



# Long Term Financial Plan 2024-2039

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# 1.0 Foreword

We are pleased to present the Shire of Irwin Long Term Financial Plan 2024 – 2039.

This Plan is part of the Shire's ongoing commitment to an integrated approach to planning for the district's future. Despite the current uncertain times globally, the Plan provides the Council and the community with a picture of the Shire's long term financial management. The Plan has been developed to assist the Shire meet its strategic outcomes and objectives, both during and beyond current global uncertainties and other considerations which may impact the community.

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

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

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

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

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

Mark Leonard Shane Ivers

President Chief Executive Officer

# 2.0 Background

## 2.1 Irwin

The Shire of Irwin covers an area of 2,369.3 square kilometres, 3.5 hours north of Perth along the stunning Coral Coast of Western Australia, the twin towns of Dongara Port Denison are the ultimate weekend getaway.

Dongara and Port Denison are divided by the Irwin River, which creates a scenic landmark as it meanders between the two towns. The Dongara Port Denison region offers some lovely day trips and we highly recommended visitors explore the coast and inland on their journey here.

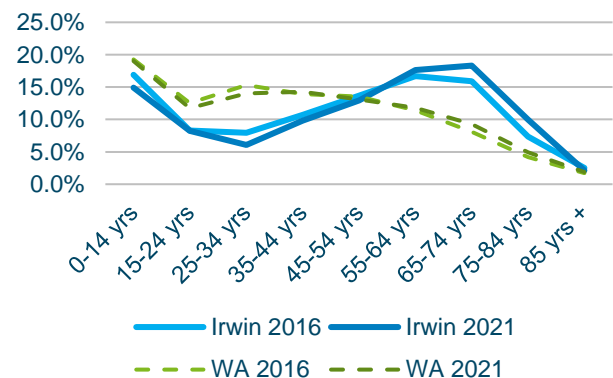
## 2.2 People

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

The Shire had an estimate resident population of 3,680 people (Australian Bureau of Statistics Census, 2021) on the night of the 2021 census.

Population	2016		2021
Irwin	3,569	↓	3,680
WA	2.47m	↑	2.66m

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



In comparison to the Western Australia demographic, the Shire has a lower proportion of residents in the under 54 age ranges. The proportion of people aged over 54 years is higher than the State average.

The Shire also experiences a significant influx of tourists at certain times of the year.



## 3.0 Key Information

### Vision / Strategic Objectives

Diverse heritage, vibrant community, prosperous future.

A friendly, safe and inclusive community enjoying a high quality lifestyle

A prosperous and diverse economy

Custodianship of our natural and built environment

Leading the community with engaged and progressive governance

### Assumptions



3.5%  
Inflation Rate



Increasing  
Population



Increasing  
Levels of Service



Stable  
Operations



Balanced  
Annual Budget



5.0%  
Rates



4.7%  
Fees and Charges



3.5%  
Employee Costs

### Statistics<sup>1|2</sup>



6  
Council Members<sup>1</sup>



54  
Employees<sup>1</sup>



2,795  
Electors<sup>1</sup>



2,155  
Dwellings<sup>1</sup>



355km  
Distance from  
Perth<sup>1</sup>



2,223km<sup>2</sup>  
Area<sup>2</sup>



3,680  
Population<sup>2</sup>

<sup>1</sup>WALGA Online Local Government Directory 2022/23, Shire of Irwin

<sup>2</sup>Australian Bureau of Statistics 2021 Census of Population and Housing, Irwin (LGA54060)



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## 4.0 Executive Summary

The following information provides a brief summary of the Long Term Financial Plan 2024 – 2039, this should be read in conjunction with the underlying assumptions detailed in this Plan.

### 4.1 Planning for a Progressive and Stable Future

The Shire of Irwin is planning for a positive future with strong growth in the district. The Shire seeks to where possible, improve service levels into the future while ensuring a healthy financial position.

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

### 4.2 Significant Issues

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

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

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

Rate revenue is forecast to increase at 5.0% (CPI 3.5%+1.5%) for the term of the Plan. These increases are to assist in the long term financial stability of the Shire and to increase the level of services to the community. These increases will be reviewed annually when setting future budgets.

### 4.3 Forecast Capital Projects

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

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

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

#### 4.3.1 Forecast Capital Projects by Asset Class

Project by Asset Class	2024 – 2039 Amount (\$)
<b>Plant and Equipment</b>	
Plant Replacement Program	17,155,804
<b>Furniture and Equipment</b>	
Furniture & Equipment - Irwin Recreation Centre	259,625
Furniture & Equipment Renewal	359,478
<b>Infrastructure - roads</b>	
Regional Road Group Projects	26,960,891
MRWA Direct Funding Projects	938,639
Roads to Recovery Projects	4,293,771
Local Roadworks - Footpaths	1,530,280
Local Roadworks - Renewal	3,994,207
<b>Buildings</b>	
Council Priority Project	2,217,436
Safety upgrade for Denison House	210,623
Renewal/ Upgrade of Buildings	1,287,884
<b>Other Infrastructure</b>	
Council Priority Project	4,517,732
Other Infrastructure - Parks & Gardens	1,994,141
Other Infrastructure - Works	239,658
Transfer Station Renewal	1,704,243
Foreshore Project	5,175,000

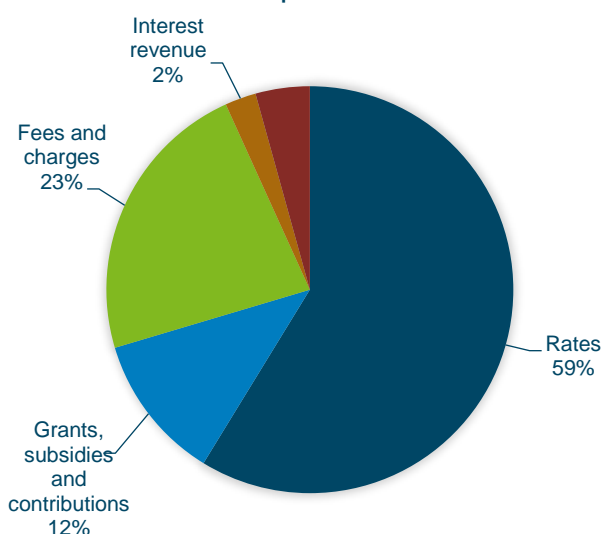


# 5.0 Long Term Financial Planning Overview

## 5.1 Forecast Revenue

Rates are expected to generate \$6.7m in 2024/25 before increasing at 5.0% per annum to \$13.2m in 2038/39 and comprise 59% of operating revenue over the term of the Plan. The Shire is reliant on receiving more than \$28.5m over the next 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. Capital grants are expected to remain relatively stable for road renewal with significant additional grants required as council seeks to increase the level of service of community infrastructure.

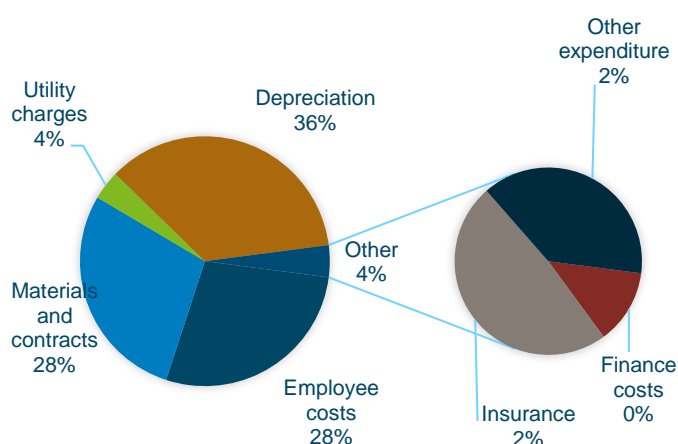
### 5.1.1 Revenue Composition Year 1 to 15



## 5.2 Forecast Expenditure

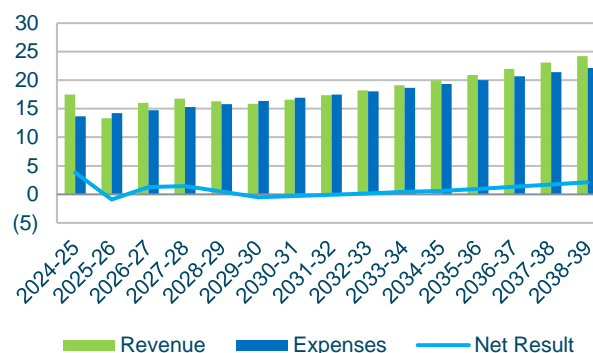
Expenditure for operating activities is forecast to increase in line with inflation with the exception of depreciation which is impacted by the addition of assets over the term of the Plan.

### 5.2.1 Expenditure Composition Year 1 to 15



## 5.3 Net Result

The chart below reflects in the green columns, increasing revenue over the life of the Plan as the Shire seeks to improve its financial position and match the increasing forecast expenditure reflected in the blue columns. The bright blue line reflecting the negative net result for the life of the plan.



The positive net result over the long term indicates net asset values will increase faster than depreciation erodes asset values. This indicates an increase in the potential level of service provision to the community from assets. Asset funding is required to ensure the level of service increases. Changes to expected useful life of assets as they are better understood may impact the net result.

## 5.4 Depreciation

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

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

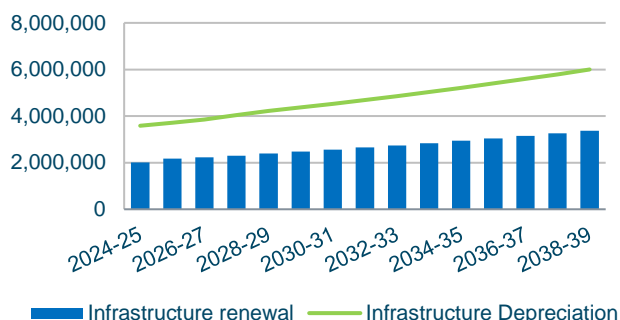
Depreciation increases throughout the Plan from \$4.8m in year 1 to \$7.9m in year 15 as assets are revalued and renewed.



