

Shire of Murchison Long Term Financial Plan

2015-2030



Western Australia

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FOREWORD

SHIRE PRESIDENT

I am very pleased to present to the Community the Shire of Murchison Long Term Financial Plan for the period 2015 – 2030.

The Plan is part of the Shire's ongoing commitment to an integrated approach to planning of the District's future. It provides the Council and the community with a picture of the Shire's long term financial circumstances and assists us to meet our strategic outcomes and objectives.

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

The Council welcomes community participation as we plan for a promising future of our District. I invite members of the Community to contact the Council staff or a Councillor if they have any questions.

Mark Halleen

Shire President



CHIEF EXECUTIVE OFFICER

The Shire of Murchison's Long Term Financial Plan is an important financial tool as we strive to achieve the strategies set out in the Council's Strategic Community Plan.

The Plan will be used with the Corporate Business Plan, Asset Management Plan and Workforce Plan to achieve our goals and drive the Shire in achieving its vision of 'Working together to preserve the unique character of the Shire, supporting diverse and sustainable lifestyle and economic opportunities.'

The Shire has recently devoted significant resources into improving its strategic planning in line with the State reform agenda for local government. We have also investigated ways to improve services to the community by resource sharing and collaboration with neighbouring local governments. This work continues as we constantly seek to improve our systems and service delivery.

Dianne Daniels

Chief Executive Officer



OVERVIEW

PLANNING FOR A SUSTAINABLE FUTURE

The Shire of Murchison is planning for a positive and sustainable future. The Shire seeks to maintain, and where possible, improve service levels into the future while maintaining a healthy financial position.

ASSUMPTIONS

The Plan has been prepared based on the following broad assumptions:

- The Shire population is forecast to remain stable;
- The Shire will maintain its current service levels and, where financially prudent, increase services;
- The level of grants and contributions for capital projects and operations will remain relatively stable over the term; and
- The District and State economy will remain stable.

Assets are expected to be adequately maintained and continue to provide existing levels of service.

PLANNING FRAMEWORK

This Long Term Financial Plan has been prepared to achieve compliance with the *Local Government (Administration) Regulations 1996*.

Development of the Plan has also been influenced by the Department of Local Government and Communities Framework and Guidelines for Long Term Financial Planning.

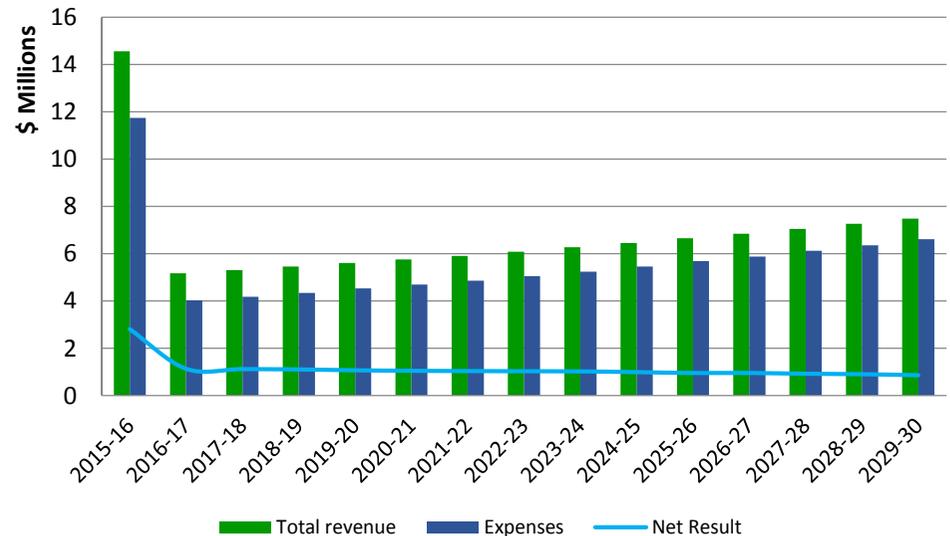
OPERATIONS

The chart below shows the operating revenues and expenses over the years as columns and the net result (revenues less expenses excluding asset revaluation changes) as a line.

A high level of capital grants in year 1 contributes to a net result of \$2.8 million. Over the balance of the Plan, the net result drops to around \$1 million. While projecting a steady increase in operating expenses over the period, the level of grants and contributions for capital projects results in variations in year one.

The Shire is reliant on receiving more than \$75.8m over the 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services.

Graph 1 Forecast Revenue, Expenses and Net Result



OVERVIEW (Continued)

RATES REVENUE

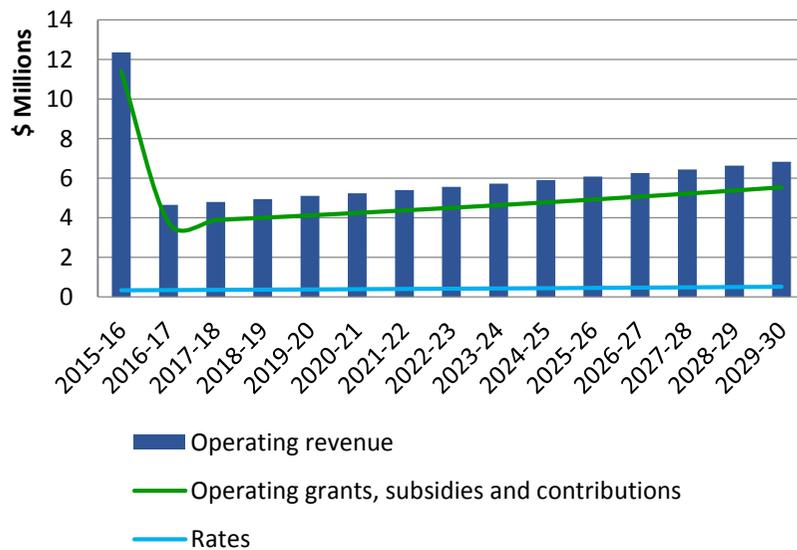
Rate revenue is forecast to increase with an inflator of 3% per annum. Rates are expected to generate \$337,584 in 2015-16 increasing to \$510,628 in 2029-2030.

OPERATING GRANTS

Grants and contributions for operating purposes are \$11.39m in year one (2015-16) due to funding for flood damage in prior years. Operating grants are forecast to drop to around \$3.8m in year 2 before increasing by inflation at 3% per annum for the remainder of the Plan.

There is a high level of uncertainty in relation to this forecast as the actual level of grants allocation has not been determined and is subject to the amount of Federal funds allocated to WA and the allocation methodology adopted by the WA Local Government Grants Commission.

Graph 2 Forecast Revenue



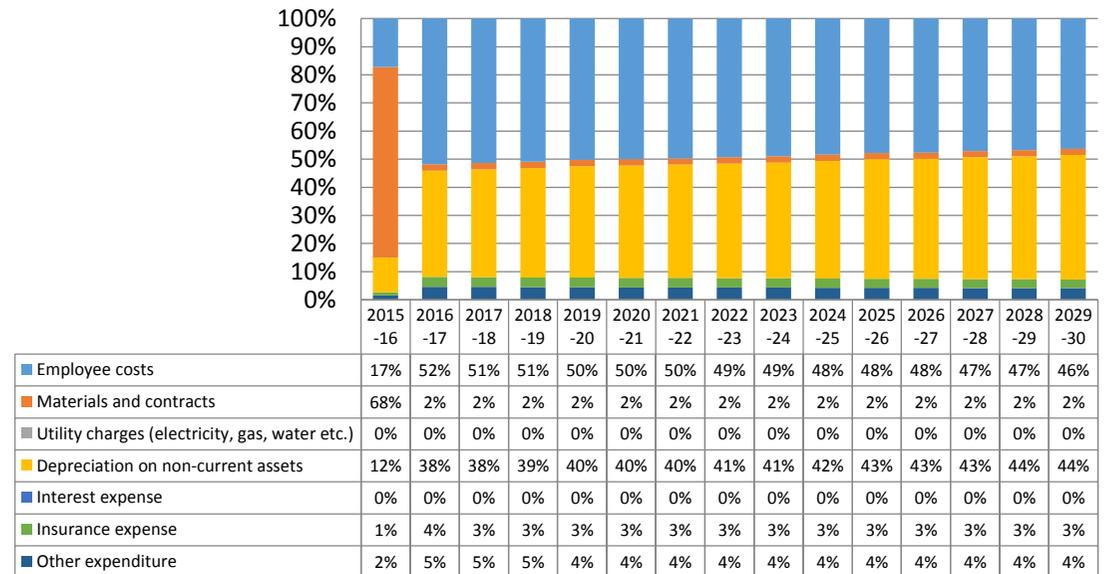
EXPENSE PROPORTIONS

A significant decrease in materials and contracts is expected on completion of flood damage repairs in 2015-16, as reflected in the chart below, showing the change in the proportion of operating expenditure items over the term of the Plan.

Employee costs are expected to increase in the second year and then remain stable for the remainder of the Plan. Depreciation costs are expected to increase slightly as a percentage of overall expenditure over the duration of the Plan whilst the other components of operating expenditure are forecast to remain relatively stable.

Employee costs and depreciation remain the dominant operating expenditure components making up just over 46% and 44% of the costs respectively in the last year of the Plan.

Graph 3 Forecast Operating Expenditure



OVERVIEW (Continued)

WORKFORCE PLANNING

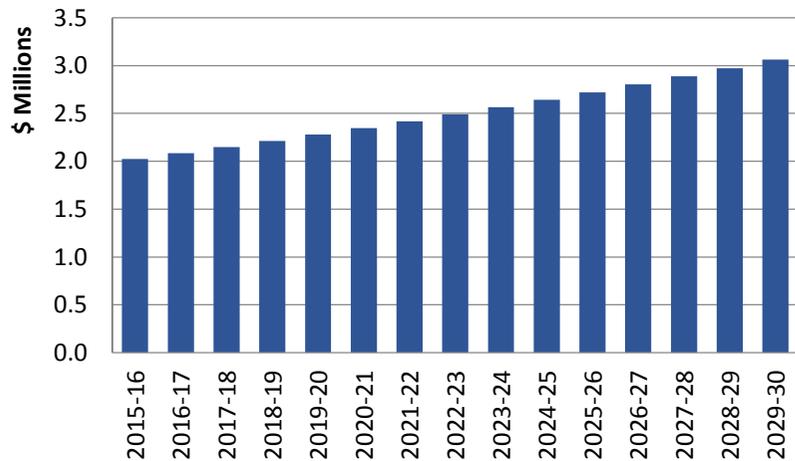
The Shire currently employs 13 full time equivalent (FTE) employees to deliver a range of services to the community and to maintain existing assets.

The Shire's Workforce Plan has been considered in the development of this Long Term Financial Plan.

Council encourages a work life balance, multi skilling, flexibility and effective application of staff capability.

Employee costs are forecast to increase in line with inflation as reflected in the below graph.

Graph 4 Employee Costs



FINANCING

In general, the finances of the Shire are expected to improve over the term of the Plan with no borrowings outstanding and an increase in cash backed reserves as represented in the graph below.

