



2019/20 – 2033/34
Draft Strategic Resource
Plan
(Incorporating Asset Management Planning
and Long Term Financial Planning)

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1.0 Foreword

We are pleased to present the Town of Port Hedland Draft Strategic Resource Plan for 2019/20 – 2033/34.

This Plan is part of the Town’s ongoing commitment to an integrated approach to planning for the Town’s future. It provides the Council and the community with a picture of the Town’s long term financial and asset management circumstances and assists us to meet our strategic outcomes and objectives.

The Town 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 develop the strategic direction for a promising future of our district. We invite members of the community to contact a Councillor or Senior Council staff members if they have any questions.

The Town of Port Hedland’s Draft Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Town of Port Hedland Strategic Community Plan 2018-2028.

This Plan will be used with the Corporate Business Plan and Workforce Plan to achieve our goals and drive the Town in achieving its vision To be Australia's leading Port Town embracing community, culture and environment.

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

Camilo Blanco
Mayor

David Pentz
Chief Executive Officer

2.0 Executive Summary

The following information provides a brief summary of the Draft Strategic Resource Plan 2019/20 – 2033/34, this should be read in conjunction with the underlying assumptions detailed in this Plan.

2.1 Planning for a Sustainable and Stable Future

The Town of Port Hedland is planning for a positive and stable future. The Town seeks to maintain and improve service levels into the future while maintaining a healthy financial position.

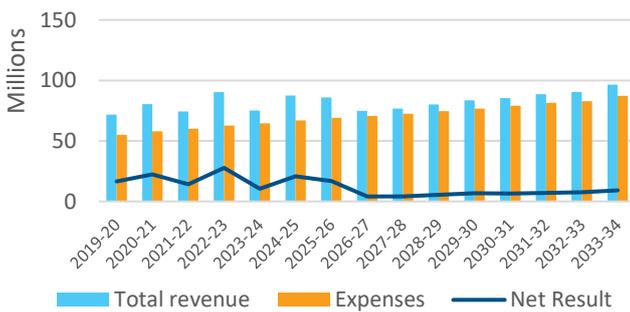
2.2 Forecast Revenue, Expenses and Net Result

The Town is forecast to receive a steady income from rates as well as fees and charges.

2.3 Rates Revenue

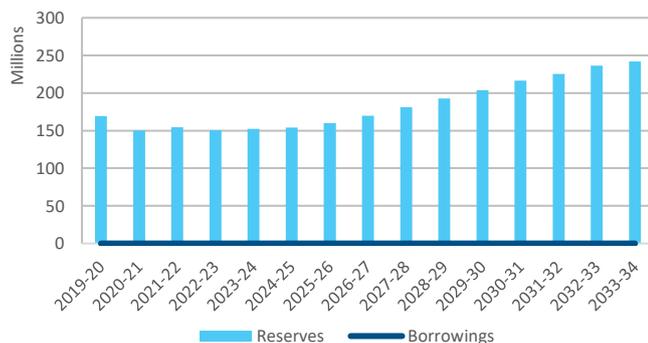
Rate revenue is forecast to increase by 2.5% (CPI 2% + 0.5%) over the term of the Plan. These increases are to assist in the long term financial stability of the Town and to maintain the level of service to the community. Rates are expected to generate \$42.6m in 2019-20 increasing to \$60.1m in 2033-34.

2.3.1 Forecast Comprehensive Income



2.3.2 Forecast Borrowings and Cash Reserves

In general, the finances of the Town are expected to improve over the term, as represented in the graph below. As reserves are utilised to fund major projects, these decrease initially before rising over the term of the Plan. No borrowings are forecast for the duration of the Plan, with existing borrowings paid out by 30 June 2019.



2.4 Planned Asset Expenditure

Combined new and renewal asset expenditure of \$443.6m has been planned over the term of the Plan as per the table below. New asset expenditure comprises \$269.3m of the total asset expenditure and asset renewal expenditure of \$174.3m.

2.5 Planned Capital Expenditure by Class

Asset Class	Total Expenditure (2019/20 to 2033/34)
New/upgrade Expenditure	
Buildings	142,250,000
Furniture and Equipment	377,681
Infrastructure - Drainage	1,000,000
Infrastructure - Footpaths	21,750,000
Infrastructure - Other Improvements	83,950,000
Infrastructure - Roads	12,000,000
Plant and Equipment	8,000,000
Total New/upgrade Expenditure	269,327,681
Asset Renewal Expenditure	
Buildings	19,467,000
Furniture and Equipment	8,843,000
Infrastructure - Car Parks	300,000
Infrastructure - Drainage	15,800,000
Infrastructure - Footpaths	17,900,000
Infrastructure - Other Improvements	7,713,000
Infrastructure - Parks and Ovals	2,560,000
Infrastructure - Roads	67,012,982
Plant and Equipment	34,681,589
Total Asset Renewal Expenditure	174,277,571
Total	443,605,252

2.6 Required Renewal Expenditure

Required asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$166.6m are forecast to be required over the 15 years of the Plan.

2.6.1 Required v Planned Asset Renewal Expenditure



The significant gap in 2027-28 is due to the forecast required renewal of roads. Improvement in the forecasting of these renewals is likely to result in significant change in timing.

2.0 Executive Summary (Continued)

2.7 Forecast Ratios 2019-2033

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

	Current	Operating Surplus	Own Source Revenue Coverage	Debt Service Cover
Target Range	1.0 - 1.2	1% - 15%	40% - 60%	3 - 5
Average	0.23	3.23%	101.21%	n/a
2019-20	0.23	13.85%	110.60%	n/a
2020-21	0.23	9.86%	106.81%	n/a
2021-22	0.23	7.20%	104.57%	n/a
2022-23	0.23	4.99%	102.80%	n/a
2023-24	0.23	3.72%	101.95%	n/a
2024-25	0.23	2.43%	100.64%	n/a
2025-26	0.23	1.59%	99.80%	n/a
2026-27	0.23	1.53%	99.74%	n/a
2027-28	0.23	1.55%	99.78%	n/a
2028-29	0.23	1.43%	99.66%	n/a
2029-30	0.23	0.99%	99.24%	n/a
2030-31	0.23	0.55%	98.82%	n/a
2031-32	0.23	0.11%	98.40%	n/a
2032-33	0.23	0.73%	99.01%	n/a
2033-34	0.23	(2.03%)	96.39%	n/a

The current ratio does not highlight any issues and will always be forecast to be below 1.0 where each year has a balanced budget position. The operating surplus ratio above highlights the impact of depreciation expense on the Town.

	Asset Sustainability	Asset Consumption	Asset Renewal Funding
Target Range	90% - 110%	50% - 60%	75% - 95%
Average	62.35%	82.05%	89.42%
2019-20	104.48%	89.43%	88.42%
2020-21	78.52%	89.13%	87.87%
2021-22	74.37%	88.19%	91.39%
2022-23	73.09%	87.71%	90.28%
2023-24	77.44%	86.77%	89.16%
2024-25	61.13%	85.79%	N/A
2025-26	58.63%	84.60%	N/A
2026-27	59.78%	83.09%	N/A
2027-28	50.72%	81.37%	N/A
2028-29	52.61%	79.73%	N/A
2029-30	53.01%	78.16%	N/A
2030-31	46.60%	76.42%	N/A
2031-32	45.24%	74.80%	N/A
2032-33	45.28%	73.42%	N/A
2033-34	54.35%	72.13%	N/A

The asset sustainability ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio averages at 62.35% over the term of the Plan, this is not considered to reflect any adverse trend in the financial management of the Town as most of the assets of the Town do not require renewal within the 15 year term of the Plan and adequate funds are saved in reserves to cover the cost of renewing these assets beyond the term of the Plan.

3.0 Planning Overview

3.1 Planning for a Sustainable and Stable Future

The Town of Port Hedland is planning for a positive and stable future. The Town 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 Town's infrastructure and community assets remains a significant challenge with increasing community expectations.

3.2 Planning Process

Based on the 2017-18 Annual Financial Statements and 2018-19 Annual Budget, a financial baseline was determined for operating revenue and expenditure. Modifications to this baseline were made over the 15 year term to predict forecast changes in operating revenue and expenditure.

When planning for the future renewal of Town assets, a condition based estimation of remaining useful life was applied (where possible) as it was viewed as the most appropriate methodology. Where condition information was unavailable, an age based estimation of remaining useful life was applied. Modelling was undertaken to determine the long term funding required to meet this future asset maintenance and renewal requirements.

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

It is important to note, capital works identified in this Plan undertaken utilising 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.

4.0 Strategic Overview

4.1 Asset Management Strategy

Recognising a large proportion of assets have been constructed with the assistance of external financial contributions and previous rates payments, the Town seeks to maintain and, where possible, improve these assets into the future. A strategy of alignment of estimated asset useful lives with the forecast financial capacity aims to ensure the long term affordability of Town assets.

Significant asset expenditure is planned for the construction of new assets and renewal and refurbishment for a number of the Town's major community infrastructure. To ensure funding is available for the renewal of assets, the Town has accumulated funds in cash backed reserves and will utilise these to assist in funding the forecast asset expenditure.

4.2 Financial Management Strategy

Structuring operational revenues and expenditure to ensure adequate provision for asset renewal into the future is a cornerstone of the Town's overall financial strategy. Rate increases in line with the consumer price index (CPI) are forecast to occur for the term of the Plan. Increases to employee costs as new staff are engaged to provide additional services to the community are forecast, resulting in a decreasing level of funding from operations over the term of the Plan. Cash backed reserves will be utilised to fund the extensive asset program.

Forecast planned asset renewals for the term of the Plan are provided in the table below, along with the forecast required asset renewals to maintain services in future. 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 asset renewal surplus/(deficit) column reflects the difference between the planned and required asset renewals. A number of assumptions and estimates have been utilised in arriving at these values and actual events may vary significantly from those provided.

Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/(Deficit) \$
2018-19	13,290,600	7,541,215	5,749,385
2019-20	11,008,519	10,999,558	8,961
2020-21	11,244,668	6,542,123	4,702,545
2021-22	12,047,357	5,801,560	6,245,797
2022-23	13,315,547	7,660,520	5,655,027
2023-24	11,224,396	24,001,761	(12,777,365)
2024-25	11,294,691	4,369,562	6,925,129
2025-26	11,797,915	5,065,467	6,732,448
2026-27	10,252,603	56,737,063	(46,484,460)
2027-28	10,970,158	6,372,561	4,597,597
2028-29	11,521,988	4,802,619	6,719,369
2029-30	10,546,500	4,644,275	5,902,225
2030-31	10,669,785	6,317,555	4,352,230
2031-32	10,689,956	4,364,859	6,325,097
2032-33	14,402,888	11,446,878	2,956,010
Total	174,277,571	166,667,575	7,609,996

The Town has not forecast any borrowings for the duration of this Plan as part of its strategy to allow flexibility to respond to sudden or unexpected expenditure requirements or the loss of planned external grant contributions. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available. The strategy also includes the use of cash backed reserves to save for significant future asset renewal spikes.

4.0 Strategic Overview (Continued)

4.3 Key Assumptions

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

- The Town population is forecast to increase steadily;
- The Town will increase its current service levels into the future;
- The level of grants and contributions for capital projects and operations will remain relatively stable over the term of the Plan;
- The district and State economy will remain stable for the long term; and
- Assets are expected to be adequately maintained and continue to provide existing levels of service.

For a detailed analysis of all assumptions and their associated risks please refer to section 13.0.

5.0 Community Profile, Vision and Objectives

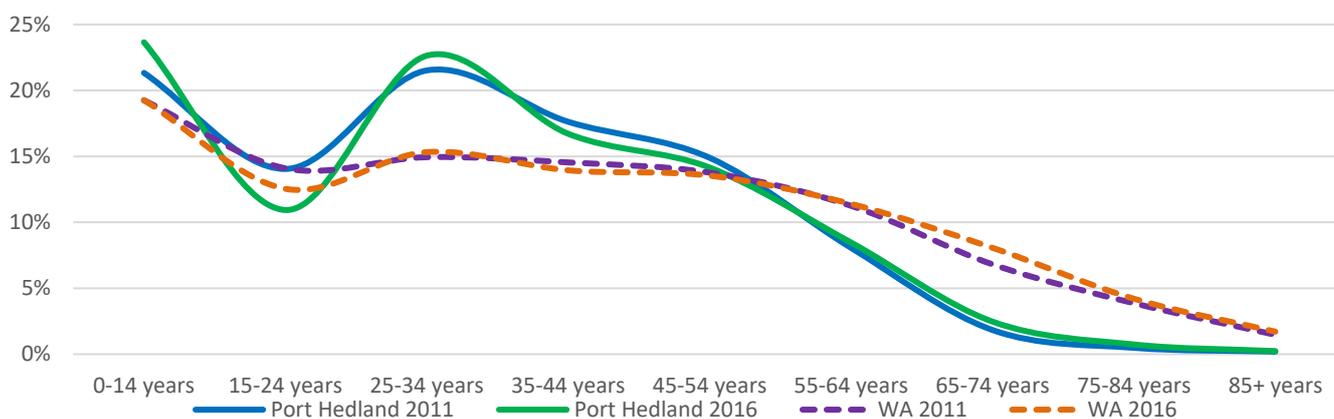
5.1 Community¹

Located 1,765km north of Perth in the Pilbara, the Town of Port Hedland is home to over 14,000 people and encompasses two residential and business centres, Port Hedland and South Hedland, the light industrial area of Wedgefield and the Aboriginal communities of Jinparinya, Marta Marta, Punju Njamal, Tkalka Boorda, Tjalka Wara and Yandeyarra.

Although recently known for its port and resource industry, Port Hedland has been a significant community hub for the Pilbara since the late 1800s and continues to be a vital part of the region for culture, ecology, sport, business and regional services. The district is home to unique desert landscapes, a tropical savannah climate, access to internationally renowned nature reserves and beautiful waterfronts on the headland, which continue to attract both residents and visitors.

5.1.1 Town of Port Hedland Resident Population by Age Group

In 2016, the Town of Port Hedland's population on the night of the census was 14,469². The age distribution trends from 2011 to 2016 for both the Town of Port Hedland (reflected by the blue and green lines) and the state of Western Australia are indicated in the chart below.



When comparing the Town's demographic to Western Australia (reflected by the dotted purple and orange lines), the Town shows a higher demographic in the 25 – 54 age groups, with 88% of the resident population under 55 years.

5.2 Vision

The Town's strategic vision: *To be Australia's leading Port Town embracing community, culture and environment.*

5.3 Strategic Objectives

The following key strategic directions are captured in the Town's Strategic Community Plan 2018-2028 and considered within the Strategic Resource Plan:

- Our Community
- Our Economy
- Our Built and Natural Environment
- Our Leadership

¹ Town of Port Hedland Strategic Community Plan 2018-2028

² Australian Bureau of Statistics Port Hedland (T) (LGA57280) 2016 Census of Population and Housing, viewed 22 January 2018

6.0 Key Current Information

6.1 Key Statistics: Town of Port Hedland 2018

Number of Elected Members ³	9
Number of Employees ⁴	151
Number of Electors ⁴	7,666
Number of Dwellings	7,633
Area (sq km) ⁵	18,417
Population (Est.) ⁵	14,469

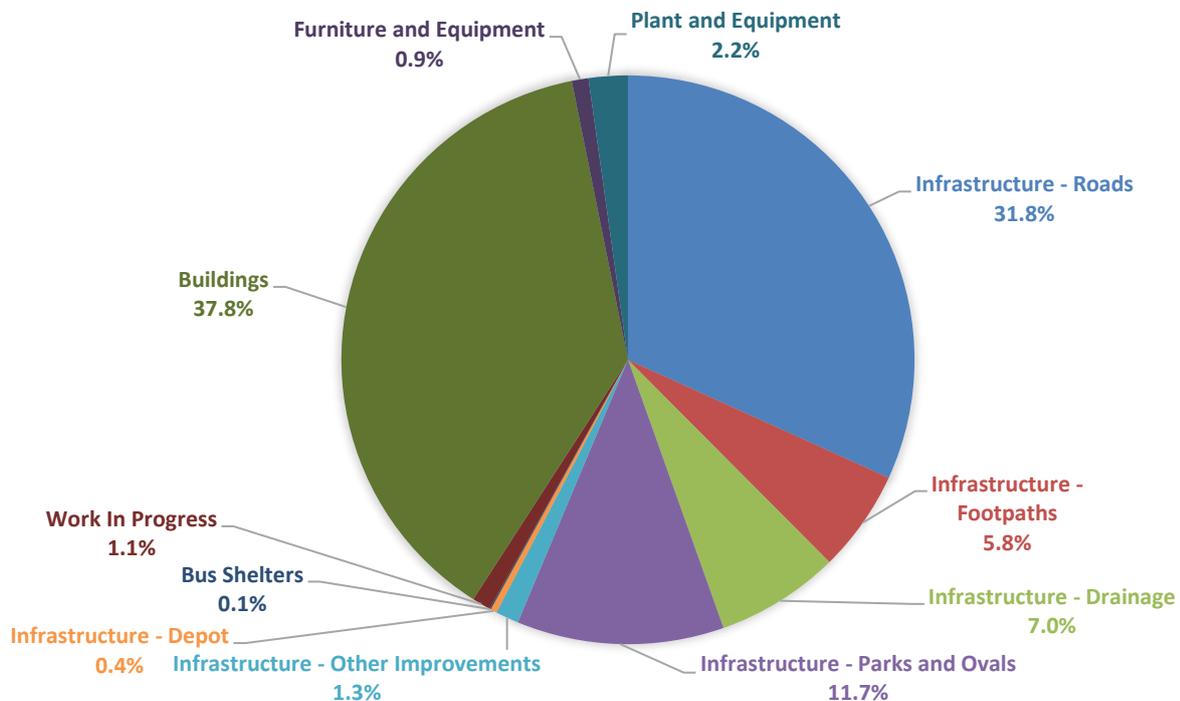
6.2 Key Financial Information 2017-18⁶

Rates Revenue	\$25,570,271
Fees and Charges	\$10,442,210
Operating Revenue	\$48,953,394
Operating Expenditure	\$54,079,486
Net Assets	\$498,576,000
Cash Backed Reserves	\$232,734,815
Long Term Borrowings	\$21,358,146

6.3 Key Asset Information

The Town controls an asset network with a written down value of over \$292m, of which Buildings and Roads constitute the largest component value as reflected in the chart below.

6.3.1 Asset Value by Class: Town of Port Hedland 2017-18⁶



³ Town of Port Hedland website www.porthedland.wa.gov.au (22 November 2018)

⁴ Town of Port Hedland Strategic Community Plan 2018-2028

⁵ Australian Bureau of Statistics Port Hedland (T) (LGA57280) 2016 Census of Population and Housing. (22 January 2018)

⁶ Town of Port Hedland, Annual Financial Statements 2017-18

7.0 Strategic Planning and Policies

7.1 Linkage with Other Plans

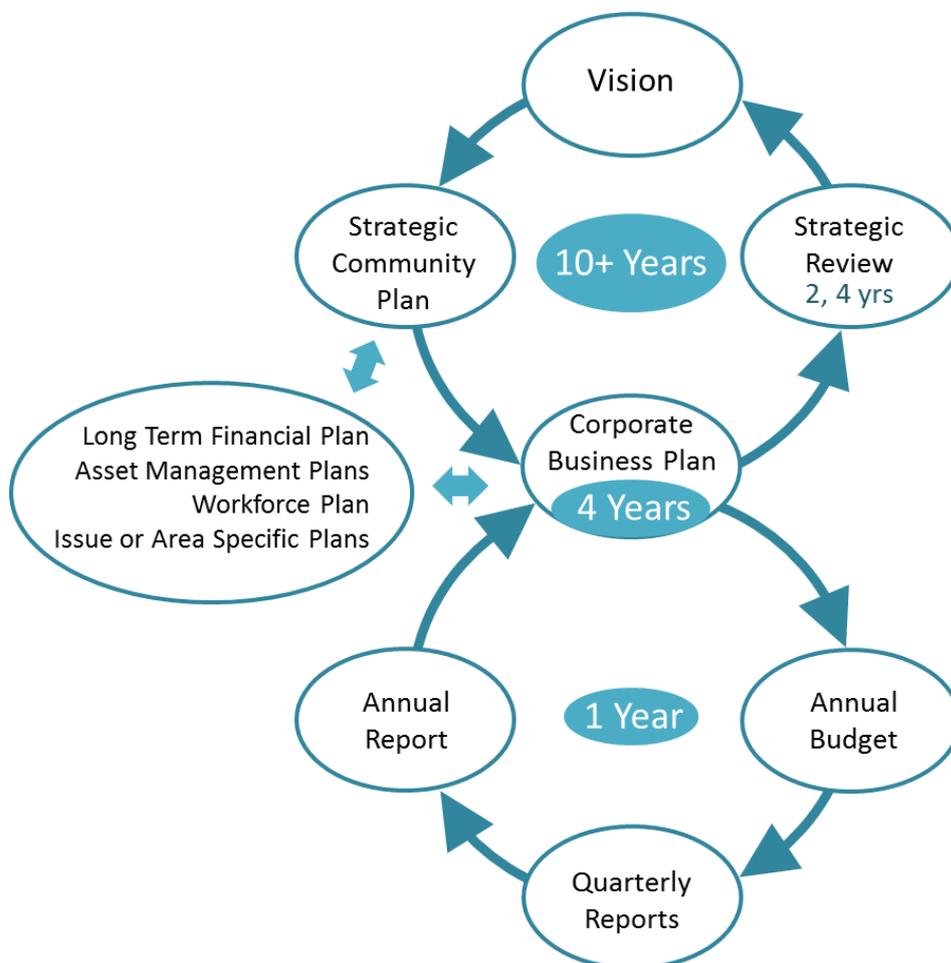
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Town has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other 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 of Local Government, Sport and Cultural Industries (the Department) Integrated Planning Framework and Guidelines.

7.2 Strategic Documents Linkage

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

7.2.1 Diagram: Integrated Planning and Reporting Cycle⁷



⁷ Department of Local Government, Sport and Cultural Industries, Integrated Planning and Reporting: Framework and Guidelines, September 2016

7.0 Strategic Planning and Policies (Continued)

7.3 Strategic Community Plan

The Strategic Community Plan has been prepared to cover a minimum period of 15 years and set out the community's vision, aspirations and objectives for the district. To achieve the vision, a series of outcomes and strategies are developed. Many strategies may be required to achieve a single outcome and many outcomes needed to achieve a single objective.

