



# SHIRE OF GNOWANGERUP

LONG TERM FINANCIAL PLAN  
2019-20 TO 2028-29

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## EXECUTIVE SUMMARY

The Shire of Gnowangerup's Long Term Financial Plan (LTFP) is an important part of Council's Integrated Planning process. The LTFP is aligned with Council's Strategic Community Plan and Corporate Business Plan, and will form the basis for the preparation of Council's annual budgets.

The Long Term Financial Plan covers a 10 year planning period, from 2019-20 to 2028-29 and therefore cannot be set in concrete. The Plan includes the modelling of three scenarios based on a range of assumptions and assesses the Council's revenue capacity against community demands and service levels.

Three scenarios have been modelled:

- (a) Base Case Scenario
- (b) Best Case Scenario
- (c) Worst Case Scenario

Projections contained in the schedules attached to this Plan reveal that over the next 10 years the Shire will require revenue from rates to grow faster than the anticipated Consumer Price Index, estimated to average 4.8% per annum over the life of the Plan.

In adopting such a strategy, the Shire will achieve a greater degree of financial independence with the ability to achieve balanced budgets, continue to improve performance ratios towards the minimum benchmark requirements of the Department of Local Government and Communities, and begin to address infrastructure asset funding gaps in the latter years of the Plan.

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## 1.0 STRATEGIC OVERVIEW

### 1.1 PURPOSE OF THE PLAN

The Shire of Gnowangerup's Long Term Financial Plan is an important part of Council's strategic planning process. The Plan is aligned to the Council's Strategic Community Plan and the Corporate Business Plan, and will form the basis for the preparation of the Council's Annual Budget.

The Strategic Community Plan details the community's long term aspirations; however they can only be achieved if sufficient resources like, money, people and assets are allocated. The Long Term Financial Plan (LTFP) costs the community's aspirations against the financial realities.

The LTFP covers a 10 year planning period, from 2019-2020 to 2028-2029; and is a long term planning tool. It allows for the modelling of various scenarios based on a range of assumptions, and assesses the Council's revenue capacity against community demands and service levels. Years 1 to 4 of the Long Term Financial Plan link to the Shires Corporate Business Plan, giving some certainty to those projects and services to be delivered within that 4 year time frame. The modelling outside the CBP 4 year time frame do not represent a binding commitment to raise any of the funds identified, undertake any of the expenditure identified, nor is it an authorisation for any of the projects considered.

The Plan does-

- ⇒ Link to various plans, such as the Strategic Community Plan, Corporate Business Plan, Asset Management Plan, Workforce Plan and Annual Budget.
- ⇒ Assess the financial sustainability of the Shire; and
- ⇒ Identify potential financial issues and their long term impact.

### 1.2 LEGISLATIVE OBLIGATIONS

The Shire of Gnowangerup is required, under Section 5.56 of the *Local Government Act 1995*, to plan for the future of its district. In doing so, the Shire needs to comply with Regulation 19DA of the *Local Government (Financial Management) Regulations 1996*, which states-

- (1) *A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending June 2013.*
- (2) *A corporate business plan for a district is to cover the period specified in the Plan, which is to be at least 4 financial years.*

- (3) *A corporate business plan for a district is to-*
- (a) *set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and*
  - (b) *govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and*
  - (c) *develop and integrate matters relating to resources, including asset management, workforce planning and long term financial planning.*

## 1.3 STRATEGIC ALIGNMENT

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### 1.3.1 Strategic Community Plan

The Shire of Gnowangerup's Strategic Community Plan (SCP) is a Council visionary document for the next 10 plus years, based on community input. The Long Term Financial Plan activates the SCP priorities.

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### 1.3.2 Corporate Business Plan

The Long Term Financial Plan informs the Corporate Business Plan (CBP) to activate the SCP priorities.

## 1.4 STRATEGIC FINANCIAL DIRECTION

The Shire of Gnowangerup, in developing the LTFP, and in undertaking subsequent annual reviews, will develop and align the LTFP to the following-

- ⇒ Borrowing Strategy
- ⇒ Rating Strategy
- ⇒ Asset Management Plans
- ⇒ Workforce Plan
- ⇒ Cash Reserve Strategy
- ⇒ Revenue Raising Strategy
- ⇒ Capital Works Program
- ⇒ Range and level of services
- ⇒ Business plans and other studies developed in relation to specific projects.

## 2.0 THE SHIRE IN PROFILE

### 2.1 OUR AREA

The Shire covers an area of 5,000 square kilometres. The Shire consists of three towns, being Borden, Gnowangerup and Ongerup. Gnowangerup contains the majority of the population. Within the Shire there are numerous facilities, including the recreation centre, hospital, sporting complexes, swimming pool, and a sealed airstrip.

### 2.2 OUR ECONOMY

The local economy is primarily agricultural farming, with a highly efficient livestock and cropping industry. There is limited retail industry, but a sound commercial base, with local businesses remaining relatively constant. The area has a series of tourist attractions and provides a unique lifestyle choice.

### 2.3 OUR PEOPLE

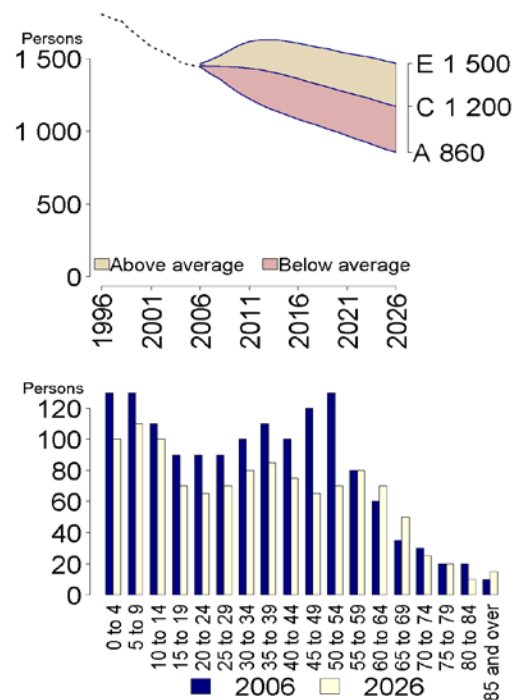
The estimated residential population for the Shire of Gnowangerup is 1,207<sup>1</sup>, with many of them living within the town itself. They are well supported with high quality facilities including schools, sporting clubs, swimming pool, health and other community services.

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<sup>1</sup> Estimated Resident Population, ABS, 27 March 2019, <https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/3218.02017-18?OpenDocument>

Western Australia Tomorrow Population Report No. 7<sup>2</sup> estimates the following population growth:

	Band A	Band C	Band E
2006	1400	1500	1500
2007	1400	1400	1500
2008	1400	1400	1500
2009	1300	1400	1600
2010	1300	1400	1600
2011	1200	1400	1600
2012	1200	1400	1600
2013	1200	1400	1600
2014	1100	1400	1600
2015	1100	1400	1600
2016	1100	1400	1600
2017	1100	1300	1600
2018	1000	1300	1600
2019	1000	1300	1600
2020	990	1300	1500
2021	970	1300	1500
2022	950	1200	1500
2023	920	1200	1500



The population over the next 10 years is estimated to slightly increase utilising Band E forecasts.

## 2.4 OUR ENVIRONMENT

The local environment is valued, supporting quiet, simple and peaceful lifestyle choices. The remoteness, wide open spaces and natural environment needs to be sustained. Viable pastoral farming land is highly valued and needs to be maintained.

<sup>2</sup> Western Australia Tomorrow Population Report No. 7, WA Planning Commission, February 2012

## 2.5 OUR KEY DRIVERS

The following key drivers been identified and considered within our Plan.

- ⇒ Agricultural sector
- ⇒ Manufacturing and service industries
- ⇒ Health and education services
- ⇒ Tourism
- ⇒ Community group activity
- ⇒ Local government reform
- ⇒ Grant funding

## 2.6 STATISTICAL SNAPSHOT

STATISTIC DESCRIPTION <sup>3</sup>	ITEM
Distance from Perth	354 kms
Area	4,268 km <sup>2</sup>
Length of Sealed Roads	226 kms
Length of Unsealed Roads	838 kms
Population	1,215
Number of Electors	752
Number of Dwellings	647
Total Rates Levied	\$3,858,184
Total Revenue	\$13,592,179
Number of Employees	31

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<sup>3</sup> Source – WALGA Local Government Directory 2019

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## 3.0 OUR SERVICES

The type and range of services to be provided by the Shire are detailed below.

### 3.1 CURRENT SERVICES

The tables below detail the current services provided by the Shire based on its proposed 2018/19 budget. Each service has been classified utilising the following legend.

SERVICE FREQUENCY (SF)		SERVICE DELIVERY (SD)		CHARGING ARRANGEMENTS (CA)	
<b>A</b>	Ad-hoc	<b>FO</b>	Fully Outsourced	<b>U</b>	Fee for Service – Fully recouped
<b>D</b>	Daily	<b>PO</b>	Partially Outsourced	<b>UP</b>	Fee for Service – Partially recouped
<b>W</b>	Weekly	<b>LG</b>	Local Government	<b>S</b>	Subsidised Service – government funded
<b>FN</b>	Fortnightly	<b>V</b>	Volunteers	<b>F</b>	Free at point of use - funded from general revenue
<b>M</b>	Monthly			<b>N/A</b>	Not Applicable
<b>Q</b>	Quarterly				
<b>S</b>	Seasonal				
<b>B</b>	Biannual				
<b>Y</b>	Yearly				

SERVICE	DESCRIPTION (The description heading is general in nature and does not represent the actual services provided by the local government).	CLASSIFICATION			EXPENDITURE/ (REVENUE)	EXPENDITURE			REVENUE	
		SF	SD	CA	NET COSTS \$	DIRECT COSTS	ADMIN ALLOCATION	DEP'N	INTERNAL FUNDING	EXTERNAL FUNDING
<b>Members of Council</b>	Administration and operation of facilities and services to members of council. Includes fees, expenses and allowances paid to elected and committee members, election costs, insurance, subscriptions, conference expenses, council chamber expenses, members' entertainment, support staff (orderly, secretarial, receptionists etc.), printing, telephones, faxes, delivery expenses.				397,112 <u>(0)</u>	250,475	146,637	0	0	(0)
	Also includes the allocation of administration expenses for the Chief Executive Officer and staff in preparation, administration and attendance at meetings and assisting elected members and other committees of Council.	D	LG	N/A	<b>397,112</b>					

SERVICE	DESCRIPTION (The description heading is general in nature and does not represent the actual services provided by the local government).	CLASSIFICATION			EXPENDITURE/ (REVENUE)	EXPENDITURE			REVENUE	
		SF	SD	CA	NET COSTS \$	DIRECT COSTS	ADMIN ALLOCATION	DEP'N	INTERNAL FUNDING	EXTERNAL FUNDING
Other Governance	Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services. Including civic receptions, refreshments (receptions), naturalisation (citizenship) ceremonies, polls, referendums, public relations (newsletters, sister city relationships etc.), Freedom of Information requests and preparation for State visits.	D	LG/PO	N/A	704,929	156,050	548,879	0	0	(0)
	<u>0</u>									
	<b>704,929</b>									
	Research, development and preparation of policy documents, development of local laws, strategic planning, principal activity plans, annual budgets, annual financial reports, audit fees and the annual report.									
	The allocation of expenses made to this program, such as meetings, public relations or staff should not include those identified with specific programs or business units.									
Rates	Rates levied under Division 6 of Part 6 of the Local Government Act 1995. Revenue from a general rate, differential rates, minimum rates, interest and fees on instalment arrangements, interest on arrears, government subsidy for rates deferred by entitled pensioners, less discounts and/or concessions relating to rates levied. Expenditures incurred in administration and maintaining rate records, rating valuations, servicing notices, postage, stationery, advertising, doubtful debt expense, debt collection, printing, indirect administration costs etc. Specified area rates, service charges, sewerage rates and water rates are to be allocated to the service program for which the charge is being levied.	D	LG/PO	U	122,222 <u>(3,914,597)</u>	21,250	100,972	0	(3,914,597)	(0)
					<b>(3,792,375)</b>					



SERVICE	DESCRIPTION (The description heading is general in nature and does not represent the actual services provided by the local government).	CLASSIFICATION			EXPENDITURE/ (REVENUE)	EXPENDITURE			REVENUE	
		SF	SD	CA	NET COSTS \$	DIRECT COSTS	ADMIN ALLOCATION	DEP'N	INTERNAL FUNDING	EXTERNAL FUNDING
<b>Other General Purpose Funding</b>	Amounts receivable from the Western Australian Grants Commission and any other Government Grant of a general purpose nature and generally referred to as untied grants. The funds allocated by the Grants Commission and referred to as general purpose funding and local roads funding are considered untied grants. Grants for special projects from the Commission are considered tied grants and should be disclosed under the appropriate program i.e. Transport. Interest earnings from deposits and investments, including reserve accounts. General overdraft expenses on the Municipal Fund. Where overdraft arrangements are made for specific purposes the cost incurred with that purpose is to be allocated to the appropriate program. Interest expenses on borrowing are to be allocated to the program for which purposes the loans were raised. Repayments of interest by community groups or self-supporting loans are to be treated as revenue in the corresponding program.				7,245 <u>(654,542)</u>	7,245	0	0	(42,000)	(612,542)
	Interest expenses on borrowing are to be allocated to the program for which purposes the loans were raised. Repayments of interest by community groups or self-supporting loans are to be treated as revenue in the corresponding program.	D	LG/PO	UP/S	(647,297)					
<b>Fire Prevention</b>	Administration and operations on fire prevention services, including volunteer fire brigades, FESA levy, outlays on roadside clearing operations (slashing, clearing, mowing verges, standpipes, insurance) and other protective burning. Revenues include the sale of local laws, maps, materials relating to fire prevention, fines and penalties imposed under relevant Acts and fines, fees or charges for clearing fire breaks.	A	LG/V	UP/S	152,730 <u>(33,527)</u>  <b>119,203</b>	51,970	0	100,760	(250)	(33,277)

SERVICE	DESCRIPTION (The description heading is general in nature and does not represent the actual services provided by the local government).	CLASSIFICATION			EXPENDITURE/ (REVENUE)	EXPENDITURE			REVENUE	
		SF	SD	CA	NET COSTS \$	DIRECT COSTS	ADMIN ALLOCATION	DEP'N	INTERNAL FUNDING	EXTERNAL FUNDING
<b>Animal Control</b>	Administration, enforcement and operations relating to the control of animals. Include costs of impounding, destroying and disposal of stray animals. Revenues include dog registration fees, fines and penalties relating to straying dogs, cats, cattle and other livestock and impounding and destruction fees.	A	LG	UP/F	101,291 <u>(4,070)</u> <b>97,221</b>	51,970	0	100,760	(4,070)	(0)
<b>Other Law, Order &amp; Public Safety</b>	Administration, promotion, support and operation of services relating to public order and safety that cannot be assigned to one of the two preceding sub-programs. Includes outlays on beach inspectors, lifesaving (including clubhouses) and beach patrols, contributions to State and Voluntary emergency services (civil defence, civil emergency, cyclone preparation, emergency services), the control of off-road vehicles, traffic control by rangers, enforcement of council local laws and impounding vehicles. Where the cost of enforcement of Council local laws cannot be assigned to a specific program those costs should be included under this program. The removal of derelict/abandoned vehicles and dead animals are assigned to the Protection of the Environment.	A	LG	UP/S	86,315 <u>(16,455)</u> <b>69,860</b>	67,355	0	18,960	(0)	(16,455)
<b>Preventative Services – Health Administration and Inspection</b>	Administration, inspection and operations of programs concerned with the general health of the community. Includes the costs and revenues derived from the inspection of eating houses, alfresco dining, lodging and boarding houses, itinerant food vendors, stall holders, offensive trade etc. Also includes providing the services of a Medical Officer of Health, group and regional health schemes and any other outlays concerned with the general health inspection and administration services provided by the council.	FN	FO	UP/F	60,550 <u>0</u> <b>60,550</b>	60,550	0	0	(0)	(0)
<b>Preventative Services – Pest Control</b>	Administration and operations for programs concerned with the eradication of noxious insects and vermin such as mosquitoes, flies, rodent etc.	A	LG	F	5,200 <u>(0)</u> <b>5,200</b>	5,200	0	0	(0)	(0)

SERVICE	DESCRIPTION (The description heading is general in nature and does not represent the actual services provided by the local government).	CLASSIFICATION			EXPENDITURE/ (REVENUE)	EXPENDITURE			REVENUE	
		SF	SD	CA	NET COSTS \$	DIRECT COSTS	ADMIN ALLOCATION	DEP'N	INTERNAL FUNDING	EXTERNAL FUNDING
<b>Other Health</b>	Administration and operation of medical and dental clinics including contributions, subsidies, donations etc. provision of medical services such as doctors, dentists nursing services, Royal Flying Doctors Service, ambulance services, and hospitals. Subsidies and donations to the Silver Chain, Red Cross, various research appeals such as Huntington's Disease, Heart, Cancer and Arthritis Foundations, etc.	D	FO	F	184,549 <u>(300)</u> <b>184,249</b>	148,031	23,013	13,505	(300)	(0)
<b>Other Education</b>	Outlays on other than pre-primary school institutions and services. Including improvements to school grounds, school bus services, student hostels, awards, prizes, scholarships, adult education programs, migrant education services, junior council training, tele-centres, education support programs and associations linked to education such as parents and citizens associations.	A	PO/LG	U	10,087 <u>(10,900)</u> <b>(813)</b>	9,045	1,042	0	(10,900)	(0)
<b>Care of Families and Children</b>	Administration, inspection, support and operation of programs concerned with providing facilities to serve dependent parents and young children, parent and baby centres, childcare centres, crèches and play centres at which little or no schooling is provided. Also emergency housekeeping services, out of school childcare centres and associations, the operation of home help services for families and children and donations, subsidies, contributions etc. made to centres and associations of welfare services for families and children.	A	PO/LG	UP/F	16,437 <u>(600)</u> <b>15,837</b>	9,475	1,042	5,920	(600)	(0)
<b>Staff Housing</b>	Administration and operation of residential housing for council staff. The net costs of these facilities should be assigned to the program for which the employee is engaged e.g. environmental health officer's residence to Health.	D	LG/PO	UP	15,912 <u>(0)</u> <b>15,912</b>	34,342	(73,365)	54,935	(0)	(0)

SERVICE	DESCRIPTION (The description heading is general in nature and does not represent the actual services provided by the local government).	CLASSIFICATION			EXPENDITURE/ (REVENUE)	EXPENDITURE			REVENUE	
		SF	SD	CA	NET COSTS \$	DIRECT COSTS	ADMIN ALLOCATION	DEP'N	INTERNAL FUNDING	EXTERNAL FUNDING
<b>Other Housing</b>	Administration, provision and operation of housing programs other than those for the benefit of council staff. These include housing for aged persons, unemployed youth, aboriginal housing schemes, Homeswest schemes, government and semi government employees.	N/A	N/A	N/A	57,876 <u>(84,280)</u> <b>(26,404)</b>	27,081	0	30,795	(84,280)	(0)
<b>Sanitation – Household</b>	Administration and operation of general refuse collection and disposal services. These include the collection of general, recyclable and green waste, the delivery to a disposal site or transfer station, provision and maintenance of rubbish disposal sites, regional schemes, recycling depots and transfer stations.	D/W	LG/PO	UP/F	222,254 <u>(214,526)</u> <b>7,7287</b>	196,960	17,094	8,200	(214,526)	(0)
<b>Sanitation - Other</b>	Administration and operation of industrial, commercial and other waste, and collection of street litter bins.	W	LG/PO	UP	23,514 <u>(5,120)</u> <b>18,394</b>	22,614	0	900	(5,120)	(0)
<b>Sewerage</b>	The operation of services and facilities for the collection, treatment and disposal of sewerage. Includes the maintenance of deep mains, reticulation, pumps etc., effluent and sullage drainage disposal systems, water treatment systems, septic tank cleaning and inspection and night soil disposal (pan removal). Revenues include sewerage rates, inspection fees, septic tank installation and cleaning fees.	D	LG/PO	UP/F	65,045 <u>(61,300)</u> <b>3,745</b>	37,380	0	27,665	(61,300)	(0)
<b>Urban Stormwater Drainage</b>	Administration, inspection and operation of urban stormwater drainage systems including the lining or barrelling of creeks and the provision of open or deep drainage systems and other assistance for the development, expansion or operation of such systems. Excludes the construction of drains associated with roadworks (Transport) and flood mitigation works (Protection of the Environment or Rural Services).	A	LG/PO	F	6,015 <u>(0)</u> <b>6,015</b>	5,980	0	35	(0)	(0)

SERVICE	DESCRIPTION (The description heading is general in nature and does not represent the actual services provided by the local government).	CLASSIFICATION			EXPENDITURE/ (REVENUE)	EXPENDITURE			REVENUE	
		SF	SD	CA	NET COSTS \$	DIRECT COSTS	ADMIN ALLOCATION	DEP'N	INTERNAL FUNDING	EXTERNAL FUNDING
<b>Protection of Environment</b>	Administration, inspection and operation of flood mitigation works, beach and riverbank restoration, foreshore protection, removal of dead animals, derelict and abandoned vehicles. Includes the development, monitoring and operation of pollution and noise control, soil erosion, contributions etc., to the Swan River Conservation Board and other waterway management authorities. Exclude the cost of destroying animals and the cost of impounding vehicles (Law, Order and Public Safety). Cleaning and maintenance of beaches and foreshore areas is to be shown under 'Recreation and Culture'.	A	LG	UP	109,896 <u>(5,675)</u>  <b>104,221</b>	6,721	0	103,175	(5,675)	(0)
<b>Town Planning and Regional Development</b>	Administration, inspection and operation of town planning and regional development services. These include planning control, the preparation of town planning development schemes, zoning and rezoning. Includes costs associated with the purchase and resumption of land for public open space, community facilities etc. for the expansion or development of this program. Excludes outlays on town planning development schemes wherein the owners of land within the particular schemes are responsible on a contributory basis for the land development costs incurred by Council in the scheme area.	W	FO	UP	93,689 <u>(1,300)</u>  <b>92,389</b>	90,019	3,670	0	(1,300)	(0)
<b>Other Community Amenities</b>	The provision, supervision and operation of community amenities that cannot be assigned to one of the preceding groups. Includes outlays on public conveniences, statues, pedestrian shopping malls, drinking fountains, cemeteries, crematoriums, rest centres, bus shelters, street seats and other street furniture. Where these facilities are provided in association with another program, e.g. public toilets on recreation grounds, they should be classified under 'Recreation and Culture'.	D	LG/PO	UP	78,590 <u>(6,000)</u>  <b>72,590</b>	69,753	3,057	5,780	(6,000)	0

SERVICE	DESCRIPTION (The description heading is general in nature and does not represent the actual services provided by the local government).	CLASSIFICATION			EXPENDITURE/ (REVENUE)	EXPENDITURE			REVENUE	
		SF	SD	CA	NET COSTS \$	DIRECT COSTS	ADMIN ALLOCATION	DEP'N	INTERNAL FUNDING	EXTERNAL FUNDING
<b>Public Halls, Civic Centres</b>	Administration, provision and operation of multipurpose venues such as public halls, town halls, function rooms, civic and community centres, including scout halls, Masonic lodges, CWA halls etc. Exclude municipal offices, indoor sporting complexes, art galleries, nurseries, pre-school centres, senior citizen centres.	D	LG/PO	UP/F	277,517 <u>(1,400)</u> <b>276,117</b>	51,530	0	225,987	(1,400)	(0)
<b>Swimming Areas &amp; Beaches</b>	Administration and operation of public swimming pools and other recreational swimming areas, including beaches, lakes and foreshore areas. Exclude lifesaving, beach patrols and beach inspectors, which are classified under 'Law, Order and Public Safety'.	S	LG/PO	UP/S	311,805 <u>(23,000)</u> <b>288,805</b>	201,136	90,309	20,360	(23,000)	(0)
<b>Other Recreation &amp; Sport</b>	Administration, provision and maintenance of other recreational facilities and services. Including indoor & outdoor sporting complexes and facilities such as football & cricket grounds, tennis courts, basketball & netball courts, bowling greens, golf links, squash courts and other recreational areas such as parks and gardens, ovals, playgrounds, barbecue areas, cycleways, dual use paths, showgrounds, race courses, stables etc. Include boat ramps, jetties, wharves, ferries, marinas predominantly used for recreational purposes. Also include recreation programs, recreation officers, donations, subsidies, contributions etc. to swimming clubs, Scout and Girl Guides Associations, Youth Organisations whose activities are predominantly of a sport and recreational nature.	D	LG/PO	UP/F	896,467 <u>(0)</u> <b>896,467</b>	313,463	20,778	562,226	(0)	(0)
<b>Libraries</b>	Administration, provision and operation of regional and local libraries, lending & reference libraries open to the public & the operation of mobile libraries. Includes books, tapes, records, audio-visual aids, internet & other facilities and services in delivering library services.	D	LG	F	150,747 <u>(0)</u> <b>150,747</b>	98,578	51,499	670	(0)	(0)