# 5.0 Long Term Financial Planning Overview (Continued)

## 5.4.1 Infrastructure Depreciation -V- Asset Renewal Expenditure

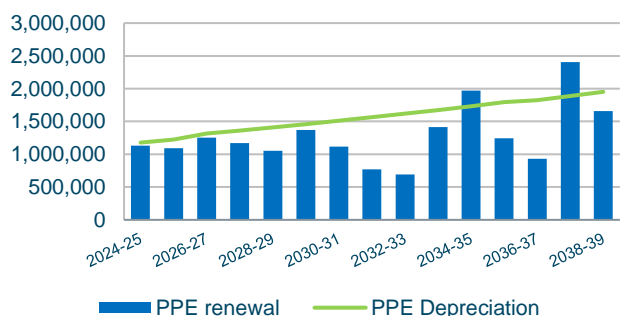
Depreciation of infrastructure over the 15 years is \$70.9m, shown by the green line in the chart below. The planned level of infrastructure asset renewal expenditure at \$40.1m (reflected by the blue columns) is over the term of the Plan below the level of depreciation.



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

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

Planned property, plant and equipment asset renewals of \$19.3m (reflected by the blue columns) over the 15 years is less than the depreciation of \$23.5m (reflected by the green line) over the same period as shown in the chart below.



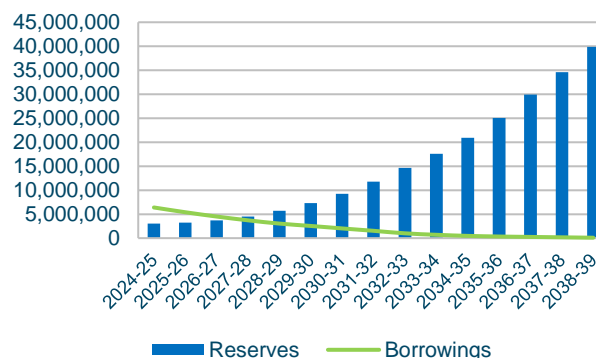
Further improvements in asset management data and the estimation of depreciation along with the future renewal of long lived assets may result in a closer alignment between asset renewals and depreciation.

## 5.5 Maintenance Expenditure

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

## 5.6 Forecast Borrowings and Cash Reserves

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



A new borrowing is planned to be drawn down in 2024/25 to assist funding the foreshore project. Borrowings are reduced to nil by 30 June 2040, this is part of the Shire's strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available. The strategy also includes the use of reserve accounts to save for significant future asset renewal spikes.



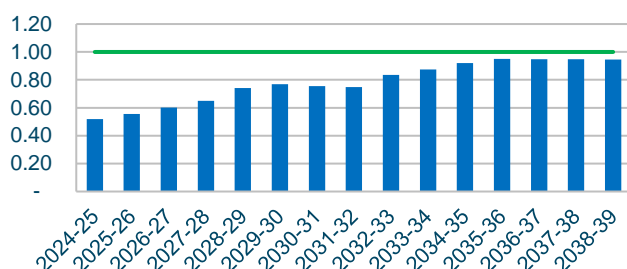


# 5.0 Long Term Financial Planning Overview (Continued)

## 5.7 Forecast Operating Ratios 2024 – 2039

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

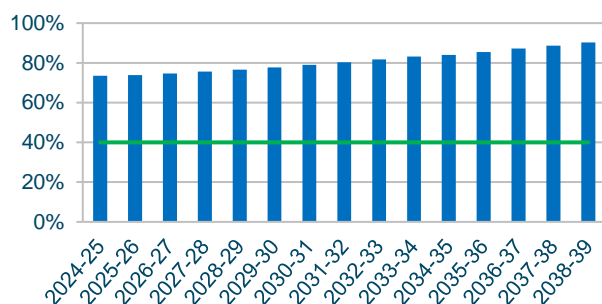
### 5.8 Current Ratio



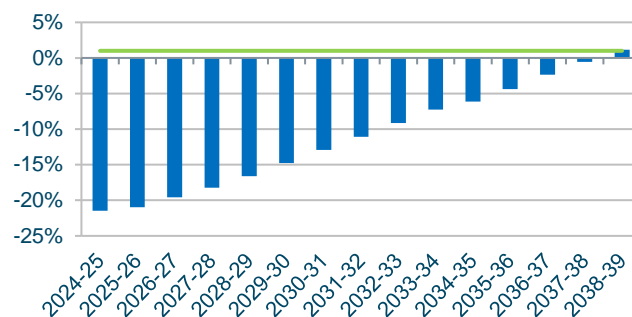
As expected for a Shire with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0. The ratio increase as current loan liabilities are reduced in the outer years of the Plan. The trend is not considered to indicate a threat to the Shire's long term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

### 5.9 Own Source Revenue Coverage Ratio

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

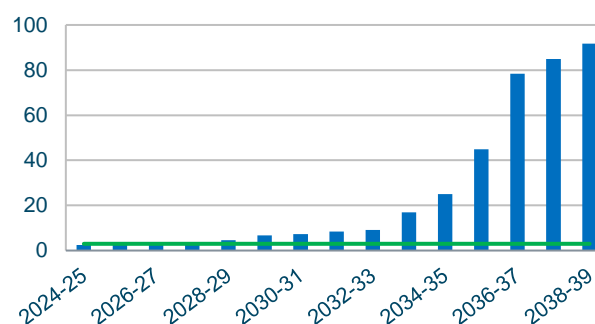


## 5.10 Operating Surplus Ratio



The ratio reflects the Shire is addressing its significant operating deficit over the plan, and is unable to fund depreciation. This is common for regional local governments due to their limited revenue capacity. The ratio improves where rates increases exceed inflation whilst cost increases are maintained in line with inflation.

## 5.11 Debt Service Cover Ratio



The ratio reflects how the Shire will pay down existing borrowings. The ratio reflects the Shire has limited capacity to borrow during the first five years.

An explanation of all ratios is provided at Section 10.





# 6.0 Scenario Modelling

## 6.1 Scenario Modelling

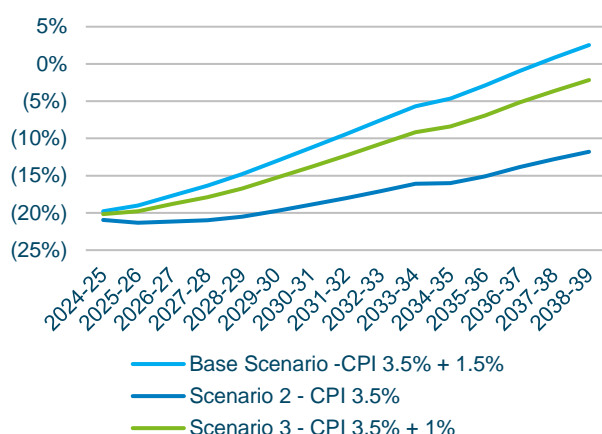
Scenarios were developed to test the financial impact of increased levels of operating funding from rates. To ascertain the effect of increased funding levels, modelling of various scenarios was undertaken. To ascertain the effect of reduced funding levels, modelling of various scenarios was undertaken.

A base scenario was developed with a rates yield of 1.5% above inflation for the term of the Plan. Two alternative scenarios were also developed from this base as shown in the table below. All other assumptions remained the same across the three scenarios.

Scenario	Rates increase above CPI (3.5%)
Base Scenario	1.5%
Scenario 2	0.0%
Scenario 3	1.0%

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

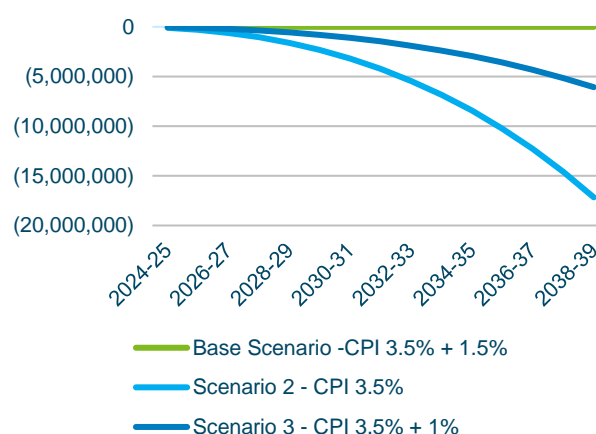
## 6.2 Scenario Comparison – Operating Surplus Ratio



The chart above shows the impact of the same change in total rates yield on the Shire's Operating Surplus Ratio (other assumptions remaining the same) The base scenario was selected as it maintains existing operational service levels.