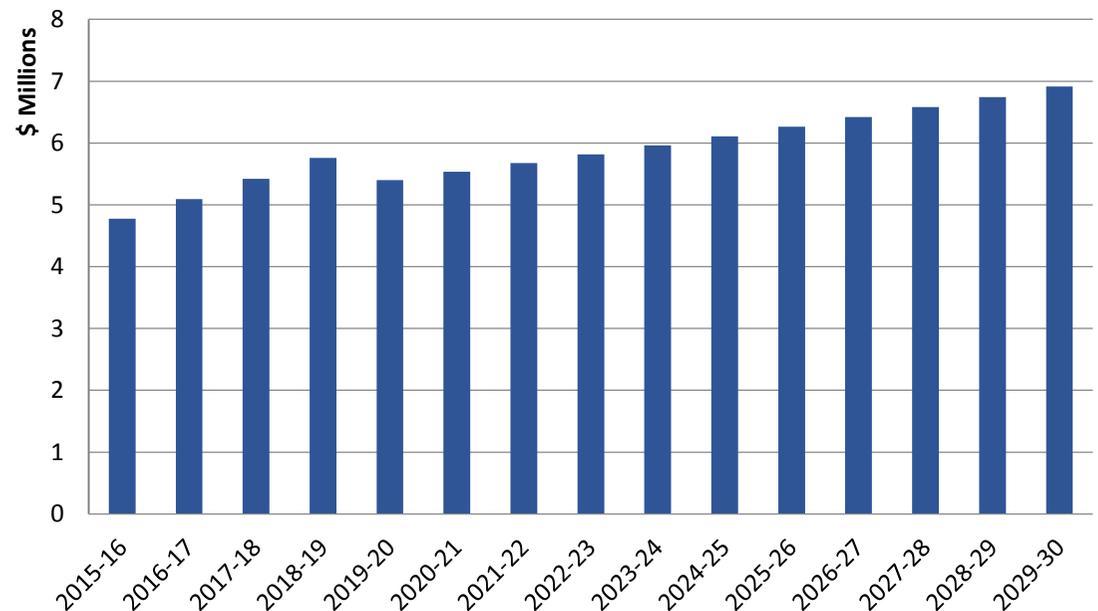
BORROWINGS

There are no current borrowings and none planned in the 15 year Plan.

CASH RESERVES

The balance of cash reserves is forecast to increase to \$6.91m at the end of the Plan from current levels of around \$4.7m.

Graph 5 Forecast Cash Reserves



OVERVIEW (Continued)

ASSET MANAGEMENT PLANNING

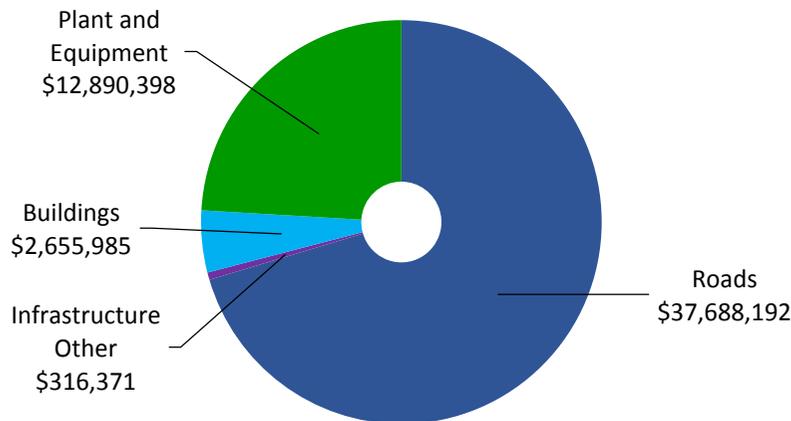
The Shire of Murchison has developed a formal Asset Management Plan for the following asset classes:

- Roads;
- Buildings;
- Airport;
- Parks and Gardens and Sporting Facilities; and
- Other Infrastructure.

The Plans set service standards for assets, and estimates the financial resources required to renew assets over the next 15 years. Forecast asset expenditure per asset class is reflected in the chart below.

In the first years of the Plan, there is a mix of capital renewal and new assets. This mix changes to be dominated by renewal of assets at the end of the Plan.

Graph 6 Total Capital Works Expenditure



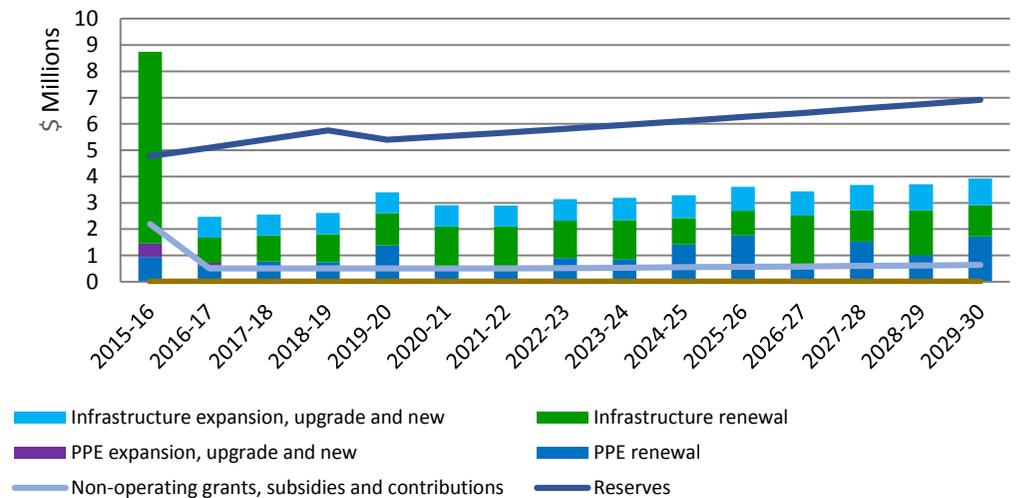
CAPITAL WORKS

The Shire has a clear desire to maintain its most substantial assets, the road asset network. Over the 15 year period the Shire will spend \$53.55m on assets with \$37.68m of this being on roads.

The Ballinyoo Bridge Construction (2015/16) and Office Extension (2015/2016) are the most significant capital projects. These are all funded from capital grants and Shire's resources. Capital projects are represented in the graph below under the headings of 'Infrastructure renewal' and 'Infrastructure expansion, upgrade and new'. The peak in non-operating grants are due to these projects. Significant renewals of buildings and roads are also provided for within the Plan.

This level of capital spending occurs against a backdrop of zero borrowings and increasing cash reserve balances. This provides the Shire with the capacity to borrow or use reserves in the future to react to unplanned major capital projects.

Graph 7 Forecast Capital Expenditure



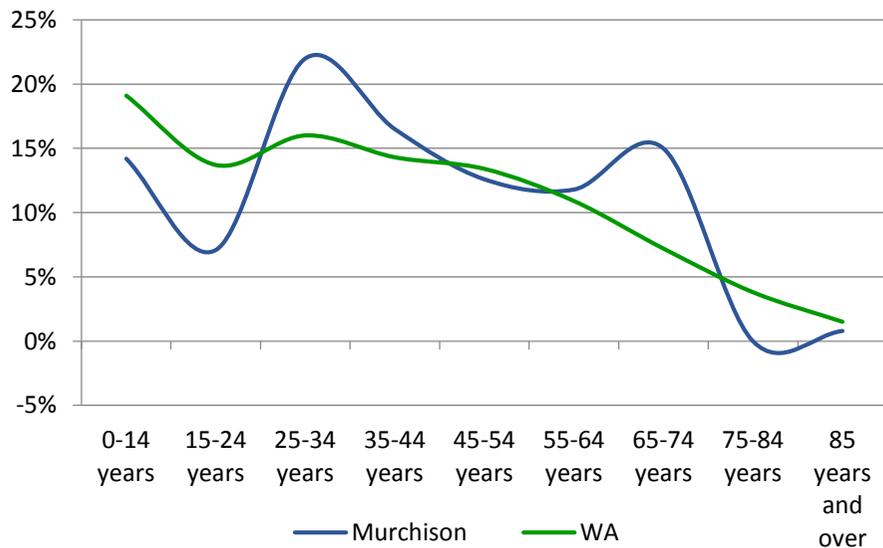
COMMUNITY PROFILE, VISION AND OBJECTIVES

COMMUNITY

Murchison is a service centre for mining exploration, mining services and the pastoral industry. The Shire hosts approximately seven gold mining companies, as well as several nickel mining companies. Tourism is a growing and developing industry, with a range of accommodation and activities for visitors.

The age distribution profile when compared to the wider West Australian population reflects a higher percentage of residents between the ages of 25-44 and 65-74, and a lower percentage of residents under 24 years and over the age of 75 years.

Graph 8 Shire of Murchison Resident Population by Age Group



¹ WALGA Directory 2015

² Australian Bureau of Statistics, Estimated 2013p

KEY STATISTICS: SHIRE OF MURCHISON 2015¹

Number of Elected Members	6
Number of Staff	13
Annual Revenue	\$7,679,931
Rates Revenue	\$288,670
Number of Electors	114
Number of Dwellings	67
Distance from Perth (km)	669
Area (sq km)	49,500
Population (Est.) ²	127

VISION

The Shire's strategic vision adopted in the Strategic Community Plan 2012/13 – 2022/23 is:

“Working together to preserve the unique character of the Shire, supporting diverse and sustainable lifestyle and economic opportunities.”

OBJECTIVES

The following key objectives are captured in the Shire's Strategic Community Plan and considered within the Long Term Financial Plan:

ECONOMIC – To develop the region's economic potential to encourage families and businesses to stay in the area;

ENVIRONMENTAL – To improve the sustainability of land use and improve the condition of the environment;

SOCIAL – To develop, co-ordinate, provide and support services and facilities which enhance the quality of community life in the Shire; and

CIVIC LEADERSHIP – To provide good governance to the Murchison Shire.

STRATEGIC PLANNING AND POLICIES

LINKAGE WITH OTHER PLANS

The Long Term Financial Plan is one component of a number of integrated strategic planning practices the Shire has developed, or is developing, in response to the Department of Local Government and Communities Integrated Planning and Reporting Framework.

This Plan includes, and influences, other strategic planning activities as a mechanism to action the strategies contained in the Shire's Community Strategic Plan. The Plan links to other Strategic documents as follows.

STRATEGIC COMMUNITY PLAN

The Shire's current Strategic Community Plan was adopted by Council at its 17th May 2013 meeting.

The Strategic Community Plan was prepared to cover the next 10 years and sets out the community's goals, aspirations and values. To achieve these goals a series of outcomes and strategies were developed. Many strategies may be required to achieve a single outcome and many outcomes needed to achieve a single objective as represented in the diagram to follow.

STRATEGIC COMMUNITY PLAN STRUCTURE



The individual strategies all require actions that may require additional human and physical resources. In addition, achieving these strategies may require a series of actions over time as they may not be able to be achieved concurrently taking into account limited financial resources.

To achieve the Shire's strategic outcomes requires careful operational planning and prioritisation. This planning process is formalised as a Corporate Business Plan which operates on a rolling four years basis.

CORPORATE BUSINESS PLAN

The Corporate Business Plan contains details of the actions and resources (human and financial) to achieve each strategy. It is a four year plan which acts as an organisational guide to the Council and management.

The financial capacity to undertake these tasks is evidenced in the Long Term Financial Plan for the period. This long term financial planning provides an assurance the actions contained in the Corporate Business Plan can be adequately resourced over the next four years and highlight the long term consequences of the application of human and financial resource to undertaking various projects.

SCENARIO MODELLING

SCENARIO MODELLING

Scenarios were developed to test the financial impact of reduced levels of operating funding. Scenario modelling was undertaken to consider the impact on Shire of various reduced funding levels.

To ascertain the effect of reduced funding levels through scenario modelling, operating grants and contributions were reduced by 1% and 2% throughout the term of the Plan.

All other assumptions remained the same across the two scenarios.

Over the fifteen years of the Plan the reduction in the estimated surplus/(deficit) as a consequence of reduced funding is shown in the adjacent graph.