Individual strategies all require actions involving extra human, physical and financial resources. In addition, achieving these strategies may require a series of actions over time as they may not be able to be achieved concurrently considering limited resources.

Achieving the Town's strategic outcomes requires careful operational planning and prioritisation. This planning process is formalised as a Corporate Business Plan which operates on a rolling four-year basis.

7.4 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 long term financial planning provides an assurance the actions contained in the Corporate Business Plan can be adequately resourced over the next four years and highlights the long term consequences of the application of resources to undertake various projects.

7.5 Workforce and Other Strategic Plans

The Workforce Plan and other strategic plans, integrate with the Strategic Resource Plan through the workforce requirement for assets and financial resources along with the requirements for a workforce to manage the Town's assets and financial resources. As far as possible, these requirements are met in the Plan, but where resources are not included, the Plan identifies when the required resources may be available to inform future review activities in relation to these plans.

7.6 Asset Management Policy

The purpose of an asset management policy is to:

- Provide a framework for the sustainable management of the Town'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.

An 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 Town.

7.7 Asset Management Strategy

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.

7.8 Borrowing Policy

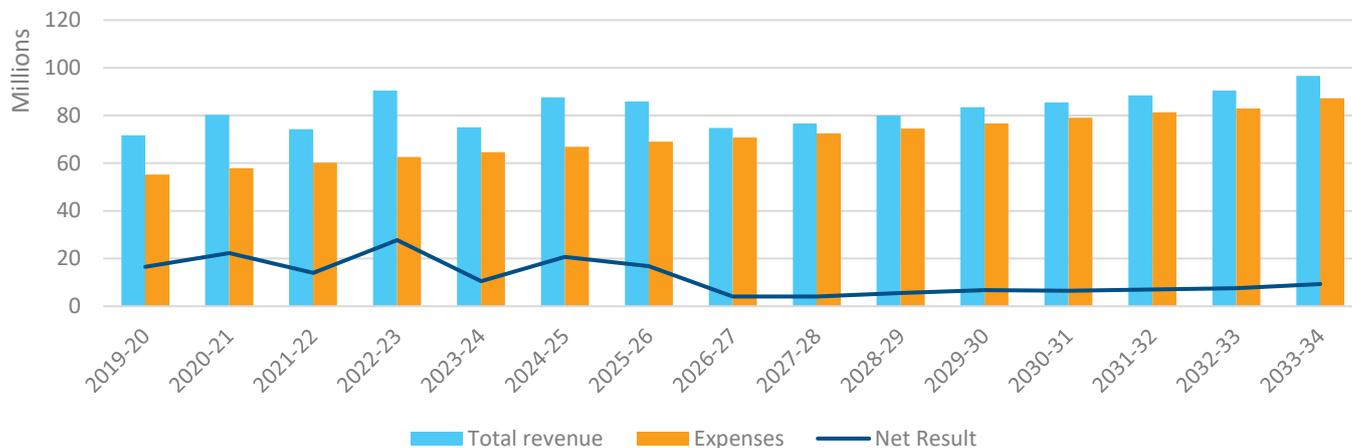
As part of its financial strategy, the Council intends to minimise the level of borrowings to provide the capacity to borrow in the event of an emergency and in line with the adopted Borrowing Policy 2/018.

8.0 Operations Overview

8.1 Operations

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

8.2 Forecast Revenue, Expenses and Net Result



The Town is forecast to receive a steady income derived from rates and fees and charges, increasing over the term of the Plan.

The Town is reliant on receiving more than \$22.4m over the next 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. A steady increase in operating revenue and expenditure is forecast over the 15 years of the Plan. As assets age, the depreciation increases, resulting in a higher forecast expenditure as reflected in the chart above from 2026-27 onwards.

8.3 Rates Revenue

Rate revenue is forecast to increase by CPI of 2.0% with an additional 0.5% as a result of growth in the Town resulting in an increase of 2.5% for the term of the Plan. These increases are to assist in the long term financial stability of the Town and to maintain the level of service to the community in the face of forecast reductions in external grants and contributions. Rates are expected to generate \$42.6m in 2019-20 increasing to \$60.1m in 2033-34.

8.4 Non-Operating Grants and Contributions

Non-operating grants and contributions are fluctuate over the term of the Plan as major projects are undertaken.

8.5 Operating Grants and Contributions

Over the term of the Plan, the operating grants and contributions are forecast to decrease over the first 5 years as a result of decreases in Financial Assistance Grants, before increasing in line with inflation of 2%.

8.0 Operations Overview (Continued)

8.6 Workforce Planning

The Town currently employs 151 full time equivalent employees to deliver a range of services to the community and maintain assets.

Effective from 1 May 2019, the leisure facilities are being managed by the Town. This increases the full time equivalent employee numbers to 210. Provision has been made within this Plan to provide the leisure facilities services in-house (effective from 1 May 2019).

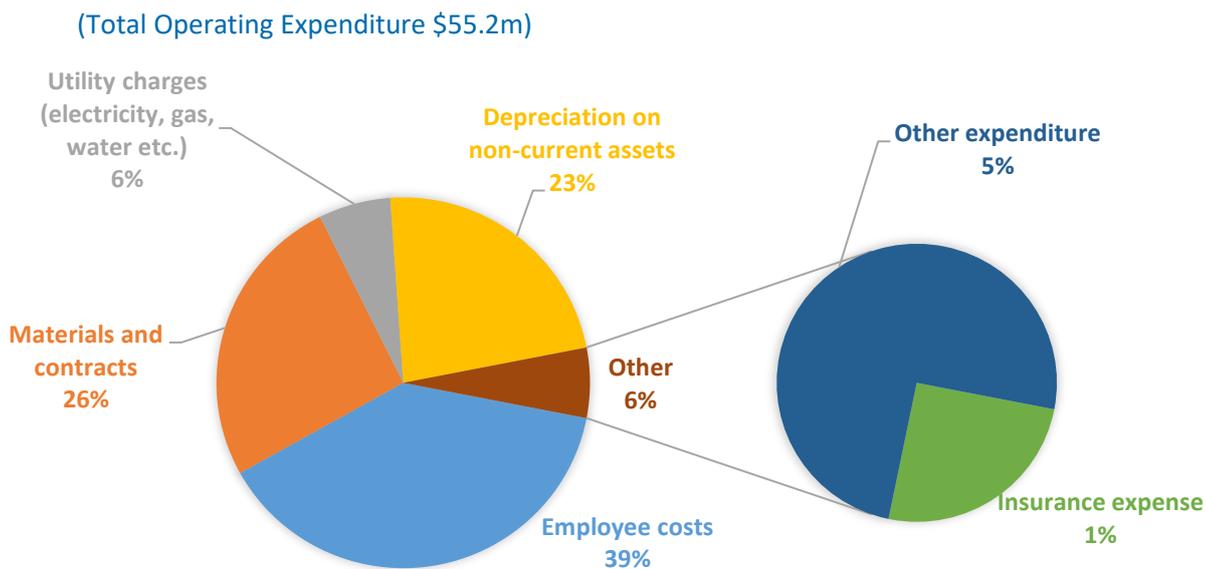
The Town's Workforce Plan has been considered in the development of this Strategic Resource Plan. Employee costs are forecast to rise 5% (including CPI 2%) in year 1 and 3% for the remaining years of the Plan.

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

8.7 Operating Expenditure

Over the term of the Plan, the operating expenditure components are forecast to remain relatively stable. Depreciation and materials and contracts remain the dominant operating expenditure components, as reflected in the chart below.

8.7.1 Composition of Forecast Operating Expenditure 2019-20



8.8 Maintenance Expenditure

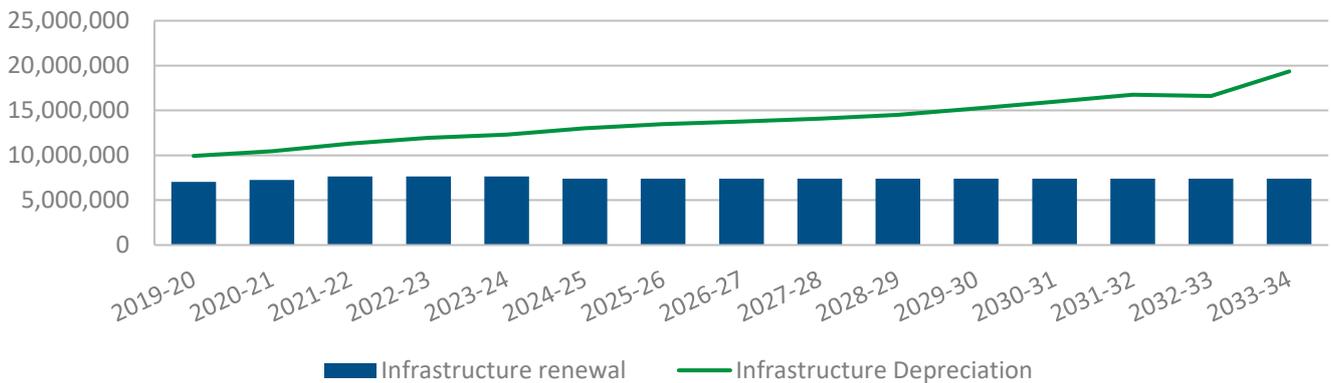
The current maintenance expenditure allocated in the annual operating budget is expected to continue at current levels, with inflationary increases occurring each year.

8.0 Operations Overview (Continued)

Depreciation expense increases throughout the Plan from \$12.7m in year 1 to \$26.5m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$208.7m, shown by the green line in the chart below. The planned level of infrastructure asset renewal expenditure at \$111.3m (reflected by the blue columns) is below the estimated infrastructure depreciation, as shown in the chart below.

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 Town is planning to renew its assets at a lower level than they are depreciating over the term of the Plan, due to planned asset renewals being matched to required asset renewals. Given funds are also being maintained in reserves for the renewal of assets beyond the term of the Plan, asset renewals are considered appropriate.

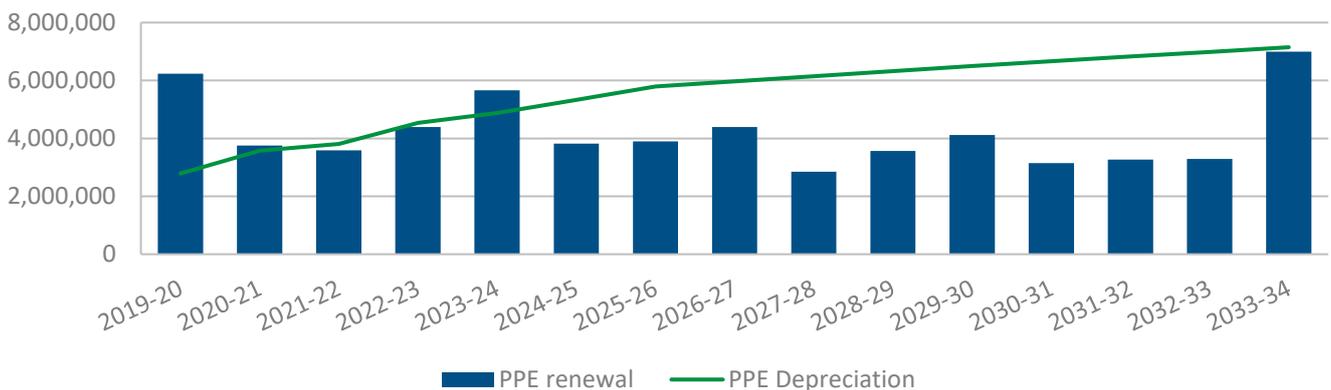
8.8.1 Infrastructure Depreciation Expense -V- Asset Renewal Expenditure



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.

Planned property, plant and equipment asset renewals of \$62.9m (reflected by the blue columns) over the 15 years is below depreciation expense of \$73.2m (reflected by the green line) over the same period as shown in the chart below.

8.8.2 Property, Plant and Equipment Depreciation Expense -V- Asset Renewal Expenditure



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.

9.0 Capital Overview

9.1 Community Demand

User demand for community infrastructure changes over time due to changing community interests and lifestyle. An accessible and sustainable urban environment, safe and fit for purpose were identified key focus areas within the Strategic Community Plan and have been included within this Plan.

9.2 Upgrade/New Expenditure

Upgrades to buildings and infrastructure are planned to occur over the next 15 years in response to community expectation. Where funds are available after undertaking essential renewal works, funds will be utilised for improvement and new works. Detailed annual planning will be undertaken for asset upgrade/new expenditure in the year the project occurs. New capital projects are listed by project in Appendix B15.

9.2.1 New Capital Projects by Asset Class

Asset Class	2019-20 - 2033-34 \$
Buildings	161,717,000
Furniture and Equipment	9,220,681
Infrastructure - Drainage	16,800,000
Infrastructure – Footpaths and Car Parks	39,950,000
Infrastructure - Other Improvements	91,663,000
Infrastructure - Parks and Ovals	2,560,000
Infrastructure - Roads	79,012,982
Plant and Equipment	42,681,589
Total	443,605,252

9.3 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.

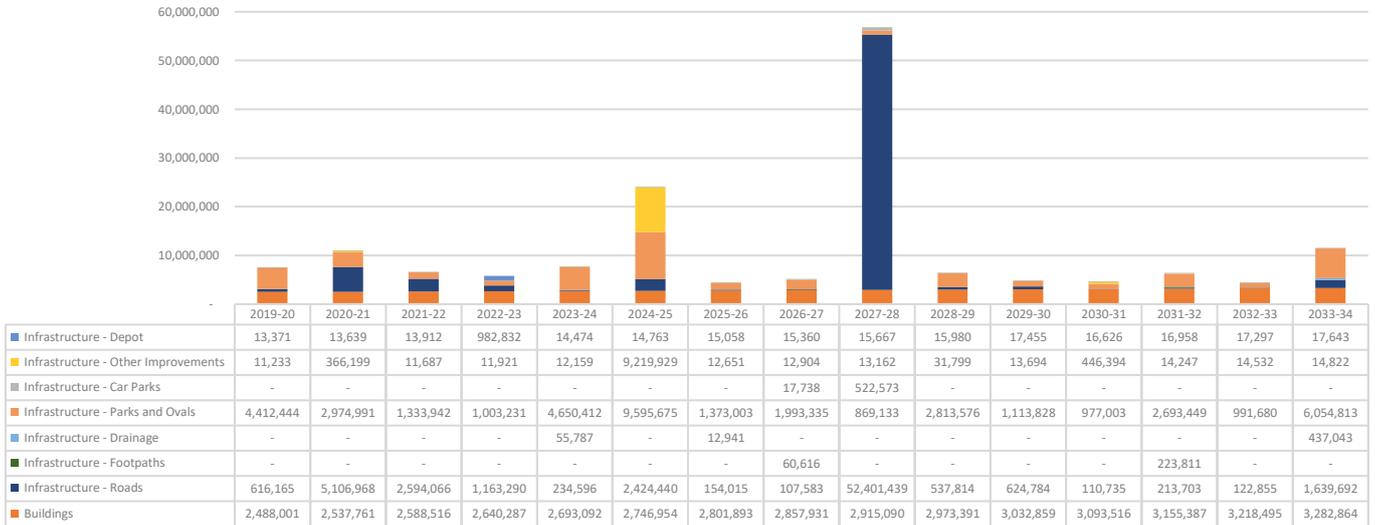
9.4 Renewal Expenditure

Asset renewal expenditure for the road network has been estimated based on road conditions and forecast usage. 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 the current replacement costs.

9.0 Capital Overview (Continued)

9.4.1 Required Asset Renewal Expenditure by Asset Class

Based on existing asset information and remaining useful life forecasts utilised for the valuation of fixed assets, required asset renewals have been forecast.

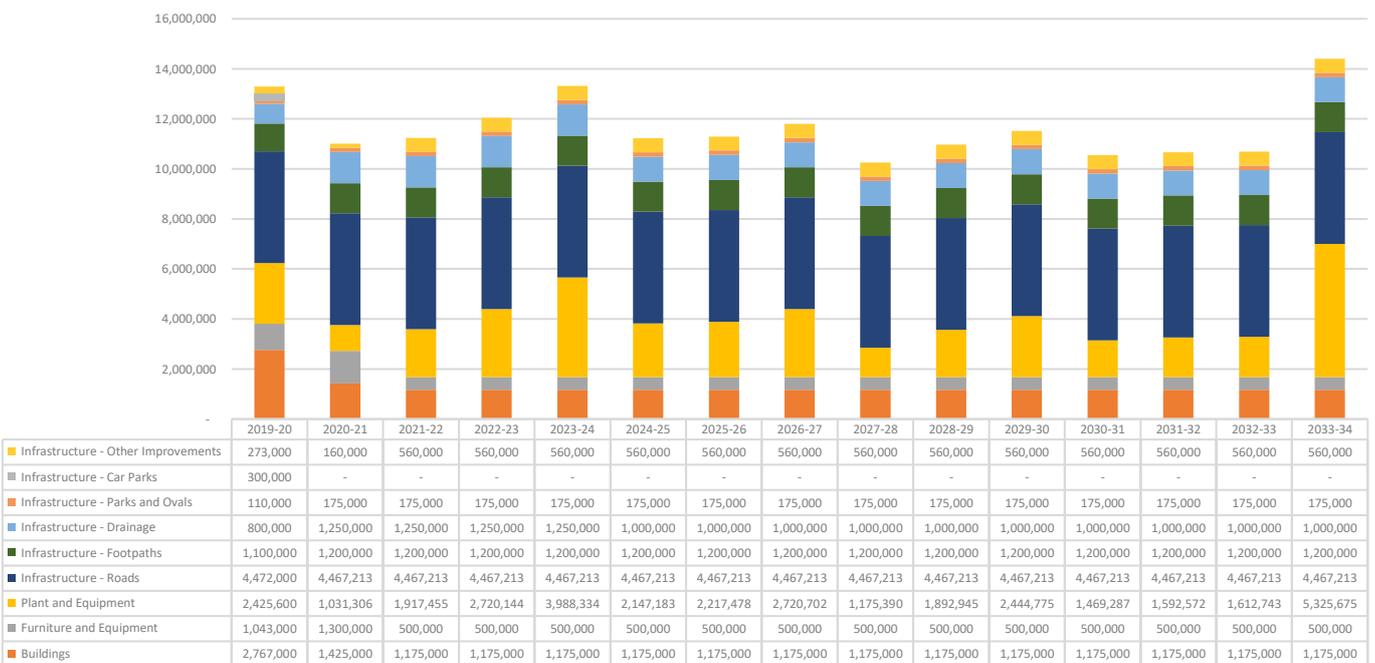


Renewal of roads in 2027-28 dominates the required asset renewal forecasts. Improvements in asset information, in particular remaining useful life forecasts, may result in significant variations to required asset renewal forecasts.

9.4.2 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 chart below.

9.4.3 Planned Asset Renewal Expenditure by Asset Class



Roads, Buildings and Plant and Equipment dominate the planned asset renewals expenditure.

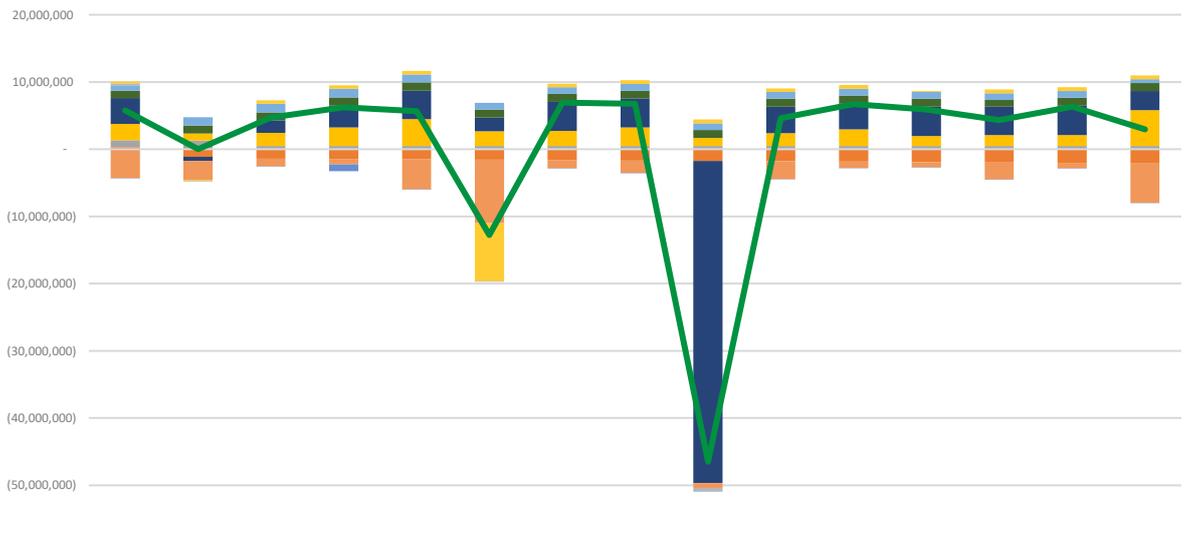
9.0 Capital Overview (Continued)

9.5 Asset Renewal Funding Surplus/(Deficit)

The Town is planning for renewal of all assets at the end of their useful life. 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 surplus or (deficit) for each asset class is shown by the columns in the chart below with the green line reflecting the net asset renewal funding surplus/(deficit) for each year.

The chart below reflects the asset renewal funding surplus varies throughout the term of the Plan and the overall surplus of \$7.6m. Improvements in the estimation of the required asset renewals may significantly impact the level of this surplus.