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

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



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

	Estimated Surplus/(Deficit)		
	Base Scenario	Scenario 2 CPI 3.5% \$	Scenario 3 CPI 3.5%+ 1.0% \$
2024/25	0	(95,080)	(31,694)
2025/26	0	(295,698)	(98,883)
2026/27	0	(613,096)	(205,682)
2027/28	0	(1,054,808)	(356,533)
2028/29	0	(1,627,171)	(556,234)
2029/30	0	(2,340,538)	(806,848)
2030/31	0	(3,205,910)	(1,110,726)
2031/32	0	(4,234,979)	(1,472,389)
2032/33	0	(5,440,163)	(1,896,666)
2033/34	0	(6,834,650)	(2,388,716)
2034/35	0	(8,432,441)	(2,954,048)
2035/36	0	(10,248,395)	(3,598,540)
2036/37	0	(12,298,279)	(4,328,467)
2037/38	0	(14,598,818)	(5,150,518)
2038/39	0	(17,167,748)	(6,071,825)



# 7.0 Strategic Planning and Policies

## 7.1 Linkage with Other Plans

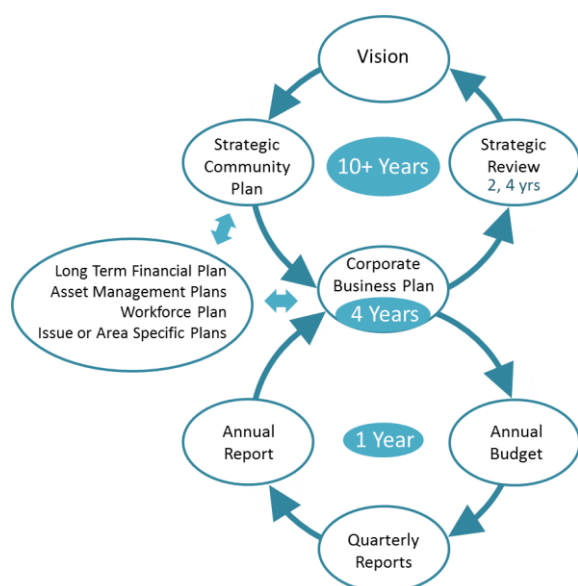
The Long Term Financial Plan is one component of a number of integrated strategic planning practices the Shire has developed. The Long Term Financial Plan considers, and influences, asset management and workforce planning along with other key strategic plans. This Long Term Financial Plan has been prepared to achieve compliance with the *Local Government (Administration) Regulations 1996*.

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

## 7.2 Strategic Documents Linkage

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

## 7.3 Diagram: Integrated Planning and Reporting Cycle<sup>1</sup>



## 7.4 Strategic Community Plan

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

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

## 7.5 Corporate Business Plan

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

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

## 7.6 Other Strategic Plans

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

<sup>1</sup> Department of Local Government, Sport and Cultural Industries, Integrated Planning and Reporting: Framework and Guidelines, September 2016



# 8.0 Risk Management

## 8.1 Risk Management

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

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

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

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

## 8.2 Certainty of Assumptions

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

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

## 8.3 Sensitivity Analysis

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

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



# 9.0 Assumptions, Risks, Uncertainties and Sensitivity

## 9.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>District Growth in Population:</b> The number of residents in the Shire is expected to remain at current levels.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Rates Level Increase:</b> Annual rates revenue has been based on an increase in the total rate yield of 5.0% (CPI 3.5% + 1.5%).	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Grants, Subsidies and Contributions:</b> Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	High	Not assessed as high level of uncertainty.
<b>Capital Grants, Subsidies and Contributions:</b> Remain in line with funding requirements identified for various capital works.	High	The forecast capital works program is highly dependent on external grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$328,884 to the value of capital grants, subsidies and contributions per 1% movement in the value over the life of the Plan.
<b>Fees and Charges:</b> Increases at 1% above forecast inflation of 3.5%.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Interest Earnings:</b> Interest earning of an average rate of 3.5% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Other Revenue:</b> Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Profit on Asset Disposal:</b> Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.



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

## 9.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Employee Costs:</b> Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Materials and Contracts:</b> Increased annually by forecast inflation.	High	The road preservation program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$754,440 to the value of materials and contracts per 1% movement in the value over the life of the Plan. A high level of uncertainty exists in relation to costs due to the impacts of the mining sector and the current global economic uncertainty.
<b>Depreciation:</b> Depreciation has been calculated using an average depreciation rate based on the estimated useful lives on individual assets.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Insurance:</b> Increased at 3.5% in line with forecast inflation for term of the Plan.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Other Expenditure:</b> Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Loss on Asset Disposal:</b> A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.



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

## 9.3 Assets – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Revaluations:</b> In line with annual inflation.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on cashflows.	High	±\$541,070 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$1,000,210 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
<b>Impairment of Assets:</b> No impairment of assets has been assumed over the life of the Plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.	Medium	Unable to be quantified.
<b>Infrastructure Assets:</b> Expenditure has been based on historical levels escalated by inflation.	High	The capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately on service levels.	High	±\$328,884 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
<b>Property, Plant and Equipment:</b> Building expenditure is in accordance with the Corporate Business Plan, and plant expenditure is based on the Plant Replacement Program.	Medium	Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.



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

### 9.4 Liabilities – Assumptions, Risks, Uncertainties and Sensitivity

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





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

## 9.5 Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Reserve accounts:</b> It has been assumed the <b>Shire</b> will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Revaluation Surplus:</b> Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluations of assets will have no impact on Cashflows.	High	±\$541,070 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$1,000,210 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.



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

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

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Ownership of Strategic Assets:</b> The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
<b>Inflators:</b> Forecast inflation at 3.5% per annum.	Medium	Not assessed as high financial risk.	High	± \$2,444,446 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$2,647,661 to operating expenditure per 1% movement in the inflators over the life of the Plan.
<b>Commercial Activities:</b> The Shire has no plans to undertake a significant commercial activity during the period the of the Plan.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>General Economic Forecasts for State:</b> The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>General Economic Forecasts for Region:</b> The region's economy is heavily dependent on pastoral and tourism. This remains the assumption for the term of this Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.



# 10.0 Monitoring and Performance

## 10.1 Monitoring

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

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

## 10.2 Ratio Targets

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

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

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

Ratio	Calculation	Indication	Minimum target
Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets minus current liabilities associated with long term borrowings}}$	A measure of the Shire's immediate liquidity and the capacity to meet short term financial obligations from unrestricted current assets.	1.0
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$	A measure of the extent to which own source revenues raised cover operational expenses.	1%
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$	A measure of the extent of the Shire's ability to cover costs using only discretionary revenue.	40%
Debt Service Coverage Ratio	$\frac{\text{Annual operating surplus before interest and depreciation}}{\text{principal and interest}}$	A measure of the extent of the Shire's capacity to generate sufficient cash to cover debt payments.	3

# Appendix A1 Forecast Financial Statements

## Financial Statements

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

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

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

## Statements of Comprehensive Income

Often referred to as the operating statement, it shows the revenues and expenses over the periods classified to disclose a net result.

## Statement of Financial Position

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

## Statement of Changes in Equity

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

## Statement of Cashflows

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

## Statement of Financial Activity

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

## Statement of Net Current Asset Composition

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

## Statement of Fixed Asset Movements

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

## Statement of Capital Funding

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

## Forecast Ratios

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

## Nature or Type

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



Appendix A2 Forecast Statement of Comprehensive Income 2024 – 2039

	2020-21	2021-22	2022-23	Base	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																			
Rates	5,384,429	5,679,064	5,985,947	6,338,638	6,655,570	6,988,348	7,337,766	7,704,653	8,089,885	8,494,379	8,919,098	9,365,053	9,833,305	10,324,970	10,841,219	11,383,280	11,952,445	12,550,067	13,177,570
Grants, subsidies and contributions	847,884	1,529,910	1,406,119	602,978	1,474,419	1,526,024	1,579,434	1,634,715	1,691,929	1,751,147	1,812,437	1,875,871	1,941,527	2,009,480	2,079,812	2,152,606	2,227,949	2,305,926	2,386,634
Fees and charges	1,990,825	2,246,458	2,433,239	2,541,697	2,656,195	2,776,484	2,902,897	3,035,777	3,175,497	3,322,453	3,477,059	3,639,758	3,811,020	3,991,349	4,181,276	4,381,370	4,592,228	4,814,489	5,048,834
Interest revenue	57,598	62,225	211,177	211,311	195,092	193,229	195,825	205,941	224,967	253,678	293,655	341,156	405,283	477,761	450,945	533,075	637,526	759,350	876,381
Other revenue	235,319	226,127	399,452	527,100	545,549	564,644	584,404	604,856	626,024	647,934	670,610	694,085	718,376	743,520	769,539	796,471	824,349	853,202	883,065
	8,516,055	9,743,784	10,435,934	10,221,724	11,526,825	12,048,729	12,600,326	13,185,942	13,808,302	14,469,591	15,172,859	15,915,923	16,709,511	17,547,080	18,322,791	19,246,802	20,234,497	21,283,034	22,372,484
Expenses																			
Employee costs	(2,956,052)	(3,018,767)	(3,973,011)	(3,706,031)	(3,835,741)	(3,969,990)	(4,108,940)	(4,252,753)	(4,401,598)	(4,555,654)	(4,715,102)	(4,880,135)	(5,050,939)	(5,227,720)	(5,410,691)	(5,600,063)	(5,796,065)	(5,998,928)	(6,208,892)
Materials and contracts	(3,183,806)	(3,630,134)	(4,346,442)	(3,689,148)	(3,818,276)	(4,051,921)	(4,193,725)	(4,340,505)	(4,492,423)	(4,649,672)	(4,812,413)	(4,980,851)	(5,155,177)	(5,335,615)	(5,522,362)	(5,715,642)	(5,915,691)	(6,122,739)	(6,337,042)
Utility charges	(516,330)	(485,453)	(491,619)	(501,047)	(518,584)	(536,736)	(555,524)	(574,967)	(595,092)	(615,923)	(637,480)	(659,794)	(682,889)	(706,788)	(731,528)	(757,132)	(783,631)	(811,057)	(839,440)
Depreciation	(4,485,327)	(4,289,602)	(4,551,218)	(4,518,456)	(4,762,746)	(4,934,818)	(5,159,791)	(5,403,602)	(5,627,281)	(5,828,037)	(6,035,948)	(6,251,273)	(6,474,274)	(6,705,227)	(6,944,414)	(7,192,127)	(7,413,743)	(7,677,761)	(7,951,644)
Finance costs	(222,308)	(244,696)	(255,207)	(278,366)	(254,263)	(250,091)	(209,812)	(170,570)	(139,939)	(113,230)	(91,634)	(69,069)	(45,769)	(24,887)	(14,104)	(9,286)	(6,755)	(5,004)	(3,217)
Insurance	(191,782)	(230,089)	(240,411)	(266,279)	(275,600)	(285,246)	(295,229)	(305,563)	(316,257)	(327,325)	(338,782)	(350,640)	(362,912)	(375,613)	(388,760)	(402,366)	(416,450)	(431,027)	(446,112)
Other expenditure	(211,475)	(235,192)	(202,875)	(211,016)	(218,405)	(226,049)	(233,959)	(242,146)	(250,618)	(259,391)	(268,469)	(277,866)	(287,590)	(297,655)	(308,072)	(318,854)	(330,012)	(341,561)	(353,517)
	(11,767,080)	(12,133,933)	(14,060,783)	(13,170,343)	(13,683,615)	(14,254,851)	(14,756,980)	(15,290,106)	(15,823,208)	(16,349,232)	(16,899,828)	(17,469,628)	(18,059,550)	(18,673,505)	(19,319,931)	(19,995,470)	(20,662,347)	(21,388,077)	(22,139,864)
	(3,251,025)	(2,390,149)	(3,624,849)	(2,948,619)	(2,156,790)	(2,206,122)	(2,156,654)	(2,104,164)	(2,014,906)	(1,879,641)	(1,726,969)	(1,553,705)	(1,350,039)	(1,126,425)	(997,140)	(748,668)	(427,850)	(105,043)	232,620
Capital grants, subsidies and contributions	2,959,085	2,961,125	1,197,091	7,247,034	5,967,525	1,301,539	3,453,656	3,574,534	2,511,957	1,370,620	1,418,591	1,468,242	1,519,630	1,572,818	1,627,866	1,684,842	1,743,812	1,804,844	1,868,014
Fair value adjustments to financial assets at fair value through profit or loss	0	4,937	2,744	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on asset disposals	12,524	101,878	118,538	114,707	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(189,002)	(82,435)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	(468,418)	595,356	(2,306,476)	4,413,122	3,810,735	(904,583)	1,297,002	1,470,370	497,051	(509,021)	(308,378)	(85,463)	169,591	446,393	630,726	936,174	1,315,962	1,699,801	2,100,634
Other comprehensive income	0	16,744,544	0	0	3,894,528	4,183,142	4,258,135	4,409,308	4,564,050	4,681,753	4,758,188	4,821,892	4,884,510	4,965,849	5,047,152	5,114,159	5,173,374	5,256,232	5,337,215
TOTAL COMPREHENSIVE INCOME	(468,418)	17,339,900	(2,306,476)	4,413,122	7,705,263	3,278,559	5,555,137	5,879,678	5,061,101	4,172,732	4,449,810	4,736,429	5,054,101	5,412,242	5,677,878	6,050,333	6,489,336	6,956,033	7,437,849

