding position adjustments															
Depreciation on non-current assets	4,282,645	4,401,102	4,522,448	4,626,034	4,757,218	4,907,826	5,041,904	5,159,083	5,278,985	5,401,672	5,527,210	5,655,664	5,787,102	5,921,594	6,059,211
Net funding from operational activities	2,364,314	2,566,461	2,781,199	3,006,304	3,241,221	3,495,270	3,764,291	4,044,934	4,346,068	4,662,900	4,991,506	5,325,536	5,678,041	6,047,363	6,434,288
FUNDING FROM CAPITAL ACTIVITIES															
Inflows															
Non-operating grants, subsidies and contributions	2,215,000	2,215,000	2,215,000	1,215,000	3,115,000	3,115,000	2,119,838	1,124,784	1,129,842	1,135,013	1,140,301	1,145,708	1,151,236	1,156,889	1,162,669
Outflows															
Purchase of property plant and equipment	(699,000)	(690,000)	(730,000)	(683,000)	(2,584,000)	(586,000)	(588,161)	(270,369)	(272,627)	(274,936)	(277,298)	(279,713)	(282,181)	(284,705)	(287,286)
Purchase of infrastructure	(3,501,000)	(3,617,000)	(3,797,000)	(3,086,000)	(3,067,000)	(5,200,000)	(4,510,126)	(3,820,479)	(4,031,065)	(4,441,889)	(4,752,957)	(4,964,274)	(5,275,846)	(5,587,678)	(5,899,776)
Net funding from capital activities	(1,985,000)	(2,092,000)	(2,312,000)	(2,554,000)	(2,536,000)	(2,671,000)	(2,978,449)	(2,966,064)	(3,173,850)	(3,581,812)	(3,889,954)	(4,098,279)	(4,406,791)	(4,715,494)	(5,024,393)
FUNDING FROM FINANCING ACTIVITIES															
Inflows															
Transfer from reserves	100,000	100,000	100,000	100,000	0	0	0	0	0	0	0	0	0	0	0
Self supporting loan	37,930	34,193	34,698	35,211	35,730	36,258	36,793	37,336	37,889	0	0	0	0	0	0
Outflows															
Transfer to reserves	(237,560)	(131,460)	(110,449)	(77,022)	(354,189)	(457,934)	(403,323)	(679,237)	(754,472)	(726,783)	(833,416)	(1,098,362)	(1,139,661)	(1,197,530)	(1,327,402)
Repayment of past borrowings	(465,921)	(477,194)	(493,448)	(510,493)	(386,762)	(402,594)	(419,312)	(436,969)	(455,635)	(354,305)	(268,136)	(128,895)	(131,589)	(134,339)	(82,493)
Principal elements of finance lease payments	(17,493)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net funding from financing activities	(583,044)	(474,461)	(469,199)	(452,304)	(705,221)	(824,270)	(785,842)	(1,078,870)	(1,172,218)	(1,081,088)	(1,101,552)	(1,227,257)	(1,271,250)	(1,331,869)	(1,409,895)
Estimated surplus/deficit July 1 B/Fwd	203,730	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

Refer to Appendix B13 – Forecast Significant Accounting Policies

Appendix B8 Forecast Statement of Net Current Asset Composition 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated surplus/deficit July 1 B/Fwd	203,730	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Unrestricted cash and equivalents	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485	1,031,485
Restricted cash and cash equivalent	1,623,765	1,655,225	1,665,674	1,642,696	1,996,885	2,454,819	2,858,142	3,537,379	4,291,851	5,018,634	5,852,050	6,950,412	8,090,073	9,287,603	10,615,005
Trade and other receivables	567,774	568,279	568,792	569,311	569,839	570,374	570,917	571,470	533,581	533,581	533,581	533,581	533,581	533,581	533,581
Inventories	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968	25,968
CURRENT LIABILITIES															
Trade and other payables	(1,591,034)	(1,591,034)	(1,591,034)	(1,591,034)	(1,591,034)	(1,591,034)	(1,591,034)	(1,591,034)	(1,591,034)	(1,591,034)	(1,591,034)	(1,591,034)	(1,591,034)	(1,591,034)	(1,591,034)
Reserves	(1,623,765)	(1,655,225)	(1,665,674)	(1,642,696)	(1,996,885)	(2,454,819)	(2,858,142)	(3,537,379)	(4,291,851)	(5,018,634)	(5,852,050)	(6,950,412)	(8,090,073)	(9,287,603)	(10,615,005)
Current self supporting loans receivable	(34,193)	(34,698)	(35,211)	(35,730)	(36,258)	(36,793)	(37,336)	(37,889)	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