9.5.1 Asset Renewal Funding Surplus/(Deficit)



	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Infrastructure - Depot	(13,371)	(13,639)	(13,912)	(982,832)	(14,474)	(14,763)	(15,058)	(15,360)	(15,667)	(15,980)	(17,455)	(16,626)	(16,958)	(17,297)	(17,643)
Infrastructure - Other Improvements	261,767	(206,199)	548,313	548,079	547,841	(8,659,929)	547,349	547,096	546,838	528,201	546,306	113,606	545,753	545,468	545,178
Infrastructure - Car Parks	300,000	-	-	-	-	-	-	(17,738)	(522,573)	-	-	-	-	-	-
Infrastructure - Parks and Ovals	(4,302,444)	(2,799,991)	(1,158,942)	(828,231)	(4,475,412)	(9,420,675)	(1,198,003)	(1,818,335)	(694,133)	(2,638,576)	(938,828)	(802,003)	(2,518,449)	(816,680)	(5,879,813)
Infrastructure - Drainage	800,000	1,250,000	1,250,000	1,250,000	1,194,213	1,000,000	987,059	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	562,957
Infrastructure - Footpaths	1,100,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,139,384	1,200,000	1,200,000	1,200,000	1,200,000	976,189	1,200,000	1,200,000
Infrastructure - Roads	3,855,835	(639,755)	1,873,147	3,303,923	4,232,617	2,042,773	4,313,198	4,359,630	(47,934,226)	3,929,399	3,842,429	4,356,478	4,253,510	4,344,358	2,827,521
Plant and Equipment	2,425,600	1,031,306	1,917,455	2,720,144	3,988,334	2,147,183	2,217,478	2,720,702	1,175,390	1,892,945	2,444,775	1,469,287	1,592,572	1,612,743	5,325,675
Furniture and Equipment	1,043,000	1,300,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Buildings	278,999	(1,112,761)	(1,413,516)	(1,465,287)	(1,518,092)	(1,571,954)	(1,626,893)	(1,682,931)	(1,740,090)	(1,798,391)	(1,857,859)	(1,918,516)	(1,980,387)	(2,043,495)	(2,107,864)
Total	5,749,385	8,961	4,702,545	6,245,797	5,655,027	(12,777,365)	6,925,129	6,732,448	(46,484,460)	4,597,597	6,719,369	5,902,225	4,352,230	6,325,097	2,956,010

The significant gap in 2027-28 is due to the forecast required renewal of roads. Improvement in the forecasting of these renewals is likely to result in significant change in timing.

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

10.0 Forecast New Capital Projects

The table below reflects the new capital projects planned to be undertaken over the 15 years of the Plan resulting in an increase in the level of service to the community.

Project	\$
Buildings	
Colin Matheson Change Rooms	400,000
Creche at SHAC (utilising existing residence)	200,000
Depot buildings/structures (permanent buildings - lease ends Nov 2020)	1,400,000
Dog and Cat Pound Welfare Compliant	1,500,000
JD Hardie Airconditioning Upgrades	2,050,000
JD Hardie roof Upgrades	2,000,000
JD Hardie Youth Zone redevelopment Stage 2,3,4	30,000,000
Port Hedland community Facilities - McGregor Street Precinct Stage 1	12,000,000
Port Hedland community Facilities - McGregor Street Precinct Stage 2	5,000,000
Records storage at Depot	150,000
South Hedland Daycare Centre	2,000,000
South Hedland Sports Precinct Stage 1	250,000
South Hedland Sports Precinct Stage 2	24,750,000
South Hedland Sports Precinct Stage 3	15,000,000
Spoilbank Marina Landside Buildings	12,000,000
Staff Housing construction	11,550,000
Stevens Street Retirement Village (refurbishment or redevelopment)	12,000,000
West End Activation	10,000,000
Buildings Total	142,250,000
Furniture and Equipment	
JD Hardie internal CCTV upgrade	50,000
SHAC security program	297,000
Stretch screen surface and structural components for outdoor movies	30,681
Furniture and Equipment Total	377,681
Infrastructure - Drainage	
Wanangkura Stadium Drainage	1,000,000
Infrastructure - Drainage Total	1,000,000
Infrastructure - Footpaths	
Cooke Point/Pretty Pool pedestrian link	7,250,000
Dual-use Path and lighting Masterplan (executing the plan)	7,500,000
Implement Trails Masterplan	7,000,000
Infrastructure - Footpaths Total	21,750,000
Infrastructure - Other Improvements	
Activate Landfill Masterplan Stage 1,2,3 (Land acquire, Transfer Station, Solar)	12,950,000
Condon/Shellborough Townsite	5,000,000
Finucane Island Boat Ramp Renewal	2,000,000
Foreshore Management Plan CHRMAP	6,000,000
Implement Smart City Strategies	5,000,000
Port Hedland Cemetery Masterplan Preparation and implementation	1,300,000
Port Hedland Golf Club Masterplan Preparation and implementation	9,000,000
Restricted access control programme	3,000,000
Rural residential areas road new and upgrades (Bosna/Redbank/Turner River)	5,000,000
Shade Structures South Hedland Skate Park	1,000,000
South Hedland Cemetery Masterplan Implementation Stage 1	2,600,000
South Hedland Townsite Masterplan Activation	6,100,000
Spoilbank Marina - Waterside	25,000,000
Infrastructure - Other Improvements Total	83,950,000
Infrastructure - Roads	
Wedgefield Industrial Road Network Route 1 (Includes Drainage)	6,000,000
Wedgefield Industrial Road Network Route 2 (Includes Drainage)	6,000,000
Infrastructure - Roads Total	12,000,000
Plant and Equipment	
Upgrade facilities on Active Reserves	8,000,000
Plant and Equipment Total	8,000,000
Grand Total	269,327,681

11.0 Financing Overview

In general, the finances of the Town are expected to remain stable over the term as represented in the graph below.

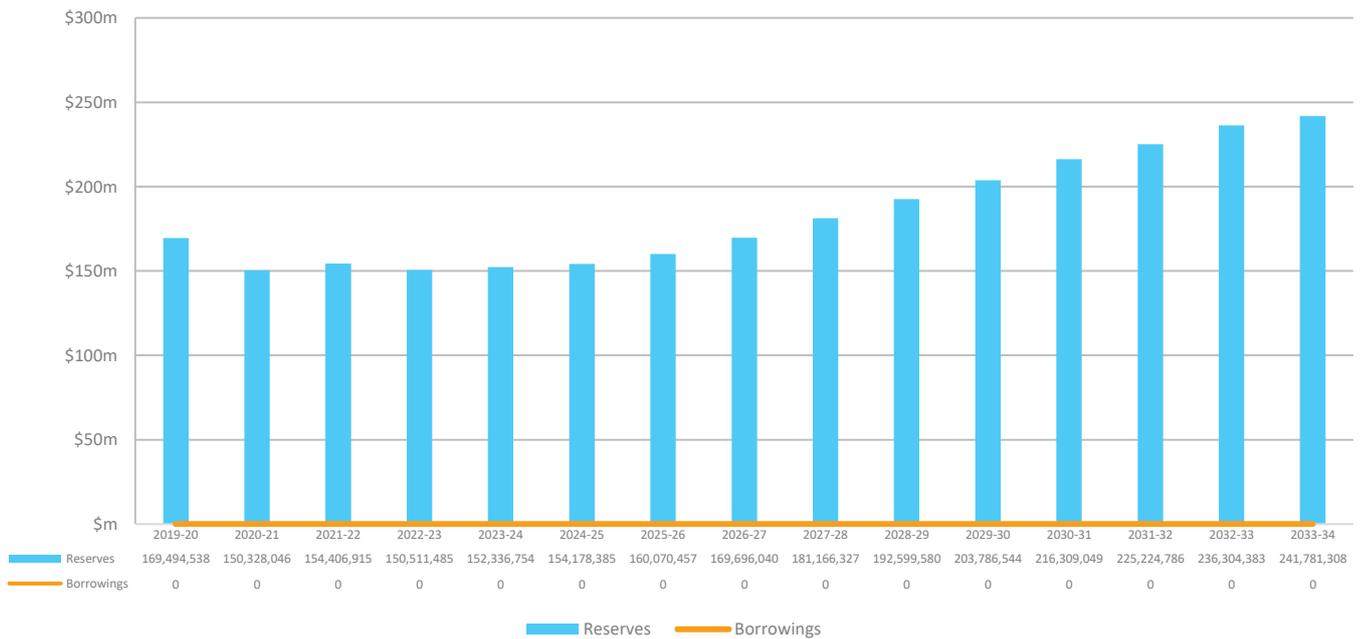
11.1 Borrowings

There are no loans forecast in the Plan. The principal outstanding on borrowings is intended to be settled in 2018-19. This provides the Town with increasing capacity to borrow in reaction to unplanned events or urgent issues over the life of the Plan.

11.2 Cash Reserves

The balance of cash reserves is forecast to increase as funds are set aside for future required asset renewals.

11.2.1 Forecast Borrowings and Cash Reserves



12.0 Risk Management

12.1 Risk Management

The Town 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 Town intends to formalise its risk based management practices to improve the management of identified risks.

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 Town 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 Town.

12.2 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.

12.3 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.

13.0 Assumptions, Risks, Uncertainties and Sensitivity

13.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
District Growth in Population: The number of residents in the Town is expected to increase steadily.	High	Significant and sudden fluctuations in population may result in sudden changes in rate revenue and operating expenditure.	High	± \$7,631,266 to the value of Rates revenue per 1% movement in the value over the life of the Plan. ± \$10,614,960 to the value of operating expenditure per 1% movement in the value over the life of the Plan.
Rates revenue attributable to State Agreements: Ability to rate State Agreement properties is subject to change by the State Government of the day and valuations are open to challenge by the rate payer.	High	Significant decrease in rate revenue will impact on the ability to maintain current service levels and the asset renewal program.	High	Loss of \$10m in rate revenue in the early years of the Plan, increasing by 2.5% per annum over the life of the Plan.
Rates Level Increase: Annual rates have been based on an increase in the total rate yield in line with the forecast inflation rate of 2%.	Low	Not assessed as high financial risk.	High	± \$7,631,266 to the value of Rates revenue per 1% movement in the value over the life of the Plan.
Operating Grants and Contributions: Increases in line with inflation forecast.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Non-operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Fees and Charges: Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Interest Earnings: Interest earning of an average rate of 2.50% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Revenue: Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Profit on Asset Disposal: Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

13.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

13.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Employee Costs: Increasing 5% (3% + CPI 2%) for the initially and from 2021-22 onwards increased annually by 3% (1% + 2% CPI).	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Materials and Contracts: Increased annually by forecast inflation.	High	Sudden changes in population may result in significant variations to materials and contracts	High	± \$2,456,636 to the value of materials and contracts per 1% movement in the value over the life of the Plan.
Depreciation: Depreciation has been calculated using an average rate for each asset class based on the weighted average estimated remaining useful life of assets in the class.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Insurance: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Expenditure: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Loss on Asset Disposal: A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

13.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

13.3 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
Revaluations: In line with annual inflation.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	±\$3,105,146 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$2,715,920 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
Impairment of Assets: No impairment of assets has been assumed over the life of the Plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.	Medium	Unable to be quantified.
Infrastructure Assets: Expenditure has been based on historical levels escalated by inflation.	High	The capital works program is not highly dependent on Government grants and contributions. Changes in these levels would not have a significant impact on the amount spent on capital projects or on service levels.	High	±\$1,487,933 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
Property, Plant and Equipment: Building expenditure is in accordance with the asset management 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 and plant and equipment replacement is not significantly influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.

13.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

13.4 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
Borrowings: In line with the Town's financial management strategy and level of reserve funds, borrowings are only considered as the final option for funding and are not currently planned to be utilised.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Employee Entitlements: It has been assumed the Town 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.

13.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

13.5 Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Cash Backed Reserves: It has been assumed the Town will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Revaluation Surplus: Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluations of assets will have no impact on Cashflows.	High	±\$3,105,146 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$2,715,920 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

13.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

13.6 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
Ownership of Strategic Assets: The Town has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
Inflators: Forecast inflation at 2% per annum.	Medium	Not assessed as high financial risk.	High	± \$10,923,908 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$10,614,960 to operating expenditure per 1% movement in the inflators over the life of the Plan.
Commercial Activities: The Town has no plans to undertake any new significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
General Economic Forecasts for State: The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for the Region: Historically, the region's economy is heavily dependent on the economy of the mining industry and the State as whole and this remains the assumption for the term of this Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

14.0 Monitoring and Performance

14.1 Monitoring

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

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

14.2 Performance Assessment

A series of performance indicators, in the form of financial ratios, have been used to assess the financial performance of the Town.

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*.

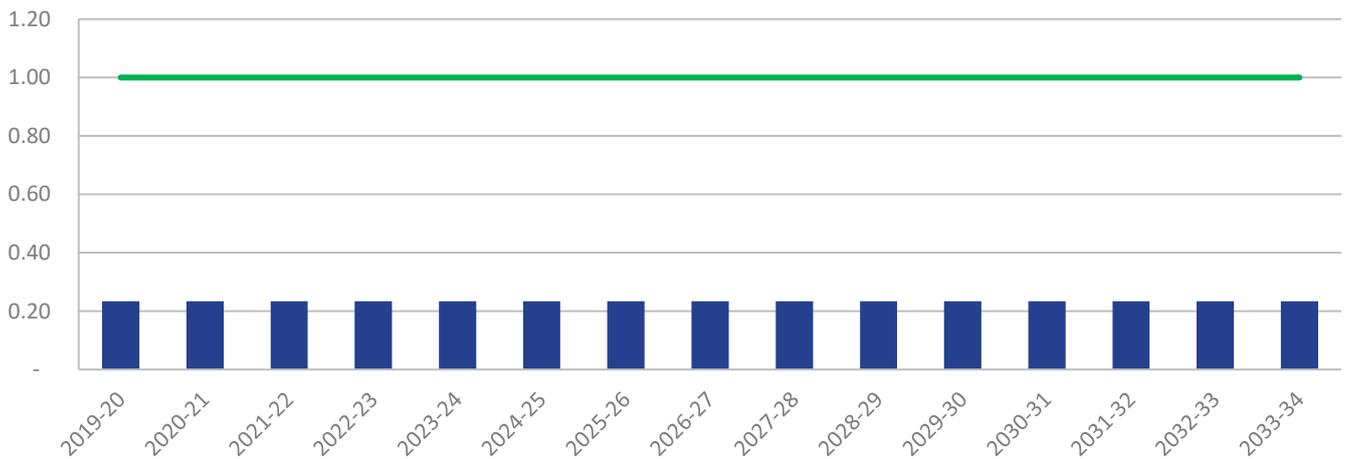
Graphs of these financial ratios are presented on the following pages together with the formula used to calculate the ratio, a brief description of what the ratio indicates and an assessment of the impact of the ratio on the Town's finances in the future.

14.3 Ratio Targets

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

14.0 Monitoring and Performance (Continued)

14.1 Forecast Ratio Analysis – Current Ratio

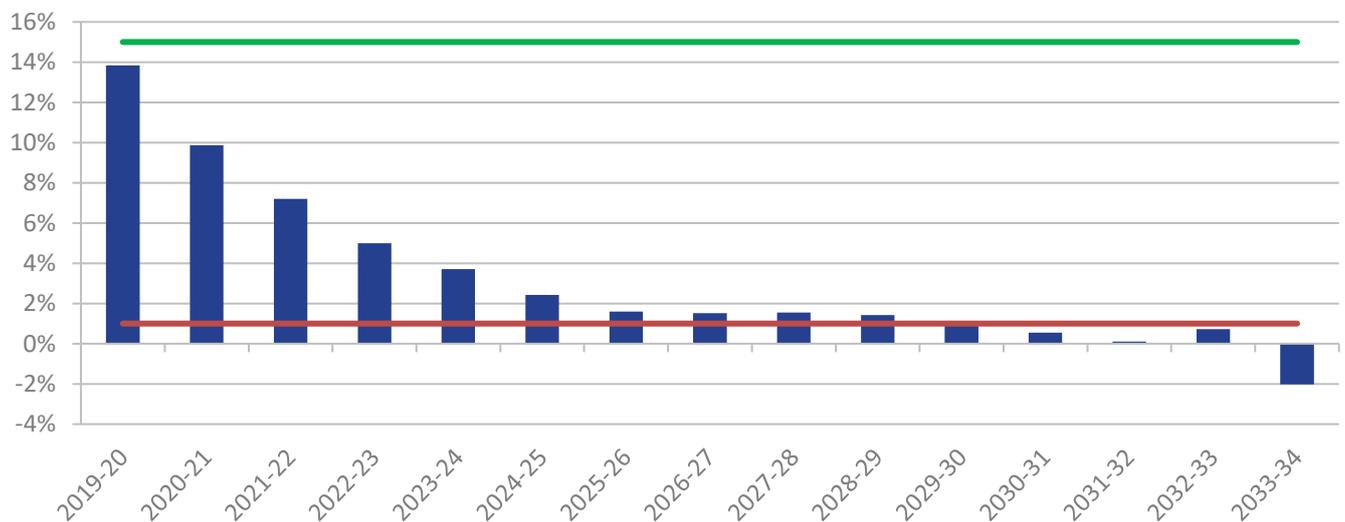


$$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets minus current liabilities associated with long term borrowings}}$$

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

Commentary: As expected for a local government with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0. The trend is not considered to indicate a threat to the Town’s long term financial position.

14.2 Forecast Ratio Analysis – Operating Surplus Ratio



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

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

Commentary: The impact of depreciation expense on the income statement results in a declining forecast operating surplus ratio. The ratio is not considered a significant threat and highlights a need to review the appropriateness of depreciation expense.

14.0 Monitoring and Performance (Continued)

14.3 Forecast Ratio Analysis – Own Source Revenue Coverage Ratio



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

Commentary: The ratio is above the target range, indicating the Town is not heavily reliant on external funding to continue to operate.

14.4 Forecast Ratio Analysis – Debt Service Coverage Ratio

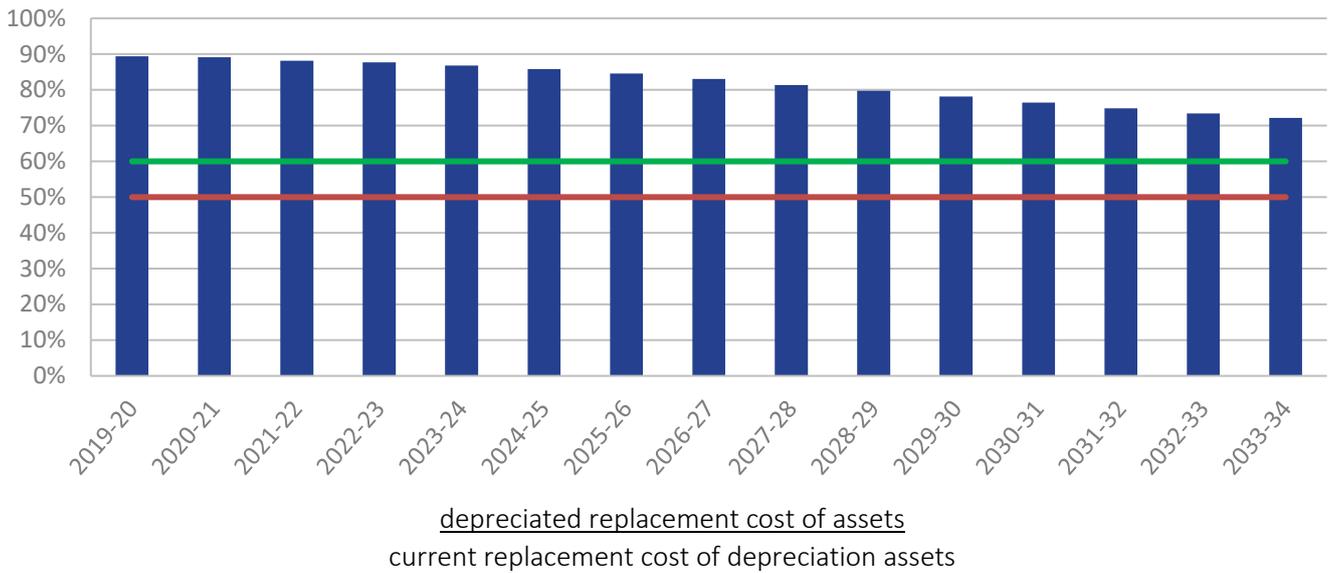
$$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$$

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

Commentary: The Town has not planned to take up any borrowings for the term of this Plan. The ratio indicates the Town has a capacity to borrow in the short term with increasing capacity for the term of the Plan.

14.0 Monitoring and Performance (Continued)

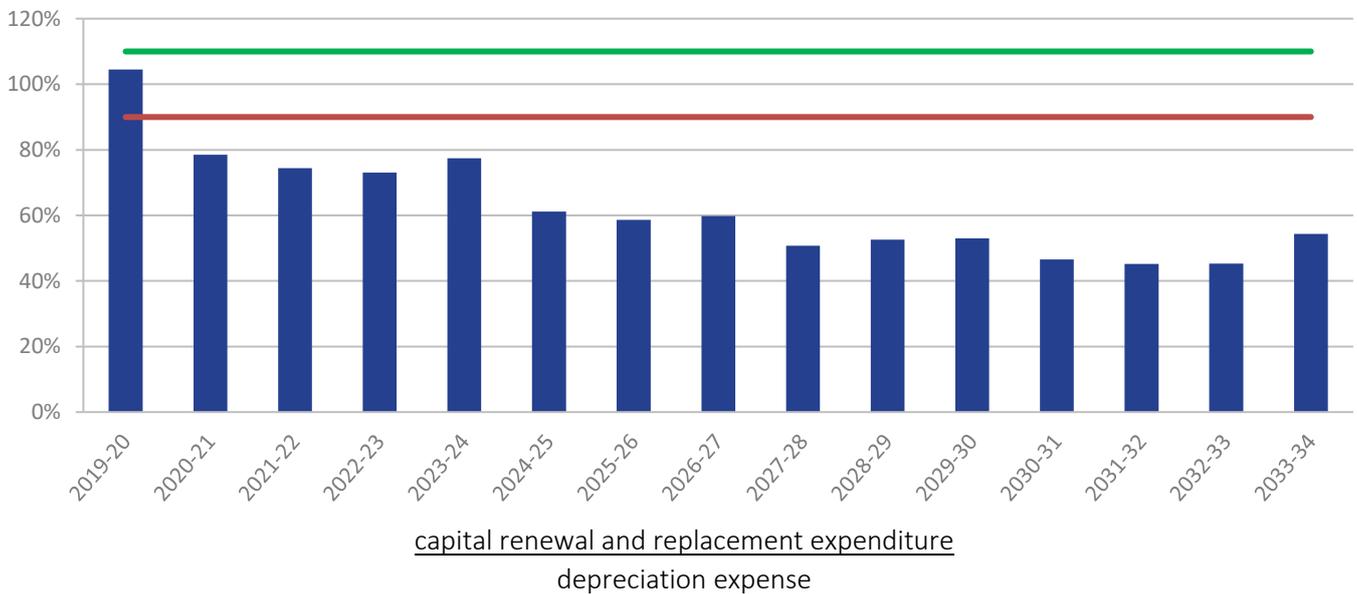
14.5 Forecast Ratio Analysis – Asset Consumption Ratio



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

Commentary: The ratio is above the target range with assets being renewed at adequate levels to maintain the average age of assets, however the ratio is declining steadily over the term of the Plan, indicating a potential risk in the years following the Plan.