Refer to Appendix A11 Forecast Significant Accounting Policies and Compilation Report

# Appendix A3 Forecast Statement of Financial Position 2024 – 2039

	2021	2022	2023	Base	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37	30 June 38	30 June 39
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CURRENT ASSETS</b>																			
Unrestricted cash and cash equivalents	904,087	1,001,449	2,084,797	432,183	431,634	431,634	431,634	431,634	431,634	431,634	431,634	431,634	431,634	431,634	431,634	431,634	431,634	431,634	431,634
Restricted cash and cash equivalent	4,110,244	4,009,401	1,600,342	2,877,593	3,067,900	3,238,280	3,711,884	4,506,498	5,676,708	7,297,807	9,214,575	11,779,710	14,678,782	17,606,114	20,891,346	25,069,439	29,942,393	34,623,597	39,849,810
Financial assets	41,513	37,930	34,194	58,574	60,180	61,843	49,759	36,793	37,336	37,886	0	0	0	0	0	0	0	0	0
Trade and other receivables	682,145	997,790	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341
Inventories	28,018	21,521	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618
Other assets	303,091	4,891	4,516	974	974	974	974	974	974	974	974	974	974	974	974	974	974	974	974
TOTAL CURRENT ASSETS	6,069,098	6,072,982	4,838,808	4,484,283	4,675,647	4,847,690	5,309,210	6,090,858	7,261,611	8,883,260	10,762,142	13,327,277	16,226,349	19,153,681	22,438,913	26,617,006	31,489,960	36,171,164	41,397,377
<b>NON-CURRENT ASSETS</b>																			
Financial assets	379,454	346,461	315,010	344,894	284,714	222,871	173,112	136,319	98,983	61,097	61,097	61,097	61,097	61,097	61,097	61,097	61,097	61,097	61,097
Other receivables	57,588	33,392	43,472	43,472	43,472	43,472	43,472	43,472	43,472	43,472	43,472	43,472	43,472	43,472	43,472	43,472	43,472	43,472	43,472
Property plant and equipment	42,709,077	41,609,859	41,854,336	41,100,341	41,980,568	42,776,975	45,675,343	46,435,306	47,167,982	47,906,393	48,621,296	48,971,359	49,304,025	50,207,921	51,131,745	51,657,069	52,015,123	53,070,832	54,107,002
Infrastructure	53,096,281	67,573,407	65,760,798	71,536,205	78,802,610	80,148,979	81,469,014	85,053,030	87,568,558	88,925,751	90,266,814	91,588,823	92,888,661	94,163,012	95,408,349	96,620,927	97,796,762	98,931,640	100,021,077
TOTAL NON-CURRENT ASSETS	96,242,400	109,563,119	107,973,616	113,024,912	121,111,364	123,192,297	127,360,941	131,668,127	134,878,995	136,936,713	138,992,679	140,664,751	142,297,255	144,475,502	146,644,663	148,382,565	149,916,454	152,107,041	154,232,648
TOTAL ASSETS	102,311,498	115,636,101	112,812,424	117,509,195	125,787,011	128,039,987	132,670,151	137,758,985	142,140,606	145,819,973	149,754,821	153,992,028	158,523,604	163,629,183	169,083,576	174,999,571	181,406,414	188,278,205	195,630,025
<b>CURRENT LIABILITIES</b>																			
Trade and other payables	1,609,703	1,310,318	1,032,493	1,032,493	1,032,493	1,032,493	1,032,493	1,032,493	1,032,493	1,032,493	1,032,493	1,032,493	1,032,493	1,032,493	1,032,493	1,032,493	1,032,493	1,032,493	1,032,493
Contract liabilities	1,356,233	499,946	515,074	515,074	515,074	515,074	515,074	515,074	515,074	515,074	515,074	515,074	515,074	515,074	515,074	515,074	515,074	515,074	515,074
Lease liabilities	20,474	17,489	32,860	27,994	29,280	30,626	0	0	0	0	0	0	0	0	0	0	0	0	0
Current portion of long-term liabilities	427,905	560,352	576,842	839,240	996,303	894,347	790,844	679,480	493,365	514,962	499,222	522,525	306,663	223,485	134,338	82,493	84,242	86,029	87,852
Provisions	415,874	547,240	705,081	705,081	705,081	705,081	705,081	705,081	705,081	705,081	705,081	705,081	705,081	705,081	705,081	705,081	705,081	705,081	705,081
TOTAL CURRENT LIABILITIES	3,830,189	2,935,345	2,862,350	3,119,882	3,278,231	3,177,621	3,043,492	2,932,128	2,746,013	2,767,610	2,751,870	2,775,173	2,559,311	2,476,133	2,386,986	2,335,141	2,336,890	2,338,677	2,340,500
<b>NON-CURRENT LIABILITIES</b>																			
Lease liabilities	17,489	0	104,720	59,906	30,626	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-term borrowings	4,732,208	5,461,856	4,885,432	4,956,363	5,399,847	4,505,500	3,714,656	3,035,176	2,541,811	2,026,849	1,527,627	1,005,102	698,439	474,954	340,616	258,123	173,881	87,852	0
Provisions	107,091	40,246	68,744	68,744	68,744	68,744	68,744	68,744	68,744	68,744	68,744	68,744	68,744	68,744	68,744	68,744	68,744	68,744	68,744
TOTAL NON-CURRENT LIABILITIES	4,856,788	5,502,102	5,058,896	5,085,013	5,499,217	4,574,244	3,783,400	3,103,920	2,610,555	2,095,593	1,596,371	1,073,846	767,183	543,698	409,360	326,867	242,625	156,596	68,744
TOTAL LIABILITIES	8,686,977	8,437,447	7,921,246	8,204,895	8,777,448	7,751,865	6,826,892	6,036,048	5,356,568	4,863,203	4,348,241	3,849,019	3,326,494	3,019,831	2,796,346	2,662,008	2,579,515	2,495,273	2,409,244
NET ASSETS	93,624,521	107,198,654	104,891,178	109,304,300	117,009,563	120,288,122	125,843,259	131,722,937	136,784,038	140,956,770	145,406,580	150,143,009	155,197,110	160,609,352	166,287,230	172,337,563	178,826,899	185,782,932	193,220,781
<b>EQUITY</b>																			
Retained surplus	41,482,269	42,165,339	39,650,352	42,786,223	46,406,651	45,331,688	46,155,086	46,830,842	46,157,683	44,027,563	41,802,417	39,151,819	36,422,338	33,941,399	31,286,893	28,044,974	24,487,982	21,506,579	18,381,000
Reserves - cash backed	1,480,545	1,392,831	1,600,342	2,877,593	3,067,900	3,238,280	3,711,884	4,506,498	5,676,708	7,297,807	9,214,575	11,779,710	14,678,782	17,606,114	20,891,346	25,069,439	29,942,393	34,623,597	39,849,810
Asset revaluation surplus	50,661,707	63,640,484	63,640,484	63,640,484	67,535,012	71,718,154	75,976,289	80,385,597	84,949,647	89,631,400	94,389,588	99,211,480	104,095,990	109,061,839	114,108,991	119,223,150	124,396,524	129,652,756	134,989,971
TOTAL EQUITY	93,624,521	107,198,654	104,891,178	109,304,300	117,009,563	120,288,122	125,843,259	131,722,937	136,784,038	140,956,770	145,406,580	150,143,009	155,197,110	160,609,352	166,287,230	172,337,563	178,826,899	185,782,932	193,220,781

Refer to Appendix A11 Forecast Significant Accounting Policies and Compilation Report