SERVICE	DESCRIPTION (The description heading is general in nature and does not represent the actual services provided by the local government).	CLASSIFICATION			EXPENDITURE/ (REVENUE)	EXPENDITURE			REVENUE	
		SF	SD	CA	NET COSTS \$	DIRECT COSTS	ADMIN ALLOCATION	DEP'N	INTERNAL FUNDING	EXTERNAL FUNDING
<b>Other Culture</b>	The administration, provision and operation of cultural activities including facilities and services for the creative and performing arts like theatres, auditoriums, the staging of concerts, stage productions and orchestral recitals. Other Culture also includes art and craft centres, art galleries, zoological and botanical gardens, presentation of festivals, anniversary, centenary and Christmas celebrations, exhibition pavilions, etc.	D	LG	S/F	84,955 <u>(0)</u> <b>84,955</b>	25,323	10,382	49,250	(0)	(0)
<b>Streets, Roads, Bridges, Depots</b>	Administration, regulation and operation relating to the provision of streets, roads and bridges under the control of the local government and the Commissioner of Main Roads. Includes roads and bridges as well as corresponding drainage works, kerbing, road verges, roundabouts, median strips, footpaths, private streets, crossovers and approaches, overpasses, underpasses, road signs and names, street crossings, line marking, street lighting, street trees and street cleaning.	D	LG/PO	S/F	6,461,921 <u>(3,448,729)</u> <b>3,013,192</b>	5,152,671	87,915	1,221,335	(0)	(3,448,729)
<b>Aerodromes</b>	Administration, provision and operation of airports, runways, terminals and other facilities associated with the provision of aerodromes.	D	LG/PO	S/F	196,422 <u>(0)</u> <b>196,422</b>	19,067	0	177,355	(0)	(0)
<b>Traffic Control (Vehicle Licensing)</b>	Operations relating to the licensing or regulating of traffic under the control of the local government. Includes vehicle registration, vehicle examination expenses and examination facilities. Commissions received for the issue of licences should be assigned to Private Works under 'Other Property and Services'.	D	LG	U	0 <u>(100)</u> <b>(100)</b>	0	0	0	(100)	(0)
<b>Tourism and Area Promotion</b>	The development, promotion, support, research, operation, etc. of tourism and area promotion to attract tourists, promotion to attract tourist development such as brochures, contributions to tourist promotion schemes. Include tourist bureaus, information offices, information bays, roadside bays, scenic lookouts, caravan parks, chalets and camping areas.	D	LG/PO	UP/F	27,010 <u>(800)</u> <b>26,210</b>	11,807	12,828	2,375	(800)	(0)

SERVICE	DESCRIPTION (The description heading is general in nature and does not represent the actual services provided by the local government).	CLASSIFICATION			EXPENDITURE/ (REVENUE)	EXPENDITURE			REVENUE	
		SF	SD	CA	NET COSTS \$	DIRECT COSTS	ADMIN ALLOCATION	DEP'N	INTERNAL FUNDING	EXTERNAL FUNDING
<b>Building Control</b>	Administration, inspection and operations concerned with application of the building standards. Includes examination, processing and inspection services, swimming pool inspections.	D	FO	U/F	54,000 <u>(2,570)</u> <b>51,430</b>	54,000	0	0	(2,570)	0
<b>Economic Development</b>	The provision of economic development activities that cannot be assigned to one of the preceding sub-programs. Includes public weighbridges, quarries, gravel pits, and community bus services.	D	LG	F	253,328 <u>(0)</u> <b>253,328</b>	240,500	12,828	0	(0)	(0)
<b>Public Utility Services</b>	The provision of standpipes and water supply.	D	LG	UP	8,940 <u>(9,002)</u> <b>(62)</b>	8,940	0	0	(9,002)	(0)
<b>Private Works</b>	Administration, inspection, and operation of work carried out on property or services not under the care, control and management of the local government. These include road works on private property, commissions for agencies and fees or service. Where revenues are received from the provision of professional services incidental to the program responsibilities of the local government, then those revenues should be matched with expenses of that program and not private works.	D	LG	UP	71,610 <u>(12,950)</u> <b>58,660</b>	12,950	58,660	0	(12,950)	(0)
<b>Administration Overheads</b>	All administration overheads are to be assigned to the programs. The amount allocated to other programs should be shown in the sub-program as a reduction of the expenditure on general administration. For the purpose of grouping, allocating and classifying assets this sub-program should be used for administration assets that cannot be readily assigned to another program.	D	LG	N/A	44,140 <u>(42,740)</u> <b>1,400</b>	1,269,465	(1,282,482)	57,157	(42,740)	0



SERVICE	DESCRIPTION (The description heading is general in nature and does not represent the actual services provided by the local government).	CLASSIFICATION			EXPENDITURE/ (REVENUE)	EXPENDITURE			REVENUE	
		SF	SD	CA	NET COSTS \$	DIRECT COSTS	ADMIN ALLOCATION	DEP'N	INTERNAL FUNDING	EXTERNAL FUNDING
<b>Public Works Overheads</b>	Overhead expenditure necessarily incurred as the result of the use of direct labour shall be apportioned to the cost of the appropriate works and services. As far as practicable the calculated proportion of 'overhead' or 'on-cost' expenditure should be such as to absorb the total expenditure. The amount allocated to works and services should be shown in the sub-program as a reduction of the expenditure on 'Public Works Overheads'.	D	LG	N/A	0 <u>(11,120)</u> <b>(11,120)</b>	(100,337)	100,337	0	(11,120)	(0)
<b>Plant Operation Costs</b>	Expenditure necessarily incurred in the maintenance and operation of plant includes fuel, oil, tyres, insurance and registration, repairs, replacement parts and tools, direct labour of mechanics and plant operators. The hire rates fixed by council should, as far as practicable, absorb the total expenditure of plant running costs and usage.	D	LG	N/A	0 <u>(44,598)</u> <b>(44,598)</b>	(312,604)	13,989	298,615	(17,098)	(27,500)
<b>Salaries &amp; Wages</b>	The total of salaries and wages incurred during the year is recorded under this sub-Program and allocated over the various works and services to which it relates.	D	LG	N/A	0	0	0	0	0	0
<b>Unclassified</b>	Outlays that cannot be assigned to one of the preceding programs and sub-programs. These will include sale of miscellaneous land, assistance to victims of droughts, floods and bushfires and programs such as unemployment schemes, apprenticeship and training which cannot be assigned to another program.	D	LG	N/A	98,840 <u>(9,000)</u> <b>89,840</b>	98,840	0	0	(9,000)	(0)
<b>TOTAL</b>					<b>2,839,959</b>	<b>8,473,200</b>	<b>0</b>	<b>2,985,960</b>	<b>(4,480,698)</b>	<b>(4,138,503)</b>

**Note:**

Revenue figures stated above have been adjusted to exclude capital grants & contributions.

Expenditure stated above has been adjusted to exclude expenditure funded from grants received in previous years and loan borrowings raised (if any).

The expenditure and revenue for each service was calculated utilising the estimates contained in the 2018-19 Annual Budget. Non-operating government grants and subsidies (capital) have been excluded from the external funding estimates.

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### 3.1.1 Findings

An analysis of the above financial information reveals that for the 2018-19 financial year the Shire has an estimated operational deficit of \$2.84M inclusive of depreciation, or a surplus of \$0.14M excluding depreciation. Utilising the deficit result and dividing it by Councils Own Source Revenues, the Shire's Operating Surplus Ratio is (36%).

The Shire's current Operating Surplus Ratio does not meet the minimum benchmark established by the Department of Local Government and Communities of between 1% and 15%. Modelling shows that this ratio improves over the life of the LTFP, but does not meet the desired benchmark set by the Department.

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### 3.1.2 Outsourced Service Delivery Arrangements

The Shire has a range of internal and external services that are outsourced. The services outsourced are detailed in the Table below.

SERVICE DESCRIPTION	OUTSOURCE ARRANGEMENT
Integrated Planning	Fully Outsourced
Information Technology Support	Fully Outsourced
Financial Support	Partially Outsourced
Ranger Services	Partially Outsourced
Health Inspection	Fully Outsourced
Refuse Collection	Fully Outsourced
Town Planning	Fully Outsourced
Gardening and Mowing Services	Partially Outsourced
Building Construction Services	Fully Outsourced
Building Maintenance Services	Partially Outsourced
Road Construction Services	Partially Outsourced
Fleet and Plant Servicing	Partially Outsourced

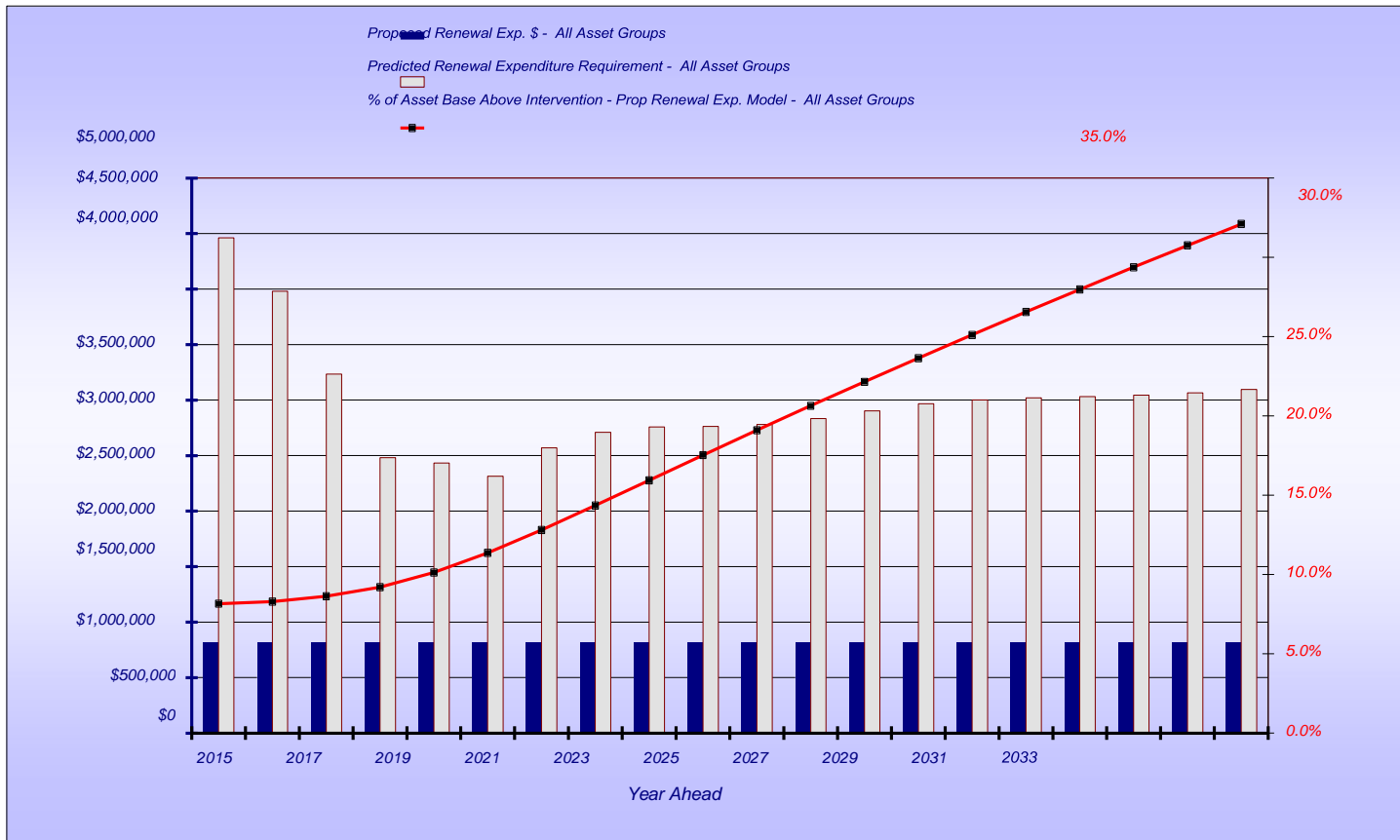
### 3.2 FUTURE SERVICES

Current services will continue to be delivered for the term of this Long Term Financial Plan. The future services provision will explore the quality and cost effectiveness of each service.

## 4.0 INFRASTRUCTURE ASSET MANAGEMENT

### 4.1 ASSET MANAGEMENT PLANS

The Shire has prepared a core level Asset Management Plan that discloses the required operating and maintenance expenditures, and renewal requirements, at the identified service levels. The Asset Management Plan was completed in 2015, and the results are summarised below.



## 4.2 FUNDING GAP

The objective of Asset Management is to detail all the tasks and resources required to manage and maintain Council's infrastructure asset portfolio to an agreed level of service. There are costs associated with the provision of infrastructure assets. These costs include operation and maintenance costs, renewal and upgrading of existing assets, and are usually projected over a ten year planning period.

The funding gap in providing infrastructure assets is determined by identifying the projected cost of providing the assets at an identified level of service, and then deducting Council's estimated available expenditure for the same period; usually over ten years.

Based on the Shire's asset portfolio of \$129.38m of depreciable assets, and initial asset data, modelling in 2015-16 indicated the Shire would need to spend an average of \$2.972m on asset renewals. In 2015-16, the Shire was only spending \$0.814M on asset renewals. The estimated asset renewal funding gap was \$2.157m per annum.

Further refinement of the LTFP modelling for 2019-20 to 2028-29, and targeted funding allocations towards capital renewal expenditure, shows an increase in the average annual asset renewal expenditure to \$2.24M per annum. This has resulted in a reduction in the asset renewal funding gap of \$1.42M, to \$0.73M per annum. As asset data collection improves for all asset classes, it is expected that further improvements in the asset renewal funding gap will be achievable.

## 4.3 ASSET MANAGEMENT PLAN FINDINGS

1. LTFP financial modelling for the Shire indicates a funding gap for Infrastructure Assets of \$0.73M per annum.
2. As further asset data collection takes place better understanding of the required annual asset renewal spend will occur, which will assist to more accurately identify the renewal funding gap.

## 5.0 FINANCIAL SUSTAINABILITY

### 5.1 WHAT IS LONG TERM FINANCIAL SUSTAINABILITY

In order for the Shire to be financially sustainable it needs to fund ongoing service delivery and the replacement of assets without imposing excessive debt or rate increases on future generations; in other words it needs to maintain intergenerational equity.

The key financial sustainability principles are-

1. The Shire must achieve a fully funded operational position; that is, it must collect sufficient revenue to fund operational expenditure, depreciation and interest on borrowings.
2. The Shire needs to ensure that it maintains sufficient cash reserves to meet its short-term working capital requirements.
3. The Shire must have a fully funded Capital Infrastructure Program, where each source of funding is identified and secured. The Capital Infrastructure Program is for both capital renewal and new projects.
4. The Shire must maintain its asset base, through the renewal of aging infrastructure and build on its cash reserves to fund future works.

### 5.2 HOW IS LONG TERM FINANCIAL SUSTAINABILITY MEASURED

One of the elements in assessing financial sustainability is to measure the operating surplus or deficit of a local government. The Table below analyses the Shire's Statement of Comprehensive Income for 2018-19 (Budget) and includes adjustments detailed in section 3.1.

	2018-19 Budget
Net Operating Result	(\$2,839,958)
Own Source Revenue	\$7,873,198
Operating Surplus Ratio	(36.1%)

The table above shows that the Shire has a negative funding ratio. Councils' long term financial sustainability is dependent upon ensuring that, on average over time, its expenses are less than its associated revenues.

The Shire, in developing its Long Term Financial Plan, needs to set targets over the life of the Plan to ensure that current residents fully meet the cost of services provided to them by the Shire. The Shire will also need to undertake reviews in order to identify efficiency gains, revenue generation, change in service levels, introduction of new services, discontinuation of existing services, and new modes of service delivery.

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## 6.0 FINANCIAL PRINCIPLES AND STRATEGIES

### 6.1 FINANCIAL PRINCIPLES

In preparing the Long Term Financial Plan, the following principles have been applied.

- ⇒ Council to maintain its existing services and service levels to residents.
- ⇒ The Council to maintain its capacity to fund recurrent operations and a positive net operating ratio over the life of the Plan.
- ⇒ Council to maintain identified assets in a condition that will sustain existing service levels to its residents.
- ⇒ Council to continually explore options for increasing revenue opportunities.
- ⇒ New services and infrastructure to be provided when they are affordable.
- ⇒ Borrowings not to be used to fund ongoing operations.

### 6.2 FINANCIAL STRATEGIES

#### 6.2.1 Rating Strategy

In developing the Long Term Financial Plan rates were identified as an important source of revenue, accounting for approximately 65% of the total operating revenue received by the Shire annually, (based on the 2018-19 annual Budget Rates Levied of \$4,005,853 divided by the total operating revenue of \$8,619,201<sup>4</sup>).

However, it is necessary to balance the importance of the rate revenue as a funding source with community capacity and sensitivity to increases. The Australian Bureau of Statistics provides the following information in relation to the Shire of Gnowangerup local government area.

STATISTIC	2013	2014	2015	2016	2017
No. of Taxable Individuals – Gnowangerup Local Government Area	604	633	645	599	N/A
Average Taxable Income Individuals – Gnowangerup Local Government Area	\$53,072	\$70,837	\$74,165	\$62,546	N/A
Average Taxable Income Individuals – Wheatbelt	\$52,257	\$57,601	\$60,348	\$56,627	N/A
Average Taxable Income Individuals – Western Australia	\$67,820	\$69,445	\$70,354	\$69,133	N/A

<sup>4</sup> This figure included a Natural Disaster Reimbursement of \$3,365,000, which has inflated the total revenue for the 2018/19 year.

The average taxable income for the Gnowangerup local government area is higher than the average for the Wheatbelt Statistical Area, but lower than the average for the State.

The following table shows the rate in the dollar, and the minimum rate, adopted for the last 6 years.

YEAR	RATES				
	UV RATE IN \$	GRV RATE IN \$	MINIMUM UV	MINIMUM GRV	TOTAL RATES RAISED
2013-14	\$0.010021	\$0.121604	\$600	\$600	\$2,871,384
2014-15	\$0.010825	\$0.131332	\$648	\$648	\$3,101,110
2015-16	\$0.010887	\$0.139212	\$687	\$687	\$3,296,154
2016-17	\$0.011540	\$0.147565	\$700	\$700	\$3,494,454
2017-18	\$0.010794	\$0.152730	\$714	\$714	\$3,618,572
2018-19 <sup>5</sup>	\$0.011010	\$0.151769	\$750	\$750	\$3,797,395

The following table shows rate increases over the last 6 years.

YEAR	PERCENTAGE INCREASES/(DECREASES)				
	UV RATE IN \$	GRV RATE IN \$	MINIMUM UV	MINIMUM GRV	TOTAL RATES
2013-14	5.60%	(9.39)%	4.35%	4.35%	5.81%
2014-15	8.02%	8.00%	8.00%	8.00%	8.00%
2015-16	0.57%	6.00%	6.02%	6.02%	6.29%
2016-17	6.00%	6.00%	1.89%	1.89%	6.02%
2017-18	(6.46)%	3.50%	2.00%	2.00%	3.55%
2018-19	2.00%	(0.63)%	5.04%	5.04%	4.94%
<b>Average Increase</b>	<b>2.62%</b>	<b>2.25%</b>	<b>4.55%</b>	<b>4.55%</b>	<b>5.77%</b>

The average rates per category for the last 5 financial years are detailed in the tables below.

<sup>5</sup> The 2018-19 figures are adopted budget figures.



GRV RATE CATEGORY	No. OF PROPERTIES	AVERAGE RATES P.A.	MINIMUM RATES	
			No. OF PROPERTIES	MINIMUM RATE
2014-15	374	\$1,101	112	\$648
2015-16	381	\$1,174	106	\$687
2016-17	388	\$1,235	105	\$700
2017-18	388	\$1,278	104	\$714
2018-19	366	\$1,399	131	\$750

GRV CONCESSION RATE CATEGORY	No. OF PROPERTIES	AVERAGE RATES P.A.	MINIMUM RATES	
			No. OF PROPERTIES	MINIMUM RATE
2014-15	4	\$1,997	1	\$648
2015-16	4	\$2,275	1	\$687
2016-17	4	\$2,412	1	\$700
2017-18	4	\$2,497	1	\$714
2018-19	4	\$2,175	1	\$750

UV RATE CATEGORY	No. OF PROPERTIES	AVERAGE RATES P.A.	MINIMUM RATES	
			No. OF PROPERTIES	MINIMUM RATE
2014-15	356	\$7,273	28	\$648
2015-16	357	\$7,697	27	\$687
2016-17	358	\$8,143	23	\$700
2017-18	355	\$8,501	25	\$714
2018-19	352	\$9,002	24	\$750

The table below shows the average rate level per annum, inclusive of the minimum rate.

YEAR	AVERAGE RATES P.A.	PERCENTAGE OF AVERAGE TAXABLE INCOME
2014-15	\$3,544	5.69%
2015-16	\$3,763	6.03%
2016-17	\$3,975	6.38%
2017-18	\$4,126	6.60%
2018-19	\$4,349	6.95%

The Shire of Gnowangerup rate in the dollar for the 2018-19 financial year can be further compared to neighbouring local governments, as detailed in the table below:

RATE	GNOWANGERUP	ALBANY	BROOMEHILL-TAMBELLUP	CRANBROOK	JERRAMUNGUP	KATANNING	PLANTAGENET
GRV RiD	\$0.151769	\$0.100196	\$0.107682	\$0.122799	\$0.098991	\$0.102450	\$0.114970
UV RiD	\$0.011010	\$0.004388	\$0.009387	\$0.009110	\$0.011087	\$0.010401	\$0.008694
Minimum Rate GRV	\$750	\$1,021	\$475	\$605	\$679	\$991	\$900
Minimum Rate UV	\$750	\$1,103	\$475	\$605	\$801	\$991	\$900

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## 6.2.2 Cash Investments

Section 6.14 of the Local Government Act 1995 provides that money held in the Municipal Fund or the Trust Fund of a local government that is not required for any other purpose may be invested in accordance with Part III of the Trustees Act 1962. of The *Local Government (Financial Management) Regulations 1996* provides for the establishment of internal control procedures for the control of investments, and disclosure requirements in the Annual Budget and the Annual Financial Report. Additional disclosure requirements are provided under the *Australian Accounting Standards*.

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### 6.2.2.1 Shire's Investment Policy

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**Objective:** The purpose of this policy is to establish criteria for the investment of Council funds by the Shire of Gnowangerup Officers. The aim of the policy is to;

- Ensure that the protection of Council funds when investing is a priority;
- Increase the level of return for investment of Council funds;
- Provide reporting requirements for staff to Council.

**Procedure:**

Officers are to invest funds on behalf of Council to ensure the best return for its investment with the following criteria:

1. Investments are only to be made with -
  - (i) an authorised deposit-taking institution as defined in the Banking Act 1959 (Commonwealth) section 5; or
  - (ii) The Western Australian Treasury Corporation established by the Western Australian Treasury Corporation Act 1986.
2. An appropriate cash flow is to be maintained for the continued good management of the Council.
3. Records of investment particulars are to be maintained in line with the Accounting Directions and details of investments are presented to Council as part of the Monthly Financial Report.
4. Investments that are not allowed are –
  - (i) Deposits with an institution except an authorised institution;

- (ii) Deposits for a fixed term of more than 12 months;
  - (iii) Bonds that are not guaranteed by the Commonwealth Government, or a State or Territory Government;
  - (iv) Bonds with a term to maturity of more than 3 years;
  - (v) Foreign currency
5. Approved forms of investments are Term Deposits and Cash Management funds.
  6. Any deviation from policy is to be approved by Council.

Investments for the purposes of this policy are defined as:

Any Council funds not held within Council's Municipal fund, Trust fund or Reserve account.

Future investments are also subject to annual budget requirements and are subject to Council adopting the annual budget.

Interest received on investments is received on two types of funding-

- ⇒ Municipal fund revenues raised through the year from all sources of revenue, excluding Reserve Funds.
- ⇒ Restricted investments held until expended.

The interest the Shire earns on Municipal Fund revenue is untied and forms part of Council's consolidated revenue for distribution across the services it provides.

#### 6.2.2.2 Impact on Interest Earned

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Council's current investments are held in term deposits. Council has chosen to remain conservative in forecasting interest rates for investments and has set a forecast rate of 3.0%.

#### 6.2.3 Fees and Charges

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Council has the ability to raise revenue through the adoption of fees and charges for services and facilities. Fees and charges are reviewed on an annual basis, in conjunction with the preparation of the Annual Budget.

In determining its fees and charges, the Shire takes into account the user's capacity to pay. The Council has set a forecast rate of 3.0% per year for increases in fees and charges.

## 6.2.4 Grants

The Commonwealth Government provides the following grants to local government:

1. Financial Assistance Grants (FAG's); and
2. Roads to Recovery Grants (R2R).

### 6.2.4.1 Financial Assistance Grants

The Financial Assistance Grants are distributed by the WA Local Government Grants Commission to local governments each year based on the principles established under the Commonwealth legislation. The general purpose grant and the road grant components are untied.

#### 6.2.4.1.1 General Purpose Grant Component

The Commission uses a “balanced budget” approach for calculating the general purpose grants. The balanced budget is calculated as follows:

$$\text{Equalisations Requirement} = \text{Assessed Expenditure} - \text{Assessed Revenue}$$

Natural weighting has been implemented in calculating the balanced budget, which ensures that the Commission bases its calculations on actual expenditure incurred and actual revenue generated by the local governments. The total allocation for each disability is determined by the Commission based its assessed impact on the local government. This approach has been applied to the 2015-16 grant determinations.

$$\text{Actual Expenditure} = \text{Assessed Expenditure} = \text{Preliminary Standard} + \text{Disabilities}$$

The Table below details the forecast general purpose grant for the Shire based on 2% indexation.

	BUDGET	FORECAST									
GENERAL PURPOSE GRANT	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Gnowangerup	339,684	749,895	768,642	789,780	813,473	837,877	863,014	888,904	915,571	943,038	971,330

**Note:** The actual/budget grant amount received by the Shire in 2018/19 differs from other financial years as a result of advance payment made by the WA Local Government Grants Commission in 2017/18.

#### 6.2.4.1.2 Local Road Grant Component

In addition to general purpose grants, local governments also receive general purpose local road grants from the Commonwealth Government, which are untied.

The current allocation methodology provides for 7% of the funding to be allocated for special projects; one third for roads servicing Aboriginal communities and two thirds for bridge works.

The remaining 93% of the funding pool is distributed by the Commission using the “Asset Preservation Model”. This model is used to assess the cost of maintaining each local government’s road network, and has the ability to equalise road standards through the application of minimum standards. It takes into account annual and recurrent maintenance costs and the costs of reconstruction at the end of the road’s useful life. The Table below details the forecast local road grant for the Shire of Gnowangerup based on 2% indexation.

	BUDGET	FORECAST									
LOCAL ROAD GRANT	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Gnowangerup	272,858	632,933	648,757	666,598	686,596	707,193	728,409	750,261	772,769	795,952	819,831

**Note:** The actual/budget grant amount received by the Shire in 2018/19 differs from other financial years as a result of advance payment made by the WA Local Government Grants Commission in 2017/18.