14.6 Forecast Ratio Analysis – Asset Sustainability Ratio

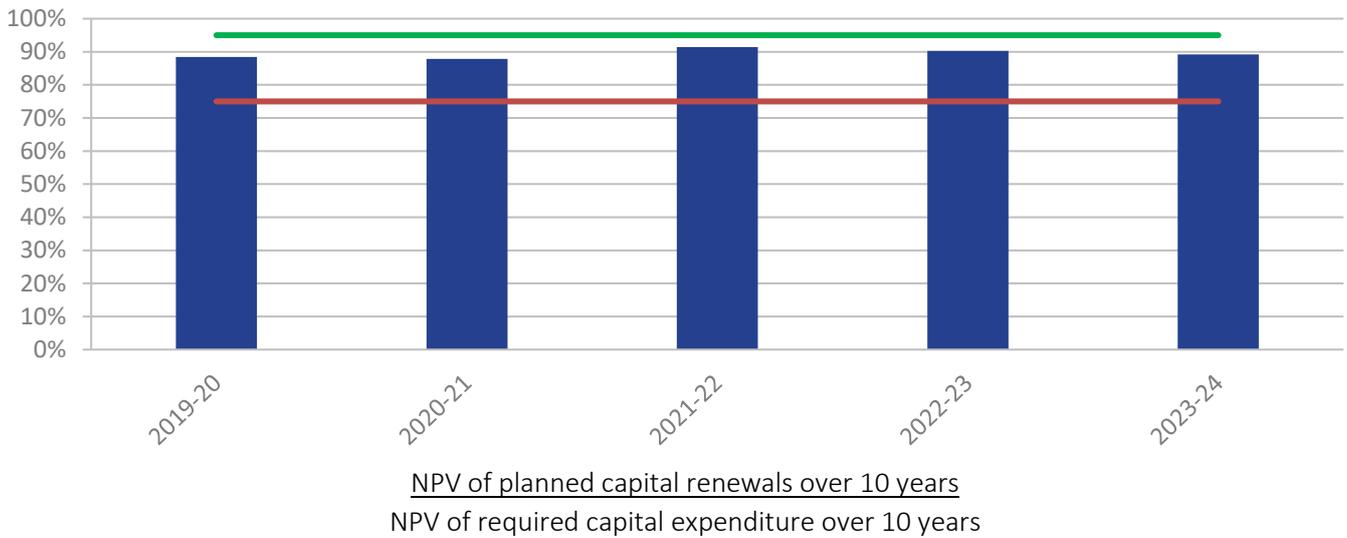


Indication: A measure of the extent to which assets managed by the Town are being replaced as they reach the end of their useful lives.

Commentary: The ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio averages at 62.35% over the term of the Plan which is below the guideline level of 90% and indicates the Town is generally not renewing assets in line with the level of depreciation expense. Given the extent of the new asset program and the resulting increasing in depreciation expense relating to assets with a useful life beyond 10 years the ratio is not considered to indicate a threat to the financial management of the Town.

14.0 Monitoring and Performance (Continued)

14.7 Forecast Ratio Analysis – Asset Renewal Funding Ratio



Indication: The Town’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 for the first five years of the Plan).

Commentary: The ratio is above the target ratio with planned asset renewal expenditure being above required asset renewal expenditure as set out in this Plan. Further improvements in forecasting the remaining useful lives of assets may result in a decrease in this ratio.

15.0 Improvement Plan

15.1 Strategic Resource Improvement Plan

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

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

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

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

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

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

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

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

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

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Appendix A1 – Infrastructure - Roads

1.1 Significant Matters

The ongoing provision of the road network remains one of the key priorities and large expenditure items for the Town. The continued planning for future road infrastructure renewals influenced by condition based estimation of the remaining useful life is essential to reducing the risk of sudden unexpected road failure.

1.2 Road Inventory

The Town of Port Hedland has a road network servicing an area of 18,417¹ square kilometres. Road assets within this Plan include the following components:

- Bridges;
- Bus Shelters
- Signage; and
- Access, Local Distributor and Regional Distributor Roads.

Road asset information is recorded within a road inventory database. In 2015, a road infrastructure valuation was undertaken and forms the basis of the measurements and current replacement cost estimates. Verification of the accuracy of the valuation data is not within the scope of this Plan and has not been undertaken.

Utilising the dimension data held in the Town'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 below.

Road Assets	Current Replacement Cost (\$)
Access Roads	
Asphalt	\$14,165,663
Brick Paved	\$552,228
Gravel	\$35,863,123
Sealed	\$29,037,847
Access Roads Total	\$79,618,863
Local Distributor Roads	
Asphalt	\$4,899,021
Sealed	\$9,366,435
Local Distributor Total	\$14,265,457
RAV	
Asphalt	\$3,288,685
Gravel	\$3,408,709
Sealed	\$13,710,774
RAV Total	\$20,408,168
Regional Distributor Roads	
Asphalt	\$877,578
Sealed	\$4,757,716
Regional Distributor Roads Total	\$5,635,295
Bridges Total	\$15,242,594
Bus Shelters Total	\$411,336
Signage Total	\$56,211
Grand Total	\$135,637,925

¹ Australian Bureau of Statistics Port Hedland (T) (LGA57280) 2016 Census of Population and Housing. (22 January 2018)

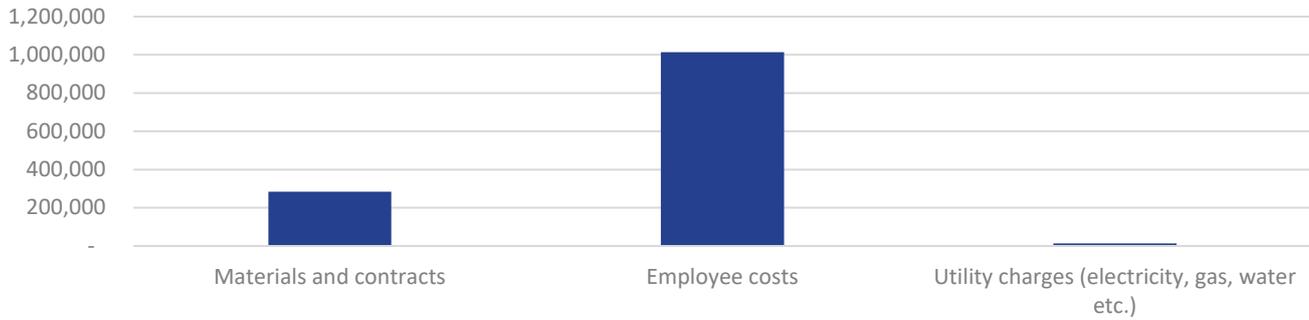
Appendix A1 – Infrastructure - Roads (Continued)

1.3 Financial Summary

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

1.3.1 Maintenance Expenditure by Nature or Type

Road maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2019-20:



As far as possible the road maintenance program is scheduled annually, based on staff knowledge of road conditions and expected traffic volumes.

1.3.2 New Expenditure

Upgrades to roads assets and associated drainage is planned for the initial years of the Plan to improve the quality of the road network in Wedgefield. Appendix B15 details this expenditure.

Appendix A1 – Infrastructure - Roads (Continued)

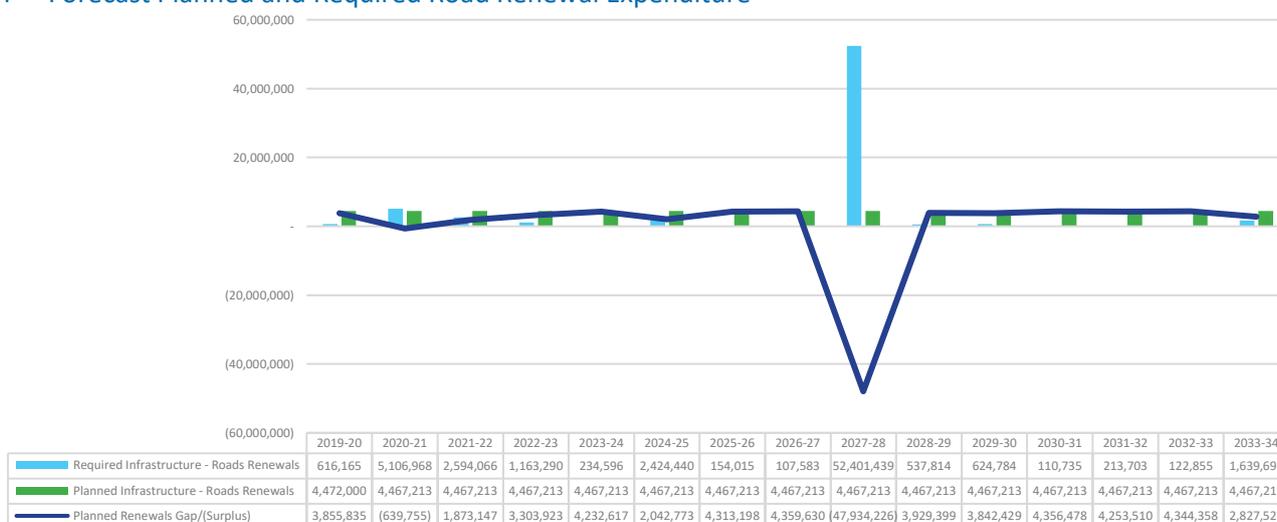
1.3.3 Renewal Expenditure

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

In the chart below, planned road expenditure is shown as green columns, with required road renewals as the blue columns. The light blue line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$67m. Required road renewal is calculated at \$68m for the term, overall there is a \$1m renewal surplus for the Town’s road assets.

Additional road renewal expenditure in 2027-2028 relates to a significant road resealing program of roads resealed or constructed two years ago.

1.3.4 Forecast Planned and Required Road Renewal Expenditure



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

The values represented in the chart above are detailed in the table below.

	Required Roads Renewals \$	Planned Roads Renewals \$	Roads Renewal Funding (Gap)/Surplus \$
2019-20	616,165	4,472,000	3,855,835
2020-21	5,106,968	4,467,213	(639,755)
2021-22	2,594,066	4,467,213	1,873,147
2022-23	1,163,290	4,467,213	3,303,923
2023-24	234,596	4,467,213	4,232,617
2024-25	2,424,440	4,467,213	2,042,773
2025-26	154,015	4,467,213	4,313,198
2026-27	107,583	4,467,213	4,359,630
2027-28	52,401,439	4,467,213	(47,934,226)
2028-29	537,814	4,467,213	3,929,399
2029-30	624,784	4,467,213	3,842,429
2030-31	110,735	4,467,213	4,356,478
2031-32	213,703	4,467,213	4,253,510
2032-33	122,855	4,467,213	4,344,358
2033-34	1,639,692	4,467,213	2,827,521
Total	68,052,145	67,012,982	(1,039,163)

Appendix A1 – Infrastructure - Roads (Continued)

1.4 Level of Service

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

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

1.4.1 Road Construction

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

1.4.2 Road Maintenance

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Sealed Road Maintenance/Drainage			
Condition	Sealed 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 sealed 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.
Function	To ensure that any maintenance issues that arise are dealt with promptly.	Within 2 working days of notification.	95% addressed.
Safety	To provide a sealed road network 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 A1 – Infrastructure - Roads (Continued)

1.5 Risk Management

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

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

1.6 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 Town to forecast future road renewal priorities.

Appendix A2 – Infrastructure - Drainage

2.1 Significant Matters

The Town provides a network of stormwater drainage and sewerage infrastructure. This includes culverts, pipes, basins, drains and pumps. The determination of appropriate intervention points for renewal work, along with forecasting the timing and amount of funding required, is important to ensure this work can be undertaken prior to any asset failure. A current assessment reflects drainage assets with a current replacement cost of \$23.5m. Further detailed investigation of these assets is required to confirm the timing and costs of the required renewal intervals.

Asset renewal of drainage assets prior to its failure helps prevent damage to other assets including roads.

2.2 Inventory

The Town is developing a basic drainage asset inventory. This is maintained within the road asset inventory system. Utilising the dimension data held and the unit rates provided by the Town, a current replacement cost has been estimated as set out below.

Drainage Type	Current Replacement Cost (\$)
Culvert	\$9,668,986
Detention Basin	\$291,817
Open Drain	\$10,832,388
Stormwater Pits	\$309,462
Stormwater Pipes	\$2,059,528
Floodwater Pump	\$300,000
Grand Total	\$23,462,182

1.6.1

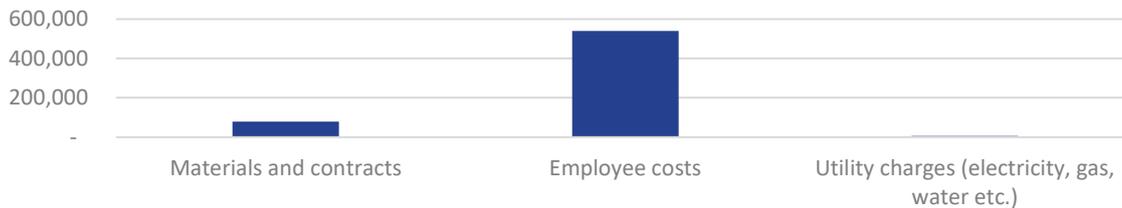
Appendix A2 – Infrastructure - Drainage (continued)

2.3 Financial Summary

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

2.3.1 Maintenance Expenditure by Nature or Type

Drainage maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2019-20:



As far as possible the drainage maintenance program is scheduled annually with the road maintenance program, based on staff knowledge of road conditions and expected traffic volumes.

2.3.2 New Expenditure

Upgrades to the drainage at Wanangura Stadium of \$1m is planned for 2020-21.

2.3.3 Renewal Expenditure

Accurate forecast renewal requirements for drainage have not been determined with remaining useful life forecasts based on the type of drain rather than the age or condition of the drainage. As a consequence, no cashflow requirements for drainage renewals have been forecast.

The Plan has a nominal amount forecast for planned drainage renewal expenditure. Actual timing of road drainage renewals should be aligned to the renewal of the road pavements and requires further detailed analysis and planning before the expenditure is incurred.

In the chart below, forecast planned drainage expenditure is shown by the green columns, with required drainage renewals as the blue columns. The blue line indicates the difference between the two expenditure levels. Planned drainage renewal over the term of the Plan is \$15.8m. Required drainage renewal of \$0.5m is forecast for the term of the Plan, resulting in a renewal surplus of \$15.3m currently forecast.

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



Appendix A2 – Infrastructure - Drainage (continued)

2.4 Level of Service

Level of service measures have not been routinely recorded or reported on. The following drainage and kerbing level of service indicators are provided in the tables below.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Road Maintenance/Drainage			
Condition	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. Routine road inspection.	One complaint per road per year. Two per year with managers.
Function	To ensure that all 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.
Function	To ensure that any maintenance issues that arise are dealt with promptly.	Within 2 working days of notification.	95% addressed.
Safety	To provide a 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.

2.5 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 drainage asset network (including road conditions) and forecasting of road renewal timing and costs is essential for managing the road and drainage 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 Town to forecast future drainage renewal priorities.

Appendix A3 – Infrastructure - Footpaths

3.1 Significant Matters

The Town provides a network of footpaths for pedestrians and other users and has developed a basic footpath asset inventory and is developing and implementing an annual assessment process for related infrastructure. A footpath program has been identified to be established and implemented in the future.

3.2 Inventory

Footpath asset information is recorded within the Town's road inventory database. The assets within the asset class were valued in 2015 with all road infrastructure assets. The current replacement cost at the time of the last valuation was \$27.1m.

3.2.1 Composition of Estimated Current Replacement Cost of Footpaths

Footpath Type	Length	Current Replacement Cost \$
Asphalt	1,159	82,549
Asphalt Paving		36,064
Bitumen	75	7,393
Brick Paving	2,297	2,497,823
Cement Concrete	120,251	24,085,323
Cement Slabs	2,110	333,401
Special	120	31,174
Grand Total	126,014	27,073,728

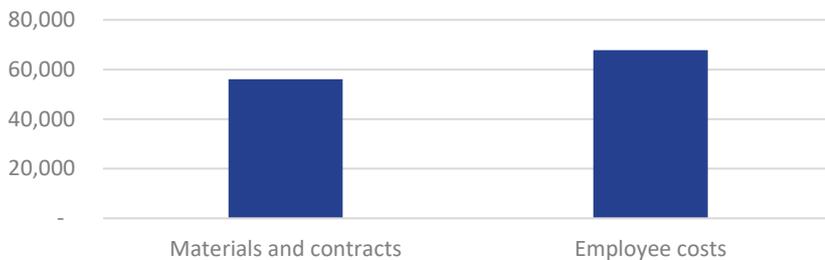
Appendix A3 – Infrastructure - Footpaths (Continued)

3.3 Financial Summary

Financial impacts of managing the Town footpath assets are broken down into maintenance, new and renewal expenditure, each examined separately as follows.

3.3.1 Maintenance Expenditure by Nature or Type

Footpath maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2019-20:



As far as possible the footpath maintenance program is scheduled annually with the road maintenance program, based on staff knowledge of footpath conditions.

3.3.2 New Expenditure

Development of dual use pathways and lighting is planned at \$21.7m over the term of the Plan in line with the Town’s Master Plans.

3.3.3 Renewal Expenditure

Footpaths have limited detailed forecast renewal expenditure. Work is prioritised using staff knowledge of the conditions of the footpaths.

In the chart below, forecast planned footpaths expenditure is shown by the green columns, with required footpaths renewals as the blue columns. The blue line indicates the difference between the two expenditure levels. Required footpaths renewal is calculated at \$284k for the term of the Plan, with planned footpath renewals of \$18m.

3.3.4 Forecast Planned and Required Footpath Renewal Expenditure



Significant footpath renewals are reflected in the chart as planned for the term of the Plan. Further footpath assessments are required to determine the likely intervention timing for each sector of footpath.

Appendix A3 – Infrastructure - Footpaths (Continued)

3.4 Level of Service

Levels of service have not been previously monitored. Detailed performance measures and performance targets for footpaths are defined in the table below.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Condition	Footpaths are maintained to a reasonable standard and on a regular basis.	Customer complaints.	One complaint per year.
		Routine footpath inspection.	Two per year with managers.
Function	To ensure that all footpaths are maintained in order to provide a useable and safe footpaths network for users.	Customer complaints.	One complaint per year.
Function	To ensure that any maintenance issues that arise are dealt with promptly.	Within 2 working days of notification.	95% addressed.
Safety	To provide a footpath network that is free of hazards.	Hazard removed within 2 hours of notification.	95% addressed.
Cost Effectiveness	Efficient footpath maintenance program.	Maintenance program completed within timeframe and on budget.	100% completed within timeframe and on budget.

Appendix A3 – Infrastructure - Footpaths (Continued)

3.5 Risk Management

An assessment of risks associated with footpaths has identified the following risks and the treatment strategy for each risk.

Risk	Consequence	Risk Rating	Risk Treatment Plan
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	Footpath 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.

3.6 Improvement Plan

Allocating resources to improving asset management planning for footpaths is not currently viewed as a priority as the associated risks are able to be managed through annual operational planning.

Appendix A4 –Infrastructure – Other

4.1 Significant Matters

The Town controls a network of other infrastructure made up of the following:

- Car parks;
- Landfill;
- Depot; and
- Other minor facilities.

The nature of these assets is one of changing requirements due to both community expectations and climatic conditions and will require further analysis to fully consider future funding requirements.

4.2 Inventory

The Town’s other infrastructure current replacement cost at the time of valuation in 2015 was \$16.1m.

4.2.1 Composition of Estimated Current Replacement Cost of Other Infrastructure Assets

Infrastructure - Other	Estimated Current Replacement Cost (\$)
Car Parks	\$7,824,914
Depot	\$2,176,221
Other Improvements	\$8,179,000
Infrastructure - Other Total	\$18,180,135

4.3 Financial Summary

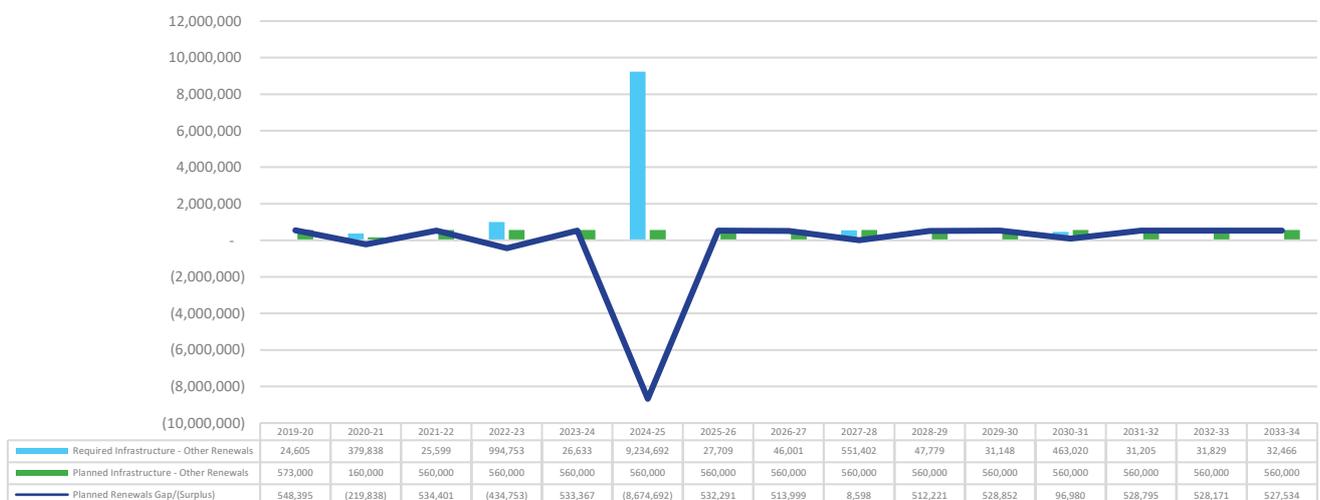
The financial impacts of managing the Town’s other infrastructure assets including the maintenance and renewal costs are included under Appendix A1 Infrastructure - Roads.