# Appendix A4 Forecast Statement of Changes in Equity 2024 – 2039

	2021	2022	2023	Base	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37	30 June 38	30 June 39
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening balance	41,950,687	41,482,269	42,164,339	39,650,352	42,786,223	46,406,651	45,331,688	46,155,086	46,830,842	46,157,683	44,027,563	41,802,417	39,151,819	36,422,338	33,941,399	31,286,893	28,044,974	24,487,982	21,506,579
Net result	(468,418)	595,356	(2,306,476)	4,413,122	3,810,735	(904,583)	1,297,002	1,470,370	497,051	(509,021)	(308,378)	(85,463)	169,591	446,393	630,726	936,174	1,315,962	1,699,801	2,100,634
Amount transferred (to)/from reserves		87,714	(207,511)	(1,277,251)	(190,307)	(170,380)	(473,604)	(794,614)	(1,170,210)	(1,621,099)	(1,916,768)	(2,565,135)	(2,899,072)	(2,927,332)	(3,285,232)	(4,178,093)	(4,872,954)	(4,681,204)	(5,226,213)
Closing balance	41,482,269	42,165,339	39,650,352	42,786,223	46,406,651	45,331,688	46,155,086	46,830,842	46,157,683	44,027,563	41,802,417	39,151,819	36,422,338	33,941,399	31,286,893	28,044,974	24,487,982	21,506,579	18,381,000
RESERVES ACCOUNTS																			
Opening balance	1,480,545	1,480,545	1,392,831	1,600,342	2,877,593	3,067,900	3,238,280	3,711,884	4,506,498	5,676,708	7,297,807	9,214,575	11,779,710	14,678,782	17,606,114	20,891,346	25,069,439	29,942,393	34,623,597
Amount transferred to/(from) retained surplus	0	(87,714)	207,511	1,277,251	190,307	170,380	473,604	794,614	1,170,210	1,621,099	1,916,768	2,565,135	2,899,072	2,927,332	3,285,232	4,178,093	4,872,954	4,681,204	5,226,213
Closing balance	1,480,545	1,392,831	1,600,342	2,877,593	3,067,900	3,238,280	3,711,884	4,506,498	5,676,708	7,297,807	9,214,575	11,779,710	14,678,782	17,606,114	20,891,346	25,069,439	29,942,393	34,623,597	39,849,810
ASSET REVALUATION SURPLUS																			
Opening balance	50,661,707	46,895,940	63,640,484	63,640,484	63,640,484	67,535,012	71,718,154	75,976,289	80,385,597	84,949,647	89,631,400	94,389,588	99,211,480	104,095,990	109,061,839	114,108,991	119,223,150	124,396,524	129,652,756
Total other comprehensive income	0	16,744,544	0	0	3,894,528	4,183,142	4,258,135	4,409,308	4,564,050	4,681,753	4,758,188	4,821,892	4,884,510	4,965,849	5,047,152	5,114,159	5,173,374	5,256,232	5,337,215
Closing balance	50,661,707	63,640,484	63,640,484	63,640,484	67,535,012	71,718,154	75,976,289	80,385,597	84,949,647	89,631,400	94,389,588	99,211,480	104,095,990	109,061,839	114,108,991	119,223,150	124,396,524	129,652,756	134,989,971
TOTAL EQUITY																			
	93,624,521	107,198,654	104,891,178	109,304,300	117,009,563	120,288,122	125,843,259	131,722,937	136,784,038	140,956,770	145,406,580	150,143,009	155,197,110	160,609,352	166,287,230	172,337,563	178,826,899	185,782,932	193,220,781

Refer to Appendix A11 Forecast Significant Accounting Policies and Compilation Report



# Appendix A5 Forecast Statement of Cashflows 2024 – 2039

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash flows from operating activities</b>															
<b>Receipts</b>															
Rates	6,655,570	6,988,348	7,337,766	7,704,653	8,089,885	8,494,379	8,919,098	9,365,053	9,833,305	10,324,970	10,841,219	11,383,280	11,952,445	12,550,067	13,177,570
Grants, subsidies and contributions	1,474,419	1,526,024	1,579,434	1,634,715	1,691,929	1,751,147	1,812,437	1,875,871	1,941,527	2,009,480	2,079,812	2,152,606	2,227,949	2,305,926	2,386,634
Fees and charges	2,656,195	2,776,484	2,902,897	3,035,777	3,175,497	3,322,453	3,477,059	3,639,758	3,811,020	3,991,349	4,181,276	4,381,370	4,592,228	4,814,489	5,048,834
Interest revenue	195,092	193,229	195,825	205,941	224,967	253,678	293,655	341,156	405,283	477,761	450,945	533,075	637,526	759,350	876,381
Other revenue	545,549	564,644	584,404	604,856	626,024	647,934	670,610	694,085	718,376	743,520	769,539	796,471	824,349	853,202	883,065
	11,526,825	12,048,729	12,600,326	13,185,942	13,808,302	14,469,591	15,172,859	15,915,923	16,709,511	17,547,080	18,322,791	19,246,802	20,234,497	21,283,034	22,372,484
<b>Payments</b>															
Employee costs	(3,835,741)	(3,969,990)	(4,108,940)	(4,252,753)	(4,401,598)	(4,555,654)	(4,715,102)	(4,880,135)	(5,050,939)	(5,227,720)	(5,410,691)	(5,600,063)	(5,796,065)	(5,998,928)	(6,208,892)
Materials and contracts	(3,818,276)	(4,051,921)	(4,193,725)	(4,340,505)	(4,492,423)	(4,649,672)	(4,812,413)	(4,980,851)	(5,155,177)	(5,335,615)	(5,522,362)	(5,715,642)	(5,915,691)	(6,122,739)	(6,337,042)
Utility charges	(518,584)	(536,736)	(555,524)	(574,967)	(595,092)	(615,923)	(637,480)	(659,794)	(682,889)	(706,788)	(731,528)	(757,132)	(783,631)	(811,057)	(839,440)
Finance costs	(254,263)	(250,091)	(209,812)	(170,570)	(139,939)	(113,230)	(91,634)	(69,069)	(45,769)	(24,887)	(14,104)	(9,286)	(6,755)	(5,004)	(3,217)
Insurance	(275,600)	(285,246)	(295,229)	(305,563)	(316,257)	(327,325)	(338,782)	(350,640)	(362,912)	(375,613)	(388,760)	(402,366)	(416,450)	(431,027)	(446,112)
Other expenditure	(218,405)	(226,049)	(233,959)	(242,146)	(250,618)	(259,391)	(268,469)	(277,866)	(287,590)	(297,655)	(308,072)	(318,854)	(330,012)	(341,561)	(353,517)
	(8,920,869)	(9,320,033)	(9,597,189)	(9,886,504)	(10,195,927)	(10,521,195)	(10,863,880)	(11,218,355)	(11,585,276)	(11,968,278)	(12,375,517)	(12,803,343)	(13,248,604)	(13,710,316)	(14,188,220)
<b>Net cash provided by (used in) operating activities</b>	2,605,956	2,728,696	3,003,137	3,299,438	3,612,375	3,948,396	4,308,979	4,697,568	5,124,235	5,578,802	5,947,274	6,443,459	6,985,893	7,572,718	8,184,264
<b>Cash flows from investing activities</b>															
Payments for purchase of property, plant & equipment	(1,131,255)	(1,090,508)	(3,471,396)	(1,169,325)	(1,054,666)	(1,368,161)	(1,117,061)	(767,700)	(693,715)	(1,414,831)	(1,972,419)	(1,243,609)	(930,553)	(2,405,380)	(1,660,271)
Payments for construction of infrastructure	(8,276,895)	(2,223,864)	(2,280,633)	(4,693,369)	(3,672,462)	(2,574,403)	(2,664,506)	(2,757,764)	(2,854,286)	(2,954,186)	(3,057,583)	(3,164,599)	(3,275,358)	(3,390,001)	(3,508,653)
Proceeds from capital grants, subsidies and contributions	5,967,525	1,301,539	3,453,656	3,574,534	2,511,957	1,370,620	1,418,591	1,468,242	1,519,630	1,572,818	1,627,866	1,684,842	1,743,812	1,804,844	1,868,014
Proceeds from self supporting loans	58,574	60,180	61,843	49,759	36,793	37,336	37,886	0	0	0	0	0	0	0	0
Proceeds from sale of plant & equipment	393,300	419,920	631,970	524,421	415,693	700,676	447,841	424,011	325,733	451,392	963,579	592,338	431,653	1,183,265	428,888
<b>Net cash provided by (used in) investing activities</b>	(2,988,751)	(1,532,733)	(1,604,560)	(1,713,980)	(1,762,685)	(1,833,932)	(1,877,249)	(1,633,211)	(1,702,638)	(2,344,807)	(2,438,557)	(2,131,028)	(2,030,446)	(2,807,272)	(2,872,022)
<b>Cash flows from financing activities</b>															
Repayment of debentures	(899,453)	(996,303)	(894,347)	(790,844)	(679,480)	(493,365)	(514,962)	(499,222)	(522,525)	(306,663)	(223,485)	(134,338)	(82,493)	(84,242)	(86,029)
Repayment of leases	(27,994)	(29,280)	(30,626)	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from new debentures	1,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net cash provided by (used in) financing activities</b>	572,553	(1,025,583)	(924,973)	(790,844)	(679,480)	(493,365)	(514,962)	(499,222)	(522,525)	(306,663)	(223,485)	(134,338)	(82,493)	(84,242)	(86,029)
<b>Net increase (decrease) in cash held</b>	189,758	170,380	473,604	794,614	1,170,210	1,621,099	1,916,768	2,565,135	2,899,072	2,927,332	3,285,232	4,178,093	4,872,954	4,681,204	5,226,213
Cash at beginning of year	3,309,776	3,499,534	3,669,914	4,143,518	4,938,132	6,108,342	7,729,441	9,646,209	12,211,344	15,110,416	18,037,748	21,322,980	25,501,073	30,374,027	35,055,231
<b>Cash and cash equivalents at the end of year</b>	3,499,534	3,669,914	4,143,518	4,938,132	6,108,342	7,729,441	9,646,209	12,211,344	15,110,416	18,037,748	21,322,980	25,501,073	30,374,027	35,055,231	40,281,444
<b>Reconciliation of net cash provided by operating activities to net result</b>															
Net result	3,810,735	(904,583)	1,297,002	1,470,370	497,051	(509,021)	(308,378)	(85,463)	169,591	446,393	630,726	936,174	1,315,962	1,699,801	2,100,634
Depreciation	4,762,746	4,934,818	5,159,791	5,403,602	5,627,281	5,828,037	6,035,948	6,251,273	6,474,274	6,705,227	6,944,414	7,192,127	7,413,743	7,677,761	7,951,644
Grants/contributions for the development of assets	(5,967,525)	(1,301,539)	(3,453,656)	(3,574,534)	(2,511,957)	(1,370,620)	(1,418,591)	(1,468,242)	(1,519,630)	(1,572,818)	(1,627,866)	(1,684,842)	(1,743,812)	(1,804,844)	(1,868,014)
<b>Net cash from operating activities</b>	2,605,956	2,728,696	3,003,137	3,299,438	3,612,375	3,948,396	4,308,979	4,697,568	5,124,235	5,578,802	5,947,274	6,443,459	6,985,893	7,572,718	8,184,264