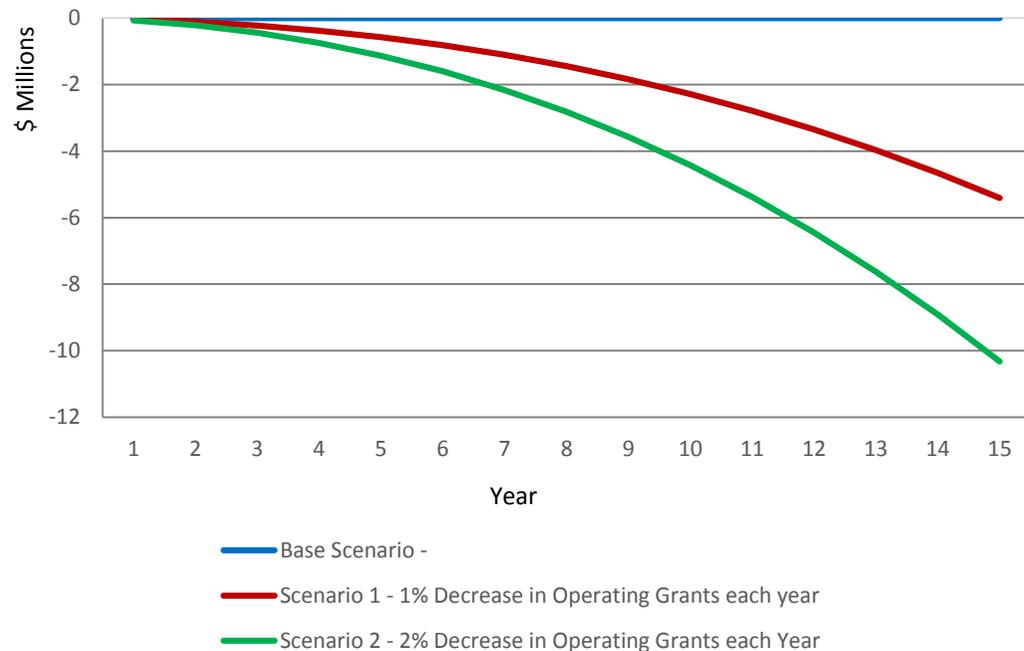
The Base Scenario was selected as the most appropriate and has been used for the remainder of the Plan. The Base Scenario includes levels of funding to ensure the current levels of service are maintained.

The adjacent table reflects the impact of a change in funding levels and the total effect of a reduction in funding (other assumptions remaining the same).

ESTIMATED SURPLUS/DEFICIT JUNE 30 CARRIED FORWARD

Funding Level	Variance from Base Level in Year 15	Average Variance per Annum
Scenario 1 1% decrease in operating grants each year	(\$5,413,114)	(\$1,932,420)
Scenario 2 2% decrease in operating grants each year	(\$10,323,954)	(\$3,724,198)

Graph 9 Scenario Comparison – Estimated Surplus/Deficit June 30 C/Fwd



RISK MANAGEMENT

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 its assets by the Chief Executive/Executive Managers to ensure the level is adequate to protect the Shire's assets. The Shire's insurer is LGIS.

Recent amendments to applicable Financial Management Regulations requires 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.

CERTAINTY OF ASSUMPTIONS

Included is a detailed analysis of the assumptions used in the preparation of this Plan and the level of risk associated with each assumption.

The impact of the assumptions on 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.

SENSITIVITY ANALYSIS

Where it has been assessed a high level of uncertainty applies to the assumption outcomes, sensitivity analysis has been used to help quantify the potential financial impact of a change in the assumption.

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

ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

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	The level of population growth and development activity is difficult to forecast and carries a high level of uncertainty.	High	Potential financial impact is unable to be determined as there is currently limited correlation between the district population and the Shire's finances.
Rates Level Increase: Annual rates have been based on increases in line with the forecast inflation rate of 3%.	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.	Medium	± \$1,139,093 to the value of operating grants and contributions per 1% movement in the value in the first year of the plan.
Non-operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	High	The capital works program is highly dependent on Government grants and contributions. Change in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	Medium	± \$98,584 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 2.48% 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.

ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (Continued)

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.	Medium	± \$95,734 to the value of materials and contracts per 1% movement in the value over the life of the Plan.
Depreciation: Depreciation has been calculated using an average depreciation rate based on historical rates.	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.

ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (Continued)

ASSETS – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

DISCLOSURE/ASSUMPTION	ASSESSED FINANCIAL RISK	IMPACT OF HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT AND SENSITIVITY FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY/RISK
Revaluations: In line with annual inflation.	Low	The revaluation of assets to their fair value 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	±\$220,851 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$1,068,789 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	±\$98,584 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 has been based on historical levels escalated by inflation 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.

ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (Continued)

LIABILITIES – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

DISCLOSURE/ASSUMPTION	ASSESSED FINANCIAL RISK	IMPACT OF HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT AND SENSITIVITY FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY/RISK
Borrowings: No new borrowings have been included in the Plan.	Medium	Not assessed as high financial risk.	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.

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
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 depreciations leading to a change in the net result. The revaluations of assets will have no impact on Cashflows.	High	±\$220,851 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$1,068,789 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (Continued)

OTHER – ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

DISCLOSURE/ASSUMPTION	ASSESSED FINANCIAL RISK	IMPACT OF HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT AND SENSITIVITY FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY/RISK
Ownership of Strategic Assets: The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
Inflators: Forecast inflation at 3% per annum.	Medium	Not assessed as high financial risk.	High	± \$920,309 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$847,959 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 and demands for minerals is forecast to continue.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for Region: Murchison is mainly pastoral, with a growing mining industry and focus on tourism and science, with the Murchison Radio-astronomy Observatory and Australian Square Kilometre Array Pathfinder operational and the Square Kilometre Array planned for construction in 2018.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

MONITORING AND PERFORMANCE

MONITORING

The Plan will be the subject of a desktop review each year to take into account changing circumstances and a full revision is scheduled every two years in line with the review of the Strategic Community Plan.

Monitoring the Shire's financial rigidity and financial position is undertaken by preparing and monitoring various ratios.

PERFORMANCE ASSESSMENT

A series of performance indicators in the form of financial ratios are utilised 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 of Local Government and Communities Model Long Term Financial Plan and *Regulation 50 of Local Government (Financial Management) Regulation 1996*.

Graphs of these financial ratios are presented on the following pages together with the formula used to calculate the ratio, a brief description of what the ratio indicates and an assessment of the impact of the ratio on the Shire's future.

RATIO TARGETS

The Department of Local Government Advisory Standard provides target levels for each of the ratios. These target levels are represented on the ratio graphs as an orange or green line. The orange line represents the level at which a 'basic standard' is met, the green line representing the level at which an 'advanced standard' is met.



MONITORING AND PERFORMANCE (Continued)

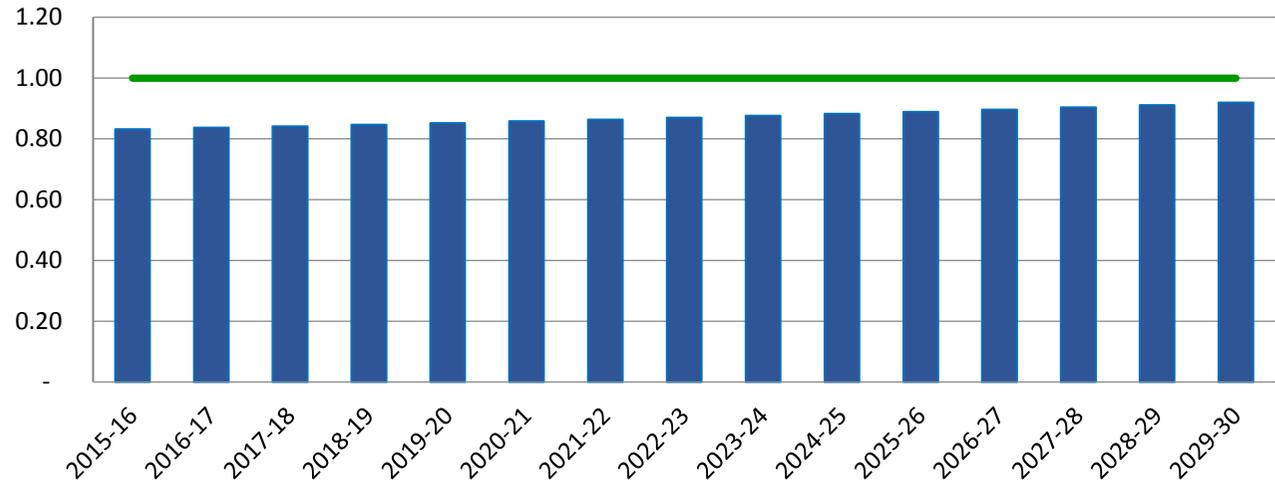
CURRENT RATIO

$$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$$

Indication: A measure of the Shire’s immediate liquidity and the capacity to meet short term financial obligations from unrestricted current assets.

Commentary: As expected for a Shire with a forecast balanced funding surplus position, the ratio is less than 1.0. The ratio below the target is not considered to indicate a threat to the Shire’s long term financial position.

Graph 10 Forecast Ratio Analysis – Current Ratio



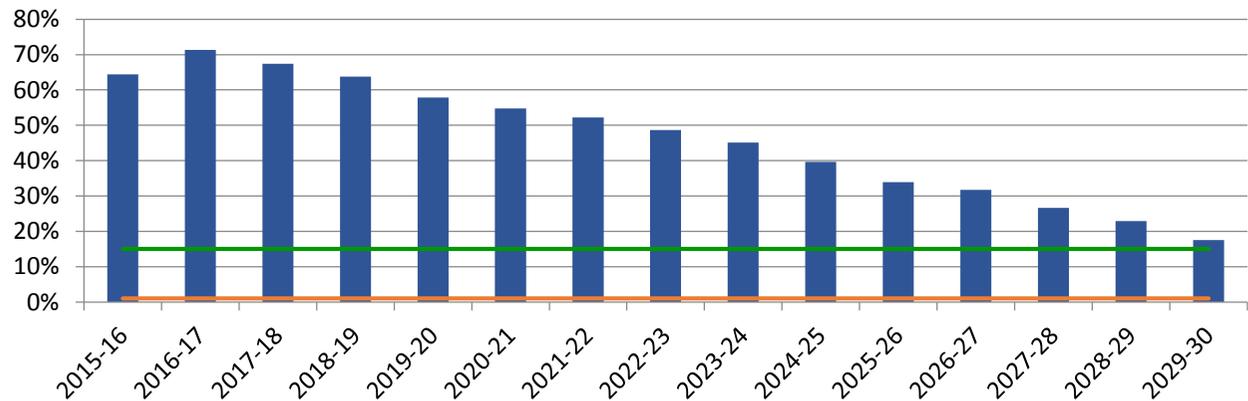
OPERATING SURPLUS RATIO

$$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$$

Indication: A measure of the extent to which own source revenues raised cover operational expenses.

Commentary: The ratio is above the target with the trend decreasing steadily over the life of the Plan due to depreciation expenses increasing at a greater rate than increases in revenue. The ratio indicates the need to closely examine current depreciation rates and align them to a revised Asset Management Plan.

Graph 11 Forecast Ratio Analysis – Operating Surplus Ratio



MONITORING AND PERFORMANCE (Continued)

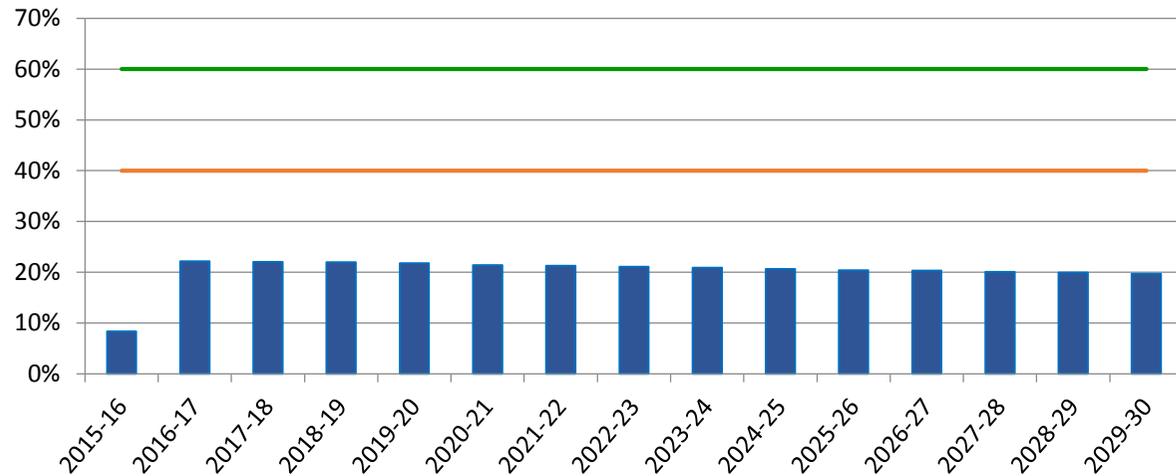
OWN SOURCE REVENUE COVERAGE RATIO

$$\frac{\text{own source operating revenue}}{\text{operating expense}}$$

Indication: A measure of the extent of the Shire’s ability to cover costs using only discretionary revenue.