#### 6.2.4.2 Roads to Recovery Grants

The Roads to Recovery Program was first implemented in 2000, with two extensions to the Funding Program in 2004 and 2009. It was introduced to address the issue of local road infrastructure in Australia reaching the end of its useful life, and its replacement being beyond the financial capacity of local governments. The Roads to Recovery Program operates uniformly across Australia. Under current arrangements, each local government is guaranteed a share of the total available funding under the program. Under simple administrative procedures whereby spending decisions are made locally and reported to the government, money is paid directly from the Commonwealth Government to each local government.

Grants provided under the Roads to Recovery Program are not intended to replace the local government’s spending on roads, or the funding received from the WA State Government for local road construction and maintenance. Its focus is the renewal of roads to meet safety, transport connectivity, social and economic needs. The current funding program spans five financial years, expiring on 30 June 2019.

The Table below details the level of funding anticipated for the Shire of Gnowangerup over the next five years.

ROADS TO RECOVERY	ACTUAL					FORECAST				
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gnowangerup	288,576	824,639	666,605	577,135	276,172	296,000	296,000	296,000	296,000	296,000

#### 6.2.4.3 State Road Funds to Local Government

To assist Local Government in road management, the State provides road funds for a number of programs administered by the State Road Funds to Local Government Advisory Committee.

There are three main categories of State funding for local government roads:

1. Category 1 - Local Government Program
2. Category 2 - Main Roads WA Program
3. Category 3 - State Initiatives Program

Category 1 only requires analysis as it is the only component where funding is provided to local government.

There are three sub-components to Category 1:

1. Strategic and Technical support;

Strategic and technical support covers work for local government, the costs of which cannot be related to a project, and includes road management services for local government roads on either a State or Regional road basis. There is no funding provided to local government under this component.

2. Direct Grants;

Direct Grants are provided annually to all Local Governments. The State Road Funds to Local Government Advisory Committee, using the Asset Preservation Model provided by the Western Australian Local Government Grants Commission, calculates Direct Grant allocations each year. Given that the allocation is based on the Asset Preservation Model, it is anticipated that the level of direct grant funding will remain at a similar level for the next six years.

3. Road Project Grants.

Each local government in Western Australia is included in an appropriate region as defined by the State Road Funds to Local Government Advisory Committee, known as Regional Road Groups.

The State Road Funds to Local Government Advisory Committee allocates funds for road projects to each Regional Road Group. Allocations are based on a five year program. Each year, the State Road Funds to Local Government Advisory Committee provides Regional Road Groups with an indicative funding level for Road Project Grants.

Road Project Grants may be used for road related works (i.e.: street lighting) that the Regional Road Group wishes to undertake, provided it is assessed and prioritised against other road projects in the region and the State Road Funds to Local Government Advisory Committee approval is given.

The Regional Road Group will determine project priorities and Local Governments shall accept these funding priorities.

RRG FUNDING	ACTUAL					FORECAST				
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gnowangerup	98,453	123,000	270,000	196,000	452,000	306,667	290,000	286,667	286,667	200,000

#### 6.2.4.4 Other Grants and Capital Contributions

No additional grants and contributions have been incorporated in the Long Term Financial Plan.

#### 6.2.5 Borrowings

The Shire will be prudent and fiscally responsible when considering any proposals for new debt to deliver Council's objectives.

The Plan contains no new borrowings.

For further information on existing Borrowings, please see Section 9.3.7 of this Plan.

#### 6.2.6 Reserves (Cash Backed)

Section 6.11 of the *Local Government Act 1995* allows a local government to set aside money for use for a purpose in a future financial year. The local government is to establish and maintain a reserve account for each such purpose.

The Shire has established the following reserve funds:

- Leave Reserve** - To be used to fund annual and long service leave requirements.
- Plant Replacement Reserve** - To be used to fund the purchase of major items of plant.
- Land Development and Building Maint Reserve** - To be used to fund the purchase of land and buildings, and building renewals.
- Ongerup Effluent Reserve** - To be used to fund the maintenance and renewal of the Ongerup Effluent System.



- Area Promotion Reserve** - To be for the promotion of the Shire of Gnowangerup.
- Swimming Pool Upgrade Reserve** - To be used to assist with the upgrade of the Gnowangerup Swimming Pool.
- Computer Replacement Reserve** - To be used to fund the maintenance and replacement of the administration computer system.
- Waste Disposal Reserve** - To be used to fund waste disposal in the Shire, including rehabilitation, transfer stations and post closure of sites.
- Future Funds Reserve** - To be used for contributions towards major externally grant funded projects and programs within the Shire.
- Gnowangerup Liquid Waste Facility Reserve** - To be used for the maintenance and improvement of the Gnowangerup Liquid Waste Facility.

RESERVE NAME	OPENING BALANCE 01/07/2019	INTEREST	TRANSFER TO RESERVE	TRANSFER FROM RESERVE	CLOSING BALANCE 30/6/2020
Leave Reserve	85,230	1,705	0	0	86,935
Plant Replacement Reserve	696,284	13,926	100,000	(350,000)	460,210
Land Development and Building Maintenance Reserve	18,477	370	0	0	18,847
Ongerup Effluent Reserve	65,370	1,307	10,000	0	76,677
Area Promotion Reserve	30,019	600	0	(25,000)	5,619
Swimming Pool Upgrade Reserve	208,260	4,165	56,000	(30,000)	238,425
Computer Replacement Reserve	7,925	159	0	0	8,084
Waste Disposal Reserve	243,580	4,872	0	0	248,452
Future Funds Reserve	16,133	323	0	0	16,456
Gnowangerup Liquid Waste Facility Reserve	31,229	625	9,500	0	41,354
	<b>1,402,507</b>	<b>28,050</b>	<b>175,500</b>	<b>(405,000)</b>	<b>1,201,057</b>

Cash-backed reserves are projected to increase by \$2,685,937 to \$3,886,994 by 2028-29. Projected Cash Reserve balances over the life of the Plan are detailed in Appendix “3”.

### 6.2.7 Budget Surpluses

Section 6.34 of the *Local Government Act 1995* restricts local governments on the surplus or deficit they are permitted to carry forward to not more than 110%, or not less than 90%, of the total budget deficiency to be made up from rates. The Shire in 2018-19 budgeted for a surplus of \$0. In compiling this Long Term Financial Plan, a similar ‘balanced budget’ approach has been used.

## 6.2.8 Capital Investments

The following table summarises the capital works program by Asset Class during the life of this Plan.

ASSET CLASS	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Roads	1,318,171	1,317,194	1,234,674	1,314,802	1,521,983	1,742,676	1,390,988	1,486,995	1,622,963	1,491,390
Footpaths	0	6,000	18,000	20,000	20,000	20,000	0	0	0	0
Aerodromes	0	0	0	0	0	0	0	0	0	200,000
Drainage	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Sewerage	10,000	0	0	0	0	0	0	0	0	0
Parks and Ovals	5,570	93,000	5,570	0	6,253	0	5,570	0	5,570	0
Solid Waste	8,000	45,000	0	45,000	0	25,000	20,000	25,000	20,000	25,000
Other	50,000	0	0	150,000	0	0	0	0	0	0
Land & Buildings	36,285	123,050	69,337	208,862	80,167	209,230	181,061	74,434	219,727	0
Plant & Equipment	797,000	869,000	788,000	415,000	547,000	463,500	473,000	602,000	705,000	307,000
Furniture & Equipment	13,000	45,000	0	15,000	0	0	45,000	0	15,000	0
<b>TOTAL</b>	<b>2,243,726</b>	<b>2,503,244</b>	<b>2,120,581</b>	<b>2,173,664</b>	<b>2,180,403</b>	<b>2,465,406</b>	<b>2,120,619</b>	<b>2,193,429</b>	<b>2,593,260</b>	<b>2,028,390</b>

More comprehensive detail on the forecast capital works over the life of this plan is attached at Appendix "2".

## 7.0 WORKFORCE PLANNING

The Shire's Workforce Plan ensures that the right people with the right skills are in the right place, at the right time, at the right cost. The Plan provides a disciplined approach for matching human resources with the anticipated needs of the local government.

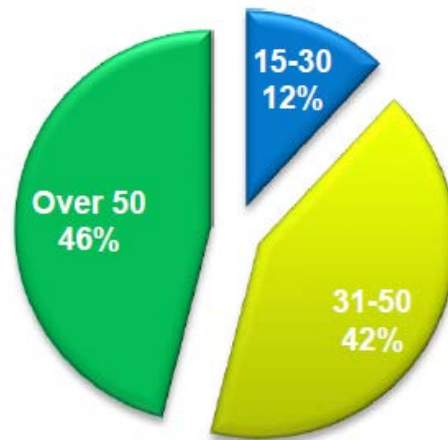
The most critical risk to the Shire is losing trained professional staff and managers. Currently the workforce is stable due to recent robust attraction and recruiting processes in the Administration area.

There are no new significant workforce competencies required over the four year period of the Workforce Plan. The most significant workforce resourcing issues are historical and continue to be attracting and retaining skilled and competent personnel to a remote, rural location of WA.

The Shire of Gnowangerup accepts that due to its location and reputation, skills shortage will exist from time to time and managing those with short term outsourcing is an accepted and embraced practice to deliver the services to the community at the level of service expected by the community.

### 7.1 CURRENT WORKFORCE BY AGE GROUP

The age groups of the current workforce are as follows.



## 7.2 STAFFING LEVELS

The Table below details the projected workforce levels.

DESCRIPTION	CURRENT WORKFORCE LEVELS FTE'S	FORECAST STAFF NUMBERS		
		1 YEAR FTE	3 YEAR FTE	5 YEAR FTE
Total No. of Employees	30.18	30.18	30.18	30.18
- Internal Workforce	9.14	9.14	9.14	9.14
- External Workforce	21.04	21.04	21.04	21.04
- Males	18.61	18.61	18.61	18.61
- Females	11.57	11.57	11.57	11.57
Terminations/Resignations				
- Percentage	6.6%	7%	7%	7%
- Numbers	2	2	2	2

## 7.3 FORECAST GROWTH IN LABOUR COSTS

The labour costs forecasts are outlined in the table below.

INDICATOR	FORECASTS				
	2019-20	2020-21	2021-22	2022-23	2023-24
Wage Price Index (WPI)	2.75%	3.00%	3.00%	3.00%	3.00%

## 8.0 LONG TERM FINANCIAL PLAN – SCENARIO MODELLING

The three scenario models proposed in this plan consider the range and level of service, workforce planning and asset management requirements, and capital works programs. The Council's Strategic Community Plan has identified community aspirations over the long term and the models provide the community with and understanding of the outcomes based on different assumptions.

### 8.1 SCENARIO 1 (BASE)

This model provides for:

- ⇒ No change in the range and level of services;
- ⇒ Roads to Recovery grants continuing for the life of the Plan;
- ⇒ Balanced budgets or small surpluses across the life of the Plan;
- ⇒ An affordable capital works program;
- ⇒ Rate increases to be set at 6.0% per annum for the first 4 years of the Plan, reducing to 4.0% per annum for the remainder of the plan;

The findings in relation to this model are as follows:

- ⇒ The liquidity of the Shire, after deducting restricted assets (cash backed reserves), for the first two years of the Plan will be below the benchmark of 100%, but will gradually improve over the life of the Plan to be 200% by 2028-29.
- ⇒ The operating surplus ratio over the forecast period moves from (30%) in 2019-20 to (12%) by 2028-29, well below the Basic Standard of financial performance according to the Department of Local Government's ratio guidelines.
- ⇒ The Own Source Revenue Coverage Ratio increases from 62% to 72% over the life of the Plan, giving an Intermediate Standard coverage ratio.
- ⇒ The Shire will have retired the majority of its debt by the end of the Plan.
- ⇒ Over the life of the Plan, the Shire is spending more on capital renewal expenditure, with investment levels varying from year to year between 64% – 90%.
- ⇒ The consumption of the Shire's asset base is tracking slightly downwards, and falls below 80% by Year 2026-27.
- ⇒ The Asset Renewal Funding Ratio is 67% for the 10 years of the plan.

## 8.2 SCENARIO 2 (BEST CASE)

This model provides for:

- ⇒ No change in the range and level of services;
- ⇒ Roads to Recovery grants being available for the life of the Plan;
- ⇒ An affordable capital works program;
- ⇒ Forecast surpluses across each year of the Plan;
- ⇒ Rate increases to be set at 6.0% per annum for the term of the plan.

The findings in relation to this model are as follows:

- ⇒ The liquidity of the Shire after deducting restricted assets (cash backed reserves) is projected to improve over the life of the Plan, attaining 7.33 by 2028-29, meaning that additional funds will be available for infrastructure investment;
- ⇒ The operating surplus ratio over the forecast period moves from (30%) in 2019-20 to (1%) by 2028-29, just below the Basic Standard of financial performance according to the Department of Local Government's ratio guidelines;
- ⇒ The Shire has sufficient funds to meet its obligations;
- ⇒ The Own Source Revenue Coverage Ratio increases from 62% to 79% over the life of the Plan, giving an Intermediate Standard coverage ratio;
- ⇒ The Shire will have retired the majority of its debt by the end of the Plan;
- ⇒ Over the life of the Plan, the Shire is spending more on capital renewal expenditure, with investment levels varying from year to year between 74% – 101%;
- ⇒ The consumption of the Shires asset base is tracking slightly downwards, and falls below 80% by Year 9;

### 8.3 SCENARIO 3 (WORST CASE)

This model provides for:

- ⇒ No change in the range and level of services;
- ⇒ Roads to Recovery grants being available for the life of the Plan;
- ⇒ Rate increases to be set at 4.0% per annum for the first 5 years of the plan, and then reducing to 3% for the remainder of the plan.

The findings in relation to this model are as follows:

- ⇒ The liquidity of the Shire, after deducting restricting assets (cash backed reserves), from 2019-20 onwards would deteriorate, meaning that the Shire would be well below the benchmark of 100% by 2028-29;
- ⇒ The operating surplus ratio over the forecast period moves from (30%) in 2019-20 to (22%) by 2028-29, well below the Basic Standard of financial performance according to the Department of Local Government's ratio guidelines;
- ⇒ The Shire will not have sufficient funds to meet its obligations, requiring the Shire to explore cost reduction measures or reduce capital expenditure;
- ⇒ The Own Source Revenue Coverage Ratio increases from 62% to 66% over the life of the Plan, giving an Intermediate Standard coverage ratio;
- ⇒ The Shire will have retired the majority of its debt by the end of the Plan;
- ⇒ Over the life of the Plan, the Shire is spending less on capital renewal expenditure, with investment levels reducing from year to year;
- ⇒ The consumption of the Shires asset base is tracking slightly downwards, and falls below 80% by Year 8;

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## 9.0 LONG TERM FINANCIAL PLAN ASSUMPTIONS

In preparing the Long Term Financial Plan (LTFP), the 2018-19 Annual Budget has been used as the forecasting base, together with the following assumptions.

### 9.1 EXTERNAL INFLUENCES

- ⇒ Cost indices (i.e. Consumer Price Index (CPI), Local Government Cost Index (LGCI), and Wage Price Index (WPI));
- ⇒ Government grants from the Commonwealth and State governments;
- ⇒ Prevailing economic conditions impacting the financial markets for the investment and borrowing of funds; and
- ⇒ Demand for Shire services.

### 9.2 INTERNAL INFLUENCES

- ⇒ Budget surplus/deficit for the 2018-19 financial year; and
- ⇒ Shire workforce requirements (i.e. staff turnover, employment contract negotiations, wages and salary increases).

### 9.3 ASSUMPTIONS

#### 9.3.1 Population Growth

Section 2.3 of this Plan details that the Shire's projected population of 1,284 will remain relatively constant people over the life of the Plan.

It is considered that the Shire's current services and facilities will cater for the projected populations needs.

#### 9.3.2 Cost Indices

##### 9.3.2.1 Consumer Price Index

The projected Consumer Price Index (CPI) increases for the next 10 years are estimated as follows:

COST INDEX	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
CPI	2.00%	2.50%	2.75%	3.00%	3.00%	3.00%	3.25%	3.50%	3.50%	3.50%

The forecast CPI is to be utilised in the financial modelling of the following:

- ⇒ Revenues, excluding rates, specific grants and interest on investments; and
- ⇒ Expenditures, excluding wages and salaries.

### 9.3.2.2 Local Government Cost Index

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Indicative forecasts for the Local Government Cost Index (LGCI) are detailed below:

COST INDEX	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
LGCI	2.10%	2.30%	2.75%	3.00%	3.00%	3.00%	3.25%	3.50%	3.50%	3.50%

### 9.3.2.3 Wage Price Index and Enterprise Bargaining Agreement

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Salary and wages increases over the life of the Plan have been estimated as follows:

COST INDEX	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Wage Price Index	2.75%	3.00%	3.00%	3.00%	3.00%	3.25%	3.50%	3.50%	3.50%	3.50%



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### 9.3.5 Fees and Charges

Section 6.2.3 details the forecasted increase of Council controlled fees and charges by 3.0% per annum.

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### 9.3.6 Grants

Please refer to Section 6.2.4 of this Plan for forecasts relating to grant funding.

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### 9.3.7 Loan Borrowings

#### 9.3.7.1 Current Borrowings

The Shires current loan borrowings are as follows.

LOAN NO.	PURPOSE	INTEREST RATE	TERM OF LOAN	EXPIRY DATE	YEARS REMAINING	PRINCIPAL OUTSTANDING 2018/19
273	Gnowangerup Community Centre	6.18%	15	18/05/2026	10	\$144,870
275	Gnowangerup Sporting Complex	4.06%	10	30/05/2022	6	\$61,778
276	Borden Pavilion	4.06%	10	30/05/2022	6	\$27,457
277	GROH Housing	4.20%	10	04/04/2022	6	\$262,956
278	Borden Pavilion	4.29%	10	04/04/2023	7	\$73,138
279	Gnowangerup Sports Synthetic Surface	4.23%	15	04/06/2028	12	\$179,652
280	Staff Housing	4.00%	10	01/01/2030	10	\$367,500

The loan repayments as disclosed in the debenture schedules have been incorporated into the financial modelling.

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#### 9.3.7.2 New Borrowings

Section 6.2.5 of this Plan details that no new loans are proposed over the life of the Plan. The indicative interest rates to be used in calculating the interest costs are as follows.

FINANCIAL INSTITUTION	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
WA Treasury Corporation	3.40%	3.47%	3.54%	3.60%	4.00%	4.50%	5.00%	5.50%	6.00%	6.00%

Appendix 4 provides more details on the loan repayments over the life of this Plan.

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### 9.3.8 Type and Range of Services

Section 3.2 of this Plan states that all current services will continue to be delivered for the life of this Plan.

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### 9.3.9 Asset Renewal Funding Levels

Section 4.2 of this Plan details that the Shire has a medium term (ten years) estimated asset renewal funding requirement of \$29,720,000, or \$2,972,000 per annum.

Based on the Shire's asset portfolio of \$119.3m of depreciable assets, and initial asset data, modelling in 2015-16 indicated the Shire would need to spend an average of \$2.972m on asset renewals. In 2015-16, the Shire was only spending \$0.814M on asset renewals. The estimated asset renewal funding gap was \$2.157m per annum.

Further refinement of the LTFP modelling for 2019-20 to 2028-29, and targeted funding allocations towards capital renewal expenditure, shows an increase in the average annual asset renewal expenditure to \$2.24M per annum. This has resulted in a reduction in the asset renewal funding gap of \$1.42M, to \$0.73m per annum. As asset data collection improves for all asset classes, it is expected that further improvements in the asset renewal funding gap will be achievable.

Further data needs to be collected to allow Council to develop an advanced understanding of its asset portfolio and accurately identify its renewal funding gap.

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### 9.3.10 Balanced Budget Approach

The Long Term Financial Plan has been prepared on the basis that either a balanced budget, or small surpluses, will be achieved for each year of the Plan if the Base Scenario is followed.

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### 9.3.11 Cash Reserves

The Shire will continue to prudently manage its cash reserves to ensure that appropriate levels of funds are maintained to meet future commitments.

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### 9.3.12 Depreciation

The Shire calculates depreciation on a straight line basis and utilises the following depreciation periods.

ASSET CLASS	DEPRECIATION RATE
Buildings (Specialised and Non-Specialised)	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed Roads	
- Formation	Not depreciated
- Pavement	50 Years

ASSET CLASS	DEPRECIATION RATE
- Seal	
Bituminous seals	20 Years
Asphalt surfaces	25 Years
Gravel Roads	
- Formation	Not depreciated
- Pavement	50 Years
Formed Roads	
- Formation	Not depreciated
- Pavement	50 Years
Footpaths - Slab	5 to 50 Years
Drainage assets	5 to 50 Years
Parks and ovals assets	5 to 50 Years
Other infrastructure assets	5 to 50 Years
Sewer assets	5 to 50 Years
Airport assets	5 to 50 Years
Solid waste assets	5 to 50 Years

Whilst the financial modelling has incorporated the above rates of depreciation, it has not taken into account the impact of any revaluations of assets.

More detail on depreciation allocations over the life of this plan can be found at Appendix "5".

## 10.0 RATIO ANALYSIS AND LONG TERM SUSTAINABILITY

The ratios are an industry accepted measure of financial health. This section summarises the financial ratio results for each of the 3 models presented in this Plan.

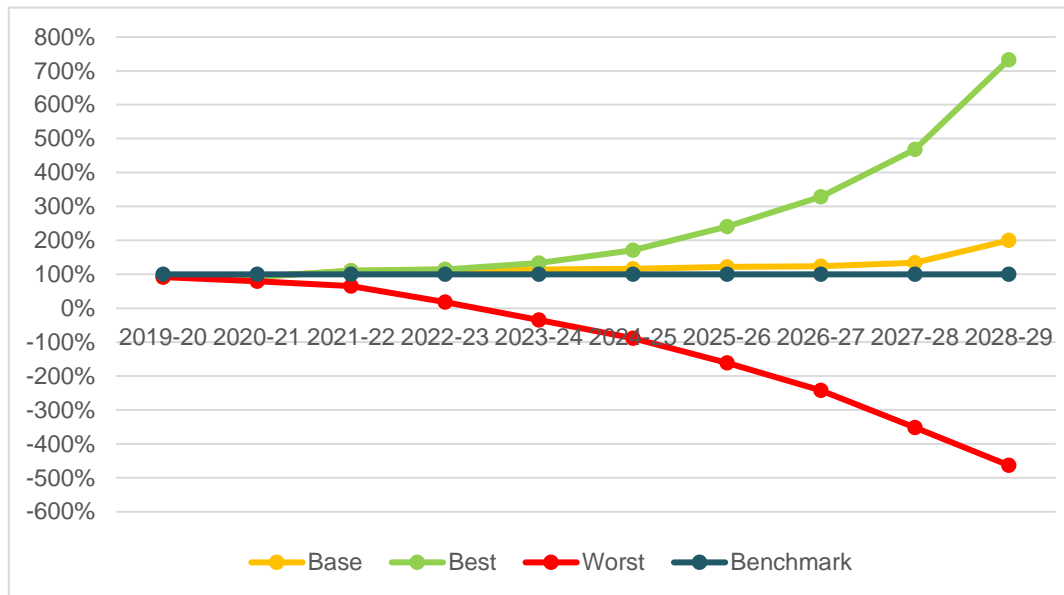
### 10.1 CURRENT LIQUIDITY RATIO

This is a measure of a local government's liquidity and its ability to meet its short term financial obligations out of unrestricted current assets. It is measured as:

$$\frac{\text{Current Assets less Restricted Assets}}{\text{Current Liabilities less Current Liabilities associated with Restricted Asset}}$$

Target – Standard not met if ratio is lower than 1:1 (less than 100%)  
Standard is met if ratio is greater than 1:1 (100% or greater)

FORECAST	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Base	0.92:1	0.80:1	0.79:1	0.78:1	0.94:1	0.96:1	0.97:1	0.87:1	0.70:1	0.36:1
Best	0.92:1	0.80:1	0.79:1	0.78:1	0.94:1	0.96:1	1.47:1	1.97:1	2.57:1	3.12:1
Worst	0.92:1	0.80:1	0.65:1	0.18:1	(0.35):1	(0.88):1	(1.61):1	(2.42):1	(3.52):1	(4.63):1



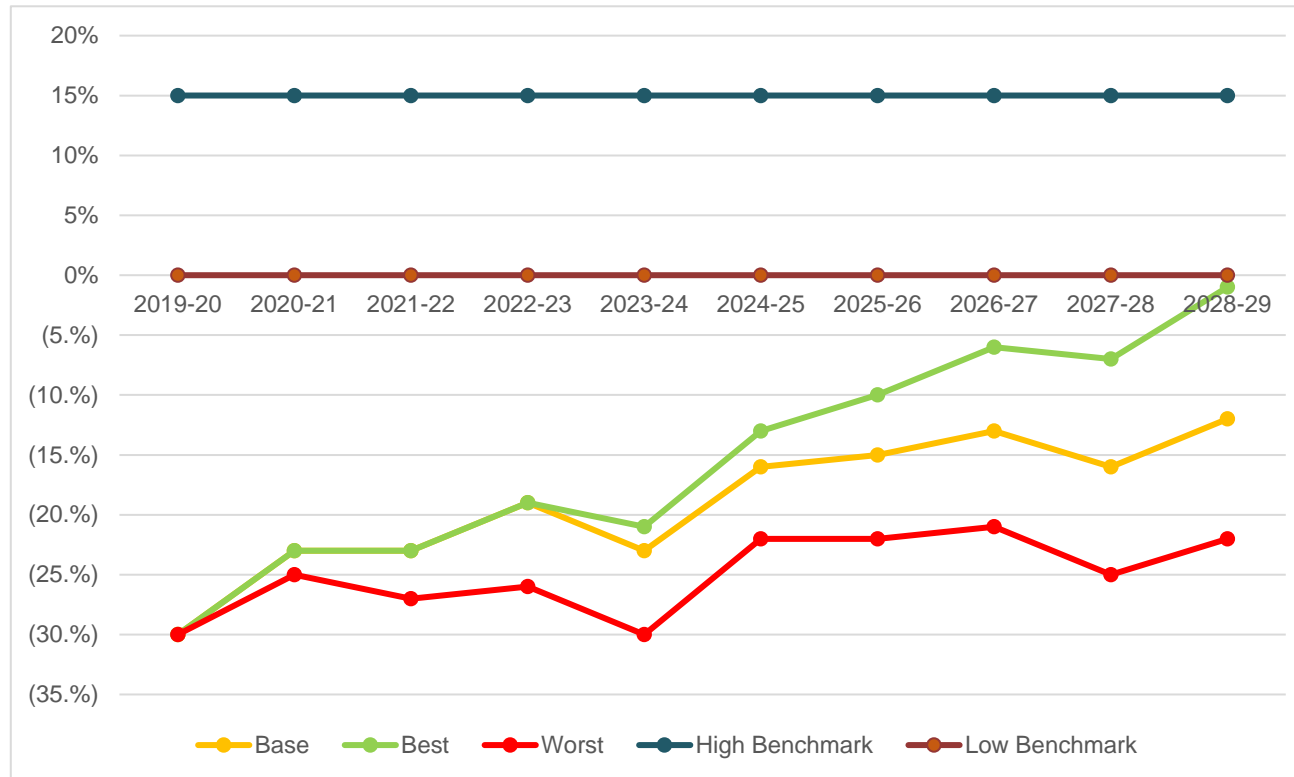
## 10.2 OPERATING SURPLUS RATIO

This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes. It is measured as:

$$\frac{\text{Operating Revenue (excludes non-operating revenue) less Operating Expenses}}{\text{Own Source Revenue}}$$