Refer to Appendix B13 – Forecast Significant Accounting Policies

Appendix B9 Forecast Statement of Fixed Asset Movements 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Infrastructure - roads	2,345,000	2,461,000	2,666,000	2,955,000	2,961,000	3,094,000	3,401,741	3,709,655	3,917,748	4,326,022	4,634,483	4,843,134	5,151,980	5,461,025	5,770,273
Infrastructure - other	1,156,000	1,156,000	1,131,000	131,000	106,000	2,106,000	1,108,385	110,824	113,317	115,867	118,474	121,140	123,866	126,653	129,503
Total capital works - infrastructure	3,501,000	3,617,000	3,797,000	3,086,000	3,067,000	5,200,000	4,510,126	3,820,479	4,031,065	4,441,889	4,752,957	4,964,274	5,275,846	5,587,678	5,899,776
Represented by:															
Additions - expansion, upgrades and new	1,033,000	1,049,000	1,054,000	43,000	49,000	2,082,000	1,083,845	85,732	87,661	89,633	91,650	93,712	95,821	97,977	100,181
Additions - renewal	2,468,000	2,568,000	2,743,000	3,043,000	3,018,000	3,118,000	3,426,281	3,734,747	3,943,404	4,352,256	4,661,307	4,870,562	5,180,025	5,489,701	5,799,595
Total Capital Works - Infrastructure	3,501,000	3,617,000	3,797,000	3,086,000	3,067,000	5,200,000	4,510,126	3,820,479	4,031,065	4,441,889	4,752,957	4,964,274	5,275,846	5,587,678	5,899,776
Asset movement reconciliation															
Total capital works infrastructure	3,501,000	3,617,000	3,797,000	3,086,000	3,067,000	5,200,000	4,510,126	3,820,479	4,031,065	4,441,889	4,752,957	4,964,274	5,275,846	5,587,678	5,899,776
Depreciation infrastructure	(3,515,387)	(3,616,668)	(3,720,452)	(3,806,080)	(3,893,901)	(4,025,172)	(4,139,477)	(4,236,439)	(4,335,668)	(4,437,218)	(4,541,143)	(4,647,498)	(4,756,339)	(4,867,726)	(4,981,718)
Revaluation of infrastructure assets (inflation)	1,319,534	1,351,150	1,385,495	1,425,142	1,440,442	1,456,496	1,522,637	1,572,177	1,602,887	1,641,297	1,685,286	1,732,678	1,785,755	1,844,590	1,909,265
Net movement in infrastructure assets	1,305,147	1,351,482	1,462,043	705,062	613,541	2,631,324	1,893,286	1,156,217	1,298,284	1,645,968	1,897,100	2,049,454	2,305,262	2,564,542	2,827,323
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings - non-specialised	178,000	170,000	210,000	162,000	2,063,000	65,000	66,463	67,958	69,487	71,050	72,649	74,284	75,955	77,664	79,411
Furniture and equipment	31,000	30,000	30,000	31,000	31,000	31,000	31,698	32,411	33,140	33,886	34,649	35,429	36,226	37,041	37,875
Plant and equipment	490,000	490,000	490,000	490,000	490,000	490,000	490,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Total capital works property, plant and equipment	699,000	690,000	730,000	683,000	2,584,000	586,000	588,161	270,369	272,627	274,936	277,298	279,713	282,181	284,705	287,286
Represented by:															
Additions - expansion, upgrades and new	0	0	0	0	2,000,000	0	0	0	0	0	0	0	0	0	0
Additions - renewal	699,000	690,000	730,000	683,000	584,000	586,000	588,161	270,369	272,627	274,936	277,298	279,713	282,181	284,705	287,286
Total capital works property, plant and equipment	699,000	690,000	730,000	683,000	2,584,000	586,000	588,161	270,369	272,627	274,936	277,298	279,713	282,181	284,705	287,286
Asset movement reconciliation															
Total capital works property, plant and equipment	699,000	690,000	730,000	683,000	2,584,000	586,000	588,161	270,369	272,627	274,936	277,298	279,713	282,181	284,705	287,286
Depreciation property, plant and equipment	(763,387)	(780,563)	(798,125)	(816,083)	(859,446)	(878,783)	(898,556)	(918,773)	(939,446)	(960,583)	(982,196)	(1,004,295)	(1,026,892)	(1,049,997)	(1,073,622)
Revaluation of property, plant and equipment (inflation)	879,346	897,482	916,538	934,569	950,376	1,010,606	1,026,806	1,035,774	1,044,541	1,053,090	1,061,412	1,069,488	1,077,304	1,084,844	1,092,094
Net movement in property, plant and equipment	814,959	806,919	848,413	801,486	2,674,930	717,823	716,411	387,370	377,722	367,443	356,514	344,906	332,593	319,552	305,758
Asset movement reconciliation															
Depreciation right of use assets	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)
Net movement in right of use assets	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)
CAPITAL WORKS - TOTALS															
Capital works															
Total capital works infrastructure	3,501,000	3,617,000	3,797,000	3,086,000	3,067,000	5,200,000	4,510,126	3,820,479	4,031,065	4,441,889	4,752,957	4,964,274	5,275,846	5,587,678	5,899,776
Total capital works property, plant and equipment	699,000	690,000	730,000	683,000	2,584,000	586,000	588,161	270,369	272,627	274,936	277,298	279,713	282,181	284,705	287,286
Total capital works	4,200,000	4,307,000	4,527,000	3,769,000	5,651,000	5,786,000	5,098,287	4,090,848	4,303,692	4,716,825	5,030,255	5,243,987	5,558,027	5,872,383	6,187,062
Fixed asset movement															
Net movement in infrastructure assets	1,305,147	1,351,482	1,462,043	705,062	613,541	2,631,324	1,893,286	1,156,217	1,298,284	1,645,968	1,897,100	2,049,454	2,305,262	2,564,542	2,827,323
Net movement in property, plant and equipment	814,959	806,919	848,413	801,486	2,674,930	717,823	716,411	387,370	377,722	367,443	356,514	344,906	332,593	319,552	305,758
Net movement in right of use assets	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)	(3,871)
Net movement in fixed assets	2,116,235	2,154,530	2,306,585	1,502,677	3,284,600	3,345,276	2,605,826	1,539,716	1,672,135	2,009,540	2,249,743	2,390,489	2,633,984	2,880,223	3,129,210