Refer to Appendix A11 Forecast Significant Accounting Policies and Compilation Report

# Appendix A6 Forecast Statement of Financial Activity 2024 – 2039

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>FUNDING FROM OPERATIONAL ACTIVITIES</b>															
<b>Revenues</b>															
Rates	6,655,570	6,988,348	7,337,766	7,704,653	8,089,885	8,494,379	8,919,098	9,365,053	9,833,305	10,324,970	10,841,219	11,383,280	11,952,445	12,550,067	13,177,570
Grants, subsidies and contributions	1,474,419	1,526,024	1,579,434	1,634,715	1,691,929	1,751,147	1,812,437	1,875,871	1,941,527	2,009,480	2,079,812	2,152,606	2,227,949	2,305,926	2,386,634
Fees and charges	2,656,195	2,776,484	2,902,897	3,035,777	3,175,497	3,322,453	3,477,059	3,639,758	3,811,020	3,991,349	4,181,276	4,381,370	4,592,228	4,814,489	5,048,834
Interest revenue	195,092	193,229	195,825	205,941	224,967	253,678	293,655	341,156	405,283	477,761	450,945	533,075	637,526	759,350	876,381
Other revenue	545,549	564,644	584,404	604,856	626,024	647,934	670,610	694,085	718,376	743,520	769,539	796,471	824,349	853,202	883,065
	11,526,825	12,048,729	12,600,326	13,185,942	13,808,302	14,469,591	15,172,859	15,915,923	16,709,511	17,547,080	18,322,791	19,246,802	20,234,497	21,283,034	22,372,484
<b>Expenses</b>															
Employee costs	(3,835,741)	(3,969,990)	(4,108,940)	(4,252,753)	(4,401,598)	(4,555,654)	(4,715,102)	(4,880,135)	(5,050,939)	(5,227,720)	(5,410,691)	(5,600,063)	(5,796,065)	(5,998,928)	( 6,208,892)
Materials and contracts	(3,818,276)	(4,051,921)	(4,193,725)	(4,340,505)	(4,492,423)	(4,649,672)	(4,812,413)	(4,980,851)	(5,155,177)	(5,335,615)	(5,522,362)	(5,715,642)	(5,915,691)	(6,122,739)	( 6,337,042)
Utility charges (electricity, gas, water etc.)	(518,584)	(536,736)	(555,524)	(574,967)	(595,092)	(615,923)	(637,480)	(659,794)	(682,889)	(706,788)	(731,528)	(757,132)	(783,631)	(811,057)	( 839,440)
Depreciation	(4,762,746)	(4,934,818)	(5,159,791)	(5,403,602)	(5,627,281)	(5,828,037)	(6,035,948)	(6,251,273)	(6,474,274)	(6,705,227)	(6,944,414)	(7,192,127)	(7,413,743)	(7,677,761)	( 7,951,644)
Finance costs	(254,263)	(250,091)	(209,812)	(170,570)	(139,939)	(113,230)	(91,634)	(69,069)	(45,769)	(24,887)	(14,104)	(9,286)	(6,755)	(5,004)	( 3,217)
Insurance	(275,600)	(285,246)	(295,229)	(305,563)	(316,257)	(327,325)	(338,782)	(350,640)	(362,912)	(375,613)	(388,760)	(402,366)	(416,450)	(431,027)	( 446,112)
Other expenditure	(218,405)	(226,049)	(233,959)	(242,146)	(250,618)	(259,391)	(268,469)	(277,866)	(287,590)	(297,655)	(308,072)	(318,854)	(330,012)	(341,561)	( 353,517)
	(13,683,615)	(14,254,851)	(14,756,980)	(15,290,106)	(15,823,208)	(16,349,232)	(16,899,828)	(17,469,628)	(18,059,550)	(18,673,505)	(19,319,931)	(19,995,470)	(20,662,347)	(21,388,077)	( 22,139,864)
	(2,156,790)	(2,206,122)	(2,156,654)	(2,104,164)	(2,014,906)	(1,879,641)	(1,726,969)	(1,553,705)	(1,350,039)	(1,126,425)	(997,140)	(748,668)	(427,850)	(105,043)	232,620
<b>Funding position adjustments</b>															
Depreciation	4,762,746	4,934,818	5,159,791	5,403,602	5,627,281	5,828,037	6,035,948	6,251,273	6,474,274	6,705,227	6,944,414	7,192,127	7,413,743	7,677,761	7,951,644
<b>Net funding from operational activities</b>	2,605,956	2,728,696	3,003,137	3,299,438	3,612,375	3,948,396	4,308,979	4,697,568	5,124,235	5,578,802	5,947,274	6,443,459	6,985,893	7,572,718	8,184,264
<b>FUNDING FROM CAPITAL ACTIVITIES</b>															
<b>Inflows</b>															
Proceeds on disposal	393,300	419,920	631,970	524,421	415,693	700,676	447,841	424,011	325,733	451,392	963,579	592,338	431,653	1,183,265	428,888
Capital grants, subsidies and contributions	5,967,525	1,301,539	3,453,656	3,574,534	2,511,957	1,370,620	1,418,591	1,468,242	1,519,630	1,572,818	1,627,866	1,684,842	1,743,812	1,804,844	1,868,014
<b>Outflows</b>															
Purchase of property plant and equipment	(1,131,255)	(1,090,508)	(3,471,396)	(1,169,325)	(1,054,666)	(1,368,161)	(1,117,061)	(767,700)	(693,715)	(1,414,831)	(1,972,419)	(1,243,609)	(930,553)	(2,405,380)	( 1,660,271)
Purchase of infrastructure	(8,276,895)	(2,223,864)	(2,280,633)	(4,693,369)	(3,672,462)	(2,574,403)	(2,664,506)	(2,757,764)	(2,854,286)	(2,954,186)	(3,057,583)	(3,164,599)	(3,275,358)	(3,390,001)	( 3,508,653)
<b>Net funding from capital activities</b>	(3,047,325)	(1,592,913)	(1,666,403)	(1,763,739)	(1,799,478)	(1,871,268)	(1,915,135)	(1,633,211)	(1,702,638)	(2,344,807)	(2,438,557)	(2,131,028)	(2,030,446)	(2,807,272)	(2,872,022)
<b>FUNDING FROM FINANCING ACTIVITIES</b>															
<b>Inflows</b>															
Transfer from reserves	93,842	323,510	99,785	103,277	106,892	110,633	114,505	118,513	122,661	126,954	131,397	135,996	140,756	145,683	150,781
New borrowings	1,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Self supporting loan	58,574	60,180	61,843	49,759	36,793	37,336	37,886	0	0	0	0	0	0	0	0
<b>Outflows</b>															
Transfer to reserves	(284,149)	(493,890)	(573,389)	(897,891)	(1,277,102)	(1,731,732)	(2,031,273)	(2,683,648)	(3,021,733)	(3,054,286)	(3,416,629)	(4,314,089)	(5,013,710)	(4,826,887)	( 5,376,994)
Repayment of past borrowings	(899,453)	(996,303)	(894,347)	(790,844)	(679,480)	(493,365)	(514,962)	(499,222)	(522,525)	(306,663)	(223,485)	(134,338)	(82,493)	(84,242)	( 86,029)
Principal elements of finance lease payments	(27,994)	(29,280)	(30,626)	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net funding from financing activities</b>	440,820	(1,135,783)	(1,336,734)	(1,535,699)	(1,812,897)	(2,077,128)	(2,393,844)	(3,064,357)	(3,421,597)	(3,233,995)	(3,508,717)	(4,312,431)	(4,955,447)	(4,765,446)	(5,312,242)
Estimated surplus/deficit July 1 B/Fwd	549	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Estimated surplus/deficit June 30 C/Fwd</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Refer to Appendix A11 Forecast Significant Accounting Policies and Compilation Report