4.3.1 Renewal Expenditure

In the chart below, forecast planned other asset expenditure is shown by the orange columns, with required other infrastructure renewals as the blue columns. The grey line indicates the difference between the two expenditure levels.

4.3.2 Required v Planned Asset Renewals

The high required renewals in 2024-25 relates to the landfill facility which is planned to be replaced by a new facility.



Appendix A4 – Infrastructure - Other (Continued)

4.4 Level of Service

Detailed performance measures and performance targets for Infrastructure-Other 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 infrastructure - other is not currently viewed as a priority as risks are able to be managed through annual operational planning.

Appendix A5 – Infrastructure - Parks and Ovals

5.1 Significant Matters

The Town controls a network of parks and reserves made up of the following:

- Sport and Recreation facilities;
- Active and passive reserves; and
- Other minor facilities.

The nature of these assets is one of changing requirements due to both community expectations and climatic conditions and will require further analysis to fully consider future funding requirements.

5.2 Inventory

The Town's parks and ovals assets current replacement cost at the time of valuation in 2015 was \$40.9m.

5.2.1 Composition of Estimated Current Replacement Cost of Parks and Ovals Assets

Parks and Ovals	Estimated Current Replacement Cost (\$)
Barbecues	\$172,368
Bollards	\$166,770
Electricity Meter Box	\$20,304
Fencing	\$2,470,451
Irrigation	\$7,475,686
Irrigation and Floodlight Control	\$1,332,000
Irrigation Shed	\$7,973
Lighting Cabinet	\$10,800
Monument	\$1,436,668
Parks & Gardens Shelters	\$1,541,955
Parks Lighting	\$1,498,320
Pool Structures	\$8,388,225
Public Amenity Buildings	\$93,712
Recreation Shade Structures	\$2,593,975
Recreation Structures & Buildings	\$387,636
Signage	\$163,865
Sport Lighting	\$2,057,400
Street Furniture	\$183,360
Water Tanks	\$279,538
Aquatic Centre	\$1,678,054
Scoreboard	\$250,000
Play Equipment	\$4,203,012
Boat ramp	\$449,303
Boardwalk	\$285,120
Courts	\$1,286,820
Dump Point	\$9,293
Footbridge	\$2,142
Pea Gravel	\$185,911

Appendix A5 – Infrastructure - Parks and Ovals (Continued)

5.2.1 Composition of Estimated Current Replacement Cost of Other Infrastructure Assets (continued)

Parks and Ovals	Estimated Current Replacement Cost (\$)
Jetty	\$39,600
Concrete Slab	\$95,795
Steps	\$257
Viewing Platform	\$495,558
Playground	\$344,681
Wall	\$990,406
Limestone Wall	\$305,214
Parks and Ovals Total	\$40,902,179

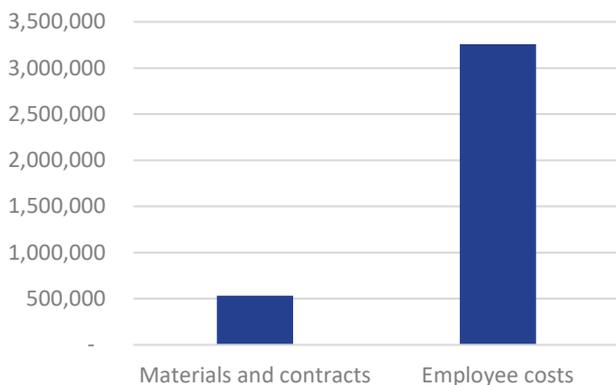
5.3 Financial Summary

The financial impact of managing the Town’s parks and ovals assets is broken down into maintenance, new and renewal expenditure, each of which is examined separately.

5.3.1 Maintenance Expenditure by Nature and Type

Parks and reserves maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2019-20:

5.3.2 New Expenditure



No new parks and ovals expenditure is planned for the term of the Plan.

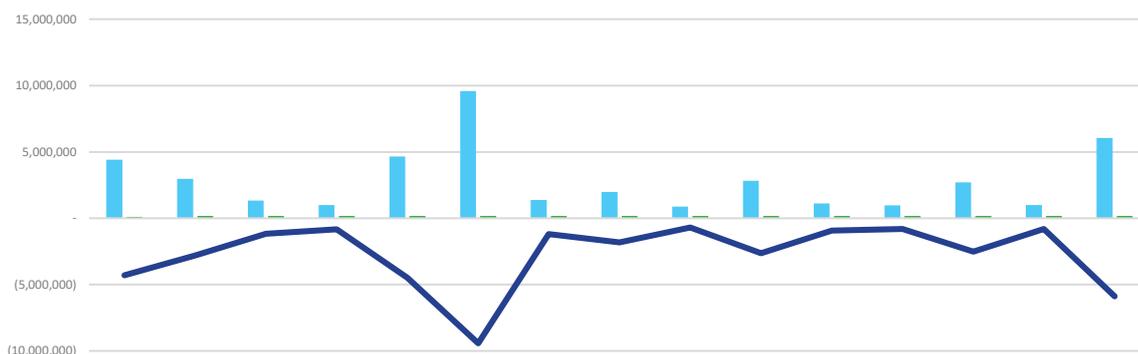
Appendix A4 – Infrastructure - Parks and Ovals (Continued)

5.3.3 Renewal Expenditure

Required parks and ovals asset renewals over the next 15 years have been forecast based on the estimated remaining useful life of the assets per the valuation. Minor asset renewals will be determined and funded within the annual budget cycle.

The Plan has allocations for the renewal of other infrastructure. In the chart below, planned expenditure is shown as the green columns, with forecast required renewals shown as the blue columns. The blue line shows the variation between the two levels.

5.3.4 Forecast Planned and Required Parks and Ovals Asset Renewal Expenditure



	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Required Infrastructure - Parks and Ovals Renewals	4,412,444	2,974,991	1,333,942	1,003,231	4,650,412	9,595,675	1,373,003	1,993,335	869,133	2,813,576	1,113,828	977,003	2,693,449	991,680	6,054,813
Planned Infrastructure - Parks and Ovals Renewals	110,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Planned Renewals Gap/(Surplus)	(4,302,444)	(2,799,991)	(1,158,942)	(828,231)	(4,475,412)	(9,420,675)	(1,198,003)	(1,818,335)	(694,133)	(2,638,576)	(938,828)	(802,003)	(2,518,449)	(816,680)	(5,879,813)

In years 2023-2024, 2024-2025 and 2033-2034 a significant number of community facilities require renewal expense. These years have higher renewal expense than most of the other years.

5.4 Level of Service

Detailed performance measures and performance targets for Infrastructure-Parks and Ovals 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.

5.5 Improvement

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

Appendix A6 – Buildings

6.1 Significant Matters

The Town controls building assets 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 Town.

6.2 Inventory

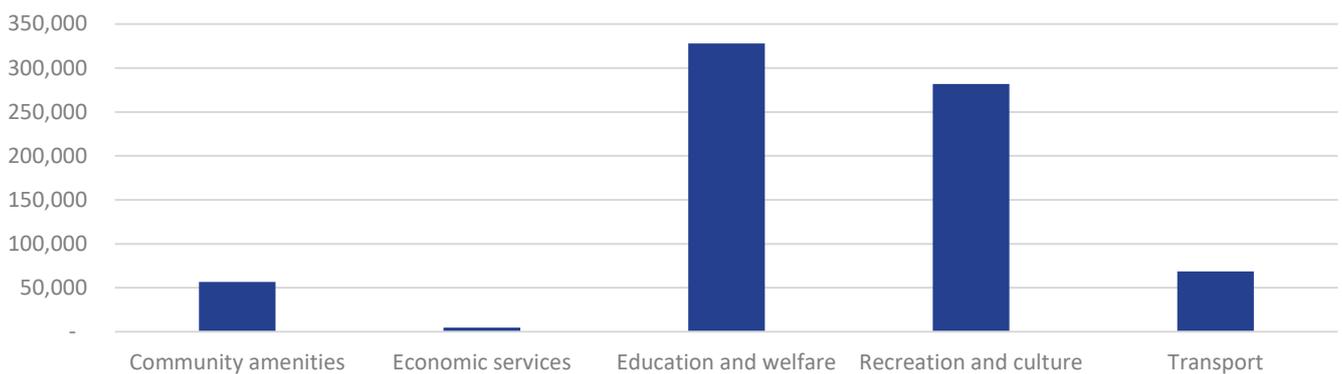
Land and buildings were valued by an independent professional valuer, based on an inspection undertaken. The Town’s Buildings replacement cost at the time of valuation in 2017 was \$117.2m. A building inventory is maintained within the Town’s financial management system.

6.3 Financial Summary

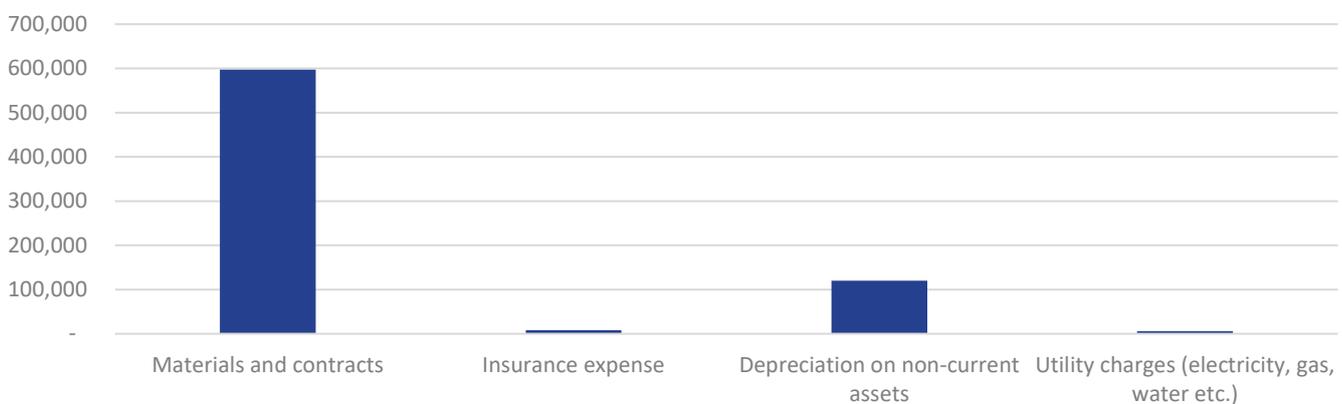
The financial impacts of managing the Town building assets has been broken down into maintenance, new and renewal expenditure, each of which is examined separately.

6.3.1 Maintenance Expenditure by Program

Routine maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2019-20:



6.3.2 Maintenance Expenditure by Nature and Type



Appendix A6 – Buildings

6.3.3 New/Upgrade Asset Expenditure

The table below reflects new/upgrade building projects currently planned within the Long Term Financial Plan. These projects are forecasted to be funded partially from external contributions and cash-backed reserves with the balance being sourced from general purpose funding.

Year	Project	Planned Expenditure \$
2022-23	Colin Matheson Change Rooms	400,000
2019-20	Creche at SHAC (utilising existing residence)	200,000
2019-20 – 2020-21	Depot buildings/structures	1,400,000
2022-23	Dog and Cat Pound Welfare Compliant	1,500,000
2019-20	JD Hardie Airconditioning Upgrades	2,050,000
2019-20	JD Hardie Roof Upgrades	2,000,000
2019-20 – 2023-24	JD Hardie Youth Zone Redevelopment Stage 2,3,4	30,000,000
2022-23	Port Hedland Community Facilities - McGregor Street Precinct Stage 1	12,000,000
2019-20 2023-24	Port Hedland Community Facilities - McGregor Street Precinct Stage 2	5,000,000
2019-20	Records Storage at Depot	150,000
2019-20	South Hedland Daycare Centre	2,000,000
2019-20	South Hedland Sports Precinct Stage 1	250,000
2020-21 2024-25	South Hedland Sports Precinct Stage 2	24,750,000
2025-26	South Hedland Sports Precinct Stage 3	15,000,000
2019-20 – 2020-21	Spoilbank Marina Landside Buildings	12,000,000
2019-20 – 2028-29	Staff Housing Construction	11,550,000
2019-20 – 2020-21	Stevens Street Retirement Village	12,000,000
2022-23 – 2030-31	West End Activation	10,000,000
Total		142,250,000

Appendix A6 – Buildings

6.3.4 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 property renewals has been forecast (adjusted for inflation).

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

6.3.5 Forecast Planned and Required Building Renewal Expenditure



The timing and extent of building renewals in the later years of the Plan will be subject to condition based assessments closer to the estimated renewal timing, along with further assessment of demand. All funds currently allocated to building renewals in the Plan will be placed in the building cash reserves if not required for the renewal of minor building components. Both the timing and costs associated with building renewals are highly variable and, in many instances, dependent on the level of building maintenance.

Appendix A6 – Buildings

6.3.6 Forecast Planned and Required Building Renewal Expenditure

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

	Required Building Renewals \$	Planned Building Renewals \$	Building Renewal Funding (Deficit)/Surplus \$
2019-20	2,488,001	2,767,000	278,999
2020-21	2,537,761	1,425,000	(1,112,761)
2021-22	2,588,516	1,175,000	(1,413,516)
2022-23	2,640,287	1,175,000	(1,465,287)
2023-24	2,693,092	1,175,000	(1,518,092)
2024-25	2,746,954	1,175,000	(1,571,954)
2025-26	2,801,893	1,175,000	(1,626,893)
2026-27	2,857,931	1,175,000	(1,682,931)
2027-28	2,915,090	1,175,000	(1,740,090)
2028-29	2,973,391	1,175,000	(1,798,391)
2029-30	3,032,859	1,175,000	(1,857,859)
2030-31	3,093,516	1,175,000	(1,918,516)
2031-32	3,155,387	1,175,000	(1,980,387)
2032-33	3,218,495	1,175,000	(2,043,495)
2033-34	3,282,864	1,175,000	(2,107,864)
Total	43,026,038	19,467,000	(23,559,038)

6.4 Level of Service

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

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

Appendix A6 – Buildings

6.5 Risk Management

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

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

6.6 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 Town's building assets.

Appendix A7 – Plant and Equipment

7.1 Significant Matters

The Town has a large plant and equipment portfolio including items such as heavy plant and vehicles, passenger vehicles, furniture and equipment. A 15 year plant replacement program is updated on an annual basis as part of the Town's annual budget process.

7.2 Inventory

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

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

Asset	Current Replacement Cost \$
Heavy Vehicle and Plant	9,842,420
Light Vehicle and Plant	2,240,000
Total	12,082,420

7.3 Financial Summary

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.

7.3.1 New Expenditure

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

7.3.2 Renewal Expenditure

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

The Plan has annual allocations for plant replacement expenditure based on the adopted program.

7.3.3 Plant Disposals

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

Appendix A7 – Plant and Equipment (Continued)

7.4 Level of Service

Levels of service have not been previously monitored.

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

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Fleet Management			
Function	To ensure Council employees are able to meet Council requirements.	Council plant and equipment is serviceable for all Council programs.	90% satisfaction.
	To ensure that Council's 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.	One per year.

7.5 Risk Management

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

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

7.6 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 A8 – 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	Pavement Type	Estimated Useful Life
Infrastructure - Roads	Access Road	Spray Sealed Road	40
Infrastructure - Roads	Access Road	Asphalt Road	25
Infrastructure - Roads	Access Road	Gravel Road	50
Infrastructure - Roads	Access Road	Brick Paved Road	40
Infrastructure - Roads	Bridges	Asphalt	50
Infrastructure - Roads	Bus Shelter		40
Infrastructure - Roads	Local Distributor	Asphalt Road	30
Infrastructure - Roads	Local Distributor	Spray Sealed Road	50
Infrastructure - Roads	RAV	Spray Sealed Road	25
Infrastructure - Roads	RAV	Asphalt Road	25
Infrastructure - Roads	RAV	Gravel Road	50
Infrastructure - Roads	Regional Distributor	Spray Sealed Road	40
Infrastructure - Roads	Regional Distributor	Asphalt Road	25
Infrastructure - Roads	Signage		50
Infrastructure - Drainage	Airport		75
Infrastructure - Drainage	Culvert	High Density Polyethylene	75
Infrastructure - Drainage	Culvert	Concrete - Reinforcement Unknown	75
Infrastructure - Drainage	Culvert	Reinforced Concrete	75
Infrastructure - Drainage	Culvert	Polyvinyl Chloride	75
Infrastructure - Drainage	Culvert	Steel	75
Infrastructure - Drainage	Detention Basin	Stone Pitched Drain	120
Infrastructure - Drainage	Detention Basin	Reinforced Concrete Pipe	120
Infrastructure - Drainage	Drain Open		100
Infrastructure - Drainage	Floodwater Pump		20
Infrastructure - Drainage	Storm Water Pits		75
Infrastructure - Drainage	Storm Water Pits		75
Infrastructure - Drainage	Storm Water Pits		75
Infrastructure - Drainage	Stormwater Pipes	Pipe	75
Infrastructure - Footpaths		Asphalt Paving	50
Infrastructure - Footpaths		Cement Concrete	50
Infrastructure - Footpaths		Brick Paving	50
Infrastructure - Footpaths	Network	Cement Slabs	50
Infrastructure - Footpaths	Network	Cement Concrete	50
Infrastructure - Footpaths	Network	Brick Paving	50
Infrastructure - Footpaths	Network	Cement Concrete	50
Infrastructure - Footpaths	Network	Cement Slabs	50
Infrastructure - Footpaths	Network	Asphalt	50
Infrastructure - Footpaths	Network	Cement Concrete	50
Infrastructure - Footpaths	Network	Cement Concrete	50
Infrastructure - Footpaths	Network	Cement Slabs	50
Infrastructure - Footpaths	Network	Bitumen	40
Infrastructure - Footpaths	Network	Cement Concrete	50
Infrastructure - Footpaths	Network	Brick Paving	50
Infrastructure - Footpaths	Parks and Gardens	Brick Paving	50
Infrastructure - Footpaths	Parks and Gardens	Cement Concrete	50
Infrastructure - Footpaths	Parks and Gardens	Cement Concrete	50
Infrastructure - Footpaths	Parks and Gardens	Special	50
Infrastructure - Footpaths	Parks and Gardens	Cement Concrete	50
Infrastructure - Footpaths	Parks and Gardens	Asphalt	50
Infrastructure - Footpaths	Parks and Gardens	Cement Concrete	50
Infrastructure - Footpaths	Parks and Gardens	Brick Paving	50

Asset Class	Asset Sub-Class	Pavement Type	Estimated Useful Life
Infrastructure - Other Improvements			90
Infrastructure - Other Improvements	Fencing	Chain link	40
Infrastructure - Other Improvements	Fencing	Gate - vehicle	40
Infrastructure - Other Improvements	Recreation Structures & Buildings	Shade structures awning	80
Infrastructure - Other Improvements	Recreation Structures & Buildings	Swimming Pool	50
Infrastructure - Other Improvements	Recreation Structures & Buildings	Swimming Pools	50
Infrastructure - Parks and Ovals	Aquatic Centre	Concrete Decorative	140
Infrastructure - Parks and Ovals	Aquatic Centre		115
Infrastructure - Parks and Ovals	Barbecues		30
Infrastructure - Parks and Ovals	Boardwalk		70
Infrastructure - Parks and Ovals	Boat ramp		60
Infrastructure - Parks and Ovals	Bollards	Bollard	40
Infrastructure - Parks and Ovals	Concrete Slab		80
Infrastructure - Parks and Ovals	Courts		60
Infrastructure - Parks and Ovals	Dump Point		40
Infrastructure - Parks and Ovals	Electricity Meter Box		33
Infrastructure - Parks and Ovals	Fencing		40
Infrastructure - Parks and Ovals	Fencing	Fencing	40
Infrastructure - Parks and Ovals	Fencing	Balustrade	40
Infrastructure - Parks and Ovals	Fencing	Post & rail	40
Infrastructure - Parks and Ovals	Fencing	Bollard	40
Infrastructure - Parks and Ovals	Fencing	Gate - vehicle	40
Infrastructure - Parks and Ovals	Fencing	Bollard & rail rope pipe	40
Infrastructure - Parks and Ovals	Fencing		40
Infrastructure - Parks and Ovals	Footbridge		40
Infrastructure - Parks and Ovals	Irrigation		40
Infrastructure - Parks and Ovals	Irrigation Shed		50
Infrastructure - Parks and Ovals	Irrigation Shed	Structure	40
Infrastructure - Parks and Ovals	Irrigation and Floodlight Control		36
Infrastructure - Parks and Ovals	Jetty		40
Infrastructure - Parks and Ovals	Lighting Cabinet		36
Infrastructure - Parks and Ovals	Limestone Wall	Limestone	140
Infrastructure - Parks and Ovals	Monument		120
Infrastructure - Parks and Ovals	Park Active area		200
Infrastructure - Parks and Ovals	Park Passive Area		110
Infrastructure - Parks and Ovals	Parks & Gardens Shelters	Shade structures	50
Infrastructure - Parks and Ovals	Parks & Gardens Shelters		40
Infrastructure - Parks and Ovals	Parks & Gardens Shelters	General Shelter	50
Infrastructure - Parks and Ovals	Parks & Gardens Shelters	Poles for Shade Sail	60
Infrastructure - Parks and Ovals	Parks & Gardens Shelters	Viewing Platform	40
Infrastructure - Parks and Ovals	Parks & Gardens Shelters	Shade Sail	20
Infrastructure - Parks and Ovals	Parks & Gardens Shelters	Shelters	50
Infrastructure - Parks and Ovals	Parks & Gardens Shelters	Picnic Shelter	43
Infrastructure - Parks and Ovals	Parks & Gardens Shelters	Gazebo	50
Infrastructure - Parks and Ovals	Parks & Gardens Shelters	Playground Shelter	35
Infrastructure - Parks and Ovals	Parks Lighting	Feature	40
Infrastructure - Parks and Ovals	Parks Lighting	Up Light (i.e. in ground)	25
Infrastructure - Parks and Ovals	Parks Lighting	Twin Light	40
Infrastructure - Parks and Ovals	Parks Lighting	Lighting Cabinet	30
Infrastructure - Parks and Ovals	Parks Lighting	Street Single	40
Infrastructure - Parks and Ovals	Parks Lighting	Directional	45
Infrastructure - Parks and Ovals	Parks Lighting	Lighting	27
Infrastructure - Parks and Ovals	Parks Lighting	Bollard Lighting	40
Infrastructure - Parks and Ovals	Parks Lighting	Sport Lighting	60
Infrastructure - Parks and Ovals	Pea Gravel		20