Appendix B10 Forecast Statement of Capital Funding 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital expenditure															
Infrastructure - roads	2,345,000	2,461,000	2,666,000	2,955,000	2,961,000	3,094,000	3,401,741	3,709,655	3,917,748	4,326,022	4,634,483	4,843,134	5,151,980	5,461,025	5,770,273
Infrastructure - other	1,156,000	1,156,000	1,131,000	131,000	106,000	2,106,000	1,108,385	110,824	113,317	115,867	118,474	121,140	123,866	126,653	129,503
Buildings - non-specialised	178,000	170,000	210,000	162,000	2,063,000	65,000	66,463	67,958	69,487	71,050	72,649	74,284	75,955	77,664	79,411
Furniture and equipment	31,000	30,000	30,000	31,000	31,000	31,000	31,698	32,411	33,140	33,886	34,649	35,429	36,226	37,041	37,875
Plant and equipment	490,000	490,000	490,000	490,000	490,000	490,000	490,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Total - Capital expenditure	4,200,000	4,307,000	4,527,000	3,769,000	5,651,000	5,786,000	5,098,287	4,090,848	4,303,692	4,716,825	5,030,255	5,243,987	5,558,027	5,872,383	6,187,062
Funded by:															
Capital grants & contributions															
Infrastructure - roads	1,115,000	1,115,000	1,115,000	1,115,000	1,115,000	1,115,000	1,119,838	1,124,784	1,129,842	1,135,013	1,140,301	1,145,708	1,151,236	1,156,889	1,162,669
Infrastructure - other	1,000,000	1,000,000	1,000,000	0	0	2,000,000	1,000,000	0	0	0	0	0	0	0	0
Buildings - non-specialised	100,000	100,000	100,000	100,000	2,000,000	0	0	0	0	0	0	0	0	0	0
Total - Capital grants & contributions	2,215,000	2,215,000	2,215,000	1,215,000	3,115,000	3,115,000	2,119,838	1,124,784	1,129,842	1,135,013	1,140,301	1,145,708	1,151,236	1,156,889	1,162,669
Own source funding															
Infrastructure - roads	1,230,000	1,346,000	1,551,000	1,840,000	1,846,000	1,979,000	2,281,903	2,584,871	2,787,906	3,191,009	3,494,182	3,697,426	4,000,744	4,304,136	4,607,604
Infrastructure - other	156,000	156,000	131,000	131,000	106,000	106,000	108,385	110,824	113,317	115,867	118,474	121,140	123,866	126,653	129,503
Buildings - non-specialised	78,000	70,000	110,000	62,000	63,000	65,000	66,463	67,958	69,487	71,050	72,649	74,284	75,955	77,664	79,411
Furniture and equipment	31,000	30,000	30,000	31,000	31,000	31,000	31,698	32,411	33,140	33,886	34,649	35,429	36,226	37,041	37,875
Plant and equipment	490,000	490,000	490,000	490,000	490,000	490,000	490,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Total - Own source funding	1,985,000	2,092,000	2,312,000	2,554,000	2,536,000	2,671,000	2,978,449	2,966,064	3,173,850	3,581,812	3,889,954	4,098,279	4,406,791	4,715,494	5,024,393
Borrowings															
Total - Borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (disposals & C/Fwd)															
Total - Other (disposals & C/Fwd)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital Funding	4,200,000	4,307,000	4,527,000	3,769,000	5,651,000	5,786,000	5,098,287	4,090,848	4,303,692	4,716,825	5,030,255	5,243,987	5,558,027	5,872,383	6,187,062