Commentary: The ratio is below the target range indicating a limited capacity to continue to operate in the event of a sudden loss of grant and other revenue.

Graph 12 Forecast Ratio Analysis – Own Source Revenue Coverage Ratio



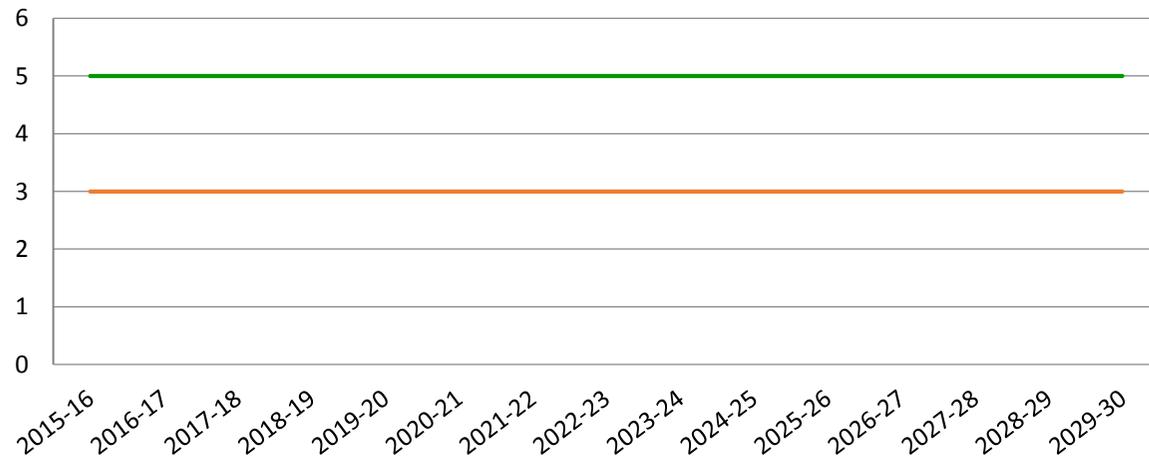
DEBT SERVICE COVERAGE RATIO

$$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$$

Indication: A measure of the extent of the Shire’s capacity to generate sufficient cash to cover debt payments.

Commentary: The Shire has no debt and does not plan to incur any during the term of the Long Term Financial Plan.

Graph 13 Forecast Ratio Analysis – Debt Service Coverage Ratio



MONITORING AND PERFORMANCE (Continued)

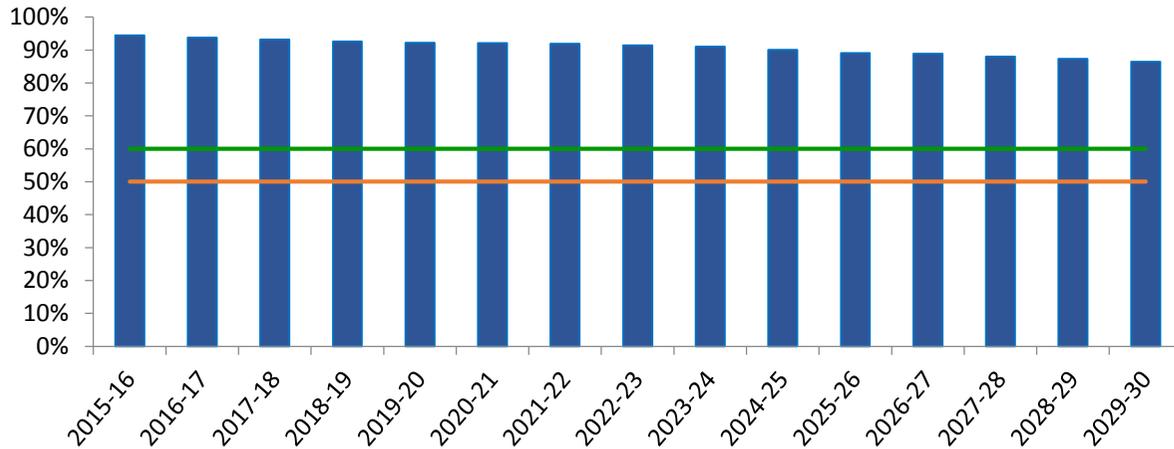
ASSET CONSUMPTION RATIO

$$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciation assets}}$$

Indication: A measure of the aged condition of the Shire’s physical assets.

Commentary: Whilst the ratio is above the ideal range, limited reliance should be placed on the ratio due to possible changes to the estimated replacement cost of assets with the mandatory introduction of fair value for all asset classes.

Graph 14 Forecast Ratio Analysis – Asset Consumption Ratio



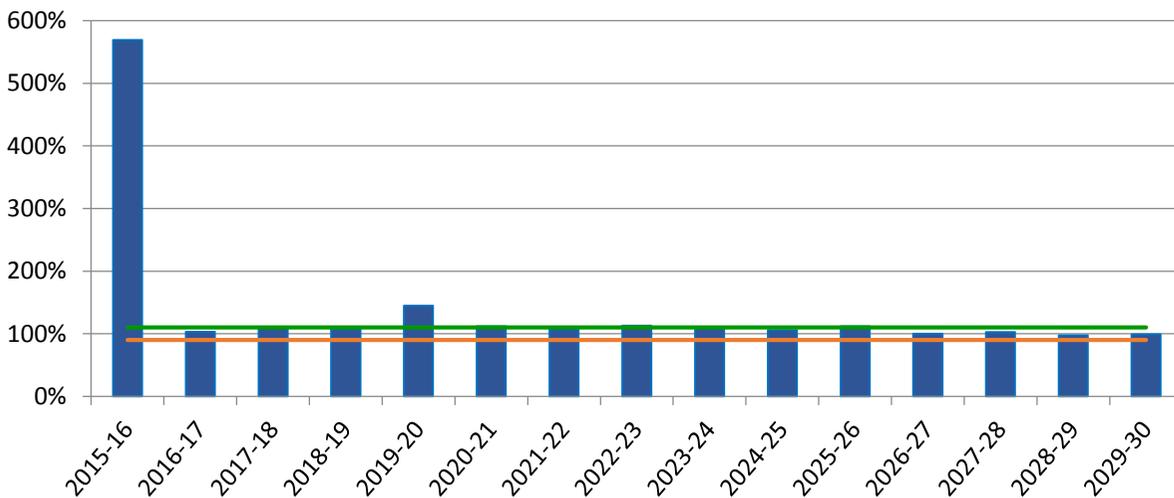
ASSET SUSTAINABILITY RATIO

$$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$$

Indication: A measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives.

Commentary: Whilst the ratio is trending within the ideal range this relies upon the Shire receiving the forecast level of capital grants to fund renewal expenditure.

Graph 15 Forecast Ratio Analysis – Asset Sustainability Ratio



MONITORING AND PERFORMANCE (Continued)

ASSET RENEWAL FUNDING RATIO

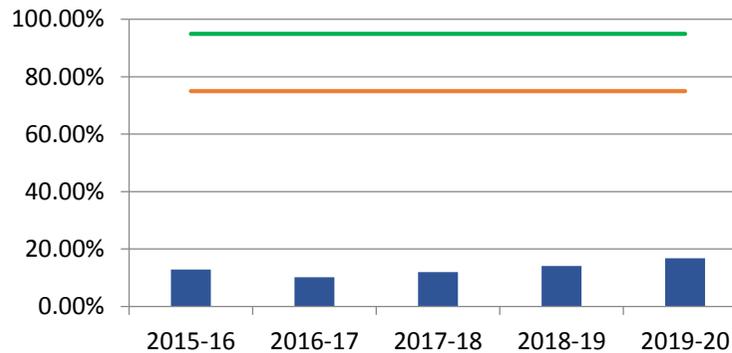
NPV of planned capital renewals over 10 years

NPV of required capital expenditure over 10 years

Indication: 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).

Commentary: The ratio is below the ideal range but increasing. This indicates asset renewals included in the Plan are not sufficient to meet the renewals required in the Asset Management Plans over the next 15 years. This suggests the Asset Management Plan requires review and alignment to the Long Term Financial Plan.

Graph 16 Forecast Ratio Analysis – Asset Renewal Funding Ratio



FORECAST CAPITAL PROJECTS

CAPITAL PROJECTS

The table below sets out the capital projects included with the Plan.

	2015-2016	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Grand Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Buildings																
Office Extension	450,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	450,000
16 Mulga Cr – New House	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20,000
Lawn Bowls Shelters	70,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	70,000
Camp Kitchen	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000
Lean to Parking for Workshop	10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,000
Development Plans Interpretive Centre	40,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,000
Community Resource Centre Development	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20,000
Settlement Caravan Park Accommodation	0	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000
Ldy & Accom Unit	44,676	0	0	0	0	0	0	0	0	0	0	0	0	0	0	44,676
Equestrian Stabling Centre	47,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000
Building Renewals	0	150,000	51,500	53,045	54,636	56,275	57,963	159,702	161,493	163,338	165,238	167,195	169,211	171,287	173,426	1,754,309
Buildings Total	801,676	250,000	51,500	53,045	54,636	56,275	57,963	159,702	161,493	163,338	165,238	167,195	169,211	171,287	173,426	2,655,985
Infrastructure Other																
Other Infrastructure Works	0	7,677	7,677	7,677	7,677	7,677	7,677	7,907	8,144	8,388	8,640	8,899	9,166	9,441	9,724	116,371
Reverse Osmosis Water Treatment Plant	120,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120,000
Airport Lighting Upgrade	70,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	70,000
Cemetery	10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,000
Infrastructure Other Total	200,000	7,677	7,677	7,677	7,677	7,677	7,677	7,907	8,144	8,388	8,640	8,899	9,166	9,441	9,724	316,371
Plant and Equipment																
Plant Replacement	650,764	475,250	714,645	698,343	1,320,993	376,806	319,767	742,288	685,006	1,259,208	1,590,486	306,494	1,356,925	842,466	1,550,957	12,890,398
Plant and Equipment Total	650,764	475,250	714,645	698,343	1,320,993	376,806	319,767	742,288	685,006	1,259,208	1,590,486	306,494	1,356,925	842,466	1,550,957	12,890,398

FORECAST CAPITAL PROJECTS (Continued)

	2015-2016	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Grand Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Roads																
Road Construction	0	1,472,187	1,472,187	1,472,187	1,472,187	1,472,187	1,472,187	1,516,353	1,561,843	1,608,699	1,656,960	1,706,669	1,757,869	1,810,605	1,846,923	22,317,043
Bitumen 4km Carnarvon Mullewa Road	522,003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	522,003
Reform, Resheet Carnarvon Mullewa Rd 141.25-134.75	251,667	0	0	0	0	0	0	0	0	0	0	0	0	0	0	251,667
Safety Signage	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20,000
Construction as per agreed Work Program	643,333	0	0	0	0	0	0	0	0	0	0	0	0	0	0	643,333
Replace Designated Concrete Crossings	250,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	250,000
CLGF 12/13 – Ballinyoo Bridge Demolition	220,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	220,000
CLGF 12/13 – Ballinyoo Bridge Construction	551,875	0	0	0	0	0	0	0	0	0	0	0	0	0	0	551,875
R2R 14/15 – Ballinyoo Bridge Engineering Supervision / Project Management	4,584	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,584
R2R 14/15 – Ballinyoo Bridge Construction of Approaches	162,580	0	0	0	0	0	0	0	0	0	0	0	0	0	0	162,580
R2R Bridges – Ballinyoo Bridge Construction	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500,000
R2R 15/16 – Ballinyoo Bridge Construction	271,875	0	0	0	0	0	0	0	0	0	0	0	0	0	0	271,875
Midwest Investment Plan – Ballinyoo Bridge Construction	3,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,500,000
Ballinyoo Bridge Construction of Approaches	73,670	0	0	0	0	0	0	0	0	0	0	0	0	0	0	73,670
5 x 24' Grids Beringarra Pindar Road	115,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	115,000
Road Renewals	0	263,324	307,437	380,613	548,357	992,030	1,039,202	717,003	773,876	249,273	180,639	1,253,019	386,937	867,716	325,136	8,284,562
Roads Total	7,086,587	1,735,511	1,779,624	1,852,800	2,020,544	2,464,217	2,511,389	2,233,356	2,335,719	1,857,972	1,837,599	2,959,688	2,144,806	2,678,321	2,190,059	37,688,192
Grand Total	8,739,027	2,468,438	2,553,446	2,611,865	3,403,850	2,904,975	2,896,796	3,143,253	3,190,362	3,288,906	3,601,963	3,442,276	3,680,108	3,701,515	3,924,166	53,550,946

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.