Target – Between 1% and 15% Basic Standard  
Greater than 15% Advanced Standard

FORECAST	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Base	(30.%)	(23.%)	(23.%)	(19.%)	(23.%)	(16.%)	(15.%)	(13.%)	(16.%)	(12.%)
Best	(30.%)	(23.%)	(23.%)	(19.%)	(21.%)	(13.%)	(10.%)	(6.%)	(7.%)	(1.%)
Worst	(30.%)	(25.%)	(27.%)	(26.%)	(30.%)	(22.%)	(22.%)	(21.%)	(25.%)	(22.%)





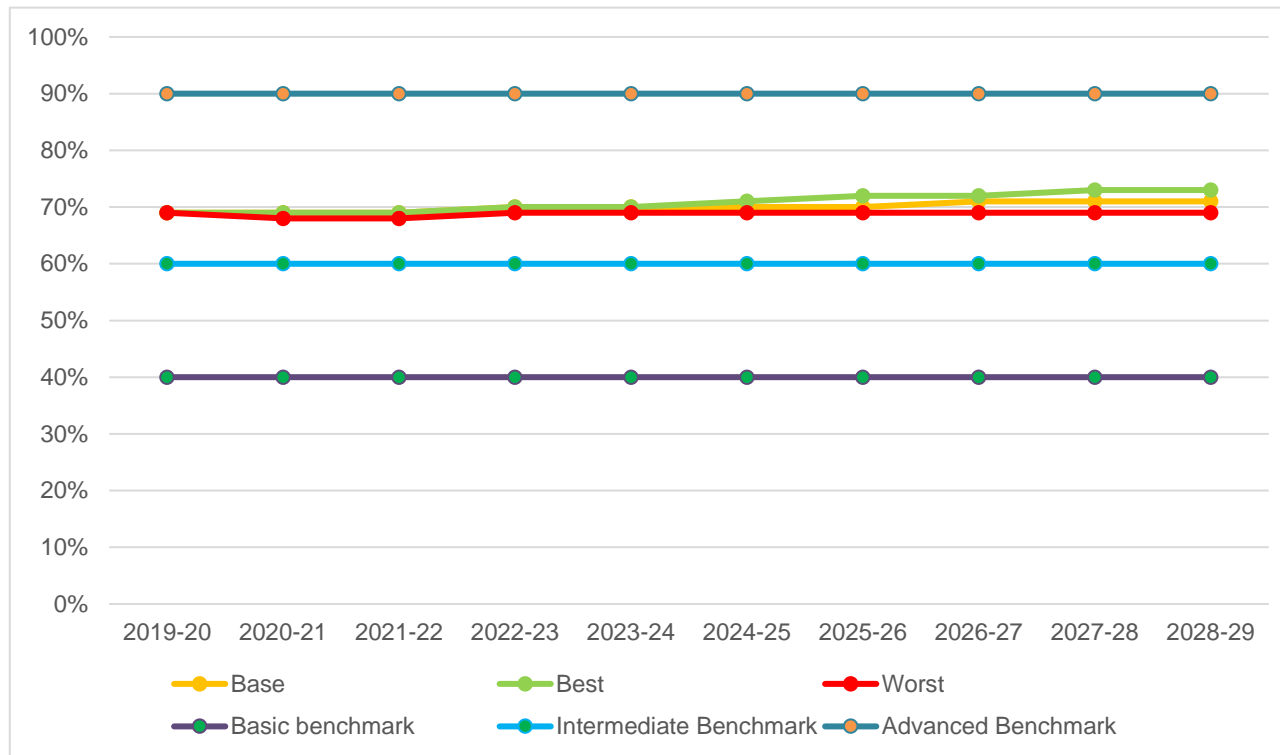
### 10.3 RATES COVERAGE RATIO

This is an indicator of a local government's dependence on rate revenue to fund its operations. It is measured as:

$$\frac{\text{Total Rates Revenue}}{\text{Total Operating Revenue}}$$

Target – greater than or equal to 60%

FORECAST	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Base	69%	69%	69%	70%	70%	70%	70%	71%	71%	71%
Best	69%	69%	69%	70%	70%	71%	72%	72%	73%	73%
Worst	69%	68%	68%	69%	69%	69%	69%	69%	69%	69%



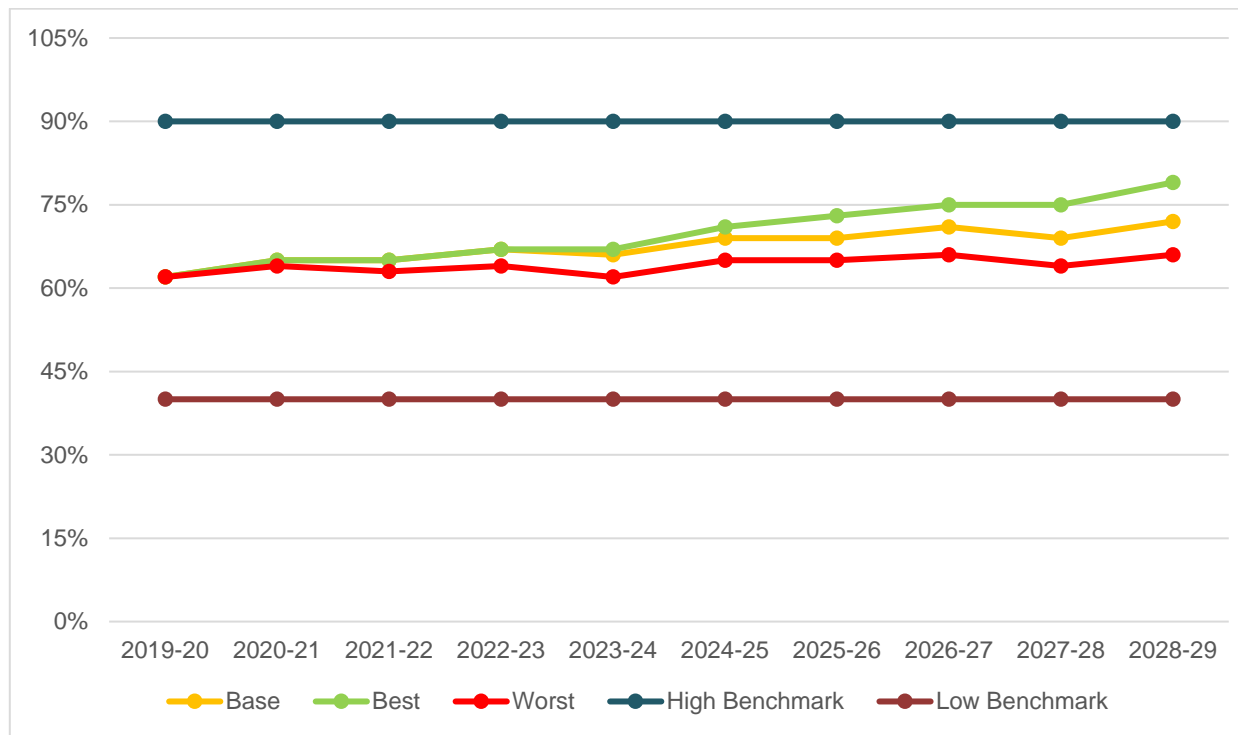
## 10.4 OWN SOURCE REVENUE COVERAGE RATIO

This is an indicator of a local government's ability to cover its costs through its own tax revenue effort. It is measured as:

$$\frac{\text{Own Source Revenue}}{\text{Total Expenses}}$$

Target – Between 40% to 60% Basic Standard  
 Between 60% to 90% Intermediate Standard  
 90% or greater Advanced Standard

FORECAST	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Base	62%	65%	65%	67%	66%	69%	69%	71%	69%	72%
Best	62%	65%	65%	67%	67%	71%	73%	75%	75%	79%
Worst	62%	64%	63%	64%	62%	65%	65%	66%	64%	66%



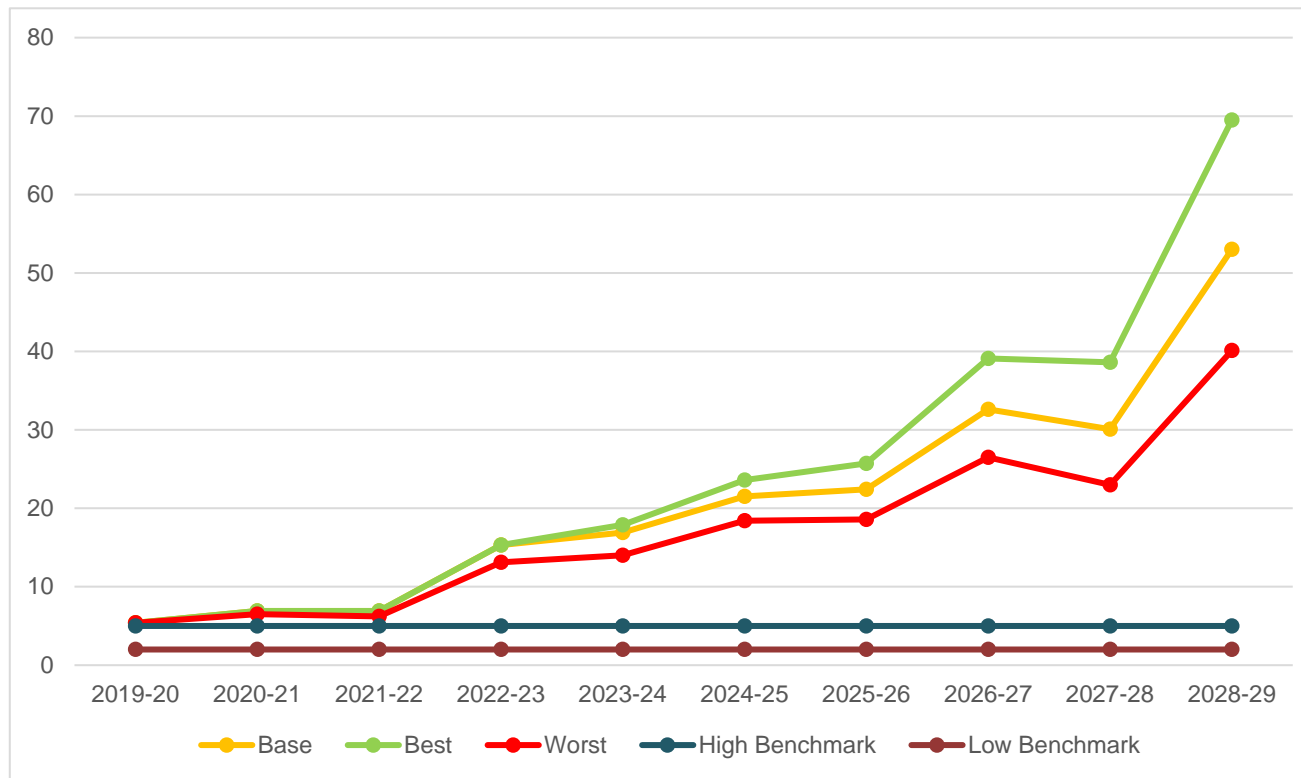
## 10.5 DEBT SERVICE COVER RATIO

This is an indicator of a local government's ability to produce enough cash to cover its debt payments. It is measured as:

$$\frac{\text{Operating Revenue less Operating Expenses excluding Interest Expense and Depreciation}}{\text{Principal and Interest Expense}}$$

Target – greater than or equal to 2 Basic Standard  
Greater than 5 Advanced Standard

FORECAST	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Base	5.22	3.93	4.08	4.33	3.83	7.35	8.02	8.60	7.32	9.75
Best	5.22	3.93	4.08	4.57	4.34	8.39	9.43	10.30	9.33	12.42
Worst	5.22	3.93	4.08	4.33	3.83	7.36	8.03	8.61	7.32	9.75



## 10.5 ASSET SUSTAINABILITY RATIO

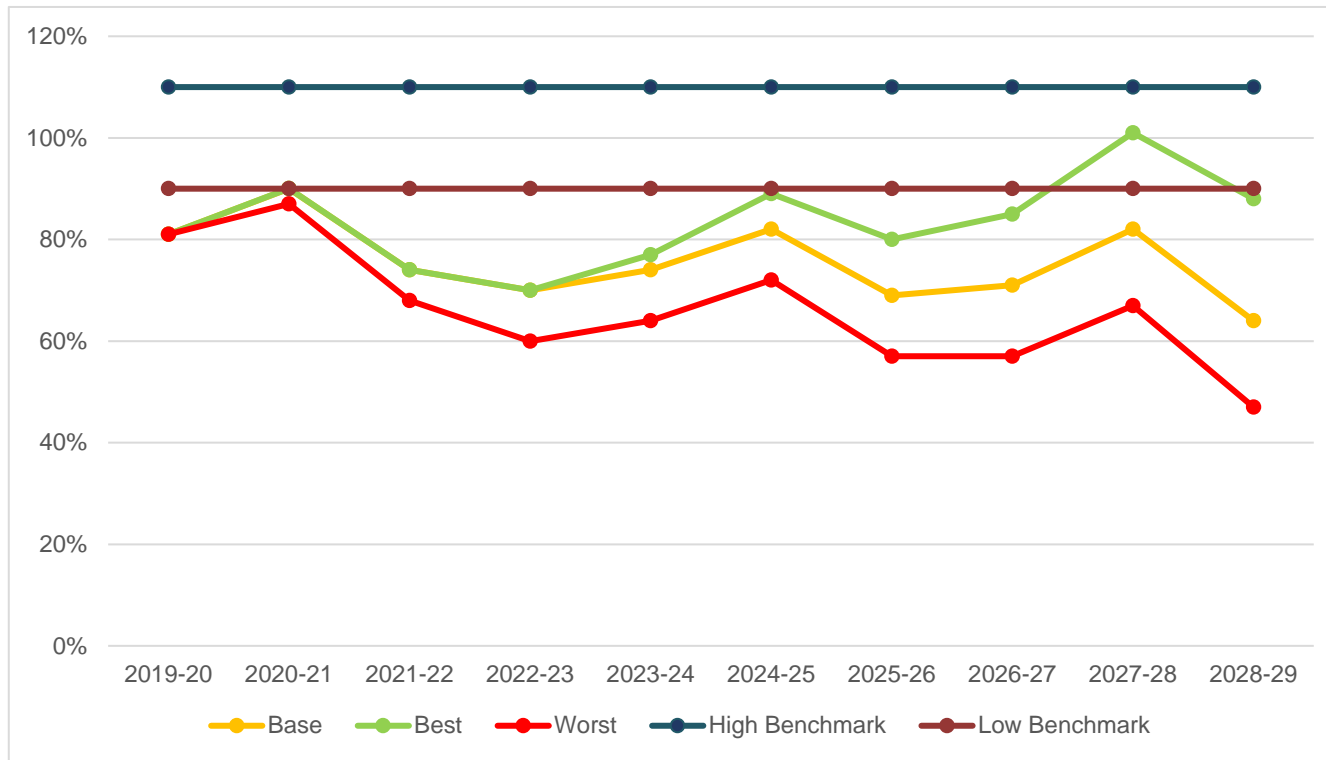
This is an indicator of the extent to which assets managed by a local government are being replaced as these reach the end of their useful lives. It is measured as:

$$\frac{\text{Capital Renewal Expenditure}}{\text{Depreciation Expense}}$$

Target – Standard is met if the ratio can be measured and is 90%

Standard is improving if the ratio is between 90% and 110%

FORECAST	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Base	81%	90%	74%	70%	74%	82%	69%	71%	82%	64%
Best	81%	90%	74%	70%	77%	89%	80%	85%	101%	88%
Worst	81%	87%	68%	60%	64%	72%	57%	57%	67%	47%



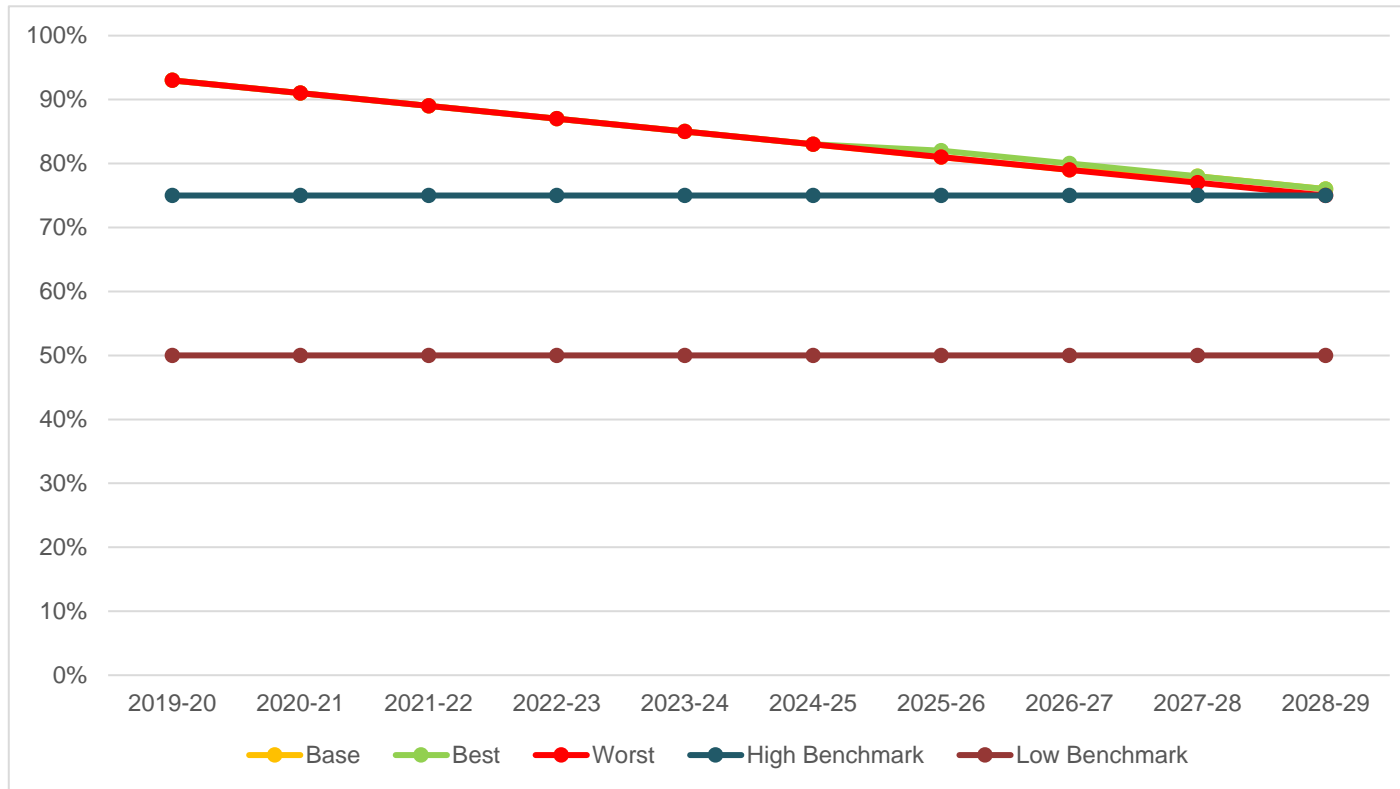
## 10.6 ASSET CONSUMPTION RATIO

This ratio highlights the aged condition of a local government's physical assets. It is measured as:

$$\frac{\text{Depreciated Replacement Costs of Assets (Written Down Value)}}{\text{Current Replacement Costs}}$$

Target – Standard is met if the ratio can be measured and is 50% or greater  
 Standard is improving if the ratio is between 60% and 75%

FORECAST	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Base	93%	91%	89%	87%	85%	83%	81%	79%	78%	76%
Best	93%	91%	89%	87%	85%	83%	82%	80%	78%	76%
Worst	93%	91%	89%	87%	85%	83%	81%	79%	77%	75%



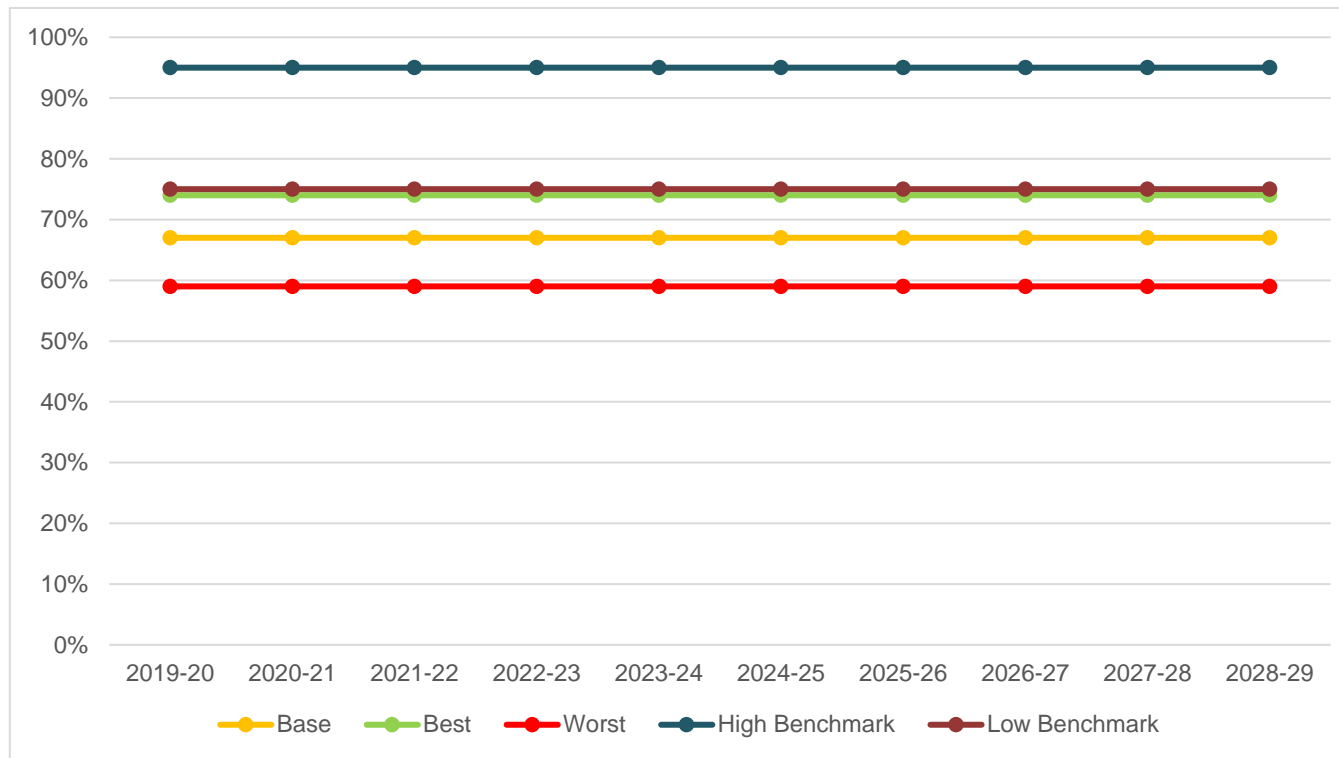
## 10.7 ASSET RENEWAL FUNDING RATIO

This ratio indicates whether the local government has the financial capacity to fund asset renewal at continued existing service levels. It is measured as:

$$\frac{\text{Net Present Value of Planned Renewal Expenditure}}{\text{Net Present Value of Asset Management Plan Projections}}$$

Target – Standard is met if the ratio is between 75% and 95%  
 Standard is improving if the ratio is between 95% and 105% and the ASR is between 90% to 100%, and the ACR is between 50% and 75%.

FORECAST	2019-20 to 2028-29
Base	67%
Best	74%
Worst	59%



## 10.8 SUMMARY

Projections show, utilising the Base Scenario Model, that over the next 10 years the Shire will require revenue from rates to grow at 6% for the first 4 years, and then at 4% as a minimum to ensure that all performance ratios continue to move towards to minimum benchmark.

In adopting such a strategy the Shire will achieve a greater degree of financial independence, with the ability to achieve balanced budgets while being able to begin addressing infrastructure asset funding gaps, particularly in the latter years of the LTFP.

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## 11.0 RISK ASSESSMENT

Risk can be simply defined as the effect of uncertainty on the objectives of the Shire. When evaluating risks the following issues<sup>6</sup> must be understood –

1. An effect may be positive, negative or result in a deviation from the expected.
2. An objective may be financial, related to health and safety, or defined in other terms. In this case, we are examining risks related to financial objectives.
3. Risk is often described by an event, a change in circumstances, a consequence, or a combination of these and how they may affect the achievement of objectives.
4. Risk can be expressed in terms of a combination of the consequences of an event or a change in circumstances, and their likelihood.
5. Uncertainty is the state, even partial, of deficiency of information related to, understanding or knowledge of, an event, its consequences, or likelihood.