Refer to Appendix B13 – Forecast Significant Accounting Policies

Appendix B11 Forecast Ratios 2022-2037

	Target Range		Average	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
LIQUIDITY RATIOS																		
Current ratio	> 1.00	> 1.20	0.83	0.75	0.75	0.75	0.79	0.79	0.79	0.79	0.78	0.81	0.85	0.92	0.92	0.92	0.95	0.95
OPERATING RATIOS																		
Operating surplus ratio	> 1.00%	> 15.00%	(10.21%)	(23.18%)	(21.37%)	(19.54%)	(17.51%)	(15.79%)	(14.16%)	(12.32%)	(10.34%)	(8.33%)	(6.34%)	(4.42%)	(2.62%)	(0.83%)	0.92%	2.64%
Own source revenue coverage ratio	> 40.00%	> 60.00%	81.94%	73.21%	74.27%	75.37%	76.62%	77.72%	78.81%	80.06%	81.44%	82.90%	84.39%	85.88%	87.34%	88.84%	90.37%	91.92%
BORROWINGS RATIOS																		
Debt service cover ratio	> 3	> 5	18.32	3.88	4.19	4.50	4.81	6.56	7.02	7.51	8.03	8.58	11.97	17.33	37.06	39.49	42.04	71.80
FIXED ASSET RATIOS																		
Asset sustainability ratio	> 90.00%	> 110.00%	83.47%	73.95%	74.03%	76.79%	80.54%	75.72%	75.47%	79.62%	77.63%	79.86%	85.66%	89.35%	91.06%	94.39%	97.51%	100.46%
Asset consumption ratio	> 50.00%	> 60.00%	71.11%	74.21%	73.62%	73.13%	72.56%	72.21%	71.85%	71.45%	70.80%	70.23%	69.85%	69.58%	69.36%	69.26%	69.25%	69.34%
Asset renewal funding ratio	> 75.00%	> 95.00%	117.74%	139.81%	136.36%	122.11%	93.54%	96.87%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Refer to Appendix B13 – Forecast Significant Accounting Policies

Appendix B12 Asset Renewals 2022-2037

Required Asset Renewals

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised	300	654,689	214,667	155,722	36,930	710,520	173,525	214,021	358	8,235,754	163,552	383	1,811,049	401	8,456,810
Plant and equipment	44,840	46,595	8,551	89,311	0	50,117	52,078	9,557	142,580	276,061	56,014	58,207	220,528	111,569	502,815
Infrastructure - roads	419,252	1,609,787	1,565,215	1,749,114	4,519,155	456,264	1,416,303	1,061,793	852,676	1,082,808	1,488,135	7,230,829	13,050,156	2,137,151	5,115,707
Infrastructure - other	0	195,246	0	471,748	99,902	8,120	289,892	372,606	114,560	191,662	363,345	532,166	0	195,047	4,887
Total	464,392	2,506,316	1,788,432	2,465,894	4,655,987	1,225,021	1,931,798	1,657,977	1,110,175	9,786,285	2,071,046	7,821,585	15,081,733	2,444,167	14,080,218

Planned Asset Renewals

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised	178,000	170,000	210,000	162,000	63,000	65,000	66,463	67,958	69,487	71,050	72,649	74,284	75,955	77,664	79,411
Furniture and equipment	31,000	30,000	30,000	31,000	31,000	31,000	31,698	32,411	33,140	33,886	34,649	35,429	36,226	37,041	37,875
Plant and equipment	490,000	490,000	490,000	490,000	490,000	490,000	490,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Infrastructure - roads	2,312,000	2,412,000	2,612,000	2,912,000	2,912,000	3,012,000	3,317,896	3,623,923	3,830,087	4,236,389	4,542,833	4,749,422	5,056,159	5,363,048	5,670,092
Infrastructure - other	156,000	156,000	131,000	131,000	106,000	106,000	108,385	110,824	113,317	115,867	118,474	121,140	123,866	126,653	129,503
Total	3,167,000	3,258,000	3,473,000	3,726,000	3,602,000	3,704,000	4,014,442	4,005,116	4,216,031	4,627,192	4,938,605	5,150,275	5,462,206	5,774,406	6,086,881

Asset Renewal Funding Surplus (Deficit)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised	177,700	(484,689)	(4,667)	6,278	26,070	(645,520)	(107,062)	(146,063)	69,129	(8,164,704)	(90,903)	73,901	(1,735,094)	77,263	(8,377,399)
Furniture and equipment	31,000	30,000	30,000	31,000	31,000	31,000	31,698	32,411	33,140	33,886	34,649	35,429	36,226	37,041	37,875
Plant and equipment	445,160	443,405	481,449	400,689	490,000	439,883	437,922	160,443	27,420	(106,061)	113,986	111,793	(50,528)	58,431	(332,815)
Infrastructure - roads	1,892,748	802,213	1,046,785	1,162,886	(1,607,155)	2,555,736	1,901,593	2,562,130	2,977,411	3,153,581	3,054,698	(2,481,407)	(7,993,997)	3,225,897	554,385
Infrastructure - other	156,000	(39,246)	131,000	(340,748)	6,098	97,880	(181,507)	(261,782)	(1,243)	(75,795)	(244,871)	(411,026)	123,866	(68,394)	124,616
Total	2,702,608	751,684	1,684,568	1,260,106	(1,053,987)	2,478,979	2,082,644	2,347,139	3,105,856	(5,159,093)	2,867,559	(2,671,310)	(9,619,527)	3,330,239	(7,993,337)

Refer to Appendix B13 – Forecast Significant Accounting Policies

Appendix B13 Forecast Significant Accounting Policies

Basis of Preparation

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

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

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

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

Judgements, Estimates and Assumptions

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

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

The Local Government Reporting Entity

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

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

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

Base Year Balances

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

Rounding Off Figures

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

Comparative Figures

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

Forecast Fair Value Adjustments

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

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

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

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.

