



# Strategic Resource Plan

2023-2038

Combined Long Term Financial Plan, Asset  
Management Plan and Workforce Plan

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# 1.0 Foreword

We are pleased to present the Shire of Upper Gascoyne Strategic Resource Plan for 2023-2038.

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, asset management and workforce circumstances. The Plan has been developed to assist us meet our strategic outcomes and objectives, both during and beyond current global uncertainties and other considerations which may impact our 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 Upper Gascoyne's Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Upper Gascoyne's Plan for the Future which includes the Strategic Community Plan 2022 - 2032.

This Plan will be used with the Corporate Business Plan to achieve our goals and drive the Shire in achieving its vision of "a sustainable service base, supporting our local community and industries".

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

Jim Caunt, Deputy Shire President

John McCleary, Chief Executive Officer

## 2.0 Vision and Objectives

The Shire of Upper Gascoyne delivers services to its community in line with the vision, values and the four key themes and strategic objectives set out below. While all are important and interrelated, Council's role may vary from taking action, collaborating with others, to advocating on behalf of the community.

### Our Vision

*A sustainable service base, supporting our local community and industries.*

### Our Mission

*Work with our community, to retain and attract people and businesses to the district.*

### Our Values

*Act with integrity and consistency, pursuing sustainability, but always with the vision of progressing the Shire forward while preserving our rural lifestyle.*

### Key Objectives

The following four key strategic objectives highlight our focus, in reflection of our communities hopes for the future.



## 3.0 Key Information

### Assumptions



**3%**  
Inflation Rate



**Stable**  
Population



**Stable**  
Levels of Service



**Stable**  
Operations



**Balanced**  
Annual Budget



**6%**  
2025/26 →  
Rates



**3%**  
Fees and Charges



**3%**  
2025/26 →  
Employee Costs

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



**7**  
Elected Members



**15**  
Employees



**193**  
Electors



**130**  
Dwellings



**979km**  
Distance from Perth



**57,809.9km<sup>2</sup>**  
Area



**170**  
Population

<sup>1</sup>WALGA Online Local Government Directory 2019/20, Shire of Upper Gascoyne

<sup>2</sup>Australian Bureau of Statistics Upper Gascoyne (S) (LGA58470) 2021 Census of Population and Housing, viewed 12 October 2022

## 4.0 Executive Summary

The executive summary provides a brief overview of the Strategic Resource Plan 2023-2038, this should be read in conjunction with the underlying assumptions detailed in this Plan.

### 4.1 Planning for a Sustainable and Stable Future

The Shire of Upper Gascoyne is planning for a positive and stable future, despite the current global uncertainty arising from world events. The Shire seeks to maintain, and where possible, improve service levels into the future while ensuring a healthy financial position.

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

### 4.2 Significant Issues

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

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

Adequate maintenance, renewal and upgrading of the road network remains highly dependent on the receipt of external grants and contributions. The current level of external funding is not sufficient to maintain the road network to the standard required by the community.

Due to current global events, the economic forecast has an increased level of uncertainty.

Rate revenue is forecast to increase at 3% in year 1 of this Plan, in 2024/25 there is a forecast increase in GRV properties due to the approved mass accommodation development, and from 2025/26 an increase of 6% per year, being 3% above forecast CPI of 3%, is forecast for the duration of the Plan. These increases are needed to assist in the long term financial stability of the Shire and to increase the level of asset renewal. These increases will be reviewed annually when setting future budgets.

### 4.3 Forecast Capital Projects

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

Significant upgrades are required to the depot workshop to achieve compliance with Work Health and Safety obligations, external funding is required to undertake these works and should these become available this project would be brought forward as a matter of urgency. This project is currently planned to be undertaken in 2027/28, however this is highly dependent on funding availability and needs to be undertaken as a matter of urgency, to ensure continued road services for the community.

Project by Asset Class	2023-2038 Amount \$
<b>Plant and Equipment</b>	
Plant Replacement Program	13,662,778
<b>Plant and Equipment Total</b>	<b>13,662,778</b>
<b>Infrastructure - Roads</b>	
Cobra Gifford Creek	696,000
Carnarvon Mullewa East	5,301,604
Carnarvon Mullewa West	483,349
Town Streets	95,603
Gregory Street Culverts	200,000
Carnarvon-Meekatharra Road	43,500,000
Wansborough Road (seal road to rubbish tip)	400,000
Road Renewals	14,995,385
<b>Infrastructure - Roads Total</b>	<b>65,671,941</b>

## 4.0 Executive Summary (Continued)

### 4.3 Forecast Capital Projects (Continued)

Project by Asset Class	2023-2038 Amount \$
<b>Buildings</b>	
Depot Workshop Upgrade	800,000
Front Office / Reception Area	150,000
Gascoyne Junction Multi-Purpose Sports Centre	3,500,000
Workers Accommodation Development	1,000,000
Museum / Hot Office	700,000
Staff House	600,000
<b>Buildings Total</b>	<b>6,750,000</b>
<b>Land</b>	
Gascoyne Junction Light Industrial Land Development	600,000
Gascoyne Junction Residential Land Development	1,200,000
<b>Land Total</b>	<b>1,800,000</b>
<b>Other Infrastructure</b>	
Airport Runway	220,000
Computer Systems Upgrade	50,000
Dalgety Brook Floodway	1,600,000
Depot Security Gate	80,000
Landor – Gascoyne River Crossing Realignment	1,800,000
Lawn Bowling Green	100,000
Rubbish Tip Fence	50,000
Town Oval Lighting	300,000
Gascoyne River Access	300,000
War Memorial Seating Cover	40,000
War Memorial Interpretive Screens	30,000
Electronic Gates for Road Closures / Signage	750,000
<b>Other Infrastructure Total</b>	<b>5,320,000</b>
<b>Grand Total</b>	<b>93,204,719</b>

## 5.0 Community Profile

### 5.1 Location

The Shire of Upper Gascoyne is one of Western Australia’s most remote local governments, covering an area of 57,809 square kilometres in the Gascoyne region. The Shire encompasses a number of communities including the Gascoyne Junction township, Woodgamia Aboriginal Community and Burringurrah Aboriginal Community, along with large Pastoral Stations.

### 5.2 Heritage

The first Upper Gascoyne Road Board was gazetted in 1887, with its boundaries being the Tropic of Capricorn in the north, the State border in the east, the Murchison River in the south and the Lower Gascoyne Road Board’s border in the west.

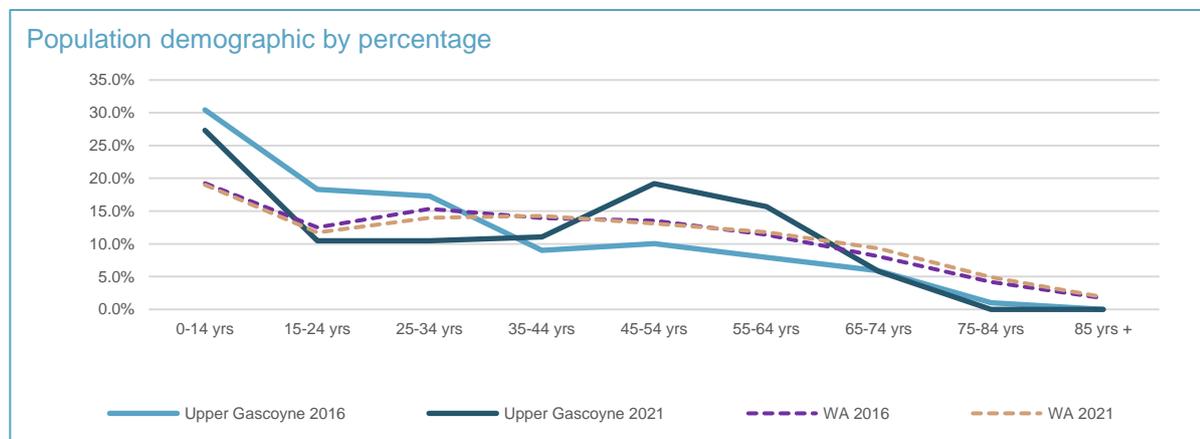
When the first European settlers began to settle with pastoral leases in the region, it was inhabited by Aboriginal tribes who were believed to have been on the land for thousands of years. There are no written records of the boundaries each Aboriginal tribe inhabited but it was believed they were set by the rivers, hills and other such changes in the land and they had set their own complex rules and social structures.

### 5.3 People<sup>1</sup>

The Shire of Upper Gascoyne has a resident population of 170 people, with no significant variation forecast. The chart below reflects the percentage of the estimated resident population within each age grouping for the Shire of Upper Gascoyne and Western Australia on the night of the 2021 census.

The Shire’s resident population in comparison to the population of the state of Western Australia is shown in the table.

Population	2016		2021
Shire of Upper Gascoyne	289	↓	170
WA	2.47m	↑	2.66m



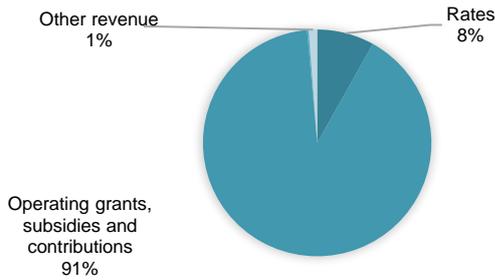
<sup>1</sup>Australian Bureau of Statistics, Upper Gascoyne (S) (LGA58470), 2021 Census of Population and Housing General Community Profile, 12 October 2022

# 6.0 Long Term Financial Planning Overview

## 6.1 Forecast Revenue

Rates are expected to increase from 2023/24, with anticipated rates revenue of \$1.3m, at 3% in 2024/25 in line with forecast CPI, in 2025/26 there is a significant increase due to the new mass accommodation development being rateable from this point on. From 2025/26 rate increase of 6% per annum are planned, being 3% above forecast CPI of 3%. \$3.5m is forecast to be raised from rates in 2037/38. Rate income comprises 8% of operating revenue over the term of the Plan. The Shire is reliant on receiving \$85.0m over the next 15 years in operating grants, subsidies and contributions to maintain the current level of operations and services. Non operating grants for road renewals are expected to remain relatively stable.

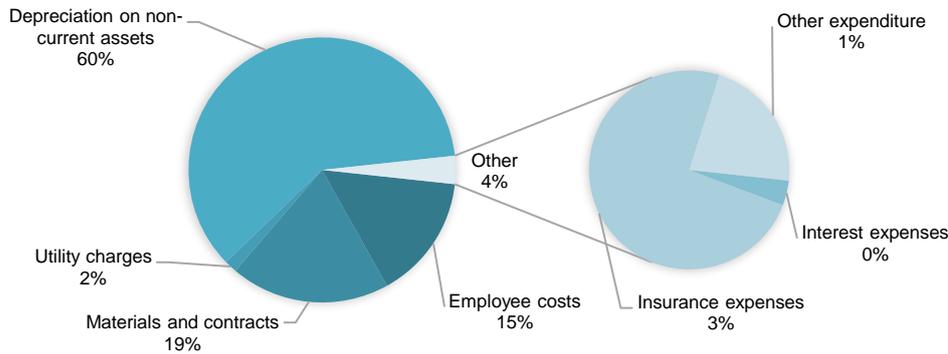
### 6.1.1 Revenue Composition Year 1 to 15



## 6.2 Forecast Expenditure

Expenditure is forecast to increase on average in line with forecast inflation at 3% with the exception of depreciation expense, which is impacted by the addition of assets over the term of the Plan.

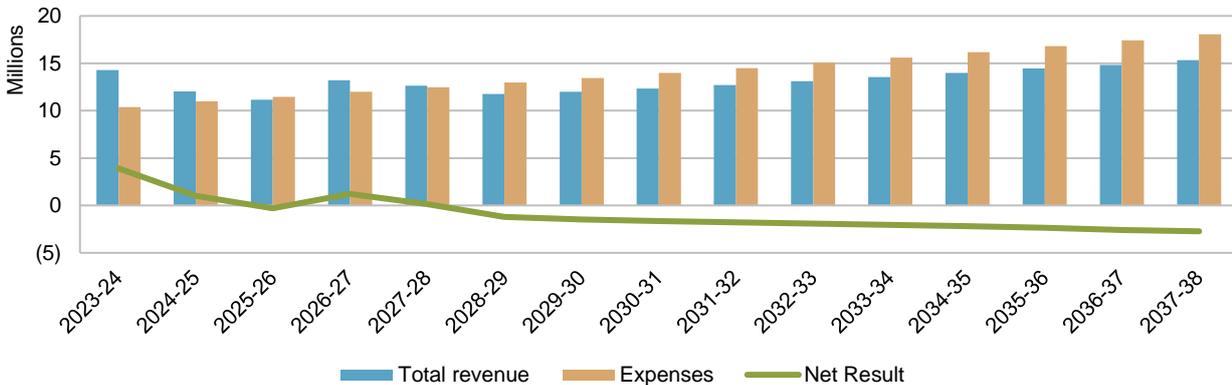
### 6.2.1 Expenditure Composition Year 1 to 15



## 6.3 Net Result

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

The negative net result over the long term is caused by decreases in forecast capital grants and highlights the need for additional funding to prevent the long term reduction in net assets.



## 6.0 Long Term Financial Planning Overview (Continued)

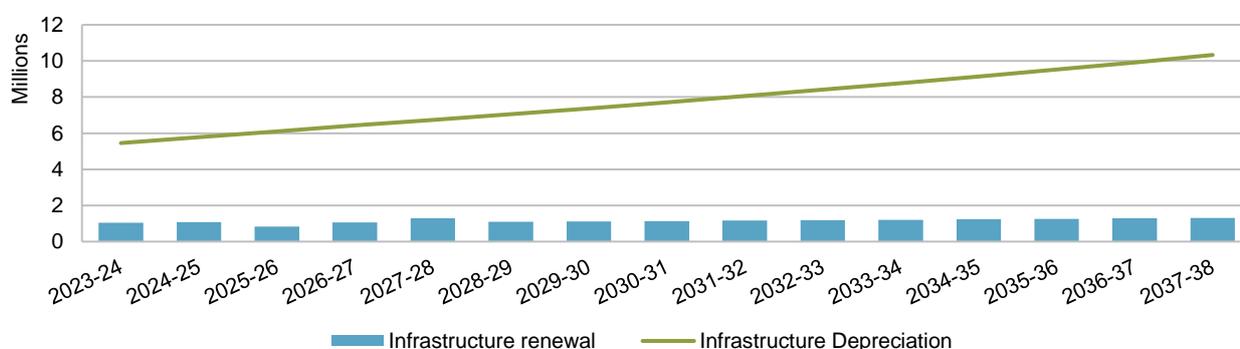
### 6.4 Depreciation Expense

Ideally, the average asset renewal should be in line with depreciation expense over the long term, to ensure the value of assets is maintained. On average, the Shire is planning to renew its infrastructure assets at a lower level than they are depreciating over the term of the Plan.

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

#### 6.4.1 Infrastructure Depreciation Expense -v- Asset Renewal Expenditure

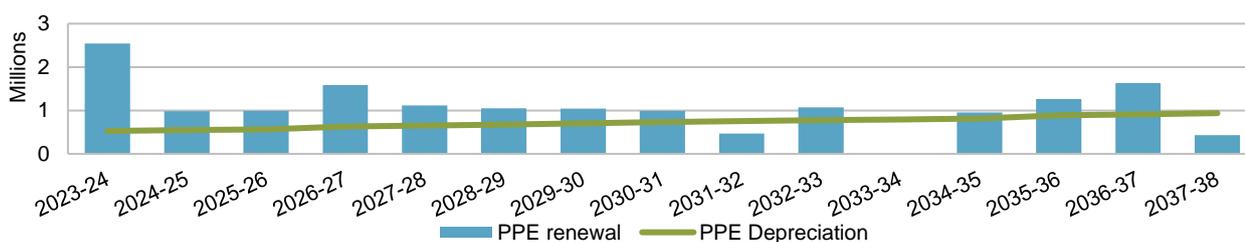
Depreciation expense increases throughout the Plan from \$5.4m in year 1 to \$10.3m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$116.8m, shown by the green line in the chart below. The planned level of infrastructure asset renewal expenditure at \$17.3m (reflected by the blue columns) is stable and lower than depreciation over the term of the Plan. It must also be noted the Shire intends to spend \$48.6m upgrading roads subject to funding which impacts the ability and need to renew road assets.



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

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

Planned property, plant and equipment asset renewals of \$13.8m (reflected by the blue columns) over the 15 years is on average higher than the depreciation expense of \$11.1m (reflected by the green line) over the same period as shown in the chart below.



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

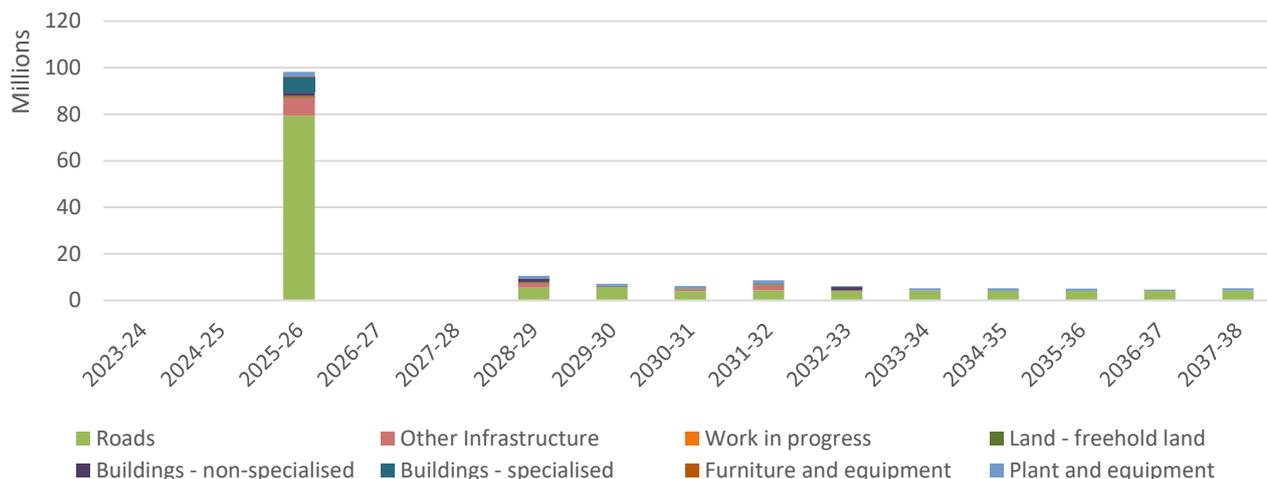
#### 6.4.3 Maintenance Expenditure

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

## 6.0 Long Term Financial Planning Overview (Continued)

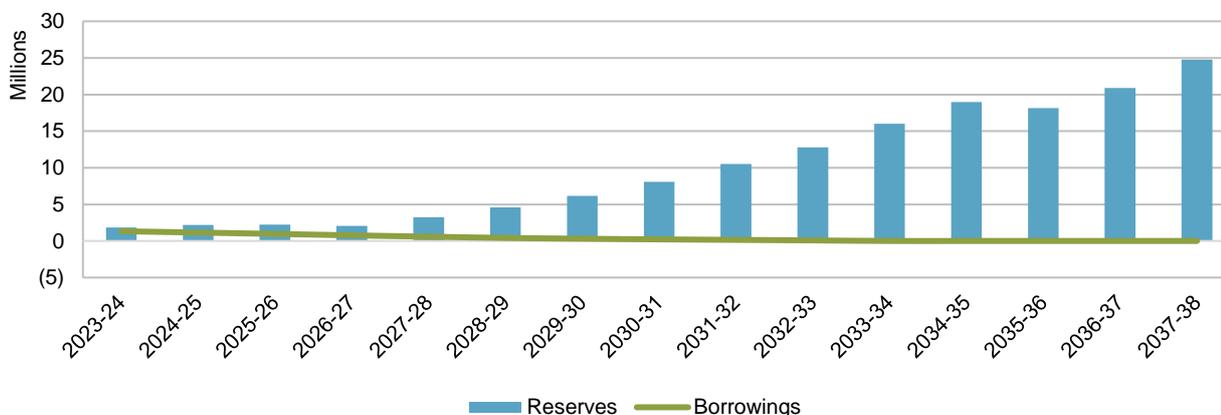
### 6.4.4 Forecast New/Upgrade Asset Expenditure

As the Shire seeks to achieve its strategic objectives in providing road and other infrastructure to its community, a significant spend is currently planned to upgrade existing sheeted roads, either through sealing the roads or raising the road levels and improving drainage to minimise the impact of flooding. Forecast new/upgrade asset expenditure is highly dependent on grant funding and is shown in the chart below.