Risks are assessed using AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines. The following risk rating table has been utilised to categorise risks according to their rating and the potential action required.

RISK RATING					
Likelihood	Consequences				
	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	M	H	H	E	E
Likely	M	M	H	H	E
Possible	L	M	M	H	E
Unlikely	L	M	M	H	H
Rare	L	L	M	M	H

<sup>6</sup> Department of Treasury and Finance, Government of South Australia.

	<b>Risk Rating</b>	<b>Action Required</b>
L	Low Risk	Managed by Routine Procedures
M	Medium Risk	Planned Action Required
H	High Risk	Prioritised action required
E	Extreme Risk	Immediate corrective action required

The major risk factors in each of the financial models are:

⇒ Whether general purpose and local road grants increases will maintain pace within inflation be over the life of the Plan.

**Risk Rating:** Medium (Likelihood – Possible; Consequences – Moderate)

⇒ The inability of the Shire to source other grant funding and contributions for the capital projects detailed in the Plan.

**Risk Rating:** High (Likelihood – Possible; Consequences – Major)

⇒ Potential expansion of services required by the community not included in the Plan.

**Risk Rating:** Medium (Likelihood – Possible; Consequences – Moderate)

⇒ Imposition of additional regulatory requirements by the Commonwealth and State Governments

**Risk Rating:** Medium (Likelihood – Possible; Consequences – Moderate)

The above risks apply to all three scenario models proposed in this Plan; and should external funding be reduced, not achieved or delayed, then the timing of capital projects will need to be reviewed.

## 12.0 FINANCIAL PROJECTIONS

The financial projections in this LTFP have been developed in a format that conforms to the *Local Government (Financial Management) Regulations 1996* and the Australian Accounting Standards. This format has been chosen as it allows projections to feed into the statutory format of the Annual Budget and key performance measures into the LTFP to be compared with Annual Budgets and annual Financial Reports. The statutory schedules include:

- ⇒ Statement of Comprehensive Income;
- ⇒ Statement of Financial Position (Balance Sheet) and Equity Statement;
- ⇒ Statement of Cash Flows; and
- ⇒ Rate Setting Statement.

The Statement of Comprehensive income shows what is expected to happen during the year in terms of revenue, expenses, and other adjustments from all activities. A surplus is estimated for each year of the LTFP.

The Statement of Financial Position is a snap-shot of the expected financial position of the Shire at the end of the financial year. It reports what is expected to be owned (assets) and what is expected to be owed (liabilities). The bottom line “Net Assets” represents the net worth of the Council. The assets and liabilities are separated into current and non-current. Current means those assets or liabilities which will fall due in the next 12 months. Non-current refers to assets and liabilities that are recoverable or which fall due over a longer period than 12 months.

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

The Closing Balance detailed in the Rate Setting Statement reveals the net surplus/deficit for each year. The surplus/deficit for each year has not been carried forward, but rather represents funds that are available to fund additional expenditure or funds required by the Shire to deliver a balanced budget.

The Statements are supported by schedules for:

- ⇒ Capital works;
- ⇒ Cash reserves;
- ⇒ Loan repayment schedules; and
- ⇒ Depreciation calculations.

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## 13.0 CONCLUSION – IMPLEMENTATION AND REVIEW OF THE LTFP

The Council will consider the content of the LTFP when preparing the Annual Budget for 2019-20 and subsequent years, and it is expected that adopted budgets will be closely aligned with the proposals in the LTFP and assumptions underpinning this.

A desktop review of the LTFP will occur each year as budgets are prepared to account for performance information and changing circumstances. However, a full review is planned for 2021-22, in conjunction with formal reviews of the Strategic Community Plan and Corporate Business Plan.

The Council is confident that the LTFP will allow the Shire to set priorities within its resourcing capabilities to sustainably deliver the assets and services required by the community.

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**APPENDIX 1**  
**BASE CASE SCENARIO MODEL**  
**STATUTORY STATEMENTS**

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COMPREHENSIVE INCOME STATEMENT BY FUNCTION/ACTIVITY

	FORWARD PROJECTIONS									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>EXPENDITURE</b>										
General Purpose Funding	(133,405)	(124,743)	(134,614)	(140,199)	(166,444)	(149,191)	(151,436)	(158,134)	(163,668)	(187,465)
Governance	(1,148,480)	(1,070,140)	(1,127,686)	(1,198,530)	(1,240,032)	(1,218,623)	(1,299,856)	(1,314,858)	(1,343,544)	(1,400,222)
Law, Order, Public Safety	(334,919)	(346,139)	(350,325)	(359,957)	(370,105)	(379,188)	(388,751)	(399,408)	(431,213)	(422,662)
Health	(261,968)	(258,510)	(267,095)	(284,278)	(316,730)	(290,357)	(300,121)	(301,641)	(325,916)	(322,677)
Education & Welfare	(36,480)	(27,035)	(27,983)	(28,856)	(29,776)	(30,665)	(31,618)	(29,502)	(30,440)	(31,325)
Housing	(61,880)	(62,425)	(72,990)	(64,856)	(80,292)	(64,829)	(63,728)	(56,884)	(140,797)	(61,511)
Community Amenities	(576,996)	(581,786)	(611,820)	(627,586)	(670,527)	(650,744)	(674,848)	(690,418)	(726,028)	(732,367)
Recreation and Culture	(1,563,231)	(1,605,945)	(1,724,650)	(1,717,750)	(1,872,553)	(1,783,351)	(1,829,618)	(1,864,498)	(2,015,375)	(2,010,238)
Transport	(3,181,967)	(3,271,789)	(3,400,706)	(3,516,099)	(3,636,973)	(3,733,434)	(3,835,759)	(3,939,677)	(4,063,354)	(4,155,971)
Economic Services	(143,953)	(101,350)	(98,243)	(110,213)	(105,312)	(117,787)	(111,287)	(126,104)	(124,411)	(136,540)
Other Property and Services	(166,897)	(165,172)	(174,369)	(181,912)	(269,772)	(252,865)	(231,453)	(242,172)	(286,109)	(248,155)
<b>Total Expenses</b>	<b>(7,610,175)</b>	<b>(7,615,035)</b>	<b>(7,990,483)</b>	<b>(8,230,236)</b>	<b>(8,758,515)</b>	<b>(8,671,034)</b>	<b>(8,918,474)</b>	<b>(9,123,297)</b>	<b>(9,650,854)</b>	<b>(9,709,133)</b>
<b>REVENUE</b>										
General Purpose Funding	5,569,644	5,842,977	6,143,979	6,472,471	6,722,774	6,972,018	7,232,927	7,515,714	7,812,378	8,103,776
Governance	0	0	0	0	0	0	0	0	0	0
Law, Order, Public Safety	59,860	60,500	61,260	62,099	62,964	63,855	64,836	65,916	67,032	68,187
Health	300	309	318	328	338	348	358	369	380	391
Education & Welfare	11,816	12,171	12,536	12,912	13,299	13,698	14,109	14,532	14,968	15,418
Housing	86,598	89,196	91,871	94,628	97,466	100,390	103,402	106,504	109,699	112,990
Community Amenities	298,161	303,048	308,063	313,243	318,598	324,132	329,875	335,813	341,932	348,231
Recreation and Culture	25,071	25,823	26,598	27,396	28,218	29,064	29,936	30,834	31,759	32,712
Transport	83,832	83,835	83,838	83,841	83,845	83,848	83,852	83,855	83,859	83,863
Economic Services	12,712	13,094	13,486	13,891	14,308	14,737	15,179	15,634	16,103	16,587
Other Property & Services	97,945	98,872	99,879	100,945	102,043	103,174	104,376	105,650	106,963	108,316
<b>Total Revenues</b>	<b>6,245,939</b>	<b>6,529,823</b>	<b>6,841,828</b>	<b>7,181,754</b>	<b>7,443,851</b>	<b>7,705,264</b>	<b>7,978,851</b>	<b>8,274,822</b>	<b>8,585,075</b>	<b>8,890,471</b>
<b>NET RESULT</b>	<b>(1,364,236)</b>	<b>(1,085,212)</b>	<b>(1,148,655)</b>	<b>(1,048,482)</b>	<b>(1,314,663)</b>	<b>(965,769)</b>	<b>(939,623)</b>	<b>(848,474)</b>	<b>(1,065,779)</b>	<b>(818,662)</b>
<b>BORROWING COST EXPENSE</b>										
Housing	(29,631)	(25,045)	(20,266)	(15,288)	(10,596)	(7,707)	(6,202)	(4,637)	(3,008)	(1,313)
Recreation & Culture	(23,468)	(19,806)	(15,969)	(12,170)	(8,967)	(6,121)	(3,780)	(1,709)	(747)	0
<i>Total Borrowing Costs</i>	<i>(53,099)</i>	<i>(44,851)</i>	<i>(36,235)</i>	<i>(27,458)</i>	<i>(19,563)</i>	<i>(13,828)</i>	<i>(9,982)</i>	<i>(6,346)</i>	<i>(3,755)</i>	<i>(1,313)</i>
<b>NON-OPERATING REVENUE</b>										
Housing	0	0								
Transport	602,667	586,000	582,667	582,667	496,000	396,000	429,333	406,667	399,085	408,189
<i>Total Non-Operating Revenue</i>	<i>602,667</i>	<i>586,000</i>	<i>582,667</i>	<i>582,667</i>	<i>496,000</i>	<i>396,000</i>	<i>429,333</i>	<i>406,667</i>	<i>399,085</i>	<i>408,189</i>
<b>PROFIT/(LOSS) ON SALE OF ASSETS</b>										
Transport	0	0	0	0	0	0	0	0	0	0
<i>Total Profit(Loss)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(814,668)</b>	<b>(544,063)</b>	<b>(602,223)</b>	<b>(493,273)</b>	<b>(838,226)</b>	<b>(583,597)</b>	<b>(520,272)</b>	<b>(448,153)</b>	<b>(670,449)</b>	<b>(411,786)</b>

**COMPREHENSIVE INCOME STATEMENT BY NATURE & TYPE**

	FORWARD PROJECTIONS									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>										
Rates	4,026,378	4,269,169	4,526,599	4,799,553	4,992,975	5,194,192	5,403,518	5,621,280	5,847,818	6,083,485
Specified Area Rates	209,607	210,685	211,797	212,941	214,120	215,334	216,585	217,873	219,200	220,567
Operating Grants/Subsidies/Contributions	1,522,235	1,557,321	1,596,930	1,641,327	1,687,057	1,734,158	1,782,737	1,832,842	1,884,455	1,937,620
Reimbursements & Recoveries	11,808	11,983	12,133	12,299	12,487	12,699	12,946	13,218	13,499	13,790
Interest Earnings	68,470	64,441	69,034	80,881	92,760	94,435	98,275	114,126	133,602	137,163
Fees & Charges	353,163	361,224	369,580	378,218	387,115	396,282	405,762	415,564	425,663	436,068
Other Income	54,279	55,001	55,755	56,535	57,338	58,164	59,027	59,919	60,838	61,778
	<b>6,245,939</b>	<b>6,529,823</b>	<b>6,841,828</b>	<b>7,181,754</b>	<b>7,443,851</b>	<b>7,705,264</b>	<b>7,978,851</b>	<b>8,274,822</b>	<b>8,585,075</b>	<b>8,890,471</b>
<b>EXPENSES</b>										
Employee Costs	(2,216,300)	(2,198,399)	(2,372,020)	(2,442,943)	(2,516,014)	(2,599,431)	(2,693,459)	(2,783,631)	(2,878,736)	(2,981,271)
Materials & Contracts	(1,926,355)	(1,855,657)	(1,974,560)	(2,074,146)	(2,453,110)	(2,207,665)	(2,279,229)	(2,348,178)	(2,700,825)	(2,604,420)
Utilities	(182,888)	(191,209)	(200,059)	(208,750)	(217,380)	(225,908)	(234,946)	(225,707)	(232,538)	(241,857)
Depreciation on Non-Current Assets	(2,708,312)	(2,784,165)	(2,848,830)	(2,898,671)	(2,954,358)	(3,007,668)	(3,066,009)	(3,104,859)	(3,150,355)	(3,177,156)
Interest Expenses	(53,099)	(44,851)	(36,235)	(27,458)	(19,563)	(13,828)	(9,982)	(6,346)	(3,755)	(1,313)
Insurances	(215,522)	(220,812)	(226,151)	(232,085)	(238,526)	(245,548)	(253,602)	(262,478)	(282,597)	(290,902)
Other Expenditure	(360,799)	(364,793)	(368,864)	(373,642)	(379,128)	(384,813)	(391,229)	(398,443)	(405,803)	(413,527)
	<b>(7,663,274)</b>	<b>(7,659,886)</b>	<b>(8,026,718)</b>	<b>(8,257,694)</b>	<b>(8,778,078)</b>	<b>(8,684,862)</b>	<b>(8,928,456)</b>	<b>(9,129,643)</b>	<b>(9,654,609)</b>	<b>(9,710,446)</b>
Net Result	<b>(1,417,335)</b>	<b>(1,130,063)</b>	<b>(1,184,890)</b>	<b>(1,075,940)</b>	<b>(1,334,226)</b>	<b>(979,597)</b>	<b>(949,605)</b>	<b>(854,820)</b>	<b>(1,069,534)</b>	<b>(819,975)</b>
<b>NON-OPERATING REVENUE</b>										
Non-Operating Grants & subsidies	602,667	586,000	582,667	582,667	496,000	396,000	429,333	406,667	399,085	408,189
Profit on Asset Disposals	0	0	0	0	0	0	0	0	0	0
Loss on Asset Disposals	0	0	0	0	0	0	0	0	0	0
	602,667	586,000	582,667	582,667	496,000	396,000	429,333	406,667	399,085	408,189
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(814,668)</b>	<b>(544,063)</b>	<b>(602,223)</b>	<b>(493,273)</b>	<b>(838,226)</b>	<b>(583,597)</b>	<b>(520,272)</b>	<b>(448,153)</b>	<b>(670,449)</b>	<b>(411,786)</b>

STATEMENT OF FINANCIAL POSITION

	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Current assets</b>										
Unrestricted Cash and cash equivalents	465,855	478,289	478,289	479,720	479,720	488,207	489,440	497,195	514,378	538,728
Restricted Cash and cash equivalents	1,201,057	1,144,578	1,342,035	1,737,996	1,792,947	1,920,962	2,449,317	3,098,523	3,217,205	4,089,448
Trade and other receivables	122,536	122,536	122,536	122,536	122,536	122,536	122,536	122,536	122,536	122,536
Inventories	29,548	29,548	29,548	29,548	29,548	29,548	29,548	29,548	29,548	29,548
Other assets										
<b>Total current assets</b>	<b>1,818,996</b>	<b>1,774,951</b>	<b>1,972,407</b>	<b>2,369,800</b>	<b>2,424,752</b>	<b>2,561,253</b>	<b>3,090,841</b>	<b>3,747,802</b>	<b>3,883,667</b>	<b>4,780,259</b>
<b>Non-current assets</b>										
Trade and other receivables	160,806	131,077	100,129	100,129	100,129	100,129	100,129	100,129	100,129	100,129
Investments	6,186	6,186	6,186	6,186	6,186	6,186	6,186	6,186	6,186	6,186
Inventories	0	0	0	0	0	0	0	0	0	0
Property, plant and equipment	31,153,862	30,837,550	30,437,744	29,939,338	29,311,376	28,644,791	28,041,367	27,318,493	26,771,372	25,714,368
Infrastructure	88,699,142	88,392,534	87,863,590	87,430,989	87,142,996	87,064,819	86,591,853	86,207,296	85,945,323	85,715,560
<b>Total non-current assets</b>	<b>120,019,996</b>	<b>119,367,346</b>	<b>118,407,649</b>	<b>117,476,642</b>	<b>116,560,687</b>	<b>115,815,925</b>	<b>114,739,535</b>	<b>113,632,105</b>	<b>112,823,009</b>	<b>111,536,243</b>
<b>Total assets</b>	<b>121,838,992</b>	<b>121,142,297</b>	<b>120,380,057</b>	<b>119,846,442</b>	<b>118,985,438</b>	<b>118,377,178</b>	<b>117,830,375</b>	<b>117,379,907</b>	<b>116,706,676</b>	<b>116,316,502</b>
<b>Current liabilities</b>										
Trade and other payables	233,001	233,001	233,001	233,001	233,001	233,001	233,001	233,001	233,001	233,001
Interest-bearing loans and borrowings	202,690	211,577	93,448	77,476	81,140	84,984	62,815	65,399	43,196	440
Provisions	324,814	324,814	324,814	324,814	324,814	324,814	324,814	324,814	324,814	324,814
<b>Total current liabilities</b>	<b>760,505</b>	<b>769,392</b>	<b>651,263</b>	<b>635,291</b>	<b>638,955</b>	<b>642,799</b>	<b>620,630</b>	<b>623,214</b>	<b>601,011</b>	<b>558,255</b>
<b>Non-current liabilities</b>										
Interest-bearing loans and borrowings	720,475	508,898	415,450	337,974	256,834	171,850	109,035	43,636	440	0
Provisions	200,699	250,756	302,316	355,422	410,122	466,599	525,053	585,552	648,169	712,978
<b>Total non-current liabilities</b>	<b>921,174</b>	<b>759,654</b>	<b>717,766</b>	<b>693,396</b>	<b>666,956</b>	<b>638,449</b>	<b>634,088</b>	<b>629,188</b>	<b>648,609</b>	<b>712,978</b>
<b>Total liabilities</b>	<b>1,681,679</b>	<b>1,529,046</b>	<b>1,369,029</b>	<b>1,328,687</b>	<b>1,305,911</b>	<b>1,281,248</b>	<b>1,254,718</b>	<b>1,252,402</b>	<b>1,249,620</b>	<b>1,271,233</b>
<b>Net assets</b>	<b>120,157,314</b>	<b>119,613,251</b>	<b>119,011,028</b>	<b>118,517,755</b>	<b>117,679,529</b>	<b>117,095,931</b>	<b>116,575,660</b>	<b>116,127,507</b>	<b>115,457,057</b>	<b>115,045,271</b>
<b>Equity</b>										
Retained surplus	40,862,075	40,374,491	39,574,812	38,685,578	37,792,400	37,080,789	36,032,161	34,934,802	34,145,670	32,861,642
Asset revaluation reserve	78,094,181	78,094,181	78,094,181	78,094,181	78,094,181	78,094,181	78,094,181	78,094,181	78,094,181	78,094,181
Other reserves	1,201,057	1,144,578	1,342,035	1,737,996	1,792,947	1,920,962	2,449,317	3,098,523	3,217,205	4,089,448
<b>Total equity</b>	<b>120,157,314</b>	<b>119,613,251</b>	<b>119,011,028</b>	<b>118,517,755</b>	<b>117,679,529</b>	<b>117,095,931</b>	<b>116,575,660</b>	<b>116,127,507</b>	<b>115,457,057</b>	<b>115,045,271</b>

STATEMENT OF CHANGES IN EQUITY

	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Retained surplus</b>										
Balance as at 1 July	41,475,294	40,862,075	40,374,491	39,574,812	38,685,578	37,792,400	37,080,789	36,032,161	34,934,802	34,145,670
Total comprehensive Income	(814,668)	(544,063)	(602,223)	(493,273)	(838,226)	(583,597)	(520,272)	(448,153)	(670,449)	(411,786)
Tfr Prior Yr Increment to Retained Surplus										
Transfer from /(to) reserves	201,450	56,479	(197,456)	(395,961)	(54,952)	(128,015)	(528,355)	(649,206)	(118,682)	(872,243)
<b>Balance as at 30 June</b>	<b>40,862,075</b>	<b>40,374,491</b>	<b>39,574,812</b>	<b>38,685,578</b>	<b>37,792,400</b>	<b>37,080,789</b>	<b>36,032,161</b>	<b>34,934,802</b>	<b>34,145,670</b>	<b>32,861,642</b>
<b>Reserves - cash backed</b>										
Balance as at 1 July	1,402,507	1,201,057	1,144,578	1,342,035	1,737,996	1,792,947	1,920,962	2,449,317	3,098,523	3,217,205
Transfer from /(to) retained surplus	(201,450)	(56,479)	197,456	395,961	54,952	128,015	528,355	649,206	118,682	872,243
<b>Balance as at 30 June</b>	<b>1,201,057</b>	<b>1,144,578</b>	<b>1,342,035</b>	<b>1,737,996</b>	<b>1,792,947</b>	<b>1,920,962</b>	<b>2,449,317</b>	<b>3,098,523</b>	<b>3,217,205</b>	<b>4,089,448</b>
<b>Reserves - asset revaluation</b>										
Balance as at 1 July	78,094,181	78,094,181	78,094,181	78,094,181	78,094,181	78,094,181	78,094,181	78,094,181	78,094,181	78,094,181
Changes on revaluation of N/C Assets	0	0	0	0	0	0	0	0	0	0
Tfr Prior Yr Increment to Retained Surplus	0	0	0	0	0	0	0	0	0	0
<b>Balance as at 30 June</b>	<b>78,094,181</b>	<b>78,094,181</b>	<b>78,094,181</b>	<b>78,094,181</b>	<b>78,094,181</b>	<b>78,094,181</b>	<b>78,094,181</b>	<b>78,094,181</b>	<b>78,094,181</b>	<b>78,094,181</b>
<b>Total Equity</b>	<b>120,157,314</b>	<b>119,613,251</b>	<b>119,011,028</b>	<b>118,517,755</b>	<b>117,679,529</b>	<b>117,095,932</b>	<b>116,575,660</b>	<b>116,127,507</b>	<b>115,457,057</b>	<b>115,045,271</b>

STATEMENT OF CASH FLOWS

	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Cash Flows from operating activities</b>										
<b>EXPENDITURE</b>										
Employee Costs	(2,167,700)	(2,148,341)	(2,320,461)	(2,389,837)	(2,461,314)	(2,542,954)	(2,635,005)	(2,723,132)	(2,816,119)	(2,916,462)
Materials & Contracts	(1,926,355)	(1,855,657)	(1,974,560)	(2,074,146)	(2,453,110)	(2,207,665)	(2,279,229)	(2,348,178)	(2,700,825)	(2,604,420)
Utilities	(182,888)	(191,209)	(200,059)	(208,750)	(217,380)	(225,908)	(234,946)	(225,707)	(232,538)	(241,857)
Insurance	(215,522)	(220,812)	(226,151)	(232,085)	(238,526)	(245,548)	(253,602)	(262,478)	(282,597)	(290,902)
Interest Expenses	(53,099)	(44,851)	(36,235)	(27,458)	(19,563)	(13,828)	(9,982)	(6,346)	(3,755)	(1,313)
Other	(360,799)	(364,793)	(368,864)	(373,642)	(379,128)	(384,813)	(391,229)	(398,443)	(405,803)	(413,527)
	<b>(4,906,363)</b>	<b>(4,825,663)</b>	<b>(5,126,328)</b>	<b>(5,305,917)</b>	<b>(5,769,021)</b>	<b>(5,620,717)</b>	<b>(5,803,993)</b>	<b>(5,964,284)</b>	<b>(6,441,637)</b>	<b>(6,468,481)</b>
<b>REVENUE</b>										
Rates	4,335,984	4,479,854	4,738,396	5,012,495	5,207,095	5,409,527	5,620,103	5,839,153	6,067,018	6,304,051
Operating Grants	1,522,235	1,557,321	1,596,930	1,641,327	1,687,057	1,734,158	1,782,737	1,832,842	1,884,455	1,937,620
Contributions and Donations Reimbursements	11,808	11,983	12,133	12,299	12,487	12,699	12,946	13,218	13,499	13,790
Fees and Charges	353,163	361,224	369,580	378,218	387,115	396,282	405,762	415,564	425,663	436,068
Interest Received	68,470	64,441	69,034	80,881	92,760	94,435	98,275	114,126	133,602	137,163
Goods & Services Tax	0	0	0	0	0	0	0	0	0	0
Other	54,279	55,001	55,755	56,535	57,338	58,164	59,027	59,919	60,838	61,778
	<b>6,345,939</b>	<b>6,529,823</b>	<b>6,841,828</b>	<b>7,181,754</b>	<b>7,443,851</b>	<b>7,705,264</b>	<b>7,978,851</b>	<b>8,274,822</b>	<b>8,585,075</b>	<b>8,890,471</b>
<b>Net Cash flows from Operating Activities</b>	<b>1,439,577</b>	<b>1,704,160</b>	<b>1,715,500</b>	<b>1,875,837</b>	<b>1,674,831</b>	<b>2,084,548</b>	<b>2,174,857</b>	<b>2,310,538</b>	<b>2,143,439</b>	<b>2,421,990</b>
<b>Cash flows from investing activities</b>										
<b>Payments</b>										
Payment for Land and Buildings	(36,285)	(123,050)	(69,337)	(208,862)	(80,167)	(209,230)	(181,061)	(74,434)	(219,727)	0
Payment for Infrastructure Assets- Roads	(1,318,871)	(1,317,194)	(1,234,674)	(1,314,802)	(1,521,983)	(1,742,676)	(1,390,988)	(1,486,995)	(1,622,963)	(1,491,390)
Payment for Infrastructure Assets- Footpaths	0	(6,000)	(18,000)	(20,000)	(20,000)	(20,000)	0	0	0	0
Payment for Infrastructure Assets- Aerodromes	0	0	0	0	0	0	0	0	0	(200,000)
Payment for Infrastructure Assets- Drainage	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Payment for Infrastructure Assets- Sewerage	(10,000)	0	0	0	0	0	0	0	0	0
Payment for Infrastructure Assets - Parks & Ovals	(5,570)	(93,000)	(5,570)	0	(6,253)	0	(5,570)	0	(5,570)	0
Payment for Infrastructure Assets - Solid Waste	(8,000)	(45,000)	0	(45,000)	0	(25,000)	(20,000)	(25,000)	(20,000)	(25,000)
Payment for Infrastructure Assets - Other	(50,000)	0	0	(150,000)	0	0	0	0	0	0
Payment for Purchase of Plant and Equipment	(797,000)	(869,000)	(788,000)	(415,000)	(547,000)	(463,500)	(473,000)	(602,000)	(705,000)	(307,000)
Payment for Purchase of Furniture and Equipment	(13,000)	(45,000)	0	(15,000)	0	0	(45,000)	0	(15,000)	0
<b>Receipts</b>										
Proceeds from Sale of Assets	282,000	342,000	200,500	206,000	142,000	202,500	131,000	196,000	252,000	138,000
Contributions towards Development of Assets	602,667	586,000	582,667	582,667	496,000	396,000	429,333	406,667	399,085	408,189
<b>Net cash flows from investing activities</b>	<b>(1,359,059)</b>	<b>(1,575,244)</b>	<b>(1,337,414)</b>	<b>(1,384,997)</b>	<b>(1,542,403)</b>	<b>(1,866,906)</b>	<b>(1,560,286)</b>	<b>(1,590,762)</b>	<b>(1,942,175)</b>	<b>(1,482,201)</b>
<b>Cash flows from Financing Activities</b>										
Loan Repayments -Principal	(194,184)	(202,690)	(211,577)	(93,448)	(77,476)	(81,140)	(84,984)	(62,815)	(65,399)	(43,196)
Proceeds from New Debentures	0	0	0	0	0	0	0	0	0	0
Self Supporting Loan Principal Payments Rec'd	28,557	29,729	30,948	0	0	0	0	0	0	0
<b>Net cash flows from financing activities</b>	<b>(165,627)</b>	<b>(172,961)</b>	<b>(180,629)</b>	<b>(93,448)</b>	<b>(77,476)</b>	<b>(81,140)</b>	<b>(84,984)</b>	<b>(62,815)</b>	<b>(65,399)</b>	<b>(43,196)</b>
<b>Net (decrease)/increase in cash held</b>	<b>(85,110)</b>	<b>(44,045)</b>	<b>197,456</b>	<b>397,392</b>	<b>54,952</b>	<b>136,502</b>	<b>529,587</b>	<b>656,961</b>	<b>135,865</b>	<b>896,593</b>
<b>Cash at the Beginning of Reporting Period</b>	<b>1,752,022</b>	<b>1,666,912</b>	<b>1,622,867</b>	<b>1,820,323</b>	<b>2,217,716</b>	<b>2,272,668</b>	<b>2,409,169</b>	<b>2,938,757</b>	<b>3,595,718</b>	<b>3,731,583</b>
<b>Cash at the End of Reporting Period</b>	<b>1,666,912</b>	<b>1,622,867</b>	<b>1,820,323</b>	<b>2,217,716</b>	<b>2,272,668</b>	<b>2,409,169</b>	<b>2,938,757</b>	<b>3,595,718</b>	<b>3,731,583</b>	<b>4,628,175</b>