Appendix A12 Forecast Significant Accounting Policies (Continued)

Goods and Services Tax (GST) (continued)

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

Superannuation

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

Cash and Cash Equivalents

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

Trade and Other Receivables

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

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

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

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

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

Inventories

General

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

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

Land held for resale

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

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

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

Fixed Assets

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

Revaluation

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

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.

Appendix A12 Forecast Significant Accounting Policies (Continued)

Depreciation (continued)

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

Asset Class	Effective average depreciation rate
Right of use - buildings	3.90%
Buildings - non-specialised	1.25%
Furniture and equipment	5.00%
Plant and equipment	4.11%
Infrastructure - roads	4.46%
Infrastructure - other	2.00%

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

Gains and Losses on Disposal

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

Employee Benefits

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

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

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

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

Borrowing Costs

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

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.

Appendix A12 Forecast Significant Accounting Policies (Continued)

Current and Non-Current Classification

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

Appendix C1 Glossary

Funding Gap

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

Infrastructure Assets

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

Key Performance Indicator

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

Level of Service

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

Maintenance

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

Planned Maintenance

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

Reactive Maintenance

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

Significant Maintenance

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

Unplanned Maintenance

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

Maintenance Expenditure

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

Materiality

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

Modern Equivalent Asset

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

Appendix C1 Glossary (Continued)

Net Present Value (NPV)

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

Non-Revenue Generating Investments

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

Operations Expenditure

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

Pavement Management System

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

Recoverable Amount

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

Recurrent Expenditure

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

Recurrent Funding

Funding to pay for recurrent expenditure.

Remaining Useful Life

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

Renewal

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

Residual Value

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already

of the age and in the condition expected at the end of its useful life.

Revenue Generating Investments

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

Risk Management

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

Section or Segment

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

Service Potential

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

Service Potential Remaining

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

Specific Maintenance

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

Sub-Component

Smaller individual parts that make up a component part.

Useful Life

May be expressed as either:

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

Appendix D1 Workforce Planning

1.1 Introduction

The Shire of Irwin Workforce Plan 2022–2026 forms an integral part of our integrated Strategic Resource Plan 2022-2037. The Plan assists the Shire to respond to its workforce challenges in a strategic way as we work with the community to build a bright future and a capable workforce.

The Shire's Strategic Community Plan outline the community's hopes and aspirations, with detailed strategies and actions to progress these are identified in the Corporate Business Plan. The Workforce Plan plays an important part as we seek to ensure the Shire has the right people, in the right place, at the right time, to meet the needs of our community.

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

1.2 What is workforce planning?

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

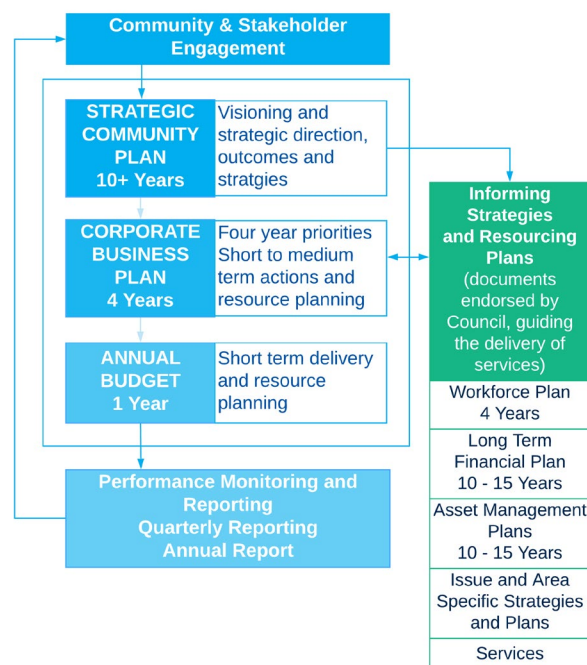
Workforce planning assists management to anticipate change, identify the important issues driving workforce activity and implement the strategies to support positive workforce development and strategic outcomes.

1.3 Key principles of workforce planning

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

1.4 Integration with the Integrated Planning and Reporting Framework

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



Appendix D2 Shire of Irwin Analysis

2.1 The External Environment

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

2.1.1 Socio Demographic Trends

- A multi-generational workforce, each with their own needs, aspirations, and expectations;
- High percentage of 0-14 years old's within the district² with 57% between 35 and 74 years old;
- Greater work/life balance expectations;
- Regional location;
- No local high school; and
- Accommodation shortage.

2.1.2 Competition

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

2.1.3 Economic

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

2.1.4 Political

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

2.1.5 Technology

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

2.1.6 Industry

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

2.1.7 Customers

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

² Australian Bureau of Statistics Irwin (S) (LGA54060) 2016 Census of Population and Housing, viewed 14 February 2022

Appendix D2 Shire of Irwin Analysis (Continued)

2.2 The External Labour Market

The external labour market demand indicates difficulties in attracting and retaining skilled staff in key occupations across the State, due mainly to continuing labour demand in the mining, construction and professional services, scientific and technical service, public service, community and health sectors. This is based on the occupations in high and medium demand in the WA State Priorities Occupation List 2021³ produced by the Department of Training and Workforce Development. However, there is the additional challenge of the regional location that further impact recruitment and retention to the district, and the COVID-19 Pandemic has also significantly impacted labour availability in Western Australia.