### 6.5 Forecast Borrowings and Cash Reserves

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



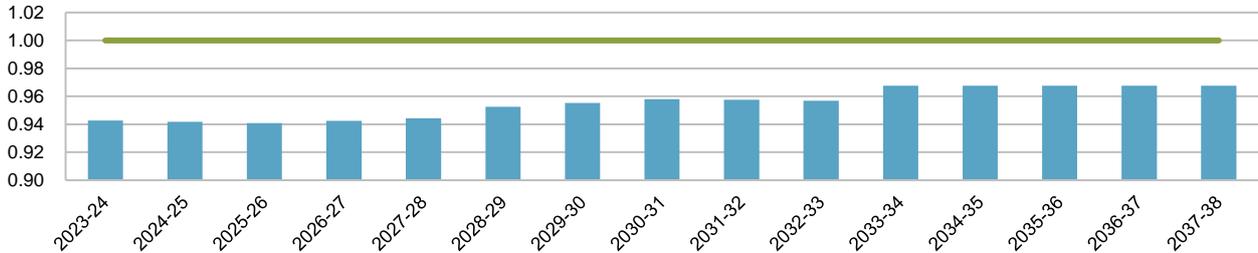
The Shire has three current loans, forecast to be paid out in 2027/28, 2028/29 and 2030/31, and are planning to take up a new borrowing of \$600,000 for staff housing in 2023/24. No other loans are planned beyond the current loans and reserves are planned to be built up as part of a strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available and includes the use of cash backed reserves to save for significant future asset renewal spikes.

# 6.0 Long Term Financial Planning Overview (Continued)

## 6.6 Forecast Operating Ratios 2023-2038

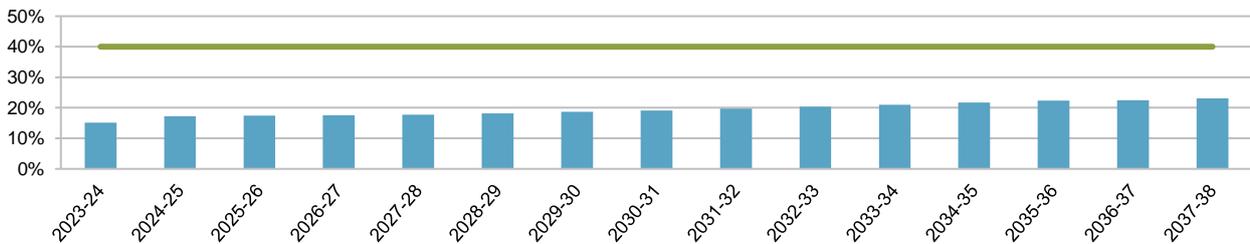
Monitoring the Shire’s financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The green line reflects the Department of Local Government, Sport and Cultural Industries’ (the Department) minimum target level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

### 6.6.1 Current Ratio



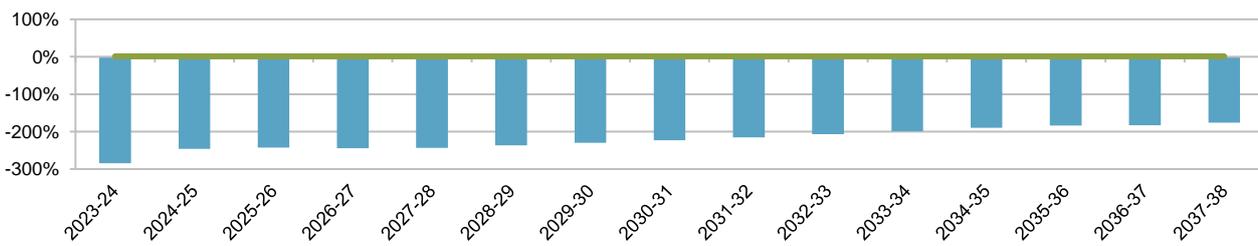
As expected for a Shire with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is 1.

### 6.6.2 Own Source Revenue Coverage Ratio



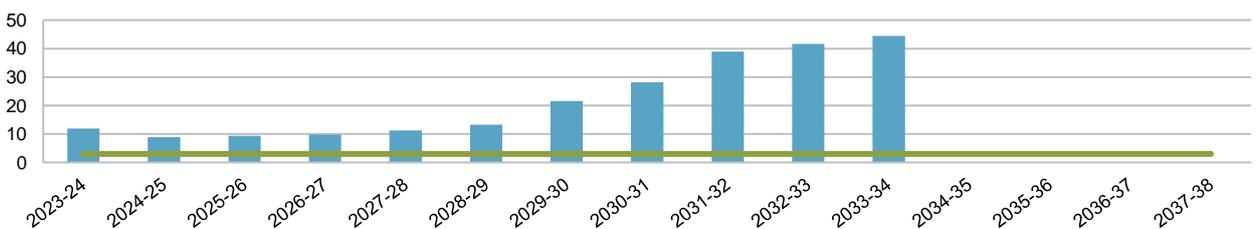
The ratio is below the target range reflecting the Shire’s heavy dependence on external grants and contributions to maintain operations. The improvement in the ratio is a result of increase in own source revenues.

### 6.6.3 Operating Surplus Ratio



The ratio above is increasing over the term of the Plan as revenues improve. The ratio reflects forecast depreciation is greater than forecast funding for renewal of assets.

### 6.6.4 Debt Service Cover Ratio



The ratio decreases initially as new borrowings are taken up before improving as loans are paid off, indicating the Shire has the capacity to take up borrowings, providing underlying assumptions remain valid.

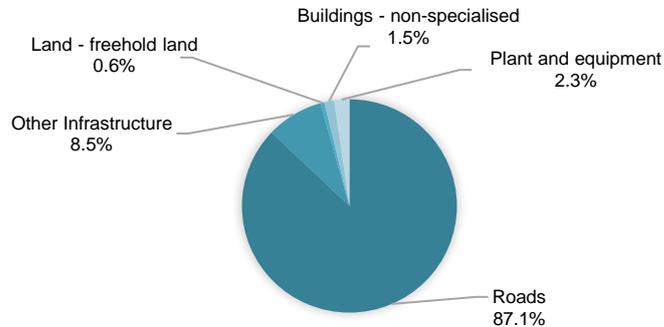
An explanation of all ratios is provided at Section 13.2.

## 7.0 Asset Management Planning Overview

### 7.1 Key Asset Information

The Shire controls an asset network with a written down value of \$98.2m<sup>2</sup>, of which roads infrastructure constitutes the largest component values as reflected in the chart below.

#### 7.1.1 Written Down Value by Asset Class



### 7.2 Asset Management Policy

The purpose of an asset management policy is to:

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

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

### 7.3 Asset Management Strategy

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

When planning for the future renewal of Shire assets, a condition-based estimation of remaining useful life was applied (where possible) as it was viewed as the most appropriate methodology. Where condition information was unavailable, an age based estimation of remaining useful life was applied. Sheeted roads were modelled based on an annual required renewal allocation to spread the renewal burden. Modelling was undertaken to determine the long term funding required for asset maintenance and renewal. By adjusting the estimated useful life of assets, the balance between the risk of loss of asset service and the financial costs of asset renewal and maintenance was determined.

Detailed longer term planning is required for the renewal of building assets which are not viewed as requiring renewal during the term of this plan. The scale of expenditure in relation to these assets and the likelihood of usage/design upgrades when renewal occurs requires long term planning for the funding of these future assets renewals from reserves. Unfortunately, planning for the renewal of long lived assets carries with it a high level of uncertainty. This is due to the vagary associated with the allocation of future external contributions and the potential for a sudden and unexpected change in grant funding.

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

A strategy of alignment of estimated asset useful lives with the forecast financial capacity aims to ensure the long term affordability of Shire assets. By focusing resources and efforts on a small number of key critical assets, the Shire has achieved its targeted asset management outcomes, integrated with financial planning within its forecast financial capacity based on an annual rate increase of 6%, being 3% above forecast CPI (3%) for the term of the Plan.

<sup>2</sup> Shire of Upper Gascoyne Annual Financial Report 2021/22

# 7.0 Asset Management Planning Overview (Continued)

## 7.4 Level of Service

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

## 7.5 Financial Management Strategy for Assets

Based on the 2021/22 Annual Financial Report and the 2022/23 Annual Budget, a financial baseline was determined for operating revenue and expenditure. Adjustments were made to this baseline to eliminate the impact of flood damage funding and expenditure from operations. Modifications to this baseline were then made over the 15 year term to predict forecast changes in operating revenue and expenditure.

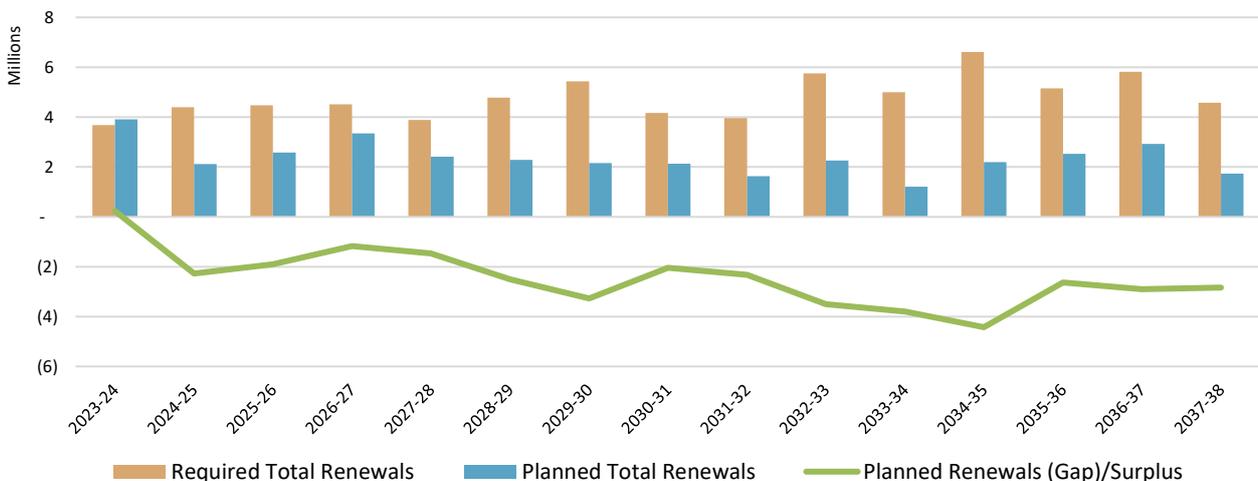
Impacts of the global financial instability and worldwide supply chain issues have created a high level of uncertainty. Revenue and expenditure for 2022/23 are expected to align with 2021/22. Should the need arise for additional funding to meet the impacts of current supply issues and other influencing factors, these will be drawn from Reserve accounts or additional revenue increases. Structuring operational revenues and expenditure to try and meet the adequate provision for asset renewal into the future is a cornerstone of the Shire’s overall financial strategy. To achieve this strategy, rate increases at 6%, 3% above forecast consumer price index (CPI) are planned to occur from year three for the duration of the Plan, combined with the maintenance of operating expenditure in line with the CPI forecast.

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

Despite trying to plan for the future renewal of assets the Shire is well aware of the continued need for reactionary asset maintenance due to natural events such as flooding and blowouts significantly damaging assets.

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

### 7.5.1 Required v Planned Asset Renewals



## 7.0 Asset Management Planning Overview (Continued)

### 7.5.2 Forecast Planned and Required Asset Renewals

Year	Required Asset Renewal \$	Planned Asset Renewal \$	Asset Renewal Surplus / (Deficit) \$
2023/24	3,703,455	2,177,828	(1,525,627)
2024/25	4,399,478	1,871,822	(2,527,656)
2025/26	4,476,185	1,828,919	(2,647,266)
2026/27	4,514,187	2,646,168	(1,868,019)
2027/28	3,881,352	1,716,315	(2,165,037)
2028/29	4,846,290	2,150,111	(2,696,179)
2029/30	5,743,859	2,159,568	(3,584,291)
2030/31	4,169,004	2,130,017	(2,038,987)
2031/32	3,956,673	1,633,911	(2,322,762)
2032/33	5,753,505	2,255,533	(3,497,972)
2033/34	5,001,749	1,210,733	(3,791,016)
2034/35	6,615,113	2,190,314	(4,424,799)
2035/36	5,150,341	2,523,046	(2,627,295)
2036/37	5,823,745	2,919,506	(2,904,239)
2037/38	4,573,883	1,740,928	(2,832,955)
<b>Total</b>	<b>72,608,818</b>	<b>31,154,719</b>	<b>(41,454,099)</b>

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

As the Shire has such a large road network to maintain, the required asset renewal is significantly higher than current resources allow to be undertaken. Obtaining additional funding is critical to ensuring the long term maintenance and improvement of Shire assets

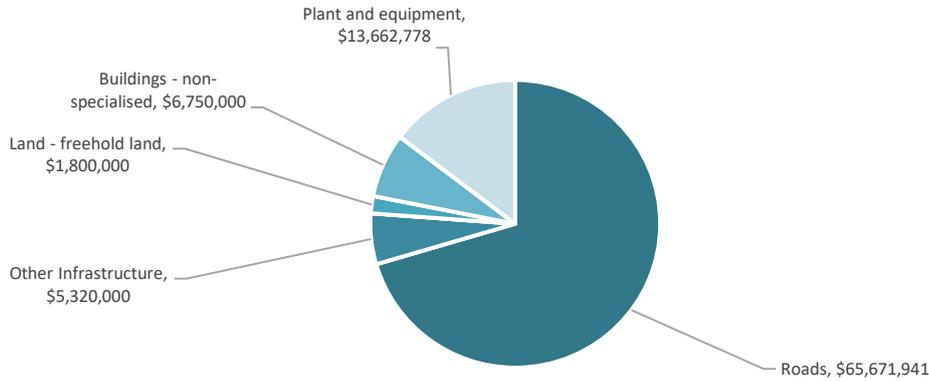
As assets approach their initial estimated asset renewal, the timing and need for renewal will be re-assessed and may well vary, enabling the reallocation of limited resources between asset classes and years, using cash backed reserves.

# 7.0 Asset Management Planning Overview (Continued)

## 7.6 Planned Asset Expenditure

Renewal asset expenditure of \$31.2m has been planned as per the previous table, with \$62.1m of new and expansion of assets planned. The following chart reflects the total capital expenditure, including new, maintenance and renewal of assets.

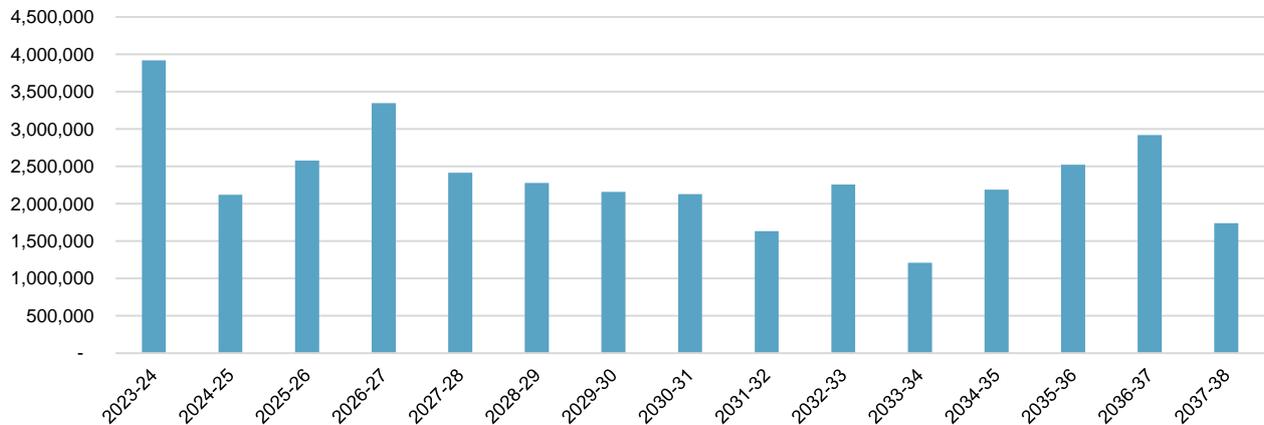
### 7.6.1 Planned Capital Expenditure 2023-2038



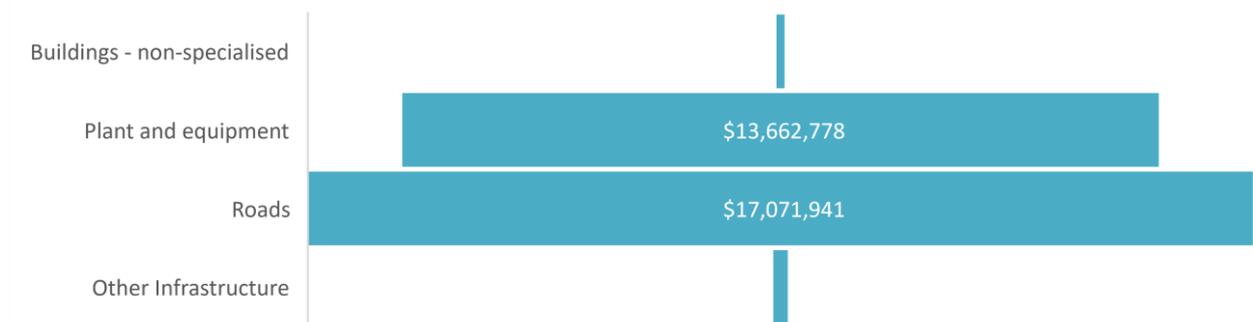
## 7.7 Planned Asset Renewal

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

### 7.7.1 Planned Asset Renewal Expenditure



### 7.7.2 Planned Asset Renewal Expenditure by Class



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

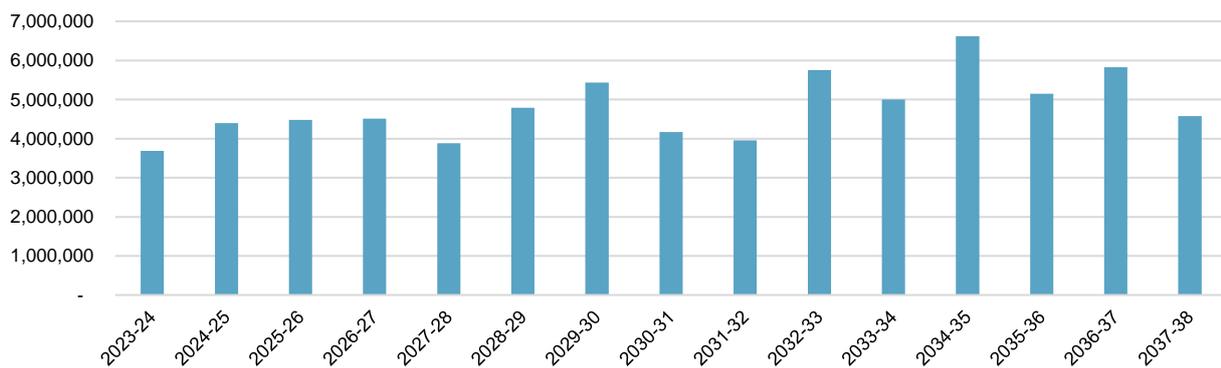
## 7.0 Asset Management Planning Overview (Continued)

### 7.8 Required Renewal Expenditure

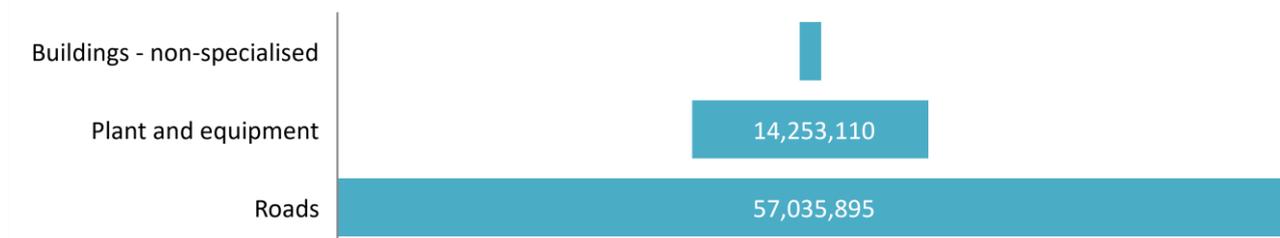
Required asset renewal expenditure for the road network has been estimated based on road conditions and forecast estimated standard useful lives. For other asset classes, forecast asset renewals have been based on the age of the assets and their estimated remaining useful life (determined during recent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

Required asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$72.6m are forecast to be required over the 15 years of the Plan, based on existing asset data.