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 budget 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.



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 are used in the Plan to represent these services.

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 and beaches 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

FORECAST SIGNIFICANT ACCOUNTING POLICIES 2015-2030

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The significant accounting policies which have been adopted in the preparation of these forecast financial statements are:

The forecast financial statements have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

CRITICAL ACCOUNTING ESTIMATES

The preparation of forecast financial statements in conformity with Australian Accounting Standards requires management to make judgments, 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and forecasts.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Council controls resources to carry on its functions have been included in the forecast financial statements.

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.

GOODS AND SERVICES TAX

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

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in the statement of financial position.

TRADE AND OTHER RECEIVABLES

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

INVENTORIES - GENERAL

Inventories are valued 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.

INVENTORIES - LAND HELD FOR RESALE

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Finance Costs and holding charges incurred after development is completed are expensed.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

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

FORECAST SIGNIFICANT ACCOUNTING POLICIES 2015-2030 (Continued)

FIXED ASSETS

Each class of fixed assets is carried at fair value less, where applicable, any accumulated depreciation and impairment losses.

LAND UNDER CONTROL

In accordance with Local Government (Financial Management) Regulation 16(a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

INITIAL RECOGNITION

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate portion of variable and fixed overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

REVALUATION

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date (Level 1 inputs in the fair value hierarchy).

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 input in the fair value hierarchy).

For infrastructure and other asset classes fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

Increase 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 and loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried as a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from the determined using fair value at reporting date.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value imposes a fair minimum of 3 years revaluation requirement. As a minimum, all asset carried at a revalued amount, will be revalued at least every 3 years.

LAND UNDER ROADS

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

FORECAST SIGNIFICANT ACCOUNTING POLICIES 2015-2030 (Continued)

LAND UNDER ROADS (continued)

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail. Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

DEPRECIATION OF NON-CURRENT ASSETS

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using an effective average rate.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The forecast financial statements assume an appropriate depreciation rate is being charged. On the basis of an appropriate depreciation rate being charged no material gains or losses on disposal of assets are forecast to occur.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

INTANGIBLE ASSETS

EASEMENTS

Due to legislative changes, Easements are required to be recognised as assets.

They are initially recognised at cost and have an indefinite useful life.

FINANCIAL INSTRUMENTS

CLASSIFICATION

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If the Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally of marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

FORECAST SIGNIFICANT ACCOUNTING POLICIES 2015-2030 (Continued)

RECOGNITION AND DERECOGNITION

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or losses are initially recognised at fair value and transaction costs are expensed in the forecast statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the forecast statement of comprehensive income as gains and losses from investment securities.

SUBSEQUENT MEASUREMENT

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the forecast statement of comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of revenue from continuing operations

when the Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

IMPAIRMENT

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the forecast statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

ESTIMATION OF FAIR VALUE

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at balance date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of

recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

IMPAIRMENT OF ASSETS

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

FORECAST SIGNIFICANT ACCOUNTING POLICIES 2015-2030 (Continued)

TRADE AND OTHER PAYABLES

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

EMPLOYEE BENEFITS

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

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.

PROVISIONS

Provisions are recognised when:

- a) The Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result; and
- c) 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.

LEASES

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the council, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

INVESTMENTS IN ASSOCIATES

Associates are entitled in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associated entity. In addition, the Council's share of the profit or loss of the associate entity is included in the Council's profit and loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit and loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

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.

FORECAST SIGNIFICANT ACCOUNTING POLICIES 2015-2030 (Continued)

JOINT VENTURE

The Shires interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the statement of financial position and operating statement of comprehensive financial position income.

The Council's interests in joint venture entities are recorded using the equity method of accounting in the financial report.

Where the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of the gain or loss that is not attributable to the Council's share of the joint venture shall be recognised. The Council recognise the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

RATES, GRANTS, DONATIONS AND OTHER CONTRIBUTIONS

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, those conditions are forecast to be discharged as at the reporting date.

ROUNDING OFF FIGURES

All figures shown in this forecast financial statements, are rounded to the nearest dollar.

COMPARATIVE FIGURES

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council 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 even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the forecast annual reporting periods.

The Council assessments of these new/amended standards and interpretations have been considered and are not considered to have any material effect, or impact on Council.

STATEMENT 1 – FORECAST STATEMENT OF COMPREHENSIVE INCOME 2015-2030

			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2013-14	Base	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																	
Rates	288,670	298,181	337,584	347,712	358,143	368,887	379,954	391,353	403,094	415,187	427,643	440,472	453,686	467,297	481,316	495,755	510,628
Operating grants, subsidies and contributions	6,869,216	7,300,805	11,390,932	3,771,023	3,884,153	4,000,678	4,120,699	4,244,320	4,371,650	4,502,799	4,637,883	4,777,020	4,920,331	5,067,942	5,219,980	5,376,580	5,537,877
Fees and charges	256,628	238,760	245,923	253,302	260,901	268,729	276,791	285,095	293,648	302,458	311,532	320,879	330,506	340,422	350,635	361,154	371,989
Interest earnings	121,302	244,440	229,377	120,735	128,718	136,902	145,289	136,387	139,764	143,222	146,770	150,404	154,129	157,948	161,863	165,875	169,986
Other revenue	162,115	160,100	164,903	169,850	174,946	180,194	185,601	191,169	196,904	202,811	208,895	215,162	221,617	228,267	235,115	242,169	249,435
	7,697,931	8,242,286	12,368,719	4,662,622	4,806,861	4,955,390	5,108,334	5,248,324	5,405,060	5,566,477	5,732,723	5,903,937	6,080,269	6,261,876	6,448,909	6,641,533	6,839,915
Expenses																	
Employee costs	(1,275,814)	(1,945,775)	(2,024,749)	(2,085,492)	(2,148,056)	(2,212,499)	(2,278,874)	(2,347,241)	(2,417,658)	(2,490,189)	(2,564,895)	(2,641,842)	(2,721,098)	(2,802,733)	(2,886,816)	(2,973,419)	(3,062,622)
Materials and contracts	(1,140,322)	(3,765,677)	(7,951,877)	(94,900)	(97,747)	(100,680)	(103,706)	(106,822)	(110,023)	(113,327)	(116,722)	(120,222)	(123,833)	(127,548)	(131,379)	(135,318)	(139,379)
Depreciation on non-current assets	(1,689,664)	(2,151,771)	(1,446,111)	(1,520,661)	(1,603,059)	(1,687,486)	(1,798,256)	(1,877,307)	(1,959,644)	(2,056,671)	(2,156,473)	(2,282,395)	(2,416,792)	(2,514,914)	(2,652,807)	(2,778,125)	(2,931,256)
Insurance expense	(196,893)	(176,216)	(137,395)	(141,517)	(145,762)	(150,134)	(154,638)	(159,279)	(164,059)	(168,980)	(174,050)	(179,272)	(184,651)	(190,191)	(195,896)	(201,772)	(207,826)
Other expenditure	(131,432)	(173,660)	(178,870)	(184,237)	(189,765)	(195,460)	(201,325)	(207,367)	(213,588)	(219,995)	(226,595)	(233,392)	(240,395)	(247,607)	(255,036)	(262,688)	(270,569)
	(4,434,125)	(8,213,099)	(11,739,002)	(4,026,807)	(4,184,389)	(4,346,259)	(4,536,799)	(4,698,016)	(4,864,972)	(5,049,162)	(5,238,735)	(5,457,123)	(5,686,769)	(5,882,993)	(6,121,934)	(6,351,322)	(6,611,652)
	3,263,806	(29,187)	629,717	635,815	622,472	609,131	571,535	550,308	540,088	517,315	493,988	446,814	393,500	378,883	326,975	290,211	228,263
Non-operating grants, subsidies and contributions	3,845,938	1,036,788	2,188,878	505,937	505,937	505,937	505,937	505,937	505,937	521,115	536,748	552,850	569,436	586,519	604,115	622,238	640,905
Profit on disposal of assets	2,311	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(32,998)	(11,046)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	7,079,057	1,054,929	2,818,595	1,141,752	1,128,409	1,115,068	1,077,472	1,056,245	1,046,025	1,038,430	1,030,736	999,664	962,936	965,402	931,090	912,449	869,168
Other Comprehensive Income	0	0	1,984,939	2,259,513	2,351,253	2,445,957	2,541,904	2,663,139	2,772,976	2,878,580	2,993,078	3,109,211	3,221,433	3,350,075	3,470,696	3,600,374	3,727,316
TOTAL COMPREHENSIVE INCOME	7,079,057	1,054,929	4,803,534	3,401,265	3,479,662	3,561,025	3,619,376	3,719,384	3,819,001	3,917,010	4,023,814	4,108,875	4,184,369	4,315,477	4,401,786	4,512,823	4,596,484