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

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

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

The Shire identified the following skills as challenging to source:

- Accounting /Finance;
- Plant operators / labourers;
- Grader operators;
- Rangers;
- Multi-skilled local government experienced staff.; and
- Governance / compliance.

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

2.3 Shire of Irwin Internal Operating Environment

2.3.1 Service Delivery

The Shire provides a number of services to the community as listed below:

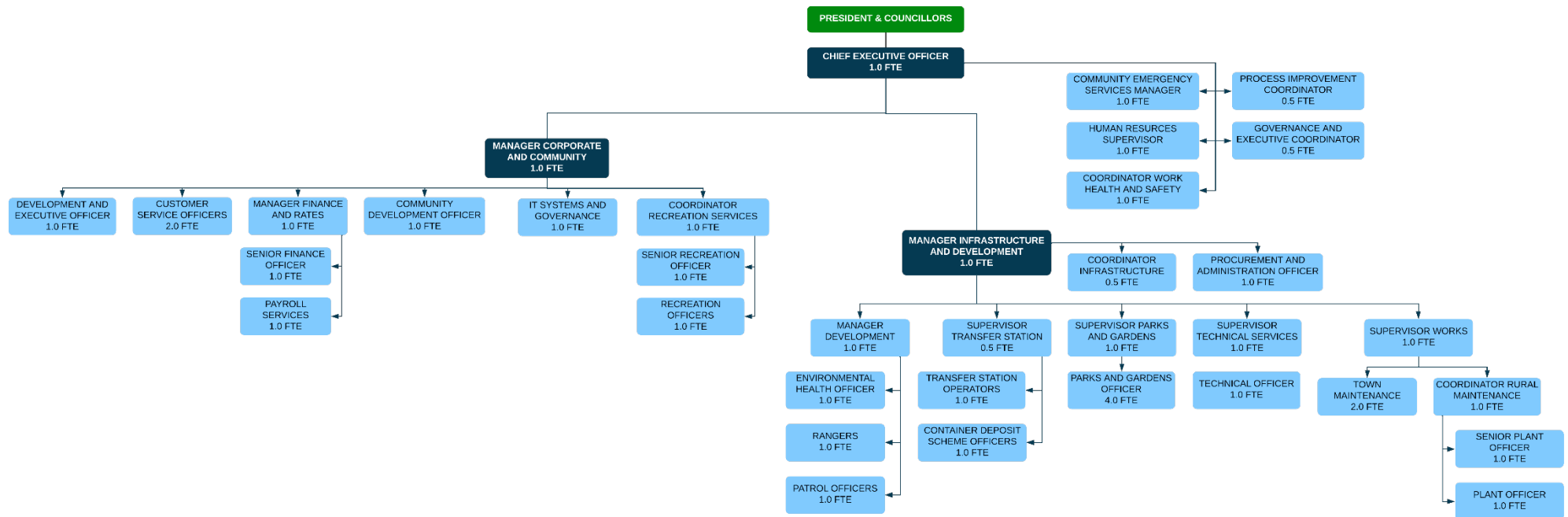
- Co-ordination of Shire activities and functions;
- Co-ordination of management functions;
- Liaison with Government and Ministerial offices;
- Corporate | strategic planning;
- Business | economic development;
- Statutory compliance;
- Executive support to Council;
- Special projects;
- Financial administration;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

³Department of Training & Workforce Development: SPOL year: 2019
<https://www.dtwd.wa.gov.au/workforce-development#whats-on-the-spol>

Appendix D2 Shire of Irwin Analysis (Continued)

2.4 Organisation Structure

The organisational structure is a dynamic process and needs to be developed in accordance with changing priorities and considering the difficulty in attracting and retaining suitably qualified employees to the Shire, however the current structure is not expected to change significantly during the term of this Plan. It is expected that there will be a number of vacancies at any given time due to staff turnover.



Appendix D2 Shire of Irwin Analysis (Continued)

2.5 Workforce Profile

Information	Shire of Irwin - as at October 2021	
Number of employees	40	
Status of employment	23 Full Time 6 Part Time 11 Casual	
Gender	54% (21) female 46% (18) male	
Total annual salaries and wages	\$3m	
Employment type	There is a range of full time, part time, fixed term contract and casual staff employed	
Annual/LSL liability ⁴	Current	\$416,446
	Non-Current	\$7,528
Awards and Agreements	Local Government Officers (Western Australia) Interim Award 2011	
Age profile	The average age of current employees is 50 years	
Years of Service	The average length of service is 4.3 years	