Refer to Appendix B12 – Forecast Significant Accounting Policies

Infrastructure - Parks and Ovals	Play Equipment		
Infrastructure - Parks and Ovals	Playground		30
Infrastructure - Parks and Ovals	Pool Structures		70
Infrastructure - Parks and Ovals	Public Amenity Buildings	Shelters	80
Infrastructure - Parks and Ovals	Public Amenity Buildings	Various shelters	80
Infrastructure - Parks and Ovals	Recreation Shade Structures	Poles for Shade Sail	60
Infrastructure - Parks and Ovals	Recreation Shade Structures	Shade Sail	30
Infrastructure - Parks and Ovals	Recreation Shade Structures	General Shelter	40
Infrastructure - Parks and Ovals	Recreation Shade Structures	Shelters	40
Infrastructure - Parks and Ovals	Recreation Shade Structures	Structure	60
Infrastructure - Parks and Ovals	Recreation Shade Structures	Shade structures	40
Infrastructure - Parks and Ovals	Recreation Shade Structures	Picnic Shelter	40
Infrastructure - Parks and Ovals	Recreation Structures & Buildings	Various Shelters	80
Infrastructure - Parks and Ovals	Recreation Structures & Buildings	Shelters (30)	80
Infrastructure - Parks and Ovals	Recreation Structures & Buildings	Shed - Diamond Shelter	80
Infrastructure - Parks and Ovals	Scoreboard		40
Infrastructure - Parks and Ovals	Signage		75
Infrastructure - Parks and Ovals	Sport Lighting	Street Single	40
Infrastructure - Parks and Ovals	Sport Lighting	Sport Lighting	45
Infrastructure - Parks and Ovals	Sport Lighting	Directional	40
Infrastructure - Parks and Ovals	Steps		40
Infrastructure - Parks and Ovals	Street Furniture	Shade structures	30
Infrastructure - Parks and Ovals	Viewing Platform		55
Infrastructure - Parks and Ovals	Wall	Concrete Decorative	140
Infrastructure - Parks and Ovals	Wall	Concrete	140
Infrastructure - Parks and Ovals	Wall	Gabion	140
Infrastructure - Parks and Ovals	Wall	Sea Wall	200
Infrastructure - Parks and Ovals	Water Tank		
Infrastructure - Parks and Ovals	Water Tanks		40
Infrastructure - Depot		Wash down bay	50
Infrastructure - Depot			50
Infrastructure - Depot		Nursery	20
Infrastructure - Depot		Electrical upgrade	40
Infrastructure - Depot		Formation	20
Infrastructure - Depot		Sub - Base	180
Infrastructure - Depot		Gate	20
Infrastructure - Depot		Surface	25
Infrastructure - Depot		Base	60
Infrastructure - Depot		Fencing	20
Infrastructure - Depot	Fencing	Chain Link	20
Infrastructure - Depot	Fencing	Gate - Vehicle	20
Infrastructure - Depot	Park Passive Area		

Appendix B1 – Forecast Financial Statements (Continued)

Appendix B1 – Forecast Financial Statements

1.6.2 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 and accords with the Australian Accounting Standards.

1.6.3 Statements of Comprehensive Income

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

1.6.4 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.

1.6.5 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.

1.6.6 Statement of Cashflows

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

1.6.7 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.

1.6.8 Statement of Net Current Asset Composition

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

1.6.9 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.

1.6.10 Statement of Fixed Asset Funding

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

1.6.11 Forecast Ratios

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

1.6.12 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) Regulations 1996*

Appendix B1 – Forecast Financial Statements (Continued)

Service Programs

The Town 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 Town of Port Hedland.

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	
	Water transport facilities	
	Rural services	
	Tourism and area promotion	
Economic services	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 2019/20 – 2033/34

	2015-16	2016-17	2017-18	Base	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenues																				
Rates	25,195,000	23,991,000	25,570,271	30,227,659	42,556,864	43,620,786	44,711,306	45,829,090	46,974,816	48,149,187	49,352,917	50,586,740	51,851,408	53,147,692	54,476,384	55,838,294	57,234,251	58,665,108	60,131,736	
Operating grants, subsidies and contributions	3,028,000	4,291,000	2,605,126	2,526,450	2,600,144	2,158,382	1,781,849	1,460,741	1,186,722	1,210,457	1,234,665	1,259,358	1,284,544	1,310,236	1,336,442	1,363,171	1,390,435	1,418,245	1,446,609	
Fees and charges	10,366,000	10,359,000	10,442,210	10,567,937	13,188,307	13,452,076	13,721,118	13,995,538	14,275,446	14,560,953	14,852,172	15,149,217	15,452,200	15,761,244	16,076,469	16,398,003	16,725,964	17,060,484	17,401,696	
Interest earnings	4,257,000	7,303,000	6,893,817	6,659,437	3,859,619	3,392,618	3,009,288	3,090,865	3,012,957	3,049,462	3,086,295	3,204,136	3,396,648	3,626,054	3,854,719	4,078,458	4,328,908	4,507,223	4,728,815	
Other revenue	6,642,000	1,821,000	3,441,970	970,112	1,418,185	1,446,548	1,475,480	1,504,989	1,535,089	1,565,789	1,597,103	1,629,045	1,661,626	1,694,859	1,728,758	1,763,335	1,798,602	1,834,575	1,871,266	
	49,488,000	47,765,000	48,953,394	50,951,595	63,623,119	64,070,410	64,699,041	65,881,223	66,985,030	68,535,848	70,123,152	71,828,496	73,646,426	75,540,085	77,472,772	79,441,261	81,478,160	83,485,635	85,580,122	
Expenses																				
Employee costs	(22,945,000)	(20,262,000)	(17,628,895)	(18,841,531)	(21,436,623)	(22,508,471)	(23,183,727)	(23,879,233)	(24,595,621)	(25,333,490)	(26,093,500)	(26,876,302)	(27,682,594)	(28,513,072)	(29,368,461)	(30,249,516)	(31,157,003)	(32,091,715)	(33,054,465)	
Materials and contracts	(15,043,000)	(13,120,000)	(17,230,499)	(23,907,187)	(14,205,635)	(14,489,746)	(14,779,523)	(15,075,099)	(15,376,594)	(15,684,104)	(15,997,796)	(16,317,745)	(16,644,105)	(16,977,018)	(17,316,575)	(17,662,915)	(18,016,186)	(18,376,525)	(18,744,070)	
Utility charges (electricity, gas, water etc.)	(2,611,000)	(2,921,000)	(2,624,451)	(2,723,361)	(3,439,023)	(3,507,804)	(3,577,958)	(3,649,519)	(3,722,507)	(3,796,956)	(3,872,897)	(3,950,357)	(4,029,361)	(4,109,953)	(4,192,152)	(4,275,997)	(4,361,518)	(4,448,748)	(4,537,721)	
Depreciation on non-current assets	(12,739,000)	(12,031,000)	(11,042,001)	(14,259,484)	(12,720,818)	(14,019,563)	(15,119,360)	(16,482,727)	(17,195,316)	(18,362,562)	(19,262,739)	(19,734,073)	(20,214,833)	(20,852,055)	(21,733,760)	(22,633,100)	(23,582,330)	(23,606,919)	(26,501,204)	
Interest expense	(1,379,000)	(1,260,000)	(1,183,056)	(1,131,047)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Insurance expense	(1,074,000)	(1,048,000)	(706,357)	(816,535)	(849,197)	(866,182)	(883,505)	(901,175)	(919,198)	(937,580)	(956,332)	(975,459)	(994,968)	(1,014,866)	(1,035,165)	(1,055,869)	(1,076,987)	(1,098,527)	(1,120,498)	
Other expenditure	(204,000)	(2,000,000)	(3,667,627)	(1,749,134)	(2,522,881)	(2,573,340)	(2,624,806)	(2,677,302)	(2,730,847)	(2,785,464)	(2,841,172)	(2,897,996)	(2,955,957)	(3,015,080)	(3,075,383)	(3,136,893)	(3,199,631)	(3,263,625)	(3,328,898)	
	(55,995,000)	(52,642,000)	(54,082,886)	(63,428,279)	(55,174,177)	(57,965,106)	(60,168,879)	(62,665,055)	(64,540,083)	(66,900,156)	(69,024,436)	(70,751,932)	(72,521,818)	(74,482,044)	(76,721,496)	(79,014,290)	(81,393,655)	(82,886,059)	(87,286,856)	
	(6,507,000)	(4,877,000)	(5,129,492)	(12,476,684)	8,448,942	6,105,304	4,530,162	3,216,168	2,444,947	1,635,692	1,098,716	1,076,564	1,124,608	1,058,041	751,276	426,971	84,505	599,576	(1,706,734)	
Non-operating grants, subsidies and contributions	5,627,000	4,270,000	2,208,667	2,340,242	8,127,833	16,204,857	9,512,357	24,512,357	8,012,357	19,112,357	15,762,357	3,012,357	3,012,357	4,512,357	6,012,357	6,012,357	7,012,357	7,012,357	10,962,357	
Loss on Revaluation	(7,536,000)	(3,918,000)	(10,830,114)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Profit on disposal of assets	36,313,000	26,000	10,135	(14,127)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Loss on asset disposal	(1,370,000)	(41,000)	(160,003)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
NET RESULT	26,527,000	(4,540,000)	(13,900,807)	(10,150,569)	16,576,775	22,310,161	14,042,519	27,728,525	10,457,304	20,748,049	16,861,073	4,088,921	4,136,965	5,570,398	6,763,633	6,439,328	7,096,862	7,611,933	9,255,623	
Other Comprehensive Income	(36,527,000)	21,526,000	(76,804,603)	0	5,626,889	6,828,028	7,772,341	8,111,907	8,880,493	9,266,797	9,830,392	10,234,731	10,358,860	10,406,111	10,486,112	10,626,334	10,715,328	12,512,326	11,000,494	
TOTAL COMPREHENSIVE INCOME	(10,000,000)	16,986,000	(90,705,410)	(10,150,569)	22,203,664	29,138,189	21,814,860	35,840,432	19,337,797	30,014,846	26,691,465	14,323,652	14,495,825	15,976,509	17,249,745	17,065,662	17,812,190	20,124,259	20,256,117	

Appendix B4 – Forecast Statement of Financial Position 2019/20 – 2033/34

	2016	2017	2018	Base	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																			
Unrestricted Cash and Equivalents	4,667,000	3,588,000	(4,209,376)	504,006	136,421	136,421	136,421	136,421	136,421	136,421	136,421	136,421	136,421	136,421	136,421	136,421	136,421	136,421	136,421
Restricted Cash and Cash Equivalent	239,598,000	239,454,000	236,944,189	206,288,061	169,494,538	150,328,046	154,406,915	150,511,485	152,336,754	154,178,385	160,070,457	169,696,040	181,166,327	192,599,580	203,786,544	216,309,049	225,224,786	236,304,383	241,781,308
Trade and Other Receivables	8,013,000	7,460,000	11,252,894	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961
Inventories	1,670,000	1,270,000	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492
TOTAL CURRENT ASSETS	253,948,000	251,772,000	245,830,199	211,453,520	174,292,412	155,125,920	159,204,789	155,309,359	157,134,628	158,976,259	164,868,331	174,493,914	185,964,201	197,397,454	208,584,418	221,106,923	230,022,660	241,102,257	246,579,182
NON-CURRENT ASSETS																			
Other Receivables	2,601,000	2,456,000	2,314,345	2,245,339	2,245,339	2,245,339	2,245,339	2,245,339	2,245,339	2,245,339	2,245,339	2,245,339	2,245,339	2,245,339	2,245,339	2,245,339	2,245,339	2,245,339	2,245,339
Inventories	54,707,000	50,789,000	48,414,828	48,414,828	48,414,828	48,414,828	48,414,828	48,414,828	48,414,828	48,414,828	48,414,828	48,414,828	48,414,828	48,414,828	48,414,828	48,414,828	48,414,828	48,414,828	48,414,828
Property Plant and Equipment	109,059,000	119,989,000	119,537,796	117,429,722	140,843,437	179,317,318	189,050,588	223,906,441	239,639,739	259,381,285	279,117,371	284,529,758	288,588,770	293,143,977	297,430,656	300,888,132	303,369,553	305,717,003	310,514,585
Infrastructure	250,546,000	259,614,000	172,545,189	177,457,342	213,408,399	223,239,199	231,241,920	236,121,929	237,901,159	246,332,828	247,396,135	246,681,817	245,648,343	245,636,392	247,412,494	248,498,175	254,913,207	261,610,419	271,592,029
TOTAL NON-CURRENT ASSETS	416,913,000	432,848,000	342,812,158	345,547,231	404,912,003	453,216,684	470,952,675	510,688,537	528,201,065	556,374,280	577,173,673	581,871,742	584,897,280	589,440,536	595,503,317	600,046,474	608,942,927	617,987,589	632,766,781
TOTAL ASSETS	670,861,000	684,620,000	588,642,357	557,000,751	579,204,415	608,342,604	630,157,464	665,997,896	685,335,693	715,350,539	742,042,004	756,365,656	770,861,481	786,837,990	804,087,735	821,153,397	838,965,587	859,089,846	879,345,963
CURRENT LIABILITIES																			
Trade and Other Payables	7,343,000	7,501,000	4,930,764	4,797,874	4,797,874	4,797,874	4,797,874	4,797,874	4,797,874	4,797,874	4,797,874	4,797,874	4,797,874	4,797,874	4,797,874	4,797,874	4,797,874	4,797,874	4,797,874
Current Portion of Long-term Liabilities	1,171,000	1,242,000	21,358,146	(20,238,277)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provisions	18,209,000	16,996,000	16,558,964	16,558,964	16,558,964	16,558,964	16,558,964	16,558,964	16,558,964	16,558,964	16,558,964	16,558,964	16,558,964	16,558,964	16,558,964	16,558,964	16,558,964	16,558,964	16,558,964
TOTAL CURRENT LIABILITIES	26,723,000	25,739,000	42,847,874	1,118,561	21,356,838														
NON-CURRENT LIABILITIES																			
Long-term Borrowings	22,650,000	21,400,000	0	20,238,277	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provisions	45,212,000	44,219,000	43,238,102	43,238,102	43,238,102	43,238,102	43,238,102	43,238,102	43,238,102	43,238,102	43,238,102	43,238,102	43,238,102	43,238,102	43,238,102	43,238,102	43,238,102	43,238,102	43,238,102
TOTAL NON-CURRENT LIABILITIES	67,862,000	65,619,000	43,238,102	63,476,379	43,238,102														
TOTAL LIABILITIES	94,585,000	91,358,000	86,085,976	64,594,940															
NET ASSETS	576,276,000	593,262,000	502,556,381	492,405,811	514,609,475	543,747,664	565,562,524	601,402,956	620,740,753	650,755,599	677,447,064	691,770,716	706,266,541	722,243,050	739,492,795	756,558,457	774,370,647	794,494,906	814,751,023
EQUITY																			
Retained Surplus	195,271,000	190,875,000	179,483,829	199,989,390	253,359,688	294,836,341	304,799,991	336,423,946	345,055,981	363,962,399	374,931,400	369,394,738	362,061,416	356,198,561	351,775,230	345,692,053	343,873,178	340,405,514	344,184,212
Reserves - Cash Backed	239,598,000	239,454,000	236,944,192	206,288,061	169,494,538	150,328,046	154,406,915	150,511,485	152,336,754	154,178,385	160,070,457	169,696,040	181,166,327	192,599,580	203,786,544	216,309,049	225,224,786	236,304,383	241,781,308
Asset Revaluation Surplus	141,407,000	162,933,000	86,128,360	86,128,360	91,755,249	98,583,277	106,355,618	114,467,525	123,348,018	132,614,815	142,445,207	152,679,938	163,038,798	173,444,909	183,931,021	194,557,355	205,272,683	217,785,009	228,785,503
TOTAL EQUITY	576,276,000	593,262,000	502,556,381	492,405,811	514,609,475	543,747,664	565,562,524	601,402,956	620,740,753	650,755,599	677,447,064	691,770,716	706,266,541	722,243,050	739,492,795	756,558,457	774,370,647	794,494,906	814,751,023

Appendix B5 – Forecast Statement of Changes in Equity 2019/20 – 2033/34

	2016	2017	2018	Base	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening Balance	168,744,000	195,271,000	190,874,828	179,483,828	199,989,390	253,359,688	294,836,341	304,799,991	336,423,946	345,055,981	363,962,399	374,931,400	369,394,738	362,061,416	356,198,561	351,775,230	345,692,053	343,873,178	340,405,514
Net Result	26,527,000	(4,540,000)	(13,900,807)	(10,150,569)	16,576,775	22,310,161	14,042,519	27,728,525	10,457,304	20,748,049	16,861,073	4,088,921	4,136,965	5,570,398	6,763,633	6,439,328	7,096,862	7,611,933	9,255,623
Amount transferred (to)/from Reserves		144,000	2,509,808	30,656,131	36,793,523	19,166,492	(4,078,869)	3,895,430	(1,825,269)	(1,841,631)	(5,892,072)	(9,625,583)	(11,470,287)	(11,433,253)	(11,186,964)	(12,522,505)	(8,915,737)	(11,079,597)	(5,476,925)
Closing Balance	195,271,000	190,875,000	179,483,829	199,989,390	253,359,688	294,836,341	304,799,991	336,423,946	345,055,981	363,962,399	374,931,400	369,394,738	362,061,416	356,198,561	351,775,230	345,692,053	343,873,178	340,405,514	344,184,212
RESERVES - CASH/INVESTMENT BACKED																			
Opening Balance	239,598,000	239,598,000	239,454,000	236,944,192	206,288,061	169,494,538	150,328,046	154,406,915	150,511,485	152,336,754	154,178,385	160,070,457	169,696,040	181,166,327	192,599,580	203,786,544	216,309,049	225,224,786	236,304,383
Amount transferred to/(from) Retained Surplus	0	(144,000)	(2,509,808)	(30,656,131)	(36,793,523)	(19,166,492)	4,078,869	(3,895,430)	1,825,269	1,841,631	5,892,072	9,625,583	11,470,287	11,433,253	11,186,964	12,522,505	8,915,737	11,079,597	5,476,925
Closing Balance	239,598,000	239,454,000	236,944,192	206,288,061	169,494,538	150,328,046	154,406,915	150,511,485	152,336,754	154,178,385	160,070,457	169,696,040	181,166,327	192,599,580	203,786,544	216,309,049	225,224,786	236,304,383	241,781,308
ASSET REVALUATION SURPLUS																			
Opening Balance	177,934,000	141,407,000	162,932,963	86,128,360	86,128,360	91,755,249	98,583,277	106,355,618	114,467,525	123,348,018	132,614,815	142,445,207	152,679,938	163,038,798	173,444,909	183,931,021	194,557,355	205,272,683	217,785,009
Total Other Comprehensive Income	(36,527,000)	21,526,000	(76,804,603)	0	5,626,889	6,828,028	7,772,341	8,111,907	8,880,493	9,266,797	9,830,392	10,234,731	10,358,860	10,406,111	10,486,112	10,626,334	10,715,328	12,512,326	11,000,494
Closing Balance	141,407,000	162,933,000	86,128,360	86,128,360	91,755,249	98,583,277	106,355,618	114,467,525	123,348,018	132,614,815	142,445,207	152,679,938	163,038,798	173,444,909	183,931,021	194,557,355	205,272,683	217,785,009	228,785,503
TOTAL EQUITY	576,276,000	593,262,000	502,556,381	492,405,811	514,609,475	543,747,664	565,562,524	601,402,956	620,740,753	650,755,599	677,447,064	691,770,716	706,266,541	722,243,050	739,492,795	756,558,457	774,370,647	794,494,906	814,751,023