STATEMENT 2 – FORECAST STATEMENT OF COMPREHENSIVE INCOME 2015-2030

	2013-14	Base	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																	
Governance	45,614	53,010	54,600	56,238	57,925	59,663	61,453	63,297	65,196	67,152	69,166	71,241	73,378	75,580	77,848	80,184	82,590
General purpose funding	2,067,264	3,938,581	4,064,800	4,071,221	4,197,718	4,327,972	4,462,092	4,582,695	4,719,462	4,860,311	5,005,372	5,154,764	5,308,620	5,467,075	5,630,264	5,798,328	5,971,413
Law, order, public safety	3,768	7,040	7,252	7,471	7,695	7,926	8,164	8,409	8,661	8,921	9,189	9,465	9,749	10,042	10,343	10,653	10,972
Health	226	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing	3,033	3,100	3,193	3,289	3,388	3,490	3,595	3,703	3,814	3,928	4,046	4,167	4,292	4,421	4,554	4,691	4,832
Community amenities	552	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	12,446	2,200	2,266	2,334	2,404	2,476	2,550	2,626	2,705	2,786	2,870	2,957	3,046	3,138	3,232	3,329	3,429
Transport	5,218,743	3,902,855	7,891,043	166,137	171,121	176,255	181,543	186,989	192,599	198,377	204,328	210,458	216,772	223,275	229,973	236,872	243,978
Economic services	243,453	230,500	237,415	244,537	251,873	259,429	267,212	275,228	283,485	291,989	300,749	309,772	319,065	328,637	338,496	348,651	359,111
Other property and services	102,832	105,000	108,150	111,395	114,737	118,179	121,725	125,377	129,138	133,013	137,003	141,113	145,347	149,708	154,199	158,825	163,590
	7,697,931	8,242,286	12,368,719	4,662,622	4,806,861	4,955,390	5,108,334	5,248,324	5,405,060	5,566,477	5,732,723	5,903,937	6,080,269	6,261,876	6,448,909	6,641,533	6,839,915
Expenses Excluding Finance Costs																	
Governance	(393,306)	(398,897)	(347,050)	(358,263)	(369,950)	(381,982)	(394,982)	(407,478)	(420,368)	(433,959)	(447,951)	(462,955)	(478,533)	(493,545)	(509,952)	(526,419)	(543,999)
General purpose funding	(26,546)	(26,870)	(27,676)	(28,506)	(29,361)	(30,242)	(31,149)	(32,083)	(33,045)	(34,036)	(35,057)	(36,109)	(37,192)	(38,308)	(39,457)	(40,641)	(41,860)
Law, order, public safety	(44,992)	(53,457)	(51,985)	(53,668)	(55,425)	(57,234)	(59,192)	(61,069)	(63,006)	(65,048)	(67,152)	(69,411)	(71,757)	(74,012)	(76,482)	(78,959)	(81,606)
Health	(14,860)	(17,542)	(17,538)	(18,086)	(18,655)	(19,240)	(19,860)	(20,474)	(21,107)	(21,767)	(22,445)	(23,159)	(23,900)	(24,635)	(25,418)	(26,211)	(27,045)
Community amenities	(80,016)	(113,761)	(114,539)	(118,081)	(121,749)	(125,526)	(129,498)	(133,469)	(137,563)	(141,821)	(146,205)	(150,800)	(155,550)	(160,303)	(165,327)	(170,444)	(175,796)
Recreation and culture	(315,478)	(299,812)	(305,387)	(315,521)	(326,134)	(337,050)	(349,038)	(360,291)	(371,911)	(384,262)	(396,978)	(410,797)	(425,177)	(438,732)	(453,842)	(468,883)	(485,127)
Transport	(2,878,556)	(6,587,203)	(10,214,735)	(2,453,869)	(2,560,794)	(2,670,523)	(2,805,112)	(2,912,004)	(3,022,923)	(3,148,242)	(3,277,196)	(3,430,965)	(3,593,602)	(3,724,615)	(3,892,906)	(4,051,111)	(4,235,848)
Economic services	(680,253)	(702,240)	(660,092)	(680,813)	(702,321)	(724,462)	(747,968)	(771,148)	(795,049)	(820,027)	(845,751)	(872,927)	(901,058)	(928,843)	(958,550)	(988,654)	(1,020,371)
Other property and services	(118)	(13,317)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(4,434,125)	(8,213,099)	(11,739,002)	(4,026,807)	(4,184,389)	(4,346,259)	(4,536,799)	(4,698,016)	(4,864,972)	(5,049,162)	(5,238,735)	(5,457,123)	(5,686,769)	(5,882,993)	(6,121,934)	(6,351,322)	(6,611,652)
Finance Costs																	
Governance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non Operating Grants, Subsidies and Contribution																	
Governance	0	0	450,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community amenities	55,000	40,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	5,000	125,000	5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	3,785,938	485,937	1,513,878	505,937	505,937	505,937	505,937	505,937	505,937	521,115	536,748	552,850	569,436	586,519	604,115	622,238	640,905
Economic services	0	385,851	220,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	3,845,938	1,036,788	2,188,878	505,937	505,937	505,937	505,937	505,937	505,937	521,115	536,748	552,850	569,436	586,519	604,115	622,238	640,905
Profit/(Loss) on Disposal of Assets																	
Transport	(30,687)	(11,046)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(30,687)	(11,046)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	7,079,057	1,054,929	2,818,595	1,141,752	1,128,409	1,115,068	1,077,472	1,056,245	1,046,025	1,038,430	1,030,736	999,664	962,936	965,402	931,090	912,449	869,168
Other Comprehensive Income	0	0	1,984,939	2,259,513	2,351,253	2,445,957	2,541,904	2,663,139	2,772,976	2,878,580	2,993,078	3,109,211	3,221,433	3,350,075	3,470,696	3,600,374	3,727,316
TOTAL COMPREHENSIVE INCOME	7,079,057	1,054,929	4,803,534	3,401,265	3,479,662	3,561,025	3,619,376	3,719,384	3,819,001	3,917,010	4,023,814	4,108,875	4,184,369	4,315,477	4,401,786	4,512,823	4,596,484

STATEMENT 3 – FORECAST STATEMENT OF FINANCIAL POSITION 2015-2030

	2014	Base	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	\$	\$	30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																	
Unrestricted Cash and Equivalents	4,698,445	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999
Restricted Cash and Cash Equivalent	5,649,526	9,120,072	4,774,346	5,093,706	5,421,049	5,756,576	5,400,490	5,535,502	5,673,891	5,815,738	5,961,133	6,110,162	6,262,916	6,419,489	6,579,977	6,744,477	6,913,088
Trade and Other Receivables	19,056	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480
Inventories	146,557	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347
TOTAL CURRENT ASSETS	10,513,584	9,344,898	4,999,172	5,318,532	5,645,875	5,981,402	5,625,316	5,760,328	5,898,717	6,040,564	6,185,959	6,334,988	6,487,742	6,644,315	6,804,803	6,969,303	7,137,914
NON-CURRENT ASSETS																	
Property Plant and Equipment	10,687,945	11,176,799	12,497,727	13,106,774	13,716,269	14,299,265	15,436,485	15,706,607	15,980,770	16,581,531	17,146,267	18,231,262	19,384,909	19,522,511	20,504,272	21,031,789	22,085,127
Infrastructure	53,819,272	55,116,432	62,944,764	65,417,622	67,960,446	70,602,948	73,441,190	76,755,440	80,161,889	83,336,291	86,649,974	89,524,825	92,402,793	96,424,095	99,683,632	103,504,438	106,878,973
TOTAL NON-CURRENT ASSETS	64,507,217	66,293,231	75,442,491	78,524,396	81,676,715	84,902,213	88,877,675	92,462,047	96,142,659	99,917,822	103,796,241	107,756,087	111,787,702	115,946,606	120,187,904	124,536,227	128,964,100
TOTAL ASSETS	75,020,801	75,638,129	80,441,663	83,842,928	87,322,590	90,883,615	94,502,991	98,222,375	102,041,376	105,958,386	109,982,200	114,091,075	118,275,444	122,590,921	126,992,707	131,505,530	136,102,014
CURRENT LIABILITIES																	
Trade and Other Payables	642,427	224,826	224,826	224,826	224,826	224,826	224,826	224,826	224,826	224,826	224,826	224,826	224,826	224,826	224,826	224,826	224,826
Current Portion of Long-term Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provisions	107,538	107,538	107,538	107,538	107,538	107,538	107,538	107,538	107,538	107,538	107,538	107,538	107,538	107,538	107,538	107,538	107,538
TOTAL CURRENT LIABILITIES	749,965	332,364	332,364	332,364	332,364	332,364	332,364	332,364	332,364	332,364							
NON-CURRENT LIABILITIES																	
Provisions	22,179	22,179	22,179	22,179	22,179	22,179	22,179	22,179	22,179	22,179	22,179	22,179	22,179	22,179	22,179	22,179	22,179
TOTAL NON-CURRENT LIABILITIES	22,179	22,179	22,179	22,179	22,179	22,179	22,179	22,179	22,179								
TOTAL LIABILITIES	772,144	354,543	354,543	354,543	354,543	354,543	354,543	354,543	354,543	354,543							
NET ASSETS	74,248,657	75,283,586	80,087,120	83,488,385	86,968,047	90,529,072	94,148,448	97,867,832	101,686,833	105,603,843	109,627,657	113,736,532	117,920,901	122,236,378	126,638,164	131,150,987	135,747,471
EQUITY																	
Retained Surplus	24,142,608	25,280,242	27,976,489	28,798,881	29,599,947	30,379,488	31,813,046	32,734,279	33,641,915	34,538,498	35,423,839	36,274,474	37,084,656	37,893,485	38,664,087	39,412,036	40,112,593
Reserves - Cash Backed	4,754,703	4,651,998	4,774,346	5,093,706	5,421,049	5,756,576	5,400,490	5,535,502	5,673,891	5,815,738	5,961,133	6,110,162	6,262,916	6,419,489	6,579,977	6,744,477	6,913,088
Reserves - Revaluation	45,351,346	45,351,346	47,336,285	49,595,798	51,947,051	54,393,008	56,934,912	59,598,051	62,371,027	65,249,607	68,242,685	71,351,896	74,573,329	77,923,404	81,394,100	84,994,474	88,721,790
TOTAL EQUITY	74,248,657	75,283,586	80,087,120	83,488,385	86,968,047	90,529,072	94,148,448	97,867,832	101,686,833	105,603,843	109,627,657	113,736,532	117,920,901	122,236,378	126,638,164	131,150,987	135,747,471

STATEMENT 4 – FORECAST STATEMENT OF CHANGES IN EQUITY 2015-2030

	2014	Base	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	\$	\$	30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																	
Opening Balance	20,408,263	24,122,608	25,280,242	27,976,489	28,798,881	29,599,947	30,379,488	31,813,046	32,734,279	33,641,915	34,538,498	35,423,839	36,274,474	37,084,656	37,893,485	38,664,087	39,412,036
Net Result	7,079,057	1,054,929	2,818,595	1,141,752	1,128,409	1,115,068	1,077,472	1,056,245	1,046,025	1,038,430	1,030,736	999,664	962,936	965,402	931,090	912,449	869,168
Amount transferred (to)/from Reserves	(3,344,712)	102,705	(122,348)	(319,360)	(327,343)	(335,527)	356,086	(135,012)	(138,389)	(141,847)	(145,395)	(149,029)	(152,754)	(156,573)	(160,488)	(164,500)	(168,611)
Closing Balance	24,142,608	25,280,242	27,976,489	28,798,881	29,599,947	30,379,488	31,813,046	32,734,279	33,641,915	34,538,498	35,423,839	36,274,474	37,084,656	37,893,485	38,664,087	39,412,036	40,112,593
RESERVES - CASH/INVESTMENT BACKED																	
Opening Balance	1,409,991	4,754,703	4,651,998	4,774,346	5,093,706	5,421,049	5,756,576	5,400,490	5,535,502	5,673,891	5,815,738	5,961,133	6,110,162	6,262,916	6,419,489	6,579,977	6,744,477
Amount transferred to/(from) Retained Surplus	3,344,712	(102,705)	122,348	319,360	327,343	335,527	(356,086)	135,012	138,389	141,847	145,395	149,029	152,754	156,573	160,488	164,500	168,611
Closing Balance	4,754,703	4,651,998	4,774,346	5,093,706	5,421,049	5,756,576	5,400,490	5,535,502	5,673,891	5,815,738	5,961,133	6,110,162	6,262,916	6,419,489	6,579,977	6,744,477	6,913,088
ASSET REVALUATION RESERVES																	
Opening Balance	45,351,346	45,351,346	45,351,346	47,336,285	49,595,798	51,947,051	54,393,008	56,934,912	59,598,051	62,371,027	65,249,607	68,242,685	71,351,896	74,573,329	77,923,404	81,394,100	84,994,474
Total Other Comprehensive Income	0	0	1,984,939	2,259,513	2,351,253	2,445,957	2,541,904	2,663,139	2,772,976	2,878,580	2,993,078	3,109,211	3,221,433	3,350,075	3,470,696	3,600,374	3,727,316
Closing Balance	45,351,346	45,351,346	47,336,285	49,595,798	51,947,051	54,393,008	56,934,912	59,598,051	62,371,027	65,249,607	68,242,685	71,351,896	74,573,329	77,923,404	81,394,100	84,994,474	88,721,790
TOTAL EQUITY	74,248,657	75,283,586	80,087,120	83,488,385	86,968,047	90,529,072	94,148,448	97,867,832	101,686,833	105,603,843	109,627,657	113,736,532	117,920,901	122,236,378	126,638,164	131,150,987	135,747,471