2.6 Workforce Demographics

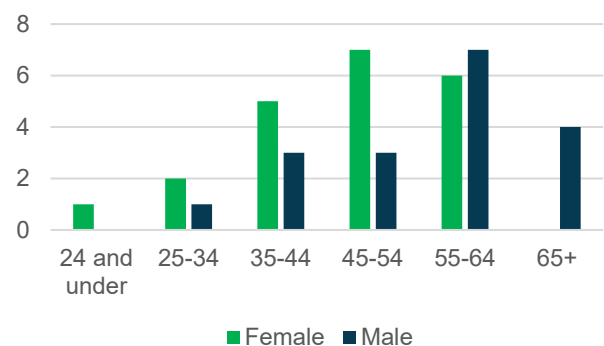
This section contains an analysis of some key workforce metrics such as age, gender and terminations. Included in this analysis are full time, part time and casual staff as well as those on leave, including long service and maternity leave, however contractors, agency staff and group apprentices are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

The workforce gender balance composition at October 2021 was 54% female and 46% male. As indicated above, this composition includes full time, part time and casual staff.

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

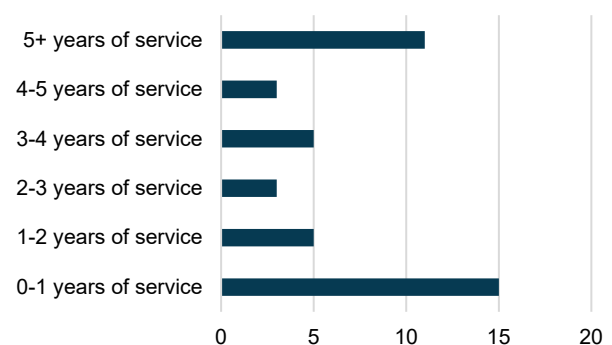
There are currently 28 (of 40) employees aged 45+ and with 90% of employees aged over 35, there are potential issues relating to knowledge retention and business continuity should these staff, often with years of experience, exit the organisation at short notice. Strategies to address this issue include identifying and training potential successors for business critical jobs. There is also potential to develop a range of strategies to continue to retain mature workers within the Shire (e.g. flexible work arrangements, transition to retirement, etc.).

2.7 Workforce by Age and Gender



2.8 Length of Service

The chart below reflects the length of service of current employees at October 2021.

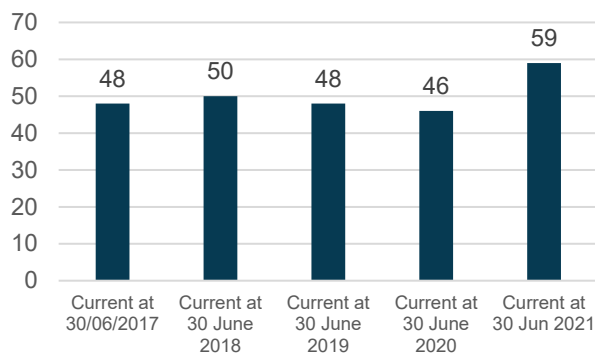


⁴Shire of Irwin 2019/20 Annual Financial Statements

Appendix D2 Shire of Irwin Analysis (Continued)

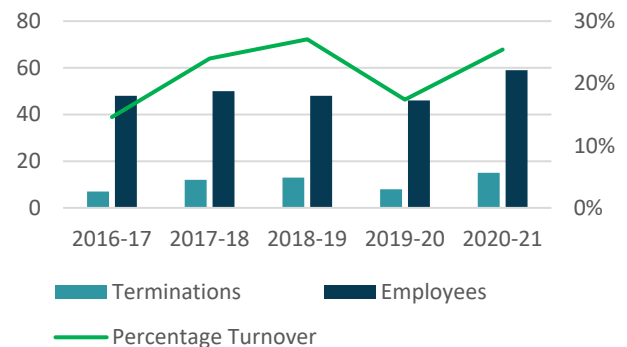
2.9 Historical Employee Information

Employee levels fluctuate during the year as staff are terminated and recruited, with the total number employees on 30 June each year increasing from 48 in 2017 to 59 at 30 June 2021, as show in the chart below.



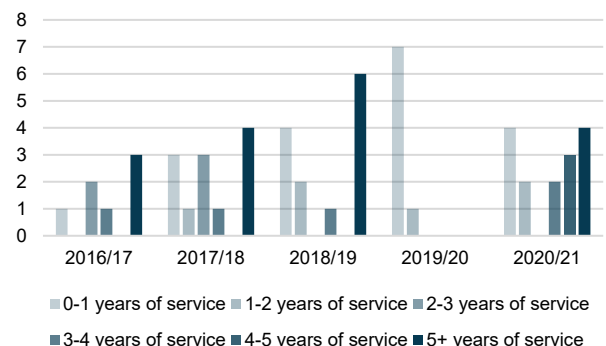
2.10 Turnover Rate

Below are graphs showing the exit rates for the Shire of Irwin by age and length of service for the period 2016/17 to 2020/21. These need to be considered in the context of the size of the workforce and overall length of service. Over this period the average annual turnover rate is 22%.