#### 7.8.1 Required Asset Renewal Expenditure



#### 7.8.2 Required Asset Renewal Expenditure by Asset Class



Renewal of roads infrastructure represents the highest level of forecast required asset renewals over the 15 years.

#### 7.8.3 Asset Renewal Funding Surplus/(Gap)

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

These differences in planned asset expenditure are not considered to be of long term significance, provided the Shire undertakes the planned renewals and asset maintenance. Further analysis and revision of asset valuation information and associated underlying assumptions and estimates is required to confirm true required asset renewal expenditure. Required renewal expenditure for road assets will also be heavily influenced by future road usage and maintenance. With major roads being upgraded during the term of the plan the requirement to renew assets in the 15 years of the Plan is minimised.

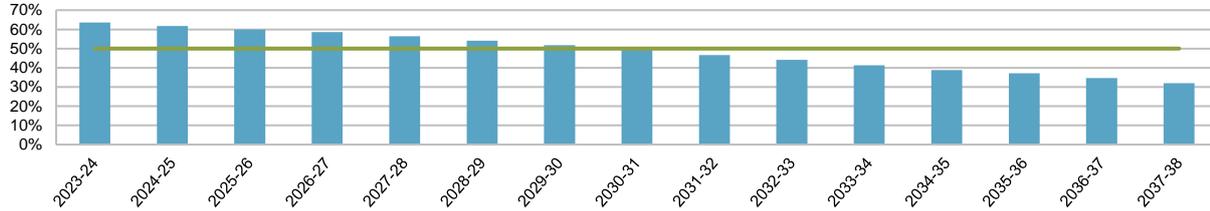
### 7.9 Upgrade/New Expenditure

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

# 7.0 Asset Management Planning Overview (Continued)

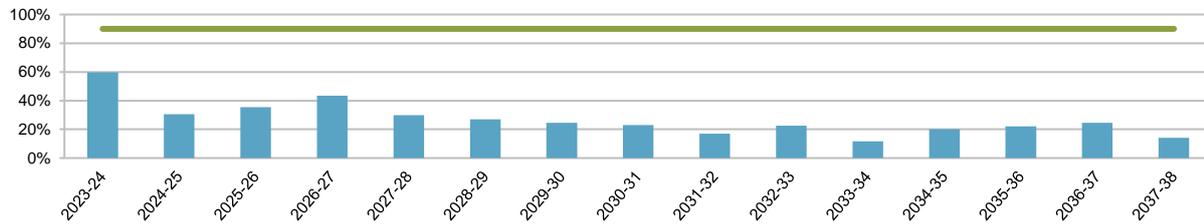
## 7.10 Forecast Asset Ratios 2023-2038

### 7.10.1 Asset Consumption Ratio



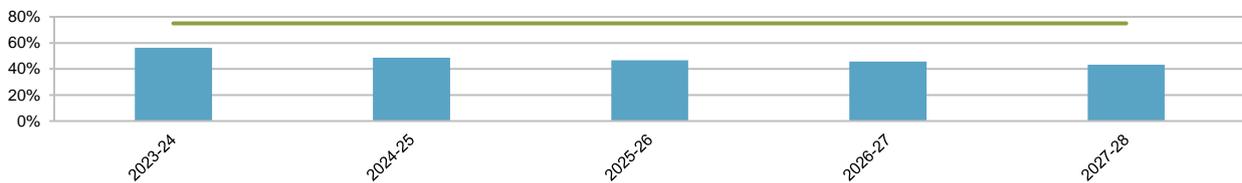
The asset consumption ratio is initially above the target range, however it is declining as assets are not being renewed at adequate levels to maintain the average age of assets.

### 7.10.2 Asset Sustainability Ratio



The ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio average is below the guideline level and indicates the Shire is generally not renewing assets in line with their forecast depreciation expense.

### 7.10.3 Asset Renewal Funding Ratio



The ratio is below the target ratio, with planned asset renewal expenditure being below required asset renewal expenditure as set out in this Plan. Further improvements in forecasting the remaining useful lives of assets may result in changes to this ratio. No concerns currently exist in relation to the ratio being below the target due to the planned review of required asset renewal forecast data, and with most roads being renewed well before any critical failures occur.

## 8.0 Workforce Planning Overview

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

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

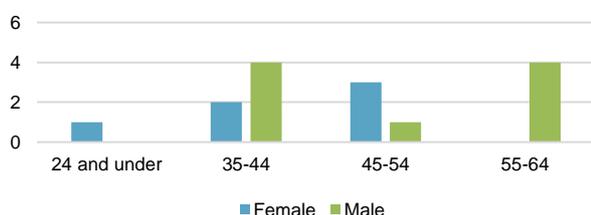
### 8.1 Workforce Profile

Information	Shire of Upper Gascoyne - as at August 2022
<b>Number of Employees</b>	16
<b>Gender</b>	40% female 60% male
Total annual salaries and wages	\$1.6m
Employment type	There is a range of full time, part time, fixed term contract and casual staff employed
Annual/LSL liability	Current \$221,930 Non-Current \$148,259
Awards and agreements	Local Government Officers (Western Australia) Award 2021 Municipal Employees (Western Australia) 2021
Age profile	The estimated average age of employees is 47 years
Years of service	The estimated average length of service is 5 years

### 8.2 Workforce Demographics

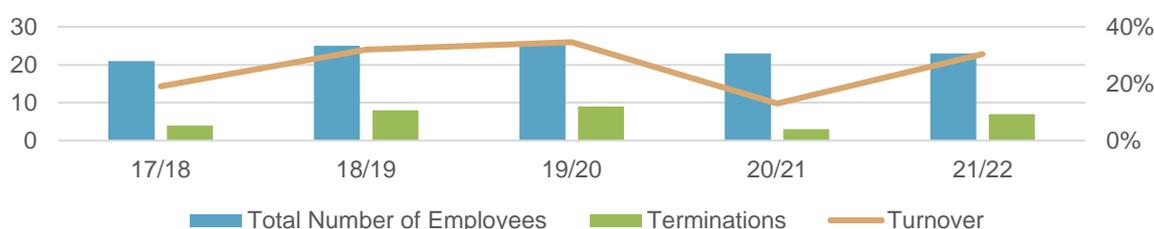
The current age distribution is mostly within 35-44 year age group, as shown in the chart below. This includes full time, part time and casual staff.

### 8.3 Workforce by Age and Gender



### 8.4 Turnover Rate

Over the period 2017/18 to 2021/22 the estimated average annual turnover rate was 26%. This includes full time, part time and casual staff. Casual staff comprised 59% of the turnover over the last five years



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

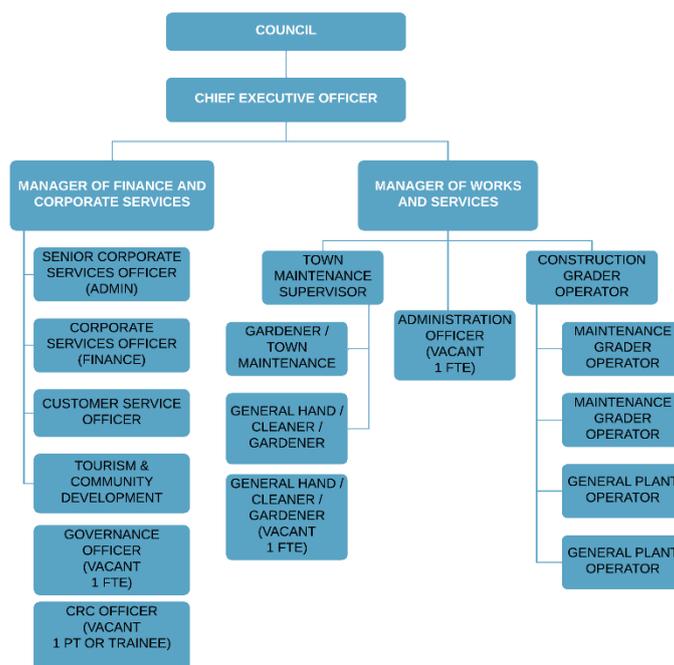
### 8.5 Workforce Supply Demand Analysis

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

## 8.0 Workforce Planning Overview (Continued)

### 8.6 Organisation Structure

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



### 8.7 Workforce Risk Assessment

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

### 8.8 Planning for the Future

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

## 9.0 Scenario Modelling

### 9.1 Scenario Modelling

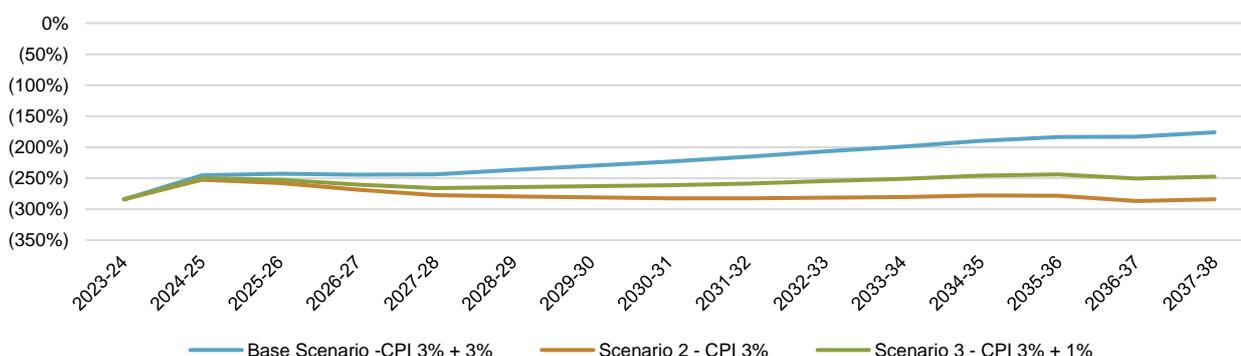
Scenarios were developed to test the financial impact of increased levels of operating funding from rates. To ascertain the effect of increased and decreased funding levels, modelling of various scenarios was undertaken.

A base scenario was developed with rates yield of 3% in line with forecast 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 forecast CPI (3%)	Total Increase
Base Scenario	3%	6%
Scenario 2	0%	3%
Scenario 3	1%	4%

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

#### 9.1.1 Scenario Comparison – Operating Surplus Ratio

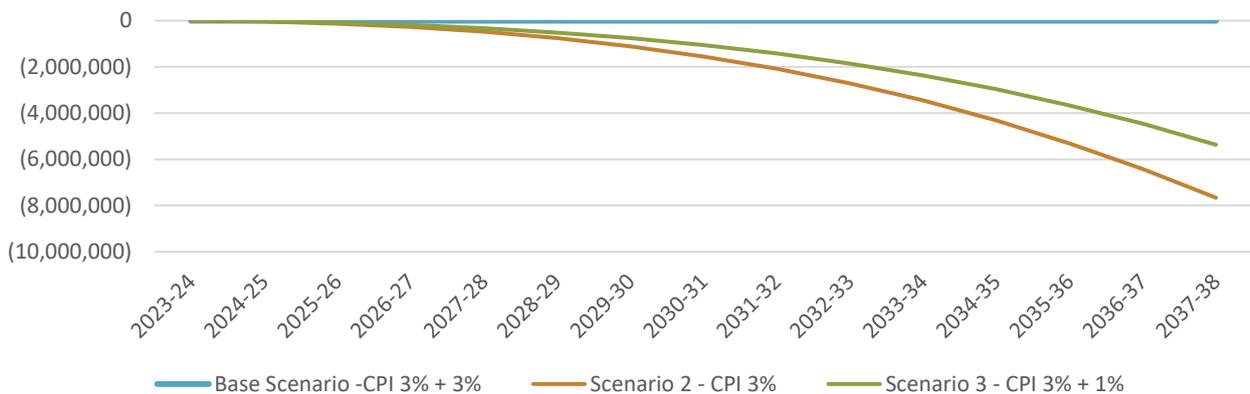


The chart above shows the impact of the same change in total rates yield on the Shire's Operating Surplus Ratio (other assumptions remaining the same). The base scenario was selected as it strengthens the Shire's financial position and allows the Shire to meet asset renewal expectations.

The chart on the following page 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).

## 9.0 Scenario Modelling (Continued)

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



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

	Estimated Surplus/(Deficit)		
	Base Scenario CPI (3%) + 3% \$	Scenario 2 CPI (3%) \$	Scenario 3 CPI (3%) + 1% \$
2023/24	0	0	0
2024/25	0	(38,752)	(25,834)
2025/26	0	(128,214)	(85,732)
2026/27	0	(274,057)	(183,823)
2027/28	0	(482,408)	(324,595)
2028/29	0	(759,871)	(512,906)
2029/30	0	(1,113,563)	(754,018)
2030/31	0	(1,551,148)	(1,053,632)
2031/32	0	(2,080,874)	(1,417,907)
2032/33	0	(2,711,617)	(1,853,502)
2033/34	0	(3,452,917)	(2,367,611)
2034/35	0	(4,315,028)	(2,968,000)
2035/36	0	(5,308,688)	(3,663,044)
2036/37	0	(6,421,147)	(4,461,775)
2037/38	0	(7,661,502)	(5,369,983)

## 10.0 Strategic Planning And Policies With Other Plans

### 10.1 Linkage

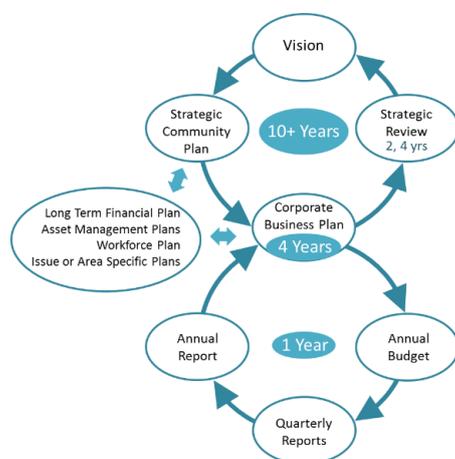
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other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

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

### 10.2 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.

#### 10.2.1.1 Diagram: Integrated Planning and Reporting Cycle



#### 10.2.2 Strategic Community Plan 2022 - 2032

The Shire took an integrated approach and developed the Plan for the Future, combining the Strategic Community Plan and Corporate Business Plan into one Plan. The Strategic Community Planning component 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.

#### 10.2.3 Corporate Business Plan

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

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

#### 10.2.4 Workforce and Other Strategic Plans

The Workforce Plan has been developed as part of this Strategic Resource Plan, incorporating 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. No financial impacts are expected from the Workforce Plan with employee costs forecast to rise in line with forecast inflation of 3%.

## 11.0 Risk Management

### 11.1 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. Where these resources are not available, the Shire seeks to engage appropriately qualified independent advice, to complement and support personnel.

### 11.2 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.

### 11.3 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.

## 12.0 Assumptions, Risks, Uncertainties And Sensitivity

### 12.1 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 stable.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Rates Level Increase:</b> Annual rates have been based on an increase in the total rate yield of 6%, 3% above forecast CPI (3%).	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Operating Grants and Contributions:</b> Increases in line with inflation forecast.	High	The road maintenance program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$850,009 to the value of operating grants and contributions per 1% movement in the value of the Plan.
<b>Non-operating Grants and Contributions:</b> Below funding requirements identified for various capital works.	High	The forecast capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$681,768 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
<b>Fees and Charges:</b> Increases in line with inflation forecast.	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 2.5% per annum.	Low	Not assessed as high financial risk.	High	Not assessed as high level of uncertainty. The interest rate may increase and additional funds would be reinvested in reserve accounts.
<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.

## 12.0 Assumptions, Risks, Uncertainties And Sensitivity (Continued)

### 12.2 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	± \$408,390 to the value of materials and contracts per 1% movement in the value over the life of the Plan. A high level of uncertainty exists in relation to the costs to address impacts of current global events.
<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> Base year increased in line with inflation.	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.

## 12.0 Assumptions, Risks, Uncertainties And Sensitivity (Continued)

### 12.3 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	±\$280,971 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$885,258 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	± \$681,768 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 10 Year Capital Plan (part of this 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.

## 12.0 Assumptions, Risks, Uncertainties And Sensitivity (Continued)

### 12.4 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.

## 12.0 Assumptions, Risks, Uncertainties And Sensitivity (Continued)

### 12.5 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>Cash Backed Reserves:</b> It has been assumed the Shire will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<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	±\$280,971 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$885,258 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

## 12.0 Assumptions, Risks, Uncertainties And Sensitivity (Continued)

### 12.6 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% per annum.	Medium	Not assessed as high financial risk.	High	± \$1,291,930 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$2,113,243 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 of the Plan.	Medium	Not assessed as high financial risk.	Low	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.

## 13.0 MONITORING AND PERFORMANCE

### 13.1 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 Plan for the Future: 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.

### 13.2 Ratio Targets

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

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

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

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

## 14.0 IMPROVEMENT PLAN

### 14.1 Strategic Resource Improvement Plan

All strategic plans require continuous development to improve the quality of planning and account for changes over time. Whilst significant work has occurred in relation to resource planning the following resource management areas are suggested as worthy of continued focus in the future.

*Revenue:* As the single greatest resource constraint continued focus on increasing revenue is essential.

*Road Asset data:* Road asset data requires continuous update to reflect the estimated remaining life of each unsealed road sector based on available future funding and changes in road usage information. Major reviews of this information should occur every five years as a minimum.

*Level of Service:* Continue to maintain and improve systems to record and report against levels of service.

*Risk Management:* As part of the Shires overall risk management activities, identified risks will continue to be recorded and appropriately treated within financial constraints.

*Operation and Maintenance:* The Shire will maintain and continuously update a documented operation and maintenance strategy.

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

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# Appendix A1 Critical Assets

## 1.1 Description

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

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

Asset	Current Replacement Cost \$
Administration Office and Community Resource Centre	2,370,000
Works Depot	1,323,000
Housing	5,263,000
Roadhouse and Tavern	4,056,700

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

The current non-compliance of the works depot with occupational health and safety requirements is viewed as a key critical priority. Current funding availability is inadequate to address the issues with the depot and this could result in closure of the depot.

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

# Appendix A2 Infrastructure - Roads

## 2.1 Significant Matters

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

## 2.2 Road Inventory

The Shire of Upper Gascoyne has a road network servicing an area of 57,809 square kilometres.

Road asset information is recorded within a road inventory database and was extracted from the valuation undertaken as at 20 October 2019, verification of the accuracy of the valuation data is not within the scope of this Plan and has not been undertaken. The extent of road works significantly modifying the road inventory has resulted in limited reliance on the road asset data to guide planning outcomes.

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

Road assets within this Plan include the following components:

Infrastructure Roads Assets	Current Replacement Cost \$
Seal	\$5,717,979.75
Sealed Pavement	\$8,582,287.46
Unsealed Pavement	\$43,479,141.11
Formed Subgrade	\$32,887,335.79
Unformed Subgrade	\$137,669.31
Culverts	\$1,744,866.50
Underground Drainage	\$650,268.30
Kerbing	\$239,957.16
Floodways	\$14,449,693.18
Bridges	\$6,527,836.50
Grids	\$2,922,858.13
Signs	\$506,693.94
Footpath	\$57,276.74
<b>Roads Total</b>	<b>\$117,903,863.87</b>

## Appendix A2 Infrastructure - Roads (Continued)

### 2.3 Financial Summary

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

#### 2.3.1 Maintenance Expenditure

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

Road maintenance expenditure is comprised of the following estimated costs in 2023/34.

#### 2.3.2 Maintenance Expenditure by Nature or Type

Expenditure by Nature or Type	\$
Materials and Contracts	613,984
Employee Costs	549,389

#### 2.3.3 New Expenditure

Road safety related projects And the sealing of regionally significant roads will be prioritised where issues are identified. External grant funding is essential to achieve any safety upgrades and road upgrades.