STATEMENT 5 – FORECAST STATEMENT OF CASHFLOWS 2015-2030

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows From Operating Activities															
Receipts															
Rates	337,584	347,712	358,143	368,887	379,954	391,353	403,094	415,187	427,643	440,472	453,686	467,297	481,316	495,755	510,628
Operating grants, subsidies and contributions	11,390,932	3,771,023	3,884,153	4,000,678	4,120,699	4,244,320	4,371,650	4,502,799	4,637,883	4,777,020	4,920,331	5,067,942	5,219,980	5,376,580	5,537,877
Fees and charges	245,923	253,302	260,901	268,729	276,791	285,095	293,648	302,458	311,532	320,879	330,506	340,422	350,635	361,154	371,989
Interest earnings	229,377	120,735	128,718	136,902	145,289	136,387	139,764	143,222	146,770	150,404	154,129	157,948	161,863	165,875	169,986
Other revenue	164,903	169,850	174,946	180,194	185,601	191,169	196,904	202,811	208,895	215,162	221,617	228,267	235,115	242,169	249,435
	12,368,719	4,662,622	4,806,861	4,955,390	5,108,334	5,248,324	5,405,060	5,566,477	5,732,723	5,903,937	6,080,269	6,261,876	6,448,909	6,641,533	6,839,915
Payments															
Employee costs	(2,024,749)	(2,085,492)	(2,148,056)	(2,212,499)	(2,278,874)	(2,347,241)	(2,417,658)	(2,490,189)	(2,564,895)	(2,641,842)	(2,721,098)	(2,802,733)	(2,886,816)	(2,973,419)	(3,062,622)
Materials and contracts	(7,951,877)	(94,900)	(97,747)	(100,680)	(103,706)	(106,822)	(110,023)	(113,327)	(116,722)	(120,222)	(123,833)	(127,548)	(131,379)	(135,318)	(139,379)
Insurance expenses	(137,395)	(141,517)	(145,762)	(150,134)	(154,638)	(159,279)	(164,059)	(168,980)	(174,050)	(179,272)	(184,651)	(190,191)	(195,896)	(201,772)	(207,826)
Other expenditure	(178,870)	(184,237)	(189,765)	(195,460)	(201,325)	(207,367)	(213,588)	(219,995)	(226,595)	(233,392)	(240,395)	(247,607)	(255,036)	(262,688)	(270,569)
	(10,292,891)	(2,506,146)	(2,581,330)	(2,658,773)	(2,738,543)	(2,820,709)	(2,905,328)	(2,992,491)	(3,082,262)	(3,174,728)	(3,269,977)	(3,368,079)	(3,469,127)	(3,573,197)	(3,680,396)
Net Cash Provided By (Used In) Operating Activities	2,075,828	2,156,476	2,225,531	2,296,617	2,369,791	2,427,615	2,499,732	2,573,986	2,650,461	2,729,209	2,810,292	2,893,797	2,979,782	3,068,336	3,159,519
Cash Flows from Investing Activities															
Payments for purchase of property, plant & equipment	(1,452,440)	(725,250)	(766,145)	(751,388)	(1,375,629)	(433,081)	(377,730)	(901,990)	(846,499)	(1,422,546)	(1,755,724)	(473,689)	(1,526,136)	(1,013,753)	(1,724,383)
Payments for construction of infrastructure	(7,286,587)	(1,743,188)	(1,787,301)	(1,860,477)	(2,028,221)	(2,471,894)	(2,519,066)	(2,241,263)	(2,343,863)	(1,866,360)	(1,846,239)	(2,968,587)	(2,153,972)	(2,687,762)	(2,199,783)
Non-operating grants, subsidies and contributions	2,188,878	505,937	505,937	505,937	505,937	505,937	505,937	521,115	536,748	552,850	569,436	586,519	604,115	622,238	640,905
Proceeds from sale of plant & equipment	128,595	125,385	149,321	144,838	172,036	106,435	29,516	189,999	148,548	155,876	374,989	118,533	256,699	175,441	292,353
Net Cash Provided By (Used In) Investing Activities	(6,421,554)	(1,837,116)	(1,898,188)	(1,961,090)	(2,725,877)	(2,292,603)	(2,361,343)	(2,432,139)	(2,505,066)	(2,580,180)	(2,657,538)	(2,737,224)	(2,819,294)	(2,903,836)	(2,990,908)
Cash Flows from Financing Activities															
Net Cash Provided By (Used In) Financing Activities	0														
Net Increase (Decrease) in Cash Held	(4,345,726)	319,360	327,343	335,527	(356,086)	135,012	138,389	141,847	145,395	149,029	152,754	156,573	160,488	164,500	168,611
Cash at beginning of year	9,175,071	4,829,345	5,148,705	5,476,048	5,811,575	5,455,489	5,590,501	5,728,890	5,870,737	6,016,132	6,165,161	6,317,915	6,474,488	6,634,976	6,799,476
Cash and Cash Equivalents at the End of Year	4,829,345	5,148,705	5,476,048	5,811,575	5,455,489	5,590,501	5,728,890	5,870,737	6,016,132	6,165,161	6,317,915	6,474,488	6,634,976	6,799,476	6,968,087
Reconciliation of Net Cash Provided By Operating Activities to Net Result															
Net Result	2,818,595	1,141,752	1,128,409	1,115,068	1,077,472	1,056,245	1,046,025	1,038,430	1,030,736	999,664	962,936	965,402	931,090	912,449	869,168
Depreciation	1,446,111	1,520,661	1,603,059	1,687,486	1,798,256	1,877,307	1,959,644	2,056,671	2,156,473	2,282,395	2,416,792	2,514,914	2,652,807	2,778,125	2,931,256
Grants/Contributions for the development of assets	(2,188,878)	(505,937)	(505,937)	(505,937)	(505,937)	(505,937)	(505,937)	(521,115)	(536,748)	(552,850)	(569,436)	(586,519)	(604,115)	(622,238)	(640,905)
Net Cash from Operating Activities	2,075,828	2,156,476	2,225,531	2,296,617	2,369,791	2,427,615	2,499,732	2,573,986	2,650,461	2,729,209	2,810,292	2,893,797	2,979,782	3,068,336	3,159,519

STATEMENT 6 – FORECAST STATEMENT OF FUNDING 2015-2030

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES															
Revenues															
Rates	337,584	347,712	358,143	368,887	379,954	391,353	403,094	415,187	427,643	440,472	453,686	467,297	481,316	495,755	510,628
Operating grants, subsidies and contributions	11,390,932	3,771,023	3,884,153	4,000,678	4,120,699	4,244,320	4,371,650	4,502,799	4,637,883	4,777,020	4,920,331	5,067,942	5,219,980	5,376,580	5,537,877
Profit on asset disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	245,923	253,302	260,901	268,729	276,791	285,095	293,648	302,458	311,532	320,879	330,506	340,422	350,635	361,154	371,989
Service charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earnings	229,377	120,735	128,718	136,902	145,289	136,387	139,764	143,222	146,770	150,404	154,129	157,948	161,863	165,875	169,986
Other revenue	164,903	169,850	174,946	180,194	185,601	191,169	196,904	202,811	208,895	215,162	221,617	228,267	235,115	242,169	249,435
	12,368,719	4,662,622	4,806,861	4,955,390	5,108,334	5,248,324	5,405,060	5,566,477	5,732,723	5,903,937	6,080,269	6,261,876	6,448,909	6,641,533	6,839,915
Expenses															
Employee costs	(2,024,749)	(2,085,492)	(2,148,056)	(2,212,499)	(2,278,874)	(2,347,241)	(2,417,658)	(2,490,189)	(2,564,895)	(2,641,842)	(2,721,098)	(2,802,733)	(2,886,816)	(2,973,419)	(3,062,622)
Materials and contracts	(7,951,877)	(94,900)	(97,747)	(100,680)	(103,706)	(106,822)	(110,023)	(113,327)	(116,722)	(120,222)	(123,833)	(127,548)	(131,379)	(135,318)	(139,379)
Utility charges (electricity, gas, water etc.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation on non-current assets	(1,446,111)	(1,520,661)	(1,603,059)	(1,687,486)	(1,798,256)	(1,877,307)	(1,959,644)	(2,056,671)	(2,156,473)	(2,282,395)	(2,416,792)	(2,514,914)	(2,652,807)	(2,778,125)	(2,931,256)
Loss on asset disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance expense	(137,395)	(141,517)	(145,762)	(150,134)	(154,638)	(159,279)	(164,059)	(168,980)	(174,050)	(179,272)	(184,651)	(190,191)	(195,896)	(201,772)	(207,826)
Other expenditure	(178,870)	(184,237)	(189,765)	(195,460)	(201,325)	(207,367)	(213,588)	(219,995)	(226,595)	(233,392)	(240,395)	(247,607)	(255,036)	(262,688)	(270,569)
	(11,739,002)	(4,026,807)	(4,184,389)	(4,346,259)	(4,536,799)	(4,698,016)	(4,864,972)	(5,049,162)	(5,238,735)	(5,457,123)	(5,686,769)	(5,882,993)	(6,121,934)	(6,351,322)	(6,611,652)
	629,717	635,815	622,472	609,131	571,535	550,308	540,088	517,315	493,988	446,814	393,500	378,883	326,975	290,211	228,263
Funding Position Adjustments															
Depreciation on non-current assets	1,446,111	1,520,661	1,603,059	1,687,486	1,798,256	1,877,307	1,959,644	2,056,671	2,156,473	2,282,395	2,416,792	2,514,914	2,652,807	2,778,125	2,931,256
Net Funding From Operational Activities	2,075,828	2,156,476	2,225,531	2,296,617	2,369,791	2,427,615	2,499,732	2,573,986	2,650,461	2,729,209	2,810,292	2,893,797	2,979,782	3,068,336	3,159,519
FUNDING FROM CAPITAL ACTIVITIES															
Inflows															
Proceeds on disposal	128,595	125,385	149,321	144,838	172,036	106,435	29,516	189,999	148,548	155,876	374,989	118,533	256,699	175,441	292,353
Non-operating grants, subsidies and contributions	2,188,878	505,937	505,937	505,937	505,937	505,937	505,937	521,115	536,748	552,850	569,436	586,519	604,115	622,238	640,905
Outflows															
Purchase of property plant and equipment	(1,452,440)	(725,250)	(766,145)	(751,388)	(1,375,629)	(433,081)	(377,730)	(901,990)	(846,499)	(1,422,546)	(1,755,724)	(473,689)	(1,526,136)	(1,013,753)	(1,724,383)
Purchase of infrastructure	(7,286,587)	(1,743,188)	(1,787,301)	(1,860,477)	(2,028,221)	(2,471,894)	(2,519,066)	(2,241,263)	(2,343,863)	(1,866,360)	(1,846,239)	(2,968,587)	(2,153,972)	(2,687,762)	(2,199,783)
Net Funding From Capital Activities	(6,421,554)	(1,837,116)	(1,898,188)	(1,961,090)	(2,725,877)	(2,292,603)	(2,361,343)	(2,432,139)	(2,505,066)	(2,580,180)	(2,657,538)	(2,737,224)	(2,819,294)	(2,903,836)	(2,990,908)
FUNDING FROM FINANCING ACTIVITIES															
Inflows															
Transfer from reserves	0	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0
Outflows															
Transfer to reserves	(122,348)	(319,360)	(327,343)	(335,527)	(143,914)	(135,012)	(138,389)	(141,847)	(145,395)	(149,029)	(152,754)	(156,573)	(160,488)	(164,500)	(168,611)
Net Funding From Financing Activities	(122,348)	(319,360)	(327,343)	(335,527)	356,086	(135,012)	(138,389)	(141,847)	(145,395)	(149,029)	(152,754)	(156,573)	(160,488)	(164,500)	(168,611)
Estimated Surplus/Deficit July 1 B/Fwd	4,468,074	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Surplus/Deficit June 30 C/Fwd	0														

STATEMENT 7 – FORECAST STATEMENT OF NET CURRENT ASSET COMPOSITION 2015-2030

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated Surplus/Deficit July 1 B/Fwd	4,468,074	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Unrestricted Cash and Equivalents	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999	54,999
Restricted Cash and Cash Equivalent	4,774,346	5,093,706	5,421,049	5,756,576	5,400,490	5,535,502	5,673,891	5,815,738	5,961,133	6,110,162	6,262,916	6,419,489	6,579,977	6,744,477	6,913,088
Non-Cash Investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trade and Other Receivables	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480	23,480
Inventories	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347	146,347
CURRENT LIABILITIES															
Trade and Other Payables	(224,826)	(224,826)	(224,826)	(224,826)	(224,826)	(224,826)	(224,826)	(224,826)	(224,826)	(224,826)	(224,826)	(224,826)	(224,826)	(224,826)	(224,826)
Reserves	(4,774,346)	(5,093,706)	(5,421,049)	(5,756,576)	(5,400,490)	(5,535,502)	(5,673,891)	(5,815,738)	(5,961,133)	(6,110,162)	(6,262,916)	(6,419,489)	(6,579,977)	(6,744,477)	(6,913,088)
Estimated Surplus/Deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