RATE SETTING STATEMENT

	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>OPERATING REVENUE</b>										
General Purpose Funding	1,543,266	1,573,808	1,617,380	1,672,918	1,729,798	1,777,826	1,829,409	1,894,435	1,964,561	2,020,291
Governance	0	0	0	0	0	0	0	0	0	0
Law, Order Public Safety	59,860	60,500	61,260	62,099	62,964	63,855	64,836	65,916	67,032	68,187
Health	300	309	318	328	338	348	358	369	380	391
Education and Welfare	11,816	12,171	12,536	12,912	13,299	13,698	14,109	14,532	14,968	15,418
Housing	86,598	89,196	91,871	94,628	97,466	100,390	103,402	106,504	109,699	112,990
Community Amenities	298,161	303,048	308,063	313,243	318,598	324,132	329,875	335,813	341,932	348,231
Recreation and Culture	25,071	25,823	26,598	27,396	28,218	29,064	29,936	30,834	31,759	32,712
Transport	83,832	83,835	83,838	83,841	83,845	83,848	83,852	83,855	83,859	83,863
Economic Services	12,712	13,094	13,486	13,891	14,308	14,737	15,179	15,634	16,103	16,587
Other Property and Services	97,945	98,872	99,879	100,945	102,043	103,174	104,376	105,650	106,963	108,316
<b>TOTAL REVENUE</b>	<b>2,219,561</b>	<b>2,260,655</b>	<b>2,315,229</b>	<b>2,382,201</b>	<b>2,450,876</b>	<b>2,511,072</b>	<b>2,575,333</b>	<b>2,653,542</b>	<b>2,737,258</b>	<b>2,806,986</b>
<b>LESS OPERATING EXPENDITURE</b>										
General Purpose Funding	(133,405)	(124,743)	(134,614)	(140,199)	(166,444)	(149,191)	(151,436)	(158,134)	(163,668)	(187,465)
Governance	(1,148,480)	(1,070,140)	(1,127,686)	(1,198,530)	(1,240,032)	(1,218,623)	(1,299,856)	(1,314,858)	(1,343,544)	(1,400,222)
Law, Order, Public Safety	(334,919)	(346,139)	(350,325)	(359,957)	(370,105)	(379,188)	(388,751)	(399,408)	(431,213)	(422,662)
Health	(261,968)	(258,510)	(267,095)	(284,278)	(316,730)	(290,357)	(300,121)	(301,641)	(325,916)	(322,677)
Education and Welfare	(36,480)	(27,035)	(27,983)	(28,856)	(29,776)	(30,665)	(31,618)	(29,502)	(30,440)	(31,325)
Housing	(91,511)	(87,470)	(93,256)	(80,144)	(90,888)	(72,536)	(69,930)	(61,521)	(143,805)	(62,824)
Community Amenities	(576,996)	(581,786)	(611,820)	(627,586)	(670,527)	(650,744)	(674,848)	(690,418)	(726,028)	(732,367)
Recreation and Culture	(1,586,699)	(1,625,751)	(1,740,619)	(1,729,920)	(1,881,520)	(1,789,472)	(1,833,398)	(1,866,207)	(2,016,122)	(2,010,238)
Transport	(3,181,967)	(3,271,789)	(3,400,706)	(3,516,099)	(3,636,973)	(3,733,434)	(3,835,759)	(3,939,677)	(4,063,354)	(4,155,971)
Economic Services	(143,953)	(101,350)	(98,243)	(110,213)	(105,312)	(117,787)	(111,287)	(126,104)	(124,411)	(136,540)
Other Property & Services	(166,897)	(165,172)	(174,369)	(181,912)	(269,772)	(252,865)	(231,453)	(242,172)	(286,109)	(248,155)
<b>TOTAL EXPENSES</b>	<b>(7,663,274)</b>	<b>(7,659,886)</b>	<b>(8,026,718)</b>	<b>(8,257,694)</b>	<b>(8,778,078)</b>	<b>(8,684,862)</b>	<b>(8,928,456)</b>	<b>(9,129,643)</b>	<b>(9,654,609)</b>	<b>(9,710,446)</b>
<i>Increase/(Decrease)</i>	<b>(5,443,713)</b>	<b>(5,399,231)</b>	<b>(5,711,489)</b>	<b>(5,875,493)</b>	<b>(6,327,202)</b>	<b>(6,173,790)</b>	<b>(6,353,124)</b>	<b>(6,476,100)</b>	<b>(6,917,351)</b>	<b>(6,903,460)</b>
<b>ADD</b>										
Movement in Employee Benefits (Non-current)	48,600	50,058	51,559	53,106	54,699	56,477	58,454	60,500	62,617	64,809
Movement in Deferred Pensioners (Non-current)										
(Profit)/ Loss on the disposal of assets	0	0	0	0	0	0	0	0	0	0
Depreciation Written Back	2,708,312	2,784,165	2,848,830	2,898,671	2,954,358	3,007,668	3,066,009	3,104,859	3,150,355	3,177,156
<i>Sub Total</i>	2,756,912	2,834,223	2,900,389	2,951,777	3,009,057	3,064,145	3,124,463	3,165,359	3,212,972	3,241,965
<b>INVESTING ACTIVITIES</b>										
Purchase Land										
Purchase Buildings	(36,285)	(123,050)	(69,337)	(208,862)	(80,167)	(209,230)	(181,061)	(74,434)	(219,727)	0
Infrastructure Assets - Roads	(1,318,871)	(1,317,194)	(1,234,674)	(1,314,802)	(1,521,983)	(1,742,676)	(1,390,988)	(1,486,995)	(1,622,963)	(1,491,390)
Infrastructure Assets - Footpaths	0	(6,000)	(18,000)	(20,000)	(20,000)	(20,000)	0	0	0	0
Infrastructure Assets - Aerodromes	0	0	0	0	0	0	0	0	0	(200,000)
Infrastructure Assets - Drainage	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Infrastructure Assets - Sewerage	(10,000)	0	0	0	0	0	0	0	0	0
Infrastructure Assets - Parks & Ovals	(5,570)	(93,000)	(5,570)	0	(6,253)	0	(5,570)	0	(5,570)	0
Infrastructure Assets - Solid Waste	(8,000)	(45,000)	0	(45,000)	0	(25,000)	(20,000)	(25,000)	(20,000)	(25,000)
Infrastructure Assets - Other	(50,000)	0	0	(150,000)	0	0	0	0	0	0
Purchase Plant and Equipment	(797,000)	(869,000)	(788,000)	(415,000)	(547,000)	(463,500)	(473,000)	(602,000)	(705,000)	(307,000)
Purchase Furniture and Equipment	(13,000)	(45,000)	0	(15,000)	0	0	(45,000)	0	(15,000)	0
Proceeds from Sale of Assets	282,000	342,000	200,500	206,000	142,000	202,500	131,000	196,000	252,000	138,000
Contributions for the Development of Assets	602,667	586,000	582,667	582,667	496,000	396,000	429,333	406,667	399,085	408,189
<b>FINANCING ACTIVITIES</b>										
Repayment of Debt - Loan Principal	(194,184)	(202,690)	(211,577)	(93,448)	(77,476)	(81,140)	(84,984)	(62,815)	(65,399)	(43,196)
Principal Repayment Received -Loans	28,557	29,729	30,948	0	0	0	0	0	0	0
Transfer to Reserves	(203,550)	(199,521)	(197,456)	(395,961)	(226,952)	(229,515)	(528,355)	(649,206)	(268,682)	(872,243)
<i>Sub Total</i>	(1,728,236)	(1,947,726)	(1,715,500)	(1,874,406)	(1,846,831)	(2,177,561)	(2,173,625)	(2,302,783)	(2,276,256)	(2,397,640)
<b>FUNDING SOURCES</b>										
Loans	0	0	0	0	0	0	0	0	0	0
Transfers From Reserves	405,000	256,000	0	0	172,000	101,500	0	0	150,000	0
Opening Surplus/ (Deficit)	0	0	0	0	0	0	0	0	0	0
Closing (Surplus)/Deficit	(16,340)	(12,434)	(0)	(1,431)	(0)	(8,487)	(1,232)	(7,755)	(17,183)	(24,350)
<b>TO BE MADE UP FROM GENERAL RATES</b>	<b>(4,026,378)</b>	<b>(4,269,169)</b>	<b>(4,526,599)</b>	<b>(4,799,553)</b>	<b>(4,992,975)</b>	<b>(5,194,192)</b>	<b>(5,403,518)</b>	<b>(5,621,280)</b>	<b>(5,847,818)</b>	<b>(6,083,485)</b>

**APPENDIX 2**  
**CAPITAL WORKS PROGRAM**  
**BASE CASE SCENARIO MODEL**

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## CAPITAL WORKS PROGRAM – ROAD INFRASTRUCTURE

ROADS ITEM DESCRIPTION	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Roads to Recovery</b>										
Bluff Knoll RD Reseal	0	0	0	0	0	0	0	0	0	214,480
Magitup Road	0	0	0	0	0	0	88,040	0	0	0
Rabbit Proof Fence Rd - Gravel Sheet	0	0	85,200	0	0	0	0	0	0	0
RTR Strathaven Rd	80,000	0	0	0	0	0	0	0	0	76,384
Boxwood-Ongerup Road	0	118,160	0	117,600	372,000	0	0	0	0	0
Salt River Road	0	0	0	178,400	0	0	0	0	0	0
Hinkley Road Gravel Sheet	61,000	0	0	0	0	0	0	0	0	0
North Stirling Rd	0	0	210,800	0	0	0	0	0	0	0
Corackerup Road	0	0	0	0	0	0	207,960	0	0	0
Old Ongerup Road Reseal	85,000	0	0	0	0	0	0	0	204,600	0
Soldiers Road Gravel Sheet SLK 4.00-8.00	0	0	0	0	0	0	0	222,592	0	0
Nightwell Rd Gravel Sheet	0	0	0	0	0	270,475	0	73,408	0	0
Garnett Rd Patch & Reseal	70,000	0	0	0	0	0	0	0	0	0
Woodlands Road Gravel Sheet	0	0	0	0	0	0	0	0	81,530	0
Sandalwood Road	0	0	0	0	0	0	0	0	9,870	0
Airport Road Gravel Sheet	0	0	0	0	0	61,628	0	0	0	0
Corbett Street RAV Upgrade	0	177,840	0	0	0	0	0	0	0	0
<b>Regional Road Group</b>										
Tieline Road Reseal	138,000	105,000	0	0	0	0	0	0	0	0
Borden - Bremer Road	130,000	180,000	130,000	130,000	0	0	0	0	0	0
Kowbrup Road Reseal 1000m	0	150,000	300,000	300,000	300,000	150,000	0	0	154,628	168,284
Ongerup-Pingrup Road	192,000	0	0	0	0	0	0	0	0	0
Kwobrup North Rd	0	0	0	0	0	0	200,000	166,000	0	0
<b>Municipal Fund Reseals</b>										
Buncle St Stabilisation & Reseal	0	4,064	0	0	0	0	0	0	0	20,896
Aylmore St Reseal	0	0	0	0	0	0	0	0	0	35,484
Allardyce St Reseal	0	0	0	4,706	0	0	0	0	3,175	0
Glengary St Reseal	0	0	0	0	0	14,515	0	0	0	3,276
Old Ongerup Rd Reseal	0	0	0	0	0	0	33,600	0	0	0
Salt River Road Reseal	0	0	0	0	0	0	0	9,600	0	66,960
Bell Street Reseal	17,024	0	0	0	0	0	0	0	0	0
Quinn St Reseal	0	0	0	0	8,680	0	5,600	6,440	0	0
Cecil Street Reseal	0	0	0	0	0	0	6,564	0	0	18,435
Whitehead St Reseal	0	0	0	0	0	0	20,942	0	0	0
Nightwell Road Reseal	0	0	0	0	0	0	0	84,000	0	0
Sandalwood Road Reseal	0	0	0	0	139,295	497,488	9,424	0	76,930	14,456
Toompup South Road Reseal	0	0	0	0	0	0	0	0	49,840	0
Airport Road Reseal	0	0	0	0	0	0	0	0	38,964	0
Kerbing Renewal	45,000	0	0	0	0	0	0	0	0	0
Lamont Street Reseal	18,232	0	0	0	0	0	0	0	0	0
Moir Street Reseal	35,000	0	0	0	0	0	0	0	0	0
John Street Seal/Reseal	0	16,560	0	4,088	0	0	0	0	0	0
Corbett Street Reseal	0	0	9,136	0	0	0	0	0	23,360	0
Eldridge Street Reseal	0	0	11,992	4,356	0	0	4,960	0	0	0
Formby Street Reseal	0	0	0	5,624	0	0	0	0	0	0

ROADS ITEM DESCRIPTION	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Municipal Fund Reseals</b>										
Carpenter St Reseal	0	0	0	0	15,768	0	0	0	0	0
House St Reseal	0	0	0	0	13,000	0	0	0	0	0
Gleeson Road Reseal	0	0	0	0	0	114,502	0	0	0	0
Windmar St Reseal	0	0	0	0	3,360	0	0	0	0	0
Yougenup Road Reseal	0	0	0	0	0	20,878	0	0	0	0
Grocock St Reseal	0	0	0	0	0	0	10,064	0	0	0
Hams St Reseal	0	0	0	0	0	0	3,848	0	0	0
McDonald St Reseal	0	0	0	0	0	0	35,520	0	0	0
Searle St Reseal	0	0	0	0	0	0	3,500	4,576	0	0
Stutley St Reseal	0	0	0	0	0	0	3,920	0	0	0
Vaux St Reseal	0	0	0	0	0	0	8,100	0	0	0
Jaekel St Reseal	0	0	0	0	0	0	0	0	36,200	0
Porteous St Reseal	0	0	0	0	0	0	0	0	8,400	0
Hughes St Reseal	0	0	0	0	0	0	0	0	0	13,600
Richardson St Seal/Reseal	0	7,820	0	0	0	0	10,838	0	0	0
<b>Municipal Fund Gravel Sheeting</b>										
Soldiers Road Gravel Sheet SLK 0.00-4.00	0	0	0	0	0	205,220	51,460	0	0	0
Mindarabin Road Gravel Sheet	0	0	0	0	0	0	0	117,216	293,570	0
Magitup Road Gravel Sheet	0	0	118,110	0	0	0	100,440	0	0	0
Boxwood Hill Ongerup Rd Repair Failed Section Slk 11.76-15.79	0	0	0	153,468	0	0	0	0	0	0
Chillinup Road	0	76,260	9,984	0	0	0	0	0	0	0
Hinkley Rd Gravel Sheet SLK 21.77-27.77	0	0	41,540	0	0	0	0	74,400	101,680	0
Old Ongerup Rd	0	0	57,412	0	194,370	0	0	174,220	0	53,280
Quinn St Gravel Sheet	0	0	0	0	23,520	0	0	0	0	0
Stone St	5,500	0	0	0	0	0	0	0	0	0
Salt River Road	0	0	0	0	0	0	0	186,930	0	0
Tieline Rd Resheet	152,301	122,500	0	105,000	0	0	0	0	0	0
Rabbit Proof Fence Rd	111,134	0	121,920	0	0	0	130,250	0	0	367,195
Airport Road	0	0	0	0	0	0	61,628	0	0	0
Boxwood Hill Ongerup Rd	0	0	0	0	0	0	0	131,130	364,746	0
Cowalellup Road	0	0	0	93,000	93,000	96,100	0	0	0	0
Cowcher Road	0	0	0	97,960	0	0	0	0	0	0
Pinnacle Road	0	0	0	0	171,430	0	0	0	0	0
Coromup Road Gravel Sheet	0	0	31,310	0	0	0	129,270	0	0	186,930
Nightwell Rd	0	0	0	0	0	0	0	135,923	0	0
Toompup South Gravel Resheet 200mm 4klm	0	158,100	0	111,600	0	302,870	0	91,560	0	0
Gnowellen Road	0	0	0	0	73,160	0	0	0	0	0
Martinup Road	0	0	0	0	0	0	0	0	49,600	0
Woodlands Road Gravel Sheet	0	0	0	0	0	0	0	0	8,370	0
Corackerup Road	0	77,500	0	0	105,400	0	0	0	108,500	0
Highdenup Rd Gravel Sheet	169,680	0	0	0	0	0	256,060	0	0	0
North Stirling Rd	0	114,390	98,270	0	0	0	0	0	0	242,730
Bridge Renewal Works	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
<b>TOTAL EXPENDITURE</b>	<b>1,318,871</b>	<b>1,317,194</b>	<b>1,234,674</b>	<b>1,314,802</b>	<b>1,521,983</b>	<b>1,742,676</b>	<b>1,390,988</b>	<b>1,486,995</b>	<b>1,622,963</b>	<b>1,491,390</b>





## CAPITAL WORKS PROGRAM – PLANT & EQUIPMENT

PLANT & EQUIPMENT ITEM DESCRIPTION	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Health</b>										
Doctors Vehicle - GN006	0	55,000	0	0	0	55,000	0	0	0	0
<b>Recreation &amp; Culture</b>										
Mower Replacement - GN0029	0	0	0	0	0	0	0	0	28,000	0
Mower Replacement - GN0032	0	0	0	28,000	0	0	0	0	0	0
Tractor Replacement - GN0027	0	0	0	0	0	90,000	0	0	0	0
Ride on Mower Replacement - GN10718	0	0	19,000	0	0	0	0	0	0	0
Purchase Replacement Tree Saw - Replace Wilson Tree Saw	0	0	40,000	0	0	0	0	0	0	0
<b>Transport</b>										
Grader Replacement - GN0020	0	0	0	0	0	0	0	380,000	0	0
Grader Replacement - GN0021	0	0	0	0	380,000	0	0	0	0	0
Grader Replacement - GN0015	0	420,000	0	0	0	0	0	0	0	0
Loader Replacement - GN0040	0	0	0	0	0	0	0	0	280,000	0
Backhoe Replacement - GN0089	0	0	0	0	0	0	185,000	0	0	0
Tip Truck Replacement - GN007	0	0	0	65,000	0	0	0	0	0	0
Tip Truck Replacement - GN0014	315,000	0	0	0	0	0	0	0	0	0
Tip Truck Replacement - GN0044	315,000	0	0	0	0	0	0	0	0	0
Tip Truck Replacement - GN0038	0	0	0	0	0	52,000	0	0	0	0
Tip Truck Replacement - GN0035	0	240,000	0	0	0	65,000	0	0	0	0
Tip Truck Replacement - GN0019	0	0	0	0	0	0	0	85,000	0	0
Low Loader Replacement - GN0057	0	0	0	0	0	0	120,000	0	0	0
Side Tipper Replacement - GN17003	0	0	135,000	0	0	0	0	0	0	0
Side Tipper Replacement - GN0050	0	0	135,000	0	0	0	0	0	0	0
Dolly Replacement - GN17002	0	0	35,000	0	0	0	0	0	0	0
Dolly Replacement - GN17067	0	0	35,000	0	0	0	0	0	0	0
Multi Tyred Roller Replacement - GN0030	0	0	0	0	0	0	0	0	0	190,000
Purchase Vibrating Roller - Replacement Vibrating Roller GN.051	0	0	190,000	0	0	0	0	0	0	0
Free Roller Refurbishment	0	0	15,000	0	0	0	0	0	15,000	0
Free Roller Refurbishment	0	0	15,000	0	0	0	0	0	15,000	0
Free Roller Refurbishment	0	0	15,000	0	0	0	0	0	15,000	0
Utility Replacement - GN0010	0	45,000	0	0	0	45,000	0	0	0	45,000
Utility Replacement - GN0036	0	0	38,000	0	0	0	38,000	0	0	0
Utility Replacement - GN0051	0	0	38,000	0	0	0	38,000	0	0	0
Utility Replacement - GN003	0	37,000	0	0	0	37,000	0	0	0	0
Utility Replacement - GN0016	47,000	0	0	0	47,000	0	0	0	47,000	0
Utility Replacement - GN0048	0	0	0	36,000	0	0	0	36,000	0	0
Utility Replacement - GN0028	0	36,000	0	0	0	36,000	0	0	0	36,000
Utility Replacement - GN0046	0	36,000	0	0	0	36,000	0	0	0	36,000
Utility Replacement - GN037	0	0	0	36,000	0	0	0	36,000	0	0
Utility Replacement - GN004	0	0	0	45,000	0	0	0	45,000	0	0
Purchase Box top Trailer & Post Hole Borer GN7804 - Replace Box Top Trailer & Po	0	0	8,000	0	0	0	0	0	0	0
Purchase Sign Box Top Trailer GN.7809 - Replace Box Top Trailer GN.7809	0	0	5,000	0	0	0	0	0	0	0
Boxtop Trailer Replacement GN052	0	0	0	0	0	4,000	0	0	0	0
Spray Trailer Replacement GN7964	0	0	0	0	0	8,500	0	0	0	0
Gardens Trailer Replacement GN050	0	0	0	0	0	0	11,000	0	0	0
Emulsion Sprayer & Trailer Replacement	0	0	0	0	0	0	16,000	0	0	0

PLANT & EQUIPMENT ITEM DESCRIPTION	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Transport</b>										
Gas Forklift Replacement	0	0	0	0	0	35,000	0	0	0	0
Skid Steer Loader	0	0	0	185,000	0	0	0	0	185,000	0
<b>Other Property &amp; Services</b>										
CEO Vehicle Replacement	65,000	0	65,000	0	65,000	0	65,000	0	65,000	0
DCEO Vehicle Replacement	55,000	0	0	0	55,000	0	0	0	55,000	0
CSO Vehicle - Replace Vehicle GN.002	0	0	0	20,000	0	0	0	20,000	0	0
<b>TOTAL EXPENDITURE</b>	<b>797,000</b>	<b>869,000</b>	<b>788,000</b>	<b>415,000</b>	<b>547,000</b>	<b>463,500</b>	<b>473,000</b>	<b>602,000</b>	<b>705,000</b>	<b>307,000</b>

PLANT & EQUIPMENT FUNDING SOURCES	PROPOSED REVENUE									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Proceeds from Sale of Plant	282,000	342,000	200,500	206,000	142,000	202,500	131,000	196,000	252,000	138,000
Plant Reserve Fund Transfers	350,000	256,000	0	0	172,000	101,500	0	0	150,000	0
Municipal Funds	165,000	271,000	587,500	209,000	233,000	159,500	342,000	406,000	303,000	169,000
<b>TOTAL FUNDING</b>	<b>797,000</b>	<b>869,000</b>	<b>788,000</b>	<b>415,000</b>	<b>547,000</b>	<b>463,500</b>	<b>473,000</b>	<b>602,000</b>	<b>705,000</b>	<b>307,000</b>