# Appendix A7 Forecast Statement of Net Current Asset Composition 2024 – 2039

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated surplus/deficit July 1 B/Fwd	549	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Unrestricted cash and equivalents	431,634	431,634	431,634	431,634	431,634	431,634	431,634	431,634	431,634	431,634	431,634	431,634	431,634	431,634	431,634
Restricted cash and cash equivalent	3,067,900	3,238,280	3,711,884	4,506,498	5,676,708	7,297,807	9,214,575	11,779,710	14,678,782	17,606,114	20,891,346	25,069,439	29,942,393	34,623,597	39,849,810
Financial assets	60,180	61,843	49,759	36,793	37,336	37,886	0	0	0	0	0	0	0	0	0
Trade and other receivables	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341	1,082,341
Inventories	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618	32,618
Other assets	974	974	974	974	974	974	974	974	974	974	974	974	974	974	974
CURRENT LIABILITIES															
Trade and other payables	(1,032,493)	(1,032,493)	(1,032,493)	(1,032,493)	(1,032,493)	(1,032,493)	(1,032,493)	(1,032,493)	(1,032,493)	(1,032,493)	(1,032,493)	(1,032,493)	(1,032,493)	(1,032,493)	(1,032,493)
Contract liabilities	(515,074)	(515,074)	(515,074)	(515,074)	(515,074)	(515,074)	(515,074)	(515,074)	(515,074)	(515,074)	(515,074)	(515,074)	(515,074)	(515,074)	(515,074)
Reserves	(3,067,900)	(3,238,280)	(3,711,884)	(4,506,498)	(5,676,708)	(7,297,807)	(9,214,575)	(11,779,710)	(14,678,782)	(17,606,114)	(20,891,346)	(25,069,439)	(29,942,393)	(34,623,597)	(39,849,810)
Current self supporting loans receivable	(60,180)	(61,843)	(49,759)	(36,793)	(37,336)	(37,886)	0	0	0	0	0	0	0	0	0
Movement in accrued salaries and wages	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated surplus/deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Refer to Appendix A11 Forecast Significant Accounting Policies and Compilation Report

# Appendix A8 Forecast Statement of Fixed Asset Movements 2024 – 2039

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CAPITAL WORKS - INFRASTRUCTURE</b>															
Infrastructure - roads	1,931,310	1,987,123	2,063,324	2,173,409	2,249,478	2,328,210	2,409,697	2,494,036	2,581,327	2,671,674	2,765,183	2,861,965	2,962,133	3,065,808	3,173,111
Other infrastructure	6,345,585	236,741	217,309	2,519,960	1,422,984	246,193	254,809	263,728	272,959	282,512	292,400	302,634	313,225	324,193	335,542
<b>Total capital works - infrastructure</b>	<b>8,276,895</b>	<b>2,223,864</b>	<b>2,280,633</b>	<b>4,693,369</b>	<b>3,672,462</b>	<b>2,574,403</b>	<b>2,664,506</b>	<b>2,757,764</b>	<b>2,854,286</b>	<b>2,954,186</b>	<b>3,057,583</b>	<b>3,164,599</b>	<b>3,275,358</b>	<b>3,390,001</b>	<b>3,508,653</b>
<b>Represented by:</b>															
Additions - expansion, upgrades and new	6,265,890	46,063	54,327	2,389,143	1,285,076	100,799	104,327	107,978	111,758	115,669	119,718	123,908	128,244	132,733	137,379
Additions - renewal	2,011,005	2,177,801	2,226,306	2,304,226	2,387,386	2,473,604	2,560,179	2,649,786	2,742,528	2,838,517	2,937,865	3,040,691	3,147,114	3,257,268	3,371,274
<b>Total Capital Works - Infrastructure</b>	<b>8,276,895</b>	<b>2,223,864</b>	<b>2,280,633</b>	<b>4,693,369</b>	<b>3,672,462</b>	<b>2,574,403</b>	<b>2,664,506</b>	<b>2,757,764</b>	<b>2,854,286</b>	<b>2,954,186</b>	<b>3,057,583</b>	<b>3,164,599</b>	<b>3,275,358</b>	<b>3,390,001</b>	<b>3,508,653</b>
<b>Asset movement reconciliation</b>															
Total capital works infrastructure	8,276,895	2,223,864	2,280,633	4,693,369	3,672,462	2,574,403	2,664,506	2,757,764	2,854,286	2,954,186	3,057,583	3,164,599	3,275,358	3,390,001	3,508,653
Depreciation infrastructure	(3,584,643)	(3,711,809)	(3,843,733)	(4,041,416)	(4,217,349)	(4,368,686)	(4,525,450)	(4,687,836)	(4,856,045)	(5,030,287)	(5,210,776)	(5,397,738)	(5,591,404)	(5,792,014)	(5,999,818)
Revaluation of infrastructure assets (inflation)	2,574,153	2,834,314	2,883,135	2,932,063	3,060,415	3,151,476	3,202,007	3,252,081	3,301,597	3,350,452	3,398,530	3,445,717	3,491,881	3,536,891	3,580,602
<b>Net movement in infrastructure assets</b>	<b>7,266,405</b>	<b>1,346,369</b>	<b>1,320,035</b>	<b>3,584,016</b>	<b>2,515,528</b>	<b>1,357,193</b>	<b>1,341,063</b>	<b>1,322,009</b>	<b>1,299,838</b>	<b>1,274,351</b>	<b>1,245,337</b>	<b>1,212,578</b>	<b>1,175,835</b>	<b>1,134,878</b>	<b>1,089,437</b>
<b>CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT</b>															
Buildings - non-specialised	217,350	173,539	2,286,177	71,146	73,637	76,214	78,881	81,642	84,500	87,457	90,518	93,686	96,965	100,359	103,872
Furniture and equipment	32,085	33,208	34,370	35,573	36,818	38,107	39,441	40,822	42,250	43,729	45,259	46,843	48,482	50,180	51,936
Plant and equipment	881,820	883,761	1,150,849	1,062,606	944,211	1,253,840	998,739	645,236	566,965	1,283,645	1,836,642	1,103,080	785,106	2,254,841	1,504,463
<b>Total capital works property, plant and equipment</b>	<b>1,131,255</b>	<b>1,090,508</b>	<b>3,471,396</b>	<b>1,169,325</b>	<b>1,054,666</b>	<b>1,368,161</b>	<b>1,117,061</b>	<b>767,700</b>	<b>693,715</b>	<b>1,414,831</b>	<b>1,972,419</b>	<b>1,243,609</b>	<b>930,553</b>	<b>2,405,380</b>	<b>1,660,271</b>
<b>Represented by:</b>															
Additions - expansion, upgrades and new	0	0	2,217,436	0	0	0	0	0	0	0	0	0	0	0	0
Additions - renewal	1,131,255	1,090,508	1,253,960	1,169,325	1,054,666	1,368,161	1,117,061	767,700	693,715	1,414,831	1,972,419	1,243,609	930,553	2,405,380	1,660,271
<b>Total capital works property, plant and equipment</b>	<b>1,131,255</b>	<b>1,090,508</b>	<b>3,471,396</b>	<b>1,169,325</b>	<b>1,054,666</b>	<b>1,368,161</b>	<b>1,117,061</b>	<b>767,700</b>	<b>693,715</b>	<b>1,414,831</b>	<b>1,972,419</b>	<b>1,243,609</b>	<b>930,553</b>	<b>2,405,380</b>	<b>1,660,271</b>
<b>Asset movement reconciliation</b>															
Total capital works property, plant and equipment	1,131,255	1,090,508	3,471,396	1,169,325	1,054,666	1,368,161	1,117,061	767,700	693,715	1,414,831	1,972,419	1,243,609	930,553	2,405,380	1,660,271
Depreciation property, plant and equipment	(1,178,103)	(1,223,009)	(1,316,058)	(1,362,186)	(1,409,932)	(1,459,351)	(1,510,498)	(1,563,437)	(1,618,229)	(1,674,940)	(1,733,638)	(1,794,389)	(1,822,339)	(1,885,747)	(1,951,826)
Net book value of disposed/written off assets	(393,300)	(419,920)	(631,970)	(524,421)	(415,693)	(700,676)	(447,841)	(424,011)	(325,733)	(451,392)	(963,579)	(592,338)	(431,653)	(1,183,265)	(428,888)
Revaluation of property, plant and equipment (inflation)	1,320,375	1,348,828	1,375,000	1,477,245	1,503,635	1,530,277	1,556,181	1,569,811	1,582,913	1,615,397	1,648,622	1,668,442	1,681,493	1,719,341	1,756,613
<b>Net movement in property, plant and equipment</b>	<b>880,227</b>	<b>796,407</b>	<b>2,898,368</b>	<b>759,963</b>	<b>732,676</b>	<b>738,411</b>	<b>714,903</b>	<b>350,063</b>	<b>332,666</b>	<b>903,896</b>	<b>923,824</b>	<b>525,324</b>	<b>358,054</b>	<b>1,055,709</b>	<b>1,036,170</b>
<b>CAPITAL WORKS - TOTALS</b>															
<b>Capital works</b>															
Total capital works infrastructure	8,276,895	2,223,864	2,280,633	4,693,369	3,672,462	2,574,403	2,664,506	2,757,764	2,854,286	2,954,186	3,057,583	3,164,599	3,275,358	3,390,001	3,508,653
Total capital works property, plant and equipment	1,131,255	1,090,508	3,471,396	1,169,325	1,054,666	1,368,161	1,117,061	767,700	693,715	1,414,831	1,972,419	1,243,609	930,553	2,405,380	1,660,271
<b>Total capital works</b>	<b>9,408,150</b>	<b>3,314,372</b>	<b>5,752,029</b>	<b>5,862,694</b>	<b>4,727,128</b>	<b>3,942,564</b>	<b>3,781,567</b>	<b>3,525,464</b>	<b>3,548,001</b>	<b>4,369,017</b>	<b>5,030,002</b>	<b>4,408,208</b>	<b>4,205,911</b>	<b>5,795,381</b>	<b>5,168,924</b>
<b>Fixed asset movement</b>															
Net movement in infrastructure assets	7,266,405	1,346,369	1,320,035	3,584,016	2,515,528	1,357,193	1,341,063	1,322,009	1,299,838	1,274,351	1,245,337	1,212,578	1,175,835	1,134,878	1,089,437
Net movement in property, plant and equipment	880,227	796,407	2,898,368	759,963	732,676	738,411	714,903	350,063	332,666	903,896	923,824	525,324	358,054	1,055,709	1,036,170
<b>Net movement in fixed assets</b>	<b>8,146,632</b>	<b>2,142,776</b>	<b>4,218,403</b>	<b>4,343,979</b>	<b>3,248,204</b>	<b>2,095,604</b>	<b>2,055,966</b>	<b>1,672,072</b>	<b>1,632,504</b>	<b>2,178,247</b>	<b>2,169,161</b>	<b>1,737,902</b>	<b>1,533,889</b>	<b>2,190,587</b>	<b>2,125,607</b>