Road Project	\$
Carnarvon Mullewa East	4,500,000
Carnarvon-Meekatharra Road	43,500,000
Carnarvon Mullewa East	200,000
Wansborough Road (seal to rubbish tip)	400,000
<b>Road Upgrade Expenditure</b>	<b>48,600,000</b>

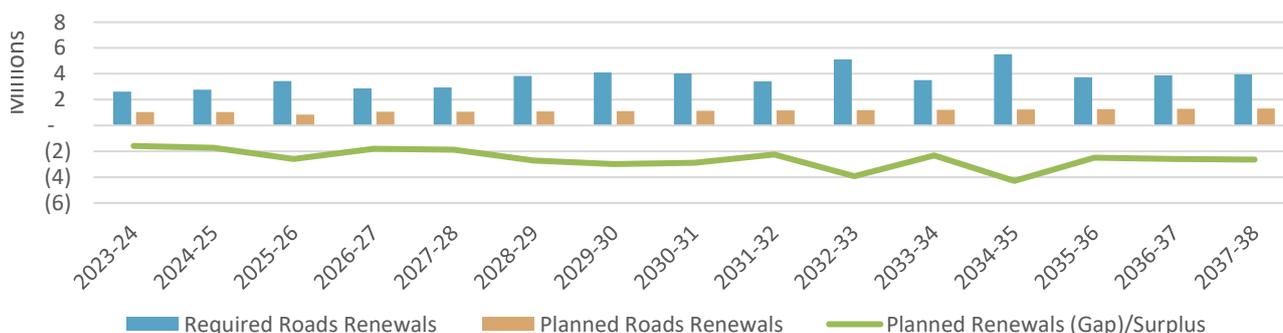
#### 2.3.4 Renewal Expenditure

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

In the chart below, planned road expenditure is shown as blue columns, with required road renewals as the brown columns. The green line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$17.1m. Required road renewal is calculated at \$55.8 for the term, overall there is a \$38.7m renewal deficit for the Shire's road assets.

The chart below reflects the required road asset renewals be undertaken, planned renewal is spread across the term to mitigate spikes. This is discussed further over the page.

#### 2.3.5 Required v Planned Asset Renewals – Roads Infrastructure



## Appendix A2 Infrastructure - Roads (Continued)

### 2.3.6 Forecast Planned and Required Road Renewal Expenditure

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

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

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

	Required Roads Renewals \$	Planned Roads Renewals \$	Roads Renewal Funding (Gap)/Surplus \$
2023/24	2,620,839	1,038,278	(1,582,561)
2024/25	2,772,274	1,038,278	(1,733,996)
2025/26	3,435,202	840,000	(2,595,202)
2026/27	2,866,671	1,059,200	(1,807,471)
2027/28	2,949,777	1,078,976	(1,870,801)
2028/29	3,824,012	1,099,345	(2,724,667)
2029/30	4,094,359	1,120,325	(2,974,034)
2030/31	4,038,657	1,141,935	(2,896,722)
2031/32	3,409,135	1,164,193	(2,244,942)
2032/33	5,117,826	1,187,119	(3,930,707)
2033/34	3,522,188	1,210,733	(2,311,455)
2034/35	5,523,180	1,235,055	(4,288,125)
2035/36	3,747,802	1,260,107	(2,487,695)
2036/37	3,876,440	1,285,910	(2,590,530)
2037/38	3,964,254	1,312,487	(2,651,767)
<b>Total</b>	<b>55,762,617</b>	<b>17,071,941</b>	<b>(38,690,676)</b>

Many assumptions have been utilised in arriving at the remaining useful life of each individual road asset by the external valuers. Remaining useful life of sheeted roads has been determined based on the state of the road surface rather than by measurement of the remaining level of sheeted material. This is considered a poor indicator of the remaining life of existing road sheeting which is dependent on the thickness of existing material and forecast traffic volumes. For this reason, management has not planned to replace the unsealed roads in accordance with the valuation information and has amended the renewal requirement to an annual average amount. The annual average required renewal was determined by dividing the total current replacement cost of re-sheeting by the estimated useful life of the sheeting.

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

## Appendix A2 Infrastructure - Roads (Continued)

### 2.4 Level of Service

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

Type of road surface along with the speed and weight ratings of the road network are considered the best overall indicator of the level of service of the road network as a whole.

#### 2.4.1 Road Construction

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

## Appendix A2 Infrastructure - Roads (Continued)

### 2.5 Road Maintenance

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

## Appendix A2 Infrastructure - Roads (Continued)

### 2.6 Risk Management

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

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

### 2.7 Improvement

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

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

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

## Appendix A3 Buildings

### 3.1 Significant Matters

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

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

### 3.2 Inventory

Land and buildings were valued by independent professional valuers in 2020, based on an inspection undertaken. The replacement costs of major buildings contained within the valuation report is shown in the table below.

### 3.3 Composition of Estimated Current Replacement Cost of Building Assets

Building Assets	Current Replacement Cost \$
Airport	19,500
Caravan Park	376,000
Federation Park	1,101,500
Roadhouse and Caravan Park	4,056,700
Works Depot	1,323,000
Administration Offices	1,600,000
Community Resource Centre	770,000
Dwellings	5,263,000
Ex Police Station	425,000
Museum	178,000
Public Toilets	110,000
Workers Kitchen	26,500
<b>Total Building Assets</b>	<b>15,249,200</b>

## Appendix A3 Buildings (Continued)

### 3.4 Financial Summary

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

#### 3.4.1 Maintenance Expenditure by Program

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

Expenditure Program	2023/24 \$
Employee costs	54,960
Materials and contracts	41,016
<b>Building Maintenance Total</b>	<b>95,976</b>

#### 3.4.2 New/Upgrade Asset Expenditure

There is planned new asset expenditure during the life of this Plan to improve service levels to the community, undertaking these projects is entirely dependent on receipt of external funding.

Year	Project	\$
2027-28	Depot Workshop Upgrade	800,000
2035-36	Gascoyne Junction Multi-Purpose Sports Centre	3,500,000
2023-25	Workers Accommodation	1,000,000
2027-28	Museum / Hot Office	700,000
2023-24	Staff House	600,000
	<b>New / Upgrade Expenditure</b>	<b>6,600,000</b>

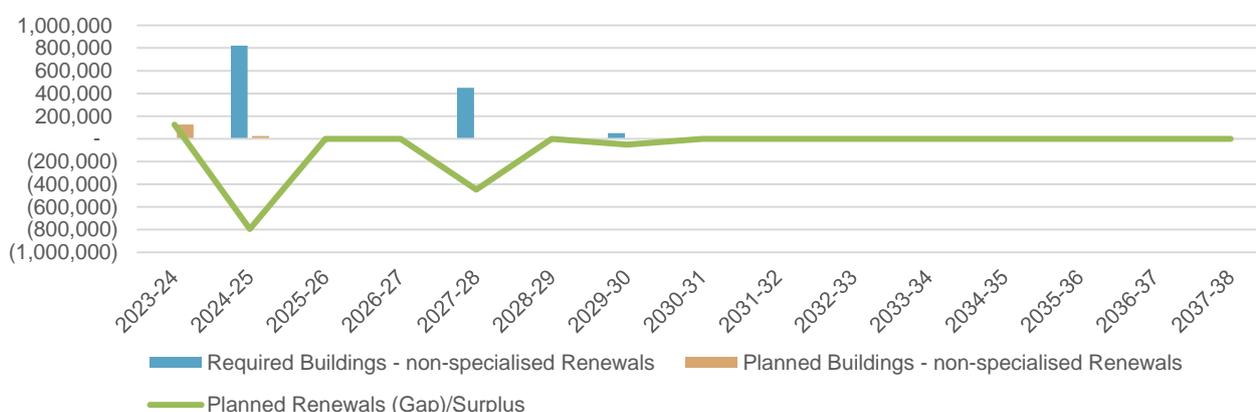
Whilst the Depot Workshop Upgrade is planned for 2027-28 the health and safety issues associated with the existing building mean this project is a priority and will be undertaken as soon as funding is available.

#### 3.4.3 Renewal Expenditure

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

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

#### 3.4.4 Required v Planned Asset Renewals – Buildings



## Appendix A3 Buildings (Continued)

### 3.4.5 Forecast Planned and Required Building Renewal Expenditure

The table below details the required building renewal as per the latest building valuations.

	Required Buildings Renewals \$	Planned Buildings Renewals \$	Buildings Renewal Funding (Gap)/Surplus \$
2023/24	0	125,000	125,000
2024/25	819,545	25,000	(794,545)
2025/26	0	-	-
2026/27	0	-	-
2027/28	448,964	-	(448,964)
2028/29	0	-	-
2029/30	51,304	-	(51,304)
2030/31	0	-	-
2031/32	0	-	-
2032/33	0	-	-
2033/34	0	-	-
2034/35	0	-	-
2035/36	0	-	-
2036/37	0	-	-
2037/38	0	-	-
<b>Total</b>	<b>1,319,813</b>	<b>150,000</b>	<b>(1,169,813)</b>

The following building renewals are currently planned.

Planned Buildings Renewals	Planned Buildings Renewals \$
Front Office / Reception Area	150,000

The Shire will prioritise upgrade of existing buildings and construction of new building assets over renewals.

The spikes in required renewals are due to the number of buildings, listed in below table, estimated remaining useful life, as detailed in the valuation report, reflecting a requirement to renew at these times.

	Required Buildings Renewals	Required Buildings Renewals \$
2024/25	Dwelling – 12 Scott Street	819,545
2027/28	Road House and Caravan Park Units N5-N6; S1-S4	448,964
2029/30	Works Depot – Crib Room	51,304
		<b>1,319,813</b>

## Appendix A3 Buildings (Continued)

### 3.5 Level of Service

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

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

### 3.6 Risk Management

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

### 3.7 Improvement

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

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

# Appendix A4 Other Infrastructure

## 4.1 Significant Matters

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

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

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

## 4.2 Inventory

The Shire's other infrastructure assets current replacement cost at the time of valuation at 19 October 2019 was \$25.4m.

### 4.2.1 Composition of Estimated Current Replacement Cost of Other Infrastructure Assets

Other infrastructure includes the following assets

Other Infrastructure Assets
Airport runway
Landfill infrastructure
Parks and Ovals
Community signage
Heritage assets
<b>Total Other Infrastructure Assets</b>

# Appendix A4 Other Infrastructure (Continued)

## 4.3 Financial Summary

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

### 4.3.1 Maintenance Expenditure

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

### 4.3.2 New Expenditure

There is planned new asset expenditure planned during the life of this Plan, however these projects are heavily dependent on external funding to undertake.

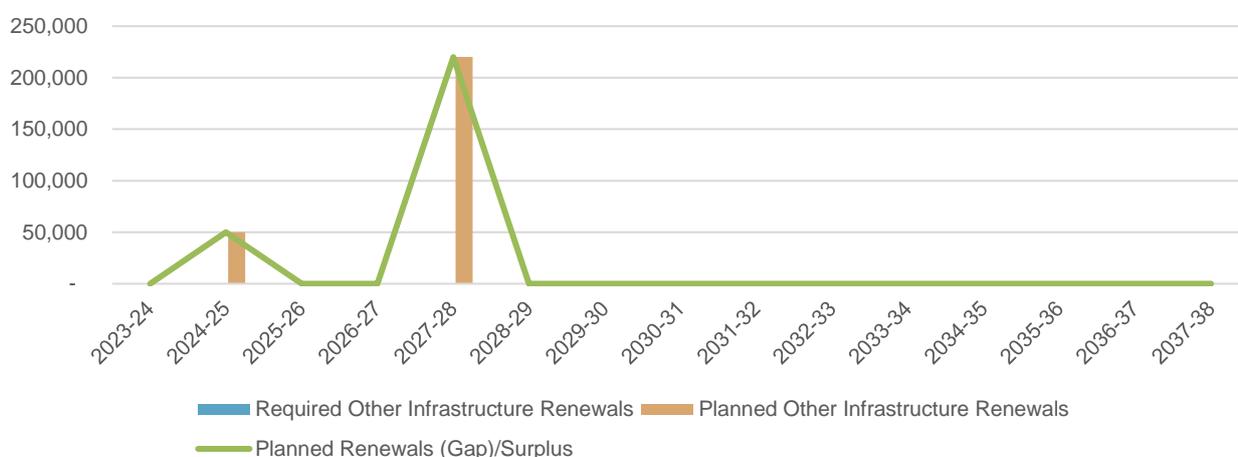
Project	Planned new other infrastructure \$
Dalgety Brook Floodway	1,600,000
Depot Security Gate	80,000
Landor – Gascoyne River Crossing Realignment	1,800,000
Lawn Bowling Green	100,000
Rubbish Tip Fence	50,000
Town Oval Lighting	300,000
Gascoyne River access / swim pontoon	300,000
Cover over War Memorial seating.	40,000
War Memorial Interpretive Screens	30,000
Electronic gates for road closures / signage	750,000
<b>New / Upgrade Expenditure</b>	<b>5,050,000</b>

### 4.3.3 Renewal Expenditure

No required other infrastructure asset renewals have been forecast. Minor asset renewals will be determined and funded within the annual budget cycle. Renewal of other infrastructure assets will be considered on a case by case basis at the time the asset is viewed as requiring renewal, there are minor planned renewals detailed within this Plan for the airport runway and computer systems.

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

### 4.3.4 Required v Planned Infrastructure Renewals -Other



## Appendix A4 Infrastructure - Other (Continued)

### 4.4 Level of Service

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

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

### 4.5 Improvement

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

## Appendix A5 Plant and Equipment

### 5.1 Significant Matters

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

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

### 5.2 Inventory

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

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

Plant and Equipment Assets	Current Replacement Cost \$
Bobcat	80,000
Camp Trailers	472,000
Dollies	270,000
Excavator	85,000
Generator	10,000
Graders	1,650,000
Loaders	835,000
Mowers	10,000
Prime Mover	350,000
Rollers	650,000
Side Tippers	110,000
Tractor/Mower	114,000
Tractors	330,000
Trailers	85,000
Trucks	890,000
Utilities	655,000
<b>Total Plant and Equipment</b>	<b>6,596,000</b>

### 5.3 Financial Summary

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

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

#### 5.3.1 New Expenditure

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

#### 5.3.2 Plant Disposals

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

#### 5.3.3 Renewal Expenditure

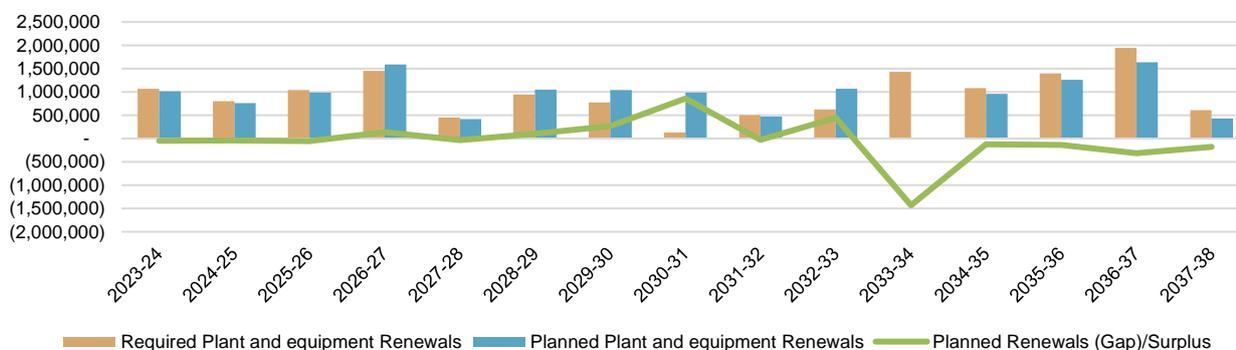
The Shire does not have a replacement/renewal or maintenance program for furniture and equipment. Furniture and equipment purchases are considered on an annual basis as part of the Shire's annual budget allocations and are not planned in detail. The plant replacement program is updated annually and is expected to remain fully funded by annual allocations to the Plant Purchase Reserve.

# Appendix A5 Plant And Equipment (Continued)

## 5.3.4 Forecast Planned and Required Plant and Equipment Renewal Expenditure

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

## 5.3.5 Required v Planned Asset Renewal – Plant and Equipment



## 5.4 Level of Service

Level of service measures are defined below.

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

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

## 5.5 Risk Management

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

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

## 5.6 Improvement Plan

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

## Appendix A6 Estimated Asset Life And Residual Value

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

Asset Class	Asset Sub-Class	Hierarchy	Pavement Type	Estimated Useful Life	Estimated Residual Value
Roads	Formed Subgrade			100	
Roads	Seal	1st Coat	Double Seal	20	
Roads	Seal	1st Coat	Single Seal	15	
Roads	Seal	2nd Coat	Single Seal	15	
Roads	Seal	Reseal	Single Seal	20	
Roads	Sealed Pavement			60	
Roads	Unformed Subgrade			100	100%
Roads	Unsealed Pavement	High Priority		10	
Roads	Unsealed Pavement	Box shaped	Concrete	30	
Roads	Bridges				
Roads	Culverts	Box shaped	Concrete	120	
Roads	Culverts	Circular	Concrete	120	
Roads	Culverts	Circular	High Density Polyeth	60	
Roads	Floodways	Gravel FW w/rock protection		40	
Roads	Floodways	Gravel FW		20	
Roads	Floodways	Cement Stabilised FW w/rock protection		40	
Roads	Floodways	Sealed FW		40	
Roads	Floodways	Cement Stabilised FW w/cut-off walls		20	
Roads	Floodways	Concrete FW w/rock protection		80	
Roads	Floodways	Sealed FW w/rock protection		40	
Roads	Floodways	Concrete FW		80	
Roads	Floodways	Cement Stabilised FW		20	
Roads	Footpath	Concrete		40	
Roads	Grids	4.5m Grid		80	
Roads	Grids	5.5m Grid		80	
Roads	Grids	11m Grid		80	
Roads	Grids	3.5m Grid		80	
Roads	Grids	7.5m Grid		80	
Roads	Kerbing	Kerb Barrier		80	
Roads	Kerbing	Kerb Mountable		80	
Roads	Kerbing	Kerb Semi Mountable		80	
Roads	Kerbing	Kerb Semi Barrier		80	
Roads	Signs			20	
Roads	Underground Drainage	Underground Pipe		120	
Roads	Underground Drainage	Depressed (Spoon drain)		120	
Buildings	Buildings			75	
Plant and Equipment	Plant and Equipment			120	
Land	Freehold Land			100	100%

# Appendix B1 Forecast Financial Statements

## Financial Statements

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

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

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

## Statements of Comprehensive Income

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

## Statement of Financial Position

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

## Statement of Changes in Equity

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

## Statement of Cashflows

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

## Statement of Funding

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

## Statement of Net Current Asset Composition

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

## Statement of Fixed Asset Movements

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

## Statement of Fixed Asset Funding

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

## Forecast Ratios

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

## Nature or Type

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

# Appendix B1 Forecast Financial Statements (Continued)

## Service Programs

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

Objectives	Services
Governance	Members of Council
	Governance – general
General purpose funding	Rates
	Other general purpose funding
Law, order, public safety	Fire prevention
	Animal control
	Other law, order, public safety
Health	Maternal and infant health
	Preventative services
	- Immunisation
	- Meat inspection
	- Administration and inspection
	- Pest control
	- Other
	Other health
Education and welfare	Pre-school
	Other education
	Care of families and children
	Aged and disabled
	- Senior citizens centres
	- Meals on wheels
	Other welfare
Housing	Staff housing
	Other housing
Community amenities	Sanitation
	- Household refuse
	- Other
	Sewerage
	Urban stormwater drainage
	Protection of environment
	Town planning and regional development
	Other community amenities

Objectives	Services
Recreation and culture	Public halls, civic centre
	Swimming areas
	Other recreation and sport
	Television and radio re-broadcasting
	Libraries
Transport	Other culture
	Streets, roads, bridges, depots
	- Construction (not capitalised)
	- Maintenance
	Road plant purchase (if not capitalised)
	Parking facilities
	Traffic control
	Aerodromes
Economic services	Water transport facilities
	Rural services
	Tourism and area promotion
	Building control
	Sale yards and markets
	Plant nursery
	Other economic services
Other property and services	Private works
	Public works overheads
	Plant operation
	Salaries and wages
	Unclassified
	Town Planning Schemes