### CAPITAL WORKS PROGRAM – LAND & BUILDINGS

LAND AND BUILDINGS ITEM DESCRIPTION	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Law, Order &amp; Public Safety</b>										
Gnp Fire Station Capital - Shed - Replace Fluoro Light Fittings	0	0	0	0	0	1,324	0	0	0	0
Gnp Fire Station Capital - Replace Incandescent Fittings	0	0	0	0	0	0	124	0	0	0
Gnp Fire Station Capital - Replace Security Lighting	0	0	0	0	650	0	0	0	0	0
Gnp Fire Station Capital - Replace Colorbond Roof	0	0	0	0	0	0	0	5,520	0	0
SES Headquarters - Asset Management Renewals	0	0	0	0	0	0	0	3,410	0	0
SES Shed Capital - Kit Room - Replace Carpet	0	0	1,020	0	0	0	0	0	0	0
SES Shed Capital - Office - Replace Carpet	0	0	1,020	0	0	0	0	0	0	0
<b>Health</b>										
25 McDonald St Building Capital Expenses - Asset Management Renewals	0	0	5,278	0	12,820	8,220	8,664	0	0	0
<b>Education &amp; Welfare</b>										
Family Centre Building Capital - Buildings.Plus Asset Management Renewals	841	0	10,946	0	0	9,603	2,554	0	0	0
<b>Housing</b>										
20 McDonald St Renewals - Asset Management Renewals - Buildings.plus	0	3,950	0	0	350	350	2,232	0	0	0
Lot 191 Corbett St Residence Capital - Asset Management Renewals - Buildings.pl	0	0	0	0	0	1,900	0	0	0	0
Lot 61 Corbett St Residence Capital - Asset Management Renewals - Buildings.pl	0	0	0	0	0	1,900	0	0	0	0
4 Grocock Street Renewals - Asset Management Renewals - Buildings.plus	25,000	25,000	0	0	0	0	0	0	0	0
<b>Community Amenities</b>										
Yongergnow Centre Capital - Asset Management Renewals - Buildings.plus	0	0	4,480	0	350	6,090	14,328	0	0	0
Gnp Public Toilets - Asset Management Renewals	0	0	331	0	0	0	0	0	4,512	0
<b>Recreation &amp; Culture</b>										
Swimming Pool Capital Expenditure - Additional shade structures	0	0	0	0	0	0	0	0	10,000	0
Swimming Pool Capital Expenditure - Replacement of pumps and piping	0	0	0	0	0	0	0	0	80,000	0
Gnp Town Hall Capital - Buildings.Plus Asset Mgmt Renewals	100	0	777	0	2,160	5,541	2,765	124	1,664	0
Ongerup Town Hall Renewals - Buildings.Plus Asset Mgmt Renewals	0	2,030	11,701	0	0	22,634	720	0	0	0
Gnp Lesser Hall Capital - Buildings.Plus Asset Mgmt Renewals	0	0	1,600	0	0	1,900	0	0	0	0
Old Ambulance Building Capital - Buildings.Plus Asset Mgmt Renewals	0	1,293	331	0	9,336	25,195	0	0	19,605	0

LAND AND BUILDINGS ITEM DESCRIPTION	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Recreation &amp; Culture</b>										
Gnowangerup Bowling Club Capital - Buildings.Plus Asset Mgmt Renewals	1,740	1,050	0	21,597	12,347	34,435	5,311	17,424	3,392	0
Gnowangerup Sporting Complex - Buildings.Plus Asset Mgmt Renewals	0	238	1,600	0	4,904	22,673	18,436	0	0	0
Gnowangerup Sporting Complex - Replace Flooring damaged by water	0	0	0	0	0	0	0	0	25,000	0
Gnowangerup Sporting Complex - Refinish floor include sanding	0	0	0	0	0	0	0	0	25,000	0
Borden Bowling Club - Buildings.Plus Asset Mgmt Renewals	0	3,465	0	7,000	2,245	0	8,975	10,200	7,810	0
Ongerup Community Centre Capital - Buildings.Plus Asset Mgmt Renewals	0	11,000	0	0	2,109	4,156	19,750	0	0	0
Ongerup Bowling Clubhouse Capital - Buildings.Plus Asset Mgmt Renewals	777	9,408	0	0	492	3,848	7,455	0	0	0
Ongerup Bowling Club Storage Shed Capital - Buildings.Plus Asset Mgmt Renewal	331	0	0	0	0	870	7,455	0	6,595	0
Ongerup Sports Pavilion Capital - Buildings.Plus Asset Mgmt Renewals	0	11,400	736	0	2,268	18,522	720	5,040	2,310	0
Ongerup CWA Building Capital - Buildings.Plus Asset Mgmt Renewals	592	0	5,080	0	0	1,531	0	0	0	0
Ongerup Museum Capital - Buildings.Plus Asset Mgmt Renewals	0	0	0	0	0	331	2,232	0	0	0
Ongerup Railway Barracks Capital - Buildings.Plus Asset Mgmt Renewals	0	0	740	0	744	331	0	0	0	0
Ongerup Museum Steel Shed Capital - Buildings.Plus Asset Mgmt Renewals	0	305	0	0	0	0	372	0	0	0
Ongerup Wildflower Display Building Capital - Buildings.Plus Asset Mgmt Renewals	0	0	0	0	2,704	3,972	47,384	0	20,625	0
Gnp Historic Centre Capital - Buildings.Plus Asset Mgmt Renewals	2,128	0	444	0	0	4,590	620	0	8,406	0
Old Gnowangerup Police Station Capital - Buildings.Plus Asset Mgmt Renewals	0	0	0	0	0	0	0	0	0	0
Wirrina House & Ramp Capital - Buildings.Plus Asset Mgmt Renewals	0	0	0	0	0	4,090	2,343	0	0	0
Gnowangerup Star Building Capital - Renewal works to Building	0	50,000	0	150,000	0	0	0	0	0	0
<b>Transport</b>										
Gnowangerup Works Depot Capital - Asset Management Renewal	0	0	13,190	0	11,474	4,500	4,900	31,724	225	0
Ongerup Works Depot Capital - Buildings.Plus Asset Mgmt Renewals	2,720	2,879	3,558	0	5,184	1,887	13,507	0	0	0
<b>Other Property &amp; Services</b>										
2 Cecil Street Residence Capital - Asset Management Renewals	736	350	2,160	0	8,812	3,145	3,092	0	282	0
9 Yougenup Road Residence Capital - Asset Management Renewals	1,320	682	0	30,265	868	3,431	5,262	0	4,301	0
Administration Centre Building Capital - Asset Management Renewals	0	0	4,345	0	350	12,261	1,860	992	0	0
<b>TOTAL EXPENDITURE</b>	<b>36,285</b>	<b>123,050</b>	<b>69,337</b>	<b>208,862</b>	<b>80,167</b>	<b>209,230</b>	<b>181,061</b>	<b>74,434</b>	<b>219,727</b>	<b>0</b>

LAND & BUILDINGS FUNDING SOURCES	PROPOSED REVENUE									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Council Municipal Funds	36,285	123,050	69,337	208,862	80,167	209,230	181,061	74,434	219,727	0
<b>TOTAL FUNDING</b>	<b>36,285</b>	<b>123,050</b>	<b>69,337</b>	<b>208,862</b>	<b>80,167</b>	<b>209,230</b>	<b>181,061</b>	<b>74,434</b>	<b>219,727</b>	<b>0</b>

**CAPITAL WORKS PROGRAM – FURNITURE & EQUIPMENT**

FURNITURE & EQUIPMENT ITEM DESCRIPTION	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Health</b>	0									
Doctor Surgery - Computer & Software	0	0	0	15,000	0	0	0	0	15,000	0
<b>Recreation &amp; Culture</b>										
Swimming Pool - Computer & Printer	3,000	0	0	0	0	0	0	0	0	0
<b>Other Property &amp; Services</b>										
IT Server & Software	10,000	45,000	0	0	0	0	45,000	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>13,000</b>	<b>45,000</b>	<b>0</b>	<b>15,000</b>	<b>0</b>	<b>0</b>	<b>45,000</b>	<b>0</b>	<b>15,000</b>	<b>0</b>
FURNITURE & EQUIPMENT FUNDING SOURCES	PROPOSED REVENUE									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Reserve Funds	0	0	0	0		0	0	0	0	0
Council Funds	13,000	45,000	0	15,000	0	0	45,000	0	15,000	0
<b>TOTAL FUNDING</b>	<b>13,000</b>	<b>45,000</b>	<b>0</b>	<b>15,000</b>	<b>0</b>	<b>0</b>	<b>45,000</b>	<b>0</b>	<b>15,000</b>	<b>0</b>



**APPENDIX 3**  
**BASE CASE SCENARIO MODEL**  
**CASH RESERVES**

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**LEAVE RESERVE**

Purpose - To be used to fund annual and long service leave requirements.

	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Opening Balance</b>	85,230	86,935	88,673	90,890	93,617	96,425	99,318	102,298	105,367	108,528
<b>Transfer from Accumulated Surplus</b>										
- Interest Earned	1,705	1,739	2,217	2,727	2,809	2,893	2,980	3,069	3,161	3,256
- Other Transfers	0	0	0	0	0	0	0	0	0	0
<b>Less Transfer to Accumulated Surplus</b>										
-Transfer to Municipal Fund	0	0	0	0	0	0	0	0	0	0
<b>CLOSING BALANCE</b>	<b>86,935</b>	<b>88,673</b>	<b>90,890</b>	<b>93,617</b>	<b>96,425</b>	<b>99,318</b>	<b>102,298</b>	<b>105,367</b>	<b>108,528</b>	<b>111,783</b>

**PLANT REPLACEMENT RESERVE**

Purpose - To be used to fund the purchase of major items of plant.

	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Opening Balance</b>	696,284	460,210	313,414	421,249	713,887	663,303	681,702	902,153	1,179,218	1,164,595
<b>Transfer from Accumulated Surplus</b>										
- Interest Earned	13,926	9,204	7,835	12,637	21,417	19,899	20,451	27,065	35,377	34,938
- Other Transfers	100,000	100,000	100,000	280,000	100,000	100,000	200,000	250,000	100,000	300,000
<b>Less Transfer to Accumulated Surplus</b>										
-Transfer to Municipal Fund	(350,000)	(256,000)	0	0	(172,000)	(101,500)	0	0	(150,000)	0
<b>CLOSING BALANCE</b>	<b>460,210</b>	<b>313,414</b>	<b>421,249</b>	<b>713,887</b>	<b>663,303</b>	<b>681,702</b>	<b>902,153</b>	<b>1,179,218</b>	<b>1,164,595</b>	<b>1,499,532</b>

**LAND DEVELOPMENT AND BUILDING MAINTENANCE RESERVE**

Purpose - To be used to fund the purchase of land and buildings and building renewals.

	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Opening Balance</b>	18,477	18,847	19,223	19,704	20,295	20,904	21,531	22,177	172,842	178,028
<b>Transfer from Accumulated Surplus</b>										
- Interest Earned	370	377	481	591	609	627	646	665	5,185	5,341
- Other Transfers	0	0	0	0	0	0	0	150,000	0	0
<b>Less Transfer to Accumulated Surplus</b>										
-Transfer to Municipal Fund	0	0	0	0	0	0	0	0	0	0
<b>CLOSING BALANCE</b>	<b>18,847</b>	<b>19,223</b>	<b>19,704</b>	<b>20,295</b>	<b>20,904</b>	<b>21,531</b>	<b>22,177</b>	<b>172,842</b>	<b>178,028</b>	<b>183,369</b>

**ONGERUP EFFLUENT RESERVE**

Purpose - To be used for the maintenance and renewal of the Ongerup Effluent System.

	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Opening Balance</b>	65,370	76,677	88,211	100,416	113,429	126,832	140,637	154,856	169,501	184,586
<b>Transfer from Accumulated Surplus</b>										
- Interest Earned	1,307	1,534	2,205	3,012	3,403	3,805	4,219	4,646	5,085	5,538
- Other Transfers	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	0
<b>Less Transfer to Accumulated Surplus</b>										
-Transfer to Municipal Fund	0	0	0	0	0	0	0	0	0	0
<b>CLOSING BALANCE</b>	<b>76,677</b>	<b>88,211</b>	<b>100,416</b>	<b>113,429</b>	<b>126,832</b>	<b>140,637</b>	<b>154,856</b>	<b>169,501</b>	<b>184,586</b>	<b>190,124</b>

**AREA PROMOTION RESERVE**

Purpose - to be used for the promotion of the Shire of Gnowangerup.

	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Opening Balance</b>	30,019	5,619	5,732	5,875	6,051	6,233	6,420	6,612	6,811	7,015
<b>Transfer from Accumulated Surplus</b>										
- Interest Earned	600	112	143	176	182	187	193	198	204	210
- Other Transfers	0	0	0	0	0	0	0	0	0	0
<b>Less Transfer to Accumulated Surplus</b>										
-Transfer to Municipal Fund	(25,000)	0	0	0	0	0	0	0	0	0
<b>CLOSING BALANCE</b>	<b>5,619</b>	<b>5,732</b>	<b>5,875</b>	<b>6,051</b>	<b>6,233</b>	<b>6,420</b>	<b>6,612</b>	<b>6,811</b>	<b>7,015</b>	<b>7,226</b>

**SWIMMING POOL UPGRADE RESERVE**

Purpose - To be used to assist with the upgrade of the Gnowangerup Swimming Pool.

	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Opening Balance</b>	208,260	238,425	299,194	362,674	429,554	498,440	569,394	642,475	717,750	795,282
<b>Transfer from Accumulated Surplus</b>										
- Interest Earned	4,165	4,769	7,480	10,880	12,887	14,953	17,082	19,274	21,532	23,858
- Other Transfers	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000
<b>Less Transfer to Accumulated Surplus</b>										
-Transfer to Municipal Fund	(30,000)	0	0	0	0	0	0	0	0	0
<b>CLOSING BALANCE</b>	<b>238,425</b>	<b>299,194</b>	<b>362,674</b>	<b>429,554</b>	<b>498,440</b>	<b>569,394</b>	<b>642,475</b>	<b>717,750</b>	<b>795,282</b>	<b>875,141</b>

**COMPUTER REPLACEMENT RESERVE**

Purpose - To be used to fund the maintenance and replacement of the administration computer system.

	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Opening Balance</b>	7,925	8,084	8,245	8,451	8,705	8,966	9,235	9,512	9,797	10,091
<b>Transfer from Accumulated Surplus</b>										
- Interest Earned	159	162	206	254	261	269	277	285	294	303
- Other Transfers	0	0	0	0	0	0	0	0	0	0
<b>Less Transfer to Accumulated Surplus</b>										
-Transfer to Municipal Fund	0	0	0	0	0	0	0	0	0	0
<b>CLOSING BALANCE</b>	<b>8,084</b>	<b>8,245</b>	<b>8,451</b>	<b>8,705</b>	<b>8,966</b>	<b>9,235</b>	<b>9,512</b>	<b>9,797</b>	<b>10,091</b>	<b>10,394</b>

**WASTE DISPOSAL RESERVE**

Purpose - To be used to fund waste disposal in the Shire, including rehabilitation, transfer stations and post closure of sites.

	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Opening Balance</b>	243,580	248,452	253,421	259,756	267,549	275,575	283,843	292,358	301,129	310,162
<b>Transfer from Accumulated Surplus</b>										
- Interest Earned	4,872	4,969	6,336	7,793	8,026	8,267	8,515	8,771	9,034	9,305
- Other Transfers	0	0	0	0	0	0	0	0	0	0
<b>Less Transfer to Accumulated Surplus</b>										
-Transfer to Municipal Fund	0	0	0	0	0	0	0	0	0	0
<b>CLOSING BALANCE</b>	<b>248,452</b>	<b>253,421</b>	<b>259,756</b>	<b>267,549</b>	<b>275,575</b>	<b>283,843</b>	<b>292,358</b>	<b>301,129</b>	<b>310,162</b>	<b>319,467</b>

**FUTURES FUND RESERVE**

Purpose - To be used for contributions towards major externally grant funded projects and programs within the Shire of Gnowangerup.

	PROPOSED ESTIMATES									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Opening Balance</b>	16,133	16,456	16,785	17,204	17,721	18,252	18,800	214,364	320,795	330,418
<b>Transfer from Accumulated Surplus</b>										
- Interest Earned	323	329	420	516	532	548	564	6,431	9,624	9,913
- Other Transfers	0	0	0	0	0	0	195,000	100,000	0	200,000
<b>Less Transfer to Accumulated Surplus</b>										
-Transfer to Municipal Fund	0	0	0	0	0	0	0	0	0	0
<b>CLOSING BALANCE</b>	<b>16,456</b>	<b>16,785</b>	<b>17,204</b>	<b>17,721</b>	<b>18,252</b>	<b>18,800</b>	<b>214,364</b>	<b>320,795</b>	<b>330,418</b>	<b>540,331</b>

**GNOWANGERUP LIQUID WASTE FACILITY RESERVE**

Purpose - To be used for the maintenance and improvement of the Gnowangerup Liquid Waste Facility

	<b>PROPOSED ESTIMATES</b>									
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>
<b>Opening Balance</b>	31,229	41,354	51,681	62,473	73,847	85,562	97,629	110,058	122,860	136,046
<b>Transfer from Accumulated Surplus</b>										
- Interest Earned	625	827	1,292	1,874	2,215	2,567	2,929	3,302	3,686	4,081
- Other Transfers	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500
<b>Less Transfer to Accumulated Surplus</b>										
-Transfer to Municipal Fund	0	0	0	0	0	0	0	0	0	0
<b>CLOSING BALANCE</b>	<b>41,354</b>	<b>51,681</b>	<b>62,473</b>	<b>73,847</b>	<b>85,562</b>	<b>97,629</b>	<b>110,058</b>	<b>122,860</b>	<b>136,046</b>	<b>149,627</b>
<b>TOTAL RESERVES</b>	<b>1,201,057</b>	<b>1,144,578</b>	<b>1,348,693</b>	<b>1,744,654</b>	<b>1,800,493</b>	<b>1,928,508</b>	<b>2,456,863</b>	<b>3,106,069</b>	<b>3,224,751</b>	<b>3,886,994</b>

**APPENDIX 4**  
**BASE CASE SCENARIO MODEL**  
**LOAN REPAYMENT SCHEDULES**

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<b>2019-20</b>		<b>PRINCIPAL</b>	<b>NEW LOANS</b>	<b>INTEREST</b>	<b>PRINCIPAL</b>	<b>CLOSING</b>
<b>LOAN DESCRIPTION</b>	<b>LOAN No.</b>	<b>01.07.19</b>	<b>2019-20</b>	<b>REPAYMENT</b>	<b>REPAYMENT</b>	<b>BALANCE</b>
<b>Housing</b>						
GROH Housing	277	262,956	0	15,233	84,035	178,921
Staff & Aged Housing	280	367,500	0	14,398	30,553	336,947
<b>Recreation &amp; Culture</b>						
Gnp Community Centre	273	144,870	0	8,693	17,115	127,755
Gnp Sporting Complex	275	61,777	0	2,310	19,770	42,007
Borden Pavilion	276	27,457	0	1,373	8,787	18,670
Borden Pavilion	278	73,140	0	3,668	17,138	56,002
Gnp Synthetic Surface	279	179,649	0	7,424	16,786	162,863
		<b>1,117,349</b>	<b>0</b>	<b>53,099</b>	<b>194,184</b>	<b>923,165</b>

<b>2020-21</b>		<b>PRINCIPAL</b>	<b>NEW LOANS</b>	<b>INTEREST</b>	<b>PRINCIPAL</b>	<b>CLOSING</b>
<b>LOAN DESCRIPTION</b>	<b>LOAN No.</b>	<b>01.07.20</b>	<b>2020-21</b>	<b>REPAYMENT</b>	<b>REPAYMENT</b>	<b>BALANCE</b>
<b>Housing</b>						
GROH Housing	277	178,921	0	11,882	87,602	91,319
Staff & Aged Housing	280	336,947	0	13,163	31,787	305,160
<b>Recreation &amp; Culture</b>						
Gnp Community Centre	273	127,755	0	7,619	18,189	109,566
Gnp Sporting Complex	275	42,007	0	1,499	20,582	21,425
Borden Pavilion	276	18,670	0	1,026	9,147	9,523
Borden Pavilion	278	56,002	0	2,956	17,880	38,122
Gnp Synthetic Surface	279	162,863	0	6,706	17,503	145,360
		<b>923,165</b>	<b>0</b>	<b>44,851</b>	<b>202,690</b>	<b>720,475</b>

2021-22 LOAN DESCRIPTION	LOAN No.	PRINCIPAL 01.07.21	NEW LOANS 2021-22	INTEREST REPAYMENT	PRINCIPAL REPAYMENT	CLOSING BALANCE
<b>Housing</b>						
GROH Housing	277	91,319	0	8,387	91,320	0
Staff & Aged Housing	280	305,160	0	11,879	33,071	272,089
<b>Recreation &amp; Culture</b>						
Gnp Community Centre	273	109,566	0	6,477	19,330	90,236
Gnp Sporting Complex	275	21,425	0	655	21,425	0
Borden Pavilion	276	9,523	0	666	9,523	0
Borden Pavilion	278	38,122	0	2,213	18,656	19,466
Gnp Synthetic Surface	279	145,360	0	5,958	18,252	127,108
		<b>720,475</b>	<b>0</b>	<b>36,235</b>	<b>211,577</b>	<b>508,899</b>

2022-23 LOAN DESCRIPTION	LOAN No.	PRINCIPAL 01.07.22	NEW LOANS 2022-23	INTEREST REPAYMENT	PRINCIPAL REPAYMENT	CLOSING BALANCE
<b>Housing</b>						
GROH Housing	277	0	0	0	0	0
Staff & Aged Housing	280	272,089	0	15,288	34,407	237,682
<b>Recreation &amp; Culture</b>						
Gnp Community Centre	273	90,236	0	5,555	20,543	69,693
Gnp Sporting Complex	275	0	0	0	0	0
Borden Pavilion	276	0	0	0	0	0
Borden Pavilion	278	19,466	0	1,437	19,466	0
Gnp Synthetic Surface	279	127,108	0	5,178	19,032	108,076
		<b>508,899</b>	<b>0</b>	<b>27,458</b>	<b>93,448</b>	<b>415,451</b>

2023-24 LOAN DESCRIPTION	LOAN No.	PRINCIPAL 01.07.23	NEW LOANS 2023-24	INTEREST REPAYMENT	PRINCIPAL REPAYMENT	CLOSING BALANCE
<b>Housing</b>						
GROH Housing	277	0	0	0	0	0
Staff & Aged Housing	280	237,682	0	10,596	35,798	201,884
<b>Recreation &amp; Culture</b>						
Gnp Community Centre	273	69,693	0	3,975	21,832	47,861
Gnp Sporting Complex	275	0	0	0	0	0
Borden Pavilion	276	0	0	0	0	0
Borden Pavilion	278	0	0	0	0	0
Gnp Synthetic Surface	279	108,076	0	4,992	19,846	88,230
		<b>415,451</b>	<b>0</b>	<b>19,563</b>	<b>77,476</b>	<b>337,975</b>

2024-25 LOAN DESCRIPTION	LOAN No.	PRINCIPAL 01.07.24	NEW LOANS 2024-25	INTEREST REPAYMENT	PRINCIPAL REPAYMENT	CLOSING BALANCE
<b>Housing</b>						
GROH Housing	277	0	0	0	0	0
Staff & Aged Housing	280	201,884	0	7,707	37,244	164,640
<b>Recreation &amp; Culture</b>						
Gnp Community Centre	273	47,861	0	2,605	23,202	24,659
Gnp Sporting Complex	275	0	0	0	0	0
Borden Pavilion	276	0	0	0	0	0
Borden Pavilion	278	0	0	0	0	0
Gnp Synthetic Surface	279	88,230	0	3,516	20,694	67,536
		<b>337,975</b>	<b>0</b>	<b>13,828</b>	<b>81,140</b>	<b>256,835</b>

<b>2025-26</b>		<b>PRINCIPAL</b>	<b>NEW LOANS</b>	<b>INTEREST</b>	<b>PRINCIPAL</b>	<b>CLOSING</b>
<b>LOAN DESCRIPTION</b>	<b>LOAN No.</b>	<b>01.07.25</b>	<b>2025-26</b>	<b>REPAYMENT</b>	<b>REPAYMENT</b>	<b>BALANCE</b>
<b>Housing</b>						
GROH Housing	277	0	0	0	0	0
Staff & Aged Housing	280	164,640	0	6,202	38,748	125,892
<b>Recreation &amp; Culture</b>						
Gnp Community Centre	273	24,659	0	1,149	24,658	0
Gnp Sporting Complex	275	0	0	0	0	0
Borden Pavilion	276	0	0	0	0	0
Borden Pavilion	278	0	0	0	0	0
Gnp Synthetic Surface	279	67,536	0	2,631	21,578	45,958
		<b>256,835</b>	<b>0</b>	<b>9,982</b>	<b>84,984</b>	<b>171,850</b>

<b>2026-27</b>		<b>PRINCIPAL</b>	<b>NEW LOANS</b>	<b>INTEREST</b>	<b>PRINCIPAL</b>	<b>CLOSING</b>
<b>LOAN DESCRIPTION</b>	<b>LOAN No.</b>	<b>01.07.26</b>	<b>2026-27</b>	<b>REPAYMENT</b>	<b>REPAYMENT</b>	<b>BALANCE</b>
<b>Housing</b>						
Staff & Aged Housing	280	125,892	0	4,637	40,314	85,578
<b>Recreation &amp; Culture</b>						
Gnp Community Centre	273	0	0	0	0	0
Borden Pavilion	278	0	0	0	0	0
Gnp Synthetic Surface	279	45,958	0	1,709	22,501	23,457
		<b>171,850</b>	<b>0</b>	<b>6,346</b>	<b>62,815</b>	<b>109,035</b>

<b>2027-28</b>		<b>PRINCIPAL</b>	<b>NEW LOANS</b>	<b>INTEREST</b>	<b>PRINCIPAL</b>	<b>CLOSING</b>
<b>LOAN DESCRIPTION</b>	<b>LOAN No.</b>	<b>01.07.27</b>	<b>2027-28</b>	<b>REPAYMENT</b>	<b>REPAYMENT</b>	<b>BALANCE</b>
<b>Housing</b>						
Staff & Aged Housing	280	85,578	0	3,008	41,942	43,636
<b>Recreation &amp; Culture</b>						
Gnp Community Centre	273	0	0	0	0	0
Gnp Synthetic Surface	279	23,457	0	747	23,457	0
		<b>109,035</b>	<b>0</b>	<b>3,755</b>	<b>65,399</b>	<b>43,636</b>