Appendix B6 – Forecast Statement of Cashflows 2019/20 – 2033/34

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities															
Receipts															
Rates	42,556,864	43,620,786	44,711,306	45,829,090	46,974,816	48,149,187	49,352,917	50,586,740	51,851,408	53,147,692	54,476,384	55,838,294	57,234,251	58,665,108	60,131,736
Operating grants, subsidies and contributions	2,600,144	2,158,382	1,781,849	1,460,741	1,186,722	1,210,457	1,234,665	1,259,358	1,284,544	1,310,236	1,336,442	1,363,171	1,390,435	1,418,245	1,446,609
Fees and charges	13,188,307	13,452,076	13,721,118	13,995,538	14,275,446	14,560,953	14,852,172	15,149,217	15,452,200	15,761,244	16,076,469	16,398,003	16,725,964	17,060,484	17,401,696
Interest earnings	3,859,619	3,392,618	3,009,288	3,090,865	3,012,957	3,049,462	3,086,295	3,204,136	3,396,648	3,626,054	3,854,719	4,078,458	4,328,908	4,507,223	4,728,815
Other revenue	1,418,185	1,446,548	1,475,480	1,504,989	1,535,089	1,565,789	1,597,103	1,629,045	1,661,626	1,694,859	1,728,758	1,763,335	1,798,602	1,834,575	1,871,266
	63,623,119	64,070,410	64,699,041	65,881,223	66,985,030	68,535,848	70,123,152	71,828,496	73,646,426	75,540,085	77,472,772	79,441,261	81,478,160	83,485,635	85,580,122
Payments															
Employee costs	(21,436,623)	(22,508,471)	(23,183,727)	(23,879,233)	(24,595,621)	(25,333,490)	(26,093,500)	(26,876,302)	(27,682,594)	(28,513,072)	(29,368,461)	(30,249,516)	(31,157,003)	(32,091,715)	(33,054,465)
Materials and contracts	(14,205,635)	(14,489,746)	(14,779,523)	(15,075,099)	(15,376,594)	(15,684,104)	(15,997,796)	(16,317,745)	(16,644,105)	(16,977,018)	(17,316,575)	(17,662,915)	(18,016,186)	(18,376,525)	(18,744,070)
Utility charges	(3,439,023)	(3,507,804)	(3,577,958)	(3,649,519)	(3,722,507)	(3,796,956)	(3,872,897)	(3,950,357)	(4,029,361)	(4,109,953)	(4,192,152)	(4,275,997)	(4,361,518)	(4,448,748)	(4,537,721)
Insurance expenses	(849,197)	(866,182)	(883,505)	(901,175)	(919,198)	(937,580)	(956,332)	(975,459)	(994,968)	(1,014,866)	(1,035,165)	(1,055,869)	(1,076,987)	(1,098,527)	(1,120,498)
Other expenditure	(2,522,881)	(2,573,340)	(2,624,806)	(2,677,302)	(2,730,847)	(2,785,464)	(2,841,172)	(2,897,996)	(2,955,957)	(3,015,080)	(3,075,383)	(3,136,893)	(3,199,631)	(3,263,625)	(3,328,898)
	(42,453,359)	(43,945,543)	(45,049,519)	(46,182,328)	(47,344,767)	(48,537,594)	(49,761,697)	(51,017,859)	(52,306,985)	(53,629,989)	(54,987,736)	(56,381,190)	(57,811,325)	(59,279,140)	(60,785,652)
Net Cash Provided By (Used In) Operating Activities	21,169,760	20,124,867	19,649,522	19,698,895	19,640,263	19,998,254	20,361,455	20,810,637	21,339,441	21,910,096	22,485,036	23,060,071	23,666,835	24,206,495	24,794,470
Cash Flows from Investing Activities															
Payments for purchase of property, plant & equipment	(24,663,281)	(39,656,306)	(10,592,455)	(36,445,144)	(17,663,334)	(20,972,183)	(21,042,478)	(6,545,702)	(5,000,390)	(5,717,945)	(5,619,775)	(4,644,287)	(3,767,572)	(3,787,743)	(7,500,675)
Payments for construction of infrastructure	(42,335,000)	(16,002,213)	(14,852,213)	(12,202,213)	(9,372,213)	(16,702,213)	(9,602,213)	(8,102,213)	(8,102,213)	(9,602,213)	(12,102,213)	(12,102,213)	(18,202,213)	(16,602,213)	(24,102,213)
Non-operating grants, subsidies and contributions	8,127,833	16,204,857	9,512,357	24,512,357	8,012,357	19,112,357	15,762,357	3,012,357	3,012,357	4,512,357	6,012,357	6,012,357	7,012,357	7,012,357	10,962,357
Proceeds from sale of plant & equipment	539,580	162,303	361,658	540,675	1,208,196	405,416	412,951	450,504	221,092	330,958	411,559	196,577	206,330	250,701	1,322,986
Net Cash Provided By (Used In) Investing Activities	(58,330,868)	(39,291,359)	(15,570,653)	(23,594,325)	(17,814,994)	(18,156,623)	(14,469,383)	(11,185,054)	(9,869,154)	(10,476,843)	(11,298,072)	(10,537,566)	(14,751,098)	(13,126,898)	(19,317,545)
Cash Flows from Financing Activities															
Net Cash Provided By (Used In) Financing Activities	0	0	0	0	0	0	0	0							
Net Increase (Decrease) in Cash Held	(37,161,108)	(19,166,492)	4,078,869	(3,895,430)	1,825,269	1,841,631	5,892,072	9,625,583	11,470,287	11,433,253	11,186,964	12,522,505	8,915,737	11,079,597	5,476,925
Cash at beginning of year	206,792,067	169,630,959	150,464,467	154,543,336	150,647,906	152,473,175	154,314,806	160,206,878	169,832,461	181,302,748	192,736,001	203,922,965	216,445,470	225,361,207	236,440,804
Cash and Cash Equivalents at the End of Year	169,630,959	150,464,467	154,543,336	150,647,906	152,473,175	154,314,806	160,206,878	169,832,461	181,302,748	192,736,001	203,922,965	216,445,470	225,361,207	236,440,804	241,917,729

Appendix B7 – Forecast Statement of Funding 2019/20 – 2033/34

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES															
Revenues															
Rates	42,556,864	43,620,786	44,711,306	45,829,090	46,974,816	48,149,187	49,352,917	50,586,740	51,851,408	53,147,692	54,476,384	55,838,294	57,234,251	58,665,108	60,131,736
Operating grants, subsidies and contributions	2,600,144	2,158,382	1,781,849	1,460,741	1,186,722	1,210,457	1,234,665	1,259,358	1,284,544	1,310,236	1,336,442	1,363,171	1,390,435	1,418,245	1,446,609
Fees and charges	13,188,307	13,452,076	13,721,118	13,995,538	14,275,446	14,560,953	14,852,172	15,149,217	15,452,200	15,761,244	16,076,469	16,398,003	16,725,964	17,060,484	17,401,696
Interest earnings	3,859,619	3,392,618	3,009,288	3,090,865	3,012,957	3,049,462	3,086,295	3,204,136	3,396,648	3,626,054	3,854,719	4,078,458	4,328,908	4,507,223	4,728,815
Other revenue	1,418,185	1,446,548	1,475,480	1,504,989	1,535,089	1,565,789	1,597,103	1,629,045	1,661,626	1,694,859	1,728,758	1,763,335	1,798,602	1,834,575	1,871,266
	63,623,119	64,070,410	64,699,041	65,881,223	66,985,030	68,535,848	70,123,152	71,828,496	73,646,426	75,540,085	77,472,772	79,441,261	81,478,160	83,485,635	85,580,122
Expenses															
Employee costs	(21,436,623)	(22,508,471)	(23,183,727)	(23,879,233)	(24,595,621)	(25,333,490)	(26,093,500)	(26,876,302)	(27,682,594)	(28,513,072)	(29,368,461)	(30,249,516)	(31,157,003)	(32,091,715)	(33,054,465)
Materials and contracts	(14,205,635)	(14,489,746)	(14,779,523)	(15,075,099)	(15,376,594)	(15,684,104)	(15,997,796)	(16,317,745)	(16,644,105)	(16,977,018)	(17,316,575)	(17,662,915)	(18,016,186)	(18,376,525)	(18,744,070)
Utility charges (electricity, gas, water etc.)	(3,439,023)	(3,507,804)	(3,577,958)	(3,649,519)	(3,722,507)	(3,796,956)	(3,872,897)	(3,950,357)	(4,029,361)	(4,109,953)	(4,192,152)	(4,275,997)	(4,361,518)	(4,448,748)	(4,537,721)
Depreciation on non-current assets	(12,720,818)	(14,019,563)	(15,119,360)	(16,482,727)	(17,195,316)	(18,362,562)	(19,262,739)	(19,734,073)	(20,214,833)	(20,852,055)	(21,733,760)	(22,633,100)	(23,582,330)	(23,606,919)	(26,501,204)
Insurance expense	(849,197)	(866,182)	(883,505)	(901,175)	(919,198)	(937,580)	(956,332)	(975,459)	(994,968)	(1,014,866)	(1,035,165)	(1,055,869)	(1,076,987)	(1,098,527)	(1,120,498)
Other expenditure	(2,522,881)	(2,573,340)	(2,624,806)	(2,677,302)	(2,730,847)	(2,785,464)	(2,841,172)	(2,897,996)	(2,955,957)	(3,015,080)	(3,075,383)	(3,136,893)	(3,199,631)	(3,263,625)	(3,328,898)
	(55,174,177)	(57,965,106)	(60,168,879)	(62,665,055)	(64,540,083)	(66,900,156)	(69,024,436)	(70,751,932)	(72,521,818)	(74,482,044)	(76,721,496)	(79,014,290)	(81,393,655)	(82,886,059)	(87,286,856)
	8,448,942	6,105,304	4,530,162	3,216,168	2,444,947	1,635,692	1,098,716	1,076,564	1,124,608	1,058,041	751,276	426,971	84,505	599,576	(1,706,734)
Funding Position Adjustments															
Depreciation on non-current assets	12,720,818	14,019,563	15,119,360	16,482,727	17,195,316	18,362,562	19,262,739	19,734,073	20,214,833	20,852,055	21,733,760	22,633,100	23,582,330	23,606,919	26,501,204
Net Funding From Operational Activities	21,169,760	20,124,867	19,649,522	19,698,895	19,640,263	19,998,254	20,361,455	20,810,637	21,339,441	21,910,096	22,485,036	23,060,071	23,666,835	24,206,495	24,794,470
FUNDING FROM CAPITAL ACTIVITIES															
Inflows															
Proceeds on disposal	539,580	162,303	361,658	540,675	1,208,196	405,416	412,951	450,504	221,092	330,958	411,559	196,577	206,330	250,701	1,322,986
Non-operating grants, subsidies and contributions	8,127,833	16,204,857	9,512,357	24,512,357	8,012,357	19,112,357	15,762,357	3,012,357	3,012,357	4,512,357	6,012,357	6,012,357	7,012,357	7,012,357	10,962,357
Outflows															
Purchase of property plant and equipment	(24,663,281)	(39,656,306)	(10,592,455)	(36,445,144)	(17,663,334)	(20,972,183)	(21,042,478)	(6,545,702)	(5,000,390)	(5,717,945)	(5,619,775)	(4,644,287)	(3,767,572)	(3,787,743)	(7,500,675)
Purchase of infrastructure	(42,335,000)	(16,002,213)	(14,852,213)	(12,202,213)	(9,372,213)	(16,702,213)	(9,602,213)	(8,102,213)	(8,102,213)	(9,602,213)	(12,102,213)	(12,102,213)	(18,202,213)	(16,602,213)	(24,102,213)
Net Funding from Capital Activities	(58,330,868)	(39,291,359)	(15,570,653)	(23,594,325)	(17,814,994)	(18,156,623)	(14,469,383)	(11,185,054)	(9,869,154)	(10,476,843)	(11,298,072)	(10,537,566)	(14,751,098)	(13,126,898)	(19,317,545)
FUNDING FROM FINANCING ACTIVITIES															
Inflows															
Transfer from reserves	36,922,500	19,220,000	0	4,000,000	0	0	0	0	0	0	0	0	0	0	0
Outflows															
Transfer to reserves	(128,977)	(53,508)	(4,078,869)	(104,570)	(1,825,269)	(1,841,631)	(5,892,072)	(9,625,583)	(11,470,287)	(11,433,253)	(11,186,964)	(12,522,505)	(8,915,737)	(11,079,597)	(5,476,925)
Net Funding from Financing Activities	36,793,523	19,166,492	(4,078,869)	3,895,430	(1,825,269)	(1,841,631)	(5,892,072)	(9,625,583)	(11,470,287)	(11,433,253)	(11,186,964)	(12,522,505)	(8,915,737)	(11,079,597)	(5,476,925)
Estimated Surplus/Deficit July 1 B/Fwd	367,585	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Surplus/Deficit June 30 C/Fwd	0														

Appendix B8 – Forecast Statement of Net Current Asset Composition 2019/20 – 2033/34

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated Surplus/Deficit July 1 B/Fwd	367,585	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Unrestricted Cash and Equivalents	136,421	136,421	136,421	136,421	136,421	136,421	136,421	136,421	136,421	136,421	136,421	136,421	136,421	136,421	136,421
Restricted Cash and Cash Equivalent	169,494,538	150,328,046	154,406,915	150,511,485	152,336,754	154,178,385	160,070,457	169,696,040	181,166,327	192,599,580	203,786,544	216,309,049	225,224,786	236,304,383	241,781,308
Trade and Other Receivables	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961	2,818,961
Inventories	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492	1,842,492
CURRENT LIABILITIES															
Trade and Other Payables	(4,797,874)	(4,797,874)	(4,797,874)	(4,797,874)	(4,797,874)	(4,797,874)	(4,797,874)	(4,797,874)	(4,797,874)	(4,797,874)	(4,797,874)	(4,797,874)	(4,797,874)	(4,797,874)	(4,797,874)
Reserves	(169,494,538)	(150,328,046)	(154,406,915)	(150,511,485)	(152,336,754)	(154,178,385)	(160,070,457)	(169,696,040)	(181,166,327)	(192,599,580)	(203,786,544)	(216,309,049)	(225,224,786)	(236,304,383)	(241,781,308)
Estimated Surplus/Deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix B9 – Forecast Statement of Fixed Asset Movements 2019/20 – 2033/34

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Infrastructure - Roads	4,472,000	10,467,213	4,467,213	4,467,213	4,467,213	10,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213
Infrastructure - Footpaths	1,600,000	1,950,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	8,700,000	8,700,000	1,700,000
Infrastructure - Drainage	800,000	2,250,000	1,250,000	1,250,000	1,250,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Infrastructure - Parks and Ovals	110,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Infrastructure - Car Parks	300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other Improvements	35,053,000	1,160,000	7,260,000	4,610,000	1,780,000	3,360,000	2,260,000	760,000	760,000	2,260,000	4,760,000	4,760,000	3,860,000	2,260,000	16,760,000
Total Capital Works - Infrastructure	42,335,000	16,002,213	14,852,213	12,202,213	9,372,213	16,702,213	9,602,213	8,102,213	8,102,213	9,602,213	12,102,213	12,102,213	18,202,213	16,602,213	24,102,213
Represented by:															
Additions - Assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - Expansion, Upgrades and New	35,280,000	8,750,000	7,200,000	4,550,000	1,720,000	9,300,000	2,200,000	700,000	700,000	2,200,000	4,700,000	4,700,000	10,800,000	9,200,000	16,700,000
Additions - Renewal	7,055,000	7,252,213	7,652,213	7,652,213	7,652,213	7,402,213	7,402,213	7,402,213	7,402,213	7,402,213	7,402,213	7,402,213	7,402,213	7,402,213	7,402,213
Total Capital Works - Infrastructure	42,335,000	16,002,213	14,852,213	12,202,213	9,372,213	16,702,213	9,602,213	8,102,213	8,102,213	9,602,213	12,102,213	12,102,213	18,202,213	16,602,213	24,102,213
Asset Movement Reconciliation															
Total Capital Works Infrastructure	42,335,000	16,002,213	14,852,213	12,202,213	9,372,213	16,702,213	9,602,213	8,102,213	8,102,213	9,602,213	12,102,213	12,102,213	18,202,213	16,602,213	24,102,213
Depreciation Infrastructure	(9,933,089)	(10,439,580)	(11,314,277)	(11,947,042)	(12,315,418)	(13,028,566)	(13,465,563)	(13,764,453)	(14,069,321)	(14,527,132)	(15,238,839)	(15,964,781)	(16,757,144)	(16,621,730)	(19,352,811)
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)	3,549,146	4,268,167	4,464,785	4,624,838	4,722,435	4,758,022	4,926,657	4,947,922	4,933,634	4,912,968	4,912,728	4,948,249	4,969,963	6,716,729	5,232,208
Net Movement in Infrastructure Assets	35,951,057	9,830,800	8,002,721	4,880,009	1,779,230	8,431,669	1,063,307	(714,318)	(1,033,474)	(11,951)	1,776,102	1,085,681	6,415,032	6,697,212	9,981,610
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings	19,817,000	36,825,000	7,675,000	32,725,000	12,675,000	17,825,000	17,825,000	2,825,000	2,825,000	2,825,000	2,175,000	2,175,000	1,175,000	1,175,000	1,175,000
Furniture and Equipment	1,420,681	1,300,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Plant and Equipment	3,425,600	1,531,306	2,417,455	3,220,144	4,488,334	2,647,183	2,717,478	3,220,702	1,675,390	2,392,945	2,944,775	1,969,287	2,092,572	2,112,743	5,825,675
Total Capital Works Property, Plant and Equipment	24,663,281	39,656,306	10,592,455	36,445,144	17,663,334	20,972,183	21,042,478	6,545,702	5,000,390	5,717,945	5,619,775	4,644,287	3,767,572	3,787,743	7,500,675
Represented by:															
Additions - Assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - Expansion, Upgrades and New	18,427,681	35,900,000	7,000,000	32,050,000	12,000,000	17,150,000	17,150,000	2,150,000	2,150,000	2,150,000	1,500,000	1,500,000	500,000	500,000	500,000
Additions - Renewal	6,235,600	3,756,306	3,592,455	4,395,144	5,663,334	3,822,183	3,892,478	4,395,702	2,850,390	3,567,945	4,119,775	3,144,287	3,267,572	3,287,743	7,000,675
Total Capital Works Property, Plant and Equipment	24,663,281	39,656,306	10,592,455	36,445,144	17,663,334	20,972,183	21,042,478	6,545,702	5,000,390	5,717,945	5,619,775	4,644,287	3,767,572	3,787,743	7,500,675
Asset Movement Reconciliation															
Total Capital Works Property, Plant and Equipment	24,663,281	39,656,306	10,592,455	36,445,144	17,663,334	20,972,183	21,042,478	6,545,702	5,000,390	5,717,945	5,619,775	4,644,287	3,767,572	3,787,743	7,500,675
Depreciation Property, Plant and Equipment	(2,787,729)	(3,579,983)	(3,805,083)	(4,535,685)	(4,879,898)	(5,333,996)	(5,797,176)	(5,969,620)	(6,145,512)	(6,324,923)	(6,494,921)	(6,668,319)	(6,825,186)	(6,985,189)	(7,148,393)
Net Book Value of disposed/Written Off assets	(539,580)	(162,303)	(361,658)	(540,675)	(1,208,196)	(405,416)	(412,951)	(450,504)	(221,092)	(330,958)	(411,559)	(196,577)	(206,330)	(250,701)	(1,322,986)
Revaluation of Property, Plant and Equipment (Inflation)	2,077,743	2,559,861	3,307,556	3,487,069	4,158,058	4,508,775	4,903,735	5,286,809	5,425,226	5,493,143	5,573,384	5,678,085	5,745,365	5,795,597	5,768,286
Net Movement in Property, Plant and Equipment	23,413,715	38,473,881	9,733,270	34,855,853	15,733,298	19,741,546	19,736,086	5,412,387	4,059,012	4,555,207	4,286,679	3,457,476	2,481,421	2,347,450	4,797,582
CAPITAL WORKS - TOTALS															
Capital Works															
Total Capital Works Infrastructure	42,335,000	16,002,213	14,852,213	12,202,213	9,372,213	16,702,213	9,602,213	8,102,213	8,102,213	9,602,213	12,102,213	12,102,213	18,202,213	16,602,213	24,102,213
Total Capital Works Property, Plant and Equipment	24,663,281	39,656,306	10,592,455	36,445,144	17,663,334	20,972,183	21,042,478	6,545,702	5,000,390	5,717,945	5,619,775	4,644,287	3,767,572	3,787,743	7,500,675
Total Capital Works	66,998,281	55,658,519	25,444,668	48,647,357	27,035,547	37,674,396	30,644,691	14,647,915	13,102,603	15,320,158	17,721,988	16,746,500	21,969,785	20,389,956	31,602,888
Fixed Asset Movement															
Net Movement in Infrastructure Assets	35,951,057	9,830,800	8,002,721	4,880,009	1,779,230	8,431,669	1,063,307	(714,318)	(1,033,474)	(11,951)	1,776,102	1,085,681	6,415,032	6,697,212	9,981,610
Net Movement in Property, Plant and Equipment	23,413,715	38,473,881	9,733,270	34,855,853	15,733,298	19,741,546	19,736,086	5,412,387	4,059,012	4,555,207	4,286,679	3,457,476	2,481,421	2,347,450	4,797,582
Net Movement in Fixed Assets	59,364,772	48,304,681	17,735,991	39,735,862	17,512,528	28,173,215	20,799,393	4,698,069	3,025,538	4,543,256	6,062,781	4,543,157	8,896,453	9,044,662	14,779,192

Appendix B10 – Forecast Statement of Capital Funding 2019/20 – 2033/34

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital Expenditure															
Infrastructure - Roads	4,472,000	10,467,213	4,467,213	4,467,213	4,467,213	10,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213
Infrastructure - Footpaths	1,600,000	1,950,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	8,700,000	8,700,000	1,700,000
Infrastructure - Drainage	800,000	2,250,000	1,250,000	1,250,000	1,250,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Infrastructure - Parks and Ovals	110,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Infrastructure - Car Parks	300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other Improvements	35,053,000	1,160,000	7,260,000	4,610,000	1,780,000	3,360,000	2,260,000	760,000	760,000	2,260,000	4,760,000	4,760,000	3,860,000	2,260,000	16,760,000
Buildings	19,817,000	36,825,000	7,675,000	32,725,000	12,675,000	17,825,000	17,825,000	2,825,000	2,825,000	2,825,000	2,175,000	2,175,000	1,175,000	1,175,000	1,175,000
Furniture and Equipment	1,420,681	1,300,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Plant and Equipment	3,425,600	1,531,306	2,417,455	3,220,144	4,488,334	2,647,183	2,717,478	3,220,702	1,675,390	2,392,945	2,944,775	1,969,287	2,092,572	2,112,743	5,825,675
Total - Capital Expenditure	66,998,281	55,658,519	25,444,668	48,647,357	27,035,547	37,674,396	30,644,691	14,647,915	13,102,603	15,320,158	17,721,988	16,746,500	21,969,785	20,389,956	31,602,888
Funded By:															
Capital Grants & Contributions															
Infrastructure - Roads	1,640,333	4,657,357	1,657,357	1,657,357	1,657,357	4,657,357	1,657,357	1,657,357	1,657,357	1,657,357	1,657,357	1,657,357	1,657,357	1,657,357	1,657,357
Infrastructure - Footpaths	270,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000	3,770,000	3,770,000	220,000
Infrastructure - Parks and Ovals	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Infrastructure - Other Improvements	3,810,000	60,000	3,560,000	1,060,000	60,000	1,910,000	1,560,000	60,000	60,000	1,560,000	3,060,000	3,060,000	1,560,000	1,560,000	9,060,000
Buildings	2,307,500	11,192,500	4,000,000	21,500,000	6,000,000	12,250,000	12,250,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0	0	0
Furniture and Equipment	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total - Capital Grants & Contributions	8,127,833	16,204,857	9,512,357	24,512,357	8,012,357	19,112,357	15,762,357	3,012,357	3,012,357	4,512,357	6,012,357	6,012,357	7,012,357	7,012,357	10,962,357
Own Source Funding															
Infrastructure - Roads	2,831,667	5,809,856	2,809,856	2,809,856	2,809,856	5,809,856	2,809,856	2,809,856	2,809,856	2,809,856	2,809,856	2,809,856	2,809,856	2,809,856	2,809,856
Infrastructure - Footpaths	1,330,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	4,930,000	4,930,000	1,480,000
Infrastructure - Drainage	800,000	2,250,000	1,250,000	1,250,000	1,250,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Infrastructure - Parks and Ovals	110,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Infrastructure - Car Parks	300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other Improvements	31,243,000	1,100,000	3,700,000	3,550,000	1,720,000	1,450,000	700,000	700,000	700,000	700,000	1,700,000	1,700,000	2,300,000	700,000	7,700,000
Buildings	17,509,500	25,632,500	3,675,000	11,225,000	6,675,000	5,575,000	5,575,000	1,825,000	1,825,000	1,825,000	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000
Furniture and Equipment	1,320,681	1,300,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Plant and Equipment	2,886,020	1,369,003	2,055,797	2,679,469	3,280,138	2,241,767	2,304,527	2,770,198	1,454,298	2,061,987	2,533,216	1,772,710	1,886,242	1,862,042	4,502,689
Total - Own Source Funding	58,330,868	39,041,359	15,570,653	23,594,325	17,814,994	18,156,623	14,469,383	11,185,054	9,869,154	10,476,843	11,298,072	10,537,566	14,751,098	13,126,898	19,317,545
Borrowings															
Total - Borrowings	0														
Other (Disposals & C/Fwd)															
Plant and Equipment	539,580	162,303	361,658	540,675	1,208,196	405,416	412,951	450,504	221,092	330,958	411,559	196,577	206,330	250,701	1,322,986
Total - Other (Disposals & C/Fwd)	539,580	162,303	361,658	540,675	1,208,196	405,416	412,951	450,504	221,092	330,958	411,559	196,577	206,330	250,701	1,322,986
Total Capital Funding	66,998,281	55,408,519	25,444,668	48,647,357	27,035,547	37,674,396	30,644,691	14,647,915	13,102,603	15,320,158	17,721,988	16,746,500	21,969,785	20,389,956	31,602,888