## Appendix B2 Forecast Statement of Comprehensive Income by Nature or Type 2023-2038

	2019-20	2020-21	2021-22	Base	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>																			
Rates	388,578	417,881	589,190	1,254,149	1,291,774	1,619,280	1,716,436	1,819,420	1,928,586	2,044,301	2,166,958	2,296,977	2,434,795	2,580,883	2,735,737	2,899,882	3,073,874	3,258,307	3,453,805
Operating grants, subsidies and contributions	17,500,347	18,146,539	19,407,718	14,018,431	4,570,211	4,707,317	4,848,536	4,993,992	5,143,813	5,298,128	5,457,071	5,620,785	5,789,408	5,963,090	6,141,982	6,326,242	6,516,029	6,711,509	6,912,855
Fees and charges	36,148	31,694	31,198	33,582	34,590	35,628	36,697	37,798	38,931	40,099	41,303	42,540	43,817	45,132	46,484	47,879	49,315	50,794	52,317
Interest earnings	36,004	16,290	9,246	11,000	155,187	153,662	161,945	163,290	159,137	188,731	222,500	261,713	309,981	370,609	427,319	508,075	581,753	561,478	629,436
Other revenue	388,543	264,716	452,448	176,062	181,344	186,785	192,388	198,161	204,110	210,234	216,541	223,041	229,732	236,623	243,720	251,035	258,566	266,322	274,310
	18,349,620	18,877,120	20,489,800	15,493,224	6,233,106	6,702,672	6,956,002	7,212,661	7,474,577	7,781,493	8,104,373	8,445,056	8,807,733	9,196,337	9,595,242	10,033,113	10,479,537	10,848,410	11,322,723
<b>Expenses</b>																			
Employee costs	(1,269,297)	(1,125,687)	(1,416,268)	(1,419,413)	(1,661,995)	(1,781,860)	(1,835,314)	(1,890,371)	(1,947,078)	(2,005,492)	(2,065,657)	(2,127,629)	(2,191,461)	(2,257,204)	(2,324,919)	(2,394,670)	(2,466,507)	(2,540,499)	(2,616,716)
Materials and contracts	(15,102,073)	(16,797,800)	(14,669,262)	(14,607,162)	(2,168,200)	(2,263,249)	(2,331,148)	(2,401,088)	(2,473,129)	(2,547,327)	(2,623,746)	(2,702,458)	(2,783,528)	(2,867,039)	(2,953,053)	(3,041,652)	(3,132,906)	(3,226,881)	(3,323,691)
Utility charges	(154,816)	(148,154)	(160,636)	(168,485)	(173,537)	(178,744)	(184,110)	(189,636)	(195,328)	(201,190)	(207,222)	(213,438)	(219,837)	(226,433)	(233,227)	(240,225)	(247,430)	(254,850)	(262,497)
Depreciation on non-current assets	(3,097,868)	(3,149,104)	(3,241,695)	(3,233,745)	(5,984,717)	(6,334,046)	(6,655,258)	(7,066,731)	(7,409,572)	(7,744,944)	(8,093,578)	(8,461,277)	(8,825,952)	(9,201,568)	(9,574,873)	(9,972,474)	(10,429,153)	(10,852,864)	(11,289,288)
Interest expenses	(54,422)	(47,360)	(205,918)	(185,672)	(25,186)	(56,367)	(49,287)	(41,866)	(34,078)	(26,838)	(20,382)	(16,160)	(12,095)	(7,919)	(3,490)	0	0	0	0
Insurance expenses	(213,682)	(228,448)	(245,069)	(280,527)	(288,940)	(297,608)	(306,538)	(315,732)	(325,205)	(334,959)	(345,007)	(355,360)	(366,022)	(377,007)	(388,318)	(399,967)	(411,968)	(424,328)	(437,059)
Other expenditure	(72,911)	(79,185)	(54,499)	(82,800)	(85,284)	(87,844)	(90,478)	(93,192)	(95,986)	(98,865)	(101,832)	(104,887)	(108,034)	(111,275)	(114,613)	(118,052)	(121,594)	(125,240)	(128,999)
	(19,965,069)	(21,575,738)	(19,993,347)	(19,977,804)	(10,387,859)	(10,999,718)	(11,452,133)	(11,998,616)	(12,480,376)	(12,959,615)	(13,457,424)	(13,981,209)	(14,506,929)	(15,048,445)	(15,592,493)	(16,167,040)	(16,809,558)	(17,424,662)	(18,058,250)
	(1,615,449)	(2,698,618)	496,453	(4,484,580)	(4,154,753)	(4,297,046)	(4,496,131)	(4,785,955)	(5,005,799)	(5,178,122)	(5,353,051)	(5,536,153)	(5,699,196)	(5,852,108)	(5,997,251)	(6,133,927)	(6,330,021)	(6,576,252)	(6,735,527)
Non-operating grants, subsidies and contributions	1,909,163	3,421,669	8,598,678	4,214,640	8,065,786	5,325,786	4,201,666	5,989,467	5,149,318	3,966,230	3,880,217	3,894,623	3,909,462	3,924,746	3,940,489	3,956,703	3,973,405	3,990,607	4,008,325
Fair value adjustments to financial assets at fair value through profit or loss			3,292																
Loss on revaluation	0	0	(165,243)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on asset disposals	0	0	33,000	1,154	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(18,469)	(9,852)	0	(22,591)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>NET RESULT</b>	275,245	713,199	8,966,180	(291,377)	3,911,033	1,028,740	(294,465)	1,203,512	143,519	(1,211,892)	(1,472,834)	(1,641,530)	(1,789,734)	(1,927,362)	(2,056,762)	(2,177,224)	(2,356,616)	(2,585,645)	(2,727,202)
<b>Other comprehensive income</b>	11,934,332	0	(405,287)	0	3,077,040	3,276,947	3,379,322	3,468,294	3,575,960	3,652,467	3,681,925	3,693,592	3,686,843	3,680,657	3,641,351	3,608,792	3,579,384	3,645,358	3,569,258
<b>TOTAL COMPREHENSIVE INCOME</b>	12,209,577	713,199	8,560,893	(291,377)	6,988,073	4,305,687	3,084,857	4,671,806	3,719,479	2,440,575	2,209,091	2,052,062	1,897,109	1,753,295	1,584,589	1,431,568	1,222,768	1,059,713	842,056

# Appendix B3 Forecast Statement of Financial Position 2023-2038

	2020	2021	2022	Base	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37	30 June 38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CURRENT ASSETS</b>																			
Unrestricted cash and cash equivalents	1,085,386	102,823	7,216,832	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465
Restricted cash and cash equivalent	7,005,994	5,171,147	2,436,489	1,865,665	1,842,408	2,173,735	2,227,498	2,061,299	3,245,127	4,595,840	6,164,354	8,095,138	10,520,215	12,788,688	16,018,896	18,966,015	18,155,016	20,873,314	24,764,581
Trade and other receivables	801,849	778,311	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243
Inventories	137,223	102,670	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451
Contract assets	2,706,429	2,631,539	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other assets	0	0	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110
<b>TOTAL CURRENT ASSETS</b>	<b>11,736,881</b>	<b>8,786,490</b>	<b>11,980,125</b>	<b>8,625,934</b>	<b>8,602,677</b>	<b>8,934,004</b>	<b>8,987,767</b>	<b>8,821,568</b>	<b>10,005,396</b>	<b>11,356,109</b>	<b>12,924,623</b>	<b>14,855,407</b>	<b>17,280,484</b>	<b>19,548,957</b>	<b>22,779,165</b>	<b>25,726,284</b>	<b>24,915,285</b>	<b>27,633,583</b>	<b>31,524,850</b>
<b>NON-CURRENT ASSETS</b>																			
Financial assets	35,610	35,610	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902	38,902
Property plant and equipment	10,947,159	11,284,648	10,781,103	11,537,451	14,198,581	15,278,029	16,486,259	18,013,845	19,715,493	20,356,178	21,030,711	21,519,758	21,712,251	22,265,879	22,057,595	22,450,859	26,810,049	27,916,770	28,097,052
Infrastructure	78,110,434	82,023,230	87,407,224	89,580,058	94,399,429	97,114,037	98,749,517	101,865,127	102,517,200	102,797,876	102,656,030	102,199,955	101,410,930	100,269,385	98,754,880	96,846,065	94,520,642	91,755,336	88,525,843
<b>TOTAL NON-CURRENT ASSETS</b>	<b>89,093,203</b>	<b>93,343,488</b>	<b>98,227,229</b>	<b>101,156,411</b>	<b>108,636,912</b>	<b>112,430,968</b>	<b>115,274,678</b>	<b>119,917,874</b>	<b>122,271,595</b>	<b>123,192,956</b>	<b>123,725,643</b>	<b>123,758,615</b>	<b>123,162,083</b>	<b>122,574,166</b>	<b>120,851,377</b>	<b>119,335,826</b>	<b>121,369,593</b>	<b>119,711,008</b>	<b>116,661,797</b>
<b>TOTAL ASSETS</b>	<b>100,830,084</b>	<b>102,129,978</b>	<b>110,207,354</b>	<b>109,782,345</b>	<b>117,239,589</b>	<b>121,364,972</b>	<b>124,262,445</b>	<b>128,739,442</b>	<b>132,276,991</b>	<b>134,549,065</b>	<b>136,650,266</b>	<b>138,614,022</b>	<b>140,442,567</b>	<b>142,123,123</b>	<b>143,630,542</b>	<b>145,062,110</b>	<b>146,284,878</b>	<b>147,344,591</b>	<b>148,186,647</b>
<b>CURRENT LIABILITIES</b>																			
Trade and other payables	1,454,009	4,437,386	4,940,152	4,940,152	4,940,152	4,940,152	4,940,152	4,940,152	4,940,152	4,940,152	4,940,152	4,940,152	4,940,152	4,940,152	4,940,152	4,940,152	4,940,152	4,940,152	4,940,152
Contract liabilities	5,585,814	2,788,897	1,820,117	1,820,117	1,820,117	1,820,117	1,820,117	1,820,117	1,820,117	1,820,117	1,820,117	1,820,117	1,820,117	1,820,117	1,820,117	1,820,117	1,820,117	1,820,117	1,820,117
Lease liabilities	0	0	6,693	(97)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current portion of long-term liabilities	76,723	133,365	126,842	130,829	180,304	187,384	194,809	181,930	168,501	107,890	88,306	68,564	72,739	77,170	0	0	0	0	0
Provisions	187,842	207,948	299,805	299,805	299,805	299,805	299,805	299,805	299,805	299,805	299,805	299,805	299,805	299,805	299,805	299,805	299,805	299,805	299,805
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,304,388</b>	<b>7,567,596</b>	<b>7,193,609</b>	<b>7,190,806</b>	<b>7,240,378</b>	<b>7,247,458</b>	<b>7,254,883</b>	<b>7,242,004</b>	<b>7,228,575</b>	<b>7,167,964</b>	<b>7,148,380</b>	<b>7,128,638</b>	<b>7,132,813</b>	<b>7,137,244</b>	<b>7,060,074</b>	<b>7,060,074</b>	<b>7,060,074</b>	<b>7,060,074</b>	<b>7,060,074</b>
<b>NON-CURRENT LIABILITIES</b>																			
Lease liabilities	0	0	9,973	9,973	9,876	9,876	9,876	9,876	9,876	9,876	9,876	9,876	9,876	9,876	9,876	9,876	9,876	9,876	9,876
Long-term borrowings	679,638	985,267	858,426	727,597	1,147,293	959,909	765,100	583,170	414,669	306,779	218,473	149,909	77,170	0	0	0	0	0	0
Provisions	45,187	63,045	70,384	70,384	70,384	70,384	70,384	70,384	70,384	70,384	70,384	70,384	70,384	70,384	70,384	70,384	70,384	70,384	70,384
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>724,825</b>	<b>1,048,312</b>	<b>938,783</b>	<b>807,954</b>	<b>1,227,553</b>	<b>1,040,169</b>	<b>845,360</b>	<b>663,430</b>	<b>494,929</b>	<b>387,039</b>	<b>298,733</b>	<b>230,169</b>	<b>157,430</b>	<b>80,260</b>	<b>80,260</b>	<b>80,260</b>	<b>80,260</b>	<b>80,260</b>	<b>80,260</b>
<b>TOTAL LIABILITIES</b>	<b>8,029,213</b>	<b>8,615,908</b>	<b>8,132,392</b>	<b>7,998,760</b>	<b>8,467,931</b>	<b>8,287,627</b>	<b>8,100,243</b>	<b>7,905,434</b>	<b>7,723,504</b>	<b>7,555,003</b>	<b>7,447,113</b>	<b>7,358,807</b>	<b>7,290,243</b>	<b>7,217,504</b>	<b>7,140,334</b>	<b>7,140,334</b>	<b>7,140,334</b>	<b>7,140,334</b>	<b>7,140,334</b>
<b>NET ASSETS</b>	<b>92,800,871</b>	<b>93,514,070</b>	<b>102,074,962</b>	<b>101,783,585</b>	<b>108,771,658</b>	<b>113,077,345</b>	<b>116,162,202</b>	<b>120,834,008</b>	<b>124,553,487</b>	<b>126,994,062</b>	<b>129,203,153</b>	<b>131,255,215</b>	<b>133,152,324</b>	<b>134,905,619</b>	<b>136,490,208</b>	<b>137,921,776</b>	<b>139,144,544</b>	<b>140,204,257</b>	<b>141,046,313</b>
<b>EQUITY</b>																			
Retained surplus	39,400,577	39,446,185	48,013,004	48,292,451	52,226,741	52,924,154	52,575,926	53,945,637	52,905,328	50,342,723	47,301,375	43,729,061	39,514,250	35,318,415	30,031,445	24,907,102	23,361,485	18,057,542	11,439,073
Reserves - cash backed	1,369,538	2,037,129	2,436,489	1,865,665	1,842,408	2,173,735	2,227,498	2,061,299	3,245,127	4,595,840	6,164,354	8,095,138	10,520,215	12,788,688	16,018,896	18,966,015	18,155,016	20,873,314	24,764,581
Asset revaluation surplus	52,030,756	52,030,756	51,625,469	51,625,469	54,702,509	57,979,456	61,358,778	64,827,072	68,403,032	72,055,499	75,737,424	79,431,016	83,117,859	86,798,516	90,439,867	94,048,659	97,628,043	101,273,401	104,842,659
<b>TOTAL EQUITY</b>	<b>92,800,871</b>	<b>93,514,070</b>	<b>102,074,962</b>	<b>101,783,585</b>	<b>108,771,658</b>	<b>113,077,345</b>	<b>116,162,202</b>	<b>120,834,008</b>	<b>124,553,487</b>	<b>126,994,062</b>	<b>129,203,153</b>	<b>131,255,215</b>	<b>133,152,324</b>	<b>134,905,619</b>	<b>136,490,208</b>	<b>137,921,776</b>	<b>139,144,544</b>	<b>140,204,257</b>	<b>141,046,313</b>

## Appendix B4 Forecast Statement of Changes in Equity 2023-2038

	2021	2022	Base	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37	30 June 38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>RETAINED SURPLUS</b>																		
Opening balance	39,400,577	39,446,184	48,013,004	48,292,451	52,226,741	52,924,154	52,575,926	53,945,637	52,905,328	50,342,723	47,301,375	43,729,061	39,514,250	35,318,415	30,031,445	24,907,102	23,361,485	18,057,542
Net result	713,199	8,966,180	(291,377)	3,911,033	1,028,740	(294,465)	1,203,512	143,519	(1,211,892)	(1,472,834)	(1,641,530)	(1,789,734)	(1,927,362)	(2,056,762)	(2,177,224)	(2,356,616)	(2,585,645)	(2,727,202)
Amount transferred (to)/from reserves	(667,591)	(399,360)	570,824	23,257	(331,327)	(53,763)	166,199	(1,183,828)	(1,350,713)	(1,568,514)	(1,930,784)	(2,425,077)	(2,268,473)	(3,230,208)	(2,947,119)	810,999	(2,718,298)	(3,891,267)
Closing balance	39,446,185	48,013,004	48,292,451	52,226,741	52,924,154	52,575,926	53,945,637	52,905,328	50,342,723	47,301,375	43,729,061	39,514,250	35,318,415	30,031,445	24,907,102	23,361,485	18,057,542	11,439,073
<b>RESERVES - CASH/INVESTMENT BACKED</b>																		
Opening balance	1,369,538	2,037,129	2,436,489	1,865,665	1,842,408	2,173,735	2,227,498	2,061,299	3,245,127	4,595,840	6,164,354	8,095,138	10,520,215	12,788,688	16,018,896	18,966,015	18,155,016	20,873,314
Amount transferred to/(from) retained surplus	667,591	399,360	(570,824)	(23,257)	331,327	53,763	(166,199)	1,183,828	1,350,713	1,568,514	1,930,784	2,425,077	2,268,473	3,230,208	2,947,119	(810,999)	2,718,298	3,891,267
Closing balance	2,037,129	2,436,489	1,865,665	1,842,408	2,173,735	2,227,498	2,061,299	3,245,127	4,595,840	6,164,354	8,095,138	10,520,215	12,788,688	16,018,896	18,966,015	18,155,016	20,873,314	24,764,581
<b>ASSET REVALUATION SURPLUS</b>																		
Opening balance	52,030,756	51,625,469	51,625,469	51,625,469	54,702,509	57,979,456	61,358,778	64,827,072	68,403,032	72,055,499	75,737,424	79,431,016	83,117,859	86,798,516	90,439,867	94,048,659	97,628,043	101,273,401
Total other comprehensive income	0	0	0	3,077,040	3,276,947	3,379,322	3,468,294	3,575,960	3,652,467	3,681,925	3,693,592	3,686,843	3,680,657	3,641,351	3,608,792	3,579,384	3,645,358	3,569,258
Closing balance	52,030,756	51,625,469	51,625,469	54,702,509	57,979,456	61,358,778	64,827,072	68,403,032	72,055,499	75,737,424	79,431,016	83,117,859	86,798,516	90,439,867	94,048,659	97,628,043	101,273,401	104,842,659
<b>TOTAL EQUITY</b>	<b>93,514,070</b>	<b>102,074,962</b>	<b>101,783,585</b>	<b>108,771,658</b>	<b>113,077,345</b>	<b>116,162,202</b>	<b>120,834,008</b>	<b>124,553,487</b>	<b>126,994,062</b>	<b>129,203,153</b>	<b>131,255,215</b>	<b>133,152,324</b>	<b>134,905,619</b>	<b>136,490,208</b>	<b>137,921,776</b>	<b>139,144,544</b>	<b>140,204,257</b>	<b>141,046,313</b>