<b>2028-29</b>		<b>PRINCIPAL</b>	<b>NEW LOANS</b>	<b>INTEREST</b>	<b>PRINCIPAL</b>	<b>CLOSING</b>
<b>LOAN DESCRIPTION</b>	<b>LOAN No.</b>	<b>01.07.28</b>	<b>2028-29</b>	<b>REPAYMENT</b>	<b>REPAYMENT</b>	<b>BALANCE</b>
<b>Housing</b>						
Staff & Aged Housing	280	43,636	0	1,313	43,196	440
<b>Recreation &amp; Culture</b>						
Gnp Community Centre	273	0	0	0	0	0
Gnp Synthetic Surface	279	0	0	0	0	0
		<b>43,636</b>	<b>0</b>	<b>1,313</b>	<b>43,196</b>	<b>440</b>

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**APPENDIX 5**  
**BASE CASE SCENARIO MODEL**  
**DEPRECIATION SCHEDULES**

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**SHIRE OF GNOWANGERUP  
DEPRECIATION SCHEDULE  
2019-20**

Program	Land	Buildings	Furniture and Equip.	Plant and Equip.	Other	Roads	Footpaths	Drainage	Parks & Ovals	Airports	Sewer	Solid Waste	Total
	\$		\$	\$		\$	\$	\$				\$	\$
Asset Balance at the beginning of the year	1,283,188	27,469,869	112,565	4,660,878	543,064	77,397,806	758,301	3,745,686	6,798,577	3,457,811	275,636	76,992	126,580,373
Assets Acquired during the year	0	36,285	13,000	797,000	50,000	1,318,871	0	5,000	5,570	0	10,000	8,000	2,243,726
Assets Disposed during the year	0	0	0	(282,000)	0	0	0	0	0	0	0	0	(282,000)
Revaluation Increments/(decrements)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Asset Balance at the end of the year</b>	<b>1,283,188</b>	<b>27,506,154</b>	<b>125,565</b>	<b>5,175,878</b>	<b>593,064</b>	<b>78,716,677</b>	<b>758,301</b>	<b>3,750,686</b>	<b>6,804,147</b>	<b>3,457,811</b>	<b>285,636</b>	<b>84,992</b>	<b>128,542,099</b>
Depreciation at the beginning of the year	0	(1,442,297)	(42,717)	(1,077,383)	(3,560)	(2,338,443)	(19,488)	(128,979)	(507,889)	(352,972)	(50,523)	(16,532)	(5,980,783)
Depreciation Expense Raised	0	(550,123)	(15,341)	(386,704)	(11,861)	(1,202,558)	(9,721)	(64,153)	(252,202)	(174,911)	(31,693)	(9,043)	(2,708,312)
Depreciation Expense Written Back on Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation Increments/(decrements)	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation at the end of Year	0	(1,992,420)	(58,058)	(1,464,087)	(15,421)	(3,541,001)	(29,209)	(193,132)	(760,091)	(527,883)	(82,216)	(25,575)	(8,689,095)
<b>Net Asset Values at the end of the year</b>	<b>1,283,188</b>	<b>25,513,734</b>	<b>67,507</b>	<b>3,711,791</b>	<b>577,643</b>	<b>75,175,676</b>	<b>729,092</b>	<b>3,557,554</b>	<b>6,044,056</b>	<b>2,929,928</b>	<b>203,420</b>	<b>59,417</b>	<b>119,853,004</b>

**SHIRE OF GNOWANGERUP  
DEPRECIATION SCHEDULE  
2020-21**

Program	Land	Buildings	Furniture and Equip.	Plant and Equip.	Other	Roads	Footpaths	Drainage	Parks & Ovals	Airports	Sewer	Solid Waste	Total
	\$		\$	\$		\$	\$	\$				\$	\$
Asset Balance at the beginning of the year	1,283,188	27,506,154	125,565	5,175,878	593,064	78,716,677	758,301	3,750,686	6,804,147	3,457,811	285,636	84,992	128,542,099
Assets Acquired during the year	0	123,050	45,000	869,000	0	1,317,194	6,000	5,000	93,000	0	0	45,000	2,503,244
Assets Disposed during the year	0	0	0	(342,000)	0	0	0	0	0	0	0	0	(342,000)
Revaluation Increments/(decrements)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Asset Balance at the end of the year</b>	<b>1,283,188</b>	<b>27,629,204</b>	<b>170,565</b>	<b>5,702,878</b>	<b>593,064</b>	<b>80,033,871</b>	<b>764,301</b>	<b>3,755,686</b>	<b>6,897,147</b>	<b>3,457,811</b>	<b>285,636</b>	<b>129,992</b>	<b>130,703,343</b>
Depreciation at the beginning of the year	0	(1,992,420)	(58,058)	(1,464,087)	(15,421)	(3,541,001)	(29,209)	(193,132)	(760,091)	(527,883)	(82,216)	(25,575)	(8,689,095)
Depreciation Expense Raised	0	(552,584)	(20,839)	(426,078)	(11,861)	(1,222,681)	(9,798)	(64,239)	(255,649)	(174,911)	(31,693)	(13,831)	(2,784,165)
Depreciation Expense Written Back on Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation Increments/(decrements)	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation at the end of Year	0	(2,545,004)	(78,898)	(1,890,165)	(27,283)	(4,763,681)	(39,007)	(257,371)	(1,015,740)	(702,794)	(113,910)	(39,406)	(11,473,260)
<b>Net Asset Values at the end of the year</b>	<b>1,283,188</b>	<b>25,084,200</b>	<b>91,667</b>	<b>3,812,713</b>	<b>565,781</b>	<b>75,270,190</b>	<b>725,294</b>	<b>3,498,315</b>	<b>5,881,407</b>	<b>2,755,017</b>	<b>171,726</b>	<b>90,586</b>	<b>119,230,083</b>

**SHIRE OF GNOWANGERUP  
DEPRECIATION SCHEDULE  
2021-22**

Program	Land	Buildings	Furniture and Equip.	Plant and Equip.	Other	Roads	Footpaths	Drainage	Parks & Ovals	Airports	Sewer	Solid Waste	Total
	\$		\$	\$		\$	\$	\$				\$	\$
Asset Balance at the beginning of the year	1,283,188	27,629,204	170,565	5,702,878	593,064	80,033,871	764,301	3,755,686	6,897,147	3,457,811	285,636	129,992	130,703,343
Assets Acquired during the year	0	69,337	0	788,000	0	1,234,674	18,000	5,000	5,570	0	0	0	2,120,581
Assets Disposed during the year	0	0	0	(200,500)	0	0	0	0	0	0	0	0	(200,500)
Revaluation Increments/(decrements)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Asset Balance at the end of the year</b>	<b>1,283,188</b>	<b>27,698,541</b>	<b>170,565</b>	<b>6,290,378</b>	<b>593,064</b>	<b>81,268,545</b>	<b>782,301</b>	<b>3,760,686</b>	<b>6,902,717</b>	<b>3,457,811</b>	<b>285,636</b>	<b>129,992</b>	<b>132,623,424</b>
Depreciation at the beginning of the year	0	(2,545,004)	(78,898)	(1,890,165)	(27,283)	(4,763,681)	(39,007)	(257,371)	(1,015,740)	(702,794)	(113,910)	(39,406)	(11,473,260)
Depreciation Expense Raised	0	(553,971)	(20,839)	(469,971)	(11,861)	(1,241,543)	(10,029)	(64,325)	(255,856)	(174,911)	(31,693)	(13,831)	(2,848,830)
Depreciation Expense Written Back on Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation Increments/(decrements)	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation at the end of Year	<b>0 (3,098,975)</b>	<b>(99,737)</b>	<b>(2,360,136)</b>	<b>(39,144)</b>	<b>(6,005,224)</b>	<b>(49,036)</b>	<b>(321,696)</b>	<b>(1,271,596)</b>	<b>(877,705)</b>	<b>(145,603)</b>	<b>(53,238)</b>	<b>(14,322,090)</b>	
<b>Net Asset Values at the end of the year</b>	<b>1,283,188</b>	<b>24,599,566</b>	<b>70,828</b>	<b>3,930,242</b>	<b>553,920</b>	<b>75,263,321</b>	<b>733,265</b>	<b>3,438,990</b>	<b>5,631,121</b>	<b>2,580,106</b>	<b>140,033</b>	<b>76,754</b>	<b>118,301,334</b>

**SHIRE OF GNOWANGERUP  
DEPRECIATION SCHEDULE  
2022-23**

Program	Land	Buildings	Furniture and Equip.	Plant and Equip.	Other	Roads	Footpaths	Drainage	Parks & Ovals	Airports	Sewer	Solid Waste	Total
	\$		\$	\$		\$	\$	\$				\$	\$
Asset Balance at the beginning of the year	1,283,188	27,698,541	170,565	6,290,378	593,064	81,268,545	782,301	3,760,686	6,902,717	3,457,811	285,636	129,992	132,623,424
Assets Acquired during the year	0	208,862	15,000	415,000	150,000	1,314,802	20,000	5,000	0	0	0	45,000	2,173,664
Assets Disposed during the year	0	0	0	(206,000)	0	0	0	0	0	0	0	0	(206,000)
Revaluation Increments/(decrements)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Asset Balance at the end of the year</b>	<b>1,283,188</b>	<b>27,907,403</b>	<b>185,565</b>	<b>6,499,378</b>	<b>743,064</b>	<b>82,583,347</b>	<b>802,301</b>	<b>3,765,686</b>	<b>6,902,717</b>	<b>3,457,811</b>	<b>285,636</b>	<b>174,992</b>	<b>134,591,088</b>
Depreciation at the beginning of the year	0	(3,098,975)	(99,737)	(2,360,136)	(39,144)	(6,005,224)	(49,036)	(321,696)	(1,271,596)	(877,705)	(145,603)	(53,238)	(14,322,090)
Depreciation Expense Raised	0	(558,148)	(22,672)	(485,586)	(14,861)	(1,261,629)	(10,285)	(64,410)	(255,856)	(174,911)	(31,693)	(18,619)	(2,898,671)
Depreciation Expense Written Back on Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation Increments/(decrements)	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation at the end of Year	<b>0 (3,657,123)</b>	<b>(122,409)</b>	<b>(2,845,723)</b>	<b>(54,005)</b>	<b>(7,266,853)</b>	<b>(59,321)</b>	<b>(386,106)</b>	<b>(1,527,452)</b>	<b>(1,052,616)</b>	<b>(177,297)</b>	<b>(71,857)</b>	<b>(17,220,761)</b>	
<b>Net Asset Values at the end of the year</b>	<b>1,283,188</b>	<b>24,250,280</b>	<b>63,156</b>	<b>3,653,655</b>	<b>689,059</b>	<b>75,316,494</b>	<b>742,980</b>	<b>3,379,580</b>	<b>5,375,265</b>	<b>2,405,195</b>	<b>108,339</b>	<b>103,135</b>	<b>117,370,327</b>

**SHIRE OF GNOWANGERUP  
DEPRECIATION SCHEDULE  
2023-24**

Program	Land	Buildings	Furniture and Equip.	Plant and Equip.	Other	Roads	Footpaths	Drainage	Parks & Ovals	Airports	Sewer	Solid Waste	Total
	\$		\$	\$		\$	\$	\$				\$	\$
Asset Balance at the beginning of the year	1,283,188	27,907,403	185,565	6,499,378	743,064	82,583,347	802,301	3,765,686	6,902,717	3,457,811	285,636	174,992	134,591,088
Assets Acquired during the year	0	80,167	0	547,000	0	1,521,983	20,000	5,000	6,253	0	0	0	2,180,403
Assets Disposed during the year	0		0	(142,000)	0	0	0	0	0	0	0	0	(142,000)
Revaluation Increments/(decrements)	0		0	0	0	0	0	0	0	0	0	0	0
<b>Asset Balance at the end of the year</b>	<b>1,283,188</b>	<b>27,987,570</b>	<b>185,565</b>	<b>6,904,378</b>	<b>743,064</b>	<b>84,105,330</b>	<b>822,301</b>	<b>3,770,686</b>	<b>6,908,970</b>	<b>3,457,811</b>	<b>285,636</b>	<b>174,992</b>	<b>136,629,491</b>
Depreciation at the beginning of the year	0	(3,657,123)	(122,409)	(2,845,723)	(54,005)	(7,266,853)	(59,321)	(386,106)	(1,527,452)	(1,052,616)	(177,297)	(71,857)	(17,220,761)
Depreciation Expense Raised	0	(559,751)	(22,672)	(515,845)	(14,861)	(1,284,880)	(10,542)	(64,496)	(256,087)	(174,911)	(31,693)	(18,619)	(2,954,358)
Depreciation Expense Written Back on Disposals	0		0	0	0	0	0	0	0	0	0	0	0
Revaluation Increments/(decrements)	0		0	0	0	0	0	0	0	0	0	0	0
Depreciation at the end of Year	0	(4,216,874)	(145,081)	(3,361,568)	(68,866)	(8,551,733)	(69,863)	(450,602)	(1,783,539)	(1,227,527)	(208,990)	(90,476)	(20,175,119)
<b>Net Asset Values at the end of the year</b>	<b>1,283,188</b>	<b>23,770,696</b>	<b>40,484</b>	<b>3,542,810</b>	<b>674,198</b>	<b>75,553,597</b>	<b>752,438</b>	<b>3,320,084</b>	<b>5,125,431</b>	<b>2,230,284</b>	<b>76,646</b>	<b>84,516</b>	<b>116,454,372</b>

**SHIRE OF GNOWANGERUP  
DEPRECIATION SCHEDULE  
2024-25**

Program	Land	Buildings	Furniture and Equip.	Plant and Equip.	Other	Roads	Footpaths	Drainage	Parks & Ovals	Airports	Sewer	Solid Waste	Total
	\$		\$	\$		\$	\$	\$				\$	\$
Asset Balance at the beginning of the year	1,283,188	27,987,570	185,565	6,904,378	743,064	84,105,330	822,301	3,770,686	6,908,970	3,457,811	285,636	174,992	136,629,491
Assets Acquired during the year	0	209,230	0	463,500	0	1,742,676	20,000	5,000	0	0	0	25,000	2,465,406
Assets Disposed during the year	0		0	(202,500)	0	0	0	0	0	0	0	0	(202,500)
Revaluation Increments/(decrements)	0		0	0	0	0	0	0	0	0	0	0	0
<b>Asset Balance at the end of the year</b>	<b>1,283,188</b>	<b>28,196,800</b>	<b>185,565</b>	<b>7,165,378</b>	<b>743,064</b>	<b>85,848,006</b>	<b>842,301</b>	<b>3,775,686</b>	<b>6,908,970</b>	<b>3,457,811</b>	<b>285,636</b>	<b>199,992</b>	<b>138,892,397</b>
Depreciation at the beginning of the year	0	(4,216,874)	(145,081)	(3,361,568)	(68,866)	(8,551,733)	(69,863)	(450,602)	(1,783,539)	(1,227,527)	(208,990)	(90,476)	(20,175,119)
Depreciation Expense Raised	0	(563,936)	(22,672)	(535,345)	(14,861)	(1,311,503)	(10,798)	(64,581)	(256,087)	(174,911)	(31,693)	(21,279)	(3,007,668)
Depreciation Expense Written Back on Disposals	0		0	0	0	0	0	0	0	0	0	0	0
Revaluation Increments/(decrements)	0		0	0	0	0	0	0	0	0	0	0	0
Depreciation at the end of Year	0	(4,780,810)	(167,753)	(3,896,913)	(83,728)	(9,863,237)	(80,661)	(515,183)	(2,039,626)	(1,402,438)	(240,684)	(111,755)	(23,182,787)
<b>Net Asset Values at the end of the year</b>	<b>1,283,188</b>	<b>23,415,990</b>	<b>17,812</b>	<b>3,268,465</b>	<b>659,336</b>	<b>75,984,769</b>	<b>761,640</b>	<b>3,260,503</b>	<b>4,869,344</b>	<b>2,055,373</b>	<b>44,952</b>	<b>88,237</b>	<b>115,709,610</b>

**SHIRE OF GNOWANGERUP  
DEPRECIATION SCHEDULE  
2025-26**

Program	Land	Buildings	Furniture and Equip.	Plant and Equip.	Other	Roads	Footpaths	Drainage	Parks & Ovals	Airports	Sewer	Solid Waste	Total
	\$		\$	\$		\$	\$	\$				\$	\$
Asset Balance at the beginning of the year	1,283,188	28,196,800	185,565	7,165,378	743,064	85,848,006	842,301	3,775,686	6,908,970	3,457,811	285,636	199,992	138,892,397
Assets Acquired during the year	0	181,061	45,000	473,000	0	1,390,988	0	5,000	5,570	0	0	20,000	2,120,619
Assets Disposed during the year	0		0	(131,000)	0	0	0	0	0	0	0	0	(131,000)
Revaluation Increments/(decrements)	0		0	0	0	0	0	0	0	0	0	0	0
<b>Asset Balance at the end of the year</b>	<b>1,283,188</b>	<b>28,377,861</b>	<b>230,565</b>	<b>7,507,378</b>	<b>743,064</b>	<b>87,238,994</b>	<b>842,301</b>	<b>3,780,686</b>	<b>6,914,540</b>	<b>3,457,811</b>	<b>285,636</b>	<b>219,992</b>	<b>140,882,016</b>
Depreciation at the beginning of the year	0	(4,780,810)	(167,753)	(3,896,913)	(83,728)	(9,863,237)	(80,661)	(515,183)	(2,039,626)	(1,402,438)	(240,684)	(111,755)	(23,182,787)
Depreciation Expense Raised	0	(567,557)	(28,170)	(560,897)	(14,861)	(1,332,754)	(10,798)	(64,667)	(256,294)	(174,911)	(31,693)	(23,407)	(3,066,009)
Depreciation Expense Written Back on Disposals	0		0	0	0	0	0	0	0	0	0	0	0
Revaluation Increments/(decrements)	0		0	0	0	0	0	0	0	0	0	0	0
Depreciation at the end of Year	0	(5,348,368)	(195,923)	(4,457,810)	(98,589)	(11,195,990)	(91,458)	(579,849)	(2,295,920)	(1,577,349)	(272,377)	(135,163)	(26,248,796)
<b>Net Asset Values at the end of the year</b>	<b>1,283,188</b>	<b>23,029,493</b>	<b>34,642</b>	<b>3,049,568</b>	<b>644,475</b>	<b>76,043,004</b>	<b>750,843</b>	<b>3,200,837</b>	<b>4,618,620</b>	<b>1,880,462</b>	<b>13,259</b>	<b>84,829</b>	<b>114,633,220</b>

**SHIRE OF GNOWANGERUP  
DEPRECIATION SCHEDULE  
2026-27**

Program	Land	Buildings	Furniture and Equip.	Plant and Equip.	Other	Roads	Footpaths	Drainage	Parks & Ovals	Airports	Sewer	Solid Waste	Total
	\$		\$	\$		\$	\$	\$				\$	\$
Asset Balance at the beginning of the year	1,283,188	28,377,861	230,565	7,507,378	743,064	87,238,994	842,301	3,780,686	6,914,540	3,457,811	285,636	219,992	140,882,016
Assets Acquired during the year	0	74,434	0	602,000	0	1,486,995	0	5,000	0	0	0	25,000	2,193,429
Assets Disposed during the year	0		0	(196,000)	0	0	0	0	0	0	0	0	(196,000)
Revaluation Increments/(decrements)	0		0	0	0	0	0	0	0	0	0	0	0
<b>Asset Balance at the end of the year</b>	<b>1,283,188</b>	<b>28,452,295</b>	<b>230,565</b>	<b>7,913,378</b>	<b>743,064</b>	<b>88,725,989</b>	<b>842,301</b>	<b>3,785,686</b>	<b>6,914,540</b>	<b>3,457,811</b>	<b>285,636</b>	<b>244,992</b>	<b>142,879,445</b>
Depreciation at the beginning of the year	0	(5,348,368)	(195,923)	(4,457,810)	(98,589)	(11,195,990)	(91,458)	(579,849)	(2,295,920)	(1,577,349)	(272,377)	(135,163)	(26,248,796)
Depreciation Expense Raised	0	(569,046)	(28,170)	(591,230)	(14,861)	(1,355,470)	(10,798)	(64,752)	(256,294)	(174,911)	(13,259)	(26,067)	(3,104,859)
Depreciation Expense Written Back on Disposals	0		0	0	0	0	0	0	0	0	0	0	0
Revaluation Increments/(decrements)	0		0	0	0	0	0	0	0	0	0	0	0
Depreciation at the end of Year	0	(5,917,414)	(224,093)	(5,049,040)	(113,450)	(12,551,461)	(102,256)	(644,601)	(2,552,214)	(1,752,260)	(285,636)	(161,230)	(29,353,655)
<b>Net Asset Values at the end of the year</b>	<b>1,283,188</b>	<b>22,534,881</b>	<b>6,472</b>	<b>2,864,338</b>	<b>629,614</b>	<b>76,174,528</b>	<b>740,045</b>	<b>3,141,085</b>	<b>4,362,326</b>	<b>1,705,551</b>	<b>0</b>	<b>83,762</b>	<b>113,525,790</b>

**SHIRE OF GNOWANGERUP  
DEPRECIATION SCHEDULE  
2027-28**

Program	Land	Buildings	Furniture and Equip.	Plant and Equip.	Other	Roads	Footpaths	Drainage	Parks & Ovals	Airports	Sewer	Solid Waste	Total
	\$		\$	\$		\$	\$	\$				\$	\$
Asset Balance at the beginning of the year	1,283,188	28,452,295	230,565	7,913,378	743,064	88,725,989	842,301	3,785,686	6,914,540	3,457,811	285,636	244,992	142,879,445
Assets Acquired during the year	0	219,727	15,000	705,000	0	1,622,963	0	5,000	5,570	0	0	20,000	2,593,260
Assets Disposed during the year	0		0	(252,000)	0	0	0	0	0	0	0	0	(252,000)
Revaluation Increments/(decrements)	0		0	0	0	0	0	0	0	0	0	0	0
<b>Asset Balance at the end of the year</b>	<b>1,283,188</b>	<b>28,672,022</b>	<b>245,565</b>	<b>8,366,378</b>	<b>743,064</b>	<b>90,348,952</b>	<b>842,301</b>	<b>3,790,686</b>	<b>6,920,110</b>	<b>3,457,811</b>	<b>285,636</b>	<b>264,992</b>	<b>145,220,705</b>
Depreciation at the beginning of the year		(5,917,414)	(224,093)	(5,049,040)	(113,450)	(12,551,461)	(102,256)	(644,601)	(2,552,214)	(1,752,260)	(285,636)	(161,230)	(29,353,655)
Depreciation Expense Raised		(573,440)	(21,472)	(625,075)	(14,861)	(1,380,264)	(10,798)	(64,838)	(256,500)	(174,911)	0	(28,195)	(3,150,355)
Depreciation Expense Written Back on Disposals			0	0	0	0	0	0	0	0	0	0	0
Revaluation Increments/(decrements)			0	0	0	0	0	0	0	0	0	0	0
Depreciation at the end of Year	<b>0</b>	<b>(6,490,854)</b>	<b>(245,565)</b>	<b>(5,674,115)</b>	<b>(128,312)</b>	<b>(13,931,725)</b>	<b>(113,054)</b>	<b>(709,439)</b>	<b>(2,808,714)</b>	<b>(1,927,171)</b>	<b>(285,636)</b>	<b>(189,425)</b>	<b>(32,504,011)</b>
<b>Net Asset Values at the end of the year</b>	<b>1,283,188</b>	<b>22,181,168</b>	<b>0</b>	<b>2,692,263</b>	<b>614,752</b>	<b>76,417,227</b>	<b>729,247</b>	<b>3,081,247</b>	<b>4,111,396</b>	<b>1,530,640</b>	<b>0</b>	<b>75,567</b>	<b>112,716,694</b>

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DEPRECIATION SCHEDULE  
2028-29**

Program	Land	Buildings	Furniture and Equip.	Plant and Equip.	Other	Roads	Footpaths	Drainage	Parks & Ovals	Airports	Sewer	Solid Waste	Total
	\$		\$	\$		\$	\$	\$				\$	\$
Asset Balance at the beginning of the year	1,283,188	28,672,022	245,565	8,366,378	743,064	90,348,952	842,301	3,790,686	6,920,110	3,457,811	285,636	264,992	145,220,705
Assets Acquired during the year	0	0	0	307,000	0	1,491,390	0	5,000	0	200,000	0	25,000	2,028,390
Assets Disposed during the year	0		0	(138,000)	0	0	0	0	0	0	0	0	(138,000)
Revaluation Increments/(decrements)	0		0	0	0	0	0	0	0	0	0	0	0
<b>Asset Balance at the end of the year</b>	<b>1,283,188</b>	<b>28,672,022</b>	<b>245,565</b>	<b>8,535,378</b>	<b>743,064</b>	<b>91,840,342</b>	<b>842,301</b>	<b>3,795,686</b>	<b>6,920,110</b>	<b>3,657,811</b>	<b>285,636</b>	<b>289,992</b>	<b>147,111,095</b>
Depreciation at the beginning of the year		(6,490,854)	(245,565)	(5,674,115)	(128,312)	(13,931,725)	(113,054)	(709,439)	(2,808,714)	(1,927,171)	(285,636)	(189,425)	(32,504,011)
Depreciation Expense Raised		(573,440)	0	(637,702)	(14,861)	(1,403,048)	(10,798)	(64,923)	(256,500)	(185,028)	0	(30,855)	(3,177,156)
Depreciation Expense Written Back on Disposals			0	0	0	0	0	0	0	0	0	0	0
Revaluation Increments/(decrements)			0	0	0	0	0	0	0	0	0	0	0
Depreciation at the end of Year	<b>0</b>	<b>(7,064,294)</b>	<b>(245,565)</b>	<b>(6,311,816)</b>	<b>(143,173)</b>	<b>(15,334,774)</b>	<b>(123,852)</b>	<b>(774,362)</b>	<b>(3,065,215)</b>	<b>(2,112,199)</b>	<b>(285,636)</b>	<b>(220,281)</b>	<b>(35,681,167)</b>
<b>Net Asset Values at the end of the year</b>	<b>1,283,188</b>	<b>21,607,728</b>	<b>0</b>	<b>2,223,562</b>	<b>599,891</b>	<b>76,505,568</b>	<b>718,449</b>	<b>3,021,324</b>	<b>3,854,895</b>	<b>1,545,612</b>	<b>0</b>	<b>69,711</b>	<b>111,429,928</b>

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