Refer to Appendix A11 Forecast Significant Accounting Policies and Compilation Report

# Appendix A9 Forecast Statement of Capital Funding 2024 – 2039

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Capital expenditure</b>															
Infrastructure - roads	1,931,310	1,987,123	2,063,324	2,173,409	2,249,478	2,328,210	2,409,697	2,494,036	2,581,327	2,671,674	2,765,183	2,861,965	2,962,133	3,065,808	3,173,111
Other infrastructure	6,345,585	236,741	217,309	2,519,960	1,422,984	246,193	254,809	263,728	272,959	282,512	292,400	302,634	313,225	324,193	335,542
Buildings - non-specialised	217,350	173,539	2,286,177	71,146	73,637	76,214	78,881	81,642	84,500	87,457	90,518	93,686	96,965	100,359	103,872
Furniture and equipment	32,085	33,208	34,370	35,573	36,818	38,107	39,441	40,822	42,250	43,729	45,259	46,843	48,482	50,180	51,936
Plant and equipment	881,820	883,761	1,150,849	1,062,606	944,211	1,253,840	998,739	645,236	566,965	1,283,645	1,836,642	1,103,080	785,106	2,254,841	1,504,463
<b>Total - Capital expenditure</b>	<b>9,408,150</b>	<b>3,314,372</b>	<b>5,752,029</b>	<b>5,862,694</b>	<b>4,727,128</b>	<b>3,942,564</b>	<b>3,781,567</b>	<b>3,525,464</b>	<b>3,548,001</b>	<b>4,369,017</b>	<b>5,030,002</b>	<b>4,408,208</b>	<b>4,205,911</b>	<b>5,795,381</b>	<b>5,168,924</b>
<b>Funded by:</b>															
<b>Capital grants &amp; contributions</b>															
Infrastructure - roads	1,154,025	1,194,416	1,236,220	1,279,488	1,324,271	1,370,620	1,418,591	1,468,242	1,519,630	1,572,818	1,627,866	1,684,842	1,743,812	1,804,844	1,868,014
Other infrastructure	4,710,000	0	0	2,295,046	1,187,686	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	103,500	107,123	2,217,436	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total - Capital grants &amp; contributions</b>	<b>5,967,525</b>	<b>1,301,539</b>	<b>3,453,656</b>	<b>3,574,534</b>	<b>2,511,957</b>	<b>1,370,620</b>	<b>1,418,591</b>	<b>1,468,242</b>	<b>1,519,630</b>	<b>1,572,818</b>	<b>1,627,866</b>	<b>1,684,842</b>	<b>1,743,812</b>	<b>1,804,844</b>	<b>1,868,014</b>
<b>Own source funding</b>															
Infrastructure - roads	777,285	792,707	827,104	893,921	925,207	957,590	991,106	1,025,794	1,061,697	1,098,856	1,137,317	1,177,123	1,218,321	1,260,964	1,305,097
Other infrastructure	135,585	236,741	217,309	224,914	235,298	246,193	254,809	263,728	272,959	282,512	292,400	302,634	313,225	324,193	335,542
Buildings - non-specialised	113,850	66,416	68,741	71,146	73,637	76,214	78,881	81,642	84,500	87,457	90,518	93,686	96,965	100,359	103,872
Furniture and equipment	32,085	33,208	34,370	35,573	36,818	38,107	39,441	40,822	42,250	43,729	45,259	46,843	48,482	50,180	51,936
Plant and equipment	488,520	463,841	518,879	538,185	528,518	553,164	550,898	221,225	241,232	832,253	873,063	510,742	353,453	1,071,576	1,075,575
<b>Total - Own source funding</b>	<b>1,547,325</b>	<b>1,592,913</b>	<b>1,666,403</b>	<b>1,763,739</b>	<b>1,799,478</b>	<b>1,871,268</b>	<b>1,915,135</b>	<b>1,633,211</b>	<b>1,702,638</b>	<b>2,344,807</b>	<b>2,438,557</b>	<b>2,131,028</b>	<b>2,030,446</b>	<b>2,807,272</b>	<b>2,872,022</b>
<b>Borrowings</b>															
Other infrastructure	1,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total - Borrowings</b>	<b>1,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other (disposals &amp; C/Fwd)</b>															
Plant and equipment	393,300	419,920	631,970	524,421	415,693	700,676	447,841	424,011	325,733	451,392	963,579	592,338	431,653	1,183,265	428,888
<b>Total - Other (disposals &amp; C/Fwd)</b>	<b>393,300</b>	<b>419,920</b>	<b>631,970</b>	<b>524,421</b>	<b>415,693</b>	<b>700,676</b>	<b>447,841</b>	<b>424,011</b>	<b>325,733</b>	<b>451,392</b>	<b>963,579</b>	<b>592,338</b>	<b>431,653</b>	<b>1,183,265</b>	<b>428,888</b>
<b>Total Capital Funding</b>	<b>9,408,150</b>	<b>3,314,372</b>	<b>5,752,029</b>	<b>5,862,694</b>	<b>4,727,128</b>	<b>3,942,564</b>	<b>3,781,567</b>	<b>3,525,464</b>	<b>3,548,001</b>	<b>4,369,017</b>	<b>5,030,002</b>	<b>4,408,208</b>	<b>4,205,911</b>	<b>5,795,381</b>	<b>5,168,924</b>

Refer to Appendix A11 Forecast Significant Accounting Policies and Compilation Report

# Appendix A10 Forecast Ratios 2024 – 2039

	Target Range		Average	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39
LIQUIDITY RATIOS																		
Current ratio	> 1.00	> 1.20	0.78	0.52	0.56	0.60	0.65	0.74	0.77	0.76	0.75	0.83	0.87	0.92	0.95	0.95	0.95	0.95
OPERATING RATIOS																		
Operating surplus ratio	> 1.00%	> 15.00%	(10.95%)	(21.46%)	(20.97%)	(19.57%)	(18.22%)	(16.63%)	(14.78%)	(12.93%)	(11.07%)	(9.14%)	(7.25%)	(6.14%)	(4.38%)	(2.38%)	(0.55%)	1.16%
Own source revenue coverage ratio	> 40.00%	> 60.00%	80.80%	73.46%	73.82%	74.68%	75.55%	76.57%	77.79%	79.06%	80.37%	81.77%	83.21%	84.07%	85.49%	87.15%	88.73%	90.27%
BORROWINGS RATIOS																		
Debt service cover ratio	> 3	> 5	25.96	2.49	2.39	2.91	3.61	4.58	6.70	7.25	8.39	9.10	16.90	25.09	44.93	78.35	84.91	91.74
FIXED ASSET RATIOS																		
Asset sustainability ratio	> 90.00%	> 110.00%	63.03%	65.98%	66.23%	67.45%	64.28%	61.17%	65.92%	60.92%	54.67%	53.08%	63.43%	70.71%	59.57%	55.00%	73.75%	63.28%
Asset consumption ratio	> 50.00%	> 60.00%	70.40%	79.63%	78.27%	77.19%	76.12%	74.88%	73.49%	72.09%	70.50%	68.92%	67.61%	66.32%	64.84%	63.30%	62.05%	60.79%
Asset renewal funding ratio	> 75.00%	> 95.00%	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Refer to Appendix A11 Forecast Significant Accounting Policies and Compilation Report



# Appendix A11 Forecast Significant Accounting Policies

## Basis of Preparation

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

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

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

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

## Judgements, Estimates and Assumptions

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

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

## The Local Government Reporting Entity

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

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

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

## Base Year Balances

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

## Rounding Off Figures

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

## Comparative Figures

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



# Appendix A11 Forecast Significant Accounting Policies (Continued)

## Forecast Fair Value Adjustments

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

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

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

## Goods and Services Tax (GST)

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

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

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

## Superannuation

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

## Cash and Cash Equivalents

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

## Trade and Other Receivables

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

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

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

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

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

## Inventories

### General

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

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



# Appendix A11 Forecast Significant Accounting Policies (Continued)

## Land held for resale

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

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

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

## Fixed Assets

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

## Revaluation

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

## Depreciation

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

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

Asset Class	Effective average depreciation rates
Right of use - buildings	1.77%
Buildings - non-specialised	2.21%
Buildings - specialised	1.87%
Furniture and equipment	6.43%
Plant and equipment	6.55%
Computing	6.00%
Infrastructure - roads	3.70%
Other infrastructure	2.60%

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

## Gains and Losses on Disposal

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

## Employee Benefits

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

## Short-Term Employee Benefits

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

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



# Appendix A11 Forecast Significant Accounting Policies (Continued)

## Other Long-Term Employee Benefits

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

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

## Borrowing Costs

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

## Trade and Other Payables

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

## Provisions

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

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

## Current and Non-Current Classification

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



# Other Matters

## Preparation

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

## Reliance

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

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

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

Please refer to the attached compilation report.

## Document Management

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## References

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

- Shire of Irwin Strategic Community Plan 2021-2031;
- Shire of Irwin Corporate Business Plan 2020-2024;
- Shire of Irwin Annual Financial Report 2021/22;
- Shire of Irwin Annual Financial Report 2022/23;
- Shire of Irwin Adopted Statutory Annual Budget 2023/24;
- Australian Bureau of Statistics 2021 Census of Population and Housing, Irwin (LGA54060);
- WALGA Online Local Government Directory 2022/23, Shire of Irwin; and
- Council website: [www.irwin.wa.gov.au](http://www.irwin.wa.gov.au)

## Disclaimer

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