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B11 – Forecast Ratios 2019/20 – 2033/34

	Target Range		Average	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
LIQUIDITY RATIOS																		
Current Ratio	> 1.00	> 1.20	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23
OPERATING RATIOS																		
Operating Surplus Ratio	> 1.00%	> 15.00%	3.23%	13.85%	9.86%	7.20%	4.99%	3.72%	2.43%	1.59%	1.53%	1.55%	1.43%	0.99%	0.55%	0.11%	0.73%	(2.03%)
Own Source Revenue Coverage Ratio	> 40.00%	> 60.00%	101.21%	110.60%	106.81%	104.57%	102.80%	101.95%	100.64%	99.80%	99.74%	99.78%	99.66%	99.24%	98.82%	98.40%	99.01%	96.39%
BORROWINGS RATIOS																		
Debt Service Cover Ratio	> 3	> 5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Debt Ratio		< 50%		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
FIXED ASSET RATIOS																		
Asset Sustainability Ratio	> 90.00%	> 110.00%	62.35%	104.48%	78.52%	74.37%	73.09%	77.44%	61.13%	58.63%	59.78%	50.72%	52.61%	53.01%	46.60%	45.24%	45.28%	54.35%
Asset Consumption Ratio	> 50.00%	> 60.00%	82.05%	89.43%	89.13%	88.19%	87.71%	86.77%	85.79%	84.60%	83.09%	81.37%	79.73%	78.16%	76.42%	74.80%	73.42%	72.13%
Asset Renewal Funding Ratio	> 75.00%	> 95.00%	89.42%	88.42%	87.87%	91.39%	90.28%	89.16%	N/A									

Appendix B12 – Forecast Planned and Required Asset Renewals 2019/20 – 2033/34

1.6.13 Required Asset Renewals 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings	2,488,001	2,537,761	2,588,516	2,640,287	2,693,092	2,746,954	2,801,893	2,857,931	2,915,090	2,973,391	3,032,859	3,093,516	3,155,387	3,218,495	3,282,864
Infrastructure - Roads	616,165	5,106,968	2,594,066	1,163,290	234,596	2,424,440	154,015	107,583	52,401,439	537,814	624,784	110,735	213,703	122,855	1,639,692
Infrastructure - Footpaths	0	0	0	0	0	0	0	60,616	0	0	0	0	223,811	0	0
Infrastructure - Drainage	0	0	0	0	55,787	0	12,941	0	0	0	0	0	0	0	437,043
Infrastructure - Parks and Ovals	4,412,444	2,974,991	1,333,942	1,003,231	4,650,412	9,595,675	1,373,003	1,993,335	869,133	2,813,576	1,113,828	977,003	2,693,449	991,680	6,054,813
Infrastructure - Car Parks	0	0	0	0	0	0	0	17,738	522,573	0	0	0	0	0	0
Infrastructure - Other Improvements	11,233	366,199	11,687	11,921	12,159	9,219,929	12,651	12,904	13,162	31,799	13,694	446,394	14,247	14,532	14,822
Infrastructure - Depot	13,371	13,639	13,912	982,832	14,474	14,763	15,058	15,360	15,667	15,980	17,455	16,626	16,958	17,297	17,643
Total	7,541,215	10,999,558	6,542,123	5,801,560	7,660,520	24,001,761	4,369,562	5,065,467	56,737,063	6,372,561	4,802,619	4,644,275	6,317,555	4,364,859	11,446,878

1.6.14 Planned Asset Renewals 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings	2,767,000	1,425,000	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000
Furniture and Equipment	1,043,000	1,300,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Plant and Equipment	2,425,600	1,031,306	1,917,455	2,720,144	3,988,334	2,147,183	2,217,478	2,720,702	1,175,390	1,892,945	2,444,775	1,469,287	1,592,572	1,612,743	5,325,675
Infrastructure - Roads	4,472,000	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213	4,467,213
Infrastructure - Footpaths	1,100,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Infrastructure - Drainage	800,000	1,250,000	1,250,000	1,250,000	1,250,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Infrastructure - Parks and Ovals	110,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Infrastructure - Car Parks	300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other Improvements	273,000	160,000	560,000	560,000	560,000	560,000	560,000	560,000	560,000	560,000	560,000	560,000	560,000	560,000	560,000
Total	13,290,600	11,008,519	11,244,668	12,047,357	13,315,547	11,224,396	11,294,691	11,797,915	10,252,603	10,970,158	11,521,988	10,546,500	10,669,785	10,689,956	14,402,888

1.6.15 Asset Renewal Funding Surplus (Deficit) 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings	278,999	(1,112,761)	(1,413,516)	(1,465,287)	(1,518,092)	(1,571,954)	(1,626,893)	(1,682,931)	(1,740,090)	(1,798,391)	(1,857,859)	(1,918,516)	(1,980,387)	(2,043,495)	(2,107,864)
Furniture and Equipment	1,043,000	1,300,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Plant and Equipment	2,425,600	1,031,306	1,917,455	2,720,144	3,988,334	2,147,183	2,217,478	2,720,702	1,175,390	1,892,945	2,444,775	1,469,287	1,592,572	1,612,743	5,325,675
Infrastructure - Roads	3,855,835	(639,755)	1,873,147	3,303,923	4,232,617	2,042,773	4,313,198	4,359,630	(47,934,226)	3,929,399	3,842,429	4,356,478	4,253,510	4,344,358	2,827,521
Infrastructure - Footpaths	1,100,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,139,384	1,200,000	1,200,000	1,200,000	1,200,000	976,189	1,200,000	1,200,000
Infrastructure - Drainage	800,000	1,250,000	1,250,000	1,250,000	1,194,213	1,000,000	987,059	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	562,957
Infrastructure - Parks and Ovals	(4,302,444)	(2,799,991)	(1,158,942)	(828,231)	(4,475,412)	(9,420,675)	(1,198,003)	(1,818,335)	(694,133)	(2,638,576)	(938,828)	(802,003)	(2,518,449)	(816,680)	(5,879,813)
Infrastructure - Car Parks	300,000	0	0	0	0	0	0	(17,738)	(522,573)	0	0	0	0	0	0
Infrastructure - Other Improvements	261,767	(206,199)	548,313	548,079	547,841	(8,659,929)	547,349	547,096	546,838	528,201	546,306	113,606	545,753	545,468	545,178
Infrastructure - Depot	(13,371)	(13,639)	(13,912)	(982,832)	(14,474)	(14,763)	(15,058)	(15,360)	(15,667)	(15,980)	(17,455)	(16,626)	(16,958)	(17,297)	(17,643)
Total	5,749,385	8,961	4,702,545	6,245,797	5,655,027	(12,777,365)	6,925,129	6,732,448	(46,484,460)	4,597,597	6,719,369	5,902,225	4,352,230	6,325,097	2,956,010

Appendix B15 – New Capital Projects 2019/20 – 2033/34

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Grand Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings																
Colin Matheson Change Rooms	0	0	0	400,000	0	0	0	0	0	0	0	0	0	0	0	400,000
Creche at SHAC (utilising existing residence)	200,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	200,000
Depot buildings/structures(permanentbuildings-leaseendsNov2020)	100,000	1,300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	1,400,000
Dog and Cat Pound Welfare Compliant	0	0	0	1,500,000	0	0	0	0	0	0	0	0	0	0	0	1,500,000
JD Hardie Airconditioning Upgrades	2,050,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,050,000
JD Hardie roof Upgrades	2,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,000,000
JDHardieYouthZoneredevelopmentStage2,3,4	150,000	4,850,000	5,000,000	15,000,000	5,000,000	0	0	0	0	0	0	0	0	0	0	30,000,000
PortHedlandcommunityFacilities-McGregorStreetPrecinctStage1	0	0	0	12,000,000	0	0	0	0	0	0	0	0	0	0	0	12,000,000
PortHedlandcommunityFacilities-McGregorStreetPrecinctStage2	150,000	0	0	0	4,850,000	0	0	0	0	0	0	0	0	0	0	5,000,000
Records storage at Depot	150,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	150,000
South Hedland Daycare Centre	2,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,000,000
SouthHedlandSportsPrecinctStage1	250,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	250,000
SouthHedlandSportsPrecinctStage2	0	9,750,000	0	0	0	15,000,000	0	0	0	0	0	0	0	0	0	24,750,000
SouthHedlandSportsPrecinctStage3	0	0	0	0	0	0	15,000,000	0	0	0	0	0	0	0	0	15,000,000
Spoilbank Marina Land side Buildings	2,000,000	10,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	12,000,000
Staff Housing construction	4,000,000	1,500,000	1,500,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	0	0	0	0	0	11,550,000
Stevens Street Retirement Village (refurbishment or re development)	4,000,000	8,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	12,000,000
West End Activation	0	0	0	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0	0	0	10,000,000
Buildings Total	17,050,000	35,400,000	6,500,000	31,550,000	11,500,000	16,650,000	16,650,000	1,650,000	1,650,000	1,650,000	1,000,000	1,000,000	0	0	0	142,250,000
Furniture and Equipment																
JD Hardie internal CCTV upgrade	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50,000
SHAC security program	297,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	297,000
Stretch screen surface and structural components for outdoor movies	30,681	0	0	0	0	0	0	0	0	0	0	0	0	0	0	30,681
Furniture and Equipment Total	377,681	0	0	0	0	0	0	0	0	0	0	0	0	0	0	377,681
Infrastructure-Drainage																
Wanangkura Stadium Drainage	0	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	1,000,000
Infrastructure-Drainage Total	0	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	1,000,000
Infrastructure-Footpaths																
Cooke Point/Pretty Pool pedestrian link	0	250,000	0	0	0	0	0	0	0	0	0	0	0	7,000,000	0	7,250,000
Dual-use Path and lighting Masterplan (executing the plan)	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	7,500,000
Implement Trails Masterplan	0	0	0	0	0	0	0	0	0	0	0	0	7,000,000	0	0	7,000,000
Infrastructure-Footpaths Total	500,000	750,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	7,500,000	7,500,000	500,000	21,750,000
Infrastructure-Other Improvements																
Activate Landfill Masterplan Stage1,2,3 (Land acquire,Transfer Station,Solar)	4,580,000	0	0	350,000	1,020,000	0	0	0	0	0	0	0	0	0	7,000,000	12,950,000
Condon/Shellborough Townsite	0	0	0	0	0	0	0	0	0	0	2,000,000	2,000,000	1,000,000	0	0	5,000,000
Finucane Boat Ramp Renewal	2,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,000,000
Foreshore Management Plan CHRMAP	0	0	1,500,000	0	0	0	1,500,000	0	0	1,500,000	0	0	0	1,500,000	0	6,000,000
Implement Smart City Strategies	2,000,000	0	2,000,000	1,000,000	0	0	0	0	0	0	0	0	0	0	0	5,000,000
Port Hedland Cemetery Masterplan Preparation and implementation	0	300,000	500,000	500,000	0	0	0	0	0	0	0	0	0	0	0	1,300,000
Port Hedland Golf Club Masterplan Preparation and implementation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,000,000	9,000,000
Restricted access control programme	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	3,000,000
Rural residential are as road new and upgrades (Bosna/Redbank/Turner River)	0	0	0	0	0	0	0	0	0	0	2,000,000	2,000,000	1,000,000	0	0	5,000,000
Shade Structures South Hedland Skate Park	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,000,000
SouthHedlandCemeteryMasterplanImplementationStage1	0	0	0	0	0	2,600,000	0	0	0	0	0	0	0	0	0	2,600,000
South Hedland Townsite Masterplan Activation	0	500,000	2,500,000	2,000,000	0	0	0	0	0	0	0	0	1,100,000	0	0	6,100,000
Spoilbank Marina-Waterside	25,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25,000,000
Infrastructure-Other Improvements Total	34,780,000	1,000,000	6,700,000	4,050,000	1,220,000	2,800,000	1,700,000	200,000	200,000	1,700,000	4,200,000	4,200,000	3,300,000	1,700,000	16,200,000	83,950,000
Infrastructure-Roads																
WedgefieldIndustrialRoadNetworkRoute1(Includes Drainage)	0	6,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	6,000,000
WedgefieldIndustrialRoadNetworkRoute2(Includes Drainage)	0	0	0	0	0	6,000,000	0	0	0	0	0	0	0	0	0	6,000,000
Infrastructure-Roads Total	0	6,000,000	0	0	0	6,000,000	0	0	0	0	0	0	0	0	0	12,000,000
Plant and Equipment																
Upgrade facilities on Active Reserves	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	8,000,000
Plant and Equipment Total	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	8,000,000
Grand Total	53,707,681	44,650,000	14,200,000	36,600,000	13,720,000	26,450,000	19,350,000	2,850,000	2,850,000	4,350,000	6,200,000	6,200,000	11,300,000	9,700,000	17,200,000	269,327,681

Appendix B16 – Renewal Capital Projects 2019/20 – 2033/34

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Grand Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings																
Ablutions Facilities	150,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	1,900,000
CivicCentrandGratwickHallrefurbishmentStage3	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,000,000
Community Building-Facilities Renewal Program	900,000	870,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	10,870,000
Dog and Cat Pound Welfare Compliant	37,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	37,000
GAC gym refurbishment	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000
Staff Housing Renewal and Upgrade Program	500,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	5,400,000
Sustainable Landscaping-Staff Housing	80,000	80,000	0	0	0	0	0	0	0	0	0	0	0	0	0	160,000
Buildings Total	2,767,000	1,425,000	1,175,000	19,467,000												
Furniture and Equipment																
Furniture and Equipment/IT Renewals		300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	4,200,000
Ice Machine	18,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18,000
IS/IT Renewals and Upgrades	1,000,000	1,000,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	4,600,000
Mosquito Fogger	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25,000
Furniture and Equipment Total	1,043,000	1,300,000	500,000	8,843,000												
Infrastructure-Car Parks																
Car park renewal	300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	300,000
Infrastructure-Car Parks Total	300,000	0	300,000													
Infrastructure-Drainage																
Drainage Renewal Program	350,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	10,150,000
Flood water and Drainage Strategy works -Wedgefield	0	250,000	250,000	250,000	250,000	0	0	0	0	0	0	0	0	0	0	1,000,000
Irrigation in ground renewal	200,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	4,400,000
McGregorStreettankreplacement#2	250,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	250,000
Infrastructure-Drainage Total	800,000	1,250,000	1,250,000	1,250,000	1,250,000	1,000,000	15,800,000									
Infrastructure-Footpaths																
Footpath renewal program	1,000,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	17,800,000
Kerbing renewal	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000
Infrastructure-Footpaths Total	1,100,000	1,200,000	17,900,000													
Infrastructure-Other Improvements																
Activate Landfill Masterplan Stage1,2,3 (Land acquire,Transfer Station,Solar)	0	0	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	5,200,000
Bus Shelters	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	900,000
Public bin renewal	113,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	113,000
Shade Structures	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,500,000
Infrastructure-Other Improvements Total	273,000	160,000	560,000	7,713,000												
Infrastructure-Parks and Ovals																
Access Inclusion Maintenance -AIM	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	700,000
Turf Renewal	110,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	1,860,000
Infrastructure-Parks and Ovals Total	110,000	175,000	2,560,000													
Infrastructure-Roads																
Preliminary works Road Safety Audit and Compliance Improvement	150,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,550,000
Remote Community Roads	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	2,250,000
Roads Program	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	30,000,000
Roads Program-Regional Road Group	1,370,000	1,454,568	1,454,568	1,454,568	1,454,568	1,454,568	1,454,568	1,454,568	1,454,568	1,454,568	1,454,568	1,454,568	1,454,568	1,454,568	1,454,568	21,733,952
Roads Program-Roads to Recovery	652,000	612,645	612,645	612,645	612,645	612,645	612,645	612,645	612,645	612,645	612,645	612,645	612,645	612,645	612,645	9,229,030
Traffic Calming Program	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	2,250,000
Infrastructure-Roads Total	4,472,000	4,467,213	67,012,982													
Plant and Equipment																
Plant Replacement	1,425,600	681,306	1,567,455	2,370,144	3,638,334	1,797,183	1,867,478	2,370,702	825,390	1,542,945	2,094,775	1,119,287	1,242,572	1,262,743	4,975,675	28,781,589
Playground Replacement Program	1,000,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	5,900,000
Plant and Equipment Total	2,425,600	1,031,306	1,917,455	2,720,144	3,988,334	2,147,183	2,217,478	2,720,702	1,175,390	1,892,945	2,444,775	1,469,287	1,592,572	1,612,743	5,325,675	34,681,589
Grand Total	13,290,600	11,008,519	11,244,668	12,047,357	13,315,547	11,224,396	11,294,691	11,797,915	10,252,603	10,970,158	11,521,988	10,546,500	10,669,785	10,689,956	14,402,888	174,277,571

Appendix B17 – Forecast Significant Accounting Policies

Basis of Preparation

The Long Term Financial Plan (the Plan) comprises general purpose financial statements. These have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities and to the extent they are not inconsistent with the *Local Government Act 1995* and accompanying regulations), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Accounting policies which have been adopted in the preparation of the Plan are presented below and have been consistently applied unless stated otherwise.

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

Critical Accounting Estimates

The preparation of 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 Town 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.

(a) 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.

(b) Rounding Off Figures

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

(c) Comparative Figures

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

(d) 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 Town.

(e) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(f) 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.

(g) 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.

Appendix B17 – Forecast Significant Accounting Policies (Continued)

(h) 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.

(i) 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.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

(j) 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.

(k) 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.

Land under roads

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 - Land Under Roads* and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

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

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

Depreciation

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:

Appendix B17 – Forecast Significant Accounting Policies (Continued)

(k) Fixed Assets (Continued)

Asset Class	Effective average depreciation rate
Buildings	2.00%
Infrastructure - Roads	3.05%
Infrastructure - Footpaths	2.00%
Infrastructure - Drainage	1.22%
Infrastructure - Parks and Ovals	5.90%
Infrastructure - Car Parks	2.31%
Infrastructure - Other Improvements	9.79%
Infrastructure - Depot	2.92%

Depreciation (Continued)

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 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.

(l) Impairment of Assets

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. *AASB 116*) whereby any impairment loss of a revaluation decrease in accordance with that other standard.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of the preparation of the Plan, it is not possible to estimate the amount of impairment losses.

(m) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Town prior to the end of the financial year that are unpaid and arise when the Town 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.

(n) Employee Benefits

Short-Term Employee Benefits

Provision is made for the Town'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 Town'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. The Town's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other 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 or 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 re-measurements 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 Town's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Town 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.

(o) 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.

Appendix B17 – Forecast Significant Accounting Policies (Continued)

(p) Provisions

Provisions are recognised when the Town has a legal or constructive obligation, as a result of past events and it is probable that an outflow of economic benefits will result and the 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.

(q) Leases

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

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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

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

(r) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Town's operational cycle. In the case of liabilities where the Town does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Town'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.

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.

Appendix C1 – Glossary (Continued)

Non-Revenue Generating Investments

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

Operations Expenditure

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

Pavement Management System

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

Recoverable Amount

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

Recurrent Expenditure

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

Recurrent Funding

Funding to pay for recurrent expenditure.

Remaining Useful Life

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

Renewal

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

Residual Value

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

Revenue Generating Investments

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

Risk Management

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

Section or Segment

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

Service Potential

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

Service Potential Remaining

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

Specific Maintenance

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

Sub-Component

Smaller individual parts that make up a component part.

Useful Life

May be expressed as either:

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

Other Matters

Preparation

This Plan was prepared for the Town of Port Hedland by Moore Stephens.

Reliance

This Plan has been prepared for the exclusive use of the Town of Port Hedland 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 Stephens'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 Town of Port Hedland. 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 Town of Port Hedland.

This Plan contains quantitative and qualitative statements, including projections, estimates, opinions and forecasts concerning the anticipated future performance of Town of Port Hedland 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, are outside the control of the Town of Port Hedland. Actual future events may vary significantly from the Forward Looking Statements. Recipients should make their own investigations and enquiries regarding assumptions, uncertainties and contingencies potentially affect the Town of Port Hedland and the impact that a variation in future outcomes may have on the Plan and the Town of Port Hedland.

Disclaimer

The services provided in terms of this engagement comprise an advisory engagement and is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standard Board and, consequently, no opinions or conclusions are intended to convey assurance either expressed or implied.

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