## Appendix B5 Forecast Statement of Cashflows 2023-2038

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash flows from operating activities</b>															
<b>Receipts</b>															
Rates	1,291,774	1,619,280	1,716,436	1,819,420	1,928,586	2,044,301	2,166,958	2,296,977	2,434,795	2,580,883	2,735,737	2,899,882	3,073,874	3,258,307	3,453,805
Operating grants, subsidies and contributions	4,570,211	4,707,317	4,848,536	4,993,992	5,143,813	5,298,128	5,457,071	5,620,785	5,789,408	5,963,090	6,141,982	6,326,242	6,516,029	6,711,509	6,912,855
Fees and charges	34,590	35,628	36,697	37,798	38,931	40,099	41,303	42,540	43,817	45,132	46,484	47,879	49,315	50,794	52,317
Interest earnings	155,187	153,662	161,945	163,290	159,137	188,731	222,500	261,713	309,981	370,609	427,319	508,075	581,753	561,478	629,436
Other revenue	181,344	186,785	192,388	198,161	204,110	210,234	216,541	223,041	229,732	236,623	243,720	251,035	258,566	266,322	274,310
	6,233,106	6,702,672	6,956,002	7,212,661	7,474,577	7,781,493	8,104,373	8,445,056	8,807,733	9,196,337	9,595,242	10,033,113	10,479,537	10,848,410	11,322,723
<b>Payments</b>															
Employee costs	(1,661,995)	(1,781,860)	(1,835,314)	(1,890,371)	(1,947,078)	(2,005,492)	(2,065,657)	(2,127,629)	(2,191,461)	(2,257,204)	(2,324,919)	(2,394,670)	(2,466,507)	(2,540,499)	(2,616,716)
Materials and contracts	(2,168,200)	(2,263,249)	(2,331,148)	(2,401,088)	(2,473,129)	(2,547,327)	(2,623,746)	(2,702,458)	(2,783,528)	(2,867,039)	(2,953,053)	(3,041,652)	(3,132,906)	(3,226,881)	(3,323,691)
Utility charges	(173,537)	(178,744)	(184,110)	(189,636)	(195,328)	(201,190)	(207,222)	(213,438)	(219,837)	(226,433)	(233,227)	(240,225)	(247,430)	(254,850)	(262,497)
Interest expenses	(25,186)	(56,367)	(49,287)	(41,866)	(34,078)	(26,838)	(20,382)	(16,160)	(12,095)	(7,919)	(3,490)	0	0	0	0
Insurance expenses	(288,940)	(297,608)	(306,538)	(315,732)	(325,205)	(334,959)	(345,007)	(355,360)	(366,022)	(377,007)	(388,318)	(399,967)	(411,968)	(424,328)	(437,059)
Other expenditure	(85,284)	(87,844)	(90,478)	(93,192)	(95,986)	(98,865)	(101,832)	(104,887)	(108,034)	(111,275)	(114,613)	(118,052)	(121,594)	(125,240)	(128,999)
	(4,403,142)	(4,665,672)	(4,796,875)	(4,931,885)	(5,070,804)	(5,214,671)	(5,363,846)	(5,519,932)	(5,680,977)	(5,846,877)	(6,017,620)	(6,194,566)	(6,380,405)	(6,571,798)	(6,768,962)
<b>Net cash provided by (used in) operating activities</b>	1,829,964	2,037,000	2,159,127	2,280,776	2,403,773	2,566,822	2,740,527	2,925,124	3,126,756	3,349,460	3,577,622	3,838,547	4,099,132	4,276,612	4,553,761
<b>Cash flows from investing activities</b>															
Payments for purchase of property, plant & equipment	(2,989,550)	(1,433,544)	(1,438,919)	(2,036,968)	(1,917,339)	(1,050,766)	(1,039,243)	(988,082)	(469,718)	(1,068,414)	0	(955,259)	(4,762,939)	(1,633,596)	(428,441)
Payments for construction of infrastructure	(7,558,278)	(5,638,278)	(4,790,000)	(6,559,200)	(4,298,976)	(4,229,345)	(4,120,325)	(4,141,935)	(4,164,193)	(4,187,119)	(4,210,733)	(4,235,055)	(4,260,107)	(4,285,910)	(4,312,487)
Proceeds from non-operating grants, subsidies and contributions	8,065,786	5,325,786	4,201,666	5,989,467	5,149,318	3,966,230	3,880,217	3,894,623	3,909,462	3,924,746	3,940,489	3,956,703	3,973,405	3,990,607	4,008,325
Proceeds from sale of plant & equipment	159,650	220,667	109,273	354,535	28,982	266,273	215,228	329,360	91,334	322,539	0	342,183	139,510	370,585	70,109
<b>Net cash provided by (used in) investing activities</b>	(2,322,392)	(1,525,369)	(1,917,980)	(2,252,166)	(1,038,015)	(1,047,608)	(1,064,123)	(906,034)	(633,115)	(1,008,248)	(270,244)	(891,428)	(4,910,131)	(1,558,314)	(662,494)
<b>Cash flows from financing activities</b>															
Repayment of debentures	(130,829)	(180,304)	(187,384)	(194,809)	(181,930)	(168,501)	(107,890)	(88,306)	(68,564)	(72,739)	(77,170)	0	0	0	0
Proceeds from new debentures	600,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net cash provided by (used in) financing activities</b>	469,171	(180,304)	(187,384)	(194,809)	(181,930)	(168,501)	(107,890)	(88,306)	(68,564)	(72,739)	(77,170)	0	0	0	0
<b>Net increase (decrease) in cash held</b>	(23,257)	331,327	53,763	(166,199)	1,183,828	1,350,713	1,568,514	1,930,784	2,425,077	2,268,473	3,230,208	2,947,119	(810,999)	2,718,298	3,891,267
Cash at beginning of year	6,299,130	6,275,873	6,607,200	6,660,963	6,494,764	7,678,592	9,029,305	10,597,819	12,528,603	14,953,680	17,222,153	20,452,361	23,399,480	22,588,481	25,306,779
<b>Cash and cash equivalents at the end of year</b>	6,275,873	6,607,200	6,660,963	6,494,764	7,678,592	9,029,305	10,597,819	12,528,603	14,953,680	17,222,153	20,452,361	23,399,480	22,588,481	25,306,779	29,198,046
<b>Reconciliation of net cash provided by operating activities to net result</b>															
Net result	3,911,033	1,028,740	(294,465)	1,203,512	143,519	(1,211,892)	(1,472,834)	(1,641,530)	(1,789,734)	(1,927,362)	(2,056,762)	(2,177,224)	(2,356,616)	(2,585,645)	(2,727,202)
Depreciation	5,984,717	6,334,046	6,655,258	7,066,731	7,409,572	7,744,944	8,093,578	8,461,277	8,825,952	9,201,568	9,574,873	9,972,474	10,429,153	10,852,864	11,289,288
Grants/contributions for the development of assets	(8,065,786)	(5,325,786)	(4,201,666)	(5,989,467)	(5,149,318)	(3,966,230)	(3,880,217)	(3,894,623)	(3,909,462)	(3,924,746)	(3,940,489)	(3,956,703)	(3,973,405)	(3,990,607)	(4,008,325)
<b>Net cash from operating activities</b>	1,829,964	2,037,000	2,159,127	2,280,776	2,403,773	2,566,822	2,740,527	2,925,124	3,126,756	3,349,460	3,577,622	3,838,547	4,099,132	4,276,612	4,553,761

# Appendix B6 Forecast Statement of Funding 2023-2038

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>FUNDING FROM OPERATIONAL ACTIVITIES</b>																
<b>Revenues</b>																
Rates	1,291,774	1,619,280	1,716,436	1,819,420	1,928,586	2,044,301	2,166,958	2,296,977	2,434,795	2,580,883	2,735,737	2,899,882	3,073,874	3,258,307	3,453,805	
Operating grants, subsidies and contributions	4,570,211	4,707,317	4,848,536	4,993,992	5,143,813	5,298,128	5,457,071	5,620,785	5,789,408	5,963,090	6,141,982	6,326,242	6,516,029	6,711,509	6,912,855	
Fees and charges	34,590	35,628	36,697	37,798	38,931	40,099	41,303	42,540	43,817	45,132	46,484	47,879	49,315	50,794	52,317	
Interest earnings	155,187	153,662	161,945	163,290	159,137	188,731	222,500	261,713	309,981	370,609	427,319	508,075	581,753	561,478	629,436	
Other revenue	181,344	186,785	192,388	198,161	204,110	210,234	216,541	223,041	229,732	236,623	243,720	251,035	258,566	266,322	274,310	
	6,233,106	6,702,672	6,956,002	7,212,661	7,474,577	7,781,493	8,104,373	8,445,056	8,807,733	9,196,337	9,595,242	10,033,113	10,479,537	10,848,410	11,322,723	
<b>Expenses</b>																
Employee costs	(1,661,995)	(1,781,860)	(1,835,314)	(1,890,371)	(1,947,078)	(2,005,492)	(2,065,657)	(2,127,629)	(2,191,461)	(2,257,204)	(2,324,919)	(2,394,670)	(2,466,507)	(2,540,499)	(2,616,716)	
Materials and contracts	(2,168,200)	(2,263,249)	(2,331,148)	(2,401,088)	(2,473,129)	(2,547,327)	(2,623,746)	(2,702,458)	(2,783,528)	(2,867,039)	(2,953,053)	(3,041,652)	(3,132,906)	(3,226,881)	(3,323,691)	
Utility charges (electricity, gas, water etc.)	(173,537)	(178,744)	(184,110)	(189,636)	(195,328)	(201,190)	(207,222)	(213,438)	(219,837)	(226,433)	(233,227)	(240,225)	(247,430)	(254,850)	(262,497)	
Depreciation on non-current assets	(5,984,717)	(6,334,046)	(6,655,258)	(7,066,731)	(7,409,572)	(7,744,944)	(8,093,578)	(8,461,277)	(8,825,952)	(9,201,568)	(9,574,873)	(9,972,474)	(10,429,153)	(10,852,864)	(11,289,288)	
Interest expense	(25,186)	(56,367)	(49,287)	(41,866)	(34,078)	(26,838)	(20,382)	(16,160)	(12,095)	(7,919)	(3,490)	0	0	0	0	
Insurance expense	(288,940)	(297,608)	(306,538)	(315,732)	(325,205)	(334,959)	(345,007)	(355,360)	(366,022)	(377,007)	(388,318)	(399,967)	(411,968)	(424,328)	(437,059)	
Other expenditure	(85,284)	(87,844)	(90,478)	(93,192)	(95,986)	(98,865)	(101,832)	(104,887)	(108,034)	(111,275)	(114,613)	(118,052)	(121,594)	(125,240)	(128,999)	
	(10,387,859)	(10,999,718)	(11,452,133)	(11,998,616)	(12,480,376)	(12,959,615)	(13,457,424)	(13,981,209)	(14,506,929)	(15,048,445)	(15,592,493)	(16,167,040)	(16,809,558)	(17,424,662)	(18,058,250)	
	(4,154,753)	(4,297,046)	(4,496,131)	(4,785,955)	(5,005,799)	(5,178,122)	(5,353,051)	(5,536,153)	(5,699,196)	(5,852,108)	(5,997,251)	(6,133,927)	(6,330,021)	(6,576,252)	(6,735,527)	
<b>Funding position adjustments</b>																
Depreciation on non-current assets	5,984,717	6,334,046	6,655,258	7,066,731	7,409,572	7,744,944	8,093,578	8,461,277	8,825,952	9,201,568	9,574,873	9,972,474	10,429,153	10,852,864	11,289,288	
<b>Net funding from operational activities</b>	<b>1,829,964</b>	<b>2,037,000</b>	<b>2,159,127</b>	<b>2,280,776</b>	<b>2,403,773</b>	<b>2,566,822</b>	<b>2,740,527</b>	<b>2,925,124</b>	<b>3,126,756</b>	<b>3,349,460</b>	<b>3,577,622</b>	<b>3,838,547</b>	<b>4,099,132</b>	<b>4,276,612</b>	<b>4,553,761</b>	
<b>FUNDING FROM CAPITAL ACTIVITIES</b>																
<b>Inflows</b>																
Proceeds on disposal	159,650	220,667	109,273	354,535	28,982	266,273	215,228	329,360	91,334	322,539	0	342,183	139,510	370,585	70,109	
Non-operating grants, subsidies and contributions	8,065,786	5,325,786	4,201,666	5,989,467	5,149,318	3,966,230	3,880,217	3,894,623	3,909,462	3,924,746	3,940,489	3,956,703	3,973,405	3,990,607	4,008,325	
<b>Outflows</b>																
Purchase of property plant and equipment	(2,989,550)	(1,433,544)	(1,438,919)	(2,036,968)	(1,917,339)	(1,050,766)	(1,039,243)	(988,082)	(469,718)	(1,068,414)	0	(955,259)	(4,762,939)	(1,633,596)	(428,441)	
Purchase of infrastructure	(7,558,278)	(5,638,278)	(4,790,000)	(6,559,200)	(4,298,976)	(4,229,345)	(4,120,325)	(4,141,935)	(4,164,193)	(4,187,119)	(4,210,733)	(4,235,055)	(4,260,107)	(4,285,910)	(4,312,487)	
<b>Net funding from capital activities</b>	<b>(2,322,392)</b>	<b>(1,525,369)</b>	<b>(1,917,980)</b>	<b>(2,252,166)</b>	<b>(1,038,015)</b>	<b>(1,047,608)</b>	<b>(1,064,123)</b>	<b>(906,034)</b>	<b>(633,115)</b>	<b>(1,008,248)</b>	<b>(270,244)</b>	<b>(891,428)</b>	<b>(4,910,131)</b>	<b>(1,558,314)</b>	<b>(662,494)</b>	
<b>FUNDING FROM FINANCING ACTIVITIES</b>																
<b>Inflows</b>																
Transfer from reserves	854,900	537,877	879,646	1,232,433	461,690	784,493	824,015	658,722	378,384	745,875	0	613,076	2,123,429	1,263,011	358,332	
New borrowings	600,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Outflows</b>																
Transfer to reserves	(831,643)	(869,204)	(933,409)	(1,066,234)	(1,645,518)	(2,135,206)	(2,392,529)	(2,589,506)	(2,803,461)	(3,014,348)	(3,230,208)	(3,560,195)	(1,312,430)	(3,981,309)	(4,249,599)	
Repayment of past borrowings	(130,829)	(180,304)	(187,384)	(194,809)	(181,930)	(168,501)	(107,890)	(88,306)	(68,564)	(72,739)	(77,170)	0	0	0	0	
<b>Net funding from financing activities</b>	<b>492,428</b>	<b>(511,631)</b>	<b>(241,147)</b>	<b>(28,610)</b>	<b>(1,365,758)</b>	<b>(1,519,214)</b>	<b>(1,676,404)</b>	<b>(2,019,090)</b>	<b>(2,493,641)</b>	<b>(2,341,212)</b>	<b>(3,307,378)</b>	<b>(2,947,119)</b>	<b>810,999</b>	<b>(2,718,298)</b>	<b>(3,891,267)</b>	
Estimated surplus/deficit July 1 B/Fwd	0	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>															

## Appendix B7 Forecast Statement of Net Current Asset Composition 2023-2038

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Estimated surplus/deficit July 1 B/Fwd</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>CURRENT ASSETS</b>															
Unrestricted cash and equivalents	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465	4,433,465
Restricted cash and cash equivalent	1,842,408	2,173,735	2,227,498	2,061,299	3,245,127	4,595,840	6,164,354	8,095,138	10,520,215	12,788,688	16,018,896	18,966,015	18,155,016	20,873,314	24,764,581
Trade and other receivables	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243	476,243
Inventories	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451	135,451
Other assets	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110	1,715,110
<b>CURRENT LIABILITIES</b>															
Trade and other payables	(4,940,152)	(4,940,152)	(4,940,152)	(4,940,152)	(4,940,152)	(4,940,152)	(4,940,152)	(4,940,152)	(4,940,152)	(4,940,152)	(4,940,152)	(4,940,152)	(4,940,152)	(4,940,152)	(4,940,152)
Contract liabilities	(1,820,117)	(1,820,117)	(1,820,117)	(1,820,117)	(1,820,117)	(1,820,117)	(1,820,117)	(1,820,117)	(1,820,117)	(1,820,117)	(1,820,117)	(1,820,117)	(1,820,117)	(1,820,117)	(1,820,117)
Reserves	(1,842,408)	(2,173,735)	(2,227,498)	(2,061,299)	(3,245,127)	(4,595,840)	(6,164,354)	(8,095,138)	(10,520,215)	(12,788,688)	(16,018,896)	(18,966,015)	(18,155,016)	(20,873,314)	(24,764,581)
<b>Estimated surplus/deficit June 30 C/Fwd</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## Appendix B8 Forecast Statement of Fixed Asset Movements 2023-2038

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CAPITAL WORKS - INFRASTRUCTURE</b>															
Roads	5,538,278	5,538,278	4,040,000	4,459,200	4,078,976	4,099,345	4,120,325	4,141,935	4,164,193	4,187,119	4,210,733	4,235,055	4,260,107	4,285,910	4,312,487
Other Infrastructure	2,020,000	100,000	750,000	2,100,000	220,000	130,000	0	0	0	0	0	0	0	0	0
<b>Total capital works - infrastructure</b>	<b>7,558,278</b>	<b>5,638,278</b>	<b>4,790,000</b>	<b>6,559,200</b>	<b>4,298,976</b>	<b>4,229,345</b>	<b>4,120,325</b>	<b>4,141,935</b>	<b>4,164,193</b>	<b>4,187,119</b>	<b>4,210,733</b>	<b>4,235,055</b>	<b>4,260,107</b>	<b>4,285,910</b>	<b>4,312,487</b>
<b>Represented by:</b>															
Additions - assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - expansion, upgrades and new	6,520,000	4,550,000	3,950,000	5,500,000	3,000,000	3,130,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Additions - renewal	1,038,278	1,088,278	840,000	1,059,200	1,298,976	1,099,345	1,120,325	1,141,935	1,164,193	1,187,119	1,210,733	1,235,055	1,260,107	1,285,910	1,312,487
<b>Total Capital Works - Infrastructure</b>	<b>7,558,278</b>	<b>5,638,278</b>	<b>4,790,000</b>	<b>6,559,200</b>	<b>4,298,976</b>	<b>4,229,345</b>	<b>4,120,325</b>	<b>4,141,935</b>	<b>4,164,193</b>	<b>4,187,119</b>	<b>4,210,733</b>	<b>4,235,055</b>	<b>4,260,107</b>	<b>4,285,910</b>	<b>4,312,487</b>
<b>Asset movement reconciliation</b>															
Total capital works infrastructure	7,558,278	5,638,278	4,790,000	6,559,200	4,298,976	4,229,345	4,120,325	4,141,935	4,164,193	4,187,119	4,210,733	4,235,055	4,260,107	4,285,910	4,312,487
Depreciation infrastructure	(5,457,456)	(5,788,301)	(6,093,141)	(6,437,852)	(6,741,826)	(7,057,165)	(7,379,718)	(7,711,948)	(8,054,144)	(8,406,605)	(8,769,642)	(9,143,569)	(9,528,714)	(9,925,412)	(10,334,013)
Net book value of disposed/written off assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation of infrastructure assets (inflation)	2,718,549	2,864,631	2,938,621	2,994,262	3,094,923	3,108,496	3,117,547	3,113,938	3,100,926	3,077,941	3,044,404	2,999,699	2,943,184	2,874,196	2,792,033
<b>Net movement in infrastructure assets</b>	<b>4,819,371</b>	<b>2,714,608</b>	<b>1,635,480</b>	<b>3,115,610</b>	<b>652,073</b>	<b>280,676</b>	<b>(141,846)</b>	<b>(456,075)</b>	<b>(789,025)</b>	<b>(1,141,545)</b>	<b>(1,514,505)</b>	<b>(1,908,815)</b>	<b>(2,325,423)</b>	<b>(2,765,306)</b>	<b>(3,229,493)</b>
<b>CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT</b>															
Land - freehold land	450,000	450,000	450,000	450,000	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	1,525,000	225,000	0	0	1,500,000	0	0	0	0	0	0	0	3,500,000	0	0
Plant and equipment	1,014,550	758,544	988,919	1,586,968	417,339	1,050,766	1,039,243	988,082	469,718	1,068,414	0	955,259	1,262,939	1,633,596	428,441
<b>Total capital works property, plant and equipment</b>	<b>2,989,550</b>	<b>1,433,544</b>	<b>1,438,919</b>	<b>2,036,968</b>	<b>1,917,339</b>	<b>1,050,766</b>	<b>1,039,243</b>	<b>988,082</b>	<b>469,718</b>	<b>1,068,414</b>	<b>0</b>	<b>955,259</b>	<b>4,762,939</b>	<b>1,633,596</b>	<b>428,441</b>
<b>Represented by:</b>															
Additions - assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - expansion, upgrades and new	1,850,000	650,000	450,000	450,000	1,500,000	0	0	0	0	0	0	0	3,500,000	0	0
Additions - renewal	1,139,550	783,544	988,919	1,586,968	417,339	1,050,766	1,039,243	988,082	469,718	1,068,414	0	955,259	1,262,939	1,633,596	428,441
<b>Total capital works property, plant and equipment</b>	<b>2,989,550</b>	<b>1,433,544</b>	<b>1,438,919</b>	<b>2,036,968</b>	<b>1,917,339</b>	<b>1,050,766</b>	<b>1,039,243</b>	<b>988,082</b>	<b>469,718</b>	<b>1,068,414</b>	<b>0</b>	<b>955,259</b>	<b>4,762,939</b>	<b>1,633,596</b>	<b>428,441</b>
<b>Asset movement reconciliation</b>															
Total capital works property, plant and equipment	2,989,550	1,433,544	1,438,919	2,036,968	1,917,339	1,050,766	1,039,243	988,082	469,718	1,068,414	0	955,259	4,762,939	1,633,596	428,441
Depreciation property, plant and equipment	(527,261)	(545,745)	(562,117)	(628,879)	(667,746)	(687,779)	(713,860)	(749,329)	(771,808)	(794,963)	(805,231)	(828,905)	(900,439)	(927,452)	(955,275)
Net book value of disposed/written off assets	(159,650)	(220,667)	(109,273)	(354,535)	(28,982)	(266,273)	(215,228)	(329,360)	(91,334)	(322,539)	0	(342,183)	(139,510)	(370,585)	(70,109)
Revaluation of property, plant and equipment (inflation)	358,491	412,316	440,701	474,032	481,037	543,971	564,378	579,654	585,917	602,716	596,947	609,093	636,200	771,162	777,225
<b>Net movement in property, plant and equipment</b>	<b>2,661,130</b>	<b>1,079,448</b>	<b>1,208,230</b>	<b>1,527,586</b>	<b>1,701,648</b>	<b>640,685</b>	<b>674,533</b>	<b>489,047</b>	<b>192,493</b>	<b>553,628</b>	<b>(208,284)</b>	<b>393,264</b>	<b>4,359,190</b>	<b>1,106,721</b>	<b>180,282</b>
<b>CAPITAL WORKS - RIGHT OF USE ASSETS</b>															
<b>Total capital works right of use assets</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>
<b>Asset movement reconciliation</b>															
<b>Net movement in right of use assets</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>
<b>CAPITAL WORKS - TOTALS</b>															
<b>Capital works</b>															
Total capital works infrastructure	7,558,278	5,638,278	4,790,000	6,559,200	4,298,976	4,229,345	4,120,325	4,141,935	4,164,193	4,187,119	4,210,733	4,235,055	4,260,107	4,285,910	4,312,487
Total capital works property, plant and equipment	2,989,550	1,433,544	1,438,919	2,036,968	1,917,339	1,050,766	1,039,243	988,082	469,718	1,068,414	0	955,259	4,762,939	1,633,596	428,441
Total capital works right of use assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total capital works</b>	<b>10,547,828</b>	<b>7,071,822</b>	<b>6,228,919</b>	<b>8,596,168</b>	<b>6,216,315</b>	<b>5,280,111</b>	<b>5,159,568</b>	<b>5,130,017</b>	<b>4,633,911</b>	<b>5,255,533</b>	<b>4,210,733</b>	<b>5,190,314</b>	<b>9,023,046</b>	<b>5,919,506</b>	<b>4,740,928</b>
<b>Fixed asset movement</b>															
Net movement in infrastructure assets	4,819,371	2,714,608	1,635,480	3,115,610	652,073	280,676	(141,846)	(456,075)	(789,025)	(1,141,545)	(1,514,505)	(1,908,815)	(2,325,423)	(2,765,306)	(3,229,493)
Net movement in property, plant and equipment	2,661,130	1,079,448	1,208,230	1,527,586	1,701,648	640,685	674,533	489,047	192,493	553,628	(208,284)	393,264	4,359,190	1,106,721	180,282
Net movement in right of use assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net movement in fixed assets</b>	<b>7,480,501</b>	<b>3,794,056</b>	<b>2,843,710</b>	<b>4,643,196</b>	<b>2,353,721</b>	<b>921,361</b>	<b>532,687</b>	<b>32,972</b>	<b>(596,532)</b>	<b>(587,917)</b>	<b>(1,722,789)</b>	<b>(1,515,551)</b>	<b>2,033,767</b>	<b>(1,658,585)</b>	<b>(3,049,211)</b>