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

2.11 Termination Rates by Years of Service.



Appendix D3 Strategic Community Plan Workforce Implications

3.1 Overview

This section addresses:

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

3.2 Strategic Community Plan and Corporate Business Plan

During 2021, the Shire reviewed and updated its ten-year Strategic Community Plan. The draft Strategic Community Plan 2021-2031 is currently out for public comment. As an integral part of this review process, the community were consulted, and their feedback used to clarify community expectations and guide the strategies detailed in the updated Strategic Community Plan.

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

- A friendly, safe and inclusive community enjoying a high quality lifestyle
- A prosperous and diverse economy
- Custodianship of our natural and built environment; and
- Leading the community with engaged and progressive governance

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

3.3 Core Business and Service Delivery

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

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

- Outsourced to an external provider;
- Insourced from other Shires; and
- Open to collaborative opportunities with other Shires to provide services on one another's behalf.
- The above strategic issues have significant implications for workforce planning including:
- Reallocation of resources as collaborative, insourcing and outsourcing arrangements are identified and acted upon;
- New or enhanced skill requirements to operate in a more collaborative manner, manage projects and contracts in future insourced or outsourced delivery models; and
- Management of staff during associated change processes.

3.4 Key Risk Areas

An analysis of the current workforce identified the following risks areas. These risks have been assessed using the risk based approach as set out in Appendix D3. A scoring system was used to determine a risk category of extreme, high, moderate, low or very low.

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

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

Appendix D3 Strategic Community Plan Workforce Implications (Continued)

3.5 Workforce Risk Assessment

Risk Issues	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequences	Risk Category ⁵	Cross Ref: Appendix D4 – 4.8 Workforce Strategies Objectives
Knowledge loss due to staff turnover	Likely	Minor	Major	Major	High	3.2.2
Physical and financial constraints limit staff numbers	Likely	Minor	Major	Major	High	3.1.1 3.1.2
Sudden unplanned loss of a high number of key staff	Possible	Major	Major	Major	Moderate	3.2.2
Organisational capacity insufficient to meet future needs	Possible	Major	Major	Major	Moderate	1.1.1 3.1.1
High staff turnover due to organisational cultural issues	Possible	Major	Major	Major	Moderate	1.3.1 1.5.1 2.2.2 2.3.1
Selection, recruitment and training costs increase	Possible	Insignificant	Minor	Minor	Moderate	1.1.1 1.5.1
Operational procedures not followed due to lack of staff training	Unlikely	Minor	Major	Major	Low	1.3.1 2.2.1 3.2.2
Long leave absences of key staff due to large accrued leave entitlement	Unlikely	Minor	Minor	Minor	Low	3.2.1 3.2.2

⁵ Appendix A – Risk Assessment Methodology

Appendix D4 Strategies to Meet Future Workforce Needs

4.1 Workforce Supply Demand Analysis

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

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

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

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

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

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

Infrastructure services are stable, although of note due to the regional location, attracting and retaining employees in this area is an ongoing challenge. Utilising a mix of workforce of both local contractors and permanent staff as required. Required resource capacity is forecast to be adequately maintained at current levels.

4.2 Strategic Shifts

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

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

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

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

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

4.3 Service Delivery Models

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

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

Appendix D4 Strategies to Meet Future Workforce Needs (Continued)

4.4 Succession Management

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

4.5 Developing Young Local Talent

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

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

4.6 Additional Incentives

The Shire currently offers complimentary gym membership and additional co-contribution superannuation. A relocation allowance is available for certain positions and is negotiated through the recruitment process. Whilst the Shire is committed to provide these incentives, the challenges in maintaining them should be considered due to the lack of housing accommodation available within the Shire.

4.7 Performance Outcomes and Measures

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

4.8 Diagram: Workforce Plan Performance Measurement



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

Ongoing	∞
Short - Medium Term 2022-2025	■
Longer Term 2025 onwards	→

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

Appendix D4 Strategies to Meet Future Workforce Needs (Continued)

4.9 Workforce Objectives and Strategies

Objective 1. Attracting and selecting the right people

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

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

Objective 2. Retaining and engaging our valued workforce

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

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

Appendix D4 Strategies to Meet Future Workforce Needs (Continued)

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

Building a flexible, innovative, and capable workforce

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

Appendix D4 Strategies to Meet Future Workforce Needs (Continued)

4.10 Key Performance Indicators

Key performance indicators are listed below.

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

Appendix D5 Monitoring and Evaluation of Outcomes

5.1 Evaluation

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

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

5.2 Implementation

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

5.3 Review

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

Appendix D6 Risk Assessment Methodology

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

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

Action Required

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

Appendix D6 Risk Assessment Methodology (Continued)

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

Other Matters

Preparation

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

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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 Irwin. 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 Irwin and the impact that a variation in future outcomes may have on the Plan and the Shire of Irwin.

Document Management

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References

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

- Shire of Irwin Draft Strategic Community Plan 2021-2031;
- Shire of Irwin Corporate Business Plan 2020-2024;
- Shire of Irwin Employee information, extracted October 2021;
- Shire of Irwin Annual Financial Report 2019-20;
- Shire of Irwin Annual Financial Report 2020-21;
- Shire of Irwin Adopted Annual Budget 2021-22; and
- Council website: www.irwin.wa.gov.au

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