STATEMENT 8 – FORECAST STATEMENT OF FIXED ASSET MOVEMENT 2015-2030

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Roads	7,086,587	1,735,511	1,779,624	1,852,800	2,020,544	2,464,217	2,511,389	2,233,356	2,335,719	1,857,972	1,837,599	2,959,688	2,144,806	2,678,321	2,190,059
Infrastructure Other	200,000	7,677	7,677	7,677	7,677	7,677	7,677	7,907	8,144	8,388	8,640	8,899	9,166	9,441	9,724
Total Capital Works - Infrastructure	7,286,587	1,743,188	1,787,301	1,860,477	2,028,221	2,471,894	2,519,066	2,241,263	2,343,863	1,866,360	1,846,239	2,968,587	2,153,972	2,687,762	2,199,783
Represented by:															
Additions - Assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - Expansion, Upgrades and New	0	798,396	798,396	798,396	798,396	798,396	798,396	822,348	847,018	872,429	898,602	925,560	953,327	981,927	1,011,385
Additions - Renewal	7,286,587	944,792	988,905	1,062,081	1,229,825	1,673,498	1,720,670	1,418,915	1,496,845	993,931	947,637	2,043,027	1,200,645	1,705,835	1,188,398
Total Capital Works - Infrastructure	7,286,587	1,743,188	1,787,301	1,860,477	2,028,221	2,471,894	2,519,066	2,241,263	2,343,863	1,866,360	1,846,239	2,968,587	2,153,972	2,687,762	2,199,783
Asset Movement Reconciliation															
Total Capital Works Infrastructure	7,286,587	1,743,188	1,787,301	1,860,477	2,028,221	2,471,894	2,519,066	2,241,263	2,343,863	1,866,360	1,846,239	2,968,587	2,153,972	2,687,762	2,199,783
Depreciation Infrastructure	(1,111,748)	(1,158,673)	(1,207,006)	(1,256,789)	(1,308,066)	(1,360,880)	(1,415,280)	(1,471,718)	(1,530,269)	(1,591,008)	(1,654,015)	(1,719,369)	(1,787,157)	(1,857,465)	(1,930,382)
Net Book Value of disposed/Written Off assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation of Infrastructure assets (Inflation)	1,653,493	1,888,343	1,962,529	2,038,814	2,118,087	2,203,236	2,302,663	2,404,857	2,500,089	2,599,499	2,685,744	2,772,084	2,892,722	2,990,509	3,105,134
Net Movement in Infrastructure Assets	7,828,332	2,472,858	2,542,824	2,642,502	2,838,242	3,314,250	3,406,449	3,174,402	3,313,683	2,874,851	2,877,968	4,021,302	3,259,537	3,820,806	3,374,535
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings	801,676	250,000	51,500	53,045	54,636	56,275	57,963	159,702	161,493	163,338	165,238	167,195	169,211	171,287	173,426
Plant and Equipment	650,764	475,250	714,645	698,343	1,320,993	376,806	319,767	742,288	685,006	1,259,208	1,590,486	306,494	1,356,925	842,466	1,550,957
Total Capital Works Property, Plant and Equipment	1,452,440	725,250	766,145	751,388	1,375,629	433,081	377,730	901,990	846,499	1,422,546	1,755,724	473,689	1,526,136	1,013,753	1,724,383
Represented by:															
Additions - Assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - Expansion, Upgrades and New	510,000	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - Renewal	942,440	625,250	766,145	751,388	1,375,629	433,081	377,730	901,990	846,499	1,422,546	1,755,724	473,689	1,526,136	1,013,753	1,724,383
Total Capital Works Property, Plant and Equipment	1,452,440	725,250	766,145	751,388	1,375,629	433,081	377,730	901,990	846,499	1,422,546	1,755,724	473,689	1,526,136	1,013,753	1,724,383
Asset Movement Reconciliation															
Total Capital Works Property, Plant and Equipment	1,452,440	725,250	766,145	751,388	1,375,629	433,081	377,730	901,990	846,499	1,422,546	1,755,724	473,689	1,526,136	1,013,753	1,724,383
Depreciation Property, Plant and Equipment	(334,363)	(361,988)	(396,053)	(430,697)	(490,190)	(516,427)	(544,364)	(584,953)	(626,204)	(691,387)	(762,777)	(795,545)	(865,650)	(920,660)	(1,000,874)
Net Book Value of disposed/Written Off assets	(128,595)	(125,385)	(149,321)	(144,838)	(172,036)	(106,435)	(29,516)	(189,999)	(148,548)	(155,876)	(374,989)	(118,533)	(256,699)	(175,441)	(292,353)
Revaluation of Property, Plant and Equipment (Inflation)	331,446	371,170	388,724	407,143	423,817	459,903	470,313	473,723	492,989	509,712	535,689	577,991	577,974	609,865	622,182
Net Movement in Property, Plant and Equipment	1,320,928	609,047	609,495	582,996	1,137,220	270,122	274,163	600,761	564,736	1,084,995	1,153,647	137,602	981,761	527,517	1,053,338
CAPITAL WORKS - TOTALS															
Capital Works															
Total Capital Works Infrastructure	7,286,587	1,743,188	1,787,301	1,860,477	2,028,221	2,471,894	2,519,066	2,241,263	2,343,863	1,866,360	1,846,239	2,968,587	2,153,972	2,687,762	2,199,783
Total Capital Works Property, Plant and Equipment	1,452,440	725,250	766,145	751,388	1,375,629	433,081	377,730	901,990	846,499	1,422,546	1,755,724	473,689	1,526,136	1,013,753	1,724,383
Total Capital Works	8,739,027	2,468,438	2,553,446	2,611,865	3,403,850	2,904,975	2,896,796	3,143,253	3,190,362	3,288,906	3,601,963	3,442,276	3,680,108	3,701,515	3,924,166
Fixed Asset Movement															
Net Movement in Infrastructure Assets	7,828,332	2,472,858	2,542,824	2,642,502	2,838,242	3,314,250	3,406,449	3,174,402	3,313,683	2,874,851	2,877,968	4,021,302	3,259,537	3,820,806	3,374,535
Net Movement in Property, Plant and Equipment	1,320,928	609,047	609,495	582,996	1,137,220	270,122	274,163	600,761	564,736	1,084,995	1,153,647	137,602	981,761	527,517	1,053,338
Net Movement in Fixed Assets	9,149,260	3,081,905	3,152,319	3,225,498	3,975,462	3,584,372	3,680,612	3,775,163	3,878,419	3,959,846	4,031,615	4,158,904	4,241,298	4,348,323	4,427,873

STATEMENT 9 – FORECAST STATEMENT OF CAPITAL FUNDING 2015-2030

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital Expenditure															
Roads	7,086,587	1,735,511	1,779,624	1,852,800	2,020,544	2,464,217	2,511,389	2,233,356	2,335,719	1,857,972	1,837,599	2,959,688	2,144,806	2,678,321	2,190,059
Infrastructure Other	200,000	7,677	7,677	7,677	7,677	7,677	7,677	7,907	8,144	8,388	8,640	8,899	9,166	9,441	9,724
Buildings	801,676	250,000	51,500	53,045	54,636	56,275	57,963	159,702	161,493	163,338	165,238	167,195	169,211	171,287	173,426
Plant and Equipment	650,764	475,250	714,645	698,343	1,320,993	376,806	319,767	742,288	685,006	1,259,208	1,590,486	306,494	1,356,925	842,466	1,550,957
Total – Capital Expenditure	8,739,027	2,468,438	2,553,446	2,611,865	3,403,850	2,904,975	2,896,796	3,143,253	3,190,362	3,288,906	3,601,963	3,442,276	3,680,108	3,701,515	3,924,166
Funded By:															
Capital Grants & Contributions															
Roads	1,513,878	505,937	505,937	505,937	505,937	505,937	505,937	521,115	536,748	552,850	569,436	586,519	604,115	622,238	640,905
Infrastructure Other	120,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	555,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total – Capital Grants & Contributions	2,188,878	505,937	505,937	505,937	505,937	505,937	505,937	521,115	536,748	552,850	569,436	586,519	604,115	622,238	640,905
Own Source Funding															
Roads	5,572,709	1,229,574	1,273,687	1,346,863	1,514,607	1,958,280	2,005,452	1,712,241	1,798,971	1,305,122	1,268,163	2,373,169	1,540,691	2,056,083	1,549,154
Infrastructure Other	80,000	7,677	7,677	7,677	7,677	7,677	7,677	7,907	8,144	8,388	8,640	8,899	9,166	9,441	9,724
Buildings	246,676	250,000	51,500	53,045	54,636	56,275	57,963	159,702	161,493	163,338	165,238	167,195	169,211	171,287	173,426
Plant and Equipment	522,169	349,865	565,324	553,505	1,148,957	270,371	290,251	552,289	536,458	1,103,332	1,215,497	187,961	1,100,226	667,025	1,258,604
Total – Own Source Funding	6,421,554	1,837,116	1,898,188	1,961,090	2,725,877	2,292,603	2,361,343	2,432,139	2,505,066	2,580,180	2,657,538	2,737,224	2,819,294	2,903,836	2,990,908
Borrowings															
Total - Borrowings	0														
Other (Disposals & C/Fwd)															
Plant and Equipment	128,595	125,385	149,321	144,838	172,036	106,435	29,516	189,999	148,548	155,876	374,989	118,533	256,699	175,441	292,353
Total – Other (Disposals & C/Fwd)	128,595	125,385	149,321	144,838	172,036	106,435	29,516	189,999	148,548	155,876	374,989	118,533	256,699	175,441	292,353
Total Capital Funding	8,739,027	2,468,438	2,553,446	2,611,865	3,403,850	2,904,975	2,896,796	3,143,253	3,190,362	3,288,906	3,601,963	3,442,276	3,680,108	3,701,515	3,924,166

STATEMENT 10 – FORECAST RATIOS 2015-2030

	Target Range		Average	1 2015-16	2 2016-17	3 2017-18	4 2018-19	5 2019-20	6 2020-21	7 2021-22	8 2022-23	9 2023-24	10 2024-25	11 2025-26	12 2026-27	13 2027-28	14 2028-29	15 2029-30
LIQUIDITY RATIOS																		
Current Ratio	> 1.00	> 1.20	0.87	0.83	0.84	0.84	0.85	0.85	0.86	0.86	0.87	0.88	0.88	0.89	0.90	0.90	0.91	0.92
OPERATING RATIOS																		
Operating Surplus Ratio	> 1.00%	> 15.00%	46.54%	64.40%	71.31%	67.46%	63.80%	57.87%	54.81%	52.26%	48.63%	45.12%	39.65%	33.92%	31.73%	26.61%	22.94%	17.53%
Own Source Revenue Coverage Ratio	> 40.00%	> 60.00%	20.12%	8.33%	22.14%	22.05%	21.97%	21.77%	21.37%	21.24%	21.07%	20.90%	20.65%	20.40%	20.29%	20.07%	19.92%	19.69%
BORROWINGS RATIOS																		
Debt Service Cover Ratio	> 3	> 5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FIXED ASSET RATIOS																		
Asset Sustainability Ratio	> 90.00%	> 110.00%	139.52%	569.05%	103.25%	109.48%	107.47%	144.89%	112.21%	107.08%	112.85%	108.67%	105.87%	111.86%	100.07%	102.79%	97.89%	99.37%
Asset Consumption Ratio	> 50.00%	> 60.00%	90.85%	94.43%	93.83%	93.23%	92.65%	92.21%	92.10%	91.96%	91.48%	91.02%	90.10%	89.11%	88.86%	87.97%	87.38%	86.41%
Asset Renewal Funding Ratio	> 75.00%	> 95.00%	13.20%	12.87%	10.23%	11.95%	14.10%	16.84%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

OTHER MATTERS

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