## Appendix B9 Forecast Statement of Capital Funding 2023-2038

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Capital expenditure</b>															
Roads	5,538,278	5,538,278	4,040,000	4,459,200	4,078,976	4,099,345	4,120,325	4,141,935	4,164,193	4,187,119	4,210,733	4,235,055	4,260,107	4,285,910	4,312,487
Other Infrastructure	2,020,000	100,000	750,000	2,100,000	220,000	130,000	0	0	0	0	0	0	0	0	0
Land - freehold land	450,000	450,000	450,000	450,000	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	1,525,000	225,000	0	0	1,500,000	0	0	0	0	0	0	0	3,500,000	0	0
Plant and equipment	1,014,550	758,544	988,919	1,586,968	417,339	1,050,766	1,039,243	988,082	469,718	1,068,414	0	955,259	1,262,939	1,633,596	428,441
<b>Total - Capital expenditure</b>	<b>10,547,828</b>	<b>7,071,822</b>	<b>6,228,919</b>	<b>8,596,168</b>	<b>6,216,315</b>	<b>5,280,111</b>	<b>5,159,568</b>	<b>5,130,017</b>	<b>4,633,911</b>	<b>5,255,533</b>	<b>4,210,733</b>	<b>5,190,314</b>	<b>9,023,046</b>	<b>5,919,506</b>	<b>4,740,928</b>
<b>Funded by:</b>															
<b>Capital grants &amp; contributions</b>															
Roads	5,325,786	5,325,786	3,826,666	4,039,467	3,852,651	3,866,230	3,880,217	3,894,623	3,909,462	3,924,746	3,940,489	3,956,703	3,973,405	3,990,607	4,008,325
Other Infrastructure	1,940,000	0	375,000	1,950,000	146,667	100,000	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	800,000	0	0	0	1,150,000	0	0	0	0	0	0	0	0	0	0
<b>Total - Capital grants &amp; contributions</b>	<b>8,065,786</b>	<b>5,325,786</b>	<b>4,201,666</b>	<b>5,989,467</b>	<b>5,149,318</b>	<b>3,966,230</b>	<b>3,880,217</b>	<b>3,894,623</b>	<b>3,909,462</b>	<b>3,924,746</b>	<b>3,940,489</b>	<b>3,956,703</b>	<b>3,973,405</b>	<b>3,990,607</b>	<b>4,008,325</b>
<b>Own source funding</b>															
Roads	212,492	212,492	213,334	419,733	226,325	233,115	240,108	247,312	254,731	262,373	270,244	278,352	286,702	295,303	304,162
Other Infrastructure	80,000	100,000	375,000	150,000	73,333	30,000	0	0	0	0	0	0	0	0	0
Land - freehold land	450,000	450,000	450,000	450,000	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	125,000	225,000	0	0	350,000	0	0	0	0	0	0	0	3,500,000	0	0
Plant and equipment	854,900	537,877	879,646	1,232,433	388,357	784,493	824,015	658,722	378,384	745,875	0	613,076	1,123,429	1,263,011	358,332
<b>Total - Own source funding</b>	<b>1,722,392</b>	<b>1,525,369</b>	<b>1,917,980</b>	<b>2,252,166</b>	<b>1,038,015</b>	<b>1,047,608</b>	<b>1,064,123</b>	<b>906,034</b>	<b>633,115</b>	<b>1,008,248</b>	<b>270,244</b>	<b>891,428</b>	<b>4,910,131</b>	<b>1,558,314</b>	<b>662,494</b>
<b>Borrowings</b>															
Buildings - non-specialised	600,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total - Borrowings</b>	<b>600,000</b>	<b>0</b>													
<b>Other (disposals &amp; C/Fwd)</b>															
Plant and equipment	159,650	220,667	109,273	354,535	28,982	266,273	215,228	329,360	91,334	322,539	0	342,183	139,510	370,585	70,109
<b>Total - Other (disposals &amp; C/Fwd)</b>	<b>159,650</b>	<b>220,667</b>	<b>109,273</b>	<b>354,535</b>	<b>28,982</b>	<b>266,273</b>	<b>215,228</b>	<b>329,360</b>	<b>91,334</b>	<b>322,539</b>	<b>0</b>	<b>342,183</b>	<b>139,510</b>	<b>370,585</b>	<b>70,109</b>
<b>Total Capital Funding</b>	<b>10,547,828</b>	<b>7,071,822</b>	<b>6,228,919</b>	<b>8,596,168</b>	<b>6,216,315</b>	<b>5,280,111</b>	<b>5,159,568</b>	<b>5,130,017</b>	<b>4,633,911</b>	<b>5,255,533</b>	<b>4,210,733</b>	<b>5,190,314</b>	<b>9,023,046</b>	<b>5,919,506</b>	<b>4,740,928</b>
<b>Unfunded - capital works</b>															
<b>Total - Unfunded - capital works</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>

## Appendix B10 Forecast Ratios 2023-2038

	Target Range		Average	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
<b>LIQUIDITY RATIOS</b>																		
Current ratio	> 1.00	> 1.20	0.95	0.93	0.93	0.93	0.93	0.94	0.94	0.95	0.95	0.95	0.95	0.96	0.96	0.96	0.96	0.96
<b>OPERATING RATIOS</b>																		
Operating surplus ratio	> 1.00%	> 15.00%	(193.08%)	(249.85%)	(215.35%)	(213.34%)	(215.71%)	(214.77%)	(208.51%)	(202.21%)	(196.02%)	(188.82%)	(181.00%)	(173.67%)	(165.47%)	(159.71%)	(158.97%)	(152.74%)
Own source revenue coverage ratio	> 40.00%	> 60.00%	20.52%	16.01%	18.14%	18.40%	18.49%	18.68%	19.16%	19.67%	20.20%	20.81%	21.49%	22.15%	22.93%	23.58%	23.74%	24.42%
<b>BORROWINGS RATIOS</b>																		
Debt service cover ratio	> 3	> 5	21.73	11.89	8.85	9.33	9.81	11.29	13.28	21.52	28.16	38.92	41.62	44.40	-	-	-	-
<b>FIXED ASSET RATIOS</b>																		
Asset sustainability ratio	> 90.00%	> 110.00%	25.18%	36.39%	29.55%	27.48%	37.45%	23.16%	27.76%	26.68%	25.17%	18.51%	24.51%	12.64%	21.96%	24.19%	26.90%	15.42%
Asset consumption ratio	> 50.00%	> 60.00%	50.59%	63.72%	62.19%	60.49%	59.17%	57.36%	55.33%	53.26%	51.07%	48.77%	46.60%	44.13%	41.87%	40.46%	38.38%	35.98%
Asset renewal funding ratio	> 75.00%	> 95.00%	42.41%	45.55%	42.32%	41.20%	41.95%	41.02%	N/A									

## Appendix B11 Asset Renewals 2023-2038

### Required Asset Renewals

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Class</b>															
Buildings - non-specialised	-	819,545	-	-	448,964	-	51,304	-	-	-	-	-	-	-	-
Plant and equipment	1,066,100	803,045	1,040,983	1,448,978	453,621	946,880	772,605	130,347	497,116	625,536	1,432,747	1,079,226	1,398,994	1,947,305	609,629
Roads	2,637,355	2,776,888	3,435,202	3,065,209	2,978,767	3,899,409	4,919,951	4,038,657	3,459,557	5,127,969	3,569,002	5,535,887	3,751,347	3,876,440	3,964,254
<b>Total</b>	<b>3,703,455</b>	<b>4,399,478</b>	<b>4,476,185</b>	<b>4,514,187</b>	<b>3,881,352</b>	<b>4,846,290</b>	<b>5,743,859</b>	<b>4,169,004</b>	<b>3,956,673</b>	<b>5,753,505</b>	<b>5,001,749</b>	<b>6,615,113</b>	<b>5,150,341</b>	<b>5,823,745</b>	<b>4,573,883</b>

### Planned Asset Renewals

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Class</b>															
Buildings - non-specialised	125,000	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and equipment	1,014,550	758,544	988,919	1,586,968	417,339	1,050,766	1,039,243	988,082	469,718	1,068,414	-	955,259	1,262,939	1,633,596	428,441
Roads	1,038,278	1,038,278	840,000	1,059,200	1,078,976	1,099,345	1,120,325	1,141,935	1,164,193	1,187,119	1,210,733	1,235,055	1,260,107	1,285,910	1,312,487
Other Infrastructure	-	50,000	-	-	220,000	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,177,828</b>	<b>1,871,822</b>	<b>1,828,919</b>	<b>2,646,168</b>	<b>1,716,315</b>	<b>2,150,111</b>	<b>2,159,568</b>	<b>2,130,017</b>	<b>1,633,911</b>	<b>2,255,533</b>	<b>1,210,733</b>	<b>2,190,314</b>	<b>2,523,046</b>	<b>2,919,506</b>	<b>1,740,928</b>

### Asset Renewal Funding Surplus (Deficit)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Class</b>															
Buildings - non-specialised	125,000	(794,545)	-	-	(448,964)	-	(51,304)	-	-	-	-	-	-	-	-
Plant and equipment	(51,550)	(44,501)	(52,064)	137,990	(36,282)	103,886	266,638	857,735	(27,398)	442,878	(1,432,747)	(123,967)	(136,055)	(313,709)	(181,188)
Roads	(1,599,077)	(1,738,610)	(2,595,202)	(2,006,009)	(1,899,791)	(2,800,064)	(3,799,626)	(2,896,722)	(2,295,364)	(3,940,850)	(2,358,269)	(4,300,832)	(2,491,240)	(2,590,530)	(2,651,767)
Other Infrastructure	-	50,000	-	-	220,000	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>(1,525,627)</b>	<b>(2,527,656)</b>	<b>(2,647,266)</b>	<b>(1,868,019)</b>	<b>(2,165,037)</b>	<b>(2,696,179)</b>	<b>(3,584,291)</b>	<b>(2,038,987)</b>	<b>(2,322,762)</b>	<b>(3,497,972)</b>	<b>(3,791,016)</b>	<b>(4,424,799)</b>	<b>(2,627,295)</b>	<b>(2,904,239)</b>	<b>(2,832,955)</b>

# Appendix B12 Forecast Significant Accounting Policies

## Basis of Preparation

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

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

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

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

## Judgements, Estimates and Assumptions

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

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

## The Local Government Reporting Entity

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

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

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

## Base Year Balances

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

## Rounding Off Figures

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

## Comparative Figures

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

# Appendix B13 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 Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

## Cash and Cash Equivalents

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

## Trade and Other Receivables

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

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

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

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

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

# Appendix B13 Forecast Significant Accounting Policies (Continued)

## Inventories

### General

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

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

### Land held for resale

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

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

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

## Fixed Assets

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

### Revaluation

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

### Depreciation

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

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

Asset Class	Effective average depreciation rate
Buildings - non-specialised	1.33%
Furniture and equipment	5.01%
Plant and equipment	10.00%
Roads	3.69%
Other Infrastructure	1.73%

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.

# Appendix B13 Forecast Significant Accounting Policies (Continued)

## *Short-Term Employee Benefits*

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

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

## *Other Long-Term Employee Benefits*

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

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

## *Borrowing Costs*

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

## *Trade and Other Payables*

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

## *Provisions*

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

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

## *Current and Non-Current Classification*

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

# Appendix C1 Glossary

## Funding Gap

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

## Infrastructure Assets

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

## Key Performance Indicator

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

## Level of Service

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

## Maintenance

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

### *Planned Maintenance*

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

### *Reactive Maintenance*

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

### *Significant Maintenance*

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

### *Unplanned Maintenance*

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

### *Maintenance Expenditure*

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

# Appendix C1 Glossary (Continued)

## Materiality

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

## Modern Equivalent Asset

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

## Net Present Value (NPV)

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

## Non-Revenue Generating Investments

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

## Operations Expenditure

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

## Pavement Management System

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

## Recoverable Amount

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

## Recurrent Expenditure

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

## Recurrent Funding

Funding to pay for recurrent expenditure.

## Remaining Useful Life

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

## Renewal

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

## Residual Value

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

# Appendix C1 Glossary (Continued)

## *Revenue Generating Investments*

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

## Risk Management

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

## Section or Segment

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

## Service Potential

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

## Service Potential Remaining

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

## Specific Maintenance

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

## Sub-Component

Smaller individual parts that make up a component part.

## Useful Life

May be expressed as either:

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

# Appendix D1 Workforce Planning

## 1.1 Introduction

The Shire of Upper Gascoyne Workforce Plan 2022/23–2026/27 forms an integral part of our integrated Strategic Resource Plan 2023-2038. The Plan assists the Shire to respond to its workforce challenges in a strategic way as we work with the community to build a bright future and a capable workforce.

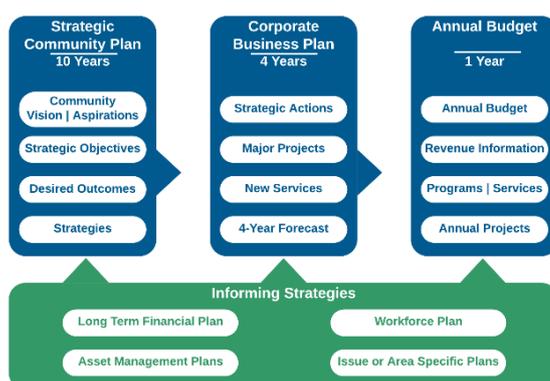
The Shire's Plan for the Future: Strategic Community Plan outline the community's hopes and aspirations, with detailed strategies and actions to progress these are identified in the Plan for the Future: Corporate Business Plan. The Workforce Plan plays an important part as we seek to ensure the Shire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

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

## 1.2 What is workforce planning?

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

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



## 1.3 Key principles of workforce planning

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

## 1.4 Integration with the Integrated Planning and Reporting Framework

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

# Appendix D2 Shire of Upper Gascoyne Analysis

## 2.1 The External Environment

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

### 2.1.1 Socio Demographic Trends

- Remote regional location;
- Small population base of 170 permanent residents;
- Expectation of a high-level work/life balance relevant to other remote locations.

### 2.1.2 Competition

- Local talent and skill shortages; and
- Demand for mining workforce competing for talent.

### 2.1.3 Economic

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

### 2.1.4 Political

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

### 2.1.5 Technology

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

### 2.1.6 Industry

- There is a heavy reliance on external funding to support the operation of the Shire; and
- Significant cost shifting from federal and state governments to the local level without the associated resources.

### 2.1.7 Customers

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

# Appendix D2 Shire of Upper Gascoyne Analysis (Continued)

## 2.2 The External Labour Market

The external labour market demand indicates difficulties in attracting and retaining skilled staff in key occupations across the State, due mainly to continuing labour demand in the mining, construction and professional services, scientific and technical service, public service, community and health sectors. This is based on the occupations in high and medium demand in the WA State Priorities Occupation List 2021 produced by the Department of Training and Workforce Development. However, there is the additional challenge of the regional location that further impact recruitment and retention to the district, and the COVID-19 Pandemic has also significantly impacted labour availability in Western Australia.

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

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

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

The Shire identified the following skills as challenging to source:

- Accounting /finance;
- Multi-skilled local government experienced staff; and
- High level administration (eg. governance / compliance / human resources)

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

# Appendix D2 Shire of Upper Gascoyne Analysis (Continued)

## 2.3 Shire of Upper Gascoyne Internal Operating Environment

### 2.3.1 Service Delivery

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

#### Corporate /Administration Services

- Co-ordination of Council activities and functions;
- Co-ordination of management functions;
- Liaison with Government and Ministerial offices;
- Economic development;
- Statutory compliance;
- Special projects;
- Health administration | inspection services;
- Building | planning services;
- Information and tourism services;
- Financial administration;
- Corporate and strategic planning;
- Human resources and occupational health and safety;
- Information and communication;
- Community development;
- Library and information services;
- Procurement;
- DOT
- Centrelink
- Asset management;
- Community Resource Centre
- Post office services;
- Records management;
- Support for volunteers; and
- Community event support.

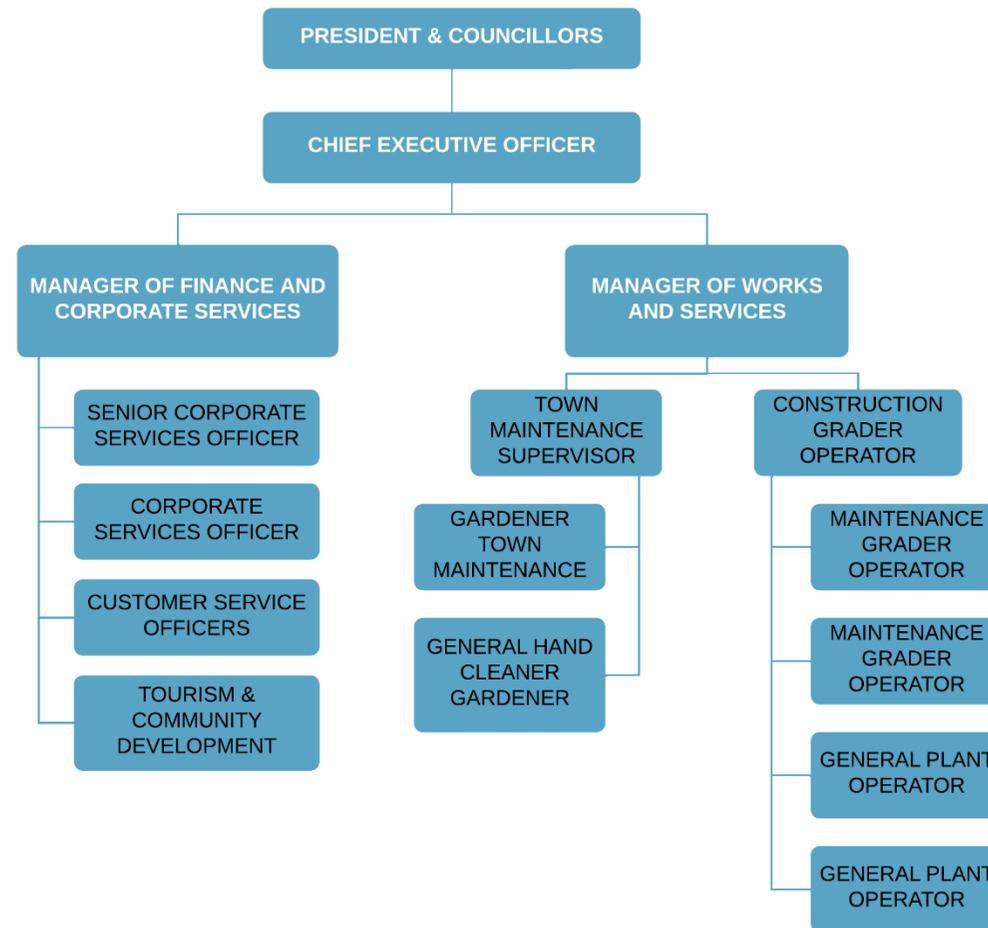
#### Works Services

- Works administration
- Waste management;
- Town gardens and streetscape;
- Roads/streets infrastructure;
- Cleaning;
- Water supply management;
- Emergency management and recovery;
- Asset management and maintenance;
- Ranger services;
- Community event support;
- Airport facilities;
- Mechanical repairs;
- Private works; and
- Council buildings, housing and infrastructure maintenance

# Appendix D2 Shire of Upper Gascoyne Analysis (Continued)

## 2.4 Organisation Structure

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



# Appendix D2 Shire of Upper Gascoyne Analysis (Continued)

## 2.5 Workforce Profile

Information	Shire of Upper Gascoyne - as at August 2022
Number of Employees	16
Gender	40% female 60% male
Total annual salaries and wages	\$1.6m
Employment type	There is a range of full time, part time, fixed term contract and casual staff employed
Annual/LSL liability	Current \$221,930 Non-Current \$148,259
Awards and agreements	Local Government Officers (Western Australia) Award 2021 Municipal Employees (Western Australia) 2021
Age profile	The estimated average age of employees is 47 years
Years of service	The estimated average length of service is 5 years

## 2.6 Workforce Demographics

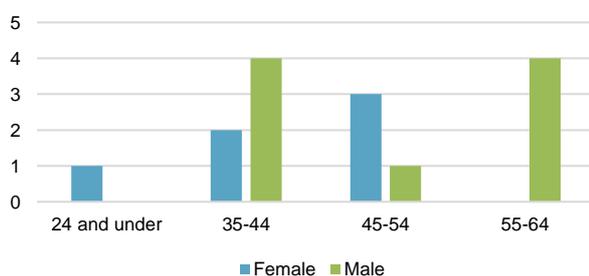
This section contains an analysis of some key workforce metrics such as age, gender and terminations. Included in this analysis are full time, part time and casual staff as well as those on leave, including long service and maternity leave, however contractors, agency staff and group apprentices are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

The workforce gender balance composition at August 2022 was 40% female and 60% male. As indicated above, this composition includes full time, part time and casual staff.

A considerable proportion (53%) of employees are over 35 years of age. Attracting and retaining younger employees is an important challenge as this cohort are often a source of innovation as well as representing the talent pool for the future.

The Shire has a fairly broad cross section of age and experienced employees however, with some key roles requiring specialist skills and experience, there are potential issues relating to knowledge retention and business continuity should these staff, exit the organisation at short notice. Strategies to address this issue include identifying and training potential successors for business critical jobs. There is also potential to develop a range of strategies to continue to retain mature workers within the Shire (e.g. flexible work arrangements, transition to retirement, etc.).

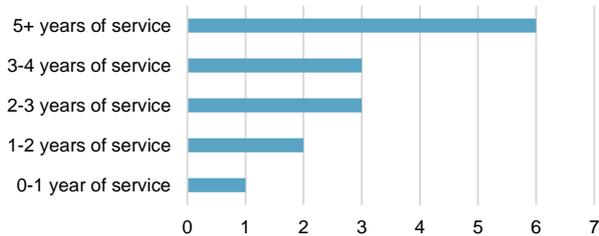
### 2.6.1 Workforce by Age and Gender



# Appendix D2 Shire of Upper Gascoyne Analysis (Continued)

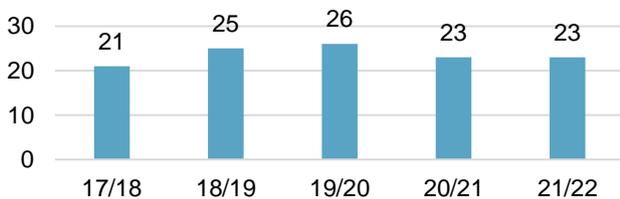
## 2.6.2 Length of Service

The chart below reflects the length of service of current employees as at August 2022.



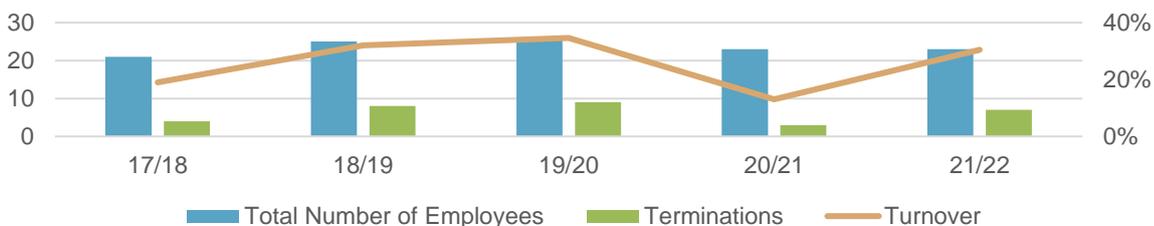
## 2.7 Historical Employee Information

Employee levels fluctuate during the year as staff are terminated and recruited, with the total number employees each year estimated to have increased from 21 in 2017/18 to 23 in 2021/22, as show in the chart below.



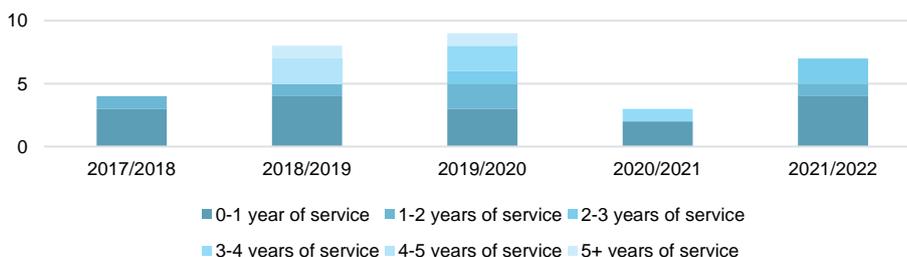
### 2.7.1 Turnover Rate

Below are graphs showing the exit rates for Shire of Upper Gascoyne by age and length of service for the period 2017/18 to 2021/22. These need to be considered in the context of the size of the workforce and overall length of service. Over the period 2017/18 to 2021/22 the estimated average annual turnover rate was 26%. This includes full time, part time and casual staff.



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

### 2.7.2 Termination Rates by Years of Service



# Appendix D3 Plan For The Future: Strategic Community Planning - Workforce Implications

## 3.1 Overview

This section addresses:

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

## 3.2 Plan for the Future: Strategic Community Plan and Corporate Business Plan

During 2022, the Shire reviewed and updated its ten-year Strategic Community Plan and adopted a new Plan for the Future, being a combined approach to the Strategic Community Plan and Corporate Business Plan. As an integral part of this review process, the community were consulted, and their feedback used to clarify community expectations and guide the strategies detailed in the Plan for the Future: Strategic Community Plan and Corporate Business Plan.

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

- **1. Social - Our People:** Services and facilities supporting our community lifestyle and population growth
- **2. Economic - Our Prosperity:** A growing local economy, encouraging commercial diversity
- **3. Environment - Our Place:** Well maintained infrastructure and preserved natural environs for the benefit and enjoyment of present and future generations
- **4. Governance - Our Leadership:** Provide good governance and leadership

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

## 3.3 Core Business and Service Delivery

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

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

The above strategic issues have significant implications for workforce planning including:

- Reallocation of resources as collaborative, insourcing and outsourcing arrangements are identified and acted upon;
- New or enhanced skill requirements to operate in a more collaborative manner, manage projects and contracts in future insourced or outsourced delivery models; and
- Management of staff during associated change processes.

## 3.4 Key Risk Areas

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

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

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

## Appendix D3 Strategic Community Plan Workforce Implications (Continued)

### 3.5 Workforce Risk Assessment

Risk Issues	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequences	Risk Category	Cross Ref: Appendix D4 – 4.8 Workforce Strategies   Objectives
1. Knowledge loss due to staff turnover	Likely	Minor	Major	Major	High	3.2.2
2. Physical and financial constraints limit staff numbers	Likely	Minor	Major	Major	High	3.1.1   3.1.2
3. Sudden unplanned loss of a high number of key staff	Possible	Major	Major	Major	Moderate	3.1.1   3.2.2
4. Organisational capacity insufficient to meet future needs	Possible	Major	Major	Major	Moderate	3.1.1
5. High staff turnover due to organisational cultural issues	Possible	Major	Major	Major	Moderate	1.3.1   2.2.1   2.3.1
6. Selection, recruitment and training costs increase	Possible	Insignificant	Minor	Minor	Moderate	1.1.1   1.4.1   3.2.1
7. Operational procedures not followed due to lack of staff training	Unlikely	Minor	Major	Major	Low	1.3.1   2.1.1   2.2.1
8. Long leave absences of key staff due to large accrued leave entitlement	Possible	Major	Major	Major	Moderate	3.2.3

# Appendix D4 Strategies To Meet Future Workforce Needs

## 4.1 Workforce Supply Demand Analysis

### Employee Survey

During the review of workforce planning, an employee survey was undertaken. The feedback received is greatly appreciated and has been considered in the development of the actions included within this Plan.

### Corporate Services

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

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

- Maintain internal processes and procedures with the goal of gaining greater transactional efficiencies and strengthening governance practices; and
- Providing strong integrated planning and reporting outcomes and operational advice to the Elected Members and the executive.

### Community Services

Community services are predicted to increase from current level of demand for services.

### Community Resource Centre

The Community Resource Centre is a prime source of providing information to the community and visitors, continuation of high demand for the services is expected as the Shire is focussing on increasing tourism and attracting visitor to the district. Post office services. Medical support services. staffing levels is adequate. Event planning and management is a growing role - investigate a trainee to support this growth.

### Works Services

Infrastructure services are stable, with required resource capacity forecast to be adequately maintained with the exception of a requirement of 1 new FTE to provide administrative support to works directorate, to undertake tasks such as grant acquittals, permits, parts ordering, appointments, training, stock management. The works and services teams also provide a number of services that are not the responsibility of the Shire, such as supporting RFDS transfers, emergency response, rescue and biosecurity, however the state and federal agencies responsible for these services are not currently providing adequate support to the community in these areas. This is a significant matter to note, as providing these services is causing significant pressure on Shire staff.

### Waste Operations

Waste operations are undertaken by the Shire, no significant anticipated increase or decrease in staffing levels is envisaged to support services delivery.

### Economic / Tourism Development

The Shire has defined economic development, with particular focus on tourism as one of its priority business areas and this is reflected in the Strategic Community Plan.

### Executive Services

Executive services are currently understaffed, with an increase of at least one FTE required to support in areas such as work health and safety, human resources, records management, finance, and compliance/governance.

### Town Infrastructure Maintenance

Services are stable, with required resource capacity forecast to be mostly adequately maintained, with increase in infrastructure asset levels there is a gap of 0.5 – 1 FTE required to meet expected service levels.

# Appendix D4 Strategies To Meet Future Workforce Needs (Continued)

## 4.2 Strategic Shifts

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

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

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

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

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

## 4.3 Service Delivery Models

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

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

# Appendix D4 Strategies To Meet Future Workforce Needs (Continued)

## 4.4 Succession Management

Currently, succession planning is managed by developing multi-skilled employees to ensure in the event of sudden loss of staff, key positions are covered to limit service delivery impact. A formal succession management process is not currently active. Permanent on the job training and skill development is required to cover the succession of senior operational staff. Due to the regional and remote location of the Shire, long term retention of staff is limited, however the Shire is keen to increase attractiveness and retention of employees. Continuous development, review and update of procedures is required to minimise impact of successions.

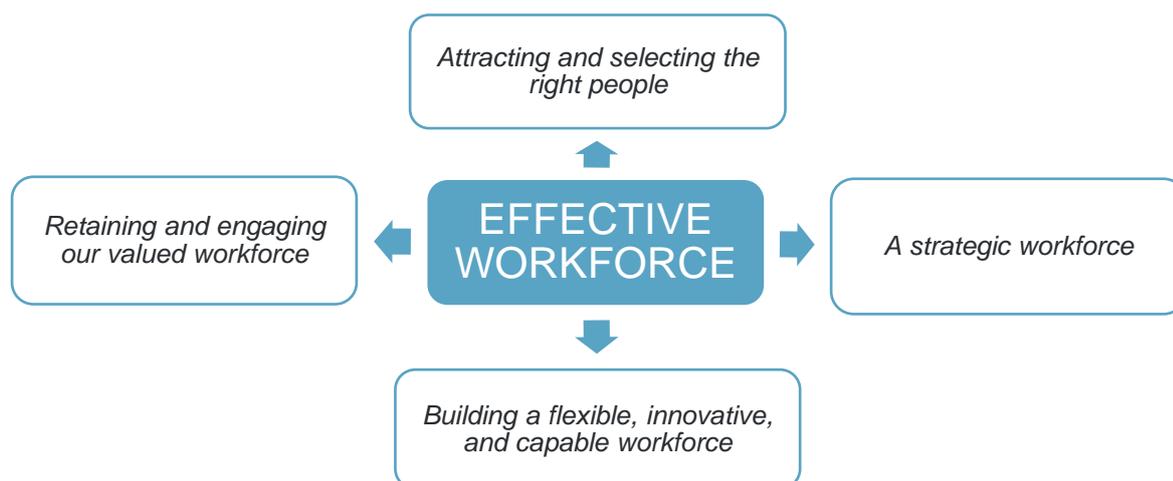
## 4.5 Additional Incentives

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

## 4.6 Performance Outcomes and Measures

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

### 4.6.1 Diagram: Workforce Plan Performance Measurement



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

The prioritisation of the actions identified in the following tables, with forecast timing when the action is planned to be undertaken indicated.

## Appendix D4 Strategies To Meet Future Workforce Needs (Continued)

### 4.7 Workforce Objectives and Strategies

Objective 1. Attracting and selecting the right people		
Attracting and retaining people with the capability and commitment to contribute to the Shire of Upper Gascoyne		
Strategy	Action	Timing
1.1 Recruitment strategies that meet the needs and expectations of the organisation	1.1.1 Continue the current recruitment strategies and policies, and examine for opportunities to improve	Ongoing
1.2 Promote the benefits of working for the Shire of Upper Gascoyne	1.2.1 Maintain list of financial and non-financial rewards and benefits offered to employees	2022-23
1.3 A sound induction and orientation process	1.3.1 Formalise appropriate induction and orientation process, implement improvements as identified	2022-23
1.4 Continue to employ 'best candidate' through selection outcomes	1.4.1 As vacancies arise, review the selection process to ensure the right skills sets and most suitable candidate are selected to meet current needs	Ongoing
Objective 2. Retaining and engaging our valued workforce		
Building and retaining a highly engaged workforce, committed and connected to our Shire and community		
Strategy	Action	Timing
2.1 Improve skills in day-to-day leadership	2.1.1 Identify relevant training needs and opportunities	2022-23
2.2 Provide sufficient job role clarity, work direction, workload management, feedback on performance and support in role	2.2.1 Ensure current job descriptions are in place and provided at commencement in roles	2022-23
	2.2.2 Undertake performance reviews as per policy and employment agreements	Annually
2.3 Regular communication with the workforce	2.3.1 Facilitate regular meetings between executive and staff	Ongoing
Objective 3. A strategic workforce, with the capability and capacity to meet strategic objectives		
Building a flexible, innovative, and capable workforce		
Strategy	Action	Timing
3.1 Appropriate organisational structure	3.1.1 Regular assessment of organisation structure, seeking to meet the needs of the organisation	2022-23
	3.1.2 Seek external funding for identified positions (traineeship)	Ongoing
3.2 Recognised critical positions and critical position management	3.2.1 Recruit skilled personnel as required, recognising opportunities for FIFO/DIDO and off-site employees or contractors to meet essential skills if appropriate	Ongoing
	3.2.2 Ensure appropriate policies and procedures documented to assist in mitigating knowledge loss risk due to staff turnover	2022-23
3.3 Appropriate job descriptions	3.2.3 Maintain leave reporting and monitoring for large, accrued leave entitlement management	Ongoing

## Appendix D4 Strategies To Meet Future Workforce Needs (Continued)

### 4.8 Key Performance Indicators

Key performance indicators are listed below.

Strategic Workforce Objective	Workforce Outcomes	Assessment	Ratio Or Measure
1. Attracting and selecting a capable and committed workforce	Adequate staff levels with appropriate skills	Effectiveness of recruitment processes	Average number of vacancies annually
2. Retaining and engaging our valued workforce	Staff turnover	The percentage of employee initiated separation rate	Gross number of staff resignations divided by total staff
	Employee leave	Accrued leave liability	Number of employees with accrued annual leave exceeding 300 hours
	Sick leave	The number of workplace absences due to health related reasons	Number of sick day absences divided by number of available working days
	Training and development	The average level of investment in training	Training expense divided by number of FTE employees
3. A strategic workforce, with the capability and capacity to meet strategic objectives	Appropriate policies and procedures in plan	Review of policies and procedures (Audit Regulation 17 Review)	Non-compliance noted
	Occupational Health and Safety	Frequency and cost of lost time injuries	Total hours lost due to injury divided by number of work hours available

# Appendix D5 Monitoring and Evaluation of Outcomes

## 5.1 Evaluation

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

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

## 5.2 Implementation

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

## 5.3 Review

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

## Appendix D6 Risk Assessment Methodology

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

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

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

# Appendix D6 Risk Assessment Methodology (Continued)

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

# Other Matters

## Preparation

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

## Reliance

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

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

## Document Management

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Date December 2022

## References

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

- Shire of Upper Gascoyne Plan for the Future 2022-2032;
- Shire of Upper Gascoyne Employee information, extracted August 2022;
- Shire of Upper Gascoyne Annual Financial Report 2019-20;
- Shire of Upper Gascoyne Annual Financial Report 2020-21;
- Shire of Upper Gascoyne Annual Financial Report 2021-22;
- Shire of Upper Gascoyne Adopted Annual Budget 2021-22; and
- Council website: [www.uppergascoyne.wa.gov.au](http://www.uppergascoyne.wa.gov.au)

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